



*New way, New value*

# Financial Results for the 2<sup>nd</sup> Quarter Ended September 30, 2009

# ***Shine*** **2011**

**October 29, 2009**

**Sojitz Corporation**

# □ Presentation Summary

## Overview of the First Half of FY2009

- Profit is recovering. All profit line-items turned positive in the fiscal second quarter.

➤ 1H results	Ordinary income:	¥1.5bn (1Q: -¥5.1bn, 2Q: ¥6.6bn)
	Net income:	¥20.0bn (1Q: -¥1.6bn, 2Q: ¥21.6bn)
➤ Interim dividend:	¥2.50 per share	

## Revised Forecasts for FY2009

- We have revised full-year forecasts to reflect the lagging economic recovery, but we expect the recovery to continue through the fiscal second half.

➤ Full-year forecast	Ordinary income:	¥45.0bn → ¥22.0bn (2H: ¥20.5bn)
	Net income:	¥20.0bn → ¥27.0bn (2H: ¥7.0bn)
➤ Year-end dividend:	¥2.50 per share (forecast)	

## Progress Update on *Shine 2011*

- **Strengthening existing businesses' foundations:** Recovering but progress is slow centering on automotive business
- **Stable growth (securing resources):** Production of energy and mineral resources started (fully increasing from next year)  
Securing foodstuff and forest products resources has started
- **Building medium-to-long-term earnings foundations:** Steadily progress in the New Energy and Environment business begin with solar-power, wastewater recycling

## □ Summary of P/L Statements

(Billions of yen)

	First-half FY08 results	First-half FY09 results	Y-o-Y change	Initial FY09 Full-year forecast	Percentage Achieved (V.S initial forecast)	Revised FY09 Full-year forecast
<b>Net sales</b>	2,905.1	1,886.4	-1,018.7 (-35%)	4,750.0	40%	4,020.0
<b>Gross profit</b>	143.7	85.1	-58.6 (-41%)	225.0	38%	195.0
<b>Operating income</b>	50.0	5.4	-44.6 (-89%)	56.0	10%	35.0
<b>Ordinary income</b>	55.5	1.5	-54.0 (-97%)	45.0	3%	22.0
<b>Net income</b>	35.9	20.0	-15.9 (-44%)	20.0	100%	27.0
<b>Core earnings</b>	60.9	2.4	-58.5 (-96%)	47.5	5%	26.5

## □ Summary of Balance Sheets

				(Billions of yen)					
		As of Sep. 30,2009	As of Mar. 31, 2009	change			As of Sep. 30, 2009	As of Mar. 31, 2009	change
Current assets		1,402.0	1,473.2	-71.2	Interest-bearing debt	Short-term	381.0	428.9	-47.9
						Long-term	865.0	858.0	+7.0
Investment and other assets		863.3	839.8	23.5	Other liabilities		622.3	670.6	-48.3
Total assets		2,265.3	2,313.0	-47.7	Shareholders' equity *1		371.6	319.0	+52.6
					Total net assets		397.0	355.5	+41.5
					Total liabilities and net assets		2,265.3	2,313.0	-477
Risk assets <i>V.S Shareholders' equity</i>		380.0 <i>1.0 times</i>	350.0 <i>1.1 times</i>	+30.0 <i>-0.1 times</i>	Shareholders' equity ratio(%)		16.4%	13.8%	+2.6%
Current ratio (%)		149%	142%	+7%	Net interest-bearing debt		798.5	865.3	-66.8
Long-term debt ratio (%)		69%	67%	+2%	Net DER (times) <i>Net D/E ratio based on total net assets</i>		2.2 2.0	2.7 2.4	-0.5 -0.4

\*1. Shareholders' equity = Total net assets – Minority interests

# □ Commodity Price, Exchange Rate and Interest Rate Forecasts

	Initial forecast for year ending March 31, 2010	Result for Jan.-Jun. 2009	Result for Jul.-Sep. 2009	Result for Jan.-Sep. 2009.
Crude oil (Brent)*1	\$55/bbl	\$52.8/bbl	\$68.9/bbl	\$58.3/bbl
Coal*2 (thermal coal)	\$70/t	\$67.7/t	\$71.2/t	\$69.0/t
Molybdenum	\$13/lb (pounds)	\$9.1/lb	\$14.7/lb	\$10.9/lb
Vanadium	\$5/lb (pounds)	\$5.2/lb	\$6.7/lb	\$5.7/lb
Exchange rates*3	¥ 90/\$	¥ 96.0/\$	¥ 92.8/\$	¥ 94.9/\$
Interest rates (TIBOR)*4	0.75%	0.60% (Apr.-Jun.)	0.55% (Jul.-Sep.)	0.57% (Apr.-Sep.)

