

November 20, 2006

To whom it may concern

Nippon Light Metal Company  
Sojitz Corporation

**Nippon Light Metal Company Ltd. and Sojitz Corporation Sign  
Basic Agreement with Vietnam National Chemical Corporation and  
South Basic Chemicals on Feasibility Study for Construction of  
Aluminum Hydroxide Plant for Chemical Processing Applications**

**Asia's largest project to produce aluminum hydroxide  
for chemical processing applications**

On November 20, Nippon Light Metal Company Ltd. and Sojitz Corporation signed a basic agreement with Vietnam National Chemical Corporation (VINACHEM; Head office: Hanoi) and its wholly-owned subsidiary South Basic Chemicals Limited Co., (SBCC; Head office: Ho Chi Minh) to undertake a feasibility study concerning the construction of an aluminum hydroxide plant for chemical processing applications, which plant will be the largest in Asia.

Approval to promote the project was obtained from the Office of the Prime Minister in July this year. The parties concerned will undertake operations in Lam Dong province in southern Vietnam to determine proved reserves of bauxite, the raw material of aluminum hydroxide, as well as commencing an environmental assessment study associated with construction of the plant.

Nippon Light Metal, Sojitz, VINACHEM and SBCC plan to make the final selection of the site for construction of the plant following exploration of the bauxite mine, and also plan to establish a joint venture and to begin construction of the plant by the end of 2008. The estimated aluminum hydroxide production capacity of the new plant will be approximately 550,000 tons per year, and the estimated total cost of the project will be approximately 40 billion yen, funds procurement is planned to be mainly via the Japan Bank for International Cooperation.

Nippon Light Metal boasts the largest production capacity in Asia for aluminum hydroxide for materials such as water treatment chemicals, phosphate-free

detergent builders, artificial marble, and flame retardants. As a result of its advanced technical capabilities, the company provides high-quality aluminum hydroxide. Nippon Light Metal, which currently conducts aluminum hydroxide and alumina production at the Shimizu Plant in Japan, plans to relocate its aluminum hydroxide production base to the new plant in Vietnam. SBCC-has under its umbrella a mining company with bauxite mines, and produces aluminum hydroxide. Synergetic effects from both companies will be presented through this joint project.

Sojitz positions Vietnam as an area of focus, and is engaged in the manufacture and sale of fertilizers and in chemical tank yard operations in the chemical-related segment. For the subject project, the company will be responsible for arranging finance for the project and will provide engineering support, utilizing its past business achievements in Vietnam. Further, for the sale of the aluminum hydroxide to be produced at the plant, Sojitz will work on marketing on a global scale, not just in Southeast Asia.

Vietnam is drawing attention as a producer of bauxite, since the country has the world's third largest reserves, and also has ample labor resources. The Vietnamese government has expressed its support for the development and utilization of domestic bauxite. Nippon Light Metal and Sojitz will realize a continuous and stable supply of quality aluminum hydroxide, through the joint construction of the plant with VINACHEM and SBCC-, who have a record of aluminum hydroxide production.

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