

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

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◆ Consolidated Statements of Cash Flows  
for the First Half fiscal Year Ending March 31, 2013

(Millions of Yen)

	For the 1st Half Fiscal Year Ended March 31, 2012 (From April 1, 2011 to September 31, 2011)	For the 1st Half Fiscal Year Ending March 31, 2013 (From April 1, 2012 to September 31, 2012)
1 <u>Net cash provided by (used in) operating activities</u>		
2     Income before income taxes and minority interests	23,516	9,508
3     Depreciation and amortization	15,387	14,653
4     Impairment loss	539	364
5     Loss on valuation of investment securities	2,567	11,734
6     Amortization of goodwill	2,429	2,434
7     Increase (decrease) in allowance for doubtful accounts	(4,264)	(4,302)
8     Increase (decrease) in provision for retirement benefits	431	393
9     Interest and dividends income	(4,048)	(4,195)
10    Interest expenses	11,718	10,817
11    Foreign exchange losses (gains)	4,391	2,941
12    Equity in (earnings) losses of affiliates	(8,118)	(4,261)
13    Loss (gain) on sales of investment securities	(2,948)	(5,695)
14    Loss (gain) on sales and retirement of noncurrent assets	(2,092)	(943)
16    Decrease (increase) in notes and accounts receivable-trade	(19,701)	36,869
17    Decrease (increase) in inventories	(29,350)	(18,389)
18    Increase (decrease) in notes and accounts payable-trade	12,114	(16,089)
19    Other, net	6,228	7,424
20 <u>Subtotal</u>	<u>8,804</u>	<u>43,263</u>
21    Interest and dividends income received	11,496	12,455
22    Interest expenses paid	(11,519)	(9,806)
23    Income taxes paid	(8,136)	(7,128)
24 <b>Net cash provided by (used in) operating activities</b>	<b>645</b>	<b>38,784</b>
<u>Net cash provided by (used in) investing activities</u>		
25    Decrease (increase) in time deposits	(5,468)	(1,878)
26    Decrease (increase) in short-term investment securities	(532)	(10)
27    Purchase of property, plant and equipment	(15,733)	(15,759)
28    Proceeds from sales of property, plant and equipment	4,435	6,161
29    Purchase of intangible assets	(4,625)	(5,256)
30    Purchase of investment securities	(2,483)	(1,702)
31    Proceeds from sales and redemption of investment securities	6,340	5,014
32    Decrease (increase) in short-term loans receivable	3,376	129
33    Payments of long-term loans receivable	(8,046)	(2,959)
34    Collection of long-term loans receivable	253	558
35    Net increase from purchase of consolidated subsidiaries	(1,840)	-
36    Net decrease from sale of consolidated subsidiaries	(742)	(4,309)
37    Other, net	(2,552)	(70)
38 <b>Net cash provided by (used in) investing activities</b>	<b>(27,618)</b>	<b>(20,083)</b>
<u>Net cash provided by (used in) financing activities</u>		
39    Net increase (decrease) in short-term loans payable	13,764	(9,252)
42    Proceeds from long-term loans payable	50,920	84,827
43    Repayment of long-term loans payable	(56,004)	(93,496)
44    Proceeds from issuance of bonds	29,847	9,953
45    Redemption of bonds	(27,719)	(35,000)
46    Proceeds from stock issuance to minority shareholders	4	68
48    Cash dividends paid	(1,876)	(1,876)
49    Cash dividends paid to minority shareholders	(357)	(111)
50    Other, net	(506)	(842)
51 <b>Net cash provided by (used in) financing activities</b>	<b>8,072</b>	<b>(45,729)</b>
52    Effect of exchange rate change on cash and cash equivalents	701	(4,915)
53 <u>Net increase (decrease) in cash and cash equivalents</u>	<u>(18,198)</u>	<u>(31,944)</u>
54    Cash and cash equivalents at beginning of period	415,261	427,274
56 <u>Cash and cash equivalents at end of period</u>	<u>397,062</u>	<u>395,329</u>

◆ Consolidated Statements of Cash Flows  
for the First Half fiscal Year Ending March 31, 2013  
(Supplementary)

	<u>FY2012 1H</u>	<u>Details</u>
<u>① Net cash provided by operating activities</u> (Billions of Yen)		
1. Income before income taxes and depreciation	24.2	
2. Excluding profits/losses that do not affect cash flow	9.9	Impairment loss; interest and dividend income; interest expenses; and foreign exchange losses (gains)
3. Excluding profits/losses related to investment activities	3.3	Loss on valuation of investment securities; loss (gain) on sales of investment securities; amortization of goodwill; equity in earnings of affiliates; and loss (gain) on sales and retirement of noncurrent assets
4. Other	1.4	Revenues from decrease in notes and accounts receivable-trade etc.
<b>Total</b>	<b>38.8</b>	
<u>② Net cash provided by (used in) investing activities</u>		
1. Decrease (increase) in time deposits	(1.9)	
2. Noncurrent assets		
Purchase of property, plant and equipment	(15.8)	Oil-related equipment, ships
Purchase of intangible assets	(5.3)	Coal, iron ore, oil and gas interests
Proceeds from sales of property, plant and equipment	6.2	Real estate, aircraft
Sub-total	(14.9)	
3. Short-term investment Securities, Investment securities		
Purchase of investment securities	(1.7)	Purchase of overseas business company stock
Proceeds from sales of investment securities, etc.	5.0	Sales of overseas business company stock
Sub-total	3.3	
4. Loans receivable		
Decrease (increase) in short-term loans receivable	0.1	
Payments of long-term loans receivable	(3.0)	Loans to equity-method affiliates
Collection of long-term loans receivable	0.6	
Sub-total	(2.3)	
5. Other	(4.3)	Payments for sales of subsidiaries' stock resulting from change in scope of consolidation
<b>Total</b>	<b>(20.1)</b>	
<b>Free cash flow (① + ②)</b>	<b>18.7</b>	
<u>③ Net cash provided by (used in) financing activities</u>		
1. Increase (decrease) in short-term loans payable	(9.3)	
2. Long-term loans payable		
Proceeds from long-term loans payable	84.8	
Repayment of long-term loans payable	(93.5)	
Sub-total	(8.7)	
3. Bonds		
Proceeds from issuance of bonds	10.0	
Redemption of bonds	(35.0)	
Sub-total	(25.0)	
4. Cash dividends paid	(1.9)	
5. Other	(0.8)	
<b>Total</b>	<b>(45.7)</b>	

## ◆ Segment Information

For the first half fiscal year ended March 31, 2012 (April 1, 2011 – September 30, 2011)

(Millions of Yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals	Consumer Lifestyle Business	Subtotal				
Net sales and segment income ( loss)									
Net sales									
(1) Customers	481,515	507,589	319,845	859,675	2,168,627	27,076	2,195,704	-	2,195,704
(2) Inter-segment	1,508	761	2,106	1,424	5,800	1,639	7,439	(7,439)	-
Total	483,023	508,351	321,951	861,100	2,174,427	28,716	2,203,143	(7,439)	2,195,704
Segment income ( loss )	1,535	9,934	2,964	3,818	18,252	(2,011)	16,241	(5,959)	10,281

Notes: 1. "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate business (investment, buying and selling, leasing, management) and part of commercial facilities operation.

2. The (5,959) million yen adjustment for segment income includes (5,278) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment. It also includes (718) million yen of loss on revaluation of securities associated with unallocated shared corporate assets.

3. Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

For the first half fiscal year ending March 31, 2013 (April 1, 2012 – September 30, 2012)

(Millions of Yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals	Consumer Lifestyle Business	Subtotal				
Net sales and segment income ( loss)									
Net sales									
(1) Customers	429,144	469,530	283,333	744,264	1,926,273	26,296	1,952,570	-	1,952,570
(2) Inter-segment	686	525	1,987	1,815	5,016	2,574	7,590	(7,590)	-
Total	429,831	470,056	285,320	746,080	1,931,290	28,871	1,960,161	(7,590)	1,952,570
Segment income ( loss )	1,227	(678)	2,564	2,911	6,025	1,490	7,516	(4,500)	3,015

Notes: 1. "Other" includes functional services, regional companies in Japan, logistics and insurance services, aircraft leasing, real estate business (investment, buying and selling, leasing, management) and part of commercial facilities operation.

2. The (4,500) million yen adjustment for segment income includes (698) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment. It also includes (4,376) million yen of loss on revaluation of securities and 574 million yen in gain on sales of investment securities associated

3. Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

(Changes in the Reportable segment information)

Effective the first quarter ended June 30, 2012, the domestic real estate business was reclassified from the Consumer Lifestyle Business Division to the Other segment to improve earning base and strengthen its function.

In addition, former Chemicals and Functional Materials division changed to Chemicals division. The results for the first half fiscal year ended March 31, 2012 are stated based on the business divisions after the change was made.

## Details of Industry Segments

### 【Net sales】

	(Billions of Yen)		<u>Change</u>	<u>Reasons for change</u>
	<u>FY2011 1st Half</u>	<u>FY2012 1st Half</u>		
Machinery	481.5	429.2	(52.3)	Despite an increased number of vehicles sold by overseas automobile businesses, net sales decreased due to a decrease in trading volumes in plant and shipping-related businesses and other factors
Energy & Metal	507.6	469.5	(38.1)	Decrease due to factors including declines in the prices and trading volumes of mineral resources
Chemicals	319.8	283.3	(36.5)	Decrease 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	859.7	744.3	(115.4)	Despite increases in trading volumes in the overseas fertilizer businesses and in sales in the overseas industrial park-related business, net sales decreased due to a decrease in trading volumes of cigarettes and marine products
Other	27.1	26.3	(0.8)	
Consolidated	2,195.7	1,952.6	(243.1)	

### 【Net income】

	(Billions of Yen)		<u>Change</u>	<u>Reasons for change</u>
	<u>FY2011 1st Half</u>	<u>FY2012 1st Half</u>		
Machinery	1.6	1.2	(0.4)	Despite an increased number of vehicles sold by certain overseas automobile businesses, net income 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	9.9	(0.7)	(10.6)	Decrease due to decline in equity in earnings of affiliates and a decline in gross profit due to factors including declines in the prices of mineral resources, a decrease in production volume for certain interests and concessions, and cost increases
Chemicals	3.0	2.6	(0.4)	Decrease 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	3.8	2.9	(0.9)	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, Reconciliations	(8.0)	(3.0)	5.0	Net income improved due in part to the absence of the real-estate related valuation losses posted during the previous fiscal year
Consolidated	10.3	3.0	(7.3)	

## ◆ Increase/Decrease in the Number of Consolidated Subsidiaries and Affiliates

### Changes in the number of consolidated subsidiaries and affiliates (April 1, 2012 - September 30, 2012)

(Number of Companies)

	As of March 31, 2012	As of September 30, 2012	Changes
Subsidiaries	323	320	(3)
Affiliates	139	137	(2)
<b>Total</b>	<b>462</b>	<b>457</b>	<b>(5)</b>

### Changes in major subsidiaries (April 1, 2012 - September 30, 2012)

#### ○ Major new subsidiaries

##### Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Consumer Lifestyle Business	PT. Sojitz Sabindo Aquaculture	Hatching, culture, processing, and export of shrimps (Indonesia)
Other	Sojitz Logistics Vietnam Co., Ltd.	Integrated logistic service (Vietnam)

##### Equity-method affiliates

(Segment)	(Company name)	(Main business)
Chemicals	CPC Sojitz Minería S. De R.L. De C.V.	Company that holds barite mining interests and is engaged in the manufacture and sale of barite products (Mexico)

#### ○ Major companies excluded from consolidation

##### Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Machinery	Sojitz Solar Betzweiler GmbH	Solar power generation business (Germany)

##### Equity-method affiliates

(Segment)	(Company name)	(Main business)
Chemicals	Nemoto Portugal Quimica Fina Lda.	Manufacture and sale of special paint (Portugal)

Impact on the Profit due to Increase and Decrease of Consolidated Subsidiaries(compared with the same period last year)

(※Excluding impact due to amortization of goodwill )

Increase

(Billions of Yen)

	Net Sales	Gross Profit	Ordinary Income	Net Income
Consolidated subsidiaries	0.0	0.0	0.1	0.1

Decrease

(Billions of Yen)

	Net Sales	Gross Profit	Ordinary Income	Net Income
Consolidated subsidiaries	(5.4)	(0.9)	0.0	0.7

## ◆ Performance at Consolidated Subsidiaries and Affiliates

### (1) Number of Consolidated Subsidiaries and Affiliates

(Number of Companies)

		As of September 30, 2011			As of September 30, 2012			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	46	48	94	60	29	89	14	(19)	(5)
	Overseas	148	82	230	140	91	231	(8)	9	1
	Total	194	130	324	200	120	320	6	(10)	(4)
	% of total	59.9%	40.1%	100.0%	62.5%	37.5%	100.0%			
Affiliates	Domestic	32	6	38	30	8	38	(2)	2	0
	Overseas	84	26	110	74	25	99	(10)	(1)	(11)
	Total	116	32	148	104	33	137	(12)	1	(11)
	% of total	78.4%	21.6%	100.0%	75.9%	24.1%	100.0%			
Total	Domestic	78	54	132	90	37	127	12	(17)	(5)
	Overseas	232	108	340	214	116	330	(18)	8	(10)
	Total	310	162	472	304	153	457	(6)	(9)	(15)
	% of total	65.7%	34.3%	100.0%	66.5%	33.5%	100.0%			

### (2) Earnings of Consolidated Subsidiaries and Affiliates

(Billions of Yen)

		For the 1st Half Fiscal Year Ended March 31, 2012 (From Apr. 1, 2011 to Sep. 30, 2011)			For the 1st Half Fiscal Year Ending March 31, 2013 (From Apr. 1, 2012 to Sep. 30, 2012)			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	6.1	(3.7)	2.4	4.7	(1.0)	3.7	(1.4)	2.7	1.3
	Overseas	21.9	(4.4)	17.5	13.1	(3.9)	9.2	(8.8)	0.5	(8.3)
	Total	28.0	(8.1)	19.9	17.8	(4.9)	12.9	(10.2)	3.2	(7.0)
Affiliates	Domestic	5.9	(0.1)	5.8	5.3	(0.2)	5.1	(0.6)	(0.1)	(0.7)
	Overseas	3.9	(2.4)	1.5	3.5	(4.0)	(0.5)	(0.4)	(1.6)	(2.0)
	Total	9.8	(2.5)	7.3	8.8	(4.2)	4.6	(1.0)	(1.7)	(2.7)
Total	Domestic	12.0	(3.8)	8.2	10.0	(1.2)	8.8	(2.0)	2.6	0.6
	Overseas	25.8	(6.8)	19.0	16.6	(7.9)	8.7	(9.2)	(1.1)	(10.3)
	Total	37.8	(10.6)	27.2	26.6	(9.1)	17.5	(11.2)	1.5	(9.7)



## Performance at Principal Subsidiaries and Affiliates

### ○ Profit

(Billions of Yen)