\*1 Sensitivity to crude oil prices: Every US\$1/bbl movement in crude oil price equates to an approximately ¥0.2bn change in Ordinary income.

\*2 Coal sales are basically priced by annual contract. Coal sales prices are therefore not affected by spot price movements. The above coal price differs from Sojitz's sales price.

\*3 Exchange rate sensitivity (Only US\$) : Every ¥1 movement in JPY/USD rate equates to an approximately ¥10bn change in Net sales, ¥0.3-0.4bn change in Ordinary income, and ¥1.5bn change in Shareholders' Equity.

\*4 Interest rate sensitivity: Every 100 basis point movement in interest rates equates to a change of approximately ¥1.0-1.5bn.

# □ Overview of 1H FY2009 and Quarterly Trends

All profit items are now positive after touching bottom in 4Q FY2008

	First-half FY09 results	(Billions of yen) Revised FY09 Full-year forecast
<b>Net sales</b>	1,886.4	4,020.0
<b>Gross profit</b>	85.1	195.0
<b>Operating income</b>	5.4	35.0
<b>Ordinary income</b>	1.5	22.0
<b>Net income</b>	20.0	27.0

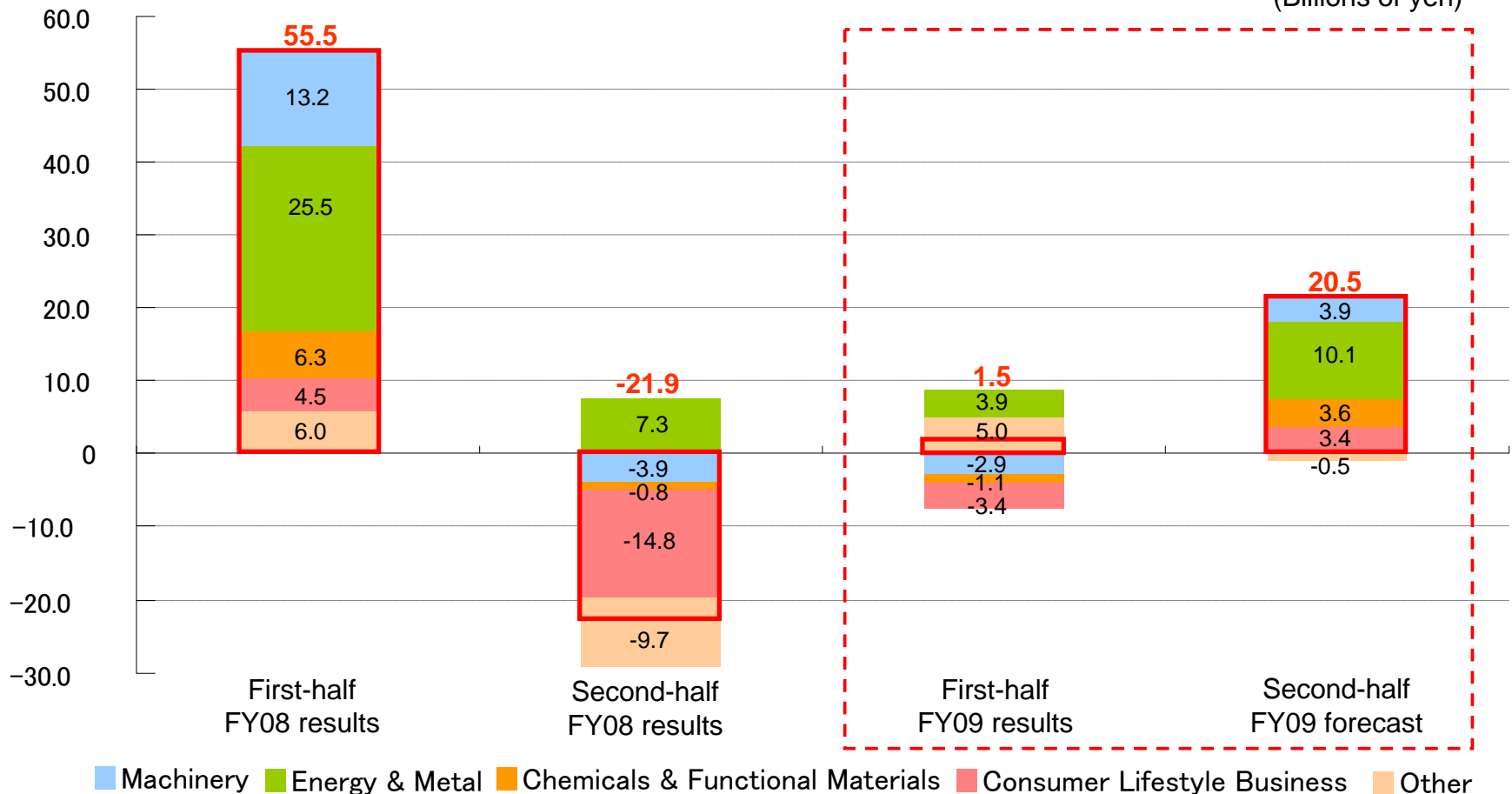


# □ Ordinary Income by Segment

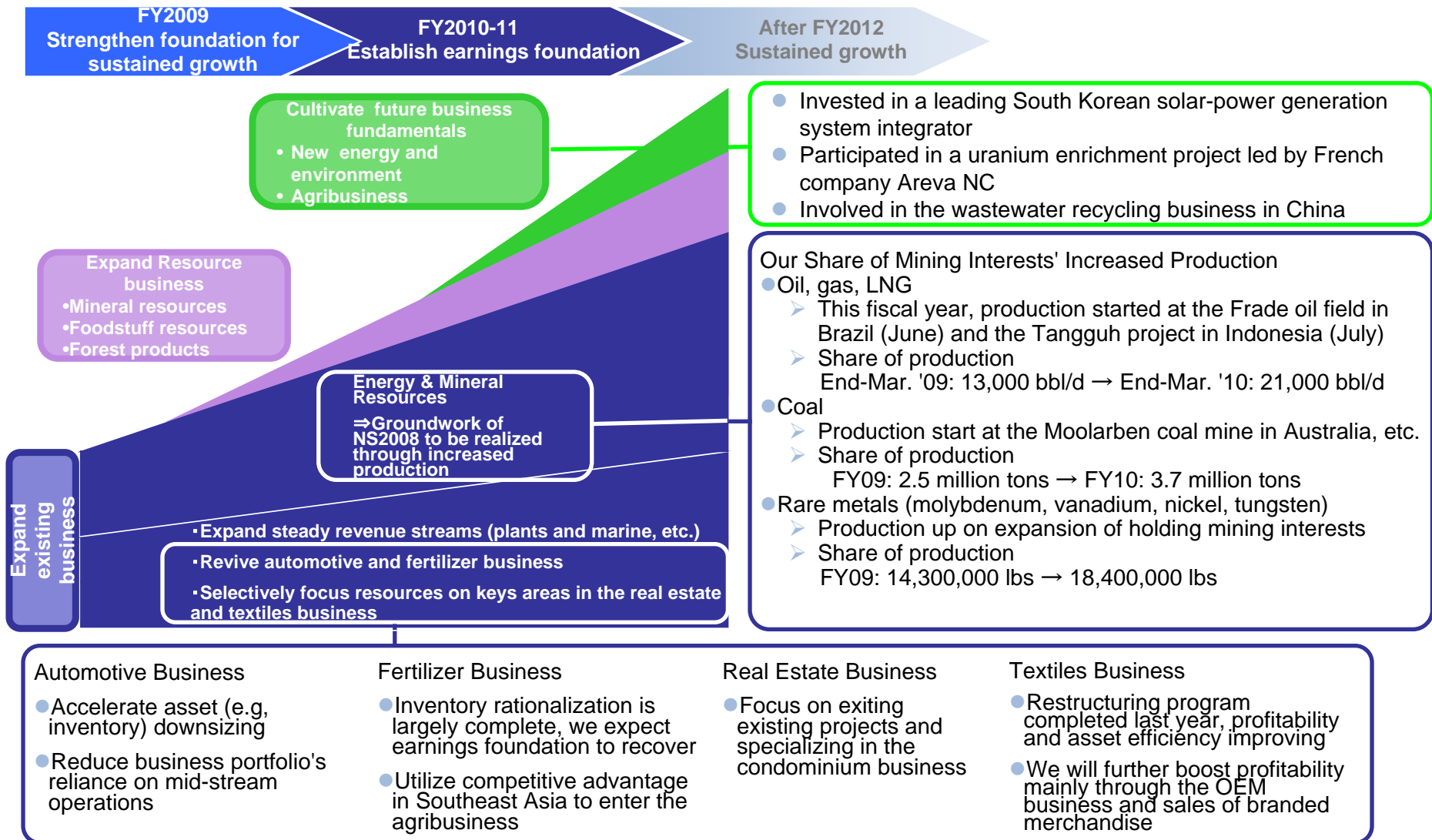
We expect the recovery to take hold and ordinary income to be positive in all segments in the fiscal second half

