



# Metals, Mineral Resources & Recycling Division



Masaaki Bito  
Managing Executive Officer, COO  
Metals, Mineral Resources & Recycling Division  
December 10, 2021



**Masaaki Bito**  
Managing Executive Officer, COO  
Metals, Mineral Resources &  
Recycling Division

- Joined Sojitz predecessor in 1988  
Born in Shizuoka Prefecture, Japan
- Graduated from the Faculty of Economics, Tohoku University
- Career History
  - Coal Dept. (1988-2007)
    - Stationed in Sydney, Australia (1994 - 1997)
    - CoalinQ Corporation Director President (2003 - 2005)
  - Planning & Administration Office (2007 - 2009)
  - Corporate Planning Dept. (2009 - 2010)
  - General Manager, Coal Dept.,  
General Manager, Coal & Mineral Resources Development  
Dept. (2010 - 2016)
  - COO (2016 - present)
  - Managing Executive Officer (2020 - present)



# Overview of Division

**Current Division Strengths**

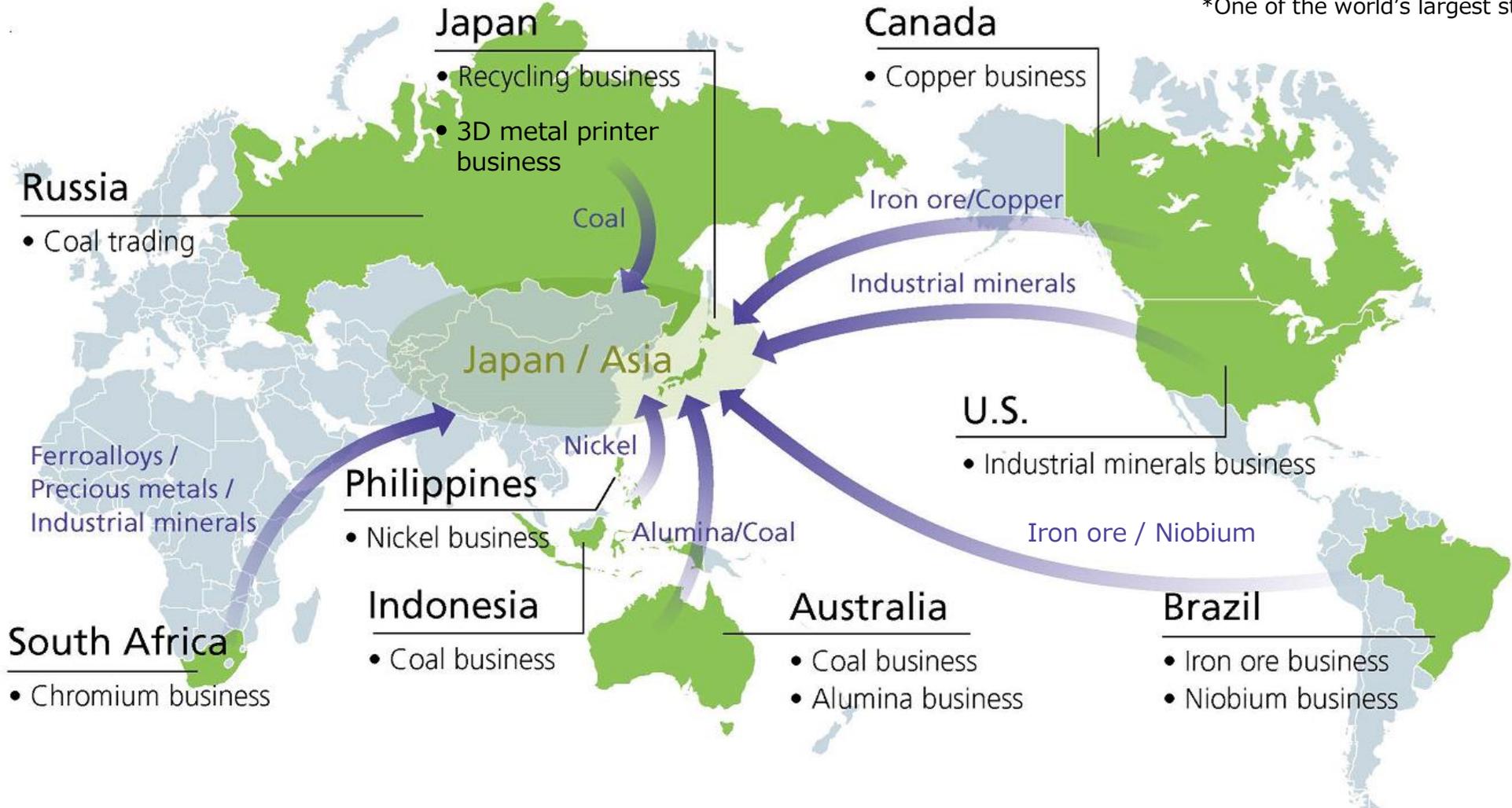
**Sole general trading company with expertise in coal mine operations**

