Highlights of Consolidated Financial Results for the Year Ended March 31, 2007

Sojitz Corporation

Results Highlights

1. Recurring profit and net income made steady gains, comfortably exceeding the full-year forecast that had been upwardly revised in the interim period (Figures in brackets represent year-on-year changes)

Net sales: 5,218.2 billion yen (+246.1 billion yen/+4.9%)
- Increase in trading volume in automobiles and commercial aircraft
- Increase in trading volume in oil and mineral resources

Gross trading profit: 254.5 billion yen (+12.3 billion yen/+5.1%)
- Strong demand for automobiles overseas and commercial aircraft
- Strong performance in timber ad fertilizer
- Firm performance in mineral resources and coal

Recurring profit: 89.5 billion yen (+10.7 billion yen/13.7%)
- Improvement in interest income and interest expense
- Increase in equity in earnings of unconsolidated subsidiaries and affiliates.

Net income: 58.8 billion yen (+15.1 billion yen/+34.5%)
- Increase in income before income taxes and minority interests after extraordinary income/loss-net
- Net income exceeds the full-year forecast (28.0 billion yen)

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

300.0 billion yen of convertible bonds (CB) issued (May 25, 2006)
- Repurchase of 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; 225.0 billion yen converted to common stock as of March 31, 2007

Elimination of preferred shares
- Repurchase and cancellation of 240.9 billion yen (face amount of preferred shares was 230.4 billion yen) was implemented on March 30, 2007.
- Regarding the balance of the outstanding 330.0 billion yen, repurchase will be scheduled corresponding to the amount of the conversion in the amount from 102.0 billion yen to the maximum 108.6 billion yen after April 1, 2007.

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

S&P
Long-term corporate credt rating: BB- => BB+
Long-term senior unsecured debt rating: BB+ => BBB-

R&I
Issuer rating: BB- => BB+

JCR
Long-term rating: BBB- => BBB

4. Resume dividend payment FY2006
Year-end dividend for common stock
Dividend per share 6.00 yen

5. Forecasts

Forecasts for fiscal 2007, ending March 31, 2008

Net sales 5,580.0 billion yen
Operating income 86.0 billion yen
Recurring profit 92.0 billion yen
Net income 60.0 billion yen

<Assumptions>
- Exchange rate (Yen/US$) = 110
- Crude oil price (US$/BBL) = 55 (Brent crude)

Consolidated Statements of Income

(Unit: Billions of yen)

	FY2006 Results a	FY2005 Results b	Change a-b	Reasons for changes	Forecast FY2006 c	Percentage achieved a/c	Forecast FY2007
Net sales	5,218.2	4,972.1	246.1	Net sales Machinery & Aerospace (+159.8) Energy & Mineral Resources (+79.9) Overseas Subsidiaries (-47.7)	5,300.0	98%	5,580.0
Gross trading profit	254.5	242.2	12.3	Gross trading profit Machinery & Aerospace (+7.0)	258.0	99%	274.0
(Gross trading profit ratio)	(4.88%)	(4.87%)	(0.01%)	Chemicals & Plastics (+5.4)	(4.87%)		(4.91%)
Personnel expenses	-83.5	-77.3	-6.2	SG&A expenses			
Non-personnel expenses	-74.9	-72.9	-2.0	Higher personnel expenses due to increase in headcount			
Depreciation expenses	-7.1	-8.6	1.5				
(Subtotal)	(-165.5)	(-158.8)	(-6.7)				
Allowance for doubtful receivables and write off	-5.5	-3.2	-2.3				
Goodwill amortization	-5.6	-4.0	-1.6	Impact of changes in accounting methods (-1.6) (Gain on amortization of negative goodwill now included under other income)			
(Selling, general and administrative expenses)	(-176.6)	(-166.0)	(-10.6)		-173.0	102%	(188.0)
Operating income	77.9	76.2	1.7		85.0	92%	86.0
(Operating income ratio)	(1.49%)	(1.53%)			(1.60%)		(1.54%)
Interest income	15.0	13.2	1.8				
Interest expense	-38.4	-40.1	1.7				
(Interest expense-net)	(-23.4)	(-26.9)	(3.5)	Improvement in interest expense-net due to reduction in interest-bearing debt and improvement in funding procurement conditions			
Dividends	6.0	6.8	-0.8				
(Net financial revenue)	(-17.4)	(-20.1)	(2.7)				
Equity in earnings of unconsolidated subsidiaries and affiliates	23.8	19.2	4.6	Metal One Corporation (+2.7) Nickel manufacturing company (+1.9) Alumina manufacturing company (+0.5) Agricultural chemical-related company (-2.1) Decrease in gain on sales of shipping (-0.9)			
Other income	17.2	20.5	-3.3				
Other expenses	-12.0	-17.0	5.0	Decrease in allowance for loans receivable occurring in the previous fiscal year, etc.			
(Others-net)	(11.6)	(2.6)	(9.0)		4.0	290%	6.0
Recurring profit	89.5	78.8	10.7		89.0	101%	92.0
Gain on sale and disposal of properties	11.6			Gain on sale of properties held by the property company, etc.			
Gain on sale of investment securities	13.0			Gain on sale of investment in upstream rights			
Gain on sale of investments in partners	0.2						
Dilution gain from changes in equity-interest	0.2						
Gain on reversal of allowance for doubtful accounts	5.3						
Gain on bad debt recovered	0.3						
(Extraordinary income)	(30.6)	(20.0)	(10.6)				
Loss on sale and disposal of properties	-2.1						
Impairment losses on fixed assets	-3.4			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	-0.3						
Loss on devaluation of securities	-4.0						
Dilution loss from changes in equity interest	-0.1						
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	-20.0			Disposal of losses related to revaluation of operations at affiliates, etc.			
Restructuring loss	-1.4						
Special early retirement benefits	-0.2						
Provision for retirement benefits for directors, executive officers and corporate auditors	-0.5						
(Extraordinary loss)	(-32.0)	(-29.4)	(-2.6)				
(Extraordinary income/loss-net)	(-1.4)	(-9.4)	(8.0)		-10.0	14%	(5.0)
Income before income taxes and minority interests	88.1	69.4	18.7		79.0	112%	87.0
Income taxes: Current	-18.8	-16.5	-2.3				
Deferred	-5.0	-5.8	0.8				
Minority interests	-5.5	-3.4	-2.1				
Net income	58.8	43.7	15.1		56.0	105%	60.0

