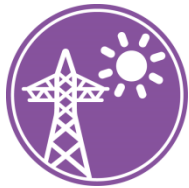


# SOJITZ IR DAY 2015

## Infrastructure & Environment Business Division

**December 17, 2015**  
**Sojitz Corporation**

**Toshiharu Yoshimura**  
Managing Executive Officer, Chief Operating Officer,  
Infrastructure & Environment Business Division



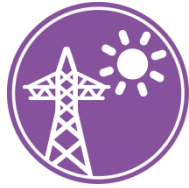
# Contents

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  - Transportation Infrastructure Business
  - Plant Business
  - Bearing Business
- ◆ Supplementary Materials (Division Overview)

## **Caution regarding Forward-looking Statements**

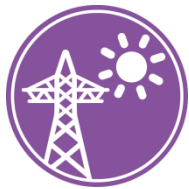
This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those 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

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# Operating Companies, Overseas Sites, and Staff

**Environmental  
Infrastructure  
Dept.**



**Power Project  
Dept.**



**Plant Project  
Dept.**



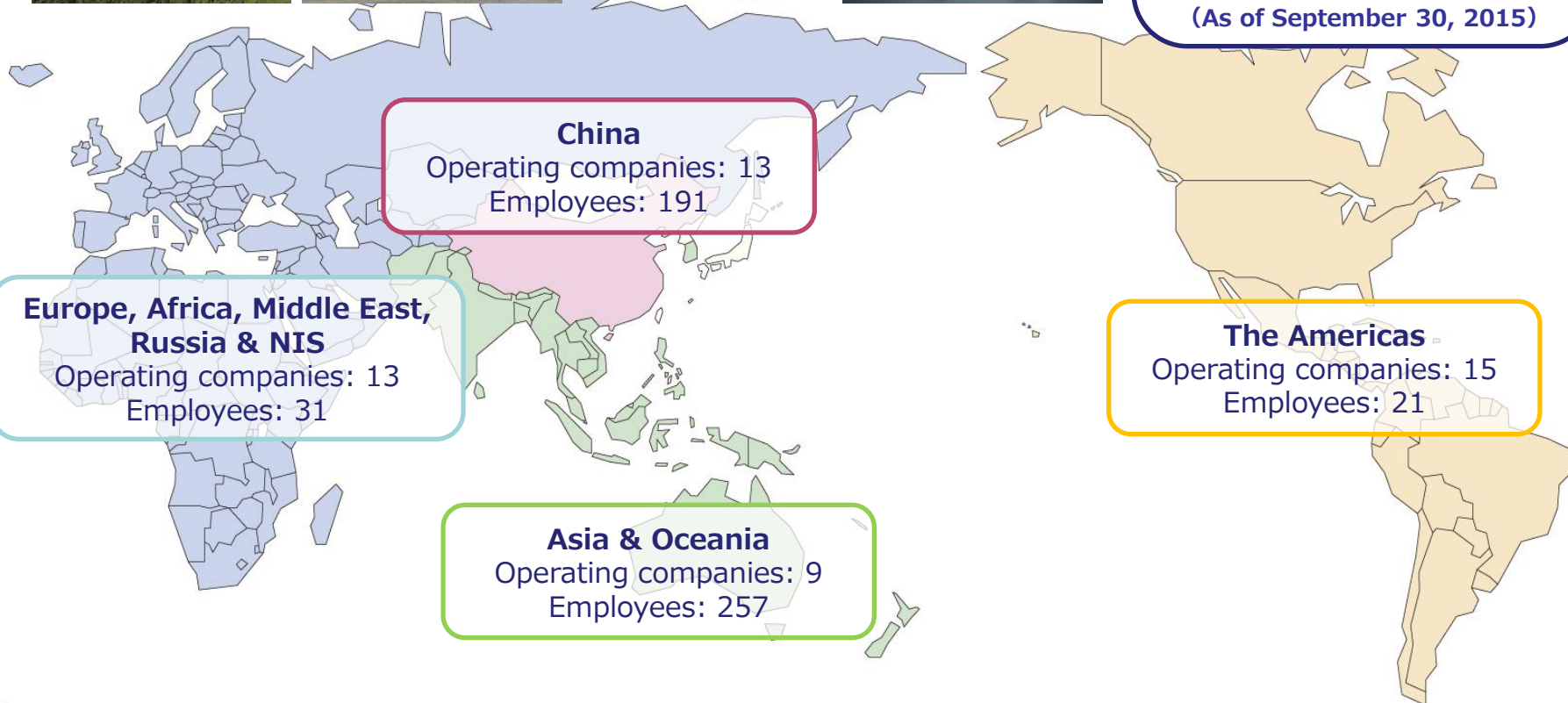
**Industrial  
Machinery &  
Bearing Dept.**



