

**Financial Results for the Fiscal Year  
Ended March 31, 2010**

***Shine* 2011**

**April 30, 2010  
Sojitz Corporation**

**■ Financial Results for the Fiscal Year  
Ended March 31, 2010**

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# □ Summary of P/L Statements

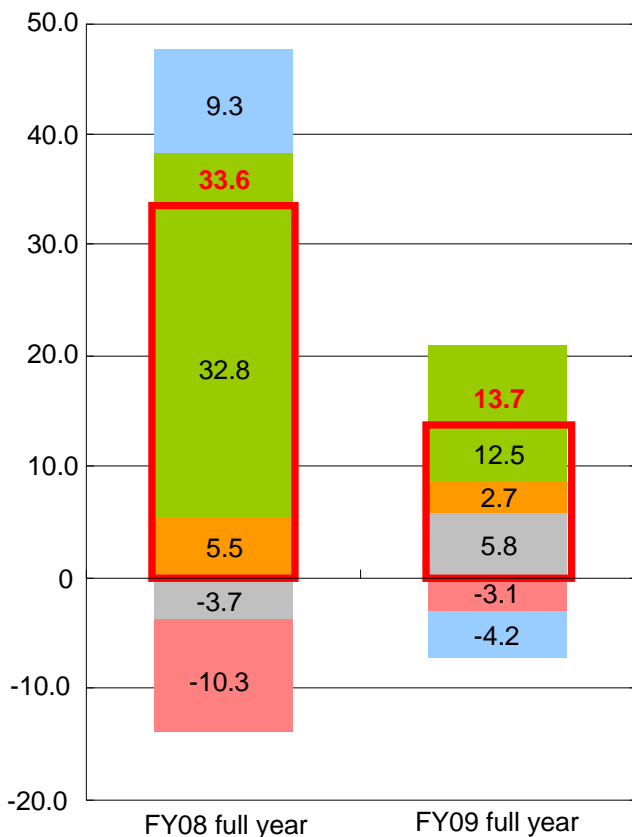
Heavily Impacted by Soft Domestic Demand and a Delayed Economic Recovery in Principal Business Regions

(Billions of yen)

	FY2008 results	FY2009 results	Y-o-Y change	Revised FY2009 forecast (announced 1/29/10)	Percentage achieved (V.S revised forecast)	(Reference) FY2009 initial forecast
Net sales	5,166.2	3,844.4	-1,321.8 (-26%)	3,920.0	98%	4,750.0
Gross profit	235.6	178.2	-57.4 (-24%)	180.0	99%	225.0
Operating income	52.0	16.1	-35.9 (-69%)	21.0	77%	56.0
Ordinary income	33.6	13.7	-19.9 (-59%)	13.0	105%	45.0
Net income	19.0	8.8	-10.2 (-54%)	8.5	106%	20.0
Core earnings	48.3	14.4	-33.9 (-70%)	12.3	117%	47.5
Dividend per share	5.5Yen	2.5Yen				
For reference:						
ROA	0.8%	0.4%	-0.4%			
ROE	4.8%	2.6%	-2.2%			

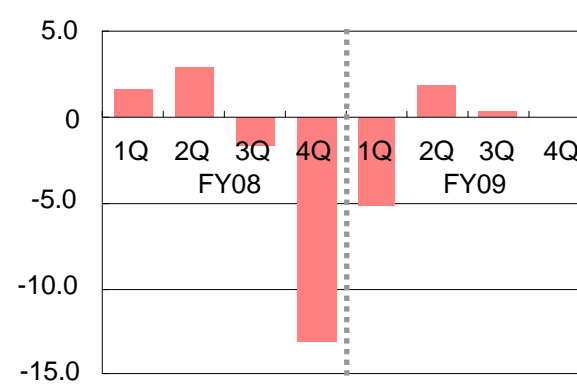
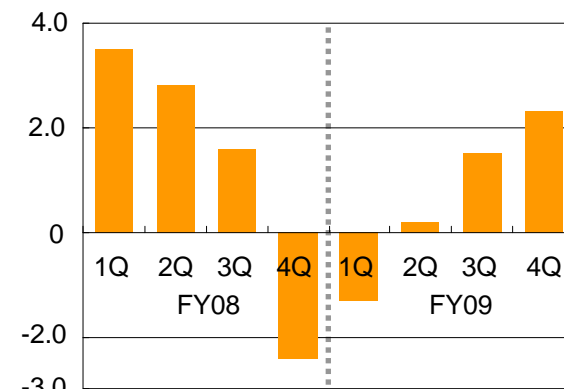
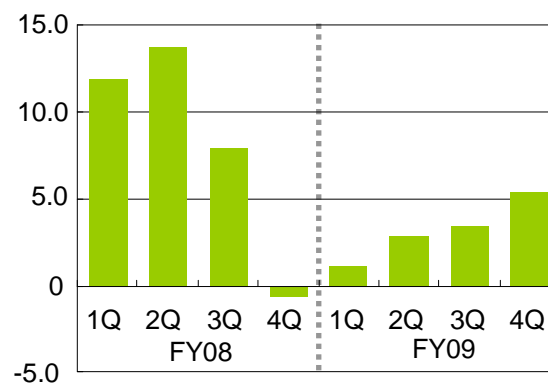
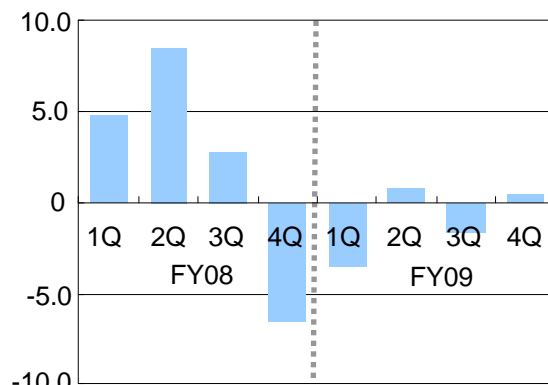
# □ Ordinary Income by Segment

## Ordinary Income by Segment



## Quarterly Ordinary Income by Segment

(Billions of yen)



■ Machinery   
 ■ Energy & Metal   
 ■ Chemicals & Functional Materials   
 ■ Consumer Lifestyle Business   
 ■ Other