Core earnings	89.8	78.5	11.3

Consolidated Statements of Cash Flows

(Unit: Billions of yen)

	FY2006	FY2005
Cash flows from operating activities	7.0	43.2
Cash flows from investing activities	42.7	99.2
(Free Cash Flow)	(49.7)	(142.4)
Cash flows from financing activities	-95.5	-55.8
Cash & Cash Equivalents at the End of the Period	464.3	506.3

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, 2007 d	March 31, 2006 e	Change d-e	Reasons for changes
Current assets	1,615.1	1,510.5	104.6	
Cash and deposits	471.6	521.9	-50.3	Decrease in repurchase and cancellation of preferred shares; decrease due to reduction in borrowings
Trade notes and trade accounts receivable	672.7	613.5	59.2	Increase due to end of the period falling on a holiday, etc.
Securities	7.2	6.5	0.7	Increase from purchase of real estate for future sale
Inventories	315.9	214.2	101.7	Rise in inventories at overseas automotive and fertilizer subsidiaries due to higher sales, etc.
Short-term loans receivable	23.2	44.2	-21.0	Decrease due to repayment of loans by equity-method affiliates, etc.
Deferred tax assets-current	8.6	8.9	-0.3	
Other current assets	130.6	116.5	14.1	
Allowance for doubtful receivables	-14.7	-15.2	0.5	
Fixed assets	1,000.9	1,010.2	-9.3	
Tangible assets	230.0	246.7	-16.7	
Goodwill	69.9	76.9	-7.0	
Other intangible assets	29.2	23.2	6.0	
Investment securities	518.6	488.3	30.3	Decrease in book value of new investments in JALUX, etc.
Long-term loans receivable	39.3	38.9	0.4	
Non-performing receivables	162.3	176.5	-14.2	Decrease in collection and sales, etc.
Deferred tax assets-non-current	19.7	23.9	-4.2	
Others	49.9	58.8	-8.9	
Allowance for doubtful receivables	-118.0	-123.0	5.0	
Deferred assets	3.5	1.0	2.5	
Total assets	2,619.5	2,521.7	97.8	
Liabilities	1,219.5	1,416.7	-197.2	
Trade notes and trade accounts payable	531.5	451.4	80.1	Increase due to end of interim period falling on a holiday, etc.
Short-term loans payable	501.1	775.6	-274.5	Decrease due to reduction in borrowings
Commercial paper	10.0	29.2	-19.2	
Bonds with redemption in one year	0.9	9.4	-8.5	
Other current liabilities	176.0	151.1	24.9	
Non-current liabilities	868.4	640.9	227.5	Increase from issue of convertible bonds (+300.0) Decrease from conversion of convertible bonds (-225.0) Issuance of common stock (+75.0)
Bonds, less current portion	245.5	99.0	146.5	
Long-term loans payable	560.2	473.1	87.1	Increase in long-term fund procurement
Allowance for retirement benefits	22.5	25.6	-3.1	
Other non-current liabilities	40.2	43.2	-3.0	
Total liabilities	2,087.9	2,057.6	30.3	
Common and preferred shares	122.8	130.5	-7.7	Transfer to capital surplus (-120.5); increase from conversion of convertible bonds (+112.8)
Capital surplus	158.6	166.8	-8.2	Transfer from common and preferred stock (+120.5); increase from conversion of convertible bonds (+112.2); decrease due to repurchase and cancellation of preferred shares (-240.9)
Retained earnings	147.2	92.5	54.7	
Treasury stock	-0.1	-0.1	0.0	
(Total shareholders' equity)	(428.5)	(389.7)	(38.8)	
Net unrealized gains on available-for-sale securities	94.3	90.5	3.8	
Gain (loss) on deferred hedges	0.6	-	0.6	
Land revaluation difference	-1.9	-2.6	0.7	
Foreign currency translation adjustments	-32.9	-50.6	17.7	*1 From fiscal 2006, in accordance with changes of 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 the shareholders' equity under previous standards as of March 31, 2006 are restated in the same format for comparison.
(Total valuation and translation adjustments)	(60.1)	(37.3)	(22.8)	
Minority interests	43.0	37.1	5.9	
Total net assets	531.6	*1 464.1	67.5	
Total liabilities and net assets	2,619.5	2,521.7	97.8	

