



Aerospace & Transportation Project Division



Koichi Yamaguchi
Managing Executive Officer, COO
Aerospace &
Transportation Project Division
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Profile



Koichi Yamaguchi
Managing Executive Officer, COO
Aerospace &
Transportation Project Division

- Joined Sojitz predecessor in 1986 / Born in Chiba Prefecture, Japan
- Graduated from the Graduate School of Science and Engineering, National Defense Academy
- Career History at the company
 - ✈ Positioned in Aerospace Development Office
 - 🌐 Stationed in Seattle Branch, Sojitz Corporation of America
 - Stationed in Seattle Branch, General Manager (2006 - 2012)
 - General Manager, Aerospace Dept. (2012 - 2015)
 - ✈ Executive Officer, COO, Aerospace & IT Business Division (2015 - 2018)
 - COO, Aerospace & Transportation Project Division (2018 - present)
 - Managing Executive Officer (2019 - present)

Equipped with wide-ranging network in aviation industry due to long history in Seattle

Acts based on motto of “think big, act small”

Aerospace & Transportation Project Division

- Division Business Overview

Strengths

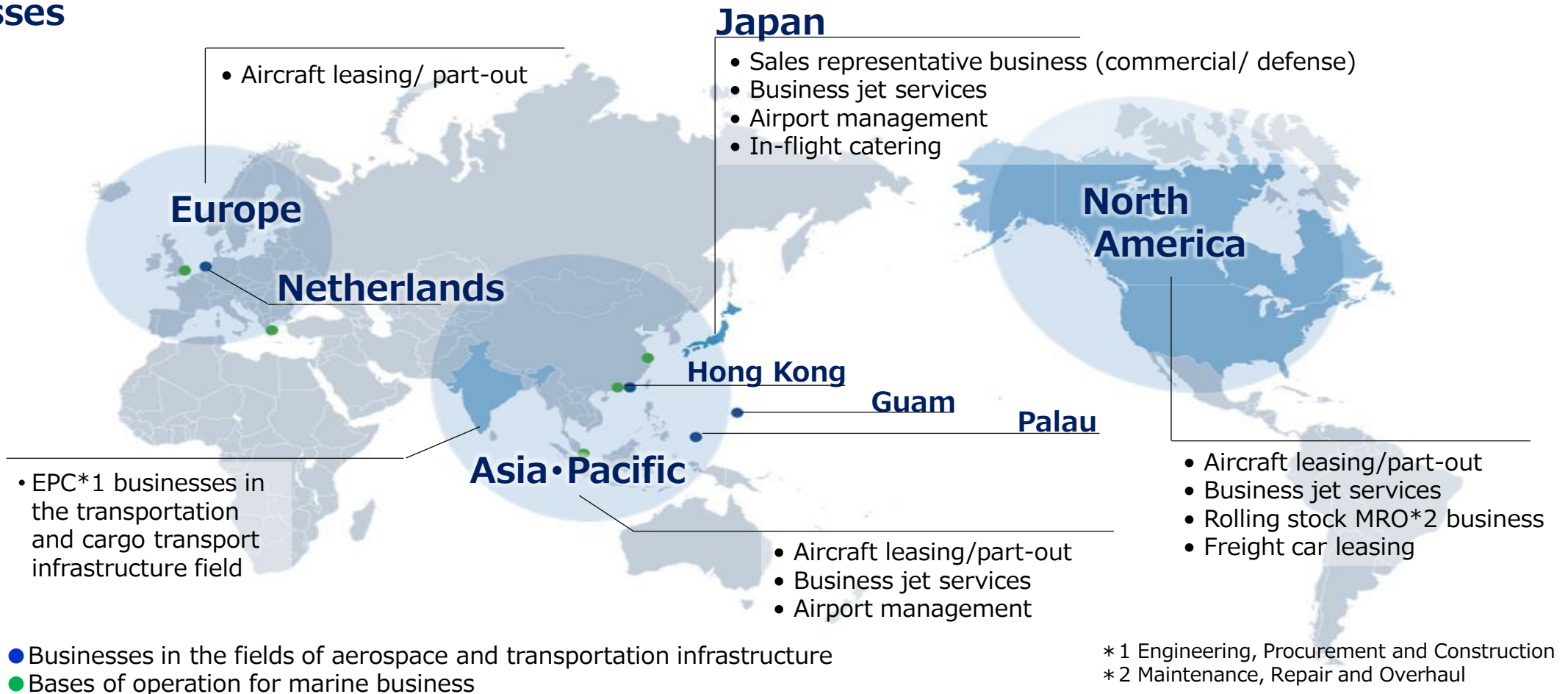
Number of vehicles handed as sales agent for Boeing with more than 970 aircraft sold, accounting for the top market share in Japan