# □ Summary of Balance Sheets

## Financial Soundness Maintained

				(Billions of yen)					
		As of Mar. 31, 2010	As of Mar. 31, 2009	Change					
Current assets		1,285.3	1,473.2	-187.9	Interest-bearing debt	Short-term	306.8	428.9	-122.1
						Long-term	886.7	858.0	+28.7
Investment and other assets		875.6	839.8	+35.8	Other liabilities		590.0	670.6	-80.6
Total assets		2,160.9	2,313.0	-152.1	Shareholders' equity *1		352.4	319.0	+33.4
					Total net assets		(377.4)	(355.5)	(21.9)
Risk assets <i>Vs. shareholders' equity</i>		320.0 (0.9 times)	350.0 (1.1 times)	-30.0 (-0.2 times)	Total liabilities and net assets		2,160.9	2,313.0	-152.1
Current ratio (%)		153%	142%	+11%	Shareholders' equity ratio (%)		16.3%	13.8%	+2.5%
Long-term debt ratio (%)		74%	67%	+7%	Net interest-bearing debt		737.8	865.3	-127.5
					Net DER (times)		2.1	2.7	-0.6
					<i>Net D/E ratio based on total net assets</i>		(2.0)	(2.4)	(-0.4)

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

■ **Plan for Years Two and Three of *Shine 2011***

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# □ Business Environment and Objectives for Years Two and Three of *Shine 2011*

## External Environment

- Economic recovery driven by developing countries in Asia, notably China, and Central and South America
  - Recovery in resource prices and demand for iron, steel, and chemicals
- Infrastructure demand in developing countries
- Increase in environment-related demand
- Continued gradual recovery in domestic demand

## *Shine 2011* Year One Results

### 【Strength fundamentals of existing business】

- Accelerate inventory-level correction
  - Fertilizer, Marine products, Rare metals inventory rationalization is almost complete. Meanwhile, we need to downsize automotive, real estate inventory still more.
  - <Reference> Inventory (billions of yen)  
March 2009 256.8 ⇒ March 2010 194.7 (September 2008: 353.7)
- Increase production of Sojitz's share of mining interests secure earnings
  - Oil, gas, LNG March 31, 2010: 20,000 bbl/d → March 31, 2011: 28,000 bbl/d
  - Coal FY09: 2.80 million tons → FY10: 3.05 million tons
  - Rare metals FY09: 15,000,000 pounds → FY10: 19,000,000 pounds

### 【Subjects】

- Automotive inventory-level correction and business portfolio restructuring.
- Accelerate strengthening of business foundations, focusing on developing countries.
- Accelerate building of a business portfolio balanced between tradings and business investment.

## *Objectives for Years Two and Three of Shine 2011*

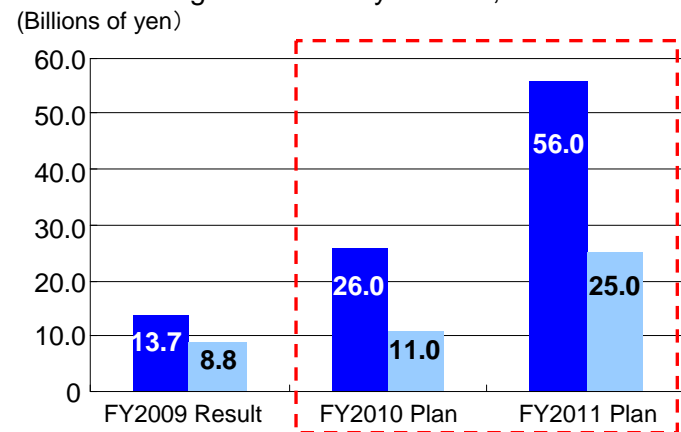
- **Return to a growth trajectory through recovery and improvement in operating earnings power.**
- **Accumulate high-quality businesses and assets and establish a solid earnings foundation through asset reallocation.**

# Quantitative Plan for Years Two and Three of *Shine 2011*

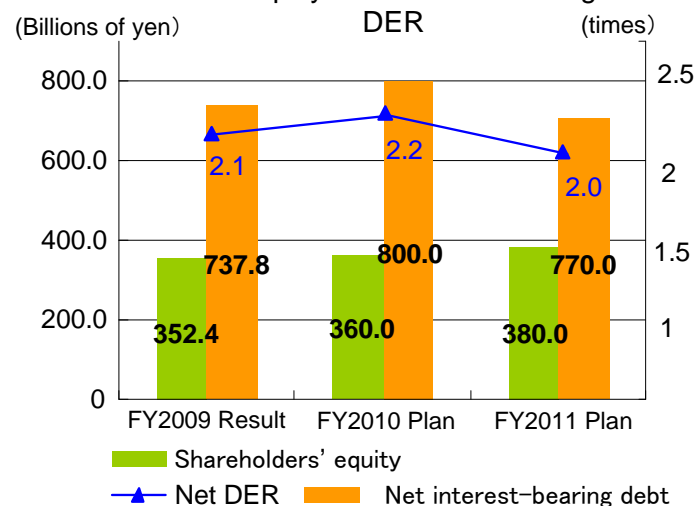
## Recovery in Operating Earnings Power and Accumulation of High-quality Businesses and Assets

		(Billions of yen)		
		FY2009 Result	FY2010 Plan	FY2011 Plan
P/L plan	Gross profit	178.2	205.0	242.0
	Ordinary income	13.7	26.0	56.0
	Net income	8.8	11.0	25.0
	Core earnings	14.4	33.5	63.0
Balance sheets plan	Total assets	2,160.9	2,120.0	2,170.0
	Net interest-bearing debt	737.8	800.0	770.0
	Shareholders' equity*	352.4	360.0	380.0
Financial targets	Net DER	2.1 times	2.2 times	2.0 times
	Current ratio	153%	120% or higher	
	Long-term debt ratio	74%	Approx. 70%	
New investments and loans		27.0	90.0	60.0

Changes in Ordinary Income, Net Income



Shareholders' equity · Net interest-bearing debt · Net



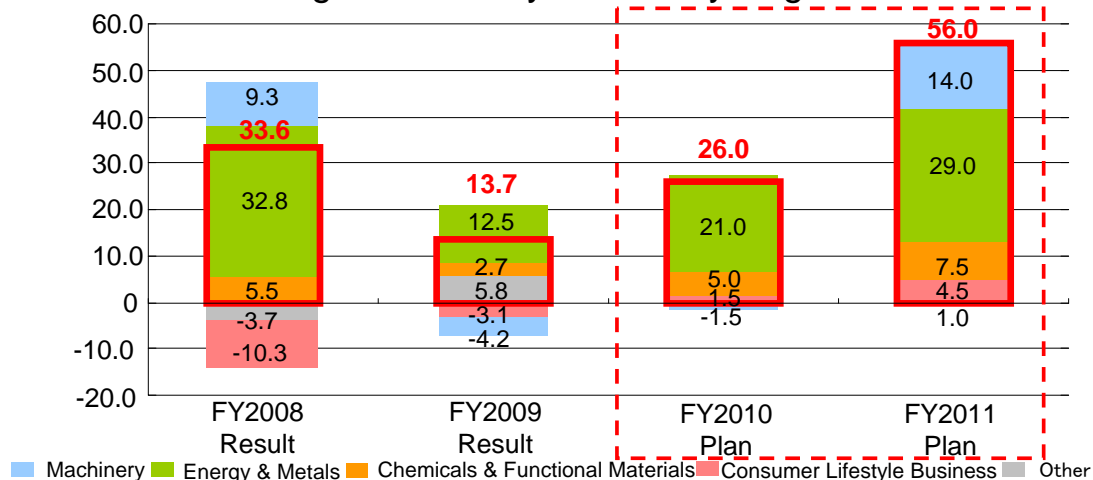
\*1. Shareholders' equity = Total net assets – Minority interests



