

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2009

October 29, 2009
Sojitz Corporation

Results Highlights

1. We suffered a year-over-year decline in revenue and profit for the fiscal first quarter, which was unavoidable due to the sharp economic slowdown ongoing since Lehman Brothers' collapse last autumn. Results have since improved moderately so far, in line with the general economic recovery, and we moved back into profitability in the fiscal second quarter.
We booked substantial declines in revenue and profit reflecting continued lackluster transaction activity, despite booking a gain of sales of investment securities on reallocation of asset holdings.

Net sales: 1,886.4 billion yen (-1,018.7 billion yen / -35.1%)

-Decrease in Energy & Metal due to decrease in prices and transaction volume
-Automobile transaction volume decreased in the Central and South America region and the Russia and NIS region
-Transaction volume decreased due to price reductions in the food business

Gross profit: 85.1 billion yen (-58.6 billion yen / -40.8%)

-Automobile transaction volume decreased in the Central and South America and the Russia and NIS region
-Decrease at overseas fertilizer companies
-Decrease in Energy and Metal

Ordinary income: 1.5 billion yen (-54.0 billion yen / -97.2%)

-Decrease in equity in earnings of affiliates, including a steel-related company

Net income: 20.0 billion yen (-15.9 billion yen / -44.3%)

-Although total extraordinary income increased, net income decreased substantially due to deterioration of ordinary income.

2. Forecast for FY 2009, ending March 31, 2010

Sojitz has revised its full-year forecast as follows:

	as of April 30	as of October 29
Net sales	4,750.0 billion yen	→ 4,020.0 billion yen
Operating income	56.0 billion yen	→ 35.0 billion yen
Ordinary income	45.0 billion yen	→ 22.0 billion yen
Net income	20.0 billion yen	→ 27.0 billion yen

Assumptions:

- Exchange rate (annual average JPY/US\$) = 90

- Crude oil (Brent) price (US\$/BBL) = 55 (avg. for Jan.-Dec.)

3. Cash dividend per common stock for FY 2009

Interim: 2.5 yen per share

Year-end (forecast): 2.5 yen per share

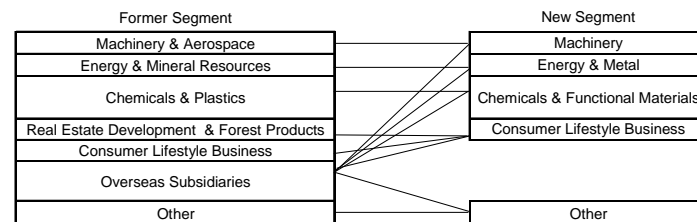
Consolidated Statements of Income

(Billions of yen)

