

Summary of Consolidated Financial Results

July 27, 2006

for the First Quarter Ended June 30, 2006

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 : None
 (3) Change in number of consolidated subsidiaries and affiliated companies accounted for the equity method : Yes

	Jun. 30, 2006	Mar. 31, 2006
Consolidated subsidiaries	322	321
Unconsolidated subsidiaries (accounted for by the equity method)	12	12
Unconsolidated affiliates (accounted for by the equity method)	185	180

- (4) Figures for the first quarter ended June 30, 2006 and 2005 have not been audited by independent auditors.

2. Consolidated Financial Results for the First Quarter Ended June 30, 2006 and 2005

- (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 first quarter ended								
June 30, 2006	1,227,634	8.6	17,765	13.1	21,750	4.4	18,713	1.5
June 30, 2005	1,130,731	(6.9)	15,707	2.7	20,839	50.0	18,441	88.1
(Ref.) FY 2005	4,972,059		76,202		78,773		43,706	

	EPS	Adjusted EPS
	Yen	Yen
For the first quarter ended		
June 30, 2006	43.22	26.73
June 30, 2005	75.44	62.44
(Ref.) FY 2005	126.21	99.55

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	Total Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of				
June 30, 2006	2,606,946	493,802	17.5	(213.23)
June 30, 2005	2,389,283	311,004	13.0	(1,201.42)
(Ref.) March 31, 2006	2,521,679	426,949	16.9	(368.95)

Note; The presentation of the fiscal 2005 first quarter and full-year figures has been indicated to conform with the fiscal 2006 presentation in accordance with change of the Japanese accounting standard. Former "Shareholders' equity" is now recorded as "total net assets;" former "shareholders' equity ratio" is now recorded as "equity ratio," and former "shareholders' equity per share" is now recorded as "net assets per share."

Descriptive Analysis of Consolidated Financial Results:

In the first quarter of the fiscal year under review, consolidated net sales increased ¥96.9 billion over the same period last year to ¥1,227.6 billion, while gross trading profit rose 3.0 billion year on year to ¥58.6 billion. This was mainly due to higher sales and earnings in the Machinery & Aerospace and Energy & Mineral Resources divisions, which continued their strong performances from the previous year. Operating income increased ¥2.1 billion year on year to ¥17.8 billion, despite a rise of ¥ 0.9 billion in selling, general and administrative (SG&A) expenses to ¥40.8 billion, partially due to increased personnel expenses.

Recurring profit increased ¥1.0 billion year on year to ¥21.8 billion, mainly attributable to affiliates that sustained their strong performances from the previous fiscal year. As a result of extraordinary income of ¥2.0 billion, income before income taxes and minority interests for the first quarter increased ¥1.1 billion to ¥23.8 billion. After accounting for income taxes, Sojitz Corporation recorded an increase in net income of ¥0.3 billion to ¥18.7 billion.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 2007 (April 1, 2006- March 31, 2007):

Sojitz has made no change to its consolidated interim and full-year earnings forecasts for the fiscal year ending March 31, 2007, which were disclosed on April 28, 2006.

	Net Sales	Recurring Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
For the fiscal year ending			
March 31, 2007			
Interim	2,500,000	38,000	24,000
Full-year	5,200,000	83,000	49,000

Reference: EPS (projection): JPY 97.32

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 First Quarter Ended June 30, 2006

