Summary of Consolidated Financial Results April 27, 2007

for the Year Ended March 31, 2007

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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Scheduled Date of Ordinary General Shareholders' Meeting : June 27, 2007
Scheduled Date of Delivery of Dividends : June 28, 2007
Adopting of US GAAP : No

1. Consolidated Financial Results for the Years Ended March 31, 2007 and 2006

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

	Net Sales		Operating Income		Recurring Profit		Net Income	
For the years ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2007	5,218,153	4.9	77,932	2.3	89,535	13.7	58,766	34.5
March 31, 2006	4,972,059	6.3	76,202	16.3	78,773	35.6	43,706	-

	EPS	Adjusted EPS	ROE	ROA	Operating Income Ratio
For the years ended	Yen	Yen	%	%	%
March 31, 2007	85.51	53.57	12.8	3.5	1.5
March 31, 2006	126.21	99.55	12.4	3.2	1.5

Notes:
Equity in Earnings of Unconsolidated subsidiaries and affiliate during the period: (Millions of Yen)
Current fiscal year : 23,752 Last fiscal year : 19,149

(2)Financial Position (Consolidated)

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
As of	Millions of Yen	Millions of Yen	%	Yen
March 31, 2006	2,619,507	531,635	18.7	145.70
March 31, 2006	2,521,679	426,949	16.9	(368.95)

Notes: (Millions of Yen)
1 Shareholders' Equity As of March 31, 2007: 488,586 As of March 31, 2006 : -
Note; The presentation of the fiscal 2005 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".

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the Period
For the years ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2007	7,040	42,706	(95,476)	464,273
March 31, 2006	43,155	99,155	(55,805)	506,254

2. Cash Dividends

	Cash Dividends per Share (Yen)			Total Amount of Dividend Payment	Dividend Payout (Consolidated)	Dividend Rate to Net Assets
	Interim	Year-end	Annual			
For the years ended	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2006	-	-	0.00	-	-	-
March 31, 2007	-	6.00	6.00	6,407	7.0	-
March 31, 2008 (expected)	3.50	3.50	7.00		13.5	

3. Consolidated Earnings Forecast for the Year Ending March 2008 (April 1, 2007-March 31, 2008):

	Net Sales		Operating Income		Recurring Profit		Net Income		EPS
For the year ending March 31, 2008	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Interim	2,740,000	8.3	40,000	1.7	45,000	(3.0)	30,000	(4.3)	25.99
Full year	5,580,000	6.9	86,000	10.4	92,000	2.8	60,000	2.1	51.99

Group Management Policy

1. Fundamental policy

Under New Stage 2008, a three-year medium-term management plan ending in fiscal 2008 (the year to March 31, 2009), Sojitz aims to boost corporate value by further enhancing growth strategies, by accelerating capital and financial strategies and by upgrading risk management.

Guided by the Sojitz Group Statement, the Company is committed to implementing the New Stage 2008 plan to realize the aims and tenets described in the Group Management Vision.

Sojitz Group Statement

The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity.

Sojitz Group Slogan

New way, new value

Group Management Vision

-- To establish a multi-faceted business, which has both top-tier competitiveness and strong earnings power in specific industries and markets, by continuously pursuing profitability and growth in core business areas

-- To nurture an innovative trading company, by actively responding to environmental changes and market globalization, and continuously developing new business fields through entrepreneurship

-- To build a function-oriented trading company, by fully grasping and anticipating various client needs and by providing sophisticated, tailor-made services as a client's business partner

-- To become a flexible company, open to new ideas, where each employee can pursue challenges and explore opportunities to realize his or her own personal goals and ambitions

2. Targeted performance indicators

Sojitz has set financial performance targets for the final year of the New Stage 2008 medium-term management plan (the year ending March 31, 2009) of ¥60.0 in net income and ¥100.0 billion in recurring profit.

In addition, the goals set as part of the financial strategy are to achieve a current ratio of at least 120% and a long-term debt ratio of around 70% at the end of fiscal 2008.

	Year ending March 31, 2008	Year ending March 31, 2009
Net income	¥53.0 billion	¥60.0.0 billion
Recurring profit	¥90.0 billion	¥100.0 billion
Shareholders' equity	-----	¥500.0 billion
Current ratio	-----	120% or above
Long-term debt ratio	-----	Approx.70%

In fiscal 2006, the first year of New Stage 2008, Sojitz achieved the main quantitative financial targets. Net income of ¥58.8 billion was 19.9% ahead of the initial plan target, and also exceeded the upwardly revised figure that had been announced at the time of the interim results. Recurring profit totaled ¥89.5 billion, exceeding the initial plan target by 7.9%.

Year ended March 31, 2007	(Plan)	(Plan – revised)	(Results)
Net income	¥49.0 billion	¥56.0 billion	¥58.8 billion
Recurring profit	¥83.0 billion	¥89.0 billion	¥89.5 billion
Shareholders' equity	-----	-----	¥488.0 billion
Current ratio	-----	-----	132.4%
Long-term debt ratio	-----	-----	61.1%

(*) Shareholders' equity =Total net assets –Minority interests

3. Medium-to-long-term business strategy

The New Stage 2008 medium-term management plan aims to deliver sustained growth to increase corporate value by focusing on three policy objectives: 1) further enhance growth strategies, 2) accelerate capital and financial strategies, and 3) upgrade risk management.

(1) Further enhance growth strategies

The Company will cultivate new dimensions in the growth of each business and make the mechanisms for expansion more robust. At the same time, Sojitz aims to make further progress in selection and focus-oriented initiatives, while also making greater use of the internal risk/return indicator SCVA (Sojitz Corporation Value Added) as a tool for managing growth.

(2) Accelerate capital and financial strategies

A core aim is to accelerate short-term capital restructuring through the elimination of outstanding preferred shares (as detailed below). Sojitz is also making progress with initiatives to improve further the stability of the funding structure to achieve the plan targets for the current ratio and long-term debt ratio.

(3) Upgrade risk management

Sojitz will introduce more sophisticated risk management systems throughout its operations, fine-tuning its comprehensive risk management framework. As a result, the Company will be able to manage risk and maintain a high-quality portfolio.

On April 28, 2006, Sojitz concluded a repurchase agreement for convertible preferred shares issued by the Company for a total acquisition cost of ¥342,920 million (up to a ceiling of ¥354,128 million depending on actual repurchase dates). The shares subject to these repurchase agreements accounted for ¥560.4 billion of the outstanding balance of ¥576.0 billion in preferred shares as of April 28, 2006. On May 25, 2006, in line with the preferred share repurchases, Sojitz issued a 3rd and 4th series of convertible bonds with stock acquisition rights totaling ¥300.0 billion in a private placement. Based on the progress expected under the New Stage 2008 medium-term management plan, Sojitz decided that a convertible bond issue was the most appropriate method for raising capital in line with this policy since the distributed nature of conversion would help to limit the impact on the Company’s share price. Moreover, taking into consideration the large size of the convertible bond issue, to prevent excessive selling pressure in the market the agreement contained a clause limiting as a rule aggregate conversion for the 3rd and 4th series of convertible bonds to a monthly ceiling of ¥30.0 billion.

The capital raised through the conversion of this convertible bond issue will finance elimination of preferred shares through the repurchase agreement, thus enabling the Company to reinforce its capital base while minimizing the projected reduction in shareholders’ equity. The measures taken to restrict the overall scope of dilution due to projected conversion of preferred shares support ongoing improvement in the value of the Company’s shares. At the same time, by lessening the impact of preferred share dividends and preemptively mitigating any risk of future escalation in preferred share repurchase costs, this financing move promises to make a significant contribution to the New Stage 2008 plan initiative to boost shareholders’ equity.

Common stock conversions of the convertible bond issue totaled ¥225.0 billion as of March 31, 2007 (leaving an unconverted balance of ¥75.0 billion). On March 30, 2007, the Company made the first purchases under the terms of the preferred share repurchase agreement for a total consideration of ¥240,920 million. These transactions covered the 2nd Series Class I Preferred Shares (issuance value: ¥52.6 billion), the 3rd Series Class I Preferred Shares (issuance value: ¥52.6 billion), the 4th Series Class I

Preferred Shares (issuance value: ¥52.6 billion), the 1st Series Class II Preferred Shares (issuance value: ¥52.6 billion) and the 2nd Series Class V Preferred Shares (issuance value: ¥20.0 billion), with an overall value of ¥230.4 billion. Cancellation of all these preferred shares was completed on the same day.

As of March 31, 2007, the value of outstanding preferred shares was ¥333.0 billion, comprising the 1st Series Class III Preferred Shares (issuance value: ¥3.0 billion), the 1st Series Class IV Preferred Shares (issuance value: ¥199.5 billion) and the 1st Series Class V Preferred Shares (issuance value: ¥130.5 billion). Of these preferred shares, under the terms of the preferred share repurchase agreement, the agreed purchase price for the 1st Series Class IV Preferred Shares and the 1st Series Class V Preferred Shares (total issuance value: ¥330.0 billion) is ¥102.0 billion (up to a ceiling of ¥108.6 billion depending on actual repurchase dates). The Company plans to purchase the remaining preferred shares in line with the ongoing common stock conversion of the convertible bond issue and thus make further progress in capital restructuring through the elimination of preferred shares.

4. Prospective challenges

In terms of the prospects for the Sojitz Group's business environment, the Company expects the U.S. economy to continue expanding steadily. However, oil prices, interest-rate trends and other factors still constitute a risk for the U.S. economy.

In Europe, Sojitz expects economies to experience a mild but short-lived slowdown as the spreading effects of euro appreciation help to temper external demand.

In Asia, Sojitz expects economic growth to maintain a high rate in China ahead of the 2008 summer Olympics in Beijing, despite various efforts by the authorities to impose macro-level controls. Growth is also expected to remain robust across the ASEAN region and newly industrialized economies. Projected growth also remains strong in India amid ongoing economic reforms.

In Japan, Sojitz expects the current economic expansion to continue, supported by strong capital investment and an upturn in consumer spending.

Under such conditions, the Company sees the primary issue for management of the Sojitz Group as the steady implementation of initiatives under the three pillars of the New Stage 2008 medium-term management plan that commenced in fiscal 2006, namely to further enhance growth strategies, to accelerate capital and financial strategies and to upgrade risk management.

(1) Further enhance growth strategies

Sojitz has identified three distinct growth strategies: to secure resources, to develop the value chain, and to reinforce core trading. Within these categories, Sojitz plans to invest a total of ¥300.0 billion over the three-year plan period into initiatives that either expand functions or that represent new investments and loans. Growth strategies for each business have been factored into the three-year plan, and follow-up structures have been created to ensure the execution of these growth strategies.

During the year ended March 2007, within the “secure resources” category, Sojitz made additional investments in projects such as North Sea oil fields and a nickel mining operation in the Philippines. Within the “value chain” category, the Company took an equity stake in JALUX Inc., a firm with strengths in downstream business operations, and established an automobile sales company in Ukraine in partnership with Isuzu Motors Ltd. Within the “core trading” category, Sojitz focused on developing projects to leverage the Company’s competitive strengths. Investments to support future growth were made in a number of areas, including the expansion of operating bases in key countries, ongoing investment in innovation and efforts to strengthen systems linking overseas operations to sales teams based in Japan.

