



SOJITZ IR DAY 2018

Machinery & Medical Infrastructure Division

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Sojitz Corporation

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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. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by such forward-looking statements due to various factors including 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.



Division Overview

Medical Infrastructure Dept.

- Acquisition of PPP project expertise a step ahead of competition through Ikitelli IHC hospital project in Turkey, the first large-scale, overseas PPP hospital project participated in by a Japanese company



Plant Project Dept.

- Long history, proposal capabilities, trusting relationships with partners, and comprehensive business scheme composition capabilities encompassing design, construction, finance, and operations

Industrial Machinery & Bearing Dept.

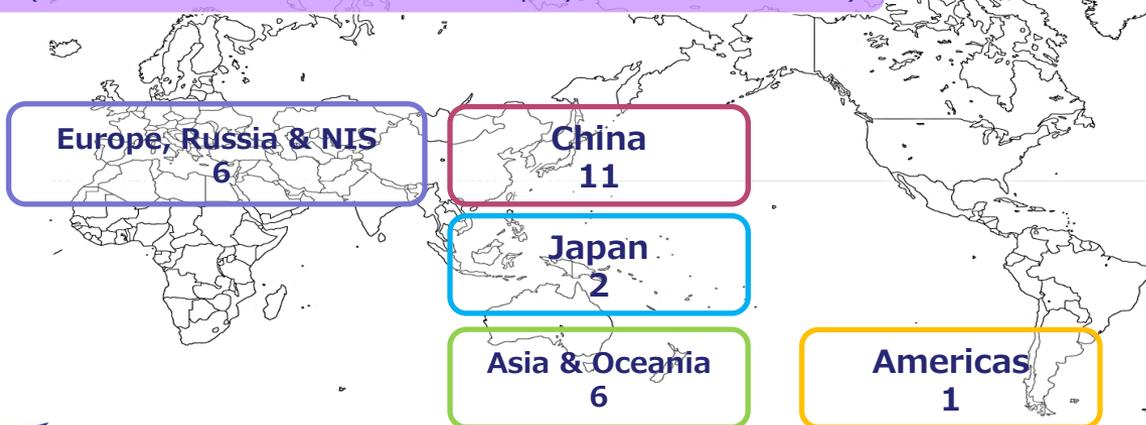
- Business built on strengths arising from value chain centered on bearings that support wide-ranging industries, semiconductor and electronics manufacturing equipment, and robots



Sojitz Machinery Corporation

- Trading company specializing in industrial machinery (advanced systems, chemical and environmental plants, heavy industrial plants, industrial machinery, automotive process business)

Number of Subsidiaries and Associates
(26 consolidated subsidiaries and equity-method associates)



Employees
Head office: 80
Overseas: 26
Sojitz Machinery: 246
 As of August 1, 2018



Division Policies and Growth Strategies

Division Policies **Grow earnings from distribution trading and business investment with focus on medical infrastructure, industrial machinery and bearings, and plant project businesses.**

