

July 23, 2009

Sojitz Corporation

**Sojitz Increases Handling of Plantation and Certified Timber  
- Annual Agreements Concluded for Purchase of Plantation Timber  
from the Solomon Islands and Malaysia -**

Sojitz Corporation is increasing the handling of raw timber logged with consideration for environmental preservation in its timber business. Sojitz is actively procuring raw timber supplied through sustainable forestry management including plantation timber and certified timber as it expands its timber business.

Sojitz starts purchasing raw timber from Eagon Pacific Plantation Ltd. (EPL), which is located in Honiara in the Solomon Islands and engages in the forestry business in the Solomons. In the first year, Sojitz has an annual contract for 50,000 cubic meters and will purchase tropical woods that are used in plywood and furniture such as kamerere and gmelina. The timber will be sold in Asia, primarily in Vietnam. EPL is a subsidiary of Incheon, Korea-based Eagon Industrial Co., Ltd., a leading plywood maker in South Korea. EPL, which engages in the forestry business in the Solomon Islands, has been planting 800 hectares on New Georgia Island each year since 1996 and began harvesting timber this year. The forestry on New Georgia Island plans to acquire forestry certification for its plantation on New Georgia Island in 2010 and will supply environmentally-friendly plantation timber.

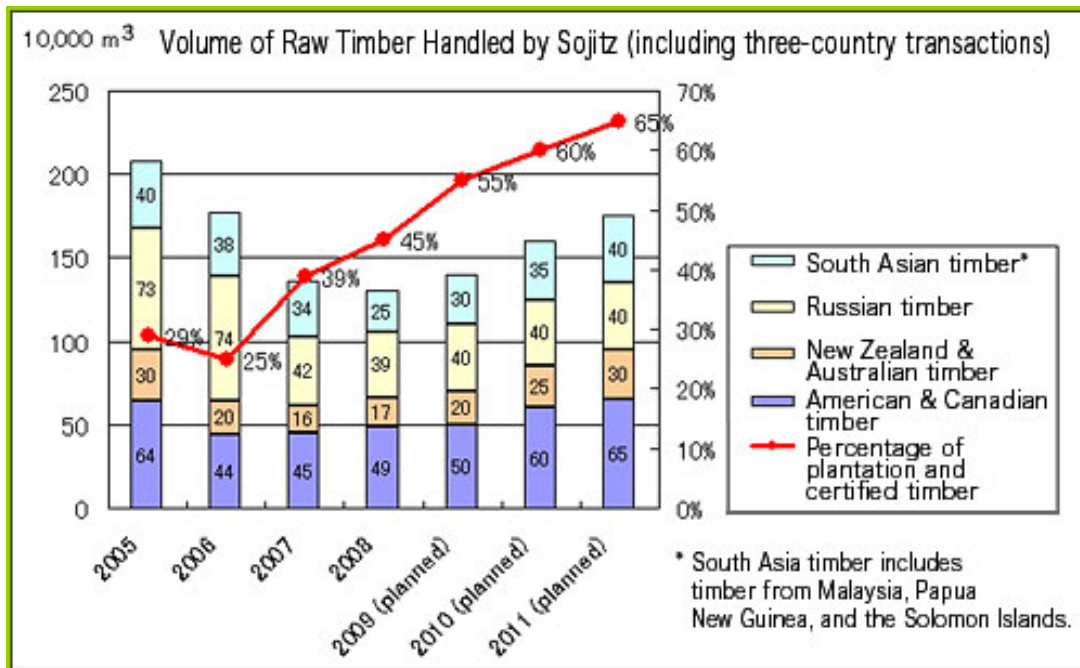
Sojitz also concluded an annual agreement with Sabah Softwoods Berhad, a major timber producer located in Tawau, Sabah on Borneo Island in Malaysia, for 20,000 cubic meters of timber and started medium- to long-term purchases of certified timber. The wood is mainly *Acacia mangium* and will be sold primarily in Vietnam.

Japan's demand for raw timber has been declining in recent years because of the appearance of products manufactured in timber regions and of replacement materials as well as a slump in the new housing market and the global economic downturn. At the same time, however, demand is expected to grow in Vietnam, China, India, and other Asian markets in conjunction with economic growth. Demand for environmentally-friendly timber is increasing steadily in Japan, Europe, and the U.S. as well as these countries, and Sojitz is actively promoting the diversification of sustainable timber procurement and reinforcing sales in Asian markets with the aim of handling 1.75 million cubic meters annually by 2011, an increase of 35% from current levels.

Sojitz is the largest handler of raw timber, and based on the belief that the stable acquisition of timber resources is one of its missions as a trading company, it is responding to medium- to long-term demand while managing the impact on markets. Sojitz is using the business development and formation know-how and functions that it has developed over many years to engage in business adapted to the times with information collection capabilities and a customer base established through the logistics business.



New Georgia Island, the site of EPL's tree plantation in the Solomon Islands



Sojitz's handling of plantation and certified timber is increasing.