Semiannual Ordinary Income by Segment

(Billions of yen)



# □ Progress Update on *Shine 2011*

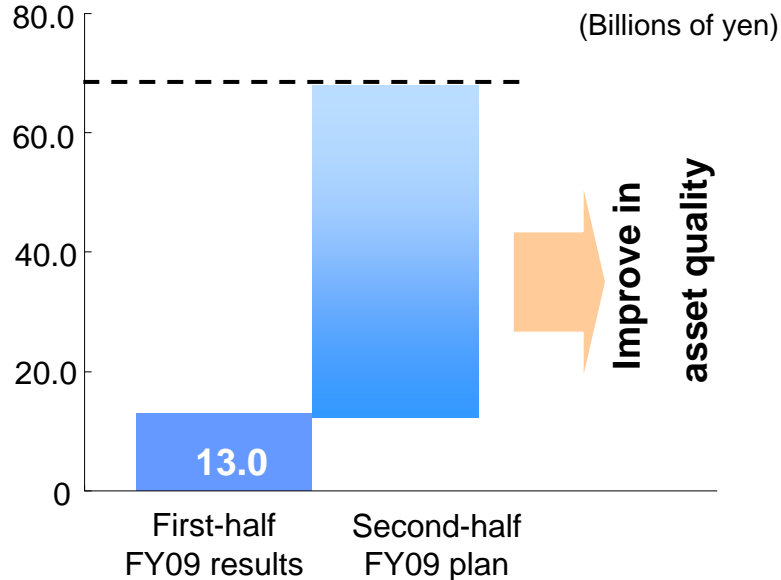




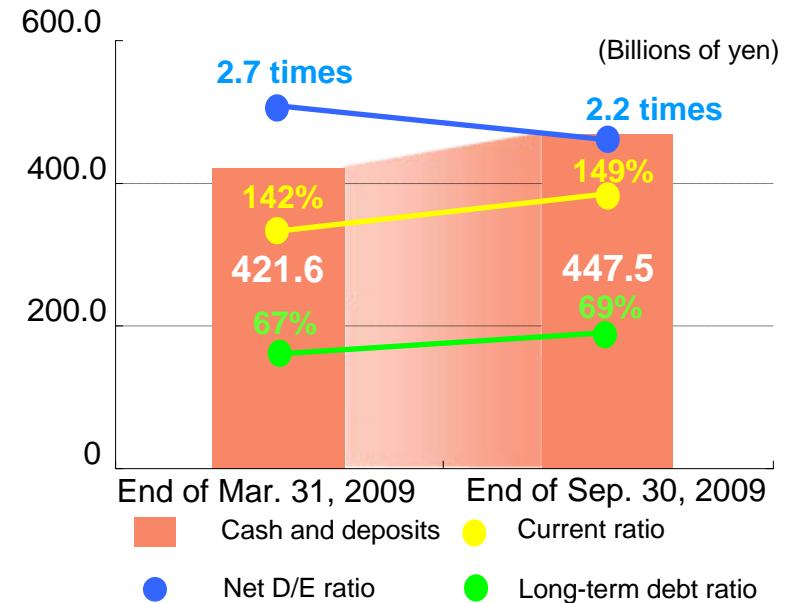
# □ New Investments and Loans

We have planned ¥70.0bn in new investments and loans for this fiscal year, primarily to reallocate assets