【Operating Environment Changes】

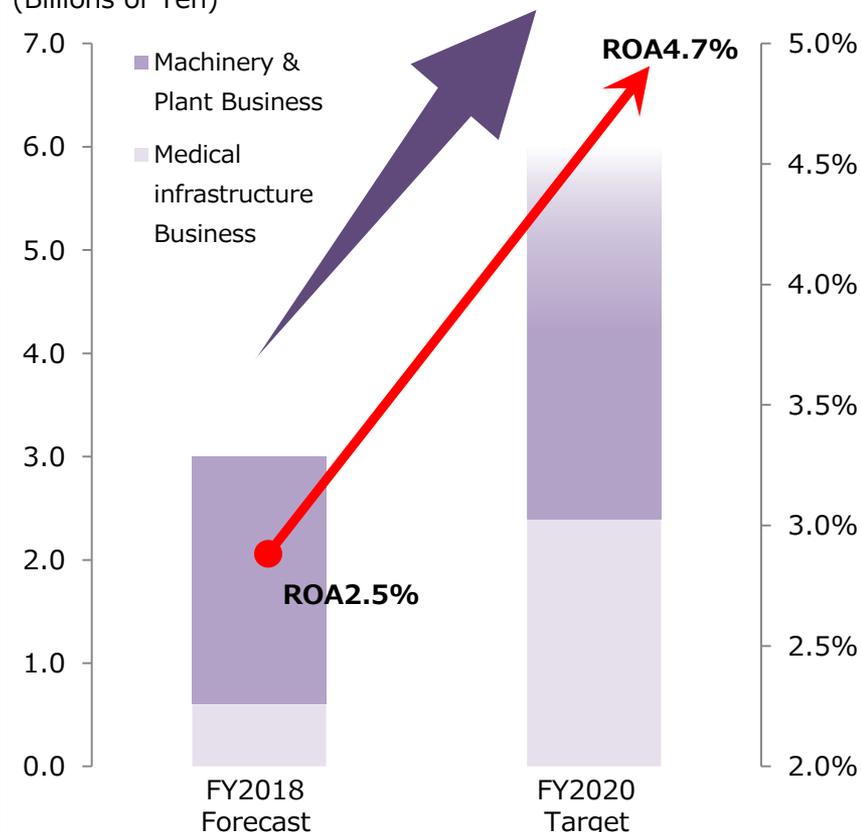
- Growing infrastructure demand accompanying economic development and rising standards of living in emerging countries
- Higher need to introduce sophisticated technologies and expertise due to global tightening of environmental regulations
- Digitalization and automation of industry and society and increased demand for productivity improvements

【Growth Strategies】

- Medical infrastructure: Move forward with preparation for PPP hospital project in Turkey, develop new PPP projects, and build upon medical infrastructure and distribution trading initiatives
- Industrial machinery and bearings: Grow distribution revenues through business investment and supply chain development
- Plant projects: Supplement conventional EPC businesses by transforming business model and revenue sources through business investment
- Sojitz Machinery: Grow distribution revenues by expanding scale of projects in which we are involved in and investing

Consolidated Profit for the Year / ROA

(Billions of Yen)



Total assets

Approx. ¥119.0bn

Planned investments and loans (3-year total): ¥15.0bn



Business Explanation 1-I Medical Infrastructure

Overview of PPP Hospital Project in Turkey

Contract counterparty	Ministry of Health of Turkey
Partner	Ronesans Group
Ownership ratios	Total business expenses: ¥200.0bn Operating company: 30% ownership Facilitate management company: 49% ownership
Schedule	Oct. 2017: Commencement of construction Oct. 2020: Opening of hospital Period of operation: 28.5 years
Hospital scale	Total beds: 2,682 Area of site: 1 million m2 Projected usage: 65,000 people/day Affiliated medical staff: 4,500 people Construction period: 36 months

- Largest PPP hospital project funded by a Japanese company
- Project advanced through partnership with one of Turkey's largest general contractors



Role of Sojitz

- Business investment
- Project finance arrangement
- Facility Management
- Introduction of Japanese medical devices



Business Explanation 1-II

Medical Infrastructure/PPP Hospital Project in Turkey

Division of Duties in PPP Project	
Turkish Government	Operating Company
<ul style="list-style-type: none"> • Hospital operation • Compensation of physicians and nurses • Medical activities 	<ul style="list-style-type: none"> • Fund procurement • Design • Construction (EPC) • Facility management

Ronesans Saglik Yatirim (Turkish Company)

Sojitz

• Investment
• Shareholder financing

• Investment
• Shareholder financing

Ministry of Health of Turkey

Business operation contract

Operating Company
Istanbul PPP Saglik Yatirim (Turkish Company)

- Japan Bank for International Cooperation
- Private-sector financial institutions
Private banks
Life insurance companies
- Nippon Export and Investment Insurance

Risk Management Measures

- ① Adjustment of base revenues for commodity prices and foreign exchange
- ② Investment insurance of Nippon Export and Investment Insurance and Multilateral Investment Guarantee Agency

EPC contract

Facility Management contract

EPC contractor

Facility Management Company

• Investment

• Investment

Ronesans Holding A.S.

