

June 1, 2007

Sojitz Corporation

Sojitz acquires 30% interest in an iron ore project in Western Australia

**~ Envisaging integrated operation from mine development
to marketing of final products ~**

Sojitz Corporation agreed with Grange Resources Limited (Headquarter: Perth, Western Australia), an Australian exploration and mining company to acquire 30% interest in their Southdown iron ore project. Sojitz and Grange will aim to enter into an integrated operation of exporting the iron ore produced at the mine to pellet plant(s) to be built in a third country such as Malaysia, and to market the final product to steelmakers in the Middle East and Asia.

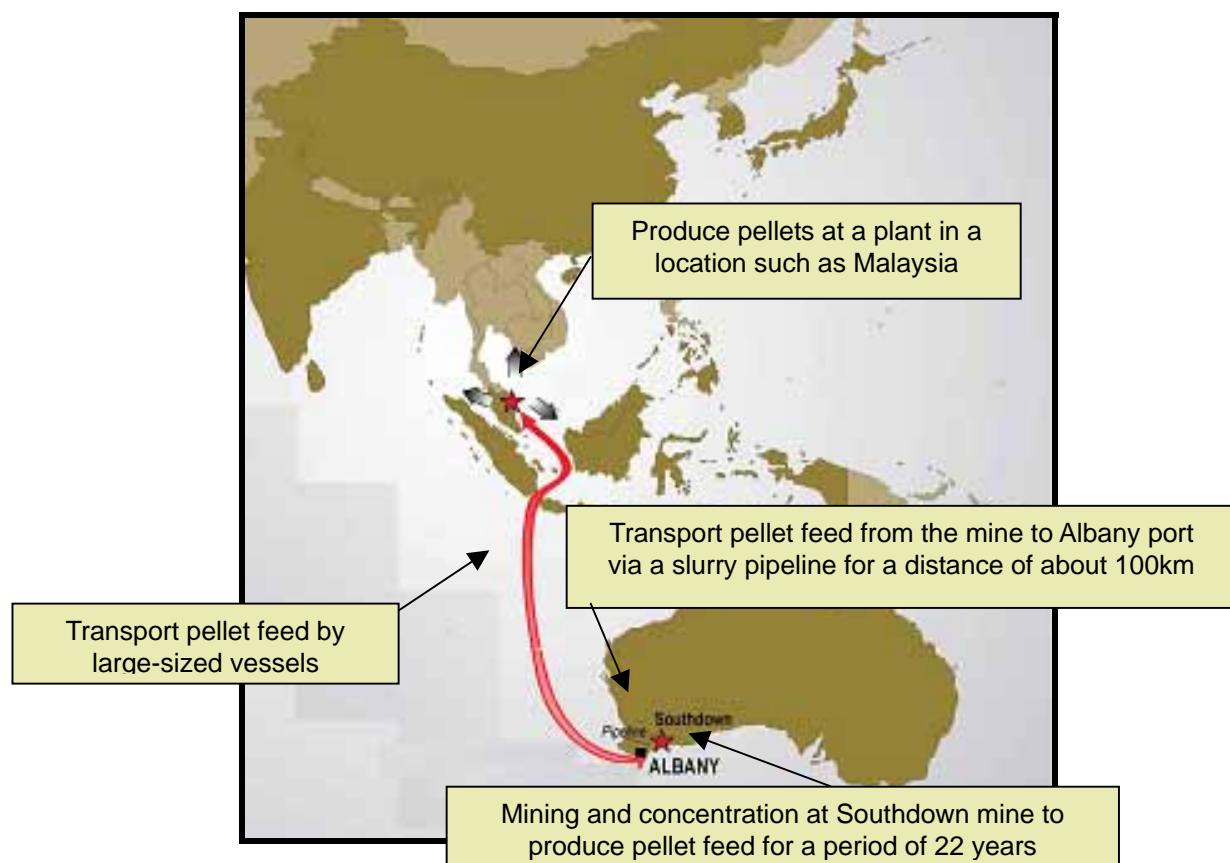
Sojitz expects higher operating revenue due to the integrated operation from the mine development to marketing of high value added product. Project's total capital expenditure is expected to be around 120billion yen and the total sales to be around 84billion yen per year (Around US\$700million per year).

Sojitz and Grange Resources will jointly undertake further study. Construction will start from 2008 and commissioning will be in 2010. Before entering into operation, the companies will finalize the structure of the whole project including selection of partner(s), who is currently showing strong interest to this project. Sojitz is the biggest company in respect of the handling volume of Brazilian iron ore into Japan, though this is the first time to acquire equity in an iron ore mine.

Iron ore concentrates produced from Southdown operation is suitable to produce high quality pellet, because of its high ferrous content and low impurities of less than 3% of combined silica & alumina. Further, comparing with Brazil who is supplying major part of pellet's sea borne trade, this project will be closer to our target market such as Asia and the Middle East. This means cheaper freight to potential customers in those regions, which is one of the reason the project is competitive.

Iron ore mined from Southdown, located 415km SE of Perth, will be crushed and processed at the mine site. Iron ore concentrates are then sent by pipeline nearly 100km to Albany Port where it will be exported as raw materials for pellets. Iron ore resource of Southdown is about 479 million tons, and it is scheduled to produce 7 million tons per annum of concentrates for 22 years from 2010 till 2031.

[Concept]



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