

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2012

November 2, 2012
Sojitz Corporation

Results Highlights

Concerns of a global economic slowdown have escalated in the wake of deceleration in China's economy and increasingly pronounced ripple effects on emerging market economies from the euro-zone fiscal crisis. Net sales, gross profit, ordinary income, and net income all declined year on year as a result of a decline in the demand for Sojitz products, lower commodity prices and valuation loss on listed stock.

Net sales: 1,952.6 billion yen (-243.1 billion yen / -11.1%)
- Decrease in net sales from Consumer Lifestyle Business due to decrease in trading volumes of cigarettes and marine products
- Decrease in net sales from Machinery due to rebound in large plant year-over-year exports
- Decrease in Energy & Metals due to decrease in resource prices and trading volumes

Gross profit: 94.8 billion yen (-7.4 billion yen / -7.2%)
- Decrease in Energy & Metals due to decrease in commodity prices and trading volumes
- Decrease in Chemicals due to decline in demand in Europe, China and other parts of Asia

Ordinary income: 15.8 billion yen (-8.0 billion yen / -33.6%)
- Operating income decreased due to decrease in gross profit
- Decrease in equity in earnings of affiliates

Net income: 3.0 billion yen (-7.3 billion yen / -70.7%)
- Decrease due to decrease in ordinary income and valuation loss on listed stock

3. Earnings forecast for the fiscal year ending March 31, 2013
Sojitz has revised its full-year forecast as follows:

	As of May. 8	As of Nov. 2
Net sales	4,300.0 billion yen	⇒ 4,100.0 billion yen
Operating income	52.0 billion yen	⇒ 36.0 billion yen
Ordinary income	50.0 billion yen	⇒ 32.0 billion yen
Net income	20.0 billion yen	⇒ 10.0 billions yen

Initial assumptions:
- Exchange rate (annual average: JPY/US\$) = 79
- Crude oil price (US\$/BBL) = 110 (Brent)

4. Cash dividend per common stock for the fiscal year ending March 31, 2013

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

Consolidated Statements of Income

(Billions of yen)

	FY2012 1st Half			FY2011	Change	Reasons for change	FY2012 Forecast	
	Results	1st Quarter	2nd Quarter	Results			c	Percentage achieved
	a			b	a - b			a/c
Net sales	1,952.6	1,001.6	951.0	2,195.7	(243.1)	Net sales Consumer Lifestyle Business (115.4) Machinery (52.3) Energy & Metal (38.1) Chemicals (36.5)	4,100.0	48%
Gross profit	94.8	47.3	47.5	102.2	(7.4)	Gross profit Energy & Metal (6.8) Chemicals (2.2) Machinery (1.0) Consumer Lifestyle Business 0.7	194.0	49%
Gross profit margin	4.86%	4.72%	4.99%	4.65%	0.21%			
Personnel expenses	(40.2)	(20.3)	(19.9)	(40.1)	(0.1)			
Non-personnel expenses	(32.1)	(16.3)	(15.8)	(31.7)	(0.4)			
Depreciation	(3.4)	(1.5)	(1.9)	(2.9)	(0.5)			
Subtotal	(75.7)	(38.1)	(37.6)	(74.7)	(1.0)			
Provision of allowance for doubtful accounts	0.4	0.0	0.4	(2.1)	2.5			
Amortization of goodwill	(2.7)	(1.4)	(1.3)	(2.7)	0.0			
Total selling, general and administrative expenses	(78.0)	(39.5)	(38.5)	(79.5)	1.5		(158.0)	49%
Operating income	16.8	7.8	9.0	22.7	(5.9)		36.0	47%
Operating income margin	0.86%	0.78%	0.95%	1.03%	(0.17%)		0.88%	
Interest income	2.5	1.2	1.3	2.3	0.2			
Interest expenses	(10.8)	(5.4)	(5.4)	(11.7)	0.9			
Interest expenses - net	(8.3)	(4.2)	(4.1)	(9.4)	1.1			
Dividend income	1.7	1.3	0.4	1.7	0.0			
Net financial revenue	(6.6)	(2.9)	(3.7)	(7.7)	1.1			
Equity in earnings of affiliates	4.3	1.7	2.6	8.1	(3.8)	Bioethanol production company (1.2), Nickel manufacturing company (0.7)		
Other income and expenses - net	1.3	0.3	1.0	0.7	0.6			
Non operating income/losses - net	(1.0)	(0.9)	(0.1)	1.1	(2.1)		(4.0)	-
Ordinary income	15.8	6.9	8.9	23.8	(8.0)		32.0	49%
Gain on sales of noncurrent assets	1.2	0.1	1.1					
Gain on sales of investment securities	5.7	1.0	4.7			Gain on sales of investment business in overseas		
Total extraordinary income	6.9	1.1	5.8	5.5	1.4			
Impairment loss	(0.4)	(0.3)	(0.1)					
Loss on revaluation of securities	(11.7)	(3.2)	(8.5)			Loss on listed stock due to a decline in stock prices		
Provision for loss on litigation	(0.6)		(0.6)					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(0.2)	(0.2)	0.0					
Other extraordinary losses	(0.3)		(0.3)					
Total extraordinary losses	(13.2)	(3.7)	(9.5)	(5.8)	(7.4)			
(Extraordinary income/losses - net)	(6.3)	(2.6)	(3.7)	(0.3)	(6.0)		(8.0)	-
Income before income taxes and minority interests	9.5	4.3	5.2	23.5	(14.0)		24.0	40%
Income taxes: Current	(5.7)	(2.9)	(2.8)	(6.4)	0.7			
Deferred	1.6	0.9	0.7	(5.0)	6.6			
Total income taxes	(4.1)	(2.0)	(2.1)	(11.4)	7.3			
Income before minority interests	5.4	2.3	3.1	12.1	(6.7)		13.5	40%
Minority interests in income	(2.4)	(0.6)	(1.8)	(1.8)	(0.6)			
Net income (loss)	3.0	1.7	1.3	10.3	(7.3)		10.0	30%
Core earnings	14.1	6.6	7.5	25.2	(11.1)			