Gross interest-bearing debt	1,317.7	1,386.3	-68.6	
Net interest-bearing debt	846.1	864.4	-18.3	
Net debt/equity ratio (Times)	*2 1.73 times	*2 2.02 times	- 0.29 times	*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	*2 18.7%	*2 16.9%	1.8%	

Guarantee obligations	47.7	43.1	4.6

Highlights of Consolidated Financial Results for the Fiscal Year Ended March 31, 2007
Supplementary Materials (1) -Gross Trading Profit and Recurring Profit (by Industry Segment)-

April 27, 2007
Sojitz Corporation

(Unit: Billions of yen)

	Gross Trading Profit				Recurring Profit			
	Fiscal 2006 Results	Fiscal 2005 Results	Change	Main factors for change	Fiscal 2006 Results	Fiscal 2005 Results	Change	Main factors for change
Machinery & Aerospace	53.6	46.6	7.0	• Automobiles: increase (+5.7) due to growth at operating companies in Central and South America, Russia and NIS, and higher transaction volume at Sojitz Corporation in the Middle East; • Aerospace: increase (+0.6) due to firm transaction volumes related to Boeing aircraft businesses; • Information & Industrial Machinery: slight decrease (-0.3) reflecting weak transaction volume in telecommunications equipment-related business, despite strong performance by machinery-related subsidiary; • Ships: slight decrease (-0.1) due to temporary decline in active shipping fleets related to replacement of ships, despite strong market overall in vessel equipment and other products.	10.0	11.2	▲ 1.2	• Automobiles: increase due to growth at operating companies in Central and South America, Russia and NIS, and increased transaction volume at Sojitz Corporation in the Middle East; • Aerospace: increase due to firm transaction volumes related to Boeing aircraft businesses; • Information & Industrial Machinery: decrease reflecting weak transaction volume in telecommunications equipment-related business, despite steady orders at machinery-related subsidiary; • Ships: decline in profits due to the impact of the sale of jointly owned ships in the previous fiscal year, despite a strong performance in such areas as the shipping fleet business and vessel equipment.
Energy & Mineral Resources	41.3	40.8	0.5	• Oil and Gas: generally level with previous fiscal year as start of new production projects in upstream concession rights business balanced out drop in sales of petrochemical products in Japan and exclusion of a subsidiary from scope of consolidation; • Coal: slight decrease (-0.1) as certain cost items rose ahead of higher sales volume; • Mineral Resources: increase (+0.9) attributable to strong sales of alumina and other resources; • Power & Industrial Plants: decrease (-0.7) reflecting large-scale equipment orders in previous fiscal year.	33.3	28.1	5.2	• Oil, Gas and LNG: increase due to start of production at new concession rights acquired in the previous fiscal year in the concession rights business, and other factors; • Coal: decrease as certain cost items rose ahead of higher sales volume; • Mineral Resources: increase attributable to start of production at new nickel projects, strong sales at alumina projects, and other factors; • Power & Industrial Plants: decrease reflecting large-scale equipment orders in previous fiscal year; • Metal One Corporation: continued strong performance.
Chemicals & Plastics	48.8	43.4	5.4	• Chemicals: increase (+0.8) due to surging prices for petrochemical raw materials and firm demand for electrical materials; • Plastics: decrease (-0.8) due to difficulty in raising prices of downstream products, despite strong performance in upstream raw materials business; •Fertilizer: increase (+3.5) attributable to higher sales volume; • Methanol: increase (+2.4) due to higher sales prices on the back of surging market prices.	