**Japan**  
12 companies,  
389 employees

**Overseas**  
50 companies,  
500 employees

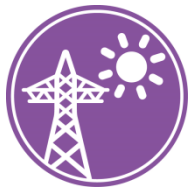
(As of September 30, 2015)





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

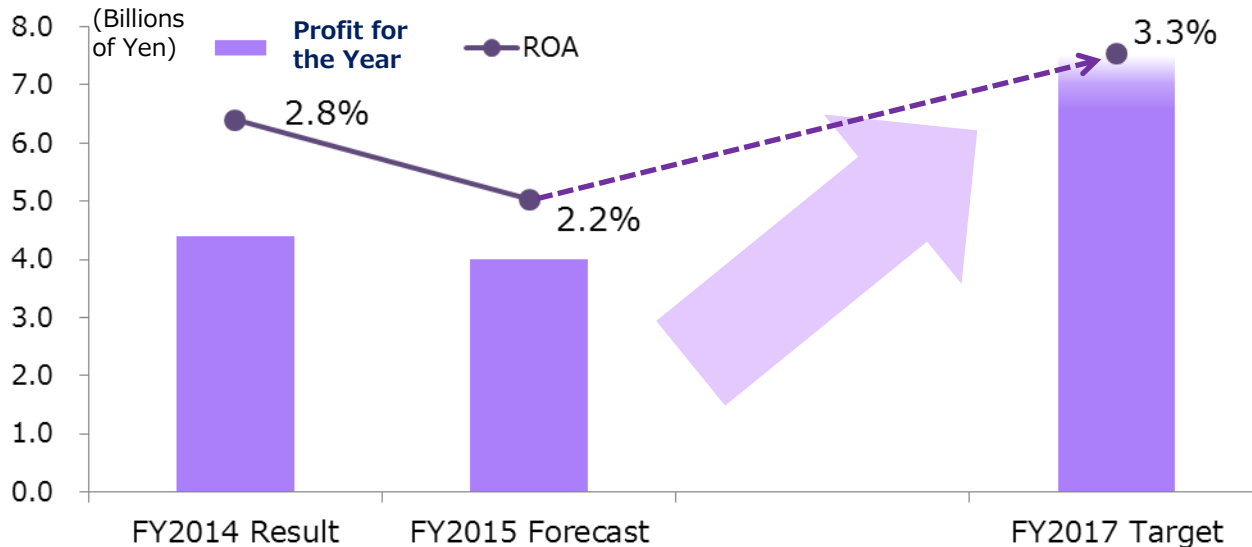




# Performance and Goals for Final Year of Medium-Term Management Plan

**[Division Goal] Establish stable earnings foundations in the infrastructure field, where ongoing growth is expected on a worldwide basis**