**Stable earnings from businesses such as those of Metal One\***

**Network of major steel, power, and cement companies in Japan and Asia**

**Ability to offer rare resources and develop new materials**

\*One of the world's largest steel-based general trading companies



**FY2021 H1 at a glance**

Profit for the year\* ¥16.2bn  
 Total Assets ¥506.2bn

Number of employees 266  
 (non-consolidated)  
 Number of employees 22  
 (overseas)

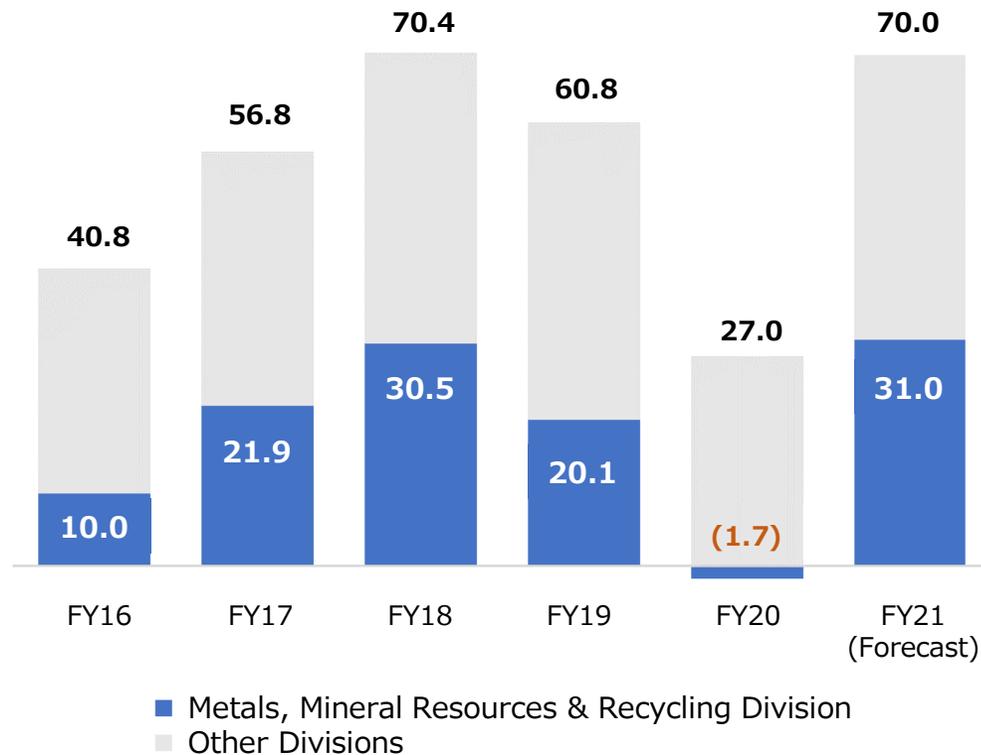
\*attributable to owners of the Company

# Positioning of Division

[Summary of Profit for the year\*]

\*attributable to owners of the Company

(BN JPY)



**Massive scale of earnings within Sojitz despite fluctuations in commodity prices**

**Division earnings serving as source of Companywide investment funds**

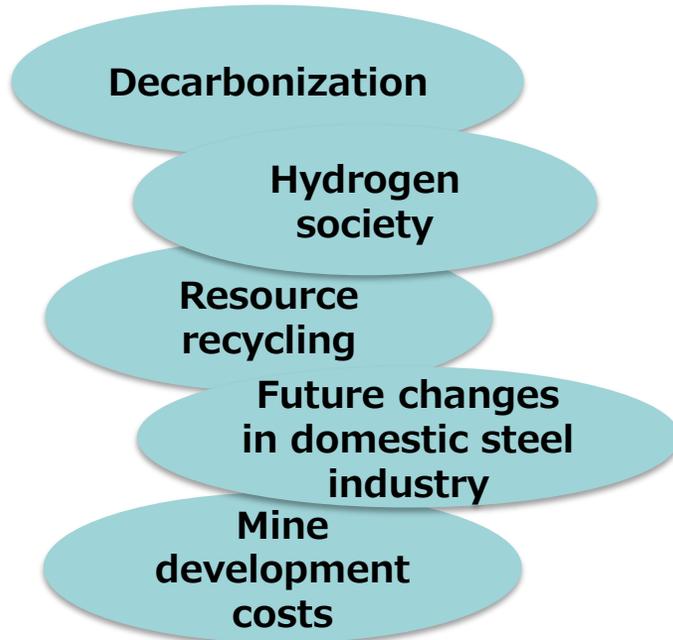
**Central division responsible for expanding "circular economy-related businesses"**