8.4	6.7	1.7	• Chemicals: despite steady operating performance, decrease due to booking of impairment losses at agrichemical-related equity-method affiliate (Arysta Lifescience Corporation) to improve financial position; • Plastics: decrease due to difficulty in raising prices of downstream products, despite strong performance in upstream raw materials business; • 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	25.0	24.0	1.0	• Real Estate Development: decrease (-2.4) reflecting decline in number of condominium projects handed over and other factors; • Forest Products: increase (+3.4) due to strong performance at building materials subsidiary and other companies as conditions in domestic plywood market recovered.	8.1	8.2	▲ 0.1	• Real Estate Development: decrease reflecting gain on sale of shopping center (Mallage Kashiwa) in previous fiscal year and drop in gross trading profit, among other factors; • Forest Products: marked increase due to strong performance at building materials subsidiary and other companies as conditions in domestic plywood market recovered;
Consumer Lifestyle Business	38.4	39.3	▲ 0.9	• Textiles, General Commodities: generally level with previous fiscal year; • Foods: decrease (-0.7) mainly due to impact of weak retailing sales at subsidiaries amid a deteriorating domestic market.	2.5	5.4	▲ 2.9	• Textiles: decrease attributable to slump in domestic apparel wholesale and retailing sales due to poor weather and other factors; • Foods: decrease due to impact of weak sales of foods and other products amid deteriorating domestic market.
Overseas Subsidiaries	26.8	28.0	▲ 1.2	• Americas: decrease (-1.4) due to decline in transaction volume in some machinery-related businesses; • Europe: decrease (-0.2) attributable to slump in transaction volume of machinery and plastics; • China: decrease (-0.4) due to weakness in some machinery-related businesses and forest products businesses; • Asia: increase (+0.6) reflecting increased transaction volume in chemicals, plastics, and food products.	13.5	13.5	0	• Generally level with previous fiscal year as improvement in interest expense-net and higher equity in earnings of affiliates balanced out decline in some machinery-related businesses.
Other	20.6	20.1	0.5	• Nissho Electronics Corporation: increase (+0.9) mainly attributable to an increase in transactions of high-margin computer-related equipment.	13.7	5.7	8.0	• 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 communications project) and improvement in interest expense-net.
Total	254.5	242.2	12.3		89.5	78.8	10.7	

Highlights of Consolidated Financial Results for the Year Ended March 31, 2007
Supplementary Materials (2) -FY2007 Full-year Forecast-

April 27, 2007
Sojitz Corporation

(Unit: Billions of yen)

P/L

	FY2006 Results	FY2007 Plan (announced on April 28, 2006)	FY2007 Forecast	Change vs. FY2006 Results
Net Sales	**5,218.2**	**5,680.0**	**5,580.0**	+361.8
Gross trading profit	**254.5**	**270.0**	**274.0**	+19.5
[Gross trading profit ratio]	[4.88%]	[4.75%]	[4.91%]	
Machinery & Aerospace	53.6	48.6	60.5	+6.9
Energy & Mineral Resources	41.3	44.1	43.5	+2.2
Chemicals & Plastics	48.8	44.1	46.0	(2.8)
Real Estate Development & Forest Products	25.0	22.8	28.0	+3.0
Consumer Lifestyle Business	38.4	52.4	45.0	+6.6
Overseas Subsidiaries	26.8	30.2	27.0	+0.2
Other	20.6	27.8	24.0	+3.4
Selling, general and administrative expenses	(176.6)	(182.5)	(188.0)	(11.4)
Operating income	**77.9**	**87.5**	**86.0**	+8.1
[Operating income ratio]	[1.49%]	[1.54%]	[1.54%]	
Non-operating income/expense-net	11.6	2.5	6.0	(5.6)
Recurring profit *1	**89.5**	**90.0**	**92.0**	+2.5
[Recurring profit ratio]	[1.72%]	[1.58%]	[1.65%]	
Machinery & Aerospace	10.0	11.7	15.5	+5.5
Energy & Mineral Resources	33.3	24.9	33.5	+0.2
Chemicals & Plastics	8.4	9.1	8.5	+0.1
Real Estate Development & Forest Products	8.1	7.0	10.0	+1.9
Consumer Lifestyle Business	2.5	9.2	6.0	+3.5
Overseas Subsidiaries	13.5	14.6	12.5	(1.0)
Other	13.7	13.5	6.0	(7.7)
Extraordinary income/(loss)-net	**(1.4)**	**(10.0)**	**(5.0)**	(3.6)
Income/(loss) before income taxes	**88.1**	**80.0**	**87.0**	(1.1)
Net income/(loss)	**58.8**	**53.0**	**60.0**	+1.2
Core earnings *2	89.8	89.0	90.0	+0.2

