

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2009

January 29, 2010
Sojitz Corporation

Results Highlights

1. Sojitz's results have improved moderately, in line with the general economic recovery, since it experienced its worst term in the wake of Lehman Brothers' collapse. However, markets have still not staged a full recovery, and we suffered declines in revenue and profit in all segments reflecting lower transaction volume year over year.

Further, for the fiscal year ending March 31, 2010, we recorded a loss on revaluation of securities for our holdings of Japan Airlines Corporation (JAL) type-A preferred shares in the fiscal third quarter and a gain on sale of Coal & Allied securities in the fiscal first half.

(Figures in parentheses represent year-on-year changes.)

Net sales: 2,869.0 billion yen (-1,341.2 billion yen / -31.9%)

- 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: 129.2 billion yen (-74.6 billion yen / -36.6%)

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

Ordinary income: 6.6 billion yen (-57.2 billion yen / -89.7%)

- Decrease in equity in earnings of affiliates, including a steel-business company
- Deterioration of net interest expenses due to lower interest rates

Net income: 8.0 billion yen (-19.3 billion yen / -70.5%)

- Decrease due to substantial deterioration of ordinary income.

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

Sojitz has revised its full-year forecast as follows:

	As of October 29	As of January 29
Net sales	4,020.0 billion yen	→ 3,920.0 billion yen
Operating income	35.0 billion yen	→ 21.0 billion yen
Ordinary income	22.0 billion yen	→ 13.0 billion yen
Net income	27.0 billion yen	→ 8.5 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 (executed)

Year-end (forecast): undecided

Consolidated Statements of Income

(Billions of yen)

	FY2009 3rd quarter YTD			FY2008 3rd quarter		Reasons for change	Forecast FY2009	
	Results a	1st Half	3rd quarter	YTD Results b	Change a - b		c	Percentage achieved a/c
Net sales	2,869.0	1,886.4	982.6	4,210.2	(1,341.2)	Net sales Energy & Metal (677.1) Consumer Lifestyle Business (259.5) Machinery (197.2) Chemicals & Functional Materials (191.4)	3,920.0	73%
Gross profit	129.2	85.1	44.1	203.8	(74.6)	Gross profit Machinery (28.3)	180.0	72%
Gross profit margin	4.50%	4.51%	4.49%	4.84%	(0.34%)	Energy & Metal (19.9) Consumer Lifestyle Business (15.5) Chemicals & Functional Materials (12.6)	4.59%	
Personnel expenses	(59.8)	(39.6)	(20.2)	(66.2)	6.4			
Non-personnel expenses	(48.4)	(32.7)	(15.7)	(60.6)	(12.2)	Decrease due to revision of Non-personnel expenses		
Depreciation	(3.8)	(2.6)	(1.2)	(4.4)	0.6			
Subtotal	(112.0)	(74.9)	(37.1)	(131.2)	19.2			
Provision of allowance for doubtful accounts	(2.4)	(2.2)	(0.2)	(3.7)	1.3			
Amortization of goodwill	(3.9)	(2.6)	(1.3)	(4.0)	0.1			
Total selling, general and administrative expenses	(118.3)	(79.7)	(38.6)	(138.9)	20.6		(159.0)	74%
Operating income	10.9	5.4	5.5	64.9	(54.0)		21.0	52%
Operating income margin	0.38%	0.29%	0.56%	1.54%			0.54%	
Interest income	3.5	2.6	0.9	7.8	(4.3)	Decrease due to lower interest rates in overseas		
Interest expenses	(19.7)	(13.6)	(6.1)	(22.0)	2.3			
Interest expenses - net	(16.2)	(11.0)	(5.2)	(14.2)	(2.0)			
Dividends income	3.9	3.3	0.6	5.2	(1.3)			
Net financial revenue	(12.3)	(7.7)	(4.6)	(9.0)	(3.3)			
Equity in earnings of affiliates	6.4	2.5	3.9	11.3	(4.9)	Steel-business company (10.1), LNG-business company (2.0), Real estate-business company +8.1		
Other income and expenses - net	1.6	1.3	0.3	(3.4)	5.0			
Non operating income/losses - net	(4.3)	(3.9)	(0.4)	(1.1)	(3.2)		(8.0)	-
Ordinary income	6.6	1.5	5.1	63.8	(57.2)		13.0	51%
Gain on sales of noncurrent assets	1.2	1.1	0.1					
Gain on sales of investment securities	28.4	23.2	5.2			Gain on sale of Coal & Allied etc.		
Gain on sales of equity investment without stock	0.4	0.4	0.0					
Reversal of allowance for doubtful accounts	2.8	2.6	0.2					
Total extraordinary income	32.8	27.3	5.5	12.6	20.2			
Loss on sales and retirement of noncurrent assets	(0.2)	(0.1)	(0.1)					
Impairment loss	(1.6)	(1.3)	(0.3)					
Loss on sales of investment securities	(0.1)	(0.1)	0.0					
Loss on revaluation of securities	(16.7)	(1.2)	(15.5)			Loss on revaluation of Japan Airlines etc.		
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(7.7)	(1.8)	(5.9)					
Total extraordinary losses	(26.3)	(4.5)	(21.8)	(25.8)	(0.5)			
Extraordinary income/losses - net	6.5	22.8	(16.3)	(13.2)	19.7		4.0	-
Income before income taxes and minority interests	13.1	24.3	(11.2)	50.6	(37.5)		17.0	77%
Income taxes: Current	(5.3)	(3.6)	(1.7)	(18.1)	12.8			
Deferred	1.0	(0.4)	1.4	(1.2)	2.2			
Minority interests in income	(0.8)	(0.3)	(0.5)	(4.0)	3.2			
Net income	8.0	20.0	(12.0)	27.3	(19.3)		8.5	94%
Core earnings	7.4	2.4	5.0	70.9	(63.5)			