# Growth Strategies Under MTP2023\*

## Basic Policies

- Creation of businesses emphasizing current Medium-Term Management Plan and periods after the plan and after 2030 based on **megatrends** affecting division
- Swift **transformation of division business portfolio** by concentrating resources on **3 focus areas**
- Exercise of unique Sojitz strengths emphasizing **competitiveness** in all businesses

## Megatrends



## 3 Focus Areas

<p><b>Upstream Interests</b></p>	<p>Creation of substantial earnings through investment in competitive upstream interests and development of new businesses centered on said earnings; improvement of quality of asset portfolio prefaced on asset replacement</p>
<p><b>Circular Economy Businesses</b></p>	<p>Development of substantive <b>comprehensive recycling business</b> positioning trends toward circular economy and resource conservation as business opportunities; growth of recycling business into <b>3rd pillar</b> alongside upstream coal interests and steel products</p>
<p><b>Businesses That Respond to Social Needs</b></p>	<p>Provision of technologies, materials, and solutions for addressing industry issues and obstacles in areas projected to see changes in social needs related to supply chain reinforcement, new materials, decarbonization, electrification, and electricity storage</p>

# Focus Businesses Under Growth Strategies

## – Upstream Interests

### Policies

- Careful selection of competitive upstream interests (coking coal, rare metals, etc.) while demonstrating Sojitz's essence
  - Creation of new businesses that combine Sojitz functions based on interest investments
  - Generation of cash flows through asset replacement and improvement of profitability
- Coking coal interests
    - × Contract mine rehabilitation and operation
  - Niobium interests
    - × Next-generation lithium-ion batteries development



Direct involvement in coal mine management and operation through 100% stake in upstream interests at Gregory Crinum coal mine in Australia; commercialization of mine rehabilitation and operation expertise and application at other mines



Acquisition of upstream niobium interests through CBMM of Brazil in 2011; joint development of next-generation lithium batteries using niobium as anode materials together with Toshiba and CBMM

# Focus Businesses Under Growth Strategies

## – Circular Economy Businesses

### Policies

- Establishment of Resource Recycling Business Dept. with 25-member staff; expansion of staff in conjunction with business growth
  - Concentration of resources on **3 high-potential target areas** in circular economy field to quickly develop projects
  - **Multiple, large-scale M&A activities** to be executed during Medium-Term Management Plan period
- ★ Analysis of projects from perspectives of profitability, growth potential, and barrier to entry and **incorporation of fields in which Sojitz can exercise autonomy**

### 3 target areas

### Business Strategies



IT equipment

- One-stop service for IT asset data erasure, collection, reuse, and recycling and security systems
  - Expansion of business through large-scale investments
- Results** Acquisition of stake in TES-AMM Japan K.K., an IT asset disposition service provider



Organic plastic

- Development of comprehensive recycling business through acquisition of new recycling technologies
  - Examination of possible investments in chemical recycling and waste treatment companies
- Results** Acquisition of stake in PET Refine Technology, Co., Ltd., a PET bottle chemical recycling business company, as well as Recotech Co., Ltd., with the aim of developing a circular renewable resource platform



Lithium-ion batteries

- Development of battery sales and peripheral service businesses (technical centers, lifespan diagnoses, etc.)
- Creation of used lithium-ion battery collection, reuse, and recycling businesses

