



Sojitz IR Day 2022

November 28, 2022
Sojitz Corporation

Caution regarding Forward-looking Statements and Original Language

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

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This document is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is authoritative and universally valid.

Notes

- **“Medium-term Management Plan 2023.”** is referred to as **“MTP2023”**. The same applies to “MTP2020” and “MTP2017”.



Sojitz IR Day 2022

Section 1

Sojitz's Value Creation Story —Energy Solutions Strategies

Section 1: Sojitz's Value Creation Story—Energy Solutions Strategies

Profile



Takefumi Nishikawa

Executive Officer COO,
Infrastructure & Healthcare Division

Involvement in industrial infrastructure and power equipment exports, financing arrangement, overseas IPP projects, and other power business areas before transferring to Corporate Planning Depart. in 2015

Apr. 2018
Apr. 2021
Apr. 2022

General Manager, Corporate Planning Dept.
Vice COO, Infrastructure & Healthcare Division
Current position

Overview of Infrastructure & Healthcare Division

Infrastructure & Healthcare Division

Major Group Company

- Nissho Electronics Corporation
- Tokyo Yuso Corporation
- LNG JAPAN
- SAKURA internet Inc.

Renewable Energy Business Dept.

- Renewable IPP
- Renewable Energy Retailing
- Green EV Infrastructure



Solar Power Plant in Nishikimachi, Kuma-gun, Kumamoto



Onshore wind power in Ireland

Power & Infrastructure Solution Dept.

- Gas Thermal IPP
- LNG to Power
- Energy Saving Service



Mirfa IWPP in U.A.E



McClure in the U.S.

Energy & Industrial Infrastructure Business Dept.

- Mid-Downstream Energy Retail Business
- Industrial Park and Urban Development
- Hydrogen & Ammonia



Deltamas City in Indonesia



Tanggung LNG Facility in Indonesia

Social Infrastructure Development Dept.

- Telecommunication Tower
- Social Infrastructure/Urban Development
- Nuclear Fuel Business



Telecommunications Tower Business in the Philippines



Uranium Enrichment Business in France

Healthcare Dept.