Length of railroad contracted to lay in India about 1,500km

Two railway operating foundations in North American market (MRO, Freight car leasing)

One-stop services including marine and maritime transportation businesses

Main businesses



Division Strategy

Operating Environment (Opportunities and Risks)

- Changes in transportation demand driven by **COVID-19 pandemic**
- Increased demand for transportation, airport, and harbor infrastructure
- **Relaxed regulations** under the Civil Aeronautics Act
- Response to **decarbonization trend and environmental regulations**

Growth Strategy of MTP2023

- Exercise of **strengths** in aircraft, railway, and marine vessel fields
- **New businesses** merging **airports and harbors** necessary for air, ground, and sea transportation as well as **people and commodities** moving between these facilities
- Contributions to social **sustainability**
- Collaboration with other divisions and external partners

👉 Focus Businesses

Needs in post-COVID-19 world

Eco-friendly businesses

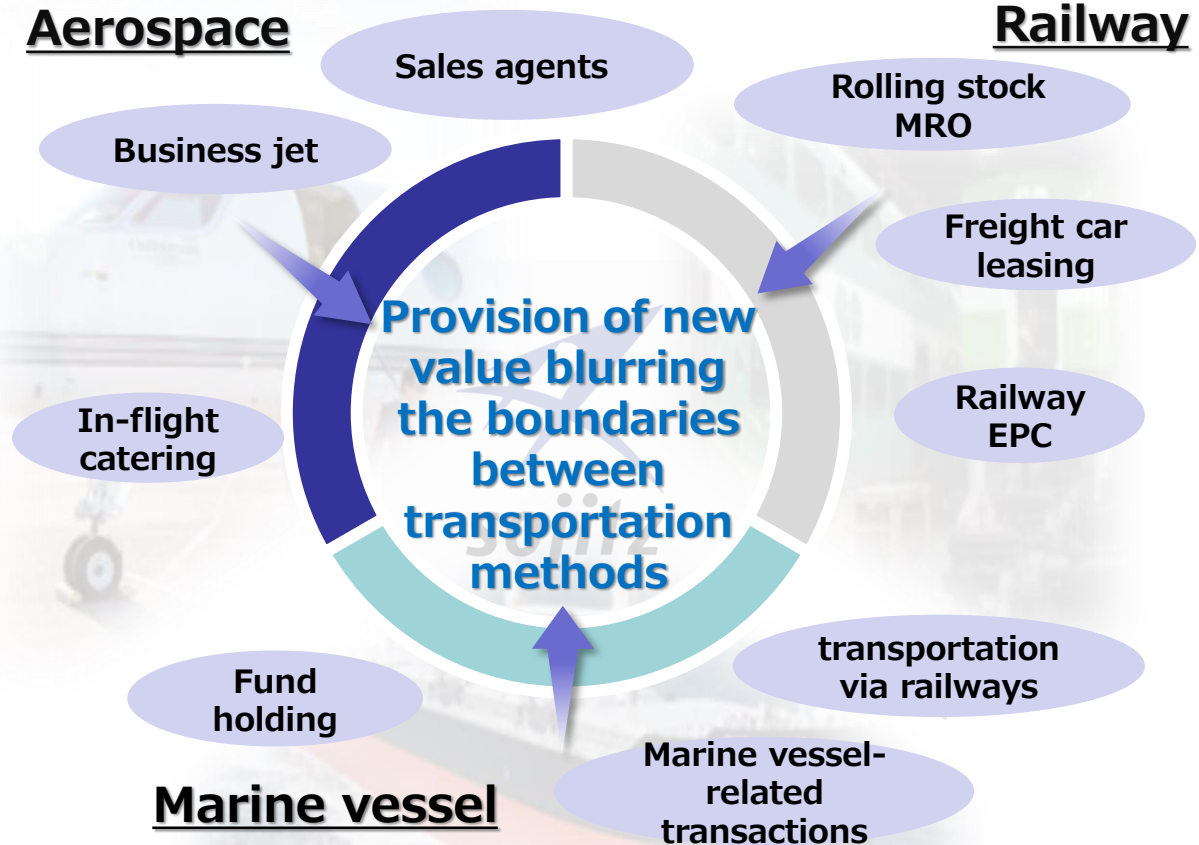
Collaboration with other divisions and partners

