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Sojitz Corporation

Sojitz to Enter the Bio-ethanol and Sugar Production Business, the Largest of its Kind in Brazil

- Large-scale integrated project; from plantation management and production, to sales -

Sojitz Corporation, in partnership with one of Brazil's leading conglomerates Odebrecht S.A. (Head office: State of Bahia, Brazil), will enter the bio-ethanol and sugar production business. Following the approximately 9.2 billion yen acquisition of 33.33% of the outstanding shares of ETH Bioenergia S.A. (Head office: State of Sao Paulo, Brazil), which was established by Odebrecht in July 2007, Sojitz will undertake integrated operations from the farming of sugarcane on a plantation to the production of bio-ethanol and sugar.

Sojitz aims to expand its business at the same time as it implements mergers and acquisitions (M&A) of bio-ethanol and sugar manufacturing companies through ETH Bioenergia. The company has already acquired an operating company that undertakes production, and will acquire an additional three companies so as to enhance facilities and to commence production in a sequential manner. By doing so, Sojitz will, by the year 2016, turn the business into one that boasts a total of 16 million tons of sugarcane crushed per year (equal to an annual production of about 980,000 kiloliters of ethanol, plus an annual production of about 790,000 tons of raw sugar).

The scale of production will further expand by enhancing the facilities of the bio-ethanol and sugar manufacturing companies under ETH Bioenergia S.A., and the volume of sugarcane crushed per year will increase by the year 2021 to about 44 million tons (equal to an annual production of about 2.6 million kiloliters of ethanol, plus an annual production of about 2.4 million tons of raw sugar). Sojitz thus aims to become one of the leading ethanol & sugar producers in Brazil.

The total operating expenses to be incurred as a result of the business expansion will be approximately 420 billion yen by the year 2021. Sojitz, in partnership with Odebrecht, will secure the top share of 5 to 10 percent of the total volume of sugarcane crushed in Brazil.

There is still plenty of scope in Brazil for expanding the area under cultivation without increasing the environmental burden. Sojitz will develop the subject business using crop rotation of pastures and by utilizing fallow land so as to give as much consideration as possible to the environment,.

Sugarcane grown in Brazil demonstrates high throughput, and the country leads the world in sugarcane production. Further, Brazil is the world's second-largest producer of ethanol, as well as one of the major consumers. Sojitz's business participation in the Brazilian market, at a time of rapidly growing global bio-fuel markets, intends to a secure supply source of bio-ethanol, which has the highest level of global competitiveness.

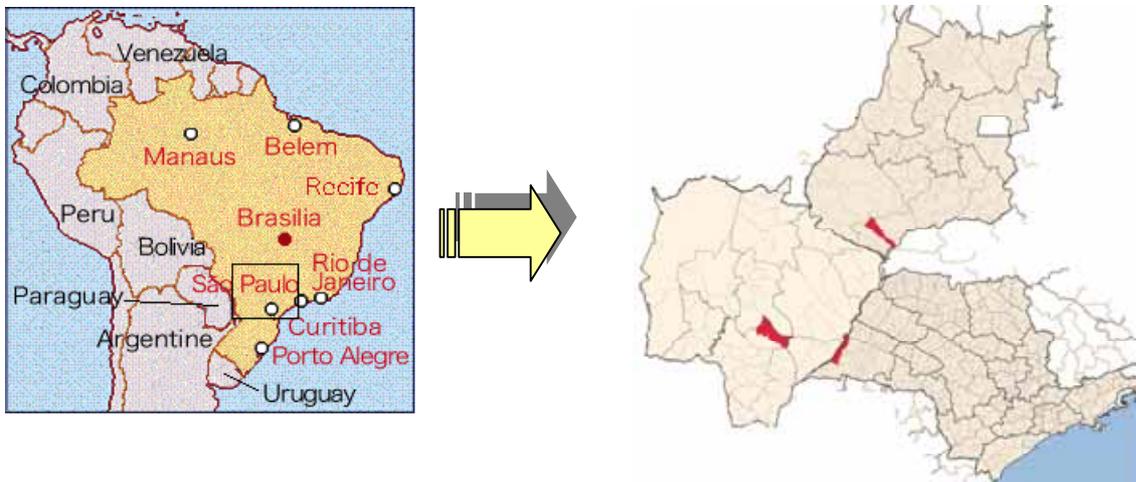
Sojitz aims to expand sales in the Brazilian domestic market, and at the same time, eyes the export of bio-ethanol in collaboration with Odebrecht.

Sojitz hopes to expand its businesses in sectors other than that related to energy. In the chemical sector, the company looks at its future with a view to entering the green plastics business, utilizing manufacturing techniques that use ethanol produced by the Odebrecht subsidiary Braskem S.A. (Head office: State of Bahia, Brazil), the largest petrochemical company in Latin America.

In the environmental sector, Sojitz will consider entering businesses such as biomass fuel power generation, and electricity trading with emission rights. Further, in the food sector, the company will consider the export of raw sugar.

In addition to its activities in Brazil, Sojitz is promoting the carbon-neutral bio-fuel business in countries such as Malaysia; the carbon-neutral bio-fuel business is one where the absorption of carbon dioxide is equal to emission.

Sojitz will put in place an integrated system, from production to sales, for carbon-neutral bio-fuel, for which demand is increasing worldwide for the purpose of reducing CO2 emissions. The company will build new profit-generating sources through the aggressive development of energy and resources businesses.



Sugarcane cultivation will take place in the regions marked in red.

Southern states in Brazil; State of Mato Grosso, State of Goiás, and State of São Paulo

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