



Financial Results for the Second Quarter Ended September 30, 2012

November 2, 2012
Sojitz Corporation

■ Index

- I. Financial Results for the Second Quarter Ended September 30, 2012 (Japanese accounting standard)
- II. Progress of Medium-term Management Plan 2014
- III. Dividends

【Supplemental Data】

- I. Earnings Forecast by Business Segment
- II. Energy & Mineral Resources
- III. Summary of Financial Results

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.

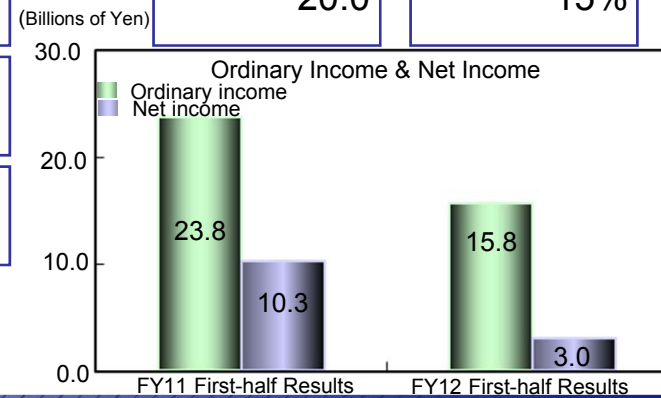
I. Financial Results for the Second Quarter Ended September 30,
2012 (Japanese accounting standard)



■ Summary of P/L Statement

Earnings decreased year on year due to factors including declines in prices of mineral resources accompanying the global economic slowdown

(Billions of Yen)	First half FY11 Results	First half FY12 Results	Change	FY2012 Initial Plan	Achieved
Net sales	2,195.7	1,952.6	-243.1	4,300.0	45%
Gross profit	102.2	94.8	-7.4	217.0	44%
Operating income	22.7	16.8	-5.9	52.0	32%
Ordinary income	23.8	15.8	-8.0	50.0	32%
Net income	10.3	3.0	-7.3	20.0	15%
Comprehensive income	-5.3	-11.6	-6.3		
Core earnings	25.2	14.1	-11.1		

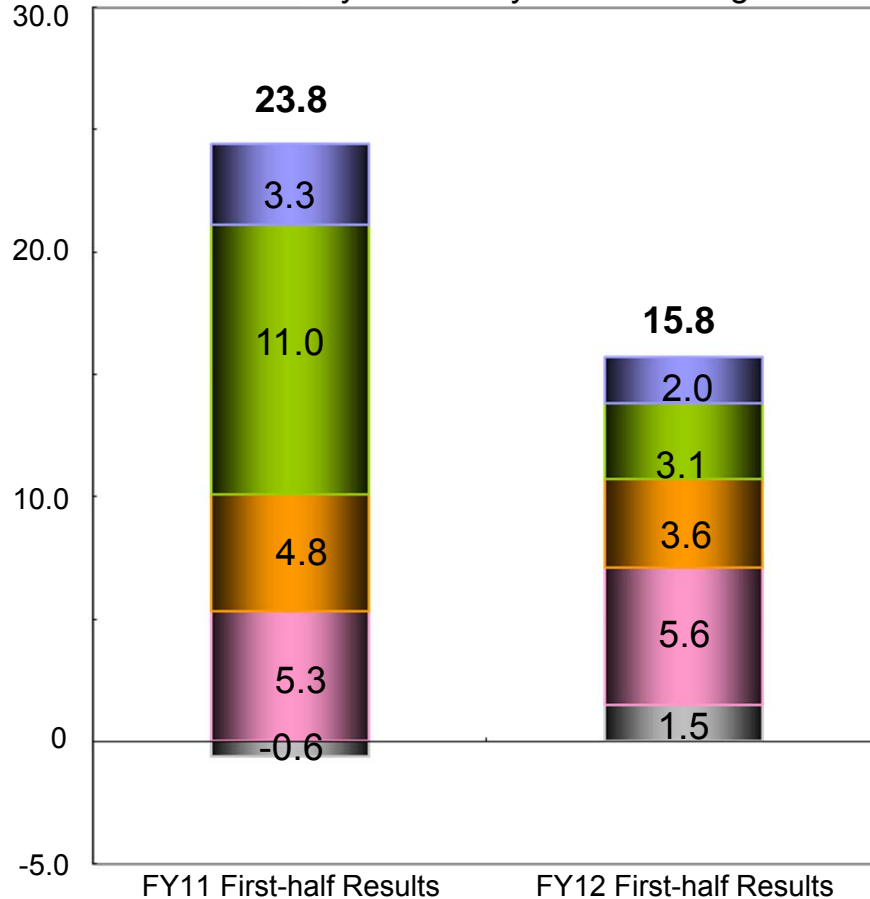


Summary of P/L Statements

Ordinary Income by Business segment

Earnings decreased year on year due to factors including declines in prices of mineral resources

(Billions of Yen) Ordinary Income by Business Segment



Main factors behind the changes

- Machinery** (down 39% year-on-year)
 Despite an increased number of vehicles sold by some overseas automobile businesses, earnings decreased due to an increase in SG&A expenses and a decrease in trading volumes in plant and shipping-related businesses
- Energy & Metal** (down 72% year-on-year)
 Earnings decreased due to declines in the prices of mineral resources, energy-related production volumes, and equity in earnings of affiliates
- Chemicals** (down 25% year-on-year)
 Despite solid performance in some businesses, earnings decreased due to a decrease in trading volumes due to a decline in demand in Europe, China, and other parts of Asia
- Consumer Lifestyle Business** (up 6% year-on-year)
 Earnings increased due to increases in trading volumes in the overseas fertilizer businesses and increases in sales from a new project in overseas industrial park-related business
- Other** (—)
 Real-estate related valuation losses posted during the same period of the previous fiscal year

