

# SOJITZ IR DAY 2015

## Retail Division

**December 18, 2015**

**Sojitz Corporation**

**Yasushi Nishimura**  
**Chief Operating Officer,**  
**Retail Division**



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    - Myanmar

## **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 (As of September 30, 2015)

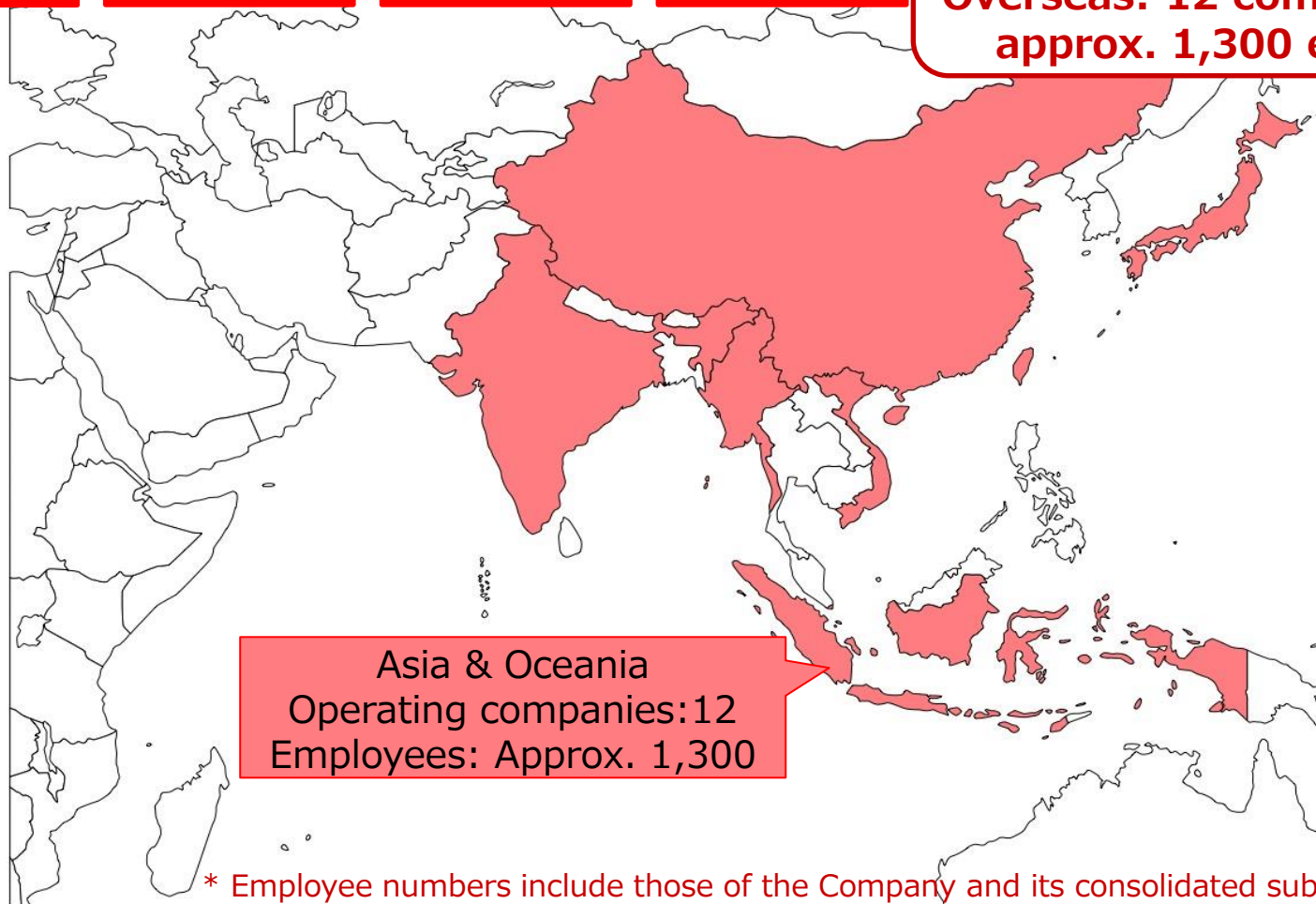
Food and  
Retail Field

Overseas  
Industrial  
Park Field

Real Estate  
Field

Brand  
Field

Japan: 13 companies,  
approx. 1,200 employees  
Overseas: 12 companies,  
approx. 1,300 employees



\* Employee numbers include those of the Company and its consolidated subsidiaries.



