



sojitz
New way, New value

SOJITZ IR DAY 2015

Aerospace & IT Business Division

December 18, 2015
Sojitz Corporation

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Aerospace & IT Business Division



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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





Business Fields, Overseas Sites, and Staff

**Aerospace
Dept.**



**IT
Business
Dept.**



**Marine
Business**



**Planning &
Administration
Office
Controller Office**

**Core Companies
Sojitz Aerospace Corporation
(SOASCO), etc.**

**Core Companies
Nissho Electronics Corporation
(NELCO), etc.**

**Core Companies
Sojitz Marine & Engineering
Corporation(SOMEK), etc.**

**China
Operating companies: 1
Employees: 4**

**The Americas
Operating companies: 20
Employees: 21**

**Europe, Africa, Middle
East, Russia & NIS
Operation companies: 11
Employees: 2**

**Asia & Oceania
Operating companies: 2
Employees: 4**

**Domestic subsidiaries and associates: 29
Overseas subsidiaries and associates: 34
Operating sites worldwide: More than 20
Total number of employees: 1,719
(Including special purpose companies, etc.:
as of September 30, 2015)**



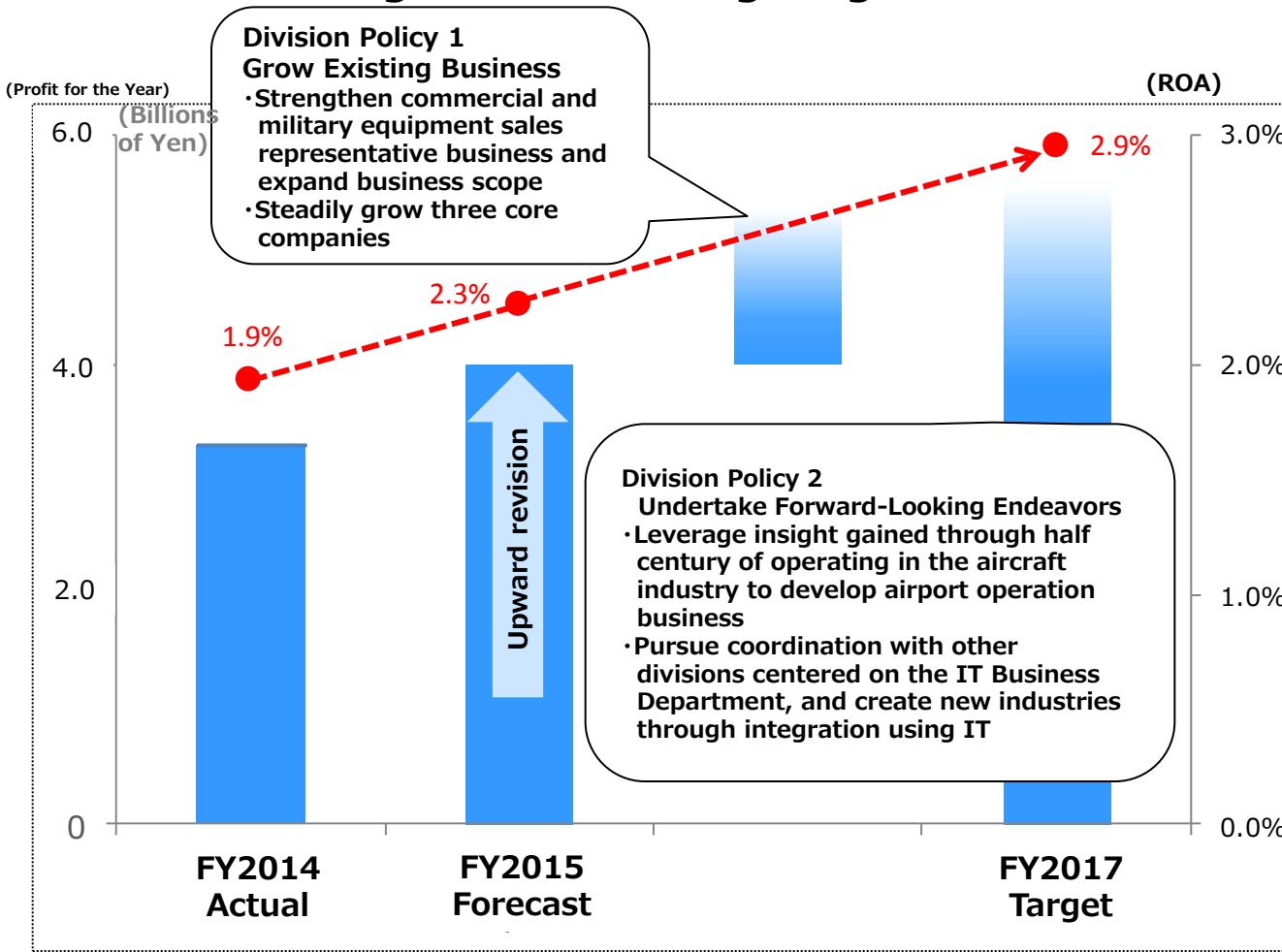
Performance and Goals for Final Year of Medium-Term Management Plan





