

April 28, 2006

To whom it may concern

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Notice Regarding Reorganization of Capital Structure Through Eliminating Preferred Shares

Sojitz Corporation (herein after referred to as “ the Company”) announced that regarding ¥560.4 billion out of the remaining ¥576.0 billion of the outstanding preferred shares (as of April 28, 2006), it entered into the “Agreement Concerning the Acquisition of Preferred Shares” with all of the shareholders of the relevant preferred shares, where the entire amount of repurchase will be ¥342.9 billion (up to a maximum of ¥354.1 billion, depending on the time of repurchase). This aims at accelerating reorganization of its capital structure by repurchasing all the preferred shares issued by the Company, excluding First Series Class-I Preferred Shares (issue balance of ¥12.6 billion), eligible for conversion commencing May 14, 2006, and First Series Class-III Preferred Shares (issue balance of ¥3.0 billion), which have already become eligible for conversion.

In accordance with this repurchase, on April 28, 2006, the Board of Directors of the Company resolved to submit the following three proposals to the Ordinary General Shareholders' Meeting scheduled for June 27, 2006:

- 1) Establishment of authorized limits for acquisition of our own shares of First Series Class-II Preferred Shares and Second Series through Fourth Series Class-I Preferred Shares;
- 2) Amendment of the Articles of Incorporation to add acquisition clauses for First Series Class-IV and Class-V Preferred Shares and Second Series Class-V Preferred Shares; and
- 3) Reduction of stated capital and additional paid-in capital to secure adequate capital surplus necessary for the aforementioned repurchase.

This communication is not an offer to sell or a solicitation of any offer to buy the securities of Sojitz Corporation (the “Company”) in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an exemption from such registration requirement. If any public offering of securities is made in the United States, it will be by means of a prospectus that may be obtained from the Company or any selling security holder that will contain detailed information about the Company and management, as well as financial statements.

In addition, in relation to the aforementioned repurchase of the preferred shares, the Company has resolved to issue a total of ¥300.0 billion of 3rd Series and 4th Series Convertible Bonds (hereinafter referred to as “the CB”) by allocation to third parties.

This measure for eliminating the outstanding preferred shares aims at minimizing the decrease in shareholders’ equity and further expanding shareholders’ equity by repurchasing preferred shares in an amount corresponding to the amount of capital raised by the conversion of the CB. By minimizing overall the dilution arising from the future conversion of preferred shares to common stock, the Company is seeking to boost the value of Sojitz stock, and at the same time, by the aforementioned repurchase, the Company is seeking to reduce the burden of dividend payments to preferred shareholders and avoid the risk of future increases in the cost of repurchasing preferred shares. These will significantly contribute to the accumulation of shareholders’ equity during the course of the New Stage 2008 medium-term management plan announced on April 28, 2006.

The repurchase of preferred shares based on the “Agreement Concerning the Acquisition of Preferred Shares,” is subject to approval of the following proposals at the 3rd Ordinary General Shareholders’ Meeting, in addition to being subject to the issuance of convertible bonds:

- Amendment of the Articles of Incorporation to provide for an increase in the total number of authorized shares and the total number of authorized shares of the shares of common stock;
- Establishment of authorized limits for acquisition of our own shares;
- Amendment of the Articles of Incorporation to add acquisition clauses for preferred shares; and
- Reductions in stated capital and additional paid-in capital.

In connection with the above, please refer to the attached appendixes, “Summary of Agreement Concerning the Acquisition of Preferred Shares” and “Reduction of Stated Capital and Additional Paid-in Capital”.

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Summary of

“Agreement Concerning the Acquisition of Preferred Shares”

Shares to be acquired	Outstanding amount issued (Billions of yen)	Total acquisition amount (Billions of yen)	Acquisition price (% of outstanding amount)	Number of shares to be acquired (Thousands of shares)	Seller and number of shares held
2nd Series Class I	52.6	56.8	108%	26,300	(Same portion for all series and classes of preferred shares) (Billions of yen/each)
3rd Series Class I	52.6	55.8	106%	26,300	
4th Series Class I	52.6	54.7	104%	26,300	
1st Series Class II	52.6	53.6	102%	26,300	
1st Series Class IV	199.5	45.9	23%	19,950	
1st Series Class V	130.5	56.1	43%	10,875	Bank of Tokyo-Mitsubishi UFJ 37.0
2nd Series Class V	20.0	20.0	100%	2,000	Mizuho Corporate Bank 9.0
					Resona Bank 3.6
					Mitsubishi UFJ Trust and Banking Corporation 2.0
					Norinchukin Bank 1.0
Subtotal	560.4	342.9			Bank of Tokyo-Mitsubishi UFJ 199.5
					Bank of Tokyo-Mitsubishi UFJ 130.5
					Bank of Tokyo-Mitsubishi UFJ 10.0
					Mizuho Corporate Bank 10.0

※The acquisition price shall be raised uniformly by 2% for all preferred shares outstanding if acquired after October 2007, and pushing up the total acquisition amount to a maximum ¥354.1 billion.

Acquisition schedule: March 31, 2007, a day to be determined by the Company between April 1, 2007 and the day prior to the June 2007 Ordinary General Shareholders' Meeting, September 30, 2007 and March 31, 2008.

