

Sojitz IR Day Chemicals Division

December 18, 2013

Sojitz Corporation

Satoshi Mizui

President, Chemicals Division



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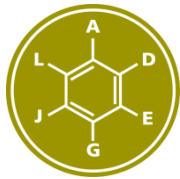
Caution regarding Forward-looking Statements

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



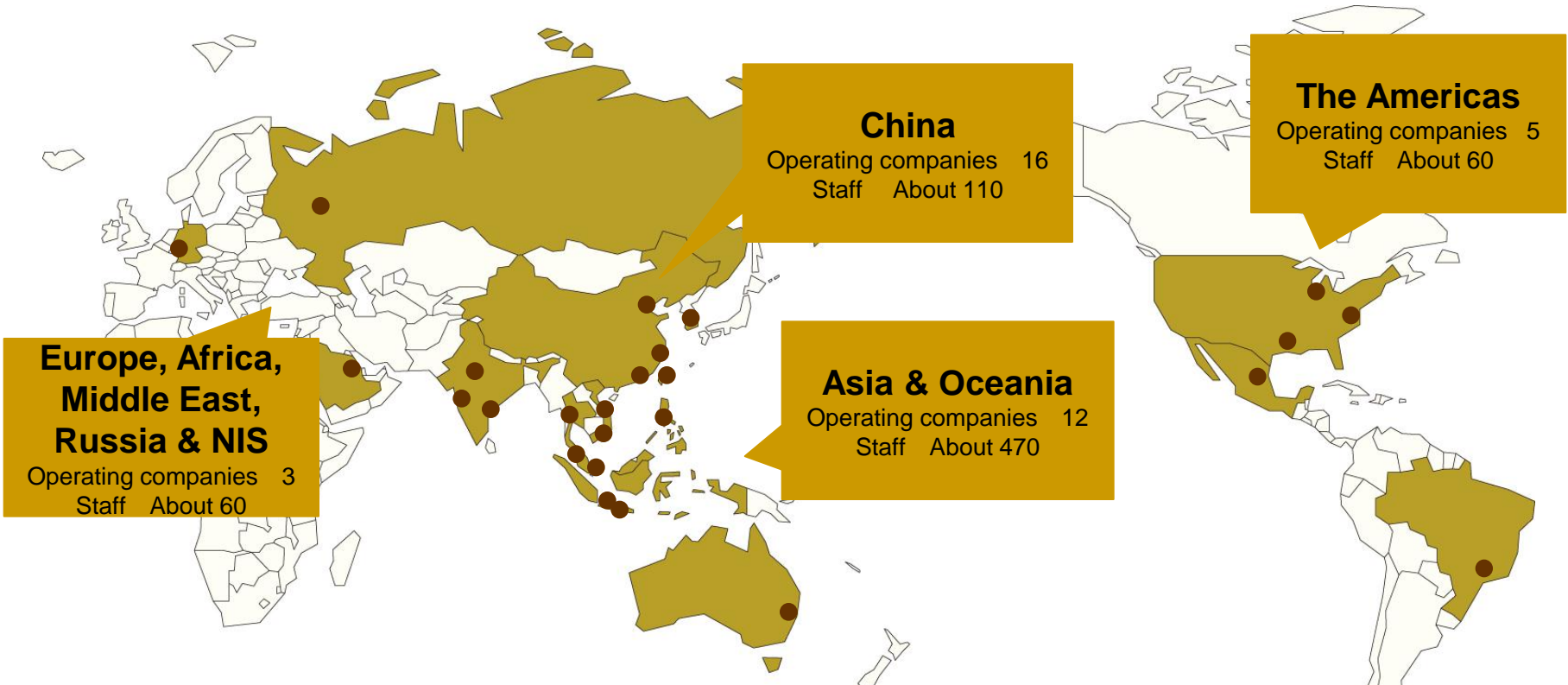


Operating Companies, Overseas Bases and Staff

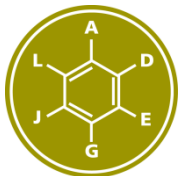


(As of September 30, 2013)

Domestic	18 companies, about 1,000 people
Overseas	36 companies, about 700 people

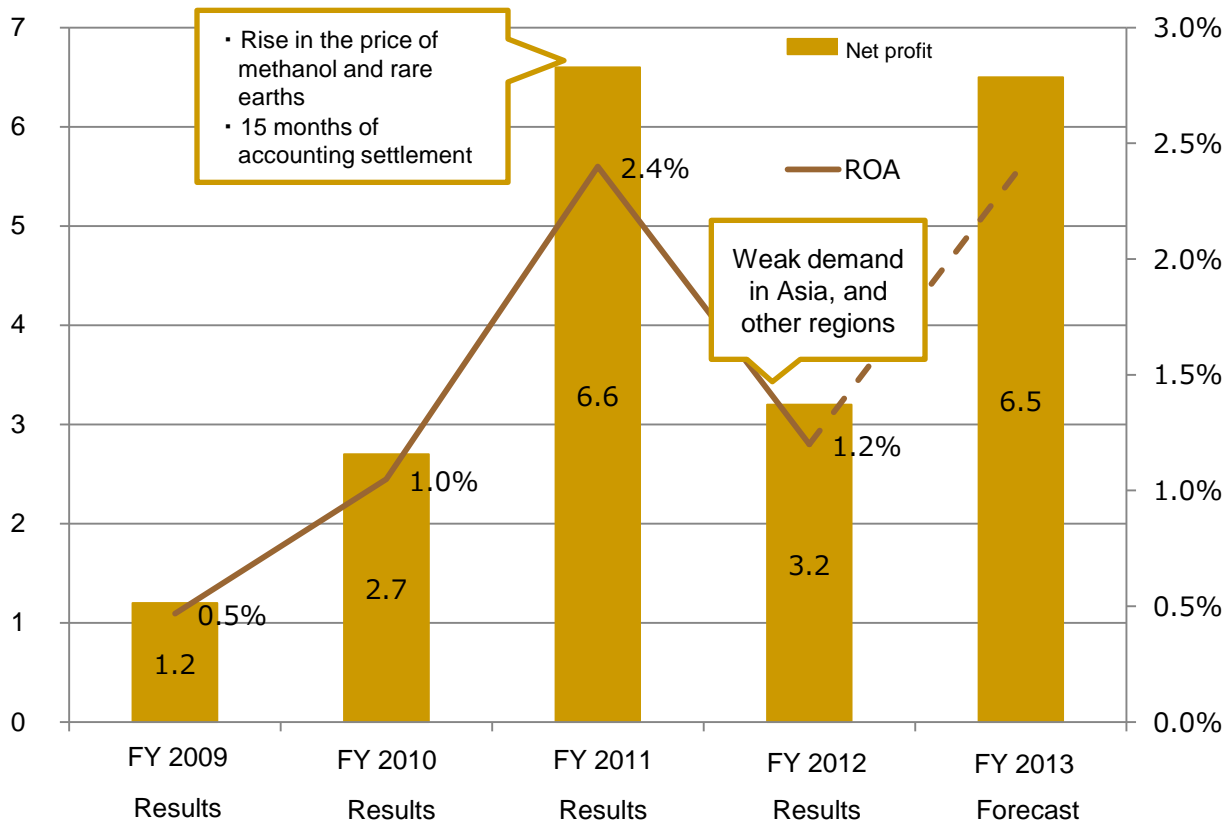


Note: The number of employees is for Sojitz and its consolidated subsidiaries.