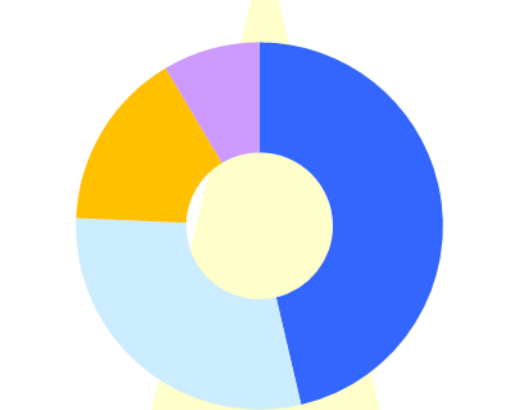
Performance and Goals for Final Year of Medium-Term Management Plan

Forward-Looking Endeavors Targeting ROA of 2.9%

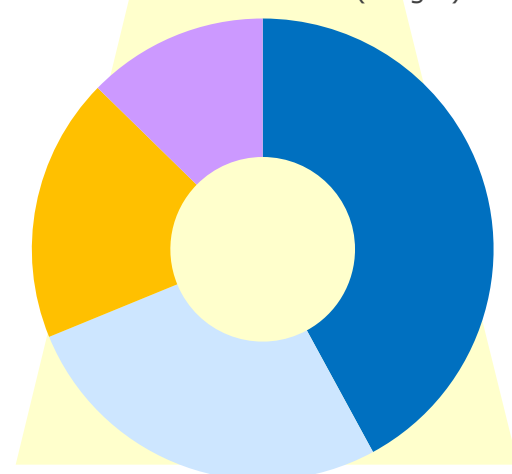


FY2015 Profit for the Year Breakdown Forecast (Initial Forecast)

■ Aerospace business ■ SOASCO business
■ SOMEC & Marine business ■ NELCO & IT business



FY2017 Profit for the Year Breakdown Forecast (Target)



Total assets: ¥170.0 billion
 Projected amount of investments and loans (3-year total): ¥20.0 billion



Growth Strategy Examples

~Grow Existing Businesses~

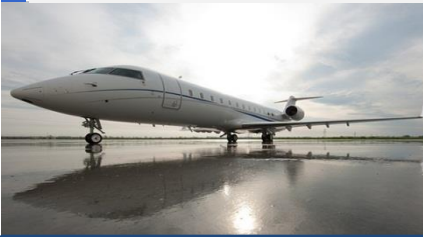
1. Strength of the Aerospace & IT Business Division
2. Business Environment
3. Used Aircraft and Part-Out Business
4. SOASCO Business



1. Strengths of the Aerospace & IT Business Division

**Aggregate Sales of More than 900 Commercial Aircraft
No.1 Domestic Market Share**

Business Jets



Aircraft sales,
flight management,
maintenance, chartering

Used Aircraft and Part-Out



Procurement and dismantling
of retired aircraft
Inventory management and
sales of parts

Broadening
of business
scope by
utilizing
functions and
expertise



Partnership lasting nearly
60 years
Track record of handling
more than 800 aircraft



Partnership lasting more than
40 years
Track record of handling
more than 80 aircraft