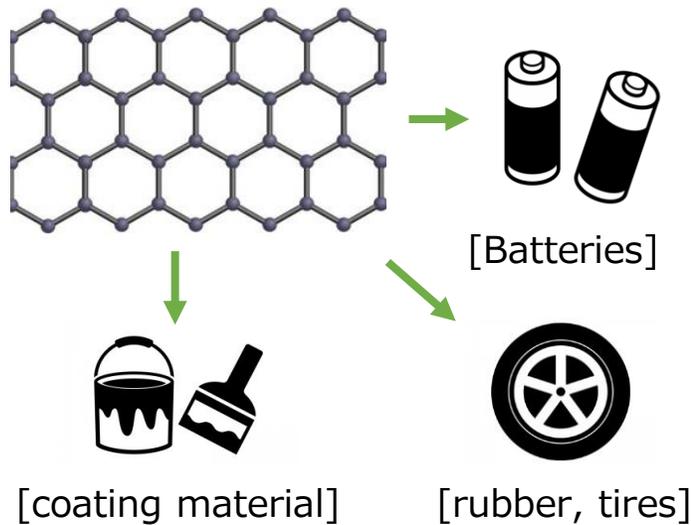
# Focus Businesses Under Growth Strategies

## – Businesses That Respond to Social Needs

### Policies

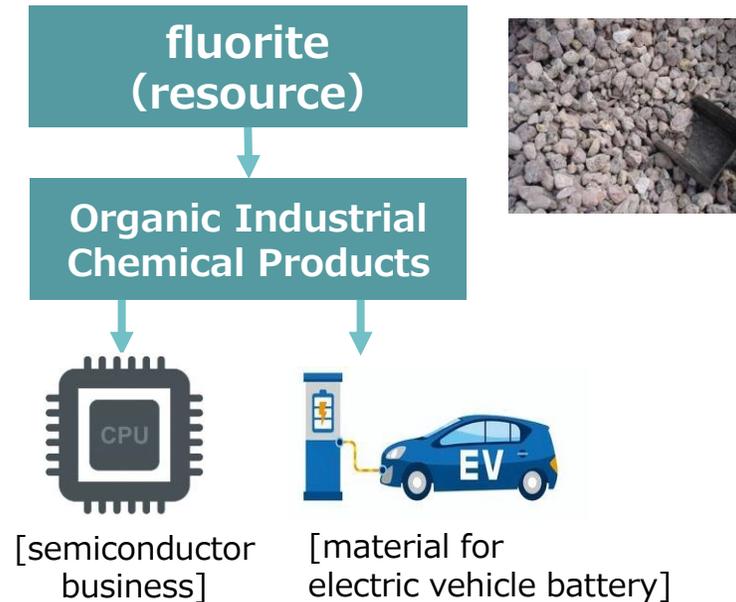
- Reinforcement of projects that address priority issues with an eye to generating profits after the current Medium-Term Management Plan period
- Creation of projects in areas with high social needs related to supply chain reinforcement, new materials, decarbonization, electrification, and electricity storage

#### ■ Graphene production business



Investment in Singapore-based graphene manufacturer 2DM; development of applications for graphene, which is expected to contribute to substantial improvements in battery performance, while creating Sojitz-led manufacturing and sales systems

#### ■ Fluorine compounds business



Participation in value-added intermediate product businesses alongside traditional material (fluorite) trading