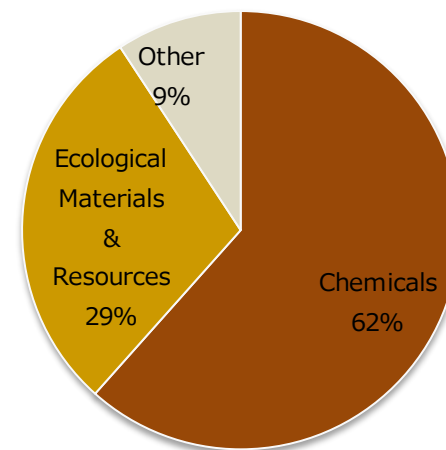


Division Performance and Outlook

(Billions of yen)



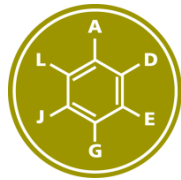
FY 2012 Gross Profit Contribution by Unit



Total assets	255.5	259.5	277.4	274.6

JGAAP

IFRS

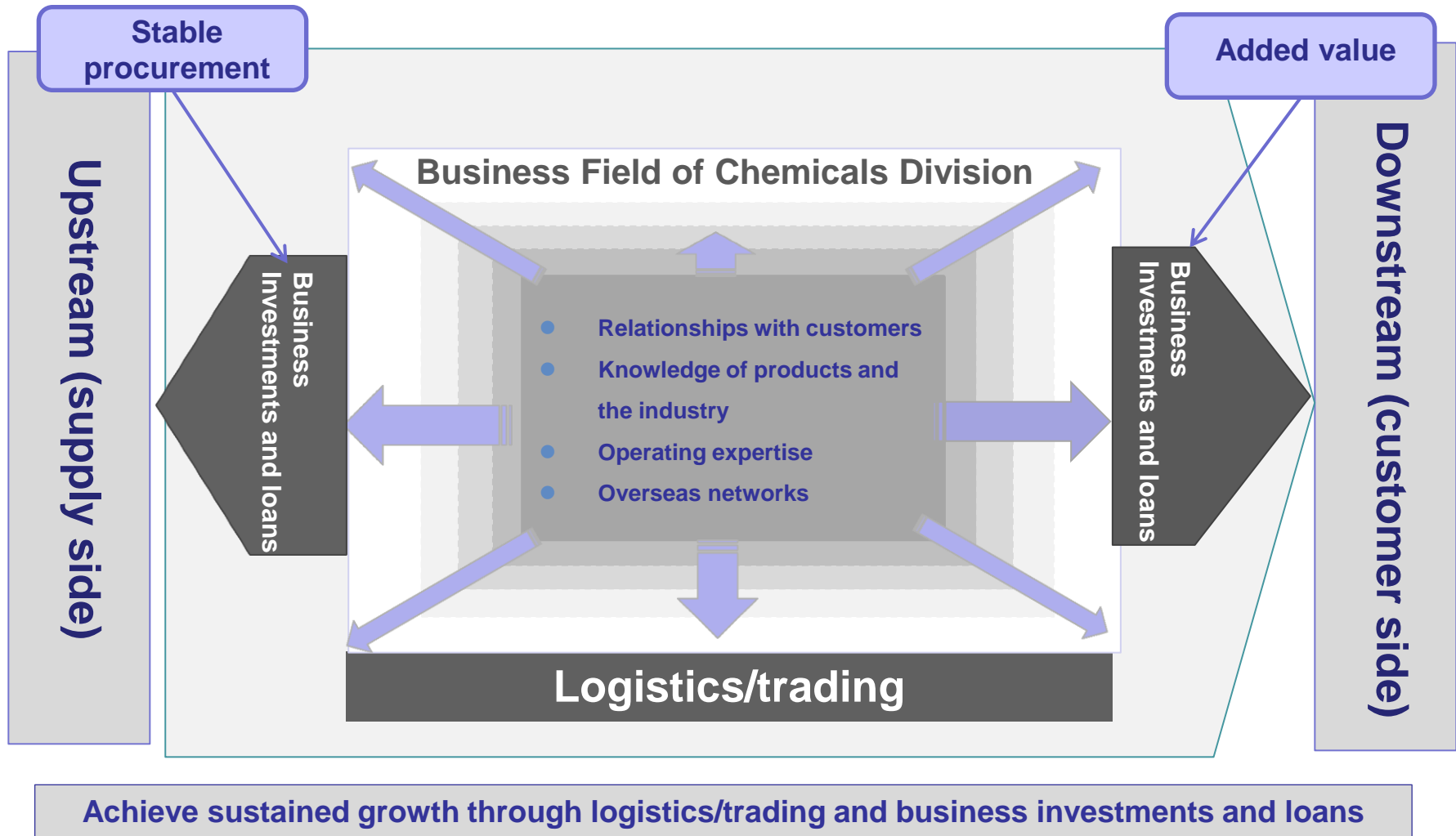


Growth Strategy





Growth Strategy





1. Marine Chemicals Business

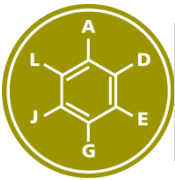
● What are Marine Chemicals?

● Market Trends

● Our Strengths

● Growth Strategy





1. Marine Chemicals Business: What are Marine Chemicals?

ACIPL
(Archean Chemical Industries Pty Ltd.)
→ 5% equity share



Rann of Kutch



Marine Chemicals

Industrial salt

- Glass
- Synthetic fibers



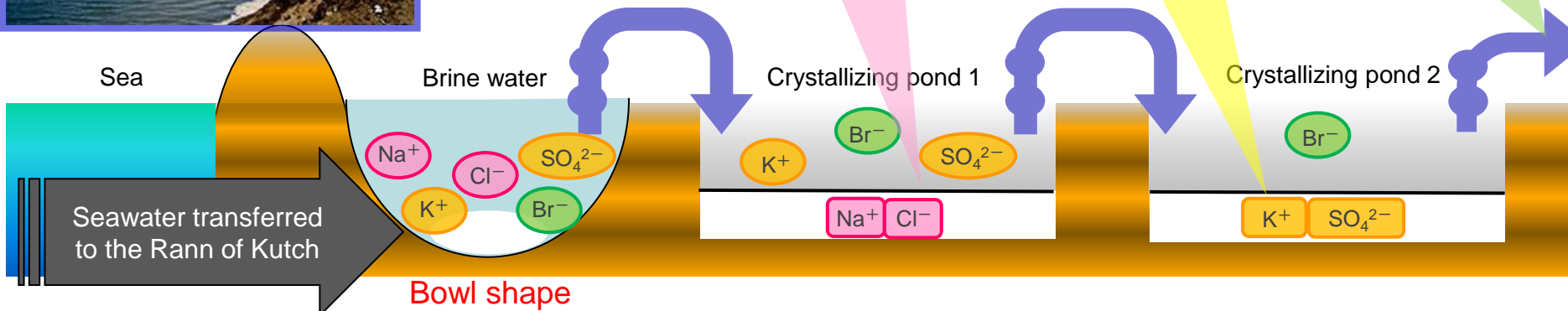
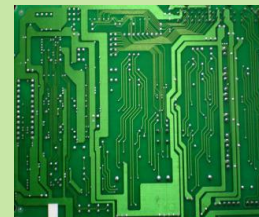
Sulphate of potash

