

October 15, 2007

To whom it may concern

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Securities Code: 2768 TSE/OSE 1st Section
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Sojitz Subsidiary Nissho Electronics Corporation 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, 2008, which were announced on April 26, 2007. 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, 2008. The revisions to Nissho Electronics' interim forecasts will have no impact on Sojitz's consolidated business results.

Attachment:

Nissho Electronics Corporation press release

October 15, 2007

To whom it may concern

Company Name: Nissho Electronics Corporation
President & CEO: Takao Tsuji
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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, 2008, in light of recent business performance. These forecasts were initially announced with earnings for the fiscal year ended March 31, 2007, on April 26, 2007. Details are as follows.

1. Revisions to Interim Forecasts (April 1, 2007 – September 30, 2007)

(1) Revisions to consolidated interim forecasts

(Millions of yen)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecasts: A	30,000	750	800	450
Revised Forecasts: B	25,300	610	610	480
Difference: B – A	– 4,700	– 140	– 190	30
Difference (%)	– 15.7	– 18.7	– 23.8	6.7
(Reference) First Half of Fiscal Year Ended March 31, 2007	29,353	467	576	283

(2) Revisions to Non-consolidated interim forecasts

(Millions of yen)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecasts: A	28,000	750	800	470
Revised Forecasts: B	22,600	810	910	790
Difference: B – A	– 5,400	60	110	320
Difference (%)	– 19.3	8.0	13.8	68.1
(Reference) First Half of Fiscal Year Ended March 31, 2007	27,231	646	745	446

2. Reasons for Revisions

(Revisions to Consolidated Interim Forecasts)

Nissho Electronics has downwardly revised its net sales forecast by 15.7% to ¥25,300 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 were steady, the enterprise business, which comprises equipment sales and maintenance services for enterprises, was weak due to a decline in the sales of system solutions associated with building IT infrastructure. In the latter, competition intensified in the CPU business and sales of hard disc drives to PC makers and volume retailers dropped.

On the earnings front, the profit rate continued to improve due to firm maintenance service profits, the Company's ongoing shift to a high-return structure by strengthening high-value-added businesses, and efforts to further improve business efficiency. However, the impact of the drop in net sales and weak business results of some consolidated subsidiaries has taken its toll, with the Company now projecting operating income of ¥610 million, a drop of 18.7% compared to the previous forecast, and recurring profit of ¥610 million, a drop of 23.8% compared to the previous forecast. Meanwhile, the Company has raised its forecast for net income by 6.7% to ¥480 million. This reflects a reduction in deferred taxes of ¥480 million due mainly to the sale of the Gotenba Training and Recreation Facility, for which the Company applied asset impairment accounting at the end of the previous fiscal year. The deferred tax reduction offsets an extraordinary loss of ¥670 million due mainly to a loss on devaluation of marketable securities for investment.

(Revisions to Non-consolidated Interim Forecasts)

Nissho Electronics has downwardly revised its non-consolidated net sales forecast by 19.3% to ¥22,600 million, mainly due to the aforementioned factors affecting the consolidated interim forecasts.

On the earnings front, the profit rate continued to improve due to firm maintenance service profits despite the impact of the drop in net sales. Other factors contributing to profitability were the Company's ongoing shift to a high-return structure by strengthening high-value-added businesses, and efforts to further improve business efficiency. As a result, the Company is now projecting operating income of ¥810 million, a rise of 8.0% compared to the previous forecast, and recurring profit of ¥910 million, a rise of 13.8% compared to the previous forecast. Meanwhile, the Company has raised its forecast for net income substantially by 68.1% to ¥790 million. This reflects a reduction in deferred taxes of ¥440 million due mainly to the sale of the Gotenba Training and Recreation Facility, for which the Company applied asset impairment accounting at the end of the previous fiscal year. The deferred tax reduction offsets an extraordinary loss of ¥600 million due mainly to a loss on devaluation of marketable securities for investment.

Nissho Electronics is currently finalizing full-year forecasts for the fiscal year ending March 31, 2008, which are due to be announced with interim earnings on October 26, 2007.

* The above forecasts are based on information available as of the date of the announcement. Actual results may vary depending on a range of future factors.