Creation
of new
business
clusters

Government
financial institutions



Airport Operation Business



Participation in and
expansion of airport
operation business
Development and value
improvement of related
facilities

Partners Companies

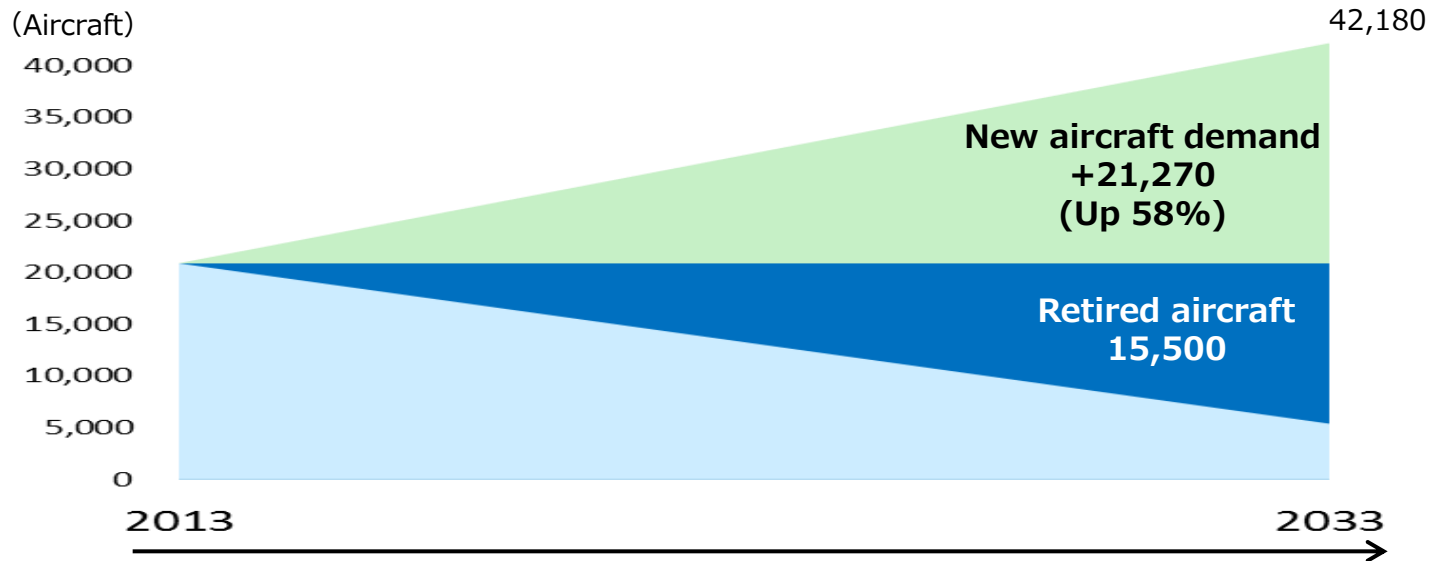


Aircraft industry functions and expertise



2. Business Environment

Growth of New Aircraft Demand over Next 20 Years



Source : Boeing Current Market Outlook 2014

Total number of commercial aircraft worldwide to double over next 20 years

Increased flow of people and goods

Economic growth in Asia and emerging countries

Growth in overall aircraft business demand centered on new aircraft (sales representative), used aircraft sales, and part-out businesses



3. Used Aircraft and Part-Out Business

Business Overview



Dismantle retired aircraft to salvage parts

Manage inventories of salvaged parts



Sell Parts

Customers in Europe, the Americas, Asia, and other parts of the world

Airlines

Maintenance companies

Lease companies

Future Business Development

1. Expand operations in Europe

Initiatives spearheaded by Sojitz Aircraft Leasing commenced in 2013
Aircraft handled: A320, B737-400, B767-200

2. Expand operations in the Americas

Establish operating and expand range of supported aircraft as part of future business development initiatives based out of Seattle
Aircraft handled: B737-700

3. Develop operations in Asia

Examine business prospects of collaboration with major maintenance and repair operation (MRO) and dismantling and part-out companies