- Fertilizer

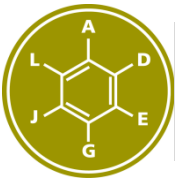


Bromine

- Flame retardant

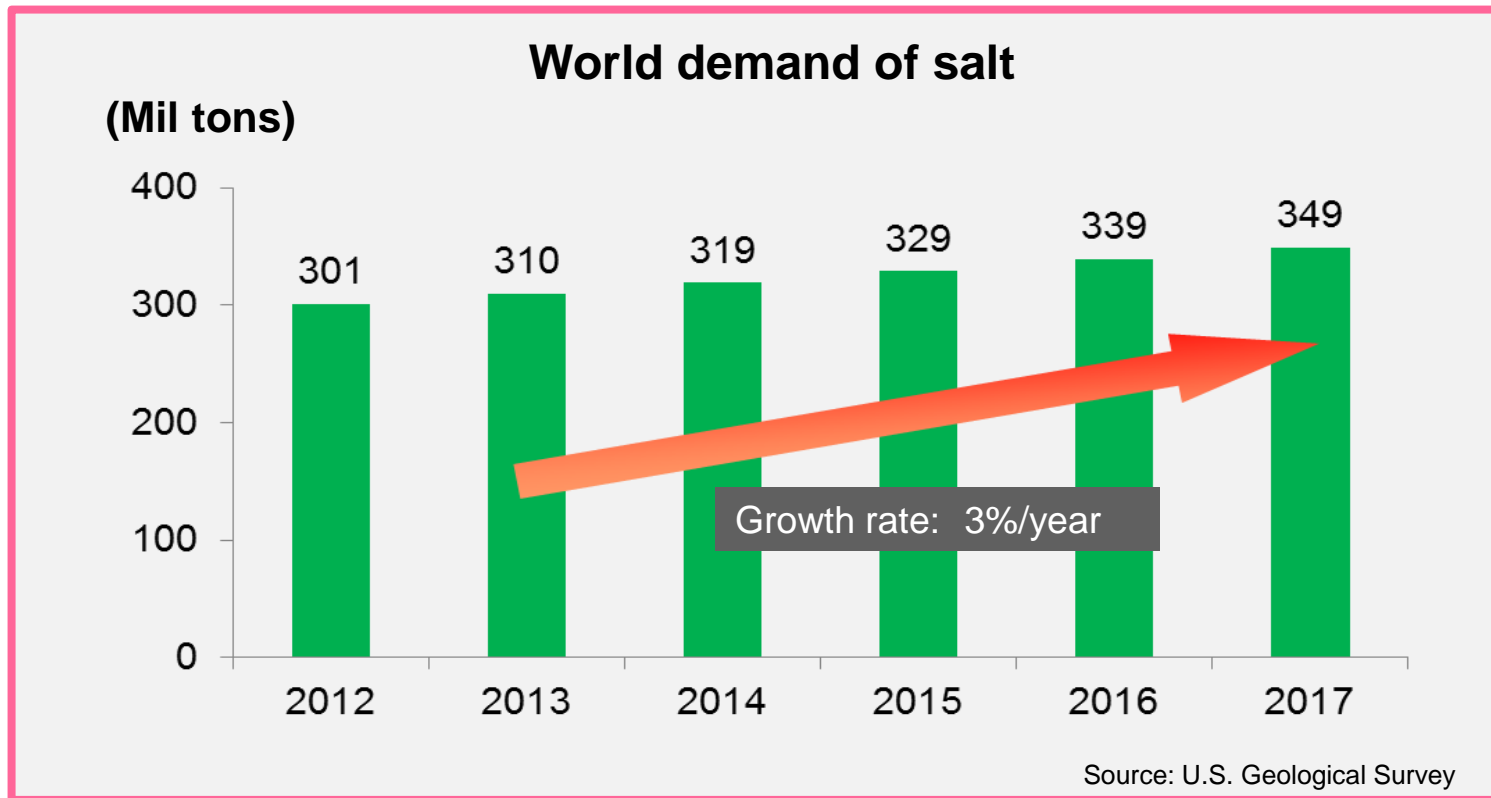


Marine Chemicals = Commodities derived from sea minerals

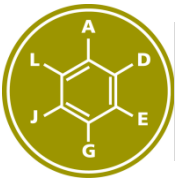


1. Marine Chemicals Business: Market Trends

Industrial Salt

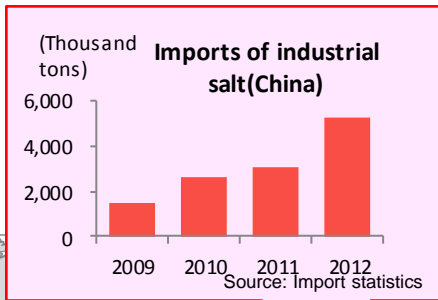


Market is anticipated a stable growth over the long term

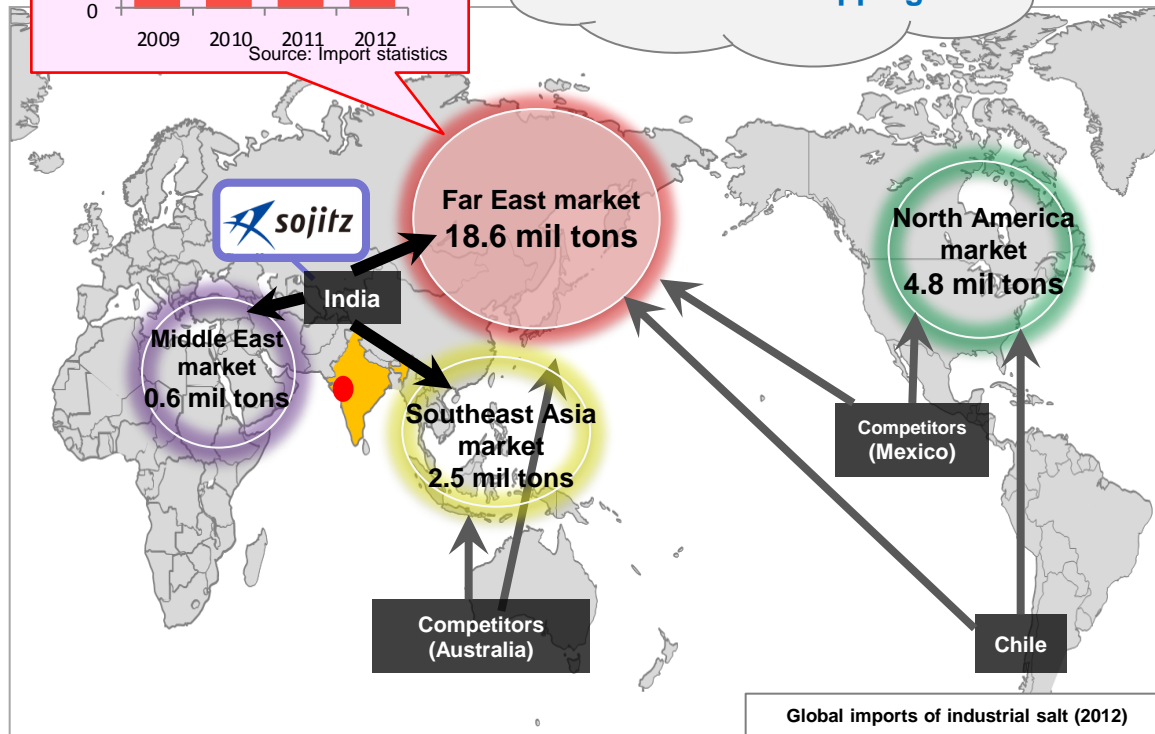


1. Marine Chemicals Business: Our Strengths

(1) Geographical advantage

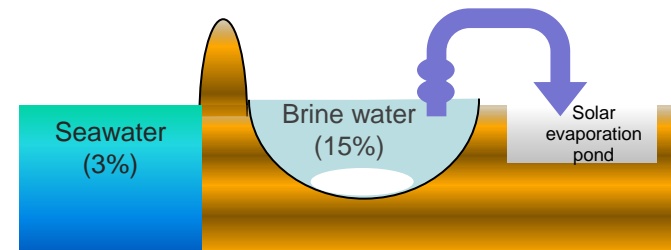


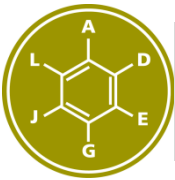
Short distance from **the largest & growing Far East market**
⇒ **Lower the shipping fee**



(2) Production efficiency

High concentration of salt
⇒ **Efficient production**

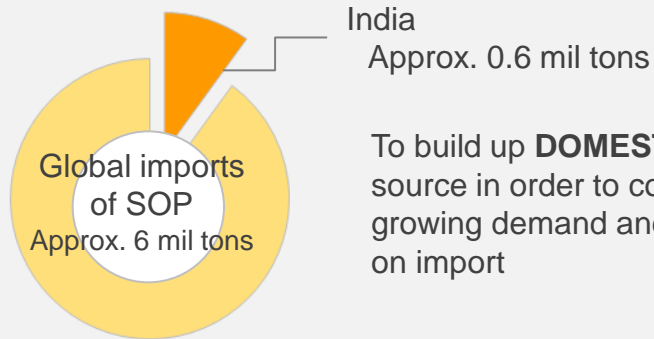




1. Marine Chemicals Business: Growth Strategy

Sulphate of Potash (SOP)

