



SOJITZ IR DAY 2018

Retail & Lifestyle Business Division

September 3, 2018

Sojitz Corporation

Naoki Yokoyama

Chief Operating Officer

Retail & Lifestyle Business Division



Contents

- ◆ Division Overview
- ◆ Division Policy Under Medium-Term Management Plan 2020
- ◆ Growth Strategies 1
 - Household Paper and Containerboard Production
- ◆ Growth Strategies 2
 - Food Distribution and Retail in Vietnam
- ◆ Growth Strategies 3
 - Meat One Project

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.

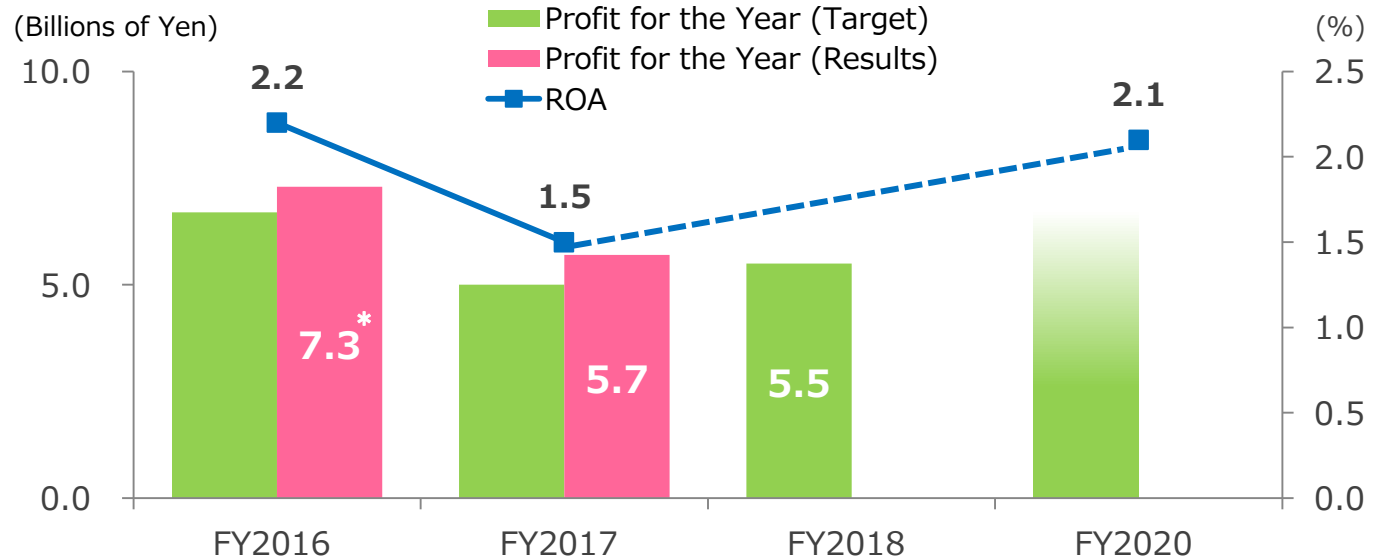
The company will provide timely disclosure of any material changes, events, or other relevant issues.



Division Overview(Performance)

Construct **foundations for generating stable earnings** by maintaining and strengthening existing businesses and growing through new businesses investment

Profit for the Year
Total Assets
ROA



* Including certain gains on sales of commercial facilities

Total Assets (Billions of Yen)	FY2016	FY2017	FY2018	FY2020
	331.8	423.8	=	=

(Billions of Yen)

Profit for the Year
of Principal
Subsidiaries

	FY2015	FY2016	FY2017
Sojitz Foods Corporation	1.6	1.8	2.2
Sojitz Building Materials Corporation	0.4	1.0	0.8
Sojitz Fashion Co.,Ltd.	0.7	0.7	0.7



Division Overview (Major Businesses)