■ Summary of Balance Sheets

Financial Soundness Maintained

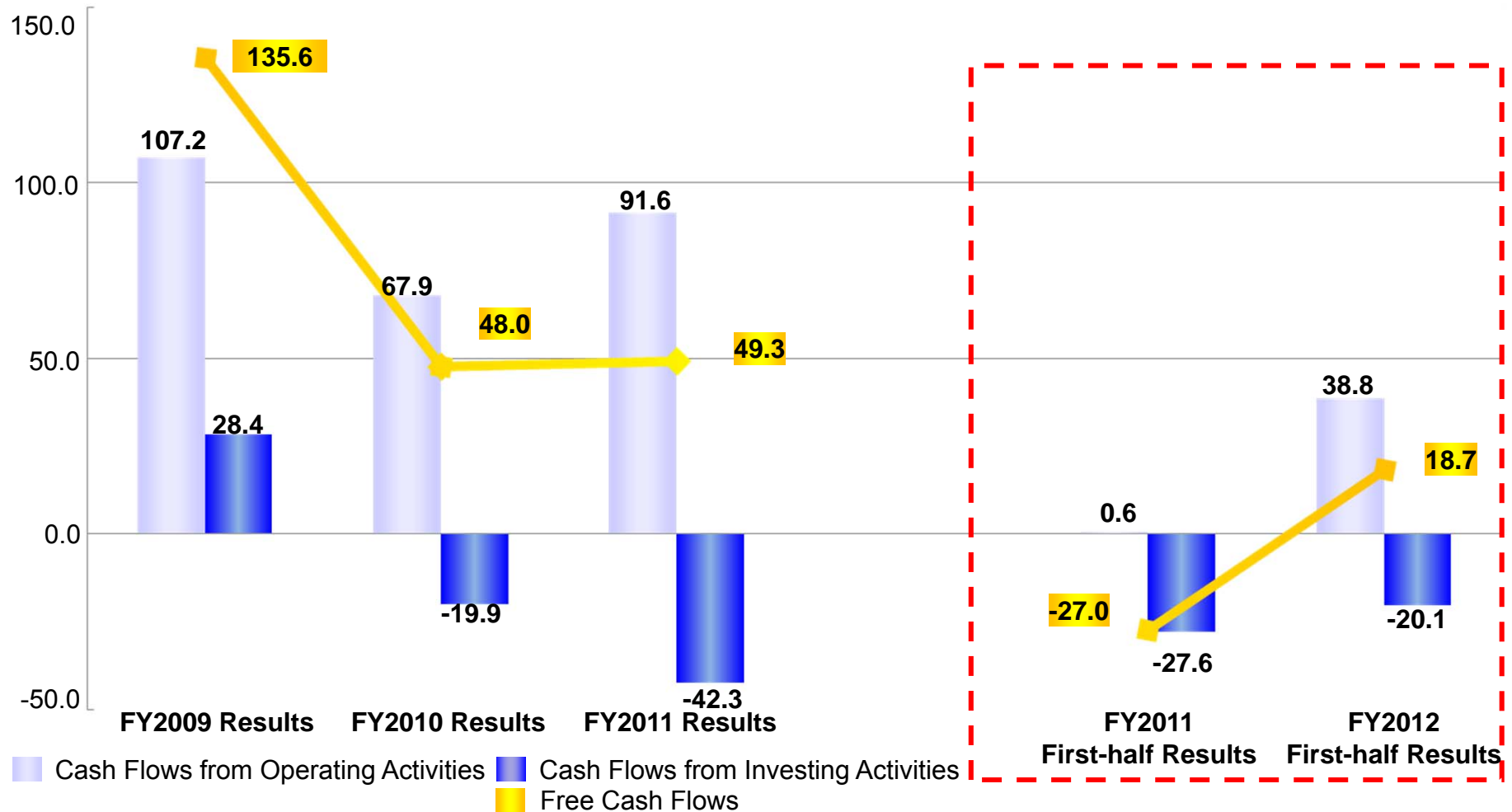
(Billions of Yen)

	End of Mar. 2012	End of Sep. 2012	Change		End of Mar. 2012	End of Sep. 2012	Change
Current assets	1,298.1	1,233.7	-64.4	Interest-bearing debt			
Investment and Other assets	822.5	772.8	-49.7	Short-term	319.5	328.4	+8.9
Total assets	2,120.6	2,006.5	-114.1	Long-term	771.0	713.3	-57.7
Risk assets vs. equity	300.0 (1.0times)	280.0 (1.0times)	-20.0 (0.0times)	Other liabilities	699.6	648.7	-50.9
Current ratio(%)	137%	136%	-1%	Total equity *1 (Total net assets)	305.9 (330.5)	290.2 (316.1)	-15.7 (-14.4)
Long-term debt ratio(%)	71%	69%	-2%	Total liabilities and net assets	2,120.6	2,006.5	-114.1
				Equity ratio(%)	14.4%	14.5%	+0.1%
				Net interest-bearing debt	647.8	629.3	-18.5
				Net DER (times) Net D/E ratio based on total net assets	2.1 (2.0)	2.2 (2.0)	+0.1 (0.0)

(*1) Total equity = Total net assets – Minority interests

Summary of Cash Flows

(Billions of Yen)



II. Progress of Medium-term Management Plan 2014



■ Business Environment and Earnings Forecast

External environment

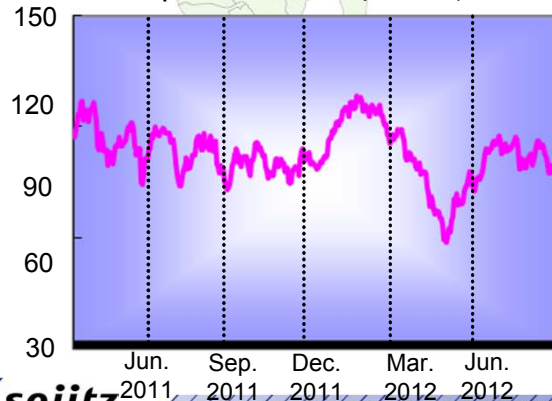
- European sovereign debt crisis remains serious
- Economic slowdown in China and other emerging market economies exceeding expectations
- Slowdown in Japan's economic recovery
- High yen and low stock prices
- Decline and slump in the prices of mineral resources

Impact on the Group's performance

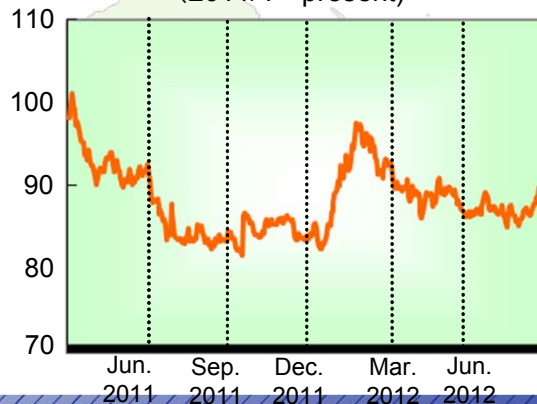
- Economic slowdown in China and other emerging economies exceeding expectations has caused drop and slump in the prices of mineral resources, and as a result a significant decline in profits in the mineral resources-related businesses is expected
- Valuation loss recorded on investment securities due to a decline in Japanese stock prices
- Impact of currency exchange rates

Downward Revision of full-year earnings forecast

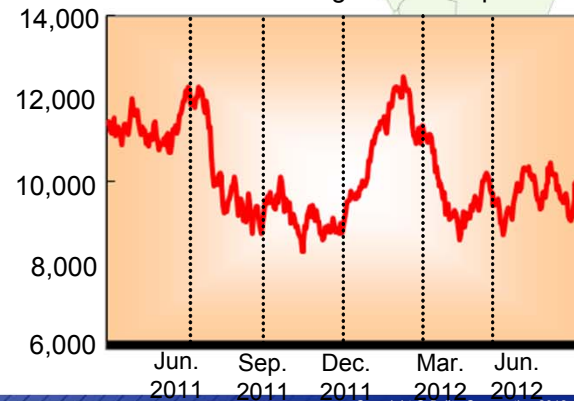
Crude oil price (2011/4 – present) (US\$/bbl)



¥/USD (2011/4 – present) (Yen)



The Nikkei Stock Average (2011/4 – present) (Yen)