India accounts for about 10% of global import
 ⇒ The largest importing country



To build up **DOMESTIC** supply source in order to cover the growing demand and not to rely on import

	Price	Share
ACIPL (brine water basis)	US\$196/MT	—
Brine water basis	US\$220-230/MT	30%
MOP + Sulphate	US\$350-400/MT	18%
MOP + Sulfuric acid	US\$500-560/MT	52%

Source: CRU/ IC Potash Corp. data (2011)

Bromine

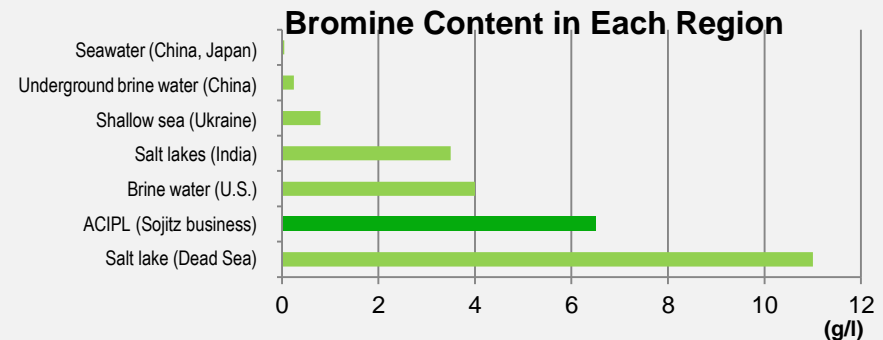
Supply/demand of bromine (not incl. compound) in India

Domestic demand:
3,850 tons

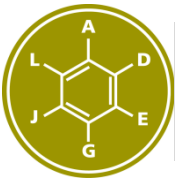
Domestic production:
1,500 tons

Source: India customs data

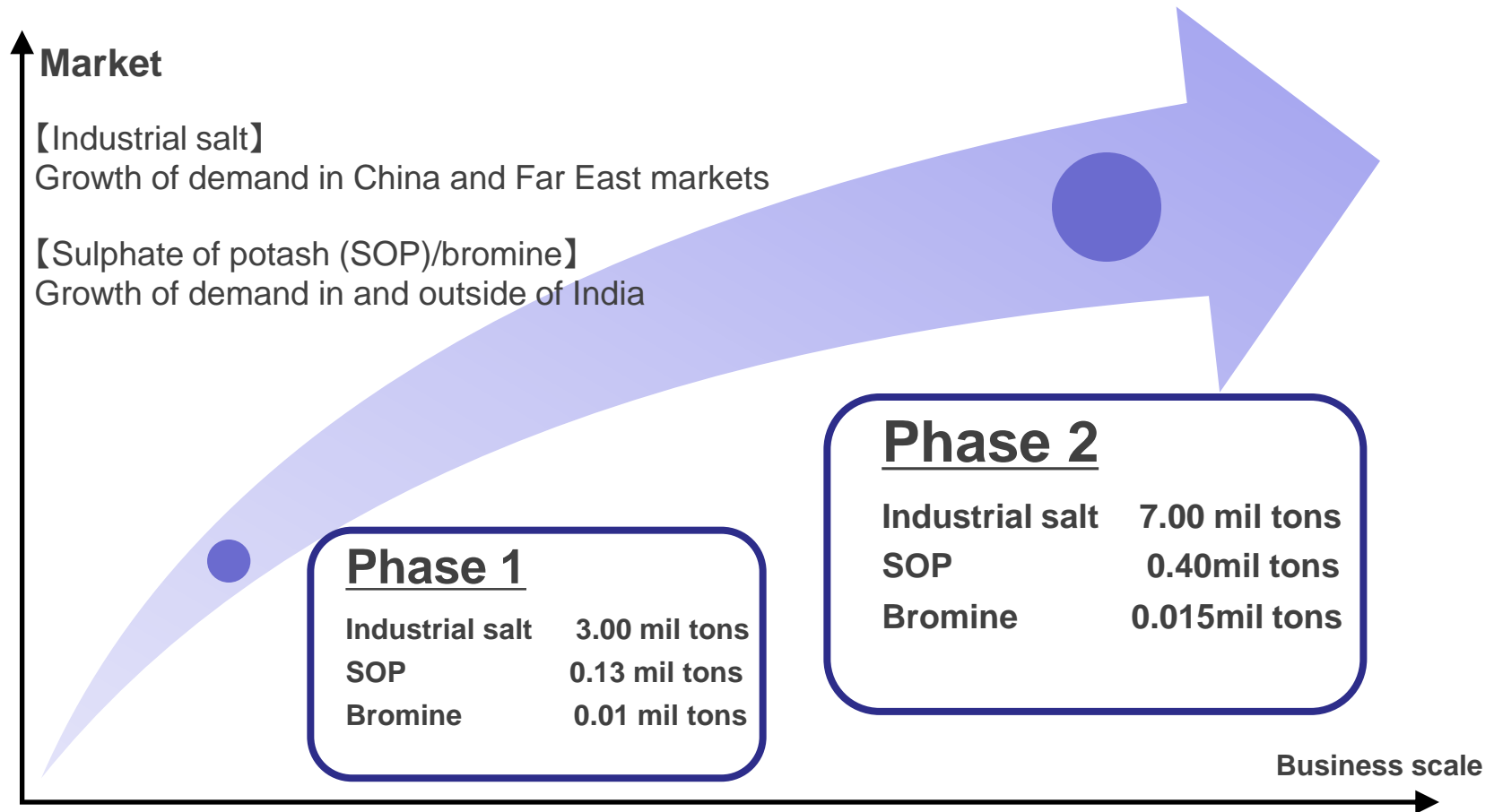
To secure the **balance of demand/supply** in bromine with high concentration and productivity



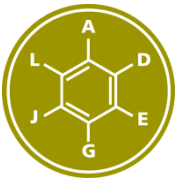
High domestic demand × Cost competitiveness



