December 21, 2006

To whom it may concern

Company Name:	Sojitz Corporation
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Securities Code:	2768 TSE/OSE 1st Section
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Notice Regarding the Corporate Separation of Cosmetics Business

At a meeting of the Board of Directors today, Sojitz Corporation decided to separate and transfer its cosmetics business to Sojitz Cosmetics Corporation, a newly established wholly owned subsidiary. Details are as follows.

1. Purpose of Corporate Separation

This corporate separation, as part of a wider Group business restructuring program, is aimed at raising corporate value by strengthening Sojitz's brand development capabilities in the cosmetics business. The corporate separation is also intended to enhance earnings power and competitiveness by allowing the cosmetics business to respond more quickly to changes in the operating environment.

2. Outline of Corporate Separation

(1) Schedule

Board of Directors' meeting to approve separation agreement:
December 21, 2006
Date of separation (effective date) or new company registration date:
April 2, 2007 (scheduled)

Notes:

1. *In accordance with Article 805 of the Company Law, simplified procedures have been adopted to conduct this corporate separation whereby approval by the General Meeting of Shareholders is not required.*
2. *No share certificates will be issued.*

(2) Separation method

The cosmetics business will be separated and transferred to a new company, with Sojitz the transferor company and Sojitz Cosmetics Corporation the transferee company.

(3) Allocation of shares

The transferee company will issue 400 shares of common stock at the time of the corporate separation, with all the issued shares allocated to Sojitz.

(4) Decrease in capital etc. due to corporate separation

There will be no decrease in capital etc. in connection with this corporate separation.

(5) Treatment of stock options and bonds with stock options at transferor company

Sojitz issued convertible bonds with stock acquisition rights with a total face value of ¥300 billion in June 2006. There will be no change in the treatment of these convertible bonds in connection with this corporate separation.

(6) Rights and obligations transferred to transferee company

On the establishment of the transferee company, Sojitz will transfer assets, excluding trade notes and trade accounts receivable, liabilities, excluding trade notes payable, and positions on contracts associated with the cosmetics business.

As part of this corporate separation, employees involved in the cosmetics business will also be transferred by Sojitz to the transferee as seconded employees.

(7) Outlook for fulfillment of obligations

It has been confirmed that there are no obstacles to the fulfillment of obligations by either Sojitz or the transferee company.

3. Summary of Parties

(1) Company name	Sojitz Corporation (Transferor company) (As of September 30, 2006)	Sojitz Cosmetics Corporation (Transferee company) (Scheduled from April 2, 2007)
(2) Principal business	General trading	Planning, development and sales of cosmetics products
(3) Established	April 1, 2003	April 2, 2007
(4) Head office	1-20 Akasaka 6-chome, Minato-ku, Tokyo	Chuo-ku, Tokyo
(5) President & CEO	Akio Dobashi	Mitsuo Muto
(6) Capitalization	¥60,127 million	¥200 million
(7) Shares outstanding	723,884,891	400
(8) Net assets	¥584,759 million	¥400 million (scheduled)
(9) Total assets	¥2,685,271 million	¥1,506 million (scheduled)
(10) Fiscal year-end	March 31	March 31
(11) No. of employees	18,218	80
(12) Principal clients	—	—
(13)Major shareholders and ratios of shares held	Japan Trustee Services Bank, Ltd. 7.07% The Master Trust Bank of Japan, Ltd. 4.40% Japan Securities Finance Co., Ltd. 3.67%	Sojitz Corporation 100%
(14) Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd.	TBD
(15)Relationship between parties	Equity	Sojitz owns 100% of the transferee company’s shares
	Personnel	Sojitz executives seconded to the transferee company
	Operations	No particular area of note

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

(Millions of yen)

	Sojitz Corporation (Transferor company)		
Fiscal year	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
Shareholders' equity per share (¥)	235.43	(1,440.26)	(368.95)

4. Overview of Business to Be Separated

(1) Type of business

Planning, development and sales of cosmetics products

(2) Cosmetics business operating results for the fiscal year ended March 31, 2006

(Millions of yen)

	Cosmetics business (a)	Sojitz Corporation operating results (b)	Ratio (a/b)
Net sales	5,717	4,972,059	0.11%
Gross trading profit	1,016	242,166	0.42%
Operating income	371	76,202	0.49%
Recurring profit	340	78,773	0.43%

(3) Assets, liabilities and their cash amounts to be transferred (as of September 30, 2006)

Sojitz Corporation (transferor company)

(Millions of yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets excluding trade notes and trade accounts receivable	1,500	Current liabilities excluding trade notes payable	747
Non-current assets	6	Non-current liabilities	1
Total	1,506	Total	748

5. Sojitz After Corporate Separation

(1) No change to company name, principal business activities, location of head office, President & CEO or fiscal year-end. There will be no decrease in capital as a result of this corporate separation.

(2) The corporate separation will have only a negligible impact on total assets.

(3) Overview of accounting treatment

Since the transferee company will be a wholly owned subsidiary of Sojitz, the assets and liabilities of Sojitz that are transferred to it as part of this corporate separation will be recorded at the proper book value of those assets and liabilities on Sojitz's consolidated balance sheet.

(4) Outlook for impact of corporate separation on operating results

The impact of the corporate separation on Sojitz's forecasts for consolidated and nonconsolidated operating results will be negligible. Moreover, there will be no impact on consolidated performance.