	FY2009 2nd quarter			FY2008 2nd quarter		Reasons for change	Forecast FY2009	
	Results a	1st quarter	2nd quarter	Results b	Change a - b		c	Percentage achieved a/c
Net sales	1,886.4	897.1	989.3	2,905.1	-1,018.7	Energy & Metal Consumer Lifestyle Business Machinery	4,020.0	47%
Gross profit (Gross profit ratio)	85.1 (4.51%)	37.6 (4.19%)	47.5 (4.80%)	143.7 (4.95%)	-58.6 (-0.44%)	Gross profit Machinery Energy & Metal Consumer Lifestyle Business	195.0 (4.85%)	44%
Personnel expenses	-39.6	-20.0	-19.6	-44.0	4.4			
Non-personnel expenses	-32.7	-16.0	-16.7	-40.5	7.8	Decrease due to revision of expenses		
Depreciation	-2.6	-1.3	-1.3	-2.8	0.2			
(Subtotal)	(-74.9)	(-37.3)	(-37.6)	(-87.3)	(12.4)			
Provision of allowance for doubtful accounts	-2.2	-1.9	-0.3	-3.8	1.6			
Amortization of goodwill	-2.6	-1.3	-1.3	-2.6	0.0			
(Total selling, general and administrative expenses)	(-79.7)	(-40.5)	(-39.2)	(-93.7)	(14.0)			
Operating income (Operating income ratio)	5.4 0.29%	-2.9 -	8.3 0.84%	50.0 1.72%	-44.6		35.0 (0.87%)	15%
Interest income	2.6	1.5	1.1	5.7	-3.1	Decrease overseas due to lower interest rates		
Interest expenses (Interest expenses - net)	-13.6 (-11.0)	-6.9 (-5.4)	-6.7 (-5.6)	-14.6 (-8.9)	1.0 (-2.1)			
Dividends income (Net financial revenue)	3.3 (-7.7)	2.0 (-3.4)	1.3 (-4.3)	4.2 (-4.7)	-0.9 (-3.0)			
Equity in earnings of affiliates	2.5	0.5	2.0	11.8	-9.3	Steel-related company (-8.3), LNG-business company (-1.5)		
Other income and expenses - net (Non operating income/losses - net)	1.3 (-3.9)	0.7 (-2.2)	0.6 (-1.7)	-1.6 (5.5)	2.9 (-9.4)		-13.0	-
Ordinary income	1.5	-5.1	6.6	55.5	-54.0		22.0	7%
Gain on sales of noncurrent assets	1.1	0.0	1.1					
Gain on sales of investment securities	23.2	1.8	21.4			Gain on sale of Coal & Allied etc.		
Gain on sales of equity investments without stock	0.4	-	0.4					
Reversal of allowance for doubtful accounts (Total extraordinary income)	2.6 (27.3)	1.9 (3.7)	0.7 (23.6)		(10.9) (16.4)			
Loss on sales and retirement of noncurrent assets	-0.1	0.0	-0.1					
Impairment loss	-1.3	-0.1	-1.2					
Loss on sales of investment securities	-0.1	-0.1	0.0					
Loss on revaluation of securities	-1.2	-0.4	-0.8					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates (Total extraordinary losses)	-1.8 (-4.5)	0.0 (-0.6)	-1.8 (-3.9)		(-13.3) (8.8)			
(Extraordinary income/losses - net)	(22.8)	(3.1)	(19.7)		(-2.4) (25.2)			
Income before income taxes and minority interests	24.3	-2.0	26.3	53.1	-28.8		18.0	-
Income taxes: Current	-3.6	-1.6	-2.0	-13.0	9.4			
Deferred	-0.4	1.8	-2.2	-0.3	-0.1			
Minority interests in income	-0.3	0.2	-0.5	-3.9	3.6			
Net income	20.0	-1.6	21.6	35.9	-15.9		27.0	74%
Core earnings	2.4	-3.9	6.3	60.9	-58.5			

Notes:

1. Due to organizational reforms and changes to operating divisions effected April 1, 2009, we changed business divisions from this first quarter as shown below. The above reasons for change from FY2008 (1st quarter) results are based on post-reform business segments.



• Overseas Subsidiaries accounts were previously reported under the Overseas Segment but are now included in the other operating divisions based on similarities in types of items/goods handled.
• The aircraft leasing business has been transferred from the former Machinery & Aerospace Division to Other.
• The former Chemicals & Plastics Division's mineral business has been transferred to Energy & Metal, and its fertilizer business to the Consumer Lifestyle Business.
• A part of the property business has been transferred from the former Real Estate Development & Forest Products Division to Other.
• The highly functional materials business has been transferred from the former Consumer Lifestyle Business Division to Chemicals & Functional Materials.

2. Core earnings

Core earnings = Operating income (before provision of allowance for doubtful accounts and write-offs) + Interest expenses-net + Dividends income + Equity in earnings of affiliates

3. 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 are subject to inherent risks and uncertainties. Readers are advised that actual results may differ from those expressed or implied by 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

(Billions of yen, except ratio data)