#### ■ 3D metal printer business



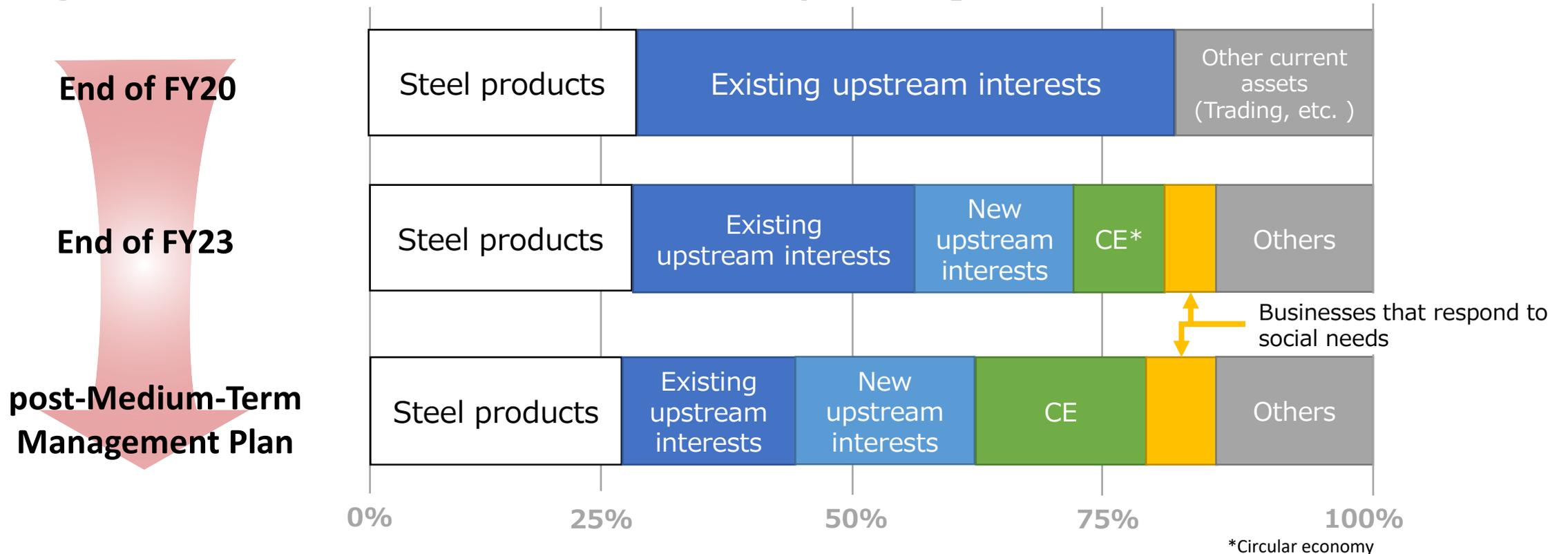
First Japanese company to develop production system encompassing metal powder manufacturing and metal laminating; development of service bureau that provides traditional contract manufacturing services as well as metal 3D printer usage solutions for customers

# Growth Strategies - Business Portfolio

## Transformation of division business portfolio

- Replacement of **upstream interests and substantive investments and loans in focus areas** while maintaining total asset scale to reform portfolio
- Development of businesses in focus areas into earnings pillars for post-Medium-Term Management Plan period

