

Sojitz Cororation

Sojitz to Establish China Automotive Business Development Office to expand Automobile Business in China

(Japan, March 15, 2005)--As of April 1st, 2005, Sojitz Corporation will establish in the China region that it positions as a priority market, a China Automotive Business Development Office in order to develop matters subject to mid- and long-term commercialization, and to promote establishment of a consistent value chain from upstream to downstream in the area of automobile industry, which is considered to be a strategic sector by the company's Machinery & Aerospace Division. The division will commence its operations with an initial staff of 12, which number will be increased along with enhancement of the functions of the division.

The China Automotive Business Development Office will establish a consistent automobile value chain from upstream to downstream, covering development, production, sales and aftermarket components for automobiles, promotion efforts for investment and new business, which will become mid- and long-term business matters, and will encourage aggressive business development as a control tower for the Chinese automobile business. The division will conduct business development with a sense of speed, with the aim of establishing a highly profitable business infrastructure, while focusing on areas of the Chinese automobile industry that have potential for high growth. In China, the number of automobiles manufactured and sold is rapidly increasing, and the rise of new motorization and diversification of life with automobiles are progressing simultaneously. From now on, Sojitz will focus its efforts on sales and new businesses, such as the component business and financial and distribution services.

<About the Automobile Value Chain in China>

Upstream: Sojitz, in alliance with Japanese and Chinese engineering companies, receives contracts mainly from locally capitalized automobile manufacturers for vehicle design and development, and

also receives orders for production facilities and plant construction at the same time.

Midstream: Sojitz provides knock-down parts to Chongqing Changan Suzuki Automobile Co., Ltd., Hunan Changfeng Motor Co., Ltd., and Zhengzhou Nissan Automobile Co., Ltd., dispatches its employees to China, and proactively participates in production and distribution. Sojitz takes 14 % and 4% stakes in Chongqing Changan Suzuki Automobile Co., Ltd. and Hunan Changfeng Motor Co., Ltd., respectively, and is actively involved in management through its appointed officers.

Downstream: Sojitz has acquired the rights from Mitsuoka Motor Co., Ltd. to act as their exclusive agent, and has launched the sale of Mitsuoka cars. The company has already set up Mitsuoka dealerships in six cities, and will consider local production, in addition to pursuing the setting up of dealers in other major cities. Further, the company is making final preparations to open the first car accessory sales company in May.

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