

May 23, 2006

To whom it may concern

Company Name: Sojitz Corporation
President & CEO: Akio Dobashi
Securities Code: 2768 TSE/OSE 1st Section
Inquiries: Takashi Inada,
General Manager,
Public Relations Dept.
TEL: +81-3-5520-3404

Notice Regarding the Corporate Separation of Forest Products Business

At a meeting of the Board of Directors today, Sojitz Corporation decided to separate its forest products business and transfer it to subsidiary Sun Building Materials Corporation. Details are as follows:

1. Purpose of corporate separation

Aiming to enhance earnings by optimizing the Sojitz Group's entire business portfolio, Sojitz has adopted a policy of reorganizing and restructuring its forest products business, focused on wholly owned subsidiary Sun Building Materials Corporation ("Sun Building Materials"). In line with this policy, Sojitz decided to spin off and transfer its forest products business to Sun Building Materials on October 1, 2006.

2. Details of corporate separation

1) Method

Sojitz will spin off its forest products business and transfer it to Sun Building Materials. This method was selected because it will allow the smooth succession of rights and obligations.

2) Schedule

May 23, 2006	Resolution of the Board of Directors to approve the corporate separation agreement
May 23, 2006	Conclusion of the corporate separation agreement
October 1, 2006	Date of the corporate separation (planned)
October 2, 2006	Registration of the corporate separation (planned)

3) Share allocation

No shares will be allocated.

4) Amount of money delivered due to the corporate separation

None.

3. Profile of transferor and transferee (as of March 31, 2006)

(1) Company name	Sojitz Corporation (former Sojitz Holdings Corporation) (transferring company)	Sun Building Materials Corporation (transferee company)
(2) Business	General trading company	Trading company handling construction materials
(3) Established	April 1, 2003	April 2, 1982
(4) Head office	1-20, Akasaka 6 chome, Minato-ku, Tokyo	3-6, Kioi-cho, Chiyoda-ku, Tokyo
(5) Representative	Akio Dobashi, President	Masaru Ogawa, President
(6) Capitalization	¥130,549 million	¥1,039 million
(7) Number of shares issued	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 2,068,627
(8) Shareholders' equity	¥426,949 million	¥3,029 million
(9) Total assets	¥2,521,679 million	¥53,875 million
(10) Fiscal year-end	March 31	March 31
(11) Number of employees	17,213	245
(12) Principal clients	As a general trader, principally engaged in trading of commodities, 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%
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. Mizuho Corporate Bank, Ltd. The Norinchukin Bank, Ltd.
Relationship between parties	Equity	Sojitz owns 100% of Sun Building Material 's shares
	Personnel	Sojitz dispatches directors and corporate auditors to Sun Building Materials
	Operations	Sojitz is the holding company for Sun Building Materials

Note: On October 1, 2005, Sojitz Holdings Corporation absorbed its operating company Sojitz

Corporation. As the surviving company, Sojitz Holdings Corporation was renamed Sojitz Corporation.

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

(¥ millions)

Fiscal year	Sojitz Corporation (former Sojitz Holdings Corporation) (transferring 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)

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

(¥ millions)

Fiscal year	Sun Building Materials Corporation (transferee company)		
	2004/03	2005/03	2006/03
Net sales	166,443	169,859	155,097
Operating income	1,811	1,248	1,105
Recurring profit	1,650	929	750
Net income (loss)	697	487	465
Net income (loss) per share(¥)	444.88	308.34	225.03
Dividend per share (¥)	220	319	157
Shareholders' equity per share (¥)	1,720.46	1,282.21	1,464.68

4. Business to be separated

1) Major products handled in the forest products business

Various forest products, plywood, processed wood products

2) Business results for year ended March 31, 2006 for forest products business

(results are internal management figures)

Net sales Approximately ¥61.2 billion

Gross trading profit Approximately ¥ 1.8 billion

3) Assets & Liabilities to be separated (internal management figures) (as of March 31, 2006)

Assets	Book value	Liabilities	Book value
Current assets	¥2,200 million	Current liabilities	¥27 million
Fixed assets	¥111 million	Fixed liabilities	¥0 million
Total	¥2,311 million	Total	¥27 million

5. Status of Sojitz after corporate separation

1) Changes in company name, categories of business, registered address, representative, capitalization, and accounting period

None.

2) Changes in assets and business performance

Sojitz Corporation's assets will decrease by the same amount of those transferred to the transferee company, but there will be no impact on Sojitz's total consolidated assets.

6. Effect on earnings forecast

There is no change to Sojitz's forecast for consolidated business performance.