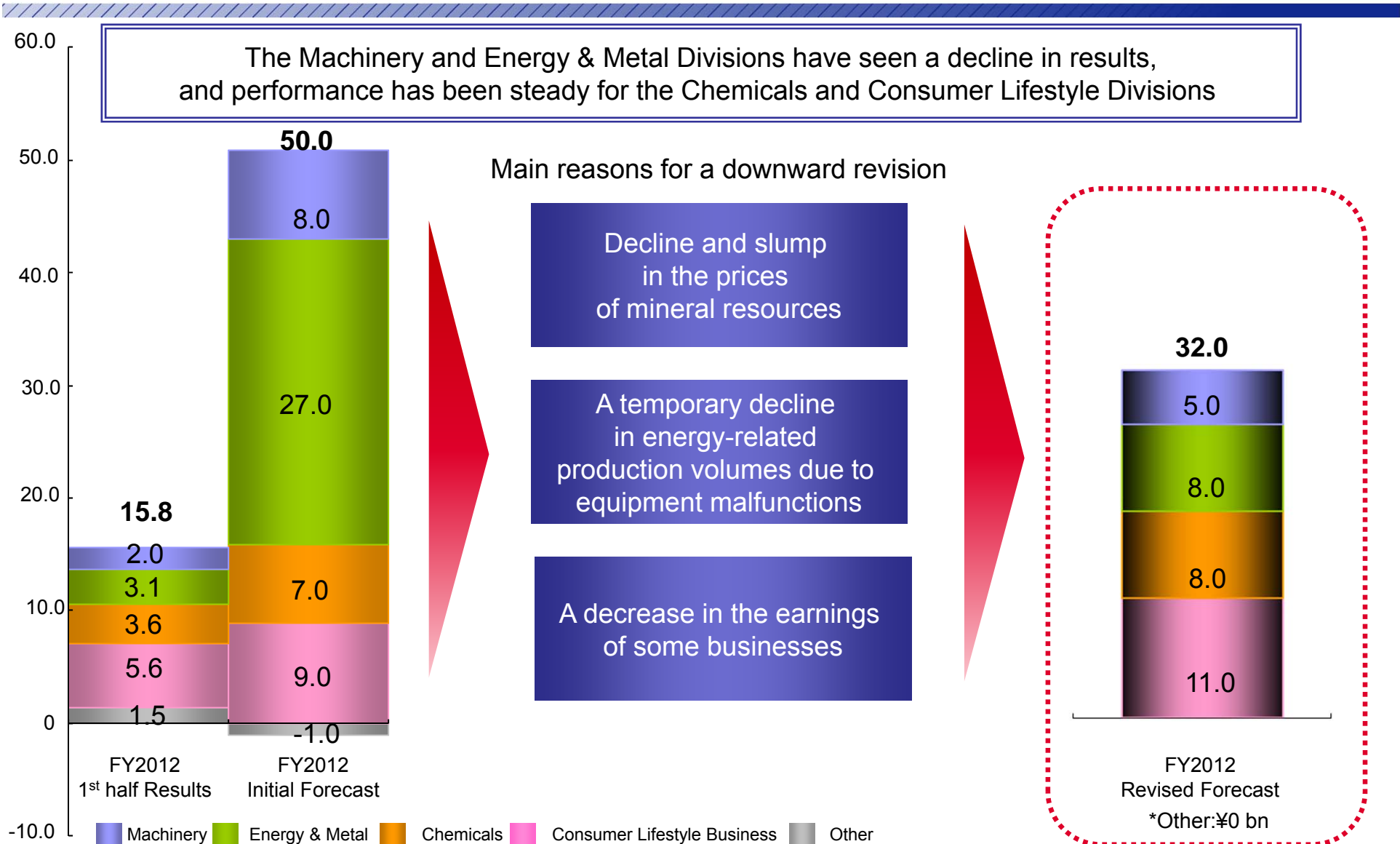


■ Revised Forecast for the Fiscal Year Ending March 31, 2013

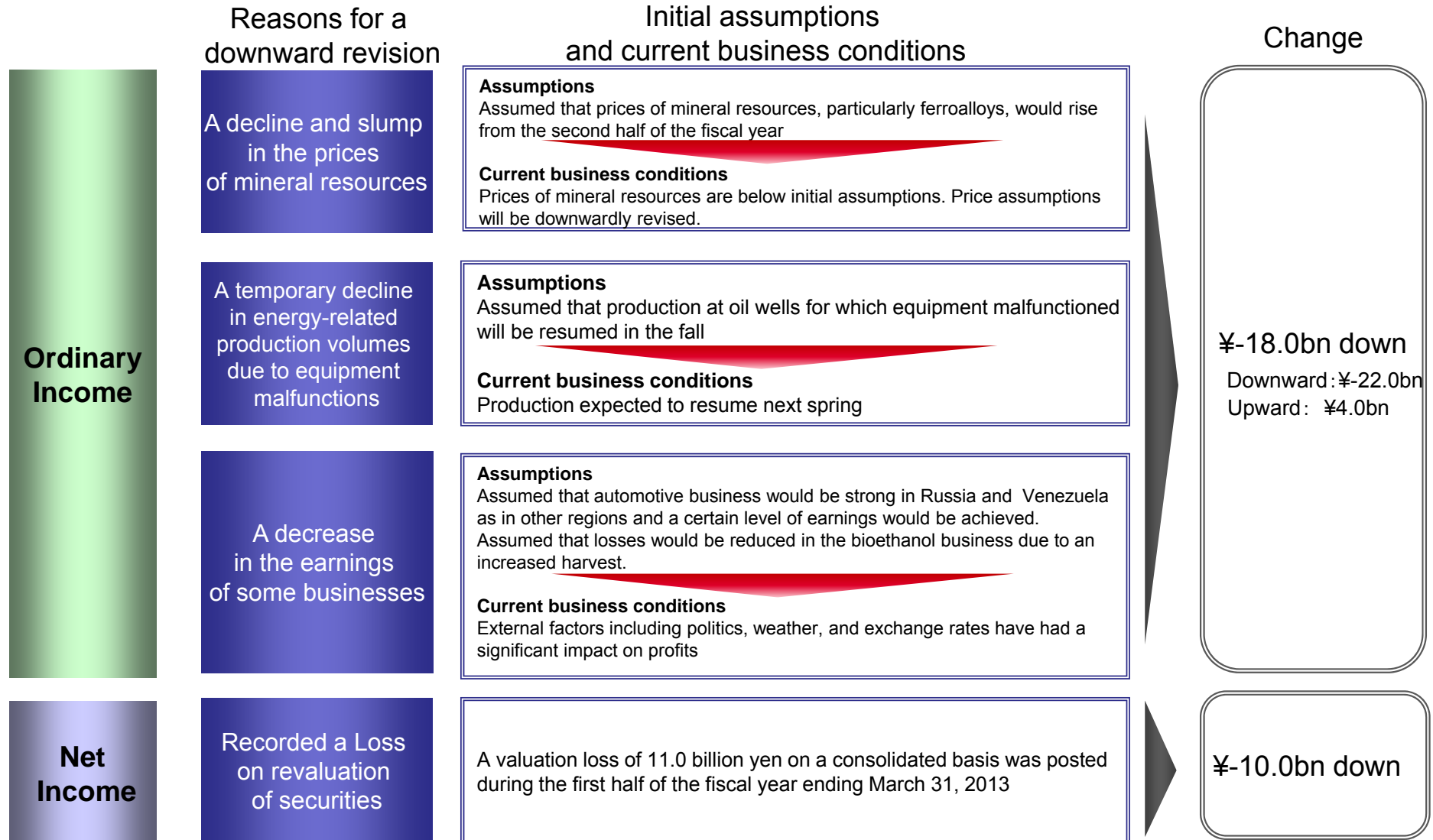
Downward revision of full-year earnings forecasts
in consideration of the first half results and current business conditions