- Hospital PPP Business
- Primary Care Business
- Healthcare Related Business



Hospital PPP project in Turkey



Primary Care in Malaysia

Infrastructure & Healthcare Division

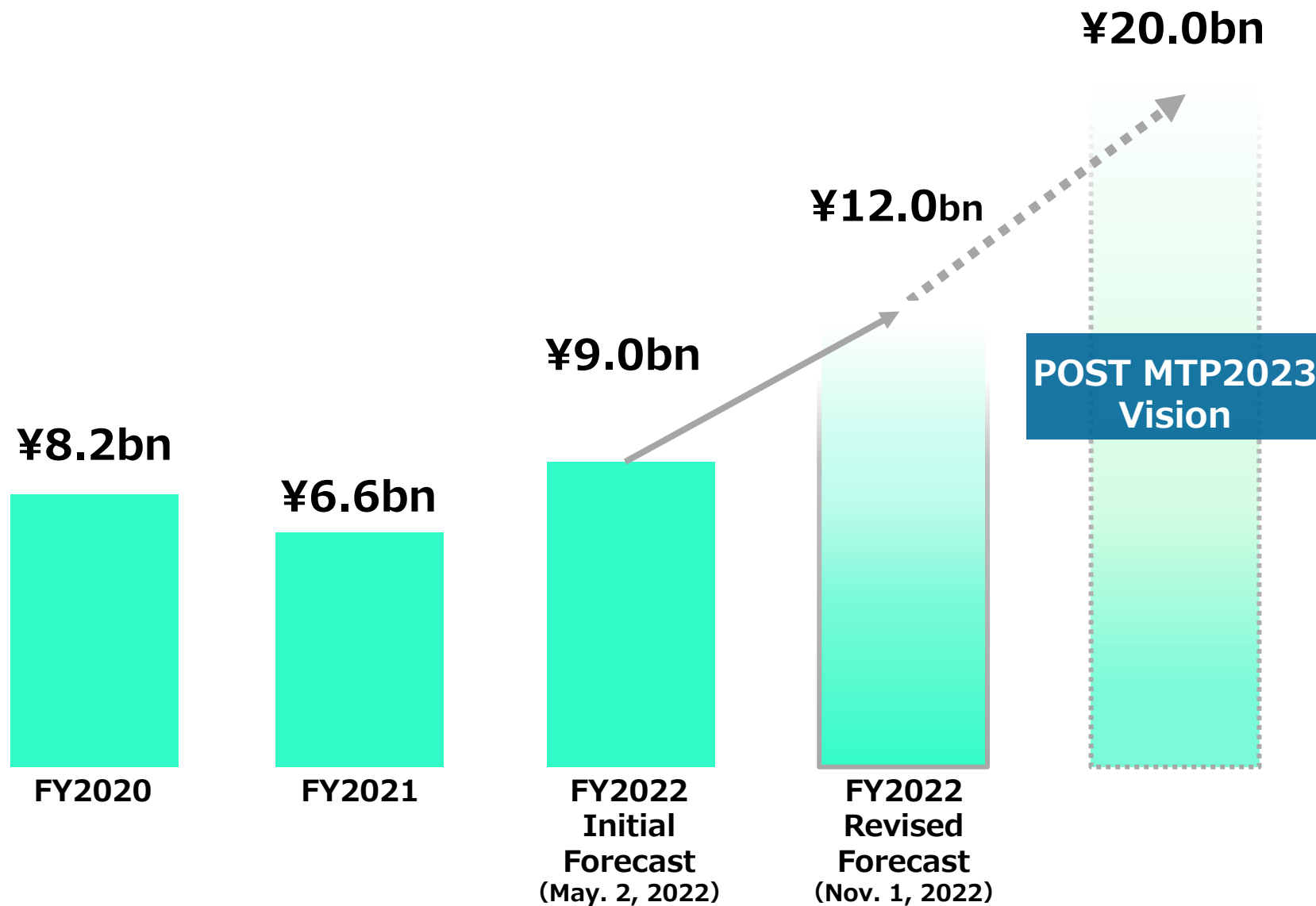
—Investment Targets

| | The amount of investments | Outstanding investment forecasts *1 | MTP2023 Earnings contributions forecasts *2 | MTP2023 3 years avg. ROI *2 | Major Businesses | Description |
|------------------------|---------------------------|-------------------------------------|---|-----------------------------|--|--|
| <u>MTP 2023</u> | ¥100.0bn~ ¥120.0bn | | Approx. ¥10.0 bn | Approx. 3.5% | <ul style="list-style-type: none"> U.S. ESCO Business Electricity Retail in Spain Gas Downstream Business in Nigeria | <ul style="list-style-type: none"> Business-type Investments, Downstream Areas Leadership in business operation through majority investment Decarbonization/Energy Transition Expand Healthcare Businesses |
| <u>MTP 2020</u> | ¥76.4 bn | Approx. ¥42.0 bn | Approx. ¥8.0 bn | Approx. 6.5% | <ul style="list-style-type: none"> Gas-Fired Power Generation in the U.S. and Southeast Asia Off-Shore Wind Power Businesses in Taiwan Primary Healthcare Services in the Asia Telecommunications Tower Businesses in Asia | <ul style="list-style-type: none"> Decarbonization/Energy Transition Entry into Private Healthcare Businesses New Business Initiatives (Telecommunications Tower Businesses) |
| <u>MTP 2017</u> | ¥97.1 bn | Approx. ¥57.0 bn | Approx. ¥17.5 bn | Approx. 11% | <ul style="list-style-type: none"> Wind Power Generations in Ireland Solar Power Businesses in Chile Hospital PPP Project in Turkey | <ul style="list-style-type: none"> IPP Infrastructure/Asset-type Investments Overseas Renewable Energy Businesses Entry into Healthcare Businesses |

*1 Outstanding Investment Forecasts is as of the end of March 2023

*2 3 years in MTP2023 (The amount of the end of March 2022 to the end of March 2024)

Infrastructure & Healthcare Division —Financial Targets



Essential Infrastructure Strategies



Decarbonization, energy, and essential infrastructure business initiatives for addressing social issues and market needs that change with the times

Energy Solutions Businesses Strategies and Strength

- New value creation by combining integrated ideas and functions
- Broadening of business domain

Create

- Personal networking capabilities
- Business project development capabilities
- Utilization of speed and flexibility

Expand

- Strong trust cultivated with public-sector, private-sector, and other stakeholders
- Harmony with communities and environment

