

Energy & Metal Division



Summary of the Year Ended March 31, 2013

Under Medium-term Management Plan 2014, we are improving asset efficiency and strengthening the earnings foundation with a focus on both investment and the trading business. However, earnings of the division decreased substantially in the plan's initial year ended March 31, 2013 because demand in emerging countries in Asia, primarily China, weakened and prices of coal and mineral resources decreased precipitously due to the protracted financial problems in Europe and slower growth in China. Moreover, our share of production volume decreased due to delays in commencing or restarting production at certain upstream oil and gas interests. These conditions underscored the urgency and importance of enhancing the cost competitiveness of our interests. Accordingly, from summer 2012 we implemented thorough initiatives to reduce costs. We reviewed costs in all of our businesses, including material costs, maintenance expenses and outsourcing expenses, while strengthening management to improve our cost structure and support future growth.

We have been investing very selectively because of changing market conditions, which caused minor delays in our plans. However, in the business focus area of coal we decided to invest in a Chinese company with coal operations in the Inner Mongolia region of China. In asset replacement, asset compression was basically on plan as we sold our shares in Sojitz Energy Corporation and divested a number of interests and assets.

The effects of establishing a Controller Office were a meaningful highlight of the past fiscal year. This office fulfilled the role for which it was established: managing front-line risk for both investment and trading. We were therefore able to

build a responsive risk management organization because the Controller Office provides risk analysis along with timely asset value assessments.

Strategy

In the year ending March 31, 2014, we expect the prices of certain resources to recover moderately, but current conditions do not warrant optimism. We therefore forecast that our markets will be essentially the same as in the year ended March 31, 2013. Given this environment, from the year ending March 31, 2014 we will take further cost reduction measures to steadily secure earnings from existing interests while investing in interests that will support growth over the medium and long term. This will involve a strategically important issue: Given significant changes in the energy and mineral resource sectors, we need to review the initial plans for our product portfolio and business model in order to take a flexible, business-by-business approach to investments and loans, production and sales.

Coal is a business focus area. We have acquired expertise in operating mines since becoming involved in coal mine management in 2010 at the Minerva Coal Mine in Australia, and we are able to apply the successful cost reduction initiatives at this project to other mines. Market conditions remain challenging, but demand for energy is rising, primarily in emerging countries in

Managing Executive Officer
President, Energy & Metal Division

Masahiro Komiyama





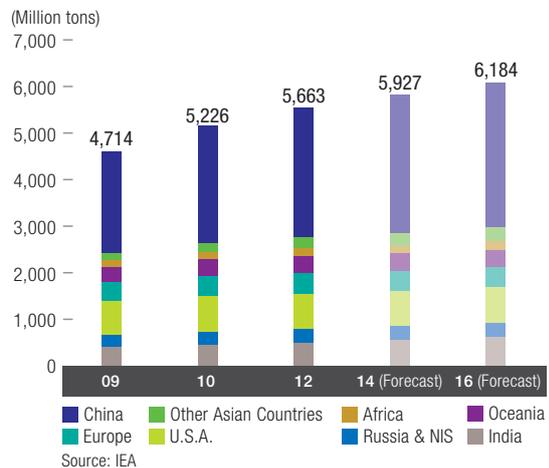
Asia. We will therefore add prime concession assets to our portfolio that address growing energy needs while strategically expanding supply sources and markets. Iron ore mine development in Australia is another business focus area. Economic conditions in China significantly affect demand trends, so we will steadily proceed with development based on a careful examination of market conditions and competitiveness. In addition to these business focus areas, we will also step up initiatives to meet market needs in the LNG business considering factors such as shale gas development in North America and Japan's changing energy profile.

In existing businesses, we will continue to enhance our cost competitiveness while working to maintain stable operations at and maximize earnings from our molybdenum and copper mines in Canada and our alumina refinery in Australia, where expansion projects have been completed. In addition, we play a significant role in the niobium value chain through investment in the Brazilian company that is the world's largest producer of this rare metal. We will steadily contribute to earnings by meeting demand for niobium, which is expected to increase.

