January 31, 2007

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2006

Sojitz Corporation

Results Highlights

• Recurring profit and net income made steady gains in line with the targets of the new medium-term management plan
(Figures in brackets represent year-on-year changes)

Net sales: 3,854.7 billion yen (+168.0 billion yen)
-Higher trading volume in commercial aircraft and automobiles
-Higher trading volume in oil and mineral resources

Gross trading profit: 185.2 billion yen (+4.4 billion yen)
-Strong demand for automobiles overseas and commercial aircraft
-Strong performance in timber- and fertilizer-related operations
-Firm performance in mineral resources and coal

Recurring profit: 68.5 billion yen (+4.6 billion yen)
-Recovery in other income and expenses due to improvement in interest expense-net and other factors
-Progress against full-year targets of 77%

Net income: 47.6 billion yen (+10.8 billion yen)
-Progress against full-year targets of 85%

• Sojitz markedly accelerated the reorganization of its capital structure through implementation of its capital strategies

Elimination of preferred shares (balance at December 31, 2006: 563.4 billion yen)
- With regard to 560.4 billion yen of these preferred shares, on April 28, 2006, Sojitz concluded an agreement to repurchase the shares for a total of 342.9 billion yen to 354.1 billion yen.

300.0 billion yen of convertible bonds (CB) issued (May 25, 2006)
-Repurchase preferred shares in an amount corresponding to the amount of capital raised by the conversion of bonds to common stock
-Conversion of bonds progressing steadily; 125.0 billion yen converted to common stock as of December 31, 2006 (As of January 31, 2006, 175.0 billion yen converted to common stock)

• Improved credit ratings due to better quality of capital and more stable earnings base

S&P
Long-term corporate credit rating: BB– → BB (remains on CreditWatch with positive implications)
Long-term senior unsecured debt rating: BB+ → BBB–

R&I
Long-term credit rating: BB– → BB+

• Forecasts
Sojitz raised its full-year forecasts announced with interim results

Forecasts for fiscal 2006, ending March 31, 2007

	Before revision		After revision
Net sales	5,200 billion yen	⇒	5,300 billion yen
Recurring profit	83 billion yen	⇒	89 billion yen
Net income	49 billion yen	⇒	56 billion yen

<Initial assumptions>
-Exchange rate (Yen/US$) = 110
-Crude oil price (US$/BBL) = 50 (Brent crude)

Condensed Consolidated Statements of Income

(Unit: Billions of yen)