	Sep. 30	Mar. 31	Change d - e	Reasons for change
	2009	2009		
Current assets	1,402.0	1,473.2	-71.2	
Cash and deposits	447.5	421.6	25.9	
Notes and accounts receivable - trade	477.3	522.4	-45.1	Due to decrease in metal resources and machinery transaction volume
Short-term investment securities	5.6	2.1	3.5	
Inventories	332.5	382.9	-50.4	Transfer to the "Real estate for investment" account and decrease in fertilizer
Short-term loans receivable	7.8	9.4	-1.6	
Deferred tax assets	20.3	15.8	4.5	
Other	121.2	129.3	-8.1	
Allowance for doubtful accounts	-10.2	-10.3	0.1	
Noncurrent assets	862.6	838.4	24.2	
Property, plant and equipment	210.8	209.7	1.1	
Goodwill	56.2	60.7	-4.5	
Intangible assets	61.5	54.2	7.3	
Investment securities	346.7	351.5	-4.8	
Long-term loans receivable	28.1	27.9	0.2	
Bad debts	94.3	92.4	1.9	
Deferred tax assets	57.5	64.1	-6.6	
Real estate for investment	26.5	-	26.5	Transfer from "Inventories" due to a change in purpose of holding the assets
Other	41.0	39.4	1.6	
Allowance for doubtful accounts	-60.0	-61.5	1.5	
Deferred assets	0.7	1.4	-0.7	
Total assets	2,265.3	2,313.0	-47.7	
Liabilities	942.3	1,039.9	-97.6	
Notes and accounts payable - trade	403.5	418.8	-15.3	
Short-term loans payable	311.2	351.8	-40.6	Decrease due to shift to long-term funding
Commercial papers	15.0	35.0	-20.0	
Current portion of bonds	54.8	42.1	12.7	Reclassification of current portion (+30.1), decrease due to bond redemptions (-17.4)
Other	157.8	192.2	-34.4	
Noncurrent liabilities	926.0	917.6	8.4	
Bonds payable	125.0	155.1	-30.1	Reclassification of current portion (-30.1)
Long-term loans payable	740.0	702.9	37.1	Increase due to shift away from short-term funding
Provision for retirement benefits	14.8	16.2	-1.4	
Other	46.2	43.4	2.8	
Total liabilities	1,868.3	1,957.5	-89.2	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	160.8	142.2	18.6	Net income (+20.0), Payment of dividends (-1.2)
Treasury stock	-0.2	-0.2	0.0	
(Total shareholders' equity)	(473.1)	(454.5)	(18.6)	
Valuation difference on available-for-sale securities	14.3	6.2	8.1	Increase due to rise in stock prices
Deferred gains or losses on hedges	3.4	1.5	1.9	
Revaluation reserve for land	-1.9	-1.9	0.0	
Foreign currency translation adjustment	-117.3	-141.3	24.0	Increase due to overseas subsidiaries translation adjustments
(Total valuation and translation adjustments)	(-101.5)	(-135.5)	(34.0)	
Minority interests	25.4	36.5	-11.1	Decrease due to additional acquisition of shares of Nissho Electronics Corporation
Total net assets	397.0	355.5	41.5	
Total liabilities and net assets	2,265.3	2,313.0	-47.7	

Gross interest-bearing debt	1,246.0	1,286.9	-40.9
Net interest-bearing debt	798.5	865.3	-66.8
Net debt/equity ratio (times)	* 2.15	* 2.71	- 0.56
Shareholders' equity ratio	* 16.4%	* 13.8%	2.6%
Current ratio	148.8%	141.7%	7.1%
Long-term debt ratio	69.4%	66.7%	2.7%

The figure for equity used as the denominator in the debt/equity ratio and the numerator in the shareholder's equity ratio excludes minority interests.

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2009 - Supplementary Materials

October 29, 2009
Sojitz Corporation

(Billions of yen)