1. Marine Chemicals Business: Growth Strategy



Expansion of production
in order to meet the needs of growing market



2. Barite Business

- What is Barite?
- Market Trends
- Our Strengths
- Growth Strategy





2. Barite Business: What is Barite?

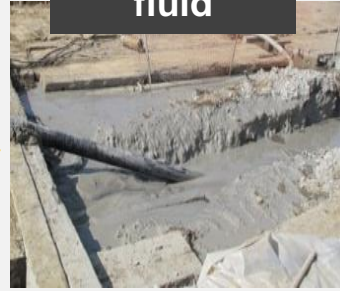
Barite ore



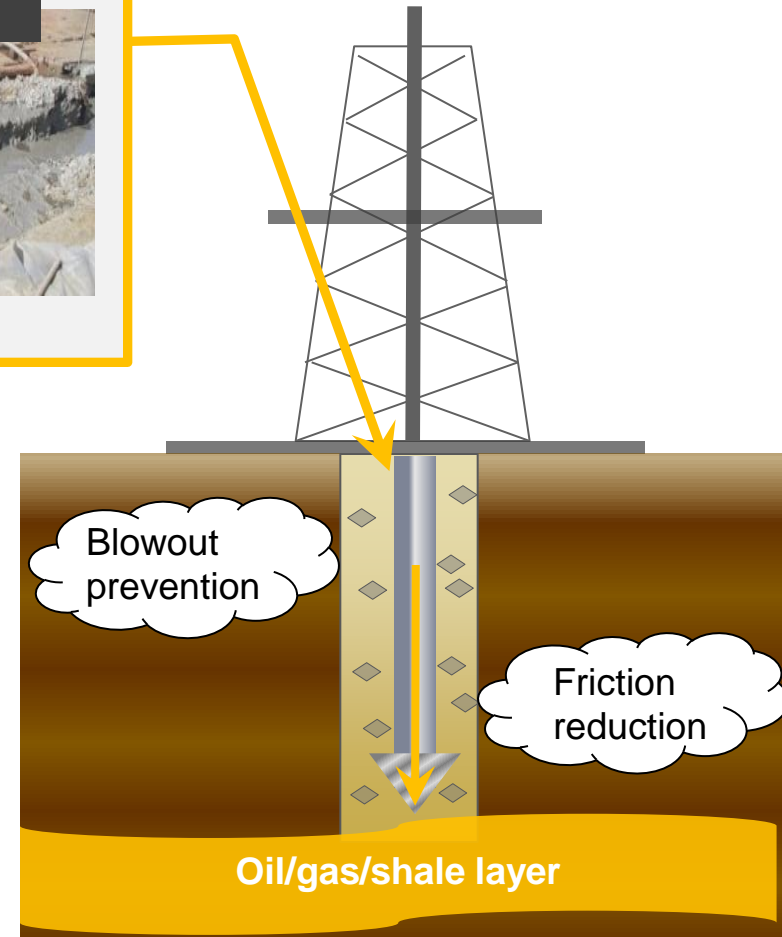
Powder



Drilling fluid

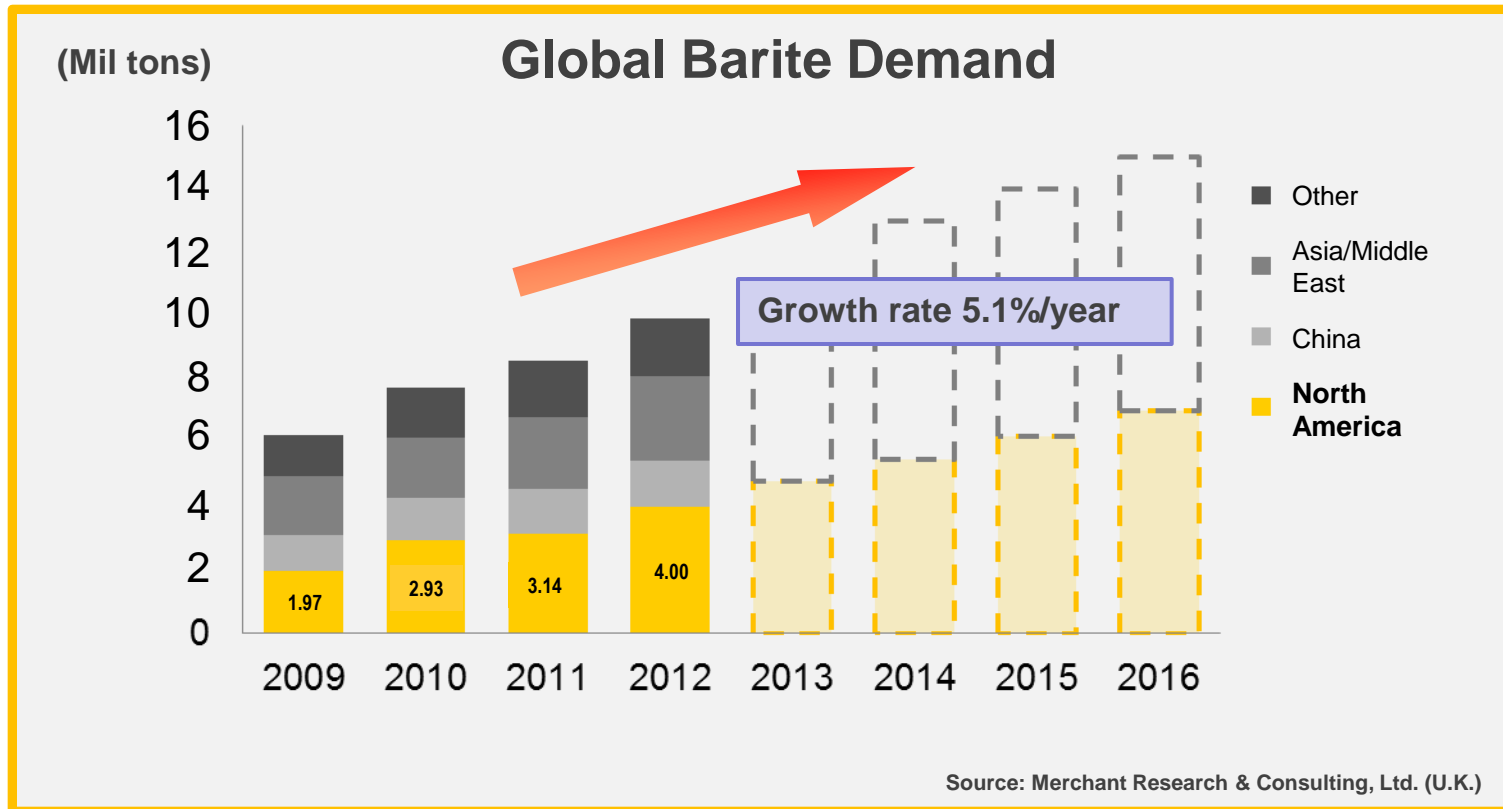


An **essential mineral** for drilling the underground resources





2. Barite Business: Market Trends

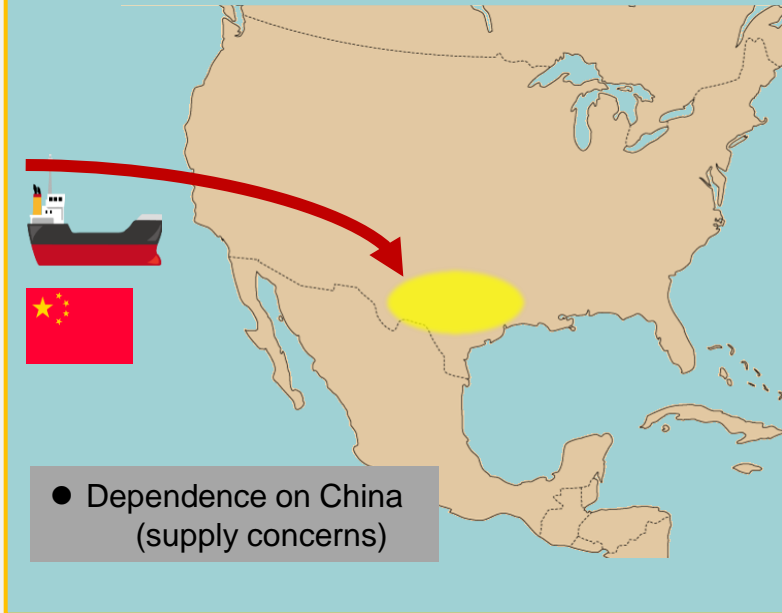


Increasing market needs must be filled.