	Third quarter: Cumulative (nine months) a	Interim (six months)	Third quarter (three months)	Previous year (nine months) b	Change a-b	Reasons for main changes	Forecast FY2006 c	Percentage achieved a/c
Net sales	3,854.7	2,529.2	1,325.5	3,686.7	168.0	Net sales Machinery & Aerospace +131.1 Energy & Mineral Resources +55.5 Overseas Subsidiaries -42.9	5,300.0	73%
Gross trading profit	185.2	122.6	62.6	180.8	4.4	Gross trading profit Machinery & Aerospace +4.8	258.0	72%
(Gross trading profit ratio)	(4.80%)	(4.85%)	(4.72%)	(4.90%)	(-0.10%)		(4.87%)	
Personnel expenses	-61.6	-41.5	-20.1	-57.1	-4.5	Higher personnel expenses due to increase in headcount		
Non-personnel expenses	-54.0	-35.4	-18.6	-54.3	0.3			
Depreciation expenses	-5.0	-3.3	-1.7	-6.2	1.2			
(Subtotal)	(-120.6)	(-80.2)	(-40.4)	(-117.6)	(-3.0)			
Allowance for doubtful receivables and write off	-0.7	-0.2	-0.5	-0.6	-0.1			
Consolidated goodwill amortization	-4.2	-2.9	-1.3	-3.2	-1.0	Impact of changes in accounting standards (-1.1) (Gain on amortization of negative goodwill now included under other income)		
(Selling, general and administrative expenses)	(-125.5)	(-83.3)	(-42.2)	(-121.4)	(-4.1)		-173.0	73%
Operating income	59.7	39.3	20.4	59.4	0.3		85.0	70%
(Operating income ratio)	(1.55%)	(1.55%)	(1.54%)	(1.61%)			(1.60%)	
Interest income	10.8	7.3	3.5	9.5	1.3			
Interest expense	-28.8	-19.6	-9.2	-30.1	1.3			
(Interest expense-net)	(-18.0)	(-12.3)	(-5.7)	(-20.6)	(2.6)	Improvement in interest expense-net due to reduction in interest-bearing debt and improvement in funding procurement conditions		
Dividends	4.5	3.5	1.0	5.3	-0.8			
(Net financial revenue)	(-13.5)	(-8.8)	(-4.7)	(-15.3)	(1.8)			
Equity in earnings of unconsolidated subsidiaries and affiliates	17.7	11.6	6.1	16.8	0.9	Metal One Corporation (+2.2) Nickel manufacturing company (+1.0) Aluminum manufacturing company (+0.6) Agrichemical-related company (-1.8) Decrease in gain on sales of ships (-0.9)		
Other income	11.9	10.0	1.9	14.7	-2.8			
Other expenses	-7.3	-5.7	-1.6	-11.7	4.4	Decrease in allowance for loans receivable occurring in the previous fiscal year, etc.		
(Others-net)	(8.8)	(7.1)	(1.7)	(4.5)	(4.3)		4.0	220%
Recurring profit	68.5	46.4	22.1	63.9	4.6		89.0	77%
Gain on sale and disposal of properties	2.3	1.7	0.6					
Gain on sale of investment securities	4.4	3.4	1.0			Gain on sale of investment in upstream oil right, etc.		
Gain on sale of investments	0.2	0.2	0.0					
Dilution gain from changes in equity interest	0.1	0.1	0.0					
Reversal of allowance for doubtful accounts	2.4	2.0	0.4					
Gain on bad debt written-off	0.3	0.3	0.0					
(Extraordinary income)	(9.7)	(7.7)	(2.0)	(15.7)	(-6.0)			
Loss on sale and disposal of properties	-1.1	-0.9	-0.2					
Impairment losses on fixed assets	-0.7	-0.7	0.0					
Evaluation loss on sale of investment securities	-1.8	-1.7	-0.1					
Dilution loss from changes in equity interest	-0.1	0.0	-0.1					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	-9.1	-9.0	-0.1			Disposal of losses related to revaluation of operations at affiliates, etc.		
Special early retirement benefits	-0.1	-0.1	0.0					
(Extraordinary loss)	(-12.9)	(-12.4)	(-0.5)	(-21.2)	(8.3)			
(Extraordinary income/loss-net)	(-3.2)	(-4.7)	(1.5)	(-5.5)	(2.3)		-10.0	32%
Income before income taxes and minority interests	65.3	41.7	23.6	58.4	6.9		79.0	83%
Income taxes: Current	-13.5	-8.8	-4.7	-14.3	0.8			
Deferred	-1.4	0.2	-1.6	-5.2	3.8			
Minority interests	-2.8	-1.7	-1.1	-2.1	-0.7			
Net income	47.6	31.4	16.2	36.8	10.8		56.0	85%

Core earnings	64.6	42.3	22.3	61.5	3.1

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)