Connect

- Connections forged with industry partners, communities, and countries through history of operation
- Collaboration with new partners to merge unique strengths

Nurture

Evolution of Energy Solutions Businesses

- Accelerated accommodation of transition to new energy sources for achieving a decarbonized society

Creation of New Decarbonization Solutions

Renewable energy IPP projects
Hospital PPP and broadening of other operations for responding to social needs

Investment in power IPP and other projects

Energy, power, and plant transactions

Expansion into upstream and midstream areas oriented around energy resource trading

Action based on Sustainability Challenge, long-term vision for 2050

Delivery of goods and services where necessary



Energy Solutions Businesses :

Renewable Energy Businesses



Industrial Park in Vietnam x Combined Rooftop Solar



Gas Retail Business in Nigeria



U.S. ESCO Business



Electricity Retail Business in Spain



Creation of New Decarbonization Energy Businesses



Outlook and Future Initiatives in Energy Solutions Field

U.S. ESCO Business (McClure)





Overview of U.S. ESCO Business (McClure)

ESCO (Energy Service Companies)

Business model of generating income based on contributions to reductions in customers utility and other costs

| | |
|----------------------|--|
| Corporate Name | ■ McClure Company (Established in 1953) |
| Net Sales | ■ US\$205mil (as of March 2021) |
| Number of Employees | ■ 130 (head office, approx. 600 at peak periods when including other offices and contract workers) |
| Principle Customers | ■ Municipalities, universities, schools, and hospitals and commercial and industrial entities (J&J, Merk, etc.) in Pennsylvania and Maryland |
| Business Description | <ul style="list-style-type: none"> ■ <u>Leading share among K-12 schools and hospitals in Pennsylvania,</u> which represent largest segment of Pennsylvanian ESCO market ■ <u>Full lineup of services</u> spanning from energy conservation consulting, design, installation, and maintenance <u>offered in-house</u> |

University and other educational institutions



Large-scale general hospitals



Large-scale air-conditioning equipment



Plumbing



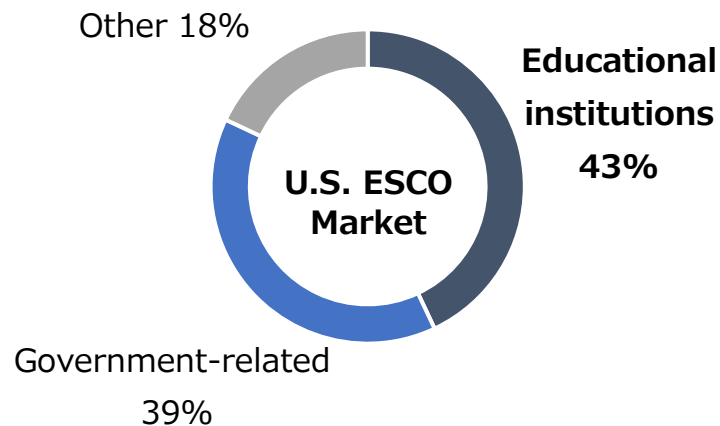
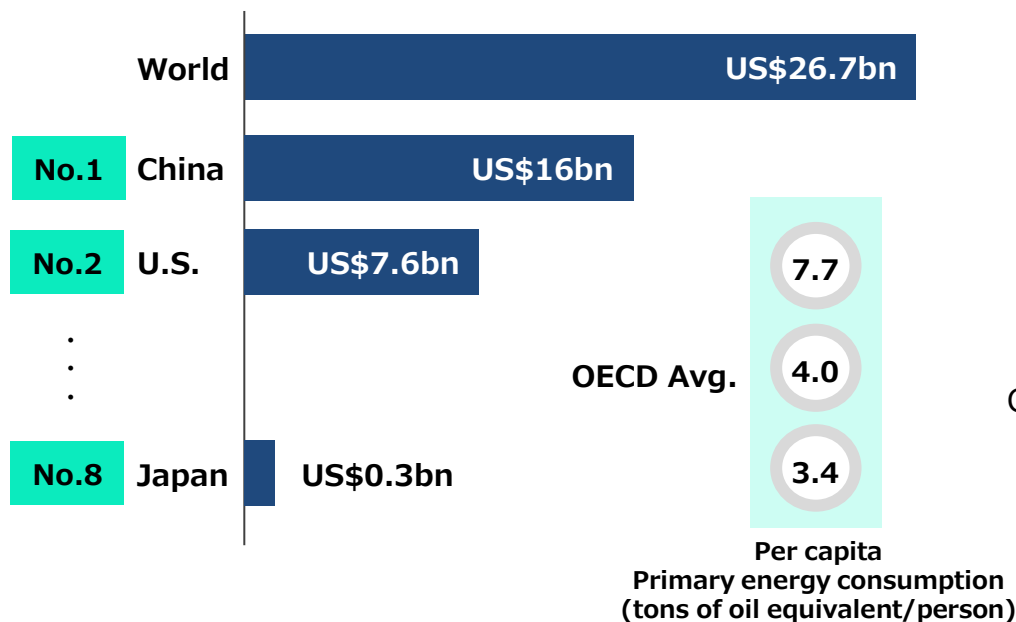
Boilers (heat sources)



