

October 14, 2005

Pla-Net Corporation
Sojitz Corporation

**Pla-Net to Establish a Wholly-owned Subsidiary of the Sojitz Group
'Sojitz Plastics (Shenzhen) Ltd.' in South China,
to Expand and Enhance Plastics Business in China**

Pla-Net Corporation (Head office: Minato-ku, Tokyo; President: Yutaka Imada), the Sojitz Group's plastics business operating company, will establish 'Sojitz Plastics (Shenzhen) Ltd.' to conduct wholesale, distribution and trade of plastics materials, with an aim to expand and enhance the plastics business in China. The new company will be a wholly-owned subsidiary of the Sojitz Group, and will be established under the Measures for the Administration on Foreign Investment in Commercial Fields, which came into effect with the relaxation of restrictions in the field of distribution resulting from China's accession to the WTO. The company will be entitled to conduct domestic wholesale and foreign trade. Ratification of the establishment has been granted by China's Ministry of Commerce, and the new company is scheduled to commence operations in January 2006.

'Sojitz Plastics (Shenzhen) Ltd.' will conduct sales of plastics materials and molding machinery and equipment, focusing on office automation equipment, consumer electronics and automobile manufacturers that are already operating in the Chinese markets. Up to the present, Pla-Net has been developing businesses in China with 'Sojitz Plastics (China) Ltd.', located in Hong Kong (60% and 40% shares held by Pla-Net and Sojitz (Hong Kong) Ltd respectively), serving as the window. However, as the number of companies making inroads into China increases, customers are becoming multinational, such as companies based in Hong Kong, China and Taiwan, as well as Japanese-affiliated companies, resulting in an increasing need for trade in Chinese currency. Further, while all other companies are switching their strategies from efforts centered around re-export outside China to efforts focusing on China's domestic market, Sojitz Plastics (Shenzhen) Ltd. will address customer needs and undertake sales activities based in the Chinese market.

Pla-Net is strengthening its business for Japanese-affiliated automobile manufacturers that have been operating in Guangzhou. While realizing the offering of fine-tuned services that meet the diverse demands of each manufacturer through cooperation with the plastics material compound business the company conducts in China, Pla-Net, together with the Takagi Seiko Corporation, established a joint venture in Guangdong in February this year to manufacture plastic automobile parts. Pla-Net has thus established a system to perform consistent operations in the handling of plastic automobile parts; from mold manufacturing, molding, and paint application to assembling.

'Sojitz Plastics (Shenzhen) Ltd.' will mainly handle plastics materials for the above said automobile manufacturers, and plans to generate sales of US\$10 million in the first year and US\$20 million in the following year.

[Outline of Sojitz Plastics (Shenzhen) Ltd.]

Representative: Munehisa Osato(Chairman of the Board)

Establishment: November 2005 (plan)

Capital: US\$1 million (100% by Sojitz Plastics (China) Ltd.)

Head office: MINGWAH INTERNATIONAL CONVENTION CENTER

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