Sojitz's aircraft business value chain completed through part-out initiatives

Aircraft orders

Fund procurement

Delivery

Aircraft management

Re-marketing

Retirement

- ◆ High profitability of parts supported by solid demand
- ◆ Rising part-out demand due to increase in aged aircraft approaching retirement



4. SOASCO Business (1/2)

Operations advanced as general trading company specializing in aerospace-, military-, and security-related equipment

- **Military field:**
Differentiate from rivals by analyzing situations in countries surrounding Japan and quickly gaining understanding of government national security measures
- **Commercial field:**
Actively take part in MRO of aircraft bodies and engines and in export of materials, equipment, and technologies

[Functions of SOASCO]

A Global Business Organizer with Expertise and High-Quality Services

Global Marketing and Analysis

Consultation and Planning

Sales Promotion

Contracts and Financing

Risk Management

Logistics

After-Sales Support

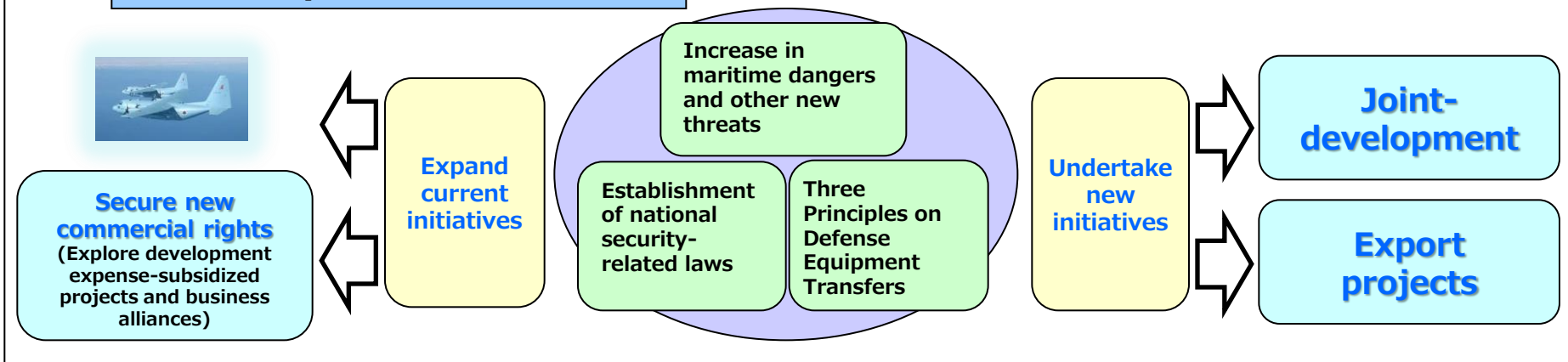
Sojitz Aerospace provides high-value-added services strategically integrating functions such as sales promotion, consulting, and making contracts and shipping arrangements based on accurate information gathering, market research and analysis.



