Condensed Transcript of Q&A Session
Financial Results Briefing for the First Half Ended September 30, 2026
(Held on October 30, 2026)

<Presenters>
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【Questioner 1】

Q:　The profit forecast for FY2026 for the Metals, Mineral Resources & Recycling Division remains unchanged at JPY 22.0 billion. How should we view the balance of earnings between H1 and H2? Following the sales of Gregory Crinum and Lake Vermont, what will be the scale of the coking coal business from next fiscal year onward? Also, could you provide a breakdown of the one-time gains and losses recorded in Q2 in relation to the sales of Gregory Crinum and Lake Vermont?

A:　<Uemura>
Earnings from Metal One Corporation and trading in steelmaking raw materials, among other businesses, generally do not fluctuate significantly between H1 and H2. This fiscal year, however, gains and losses associated with the sales of Gregory Crinum and Lake Vermont are expected to affect the balance, resulting in a loss in H1 and a profit in H2. From next fiscal year onward, the one-time effects of the sales will no longer arise. In addition, the sale of the coking coal business will eliminate the recurring operating losses and associated volatility we have experienced. We therefore do not expect as large a difference between H1 and H2 earnings as in the current fiscal year.
<Shibuya>
Gains on the sale of Lake Vermont are expected to offset the operating losses at Gregory Crinum, which have continued longer than originally anticipated. As the sale agreement has only recently been signed, we will refrain from disclosing the individual amounts at this stage.

Q:　The Chemicals Division recorded strong earnings in Q2, following Q1. Given the sustained high level of earnings throughout H1, is it fair to say that underlying trading profitability has improved, rather than earnings simply benefiting from market conditions, such as selling low-cost inventory at higher prices?

A:　<Uemura>
We estimate the upside from market conditions this fiscal year at approximately JPY 8.0 billion and underlying earnings excluding this impact at approximately JPY 24.0 billion. Earnings contributions from NIPPON A&L INC., which we acquired in the previous fiscal year, have also supported year-on-year profit growth. In our trading businesses, we have continued to strengthen trading capabilities by securing products and increasing transaction volumes. We have also captured market opportunities efficiently by responding to changes in prices and supply-demand conditions. Even excluding market-related factors, particularly those related to methanol, underlying earnings have improved, and we are building a stronger platform for further earnings growth.

【Questioner 2】

Q: What was the rationale for selling not only Gregory Crinum but also the highly profitable Lake Vermont business, as well as the gas-fired power generation business in North America at a time of favorable market conditions? Could you explain the circumstances behind these sales and your approach to asset replacement?

A: <Uemura>
We have long maintained a policy of exiting all coking coal businesses by 2050, and our direction of reducing exposure to resource businesses remains unchanged. Asset replacement does not only mean selling challenging assets such as Gregory Crinum; it can also involve selling high-quality assets when their valuations are attractive. Lake Vermont is one such example. We intend to sell our remaining coking coal interests at appropriate times.
In the gas-fired power generation business in North America, the value of gas-fired power assets has risen against a backdrop of growing electricity demand, particularly from data centers. We therefore determined that this was an attractive time to exit.

Q: Next fiscal year, earnings contributions from Lake Vermont will cease, but the losses from Gregory Crinum will also be eliminated. Should we expect the net effect to be positive for earnings?

A: <Shibuya>
Earnings contributions from Lake Vermont in the current fiscal year are limited to two months, while operating losses at Gregory Crinum are expected to continue through the end of this calendar year. Looking at the combined operating results of the two businesses, the positive effect of eliminating Gregory Crinum's losses next fiscal year will outweigh the reduction in earnings from Lake Vermont.

Q: The recent rise in interest rates in Japan could also affect investment plans toward achieving the Next Stage targets. As you consider the next Medium-term Management Plan, what discussions are taking place on matters such as investment areas and leverage? Do you see a need to change your policies?