P/L						Main factors for changes		FY2009 current position and full-year outlook		
	FY2009 Apr. - Sep. Results	FY2008 Apr. - Sep. Results	Change	FY2009 Initial Full-year Forecast	Percent Achieved Vs Initial Full-year Forecast	FY2009 Revised Full-year Forecast	Gross Profit		Ordinary Income	
Net sales	1,886.4	2,905.1	(1,018.7)	4,750.0	39.7%	4,020.0	Machinery Division		Machinery Division	
Gross Profit	85.1	143.7	(58.6)	225.0	37.8%	195.0	Decrease (-19.9) due to decrease in automotive transaction volumes bound for the Russia/NIS region and the Central and South America region and decreased transaction volumes for SMT equipment and other industrial machinery.		Marine & Aerospace remained steady while automotive sales volume was subdued due to a lagging market recovery in the Russia/NIS region and labor disputes at companies in Central and South America. We expect a recovery in the plant and IT business, led mainly by plants, in the fiscal second half. However, the recovery will not make up for the fiscal-first-half decline.	
Gross profit ratio	4.51%	4.95%	(0.44%)	4.74%		4.85%	Energy & Metal Division		Energy & Metal Division	
*1: Machinery	28.4	48.3	(19.9)	76.5	37.1%	67.0	Decrease (-15.5) due to decline in overall market price, including those for energy and ferroalloys, and decrease in transaction volume.		Coal remained steady, and markets overall recovered modestly. But with gas prices subdued and demand recoveries in mineral resources (including non-ferrous metals) and the steel business lagging, it is unlikely we will be able to make up for the fiscal-first-half decline.	
Energy & Metal	17.3	32.8	(15.5)	44.0	39.3%	38.5	Chemicals & Functional Materials Division		Chemicals & Functional Materials Division	
Chemicals and Functional Materials	14.1	24.6	(10.5)	37.5	37.6%	32.0	Decrease (-10.5) due to decline in methanol prices and decrease in transaction volume of other chemicals and functional materials.		The methanol market's recovery lagged in the fiscal-first-half, and other products as a whole were affected by a slow recovery in demand. But market trends are upward, particularly in China.	
Consumer Lifestyle Business	21.3	35.5	(14.2)	56.5	37.7%	49.5	Consumer Lifestyle Business Division		Consumer Lifestyle Business Division	
Other	4.0	2.5	1.5	10.5	38.1%	8.0	Decrease (-14.2) due to decline in transaction volume and prices of fertilizer, decline in marine products prices, and slump in timber-related markets in Japan.		Textiles was generally favorable due to reductions in SG&A enabled by the textile business restructuring. But in the fiscal-first-half, the division was affected by lagging recoveries in the marine products (especially tuna) and fertilizer markets. Timber-related businesses were also affected by lower demand resulting from declining housing starts in Japan. However, in the fiscal second half, we expect the fertilizer business to turn upward as inventory correction have largely been completed. Foods-related businesses are also improving in terms of both prices and transaction volumes.	
Selling, general and administrative expenses	(79.7)	(93.7)	14.0	(169.0)	47.2%	(160.0)	Other		Other	
Operating income	5.4	50.0	(44.6)	56.0	9.6%	35.0	Increase (+1.5) due to effect of decrease in loss on valuation of inventories and other factors.		Generally in line with our outlook.	
Operating income ratio	0.29%	1.72%		1.18%		0.87%	Ordinary Income		Ordinary Income	
Non-operating income/expenses - net	(3.9)	5.5	(9.4)	(11.0)	-	(13.0)	Machinery Division		Machinery Division	
Ordinary Income *2	1.5	55.5	(54.0)	45.0	3.3%	22.0	Decrease (-16.1) due to lower gross profit and reduced equity in earnings of affiliates, reflecting a decrease in transaction volume.		Decrease (-1.0) due to non-recurrence of the previous fiscal year's foreign exchange gains, which offset higher gross profit resulting from a decrease in loss on valuation of inventories.	
Ordinary Income ratio	0.08%	1.91%		0.95%		0.55%	Energy & Metal Division		Energy & Metal Division	
*1: Machinery	(2.9)	13.2	(16.1)	13.0	-	1.0	Decrease (-21.6) due to lower gross profit and reduced equity in earnings of affiliates, reflecting declines in transaction volume and market prices.		Decrease (-7.9) despite improvements due to the textiles business restructuring, which was outweighed by lower gross profit reflecting declines in prices and transaction volume of fertilizer and marine products.	
Energy & Metal	3.9	25.5	(21.6)	18.0	21.7%	14.0	Chemicals & Functional Materials Division		Chemicals & Functional Materials Division	
Chemicals and Functional Materials	(1.1)	6.3	(7.4)	5.5	-	2.5	Decrease (-7.4) due to lower gross profit, reflecting declines in methanol prices and overall transaction volume.		Decrease (-7.9) despite improvements due to the textiles business restructuring, which was outweighed by lower gross profit reflecting declines in prices and transaction volume of fertilizer and marine products.	
Consumer Lifestyle Business	(3.4)	4.5	(7.9)	4.5	-	0.0	Consumer Lifestyle Business Division		Consumer Lifestyle Business Division	
Other	5.0	6.0	(1.0)	4.0	125.0%	4.5	Decrease (-7.9) despite improvements due to the textiles business restructuring, which was outweighed by lower gross profit reflecting declines in prices and transaction volume of fertilizer and marine products.		Decrease (-7.9) despite improvements due to the textiles business restructuring, which was outweighed by lower gross profit reflecting declines in prices and transaction volume of fertilizer and marine products.	
Extraordinary income/losses - net	22.8	(2.4)	25.2	(5.0)	-	18.0	Other		Other	
Income before income taxes and minority interests	24.3	53.1	(28.8)	40.0	60.8%	40.0				
Net income	20.0	35.9	(15.9)	20.0	100.0%	27.0				
Core earnings *3	2.4	60.9	(58.5)	47.5	5.1%	26.5				