*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) + Net interest income and expenses + Dividends received + Equity in earnings of unconsolidated subsidiaries and affiliates

Recurring Profit Performance

◎ ***Recurring profit of 92.0 billon yen forecast for fiscal 2007, exceeding second-year target of New Stage 2008 medium-term management plan***

Machinery & Aerospace
- Automobiles: increase due to higher transaction volume in South and Central America, Russia and NIS;
- Aerospace: decrease due to fall in lease income in aircraft leasing business related to replacement of some aircraft;
- Information & Industrial Machinery: increase due to recovery in plant-related transactions, larger transaction volume for semiconductor mounting equipment, and sustained strong results at machinery-related subsidiary;
- Ships: decrease due to expected slowdown in the buoyant chartered vessel market.

Energy & Mineral Resources
- Oil, Gas and LNG: increase due to higher production following acquisition of new upstream rights;
- Coal: decrease attributable to downward trend in prices, despite higher production;
- Mineral Resources: decrease as ferroalloy prices are expected to enter correction phase;
- Power & Industrial Plants: increase reflecting initiatives to secure new projects;
- Metal One Corporation: decrease projected.

Chemicals & Plastics
- Chemicals: generally level with fiscal 2006, reflecting continued strong operating performance and improvement in financial position of agrichemical-related equity-method affiliate (Arysta Lifescience Corporation); but merger of chemicals operating subsidiary with Sojitz expected to result in increase in total segment corporate expenses (+2.3) from fiscal 2007;
- Fertilizer: decrease due to expected high raw materials prices;
- Methanol: decrease reflecting projected downturn in market.

Real Estate Development & Forest Products
- Real Estate Development: increase overall as decline due to projected difficult conditions in condominium market expected to be outweighed by increase in retail property development business (all condominium units scheduled for handover in fiscal 2007 purchased; increase in units sold projected);
- Forest Products: despite expected rise in lumber prices and contributions from new projects (overseas project for lumber products), decrease forecast centered on building materials subsidiary due to expected slowdown in buoyant domestic plywood market.

Consumer Lifestyle Business
- Textiles: increase due to higher transaction volume attributable to new apparel brand strategy, overhauled product planning system, and more extensive sales network with new wholesale and retailing routes;
- Foods: increase attributable to recovery in earnings due to tighter purchasing and inventory controls at main subsidiaries and new trading deals related to cereals;
- General Commodities: increase reflecting higher transaction volume in automotive components, shoes, suitcases and other products at subsidiaries, and increased transaction volume in woodchips following establishment of new manufacturing company.

Overseas Subsidiaries
- Core operations expected to remain strong, but decline forecast due to drop in equity in earnings of affiliates, deterioration in interest expenses-net and other factors.

Other
- Corporate: decrease reflecting upgrade of internal control systems and additional IR and PR expenses due to publication of shareholders newsletter and other steps, as well as revision of interest charging system in conjunction with changes in the external financing environment.

B/S

	March 31, 2007	March 31, 2008 Plan (announced on April 28, 2006)	March 31, 2008 Forecast
Total assets	**2,619.5**	**2,600.0**	**2,620.0**
Shareholders' Equity *3	**488.6**	**460.0**	**490.0**
[total net assets]	[531.6]	-	-
Shareholders' Equity ratio (%)	**18.7%**	**17.7%**	**18.7%**
Net interest-bearing debt	**846.1**	**1,040.0**	**950.0**
Net DER (Times)	**1.7**	**2.3**	**1.9**
[net DER (times) based on total net assets]	[1.6]	-	-

*3 Equity = total net assets – stock acquisition rights – minority interests (same meaning as “shareholders' equity” as used previously)