Consolidated Balance Sheets and Principal Management Indices

(Billions of yen, except ratio data)

	Sep. 30	Mar. 31	Change	Reasons for change
	2012	2012		
	d	e	d - e	
Current assets	1,233.7	1,298.1	(64.4)	
Cash and deposits	412.4	442.7	(30.3)	Decrease due to redemption of bonds
Notes and accounts receivable - trade	447.5	490.7	(43.2)	Decrease in chemicals and oil-related business
Short-term investment securities	0.8	1.3	(0.5)	
Inventories	285.0	270.6	14.4	Increase in cigarettes and fertilizers etc.
Short-term loans receivable	5.2	5.7	(0.5)	
Deferred tax assets	6.4	4.6	1.8	
Other	79.8	88.1	(8.3)	
Allowance for doubtful accounts	(3.4)	(5.6)	2.2	
Noncurrent assets	772.6	822.2	(49.6)	
Property, plant and equipment	228.1	233.3	(5.2)	
Goodwill	42.2	44.6	(2.4)	
Intangible assets	75.4	79.9	(4.5)	
Investment securities	285.3	313.9	(28.6)	Decrease due to decline in foreign exchange rate and stock prices, etc.
Long-term loans receivable	22.6	22.4	0.2	
Bad debts	61.7	68.2	(6.5)	
Deferred tax assets	21.9	22.4	(0.5)	
Real estate for investment	31.7	31.9	(0.2)	
Other	48.6	52.8	(4.2)	
Allowance for doubtful accounts	(44.9)	(47.2)	2.3	
Deferred assets	0.2	0.3	(0.1)	
Total assets	2,006.5	2,120.6	(114.1)	
Liabilities	910.3	947.4	(37.1)	
Notes and accounts payable - trade	439.0	461.8	(22.8)	Decrease in machinery-related and oil-related business
Short-term loans payable	306.4	282.5	23.9	Increase due to reclassification of current portion and decrease in loan repayments
Commercial paper	2.0	2.0	-	
Current portion of bonds	20.0	35.0	(15.0)	Reclassification of current portion +20.0, redemption (3.5)
Other	142.9	166.1	(23.2)	Decrease due to decrease in advances received from customers
Noncurrent liabilities	780.1	842.7	(62.6)	
Bonds payable	70.0	80.0	(10.0)	Reclassification of current portion (20.0), issuance +10.0
Long-term loans payable	643.3	691.0	(47.7)	Decrease due to reclassification of current portion
Provision for retirement benefits	14.5	14.2	0.3	
Other	52.3	57.5	(5.2)	
Total liabilities	1,690.4	1,790.1	(99.7)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	153.1	151.7	1.4	Net income +3.0, dividends (1.9)
Treasury stock	(0.2)	(0.2)	0.0	
Total shareholders' equity	465.4	464.0	1.4	
Valuation difference on available-for-sale securities	2.9	7.6	(4.7)	Decrease due to decline in stock prices, etc.
Deferred gains or losses on hedges	1.9	0.9	1.0	
Revaluation reserve for land	(2.2)	(2.1)	(0.1)	
Foreign currency translation adjustment	(177.0)	(163.6)	(13.4)	Decrease due to fluctuations in foreign exchange rate
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(0.8)	(0.9)	0.1	
Total other comprehensive income	(175.2)	(158.1)	(17.1)	
Minority interests	25.9	24.6	1.3	
Total net assets	316.1	330.5	(14.4)	
Total liabilities and net assets	2,006.5	2,120.6	(114.1)	
Gross interest-bearing debt	1,041.7	1,090.5	(48.8)	
Net interest-bearing debt	629.3	647.8	(18.5)	
Net debt/equity ratio (times)	* 2.17	* 2.12	0.05	
Equity ratio	* 14.5%	* 14.4%	0.1%	*The figure for equity used as the denominator in the debt/equity ratio and the numerator in the equity ratio excludes minority interests.
Current ratio	135.5%	137.0%	(1.5%)	
Long-term debt ratio	68.5%	70.7%	(2.2%)	

Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2012 1st Half			FY2011
	Result	1st Quarter	2nd Quarter	Results
Income before minority interests	5.4	2.3	3.1	12.1
Other comprehensive income	(17.0)	(12.4)	(4.6)	(17.4)
Comprehensive income	(11.6)	(10.1)	(1.5)	(5.3)
(Breakdown)				
Comprehensive income attributable to owners of the parent	(13.9)	(11.0)	(2.9)	(7.0)
Comprehensive income attributable to minority interests	2.3	0.9	1.4	1.7

Consolidated Statements of Cash Flows

(Billions of yen)

	FY2012	FY2011
	(1st Half Results)	(1st Half Results)
Cash Flows from Operating Activities	38.8	0.6
Cash Flows from Investing Activities	(20.1)	(27.6)
(Free Cash Flows)	18.7	(27.0)
Cash Flows from Financial Activities	(45.7)	8.1
Cash and Cash Equivalents at the End of the Year	395.3	397.1

Notes:

1. From this fiscal year, the domestic real estate business was reclassified from the Consumer Lifestyle Business division to the Other segment. In addition, the former Chemicals and Functional Materials division was changed to the Chemicals division. In the above-mentioned Consolidated Statements of Income, each segment's amount increase or decrease is based on calculations performed after changes to the business segments.

2. 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

3. Caution regarding Forward-looking Statements

This document contains forward-looking statements based on information available to the company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2012 - Supplementary Material

November 2, 2012
Sojitz Corporation

(Billions of Yen)

P/L

	FY2012 1st Half Results *1	FY2011 1st Half Results *1	Change	FY2012 Initial Full-year Forecast (May 8th, 2012)	Achieved	FY2012 Revised Full-year Forecast (Nov 2nd, 2012)
Net sales	1,952.6	2,195.7	(243.1)	4,300.0	45.4%	4,100.0
Gross profit	94.8	102.2	(7.4)	217.0	43.7%	194.0
Gross profit margin	4.86%	4.65%	0.21%	5.05%		4.73%
Machinery	32.1	33.1	(1.0)	71.0	45.2%	65.0
Energy & Metal	16.3	23.1	(6.8)	49.0	33.3%	32.0
Chemicals	17.1	19.3	(2.2)	37.0	46.2%	37.0
Consumer Lifestyle Business	25.6	24.9	0.7	54.5	47.0%	54.5
Other	3.7	1.8	1.9	5.5	67.3%	5.5
Selling, general and administrative expenses	(78.0)	(79.5)	1.5	(165.0)	47.3%	(158.0)
Operating income	16.8	22.7	(5.9)	52.0	32.3%	36.0
Operating income margin	0.86%	1.03%	(0.17%)	1.21%		0.88%
Non-operating income/expenses - net	(1.0)	1.1	(2.1)	(2.0)	-	(4.0)
Ordinary income	15.8	23.8	(8.0)	50.0	31.6%	32.0
Ordinary income margin	0.81%	1.08%	(0.27%)	1.16%		0.78%
Machinery	2.0	3.3	(1.3)	8.0	25.0%	5.0
Energy & Metal	3.1	11.0	(7.9)	27.0	11.5%	8.0
Chemicals	3.6	4.8	(1.2)	7.0	51.4%	8.0
Consumer Lifestyle Business	5.6	5.3	0.3	9.0	62.2%	11.0
Other	1.5	(0.6)	2.1	(1.0)	-	0.0
Extraordinary income/losses - net	(6.3)	(0.3)	(6.0)	(10.0)	-	(8.0)
Income before income taxes and minority interests	9.5	23.5	(14.0)	40.0	23.8%	24.0
Income before minority interests	5.4	12.1	(6.7)	23.0	23.5%	13.5
Net income	3.0	10.3	(7.3)	20.0	15.0%	10.0
Machinery	1.2	1.6	(0.4)	4.0	30.0%	3.0
Energy & Metal	(0.7)	9.9	(10.6)	20.5	-	3.0
Chemicals	2.6	3.0	(0.4)	4.0	65.0%	4.5
Consumer Lifestyle Business	2.9	3.8	(0.9)	4.5	64.4%	6.0
Other	(3.0)	(8.0)	5.0	(13.0)	-	(6.5)
Core earnings *2	14.1	25.2	(11.1)	52.5		33.5

*1 Effective the this fiscal year, the domestic real estate business was reclassified from the Consumer Lifestyle Business Division to the Other segment. In addition, former Chemicals and Functional Materials division changed to Chemicals division. The results for the first half ended September 30, 2012, and the first half ended September 30, 2011 are stated based on the business divisions after the change was made.