# Details about the Retail Division

## Establishment of the Retail Division

Established to create a function-oriented business group that is able to develop operations integrating food and other consumer goods, infrastructure, real estate, commercial facilities, and brands while thoroughly and quickly identifying changes in industry structures and consumer needs

### Food and Retail Field

- Domestic food distribution business
- Overseas food wholesale and distribution business
- Overseas retail business



Ministop store (Vietnam)

### Real Estate Field

- J-REIT business
- Domestic condominium sale business
- Commercial facility management & operation business



IMPREST Okurayama (Japan)

## Businesses Based on Each Function

### Overseas Industrial Park Field

- Development and operation of overseas industrial parks and businesses related to surrounding infrastructure (Vietnam and Indonesia)



Long Duc Industrial Park (Vietnam)

### Brand Field

- Apparel brand business (McGREGOR)
- Shoes brand business (Admiral)



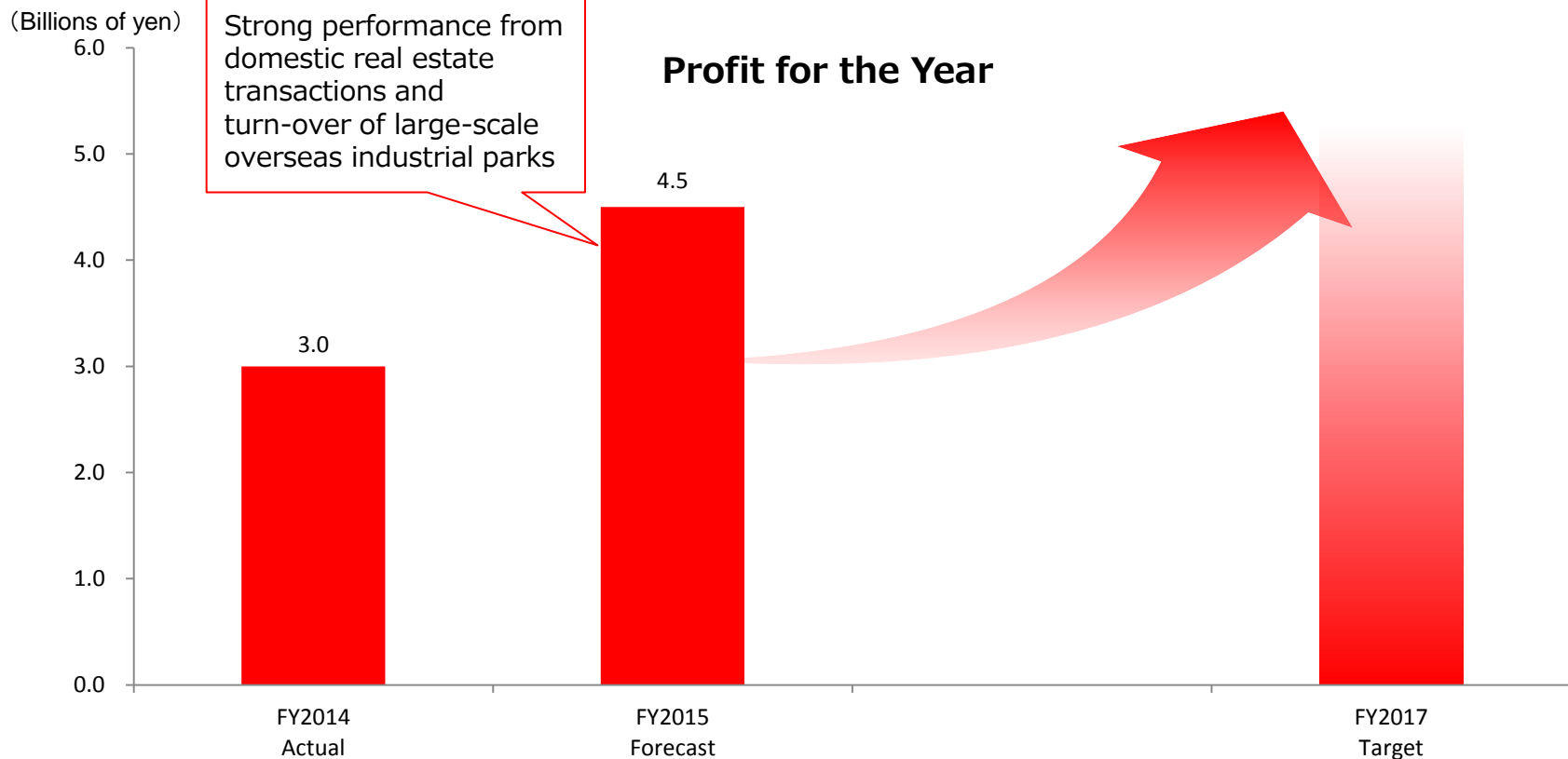
Shoes brand (Admiral)



