Highlights of Consolidated Financial Results for the Year Ended March 31, 2006

April 28, 2006

Sojitz Corporation
(Former Sojitz Holdings Corporation)

Results Highlights for the Year Ended March 31, 2006

Sojitz achieved the targets in its current New Business Plan (ending March 31, 2007) one year early in the second year of the plan, fiscal 2005 ended March 31, 2006.

Recurring Profit: 75.0 billion yen (plan), 78.8 billion yen (result)
Net DER: approximately 3 times (plan), 2 times (result)

◆ Recurring profit grew steadily, exceeding full-year forecasts

FY2005 Result: 78.8 billion yen
Exceeded the full-year forecast, which was raised in January to 77.0 billion yen, by 1.8 billion yen
Beat previous year's figure of 58.1 billion yen by 20.7 billion yen, an increase of 36%

◆ Steady progress in improving the quality of shareholders' equity and reinforcing the financial position

Repurchased and cancelled 40 billion yen (issue price) of preferred stock totaling 44.0 billion yen in fiscal 2005

Enhanced funding stability by procuring long-term debt, diversifying funding methods including bond issues
－Issued straight bonds worth 95.0 billion yen
－Signed syndicated loan contracts worth 148.1 billion

Formulated New Stage 2008, a new medium-term management plan starting in fiscal 2006

[Final year targets (fiscal 2008)]
Net income: 60 billion yen
(Recurring profit: 100 billion yen)
Shareholders' equity: 500 billion yen

◆Growth Strategies
Move to a stage of sustained growth by leveraging Company's strengths to expand functions and business investment

◆Capital and Financial Strategies
Speed-up reorganization of financial structure by clearing up preferred stock issue, stabilize the funding structure
－Entered into agreement to repurchase preferred stock totaling 560.4 billion yen (issue price) for 342.9 billion yen - 354.1 billion yen (maximum)
－Procure funds from external sources through 300.0 billion yen convertible bond issue

◆Risk Management
Strengthen and enhance the Group risk management structure to improve the portfolio structure

<Forecasts for fiscal 2006, ending March 31, 2007>

Net sales: 5,200 billion yen
Recurring profit: 83 billion yen
Net income: 49 billion yen

(Based on:)
・Exchange rate (US$/US&) = 110
・Crude oil price (US$/BBL Brent Crude) = 50

Consolidated Statements of Income

(Unit: Billions of yen)