(Billions of Yen)	First half FY12 Results	FY2012 Initial Plan	FY2012 Revised Forecast	change
Net Sales	1,952.6	4,300.0	4,100.0	-200.0
Gross profit	94.8	217.0	194.0	-23.0
Operating income	16.8	52.0	36.0	-16.0
Ordinary income	15.8	50.0	32.0	-18.0
Extraordinary income/losses	-6.3	-10.0	-8.0	+2.0
Net income	3.0	20.0	10.0	-10.0

FY2012 Revised Forecast (Ordinary Income by Business Segment)

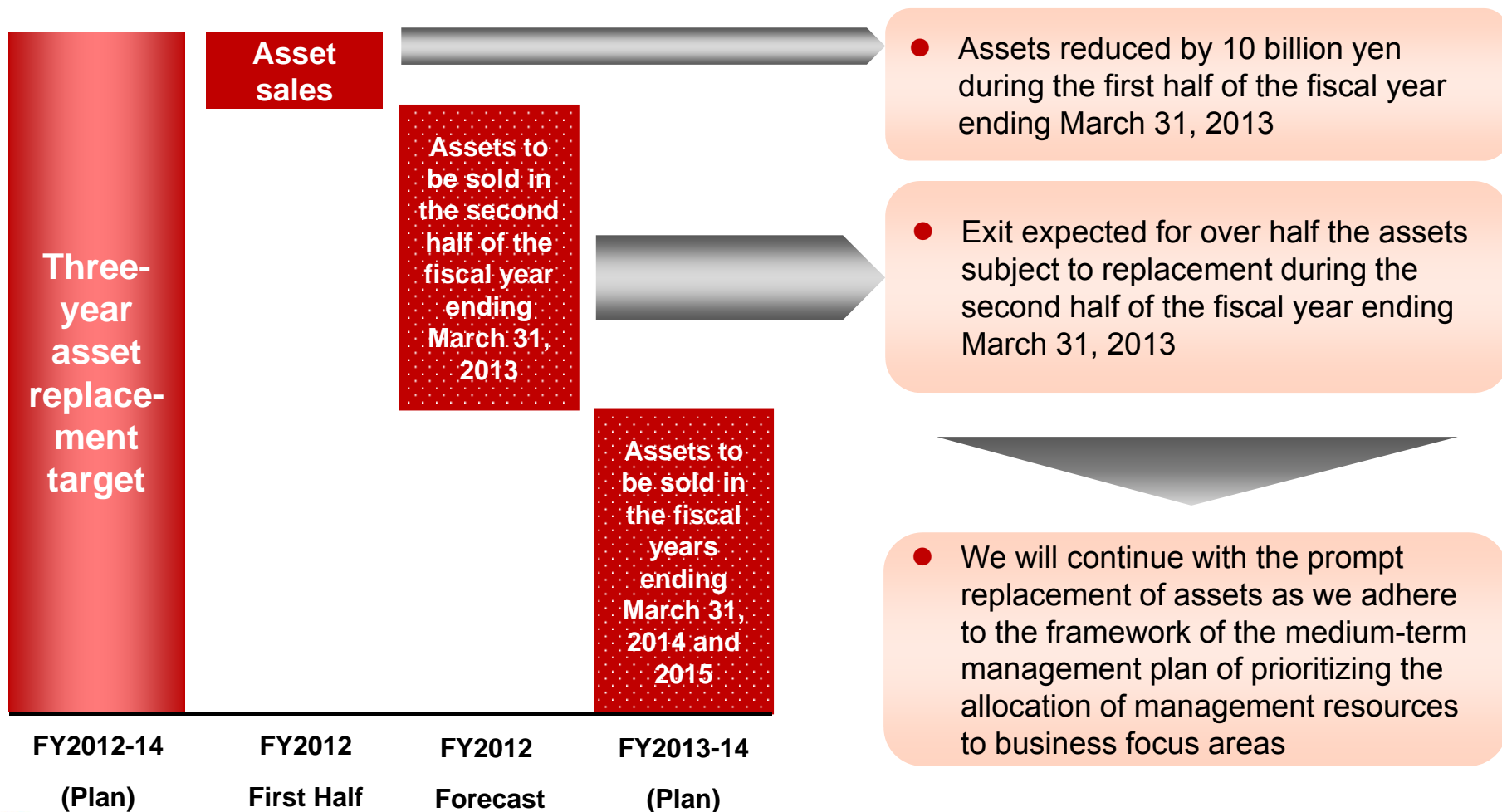


Reasons for a Downward Revision of Full-year Earnings Forecasts FY2012



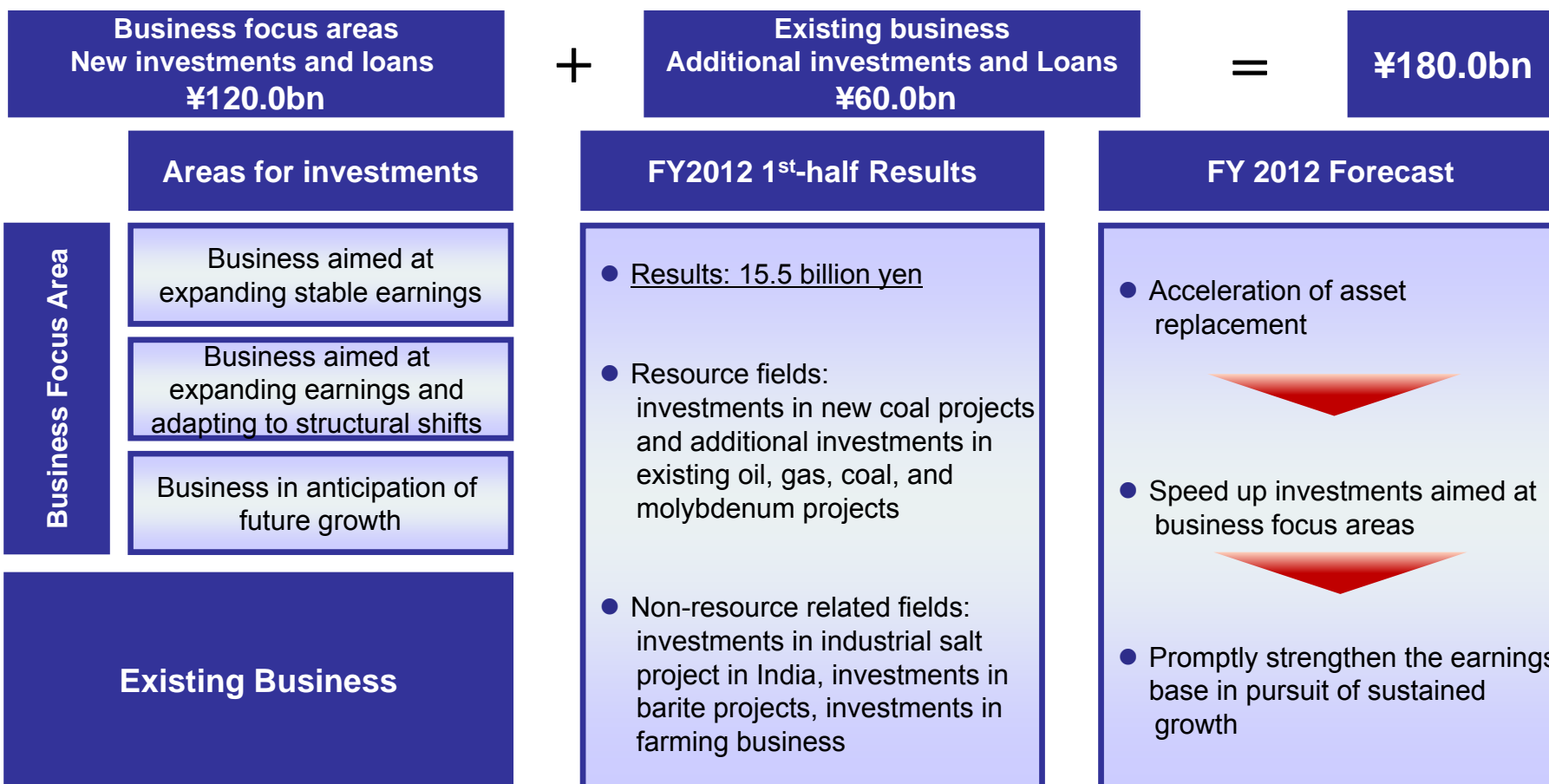
■ Progress of the Mid-term Management Plan 2014 – Current Status of Asset Replacement –