Company	Ownership	Equity in earnings			Main business
		1st half FY2011	1st half FY2012	Changes	
<b>(Consolidated subsidiaries)</b>					
MMC Automotriz, S.A.	92.31%	2.0	1.3	(0.7)	Assembly and sales of Mitsubishi and Hyundai automobiles (Venezuela)
Sojitz Coal Resources Pty Ltd.	100.00%	4.0	1.1	(2.9)	Investment in coal mines (Australia)
Sojitz Energy Venture Inc	100.00%	1.7	1.1	(0.6)	Oil and gas development (America)
P.T. Kaltim Methanol Industri	85.00%	0.5	0.9	0.4	Manufacture and sale of methanol (Indonesia)
Solar Global Maritime Corp.	100.00%	0.0	0.7	0.7	Ship-owning and operating company (Liberia)
<b>(Equity-method affiliates )</b>					
Metal One Corporation	40.00%	2.9	2.9	0.0	Export and import as well as domestic and offshore trade of steel-related products
Nisshin France S.A.	20.00%	0.1	0.9	0.8	Investment in ferronickel manufacturers
Mitsubishi Motors Philippines Corporation	49.00%	0.5	0.6	0.1	Import, assembly and sale of Mitsubishi automobiles (Philippines)
LNG Japan Corporation	50.00%	1.0	0.5	(0.5)	LNG business and related investments
Coral Bay Nickel Corporation	18.00%	1.0	0.3	(0.7)	Manufacture and sale of nickel cobalt mixed sulfide (Philippines)

### ○ Loss

(Billions of Yen)

Company	Ownership	Equity in earnings			Main business
		1st half FY2011	1st half FY2012	Changes	
<b>(Consolidated subsidiaries)</b>					
Sojitz Moly Resources, Inc.	100.00%	0.0	(0.7)	(0.7)	Investment in molybdenum mine (Canada)
Sojitz Resources(Australia) Pty Ltd	100.00%	0.0	(0.5)	(0.5)	Investment in alumina refinery (Australia)
Sojitz Energy Project Limited	100.00%	(0.9)	(0.2)	0.7	Oil and gas development (Britain)
<b>(Equity-method affiliates )</b>					
ETH Investimentos S.A.	18.91%	(2.1)	(3.3)	(1.2)	Production of bioethanol and sugar (Brasil)

## ◆ Major consolidated subsidiaries and affiliates

( )% is the share as of September 30, 2012

### Consolidated subsidiaries

(Millions of Yen)

#### Domestic

Sojitz Machinery Corporation	(100.00%)		
	11/9	12/3	12/9
Net sales	25,436	62,812	31,087
Gross profit	1,825	4,612	2,288
Net income	204	806	470
Equity in earnings	204	806	470

Sojitz Marine & Engineering Corporation (Consolidated)	(100.00%)		
	11/9	12/3	12/9
Net sales	39,140	85,439	35,262
Gross profit	2,069	4,231	1,632
Net income	407	1,119	(164)
Equity in earnings	407	1,119	(164)

Nissho Electronics Corporation (Consolidated)	(100.00%)		
	11/9	12/3	12/9
Net sales	18,484	39,817	16,942
Gross profit	4,758	10,521	4,442
Net income	(12)	(1,213)	(119)
Equity in earnings	(10)	(1,213)	(119)

SAKURA Internet Inc	(40.29%)		
	11/9	12/3	12/9
Net sales	4,542	9,164	4,671
Gross profit	1,396	2,513	1,295
Net income	365	556	261
Equity in earnings	147	224	105

Sojitz Aerospace Corporation	(100.00%)		
	11/9	12/3	12/9
Net sales	53,364	112,349	55,354
Gross profit	1,213	2,885	1,443
Net income	109	381	158
Equity in earnings	109	381	158

Sojitz Energy Corporation (Consolidated)	(97.08%)		
	11/9	12/3	12/9
Net sales	90,019	198,678	101,529
Gross profit	2,439	5,111	2,411
Net income	31	53	44
Equity in earnings	31	52	43

Pla Matels Corporation (Consolidated)	(46.55%)		
	11/9	12/3	12/9
Net sales	28,463	57,790	28,283
Gross profit	1,606	3,179	1,583
Net income	228	531	225
Equity in earnings	106	247	105

Consolidated to Sojitz Pla-Net Holdings, Inc.

Sojitz Pla-Net Holdings, Inc. (Consolidated)	(100.00%)		
	11/9	12/3	12/9
Net sales	115,152	228,514	104,353
Gross profit	5,472	11,004	5,010
Net income	(110)	(21)	(146)
Equity in earnings	(110)	(21)	(146)

Sojitz Building Materials Corporation (Consolidated)	(100.00%)		
	11/9	12/3	12/9
Net sales	79,670	160,627	79,009
Gross profit	3,631	6,703	2,825
Net income	1,577	1,670	416
Equity in earnings	1,577	1,670	416

Sojitz Foods Corporation (Consolidated)	(100.00%)		
	11/9	12/3	12/9
Net sales	77,462	150,764	73,238
Gross profit	3,161	6,147	2,881
Net income	551	(484)	479
Equity in earnings	551	(484)	479

Sojitz General Merchandise Corporation	(100.00%)		
	11/9	12/3	12/9
Net sales	3,526	8,441	3,536
Gross profit	565	1,277	557
Net income	72	217	45
Equity in earnings	72	217	45

Sojitz Infinity Inc. (Consolidated)	(100.00%)		
	11/9	12/3	12/9
Net sales	3,206	7,578	3,459
Gross profit	1,725	3,957	1,821
Net income	(158)	303	(172)
Equity in earnings	(158)	303	(172)

### Consolidated subsidiaries

(Millions of Yen)

#### Overseas

MMC Automotriz, S.A.	(92.31%)		
	11/9	12/3	12/9
Net sales	17,093	50,407	20,936
Gross profit	4,858	11,598	4,890
Net income	2,120	4,058	1,394
Equity in earnings	1,957	3,746	1,287

Sojitz Coal Resources Pty Ltd. (Consolidated)	(100.00%)		
	11/9	12/3	12/9
Net sales	20,318	58,677	19,696
Gross profit	5,834	17,184	3,706
Net income	4,014	12,876	1,060
Equity in earnings	4,014	12,876	1,060

## Consolidated subsidiaries

	Sojitz Energy Venture . (Consolidated) (100.00%)		
	11/9	12/3	12/9
Net sales	7,398	17,955	4,967
Gross profit	2,925	10,082	1,997
Net income	1,736	6,303	1,115
Equity in earnings	1,736	6,303	1,115

	Sojitz Moly Resources, Inc. (100.00%)		
	11/9	12/3	12/9
Net sales	1,598	3,393	1,040
Gross profit	194	(136)	(808)
Net income	2	(346)	(717)
Equity in earnings	2	(346)	(717)

	P.T. Kaltim Methanol Industri (85.00%)		
	11/9	12/3	12/9
Net sales	7,439	18,658	10,083
Gross profit	1,015	2,398	1,739
Net income	603	835	1,050
Equity in earnings	513	710	893

	Sojitz Corporation of America (Consolidated) (100.00%)		
	11/9	12/3	12/9
Net sales	23,026	58,490	15,556
Gross profit	4,206	10,607	3,509
Net income	951	1,822	355
Equity in earnings	951	1,822	355

	Sojitz Europe Plc (Consolidated) (100.00%)		
	11/9	12/3	12/9
Net sales	34,022	77,061	28,681
Gross profit	1,945	4,566	1,601
Net income	405	537	116
Equity in earnings	405	537	116

	Sojitz Asia Pte. Ltd. (Consolidated) (100.00%)		
	11/9	12/3	12/9
Net sales	82,651	193,953	76,052
Gross profit	2,177	4,950	2,081
Net income	459	913	436
Equity in earnings	459	913	436

	Sojitz (Hong Kong) Ltd. (Consolidated) (100.00%)		
	11/9	12/3	12/9
Net sales	31,414	83,407	33,200
Gross profit	342	818	293
Net income	166	492	162
Equity in earnings	166	492	162