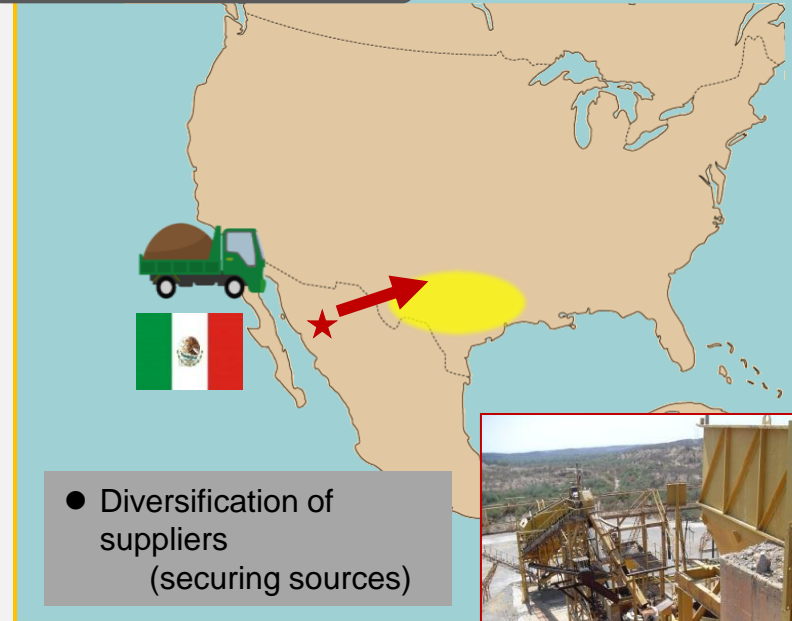


2. Barite Business: Our Approach

Current Situation



Sojitz Group's Action



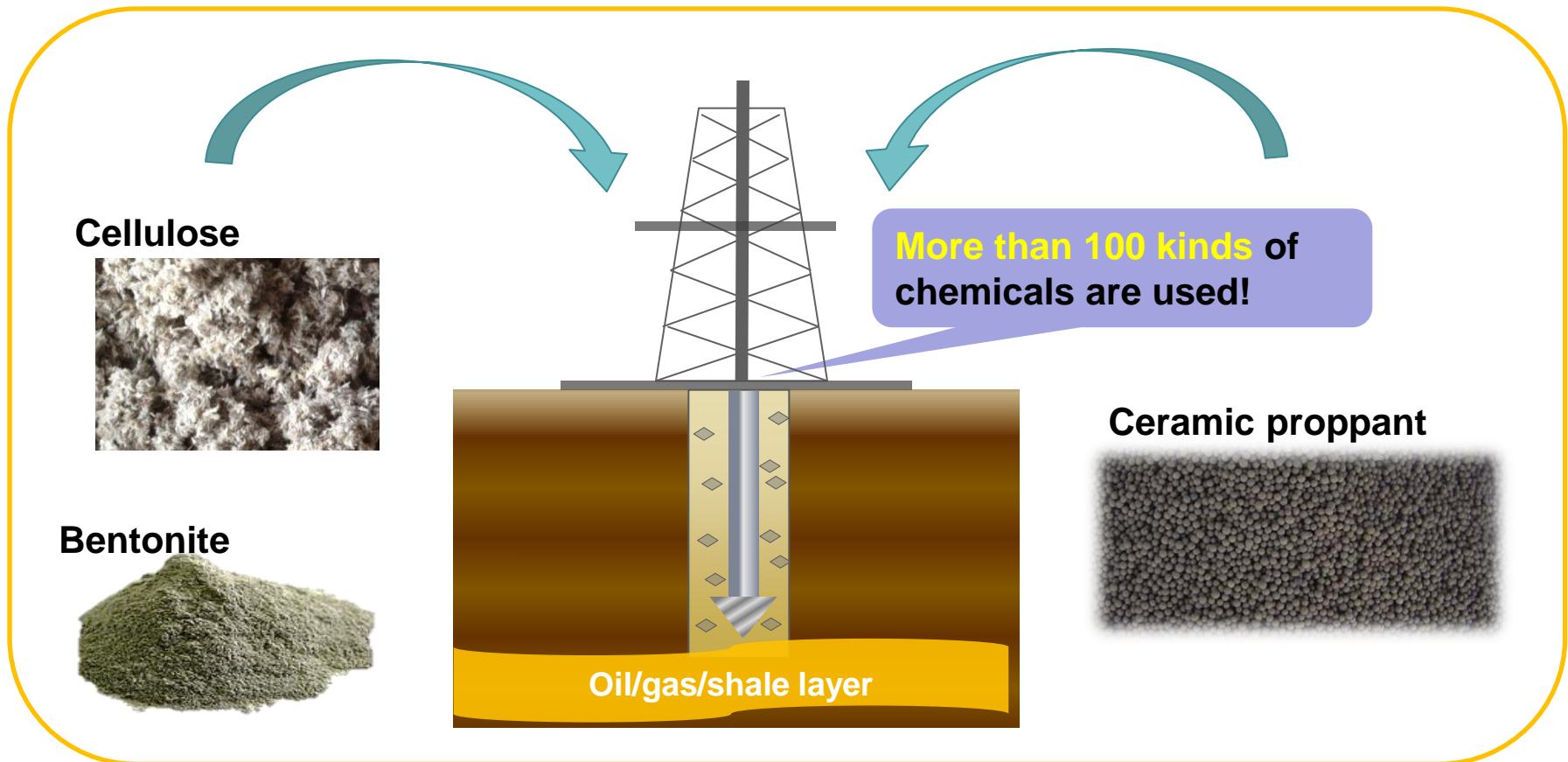
CPC Sojitz Minería
(Acquired interests with
49% equity share)

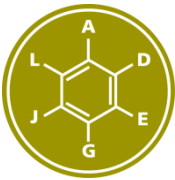
Supporting **shale gas development**



2. Barite Business: Growth Strategy

Through Sojitz Group **networks**, develop sales channels for packaged drilling chemicals





3. Synthetic Resin Business

- Expansion of Business Domain Led by Sojitz Pla-Net Corporation
- Global Network
- Growth Strategy



3. Synthetic Resin Business



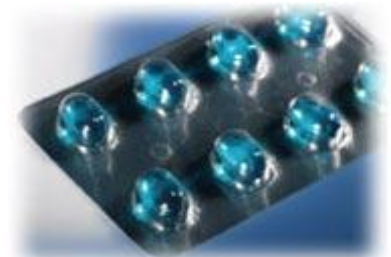
Plastic resins



Sojitz Pla-Net Corporation

Electronic materials

Packaging materials





3. Synthetic Resin Business: Global Operations

Our target market is the whole world.

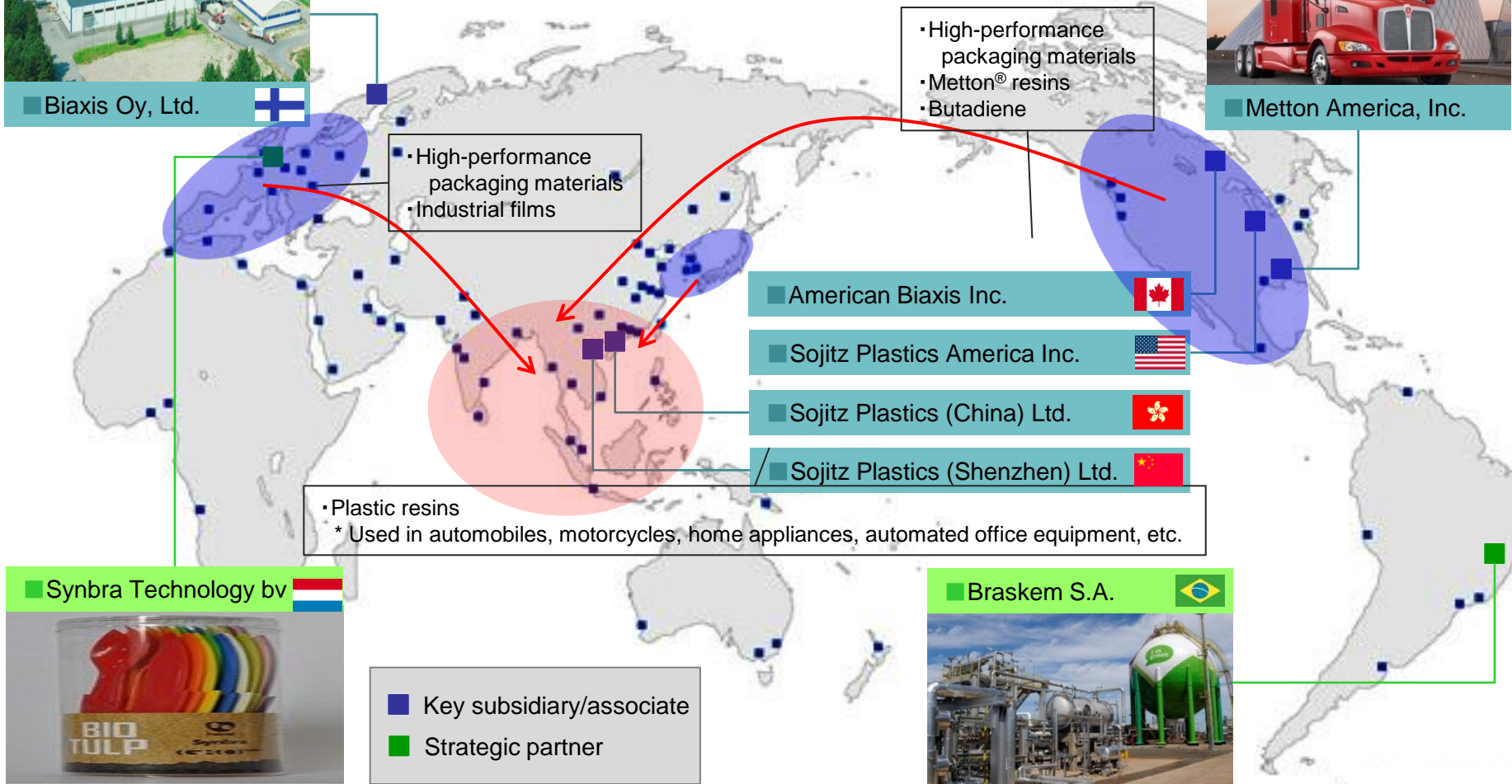
- Moving to meet projected growth in demand in Asia -



■ Biaxis Oy, Ltd.