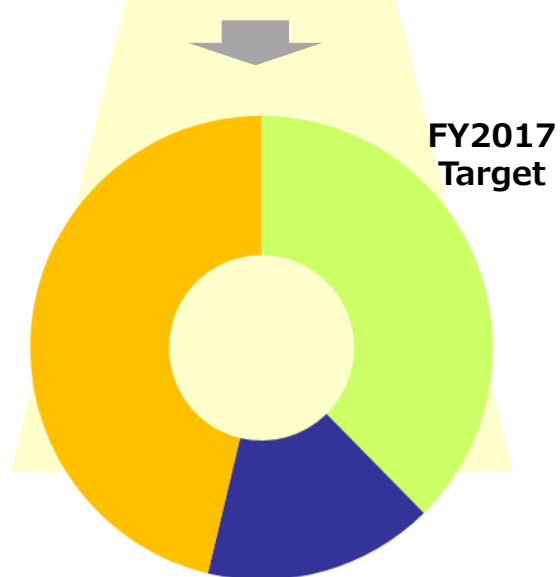
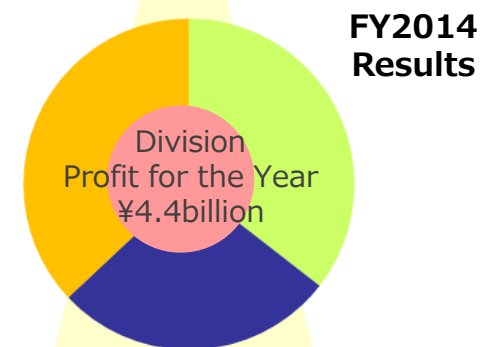
- ① Accumulate assets capable of generating stable returns (Overseas IPP business, Renewable energy business)
- ② Diversify operations by creating, acquiring, and expanding new business models and revenue sources (Transportation infrastructure business)
- ③ Focus on plant business
- ④ Increase trade revenue (Bearing business)



Total assets: Approx. ¥160.0 billion

Projected amount of investments and loans (3-year total): ¥50.0 billion

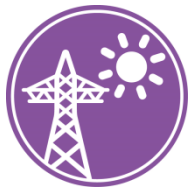
- Power and environmental infrastructure
- Plant projects
- Industrial machinery, bearings, etc.





# Growth Strategies and Concrete Measures

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# Measure 1: Accumulate Assets Capable of Generating Stable Returns (Overseas IPP Business)

## Overseas IPP Portfolio (Excluding Solar Power)

PP11 1730MW (Saudi Arabia)    Sohar-2 744MW (Oman)

Asia Power 50MW (Sri Lanka)

Tianshi 50MW (China)

Shajiao C 1980MW (China)

Phu My-3 740MW (Vietnam)

Merida-3 484MW (Mexico)

Trinity 225MW (Trinidad Tobago)



Barka-3 744MW (Oman)



### 【Initiative Strategies】 Accumulating Quality Assets

- Continue developing new projects with long-term power purchase agreements
- Foster highly sophisticated development capabilities and management personnel for stable businesses

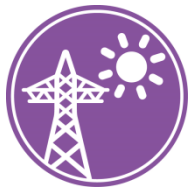
### 【Benefits】

- Establish stable earnings foundations and secure liquidity of the portfolio
- Realize high efficiency in returns (cost management)
  - ✓ Exhaustive partner strategies
  - ✓ Initiatives targeting carefully selected projects