## Equity-method affiliates

### Domestic

	LNG Japan Corporation (Consolidated) (50.00%)		
	11/9	12/3	12/9
Net sales	248,169	533,416	214,299
Gross profit	3,028	10,691	8,518
Net income	2,092	3,635	927
Equity in earnings	1,046	1,817	463

	Metal One Corporation (Consolidated) (40.00%)		
	11/9	12/3	12/9
Net sales	1,223,427	2,473,001	1,175,398
Gross profit	54,511	109,486	54,659
Net income	7,163	14,668	7,570
Equity in earnings	2,865	5,867	3,028

	JALUX Inc. (Conoslidated) (22.00%)		
	11/9	12/3	12/9
Net sales	41,918	89,082	41,428
Gross profit	9,039	18,819	9,435
Net income	193	693	392
Equity in earnings	42	153	87

### Overseas

	Coral Bay Nickel Corporation (18.00%)		
	11/9	12/3	12/9
Net sales	14,324	30,363	12,105
Gross profit	5,731	10,102	1,887
Net income	5,549	9,326	1,575
Equity in earnings	998	1,678	283

	Cariboo Copper. (Conoslidated) (50.00%)		
	11/9	12/3	12/9
Net sales	3,014	6,910	3,385
Gross profit	1,091	2,321	753
Net income	592	1,260	398
Equity in earnings	296	630	199

	Japan Alumina Associates (Australia) Pty. Ltd. (50.00%)		
	11/9	12/3	12/9
Net sales	5,091	9,911	3,776
Gross profit	438	560	(624)
Net income	181	23	(604)
Equity in earnings	90	11	(302)

### (Note)

1. In general, figures in the above tables are based on the financial statements prepared by each company. "Equity in earnings" is calculated by multiplying the respective company's net income by our percentage of ownership in that company as of the end of the respective fiscal period. Changes in ownership during the fiscal period are not taken into account.

2. For the fiscal year ended March 31, 2012 Sojitz Group adopted a uniform fiscal year-end for its major overseas consolidated subsidiaries that hitherto had a fiscal year-end different from that of the Sojitz parent company. Consequently, Sojitz has implemented a 15-month accounting period (from Jan. 1, 2011 to Mar. 31, 2012) for the above 9 major overseas consolidated subsidiaries' fiscal 2011 results.

## ◆ Country Risk Exposure (Consolidated)

### Exposure (As of September 30, 2012)

(Note)

We calculate exposure for the consolidated Sojitz Group by tallying assets that are exposed to country risk.

We disclose exposure for the entire Sojitz Group and for the following assets: investments, loans, guarantees, and operating receivables and inventories (grouped as “operating receivables”); cash and deposits and financial assets (grouped as “cash and deposits, etc.”); Bad debts, noncurrent assets, etc. (grouped as “other assets”).

Exposure is tallied on the following bases:

- Country risk: Exposure is calculated based on the country in which credit counterparties, etc., are present.
- Substantial country risk: Exposure is adjusted based on the substantial country of risk, regardless of counterparties’ country of domicile.

(Billions of Yen )

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	1.4	0.0	0.0	29.1	9.4	6.2	46.1	50.6
Malaysia	0.7	0.0	0.0	3.6	0.5	1.1	5.9	4.5
Indonesia	4.1	0.1	0.0	9.6	3.3	16.3	33.4	40.9
Philippines	13.6	0.5	0.0	9.4	1.0	1.3	25.8	21.0
China (include Hong Kong)	10.3	0.4	0.4	32.9	6.0	4.3	54.3	52.6
(China)	9.0	0.4	0.4	23.9	4.1	1.0	38.8	42.7
(Hong Kong)	1.3	0.0	0.0	9.0	1.9	3.3	15.5	9.9
Brazil	4.5	0.4	0.1	9.3	2.6	7.9	24.8	38.7
Venezuela	0.0	0.0	0.0	9.4	9.6	11.6	30.6	30.6
Argentina	0.5	0.0	0.0	3.1	0.1	1.8	5.5	3.2
Russia	1.0	0.0	0.0	24.4	4.8	0.4	30.6	29.0
<b>Total</b>	<b>36.1</b>	<b>1.4</b>	<b>0.5</b>	<b>130.8</b>	<b>37.3</b>	<b>50.9</b>	<b>257.0</b>	<b>271.1</b>

(Reference)

### Exposure (As of March 31, 2012)

(Billions of Yen )

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	1.4	0.0	0.0	24.3	10.2	6.0	41.9	46.6
Malaysia	0.7	0.0	0.0	4.1	0.3	1.2	6.3	4.9
Indonesia	3.2	0.1	0.0	9.0	4.6	17.0	33.9	42.3
Philippines	12.9	0.5	0.0	11.5	0.8	1.4	27.1	21.1
China (include Hong Kong)	11.0	0.9	0.6	38.6	7.0	5.0	63.1	61.4
(China)	9.7	0.4	0.5	28.7	5.1	1.5	45.9	51.1
(Hong Kong)	1.3	0.5	0.1	9.9	1.9	3.5	17.2	10.3
Brazil	9.6	0.5	0.2	8.8	2.9	8.3	30.3	49.3
Venezuela	0.0	0.0	0.0	12.3	7.1	11.4	30.8	30.9
Argentina	0.5	0.0	0.0	3.7	0.0	1.9	6.1	3.2
Russia	0.3	0.0	0.0	19.8	4.7	0.4	25.2	26.5
<b>Total</b>	<b>39.6</b>	<b>2.0</b>	<b>0.8</b>	<b>132.1</b>	<b>37.6</b>	<b>52.6</b>	<b>264.7</b>	<b>286.2</b>

## ◆ Real Estate (Consolidated)

### Book value and unrealized profits of real estate for sale

(Billions of Yen)

	As of March 31, 2012		As of September 30, 2012		Change	
	Book Value	(unrealized profits)	Book Value	(unrealized profits)	Book Value	(unrealized profits)
Company	20.5	2.1	17.3	1.4	(3.2)	(0.7)
Consolidated subsidiaries	27.2	0.2	30.6	0.6	3.4	0.4
Consolidated Total	47.7	2.3	47.9	2.0	0.2	(0.3)

### Book value of real estate (land, building and structure) in property

(Billions of Yen)

	As of March 31, 2012	As of September 30, 2012	Change
Company	18.9	17.9	(1.0)
Consolidated subsidiaries	93.2	93.2	0.0
Consolidated Total	112.1	111.1	(1.0)

### Book value of real estate for investment

(Billions of Yen)

	As of March 31, 2012	As of September 30, 2012	Change
Company	27.1	27.0	(0.1)
Consolidated subsidiaries	4.8	4.7	(0.1)
Consolidated Total	31.9	31.7	(0.2)

## ◆ Number of Employee by Business Segment

(Number of Employee)

	As of March 31, 2012			As of September 30, 2012			Change		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Machinery	282	5,456	5,738	304	5,365	5,669	22	(91)	(69)
Energy & Metal	245	1,202	1,447	261	1,206	1,467	16	4	20
Chemicals	219	1,658	1,877	241	1,653	1,894	22	(5)	17
Consumer Lifestyle Business	271	5,316	5,587	280	4,762	5,042	9	(554)	(545)
Other	733	1,657	2,390	702	1,693	2,395	(31)	36	5
Total	1,750	15,289	17,039	1,788	14,679	16,467	38	(610)	(572)

Note

1. Employee headcounts above indicate personnel employed by Sojitz and its subsidiaries including employees seconded by Sojitz Corporation.

2. Effective the first quarter ended June 30, 2012, the domestic real estate business was reclassified from the Consumer Lifestyle Business Division to the Other segment to improve earning base and strengthen its function.

The number of employee as of March 31, 2012 is stated based on the business divisions after the change was made.