*1. Due to organizational reforms and changes of operating divisions effected on April 1, 2009, we changed business segments from this first quarter. Results for April to September FY2008 are based on post-reform business segments.

*2. Figures for ordinary income by business segment are internal figures provided for reference only.

*3. Core earnings = Operating income (before provision for doubtful receivables and write-offs) + Net interest income and expenses + Dividends income + Equity in earnings of affiliates

(Billions of yen)

B/S					
	September 30, 2009	March 31, 2009	Change	March 31, 2010 Initial Full-year Forecast	March 31, 2010 Revised Full-year Forecast
Total assets	2,265.3	2,313.0	(47.7)	2,320.0	2,210.0
Shareholders' equity *4	371.6	319.0	52.6	335.0	360.0
Total net assets	397.0	355.5	41.5	-	-
Shareholders' equity ratio (%)	16.4%	13.8%	2.6%	14.4%	16.3%
Net interest-bearing debt	798.5	865.3	(66.8)	850.0	850.0
Net D/E ratio (times)	2.15	2.71	(0.56)	2.5	2.4
Net D/E ratio based on total net assets (times)	2.01	2.43	(0.42)	-	-
Risk assets	380.0	350.0	30.0	-	-
Ratio of risk assets to shareholder's equity (times)	1.02	1.10	(0.08)	-	-

*4 Equity = Total net assets - Minority interests

Commodity Prices and Exchange Rates					
	FY2008 Average	FY2009 Forecast	2009 Results		
			Jan. - Jun. '09 Avg.	Jul - Sep. '09 Avg.	Jan. - Sep. '09 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$98/bbl	\$55/bbl	\$52.8/bbl	\$68.9/bbl	\$58.3/bbl
Thermal coal **2 (\$/t)	\$127.8/t	\$70/t	\$67.7/t	\$71.2/t	\$69.0/t
Molybdenum (\$/lb)	\$29.1/lb (pounds)	\$13/lb	\$9.1/lb	\$14.7/lb	\$10.9/lb
Vanadium (\$/lb)	\$13.6/lb (pounds)	\$5/lb	\$5.2/lb	\$6.7/lb	\$5.7/lb
Exchange rates**3 (¥/\$)	Dec. year-end ¥102.8/\$	¥ 90/\$	¥ 96.0/\$	¥92.8/\$	¥ 94.9/\$
	Mar. year-end ¥100.7/\$				

**1. Impact of fluctuations in the crude oil price on earnings: Every \$1/bbl change alters ordinary income by approx. ¥0.2 billion.

**2. Prices for the majority of the thermal coal traded by Sojitz are fixed by annual contracts during the previous fiscal year. The effect of the most recent spot prices is negligible. Market forecasts and averages in the above table differ from our sales prices.

**3. Impact of fluctuations in the exchange rate on earnings (only US\$): Every ¥1/\$ change alters net sales by approx. ¥10.0 billion, ordinary income by approx. ¥0.3-0.4 billion, and shareholders' equity by approx. ¥1.5 billion.