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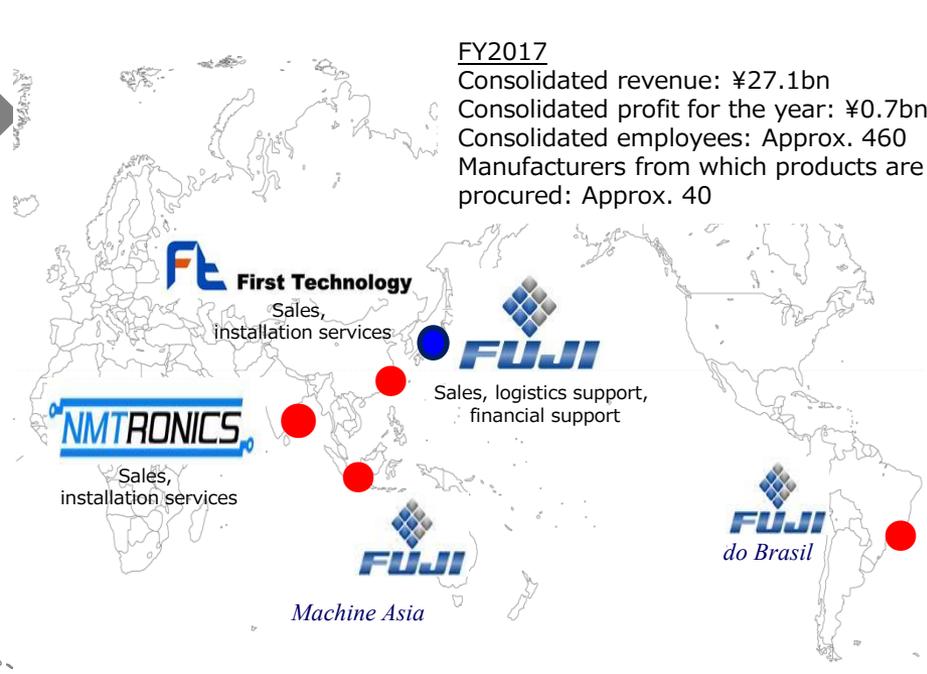
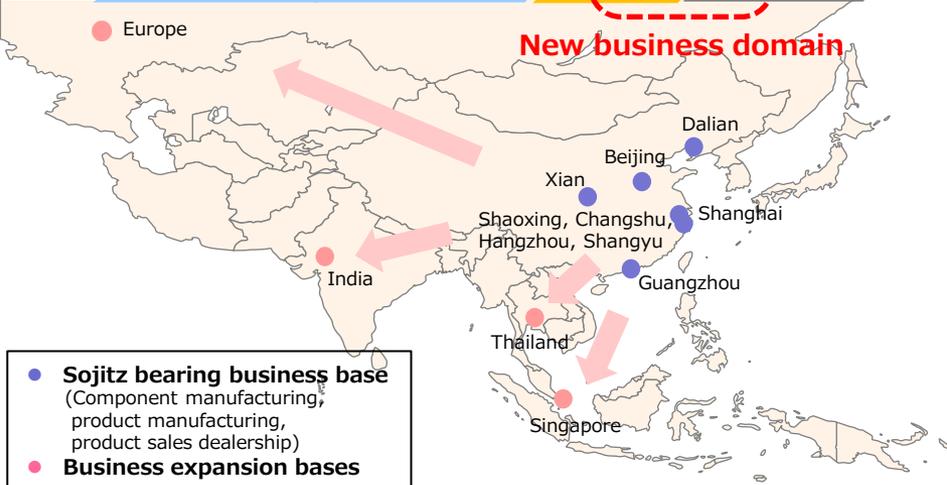


Business Explanation 2

—Industrial Machinery & Bearings

【Business Supplying Bearings—A Crucial Part of Industry】

【Mounter, Semiconductors, and Robotics Operations】



FY2017
 Consolidated revenue: ¥27.1bn
 Consolidated profit for the year: ¥0.7bn
 Consolidated employees: Approx. 460
 Manufacturers from which products are procured: Approx. 40

- Develop value chain spanning from steel procurement to sales of components and products
- Expand distribution earnings through business investment
- Establish product sales and joint-venture manufacturing companies to promote sales of NSK products