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

(Billions of Yen)

B/S

	Sep 30, 2012	March 31, 2012	Change	March 31, 2012 Initial Full-year Forecast (May 8, 2012)	March 31, 2012 Revised Full-year Forecast (Nov. 2, 2012)
Total assets	2,006.5	2,120.6	(114.1)	2,050.0	2,010.0
Total equity *3	290.2	305.9	(15.7)	320.0	295.0
Total net assets	316.1	330.5	(14.4)	-	-
Equity ratio (%)	14.5%	14.4%	+ 0.1%	15.6%	14.7%
Net interest-bearing debt	629.3	647.8	(18.5)	680.0	640.0
Net D/E ratio (times)	2.17	2.12	+ 0.05	2.1	2.1
Net D/E ratio based on total net assets (times)	(1.99)	(1.96)	(+ 0.03)	-	-
Risk assets	280.0	300.0	(20.0)	-	-
Ratio of risk assets to equity (times)	1.0	1.0	+ 0.0	-	-

*3 Total equity = Total net assets - Minority interests

*4 Forward-looking Statements

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Main factors behind changes

Machinery Division

• Despite an increased number of vehicles sold by some overseas automobile businesses, earnings decreased due to the increase in selling, general, and administrative expenses and a decrease in trading volumes in plant and shipping-related businesses.

Energy & Metal Division

• Gross profit decreased due to factors including declines in the prices of mineral resources, a decrease in production volume for certain interests and concessions, and cost increases.
• Equity in earnings of affiliates attributable to a bioethanol production company and a nickel refining company decreased, contributing to a decrease in ordinary income and net income.

Chemicals Division

• Earnings decreased due to a decrease in sales prices and a decrease in trading volumes mainly in Europe, China, and other parts of Asia.

Consumer Lifestyle Business Division

• Despite increases in trading volumes in the overseas fertilizer businesses and increases in sales in the overseas industrial park-related business, net income decreased due to factors including a decrease in the net income of lumber subsidiaries

Other

• Earnings improved due in part to the absence of the real-estate related valuation losses posted during the previous fiscal year.

FY2012 current position and outlook

Machinery Division

• We anticipate a downward revision of the full-year forecast due to a decline in the number of vehicles sold by some overseas automobile businesses compared with initial forecasts and flat trading volumes in the shipping-related business.

Energy & Metal Division

• We anticipate a downward revision of the full-year forecast as a result of a decline in performance overall due to declines in the prices of mineral resources, a decrease in production volume for certain interests and concessions, and the adverse impact of unseasonable weather conditions and exchange rates on the bioethanol production company.

Chemicals Division

• We envisage an upward revision of the full-year forecast due to a strong performance in the methanol business, although we will need to continue to closely monitor future changes in the operating environment and market trends.

Consumer Lifestyle Business Division

• We envisage an upward revision of the full-year forecast due to expectations of a strong performance, particularly for the overseas fertilizer businesses and overseas industrial park-related business.

Other

• Although performance is in accordance with the outlook, we expect to incur some expenses in the future.

Commodity Prices and Exchange Rates

	FY2011 Results (Annual Average)	FY2012 Initial Assumption (Annual Average)	FY2012 Revised Assumption (2nd Half)	FY2012 Results Apr.-Sep. '12 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$111.3/bbl	\$110/bbl	\$110/bbl	\$109.0/bbl
Thermal Coal (\$/t)	\$121.3/t	\$115/t	\$96.5/t	\$93.1/t
Molybdenum (\$/lb)	\$15.5/lb	\$17.5/lb	\$13.8/lb	\$12.9/lb
Nickel**2 (\$/lb)	\$10.4/lb	\$10/lb	\$8.0/lb	Jan. -Jun. Avg. \$8.3lbt
Copper**2 (\$/t)	\$8,821/t	\$7,690/t	\$7,690/t	Jan. -Jun. Avg. \$8,090/t
Exchange rate**3 (¥/\$)	¥79.5/\$	¥80.0/\$	¥79.0/\$	¥79.0/\$

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

**2 The price assumptions of Nickel and Copper are based on the annual average from Jan. to Dec.

**3 Impact of fluctuations in the exchange rate on earnings: A ¥1/US\$ change alters net sales by approx. ¥5.0 billion, ordinary income by approx. ¥0.2 billion, and shareholders' equity by approx. ¥1.2 billion.