

December 7, 2011

Sojitz Corporation

Sojitz Enters Compound Feed Production and Sales Business in Cambodia

Demand for Compound Feed Growing Rapidly in Southeast Asia

Sojitz Corporation has entered the feed business in Cambodia by acquiring a 10% interest in Sichuan New Hope Agribusiness (Cambodia) Co., Ltd. (“New Hope (Cambodia)”), a feed manufacturer in Cambodia owned by New Hope Group Co., Ltd. (“New Hope Group”), China’s largest livestock and feed company.

New Hope (Cambodia) is located in the Phnom Penh Special Economic Zone in Phnom Penh, has capital of US\$6 million, has a production capacity of 200,000 tons of compound feed annually, and began production in May 2011. Sojitz is investing US\$600,000 (approximately 46 million yen). This is the first time that a Japanese company has entered the livestock compound feed production and sales business in Cambodia.



Region where New Hope (Cambodia) is Located



Demand for feed in Cambodia is growing steadily in conjunction with higher demand for meat, and is expected to double from approximately 1.2 million tons in 2008 to 2.5 million tons in 2014. New Hope (Cambodia) is considering an expansion of its plant to boost production capacity even further in the future and aims to become one of the Cambodia's top makers of compound feeds.

Sojitz earlier established Vietnam-based Kyodo Sojitz Feed Co., Ltd. jointly with Kyodo Shiryō Co., Ltd. (Sojitz holds a 51% interest), and a plant is currently under construction with production scheduled to begin in 2013. In response to rising demand for raw materials for foodstuffs in conjunction with economic growth in Vietnam and Cambodia, Sojitz is supplying cost-competitive feed in the Mekong district with a focus on Cambodia and Vietnam through these feed companies and by making use of the Cai Mep Agriculture Port, ASEAN's largest special-purpose grain port, which is owned by Interflour Vietnam Limited (IFV; Sojitz holds a 20% interest in IFV). Sojitz can meet detailed logistics needs in ASEAN by utilizing international ground logistics services in Indochina (Vietnam, Cambodia, Thailand, etc.).

- Company Information

Name:	Sichuan New Hope Agribusiness (Cambodia) Co., Ltd.
Established:	April 2010
Capital:	US\$6 million
Ownership:	New Hope Group: 90%, Sojitz: 10%
CEO:	Yao Yongjian
Head office:	Kandal Province, Cambodia
Business activities:	Production and sales of compound feed
Production facilities:	Maximum capacity of 200,000 tons/year
Operating schedule:	Production started in May 2011

- Information about Cai Mep Agricultural Port

Cai Mep Agricultural Port is owned by IFV, a leading flour producer in Vietnam, and is the largest special-purpose grain port facility in ASEAN. Panamax-class vessels (approximately 70,000 tons) can dock in the port, making it possible to supply cost-competitive grains through large-scale transport.



- International Ground Logistics Services in Indochina (Vietnam, Cambodia, Thailand, etc.)

Sojitz Logistics Corporation, a Sojitz subsidiary, offers ground transport services linking Vietnam, Cambodia, and Thailand. The company is able to provide reliable and efficient international integrated transport and establish a grain value chain based at the Cai Mep Agriculture Port.

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