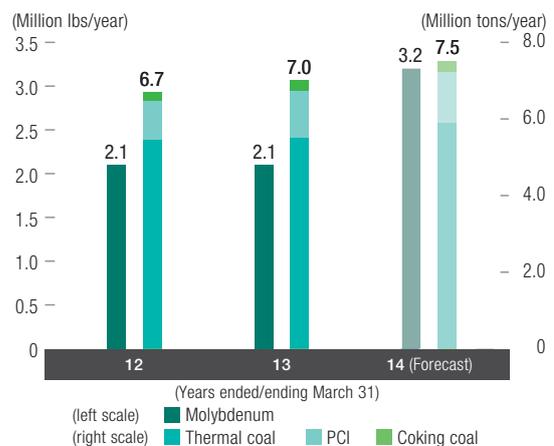
Resource prices have declined over the short term. However, as needs for energy and mineral resources steadily increase due to the economic growth of emerging countries, we will continue to secure new resource interests in order to fulfill our mission of providing stable supply.

We believe that our business contributes significantly to society. It also gives our employees knowledge and experience in a broad continuum of businesses from upstream to downstream. We play a meaningful role in resource flows that enable global growth, so I would like to create an environment that allows self-fulfillment and personal growth.

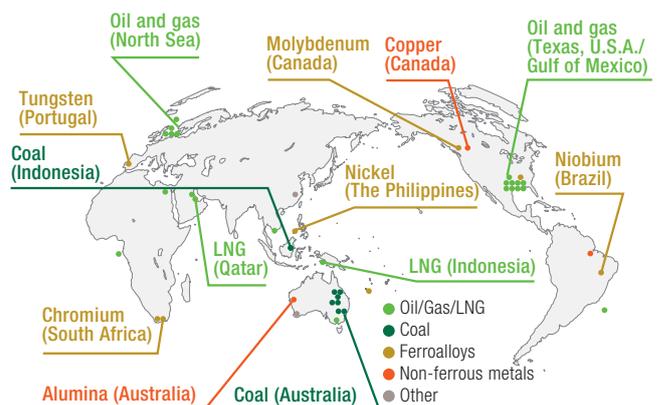
Global Coal Demand



Sojitz: Share of Molybdenum and Coal Production Volume



Sojitz: Major Global Interests



Energy Unit

- ▶ Oil, natural gas, LNG, light oil, heavy oil and jet fuel

Oil and Natural Gas Business

In upstream areas of the oil and natural gas business, Sojitz is leveraging its networks to build a portfolio of prime interests with diversified investments in regions including the British North Sea, the U.S. Gulf of Mexico, Qatar, Gabon, Egypt and Brazil. In addition to these existing interests, we will leverage our knowledge and functions as an operator to use in unconventional shale oil and tight oil development projects in the United States for which we have examined the reserves and development risks. In our trading operations, we will enhance our capabilities to provide stable supplies of petroleum products to Asia, where energy demand is expanding.



Floating production unit on the Phoenix Field in U.S. Gulf of Mexico

LNG Business

We are stepping up efforts to strengthen our LNG business so that we can contribute to stable supplies to meet rising demand in Japan and other countries in Asia. In upstream areas, we are participating in competitive, large-scale LNG projects in Asia and the Middle East through LNG Japan Corporation, in which we have a 50% stake. We will consider the possibility of LNG exports from Africa and other regions that are cost-competitive due to low gas acquisition costs, and from North America, where development of shale gas is progressing. We will also work to strengthen our trading functions by diversifying supply sources.



Tangguh LNG terminal in Indonesia

Coal & Nuclear Unit

- ▶ Coal (thermal coal, PCI coal, coking coal)
- ▶ Nuclear fuel cycle services and nuclear equipment

Coal Business

In its coal business, Sojitz conducts sales to steel mills, electric power companies and general industries in Japan and other countries. In addition, we acquire overseas mining interests. The leading importer of coal from Russia and Indonesia, Sojitz is working to expand sales volume into Japan from these countries as well as from Australia. We are also focusing on sales to emerging countries in Asia. Targeting China in particular for sales growth, in 2012 we decided to invest in a Chinese company that is developing a coal business in Mongolia. A pioneer in acquiring overseas interests, Sojitz was the first Japanese trading company to invest in a coal mining company in Indonesia in the 1980s, and is currently expanding its coal interests primarily in Australia and Indonesia. In Australia, we also have capabilities in mine operation through our independent operation of the Minerva Coal Mine, in which we hold a 96% interest. In addition to increasing revenue from mining interests, we will use our operational expertise to create opportunities for future development of quality coal mines.