■ Metton America, Inc.



■ Synbra Technology bv



■ Braskem S.A.



■ Key subsidiary/associate

■ Strategic partner



3. Synthetic Resin Business: Growth Strategy

Expansion of the Green Chemical Business

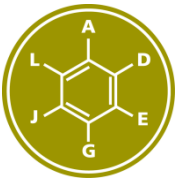
Coexistence with the environment

Braskem Green polyethylene

Synbra Heat-resistant bioresin

Myriant Bio-succinic acid





4. Methanol Business

- What is Methanol?
- Market Trends
- Our Strengths
- Growth Strategy



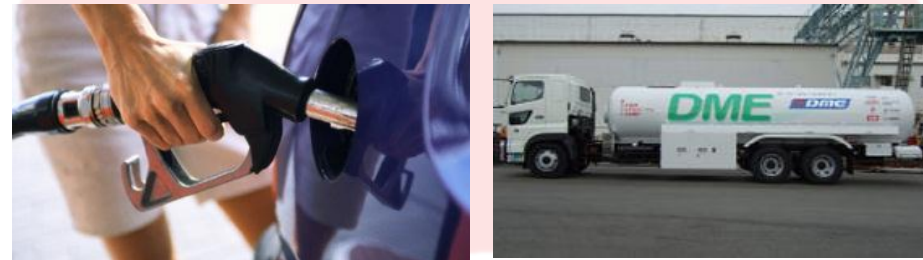


4. Methanol Business: What is Methanol?

Raw Material for Chemicals applications



Energy applications



Essential to modern life

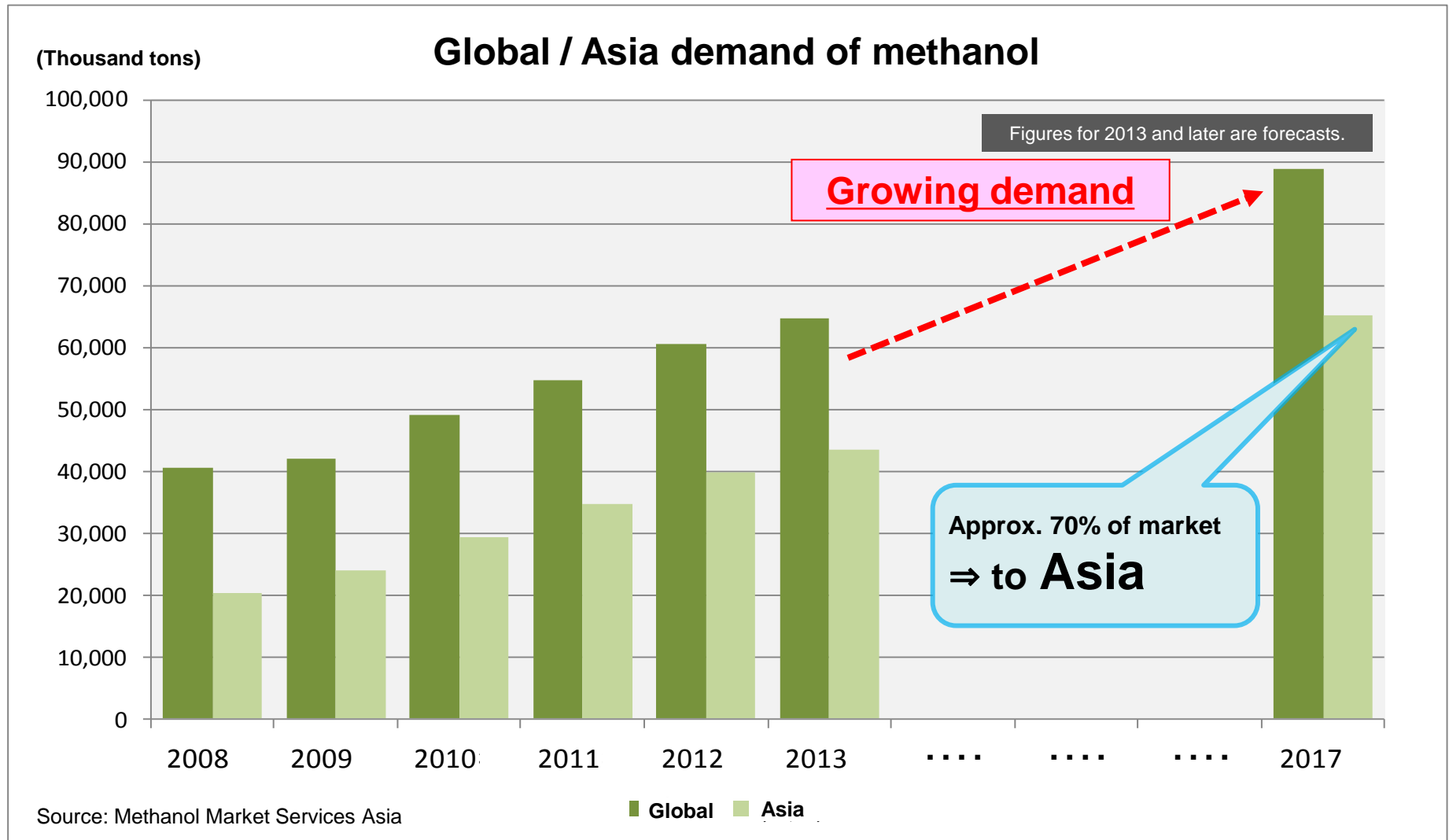


Natural gas/
Coal →





4. Methanol Business: Market Trends

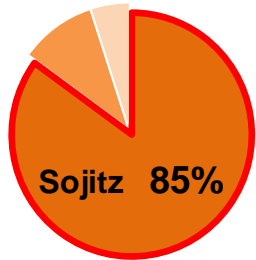




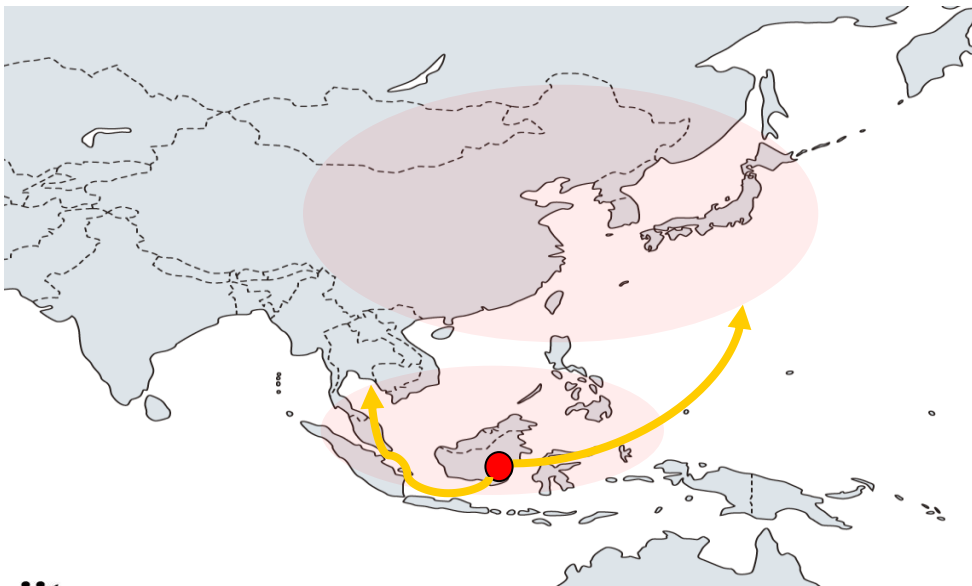
4. Methanol Business: Our Strengths

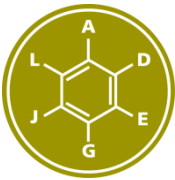
Sojitz takes a majority stakes in PT. Kaltim Methanol Industri (“KMI”).