Millions of yen

	3 months ended June 30, 2006	Percentage of Net sales (%)	3 months ended June 30, 2005	Percentage of Net sales (%)	Change amount	Change percentage	Fiscal Year ended March 31, 2006	Percentage of Net sales (%)
Net sales	1,227,634	100.00	1,130,731	100.00	96,903	8.57	4,972,059	100.00
Cost of sales	(1,168,993)	(95.22)	(1,075,086)	(95.08)	(93,907)	8.73	(4,729,892)	(95.13)
Gross trading profit	58,641	4.78	55,645	4.92	2,996	5.38	242,166	4.87
Selling, general and administrative expenses	(40,875)	(3.33)	(39,937)	(3.53)	(938)	2.35	(165,964)	(3.34)
Operating income	17,765	1.45	15,707	1.39	2,058	13.10	76,202	1.53
Interest income	3,243	0.26	3,308	0.29	(65)	(1.96)	13,213	0.27
Dividends	2,208	0.18	3,048	0.27	(840)	(27.56)	6,816	0.14
Equity in earnings of unconsolidated subsidiaries and affiliates	6,463	0.53	6,138	0.55	325	5.29	19,149	0.38
Gain on sale of securities	1,419	0.12	1,682	0.15	(263)	(15.64)	2,042	0.04
Other income	3,966	0.32	4,538	0.40	(572)	(12.60)	18,496	0.37
Non-operating income	17,301	1.41	18,715	1.66	(1,414)	(7.56)	59,718	1.20
Interest expense	(9,891)	(0.81)	(9,549)	(0.84)	(342)	3.58	(38,571)	(0.78)
Interest expense on commercial papers	(32)	(0.00)	(809)	(0.08)	777	(96.04)	(1,572)	(0.03)
Other expenses	(3,392)	(0.28)	(3,224)	(0.29)	(168)	5.21	(17,003)	(0.34)
Non-operating expense	(13,316)	(1.09)	(13,583)	(1.21)	267	(1.97)	(57,147)	(1.15)
Recurring profit	21,750	1.77	20,839	1.84	911	4.37	78,773	1.58
Extraordinary income/(loss)-net	2,064	0.17	1,843	0.17	221	11.99	(9,358)	(0.18)
Income before income taxes and minority interest	23,815	1.94	22,682	2.01	1,133	5.00	69,414	1.40
Income taxes; Current	(4,742)	(0.39)	(3,852)	(0.34)	(890)	23.10	(16,484)	(0.33)
Deferred	(198)	(0.02)	(94)	(0.01)	(104)	110.64	(5,840)	(0.12)
Minority interests	(160)	(0.01)	(294)	(0.03)	134	(45.58)	(3,383)	(0.07)
Net Income	18,713	1.52	18,441	(1.63)	272	1.47	43,706	0.88

Consolidated Balance Sheets

As of June 30, 2006

Assets	Millions of yen		
	June 30, 2006	March 31, 2006	Change
Current assets;			
Cash and deposits	645,384	521,937	123,447
Trade notes and trade accounts receivable	605,343	613,513	(8,170)
Securities	9,718	6,471	3,247
Inventories	211,265	214,163	(2,898)
Short-term loans receivable	41,247	44,237	(2,990)
Deferred tax assets-current	9,267	8,886	381
Other current assets	119,819	116,416	3,403
Allowance for doubtful receivables	(13,514)	(15,172)	1,658
Total current assets	1,628,532	1,510,454	118,078
Fixed assets;			
<u>Tangible assets</u>	<u>237,454</u>	<u>246,665</u>	<u>(9,211)</u>
<u>Intangible assets:</u>	<u>100,107</u>	<u>100,131</u>	<u>(24)</u>
Goodwill	76,629	76,897	(268)
Other intangible assets	23,477	23,233	244
 <u>Investments and other fixed assets:</u>	 <u>639,901</u>	 <u>663,403</u>	 <u>(23,502)</u>
Investment securities	465,937	488,291	(22,354)
Long-term loans receivable	37,117	38,867	(1,750)
Non-performing receivables	165,052	176,527	(11,475)
Deferred tax assets-non-current	32,297	23,880	8,417
Others	59,048	58,793	255
Allowance for doubtful receivables	(119,551)	(122,956)	3,405
Total fixed assets	977,463	1,010,200	(32,737)
 Deferred assets	 950	 1,024	 (74)
 Total assets	 2,606,946	 2,521,679	 85,267