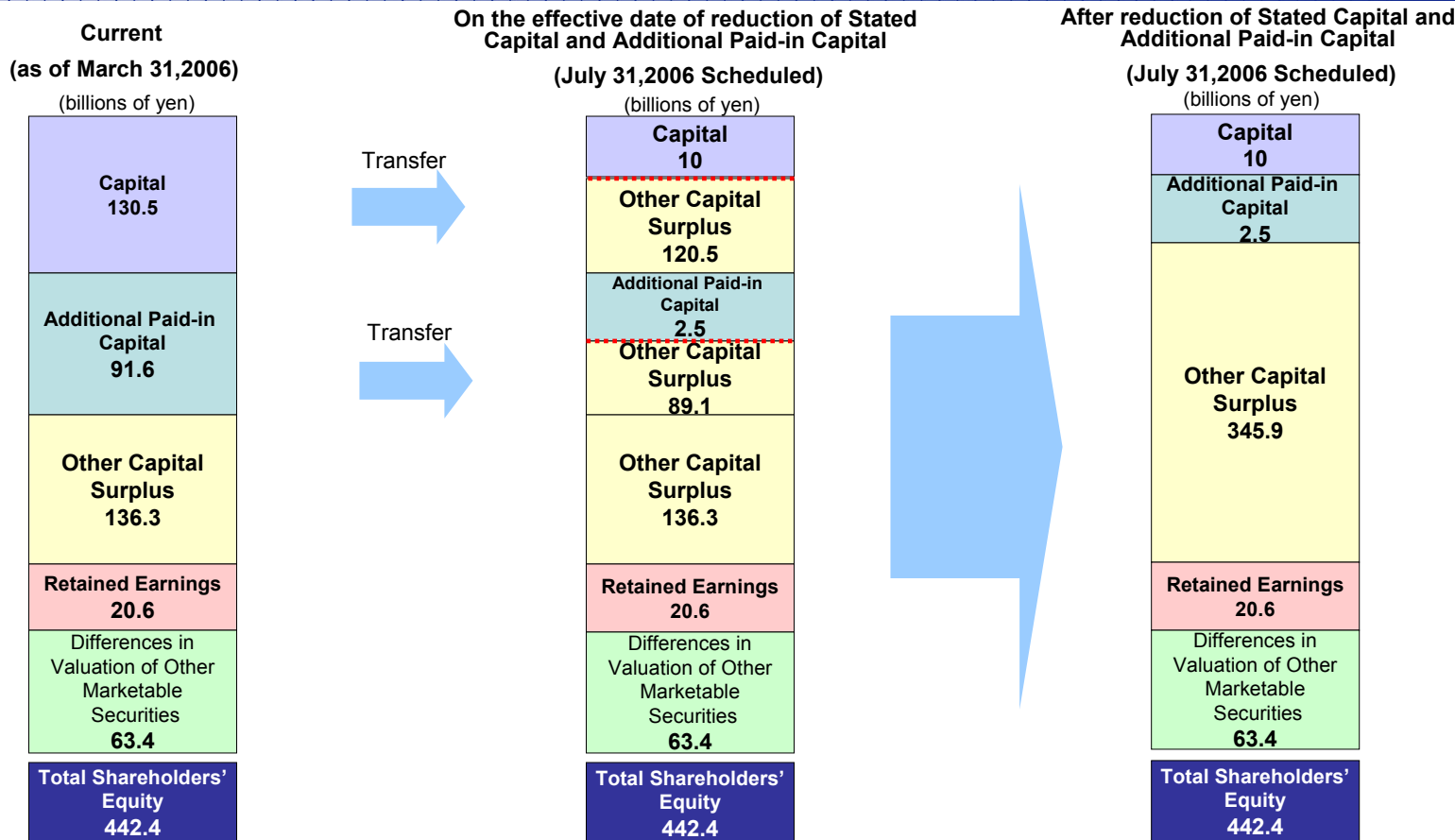
Total acquisition amount on each of the scheduled acquisition dates: To be determined by the Company based on the conversion amount of CBs in the period from the preceding acquisition date (if first acquisition, from the date of issue of convertible bonds) to the current acquisition date.

Acquisition order : 2nd Series Class I; 3rd Series Class I, 4th Series Class I; 1st Series Class II, 2nd Series Class V; 1st Series Class IV; 1st Series Class V
 Acquisition Method : Class I and Class II preferred shares: Based on Ordinary General Shareholders' Meeting approval for acquisition of our own shares.
 Class IV and Class V preferred shares: Acquisition clauses added to the Articles of Incorporation.

The above agreement is subject to issue of CBs and approval of the following proposals at the Ordinary General Shareholders' Meeting scheduled for June 27, 2006.

- Amendment of the Articles of Incorporation to provide for an increase in the total number of authorized shares and the total number of authorized sharers of the shares of common stock;
- Establishment of authorized limits for acquisition of our own shares;
- Amendment of the Articles of Incorporation to add acquisition clauses for preferred shares; and
- Reductions in stated capital and additional paid-in capital.

Reduction of Stated Capital and Additional Paid-in Capital



To secure adequate capital surplus legally required for repurchase of Preferred Shares,

1. 120.5 billions of yen of Stated Capital will be transferred to Other Capital Surplus, as a result of that, the amount of Stated Capital will reduce to be 10 billions of yen.
2. 89.1 billions of yen of Additional Paid-in Capital will be transferred Other Capital Surplus, as a result of that, the amount of Additional Paid-in Capital will reduce to be 2.5billions of yen.

The above reduction only transfer certain items within the “Capital” section on the balance sheet and do not immediately change the net asset amount of the Company, nor do they change the number of the outstanding shares. Therefore, net asset value per share does not change due to the proposed reduction.