New investments and loans



Major financial indices

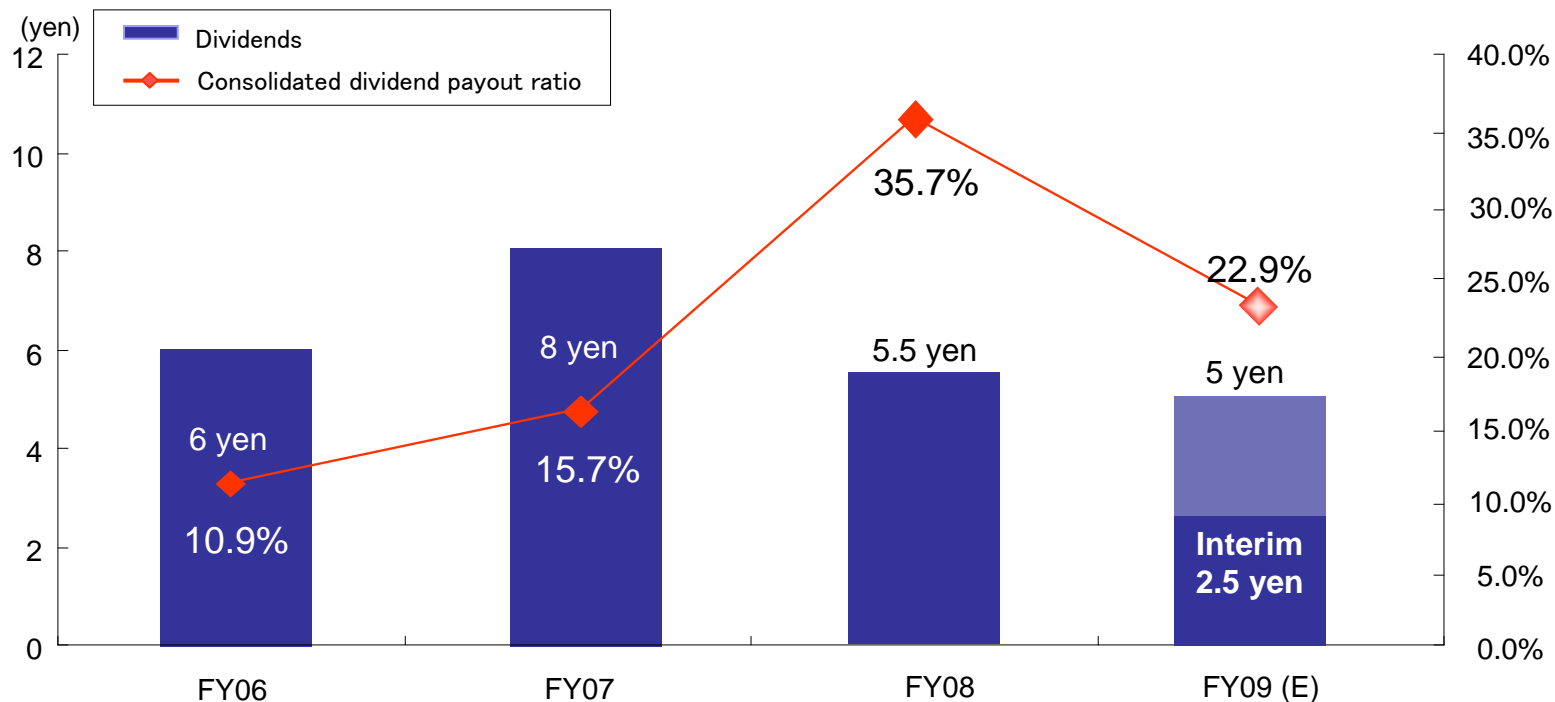


- First half: Executed new investments and loans mainly in holding resource interests
- Asset reallocations proceeding well (recovered ¥36.0bn in the first half)

- We will execute new investments and loans while maintaining sound financial foundations

## □ Dividends

### Annual Dividends per Share



Note: Consolidated dividend payout ratios were calculated based on common shares outstanding at fiscal year-end.

#### Basic dividend policy

Sojitz recognizes that paying stable, continuous dividends is an important management priority, together with enhancing shareholder value and boosting competitiveness by accumulating and effectively utilizing retained earnings.

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- Supplemental data (1)  
Financial Results for the 2<sup>nd</sup> Quarter

## □ Summary of Consolidated Statements of Operations

(Billions of yen)