: **Business Jet Service**

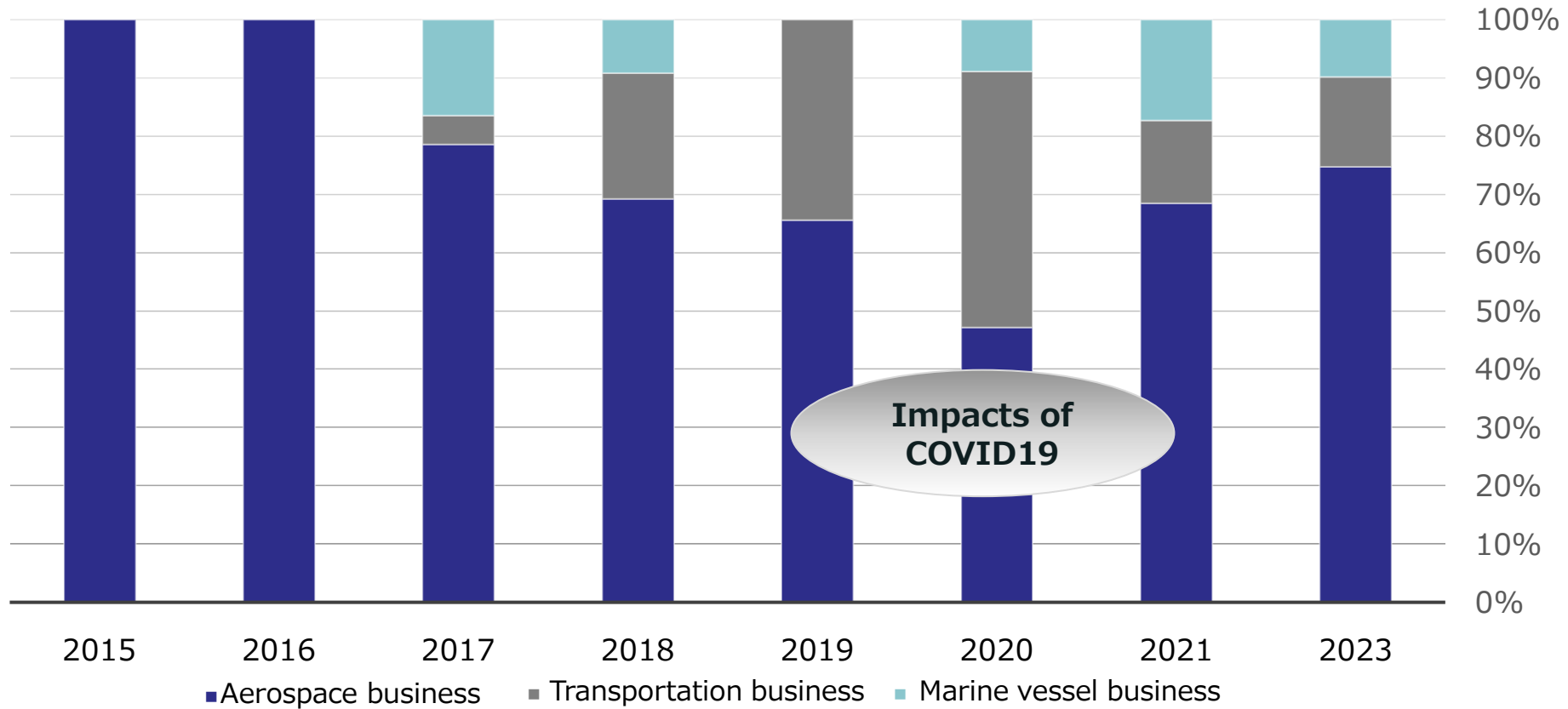
(Enhancement of business jet service functionality through customer increases and M&A activities)

