

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 its wholly owned subsidiary, Sojitz Urban Development Corporation ("SUDC"). Details are as follows.

1. Purpose of Merger

The Sojitz Urban Development Dept. has been operating businesses including condominium sales in collaboration with SUDC.

Sojitz, however, has now decided to absorb SUDC to improve the efficiency of Sojitz Group management. At the same time, based on complete integration, the aim is to enhance operational efficiency and reduce costs 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	May 23, 2006
Signing of agreement	End of May, 2006
Date of merger	August 1, 2006
Registration of merger	Early August, 2006

(2) Merger method

Sojitz, the surviving company, will absorb SUDC, which will subsequently be dissolved.

(3) Merger ratio

Since SUDC is a wholly owned subsidiary of the Company, 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)	Sojitz Urban Development Corporation (Absorbed company)
(2) Principal business	General trading	Comprehensive real-estate business
(3) Established	April 1, 2003	May 25, 1965
(4) Head office	1-20 Akasaka 6-chome, Minato-ku, Tokyo	FORUM Akasaka, 19-4 Akasaka 2-chome, Minato-ku, Tokyo
(5) President & CEO	Akio Dobashi	Toshimasa Doi
(6) Capitalization	¥130,549 million	¥2,800 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 5,600,000
(8) Shareholders' equity	¥426,949 million	¥3,689 million
(9) Total assets	¥2,521,679 million	¥28,406 million
(10) Fiscal year-end	March 31	March 31
(11) No. of employees	17,213	34
(12) Principal clients	As a general trader, principally engaged in trading of commodities, the Company has many clients in Japan and overseas	General contractors such as Haseko Corporation, Maeda Corporation, Okumura Corporation; other customers
(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%
(14) Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd. The Norinchukin Bank Resona Bank, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Ltd. Mizuho Corporate Bank, Ltd.
(15) Relationship between parties	Equity	Sojitz owns 100% of SUDC's shares
	Personnel	Five executive directors of SUDC, including the president and vice-president, are former employees of Sojitz
	Operations	Sojitz is the holding company for SUDC

* 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)

Fiscal year	Sojitz Urban Development Corporation (Absorbed company)		
	2004/03	2005/03	2006/03
Net sales	24,275	27,404	49,656
Operating income	1,767	1,708	2,494
Recurring profit	1,407	1,058	2,264
Net income (loss)	773	(8,974)	885
Net income (loss) per share(¥)	138.05	(1,561.94)	84.75
Dividend per share (¥)	150	100	0
Shareholders' equity per share (¥)	1,015.76	487.95	353.16

4. Proposed Status After Merger

(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	SUDC is a consolidated subsidiary 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 ¥4.0 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 for non-consolidated operating results announced today.