

## Summary of Consolidated Financial Results

January 30, 2006

for the third quarter ended December 31, 2005

### Sojitz Corporation

(URL <http://www.sojitz.com>)

Listed stock exchange : The first sections of Tokyo and Osaka  
 Headquarters : Tokyo  
 Securities Code : 2768  
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#### 1. Items regarding Preparation for the Summary of Quarterly Results

- (1) Use of simplified accounting procedure : None  
 (2) Change in accounting policies from the latest consolidated fiscal year : Yes

For the period under review, the Company introduced accounting standards for the impairment of fixed assets presented in the "Accounting Standard for Impairment of Fixed Assets" issued on August 9, 2002 by the Business Accounting Council in Japan and "Guidance for Accounting Standard for Impairment of Fixed Assets" (Financial Accounting Standards Implementation Guidance No. 6) issued on October 31, 2003.

Sojitz has reclassified its industry segments from the fiscal year under review in accordance with efforts to streamline the Group's management framework and to better achieve the objectives identified in the New Business Plan through an accelerated decision-making process.

- (3) Change in number of consolidated subsidiaries and affiliated companies accounted for the equity method : Yes

	Dec 31, 2005	Sep 30, 2005	Mar 31, 2005
Consolidated subsidiaries	321	324	329
Unconsolidated subsidiaries (accounted for by the equity method)	9	10	10
Unconsolidated affiliates (accounted for by the equity method)	183	182	178

- (4) Figures for the nine-month periods ended December 31, 2005 and 2004 have not been audited by independent auditors.

#### 2. Consolidated Financial Results for the Nine-Month Periods Ended December 31, 2005 and 2004

- (1) Operating Results (Consolidated) (Rounded down to millions of Japanese Yen)

	Net Sales		Operating Income		Recurring Profit		Net Income(Loss)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the nine-month periods ended								
December 31, 2005	3,686,676	8.2	59,358	18.7	63,867	55.1	36,797	-
December 31, 2004	3,408,563	(22.7)	49,986	10.7	41,176	27.9	(238,957)	-
(Ref) FY 2004	4,675,903		65,521		58,088		(412,475)	

	EPS	Adjusted EPS
	Yen	Yen
For the nine-month periods ended		
December 31, 2005	112.44	99.93
December 31, 2004	(1,107.72)	-
(Ref) FY 2004	(1,876.48)	-

Note: Percentages shown for net sales, operating income, recurring profit and net income are the rates of increase or decrease from the previous corresponding period.

- (2) Financial Position (Consolidated)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	BPS
	Millions of Yen	Millions of Yen	%	Yen
As of				
December 31, 2005	2,528,536	433,998	17.2	(450.51)
December 31, 2004	2,717,804	436,538	16.1	(867.48)
March 31, 2005	2,448,478	280,241	11.4	(1,440.26)

#### Descriptive Analysis of Consolidated Financial Results:

In the third quarter (nine-month period), net sales increased 278.1 billion yen compared with the corresponding period of the previous fiscal year to 3,686.7 billion yen, owing to the increase in revenues and earnings in Energy & Mineral Resources and Machinery & Aerospace. Gross trading profit totaled 180.8 billion yen, an overall increase of 1.8 billion yen despite the decrease reflecting sale of consolidated subsidiary. Operating income climbed 9.4 billion yen year on year to 59.4 billion yen buoyed by 7.6 billion yen decrease to 121.4 billion yen in Selling, General and Administrative Expenses mainly affected by the sale of consolidated subsidiary. Recurring profit surged 22.7 billion yen year on year to 63.9 billion yen. This result is attributed to the increase in equity in earnings of unconsolidated subsidiaries and affiliates reflecting their strong performance and the decrease in interest-bearing debt and subsequent improvement in the balance between interest income and expense. After recording a net extraordinary loss of 5.5 billion yen and accounting for income taxes, net income totaled 36.8 billion yen.

#### 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 2006 (April 1, 2005-March 31, 2006):

Buoyed by a strong performance throughout the nine-month period due mainly to robust demand in Energy & Mineral Resources and Machinery & Aerospace as well as gains in equity in earnings of unconsolidated subsidiaries and affiliates and an improvement in the balance between interest income and expense, consolidated earnings forecast for the fiscal year ending March 31, 2006 have been revised upward as follows.

	Net Sales	Recurring Profit	Net Income
For the fiscal year ending	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2006	4,900,000	77,000	41,500

Reference: EPS (projection): JPY 119.75

The aforementioned forecasts are based on certain assumptions that the Company has deemed relevant and appropriate as of the date of publication. Actual results may differ substantially from these forecasts due to a variety of important factors.

