





STRATEGY BY DIVISION

This section contains information on the strategies that will be implemented by each division to create value.

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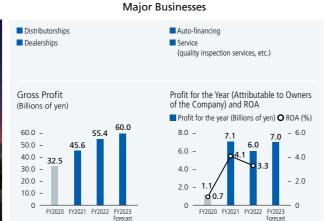
Integrated Report 2023

At a Glance

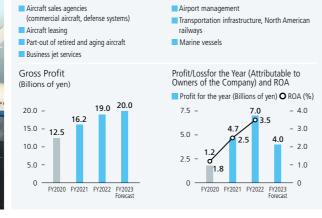
If Sojitz is to continue achieving growth and creating value, it will be crucial for the Company to conduct ongoing new investments and advance the reformation of earnings structures in existing businesses in an increasingly uncertain operating environment.

In this section, each business division will report on its future vision and the medium- to long-term growth strategies it will implement in pursuit of this vision as well as its current strengths and earnings sources. Information will also be provided on the initiatives to be implemented in order to use the strengths of the respective divisions to bolster their earnings power.

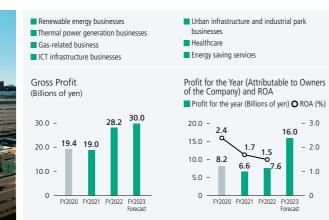
Divisions Distributorships Dealerships Gross Profit (Billions of yen) 60.0 50.0 45. 40.0 32.5 30.0 20.0 10.0 FY2020 FY20



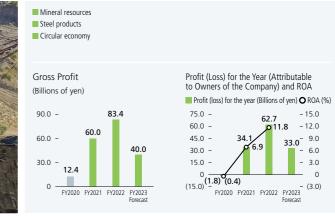




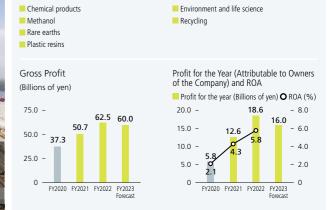




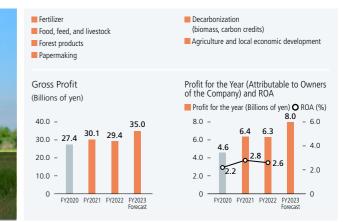




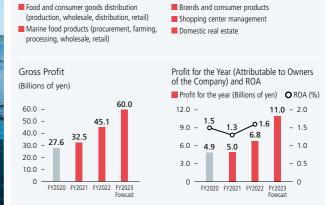






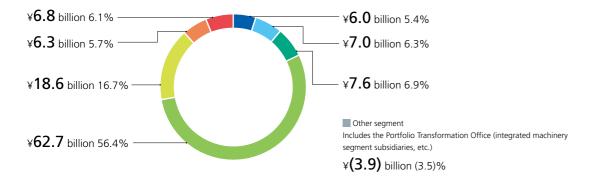




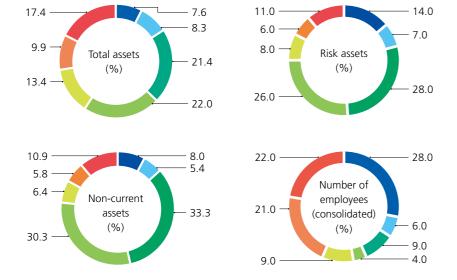


At a Glance

Profit for the Year (Attributable to Owners of the Company) by Division (FY2022)



Distribution by Division*1 (FY2022)



Automotive Division Aerospace & Transportation Project Division Infrastructure & Healthcare Division

- Metals, Mineral Resources & Recycling
 Division
 Chemicals Division
 Consumer Industry & Agriculture
 Business Division
- Retail & Consumer Service Division

 *1 Figures on the left exclude the

(D:II: - - - - f . . - -)

Other segment.

Performance by Division (FY2022)

									(Billio	ns of yen)	
	Profit or Loss			Financia	Financial Position Financial Indicator			Employees		CROIC	
Division	Gross profit	Share of profit (loss) of investments accounted for using the equity method	Profit for the year (attributable to owners of the Company)	Total assets	Non-current assets	ROA	Number of employees (non- consolidated)	Number of employees (consolidated)	FY2022 (%)	Value creation guideline figures*4 (%)	
Automotive Division	55.4	1.5	6.0	182.7	88.0	3.3%	102	5,154	8.9	7.0	
Aerospace & Transportation Project Division	19.0	0.4	7.0	201.4	59.0	3.5%	134	1,180	4.8	5.0	
Infrastructure & Healthcare Division	28.2	0.5	7.6	516.5	366.1	1.5%	217	1,610	2.0	3.0	
Metals, Mineral Resources & Recycling Division	83.4	22.7	62.7	531.9	333.3	11.8%	195	807	20.3	5.0	
* Chemicals Division	62.5	0.0	18.6	322.2	70.7	5.8%	218	1,617	12.4	7.5	
Consumer Industry & Agriculture Business Division	29.4	1.0	6.3	238.9	63.8	2.6%	135	3,751	8.1	6.0	
Retail & Consumer Service Division	45.1	0.9	6.8	419.9	119.4	1.6%	123	4,038	1.9	5.0	
Total*2	337.6	27.3	111.2	2,660.8	1,216.3	4.2%	2,523*3	20,669	_	_	

^{*2} The total includes the Other segment and adjustments.

Major Developments under Medium-Term Management Plan 2023

	FY2021	FY2022-
Automotive Division	Expansion of automobile dealership businesses on U.S. West Coast Capital and business alliance with German automobile auto-photographing and auto-scanning system developer Twinner GmbH	Investment in Norwegian multi-brand electric vehicle distributor Acquisition of Australia's largest independent second-hand vehicle distributor
Aerospace & Transportation Project Division	Commencement of chartering of aircraft registered with the Cayman Islands	Acquisition of all shares of business jet maintenance company Receipt of order for construction of rail maintenance depot for high-speed rail project in India
Infrastructure & Healthcare Division	Entry into electricity retail business in Spain Participation in energy saving service business in the United States Advancement into downstream gas businesses in Nigeria	Participation in one of Japan's largest biomass power generation projects in Hokkaido Entry into energy saving service business in Australia Acquisition of partial stake in gas field in Australia
Metals, Mineral Resources & Recycling Division	Start of provision of green hydrogen produced in Australia to Pacific Island countries	Signing of regional land cooperation agreement with Koura and Kitakyushu City to establish a stable domestic supply for fluorinated products Participation in Canada's largest recycler of household appliances and electronic devices Establishment of new company for realizing practical implementation of direct air capture technology utilizing nano-separation membranes by late 2020s
Chemicals Division	Investment in Green Earth Institute Co., Ltd., a company specialized in manufacturing technology for producing biomass-derived chemicals Participation in the development of biorefinery technology for biomass-derived monoethylene glycol	Additional investment in Lynas Rare Earths Limited of Australia to secure stable supply of rare earths for Japan Investment in Hycamite TCD Technologies Oy of Finland, a developer of turquoise hydrogen production technology
Consumer Industry & Agriculture Business Division	Entry into the fast-growing tree sapling production business Establishment of sales company for beef products together with the Vinamilk Group, Vietnam's largest dairy manufacturer	Establishment of domestic agricultural company Establishment of R&D platform for promoting onion production in Tohoku region
Retail & Consumer Service Division	Entry into distribution business for consumer goods and foods in India Acquisition of all shares of seafood product processing company The Marine foods Corporation Establishment of joint venture with Goldman Sachs for the purpose of raising the value of rental residential properties	Acquisition of full ownership of TRY Inc., a major processor and seller of frozen tuna Expansion of four-temperature controlled logistics in Vietnam

