

# Highlights of Consolidated Financial Results for the Year Ended March 31, 2010

April 30, 2010  
Sojitz Corporation

## Results Highlights

1. Sojitz's results have improved moderately, in line with the general economic recovery throughout the world, after their worst term in the wake of Lehman Brothers' collapse. However, we have still not staged a full recovery, and parts of some regions and business segments have not recovered at all. We consequently suffered substantial declines in revenue and profit year over year. For the fiscal year ended 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 second half and a gain on sale of Coal & Allied securities in the fiscal first half.  
(Figures in parentheses represent year-on-year changes.)

Net sales: 3,844.4 billion yen (-1,321.8 billion yen / -25.6%)  
- Energy & Metal transaction volume decreased due to withdrawal from unprofitable business etc  
- Automobile transaction volume decreased in the Central and South America region and the Russia and NIS region etc  
- Transaction volume decreased due to price reductions in the food business

Gross profit: 178.2 billion yen (-57.4 billion yen / -24.4%)  
- Automobile transaction volume decreased in the Central and South America region and the Russia and NIS region  
- Decrease in Energy & Metal  
- Decrease in Chemicals due to decrease in methanol prices etc.

Ordinary income: 13.7 billion yen (-19.9 billion yen / -59.3%)  
- Deterioration of net financial revenue due to decrease in interest and dividends income  
- Decrease in equity in earnings of affiliates  
- Improvement of non operating income/losses - net due to improvement in foreign exchange gains and losses etc.

Net income: 8.8 billion yen (-10.2 billion yen / -53.7%)  
- Decrease due to substantial deterioration of ordinary income

2. Cash dividend  
Cash dividend per share of common stock for fiscal 2009

Year-end: 0.00 yen per share  
(Full year: 2.50 yen per share)  
(Payment made as Interim dividend)

3. Forecast for fiscal 2010 (fiscal year ending March 31, 2011)

Net sales 4,210.0 billion yen  
Operating income 40.0 billion yen  
Ordinary income 26.0 billion yen  
Net income 11.0 billion yen

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

- Crude oil price (US\$/BBL) = 80(Brent)

5. Cash dividend per common stock for fiscal 2010

Interim (forecast): 1.50 yen per share  
Year-end (forecast): 1.50 yen per share

## Consolidated Statements of Profit and Loss

(Billions of yen)

	FY2009 Results a	FY2008 Results b	Change a - b	Reasons for change	Full-year FY2009 forecast c	achieved a/c	Full-year FY2010 forecast
Net sales	3,844.4	5,166.2	(1,321.8)	Net sales Energy & Metal (657.5) Consumer Lifestyle Business (282.9) Machinery (196.0) Chemicals & Functional Materials (166.3)	3,920.0	98%	4,210.0
Gross profit	178.2	235.6	(57.4)	Gross profit Machinery (28.5) Energy & Metal (19.5) Chemicals & Functional Materials (9.6) Consumer Lifestyle Business (5.7)	180.0	99%	205.0
Gross profit margin	4.64%	4.56%	0.08%		4.59%		(4.87%)
Personnel expenses	(80.5)	(86.0)	5.5				
Non-personnel expenses	(65.5)	(81.0)	15.5	Decrease due to revision of Non- personnel expenses			
Depreciation	(5.5)	(5.9)	0.4				
Subtotal	(151.5)	(172.9)	21.4				
Provision of allowance for doubtful accounts	(5.4)	(5.4)	0.0				
Amortization of goodwill	(5.2)	(5.3)	0.1				
Total selling, general and administrative expenses	(162.1)	(183.6)	21.5		(159.0)	102%	(165.0)
Operating income	16.1	52.0	(35.9)		21.0	77%	40.0
Operating income margin	0.42%	1.01%			0.54%		0.95%
Interest income	4.6	9.6	(5.0)	Decrease due to lower interest rates in overseas			
Interest expenses	(25.9)	(29.5)	3.6				
Interest expenses - net	(21.3)	(19.9)	(1.4)				
Dividends income	5.0	8.3	(3.3)				
Net financial revenue	(16.3)	(11.6)	(4.7)	Real estate-business company +8.9 Bioethanol production company +2.8, Steel-business company (5.2)			
Equity in earnings of affiliates	9.2	2.5	6.7				
Other income and expenses - net	4.7	(9.3)	14.0	Improvement in foreign exchange gains and losses etc.			
Non operating income/losses - net	(2.4)	(18.4)	16.0		(8.0)	-	(14.0)
Ordinary income	13.7	33.6	(19.9)		13.0	105%	26.0
Gain on sales of noncurrent assets	1.4						
Gain on sales of investment securities	33.3			Gain on sale of Coal & Allied etc.			
Gain on sales of equity investment without stock	0.4						
Gain on change in equity	0.1						
Reversal of allowance for doubtful accounts	3.2						
Adjustment for hyperinflationary economies	2.8						
Total extraordinary income	41.2	41.1	0.1				
Loss on sales and retirement of noncurrent assets	(0.4)						
Impairment loss	(9.4)						
Loss on sales of investment securities	(1.2)						
Loss on revaluation of securities	(16.6)			Loss on revaluation of Japan Airlines etc.			
Loss on change in equity	(0.2)						
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(8.0)						
Restructuring losses	(0.2)						
Total extraordinary losses	(36.0)	(37.6)	1.6				
Extraordinary income/losses - net	5.2	3.5	1.7		4.0	-	0.0
Income before income taxes and minority interests	18.9	37.1	(18.2)		17.0	111%	26.0
Income taxes: Current	(8.6)	(19.3)	10.7				
Deferred	0.3	2.5	(2.2)				
Minority interests in income	(1.8)	(1.3)	(0.5)				
Net income	8.8	19.0	(10.2)		8.5	104%	11.0
Core earnings	14.4	48.3	(33.9)				

## Consolidated Statements of Cash Flows

(Billions of yen)

	FY2009	FY2008
Cash flows from operating activities	107.2	103.7
Cash flows from investing activities (Free Cash Flow)	28.4	(17.2)
Cash flows from financing activities	(102.6)	(6.0)
Cash & Cash Equivalents at the End of the Period	454.3	414.4

Notes:

1. Core earnings

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

## Consolidated Balance Sheets and Principal Management Indices

(Billions of yen)

	Mar. 31 2010 d	Mar. 31 2009 e	Change d - e	Reasons for change
<b>Current assets</b>	<b>1,285.3</b>	<b>1,473.2</b>	<b>(187.9)</b>	
Cash and deposits	455.7	421.6	34.1	
Notes and accounts receivable - trade	462.3	522.4	(60.1)	Due to decrease in machinery and food business transaction volume
Short-term investment securities	6.1	2.1	4.0	
Inventories	248.6	382.9	(134.3)	Transfer of certain assets to the "Real estate for investment" account and decrease in fertilizer and automobile etc
Short-term loans receivable	7.9	9.4	(1.5)	
Deferred tax assets	13.5	15.8	(2.3)	
Other	100.2	129.3	(29.1)	
Allowance for doubtful accounts	(9.0)	(10.3)	1.3	
<b>Noncurrent assets</b>	<b>875.2</b>	<b>838.4</b>	<b>36.8</b>	
Property, plant and equipment	222.7	209.7	13.0	
Goodwill	54.3	60.7	(6.4)	
Intangible assets	60.1	54.2	5.9	
Investment securities	327.8	351.5	(23.7)	Decrease due to sale of investment securities and loss on revaluation of JAL type-A preferred shares
Long-term loans receivable	25.1	27.9	(2.8)	
Bad debts	88.4	92.4	(4.0)	
Deferred tax assets	61.4	64.1	(2.7)	
Real estate for investment	53.3	-	53.3	Transfer of certain assets into this account from "Inventories" due to a change in the purpose of holding the assets
Other	39.3	39.4	(0.1)	
Allowance for doubtful accounts	(57.2)	(61.5)	4.3	
<b>Deferred assets</b>	<b>0.4</b>	<b>1.4</b>	<b>(1.0)</b>	
Total assets	2,160.9	2,313.0	(152.1)	
<b>Liabilities</b>	<b>841.5</b>	<b>1,039.9</b>	<b>(198.4)</b>	
Notes and accounts payable - trade	377.4	418.8	(41.4)	Due to decrease in food business transaction volume
Short-term loans payable	256.7	351.8	(95.1)	Decrease due to shift to long-term funding
Commercial papers	10.0	35.0	(25.0)	
Current portion of bonds	40.1	42.1	(2.0)	Reclassification of current portion +31.1, decrease due to bond redemptions (33.1)
Other	157.3	192.2	(34.9)	
<b>Noncurrent liabilities</b>	<b>942.0</b>	<b>917.6</b>	<b>24.4</b>	
Bonds payable	123.6	155.1	(31.5)	Reclassification of current portion (31.1)
Long-term loans payable	763.1	702.9	60.2	Increase due to shift away from short-term funding
Provision for retirement benefits	13.3	16.2	(2.9)	
Other	42.0	43.4	(1.4)	
Total liabilities	1,783.5	1,957.5	(174.0)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	146.5	142.2	4.3	Net income +8.8, Payment of dividends (4.3)
Treasury stock	(0.2)	(0.2)	0.0	
<b>Total shareholders' equity</b>	<b>458.8</b>	<b>454.5</b>	<b>4.3</b>	
Valuation difference on available-for-sale securities	14.8	6.2	8.6	Increase due to rise in stock prices
Deferred gains or losses on hedges	2.4	1.5	0.9	
Revaluation reserve for land	(2.1)	(1.9)	(0.2)	Increase due to overseas subsidiaries' translation adjustments
Foreign currency translation adjustment	(121.5)	(141.3)	19.8	
Total valuation and translation adjustments	(106.4)	(135.5)	29.1	Decrease due to additional acquisition of shares of Nissho Electronics Corporation
Minority interests	25.0	36.5	(11.5)	
Total net assets	377.4	355.5	21.9	
Total liabilities and net assets	2,160.9	2,313.0	(152.1)	

Gross interest-bearing debt	1,193.5	1,286.9	(93.4)	
Net interest-bearing debt	737.8	865.3	(127.5)	
Net debt/equity ratio (times)	2.09	2.71	(0.62)	* 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	16.3%	13.8%	2.5%	
Current ratio	152.7%	141.7%	11.0%	
Long-term debt ratio	74.3%	66.7%	7.6%	

## Highlights of Consolidated Financial Results for the Year Ended March 31, 2010 Supplementary Materials

April 30, 2010  
Sojitz Corporation

(Billions of yen)

P/L		Main factors behind changes					FY2010 Full-Year Forecast
		Gross Profit: Heavily influenced by a commodity markets slump in Japan and delayed recovery in main business regions.					Modest recovery in all divisions
		Machinery Division: (28.5)					Machinery Division
		Energy & Metal Division: (19.5)					Energy & Metal Division
		Chemicals & Functional Materials Division: (9.6)					Chemicals & Functional Materials Division
		Consumer Lifestyle Business Division: (5.7)					Consumer Lifestyle Business Division
		Other: +5.9					Other
		Ordinary Income: Decrease in SG&A expenses had a large impact but was insufficient to cover the decline in Gross Profit.					
		Machinery Division: (13.5)					
		Energy & Metal Division: (20.3)					
		Chemicals & Functional Materials Division: (2.8)					
		Consumer Lifestyle Business Division: +7.2					
		Other: +9.5					
<b>Net sales</b>	FY2009 Results	FY2008 Results	Change	FY2009 Revised Full-year Forecast (issued Jan. 29, 2010)	Percent Achieved Vs Full-year Forecast (issued Jan. 29, 2010)	FY2010 Full-year Forecast	
<b>Net sales</b>	3,844.4	5,166.2	(1,321.8)	3,920.0	98.1%	4,210.0	
<b>Gross Profit</b>	178.2	235.6	(57.4)	180.0	99.0%	205.0	
Gross profit margin	4.64%	4.56%	0.08%	4.59%		4.87%	
*1 Machinery	56.2	84.7	(28.5)	59.0	95.3%	61.0	
Energy & Metal	37.1	56.6	(19.5)	35.5	104.5%	47.0	
Chemicals and Functional Materials	31.9	41.5	(9.6)	32.0	99.7%	37.0	
Consumer Lifestyle Business	46.5	52.2	(5.7)	47.0	98.9%	53.0	
Other	6.5	0.6	5.9	6.5	100.0%	7.0	
Selling, general and administrative expenses	(162.1)	(183.6)	21.5	(159.0)	101.9%	(165.0)	
<b>Operating income</b>	16.1	52.0	(35.9)	21.0	76.7%	40.0	
Operating income margin	0.42%	1.01%		0.54%		0.95%	
<b>Non-operating income/expenses - net</b>	(2.4)	(18.4)	16.0	(8.0)	-	(14.0)	
<b>Ordinary Income *2</b>	13.7	33.6	(19.9)	13.0	105.4%	26.0	
Ordinary Income margin	0.36%	0.65%		0.33%		0.62%	
*1 Machinery	(4.2)	9.3	(13.5)	(3.5)	-	(1.5)	
Energy & Metal	12.5	32.8	(20.3)	10.5	119.0%	21.0	
Chemicals and Functional Materials	2.7	5.5	(2.8)	2.5	108.0%	5.0	
Consumer Lifestyle Business	(3.1)	(10.3)	7.2	(2.5)	-	1.5	
Other	5.8	(3.7)	9.5	6.0	96.7%	0.0	
<b>Extraordinary income/losses - net</b>	5.2	3.5	1.7	4.0	-	0.0	
<b>Income before income taxes and minority interests</b>	18.9	37.1	(18.2)	17.0	111.2%	26.0	
<b>Net income</b>	8.8	19.0	(10.2)	8.5	103.5%	11.0	
<b>Core earnings *3</b>	14.4	48.3	(33.9)	12.3	117.1%	33.5	