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

## ◆ Division Strategy

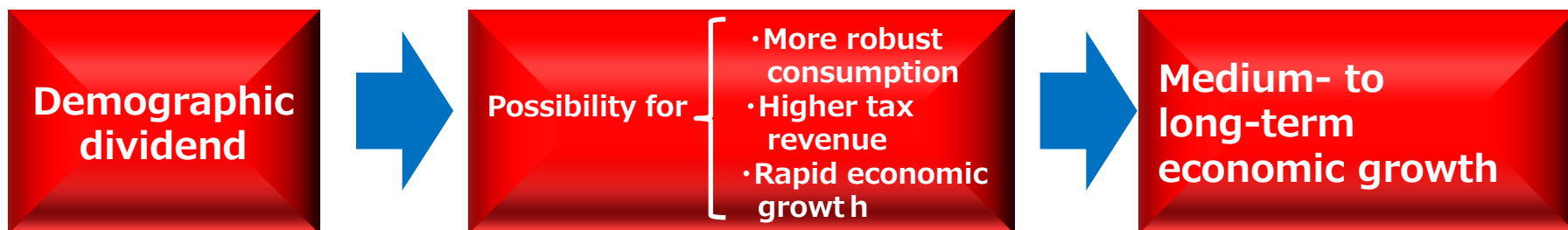
Take advantage of ASEAN regional and market growth by providing functions related to retail business development and industrial park and commercial facility operation