Overview of U.S. ESCO Market

- No. 2 ESCO market in the world, 20 times the size of Japan’s market
- Over 90% of market attributable to public facilities (municipalities, universities, schools, and hospitals)
- Firm growth anticipated due to environmental subsidies, COVID-19-related demand, and rising energy prices

International comparison of ESCO market



Source: 2018 ESCO company sales survey, International Energy Agency
2021 Handbook of Japan's & World Energy & Economic Statistics

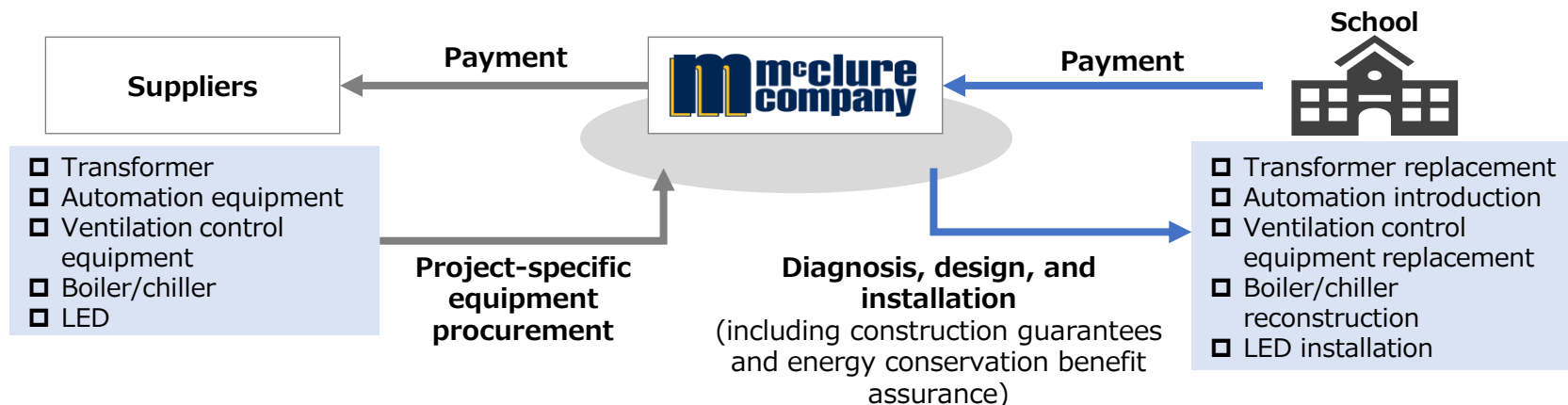
Source: Sojitz

Principal Businesses of McClure

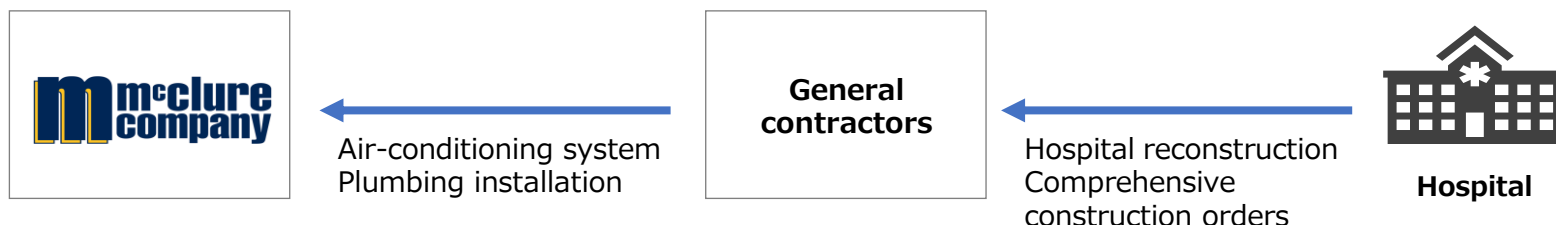
- Major customers including schools and hospitals
- Guaranteed saving ESCO business serving schools
- Primary services targeting hospitals including air-conditioning system and plumbing installation offered as a subcontractor of major general contractors

■ ESCO Business Targeting Schools :

Capacity to reduce utility and maintenance costs over 20 years

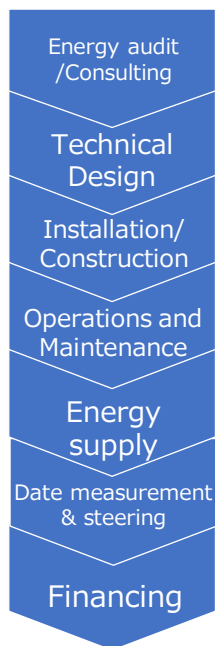
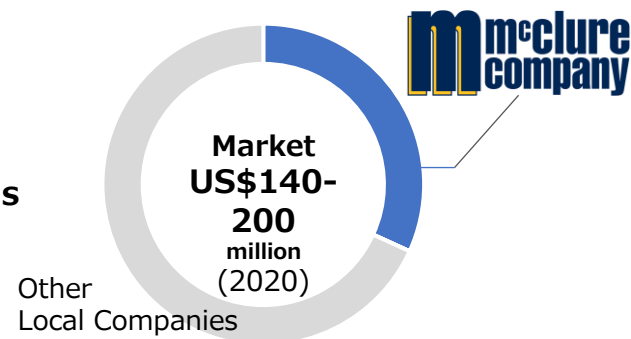


■ HVAC Installation Business Targeting Hospitals :



Competitiveness of McClure's ESCO Business

- Estimated share of 30%–40% in K-12 market, McClure's primary market, where local ESCO companies are major competitor
- Strengths of McClure
 1. Communication capabilities allowing for flexible proposals that respond to needs and budget restrictions of schools
 2. Service systems allowing for in-house provision of services spanning from consulting to after-sales services