: **Railway operations (MRO, Freight car leasing) in North America**

: **In-flight catering, M&A activities in Part-Out business**



Earning structure by businesses



Impacts of COVID19

Only aerospace businesses
(centered on sales agent operations
for Boeing commercial aircraft
and defense systems)



Enhancement of business portfolio

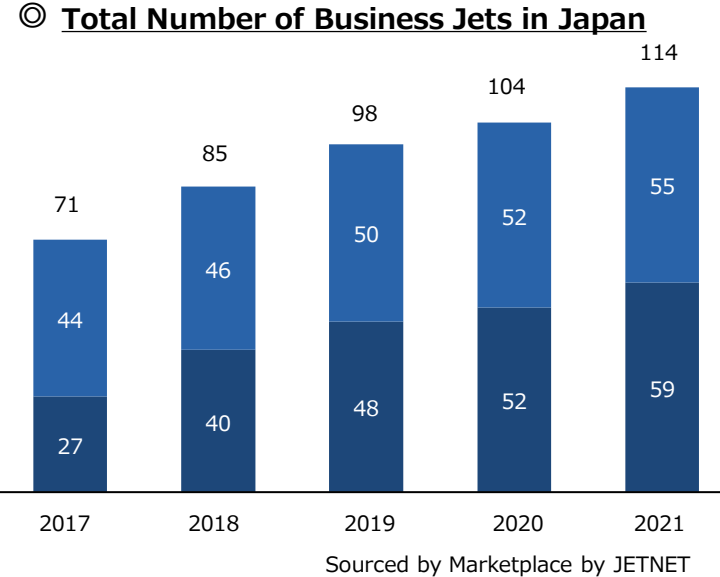
- Diversified Aerospace business(Busines Jet/Aircraft Part Out /Airport management, etc.)
- Marine vessel business/ Transportation business(EPC, Management of railway-related company)



Basic strategy

- **Response to new demand** in post-COVID-19 world
- Provision of high-value-added services while **expanding functions through M&A activities**

Rise in total number of business jets amid COVID-19 pandemic



Sojitz's Unique Strengths(Current)

- Comprehensive supply of
- Aircraft transaction support
 - Aircraft management services for international flight
 - Charter and sales services

Rise in total number of aircraft managed by Sojitz Group due to rise in total number of business jets



Sojitz's Unique Strengths (Future)

- Enhancement of business jet service functionality through M&A activities
 ⇒ Provision of wider-ranging services with higher functionality

Focus Businesses Under Growth Strategies

- North America railcar business (MRO, Freight car leasing)

Basic strategy

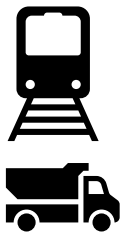
- **Acquisition** of U.S. maintenance company in MRO business
- Expansion of earnings foundation in freight car leasing business
- **Borderless deployment of functions** across North America in MRO and freight car leasing businesses

Crucial Railway Infrastructure Supporting Transportation and Economic Activity in North America



