

October 12, 2006

Sojitz Corporation

Sojitz to Enter into Flexible Printed Circuit Market

Forms business alliance with Sakai Electronic Industry to establish a manufacturing company in Vietnam

Sojitz Corporation has formed a business alliance with Sakai Electronic Industry Co., Ltd. (Head office: Izumiotsu, Osaka; President: Yoshiteru Murogaki), a manufacturer of flexible printed circuits (FPC) that have a wide range of application such as in cellular phones, digital cameras, home appliances and mobile electronics, and will promote the sale of FPC domestically and internationally. Utilizing the Sojitz networks, the company will not only expand sales in Europe and Asia as well as those in Japan, but will also aggressively enter into new fields such as car electronics, where increased demands are expected throughout the world.

Sojitz, jointly with Sakai Electronic Industry, has established Sakai Circuit Device of Vietnam Co., Ltd. (hereafter abbreviated as SCD-V) in the Long Binh Techno Park Development Company (LOTECO), which company is operated by Sojitz in Dong Nai Province. SCD-V will undertake the manufacture of FPCs. The company is capitalized at approximately 1.1 billion yen, 40 percent of which is held by Sojitz and 60 percent by Sakai Electronic Industry. SCD-V plans to begin production from April 2007. In the beginning, integrated production will take place with a monthly FPC production volume of 25,000 m², increasing to 50,000 m² in three years time. Sojitz will supply the high-quality FPCs to be produced by SCD-V to electronic device manufacturers in Japan and overseas, with a short delivery time.

Unlike ordinary hard substrates, FPCs have a printed circuit that has flexibility. FPCs have features such that they are thin, light-weight and can be bent when used, thus providing a high degree of design flexibility. FPCs are indispensable circuit boards for small- and mid-sized LCD monitors, and the global FPC market is expected to grow continuously at an annual rate of 10 percent or more, as a follow-on from the miniaturization, increased performance and digitization of electronics devices.

Sojitz positions its automotive business as one of core businesses, and is trying to establish an automobile value chain. So far, FPCs have mainly been used for cellular phones, digital cameras and DVD players, but an increase in demand is expected for their use in automobiles, in which digitization is expected to advance. By making inroads into the automobile electronic component industry, which includes FPCs, Sojitz will enhance its functions in automobile value chains, and will further expand its automotive business.

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