| Services Provided by General ESCO Companies | McClure's Competitiveness | McClure |
|--|---------------------------|---|
| <ul style="list-style-type: none"> • Evaluation of energy consumption and recommendations for energy efficiency and corrective measures | ➔ | <ul style="list-style-type: none"> • Comprehensive provision of services by in-house engineers, installation technicians, and maintenance staff • Collaborating with subcontractors for certain scopes • Equipment procurement on by-need basis • Expansion of solar power businesses • Provision of short-term guarantees of one to two years • Area of weakness |
| <ul style="list-style-type: none"> • Specification of technical and economical requirements and design of the technical solution | ➔ | |
| <ul style="list-style-type: none"> • Installation of the solution: - Procurement, Physical deployment | ➔ | |
| <ul style="list-style-type: none"> • Operation of the technology/equipment and maintenance services | ➔ | |
| <ul style="list-style-type: none"> • On-site distributed generation – CHP, co-gen, PV etc. | ➔ | |
| <ul style="list-style-type: none"> • Monitoring, measurement and analysis | ➔ | |
| <ul style="list-style-type: none"> • Financing of the procurement and installation costs | ➔ | |

U.S. ESCO Business –Value Up Fields



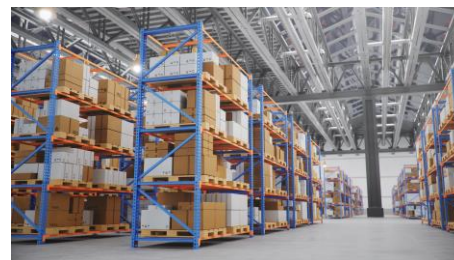
ESCO Financing



Digital



Solar Power



Logistic Center



Higher Education



**Hospital/
Pharmaceutical**



Data Center



Real estate



New way, New value