	FY2005 Results a	FY2004 Results b	Change a-b	Reasons for changes		Forecast FY2005 c	Percentage achieved a/c	Forecast FY2006
				Net sales				
Net sales	4972.1	4,675.9	296.2	Energy & Mineral Resources	+129.3	4,900.0	101%	5,200.0
				Machinery & Aerospace	+88.6			
Gross trading profit	242.2	244.2	-2.0	Consumer Lifestyle	+83.5	245.0	99%	253.0
(Gross trading profit ratio)	(4.87%)	(5.22%)	(-0.35%)	Gross trading profit		(5.00%)		(4.87%)
				Decrease due to sale of Nakau Co., Ltd.	-10.7			
Personnel expenses	-77.3	-79.1	1.8	Increase in Energy & Mineral Resources	+6.8			
Non-personnel expenses	-72.9	-82.0	9.1	Increase in Machinery & Aerospace	+3.6			
Depreciation expenses	-8.6	-11.3	2.7	SG&A expenses				
(Subtotal)	(-158.8)	(-172.4)	(13.6)	Decrease due to sale of Nakau Co., Ltd.	+10.3			
Allowance for doubtful receivables and write off	-3.2	-1.8	-1.4	Decrease in depreciation and amortization mainly through disposal of fixed assets	+2.4			
Consolidated goodwill amortization	-4.0	-4.5	0.5					
(Selling, general and administrative expenses)	(-166.0)	(-178.7)	(12.7)			-166.0	100%	-172.0
Operating income	76.2	65.5	10.7			79.0	96%	81.0
(Operating income ratio)	(1.53%)	(1.40%)				(1.61%)		(1.56%)
Interest income	13.2	18.4	-5.2					
Interest expense	-40.1	-48.7	8.6					
(Interest expense-net)	(-26.9)	(-30.3)	(3.4)					
Dividends	6.8	3.7	3.1	Increase in dividends from resources-related companies				
(Net financial revenue)	(-20.1)	(-26.6)	(6.5)					
Equity in earnings of unconsolidated subsidiaries and affiliates	19.2	10.7	8.5	Metal One Corporation (+4.1), vanadium manufacturing company (+1.3), LNG Japan Corporation (+0.8)				
Other income	20.5	18.8	1.7	Gain on sales of certain assets of the retail property development business				
Other expenses	-17.0	-10.3	-6.7	Allowance for loans receivable,etc.				
(Others-net)	(2.6)	(-7.4)	(10.0)			-2.0	-130%	2.0
Recurring profit	78.8	58.1	20.7			77.0	102%	83.0
Gain on sale and disposal of properties	4.0							
Gain on sale of investment securities	9.5			Gain on sales of assets, primarily listed securities				
Reversal of allowance for doubtful accounts	5.8			Gain on sales of overseas petrochemical business receivables				
Gain on sale of bad debt recovered	0.6							
Gain on bad debt written-off	0.1							
(Extraordinary income)	(20.0)	(15.3)	(4.7)					
Loss on sale and disposal of properties	-1.7							
Impairment losses on fixed assets	-2.0			Impairment losses on fixed assets following an asset review consistent with the Company's selection and focus initiatives related to affiliated companies				
Loss on sale of investment securities	-3.4							
Loss on sale of investment in partnerships	-1.2							
Evaluation loss on investment securities	-1.0							
Dilution loss from changes in equity interest	-3.0			Dilution loss from changes in equity interest owing to the conversion to common stock of convertible bonds with stock acquisition rights issued by equity-method affiliate Arysta Lifescience Corporation				
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	-11.6			Losses in connection with the withdrawal from business, consistent with the Company's business selection and focus initiatives				
Restructuring loss	-5.5							
(Extraordinary loss)	(-29.4)	(-453.5)	(424.1)					
(Extraordinary income/loss-net)	(-9.4)	(-438.2)	(428.8)			-10.0	94%	-10.0
Income/loss before income taxes and minority interest	69.4	-380.1	449.5			67.0	104%	73.0
Income taxes: Current	-16.5	-11.3	-5.2					
Deferred	-5.8	-18.3	12.5					
Minority interests	-3.4	-2.8	-0.6					
Net income/loss	43.7	-412.5	456.2			41.5	105%	49.0

Core earnings	78.5	51.4	27.1

Consolidated Statements of Cash Flows

(Unit: Billions of yen)

	FY2005	FY2004
Cash flows from operating activities	43.2	-19.8
Cash flows from investing activities	99.2	241.1
(Free Cash Flow)	(142.4)	(221.3)
Cash flows from financing activities	-55.8	-212.3
Cash & Cash Equivalents at the End of the Period	506.3	409.3

NOTES
1. Core earnings = Operating income (Before allowance for doubtful receivables and write-offs) + Interest expense-net + Dividends received + Equity in earnings of unconsolidated subsidiaries and affiliates

2. Forward-looking Statements
This document contains forward-looking statements regarding the Company's business plans and initiatives based on information available to management at the time of disclosure. Accordingly, such statements contain inherent risks and uncertainties. Readers are advised that actual results may differ from forward-looking statements due to a wide variety of factors, including, but not limited to, changes in economic conditions in key markets in Japan and overseas and exchange rates. The Company will provide timely disclosure of any material changes or related issues.

Consolidated Balance Sheets and Principal Management Indices

(Unit: Billions of yen)