Strengthen earnings capacity by improving the quality of assets



■ Progress of the Mid-term Management Plan 2014 — Investment and Loan Plans —

- Create capital for investments through replacement of assets, and prioritize allocation of management resources to business focus areas
- Investments and loans of ¥180.0bn planned for emerging economies, focusing on Asia, Africa, and South America



■ Commodity Prices, Foreign Exchange, and Interest Rate

	2011 Results (Jan.-Dec. Avg.)	FY2012 Initial Assumption	FY2012 Revised Assumption	2012 Results (Apr.-Sep. Avg.)
Crude Oil (Brent)*1	\$111.3/bbl	\$110/bbl	\$110/bbl	\$109.0/bbl
Coal Thermal Coal	\$121.3/t	\$115/t	\$96.5/t	\$93.1/t
Molybdenum	\$15.5/lb	\$17.5/lb	\$13.8/lb	\$12.9/lb
Nickel*2	\$10.4/lb	\$10/lb	\$8.0/lb	\$8.3/lb
Copper*2	\$8,821/t	\$7,690/t	\$7,690/t	\$8,090/t
Exchange rate*3	¥79.5/\$	¥80.0/\$	¥79.0/\$	¥79.0/\$
Interest rate (TIBOR)*4	0.34%	0.4%	0.4%	0.34%

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

*3 Exchange rate sensitivity: Every ¥1 movement in JPY/USD rate equates to approximately ¥5bn change in sales, ¥0.2bn change in ordinary income, and ¥1.2bn change in shareholders' equity.

*4 Interest rate sensitivity: Every 100 basis point movement in interest rates equates to approximately ¥2.0bn per year.

III. Dividends



■ Dividend Policy

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.

Consolidated
Dividend
Payout Ratio

35.6%

23.5%

—

Medium-term Management Plan
Approximately 20%

Annual
Dividends per
Share

¥2.5

¥3

¥3

¥3

Interim
(¥1.5)

FY2009

FY2010


FY2011

FY2012 (Forecast)

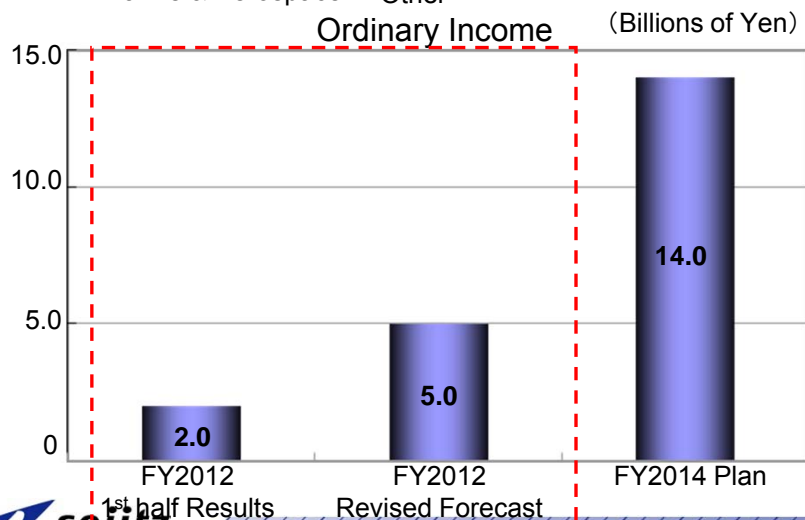
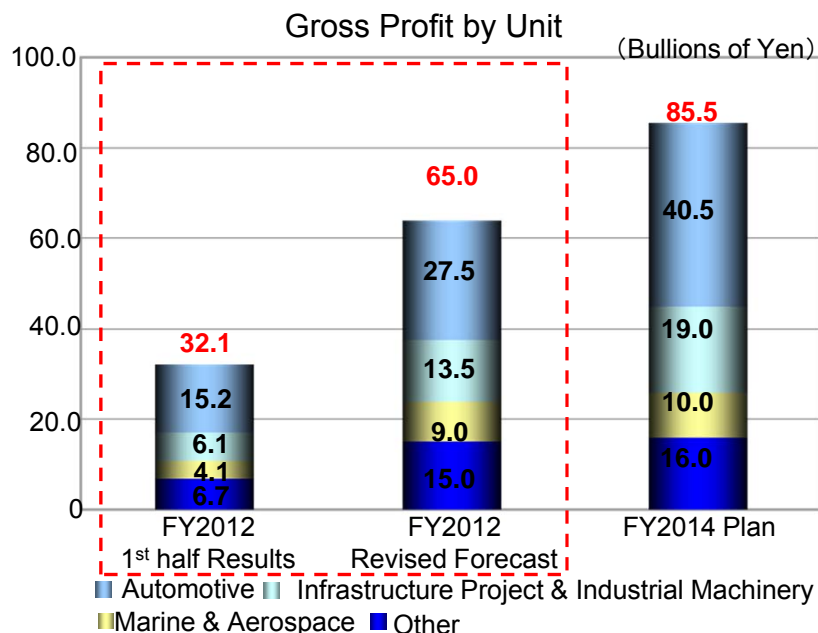
FY2014

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

Supplemental Data I.
Earnings Forecast by Business Segment



■ Machinery Segment



Future Outlook

Ordinary Income 1st half Results ¥2.0bn (Initial ¥8.0bn⇒Revised Forecast¥5.0bn)