Growth Strategy Investments and Focus Areas under Medium-Term Management Plan 2023 (FY2021–2022)

Total invest- ment	Approx. ¥240.0 billion → Acceleration of growth investm ¥500.0 billion)	ent (upward	revision of Medium-Term Management Plan 202	3 target from initial ¥330.0 billion to
	Infrastructure & Healthcare	¥104.0 billion	 Energy saving service business in the United States Domestic and overseas renewable energy businesses Advancement into downstream gas business 	es in Nigeria, etc.
Major invest- ments by focus	Growth Markets to Be Approached through Market-Oriented Initiatives	¥86.0 billion	 Seafood product processing business Beef product sales business in Vietnam, etc. 	THIS MAT THIS MAT THE OWNER ARE THE SECOND TO THE SECOND THE SECON
area	Materials & Circular Economy	¥10.0 billion	 Household appliance and electronic device recycling business in Canada Rare earths business in Australia, etc. 	
	Other	¥40.0 billion	Non-financial investments, etc.	

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 $[\]ensuremath{^{\star3}}$ The figure includes employees of Sojitz Corporation seconded to subsidiaries, etc.

^{*4} Value creation guideline figures represent the minimum level for average cash return on invested capital (CROIC) to be generated over the three-year period of Medium-Term Management Plan 2023.

Automotive Division



The Automotive Division has faced tragic circumstances and crises threatening to cause the deterioration of our business due to various operating environment changes and external pressures. Nevertheless, we have continued to rise to the challenge and overcome such adversity. Sometimes through painful structural reforms, we have continued to transform the division to become a more resilient organization. At the same time, we have engaged in a constant process of trial and error through actual fieldwork, thereby accumulating the knowledge that has served to increase our success rate in new businesses. These undertakings have strengthened our organization by driving the growth of our people and fostering a common sensibility among our team. The Automotive Division has earned praise for its fundamental characteristics, namely, its ability to quickly generate earnings by growing operations in areas

where we boast expertise, a success story that has been shown to be reproducible.

Our growth strategies are founded on the keywords of "functions," "distinctiveness," and "transformation." By strengthening our functions in relation to sales, financial services, and digital technologies, we look to develop distinctive businesses that set us apart from our competitors. At the same time, we will continue to transform our operations. I firmly believe that our successes thus far are a product of the teamwork we exercise in our daily endeavors, including the numerous verification tests in which we have taken part. We are now at the phase of boldly allocating resources to our ventures in our efforts to achieve massive results. As we move forward with these ventures, I will encourage independence, as opposed to being chained to existing frameworks or systems, in order to guarantee our achieving the ends we envision.

I promise to make the right decisions, to have fun doing so, and to continue to act with virtue.

Strengths

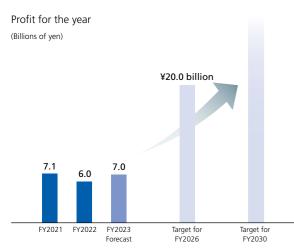
Track record of automobile sales spanning over 40 years	Locally based sales and marketing force
More than 5,000 Group employees at over 30 Group companies	Diverse human resources and global business management know-how
Capabilities of investment execution and business development	Business asset portfolio including new business areas

Operating Environment

Market, financial, and economic stagnation and event risks such as natural disasters	Opportunities	Increase in demand for automobiles due to economic development in emerging countries and diversification of needs in developed countries Paradigm shift in the automotive industry and changes to the existing industry structure Rising need for quality control due to globalization and supply chain diversification
Political and regulatory changes in various countries and changes to the social	Risks	diversification • Market, financial, and economic stagnation and event risks such as natural

Progression Toward Next Stage

- Ongoing structural reforms in existing businesses
- Development of new businesses

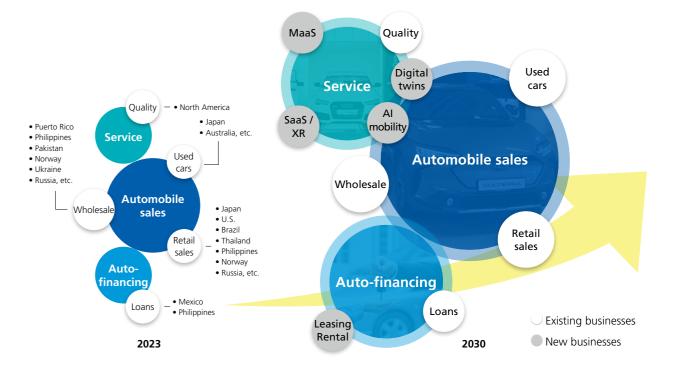


The Automotive Division will seek to further strengthen its core automobile sales business, which will include bolstering competitive lineups of products in demand in promising markets. At the same time, we will enhance sales functions by expanding retail venues that grant us direct access to consumers while also heightening sales of used cars and after-sales services and constructing new sales systems that utilize digital technologies. In these manners, the Automotive Division will increase its business value in pursuit of ongoing growth.

Other initiatives include transforming used car distribution using digital technologies, strengthening financing operations that stimulate demand, and developing new service businesses that provide solutions for addressing social issues which are constantly emerging as the times change.

Business Approach Leading Up to 2030

The Automotive Division will seek to expand the scope of its automobile sales business in promising markets while utilizing digital technologies to improve the value of its operations. In addition, we will aggressively develop new service businesses that cater to the changing times in order to contribute to a prosperous mobility society.



Measures for Advancing Growth Strategies

Automobile wholesale in emerging countries is a mainstay business of the Automotive Division. In this business, drastic structural reforms have been instituted to develop a business structure that is resilient to the impacts of market downturns while still being able to capitalize on the benefits of upturns. Now, we are enhancing locally based sales and marketing capabilities and expanding directly operated retail functions to reinforce our supply chain. In addition, the scope and scale of this business is being expanded through the creation and acquisition of new businesses that sell competitive brands which are in demand in promising growth markets. Increased business value is also being pursued through market share growth and improvements to customer service. One facet of these efforts was our investment in a multi-brand electric vehicle distributor business in Norway.

Meanwhile, a strategy of dominating regional markets is being deployed in retail businesses, which function as the foundation for the Automotive Division's sales capabilities by granting direct access to consumers. In the authorized dealership business, synergies are being pursued between the growing business domain of this business and existing dealerships through the expansion of our network by establishing new locations in unoccupied areas as well as through the acquisition of franchise rights. We are also taking steps to develop a business model that is not dependent on sales of new

vehicles, which are highly susceptible to the impacts of market fluctuations. Examples of such steps include increasing sales of used cars and after-sales services and constructing new sales systems that utilize digital technologies to build a stable earnings foundation.