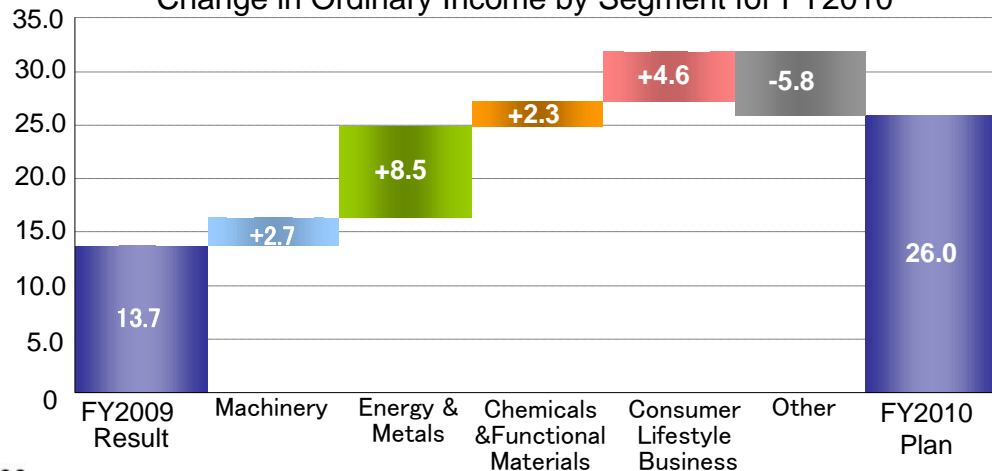
# □ FY2010 Ordinary Income Plan

## Gradual Underlying Recovery Trend in All Business Segments

Change in Ordinary Income by Segment (Billions of yen)



Change in Ordinary Income by Segment for FY2010



### Machinery

- Progress with inventory level correction owing to automobile demand recovery in Russia
- Focus on stable operation of the automotive business in Venezuela
- Accumulation of plant project orders

### Energy & Metals

- Increased production of Sojitz's share of interests
- Market recovery
- Iron and steel demand recovery

### Chemicals & Functional Materials

- Demand recovery in the Chemicals & Functional Materials segment overall
- Recovery of the methanol market

### Consumer Lifestyle Business

- Recovery in the fertilizer business
- Profitability recovery owing to inventory level correction in the marine products business

# Commodity Price, Exchange Rate and Interest Rate Forecast

	FY2009 result (period average)	FY2010 Forecast ( period average)	2010 result (Jan.-Mar. average)
Crude oil (Brent) *1	\$62.6/bbl	\$80/bbl	\$77.3/bbl
Coal (Thermal) *2	\$72.5/t	\$98/t	\$94.4/t
Molybdenum	\$11.0/lb (pounds)	\$15/lb	\$14.1/lb
Vanadium	\$6.0/lb (pounds)	\$6/lb	\$6.7/lb
Nickel	\$6.7/lb (pounds)	\$7/lb	\$9.1/lb
Exchange rate *3	Dec. year-end: ¥93.7/\$ Mar. year-end: ¥92.6/\$	¥90/\$	¥90.7/\$
Interest rate (TIBOR) *4	0.53%	0.55%	

\*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 (thermal) sales are generally priced by annual contract. Coal sales prices are therefore not affected by spot price movements. The above FY2009 coal price differs from Sojitz's sales price.

\*3 Exchange rate sensitivity: Every ¥1 movement in JPY/USD rate equates to approximately ¥4bn change in sales, ¥0.1bn 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 approximately ¥1.5-2.0bn per year.

# □ Progress Update on *Shine 2011*

## Steady Implementing Strategic Initiatives for the Future amid Gradual Recovery in Operating Profitability



Expansion of resource businesses

- Mineral resources
- Foodstuff resources
- Forest products

Cultivation of future business fundamentals

- New energy and environment
- Agribusiness

Expand existing business

- Increased production from energy and metal resource mining interests
- Expanded resource coverage
- Revived fertilizer business

- Revive automotive business
- Expand overseas business foundation

### New Investments and Loans

- FY2009 Results (27.0 billion yen)
  - Energy & Metal-related : Approx. 18.0
  - New energy & environment-related : Approx. 3.5
  - Other : Approx. 5.5
- FY2010-FY2011 Plan (150.0 billion yen)
  - Energy & Metal-related : Approx. 75.0
  - New energy & environment-related : Approx. 9.0
  - Foodstuff resources expansion : Approx. 24.0
  - Other : Approx. 42.0

### Expansion of Energy & Metal Resource Interests

- Expand resource coverage
  - Acquisition of rights in an operating copper mine in Canada
  - Acquisition of exploration license for a copper ore deposit in Laos

### New Business Development

- New energy and environment business initiatives
  - Entry into Asia's largest solar power market through equity investment in Taihan Techren of South Korea
  - Participation in uranium enrichment project led by French company Areva
  - Securing of the world's highest production capacity through the strategic integration of the bioethanol business in Brazil
  - Start of feasibility study for the CCS project in Canada
  - Involvement in the wastewater recycling business in China

### Expansion of Resource Businesses

- Conclusion of a strategic partnership agreement with Russia Grain Union
- Expansion of the industrial salts business
- Shipment of cultured tuna (this autumn)

# □ Initiatives for sustained growth

## Energy & Metal

- Expand rights in resources to secure long-term earnings base
  - Expand production of Sojitz's share of interests by expanding and developing existing interest.
  - Broadening range of resource rights held by new investment
    - ⇒ Uranium, Rare metals, Non-ferrous metals, Iron ore, Coal etc

### Mining interests

- : Oil • Gas • LNG
- : Coal
- : Rare metals
- : Iron ore • Non-ferrous metals

## Expansion of Resource Business

- Initiatives to secure foodstuff resources
  - Secure foodstuff resources by establishing logistics infrastructure in Russia etc
  - Develop the wheat business in Vietnam and other Asian countries
  - Work toward being engaged in agribusiness in Central and South America, Southeast Asia.