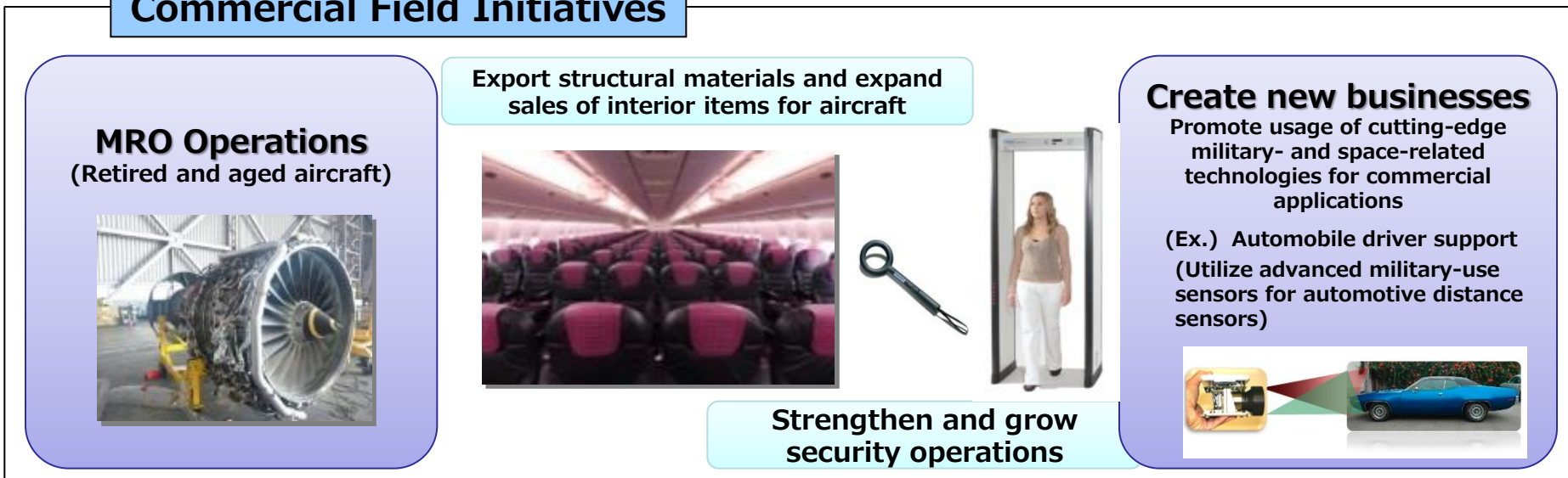


4. SOASCO Business (2/2)

Military Field Initiatives



Commercial Field Initiatives





Growth Strategy Example

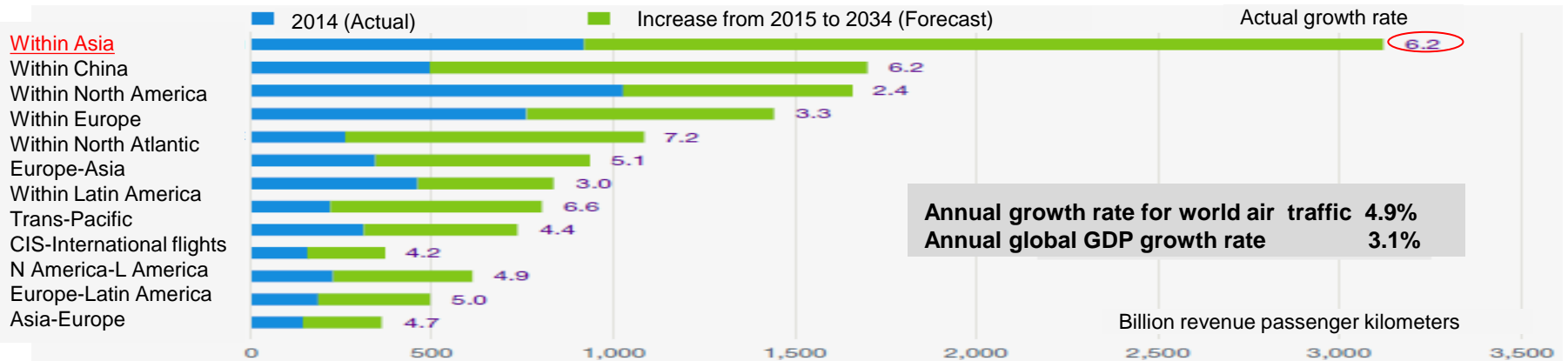
~Undertake Forward-Looking Endeavors~

Airport Operation Business



Airport Operation Business (1/2)

Asia/World Air Passenger Traffic Forecast



Annual growth rate for air traffic within Asia of 6%, air traffic amount to triple by 2034 (Source: The Boeing Company)

Collaboration with Prominent Partners in Airport Field

Private operation of airport infrastructure in Asia

Opportunities for public-private collaboration in Japan

Sojitz's integrated functions and value

Participation in airport operation

improved business value



Insight of prominent partners



Construction of future earnings foundations



Airport Operation Business (2/2)

Guarantee business feasibility and profitability and leverage Group's collective strength to develop and grow operations in peripheral and derivative fields centered on the airport operation business (expand air travel and non-air travel revenues, develop areas surrounding airports, and advance new businesses)

Utilize Sojitz's functions to create value and generate synergies in new business fields



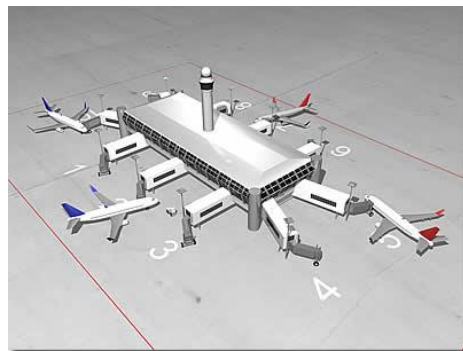
Aerospace business
(MRO, biofuel, business jet operation, etc.)