(Reference)

Employee headcount for Sojitz Corporation (including employees seconded by Sojitz Corporation to subsidiaries) was as follows: end-March 2012: 2,256; end-September 2012: 2,292

◆ News Releases for the First Half Fiscal Year Ending September 30, 2012  
(April ~ September)

Segment	Date	Title
<b>Machinery</b>		
	May 23, 2012	Toshiba and Sojitz Win Order for Coal Thermal Power Plant Project
	May 25, 2012	Sojitz and Meidensha received Two Orders for Power Supply Equipment for the New Lines of MTR Corporation
	July 6, 2012	Sojitz Acquires Preferential Negotiating Rights for Coal-Fired IPP Project in Mongolia Project to Supply Half of Ulan Bator's Electric Power
	August 22, 2012	Sojitz Receives Order from Vietnam Electricity for Coal Thermal Power Plant Construction Project - Project Expected to Contribute to Stable Electric Power Supply in Vietnam
	September 19, 2012	Boeing and Sojitz to Pursue Cybersecurity Business in Japan - Agreement targets government, civil and commercial markets -
<b>Energy &amp; Metal</b>		
	June 18, 2012	Sojitz Invests in Mongolian Resource Company in China Establishing the original Mongolian Coal Supply Chain
<b>Chemicals</b>		
	July 5, 2012	Sojitz Acquires Asian Sales Rights for Plant-Based Resin from Braskem of Brazil CO2 Emission is 70% Lower than Oil-Based Resins Sojitz Accelerates Green Chemical Business Initiatives
	July 6, 2012	Sojitz Cosmetics Launches Naturecia + Products under Naturecia Brand of Cosmetics
	July 13, 2012	Sojitz Invests in One of World's Largest Barite Mines in Mexico - Demand Rising for Use in Oil and Gas Drilling Fluid -
	September 12, 2012	Sojitz Cosmetics Launches New naturecia + Series - Natural Aging Care Series Supports the Skin Water Moisture Cycle and Tone
<b>Consumer Lifestyle Business</b>		
	April 3, 2012	Sojitz and KOKUBU Make Joint Investment in Leading Vietnamese Food Wholesale Company Sojitz Making Major Inroads into Asian Food Wholesaling Business
	April 6, 2012	Sojitz Support Expansion in Asia by Local Middle-Tier and Small Businesses Information Provided to Regional Banks
	May 21, 2012	Sojitz to Spin Off Domestic Condominium Business
	June 11, 2012	Sojitz GMC Signs Agreement to Sell EASTPAK Casual Bags The Bags, Loved Around the World, Convey Sense of Authenticity
	June 20, 2012	Sojitz Enters Shrimp Farming and Processing Business in Indonesia High-Quality Shrimp to be Supplied in Response to Growing Global Demand
<b>Other</b>		
	May 8, 2012	Announcement of Financial Results (Year Ended March 31, 2012)
	June 27, 2012	Notice of Relocation of Head Office
	July 4, 2012	Sojitz Logistics Establishes Logistics Company in Vietnam - Responding to Growing Logistics Demand in the Mekong Region -

◆ Forecast for the Year Ending March 31, 2013

Full-Year Forecast

(Billions of Yen)

	Fiscal Year Ended March 31, 2012  Results	Fiscal Year Ending March 31, 2013			
		1st Half Results A	Initial Full - Year Forecast	Revised Full - Year Forecast B	Achieved A/B
Net sale	4,494.2	1,952.6	4,300.0	4,100.0	48%
Gross Profit	231.6	94.8	217.0	194.0	49%
Selling, general and administrative expenses	(167.1)	(78.0)	(165.0)	(158.0)	49%
Operating income	64.5	16.8	52.0	36.0	47%
Interest expenses - net	(18.2)	(8.3)	(19.5)	(17.0)	-
Dividends income	5.0	1.7	4.0	3.5	
Equity in earnings of affiliates	12.6	4.3	16.0	11.0	-
Other income and expenses - net	(1.7)	1.3	(2.5)	(1.5)	-
Non operating income / losses - net	(2.3)	(1.0)	(2.0)	(4.0)	-
Ordinary income	62.2	15.8	50.0	32.0	49%
Extraordinary income / losses - net	(0.7)	(6.3)	(10.0)	(8.0)	-
Income before income taxes and minority interests	61.5	9.5	40.0	24.0	40%
Income before minority interests	(0.9)	5.4	23.0	13.5	40%
Net income	(3.6)	3.0	20.0	10.0	30%

Gross profit Forecast by Industry Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2012  Results	Fiscal Year Ending March 31, 2013			
		1st Half Results A	Initial Full - Year Forecast	Revised Full - Year Forecast B	Achieved A/B
Machinery	75.9	32.1	71.0	65.0	49%
Energy & Metal	57.8	16.3	49.0	32.0	51%
Chemicals	41.7	17.1	37.0	37.0	46%
Consumer Lifestyle Business	50.6	25.6	54.5	54.5	47%
Other	5.6	3.7	5.5	5.5	67%
Total	231.6	94.8	217.0	194.0	49%

Ordinary income Forecast by Industry Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2012  Results	Fiscal Year Ending March 31, 2013			
		1st Half Results A	Initial Full - Year Forecast	Revised Full - Year Forecast B	Achieved A/B
Machinery	12.4	2.0	8.0	5.0	40%
Energy & Metal	32.6	3.1	27.0	8.0	39%
Chemicals	9.8	3.6	7.0	8.0	45%
Consumer Lifestyle Business	9.1	5.6	9.0	11.0	51%
Other	(1.7)	1.5	(1.0)	0.0	-
Total	62.2	15.8	50.0	32.0	49%

Net income Forecast by Industry Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2012  Results	Fiscal Year Ending March 31, 2013			
		1st Half Results A	Initial Full - Year Forecast	Revised Full - Year Forecast B	Achieved A/B
Machinery	8.1	1.2	4.0	3.0	40%
Energy & Metal	27.3	(0.7)	20.5	3.0	-
Chemicals	5.7	2.6	4.0	4.5	58%
Consumer Lifestyle Business	4.0	2.9	4.5	6.0	48%
Other	(48.7)	(3.0)	(13.0)	(6.5)	-
Total	(3.6)	3.0	20.0	10.0	30%



