

**Condensed Transcript of Q&A Session  
Financial Results Briefing for the Year Ended March 31, 2026 (Held on May 1, 2026)**

**<Speakers>**

- **Kosuke Uemura**, Representative Director, President & CEO
- **Makoto Shibuya**, Representative Director, Senior Managing Executive Officer & CFO

**[Questioner 1]**

**Q:**

**Regarding the FY2026 outlook, please explain the assumptions for the base level and the scale of one-off factors.**

A: <Shibuya>

Let me explain the thinking behind the JPY 115.0 billion starting point.

In this instance, we have identified four items related to structural reforms: the coking coal business in Australia, measures for automobile-related businesses centered on the used car business (Dutton) in Australia, gains from the partial sale of our stake in SAKURA internet Inc., and the aircraft parts-out business.

When these items are netted, a loss of slightly over JPY 10.0 billion was recorded in the previous fiscal year, and based on this, the base level for the current fiscal year is set at JPY 115.0 billion.

While there are various interpretations of one-time gains and losses, elements that can occur regularly in the course of business operations are regarded as recurring regardless of fluctuations in amount and are therefore excluded from structural reform adjustments. In addition, approximately JPY 8.0 billion in positive factors included in “other taxes and expenses” in the previous fiscal year are excluded.

After deducting this amount from the base level of JPY 115.0 billion, this adjusted level can be regarded as the effective base. From this level, achieving JPY 130.0 billion is expected through improvements in loss-making businesses, growth in existing businesses, returns from past investments, and accumulation of recent investment results.

**Q:**

**Please explain the impact of Middle East developments, including risks not incorporated into the plan.**

A: <Uemura>

Various risks, including those related to Middle East developments, are being closely monitored. While geopolitical uncertainties may lead to cost increases such as transportation costs, the extent and duration of such impacts require continued assessment. There is also recognition of upward risks in fertilizer prices; however, actual demand trends depend on crop market conditions and policy developments in each country. These factors

will continue to be monitored.

With regard to LNG Japan Corporation, an equity-method affiliate with interests in Qatar, there is a possibility of some impact on dividend income; however, the overall impact on performance for the current fiscal year is expected to be limited.

Overall, while individual risk factors are being carefully monitored, they are not considered to significantly affect overall performance at this stage.

**Q:**

**In the FY2026 plan, is it correct to understand that the inclusion of profits from one-off factors and asset replacements is limited? In addition, are such factors a prerequisite for achieving the plan? Also, please explain to what extent improvement in loss-making businesses through structural reforms is expected.**

A: <Shibuya>

With regard to the FY2026 plan, so-called asset replacements that occur on a recurring basis are incorporated to a certain extent; however, the plan is not based on assumptions that would cause the overall plan to collapse if these are not achieved. Each fiscal year, an amount at a level that has been recognized is incorporated. Therefore, the realization of one-off factors or asset replacements is not a prerequisite for achieving the plan.

In addition, structural reforms are not viewed as automatically leading to significant improvement in performance in the following fiscal year simply by implementing impairments or business restructuring. On the other hand, there are cases such as the aircraft parts-out business and certain automobile-related businesses where exits are already being advanced, and for coking coal business in Australia as well, the plan is to complete the exit within the current fiscal year. For these cases, the negative impact on period profit and loss recorded in the previous fiscal year is expected to improve in the current fiscal year, and in that sense, they are incorporated as factors contributing to the improvement of loss-making businesses. Conversely, if exits are not completed as planned, this portion could become a factor for underperformance; however, Sojitz intends to execute these initiatives steadily.

In addition, overseas fertilizer businesses have a profit structure in which relatively large profits are recorded in the first half, mainly in Thailand. Although there are currently factors such as fluctuations in raw material prices, sufficient sales volume has been secured, and profits are expected to be maintained.

**[Questioner 2]**

**Q:**

**Please explain the progress and exit timing for coking coal business and used car business in Australia.**

A: <Shibuya>

As for the progress of structural reforms across the Company, including the two businesses in question, Sojitz has reduced its exposure by slightly less than JPY 30.0 billion.

Regarding the timing of completion of the withdrawal from coking coal business in Australia, as there are counterparties involved, it cannot be clearly stated; however, we

intend to complete it as early as possible, preferably within the first half.  
For used car business in Australia, approximately two-thirds of goodwill has been recognized as impairment.