Notes:

1. Core earnings

Core earnings = Operating income (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividend income + Equity in earnings of 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 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)

	Dec. 31	Mar. 31	Change d - e	Reasons for change
	2009	2009		
	d	e		
Current assets	1,367.3	1,473.2	-105.9	
Cash and deposits	431.2	421.6	9.6	
Notes and accounts receivable - trade	506.6	522.4	-15.8	Due to decrease in machinery transaction volume
Short-term investment securities	4.8	2.1	2.7	
Inventories	294.2	382.9	-88.7	Transfer to the "Real estate for investment" account and decrease in fertilizer and automobile
Short-term loans receivable	7.8	9.4	-1.6	
Deferred tax assets	18.7	15.8	2.9	
Other	112.8	129.3	-16.5	
Allowance for doubtful accounts	-8.8	-10.3	1.5	
Noncurrent assets	833.0	838.4	-5.4	
Property, plant and equipment	206.5	209.7	-3.2	
Goodwill	55.6	60.7	-5.1	
Intangible assets	59.7	54.2	5.5	
Investment securities	328.7	351.5	-22.8	Decrease due to sale of investment securities and loss on revaluation of JAL type-A preferred shares
Long-term loans receivable	26.5	27.9	-1.4	
Bad debts	91.8	92.4	-0.6	
Deferred tax assets	59.0	64.1	-5.1	
Real estate for investment	26.4	-	26.4	Transfer from "Inventories" due to a change in purpose of holding the assets
Other	39.3	39.4	-0.1	
Allowance for doubtful accounts	-60.5	-61.5	1.0	
Deferred assets	0.6	1.4	-0.8	
Total assets	2,200.9	2,313.0	-112.1	
Liabilities	917.9	1,039.9	-122.0	
Notes and accounts payable - trade	397.8	418.8	-21.0	Decrease at overseas fertilizer companies
Short-term loans payable	300.3	351.8	-51.5	Decrease due to shift to long-term funding
Commercial papers	15.0	35.0	-20.0	
Current portion of bonds	50.1	42.1	8.0	Reclassification of current portion (+31.1), decrease due to bond redemptions (-23.1)
Other	154.7	192.2	-37.5	
Noncurrent liabilities	917.1	917.6	-0.5	
Bonds payable	123.8	155.1	-31.3	Reclassification of current portion (-31.1)
Long-term loans payable	735.4	702.9	32.5	Increase due to shift away from short-term funding
Provision for retirement benefits	13.7	16.2	-2.5	
Other	44.2	43.4	0.8	
Total liabilities	1,835.0	1,957.5	-122.5	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	145.9	142.2	3.7	Net income (+8.0), Payment of dividends (-4.3)
Treasury stock	-0.2	-0.2	0.0	
(Total shareholders' equity)	(458.2)	(454.5)	(3.7)	
Valuation difference on available-for-sale securities	13.8	6.2	7.6	Increase due to rise in stock prices
Deferred gains or losses on hedges	2.5	1.5	1.0	
Revaluation reserve for land	-1.9	-1.9	0.0	
Foreign currency translation adjustment	-131.3	-141.3	10.0	Increase due to overseas subsidiaries' translation adjustments
(Total valuation and translation adjustments)	(-116.9)	(-135.5)	(18.6)	
Minority interests	24.6	36.5	-11.9	Decrease due to additional acquisition of shares of Nissho Electronics Corporation
Total net assets	365.9	355.5	10.4	
Total liabilities and net assets	2,200.9	2,313.0	-112.1	
Gross interest-bearing debt	1,224.6	1,286.9	-62.3	
Net interest-bearing debt	793.4	865.3	-71.9	
Net debt/equity ratio (times)	* 2.32	* 2.71	-0.39	The figure for equity used as the denominator in the debt/equity ratio and the numerator in the shareholders' equity ratio excludes minority interests.
Shareholders' equity ratio	* 15.5%	* 13.8%	1.7%	
Current ratio	149.0%	141.7%	7.3%	
Long-term debt ratio	70.2%	66.7%	3.5%	