- Establish sales companies for top-global-share-holding Fuji surface mounters in China, Southeast Asia, India, and Brazil
- Propose total solutions for customers in peripheral equipment, components, and other electronics- and semiconductor-related fields and for electronics contract manufacturing services
- Enhance systems integrator functions to address automation and labor-saving needs and aim to become a robotics solution provider

1. Develop operations in China: Joint businesses and OEM businesses with dealers
2. Expand operations in other regions (Europe): Local production and consumption



Business Explanation 3—Plant Projects

Focus Market: Russia & NIS

- Capitalize on robust demand for fertilizer, methanol, and petrochemical plants in light of breadth of natural resources
- Develop EPC businesses based on extensive plant delivery track record in Russia and NIS region and utilizing plant business expertise, Russian staff, and local networks

Projects for Which Orders Have Been Received (Partner)

Russia

- ◆ Ammonia, methanol, and urea (Mitsubishi Heavy Industries)
- ◆ Acrylic acid plant (Mitsubishi Heavy Industries)
- ◆ Ammonia plant (Mitsubishi Heavy Industries)
- ◆ Gas-turbine power generation equipment (Kawasaki Heavy Industries)
 - Expansion into maintenance operations

Turkmenistan

- ◆ Sulfuric acid plant (Mitsui E&S)
- ◆ Gas-to-gasoline plant (Kawasaki Heavy Industries)
- ◆ Ammonia and urea [plants] (Kawasaki Heavy Industries)

Broaden business through market expansion

Engineering Functions

- Invest in engineering companies to expand business scope to include infrastructure projects by combining Sojitz's project development capabilities with engineering functions

Transformation of Plant Business Model and Revenue Sources

- Participate in new environment-related businesses
- Create and invest in cross-division projects such as gas-to-power operations



Overview of Sojitz Machinery

Sojitz Machinery Corporate Profile

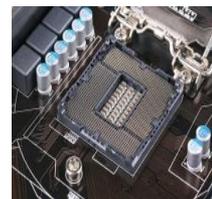
- Name: Sojitz Machinery Corporation
- Capital: ¥1.5 billion
- Establishment: April 1, 2004 (original date of establishment: October 1, 1989)
- Employees: 246 (as of August 1, 2018)
- Locations: 2F, Marunouchi Center Bldg., 6-1, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-0005 Japan
Osaka Office/ Nagoya Office
- Business activities: Sales of production equipment, components, etc.; activities as industrial machinery trading company
- Major overseas bases



Divisions

Focus Fields

Advanced System Division



- Lithium-ion battery manufacturing equipment and components
- Semiconductor- and solar power-related equipment and components
- Food processing equipment

Heavy Industries Division



- Iron- and nonferrous metal-related manufacturing equipment
- Rolling machines, grinders
- Metal processing equipment

Chemical & Environment Plant Division



- Oil, gas, and chemical plant equipment
- Textile and nonwoven cloth production equipment
- Environmental and recycling equipment
- Forestry equipment

Industrial Machinery Division



- Electric machinery and heating and cooling system manufacturing equipment and facilities
- Textile and other general industrial machinery
- Forster Japan wine cellars

Automotive Process Division



- Large-scale capital investment projects in China and India (equipment for power train)
- Delivery of equipment to and replacement of aged equipment at new U.S. joint venture between Mazda and Toyota
- EV and FCV equipment and components



Measures Targeting Future Growth

- **Medical Infrastructure**
 - Commence Turkey PPP project and extend efforts to South and Central America, Near and Middle East, and South East Asia
 - Enter into medical infrastructure installation service operations
- **Plant Projects**
 - Transform business model through business investment
 - Advance initiatives in environment and recycling businesses and otherwise expand infrastructure business scope
- **Industrial Machinery & Bearings**
 - Acquire bearing dealers and make other business investments for expanding distribution revenues
 - Promote sales of mounters in India, Brazil, etc.
- **Sojitz Machinery Corporation**
 - Expand scale of projects in which we participate
 - Grow distribution revenues through investment



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New way, New value