\*1. Due to organizational reforms and changes to operating divisions effected on April 1, 2009, we changed business segmentation from the fiscal 2009. Results for April to March 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) + Interest expenses-net + Dividends income + Equity in earnings of affiliates

(Billions of yen)

B/S					
		Commodity Prices and Exchange Rates			
		Exchange rates**3			
	March 31, 2010	March 31, 2009	Change	March 31, 2011 Forecast	
<b>Total assets</b>	2,160.9	2,313.0	(152.1)	2,120.0	
<b>Shareholders' equity *4</b>	352.4	319.0	33.4	360.0	
Total net assets	377.4	355.5	21.9	-	
<b>Shareholders' equity ratio (%)</b>	16.3%	13.80%	2.5%	17.0%	
<b>Net interest-bearing debt</b>	737.8	865.3	(127.5)	800.0	
<b>Net D/E ratio (times)</b>	2.09	2.71	(0.62)	2.2	
Net D/E ratio based on total net assets (times)	(1.95)	(2.43)	(0.48)	-	
<b>Risk assets</b>	320.0	350.0	(30.00)	-	
<b>Ratio of risk assets to shareholder's equity (times)</b>	0.9	1.1	(0.2)	-	

\*4 Equity = Total net assets - Minority interests

Commodity Prices and Exchange Rates		2010 Results	
		Jan. - Mar. '10 Avg.	
<b>Crude oil (Brent)**1</b>	2009 Result (Annual Average)	2010 Forecast (Annual Average)	
(\$/bbl)	\$62.6/bbl	\$80/bbl	\$77.3/bbl
<b>Thermal coal **2</b>	\$72.5/t	\$98/t	\$94.4/t
(\$/t)			
<b>Molybdenum</b>	\$11.0/lb	\$15/lb	\$14.1/lb
(\$/lb)			
<b>Vanadium</b>	\$6.0/lb	\$6/lb	\$6.7/lb
(\$/lb)			
<b>Nickel</b>	\$6.7/lb	\$7/lb	\$9.1/lb
(\$/lb)			
<b>Exchange rates**3</b>	Dec. year-end ¥93.7/\$	¥90/\$	¥ 90.7/\$
(¥/\$)	Mar. year-end ¥92.6/\$		

\*\*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. 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. ¥4.0 billion, ordinary income by approx. ¥0.1 billion, and shareholders' equity by approx. ¥1.5 billion.

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

April 30, 2010

### Sojitz Corporation

( URL <http://www.sojitz.com> )

Listed stock exchange: The first sections of Tokyo and Osaka

Security Code: 2768

Company Representative: Yutaka Kase, President & CEO

Contact Information: Koji Kamiko, GM, Public Relations Dept. TEL +81-3-5520-3404

Scheduled date of Ordinary General Shareholders' Meeting: June 22, 2010

Scheduled filing date financial report: June 22, 2010

Adopting of US GAAP : No

(Rounded down to millions of Japanese Yen)

### 1. Consolidated Financial Results for the Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)

#### (1) Consolidated Operating Results

Description of % is indicated as the change rate compared with the same period previous year.

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the year ended March 31, 2010	3,844,418	(25.6)	16,128	(69.0)	13,702	(59.3)	8,794	(53.7)
March 31, 2009	5,166,182	(10.5)	52,006	(43.7)	33,636	(66.9)	19,001	(69.7)

	EPS	Adjusted EPS	ROE	ROA	Operating Income Ratio
	Yen	Yen	%	%	%
For the year ended March 31, 2010	7.08	7.06	2.6	0.6	0.4
March 31, 2009	15.39	15.31	4.8	1.4	1.0

Notes: Equity in earnings of unconsolidated subsidiaries and affiliates for the year ended March 31, 2010 : 9,179 2009 : 2,455

#### (2) Financial Position (Consolidated)

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2010	2,160,918	377,404	16.3	281.69
March 31, 2009	2,312,958	355,503	13.8	256.17

Notes: Shareholders' Equity As of March 31, 2010 : 352,417 As of March 31, 2009 : 318,991

#### (3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the year ended March 31, 2010	107,222	28,439	(102,597)	454,262
March 31, 2009	103,729	(17,198)	(5,958)	414,419

### 2. Cash Dividends

	Cash Divided per Share					Total amount of Cash Dividends (annual)	dividend ratio (consolidated)	Net asset dividend ratio (consolidated)
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual			
For the year ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2009	-	4.50	-	1.00	5.50	6,784	35.7	1.7
March 31, 2010	-	2.50	-	0.00	2.50	3,083	35.3	0.9
March 31, 2011 (forecast)	-	1.50	-	1.50	3.00		34.1	

Note. The above "Cash Dividends" refers to common stock. For details on the payment of dividends for other (unlisted) classified stocks that have rights different from those of common stock issued by the Company, please refer to "Dividends on classified stock" (page 2).

### 3. Consolidated Earnings Forecast for the Year Ending March 31, 2011 (April 1, 2010 - March 31, 2011)

Description of % is indicated as the change rate compared with the same previous year.

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2011									
Full year	4,210,000	9.5	40,000	148.0	26,000	89.8	11,000	25.1	8.79

#### 4.Others

- (1) Changes in major subsidiaries during the fiscal year (changes in specified subsidiaries accompanying changes in scope of consolidation). : No
  
- (2) Changes in accounting policy, procedures or method of presentation for preparing consolidated financial statements
  1. Changes due to amendment of accounting standards : Yes
  2. Changes due to other reasons : No
  
- (3) Number of outstanding shares (Common Stock):
  1. Number of outstanding shares at the end of the period (Include treasury shares ):  
As of March 31, 2010: 1,251,499,501      As of March 31, 2009: 1,233,852,443
  2. Number of treasury shares at the end of the period:  
As of March 31, 2010 : 408,488              As of March 31, 2009 : 395,306

\* Important Note Concerning the Appropriate Use of Business Forecasts

The aforementioned forecasts are based on certain assumptions that Company has deemed relevant and appropriate as of the date of publication. Actual results may differ substantially from these forecasts due to variety of important factors.

#### Dividends on Classified Stock

The table below sets out details of dividends per share and total dividends paid for classified stock conferring rights different from common stock.

	Cash Dividends per Share					Total amount of Cash Dividens (annual) Millions of Yen
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual	
For the year ended March 31, 2009 1st Series Class III	Yen -	Yen 7.50	Yen -	Yen 7.50	Yen 15.0	22
March 31, 2010 1st Series Class III	-	7.50	-	0.00	7.50	11

\*As On october 29,2009, conversion of 1st Series Class III Preferred Shares to Common stock has been completed, we have no year ended dividends for 1st Series Class III Preferred Shares.

## Analysis of business results

### 1. Overview of fiscal 2009

#### (1) Fiscal 2009 operating results

##### Economic environment

Fiscal 2009 (year ended March 31, 2010) began amid a murky economic outlook stemming from the global economic downturn that ensued from Lehman Brothers' collapse the previous autumn. Real economic activity was rapidly deteriorating in the wake of a demand contraction that tipped the US, Europe, Japan and other developed economies into recession and dampened growth in emerging-market and other developing countries also.

Certain emerging-market economies such as China, India, and Brazil were the first to emerge from the downturn, embarking on robust recoveries. Developed countries also emerged from the worst depths of the downturn by virtue of economic stimulus policies.

However, the pace of economic recovery has varied markedly among countries and regions, some of which, most notably fiscal-crisis-stricken Greece, have yet to decisively emerge from the doldrums. Concerns about credit contraction and protracted economic stagnation still persist, militating against an optimistic outlook.

Japan also has seen a pickup in economic activity but its economic malaise has yet to be completely dispelled. Consumer spending in particular is languishing under the weight of deterioration in the employment and income environments amid deepening deflation stemming from a shortfall in demand. The Japanese economic outlook accordingly remains adverse.

##### Financial performance

Sojitz Corporation's fiscal 2009 consolidated business results are presented below.

##### Net sales

Consolidated net sales declined 25.6% year on year to ¥3,844,418 million, broken down by type as follows.

Net sales by type (yen in millions, except percentages)

Type of sales	Fiscal 2008 (year ended March 31, 2009)		Fiscal 2009 (year ended March 31, 2010)	
	¥	% of total	¥	% of total
Export	660,601	12.8	446,073	11.6
Import	1,327,475	25.7	972,775	25.3
Domestic	2,084,057	40.3	1,689,558	44.0
Offshore	1,094,047	21.2	736,011	19.1
Total	5,166,182	100.0	3,844,418	100.0

In comparison to fiscal 2008, fiscal 2009 export net sales fell 32.5%, largely due to a falloff in automotive sales. Import net sales were down 26.7% in the wake of declines in imports of energy, metals, and foodstuffs. Domestic net sales decreased 18.9%, largely as a result of a falloff in energy and metal sales. Offshore net sales declined 32.7%, largely due to decreased energy, metal, and automotive sales.

Net sales declined year on year across all business segments also. Consolidated net sales were down 16.5% in the Machinery Division, 42.9% in the Energy & Metal Division, 23.3% in the

Chemicals & Functional Materials Division, 17.2% in the Consumer Lifestyle Business Division, and 23.3% in the Other Division.

#### Gross profit

Consolidated gross profit fell to ¥178,203 million, down ¥57,415 million from fiscal 2008, largely as a result of decreased gross profits on autos, energy, and metals. Another contributing factor was a decline in the price of methanol, which reduced gross profits on chemicals.

#### Operating income

Consolidated operating income decreased ¥35,878 million year on year to ¥16,128 million despite the decline in gross profit outweighed reductions in selling, general and administrative expenses.

#### Ordinary income

Despite improvement in equity in earnings of affiliates and in non-operating income/losses-net partly attributable to improvement in foreign exchange losses, consolidated ordinary income declined ¥19,934 million year on year to ¥13,702 million as a result of the decrease in consolidated operating income.

#### Extraordinary income and losses

Extraordinary income totaled ¥41,185 million, including a ¥33,214 million gain on sales of investment securities and a ¥3,248 million reversal of allowance for doubtful accounts. Extraordinary losses totaled ¥35,993 million, including a ¥16,543 million loss on revaluation of securities, ¥9,402 million impairment loss on noncurrent assets, and ¥7,968 million loss, and provision for loss, on dissolution of subsidiaries and affiliates. On balance, these income and losses netted to an extraordinary income of ¥5,192 million.

#### Net income

Consolidated income before income taxes and minority interests was ¥18,894 million. After deduction of ¥1,832 million in minority interests in income and income taxes of ¥8,562 million, partially offset by a deferred income tax of ¥294 million, net income came to ¥8,794 million, an ¥10,207 million decrease from fiscal 2008.

Fiscal 2009 results are summarized by business segment below.

Effective from fiscal 2009, Sojitz redefined its business segments in conjunction with structural reforms intended to establish a solid earnings foundation by further improving operating efficiency and selectively focusing resources on key areas. Overseas subsidiaries, previously grouped together as a separate business segment, were reclassified into other business segments based on product similarity.

#### Machinery

Net sales decreased 16.5% year on year to ¥994,498 million, largely due to decreased auto sales to Central and South America and the Russia and NIS region. The decline in sales resulted in an operating loss of ¥3,896 million, a ¥25,598 million decrease from the segment's fiscal 2008 operating income.

#### Energy & Metals

Net sales fell 42.9% year on year to ¥874,543 million as a result of resource price declines and discontinuation of insufficiently profitable transactions. Operating income also declined, down ¥16,089 million year on year to ¥13,478 million.

#### Chemicals & Functional Materials

Net sales fell 23.3% year on year to ¥547,790 million as a result of a decline in the price of methanol and decreased unit sales of other chemicals and plastics. Operating income declined to ¥4,835 million, a decrease of ¥5,873 million from fiscal 2008.

#### Consumer Lifestyle Business

Net sales were down 17.2% year on year to ¥1,364,672 million, largely due to a slump in domestic lumber prices and decreased foodstuff sales as a result of price declines. Operating income, however, increased ¥3,860 million year to ¥4,055 million, largely by virtue of a year-on-year decrease in valuation losses on real estate inventories and reduction in selling and administrative expenses due to restructuring of the textile business.

#### Other

Net sales decreased 23.3% year on year to ¥62,912 million, but the segment's operating loss narrowed to ¥2,988 million, a ¥7,619 million improvement from fiscal 2008, largely as a result of nonrecurrence of real estate inventory valuation losses booked in fiscal 2008.

#### **Fiscal 2010 Outlook**

Sojitz's current earnings forecast for fiscal 2010 (year ending March 31, 2011) is as follows. Fiscal first-half consolidated and nonconsolidated earnings forecasts are omitted because Sojitz forecasts earnings on an annual basis only.