**Consolidated Statements of Income**  
for the Nine-Month Periods Ended December 31, 2005 and 2004

Millions of yen

	Nine-month period (Apr.1, 2005 - Dec.31, 2005)	Six-month period (Apr.1, 2005 - Sep.30, 2005)	Three-month period (Oct.1, 2005 - Dec.31, 2005)	Nine-month period (Apr.1, 2004 - Dec.31, 2004)	Increase/(Decrease)	
					Amount	Percentage
<b>Net sales</b>	3,686,676	2,354,027	1,332,649	3,408,563	278,113	8.16
Cost of sales	(3,505,913)	(2,235,356)	(1,270,556)	(3,229,540)	(276,373)	8.56
<b>Gross trading profit</b>	180,763	118,670	62,092	179,023	1,740	0.97
<b>Selling, general and administrative expenses</b>	(121,405)	(80,771)	(40,633)	(129,036)	7,631	(5.91)
<b>Operating income</b>	59,358	37,899	21,458	49,986	9,372	18.75
Interest income	9,534	6,305	3,229	12,768	(3,234)	(25.33)
Dividends	5,285	4,427	857	2,294	2,991	130.38
Equity in earnings of unconsolidated subsidiaries and affiliates	16,794	11,911	4,883	9,541	7,253	76.02
Other income	14,733	11,841	2,892	10,898	3,835	35.19
<b>Non-operating income</b>	46,348	34,485	11,863	35,502	10,846	30.55
Interest expense	(28,589)	(18,514)	(10,074)	(34,721)	6,132	(17.66)
Interest expense on commercial papers	(1,492)	(1,292)	(199)	(2,021)	529	(26.18)
Other expense	(11,757)	(9,954)	(1,803)	(7,570)	(4,187)	55.31
<b>Non-operating expense</b>	(41,839)	(29,761)	(12,077)	(44,313)	2,474	(5.58)
<b>Recurring profit</b>	63,867	42,622	21,244	41,176	22,691	55.11
Extraordinary income (loss)	(5,428)	(2,121)	(3,307)	(255,516)	250,088	(97.88)
<b>Income (loss) before income taxes and minority interests</b>	58,439	40,501	17,937	(214,340)	272,779	-
Income taxes; Current	(14,245)	(9,786)	(4,459)	(7,111)	(7,134)	100.32
Deferred	(5,182)	(3,129)	(2,053)	(14,827)	9,645	(65.05)
Minority interests	(2,213)	(1,678)	(534)	(2,678)	465	(17.36)
<b>Net income (loss)</b>	36,797	25,908	10,889	(238,957)	275,754	-

## Consolidated Balance Sheets

As of December 31, 2005 and March 31, 2005

<b>Assets</b>	December 31, 2005	March 31, 2005	Millions of yen Increase/ (Decrease)
<b>Current assets;</b>			
Cash and deposits	449,623	426,082	23,541
Trade notes and trade accounts receivable	685,007	618,086	66,921
Securities	8,562	7,150	1,412
Inventories	201,974	194,694	7,280
Short-term loans receivable	29,996	41,000	(11,004)
Deferred tax assets-current	6,661	7,482	(821)
Other current assets	131,403	139,590	(8,187)
Allowance for doubtful receivables	(14,405)	(10,957)	(3,448)
<b>Total current assets</b>	<b>1,498,823</b>	<b>1,423,129</b>	<b>75,694</b>
<b>Fixed assets;</b>			
<u>Tangible assets</u>	<u>251,662</u>	<u>246,652</u>	<u>5,010</u>
<u>Intangible assets:</u>	<u>100,969</u>	<u>103,850</u>	<u>(2,881)</u>
Goodwill	77,440	79,989	(2,549)
Other intangible assets	23,529	23,860	(331)
 <u>Investments and other fixed assets:</u>	 <u>675,907</u>	 <u>673,924</u>	 <u>1,983</u>
Investment securities	460,864	409,307	51,557
Long-term loans receivable	79,815	102,142	(22,327)
Non-performing receivables	221,865	286,934	(65,069)
Deferred tax assets-non-current	34,145	57,170	(23,025)
Deferred tax assets-revaluation	-	881	(881)
Others	59,828	54,820	5,008
Allowance for doubtful receivables	(180,611)	(237,332)	56,721
 <b>Total fixed assets</b>	 <b>1,028,539</b>	 <b>1,024,427</b>	 <b>4,112</b>
 <b>Deferred assets</b>	 <b>1,173</b>	 <b>921</b>	 <b>252</b>
 <b>Total assets</b>	 <b>2,528,536</b>	 <b>2,448,478</b>	 <b>80,058</b>

