Annual Securities Report

SOJITZ CORPORATION AND SUBSIDIARIES

For the year ended March 31, 2025

Together with Independent Auditor's Report

Contents

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

1. Overview of Sojitz and Its Subsidiaries

1. Selected Financial Data

(1) Consolidated financial data

Fiscal year		18th	19th	20th	21st	22nd
Year ended		March 31,2021	March 31,2022	March 31,2023	March 31,2024	March 31,2025
Revenue	(Millions of Yen)	1,602,485	2,100,752	2,479,840	2,414,649	2,509,714
Profit before tax	(Millions of Yen)	37,420	117,295	155,036	125,498	135,300
Profit for the year (attributable to owners of the Company)	(Millions of Yen)	27,001	82,332	111,247	100,765	110,636
Comprehensive income for the year (attributable to owners of the Company)	(Millions of Yen)	59,111	142,429	138,434	168,317	103,239
Total equity attributable to owners of the Company	(Millions of Yen)	619,111	728,012	837,713	924,076	968,956
Total assets	(Millions of Yen)	2,300,115	2,661,680	2,660,843	2,886,873	3,087,252
Equity attributable to owners of the Company per share	(Yen)	2,581.58	3,153.90	3,629.34	4,238.81	4,595.93
Basic earnings per share attributable to owners of the Company	(Yen)	112.53	352.65	481.94	450.97	513.74
Diluted earnings per share attributable to owners of the Company	(Yen)	112.53	352.65	-	450.97	513.74
Equity attributable to owners of the Company ratio	(%)	26.9	27.4	31.5	32.0	31.4
Return on equity (ROE)	(%)	4.5	12.2	14.2	11.4	11.7
Price Earnings Ratio	(Times)	13.9	5.7	5.7	8.8	6.4
Cash flows from operating activities	(Millions of Yen)	84,972	65,084	171,639	112,187	(16,688)
Cash flows from investing activities	(Millions of Yen)	(35,676)	(138,819)	29,157	12,429	(94,106)
Cash flows from financing activities	(Millions of Yen)	(40,621)	46,898	(230,367)	(186,523)	106,388
cash and cash equivalents at end of the year	(Millions of Yen)	287,597	271,651	247,286	196,275	192,299
Number of employees [excluding average number of part-time employees]	(Number of persons)	19,463 [4,678]	20,673 [4,940]	20,669 [5,754]	22,819 [4,996]	25,118 [5,547]

(Notes)
1. The consolidated financial statements have been prepared on the basis of International Financial Reporting Standards.
2. Consumption tax etc. is not included into revenue.
3. The company conducted a five-for-one consolidation of common shares of stock effective October 1, 2021. Total equity per share attributable to owners of the Company, basic earnings per share (attributable to owners of the Company) and diluted earnings per share (attributable to owners of the Company) have been calculated based on the assumption that the share consolidation had been conducted on April 1, 2020.
4. The number of employees represents the number of persons in employment.
5. Diluted earnings per share (attributable to owners of the parent company) for the 20th fiscal year is not shown because there are no residual shares.

(2) Non-consolidated financial data

Fiscal year		18th	19th	20th	21st	22nd
Year ended		March 31,2021	March 31,2022	March 31,2023	March 31,2024	March 31,2025
Revenue	(Millions of Yen)	-	678,262	763,373	568,742	627,625
Net sales	(Millions of Yen)	2,334,428	-	-	-	-
Ordinary profit	(Millions of Yen)	35,345	55,543	91,799	77,155	68,656
Net income	(Millions of Yen)	39,462	50,389	81,927	80,888	72,993
Capital stock	(Millions of Yen)	160,339	160,339	160,339	160,339	160,339
Number of Shares outstanding	(Shares)	Common stock 1,251,499,501	Common stock 250,299,900	Common stock 250,299,900	Common stock 225,000,000	Common stock 225,000,000
Net assets	(Millions of Yen)	420,405	460,636	481,583	493,734	505,807
Total assets	(Millions of Yen)	1,500,259	1,683,267	1,588,873	1,688,744	1,845,911
Net assets per share	(Yen)	1,753.01	1,995.57	2,086.43	2,264.80	2,399.13
Dividend per share (of which, interim dividend per share)	(Yen) (Yen)	Common stock 10.00 (5.00)	Common stock 106.00 (45.00)	Common stock 130.00 (65.00)	Common stock 135.00 (65.00)	Common stock 150.00 (75.00)
Basic earnings per share	(Yen)	164.46	215.83	354.92	362.01	338.94
Diluted earnings per share	(Yen)	-	-	-	-	-
Capital adequacy ratio	(%)	28.0	27.4	30.3	29.2	27.4
Return on equity	(%)	9.7	11.4	17.4	16.6	14.6
Price-earnings ratio	(Times)	9.5	9.3	7.8	11.0	9.7
Payout ratio	(%)	30.4	49.1	36.6	37.3	44.3
Number of employees [excluding average number of part-time employees]	(Number of persons)	2,099 [124]	2,073 [88]	2,027 [70]	2,035 〔61〕	2,049 〔59〕
Total shareholder return (Comparative index: TOPIX total return index)	(%) (%)	86.9 (128.6)	115.8 (131.2)	160.7 (138.8)	230.4 (190.2)	303.4 (213.4)
Highest share price	(Yen)	330	2,129 (369)	2,863	4,122	4,408
Lowest share price	(Yen)	221	1,591 (299)	1,835	2,715	2,714

(Note)
1. Effective April 1, 2021, Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No.29, March 31, 2020) has been applied, changing the method of calculation used for revenue.
2. Consumption tax etc. is not included into revenue and net sales.
3. Effective October 1, 2021, the Company conducted a five-for-one share consolidation of common shares of stock. Figures for earnings per share and net assets per share are calculated based on the assumption that stock consolidation was conducted with an effective date of April 1, 2020.
4. Diluted earnings per share is not displayed as there were no potential shares with dilutive effects.
5. Effective October 1, 2021, the Company conducted a five-for-one share consolidation of common shares of stock. The dividend per share for the year ended in March 21, 2022 is 106 yen, consisting of an interim dividend of 45 yen and a year-end dividend of 61 yen, based on the number of shares after the share consolidation. The interim dividend before the share consolidation was 9 yen.
6. The number of employees represents the number of persons in employment.
7. The highest and lowest share prices are those on the First Section of the Tokyo Stock Exchange before April 3, 2022, and on the Prime Market of the Tokyo Stock Exchange after April 4, 2022.The highest and lowest share prices for the year ended March 31, 2022 are after the share consolidation, and the highest and lowest share prices before the share consolidation are shown in parentheses.

2. History

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

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

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

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

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

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

3. Business Overview

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

The Group consists of 469 consolidated subsidiaries and equity method associates, including 346 consolidated subsidiaries and 123 equity method associates. (Of these, the Company directly performs consolidation accounting for a total of 247 companies, consisting of 175 consolidated subsidiaries and 72 equity method associates.)

Effective April 1, 2024, the Company reorganized its Aerospace & Transportation Project and Infrastructure & Healthcare segments and changed its reportable segment classification to Aerospace, Transportation & Infrastructure, Energy Solutions & Healthcare, and Others.

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

As of March 31, 2025

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Automotive Number of consolidated subsidiaries : 47 Number of equity method associates : 5	Trading of completed automobiles; Assembly and wholesales operations; Retail sales operations; Quality inspection operations; Financing; Sales and service operations incorporating digital technologies	- Sojitz Auto Group Japan Corporation (automobile retail sales; Subsidiary) - Albert Automotive Holdings Pty Ltd (sales business of used cars in Australia; Subsidiary) - Sojitz de Puerto Rico Corporation (import and sales of automobiles in Puerto Rico; Subsidiary) - SILABA MOTORS, S.A. (import and sales of automobiles in Panama; Subsidiary)
Aerospace, Transportation & Infrastructure Number of consolidated subsidiaries : 39 Number of equity method associates : 14	Aero business (commercial aircraft, defense and related equipment agency and sales, business jets, used aircraft and part-out business); Transportation and social infrastructure projects (transportation projects, airport, port, and other social infrastructure projects); Industrial and urban infrastructure (industrial park, housing, office, smart cities, data center); Marine business (new building, second-hand ships, purchase and charter of new and used vessels, ship chartering, ship owning)	- Sojitz Aerospace Corporation (import, export and sale of aero-related and defense-related equipment; Subsidiary) - Japcon Inc. (jet sales, aircraft operation management,maintenance and air transportation; Subsidiary) - Phenix Jet International, LLC (management, charter Service; Subsidiary) - Long Duc Investment Co., Ltd. (Industrial and urban infrastructure; Subsidiary) - PT. Puradelta Lestari Tbk - (Industrial and urban infrastructure; Equity method associate)

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Energy Solutions & Healthcare Number of consolidated subsidiaries :73 Number of equity method associates :33	Renewable energy business (IPP infrastructure investment, electricity retail, related service project); Gas-fired power plant (IPP/IWPP infrastructure investment); Energy conservation business; Energy (Oil and gas, LNG business); Nuclear power related business(nuclear fuels and related equipment); ICT infrastructure projects (telecommunications tower); Healthcare project(hospital PPP, public healthcare, medical-related service, healthcare new technology); Industrial Machinery; Bearings; Automobile and motorcycle parts; Automotive Process; Marine business; Power, energy and plant business	- Sojitz Machinery Corporation (general industrial machinery, bearing, automobile and motorcycle components, sales and purchase of marine equipments ; Subsidiary) - Starwind Offshore GmbH (loan in ocean wind power generation business; Subsidiary) - Sojitz Global Investment B.V. (investment in power generation projects; Subsidiary) -Ellis Air Group Pty Ltd. (energy conservation business; Subsidiary) -CLIMATECH GROUP HOLDINGS PTY LTD (energy conservation business; Subsidiary) -Sojitz Mirai Power Corporation (domestic solar power business, power plant management and operations; Subsidiary) - Sojitz Hospital PPP Investment B.V. (investment in hospital PPP business; Subsidiary) - SOJITZ HEALTHCARE AUSTRALIA PTY LTD. (investment in hospital PPP business; Subsidiary) - Qualitas Medical Limited (clinic Chains; Equity method associate) -LNG Japan Corporation (LNG business and related investments and loans; Equity method associate)
Metals, Mineral Resources & Recycling Number of consolidated subsidiaries : 20 Number of equity method associates : 12	Coal; Iron ore; Ferroalloys (nickel, chromium,Niobium), Ores; Alumina; Aluminum; Copper; Precious metals; Ceramics and minerals; Coke; Carbon products; Steel-related business; Resource recycling business	- Sojitz JECT Corporation (trading in coke, carbon products and various minerals; Subsidiary) - Sojitz Development Pty ltd. (investment in coal mines; Subsidiary) - Sojitz Resources (Australia) Pty. Ltd. (production of alumina; Subsidiary) -Metal One Corporation (import, export, and sale of, and domestic and foreign trading in, steel-related products; Equity method associate) -Japan Alumina Associates (Australia) Pty Ltd (production of alumina; Equity method associate)
Chemicals Number of consolidated subsidiaries : 19 Number of equity method associates : 9	Organic chemicals; Inorganic chemicals; Functional chemicals; Fine chemicals; Industrial salt; Healthcare and natural products; Rare earths; Commodity resins; Advanced resins; Environmentally friendly resins; Packaging materials for industry and foodstuffs; Advanced film; Plastic molding machines; Other plastic products; Electronics materials including liquid crystals, electrolytic copper foil, printed circuit board electronics materials; Fiber materials and products for use in industrial supplies	- Sojitz Pla-Net Corporation (trading and sale of plastics raw materials and products; Subsidiary) - Pla Matels Corporation (trading and sale of plastics raw materials and products; Subsidiary) - P.T. Kaltim Methanol Industri (manufacture and sale of methanol; Subsidiary)

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Consumer Industry & Agriculture Business Number of consolidated subsidiaries : 24 Number of equity method associates : 16	Grains; Wheat flour; Oil stuff; Feed materials; Confectionery; Raw ingredients for confectionery; Other foodstuffs and raw ingredients; Compound chemical fertilizers; Construction materials; Imported timber; Timber products such as lumber, Plywood and laminated lumber; Housing materials;Manufacture and sale of wood chips; Papermaking; Decarbonization(biomass, carbon credit); Agriculture; Regional revitalization	-Sojitz Building Materials Corporation (sale of construction materials, construction planning, research, design, supervision and contracting; Subsidiary) -Thai Central Chemical Public Co., Ltd (manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary) -Saigon Paper Corporation (manufacture and sale of household and industrial paper and other paper products; Subsidiary) -Atlas Fertilizer Corporation (manufacture and sale of compound chemical fertilizers; sale of imported fertilizer products; Subsidiary)
Retail & Consumer Service Number of consolidated subsidiaries : 33 Number of equity method associates : 24	Food and consumer goods distribution businesses; Convenience store business; Food service business; Shopping center management; Real estate development; Consignment sales; Rent; Administration and management businesses (housing,office,etc.); Sugar; Saccharified products; Wheat flour; Grain; Oils and fats; Starch flour; Dairy products; Crop processors and indigent; Livestock products and livestock-related processed products; Processed marine products and marine products; Other foodstuffs and raw ingredients; Imported tabacco; Cotton and synthetic fabrics; Knitted fabrics and products; Clothing; Bedclothes and home fashion-related products;General commodities; Medical materials	-Sojitz Foods Corporation (sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) -The Marine Foods Corporation (manufacture and sale of processed marine food products, import and sale of marine product raw materials; Subsidiary) - TRY Inc. (sale and processing of tuna; Subsidiary) - DaiTanViet Joint Stock Company (Daily ingredients and commercial food wholesale business; Subsidiary) - Sojitz Fashion Co., Ltd. (processing and sale of fabrics; Subsidiary) - Sojitz Infinity Inc. (planning, manufacture, and sale of apparel; Subsidiary) -Sojitz LifeOne Corporation (condominium and office building management, real estate agency services; Subsidiary) -Sojitz Royal In-flight Catering Co., Ltd. (preparation, sale, and loading of in-flight meals; food sales; bonded warehouse business; Subsidiary) - ROYAL HOLDINGS Co., Ltd. (restaurant, Hotels, Contract, Food manufacturing; Equity method associate) *1 -JALUX Inc. (logistics and services in the in-flight, airport retail, lifestyle-related, customer service; Equity method associate) - Fuji Nihon Corporation (manufacture, refining, processing and sale of sugar; Equity method associate) *1,2

Segment	Main products and services	Main subsidiaries and associates (Main business; Status within consolidated group)
Other Number of consolidated subsidiaries : 21 Number of equity method associates : 3	Administration; Domestic branches; Logistics and insurance services; Network services; Cloud-based data centers	- Sojitz Kyushu Corporation (domestic regional operating company; Subsidiary) - Sojitz Tech-Innovation Co., Ltd. (IT systems, network services; Subsidiary) *3 -Sojitz Logistics Corporation (logistic services, land, sea and air cargo handling, international non vessel operating, common carrier (NVOCC) transportation; Subsidiary) - Sojitz Insurance Agency Corporation (insurance agency services; Subsidiary) - Sojitz Tourist Corporation (travel agency; Subsidiary) - Sojitz Shared Service Corporation (shared services and consulting regarding HR, accounting and finance, temporary staffing services; Subsidiary) - Sojitz Research Institute (Research and consulting; Subsidiary) - SAKURA Internet Inc. (cloud services and internet data center operator; Equity method associate) *1
Overseas branches Number of consolidated subsidiaries : 70 Number of equity method associates : 7	We are engaged in a wide range of activities as a general trading company, trading in thousands of products overseas. In the segment information, the business segments are included based on the similarity of the products handled.	- Sojitz Corporation of America (Subsidiary) - Sojitz Corporation of Europe B.V. (Subsidiary) - Sojitz Europe Trade Holdings GmbH(Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary)

(*1) Of the subsidiaries and associates, the following companies are listed on the Japanese stock exchanges as of March 31, 2025:

・ROYAL HOLDINGS Co., Ltd. (TSE Prime Market, Fukuoka Stock Exchange)

・Fuji Nihon Corporation (TSE Standard Market)

・SAKURA Internet Inc. (TSE Prime Market)

(*2) As of October 1, 2024, Fuji Nihon Seito Corporation changed its name to Fuji Nihon Corporation.

(*3) As of July 1, 2024, Nissho Electronics Corporation changed its company name to Sojitz Tech-Innovation Co., Ltd.

4. Affiliated Companies

(1) Major Subsidiaries

As of March 31, 2025

Segment	Registered Name	Location	Share capital or loans (Millions of Yen)	Ownership of voting shares(%) *2	Relation details			
					Concurrent directors, etc. (persons)	Loan	Business transactions	Equipment Leasing
Automotive	Sojitz Auto Group japan Corporation	Shibuya-ku, Tokyo	100	100.0	10	Yes	Sojitz is a seller of goods.	Land Building
	Albert Automotive Holdings Pty Ltd	Melbourne, Australia	AUD 146,742 thousands	100.0	4	No	-	-
	Sojitz de Puerto Rico Corporation	Catano, Puerto Rico	USD 7,000 thousands	100.0	3	No	Sojitz is a seller of goods.	-
	SILABA MOTORS, S.A.	Panama, Panama	USD 4,710 thousands	100.0	4	No	-	-
	Others: 43 consolidated subsidiaries							
Aerospace, Transportation & Infrastructure	Sojitz Aerospace Corporation	Chiyoda-ku, Tokyo	1,410	100.0	7	No	Sojitz is a seller of goods.	Building
	Japcon Inc.	Minami-ku, Okayama-shi	3	100.0	4	No	-	-
	Phenix Jet International, LLC	Hagatna, U.S.A	USD 650 thousands	75.0 (75.0)	1	No	-	-
	Long Duc Investment Co., Ltd.	Long Thanh, Vietnam	VND 216,672 millions	88.0 (88.0)	2	No	Sojitz is the entrusted party for the operations related to introducing tenants.	-
	Others: 35 consolidated subsidiaries							
Energy Solutions & Healthcare	Sojitz Machinery Corporation	Chiyoda-ku,Tokyo	1,480	100.0	10	No	-	Building
	Orchid Wind Power GmbH *1	Duesseldorf, Germany	EUR 580,530 thousands	100.0	1	No	-	-
	Starwind Offshore GmbH *1	Duesseldorf, Germany	EUR 859,935 thousands	100.0	1	No	-	-
	Sojitz Global Investment B.V.	Amsterdam, Netherland	USD 37 thousands	100.0	2	No	Sojitz is the entrusting party for the operations related to dispatching directors to our investee companies.	-
	Sojitz Energy Solution Australia Pty Ltd *1	Sydney, Australia	AUD 185,477 thousands	100.0	2	No	-	-
	Ellis Air Group Pty Ltd *1	Melbourne, Australia	AUD 201,548 thousands	91.7 (91.7)	3	No	-	-
	CLIMATECH GROUP HOLDINGS PTY LTD	Kogarah, Australia	AUD 10,970 thousands	70.0 (70.0)	1	No	-	-
	Sojitz Mirai Power Corporation	Chiyoda-ku,Tokyo	10	100.0	3	No	-	Building
	Sojitz Hospital PPP Investment B.V. *1	Amsterdam, Netherland	24,570	100.0	2	No	-	-
	SOJITZ HEALTHCARE AUSTRALIA PTY LTD	Sydney, Australia	AUD 60,177 thousands	100.0	2	No	-	-
	Others: 63 consolidated subsidiaries							
Metals, Mineral Resources & Recycling	Sojitz JECT Corporation	Minato-ku, Tokyo	460	100.0	6	No	Sojitz is the entrusting party for product sales operations.	-
	Sojitz Development Pty Ltd	Brisbane, Australia	AUD 111,500 thousands	100.0	5	Yes	-	-
	Sojitz Resources (Australia) Pty. Ltd. *1	Perth, Australia	AUD 237,841 thousands	100.0 (3.3)	2	No	-	-
	Others: 17 consolidated subsidiaries							
Chemicals	Sojitz Pla-Net Corporation	Chiyoda-ku, Tokyo	3,000	100.0	6	No	Sojitz is a supplier of raw material and seller of a part of goods.	Building
	Pla Matels Corporation	Shinagawa-ku, Tokyo	793	100.0 (100.0)	9	No	Sojitz is a supplier of raw material.	-
	PT. Kaltim Methanol Industri	Jakarta, Indonesia	USD 10,374 thousands	85.0	6	No	Sojitz is a buyer of goods.	-
	Others: 16 consolidated subsidiaries							

Segment	Company name	Location	Share capital or loans (Millions of Yen)	Ownership of voting shares (%) *2	Relation details: Concurrent directors, etc. (persons)	Relation details: Loan	Relation details: Business transactions	Relation details: Equipment leasing
Consumer Industry & Agriculture Business	Sojitz Building Materials Corporation	Chiyoda-ku, Tokyo	1,039	100.0	7	No	Sojitz is a seller of goods.	Building
	Thai Central Chemical Public Co., Ltd.	Bangkok, Thailand	THB 1,754,142 thousands	97.9 (49.1)	8	No	-	-
	Saigon Paper Corporation	Phu My, Vietnam	VND 2,081,890 millions	97.7	6	No	-	-
	Atlas Fertilizer Corporation	Manila, Philippine	PHP 465,034 thousands	100.0	6	No	Sojitz is a supplier of raw material.	-
	Others: 20 consolidated subsidiaries							
Retail & Consumer Service	Sojitz Foods Corporation	Minato-ku, Tokyo	412	100.0	10	No	Sojitz is a seller and a buyer of goods.	Building
	The Marine Foods Corporation	Minato-ku, Tokyo	1,833	100.0	7	No	-	-
	TRY Inc.	Shimizu-ku, Shizuoka-shi	67	100.0	8	No	Sojitz is a seller of goods.	-
	DaiTanViet Joint Stock Company	Ho Chi Minh, Vietnam	VND 250,500 millions	100.0	7	No	-	-
	Sojitz Fashion Co., Ltd.	Chuo-ku, Osaka-shi	200	100.0	7	No	-	-
	Sojitz Infinity Inc.	Minato-ku, Tokyo	100	100.0	5	No	Sojitz is the entrusting party for product sales operations	-
	Sojitz LifeOne Corporation	Minato-ku, Tokyo	324	100.0	7	No	Sojitz is the entrusting party for real estate management services.	Building
	Sojitz Royal In-flight Catering Co., Ltd.	Sennan-shi, Osaka	100	60.0	3	Yes	-	-
	Others: 25 consolidated subsidiaries							
Others	Sojitz Kyushu Corporation	Chuo-ku, Fukuoka-shi	500	100.0	5	No	Sojitz is a seller of goods.	-
	Sojitz Tech-Innovation Co., Ltd *3.	Chiyoda-ku, Tokyo	5,000	100.0	7	No	Sojitz is the entrusting party for system-related operations.	Building
	Sojitz Logistics Corporation	Chiyoda-ku, Tokyo	100	100.0	4	No	Sojitz is the entrusting party for logistics-related operations.	Building
	Sojitz Insurance Agency Corporation	Chiyoda-ku, Tokyo	200	100.0	5	No	Sojitz Insurance Agency Corporation is an agency for non-life insurance.	Building
	Sojitz Tourist Corporation	Chiyoda-ku, Tokyo	30	100.0	4	Yes	Sojitz Tourist Corporation is an agency for business travel.	Building
	Sojitz Shared Service Corporation	Chiyoda-ku, Tokyo	60	100.0	5	No	Sojitz is the entrusting party for function-related operations.	Building
	Sojitz Research Institute, Ltd.	Chiyoda-ku, Tokyo	41	100.0	4	No	Sojitz is the entrusting party for research, study, and development operations.	Building
	Others: 14 consolidated subsidiaries							

Overseas Branches	Sojitz Corporation of America *1	New York, U.S.A	USD 337,937 thousands	100.0	6	No	Sojitz is a seller and a buyer of goods.	-
	Sojitz Corporation of Europe B.V.	Amsterdam, Netherland	EUR 64,010 thousands	100.0	3	No	Sojitz is the entrusting party for functional operations in the European region.	-
	Sojitz Europe Trade Holdings GmbH	Duesseldorf, Germany	EUR 42,099 thousands	100.0	3	No	-	-
	Sojitz Asia Pte. Ltd. *1	Singapore, Singapore	USD 136,507 thousands	100.0	3	No	Sojitz is a seller and a buyer of goods.	-
	Sojitz (China) Co., Ltd.	Beijing, China	USD 60,000 thousands	100.0	5	No	Sojitz is a seller of goods.	-
	Others: 65 consolidated subsidiaries							

(Note)

*1: These companies are specified subsidiaries. Additionally, other than the aforementioned companies, Sojitz Europe plc, an overseas office, and Sojitz Energy Services LLC, a subsidiary of Sojitz Corporation of America, are also specified subsidiaries.

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

*3: As of July 1, 2024, Nissho Electronics Corporation changed its company name to Sojitz Tech-Innovation Co., Ltd.

(2) Equity Method Associates

As of March 31, 2025

Segment	Company name	Location	Share capital or loans (Millions of Yen)	Ownership of voting shares (%)*3	Relation details			
					Concurrent directors, etc. (persons)	Loan	Business transactions	Equipment leasing
Automotive	5 equity method associates							
Aerospace & Transportation & Infrastructure	PT. Puradelta Lestari Tbk	Jakarta, Indonesia	IDR 4,819,811 millions	25.0	3	No	-	-
	Others: 13 equity method associates							
Energy Solutions & Healthcare	Qualitas Medical Limited	Singapore, Singapore	SGD 317,780 thousands	21.3	1	No	-	-
	LNG Japan Corporation	Chiyoda-ku, Tokyo	22,142	50.0	4	No	-	-
	Others: 31 equity method associates							
Metals, Mineral Resources & Recycling	Metal One Corporation	Chiyoda-ku, Tokyo	100,000	40.0	8	No	-	-
	Japan Alumina Associates (Australia) Pty Ltd	Perth, Australia	AUD 224,480 thousands	50.0	1	No	Sojitz is a buyer of goods.	-
	Others: 10 equity method associates							
Chemicals	9 equity method associates							
Consumer Industry & Agriculture Business	16 equity method associates							
Retail & Consumer Service	ROYAL HOLDINGS Co., Ltd. *1 *2	Hakata-ku, Fukuoka-shi	17,830	19.9	3	No	-	-
	JALUX Inc.	Minato-ku, Tokyo	2,558	22.2	5	No	-	-
	SJ Future Holdings Corporation *4	Shinagawa-ku, Tokyo	100	49.5	2	No	-	-
	Fuji Nihon Corporation *1 *5	Chuo-ku, Tokyo	1,524	33.4 (1.6)	4	No	-	-
	Others: 20 equity method associates							
Others	SAKURA Internet Inc. *1	Kita-ku, Osaka-shi	11,283	26.4	5	No	-	-
	Others: 2 equity method associates							

Overseas Branches	7 equity method associates

(Note)
*1 Annual Securities Report has been filed.
*2 Although the Company's ownership interest is less than 20/100, it is accounted for by the equity method associates due to the substantial influence it exerts.
*3 Figures in parentheses in “Ownership of voting shares” indicate the indirect ownership ratio.
*4 SJ Future Holdings Corporation owns 48.1% of the voting rights of JALUX Inc.
*5 As of October 1, 2024, Fuji Nihon Seito Corporation changed its company name to Fuji Nihon Corporation.

5. Employees

(1) Sojitz & Subsidiaries

As of March 31, 2025

Operating Segment	Number of Employees	
Automotive	5,446	[1,131]
Aerospace, Transportation & Infrastructure	1,252	[70]
Energy Solutions & Healthcare	3,234	[486]
Metals, Mineral Resources & Recycling	861	[80]
Chemicals	1,601	[157]
Consumer Industry & Agriculture Business	3,823	[1,388]
Retail & Consumer Service	5,982	[1,732]
Others	2,919	[503]
Total	25,118	[5,547]

(Note)
The number of employees includes employees that have been assigned to the Company Group from companies outside the Company Group and excludes employees that have been assigned to companies outside the Company Group. The figures in parentheses in the number of employees column indicate the annual average number of contract employees.

(2) Sojitz

As of March 31, 2025

Number of Employees	Average Age	Average Years of Service	Average Yearly Salary (Yen)
2,486	41.0	15.0	12,742,594

The number of employees, includes 71 employees locally hired at overseas offices and 32 employees that have been assigned to the Company from companies outside the Company, and excludes 540 employees that have been assigned to companies outside the Company, is 2,049. The number of employees by operating segment are as follows.

Operating Segment	Employees(persons)	
Automotive	109	[2]
Aerospace, Transportation & Infrastructure	143	[3]
Energy Solutions & Healthcare	169	[3]
Metals, Mineral Resources & Recycling	188	[4]
Chemicals	206	[1]
Consumer Industry & Agriculture Business	135	[4]
Retail & Consumer Service	113	[1]
Others	986	[41]
Total	2,049	[59]

(Note)
1 The figures in parentheses in the number of employees column indicate the annual average number of contract employees.
2 Average Yearly Salary includes bonuses and overtime pay etc.

(3) Trade Union

No material items to report.

(4) “Percentage of female workers in management positions,” “Percentage of male employees taking childcare leave,” and “Wage differentials between male and female” based on the Act for the Promotion of Women’s Advancement

Sojitz Corporation (Unit %)	Percentage of female workers in management positions*1	Percentage of male employees taking childcare leave, etc. (Acquire/Subject (persons))			Gender-based wage disparity*4		
					All employees	Full-time employees	Contract Employee*5
Sojitz Corporation	6.8	Legal Basis*2	96.1	(49/51)	59.2	59.4	54.8
		Actual Basis*3	100.0	(51/51)			

Sojitz Group companies (Unit %)	Percentage of female workers in management positions*1	Percentage of male employees taking childcare leave, etc. (Acquire/Subject (persons))			Gender-based wage disparity*4		
					All employees	Full-time employees	Contract Employee*5
Over 300 persons							
The Marine Foods Corporation	1.8	Legal Basis*2	57.1	(8/14)	58.5	63.9	75.0
Sojitz Tech-Innovation Co., Ltd.	6.3		100.0	(15/15)	79.0	77.9	108.4
Sojitz LifeOne Corporation	9.0		100.0	(4/4)	99.4	64.4	102.2
Sojitz Royal In-flight Catering Co., Ltd.	5.6		85.7	(6/7)	61.0	77.9	81.3
Sojitz Infinity Inc.	0.0		100.0	(1/1)	56.4	76.3	66.0
Sojitz Machinery Corporation	3.7		20.0	(1/5)	71.3	69.4	58.1
Sojitz Building Materials Corporation	1.2		88.9	(8/9)	58.9	58.9	50.5
101 – 300 persons							
Sojitz Foods Corporation	2.4	Legal Basis*2	100.0	(5/5)	61.6	61.3	37.7
Sojitz Auto Group Osaka Co., Ltd.	9.4		50.0	(3/6)	75.6	70.8	69.5
Sojitz Pla-Net Corporation	5.1		80.0	(4/5)	58.6	58.8	47.6
TRY Inc.	0.0		0.0	(0/1)	52.8	53.3	50.7
Sojitz Aerospace Corporation	0.0		125.0	(5/4)	61.0	64.3	28.8
Sojitz Auto Group Tokyo Co., Ltd.	6.7		0.0	(0/3)	62.8	71.7	74.5
Sojitz Auto Group Japan Corporation	6.7		-	(0/0)	58.2	57.9	70.5
Kushiro Marusui Co., Ltd.	42.9		-	(0/0)	59.8	73.4	59.8
Sojitz Shared Service Corporation	33.3		-	(0/0)	106.7	101.9	87.3
Sojitz New Urban Development Corporation	17.6		0.0	(0/2)	71.6	86.8	71.9
Sojitz Logistics Corporation	31.3		-	(0/0)	76.3	82.3	62.6

*1 Persons in supervisory or managerial positions as defined in Article 41, Item 2 of the Labor Standards Act
*2 Ratio of (b) to (a)
(a) Number of male employees whose children were born during FY2024
(b) Number of male employees who took childcare leave for the first time during FY2024 to care for a child less than one year after birth or equivalent special leave prescribed by the company for the purpose of caring for a child

Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991), the percentage of child-care leave, etc. taken is calculated as per Article 71-6-1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991). The number in (b) includes the number of male employees whose children were born during FY2023.

*3 Ratio of (d) to (c)
(c) Number of male employees whose children were born during FY2024
(d) Of the number in (c), the sum of those who took childcare leave or equivalent special leave for the first time during FY2024 and those who were confirmed to be planning to take it for the first time in FY2025 within one year after the birth of their child

*4 Ratio of average annual wages of female employees to average annual wages of male employees

*5 Includes employees with individually concluded employment contracts (contract employees) who have converted from fixed-term employment contracts to indefinite-term employment contracts.

◆ Factors contributing to gender-based wage disparity at Sojitz

		All employees	Full-time employees			Contract employees (Including rehired employees after mandatory retirement)
				Career track employees	Administrative employees	
Wage disparity		59.2%	59.4%	70.9%	-	54.8%
Number of employees (Persons)	Male	1,680	1,579	1,579	-	101
	Female	806	756	397	359	50
	Total	2,486	2,335	1,976	359	151

Full-time employees at Sojitz include career track employees and administrative employees. Career track employees undertake a proactive role in core business tasks while administrative employees assist career track employees by performing the full spectrum of administrative tasks. Contract employees primarily consist of individuals rehired after the mandatory retirement age of 60 years old. A job grade system is provided for each job class, based on which job grades are assigned in accordance with employees' qualities, skills, and ambitions, with no consideration paid to age or gender. This system prevents disparities in wages based on gender between employees of the same job grade, in terms of work duties and scope of possible relocation, except in cases of differences due to factors such as amount of overtime work.

[Factor 1] One of the reasons is the low percentage of female career track employees in management ranks at Sojitz. Sojitz is currently advancing Promotion of women in the workplace as one of the key measures of our human capital strategies. Aiming to increase the ratio of female employees among all employees to 50% or so and the ratio of female section managers to around 50% in the decade of 2030, Sojitz is promoting to increase recruitment of female new graduates and mid-career hires for female career track employees, implementing systems to help employees balance their work with childrearing, bolstering its human capital pipelines among all age groups, helping employees gain experience, and encouraging them to pursue career development. These measures are expected to increase the current low representation of women in management positions, and thereby help alleviate this gender-based wage disparity.

For more information on human capital pipelines among all age groups, please refer to "1) Basic Human Capital Strategy 1: "Build diverse teams of employees who take on new challenges and achieve growth" ● Promotion of women in the workplace" (Page 50).

[Factor 2] Another reason behind the gender-based wage disparity at the Company is the fact that all administrative employees, who tend to have lower wages than career track employees, are women (as of March 31, 2025). Administrative positions are one component of the diverse workstyles provided by Sojitz, and we intend to continue recruiting administrative employees. Even though this job class can be chosen by anyone regardless of gender, all applicants for administrative positions, whether it be new graduates or mid-career individuals, are women. Therefore, it will continuously affect the gender-based wage disparity in the future. On the other hand, Sojitz offers systems that allow mutual position transfers between career track and administrative positions, making it possible for both male and female employees to choose the job class that best matches their individual goals and preferred workstyles even after joining the Company.

[Factor 3] Contract employees primarily consist of individuals rehired on fixed-term contracts after mandatory retirement at age 60 or after retirement from an officer position. Although the wages of employees rehired after retirement are determined according to their job class and job grade based on the role and responsibilities undertaken after retirement, since they are set according to the job content and experience before retirement, this influences the wage disparity between male and female contract employees.

◆ Gender-based wage disparity trends over the past five years

	Gender-based wage disparity				Number of employees			
	All employees	Full-time employees	Career track employees	Contract employees	All employees	Full-time employees	Career track employees	Contract employees
FY2024 (this report)	59.2%	59.4%	70.9%	54.8%	2,486	2,335	1,976	151
FY2023	58.2%	58.6%	70.3%	61.4%	2,513	2,346	1,977	167
FY2022	57.3%	58.0%	70.1%	52.0%	2,523	2,350	1,978	173
FY2021	58.6%	58.8%	72.0%	57.6%	2,558	2,380	1,999	178
FY2020	55.4%	56.3%	67.7%	50.2%	2,551	2,390	2,017	161
FY2019	55.3%	56.8%	67.8%	44.7%	2,460	2,313	1,997	147

2. Operating and Financial Review and Prospects

1. Management Policies, Operating Environment, and Management Issues

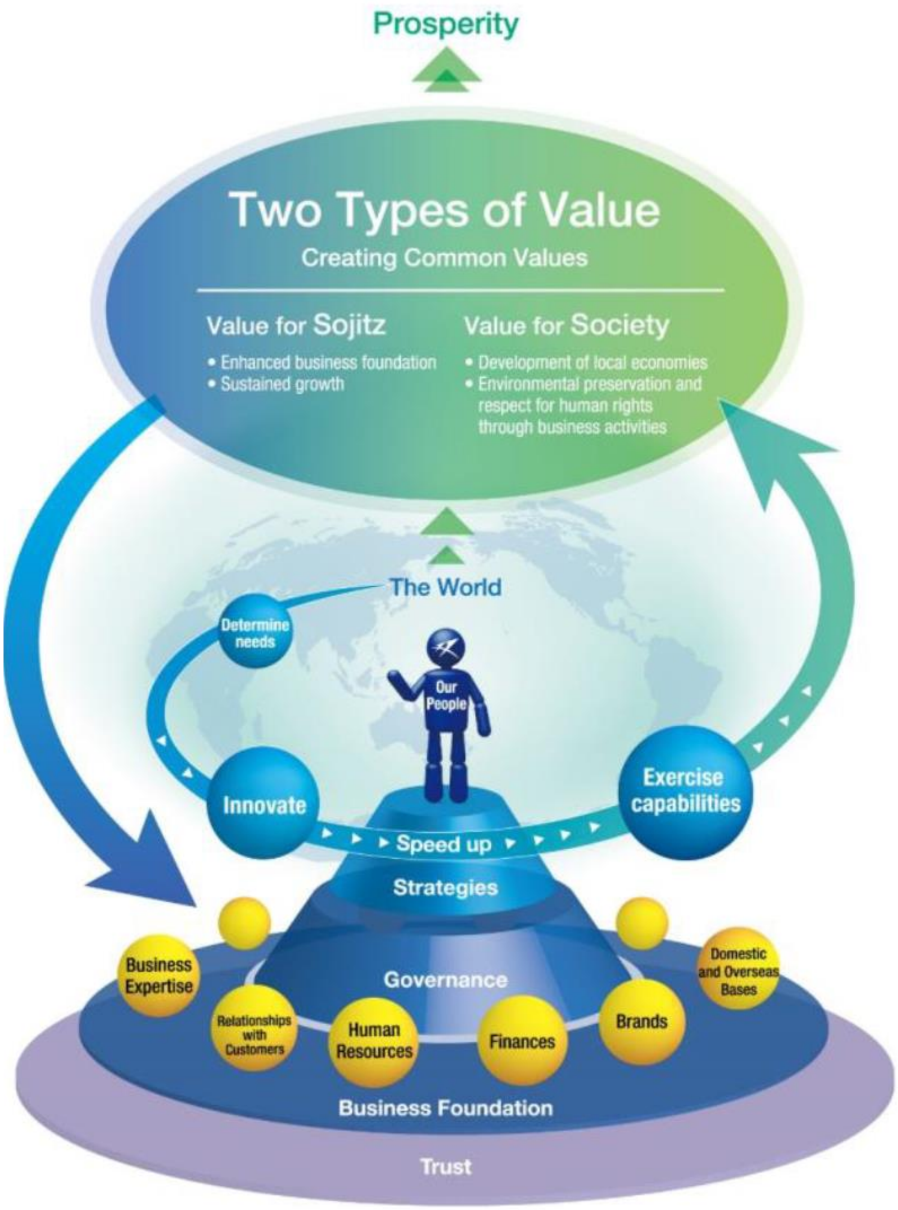
(1) Fundamental Policy

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

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

(Sojitz Group Slogan)
New way, New value

(Sojitz's Value Creation Model)



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

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

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

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

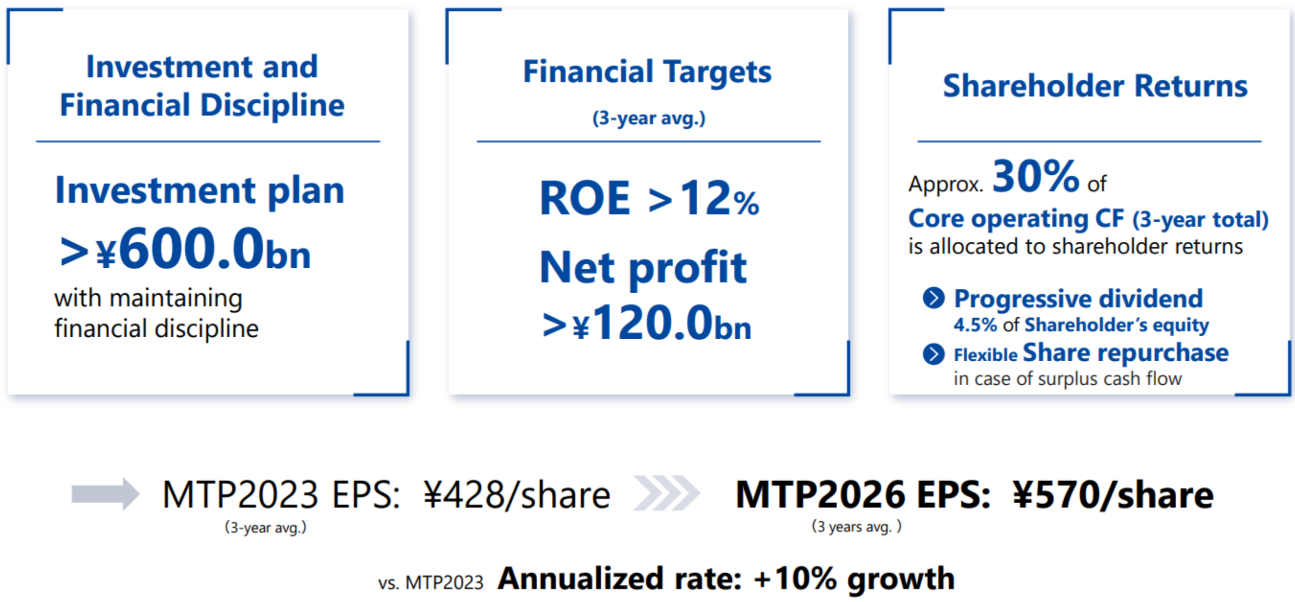
Based on this corporate statement, we have defined our "vision of Sojitz in 2030” as being a general trading company that constantly cultivates new businesses and human capital, and to pursue this vision, we will continue to fulfill our mission as a general trading company: delivering goods and services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

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

(i) "Medium-Term Management Plan 2026 -Set for Next Stage-"

We have set the vision of Sojitz in 2030 as "Becoming a general trading company that constantly cultivates new businesses and human capital," and as the Next Stage, we aim to grow to a net profit of ¥200.0 billion and a market capitalization of ¥2 trillion. The MTP 2026 is designed to strengthen the base of growth and human capital in preparation for the Next Stage. We will invest actively in our base of growth and human capital to create the "Sojitz Growth Story," which is the key message for reaching the Next Stage.

To realize a Sojitz Growth Story, we have set three specific quantitative targets in the MTP 2026. First, we will invest 600.0 billion for future growth, while maintaining financial discipline. Second, we will aim to increase corporate value and shareholder value by achieving a ROE of over 12%, which is higher than the 9-10% cost of shareholders' equity that we recognize over a three-year average, and a net profit of over 120.0 billion. Third, approximately 30% of core operating cash flow will be used for shareholder returns.



*Core operating cash flow = Cash flow after deducting changes in working capital from operating cash flow calculated for accounting purposes

*Shareholder's equity DOE: Dividend / shareholder's equity

*Shareholder's Equity is after deducting other components of equity from total equity at the end of the previous fiscal year

To realize a Sojitz Growth Story and achieve quantitative targets, it is essential to further refine our uniqueness and strengths and create a competitive edge. While continuing to refine our core existing businesses, we will also link and combine our numerous individual businesses (points) to build clusters of business and revenue (masses). Additionally, as indispensable elements across all business areas, we will strengthen "DX (Digital Transformation)" and "GX (Green Transformation)" initiatives company-wide.

Moreover, we will continue to enhance our human capital and the attractiveness (strength) of our people as a source of stronger profitability and competitive advantage. We are actively investing in people to foster autonomous individuals with diverse skills and experiences and to build an organization and culture that maximizes individual capabilities.

(ii) Reinforcing Base of Growth

In the first year of the MTP 2026, we are working to realize a Sojitz Growth Story by expanding new investments that leverage Sojitz's competitive edge and refining existing businesses.

– Expansion of New Investments –

In the Australian infrastructure business, we have decided to acquire one of Australia's largest infrastructure development companies. We will acquire new functions, handle large-scale projects from start to finish, and pursue portfolio transformation toward achieving the Next Stage.

In the energy conservation service business, which responds to growing energy demand and the realization of a decarbonized society, we are steadily building revenue clusters by executing bolt-on investments in the US and Australia to expand existing businesses, following on from the previous MTP. Going forward, we plan to further expand revenue clusters with rapid expansion into other growth markets.

In the marine food products business that aims to build sustainable supply chains, we are combining upstream and midstream initiatives from the past with newly acquired US retail capabilities through recent investments to expand the value chain and form revenue clusters. Going forward, we will further enhance our raw material procurement and sales capabilities through greater collaboration within the Group.

- Refining Existing Businesses -

In the chemicals business, we are working to increase profitability by leveraging our extensive network and proposal and execution capabilities. We will continue to increase profitability by acquiring and expanding business areas through new investments.

In the fertilizer business in Southeast Asia, we are further building up our top-class market share and high sales capabilities gained through many years of business management in the region, while also taking on the challenge of new business areas through the utilization of DX, as described below.

In addition, in the rental apartment business and shipping business, we have established a framework for sustainable growth by sharing part of our existing businesses with external partners who can become best owners, while continuing to provide our strengths in functionality, thereby growing the businesses together with our partners and expanding their scale.

By executing the Sojitz Growth Story in other business segments as well, we will achieve accelerated growth toward the Next Stage.

Growth strategies by segment are as follows.

(iii) Growth Strategies by Segment

Automotive

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

Aerospace, Transportation & Infrastructure

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

Energy Solutions & Healthcare

In the energy and healthcare sectors, our objective is to enhance profitability and scale by developing a “business management model” that provide services and solutions to customers, in addition to conventional "asset-based" infrastructure businesses. This approach is driven by our commitment to addressing social challenges such as decarbonization, population growth, and aging populations. Furthermore, we will expand our local networks through capitalizing on customer bases and connection of investees and partner companies. By leveraging our tangible and intangible assets, we will build a competitive advantage that only Sojitz can offer and create new value.

Metals, Mineral Resources & Recycling

In addition to our existing upstream investment and trading businesses, we are working to create and promote new businesses that provide new value in response to social needs. We will contribute to the realization of a sustainable society by building a more stable resource supply system by transforming the business models of our existing businesses through the promotion of decarbonization, the supply of high-quality resources, green materials, and recycled raw materials, the strengthening of the supply chain of critical minerals, and digitalization.

Chemicals

As the paradigm shift continues in the chemical industry in Japan and overseas, we will strengthen our trade by anticipating changes in market needs and responding quickly and flexibly. Additionally, we will promote business investments and loans in areas where we have knowledge and invest in environmentally friendly businesses that can meet next-generation market needs, such as the realization of a decarbonized society and carbon neutrality.

Consumer Industry & Agriculture Business

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

Retail & Consumer Service

With our strength in having many points of contact with consumers, we continue to develop diverse businesses with the goal of enhancing the “richness of life” and “convenience” for people around the world. In Vietnam, where we are engaged in a wide range of businesses from retail to wholesale and distribution as well as food processing, we will create new value by improving supply chain efficiency through DX investment. In the marine products business, we are taking on the challenge of expanding overseas sales, particularly in the North American sushi market, by creating procurement and sales synergies among several operating companies with strengths in sushi ingredients and tuna.

(iv) DX

(a) Toward the Achievement of “Digital-in-All"

We have adopted “Digital-in-All,” the integration of digital into all businesses, and positioned thorough utilization of digital technologies at the core of our management strategies. Under MTP 2026, we aim to create value through the Sojitz Growth Story, built on the following three pillars.

1) Monetization of digital business

Co-creation with digital partners such as Sojitz Tech-Innovation, SAKURA internet, and AI startup companies

2) Enhancing value and competitiveness of existing businesses

Deepening business through the integration of digital with the business foundations of our seven business divisions, accumulated based on Sojitz’s uniqueness and strengths

3) Development and establishment of a digital infrastructure for data and AI utilization

In addition, regarding the development of digital human capital to serve as drivers of the above initiatives, the MTP 2026 sets a three-year target to train 50% of all career-track employees (approximately 1,000 people) to a practical application level, and 10% of them (approximately 200 people) to expert level. As of the end of March 2025, after the first year of MTP 2026, the progress rate for both is approximately just under 50%, indicating smooth progress. Until now, we have primarily focused on developing digital human capital at headquarters. We have also started to expand the foundational application courses to our group companies. This initiative aims to enhance digital literacy across the entire group and to cultivate talent that will drive DX.

(b) DX Initiatives Undertaken to Achieve the Sojitz Growth Story

1) Expansion into growth markets

Sojitz’s business expansion strategy is to capture market needs and growth through intensive business creation in relevant business and areas with growth potential where we have expertise, starting with individual business projects and gradually connecting dots, lines, and fields. For example, in Vietnam, we have invested in SaaS company, which handles retail order management and cashless payment services, and are providing a digital transaction application (ECO) for retail businesses in Vietnam. This enables seamless linkage of sales and distribution inventory data, improves the efficiency and cost structure of sales and logistics operations, and promotes the provision of new value such as marketing support through the utilization of diverse transaction data. In the agriculture business, which aims to expand Thai Central Chemical Co. Ltd, a Thai chemical fertilizer manufacturer, from the fertilizer business to an agricultural platform business, we have developed a program in collaboration with a university research institute that utilizes agricultural simulation models to design fertilizer application plans that maximize crop yields based on weather, seedling, and soil data. By accumulating and utilizing Sojitz's farmer data in this program, we are building a unique method specific to Sojitz. We are also researching a system that uses AI analysis of satellite imagery to assess soil composition and identify disease-free farmland, and by combining these technologies, we aim to provide comprehensive support services for farming operations and build a platform that extends to offtake agreements.

2) Transformation/deepening business models

Sojitz is transforming various businesses in response to the social needs of the times through a market-in approach. For example, in the chemicals business, we are accumulating vast external information such as chemical data, transaction records, and industry news, and using a technology called Graph-RAG that expresses the relationships between this data as graph structures, which enables generative AI to produce highly contextual and accurate outputs. This makes it possible to anticipate the cascading effects of paradigm shifts on the complex structure of chemical manufacturing flows and connect them to new business opportunities.

3) Optimizing the value chain portfolio

We expand our businesses into segments with higher added value by leveraging our knowledge and contacts built through our core business in a wide range of industries, and transform our business portfolio continuously to further maximize business value. For example, in the tuna farming business, we are developing a system that uses digital twins, AI image analysis, and IoT technology to count the number of tunas based on swimming simulations and determine their satiety levels. We are also developing an app to predict red tides and are establishing a system to respond quickly to environmental changes. These initiatives are promoting the advancement of management control in the aquaculture business, including rapid management decision-making, cost reduction, and productivity improvement. In the automobile sales business, we are developing a used car scanner that uses digital scanning technology to convert used cars into image data and analyze them with AI, which enables an accurate assessment of used car damage conditions. By analyzing this vehicle body data using a price prediction model, we aim to automate and standardize vehicle appraisals with greater transparency and build a distribution platform for used cars based on this system.

These initiatives have been recognized, and we have been selected as a DX Stock 2025, following our selection as a DX Stock 2023 and a Noteworthy DX Company 2024. We will continue to pursue value creation initiatives through “Digital-in-All”.

(v) GX

Regarding GX, we will accelerate our initiatives towards our decarbonization goals under the “Sustainability Challenge,” our long-term vision for 2050. This goal is not simply to reduce greenhouse gas emissions from existing businesses, but to create solutions that are in line with the changing times and aim to realize a decarbonized society and increase our profits. To achieve this, we will closely monitor technological innovations and the pace of their adoption in society in the fields of new energy and decarbonization, identify the functions and expertise we can leverage, and create and provide solutions according to each stage.

In FY2024, we will further strengthen our collaboration with a company developing manufacturing technology for turquoise hydrogen and make additional investments to accelerate the formation of projects in Japan and overseas utilizing the company’s technology. We are also pursuing initiatives in the biofuel business and offset solutions utilizing forest carbon credits. Going forward, we will continue to actively allocate resources to businesses that contribute to GX, with the aim of achieving both a decarbonized society and an increase in our corporate value.

(vi) Reinforcement of Human Capital

Under the MTP 2026, we are working to realize a Sojitz Growth Story to enhance our “capability of value creation” and “capability of value-up” as outlined in the human capital strategies. We are working to strengthen diversity in our human capital and strengthen middle management, and developing human capital capable of sustainably creating and managing businesses by flexibly allocating human capital.

As a foundation to support the strengthening of human capital, we will expand the culture that is distinctively Sojitz, such as challenge and flexible thinking, through “unique Sojitz culture,” “Digital in All,” and “effective data-driven dialogue” and maximize our “capability of value creation” and “capability of value-up.”

(3) Cash Flow Management

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

Based on this policy, the results for FY2024 were as follows.

	(BN JPY)	MTP2020 - 2023 6-Year Aggregate Results (FY18 - FY23)	MTP2026 3-Year Aggregate Forecast (FY24 - FY26)	FY24	FY24 Forecast (Feb. 4, 2025)	Achieved	FY25 Forecast
Cash inflow	Core operating CF*1	602.0	450.0	135.0	130.0	104%	145.0
	Asset Replacement (Investment recovery)	451.0	180.0	22.5	25.0	90%	50.0
Cash outflow	New Investments	(709.5)	(600.0)	(103.0)	(120.0)	86%	(200.0)
	Capex and others		(40.0)	(31.0)	(25.0)	124%	(25.0)
	Shareholder Returns*2	(204.0)	(130.0)	(55.5)	(55.0)	101%	(45.0)
	Core CF*3	139.5	(140.0)	(32.0)	(45.0)	—	(75.0)

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

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

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

(a) Dividends

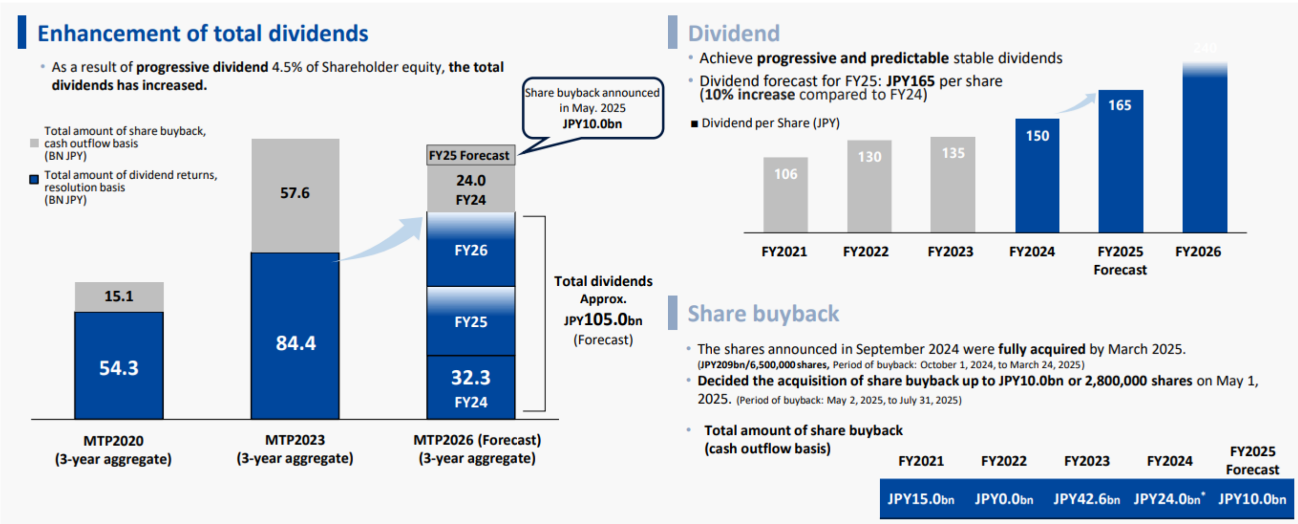
- Sojitz has set a dividend policy of 4.5% of shareholder equity DOE, which minimizes the impact of fluctuations in business performance, stock prices, and exchange rates, in order to provide stable and continuous dividends.
- This is a dividend policy that allows for a progressive increase in dividends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

(b) Share repurchase

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

Based on this policy, the year-end dividend for the fiscal year under review will be ¥75 per share. Because an interim dividend of ¥75 per share has already been paid, the total annual dividend for the fiscal year under review will be ¥150 per share. During the fiscal year ended March 31, 2025, we acquired 773,200 treasury shares for ¥3,041,588,400 during the period from April 1, 2024 to April 5, 2024, and 6,500,000 treasury shares for ¥20,927,075,900 during the period from October 1, 2024, to March 24, 2025. Additionally, as announced on May 1, 2025, it has authorized the repurchase of up to 10 billion yen or 2,800,000 shares of its common stock between May 2, 2025, and July 31, 2025.

At the 21st Ordinary General Shareholders’ Meeting held on June 18, 2024, the Company amended the Articles of Incorporation to allow the payment of dividends from surplus by the resolution of the Board of Directors, pursuant to Article 459, Paragraph 1 of the Companies Act of Japan.



2. Sustainability Policies and Initiatives

(1) Basic Policy for Sustainability

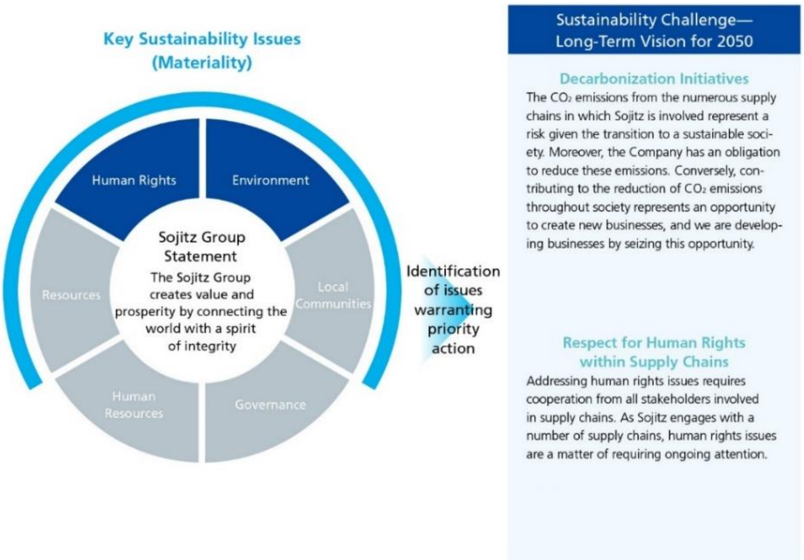
(i) Approach to Sustainability

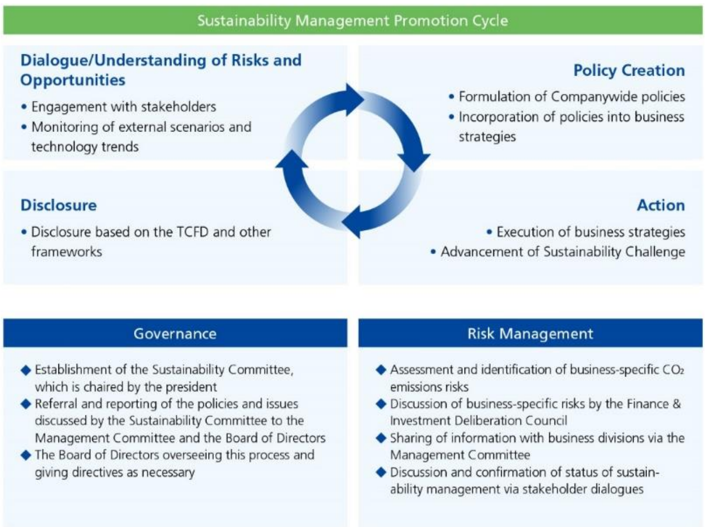
For the Sojitz Group, the pursuit of sustainability involves working toward sustainable growth for both society and Sojitz by partnering with stakeholders based on the Sojitz Group Statement to maximize two types of value - value for Sojitz and value for society - through its business.

To guide its efforts to maximize its two types of value, Sojitz has defined Key Sustainability Issues (Materiality) to focus in on its business over the medium- to long-term. Referencing the United Nations Sustainable Development Goals (SDGs), the Paris Agreement, and other international standards, the Sojitz Group identified universal issues that need to be tackled to achieve sustainable growth together with society. This process led Sojitz to define the Key Sustainability Issues of human rights, environment, resources, local communities, human capital, and governance.

The Sustainability Challenge, Sojitz's long-term vision for 2050, identifies specific challenges in relation to the Key Sustainability Issues. Specifically, this vision calls on us to help achieve a decarbonized society through our business activities and to respond to human rights issues, including those within our supply chains. This long-term vision formed the foundation for setting the growth strategies including those in the medium-term management plan.

In formulating its response toward these issues, Sojitz sought to develop an understanding of the risks and opportunities it faced through engagement with stakeholders. Based on this understanding, we established policies related to decarbonization, human rights, and other matters, and reflected these policies in the "Medium-Term Management Plan 2026" to guide concrete action. In addition, the Sojitz Group announced its endorsement of the final recommendations of the Task Force on Climate-related Financial Disclosures in August 2018, and we have since been practicing proactive disclosure and improving transparency based on the recommended framework.





Governance

The Company has established a governance structure consisting of the Board of Directors, the Management Committee, and the Sustainability Committee. The Sustainability Committee is chaired by the President and CEO and meets at least four times a year.

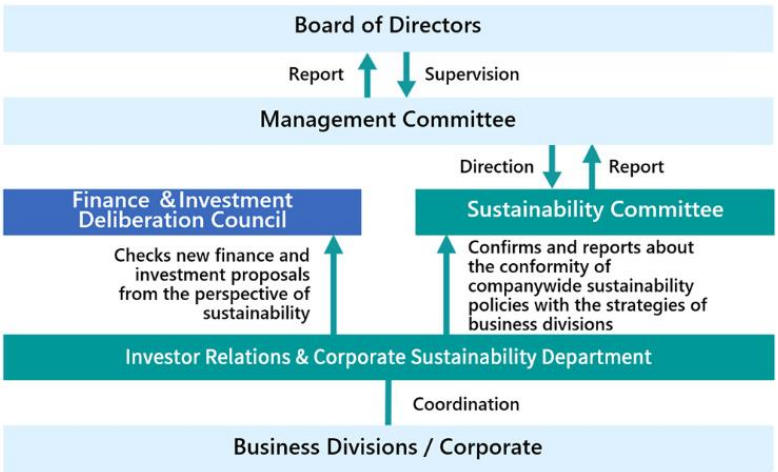
This committee is responsible for formulating policies and concept of sustainability, developing sustainability promotion systems, identifying and assessing risk and opportunities, defining indicators and targets, and monitoring the progress of various initiatives, starting with opportunities. Moreover, responsibility for overseeing all matters pertaining to sustainability is assigned to an Executive Officer, and the Investor Relations & Corporate Sustainability Department handles processes related to the activities of the Sustainability Committee as the secretariat thereof.

The activities of the Sustainability Committee are properly supervised by the Board of Directors, and proposals and reports are regularly submitted to the Board of Directors and the Management Committee with regard to the activities and investigations of the Sustainability Committee as well as the policies and issues discussed by the committee.

The Management Committee, chaired by the President and CEO, is held in principle twice a month to deliberate and decide on important company-wide policies and strategies related to sustainability, while also receiving activity report from the Sustainability Committee and issuing instructions to the Sustainability Committee as necessary. The Board of Directors regularly supervises these processes.

With the Sustainability Committee at the core, we promote cross-organizational collaboration to advance sustainability initiatives that respond to social expectations and demands regarding corporate attitudes and activities on social aspects.

< Sustainability Promotion/Execution System >



< Key matters approved/reported at FY2024 Sustainability Committee >

Board of Directors	2 times/year	• Sustainability initiatives under the “Medium-Term Management Plan 2026” • Sustainability initiatives in FY2024
Sustainability Committee	4 times/year	• Climate change response • Human rights initiatives • Natural capital (biodiversity and water risk)/TNFD disclosure • Environmental management system (ISO14001) • Sustainability information disclosure • External ESG evaluations • Stakeholder dialogues

< Stakeholder Dialogues >

In order to advance sustainability management, we believe that it is important to engage in dialogue with various stakeholders and conduct business activities that respect external opinions and perspectives. For this reason, we have been holding stakeholder dialogues annually since 2018 as a forum for two-way discussions with external experts such as university professors, investors, and NGOs on sustainability issues.