Equity share

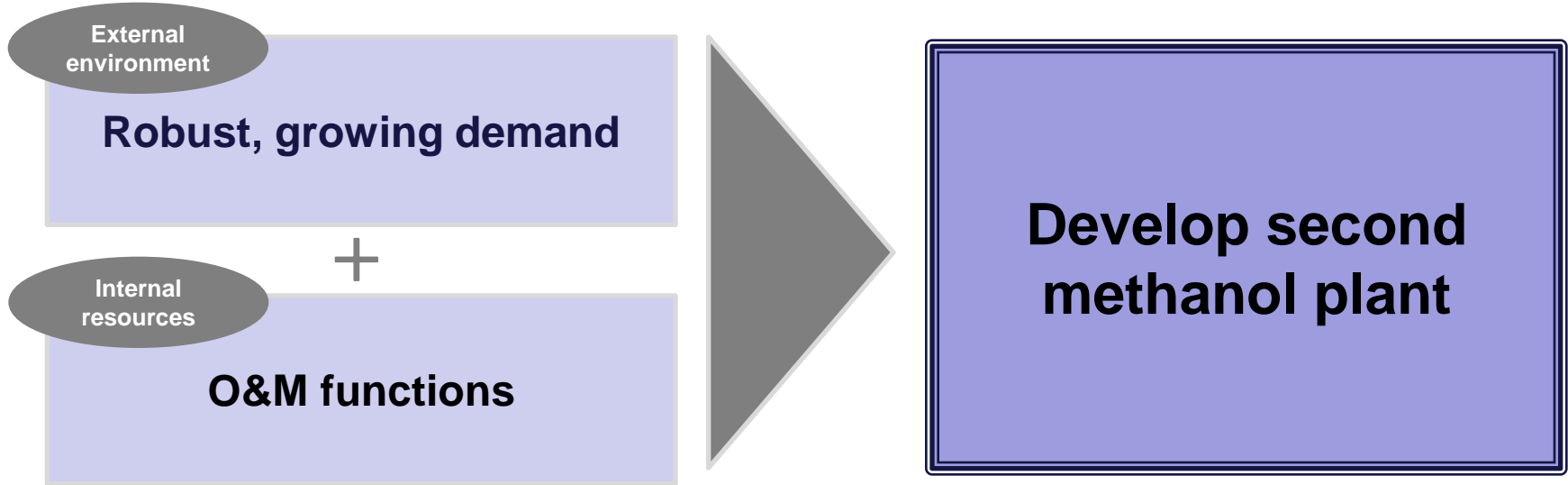


- **Manufacturer position**
- **Operation and Maintenances expertise**

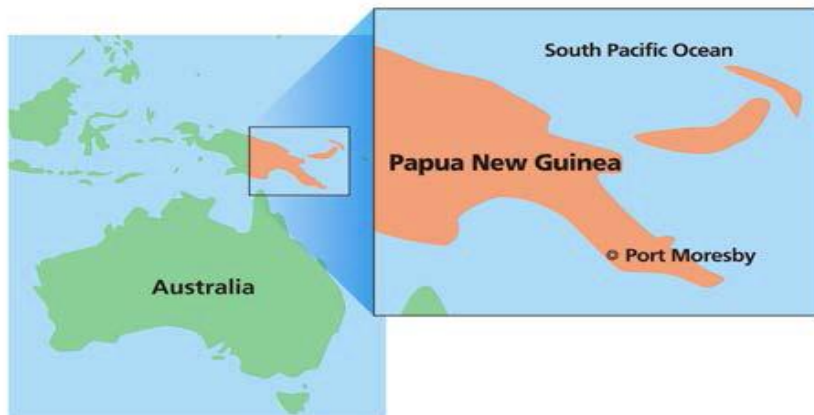




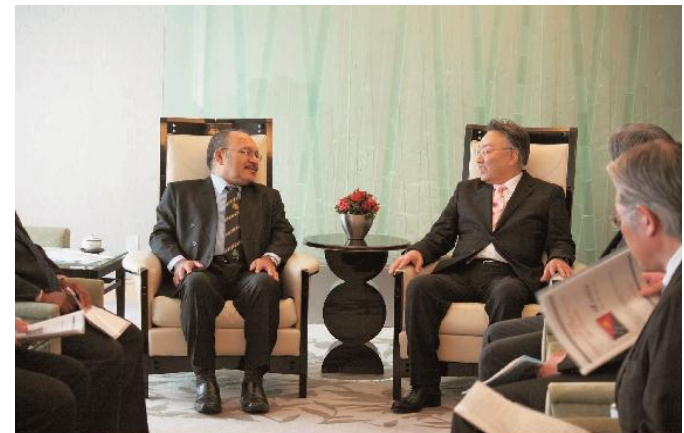
4. Methanol Business: Growth Strategy



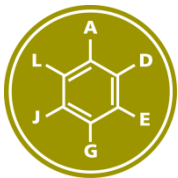
(↓ One potential site)



(↓ Close ties with Papua New Guinea)



Sojitz President & CEO Yoji Sato (right) talks with Papua New Guinea Prime Minister Peter O'Neill.
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Initiatives toward the Final Year of the Next Medium-term Management Plan

Accumulation of earnings

through logistics/trading and business investments and loans

Medium-term Management Plan 2014

Next Medium-term Management Plan

Earnings from upstream and downstream business investments

Solid base of earnings from logistics/trading

A division management foundation that supports earning capacity

Development and utilization of global human resources

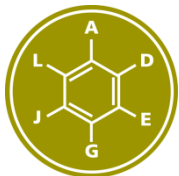
Strengthening of overseas vertical management structure

Strengthening of business investment management

Chemical management and compliance



Supplemental Data



Chemicals Division: Products Handled and Examples of Businesses

Chemicals Unit

- ◆ Methanol: Own 85% of KMI in Indonesia and operate the business
- ◆ Solvents/liquid chemicals: Own tanks in two locations in Japan and have a leading domestic market share
- ◆ Butadiene: Synthetic rubber raw material, long-term purchase and sale agreement with Brazil-based Braskem
- ◆ Feedstock for plastic resins and synthetic fibers: Global business operations through Sojitz Pla-Net Corporation

Ecological Materials & Resources Unit

- ◆ Rare earths: Investments in Australia-based Lynas Corporation in addition to imports from China
- ◆ Lithium compounds: Over 30 years of experience in marketing and sales in Japan
- ◆ Industrial salt: Handling salt from India and Australia, and have a leading share among trading companies in Japan
- ◆ Barite: Acquired interests in a mine, and are the first Japanese company to undertake barite production and sales

Life Science Business Development Office

- ◆ Green chemicals: Plan to grow this into a core business through business participation
- ◆ Agrosience: Expanding with a focus on the provision of agrochemicals and other agricultural materials
- ◆ Medical and Health Care: Providing support services centered on hospitals and the pharmaceutical business
- ◆ Cosmetics: Sojitz Cosmetics Corporation markets its own anti-aging skin care brand



sojitz

New way, New value