

May 18, 2007

To whom it may concern

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Notice Regarding Repurchase and Cancellation of Preferred Shares

At a meeting of the Board of Directors today, Sojitz Corporation determined the details, as shown below, regarding the second stage of the repurchase and cancellation of preferred shares on June 22, 2007 in accordance with the agreement concluded with shareholders of the relevant preferred shares.

As previously announced on April 28, 2006, Sojitz Corporation has concluded an "Agreement Concerning the Acquisition of Preferred Shares" with all of the shareholders of the relevant preferred shares. This move was intended to accelerate reorganization of the Company's capital structure by eliminating the majority of all outstanding preferred shares. Furthermore, in order to reinforce shareholders' equity after the repurchase and cancellation of these preferred shares, the Company issued a 3rd series and 4th series of convertible bonds with stock acquisition rights (henceforth, "convertible bonds") totaling ¥300.0 billion on May 25, 2006. The total repurchase amount on June 22, 2007 has now been determined based on the amount of capital raised from the conversion of the convertible bond issue at this point.

Of the relevant outstanding preferred shares of ¥560.4 billion, the total amount of repurchase and cancellation will be ¥451.5 billion (the total repurchase amount is ¥296.093 billion), inclusive of the amount in the first stage of the repurchase and cancellation of preferred shares on March 30, 2007.

- (1) Preferred share repurchase and cancellation date: June 22, 2007
- (2) Details of shares to be repurchased and cancelled:

Class of share	Repurchase amount (¥ billion)	Total repurchase amount (¥ billion) (% of issue price)	Seller and number of shares held (% of issued shares)
1st Series Class IV	199.5	45.885 (23.0)	Bank of Tokyo-Mitsubishi UFJ: 19,950,000 (100.0)
1st Series Class V	21.6	9.288 (43.0)	Bank of Tokyo-Mitsubishi UFJ: 1,800,000 (16.6)
Total	221.1	55.173	

(3) Next scheduled repurchase of preferred shares: September 28, 2007

(Reference) Progress in accelerating reorganization of the Company's capital structure by eliminating the majority of all outstanding preferred shares, as announced on April 28, 2006

● Details of share repurchase and cancellation:

Date of repurchase and cancellation	Class of share	Outstanding amount issued (¥ billion)	Total repurchase amount (¥ billion) (% of issue price)	Number of shares to be repurchased (% of issued shares)	Seller and number of shares held
March 30, 2007	2 nd Series Class I	52.6	56.808 (108.0)	26,300,000 (100.0)	(Holding for all series and classes of preferred shares) Bank of Tokyo-Mitsubishi UFJ: 18,500,000 Mizuho Corporate Bank: 4,500,000 Resona Bank: 1,800,000 Mitsubishi UFJ Trust and Banking: 1,000,000 Norinchukin Bank: 500,000
	3 rd Series Class I	52.6	55.756 (106.0)	26,300,000 (100.0)	
	4 th Series Class I	52.6	54.704 (104.0)	26,300,000 (100.0)	
	1 st Series Class II	52.6	53.652 (102.0)	26,300,000 (100.0)	
	2 nd Series Class V	20.0	20.0 (100.0)	2,000,000 (100.0)	
	Sub total	230.4	240.920		
June 22, 2007 (As determined on May 18, 2007)	1st Series Class IV	199.5	45.885 (23.0)	19,950,000 (100.0)	Bank of Tokyo-Mitsubishi UFJ: 19,950,000
	1st Series Class V	21.6	9.288 (43.0)	1,800,000 (16.6)	Bank of Tokyo-Mitsubishi UFJ: 1,800,000
	Sub total	221.1	55.173		
	Grand total	451.5	296.093		

- Summary of outstanding preferred shares after the repurchase and cancellation of preferred shares are implemented on June 22, 2007

Class of share	Shareholder	Issue amount (¥ billion)	Predetermined repurchase amount (¥ billion) (% of issue price)	Conversion price	Conversion period
1 st Series Class III	Lehman Brothers Asia Capital Company: Lehman Brothers Commercial Corporation Asia Ltd.:	2.0 1.0	(*1)	¥476	May 14, 2004 ~ May 13, 2013
1 st Series Class V	Bank of Tokyo-Mitsubishi UFJ	108.9	46.827 (43.0) (*2)	Undetermined	October 29, 2019~
Total		111.9	46.827		

*1. 1st Series Class III preferred shares are not covered by the “Agreement Concerning the Acquisition of Preferred Shares.”

*2 If repurchased after October 2007, the repurchase price per share shall be increased by an amount equivalent to 2% of the issue price. Assuming all the above preferred shares are repurchased after October 2007, the total repurchase amount shall be ¥49.0 billion.