

Sojitz Corporation
Masayoshi Fujimoto, President & CEO
(TSE Code: 2768; TSE First Section)
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Sojitz Corporation (“Sojitz”) hereby announces that it has resolved at a meeting of its Board of Directors held today to split off its bearing and forefront industry businesses and transfer them to Sojitz Machinery Corporation (“SOMAC”), a wholly-owned subsidiary of Sojitz, effective July 1st, 2021.

1. Purpose of the Corporate Split

Sojitz is working to optimize the business operations of the entirety of Sojitz Group. With the aim of broadening business domains to grow and raise efficiency of the Machinery & Medical Infrastructure Division's bearing and forefront industry businesses, including bearing products and bearing parts sales business, Sojitz intends for its wholly-owned subsidiary SOMAC to take on these businesses and chart their growth. In line with this objective, Sojitz will implement the split and transfer the businesses to SOMAC on July 1st, 2021.

2. Outline of the Corporate Split

1) Schedule of the Split:

Resolution date March 26th, 2021

Conclusion of the split agreement	April 16 th , 2021 (planned)
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Date of split (effective date)	July 1 st , 2021 (planned)
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In line with Article 784, Paragraph 3 of the Companies Act, Sojitz will carry out the corporate split without convening a shareholders meeting to approve the split agreement as is usually required by Article 783, Paragraph 1 of the Companies Act. (Simple absorption-type split)

2) Split Method

An absorption-type company split in which Sojitz will be the splitting company and SOMAC will be the succeeding company.

3) Allotment of Shares

At the time of the split, SOMAC will issue 100,000 shares of common stock, and allocate all of them to Sojitz.

4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights

Sojitz has not issued any stock acquisition rights or bonds with stock acquisition rights.

- 5) Decrease in Capital from the Split
Sojitz's stated capital and capital reserves will not decrease as a result of this split.
- 6) Rights and Obligations Transferred to the Succeeding Company
Assets, liabilities, and the associated rights and obligations related to the bearing and forefront industry businesses will be transferred to the succeeding company.
- 7) Outlook for the Performance of Obligations
Sojitz has determined that no problems are expected regarding the performance of obligations to be borne by Sojitz and the succeeding company after the effective split date.

3. Overview of the Companies Involved in the Split (as of March 31st, 2020*¹)

	Splitting Company	Succeeding Company* ²
(1) Name	Sojitz corporation	Sojitz Machinery Corporation
(2) Location	1-1, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-8691, Japan	2F, Marunouchi Center Bldg., 6-1, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-0005 Japan
(3) Name and title of representative	Masayoshi Fujimoto Representative Director, President & CEO	Yukihisa Matsumoto President & CEO
(4) Main business	Sojitz Group is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects, in Japan and overseas. The Group also invests in various sectors and conducts financing activities. The broad range of sectors in which Sojitz operates includes those related to automobiles, plants, aerospace, medical infrastructure, energy, mineral resources, chemicals, foodstuff resources, agricultural and forestry resources, consumer goods, and industrial parks.	Plant equipment, materials, and machinery used in steelmaking, chemicals, electric power, automobiles, home electric appliances, electronic devices, and many other industrial sectors; marine equipment, engine-related equipment, automated production equipment, and environmental equipment; import, export, and off-shore trading-related services for equipment, fuel, and materials used in nuclear energy-related industries; supply chain support for automobiles and motorcycles; motorcycle and construction machinery distribution
(5) Capitalization	JPY 160.339 billion	JPY 301 million
(6) Established	April 1 st , 2003	October 1 st , 1981
(7) Number of shares issued	1,251,499,501 common shares	350,000 common shares
(8) Financial closing period	March	March
(9) Number of employees	18,839 (consolidated)	526
(10) Major shareholders and shareholding ratio	Japan Trustee Services Bank, Ltd. – 12.29%	Sojitz Corporation – 100%

	Ichigo Trust PTE Ltd. – 10.13% The Master Trust Bank of Japan, Ltd. – 5.93% J.P. Morgan Bank Luxembourg S.A. 1300000 – 2.61% SSBTC Client Omnibus Account – 2.24%	
(11) Latest financial results	The fiscal year ended March 31 st , 2020	The fiscal year ended March 31 st , 2020* ³
Net assets	JPY 391.634 billion	JPY 14.44 billion
Total assets	JPY 1,492.438 billion	JPY 59.294 billion
Net assets per share	JPY 321.20	JPY 41,257.08
Net sales	JPY 2,411.526 billion	JPY 127.791 billion
Operating income	(JPY 9.68 billion)	JPY 3.783 billion
Ordinary income	JPY 37.474 billion	JPY 3.832 billion
Profit for the year	JPY 32.116 billion	JPY 2.613 billion
Net income per share	JPY 25.82	JPY 7,466.73

*1: Recorded as of March 31st, 2020 for the splitting company and as of the merge date of April 1st, 2021 for the succeeding company.

*2: Five wholly-owned subsidiaries of Sojitz will merge as a result of the planned split effective April 1st, 2021. The merging companies are Sojitz Machinery Holdings Corporation and its wholly-owned subsidiaries Sojitz Autrans Corporation, e-Energy Corporation, Sojitz Machinery Corporation, and Sojitz Marine and Engineering Corporation.

*3: Recorded as a simple total amount of the merged company as of March 31st, 2020.

4. Outline of the Businesses to be Split Off

- 1) Businesses to be split off:
Bearing and forefront industry businesses

- 2) Operating results of bearing and forefront industry businesses (as of March 31st, 2020)

	Businesses to be split (A)	Sojitz Corporation (B)	Ratio (A/B)
Net sales	JPY 24.151 billion	JPY 2,411.526 billion	1.00%

- 3) Assets and liabilities of business to be split (as of March 31st, 2020)

Asset type	Book value	Liability type	Book value
Current assets	JPY 8.164 billion	Current liabilities	JPY 2.488 billion
Fixed assets	JPY 33 million	Fixed liabilities	0
Total assets	JPY 8.197 billion	Total liabilities	JPY 2.488 billion

Note: The above amounts are approximations based on balance sheets as of March 31st, 2020, and may vary until July 1st, 2021, the effective date of the split, so actual amounts may differ from those stated.

5. Post-split Changes

There will be no changes to the trade name, business activities, head office location, positions or names of representatives, capital stock, or financial reporting periods of either Sojitz or SOMAC.

6. Since the succeeding company is a wholly-owned subsidiary of Sojitz and the transaction is under common control, the values corresponding to the assets and liabilities to be transferred will also be recorded in Sojitz's accounting books.
7. Future Outlook
This corporate split will have no impact on Sojitz's consolidated business forecast.