In addition, the Company is promoting the greater adoption of SCVA business management within the Sojitz Group to facilitate the Group’s exit from relatively unprofitable businesses and to develop a relentless focus on business areas where the Group enjoys a competitive advantage. These moves aim to reform the earnings structure and to promote the development of an improved business portfolio.

(2) Accelerate capital and financial strategies

Capital restructuring

To prevent significant projected dilution due to the conversion of preferred shares into common stock, Sojitz has undertaken measures to purchase and cancel all preferred shares issued by the Company with common stock conversion dates in May 2008 and beyond for a total acquisition cost of ¥342.9 billion. The shares subject to repurchase accounted for ¥560.4 billion of the outstanding balance of ¥576.0 billion in preferred shares as of the beginning of fiscal 2006. In May 2006, the Company completed the convertible bond issue to raise ¥300.0 billion, thereby aiming to minimize any reduction in shareholders’ equity by procuring capital from external sources.

Convertible bond conversion during the year ended March 2007 totaled ¥225.0 billion, while preferred shares were purchased and canceled for a total acquisition cost of ¥240.9 billion. As a result, preferred share dividends decreased by ¥4.3 billion.

Improving stability of funding structure

Seeking to diversify funding methods and to improve the durational balance of the debt structure, Sojitz plans to undertake ongoing issuance of straight bonds while shifting borrowings to longer maturities.

For further details please refer to the consolidated balance sheet analysis contained in the Financial Position section under “Business Results” below.

(3) Upgrade risk management

The Company plans to further reinforce and upgrade risk management across the Sojitz Group, both to realize growth strategies and to ensure consistent growth. One of the core issues in this regard is to strengthen management of risk at the Group level by developing credit ratings systems, credit approval/monitoring standards, business investment standards, and management systems for follow-up and country risk.

Sojitz aims to continue to manage the Group’s portfolio of risk assets so that its total value is no more than 100% of shareholders’ equity (with the target control value set at 80%). In addition, while strengthening the internal controls system and compliance framework, the Company also plans to upgrade corporate governance to establish highly transparent management structures. This aim reflects the importance placed by Sojitz on being accountable to shareholders and other stakeholders and on fulfilling related management responsibilities.

Through these various initiatives, the Company aims to achieve a target of ¥60.0 billion for consolidated net income in the final year of the New Stage 2008 plan.

Business Results

1. Analysis of business results

(1) Overview of fiscal 2006
Economic environment

During fiscal 2006, the year ended March 31 2007, the global economy performed robustly despite some concerns regarding both the sustainability of economic growth and geopolitical risk. Most notably, expansion in emerging economies such as Brazil, Russia, India and China (the BRICs economies) continued to support other national economies and drive up prices for a wide variety of resources and products. In these regions, February 2007 witnessed a period of global stock price adjustment prompted by caution regarding credit risk and interest rate environments, but the repercussions of this adjustment phase were temporary.

In the United States, the real economy maintained balanced growth that reflected its underlying potential against the backdrop of financial policies aimed at easing inflationary pressures. Meanwhile, there were increasingly evident signs of concerns regarding the housing market, which had been playing a leading role in preserving economic stability. However, the employment situation remained strong with rising wages and continuing healthy levels of spending, so these concerns had only a temporary effect on financial markets.

In Europe, investment in capital equipment, facilities and the construction sector helped to push up overall economic growth in Germany, France and other markets, as growth in consumer spending remained solid. Although the euro continued to appreciate, the effect on exports was limited, allowing Eurozone economies to maintain their modest expansion.

Many countries in Asia also exhibited strong economic growth. Increased exports continued to play a leading role in driving these economies, with buoyant internal demand also supporting ongoing expansion across the region. The coup staged by the military in Thailand in September had only a limited impact on economic activity.

In China, the central government redoubled its commitment to fiscal restraint, but the country again achieved a high rate of economic growth thanks to high export levels and significantly higher investment in fixed assets. China’s GDP grew 10.7% in 2006, exceeding the government’s 8% target.

In India, which is maintaining a similarly high rate of growth, the manufacturing sector continued to go from strength to strength. Meanwhile, the NIEs and ASEAN countries recorded strong growth despite inventory adjustments in the IT sector and concerns about the slowdown in external demand.

The Japanese economy grew robustly, setting a new post-war record for the longest period of continuous growth. This reflected strong expansion in the two main pillars of internal demand—consumer spending and capital investment—supported by stable commodity prices and healthy corporate earnings. Growth was sufficiently robust to absorb the effects of the Bank of Japan terminating its zero interest rate policy in July 2006.

Financial Performance

Business results for Sojitz Corporation and consolidated subsidiaries for fiscal 2006, the year ended March 31, 2007, are presented as follows.

Net sales

Consolidated net sales amounted to ¥5,218,153 million, an increase of 4.9% compared with the previous fiscal year. Sales were higher than in the previous year across all trading categories. Sales from export transactions in the Energy & Mineral Resources, Machinery & Aerospace and other divisions recorded strong growth, increasing 10.3%. Sales from import transactions in the Machinery and Aerospace and other divisions rose 8.8%. Sales from domestic transactions recorded net growth of 0.3%, with lower sales in the Real Estate Development & Forest Products, and Chemicals & Plastics divisions outweighed by higher sales in the Consumer Lifestyle Business, Energy & Mineral Resources and other divisions. Sales from offshore transactions in the Machinery & Aerospace, Chemicals & Plastics, Consumer Lifestyle Business and other divisions increased by 5.6%.

By industry segment, in the Machinery & Aerospace Division, robust performances in aircraft- and automobile-related transactions resulted in a 16.7% increase in sales. Net sales in the Energy and Mineral Resources Division increased by 6.6%, reflecting firm commodity prices and an increase in oil and metal resource transactions. In the Chemicals & Plastics Division net sales rose by 5.7% due to favorable market conditions, while the Consumer Lifestyle Division benefited from higher sales of foods and apparel to post 5.3% growth. In the Real Estate Development and Forest Products Division, however, lower sales of construction equipment and materials outweighed the recovery in the lumber market, resulting in a net sales decline of 9.4%. Net sales at Overseas Subsidiaries also declined, falling 6.2% compared with a year earlier due to a drop in some machinery-related business in the Americas and other factors.

Gross trading profit

Consolidated gross trading profit amounted to ¥254,466 million, up ¥12,300 million compared with the previous fiscal year. Contributing factors included strong performances in the Machinery & Aerospace Division's aircraft- and automobile-related businesses, the

Energy & Mineral Resources Division's mineral resources and coal-related operations, and also in lumber and fertilizer.

Operating income

Consolidated operating income rose 2.3% year on year to ¥77,932 million. This reflected the rise in gross trading profit, which outweighed the increase in selling, general and administrative (SG&A) expenses resulting from higher personnel expenditure.

Recurring profit

Consolidated recurring profit increased by 13.7% to ¥89,535 million, reflecting higher equity in earnings of unconsolidated subsidiaries and affiliates, including Metal One Corporation, and a reduction in interest expense due to an improvement in Sojitz' credit rating. Net other income also improved due to a drop off in provisions for investments and loans, among other factors.

Extraordinary gains and losses

Extraordinary gains totaled ¥30,562 million, including gains on the sale of investment securities (¥12,952 million), gains on the sale and disposal of properties (¥11,596 million) and a reversal of allowance for doubtful accounts (¥5,259 million). Extraordinary losses totaled ¥32,012 million, including a loss on dissolution of subsidiaries and affiliates plus related provisions (¥20,059 million), and revaluation losses on investment securities (¥3,957 million), resulting in a net extraordinary loss of ¥1,449 million.

Net income

As a result of these and other factors, income before income taxes and minority interests for the fiscal year was ¥88,085 million. After accounting for income taxes (¥18,841 million), deferred income taxes (¥4,971 million) and minority interests in consolidated subsidiaries (¥5,506 million), Sojitz Corporation posted net income for fiscal 2006 of ¥58,766 million, a year-on-year increase of 34.5%.

Machinery & Aerospace

Segment net sales amounted to ¥1,118,192 million, an increase of 16.7% compared with the previous fiscal year. This reflected strong growth in aircraft- and automobile-related operations. Gross trading profit was also up, due partly to growth in automobile-related sales to Central and South America, Russia, and the Middle East. Other contributors were sales in aircraft-related operations, particularly those relating to Boeing aircraft, and sales in the general machinery sector posted by a consolidated subsidiary. Operating income, however, fell 2.1% to ¥15,711 million as a result of higher SG&A expenses.

Energy & Mineral Resources

Reflecting continuing high commodity prices, segment net sales amounted to ¥1,286,934 million, a year-on-year increase of 6.6%. Operating income rose 4.8% to ¥18,889 million due to higher gross trading profit.

Chemicals & Plastics

Segment net sales totaled ¥668,737 million, rising 5.7% on a year-on-year basis. An increase in gross trading profit contributed to operating income that rose significantly to ¥21,818 million, a 31.8% increase.

Real Estate Development & Forest Products

Although conditions in lumber markets improved, segment net sales declined 9.4% to ¥380,340 million due to slower construction equipment and materials sales. Improved profits on lumber trading activities and reduced SG&A expenses resulted in a 21.9% year-on-year increase in operating income to ¥11,708 million.

Consumer Lifestyle Business

Primarily reflecting growth in the foods and apparel businesses, segment net sales were 5.3% higher than a year earlier at ¥913,833 million. However, higher SG&A expenses resulted in a 29.7% drop in operating income to ¥5,607 million.

Overseas Subsidiaries

Segment net sales totaled ¥720,832 million, falling 6.2% compared with a year earlier. This primarily reflected a drop in some machinery-related business in the Americas. An increase in SG&A expenses contributed to the 59.4% year-on-year decline in operating income to ¥1,887 million.

Other

Segment net sales rose 10.1% to ¥129,283 million. Despite a recovery at IT subsidiaries, higher SG&A expenses resulted in operating income that was down 19.0% to ¥2,080 million.

(2) Outlook for fiscal 2007

The following shows the performance outlook for the full fiscal year

(Consolidated)	(Billions of yen)
Net sales	5,580
Operating income	86
Recurring profit	92

Net income	60

(Non-consolidated)	(Billions of yen)
Net sales	3,120
Operating income	10
Recurring profit	31
Net income	31

The above outlook assumes an exchange rate of ¥110/US$ and a crude oil price of US$55/BBL (Brent).

Forward-looking Statements

The above information on future performance (forward-looking statements) is based on information available to management at the time of disclosure. Accordingly, readers are advised that actual results may differ materially from forward-looking statements due to a wide variety of factors including, but not limited to, economic conditions in Sojitz' principal overseas and domestic markets, and changes in foreign currency exchange markets. The Company will provide timely disclosure of any material changes or related issues.