Minerva Coal Mine in Australia

Nuclear Power Business

Since the 1970s, Sojitz has served as the sole distributing agent in Japan for France's Areva NC, the world's top integrated nuclear fuel company. This allows us to provide a full range of services in the nuclear fuel cycle to Japanese electric power companies. Other operations include the sale of equipment, fuels and materials related to nuclear power plants through a subsidiary. We will continue to expand the scope of our business in nuclear energy and related industries in Japan and overseas.

Steel & Mineral Resources Unit

- ▶ Iron ore, iron ore pellets, hot briquetted iron
- ▶ Rare metals (molybdenum, niobium, nickel, vanadium, tungsten, etc.)
- ▶ Industrial minerals (fluorite, zircon, etc.) and refractory products
- ▶ Steel products
- ▶ Non-ferrous metals (alumina, copper concentrates, copper, etc.)
- ▶ Precious metals (gold, silver, platinum, palladium, etc.)

Ferrous Materials & Steel Products Business



Niobium mine of Companhia Brasileira de Metalurgia e Mineração in Brazil

Sojitz engages in the steel industry by supplying ferrous materials and trading steel products.

Sojitz has built strong relationships with Japanese steel mills, especially through the import of iron ore. We are a leader in bringing iron ore from Brazil to Japan. Going forward, we will expand sales of iron ore not only to Japan, but also to customers in China and other countries where demand is increasing. In our mining investments, a feasibility study has been completed for an iron ore mine development project in Western Australia in which we have participated since 2007, and the decision to invest is now in the final phase.

Our auxiliary materials business encompasses mainly rare metals and industrial minerals. We led the industry in making investments in rare metal mining interests in the 1990s, and now have interests in niobium, nickel and molybdenum in diverse locations including Brazil, the Philippines and Canada. We also play a key role in the value chain by handling a large share of trade in these metals. We will continue working to strengthen the cost competitiveness of our mining interests and add competitive new interests to our portfolio.

In our industrial minerals business, we supply fluorite and dolomite for steelmaking as well as a wide range of auxiliary materials used to make refractory products, and maintain a large share of the Japanese market in each of these product categories. Moreover, we are the first Japanese trading company to participate in a lime production business in China. Through this business, we aim to expand sales of limestone, demand for which is expected to grow in China. This investment will also serve as a foothold for expansion of intraregional trade in Asia.



Coil Center of Metal One Corporation in Mexico

In the steel products business, Sojitz will expand its domestic and overseas customer base and sales network for steel products through Japan's largest integrated steel trading company Metal One Corporation, a joint venture in which Sojitz has a 40% stake. At the same time, we will continue to build a global value chain by further expanding trading of steel products through stronger collaboration and alliances with other Sojitz businesses such as energy-related and overseas business.

Non-Ferrous & Precious Metals Business

Sojitz's non-ferrous & precious metals business conducts trading of alumina, copper, zinc and other non-ferrous metals as well as precious metals such as gold, silver, platinum and palladium. We also have upstream investments in bauxite, alumina and copper interests. In Australia, we have a 9% interest in Worsley Alumina Refinery in Western Australia, a joint venture with BHP Billiton, the world's largest resource firm. Sojitz, together with two Japanese copper refiners, also has a 25% interest in the Gibraltar Copper-Molybdenum Mine in Canada. An expansion project has been completed, and annual production capacity is scheduled to increase to 80,000 tons in the year ending March 31, 2014. In addition, Sojitz currently has copper exploration projects under way in Chile and other countries, and is focusing on efforts to secure mining interests in the future.



Gibraltar Copper-Molybdenum Mine in Canada