In the used car sales business, digital tools and data will be used to transform distribution practices in order to provide services and create new transaction venues that contribute to higher levels of convenience for both buyers and sellers of used cars. For example, Sojitz has acquired a used car wholesale and retail business in Australia. By taking advantage of the distribution functions that link business operators through auctions (business-to-business distribution) and enhancing retail sales to consumers (business-to-consumer) and purchases of vehicles from consumers (consumer-to-business), the Automotive Division will optimize the distribution of used cars.







Dealer showroom (electric vehicle sales business in Norway)

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Aerospace & Transportation Project Division



The Aerospace & Transportation Project Division is involved in three major forms of transportation: air transportation using aircraft, land transportation on railroads, and maritime transportation via ships. We also take part in businesses in peripheral areas necessary to the operation of such transportation methods, including various aircraft life cycle support services; airport operation; railroad engineering, procurement, and construction (EPC) projects; and railcar maintenance, repair, and overhaul (MRO) operations. The functions of this division include those provided by our historic sales representative business as well as the multifaceted functions we exercise in the areas of asset ownership and management and investment in operating companies.

With this broad business scope and diverse functions, the Aerospace & Transportation

Project Division has a business portfolio that is resilient to the impacts of operating environment changes and market fluctuations in

the aerospace, railway, and marine vessel fields while also allowing for synergies between our different functions in these areas.

With eyes to the period of the next medium-term management plan and to the year 2030 that lies beyond, we will continue to build our ideal business portfolio. At the same time, the Aerospace & Transportation Project Division will seek to respond to market needs related to next-generation air mobility, hydrogen-fueled aircraft, and maritime vessels that use new eco-friendly fuel sources by utilizing the skills of our staff of individuals who are highly knowledgeable in these specialized fields.

Strengths

Experience in the aircraft sales busines with more than 900 aircraft sold, accountin for the top market

vay operating ons in North can market ailcar leasing)

One-stop solutions encompassing everything from shipbuilding and marine transport to machinery and equipment

- Over 50 years of business experience in the aerospace, transportation, and marine vessel fields
- Ability to collect and analyze information related to the aerospace industry, enabling us to develop an understanding of the needs and issues of aircraft manufacturers, airlines, leasing companies, partsrelated companies, airport facilities companies, and others
- Ability to supply and propose integrated transportation infrastructure solutions
- Ability to pursue synergy with other divisions in airport management business projects
- Comprehensive capabilities in the marine vessel field, leveraging a wealth of knowledge and a robust overseas network

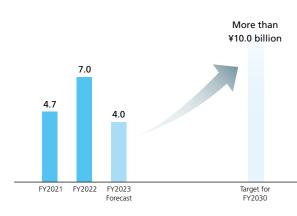
Operating Environment

Opportunities

- Recovery in global aircraft demand and inbound demand following alleviation of restrictions imposed around the world in response to the COVID-19 pandemic
 Rising demand for transportation, airport, and harbor infrastructure in emerging
 - Demand for upgrading to aircraft and marine vessels using alternative fuel sources in response to environmental regulations
 - Growth in next-generation air mobility market driven by technological progress
 - Financial and economic stagnation and event risks such as natural disasters
 - Varied impacts on individual businesses from changes in U.S.—China relations, the war
 in Ukraine, and other international trends and changes in regulations by country
 Fluctuations in shipping market conditions due to trends in maritime transportation
 and demand for space on ships
 - Rising procurement costs in association with business investments and asset ownership businesses following changes in U.S. financial industry and interest rate hikes

Progression Toward Next Stage

Profit for the year (Billions of yen)

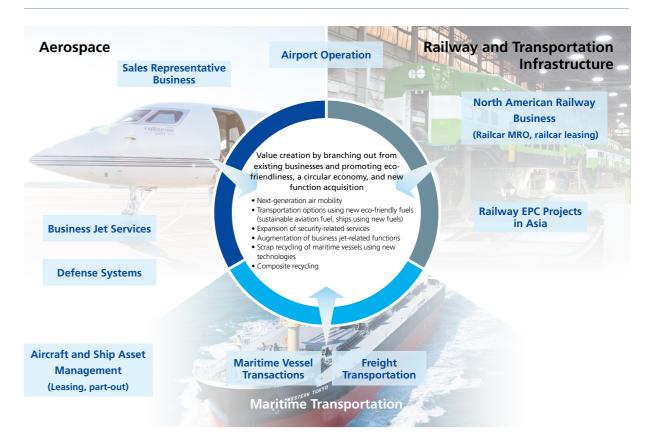


The Aerospace & Transportation Project Division is leveraging Sojitz's strengths in existing businesses while enhancing its functions in its business jet service operations and supplying new functions and services related to security in its defense system business.

Stricter environmental regulations are being implemented in a variety of industries as part of the move toward decarbonization. This trend is expected to lead the transportation industry to a great turning point in which companies seek to transition to fuels that are better for the environment. This will likely involve the adoption of hydrogen-fueled aircraft, ethanolfueled ships, and next-generation air mobility options. The Aerospace & Transportation Project Division seeks to accommodate the market needs created by these trends through involvement in businesses related to the transition to such new aircraft and maritime vessels. In this undertaking, we will leverage the networks and insight we have fostered over the years.

The division will also advance ship recycling and aircraft composite recycling initiatives from the perspective of contributing to the realization of a circular economy.

Overview of Major Businesses



Measures for Advancing Growth Strategies

New Functions and Services

The Aerospace & Transportation Project Division expanded its functions related to business jet services through the July 2022 acquisitions of Japcon Inc., which possesses domestic operating licenses and aircraft maintenance and staff training functions, and its wholly owned subsidiary Okayama Air Service Co., Ltd. The newly acquired functions will be used to generate synergies with Sojitz's prior international business jet service operations as we seek to supply operation services for the next-generation air mobility market, which is expected to see growth in demand going forward.

In defense systems businesses, Sojitz will respond to the growing security needs by bolstering earnings from the provision of non-distribution defense-related subcontracting and other services. These earnings are expected to complement the sales representative fees that are this business' traditional source of income.

The Aerospace & Transportation Project Division is also branching out from its prior aircraft and ship ownership businesses to build asset management functions for developing low-capital businesses that manage assets acquired with the capital of other entities.

Environmental and Circular Economy Businesses

The growing attention toward decarbonization and recycling is placing increased importance on tracking trends in the aviation and maritime industries and assessing new technologies. To address these tasks, the Aerospace & Transportation Project Division is capitalizing on the networks and experience acquired over Sojitz's years of operation in these industries to engage in market-oriented initiatives together with industry partners and to dispatch personnel to associates.

At the same time, we are helping reduce environmental impacts through aircraft and ship scrap recycling businesses that use new technologies as well as through businesses related to alternative fuel sources.



Japcon Group aircraft hangar

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Infrastructure & Healthcare Division



Based on the social issues and market needs that change with the times, the Infrastructure & Healthcare Division has identified essential infrastructure businesses as growth fields to be targeted in Japan and overseas. Specific themes for our essential infrastructure business initiatives include decarbonization, energy transitions, healthcare, and urban and telecommunications infrastructure. Three growth strategies have been defined for this division:

1) Develop, implement, and monetize businesses with a sense of scale that leverages our strengths; 2) Strengthen the profitability of and create value in existing businesses; and
3) Expand into new business areas and continue working on areas in which we foresee growth and future potential. In accordance with these growth strategies, the Infrastructure & Healthcare Division will seek to grow its business through investments in promising businesses

and ongoing improvements to business value. We are expanding our scope beyond the previous focus of independent power producer (IPP) and public-private partnership (PPP) projects, which promise stable, long-term earnings, to turn attention toward business investment projects where we expect to be able to make progress by taking advantage of market growth, support of government policies in countries of operation, and Sojitz's functions. We thereby aim to develop and create stronger and larger businesses. At the same time, the Infrastructure & Healthcare Division is moving ahead with the cultivation of personnel with a propensity for business creation and management through actual involvement in business development and management.