2. Financial position

Consolidated balance sheet

Aiming to realize the shift to a high-quality earnings structure, Sojitz continued to make progress in selection and focus initiatives designed to entrench its business portfolio strategy. Sojitz also continued to invest resources in growth domains with the aim of raising SCVA, its internal risk/return indicator. In addition, Sojitz is working to improve its debt structure. Specific steps included procuring new sources of long-term funding and diversifying fund procurement through the issue of straight bonds and other instruments with the ultimate aim of achieving a more stable funding structure, as evidenced by an improved current ratio and long-term debt ratio. Initiatives taken by Sojitz to establish a more stable and efficient funding structure involved both direct and indirect methods of financing. Direct financing initiatives included procuring funds through the bond markets by following up the ¥15.0 billion public bond offering conducted in August 2006 with a series of four bond issues totaling ¥75.0 billion. Indirect financing initiatives included taking active measures to change the balance of funding from short term to long term, procuring a total of ¥81.7 billion in syndicated term loans, and other measures.

With regard to financial restructuring, Sojitz concluded agreements with relevant shareholders to repurchase preferred shares for a total acquisition cost of ¥342,920 million (subject to a ceiling of ¥354,128 million, depending on actual repurchase dates). The shares subject to these repurchase agreements accounted for ¥560.4 billion of the outstanding balance of ¥576.0 billion in preferred shares as of April 28, 2006.

To fund these planned preferred share repurchases, on May 25, 2006, Sojitz issued a 3rd and 4th series of convertible bonds with stock acquisition rights, totaling ¥300 billion. By repurchasing preferred shares using the amount of capital raised by conversion of the convertible bonds, we will be able to minimize the decrease in shareholders' equity, while also minimizing the dilution that would arise from the future conversion of preferred shares to common stock. In taking this action we are aiming to further reinforce our capital base by boosting the value of Sojitz stock, and reducing the burden of dividend payments to preferred shareholders. Another objective is to mitigate the risk of future increases in the cost of repurchasing preferred shares. By March 31, 2007, ¥225.0 billion of the convertible bonds issued had been converted to common stock, and on March 30, 2007 Sojitz had repurchased and canceled preferred shares with a par value of ¥230.4 billion at a cost of ¥240,920 million.

Consolidated cash flows

In the fiscal year under review, net cash provided by operating activities and investing activities amounted to ¥7,040 million and ¥42,706 million, respectively. Net cash used in financing activities totaled ¥95,476 million. After accounting for the effects of currency translation adjustments and changes in the scope of consolidation, the balance of cash and cash equivalents as of March 31, 2007 was ¥464,273 million.

Cash flows from operating activities

Net cash provided by operating activities in the fiscal year under review amounted to ¥7,040 million. Although this represented a decrease of ¥36,115 million in cash inflow compared with the previous fiscal year, the positive effects of factors such as higher operating income and an increase in trade payables did still outweigh higher cash outflows due to increased trade receivables and inventories.

Cash flows from investing activities

Net cash provided by investing activities in the fiscal year under review totaled ¥42,706 million, a decrease of ¥56,449 million compared with the previous fiscal year. The main sources of cash inflow were the proceeds from sale of property and equipment and collection of short-term loans receivable.

Cash flows from financing activities

Net cash used by financing activities in the fiscal year under review totaled ¥95,476 million, an increase of ¥39,671 million in cash outflow compared with the previous fiscal year. The most significant item in cash outflow was the payment of ¥240,920 million to repurchase preferred shares.

3. Basic policy on profit distribution, and dividends for fiscal 2006 and fiscal 2007

Sojitz considers the stable, continuous payment of dividends to shareholders to be one of the most important business management issues. An equally important issue is the need to enhance competitiveness and shareholder value by increasing retained earnings and using them effectively. Going forward, Sojitz will set dividends at appropriate levels after considering such factors as progress with the New Stage 2008 medium-term management plan launched in 2006, financial structure and shareholders' equity, and funding requirements for investments to grow profits. Sojitz has set a future target of a 20% consolidated dividend payout ratio.

Sojitz has been intending to resume its payment of dividends from the end of fiscal 2006, and we have therefore resolved to pay a full-year dividend for the year under review. This decision is on the basis that, having increased our first-year profit targets for New Stage 2008, and then achieved the higher targets, we have now established the financial position and earnings base to allow payment of continuous dividends.

As a first step toward making stable and continuous payments of annual dividends, we intend to pay a common stock dividend of ¥6 per share for fiscal 2006. This payment corresponds to a consolidated payout ratio of 10.9% based on the total number of shares of common stock outstanding on March 31, 2007, or a payout ratio of 7.0% based on the average number of shares of common stock outstanding during the fiscal year ended March 31, 2007.

With regard to annual dividends on preferred shares, of the shares outstanding on March 31, 2007, the date of record, we will pay dividends in accordance with the provisions of the issuance guidelines for the following shares: ¥15 per share for 1st Series Class III Preferred Shares and ¥143.76 per share for 1st Series Class V Preferred Shares.

Turning to fiscal 2007, in line with our policy of achieving stable and continuous dividend payments and increasing the consolidated payout ratio, we intend to pay an annual dividend on common stock for the fiscal year ending March 31, 2008 of ¥7 per share. This comprises an interim payment of ¥3.5 and a full-year payment of ¥3.5. This dividend payment would result in a consolidated payout ratio of approximately 13.5% based on the average number of shares of common stock outstanding during the fiscal year, assuming that all the remaining 4th series of convertible bonds were converted to common stock at the conversion price prevailing on April 27, 2007. If no further conversions of the convertible bonds were to take place, the consolidated dividend payout ratio on common stock would be approximately 12.5%.

4. Business and other risks

Sojitz is engaged in a wide and diverse range of activities including general trading; the purchase, sale and trade of goods and commodities; and the manufacture and sale of a wide variety of products in Japan and overseas. The Company also provides comprehensive services to a variety of industries on a global scale. In addition, it is engaged in planning and arranging projects, and investing in a variety of business fields and financial activities.

In light of these activities, Sojitz is confronted by numerous risks. These risks include: market risk relating to movements in foreign exchange rates, interest rates, commodity market conditions, and stock prices; credit risk relating to non-payment and collection; investment risk; country risk; and other risks. These risks are to a certain degree unpredictable, and as they cannot be accurately ascertained, can impact the performance and financial position of the Company. Although risk can not be entirely mitigated, the Company is reinforcing and enhancing risk management to address wide-ranging business risks where possible. Sojitz recognizes that a unified and integrated approach across the Group is critical to comprehensive risk management. This also entails quantifying and monitoring risk on an ongoing basis as a vital element of operations. Additionally, Sojitz is building an internal control system around its Internal Control Administration Office and reinforcing the compliance structure under the Chief Compliance Officer, both measures aimed at enhancing the management of risks that can not be quantified.

Sojitz is confronted by the following risks in the execution of its daily business activities:

(1) Market risk

Sojitz is engaged in global business development and trade and is accordingly subject to a variety of market risks. Certain transactions are denominated in foreign currencies and as such are subject to exchange rate risks. The Company is also susceptible to movements in interest rates in connection with funds procurement and its investment activities. In its daily operating activities, the Company enters into purchase agreements, maintains inventories, and is exposed to commodity price risk. In addition, the Company is exposed to stock price risk due to its holdings of marketable and other securities. As a result, the Company is subject to a variety of market risks, and transactions susceptible to market risk are not limited to those identified above. Sojitz works to avoid market risk-related losses by maintaining limits on the position (short/long) a business unit may assume and by setting loss-cut points. As well as managing these positions and any related losses, the Company strictly adheres to the loss-cut rule: if a loss greater than the loss-cut point occurs, the position is immediately dissolved and new transactions are prohibited during the applicable fiscal year. In order to offset market risks related to its general marketing and finance activities, Sojitz matches buying and selling transactions for commodities, adopts a matching principle for its assets and liabilities, and applies derivative financial instruments including forward foreign currency exchange contracts, commodity futures and interest rate swaps.

(2) Credit risk

In the course of its business, Sojitz extends credit facilities to a large number of customers in Japan and overseas, which in turn exposes the Company to credit risk. As part of efforts to manage and control this risk, the Company has established an 11-tier credit assessment system. In each instance, the Company objectively determines a credit rating for each customer, and based on this rating, sets the level of credit for the individual transaction. In addition, the Company strives to implement strict security and other collateral requirements in line with the credit rating for each customer. Furthermore, the Company undertakes periodic assessment of credit risk related to deferred payment, finance and guarantee procedures based on risk/return considerations. When the risk/return is considered insufficient, steps are taken to improve returns and reduce risks.

(3) Investment risk

One of Sojitz' major business activities is investing in a variety of business fields, which are subject to changes in investment values and other risks. The Company has established a screening system to ascertain the merits and risks of each investment proposal, and a management system to follow-up investments. Clearly defined standards have also been formulated with regard to withdrawal from an investment. Through these initiatives, the Group is working to prevent and reduce loss.

The Company has established a system to adequately screen and select new business investment opportunities. On evaluating each proposal, the relevant business plan, including cash flow projections, is comprehensively examined. Profitability is also strictly assessed by setting a hurdle rate based on the internal rate of return (IRR).

Proposals that have been approved and implemented are subject to periodic review to ensure the early detection of issues and problems. In the event an issue or problem arises, steps are taken to ensure minimum loss. In addition, to ensure early detection and in an effort to avoid issues and problems, guidelines are established at the early stages to define acceptable risk and return, and to identify conditions for withdrawal and loss write-off.

(4) Country risk

Sojitz is subject to country risk in its trading operations and activities. In order to minimize country risk, the Company avoids excessive investment exposure to any one country or region. To this end, Sojitz evaluates each country and region and assigns a risk rating for each. For countries and regions with a high country risk rating, Sojitz sets maximum net exposure limits in proportion to the country rating and size, within which it operates. In addition, for countries allocated a high country risk rating, country risk avoidance measures such as trade insurance are implemented for each proposal.

(5) Risk relating to changes in the macroeconomic environment

Sojitz is a *sogo shosha* with global operations that conducts its businesses both in Japan and in approximately 50 other countries around the world. It is active in a diverse range of businesses, including machinery and aerospace, energy and mineral resources, chemicals and plastics, real estate development and forest products, and consumer lifestyle-related business. Consequently, the Company's performance is affected by the economic situation in Japan and the other countries in which it operates, as well as by worldwide economic conditions. There is a risk that economic slowdown, either worldwide or in a particular region, could negatively impact the Company's performance or financial position.

(6) Risk relating to impairment of fixed assets

Sojitz is subject to impairment risk relating to leased assets and fixed assets it owns including real estate, machinery and equipment, and vehicles. The Company accounts for the relevant assets in accordance with the standards for asset-impairment accounting, and the required impairment adjustments were recorded at the end of the fiscal year under review. However, there is a risk that a fall in market prices for the assets concerned could lead to a sharp decline in the value of the assets, making it necessary to record significant asset impairment. In this case, the Company's performance or financial position could be negatively impacted.

