

Sojitz Cororation

Sojitz Obtains Approval for Establishment of 'Sojitz (Shanghai) Trade & Commerce Co., Ltd.' to Undertake Trading Operations and Domestic Sales in China – the First Such Approval for a Sogo Shosha

(Japan, September 1, 2005)--Sojitz Corporation was the first leading sogo shosha to file for the establishment of a wholly foreign-funded commercial enterprise in China, with its application for the establishment of 'Sojitz (Shanghai) Trade & Commerce Co., Ltd.' in which a 100 percent investment will be made by Sojitz (China) Co., Ltd. (Head office: Beijing; President & CEO: Yoshimi Ota), a Sojitz holding company (investment company) in China. The application has been accepted as filed, and approval has been granted by the Ministry of Commerce of the People's Republic of China.

At the end of last year, Sojitz filed an application for the establishment of the company in time with the enactment of the 'Measures for the Administration of Foreign Investment in Commercial Fields' in 2004, which allowed the establishment of wholly foreign-funded commercial enterprises with trade and domestic sales rights, at the time the Chinese government is moving forward with the opening up of trading and the domestic market. The approval which has just been granted will be the first one for the establishment of a sogo shosha-type commercial enterprise. Sojitz (Shanghai) Trade & Commerce Co., Ltd. is scheduled for establishment in October.

Utilizing its import-export and domestic sales rights in China and wide range of product lines available to it as a sogo shosha, Sojitz (Shanghai) Trade & Commerce Co., Ltd. will not only undertake export of the Chinese-made goods and products in which Sojitz excels, but will also undertake the import of resources, foodstuffs and products necessary to the growing and expanding Chinese market. For that purpose, Sojitz will shift its management system from regional-based to department-based, will expand its businesses in the fields of energy resources such as coal, machinery, automobiles, chemicals, textiles, foods and forest products, and will aim at an expansion of operations from upstream to downstream areas in the Chinese market.

In response to the management flexibility that will be greatly enhanced by the approval acquisition, the company will aggressively develop regional-based businesses through distribution and marketing in China.

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