**Q:**

**In light of changes in the Middle East situation, are there any business opportunities in areas such as the methanol business or chemical trading?**

A: <Uemura>

In the methanol business, current prices have surged to more than double the previous levels. However, in the forecast for the current fiscal year, only the most recent one month of this elevated price level is incorporated, and thereafter, normal price levels are assumed. Regarding responses to supply chain disruptions in chemical trading, we will continue to implement measures to strengthen trading resilience that have been promoted to date. In addition, the intermediate materials handled by Sojitz differ in nature from basic materials such as naphtha originating from the Middle East, and therefore the direct impact is limited. As procurement of intermediate materials has been advanced previously, this has indirectly led to capturing business opportunities.  
At present, supply shortages of the products handled by Sojitz are limited; however, the impact of price increases cannot be avoided, and we will continue to monitor whether the impact of the Middle East situation will be prolonged. We are also working to secure stable supply sources.

**[Questioner 3]**

**Q:**

**I would like to ask about structural reforms and the improvement of loss-making businesses. For instance, with respect to coking coal business in Australia, which is being considered for divestment within the first half of the fiscal year, if—taking into account the current geological conditions—it is unable to generate profits or continues to incur losses, a successful divestment could become a positive factor for the next fiscal year.  
On that basis, could you explain quantitatively how much improvement is expected and from which businesses?**

A: <Uemura>

The businesses subject to “structural reform” mainly include used car business in Australia, coking coal business in Australia, aircraft parts-out business, and SAKURA internet Inc. On the other hand, the businesses targeted for “improvement of losses” also include smaller businesses that are not subject to structural reform. Therefore, the entire JPY10.0 billion improvement is not solely attributable to structural reform.  
These smaller businesses include, for example, vehicle-related businesses under Aerospace & Transportation Infrastructure Division and loss-making businesses under Retail & Consumer Service Division. Including these, it is considered that a path to improving loss-

making businesses has become visible.

Among the structural reform businesses, coking coal business in Australia is being considered for divestment. By completing the sale as early as possible, we intend to minimize period losses.

Meanwhile, for used car business in Australia, various improvement measures have been implemented, and while signs of improvement were observed one year ago, the expected results were not achieved. Accordingly, the plan has been revised with additional measures, and impairment losses have been recognized this time.

Under the current plan being executed, certain measures are expected to show results, and efforts are being made to achieve profitability within the first half.

**Q:**

**The targets for Next Stage 2030—achieving net profit of JPY 200.0 billion and doubling market capitalization—appear to be quite challenging without stepping up the pace. You also mentioned adding three new revenue-generating clusters businesses (“*Katamari*”).**

**From the perspective of assessing long-term trends, what specific indicators or milestones should we look at to understand that the company is making progress toward the Next Stage? What has already been achieved to date, what kind of structural reforms will be accelerated going forward, and what exactly is meant by creating three new “*Katamari*”?**

**A:**

The structural reforms presented are assumed to be completed within the current fiscal year. Going forward, we will aim for discontinuous growth in the next medium-term management plan and beyond.

In doing so, the focus will be on forming “*Katamari*” in areas where path to success has been clarified based on the KATI model.

Creating an additional three to four “*Katamari*” will be difficult within the divisions currently undergoing structural reform. Therefore, other divisions will promote the creation of business domains that can form “*Katamari*” aligned with path to success and the KATI model.

**[Questioner 4]**

**Q:**

**Regarding overseas fertilizer business, while rising fertilizer prices have a positive impact, higher fuel prices could lead to reduced purchasing by rice farmers. What is the current situation?**

**A:** <Uemura>

In Thailand, fertilizer is sold primarily to rice farmers, making the first half of the fiscal year a key period. Raw materials for the first half have already been secured, and the impact of

rising raw material prices is considered to be very limited.

On the other hand, weak crop prices lead farmers to hold back on purchases, resulting in lower fertilizer sales volumes, and this impact was already evident in the previous fiscal year.

For the current fiscal year, it is expected that such impacts will stabilize to a certain extent.

**Q:**

**Regarding retail businesses in Vietnam, there are concerns about a potential economic slowdown due to inflation and rising energy prices. Are there any particular concerns about the impact of an economic slowdown?**

A: <Uemura>

Although Vietnam's economic growth remains steady, inflation and rising interest rates have affected demand for consumer goods, and the performance of our business has been sluggish as a result.

The growth strategy in Vietnam is currently under review. In addition to initiatives driven primarily by our own efforts to date, co-creation with other companies, including local partners in Vietnam, is now being positioned as a key pillar, with a multi-track approach is being pursued.

Through these initiatives, the Company aims to achieve growth during the current fiscal year.