### 【Regional Strategies】

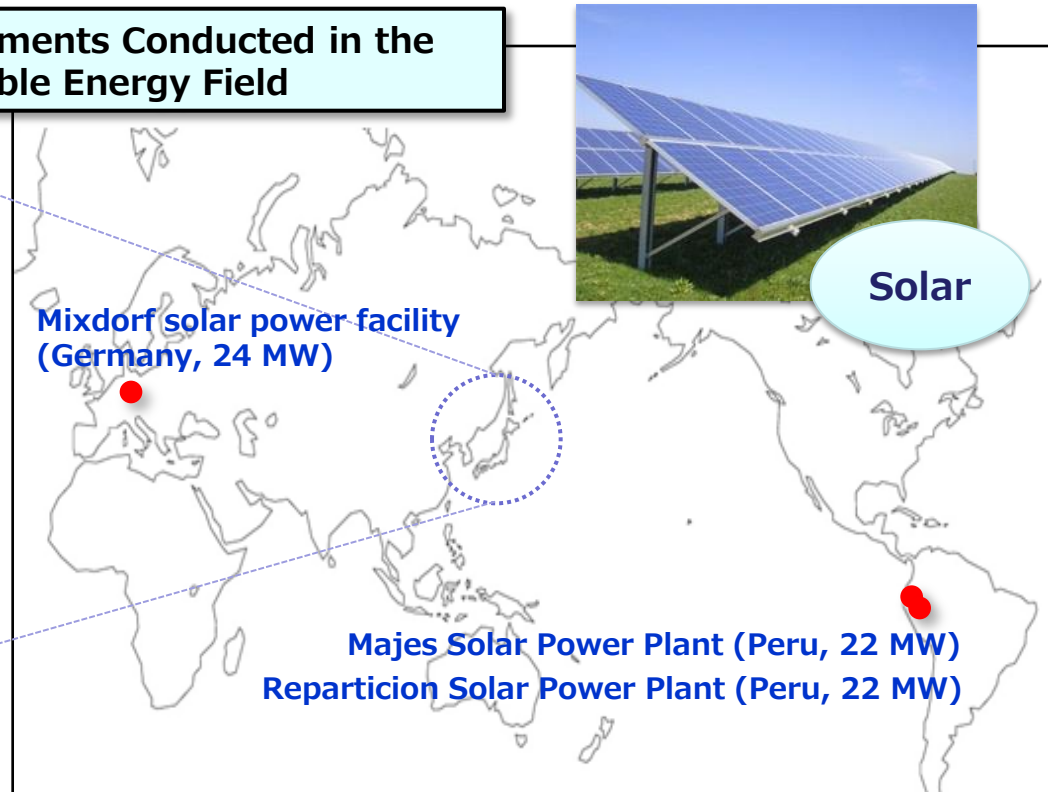
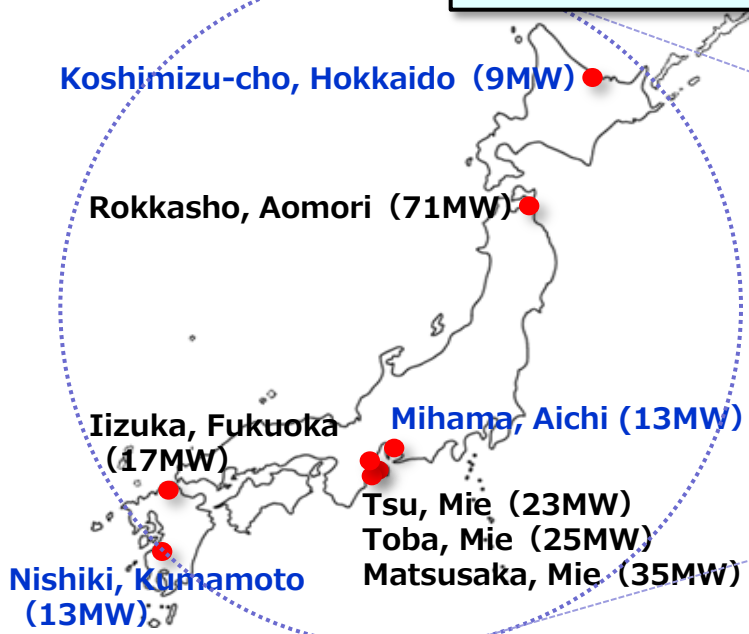
- Target countries developing IPP projects utilizing foreign direct investment
- Target Africa and the Americas in addition to the Middle East and Asia





# Measure 1: Accumulate Assets Capable of Generating Stable Returns (Renewable Energy Business)

## Business Investments Conducted in the Renewable Energy Field



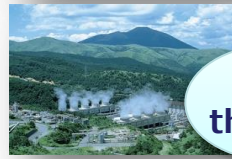
Solar



Wind



Solar thermal



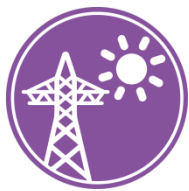
Geo thermal



Biomass

Facilities written in blue letters are under operation  
Facilities written in black letters are under construction