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2009 - Supplementary Materials

January 29, 2010
Sojitz Corporation

(Billions of yen)

P/L

	FY2009 Apr. - Dec. Results	FY2008 Apr. - Dec. Results	Change	FY2009 Full-year Forecast (issued Oct. 29, 2009)	Percent Achieved Vs Full-year Forecast (issued Oct. 29, 2009)	FY2009 Revised Full-year Forecast (issued Jan. 29, 2010)
Net sales	2,869.0	4,210.2	(1,341.2)	4,020.0	71.4%	3,920.0
Gross Profit	129.2	203.8	(74.6)	195.0	66.3%	180.0
Gross profit margin	4.50%	4.84%	(0.34%)	4.85%		4.59%
*1 Machinery	40.8	69.1	(28.3)	67.0	60.9%	59.0
Energy & Metal	25.8	45.7	(19.9)	38.5	67.0%	35.5
Chemicals and Functional Materials	23.0	35.6	(12.6)	32.0	71.9%	32.0
Consumer Lifestyle Business	34.2	49.7	(15.5)	49.5	69.1%	47.0
Other	5.4	3.7	1.7	8.0	67.5%	6.5
Selling, general and administrative expenses	(118.3)	(138.9)	20.6	(160.0)	73.9%	(159.0)
Operating income	10.9	64.9	(54.0)	35.0	31.1%	21.0
Operating income margin	0.38%	1.54%		0.87%		0.54%
Non-operating income/expenses - net	(4.3)	(1.1)	(3.2)	(13.0)	-	(8.0)
Ordinary Income *2	6.6	63.8	(57.2)	22.0	30.0%	13.0
Ordinary Income margin	0.23%	1.52%		0.55%		0.33%
*1 Machinery	(4.6)	15.7	(20.3)	1.0	-	(3.5)
Energy & Metal	7.3	33.4	(26.1)	14.0	52.1%	10.5
Chemicals and Functional Materials	0.4	7.9	(7.5)	2.5	16.0%	2.5
Consumer Lifestyle Business	(3.1)	2.8	(5.9)	0.0	-	(2.5)
Other	6.6	4.0	2.6	4.5	146.7%	6.0
Extraordinary income/losses - net	6.5	(13.2)	19.7	18.0	-	4.0
Income before income taxes and minority interests	13.1	50.6	(37.5)	40.0	32.8%	17.0
Net income	8.0	27.3	(19.3)	27.0	29.6%	8.5
Core earnings *3	7.4	70.9	(63.5)	26.5	27.9%	12.3

*1. Due to organizational reforms and changes to operating divisions effected on April 1, 2009, we changed business segmentation from the fiscal first quarter. Results for April to December 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