## Consolidated Balance Sheets

As of December 31, 2005 and March 31, 2005

### Liabilities, Minority Interests and Shareholders' Equity

Millions of yen

	December 31, 2005	March 31, 2005	Increase/ (Decrease)
<b>Liabilities</b>			
<b>Current liabilities;</b>			
Trade notes and trade accounts payable	512,106	472,513	39,593
Short-term loans payable	576,701	764,218	(187,517)
Commercial paper	37,000	139,200	(102,200)
Current portion of long-term loans payable	301,886	211,932	89,954
Income taxes payable	10,570	7,644	2,926
Deferred tax liabilities-current	755	422	333
Allowance for employees' bonus	3,378	4,234	(856)
Other current liabilities	131,055	154,515	(23,460)
<b>Total current liabilities</b>	<b>1,573,455</b>	<b>1,754,681</b>	<b>(181,226)</b>
<b>Non-current liabilities;</b>			
Bonds, less current portion	78,980	16,048	62,932
Long-term loans payable	337,207	296,927	40,280
Deferred tax liabilities -non-current	9,150	7,544	1,606
Deferred tax liabilities -revaluation	479	-	479
Allowance for retirement benefits	26,448	29,046	(2,598)
Other non-current liabilities	31,524	30,639	885
<b>Total non-current liabilities</b>	<b>483,790</b>	<b>380,206</b>	<b>103,584</b>
<b>Total liabilities</b>	<b>2,057,245</b>	<b>2,134,887</b>	<b>(77,642)</b>
<b>Minority interests</b>	<b>37,293</b>	<b>33,349</b>	<b>3,944</b>
<b>Shareholders' equity;</b>			
Common and preferred stock	130,549	336,122	(205,573)
Capital surplus	210,754	487,686	(276,932)
Retained earnings (accumulated deficit)	85,585	(492,048)	577,633
Land revaluation difference	(2,569)	(4,869)	2,300
Net unrealized gains on available-for-sale securities	71,910	32,629	39,281
Foreign currency translation adjustments	(62,123)	(79,193)	17,070
Treasury stock	(107)	(86)	(21)
<b>Total shareholders' equity</b>	<b>433,998</b>	<b>280,241</b>	<b>153,757</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,528,536</b>	<b>2,448,478</b>	<b>80,058</b>

## Segment Information

for the Nine-Month Periods Ended December 31, 2005 and 2004

### Industry Segments

Industry segment information for the nine-month period ended December 31, 2005 is as follows:

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	685,078	909,102	486,302	302,220	660,104
Inter-segment	9,944	5,364	32,385	2,072	9,186
Total	695,023	914,467	518,687	304,293	669,290
Operating expense	683,178	901,938	504,134	296,268	662,874
Operating income	11,844	12,528	14,553	8,024	6,416
Total assets	325,334	479,541	390,432	242,968	306,551

	Overseas Subsidiaries	Other	Total	Elimination and Unallocated	Consolidated
Net sales					
Outside customers	562,008	81,859	3,686,676	-	3,686,676
Inter-segment	240,103	17,325	316,381	(316,381)	-
Total	802,111	99,185	4,003,058	(316,381)	3,686,676
Operating expense	797,845	97,688	3,943,928	(316,610)	3,627,318
Operating income	4,266	1,496	59,130	228	59,358
Total assets	453,162	167,475	2,365,466	163,069	2,528,536

Notes:

1. Unallocated costs and expenses included in "Elimination and Unallocated" totaled 3,305 millions of yen and comprised mainly administrative group expenses applicable to the Company and former Sojitz Corporation.
2. Company assets included in "Elimination and Unallocated" totaled 381,537 millions of yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company.
3. Comments relating to changes in the classification of industry segments are provided as follows.

In accordance with efforts to streamline the Group's management structure and to better achieve the objectives identified in the New Business Plan through an accelerated decision-making process, Sojitz has reclassified its industry segments from the fiscal year under review as follows. Segment information for the previous fiscal year has been restated in accordance with the revised segment classification for comparative purposes.

The previous independent industry segments of Construction & Urban Development and Forest Products & Building Materials have been integrated to form the Real Estate Development & Forest Products segment.

The previous independent industry segments of Textiles, Foods, and General Commodities & Consumer Business have been integrated to form the Consumer Lifestyle Business segment.

Certain steel-related operations previously included in the Other segment have been included in the Energy & Mineral Resources segment.

## Segment Information

for the Nine-Month Periods Ended December 31, 2005 and 2004

### Industry Segments (Continued)

Industry segment information for the nine-month period ended December 31, 2004 was as follows:

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	653,667	770,170	452,695	326,657	599,250
Inter-segment	11,306	34,339	22,780	2,297	14,194
Total	664,974	804,509	475,475	328,955	613,445
Operating expense	656,482	797,360	462,204	322,033	604,371
Operating income	8,491	7,149	13,271	6,921	9,074
Total assets	326,470	428,164	355,287	276,409	279,226

	Overseas Subsidiaries	Other	Total	Elimination and Unallocated	Consolidated
Net sales					
Outside customers	517,607	88,514	3,408,563	-	3,408,563
Inter-segment	207,849	8,848	301,617	(301,617)	-
Total	725,457	97,363	3,710,181	(301,617)	3,408,563
Operating expense	723,020	94,399	3,659,871	(301,294)	3,358,576
Operating income	2,436	2,963	50,309	(322)	49,986
Total assets	474,874	165,939	2,306,373	142,104	2,448,478

Notes:

1. Unallocated costs and expenses included in "Elimination and Unallocated" totaled 3,211 millions of yen and comprised mainly administrative group expenses applicable to former Sojitz Corporation.
2. Company assets included in "Elimination and Unallocated" totaled 433,492 millions of yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company and former Sojitz Corporation.