Strengths



development and robust investment track record Collaboration with promising partners for bolstering

xpansion Capability
ntegration of ideas and

Integration of ideas and functions to expand business domain

Operating Environment

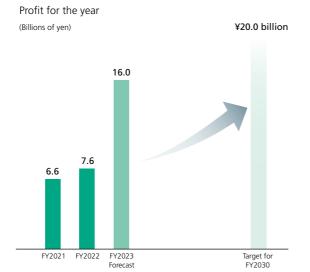
Opportunities

Growing demand for essential infrastructure owing to robust economic and population growth in emerging countries
 Transitions and paradigm shifts driven by revisions to government policies and

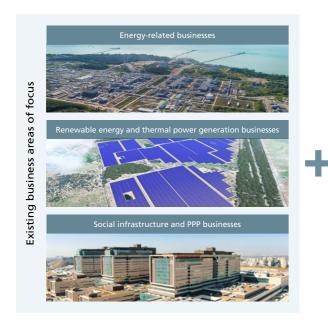
- regulations in response to climate change in countries around the world

 Expanding opportunities to provide complex solutions to meet diversifying needs
- Expanding opportunities to provide complex solutions to meet diversifying needs and an increasingly decentralized society
- Country risks associated with sluggish economic growth in emerging countries and changes in political and economic conditions
- Changes in the balance of supply and demand due to intensifying competition, and diminished business competitiveness due to new technologies, etc.
- Changes to supply chains and business structures due to conflicts and other geopolitical risks

Post-Medium-Term Management Plan 2023 Goal



Progression Toward Next Stage





Initiative 1: Business Investment and Value Creation in Energy Saving Market

The global trend toward decarbonization has sparked rapid growth in markets for energy saving solutions and decentralized power sources in developed and other countries around the world. In these markets, the Infrastructure & Healthcare Division seeks to support the growth of companies possessing decarbonization-related technologies and viable customer contact points while also improving the value of these companies by utilizing the functions and ideas Sojitz has developed through its past experience with infrastructure business models.

Specific Measures

In December 2021, Sojitz invested in McClure Company, an energy saving service company based in the United States, and converted this company into a consolidated subsidiary.

The business of an energy saving service entails the proposal and implementation of energy-efficient engineering and services at customer buildings. The U.S. market for these services is highly promising with a scale 20 times larger than the market in Japan and strong government policy support. McClure boasts a robust customer base and superior technical expertise, which it uses to serve public facilities and other customers in the U.S. states of Pennsylvania and Maryland.

We also invested in and consolidated Ellis Air Group Pty Ltd, an air conditioning and mechanical services company

Name: McClure Company Business activities: Air conditioning design, construction, and maintenance and energy saving services Customer Base Municipal government agencies, schools, and hospitals in the U.S. states of Pennsylvania and Maryland Deployment of renewable energy generation and supply services and electric vehicle and storage battery services and expansion into other states

providing energy-efficient design and construction services in addition to conducting operations in Australia, in May 2023. This company similarly boasts technological excellence, and it has fostered a substantial customer base of building owners and general contractors in the Australian states of Victoria and Queensland, which both feature high levels of demand for energy saving services.

Sojitz will lend its functions for developing renewable energy generation and supply service businesses to these companies to create their value through integrated energy saving service initiatives.



Initiative 2: Business Investment and Value Creation in Healthcare Market

The healthcare field faces a number of social issues, such as increases in healthcare spending and shortages in healthcare institutions as a result of economic development, population growth and aging, and longer healthy lifespans. To address these social issues, the Infrastructure & Healthcare Division is advancing into the public healthcare service field in Southeast Asia to expand its business in growing markets.

Specific Measures



In the public healthcare sector, we are engaging in clinic chain, primary care, and specialist secondary care businesses.

Going forward, the Infrastructure & Healthcare Division intends to advance integrated initiatives targeting peripheral fields, use data and digital technologies to improve service quality and reduce costs, and take other steps to create new demand and businesses that contribute to preventive medicine. In these ways, we will seek to heighten business value and create strong and sizable businesses.

Private Healthcare Businesses



Development of private clinic chains that provide service to individuals and companies, etc.



Development of ecosystems (healthcare, services, insurance, prescription medication delivery, etc.), utilization of data and digital technologies, and expansion of customer base through M&A activities, etc.

DIRECTION

VALUE

VALUE CREATION STORY

Metals, Mineral Resources & Recycling Division



With an eye to the changing social needs arising amid increasingly rapid global warming and the accelerated trend toward decarbonization, the Metals, Mineral Resources & Recycling Division is transitioning to a more sustainable business model while ramping up its initiatives in the recycling field in preparation for the emergence of a circular economy. Specific initiatives include the development of projects based on the three focus fields defined in Medium-Term Management Plan 2023. In the circular economy field, the first focus field, we are cultivating substantive business in North America through our investment in an electronic equipment recycling business and the acceleration of related initiatives. In the second focus field, our efforts to create new businesses that respond to social needs related to decarbonization, rechargeable batteries, and new materials have included the establishment of Carbon Xtract Corporation to conduct research, development, and mass produc-

tion related to Direct Air Capture ("DAC") technologies for directly capturing CO₂ emissions from the atmosphere. We will also strive to develop and achieve monetization of our manufacturing business for the hydrogen fluoride that is an essential material for semiconductors, our business supplying raw materials used in rechargeable battery production, and our rechargeable battery reuse and recycling business. Our third focus field is the stable supply of unique resources. In this field, we are moving ahead with the acquisition of cost-competitive upstream interests. For example, the division has carried out initiatives including asset replacement of thermal coal interests and will continue to build a portfolio of high-quality upstream assets.

By utilizing digital technologies, the Metals, Mineral Resources & Recycling Division will strive to improve the quality, cost competitiveness, and efficiency of its mineral resource, steel product, and other existing business fields to strengthen its frameworks for producing stable earnings.