##### *Consolidated*

Net sales	¥4,210 billion
Operating income	¥40 billion
Ordinary income	¥26 billion
Net income	¥11 billion

##### *Non-consolidated*

Net sales	¥2,550 billion
Operating income (loss)	¥(3) billion
Ordinary income	¥20 billion
Net income	¥20 billion

The above forecast assumes a yen/dollar rate of ¥90/US\$ and crude oil price of US\$80/bbl (Brent).

#### Forward-looking Statement Disclaimer

The above forecast is based on judgments and assumptions that were derived from currently available information and are currently deemed to be reasonable. Actual results may differ materially from the above forecast due to various factors, including exchange rate movements and changes in economic conditions in major domestic and/or foreign markets. Sojitz will disclose any material revisions to its forecast on a timely basis.

## **(2). Financial position**

### **Consolidated balance sheet**

At March 31, 2010, assets totaled ¥2,160,918 million, a decrease of ¥152,040 million from a year earlier. Major factors behind the decrease included a ¥60,164 million reduction in notes and accounts receivable largely due to a decrease in machinery and foodstuff sales, and a ¥134,270 million reduction in inventories largely attributable to decreased fertilizer and auto and reclassification of assets from real estate inventory to real estate for investment. Cash and deposits increased ¥34,099 million year on year, but this increase was substantially offset by a ¥23,597 million decrease in investment securities holdings largely stemming from the sale of listed equities and other securities and a revaluation loss on Japan Airlines Corporation preferred stock holdings.

Liabilities totaled ¥1,783,514 million at March 31, 2010, a ¥173,940 million decrease from a year earlier. The decrease was largely attributable to redemption of commercial paper and bonds payable and a reduction in trade notes and accounts payable. In terms of funding, Sojitz continues to pursue a basic financial strategy of maintaining and improving the stability of its funding structure under its *Shine 2011* medium-term management plan inaugurated in fiscal 2009, a strategy carried over from its previous medium-term management plan, *New Stage 2008*. In fiscal 2009, Sojitz endeavored to build a stable funding structure by obtaining new financing in the form of long-term loans and proactively refinancing short-term debt with long-term funding. As a result, Sojitz ended fiscal 2009 with a current ratio of 153% and long-term debt ratio of 74%.

Among long-term funding instruments, Sojitz did not issue any straight bonds in fiscal 2009, but it has a ¥100 billion long-term, commitment line and maintains favorable relationships with numerous financial institutions, most notably the banks that have agreed to the commitment line. Through such an approach, Sojitz ensures stable funding and adequate liquidity.

Shareholders' equity totaled ¥458,819 million at March 31, 2010, a year-on-year increase of ¥4,328 million. In valuation and translation adjustment accounts, valuation difference on available-for-sale securities increased ¥8,608 million and the foreign currency translation adjustment accounts improved ¥19,789 million from a year earlier. As a result, total net assets inclusive of minority interests increased to ¥377,404 million at March 31, 2010, up ¥21,900 million year on year.

Net interest-bearing debt (total interest-bearing debt less cash and deposits) decreased ¥127,540 million year on year to ¥737,789 million at March 31, 2010, resulting in a net debt/equity ratio of 2.10 at March 31, 2010.

### **Consolidated cash flows**

In fiscal 2009, operating activities provided net cash of ¥107,222 million, investing activities provided net cash of ¥28,439 million, and financing activities used net cash of ¥102,597 million. Adjusting effect of exchange rate changes on cash and cash equivalent and changes in the scope of consolidation, Sojitz ended fiscal 2009 with cash and cash equivalents of ¥454,262 million.

#### **1) Cash flows from operating activities**

Fiscal 2009 operating activities provided net cash of ¥107,222 million, ¥3,493 million more than in fiscal 2008. Although reduction in trade payables detracted from operating cash flow, cash inflows from operations exceeded operating outlays as working capital requirements were lessened by reductions in trade receivables and inventories, among other factors.

#### **2) Cash flows from investing activities**

Fiscal 2009 investing activities provided net cash of ¥28,439 million, an improvement of ¥45,637 million from fiscal 2008. Major investment outlays included acquisitions of tangible fixed assets and investment securities, but outlays were exceeded by investment inflows from sources such as the sale of listed equity holdings.

#### **3) Cash flows from financing activities**



Fiscal 2009 financing activities used net cash of ¥102,597 million, ¥96,639 million more than in fiscal 2008, as cash outlays to repay loans and redeem bonds and commercial paper exceeded cash proceeds from new long-term borrowings.

### **(3). Dividend Policy and Fiscal 2009-10 Dividends**

In addition to paying stable and continuous dividends to shareholders, Sojitz is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings as a top management priority. Sojitz has adopted a target of consolidated payout ratio to 20% and has been setting annual dividends based on comprehensive assessment of multiple factors, including progress toward the *Shine 2011* medium-term plan's targets, the status of shareholders' equity, and its demand for funds to fuel earnings growth.

Designating fiscal 2009, the inaugural year of the *Shine 2011* medium-term management plan, as a year for solidifying its footing, Sojitz endeavored to strengthen its major businesses' earnings foundation but had not fully restored some businesses' earnings foundation by the end of fiscal 2009. Although Sojitz achieved its consolidated earnings forecast announced on January 29, 2010, it is only midway through the process of strengthening its earnings foundation.

In light of such, Sojitz has decided to currently place priority on accumulating retained earnings for future growth. Sojitz will accordingly forgo paying a year-end dividend for fiscal 2009. Fiscal 2009 cash dividends on common stock will therefore be limited to the already paid interim dividend of ¥2.5 per share, or ¥3,083 million in total, consolidated payout ratio of 35.3%.

Sojitz canceled all outstanding 1<sup>st</sup> Series Class III Preferred Shares on October 29, 2009. Sojitz will therefore not pay a year-end dividend on these preferred shares. In accord with the preferred shares' terms of issuance, Sojitz paid an interim preferred dividend of ¥7.5 per share on December 2, 2009. Fiscal 2009 preferred dividends therefore total ¥7.5 per share or ¥11 million in total.

For fiscal 2010, Sojitz plans to pay annual cash dividends of common stock of ¥3 per share (¥1.5 interim dividend and ¥1.5 year-end dividend) based on comprehensive consideration of relevant factors, including the impact on shareholders' equity and its firm commitment to paying stable and continuous dividends. Based on Sojitz's current fiscal 2010 earnings forecast, planned fiscal 2010 dividends equate to a consolidated payout ratio of 34.1%.

### **(4). Business and Other Risks**

#### 1) Business risks

As a general trading company, the Sojitz Group is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects, in Japan and overseas. The Group also invests in various sectors and conducts financing activities. These operations are inherently exposed to various risks. The Group defines and classifies risks and manages them in accord with their nature. For quantifiable risks (market risk, credit risk, business investment risk, and country risk), the Group conducts comprehensive risk management, measuring risks and monitoring them based on risk asset scores derived from risk measurements. Although the group is strengthening and upgrading its risk management to deal with various risks, it cannot completely avoid these risks.

In specific terms, the Group faces risks such as those described below. The Group reorganized and renamed certain organizational units effective from April 2009. The revised names are used below.

(1) Risk of changes in the macroeconomic environment

As a general trading company with global operations, the Group operates a wide range of businesses in Japan and overseas, including machinery, energy, metals, chemicals, functional materials, and consumer lifestyle businesses. The Group's earnings are influenced by economic conditions in Japan and other countries and the overall global economy. A global or regional economic slowdown can adversely affect the Group's operating performance and/or financial condition.

(2) Market risks

The Group is exposed to market risks, including exchange rate risk associated with transactions denominated in foreign currencies in connection with international trade or business investments; interest rate risk associated with debt financing and portfolio investment; commodity price risk associated with purchase and sale agreements and commodity inventories incidental to operating activities; and market price risk associated with ownership of listed securities and other such assets. The Group pursues a basic policy of minimizing these market risks through such means as matching assets and liabilities (e.g., long and short commodity exposures) and hedging with forward exchange contracts, commodity futures, forward commodity contracts, and interest rate swaps.

(a) Currency risk

The Group engages in import and export transactions, and offshore transactions, denominated in foreign currencies as a principal business activity. Whereas the revenues and expenditures associated with such transactions are mainly paid in foreign currencies, the Group's consolidated reporting currency is the Japanese yen. The Group is therefore exposed to the risk of fluctuations in the yen's value against foreign currencies. To prevent or limit losses stemming from this currency risk, the Group hedges its foreign currency exposure with forward exchange contracts. Even with such hedging, however, there is no assurance that the Group can completely avoid currency risk. The Group's operating performance and/or financial condition could be adversely affected by unanticipated market movements. Additionally, the Group's dividend income from overseas group companies and the profits and losses of overseas consolidated subsidiaries and equity-method affiliates are largely denominated in foreign currencies. Their conversion into yen entails currency risk. The group also owns many foreign subsidiaries and operating companies. When these companies' financial statements are converted into yen terms, exchange rate movements could impair the Group's shareholders' equity through the foreign currency translation adjustment account.

(b) Interest rate risk

The Group raises funds by borrowing from financial institutions or issuing bonds to acquire fixed assets, invest in securities, and extend credit (e.g., through trade receivables). An increase in funding costs due to a sharp rise in interest rates could adversely affect the Group's operating performance and/or financial condition through income derived from and expenses incurred on assets and liabilities on the Group's balance sheet.

(c) Commodity price risk

As a general trading company, the Group deals in a wide range of commodities in its various businesses. It is consequently exposed to the risk of commodity price fluctuations. For market-traded commodities, the Group manages exposures and controls losses by setting (long and short) position limits and stop-loss levels for each of its organizational units. The Group also imposes and enforces stop-loss rules (i.e., once an organizational unit incurs a loss in excess of its stop-loss level, it must promptly liquidate the losing position and is prohibited from initiating new trades for the remainder of the fiscal year). Even with these controls, however, there is no assurance that the Group can completely avoid commodity price risk. The Group's operating performance and/or financial condition could be adversely affected by unanticipated market movements. The Group also monitors commodity inventories by business unit on a monthly basis to control inventory levels. For for-sale real estate in particular, the Group manages inventories by setting inventory reduction targets on a case-by-case basis.

(d) Listed securities price risk

The Group has large holdings of marketable securities. For listed equities in particular, the Group periodically reviews and adjusts its portfolio. Nonetheless, a major decline in stock market could impair the Group's investment portfolio and, in turn, adversely affect the Group's operating performance and/or financial condition.

(3) Credit risk

The Group assumes credit risk by extending credit to many domestic and foreign customers through a variety of commercial transactions. To mitigate such credit risk, the Group assigns credit ratings to the customers to which it extends credit, using an 11-grade rating scale and objective rating criteria. The Group also controls credit risk by setting rating-based credit limits on a customer-by-customer basis and enforcing the credit limits thus set. The Group also employs other safeguards (e.g., collateral and guarantees) as warranted by the customer's creditworthiness. Additionally, the Group has implemented a system for assessing receivables since fiscal 2006. The Group screens the customers to which it has extended trade credit to identify those that meet certain criteria. It then reassesses the selected customers' creditworthiness and the status of the Group's claims against the customer. Through this approach, the Group is endeavoring to more rigorously ascertain credit risk and estimate provisions to allowance for doubtful accounts for individual receivables. For credit risk associated with deferred payments, loans, and credit guarantees, the Group periodically assesses whether profitability is commensurate with credit risk on a case-by-case basis. For transactions that do not generate risk-commensurate returns, the Group takes steps to improve profitability or limit credit risk.

However, even with such credit management procedures, there is no assurance that the Group can completely avoid credit risk. If, for example, receivables are rendered uncollectible by a customer's bankruptcy, the Group's operating performance and/or financial condition could be adversely affected.

(4) Business investment risk

The Group invests in a wide range of businesses as one of its principal business activities. In doing so, it assumes the risk of fluctuations in investments' value. Additionally, because many business investments are illiquid, the Group also faces the risk of being unable to recoup its investment as profitably as initially anticipated.

In the aim of preventing and limiting losses from business investments, the Group has established standards for rigorously prescreening prospective business investments and monitoring and withdrawing from investments.

In screening prospective investments, the Group analyzes business plans, including cash flow projections, and rigorously assesses the businesses' prospects. It has also established procedures, including an IRR (internal rate of return) hurdle rate screen, to enable it to identify investments with the potential to generate returns commensurate with risk.

Once the Group has invested in a business venture, it closely monitors the business through such means as periodic reassessment of the business's prospects to minimize losses through early identification of problems. To identify problems with business investments at an early stage and minimize losses on divestiture or liquidation, the Group sets exit conditions and acts decisively to opportunistically exit investments that have failed to generate risk-commensurate returns.

Even with such procedures for screening prospective investments and monitoring existing investments, the Group can not completely avoid the risk of investment returns falling short of expectations. The Group could incur losses when exiting business ventures or may be precluded from exiting business ventures as intended due to circumstances such as relationships with partners in the ventures. In such an event, the Group's operating performance and/or financial condition could be adversely affected.

On January 19, 2010, Japan Airlines Corporation, a Sojitz customer, petitioned the Tokyo District Court to initiate corporate reorganization proceedings. In response, Sojitz booked a ¥15 billion securities revaluation loss to write off the entire value of its Japan Airlines Corporation type-A preferred shareholdings.

(5) Country risk

To minimize losses from realization of country risk, the Group recognizes that it must avoid concentrated exposure to any single country or region. In conducting business in countries that pose substantial country risk, the Group generally hedges against country risk on a transaction-by-transaction basis through such means as purchasing trade insurance.