Consolidated Balance Sheets

As of June 30, 2006

Liabilities and net assets	Millions of yen		
	June 30, 2006	March 31, 2006	Change
Liabilities			
Current liabilities;			
Trade notes and trade accounts payable	426,598	451,438	(24,840)
Short-term loans payable	476,138	545,072	(68,934)
Commercial paper	11,300	29,200	(17,900)
Current Portion of Long-term loans payable	168,124	239,841	(71,717)
Income taxes payable	6,049	7,774	(1,725)
Deferred tax liabilities-current	33	41	(8)
Allowance for employees' bonus	5,189	5,148	41
Other current liabilities	120,078	138,198	(18,120)
Total current liabilities	1,213,511	1,416,716	(203,205)
Non-current liabilities;			
Bonds, less current portion	376,380	99,036	277,344
Long-term loans payable	456,389	473,109	(16,720)
Deferred tax liabilities -non-current	12,383	13,553	(1,170)
Deferred tax liabilities -revaluation	998	445	553
Allowance for retirement benefits	24,468	25,558	(1,090)
Other non-current liabilities	29,011	29,185	(174)
Total non-current liabilities	899,631	640,887	258,744
Total liabilities	2,113,143	2,057,603	55,540
Minority Interest	-	37,125	(37,125)
Shareholders' equity;			
Common and preferred stock	-	130,549	(130,549)
Capital surplus	-	166,754	(166,754)
Retained earnings	-	92,487	(92,487)
Revaluation difference on Land	-	(2,619)	2,619
Valuation difference on available-for-sale securities	-	90,547	(90,547)
Foreign currency translation adjustments	-	(50,655)	50,655
Treasury stock	-	(113)	113
Total shareholders' equity	-	426,949	(426,949)
Total liabilities, minority interest and shareholders' equity	-	2,521,679	(2,521,679)
Owners' equity;			
Common and preferred stock	141,088	-	141,088
Capital surplus	177,216	-	177,216
Retained earnings	111,194	-	111,194
Treasury stock	(116)	-	(116)
Total owners' equity	429,382	-	429,382
Valuation and translation adjustments;			
Valuation difference on available-for-sale securities	79,310	-	79,310
Deffered gains or losses on hedges	23	-	23
Revaluation difference on land	(3,156)	-	(3,156)
Foreign currency translation adjustments	(49,517)	-	(49,517)
Total valuation and translation adjustments	26,660	-	26,660
Minority Interests;	37,760	-	37,760
Total net assets	493,802	-	493,802
Total liabilities and net assets	2,606,946	-	2,606,946

Segment Information
for the First Quarter Ended June 30, 2006

Industry Segments

The industry segment information for the first quarter ended June 30, 2006 and preceding first quarter is as follows:

For the first quarter ended June 30, 2006

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	251,073	301,875	154,187	81,294	237,537
Inter-segment	2,108	1,789	11,235	562	3,524
Total	253,181	303,664	165,422	81,857	241,062
Operating expense	249,330	298,870	161,500	78,936	239,287
Operating income (loss)	3,851	4,794	3,922	2,921	1,774
Total assets (As of June 30, 2006)	318,964	455,152	360,799	211,446	297,513

	Overseas Subsidiaries	Other	Total	Elimination & Unallocated	Consolidated
Net sales					
Outside customers	173,728	27,927	1,227,634	-	1,227,634
Inter-segment	80,489	2,444	102,155	(102,155)	-
Total	254,218	30,382	1,329,790	(102,155)	1,227,634
Operating expense	253,286	30,527	1,311,739	(101,870)	1,209,869
Operating income (loss)	931	(144)	18,050	(285)	17,765
Total assets (As of June 30, 2006)	394,819	154,668	2,193,364	413,581	2,606,946

Notes:

1. Unallocated costs and expenses included in "Elimination & Unallocated" totaled 259 millions of yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.
2. Company assets included in "Elimination & Unallocated" totaled 594,975 millions of yen and comprised mainly cash and deposits and bonds, and investment securities.

Segment Information
for the First Quarter Ended June 30, 2005

Industry Segments(Continued)

For the first quarter ended June 30, 2005

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	195,194	286,001	149,837	81,615	200,223
Inter-segment	3,833	956	10,216	809	1,763
Total	199,027	286,958	160,054	82,425	201,987
Operating expense	196,076	282,904	155,363	81,116	200,037
Operating income (loss)	2,951	4,054	4,690	1,309	1,949
Total assets (As of March 31, 2006)	325,062	462,958	360,939	232,052	292,281

	Overseas Subsidiaries	Other	Total	Elimination & Unallocated	Consolidated
Net sales					
Outside customers	193,396	24,463	1,130,731	-	1,130,731
Inter-segment	74,283	1,724	93,588	(93,588)	-
Total	267,679	26,187	1,224,320	(93,588)	1,130,731
Operating expense	266,123	26,620	1,208,242	(93,217)	1,115,024
Operating income (loss)	1,555	(432)	16,078	(370)	15,707
Total assets (As of March 31, 2006)	441,054	176,164	2,290,514	231,165	2,521,679

Notes:

1. Unallocated costs and expenses included in "Elimination & Unallocated" totaled 1,275 millions of yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.
2. Company assets included in "Elimination & Unallocated" totaled 447,487 millions of yen and comprised mainly cash and deposits and bonds, and investment securities.