Strengths

Sole general trading company with expertise in coal mine operations Utilization of accumulated expertise as owner-operator of an Australian coal mine by developing other Sojitz-owned mines and venturing into the contract mining business

Stable earnings from businesses such as those of steel-based general trading company Metal One and niobium* producer Companhia Brasileira de Metalurgia e Mineração

Stable increases in earnings from expanding businesses in growing markets and capturing new demand

Distinctive, rare resource offerings Lineup of distinctive resource offerings including niobium, chromium, and other rare metals as well as minerals like vermiculite and fluorspar, flexible and reliable supply chains, and development capabilities extending to anode materials and other new materials with significant future potential

* An additive used in the production of high-tensile and stainless steel for its ability to contribute to increased strength while reducing weight in materials for automotive applications

Operating Environment

- Growth in demand for mineral resources, steel, and industrial materials centered on emerging countries
- Demand for new products arising from strengthened and revised environmental regulations
- Increased demand for new technologies and materials that contribute to the development of a sustainable society
- Higher demand for eco-friendly businesses, such as recycling and by-product management

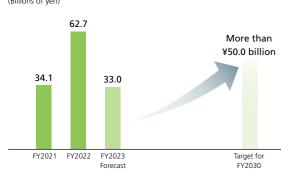
Dicke

- Reduction to revenues from fluctuations in resource prices and exchange rates
- Rising geopolitical risks, such as Russia's invasion of Ukraine, resource nationalism, and trade friction between the United States and China
- Substitute products and strengthened regulations resulting in lower product
- Global trend toward carbon taxes and other stringent environmental regulations

Progression Toward Next Stage

Investment to transform portfolio and achieve stable earnings capacity of more than ¥50.0 billion by fiscal 2030

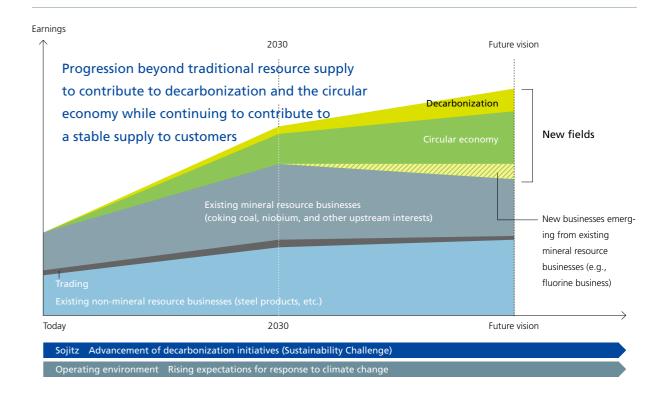
Profit for the year (Billions of yen)



The Metals, Mineral Resources & Recycling Division is developing frameworks for reliably supplying customers with raw materials in response to social needs related to the circular economy, decarbonization, and geopolitical risks. Through the sustainable supply of resources via recycling and decarbonization functions, Sojitz aims to maximize two types of value—value for Sojitz and value for society.

- Development of procurement frameworks for reliably supplying resources (acquisition of upstream interests and expansion of businesses based on social needs)
- Strengthening of metal recycling businesses (generation and expansion of earnings from circular economy businesses)
- Transformation of businesses with emphasis on decarbonization and digital technologies
- Enhancement of earnings capacity and cash recovery capabilities in existing businesses

Overview of Major Businesses



Measures for Advancing Growth Strategies

The Metals, Mineral Resources & Recycling Division is concentrating its resources on initiatives for achieving a competitive edge while securing the reliable supply of resources that will be required in a decarbonized society with a circular economy. Such initiatives include the development of foundations for a circular business model for metals, the strengthening of competitiveness of existing upstream interests, and the creation of circular business models for the growing battery field.

In developing the foundations for a circular business model for metals, we are organically combining recycling functions such as collection, sorting, and shredding in our metal resource recycling businesses in North America and Japan with a focus on digitalization to create a uniquely Sojitz business foundation built firmly on operational efficiency.

Meanwhile, we will leverage the mine operation-related data and internal resources accumulated through the operation of our existing coking coal business in Australia to promote the digitalization of mine operation. Through this digitalization, we will seek to develop a new business model that improves operational efficiency and thereby reduces costs while also allowing for swift and flexible management decisions to be made in response to market fluctuations.

In the growing battery field, the division will create a circular business model through initiatives that span the entire value chain in areas such as procurement of critical mineral resources, the manufacture and supply of components, and the sale of finished batteries.





erroniobium

Lithium-ion battery using niobium for anode materials

The Metals, Mineral Resources & Recycling Division has also held upstream niobium interests through Brazil's Companhia Brasileira de Metalurgia e Mineração since 2011. Together with this company and Toshiba Corporation, Sojitz is accelerating joint development and commercialization of next-generation lithium-ion batteries that use niobium for anode materials.

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Division Business Reports

Chemicals Division



The structure of the chemical industry is undergoing a massive transformation amid the rising social demand for a transition to a decarbonized society. In response to this trend, the Chemicals Division is shifting away from petroleum-derived products to resources produced through organic synthesis and to more eco-friendly products. Our policy under the current medium-term management plan is to concentrate our resources on the environmental and life science fields as we tackle new challenges that go beyond the traditional boundaries of the chemical industry.

As the world abandons its prior focus on economic rationality to decouple security from the economy and become more segmented, the fundamental value of trading businesses—delivering what people need, where they need it, when they need it—is being reevaluated. These

trends are expected to become even more pronounced as we move toward 2030. Accordingly, it will be important for us to foster employees who can build the networks and connections needed to respond to changes in the global supply chain in order to accomplish Sojitz's vision for 2030 of becoming a general trading company that constantly cultivates new businesses and human capital.

Strengths

Customer base of over 5,000 companies

Wide variety of products and materials

Ability to make propos als in response to the changing business

- Wide variety of products, materials, and business proposal capabilities for upstream, midstream, and downstream areas
- Extensive customer network of over 5,000 companies around the world
- Top-level business scale and name recognition among general trading
- Operational know-how accumulated through gas chemical business
- Plastic resin business with a global sales and procurement network
- Business expertise in the C5* and petroleum resin business value chain
- Large share and stable supply of Indian-sourced industrial salt in the Asian market
- * Fraction produced as a co-product of naphtha cracking that is used as a raw material for synthetic rubber and plastic resins

Operating Environment

- Rising global demand for chemicals accompanying economic growth in emerging countrie
- Supply chain changes to be seen after the COVID-19 pandemic
- Development and production of new materials in response to progress and advancement of eco-friendly needs at the global level

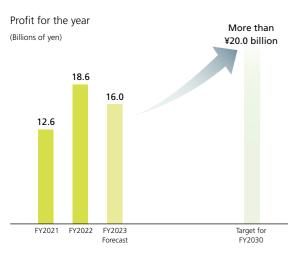
• Social pressure directed toward petrochemical products as part of transition to a

low-carbon society Pressure on business revenue due to volatile market conditions and fluctuations in

 Supply-related risks accompanying rapid demand fluctuations to be seen during post-COVID-19 pandemic recovery (difficulty securing supplies, stressed distribution, etc.)

Progression Toward Next Stage

- Expansion of existing trading businesses and enhancement of operations in fields of expertise
- Acceleration of new initiatives for achieving decarbonization and creating a circular economy



To contribute to decarbonization, the Chemicals Division is moving away from traditional petroleum-derived materials and toward materials derived from biomass and organic synthesis processes. The division is also transitioning toward an earnings structure that is more suited to the overarching trend of decarbonization. Taking a broad definition of chemicals, we will expand our business into fields that contribute to social value, such as the environmental and life science fields.

In the trading businesses that are the central pillar of earnings for the Chemicals Division, the structure of the chemical industry, which was previously centered around petrochemicals, is transforming, which in turn is changing the supply chain. We position these changes in the supply chain as an opportunity to further strengthen our trading businesses.