In managing country risk, the Group assigns country-risk ratings to individual countries and regions and sets net exposure (gross exposure less trade insurance coverage and/or other country-risk hedges) limits based on the country's size and assigned rating. The Group limits its net exposure to individual countries to no more than the net exposure limit. However, even with these risk controls and hedges, the Group cannot completely eliminate the risk of losses due to changes in political, economic, and societal conditions in the countries in which the Group conducts business activities or countries in which the Group's customers are located. In the event of such losses, the Group's operating performance and/or financial condition could be adversely affected.

(6) Fixed asset impairment risk

The Group is exposed to the risk of impairment of the value of its real estate holdings, other fixed assets (e.g., machinery, vehicles), and leased assets. The Group uses asset impairment accounting and books necessary impairment losses at the end of the fiscal year in which the impairment occurred. However, if assets subject to asset impairment accounting decline materially in value due to a decline in their market prices, recognition of necessary impairment losses could adversely affect the Group's operating performance and/or financial condition.

(7) Financing risk

The Group largely funds its operations by issuing bonds and borrowing funds from financial institutions. Accordingly, in the event of a disruption of the financial system or financial or capital markets, or a major downgrade of the Group's credit rating by a rating agency, the Group's operating performance and/or financial condition could be adversely affected by funding constraints and/or increased financing costs.

(8) Environmental risk

The Group regards environmental preservation as an important management consideration. The Group has prescribed environmental policies and is proactively addressing environmental problems through such means as complying with environmental laws and regulations and assessing the environmental impact of prospective investments and development projects. Despite such measures, the Group's business activities could still pollute the environment. In such an event, the Group could incur costs due to project suspension, environmental remediation and purification, and/or litigation.

(9) Compliance risk

The Group's diverse business activities are subject to a broad range of laws and regulations, including corporation laws, tax laws, antitrust laws, foreign exchange laws and other trade-related laws, and various industry-specific laws, including chemical regulations. To ensure compliance with these laws and regulations, the Group has formulated a compliance program, established compliance committees, and promotes rigorous regulatory compliance on a Group-wide basis. However, such measures cannot completely eliminate the compliance risk entailed by the Group's business activities. Additionally, the Group's operating performance and/or financial condition could be adversely affected by major statutory or regulatory revisions or application of an unanticipated interpretation of existing laws or regulations.

(10) Litigation risk

Litigation or other legal proceedings (e.g., arbitration) may be initiated in Japan or overseas against the Group or certain of its assets in connection with the Group's business activities. As of March 31, 2009, the Group is not involved in any litigation, arbitration, or other legal proceedings with the potential to have a material impact on its operating performance or financial condition.

(11) Information system and information security risks

The Group has prescribed regulations and established oversight entities, mainly internal committees, to appropriately protect and manage information assets. The Group also has implemented safeguards (e.g., installation of redundant hardware) against failure of key information systems and network infrastructure. Additionally, the group is endeavoring to strengthen its safeguards against information leaks through such means as installing firewalls to prevent unauthorized access by outsiders, implementing antivirus measures, and utilizing encryption technologies.

While the Group is endeavoring to strengthen overall information security and prevent system failures, it cannot completely eliminate the risk of important information assets, including personal information, being leaked or damaged by an unknown computer virus or unauthorized access to its computer systems. Nor can the Group eliminate the risk of its information and communication systems being rendered inoperable by an unforeseeable natural disaster or system failure. In such an event, the Group's operating performance and/or financial condition could be adversely affected, depending on the extent of the damage.

(12) Natural disaster risk

The Group could be directly or indirectly affected in the event of an earthquake, flood, storm, or other natural disaster that damages offices or other facilities or injures employees. The Group has prepared disaster response manuals, conducts disaster response drills, and has established an employee safety confirmation system, but it cannot completely avoid the risk of damage from natural disasters. The Group's operating performance and/or financial condition could be adversely affected by natural disasters.

2) Risks related to the Shine 2011 medium-term management plan

As noted below in "3. Group Management Policy," the Group has formulated a new medium-term management plan, Shine 2011, for fiscal 2009-11. Despite the Group's efforts, there is no assurance that all of the Shine 2011 plan's targets will be achieved. Initiatives directed at achieving the targets may not progress as planned or may not be as successful as anticipated.

## **2. Management Policies**

(1) Fundamental Policy

Sojitz has adopted a basic policy of building a strong earnings foundation that will ensure sustained growth by improving earnings quality. Toward this end, Sojitz formulated a medium-term management plan named "Shine 2011: Toward Sustained Growth" for the three years from fiscal 2009 through fiscal 2011. Sojitz will carry out the *Shine 2011* plan by realizing its Management Vision of the company it aspires to become and the common principles it embraces in accord with the Sojitz Group Statement below.

*Sojitz Group Statement*

The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity.

*Sojitz Group Slogan*

New way, New value

*Sojitz Group Management Vision*

Unrelentingly enhance the Group's trading company functions, as demanded by clients, by fully grasping and anticipating clients' diverse needs (Function-oriented trading company)

Take advantage of changes and continuously develop new business fields (Innovating trading company)

Become a company in which each and every employee can work with pride and pursue challenges and explore opportunities to realize his or her own personal goals and ambitions (Open and flexible company)

Seek to harmonize the Group's corporate activities with the society and the environment by consistently putting the Group's statement into practice (Socially contributive company)

## (2) Targeted Performance Indicators

Under the *Shine 2011* medium-term management plan, Sojitz aims to optimize its asset portfolio while pursuing qualitative improvement by accumulating high-quality businesses and assets and building a strong, risk-resistant earnings foundation by reconfiguring its operations. The performance targets that Sojitz has set as perpetual targets are consolidated ROA of 3% and consolidated ROE of 15%.

Financially, Sojitz continues to place priority on remaining financially sound and improving the stability of its funding structure. Sojitz's basic policy is to maintain the financial ratios in the table below within their target ranges. In fiscal 2009, Sojitz's net debt/equity (D/E) ratio recovered to end the fiscal year at 2.1, down from 2.7 a year earlier. Sojitz aims to keep its net D/E ratio in the vicinity of 2.0 by limiting growth in borrowings by continuing to fund new investments through such means as divestment of existing assets.

	Target	Value at March 31, 2010
Long-term debt ratio	Approximately 70%	74%
Current ratio	At least 120%	153%
Net D/E ratio	Approximately 2.0	2.1

\*Net D/E ratio's denominator is net of minority interests.

Sojitz still aims to limit its risk assets to no more than 1.0 times its shareholders' equity. To do so, Sojitz will continually devise and execute measures such as exiting low-margin businesses, reducing inventories to appropriate levels, and reducing listed equity holdings.

## (3) Medium to Long-term Business Strategy

Under the *Shine 2011* medium-term management plan intended to realize sustained growth, Sojitz aims to build a strong earnings foundation by improving earnings quality, thereby ensuring growth.

In accord with *Shine 2011*'s four themes set forth below, Sojitz will continuously endeavor to strengthen existing businesses, expand resource businesses, and cultivate new businesses, most notably in the environmental, new energy, and agribusiness sectors.

- Accumulate high-quality businesses/assets

- Secure medium/long-term earnings foundation (build high-quality assets in absolute-volume terms)
- Branch into new businesses
  - Cultivate new businesses in pursuit of sustained growth (groundwork for future growth)
- Ensure asset liquidity
  - Pursue assets structure that is resilient to market fluctuations
- Develop globally competent human resources
  - Develop human resources capable of achieving sustained growth

In fiscal 2009, *Shine 2011*'s inaugural year, designated as a year for solidifying its footing, Sojitz endeavored to reinforce the foundations of major businesses that were performing poorly and detracting from its overall earnings as a result of drastic deterioration in the economic environment in fiscal 2008. As result of these efforts, the fertilizer business regained profitability in conjunction with inventory normalization.

In resource businesses, Sojitz continued to secure resources by accumulating existing concessions while replacing existing assets with new ones.

Sojitz also made progress in developing new growth businesses to build a medium- to long-term earnings foundation, mainly in the environmental and new energy sectors. Specifically, Sojitz expanded its bioethanol business by merging it with another company and also invested in businesses related to solar power.

In terms of regional strategies, Sojitz is making progress in assembling infrastructure businesses (e.g., electric power, cement) in Africa, a priority region in which Sojitz is strengthening its business foundation through such means as expanding its expatriate workforce.

The Middle East is another region in which Sojitz made progress in pursuit of future growth in fiscal 2009, partly through involvement in IPP projects.

Some businesses, however, such as autos and foodstuffs, are lagging behind in terms of normalizing inventories and regaining profitability. Sojitz fell short of fully restoring such businesses' earnings foundation by the end of fiscal 2009. Additionally, Sojitz failed to achieve its initial full-year earnings forecast for fiscal 2009, *Shine 2011*'s inaugural year designated as the starting point for laying a strong foundation for sustained growth, partly because of revaluation losses on equity holdings.

In light of the status quo, Sojitz in fiscal 2010 will focus on reinforcing the earnings foundation of businesses that have been slow to recover.

In terms of new investments and loans, Sojitz will selectively invest in opportunities that will contribute to improvement in asset quality in growth businesses and businesses that generate stable earnings, based on continuation of its program of replacing existing assets with new ones.

#### (4) Prospective Challenges

Sojitz recognizes that it is faced with the challenge of establishing a strong earnings foundation that ensures sustained growth by carrying out the *Shine 2011* medium-term management plan as discussed above.

In fiscal 2010, Sojitz will endeavor to maintain and improve its financial soundness. Meanwhile, as one component of efforts to establish a future earnings foundation, Sojitz also intends to continue to take action to strengthen the earnings foundation of businesses that have been slow to recover. Sojitz plans to complete this process as early as possible.

Consolidated operating performance targets for fiscal 2010 and 2011, the remaining two years of *Shine 2011*'s term, are set forth in the table below. Sojitz will endeavor to regain the trust of all stakeholders by steadily achieving these targets as one sure step toward re-embarking on a sustained growth trajectory into the future.

Consolidated operating performance targets

	Fiscal 2010	Fiscal 2011
Net sales	¥4,210 billion	¥4,820 billion
Gross profit	¥205 billion	¥242 billion
Ordinary income	¥26 billion	¥56 billion
Net income	¥11 billion	¥25 billion

In terms of risk assets, Sojitz will continually devise and execute measures such as exiting low-margin businesses, reducing inventories to appropriate levels, and reducing listed equity holdings in accord with its plan to control and reduce risk assets and target of limiting risk assets to no more than 1.0 times shareholders' equity. Sojitz will also further strengthen its financial foundation by pursuing a target of keeping its net D/E ratio in the vicinity of 2.0 by limiting growth in borrowings through such means as divesting existing assets to fund new investments.



## Consolidated Balance Sheets As of March 31, 2010 and 2009

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010
<b>Assets</b>		
Current assets		
Cash and deposits	421,629	455,728
Notes and accounts receivable-trade	522,397	462,233
Short-term investment securities	2,123	6,131
Inventories	382,899	248,629
Short-term loans receivable	9,375	7,943
Deferred tax assets	15,821	13,484
Other	129,237	100,216
Allowance for doubtful accounts	(10,312)	(9,089)
<b>Total current assets</b>	<b>1,473,172</b>	<b>1,285,277</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	101,077	112,591
Accumulated depreciation	(44,323)	(51,367)
<b>Buildings and structures, net</b>	<b>56,753</b>	<b>61,224</b>
Machinery, equipment and vehicles	161,374	169,688
Accumulated depreciation	(73,710)	(82,901)
<b>Machinery, equipment and vehicles, net</b>	<b>87,664</b>	<b>86,787</b>
Land	50,154	57,442
Construction in progress	10,710	11,883
Other	13,931	16,303
Accumulated depreciation	(9,495)	(10,975)
<b>Other, net</b>	<b>4,436</b>	<b>5,328</b>
<b>Total property, plant and equipment</b>	<b>209,720</b>	<b>222,665</b>
Intangible assets		
Goodwill	60,685	54,305
Other	54,170	60,139
<b>Total intangible assets</b>	<b>114,855</b>	<b>114,445</b>
Investments and other assets		
Investment securities	351,466	327,869
Long-term loans receivable	27,908	25,113
Bad debts	92,378	88,358
Deferred tax assets	64,137	61,432
Real estate for investment	—	53,261
Other	39,435	39,264
Allowance for doubtful accounts	(61,526)	(57,207)
<b>Total investments and other assets</b>	<b>513,798</b>	<b>538,093</b>
<b>Total noncurrent assets</b>	<b>838,375</b>	<b>875,204</b>
Deferred assets	1,410	436
<b>Total assets</b>	<b>2,312,958</b>	<b>2,160,918</b>

## Consolidated Balance Sheets As of March 31, 2010 and 2009

(Millions of Yen)