## New Energy and Environment Business

- Solar power business
  - Construct value chain that extends from raw materials sourcing through to IPP
- Nuclear energy business
  - Construct nuclear energy value chain
- Bio Ethanol business
  - Increase production capacity
  - Initiatives to increase business to Japan and Europe
- Water business
  - Participate waste water recycling business

## Middle East and Africa

- Increase headcount in high-priority region
  - Respond to infrastructure demand associated with resource development and economic development
  - Investing in IPP business etc to secure middle-to-long-term earnings
  - Secure fertilizer raw materials

## Asia

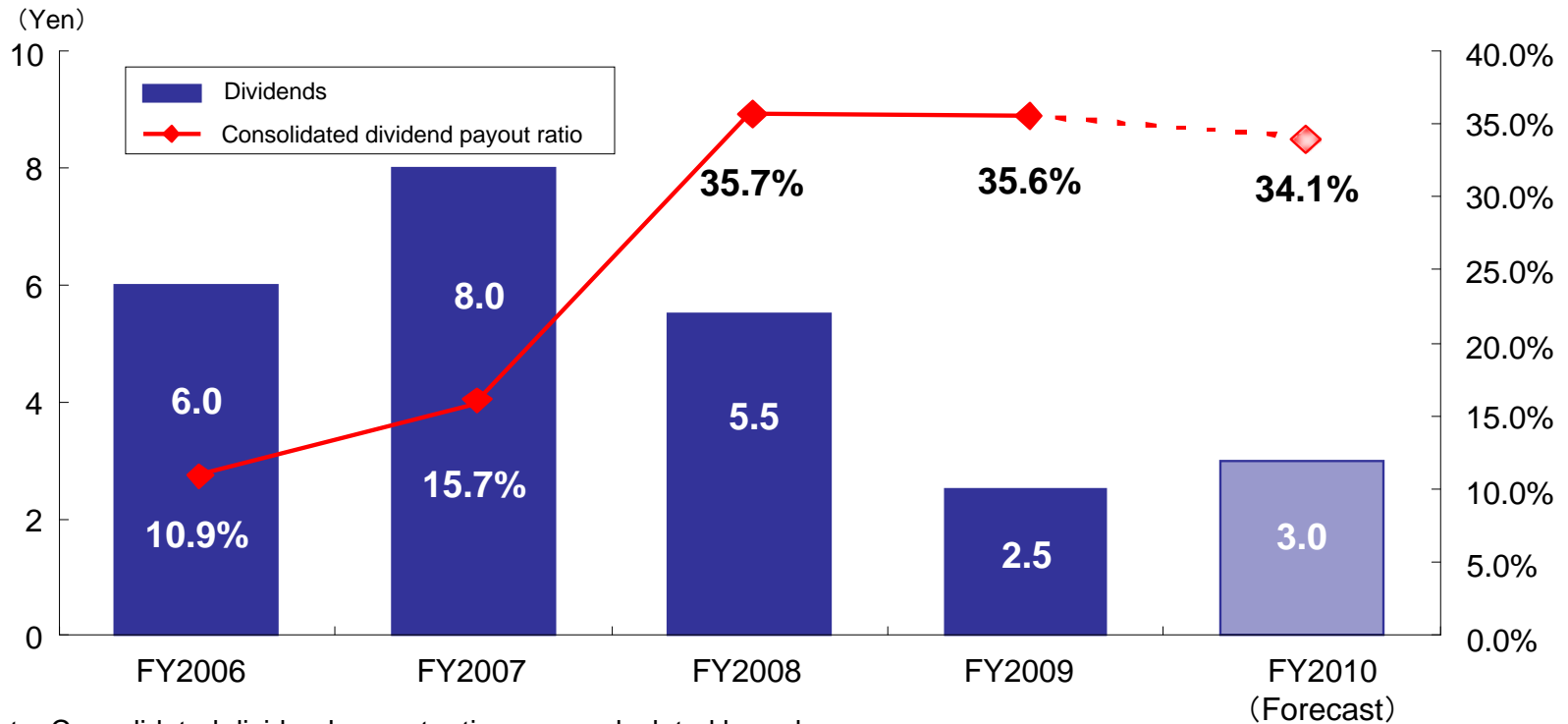
- Strengthen initiatives in economic growth area where industrial development and demand expansion are prospected.
  - Initiatives in Infrastructure business (IPP) etc
  - Establish retail business
  - Initiatives in ICT business

## China

- Initiatives in mass-consumption area
  - Expand coal, iron ore and other resources transaction volume
  - Establish retail business
  - Expand trading of foodstuffs
  - participate waste water recycling business

# □ Dividends

## Annual Dividends per Share



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

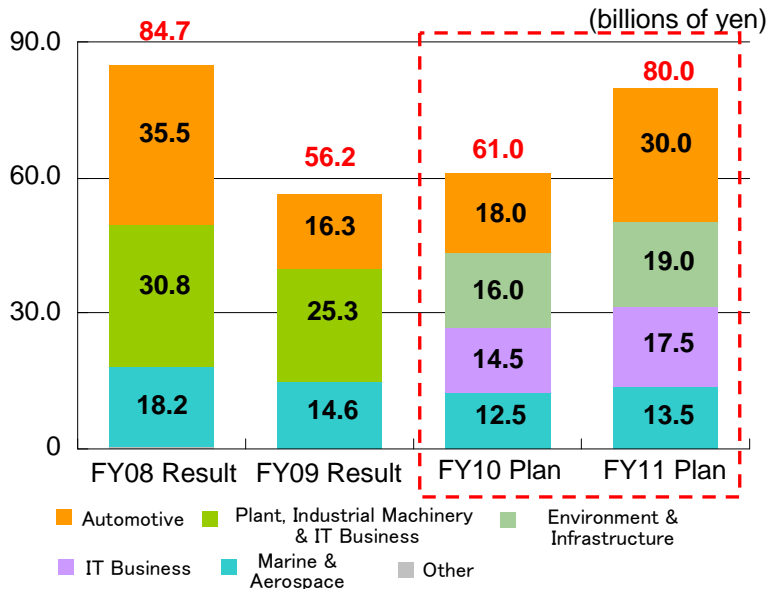
### Basic dividend policy

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.