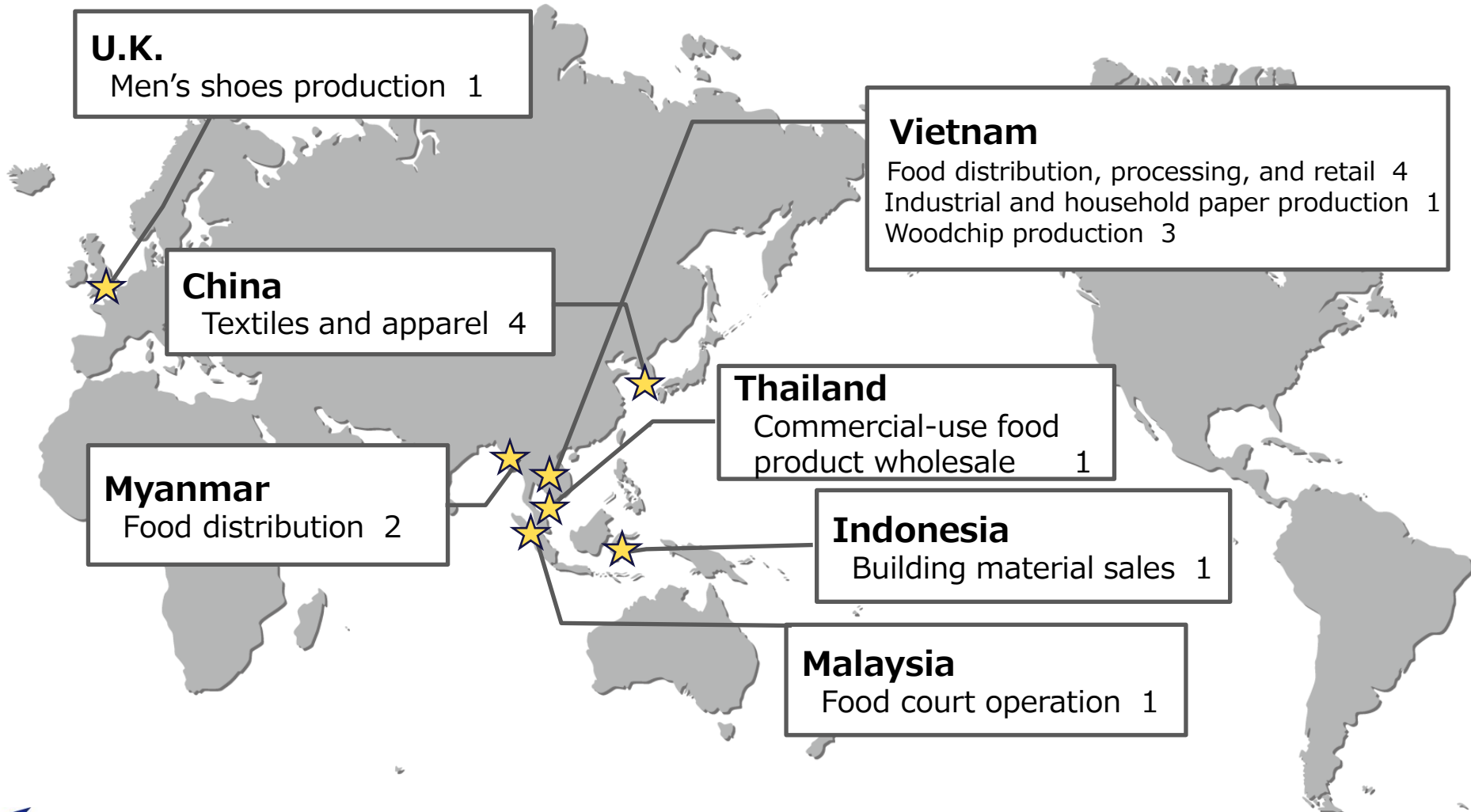
Develop diverse businesses that enrich lives and offer convenience in Japan and the ASEAN region with a focus on **the customer's perspective**

Food & Retail Dept.		Advancement of food and retail businesses (food wholesale, processed food sales, retail, distribution) in ASEAN countries based on their level of development
Investment Management Dept.		Contract operation of commercial facilities and value adder operations Sales promotion and expansion in new shopping center operations based on 15-year track record
Textile & Apparel Business Dept.		Production support for major domestic specialty retailers in the apparel OEM business Top-class position in domestic textile sales business
Forest Products Dept.		Forestry and woodchip production businesses Development of sustainable forest product supply chain
General Commodities & Lifestyle Dept.		Supply of consumer goods and industrial materials to meet diverse lifestyle needs
Sojitz Foods Corporation		Wide-ranging import and domestic sale of food, agricultural and marine products, sugars, and basic materials Leading share of imports of frozen beef produced in North America (approx. 30%)
Sojitz Building Materials Corporation		Trading, planning, and design of wood and other building materials Top-class position in domestic sales of import plywood



Division Overview (Overseas Operations)

Number of Group Companies in ASEAN and Other Regions (Principal Businesses)





Division Policy

Under Medium-Term Management Plan 2020

Basic Policy

Focuses of the Retail & Lifestyle Business Division will include expanding and diversifying its commercial facility operations; augmenting trademark portfolios and acquiring new functions in the forest product, textile, and general commodity fields; and developing new businesses in Japan and Asia. Through such tailored portfolio management efforts, this division will evolve and enhance its foundations for generating continuous earnings.