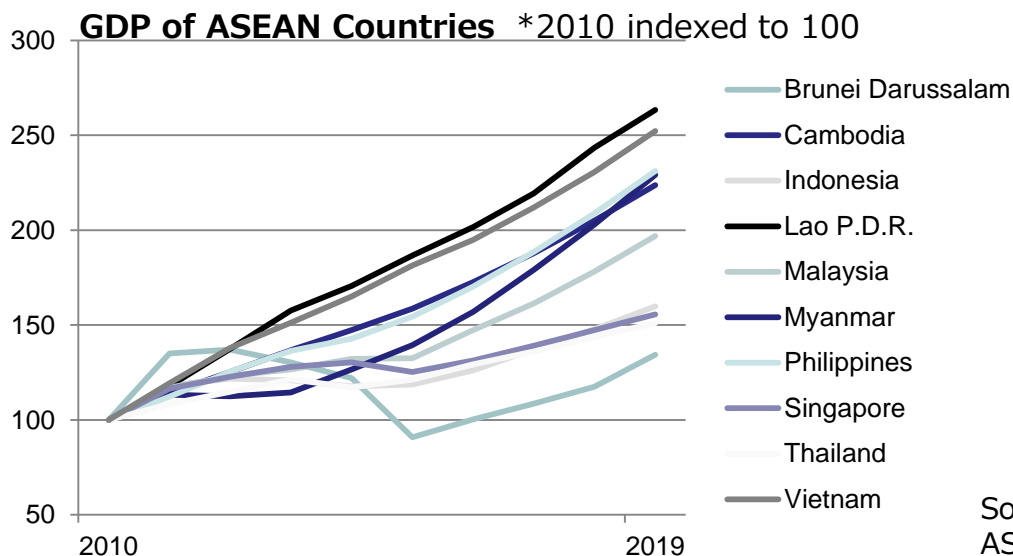


# Analysis of the ASEAN Market

- **Population (All of ASEAN ) 2010: 590 million  
2030: 700 million (Forecast)**



- **GDP (All of ASEAN ) 2010: U.S.\$1,865.3 billion  
2019: U.S.\$3,608.4 billion (Forecast)**



Source: International Monetary Fund  
ASEAN Information Map 2014, ASEAN-Japan Centre



# Growth Strategies





# Growth Strategies

1. Overseas Industrial Park Business
2. Asian Food Distribution and Retail Businesses  
Vietnam & Myanmar





# Overseas Industrial Park Business —Business Environment Analysis

Appeal as  
production site

Appeal as  
consumer market



Medium- to long-term  
trend of overseas  
expansion by Japanese  
companies

Ranking of Countries and Regions Deemed to be Promising Targets  
for Business Development over Medium Term (Next 3 Years)

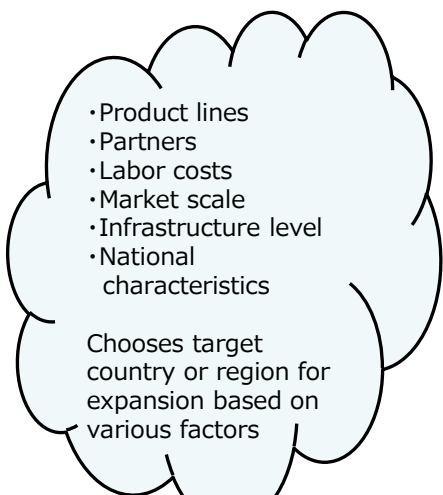
	2009	2010	2011	2012	2013	2014
1st	China	China	China	China	Indonesia	India
2nd	India	India	India	India	India	Indonesia
3rd	Vietnam	Vietnam	Thailand	Indonesia	Thailand	China
4th	Thailand	Thailand	Vietnam	Thailand	China	Thailand
5th	Russia	Brazil	Brazil	Vietnam	Vietnam	Vietnam
6th	Brazil	Indonesia	Indonesia	Brazil	Brazil	Mexico
7th	U.S.	Russia	Russia	Mexico	Mexico	Brazil
8th	Indonesia	U.S.	U.S.	Russia	Myanmar	U.S.
9th	South Korea	South Korea	Malaysia	U.S.	Russia	Russia
10th	Malaysia	Malaysia	Taiwan	Myanmar	U.S.	Myanmar

Source: Sojitz Corporation (based on survey by Japan Bank for International Cooperation)



# Overseas Industrial Park Business –Site Selection

- In response to recent rise in Japanese companies considering overseas expansion and diversification of expansion targets, provide infrastructure and various services to enable companies to focus on production activities overseas with peace of mind
- Select countries and regions for establishing industrial parks after quickly developing an accurate understanding of overseas expansion needs of Japanese companies



## Appeal as Production Site

Expansion needs of companies seeking to establish export processing sites to secure plentiful amounts of cheap labor



Vietnam

## Track Record

•Long Duc Industrial Park (Vietnam)  
Location: Dong Nai, Vietnam  
Development area: 270 ha



•Loteco Industrial Park (Vietnam)  
Location: Dong Nai, Vietnam  
Development area: 100 ha



## Appeal as Consumer Market

Expansion needs of companies seeking to conduct local production to take advantage of robust local purchase demand