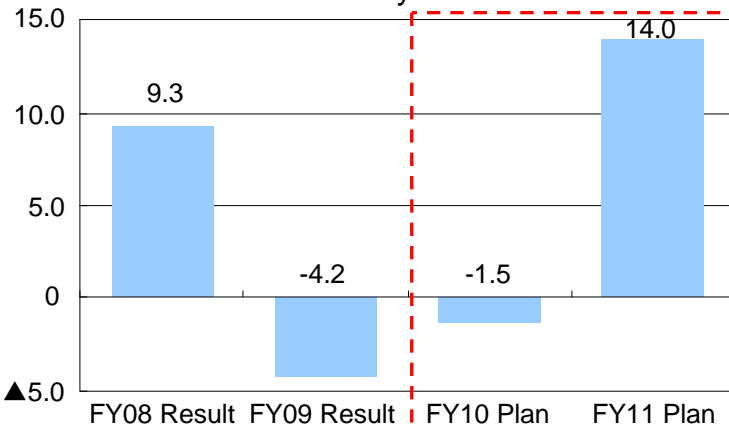
- Supplemental data (1)  
Earnings Forecast by Business Segment
-

# □ Machinery Division

Gross Trading Profit by Unit



Ordinary Income



## Initiatives during Shine2011

### 【Automotive Business】

- Business revival due to inventory rationalization in Russia and recovery of steady operations in assembly business in Venezuela
- Continue exposure management
- Business portfolio restructuring through means including participation in dealers and other downstream business

### 【Infrastructure/Plant Business】

- Accumulation of plant order
- Initiative in IPP investment expected to generate middle to long term profit contributions
- Work to capture infrastructure demand in developing countries

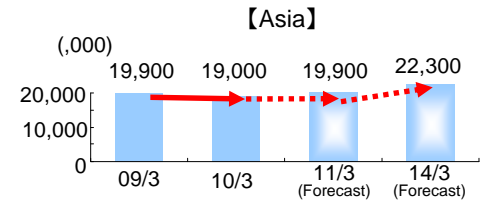
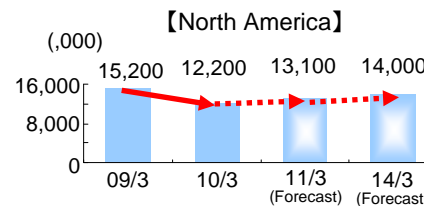
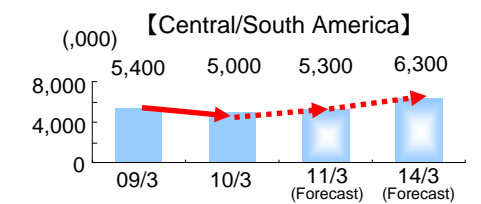
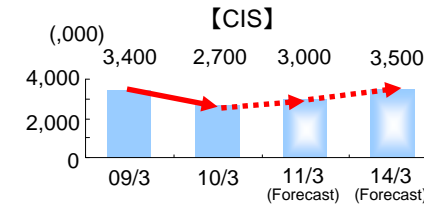
### 【IT Business】

- Promote IT Service business with Nissho Electronics as core
- Strengthen overseas business, such as Asia

## Business Environment in Principal Markets

- Market recovery due to motorization and social infrastructure development in developing countries

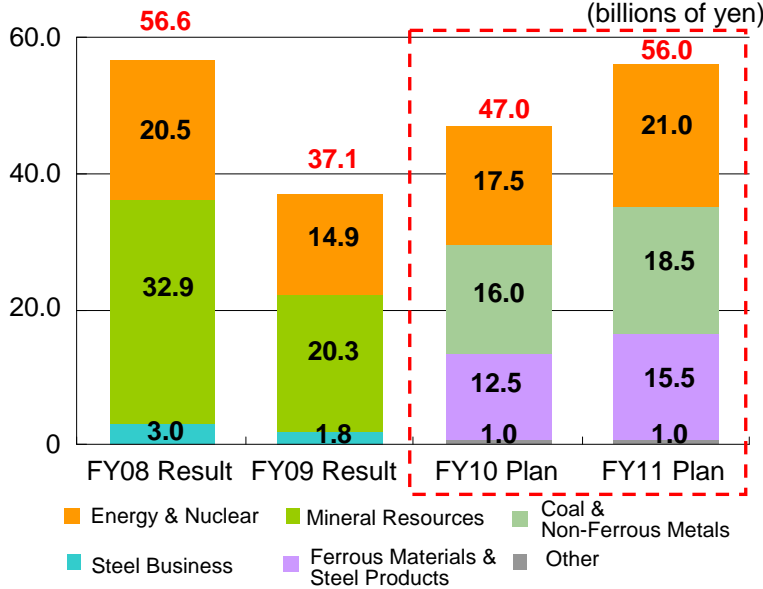
### Automobile Unit Sales by Region



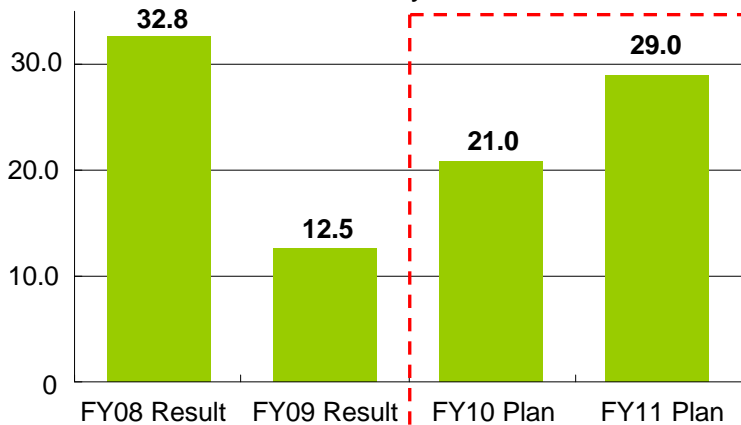


# Energy & Metal Division

Gross Trading Profit by Unit (billions of yen)

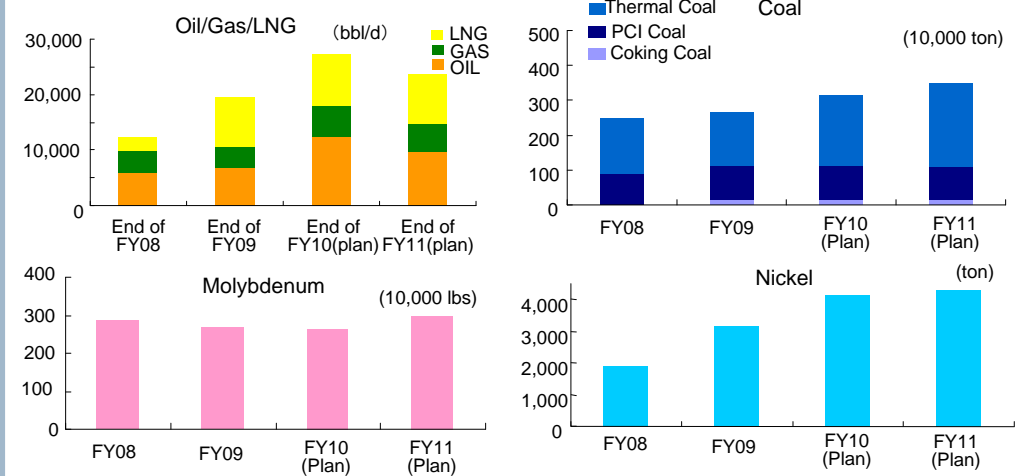


Ordinary Income



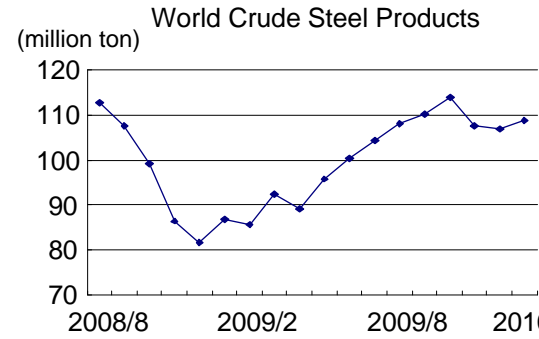
## Initiatives during Shine2011

- Increase production of share of mining interests



- Expand production of Sojitz's share of interests by expanding existing interests and broadening range of resource rights held
- Promote investment in nuclear energy business, including in upstream uranium interests
- Building up Solar Business value-chain from upstream to downstream

