

October 12, 2010

Sojitz Corporation

**Sojitz Enters into Bio-Resin Compound Business Using
“TENCEL®” Plant-Derived Fiber
- Environmental Material Made Primarily from Eucalyptus
Targeting Automotive-Use Development -**

Sojitz Corporation is pleased to announce plans to collaborate with the Lenzing Group, one of the world's largest producer of cellulose fiber, in launching a business venture to create a bio-resin compound using plant-derived TENCEL® fiber (primarily made from eucalyptus). Development will be targeting on use in the automotive field.

Under this plan, Sojitz will supply an automotive-use reinforced plastic compound material primarily made from eucalyptus-based TENCEL® fiber. The compound will be produced by Lenzing, which holds an independent manufacturing patent for the process. The eucalyptus timber used as the raw material will consist of rapid-growth tall trees, for which the low volume of water required for growth (1/70th that of cotton) will dramatically reduce the environmental load as well. These raw materials will be specially supplied from a contracted plantation for processing into fiber through an original and eco-friendly production method. In comparison to conventional compound materials, this version promises to make an impressive contribution to reducing carbon dioxide emissions, further easing the burden on the environment. Sojitz plans to start up this bio-resin compound business in 2011, marking its first entry into this particular field in Japan.



<Bio-resin compound material using TENCEL®>

This compound material can be used into various kinds of resin such as polylactic resin, polypropylene and so on, making it possible to improve properties as a plastic reinforced material. The low relative density compared to glass fiber facilitates lighter weight in the finished material. This, in turn, opens the door to development as fiber-reinforced plastic (FRP) primarily for hard use in automobile dashboards, hard use environment engine compartments and other cast parts. Though made from cellulose fiber, the compound's high polymerization translates into extremely high physicality values compared to other plant-derived fiber. This has prompted projections for the development of moquette, woven fabric, knit fabric for car seat-cover materials, cabin-ceiling and interior-trim and other automotive applications.

Sojitz has served as the sales representative for Lenzing for more than a decade, handling a wide line of viscose fiber, TENCEL® fiber, flame retardant viscose, PTFE fiber and other cellulose-focuses products. The volume of such items handled by Sojitz in 2009 was some 6,000 tons, accounting for around a 50% share of all cellulose fiber imports into Japan. This also ranks Sojitz as the industry leader in that category. The primarily eucalyptus-based TENCEL® used in this product is 100% naturally derived, and is currently attracting interest as a candidate next-generation eco-friendly fiber capable of replacing cotton. Sojitz has been drawn to the moisture absorption-desorption properties and high polymerization of TENCEL® fiber, and is positioning medical use gauze, industrial-use wipers, clothing insulation, non-woven fabric and other cellulose materials as the core of its functional materials business sector.

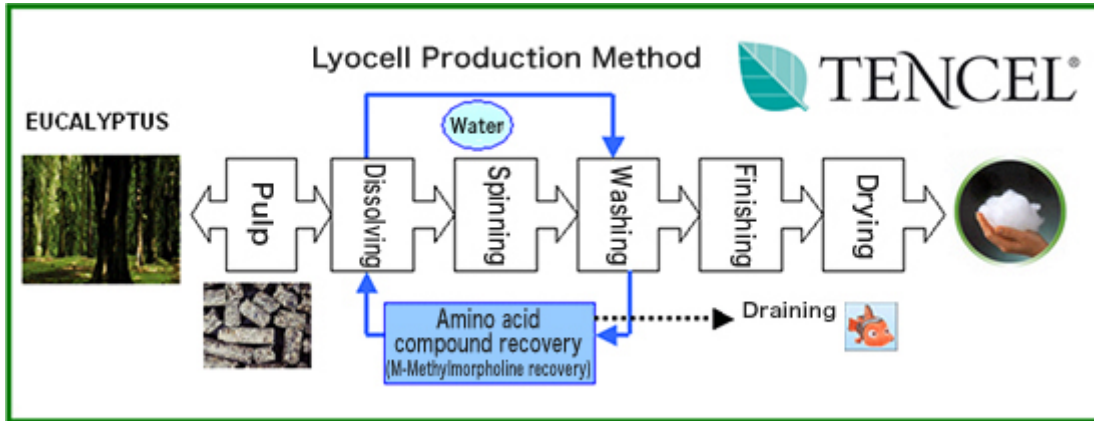
Sojitz intends to pioneer new developments for the automobile industry, where needs for recyclable and plant-derived materials run high. On the strength of expanded production of bio-resin compound materials, the schedule calls for raising the scale of its cellulose material business sales to 6 billion yen by 2015. Future plans are to integrate bio-resin compounds with cellulose materials, with the resulting green materials business to serve as the main thrust of the Functional Materials Department as Sojitz moves to further expand the scope of its business development in this area.

■ Lenzing Group ~ Corporate Profile

Headquarter in Lenzing, Austria, the Lenzing Group is one of the world's largest producer of cellulose fiber (annual production capacity of 568,000 tons in 2009). The company is slated to expand that scale to 770,000 tons/year at the end of the current year. Globally, Lenzing has also forged markets not only for spinning (general apparel, protective clothing) but also for non-woven such as hygiene, medical and industrial

application .

■TENCEL® Manufacturing Process (Lyocell Production Method)

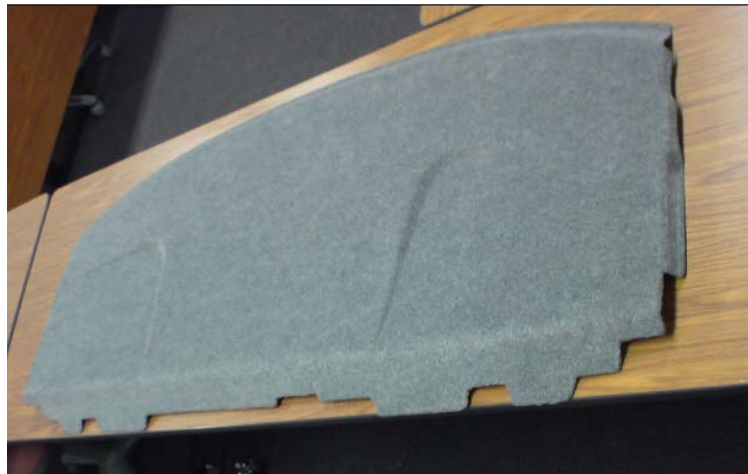


Note: The Lyocell production method is a fully recycling production technology for which Lenzing holds the patent. In more specific terms, this is closed cycle solvent spinning technology in which amino acid compounds are utilized as the solvent to dissolve pulp, followed by the spinning of raw cotton. The solvent is subsequently recovered and condensed for reuse.

■ Ceiling material and trunk liner using TENCEL®



<Ceiling material>



<Trunk liner>

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