43% of U.S. freight transportation via railways, demand strong even amid COVID-19 pandemic

Contributions to Carbon-Free Society



90% reduction in CO₂ emissions compared to transportation via trucks

Sojitz's Unique Strengths(Current)

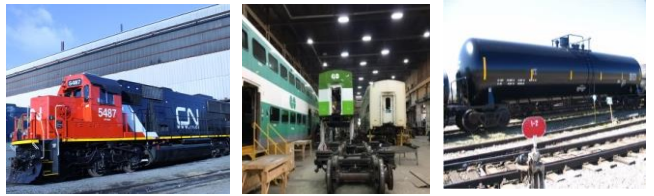


Both MRO and railcar leasing functions in North American railway operations



Sojitz's Unique Strengths(Future)

Acquisition of new operating companies and borderless deployment of functions
 ⇒Earnings growth achieved by adopting more comprehensive view of North American railway network hubs



- In-flight catering business

Basic strategy

- **Expansion** of in-flight catering business **into domestic airports** utilizing Sojitz's airport management business
- Growth of **overseas in-flight catering sales** through connections **with overseas airlines**
- Promotion of sales through **non-airline channels via collaboration** with Royal Group and Retail & Consumer Service Div.



Participation in airport management business promoted under MTP2017 - 2020

- Kumamoto, Shimojishima
- Palau, Khabarovsk



Consolidation of in-flight catering company in April 2021

Sojitz Royal In-flight Catering Co., Ltd.

- Japan's oldest in-flight catering company (established in 1951)
- World-leading levels of quality*
- Unrivaled by-airport shares (KIX: 50%; FUK: 95%; OKA: 100%)

* Ranked No. 1 in the world 3 times and top 3 for 11 consecutive years in quality assessments looking at 250 organizations worldwide by QSAI international in-flight catering certification initiative

Shares in in-flight catering 50%

Shares in in-flight catering 95%

Shares in in-flight catering 100%

FY2019 Domestic Airport Passenger Ranking		
Ranking	Airport	Airport Passenger (Domestic & International)
1	Tokyo (HND)	81,707,536
2	Narita (NRT)	39,541,269
3	Kansai (KIX)	28,663,014
4	Fukuoka (FUK)	23,035,578
5	New Chitose (CTS)	22,814,950
6	Naha (OKA)	20,613,659
7	Osaka (ITM)	15,765,029
8	Central Japan (NGO)	12,590,387
9	Kagoshima (KOJ)	5,769,120
10	Sendai (SDJ)	3,718,180

