

July 1, 2011
Sojitz Corporation

Sojitz Enters Woodchip Manufacturing Business in Africa
Woodchip Export Base to be Constructed in Mozambique, Production and Exports to
Begin this Fiscal Year

Sojitz Corporation established a company in the Republic of Mozambique to process and export woodchips, raw materials used for paper manufacturing. This will be Sojitz's first entry into the woodchip manufacturing business in Africa. The project will make use of the Maputo Corridor linking the Republic of South Africa and Mozambique to secure wood chips for use in paper manufacturing, whose demand is expected to increase even further. A new wood chip export base will be constructed at the Maputo Port in Mozambique.

Sojitz Corporation established Sojitz Maputo Cellulose, Limitada (SOMACEL) as a wholly-owned subsidiary of the Sojitz Group in Mozambique to operate the project. SOMACEL will procure the log from the Eucalyptus and Acacia plantations in Mpumalanga Province in South Africa and Kingdom of Swaziland, export the log to Mozambique, and process it to manufacture woodchips. SOMACEL plans to start operations at the chip processing mill this fiscal year. The mill will supply 200,000 BDT (bone dry tons) of woodchips to Japan each year.



A eucalyptus plantation in Mpumalanga Province, South Africa

Japan depends on Asia countries, Australia, the United States, Chile, South Africa, and other countries for the softwood and hardwood chips used for paper manufacturing, but increasing imports by China and other Asian countries are expected to result in tighter supplies in the future. This project, Sojitz's first woodchip manufacturing business in Africa, will diversify Japan's sources of paper manufacturing materials.

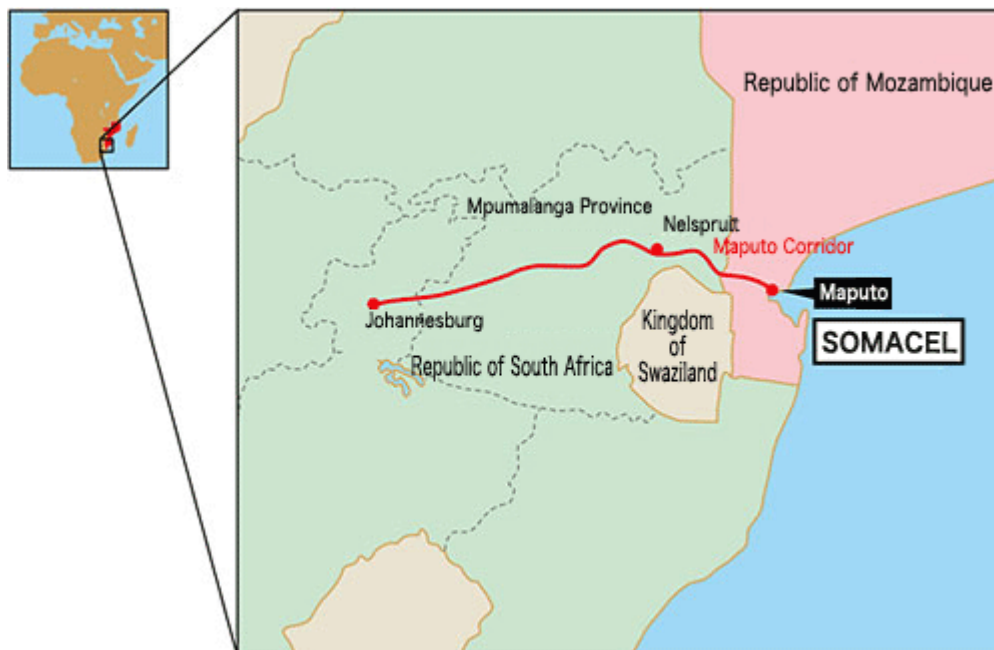
Sojitz is active in the tree-planting business in Vietnam and Australia. Approximately 46,000 hectares of forest have been created in Vietnam by providing financing the farmers and supplying free saplings through Sojitz's four wood chip process mills in the country. From these forests, approximately 700,000 BDT of wood chips are produced and exported each year. Sojitz will adopt in Africa the business model based on sustainable operations developed in Vietnam.

● Overview of SOMACEL

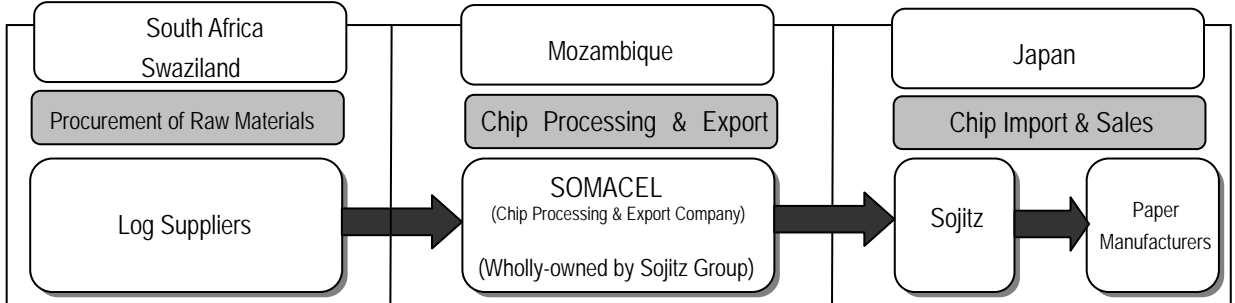
Name: Sojitz Maputo Cellulose, Limitada (SOMACEL)

Established: July 2010

Shareholders: Wholly owned by the Sojitz Group (99% by Sojitz and 1% by Sojitz Yoshimoto Ringyo Corporation)



● Diagram of the Business Scheme



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