	December 31, 2006 d	March 31, 2006 e	Change d-e	Reasons for main changes
Current assets	1,713.0	1,510.5	202.5	
Cash and deposits	623.0	521.9	101.1	Increase from issue of convertible bonds; decrease due to reduction in borrowings
Trade notes and trade accounts receivable	673.9	613.5	60.4	Increase due to end of period falling on a holiday, etc.
Securities	8.2	6.5	1.7	
Inventories	262.9	214.2	48.7	Increase from purchase of real estate for future sale Rise in inventories due to higher sales of timber and at overseas automotive subsidiaries
Short-term loans receivable	18.3	44.2	-25.9	Decrease due to repayment of loans by equity-method affiliates, etc.
Deferred tax assets-current	7.1	8.9	-1.8	
Other current assets	131.9	116.5	15.4	
Allowance for doubtful receivables	-12.3	-15.2	2.9	
Fixed assets	1,008.6	1,010.2	-1.6	
Tangible assets	236.7	246.7	-10.0	
Goodwill	71.3	76.9	-5.6	
Other intangible assets	26.0	23.2	2.8	
Investment securities	489.6	488.3	1.3	
Long-term loans receivable	50.1	38.9	11.2	Increase due to loans provided to equity-method affiliates, etc.
Non-performing receivables	163.3	176.5	-13.2	Decrease due to recovery, sale, etc. of non-performing receivables
Deferred tax assets-non-current	29.6	23.9	5.7	
Others	60.4	58.8	1.6	
Allowance for doubtful receivables	-118.4	-123.0	4.6	
Deferred assets	2.2	1.0	1.2	
Total assets	2,723.8	2,521.7	202.1	
Liabilities	1,248.1	1,416.7	-168.6	
Trade notes and trade accounts payable	515.5	451.4	64.1	Increase due to end of period falling on a holiday, etc.
Short-term loans payable	578.4	775.6	-197.2	Decrease due to reduction in borrowings
Commercial paper	10.0	29.2	-19.2	
Bonds with redemption in one year	0.6	9.4	-8.8	
Other current liabilities	143.6	151.1	-7.5	
Non-current liabilities	834.5	640.9	193.6	Increase from issue of convertible bonds (+300.0) Decrease from conversion of convertible bonds (-125.0) Increase from issue of straight bonds (+55.0)
Bonds, less current portion	325.8	99.0	226.8	
Long-term loans payable	446.8	473.1	-26.3	Decrease due to reduction in borrowings
Allowance for retirement benefits	22.6	25.6	-3.0	
Other non-current liabilities	39.3	43.2	-3.9	
Total liabilities	2,082.6	2,057.6	25.0	
Common and preferred shares	72.7	130.5	-57.8	Transfer to capital surplus (-120.5); increase from conversion of convertible bonds (+62.7)
Capital surplus	349.6	166.8	182.8	Transfer from common and preferred stock (+120.5); increase from conversion of convertible bonds (+62.3)
Retained earnings	138.9	92.5	46.4	Net income (+47.6); reversal of land revaluation difference (-1.2)
Treasury stock	-0.1	-0.1	0.0	
(Total shareholders' equity)	(561.1)	(389.7)	(171.4)	
Net unrealized gains on available-for-sale securities	82.9	90.5	-7.6	Decrease related to decline in value of shares
Gain(loss) on deferred hedges	0.5	-	0.5	
Land revaluation difference	-2.0	-2.6	0.6	Reversal following sale (+1.2)
Foreign currency translation adjustments	-41.7	-50.6	8.9	*1 From fiscal 2006, in accordance with changes to accounting standards accompanying enforcement of the new Corporate Law, "shareholders' equity" has been changed to "total net assets," and now includes minority interests. In the attached statement, the amounts of shareholders' equity under previous standards as of March 31, 2006 are restated in the same format for comparison.
(Total valuation and translation adjustments)	(39.7)	(37.3)	(2.4)	
Minority interests	40.4	37.1	3.3	
Total net assets	641.2	※1 464.1	177.1	
Total liabilities and net assets	2,723.8	2,521.7	202.1	

Gross interest-bearing debt	1,361.6	1,386.3	-24.7	
Net interest-bearing debt	738.6	864.4	-125.8	
Net debt/equity ratio (Times)	※2 1.23times	※2 2.02times	-0.79times	*2 The denominator for the net debt/equity ratio and the numerator of the shareholders' equity ratio have been calculated after excluding minority interests.
Shareholders' equity ratio	※2 22.1%	※2 16.9%	5.2%	

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2006
Supplementary Materials (1) -Gross Trading Profit and Recurring Profit (by Industry Segment)-

January 31, 2007

Sojitz Corporation

(Unit: Billions of yen)