Change of Consolidated Balance Sheets

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 1st Half
<b>Current assets</b>										
Cash and deposits	435,671	426,082	521,937	471,570	380,195	421,629	455,728	415,694	442,706	412,402
Notes and accounts receivable-trade	708,982	618,086	613,513	672,658	691,492	522,397	462,233	478,880	490,708	447,517
Short-term investment securities	17,705	7,150	6,471	7,251	9,180	2,123	6,131	5,437	1,297	768
Inventories	239,499	194,694	214,163	315,885	422,158	382,899	248,629	243,210	270,645	285,008
Short-term loans receivable	188,002	41,000	44,237	23,182	11,609	9,375	7,943	8,518	5,667	5,173
Deferred tax assets	13,346	7,482	8,886	8,591	19,179	15,821	13,484	15,402	4,577	6,389
Other	171,637	139,590	116,416	130,636	156,000	129,237	100,216	106,832	88,132	79,759
Allowance for doubtful accounts	(39,926)	(10,957)	(15,172)	(14,695)	(13,869)	(10,312)	(9,089)	(7,347)	(5,583)	(3,390)
<b>Total current assets</b>	<b>1,734,918</b>	<b>1,423,129</b>	<b>1,510,454</b>	<b>1,615,081</b>	<b>1,675,946</b>	<b>1,473,172</b>	<b>1,285,277</b>	<b>1,266,629</b>	<b>1,298,151</b>	<b>1,233,630</b>
<b>Property, plant and equipment</b>	<b>493,163</b>	<b>246,652</b>	<b>246,665</b>	<b>229,966</b>	<b>232,018</b>	<b>209,720</b>	<b>222,665</b>	<b>215,774</b>	<b>233,260</b>	<b>228,127</b>
<b>Intangible assets</b>	<b>66,228</b>	<b>103,850</b>	<b>100,131</b>	<b>99,127</b>	<b>133,343</b>	<b>114,855</b>	<b>114,445</b>	<b>132,595</b>	<b>124,497</b>	<b>117,569</b>
Goodwill	41,375	79,989	76,897	69,925	65,466	60,685	54,305	51,474	44,612	42,155
Other	24,852	23,860	23,233	29,202	67,876	54,170	60,139	81,120	79,884	75,414
<b>Investments and other assets</b>	<b>781,335</b>	<b>673,924</b>	<b>663,403</b>	<b>671,857</b>	<b>625,514</b>	<b>513,798</b>	<b>538,093</b>	<b>501,678</b>	<b>464,419</b>	<b>426,938</b>
Investment securities	410,531	409,307	488,291	518,615	480,993	351,466	327,869	333,050	313,897	285,298
Long-term loans receivable	182,093	102,142	38,867	39,304	36,961	27,908	25,113	13,370	22,415	22,639
Bad debts	-	286,934	176,527	162,305	109,440	92,378	88,358	79,971	68,164	61,669
Deferred tax assets	97,507	58,051	23,880	19,754	31,053	64,137	61,432	52,881	22,442	21,900
Real estate for investment	-	-	-	-	-	-	53,261	33,993	31,934	31,735
Other	234,988	54,820	58,793	49,916	44,400	39,435	39,264	48,168	52,788	48,616
Allowance for doubtful accounts	(143,786)	(237,332)	(122,956)	(118,039)	(77,335)	(61,526)	(57,207)	(59,758)	(47,223)	(44,921)
<b>Total noncurrent assets</b>	<b>1,340,726</b>	<b>1,024,427</b>	<b>1,010,200</b>	<b>1,000,951</b>	<b>990,875</b>	<b>838,375</b>	<b>875,204</b>	<b>850,049</b>	<b>822,177</b>	<b>772,635</b>
Deferred assets	1,377	921	1,024	3,475	2,529	1,410	436	281	266	247
<b>Total assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,006,513</b>
<b>Current liabilities</b>										
Notes and accounts payable-trade	479,264	472,513	451,438	531,508	578,995	418,811	377,468	414,984	461,799	438,969
Short-term loans payable	1,320,861	933,100	775,555	501,055	497,208	351,841	256,652	247,656	282,524	306,424
Commercial papers	141,200	139,200	29,200	10,000	25,000	35,000	10,000	2,000	2,000	2,000
Current portion of bonds	38,858	43,050	9,358	896	75,100	42,136	40,120	60,000	35,000	20,000
Income taxes payable	7,788	7,644	7,774	8,811	8,246	7,230	5,949	6,591	8,850	7,009
Deferred tax liabilities	257	422	41	34	53	597	44	146	87	34
Provision for bonuses	3,108	4,234	5,148	7,412	7,686	5,503	5,497	5,845	6,254	6,287
Other	220,979	154,515	138,198	159,778	191,161	178,734	145,801	153,321	150,906	129,530
<b>Total current liabilities</b>	<b>2,212,318</b>	<b>1,754,681</b>	<b>1,416,716</b>	<b>1,219,497</b>	<b>1,383,451</b>	<b>1,039,857</b>	<b>841,533</b>	<b>890,544</b>	<b>947,422</b>	<b>910,255</b>
<b>Noncurrent liabilities</b>										
Bonds payable	61,167	16,048	99,036	245,540	141,496	155,120	123,647	82,719	80,000	70,000
Long-term loans payable	430,640	296,927	473,109	560,187	560,281	702,861	763,098	723,926	691,018	643,339
Deferred tax liabilities	10,463	7,544	13,553	13,078	16,685	15,528	14,743	19,009	20,596	18,430
Deferred tax liabilities for land revaluation	-	-	445	1,238	1,193	1,045	944	774	696	672
Provision for retirement benefits	7,928	29,046	25,558	22,526	19,410	16,174	13,280	13,136	14,232	14,484
Provision for directors' retirement benefits	-	-	-	1,394	958	872	931	833	648	571
Other	26,259	30,639	29,185	24,409	25,548	25,994	25,336	30,505	35,509	32,611
<b>Total noncurrent liabilities</b>	<b>536,459</b>	<b>380,206</b>	<b>640,887</b>	<b>868,374</b>	<b>765,572</b>	<b>917,597</b>	<b>941,981</b>	<b>870,905</b>	<b>842,702</b>	<b>780,110</b>
<b>Total liabilities</b>	<b>2,748,778</b>	<b>2,134,887</b>	<b>2,057,603</b>	<b>2,087,872</b>	<b>2,149,024</b>	<b>1,957,454</b>	<b>1,783,514</b>	<b>1,761,449</b>	<b>1,790,125</b>	<b>1,690,366</b>
<b>Shareholders' equity</b>	<b>392,391</b>	<b>331,674</b>	<b>389,677</b>	<b>428,464</b>	<b>451,619</b>	<b>454,491</b>	<b>458,819</b>	<b>471,688</b>	<b>464,026</b>	<b>465,440</b>
Capital stock	150,606	336,122	130,549	122,790	160,339	160,339	160,339	160,339	160,339	160,339
Capital surplus	346,619	487,686	166,754	158,593	152,160	152,160	152,160	152,160	152,160	152,160
Retained earnings	(104,802)	(492,048)	92,487	147,206	139,264	142,157	146,489	159,358	151,706	153,119
Treasury stock	(32)	(86)	(113)	(126)	(145)	(166)	(169)	(170)	(179)	(179)
<b>Accumulated Other Comprehensive Income</b>	<b>(76,156)</b>	<b>(51,433)</b>	<b>37,273</b>	<b>60,122</b>	<b>24,412</b>	<b>(135,500)</b>	<b>(106,402)</b>	<b>(141,659)</b>	<b>(158,121)</b>	<b>(175,233)</b>
Valuation difference on available-for-sale securities	16,692	32,629	90,547	94,316	60,280	6,236	14,845	12,310	7,626	2,851
Deferred gains or losses on hedges	-	-	-	623	1,345	1,510	2,357	3,022	935	1,869
Revaluation reserve for land	(5,469)	(4,869)	(2,619)	(1,935)	(2,530)	(1,907)	(2,055)	(2,302)	(2,120)	(2,161)
Foreign currency translation adjustment	(87,379)	(79,193)	(50,655)	(32,882)	(34,684)	(141,340)	(121,550)	(153,984)	(163,686)	(176,960)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	-	-	-	-	-	-	-	(706)	(875)	(832)
<b>Minority interests</b>	<b>12,009</b>	<b>33,349</b>	<b>37,125</b>	<b>43,048</b>	<b>44,296</b>	<b>36,512</b>	<b>24,987</b>	<b>25,481</b>	<b>24,565</b>	<b>25,940</b>
<b>Total net assets</b>	<b>328,244</b>	<b>313,590</b>	<b>464,076</b>	<b>531,635</b>	<b>520,327</b>	<b>355,503</b>	<b>377,404</b>	<b>355,510</b>	<b>330,471</b>	<b>316,147</b>
<b>Total liabilities and net assets</b>	<b>3,077,022</b>	<b>2,448,478</b>	<b>2,521,679</b>	<b>2,619,507</b>	<b>2,669,352</b>	<b>2,312,958</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>2,120,596</b>	<b>2,006,513</b>