India



Indonesia

## Track Record

•Greenland International Industrial Center (Indonesia)  
Location: Bekasi, West Java, Indonesia  
Development area: 1,300 ha

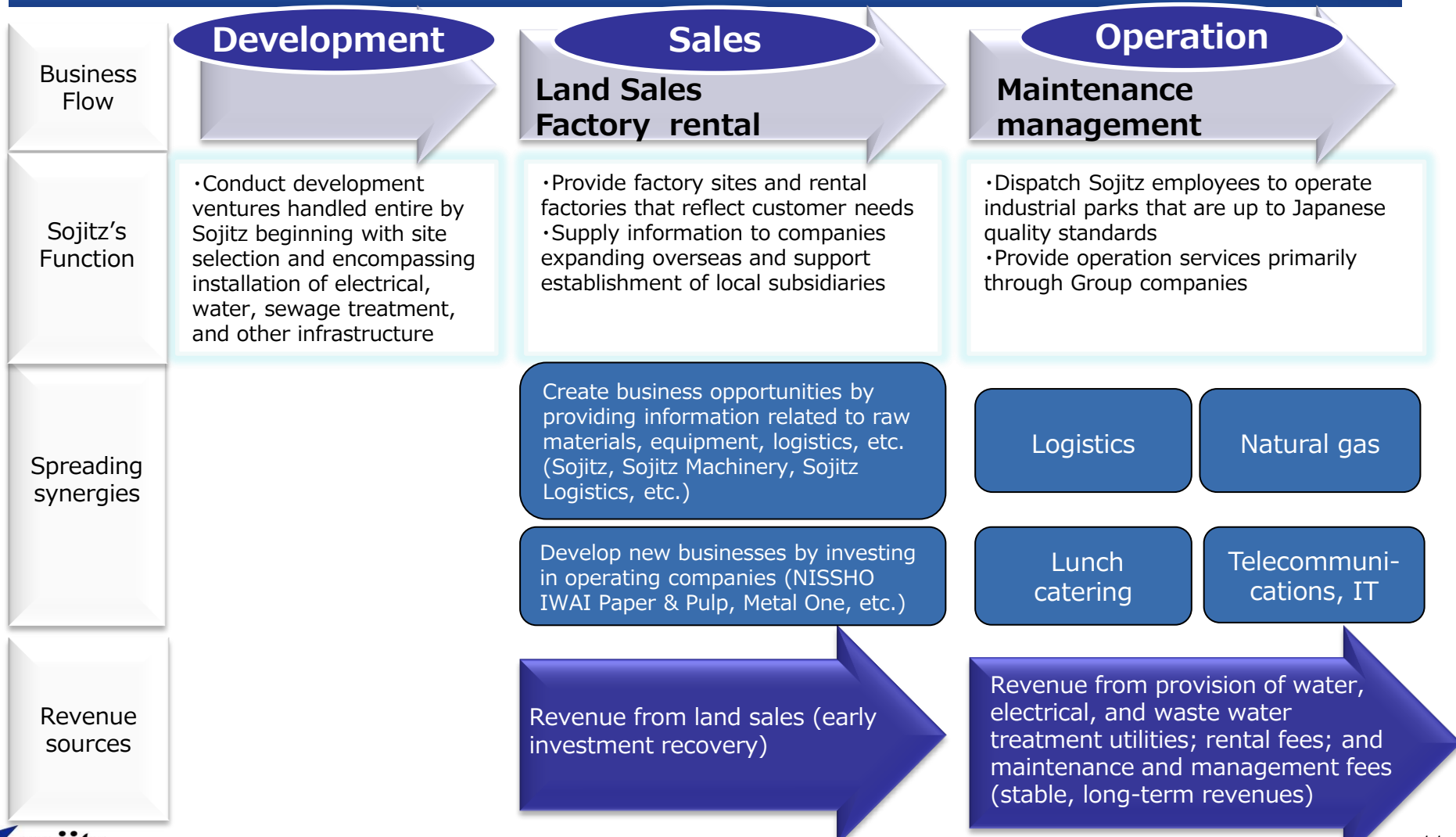


•Sojitz-Motherson Industrial Park (India, under development)  
Location: Chennai, Tamil Nadu, India  
Development area: 115 ha