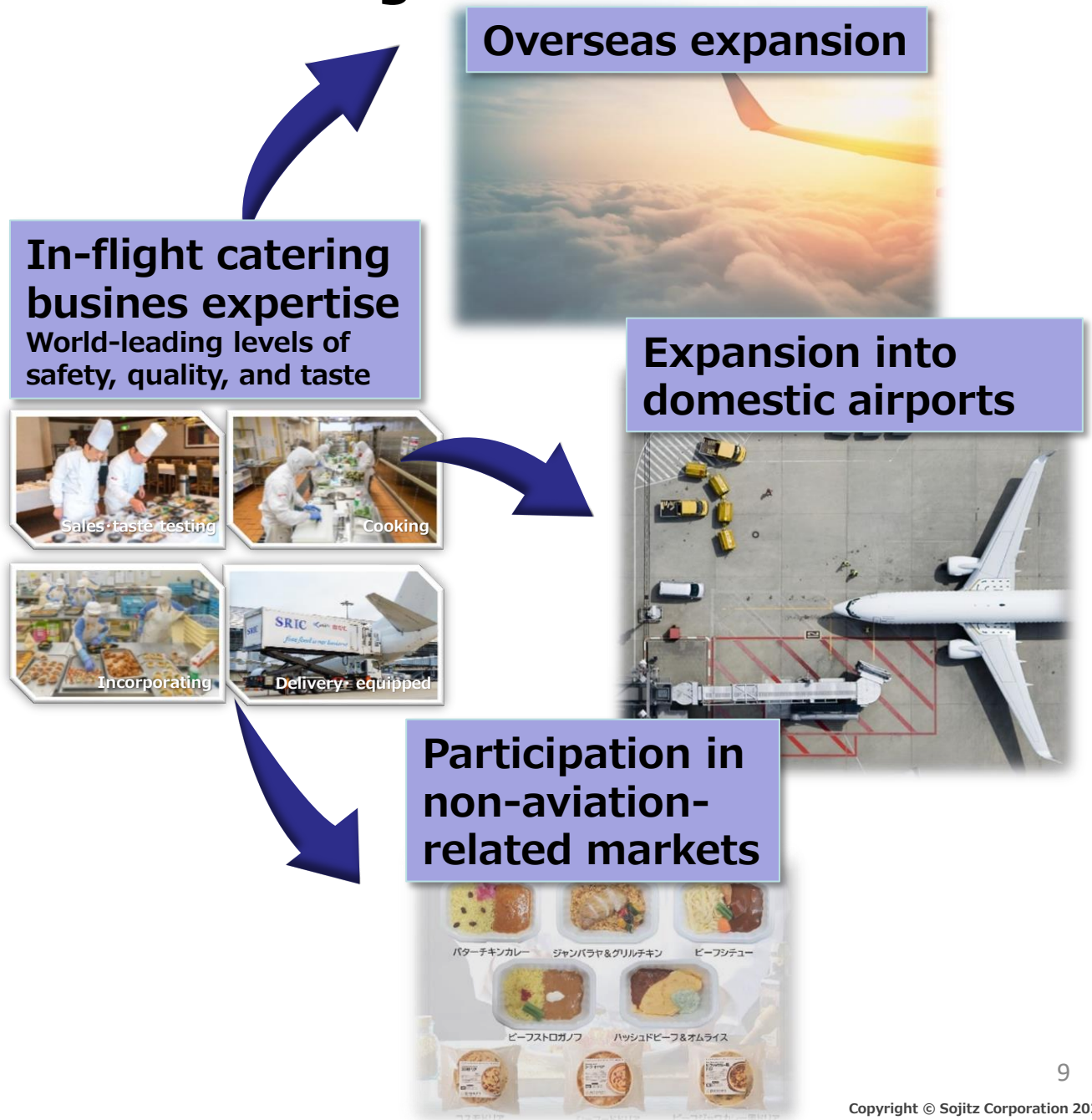
Sojitz's Unique Strengths (Current)

- Connections with multiple domestic and overseas airlines
- Airport management business insight and expertise



Sojitz's Unique Strengths (Future)

Growth and earnings increases at airport management and in-flight catering companies through expansion into other airports, sales to new airlines, and participation in non-aviation-related markets via collaboration with Royal Group (Retail & Consumer Service Division)



Growth Initiatives For Post-Medium-Term Management Plans

1. Enhanced Global Partnership with Boeing

- Expansion of business scope through joint ventures established to implement business schemes and new collaborative initiatives that take advantage of Sojitz's unique position as a general trading company with functions exceeding that of a standard sales agent

2. Next-Generation Fuel Transportation Businesses

- Initiatives related to sustainable aviation fuels and other alternative fuels expected to see growing global demand for use in aircraft, ships, and railcars
- Development of hydrogen-powered aircraft and hydrogen supply infrastructure and logistics businesses through investment in U.S. company Universal Hydrogen