Earnings Structure Transformation Initiatives

Rapid changes to operating environment and industry trends

Strengthening of functions in existing trading businesses

Reinforcement of existing businesses and expansion of operations in strategic fields through cultivation of autonomous human resources and transformation of organizational culture

Human Resource Transformation One-on-one meetings between supervisors and

- · Enhancement of trust between supervisors and subordinates Improvement of quality of communication
- · Heightening of proposal and idea formulation capabilities through development of thinking capabilities · Maximization of motivation

Organizational Culture Transformation

Cross-organizational projects

subordinates

· Promotion of inter-organization exchanges · Accumulation of experience through appointment of newer employees to leadership positions

Messages from division leaders

· Transmission of messages on a global and Groupwide basis · Encouragement of proposals from employees of all ranks

Earnings Structure Transformation

Expansion and streamlining of trading business that is a central pillar of earnings

- Expansion and streamlining of trading business with a view of all product chains including fundamental materials, auxiliary materials, additives, by-products, etc.
- Maximization of value through resolutions to supply chain issues

Improvement of resilience in areas of expertise

- Expansion of operations in industrial salt, methanol, C5, rare earths, and other areas of strength
- Application development and expansion into peripheral fields through matching with market needs

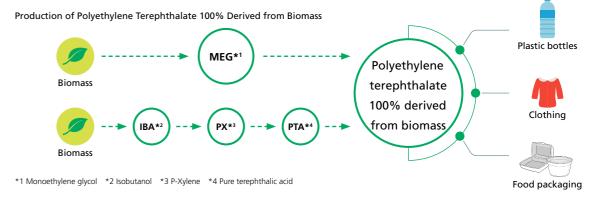
Acceleration of initiatives in environmental, biotechnology, and other strategic fields

- · Bolstering of transactions of biosynthesized chemicals together with transactions of conventional petrochemicals
- Investment in promising technologies for contributing to decarbonization

Measures for Advancing Growth Strategies •

The Chemicals Division is rapidly advancing initiatives to generate earnings from healthcare, biotechnology, and other growth fields. In the healthcare field, M&A activities are being conducted to build frameworks for incorporating growth in the large markets of Europe and the United States. Examples of these M&A activities include investments in material manufacturers in the field of foods with function claims offering products boasting benefits for combating lifestyle diseases and dementia as well as investments in manufacturers of hemanalysis systems and research reagents. Through these investments, we plan to develop new businesses that take advantage of testing data. In the biotechnology field,

meanwhile, we are taking part in businesses that replace conventional petroleum-derived materials with biotic processes. For example, we are bolstering our supply of biomassbased chemicals through participation in a biomass-derived monoethylene glycol (MEG) production business together with Brazil's Braskem S.A. In addition, investments are being made in start-up companies with promising technologies in order to accelerate our acquisition of revolutionary new products and thereby secure earnings over the medium to long



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Consumer Industry & Agriculture Business Division



Factors such as the COVID-19 pandemic and Russia's invasion of Ukraine have severed supply chains while causing the materialization of risks of increases in energy and grain prices. This situation has prompted countries around the world to place increased emphasis on economic security, particularly with regard to food and energy. Major turning points, times when social values undergo great change, such as this always give rise to new business needs. I aim to transform these changes into opportunities and take an aggressive stance toward creating new businesses.

Centered on agriculture, forest products, and livestock, the Consumer Industry & Agriculture Business Division develops essential businesses that help support people's lifestyles. Existing business investment and trading operations in the fields of fertilizer, food

products, and livestock feed are allowing us to grow earnings while creating new value by leveraging our strong competitive edge. The primary focus of these operations is the growing Southeast Asian market.

Based on our vision for 2030, the Consumer Industry & Agriculture Business Division has been positioning the diversification of lifestyles in Southeast Asia as an opportunity. For example, in Vietnam we are focusing on the development of livestock and meat processing businesses that contribute to safe and reliable food supplies to stimulate a paradigm shift in meat distribution. We are also responding to the trends toward sustainability and decarbonization by accelerating business investments related to biomass for developing reliable renewable energy production and supply systems using fuel from primary industries.

Strengths

Strong business foundation in Southeast Asia Network for procuring diverse woody biomas resources

- Development of a wide range of businesses mainly in Southeast Asia, such as fertilizer production, feed production, grain port operation, flour milling, bakery products, confectioneries, building materials, afforestation, wood chips, papermaking, and biomass fuel procurement
- Establishment of a top-level market share in the production and sale of compound chemical fertilizer in Southeast Asia
- Participation in one of the largest biomass power plant projects in Japan, utilizing a stable woody biomass resource procurement network and development of a new biomass fuel source using fast-growing trees

Operating Environment

Opportunities

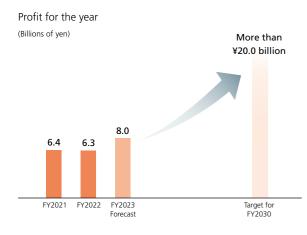
- Diversification of lifestyles in Southeast Asia
- Increase in demand for foodstuffs and essential consumer goods due to population growth and economic development in Southeast Asia
- Growing need for the safety, security, and sustainability of food
- Greater emphasis placed on sustainable procurement of woody biomass resources amid growing environmental awareness

Risks

- Price fluctuations due to an imbalance between supply and demand caused by climate change and changes in government policies
- Pressure on business revenue due to sudden fluctuations in exchange rates

Progression Toward Next Stage

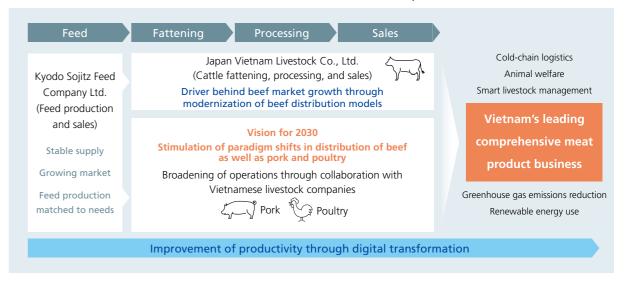
Growth in agriculture, forest products, livestock, and other business fields closely connected to people's lifestyles and acceleration of development of sustainable biomass-related business models



Positioning the diversification of lifestyles in Southeast Asian and other emerging countries as an opportunity, the Consumer Industry & Agriculture Business Division is endeavoring to create new value in existing businesses and to develop new businesses from the perspectives of the global trends toward sustainability, local production and consumption, and decarbonization. For example, our robust fertilizer business foundations in Southeast Asia are being used to build agricultural platforms that drive ongoing improvements in the lifestyles of agricultural workers. Meanwhile, Japan Vietnam Livestock Co., Ltd., has been established in Vietnam to facilitate our entry into the cattle fattening, processing, and sales businesses, through which we aim to stimulate a paradigm shift in the distribution of meat products. The Consumer Industry & Agriculture Business Division is also devoting efforts to a number of other initiatives with significant social meaning, such as biomass power generation using renewable woody biomass resources and local economic development through the use of idle and unused land in Japan for agricultural purposes

Overview of Major Businesses

Quest to become Vietnam's leading comprehensive meat product business, providing the reliable supply of safe and secure meat products centered on the beef integration business advanced through co-creation with the Vinamilk Group



Measures for Advancing Growth Strategies

In Vietnam, Sojitz has partnered with the Vinamilk Group, a major Vietnamese dairy product manufacturing conglomerate, to develop a cattle fattening, processing, and sales business. It is standard practice in Vietnam for meat to be distributed at ambient temperature. However, the recent diversification of distribution and retail models has resulted in a rise in demand for sanitary chilled meat. The average annual consumption of beef per person in Vietnam is around half of that in Japan, but demand for meat is expected to grow in conjunction with population growth and rising income levels going forward.

