

May 27, 2022

To Our Shareholders

Sojitz Corporation

Supplemental Explanation of Proposal No. 3: Election of Eight (8) Directors to be  
Submitted at 19th Ordinary General Shareholders' Meeting

Institutional Shareholder Services, Inc. (ISS), has announced its judgment that Ungyong Shu, a director candidate named in Proposal No. 3: Election of Eight (8) Directors, which is to be submitted at the 19th Ordinary General Shareholders' Meeting scheduled to be held on June 17, 2022, is as an affiliated outsider, a status that denies his independence from Sojitz Corporation ("Sojitz").

The judgment of ISS is not based on the actual situation regarding Shu, and this judgment thus differs from the understanding of Sojitz. For this reason, the following explanation is provided to supplement Sojitz's opinion with regard to the independence of Shu.

We appreciate the understanding and support of our shareholders.

**Supplement Regarding Ungyong Shu (Candidate No. 7)**

Sojitz's Opinion Regarding ISS Judgment Indicating the Candidate as an Affiliated Outsider

ISS judged that Ungyong Shu lacks sufficient independence from Sojitz due to his past experience at J.P. Morgan Securities, which is currently Sojitz's 10th largest shareholder (holding a 1.11% stake in Sojitz as of March 31, 2022).

In Sojitz's opinion, this past experience at J.P. Morgan Securities does not affect the independence of Shu from Sojitz given that around 15 years have passed since his resignation from J.P. Morgan Securities. Accordingly, we believe that the judgment of ISS does not appropriately reflect the disappearance of conflicts of interest that occurs after enough time has passed from a resignation (cooling-off period).

Moreover, we assume that J.P. Morgan Securities' holdings of Sojitz's stock are, in part, in the form of stock lending services and the like provided as a securities company. Therefore, these holdings are not based on a relationship with Sojitz, and does not have the potential to influence the management of Sojitz through the exercise of voting rights.

Such approaches toward judgments that uniformly deny the independence of individuals based merely on prior experience at major shareholders, regardless of the time that may have passed since their resignation or the purpose of holding by said shareholder, are irrational and threaten to impede the ability to appoint outside directors boasting extensive experience and personal connections gained as corporate managers at financial institutions.

### Reasons for the Nomination of Outside Director Candidate and Expected Roles

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. As Sojitz implements strategic business investments for sustainable growth, he has provided accurate recommendations to the Board of Directors by taking advantage of his experience and expertise.

Sojitz has chosen him as an outside director candidate in the expectation that he will 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 the Group.