(7) Fund procurement risk

Sojitz procures funding for its operations through loans from financial institutions, and by issuing bonds and commercial paper, among other means. Consequently, in the event of disruption in the financial markets, or if a rating agency were to significantly downgrade Sojitz' credit rating, Sojitz' ability to procure funds would be restricted and its fund procurement costs would increase. In this case, the Company's performance or financial position could be negatively impacted.

(8) Risk relating to increases in environmental costs

Sojitz considers care for the global environment to be one of its most important management issues and is actively involved in tackling environmental problems. The Company has drawn up the Sojitz Environmental Policy, and takes the environment into consideration when conducting its operations. Sojitz also adheres strictly to environment-related laws and regulations and promotes initiatives targeting environmental protection. Nonetheless, implementing such initiatives cannot in itself eliminate all risk of potential environmental pollution arising in the course of business operations. In the event of such environmental pollution, potential adverse outcomes include suspension of Sojitz' operations, liability for decontamination and cleaning expenses, and liability for litigation costs.

(9) Compliance risk

Sojitz is active in a variety of business fields, and laws and regulations relating to its operations are wide ranging. They include trade-related laws such as those regarding corporations, tax, business monopolies and foreign exchange, as well as laws relating to each industrial sector. To ensure adherence to these laws and regulations, the Company has developed a compliance program and established a Compliance Committee. It has also appointed a Chief Compliance Officer to conduct compliance training and enforce implementation of compliance throughout the entire Group. Nonetheless, even measures such as these cannot eliminate all compliance-related risk in the course of conducting business. There is always a possibility that significant changes to the relevant laws and regulations, or new and unexpected interpretations of existing laws, could be enforced. In such cases, the Company's performance or financial position could be negatively impacted.

(10) Risk of litigation

Sojitz' business activities may on occasion be subject to legal action including litigation or arbitration, either in Japan or overseas. However, as of March 31, 2007 there were no cases of litigation, arbitration or other legal action likely to exert a material impact on the performance or financial position of the Company.

(11) Risk relating to IT systems and security of information

Sojitz considers appropriate safeguarding and management of its information assets to be a crucial issue in operating its businesses. In line with this stance, the Company has established an information management system based on an internal committee and developed a range of other provisions. To deal with failures in key IT systems and networks, Sojitz has implemented such measures as duplicating systems and equipment. The Company is also working to bolster its defenses against information leaks. To this end Sojitz has established firewalls to prevent unauthorized external access to computer systems, and has also implemented anti-virus measures and adopted encryption technology.

As detailed above, Sojitz is taking comprehensive measures to reinforce its information security and avoid any untoward events. These efforts notwithstanding, it is impossible to completely eliminate all risk, and a number of potential risks remain. These include infection by a new computer virus, and leakage or loss of key information assets containing personal information as a result of events such as unauthorized access to a computer. Another potential risk is total failure of an IT system due to unexpected natural disaster or malfunction. Depending on the scale of damage incurred, the Company’s performance or financial position could be negatively impacted.

Consolidated Statements of Income

for the year ended March 31, 2007

Millions of yen

	FY2006 Results	Percentage of Net sales (%)	FY2005 Results	Percentage of Net sales (%)	Change Amount	Change Percentage
Net sales	**5,218,153**	**100.00**	**4,972,059**	**100.00**	246,094	4.95
Cost of sales	(4,963,686)	(95.12)	(4,729,892)	(95.13)	(233,794)	4.94
Gross trading profit	**254,466**	**4.88**	**242,166**	**4.87**	12,300	5.08
Selling, general and administrative expenses	**(176,533)**	(**3.39**)	**(165,964)**	(**3.34**)	(10,569)	6.37
Operating income	**77,932**	**1.49**	**76,202**	**1.53**	1,730	2.27
Interest income	14,995	0.29	13,213	0.27	1,782	13.49
Dividends	6,052	0.12	6,816	0.14	(764)	(11.21)
Equity in earnings of unconsolidated subsidiaries and affiliates	23,752	0.45	19,149	0.39	4,603	24.04
Gain on sale of securities	1,872	0.04	2,042	0.04	(170)	(8.33)
Other income	15,357	0.29	18,496	0.37	(3,139)	(16.97)
Non-operating income	**62,030**	**1.19**	**59,718**	**1.20**	2,312	3.87
Interest expense	(38,332)	(0.73)	(38,571)	(0.78)	239	(0.62)
Interest expense on commercial papers	(89)	(0.00)	(1,572)	(0.03)	1,483	(94.34)
Other expenses	(12,005)	(0.23)	(17,003)	(0.34)	4,998	(29.39)
Non-operating expense	**(50,427)**	(**0.96**)	**(57,147)**	(**1.15**)	6,720	(11.76)
Recurring profit	**89,535**	**1.72**	**78,773**	**1.58**	10,762	13.66
Extraordinary loss-net	**(1,449)**	(**0.03**)	**(9,358)**	(**0.18**)	7,909	(84.52)
Income before income taxes and minority interests	**88,085**	**1.69**	**69,414**	**1.40**	18,671	26.90
Income taxes; Current	(18,841)	(0.36)	(16,484)	(0.33)	(2,357)	14.30
Deferred	(4,971)	(0.09)	(5,840)	(0.12)	869	(14.88)
Minority interests in consolidated subsidiaries	(5,506)	(0.11)	(3,383)	(0.07)	(2,123)	62.75
Net Income	**58,766**	**1.13**	**43,706**	**0.88**	15,060	34.46

Extraordinary Income and Loss

for the year ended March 31, 2007

Millions of yen

	FY2006 Results	FY2005 Results	Change
Extraordinary Income;			
Gain on sale and disposal of properties	11,596	3,962	7,634
Gain on sale of investment securities	12,952	9,522	3,430
Gain on sale of investment in partners	188	12	176
Dilution gain from changes in equity interest	227	-	227
Gain on reversal of allowance for doubtful accounts	5,259	5,797	(538)
Gain on sale of certain overseas receivables	30	617	(587)
Gain on bad debt recovered	308	112	196
Total extraordinary income	30,562	20,025	10,537

	FY2006 Results	FY2005 Results	Change
Extraordinary Loss;			
Loss on sale and disposal of properties	(2,144)	(1,723)	(421)
Impairment losses on fixed assets	(3,393)	(2,022)	(1,371)
Loss on sale of investment securities	(293)	(3,367)	3,074
Loss on sale of investment in partners	(9)	(1,238)	1,229
Loss on devaluation of securities	(3,957)	(950)	(3,007)
Dilution loss from changes in equity interest	(150)	(2,954)	2,804
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(20,059)	(11,645)	(8,414)
Restructuring loss	(1,380)	(5,482)	4,102
Special early retirement benefits	(160)	-	(160)
Provision for retirement benefits for directors, executive officers and corporate auditors	(463)	-	(463)
Total extraordinary loss	(32,012)	(29,384)	(2,628)
Extraordinary income/loss, net	(1,449)	(9,358)	7,909

Reference: the following accounts are not included in the above extraordinary items.

	FY2006 Results	FY2005 Results	Change
Provision for doubtful receivables	(5,503)	(3,224)	(2,279)

(Included in Selling, general & administrative expenses)

Consolidated Balance Sheets

As of March 31, 2007

Assets	March 31, 2007	March 31, 2006	Change
			Millions of yen
Current assets;			
Cash and deposits	471,570	521,937	(50,367)
Trade notes and trade accounts receivable	672,658	613,513	59,145
Securities	7,251	6,471	780
Inventories	315,885	214,163	101,722
Short-term loans receivable	23,182	44,237	(21,055)
Deferred tax assets-current	8,591	8,886	(295)
Other current assets	130,636	116,416	14,220
Allowance for doubtful receivables	(14,695)	(15,172)	477
Total current assets	1,615,081	1,510,454	104,627
Fixed assets;			
Tangible assets	229,966	246,665	(16,699)
Intangible assets;	99,127	100,131	(1,004)
Goodwill	69,925	76,897	(6,972)
Other intangible assets	29,202	23,233	5,969
Investments and other fixed assets;	671,857	663,403	8,454
Investments securities	518,615	488,291	30,324
Long-term loans receivable	39,304	38,867	437
Non-performing receivables	162,305	176,527	(14,222)
Deferred tax assets-non-current	19,754	23,880	(4,126)
Others	49,916	58,793	(8,877)
Allowance for doubtful receivables	(118,039)	(122,956)	4,917
Total fixed assets	1,000,951	1,010,200	(9,249)
Deferred assets	3,475	1,024	2,451
Total assets	2,619,507	2,521,679	97,828

Consolidated Balance Sheets

As of March 31, 2007

Liabilities and net assets

Millions of yen

	March 31, 2007	Marchi 31, 2006	Increase/ Decrease
Liabilities			
Current liabilities			
Trade notes and trade accounts payable	531,508	451,438	80,070
Short-term loans payable	348,413	545,072	(196,659)
Commercial paper	10,000	29,200	(19,200)
Current portion of long-term loans payable	153,538	239,841	(86,303)
Income taxes payable	8,811	7,774	1,037
Deferred tax liabilities-current	34	41	(7)
Allowance for employees' bonus	7,412	5,148	2,264
Other current liabilities	159,778	138,198	21,580
Total current liabilities	1,219,497	1,416,716	(197,219)
Non-current liabilities;			
Bonds, less current portion	245,540	99,036	146,504
Long-term loans payable	560,187	473,109	87,078
Deferred tax liabilities -non-current	13,078	13,553	(475)
Deferred tax liabilities -revaluation	1,238	445	793
Allowance for retirement benefits	22,526	25,558	(3,032)
	1,394	-	
Other non-current liabilities	24,409	29,185	(27,791)
Total non-current liabilities	868,374	640,887	(616,478)
Total liabilities	2,087,872	2,057,603	(1,189,229)
Minority Interests	-	37,125	-
Shareholders' equity			
Common and Preferred stock	-	130,549	-
Capital surplus	-	166,754	-
Retained earnings	-	92,487	-
Revaluation difference on land	-	(2,619)	-
Net unrealized gains on available-for-sale securities	-	90,547	-
Valuation difference on available-for-sale securities	-	(50,655)	-
Treasury stock	-	(113)	-
Total shareholders' equity	-	426,949	-
Total liabilities, minority interest and shareholders' equity	-	2,521,679	-
Owners' equity;			
Common and preferred stock	122,790	-	
Capital surplus	158,593	-	
Retained earnings	147,206	-	
Treasury stock	(126)	-	
Total owners' equity	428,464	-	
		-	
Valuation and translation adjustments;		-	
Net unrealized gains on available-for-sale securities	94,316	-	
Defferred gains or losses on hedges	623	-	
Lande revaluation difference	(1,935)	-	
Foreign currency translation adjustments	(32,882)	-	
Total valuation and translation adjustments	60,122	-	
		-	
Minority Interests;	43,048	-	
Total net assets	531,635	-	
Total liabilities and net assets	2,619,507	-	