Through this cattle fattening, processing, and sales business, we plan to introduce the types of processing equipment and sanitation and quality control procedures used in Japan in order to heighten productivity and develop frameworks for the safe supply of high-quality chilled meat. A stable supply of the feed that is essential to fattening livestock will be provided to the Vinamilk Group by taking advantage of the reliability and competitive edge of Kyodo Sojitz Feed Company Ltd., which was established in 2011. With a focus on exhaustive quality control and product proposals matched to consumer needs, we will sell high-quality chilled meat to emerging modern distribution venues in Vietnam, such as supermarkets, as well as to hotels, restaurants, and cafes. By developing a recognized made-in-Vietnam beef brand and broadening out into pork and poultry, we aim to develop a leading comprehensive meat product business in Vietnam.

The Consumer Industry & Agriculture Business Division thereby intends to grow the meat product business into a second pillar of earnings alongside its fertilizer business.



Beef product using cows that can no longer be milked procured from the Vinamilk Group, launched in July 2023

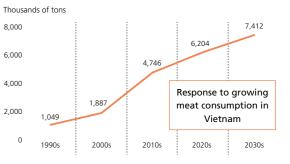
Meat Product Business Initiatives

March 2021 Establishment of Japan Vietnam Livestock Co., Ltd., as joint venture with Vietnam Livestock Corporation JSC

March 2023 Groundbreaking ceremony for cattle fattening and beef processing complexes

June 2024 Scheduled start of operation at beef processing complexes

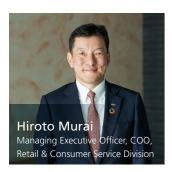
Meat Consumption Volume in Vietnam



Source: Organisation for Economic Co-operation and Development

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Retail & Consumer Service Division



The Retail & Consumer Service Division, with its multiple contact points with consumers, is committed to developing its businesses based on the customer's perspective. This commitment guides us in advancing a diverse range of businesses aimed at enriching and bringing convenience to people's lives. Our focus going forward will be responding to trends such as the diversification of consumer tastes and needs and the pursuit of more enriched and convenient lives in emerging countries as well as the changes to industry structures seen in developed countries as a result of rising health consciousness and increased interest in the United Nations Sustainable Development Goals (SDGs). We will go about this by expanding services businesses founded on market needs in order to build a quality asset portfolio oriented toward steady growth.

As we accelerate efforts to build a quality asset portfolio to fuel future growth, we will also move forward with drastic reforms to our operations through means such as withdrawing from businesses suffering from diminished earnings power or viability.

The operating environment for the Retail & Consumer Service Division is changing rapidly. Understanding that change is a constant, we should remain cognizant of the fact that change presents opportunities for us to seize upon. Speed and time will be constant areas of focus when formulating action plans for accomplishing our targets. A strongly entrenched PDCA cycle will be imperative for ensuring the effective implementation of these action plans. With these goals in mind, I will act with a strong sense of personal commitment to guarantee that the division can achieve its targets.

Strengths

estate business

- Networks and customer bases established over many years throughout Asia
- Retail businesses developed to meet the needs of India and ASEAN countries based on their stage of development
- Expertise in management and investment for increasing value of shopping centers
- Supply base for food products and consumer goods matched to diversifying lifestyles
- Top market share in importing frozen North American beef to Japan

Operating Environment

- Increase in demand in India and the ASEAN region accompanying an expansion
- Rising demand for Japanese technologies to improve productivity and to address the higher labor costs that stem from labor shortages
- cation of food
- consciousness and interest in the SDGs and popularization of e-commerce
- Increase in risks related to human rights and environmental issues due to expansion of manufacturing businesses
- Shrinkage of domestic market associated with population decline in Japan

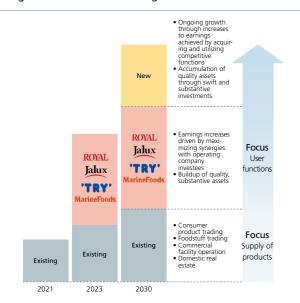
of the middle-income segment due to economic development in these areas

Rising interest in Japan's food culture (including Japanese cuisine) and diversifi-

• Changes and diversification of consumer purchasing habits due to rising health

- Revisions to legal and regulatory systems in Asian countries
- Cost increases due to stricter food quality control in Asia
- Pressure on earnings from businesses and trading due to drastic fluctuations in foreign exchange rates and increases in raw material prices

Progression Toward Next Stage



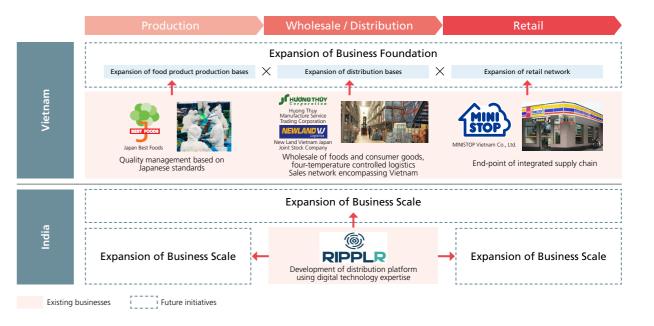
The Retail & Consumer Service Division continues to build a quality business asset portfolio by achieving and improving profitability in existing businesses, building upon collaborative relationships and conducting joint business investments with investees, executing new large-scale investments, and replacing portfolio assets.

The focus markets of this division include Japan as well as the growth markets of Vietnam and India. In these markets, we are reforming existing business models while strengthening and expanding earnings foundations through new business development. A particular area of attention is the seafood product market, which is growing amid rising health consciousness. By leveraging the strength of Sojitz's seafood product processing technologies and the superiority of its quality, we will seek to expand our seafood product business into the North American and Chinese markets.

Retail Businesses in Vietnam and India

In Vietnam, the Retail & Consumer Service Division is taking a comprehensive approach toward business development that integrates operations in the areas of processing and production of prepared food, four-temperature controlled logistics (ambient temperature, fixed temperature, chilled, and frozen), wholesale food and consumer goods, and retail. The division's distribution warehouses are being augmented and new convenience stores are being opened on an ongoing basis in order to grow these businesses. In India, the food and

consumer product wholesale insight gained in Vietnam is being utilized together with Sojitz's IT digital technology expertise to improve the quality of the services we provide and the range of areas in which we supply them through coordination with consumer product wholesaler and distributor Intelligent Retail Private Limited. The retail and manufacturing fields are also being assessed as potential targets for future expansion.



Marine Product Business

In order to better accommodate the global growth in seafood product demand, the Retail & Consumer Service Division has integrated the farming, procurement, processing, and sales functions of The Marine Foods Corporation, TRY Inc., Sojitz Tuna Farm Takashima Co., Ltd., and Dalian Global Food Corporation. Increased coordination will be practiced among these companies going forward in order to broaden and build upon their operations and thereby secure a competitive edge.

In Japan, procurement and sales capabilities will be augmented to expand and stabilize the earnings foundations of existing businesses. Overseas, meanwhile, we will leverage the strength of our seafood product processing technologies and the heights of our quality to accelerate the development of our business in the North American and Chinese markets, which are expected to see growth in demand for seafood products



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Major Subsidiaries and Affiliates (As of March 31, 2023)

Notes: 1. Equity ownership ratios are as of March 31, 2023.

