

Sojitz Corporation

Sojitz to Enhance its Automobile Business in China

(Japan, May19, 2004)--Sojitz Corporation will launch two new businesses in the Chinese automobile market, where significant expansion is being observed. The details are as follows:

1)Business development concerning remodeled luxury cars

In China, Sojitz will enter into the remodeled car sales sector for cars such as Mercedes-Benz and BMW.

In addition to the fact that an F1 race is scheduled to take place in China in September 2004, the Chinese automobile market, including that for passenger vehicles, continues to expand, and Sojitz anticipates that a niche market will rapidly form for remodeled luxury cars (Mercedes-Benz and BMW cars with remodeled interiors and exteriors). The company will enter into the sales and after-sales service sector through a merger with a Chinese partner.

In June 2004, SHANGHAI LEADER AUTOMOBILE TECHNICAL SERVICE CO., LTD. will be established as a joint venture with 'Shanghai Yongda (Group) Co., Ltd.', the largest automotive dealer in the Shanghai region, handling leading brands such as Toyota, Nissan, Honda, GM and Audi. The new company will begin preparations for the development and establishment of a sales structure and service network, with which to capture the wealthy, luxury car owners, and will carry such activities through to retail sales. The company's showroom is scheduled to open in August this year.

In concrete terms, the company will purchase tune-up parts from German car tuners such as Brabus, Carlsson, Hartge and AC Schnitzer, and will first carry out implementation of service provision to customers who currently own luxury cars.

By utilizing their know-how of the Shanghai region, the company plans to sequentially establish sales structures in big coastal cities and major cities such as Beijing.



<Remodeled BMW X5>

<Reference>

Joint Venture Outline

Company name: SHANGHAI LEADER AUTOMOBILE TECHNICAL SERVICE CO.,LTD

Established: June 2004

Location: Shanghai, China

Capital: 28 million yuan (approximately 400 million yen)

Equity: Sojitz Corporation 51%
Shanghai Yongda (Group) Co., Ltd. 49%

Corporate officers: Six corporate officers; three officers respectively from Sojitz and Shanghai Yongda (Group) Co., Ltd.

Shanghai Yongda (Group) Co., Ltd.

Established: 2003 (as a result of the organizational change of Shanghai Yongda (Group) Co., Ltd. for stock exchange listing)

Capital: 158 million yuan (approximately 2.1 billion yen)

Turnover: 8 billion yuan (approximately 100 billion yen)

Annual unit sales: 40,000 cars

2)Business development concerning car goods

Sales of private cars are rapidly increasing, and demand for auto-parts and accessories is growing. For this reason, Sojitz has agreed to enter the sector of car goods sales through a joint venture with Shanghai Bailian Group, a commercial retailer group that boasts the largest scale in Shanghai.

The items to be handled are aluminum wheels, tires, audio-visual equipment, GT parts and small articles. The joint venture aims to differentiate itself from existing stores of the same kind by handling products centered on world brand name products, and also plans to undertake repair and maintenance work. The company will open its first store in Shanghai in September this year, and plans at a later date to begin a nationwide rollout at locations such as Beijing, Guangzhou and Shenzhen.

<Reference>

Joint Venture Outline

Company name: To be determined.

Established: June 2004

Location: Shanghai, China

Capital: 24 million yuan (approximately 320 million yen)

Equity: Sojitz Corporation 49%
Shanghai Bailian group 51%

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