

September 5, 2011

Sojitz Corporation
Kyodo Shiryō Co., Ltd.

Sojitz, Kyodo Shiryō Enter Compound Feed Production and Sales Business in Vietnam

- Responding to Rapid Growth of Demand for Compound Feed for Livestock -

Sojitz Corporation and Kyodo Shiryō Co., Ltd. established a compound feed production and sales company in Vietnam and will enter the feed business there.

The two companies established Kyodo Sojitz Feed Company Ltd. (KSF) in the Ben Luc district of Long An Province, approximately 30 kilometers southwest of Ho Chi Minh City (Sojitz owns 51% and Kyodo Shiryō owns 49%). KSF plans to produce approximately 200,000 tons of compound feed annually and is scheduled to begin operations in April 2013. The total cost of this project is about 2.0 billion yen. This marks the first time that Japanese companies have entered the compound feed for livestock production and sales business in Vietnam.

Compound feed is made of corn, soy beans (meal), wheat, and other ingredients mixed with various feed materials using original technology and expertise to create optimal feed that will promote growth of healthy livestock with high-quality meat. Such feed is essential in Japan, the United States, and other developed countries.

Kyodo Shiryō is a leading Japanese feed producer and has an established reputation for its production know-how. Kyodo Shiryō boasts a major share of the domestic market for swine compound feed and will utilize its technology and expertise to support the production in Vietnam of compound feed that will enable effective and efficient swine farming.

Vietnam's commercial feed production volume is growing by about 10% annually as demand for meat increases, and national livestock production plan anticipates production to nearly double from about 10.5 million tons in 2010 to 19 million tons in

2020. Pork is the meat of choice in Vietnam and accounts for approximately 70% of all dietary meat demand. The number of pigs raised is 28 million, about three times the number of Japan, the highest level in ASEAN, and the fourth highest in the world. Vietnam has a population of 86 million (according to the April 1, 2009 national census) whose average age is less than 30 years, and even further growth is expected in the future. As a result, both the feed and livestock segments are expected to undergo significant growth.

Sojitz is actively promoting the grain business, a segment that is growing rapidly in Vietnam, based on the port facilities established by Interflour Vietnam (IFV; Sojitz owns a 20% share), a leading flour mill in Vietnam. Sojitz is building a value chain in the food segment through Huong Thuy Manufacture Service Trading Corporation (HT; Sojitz owns a 25% share), a leading food wholesaler in Vietnam, and other companies, and has positioned KSF within that value chain.

KSF has set targets of capturing a 10% sales share in the Vietnamese market that equals to 2 million tons of annual production and sales. The company also plans to sell feed to neighboring countries as well.

● Overview of the New Company

Name:	Kyodo Sojitz Feed Company Ltd.
Ownership:	Sojitz 51%, Kyodo Shiryō 49%
Representative:	Hiroshi Taniguchi
Head office:	Vietnam
Business activities:	Production and sale of compound feed, mainly for swine
Production facilities:	200,000 tons annually
Operations schedule:	Production scheduled to begin in April 2013



Map of Kyodo Sojitz Feed Company's Location

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