Consolidated Statements of Cash Flows

for the year ended March 31, 2007

	FY2006 Results	FY2005 Results	Change
Operating activities;			
Income before income taxes and minority interests	88,085	69,414	18,671
Depreciation and amortization	23,928	25,958	(2,030)
Loss on revaluation of securities	3,957	950	3,007
Decrease (increase) in allowance for doubtful receivables	(6,148)	(110,810)	104,662
Interest and dividend income	(21,048)	(20,030)	(1,018)
Interest expense	38,421	40,143	(1,722)
Equity in earnings of unconsolidated subsidiaries and affiliates	(23,752)	(19,149)	(4,603)
Gain (loss) on sale of securities	(14,787)	(4,025)	(10,762)
Gain (loss) on sale and disposal of property & equipment	(9,452)	(2,238)	(7,214)
Impairment loss on fixed assets	3,393	2,022	1,371
Decrease in trade receivables	(62,697)	26,492	(89,189)
Increase (decrease) in inventories	(99,052)	(8,492)	(90,560)
Increase (decrease) in trade payables	78,685	(34,978)	113,663
Other, net	7,507	77,899	(70,392)
Net cash provided by operating activities	7,040	43,155	(36,115)
Investing Activities			
Decrease in time deposit, net	9,392	2,541	6,851
Decrease (increase) in marketable securities, net	84	(1,151)	1,235
Payments for property & equipment	(28,774)	(25,518)	(3,256)
Proceeds from sale of property & equipment	38,255	16,462	21,793
Payments for purchase of investment securities	(35,763)	(24,380)	(11,383)
Proceeds from sale of investment securities	46,480	59,272	(12,792)
Decrease in short - term loans receivable, net	36,315	27,022	9,293
Increase of long - term loans receivable	(22,914)	(9,717)	(13,197)
Collection of long-term loans receivable	8,576	37,546	(28,970)
Other, net	(8,945)	17,077	(26,022)
Net cash provided by investing activities	42,706	99,155	(56,449)
Financing activities			
Increase (decrease) in short-term debt, net	(201,386)	(233,618)	32,232
Decrease in commercial paper, net	(19,200)	(110,000)	90,800
Proceeds from long-term debt	274,898	487,025	(212,127)
Repayments of long-term debt	(266,922)	(262,600)	(4,322)
Proceeds from issuance of bonds	374,626	154,872	219,754
Redemption of bonds	(12,668)	(46,030)	33,362
Payment for purchase of preferred shares	(240,920)	(44,000)	(196,920)
Other, net	(3,903)	(1,453)	(2,450)
Net cash used in financing activities	(95,476)	(55,805)	(39,671)
Effect of Exchange Rate Changes on Cash & Cash Equivalents	3,419	11,921	(8,502)
Net Decrease in Cash & Cash Equivalents	(42,310)	98,426	(140,736)
Cash & cash Equivalents at the Beginning of the Period	506,254	409,266	96,988
Effect of Change in Scope of Consolidation	329	(1,438)	1,767
Cash & Cash Equivalents at the End of the Period	464,273	506,254	(41,981)

Segment Information

for the year ended March 31, 2007

Industry Segments

The business segment information for the year ended March 31, 2007 and 2006 are as follows:

Year ended March 31, 2007

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	1,118,192	1,286,934	668,737	380,340	913,833
Inter-segment	13,895	7,526	48,440	2,393	13,307
Total	1,132,088	1,294,460	717,178	382,733	927,140
Operating expense	1,116,376	1,275,570	695,359	371,024	921,533
Operating income	15,711	18,889	21,818	11,708	5,607
Total assets	355,323	504,317	370,225	272,799	316,111

	Overseas Subsidiaries	Other	Total	Elimination and Unallocated	Consolidated
Net sales					
Outside customers	720,832	129,283	5,218,153	-	5,218,153
Inter-segment	333,966	22,792	442,322	(442,322)	-
Total	1,054,798	152,075	5,660,475	(442,322)	5,218,153
Operating expense	1,052,911	149,994	5,582,771	(442,550)	5,140,220
Operating income	1,887	2,080	77,704	228	77,932
Total assets	363,495	171,580	2,353,853	265,654	2,619,507

Notes:

1. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 1,584million yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.

2. Company assets included in “Elimination and Unallocated” totaled 431,910 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company.

Industry Segments (Continued)

(Ref.) Year ended March 31, 2006

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	958,343	1,207,031	632,861	419,746	868,055
Inter-segment	12,434	10,279	46,354	3,105	14,015
Total	970,778	1,217,310	679,216	422,851	882,070
Operating expense	954,737	1,199,293	662,659	413,244	874,096
Operating income	16,040	18,017	16,556	9,606	7,973
Total assets	325,062	462,958	360,939	232,052	292,281

	Overseas Subsidiaries	Other	Total	Elimination and Unallocated	Consolidated
Net sales					
Outside customers	768,547	117,474	4,972,059	-	4,972,059
Inter-segment	318,325	20,792	425,306	(425,306)	-
Total	1,086,872	138,266	5,397,366	(425,306)	4,972,059
Operating expense	1,082,226	135,698	5,321,956	(426,098)	4,895,857
Operating income	4,646	2,568	75,409	792	76,202
Total assets	441,054	176,164	2,290,514	231,165	2,521,679

Notes:

1. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 3,770million yen and comprised mainly administrative group expenses applicable to the Company and former Sojitz Corporation.

2. Company assets included in “Elimination and Unallocated” totaled 447,487 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company and former Sojitz Corporation.

Segment Information

for the year ended March 31, 2007

Geographic Segments

The geographic segment information for the year ended March 31, 2007 and 2006 are as follows:

Year ended March 31, 2007

Millions of yen

	Japan	North America	Europe	Asia & Oceania	Other	Total	Elimination and Unallocated	Consolidated
Net sales								
Outside customers	3,935,946	349,935	176,392	673,290	82,587	5,218,153	-	5,218,153
Inter-area	340,669	103,753	26,320	253,639	277	724,660	(724,660)	-
Total	4,276,615	453,689	202,712	926,930	82,865	5,942,813	(724,660)	5,218,153
Operating expense	4,236,109	446,473	193,899	909,162	75,291	5,860,937	(720,716)	5,140,220
Operating income	40,505	7,215	8,812	17,767	7,574	81,876	(3,943)	77,932
Total assets	2,013,293	161,879	160,919	293,127	49,505	2,678,724	(59,217)	2,619,507

Notes:

1. Countries and regions are categorized by geographical classification.
2. The principal regions and countries included in each geographic segments are as follows:

North America:	United States and Canada
Europe:	UK and Russia
Asia & Oceania:	Singapore and China
Other:	Central and South America, and Africa

3. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 1,584 million yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.
4. Company assets included in “Elimination and Unallocated” totaled 431,910 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company.

(Ref.) Year ended March 31, 2006

Millions of yen

	Japan	North America	Europe	Asia & Oceania	Other	Total	Elimination and Unallocated	Cosolidated
Net sales								
Outside customers	3,796,590	361,726	186,529	580,645	46,567	4,972,059	-	4,972,059
Inter-area	276,221	122,563	43,019	199,905	261	641,972	(641,972)	-
Total	4,072,812	484,289	229,549	780,551	46,829	5,614,031	(641,972)	4,972,059
Operating expense	4,033,019	475,152	223,514	766,946	39,259	5,537,893	(642,035)	4,895,857
Operating income	39,792	9,136	6,034	13,604	7,569	76,138	63	76,202
Total assets	1,884,885	199,846	176,432	272,107	47,265	2,580,538	(58,859)	2,521,679

Notes:

1. Countries and regions are categorized by geographical classification.
2. The principal regions and countries included in each geographic segments are as follows:

North America:	United States and Canada
Europe:	UK and Russia
Asia & Oceania:	Singapore and China
Other:	Central and South America, and Africa

3. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 3,770 million yen and comprised mainly administrative group expenses applicable to the Company and former Sojitz Corporation.
4. Company assets included in “Elimination and Unallocated” totaled 447,487 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company and former Sojitz Corporation.

April 27, 2007

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	
Inventories	315.9	214.2	101.7	Increase from purchase of real estate for future sale 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	
Bonds, less current portion	245.5	99.0	146.5	Increase from issue of convertible bonds (+300.0) Decrease from conversion of convertible bonds (-225.0) Issuance of common stock (+75.0)
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)

sojitz
New way, New value

Financial Results for Fiscal 2006

April 27, 2007
Sojitz Corporation

Overview New Stage 2008—First Year

FY2006 Results

- Recurring profit Plan: ¥83.0 billion (Plan announced on April 28, 2006)
  → Forecast: ¥89.0 billion (Forecast announced on October 31, 2006)
  → ¥89.5 billion (+¥6.5 billion)
- Net income Plan: ¥49.0 billion (Plan announced on April 28, 2006)
  → Forecast: ¥56.0 billion (Forecast announced on October 31, 2006)
  → ¥58.8 billion (+¥9.8 billion)
- **Dividend ¥6.00 per share**
- **New investments and loans of ¥90.0 billion** made in growth fields, centered on natural resource-related areas such as oil and gas, and the automotive field.

Capital strategies

- Preferred shares with face value of **¥230.4 billion repurchased and cancelled** on March 30, 2007

Ratings

- JCR, R&I, S&P all raised ratings

Summary of Fiscal 2006 Results

P/L Summary

Full-year recurring profit and net income forecasts achieved

(billions of yen)

	FY2005 Results	FY2006 Results	Change	FY2006 Forecast (announced on October 31, 2006)	(Reference) FY2006 Plan (announced on April 28, 2006)
Net sales	4,972.1	5,218.2	+246.1	5,300.0	5,200.0
Gross trading profit	242.2	254.5	+12.3	258.0	253.0
Operating income	76.2	77.9	+1.7	85.0	81.0
Recurring profit	78.8	89.5	+10.7	89.0	83.0
Net income	43.7	58.8	+15.1	56.0	49.0
Core earnings	78.5	89.8	+11.3	87.0	81.0
ROA*	1.8%	2.3%	+0.5%	2.2%	2.0%
ROE*	12.4%	12.8%	+0.4%	13.2%	11.6%

*ROA = Net income/Total assets (the sum of total assets at March 31, 2007 and 2006 divided by 2)
*ROE = Net income/Shareholders' equity (the sum of shareholders' equity at March 31, 2007 and 2006 divided by 2)

B/S Summary

Steady increase in shareholders' equity due to stable bottom-line earnings

(billions of yen)

	March 31, 2006	March 31, 2007	Change
Total assets	2,521.7	2,619.5	+97.8
Shareholders' equity* (Total net assets)	427.0 (464.1)	488.6 (531.6)	+61.6 (+67.5)
Shareholders' equity ratio (%)	16.9%	18.7%	-
Net interest-bearing debt	864.4	846.1	-18.3
Net DER (times) (Net assets basis)	2.0 (1.9)	1.7 (1.6)	-

*Shareholders' equity = Net assets – Minority interests

Fiscal 2006 Dividends

Basic Dividend Policy

The distribution of an appropriate level of profits to shareholders is a key issue for management at Sojitz. The Company's basic policy is to provide stable, consistent returns to shareholders depending on wider economic conditions, industry trends, operating performance and capital policy, while seeking to enhance profitability and strengthening the financial position over the medium to long term.

