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Sojitz Cororation

Sojitz Forms Strategic Business Alliance with Leading Chinese General Engineering Company Wuhan Iron and Steel

Sojitz Corporation has formed a strategic alliance with the leading Chinese general engineering company, WISCO Engineering and Technology Group Co., Ltd. (WISSET) (Head office: Wuhan, Hubei Province; Chairman: Wang Jiong). Sojitz is the first Japanese sogo shosha to form a strategic business alliance with a leading Chinese general engineering company.

Chinese manufacturers are building up a track record of achievements in the iron and steel plant markets in other countries such as Brazil and India, against the backdrop of their technical capabilities cultivated in the Chinese market that drives the global iron and steel industry, and of price competitiveness brought about by the market. Sojitz aims to expand sales in global markets focusing on the BRICs countries, by enhancing its relationship with WISSET among the said Chinese manufacturers, which company enables the provision of operational techniques in addition to engineering, design and manufacturing services.

Conversely, WISSET, a Wuhan Iron and Steel (Group) Corporation group company, will utilize Sojitz's global steel and iron industry network, and plans to heighten the added value of the Group through in-house product sales to overseas users and plant manufacturers, and through the introduction of technology from overseas companies.

The crude steel output of the Wuhan Iron and Steel Group is approximately 10 million tons per year, which is the third largest volume in China, and large-scale capital investment is expected to continue, including a planned 10 million ton integrated iron and steel works in the Guangxi Zhuang Autonomous Region. On the basis of the relationship with WISSET, Sojitz will work together with Japanese manufacturers in capital investment negotiations for the Wuhan Iron and Steel Group, and will actively

introduce unique technologies that are possessed by Japanese manufacturers. In addition, Sojitz will, using the subject strategic business alliance as a foothold, further strengthen its relationship with the Wuhan Iron and Steel Group, and aims at multidimensional business expansion. Through the alliance with WISET, Sojitz sets as its goal a turnover of approximately 10 billion yen in FY2006, and a turnover of 30 billion yen in FY2010.

WISET, which was established in 2002, is a leading iron and steel engineering company, and has a number of companies under its umbrella such as WISET Design & Research Institute, WISET Engineering & Technology Group Automation Company, WISET BF Long Campaign Engineering Technology Co., Ltd., WISET Measurement & Control Equipment Company, WISCO Communication Co., Ltd. and Wuhan Huade Environment Protection Engineering & Technology Company. The Wuhan Iron and Steel Group aims to achieve Group sales of 100 billion yuan (approximately 1.4 trillion yen) by 2010, of which it aspires to make 10 percent (approximately 140 billion yen) from the iron and steel engineering sector, with WISET playing a core part.

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