Topics of discussion	Fiscal year ended March 31, 2025 Identifying and pursuing opportunities in decarbonization businesses under sustainability management
Outside experts	Hiroki Kudo (The Institute of Energy Economics, Japan) Yukari Takamura (Professor, Institute for Future Initiatives, The University of Tokyo) Hiroki Sampei (Principal at Astonering Advisor LLC)
Attendees from Sojitz	Inside Directors and Independent Directors

Under our growth strategy in the “Medium-Term Management Plan 2026”, we have set GX (Green Transformation) as a priority, and in order to seize the opportunity to realize a net-zero society and enhance corporate value from both the perspectives of sustainability management and growth strategy, we discussed the following key points with the experts.

● Approaches to sustainability (climate change) based on corporate growth phase
● Investor perspectives and evaluation of our decarbonization businesses and overall sustainability initiatives

Relevant Links:
Topics of discussion of past stakeholder dialogues.
Stakeholder Relations | Principles, Policies, and Long-Term Sustainability Vision | Sustainability | Sojitz Corporation
https://www.sojitz.com/jp/sustainability/policy/stkholder/

Risk Management

The Investor Relations & Corporate Sustainability Department collects information from various media for identifying, specifying and assessing the sustainability risks faced by the Sojitz Group based on internal and external trends, communication with stakeholders, and input and advice from external specialists (including lawyers and investors) and experts. This information is reported to the Sustainability Committee. The Sustainability Committee receives these reports and identifies and evaluates sustainability-related risks within the Group, while examining and discussing response policies.

In addition, sustainability-related risks have been specified as environmental and climate change risks and human rights risks, and regarding necessary responses to these risks, the Internal Control Committee, within the framework of company-wide risk management, monitors the response status along with other risks, discusses improvement measures, and issues directives to relevant departments. The results are reported regularly to the Management Committee, the Board of Directors, and the Audit and Supervisory Committee. In addition, the identification and evaluation of sustainability-related risks are conducted during the deliberation process of the Group's Finance & Investment Deliberation Council for individual investment and loan projects. For risks related to the environment and society, please refer to individual risks "(viii) Environmental and climate change risks (Page 64)" and "(ix). Human rights risks (Page64)" in "2. Operating and Financial Review and Prospects 3. Risk Factors (2)."

(ii) Climate Change Response

Strategy

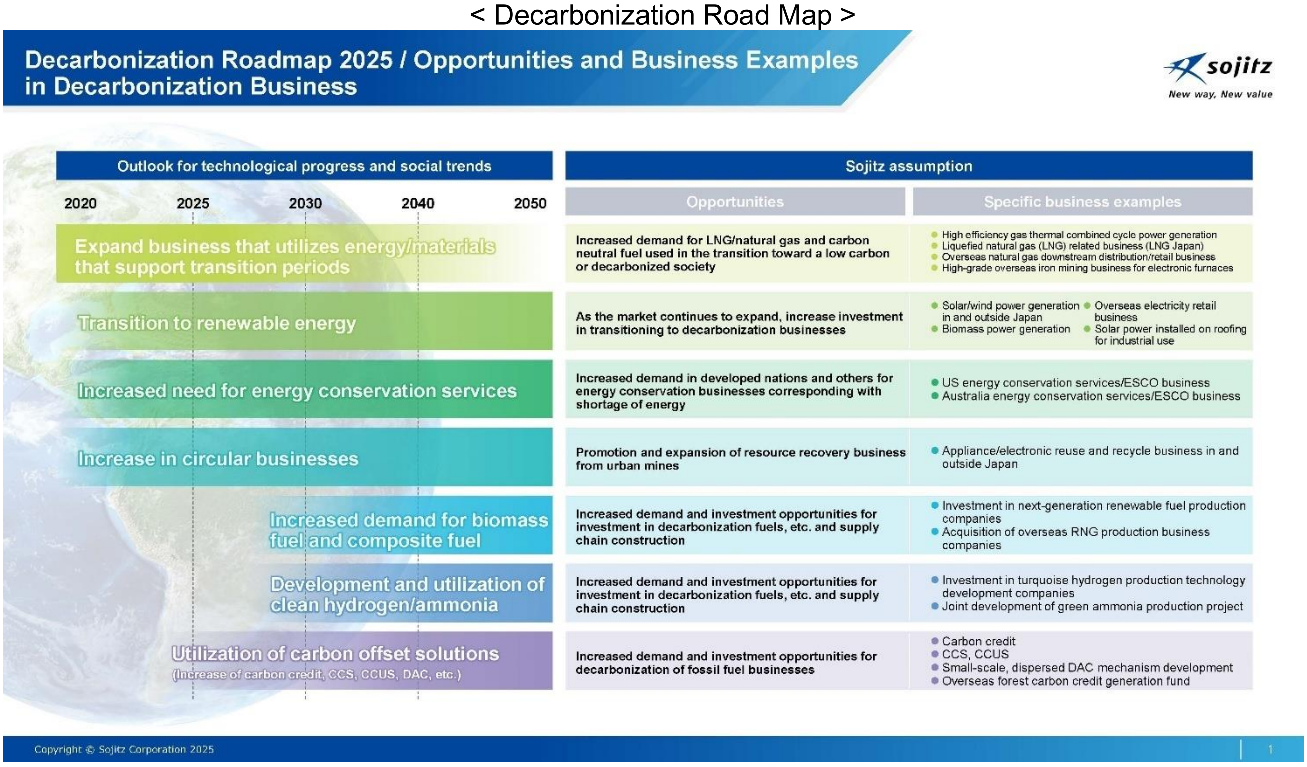
Contributions to a Decarbonized Society

Sojitz has identified essential infrastructure and energy and material solutions business - both of which support the transition period, such as through renewable energy businesses – as key focus areas. Our decarbonization roadmap is the foundation of this strategy. This roadmap envisions “Outlook for technological progress and social trends” for each decade and concretely outlines Sojitz’s new energy and decarbonization projects and businesses aligned with those trends. As technological trends are constantly changing, we will regularly review risks and opportunities, update our action policies, and contribute to the realization of a sustainable and decarbonized society.

Our approach to the decarbonization roadmap is as follows.

- ■ We view technological and social trends for each decade towards a decarbonized society as opportunities
- ■ The use of renewable energy is expected to continue to grow, and in the future, green hydrogen utilizing surplus renewable electricity is anticipated. However, transitioning to a decarbonized society requires a transition period to offset the instability that comes with widespread renewable energy adoption and support the supply-demand balance. Sojitz will advance high-efficiency gas-fired power generation and energy saving service businesses and turn the transition into business opportunities related to the transition to a decarbonized society through our transition business.
- ■ Meanwhile, we position biofuels, synthetic fuels, clean hydrogen, and ammonia, and other new energy sources as new energies that will play a central role in medium-to-long-term technological innovation and fuel transitions toward a decarbonized society, and advancing their technological development and social implementation is essential to realizing carbon neutrality by 2050.
- ■ In the fields of new energy and decarbonization, levels of technological maturity and commercialization timing vary. Taking these factors into account, Sojitz aims to build value chains and provide solutions that leverage our strengths, while advancing these initiatives by identifying and optimizing an appropriate resource allocation portfolio.

< Decarbonization Road Map >



1) Scenario Analyses

● Transition Risks

Based on external investigations and internal analysis, Sojitz conducts scenario analyses as appropriate of the financial impacts of business areas believed to present the greatest risks and opportunities to the Group's business activities, management strategies, and financial planning. Specifically, transition risk scenario analyses have been conducted with regard to coal interest and power generation businesses that entail high risks related to GHG emissions (see < Analysis of GHG Emissions Across the Supply Chain > (Page33)) with significant potential to have a serious impact on the Group.

< Scenario Analyses >

<table>
<tr><th></th><th>Risks</th><th>Opportunities</th></tr>
<tr><td>Coal interest businesses</td><td>• Analysis Method:
Using scenarios projecting average global warming of 1.5°C above pre-industrial levels, we analyze the potential financial impact on Sojitz's assets based on forecasts for coal demand and prices leading up to 2050.

• Financial Impact:
The range of our coal assets that would be impacted is expected to be limited, as demand for coking coal is anticipated to remain stable. As such, the financial impact on the Company would also be limited.</td><td rowspan="2">Scenarios analyzed by the Group estimate increases in supply and demand for renewable energy. Sojitz is engaged in the renewable energy and other decarbonization businesses as well as through businesses that support the transition period, such as high-efficiency gas-fired thermal power generation and energy service company businesses. We view the transition to a decarbonized society as a business opportunity and will respond based on our decarbonization roadmap.</td></tr>
<tr><td>Power generation businesses</td><td>• Analysis Method:
Using scenarios projecting average global warming of 1.5°C above pre-industrial levels, we analyze the potential financial impact on Sojitz's assets based on forecasts for carbon prices and supply and demand conditions.

• Financial Impact:
The range of our power plants that would be impacted by changes in carbon prices and supply and demand conditions would be limited, and the financial impact on the Company would thus also be limited.</td></tr>
</table>

● Physical Risks

Sojitz conducts analyses of the physical risks with the potential to emerge in the event that climate change cannot be avoided and global warming continues to progress. In particular, analyses looked at acute water risks, such as the risks of floods in coastal areas and along rivers. Business sites and assets (manufacturing and processing sites and other non-office sites) in locations assessed as having high or extremely high risks by Aqueduct, a tool for analyzing water risk developed by the World Resource Institute, are deemed to be exposed to water risks. The potential financial impact of water risks has been analyzed using the amount of property, plant and equipment (excluding lease assets) associated with said business sites and assets as of March 31, 2025. These analyses found that certain business sites located in areas centered on Southeast Asia were exposed to risk of floods in coastal areas and along rivers, and the amount of assets (property, plant and equipment) judged to be threatened by financial impacts associated with water risks was measured to be approximately ¥29.0 billion.

2) Reduction of Scope 1 and Scope 2 Emissions

Sojitz views reducing GHG emissions as an obligation toward achieving a decarbonized society. Accordingly, the Sojitz Group is accelerating efforts to reduce its own GHG emissions, represented by Scope 1 and Scope 2, in order to become a company that is better suited to a decarbonized society. Meanwhile, we view the process of transitioning to this society as an opportunity, based on which we are developing new businesses in a wide range of fields. In addition, Sojitz formulated decarbonization policies in March 2021 to guide actions based on the Sustainability Challenge while also setting targets for reducing Scope 1 and Scope 2 emissions (see below for more information).

In the MTP 2026, we have executed decarbonization promotion measures within the Group and established mechanisms to support them in order to achieve the reduction targets for Scope 1 and Scope 2. We will continue to promote the expansion of initiatives aimed at realizing a decarbonized society.

3) Measurement and Identification of Scope 3 and Scope 4 Emissions (Reduction Contributions)

We believe that achieving a decarbonized society requires not only reducing the Group's GHG emissions (Scope 1 and Scope 2) but also reducing GHG emissions across the entire supply chain (Scope 3). Industries and stages of the supply chain responsible for large quantities of Scope 3 emissions have been designated as risks in light of them being a source of significant pressure for reducing GHG emissions and the potential for this pressure to increase in the future. On the other hand, because we operate businesses across a wide range of fields using domestic and international networks, measuring and identifying Scope 3 emissions is extremely complex and challenging. Against this backdrop, we hired external specialists to first identify areas within our supply chain with high Scope 3 emissions. As a result, we have completed the measurement of Scope 3 emissions in the power generation and steel manufacturing sectors, which were identified as having the greatest impact on the Group, as of the fiscal year ended March 2021, and expanded the measurement scope to all sectors by the fiscal year ended March 2024.

The results are shown on Page33 as the < Analysis of GHG Emissions Across the Supply Chain (Scope 3, Scope 4 (Reduction Contribution Amount)) Fiscal Year Ended March 2025 (Preliminary Figures) >. Meanwhile, as sectors with high Scope 3 emissions also provide opportunities to create new businesses that contribute to reduce GHG emissions, we are engaged in the emission reduction business, define the amount of reduction contribution as Scope 4 avoided emissions and track and measure them accordingly.

Relevant Links:
Scope 3 emissions by category for the fiscal year ended March 2024
https://www.sojitz.com/en/sustainability/sojitz_esg/e/data/
The actual figures for the fiscal year ended March 31, 2025 will be disclosed on our website and in the Integrated Report at a later date.

Risks (Scope 3)	Areas with higher GHG emissions are generally under greater stress to reduce GHG emissions and are more vulnerable to transition risks: tighter regulations to decarbonize, policy changes, supply and demand changes in the market, and the threat of technological innovation occurring and being substituted.
Opportunities (Scope 4 (Reduction Contribution))	The Group aims to generate revenue by replacing existing and competitive products and services or by acquiring a dominant position in newly created markets and segments through decarbonized or low-carbon energy, energy-saving service, and recycling-oriented products and services businesses.

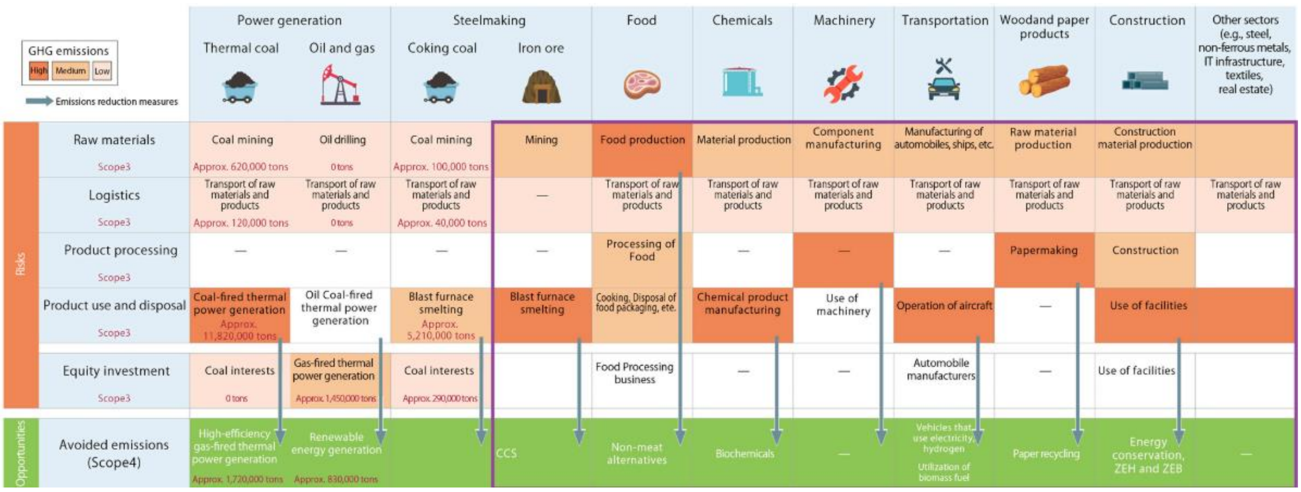
< Analysis of GHG Emissions Across the Supply Chain (Scope 3, Scope 4 (Reduction Contribution) Fiscal Year Ended March 31, 2025 Interim Results) >

We have qualitatively and quantitatively analyzed and identified risks and opportunities for Sojitz by placing industries in which the Sojitz Group does business with high GHG emissions on the horizontal axis and the stages of each supply chain on the vertical axis.

(The Scope 3 and Scope 4 (reduction contribution amount) figures for the power generation and steel manufacturing sectors in the figure below are preliminary figures as of June 16, 2025)

Risk (Scope 3): Areas with higher GHG emissions are shown in darker orange. Generally, these areas are more likely to face pressure to reduce GHG emissions and threats of being substituted.

Opportunities (Scope 4 emissions (reduction contribution amount)): The bottom row represents opportunities for new businesses that could serve as substitutes, which we will accumulate as reduction contributions.
It should be noted that, in accordance with WBCSD guidance*, the reduction contributions are not offset against our decarbonization goals and progress in terms of emissions.
*Refers to the reduction contribution guidance issued by the World Business Council for Sustainable Development (WBCSD).



*Data for the fiscal year ended March 31, 2025 (interim results). The above diagram is based on a simplified version of the 15 Scope 3 categories defined by the GHG Protocol.
Relevant Links:
Details by category
https://www.sojitz.com/jp/sustainability/sojitz_esg/e/data/
*Scope 4 emissions (reduction contribution amount) = (World Thermal Power Intensity in 2023 published by IEA [843 g/kWh] – Sojitz's power generation Intensity) × Power generation volume

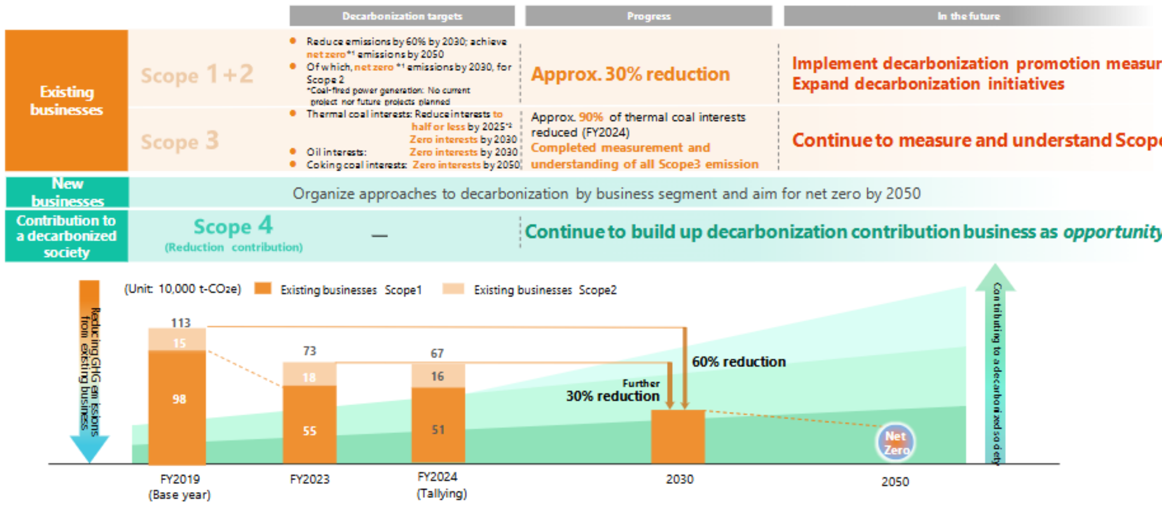
Indicators and Targets

Sojitz has formulated decarbonization policies that include indicators and targets for assessing and managing the aforementioned climate change-related transition risks and opportunities. As of the fiscal year ended March 31, 2025, we have achieved approximately a 40% reduction in Scope 1 and Scope 2 emissions, and approximately a 90% reduction in thermal coal interests. To achieve our Scope 1 and Scope 2 reduction targets, the Group has developed decarbonization promotion measures and established mechanisms to promote decarbonization initiatives (such as renewable energy and energy saving) at operating companies.

We have also completed measurement of GHG emissions (Scope 3) across all sectors in our supply chain. We view Scope 3 not only as a risk but also as an opportunity for new business creation through GHG reduction contributions throughout the entire supply chain. Accordingly, we are promoting initiatives linked to our growth and aim to connect the GHG reductions achieved (Scope 4) with these efforts to solving social issues through our business, thereby turning these risks into strengths and revenue opportunities.

We will continue to promote the initiatives aimed at realizing a decarbonized society.

< Decarbonization Policy and Progress >



*1 FY2019 serves as the base year with non-consolidated and consolidated subsidiaries included in the scope.
*2 FY2018 serves as the base year and targets are based on the book value of interest assets.

< Trend of Scope 1 and Scope 2 emissions (total including new businesses after FY2020) >

	FY2020	FY2021	FY2022	FY2023	FY2024 (Preliminary figures)
Scope1 (Direct CO2 emissions from fuel use such as city gas)	720,000 t-CO2	720,000 t-CO2	750,000 t-CO2	580,000 t-CO2	530,000 t-CO2
Scope1 (GHG emissions other than energy-related CO2*)	-	-	-	-	Being measured
Scope2 (Indirect CO2 emissions from the use of purchased electricity and heat)	210,000 t-CO2	220,000 t-CO2	210,000 t-CO2	200,000 t-CO2	180,000 t-CO2
Total	930,000 t-CO2	940,000 t-CO2	960,000 t-CO2	780,000 t-CO2	710,000 t-CO2

*Previous years' data has been revised to reflect a revision of the boundary of data collection.

*Energy-related CO2 refers to carbon dioxide emitted during the combustion of fossil fuels (coal, oil, gas).
* Currently, the emission reduction targets under Sojitz's decarbonization policy apply to energy-derived CO2.

* The targets indicated above are based on projections made at the time of the preparation of this document,and they will be flexibly revised in response to changes in social trends and technological innovations. The
Scope 1 and Scope 2 emissions for FY2024 are the current total (preliminary figures), and we will disclose the figures after obtaining third-party assurance on our website and in the Integrated Report.

(iii) Supply Chain Human Rights Initiatives

The Sojitz Group develops businesses around the world and is thus committed to promoting respect for human rights in all of the countries and regions touched by the supply chains of these businesses and also promoting measurement and identification of human right risks. The Sojitz Group supports the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are promoting respect for human rights in accordance with the UN Guiding Principles on Business and Human Rights.

In implementing these measures, we engage in dialogue with stakeholders and follow a process that includes the establishment and sharing of policies, risk assessments, improvements and remedy measures, and disclosure of results. The content of each process is reviewed and improved on a regular basis, taking into account factors such as external trends and the internal environment. In addition, we promptly take corrective action if areas for improvement are identified through risk assessment or grievance mechanisms.

Strategy

The Sojitz Group Human Rights Policy and the Sojitz Group CSR Action Guidelines for Supply Chains and other related policies have been established based on the Ten Principles of the United Nations Global Compact, and are regularly reviewed and revised as necessary.

Ensuring respect for human rights across the supply chain requires the awareness and understanding of frontline employees. Based on this recognition, we conduct seminars and e-learning programs within the Group, and the Investor Relations & Corporate Sustainability Department (the secretariat for the Sustainability Committee) practices direct communication with the management of Group companies in order to verify the extent to which policies and initiatives have been communicated throughout the company in question, confirm the status of onsite measures, and promote greater levels of awareness and understanding in relation to respect for human rights. We share these policies with our business partners and ask for their understanding and compliance with all policies.

<Human Rights Risk Seminar>

In February 2025, we invited lawyer Emi Omura to give a lecture titled Management Challenges and Solutions Regarding Business and Human Rights for COOs of the business divisions. 15 COOs from the business divisions and corporate organizations participated in a training session on points to note in high-risk business areas and human rights issues faced by Japanese companies with business partners. In addition, the training session is available as a video, which has allowed 2,000 Sojitz Group employees to participate.

Risk Management

1) Risk management in new business investment and financing

When conducting new investments and loans, the applying department identifies potential risks such as forced labor, child labor, and impacts on indigenous peoples based on human rights risk issues and response points in each business area, and formulates countermeasures. When necessary, due diligence is conducted to ensure no omissions in the identification of human rights risks or the formulation of countermeasures.

2) Risk management in existing businesses and the supply chain

● Identification of high-risk business areas

Because there are various human rights issues, including those in the supply chain, we believe it is important to analyze business areas where human rights responses are particularly required and address them in order of priority. The Business & Human Rights Resource Centre, an NGO based in the United Kingdom, maintains a database with examples of human rights risks. Adopting a risk-based approach, we use this database to identify areas of the Sojitz Group businesses in which risks are particularly high and to analyze and confirm the areas of the supply chain in which human rights risks are generally most likely to appear. High-risk business areas are regularly reviewed based on the latest database, our group's business environment and circumstances, and opinions from external specialists.

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

Generally high-risk areas and risks (yellow) ◌ Generally low-risk areas

Upstream → General Supply Chain → Downstream

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

● Risk assessments

To conduct risk assessments effectively, we identify issues and key points for response in high-risk business areas and share them across the Group. Organizations engaged in high-risk business areas investigate the status of responses by conducting questionnaires, interviews, and site visits with business partners. The results of these investigations are shared with the IR and Corporate Sustainability Department and each organization through annual dialogue, and we have established a system of on-site visits and other methods in case serious issues are identified. We incorporate insights gained from dialogue and interviews, as well as opinions from external specialists, and update issues and key points for response as appropriate.

● On-site investigations

Sojitz conducts investigations at the sites of individual transactions and businesses in investigating and confirming human rights risks as required.

For example, regarding the procurement (import) of wood, we have established the Sojitz Wood Procurement Policy based on the three pillars of a legality check, environmental consideration, and social consideration, and we conduct annual surveys to check traceability and environmental and social considerations. As part of the annual surveys, we conduct on-site visits and detailed due diligence involving external specialists for suppliers of concern, as necessary. In FY2024, we conducted four on-site investigations in Indonesia, four in China, three in Malaysia, one in Thailand, and nine in Vietnam.

In addition, we established a procurement policy for marine food products in December 2024, and based on this policy, we began risk assessments in FY2025 and we plan to conduct on-site due diligence starting in FY2026.

● Ensuring human rights of foreign technical interns

Certain companies of Sojitz Group accept foreign technical intern trainees. Sojitz has conducted questionnaires since FY2022 to such companies to confirm compliance with relevant laws and regulations, and makes onsite visits to check the worksite conditions. We also have a dialogue with the management of such Group companies and with technical interns to understand their workplace and living environment to ensure there are no problems while also working to reduce risks.

The Group companies accepting technical interns take into consideration their human rights, provides chances to acquire Japanese as well as trips and recreation activities. Initiatives focused on facilitating communications with them are also taken.

Furthermore, Group companies meet to exchange information, hold lectures by external specialists or exchange views on issues upon accepting the interns to raise the awareness within the Group.

● Improvements and remedy measures

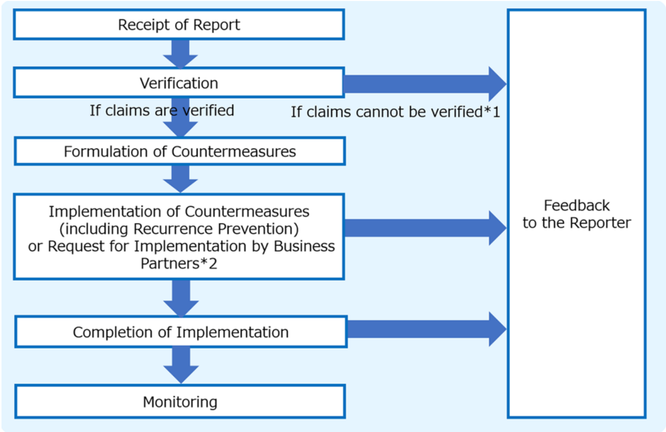
If issues are identified during risk assessments, we confirm the facts and request relevant stakeholders, such as business partners, to take measures to address the issues.

In our risk assessment for high-risk business areas for FY2024, we confirmed that there were no significant issues.

We review our risk management structure every year, and make improvements by reflecting issues identified during the risk assessment process and opinions from external specialists in our internal systems.

<Grievance mechanisms>

We have established a system to receive human rights complaints and inquiries from all stakeholders, including those within our supply chain, to promptly identify negative impacts in the supply chain and take corrective action and remedy measures.



*1
If the facts cannot be confirmed, we will provide feedback to the reporting person and continue the investigation as necessary.

*2
If the necessary improvements are not made within the required period of time, we will take measures including reviewing the business relationship.

Indicators and Targets

1) Wood procurement

We have established the Sojitz Wood Procurement Policy for the lumber, which has been identified as a high-risk business area in the Group's human rights risk assessments. In March 2024, we revised the policy to aim for the establishment of a supply chain which allows for no deforestation (*1). Based on this policy, lumber procured (imported) from overseas is assessed to confirm traceability back to the place of origin and the suitability of forest management measures with consideration for environment and social (human rights) factors. Lumber is categorized into one of four levels based on these assessments, and a procurement ratio has been set as a target for each level.

Level A: Wood confirmed to be certified wood (*2)

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

Level C: Traceable wood

Level D: Wood lacking traceability

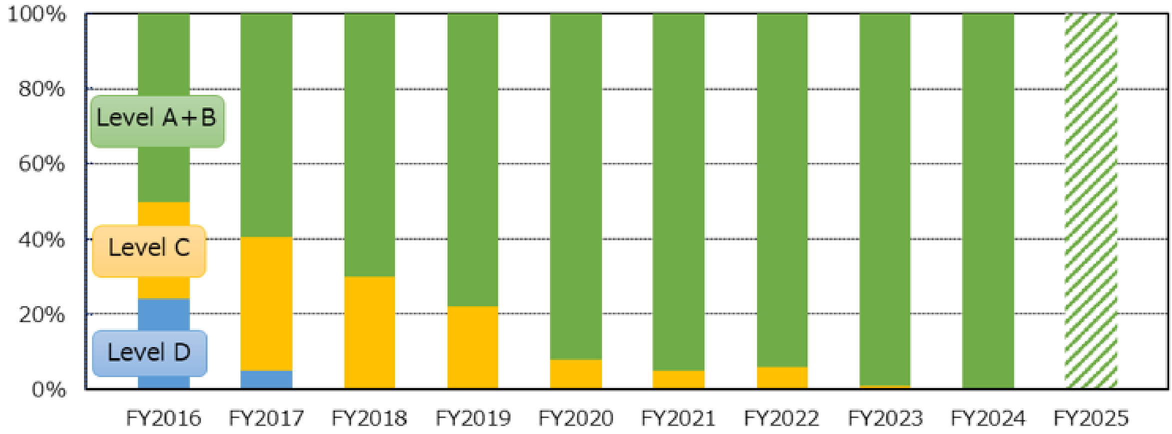
*1 “No deforestation” is defined as no conversion of natural forests and no damage to high conservation value forests. “Conversion of natural forests” is defined as the conversion of natural forests to tree plantations or other non-forest land use after December 31, 2020.

*2 Wood certified under FSC®, PEFC, etc.

FY2025 Target	100% of transaction volume accounted for by Level A and Level B wood by the year ending March 31, 2026.

< Trend of procurement ratio by level>

	Level	FY2016 Survey	FY2017 Survey	FY2018 Survey	FY2019 Survey	FY2020 Survey	FY2021 Survey	FY2022 Survey	FY2023 Survey	FY2024 Survey	FY2025 Target
Imported	A+B	50%	59%	70%	78%	92%	95%	94%	99%	100%	100%
	C	26%	35%	30%	22%	8%	5%	6%	1%	0%	0%
	D	24%	5%	0%	0%	0%	0%	0%	0%	0%	0%



*Starting from FY2020, Level A is limited to certified wood only (the Level A ratio for the FY2024 is 18%).
*Levels A through D were determined based on evaluations conducted by Sojitz using WWF Japan's Responsible Purchasing Checklist for Forest Products. Percentages in the above table were calculated by dividing the cost of procured (imported) wood in each level by the total cost of all imported wood included in the survey. The FY2024 survey is calculated from the amount of procured wood in FY2023. We have acquired third party assurance since FY2020.

As shown in the above table, we achieved the FY2025 target (100% of Level A + B wood) ahead of schedule in FY2024. To maintain this going forward, we will continue to conduct surveys before starting transactions, annual surveys, detailed on-site due diligence, expand the handling of certified wood, encourage certification acquisition by suppliers, and promote the handling of environmentally friendly materials in collaboration with customers.

Relevant Links:
The Sojitz Group's Wood Procurement Policy
https://www.sojitz.com/jp/csr/supply/lumber/

2) Marine products procurement

The Group is engaged in the production, procurement, processing, and sale of marine products globally, not only in Japan but also in Asia, the United States, and other regions. Recently, we have established a sushi takeout chain and a sushi restaurant operator in the US, focusing on the retail area closer to consumers and expanding our supply chain. In order to achieve sustainable and responsible procurement of marine products, we established a Marine Products Procurement Policy in December 2024 for the Company and the Group's marine product companies.

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

In particular, for tuna species, we conduct procurement, farming, processing, and sales activities globally, and we set the following goals in recognition of our significant influence and important role in realizing a sustainable supply chain.

Targets	Targets for Tuna Procurement Business • Sojitz Group will conduct risk assessments of its suppliers in line with this policy. (Beginning in FY2025) • Sojitz Group will conduct on-site due diligence with its suppliers in order to share information regarding risks and issues present in the supply chain and collaborate with suppliers on potential solutions. (Beginning in FY2026)

Relevant Links:
The Sojitz Marine Products Procurement Policy https://www.sojitz.com/jp/sustainability/policy/marine/

(iv) Response to Natural Capital and Biodiversity

● Basic view on biodiversity

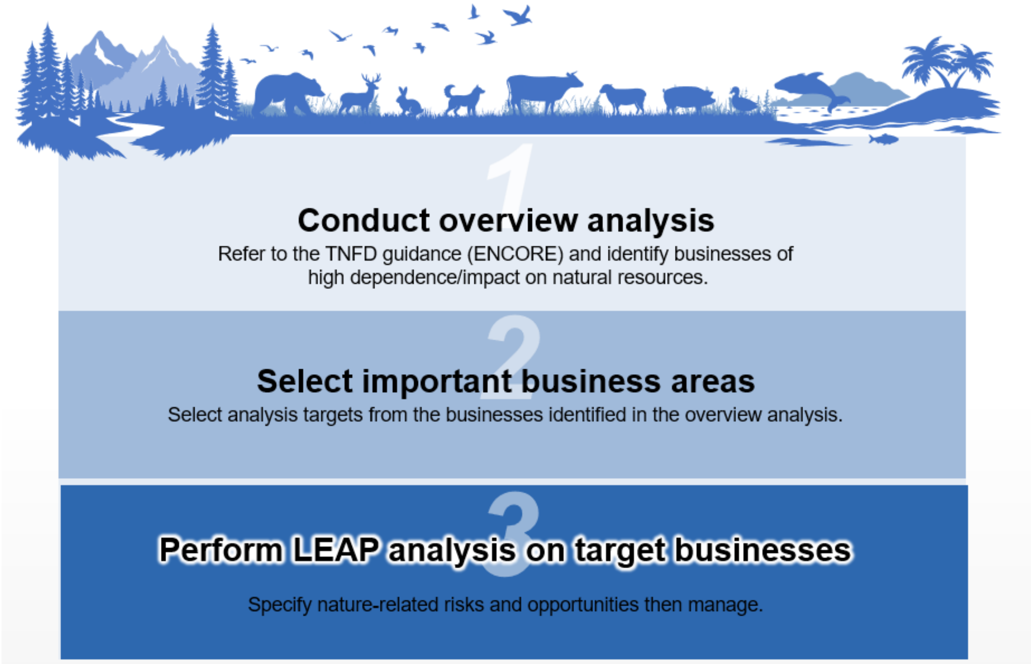
The Group handles food resources, marine resources, and forest resources and engages in resource development and factory construction in its business activities, and these activities may have an impact on ecosystems such as forests, oceans, and rivers. Furthermore, because business and social activities depend on natural capital, if natural capital is damaged, we would not be able to benefit from it and sustainable business and social activities may be suspended. The Group, as a general trading company, operates in diverse geographical areas and a wide range of businesses, and some businesses directly utilize natural capital, and it is necessary to respect natural capital and keep receiving its benefit. In addition, with the recent growth in international interest and the growing expectations of stakeholders toward Sojitz, consideration for biodiversity is essential for the sustainable business activities and enhancement of corporate value of the Group. The Sojitz Group has identified the “Environment” and “Resources” as Key Sustainability Issues (Materiality) and aims to contribute to the global environment through its business activities, thereby transforming the resolution of social issues into one of our strengths and expanding and growing our business foundation. Furthermore, our environmental policy includes response to biodiversity and minimizing the environmental impact of our business. In particular, with regard to wood and marine products, we have established individual procurement policies based on guidelines for each area, and we will promote the maintenance and conservation of biodiversity in accordance with these policies while taking into consideration natural capital.

Strategy

As a company that handles wood products, the Group is required to ensure the legality of wood and wood products and consideration for the environment and society, and to contribute to the realization of a sustainable society. We recognize the importance of this requirement and have established a Sojitz Wood Procurement Policy based on legality and environmental and social considerations, and among the approximately 1,500 wood-related suppliers in the Group, we have identified suppliers in countries with high country risks and suppliers with large procurement amounts. For the identified wood, we use the WWF Japan’s Responsible Purchasing Checklist for Forest Products to verify traceability to the origin and environmental and social considerations. We customize and use this checklist to confirm appropriate forest management that takes into account environmental and social considerations.

In addition to the above initiatives, in FY2024, we referred to the TNFD* guidance and followed the procedure outlined below to identify our business's dependence on and impact on nature.

*Abbreviation for the Taskforce on Nature-related Financial Disclosures, established by the United Nations Development Programme (UNDP) and others as a framework formulated for companies to disclose nature-related risks and opportunities to investors and the market.



● Identify businesses and analysis targets with high importance in terms of dependence on and impact on nature

By making a reference to TNFD guidance and using an analysis tool ENCORE*, we firstly confirmed how the business in general would depend on natural capital and what impact they would have on natural capital. As a result, we identified 25 businesses with high dependency and impact scores, and further confirmed that matters related to water generally tend to score higher in dependencies and impacts in general. Among the identified businesses, we selected the marine food products value chain (including Sojitz Tuna Farm Takashima, which engages in tuna farming, and Marine Foods Corporation and TRY Inc., which process marine food products) as the focus target for analysis using the TNFD LEAP (locate, evaluate, assess, and prepare) approach.

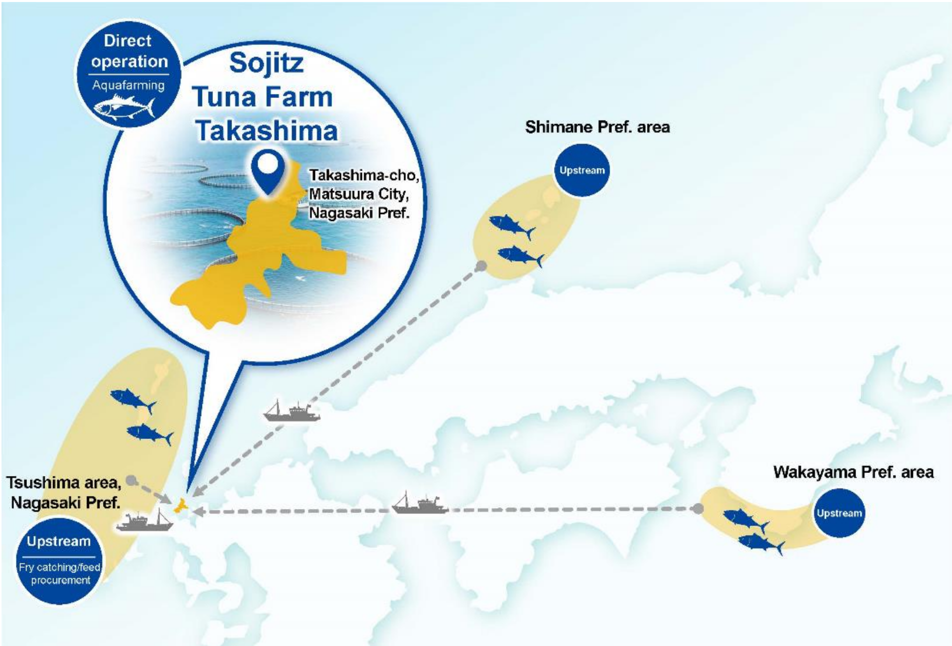
* An analysis tool developed jointly by the United Nations Environment Programme (UNEP) and the Natural Capital Finance Alliance (NCFA) to assess the extent of private sector dependence on and impact on nature.

Relevant Links:
Overview analysis chart of Sojitz’s portfolio using ENCORE and its excerpts
_https://www.sojitz.com/jp/sustainability/sojitz_esg/e/biodiversity

● Implementation of LEAP analysis of the marine food products value chain

Locate: Identification of points of contact with nature

We targeted Sojitz Tuna Farm Takashima's own aquaculture operations, upstream feed and seed procurement, and downstream domestic processing operations such as TRY Inc. and Marine Foods, and identified areas with high risks of biodiversity loss and degradation of ecosystem services as priority areas and are in the process of summarizing the characteristics of each area.



Evaluate: Diagnosis of dependence on and impact on nature

We identified risk factors and analysis points for the priority areas identified in the locate phase. Furthermore, we confirmed the state of nature and investigated regulations at Sojitz Tuna Farm Takashima's own aquaculture facility, and conducted interviews with the company to understand the actual situation.

Assess: Assessment of significant risks and opportunities

In light of the above, we identified the risks and opportunities in accordance with the TNFD guidance for each sector, and the risks and opportunities evaluated as significant, along with the Group's initiatives, are as follows.

Main anticipated risks and opportunities		Sojitz Group's initiatives
Risks	· Decline in product quality and increase in mortality due to rising sea temperatures and red tide · Degradation of ecosystems and economic loss caused by escaped fish · Changes in aquaculture suitable sites due to water pollution from leftover feed, etc.	· Data collection and analysis of water temperature and salinity · Development of a red tide prediction application · Utilizing AI to count the number of tunas · Regular inspection of fish net cages · Optimization of feeding quantities and shipping timing · Investigation of surrounding target sites using IBAT*
Opportunities	· Investment in technologies to mitigate impacts on ecosystems	

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

Prepare (preparation for response and reporting)

Sojitz Tuna Farm Takashima is actively adopting ICT in its aquaculture operations and building a smart aquaculture system through industry-academia collaboration with the Japan Agency for Marine-Earth Science and Technology (JAMSTEC). We have also started developing and testing a red tide prediction app in collaboration with Kyushu University. These technologies are not limited to Sojitz Tuna Farm Takashima but are also being utilized to address challenges faced by other aquaculture facilities, and contribute to the conservation of sustainable marine resources.

Going forward, we will utilize insights gained through analysis using the LEAP approach in the operation of individual businesses, while expanding the scope of analysis to upstream feed and seed procurement and downstream processing operations such as Try Inc. and Marine Foods. We will also continue to monitor natural capital (biodiversity and water risks), and assess their dependence on and impact on our business portfolio.

● Other initiatives

The Group formulates business plans that include appropriate environmental and social impact assessments, management and monitoring plans, and closure plans that take into account the potential damage to natural capital and impact on ecosystems in the development and mining of upstream resources such as mines, and it conducts activities that take into consideration environmental conservation through compliance with laws and regulations established by national and local governments and the acquisition of necessary permits and approvals.

During development, we strive to minimize environmental impact on biodiversity in the target area by reducing environmental loads, and after transitioning to operations, we conduct relocation work to maintain the flow of streams within the mining area, conduct regular environmental impact monitoring, and implement sufficient preventive measures to prepare for emergencies. In rehabilitation after mining, we thoroughly implement forestation and greening activities at all mines in parallel with mining operations without waiting for mine closure, to prevent the materialization or expansion of risks to natural capital and to promote environmental load reduction and environmental conservation.

Specifically, the topsoil removed for mining at the Gregory Coal Mine and Meteor Downs South Coal Mine in Australia is temporarily stored at another location and, upon completion of mining, the topsoil is reused to cover the excavated areas while conducting reforestation efforts to restore the site to its condition before mining. Furthermore, at both coal mines and their surrounding areas, we are securing habitats for rare plants and animals such as ground-squatter pigeon and king grass, which may be affected by development and mining activities, in accordance with relevant laws and regulations, and conducting conservation activities in accordance with approved plans.

Indicators and Targets

In the Sojitz Group Environmental Policy established in 2004, we have committed to minimizing the environmental impact of our business activities, including reducing greenhouse gas emissions such as CO_2 to address climate change and supporting biodiversity. The following individual indicators and targets have been set.

· Wood procurement
Please refer to the indicators and targets on page 38.

· Marine food products
Based on the results of the assessment described above, we will consider additional analyses, indicators, and targets as necessary.

Relevant Links:
Biodiversity
https://www.sojitz.com/jp/sustainability/sojitz_esg/e/biodiversity/

(Reference) Evaluation by External Organizations
The Company's efforts to address sustainability issues through the Group's business activities have been consistently recognized in evaluations from third-party institutions. In FY2024, we were selected as one of the "Top 1%" in the Trading Companies & Distributors sector of the S&P Global Sustainability Awards (Sustainability Rating), continuing from the previous fiscal year.

	FY2020	FY2021	FY2022	FY2023	FY2024
FTSE Blossom Japan Index	Selected	Selected	Selected	Selected	Selected
FTSE Blossom Japan Sector Relative Index	—	—	Selected	Selected	Selected
MSCI Japan ESG Select Leaders Index	—	—	—	Selected	Selected
MSCI Japan Empowering Women Index (WIN)	Selected	Selected	Selected	Selected	Selected
CDP (Climate Change)	A-	A-	A-	A-	B *
CDP (Forest)	B	B	B	B	B

* CDP has established a score appeal system based on company submissions, and Sojitz is currently appealing its FY2024 Climate Change score of "B." This score is subject to change depending on the outcome of the review.

Relevant Links:
Sojitz ESG Book
https://www.sojitz.com/jp/sustainability/sojitz_esg/

(2) Basic Policy for Human Capital strategies

Toward achieving our vision for 2030 of becoming a general trading company that constantly cultivates new businesses and human capital, we are committed to linking the growth of a team of diverse, autonomous individuals, which we believe is a source of value creation, to the growth of our organization and company.

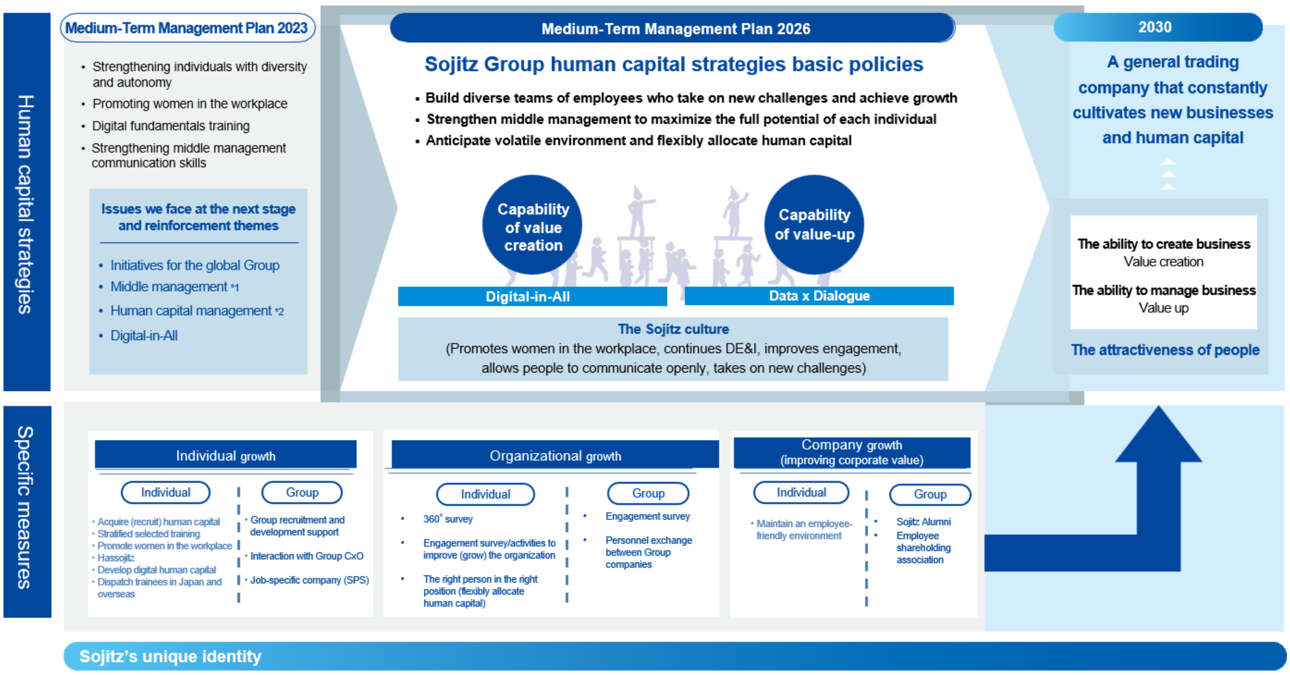
Human capital strategy to support “Medium-Term Management Plan 2026”

The “Medium-Term Management Plan 2026” aims to realize a Sojitz Growth Story to enhance our “capability of value creation” and “capability of value-up” as outlined in the human capital strategies.

To establish the base for achieving the Next Stage (net profit of ¥200.0 billion and ROE of 15% or more) as declared in the basic concept of the “Medium-Term Management Plan 2026”, it is essential to advance into competitive business areas and ensure high profitability. To this end, we will expand the Group through new business investment and strengthen group and global initiatives mainly by promoting co-creation using its network. We will continue “building diverse teams of individuals who take on new challenges and achieve growth,” and strengthen middle management, leading us to enhance our organizational capabilities. We will also continue developing organization and talents capable of value creation/value-up by anticipating volatile environment and accelerating the flexible allocation of human capital.

As a foundation to support the strengthening of “Base of Growth” and “Human Capital” toward sustainable value creation, we will create new business and improve productivity by familiarizing the organization with the concepts of “fostering the unique Sojitz culture,” putting into practice “Digital-in-All” and “effective data-driven dialogue.” As such, we will achieve Sojitz Group’s slogan of “New way, New value.” By deepening the unique corporate culture that is distinctively Sojitz such as taking on challenges and flexible thinking, employees will communicate thoroughly through dialogue and foster a culture that leads to value creation.

To achieve our 2030 vision and realize the Next Stage, it is crucial to shift gears in our talent strategy. With the aim of creating an environment where each and every employee can challenge and grow more than anywhere else, we have revised our personnel system (role grades, evaluations, etc.), including salary increases, and introduced a new personnel system in April 2024. By enhancing the attractiveness (strength) of the people who will realize Sojitz’s unique growth story, individual growth will lead to organizational growth and revitalization, ultimately resulting in company growth and increased corporate value, thus accelerating Sojitz’s unique human capital management.



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

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

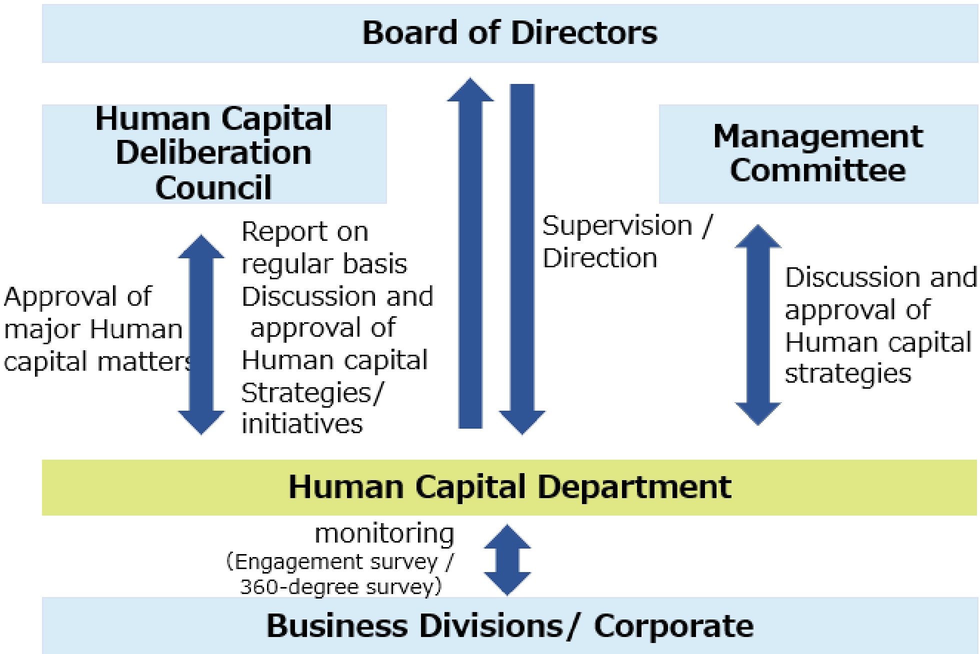
Governance

Human capital is the most important asset and a driver of value creation for trading companies. We therefore promote human capital management for continuous value creation under the following execution system through maximizing the capabilities of human capital and forming a group of individuals who can transform themselves and create new value.

As a practical application of human capital management, we examine the measures from a managerial perspective at the Board of Directors, and major human capital matters are approved at the Human Capital Deliberation Council chaired by the President. Progress on initiatives such as human capital KPIs or effectiveness and issues on human capital measures are discussed and decided within the Management Committee and the Board of Directors on a regular basis.

To quickly detect and respond to the risks, we have established a compliance hotline and an internal suggestion box, and we also gather opinions from the front lines through an engagement survey and 360-degree survey, and put in place a monitoring system to enhance our capability to pursue the ongoing creation of corporate value.

< Human Capital Management Promotion System >



Risk Management

By approaching each important issues from both offensive and defensive perspectives - the “risks” of human capital value to be damaged and the “opportunities” for value enhancement - we commit to the improvement of corporate value. To accomplish Sojitz’s vision for 2030, we continue to tackle not only immediate issues but also those that need to be addressed now with an eye to the future.

	Risks considered by the Company and opportunities to improve value	The Company’s approach
Compliance	• Loss of confidence in the Company due to compliance violations • Deterioration of the work environment due to harassment	✓ Formulate the “Sojitz Group Compliance Program,” and develop e-learning using globally-shared teaching material
Labor practices	• Lower productivity due to long working hours, etc.	✓ Formulate “Sojitz Group Human Rights Policy,” respect human rights ✓ Promote a flexible work style through work-style reforms
Health and Safety	• Reduction of workforce due to employee physical or mental illness and work-related accidents	✓ Implement health and productivity management based on the “Sojitz Healthy Value charter”
Diversity	• Biased judgment due to a lack of diversity	✓ Promote diverse human capital such as women, mid-career recruits, and foreigners in the workplace ✓ Set KPI as key performance indicators
Liquidity	• Increased resignation rate • Acquire diverse human capital • Create innovation by combining knowledge	✓ Establish Sojitz Professional Share, etc., to achieve a flexible work style, and build the system to co-create and share on a loose Sojitz network
Engagement	• Obsolete skills and knowledge due to the changing times • Develop human capital that can achieve business strategies and create value	✓ Use an engagement survey containing our own questions to extract issues unique to the Company, and use fixed-point observation to identify and improve the penetration of measures
Development /training	• Improve motivation to challenge and grow employees • Respond to the changing times by teaching new skills to employees (reskill)	✓ Strengthen middle management that links the strength of individuals to the organization’s capability ✓ Use the unique digital human capital development program and the reskill support system to develop human capital that can create value needed for the times ✓ Develop Human capital using planned recurrent training
Consolidated management	• Expand the capability of the Group through new business investment • Create value by co-creating and sharing within the Group	✓ Accumulate knowledge and develop human capital in the area of new business investment ✓ Localize CxO human capital to expand the business through a market-in approach
Succession plan	• Lack of human capital that can respond to a changing external and internal environment • Sustained creation of human capital that can embody Sojitz’s unique identity	✓ Develop candidates in a planned manner for line manager positions ✓ Expand the human capital pool by formulating a succession plan ✓ Recruit and on-board human capital from outside
Productivity improvement	• Increase profit by strengthening each person’s ability to earn	✓ Place the right person in the right position by visualizing human capital and operations ✓ Implement organizational improvement activities based on survey results

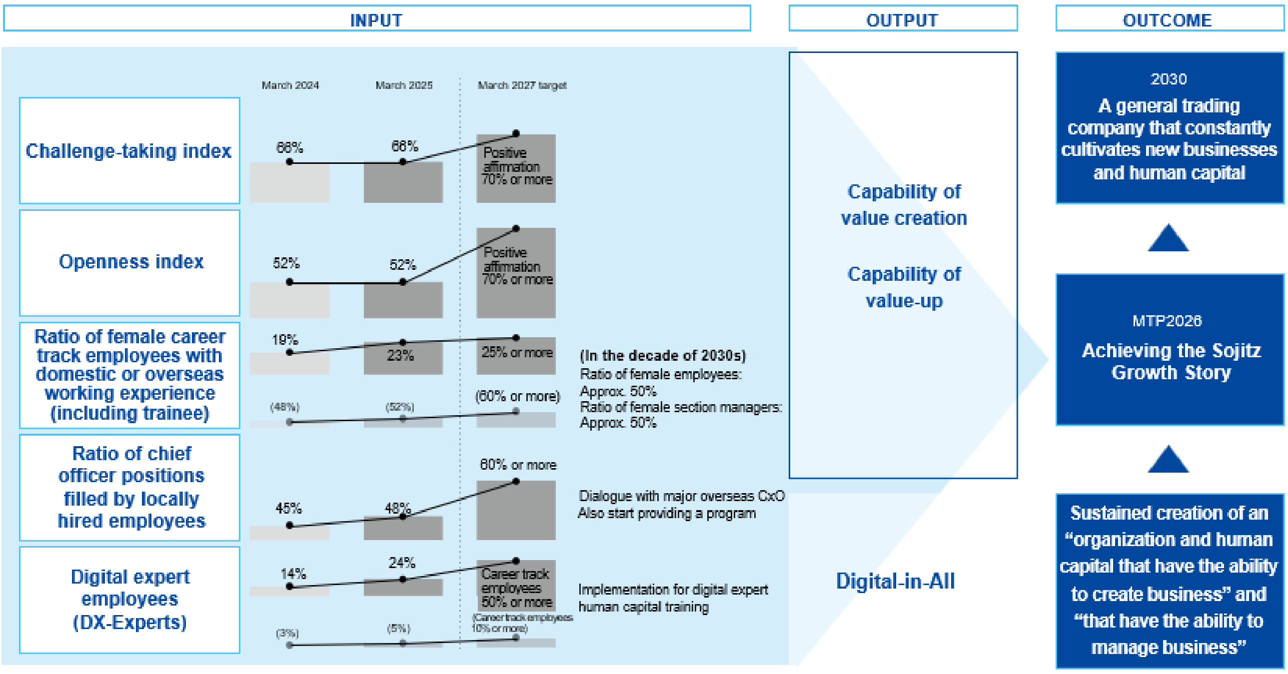
“Risk” management perspective | “Improved value” perspective | Unique perspective that personifies Sojitz’s unique identity for 2030

Indicators and Targets

1) Dynamic Human Capital KPIs

In order to realize Sojitz Growth Story toward the vision of 2030, it is necessary to develop and strengthen the people (organization and human capitals) who can implement “Digital-in-All”, with capability of value creation and value-up. We will measure the effectiveness of various initiatives by setting human capital KPIs.

Specifically, we will “Foster unique Sojitz Culture (challenge-taking index, openness index)” and “promote opportunities for diverse human capital (Ratio of female career track employees with domestic or overseas working experience, Ratio of chief officer positions filled by locally hired employees, and Digital expert employees)” to enhance the capability of value creation and value-up. In addition, some KPIs incorporate the response ratio of regular engagement surveys (*) to track employee input and translate it into measures.



*The figures for the fiscal year 2024 are currently aggregated values, and figures that have obtained third-party assurance will be disclosed on our website and in the integrated report.

Dynamic Human Capital KPIs	Details	Targets
Challenge-taking index Workplace openness index	We believe it is important to foster a corporate culture that maximizes the individuality and capabilities of each employee, transforms the diverse strengths of individuals into competitive advantages, and creates new value. To elevate our company culture into one that supports the challenges of motivated and capable employees and fosters an open environment where opinions can be freely exchanged, we have established "Challenge-taking Index" and "Workplace openness index" as KPIs and use the positive affirmation ratio from engagement surveys(*).	70% or above
Ratio of female career track employees with domestic or overseas working experience (including trainees)	The Women's Empowerment Action Plan aims to have the right person in the right place at the right time without gender gaps by the 2030s. To promote the on-the-job experience and growth motivation required for our management positions, we will continue our "career acceleration" program, which sends trainees to domestic and overseas locations or subsidiaries before they reach major life events. Additionally, to promote overseas assignments and postings that provide high-quality experiences, such as taking on roles of greater responsibility or participating in decision-making processes, we have added the "ratio of employees with experience of working overseas or seconded positions" as a key performance indicator (KPI).	25% or above (60% or above)
Ratio of chief officer positions at overseas Group companies filled by locally hired employees	We aim to achieve sustainable business growth and creation through a market-in approach, and will actively recruit local talent well-versed in each country and region to fill chief officer positions at our overseas group companies.	60% or above
Practical application_level DX-Experts (expert-level DX-Experts)	To achieve the "Digital-in-All" vision set forth in our management strategy, we will combine the power of digital technology with our diverse businesses to enhance the value of existing businesses, drive transformation, and create new digital businesses. We will promote the development of practical application_level DX-Experts (expert-level DX-Experts) who can lead the introduction and utilization of digital technology on-site and implement it in our businesses.	Career track employees 50% or above (Career track employees 10 % or above)

* The ratio of respondents who chose Option 1: "Strongly agree" or Option 2: "Agree" out of six options

Relevant Links:

Engagement survey

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

Strategy

In an aim for the Next Stage, Sojitz Group has established the following three basic human capital strategy policies under the "Medium-term Management Plan 2026": "Build diverse teams of employees who take on new challenges and achieve growth," "Strengthen the section managers' ability to maximize the full potential of each individual," and "Anticipate volatile environment and flexibly allocate human capital."

1) Basic Human Capital Strategy 1: "Build diverse teams of employees who take on new challenges and achieve growth"

In accordance with the theme of transforming diversity into competitiveness, Sojitz utilizes diversity to respond to volatile market environment and generate the organizational capabilities that underpin the swift generation of value. To aim for "becoming a general trading company that constantly cultivates new businesses and human capital," we continue proactively hiring diverse talents regardless of gender and nationality, including mid-career hires with high expertise. We also work on various initiatives to develop a workplace environment that enables them to fully demonstrate their characteristics and skills and provide education to management-level personnel.

● Promotion of women in the workplace

In order to increase the number of female employees in decision-making roles, Sojitz is working to expand the human capital pipeline, centered on the organization responsible for diversity management, and to create an environment that allows women to continue working even while undergoing life events. We aim to achieve a state where the appointment of personnel is based on the right person for the right job without gender disparities by the 2030s.

Moreover, the promotion of women in the workplace has been defined as a top priority for human capital strategies given its importance in linking diversity to competitiveness in the form of innovation. We aim to raise the ratio of female section managers to 20% by the end of the "Medium-Term Management Plan 2026", and further raise this ratio to 50% in the 2030s. Since FY2016, we have increased the number of female hires, and as a result, women already account for about half of our employees in their 20s, and we continue to work on providing growth opportunities and career support to build a pipeline.

As a measure to develop human capital who will be responsible for decision-making in the future, we launched a career acceleration program in FY2021, which sends young employees to domestic and overseas operating companies as trainees at times that do not overlap with major life events and provides them with opportunities to take on new challenges. Furthermore, with the aim of providing employees with difficult experiences such as undertaking a mission and decision making for which managers are responsible, we have set "ratio of employees with experience of working overseas or secondment" as a KPI from FY2024, and are increasing the number of female employees who serve as officers and other employees at domestic and overseas operating companies.

In July 2024, we established the Promotion of Women Committee as a forum for management and frontline employees, including the Chairman, to discuss and propose measures to strengthen the human capital pipeline. We invite external experts to discuss issues and measures related to the promotion of women in the workplace, such as the difficulty of balancing work and life, from a variety of perspectives. In addition, to support employees who are motivated to take on new challenges and achieve growth, we have held roundtable discussions hosted by female executive officers, with the participation of the President, to engage in direct dialogue with female employees. In addition, progress on human capital initiatives, including those related to the promotion of women in the workplace, is reported to the Board of Directors and the Management Committee.

[Scene of the Promotion of Women Committee]

[Scene of a roundtable discussion hosted by female executive officers]

% of women employees

		FY2024	MTP2026 Targets (FY2026)	FY2030 Targets	2030s
Pipelines	Section managers	10%	Around 20%	Around 30%	Around 50%
Pipelines	Career track new hires (incl. administrative workers)*2	40%*1 (53%)	40% or more (50% or more)	Around 50% (Around 60%)	Maintain the same level
All employees		32%			Around 50%

*1 Joined Sojitz on April 1, 2025
*2 Established a system that allows mutual job transfers between career track and administrative workers

– The ratio of female section managers was 10% as of March 31, 2025, against the target of around 20% for FY2026.
– The ratio of new female graduates hired as general employees has consistently been over 30% since FY2018 (40% for those joining on April 1, 2025).
– (Reference) For the ratio of female career track employees with domestic or overseas working experience, please refer to page 49 of the human capital KPIs.
– (Reference) Out of 11 Directors, four are female Directors (as of March 31, 2025, the ratio of female Directors is 36%)
– (Reference) There are three female Executive Officers, one of whom is a Director and Senior Managing Executive Officer (as of March 31, 2025, the ratio of female executives is 18%).

Thanks to these initiatives to promote women in the workplace, we have been selected as a Nadeshiko Brand 2025 company that excels in promoting women in the workplace (for the eighth time since March 2017).

Relevant Links:
■ Sojitz selected as "Nadeshiko Brand" for the 8th time - Further enhancing competitiveness through the promotion of women in the workplace
https://www.sojitz.com/jp/news/article/topics-20250324.html

We recognize the importance of fostering a workplace environment that encourages organization-wide understanding and support of employees raising children in enabling women to continue their careers even while undergoing female-specific life events. We aim to maintain the target of 100% for the human capital KPI of childcare leave taken including male employees. To help employees build their career, we are committed to enhancing work efficiency and team management capabilities, and through support for early returns to work and the promotion of flexible workstyles by balancing their work with childcare.

