

October 26, 2007

To whom it may concern

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

**Sojitz Subsidiary Nissho Electronics Revises Full-year Forecasts**

Sojitz Corporation today announced that its subsidiary Nissho Electronics Corporation (securities code: 9865) has revised its Full-year 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.

The revisions to Nissho Electronics' Full-year forecasts will have no impact on Sojitz's consolidated business forecasts.

Attachment:

Nissho Electronics Corporation press release

October 26, 2007

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 Full-year Forecasts for fiscal 2007**

Nissho Electronics Corporation today announced that it has revised its full-year forecasts for the fiscal year ending March 31, 2008, in light of recent business performance. These forecasts were initially announced with results for the fiscal year ended March 31, 2007, on April 26, 2007. Details are as follows.

#### **1. Revisions to full year Forecasts (April 1, 2007 – March 31, 2008)**

##### (1) Revisions to consolidated Full-year forecasts

(Millions of yen)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecasts: A	68,000	3,000	3,200	1,800
Revised Forecasts: B	58,000	2,800	3,000	1,700
Difference: B – A	– 10,000	– 200	– 200	-100
Difference (%)	– 14.7	– 6.7	– 6.3	-5.6
(Reference) Fiscal Year Ended March 31, 2007	62,142	2,223	2,030	3,451

(2) Revisions to Non-consolidated Full-year forecasts

(Millions of yen)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecasts: A	63,000	2,900	3,000	1,700
Revised Forecasts: B	53,000	2,900	3,000	1,900
Difference: B – A	– 10,000	-	-	200
Difference (%)	– 15.9	-	-	11.8
(Reference) Fiscal Year Ended March 31, 2007	57,225	2,012	2,144	3,346

## 2. Reasons for Revisions

(Revisions to Consolidated Full-year Forecasts)

Nissho Electronics has downwardly revised its net sales forecast for the fiscal year ending March 31, 2008 by 14.7% to ¥58,000 million, in light of business performance in the Solution/Service Business Sector and the Electronics Business Sector. In the former sector, although full-year sales to telecommunications carriers are projected to be steady, sales in the enterprise business are projected to fall short of the initial full-year forecast. This is mainly due to intensifying competition, despite a focus on sales of system solutions associated with building IT infrastructure. In the latter sector as well, full-year sales are projected to fall substantially short of the initial forecast. Sales of hard disc drives to major electronics makers, PC makers and volume retailers are continuing to drop, reflecting falling demand for replacement purchases of PCs and the impact of changes in sales policies by vendors. Furthermore, there are concerns about a worldwide supply deficiency from the second half of the year.

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 in the first half of the fiscal year has taken its toll, with the Company now projecting operating income of ¥2,800 million, a drop of 6.7% compared to the previous forecast, and recurring profit of ¥3,000 million, a drop of 6.3% compared to the previous forecast. At the same time, the Company has lowered its forecast for net income by 5.6% to ¥1,700 million.

(Revisions to Non-consolidated Full-year Forecasts)

Nissho Electronics has downwardly revised its non-consolidated full-year net sales forecast by 15.9% to ¥53,000 million, mainly due to the aforementioned factors affecting the consolidated full-year 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 still projecting operating income of ¥2,900 million and recurring profit of ¥3,000 million, both figures in line with the previous forecast. Meanwhile, the Company has raised its forecast for net income by 11.8% to ¥1,900 million.

\* 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.