# Overseas Industrial Park Business —Business Model

Fully leverage general trading company functions to provide comprehensive support for companies' overseas expansion efforts ranging from infrastructure installation to management and operation service





# Asian Food Distribution and Retail Businesses —Business Environment Analysis

## (Current Conditions)

- Primarily family-owned stores and other general trade venues
- Rapid rise in modern trade (super markets, convenience stores, etc.) seen centered on urban areas, but ratio of modern trade still low

\* Ratio of modern trade

Vietnam: 4%, Myanmar: 2.2%



## (Projected Trends)

- Diversification of food options accompanying GDP growth
- Increase in food resource demand resulted from steady population growth
- Growing scale of retail industry due to development of distribution networks (rise in ratio of modern trade)

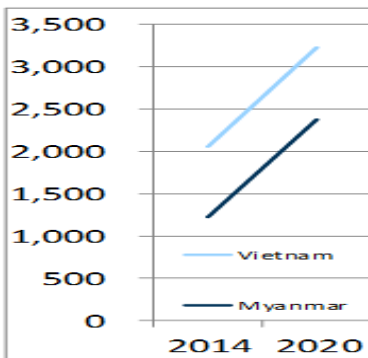
Privately-owned store  
(example of general trade)



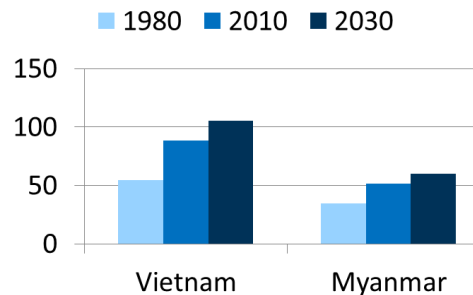
Super market  
(example of modern trade)



Per Capita GDP Projections (U.S.\$)



Population (Millions of people)