A: <Uemura>
Our basic approach for the next Medium-term Management Plan is to further expand the initiatives underway in the current plan. We anticipate higher interest rates over the medium to long term and need to consider their impact, but we do not intend to make major changes to our investment areas. We will continue to expand investments in growth fields where Sojitz can create distinctive value and generate returns that adequately cover and exceed the cost of capital.
<Shibuya>
New investments are essentially funded by cash generated from our businesses and proceeds from asset replacement, while interest-bearing debt is used mainly for working capital. Given higher interest rates, we will need to manage funding from financial institutions and capital markets appropriately. However, we do not believe this will materially affect our growth investment policy.

【Questioner 3】

Q: I would like to ask about the coking coal business in Australia. Lake Vermont was sold at the end of last month, and I understand that Gregory Crinum is also expected to be sold during this fiscal year. These interests have incurred operating expenses and maintenance capex. To what extent should cash flow improve from next fiscal year onward as these outflows are eliminated? Please provide any estimate you can disclose.

A: <Shibuya>
The cash flow impact depends on the timing of the sales and other factors. Assuming no significant investment in capacity, our normal annual cash outlays would be around several billion yen.
If mining operations at Lake Vermont or our other coal interests were to move to new areas, additional Capex would be required. Even for a high-quality business that we ultimately plan to exit, we need to assess each occasion whether to continue investing, taking into account the additional Capex required. The decisions regarding these divestments reflect this approach.
Under normal operating conditions, we believe the sales will reduce annual cash outflows by several billion yen.

Q: I recall hearing that Gregory Crinum required nearly JPY10.0 billion a year in cash for maintenance investments and other purposes. If these expenditures are eliminated, should we expect greater capacity to allocate funds to investments and shareholder returns from next fiscal year onward?

A: <Shibuya>
At Gregory Crinum, we have been relocating open-cut mining areas and developing new underground mining blocks since around two years ago. When these investments overlapped, annual cash outflows sometimes exceeded JPY10.0 billion.
For ordinary equipment replacement, however, expenditures are generally several billion yen. Given the current operational difficulties, this year's focus has been on improving operating efficiency rather than expanding capacity. Accordingly, expenditure is at the several-billion-yen level I mentioned earlier.

Q: Regarding the automotive business, you have indicated that structural reforms will be pursued ahead of the next Medium-term Management Plan starting next fiscal year. What specific reforms are planned for Dutton, the used car sales business in Australia, and the domestic dealership businesses? Will you continue existing measures or introduce new initiatives?

A: <Uemura>
We are continuing structural reforms in the automotive business. At both Dutton and our domestic dealership businesses, our priority is to narrow losses through a range of improvement measures.
At Dutton, we are accelerating specific turnaround measures with the support of external consultants. Although it continues to take time for results to materialize, we aim to demonstrate visible progress and a clearer direction for improvement during H2.
In the domestic dealership businesses, we are likewise working to improve operating efficiency through measures including store closures and consolidation of locations.

【Questioner 4】

Q: The energy solutions business is performing exceptionally well. Do you expect the current strong performance to continue, or do you view the recent results as unusually strong?

A: <Uemura>
We are targeting earnings of more than JPY20.0 billion in the energy solutions business in the Next Stage and believe there is significant potential for further growth. Our basic growth strategy remains largely unchanged. Building existing businesses such as McClure and Freestate, we will expand our capabilities and cover locations through bolt-on investments. We are pursuing the same approach in Australia, although the U.S. business

is further advanced at this stage.
We will need to monitor market conditions, but we see growth opportunities in areas such as AI-related data center demand. As energy demand increases with population growth and other factors, energy management will also become increasingly important. We therefore expect this business to continue growing.

Q: Could you also provide an update and outlook for the commercial food wholesale business in Vietnam, where performance has been improving?

A: <Uemura>
Although we are not yet in a position to demonstrate clear results, the commercial food wholesale business in Vietnam is improving, and we believe the foundation for future growth is taking shape.
We are developing the business around DTV, a commercial food wholesaler that we acquired three years ago. Progress in restructuring surrounding loss-making and low-profitability businesses has made it easier to pursue a growth strategy focused on this core operation. Earnings were around JPY2.0 billion at the start of the current Medium-term Management Plan and have recently stabilized at approximately JPY3.0 billion. We are establishing a foundation for further growth under the next plan.