	March 31, 2006 d	March 31, 2005 e	Change d-e	Reasons for changes
Current assets	1,510.5	1,423.2	87.3	
Cash and deposits	521.9	426.1	95.8	Increase in cash due to time lag before new investments are implemented for portfolio restructuring
Trade notes and trade accounts receivable	613.5	618.1	-4.6	
Securities	6.5	7.2	-0.7	
Inventories	214.2	194.7	19.5	Increase in inventories due to higher sales in resources- and consumer lifestyle-related businesses
Short-term loans receivable	44.2	41.0	3.2	
Deferred tax assets-current	8.9	7.5	1.4	
Other current assets	116.5	139.6	-23.1	
Allowance for doubtful receivables	-15.2	-11.0	-4.2	
Fixed assets	1,010.2	1,024.4	-14.2	
Tangible assets	246.7	246.6	0.1	
Goodwill	76.9	80.0	-3.1	
Other intangible assets	23.2	23.9	-0.7	
Investment securities	488.3	409.3	79.0	Increase in book values owing to increase in stock prices
Long-term loans receivable	38.9	102.1	-63.2	Reduction due to efforts to recover receivables aimed at reinforcing asset portfolio
Non-performing receivables	176.5	286.9	-110.4	Reduction mainly due to disposal and write-off
Deferred tax assets-non-current	23.9	58.1	-34.2	
Others	58.8	54.8	4.0	
Allowance for doubtful receivables	-123.0	-237.3	114.3	Decrease primarily attributed to disposal and write-off of non-performing receivables
Deferred assets	1.0	0.9	0.1	
Total assets	2,521.7	2,448.5	73.2	
Liabilities	1,416.7	1,754.7	-338.0	
Trade notes and trade accounts payable	451.4	472.5	-21.1	
Short-term loans payable	775.6	933.1	-157.5	Decline reflecting shift to long-term funding
Commercial paper	29.2	139.2	-110.0	
Bonds with redemption in one year	9.4	43.1	-33.7	
Other current liabilities	151.1	166.8	-15.7	
Non-current liabilities	640.9	380.2	260.7	
Bonds, less current portion	99.0	16.1	82.9	Issue of straight bonds (+95.0), transfer to bonds with redemption in one year
Long-term loans payable	473.1	296.9	176.2	Increase in long-term funding including syndicated loans
Allowance for retirement benefits	25.6	29.0	-3.4	
Other non-current liabilities	43.2	38.2	5.0	
Total liabilities	2,057.6	2,134.9	-77.3	
Minority interests	37.1	33.4	3.7	
Common and preferred stock	130.5	336.1	-205.6	Transfer to capital surplus (-180.3), Transfer to retained earnings (-55.8), Increase due to CB conversion (+30.5)
Capital surplus	166.8	487.7	-320.9	Transfer from common stock (+180.3), Repurchase and cancellation of preferred stock (-44.0), Transfer to retained earnings (-487.7), Increase due to CB conversion (+30.5)
Retained earnings (accumulated deficit)	92.5	-492.0	584.5	
(Subtotal)	(389.8)	(331.8)	(58.0)	Transfer from common stock (+55.8), Transfer from capital surplus (+487.7), Net income (+43.7)
Land revaluation difference	-2.6	-4.9	2.3	
Net unrealized gains on available-for sale securities	90.5	32.6	57.9	Increase due to rises in stock prices
Foreign currency translatior adjustments	-50.6	-79.2	28.6	Impact of weaker yen
Treasury stock	-0.1	-0.1	0.0	
Total shareholders' equity	427.0	280.2	146.8	
Total liabilities and shareholders' equity	2,521.7	2,448.5	73.2	

Gross interest-bearing debt	1,386.3	1,428.4	-42.1	
Net interest-bearing debt	864.4	1,002.3	-137.9	
Net debt/equity ratio (Times)	2.02	3.58	-1.56	Achieved ahead of schedule in current medium-term management plan
Shareholders' equity	16.9%	11.4%	5.5%	

Guarantee obligations	43.1	60.9	-17.8	

Highlights of Consolidated Financial Results for the Year Ended March 31, 2006 Supplementary Material (1)

Gross Trading Profit and Recurring Profit (by Industry Segment)

(Years Ended March 31, 2006 and 2005)

April 28, 2006

Sojitz Corporation

(Former Sojitz Holdings Corporation)

(Unit: Billions of yen)