	Gross Trading Profit				Recurring Profit			
	Fiscal 2006 3Q Results	Fiscal 2005 3Q Results	Change	Main factors for change	Fiscal 2006 3Q Results	Fiscal 2005 3Q Results	Change	Main factors for change
Machinery & Aerospace	38.3	33.5	4.8	- Automobiles: increase (+4.1) due to growth in transaction volume at MAV in Venezuela, Subaru Motor in Russia and Sojitz Corporation in the Middle East; - Aerospace: increase (+1.1) due to strong transaction volumes related to the Boeing and Bombardier aircraft businesses; - Information & Industrial Machinery: increase (+0.4) reflecting business expansion at Sojitz Machinery Corporation; - Ships: decrease (-0.7) due to temporary decline in active shipping fleets related to replacement of ships.	9.3	9.8	(0.5)	- Automobiles: increase due to growth in transaction volume at MAV in Venezuela, Subaru Motor in Russia and Sojitz Corporation in the Middle East; - Aerospace: increase attributable to steady transaction volumes in Boeing and Bombardier aircraft business; - Information & Industrial Machinery: increase due to steady increase in orders at Sojitz Machinery Corporation; - Ships: decrease due to sale of jointly owned ships in the same period a year earlier.
Energy & Mineral Resources	31.2	30.8	0.4	- Oil and Gas: increase (+0.5) due to acquisition of new upstream rights and the start of new production projects, outweighing drop in sales at petrochemical business in Japan and the conversion of a subsidiary to equity-method affiliate; - Coal: increase (+0.2) due to rise in sales volume related to the start of production at mining concession in Australia and other factors; - Mineral Resources: increase (+0.7) attributable to both higher sales volume and selling prices at alumina projects in Australia; - Power & Industrial Plants: decrease (-0.8) reflects large-scale equipment orders in the same period a year earlier.	25.5	19.8	5.7	- Oil, Gas and LNG: increase due to start of production at new concession rights acquired in the previous fiscal year in the upstream rights business and other factors; - Coal: increase due to start of production at mining concession in Australia; - Mineral Resources: increase attributable to start of production at new nickel projects, strong sales at alumina projects, and other factors; - Power & Industrial Plants: decrease reflects large-scale equipment orders in the same period a year earlier; - Metal One Corporation: continued strong performance.
Chemicals & Plastics	36.4	34.0	2.4	- Chemicals: increase (+0.3) due to growth in transaction volume related to surging prices for petrochemical raw materials and firm demand for electrical materials; - Plastics: decrease (-0.5) due to difficulty in raising prices of downstream products, despite strong performance in upstream raw materials business; - Fertilizer: increase (+2.5) attributable to higher sales volume; - Methanol: increase (+0.4) due to higher sales prices on the back of surging market prices.	6.4	7.6	(1.2)	- Chemicals: despite strong operating performance, decrease due to booking of impairment losses at equity-method affiliate (Arysta Lifescience Corporation) to improve financial position; - Plastics: decrease due to difficulty in raising prices of downstream products; - Fertilizer: increase attributable to higher sales volume; - Methanol: increase due to higher sales prices on the back of surging market prices.
Real Estate Development & Forest Products	16.2	18.5	(2.3)	- Real Estate Development: decrease (-6.1) reflecting a decline in the number of condominium handed over and other factors; - Forest Products: increase (+3.8) due to strong performance at Sojitz Building Materials Corporation and other companies as conditions in domestic plywood market recovered.	4.1	8.7	(4.6)	- Real Estate Development: decrease reflecting gain on sale of shopping center (Mallage Kashiwa) in the previous fiscal year and drop in gross trading profit, among other factors; - Forest Products: marked increase due to strong performance at Sojitz Building Materials Corporation and other companies as conditions in domestic plywood market recovered; Overall, business expected to achieve full-year targets: although handovers of condominium were concentrated in first half of year in fiscal 2005, handovers in fiscal 2006, as per normal year, are concentrated at end of March 2007.
Consumer Lifestyle Business	29.0	30.0	(1.0)	- Textiles: decrease (-0.1) as a result of slump in apparel retailing sales, despite transfer of baby goods business from general commodities; - Foods: decrease (-0.5) due to impact of weak retailing sales of food and other products, despite growth in transaction volume of marine products; - General Commodities: decrease (-0.4) due to transfer of baby goods business to textiles.	2.1	4.3	(2.2)	- Textiles: decrease as a result of slump in apparel retailing sales, increased SG&A expenses at newly established companies, and other factors; - Foods: decrease reflecting downturn in retail sales of foodstuffs and other products and increased SG&A expenses at foodstuff subsidiaries; - General Commodities: decrease due to transfer of baby goods business to textiles; Overall, business expected to fall short of full-year targets.
Overseas Subsidiaries	19.8	20.1	(0.3)	- Americas: decrease (-0.7) due to decline in transaction volume in the printer business, despite firm results by satellite equipment business in machinery-related businesses; - Europe: slight increase (+0.1); - China: flat; - Other Asia: increase (+0.4) centered on foodstuffs.	10.2	9.9	0.3	- Americas: increase due to improvement in interest expense-net and higher equity in earnings of affiliates.
Other	14.3	13.9	0.4	- Nissho Electronics Corporation: increase (+0.5) attributable to an increase in transactions of high-margin computer-related equipment.	10.9	3.8	7.1	- Corporate: increase due to variety of factors, such as improvement associated with absence of one-off negative factors in the previous fiscal year (e.g. loss associated with withdrawal from overseas telecommunications project) and improvement in interest expense-net.
Total	185.2	180.8	4.4		68.5	63.9	4.6	

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2006
Supplementary Materials (2) -FY2006 Full-year Forecast-

January 31, 2007
Sojitz Corporation

(Unit: Billions of yen)

