

November 8, 2004

To whom it may concern

Tsuneishi Corporation
Sojitz Corporation

**Tsuneishi Corporation and Sojitz Set for Full Swing Launch of
Automobile Recycling Business**

Pursue High Recycling Rate, Proper Disposal without Producing Shredder Residue

Tsuneishi Corporation (Head office: 1083 Tsuneishi, Numakuma-cho, Numakuma-gun, Hiroshima; President: Katsushige Kambara) and Sojitz Corporation (Head Office: 1-20, Akasaka 6-chome, Minato-ku, Tokyo; President & CEO: Akio Dobashi) will commence an automobile recycling business through Tsuneishi CRS Corporation, which was founded through joint capital investment.

Tsuneishi CRS obtained permission from the Hiroshima prefectural government to conduct the dismantling and shredding operations required for an automobile recycling business, and its recycling facility commenced operations in earnest from November. The plan is for the recycling facility, with a processing capacity of 14,400 vehicles per year, to recycle 10,800 vehicles in the second year, which is equivalent to 75 percent of its processing capacity. The company aims at sales of approximately 500 million yen.



Loading of automobiles onto an offshore barge

Working together with automobile dealers, sheet metal plants/repair shops and nonlife insurance companies, Tsuneishi CRS will facilitate receipt of end-of-life vehicles, mainly in the Chugoku and Shikoku region. In addition, with the aid of the marine transportation system of the Tsuneishi Group, the company will be aggressive in accepting abandoned end-of-life vehicles, which are becoming a major social issue in remote islands in the Setouchi region. Through its automobile recycling business, Tsuneishi CRS will also cooperate in solving the issue of automobiles abandoned on remote islands.

Tsuneishi CRS has adopted the 'whole recycling system' as its end-of-life vehicle disposal method. With this method, a recycling rate of almost 100 percent is achievable. First, after removing chlorofluorocarbons and engine oil, automobile parts, which are in demand as reconditioned parts, are removed and stored. Then, metal resources such as iron, aluminum and copper are sorted and recovered, and ELV scrap is compressed in a press at the end of the process. Through improvements in dismantling technology, ELV scrap can be used as is in electric furnaces as a source for heat and iron. Unlike current mainstream shredder methods, the 'whole recycling system' is significantly characterized by not generating any shredder residue.

Tsuneishi Corporation pursues new businesses that are in accordance with the times, utilizing human resources and technologies cultivated through its shipbuilding business. While trying to build a liaison with automobile service and recycle businesses, on which the Tsuneishi Group works, Tsuneishi Corporation will build an automobile recycling business that makes use of the collective strengths as its effort into which the group's consensus has been put.

On the other hand, Sojitz focuses its efforts on environment-related businesses, in a move toward realization of the recycling of resources and a recycling-based society system. For its recycling business, the company has established CRS SAITAMA Co., Ltd., a company engaged in consistent ELV processing in Saitama prefecture. Further, jointly with NIPPONKOA Insurance Co., Ltd., the company provides the 'NK Recycle Net' service, which assists auto mechanical service providers and automobile dealers in appropriately treating end-of-life vehicles. With Tsuneishi CRS as a strategic base in western Japan, the business of appropriate ELV treatment will be continuously promoted throughout the nation.

An earth-friendly automobile recycling business, which takes into account the recycling of resources, energy consumption reduction and pollution control, will be pursued through utilization of the high-level technical capabilities and reliability of Tsuneishi Corporation, and Sojitz's automobile recycling business network and the know-how they have accumulated.



Pressed ELV scrap

[Outline of Tsuneishi CRS Corporation]

Establishment:	April 26, 2004
Address:	1083 Tsuneishi, Numakuma-cho, Numakuma-gun, Hiroshima
Representative:	Masakazu Hirakawa, President
Capital:	200 million yen (Tsuneishi Group 66.6%, Sojitz 33.4%)
No. of employees:	19
URL:	http://www.tsuneishi-crs.co.jp/