	As of March 31, 2009	As of March 31, 2010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	418,811	377,468
Short-term loans payable	351,841	256,652
Commercial papers	35,000	10,000
Current portion of bonds	42,136	40,120
Income taxes payable	7,230	5,949
Deferred tax liabilities	597	44
Provision for bonuses	5,503	5,497
Other	178,734	145,801
<b>Total current liabilities</b>	<b>1,039,857</b>	<b>841,533</b>
<b>Noncurrent liabilities</b>		
Bonds payable	155,120	123,647
Long-term loans payable	702,861	763,098
Deferred tax liabilities	15,528	14,743
Deferred tax liabilities for land revaluation	1,045	944
Provision for retirement benefits	16,174	13,280
Provision for directors' retirement benefits	872	931
Other	25,994	25,336
<b>Total noncurrent liabilities</b>	<b>917,597</b>	<b>941,981</b>
<b>Total liabilities</b>	<b>1,957,454</b>	<b>1,783,514</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	160,339	160,339
Capital surplus	152,160	152,160
Retained earnings	142,157	146,489
Treasury stock	(166)	(169)
<b>Total shareholders' equity</b>	<b>454,491</b>	<b>458,819</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	6,236	14,845
Deferred gains or losses on hedges	1,510	2,357
Revaluation reserve for land	(1,907)	(2,055)
Foreign currency translation adjustment	(141,340)	(121,550)
<b>Total valuation and translation adjustments</b>	<b>(135,500)</b>	<b>(106,402)</b>
<b>Minority interests</b>	<b>36,512</b>	<b>24,987</b>
<b>Total net assets</b>	<b>355,503</b>	<b>377,404</b>
<b>Total liabilities and net assets</b>	<b>2,312,958</b>	<b>2,160,918</b>

**Consolidated statement of Profit and Loss  
for the Year ended March 31, 2010 and 2009**

Millions of Yen

	For the Year Ended March 31, 2009	For the Year Ended March 31, 2010
<b>Net sales</b>	5,166,182	3,844,418
Cost of sales	4,930,564	3,666,215
<b>Gross profit</b>	<b>235,618</b>	<b>178,203</b>
Selling, general and administrative expenses	183,611	162,074
<b>Operating income</b>	<b>52,006</b>	<b>16,128</b>
Non-operating income		
Interest income	9,597	4,632
Dividends income	8,349	5,040
Equity in earnings of affiliates	2,455	9,179
Penalty income	—	3,802
Other	9,574	14,591
<b>Total non-operating income</b>	<b>29,977</b>	<b>37,245</b>
Non-operating expenses		
Interest expenses	29,145	25,808
Interest on commercial papers	306	178
Foreign exchange losses	5,243	—
Other	13,651	13,685
<b>Total non-operating expenses</b>	<b>48,347</b>	<b>39,672</b>
<b>Ordinary Income</b>	<b>33,636</b>	<b>13,702</b>
Extraordinary income		
Gain on sales of noncurrent assets	6,806	1,439
Gain on sales of investment securities	30,764	33,214
Gain on sales of equity investment without stock	0	430
Gain on change in equity	28	92
Reversal of allowance for doubtful accounts	2,245	3,248
Gain on bad debts recovered	110	6
Gain on dissolution of subsidiaries and affiliates	1,169	—
Adjustment for hyperinflationary economies	—	2,753
<b>Total extraordinary income</b>	<b>41,125</b>	<b>41,185</b>
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	542	448
Impairment loss	12,151	9,402
Loss on sales of investment securities	561	1,167
Loss on sales of equity investment without stock	0	1
Loss on revaluation of securities	15,132	16,543
Loss on change in equity	80	216
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	3,752	7,968
Restructuring losses	47	245
Loss on valuation of inventories	5,421	—
<b>Total extraordinary losses</b>	<b>37,691</b>	<b>35,993</b>
Income before income taxes and minority interests	37,070	18,894
Income taxes-current	19,229	8,562
Income taxes-deferred	(2,490)	(294)
Total income taxes	16,738	8,268
Minority interests in income	1,330	1,832
<b>Net income</b>	<b>19,001</b>	<b>8,794</b>

**Consolidated Statements of Cash Flows**  
**for the Year Ended March 31, 2010 and 2009**

(millions of Yen)

	For the Year Ended March 31, 2009	For the Year Ended March 31, 2010
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	37,070	18,894
Depreciation and amortization	26,698	23,196
Impairment loss	12,151	9,402
Loss on valuation of investment securities	15,132	16,543
Amortization of goodwill	5,119	4,443
Increase (decrease) in allowance for doubtful accounts	(16,127)	(3,977)
Increase (decrease) in provision for retirement benefits	(2,088)	(3,296)
Interest and dividends income	(17,947)	(9,672)
Interest expenses	29,452	25,987
Foreign exchange losses (gains)	5,294	(1,832)
Equity in (earnings) losses of affiliates	(2,455)	(9,179)
Loss (gain) on sales of investment securities	(30,217)	(32,375)
Loss (gain) on sales and retirement of noncurrent assets	(6,263)	(990)
Decrease (increase) in notes and accounts receivable-trade	118,034	57,221
Decrease (increase) in inventories	10,703	80,618
Increase (decrease) in notes and accounts payable-trade	(108,118)	(46,575)
Other, net	43,779	(2,433)
Subtotal	120,218	125,972
Interest and dividends income received	30,871	18,120
Interest expenses paid	(29,016)	(26,379)
Income taxes paid	(18,344)	(10,490)
Net cash provided by (used in) operating activities	103,729	107,222
<b>Net cash provided by (used in) investing activities</b>		
Decrease (increase) in time deposits	3,862	(301)
Decrease (increase) in short-term investment securities	1,420	292
Purchase of property, plant and equipment	(43,718)	(21,189)
Proceeds from sales of property, plant and equipment	16,452	5,443
Purchase of intangible assets	(21,821)	(7,264)
Purchase of investment securities	(35,104)	(19,098)
Proceeds from sales and redemption of investment securities	51,925	66,099
Decrease (increase) in short-term loans receivable	13,355	4,857
Payments of long-term loans receivable	(2,360)	(2,263)
Collection of long-term loans receivable	3,085	1,785
Net increase(decrease) from purchase of consolidated subsidiaries	(5,692)	23
Net increase(decrease) from sale of consolidated subsidiaries	65	(49)
Other, net	1,331	103
Net cash provided by (used in) investing activities	(17,198)	28,439
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(57,272)	(41,620)
Increase (decrease) in commercial papers	10,000	(25,000)
Proceeds from long-term loans payable	308,571	244,907
Repayment of long-term loans payable	(234,144)	(240,962)
Proceeds from issuance of bonds	55,686	—
Redemption of bonds	(75,212)	(33,489)
Proceeds from stock issuance to minority shareholders	522	13
Purchase of treasury stock	(20)	(1)
Cash dividends paid	(11,125)	(4,339)
Cash dividends paid to minority shareholders	(2,513)	(1,374)
Other, net	(450)	(730)
Net cash provided by (used in) financing activities	(5,958)	(102,597)
Effect of exchange rate change on cash and cash equivalents	(40,332)	6,825
Net increase (decrease) in cash and cash equivalents	40,241	39,890
Cash and cash equivalents at beginning of period	373,883	414,419
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	294	(48)
Cash and cash equivalents at end of period	414,419	454,262

## Segment Information

### Industry Segments

The business segment information for the year ended March 31, 2009

(Millions of yen)

	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Other	Total	Elimination & Unallocated	Consolidated
Net sales								
Customers	1,190,524	1,531,984	714,129	1,647,573	81,971	5,166,182	-	5,166,182
Inter-segment	4,898	2,156	4,278	3,425	8,427	23,186	( 23,186 )	-
Total	1,195,422	1,534,140	718,407	1,650,999	90,398	5,189,369	( 23,186 )	5,166,182
Operating expense	1,173,720	1,504,573	707,699	1,650,803	101,006	5,137,802	( 23,627 )	5,114,175
Operating income (loss)	21,702	29,567	10,708	195	(10,607)	51,566	440	52,006
Total Assets ( As of March 31,2009)	465,396	490,330	257,396	505,103	295,921	2,014,148	298,810	2,312,958

Notes:

1. Unallocated costs and expenses unincurred in "Elimination and Unallocated" .
2. Company assets included in "Elimination and Unallocated" totaled 344,918 million yen and comprised mainly managed surplus of the company (cash and deposits and bonds), and investment securities.

The business segment information for the year ended March 31, 2010

(Millions of yen)

	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Other	Total	Elimination & Unallocated	Consolidated
Net sales								
Customers	994,498	874,543	547,790	1,364,672	62,912	3,844,418	-	3,844,418
Inter-segment	5,299	1,600	2,877	2,251	4,227	16,256	( 16,256 )	-
Total	999,798	876,144	550,667	1,366,924	67,139	3,860,675	( 16,256 )	3,844,418
Operating expense	1,003,694	862,666	545,832	1,362,868	70,127	3,845,190	( 16,900 )	3,828,289
Operating income (loss)	(3,896)	13,478	4,835	4,055	(2,988)	15,484	644	16,128
Total Assets ( As of March 31,2010)	406,811	483,447	255,509	415,551	299,210	1,860,530	300,388	2,160,918

Notes:

1. Unallocated costs and expenses unincurred in "Elimination and Unallocated" .
2. Company assets included in "Elimination and Unallocated" totaled 352,017 million yen and comprised mainly managed surplus of the company (cash and deposits and bonds), and investment securities.

#### 3.Reclassification of businesses

To establish the earning foundation, Sojitz executed organizational reforms with enhancing selection and focus initiatives and business efficiency. The change of business segments is effective from this fiscal year.

The above business segment information for the year ended March 31, 2009 are shown based on post-reform business segments.

Details are as follows.

- Former Machinery & Aerospace, Energy & Mineral Resources, Chemicals & Plastics, Real Estate Development & Forest Products, Consumer Lifestyle Business, Overseas subsidiaries and Other have been changed to Machinery, Energy & Metal, Chemicals & Functional Materials, Consumer Lifestyle Business and Other.
- Former Real Estate Development & Forest Products has been integrated into Consumer Lifestyle Business and a part of the property business has been transferred to Other.
- 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 to Other.
- Former Chemicals & Plastics's mineral business has been transferred to Energy & Metal, and its fertilizer business to the Consumer Lifestyle Business.
- The performance materials business has been transferred from the former Consumer Lifestyle Business to Chemicals & Functional Materials.

## Geographic Segments

The geographic segment information for the year ended March 31, 2009

(Millions of yen)

	Japan	North America	Europe	Asia & Oseania	Other	Total	Elimination & Unallocated	Consolidated
Net sales								
Customers	4,155,526	92,094	241,813	583,121	93,626	5,166,182	-	5,166,182
Inter-segment	304,338	36,331	18,085	247,854	2,988	609,598	( 609,598 )	-
Total	4,459,865	128,425	259,899	830,976	96,614	5,775,781	( 609,598 )	5,166,182
Operating expense	4,456,532	121,055	252,189	808,344	86,694	5,724,816	( 610,640 )	5,114,175
Operating income	3,333	7,370	7,709	22,631	9,920	50,964	1,042	52,006
Total Assets ( As of March 31,2009)	1,885,890	156,192	103,763	258,860	69,911	2,474,617	( 161,659 )	2,312,958

Notes:

1. Countries and regions are categorized by geographical classification.
2. The principal regions and countries included in each geographic segments are as follows:

North America: United States and Canada  
 Europe: UK and Russia  
 Asia & Oceania: Singapore and China  
 Other: Central and South America, and Africa

3. Unallocated costs and expenses unincurred in "Elimination and Unallocated".
4. Company assets included in "Elimination and Unallocated" totaled 344,918 million yen and comprised mainly managed surplus of the company (cash and deposits and bonds), and investment securities.

The geographic segment information for the year ended March 31, 2010

(Millions of yen)

	Japan	North America	Europe	Asia & Oseania	Other	Total	Elimination & Unallocated	Consolidated
Net sales								
Customers	3,307,707	48,678	109,019	305,427	73,585	3,844,418	-	3,844,418
Inter-segment	102,951	14,061	9,554	153,891	645	281,103	( 281,103 )	-
Total	3,410,658	62,739	118,573	459,318	74,230	4,125,521	( 281,103 )	3,844,418
Operating expense	3,405,515	62,576	116,501	448,844	76,539	4,109,977	( 281,688 )	3,828,289
Operating income (loss)	5,142	163	2,072	10,473	(2,308)	15,543	585	16,128
Total Assets ( As of March 31,2010)	1,722,918	150,733	95,601	246,694	71,630	2,287,577	( 126,658 )	2,160,918

Notes:

1. Countries and regions are categorized by geographical classification.
2. The principal regions and countries included in each geographic segments are as follows:

North America: United States and Canada  
 Europe: UK and Russia  
 Asia & Oceania: Singapore and China  
 Other: Central and South America, and Africa

3. Unallocated costs and expenses unincurred in "Elimination and Unallocated".
4. Company assets included in "Elimination and Unallocated" totaled 352,017 million yen and comprised mainly managed surplus of the company(cash and deposits and bonds), and investment securities.