	December 31, 2009	March 31, 2009	Change	March 31, 2010 Year-end Forecast (issued Oct. 29, 2009)	March 31, 2010 Revised Year-end Forecast (issued Jan. 29, 2010)
Total assets	2,200.9	2,313.0	(112.1)	2,210.0	2,200.0
Shareholders' equity *4	341.3	319.0	22.3	360.0	340.0
Total net assets	365.9	355.5	10.4	-	-
Shareholders' equity ratio (%)	15.5%	13.8%	1.7%	16.3%	15.5%
Net interest-bearing debt	793.4	865.3	(71.9)	850.0	800.0
Net D/E ratio (times)	2.32	2.71	(0.39)	2.4	2.4
Net D/E ratio based on total net assets (times)	2.17	2.43	(0.26)	-	-

*4 Equity = Total net assets - Minority interests

Main factors behind changes

Gross Profit

Machinery Division: (28.3)

Decrease 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.

Energy & Metal Division: (19.9)

Decrease due to decline in overall market prices, including those for energy and ferroalloys, and decrease in transaction volume.

Chemicals & Functional Materials Division: (12.6)

Decrease due to decline in methanol prices and decrease in transaction volumes of other chemicals and functional materials.

Consumer Lifestyle Business Division: (15.5)

Decrease due to decline in transaction volume and prices of fertilizer, decline in marine products prices, and slump in timber-related markets in Japan.

Other: +1.7

Increase due to effect of decrease in loss on valuation of inventories and other factors.

Ordinary Income

Machinery Division: (20.3)

Decrease due to lower gross profit, reflecting a decrease in transaction volume.

Energy & Metal Division: (26.1)

Decrease due to lower gross profit and reduced equity in earnings of affiliates, reflecting declines in transaction volume and market prices.

Chemicals & Functional Materials Division: (7.5)

Decrease due to lower gross profit, reflecting declines in methanol prices and an overall decrease in demand.

Consumer Lifestyle Business Division: (5.9)

Decrease despite improvements due to the textiles business restructuring, which was outweighed by lower gross profit reflecting declines in prices and transaction volumes of fertilizer and marine products, and a slump in timber-related markets in Japan.

Other: +2.6

Increase due to decrease in loss on valuation of inventories and other factors.

FY2009 current position and outlook

Ordinary Income

Machinery Division

Marine & Aerospace remained steady, while automotive businesses in Central and South America were affected by labor disputes. In the Plant & IT business, plant projects fell behind schedule, and progress has fallen behind in the IT-related business in Japan.

Energy & Metal Division

Coal remained steady, and markets overall were on track of recovery. But gas prices remained subdued, and petroleum-related products, ferroalloys, etc. were affected by the delayed recovery in demand. The recovery in steel-related businesses' revenue is also lagging, mainly due to a slump in real estate development and civil engineering industry.

Chemicals & Functional Materials Division

While demand in Japan is still subdued, demand has been recovering in overseas markets, especially China, and we returned to profitability in the fiscal third quarter.

Consumer Lifestyle Business Division

General merchandise and textiles achieved a substantial reduction in SG&A due to the textiles business restructuring, and the OEM business is also holding firm. Fertilizer businesses in Thailand and Vietnam are making a favorable recovery. But the division was significantly affected by a slump in markets for marine products (especially tuna) and lower demand for timber-related products resulting from declining housing starts in Japan.

Other

Remained steady.

Commodity Prices and Exchange Rates

	FY2008 Average	FY2009 Forecast	2009 Results		
			Jan. - Sep. '09 Avg.	Oct - Dec. '09 Avg.	Jan. - Dec. '09 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$98/bbl	\$55/bbl	\$58.3/bbl	\$75.5/bbl	\$62.6/bbl
Thermal coal **2 (\$/t)	\$127.8/t	\$70/t	\$69.0/t	\$77.3/t	\$72.5/t
Molybdenum (\$/lb)	\$29.1/lb (pounds)	\$13/lb	\$10.9/lb	\$11.6/lb	\$11.0/lb
Vanadium (\$/lb)	\$13.6/lb (pounds)	\$5/lb	\$5.7/lb	\$7.1/lb	\$6.0/lb

Exchange rates**3 (¥/\$)	Dec. year-end	¥ 102.8/\$	¥ 90/\$	¥ 94.9/\$	¥ 90.1/\$	¥ 93.7/\$
		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 entered into 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.