

Sojitz Cororation

## **Sojitz and Kawasaki Heavy Industries Receive Order for Vietnam's Largest Cement Production Facility**

### **Supporting Cement Production Modernization in Vietnam**

(Japan, March 28, 2005)--Sojitz Corporation, jointly with Kawasaki Heavy Industries, Ltd., has been awarded an order from Vinaconex (Vietnam Construction & Import-Export Corporation; headquartered in Hanoi), a company under the Ministry of Construction, for a material grinding/baking facility, which is the main portion of a cement plant. The total investment for this cement plant is approximately 32 billion yen (US\$300 million).

Construction work for the cement plant to be constructed by Vinaconex in Cam Pha in the northern province of Quang Ninh, will commence this month, with completion scheduled for the end of 2007. The plant will be one of the largest in Vietnam, with a daily production volume of approximately 6,000 tons, enabling a consistent operation from material grinding to baking, and will meet the rapidly growing demand for cement in Vietnam.

Bidding was launched for the cement plant, with the main facility divided into five packages. The order that Sojitz and KHI jointly received is for the material grinding and baking facility, which is the main part of the plant. The Japan Bank for International Cooperation plans to provide buyers credit (export financing) for this project, which provision will be the first of its kind in Vietnam in six years. The project will proceed, with provision of institutional banking services from France, Germany and Switzerland respectively, to other project portions for which European companies have received orders.

At present, demand for cement in Vietnam is increasing in order to improve its social infrastructure. Currently, the country is forced to rely on the import of cement due to short supply. For this reason, the construction and expansion of cement plants and the renewal of old facilities have become national projects. The subject order received is intended to boost cement production in Vietnam.

KHI's abundant experience with and technology for cement production facilities, and Sojitz's ability to deal with customers were highly evaluated, resulting in the receipt of this order. Seizing this opportunity, the two companies will lay out a framework to adequately meet the demands of the Vietnamese market, and will continue to focus on business development in that market.

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