**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**

---



# □ Summary of P/L Statements

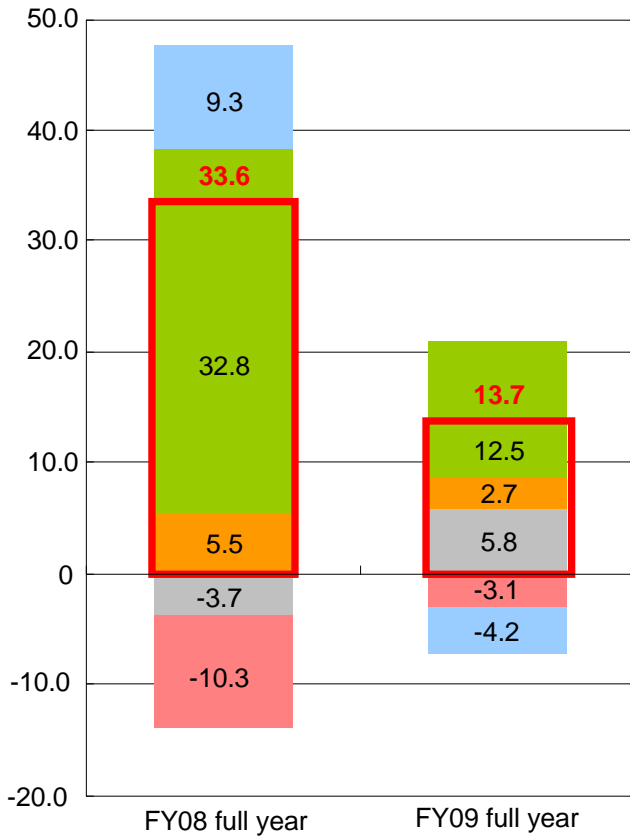
Heavily Impacted by Soft Domestic Demand and a Delayed Economic Recovery in Principal Business Regions

(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%			

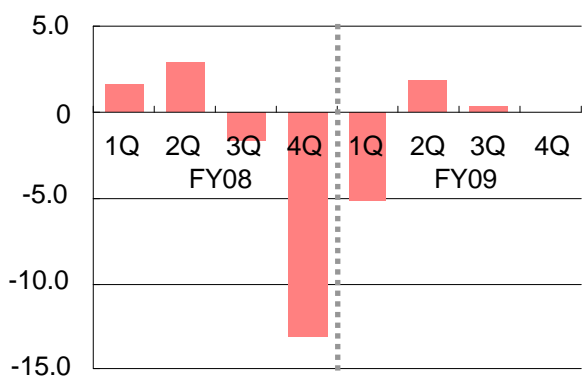
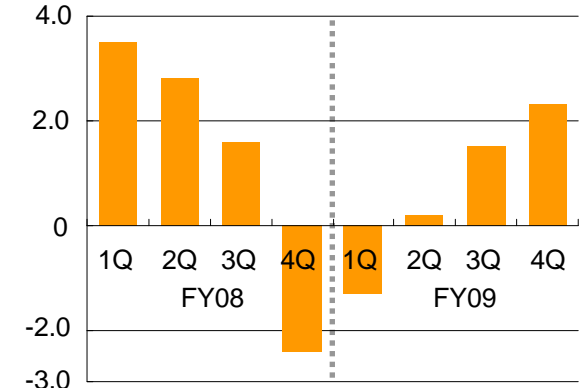
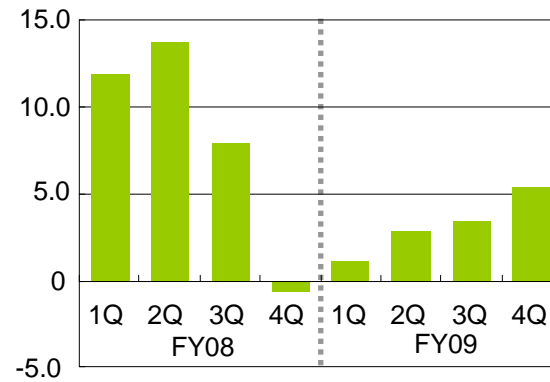
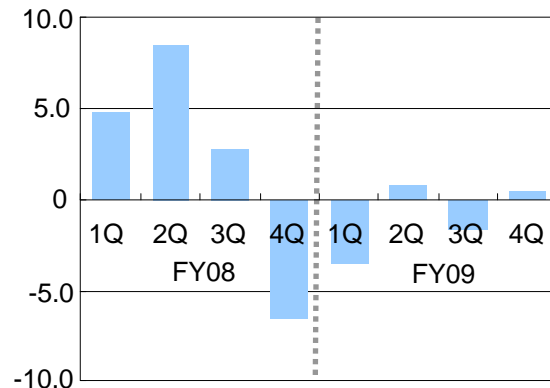
# □ Ordinary Income by Segment

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			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***

---

# □ 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*

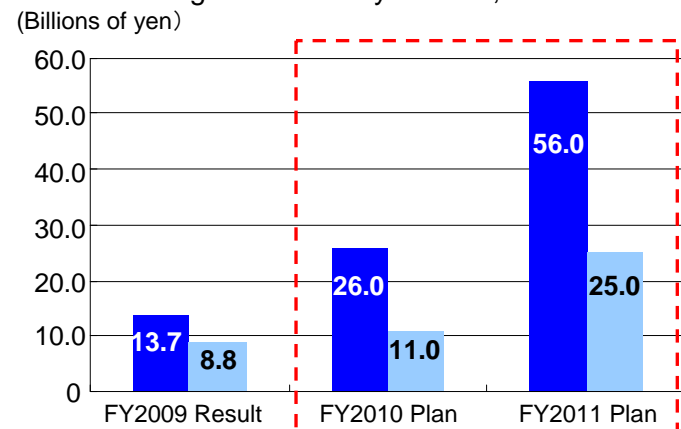
- **Return to a growth trajectory through recovery and improvement in operating earnings power.**
- **Accumulate high-quality businesses and assets and establish a solid earnings foundation through asset reallocation.**

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

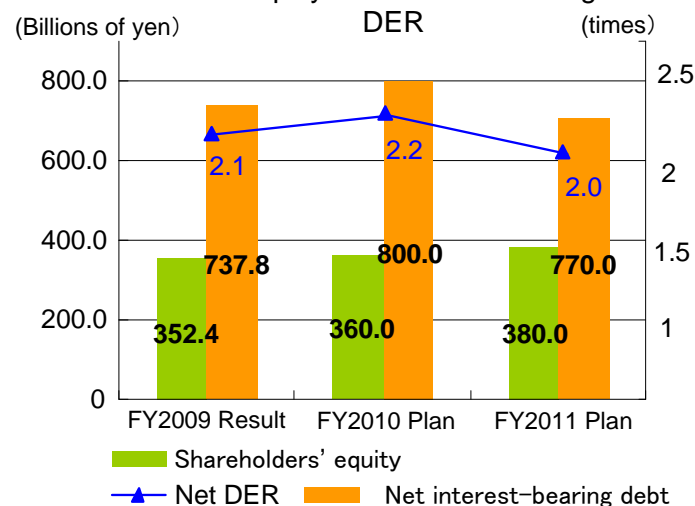
## Recovery in Operating Earnings Power and Accumulation of High-quality Businesses and Assets

		(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

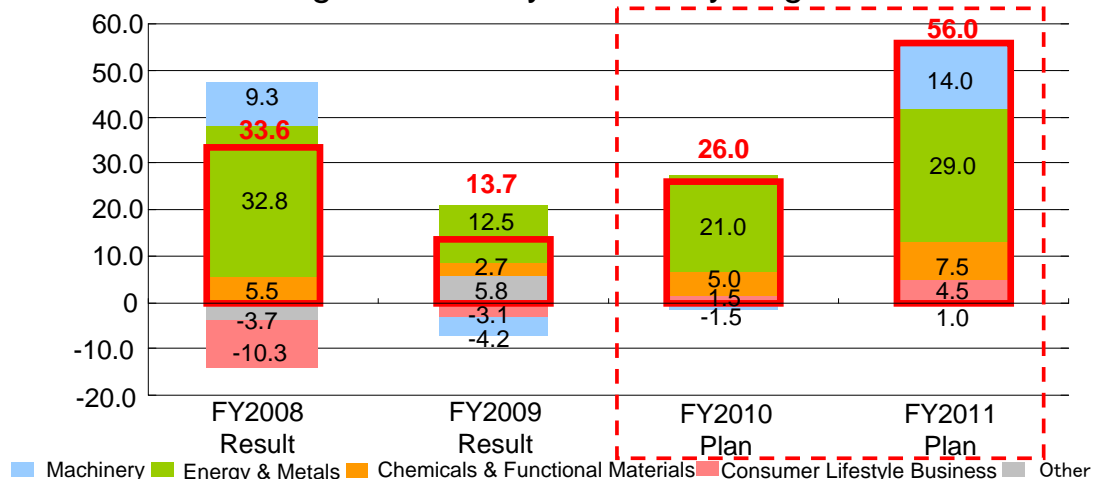


\*1. Shareholders' equity = Total net assets – Minority interests

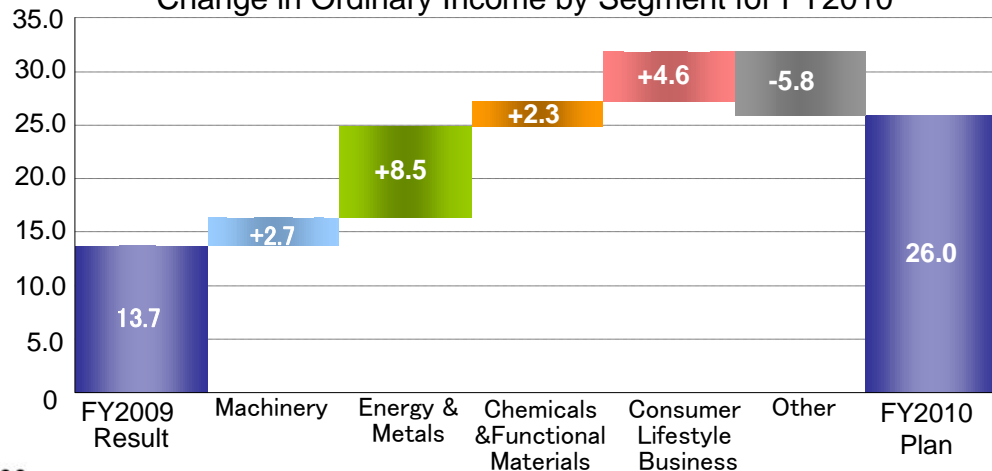
# □ FY2010 Ordinary Income Plan

## 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

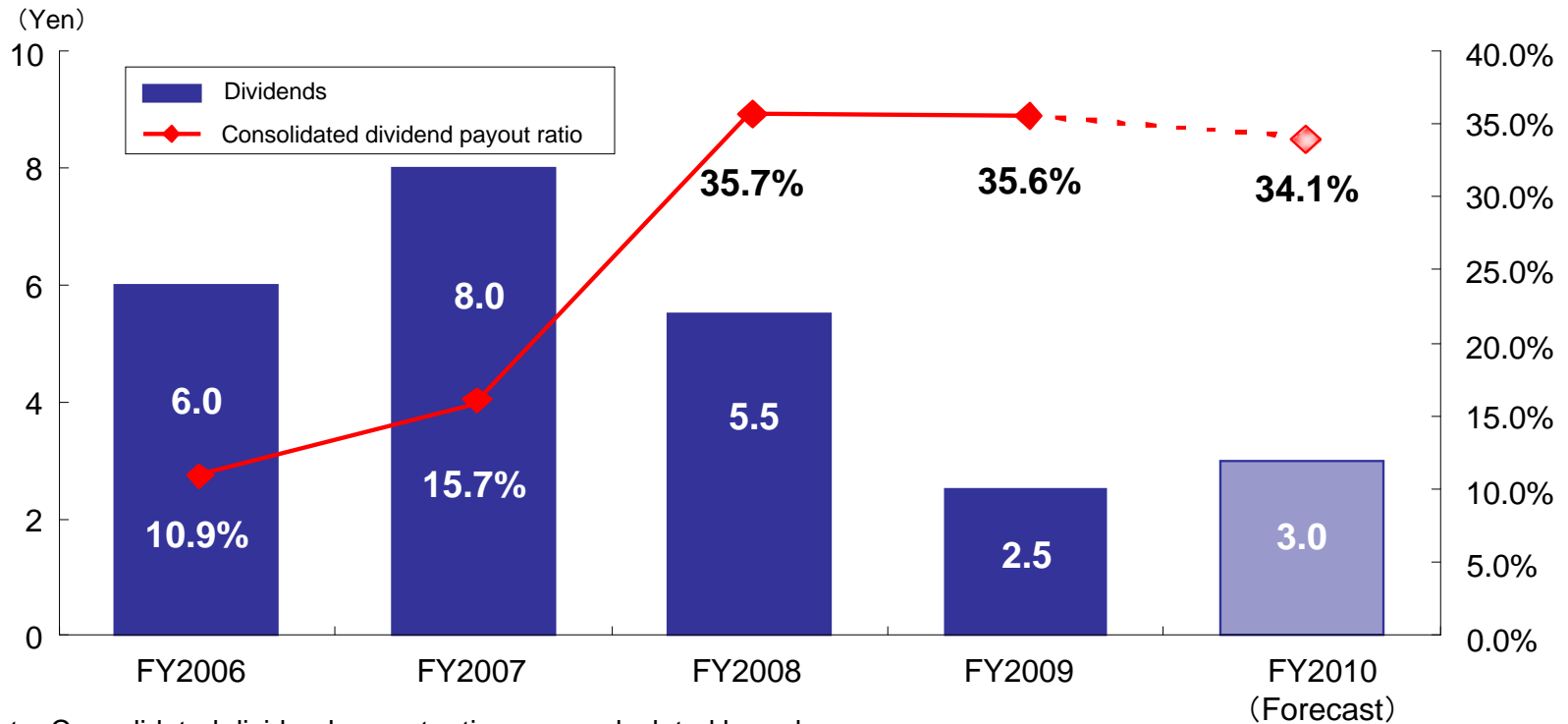
- Strengthen initiatives in economic growth area where industrial development and demand expansion are prospected.
  - Initiatives in Infrastructure business (IPP) etc
  - Establish retail business
  - Initiatives in ICT business