Dividends

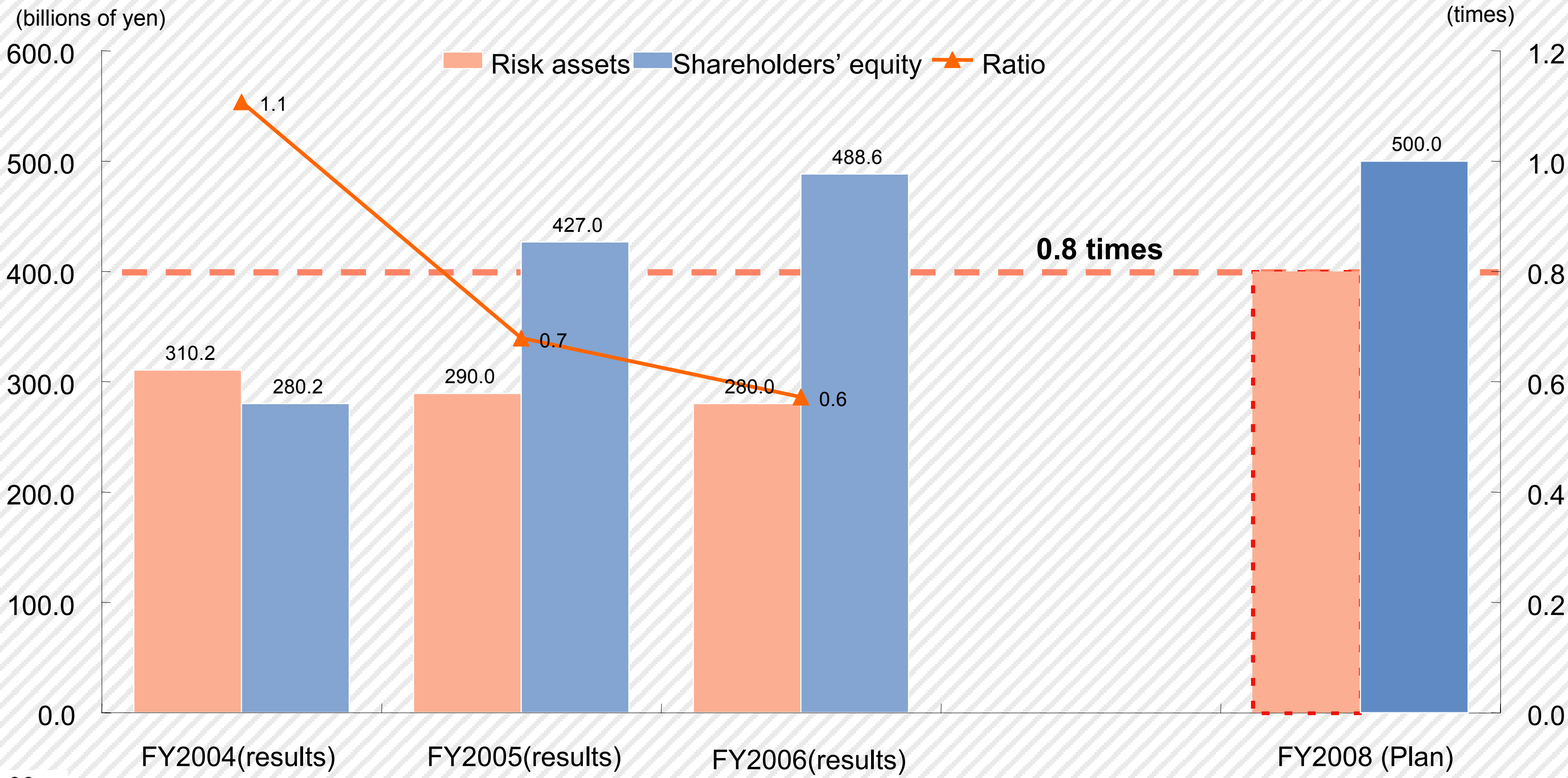
Total no. of issued common shares (March 31, 2007)	1,068,105,228
Net income (FY2006)	¥58.8 billion
Total dividends applicable to common shares	¥6.4 billion
Dividend per common share	¥6.00
Consolidated dividend payout ratio*	10.9%

*The Company's Financial Results for the Year Ended March 31, 2007 (Kessan Tanshin) uses the average number of issued common shares during the period to calculate the consolidated dividend payout ratio. Consequently, the figure is 7%.

Risk Asset Condition

Sojitz aims to manage risk assets so that they do not exceed shareholders' equity (basic policy is to maintain ratio at 0.8 times)

Shareholders' Equity and Risk Assets



New Investments and Loans in Fiscal 2006

Sojitz made new investments and loans of ¥90 billion in the first year of the current medium-term management plan, representing good progress toward the three-year target of ¥300 billion.

(billions of yen)

	Plan (three years)	FY2006 Results	Main Investment Projects
Machinery & Aerospace	33.0	14.0	Purchase of Isuzu shares = ¥5.0 billion; acquisition of semiconductor mounting equipment company (China) = ¥4.5 billion; aircraft leasing with Iceland Air = ¥2.0 billion
Energy & Mineral Resources	164.0	28.0	North Sea Globe gas field = ¥7.0 billion; nickel production company, Coral Bay Nickel = ¥2.0 billion; acquisition of additional rights at Minerva mine = ¥3.0 billion; North Sea Tors gas field = ¥2.6 billion; El Alamein and Yidma oil fields in Egypt = ¥2.0 billion
Chemicals & Plastics	20.0	2.0	Construction of chemical tanks and other facilities in Southeast Asia and Japan = ¥0.7 billion; investment in industrial salt field in Australia = ¥0.3 billion
Real Estate Development & Forest Products	29.0	18.0	Retail facility development (increased floor space at Mallage Saga; construction of Shobu and other shopping malls) = ¥7.4 billion; investment in office and retail buildings in Tokyo and Osaka =¥5.5 billion; lumber sawing plant in China = ¥1.6 billion
Consumer Lifestyle Business	15.0	5.0	Investment in apparel manufacturing and retail sites in China = ¥1.2 billion; investment in domestic retailing firm (Shop & Shops) = ¥0.3 billion
Other	39.0	23.0	Acquisition of JALUX shares = ¥8.4 billion; animation content (A.D.Vision) = ¥0.9 billion
Total	300.0	90.0	

Capital Strategies

Progress With Reorganization of Capital Structure in Fiscal 2006

Outstanding Preferred Shares / Repurchase Conditions for Preferred Shares (contract concluded April 28, 2006)

	Outstanding amount issued (billions of yen)	Conversion price*1 (yen)	Starting date of conversion period	Latent stock*2 (thousands of shares)	Ratio*3	Total repurchase amount*4 (billions of yen)	Repurchase price (% of issue price)	Seller and number of shares held (billions of yen /each)
2nd Series Class I	52.6	262	2008/5/14～	200,763	44.4%	56.8	108%	(Holding for all series and classes of preferred shares) Bank of Tokyo-Mitsubishi UFJ: 37.0 Mizuho Corporate Bank: 9.0 Resona Bank: 3.6 Mitsubishi UFJ Trust and Banking: 2.0 Norinchukin Bank: 1.0
3rd Series Class I	52.6	262	2010/5/14～	200,763	44.4%	55.8	106%	
4th Series Class I	52.6	262	2012/5/14～	200,763	44.4%	54.7	104%	
1st Series Class II	52.6	262	2014/5/14～	200,763	44.4%	53.6	102%	
2nd Series Class V	20.0	TBD	2015/10/29～	40,733	9.0%	20.0	100%	Bank of Tokyo-Mitsubishi UFJ: 10.0 Mizuho Corporate Bank: 10.0
Repurchased subtotal (March 30, 2007)	**230.4**			843,785	186.6%	**240.9**		
1st Series Class IV	199.5	TBD	2024/10/29～	406,314	89.8%	45.9	23%	Bank of Tokyo-Mitsubishi UFJ: 199.5
1st Series Class V	130.5	TBD	2019/10/29～	265,784	58.8%	56.1	43%	Bank of Tokyo-Mitsubishi UFJ: 130.5
Preferred stock outstanding subtotal	**330.0**			672,098	148.6%	**102.0**		
Total preferred stock subject to repurchase	**560.4**			1,515,883	335.1%	**342.9**		
1st Series Class III	3.0	503	2004/5/14～	5,964	1.3%			
Total preferred stock outstanding	563.4			1,521,847	336.5%			

*4For preferred shares repurchased after October 2007, the repurchase price per share shall be increased by an amount equivalent to 2% of the issue price. Assuming all the above preferred shares are repurchased after October 2007, the total repurchase amount shall be ¥108.6 billion. Combined with the amount already repurchased on March 30, 2007, the maximum total repurchase price will be ¥349.5 billion.

*1 Based on maximum conversion price of ¥262 for 1st Series Class I, 2nd Series Class I, 3rd Series Class I, 4th Series Class I, 1st Series Class II and a conversion price of ¥503 for 1st Series Class III preferred shares.
*2 Based on estimates for conversion of latent stock from 1st Series Class IV, 1st Series Class V, 2nd Series Class V at ¥491, the closing price on March 30, 2007.
*3 Latent stock as a percentage of total outstanding common shares of 452,300 thousand as of May 25, 2006 (the CB issue date). (Latent stock/Outstanding shares x 100)
February 26, 2007: Resolution passed to repurchase and cancel preferred shares shown inside red dotted line (repurchase and cancellation date: March 30, 2007)
Total repurchase amount of ¥240.9 billion/total CB conversion amount ¥225.0 billion (as of April 26, 2007)

●Repurchase schedule from April 2007:A date decided by Sojitz between April 1 and the day prior to the Ordinary General Shareholders' Meeting in June
September 28
March 31

●Repurchase order for outstanding preferred shares:1st Series Class IV → 1st Series Class V

Ratings

Ratings

S&P	R&I	JCR
● Long-term corporate credit rating (February 27, 2007) **BB- → BB→ BB+** ● Long-term senior unsecured debt rating (September 29, 2006) **BB+ → BBB-**	● Issuer rating (December 22, 2006) **BB- → BB+** ● Commercial paper rating (December 22, 2006) **b → a-3**	● Long-term rating (April 3, 2007) **BBB- → BBB** ● Domestic commercial paper rating (April 3, 2007) **J-2** (on hold)

Sojitz will reinforce its earnings base and strengthen risk management in an effort to secure improved ratings

Looking Ahead to March 2008

Fiscal 2007 Forecasts: P/L Summary

Move into stage of sustained growth

(billions of yen)