For more information on the percentage of male employees taking childcare leave, please refer to "1. Overview of Sojitz and Its Subsidiaries, 5. Employees, (4) "Percentage of female workers in management positions," "Percentage of male employees taking childcare leave," and "Wage differentials between male and female" based on the Act for the Promotion of Women's Advancement" (Page12-13).

● Digital human capital development for digital implementation in business

By utilizing digital technology with our internal and external partners, we have developed our own training curriculum and designed skill areas and skill levels in order to train digital talent who can implement changes to business models and work processes. We have already completed raising the literacy levels of all employees through introductory and basic courses, and we also achieved our goal of training 300 advanced application personnel (actual results: 321, of which 60 are experts) as of March 31, 2024 as set out in our “Medium-Term Management Plan 2023”. By utilizing these digital talents (*), we are steadily making progress in addressing business issues, such as price optimization in mineral trading, data analysis for product sales strategies at marine products companies, and patent applications for methods of estimating the number of tunas in tuna farming businesses using digital twins. In addition, we have selected expert managers to manage digital specialist teams within the Sales Division and Corporate organization, and are building a robust structure to achieve “Digital-in-All”.

In the “Medium-Term Management Plan 2026”, we will continue to update and enhance the company’s overall digital literacy, while also strengthening the training curriculum for advanced personnel and expanding the number of trained individuals. In the basic application phase, we introduced a Business Architecture Training (approximately 20 hours) in August 2024 to conceptualize how to integrate data and technology into business models. For advanced personnel, we aim to train approximately 50% of all career track employees (about 1,000 people), including about 10% as experts (about 200 people), and to allocate these advanced personnel across all organizations, aiming at achieving “Digital-in-All” at the company-wide level centered around these talents. For details, please refer to page 22-23.

(*) In the development of digital human capital, we have established a unique five-level system (Entry, Basic, Experienced, Expert, and Thought leader) and two skill areas (data analysis and business design).
Relevant Links:
https://www.sojitz.com/en/corporate/strategy/dx/

● Encouragement of contributions from mid-career recruits

We are also focusing on mid-career hiring to strengthen our diversity including management personnel, DX and other specialized personnel, different genders, locally hired individuals. As of March 31, 2025, mid-career hires accounted for 24% of management posts and 39% of executive posts. In addition, mid-career hires accounted for 26% of all hires in FY2024. We plan to continue mid-career recruitment to account for about 30% to 40% of all new hires each year. In addition, in line with our revised target of achieving a 50% ratio of female section managers by the 2030s, we have raised our hiring targets for women to 50% for both new graduates and mid-career individuals. As an example of contributions from mid-career recruits, a female career hire was appointed to a department manager position at a business division for the first time in April 2025. In addition, the Senior Managing Executive Officer, CDO, CIO and Head of Digital Division, who was recruited from outside the Company, was appointed to the office of Director in June 2024, and going forward, she will leverage her experience gained at other companies in dialogue between the senior management and the frontline employees to accelerate the implementation of digital initiatives that will lead to the creation of new businesses and the transformation of business models for the Sojitz Group.

● Utilization of locally hired employees

Sojitz is increasing the number of chief officer (CxO) positions filled by locally hired executives with the goal of better entrenching its operations, centered on overseas operating companies, into local networks in order to expand its business domain and co-create new businesses. The ratio of overseas CxO positions filled by locally hired employees was 40% in the year ended March 31, 2022 and this ratio increased to 48% as of March 31, 2025(*). Sojitz aimed to raise this localization ratio to 50% or more by FY2025, but has since revised its target upward to 60% under “Medium-term Management Plan 2026” as part of its efforts to further the Company’s localization efforts. Moreover, we aim to bolster information sharing in overseas regions in order to facilitate market-oriented initiatives, seize new business opportunities, and promote co-creation and sharing. To this end, the Company has established an advisory board membered by the locally hired leaders of overseas operating companies and appointed locally hired directors. At a meeting of the advisory board held in the United States, former president Masayoshi Fujimoto joined in a lively debate about the growth strategies to be implemented going forward with the chief officers of operating companies in the Americas. In FY2024, similar meetings expanded to other regions, and through such exchanges, Sojitz aims to strengthen the Sojitz Group by expanding business through combining with its diverse range of businesses.

*The figures for FY2024 are currently aggregated values, and figures that have obtained third-party assurance will be disclosed on our website and in the integrated report.

● Trainee program

Sojitz develops a diverse range of businesses through more than 400 Group companies. As such, ensuring the effective cultivation of human capital for leading these companies is a matter of extreme importance. To develop and secure future management personnel, we have established a trainee program that sends young employees to work both in Japan and overseas. In FY2020, we started a program to dispatch employees as trainees to operating companies in fields different from their current departments. The program thus provides an opportunity for employees to grow by broadening one's perspective through new experience, and by expanding their base of knowledge and inter-personal connections. In addition, based on the results of engagement surveys, it was found that if women experience overseas assignments in their 20s, their willingness to take on overseas assignments is less likely to decrease in their 30s and beyond, so we encourage participation in the career acceleration program. In FY2024, 47% of the overseas trainees dispatched to 18 countries were female employees. We will continue to provide opportunities for employees to expand their scope of activities and support the further growth of each employee.

Relevant Links:
Ratio of female career track employees with overseas or domestic working experience is under (Human Capitals KPI) on page 51 of the Integrated Report 2024
http://s3-ap-northeast-1.amazonaws.com/sojitz-doc/pdf/jp/ir_202405/reports/annual/ar2024j_all.pdf

● Hassojitz Project

The Hassojitz Project is a new business creation project launched in 2019 with the aim of fostering employees' abilities to plan for the future and to practice strategic thinking by providing an opportunity to contemplate Sojitz's future growth. The "Wireless charging" Project, which was awarded the first President Prize, has started on-the-road performance tests in March 2023. In FY2024, the sixth year since the program was launched, the theme was "Anticipating the Future and Creating New KATI (Value) Together," and discussions were held with experts and alumni to further accelerate the creation of businesses starting from the idea (implementation with a focus on the achievement of the idea). Hassojitz Project promotes the fostering of entrepreneurial spirit and human capital capable of creating businesses autonomously.

Relevant Links:
Wireless charging business
https://www.sojitz.com/jp/newway_newvalue/article/nwnv_post_11.html

● Cultivating a corporate culture that transforms diverse individual strengths into competitive advantages

We consider human capital as a source of Sojitz Group's value creation, and their actively engaging in vertical, horizontal and diagonal communications will play a key role to grow the company and organization. For example, such communications will help improve the decision-making quality through sharing multifaceted opinion and information (openness), innovate us with outside the box thinking, enhance the willingness to achieve the goal, and drive company engagement.

We believe our vision of human capital management will be accomplished if diverse, autonomous individuals think what is unique to Sojitz and turn it into actions. In April 2023, we launched "Pursuit of Sojitz's Uniqueness Project," an interactive project involving the entire company. We verbalized our uniqueness and visions from the future/present as well as the company/individual perspectives. This process includes fact-finding based on interviews with internal and outside parties, workshops by core members selected from all units, exchange of views with the management and having several roundtable discussions. To achieve our 2030 vision, employees shall have a sense of ownership to verbalize, to align their daily behavior with the directions of management target. This company-wide efforts are to link the power of our human capital with a high willingness to take on challenges to the power of the Company.

● Sojitz Alumni

Relevant Links:
Sojitz Alumni Activities
https://sojitz-alumni.com/page

● Support to achieve diverse career plans (Sojitz Professional Share Co., Ltd.)

Relevant Links:
Sojitz Professional Share
https://www.sojitz.com/jp/corporate/strategy/jinzai/

2) Basic Human Capital Strategy 2: "Strengthen middle management to maximize the full potential of each individual"

To link the development of diverse, autonomous individuals (Will/Can) to the growth of organization and the company (Shall) and the enhancement of corporate value, we consider it imperative to strengthen the middle management serving as a hub to connect and intermediate between the management and employees, as they execute strategies and enhance engagement.

● Enhancement of the Group's capability by strengthening the middle management

To maximize the potential of our employees, who are the source of our value creation, we believe it is important to strengthen management capabilities that draw out employees' strengths and enhance organizational capabilities through dialogue. Analyzing the results of the engagement survey (99% response rate in FY2024), we found that section managers, who are the closest to the field, have a significant impact on organizational engagement. Since section managers have a greater influence on improving organizational engagement compared to department managers, we are focusing on strengthening middle management, particularly section managers.

Data has revealed that organizations with section managers who excel in communication tend to have high levels of "openness," "willingness to take on challenges," and "sense of growth." At our company, strengthening middle management is positioned as "improving communication skills as the most important aspect," and we are implementing strengthening measures such as training programs. Moving forward, we aim to further improve the quality of dialogue, enhance organizational leadership, and strengthen our "business creation and management capabilities."

Relevant Links:
Integrated Report 2024 > Sojitz's Unique Approach to Human Capital Management > Enhancement of Middle Management's Communication Skills to Bolster Group Capabilities
https://s3-ap-northeast-1.amazonaws.com/sojitz-doc/pdf/en/ir_202405/reports/annual/ar2024e_all.pdf

● Development of talents who can constantly deliver results (Training Program)

Relevant Links:
Training Program
https://www.sojitz.com/en/sustainability/sojitz_esg/s/human_resources/

3) Basic Human Capital Strategy 3: “Anticipate volatile environment and flexibly allocate human capital”

To keep addressing significant changes in environment such as technology advancement and heightened geopolitical risk, and diverse customer needs, Sojitz will flexibly and systematically allocate, cultivate and appoint human capitals, thereby enhancing the capability of value creation and value-up to achieve our vision for 2030.

● Cultivation of human capitals by providing diverse opportunities (job rotation system and Internal Recruitment System)

Relevant Links:
Job rotation system and internal recruitment system
https://www.sojitz.com/en/sustainability/sojitz_esg/s/human_resources/

● Visualization of human capitals to support flexible and systematic allocation and cultivation of human capitals

To further enhance the “individual” and the “Company,” we utilize human capital data (data science). Company-wide regular surveys such as employee engagement surveys and 360-degree surveys, and Human Capital data are analyzed from a multifaceted and diverse perspective to pursue a data-driven Human Capital strategy. By utilizing the talent management system across the Company, we will promote vertical, horizontal and diagonal communications, use data to connect each employee with the Company such as assigning the right people to the right position, providing feedback on a fair and equitable evaluation, and visualizing employees’ growth to enhance the foundation of human capital management. In addition, since FY2024, we have been using assessment results for managers to identify key personnel in each business division and have begun discussions with management.

4) Systems and initiatives supporting diverse human capitals

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

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

Sojitz aims to foster employee awareness about constantly improving the corporate value of the entire Group and its share price. Not only by the shareholders return but also granting shares to employees who support the Company, we will further motivate each employee to have a sense of ownership and support the corporate value improvement. In May 2023, Sojitz granted as special incentives of 100 shares to each employee who is a member of the Shareholding Association. As of March 2025, around 90% of Sojitz employees are members of the Shareholding Association. To channel the flow of funds from profit expansion to the people and business for their growth, we will accelerate the initiatives across the Group to improve corporate value. Sojitz will offer special remuneration to employees if the KPIs under the MTP 2026 are achieved.

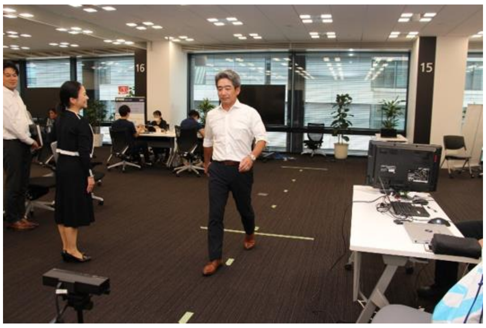
● Health and Productivity Management

At the Sojitz Group, we consider our employees to be our greatest form of capital. We thus feel it is our responsibility to create a safe, comfortable, and rewarding work environment that contributes to the mental and physical well-being of our staff and of their families. In March 2018, we established the Sojitz Healthy Value charter to guide efforts to protect and improve employee health. Guided by this charter, we are strengthening the capabilities of the Health Support Office and implementing various measures to help prevent illnesses and promote health and to enable employees to continue working even while undergoing treatment. In addition, we implemented health initiatives centered on physical health/mental health/women’s health measures based on the health strategy map set forth in FY2022. Sojitz has been selected as “Health & Productivity Stock” for the second consecutive year and the third time for such efforts. Meanwhile, Sojitz has maintained a 100% rate of employees undergoing initial health examinations while the rate of applicable employees undergoing follow-up health examinations has been defined as a human capital KPI for the purpose of preventing and early detecting illnesses. For FY2023, the rate of applicable employees undergoing follow-up health examinations increased to 77%, which exceeded the target rate of 70%. From FY2024 onwards, we will continue to monitor the situation within the Company, with the rate currently standing at 84%.

Relevant Links:
Sojitz ESG BOOK Occupational Health and Safety (Sojitz Group Healthy Value Charter)
https://www.sojitz.com/en/sustainability/sojitz_esg/s/health/

Health strategy map
https://www.sojitz.com/pdf/en/corporate/strategy/jinzai/work/health/strategymap_en.pdf

As a measure to promote physical health, we continued from FY2023 to hold the Sojitz Health and Fitness Day with the aim of raising employee awareness of health issues and encouraging a healthy lifestyle. In FY2024, we focused on sleep as the main theme and implement 10 measures, including seminars on sleep-related topics such as sleep & exercise and sleep & diet, as well as physical fitness tests, with the participation of the President and other members of the management team.



[Scene of the Sojitz Health and Fitness Day]

In terms of mental health measures, we have established multiple consultation services, including industrial psychiatrists and in-house and external counselors, and are working to identify and treat mental health issues at an early stage. Department heads receive advice from industrial physicians and industrial health staff work with their organizations to support employees who are unwell and assist them in returning to work. Feedback is provided to organizations with issues identified based on the results of stress check organizational analysis. As these organizations also tend to have lower positive affirmation ratios in engagement surveys, we are working to improve the working environment. Moreover, for overseas employees who face higher workloads compared to domestic employees, monthly health checks are conducted to allow employees to reflect on their health status and consult industrial physicians or external counseling services as needed to facilitate early detection and prevention of health issues.

As a measure to promote women's health, Sojitz enhanced the initiatives in April 2022. For example, cervical cancer and breast cancer screenings are being offered to female employees of all ages, a dedicated gynecologist is assigned to its healthcare room, an in-house fertility consultation service is established on infertility treatment, a service agreement was concluded with an external company, and online education seminars were offered on women's health by doctors and experts. In addition to deepening the understanding of not only the employees themselves but also their organizations regarding the difficulties of balancing work and infertility treatment, etc., we are implementing seminars aimed at improving the literacy of female employees regarding their own health and career development, with the goal of creating an environment where each and every employee can play an active role.

Based on the results of our engagement survey, the positive affirmation ratio for employee satisfaction with health measures and employee health literacy (*) has increased, indicating that health management is steadily being instilled within the company. Sojitz will continue to promote Health and Productivity Management and maintain physical and mental health of each and every employee, while striving to create a workplace environment where everyone can take on new challenges as a matter of course.

* Positive affirmation ratio from six options: Option 1: "Strongly agree," Option 2: "Agree," and Option 3: "Somewhat agree."

< List of Systems and Initiatives to Support Diverse Human Capitals >

Empowerment of female employees	• Career talk sessions by female outside directors and roundtable talks with female executive officers • Mentor programs to female career track employees provided by the senior management • External trainings for female career track employees and managers with secondment experience in and outside Japan • Improvement of the percentage of young female career track employees • Cross-industry networking (exchange of views with female career track employees in other industries)	• IkuBoss (supervisors having a great understanding of child-rearing)/unconscious bias training • Cafeteria training for administrative employees to improve skills • Position transfer system (region, position and field-specific career track employees) etc.
Work-life balance support	• Pre-maternity meetings, meetings with supervisors, pre/post-returning meetings • Support for early return to work after leave, shorter workhour system • Support for using preschools located near Company facilities • Aid for using baby sitters • Seminar on return to work support • Childcare concierge, childcare handbook	• Parental leave system, childcare leave system • Family-care leave, family support leave • Care-giving leave, nursing care leave, shorter workhour system • Rehiring systems for employees who have left the company for family care • Reemployment system following a spouse's job transfer etc.
Health support	• Regular health checkups, lifestyle disease screening, cancer screening • Cervical cancer and breast cancer screenings for all female employees • Individual consultations with industrial psychiatrists, stress assessments • Healthcare (massage) rooms	• Gynecologist in health care room, in-house fertility consultation service • Coupons for gynecology checkups and fertility treatment • Support for advanced cancer therapy • Introduction of health management system etc.
Workstyle reforms	• Curtailing long working hours • Encouraging the use of paid leave • Special leave for long-term employees	• Super flex system, elimination of core working hours • Teleworking systems • IT-driven efficient operation etc.
Human capital evaluations and development	• Evaluation encouraging taking on challenges • Evaluator training • Performance-linked bonuses • 360-degree surveys • Engagement surveys	• Training of career support for subordinates • Career design training • Recurrent education support system • Leadership training • Instructor/mentor system etc.
Recruitment and assignment	• Recruitment of new graduates, mid-career hires and persons with disabilities, rehiring after reaching retirement age • Sojitz Shared Service (Special Sojitz Subsidiary) based on the Law for Employment Promotion of Persons with Disabilities	• Domestic/overseas secondment • Internal recruitment system • Job rotation system etc.

3. Risk Factors

(1) Risk management of the Group

(i) Approach to risk management

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

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

(ii) Enterprise risk management system

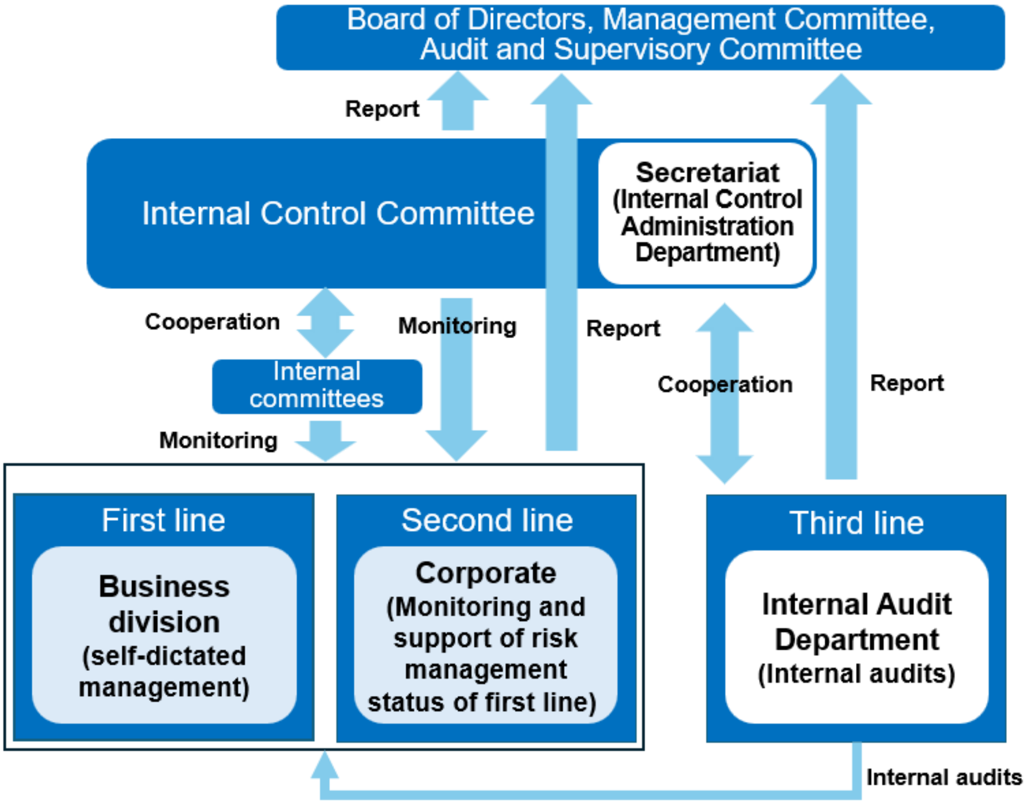
In the enterprise risk management conducted by the Group, the Internal Control Committee (secretariat: Internal Control Administration Department), which includes the President and CFO as members, collaborates with various internal committees (refer to Page107) to discuss and formulate policies, oversee and monitor the overall status of risk management implemented by business execution organizations (first line and second line), and issue instructions to relevant parties, and serves as the entity responsible for ensuring the effective functioning of this framework.

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

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

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

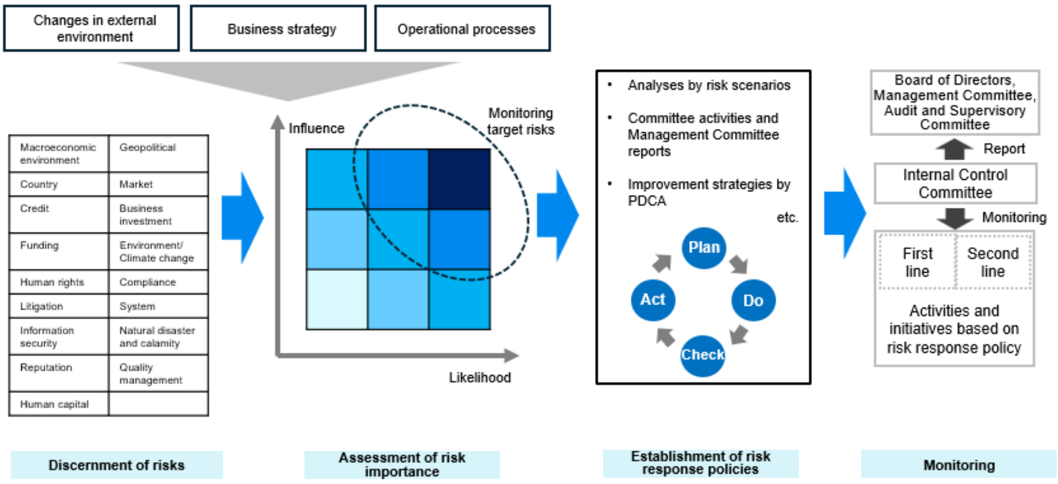
Figure 1: Enterprise risk management system



(iii) Enterprise risk management process

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

Figure 2: Enterprise risk management process



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

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

Due to recent changes in external environment and in our business fields, we take an approach toward combating specific risks that accounts for the entire supply chain, and enact flexible responses to the sudden materialization of risks by measuring the quantitative impact of the given risk event in order to strengthen our corporate resilience. Assumed scenarios were formulated for geopolitical risks and disaster risks, and these scenarios were examined through discussion by the Management Committee and between business and corporate divisions to assess the response measures to be implemented in the event that a risk materializes. We are also focusing on strengthening measures against unauthorized access and cyberattacks.

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

(2) Specific risks

Risks that may impact the Sojitz Group's businesses include, but are not limited to, the following.

The Group measures and manages risk assets, the risks to which its assets are exposed, and uses the results as indicators to maintain profitability against risks and ensure financial soundness in order to control risks. We aim to keep risk assets at or below 1.0 times of shareholders' equity, and the ratio of risk assets to total equity as of March 31, 2025 was 0.7 times.

Those notes that concern factors of the future are predictions based on certain assumptions and hypotheses, or Sojitz's judgment based on the information available at the end of the fiscal year under review.

(i) Risk of changes in the macroeconomic environment

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

(ii) Country risks

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

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

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

(iii) Geopolitical risks

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

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

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

(iv) Market risks

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

1) Currency risk

The Group engages in import and export transactions, and offshore transactions, denominated in foreign currencies as a principal business activity. The revenues and expenditures associated with such transactions are mainly paid in foreign currencies, whereas the Group's consolidated reporting currency is the Japanese yen. The Group is therefore exposed to the risk of fluctuations in the yen's value against foreign currencies, and hedges its foreign currency exposure with forward exchange contracts and other measures to prevent or limit losses stemming from this currency risk. Even with such hedging, however, there is no assurance that the Group can completely avoid currency fluctuation risk. The Group's operating performance and/or financial condition could be adversely affected by unanticipated market movements. Additionally, the Group's dividend income from overseas Group companies and the profits and losses of overseas consolidated subsidiaries and equity method associates are largely denominated in foreign currencies. Their conversion into yen entails currency risk. The Group also owns many foreign subsidiaries and operating companies. When these companies' financial statements are converted into yen, exchange rate movements could adversely affect the Group's operating performance and/or financial condition. With regard to the Group's sensitivity to income from exchange rates (US$ only), should the rate change by ¥1/US$, the impact will lead to a gross profit margin of approximately ¥800 million for the year, profit for the year (attributable to owners of the parent) of approximately ¥300 million, and total equity of approximately ¥2,000 million.

2) Interest rate risk

The Group raises funds by borrowing from financial institutions or issuing bonds to extend credit (e.g., for trade receivables), invest in securities, acquire fixed assets, and for other purposes. Asset and liability items are categorized based on whether or not they are sensitive to interest rate changes, with the difference between the value of sensitive assets and sensitive liabilities used to determine an interest rate mismatch value. Based on this amount, the ratios of funds procured from fixed-rate sources and variable-rate sources are adjusted to better manage interest rate fluctuation risks. However, the Group cannot completely avoid interest rate fluctuation risks. An increase in funding costs due to a sharp rise in interest rates could adversely affect the Group's operating performance and/or financial condition. In the year ended March 31, 2025, the Group's outstanding interest-bearing debt was ¥1,086,473 million, the average interest rate for short-term borrowings was 3.35%, long-term borrowings payable within one year were 2.43%, and long-term borrowings (excluding those payable within one year) were 1.80%.

3) Commodity price risk

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

4) Listed securities price risk

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

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

(v) Credit risks

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

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

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

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

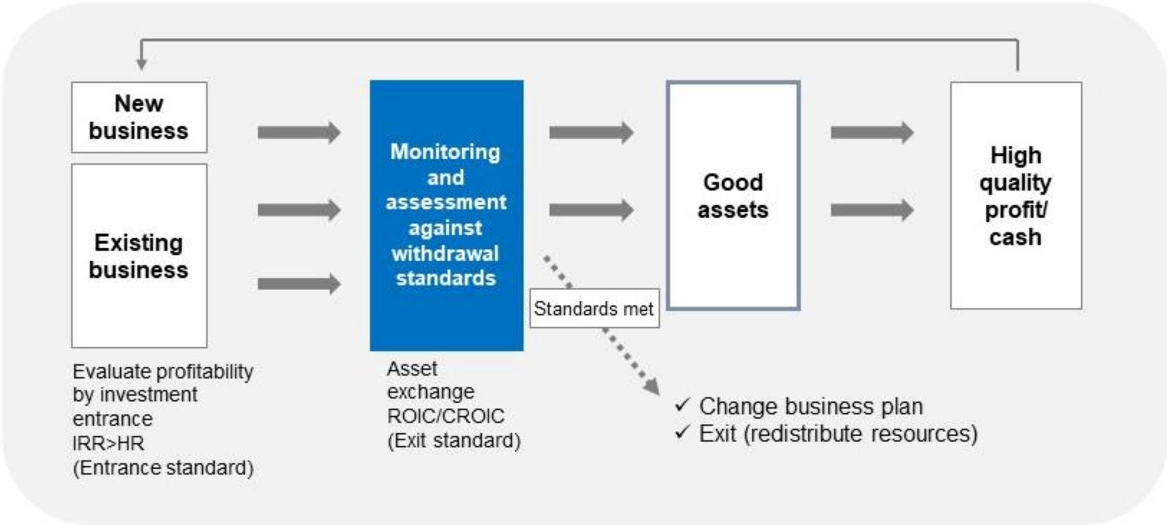
(vi) Business investment risks

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

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

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

Figure: Overview of monitoring and evaluation for withdrawal decisions



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

(vii) Funding risks

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

(viii) Environmental and climate change risks

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

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

The Group has formulated the Sustainability Challenge, our long-term vision, as a priority theme addressing environment and human rights among its six materialities, and is working toward realizing a decarbonized society as part of its response to environmental and climate change.

(For more information, please refer to "2. Operating and Financial Review and Prospects, 2. Sustainability Policies and Initiatives, (1) Basic Policy for Sustainability, Risk Management" (Page29))

(ix) Human rights risks

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

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

(For more information, please refer to "2. Operating and Financial Review and Prospects, 2. Sustainability Policies and Initiatives, (1) Basic Policy for Sustainability, Risk Management" (Page29))

(x) Compliance risks

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

(xi) Litigation risks

Litigation or other legal proceedings (e.g., arbitration) may be initiated in Japan or overseas against or with the Group in connection with the Group's business activities. Due to the uncertain nature of litigation and other legal proceedings, it is not possible at the present time to predict the likelihood of this occurring, when it could occur, or the effect that such risks might have on the Group. Nevertheless, such risks could adversely affect the Group's operating performance and/or financial condition.

(xii) System risks

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

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

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

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

(xiii) Information security risks

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

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

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

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

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

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

(xiv) Natural disaster and calamity risks

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

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

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

(xv) Human capital risks

The Group views human capitals as an important form of capital and a wellspring of value. Accordingly, we emphasize human capital in management to continuously cultivate human capital who create value, and we seek to recruit and foster the human capital necessary for advancing our management and business strategies. As we promote the consideration of our human capital portfolio, we are dedicating effort to recruiting individuals with outstanding expertise in areas such as M&A transactions or digital technologies with the goal of promoting diversity, creating innovation, and strengthening functions. Also, we take efforts to construct an environment in which everyone, regardless of gender, can be successful in a role that suits their abilities by optimizing the distribution of ages in Sojitz's employee base through strengthening mid-career hiring, and establishing targets for the ratio of female employees for both new graduates and mid-career individuals.

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

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

For more information on human capital risks, please refer to "2. Operating and Financial Review and Prospects, 2. Sustainability Policies and Initiatives,(2) Basic Policy for Human Capital strategies, Risk Management" (Page47)".

(xvi) Quality management risks

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

Diagram: Quality Management Monitoring System

<Quality Management Monitoring System>

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

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

(xvii) Reputation risks

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

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

Further, the corporate website and social media accounts expose us to the risk of system vulnerabilities that could potentially lead to the doctoring of posted information or the leakage of personal information collected via these venues. As described in “(xiii) Information security risks” above, we strive to develop measures to protect against system vulnerabilities to the greatest extent possible. For these operations, the Group has established shared Group social media policies and regulations, as well as a system to make appropriate information communications from the Group. However, even with these measures put in place for information communication content and operations, there are cases of criticism/claims, unintended infringement of copyrights, trademarks, or rights of likeness, or the publication of information about the Group on external sites and social media by the third party not limited to the business partners and customers. Regardless of the truth of such information, the impact of this varies based on the content, media, or timing. While this cannot be forecast beforehand, such events could adversely affect the Group’s operating performance and/or financial condition.

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

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

(1) Analysis of Operating Results

In the year ended March 31, 2025, central banks around the world, except Japan, began to shift from monetary tightening to easing. Meanwhile, geopolitical uncertainties have increased due to factors such as the prolonged Russian invasion of Ukraine, the continued unpredictability in the Middle East, the economic slowdown in China, and, since January 2025, policy changes under the new U.S. administration.

Looking at the regions in which our Group does business, in the United States, the Federal Reserve Board (FRB) implemented three interest rate cuts totaling 1.0% between September and December 2024, bringing the policy interest rate range to 4.25–4.50%. While consumption and employment remain strong, the economic outlook has become increasingly uncertain due to policy changes by the new administration, including tariff policies.

In the EU economic area, personal consumption has remained resilient, but the prolonged slump in the manufacturing sector has kept growth low. In March 2025, the European Central Bank (ECB) lowered interest rates for the fifth consecutive meeting in response to easing inflationary pressures and weaker economic indicators, bringing the policy interest rate to 2.65%.

In China, although sluggish domestic demand and the stagnant real estate market remain key challenges, real GDP growth for January–December 2024 reached around +5.0%, the government's target, supported by monetary easing measures implemented in the second half of the year. Meanwhile, trade friction between the U.S. and China appears to be intensifying, making the outlook uncertain.

In Vietnam, exports to the United States and other countries drove economic growth, resulting in a significant year-on-year increase of +7.09% in real GDP growth for January–December 2024. While exports continue to show an upward trend in early 2025, there are concerns about the potential impact of protectionist policies under the new U.S. administration.

In India, the economy has remained solid, supported by strong private consumption and exports. The current inflation rate remains within the central bank's target range of 2–6%. In February 2025, the central bank lowered the policy interest rate from 6.5% to 6.25% for the first time in about five years, signaling its intention to support economic growth.

In Japan, the Bank of Japan raised interest rates again in January 2025, following a previous hike in July 2024, bringing the policy rate to around 0.5%. While the domestic economy is recovering moderately, the potential impact of policy changes under the new U.S. administration needs to be closely monitored.

Sojitz Corporation’s consolidated business results for the year ended March 31, 2025, are presented below.

Revenue was up 3.9% year-on-year to ¥2,509,714 million due to increased revenue in the Energy Solutions & Healthcare Division as a result of the acquisition of a U.S. electrical equipment construction company and increased transactions at a U.S. energy-saving services company, as well as increased revenue in the Automotive Division following the previous fiscal year’s acquisitions of an automobile sales company in Panama.

Gross profit increased ¥20,838 million year-on-year to ¥346,793 million, due to increased profit in the Energy Solutions & Healthcare Division as a result of increased transactions at a U.S. energy-saving services company and the acquisition of a U.S. electrical equipment construction company; and in the Retail & Consumer Service Division as a result of the previous fiscal year’s acquisition of a commercial food wholesale business company in Vietnam and improved profit margins at a processing and sale of frozen tuna company.

Profit before tax was up ¥9,802 million year-on-year to ¥135,300 million, reflecting higher gross profit and an increase in other income (expenses) related to asset replacements.
After deducting income tax expenses of ¥21,101 million from profit before tax of ¥135,300 million, profit for the year amounted to ¥114,199 million, up ¥11,139 million year-on-year. Profit for the year (attributable to owners of the Company) increased ¥9,871 million year-on-year to ¥110,636 million.

Total comprehensive income for the year of ¥106,443 million was recorded, down ¥66,840 million year-on-year, due to a decrease in financial assets measured at FVTOCI and foreign currency translation differences for foreign operations. Total comprehensive income for the year (attributable to owners of the Company) was ¥103,239 million, a decrease of ¥65,078 million year-on-year.

Consolidated Statement of Profit or Loss

(In Billions of Yen)

	FY23	FY24	Difference	Main Factors
Revenue	2,414.6	2,509.7	95.1	Energy Solutions & Healthcare +39.1, Automotive +29.9, Chemicals +27.3, Aerospace, Transportation & Infrastructure +22.1
Gross profit	326.0	346.8	20.8	Energy Solutions & Healthcare +9.5, Retail & Consumer Service +7.9, Chemicals +5.5, Metals, Mineral Resources & Recycling (12.4)
SG&A expenses	(241.5)	(269.9)	(28.4)	Increased due to acquisition of new consolidated subsidiaries and foreign exchange rates, etc.
Other income/expenses	3.2	12.3	9.1	FY24 : Gain on partial sale of marine vessel business, gain on changes in equity following public offering by affiliate and sales of overseas industrial park etc. FY23 : Negative goodwill of frozen tuna company and sale of domestic solar power generation company, etc.
Financial income/costs	(5.8)	(3.5)	2.3	
Share of profit (loss) of investments accounted for using the equity method	43.6	49.6	6.0	Off-shore wind power generation business in Taiwan and alumina smelting business, etc.
Profit before tax	125.5	135.3	9.8	
Profit for the period/year	100.8	110.6	9.8	

Core earnings*	121.7	122.7	1.0	

Major One-time Gain/Loss	(2.5)	4.5	7.0	
Non-Resource	(2.9)	3.1	6.0	FY24 : Gain on changes in equity following public offering by affiliate, and sales of an overseas industrial park, etc.
Resource	0.4	1.4	1.0	

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

* The amount for doubtful accounts provision and write-offs included in SG&A: YoY change JPY(0.2) bn ((0.2) to (0.4))

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

(a) Consolidated Balance Sheet

Total assets as of March 31, 2025, were ¥3,087,252 million, up ¥200,379 million from March 31, 2024, due to factors including new acquisitions of consolidated subsidiaries.

Total liabilities as of March 31, 2025, amounted to ¥2,079,636 million, up ¥148,391 million from March 31, 2024, due to factors including an increase in interest-bearing liabilities resulting from new borrowings.

Total equity attributable to owners of the Company was ¥968,956 million as of March 31, 2025, up ¥44,880 million from March 31, 2024. This increase was due to the accumulation of profit for the year (attributable to owners of the Company), despite the payment of dividends and purchase of treasury stock.

Consequently, as of March 31, 2025, the equity ratio was 31.4%. Net interest-bearing liabilities (total interest-bearing liabilities less cash and cash equivalents and time deposits) totaled ¥887,290 million as of March 31, 2025, up ¥190,000 million from March 31, 2024. This resulted in the Company’s net debt equity ratio equaling 0.92 times as of March 31, 2025.

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

Consolidated Statement of Financial Position

(In Billions of Yen)

	Mar. 31, 2024	Mar. 31, 2025	Difference	Main Factors
Assets(current/non-current)	2,886.9	3,087.3	200.4	Trade and other receivables(current) ・ Increased due to acquisition of new consolidated subsidiaries and tobacco transactions Tangible fixed assets/Intangible assets/Investment property ・ Increased due to acquisition of new consolidated subsidiaries Investments accounted for using the equity method and other investments ・Increased due to share of profit (loss) of investments accounted for using the equity method and new investments
Cash and cash equivalents	196.3	192.3	(4.0)	
Trade and other receivables(current)	827.0	899.8	72.8	
Inventories	288.3	275.9	(12.4)	
Goodwill	132.6	151.3	18.7	
Tangible fixed assets/Intangible assets/Investment property	336.5	381.8	45.3	
Investments accounted for using the equity method	747.0	776.8	29.8	
Other current/non-current assets	359.2	409.4	50.2	

Liabilities(current/non-current)	1,931.3	2,079.7	148.4	Trade and other payables(current) ・Decreased due to the impact of a holiday on the last day of the previous fiscal year Bonds and borrowings ・Increased due to new borrowings Total Equity attributable to owners of the Company ・Profit for the period 110.6 ・Dividends paid (31.7) ・share buyback (24.0)
Trade and other payables(current)	663.1	596.5	(66.6)	
Bonds and borrowings	906.7	1,086.4	179.7	
Other current/non-current liabilities	361.5	396.8	35.3	
Total equity	955.6	1,007.6	52.0	
Total equity attributable to owners of the Company *	924.1	969.0	44.9	

* “Total equity” refers to “Total equity attributable to owners of the Company”.

(b) Consolidated Cash Flows

For the year ended March 31, 2025, net cash used in operating activities was ¥16,688 million, net cash used in investing activities was ¥94,106 million, and net cash provided by financing activities was ¥106,388 million. Sojitz ended the period with cash and cash equivalents of ¥192,299 million, reflecting the effect of exchange rate changes on cash and cash equivalents.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥16,688 million, an increase in outflows of ¥128,875 million year-on-year, as a result of increased temporary working capital, despite business earnings and dividends received.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥94,106 million, an increase in outflows of ¥106,535 million year-on-year, mainly due to investment in a U.S. electrical equipment construction company and acquisition of property, plant, and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥106,388 million, up ¥292,911 million year-on-year, mainly as a result of procurement through borrowings despite payment of dividends and purchase of treasury stock.

(c) Liquidity and Financing of Funds

The Sojitz Group continues to advance financial strategies in accordance with the basic policy of maintaining and enhancing the stability of its capital structure. In addition, Sojitz has endeavored to maintain a stable financial foundation by keeping the long-term debt ratio at a certain level and by holding sufficient liquidity as a buffer against changes in the economic or financial environment. Consequently, as of March 31, 2025, the current ratio was 159.8%, the long-term debt ratio was 81.6%.

As supplemental sources of procurement flexibility and precautionary liquidity, Sojitz has long-term commitment line agreements totaling ¥100.0 billion (unused) and US$2.575 billion (of which US$1.154 billion has been used).

(3) Segment Information

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

Effective April 1, 2024, the Company reorganized its Aerospace & Transportation Project and Infrastructure & Healthcare segments and changed its reporting segment classification to Aerospace, Transportation & Infrastructure, Energy Solutions & Healthcare, and Others.

Automotive

(In Billions of Yen)

	FY23	FY24	Difference	Main Increases/Decreases, etc.
Gross profit	60.2	65.5	5.3	・Solid earnings contributions from automotive sales business in Panama ・On the other hand, profit decreased due to declines in sales volume in North America and slump in used car sales business in Australia
Share of profit (loss) of investments accounted for using the equity method	1.1	0.7	(0.4)	
Profit for the year	2.3	1.6	(0.7)	

Aerospace,Transportation & Infrastructure

(In Billions of Yen)

	FY23	FY24	Difference	Main Increases/Decreases, etc.
Gross profit	21.3	26.3	5.0	・Increase in defense-related and aircraft-related transactions ・Profit increase due to the sale of overseas industrial parks and partial sale of the marine vessel business
Share of profit (loss) of investments accounted for using the equity method	4.2	4.4	0.2	
Profit for the year	6.1	12.3	6.2	

Energy Solutions & Healthcare

(In Billions of Yen)

	FY23	FY24	Difference	Main Increases/Decreases, etc.
Gross profit	31.4	40.9	9.5	・Expansion of earnings from energy-saving service businesses ・Profit increase due to the increased earnings from LNG operating company
Share of profit (loss) of investments accounted for using the equity method	16.4	22.6	6.2	
Profit for the year	14.0	22.4	8.4	

Metals, Mineral Resources & Recycling

(In Billions of Yen)

	FY23	FY24	Difference	Main Increases/Decreases, etc.
Gross profit	48.3	35.9	(12.4)	・Decline of market prices ・Profit decreased due to decline of sales volume
Share of profit (loss) of investments accounted for using the equity method	19.1	17.6	(1.5)	
Profit for the year	43.5	29.2	(14.3)	

Chemicals

(In Billions of Yen)

	FY23	FY24	Difference	Main Increases/Decreases, etc.
Gross profit	59.7	65.2	5.5	・Rebound from one-time losses in FY23 ・Profit increased due to dividend income from industrial salts-related business ・Improvement of earnings for chemical products centered on overseas trading
Share of profit (loss) of investments accounted for using the equity method	(0.2)	(0.5)	(0.3)	
Profit for the year	14.8	20.0	5.2	

Consumer Industry & Agriculture Business

(In Billions of Yen)

	FY23	FY24	Difference	Main Increases/Decreases, etc.
Gross profit	34.1	35.1	1.0	・Increased sales volume due to promotional activities in the overseas fertilizer businesses ・On the other hand, decreased profits due to the poor performance and impairment losses in the Vietnam paper making business
Share of profit (loss) of investments accounted for using the equity method	0.9	1.2	0.3	
Profit for the year	7.5	6.4	(1.1)	

Retail & Consumer Service

(In Billions of Yen)

	FY23	FY24	Difference	Main Increases/Decreases, etc.
Gross profit	57.3	65.2	7.9	・Increased earnings in the domestic retail businesses as inbound demand increases ・Expansion of demand in the marine product businesses ・And strong performance in a commercial food wholesale business in Vietnam ・On the other hand, decreased overall earnings of this division due to absence of gain on negative goodwill recorded in association with marine product business investment, and sale of domestic shopping mall in FY23.
Share of profit (loss) of investments accounted for using the equity method	2.0	2.6	0.6	
Profit for the year	13.1	11.4	(1.7)	

(4) Significant Estimates and Underlying Assumptions for Accounting

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

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

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

(a) Fair Value of Financial Instruments

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

1) Equity instruments

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

2) Derivative financial assets and liabilities

Currency-related derivatives

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

Interest rate-related derivatives

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

Commodity-related derivatives

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

(b) Impairment of Non-Financial Assets

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

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

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

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

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

(c) Provisions

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

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

(d) Measurement of Defined Benefit Obligations

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

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

Past service cost is immediately recognized as profit or loss.

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

(e) Recoverability of Deferred Tax Assets

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

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

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

Please refer to **2. Operating and Financial Review and Prospects**, 1. Management Policies, Operating Environment, and Management Issues, (2) Progress of the “Medium-Term Management Plan 2026” (Page 18-23).

(Sales, Purchases and Contracts)

(a) Sales

Please refer to (1) Analysis of Operating Results” (Page 68-69) and “**5. Financial Information**, 1. Consolidated Financial Statements, Notes, 5 Segment information.

(b) Purchases

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

(c) Status of Contracts

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

*Caution regarding Forward-looking Statements

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

5. Material Contracts

The group is required to maintain certain financial conditions, such as a minimum level of consolidated total equity, due to financial covenants associated with several bank borrowings and other agreements. However, in accordance with Article 3, Paragraph 4 of the Supplementary Provisions of the Cabinet Office Order for Partial Amendment of the Cabinet Office Order on Disclosure of Corporate Affairs and the Cabinet Office Order on Disclosure of Information on Regulated Securities, the disclosure related to these agreements has been omitted.

6. Research & Development

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

3. Equipment and Facilities

1. Overview of Capital Expenditures

(1) Sojitz

There were no significant capital investments, disposals or sales of facilities in the year ended March 31, 2025.

(2) Domestic Subsidiaries

There were no significant capital investments, disposals or sales of facilities in the year ended March 31, 2025.

(3) Overseas Subsidiaries

Equipment and facilities below were added as major equipment and facilities of Sojitz Group in the year ended March 31, 2025.

Segment	Office Name	Type of Equipment and Facilities	Location	Land Acreage (1,000㎡)	Land	Buildings	Right-of-use assets	Investment property	Others
					Carrying Amount (Millions of yen)				
Energy Solutions & Healthcare	LBS Digital Infrastructure Corp.	Telecommunication Tower	Cagayan, Philippines etc.	-	-	-	2,636	-	8,790

(Note)
The carrying amount is as of March 31, 2025.

2. Status of Major Facilities

As of March 31, 2025, major equipment and facilities of Sojitz and its consolidated subsidiaries are below.

(1) Sojitz

Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (persons)	Land Acreage (1,000㎡)	Land	Buildings	Right-of-use assets	Investment property	Others (Note)
						Carrying Amount (Millions of yen)				
Others	Tokyo Head Office	Head Office	Chiyoda-ku, Tokyo	1,832	-	-	1,278	27,186	-	409
Others	Kansai Office	Branch Office	Kita-ku, Osaka-shi, Osaka	65	-	-	146	1,284	-	9
Retail & Consumer Service	Seishin Chuo SC	Commercial facility	Nishi-ku, Kobe-shi, Hyogo	-	-	-	-	-	2,315	-

(Note)
“Others” includes structures, equipment and intangible assets.

(2) Domestic Subsidiaries

Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (persons)	Land Acreage (1,000㎡)	Land	Buildings	Right-of-use assets	Investment property	Others (Note 1)
						Carrying Amount (Millions of yen)				
Energy Solutions & Healthcare	Mirai Soden Kami-Mio Corporation	Solar power plant	Iizuka-shi, Fukuoka	-	-	-	-	226	-	2,963
Chemicals	NI Chemical Corporation	Tank facility	Mihama-ku, Chiba-shi, Chiba	28	57	2,096	286	10	42	1,993
Consumer Industry & Agriculture Business	Sojitz Goto Kaihatsu Co., Ltd.	Resort Hotel	Goto-shi, Nagasaki	1	16	84	1,839	25	-	300
Retail & Consumer Service	DAIICHIBO Co., Ltd. (Note 2)	Logistics center	Kasamatsu-cho, Hashima-gun, Gifu	42	74	1,969	148	-	375	22
	The Marine Foods Corporation	Head office and factory	Minato-ku, Tokyo etc.	936	86	1,571	1,439	1,013	-	2,018

(Note)
1. “Others” includes structures, equipment, machinery, vehicles and intangible assets.
2. DAIICHIBO Co., Ltd. changed its name to Sojitz Logitech Co., Ltd. on May 1, 2025.

(3)Overseas Subsidiaries

Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (persons)	Land Acreage (1,000㎡)	Land	Buildings	Right-of-use assets	Investment property	Others (Note)
						Carrying Amount (Millions of yen)				
Automotive	Sojitz Automotive Group,Inc.	Exhibition hall	California, the United States	443	148	2,458	4,202	11,095	-	11,054
	Albert Automotive Holdings Pty Ltd	Branches and head office etc.	Victoria, Australia etc.	273	83	-	350	3,779	-	4,543
	PREMIUM PROPERTIES INTERNATION AL, S.A.	Exhibition hall	Panama, Panama	-	104	11,444	3,254	-	-	347
Aerospace, Transportation & Infrastructure	Sojitz Transit & Railway Canada Inc.	In-house factory	Montreal, Canada etc.	583	137	2,125	1,326	381	-	2,242
	Southwest Rail Industries, Inc.	Freight car	Texas, the United States	-	-	-	36	-	-	24,516
	Long Duc Investment Pte. Ltd.	Industrial Park, infrastructure etc.	Dong Nai, Vietnam	54	-	-	107	202	2,671	1,115
	PT. SDI PROPERTIES INDONESIA	Rental housing etc.	Bekasi, Indonesia	60	11	902	2,482	2	-	111
Energy Solutions & Healthcare	Sojitz Energy Development Ltd.	Oil and gas interests and related facility	British North Sea territory	-	-	-	-	-	-	6,530
	S4 Chile SpA	Solar power plant	Tarapacá, Chile	-	3,000	-	-	218	-	19,928
	LBS Digital Infrastructure Corp.	Telecommunication Tower	Cagayan, Philippines etc.	76	-	-	-	2,636	-	8,790
Metals, Mineral Resources & Recycling	Sojitz Resources (Australia) Pty.Ltd.	Bauxite interests and alumina refining facility	Worsley, Australia	-	4,513	217	-	3,459	-	12,117
	Sojitz Development Pty Ltd	Coal Mining Interests and related facility	Gregory, Australia etc.	-	164,212	570	886	882	-	43,614
Chemicals	PT.Kaltim Methanol Industri	Head office and factory	Jakarta, Indonesia	224	-	-	8	176	-	1,243
Consumer Industry & Agriculture Business	Thai Central Chemical Public Co.,Ltd.	Head office and factory	Bangkok, Thailand	880	376	1,290	1,098	227	128	6,410
	Saigon Paper Corporation	Head office and factory	Ho Chi Minh, Vietnam	1,074	-	-	49	431	-	12,459
Retail & Consumer Service	KHANH VINH CORPORATIO N LIMITED LIABILITY COMPANY	Warehouse etc.	Long An, Vietnam	163	-	-	5	3,130	-	382
Others	Sojitz Corporation of America	Head Office etc.	New York, the United States	84	-	-	127	1,488	-	314

(Note)
“Others” includes structures, equipment, machinery, vehicles and intangible assets.

3. Plans for New Additions or Disposals

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

4. Corporate Information

1. Status on the Sojitz's Shares

(1) Total Number of Shares and Other Related Information

(a) Total Number of Shares

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

(b) Number of Shares Issued

Class	Number of Shares outstanding (as of March 31, 2025)	Number of Shares outstanding as of issuance date of this report (as of June 16, 2025)	Names of stock exchange on which Sojitz is listed or names of authorized financial instruments firms association	Description
Common Stock	225,000,000	225,000,000	Tokyo Stock Exchange (listed on the Prime Market)	All outstanding shares are shares with full voting rights and have identical rights. The number of shares constituting a unit is 100.
Total	225,000,000	225,000,000	-	-

(2) Status of the Share Subscription Rights

(a) Stock Option Plans

Not applicable.

(b) Rights Plan

Not applicable.

(c) Other Information about Share Subscription Rights

Not applicable.

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

Not applicable.

(4) Trends in the Number of shares Issued, Amount of Common Stock, and Others

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

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

(5) Status of Shareholders

As of March 31, 2025

Classification	Status of Shares (1 unit = 100 shares)								Shares under one unit (Number of shares)
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders		Individuals and others	Total	
					Foreign shareholders other than individuals	Individuals			
Number of shareholders (persons)	-	77	43	1,108	407	239	140,066	141,940	－
Number of shares held (units)	-	717,738	133,406	77,360	469,142	558	826,125	2,224,329	2,567,100
Ratio(%)	-	32.27	6.00	3.48	21.08	0.03	37.14	100.00	－

(Note)
1 Regarding treasury stock of 12,850,211 shares, 128,502 units are included in “Individuals and Other” and 11 shares are included in “Shares under one unit”
2 Regarding 480 shares registered in the name of Japan Securities Depositary Center, Inc., 4 units are included in “Other Corporations” and 80 shares are included in “Shares under one unit”

(6) Status of Major Shareholders

As of March 31, 2025

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (excluding treasury stocks) (%)
The Master Trust Bank of Japan (trust accounts) (Note2)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	39,663	18.70
Custody Bank of Japan, Ltd. (trust accounts) (Note2)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	15,557	7.33
JAPAN SECURITIES FINANCE CO., LTD.	2-10, Nihonbashi-kayabacho 1-chome, Chuo-ku, Tokyo	4,290	2.02
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	3,977	1.87
The Nomura Trust and Banking Co., Ltd. (trust accounts) (Note2)	2-2, Otemchi 2-chome, Chiyoda-ku, Tokyo	3,631	1.71
STATE STREET BANK AND TRUST COMPANY 505103 (Standing agent: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (15-1, Konan 2-chome, Minato-ku, Tokyo)	3,088	1.46
STATE STREET BANK AND TRUST COMPANY 505103 (Standing agent: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (15-1, Konan 2-chome, Minato-ku, Tokyo)	2,853	1.35
JPMorgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	2,771	1.31
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, USA (15-1, Konan 2-chome, Minato-ku, Tokyo)	2,702	1.27
THE BANK OF NEW YORK MELLON 140044 (Standing agent: Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY 10286, USA (15-1, Konan 2-chome, Minato-ku, Tokyo)	1,761	0.83
Total	-	80,293	37.85

(Note)

1. The number of shares held is rounded down to the nearest thousand, and the percentage of shares held to the total number of issued shares (excluding treasury stocks) is rounded to the nearest hundredth.
2. Of the above number of shares held, the number of shares related to trust business is as follows.

The Master Trust Bank of Japan	39,463 thousand shares
Custody Bank of Japan, Ltd.	15,540 thousand shares
The Nomura Trust and Banking Co., Ltd.	3,631 thousand shares

3. The number of shares held by each shareholder is no longer aggregated with the trust account, etc.
4. In the report of possession of large volume available for public inspection on April 21, 2025, it is stated that Mitsubishi UFJ Financial Group, Inc. and its joint holders own the following shares as of April 14, 2025, but as the Company has not been able to confirm the actual number of shares held as of March 31, 2025, it has not been included in the above list of major shareholders.

The contents of the report are as follows.

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (%)
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	5,540	2.46
Mitsubishi UFJ Asset Management Co., Ltd.	9-1, Higashishimbashi 1-chome, Minato-ku, Tokyo	3,454	1.54

(7) Voting rights

(a) Issued shares

As of March 31, 2025

Category	Number of Shares	Number of voting rights	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (Treasury shares, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Ordinary share 12,850,200	-	The number of shares constituting one unit is 100.
	(Reciprocal holding) Ordinary share 40,000	-	The number of shares constituting one unit is 100.
Shares with full voting rights (Other)	Ordinary share 209,542,700	2,095,427	The number of shares constituting one unit is 100.
Shares less than one unit	Ordinary share 2,567,100	-	Shares less than one unit (100 shares)
Total number of issued shares	225,000,000	-	-
Number of voting rights held by all shareholders	-	2,095,427	-

(Note)

1 The Company's shares owned by the trust account related to the BIP trust for directors' remuneration are included in the common stock of 1,320,500 shares (13,205 voting rights) in the "Shares with full voting rights (Other)".

2 Treasury shares and the Company's shares owned by the trust account related to the BIP trust for directors' remuneration included in shares less than one unit are as follows.

Sojitz Corporation	11 Shares
BIP Trust Account	4 Shares

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

(b) Treasury shares, etc.

As of March 31, 2025

Name of shareholder	Address of shareholder	Number of shares held in own name	Number of shares held in others' names	Total number of shares held	Shareholding ratio
Sojitz Corporation (Treasury shares)	1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo	12,850,200	-	12,850,200	5.71
Fuji Nihon Seito Corporation (Reciprocal holding)	6-7, Kabutocho, Nihonbashi, Chuo-ku, Tokyo	40,000	-	40,000	0.02
Total	-	12,890,200	-	12,890,200	5.73

(Note)

1. In addition to the above treasury shares and 11 treasury shares less than one unit, 1,320,504 shares of the Company's shares held by the trust account related to the BIP trust for directors' remuneration are treated as treasury shares in the consolidated financial statements.
2. The Company repurchased its shares from October 1, 2024 to March 24, 2025 in accordance with the resolution of the Board of Directors meeting held on September 27, 2024, the number of treasury stock increased by 6,500,000 shares.

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

Performance-Linked Share Remuneration System for Directors and Other Officers

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

(a) Overview of Performance-Linked Share Remuneration System

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

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

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

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

Accordingly, the total number and book value of the shares held by the BIP Trust on March 31, 2025, was 1,320,504 shares and ¥3,525 million, respectively.

(c) Scope of Beneficiaries

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

2. Acquisitions and disposals of treasury shares
(Class of shares, etc.)
Acquisitions of shares of common stock falling under Article 155, Items 3, 7 and 8 of the Companies Act of Japan

(1) Acquisitions by resolution of shareholders meeting
Not applicable.

(2) Acquisitions by resolution of board of directors meeting

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (February 22, 2024) (Acquisitions period: February 26, 2024 to April 30, 2024)	4,000,000	16,000,000,000
Treasury shares acquired before the current fiscal year	3,226,800	12,596,293,900
Treasury shares acquired during the current fiscal year	773,200	3,041,588,400
Number of shares and total amount of outstanding shares of resolution	-	-
Ratio of non-exercised portion at the end of the current fiscal year (%)	-	-
Treasury shares acquired during the current period for acquisitions	-	-
Ratio of non-exercised portion as of filing date of this report (%)	-	-

(Note) The Acquisitions of treasury shares based on the resolution at the meeting of the Board of Directors held on February 22, 2024 was completed with the acquisitions of treasury shares on April 5, 2024.

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (September 27, 2024) (Acquisitions period: October 1, 2024 to March 31, 2025)	6,500,000	25,000,000,000
Treasury shares acquired before the current fiscal year	-	-
Treasury shares acquired during the current fiscal year	6,500,000	20,927,075,900
Number of shares and total amount of outstanding shares of resolution	-	-
Ratio of non-exercised portion at the end of the current fiscal year (%)	-	-
Treasury shares acquired during the current period for Acquisitions	-	-
Ratio of non-exercised portion as of filing date of this report (%)	-	-

(Note) The Acquisitions of treasury shares based on the resolution at the meeting of the Board of Directors held on September 27, 2024 was completed with the acquisitions of treasury shares on March 24, 2025.

Classification	Number of shares (Shares)	Total amount (Yen)
Details of resolution at meeting of the Board of Directors (May 1, 2025) (Acquisitions period: May 2, 2025 to July 31, 2025)	2,800,000	10,000,000,000
Treasury shares acquired before the current fiscal year	-	-
Treasury shares acquired during the current fiscal year	-	-
Number of shares and total amount of outstanding shares of resolution	2,800,000	10,000,000,000
Ratio of non-exercised portion at the end of the current fiscal year (%)	100.00	100.00
Treasury shares acquired during the current period for acquisitions	982,500	3,480,093,594
Ratio of non-exercised portion as of filling date of this report (%)	64.91	65.20

(3) Acquisitions of treasury shares not based on a resolution approved at the ordinary general meeting of shareholders or a resolution approved by the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired during the current fiscal year	5,770	21,274,768
Treasury shares acquired during the current period for acquisitions	801	2,747,874

(Note) "Treasury share acquired during the current period for acquisitions" does not include shares consisting of less than one full unit purchased during the period from June 1, 2025 to the issuance date of this report.

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

Classification	Current fiscal year		Current period	
	Number of shares (Shares)	Total disposition amount (Yen)	Number of shares (Shares)	Total disposition amount (Yen)
Acquired treasury shares for which subscribers were solicited	-	-	-	-
Acquired treasury shares that was disposed of	-	-	-	-
Acquired treasury shares for which transfer of shares was conducted in association with merger/stock exchange/share delivery/corporate separation	-	-	-	-
Others (Decrease due to sale of shares constituting less than one full unit upon request for additional purchase)	510	1,792,560	80	237,320
Others (A third-party allotment upon renewal and partial amendments to the system of performance-linked share remuneration)	538,300	2,006,244,100	-	-
Number of treasury shares held	12,850,211	-	13,833,432	-

(Note)
1 "Number of treasury shares held" for the current period for acquisition does not include shares constituting less than one full unit purchased during the period from June 1, 2025 to the issuance date of this report.
2 "Number of treasury shares held" for the current fiscal year and the current period does not include the Company's shares held by the trust account related to the BIP Trust for directors' remuneration.

3. Dividend Policy

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

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

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

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

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

(1)Year-End Dividend

The year-end dividend for the year ended March 31, 2025, was decided as follows based on a comprehensive evaluation of business results, total equity, and other factors.

(a) Type of property to be distributed as dividends

Cash

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

¥75 per share of Sojitz common stock, ¥15,911 million in total

For the year ended March 31, 2025, Sojitz will issue annual dividend payments of ¥150 per share, when including the interim dividend of ¥75 per share made on December 2, 2024. This will make for total dividend payments of ¥32,310 million.

(c) Effective date of dividends from surplus

June 2, 2025

Dividends paid from surplus for the year ended March 31, 2025 are as shown below.

Date of resolution	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)
May 1, 2024 Resolution of the Board of Directors	16,398	75.00
May 1, 2025 Resolution of the Board of Directors	15,911	75.00

(2)FY2025 Dividends

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

At a meeting of the Board of Directors held on May 1, 2025, the Company resolved that the interim dividend for the fiscal year ending March 31, 2026, will be ¥82.50 per share for common shares outstanding as of September 30, 2025, the record date for the dividend. The total amount of the interim dividend is expected to be ¥17,271 million (effective date: December 1, 2025). For details, please refer to the "Notice Concerning Cash Dividends (Year-End Dividend for the Fiscal Year Ended March 2025 and Interim Dividend for the Fiscal Year Ending March 2026)" announced on May 1, 2025.

4. Corporate Governance

(1) Overview of Corporate Governance

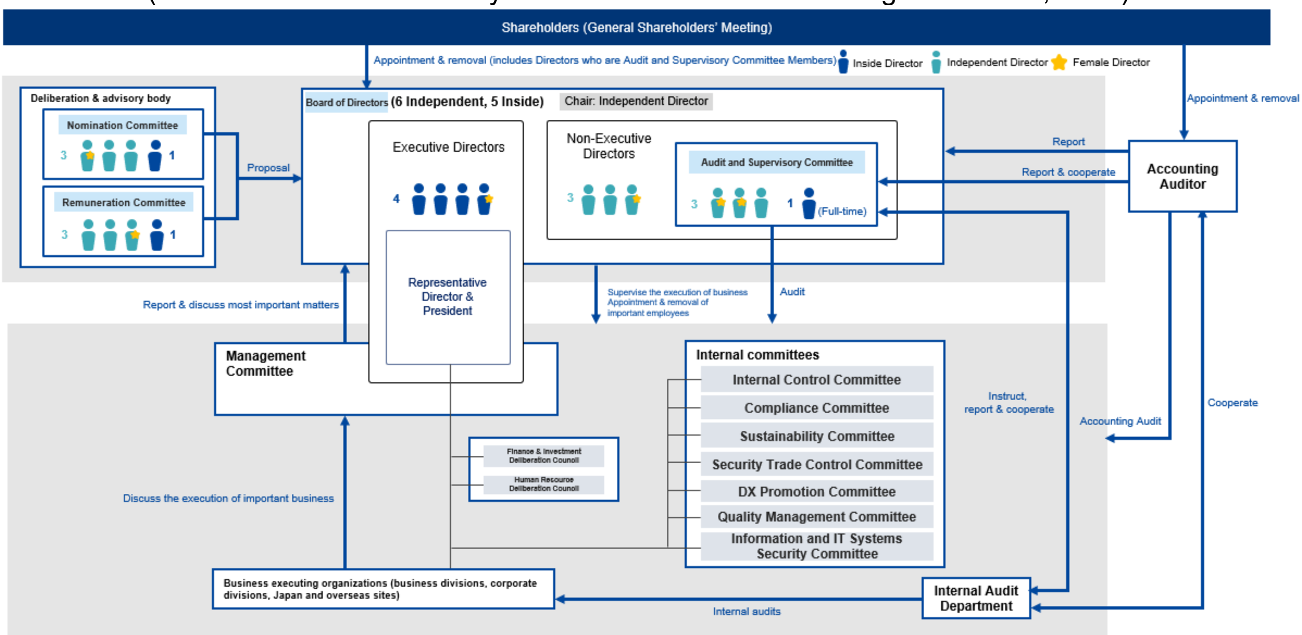
(a) Basic concept

We strive to improve our corporate value over the medium-to-long term based on the “Sojitz Group Statement—The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity,” as well as the “2030 Vision of Sojitz— a general trading company that constantly cultivates new businesses and human capital.”