## Business Environment in Principal Markets

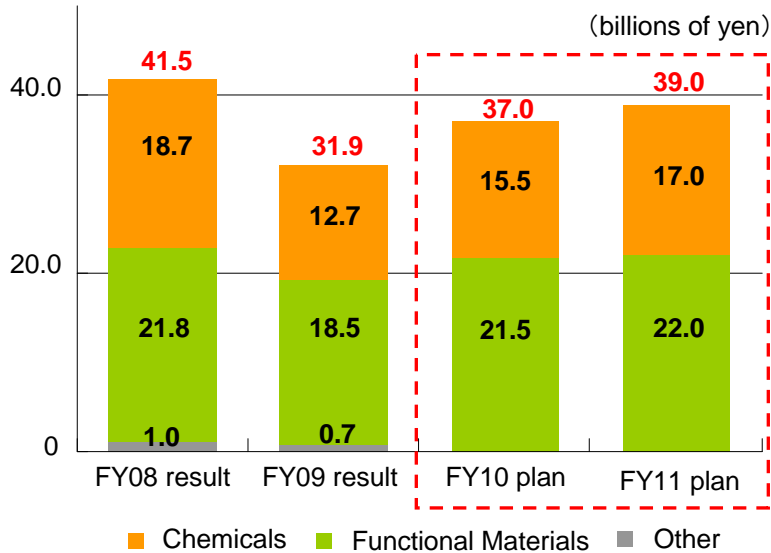


- Recovery in global crude steel production volume to 97% of that before Lehman Bros' collapse
- Production should continue to increase due to infrastructure demand in developing countries, notably China
- Consequently favorable outlook for coal and ferroalloys

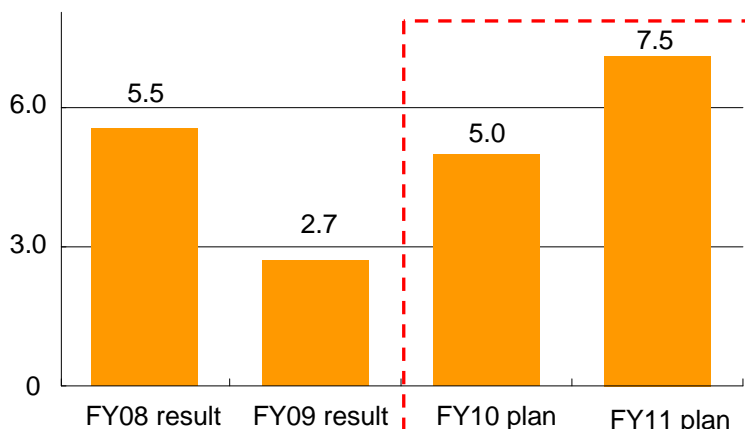


# □ Chemicals & Functional Materials

Gross Trading Profit by Unit



Ordinary Income



## Initiatives during *Shine2011*

### 【Chemicals Business】

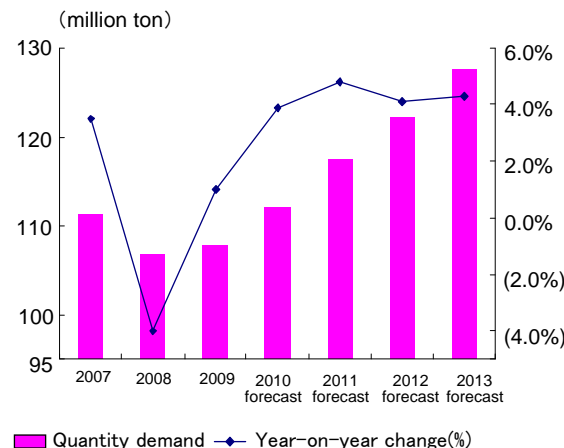
- Strengthen logistic value chain for key products
  - Strategic products: Industrial salt, Rare earth metals, Lithium, Methanol, Metton resin
  - Initiative to secure a supply sources
- Reinforce the overseas logistic business in China, Asia, and other areas

### 【Functional Materials Business】

- Develop supply chain for logistic transactions in priority areas
  - Priority areas: Electronics, Solar power generation, High-performance monomers

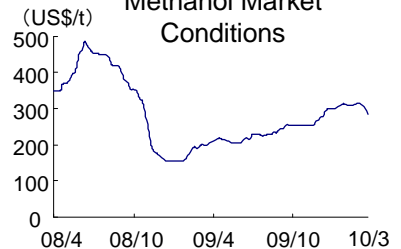
## Business Environment in Principal Markets

Ethylene Demand Trend



- Chemical demand recovering after bottoming out in 2008.
- Continued increase in demand forecast due to economic growth, mainly in developing countries
- Gradual recovery in the methanol market