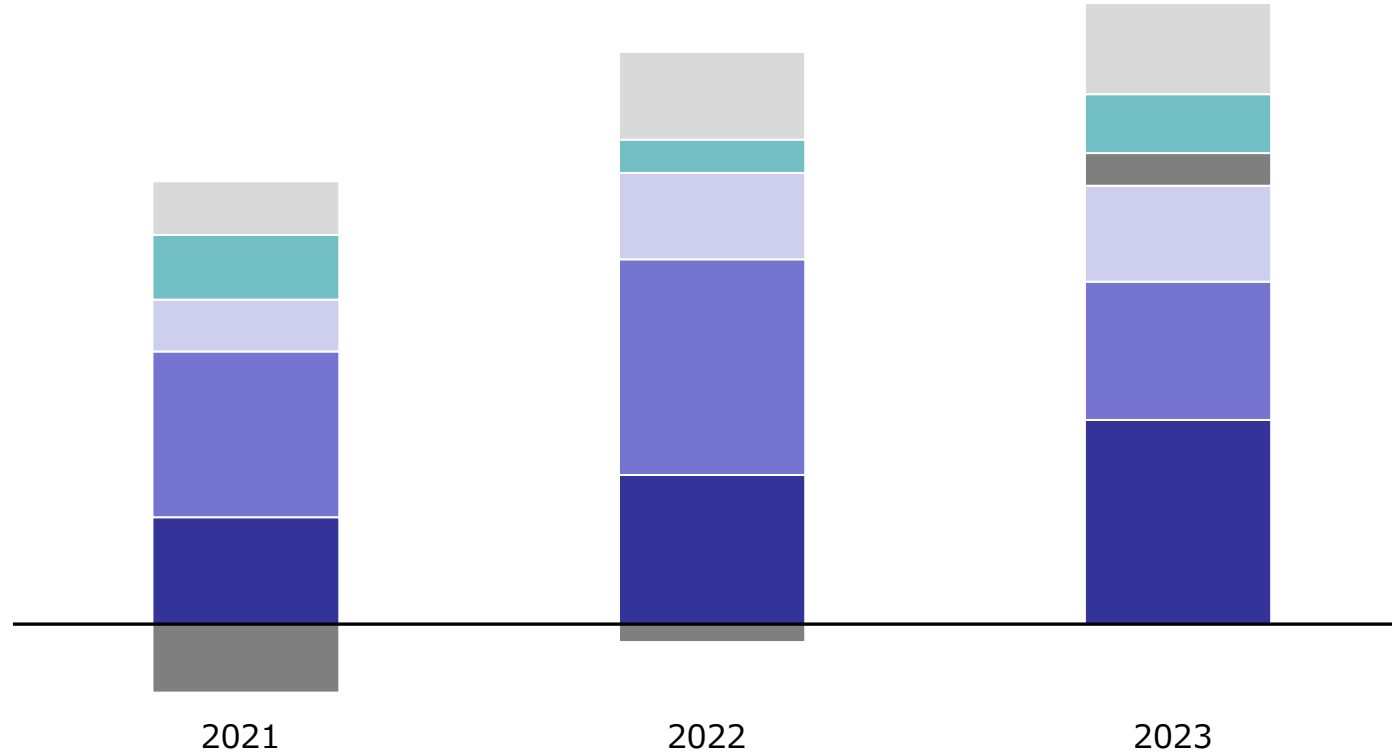
3. Creation of Transportation Vehicle Funds

- Creation of aircraft, ship, and railcar funds utilizing domestic investor sourcing, financial solutions, and management functions amassed through long history in aircraft leasing business

4. Collaboration with JALUX through Tender Offer for Shares

- Increase of stake in JALUX, in which Sojitz is major shareholder, through tender offer for shares, expansion of aviation field collaboration, and strengthening of earnings foundation through reorganization of aviation-related operations at Group companies

MTP2023 Profit for the Year Targets



■ Sales representative business
 ■ Aircraft leasing/part-out, etc.
 ■ Business jet services
 ■ Airport-related
 ■ Marine business
 ■ Transportation business

- Expansion of business jet service operations
- Ongoing projects through partnership with Boeing
- Growth of railway business scope on par with EPC
- Expansion of earnings foundations through fund and ship management and other initiatives targeting **rapid growth**



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 the timing at which the COVID-19 pandemic ends, 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.



New way, New value