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

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

Corporate Governance Framework
(as of conclusion of Ordinary General Shareholders’ Meeting on June 18, 2025)



(b) Outline of the corporate governance system and reasons for adopting the system

1) Management and operation execution system

We employ an executive officer system for the purpose of clarifying authority and responsibilities and ensuring smooth and swift execution of business through the separation of management supervision and decision-making from operational execution.

The Board of Directors is the highest decision-making body for reviewing and resolving fundamental basic policies and the most important matters concerning the management of the Group. The Board of Directors also supervises operational execution through proposals of important matters and regular reports from the executive function.

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

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

2) Monitoring and supervisory functions for management

To enhance the Board of Directors' oversight of business operations and to ensure the receipt of objective and diverse counsel, the majority of the Board of Directors is comprised of Independent Directors, and the Chair of the Board of Directors is an Independent Director.

Sojitz is a Company with Audit and Supervisory Committee, with Audit and Supervisory Committee Members, who are responsible for auditing the execution of duties of Directors, becoming members of the Board of Directors. This will enable us to reflect audit results in discussions at the Board of Directors meetings, seeking to further strengthen the supervisory function of the Board of Directors.

Furthermore, the majority of the members of the Nomination Committee and the Remuneration Committee, which provide advisory services to the Board of Directors, are Independent Directors, and the Chairs of these committees are Independent Directors, ensuring the appropriateness and transparency of the appointment and remuneration of Directors.

(c) Company institutions

1) Board of Directors

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

● Policy for appointing Directors

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

● Procedure for appointing Directors

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

● Composition of the Board of Directors

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

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

As resolutions (matters discussed) at the 22nd Ordinary General Shareholders' Meeting scheduled for June 18, 2025, the Company will propose "Election of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 1 Director who is an Audit and Supervisory Committee Member." If these proposals are passed as drafted, the breakdown of the composition of the Board of Directors will also be as stated below. Further, the table below shows the personnel composition of the Board of Directors in the event that the resolutions at the said Ordinary General Shareholders' Meeting are approved. It also includes details of the resolutions of the Board of Directors and the Audit and Supervisory Committee meeting immediately after the Ordinary General Shareholders' Meeting.

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

*◎: Chair

	Name	Position. etc.	Nomination Committee	Remuneration Committee
Directors (excluding Directors who are Audit and Supervisory Committee Members)	Masayoshi Fujimoto	Executive Director	—	—
	Kosuke Uemura	Executive Director	○	○
	Makoto Shibuya	Executive Director	—	—
	Tomomi Arakawa	Executive Director	—	—
	Tsuyoshi Kameoka	Independent Director/Chair of the Board of Directors	○	○
	Ungyong Shu	Independent Director	○	◎
	Yumiko Jozuka	Independent Director	◎	○
Directors who are Audit and Supervisory Committee Members	Yoshiki Manabe	Director (Full-time Audit and Supervisory Committee Member and Committee Chair)	—	—
	Haruko Kokue	Independent Director (Audit and Supervisory Committee Members)	—	—
	Satoko Suzuki	Independent Director (Audit and Supervisory Committee Members)	—	—
	Kazuhiko Takeda	Independent Director (Audit and Supervisory Committee Members)	—	—

● Skill matrix

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

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

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

Name	Global	Company management	Legal/ Risk management	Business investment /M&A	Financial affairs/ accounting	Human Capital strategy/ Human Capital management	Internal controls	Environmental and social	Digital
Masayoshi Fujimoto	●	●	●					●	
Kosuke Uemura	●	●		●		●			
Makoto Shibuya		●		●	●		●		
Tomomi Arakawa	●					●		●	●
Tsuyoshi Kameoka	●	●		●				●	
Ungyong Shu	●	●	●	●					
Yumiko Jozuka			●			●	●	●	
Yoshiki Manabe			●	●	●		●		
Haruko Kokue	●	●					●	●	
Satoko Suzuki			●		●		●	●	
Kazuhiko Takeda	●	●			●				●

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

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

Skill selection reasons

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

● Activities of the Board of Directors in FY2024

The Sojitz’s Board of Directors meets once a month and as needed, and attendance at the Board of Directors meetings in FY2024 is as follows.

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

*1 Mr. Kosuke Uemura, Mr. Makoto Shibuya, Ms. Tomomi Arakawa, Mr. Kazuhiro Yamamoto, and Ms. Satoko Suzuki attended all 11 meetings of the Board of Directors held after they assumed the office of Director on June 18, 2024. Further, Mr. Kazuhiro Yamamoto was an Audit and Supervisory Board Member of the Company before the transition to a Company with Audit and Supervisory Committee. In FY2024, during the period before this transition, he attended all four meetings of the Board of Directors.
*2 Ms. Naoko Saiki plans to retire as of conclusion of the Ordinary General Shareholders' Meeting to be held on June 18, 2025. Also, Mr. Kazuhiro Yamamoto plans to resign as of conclusion of the Ordinary General Shareholders' Meeting to be held on June 18, 2025.

● Matters deliberated by the Board of Directors

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

In June 2024, the Company transitioned to a Company with Audit and Supervisory Committee. As a result, authority was passed from the Board of Directors to the Executive Directors. Also, in order to ensure effective and efficient debate in the Board of Directors for monitoring purposes, changes were made to systematize the previous report items and merge related proposals.

The Company establishes the annual schedule of the Board of Directors at the beginning of the fiscal year in order to properly ensure deliberation time in the Board of Directors for these important proposals as it takes efforts to standardize the number of proposals and meeting times.

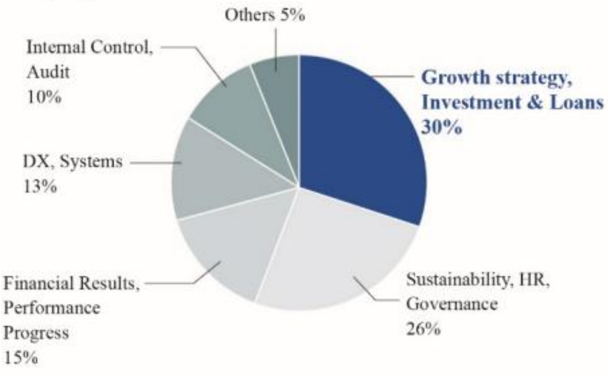
Main deliberations at the Board of Directors meetings held during FY2024

Growth strategy, Investment & Loans	Development and progress report for “Medium-Term Management Plan 2026” Acquisition of Australian infrastructure development company, other investments & loans, etc.
Financial Results, Performance Progress	Results-related, budget-related, quarterly financial progress reports, etc.
Sustainability, Human Capital, Governance	Sustainability initiatives report, progress report on personnel policies, assessment of effectiveness of the Board of Directors, the Board of Directors’ annual plan, Nomination and Remuneration Committees reports, etc.
Internal Controls, Audits	Reports on the establishment and operation status of the internal control system (including reports from the Compliance Committee, Security Trade Control Committee, and other various committees), internal audit reports, etc.
DX, Systems	DX promotion activities report (status of initiatives for each DX measure, digital Human Capital development, AI governance, etc.), cyberattack response, etc.
Others	Executive personnel and remuneration, etc.

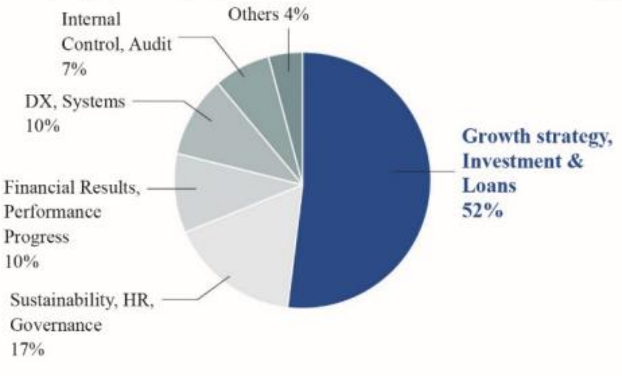
FY2024 was the first year of the “Medium-Term Management Plan 2026” as well as the first year after the transition to a company with an Audit and Supervisory Committee. Under a new Board of Directors structure, a lively debate was conducted about the progress status of the Medium-Term Management Plan and new investments and loans. Most time was spent on “Growth Strategy, Investment & Loans” as a percentage of the whole deliberation time (Graph (1)).

For investments and loans scheduled for discussion at the Board of Directors, the proposing department will create an opportunity to explain the proposal with all Directors present outside of the Board of Directors deliberations a month before the scheduled discussion in order to enhance the deliberation at the Board of Directors meeting and share sufficient information beforehand. Also, opportunities are also established for each business divisions and key overseas operating sites to report on action plans, key areas, issues, and approaches in the term of MTP 2026. Including these reports outside of meeting deliberations, the time spent on “Growth Strategy, Investment & Loans” is over 50% (Graph (2)).

Graph (1)



Graph (2) (Including reports outside of the Board of Directors meetings)



*1 The percentages in the pie graph indicate the percentage of deliberation time spent for each proposal type to the total deliberation time of the Board of Directors meetings held during FY2024.
*2 The time spent explaining the proposal is also included in the deliberation time.

● Support system/information sharing system for Directors

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

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

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

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

● 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. In FY2024, upon the transition to a Company with Audit and Supervisory Committee, in order to further enhance the function of the Board of Directors, the Company hired an independent third party (Japan Board Review Co., Ltd.) to conduct an analysis and evaluation.
The method of analysis and the results of the FY2024 assessment, as well as the action plan for the fiscal year 2025 based on these results, are as follows.

1. Assessment method

Target	All 11 Directors
Method of implementation	- Sent a questionnaire from the third party to all Directors (anonymous/scale of 1-5/additional notes column for each question), after which recovered and calculated the answers. - Based on the results of the questionnaire responses, the third party conducted individual interviews with all Directors. - Based on the final report of the third party, the Board of Directors deliberated issues and the future action policy. - Based on the deliberations in the Board of Directors, decided the agenda details for next year and the policy for each initiative.
Questionnaire items	1. Medium-to-long-term business issues and risks 2. Board of Directors roles and functions 3. Scale and composition of Board of Directors 4. Operational status of Board of Directors 5. Composition/role and operational status of Nomination Committee 6. Composition/role and operational status of Remuneration Committee 7. Composition/role and operational status of Audit and Supervisory Committee 8. Support system for Independent Directors 9. Response to issues from previous year evaluation 10. Relationship with investors/shareholders 11. Overall effectiveness of governance system and Board of Directors of the Company 12. Self-evaluation
Interview items	Interview focused on issues grasped from comments in the additional notes column and points in the questionnaire.

2. Effective assessment results

The Board of Directors discussed the results of the survey and individual interviews, and confirmed that the effectiveness of the Company's Board of Directors has been ensured.

(1) Evaluated items

Through the questionnaire and individual interviews, the following points were evaluated highly.

1) Related to transition to a Company with Audit and Supervisory Committee

- The delegation of authority to executive members corresponding to the transition to a Company with Audit and Supervisory Committee reduced the number of proposals and streamlined the report items. This was evaluated highly as it managed to improve the quality of discussion in the Board of Directors and enhance the speed of management decisions.
- The Audit and Supervisory Committee had a smooth start in its first year as it conducted appropriate deliberations through appropriate operation and structure.

2) Scale and composition of Board of Directors

- The Board is an appropriate scale and composition, being comprised of members with a balance from the perspective of the skills matrix.

3) Operations of Board of Directors

- Under the appropriate operation of the Board of Directors meetings (frequency/time of meetings, resolution items, materials, briefings, etc.), executive members properly present and share information.
- Open and lively deliberations are conducted in the Board of Directors meetings. Independent Directors provide opinions and observations from a perspective that contributes to improving corporate value and differs from the discussions of each meeting inside the Company.

- Opinion exchanges in pre-meeting briefings and outside the deliberations are actively held. Therefore, the Board of Directors meeting itself can be held with members fully prepared to discuss proposals.
- Discussion point organization before the Board of Directors meetings and the operation of the discussion on the day of the meeting by the Chair contributes to improving the quality of the Board of Directors discussion.

4) Support system for Independent Directors

- Support system for Independent Directors (pre-meeting briefings, information sharing meetings with Executive Directors, participation as observer in management level training camp summer sessions, business office visits in and outside Japan) is appropriate.

(2) Initiatives and actions taken for FY2024

1) "Medium-Term Management Plan 2026"

Initiatives for FY2024	Actions taken
- With regard to the "Medium-Term Management Plan 2026", we will continue regular progress reports and divisional reports by divisional COOs, and deepen discussions on the long-term vision, business portfolio, DX promotion, and human capital, while utilizing opportunities other than the Board of Directors meetings. - In addition to the existing reporting on the progress of investment and loan projects, the frequency and method of reporting will be reviewed and improved.	- In the FY2024 Board of Directors meetings, included progress of Medium-Term Management Plan, progress on human capital measures, and DX promotion activities as regular discussion items in the annual plan and secure sufficient deliberation time for each. The time generated by reducing discussion items and streamlining the reporting items corresponding with delegation of authority to executive members was allocated for these important regular discussion items, allowing for regular monitoring of each progress status in the Board of Directors and deepening discussions on issues, response status, and future direction, etc. - Utilizing opportunities besides the Board of Directors meetings, proactively shared discussions (summer sessions) for the improvement of clarity of Medium-Term Management Plan and the early achievement of the Next Stage (double growth in corporate value), as well as the initiative status for projects under consideration and human capital measures (information sharing meeting) to Independent Directors. - Also, made appropriate follow-ups at appropriate times on investment and loan projects resolved in the Board of Directors meetings (also issued reports in the information sharing meetings and the Board of Directors as needed).

2) Transition to a Company with Audit and Supervisory Committee

Initiatives for FY2024	Actions taken
- In line with the transition to a Company with Audit and Supervisory Committee, review the board agenda to delegate some of the authority for important business execution decisions to the Executive Directors. - Following the transition, the Board of Directors will continue to review the board agenda and maintain the existing information-sharing mechanism to prevent information gaps among Independent Directors, and make improvements as necessary.	< Deliberation by the Board of Directors > - The delegation of authority to executive members reduced the number of proposals and streamlined the report items, improving the quality of discussion in the Board of Directors and enhancing the speed of management decisions. < Response to information gaps among Independent Directors > - Continued the previous system of sharing information and proactively shared projects under consideration, the initiative status of human capital measures, the status of dialogues with investors and comments from investors. - Held meetings and opinion exchanges between Independent Directors who are and are not Audit and Supervisory Committee Members and shared the activities status of the Audit and Supervisory Committee among Independent Directors.

(3) Initiatives for FY2025

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

- Utilize the time created by reducing the number of resolutions by delegating authority as a result of the transition to a Company with Audit and Supervisory Committee and continuously discuss the medium-to-long term strategy and distribution of management resources in order to achieve the “Medium-Term Management Plan 2026” and Next Stage (double growth of corporate value).
- In these discussions, take efforts to provide communication and explanations based on the gap of current status recognition and information between executive members and Independent Directors. Also utilize opportunities outside of deliberations to further enhance discussions.
- Proactively propose and suggest specific themes and discussion points to deepen the discussions at the Board of Directors meetings.

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

- While maintaining active opinion exchange in pre-meeting briefings and other opportunities outside of the deliberations, take efforts to adjust the agenda setting and the specificity of information and materials provided at the Board of Directors meetings to ensure that such meetings allow for substantial debate from a broad perspective.
- Continue the previous system of information sharing (Independent Director meetings and opinion exchange sessions, etc. of both Independent Directors who are and who are not Audit and Supervisory Committee Members) while aiming to make improvements when necessary, so that Independent Directors can freely share recognition and exchange opinions on matters and issues on the executive side, leading to monitoring discussions at the Board of Directors meetings.

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

Sojitz has established the following advisory bodies to the Board of Directors. As resolutions (matters discussed) at the 22nd Ordinary General Shareholders’ Meeting scheduled for June 18, 2025, the Company will propose “Election of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members).” If this proposal is passed as drafted, the breakdown of the composition of the Board of Directors will also be as stated below. It also includes details about the resolutions of the Board of Directors meeting scheduled immediately after the Ordinary General Shareholders’ Meeting.

	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*	Independent Directors: 3; Executive Director: 1	Independent Directors: 3; Executive Director: 1
	Yumiko Jozuka (Chair/Independent Director) Ungyong Shu (Independent Director) Tsuyoshi Kameoka (Independent Director) Kosuke Uemura (Representative Director and President)	Ungyong Shu (Chair/Independent Director) Tsuyoshi Kameoka (Independent Director) Yumiko Jozuka (Independent Director) Kosuke Uemura (Representative Director and President)

● Activities in FY2024

In FY2024, the Nomination Committee and Remuneration Committee held a total of 7 and 9 meetings, respectively. The attendance of each member of both the Nomination Committee and Remuneration Committee was as follows.

Name	Attendance at the Nomination Committee meetings (Total of 7 meetings)	Attendance at the Remuneration Committee meetings (Total of 9 meetings)
Naoko Saiki	7 times	9 times
Ungyong Shu	7 times	9 times
Tsuyoshi Kameoka	7 times	9 times
Masayoshi Fujimoto	–	9 times
Kosuke Uemura	7 times	–

● Main deliberations at each committee in FY2024

	Main deliberations
Nomination Committee	Monitoring of officers considering the succession of management positions
	Selection of candidates for Directors and Executive Officers for FY2025
	FY2025 Skills Matrix of Directors
	Nomination Committee report of activities for FY2024 and plan of activities for FY2025
Remuneration Committee	Establishment of performance targets, etc. to be used in calculating performance-linked remuneration (short-term) for Directors (excluding Independent Directors) and Executive Officers in FY2024
	Evaluation method and progress evaluation of ESG-related indicators of performance-linked remuneration (medium- to long-term) for Directors (excluding Independent Directors) and Executive Officers in FY2023
	Next year executive remuneration system
	Remuneration Committee report of activities for FY2024 and plan of activities for FY2025

3) Audit and Supervisory Committee

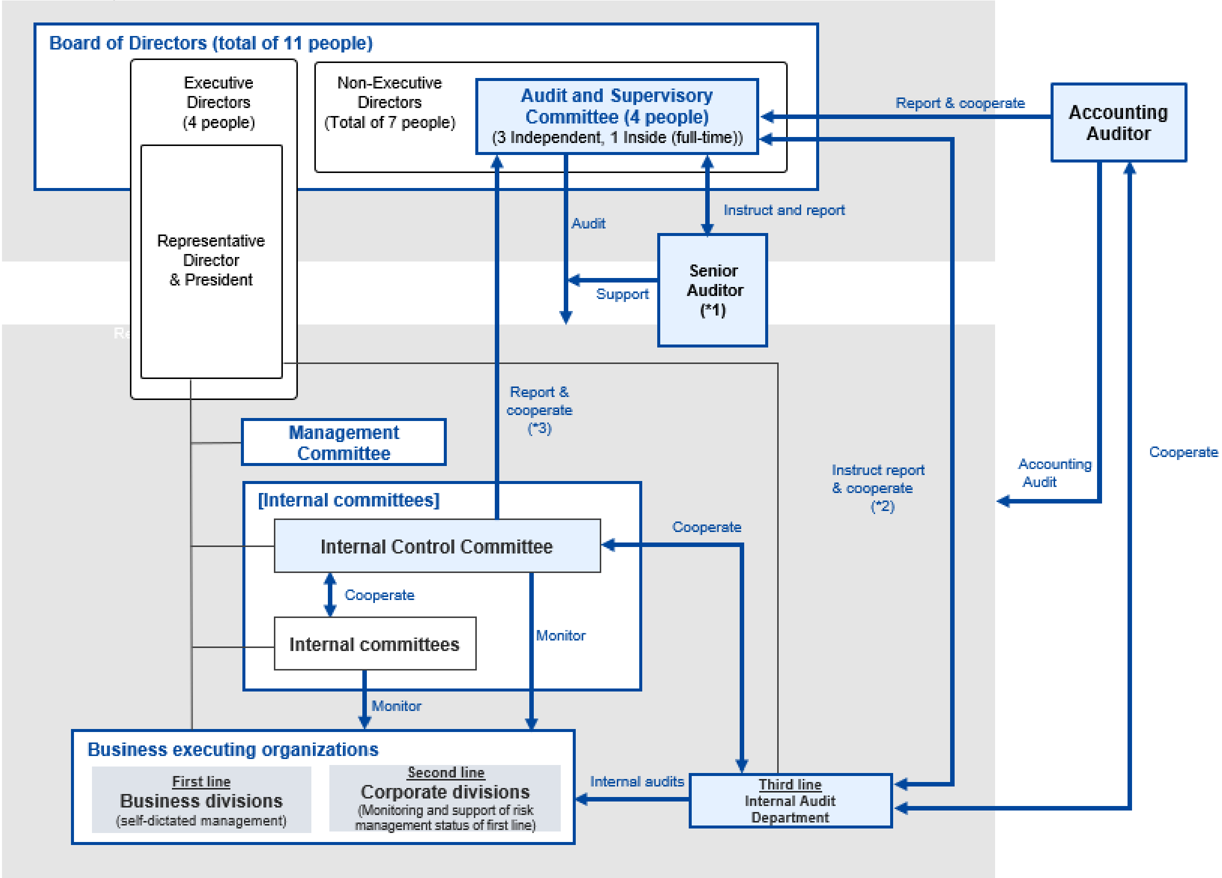
As of the issuance date of this report, the Audit and Supervisory Committee consists of 4 members (2 males, 2 females), including 1 full-time Inside Director and 3 Independent Directors. To ensure the effectiveness of audits by the Audit and Supervisory Committee, we appoint 1 Inside Director who is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

As resolutions (matters discussed) at the 22nd Ordinary General Shareholders' Meeting scheduled for June 18, 2025, the Company will propose "Election of 1 Director who is an Audit and Supervisory Committee Member." If this proposal is passed as drafted, the breakdown of the composition of the Audit and Supervisory Committee will also be as stated above. Further, the Company plans to appoint 1 Inside Director who is familiar with the Group's business as a full-time Audit and Supervisory Committee Member and Chair of the Audit and Supervisory Committee at the Audit and Supervisory Committee meeting scheduled immediately after the Ordinary General Shareholders' Meeting.

In addition, 3 members of the Audit and Supervisory Committee as of the conclusion of the Ordinary General Shareholders' Meeting have considerable knowledge of finance and accounting as follows.

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

● Audit system



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

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

*3 Establishment of a reporting line from the Internal Control Committee to the Audit and Supervisory Committee
- The Internal Control Committee, which is an executing body under the management of the President, oversees the implementation and enforcement of the internal control system and conducts periodic monitoring. While cooperating with other committees, the Internal Control Committee identifies issues and considers countermeasures related to the internal systems and frameworks, points out these issues to the relevant departments, and makes improvements.
- The Audit and Supervisory Committee receives regular reports from the Internal Control Committee on the establishment and operation status of the internal control system in business execution.

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

(d) Business executing bodies

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

1) Management Committee

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

A total of 27 meetings were held in FY2024, with a total of 13 members (10 males and 3 females). In FY2024, the Committee mainly focused on reviewing the progress of business investment, personnel policies, etc., outlined in the “Medium-Term Management Plan 2026”. Additionally, the meeting addressed reports on the macro environment, foreign exchange and country risks, and other important sales and corporate projects.

In FY2025, the Committee consists of a total of 12 members (9 males and 3 females).

2) Finance & Investment Deliberation Council

The Council consists of Executive Directors and corporate department supervisors. It discusses and resolves important investment and loan proposals from a Group-wide viewpoint. The Council meetings are held twice a month in principle, and a total of 21 meetings were held in FY2024.

3) Human Capital Deliberation Council

The Council consists of Executive Directors and corporate department supervisors. It discusses and resolves important issues pertaining to human capital from a Group-wide viewpoint. The Council meetings are held twice a month in principle, and a total of 20 meetings were held in FY2024.

4) Internal committees

In order to enhance corporate value, we have established the following internal committees (as of the issuance date of this report) that act as executing bodies under the direct supervision of the President to advance management initiatives that need to be handled across the organization. Each internal committee regularly reports on its discussions to the Board of Directors and the Management Committee. The frequency and number of meetings of each committee held in FY2024 were as follows.

	Roles	Frequency of meetings (Number of meetings held in FY2024)
Internal Control Committee	The Internal Control Committee formulates policies to maintain and improve our internal control system, and monitors this internal control system, its enforcement among the Group, and monitors risks from a Group-wide viewpoint.	Once a quarter in principle (4 meetings)
Compliance Committee	The Compliance Committee examines and formulates fundamental policies and measures to ensure compliance.	Once a quarter in principle (4 meetings)
Sustainability Committee	Based on the Sustainability Challenge, the Sustainability Committee examines and formulates various policies and measures, focusing on the realization of a decarbonized society and respect for human rights in the supply chain.	Once a quarter in principle (4 meetings)
Security Trade Control Committee	The Security Trade Control Committee expedites responses to changing security trade control issues associated with the Sojitz Group and establishes appropriate trade control systems.	In addition to the annual meeting, convened as needed (2 meetings)
Quality Management Committee	The Quality Management Committee builds and maintains a company-wide quality management system and studies and formulates measures to develop business (B to C business) from a market-oriented perspective and to increase corporate value.	Once a quarter in principle (4 meetings)
DX Promotion Committee	The DX Promotion Committee monitors the overall picture of DX promotion aimed at improving corporate value, and shares the progress and status of efforts, and verifies their effects, with the goal of realizing increased corporate value through business transformation and enhanced competitiveness, while pursuing reforms in business models, human capitals, and operational processes by utilizing digitalization.	Once a month in principle (11 meetings)
Information and IT Systems Security Committee	Information and IT Systems Security Committee promotes task setting, the formulation of action plans, and the implementation of countermeasures relating to the security of company-wide information assets and IT systems to improve corporate value, while grasping the focus and importance of risks that arise in business where digital data and IT are utilized in conjunction with the accelerated promotion of DX.	Once a half in principle (2 meetings)

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

(e) Matters pertaining to Directors

1) Number of Directors

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

2) Resolutions for appointment of Directors

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

(f) Resolutions by the General Shareholders' Meeting

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

● Acquisition of own shares

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

● Exemption from liability for Directors

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

● Dividends of surplus, etc.

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

2) Matters requiring resolution by the General Shareholders' Meeting

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

(g) Dialogue with shareholders and investors

Sojitz maintains a basic policy of engaging in constructive dialogue. Sojitz continues to provide shareholders and investors with appropriate and timely information on management policy and initiatives, as well as clear explanations using understandable words and logic to achieve sustained growth and improve corporate value over the medium-to-long term. Shareholders' and investors' 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 officers and employees.

1) Providing information to shareholders and investors

Sojitz's basic policy is to communicate information fairly and equally to shareholders and investors in Japan and abroad. 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 provision of information, such as publishing Integrated Reports and stakeholder communication magazines , holding business activities briefings, integrated report briefings, and briefings for individual shareholders, participating in briefings for individual investors, and disclosing relevant information on the Sojitz website.

2) Systems and initiatives for dialogue with shareholders and investors

The Representative Director and President, CFO and other management team members serve as the main speakers at individual meetings with investors, small meetings and briefings. In addition, a dedicated IR organization internally shares, as appropriate, the views and opinions of shareholders and investors obtained in the course of dialogue.

Furthermore, the investors considering Sojitz as an investment target have spread and expanded, and we aim to enhance our corporate value by deepening dialogue through briefings and interviews, after verifying their attributes, whether new or existing, domestic or foreign. Moreover, we have assigned representatives to engage in IR activities in the United States and are focusing on enhancing our relationship with stakeholders.

Main topics and concerns of dialogue with shareholders and investors:
- "Medium-Term Management Plan 2026" and long-term vision
- Initiatives aimed at achieving PBR of over 1.0
- Shareholder returns policy
- Sustainability approach and initiatives
- Human capital strategies
- Changes resulting from transition to a Company with Audit and Supervisory Committee
- Matters requiring resolution by the General Shareholders' Meeting
- Investors' investment policies, expectations and requests

Dialogue held in FY2024

Description	Sojitz attendees	Participants	Frequency
General Shareholders' Meeting	Representative Director and Chairman Representative Director and President CFO Inside and Independent Directors Audit and Supervisory Board Members Executive Officers	Shareholders	1
Financial results briefings	Representative Director and President CFO Executive Officers	Institutional investors Analysts	4
Briefings for individual shareholders and investors	Representative Director and President CFO Executive Officers Dedicated IR organization	Individual shareholders Individual investors	5
Small meetings	Representative Director and President CFO Independent Directors Executive Officers	Institutional investors Analysts	5
Business activities briefings	CFO Executive Officers	Institutional investors Analysts	2

IR and SR meetings in Japan and abroad	Representative Director and President CFO Independent Directors Executive Officers Dedicated IR organization U.S. representatives (IR specialists)	Shareholders Institutional investors Analysts	465 (Number of interview participants)

Relevant Links:
Each IR event
https://www.sojitz.com/en/ir/meetings/

(h) Basic concept and status of implementation and operation of internal control system

1) Basic view

Based on the Sojitz Group Statement, Sojitz has developed internal control systems including regulations, organizations, and structures. The “Basic policy regarding the establishment of systems for ensuring appropriate execution of Sojitz Group business operations” was resolved as follows by the Board of Directors on June 18, 2024, based on the Companies Act and the Regulations for Enforcement of the Companies Act of Japan.

i) System to Ensure that the Execution of Duties by the Directors and Employees of Sojitz and its Subsidiaries Complies with Laws, Regulations and its Articles of Incorporation

Sojitz will establish procedures to ensure thorough compliance in the “Sojitz Group Compliance Program,” and will enact a “Sojitz Group Code of Conduct and Ethics” to ensure that the Sojitz Group’s officers and employees comply with laws, regulations, articles of incorporation and internal rules.

Sojitz, in an effort to ensure the Sojitz Group’s compliance with relevant laws and regulations, will promote the development of a compliance system centered around the Compliance Committee, and will clarify the division of duties for each department within Sojitz and the management personnel who are responsible at Sojitz’s group companies.

Sojitz will not have any relations with antisocial forces including in transactions, and will adopt a resolute stance that includes legal actions against unjust demands, and further, will endeavor to ensure that this same posture is thoroughly undertaken in the Sojitz Group.

Sojitz will establish internal rules on procedures and the like for the preparation of financial statements that conform with laws, regulations and accounting standards, to ensure the appropriateness of the Sojitz Group’s consolidated financial reports.

Sojitz will establish the Internal Audit Department as a body that is independent from the other business executing divisions. The Internal Audit Department will conduct internal audits to verify that the Sojitz Group is appropriately carrying out business activities as well as business management and like matters in compliance with laws, regulations and internal rules.

ii) System for the Retention and Control of Information Related to the Execution of Duties by Sojitz’s Directors

Sojitz will establish retention periods and the division that is responsible for retention, and will control important documents, including the minutes of the Board of Directors and circulated decision documents, related to the execution of duties by Sojitz’s Directors in accordance with the Board of Directors Rules and the internal rules related to the control of documents and information.

iii) Rules and Other Systems for the Management of the Risks of Loss at Sojitz and its Subsidiaries

Sojitz will identify and classify the various internal and external risks tied to losses at the Sojitz Group and will establish internal rules and response procedures as well as responsible divisions for these risks, in an effort to prevent losses at the Sojitz Group and to minimize the losses that are incurred. In addition, it will continually confirm and improve the effectiveness thereof, and will promptly address any new risks faced by the Sojitz Group with changes in the business environment.

Sojitz will establish internal rules on policies and programs to address natural disasters, terrorism, wars, crime, riots, infectious diseases and other unforeseen events caused by external factors, in order to manage risk.

Sojitz will engage in the appropriate management of risk by introducing rules and requiring the establishment of the necessary risk management systems, in proportion to content and scale of business at the Sojitz’s group companies.

iv) System to Ensure the Efficient Execution of Duties by the Directors of Sojitz and its Subsidiaries

Sojitz will clarify the division of roles for its Directors and Executive Officers, and will establish internal rules and the like regarding the division of duties, chain of command, authority and decision-making procedures for the various divisions within the company.

Sojitz will set out those important matters that are to be resolved by the Board of Directors in the "Board of Directors Rules," will delegate decisions on other important matters to the Executive Directors, and will establish a Management Committee, other councils and committees, and other business execution bodies. In addition, it will set out those matters that are reported by Executive Directors to the Board of Directors, and create a system for effective monitoring by the Board of Directors.

Sojitz will establish a division to supervise the management and operating systems at Sojitz's group companies, and will ensure the efficiency of Sojitz Group's management to promote group management.

The Sojitz Group's management policies determined by Sojitz's Board of Directors, Management Committee and the like will be promptly disseminated within the Sojitz Group, and will be made known to the Sojitz Group's officers and employees both verbally and in writing.

Sojitz will establish management plans on a consolidated basis, and will share management goals and indicators within a group.

v) System to Ensure the Properness of Business within the Corporate Group Consisting of Sojitz and its Subsidiaries

Sojitz, in its "Basic Code of Group Management" and other internal rules related to group management, will be sure to set out the lead management in charge of Sojitz's group companies, will seek prior consultation with its group companies regarding important matters, and will impose a duty that reports that include annual business reports and business activity reports be provided to Sojitz on a regular basis.

Sojitz's Internal Audit Department will conduct internal audits of its group companies to verify the appropriateness of business.

vi) System to Ensure the Effective Implementation of Audits by Sojitz's Audit and Supervisory Committee

[1] System to Assist in the Duties of the Audit and Supervisory Committee

Sojitz will assign persons who are well-versed in Sojitz Group's business and operations, and who have knowledge of finances, accounting and risk management to serve as employees to assist in the duties of the Audit and Supervisory Committee. These employees will carry out their duties in accordance with the directions of the Audit and Supervisory Committee, and their evaluations and transfers will be made through discussions with the Audit and Supervisory Committee.

[2] System for Reporting to the Audit and Supervisory Committee

Sojitz's Directors and executive officers must immediately provide reports to the Audit and Supervisory Committee when discovering facts which may cause significant damages to Sojitz.

The division in charge of Sojitz Group's whistleblower system will provide regular reports to the Audit and Supervisory Committee, via the Compliance Committee or the like, regarding the status of whistleblower reports from the group's officers and employees.

Sojitz's Internal Audit Department will provide regular reports regarding internal audits to the Audit and Supervisory Committee.

The Audit and Supervisory Committee will be entitled to seek reports from Accounting Auditors, Sojitz's Directors and others as needed.

Sojitz will not engage in detrimental treatment toward officers and employees of the Sojitz Group who submit reports via the whistleblower system or the like (including reports to the Audit and Supervisory Committee or the like), by reason of their provision of these reports.

[3] Other Systems to Ensure the Effective Implementation of Audits by Sojitz's Audit and Supervisory Committee

Sojitz will allocate the expenses required for the Audit and Supervisory Committee to carry out its duties.

A system will be established wherein the Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee will be entitled to attend meetings of Sojitz’s Management Committee and other important meetings to gain a direct recognition of the status of deliberations and reports on important matters.

Sojitz’s Representative Directors will regularly hold meetings with the Audit and Supervisory Committee to exchange opinions regarding the issues that should be addressed by the company, the state of audit environment improvements at the Audit and Supervisory Committee, important audit related issues, and like matters.

2) Status of implementation and operation

● Overall internal control system

The Internal Control Committee, which is an executing body under the management of the President, consolidates and monitors the status of implementation and operation of the internal control system, and leads maintenance and improvement of our internal control systems.

(Overview of operational status)

The Internal Control Committee oversees the design and operation of the overall internal control system and conducts periodic monitoring. Through these activities, the Committee also identifies issues and considers countermeasures related to the internal systems and frameworks, points out these issues to the relevant departments, and makes improvements. In addition, the Committee monitors progress on assessments of internal controls with regards to financial reporting, based on the Financial Instruments and Exchange Act, thereby working to ensure the reliability of financial reporting.

The Internal Control Committee met 4 times during the fiscal year ended March 31, 2025, and reported the details of these meetings to the Board of Directors.

Each committee under the management of the President (Compliance Committee, Sustainability Committee, Security Trade Control Committee, Quality Management Committee, DX Promotion Committee, and Information and IT Systems Security Committee) and each working group (Disclosure Working Group and Business Continuity Management Working Group) discuss specific initiatives for their area of expertise.

● Compliance

Sojitz has established a Sojitz Group Compliance Program, which sets out procedures for achieving thorough compliance, and has also formulated a Sojitz Group Code of Conduct and Ethics, which provides common criteria for conduct that applies to Group officers and employees globally.

The Compliance Committee, chaired by the Chief Compliance Officer (CCO), leads the establishment of systems for promoting compliance with laws and regulations and corporate ethics at Group companies and overseas bases, such as appointing compliance supervisors and forming compliance committees.

To help prevent or quickly detect compliance violations, Sojitz has a hotline (internal reporting system) that provides access to the CCO and outside legal counsel; a consultation desk where the Compliance Committee Secretariat members can be contacted; and the multi-lingual Sojitz Ethics Hotline, which is available 24 hours a day, 365 days a year. These systems are made known to all Group officers and employees. In addition, a point of contact concerning the compliance of Sojitz has been established on the website of Sojitz, to collect any reports from outside of the Company.

To prevent corruption, Sojitz has also established the Sojitz Group Anti-Corruption Policy and the Guidelines for Sojitz Group Anti-Corruption Policy, and has introduced corresponding rules at Group companies.

Sojitz formulated the Sojitz Group Basic Policy on Sanctions and Export Controls, in an effort to develop a safeguard structure against the risks associated with the violations of sanctions and export controls in Japan and overseas.

In addition, in expanding the business around the world, Sojitz has established the Sojitz Group Tax Policy regarding observance of tax compliance, optimization of tax costs, and relationships with tax authorities, and strived to fulfill its tax obligations in a timely and appropriate manner.

Sojitz has developed and implemented educational programs useful for business practice to ensure legal compliance and maintain a good working environment free of any kind of harassment, such as providing educational opportunities including e-learning.

(Overview of operational status)

Based on the action plan formulated by the Compliance Committee, Sojitz continues to provide counsel on how to prevent compliance issues from reoccurring, as well as providing assistance and guidance to Group companies on how to practice said Code of Conduct.

Specific activities related to compliance in the fiscal year ended March 31, 2025 included the following:

- Four meetings of the Compliance Committee held
- Meetings of the CCO with Chief Operation Officers and Presidents of Group companies
- Regular liaison meetings among the compliance staff of Group companies
- Regular liaison meetings with the compliance staff of overseas operating sites
- Training programs, seminars and briefings on important issues concerning the prevention of harassment and corruption
- Various training programs for newly hired employees, employees hired as mid-career professionals, employees on overseas assignments, and others
- Alert letters for scandals caused by consumption of alcohol
- Individual support for Sojitz's domestic operating companies through a risk-based approach to enhance the compliance system (cooperation in investigations, tailored training programs, etc.)

With regard to security trade control in particular, based on the action plans formulated by the Security Trade Control Committee, the committee secretariat is engaged in activities for preventing violations of sanctions and export controls while providing support and guidance to Group companies.

Specific activities related to compliance in the fiscal year ended March 31, 2025 included the following:

- Two meetings of the Security Trade Control Committee held
- Various training programs for newly hired employees, employees hired as mid-career professionals, employees on overseas assignments, and others
- Support for the revision and formulation of local security trade control-related regulations at overseas operating sites
- Support for responding to measures in concert with strengthened sanctions and others, due to changes in the security situation (including U.S.-China relations, situation in Myanmar, and Russia-Ukraine situation)

● Risk management

Sojitz has established risk management rules to deal with the various risks to which Sojitz is exposed in the course of its business operations. It manages and operates these rules in an aim to enhance the ongoing risk management structure.

Also, Sojitz is enhancing its risk management capabilities in the first and second lines of the three-line model (first line: business divisions, second line: corporate departments, and third line: internal audits), which is the fundamental concept of internal control.

(Overview of operational status)

In the Group, the Internal Control Committee, an executing body under the management of the President, oversees Company-wide risk management, identifies major risks, and evaluates their importance after considering changes to the business environment. After this, it discusses and makes decisions on the risk response policy. In terms of individual risks, related corporate departments establish their own internal rules and aim to implement them fully. Also, through monitoring from a Company-wide perspective in internal committees, the Group aims for detailed responses to various risk characteristics.

The status of their implementation is monitored by the Internal Control Committee and reported to the Management Committee and the Board of Directors on a regular basis.

In addition, when changes in the business environment necessitate the strengthening of risk recognition and initiatives within the Group, or the need to address new areas of risk, these are reported to the management and addressed as appropriate. With the aim of strengthening first line and second line risk management capabilities, we are revising various regulations related to company-wide risk management in April 2025.

In addition, accepting the changes to the global environment and rising geopolitical risks, we take an approach toward combating specific risks that accounts for the entire supply chain, and enact flexible responses to the sudden materialization of risks by measuring the quantitative impact of the given risk event in order to strengthen our corporate resilience. In the year ended March 31, 2025, scenarios were formulated for geopolitical risks and disaster risks. These scenarios were examined through discussion by the Management Committee and between business and corporate divisions to assess the response measures to be implemented in the event that a risk materializes.

In the event of unforeseen circumstances, the Sojitz Group Basic Crisis Management Policy establishes the risk management framework for both normal conditions and emergency situations. Also, in the Sojitz Crisis Management Guidelines, the Group establishes the specific structure and roles in emergencies, laying the groundwork for a system that enables appropriate and timely decisions based on the situation and area where the crisis is occurring in order to take first response measures such as confirming and reporting the safety of employees and any physical damage, and preventing the spread of damage.

We are also working to raise awareness of the importance of risk response among Group employees by establishing or changing Group rules and guidelines, distributing the Internal Control Bulletin that summarizes key information such as precautions, and conducting self-inspections to check risk points for each organization.

In addition, we conduct constant education and enlightenment activities through various risk management training programs to improve the risk sensitivity of Group officers and employees.

● Operation execution system

We employ an executive officer system for the purpose of clarifying authority and responsibilities and ensuring smooth and swift execution of business through the separation of management supervision and decision-making from operational execution. Also, by establishing internal rules, etc. we clarify the details and scope of authority of each decision-making body, each role and responsibility and each department, as well as division of duties and decision-making processes, etc.

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

By delegating authority from the Board of Directors to the Executive Directors, we aimed to further accelerate decision-making and deepen discussion about the medium-to-long-term management strategy and important matters of impact to it. After receiving approval at the 21st Ordinary General Shareholders' Meeting held on June 18, 2024, the Company transitioned to a Company with an Audit and Supervisory Committee.

Also, the Group established its management control system in the “Basic Code of Group Management” and “Group Management Operation Regulations” as well as the rules for each subsidiary. As a result, we aim to improve the efficiency of Group management and maximize the Group corporate value.

(Overview of operational status)

The Company has appointed 27 Executive Officers (as of the issuance date of this report). Further, the Company will continue to deliberate the details of the internal rules, such as the Board of Directors Rules, and regularly revise them.

The Company transitioned to a Company with Audit and Supervisory Committee. As a result, authority has been delegated from the Board of Directors to the Executive Directors. The Board of Directors determines the annual schedule and regular agenda at the beginning of the fiscal year to allocate more time for important agenda items, balancing the number and duration of items and combining related reports into a single topic to ensure efficient operations.

● Management of Group companies

Each Group company has a management system under the supervision of the chief manager (COO of business and function divisions) based on the management system for Group companies' business operations defined in the Basic Code of Group Management and the Group Management Operation Regulations. The status of each system is monitored on a periodic basis.

In addition, Directors monitor business management of Group companies through the business division or corporate department staff who supervise these companies, or else the Directors, Audit and Supervisory Board Members, and others dispatched to Sojitz Group companies.

(Overview of operational status)
The management personnel presents the expected roles related to the Medium-Term Management Plan, management objectives, and management issues to the Presidents of the Group's consolidated companies, and the Presidents clearly indicate their initiative policy in response to these expectations to the management personnel. Sojitz receives regular reports from Sojitz Group companies, including annual business reports and monthly operating activity reports. Through the Directors and the Audit and Supervisory Board Members dispatched to each Group company, Sojitz manages and supervises Group companies, ensuring that they have established an appropriate management foundation and corporate governance and that these are working correctly. As for the most important matters concerning the management of individual Group companies, execution of the most important business requires advance consultation with Sojitz to ensure appropriate management.

Additionally, in order to promote Group management, Sojitz makes efforts to disseminate the Group's management philosophy and policies through the establishment of individual company regulations based on the Group's management policies and through training sessions for Group companies' officers and employees.

Based on an audit plan adopted by the Board of Directors and under the supervision of the President, the Internal Audit Department of Sojitz conducts audits to investigate whether organizational governance, risk management, and internal controls are functioning appropriately in the Group companies. The Internal Audit Department also makes proposals for effective improvements to prevent losses and solve issues. Also, the audit results will be regularly reported to the Audit and Supervisory Committee, in addition to the President.

As part of the Group's efforts to further enhance the corporate governance of Group companies, in order to improve the effectiveness of the Board of Directors at each Group company, the "Guidance for management of the Board of Directors" has been formulated, and the operating status of the Board of Directors at each company has been monitored and reported regularly to the Management Committee and the Board of Directors at Sojitz.

In addition, training programs conducted by outside experts for newly appointed Directors and Audit and Supervisory Board Members at Sojitz Group companies are provided on a yearly basis.

● Management and storage of information

With respect to handling of important documents related to execution of duties such as the minutes of Board of Directors meetings, the responsible department shall appropriately manage such documents according to the retention period required by law based on guidelines including the Board of Directors Rules and internal rules for document retention, and shall make such documents available for viewing as necessary. As for the information related to business execution, a system is in place to monitor the status of operation by establishing rules that define the classification and confidentiality of the information. In addition, the Information and IT Systems Security Committee, chaired by the Chief Information Security Officer (CISO), is regularly held to strengthen the information security system.

(Overview of operational status)
With respect to information related to business execution, Sojitz regularly reviews the classification, management methods, and retention period of information as stipulated in the internal regulations, and makes efforts to ensure proper management. In addition, the Group has formulated guidelines on specific methods for the management and operation of information that requires particularly strict control, which is defined as "information requiring specific management," and has investigated the status of holding such information and provided instructions for improvement as necessary. Furthermore, the Group has endeavored to bolster security governance across the board. Sojitz constantly reinforces its security measures by rolling out them to the whole Group such as by introducing software to early detect cyberattacks that are becoming increasingly sophisticated and to minimize their impact, conducting security risk assessments, and providing guidance for improvement. In addition, we plan to revise the IT Security Rules in FY2025 to strengthen account protection by increasing password complexity requirements.

The Information and IT Systems Security Committee met 2 times during the fiscal year ended March 31, 2025.

● Effectiveness of audits by the Audit and Supervisory Committee

1) System to Assist in the Duties of the Audit and Supervisory Committee

Two Senior Auditors* are assigned to ensure the effectiveness of audits by the Audit and Supervisory Committee.

* Senior Auditors are persons who are familiar with the Group's business and operations and have knowledge of finance and accounting, risk management, and other relevant areas. They complement and support the duties of the Audit and Supervisory Committee from the same perspective as Audit and Supervisory Committee Members.

(Overview of operational status)

Based on the instructions of the Audit and Supervisory Committee, Senior Auditors properly assist the Audit and Supervisory Committee by accompanying on-site audits of consolidated subsidiaries in and outside Japan and attending various reporting meetings for internal audits.

2) System for Reporting to the Audit and Supervisory Committee

In terms of reporting to Audit and Supervisory Committee, Sojitz has adopted a system which, in addition to the reports by the Directors, reports on matters required for auditing in a timely manner, such as reporting on Group-wide matters by various committees, including the Internal Control Committee and the Compliance Committee, as well as the Internal Audit Department, and business reports from the consolidated subsidiaries. Additionally, relevant regulations provide that persons who report to the Audit and Supervisory Committee will not receive disadvantageous treatment on account of having made the report.

For accounting audits, the Audit and Supervisory Committee receives explanations on the audit plan and regular reports on the audit status from the Accounting Auditor, shares information with each other, and establishes a system enabling efficient audits. Additionally, the Audit and Supervisory Committee monitors and verifies whether the Accounting Auditor maintains its independence and constantly evaluates the status of quality management of audits.

(Overview of operational status)

The Audit and Supervisory Committee receives reports in a timely fashion and in addition to regular meetings between Audit and Supervisory Committee Members and the Representative Director, and between Audit and Supervisory Committee Members and the Accounting Auditor, three-way audit meetings (Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Department) are also conducted to further strengthen cooperation with the Accounting Auditor and the Internal Audit Department.

Furthermore, audits of domestic and overseas consolidated subsidiaries are conducted through on-site audits and remote audits using a web conferencing system to ensure sufficient communication.

3) Other Systems to Ensure the Effective Implementation of Audits by Sojitz's Audit and Supervisory Committee

Sojitz will allocate the expenses required for the Audit and Supervisory Committee to carry out its duties. Also, Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee will attend important meetings and confirm the status of discussions and reporting directly, as well as exchange opinions with the Representative Director.

(Overview of operational status)

The Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee will attend the Management Committee, Finance & Investment Deliberation Council, various internal committees (Internal Control Committee, Compliance Committee, Sustainability Committee, Security Trade Control Committee, Quality Management Committee, DX Promotion Committee, Information and IT Systems Security Committee), and audit reporting meetings each time. They will also report items that should be reported to the Audit and Supervisory Committee.

Interviews for opinion exchange with the Representative Director are held twice a year to exchange opinions regarding the issues that should be addressed by the company, the state of audit environment improvements at the Audit and Supervisory Committee, important audit related issues, and like matters.

(2) Status of directors

(a) List of Directors

1) The status of directors as of June 16, 2025 is as follows.

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

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Representative Director, Chairman	Masayoshi Fujimoto	Jan. 9, 1958 (Male)	Apr. 1981 Apr. 2005 Dec. 2008 Aug. 2012 Oct. 2014 Apr. 2015 Oct. 2015 Apr. 2016 Jun. 2017 Apr. 2024 Apr, 2025	Joined Nissho Iwai Corporation General Manager of Automotive Department 3, Sojitz Corporation Director President, MMC Automotriz S.A. Sojitz Corporation of America Regional General Manager, Machinery Division, Americas Corporate Officer Senior General Manager, Corporate Planning, Sojitz Corporation Executive Officer Managing Executive Officer Senior Managing Executive Officer Representative Director, President & CEO Representative Director, Chairman & CEO Representative Director, Chairman (current position)	(Note)3	196,097 (151,277)
Representative Director, President & CEO	Kosuke Uemura	May 18, 1968 (Male)	Apr. 1993 Aug. 2013 Jun. 2015 Apr. 2018 Mar. 2020 Apr. 2021 Apr. 2023 Jan. 2024 Apr. 2024 Jun. 2024 Apr. 2025	Joined Nissho Iwai Corporation Sojitz Corporation of America General Manager, Energy & Metal Division, Americas Director Senior Vice President, Sojitz Energy Venture Inc. General Manager, Project Development Office, Chemicals Division Vice COO, Chemicals Division General Manager, Project Development Office, Chemicals Division Executive Officer, COO, Chemicals Division Executive Officer, COO, Corporate Planning Department Executive Officer, COO, Corporate Planning Department, Energy Transformation Decarbonization Area President & COO Representative Director, President & COO Representative Director, President & CEO (current position)	(Note)3	46,821 (41,461)

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Representative Director, Senior Managing Executive Officer, CFO (Corporate Departments, Executive Management of Corporate Planning Department)	Makoto Shibuya	Jun. 20, 1971 (Male)	Apr. 1994 Oct. 2014 Apr. 2021 Apr. 2023 Apr. 2024 Jun. 2024	Joined Nissho Iwai Corporation General Manager, Corporate Planning Department, Sojitz Corporation Executive Officer, COO, Corporate Planning Department, Corporate Sustainability Office Managing Executive Officer, CFO, Executive Management of M&A, Strategy & Value Creation, IR, Sustainability, Financial Solutions, and Finance, COO, General Accounting Department and Business Accounting Department Senior Managing Executive Officer, CFO Representative Director, Senior Managing Executive Officer, CFO (current position)	(Note)3	40,769 (29,509)
Director, Senior Managing Executive Officer, CDO & CIO (Executive Management of Digital Department)	Tomomi Arakawa	Sep. 16, 1961 (Female)	Apr. 1985 Jan. 1998 Jul. 2015 Oct. 2021 Dec. 2021 Apr. 2023 Apr. 2024 Jun. 2024	Joined IBM Japan, Ltd. Retail Segment Executive, General Business Unit, IBM Asia Pacific Service Corporation Board of Director and Chief Digital Officer and Vice President, Digital Sales, IBM Japan, Ltd. Corporate Advisor, Sojitz Corporation Executive Officer, CDO Managing Executive Officer, CDO, CIO, COO, Digital Department Senior Managing Executive Officer, CDO, CIO Director, Senior Managing Executive Officer, CDO, CIO (current position)	(Note)3	24,902 (23,402)

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director	Naoko Saiki	Oct. 11, 1958 (Female)	Apr. 1982 Jun. 2013 Jul. 2014 Oct. 2015 Jul. 2017 Jan. 2019 May 2019 Apr. 2020 Jun. 2020 Jun. 2021 Jun. 2022 Apr. 2023 Jun. 2023	Joined the Ministry of Foreign Affairs Director-General for Cultural Affairs, Ministry of Foreign Affairs Director-General, Economic Affairs Bureau Councillor, Japanese Government's TPP Headquarters, Cabinet Secretariat Director-General, International Legal Affairs Bureau Director-General, Foreign Service Training Institute Retired from the Ministry of Foreign Affairs Corporate Advisor, Sojitz Corporation (retired in February 2020) Visiting Professor, Graduate School of Public Policy, The University of Tokyo Independent Director, Sojitz Corporation (current position) Outside Audit and Supervisory Board Member, Development Bank of Japan Inc. Outside Director, Komatsu Ltd. (current position) External Director, Sankyu Inc. (current position) Special Advisor to the Minister for Foreign Affairs (current position) Outside Member of the Board of Directors, Development Bank of Japan Inc. (current position)	(Note)3	-
Independent Director	Ungyong Shu	Oct. 19, 1962 (Male)	Apr. 1986 May 2001 Jul. 2005 May 2007 Jul. 2010 Jul. 2011 Nov. 2013 Jun. 2021 Jun. 2022 Sep. 2022	Joined Morgan Guaranty Trust Company of New York, Tokyo Office Managing Director, J.P. Morgan Securities Head of Financial Institutions Division (retired in May 2007) Chairman of Financial Institutions Group, Investment Banking Division, Merrill Lynch Japan Securities Limited Co-Head of Investment Banking Division Vice Chairman (retired in March 2013) Representative Director, The Core Value Management, Inc. (current position) Independent Director, Sojitz Corporation (current position) Independent Director, Monex Group, Inc. (to be retired in June 2025) Visiting Professor, Graduate School of Business Administration, Hitotsubashi University (current position)	(Note)3	-

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director	Tsuyoshi Kameoka	Oct. 18, 1956 (Male)	Apr. 1979 Apr. 2005 Mar. 2006 Nov. 2008 Mar. 2009 Mar. 2013 Mar. 2015 Apr. 2019 Jun. 2020 Jun. 2021 Apr. 2022 Jun. 2022 Sep. 2022 Jun. 2023	Joined Shell Sekiyu K.K. (currently Idemitsu Kosan Co., Ltd.) Senior Officer and Kinki Area Manager, Showa Shell Sekiyu K.K. (currently Idemitsu Kosan Co., Ltd.) Executive Officer and Kinki Area Manager Executive Officer and General Manager, Head Office Sales Division Corporate Executive Officer Executive Officer, Vice President, Oil Business COO President & Representative Director, Group CEO Representative Director, Vice Chairman and Executive Officer, Idemitsu Kosan Co., Ltd. (retired in June 2020) Special Advisor (retired in June 2022) Independent Director, Kawasaki Kisen Kaisha, Ltd. StandingTrustee and Board Member, Kwansei Gakuin University (current position) Outside Director, J-Oil Mills, Inc. (to be retired in June 2025) Corporate Advisor, Sojitz Corporation (retired in March 2023) Independent Director, Sojitz Corporation (current position)	(Note)3	1,100

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Director (Audit and Supervisory Committee Members)	Yoshiki Manabe	Jun. 6, 1963 (Male)	Apr. 1986 Apr. 2012 Jul. 2017 Apr. 2019 Apr. 2021 Apr. 2023 Jun. 2023 Jun. 2024	Joined Nissho Iwai Corporation General Manager, Controller Office, Energy & Metal Division, Sojitz Corporation CFO & CAO for the Americas CFO & CAO, Sojitz Corporation of America Executive Officer, COO, General Accounting Department, Finance Department, Structured Finance Department, IR Office Managing Executive Officer, COO, General Accounting Department, Business Accounting Department, Finance Department, IR Office Senior Managing Executive Officer, Executive Management of Corporate Departments Representative Director, Senior Managing Executive Officer, Executive Management of Corporate Departments Director (Audit and Supervisory Committee Members) (current position)	(Note)4	54,598 (39,798)
Independent Director (Audit and Supervisory Committee Members)	Kazuhiro Yamamoto	Sep. 27, 1952 (Male)	Apr. 1975 Apr. 2000 Jul. 2001 Jun. 2008 Jun. 2010 Apr. 2011 Apr. 2012 Apr. 2014 Jun. 2015 Apr. 2016 Apr. 2017 Apr. 2019 Apr. 2020 Jun. 2020 Jun. 2021 Jun. 2024	Joined Teijin Limited General Manager, Management System Reform Promotion Office General Manager, Pharmaceutical and Medical Care Business Management Department Director and CFO, in charge of Finance & Accounting Department and Corporate Communications Office, Infocom Corporation Senior Managing Director President & Representative Director, CEO Corporate Officer, Teijin Limited (retired in June 2012) General Manager, Corporate Strategy Office Executive Officer, CFO, Accounting, Finance & Purchase Division Director, Executive Officer Director, Senior Executive Officer Representative Director, Executive Vice President, CFO and CIIO (Chief Information & Innovation Officer) Representative Director, Executive Vice President, responsible for Chief Officer of Teijin Group (retired in June 2020) Director (retired in June 2020) Advisor (retired in March 2021) Independent Audit and Supervisory Board Member, Sojitz Corporation Independent Director (Audit and Supervisory Committee Members), Sojitz Corporation (current position)	(Note)4	-

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities	Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director, (Audit and Supervisory Committee Members)	Haruko Kokue	Jan. 17, 1959 (Female)	Apr. 1981 Joined Mitsui Petrochemical Industries (currently Mitsui Chemicals, Inc.) Apr. 2006 General Manager, Mitsui Phenols Singapore Pte. Ltd. Apr. 2011 General Manager, SCM Division, Mitsui Chemicals, Inc. Apr. 2013 Senior Director, General Manager, CSR Division Apr. 2016 Senior Director, General Manager, Corporate Communications Division Apr. 2020 Counselor (retired in March 2021) Jun. 2020 Outside Director, Toppan Forms Co., Ltd. May 2021 Corporate Advisor, Sojitz Corporation (retired in January 2022) Jun. 2022 Independent Director Jun. 2023 Outside Director, KINDEN CORPORATION (current position) Jun. 2024 Independent Director (Audit and Supervisory Committee Members), Sojitz Corporation (current position)	(Note)4	-
Independent Director, (Audit and Supervisory Committee Members)	Satoko Suzuki	Nov. 22, 1973 (Female)	Oct. 1996 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC, Retired in August 2005) Sep. 2003 Certified Public Accountant registration Aug. 2005 Representative, Suzuki Satoko CPA Office (current position) Mar. 2006 Certified Public Tax Accountant registration Sep. 2012 Director, non-profit Accounting & Tax Professionals Network Jul. 2015 Supervisory Director, Ichigo Hotel REIT Investment Corporation Jun. 2019 Outside Director, Bull-Dog Sauce Co., Ltd. Jun. 2022 Outside Director, Audit and Supervisory Committee Member, UBE Corporation (current position) Jun. 2023 External Corporate Auditor, Helios Techno Holding Co., Ltd. (current position) Jun. 2024 Independent Director (Audit and Supervisory Committee Members), Sojitz Corporation (current position)	(Note)4	200
Total					364,487 (285,447)

(Note)

1 Ms. Naoko Saiki, Mr. Ungyong Shu, and Mr. Tsuyoshi Kameoka are Independent directors.

2 Mr. Kazuhiro Yamamoto, Ms. Haruko Kokue, and Ms. Satoko Suzuki are Independent directors (Audit and Supervisory Committee members).

3 The term of office for directors (excluding those who are Audit and Supervisory Committee members) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2025.

4 The term of office for directors (Audit and Supervisory Committee members) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.

5 Sojitz has submitted a Notification of Independent Directors to the Tokyo Stock Exchange, designating Ms. Naoko Saiki, Mr. Ungyong Shu, Mr. Tsuyoshi Kameoka, Mr. Kazuhiro Yamamoto, Ms. Haruko Kokue, and Ms. Satoko Suzuki as Independent directors.

6 The number of shares held includes the number of shares to be delivered after retirement under the stock compensation plan (as of June 16, 2025) and holding through shareholding associations.

2) Sojitz has proposed the "Election of Seven (7) Directors (Excluding Directors who are Audit and Supervisory Committee Members)" and "Election of One (1) Director who is an Audit and Supervisory Committee Member" as an agenda item (matter to be resolved) at Ordinary General Shareholders' Meeting to be held on June 18, 2025, and if the proposal is approved and passed, the status of directors will be as follows. The details of the resolutions of the Board of Directors' meeting scheduled to be held immediately after Ordinary General Shareholders' Meeting on June 18, 2025 (such as positions) are included below.
7 male Directors and 4 female Directors (percentage of female: 36.4%)

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities	Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Representative Director, Chairman	Masayoshi Fujimoto	Jan. 9, 1958 (Male)	As stated in 1)	(Note)3	196,097 (151,277)
Representative Director, President & CEO	Kosuke Uemura	May 18, 1968 (Male)	As stated in 1)	(Note)3	46,821 (41,461)
Representative Director, Senior Managing Executive Officer, CFO (Corporate Departments, Executive Management of Corporate Planning Department)	Makoto Shibuya	Jun. 20, 1971 (Male)	As stated in 1)	(Note)3	40,769 (29,509)
Director, Senior Managing Executive Officer, CDO & CIO (Executive Management of Digital Department)	Tomomi Arakawa	Sep. 16, 1961 (Female)	As stated in 1)	(Note)3	24,902 (23,402)

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director	Ungyong Shu	Oct. 19, 1962 (Male)	As stated in 1)		(Note)3	-
Independent Director	Tsuyoshi Kameoka	Oct. 18, 1956 (Male)	As stated in 1)		(Note)3	1,100
Independent Director	Yumiko Jozuka	Mar. 19, 1962 (Female)	Apr. 1984	Joined the Ministry of Labour (currently the Ministry of Health, Labour and Welfare)	(Note)3	-
			May. 2014	Councillor, Cabinet Bureau of Personnel Affairs, Cabinet Secretariat		
			Jun. 2016	Director General, Social Welfare and War Victims' Relief Bureau, the Ministry of Health, Labour and Welfare		
			Jul. 2018	Director General		
			Jul. 2019	Director General for Human Resource Development		
			Aug. 2020	Retired from the Ministry of Health, Labour and Welfare		
			Jun. 2021	Outside Director, Tokyu Fudosan Holdings Corporation (current position)		
			Apr. 2022	Director, Japan Legal Support Center (retired in April 2025)		
			Jun. 2023	Representative Director (Chairman), Japan Institute for Women's Empowerment & Diversity Management (current position)		
			Jul. 2024	Advisor, Sojitz Corporation (to be retired in May 2025)		
			Jun. 2025	Independent Director, Sojitz Corporation (current position)		

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities	Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Director (Audit and Supervisory Committee Members)	Yoshiki Manabe	Jun. 6, 1963 (Male)	As stated in 1)	(Note)4	54,598 (39,798)
Independent Director (Audit and Supervisory Committee Members)	Haruko Kokue	Jan. 17, 1959 (Female)	As stated in 1)	(Note)4	-

Position	Name	Date of birth (Gender)	Career summary, position and responsibilities		Term	Number of shares held (Number of shares to be delivered under the share remuneration system) (Shares)
Independent Director, (Audit and Supervisory Committee Members)	Satoko Suzuki	Nov. 22, 1973 (Female)	As stated in 1)		(Note)4	200
Independent Director, (Audit and Supervisory Committee Members)	Kazuhiko Takeda	Nov. 10, 1959 (Male)	Apr. 1983	Joined Sony Corporation (currently Sony Group Corporation)	(Note)5	500
			Oct. 2001	Vice President in charge of Accounting, Sony Ericsson Mobile Communications Inc		
			Apr. 2006	Executive Officer; CFO, Sony NEC Optiarc Inc.		
			Aug. 2008	Senior Vice President in charge of Corporate Management and Accounting, Sony Europe Limited		
			Oct. 2013	Vice President; Senior General Manager of Corporate Planning & Control Division, Sony Corporation		
			Jun. 2015	Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting		
			Jan. 2018	Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting, CIO		
			Jul. 2018	Senior Vice President Deputy President and CFO, Sony Interactive Entertainment LLC (retired in June 2021)		
			Jun. 2022	Outside Director and Chairperson of the Audit Committee, Mitsubishi Materials Corporation (current position)		
			Mar. 2025	Advisor, Sojitz Corporation (to be retired in May 2025)		
Total						364,987 (285,447)

(Note)
1 Mr. Ungyong Shu, Mr. Tsuyoshi Kameoka and Ms. Yumiko Jozuka are Independent directors.
2 Ms. Haruko Kokue, Ms. Satoko Suzuki and Mr. Kazuhiko Takeda are Independent directors (Audit and Supervisory Committee members).
3 The term of office for directors (excluding those who are Audit and Supervisory Committee members) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2025 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.
4 The term of office for directors (Audit and Supervisory Committee members), Mr. Yoshiki Manabe, Ms. Kokue Haruko and Ms. Satoko Suzuki is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.
5 The term of office for directors (Audit and Supervisory Committee members), Mr. Kazuhiko Takeda is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2025 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2027.
6 Sojitz will submit a Notification of Independent Directors to the Tokyo Stock Exchange, designating Mr. Ungyong Shu, Mr. Tsuyoshi Kameoka, Ms. Yumiko Jozuka, Ms. Haruko Kokue, Ms. Satoko Suzuki and Mr. Kazuhiko Takeda as Independent directors.
7 The number of shares held includes the number of shares to be delivered after retirement under the stock compensation plan (as of June 18, 2025) and holding through shareholding associations.

