

April 28, 2006

To whom it may concern

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Notice Concerning Merger With Subsidiary

At a meeting of the Board of Directors today, Sojitz Corporation decided to absorb Global Chemical Holdings, Inc. ("GCH") and its wholly owned operating company Sojitz Chemical Corporation ("SCC"). GCH is a wholly owned subsidiary of Sojitz and is the holding company for its chemicals operations. Details are as follows:

1. Purpose of Merger

The chemicals operations of Sojitz are currently divided: fertilizer and methanol businesses are conducted by Sojitz headquarters, and chemicals business is conducted by SCC as a key operating company.

Sojitz, however, has now decided to absorb GCH, the holding company for its chemicals operations, as well as GCH's wholly owned operating company SCC, to improve the efficiency of Sojitz Group management. At the same time, based on concentrating chemicals operations under Sojitz itself, the aim is to accelerate global business expansion by generating common benefits from the Sojitz Group's trading company capabilities.

2. Outline of Merger

(1) Schedule (all dates are planned)

Board of Directors' meeting to approve merger agreement	End of June, 2006
Signing of agreement	End of June, 2006
Date of merger	October 1, 2006
Registration of merger	Early October, 2006

(2) Merger method

Sojitz, the surviving company, will absorb GCH and SCC, which will both subsequently be dissolved.

(3) Merger ratio

Since GCH is a wholly owned subsidiary of the Company, and SCC is a wholly owned subsidiary of GCH, there will be no new shares issued or capital increase in connection with the merger.

(4) Merger payment

No payment will be made in connection with the merger.

3. Summary of Parties (as of March 31, 2006)

(1) Company name	Sojitz Corporation * (former Sojitz Holdings Corporation) (Surviving company)	Global Chemical Holdings, Inc. (Absorbed company)	Sojitz Chemical Corporation (Absorbed company)
(2) Principal business	General trading	Holding company	Chemicals trading
(3) Established	April 1, 2003	March 26, 2002	October 1, 2003
(4) Head office	1-20 Akasaka 6-chome, Minato-ku, Tokyo	4-30 Roppongi 1-chome, Minato-ku, Tokyo	4-30 Roppongi 1-chome, Minato-ku, Tokyo
(5) President & CEO	Akio Dobashi	Joji Suzuki	Michifumi Watanabe
(6) Capitalization	¥130,549 million	¥5,000 million	¥4,985.9 million
(7) Shares outstanding	Common Shares 404,208,888 Class I Preferred Shares 85,200,000 Class II Preferred Shares 26,300,000 Class III Preferred Shares 1,500,000 Class IV Preferred Shares 19,950,000 Class V Preferred Shares 12,875,000	Common Shares 199,800	Common Shares 464,613
(8) Shareholders' equity	¥426,949 million	¥10,673 million	¥18,514 million
(9) Total assets	¥2,521,679 million	¥44,735 million	¥102,167 million
(10) Fiscal year-end	March 31	March 31	March 31
(11) No. of employees	17,213	0	287
(12) Principal clients	As a general trader, principally engaged in trading of commodities, the Company has many clients in Japan and overseas	-	As a chemicals trader, the Company has many clients in Japan and overseas
(13) Major shareholders and ratios of shares held	[Common Shares] UBS AG London Asia Equities 6.57% Japan Trustee Services Bank, Ltd. 3.83% The Master Trust Bank of Japan, Ltd. 3.45% Morgan Stanley Japan Limited 2.75% Lehman Brothers Asia Capital Company 1.99%	Sojitz Corporation 100%	Global Chemical Holdings, Inc. 100%

(14) Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd. The Norinchukin Bank, Ltd. Resona Bank, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd. Resona Bank, Ltd.
(15) Relationship between parties	Equity	Sojitz owns 100% of GCH and SCC's shares	
	Personnel	The CEOs of GCH and SCC concurrently serve as corporate officers at Sojitz	
	Operations	Sojitz is the holding company for GCH and SCC	

* On October 1, 2005, Sojitz Holdings Corporation absorbed its operating company Sojitz Corporation. As the surviving company, Sojitz Holdings Corporation was renamed Sojitz Corporation.

(16) Consolidated operating results for the years ended March 31, 2004, 2005 and 2006

(¥ millions)

Fiscal year	Sojitz Corporation (former Sojitz Holdings Corporation) (Surviving company)		
	2004/03	2005/03	2006/03
Net sales	5,861,737	4,675,903	4,972,059
Operating income	59,948	65,521	76,202
Recurring profit	48,461	58,088	78,773
Net income (loss)	(33,609)	(412,475)	43,706
Net income (loss) per share(¥)	(172.52)	(1,876.48)	126.21
Dividend per share (¥)	-	-	-
Shareholders' equity per share (¥)	235.43	(1,440.26)	(368.95)

(17) Non-consolidated operating results for the years ended March 31, 2004, 2005 and 2006

(¥ millions)

Fiscal year	Sojitz Corporation (former Sojitz Holdings Corporation) (Surviving company) ¹		
	2004/03	2005/03	2006/03
Net sales	2,897	2,160	1,330.122
Operating income	647	545	2,616
Recurring profit	164	186	19,767
Net income (loss)	83	(563,141)	16,808
Net income (loss) per share(¥)	0.43	(2,561.51)	48.55
Dividend per share (¥)	-	-	-
Shareholders' equity per share (¥)	967.26	(1,439.89)	(330.61)

1. The former Sojitz Holdings Corporation was established on April 1, 2003 through the transfer of stock from Nichimen Corporation and Nissho Iwai Corporation.

(¥ millions)

	Global Chemical Holdings, Inc. (Absorbed company)		
Fiscal year	2004/03	2005/03	2006/03
Net sales	693	1,300	1,380
Operating income	666	1,281	1,367
Recurring profit (loss)	(27)	530	563
Net income	110	505	629
Net income per share(¥)	552.07	2,532.40	3,148.91
Dividend per share (¥)	-	-	274.05
Shareholders' equity per share (¥)	48,015.70	50,548.10	53,422.97

(¥ millions)

	Sojitz Chemical Corporation (Absorbed company)		
Fiscal year	2004/03	2005/03	2006/03
Net sales	117,191	214,611	237,844
Operating income	3,105	5,393	5,817
Recurring profit	2,634	4,698	5,119
Net income	1,430	2,758	2,975
Net income per share(¥)	6,019	5,936	6,403
Dividend per share (¥)	1,493	2,798	2,970
Shareholders' equity per share (¥)	28,430	32,698	39,849

4. Proposed Status After Merger

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|------------------------|---|
| (1) Company name | Sojitz Corporation |
| (2) Principal business | General trading |
| (3) Head office | 1-20 Akasaka 6-chome, Minato-ku, Tokyo |
| (4) President & CEO | Akio Dobashi |
| (5) Capitalization | ¥130,549 million |
| (6) Total assets | ¥2,521,679 million |
| (7) Fiscal year-end | March 31 |
| (8) Impact on results | GCH and SCC are consolidated subsidiaries of Sojitz. Consequently, the merger will have no effect on the composition of the Group or on forecasts for consolidated operating results because the merger is classified as a "transaction under common control" in accordance with the Accounting Standard for Business Combinations applied from April 2006. However, it is anticipated that a ¥10.0 billion loss on liquidation of investment will arise in connection with the merger just on the non-consolidated financial statements. This loss has been factored into forecasts of non-consolidated operating results announced today. |