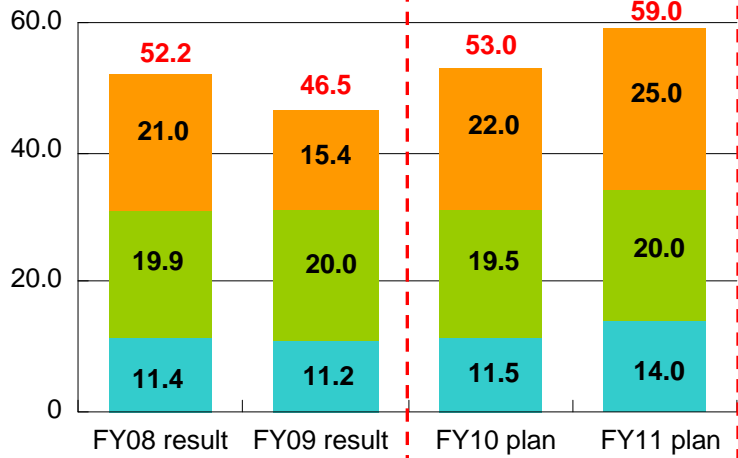
Methanol Market Conditions



# □ Consumer Lifestyle Business

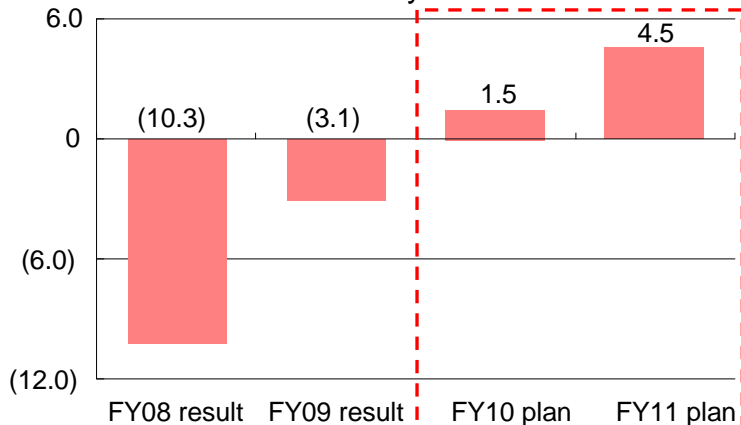
Gross Trading Profit by Unit

(billions of yen)



■ Foods Resources ■ General Commodities & Textile  
■ Forest Products & Real Estate Development

Ordinary income



## Initiatives during Shine2011

### 【Food business】

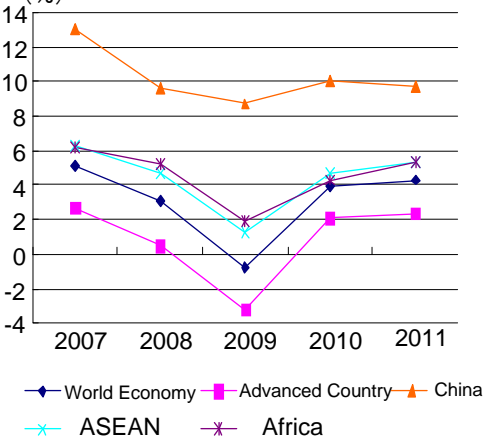
- Accelerate developing business in overseas
  - Food industrial complex development business in Vietnam
  - Initiative in securing fertilizer raw materials, geographically expand business
- Initiative in securing wheat and other food resources
- Initiative in agribusiness

### 【Retail business】

- Business development in Vietnam, China and other Asian countries where consumption is expected to increase

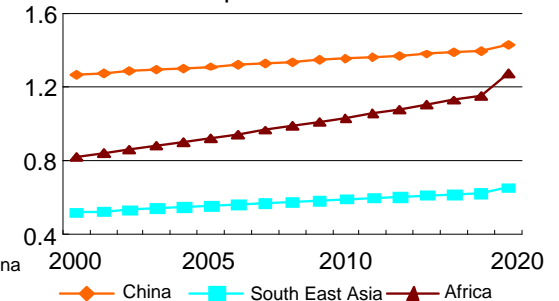
## Business Environment in Principal Markets

Economic Growth Rate



- China, ASEAN, Africa and other developing countries recovering after bottoming out in 2009
- Foodstuff demand expected to increase as population growth.

Population Growth



- Supplemental data (2)  
Summary of Fiscal 2009 Results
-

# □ Summary of Consolidated Statements of Operations

(billions of yen)

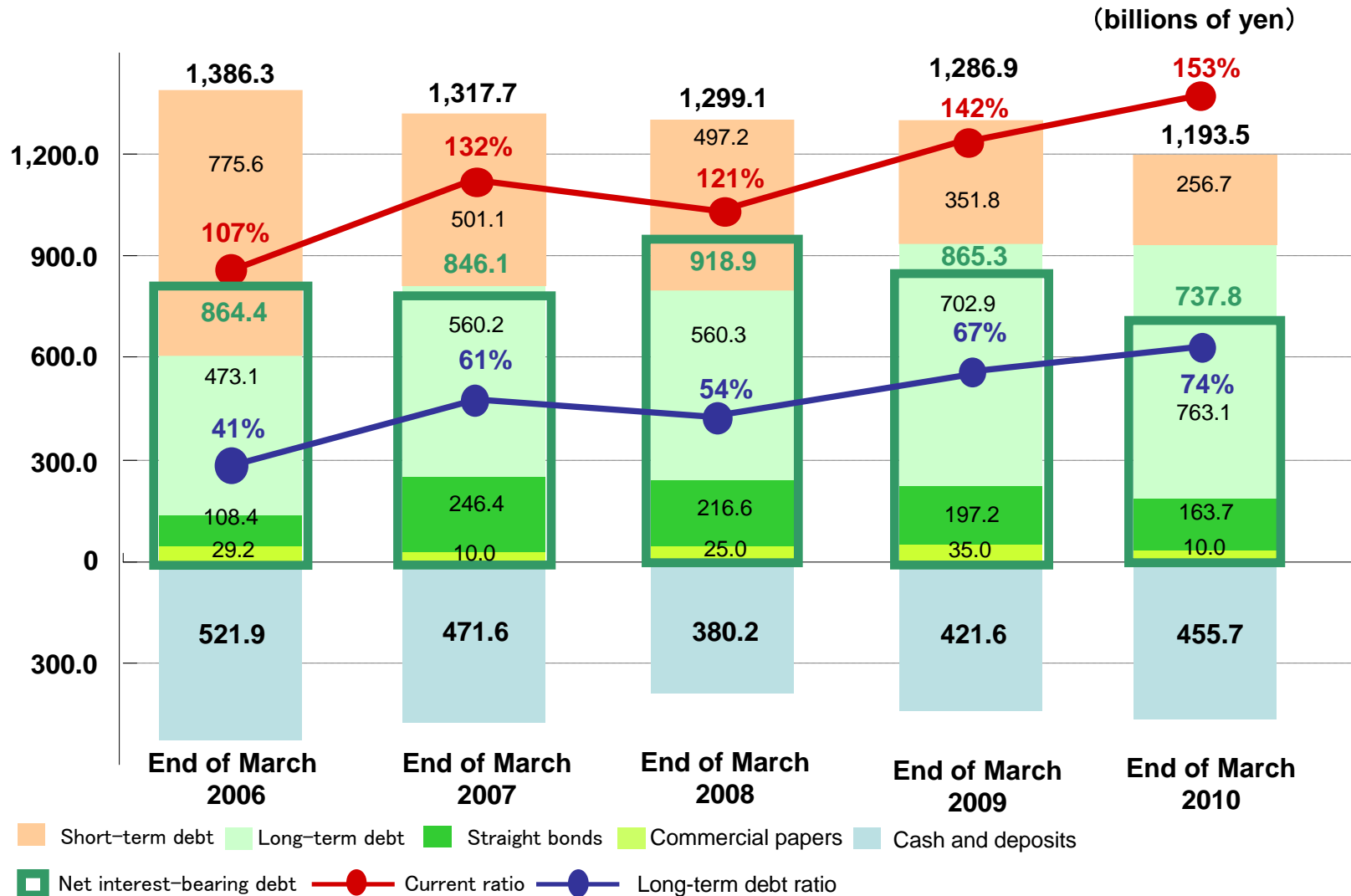
	FY2006 result	FY2007 result	FY2008 result	FY2009 result	FY2010 forecast	FY2011 forecast
<b>Net sales</b>	5,218.2	5,771.0	5,166.2	3,844.4	4,210.0	4,820.0
<b>Gross profit</b>	254.5	277.7	235.6	178.2	205.0	242.0
<b>Operating income</b>	77.9	92.4	52.0	16.1	40.0	69.0
<b>Ordinary income</b>	89.5	101.5	33.6	13.7	26.0	56.0
<b>Net income</b>	58.8	62.7	19.0	8.8	11.0	25.0
<b>Core earnings</b>	89.8	110.7	48.3	14.4	33.5	63.0
(Reference)						
<b>ROA</b>	2.3%	2.4%	0.8%	0.4%	0.5%	1.2%
<b>ROE</b>	12.8%	13.0%	4.8%	2.6%	3.1%	6.8%