➤ Automotive

Downward revision of the initial forecast due to a decline in the number of vehicles sold by some overseas automobile businesses compared with the initial forecast

➤ Infrastructure Project & Industrial Machinery

Performance expected to be largely in line with the forecast, as profits are expected to be recorded on plant-related business during the second half of the fiscal year

➤ Marine & Aerospace

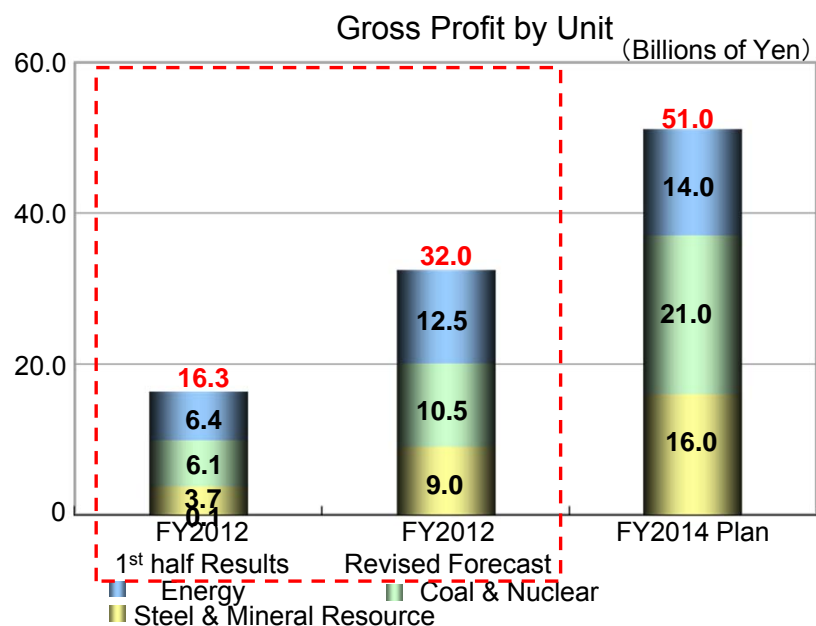
Initial forecast revised downward due to sluggish shipping-related trading, despite the fact that the aircraft-related business is expected to be largely in line with the initial forecast

FY2012 1st half Results (Supplements)

(Billions of Yen)

	FY2011 1st half Results	FY2012 1st half Results	FY2012 Revised Full-year Forecast
Gross profit	33.1	32.1	65.0
Operating income	2.9	2.5	—
Equity in earnings of affiliates	1.4	1.2	—
Ordinary income	3.3	2.0	5.0
Net income	1.6	1.2	2.5
Total assets	—	362.8	—

■ Energy & Metal Segment



Future Outlook

Ordinary Income 1st half Results ¥3.1bn (Initial ¥27.0bn⇒Revised Forecast¥8.0bn)

➤ Energy

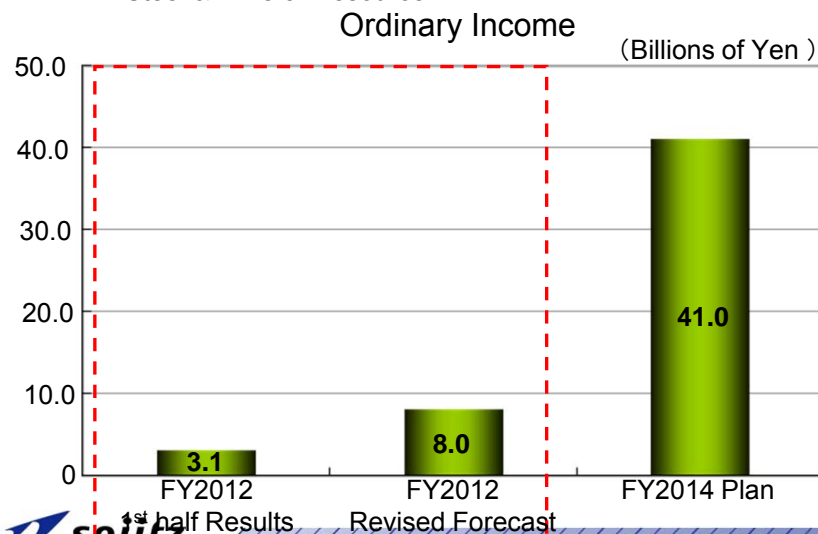
Downward revision of the initial forecast due to a decrease in production volume for certain interests and concessions and the adverse affects caused by unfavorable weather conditions and exchange rates on the bioethanol production company

➤ Coal & Nuclear

Initial forecast revised downward due to the decline in prices

➤ Steel & Mineral Resources

Downward revision due to the decline and slump in prices

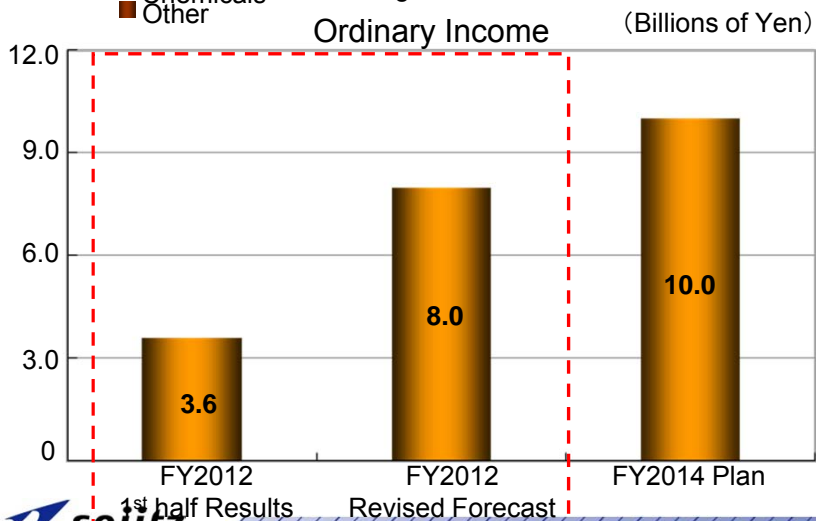
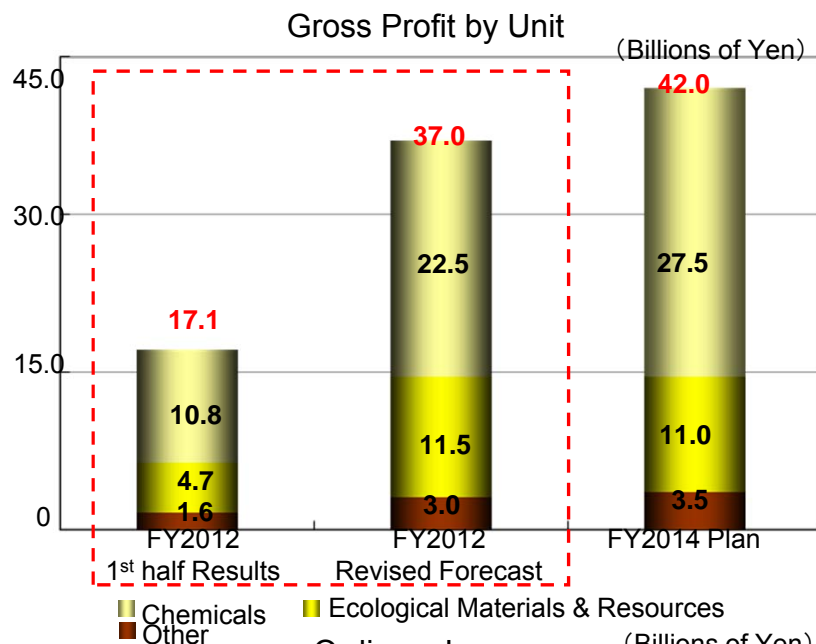