(Reference) Executive Officers as of June 16, 2025 are as follows:

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

(Note) * Serves concurrently as Director

(b) Information about Independent Directors

As of the issuance date of this report, Sojitz has 6 Independent Directors (3 of which are Directors who are Audit and Supervisory Committee Members). As resolutions (matters discussed) at the 22nd Ordinary General Shareholders' Meeting scheduled for June 18, 2025, the Company will propose "Election of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 1 Director who is an Audit and Supervisory Committee Member." If these proposals are passed as drafted, there will be 6 Independent Directors (3 of which are Directors who are Audit and Supervisory Committee Members).

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

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

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

Standards Concerning the Appointment of Candidates for Independent Director

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

Independence Standards for Independent Directors

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

1. A major shareholder of Sojitz (a shareholder holding 10% or more of Sojitz's total voting rights) or a member of business personnel thereof
2. A major creditor to Sojitz (a creditor from whom Sojitz owed an amount exceeding 2% of consolidated total assets in the most recent fiscal year) or a member of business personnel thereof
3. A major business partner of Sojitz (a business partner whose transaction amount with Sojitz exceeded 2% of Sojitz's annual consolidated revenue in the most recent fiscal year) or a member of business personnel thereof
4. A party whose major business partner is Sojitz (an entity whose transaction amount with Sojitz exceeded 2% of its annual consolidated revenue, etc. in the most recent fiscal year) or a member of business personnel thereof
5. An attorney, certified public accountant, certified tax accountant, consultant or other professional who received money or other property from Sojitz for his/her services as an individual, in an amount exceeding ¥10 million annually on average over the past three fiscal years, other than remuneration of Director or Audit and Supervisory Board Member (if such money or property was received by an organization, such as a corporation or partnership, this item refers to a person who belongs to the organization that received money or other property from Sojitz in an amount exceeding ¥10 million annually on average over the past three fiscal years or in an amount of 2% of the annual gross income or annual consolidated revenue, etc. of the organization, whichever the greater.)
6. A person who receives donations or grants from Sojitz in an amount exceeding ¥10 million annually (if such donations or grants are received by an organization, such as a corporation or partnership, this item refers to a member of business personnel of the organization.)
7. A person who serves as Sojitz's Accounting Auditor or a person who is engaged in auditing Sojitz's activities as an employee of the Accounting Auditor
8. A person who has fallen under any of the above items 1. to 7. in the past three years

9. A spouse or relative within the second degree of kinship of a person falling under any of the above items 1. to 8. (limited to the person holding the position of officer or other important positions)
10. A spouse or relative within the second degree of kinship of a member of business personnel of Sojitz or any of its consolidated subsidiaries (limited to the person holding the position of officer or other important positions)
11. A person with concerns about his/her independence, such as having constant and substantial conflict of interest with general shareholders as a whole in performing the duties of Independent Director

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

Sojitz has no special interest in or relationship with the Independent Directors.

With regard to the capital relationship, the shareholdings of each Independent Director in the Company are listed in "(a) List of Directors (Page117-126).

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

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Tsuyoshi Kameoka	Transactions between Idemitsu Kosan Co., Ltd., at which Mr. Tsuyoshi Kameoka served as Representative Director, Vice Chairman and Executive Officer until June 2020, and Sojitz in the most recent fiscal year were less than 1% of consolidated sales revenue of said company and less than 1% of consolidated revenue of Sojitz. Mr. Kameoka served in an advisor role to the Company between September 2022 and March 2023 for which he received remuneration; however, the remuneration amount was below the independence standards amount defined in Sojitz's Independence Standards for Independent Directors. Furthermore, the remuneration was paid as compensation for advice he provided to Sojitz drawing from his experience and knowledge, which does not impact Mr. Kameoka's independence as an Independent Director. Based on the above, we believe that Mr. Kameoka satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in his ability to remain independent.	Mr. Tsuyoshi Kameoka has served as President & Representative Director, Group CEO of Showa Shell Sekiyu K.K. and brings a wealth of experience and deep insight regarding management from his involvement in overseeing the business integration of Idemitsu Kosan, Co., Ltd. and other events. Since 2023, he has served as an Independent Director of Sojitz Corporation, overseeing business operations and providing strategic advice based on his management experience in other industries, and since 2024, he has been serving as Chair of the Board of Directors and demonstrating strong leadership. Sojitz has appointed him as an Independent Director candidate in the expectation that he will contribute to enhancing the corporate value of Sojitz by strengthening the supervisory function over the executive members of the Board of Directors and improving its effectiveness.
Ungyong Shu	Nothing of note.	Mr. Ungyong Shu has held important positions at J.P. Morgan Securities 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. His accurate advice, taking advantage of his experience and expertise, have contributed to invigorating discussions within Sojitz's Board of Directors, including on strategic business investments. In addition, as the Chair of the Remuneration Committee, he has led discussions to formulate and implement an executive remuneration system that will encourage the realization of Sojitz's vision. Sojitz has appointed him as an Independent Director candidate in the expectation that he will continue to be able to exercise appropriate supervision over management from an independent and objective standpoint, and contribute to the further development and enhancement of the corporate value of Sojitz.

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz’s corporate governance, and reasons for the appointment
Yumiko Jozuka	Ms. Yumiko Jozuka served in an advisor role to the Company between July 2024 and May 2025 for which she received remuneration; however, the remuneration amount was below the independence standards amount defined in Sojitz’s Independence Standards for Independent Directors. Furthermore, the remuneration was paid as compensation for advice she provided to Sojitz drawing from her experience and knowledge, which does not impact Ms. Jozuka’s independence as an Independent Director. Based on the above, we believe that Ms. Jozuka satisfies the independence requirements of Sojitz’s Independence Standards for Independent Directors, and we are confident in her ability to remain independent.	Ms. Yumiko Jozuka has held important positions at the Ministry of Labor (currently the Ministry of Health, Labour and Welfare), including Director-General of the Social Welfare and War Victims' Relief Bureau, Chief of the Minister's Secretariat, and Director-General for Human Resources Development, and has extensive knowledge of labor administration, human resource and labor management, human capital management, and the promotion of women in the workplace. Sojitz has appointed her as an Independent Director candidate in the expectation that she will be able to exercise appropriate supervision over management from an independent and objective standpoint, taking advantage of her experience and expertise, and contribute to the strengthening of Sojitz's corporate governance and value.

Independent Directors who are Audit and Supervisory Committee Members

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Haruko Kokue	Transactions with Mitsui Chemicals Inc., at which Ms. Haruko Kokue served as Counselor until March 2021, were less than 1% of revenue in Sojitz's consolidated financial statements and less than 1% of consolidated sales revenue of Mitsui Chemicals Inc. for the most recent fiscal year. Ms. Kokue served in an advisor role to the Company between May 2021 and January 2022 for which she received remuneration; however, the remuneration amount was below the independence standards amount defined in Sojitz's Independence Standards for Independent Directors. Furthermore, the remuneration was paid as compensation for advice she provided to Sojitz drawing from her experience and knowledge, which does not impact Ms. Kokue's independence as an Independent Director. Based on the above, we believe that Ms. Kokue satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in her ability to remain independent.	Ms. Haruko Kokue has extensive experience in supply chain management, public relations, investor relations, and international business management since joining Mitsui Chemicals, Inc. She also has deep insight into dialogues with various stakeholders and supply chain. Sojitz has appointed her as a candidate for Director who is Audit and Supervisory Committee Member with the expectation that she will exercise appropriate auditing and supervision from an independent and objective standpoint and contribute to strengthening Sojitz's corporate governance and value as she has been serving appropriately as Independent Director of Sojitz since 2022.
Satoko Suzuki	Nothing of note.	After serving as an auditor at Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC), Ms. Satoko Suzuki opened a certified public accountant firm and accumulated extensive experience as a Supervisory Director of REIT Investment Corporation and as an Independent Director who is an Audit and Supervisory Committee Member of a major general chemical company, which has equipped her with insight on finance and accounting, as well as outstanding expertise in auditing services. Sojitz has appointed her as a candidate for Director who is Audit and Supervisory Committee Member with the expectation that she will exercise appropriate auditing and supervision from an independent and objective standpoint and contribute to strengthening Sojitz's corporate governance and value as she has been serving appropriately as Independent Director of Sojitz since 2024.

Name	Relationship with Sojitz	Functions and roles to be played in Sojitz's corporate governance, and reasons for the appointment
Kazuhiko Takeda	Transactions between Sony Group Corporation, at which Mr. Kazuhiko Takeda served as Executive Officer until June 2021, and Sojitz in the most recent fiscal year were less than 1% of consolidated sales revenue of said company and less than 1% of consolidated revenue of Sojitz. Mr. Takeda served in an advisor role to the Company between March 2025 and May 2025 for which he received remuneration; however, the remuneration amount was below the independence standards amount defined in Sojitz's Independence Standards for Independent Directors. Furthermore, the remuneration was paid as compensation for advice he provided to Sojitz drawing from his experience and knowledge, which does not impact Mr. Takeda's independence as an Independent Director. Based on the above, we believe that Mr. Takeda satisfies the independence requirements of Sojitz's Independence Standards for Independent Directors, and we are confident in his ability to remain independent.	At Sony Corporation (now Sony Group Corporation), Mr. Kazuhiko Takeda has held important positions such as Corporate Executive CIO and Executive Deputy President/CFO at major subsidiaries, and he has acquired insight of management and corporate governance through his management experience at a global company, as well as extensive knowledge of finance and accounting. Sojitz has appointed him as a candidate for Director who is Audit and Supervisory Committee Member with the expectation that he will exercise appropriate auditing and supervision from an independent and objective standpoint and contribute to strengthening Sojitz's corporate governance and value.

(c) Limited liability agreement

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

(d) Directors' and corporate auditors' liability insurance policies

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

(3) Corporate Audits, Accounting Audits and Internal Audits

(a) Audits by Audit and Supervisory Board Members and Audits by the Audit and Supervisory Committee

1) Organization and Personnel

● From April 2024 to the 21st Ordinary General Shareholders' Meeting (June 18, 2024)

Before the transition to a Company with Audit and Supervisory Committee, the Company, as a company with Audit and Supervisory Board, had 5 Audit and Supervisory Board Members, including 3 Independent Audit and Supervisory Board Members. The attendance of these members is as follows.

Position	Name	April 2024 - June 18, 2024 Attendance at the Audit and Supervisory Board meetings (Total of 5 meetings)	April 2024 - June 18, 2024 Attendance at the Board of Directors meetings (Total of 4 meetings)
Full-time Audit and Supervisory Board Member	Masaaki Kushibiki	5 (100%)	4 (100%)
Full-time Audit and Supervisory Board Member	Takehiro Honda	5 (100%)	4 (100%)
Independent Audit and Supervisory Board Member	Michiko Nagasawa	5 (100%)	4 (100%)
Independent Audit and Supervisory Board Member	Kazuhiro Yamamoto	5 (100%)	4 (100%)
Independent Audit and Supervisory Board Member	Junko Kamei	5 (100%)	4 (100%)

● From the conclusion of 21st Ordinary General Shareholders' Meeting (June 18, 2024)

The attendance of each Audit and Supervisory Committee Member is as follows.

Position	Name	From June 18, 2024 Attendance at the Audit and Supervisory Committee meetings (Total of 12 meetings)	From June 18, 2024 Attendance at the Board of Directors meetings (Total of 11 meetings)
Full-time Audit and Supervisory Committee Member	Yoshiki Manabe	12 (100%)	11 (100%)
Independent Audit and Supervisory Committee Member	Kazuhiro Yamamoto	12 (100%)	11 (100%)
Independent Audit and Supervisory Committee Member	Haruko Kokue	12 (100%)	11 (100%)
Independent Audit and Supervisory Committee Member	Satoko Suzuki	12 (100%)	11 (100%)

As of the conclusion of the Ordinary General Shareholders' Meeting scheduled for June 18, 2025, Mr. Kazuhiro Yamamoto plans to resign from the directorship and Mr. Kazuhiko Takeda is appointed as an Independent Audit and Supervisory Committee Member.

2) Activities of Audit and Supervisory Committee

● Activities of Audit and Supervisory Committee Members and Audit and Supervisory Committee:

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

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

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

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

Audit and Supervisory Committee concentrated on the following matters during FY2024.

(a) Status of group governance

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

(b) Status of group compliance

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

(c) Internal control system

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

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

(d) Asset and business management follow-up system

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

(e) Internal cooperation in internal control system

In the first year of the transition to a Company with an Audit and Supervisory Committee, enhance the organizational audits using an internal control system and strengthen the communication with the Audit Department. Also, improve the quality and efficiency of audits by receiving regular reports on the establishment and operation status of the internal control system from the Internal Control Committee.

Main Activities of Audit and Supervisory Board Members and Audit and Supervisory Committee Members	Frequency of meetings	Task Assignments	
		Full-time	Independent
Attendance at advisory committees of the Board of Directors (Nomination Committee, Remuneration Committee)	At appropriate times	–	○
Attendance at important meetings and the internal committees (Management Committee, Finance & Investment Deliberation Council, Internal Control Committee, Compliance Committee, Sustainability Committee, Security Trade Control Committee, Quality Management Committee, DX Promotion Committee, Information and IT Systems Security Committee)	At appropriate times	○	△ (*1)
Meetings with Executive Directors	Twice a year	○	○ (*2)
Meetings with Independent Directors who are not Audit and Supervisory Committee Members	Twice a year	○	○
Meetings with COOs of business and function divisions, Presidents and CEOs of overseas operations	Once a year	○	△
On-site audits of domestic and overseas group companies (including remote audits)	41 companies a year	○	△
Meetings with full-time auditors of group companies	Twice a year	○	–
Attendance at reporting meetings on audit plans and audits and midterm communications, and interviews with the Accounting Auditor	(Audit and Supervisory Board Members) Four times a year (Audit and Supervisory Committee Members) 10 times a year (*3)	○	○
Attendance at audit report meetings, attendance at review meetings of internal audits	(Audit and Supervisory Board Members) 10 times a year (Audit and Supervisory Committee Members) 34 times a year (*3)	○	–
Review of important documents relevant to major business decisions	Once a quarter	○	–

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

(*1) Independent Audit and Supervisory Committee Members(Independent Audit and Supervisory Board Member until June 18, 2024) attended the Finance & Investment Deliberation Council meetings as observers.

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

(*3) “(Audit and Supervisory Board Members)” shows the number of times by the Audit and Supervisory Board Members from April 2024 to June 18, 2024. “(Audit and Supervisory Committee Members)” shows the number of times by Audit and Supervisory Committee Members from June 18, 2024 on.

●Activities of Audit and Supervisory Committee:

As a general rule, the Audit and Supervisory Committee meets once a month, as well as on an as-needed basis on an ad hoc basis. During FY2024, the Audit and Supervisory Committee met 12 times, each meeting lasting approximately 2 hours.

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

Matters discussed, resolutions, reports	Specific content
Audit policies and plans	The audit policy is formulated in consideration of materiality, timeliness, and other necessary factors, while also noting our business environment and the status of the establishment and operation of the Internal Control System. The audit plan is prepared by appropriately selecting audit targets, methods, and timing of audits, and important audit issues are set as key audit areas.
Evaluation of the Accounting Auditor	Meetings with the Accounting Auditor, hearings regarding accounting audit activities from the General Accounting Department, the Business Accounting Department, the Internal Control Administration Department, and the Internal Audit Department. In addition, referring to evaluation criteria of the Accounting Auditor determined by the Audit and Supervisory Committee, independence and expertise are confirmed and evaluated.
Key Audit Matters (KAMs)	With regard to Key Audit Matters (KAMs), Audit and Supervisory Committee discussed them with the Accounting Auditor, received reports on the status of its audits, and requested explanations as necessary. The Audit and Supervisory Committee exchanged opinions with the Accounting Auditor on the contents of the KAMs regarding whether or not they were consistent with Sojitz's business risks, and whether or not we should consider them from a more multifaceted perspective.
Evaluation of the effectiveness of the Audit and Supervisory Committee	In order to improve the effectiveness of the Audit and Supervisory Committee, the frequency and operation of the Audit and Supervisory Committee meetings, the appropriateness of the content of deliberations, collaboration with Directors, the Accounting Auditor, and the Internal Audit Department, and the nature of the reporting system, etc. were self-evaluated in a questionnaire format. In addition, discussions were held to review the methods of audits by Audit and Supervisory Committee and to improve future audit plans.
Audit activities conducted by full-time Audit and Supervisory Committee Member	Full-time Audit and Supervisory Committee Member reads important documents and attends important meetings and states opinions if needed. He also maintains auditing environment, and works on the collection and analysis of internal information proactively. For Independent Audit and Supervisory Committee Members, he reports the attendance of important meetings such as Management Committee, the meetings with Executive Directors, COOs of business and function divisions, and the result of the on-site audits of domestic and overseas group companies at Audit and Supervisory Committee meetings.
Communication with COOs	Audit and Supervisory Committee Members communicate with Executive Directors, executive management officers, Presidents and CEOs of overseas operations, COOs of business and function divisions once a half year. In the year ended March 31, 2025, the meeting was held 27 times, and more than 1 Independent Audit and Supervisory Committee Members attended 24 times.

On-site audit	Audit and Supervisory Committee Members strive to ascertain frontline circumstances by proactively conducting on-site audits of domestic and overseas group companies and operating bases. Regarding the selection of sites where the Audit and Supervisory Committee Members conduct on-site audit, they consider qualitative factors such as business environment, operational status of internal control, and evaluation of risks in addition to quantitative factors such as assets and business activities. On-site audits were carried out in a coordinated way, both physically and remotely through the implementation of remote audits using the web conference system. As a result, Audit and Supervisory Committee Members have had dialogues with COOs of 23 overseas group companies in 11 countries and 18 domestic group companies and reported the results of their on-site audits and observations to Executive Directors. At least 1 Independent Audit and Supervisory Committee Member has participated in on-site audits and observations of 18 overseas group companies in 6 countries and 11 domestic group companies.
Reports from the Internal Audit Department	Full-time Audit and Supervisory Committee Member attends audit review meetings and audit reporting meetings to ascertain the status of internal audits accordingly. The Audit and Supervisory Committee approves and receives regular reports from the General Manager of the Internal Audit Department on the internal audit plan and its progress.
Three-way audit meetings	In addition to regular reports from the Accounting Auditor, full-time Audit and Supervisory Committee Member holds a three-way audit meeting with the Accounting Auditor and the Internal Audit Department on a quarterly basis to share the status of their respective audits and exchange their opinions.

(Reference) Reporting meetings and cooperation with the Accounting Auditor

Description (FY2024 Results)	Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Audit plans	Explanation on the overview of audit and review plans				●								
Quarterly discussion	Q1, Q3 Quarterly discussion					●						●	
Reports on progress in audits reviews	Reports on the overview of progress in annual reviews							●	●				
Reports on audits	Reports on the overview of the results of audits under the Companies Act and the Financial Instruments and Exchange Act		●	●									
Reports on internal control audits	Reports on the overview of the results of internal control audits			●									
Three-way audit meetings	Information sharing among the Accounting Auditor, the Internal Audit Department, and full-time Audit and Supervisory Committee Member	●					●			●			●
Information and opinion exchange	Exchange of information and opinions on the quality management system employed by the Accounting Auditor and its independence, new audit methods and challenges, and KAMs		●			●			●			●	●

(b) Internal audits

The Company has established the Internal Audit Department as an organization independent of other business execution departments. The Internal Audit Department (comprising 39 people as of the filing date of this report) conducts internal audits covering the business divisions, corporate departments, and consolidated subsidiaries to verify that the various management activities and operational controls of the Sojitz Group are being properly executed in compliance with laws, regulations, and internal rules.

The status of internal audits conducted by the Internal Audit Department is as follows:

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

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

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

(c) Accounting audits

1) Name of Accounting Auditor

KPMG AZSA LLC

2) The period successively involved in the audit

22 years

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

3) The certified public accountants executing audits

Hiroaki Sugiura, Ryohei Tomita, Tsugunobu Hikishikibayashi

4) The member of assistants involved executing audits

15 certified public accountants, 50 others

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

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

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

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

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

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

(d) Information about audits

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

(Millions of Yen)

Classification	Year ended March 31, 2024		Year ended March 31, 2025	
	Audit fees	Non-Audit fees	Audit fees	Non-Audit fees
Sojitz	425	13	453	3
Consolidated Subsidiaries	331	3	360	3
Total	756	17	813	6

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

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

(Millions of Yen)

Classification	Year ended March 31, 2024		Year ended March 31, 2025	
	Audit fees	Non-Audit fees	Audit fees	Non-Audit fees
Sojitz	–	10	6	17
Consolidated Subsidiaries	605	84	760	100
Total	605	95	766	118

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

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

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

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

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4) Policies for determining compensation for audits

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

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

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

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

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

(Millions of Yen)

Position	Number of persons to be paid	Basic remuneration	Performance-linked remuneration		Total
		Monetary (*2)	Monetary (short-term)	Share (medium- to long-term) (*3, 4)	
Director	11	317	135	223	676
(of which, Independent Directors)	(5)	(50)	-	-	(50)
Audit and Supervisory Board Members	5	26	-	-	26
(of which, Independent Audit and Supervisory Board Members)	(3)	(8)			(8)
Directors who are Audit and Supervisory Committee Members	4	75	-	-	75
(of which, Independent Directors)	(3)	(35)			(35)

(Notes)

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

*2 Based on the resolution of the 21st Ordinary General Shareholders' Meeting held on June 18, 2024, Sojitz transitioned to a Company with Audit and Supervisory Committee, effective on the same date. As of the end of FY2024, there were 7 Directors and 4 Directors who are Audit and Supervisory Committee Members. The total amount of remuneration of Directors includes that for 2 Directors who retired due to expiration of their term of office at the conclusion of the Ordinary General Shareholders' Meeting held on June 18, 2024 and the remuneration for the period before the transition to a Company with Audit and Supervisory Committee for 2 Directors who were newly appointed as Directors who are Audit and Supervisory Committee Members. The amount of remuneration for Audit and Supervisory Board Members includes the remuneration for the period before the transition to a Company with Audit and Supervisory Committee.

*3 Regardless of whether before or after the transition to a Company with Audit and Supervisory Committee, as the Board of Directors confirmed that the amounts of remuneration for individual Directors for FY2024, including the target of each evaluation indicator, based on the Executive Remuneration Policy, basic remuneration (fixed remuneration) by rank, the calculation method for performance-linked remuneration (short-term), and the calculation method for performance-linked remuneration (medium- to long-term) were consistent with the determination policy described in below, the details of such remuneration were judged to be in line with the policy.

*4 The performance-linked remuneration (medium- to long-term) is a share remuneration system based on the Board Incentive Plan (BIP) Trust. The total amount of the aforementioned share remuneration represents the amount reported as expenses for FY2024 associated with the share delivery points regarding the BIP Trust, including the persons who are scheduled to retire in FY2024.

(b) Details of the resolution

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

<table>
<tr><th colspan="2">Position</th><th colspan="2">Type of remuneration</th><th colspan="2">Maximum remuneration</th><th>Resolution of General Shareholders' Meeting</th><th>Number of company officers at the time of resolution</th></tr>
<tr><td rowspan="5">Directors (excluding Directors who are Audit and Supervisory Committee Members)</td><td rowspan="4">Directors (excluding Independent Directors)</td><td>Basic remuneration</td><td>Monetary remuneration</td><td colspan="2" rowspan="2">¥720 million per year</td><td rowspan="4">June 18, 2024</td><td rowspan="4">4 persons</td></tr>
<tr><td rowspan="3">Performance-linked remuneration</td><td>Monetary remuneration (short-term)</td></tr>
<tr><td rowspan="2">Share (medium- to long-term)
Eligible persons:
- Excluding non-residents in Japan
- Including Executive Officers</td><td>Upper limit of cash contributed by Sojitz</td><td>¥3,600 million in total for three fiscal years</td></tr>
<tr><td>Upper limit of the number of Sojitz shares subject to delivery to Directors, etc.</td><td>The upper limit of points to be granted to Directors, etc. shall be 1.5 million points (equivalent to 1.5 million shares) for three fiscal years</td></tr>
<tr><td>Independent Directors</td><td>Basic remuneration</td><td>Monetary remuneration</td><td colspan="2">¥60 million per year</td><td>June 18, 2024</td><td>3 persons</td></tr>
<tr><td colspan="2">Directors who are Audit and Supervisory Committee Members</td><td>Basic remuneration</td><td>Monetary remuneration</td><td colspan="2">¥160 million per year</td><td>June 18, 2024</td><td>4 persons</td></tr>
</table>

(c) Total remuneration paid to individual Directors and Audit and Supervisory Board Members

The names and positions of individuals receiving more than ¥100 million in total remuneration in the year ended March 31, 2025, are as follows.

(Millions of Yen)

Name	Position	Company	Basic remuneration	Performance-linked remuneration		Total
			Monetary	Monetary (short-term)	Share (medium- to long-term)	
Masayoshi Fujimoto	Director	Sojitz	84	46	89	221
Kosuke Uemura	Director	Sojitz	63	42	87	193

(Notes)

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

*2 The performance-linked remuneration (medium- to long-term) is a share remuneration system based on the Board Incentive Plan (BIP) Trust. The total amount of the aforementioned share remuneration represents the amount reported as expenses for FY2024 associated with the share delivery points regarding the BIP Trust.

(d) Policy for determining the amount of remuneration for Directors and Audit and Supervisory Board Members or the method of calculating the amount of remuneration

1) Executive Remuneration Policy

Sojitz's basic policy on remuneration for Directors is to create a system that is closely linked to the Company business performance and that will ensure transparency and objectivity with the aim of raising the motivation of Directors to contribute to improved performance and corporate value over the medium to long term. In accordance with this basic policy on remuneration, the Executive Remuneration Policy (Company policy for determining amounts of remuneration paid to individual Directors, etc.) was approved at the Board of Directors meeting held on March 22, 2024 in order to make a policy for the remuneration of Directors and Executive Officers that is consistent with Sojitz's corporate statement, value creation model, Vision for 2030, and "Medium-Term Management Plan 2026", which was launched in April 2024. The details of the Executive Remuneration Policy are as follows.

Basic view	Sojitz's basic view on remuneration for Directors and Executive Officers (the "Officers") is based on the following two considerations. - Remuneration shall offer incentives to pursue ongoing growth and medium- to long-term increases in corporate value in order to facilitate the creation and provision of two types of value—value for Sojitz and value for society. - Remuneration systems shall be structured to drive us toward our vision for 2030 of "Becoming a general trading company that constantly cultivates new businesses and human capital."
Basic policies	- Remuneration systems shall be linked to medium- to long-term performance and corporate value improvements as well as to short-term performance. - Remuneration systems shall be linked to the new value Sojitz creates and provides in the digital society as it practices ESG management. - Remuneration systems shall be linked to the shareholder value of Sojitz. - Remuneration systems shall provide a sufficient level of remuneration to recruit and retain globally competitive personnel. - Remuneration shall be determined through a process with a high degree of transparency and objectivity.
Breakdown of remuneration	◆ Level of remuneration In line with the basic policies, the level of remuneration shall stay attractive and commensurate with the job responsibilities of each of the Officers. The level of remuneration shall be determined in consideration of factors such as other general trading companies, surveys conducted by third parties on executive remuneration at listed corporations in Japan, along with the level of employee salary. The level of Sojitz's executive remuneration shall be subject to review as appropriate depending on the changes in the external business environment. ◆ Structure of remuneration Sojitz's remuneration consists primarily of basic remuneration and performance-linked remuneration. Medium- to long-term performance-linked remuneration applies a "pay for mission" approach, which takes into consideration factors such as the fulfillment of our corporate statement and the creation and provision of the two types of value. - 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
[Officers (excluding Independent Directors)]
The proportion of basic remuneration among total compensation will be lowered to between approximately 40% and 64%, based on job responsibilities, and the proportion of performance-linked remuneration will be raised
<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>40% – 64%</td><td>20% – 22%</td><td>16% – 40%</td></tr>
</table>
[Independent Directors (excluding Directors who are Audit and Supervisory Committee Members)]
Remuneration consists wholly of basic remuneration, while special allowance shall be paid separately to the Chairman of the Board of Directors, and the Chairs of the Nomination Committee and the Remuneration Committee.

◆ Timing of the payment of remuneration
- Basic remuneration: Paid monthly
- Performance-linked remuneration (short-term): Paid once a year at a certain time
- Performance-linked remuneration (medium- to long-term): After the retirement*
</td></tr>
<tr><td>Determination method of performance-linked remuneration</td><td>Determined based on factors such as the degree of accomplishment of targets, progress made with the Medium-Term Management Plan and individual contribution to corporate performance.</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 an Officer is confirmed by the Board of Directors, Sojitz may restrict the payment of performance-linked remuneration or request the refund of the remuneration the Officer has received.</td></tr>
<tr><td>Governance over remuneration</td><td>The amount of remuneration of each of the Officers shall be determined by the Board of Directors, after deliberations at the Remuneration Committee chaired by an Independent Director, with the majority of committee members being Independent Directors. The amount of remuneration for Directors who are Audit and Supervisory Committee Members shall be determined through discussion among the Directors who are Audit and Supervisory Committee Members.</td></tr>
</table>

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

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

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

・Types of remuneration

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

・Basic remuneration

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

・Performance-linked remuneration (short-term)

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

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

The targets and actual performance used for calculating performance-linked remuneration (short-term) in the year ending March 31, 2025, are as described in the section "Composition of Remuneration" below.

The targets used for calculating performance-linked remuneration (short-term) in the year ending March 31, 2026, are as follows.

Evaluation indicators	Targets
1. Consolidated profit for the year (attributable to owners of the Company) (degree of accomplishment of single-year target)	¥120.0 billion
2. Consolidated profit for the year (attributable to owners of the Company) (degree of progress toward the aggregate Medium-Term Management Plan target of ¥360.0 billion)	¥230.6 billion
3.ROE	12.0%
4. Core operating cash flow (degree of accomplishment of single-year target)	¥150.0 billion
5. Core operating cash flow (degree of progress toward the Medium-Term Management Plan target of ¥450.0 billion)	¥285.2 billion

The profit for the year has been projected to JPY115.0bn in FY2025, incorporating a negative impact of JPY5.0bn due to U.S. tariff measures. However, we have set the target for calculating performance-linked remuneration (short-term) at consolidated net income of JPY 120.0bn, and consequently, other evaluation indicators are different from the publicly announced figures.

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

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

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

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

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

・Composition of remuneration

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

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

Type of remuneration				Description	Performance-linked index (KPI)	Evaluation weighting	Remuneration variation range	Timing of the payment	Target	Performance against target
Basic	Fixed		Monetary (40%–64%)	Determined by the individual's rank based on their job responsibilities	—	—	—	Monthly	—	—
Performance-linked remuneration	Variation	Short-term	Monetary (20%–22%)	Linked to corporate performance in a single year as well as the progress made with the Medium-Term Management Plan	Consolidated profit for the year (Note 1) (degree of accomplishment of single-year target)	30%	0–150% (Note 2)	Once a year during a fixed period	¥110.0 bn	(FY2024) ¥110.6 bn
					Consolidated profit for the year (Note 1) (degree of progress toward the aggregate Medium-Term Management Plan target)	30%			¥110.0 bn	(FY2024) ¥110.6 bn
					ROE	20%			11.7%	(FY2024) 11.7%
					Core operating cash flow (degree of accomplishment of single-year target)	10%			¥130.0 bn	(FY2024) ¥135.2 bn
					Core operating cash flow (degree of progress toward the aggregate Medium-Term Management Plan target)	10%			¥130.0 bn	(FY2024) ¥135.2 bn
		Medium-/long-term	Share (16%–40%)	Linked to the achievement of the Medium-Term Management Plan and the increase in corporate value (in terms of ESG and share price)	Aggregate consolidated profit for the year (Note 1) during the three fiscal years	40%	60–200%	Share-based payment after retirement	¥360.0 bn	—
					Stock growth rate (Note 3)	40%			110%	
					ESG related	20%			(Note 4)	

(Notes)
1. Refers to profit for the year attributable to owners of the Company.
2. If actual results for each criterion fall below 40% of the targets, no remuneration shall be paid for such criterion.
3. Evaluation shall be made based on a relative comparison between total shareholder return (TSR) of Sojitz and dividend-included TOPIX.
4. The evaluation method for ESG areas is described in " 9) Methods of calculating performance-linked remuneration (medium- to long-term), Method of calculating share delivery points, *3 ESG coefficient" (`Page 157).

・Reduction, non-payment, and request for refund of remuneration

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

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

3) Methods for determining executive remuneration

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

The Remuneration Committee is an advisory body to the Board of Directors tasked with deliberation and proposals related to levels of remuneration for Directors and Executive Officers and evaluation and remuneration systems. The committee is membered by a majority of Independent Directors and is chaired by an Independent Director. In the year ended March 31, 2025, the Remuneration Committee was comprised of 3 Independent Directors (Ungyong Shu, Naoko Saiki, and Tsuyoshi Kameoka) and 1 Executive Director (Representative Director and Chairman Masayoshi Fujimoto), and Ungyong Shu served as the chairperson of this committee.

Topics related to the executive remuneration discussed by the Board of Directors and the Remuneration Committee in the year ended March 31, 2025 included the following.

Apr. 2024	Remuneration Committee	Final evaluation of ESG-related indicators of performance-linked remuneration (medium- to long-term)
May 2024	Remuneration Committee	Performance targets, etc. for calculating performance-linked remuneration (short-term and medium- to long-term) for the year ended March 31, 2025
		Composition of Remuneration Committee from General Shareholders' Meeting
	Board of Directors	Performance targets, etc. for calculating performance-linked remuneration (short-term and medium- to long-term) for the year ended March 31, 2025
Jun. 2024	Remuneration Committee	Performance-linked remuneration (short-term) for the year ended March 31, 2024
	Board of Directors	Performance-linked remuneration (short-term) for the year ended March 31, 2024
Aug. 2024	Remuneration Committee	Report on the activities of the Remuneration Committee for the first half of the year ended March 31, 2025
Sep. 2024	Remuneration Committee	Progress of evaluation indicators for performance-linked remuneration
		Evaluation method for performance-linked remuneration ESG
		Revision of the executive remuneration system for next year
	Board of Directors	Report on the activities of the Remuneration Committee for the first half of the year ended March 31, 2025
Nov. 2024	Remuneration Committee	Revision of the executive remuneration system for next year
Jan. 2025	Remuneration Committee	Revision of the executive remuneration system for next year
Mar. 2025	Remuneration Committee	Report on the activities of the Remuneration Committee for the year ended March 31, 2025 and activity policy for the year ending March 31, 2026

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

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

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

i. (Consolidated profit for the year (attributable to owners of the Company) for the given fiscal year ÷ Target for consolidated profit for the year (attributable to owners of the Company) for the given fiscal year) × 465,000 × 30% × (number of months served in payment period*1 ÷ 12) × Rank coefficient*2, *3

ii. (Aggregate consolidated profit for the year (attributable to owners of the Company) ÷ Target for aggregate consolidated profit for the year (attributable to owners of the Company)) × 465,000 × 30% × (number of months served in payment period*1 ÷ 12) × Rank coefficient*2, *3

iii. (ROE for the given fiscal year ÷ Target for ROE for the given fiscal year) × 465,000 × 20% × (number of months served in payment period*1 ÷ 12) × Rank coefficient*2, *3

iv. (Core operating cash flow for the given fiscal year ÷ Target for core operating cash flow for the given fiscal year) × 465,000 × 10% × (number of months served in payment period*1 ÷ 12) × Rank coefficient*2, *3

v. (Aggregate core operating cash flow ÷ Target for aggregate core operating cash flow) × 465,000 × 10% × (number of months served in payment period*1 ÷ 12) × Rank coefficient*2, *3

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

*2 Rank coefficients are as follows.

< Executive Officers serving concurrently as Directors >

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

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

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

*5 “Aggregate core operating cash flow” refers to the total of the amounts of core operating cash flow for each fiscal year during the period of “Medium-Term Management Plan 2026” (the years ending March 31, 2025–2027), and “Target for aggregate core operating cash flow” refers to the target for the total of the amounts of core operating cash flow for the fiscal years during the aforementioned period.

*6 The upper limit for the degree of accomplishment of the targets for each indicator (calculated using the underlined parts in the equations for i.–v. above) is 1.50 (representing 150% accomplishment of the respective target) while the lower limit is 0.40 (representing 40% accomplishment of the respective target). Should the calculated figure fall below 0.40, remuneration associated with said indicator shall not be paid.

*7 Performance in relation to the evaluation indicators shall be treated as follows should an individual resign or pass away during his/her term.

- Consolidated profit for the year (attributable to owners of the Company) shall be calculated by translating the amount of consolidated profit for the period (attributable to owners of the Company) disclosed in the most recent quarterly financial statements to a full-year amount for consolidated profit for the year (attributable to owners of the Company) (e.g. multiplying first-quarter consolidated profit for the period (attributable to owners of the Company) by four in the event that the first-quarter financial statements are the most recently disclosed).
- The above method shall also be applied to the calculation of core operating cash flow.
- ROE shall be calculated by translating the amount of consolidated profit for the period (attributable to owners of the Company) disclosed in the most recent quarterly financial statements to a full-year amount for consolidated profit for the year (attributable to owners of the Company) and then dividing the amount by total equity disclosed in the most recent quarterly financial statements.

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

(Millions of Yen)

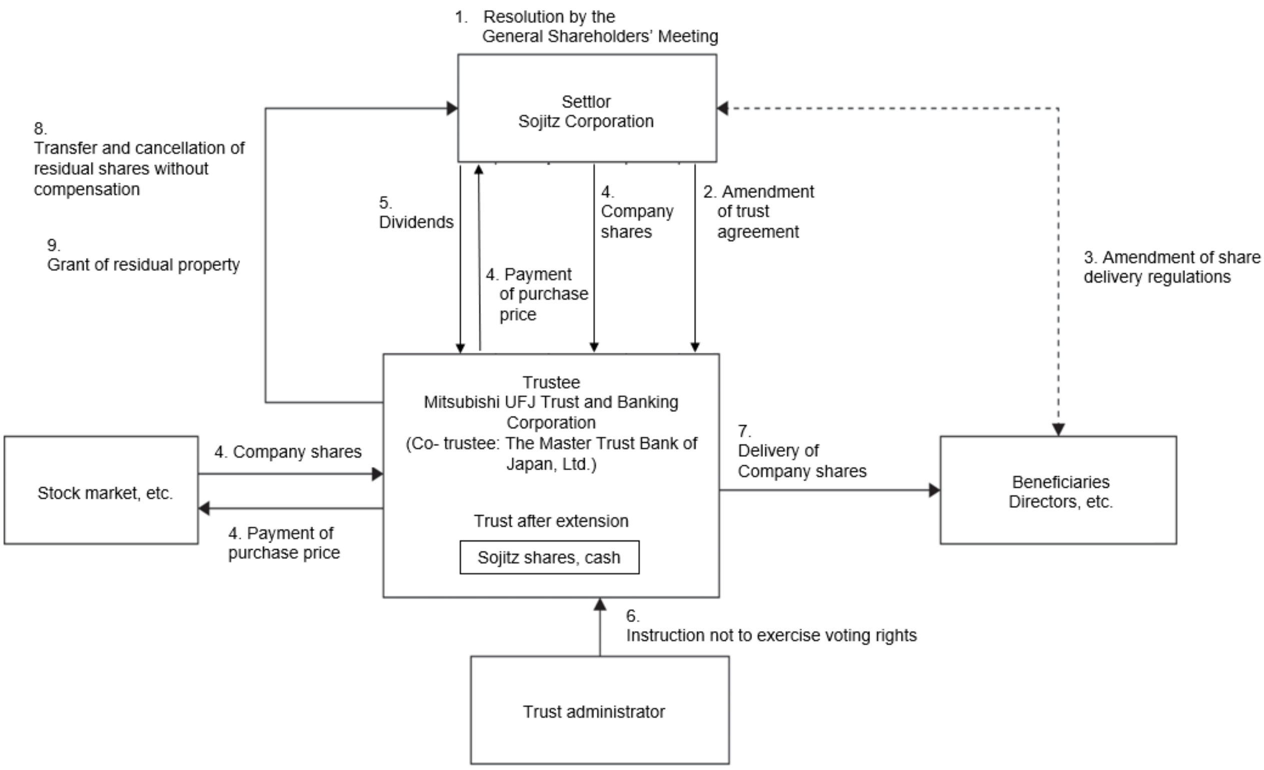
Rank	Upper Limit for Evaluation Indicators											
	i	ii	iii	iv	v	Total	i	ii	iii	iv	v	Total
	With right of representation						Without right of representation					
Director / Chairman & CEO	21	21	14	7	7	70	–	–	–	–	–	–
Director / Chairman	18	18	12	6	6	60	17	17	12	6	6	58
Director / Vice Chairman	11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

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

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

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

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



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

vi. Voting rights for Sojitz shares held in the trust will not be exercised throughout the trust period. vii. Each year during the trust period, Directors, etc. shall be granted a certain number of basic points commensurate with their individual rank. After the expiry of the applicable period, the number of the share delivery points shall be determined by multiplying the number of the accumulated points by rate of accomplishment of targets for evaluation indicators. Directors, etc. who meet certain beneficiary requirements shall, after their retirement from the office of Directors, etc. receive delivery of Sojitz shares equivalent to a certain percentage of the accumulated share delivery points, while receiving, after conversion of the number of Sojitz shares equivalent to the remaining accumulated share delivery points pursuant to the provisions of the trust agreement to fund tax payments, the cash proceeds from the conversion, as well as the cash dividends paid in v. on Sojitz shares held in the trust, commensurate with the number of the accumulated share delivery points as of the dividend record date.

viii. If residual shares occur upon the expiry of the trust period, due to reasons such as the failure to achieve the performance targets for each fiscal year during the trust period, Sojitz will, by amending the trust agreement or making additional contribution to the trust, renew and continue to use the trust after extension as part of the system as it is, or as part of a similar but new share remuneration system, or alternatively, will transfer the residual shares from the trust to Sojitz without compensation, to achieve cancellation thereof based on the resolution by the Board of Directors.

ix. At the termination of the trust, residual property remaining after the distribution to the beneficiaries will belong to Sojitz to the extent of the trust expense reserve, which is the trust fund less the share acquisition fund, while the portion in excess of the trust expense reserve will be donated to organizations that have no interest in Sojitz and Directors, etc.

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

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

・Method of calculating basic points

Basic points = (930,000 × Number of months served in payment period*1 ÷ 12 × Rank coefficient*2)*3 × 0.9 ÷ Defined share price*4

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

Basic points = [(930,000 × Number of months served in payment period ÷ 12 × Rank coefficient)*3 × 0.9 ÷ Defined share price] + [(930,000 × Number of months served in period of executing duties in relation to the final fiscal year of the applicable period ÷ 12 × Rank coefficient)*3 × Service period adjustment coefficient*5 ÷ Defined share price]

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

*2 Rank coefficients are as follows.

< Executive Officers serving concurrently as Directors >

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

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

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

*5 The service period adjustment coefficients are as follows.

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

・Method of calculating share delivery points

Share delivery points = A + B + C

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

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

C: Accumulated basic points × 0.2 × ESG coefficient*3

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

*1 Consolidated profit for the year coefficient

・Consolidated profit for the year coefficient shall be calculated based on the degree of accomplishment of the target for aggregate consolidated profit for the year (attributable to owners of the Company) over the applicable period in accordance with the following table.

・Degree of accomplishment = (Aggregate consolidated profit for the year (attributable to owners of the Company) ÷ ¥360.0 billion) × 100 (truncated to the second decimal place)

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

*2 Stock growth coefficient

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

・The Company's TSR shall be calculated as follows.

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

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

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

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

・The growth rate of dividend-included TOPIX shall be calculated as follows.

Growth rate of dividend-included TOPIX (%) = E ÷ D × 100 (truncated to the second decimal place)

D: Average for dividend-included TOPIX over three months from January to March 2024

E: Average for dividend-included TOPIX over three months from January to March 2027

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

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

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

*3 ESG coefficient

・The ESG coefficient shall be calculated by aggregating the scores for the following four items arrived at through qualitative and quantitative evaluations by the Remuneration Committee.
The upper limit of aggregate scores shall be 60 while the lower limit shall by 18.
ESG coefficient (%) = Aggregate scores for the fiscal years within the applicable period ÷ 30 × 100

ESG areas	Evaluation indicators	Evaluation criteria
Decarbonization	1. Reduction in direct energy use by the Company 2. Reduction in thermal coal, coking coal, and oil field interests	Amount for reduction from March 31, 2024
Social issues	Initiatives for addressing social issues based on two types of value 1. Initiatives for contributing to a recycling-oriented society 2. Essential infrastructure development and related service provision 3. Regional economy invigoration initiatives in Japan	Status of company-wide and division initiatives described on the left
Human capital	1. Diversity 2. Challenges 3. Open and comfortable working environment	1. Ratio of female employees with experience working outside the company 2., 3. Degree of improvements in items of challenge-taking index and open and comfortable working environment index on the employee awareness survey instituted in November 2023

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

・Should a beneficiary resign (including in cases of unavoidable resignation due to illness, injury, or other causes, excluding cases of resignation for other personal reasons), a beneficiary to whom a reassignment order that makes him/her a non-resident of Japan be issued, or a beneficiary pass away during the payment period, basic points shall be allocated on the date of the event.

・Should a beneficiary resign, a beneficiary to whom a reassignment order that makes him/her a non-resident of Japan be issued, or a beneficiary pass away prior to the conclusion of the payment period in the final fiscal year of the applicable period, share delivery points for the payment period shall be allocated to the beneficiary in an amount equivalent to the accumulated basic points held by the beneficiary on the date of the event.

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

(Thousands of Points)

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

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

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

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

8) Methods for determining executive remuneration

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

The Remuneration Committee is an advisory body to the Board of Directors tasked with deliberation and proposals related to levels of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers and evaluation and remuneration systems. The committee is membered by a majority of Independent Directors and is chaired by an Independent Director.

(5) Equity securities held

(a) Criteria and concept of the classification of investment shares

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

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

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

(b) Investment shares held for purposes other than pure investment

1) Policy on Share Ownership and Voting Rights Execution

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

Each year, we conduct a quantitative assessment of each lot of listed shares that we continue to hold as cross-shareholdings to ensure that dividends or related profit earned from those shares exceed the shares' equity cost (weighted average cost of capital). We also conduct a qualitative assessment, looking at whether the shares help improve our corporate value. Based on these assessments, we examine the value of retaining these holdings. We retain those holdings 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 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 conduct such assessments for each lot of shares held as cross-shareholdings.

(Reference)

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

< Holding status of listed shares and unlisted shares on a non-consolidated basis >

	March 31, 2022 Results	March 31, 2023 Results	March 31, 2024 Results	March 31, 2025 Results
(1) Book value of shares held on a non-consolidated basis (Billions of Yen)	118.7	76.5	79.9	76.1
Listed shares (Billions of Yen)	98.8	55.3	56.2	52.5
Unlisted shares (Billions of Yen)	20.0	21.2	23.7	23.6
(2) Total equity on a consolidated basis (Billions of Yen)	763.9	876.6	955.6	1,007.6
(3) Ratio to total equity on a consolidated basis (%) (1) ÷ (2)	16%	9%	8%	8%

* The figures for listed shares reflect share prices at each point in time.

[**Exercise of Voting Rights**]

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

2) Number of issues and amount on balance sheet

Classification	Number of issues (Issues)	Total amount on balance sheet (Millions of Yen)
Unlisted shares	126	23,657
Shares excluding unlisted shares	27	52,520

(Issues whose number of shares increased in the year ended March 31,2025)

Classification	Number of issues (Issues)	Acquisitions costs associated to the increase in shares (Millions of Yen)	Reason for increase in number of shares
Unlisted shares	7	1,904	The number of shares has increased due to the acquisition of shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships.
Shares excluding unlisted shares	3	1,811	The number of shares has increased due to the acquisition of shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships.

(Issues whose number of shares decreased in the year ended March 31, 2025)

Classification	Number of issues (Issues)	Sales value associated to the decrease in shares (Millions of Yen)
Unlisted shares	6	475
Shares excluding unlisted shares	4	421

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

Specified Investment Shares

Issue	FY2024	FY2023	Purpose of holding, quantitative effect of holding (*1) and reason for increase in number of shares	Holding of Sojitz Stock (*2)
	Number of shares (Shares)	Number of shares (Shares)		
	Amount on balance sheet (Millions of Yen)	Amount on balance sheet (Millions of Yen)		
NHK SPRING CO., LTD.	13,199,462	13,199,462	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of metal parts and motorcycle parts, etc. in Automotive and Metals, Mineral Resources & Recycling.	Yes
	21,198	19,759		
NICHIRIN CO., LTD.	1,144,000	1,144,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of metal materials, etc. in Metals, Mineral Resources & Recycling.	No
	4,095	4,381		
ANA HOLDINGS INC.	1,413,600	1,413,600	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of Boeing commercial aircraft, etc. in Aerospace, Transportation & Infrastructure.	No
	3,900	4,537		
Japan Airport Terminal Co., Ltd.	845,000	845,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of domestic and foreign airport operations in Aerospace, Transportation & Infrastructure and Retail & Consumer Service.	No
	3,474	5,010		
Yamazaki Baking Co., Ltd.	1,199,544	1,199,544	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of baking ingredients, etc. in Consumer Industry & Agriculture Business.	Yes
	3,454	4,703		
SINFONIA TECHNOLOG Y CO., LTD.	308,400	308,400	Sojitz holds shares for the purpose of acquiring business opportunities, functions, and experience, and maintaining and strengthening business relationships involving aircraft and other related transactions in Aerospace, Transportation & Infrastructure.	Yes
	1,844	999		
Tokuyama Corporation	648,420	648,420	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of industrial salt and soda ash, etc. in Chemicals.	No
	1,808	1,760		
Skymark Airlines Inc.	3,009,900	-	Sojitz acquired shares for the purpose of acquiring business opportunities, functions, and experience, and maintaining and strengthening business relationships involving Boeing commercial aircraft and other related transactions in Aerospace, Transportation & Infrastructure.	No
	1,556	-		
Nisshin Seifun Group Inc.	886,805	886,805	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business.	Yes
	1,534	1,861		
ADEKA CORPORATI ON	561,400	561,403	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of addition agent, etc. in Chemicals.	Yes
	1,509	1,809		
Showa Sangyo Co., Ltd.	500,000	500,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business.	Yes
	1,417	1,750		

<table>
<tr><td rowspan="3">Issue</td><td>FY2024</td><td>FY2023</td><td rowspan="3">Purpose of holding, quantitative effect of holding (*1) and reason for increase in number of shares</td><td rowspan="3">Holding of Sojitz Stock (*2)</td></tr>
<tr><td>Number of shares (Shares)</td><td>Number of shares (Shares)</td></tr>
<tr><td>Amount on balance sheet (Millions of Yen)</td><td>Amount on balance sheet (Millions of Yen)</td></tr>
<tr><td rowspan="2">NIPPON FINE CHEMICAL CO., LTD.</td><td>540,700</td><td>540,700</td><td rowspan="2">Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of cosmetic materials, etc. in Chemicals.</td><td rowspan="2">Yes</td></tr>
<tr><td>1,081</td><td>1,384</td></tr>
<tr><td rowspan="2">Braskem S.A.</td><td>3,659,062</td><td>3,705,962</td><td rowspan="2">Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of green polyethylene, etc. in Chemicals.</td><td rowspan="2">No</td></tr>
<tr><td>1,073</td><td>2,868</td></tr>
<tr><td rowspan="2">OSAKA SODA CO., LTD.</td><td>580,510</td><td>116,102</td><td rowspan="2">Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of special resins, etc. in Chemicals. Additionally, the number of shares has increased due to a stock split.</td><td rowspan="2">Yes</td></tr>
<tr><td>942</td><td>1,121</td></tr>
<tr><td rowspan="2">NIPPN CORPORATI ON</td><td>419,064</td><td>419,064</td><td rowspan="2">Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business.</td><td rowspan="2">Yes</td></tr>
<tr><td>909</td><td>994</td></tr>
</table>

Issue	FY2024 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	FY2023 Number of shares (Shares) Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding (*1) and reason for increase in number of shares	Holding of Sojitz Stock (*2)
Japan Investment Adviser Co., Ltd.	400,000	400,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of aircraft related, etc. in Aerospace, Transportation & Infrastructure.	No
	729	431		
PT. Nippon Indosari Corpindo Tbk	61,949,750	89,309,350	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of wheat products, etc. in Consumer Industry & Agriculture Business.	No
	529	1,007		
Hokuetsu Corporation	256,500	256,500	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of bleaching agent, etc. in Chemicals.	Yes
	313	493		
TAYCA CORPORATION	225,096	225,096	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of pigments and metal raw materials, etc. in Chemicals and Metals, Mineral Resources & Recycling.	Yes
	300	342		
Kansai Paint Co., Ltd.	108,831	104,580	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of solvent, etc. in Chemicals. Additionally, the number of shares has increased due to acquisitions by the business partner stock ownership plan. However, we are reviewing the significance of holding these shares by thoroughly examining both quantitative and qualitative aspects.	No
	232	227		
Archean Chemical Industries Limited	123,053	123,053	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of industrial salt, etc. in Chemicals.	No
	112	150		
PicoCELA Inc.	1,264,500	-	Sojitz holds shares for the purpose of developing telecommunications services through the sale of communication devices in Energy Solutions & Healthcare. The company has been included as it was listed on January 16, 2025.	No
	107	-		
TOABO Corporation	271,000	271,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of textile raw materials, etc. in Chemicals.	Yes
	106	122		
Gun Ei Chemical Industry Co., Ltd.	27,800	27,800	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of phenol, etc. in Chemicals.	Yes
	82	107		
KUNIMINE INDUSTRIES CO., LTD.	76,000	76,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of metal raw materials, etc. in Metals, Mineral Resources & Recycling.	Yes
	78	80		
Green Earth Institute Co., Ltd.	150,000	150,000	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and acquiring new business opportunities utilizing biomass-derived chemical manufacturing technologies in Chemicals.	No
	64	85		
Alphax Food System Co., Ltd.	172,100	172,100	Sojitz holds shares for the purpose of establishing a sales system and expanding sales for serving and guidance robots manufactured by OrionStar Robotics in Automotive.	No
	60	78		

Issue	FY2024 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	FY2023 Number of shares (Shares) / Amount on balance sheet (Millions of Yen)	Purpose of holding, quantitative effect of holding (*1) and reason for increase in number of shares	Holding of Sojitz Stock (*2)
Nihon Seiko Co., Ltd.	-	43,400	Sojitz holds shares for the purpose of acquiring business opportunities, functions and experience, and maintaining and strengthening business relationships of metal raw materials, etc. in Metals, Mineral Resources & Recycling. All of the shares were sold during this fisical year.	No
	-	108		
TAYO ROLLS LIMITED	-	307,341	Although Sojitz held shares for the purpose of export sales of roll products for steel manufactured by the company, with the approval of the company's resolution plan, the existing shares, including ours, have been invalidated.	No
	-	50		

(Note)

*1 The quantitative effect of holing cannot be provided as the effect includes transaction volumes with business partners. However, the Company has confirmed that the effect of all holdings surpasses cost of capital. For information on the method of verifying the rationale of holdings, please refer to “1)　Policy on Share Ownership and Voting Rights Execution.”

*2 Holdings of shares of the Company’s stock have been listed to the extent that such holdings can be confirmed via the shareholder registry on March 31, 2025.

Deemed Stock holdings
There are no applicable issues.

(c) Investment shares held for pure investment purposes

Classification	FY2024		FY2023	
	Number of issues (Issues)	Total amount on balance sheet (Millions of Yen)	Number of issues (Issues)	Total amount on balance sheet (Millions of Yen)
Unlisted shares	–	–	1	30
Shares excluding unlisted shares	–	–	–	–

Classification	FY2024		
	Total amount of dividend income (Millions of Yen)	Total amount of gain or loss on sales (Millions of Yen)	Total amount of valuation gain or loss (Millions of Yen)
Unlisted shares	0	(4)	–
Shares excluding unlisted shares	–	–	–

(d) Names, number of shares and amount on balance sheet of investment shares whose holding purpose was changed from pure investment purpose to purposes other than pure investment during the current fiscal year
There are no applicable issues.

(e) Names, number of shares and amount on balance sheet of investment shares whose holding purpose was changed from purposes other than pure investment to pure investment purpose during the current fiscal year and the four preceding fiscal years
There are no applicable issues.

5. Financial Information

Consolidated Statement of Financial Position

	Note	Millions of yen		Thousands of U.S. dollars
		2024	**2025**	**2025**
Assets				
Current assets				
Cash and cash equivalents	30	196,275	**192,299**	**1,281,993**
Time deposits		13,139	**6,883**	**45,886**
Trade and other receivables	6	826,972	**899,822**	**5,998,813**
Derivative financial assets	33(9)	5,444	**4,014**	**26,760**
Inventories	7	288,302	**275,871**	**1,839,140**
Income tax receivables		11,403	**3,711**	**24,740**
Other current assets	13	104,736	**190,913**	**1,272,753**
Subtotal		1,446,273	**1,573,516**	**10,490,106**
Assets held for sale	18	16,248	**1,605**	**10,700**
Total current assets		1,462,521	**1,575,122**	**10,500,813**
Non-current assets				
Property, plant and equipment	8	234,340	**259,230**	**1,728,200**
Right-of-use assets...	35	97,547	**90,729**	**604,860**
Goodwill	9(1)	132,597	**151,306**	**1,008,706**
Intangible assets	9(2)	92,170	**113,884**	**759,226**
Investment property	10	9,982	**8,700**	**58,000**
Investments accounted for using the equity method	11	616,145	**642,236**	**4,281,573**
Trade and other receivables	6	87,955	**95,742**	**638,280**
Other investments	12	130,905	**134,637**	**897,580**
Derivative financial assets	33(9)	1,223	**364**	**2,426**
Other non-current assets	13	10,003	**5,551**	**37,006**
Deferred tax assets	32(1)	11,478	**9,744**	**64,960**
Total non-current assets		1,424,351	**1,512,130**	**10,080,866**
Total assets		2,886,873	**3,087,252**	**20,581,680**

Note: The U.S. dollar amounts represent translations of Japanese yen at the approximate exchange rate at March 31, 2025 of ¥150=$1.

