

October 16, 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

Subsidiary Nissho Electronics Revises Interim Forecasts

Sojitz Corporation today announced that its subsidiary Nissho Electronics Corporation (securities code: 9865) has revised its interim forecasts for the fiscal year ending March 31, 2007, which were announced on April 27, 2006. Details are provided in the attachment to this release.

Sojitz is currently finalizing consolidated business results for the first half of the fiscal year ending March 31, 2007. The revisions to Nissho Electronics' interim forecasts will have no impact on Sojitz's consolidated business forecasts.

(Attachment)

Nissho Electronics Corporation press release

October 16, 2006

To whom it may concern

Company Name: Nissho Electronics Corporation
President & CEO: Takao Tsuji
Securities Code: 9865 TSE 1st Section
Inquiries: Toshinobu Horie,
Executive officer and CFO
TEL: + 81 - 3 - 3544 - 3780

Nissho Electronics Announces Revisions to Interim Forecasts

Nissho Electronics Corporation today announced that it has revised its interim forecasts for the fiscal year ending March 31, 2007, in light of recent business performance. These forecasts were initially announced with earnings for the fiscal year ended March 31, 2006 on April 27, 2006. Details are as follows.

1. Revisions to Non-consolidated Interim Forecasts (April 1, 2006 – September 30, 2006)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Previous Forecasts: A	30,450	640	350
Revised Forecasts: B	27,200	740	440
Difference: B – A	-3,250	100	90
Difference (%)	-10.7	15.6	25.7
(Reference) First Half of Fiscal Year Ended March 31, 2006	26,972	328	404

2. Revisions to Consolidated Interim Forecasts (April 1, 2006 – September 30, 2006)

(Millions of yen)

	Net Sales	Recurring Profit	Net Income
Previous Forecasts: A	32,700	750	350
Revised Forecasts: B	29,300	570	280
Difference: B – A	-3,400	-180	-70
Difference (%)	-10.4	-24.0	-20.0
(Reference) First Half of Fiscal Year Ended March 31, 2006	28,819	226	228

3. Reasons for Revisions

(Revisions to Non-consolidated Interim Forecasts)

Nissho Electronics has downwardly revised its net sales forecast by 10.7% to ¥27,200 million, in light of business performance in the Solution/Service Business Sector and the Electronics Business Sector. In the former, although sales to telecommunications carriers grew steadily in line with initial forecasts, there was a drop in sales to certain SI companies. In the latter, sales of hard disc drives dropped sharply due to the impact of production cutbacks by makers of home electric appliances.

On the earnings front, despite the impact of falling sales on both the Solution/Service Business Sector and Electronics Business Sector, Nissho Electronics has upwardly revised its recurring profit forecast by 15.6% to ¥740 million and the net income forecast has also been upwardly revised to ¥440 million, 25.7% higher than initially projected. These revisions mainly reflect improved profitability due to a steady performance by maintenance services, and progress in downsizing operations with weak profitability and in reinforcing high value-added businesses. Reductions in selling, general and administrative (SG&A) expenses were another positive factor.

(Revisions to Consolidated Interim Forecasts)

Nissho Electronics has downwardly revised its consolidated sales forecast by 10.4% to ¥29,300 million, mainly due to the aforementioned factors affecting the non-consolidated interim forecasts. On the earnings front, the Company is now forecasting recurring profit of ¥570 million, 24.0% below initial forecasts. Nissho Electronics has also downwardly revised its net income forecast by 20.0% to ¥280 million. These revisions were made partly because a consolidated subsidiary has postponed a large project and new product launch to the second half of the fiscal year.

Nissho Electronics is currently finalizing full-year forecasts for the fiscal year ending March 31, 2007, which are due to be announced with interim earnings on October 30, 2006.