2. Figures for profit (loss) for the year exclude one-time factors.

Automotive Division

Consolidated subsidiaries: 34 Equity-method affiliates: 7

Name	Equity owner-	Equity owner- ship (%) Profit for the year (billions of yen)		Business activities	
	snip (%)	FY2021	FY2022		
Sojitz de Puerto Rico Corporation	100%	2.1	2.2	Import and sale of automobiles	
Sojitz Automotive Group, Inc.	100%	1.7	2.3	Automobile dealership	
Subaru Motor LLC	65.6%	0.5	0.5	Import and sale of automobiles	
Sojitz Quality, Inc.	100%	0.2	0.3	Investment in quality inspection-related services	

Aerospace & Transportation Project Division

Consolidated subsidiaries: 39	Equity-method affiliates: 1
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Name	Equity owner-	Profit (loss) for the year (billions of yen)		Business activities
	ship (%)	FY2021	FY2022	
Aircraft and marine vessel asset businesses				Aircraft sales representative, aircraft leasing, aircraft part-out, etc.
-Sojitz Aviation and Marine B.V.	100%	0.0	0.1	Aircraft part-out business and marine vessel-related business
Aviation businesses				Defense system-related, business jet services, aircraft sales representative business
-Business jet services	100%	0.9	0.9	
Transportation and airport infrastructure businesses				North American railcar (MRO/Railcar leasing), EPC businesses in railcar field in Asia
-Sojitz Transit & Railway Canada Inc.	74.9%	(0.2)	0.1	General repair and remanufacturing of railway rolling stock
-Southwest Rail Industries Inc.	100%	0.5	0.4	Railcar leasing business
Sojitz Aerospace Corporation	100%	0.8	1.3	Import, export, and sale of aerospace and defense-related equipment

Infrastructure & Healthcare Division

Consolidated subsidiaries: 56 Equity-method affiliates: 40

Name	Equity owner-			Business activities	
	ship (%)	FY2021	FY2022		
Energy-related and thermal power generation businesses*					
-LNG Japan Corporation	50%	3.4	9.1	LNG projects and investment in LNG-related businesses	
-Glover Gas & Power B.V.	25%	_	0.6	Gas supply and gas-related businesses	
-Thermal power generation businesses	_	2.9	3.6	Projects in the United States, the Middle East, etc.	
Renewable energy and decarbonization businesses*					
-Renewable energy businesses	_	1.8	3.2	Domestic and overseas renewable energy businesses	
-Energy saving service businesses	_	_	1.0	Overseas energy saving service businesses	
-Nexus Energia S.A.	31.4%	_	0.3	Electricity and gas retail, electricity sales agent, solar power generation businesses	
Social infrastructure and public-private partnership businesses					
-Sojitz Hospital PPP Investment B.V.	100%	3.6	3.3	Investment and financing of hospital operation projects	
-Nissho Electronics Corporation	100%	1.9	2.6	IT system and network service businesses	
-PT. Puradelta Lestari Tbk	25%	1.4	2.7	Development and operation of comprehensive urban infrastructure including residential, industrial, and commercial infrastructure	

^{*} Figures for thermal power generation businesses, renewable energy businesses, and energy saving service businesses represent the total of profit for the year of the relevant

For more information on the following listed companies, please refer to their respective websites

SAKURA Internet Inc. (equity-method associate)
PT. Puradelta Lestari Tbk (equity-method associate)
https://www.sakura.ad.jp/ (in Japanese only)
https://www.kota-deltamas.jp/ (in Japanese only)

Metals, Mineral Resources & Recycling Division

Consolidated subsidiaries: 22 Equity-method affiliates: 16

Name	Equity owner-			Business activities
	ship (%)	FY2021	FY2022	
Sojitz Development Pty. Ltd.	100%	27.2	44.2	Investment in coal mines
Metal One Corporation	40%	11.3	16.6	Import, export, offshore trading, and domestic sale of steel-related products
Non-ferrous metal business (Worsley Alumina Refinery in Australia)	_	1.8	0.7	Production of alumina and investment in alumina refineries

☆ Chemicals Division

Consolidated subsidiaries: 30 Equity-method affiliates: 11

Name					
	ship (%)	FY2021	FY2022		
PT. Kaltim Methanol Industri	85%	4.1	5.9	Manufacture and sale of methanol	
Sojitz Pla-Net Corporation	100%	2.2	1.9	Trading and sale of plastic materials and plastic products	
solvadis deutschland gmbh	100%	1.2	1.9	Trading and sale of chemical products	
Non-consolidated trading businesses	_	1.0	4.7	Industrial salts, rare earths, aromatics, phenols, functional materials, etc.	

Consumer Industry & Agriculture Business Division

Consolidated subsidiaries: 26 Equity-method affiliates: 11

		Profit (loss) for the year (billions of yen)		Business activities
	ship (%)	FY2021	FY2022	
Fertilizer-related businesses				
-Thai Central Chemical Public Company Limited	81%	3.4	2.8	Manufacture and sale of fertilizers
-Atlas Fertilizer Corporation	100%	2.1	1.9	Manufacture and sale of fertilizers and sale of imported fertilizer products
-Japan Vietnam Fertilizer Company	75%	0.2	0.2	Manufacture and sale of fertilizers
Sojitz Building Materials Corporation	100%	2.8	1.8	Trading company specializing in sale of construction materials
Saigon Paper Corporation	96%	(0.7)	(0.3)	Papermaking business

Retail & Consumer Service Division

Consolidated subsidiaries: 28 Equity-method affiliates: 22

Name	Equity owner- ship (%)	Profit (loss) for the year (billions of yen)		Business activities
		FY2021	FY2022	
Retail-related businesses	_	(8.0)	(0.2)	Manufacturing and distribution of food products and convenience store and restaurant operation
-Overseas	_	(0.2)	0.1	Operation of MINISTOP Vietnam locations, four-temperature controlled logistics, production of prepared foods, wholesale of food products and consumer goods, etc.
-Domestic	_	(0.8)	(0.3)	Royal Holdings Co., Ltd.; Sojitz Royal In-flight Catering Co., Ltd.; JALUX Inc.; etc.
Marine products-related businesses	_	0.4	1.1	The Marine Foods Corporation, TRY Inc., Dalian Global Food Corporation, and Sojitz Tuna Farm Takashima Co., Ltd.
-The Marine Foods Corporation	100%	_	0.8	An seafood manufacturing company
Domestic real estate business	_	1.8	1.9	Management of shopping centers, dedicated businesses for raising property value, etc.
Sojitz Foods Corporation	100%	3.2	1.9	Sale of meat and seafood products, sugar, saccharified products, dairy products, processed foods, and other foodstuffs
Sojitz Fashion Co., Ltd.	100%	0.6	0.7	Printing of cotton and synthetic textiles and planning, processing, and wholesale of non-patterned and dyed fabrics

For more information on the following listed companies, please refer to their respective websites. Fuji Nihon Seito Corporation (equity-method associate) https://www.fnsugar.co.jp/en Royal Holdings Co., Ltd. (equity-method associate) https://www.royal-holdings.co.jp/en/

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