	Note	Millions of yen 2024	Millions of yen 2025	Thousands of U.S. dollars 2025
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	14	663,135	**596,546**	**3,976,973**
Lease liabilities	35	19,340	**19,729**	**131,526**
Bonds and borrowings	15	164,138	**199,725**	**1,331,500**
Derivative financial liabilities	33(9)	4,682	**3,437**	**22,913**
Income tax payables		8,900	**8,838**	**58,920**
Provisions	16	3,955	**6,227**	**41,513**
Other current liabilities	17	104,482	**151,072**	**1,007,146**
Subtotal		968,635	**985,578**	**6,570,520**
Liabilities directly associated with assets held for sale	18	4,815	**—**	**—**
Total current liabilities		973,450	**985,578**	**6,570,520**
Non-current liabilities				
Lease liabilities	35	85,749	**82,849**	**552,326**
Bonds and borrowings	15	742,566	**886,748**	**5,911,653**
Trade and other payables	14	9,671	**12,606**	**84,040**
Derivative financial liabilities	33(9)	555	**2,828**	**18,853**
Retirement benefits liabilities	31(1)	24,114	**23,279**	**155,193**
Provisions	16	44,599	**39,082**	**260,546**
Other non-current liabilities	17	12,445	**8,709**	**58,060**
Deferred tax liabilities	32(1)	38,093	**37,954**	**253,026**
Total non-current liabilities		957,795	**1,094,057**	**7,293,713**
Total liabilities		1,931,245	**2,079,636**	**13,864,240**
Equity				
Share capital	19	160,339	**160,339**	**1,068,926**
Capital surplus	19	96,448	**96,782**	**645,213**
Treasury stock	19	(21,915)	**(45,701)**	**(304,673)**
Other components of equity		199,190	**190,096**	**1,267,306**
Retained earnings	19	490,013	**567,439**	**3,782,926**
Total equity attributable to owners of the parent		924,076	**968,956**	**6,459,706**
Non-controlling interests		31,550	**38,659**	**257,726**
Total equity		955,627	**1,007,616**	**6,717,440**
Total liabilities and equity		2,886,873	**3,087,252**	**20,581,680**

Consolidated Statement of Profit or Loss

	Note	Millions of yen 2024	Millions of yen 2025	Thousands of U.S. dollars 2025
Revenue	20			
Sales of goods		2,299,715	**2,388,732**	**15,924,880**
Sales of services and others		114,933	**120,982**	**806,546**
Total revenue		2,414,649	**2,509,714**	**16,731,426**
Cost of sales		(2,088,694)	**(2,162,921)**	**(14,419,473)**
Gross profit		325,955	**346,793**	**2,311,953**
Selling, general and administrative expenses	21	(241,464)	**(269,903)**	**(1,799,353)**
Other income (expenses)				
Gain (loss) on disposal of fixed assets, net	22	2,077	**(531)**	**(3,540)**
Impairment loss on fixed assets	23	(4,983)	**(918)**	**(6,120)**
Gain on reorganization of subsidiaries/associates	24	8,073	**17,253**	**115,020**
Loss on reorganization of subsidiaries/associates	23,25	(3,980)	**(2,343)**	**(15,620)**
Other operating income		14,379	**11,717**	**78,113**
Other operating expenses	23,26	(12,327)	**(12,871)**	**(85,806)**
Total other income (expenses)		3,240	**12,306**	**82,040**
Financial income				
Interest earned	27	11,928	**14,866**	**99,106**
Dividends received	27	5,545	**7,375**	**49,166**
Other financial income	27	684	**744**	**4,960**
Total financial income		18,158	**22,987**	**153,246**
Financial costs				
Interest expenses	27	(24,006)	**(26,509)**	**(176,726)**
Total financial costs		(24,006)	**(26,509)**	**(176,726)**
Share of profit (loss) of investments accounted for using the equity method	11	43,615	**49,627**	**330,846**
Profit before tax		125,498	**135,300**	**902,000**
Income tax expenses	32(2)	(22,437)	**(21,101)**	**(140,673)**
Profit for the year		103,060	**114,199**	**761,326**
Profit attributable to:				
Owners of the parent		100,765	**110,636**	**737,573**
Non-controlling interests		2,294	**3,562**	**23,746**
Total		103,060	**114,199**	**761,326**

	Note	Yen 2024	Yen 2025	U.S. dollars 2025
Earnings per share				
Basic earnings (losses) per share	28	450.97	**513.74**	**3.42**
Diluted earnings (losses) per share	28	450.97	**513.74**	**3.42**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Millions of yen		Thousands of U.S. dollars
		2024	**2025**	**2025**
Profit for the year		103,060	**114,199**	**761,326**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Financial assets measured at FVTOCI	29	17,619	**(6,346)**	**(42,306)**
Remeasurements of defined benefit pension plans	29	152	**408**	**2,720**
Share of other comprehensive income of investments accounted for using the equity method	11,29	485	**2,538**	**16,920**
Total items that will not be reclassified to profit or loss		18,257	**(3,399)**	**(22,660)**
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	29	39,232	**(1,014)**	**(6,760)**
Cash flow hedges	29	(627)	**(2,510)**	**(16,733)**
Share of other comprehensive income of investments accounted for using the equity method	11,29	13,359	**(831)**	**(5,540)**
Total items that may be reclassified subsequently to profit or loss		51,964	**(4,356)**	**(29,040)**
Other comprehensive income for the year, net of tax		70,222	**(7,756)**	**(51,706)**
Total comprehensive income for the year		173,283	**106,443**	**709,620**
Total comprehensive income attributable to:				
Owners of the parent		168,317	**103,239**	**688,260**
Non-controlling interests		4,965	**3,203**	**21,353**
Total		173,283	**106,443**	**709,620**

Consolidated Statement of Changes in Equity

Millions of yen

	Note	Share capital	Capital surplus	Treasury stock	Foreign currency translation differences for foreign operations	Financial assets measured at FVTOCI	Cash flow hedges	Remeasurements of defined benefit pension plans	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Attributable to owners of the parent											
					Other components of equity								
Balance as of April 1, 2023		160,339	147,601	(31,058)	54,559	70,939	13,139	—	138,638	422,193	837,713	38,863	876,576
Profit for the year										100,765	100,765	2,294	103,060
Other comprehensive income ..					50,394	17,995	(1,262)	424	67,551		67,551	2,671	70,222
Total comprehensive income for the year		—	—	—	50,394	17,995	(1,262)	424	67,551	100,765	168,317	4,965	173,283
Purchase of treasury stock	19		(14)	(42,725)							(42,739)		(42,739)
Disposal of treasury stock	19		(478)	473							(5)		(5)
Cancellation of treasury stock......	19		(51,396)	51,396							—		—
Dividends	19									(29,504)	(29,504)	(3,017)	(32,521)
Change in ownership interests in subsidiaries without loss/ acquisition of control					2,786				2,786	(14,683)	(11,896)	(9,843)	(21,739)
Purchase commitments for non-controlling interests' shares										1,472	1,472		1,472
Reclassification from other components of equity to retained earnings						(9,361)		(424)	(9,786)	9,786	—		—
Share-based payment transaction...	34		735								735		735
Other changes										(15)	(15)	581	566
Total contributions by and distributions to owners of the Company		—	(51,152)	9,143	2,786	(9,361)	—	(424)	(6,999)	(32,945)	(81,953)	(12,278)	(94,232)
Balance as of March 31, 2024		160,339	96,448	(21,915)	107,740	79,573	11,876	—	199,190	490,013	924,076	31,550	955,627
Profit for the year										110,636	110,636	3,562	114,199
Other comprehensive income ...					(2,690)	(3,630)	(1,537)	460	(7,397)		(7,397)	(358)	(7,756)
Total comprehensive income for the year		—	—	—	(2,690)	(3,630)	(1,537)	460	(7,397)	110,636	103,239	3,203	106,443
Purchase of treasury stock	19		(7)	(23,989)							(23,997)		(23,997)
Disposal of treasury stock	19		(201)	203							1		1
Dividends	19									(31,721)	(31,721)	(3,137)	(34,859)
Change in ownership interests in subsidiaries without loss/ acquisition of control					1				1	(804)	(802)	3,942	3,140
Purchase commitments for non-controlling interests' shares										(2,357)	(2,357)		(2,357)
Reclassification from other components of equity to retained earnings						(1,273)		(460)	(1,734)	1,734	—		—
Share-based payment transaction...	34		543								543		543
Other changes					36				36	(62)	(26)	3,100	3,073
Total contributions by and distributions to owners of the Company		—	333	(23,786)	38	(1,273)	—	(460)	(1,696)	(33,211)	(58,359)	3,905	(54,454)
Balance as of March 31, 2025 ...		160,339	96,782	(45,701)	105,088	74,669	10,339	—	190,096	567,439	968,956	38,659	1,007,616

Thousands of U.S. dollars

	Note	Share capital	Capital surplus	Treasury stock	Foreign currency translation differences for foreign operations	Financial assets measured at FVTOCI	Cash flow hedges	Remeasurements of defined benefit pension plans	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Attributable to owners of the parent											
					Other components of equity								
Balance as of March 31, 2024		1,068,926	642,986	(146,100)	718,266	530,486	79,173	—	1,327,933	3,266,753	6,160,506	210,333	6,370,846
Profit for the year										737,573	737,573	23,746	761,326
Other comprehensive income					(17,933)	(24,200)	(10,246)	3,066	(49,313)		(49,313)	(2,386)	(51,706)
Total comprehensive income for the year		—	—	—	(17,933)	(24,200)	(10,246)	3,066	(49,313)	737,573	688,260	21,353	709,620
Purchase of treasury stock	19		(46)	(159,926)							(159,980)		(159,980)
Disposal of treasury stock	19		(1,340)	1,353							6		6
Dividends	19									(211,473)	(211,473)	(20,913)	(232,393)
Change in ownership interests in subsidiaries without loss/ acquisition of control					6				6	(5,360)	(5,346)	26,280	20,933
Purchase commitments for non-controlling interests' shares										(15,713)	(15,713)		(15,713)
Reclassification from other components of equity to retained earnings						(8,486)		(3,066)	(11,560)	11,560	—		—
Share-based payment transaction...	34		3,620								3,620		3,620
Other changes					240				240	(413)	(173)	20,666	20,486
Total contributions by and distributions to owners of the Company		—	2,220	(158,573)	253	(8,486)	—	(3,066)	(11,306)	(221,406)	(389,060)	26,033	(363,026)
Balance as of March 31, 2025.....		1,068,926	645,213	(304,673)	700,586	497,793	68,926	—	1,267,306	3,782,926	6,459,706	257,726	6,717,440

Consolidated Statement of Cash Flows

	Note	Millions of yen 2024	Millions of yen 2025	Thousands of U.S. dollars 2025
Cash flows from operating activities				
Profit for the year		103,060	**114,199**	**761,326**
Depreciation and amortization		42,034	**44,133**	**294,220**
Impairment loss on fixed assets		4,983	**918**	**6,120**
Finance (income) costs		5,848	**3,522**	**23,480**
Share of (profit) loss of investments accounted for using the equity method		(43,615)	**(49,627)**	**(330,846)**
(Gain) loss on disposal of fixed assets, net		(2,077)	**531**	**3,540**
Income tax expenses		22,437	**21,101**	**140,673**
Changes in trade and other receivables		(57,489)	**(55,792)**	**(371,946)**
Changes in inventories		48,044	**11,977**	**79,846**
Changes in trade and other payables		36,020	**(65,296)**	**(435,306)**
Changes in other assets and liabilities		(22,434)	**(36,615)**	**(244,100)**
Changes in retirement benefits liabilities		7	**(212)**	**(1,413)**
Others	30(4)	(9,378)	**(16,831)**	**(112,206)**
Subtotal		127,440	**(27,991)**	**(186,606)**
Interest earned		11,053	**13,530**	**90,200**
Dividends received		40,759	**35,974**	**239,826**
Interest paid		(26,092)	**(26,161)**	**(174,406)**
Income tax paid		(40,973)	**(12,039)**	**(80,260)**
Net cash provided (used) by/in operating activities		112,187	**(16,688)**	**(111,253)**
Cash flows from investing activities				
Purchase of property, plant and equipment		(27,093)	**(43,364)**	**(289,093)**
Proceeds from sale of property, plant and equipment		4,327	**4,099**	**27,326**
Purchase of intangible assets		(4,122)	**(3,540)**	**(23,600)**
(Increase) decrease in short-term loans receivable		1,071	**(6)**	**(40)**
Payment for long-term loans receivable		(9,812)	**(8,735)**	**(58,233)**
Collection of long-term loans receivable		5,239	**4,055**	**27,033**
Net proceeds from (payments for) acquisition of subsidiaries	30(2)	(37,632)	**(41,121)**	**(274,140)**
Net proceeds from (payments for) sale of subsidiaries	30(3)	26,088	**4,797**	**31,980**
Purchase of investments		(62,681)	**(23,207)**	**(154,713)**
Proceeds from sale of investments		37,022	**14,563**	**97,086**
Others	30(5)	80,022	**(1,646)**	**(10,973)**
Net cash provided (used) by/in investing activities		12,429	**(94,106)**	**(627,373)**
Cash flows from financing activities				
Increase (decrease) in short-term borrowings and commercial paper	30(6)	(21,243)	**50,243**	**334,953**
Proceeds from long-term borrowings	30(6)	291,528	**419,598**	**2,797,320**
Repayment of long-term borrowings	30(6)	(332,428)	**(282,358)**	**(1,882,386)**
Proceeds from issuance of bonds	30(6)	—	**1,129**	**7,526**
Redemption of bonds	30(6)	(10,000)	**(10,000)**	**(66,666)**
Repayment of lease liabilities	30(6)	(17,769)	**(16,833)**	**(112,220)**
Proceeds from sale of subsidiaries' interests to non-controlling interest holders		—	**620**	**4,133**
Payment for acquisition of subsidiary's interests from non-controlling interest holders		(22,020)	**(811)**	**(5,406)**
Proceeds from share issuance to non-controlling interest holders		991	**3,484**	**23,226**
Proceeds from sale of treasury stock		65	**121**	**806**
Purchase of treasury stock	19	(42,675)	**(23,989)**	**(159,926)**
Dividends paid	19	(29,504)	**(31,721)**	**(211,473)**
Dividends paid to non-controlling interest holders		(3,127)	**(3,093)**	**(20,620)**
Others	30(6)	(340)	**—**	**—**
Net cash provided (used) by/in financing activities		(186,523)	**106,388**	**709,253**
Net increase (decrease) in cash and cash equivalents		(61,907)	**(4,405)**	**(29,366)**
Cash and cash equivalents at the beginning of year	30(1)	247,286	**196,275**	**1,308,500**
Effect of exchange rate changes on cash and cash equivalents		10,895	**549**	**3,660**
Decrease in cash and cash equivalents resulting from change in scope of consolidation		—	**(119)**	**(793)**
Cash and cash equivalents at the end of year	30(1)	196,275	**192,299**	**1,281,993**

Notes to Consolidated Financial Statements

1 REPORTING ENTITY

Sojitz Corporation (the "Company") is a company domiciled in Japan. The Consolidated Financial Statements of the Company as of and for the year ended March 31, 2025 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures. The Group is an integrated trading company engaged in a wide range of business activities on a global basis. Its headquarters includes business sections that handle merchandising, trading, product manufacturing, services, project planning and management, investments and financing activities, both domestically and internationally.

2 BASIS OF PRESENTATION

(1) Compliance with International Financial Accounting Standards

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board.

(2) Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the cases stated separately in Note 3 MATERIAL ACCOUNTING POLICIES.

(3) Functional currency and presentation currency

The Consolidated Financial Statements are presented in Japanese yen, which is the Company's functional currency. All financial information presented in Japanese yen has been rounded down to the nearest million yen.

For the convenience of readers outside Japan, the accompanying Consolidated Financial Statements are also presented in United States dollars by translating Japanese yen amounts at the exchange rate of ¥150 to U.S.$1, the approximate rate of exchange at the end of March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into United States dollars at the above.

(4) Use of estimates and judgments

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

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

Significant Estimates and Underlying Assumptions for Accounting for the year ended March 31, 2024 andthe year ended March 31,2025 are as follows.

1) Valuation of property, plant and equipment relating to oil and gas interests in the North Sea within the U.K. territory

Sojitz Energy Development Ltd. which is a consolidated subsidiary included in the Energy Solutions & Healthcare segment, holds property, plant and equipment related to oil and gas interests in the North Sea within the U.K. territory.

As described in Note 3 MATERIAL ACCOUNTING POLICIES (9) Impairment of non-financial assets to the consolidated financial statements, the Group estimates the recoverable amount of the Group’s property, plant and equipment if the Group recognizes any indicators of impairment. In case that the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount and the reduced amount is recognized as an impairment loss. The recoverable amount is the higher of either the fair value less costs of disposal or the value in use.

For the year ended March 31, 2024 and the year ended March 31,2025, the recoverable amount of these assets is measured by the fair value less costs of disposal. The fair value less costs of disposal is measured by valuation methods including discounted future cash flow, and is categorized within fair value hierarchy Level 3.

The future cash flows used to measure fair value less costs of disposal were estimated based on the business plan prepared by management, using key assumptions, such as future resource prices, the recoverable reserves that were applied to determine production volume, and the feasibility of the development plan. In addition, selecting appropriate models and input data for estimating the discount rate used to calculate fair value less costs of disposal requires a high degree of expertise in valuation.

For the year ended March 31, 2024, impairment of property, plant and equipment amounting to ¥3,379 million was recognized because the future cash flows were considered to be lower than the Group’s original business plan due to declines within long-term market forecast. This amount represented the difference between the carrying amount and the recoverable amount of ¥7,451 million.

For the year ended March 31, 2025, the carrying amount of the assets as of March 31, 2025 was ¥6,530million, and as a result of the impairment test, an impairment loss was not recognized because the recoverable amount exceeded the carrying amount of the property, plant and equipment.

2) Valuation of investments and measurement of loans relating to the Taiwan offshore wind power generation business

The Group has invested and provided loans to the company operating the Taiwan offshore wind power generation business (hereinafter, the "operating company"), through a subsidiary and the intermediate holding companies.

(a)Valuation of investments relating to the Taiwan offshore wind power generation business

In the year ended March 31, 2024, investments to the intermediate holding companies accounted for applying to the equity method of ¥13,373 million were recognized as a result of the additional contribution.

As described in Note 3 MATERIAL ACCOUNTING POLICIES (9) Impairment of non-financial assets to the consolidated financial statements, the Group estimates the recoverable amount of the investments accounted for applying to the equity method if the Group recognizes any indicators of impairment. In case that the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount and the reduced amount is recognized as an impairment loss.

The fair value was measured as less costs of disposal as the recoverable amount of the investments in the intermediate holding companies. The estimated fair value less costs of disposal of the investments in the intermediate holding companies are affected by key assumptions adopted by the management, including the estimates of additional construction costs and period for completion of the work that were applied as the basis of the business plan of the operating company.

For the year ended March 31, 2024, the intermediate holding company performed an impairment test for the investments in the intermediate holding companies. As a result of the test, an impairment loss was not recognized because the recoverable amount exceeded the carrying amount of the investments.

(b) Measurement of financial assets relating to the Taiwan offshore wind power generation business

For the year ended March 31, 2024, loans to the intermediate holding companies from the subsidiary of ¥10,518 million were recognized as loan receivables and the Group classified the loans as financial assets measured at amortized cost.

As described in Note 3 MATERIAL ACCOUNTING POLICIES (10) Financial instruments, in order to recognize impairment of financial assets measured at amortized cost, the Group recognizes a loss allowance for expected credit losses on the financial assets. In case that the credit risk for financial instruments has not significantly increased since initial recognition on the reporting date, the Group measures a loss allowance based on the expected credit loss that result from default events that would be possible within 12-months after the reporting date. In case that the credit risk on financial instruments significantly increases since initial recognition, however, the Group measures a loss allowance based on the expected credit loss from all possible default events over the expected life on the financial instruments.

The estimates of expected credit losses on these financial assets are affected by the business plan of the operating company and cash flows arising from the business. The group uses estimates of additional construction costs and period for completion of the work that were applied as the basis of the business plan of the operating company and the discount rate as key assumptions. The Group has determined that there have been no significant increases in the credit risk on the financial instruments related to the investments in the intermediate holding companies since initial recognition.

For the year ended March 31, 2024, as a result of measuring expected credit losses that result from default events that would be possible within 12-months after the reporting date, the Group did not recognize a loss allowance.

For the year ended March 31,2025, we have determined that the matter was no longer significant to use of estimates and judgments for accounting, by decreasing uncertainties surrounding the estimate of fair value less costs of disposal of related investments and the estimate of the expected credit losses on financial assets, due to the offshore wind power plant commencing commercial operations.

3) Valuation of goodwill related to the wholesale and retail used car business in Australia

For the year ended March 31,2025, goodwill of ¥8,441 million related to the wholesale and retail used car business in Australia, which is included in the Automotive segment, was recognized in the consolidated statement of financial position. The goodwill arose when the Group acquired control of Albert Automotive Holdings Pty Ltd.

As described in Note 3 MATERIAL ACCOUNTING POLICIES (9) Impairment of non-financial assets to the consolidated financial statements, the recoverable amount is estimated for a group of cash-generating units to which goodwill is allocated at least annually or more frequently whenever it is determined that there is an impairment indicator. When the recoverable amount of a group of cash-generating units is less than the carrying amount, the carrying amount of the group of cash-generating units is reduced to the recoverable amount and an impairment loss is recognized. The recoverable amount is the higher of either the fair value less costs of disposal or the value in use.

The Group determined that the matter was significant to use of estimates and judgment for accounting for the year ended March 31, 2025, due to increased uncertainty in the estimate of fair value less costs of disposal.

In the impairment test of the goodwill, the Group applied the fair value less costs of disposal as the recoverable amount of group of cash-generating units. The future cash flows used to measure fair value less costs of disposal were estimated based on the business plan prepared by management, using key assumptions, such as the increase in the number of retail stores, improvement in gross profit margin, and the sales growth rate of the wholesale business. In addition, selecting appropriate models and input data for estimating the discount rate used to calculate fair value less costs of disposal requires a high degree of expertise in valuation.

For the year ended March 31, 2025, as a result of estimating the recoverable amount of the goodwill applying the fair value less costs of disposal, an impairment loss was not recognized because the recoverable amount exceeded the carrying amount of the investments.

4) Other critical estimates and judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is included in the following notes:

· Note 3 (1)–Basis of consolidation
· Note 3 (14)–Revenue from Contracts with Customers

Information about uncertainties of estimates and assumptions that have a significant risk of resulting in material adjustments within the next consolidated fiscal year is included in the following notes:

· Note 16–PROVISIONS
· Note 23–IMPAIRMENT LOSS
· Note 31–EMPLOYEE BENEFITS
· Note 32–DEFERRED TAXES AND INCOME TAX EXPENSES
· Note 33 (6)–Fair values of financial instruments

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into three levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
Level 3: unobservable inputs.

Information about assumptions made in measuring fair values is included in the following notes:

· Note 10–INVESTMENT PROPERTY
· Note 23–IMPAIRMENT LOSS
· Note 33 (6)–Fair values of financial instruments

(5) Changes in accounting policies

The Group has applied the Standards and Interpretations required to be adopted from the year ended March 31, 2025. These applications do not have a material effect on the Consolidated Financial Statements.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements, and have been applied consistently by the Group.

(1) Basis of consolidation

1) Subsidiaries

Subsidiaries are entities that are controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When the Group holds a majority of the voting rights of another entity, such entity is considered to be a subsidiary of the Group as it is determined that control exists, unless there is clear evidence that shares in such entity do not provide for control. In addition, in the case that the Group holds less than or equal to 50 percent of the voting rights of another entity, if it is determined through agreements or the like with other investment companies that the Group has significant control over such entity's finance and management, such entity is considered to be a subsidiary of the Group.

The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date the Group obtains control of the subsidiaries until the date the Group loses such control of the subsidiaries. In the case that the accounting policies adopted by subsidiaries are different from the Group's accounting policies, the financial statements of such subsidiaries are, as needed, adjusted in order to be consistent with the Group's accounting policies.

In addition, the Consolidated Financial Statements include the financial statements of certain subsidiaries which use different fiscal year end date from that of the Company. The reason being the impracticability of unifying the fiscal year end date of such subsidiaries with that of the Company due to requirements of local laws and regulations, characteristics of local business or the like.

When the financial statements of subsidiaries used in the preparation of the Consolidated Financial Statements are prepared with fiscal year end dates that are different from that of the Company, adjustments are made for the effects of significant transactions or events that occurred between the fiscal year end dates of such subsidiaries and that of the Company. The fiscal year end date for the majority of such subsidiaries is December 31. The difference between the fiscal year end dates of such subsidiaries and that of the Company never exceeds three months.

If there are changes in the Group's interest in a subsidiary, but the Company retains control over the subsidiaries, such transaction is accounted for as an equity transaction. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration received is recognized directly in equity as equity attributable to owners of the parent.

If control is lost with respect to a subsidiary, the Group derecognizes such subsidiary's assets and liabilities or any non-controlling interests, or the other components of equity, related to such subsidiary.

Any surplus or deficit arising from such loss of control is recognized as profit or loss. If the Group retains any interest in such subsidiary after the control is lost, then such interest is measured at fair value at the date that control is lost.

2) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. The Group presume to exist significant influence over each of such entities when the Group owns between 20 percent and 50 percent of the voting rights of each such entity.

In the case that the Group holds less than 20 percent of the voting rights of another entity, if it is determined that the Group has significant influence over such entity based on the provision of a board member, a shareholders' agreement or the like, such entity is considered to be an associate of the Group.

Joint ventures are those entities with respect to which multiple parties, including the Group, have joint control over the economic activities by contract and unanimous consent of all of such parties is required when deciding on financial/management strategies, whereby the Group has rights to the net assets of the arrangement.

Except for those that are classified as assets held for sale in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), investments made to associates and joint ventures are accounted for using the equity method (such associates and joint ventures hereinafter referred to collectively as "Entities subject to Equity Method"). Investments made to Entities subject to Equity Method are each accounted for as the carrying amount following the application of the equity method less accumulated impairment losses. Such carrying amount includes goodwill recognized at the time of acquisition.

The Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of Entities subject to Equity Method from the date the Group obtains significant influence or joint control until the date the Group loses such significant influence or joint control. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the Entities subject to Equity Method. In the case that the accounting policies adopted by Entities subject to Equity Method are different from the Group's accounting policies, the financial statements of such entities are adjusted, as needed.

In addition, the Consolidated Financial Statements include investments made to Entities subject to Equity Method on dates that differ from the fiscal year end date. This is due to the impracticability of unifying the fiscal year end date as a result of relationships with other shareholders or the like. The fiscal year end date for the majority of Entities subject to Equity Method is December 31. Adjustments are made for the effects of significant transactions or events occurred between the fiscal year end date of Entities subject to Equity Method and that of the Company.

3) Business combinations

Business combinations are accounted for using the acquisition method. The Group measures goodwill as excess the consideration transferred measured in acquisition-date fair value and the amount of any non-controlling interest in the acquiree over the net of the acquisition‐date amounts of the identifiable assets acquired and the liabilities assumed generally measured in fair value. When such difference is in the negative, such difference is immediately recognized as profit or loss.

Non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets, and the measurement method to be applied at the date of acquisition is determined on a transaction-by-transaction basis. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

4) Transactions eliminated under consolidation

Intra-group balances and transactions, and any unrealized profits or losses through intra-group transactions, are eliminated when preparing the Consolidated Financial Statements.

(2) Foreign currency translation

1) Foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of each company at exchange rates at the dates of such transactions.

Monetary items in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate at such date.

Foreign exchange translation differences on monetary items are recognized as profit or loss in the period incurred.

Non-monetary items that are measured based on historical cost of the foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items in foreign currency that are measured at fair value of such foreign currency are retranslated to the functional currency at the exchange rate as of the measurement date of fair values thereof. With respect to the foreign exchange translation differences of non-monetary items, if gains or losses on non-monetary items are recognized as other comprehensive income, the exchanged portion of such gains or losses will be recognized as other comprehensive income. On the other hand, if gains or losses on non-monetary items are recognized as profit or loss, the exchanged portions of such gains or losses will be recognized as profit or loss.

2) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisitions thereof, are translated to the presentation currency using the exchange rate at the reporting date. In addition, the income and expenses of foreign operations are translated to the presentation currency using the average exchange rate for the year excluding cases in which exchange rates are fluctuating significantly.

Foreign exchange translation differences are recognized as other comprehensive income. If the Group's foreign operation is disposed of, the cumulative amount of the foreign exchange translation differences related to such foreign operation are reclassified to profit or loss at the time of such disposal.

Based on the application of the exemption clauses under IFRS 1 "First-time Adoption of International Financial Reporting Standards," the Group reclassified the cumulative translation differences as of the transition date to retained earnings.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in the bank that may be withdrawn at any time and short-term investments with maturity of three months or less from the acquisition date that are readily convertible into cash and not subject to any price fluctuation risk.

(4) Inventories

Inventories are measured at the lower of cost and net realizable value.

The costs of inventories include purchasing costs, processing costs and all other costs incurred in the process of bringing such inventories to the present location and condition, and are mainly determined based on the average method. Non-fungible inventories are measured based on the specific identification method.

Inventories that have been acquired with the purpose of generating profits from short-term fluctuations in price are measured at fair value less costs to sell, and changes in the fair values of such inventories are recognized as profit or loss.

(5) Property, plant and equipment

After initial recognition, the Group applies the cost model, under which property, plant and equipment are measured at cost less any accumulated depreciation and accumulated impairment losses.

The costs of property, plant and equipment include costs directly attributable to the acquisition of such assets. If a material component of property, plant and equipment is consumed differently, then such component is accounted for as a separate item of property, plant and equipment.

Depreciation of property, plant and equipment is mainly computed under the straight-line method based on the estimated useful life of each component thereof. The estimated useful lives of the following items are mainly as follows:

Buildings and structures: 2 − 80 years
Machinery and vehicles: 2 − 40 years
Tools, furniture & fixtures: 2 − 24 years

The depreciation methods, useful lives and residual values are reviewed at least every fiscal year end and amended as needed.

(6) Goodwill and intangible assets

1) Goodwill

Goodwill is measured at cost less any accumulated impairment losses.

2) Intangible assets

After initial recognition, the Group applies the cost model and intangible assets are measured at cost less any accumulated amortization and accumulated impairment losses.

At initial recognition, intangible assets acquired individually are measured at cost. The costs of intangible assets acquired from business combinations are measured at fair value at the date of acquisition. With respect to internally-generated intangible assets that do not meet the criteria for asset recognition, expenditures related thereto are accounted for as expenses at the time they are incurred. With respect to internally-generated intangible assets that meet the criteria for asset recognition, the total of expenditures related thereto that were incurred from the date such criteria were first met is treated as cost.

Intangible assets, for which useful lives may be determined, include mainly Software, Mining rights and Customer-related assets. These are amortized under the straight-line method for the period of such estimated use, except for mining rights. With respect to mining rights, they are amortized using the production output method based on estimated mine reserves. In addition, the estimated useful life of software used by the Group is approximately 5 years.

The amortization methods, the useful lives and residual values of intangible assets with finite useful lives are reviewed at least every fiscal year end and amended as needed.

Intangible assets for which useful lives cannot be determined are mainly franchise agreements acquired through business combinations and these are not amortized. The Company conducts a review to determine whether the events or circumstances supporting the judgment that useful lives cannot be determined continue to exist at every fiscal year end.

(7) Investment property

An investment property is a property held either to earn rental income or for capital appreciation or for both. An investment property does not include a property held for sale in the ordinary course of business or property used for the production or supply of goods or service or for other administrative purpose.

After initial recognition, the Group applies the cost model and investment property is measured at cost less any accumulated depreciation and accumulated impairment losses.

Depreciation of an investment property is mainly computed under the straight-line method based on the applicable estimated useful life. The estimated useful lives are mainly between 2 years and 80 years. The depreciation methods, useful lives and residual values are reviewed at least every fiscal year end and amended as needed.

(8) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, which takes a considerable period of time before it is ready for its intended use or sale, are capitalized as part of the cost of such asset. All other borrowing costs are recognized as expenses in the period incurred.

(9) Impairment of non-financial assets

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

Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. Fair value is measured by using reasonable estimated prices, obtainable through orderly transactions between market participants. Value in use is measured by discounting estimated future cash flow using a pre-tax discount rate that reflects the current market value in relation to the inherent risks of cash-generating units or individual assets, and the time value of money. Such estimates of cash flow are based on business plans that are based on the budgets reflected historical performance, and such business plans are limited to five years in principle. The Group makes appropriate use of outside experts according to the complexity of measurement the value in use and fair value.

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

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

(10) Financial instruments

1) Financial Assets

The Group recognizes a financial asset when the Group becomes party of the contractual provisions of the instrument and derecognizes financial asset in cases in which the contractual right with respect to the cash flow from a financial asset is extinguished or the contractual right to receive cash flow from a financial asset has been transferred, and substantially all the risks and rewards associated with the ownership of such asset are removed.

In regular way of purchase or sale of financial assets, the Group recognizes or derecognizes financial assets measured at amortized cost and debt instruments measured at FVTOCI on the settlement date, whereas the Group recognizes or derecognizes other financial assets on the transaction date.

Initially recognized financial assets are classified as financial assets measured at amortized cost, debt instruments measured at FVTOCI, equity instruments measured at FVTOCI, and financial assets measured at FVPTL.

The Group liquidates certain trade receivables by discounting notes or the like. However, with respect to some liquidated receivables, the Group may be obligated to make payments as recourse for non-payment by the debtor. The Group continues to recognize such liquidated receivables as they do not meet the criteria for derecognition of financial assets.

(a) Financial assets measured at amortized cost

A financial asset that meets the following conditions is classified as financial asset measured at amortized cost.

· The asset is held based on a business model whose objective is to hold an asset in order to collect cash flow under a contract, and;

· Based on the contractual terms with respect to the financial asset, the cash flow, which is intended only for payment of principal and interests on the outstanding principal balance, arises on a specified date.

At initial recognition, financial assets measured at amortized cost are measured at fair value plus transaction costs directly attributable to acquisition of such assets. After initial recognition, the carrying amount of such financial assets measured at amortized cost is measured by using the effective interest method.

(b) Debt instruments measured at FVTOCI

Financial assets that meet the following criteria are classified as debt instruments measured through other comprehensive income.

· The asset is held based on a business model whose objective is to achieve both collecting cash flow under a contract and selling the financial assets ,and

· Based on the contractual terms with respect to the financial asset, the cash flow, which is intended only for payment of principal and interests on the outstanding principal balance, arises on a specified date.

At initial recognition, debt instruments measured at FVTOCI are measured at fair value plus transaction costs directly attributable to the acquisition of such assets. After initial recognition, they are measured at fair value and the subsequent changes in fair value are recognized as other comprehensive income. However, when such subsequent changes in fair value are financial revenue based on the effective interest method or differences due to foreign exchange and impairment loss, they are recognized as profit or loss. Furthermore, if the equity investment is derecognized, the accumulated amount is reclassified as profit or loss.

(c) Equity instruments measured at FVTOCI

In regards to equity instruments invested in not for the purpose of purchase and sale, an irrevocable election may be made at initial recognition to present subsequent changes to the fair value of such assets as other comprehensive income. With respect to investments made in equity instruments held for the purpose of maintaining and strengthening relationships with business partners, the Group has elected such investments as financial assets measured at FVTOCI in consideration of such purpose.

At initial recognition, equity instruments measured at FVTOCI are measured at fair value plus transaction costs directly attributable to the acquisition of such assets. After initial recognition, they are measured at fair value, and the subsequent changes in fair value are recognized as other comprehensive income. When the equity instruments measured at FVTOCI is derecognized, or the decrease in fair value compared to acquisition cost is substantial, the accumulated amount of other comprehensive income is reclassified as retained earnings, not as profit or loss. Dividends are recognized as profit or loss.

(d) Financial assets measured at FVTPL

All other financial assets are classified as financial assets measured at FVTPL. These assets are measured at fair value at initial recognition, with transaction costs directly attributable to the acquisition recognized as profit or loss at the date of occurrence. After initial recognition, they are measured at fair value, and the subsequent changes in fair value are recognized as profit or loss.

At initial recognition, trade receivables which do not include any significant financing component are measured at trade value.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit loss on financial assets measured at amortized cost, debt instruments measured at FVTOCI, lease receivables, contractual assets, and financial guarantee contracts.

If credit risk on financial instruments has not significantly increased since the initial recognition on the reporting date, the Group measures the loss allowance for the financial instrument based on expected credit loss that result from default events that would be possible within the 12-months after the reporting date (12-month expected credit loss). If credit risk on financial instruments has significantly increased since initial recognition on the reporting date, however, the Group measures the loss allowance based on expected credit loss from all possible default events over the expected life of the financial instruments (lifetime expected credit loss). However, loss allowance for trade receivables and contractual assets are measured based on lifetime expected credit loss. When determining whether credit risk significantly increases or not from the initial recognition, the Group refers to obtainable, reasonable and supportable information, such as changes in external and internal credit ratings and past due information. Expected credit loss is based on the difference between contractual cash flow and collectable cash flow, and its estimate incorporates obtainable, reasonable, and supportable information regarding past non-performance, financial standing of the issuer or borrower, and future predictions.

If it is determined that all or part of the financial assets cannot be collected or extremely difficult to collect, such as there has been a significant financial difficulty of the issuer or borrower or a breach of contract including past due event, the financial assets are regarded as non-performing. In confirming evidence of credit impairment, the Group makes this determination based on matters such as a significant financial difficulty of the issuer or borrower or a breach of contract including past due event. In addition, when there is evidence of credit impairment for the financial assets on the reporting date, the Group estimates expected credit loss separately and measures the loss allowance. For the financial assets for which there is no evidence of credit impairment, the Group classify these together based on similarities in credit risk specifics and the internal credit rating. Then estimate expected credit risk comprehensively to measures the loss allowance.

If there is no reasonable expectation for the partial or full collection of the Group’s claims associated with a financial asset, the Group directly deducts the value from the carrying amount of total financial assets.

3) Financial liabilities

The Group recognizes a financial liability when the Group becomes party of the contractual provisions of the instrument and these are classified as financial liabilities measured at FVTPL or financial liabilities measured at amortized cost.

Financial liabilities are no longer recognized when they are extinguished, i.e., when obligations specified under a contract are discharged, cancelled or expires.

(a) Financial liabilities measured at amortized cost

Financial liabilities, other than financial liabilities measured at FVTPL, are classified as financial liabilities measured at amortized cost. At initial recognition, financial liabilities measured at amortized cost are measured at fair value less any transaction costs directly attributable to incurring of such liabilities. After initial recognition, such financial liabilities are measured at amortized cost using the effective interest method.

The balance of the current maturities of loans from financial institutions is classified as non-current liabilities up to the unused balance of long-term commitment line, as it can be refinanced.

(b) Financial liabilities measured at FVTPL

At initial recognition, financial liabilities measured at FVTPL are measured at fair value. After initial recognition, financial liabilities are measured at fair value and subsequent changes in the fair value thereof are recognized as profit or loss.

4) Derivatives and hedge accounting

In order to hedge the foreign currency fluctuation risk, interest rate fluctuation risk and commodity price fluctuation risk, the Group conducts derivative transactions, such as forward exchange transactions, interest rate swap transactions and commodity futures and forwards transactions.

Derivatives are initially recognized at fair value. After initial recognition, derivatives are measured at fair value and subsequent changes in the fair value thereof are accounted for as follows:

(a) Fair value hedges

The Group designates commodity futures and forwards contracts as hedging instruments to hedge the changes in fair values of firm commitments or inventories and designates interest rate swaps as hedging instruments to hedge the change in fair value of fixed-rate borrowings.

The changes in fair value of a derivative used as a hedging instrument are recognized as profit or loss. The carrying amount of hedged items is measured at fair value and the gains or losses on such hedged items arising from changes in the fair values attributable to the hedged risks are recognized as profit or loss.

(b) Cash flow hedges

The Group designates interest rate swaps as hedging instruments to hedge the variability of cash flows relating to floating-rate borrowings and designates forward exchange transactions as hedging instruments to hedge the variability of cash flows concerning firm commitments or forecast transaction in foreign currency.

Of the changes in fair value of a derivative used as a hedging instrument, portions determined to be effective are recognized as other comprehensive income and included as another component of equity.

The amount recognized as other comprehensive income is reclassified from other components of equity to profit or loss in the same period that the hedged transaction affects profit or loss; provided however, that if hedging of a scheduled transaction subsequently results in the recognition of a non-financial asset or liability, the amount recognized as other comprehensive income is then accounted for as revision to the initial carrying amount of such non-financial asset or liability. The ineffective portion is immediately recognized as profit or loss.

When the hedge no longer meets the criteria for hedge accounting, the hedge instrument expires or is sold, terminated or exercised, or designation of the hedge is revoked, hedge accounting is discontinued prospectively. If the scheduled transaction is no longer expected to occur, the amount of the effective portions of the hedge that have been recognized as other comprehensive income is immediately reclassified from other components of equity to profit or loss.

(c) Hedges of net investments in foreign operations

The Group designates forward exchange transactions and foreign currency borrowings as hedging instruments to hedge the risk of change in exchange rate concerning net investments in foreign operations.

Hedges of net investments in foreign operations are accounted in the same manner as cash flow hedges, and of the changes in fair value of derivatives and non-derivatives used as a hedge instrument (loans, etc.), portions determined to be effective are recognized as other comprehensive income and included as another other component of equity. This effective portion recognized as other comprehensive income is reclassified from other components of equity to profit or loss at the time of disposition of a foreign operation.

(d) Derivatives not designated as hedging instruments

The changes in the fair value of such derivates are recognized as profit or loss.

5) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount of such offset is presented in the consolidated statements of financial position only when the Group has a legally enforceable right to offset the recognized amounts and intends either to settle them on a net basis or realize the assets and settle the liabilities simultaneously.

(11) Provisions

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

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

(12) Non-current assets held for sale

As a result of the Group decision to sell assets or disposal group as part of asset replacement activities or changes holding policies, non-current assets or disposal groups to be recovered principally through sales transactions rather than through continuing use are classified as held for sale.

To be classified as held for sale, the asset or disposal group must be available for immediate sale in its present condition and must be highly probable for such sale. In addition, management must be committed to a plan to sell such asset or disposal group and complete such sale within one year from the date of classification.

Immediately before being classified as held for sale, an asset or disposal group are re-measured in accordance with the Group's accounting policies. After the classification as held for sale, such asset or disposal group is measured at the lower of its carrying amount and the fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets on a pro rata basis. Impairment losses of an asset or disposal group that was initially classified as held for sale, and subsequent gains or losses arising following the remeasurement are recognized as profit or loss.

Property, plant and equipment, intangible assets and investment property classified as held for sale are not depreciated or amortized.

When the Group is committed to a sale plan involving the loss of control of a subsidiary, the Group classifies all the assets and liabilities of its subsidiary as held for sale, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

(13) Equity

1) Share capital and capital surplus

Proceeds from issuance of equity instruments by the Company are included in share capital and capital surplus. Transaction costs directly attributable to the issuance of equity instruments are deducted from capital surplus.

2) Treasury stock

When the Group reacquires treasury stocks, the consideration paid is recognized as a deduction from equity. Transaction costs directly attributable to the reacquisition of treasury stocks are deducted from capital surplus.

In addition, when the Group sells treasury stocks, the consideration received is recognized as an increase in equity.

(14) Revenue from Contracts with Customers

The Group recognizes revenue as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, based on the five-step approach below.

Step 1: Identify the contract with the customer.
Step 2: Identify the separate performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the separate performance obligations.
Step 5: Recognize revenue when or as the Group satisfies each performance obligations.

The Group identifies distinct goods or services included in a contract with customer and performance obligations (the basic transactional unit). Since the Group may fulfill a intermediaries or agent function in normal business transactions, the Group must consider whether it functions as a principal or agent in identifying performance obligations. In cases where the performance obligations essentially promise that the Group itself will provide specific goods or services, the Group is deemed to be a principal; in cases where the performance obligations is to arrange provision of goods or services by another party, the Group is deemed to be an agent. The following indicators are used to determine whether the Group is principal or agent.

- The Group has primary responsibility for performance of the promised provision of specified goods or services
- The Group bears inventory risk prior to transferring the specified goods or services to the customer or after transferring the goods or services under the control of the customer
- Price of the goods or services is set at the discretion of the Group

In cases where the Group is the principal party to the transaction, the Group recognizes revenue when or as the Group satisfies each performance obligations, as a monetary amount reflecting the expected consideration that the Group is entitled to receive from the exchange of the specified goods or services. Furthermore, in cases where the Group is acting as agent, the Group recognizes revenue when or as the Group satisfies each performance obligations, in the amount of any fee commission, or net revenue the Group is entitled to receive in exchange for arranging provision of the specified goods or services by another party.

The Group recognizes revenue as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue does not include consumption tax, VAT, or other money recovered as tax agent. Variable consideration is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently removed. With regards to transaction price, revenue which includes variable consideration is immaterial.

In the case where, at the start of the contract, the Group assumes that it will take a year or less between the Group transferring the promised goods or services to the customer and receiving payment from the customer for those goods and services, the Group does not adjust revenue to reflect the impact of significant financing components on the promised consideration for the goods.

The Group recognizes revenue for major transactions at the following points:

(a) Revenue from sale of products

Revenue from sale of products primarily includes wholesaling, retail, sale of products through manufacturing/processing, and sales of real estate. The Group recognizes revenue at the point goods have been delivered, undergone inspection, and met the terms and conditions for delivery as named in the contract. At this point, the Group deems goods to be under the control of the customer and performance obligations to have been satisfied

In most cases, the Group will receive revenue from the sale of products within one year of meeting performance obligations. This amount does not include significant financing components.

(b) Revenue from rendering of services or other kinds of sale

Revenue from rendering of services or other kinds of sale mainly includes provision of services related to IT systems, automotive part inspections, and building maintenance. Revenue from these services which meets any of the requirements below entails control of the service being transferred for over time. The Group thus determines whether performance obligations have been fulfilled, before recognizing profit according to the degree of progress on performance obligations. The qualities of the goods or services transferred to the customer will be considered in measuring the degree of progress on performance obligations.

Requirements:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced.
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the Group does not meet above requirements, the Group will recognize revenue at the point that duties have been completed and the Group may claim payment from the customer, since the Group will have been deemed to have satisfied its performance obligations.

In most cases, the Group will receive revenue from rendering of services or other kinds of sale within one year of meeting performance obligations. This amount does not include significant financial components.

(15) Financial income and costs

Financial income comprises interest income, dividend income and other financial income. Other financial income mainly includes gain on sales of financial instruments and gain arising from change in the fair value of financial instruments. Interest income is recognized at the time of occurrence by using the effective interest method. Dividend income is recognized on the date when the Group's right to receive payment is established.

Financial costs comprise interest expenses and other financial costs. Other financial costs mainly includes loss on sales of financial instruments and loss arising from change in the fair value of financial instruments.

(16) Employee benefits

1) Post-employment benefits

(a) Defined benefit plans

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

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

Past service cost is immediately recognized as profit or loss.

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

(b) Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities and will have no legal or presumptive obligation to pay any amount over its contribution amount. The obligations already paid or to be paid as contributions under the defined contribution plans are recognized as expenses in the period in which the employees provided the services related thereto.

(c) Multi-employer plans

Certain subsidiaries participate in multi-employer pension plans classified as defined benefit plan. In regards to such pension plans, sufficient information to calculate the proportionate share of such plan assets cannot be obtained. Thus, the Group accounts for such pension plans in the same manner in which it recognizes defined contribution plans. In other words, contributions to such multi-employer plans are recognized as expenses in the period in which the employees provided their services.

2) Other long-term employee benefits

Obligations in respect of long-term employee benefits other than post-employment benefits are measured by estimating the future amount of benefits that employees will have earned in return for their services in the current and prior periods and discounting such amount in order to determine the present value.

3) Short-term employee benefits

Short-term employee benefits are not discounted. Instead, they are accounted for as expenses at the time services related thereto are provided.

With respect to bonuses, the Group owes legal and presumptive payment obligations as a consequence of past employee services provided. If such amount of payment obligations can be reliably estimated, such estimated amount to be paid based on such bonus system is recognized as a liability.

(17) Share-based remuneration

The Group has introduced an equity-settled share-based remuneration system which provides directors and the like with performance-linked share remuneration.

Under this system, the service received are measured at the fair value of Sojitz shares at the grant date, and recognized as expense over the period from the grant date to the vesting date with a corresponding amount as an increase in capital surplus.

(18) Income taxes

Income tax expenses comprise current tax expenses and deferred tax expenses. These are recognized as profit or loss, except when they arise from items that are directly recognized as other comprehensive income or equity, and from a business combination.

Current tax expenses are measured at the expected taxes receivable from or taxes payable to tax authorities, and the tax amounts are measured at using tax rates that have been enacted or substantially enacted by the fiscal year end.

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amount of an asset and liability in the statement of financial position and its tax base, the unused tax losses carried forward and unused tax credits carried forward. The amounts of tax assets and liabilities are measured at the expected tax rate or tax law applicable as of the period in which assets are realized or liabilities settled based on a statutory tax rate or the same substantially enacted as of the fiscal year end. Deferred tax assets and liabilities are not recognized in the following cases:

- when taxable temporary differences arise from initial recognition of goodwill;
- when they arise from initial recognition of assets or liabilities in a transaction that is neither a business combination, affects accounting profit and taxable profit (or loss) at the time of the transaction, nor does not give rise to equal taxable and deductible temporary differences at the time of the transaction; and,
- with respect to taxable temporary differences associated with investments in subsidiaries and associates, or interests in joint arrangements, when the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.
- deferred tax assets and liabilities arising from tax law enacted to implement the Pillar Two model rules published by the OECD（applying the temporary exception prescribed in IAS 12, “Income Taxes”）

Deferred tax assets and liabilities are offset only when the Group has a legally enforceable right to set off the current tax assets against current tax liabilities, and, such deferred tax assets and liabilities relate to income taxes levied on the same taxation entity. However, even in the case of different taxable entities, the Group can set off if the tax taxable entities intend either to settle current tax liabilities and assets on a net bases, or to realize the assets and settle the liabilities simultaneously.

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

(19) Lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1) As lessee

Concerning the lessee's lease, the Group recognizes the right-of-use assets and the lease liabilities at the commencement date of the lease.

The Group measures the lease liability at the present value of the lease payments that are not paid at that date. After the commencement date, the carrying amount of the lease liability is measured by increasing or reducing to reflect interest on the lease liability and the lease payments made. If the interest rate implicit in the lease cannot be readily determined, the Group's incremental borrowing rate will be used, and in general the Group will use the incremental borrowing rate as the discount rate. When measuring lease liability, the choice was made to recognize both lease components and related non-lease components as a single lease component instead of separating them.

The right-of-use asset is measured at cost deducting any initial direct costs from the amount of the initial measurement of the lease liability at initial recognition. After the commencement date, the carrying amount of the right-of-use asset is measured by deducting accumulated depreciation and accumulated impairment losses. The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line basis.

Lease term is determined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Lease payments for short-term leases and leases of a low-value are recognized as expenses using the straight-line basis over the lease term.

2) As lessor

The Group leases out railcars, real estate, ships and other assets and it classifies leases as either a finance lease or an operating lease at the commencement date. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

If the Group is an intermediate lessor, the sublease is classified with reference not to the underlying asset but to the right-of-use asset arising from the head lease. However, if the head lease is a short-term lease, the sublease is classified as an operating lease.

(a) Finance lease

The recognition of assets owned based on the finance lease is suspended at the commencement date, and the lease receivable is recognized as an amount equivalent to the net investment in the lease. After the initial recognition, the collection of credit associated with lease receivable from the lessee is recognized, and will be recognized throughout the lease period as financial income in order to achieve a constant rate of profit on the net investment in the lease.

(b) Operating lease

The underlying assets that are the subject of the operating lease will continue to be recognized in the consolidated statement of financial position. Lease payments from the operating lease are recognized as earnings using either the straight-line basis or another regular basis. Furthermore, the underlying assets that are the subject of the operating lease will be depreciated using a consistent method used for other similar assets. The initial direct costs that arise from the acquisition of the operating lease contract are added to the carrying amount of the associated underlying asset. Throughout the lease period, they are recognized as expenses on the same basis as lease income.

4 NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The new or amended major standards, interpretations that have been issued prior to the approval date of the consolidated financial statements (i.e., March 31, 2025) and which the Group has not yet to apply are as follows. Effects on the Group due to application of the below are still being considered and cannot be estimated at this time.

IFRS	Title	Reporting period on or after which the application is required	The Group's applicable reporting period	Summaries of new / amended standards and interpretations
IFRS 9 IFRS 7	Financial Instruments Financial Instruments: Disclosures (amended in December 2024)	Period starting from January 1, 2026	Period ending on March 31, 2026	Amendments to accounting for Contracts Referencing Nature-dependent Electricity
IFRS 18	Presentation and Disclosure in Financial Statements	Period starting from January 1, 2027	Period ending on March 31, 2028	Introduction of three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies

5 SEGMENT INFORMATION

(1) Summary of reportable segments

Reportable segments are the Group's components for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors for the purposes of making decisions about resources to be allocated to such segments and assessing their performance.

The Group is an integrated trading company engaged in a wide range of business activities on a global basis. Headquarters includes business sections that handle merchandising, trading, product manufacturing, services, project planning and management, investments and financial activities, both domestically and internationally.

Main goods and services of each reportable segments are shown in "1. Overview of Sojitz and Its Subsidiaries 3. Business Overview". In addition, the following "Others" consists of, network services, domestic regional operating companies, logistics and insurance services, etc.

Effective April 1, 2024, the Aerospace & Transportation Project and the Infrastructure & Healthcare were reorganized to the Aerospace, Transportation & Infrastructure, the Energy Solutions & Healthcare and the Others. The revised categorization has been used to report figures for the previous year.

(2) Information regarding reportable segments

The accounting methods for the reported business segments are mostly consistent with those stated in Note 3 ("MATERIAL ACCOUNTING POLICIES"), except with respect to the calculation of income tax expenses.

Transaction prices between segments are based on general market prices.

2024

	Millions of yen					
	Reportable segments					
	Automotive	Aerospace, Transportation & Infrastructure	Energy Solutions & Healthcare	Metals & Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	403,734	52,227	163,224	484,215	559,916	267,828
Inter-segment revenue ..	―	16	0	1	4	1
Total revenue	403,734	52,243	163,224	484,217	559,920	267,830
Gross profit	60,215	21,252	31,420	48,288	59,681	34,076
Share of profit (loss) of investments accounted for using the equity method ...	1,060	4,151	16,362	19,148	(249)	916
Profit (loss) for the year (attributable to owners of the parent)..........	2,281	6,086	14,020	43,492	14,773	7,464
Segment assets	290,675	245,913	496,595	533,366	324,872	258,339
Other:						
Investments accounted for using the equity method	8,787	45,072	211,290	252,309	12,215	19,276
Capital expenditure ..	8,896	4,386	2,199	12,395	3,378	3,288

	Millions of yen				
	Reportable segments				
	Retail & Consumer Service	Total	Others	Reconciliations	Consolidated
Revenue					
External revenue	428,578	2,359,724	54,925	―	2,414,649
Inter-segment revenue ..	378	404	164	(568)	―
Total revenue	428,957	2,360,128	55,089	(568)	2,414,649
Gross profit	57,306	312,241	14,274	(560)	325,955
Share of profit (loss) of investments accounted for using the equity method ...	1,970	43,360	237	17	43,615
Profit (loss) for the year (attributable to owners of the parent)..........	13,108	101,226	(493)	33	100,765
Segment assets	533,567	2,683,330	308,944	(105,401)	2,886,873
Other:					
Investments accounted for using the equity method	54,345	603,297	12,923	(75)	616,145
Capital expenditure ..	8,432	42,976	33,257	―	76,234

Reconciliation of "Profit (loss) for the year (attributable to owners of the parent)" of ¥33 million includes the difference between the Group's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to ¥(810) million, and unallocated dividend income and others of ¥843 million.

The reconciliation amount of segment assets of ¥(105,401) million includes the elimination of inter-segment transactions or the like amounting to ¥(210,137) million and all of the Group assets that were not allocated to each segment amounting to ¥104,735 million, which mainly consists of the Group's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

Capital expenditure includes amount related to right-of-use assets.

2025

	Millions of yen					
	Reportable segments					
	Automotive	Aerospace, Transportation & Infrastructure	Energy Solutions & Healthcare	Metals & Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	**433,625**	**74,290**	**202,338**	**479,468**	**587,202**	**264,344**
Inter-segment revenue ..	—	**18**	—	—	**4**	**1**
Total revenue	**433,625**	**74,308**	**202,338**	**479,468**	**587,207**	**264,345**
Gross profit	**65,474**	**26,296**	**40,899**	**35,942**	**65,171**	**35,081**
Share of profit (loss) of investments accounted for using the equity method ...	**697**	**4,445**	**22,586**	**17,629**	**(483)**	**1,174**
Profit for the year (attributable to owners of the parent)..........	**1,571**	**12,321**	**22,447**	**29,186**	**20,049**	**6,406**
Segment assets ..	**289,703**	**373,405**	**611,560**	**487,116**	**309,716**	**244,131**
Other:						
Investments accounted for using the equity method	**9,996**	**47,423**	**222,979**	**245,110**	**12,159**	**23,011**
Capital expenditure ...	**12,443**	**6,959**	**12,876**	**10,981**	**2,560**	**2,548**

	Millions of yen				
	Reportable segments				
	Retail & Consumer Service	Total	Others	Reconciliations	Consolidated
Revenue					
External revenue	**418,920**	**2,460,188**	**49,526**	—	**2,509,714**
Inter-segment revenue ..	**401**	**425**	**229**	**(655)**	—
Total revenue	**419,321**	**2,460,614**	**49,755**	**(655)**	**2,509,714**
Gross profit	**65,201**	**334,066**	**13,382**	**(655)**	**346,793**
Share of profit (loss) of investments accounted for using the equity method ...	**2,640**	**48,688**	**926**	**12**	**49,627**
Profit for the year (attributable to owners of the parent)..........	**11,448**	**103,431**	**979**	**6,226**	**110,636**
Segment assets ..	**586,847**	**2,902,482**	**332,865**	**(148,095)**	**3,087,252**
Other:					
Investments accounted for using the equity method	**63,970**	**624,651**	**17,620**	**(35)**	**642,236**
Capital expenditure ...	**2,955**	**51,325**	**5,885**	—	**57,210**

2025

	Thousands of U.S. dollars					
	Reportable segments					
	Automotive	Aerospace, Transportation & Infrastructure	Energy Solutions & Healthcare	Metals & Mineral Resources & Recycling	Chemicals	Consumer Industry & Agriculture Business
Revenue						
External revenue	**2,890,833**	**495,266**	**1,348,920**	**3,196,453**	**3,914,680**	**1,762,293**
Inter-segment revenue ..	—	**120**	—	—	**26**	**6**
Total revenue	**2,890,833**	**495,386**	**1,348,920**	**3,196,453**	**3,914,713**	**1,762,300**
Gross profit	**436,493**	**175,306**	**272,660**	**239,613**	**434,473**	**233,873**
Share of profit (loss) of investments accounted for using the equity method ...	**4,646**	**29,633**	**150,573**	**117,526**	**(3,220)**	**7,826**
Profit for the year (attributable to owners of the parent)..........	**10,473**	**82,140**	**149,646**	**194,573**	**133,660**	**42,706**
Segment assets	**1,931,353**	**2,489,366**	**4,077,066**	**3,247,440**	**2,064,773**	**1,627,540**
Other:						
Investments accounted for using the equity method	**66,640**	**316,153**	**1,486,526**	**1,634,066**	**81,060**	**153,406**
Capital expenditure ...	**82,953**	**46,393**	**85,840**	**73,206**	**17,066**	**16,986**

	Thousands of U.S. dollars				
	Reportable segments				
	Retail & Consumer Service	Total	Others	Reconciliations	Consolidated
Revenue					
External revenue	**2,792,800**	**16,401,253**	**330,173**	—	**16,731,426**
Inter-segment revenue ..	**2,673**	**2,833**	**1,526**	**(4,366)**	—
Total revenue	**2,795,473**	**16,404,093**	**331,700**	**(4,366)**	**16,731,426**
Gross profit	**434,673**	**2,227,106**	**89,213**	**(4,366)**	**2,311,953**
Share of profit (loss) of investments accounted for using the equity method ...	**17,600**	**324,586**	**6,173**	**80**	**330,846**
Profit for the year (attributable to owners of the parent)..........	**76,320**	**689,540**	**6,526**	**41,506**	**737,573**
Segment assets	**3,912,313**	**19,349,880**	**2,219,100**	**(987,300)**	**20,581,680**
Other:					
Investments accounted for using the equity method	**426,466**	**4,164,340**	**117,466**	**(233)**	**4,281,573**
Capital expenditure ...	**19,700**	**342,166**	**39,233**	—	**381,400**

Reconciliation of "Profit for the year (attributable to owners of the parent)" of ¥6,226 million (U.S.$41,506 thousand) includes the difference between the Group's actual income tax expenses and income tax expenses allocated to each segment based on the calculation method established internally, which amounted to ¥5,275 million (U.S.$35,166 thousand), and unallocated dividend income and others of ¥950 million (U.S.$6,333 thousand).

The reconciliation amount of segment assets of ¥(148,095) million (U.S.$(987,300) thousand) includes the elimination of inter-segment transactions or the like amounting to ¥(234,389) million (U.S.$(1,562,593) thousand) and all of the Group assets that were not allocated to each segment amounting to ¥86,294 million (U.S.$575,293 thousand), which mainly consists of the Group's surplus funds in the form of cash in bank or the like for investments and marketable securities or the like.

Capital expenditure includes amount related to right-of-use assets.

(3) Information regarding goods and services

Information regarding the revenue for each product/service was not separately presented because the same information was presented in the reporting segments.

(4) Geographical information

Geographical information relating to external revenue and non-current assets (excluding financial assets and deferred tax assets) was as follows.

1) External revenue

Revenue is classified by country or region based on the locations of customers.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Japan	1,085,096	**1,067,899**	**7,119,326**
The Americas	338,769	**393,764**	**2,625,093**
Europe	155,481	**151,194**	**1,007,960**
Asia and Oceania	819,627	**879,124**	**5,860,826**
Others	15,674	**17,731**	**118,206**
Total	2,414,649	**2,509,714**	**16,731,426**

2) Non-current assets (excluding financial assets and deferred tax assets)

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Japan	181,134	**170,302**	**1,135,346**
The Americas	183,377	**214,238**	**1,428,253**
Europe	28,792	**40,696**	**271,306**
Asia and Oceania	182,567	**203,294**	**1,355,293**
Others	770	**872**	**5,813**
Total	576,643	**629,403**	**4,196,020**

(5) Information about major customers

There was no single customer whose transaction volume was equal to 10% or more of the Group's revenue for either the year ended March 31, 2024 or the year ended March 31, 2025.

6 TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables as of March 31, 2024 and March 31, 2025 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Trade notes and accounts receivable	555,906	**603,294**	**4,021,960**
Loans receivable	49,318	**55,601**	**370,673**
Others..	309,703	**336,668**	**2,244,453**
Total	914,928	**995,564**	**6,637,093**

7 INVENTORIES

The breakdown of inventories was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Commodities and finished goods	246,975	**226,454**	**1,509,693**
Real estate held for development and resale	697	**4,679**	**31,193**
Materials and consumables	40,629	**44,738**	**298,253**
Total	288,302	**275,871**	**1,839,140**
Inventories to be sold more than one year after	82	**220**	**1,466**

In addition, write-downs of inventories recognized as expenses for the years ended March 31, 2024 and March 31, 2025 were ¥4,073 million and ¥3,482 million (U.S.$23,213 thousand), respectively.

8 PROPERTY, PLANT AND EQUIPMENT

The increases/decreases in costs and accumulated depreciation and accumulated impairment losses of property, plant and equipment were as follows.

[Costs]

	Millions of yen					
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of April 1, 2023	156,921	218,694	17,061	29,187	9,500	431,365
Acquisitions	7,042	12,506	1,907	74	5,752	27,283
Acquisitions through business combinations	6,955	2,437	337	11,923	1,211	22,864
Reclassification from construction in progress ...	4,288	3,721	968	—	(8,978)	—
Disposals	(1,130)	(10,128)	(1,296)	(186)	(95)	(12,838)
Reclassification to assets held for sale	—	(22,382)	—	(0)	(68)	(22,450)
Exchange translation differences for foreign operations	14,241	26,163	1,081	1,470	874	43,831
Others (Note)	(2,438)	1,176	(280)	—	(337)	(1,880)
Balance as of March 31, 2024 ...	185,879	232,189	19,779	42,468	7,858	488,175
Acquisitions	**3,565**	**13,893**	**2,671**	**970**	**22,371**	**43,471**
Acquisitions through business combinations ...	**7,503**	**1,573**	**858**	**176**	**772**	**10,884**
Reclassification from construction in progress ...	**4,754**	**6,146**	**840**	—	**(11,742)**	—
Disposals	**(4,075)**	**(6,735)**	**(1,644)**	**(526)**	**(99)**	**(13,080)**
Exchange translation differences for foreign operations	**(2,308)**	**(3,788)**	**(22)**	**(475)**	**(430)**	**(7,025)**
Others (Note)	**(317)**	**1,308**	**121**	**(477)**	**(150)**	**484**
Balance as of March 31, 2025 ..	**195,001**	**244,587**	**22,605**	**42,136**	**18,579**	**522,909**

	Thousands of U.S. dollars					
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of March 31, 2024 ..	**1,239,193**	**1,547,926**	**131,860**	**283,120**	**52,386**	**3,254,500**
Acquisitions	**23,766**	**92,620**	**17,806**	**6,466**	**149,140**	**289,806**
Acquisitions through business combinations	**50,020**	**10,486**	**5,720**	**1,173**	**5,146**	**72,560**
Reclassification from construction in progress	**31,693**	**40,973**	**5,600**	_	**(78,280)**	_
Disposals	**(27,166)**	**(44,900)**	**(10,960)**	**(3,506)**	**(660)**	**(87,200)**
Exchange translation differences for foreign operations	**(15,386)**	**(25,253)**	**(146)**	**(3,166)**	**(2,866)**	**(46,833)**
Others (Note)	**(2,113)**	**8,720**	**806**	**(3,180)**	**(1,000)**	**3,226**
Balance as of March 31, 2025	**1,300,006**	**1,630,580**	**150,700**	**280,906**	**123,860**	**3,486,060**

(Note) "Others" mainly includes the impact of changes in the scope of consolidation.

[Accumulated depreciation and accumulated impairment losses]

	Millions of yen					
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of April 1, 2023	(79,077)	(138,384)	(12,907)	(5,507)	(75)	(235,951)
Depreciation expenses	(5,819)	(10,700)	(1,495)	—	—	(18,015)
Impairment losses	(3,634)	(660)	(10)	—	—	(4,304)
Disposals	892	7,213	1,206	68	—	9,380
Reclassification to assets held for sale	—	22,382	—	0	68	22,450
Exchange translation differences for foreign operations	(7,264)	(19,015)	(831)	(62)	(9)	(27,183)
Others (Note)	53	(499)	235	—	—	(210)
Balance as of March 31, 2024..	(94,849)	(139,665)	(13,802)	(5,500)	(16)	(253,835)
Depreciation expenses	**(5,647)**	**(10,994)**	**(1,983)**	—	—	**(18,625)**
Impairment losses	**(8)**	**(67)**	**(0)**	**(52)**	—	**(128)**
Disposals	**3,314**	**2,734**	**1,267**	**89**	—	**7,406**
Exchange translation differences for foreign operations	**997**	**2,282**	**(22)**	**32**	**0**	**3,290**
Others (Note)	**(964)**	**(1,281)**	**(106)**	**573**	**(7)**	**(1,786)**
Balance as of March 31, 2025 ..	**(97,157)**	**(146,991)**	**(14,648)**	**(4,858)**	**(23)**	**(263,679)**

	Thousands of U.S. dollars					
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of March 31, 2024 ...	**(632,326)**	**(931,100)**	**(92,013)**	**(36,666)**	**(106)**	**(1,692,233)**
Depreciation expenses	**(37,646)**	**(73,293)**	**(13,220)**	_	_	**(124,166)**
Impairment losses	**(53)**	**(446)**	**(0)**	**(346)**	_	**(853)**
Disposals	**22,093**	**18,226**	**8,446**	**593**	_	**49,373**
Exchange translation differences for foreign operations ...	**6,646**	**15,213**	**(146)**	**213**	**0**	**21,933**
Others (Note)	**(6,426)**	**(8,540)**	**(706)**	**3,820**	**(46)**	**(11,906)**
Balance as of March 31, 2025 ...	**(647,713)**	**(979,940)**	**(97,653)**	**(32,386)**	**(153)**	**(1,757,860)**

(Note) "Others" mainly includes the impact of changes in the scope of consolidation.

[Carrying amounts]

	Millions of yen					
	Buildings and structures	Machinery and vehicles	Tools, furniture & fixtures	Land	Construction in progress	Total
Balance as of March 31, 2024 ...	91,029	92,523	5,977	36,968	7,841	234,340
Balance as of March 31, 2025 ...	**97,844**	**97,595**	**7,957**	**37,278**	**18,555**	**259,230**
Balance as of March 31, 2025 (Thousands of U.S. dollars) ...	**652,293**	**650,633**	**53,046**	**248,520**	**123,700**	**1,728,200**

The amounts of expenditures relating to property, plant and equipment in the course of its construction are presented under the "Construction in progress" column.

Depreciation expenses for property, plant and equipment are included in "Cost of sales" and "Selling, general and administrative expenses" in the Consolidated Statement of Profit or Loss.

9 GOODWILL AND INTANGIBLE ASSETS

(1) Goodwill

1) Costs, accumulated impairment losses and carrying amounts

The increases/decreases in costs and accumulated impairment losses of goodwill were as follows.