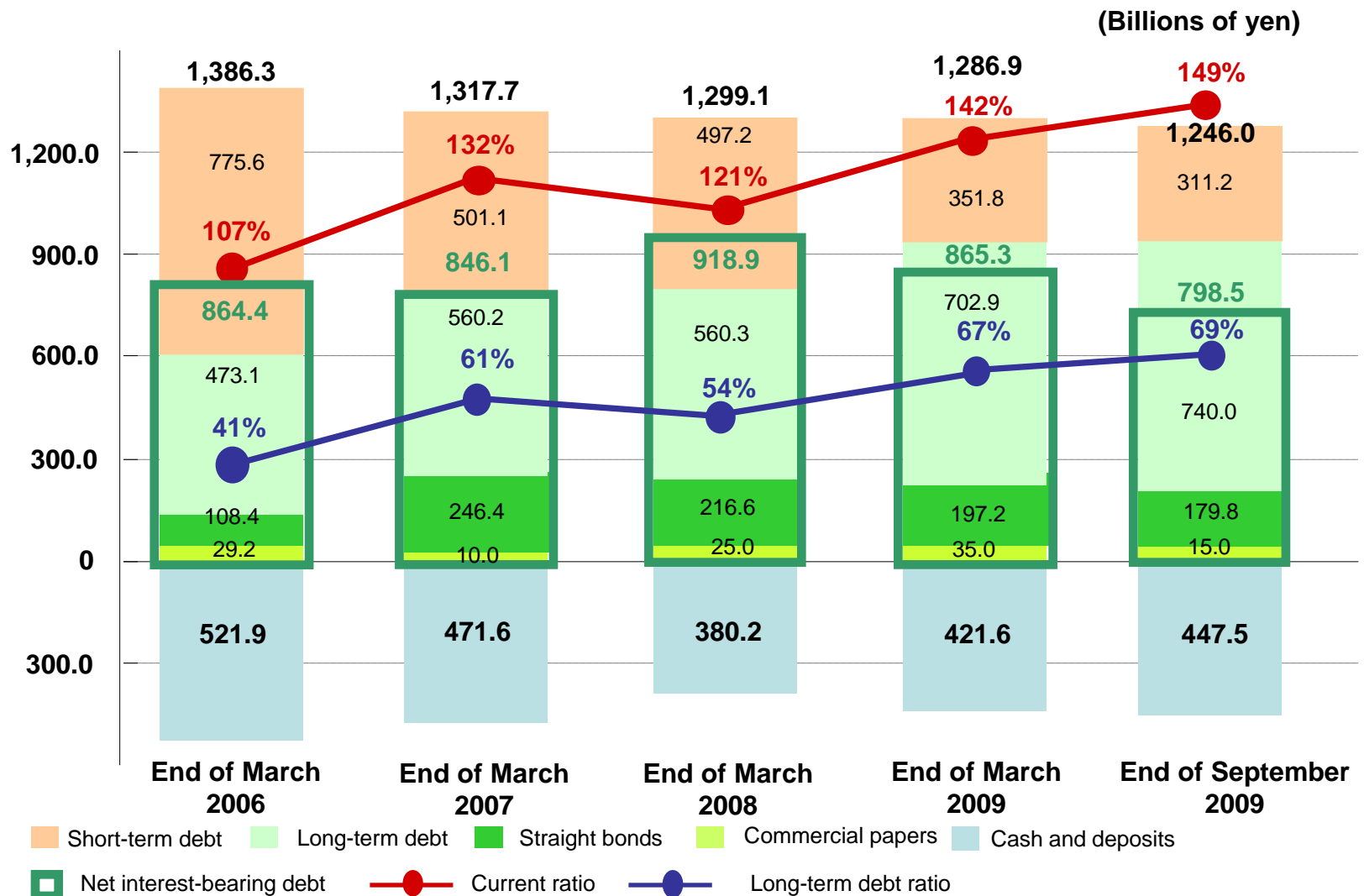
	FY2006 Results	FY2007 Results	FY2008 Results	First-half FY09 Results	Revised FY09 Full-year forecast
<b>Net sales</b>	5,218.2	5,771.0	5,166.2	1,886.4	4,020.0
<b>Gross profit</b>	254.5	277.7	235.6	85.1	195.0
<b>Operating income</b>	77.9	92.4	52.0	5.4	35.0
<b>Ordinary income</b>	89.5	101.5	33.6	1.5	22.0
<b>Net income</b>	58.8	62.7	19.0	20.0	27.0
<b>Core earnings</b>	89.8	110.7	48.3	2.4	26.5
For reference:					
<b>ROA</b>	2.3%	2.4%	0.8%	-	1.2%
<b>ROE</b>	12.8%	13.0%	4.8%	-	8.0%