- Renewable energy operations advanced in Japan and overseas making significant contributions to environmental preservation
- Forward-looking business portfolio centered on solar power, an area where Sojitz has a robust track record, and including wind, geothermal, solar thermal, biomass, and other forms of power

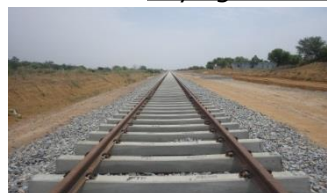


# Measure 2: Realize an Optimal Business Mix through Large-Scale EPC Contracts and Business Investments (Transportation Infrastructure Business)

## Dedicated Freight Corridor Project in India (Currently Underway)

Customer	Dedicated Freight Corridor Corporation of India Limited (entity under the Indian Ministry of Railways)
Contract parties	Consortium between L&T of India and Sojitz
Contract details	Construction of civil and track works: 626 km Electrification works: 915 km
Contract amount	Approx. ¥160.0 billion
Fund source	Japanese ODA loan
Scheduled completion	2019
Additional information	Contract includes supply of head hardened rails made in Japan in collaboration with Sojitz associate Metal One

Laying of head hardened rails



- Construction of civil and track works and electrification works for dedicated freight corridor project in India currently underway, and successive projects are being pursued; Sojitz to focus on winning railway project orders in Asian countries where demand for infrastructure surges.
- Diversification and expansion of operations to be pursued through participation in maintenance, repair, and overhaul (MRO) business.
- Expansion of business domain from railways to comprehensive transportation infrastructure to be considered going forward.

### ~ Participation in MRO Business ~

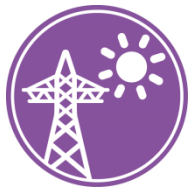
In November 2015, Sojitz acquired a roughly 40% ownership interest in Cad Railway Industries (CADRI), a company that operates a MRO business in Canada, becoming the first Japanese company to participate in such a business in North America.

Worldwide demand for train car maintenance has been rising against the backdrop of improved safety and comfort and reduced lifecycle costs for train cars, and is expected to continue growing going forward. While working to expand the business of CADRI, Sojitz will develop maintenance operations in Asian and other emerging countries, where there is a strong push to install railroad infrastructure, as it seeks to grow revenues and establish stable earnings foundations.

#### 【Overview of Cad Railway Industries Limited】

- Head office: Montreal, Quebec, Canada
- Business activities: MRO of locomotives, passenger cars, and freight cars
- Main customers: Major North American freight rail companies, Canadian national and state-owned transit authorities, etc.





# Measure 3: Focus on Plant Business (Strengths in Russia and NIS Far East)

## Sojitz's Strengths

- Robust track record of delivering plants in Russia and NIS
- Wealth of expertise, local connections, and experience related to plant business in this region

## Demand

- Rising plant construction demand resulted from aging of plants in Russia and NIS
- Increased demand for the manufacture and sale of crude oil and natural gas as fertilizers, petrochemicals, and other value-added products

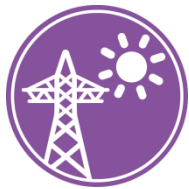
### RUSSIA

- ◆ Ammonia, methanol, and urea plant (Mitsubishi Heavy Industries)
- ◆ Acrylic acid plant (Mitsubishi Heavy Industries)
- ◆ Ammonia plant (Mitsubishi Heavy Industries)
- ◆ Gas turbines for gas pipeline (Kawasaki Heavy Industries)