【Questioner 5】

Q: Given that earnings in the fertilizer business are typically concentrated in H1, achieving the full-year profit target appears challenging. What factors support your expectation of higher earnings in H2? Planting was delayed by insufficient rainfall in Q1; was performance also affected by weather in Q2?

A: <Shibuya>
Earnings in the fertilizer business are normally concentrated in H1, but profits in H1 this year fell short of our expectations. We do not anticipate a substantial recovery in H2, although rainfall has improved in some regions and we expect to secure a normal level of earnings for the period. This is not a business in which we can implement large-scale measures over a short period. The fundamentals of this business are to produce fertilizer, sell it consistently to farmers where demand exists, and maintain market share. We believe the current full-year forecast remains achievable through steady sales in Q3 and Q4.
As for the weather, insufficient rainfall continued in Q2, as in Q1. Farmers missed the appropriate timing for fertilizer application, and opportunities to plant crops were lost altogether, negatively affecting our fertilizer business.

Q: Although the full-year profit forecast is unchanged, the equity forecast has been revised upward, lowering the ROE forecast. The MTP target of 12% ROE appears difficult to achieve. Given that asset sales, including Gregory Crinum are, expected to generate approximately JPY40.0 billion in cash inflows, is there room for additional shareholder returns to move closer to the ROE target?

A: <Shibuya>
The lower ROE forecast reflects the increase in total equity to around JPY1.2 trillion, while the full-year profit forecast remains at JPY130.0 billion. To improve ROE, our priority is to steadily increase earnings while taking measures to address loss-making businesses.
We should always consider additional shareholder returns, but for now we intend to follow the basic cash flow management, and shareholder returns policies established under MTP2026.
In formulating the next Medium-term Management Plan, we will revisit our approach to

cash flow management and shareholder return, taking into account changes in the interest rate environment and other factors.

【Questioner 6】

Q: The share price response following the announcement of the coking coal business sales was limited. What areas will you focus on strengthening to reduce the cost of equity, raise the expected PER and enhance corporate value?

A: <Uemura>
When we announced the coking coal business sales, we did not disclose their impact on the earnings forecast, so we provided quantitative details at today's results briefing. Nevertheless, the share price reaction both after the announcement and today was not what we had expected.
<Shibuya>
In addition to addressing underperforming businesses, we have explained the four business areas in the Sojitz Growth Story presented by the President today, including their potential to generate future earnings and cash flow. We aim to develop one or two additional growth stories during the current fiscal year.
These initiatives are already underway, and we will share updates with investors as they become concrete, raising expectations for Sojitz's growth. Addressing underperforming businesses while fostering expectations for new growth will be key priorities over the remaining six months.

【Questioner 7】

Q: Profit for the period in H1 represents 49% progress toward the full-year forecast, which appears to be progressing well compared with the previously indicated earnings split of roughly 40% in H1 and 60% in H2. How do you assess prospects for earnings growth under the next Medium-term Management Plan, and what would you like to prioritize further in that plan?

A: <Uemura>
We are not yet satisfied with either earnings performance or progress this fiscal year as we are preparing for the next Medium-term Management Plan. One major factor is the pace of structural reforms, particularly in the automotive business. Before the next plan starts, we want to resolve as many businesses requiring strategic review or restructuring as possible, leaving a business portfolio without unresolved issues that could hinder growth.
We introduced four business domains as part of the Sojitz Growth Story today. We aim to develop three or four additional growth areas and aim to make sufficient progress to present at least half of them during the current fiscal year. Under the next plan, we want a portfolio centered on businesses with high capital efficiency and strong growth potential.
We are not yet in a position to provide further details on specific growth areas. Internally, we are holding ongoing discussions on how to combine individual initiatives, including the four domains presented today and themes introduced at previous results briefings, and develop them into larger businesses.

Q: With rare earth supplies from China to Japan restricted, are earnings opportunities expanding through your collaboration with Lynas and related trading activities?

A: Since the introduction of dual-use export controls in October last year, China's restrictions have tightened, and supplies of rare earths from China to Japan remain suspended.