# □ Summary of Consolidated Balance Sheets

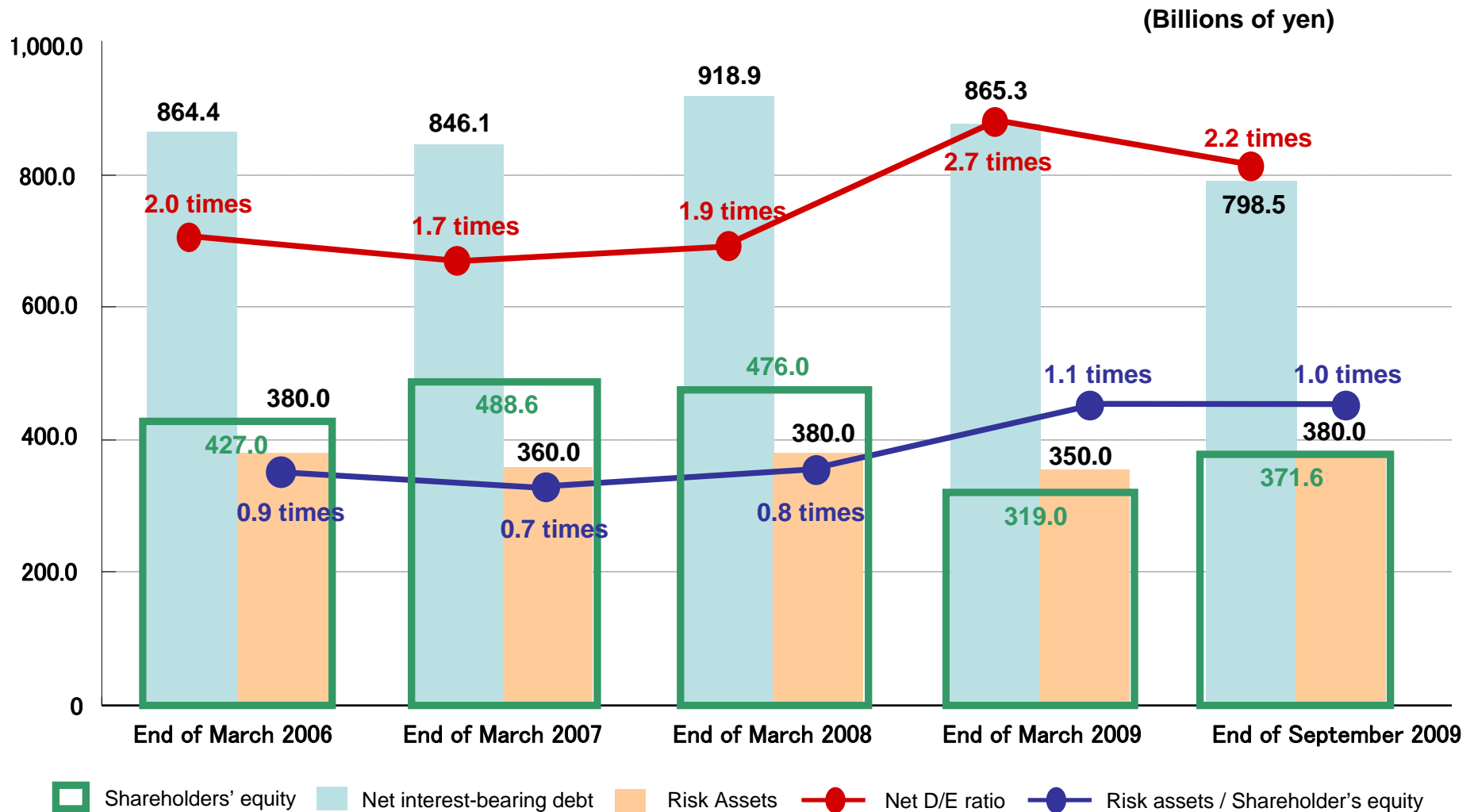
		(Billions of yen)									
		As of Mar. 31, 2007	As of Mar.31, 2008	As of Mar.31, 2009	As of Sep.30, 2009			As of Mar.31, 2007	As of Mar.31, 2008	As of Mar.31, 2009	As of Sep.30, 2009
Current assets		1,615.1	1,676.0	1,473.2	1,402.0	Interest-bearing debt	Short-term	512.0	597.3	428.9	381.0
							Long-term	805.7	701.8	858.0	865.0
Investment and other assets		1,004.4	993.4	839.8	863.3	Other liabilities		770.2	850.0	670.6	622.3
						Shareholders' equity*1		488.6	476.0	319.0	371.6
Total assets		2,619.5	2,669.4	2,313.0	2,265.3	Total net assets		(531.6)	(520.3)	(355.5)	(397.0)
						Total liabilities and net assets		2,619.5	2,669.4	2,313.0	2,265.3
Risk assets <i>Vs. Shareholders' equity</i>		360.0 <i>0.7 times</i>	380.0 <i>0.8 times</i>	350.0 <i>1.1times</i>	380.0 <i>1.0 times</i>	Shareholders' equity ratio (%)		18.7%	17.8%	13.8%	16.4%
Current ratio (%)		132%	121%	142%	149%	Net-interest-bearing debt		846.1	918.9	865.3	798.5
Long-term debt ratio (%)		61%	54%	67%	69%	Net DER (times) <i>Net D/E ratio based on total net assets</i>		1.7 1.6	1.9 1.8	2.7 2.4	2.2 2.0