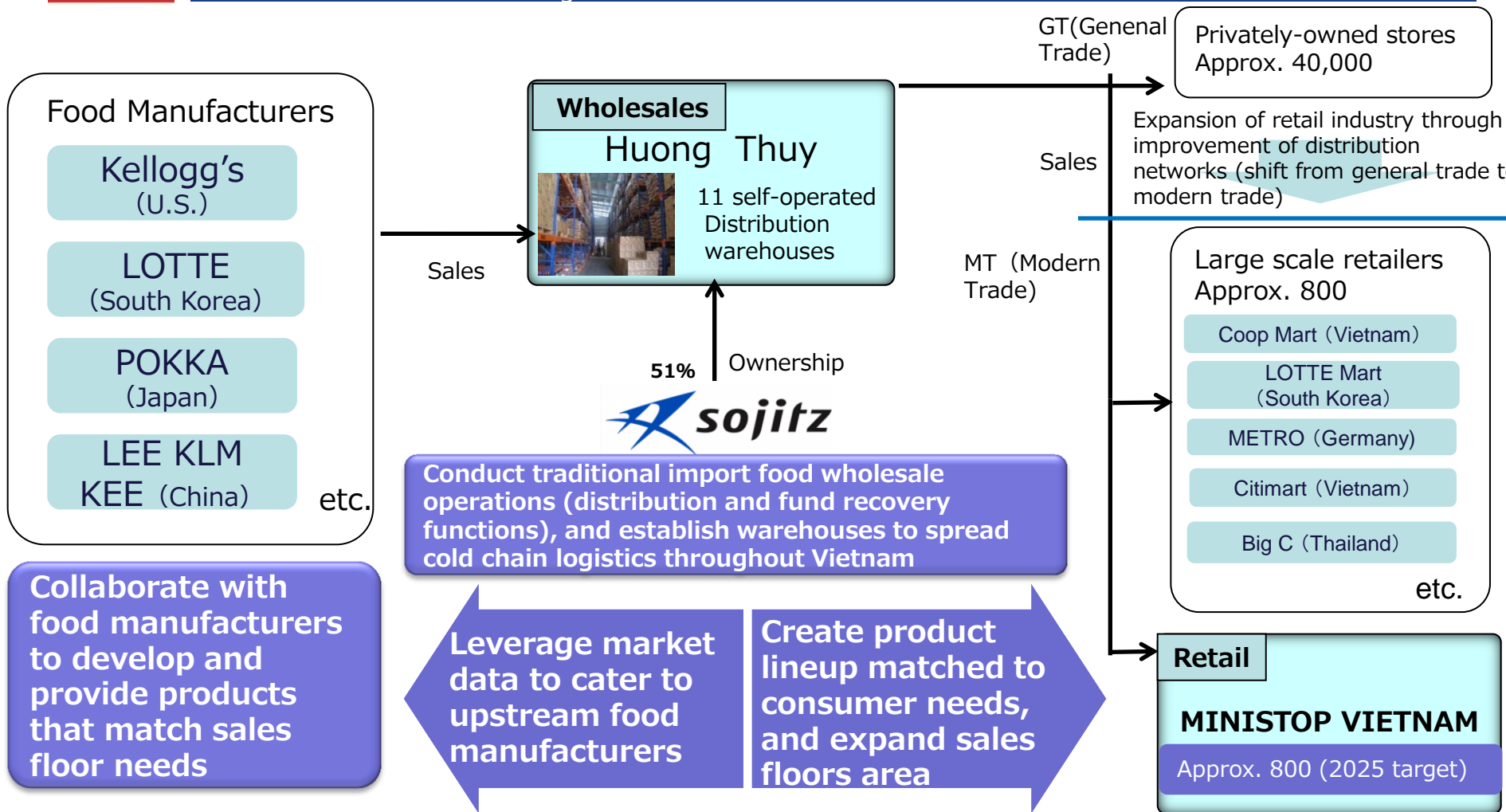




# Asian Food Distribution and Retail Businesses – Vietnam



Leverage business experience accumulated during long history to utilize mature market specialties to secure strong relationships with upstream food manufacturers and thereby expand wholesale business functions and trading volumes