## 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.

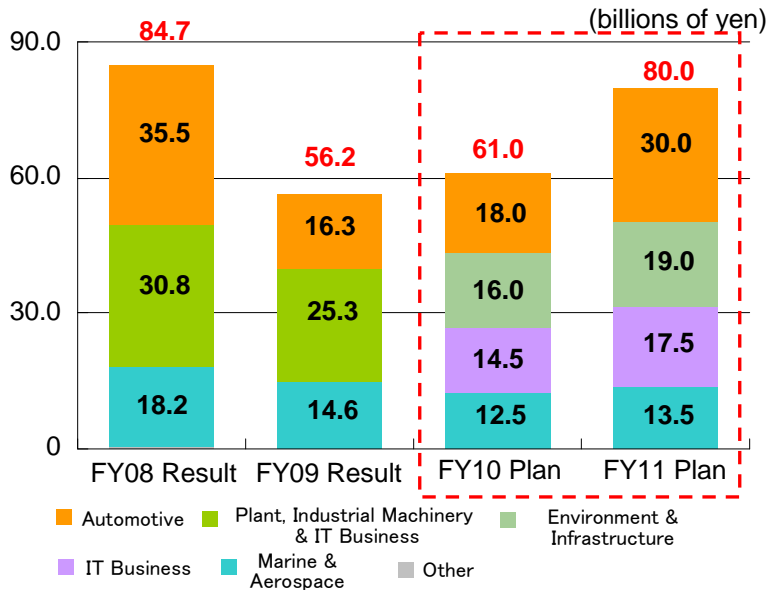
### Basic dividend policy

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.

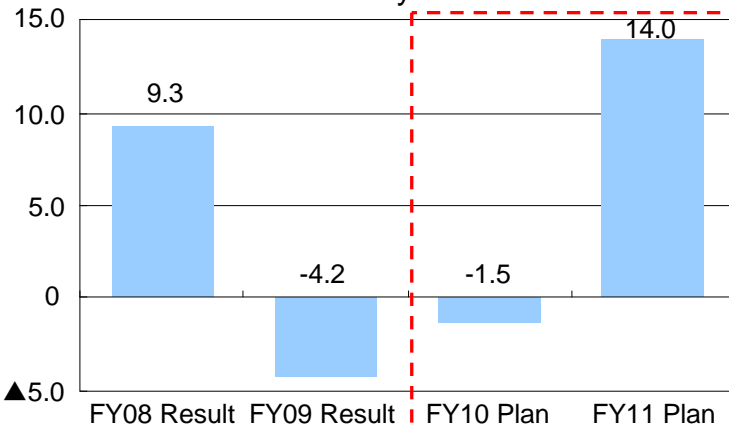
- Supplemental data (1)  
Earnings Forecast by Business Segment
-

# □ 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

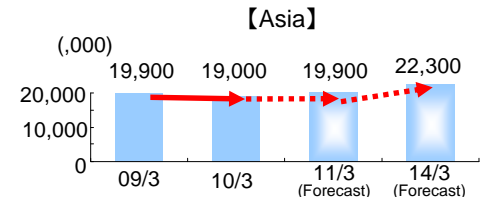
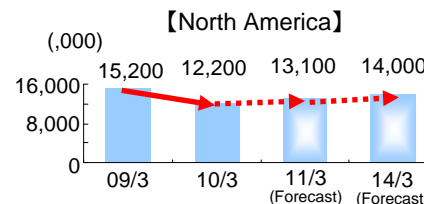
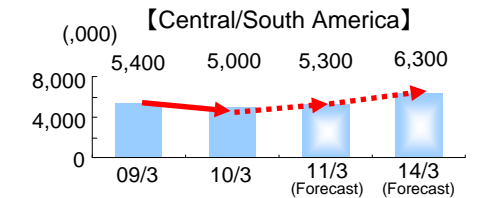
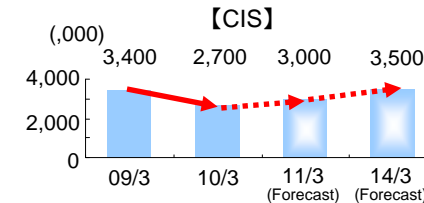
### 【IT Business】

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

## Business Environment in Principal Markets

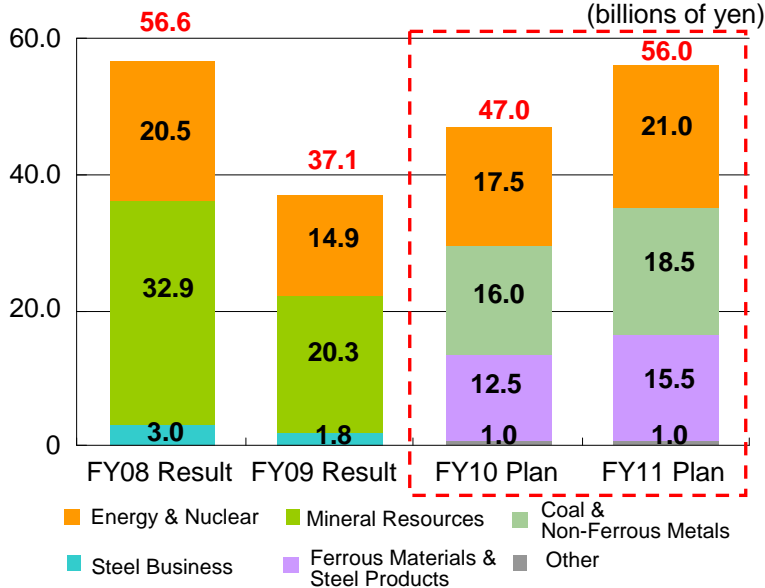
- Market recovery due to motorization and social infrastructure development in developing countries

### Automobile Unit Sales by Region

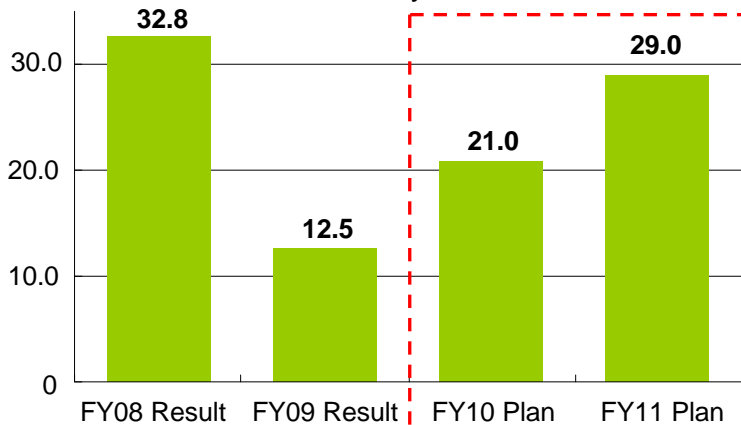


# Energy & Metal Division

### Gross Trading Profit by Unit

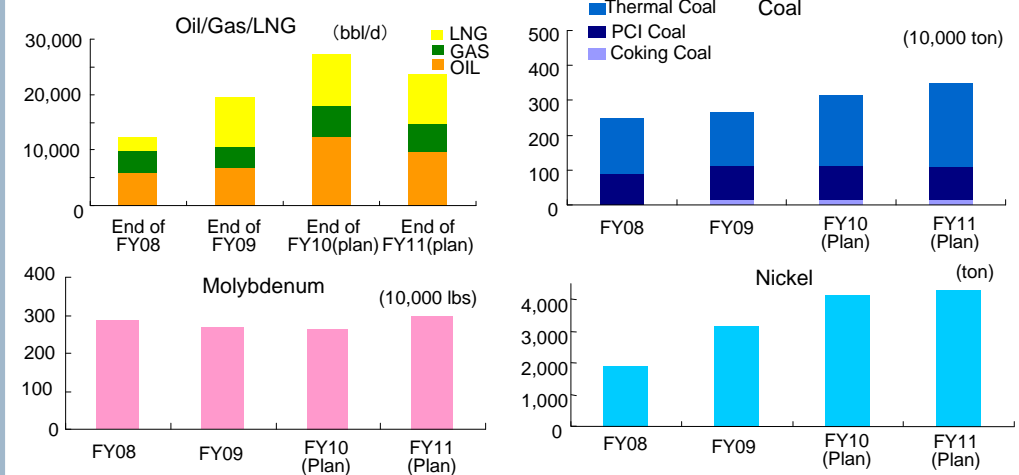


### Ordinary Income



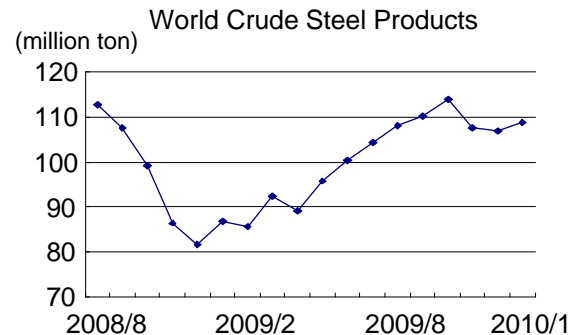
### Initiatives during Shine2011

- 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

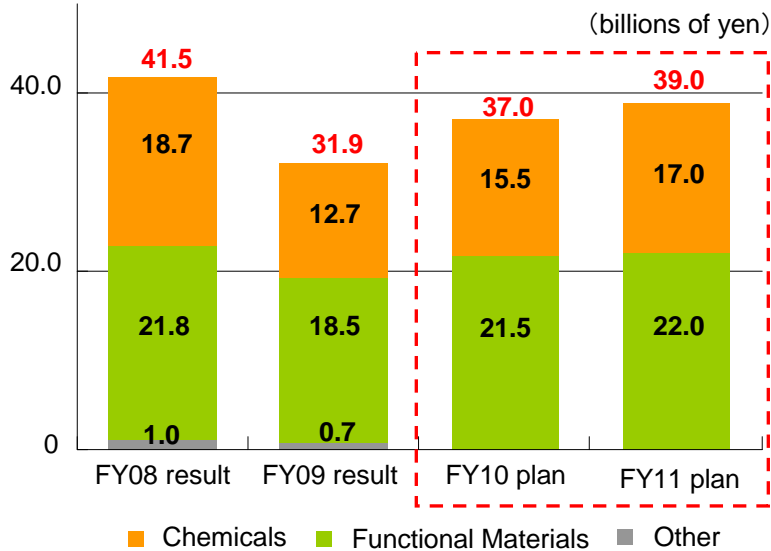
### Business Environment in Principal Markets



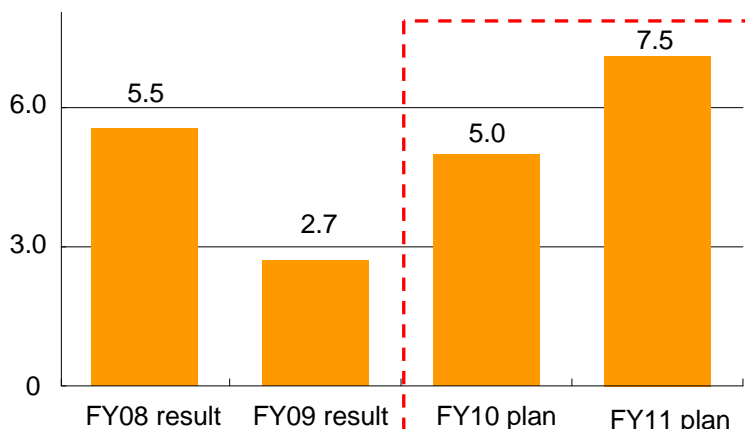
- Recovery in global crude steel production volume to 97% of that before Lehman Bros' collapse
- Production should continue to increase due to infrastructure demand in developing countries, notably China
- Consequently favorable outlook for coal and ferroalloys

# Chemicals & Functional Materials

Gross Trading Profit by Unit



Ordinary Income



## Initiatives during Shine2011

### 【Chemicals Business】

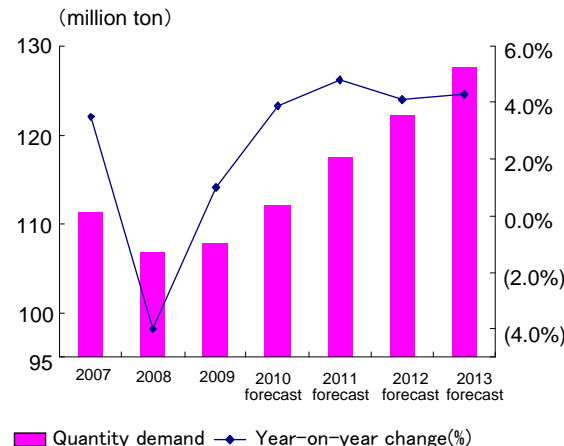
- Strengthen logistic value chain for key products
  - Strategic products: Industrial salt, Rare earth metals, Lithium, Methanol, Metton resin
  - Initiative to secure a supply sources
- Reinforce the overseas logistic business in China, Asia, and other areas