	Gross Trading Profit				Recurring Profit			
	FY2005 Results	FY2004 Results	Change	Main factors for change	FY2005 Results	FY2004 Results	Change	Main factors for change
Machinery & Aerospace	46.6	43.0	3.6	Automobiles: increase (+3.8) due to strong performance by automobile business companies in Central and South America and Russia; Aircraft: increase (+0.5) attributable to firm results in Boeing and Bombardier aircraft business; General Machinery: increase (+0.4) due to strong performance chiefly by Sojitz Machinery Corporation; Ships: decrease (-1.1) despite firm vessel charter market.	11.2	8.5	2.7	Strong performance overall, particularly Automobiles, Aircraft and Ships, that outweighed temporary loss in aircraft-related business.
Energy & Mineral Resources	40.8	33.9	6.9	Oil and Gas: increase (+1.7) attributed to inclusion of new upstream oil rights businesses in the scope of consolidation and increase in production volume; Coal: increase (+2.2) due to reclassification of equity-method affiliate that holds coal mining rights as a consolidated subsidiary; Mineral Resources: increase (+3.3) resulting from ferroalloy-related transactions; Power & Industrial Plants: increase (+0.6) due to exports of plant equipment to Middle East.	28.1	17.5	10.6	Increase overall thanks to robust performances by upstream oil and gas rights businesses, Coal, Mineral Resources, Power & Industrial Plants and others; Strong results at equity-method affiliates: Metal One Corporation (+4.1), vanadium manufacturing company (+1.3) and LNG Japan Corporation (+0.8).
Chemicals & Plastics	43.4	44.1	(0.7)	Chemicals: increase (+0.8) owing to increase in transaction volume related to sharp rise in prices for petrochemical-related raw materials; Plastics: increase (+0.1) due to strong performance by consolidated subsidiaries; Fertilizer: decrease (-1.0) as dry weather impacted demand; Methanol: decrease (-0.9) due to rising raw material costs and softening market conditions.	6.7	5.2	1.5	Increase in operating income (+1.0) and improvement in equity in earnings of unconsolidated subsidiaries and affiliates.
Real Estate Development & Forest Products	24.0	26.2	(2.2)	Real Estate Development: roughly flat; Forest Products: decrease (-2.1) due to soft market resulting from increase in inventories following oversupply since fall of 2004.	8.2	5.9	2.3	Real Estate Development: increase in operating income (+1.4), gain on sale of retail facility (+1.1) (Kashiwa Shopping Center) and improvement in interest balance (+2.2); Forest Products: decrease in operating income (-2.6) due to softening market resulting from increase in inventories following oversupply since fall of 2004.
Consumer Lifestyle Business	39.3	51.2	(11.9)	Textiles: decrease (-0.2) due to slumping sales of cotton and feather raw materials, etc.; Foods: decrease (-0.6) due to sluggish sales of oils/fats, juice, livestock products, etc.; General Commodities: decrease (-11.1) mainly due to impact of sale of Nakau Co., Ltd.	5.4	8.2	(2.8)	Textiles: decrease (-1.6) due to drop in operating income; Foods: increase (+0.2) on dividends received, etc; General Commodities: decrease (-1.4) resulting from drop in operating income mainly due to sale of Nakau Co., Ltd.
[excluding the impact from Nakau sale]	[39.3]	[40.5]	[(1.2)]		[5.4]	[7.8]	[(2.4)]	
Overseas Subsidiaries	28.0	27.2	0.8	Americas: machinery and commodities sales firm; however decrease (-0.6) attributed to withdrawal from low-profit businesses. Europe: decrease (-0.2) due to withdrawal from certain machinery-related businesses. China: increase (+0.6) owing to overall strong performance. Asia: increase (+0.8) chiefly due to strong results in chemicals and plastics.	13.5	14.0	(0.5)	Increase in operating income (+0.4) mainly outweighed by deterioration in interest expense-net (-0.8) in Americas, Europe and China.
5 Business Divisions + Overseas Subsidiaries	222.1	225.6	(3.5)		73.1	59.3	13.8	
[excluding the impact from Nakau sale]	[222.1]	[214.9]	[7.2]		[73.1]	[58.9]	[14.2]	
Others	20.1	18.6	1.5	Nissho Electronics Corporation: increase (+0.5). Decline in rental income related to implementation of asset restoration plan in previous fiscal year (-1.9). Intersegment consolidated eliminations: decrease (-2.5).	5.7	(1.2)	6.9	Capital gains in venture incubation businesses (+0.5); Increase in dividend income (+1.9); Decline in rental fees (+2.0); Decline in rental income related to implementation of asset restoration plan in previous fiscal year (-1.9).
Total	242.2	244.2	(2.0)		78.8	58.1	20.7	
[excluding the impact from Nakau sale]	[242.2]	[233.5]	[8.7]		[78.8]	[57.7]	[21.1]	

Highlights of Consolidated Financial Results for the Year Ended March 31, 2006, Supplementary Material (2) -FY2006 Forecast-