[Costs]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Balance at beginning of year	90,510	**138,582**	**923,880**
Acquisitions through business combinations	42,688	**23,250**	**155,000**
Exclusion of subsidiaries from the scope of consolidation.....	—	**(1,586)**	**(10,573)**
Exchange translation differences for foreign operations ...	5,384	**(1,987)**	**(13,246)**
Balance at end of year	138,582	**158,258**	**1,055,053**

[Accumulated impairment losses]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Balance at beginning of year	(4,779)	**(5,984)**	**(39,893)**
Impairment losses	—	**(936)**	**(6,240)**
Exchange translation differences for foreign operations ...	(1,205)	**(31)**	**(206)**
Balance at end of year	(5,984)	**(6,952)**	**(46,346)**

[Carrying amounts]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Carrying amounts	132,597	**151,306**	**1,008,706**

2) Impairment tests

A cash-generating unit group to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that such unit may be impaired. Material carrying amounts of goodwill allocated to cash-generating unit groups were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Energy Solutions & Healthcare			
Energy conservation business of overseas subsidiaries *1...	12,513	**12,356**	**82,373**
Retail & Consumer Service			
Commercial food wholesale business of overseas subsidiaries	15,909	**15,130**	**100,866**

(Note) *1 Multiple cash-generating unit groups are combined.

The recoverable amount of the cash-generating unit groups to which significant goodwill has been allocated was calculated based on its value in use founded on the maximum five-year forecast that was approved by management or the fair value after deducting disposal costs founded on the forecast reflecting assumption of market participants.

The forecast of cash flows is based on budgets reflected on historical performance. In addition, the main assumption used to determine such forecast was the growth rate of gross profits through such terms, such growth rate being consistent with the forecasts of the nominal GDP growth rate or the like of the countries in which such cash-generating unit groups are situated.

The discount rates before tax and ultimate growth rates that were used in calculating the recoverable amount of the cash-generating unit groups to which significant goodwill has been allocated for the years ended March 31, 2024 and March 31, 2025, respectively, were as follows.

(a) Discount rates before tax

	2024	**2025**
Energy Solutions & Healthcare		
Energy conservation business of overseas subsidiaries...	9.7~15.8 %	**8.8~15.2 %**
Retail & Consumer Service		
Commercial food wholesale business of overseas subsidiaries	15.8 %	**15.1 %**

(b) Ultimate growth rates

In regards to cash flows for the terms beyond the forecast period that was approved by management, the value in use is calculated with a growth rate that is less than the long-term average growth rate for the countries or markets in which the Company operates.

With respect to goodwill that has been allocated to cash-generating unit groups, even if major assumptions are changed to a reasonable extent, the probability of such recoverable amount becoming less than the carrying amount is unlikely.

(2) Intangible assets

The increases/decreases in costs and accumulated amortization and accumulated impairment losses of intangible assets were as follows.

[Costs]

	Millions of yen				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of April 1, 2023	39,234	32,815	32,976	57,923	162,949
Acquisitions	1,924	2	—	2,142	4,069
Acquisitions through business combinations	158	—	8,205	14,970	23,334
Disposals	(486)	(1)	—	(12,507)	(12,995)
Reclassification to assets held for sale	—	(980)	—	—	(980)
Exchange translation differences for foreign operations	487	3,292	3,571	4,211	11,562
Others	3,057	—	—	(8,925)	(5,867)
Balance as of March 31, 2024	44,375	35,127	44,754	57,815	182,072
Acquisitions	**2,330**	**12**	—	**1,504**	**3,847**
Acquisitions through business combinations	**900**	—	**24,913**	**2,001**	**27,815**
Disposals	**(1,519)**	—	—	**(5)**	**(1,525)**
Exchange translation differences for foreign operations	**(90)**	**(1,647)**	**(865)**	**(1,225)**	**(3,828)**
Others	**1,089**	**(115)**	—	**(855)**	**118**
Balance as of March 31, 2025	**47,086**	**33,376**	**68,802**	**59,234**	**208,499**

	Thousands of U.S. dollars				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of March 31, 2024	**295,833**	**234,180**	**298,360**	**385,433**	**1,213,813**
Acquisitions	**15,533**	**80**	—	**10,026**	**25,646**
Acquisitions through business combinations	**6,000**	—	**166,086**	**13,340**	**185,433**
Disposals	**(10,126)**	—	—	**(33)**	**(10,166)**
Exchange translation differences for foreign operations	**(600)**	**(10,980)**	**(5,766)**	**(8,166)**	**(25,520)**
Others	**7,260**	**(766)**	—	**(5,700)**	**786**
Balance as of March 31, 2025	**313,906**	**222,506**	**458,680**	**394,893**	**1,389,993**

[Accumulated amortization and accumulated impairment losses]

	Millions of yen				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of April 1, 2023	(30,627)	(28,858)	(6,917)	(25,711)	(92,115)
Amortization expenses	(2,380)	(355)	(2,583)	(708)	(6,027)
Impairment losses	(21)	—	—	(343)	(364)
Disposals	412	0	—	12,453	12,865
Reclassification to assets held for sale............................	—	980	—	—	980
Exchange translation differences for foreign operations ..	(330)	(2,910)	(895)	(1,209)	(5,345)
Others	79	—	—	26	105
Balance as of March 31, 2024	(32,867)	(31,143)	(10,396)	(15,494)	(89,901)
Amortization expenses	**(2,375)**	**(452)**	**(3,391)**	**(1,185)**	**(7,404)**
Impairment losses	**(4)**	—	**(696)**	**(3)**	**(704)**
Disposals	**1,489**	—	—	**3**	**1,492**
Exchange translation differences for foreign operations ..	**57**	**1,489**	**208**	**67**	**1,822**
Others	**24**	—	—	**56**	**80**
Balance as of March 31, 2025	**(33,676)**	**(30,106)**	**(14,275)**	**(16,556)**	**(94,615)**

	Thousands of U.S. dollars				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of March 31, 2024	**(219,113)**	**(207,620)**	**(69,306)**	**(103,293)**	**(599,340)**
Amortization expenses	**(15,833)**	**(3,013)**	**(22,606)**	**(7,900)**	**(49,360)**
Impairment losses	**(26)**	—	**(4,640)**	**(20)**	**(4,693)**
Disposals	**9,926**	—	—	**20**	**9,946**
Exchange translation differences for foreign operations ..	**380**	**9,926**	**1,386**	**446**	**12,146**
Others	**160**	—	—	**373**	**533**
Balance as of March 31, 2025	**(224,506)**	**(200,706)**	**(95,166)**	**(110,373)**	**(630,766)**

[Carrying amounts]

	Millions of yen				
	Software	Mining rights	Customer-related assets	Others	Total
Balance as of March 31, 2024	11,507	3,983	34,357	42,320	92,170
Balance as of March 31, 2025....................	**13,409**	**3,270**	**54,527**	**42,677**	**113,884**
Balance as of March 31, 2025 (Thousands of U.S. dollars) ..	**89,393**	**21,800**	**363,513**	**284,513**	**759,226**

An important part of the carrying amount of "Mining rights" as of March 31, 2024 and March 31, 2025 is the mining rights held by the Australian subsidiaries, amounting to ¥3,900 million and ¥3,192 million (U.S.$21,280 thousand).

The value of intangible assets with indefinite useful lives included above were ¥10,674 million as of March 31, 2024, and ¥10,541 million (U.S.$ 70,273 thousand) as of March 31, 2025. Such assets consisted primarily of franchise agreements. These franchise agreements were acquired through business combinations and were expected to exist as long as business continues. Therefore, management considers the useful lives of these assets to be indefinite.

There were no significant internally-generated intangible assets as of March 31, 2024 and March 31, 2025.

Amortization expenses are included in "Cost of sales" and "Selling, general and administrative expenses" in the Consolidated Statement of Profit or Loss.

10 INVESTMENT PROPERTY

(1) Increases/decreases in costs, accumulated depreciation and accumulated impairment losses, carrying amounts and fair values of investment property

Increases/decreases in costs, accumulated depreciation and accumulated impairment losses, carrying amounts and fair values of investment property were as follows.

[Costs]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Balance at beginning of year	13,773	**16,028**	**106,853**
Acquisitions	1,611	—	—
Increase due to expenditures after acquisitions	163	**109**	**726**
Acquisitions through business combinations	644	—	—
Disposals	(346)	**(174)**	**(1,160)**
Reclassification to/from inventories or property, plant and equipment	28	**(607)**	**(4,046)**
Exchange translation differences for foreign operations	582	**484**	**3,226**
Others	(429)	—	—
Balance at end of year	16,028	**15,839**	**105,593**

(Note) "Others" mainly includes the impact of changes in the scope of consolidation.

[Accumulated depreciation and accumulated impairment losses]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Balance at beginning of year	(5,657)	**(6,045)**	**(40,300)**
Depreciation expenses	(778)	**(749)**	**(4,993)**
Impairment losses	(1)	—	—
Disposals	327	**51**	**340**
Reclassification to/from inventories or property, plant and equipment	8	**0**	**0**
Exchange translation differences for foreign operations	(307)	**(396)**	**(2,640)**
Others	362	—	—
Balance at end of year	(6,045)	**(7,138)**	**(47,586)**

(Note) "Others" mainly includes the impact of changes in the scope of consolidation.

[Carrying amounts and fair values]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Carrying amounts	9,982	**8,700**	**58,000**
Fair values	10,133	**8,850**	**59,000**

The fair values are amounts that the Group measured based on an independent appraiser's appraisals and the "real estate appraisal standards" of the country in which the investment properties are located. These appraisals are measured based on either the public offering price, a sales comparison approach or discount cash flow approach.

As set forth under "2 BASIS OF PRESENTATION (4) Use of estimates and judgments," fair values are categorized into three levels in a fair value hierarchy based on the inputs used in the valuation techniques. Investment property is categorized within fair value hierarchy Level 3.

(2) Profit or loss relating to investment property

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Rental income from investment property	4,302	**4,657**	**31,046**
Expenses arising from investment property	(3,242)	**(3,417)**	**(22,780)**
Profit	1,060	**1,240**	**8,266**

Rental income from investment property is included in "Sales of services and others" and "Other operating income" in the Consolidated Statement of Profit or Loss.

Expenses arising from investment property (depreciation expenses, repair expenses, insurance fees, taxes or the like) correspond to rental income from such investment properties and are included in "Cost of sales," "Selling, general and administrative expenses" and "Other operating expenses" in the Consolidated Statement of Profit or Loss.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(1) Investments accounted for using the equity method, share of profit (loss) of investments accounted for using the equity method, and share of other comprehensive income of investments accounted for using the equity method

Investments accounted for using the equity method, share of profit (loss) of investments accounted for using the equity method and share of other comprehensive income of investments accounted for using the equity method were as follows.

[Investments accounted for using the equity method]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Interests in joint ventures	114,077	**129,146**	**860,973**
Interests in associates	502,068	**513,089**	**3,420,593**
Investments accounted for using the equity method	616,145	**642,236**	**4,281,573**

[Share of profit (loss) of investments accounted for using the equity method]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Interests in joint ventures	21,458	**15,525**	**103,500**
Interests in associates	22,157	**34,102**	**227,346**
Share of profit (loss) of investments accounted for using the equity method	43,615	**49,627**	**330,846**

[Share of other comprehensive income of investments accounted for using the equity method]

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Interests in joint ventures	1,302	**6,816**	**45,440**
Interests in associates	12,542	**(5,109)**	**(34,060)**
Share of other comprehensive income of investments accounted for using the equity method	13,844	**1,707**	**11,380**

(2) Joint ventures

1) Material joint venture

LNG Japan Corporation ("LNG Japan"), one of the Group's Entities subject to Equity Method, is a material Group joint venture.

The Group is participating in large-scale LNG projects in Asia, Oceania and the Middle East through LNG Japan.

LNG Japan is not publicly listed.

Summarized financial information of LNG Japan and a reconciliation of the carrying amount of the Group's interest in LNG Japan were as follows. Summarized financial information has been prepared by adjusting LNG Japan's financial statements based on the Group's accounting policies.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Percentage ownership interest	50 %	**50 %**	**50 %**
Current assets	39,673	**60,151**	**401,006**
Non-current assets	294,134	**336,770**	**2,245,133**
Current liabilities	28,444	**31,041**	**206,940**
Non-current liabilities	129,087	**149,991**	**999,940**
Equity	176,276	**215,888**	**1,439,253**
Non-controlling interests	37,611	**53,406**	**356,040**
Equity after deduction of non-controlling interests	138,665	**162,481**	**1,083,206**
Group's share of equity	69,332	**81,240**	**541,600**
Goodwill and consolidated adjustment ...	2,107	**2,143**	**14,286**
Carrying amount of interest	71,440	**83,384**	**555,893**

The balances of cash and cash equivalents that are included in current assets as of March 31, 2024 and March 31, 2025 are ¥15,436 million and ¥38,377 million (U.S.$255,846 thousand), respectively.

The balances of financial liabilities (excluding trade and other payables, and provisions) that are included in current liabilities as of March 31, 2024 and March 31, 2025 are ¥4,835 million and ¥10,078 million (U.S.$67,186 thousand), respectively.

The balances of financial liabilities (excluding trade and other payables, and provisions) that are included in non-current liabilities as of March 31, 2024 and March 31, 2025 are ¥99,793 million and ¥115,350 million (U.S.$769,000 thousand), respectively.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Gross profit	20,814	**29,429**	**196,193**
Depreciation and amortization	(117)	**(90)**	**(600)**
Interest earned	418	**833**	**5,553**
Interest expenses	(1,033)	**(3,304)**	**(22,026)**
Income tax expenses	(8,787)	**(13,419)**	**(89,460)**
Profit for the year	16,096	**18,914**	**126,093**
Other comprehensive income for the year	2,190	**15,003**	**100,020**
Total comprehensive income for the year	18,287	**33,918**	**226,120**
Share of:			
Profit for the year	8,048	**9,457**	**63,046**
Other comprehensive income for the year ...	1,095	**7,501**	**50,006**
Total comprehensive income for the year	9,143	**16,959**	**113,060**
Dividends received by the Group	4,000	**5,000**	**33,333**

2) Individually immaterial joint ventures

Carrying amounts of interests, share of profit (loss) for the year, share of other comprehensive income for the year and share of total comprehensive income for the year of all individually immaterial joint ventures were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Carrying amounts of interests	42,636	**45,762**	**305,080**

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Share of:			
Profit (loss) for the year	13,409	**6,068**	**40,453**
Other comprehensive income for the year	207	**(685)**	**(4,566)**
Total comprehensive income for the year	13,616	**5,382**	**35,880**

(3) Associates

1) Material associate

Metal One Corporation ("Metal One"), one of the Group's Entities subject to the Equity Method, is a material Group associate.

In the steel products business, the Group will expand its domestic and overseas customer base and sales network for steel products through Japan's one of the largest integrated steel trading companies, Metal One. At the same time, the Group will enhance and create global value chains by further expanding steel product trading through stronger collaboration and alliances with the Company's other businesses, such as energy-related and overseas business.

Metal One is not publicly listed.

Summarized financial information of Metal One and a reconciliation of the carrying amount of the Group's interest in Metal One were as follows. Summarized financial information has been prepared by adjusting Metal One's financial statements based on the Group's accounting policies.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Percentage ownership interest	40 %	**40 %**	**40 %**
Current assets	828,612	**803,201**	**5,354,673**
Non-current assets	233,175	**240,888**	**1,605,920**
Current liabilities	515,323	**507,379**	**3,382,526**
Non-current liabilities	68,673	**69,677**	**464,513**
Equity	477,791	**467,033**	**3,113,553**
Non-controlling interests	40,323	**41,534**	**276,893**
Equity after deduction of non-controlling interests	437,468	**425,499**	**2,836,660**
Group's share of equity	174,987	**170,199**	**1,134,660**
Goodwill and consolidated adjustment ...	3,981	**3,981**	**26,540**
Carrying amount of interest	178,968	**174,181**	**1,161,206**

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Gross profit	138,650	**138,151**	**921,006**
Profit for the year	34,756	**28,845**	**192,300**
Other comprehensive income for the year	21,761	**(4,634)**	**(30,893)**
Total comprehensive income for the year	56,517	**24,211**	**161,406**
Share of:			
Profit for the year	13,902	**11,538**	**76,920**
Other comprehensive income for the year ...	8,704	**(1,853)**	**(12,353)**
Total comprehensive income for the year	22,607	**9,684**	**64,560**
Dividends received by the Group	16,606	**14,010**	**93,400**

2) Individually immaterial associates

Carrying amounts of interests, share of profit for the year, share of other comprehensive income for the year and share of total comprehensive income for the year of all individually immaterial associates were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Carrying amounts of interests	323,099	**338,908**	**2,259,386**

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Share of:			
Profit for the year	8,254	**22,564**	**150,426**
Other comprehensive income for the year	3,838	**(3,255)**	**(21,700)**
Total comprehensive income for the year	12,092	**19,309**	**128,726**

12 OTHER INVESTMENTS

The breakdown of other investments as of March 31, 2024 and March 31, 2025 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Financial assets measured at amortized cost.............................	828	**811**	**5,406**
Financial assets measured at FVTPL	9,395	**11,772**	**78,480**
Financial assets measured at FVTOCI	120,681	**122,054**	**813,693**
Total	130,905	**134,637**	**897,580**

13 OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS (NON-FINANCIAL ASSETS)

The breakdown of other current assets and other non-current assets (non-financial assets) as of March 31, 2024 and March 31, 2025 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Advance payments	79,040	**163,832**	**1,092,213**
Others	35,700	**32,632**	**217,546**
Total	114,740	**196,465**	**1,309,766**

14 TRADE AND OTHER PAYABLES

The breakdown of trade and other payables as of March 31, 2024 and March 31, 2025 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Trade notes and accounts payable	529,678	**481,066**	**3,207,106**
Deposits received	77,112	**60,971**	**406,473**
Others	66,016	**67,114**	**447,426**
Total	672,807	**609,153**	**4,061,020**

15 BONDS AND BORROWINGS

(1) Bonds and borrowings

The breakdown of bonds and borrowings was as follows.

	Millions of yen				Thousands of U.S. dollars
	2024	**2025**	Average interest rate	Maturity date	**2025**
Short-term loans	120,169	**114,522**	3.35%	—	**763,480**
Commercial paper.................	—	**65,000**	0.59%	—	**433,333**
Current portion of bonds payable	9,998	—	—	—	—
Current portion of long-term loans	33,969	**20,202**	2.43%	—	**134,680**
Bonds payable (excluding current portion) ..	51,925	**53,035**	—	—	**353,566**
Long-term loans (excluding current portion)	690,641	**833,712**	1.80%	April 2026— October 2053	**5,558,080**
Total	906,704	**1,086,473**			**7,243,153**

"Average interest rate" is presented as the weighted average interest rate against the balance of the borrowings or the like at the end of the year. Borrowings hedged by derivative transactions, such as interest rate swaps or the like, for the purpose of avoiding the interest rate fluctuation risk, are calculated at the interest rate under such derivative transactions. "Interest rate" of bonds is presented in "(2) Bonds."

As of March 31, 2025, the Company and some of its subsidiaries maintain the following agreements to provide additional financial flexibility and liquidity:

- *Long-term commitment lines of ¥100 billion(currently unused) and U.S. $2.575 billion (U.S.$1.154 billion used)*

The Company is subject to financial covenants with respect to a portion of its borrowings from financial institutions, such as to maintain a certain level of consolidated net assets and the like, and the Company has complied with such covenants for the years ended March 31, 2024 and March 31, 2025. In addition, the Company monitors each compliance status to maintain the level required by such financial covenants.

(2) Bonds

Company name	Bond name	Date of issuance	Millions of yen 2024	2025	Interest rate	Collateral	Maturity date	Thousands of U.S. dollars 2025
The Company	The 30th unsecured bond	June 16, 2014	9,998 (9,998)	—	1.48%	None	June 14, 2024	—
The Company	The 34th unsecured bond	June 1, 2017	9,980	**9,986**	0.72%	None	June 1, 2027	**66,573**
The Company	The 35th unsecured bond	March 8, 2018	9,976	**9,982**	0.61%	None	March 8, 2028	**66,546**
The Company	The 36th unsecured bond	November 27, 2019	9,966	**9,971**	0.47%	None	November 27, 2029	**66,473**
The Company	The 37th unsecured bond	September 14, 2020	9,961	**9,967**	0.56%	None	September 13, 2030	**66,446**
The Company	The 38th unsecured bond	May 27, 2021	9,957	**9,962**	0.55%	None	May 27, 2031	**66,413**
Consolidated Subsidiaries	Others	July 1, 2022— March 3, 2025	2,083	**3,164**	4.95—9.2%	None	June 23, 2035— March 3, 2045	**21,093**
Total	—	—	61,924 (9,998)	53,035	—	—	—	**353,566**

(Note) The amounts in parentheses under the columns for 2024 and 2025 are current portions of bonds payable.

16 PROVISIONS

The breakdown of increases/decreases in provisions was as follows.

	Millions of yen		
	Asset retirement obligations	Other provisions	Total
Balance as of April 1, 2024	**46,074**	**2,479**	**48,554**
Increase for the year	**760**	**3,044**	**3,805**
Decrease for the year (incurred and charged against provisions)	**(4,180)**	**(374)**	**(4,555)**
Decrease for the year (unused amounts reversed)	―	**(505)**	**(505)**
Interest expenses for discounting	**1,507**	―	**1,507**
Change in discount rate	**(1,946)**	―	**(1,946)**
Exchange translation differences for foreign operations	**(1,319)**	**(46)**	**(1,366)**
Others	**(177)**	**(5)**	**(182)**
Balance as of March 31, 2025	**40,719**	**4,591**	**45,310**

	Thousands of U.S. dollars		
	Asset retirement obligations	Other provisions	Total
Balance as of April 1, 2024	**307,160**	**16,526**	**323,693**
Increase for the year	**5,066**	**20,293**	**25,366**
Decrease for the year (incurred and charged against provisions)	**(27,866)**	**(2,493)**	**(30,366)**
Decrease for the year (unused amounts reversed)	―	**(3,366)**	**(3,366)**
Interest expenses for discounting	**10,046**	―	**10,046**
Change in discount rate	**(12,973)**	―	**(12,973)**
Exchange translation differences for foreign operations	**(8,793)**	**(306)**	**(9,106)**
Others	**(1,180)**	**(33)**	**(1,213)**
Balance as of March 31, 2025	**271,460**	**30,606**	**302,066**

"Others" mainly includes the impact of changes in the scope of consolidation.

Asset retirement obligations mainly consist of removal costs relating to mining facilities or the like for coal, oil and gas. Such costs mainly are expected to be paid after at least one year has passed, subject to effects from future business plans or the like.

17 OTHER CURRENT LIABILITIES AND OTHER NON-CURRENT LIABILITIES (NON-FINANCIAL LIABILITIES)

The breakdown of other current liabilities and other non-current liabilities (non-financial liabilities) as of March 31, 2024 and March 31, 2025 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Advances received	71,696	**108,783**	**725,220**
Others	45,231	**50,999**	**339,993**
Total	116,927	**159,782**	**1,065,213**

18 ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH

The breakdown of assets held for sale and liabilities directly associated with assets held for sale were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Assets held for sale			
Trade and other receivables	—	**3**	**20**
Property, plant and equipment	0	—	—
Intangible assets	0	—	—
Investments accounted for using the equity method	11,296	**724**	**4,826**
Others	4,951	**876**	**5,840**
Total	16,248	**1,605**	**10,700**
Liabilities directly associated with assets held for sale			
Trade and other payables	34	—	—
Others	4,780	—	—
Total	4,815	—	—

Assets classified as held for sale and directly related liabilities as of March 31, 2024, primarily consist of a subsidiary that holds investments accounted for using the equity method related to an Indonesian thermal coal mine, and a subsidiary related to Molybdenum Mine in Canada,included in the Metals, Mineral Resources & Recycling segment. The sale of these subsidiaries have been completed as of March 31, 2025.

19 EQUITY

(1) Capital management

In order to enhance its enterprise value, the Company has as its basic policies the maintenance of a healthy financial position and stability in its funding structure, accumulation of its own equity (Note 1) through the realization of sustained growth and expansion of its financial base.

The Company uses risk assets ratio (Note 2) as a main indicator for managing the Company's equity. The risk assets ratio is controlled within 1.0 times under certain stress conditions. This indicator is periodically reported and monitored by management.

Notes: 1. Own equity = Total equity amount less non-controlling interests

2. Risk assets ratio = Risk asset (such asset amount calculated based on assessment of such risk in correspondence to the size of such risk) ÷ Own equity

Risk assets ratios as of March 31, 2024 and March 31, 2025, respectively, were as follows.

	2024	**2025**
Risk assets ratio (Note 2)..................................	0.6 times	**0.7 times**

(2) Number of authorized shares, issued shares and shares of treasury stocks

	Shares	
	2024	**2025**
Authorized: ordinary no-par value shares	**500,000,000**	**500,000,000**
Issued: ordinary no-par value shares		
Balance at beginning of year	250,299,900	**225,000,000**
Increase or decrease for the year	(25,299,900)	—
Balance at end of year	225,000,000	**225,000,000**
Treasury stock: ordinary no-par value shares		
Balance at beginning of year	19,482,980	**6,996,191**
Increase or decrease for the year	(12,486,789)	**7,174,524**
Balance at end of year	6,996,191	**14,170,715**

Note:1. Fuji Nihon Corporation owned 40,000 shares of the Company as of March 31, 2024 and March 31, 2025, respectively, but as the Corporation is an equity-method associate the shares are not included in Treasury stock (ordinary no-par value shares).

2. The balance of treasury stock includes 886,140 shares and 1,320,504 shares of the Company stock held in the Director's Compensation BIP Trust account as of March 31, 2024 and March 31, 2025, respectively.

3. In the year ended March 31, 2024, we cancelled 15,299,900 treasury stock on April 7, 2023, based on the resolution of the Board of Directors made as of March 31, 2023. We cancelled 10,000,000 treasury stock on September 29, 2023, based on the resolution of the Board of Directors made on September 22, 2023.

4. In the year ended March 31, 2024, we acquired 9,789,300 treasury stock during the period between April 10, 2023 and September 29, 2023, based on the resolution of the Board of Directors made as of March 31, 2023. We acquired 3,226,800 treasury stock during the period between February 26, 2024 and March 31, 2024, based on the resolution of the Board of Directors made on February 22, 2024.

5. In the year ended March 31, 2025, we acquired 773,200 treasury stock during the period between April 1, 2024 and April 5, 2024, based on the resolution of the Board of Directors made on February 22, 2024. We acquired 6,500,000 treasury stock during the period between October 1, 2024 and March 24, 2025, based on the resolution of the Board of Directors made on September 27, 2024.

(3) Surplus

1) Capital surplus

Capital surplus mainly consists of legal capital surplus.

2) Retained earnings

Retained earnings consist of legal retained earnings and unappropriated profits. Retained earnings include the cumulative exchange translation differences for foreign operations as of the Transition Date.

(4) Dividends

1) Amount of dividend payments

Resolution	Type of shares	Source of dividends	Amount of dividends (Millions of yen)	Amount of dividends (Thousands of U.S. dollars)	Dividend per share (Yen)	Recorded date	Effective date
Annual general shareholders' meeting on June 20, 2023	Ordinary shares	Retained earnings	15,065	100,433	65.00	March 31, 2023	June 21, 2023
Board of directors meeting on October 31, 2023	Ordinary shares	Retained earnings	14,439	96,260	65.00	September 30, 2023	December 1, 2023
Annual general shareholders' meeting on June 18, 2024	Ordinary shares	Retained earnings	15,322	102,146	70.00	March 31, 2024	June 19, 2024
Board of directors meeting on May 1, 2024	Ordinary shares	Retained earnings	16,398	109,320	75.00	September 30, 2024	December 1, 2024

2) Year-end dividends for the fiscal year ended March 2025

Resolution	Type of shares	Source of dividends	Amount of dividends (Millions of yen)	Amount of dividends (Thousands of U.S. dollars)	Dividend per share (Yen)	Record date	Effective date
Board of directors meeting on May 1, 2025	Ordinary shares	Retained earnings	15,911	106,073	75.00	March 31, 2025	June 2, 2025

3) Interim dividends for the fiscal year ending March 2026

Resolution	Type of shares	Source of dividends	Expected total amount of dividends (Millions of yen)	Expected total amount of dividends (Thousands of U.S. dollars)	Dividend per share (Yen)	Record date	Effective date
Board of directors meeting on May 1, 2025	Ordinary shares	Retained earnings	17,271	115,140	82.50	September 30, 2025	December 1, 2025

Note:This expected total amount is calculated based on the number of issued shares, excluding treasury stock, as of April 30, 2025, and the final total amount of interim dividends will be the number of such shares as of the record date multiplied by 82.5 yen per share.

20 REVENUE

(1) Disaggregated Revenue

The Group's structure consists of seven business divisions: Automotive Division, Aerospace, Transportation & Infrastructure Division, Energy Solutions & Healthcare Division, Metals, Mineral Resources & Recycling Division, Chemicals Division, Consumer Industry & Agriculture Business Division, and Retail & Consumer Service Division. The Board of Directors regularly reviews this structure in order to decide allocation of management resources and assess its performance. Other departments outside of these divisions–network services, domestic branches, logistics, and insurance services etc.–are included in "others," with the revenue from such recorded and presented as "Revenue."

Revenue for each business division for the years ended March 31, 2024 and March 31, 2025 can be found under "5 SEGMENT INFORMATION (2) Information regarding reportable segments." Product and service categorization is identical to business category.

(2) Receivables from contracts with customers, contract asset, and contract liability

Receivables from contracts with customers refer to any notes receivable and accounts receivable included under trade and other receivables. There is no materiality to the revenue recognized in the reporting period from performance obligations satisfied in previous periods for the years ended March 31, 2024 and March 31, 2025, or contract asset and contract liability as of March 31, 2024 and March 31, 2025. The contract asset is presented in "Trade and other receivables" and contract liability is in "Other current liabilities" and "Other non-current liabilities".

(3) Transaction price allocated to the remaining performance obligations

The following shows the Group's assumed timing for revenue to be recognized in the reporting period from transaction price allocated to the remaining performance obligations as of March 31, 2024 and March 31, 2025.

	Millions of yen			
	Within one year	Between one and five years	Over five years to	Total
Balance as of March 31, 2024	130,948	185,092	265,939	581,979
Balance as of March 31, 2025	**224,727**	**235,458**	**92,837**	**553,022**

	Thousands of U.S. dollars			
	Within one year	Between one and five years	Over five years to	Total
Balance as of March 31, 2025	**1,498,180**	**1,569,720**	**618,913**	**3,686,813**

Among the transaction price allocated to the remaining performance obligations at the end of March 31, 2025, ¥181,045 million (U.S.$1,206,966 thousand) is expected to be terminated due to changes in circumstances after the end of the fiscal year and is not included in the table above. The impact on the profit for the next fiscal year onwards as a result of this change in situation is immaterial.

When a variable consideration is included in the transaction price allocated to the remaining performance obligations, it is included in the transaction price only to the extent that is highly likely that it will not result in a significant reversal of the cumulative amount of recognized revenue when any uncertainty concerning the variable consideration is subsequently resolved.

In addition, since the Group applies practical expedients, agreements for which the initial estimated remaining period is within one year are not included in the above table.

(4) Assets recognized from the cost to obtain or fulfill a contract with a customer

As of March 31, 2024 and March 31, 2025, there were no material assets recognized from the cost to obtain or fulfill a contract with a customer. If the amortization period of the asset that the entity otherwise would have recognized is one year or less, the Group recognizes the additional incremental costs of obtaining a contract as an expense at time of occurrence, as a practical expedient.

21 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The breakdown of selling, general and administrative expenses was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Employee benefit expenses	(128,102)	**(142,958)**	**(953,053)**
Traveling expenses	(6,905)	**(7,746)**	**(51,640)**
Rent expenses	(5,277)	**(5,382)**	**(35,880)**
Depreciation and amortization expenses	(25,977)	**(29,030)**	**(193,533)**
Sales commissions	(5,048)	**(5,425)**	**(36,166)**
Outsourcing expenses	(18,302)	**(20,149)**	**(134,326)**
Packing expenses	(7,537)	**(8,057)**	**(53,713)**
Advertising expenses	(5,955)	**(6,276)**	**(41,840)**
Others	(38,359)	**(44,877)**	**(299,180)**
Total	(241,464)	**(269,903)**	**(1,799,353)**

22 GAIN (LOSS) ON DISPOSAL OF FIXED ASSETS

The breakdown of gain (loss) on disposal of fixed assets was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Gain on sale of property, plant and equipment	1,686	**272**	**1,813**
Gain on sale of intangible assets	141	**34**	**226**
Gain on sale of investment property	793	—	—
Total of gain on sale of fixed assets	2,622	**307**	**2,046**
Loss on sale of property, plant and equipment	(140)	**(460)**	**(3,066)**
Loss on sale of intangible assets	(4)	**(0)**	**(0)**
Total of loss on sale of fixed assets	(144)	**(460)**	**(3,066)**
Loss on retirement of property, plant and equipment	(362)	**(339)**	**(2,260)**
Loss on retirement of intangible assets	(37)	**(38)**	**(253)**
Total of loss on retirement of fixed assets	(399)	**(377)**	**(2,513)**
Total of gain (loss) on disposal of fixed assets, net	2,077	**(531)**	**(3,540)**

23 IMPAIRMENT LOSS

Impairment losses were mainly included in "Impairment loss on fixed assets" and "Loss on reorganization of subsidiaries/associates" in the Consolidated Statement of Profit or Loss. The breakdown of impairment losses by asset type was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Property, plant and equipment	(4,304)	**(128)**	**(853)**
Right-of-use assets	(289)	**(84)**	**(560)**
Goodwill	—	**(936)**	**(6,240)**
Intangible assets	(364)	**(704)**	**(4,693)**
Investment property	(1)	**—**	**—**
Investments accounted for using the equity method	—	**(749)**	**(4,993)**
Others	(22)	**(788)**	**(5,253)**
Total	(4,983)	**(3,393)**	**(22,620)**
Impairment loss on fixed assets	(4,983)	**(918)**	**(6,120)**
Loss on reorganization of subsidiaries/associates ...	—	**(1,742)**	**(11,613)**
Other operating expenses................	—	**(732)**	**(4,880)**
Total	(4,983)	**(3,393)**	**(22,620)**

Impairment losses were applicable to the following segments.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Automotive	(294)	**(124)**	**(826)**
Aerospace, Transportation & Infrastructure	—	**(2)**	**(13)**
Energy Solutions & Healthcare	(3,664)	**(734)**	**(4,893)**
Metals, Mineral Resources & Recycling	(878)	**(329)**	**(2,193)**
Chemicals	—	**(1,141)**	**(7,606)**
Consumer Industry & Agriculture Business	—	**(936)**	**(6,240)**
Retail & Consumer Service	(135)	**(93)**	**(620)**
Others	(10)	**(31)**	**(206)**
Total	(4,983)	**(3,393)**	**(22,620)**

Main impairment losses recognized in the year ended March 31, 2024, included an impairment loss on property, plant and equipment for Sojitz Energy Development Ltd., which is a consolidated subsidiary owning oil and gas interests in the North Sea within the U.K. territory, and is comprised of the Energy Solutions & Healthcare segment, and amounting to ¥3,379 million was recognized. The details are as set forth under "2 Basis of presentation (4) Use of estimates and judgments".

24 GAIN ON REORGANIZATION OF SUBSIDIARIES/ASSOCIATES

The amounts of gain on reorganization of subsidiaries/associates recorded in the year ended March 31, 2024, and the year ended March 31, 2025, were ¥8,073 million and ¥17,253 million (U.S. $115,020 thousand), respectively.

Profit arising from the loss of control over subsidiaries/associates amounted to ¥7,172 million (U.S. $47,813 thousand) in the year ended March 31, 2025. Profit on outstanding investments in former subsidiaries measured at fair value on the date of loss of control over said subsidiaries lacked materiality. These profit in the year ended March 31, 2024, lacked materiality.

25 LOSS ON REORGANIZATION OF SUBSIDIARIES/ASSOCIATES

The breakdown of loss on reorganization of subsidiaries/associates was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Loss on sale of subsidiaries/associates and the like ...	(3,978)	**(598)**	**(3,986)**
Impairment loss	—	**(1,742)**	**(11,613)**
Loss on allowance for doubtful accounts...	(2)	**(3)**	**(20)**
Total	(3,980)	**(2,343)**	**(15,620)**

Loss on sale of subsidiaries/associates and the like in the year ended March 31, 2024, included losses on the sale of the U.S. natural gas-fired power plant business in the Energy Solutions & Healthcare Segment.

26 EXCHANGE DIFFERENCES

Exchange differences recognized as profit or loss for the years ended March 31, 2024 and March 31, 2025 were loss of ¥4,540 million and loss of ¥4,297 million (U.S.$28,646 thousand), respectively, and are included in "Other operating expenses" in the Consolidated Statement of Profit or Loss.　In addition, each amount includes the profit or loss arising from currency-related derivatives, which were arranged for the purpose of hedging the foreign currency risk.

27 FINANCIAL INCOME AND FINANCIAL COSTS

The breakdown of financial income and financial costs was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Financial income			
Interest earned			
Financial assets measured at amortized cost	11,224	**14,609**	**97,393**
Financial assets measured at FVTPL...	655	**110**	**733**
Lease receivables	48	**145**	**966**
Total interest earned	11,928	**14,866**	**99,106**
Dividends received	5,545	**7,375**	**49,166**
Other financial income	684	**744**	**4,960**
Total financial income	18,158	**22,987**	**153,246**
Financial costs			
Interest expenses			
Financial liabilities measured at amortized cost	(22,078)	**(23,743)**	**(158,286)**
Lease liabilities	(1,867)	**(2,422)**	**(16,146)**
Derivatives..	1,343	**1,164**	**7,760**
Interest expenses concerning provisions	(1,403)	**(1,507)**	**(10,046)**
Total interest expenses	(24,006)	**(26,509)**	**(176,726)**
Total financial costs	(24,006)	**(26,509)**	**(176,726)**

Dividends from financial assets measured at FVTOCI are mostly included.

Other than the above, net gain or loss arising from change in the fair value of commodity-related derivatives is included in "Sales of goods" in the Consolidated Statement of Profit or Loss in the net profit of ¥1,429 million for the year ended March 31, 2024 and in the net profit of ¥1,171 million (U.S.$7,806 thousand) for the year ended March 31, 2025.

In addition, net gain or loss arising from change in the fair value of currency-related derivatives is included in "Other operating expenses" and "Other operating income" in the Consolidated Statement of Profit or Loss in the net loss of ¥1,254 million for the year ended March 31, 2024 and in the net profit of ¥814 million (U.S.$5,426 thousand) for the year ended March 31, 2025.

28 EARNINGS PER SHARE

(1) Basic earnings per share and diluted earnings per share

	Yen		U.S. dollars
	2024	**2025**	**2025**
Basic earnings per share	450.97	**513.74**	**3.42**
Diluted earnings per share	450.97	**513.74**	**3.42**

(2) Bases for calculation of basic earnings per share and diluted earnings per share

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Profit used to calculate basic and diluted earnings per share			
Profit for the year, attributable to owners of the parent	100,765	**110,636**	**737,573**
Amount not attributable to ordinary shareholders of the parent	—	—	—
Profit used to calculate basic earnings per share	100,765	**110,636**	**737,573**
Profit adjustment amount			
Adjustment amount concerning share options to be issued by associates	—	—	—
Profit used to calculate diluted earnings per share	100,765	**110,636**	**737,573**

	Thousands of shares	
	2024	**2025**
Weighted average number of ordinary shares to be used to calculate basic and diluted earnings per share		
Weighted average number of ordinary shares used to calculate basic earnings per share	223,441	**215,354**
Effects of dilutive potential ordinary shares	—	—
Weighted average number of ordinary shares used to calculate diluted earnings per share	223,441	**215,354**

29 OTHER COMPREHENSIVE INCOME

The reclassification adjustment amounts and tax effect amounts for the breakdown of each item of other comprehensive income were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Financial assets measured at FVTOCI			
Amount arising during the year	19,614	**(4,754)**	**(31,693)**
Amount before income tax effect	19,614	**(4,754)**	**(31,693)**
Income tax effect	(1,994)	**(1,592)**	**(10,613)**
Financial assets measured at FVTOCI.....................	17,619	**(6,346)**	**(42,306)**
Remeasurements of defined benefit pension plans			
Amount arising during the year	145	**580**	**3,866**
Amount before income tax effect	145	**580**	**3,866**
Income tax effect	6	**(171)**	**(1,140)**
Remeasurements of defined benefit pension plans ...	152	**408**	**2,720**
Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss................			
Amount arising during the year	1,287	**3,636**	**24,240**
Amount before income tax effect	1,287	**3,636**	**24,240**
Income tax effect	(802)	**(1,097)**	**(7,313)**
Share of other comprehensive income of investments accounted for using the equity method	485	**2,538**	**16,920**
Exchange translation differences for foreign operations			
Amount arising during the year	43,169	**(3,830)**	**(25,533)**
Reclassification adjustment amount	(1,400)	**828**	**5,520**
Amount before income tax effect	41,769	**(3,001)**	**(20,006)**
Income tax effect	(2,536)	**1,987**	**13,246**
Exchange translation differences for foreign operations ...	39,232	**(1,014)**	**(6,760)**
Cash flow hedges			
Amount arising during the year	(1,279)	**(2,615)**	**(17,433)**
Reclassification adjustment amount	6	**(1,194)**	**(7,960)**
Amount before income tax effect	(1,272)	**(3,809)**	**(25,393)**
Income tax effect	645	**1,299**	**8,660**
Cash flow hedges	(627)	**(2,510)**	**(16,733)**
Share of other comprehensive income of investments accounted for using the equity method that may be reclassified subsequently to profit or loss...			
Amount arising during the year	14,283	**(678)**	**(4,520)**
Reclassification adjustment amount	(1,415)	**(145)**	**(966)**
Amount before income tax effect	12,867	**(824)**	**(5,493)**
Income tax effect	491	**(6)**	**(40)**
Share of other comprehensive income of investments accounted for using the equity method	13,359	**(831)**	**(5,540)**
Total other comprehensive income for the year	70,222	**(7,756)**	**(51,706)**

30 CASH FLOW INFORMATION

(1) Cash and cash equivalents

The breakdown of cash and cash equivalents and its relationship to the amounts presented in the Consolidated Statement of Financial Position were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Cash on hand and bank deposits except for time deposits with original term of more than three months	196,275	**192,299**	**1,281,993**
Cash and cash equivalents in the Consolidated Statement of Financial Position	196,275	**192,299**	**1,281,993**
Cash and cash equivalents in the Consolidated Statement of Cash Flows	196,275	**192,299**	**1,281,993**

(2) Net proceeds from (payments for) acquisition of subsidiaries

The breakdown of main assets and liabilities of subsidiaries at the time control was obtained by the Group, and the relationship between payments for such acquisition and net payments for or net proceeds from such acquisition, were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Breakdown of assets, at the time the Group obtained control of the subsidiaries			
Current assets	103,773	**39,516**	**263,440**
Non-current assets	103,717	**17,447**	**116,313**
Breakdown of liabilities, at the time the Group obtained control of the subsidiaries			
Current liabilities	54,841	**35,502**	**236,680**
Non-current liabilities	57,304	**5,058**	**33,720**

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Payments for acquisition	(81,738)	**(46,531)**	**(310,206)**
Cash and cash equivalents of assets acquired, at the time the Group obtained control of the subsidiaries	44,106	**5,410**	**36,066**
Net proceeds from (payments for) acquisition of subsidiaries	(37,632)	**(41,121)**	**(274,140)**

(3) Net proceeds from (payments for) sale of subsidiaries

The breakdown of main assets and liabilities of subsidiaries at the time control was lost by the Group, and the relationship between proceeds from such sale and net proceeds from or net payments for such sale, were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Breakdown of assets, at the time the Group lost control of the subsidiaries			
Current assets	12,623	**22,343**	**148,953**
Non-current assets	48,719	**1,529**	**10,193**
Breakdown of liabilities, at the time the Group lost control of the subsidiaries			
Current liabilities	3,105	**8,036**	**53,573**
Non-current liabilities	18,976	**3,607**	**24,046**

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Proceeds from sale	36,523	**10,019**	**66,793**
Cash and cash equivalents of assets excluded, at the time the Group lost control of the subsidiaries	(10,434)	**(5,221)**	**(34,806)**
Net proceeds from (payments for) sale of subsidiaries	26,088	**4,797**	**31,980**

(4) Net cash provided (used) by/in operating activities

Others under cash flows from operating activities for the years ended March 31, 2024, and 2025, include, respectively, ¥8,073 million and ¥17,253 million (U.S.$115,020 thousand) in gain on reorganization of subsidiaries/associates recorded on the consolidated statement of profit or loss.

(5) Net cash provided (used) by/in investing activities

Others under cash flows from investing activities for the year ended March 31, 2024, includes inflows associated with aircraft transactions.

(6) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities were as follows:

	Millions of yen			
	Bonds	Borrowings	Commercial paper	Lease liabilities
Balance as of April 1, 2023	71,634	777,070	35,000	71,409
Changes arising from Cash flows	(10,000)	(27,142)	(35,000)	(17,769)
Changes in the scope of consolidation	—	66,854	—	6,175
Exchange translation differences for foreign operations	246	27,758	—	4,339
New leases	—	—	—	44,396
Others	43	240	—	(3,461)
Non-cash changes	289	94,853	—	51,449
Balance as of March 31, 2024	61,924	844,780	—	105,090

	Millions of yen			
	Bonds	Borrowings	Commercial paper	Lease liabilities
Balance as of April 1, 2024	**61,924**	**844,780**	—	**105,090**
Changes arising from Cash flows	**(8,870)**	**122,483**	**65,000**	**(16,833)**
Changes in the scope of consolidation	—	**9,274**	—	**4,711**
Exchange translation differences for foreign operations	**(48)**	**(6,915)**	—	**(707)**
New leases	—	—	—	**13,215**
Others	**30**	**(1,184)**	—	**(2,897)**
Non-cash changes	**(17)**	**1,174**	—	**14,322**
Balance as of March 31, 2025	**53,035**	**968,437**	**65,000**	**102,578**

	Thousands of U.S. dollars			
	Bonds	Borrowings	Commercial paper	Lease liabilities
Balance as of April 1, 2024	**412,826**	**5,631,866**	—	**700,600**
Changes arising from Cash flows	**(59,133)**	**816,553**	**433,333**	**(112,220)**
Changes in the scope of consolidation	—	**61,826**	—	**31,406**
Exchange translation differences for foreign operations	**(320)**	**(46,100)**	—	**(4,713)**
New leases	—	—	—	**88,100**
Others	**200**	**(7,893)**	—	**(19,313)**
Non-cash changes	**(113)**	**7,826**	—	**95,480**
Balance as of March 31, 2025	**353,566**	**6,456,246**	**433,333**	**683,853**

31 EMPLOYEE BENEFITS

(1) Post-employment benefit

1) General outline of retirement benefit plans

The Company has a defined contribution pension plan, a lump-sum payment plan and a prepaid retirement allowance plan as its retirement benefit plans.

Certain domestic subsidiaries have corporate pension funds and/or lump-sum payment plans that are primarily defined benefit plans. Certain foreign subsidiaries also have defined benefit plans.

Payments by these plans are calculated using criteria including employee rank and salary level.

In some cases, employees receive severance pay upon retirement.

2) Defined benefit plan

(a) Net defined benefit liability (asset)

Changes in the net defined benefit liability (asset) for the years ended March 31, 2024 and March 31, 2025 were as follows.

	Millions of yen		
	Present value of the defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Balance as of April 1, 2023	31,160	(8,581)	22,578
Current service cost	2,176	—	2,176
Interest expense (income)	629	(202)	426
Remeasurements of the net defined benefit liability (asset)	14	(160)	(145)
Past service cost and (gain) loss from settlements	32	—	32
Exchange translation differences for foreign operations	1,434	(446)	988
Employer contributions to the plan	—	(291)	(291)
Benefits paid	(3,023)	692	(2,330)
Business combinations and disposals	(253)	697	443
Others	60	(27)	33
Balance as of March 31, 2024	32,232	(8,320)	23,911
Current service cost	**1,843**	—	**1,843**
Interest expense (income)	**438**	**(228)**	**210**
Remeasurements of the net defined benefit liability (asset)	**(731)**	**151**	**(580)**
Past service cost and (gain) loss from settlements	**33**	—	**33**
Exchange translation differences for foreign operations	**(289)**	**51**	**(238)**
Employer contributions to the plan	—	**(230)**	**(230)**
Benefits paid	**(2,770)**	**697**	**(2,073)**
Business combinations and disposals	**43**	—	**43**
Others	**43**	**(6)**	**36**
Balance as of March 31, 2025	**30,841**	**(7,884)**	**22,956**

	Thousands of U.S. dollars		
	Present value of the defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Balance as of March 31, 2024	**214,880**	**(55,466)**	**159,406**
Current service cost	**12,286**	—	**12,286**
Interest expense (income)	**2,920**	**(1,520)**	**1,400**
Remeasurements of the net defined benefit liability (asset)	**(4,873)**	**1,006**	**(3,866)**
Past service cost and (gain) loss from settlements	**220**	—	**220**
Exchange translation differences for foreign operations	**(1,926)**	**340**	**(1,586)**
Employer contributions to the plan	—	**(1,533)**	**(1,533)**
Benefits paid	**(18,466)**	**4,646**	**(13,820)**
Business combinations and disposals	**286**	—	**286**
Others	**286**	**(40)**	**240**
Balance as of March 31, 2025	**205,606**	**(52,560)**	**153,040**

(b) Fair value of plan assets

The fair value of plan assets at March 31, 2024 was as follows.

	Millions of yen	
	Plan assets with a quoted market price in an active market	Plan assets without a quoted market price in an active market
Equity instruments	0	484
Debt instruments	8	6,348
Cash and cash equivalents	435	—
General accounts of life insurance companies	—	710
Others	—	333
Total	444	7,876

The fair value of plan assets at March 31, 2025 was as follows.

	Millions of yen	
	Plan assets with a quoted market price in an active market	Plan assets without a quoted market price in an active market
Equity instruments	**412**	—
Debt instruments	**8**	**5,524**
Cash and cash equivalents	**41**	—
General accounts of life insurance companies	—	**1,788**
Others	—	**109**
Total	**461**	**7,422**

	Thousands of U.S. dollars	
	Plan assets with a quoted market price in an active market	Plan assets without a quoted market price in an active market
Equity instruments	**2,746**	—
Debt instruments	**53**	**36,826**
Cash and cash equivalents	**273**	—
General accounts of life insurance companies	—	**11,920**
Others	—	**726**
Total	**3,073**	**49,480**

(c) Significant actuarial assumption

	2024	**2025**
Discount rate	2.4%	**2.8%**
The expected rate of salary increase............	2.9%	**2.7%**

(d) Sensitivity analysis

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Increase in the defined benefit obligation with a 50-basis-point decrease in the discount rate	1,773	**1,367**	**9,113**
Decrease in the defined benefit obligation with a 50-basis-point increase in the discount rate	(1,197)	**(985)**	**(6,566)**

(e) Maturity profile for the defined benefit obligation

The weighted average duration of the defined benefit obligation for the years ended March 31, 2024 and March 31, 2025 was 9.7 years and 9.4 years, respectively.

(f) Expected contribution to the plan for the year ending March 31, 2026

The Group expects to contribute ¥264 million (U.S.$ 1,760 thousand) to plan assets for the year ending March 31, 2026.

3) Defined contribution plan

Expenses recognized for the defined contribution plan for the years ended March 31, 2024 and March 31, 2025 were ¥2,408 million and ¥3,066 million (U.S.$ 20,440 thousand), respectively.

4) Multi-employer plans

Expenses recognized for multi-employer defined contribution plans for the years ended March 31, 2024 and March 31, 2025 were ¥17 million and ¥282 million (U.S.$ 1,880 thousand), respectively.

(2) Employee benefit expenses

Employee benefit expenses recognized for the years ended March 31, 2024 and March 31, 2025 were ¥154,963 million and ¥175,064 million (U.S.$ 1,167,093 thousand), respectively.

Employee benefit expenses are included in "Cost of sales" and "Selling, general and administration expenses" in the Consolidated Statement of Profit or Loss.

32 DEFERRED TAXES AND INCOME TAX EXPENSES

(1) Deferred taxes

1) Breakdown of deferred tax assets and deferred tax liabilities

The components of deferred tax assets and deferred tax liabilities as of March 31, 2024 and March 31, 2025 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Deferred tax assets			
Allowance for doubtful receivables	3,210	**3,135**	**20,900**
Tax losses carried forward	17,551	**17,692**	**117,946**
Other investments	11,504	**8,355**	**55,700**
Retirement benefits liabilities	5,024	**4,851**	**32,340**
Property, plant and equipment, Intangible assets, Investment property ...	775	**712**	**4,746**
Lease liabilities	26,773	**26,330**	**175,533**
Others	32,211	**33,919**	**226,126**
Total deferred tax assets	97,052	**94,996**	**633,306**
Offset with deferred tax liabilities	(85,574)	**(85,251)**	**(568,340)**
Total deferred tax assets, net	11,478	**9,744**	**64,960**
Deferred tax liabilities			
Property, plant and equipment, Intangible assets, Investment property ...	(33,172)	**(34,422)**	**(229,480)**
Other investments	(22,176)	**(23,130)**	**(154,200)**
Right-of-use assets	(25,442)	**(24,915)**	**(166,100)**
Others	(42,875)	**(40,736)**	**(271,573)**
Total deferred tax liabilities	(123,667)	**(123,205)**	**(821,366)**
Offset with deferred tax assets	85,574	**85,251**	**568,340**
Total deferred tax liabilities, net	(38,093)	**(37,954)**	**(253,026)**
Net deferred tax assets	(26,614)	**(28,209)**	**(188,060)**

2) Contents of changes in deferred tax assets and deferred tax liabilities

Contents of changes in deferred tax assets and deferred tax liabilities were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Net deferred tax assets' balance at beginning of year	(19,432)	**(26,614)**	**(177,426)**
Deferred tax expenses	4,432	**(1,350)**	**(9,000)**
Income tax concerning other comprehensive income	(5,512)	**2,146**	**14,306**
Change in consolidation scope	(6,229)	**(2,499)**	**(16,660)**
Others	127	**108**	**720**
Net deferred tax assets' balance at end of year	(26,614)	**(28,209)**	**(188,060)**

3) Deductible temporary differences, unused tax losses carried forward and tax credits carried forward, all for which deferred tax assets were not recognized

The breakdown of deductible temporary differences, unused tax losses carried forward (by expiry date) and unused tax credits carried forward (by expiry date), all for which deferred tax assets were not recognized in the Consolidated Statement of Financial Position were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Deductible temporary differences	218,540	**187,841**	**1,252,273**
Unused tax losses carried forward			
Within one year to the expiry date	3,949	**2,267**	**15,113**
Between one and five years to the expiry date	11,690	**17,171**	**114,473**
Over five years to the expiry date	32,282	**32,832**	**218,880**
Total tax losses carried forward	47,922	**52,271**	**348,473**
Unused tax credits carried forward			
Between one and five years to the expiry date	998	**1,470**	**9,800**
Total tax credits carried forward..........	998	**1,470**	**9,800**

4) Temporary differences associated with investments in subsidiaries and the like for which deferred tax liabilities were not recognized

The total amounts of temporary differences associated with investments in subsidiaries and the like for which deferred tax liabilities were not recognized as of March 31, 2024 and March 31, 2025 were ¥155,970 million and ¥162,149 million (U.S.$ 1,080,993 thousand), respectively. Because the Group is able to control the timing of the reversal of such temporary differences, and it is probable that such temporary differences will not be reversed within the foreseeable future, the Group did not recognize deferred tax liabilities with respect to such temporary differences.

(2) Income tax expenses

1) Breakdown of income tax expenses

The breakdown of income tax expenses was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Current tax expenses	(26,869)	**(19,751)**	**(131,673)**
Deferred tax expenses			
Origination and reversal of temporary differences	(6,093)	**(7,229)**	**(48,193)**
Assessment of recoverability of deferred tax assets	10,524	**5,769**	**38,460**
Change in tax rate	1	**109**	**726**
Total deferred tax expenses	4,432	**(1,350)**	**(9,000)**
Total income tax expenses	(22,437)	**(21,101)**	**(140,673)**

The amounts of the benefits arising from previously unrecognized tax losses or temporary differences of a prior period that were used to reduce current tax expenses for the years ended March 31, 2024 and March 31, 2025 were ¥12,335 million and ¥7,572 million (U.S.$ 50,480 thousand), respectively, and these benefits were included in the current tax expenses.

The income tax arising from the tax laws enacted to implement the Global Anti-Base Erosion Model Rules (Pillar Two) published by the Organisation for Economic Co-operation and Development (OECD) is included in " Income tax expenses " in the Consolidated Statement of Profit or Loss for the year ended March 31, 2025, and the amount was immaterial.

2) Reconciliation of applicable tax rate in Japan

Reconciliations between the applicable tax rate in Japan and the Group's average effective tax rate were as follows.

	2024	**2025**
Applicable tax rate in Japan	30.6%	**30.6%**
(Reconciliation)		
Effects based on assessment of recoverability of deferred tax assets	(8.4)%	**(4.3)%**
Effects associated with consolidated elimination of dividend income	1.4%	**0.3%**
Effects from share of profit (loss) of investments accounted for using the equity method	(8.7)%	**(10.6)%**
Difference in applicable tax rate of foreign subsidiaries	(4.2)%	**(4.0)%**
Combined income of specified foreign subsidiaries or the like	0.1%	**0.8%**
Withholding tax in foreign countries	1.3%	**1.3%**
Correction of tax rate reduction	0.0%	**(0.1)%**
Others	5.8%	**1.6%**
Group's average effective tax rate	17.9%	**15.6%**

The applicable tax rate in Japan for the year ended March 31, 2025 was approximately 30.6% based on Japan's corporate tax, inhabitant tax and business tax.

33 FINANCIAL INSTRUMENTS

(1) Classes of financial instruments

The breakdown of financial instruments per class was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Financial assets			
Financial assets measured at amortized cost			
Cash and cash equivalents/time deposits	209,414	**199,182**	**1,327,880**
Trade and other receivables	690,434	**726,920**	**4,846,133**
Other investments	828	**811**	**5,406**
Total financial assets measured at amortized cost ..	900,676	**926,914**	**6,179,426**
Financial assets measured at FVTPL			
Other investments	9,395	**11,772**	**78,480**
Derivative financial assets	6,667	**4,379**	**29,193**
Total financial assets measured at FVTPL	16,063	**16,151**	**107,673**
Financial assets measured at FVTOCI			
Other investments	120,681	**122,054**	**813,693**
Total financial assets measured at FVTOCI	120,681	**122,054**	**813,693**
Total financial assets	1,037,421	**1,065,120**	**7,100,800**
Financial liabilities			
Financial liabilities measured at amortized cost			
Trade and other payables	672,807	**609,153**	**4,061,020**
Bonds and borrowings	888,110	**1,064,742**	**7,098,280**
Total financial liabilities measured at amortized cost	1,560,917	**1,673,895**	**11,159,300**
Financial liabilities measured at FVTPL			
Derivative financial liabilities	5,238	**6,265**	**41,766**
Total financial liabilities measured at FVTPL	5,238	**6,265**	**41,766**
Total financial liabilities	1,566,156	**1,680,161**	**11,201,073**

(2) Basic policies for risk management of financial instruments

The Group is an integrated trading company engaged in a wide range of business activities on a global basis. Its headquarters includes business sections that handle merchandising, trading, product manufacturing, services, project planning and management, investments and financing activities, both domestically and internationally. Such businesses are inherently exposed to various risks. The Group defines and classifies risks per risk item and manages each of them in accordance with its nature.

(3) Credit risk management

The Group assumes credit risk by extending credit to many domestic and foreign customers through a variety of commercial transactions. The Group mitigates such credit risk by objectively assigning credit ratings to the customers to which it extends credit based on the Company's credit rating system. The Group also controls credit risk by setting rating-based credit limits on a customer-by-customer basis and enforcing the credit limits thus set. The Group employs other safeguards (e.g., collaterals and guarantees) as warranted by the customer's creditworthiness. Additionally, the Group has a system for assessing receivables, in which customers are extracted based on certain criteria, then assessed for their creditworthiness. With respect to such selected customers, the Group also checks for existence of any receivables, protection measures or the like. Through the above, the Group endeavors to more rigorously ascertain credit risk and calculate the allowance for doubtful accounts for each account receivable. Please note that the Group does not carry any excessive credit risk with respect to any specified customer.

In regards to derivative transactions, the Group only deals with financial institutions with high credit ratings, as assigned by internationally-acknowledged rating agencies, so as to minimize the credit risks. The Group endeavors to minimize credit risks based on non-performance by counterparties in such derivative transactions.

1) Maximum exposure to credit risk

Other than guaranteed obligations, the Group's maximum exposure with respect to credit risks without taking into account any collaterals held or other credit enhancements is the carrying amount of financial instruments less impairment losses under the Consolidated Statement of Financial Position. On the other hand, the Group's maximum exposures to credit risks concerning guaranteed obligations as of March 31, 2024 and March 31, 2025 were ¥43,963 million and ¥48,726 million (U.S.$ 324,840 thousand), respectively.

2) Increases/decreases in allowance for doubtful accounts and the carrying amount of financial assets

The following shows the carrying amount of trade and other receivables (applying the simplified approach).

2024

	Millions of yen		
	Financial assets other than credit impaired financial assets	Credit impaired financial assets	Total
Trade and other receivables (Note)	586,064	59,862	645,927

(Note) Trade and other receivables applied the simplified approach primarily consist of notes receivable and accounts receivable.

2025

	Millions of yen		
	Financial assets other than credit impaired financial assets	Credit impaired financial assets	Total
Trade and other receivables (Note)	**627,878**	**63,186**	**691,065**

2025

	Thousands of U.S. dollars		
	Financial assets other than credit impaired financial assets	Credit impaired financial assets	Total
Trade and other receivables (Note)	**4,185,853**	**421,240**	**4,607,100**

(Note) Trade and other receivables applied the simplified approach primarily consist of notes receivable and accounts receivable.

The carrying amount of financial assets other than credit impaired financial assets mostly includes receivables from customers/clients whose internal credit rating is "normal," whereas the carrying amount of credit impaired financial assets mostly includes customers/clients whose internal credit rating is "doubtful" or "in bankruptcy or rehabilitation."
There are no remarkable changes in carrying amount which could impact allowance for doubtful accounts for the year ended March 31, 2024, and March 31, 2025.

The following shows increases/decreases in allowance for doubtful accounts against trade and other receivables applied the simplified approach.

2024

	Millions of yen		
	Allowance for doubtful accounts against financial assets other than credit impaired financial assets	Allowance for doubtful accounts against credit impaired financial assets	Total
Balance as of April 1, 2023 based on IFRS 9	472	52,235	52,707
Reclassified as allowance for doubtful accounts against credit impaired financial assets	(0)	0	—
Increase	140	296	437
Decrease (incurred and charged against allowance)	(0)	(1,215)	(1,216)
Decrease (unused amounts reversed)	(78)	(8)	(87)
Others (Note)	208	5,346	5,555
Balance as of March 31, 2024 based on IFRS 9	741	56,654	57,396

(Note) "Others" mostly includes impact from foreign currency translation.

2025

	Millions of yen		
	Allowance for doubtful accounts against financial assets other than credit impaired financial assets	Allowance for doubtful accounts against credit impaired financial assets	Total
Balance as of April 1, 2024 based on IFRS 9	**741**	**56,654**	**57,396**
Increase	**25**	**1,382**	**1,407**
Decrease (incurred and charged against allowance)	**(6)**	**(81)**	**(87)**
Decrease (unused amounts reversed)	**(209)**	**(221)**	**(430)**
Others (Note)	**(6)**	**39**	**32**
Balance as of March 31, 2025 based on IFRS 9	**543**	**57,773**	**58,317**

2025

	Thousands of U.S. dollars		
	Allowance for doubtful accounts against financial assets other than credit impaired financial assets	Allowance for doubtful accounts against credit impaired financial assets	Total
Balance as of April 1, 2024 based on IFRS 9	**4,940**	**377,693**	**382,640**
Increase	**166**	**9,213**	**9,380**
Decrease (incurred and charged against allowance)	**(40)**	**(540)**	**(580)**
Decrease (unused amounts reversed)	**(1,393)**	**(1,473)**	**(2,866)**
Others (Note)	**(40)**	**260**	**213**
Balance as of March 31, 2025 based on IFRS 9	**3,620**	**385,153**	**388,780**

(Note) "Others" mostly includes impact from foreign currency translation.

The following shows the carrying amount for trade and other receivables applied the general approach.

2024

	Millions of yen			
		Lifetime expected credit loss		
	12 months expected credit loss	Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	Total
Trade and other receivables (Note)	112,825	81	7,580	120,486

(Note) Trade and other receivables applied the general approach primarily consist of loan receivable.

2025

	Millions of yen			
		Lifetime expected credit loss		
	12 months expected credit loss	Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	Total
Trade and other receivables (Note)	**119,112**	**107**	**5,864**	**125,084**

2025

	Thousands of U.S. dollars			
		Lifetime expected credit loss		
	12 months expected credit loss	Financial assets that have experienced a significant increase in credit risk	Credit impaired financial assets	Total
Trade and other receivables (Note)	**794,080**	**713**	**39,093**	**833,893**

(Note) Trade and other receivables applied the general approach primarily consist of loan receivable.