P/L

	Fiscal 2006 3Q	Fiscal 2005 3Q	Change	FY2006 forecast (Announced on October 31, 2006)	Percentage achieved
Net Sales	**3,854.7**	**3,686.7**	+168.0	**5,300.0**	72.7%
Gross trading profit	**185.2**	**180.8**	+4.4	**258.0**	71.8%
[Gross trading profit ratio]	[4.80%]	[4.90%]		[4.87%]	
Machinery & Aerospace	38.3	33.5	+4.8	49.6	77.2%
Energy & Mineral Resources	31.2	30.8	+0.4	41.1	75.9%
Chemicals & Plastics	36.4	34.0	+2.4	46.6	78.1%
Real Estate Development & Forest Products	16.2	18.5	(2.3)	26.4	61.4%
Consumer Lifestyle Business	29.0	30.0	(1.0)	43.6	66.5%
Overseas Subsidiaries	19.8	20.1	(0.3)	28.0	70.7%
Other	14.3	13.9	+0.4	22.7	63.0%
Selling, general and administrative expenses	(125.5)	(121.4)	(4.1)	(173.0)	72.5%
Operating income	**59.7**	**59.4**	+0.3	**85.0**	70.2%
[Operating income ratio]	[1.55%]	[1.61%]		[1.60%]	
Non-operating income/expense-net	8.8	4.5	+4.3	4.0	220.0%
Recurring profit *1	**68.5**	**63.9**	+4.6	**89.0**	77.0%
[Recurring profit ratio]	[1.78%]	[1.73%]		[1.68%]	
Machinery & Aerospace	9.3	9.8	(0.5)	11.7	79.5%
Energy & Mineral Resources	25.5	19.8	+5.7	27.7	92.1%
Chemicals & Plastics	6.4	7.6	(1.2)	5.5	116.4%
Real Estate Development & Forest Products	4.1	8.7	(4.6)	8.6	47.7%
Consumer Lifestyle Business	2.1	4.3	(2.2)	5.8	36.2%
Overseas Subsidiaries	10.2	9.9	+0.3	14.0	72.9%
Other	10.9	3.8	+7.1	15.7	69.4%
Extraordinary income/(loss)-net	**(3.2)**	**(5.5)**	+2.3	**(10.0)**	32.0%
Income before income taxes	**65.3**	**58.4**	+6.9	**79.0**	82.7%
Net income	**47.6**	**36.8**	+10.8	**56.0**	85.0%
Core earnings *2	64.6	61.5	+3.1	87.0	74.3%

Recurring Profit Performance

◎ ***Strong recurring profit of 68.5 billon yen for the first nine months of fiscal 2006, representing 77% of full-year target***

Machinery & Aerospace
- Some Information & Industrial Machinery businesses expected to fall short of full-year targets, but generally in line with targets overall on the back of steady performances by Automobiles, Aerospace and Ships.

Energy & Mineral Resources
- Oil, Gas and LNG, and Power & Industrial Plants generally in line with full-year targets; expected to exceed targets overall due to strong performances by Coal and Mineral Resources thanks to surging prices and increased sales volume, as well as continued strong performance by Metal One Corporation.

Chemicals & Plastics
- Despite one-time loss related to impairment losses and other steps to improve financial position of agrichemical-related equity-method affiliate (Arysta Lifescience Corporation), generally in line with full-year targets on strong operating performance in Chemicals, Fertilizer and Methanol.

Real Estate Development & Forest Products
- Despite low rate of progress against targets in Real Estate Development due to concentration of condominium handovers at end of March, generally in line with full-year targets overall due to steady sales of condominium scheduled for completion at end of March, as well as robust performance centered on Sojitz Building Materials Corporation in Forest Products as conditions in domestic plywood market recover.

Consumer Lifestyle Business
- Expected to fall short of full-year targets due to struggling retail-related sales in Textiles, Foods and General Commodities.

Overseas Subsidiaries
- Generally in line with full-year targets overall as weakness in China is covered by machinery-related operations in the Americas and other factors.

Other
- Generally in line with full-year targets due to smooth progress overall.

*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

	December 31, 2006	December 31, 2005	Change	March 31, 2007 forecast (Announced on April 28, 2006)
Total assets	**2,723.8**	**2,521.7**	+202.1	**2,500.0**
Shareholders' Equity *3	**600.8**	**427.0**	+173.8	**420.0**
[Total net assets]	[641.2]	[464.1]	[+177.1]	-
Shareholders' Equity ratio (%)	**22.1%**	**16.9%**	+ 5.2%	**16.8%**
Net interest-bearing debt	**738.6**	**864.4**	(125.8)	**1,040.0**
Net DER (Times)	**1.2**	**2.0**	(0.8)	**2.5**
[Net DER (times) based on total net assets]	[1.2]	[1.9]	[(0.7)]	-

*3 Shareholders' Equity = total net assets – minority interests