	FY2006 Results	FY2007 Forecasts	Change	(Reference) FY2007 Plan (announced on April 28, 2006)
Net sales	5,218.2	5,580.0	+363.5	5,680.0
Gross trading profit	254.5	274.0	+19.5	270.0
Operating income	77.9	86.0	+8.1	87.5
Recurring profit	89.5	92.0	+2.5	90.0
Net income	58.8	60.0	+1.2	53.0
Core earnings	89.8	90.0	+0.2	89.0

Fiscal 2007 Forecasts: Recurring Profit by Industry Segment

Move into stage of sustained growth

(billions of yen)

	FY2006 Results	FY2007 Forecasts	Change	(Reference) FY2007 Plan (announced on April 28, 2006)
Machinery & Aerospace	10.0	15.5	+5.5	11.7
Energy & Mineral Resources	33.3	33.5	+0.2	24.9
Chemicals & Plastics	8.4	8.5	+0.1	9.1
Real Estate Development & Forest Products	8.1	10.0	+1.9	7.0
Consumer Lifestyle Business	2.5	6.0	+3.5	9.2
Overseas Subsidiaries	13.5	12.5	-1.0	14.6
Other	13.7	6.0	-7.7	13.5
Total	89.5	92.0	+2.5	90.0

Market Prices, Exchange Rates and Interest Rates

Use conservative assumptions to eliminate risk of falling short of plan targets

	FY2006 Assumptions	FY2006 Results	FY2007 Assumptions	Jan. – Mar. 2007 Average
Crude oil (Brent)*1	$50/bbl (barrels)	$65.9/bbl	$55/bbl	$58.6 /bbl
Coal	• Prices based on contracts for the year; virtually unaffected by spot market prices • Contracts already concluded for 90% of coal concessions for FY2007			
Molybdenum	$16/lb (pounds)	$24.4/lb	$21.3/lb	$26.1/lb
Vanadium	$5.5/lb (pounds)	$7.8/lb	$5.5/lb	$6.6/lb

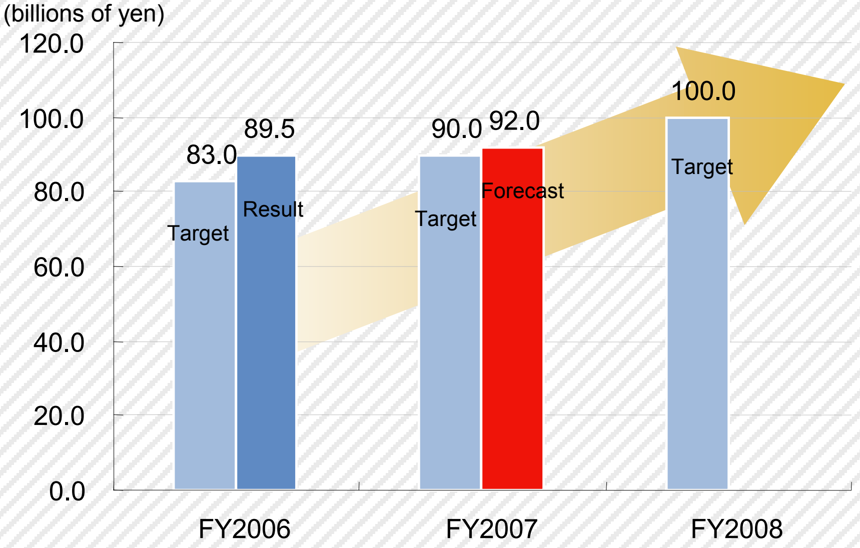
Exchange rates*2	• Assumption during plan period: ¥110/$
Interest rates*3	• Assumption during plan period: Short-term rate approx. 0.85%; Long-term rate approx. 2%;

Notes:
*1 Impact of fluctuations in the crude oil price on earnings: $1/barrel change alters recurring profit by approx. ¥0.1 billion.
*2 Impact of fluctuations in the exchange rate on earnings: ¥1/US$ change alters net sales by approx. ¥10 billion, recurring profit by approx. ¥0.1 billion and shareholders' equity by approx. ¥1.5 billion.
*3 Impact of fluctuations in interest rates on earnings: 1% change alters annual earnings by around ¥1.7 billion to ¥2.0 billion.

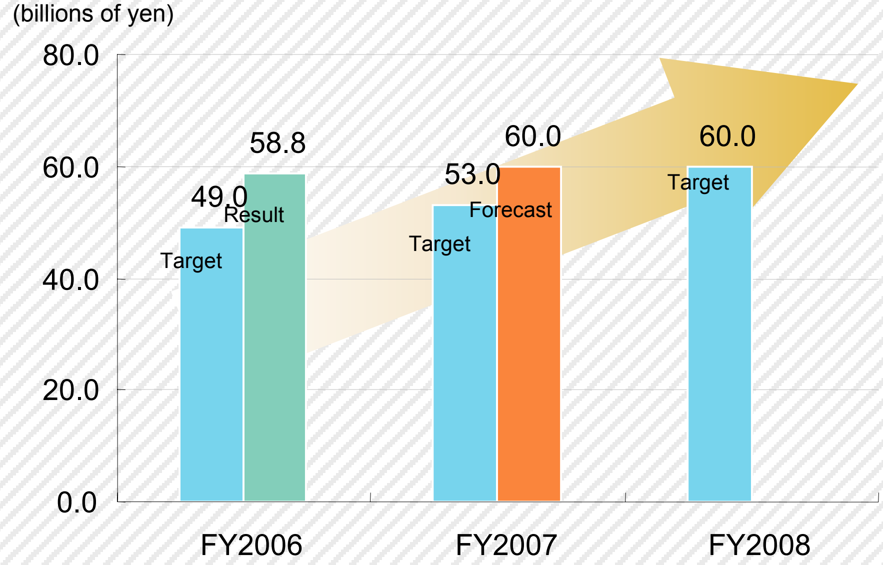
Financial Targets: Recurring Profit and Net Income

Achieved targets for the first year of New Stage 2008
and on course to achieve final-year targets in the plan's second year

Recurring profit



Net income



Enhance and Strengthen the Business Base

Initiatives from second year of New Stage 2008

[Growth businesses]

Increase earnings by further strengthening businesses with high growth potential

- Automobiles
- Oil, gas and LNG
- Ferroalloys

[Stable businesses]

Preserve stable earnings by strengthening the business base

- Fertilizer
- Development of condominiums and retail commercial facilities
- Aircraft and ships

[Businesses to be strengthened]

Implement concrete initiatives

- Textiles, general commodities and foods
- Plastic resins

Enhance and strengthen the business base of each business to move into a stage of sustained growth

Growth Businesses: Automobiles

Strengthen regional strategies (South America, Russia and NIS) to expand earnings base

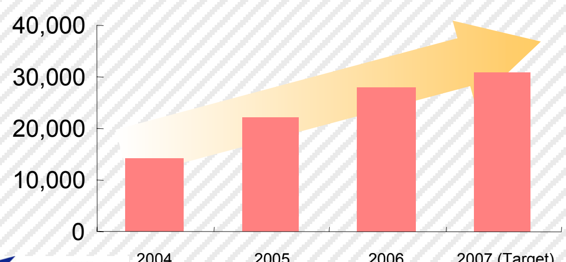
Venezuela: MMC Automotriz, S.A (MAV)
- Handles three vehicle brands as an independent distributor: Mitsubishi, Mitsubishi Fuso and Hyundai (South Korea)
- Operates 85 dealerships, boasts Venezuela's largest sales network
- Captured 10% share of Venezuela's domestic vehicle market

Russia and NIS: SUBARU Motor LLC (SML)
- Conducts well-chosen marketing activities using experience and expertise accumulated since the days of the former Soviet Union
- Succeeded in establishing Subaru vehicles as up-market products
- Develops sales using its highly profitable network of 33 dealerships centered on the capital Moscow

Future plans
- Expand production and sales bases in Central and South America based on the expertise and human resources that have developed MAV into a high-earnings company

Future plans
- Launch Subaru Ukraina Co., Ltd. and sell 30,000 or more vehicles throughout Russia and NIS

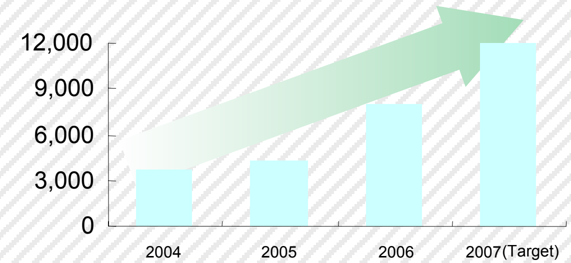
Number of vehicles sold by MAV



The MAV plant

Dealer showroom

Number of vehicles sold by SML



Growth Businesses: Ferroalloys

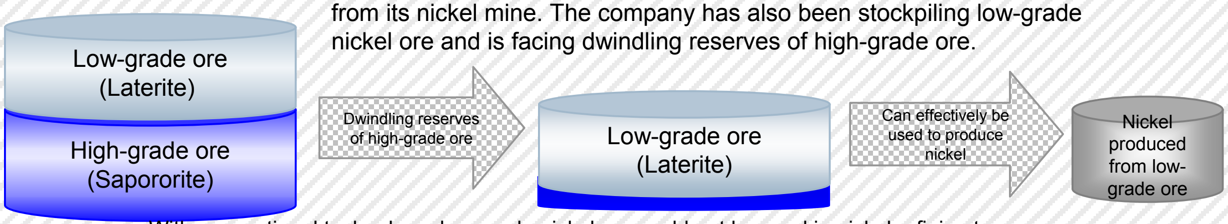
Strengthen the ferroalloy business by providing nickel as well as molybdenum and vanadium

Sojitz's nickel business

- High-grade nickel ore: Invest in Philippine mine and import to Japan
- Ferronickel: Invest in manufacturing business and import to Japan
- Handle nickel metals
- Invest in Coral Bay project

Background of Coral Bay project: New technology allows the use of low-grade nickel ore

In 1969 in the Philippines, Sojitz invested in Rio Tuba Nickel Mining Corporation which has been mining deeply deposited high-grade nickel ore from its nickel mine. The company has also been stockpiling low-grade nickel ore and is facing dwindling reserves of high-grade ore.



With conventional technology, low-grade nickel ore could not be used in nickel refining to produce nickel. Sojitz looked for a way to use low-grade ore, and Sumitomo Metal Mining Co., Ltd. developed new HPAL ("high-pressure acid leaching") technology. Using HPAL, Coral Bay Nickel Corporation in which Sojitz's invested with Sumitomo Metal Mining, succeeded in producing nickel from low-grade ore.