Operating Environment Changes

- Diversifying lifestyles
- Rising environmental awareness
- Economic growth in ASEAN region
- Shift in consumption from goods to experiences

Specific Initiatives

- **Reinforcement of foundations for generating stable earnings**
 - Continue traditional trading operations and focus on thoroughly strengthening businesses where we have a track record
- **New business investments aimed at growth**
 - Develop diverse businesses that enrich lives and offer convenience with a focus on the customer's perspective
 - Strengthen existing projects and develop new projects in ASEAN region, where foundations are in place



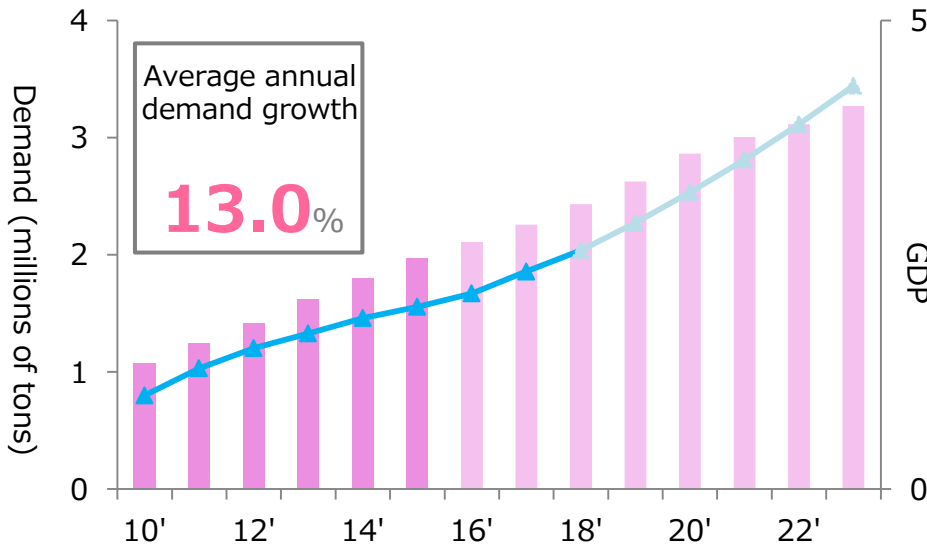
Growth Strategies 1

—Household Paper and Containerboard Production

Growing Need for Containerboard Production in Vietnam



<Containerboard Demand and GDP in Vietnam>



* GDP for 2010 indexed to 1

- Demand (historic and forecasts)
- GDP historic
- GDP forecast (IMF)

* Source: RISI, IMF data

Investment in Major Vietnamese Papermaker Saigon Paper (SGP) in June 2018

- ◆ No. 1 share in household paper



bless you
premium household paper

Saigon
household paper

- ◆ No. 2 industrial paper production capacity



- Containerboard
- Exterior packing liners
- Core base paper
- Tube base paper

Annual sales: Approx. ¥13.0 billion (year ended December 31, 2017)

Ownership: Sojitz 95.24% (as of August 1, 2018)
Other 4.76%



Growth Strategies 1

—Household Paper and Containerboard Production



Procurement of raw materials from SGP's six used paper collection centers in Vietnam



High rate of self-sufficiency for raw materials

58%



Number of areas of Vietnam in which sales are conducted

63

Sales network encompassing all of Vietnam



New way, New value

- **Boost production volumes** by augmenting containerboard manufacturing equipment through increased investment
- **Improve production efficiency** by installing larger equipment
- **Expand sales channels** for household paper through coordination with Japanese manufacturers

Respond to customer needs by utilizing Sojitz's management expertise to increase SGP's manufacturing and sales capabilities



Growth Strategies 2

—Food Distribution and Retail in Vietnam

Prepared Food and Processed Meat Production

- Manufacture and sale of prepared foods and processed meats
- Introduction of hygiene management practices based on Japanese standards

Prepared Food and Processed Meat Production

Expansion of manufacturing and sales operations by approaching retailers, restaurants, and other new users



Wholesale

- Wholesale of food products and sundries
- Operation of 10 in-house distribution warehouses

Huong Thuy (investment commenced in 2008)

Expansion of sales channels to include convenience stores, supermarkets, and privately owned stores in Vietnam



Food Product Storage and Transportation

Four-temperature (room temperature, fixed temperature, refrigerated, and frozen) cold chain logistics encompassing everything from storage to delivery

New Land Vietnam Japan (operations commenced in 2016)



Retail

- Chain of specialty combo stores (combined convenience stores and fast food restaurants)
- Network consisting of 122 stores (as of July 31, 2018)

Ministop Vietnam (investment commenced in 2015)

Enhancement of procurement, distribution, store development, and services and other improvements to convenience store infrastructure quality





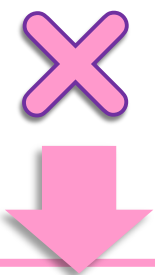
Growth Strategies 3—Meat One Project

Sojitz

SOFCO
Sojitz Foods Corporation



Strength of Sojitz Foods indicated by leading share of imports to Japan of frozen beef produced in North America (approx. 30%)



Meat Processors

Needs:

- New sales channels
- Stronger development capabilities
- Lower distribution costs

Establishment of Meat One Joint Venture

Goals

- Mutual usage of partners' sales channels
- Aggregation of expertise and functions

Anticipated Benefits

<Japan>

- Extension of sales channels to new users (restaurants, retailers)
- Provision of safe, secure, and delicious beef products at competitive prices

<ASEAN and Other Overseas Countries>

- Overseas expansion by partners
- Exports of high-quality beef products from Japan to overseas markets

Increased transaction volumes and business opportunities for Sojitz Foods and partners



sojitz

New way, New value