### 【Functional Materials Business】

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

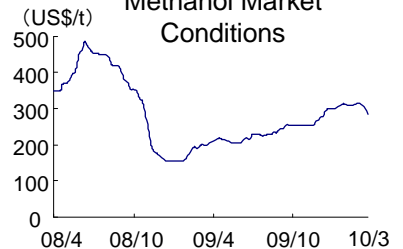
## Business Environment in Principal Markets

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

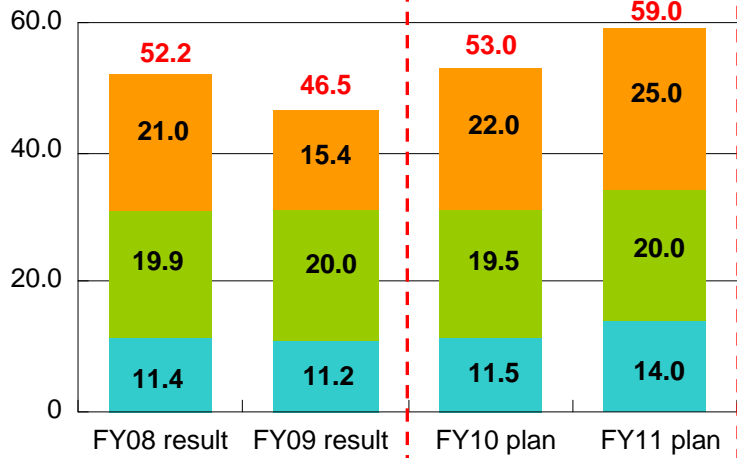
Methanol Market Conditions



# □ Consumer Lifestyle Business

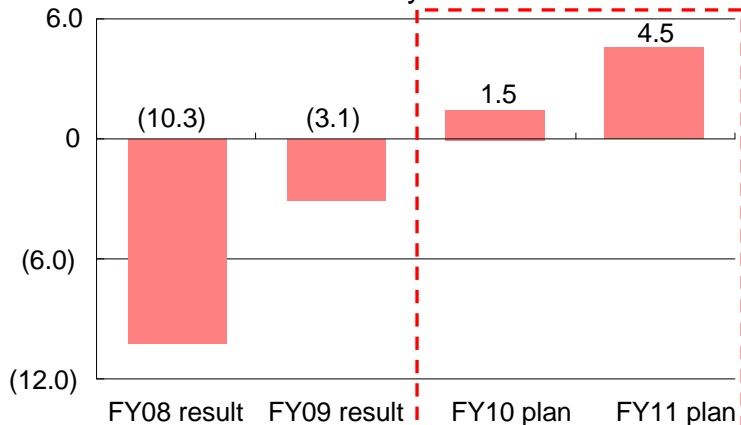
Gross Trading Profit by Unit

(billions of yen)



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

Ordinary income



## Initiatives during Shine2011

### 【Food business】

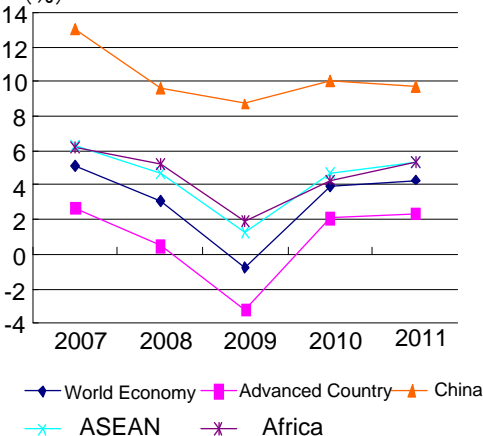
- Accelerate developing business in overseas
  - Food industrial complex development business in Vietnam
  - Initiative in securing fertilizer raw materials, geographically expand business
- Initiative in securing wheat and other food resources
- Initiative in agribusiness

### 【Retail business】

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

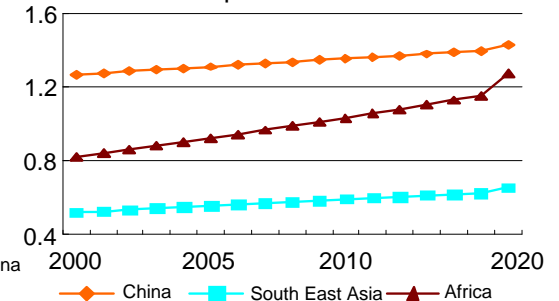
## Business Environment in Principal Markets

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)

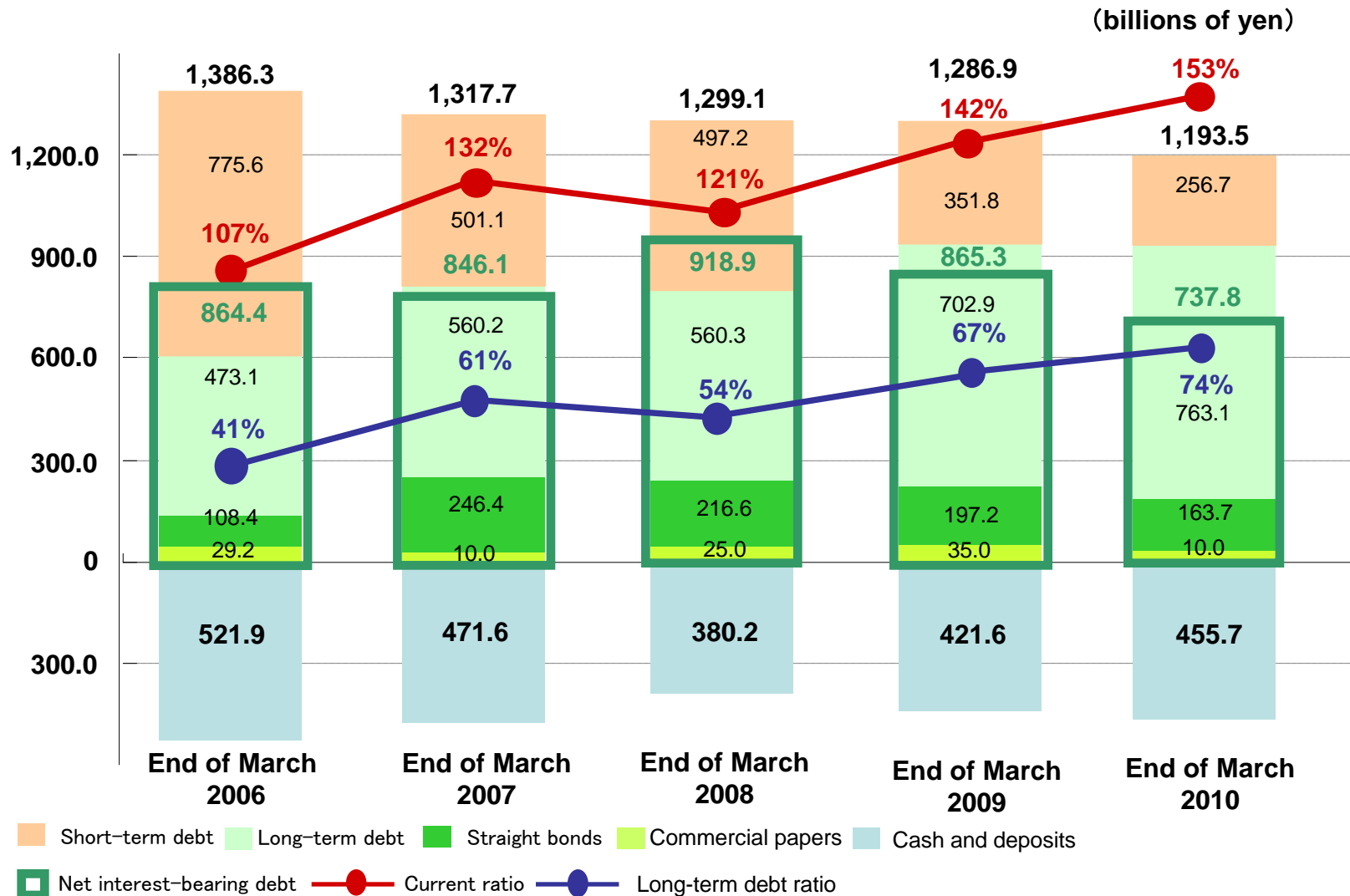
	FY2006 result	FY2007 result	FY2008 result	FY2009 result	FY2010 forecast	FY2011 forecast
<b>Net sales</b>	5,218.2	5,771.0	5,166.2	3,844.4	4,210.0	4,820.0
<b>Gross profit</b>	254.5	277.7	235.6	178.2	205.0	242.0
<b>Operating income</b>	77.9	92.4	52.0	16.1	40.0	69.0
<b>Ordinary income</b>	89.5	101.5	33.6	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

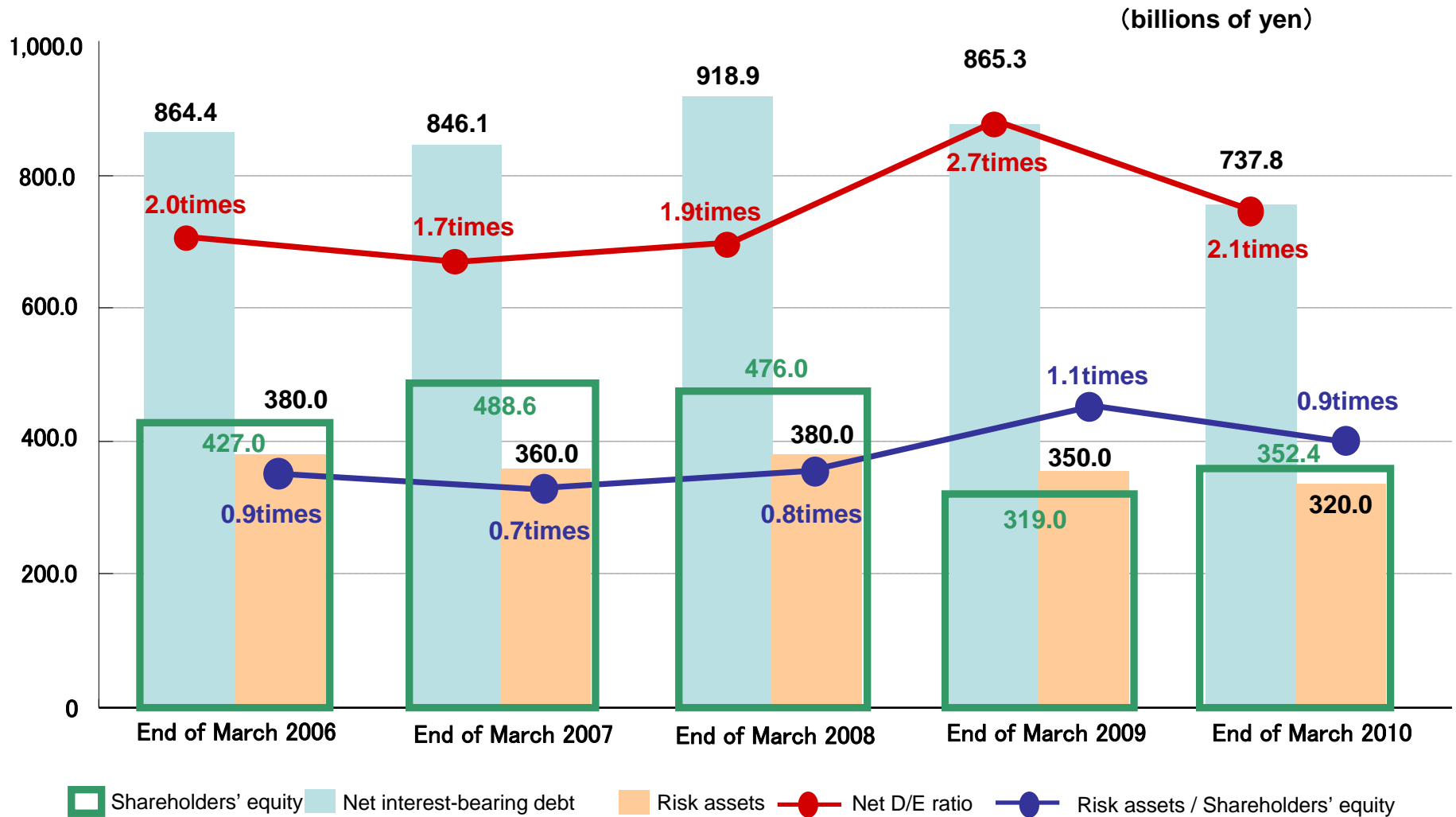
					(billions of yen)					
							End of March 2007	End of March 2008	End of March 2009	End of March 2010
Current assets	1,615.1	1,676.0	1,473.2	1,285.3	Interest-bearing debt	Short-term	512.0	597.3	428.9	306.8
						Long-term	805.7	701.8	858.0	886.7
					Other liabilities		770.2	850.0	670.6	590.0
Investment and other assets	1,004.4	993.4	839.8	875.6	Shareholders' equity *1		488.6	476.0	319.0	352.4
					Total net assets		(531.6)	(520.3)	(355.5)	(377.4)
Total assets	2,619.5	2,669.4	2,313.0	2,160.9	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)
					Net D/E ratio based on total net assets					

\*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.