

November 17, 2010

Sojitz Corporation

**Sojitz Launches Soybean & Agricultural Product Business in Argentina  
Business Expertise to be Used to Expand Operations to Brazil and Other Countries.  
Sojitz Contributing to Stable Food Supplies.**

Sojitz Corporation established Sojitz Buenas Tierras del Sur S.A. (“BT”) as a wholly-owned subsidiary in Argentina to conduct agricultural production of soybeans and other products, and will begin producing and selling soybeans and grain products this year in cooperation with Buenos Aires based Cazenave y Asociados S.A., a leading Argentinean agricultural business operating company. This is the first time that a Japanese major trading firm has directly established an overseas subsidiary to engage in the agricultural business.



Soybean Farm



Corn Farm

Sojitz invested approximately 500 million yen in fiscal 2010 and will use approximately 11,000 hectares (equal to about twice the area of central Tokyo) in Argentina’s rich Pampas agricultural region to produce a total of about 30,000 tons of soybeans and grains. In fiscal 2011 and later, Sojitz will expand production in Argentina while developing agricultural business in other South American countries including Brazil, which has considerable production and supply capacity, with the expected production of producing approximately 1,000,000 tons of grains in South American by 2017. These grains will be sold primarily by the Sojitz Group to Asian countries which have significant growth in demand for grains.

Global demand for soybeans was approximately 230 million tons in 2009, and with increases in demand for foodstuffs in conjunction with a rising global population and the economic development of emerging countries, demand has increased by about 35 % over the past 10 years. In the future security of food will be of the utmost importance.

Overseas agricultural businesses are subject to weather risks as well as country risks and other difficulties, but Sojitz will reduce those risks by obtaining foreign investment insurance coverage for overseas agricultural projects from Nippon Export and Import Insurance (NEXI). This is the first time that NEXI will insure an overseas agricultural project. Sojitz will also obtain multi-risk weather insurance from leading Argentinean insurers to hedge against weather risks. Thus, Sojitz is creating a business model that responds to a variety of different risks.

Sojitz will accumulate the expertise concerning agricultural businesses by participating directly in the business. In the future, Sojitz will develop the agricultural business in Asia and Africa and expand functions to large-scale upstream agricultural production in South America while reinforcing mid-stream distribution functions including trade and strengthening downstream food processing and distribution in Asia. Sojitz will build a global value chain that covers numerous products and countries and develop stable agricultural procurement and supply structures mainly in Asia.



## The Planned Agricultural Production Region of Argentina

### ■ Overview of the New Company

- Name: Sojitz Buenas Tierras del Sur S.A.
- Established: 2010
- Head offices: Buenos Aires, Argentina
- Representative: To be seconded from the Sojitz head office
- Equity participation: Sojitz 95%, Sojitz Argentinean subsidiary 5%
- Business activities: Development of agricultural business, primarily in the Pampas region of Argentina. Production, sale, and export of oil-producing crops, mainly soybeans, and coarse grains on approximately 11,000 ha (in fiscal 2010).

### ■ Overview of Cazenave

- Name: Cazenave y Asociados S.A.
- Established: 1969
- Head offices: Buenos Aires, Argentina
- Land area operated: Approximately 200,000 ha
- Overview of business: A leading agricultural business operating company in Argentina; its outsourced agricultural operations have a well-established reputation.