

June 18, 2009

Sojitz Corporation

**Sojitz-Group Concludes Agency Contract with
Major South Korean Steel Plant Manufacturer****- Agreement Seeks to Expand Sales of Eco-Friendly Facilities to Steel Plants -**

Sojitz Corporation and its wholly-owned subsidiary Sojitz Machinery Corporation (head office Chuo Ward, Tokyo; Kazuhiko Nakajima, President and Representative) have concluded an agency contract for the marketing in Japan of steel production related plants manufactured by major South Korean plant maker KIC, Limited (head office Seoul; Lee Sang-Jin, President) with the cooperation of Nippon Steel Hardfacing Co., Ltd. (head office Koto Ward, Tokyo; Yasuo Hidaka, President).

KIC is a South Korean conglomerate active in the surface reforming business⁽¹⁾ with a focus on steel-making use rolls, thermal insulation engineering works and chemical plant heating furnaces. The corporate group includes reduction gear manufacturers, automobile rubber parts producers and other companies. After acquiring by merger the plant division of South Korean shipbuilding and steel plant producer Shinhan Machinery Co., Ltd. in May of last year, KIC has been scrutinizing the possibility of expanding sales of steel-making related plants and machinery in Japan. The Sojitz Group successfully concluded an agency contract for KIC in Japan with the cooperation of Nippon Steel Hardfacing, which has maintained a tie-up and capital affiliation with KIC in the surface reforming business for more than 20 years.

The majority of coke ovens⁽²⁾ owned by integrated steel production companies have been in operation for some 40 years and are nearing the time for replacement. Over the years to come, meanwhile, demand is shaping up to focus on steelworks machinery offering high function, stellar quality and eco-friendliness. The portable machinery for coke ovens manufactured by KIC (larry cars used to charge coal, extruders for forcing the coke created by dry distilling coal out of carbonizing chambers, etc.) are renowned for generating no fine mineral dust during operation and

other features designed with the environment as a pivotal concern. Based on this outstanding track record, Sojitz and Sojitz Machinery are set to cooperate vigorously in expanding sales of these products to low-pollution steel plants.

KIC holds the manufacturing and sales rights in Japan, Taiwan and Vietnam for Schalke, a major German manufacturer of portable machinery for coke ovens and is determined to expand sales in those markets. In Japan, Sojitz is also scheduled to cooperate in sales with Schalke's Japan agent, Koyo (head office Kita-Kyusyu, Fukuoka; Kazuo Nakamura, president).

Going forward, the Sojitz Group is ready to collaborate with Nippon Steel Hardfacing and Koyo on the market development front, briskly promoting sales of eco-friendly equipment to various steelworks as clients.

*1: Surface reforming business: Advanced technologies for thermal spraying of various coatings on metal surfaces using gas or electricity and processing the coatings to enhance corrosion, abrasion, and far-infrared ray resistance properties.

*2: Coke ovens: Facilities used to create coke, a fuel dry distilled (baked) from coal for use in operating blast furnaces.



【Portable machinery for coke ovens】

<Corporate Profile: KIC Limited>

President: Lee Sang-Jin

Location: Seoul

Established: 1971

Business activities: Plant operations (steel equipment, environmental equipment),
Maintenance operations (surface reforming)

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