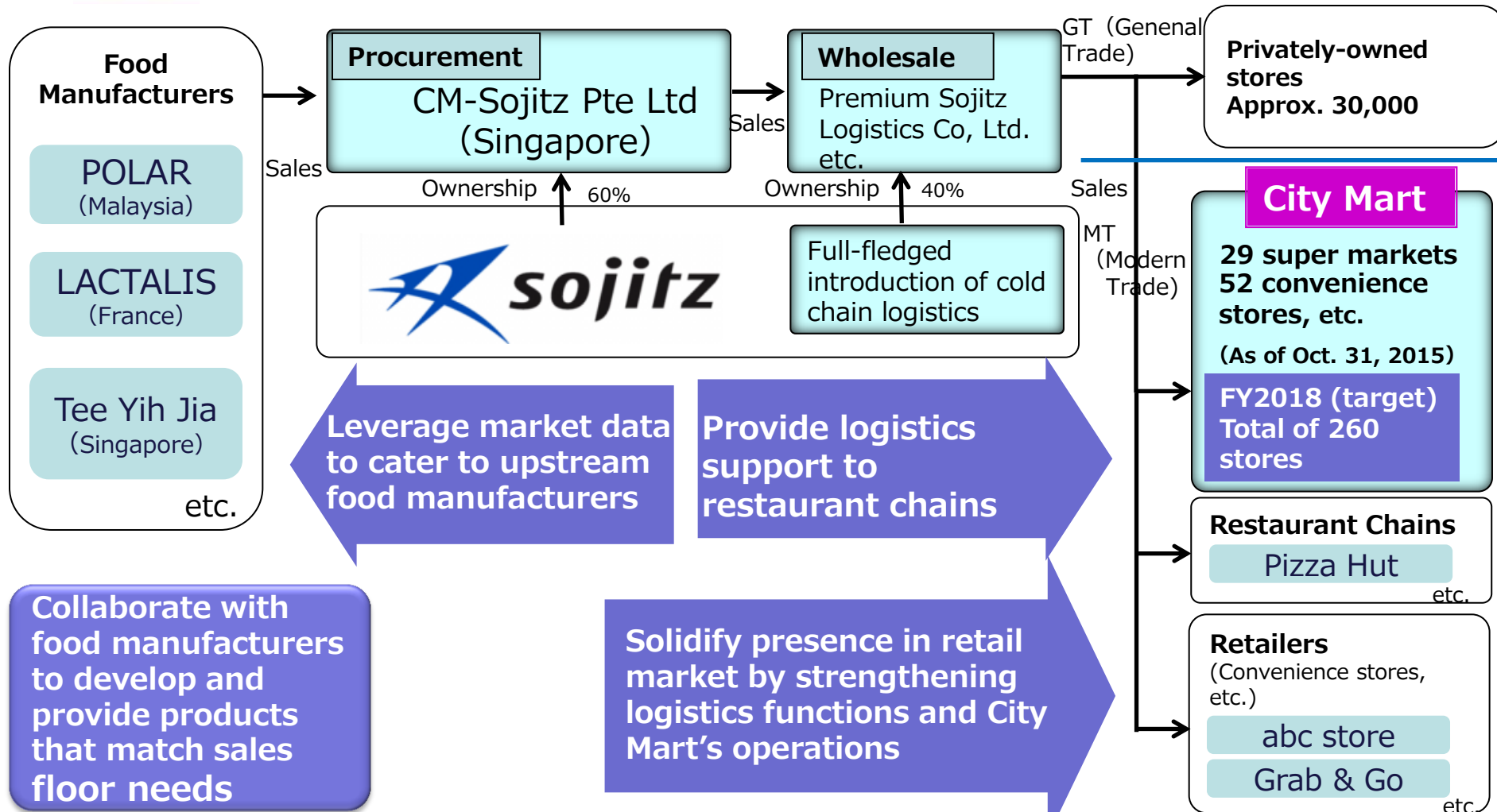




# Asian Food Distribution and Retail Businesses —Myanmar



Take advantage of growth market of Myanmar through initiatives centered around strengthening City Mart's operations





# Supplementary Materials





# Retail Division—Businesses

## Food and Retail Field

- ◆ Sojitz Foods (1983~): Develops food operations in Japan and specializes particularly in meat products
- ◆ Huong Thuy (2008~): Conducts one of Vietnam's largest food wholesale businesses
- ◆ MINISTOP VIETNAM (2015~): Participates in convenience store business in Vietnam
- ◆ Began initiatives for modernizing logistics in Myanmar together with City Mart (2014)
- ◆ Commenced 3-temperature logistics business in Myanmar (2015)

## Overseas Industrial Park Field

- ◆ Industrial parks in Vietnam (Loteco: 1996~, Long Duc: 2011~)
- ◆ Industrial parks in Indonesia (Deltamas: 1996~)
- ◆ Provide infrastructure services (water, electricity, cafeterias, human resources dispatch, etc.) in addition to developing industrial and urban infrastructure in Asian emerging countries

## Real Estate Field

- ◆ Sojitz New Urban Development (1995~): Conducts real estate development and brokerage in Japan
  - ◆ Sojitz REIT Advisors (2013~): Provides asset management services to domestic REITs
- 
- ◆ Develop domestic commercial facility operation business and expand overseas by utilizing related functions
    - Currently contracted to operate 13 commercial facilities in Japan (commenced operations in 1997)
    - Japan Food Town project (2015~): Supports overseas expansion of restaurants

## Brand Field

- ◆ Develop apparel brand businesses in Japan and Asia
  - Brands—McGREGOR (apparel): Develop in Japan
  - Admiral (shoes): Develop in Japan, China, Hong Kong, Macau, Taiwan, and South Korea





***sojitz***

***New way, New value***