

September 14, 2010

Sojitz Corporation

**Sojitz and Arshiya, India's largest Logistics Company Collaborate to provide Logistics Infrastructure solutions for Japanese companies in India
— India's First Free Trade Warehousing Zone (FTWZ) now operational —**

Tokyo-based, Japanese trading conglomerate, Sojitz Corporation and Indian Supply Chain & Logistics Infrastructure major, Arshiya International Ltd concluded an arrangement to collaborate towards marketing Arshiya's integrated logistics infrastructure - including India's first Free Trade Warehouse Zones (FTWZ) and railway transport pan-India. The two companies have joined hands to conduct joint business to facilitate Japanese companies looking for logistics solutions in India with a view towards evaluating a capital tie-up in the future.

Leveraging its strong lineage and relationships with Japanese manufacturing companies, Sojitz will look to work with Arshiya International towards providing unique and innovative solutions to Japanese Corporations looking to expand their Indian market and look to leverage India as a regional storage and distribution hub in the Asian region. The announcement of the collaboration comes when Arshiya International has just launched India's first Free Trade Warehousing Zone in Mumbai – just under 20 kms from India's premier port – Jawaharlal Nehru Port Trust (JNPT).

An FTWZ is a special economic zone where systematic preferential treatment is provided such as simplified and accelerated import/export procedures, long-term storage of goods under bond, and tax benefits. Efficient logistics infrastructure including domestic logistics is available, prompting foreign businesses to enter the Indian market. Corporations that intend to expand business in India, the Middle East and Africa will benefit from the use of an FTWZ as a logistic and manufacturing hub for storage under bond, processing, re-exporting, and so on.



Map of the FTWZ Region and Conceptual Diagram of the FTWZ]

As part of the collaboration, Sojitz and Arshiya will invite businesses that are considering entering the Indian market or starting business in the Middle East or Africa using India as a base, to operate out of the US\$1.5 billion state-of-the-art and world-class logistics infrastructure including five FTWZs being built by Arshiya International and leverage its pan-India Rail Network towards significant cost savings and increased profitability to Indian operations. Arshiya's medium- to long-term plan includes setting up of similar FTWZs in Delhi, Nagpur, Chennai and Kolkata, to establish integrated comprehensive logistics infrastructure that covers the major areas of India including Delhi and Mumbai. The FTWZ will function not only as a distribution base for the Indian domestic market but as an export hub.

India's GDP growth rate is currently 8% to 9% annually and is expected to stay at high levels. The lack of logistics infrastructure that is indispensable for supporting business, however, hinders the expansion of production scales and improvements in efficiency and requires urgent improvement.

The Indian auto industry, which continues to undergo remarkable development, depends on entirely truck transport for shipping manufactured vehicles. More agile and efficient transportation of vehicles will become possible by integrating vehicle transport services with FTWZs and through provision of services using cutting-edge railway technology. Railway transport is attracting attention as a low-cost and environmentally-friendly transport method because its greenhouse gases emissions, particularly carbon dioxide emissions, are the lowest and mass transport is possible.

While several Japanese companies that previously entered the Indian market have already decided to use the FTWZ, to attract more companies, Sojitz and Arshiya will make a joint presentation at the LOGIS-TECH TOKYO 2010 show, which will be held at

Tokyo Big Sight on September 14, 2010 in Japan.

Sojitz is currently engaged in business relating to the environment and infrastructure development and will construct environmentally-friendly infrastructure.



Reference Information

Overview of LOGIS-TECH TOKYO 2010

Date : September 14, 2010

Place : Tokyo Big Sight

No. of entry company: about 125,000

Arshiya Group

Name: Arshiya International Ltd. (Holding company of Arshiya Group)
(Listed on the Bombay and National stock exchanges)

Location: Pan-India

Representative: Captain Kapil Anand – Chief Operating & Marketing Officer –
Arshiya International Ltd.

kapil.anand@arshiyainternational.com

Business description: Supply Chain & Logistics Infrastructure

Benefits of FTWZ

The benefits of FTWZ include preferential treatment concerning corporate taxes, long-term storage under bond with regard to import duties, and simplified and rapid customs processing as the customs facilities are located in the FTWZ. In terms of the operational benefits, packing, labeling, and product inspection can be carried out before importing. Furthermore, corporations that intend to enter the Indian market will enjoy greater benefits from FTWZ as they can settle foreign exchange transactions, which will lead to reduction of exchange risks (on the condition that the party placing the goods in storage owns a local subsidiary in India and the subsidiary settles foreign exchange transactions for payment of goods directly to exporters).

###