We have been working with Lynas since around 2010 to supply rare earths to Japan. Last year, we also began supplying medium and heavy rare earths to Japan and are working to expand supply further. Increasing production and supply capacity takes time, so we will continue to work with Lynas to increase supply volumes.
Rather than focusing on expanding earnings opportunities from trading, our priority is securing supply capacity. That requires measures such as expanding plants and securing ore, which we are pursuing with Lynas. By increasing volumes and our share of supply to customers in Japan, we aim to stabilize the supply chain. We believe this will also help customers plan production with greater certainty and reduce concerns about supply disruptions.

【Questioner 8】

Q: I would like to ask about the overall earnings outlook for next fiscal year. In the coking coal business in Australia, the losses from Gregory Crinum more than offset the earnings from Lake Vermont, so I expect a rebound in earnings next year following the sales. On the other hand, you explained that favorable market conditions resulting from the Middle East situation have provided an approximately JPY 8.0 billion uplift to Chemicals Division this fiscal year. I therefore expect the rebound from the coking coal business sales to be offset by a decline in Chemicals earnings.
Regarding one-time gains and losses this fiscal year, there was a JPY 5.7 billion net gain in H1, while H2 is expected to include effects from the restructuring of Gregory Crinum and structural reform costs in Automotive. I have an impression that the full-year total could be around JPY 10.0 billion in one-time gains. To achieve earnings growth next fiscal year, will returns from new investments need to offset the absence of those gains? How should we view next year's earnings in light of these major factors?

A: <Shibuya>
It is difficult to provide a specific figure for one-time gains and losses because our definitions do not necessarily align with those used by analysts. We intend to implement structural reforms during the current fiscal year so that no business remains that would significantly weigh on performance when the next Medium-term Management Plan begins next year.
Rather than viewing this year as having substantial positive one-time factors that will not recur next year, we intend to manage one-time gains and losses on an overall basis. For example, where positive one-time gains arise, we can use them to address negative factors that need to be resolved.

Q: How do you plan to achieve ROE of 15%? Although foreign exchange is also a factor, the revision to this year's total equity forecast has lowered the ROE outlook and the starting point for reaching 15%, making that target appear more distant. I understand that the Next Stage broadly coincides with the latter part of the next Medium-term Management Plan. Beyond continuing existing initiatives, what do you believe needs to change to achieve 15% ROE?
For example, are you discussing a fundamental review of the shareholder returns policy? While prioritizing capital allocation for profit growth, do you believe it may be necessary to raise shareholder returns further? Please explain any changes you are considering at this stage to reach 15% ROE.

A: <Shibuya>
ROE of 15% remains our target, but we recognize that reaching it has become more challenging from the lower starting point. Raising ROE through capital policy alone would require measures of considerable scale, and it would be difficult to pursue these at the expense of growth investments.

We also need to consider potential future difficulties in raising funds, as well as implications for our credit ratings. Given our current balance sheet, we do not believe we can substantially change our capital policy at this stage.
It is therefore important to create more capital-efficient businesses and take stronger measures than before to address those that are less efficient. This is consistent with our internal discussions about concentrating resources in areas with growth potential and clear paths to success.

【Questioner 9】

Q: I would like to ask about your approach to cash flow management. With six months remaining in the final year of the current Medium-term Management Plan, I understand the planned investment amount for this fiscal year was originally somewhat smaller than the level implied by the three-year aggregate forecast. The materials indicate a 48% progress for new investments. What is the outlook for the investment pipeline over the remaining six months?
Also, although the details of the next Medium-term Management Plan have not yet been finalized, have sufficient investments been made to lay the groundwork for growth under the next plan?

A: <Shibuya>
For the remaining six months of the current Medium-term Management Plan, we have largely secured a pipeline of investments sufficient to meet the amount shown in the materials. Asset replacement is also progressing somewhat ahead of plan, and we believe we can achieve the planned level or exceed it.
At the same time, we are considering several high-quality new investment opportunities that we believe Sojitz should pursue, although they are not included in the current forecast. We would like to execute such projects if they fall within the investment amount we originally communicated for the current plan. Therefore, additional investments may arise beyond the amount forecast in the materials, and we intend to proceed with investments that meet our criteria.
We will also continue to recover cash through asset replacement. In managing cash flow, we will seek to maintain a positive net cash flow from investments and asset replacements over the period from MTP2020 through MTP2026.