April 28, 2006

Sojitz Corporation

(Former Sojitz Holdings Corporation)

(Unit: Billions of yen)

P/L

	FY2005 Results	FY2006 Forecasts	Change
Net Sales	**4,972.1**	**5,200.0**	227.9
Gross trading profit	**242.2**	**253.0**	10.8
[Gross trading profit ratio]	[4.87%]	[4.87%]	
Machinery & Aerospace	46.6	45.9	(0.7)
Energy & Mineral Resources	40.8	41.1	0.3
Chemicals & Plastics	43.4	44.5	1.1
Real Estate Development & Forest Products	24.0	24.8	0.8
Consumer Lifestyle Business	39.3	45.7	6.4
Overseas Subsidiaries	28.0	28.0	0.0
Others	20.1	23.0	2.9
Selling, general and administrative expenses	(166.0)	(172.0)	(6.0)
Operating income	**76.2**	**81.0**	4.8
[Operating income ratio]	[1.53%]	[1.56%]	
Non-operating income/expense-net	2.6	2.0	(0.6)
Recurring profit	**78.8**	**83.0**	4.2
[Recurring profit ratio]	[1.58%]	[1.60%]	
Machinery & Aerospace	11.2	11.5	0.3
Energy & Mineral Resources	28.1	22.8	(5.3)
Chemicals & Plastics	6.7	7.8	1.1
Real Estate Development & Forest Products	8.2	7.5	(0.7)
Consumer Lifestyle Business	5.4	6.9	1.5
Overseas Subsidiaries	13.5	12.8	(0.7)
Others	5.7	13.7	8.0
Extraordinary income/(loss)-net	**(9.4)**	**(10.0)**	(0.6)
Income/(loss) before income taxes	**69.4**	**73.0**	3.6
Net income/(loss)	**43.7**	**49.0**	5.3
Core earnings	**78.5**	**81.0**	2.5

Main Factors Impacting on Recurring Profit in Fiscal 2006

Machinery & Aerospace
- Automobiles and General Machinery: strong performance
- Ships: decrease due to some cooling off in buoyant shipping market
- Aircraft: increase thanks to reduction in factors causing temporary losses in fiscal 2005

Energy & Mineral Resources
- Oil and Gas: increase due to higher production at existing upstream oil and gas rights businesses and acquisition of new upstream rights
- Coal and mineral resources: decrease due to softer market conditions
- Decrease in gains from equity-method investments, etc.

Chemicals & Plastics
- Chemicals: slight increase
- Plastics: recovery as delayed price revisions begin to feed through
- Fertilizer: higher sales volume on the back of a recovery in demand
- Methanol: increase in raw material costs and decline in selling prices due to slump in the market

Real Estate Development & Forest Products
- Real Estate Development: decrease due to drop in development of retail property
- Forest Products: increased shipments on the back of market recovery

Consumer Lifestyle Business
- Textiles: improved profitability and expansion in apparel business transactions
- Food: generally on a par with fiscal 2005
- General Commodities: higher sales volume in the woodchips business, etc.

Overseas Subsidiaries
- Americas: deterioration following healthy performance in fiscal 2005 in machinery and other operations
- Strong performance in Europe, Asia and China
- Drop in dividend income and deterioration in interest expense-net

*1 Figures for recurring profit by business segment are internal figures for reference only

*2 Core earnings = Operating income (Before allowance for doubtful receivables and write-offs) + Interest expense-net + Dividends received + Equity in earnings of unconsolidated subsidiaries and affiliates

B/S

	March 31, 2006	March 31, 2007 (Forecast)	Change
Cash and deposits	521.9	350.0	(171.9)
Operating assets	937.8	990.0	52.2
Investment and financing	604.5	720.0	115.5
Fixed assets	457.5	440.0	(17.5)
Total assets	**2,521.7**	**2,500.0**	(21.7)
Operating liabilities	708.4	690.0	(18.4)
Interest-bearing debt	1,386.3	1,390.0	3.7
Total liabilities	**2,094.7**	**2,080.0**	(14.7)
Total shareholders' equity	**427.0**	**420.0**	(7.0)
Net interest-bearing debt	**864.4**	**1,040.0**	175.6
Net DER (Times)	**2.0**	**2.5**	0.5