The carrying amount of financial assets for which allowance for doubtful accounts is measured based on 12 months expected credit loss includes receivables from customers/clients whose internal credit rating is "normal."
Among financial assets for which allowance for doubtful accounts has been measured based on lifetime expected credit loss, the carrying amount of financial assets that have experienced a significant increase in credit risk includes receivables from customers/clients whose internal credit rating is "cautious," and the carrying amount of credit impaired financial assets includes receivables from customers/clients whose internal credit rating is "doubtful" or "in bankruptcy or rehabilitation."
There are no remarkable changes in carrying amount which could impact allowance for doubtful accounts for the year ended March 31, 2024, and March 31, 2025, respectively.

The following shows increases/decreases in allowances for doubtful accounts against trade and other receivables applied the general approach.

2024

	Millions of yen			
		Lifetime expected credit loss		
	12 months expected credit loss	Allowance for doubtful accounts against financial assets that have experienced a significant increase in credit risk	Allowance for doubtful accounts against credit impaired financial assets	Total
Balance as of April 1, 2023 based on IFRS 9	45	0	4,242	4,287
Reclassified as Allowance for doubtful accounts against financial assets that have experienced a significant increase in credit risk	(0)	0	—	—
Increase	5	—	450	456
Decrease (incurred and charged against provisions)	(0)	—	(193)	(193)
Decrease (unused amounts reversed)	(0)	—	(457)	(458)
Others (Note)	3	(0)	1,079	1,082
Balance as of March 31, 2024 based on IFRS 9	52	0	5,121	5,174

(Note) "Others" mostly includes impact from foreign currency translations.

2025

	Millions of yen			
		Lifetime expected credit loss		
	12 months expected credit loss	Allowance for doubtful accounts against financial assets that have experienced a significant increase in credit risk	Allowance for doubtful accounts against credit impaired financial assets	Total
Balance as of April 1, 2024 based on IFRS 9	**52**	**0**	**5,121**	**5,174**
Increase	**34**	—	**25**	**59**
Decrease (incurred and charged against provisions)	**(0)**	—	**(407)**	**(407)**
Decrease (unused amounts reversed)	**(8)**	—	**(444)**	**(452)**
Others (Note)	**(1)**	**(0)**	**(242)**	**(243)**
Balance as of March 31, 2025 based on IFRS 9	**77**	**0**	**4,053**	**4,130**

2025	Thousands of U.S. dollars			
		Lifetime expected credit loss		
	12 months expected credit loss	Allowance for doubtful accounts against financial assets that have experienced a significant increase in credit risk	Allowance for doubtful accounts against credit impaired financial assets	Total
Balance as of April 1, 2024 based on IFRS 9	**346**	**0**	**34,140**	**34,493**
Increase	**226**	—	**166**	**393**
Decrease (incurred and charged against provisions)	**(0)**	—	**(2,713)**	**(2,713)**
Decrease (unused amounts reversed)	**(53)**	—	**(2,960)**	**(3,013)**
Others (Note)	**(6)**	**(0)**	**(1,613)**	**(1,620)**
Balance as of March 31, 2025 based on IFRS 9	**513**	**0**	**27,020**	**27,533**

(Note) "Others" mostly includes impact from foreign currency translations.

(4) Liquidity risk management

The Group raises funds through borrowings from financial institutions or issuance of bonds. Accordingly, in the event of a disruption to financial markets or a significant downgrade to the Group's credit rating by one or more rating agencies, the Group's ability to raise funds may become more restricted, and consequently the Group may not be able to make payments on debt by the due date. To provide additional financial flexibility and liquidity, the Group maintains long-term Commitment Lines of ¥100 billion (not used) and U.S.$2.575 billion (U.S.$1.154 billion used). The Group maintains good relationships with financial institutions, including the counterparties to these commitment line agreements.

1) Non-derivative financial liabilities

The breakdown of non-derivative financial liabilities by due date was as follows. Lease liabilities are presented in “35 LEASES.”

2024

	Millions of yen			
	Within one year	Between one and five years	Over five years	Total
Trade and other payables	663,073	4,524	5,209	672,807
Bonds and borrowings	200,537	413,720	323,762	938,019
Total	863,611	418,244	328,971	1,610,827

2025

	Millions of yen			
	Within one year	Between one and five years	Over five years	Total
Trade and other payables	**596,438**	**6,280**	**6,433**	**609,153**
Bonds and borrowings	**232,763**	**561,283**	**335,217**	**1,129,264**
Total	**829,202**	**567,564**	**341,651**	**1,738,417**

2025

	Thousands of U.S. dollars			
	Within one year	Between one and five years	Over five years	Total
Trade and other payables	**3,976,253**	**41,866**	**42,886**	**4,061,020**
Bonds and borrowings	**1,551,753**	**3,741,886**	**2,234,780**	**7,528,426**
Total	**5,528,013**	**3,783,760**	**2,277,673**	**11,589,446**

Other than the above, the guarantees for obligations as March 31, 2024 and March 31, 2025 were ¥43,963 million and ¥48,726 million (U.S.$324,840 thousand), respectively.

2) Derivatives

The breakdown of derivatives by due date was as follows.

2024

	Millions of yen			
	Within one year	Between one and five years	Over five years	Total
Currency-related derivatives				
Cash inflows	394,318	52,422	—	446,740
Cash outflows	(395,263)	(52,690)	—	(447,953)
Subtotal	(944)	(267)	—	(1,212)
Interest rate-related derivatives	796	635	(146)	1,286
Commodity-related derivatives	1,424	—	—	1,424
Total	1,276	367	(146)	1,498

2025

	Millions of yen			
	Within one year	Between one and five years	Over five years	Total
Currency-related derivatives				
Cash inflows	**274,233**	**25,553**	—	**299,786**
Cash outflows	**(275,017)**	**(26,767)**	—	**(301,784)**
Subtotal	**(783)**	**(1,214)**	—	**(1,997)**
Interest rate-related derivatives	**130**	**(295)**	**(901)**	**(1,066)**
Commodity-related derivatives	**1,179**	**(79)**	—	**1,100**
Total	**526**	**(1,588)**	**(901)**	**(1,963)**

2025

	Thousands of U.S. dollars			
	Within one year	Between one and five years	Over five years	Total
Currency-related derivatives				
Cash inflows	**1,828,220**	**170,353**	—	**1,998,573**
Cash outflows	**(1,833,446)**	**(178,446)**	—	**(2,011,893)**
Subtotal	**(5,220)**	**(8,093)**	—	**(13,313)**
Interest rate-related derivatives	**866**	**(1,966)**	**(6,006)**	**(7,106)**
Commodity-related derivatives	**7,860**	**(526)**	—	**7,333**
Total	**3,506**	**(10,586)**	**(6,006)**	**(13,086)**

(5) Market risk management

The Group is exposed to market risks, such as exchange rate fluctuation risk associated with transactions denominated in foreign currencies in connection with international trade or business investments, interest rate fluctuation risk associated with financing, investments or the like, commodity price fluctuation risk associated with purchase and sale agreements/commodity inventories arising from operating activities and price fluctuation risk associated with the ownership of listed securities (i.e., stock price fluctuation risk). The Group's basic policy is to minimize such market risks by matching assets and liabilities (e.g., long and short commodity exposures) and through hedge transactions, such as forward exchange transactions, commodity futures/forward transactions and interest rate swaps.

1) Exchange rate fluctuation risk

(a) Content of, and policy for managing, exchange rate fluctuation risk

The Group engages in import and export transactions and offshore transactions, both denominated in foreign currencies, as its principal business activity. Whereas the revenues and expenditures associated with such transactions are mainly received/paid out in foreign currencies, the Group's consolidated reporting currency is Japanese yen. The Group is, therefore, exposed to the risk of fluctuations in the yen's value against foreign currencies. To prevent or limit losses stemming from such risk, the Group hedges its foreign currency exposure through forward exchange transactions or the like.

(b) Sensitivity analysis of exchange rate fluctuation risk

At the end of the year ended March 31, 2024, and the year ended March 31, 2025, the estimated impact on profit before income taxes and other comprehensive income (before tax effect adjustments), assuming a 1% appreciation of the Japanese yen against the U.S. dollar with respect to financial instruments held by the Group, is as follows. Such analysis is based on the assumption that other factors remain constant.

In addition, such analysis does not include the affected amounts based on translations (into Japanese yen) of financial instruments denominated in functional currency, income and expenses denominated in foreign currency and assets and liabilities of foreign operations.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Profit before tax			
U.S. dollar	642	**363**	**2,420**
Other comprehensive income			
U.S. dollar	593	**276**	**1,840**

2) Interest rate fluctuation risk

(a) Content of and policy for managing interest rate fluctuation risk

The Group raises funds by borrowing from financial institutions and issuing bonds to acquire fixed assets, invest in securities, and extend credit (e.g., through trade receivables). Asset and liability items are categorized based on whether or not they are sensitive to interest rate changes, with the difference between the value of sensitive assets and sensitive liabilities used to determine an interest rate mismatch value. Based on this amount, the ratios of funds procured from fixed-rate sources and variable-rate sources are adjusted to better manage interest rate fluctuation risks.

(b) Sensitivity analysis of interest rate fluctuation risk

In regards to financial instruments held by the Group as of March 31, 2024 and March 31, 2025, the following chart shows the amount affecting profit before tax, as reported in the Consolidated Financial Statements, in the case that the interest rate increases by 1%. Such analysis is based on the assumption that other factors remain constant.

Under such analysis, the amount affecting profit before tax is calculated by multiplying the net balance of the financial instruments affected by the interest rate fluctuation at the fiscal year-end by 1%. Please note that other than financial instruments with floating rates (considering fixing and floating interest rates through interest rate swaps), the Group deals with, among others, the following financial instruments that are also affected by interest rate fluctuations: cash and cash equivalents; trade notes and accounts receivable; and, trade notes and accounts payable.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Profit before tax	(665)	**(703)**	**(4,686)**

3) Commodity price fluctuation risk

(a) Content of, and policies for managing, commodity price fluctuation risk

As a general trading company, the Group deals in a wide range of commodities through its various businesses. As such, the Group is exposed to commodity price risk due to price fluctuations or the like. For market-traded commodities, the Group manages exposures and controls losses by setting (long and short) position limits and maximum loss amounts (MLA) for each of its organizational units. The Group also prescribes and enforces stop-loss rules (i.e., an internal organizational unit must promptly liquidate losing positions within the range of MLA if unit losses, including valuation losses, exceed 90% of MLA). The positions of each product are monitored, and measures are implemented to control levels as appropriate based on division-specific analyses of movements.

(b) Sensitivity analysis of commodity price fluctuation risk

At the end of the year ended March 31, 2024, and the year ended March 31, 2025, the estimated impact on profit before tax, assuming a 1% decline in the commodity prices of metal-related derivatives held by the Group is as follows. Such analysis is based on the assumption that other factors remain constant. The amounts affecting profit before tax due to other commodity price fluctuations are not material.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Profit before tax	(309)	**(306)**	**(2,040)**

4) Stock price fluctuation risk

(a) Content of, and policies for managing, stock price fluctuation risk

The Group has held marketable securities and is exposed to the risk of market price fluctuations. In regards to listed shares held by the Group, the Group quantitatively verifies whether the dividends received and related earnings exceed the cost of capital (WACC). Additionally, the Group scrutinizes the qualitative aspects to determine if they contribute to the enhancement of our corporate value and intends to continue to confirm the holding purpose for all holdings for listed shares.

(b) Sensitivity analysis of stock price fluctuation risk

At the end of the year ended March 31, 2024, and the year ended March 31, 2025, the estimated impact on other comprehensive income (before tax effect adjustments), assuming a 1% decline in the market value of listed stocks held by the Group is as follows. Such analysis is based on the assumption that other factors remain constant.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Other comprehensive income	(716)	**(650)**	**(4,333)**

(6) Fair values of financial instruments

The fair values of financial instruments were as follows.

As set forth under "2 BASIS OF PRESENTATION (4) Use of estimates and judgments," fair values are categorized into three levels in a fair value hierarchy based on the inputs used in the valuation techniques.

1) Financial assets and liabilities measured at amortized cost

	Millions of yen				Thousands of U.S. dollars	
	2024		**2025**		**2025**	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Trade and other receivables						
Trade notes and accounts receivable ..	544,413	544,317	**579,592**	**579,571**	**3,863,946**	**3,863,806**
Total	544,413	544,317	**579,592**	**579,571**	**3,863,946**	**3,863,806**
Financial liabilities						
Trade and other payables						
Trade notes and accounts payable	529,678	529,678	**481,066**	**481,066**	**3,207,106**	**3,207,106**
Bonds and borrowings						
Bonds payable (including current portion) ..	61,924	60,655	**53,035**	**50,882**	**353,566**	**339,213**
Long-term loans (including current portion) ..	724,610	707,957	**853,915**	**821,478**	**5,692,766**	**5,476,520**
Total	1,316,213	1,298,291	**1,388,017**	**1,353,427**	**9,253,446**	**9,022,846**

The fair values stated above are calculated as follows.

(a) Trade notes and accounts receivable

Each receivable is categorized by period, and its fair value is the present value of future cash flows discounted by an interest rate that reflects time to maturity and credit risk.

(b) Trade notes and accounts payable

Each payable is categorized by period, and its fair value is the present value of future cash flows discounted by an interest rate that reflects time to maturity and credit risk.

(c) Bonds and borrowings

The fair value of bonds payable is the market price when available.

The fair value of long-term loans is the present value of total principal and interest discounted using an assumed interest rate on equivalent new borrowings.

Financial assets and liabilities measured at amortized cost are categorized within fair value hierarchy Level 2.

Purchase commitments for non-controlling interests' shares are not included in the table above. The total amounts of such liabilities included in “Other current liabilities” and “Other non-current liabilities” in the years ended March 31, 2024, and the years ended March 31, 2025, were ¥3,245 million and ¥5,584million (U.S.$37,226 thousand), respectively, and the fair value and carrying amount of these liabilities were approximately the same.

2) Financial assets and liabilities measured at fair value

1. Analysis of fair value by hierarchy level

The following tables provide analysis by level reflecting the significance of inputs used when measuring fair value for financial assets and financial liabilities in the Consolidated Statement of Financial Position that are measured at fair value. Financial assets and liabilities measured at fair value on a non-recurring basis are not included.

2024

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Other investments				
Financial assets measured at FVTPL ...	—	388	9,007	9,395
Financial assets measured at FVTOCI..	71,667	—	49,014	120,681
Derivative financial assets	320	6,347	—	6,667
Total	71,987	6,735	58,021	136,745
Financial Liabilities				
Derivative financial liabilities	(238)	(4,999)	—	(5,238)
Total	(238)	(4,999)	—	(5,238)

2025

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Other investments				
Financial assets measured at FVTPL..	—	**449**	**11,322**	**11,772**
Financial assets measured at FVTOCI..	**65,086**	—	**56,968**	**122,054**
Derivative financial assets	**324**	**4,054**	—	**4,379**
Total	**65,410**	**4,504**	**68,290**	**138,205**
Financial Liabilities				
Derivative financial liabilities	**(343)**	**(5,845)**	**(76)**	**(6,265)**
Total	**(343)**	**(5,845)**	**(76)**	**(6,265)**

2025

	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Other investments				
Financial assets measured at FVTPL..	—	**2,993**	**75,480**	**78,480**
Financial assets measured at FVTOCI ..	**433,906**	—	**379,786**	**813,693**
Derivative financial assets	**2,160**	**27,026**	—	**29,193**
Total	**436,066**	**30,026**	**455,266**	**921,366**
Financial Liabilities				
Derivative financial liabilities	**(2,286)**	**(38,966)**	**(506)**	**(41,766)**
Total	**(2,286)**	**(38,966)**	**(506)**	**(41,766)**

The fair values stated above are calculated as follows.

(a) Other investments

The fair value of listed shares is the quoted price on an exchange, and is categorized within fair value hierarchy Level 1. The fair value of unlisted shares is calculated using valuation methods including discounted future cash flow, market prices of comparable companies, net asset value, and other valuation methods, and is categorized within fair value hierarchy Level 3. Measuring the fair value of unlisted shares involves the use of unobservable inputs such as discount rate and valuation multiples, as well as any necessary adjustments including discounts for a lack of liquidity or a non-controlling interest. The Group's corporate departments determine the policies and procedures for measuring the fair value of unlisted shares, and validate their approach to measuring fair value, including the valuation model, by periodically confirming issues such as the operating circumstances associated with particular equities, the availability of relevant business plans, and data from comparable public companies.

(b) Derivative financial assets and liabilities

The main fair values by type are calculated as follows.

Currency-related derivatives

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

Interest rate-related derivatives

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

Commodity-related derivatives

The fair value of commodity futures transactions is calculated mainly using final prices on commodities exchanges as of the fiscal year-end. The fair values of commodity forward transactions, commodity option transactions and commodity swap transactions are calculated based on the index prices publicly announced at the fiscal year-end.The fair value of electricity-related derivatives are calculated based on the discounted present value of future cash flows, which incorporate forecasts of electricity generation volumes and market prices.

Commodity futures transactions are categorized within fair value hierarchy Level 1. Share forward transactions are categorized within fair value hierarchy Level 3. All other derivative financial assets and liabilities are categorized within fair value hierarchy Level 2.

2. Recurring fair value measurements categorized within fair value hierarchy Level 3

The increases/decreases in financial assets and liabilities that are measured at fair value on a recurring basis and are categorized within fair value hierarchy Level 3 were as follows.

	Millions of yen						Thousands of U.S. dollars		
	2024			**2025**			**2025**		
	Other investments			Other investments			Other investments		
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Total	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Total	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Total
Balance at beginning of year	10,306	50,434	60,741	**9,007**	**49,014**	**58,021**	**60,046**	**326,760**	**386,806**
Total gains or losses									
Profit or loss	33	—	33	**(111)**	—	**(111)**	**(740)**	—	**(740)**
Other comprehensive income	—	845	845	—	**999**	**999**	—	**6,660**	**6,660**
Purchases	2,251	1,748	3,999	**2,560**	**8,212**	**10,773**	**17,066**	**54,746**	**71,820**
Disposals and settlements	(3,774)	(4,554)	(8,328)	**(21)**	**(683)**	**(704)**	**(140)**	**(4,553)**	**(4,693)**
Others	190	539	729	**(113)**	**(575)**	**(688)**	**(753)**	**(3,833)**	**(4,586)**
Balance at end of year ..	9,007	49,014	58,021	**11,322**	**56,968**	**68,290**	**75,480**	**379,786**	**455,266**

Gains or losses recognized as profit or loss are included in "Other financial income" in the Consolidated Statement of Profit or Loss. Total gains recognized as profit or loss included profits of ¥346 million and loss of ¥(111) million (U.S.$(740) thousand) on financial instruments held as of the years ended March 31, 2024 and March 31, 2025, respectively.

Gains or losses recognized in other comprehensive income are included in "Financial assets measured at FVTOCI" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

In addition to the above, derivative financial liabilities increased by ¥76 million (U.S.$506 thousand) for the current fiscal year, mainly due to acquisitions through business combinations.

(7) Financial assets measured at FVTOCI

With respect to investments made in equity instruments held for the purpose of maintaining and strengthening relationships with business partners, the Group has designated such investments as financial assets measured at FVTOCI in consideration of such purpose.

1) Fair values per name (of investment)

Of the investments in equity instruments designated to be measured at FVTOCI, the fair value at these investments with active market is as follows.

2024

	Millions of yen
Name of investment	Amount
NHK SPRING CO., LTD.	19,759
Japan Airport Terminal Co., Ltd.	5,010
Yamazaki Baking Co., Ltd.	4,703
ANA HOLDINGS INC.	4,537
NICHIRIN CO.,LTD.	4,381
Braskem S.A.	2,868
NIKE, Inc.	2,845
Mitsui DM Sugar Holdings Co., Ltd.	1,974
Nisshin Seifun Group Inc.	1,861
ADEKA CORPORATION	1,809

2025

	Millions of yen	Thousands of U.S. dollars
Name of investment	Amount	Amount
NHK SPRING CO., LTD	**21,198**	**141,320**
NICHIRIN CO.,LTD.	**4,095**	**27,300**
ANA HOLDINGS INC.	**3,900**	**26,000**
Japan Airport Terminal Co., Ltd.	**3,474**	**23,160**
Yamazaki Baking Co., Ltd.	**3,454**	**23,026**
SINFONIA TECHNOLOGY CO., LTD.	**2,213**	**14,753**
Mitsui DM Sugar Holdings Co., Ltd.	**2,139**	**14,260**
NIKE, Inc.	**1,898**	**12,653**
Tokuyama Corporation	**1,808**	**12,053**
Skymark Airlines Inc.	**1,556**	**10,373**

(Note) As of April 1, 2025, Mitsui DM Sugar Holdings Co., Ltd. changed its company name to Mitsui DM Sugar Co.,Ltd..

2) Dividends received

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Investments derecognized during the reporting period	112	**597**	**3,980**
Investments held at the end of the reporting period	5,433	**6,752**	**45,013**
Total	5,545	**7,349**	**48,993**

3) Financial assets measured at FVTOCI that were derecognized during the reporting period

The Group disposes of financial assets measured at FVTOCI for the purpose of periodic portfolio reviews and management of risk assets. The fair values of such financial assets at the dates of the disposal and the cumulative gains (before taxes) on disposal were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Fair value at the date of disposal	9,645	**2,071**	**13,806**
Cumulative gains on disposal	2,210	**902**	**6,013**

4) Reclassification to retained earnings

The Group reclassifies to retained earnings cumulative gains or losses arising from changes in the fair values of financial assets measured at FVTOCI in either of the following cases: when an investment is disposed of; and, when there is a significant decline in the fair value. Such cumulative other comprehensive income totals (net of taxes) that were reclassified to retained earnings for the years ended March 31, 2024 and March 31, 2025 were gains of ¥9,361 million and gains of ¥1,273 million (U.S.$8,486 thousand), respectively.

(8) Hedge accounting

The Group endeavors to minimize market risk using hedging transactions, including forward exchange contract transactions, commodity futures and commodity forwards, and interest rate swaps. Risk management policies for each risk exposure can be found under (5) – Market risk management.

When initiating a hedge, the Group designates and documents the risk management purposes and strategies regarding the hedge relationship and initiation of such hedge. Such documentation includes the designation of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and methods of assessing the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. In order to determine whether these hedges were actually effective at the start of hedging and throughout the reporting period for which such hedging was designated, the Group confirms the economic relationship between the hedged item and the hedging instrument through a qualitative analysis whether the critical terms of the hedged item and hedging instrument match up or closely correspond, and quantitative analysis whether the value of the hedged item and hedging instrument mutually offsets any fluctuations in price caused by the same risk the hedged item and hedging instrument seek to hedge.

The Group sets an appropriate hedging ratio when initiating a hedge, in accordance with the number of items to be hedged and available hedging instruments. As a general rule, the company matches one hedging instrument to each item to be hedged. If the hedging relationship is deemed ineffective but the purpose of risk management is not changed, this ratio of hedging instruments to hedged items will be readjusted to make the hedging relationship effective. There is no materiality to the impact of the hedging portion deemed ineffective on hedging relationships, including impact from credit risk.

When the Group targets a specific risk element for hedging, determined using the risk management strategy for each risk category, the Group selects those risk elements which comprise a structural element of the total hedging and which can be examined separately from the whole and used to reliably measure fluctuations in cash flow and fair value in response to changes in those risk elements.

1) Types of hedge accounting

(a) Fair value hedges

The Group designates commodity futures and forwards contracts as hedging instruments to hedge the changes in fair values of firm commitments or inventories and designates interest rate swaps as hedging instruments to hedge the change in fair value of fixed-rate borrowings.

The changes in fair value of a derivative used as a hedging instrument are recognized as profit or loss. The carrying amount of hedged items is measured at fair value and the gains or losses on such hedged items arising from changes in the fair values attributable to the hedged risks are recognized as profit or loss.

The Group uses fluctuations in the value of hedged items as the basis for recognizing the amount for which hedging was ineffective. For the years ended March 31, 2024, and March 31, 2025, these fluctuations were largely in line with changes in the fair value of hedging instruments, and there was no materiality in the ineffective hedging portion recognized as profit or loss.

(b) Cash flow hedges

The Group designates interest rate swaps as hedging instruments to hedge the variability of cash flows relating to floating-rate borrowings and designates forward exchange transactions as hedging instruments to hedge the variability of cash flows concerning firm commitments or forecast transactions in foreign currency.

With respect to a cash flow hedge, the portions of the gains or losses on the hedging instruments that are determined to be effective hedges are recognized as other comprehensive income.

The Group uses fluctuations in the value of hedged items as the basis for recognizing the amount for which hedging was ineffective. For the years ended March 31, 2024, and March 31, 2025, these fluctuations were largely in line with changes to the fair value of hedging instruments, and there was no materiality in the ineffective hedging portion recognized as profit or loss. Furthermore, there was no materiality in the amount transferred from other components of equity to profit or loss, since forecast transactions were not anticipated.

(c) Hedges of net investments in foreign operations

The Group designates forward exchange transactions and foreign currency borrowings as hedging instruments to hedge the risk of change in exchange rate concerning net investments in foreign operations.

With respect to a hedge of net investments in foreign operations, the portions of the gains or losses on the hedging instruments that are determined to be effective hedges are recognized as other comprehensive income.

The Group uses fluctuations in the value of hedged items as the basis for recognizing the amount for which hedging was ineffective. For the years ended March 31, 2024, and March 31, 2025, these fluctuations were largely in line with changes to the fair value of hedging instruments, and there was no materiality in the ineffective hedging portion recognized as profit or loss.

2) Carrying amount of hedges on the Consolidated Statement of Financial Position

The following shows the carrying amount of hedging instruments by the type of hedge accounting applied.

	Millions of yen				Thousands of U.S. dollars	
	2024		**2025**		**2025**	
Hedging instruments	Assets	Liabilities (-)	Assets	Liabilities (-)	Assets	Liabilities (-)
Fair value hedges						
Currency-related derivatives	—	—	**7**	—	**46**	—
Interest rate-related derivatives	—	(60)	**0**	**(1,216)**	**0**	**(8,106)**
Commodity-related derivatives	219	(153)	**260**	**(55)**	**1,733**	**(366)**
Total fair value hedges	219	(213)	**268**	**(1,271)**	**1,786**	**(8,473)**
Cash flow hedges						
Currency-related derivatives	1,549	(1,477)	**162**	**(2,842)**	**1,080**	**(18,946)**
Interest rate-related derivatives	1,253	(53)	**294**	**(152)**	**1,960**	**(1,013)**
Commodity-related derivatives	—	(5)	**106**	**(183)**	**706**	**(1,220)**
Total cash flow hedges	2,802	(1,535)	**562**	**(3,177)**	**3,746**	**(21,180)**
Total hedges of net investments in foreign operations	—	(39)	—	**(17)**	—	**(113)**
Total	3,022	(1,788)	**830**	**(4,467)**	**5,533**	**(29,780)**

The derivative contracts above were recorded on the Consolidated Statement of Financial Position as either "derivative financial assets" or "derivative financial liabilities." In addition, the Group recorded loan payables in foreign currency, designated for hedging using cash flow hedges and hedges of net investment, as ¥34,733 million and ¥40,415 million (U.S.$269,433 thousand) in the years ended March 31, 2024 and March 31, 2025, respectively. These were recorded as "corporate bonds and loans payable" on the Consolidated Statement of Financial Position.

The following shows the notional amount and average price of the main hedging instruments.

2024

Hedging instruments	Description	Type	Notional amount and average price	
Cash flow hedges	Forward exchanges in USD	Export	Notional amount (millions USD)	70
			Average price (USD/JPY)	151.44
		Import	Notional amount (millions USD)	183
			Average price (USD/JPY)	151.38
	Floating rate received/fixed rate paid for interest rate swaps	—	Notional amount (millions JPY)	26,501
Fair value hedges	Fixed rate received/floating rate paid for interest rate swaps	—	Notional amount (millions JPY)	12,000

Forward exchanges in USD contracts mainly come to maturity within one year from the end of the current consolidated fiscal year. The impact of net notional amount relevant to forward exchanges in USD contracts mature over one year on the future cashflow is immaterial. And the amount of the notional amount of interest rate swap contracts maturing is, within one year from the end of the current fiscal year, in less than five years from one year and five years of the period, each ¥4,330 million, ¥14,232 million and ¥19,938 million.

2025

Hedging instruments	Description	Type	Notional amount and average price	
Cash flow hedges	Forward exchanges in USD	Export	Notional amount (millions USD)	**30**
			Average price (USD/JPY)	**149.52**
		Import	Notional amount (millions USD)	**97**
			Average price (USD/JPY)	**149.53**
	Floating rate received/fixed rate paid for interest rate swaps	—	Notional amount (millions JPY)	**119,125**
Fair value hedges	Fixed rate received/floating rate paid for interest rate swaps	—	Notional amount (millions JPY)	**30,000**

Forward exchanges in USD contracts mainly come to maturity within one year from the end of the current consolidated fiscal year. The impact of net notional amount relevant to forward exchanges in USD contracts mature over one year on the future cashflow is immaterial. And the amount of the notional amount of interest rate swap contracts maturing is, within one year from the end of the current fiscal year, in less than five years from one year and five years of the period, each ¥6,982 million (U.S.$46,546 thousand), ¥101,144 million (U.S.$674,293 thousand) and ¥40,998 million (U.S.$273,320 thousand).

The following shows the cumulative hedging adjustment to carrying value and fair value of hedged items categorized under “fair value hedges”.

2024

	Millions of yen				
	Carrying amounts		Cumulative adjustment to fair value hedges		Main items on the Consolidated Statement of Financial Position
	Assets	Liabilities (-)	Assets	Liabilities (-)	
Currency-related	984	—	156	—	(Note1)
Interest rate-related	—	(11,940)	—	59	(Note2)
Commodity-related	2,517	(147)	81	(147)	(Note3)

(Note1) "Other investments"

(Note2) "Bonds and borrowings (Non-current)"

(Note3) "Inventories", "Other current assets" and "Other current liabilities"

2025

	Millions of yen				
	Carrying amounts		Cumulative adjustment to fair value hedges		Main items on the Consolidated Statement of Financial Position
	Assets	Liabilities (-)	Assets	Liabilities (-)	
Currency-related	**898**	—	**121**	—	(Note1)
Interest rate-related	—	**(28,767)**	—	**1,232**	(Note2)
Commodity-related	**652**	**(259)**	**53**	**(259)**	(Note3)

2025

	Thousands of U.S. dollars				
	Carrying amounts		Cumulative adjustment to fair value hedges		Main items on the Consolidated Statement of Financial Position
	Assets	Liabilities (-)	Assets	Liabilities (-)	
Currency-related	**5,986**	—	**806**	—	(Note1)
Interest rate-related	—	**(191,780)**	—	**8,213**	(Note2)
Commodity-related	**4,346**	**(1,726)**	**353**	**(1,726)**	(Note3)

(Note1) "Other investments"

(Note2) "Bonds and borrowings (Non-current)"

(Note3) "Inventories", "Other current assets" and "Other current liabilities"

The following shows the amount recorded for other equity components related to cash flow hedges and hedges of net investments in foreign operations.

2024	Millions of yen	
	Amount recorded for the portion of other equity components for which hedge accounting is ongoing	Amount recorded for the portion of other equity components for which hedge accounting is not ongoing
Cash flow hedges		
Currency-related	4,170	—
Interest rate-related	9,083	—
Commodity-related	(1,284)	—
Total cash flow hedges	11,968	—
Total hedges of net investments in foreign operations	(4,522)	(15,789)

2025	Millions of yen	
	Amount recorded for the portion of other equity components for which hedge accounting is ongoing	Amount recorded for the portion of other equity components for which hedge accounting is not ongoing
Cash flow hedges		
Currency-related	**2,601**	—
Interest rate-related	**9,119**	—
Commodity-related	**(1,286)**	—
Total cash flow hedges	**10,434**	—
Total hedges of net investments in foreign operations	**(3,637)**	**(16,029)**

2025	Thousands of U.S. dollars	
	Amount recorded for the portion of other equity components for which hedge accounting is ongoing	Amount recorded for the portion of other equity components for which hedge accounting is not ongoing
Cash flow hedges		
Currency-related	**17,340**	—
Interest rate-related	**60,793**	—
Commodity-related	**(8,573)**	—
Total cash flow hedges	**69,560**	—
Total hedges of net investments in foreign operations	**(24,246)**	**(106,860)**

The following shows the breakdown of increases/decreases in the amount recorded for other equity components related to cash flow hedges and hedges of net investments in foreign operations. The amount by excluding the time value of an option contract, the forward element of a forward contract and the foreign currency basis spread from the hedging instrument is immaterial.

2024

	Millions of yen			
	Cash flow hedges			Hedges of net investments in foreign operations
	Currency-related	Interest rate-related	Commodity-related	
Balance at beginning of year	(576)	12,749	1,055	(15,647)
Amount occurring this reporting period	1,184	(210)	(2,448)	(5,236)
Reclassification adjustment	1,772	(3,283)	32	685
Tax effect	1,790	(172)	74	(114)
Balance at end of year	4,170	9,083	(1,284)	(20,312)

2025

	Millions of yen			
	Cash flow hedges			Hedges of net investments in foreign operations
	Currency-related	Interest rate-related	Commodity-related	
Balance at beginning of year	**4,170**	**9,083**	**(1,284)**	**(20,312)**
Amount occurring this reporting period	**(1,166)**	**(407)**	**81**	**617**
Reclassification adjustment	**(1,354)**	**486**	**(42)**	**35**
Tax effect	**951**	**(42)**	**(40)**	**(7)**
Balance at end of year	**2,601**	**9,119**	**(1,286)**	**(19,667)**

2025

	Thousands of U.S. dollars			
	Cash flow hedges			Hedges of net investments in foreign operations
	Currency-related	Interest rate-related	Commodity-related	
Balance at beginning of year	**27,800**	**60,553**	**(8,560)**	**(135,413)**
Amount occurring this reporting period	**(7,773)**	**(2,713)**	**540**	**4,113**
Reclassification adjustment	**(9,026)**	**3,240**	**(280)**	**233**
Tax effect	**6,340**	**(280)**	**(266)**	**(46)**
Balance at end of year	**17,340**	**60,793**	**(8,573)**	**(131,113)**

3) Impact of hedges on the Consolidated Statement of Profit or Loss and Other Comprehensive Income
The following shows the amount of cash flow hedges and hedges of net investments in foreign operations recorded as other comprehensive income (before tax effect) on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

2024	Millions of yen		
	Other comprehensive income occurring during this reporting period	Portion reclassified as profit for the period	Main items on the Consolidated Statement of Profit or Loss and Other Comprehensive Income that include the reclassification adjustment
Cash flow hedges			
Currency-related	1,184	1,772	(Note1)
Interest rate-related	(210)	(3,283)	(Note2)
Commodity-related	(2,448)	32	(Note3)
Total cash flow hedges	(1,473)	(1,478)	
Hedges of net investments in foreign operations	(5,236)	685	

(Note1) "Revenue", "Cost of sales" and "Other operating income"

(Note2) "Interest expenses"

(Note3) "Revenue"

2025	Millions of yen		
	Other comprehensive income occurring during this reporting period	Portion reclassified as profit for the period	Main items on the Consolidated Statement of Profit or Loss and Other Comprehensive Income that include the reclassification adjustment
Cash flow hedges			
Currency-related	**(1,166)**	**(1,354)**	(Note1)
Interest rate-related	**(407)**	**486**	(Note2)
Commodity-related	**81**	**(42)**	(Note3)
Total cash flow hedges	**(1,493)**	**(910)**	
Hedges of net investments in foreign operations	**617**	**35**	

2025	Thousands of U.S. dollars		
	Other comprehensive income occurring during this reporting period	Portion reclassified as profit for the period	Main items on the Consolidated Statement of Profit or Loss and Other Comprehensive Income that include the reclassification adjustment
Cash flow hedges			
Currency-related	**(7,773)**	**(9,026)**	(Note1)
Interest rate-related	**(2,713)**	**3,240**	(Note2)
Commodity-related	**540**	**(280)**	(Note3)
Total cash flow hedges	**(9,953)**	**(6,066)**	
Hedges of net investments in foreign operations	**4,113**	**233**	

(Note1) "Revenue", "Cost of sales" and "Other operating income"
(Note2) "Interest expenses"
(Note3) "Revenue"

(9) Derivatives

The breakdown of derivatives by type was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Currency-related derivatives	(1,210)	**(1,972)**	**(13,146)**
Interest rate-related derivatives	1,216	**(1,008)**	**(6,720)**
Commodity-related derivatives	1,423	**1,094**	**7,293**
Total	1,429	**(1,886)**	**(12,573)**

1) Currency-related

Type	Millions of yen				Thousands of U.S. dollars	
	2024		**2025**		**2025**	
	Amount of contracts	Fair value	Amount of contracts	Fair value	Amount of contracts	Fair value
Forward exchange transactions						
Selling in U.S. dollars/buying in Japanese yen	97,421	(1,694)	**65,820**	**603**	**438,800**	**4,020**
Selling in Japanese yen/buying in U.S. dollars	131,679	1,692	**62,040**	**19**	**413,600**	**126**
Others	215,428	(1,208)	**169,717**	**(2,596)**	**1,131,446**	**(17,306)**
Total forward exchange transactions	444,530	(1,210)	**297,578**	**(1,972)**	**1,983,853**	**(13,146)**
Total currency-related derivatives	—	(1,210)	**—**	**(1,972)**	**—**	**(13,146)**
Currency-related derivatives not designated as hedges ..	—	(1,243)	**—**	**717**	**—**	**4,780**
Currency-related derivatives designated as hedges ..	—	33	**—**	**(2,689)**	**—**	**(17,926)**
Total	—	(1,210)	**—**	**(1,972)**	**—**	**(13,146)**

2) Interest rate-related

Type	Millions of yen				Thousands of U.S. dollars	
	2024		**2025**		**2025**	
	Amount of contracts	Fair value	Amount of contracts	Fair value	Amount of contracts	Fair value
Interest rate swap transactions						
Floating rate received/fixed rate paid	27,223	1,276	**119,824**	**208**	**798,826**	**1,386**
Fixed rate received/floating rate paid	12,000	(60)	**30,000**	**(1,216)**	**200,000**	**(8,106)**
Total interest rate-related derivatives	—	1,216	**—**	**(1,008)**	**—**	**(6,720)**
Interest rate-related derivatives not designated as hedges ...	—	76	**—**	**66**	**—**	**440**
Interest rate-related derivatives designated as hedges ...	—	1,139	**—**	**(1,075)**	**—**	**(7,166)**
Total	—	1,216	**—**	**(1,008)**	**—**	**(6,720)**

3) Commodity-related

Type	Millions of yen				Thousands of U.S. dollars	
	2024		**2025**		**2025**	
	Amount of contracts	Fair value	Amount of contracts	Fair value	Amount of contracts	Fair value
Commodity futures transactions						
Metals						
Selling	5,373	(93)	**5,489**	**63**	**36,593**	**420**
Buying	8,331	158	**8,825**	**139**	**58,833**	**926**
Oils						
Selling	324	(5)	—	—	—	—
Foods						
Selling	647	20	**819**	**(222)**	**5,460**	**(1,480)**
Buying	130	(3)	**13**	**0**	**86**	**0**
Electricity						
Buying	—	—	**2,326**	**(76)**	**15,506**	**(506)**
Total selling ...	6,344	(78)	**6,309**	**(158)**	**42,060**	**(1,053)**
Total buying ...	8,462	154	**11,165**	**62**	**74,433**	**413**
Commodity forwards transactions						
Metals						
Selling	15,616	(398)	**13,846**	**(97)**	**92,306**	**(646)**
Buying	42,179	1,745	**39,766**	**1,288**	**265,106**	**8,586**
Total commodity-related derivatives ...	—	1,423	—	**1,094**	—	**7,293**
Commodity-related derivatives not designated as hedges ...	—	1,362	—	**966**	—	**6,440**
Commodity-related derivatives designated as hedges ...	—	60	—	**128**	—	**853**
Total	—	1,423	—	**1,094**	—	**7,293**

(10) Transfer of financial assets

The Group liquidates certain trade receivables by discounting notes or the like. With respect to some liquidated receivables, the Group may be obligated to make payments as recourse for non-payment by the debtor. The Group continues to recognize such liquidated receivables as they do not meet the criteria for derecognition of financial assets.

The Group recognized such liquidated assets as "Trade and other receivables", and the liabilities relating to the deposit amounts which arose upon the transfer of such assets as "Bonds and borrowings" in the amounts of ¥18,594 million and ¥21,730 million (U.S.$144,866 thousand) as of March 31, 2024 and March 31, 2025, respectively. Liquidated assets generally reach their initial settlement date within a short period, and therefore, the difference between such liquidated assets and the related liabilities is not material. Such liabilities are settled when payments for such liquidated assets are made, and the Group may not use such liquidated assets until such settlement occurs.

(11) Offsetting financial assets and financial liabilities

As of March 31, 2024 and March 31, 2025, derivative financial assets and derivative financial liabilities recognized for the same counterparties included financial instruments that were not offset even though they were covered by an enforceable master netting arrangement or similar agreement because they did not meet some or all of the offsetting criteria, were as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Net amounts of financial assets presented in the Consolidated Statement of Financial Position	6,667	**4,379**	**29,193**
Amounts that were not offset even though they were covered by an enforceable master netting arrangement or similar agreement because they did not meet some or all of the offsetting criteria ...	(3,032)	**(2,396)**	**(15,973)**
Net amounts of financial assets after deducting	3,635	**1,983**	**13,220**

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Net amounts of financial liabilities presented in the Consolidated Statement of Financial Position	5,238	**6,265**	**41,766**
Amounts that were not offset even though they were covered by an enforceable master netting arrangement or similar agreement because they did not meet some or all of the offsetting criteria ...	(3,032)	**(2,396)**	**(15,973)**
Net amounts of financial liabilities after deducting	2,205	**3,869**	**25,793**

When financial assets and financial liabilities are not offset because they do not meet some or all of the criteria required for offsetting, the right of offset for financial instruments only becomes enforceable in specific cases, such as the inability of a customer to fulfill its obligations due to insolvency, etc.

34 SHARE-BASED PAYMENT

The Company has introduced an equity-settled share-based remuneration system as a remuneration system closely linked to corporate performance and having high transparency and objectivity, with the objective of heightening directors' and executive officers' awareness toward making contributions to improving Sojitz's performance and to increasing its corporate value over the medium-to-long term.

The system uses a BIP trust (Board Incentive Plan trust).

This trust delivers and provides Sojitz shares and cash equivalent to the conversion amount of Sojitz shares ("Sojitz Shares," collectively) as well as dividends on the Sojitz shares to directors, commensurate with factors such as executive rank and achievement level of performance targets.

Shares held by the BIP trust are recorded as treasury stock, with the system recorded as equity-settled share-based remuneration.

The Company recognizes share remuneration expenses for the year ended March 31, 2025 based on the share delivery points which the Company anticipates will be granted to directors for the service for the year ended March 31, 2025. The number of shares held in trust as of March 31, 2025 was 1,320,504.

The Company recorded ¥735 million and ¥405 million (U.S.$2,700 thousand) in expenses related to this system for the years ended March 31, 2024, and March 31, 2025, respectively.

35 LEASES

(1) As lessee

The Group leases real estate such as office buildings, machinery and other equipment as lessee.

1) Carrying amount of right-of-use assets

The breakdown of the carrying amount of right-of-use assets by class of underlying asset was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Buildings and structures	79,067	**73,522**	**490,146**
Machinery and vehicles	7,963	**5,181**	**34,540**
Tools, furniture & fixtures	562	**388**	**2,586**
Land................	9,953	**11,636**	**77,573**
Others	0	**0**	**0**
Total	97,547	**90,729**	**604,860**

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Increase in right-of-use assets	43,207	**10,134**	**67,560**

2) Expenses, income, and cash flow relating to leases as lessee

The breakdown of the expenses, income, and cash flow relating to leases as lessee was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Depreciation			
Buildings and structures	(13,697)	**(14,710)**	**(98,066)**
Machinery and vehicles	(2,391)	**(1,589)**	**(10,593)**
Tools, furniture & fixtures	(242)	**(209)**	**(1,393)**
Land	(877)	**(845)**	**(5,633)**
Others	(2)	**(0)**	**(0)**
Total	(17,212)	**(17,355)**	**(115,700)**
Interest expenses for lease liabilities	(1,867)	**(2,422)**	**(16,146)**
Expenses for short-term leases	(4,861)	**(5,361)**	**(35,740)**
Expenses for leases of low-value	(1,339)	**(2,083)**	**(13,886)**
Expenses for variable lease payments not included in the measurement of lease liabilities	(11)	**(8)**	**(53)**
Income from subleasing right-of-use assets	125	**120**	**800**
Total expenses relating to leases (net)	(25,166)	**(27,112)**	**(180,746)**
Total cash outflow relating to leases	(25,849)	**(26,710)**	**(178,066)**

There was no materiality in the gains or losses from sale and leaseback transactions.

3) Lease liabilities

The maturity analysis of lease liabilities was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Within one year to due date	19,749	**17,782**	**118,546**
Between one and two years to due date	14,684	**15,193**	**101,286**
Between two and three years to due date	11,823	**12,317**	**82,113**
Between three and four years to due date	9,771	**11,049**	**73,660**
Between four and five years to due date	8,668	**9,233**	**61,553**
Over five years to due date	47,540	**54,322**	**362,146**
Total undiscounted lease payments............	112,237	**119,899**	**799,326**
Interest expenses..........	(7,147)	**(17,320)**	**(115,466)**
Total	105,090	**102,578**	**683,853**

(2) As lessor

The Group leases out railcars, real estate, ships and other assets.

1) Income from leases

The amounts of income relating to operating leases recorded in the year ended March 31, 2024, and the year ended March 31, 2025, were ¥12,753 million and ¥15,044 million (U.S. $100,293 thousand), respectively. Among the income, there was no materiality to any income relating to variable lease payments that do not depend on an index or rate.

There is no materiality to financial income on net investment in the lease in previous periods for the years ended March 31, 2024 and March 31, 2025.

2) Maturity analysis of lease payments to be received

(a) Finance leases

The maturity analysis of lease payments receivable relating to finance leases was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Within one year to due date	914	**519**	**3,460**
Between one and two years to due date	328	**327**	**2,180**
Between two and three years to due date	159	**274**	**1,826**
Between three and four years to due date	97	**265**	**1,766**
Between four and five years to due date	83	**212**	**1,413**
Over five years to due date	1,405	**4,842**	**32,280**
Total undiscounted lease payments to be received	2,988	**6,442**	**42,946**
Unearned financial income	(1,084)	**(3,382)**	**(22,546)**
Net investment in the lease	1,904	**3,060**	**20,400**

(b) Operating leases

The maturity analysis of lease payments to be received relating to operating leases was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Within one year to due date	4,801	**5,215**	**34,766**
Between one and two years to due date	3,488	**4,038**	**26,920**
Between two and three years to due date	2,597	**3,113**	**20,753**
Between three and four years to due date	1,856	**2,198**	**14,653**
Between four and five years to due date	1,158	**1,221**	**8,140**
Over five years to due date	6,124	**6,777**	**45,180**
Total	20,028	**22,564**	**150,426**

36 PLEDGED ASSETS

(1) Assets pledged as security

The breakdown of assets pledged to secure debts and corresponding liabilities was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Assets pledged as security			
Inventories	22,201	**25,618**	**170,786**
Property, plant and equipment	31,042	**36,264**	**241,760**
Others	18,757	**15,108**	**100,720**
Total	72,000	**76,991**	**513,273**
Corresponding liabilities			
Trade and other payables	6,380	**10,600**	**70,666**
Bonds and borrowings	30,045	**28,416**	**189,440**
Total	36,425	**39,017**	**260,113**

With respect to assets pledged as security other than those listed above, there are subsidiaries' stocks which were eliminated in the Consolidated Financial Statements.

Trust receipts issued under customary import financing arrangements give banks a security interest in the goods imported or sales proceeds resulting from the sales of such goods. Due to the large volume of transactions, it is impracticable to determine the aggregate amounts of assets covered by outstanding trust receipts and those transactions were not included in the above amounts.

(2) Assets pledged in lieu of guarantee money

The breakdown of assets pledged in lieu of guarantee money or the like was as follows.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Investments accounted for using the equity method ...	65,213	**63,621**	**424,140**
Other investments	10	**10**	**66**
Total	65,223	**63,631**	**424,206**

With respect to assets pledged in lieu of guarantee money other than those listed above, there are subsidiaries' stocks, which were eliminated in the Consolidated Financial Statements.

37 CONTINGENT LIABILITIES

The Group provides guarantees for the debts, including bank loans, of companies other than its subsidiaries as follows.
The Group may become responsible for the amounts that are unpayable by the borrower and for losses attached to such unpayable amounts.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Liabilities guarantees, etc	43,963	**48,726**	**324,840**

(Note)The amount of liabilities guarantees mainly consists of guarantees for the borrowings from financial institutions by obligations of entities accounted for using the Equity Method.

38 SIGNIFICANT SUBSIDIARIES

The Company's significant subsidiaries are as set forth under "1. Overview of Sojitz and Its Subsidiaries 4 Affiliated Companies (1) Major Subsidiaries".

39 BUSINESS COMBINATIONS

Significant business combinatinons for the years ended March 31, 2024 and March 31, 2025 were as follows.

(1) Acquisition of DaiTanViet Joint Stock Company

1) Overview of business combinations

The Group acquired full ownership of DaiTanViet Joint Stock Company and obtained control of the company for the year ended March 31, 2024.

The details of the transaction are as follows.

Name of acquiree	DaiTanViet Joint Stock Company
Business activities	Wholesale import and distribution of commercial foods, foodservice ingredients, dairy ingredients, etc.
Primary reason for business combination	As Sojitz advances its efforts to build value chains for manufacturing, logistics, and retail industries in Vietnam, the acquisition of the company is aimed at, through collaboration with Group companies, forming a broadline wholesale food distribution business that covers everything from independent retailers and mass merchandisers to mid- to high-end luxury hotels and restaurants, as well as further strengthening the value chain through synergy effects.
Acquisition date	November 17, 2023
Voting equity interests acquired	100%

2) Assets acquired, Liabilities assumed, and Goodwill recognized

	Millions of yen	Thousands of U.S. dollars
	2024	**2024**
Fair value of consideration	**22,732**	**150,543**
Assets acquired and liabilities assumed............		
Trade and other receivables	**3,554**	**23,536**
Inventories	**11,261**	**74,576**
Other assets	**6,622**	**43,854**
Trade and other payables	**(6,970)**	**(46,158)**
Other liabilities	**(8,053)**	**(53,331)**
Net amount of assets acquired and liabilities assumed..	**6,414**	**42,476**
Non-controlling interests	—	—
Goodwill recognized	**16,318**	**108,066**

Goodwill recognized reflects the excess earning power expected to be generated by the future business activities of the acquiree including the synergy with the group.

3) The acquisiton-date fair value of each major class of consideration transferred

	Millions of yen	Thousands of U.S. dollars
	2024	**2024**
Cash and cash equivalents	**16,023**	**106,112**
Trade and other payables	**6,708**	**44,423**
Fair value of consideration	**22,732**	**150,543**

The payments about considerations above are included in "Net proceeds from (payments for) acquisition of subsidiaries" on Consolidated Statement of Cash Flows.

4) Acquisition - related costs

Selling, general and administrative expenses recognized as the acquisition-related amounts ¥286 million (U.S.$1,894 thousand), in which ¥52 million (U.S.$344 thousand) amounts for the year ended March 31, 2024.

5) Profit and loss information and pro forma profit and loss information after the acquisition date

The impact of profit and loss information and pro forma profit and loss information (unaudited information) for this business combination after the acquisition date on the consolidated financial statements as a whole is immaterial.

(2) Acquisition of SILABA MOTORS, S.A. - related business

1) Overview of business combinations

The Group acquired full ownership of SILABA MOTORS, S.A.-related business (SILABA MOTORS, S.A. and PREMIUM PROPETIES INTERNATIONAL, S.A. ,which possess investment properties used for stores by SILABA MOTORS, S.A.) and obtained control of the company for the year ended March 31, 2024.
The details of the transaction are as follows.

Name of acquiree	SILABA MOTORS, S.A. - related business
Business activities	Automotive sales, after-sales services, and auto parts sales
Primary reason for business combination	The group views Panama as a strategically important market in Central and South America and will pursue synergy with other automotive-related businesses in Latin America through know-how sharing and active personnel interaction. Simultaneously, the group will strengthen and expand the automotive value chain further.
Acquisition date	February 20, 2024
Voting equity interests acquired	100%

2) Assets acquired, Liabilities assumed, and Goodwill recognized

	Millions of yen	Thousands of U.S. dollars
	2024	**2024**
Fair value of consideration	**33,034**	**218,768**
Assets acquired and liabilities assumed...........		
Trade and other receivables	**2,556**	**16,927**
Inventories	**5,579**	**36,947**
Property, plant and equipment.........................	**14,725**	**97,516**
Other assets	**13,079**	**86,615**
Trade and other payables	**(281)**	**(1,860)**
Other liabilities	**(11,950)**	**(79,139)**
Net amount of assets acquired and liabilities assumed..	**23,708**	**157,006**
Non-controlling interests	**(74)**	**(490)**
Goodwill recognized	**9,400**	**62,251**

Goodwill recognized reflects the excess earning power expected to be generated by the future business activities of the acquiree including the synergy with the group.

3) The acquisiton-date fair value of each major class of consideration transferred

	Millions of yen	Thousands of U.S. dollars
	2024	2024
Cash and cash equivalents	29,453	195,052
Trade and other payables	3,580	23,708
Fair value of consideration	33,034	218,768

The payments about considerations above are included in "Net proceeds from (payments for) acquisition of subsidiaries" on Consolidated Statement of Cash Flows.

4) Acquisition - related costs

Selling, general and administrative expenses recognized as the acquisition-related amounts ¥245 million (U.S.$1,622 thousand), in which ¥98 million (U.S.$649 thousand)　amounts for the year ended March 31, 2024.

5) Profit and loss information and pro forma profit and loss information after the acquisition date

The impact of profit and loss information and pro forma profit and loss information (unaudited information) for this business combination after the acquisition date on the consolidated financial statements as a whole is immaterial.

(3) Acquisition of Freestate Electric, LLC

1) Overview of business combinations

The Group acquired 90% of the equity of Freestate Electric, LLC and obtained control of the company for the year ended March 31, 2025.
The details of the transaction are as follows.

Name of acquiree	Freestate Electric, LLC
Business activities	Electrical construction and maintenance services
Primary reason for business combination	A strategic partnership with Freestate will allow Sojitz to provide a full range of integrated energy solutions designed to meet the increasingly diverse needs of its customers for electrification, decarbonization and energy conversion while further enhancing its energy solution offerings through collaboration with its group companies that implement energy conservation measures.
Acquisition date	October 11, 2024
Voting equity interests acquired	90%

2) Assets acquired, Liabilities assumed, and Goodwill recognized

	Millions of yen	Thousands of U.S. dollars
	2025	2025
Fair value of consideration	15,590	103,933
Assets acquired and liabilities assumed...........		
Trade and other receivables	15,042	100,280
Other assets	9,225	61,500
Trade and other payables	(5,859)	(39,060)
Other liabilities	(8,296)	(55,306)
Net amount of assets acquired and liabilities assumed..	10,111	67,406
Non-controlling interests	(1,011)	(6,740)
Goodwill recognized	6,490	43,266

Non-controlling interests as of the acquisition date are measured based on the proportionate share of the net fair value of the acquired assets and assumed liabilities.
Goodwill recognized reflects the excess earning power expected to be generated by the future business activities of the acquiree including the synergy with the group.

3) The acquisiton-date fair value of each major class of consideration transferred

	Millions of yen	Thousands of U.S. dollars
	2025	2025
Cash and cash equivalents	15,590	103,933
Fair value of consideration	15,590	103,933

The payments about considerations above are included in "Net proceeds from (payments for) acquisition of subsidiaries" on Consolidated Statement of Cash Flows.

4) Acquisition - related costs

Selling, general and administrative expenses recognized as the acquisition-related amounts ¥272 million (U.S.$1,813 thousand) for the year ended March 31, 2025.

5) Profit and loss information and pro forma profit and loss information after the acquisition date

The impact of profit and loss information and pro forma profit and loss information (unaudited information) for this business combination after the acquisition date on the consolidated financial statements as a whole is immaterial.

(Note)The.U.S. dollar amounts represent translations of Japanese yen at the approximate exchange rate at March 31, 2024 of ¥151=$1.

40 RELATED PARTIES

(1) Related party transactions

Related party transactions are priced at an arm's length basis and there exists no such transactions of significance.

(2) Remuneration for management executives

The remuneration for the Company's management executives for the years ended March 31, 2024 and March 31, 2025 was ¥720 million and ¥676 million (U.S.$4,506 thousand), respectively.
The detailed information of the remuneration is as set forth under " 4.Corporate Information 4.Corporate Governance (4) Remuneration of Directors and Audit and Supervisory Board Members (a) Total amount of remuneration by officer classification, total amount of remuneration by type of remuneration and number of company officers subject to payment."

41 MATERIAL SUBSEQUENT EVENTS

At a meeting of its Board of Directors held on May 1, 2025, it has authorized the repurchase of shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act.

1. Class of shares to be repurchased	Common stock
2. Total number of shares to be repurchased	Up to 2,800,000 shares (Represents up to approximately. 1.3% of the total number of outstanding shares (excluding treasury stock))
3. Total purchase price for repurchase shares	Up to JPY 10 billion
4. Period of repurchase	May 2, 2025 to July 31, 2025
5. Method of repurchase	Purchase at the Tokyo Stock Exchange

42 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements were authorized for issue by Kosuke Uemura, President & CEO, and Makoto Shibuya, SMEO, CFO, on June 16, 2025.

Independent auditor's report

To the Board of Directors of Sojitz Corporation:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sojitz Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

With respect to "Valuation of investments and measurement of financial assets relating to the Taiwan offshore wind power generation business," which was identified as one of the key audit matters in our audit of the consolidated financial statements for the previous fiscal year, we determined that the audit risk had been reduced by decreasing uncertainties surrounding the estimate of fair value less costs of disposal of related investments and the estimate of the expected credit losses on financial assets, due to the offshore wind power plant commencing commercial operations. Therefore, we did not identify the matter as a key audit matter in our audit of the consolidated financial statements for the current fiscal year.

We identified "Valuation of goodwill related to the wholesale and retail used car business in Australia" as a key audit matter in our audit of the consolidated financial statements for the current fiscal year, due to increased uncertainty in the estimate of fair value less costs of disposal for the group of cash-generating units to which goodwill related to the wholesale and retail used car business in Australia is allocated.

<table>
<tr><th colspan="2">Valuation of property, plant and equipment relating to oil and gas interests in the North Sea within the U.K. territory</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>As described in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgments to the consolidated financial statements, property, plant and equipment of ¥6,530 million for Sojitz Energy Development Ltd. was recognized in the consolidated statement of financial position of the Group for the current fiscal year. Sojitz Energy Development Ltd. is a consolidated subsidiary owning oil and gas interests in the North Sea within the U.K. territory which is included in the Energy Solutions & Healthcare segment.

The Group estimates the recoverable amount of the Group's property, plant and equipment if the Group recognizes any indicators of impairment. In case that the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized. The recoverable amount is the higher of either the fair value less costs of disposal or the value in use.

The Group applied the fair value less costs of disposal as the recoverable amount of property, plant and equipment relating to the oil and gas interests. The future cash flows used to measure fair value less costs of disposal were estimated based on the business plan prepared by management. Key assumptions underlying the business plan, such as future resource prices, the recoverable reserves that were applied to determine production volume, and the feasibility of the development plan, involved a high degree of uncertainty. Accordingly, management's</td><td>In order to assess the appropriateness of the Group's judgment as to whether an impairment loss should be recognized on property, plant and equipment relating to the oil and gas interests in the North Sea within the U.K. territory, we involved the component auditor of Sojitz Energy Development Ltd., a consolidated subsidiary, and performed the audit procedures set out below, including the direction and supervision of the component auditor and the review of its work, among others.

(1) Internal control testing

We tested the design and operating effectiveness of certain internal controls relevant to measuring the fair value less costs of disposal used for the impairment testing of property, plant and equipment.

(2) Assessment of the reasonableness of the estimated fair value less costs of disposal

● We performed the procedures set out below to assess the appropriateness of key assumptions applied to the business plan:
• comparison of management's estimate of future resource prices with long-term price forecasts published by external organizations;
• comparison of the recoverable reserves that were applied to production volume with management's assumptions in the previous fiscal year, inquiries of management about the rationales for its estimate, and comparison of the</td></tr>
</table>

judgment thereon had a significant effect on the estimated future cash flows. In addition, selecting appropriate models and input data for estimating the discount rate used to calculate fair value less costs of disposal requires a high degree of expertise in valuation. We, therefore, determined that the appropriateness of the judgment as to whether an impairment loss should be recognized on property, plant and equipment relating to the oil and gas interests in the North Sea within the U.K. territory was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	assumptions with reports issued by external organizations; and • assessment of the reasonableness and feasibility of the development plan on the interests that were applied to production volume through inquiries of management and inspection of relevant documents. ● We assessed the reasonableness of the discount rate used by the management through comparison with the discount rate independently determined by the component auditor.

Valuation of goodwill related to the wholesale and retail used car business in Australia	
The key audit matter	**How the matter was addressed in our audit**
As described in Note 2 BASIS OF PRESENTATION (4) Use of estimates and judgments to the consolidated financial statements, goodwill of ¥8,441 million related to the wholesale and retail used car business in Australia, which is included in the Automotive segment, was recognized in the consolidated statement of financial position of the Group for the current fiscal year. The goodwill arose when the Group acquired control of Albert Automotive Holdings Pty Ltd. The recoverable amount is estimated for a group of cash-generating units to which goodwill is allocated at least annually or more frequently whenever it is determined that there is an impairment indicator. When the recoverable amount of a group of cash-generating units is less than the carrying amount, the carrying amount of the group of cash-generating units is reduced to the recoverable amount and an impairment loss is recognized. The recoverable amount is the higher of either the fair value less costs of disposal or the value in use. The Group applied the fair value less costs of disposal as the recoverable amount of group of	In order to assess the appropriateness of the Group's judgment as to whether an impairment loss should be recognized on the group of cash-generating units to which goodwill related to the wholesale and retail used car business in Australia is allocated, we involved the component auditor of Albert Automotive Holdings Pty Ltd, a consolidated subsidiary, and performed the audit procedures set out below, including the direction and supervision of the component auditor and the review of its work, among others. (1) Internal control testing We tested the design of certain internal controls relevant to measuring the fair value less costs of disposal used for the impairment testing on the group of cash-generating units to which goodwill is allocated. (2) Assessment of the reasonableness of the estimated fair value less costs of disposal ● We performed the procedures set out below to assess the appropriateness of key assumptions applied to the business plan: • assessment of the reasonableness and feasibility of the increase in the number of retail stores through comparison with the

cash-generating units to which goodwill related to the wholesale and retail used car business in Australia. The future cash flows used to measure fair value less costs of disposal were estimated based on the business plan prepared by management. Key assumptions underlying the business plan, such as the increase in the number of retail stores, improvement in gross profit margin, and the sales growth rate of the wholesale business, involved a high degree of uncertainty. Accordingly, management's judgment thereon had a significant effect on the estimated future cash flows. In addition, selecting appropriate models and input data for estimating the discount rate used to calculate fair value less costs of disposal requires a high degree of expertise in valuation. We, therefore, determined that our assessment of the appropriateness of the Group's judgment as to whether an impairment loss should be recognized on the group of cash-generating units to which goodwill related to the wholesale and retail used car business in Australia is allocated was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	historical record of store openings of Albert Automotive Holdings Pty Ltd and closures and inspection of geographic analysis materials related to potential stores; • comparison of the gross profit margin of the retail business with benchmark profit margins of used car dealers in Australia independently obtained by the component auditor of Albert Automotive Holdings Pty Ltd, and with the historical performance of Albert Automotive Holdings Pty Ltd; and • comparison of the sales growth rate of the wholesale business with market forecasts for the Australian automotive dealership sector published by external organizations independently obtained by the component auditor of Albert Automotive Holdings Pty Ltd, and with Australia's GDP growth projections. ● We involved a valuation specialist within the network firms of the component auditor of Albert Automotive Holdings Pty Ltd to assess the reasonableness of the discount rate used by the management through comparison with the discount rate independently determined by the valuation specialist.

Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with IFRS Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair

presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in (3)Corporate Audits, Accounting Audits and Internal Audits in 4.Corporate Governance included in 4.Corporate Information of the Annual Securities Report.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2(3) to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroaki Sugiura

Designated Engagement Partner

Certified Public Accountant

Ryohei Tomita

Designated Engagement Partner

Certified Public Accountant

Tsugunobu Hikishikibayashi

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

June 16, 2025

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.