# □ Summary of Consolidated Balance Sheets

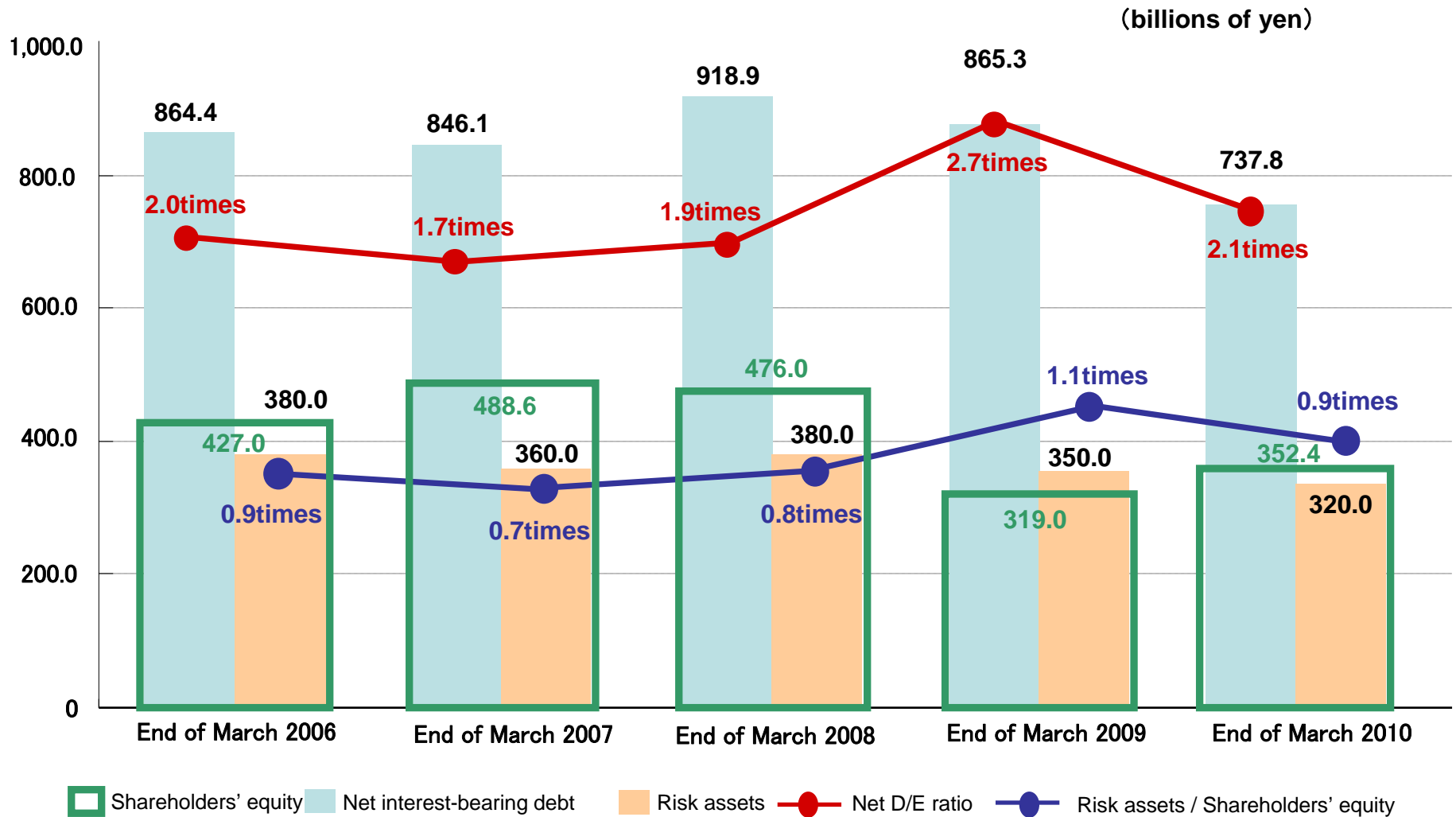
					(billions of yen)					
							End of March 2007	End of March 2008	End of March 2009	End of March 2010
Current assets	1,615.1	1,676.0	1,473.2	1,285.3	Interest-bearing debt	Short-term	512.0	597.3	428.9	306.8
						Long-term	805.7	701.8	858.0	886.7
Investment and other assets	1,004.4	993.4	839.8	875.6	Other liabilities		770.2	850.0	670.6	590.0
Total assets	2,619.5	2,669.4	2,313.0	2,160.9	Shareholders' equity *1		488.6	476.0	319.0	352.4
					Total net assets		(531.6)	(520.3)	(355.5)	(377.4)
					Total liabilities and net assets		2,619.5	2,669.4	2,313.0	2,160.9
Risk assets Vs. Shareholders' equity (times)	360.0 (0.7)	380.0 (0.8)	350.0 (1.1)	320.0 (0.9)	Shareholders' equity ratio (%)		18.7%	17.8%	13.8%	16.3%
Current ratio (%)	132%	121%	142%	153%	Net interest-bearing debt		846.1	918.9	865.3	737.8
Long-term debt ratio (%)	61%	54%	67%	74%	Net DER (times)		1.7 (1.6)	1.9 (1.8)	2.7 (2.4)	2.1 (2.0)
					<i>Net D/E ratio based on total net assets</i>					

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

# Interest-bearing Debt



# Net interest-bearing Debt and Risk Assets





***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.