### [Images of transformation of division business portfolio]

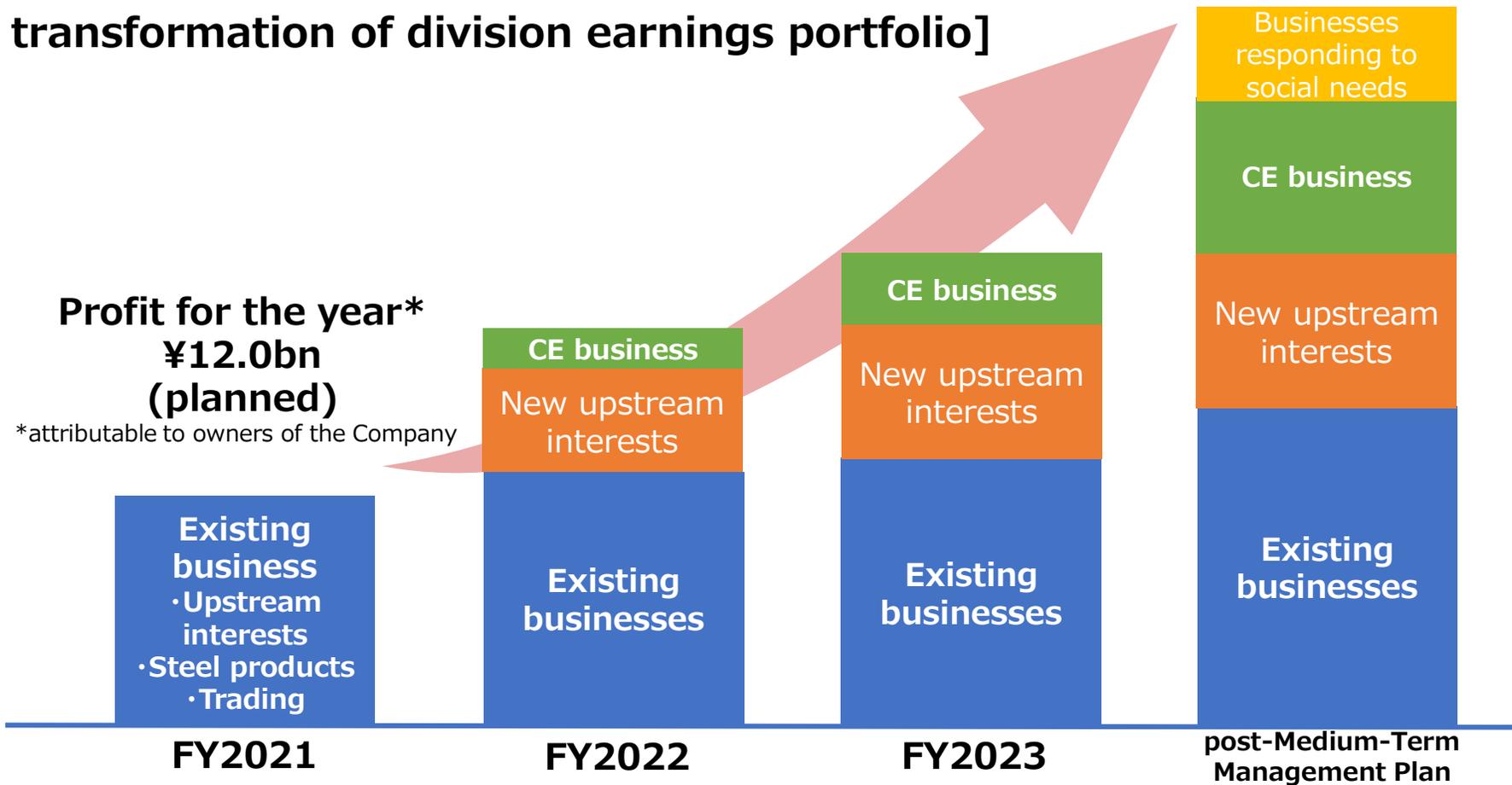


# Growth Strategies - Earnings Portfolio

## Transformation of division earnings portfolio

- Streamlining and competitiveness improvement in existing businesses  
(Reduction of upstream interest costs, digital transformation in steel business, etc.)
- **Upstream resource asset replacement** for boosting profitability
- Steady development of circular economy-related businesses and transference of resources to businesses that respond to social needs in preparation for post-Medium-Term Management Plan period

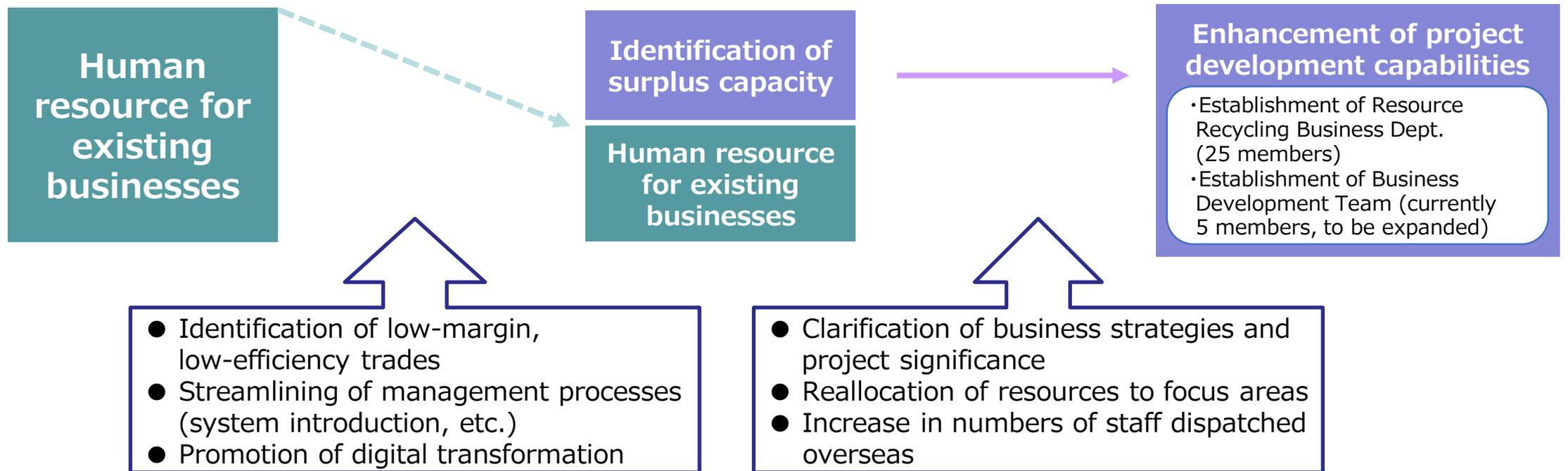
### [Images of transformation of division earnings portfolio]



# Growth Strategies - HR Portfolio

## Transformation of HR portfolio

- Reallocation of resources and human resource development promoted by streamlining existing businesses
- Clarification of responsibility for new business development by separating new business organizations from existing organizations
- Transformation of business portfolio through bold shift of human resources toward focus areas





#### 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.