Main uses

- Raw material for stainless and special steels
- Raw material for batteries and catalysts

Rising market and future demand

- High demand for stainless and special steels in China and elsewhere
- Dwindling reserves at existing nickel mines and delays in new development projects

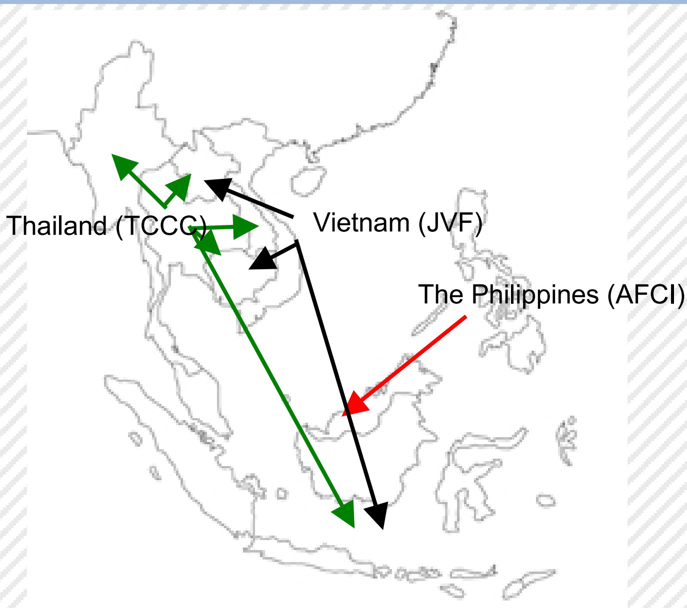
Coral Bay Nickel plant in the Philippines
(Photograph courtesy of Sumitomo Metal Mining Co., Ltd.)

Profile of Coral Bay Nickel

- 2002: Coral Bay Nickel Corporation established (Equity ownership: Sojitz Corporation 18%, Sumitomo Metal Mining Co., Ltd. 54%, Mitsui & Co., Ltd. 18%, Rio Tuba Nickel Mining Corporation 10%)
- 2006: Sojitz decides to participate in Phase 2 Expansion Plan (Sojitz's additional investment: ¥2.0 billion)
- 2006: Contribution to earnings (equity in earnings of affiliates): ¥1.7 billion
- From 2009: Production capability per year will increase from 10,000 to 20,000 tons
- Use of low-grade nickel ore, representing 60% of the world's reserves, to become mainstream

Stable Businesses: Fertilizer

Maximize the manufacturing and sales capabilities of Sojitz's three joint ventures in Southeast Asia to strengthen sales across the entire ASEAN region



Strengths

- Sojitz's joint ventures in Thailand, Vietnam and the Philippines manufacture and sell high-grade chemical fertilizer; this fertilizer is also sold in each countries, respectively
- Sojitz holds 40-50% market share in Thailand, Vietnam and the Philippines, establishing Sojitz as one of the top brands in these countries

Future strategies

- As well as bolstering existing businesses, strengthen sales across the entire ASEAN region
- Reinforce relationships with suppliers to preserve a stable supply of raw materials in preparation for future increases in production
- Sales volume of high-grade chemical fertilizer: Approx. 1.4 million tons in fiscal 2006 -> Target for fiscal 2007 is approx. 1.5 million tons

Stable Businesses: Development of Condominiums and Retail Facilities

Maintain stable earnings by handling only prime properties, in line with our “Only the Best Property” policy

Sojitz is standardizing properties under IMPREST brand

- Leveraging 35-year track record and expertise in the condominium business
- Track record of approx. 80,000 units handed over to date makes Sojitz one of the industry leaders
- Across-the-board strengths with condominiums designed for Tokyo, and those designed for more suburban areas in Kanto and Kansai regions
- Going forward, improve brand power to strengthen sales capabilities

Future business

- Develop standalone business that combines the IMPREST brand with existing large-scale condominium development projects in the suburbs
- Number of units sold in fiscal 2006: Approx. 2,100
- Forecast number of units for fiscal 2007: Approx. 2,500

IMPREST

IMPREST—residences from Sojitz

Aqua Residence (Chiba Prefecture)

Tokyo Sweet Residence (Koto Ward, Tokyo)

Businesses to be Strengthened: Textiles

In fiscal 2006, we expanded upstream, midstream and downstream capabilities—in fiscal 2007-2008, we will focus on reinforcing wholesale and retail functions

Measures implemented in fiscal 2006

Manufacturing

- Established a plant for making and washing jeans (China)
  - Established an integrated production system for making jeans, wash-processing, finishing and checking; increased production
- Established a factory for making shirts and blouses (China)
  - In line with trends in Japan, differentiated products by focusing production on soft-type shirts and shirt-type blouses

Wholesale

- Established an apparel wholesaling company (China)
  - Opened a new Jeans Mcgregor store in a Japanese-owned department store in Shanghai

Retail

- Invested in Shop & Shops (S&S), an apparel and general merchandise retailing company (Japan)
  - Leveraged retailing expertise of S&S to launch initiatives to develop SPA business, a new brand and new business enterprises

Measures scheduled to be implemented from fiscal 2007

- Develop OEM products in overseas markets through alliances with apparel companies overseas and other initiatives
- Strengthen downstream businesses by using brand strategies (build integrated business activities from shop development to manufacturing and retailing)

Drive recovery in earnings by expanding and strengthening functions

Forward-looking Statements

This communication is not an offer to sell or a solicitation of any offer to buy the securities of Sojitz Corporation (the "Company") in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an exemption from such registration requirement. If any public offering of securities is made in the United States, it will be by means of a prospectus that may be obtained from the Company or any selling security holder that will contain detailed information about the Company and management, as well as financial statements.

Financial Results for Fiscal 2007

Appendix by Industry Segments

New way, New value

April 27, 2007

Sojitz Corporation

Industry Segments -Recurring Profit-

(billions of yen)

	FY2005 Results	FY2006 Results	Change	FY 2006 Forecast (announced on October 31, 2006)	Percentage Achieved	FY2007 Forecast
Machinery & Aerospace	11.2	10.0	-1.2	11.7	85%	15.5
Energy & Mineral Resources	28.1	33.3	+5.2	27.7	120%	33.5
Chemicals & Plastics	6.7	8.4	+1.7	5.5	153%	8.5
Real Estate Development & Forest Products	8.2	8.1	-0.1	8.6	94%	10.0
Consumer Lifestyle Business	5.4	2.5	-2.9	5.8	43%	6.0
Overseas Office	13.5	13.5	0	14.0	96%	12.5
Other	5.7	13.7	+8.0	15.7	87%	6.0
Total	78.8	89.5	+10.7	89.0	101%	92.0

Machinery and Aerospace

(billions of yen)

	FY2005 results	FY2006 results	Change	FY2007 Forecast
Gross trading profit	46.6	53.6	+7.0	60.5
Automobiles	16.4	22.1	+5.7	25.7
Information & Industry Machinery	10.8	10.5	-0.3	14.1
Aircraft	8.6	10.4	+1.8	9.3
Ships	8.0	7.9	-0.1	8.5
Recurring profit	11.2	10.0	-1.2	15.5
Total assets	325.1	355.3	+30.2	329.5

Gross trading profit Main factors for change

- Automobiles: increase 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 due to firm transaction volumes related to Boeing aircraft businesses;
- Information & Industrial Machinery: slight decrease reflecting weak transaction volume in telecommunications equipment-related business, despite strong performance by machinery-related subsidiary;
- Ships: slight decrease due to temporary decline in active shipping fleets related to replacement of ships, despite strong market overall in vessel equipment and other products.

Recurring Profit Main factors for change

- 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

(billions of yen)

	FY2005 results	FY2006 results	Change	FY2007 Forecast
Gross trading profit	40.8	41.3	+0.5	43.5
Oil, gas, and LNG	16.6	16.7	+0.1	20.6
Coal	5.7	5.6	-0.1	5.3
Mineral resources	13.7	14.6	+0.9	12.3
Power & Industrial Plants	3.1	2.4	-0.7	2.7
Recurring profit	28.1	33.3	+5.2	33.5
Total assets	463.0	504.3	+41.3	541.6

Gross trading profit Main factors for change

- 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 as certain cost items rose ahead of higher sales volume;
- Mineral Resources: increase attributable to strong sales of alumina and other resources;
- Power & Industrial Plants: decrease reflecting large-scale equipment orders in previous fiscal year.

Recurring Profit Man factors for change

- 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

(billions of yen)

	FY2005 results	FY2006 results	Change	FY2007 Forecast
Gross trading profit	43.4	48.8	+5.4	46.0
Chemicals	13.6	14.4	+0.8	15.2
Plastics	16.9	161	-0.8	16.0
Fertilizer	4.7	8.2	+3.5	7.7
Methanol	6.4	8.8	+2.4	5.7
Recurring profit	6.7	8.4	+1.7	8.5
Total assets	360.9	370.2	+9.3	346.6

Gross trading profit Main factors for change

- Chemicals: increase due to surging prices for petrochemical raw materials and firm demand for electrical materials;
- 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.

Recurring profit Main Factors for change

- Chemicals: despite steady operating performance, decrease due to booking of impairment losses at agricultural chemical-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

(billions of yen)

	FY2005 results	FY2006 results	Change	FY2007 Forecast
Gross trading profit	24.0	25.0	+1.0	28.0
Condominiums	10.7	9.7	-1.0	8.6
Development of retail property	1.4	1.6	+0.2	4.6
Forest Products	9.2	12.6	+3.4	13.0
Recurring profit	8.2	8.1	-0.1	10.0
Total assets	232.0	272.8	+40.8	301.8

Gross trading profit Main factors for change

- Real Estate Development: decrease reflecting decline in number of condominium projects handed over and other factors;
- Forest Products: increase due to strong performance at building materials subsidiary and other companies as conditions in domestic plywood market recovered.

Recurring profit Main factors for change

- 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

(billions of yen)

	FY2005 results	FY2006 results	Change	FY2007 Forecast
Gross trading profit	39.3	38.4	-0.9	45.0
Textiles	23.1	23.7	+0.6	31.5(※)
General Commodities	3.3	2.8	-0.5	
Foods	12.9	11.9	-1.0	13.5
Recurring profit	5.4	2.5	-2.9	6.0
Total assets	292.3	316.1	+23.8	326.5

Gross trading profit Main factors for change

- Textiles, General Commodities: generally level with previous fiscal year;
- Foods: decrease mainly due to impact of weak retailing sales at subsidiaries amid a deteriorating domestic market.

Recurring profit Main factors for change

- 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.

※Textiles unit and General Commodity unit was integrated into textile and General Commodity unit on internal organization-based.

Overseas Subsidiaries

(billions of yen)

	FY2005 results	FY2006 results	Change	FY2007 Forecast
Gross trading profit	28.0	26.8	-1.2	27.0
Americas	12.8	11.4	-1.4	10.7
Europe	5.0	4.8	-0.2	4.9
China	4.2	3.8	-0.4	4.0
Asia	4.5	5.1	+0.6	5.2
Recurring profit	13.5	13.5	0	12.5
Total assets	441.0	363.5	-77.5	322.3

Gross trading profit Main factors for change

- Americas: decrease due to decline in transaction volume in some machinery-related businesses;
- Europe: decrease attributable to slump in transaction volume of machinery and plastics;
- China: decrease due to weakness in some machinery-related businesses and forest products businesses;
- Asia: increase reflecting increased transaction volume in chemicals, plastics, and food products.

Recurring profit Main factors for change

- 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.

New way, New value

Forward-looking Statements

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