



Financial Accounting Standards Foundation

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Sojitz Corporation

Masayoshi Fujimoto, President & CEO

(TSE Code: 2768; TSE First Section)

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Notice Regarding Disposal of Treasury Stock through Third Party Allotment

Sojitz Corporation (the “Company”) hereby announces that it has resolved at a meeting of its Board of Directors held today to dispose of treasury stock through a third-party allotment (the “Disposal of Treasury Stock” or “Disposal”) as outlined below.

1. Outline of the Disposal

(1) Date of Disposal	December 1, 2021
(2) Class and number of shares to be disposed	700,100 shares of the Company’s common stock
(3) Disposal price	1,918 yen per share
(4) Total disposal value	1,342,791,800 yen
(5) Allottee	The Master Trust Bank of Japan, Ltd. (Director remuneration BIP Trust account: 76293 units)
(6) Other	The Disposal of Treasury Stock is conditional on the effectiveness of the registration statement filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposal

The Company, in accordance with the resolution passed at its 18th Ordinary General Shareholders' meeting held on June 18, 2021, will continue the Board Incentive Plan Trust (the "BIP Trust") for directors and executive officers (excluding outside directors and non-residents of Japan; collectively the "Directors") with the aim of improving the Company's business performance over the medium- to long-term period and motivating Directors to contribute to increase corporate value.

For an overview of the BIP Trust, please reference the Company's news release, "Announcement Regarding Renewal and Partial Amendments of a System of Performance-Linked Share Remuneration for Directors, etc.," issued on April 30, 2021.

In addition to its resolution to continue the BIP Trust, the Company has decided to dispose of its treasury stock through a third-party allotment of shares to The Master Trust Bank of Japan, Ltd. (Director remuneration BIP Trust account: 76293 units), a joint trustee of the BIP Trust agreement concluded between the Company and Mitsubishi UFJ Trust and Banking Corporation.

In accordance with share delivery rules, the number of shares to be disposed will correspond to the number of shares expected to be provided to Directors during the trust period, and the scale of dilution will be 0.28% of the total outstanding shares (*), 0.30%, a ratio to 11,552,541 total voting rights as of September 30, 2021 (*)(**).

The Company shares to be allotted for Disposal shall be provided to the Directors in accordance with the Share Delivery Regulations, and it is not expected that the shares resulting from the Disposal of Treasury Stock will flow into the stock market all at once. Therefore, the Company believes that the impact on the stock market will be insignificant and the number of shares to be disposed and the scale of dilution will be reasonable.

(*) Rounded off to the second decimal place.

(**) On October 1, 2021, the Company conducted a share consolidation on the basis of one post-consolidation share for every five pre-consolidation shares. The ratio to total voting rights given therefore reflects the ratio when the number of shares to be disposed is multiplied by five.

Outline of the Trust Agreement

Type of trust	Money held in a trust other than an individually operated specific money trust (third party benefit trust)
Purpose of the trust	Provision of incentives to Directors

Trustor	The Company
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries	Directors who meet beneficiary requirements
Trust administrator	A third party with no vested interest in the Company (certified public accountant)
Date of trust agreement	August 3, 2018 (extended in August 2021)
Trust period	August 3, 2018 – August 31, 2024 (Planned)
Start date for system	August 3, 2018
Voting rights	Voting rights will not be exercised

3. The basis for calculation of disposal price and details

In view of recent stock price performance, the disposal price shall be 1,918 yen, the closing price for the Company's shares on the Tokyo Stock Exchange ("TSE") on November 1, 2021, which is the business day immediately prior to the date of the resolution by the Board of Directors on the Disposal of Treasury Stocks, in order to eliminate arbitrariness. The disposal price was set at the closing price of the Company's shares on the TSE on the business day immediately prior to the date of the Board of Directors meeting resolution, as this was the market price immediately prior to the date of the resolution, and the Company considered the price to be a highly objective and reasonable basis for calculation.

With respect to the aforementioned disposal price, five Audit & Supervisory Board Members who attended the Board of Director's Meeting (three of whom are Outside Audit & Supervisory Board members) expressed their opinion that the disposal price is legitimate and reasonable as the basis for calculation and did not offer a particular advantage.

4. Procedures in accordance with the Corporate Code of Conduct

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

the Securities Listing Regulations of the TSE.