### TURKMENISTAN

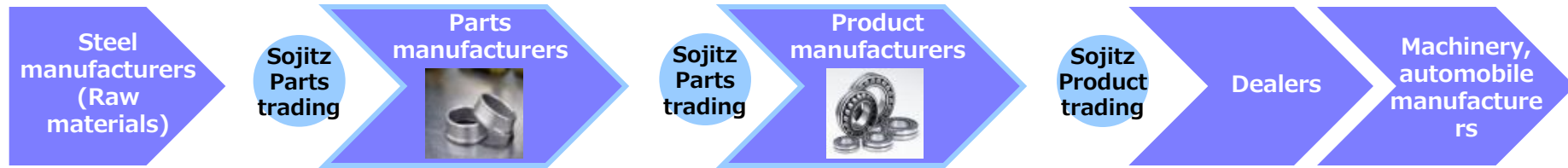
- ◆ Sulfuric acid plant (Mitsui Engineering & Shipbuilding)
- ◆ Gas to gasoline plant (Kawasaki Heavy Industries)
- ◆ Ammonia and urea plant (Kawasaki Heavy Industries)

Received order (partner)



# Measure 4: Expand Stable Earnings Foundation through Trading (Bearing Business)

## [Bearing Business—A Crucial Business Supporting the Machinery Industry]



\* Arrows with blue borders represent businesses in which Sojitz invests

### Strengths of Sojitz's Bearing Business

- Solid demand for bearings, which are crucial components for the machinery industry
- Long history as only general trading company dealing in bearing products and track record, insight, transactional relationships cultivated therein
- Established sales dealer management functions and presence in supply chain

Expand business centered on China into India and Southeast Asia through investment in new manufacturing sites

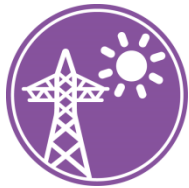


● Sojitz's bearing business sites (Parts manufacturing, product manufacturing, product sales dealers)  
● Sites of business expansion



# Supplementary Materials





# Division Overview

## Business Summary

### Infrastructure and environment:

Renewable energy, transportation projects, water business

**Power projects:** IPP projects, power plant EPC projects

**Plant projects:** Plants (steel, fertilizer, chemical, energy)

**Industrial machinery and bearings:** Industrial machinery, surface mounters, bearings

### Infrastructure and Environment

- Develop solar, wind, and biomass power projects in the renewable energy field to contribute to environment preservation across the globe
- Respond to worldwide increase in water demand through means such as constructing desalination plant in Ghana
- Advance railway infrastructure projects to provide clean transportation methods and actively develop other transportation-related operations



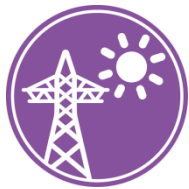
Koshimizu solar power plant  
(Koshimizu-cho, Shari-gun, Hokkaido)

### Power Projects

- Develop and operate overseas IPP and IWPP projects; systematically commence operation of three large-scale plants in Saudi Arabia and Oman for which orders were recently received; contribute to economic development in countries, primarily in Asia and the Middle East where the division aims to install gas-fired thermal and high-efficiency coal-fired thermal power plants; and invest in IPP and IWPP projects for reducing environmental impacts
- Conduct power facility EPC projects in Asia and the Middle East to contribute to development of power infrastructure

Barka 3 IPP in Oman





# Division Overview

## Plant Projects

- Cater to China, Asia, Russia, NIS, the Middle East, Africa, and other major markets by dealing in large-scale plants for the gas, petrochemical, steel manufacturing, and energy fields
- In addition to existing plant business, pursue horizontal expansion into related fields and develop new business models



Continuous annealing line for producing steel sheets for use in automobiles



Fertilizer manufacturing plant (Turkmenistan)

## Industrial Machinery and Bearings

- Develop operations in growth markets by leveraging foundations comprised of network of sales dealers for bearings products and bearing parts supply chain
- Accelerate global expansion centered on overseas sales and service sites in the semiconductor and surface mounter fields and step up initiatives in the industrial machinery field
- Main Subsidiaries and Associates
  - Sojitz Machinery Corporation
  - Kunshan NSK Co., Ltd.
  - First Technology China Ltd.
  - Fuji Machine Asia Pte. Ltd.



Lineup of bearings in various shapes and sizes



***sojitz***

***New way, New value***