FY2012 1st half Results (Supplements)

(Billions of Yen)

	FY2011 1st half Results	FY2012 1st half Results	FY2012 Revised Full-year Forecast
Gross profit	23.1	16.3	32.0
Operating income	10.3	4.1	—
Equity in earnings of affiliates	4.4	1.9	—
Ordinary income	11.0	3.1	8.0
Net income	9.9	-0.7	3.0
Total assets	—	511.0	—

■ Chemicals Segment



Future Outlook

Ordinary Income 1st half Results ¥3.6bn (Initial ¥7.0bn⇒Revised Forecast¥8.0bn)

➤ Chemicals

Initial forecast revised upward due to the strong performance of the methanol business in Indonesia, although we will need to monitor the business environment and market trends overseas

➤ Ecological Materials & Resources

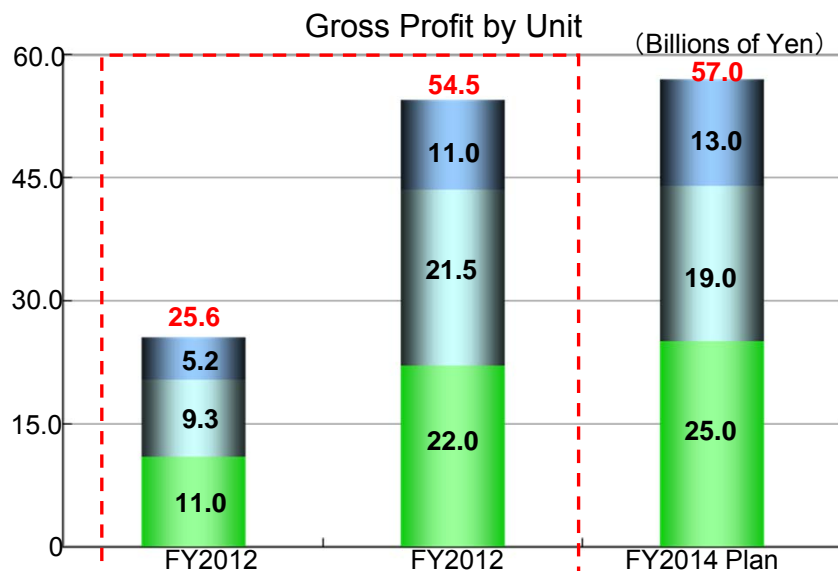
In spite of the effect of soft demand and a decrease in trading volumes, initial forecast revised upward due to expected improvements in SG&A expenses

FY2012 1st half Results (Supplements)

(Billions of Yen)

	FY2011 1st half Results	FY2012 1st half Results	FY2012 Revised Full-year Forecast
Gross profit	19.3	17.1	37.0
Operating income	5.8	4.5	—
Equity in earnings of affiliates	0.8	0.4	—
Ordinary income	4.8	3.6	8.0
Net income	3.0	2.6	4.5
Total assets	—	254.8	—

■ Consumer Lifestyle Business Segment



Future outlook

Ordinary Income 1st half Results ¥5.6bn (Initial ¥9.0bn⇒Revised Forecast¥11.0bn)

➤ Foods Resources

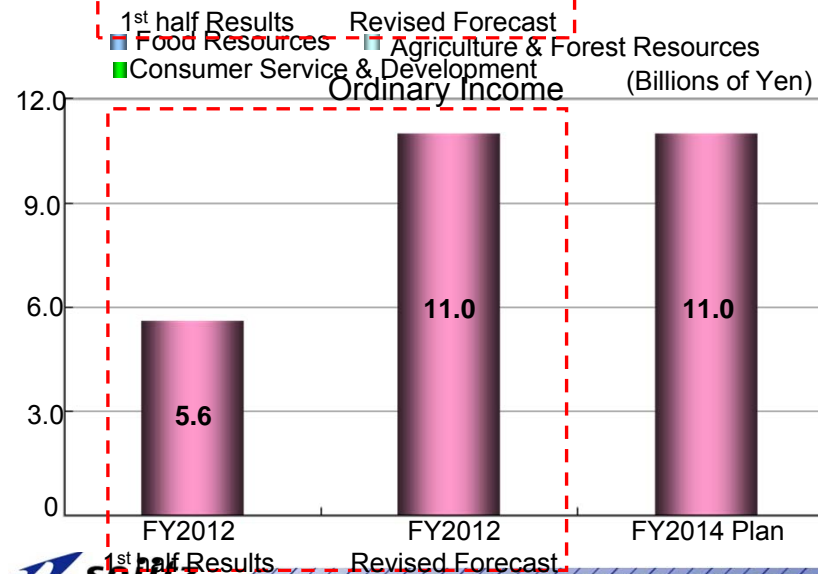
Initial forecast revised upward due to strong trading of grains and the solid performance displayed by a food resources subsidiary

➤ Agriculture & Forest Resources

Initial forecasts revised upward due to favorable performance in overseas fertilizer businesses

➤ Consumer Service & Development

Initial forecast revised upward due to favorable performance in both general commodities and overseas industrial park-related businesses



FY2012 1st half Results (Supplements)

(Billions of Yen)