**Change of Consolidated Statements of Income**

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 1st Half
<b>Net sales</b>	<b>5,861,737</b>	<b>4,675,903</b>	<b>4,972,059</b>	<b>5,218,153</b>	<b>5,771,028</b>	<b>5,166,182</b>	<b>3,844,418</b>	<b>4,014,639</b>	<b>4,494,237</b>	<b>1,952,570</b>
<b>Cost of sales</b>	<b>(5,612,714)</b>	<b>(4,431,656)</b>	<b>(4,729,892)</b>	<b>(4,963,686)</b>	<b>(5,493,296)</b>	<b>(4,930,564)</b>	<b>(3,666,215)</b>	<b>(3,821,914)</b>	<b>(4,262,671)</b>	<b>(1,857,736)</b>
<b>Gross profit</b>	<b>249,022</b>	<b>244,247</b>	<b>242,166</b>	<b>254,466</b>	<b>277,732</b>	<b>235,618</b>	<b>178,203</b>	<b>192,725</b>	<b>231,566</b>	<b>94,834</b>
Selling, general and administrative expenses	(189,074)	(178,725)	(165,964)	(176,533)	(185,368)	(183,611)	(162,074)	(155,205)	(167,044)	(78,022)
<b>Operating income</b>	<b>59,948</b>	<b>65,521</b>	<b>76,202</b>	<b>77,932</b>	<b>92,363</b>	<b>52,006</b>	<b>16,128</b>	<b>37,519</b>	<b>64,522</b>	<b>16,812</b>
Interest income	24,572	18,431	13,213	14,995	13,715	9,597	4,632	4,308	5,994	2,528
Dividends income	4,543	3,653	6,816	6,052	5,004	8,349	5,040	4,081	4,978	1,667
Equity in earnings of affiliates	5,929	10,741	19,149	23,752	28,911	2,455	9,179	19,297	12,566	4,261
Gain on sales of investment securities	6,231	2,382	2,042	1,872	61	-	-	-	-	-
Penalty income	-	-	-	-	-	-	3,802	-	-	-
Other	16,992	16,439	18,496	15,357	13,402	9,574	14,591	16,285	13,603	5,828
<b>Total non-operating income</b>	<b>58,269</b>	<b>51,648</b>	<b>59,718</b>	<b>62,030</b>	<b>61,095</b>	<b>29,977</b>	<b>37,245</b>	<b>43,973</b>	<b>37,142</b>	<b>14,285</b>
Interest expenses	(53,590)	(45,833)	(38,571)	(38,332)	(33,101)	(29,145)	(25,808)	(23,917)	(24,212)	(10,815)
Interest on commercial papers	(2,085)	(2,920)	(1,572)	(89)	(183)	(306)	(178)	(18)	(5)	(2)
Foreign exchange losses	-	-	-	-	(5,664)	(5,243)	-	(2,848)	(145)	(1,078)
Other	(14,081)	(10,328)	(17,003)	(12,005)	(13,030)	(13,651)	(13,685)	(9,392)	(15,072)	(3,419)
<b>Total non-operating expenses</b>	<b>(69,757)</b>	<b>(59,082)</b>	<b>(57,147)</b>	<b>(50,427)</b>	<b>(51,979)</b>	<b>(48,347)</b>	<b>(39,672)</b>	<b>(36,176)</b>	<b>(39,436)</b>	<b>(15,315)</b>
<b>Ordinary Income</b>	<b>48,461</b>	<b>58,088</b>	<b>78,773</b>	<b>89,535</b>	<b>101,480</b>	<b>33,636</b>	<b>13,702</b>	<b>45,316</b>	<b>62,228</b>	<b>15,781</b>
Extraordinary income/losses - net	(90,563)	(438,167)	(9,358)	(1,449)	(13,135)	3,434	5,192	(6,004)	(775)	(6,273)
<b>Income before income taxes and minority interests</b>	<b>(42,101)</b>	<b>(380,079)</b>	<b>69,414</b>	<b>88,085</b>	<b>88,344</b>	<b>37,070</b>	<b>18,894</b>	<b>39,312</b>	<b>61,454</b>	<b>9,508</b>
Income taxes-current	(12,282)	(11,331)	(16,484)	(18,841)	(20,118)	(19,229)	(8,562)	(11,400)	(18,482)	(5,684)
Income taxes-deferred	23,058	(18,287)	(5,840)	(4,971)	(2,062)	2,490	294	(9,103)	(43,821)	1,561
<b>Income before minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,808</b>	<b>(850)</b>	<b>5,384</b>
Minority interests in income	(2,282)	(2,778)	(3,383)	(5,506)	(3,469)	(1,330)	(1,832)	(2,826)	(2,799)	(2,369)
<b>Net income</b>	<b>(33,609)</b>	<b>(412,475)</b>	<b>43,706</b>	<b>58,766</b>	<b>62,693</b>	<b>19,001</b>	<b>8,794</b>	<b>15,981</b>	<b>(3,649)</b>	<b>3,015</b>
										(Billions of yen)
<b>Core earnings</b>	<b>41.9</b>	<b>51.4</b>	<b>78.5</b>	<b>89.8</b>	<b>110.7</b>	<b>48.3</b>	<b>14.4</b>	<b>41.9</b>	<b>65.0</b>	<b>14.1</b>

Core earnings = Operating income (before allowance for doubtful receivables and write-offs) + Interest expense-net + Dividends received + Equity in earnings of affiliates

**Change of Consolidated Statements of Comprehensive Income**

(Millions of Yen)

	FY2009	FY2010	FY2011	FY2012 1st Half
<b>Income before minority interests</b>	<b>10,626</b>	<b>18,808</b>	<b>(850)</b>	<b>5,384</b>
<b>Other comprehensive income</b>	<b>29,563</b>	<b>(35,462)</b>	<b>(16,772)</b>	<b>(16,946)</b>
Valuation difference on available-for-sale securities	3,786	(1,557)	(2,802)	(1,714)
Deferred gains or losses on hedges	641	1,165	(1,899)	860
Revaluation reserve for land	-	-	77	-
Foreign currency translation adjustment	14,217	(26,545)	(1,302)	(8,347)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	63	129	(184)	45
Share of other comprehensive income of associates accounted for using equity	10,854	(8,654)	(10,660)	(7,791)
<b>comprehensive income</b>	<b>40,189</b>	<b>(16,653)</b>	<b>(17,622)</b>	<b>(11,561)</b>
(comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	37,869	(18,317)	(20,212)	(13,925)
Comprehensive income attributable to minority interests	2,319	1,663	2,589	2,363