**[Questioner 5]**

**Q:**

**Regarding increasing power demand for data centers, how will energy solutions businesses capture this demand?**

A: <Shibuya>

In both North America and Australia, projects related to data centers are increasing.

A significant portion of profit growth in the energy solutions businesses is derived from data center-related projects, and this has exceeded our initial assumptions at the time of business entry.

**Q:**

**Will the three additional "Katamari" be realized through large-scale new investments such as X-investments?**

A: <Shibuya>

These do not necessarily need to be realized through new investments or X-investments. Business groups can also be formed within existing business domains where expertise exists, and winning strategies can be identified.

The investment plan of JPY 200.0 billion in the final year of the medium-term plan includes investments of a scale that contributes to “*Katamari*” formation. In addition, further investments within a range of JPY 100.0 billion may be considered if opportunities arise.

**[Questioner 6]**

**Q:**

**If progress in structural reforms is delayed in FY2026/3, will there be any impact on cash flow management?**

A: <Shibuya>

Structural reforms are not intended to create new “*Katamari*”, but rather to address underperforming businesses. Therefore, delays in the progress of structural reforms are not expected to have a significant impact on cash flow management. However, if improvements in loss-making businesses are delayed, there is a possibility that this could impact cash flow management. We are making every effort to ensure that this does not occur.

**[Questioner 7]**

**Q:**

**Regarding used car business in Australia, has the phase shifted from determining whether to continue the business to how many measures can be implemented under the assumption of withdrawal?**

A: <Uemura>

Since the time when efforts were being made to rebuild the business, exit strategies had already been assumed. Before moving to specific actions such as withdrawal from the business or partial sale including joint ventures with partners, the approach has been to exhaust all possible measures. Measures that have been implemented in the past are also being replaced with more effective ones. As a result, even if the final decision is to withdraw, it is considered that there will be a wider range of options available.

**Q:**

**Regarding “*Katamari*” in the infrastructure business in Australia, how are the prospects for further expansion viewed? Should expansion be pursued within Australia or in other regions?**

A: <Uemura>

At present, efforts are focused on expanding the public transportation business in Australia through the acquisition of UGL Transport Holdings Pty Ltd. While there may be scope to expand into other areas, there are no specific plans at this stage. There may also be opportunities to engage in new forms of infrastructure in business domains not currently covered by Capella and UGL—such as data centers and renewable energy—but no concrete considerations have been made to date. Going forward, initiatives will be expanded in regions where PPP frameworks that leverage Capella's strengths are well established. For example, the hospital development project in Turkey was also a PPP project, and PPP is expected to become a mainstream framework for infrastructure development. The initiatives in Uzbekistan are a case in point. In such PPP-based infrastructure development, there is considered to be further potential to leverage Capella's strengths in the future.

A: <Shibuya>

Currently, Capella alone has a substantial project pipeline and sufficient growth potential. In addition to these initiatives, it should be understood that expansion into other regions will also be pursued going forward.

#### [Questioner 8]

Q:

**Performance in Automotive Division in 4Q FY2025 appears to have deteriorated further. Please explain the current situation and how profit of JPY 5.0 billion will be achieved in FY2026.**

A: <Uemura>

In Japan and Asia, efforts are being made to eliminate losses primarily in domestic dealer business. In Oceania, the aim is to achieve profitability in used car business in Australia within the first half, and on a full-year basis, Japan/Asia and Oceania are expected to be close to breakeven.

Meanwhile, automobile sales businesses in North America and Latin America have already achieved a certain level of performance, and contributions from these regions are expected to lead to the achievement of JPY 5.0 billion.

Q:

**Regarding the explanation of +JPY 10.0 billion from the reversal of structural reform costs, it appears that profit excluding one-time factors in FY2025 is approximately JPY 95.0 billion. To what extent are one-time factors or similar elements, including the rotation model, incorporated into the FY2026 plan of JPY 130.0 billion?**

A: <Uemura>

The JPY 10.0 billion structural reform costs in FY2025 have been added back to the actual result of JPY 103.6 billion to set the base level.

As previously explained, items referred to as the rotation model, such as asset sales, are included to a certain extent in the FY2026 forecast of JPY 130.0 billion.

In the power generation and electricity-related assets, including IPP, there is a general trend of gradual reduction each year. In the real estate development area of the Retail & Consumer Service Division, although scale is being reduced through collaboration with other companies, the number of properties is increasing due to favorable market conditions, resulting in fluctuations.

It is unlikely that profits from the rotation model will become zero.

A: <Shibuya>

At the Company-wide level, it may be assumed that approximately JPY 10.0 billion is included.