\*1. Shareholders' equity = Total net assets – Minority interests

# Interest-bearing Debt



# Net Interest-bearing Debt and Risk Assets



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- Supplemental data (2)  
Fiscal 2009 Forecasts by Industry Segment



# □ Machinery Division

(Billions of yen)

	First-half FY09 results	Initial FY09 full-year forecast	Achieved	Gross Profit current position and full-year outlook	Revised FY09 full-year forecast
<b>Gross profit</b>	28.4	76.5	37%		67.0
<b>Automotive unit</b>	9.1	29.0	31%	<ul style="list-style-type: none"> <li>Automotive markets in Asia and the Middle East are recovering, but results are being dragged down by plant shutdowns in Venezuela and sluggish Russian markets.</li> </ul>	22.0
<b>Plant, Industrial Machinery &amp; IT Business Unit</b>	11.8	32.0	37%	<ul style="list-style-type: none"> <li>We expect a recovery in 2H, but are still impacted by declining transactions for some industrial machinery.</li> </ul>	30.0
<b>Marine &amp; Aerospace Unit</b>	7.5	15.5	48%	<ul style="list-style-type: none"> <li>Steady progress, and results are largely in line with forecasts.</li> </ul>	15.0
<b>Ordinary income</b>	-2.9	13.0	—		1.0

# □ Energy & Metal Division

(Billions of yen)

	First-half FY09 results	Initial FY09 full-year forecast	Achieved	Gross Profit current position and full-year outlook	Revised FY09 full-year forecast
<b>Gross profit</b>	17.3	44.0	39%		38.5
<b>Energy &amp; Nuclear Unit</b>	7.6	19.5	39%	<ul style="list-style-type: none"> <li>Crude oil prices are currently trending above our initial expectations, but results are suffering due to a slump in gas prices and a 1H decline in transaction volumes.</li> </ul>	16.0
<b>Mineral Resources Unit</b>	9.0	21.5	42%	<ul style="list-style-type: none"> <li>Trading volumes for some mineral resources were down in 1H, but results are largely in line with forecasts on the back of a solid coal market and a gradual recovery in mineral resources markets.</li> </ul>	20.5
<b>Steel Business Unit</b>	0.7	3.0	23%	<ul style="list-style-type: none"> <li>Steel materials markets are gradually recovering, but results are affected by the 1H slump.</li> </ul>	2.0
<b>Ordinary income</b>	3.9	18.0	22%		14.0

# □ Chemicals & Functional Materials Division

(Billions of yen)

	First-half FY09 results	Initial FY09 full-year forecast	Achieved	Gross Profit current position and full-year outlook	Revised FY09 full-year forecast
<b>Gross profit</b>	14.1	37.5	38%		32.0
<b>Chemicals Unit</b>	5.3	15.5	34%	<ul style="list-style-type: none"> <li>We were impacted by a decline in transaction volumes and low methanol prices in 1H, but we expect Chinese markets to be solid and methanol prices to recover.</li> </ul>	13.0
<b>Functional Material Unit</b>	8.4	22.0	38%	<ul style="list-style-type: none"> <li>We were impacted by a decline in transaction volumes in 1H, but we anticipate a recovery in demand, led by Chinese markets.</li> </ul>	19.0
<b>Ordinary income</b>	-1.1	5.5	—		2.5

# □ Consumer Lifestyle Business Division

(Billions of yen)

	First-half FY09 results	Initial FY09 full-year forecast	Achieved	Gross Profit current position and full-year outlook	Revised FY09 full-year forecast
<b>Gross profit</b>	21.3	56.5	38%		49.5
<b>Foods Resources Unit</b>	6.1	21.0	29%	<ul style="list-style-type: none"> <li>• Results were affected by our fertilizer inventory correction and a sluggish marine products market in 1H. However, the fertilizer inventory correction are nearing completion, and we anticipate a recovery in 2H.</li> </ul>	17.0
<b>General Commodities &amp; Textile Unit</b>	9.7	21.0	46%	<ul style="list-style-type: none"> <li>• Results have been solid since 1H and are largely in line with forecasts.</li> </ul>	20.5
<b>Forest Products &amp; Real Estate Development Unit</b>	5.6	14.5	39%	<ul style="list-style-type: none"> <li>• We anticipate adverse effects of a decline in forestry/construction materials-related demand due to a decline in housing starts in Japan.</li> </ul>	12.0
<b>Ordinary income</b>	-3.4	4.5	—		0



***sojitz***

***New way, New value***

**Forward-looking Statements**

Readers are advised that the contents of this document are based on various assumptions and that forward-looking statements regarding the Company's business plans and initiatives involve risks and uncertainties.