Sojitz Logistics
(Air cargo handling)



IT business
(IC cards, IC passports,
IT systems for airport
management, etc.)

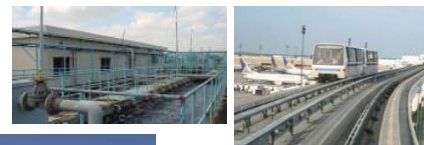


Retail business
(Airport duty free shops and
various other retail operations)

Development of Areas Surrounding Airports (Contributions to improving value of neighboring airports)



Industrial and urban infrastructure development
(Development of industrial parks neighboring airports, hotel operations (in tourist areas), etc.)



Environmental and industrial infrastructure development
(Solar and wind power generation facilities, water and sewage facilities, automated people movers, etc.)



Supplementary Materials





Aerospace Business

Aerospace Dept.

Focus on conventional Boeing and Bombardier aircraft sales representative operations, leasing operations, and business jet operations in commercial aircraft field

Used aircraft and part-out business and cybersecurity business developed as focus areas under Medium-term Management Plan 2017 while also expanding into airport operation business

Mainstay military aircraft business advanced through coordination with Sojitz Aerospace while also engaging in aerospace- and commercial aircraft-related equipment operations

<Main Subsidiaries and Associates>
Sojitz Aerospace Corporation
Sojitz Aircraft Leasing B.V.



Commercial aircraft sales representative and leasing operations



Business jet operations



Military aircraft operations
(Photograph provided by Japan ministry of Defense)



Used aircraft and part-out business



Cybersecurity business



Commercial aircraft-related equipment operations
(Photograph provided by JAL)

Sojitz Aerospace

Provides various cutting-edge technologies centered on aerospace and IT fields





Marine Business

Marine Business

Business activities contained within consolidated subsidiary Sojitz Marine & Engineering

Operations in marine business including newbuilding, second-hand ships, ship chartering, transactions combining newbuilding and chartering, and ship owning

New focus initiatives in environmental field in addition to equipment business consisting of import, export, and domestic transactions of a full range of marine equipment and machinery

<Main Subsidiaries and Associates>
Sojitz Marine & Engineering Corporation



Sojitz Marine & Engineering Corporation

~ Comprehensive Marine-Related Service Provider ~

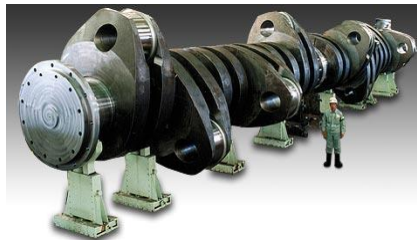
Newbuilding operations



Second-hand ships and ship chartering operations



Ship owning operations



Marine equipment: Engine crank shaft



Marine equipment: LPG reliquefaction system



Marine equipment: Engine turbo charger



IT Business

IT Business Dept.

Wide range of operations centered on consolidated subsidiaries and including sales and maintenance of ICT equipment, software development and sales (system integration, etc.), data centers, cloud service managed service, BPO services, and IoT services

<Main Subsidiaries and Associates>
Nissho Electronics Corporation
Sojitz Systems Corporation
SAKURA Internet Inc.

"Your Best Partner"
NE | NISSHO
ELECTRONICS



Large-scale telecommunications infrastructure development

Network equipment supply



Overseas offshore development

Contributed to development of world's first uncompressed HD video transmission system linking 128 television stations throughout Japan



Cutting-edge optical Transmission solutions

ACC SMS reciprocal SMS transmission service (operator free model series)



sojitz Sojitz Systems Corporation



Robust lineup of IT services

SAKURA Internet



IDC operations supporting more than 400,000 private and corporate accounts



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