## Change of Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 1st Half
<b>Net cash provided by (used in) operating activities</b>										
Income before income taxes and minority interests	(42,101)	(380,079)	69,414	88,085	88,344	37,070	18,894	39,312	61,454	9,508
Depreciation and amortization	33,557	24,784	25,958	23,928	28,844	26,698	23,196	24,096	33,289	14,653
Impairment loss	-	-	2,022	3,393	6,994	12,151	9,402	9,687	6,101	364
Loss on valuation of investment securities	8,998	13,415	950	3,957	6,085	15,132	16,543	801	2,640	11,734
Amortization of goodwill	-	-	-	4,016	3,564	5,119	4,443	4,548	4,998	2,434
Increase (decrease) in allowance for doubtful accounts	23,570	64,121	(110,810)	(6,148)	(41,067)	(16,127)	(3,977)	1,619	(15,162)	(4,302)
Increase (decrease) in provision for retirement benefits	-	(7,843)	(3,630)	(3,015)	(2,926)	(2,088)	(3,296)	901	1,130	393
Interest and dividends income	(29,116)	(22,084)	(20,030)	(21,048)	(18,719)	(17,947)	(9,672)	(8,390)	(10,972)	(4,195)
Interest expenses	55,675	48,754	40,143	38,421	33,284	29,452	25,987	23,936	24,217	10,817
Foreign exchange losses (gains)	-	(322)	320	3	5,053	5,294	(1,832)	3,907	445	2,941
Equity in (earnings) losses of affiliates	(5,929)	(10,741)	(19,149)	(23,752)	(28,911)	(2,455)	(9,179)	(19,297)	(12,566)	(4,261)
Loss (gain) on sales of investment securities	(21,945)	360	(4,025)	(14,787)	(9,265)	(30,217)	(32,375)	(755)	(9,286)	(5,695)
Loss (gain) on sales and retirement of noncurrent assets	4,317	95,495	(2,238)	(9,452)	285	(6,263)	(990)	(4,386)	(2,393)	(943)
Loss (gain) on step acquisitions	-	-	-	-	-	-	-	(10,307)	(194)	-
Decrease (increase) in notes and accounts receivable-trade	101,743	7,171	26,492	(62,697)	(26,135)	118,034	57,221	(30,328)	(19,910)	36,869
Decrease (increase) in inventories	52,938	45,102	(8,492)	(99,052)	(108,510)	10,703	80,618	(6,997)	(25,494)	(18,389)
Increase (decrease) in notes and accounts payable-trade	(49,161)	(15,770)	(34,978)	78,685	55,154	(108,118)	(46,575)	52,368	47,570	(16,089)
Other, net	(13,649)	156,538	116,555	39,759	62,223	43,779	(2,433)	8,790	27,277	7,424
Subtotal	118,898	18,905	78,502	40,296	54,297	120,218	125,972	89,506	113,145	43,263
Interest and dividends income received	39,428	22,006	21,761	22,693	34,621	30,871	18,120	13,172	18,933	12,455
Interest expenses paid	(58,914)	(49,858)	(40,673)	(37,868)	(33,408)	(29,016)	(26,379)	(24,013)	(23,883)	(9,806)
Income taxes paid	(12,252)	(10,827)	(16,434)	(18,081)	(20,102)	(18,344)	(10,490)	(10,801)	(16,593)	(7,128)
<b>Net cash provided by (used in) operating activities</b>	<b>87,160</b>	<b>(19,774)</b>	<b>43,155</b>	<b>7,040</b>	<b>35,407</b>	<b>103,729</b>	<b>107,222</b>	<b>67,863</b>	<b>91,600</b>	<b>38,784</b>
<b>Net cash provided by (used in) investing activities</b>										
Decrease (increase) in time deposits	(15,090)	9,832	2,541	9,392	(268)	3,862	(301)	5,591	(11,048)	(1,878)
Decrease (increase) in short-term investment securities	6,687	18,111	(1,151)	84	(190)	1,420	292	(344)	623	(10)
Purchase of property, plant and equipment	(10,848)	(8,358)	(25,518)	(28,774)	(40,354)	(43,718)	(21,189)	(27,252)	(35,745)	(15,759)
Proceeds from sales of property, plant and equipment	3,794	77,419	16,462	38,255	7,969	16,452	5,443	6,654	13,419	6,161
Purchase of intangible assets	-	-	-	-	-	(21,821)	(7,264)	(21,195)	(8,698)	(5,256)
Purchase of investment securities	(11,590)	(17,936)	(24,380)	(35,763)	(48,013)	(35,104)	(19,098)	(20,647)	(10,025)	(1,702)
Proceeds from sales and redemption of investment securities	79,691	80,361	59,272	46,480	40,234	51,925	66,099	14,228	19,402	5,014
Decrease (increase) in short-term loans receivable	30,625	58,176	27,022	36,315	13,891	13,355	4,857	3,049	3,745	129
Payments of long-term loans receivable	(35,559)	(8,180)	(9,717)	(22,914)	(7,136)	(2,360)	(2,263)	(4,481)	(13,548)	(2,959)
Collection of long-term loans receivable	24,410	26,810	37,546	8,576	2,361	3,085	1,785	11,173	1,489	558
Net increase(decrease) from purchase of consolidated subsidiaries	(2,756)	(2,013)	(296)	(4,408)	(8,156)	(5,692)	23	2,551	(2,340)	-
Net increase(decrease) from sale of consolidated subsidiaries	(2,736)	(1,223)	937	3	(109)	65	(49)	(460)	(707)	(4,309)
Other, net	6,400	8,109	16,436	(4,541)	(28,951)	1,331	103	11,229	1,144	(70)
<b>Net cash provided by (used in) investing activities</b>	<b>73,030</b>	<b>241,109</b>	<b>99,155</b>	<b>42,706</b>	<b>(68,723)</b>	<b>(17,198)</b>	<b>28,439</b>	<b>(19,903)</b>	<b>(42,287)</b>	<b>(20,083)</b>
<b>Free Cash Flow</b>	<b>160,190</b>	<b>221,335</b>	<b>142,310</b>	<b>49,746</b>	<b>(33,316)</b>	<b>86,531</b>	<b>135,661</b>	<b>47,960</b>	<b>49,313</b>	<b>18,701</b>
<b>Net cash provided by (used in) financing activities</b>										
Net increase (decrease) in short-term loans payable	(189,312)	85,255	(233,618)	(201,386)	(54,258)	(57,272)	(41,620)	(49,686)	3,433	(9,252)
Net increase (decrease) in commercial papers	119,600	(2,000)	(110,000)	(19,200)	15,000	10,000	(25,000)	(8,000)	-	-
Proceeds from long-term loans payable	176,441	203,706	487,025	274,898	211,648	308,571	244,907	167,047	128,061	84,827
Repayment of long-term loans payable	(409,663)	(487,734)	(262,600)	(266,922)	(154,977)	(234,144)	(240,962)	(155,603)	(133,646)	(93,496)
Proceeds from issuance of bonds	47,225	9,998	154,872	374,626	45,905	55,686	-	19,900	39,800	9,953
Redemption of bonds	(85,794)	(40,088)	(46,030)	(12,668)	(999)	(75,212)	(33,489)	(41,047)	(67,719)	(35,000)
Proceeds from issuance of common stock/preferred stock	272,223	19,389	-	-	-	-	-	-	-	-
Repurchase of preferred stock	-	-	(44,000)	(240,920)	(102,000)	-	-	-	-	-
Proceeds from stock issuance to minority shareholders	510	155	56	474	922	522	13	463	66	68
Purchase of treasury stock	(46)	(32)	(26)	(11)	(18)	(20)	(1)	(1)	(9)	-
Cash dividends paid	-	-	-	-	(12,322)	(11,125)	(4,339)	(1,876)	(3,753)	(1,876)
Cash dividends paid to minority shareholders	(359)	(913)	(805)	(1,621)	(1,817)	(2,513)	(1,374)	(1,924)	(1,416)	(111)
Other, net	572	-	(678)	(2,744)	(806)	(450)	(730)	(1,325)	(1,193)	(842)
<b>Net cash provided by (used in) financing activities</b>	<b>(68,602)</b>	<b>(212,264)</b>	<b>(55,805)</b>	<b>(95,476)</b>	<b>(53,723)</b>	<b>(5,958)</b>	<b>(102,597)</b>	<b>(72,054)</b>	<b>(36,376)</b>	<b>(45,729)</b>
Effect of exchange rate change on cash and cash equivalents	(5,630)	(882)	11,921	3,419	(4,289)	(40,332)	6,825	(14,470)	(923)	(4,915)
Net increase (decrease) in cash and cash equivalents	85,958	8,188	98,426	(42,310)	(91,328)	40,241	39,890	(38,564)	12,012	(31,944)
Cash and cash equivalents at beginning of period	310,441	401,240	409,266	506,254	464,273	373,883	414,419	454,262	415,261	427,274
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4,840	(162)	(1,438)	329	939	294	(48)	(436)	-	-
<b>Cash and cash equivalents</b>	<b>401,240</b>	<b>409,266</b>	<b>506,254</b>	<b>464,273</b>	<b>373,883</b>	<b>414,419</b>	<b>454,262</b>	<b>415,261</b>	<b>427,274</b>	<b>395,329</b>