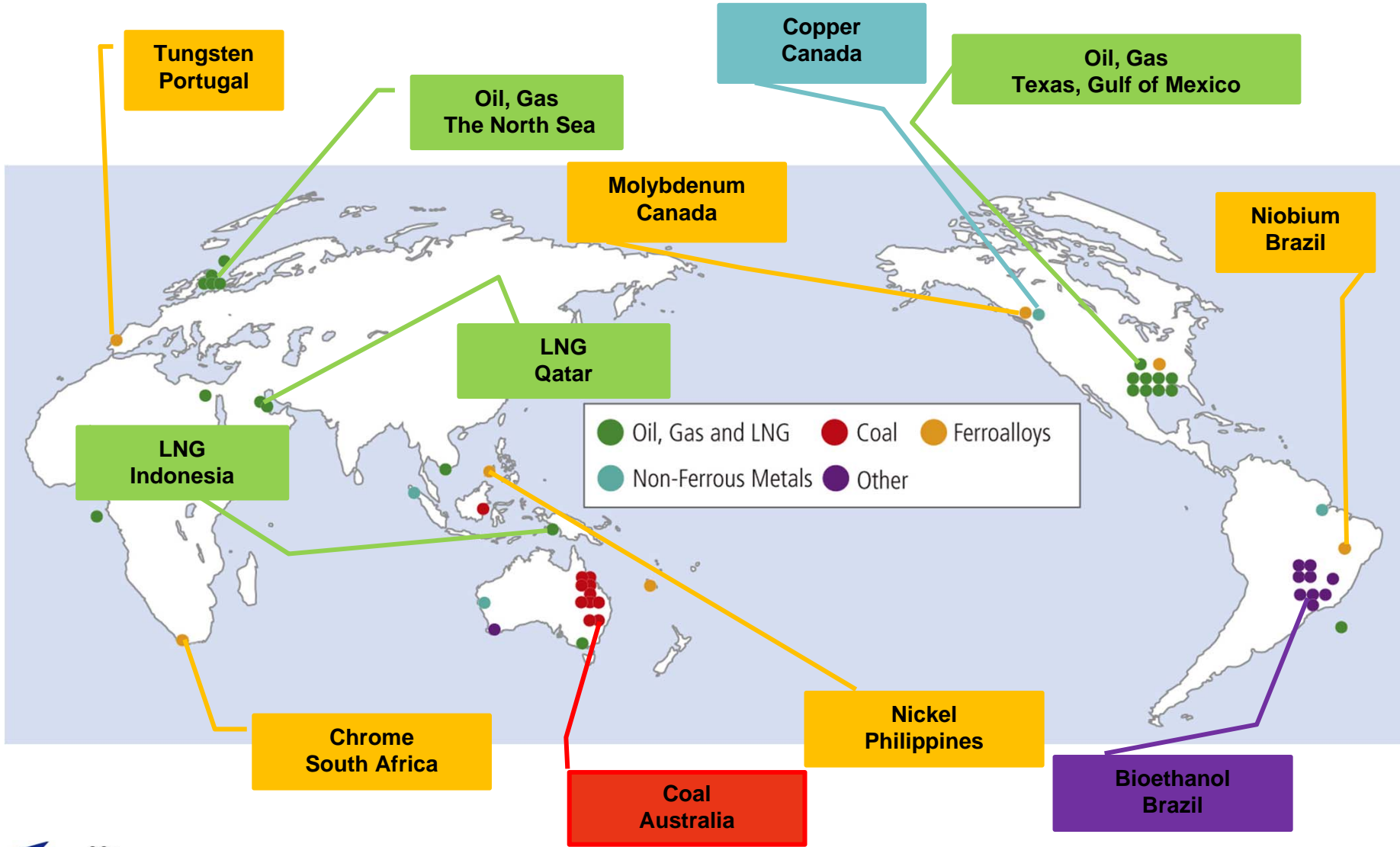
	FY2011 1st half Results	FY2012 1st half Results	FY2012 Revised Full-year Forecast
Gross profit	24.9	25.6	54.5
Operating income	6.7	7.5	—
Equity in earnings of affiliates	1.3	0.8	—
Ordinary income	5.3	5.6	11.0
Net income	3.8	2.9	6.0
Total assets	—	396.6	—

Supplemental Data II.

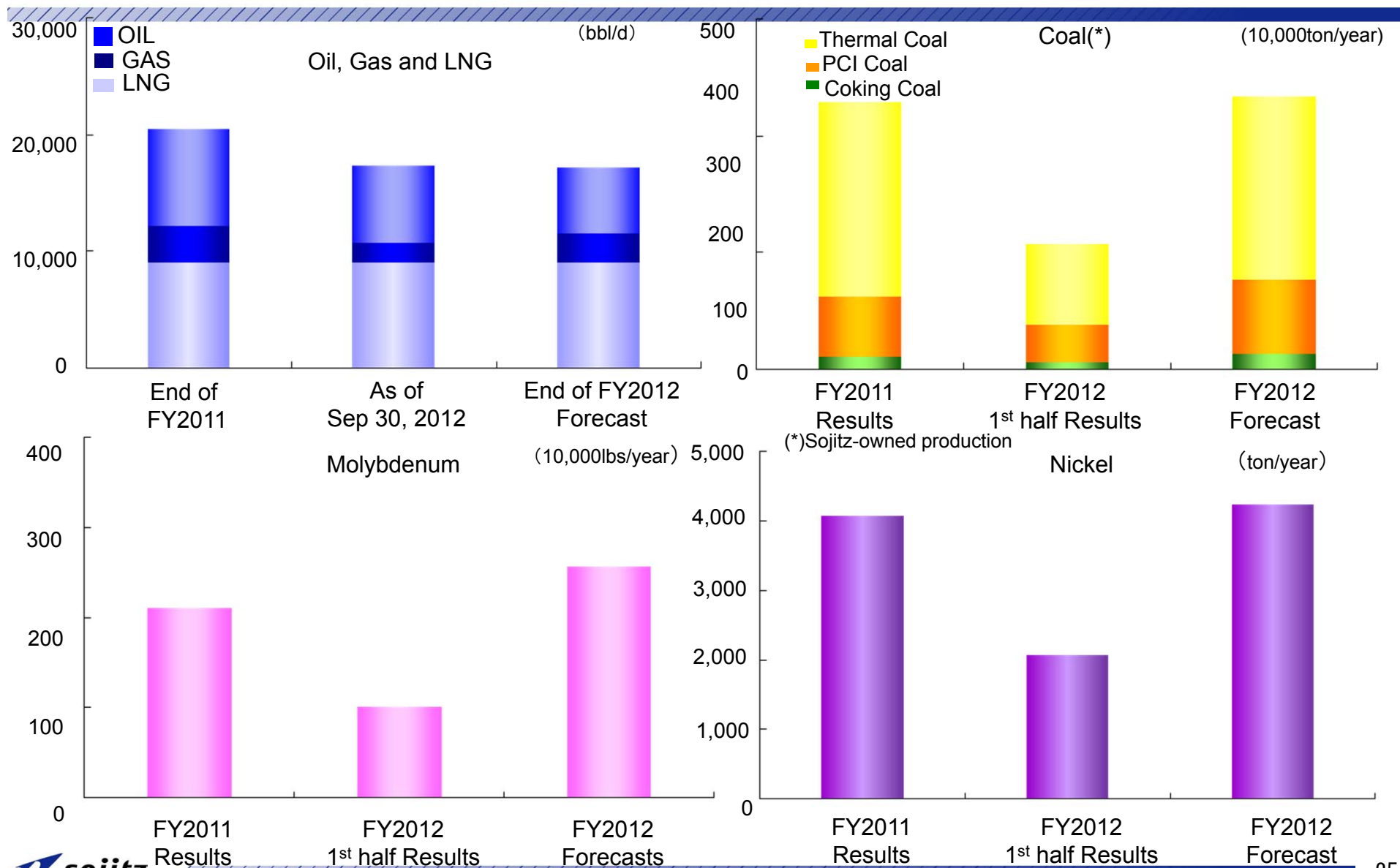
Energy & Mineral Resources



Overview of Major Interests



Share of Production Volume from Major Interests



Supplemental Data III.
Summary of Financial Results



■ Summary of P/L Statements

(Billions of Yen)

	FY07 Results	FY08 Results	FY09 Results	FY10 Results	FY11 Results(*)	FY12 1 st half Results	FY12 Revised Forecast
Net Sales	5,771.0	5,166.2	3,844.4	4,014.6	4,494.2	1,952.6	4,100.0
Gross Profit	277.7	235.6	178.2	192.7	231.6	94.8	194.0
Operating income	92.4	52.0	16.1	37.5	64.5	16.8	36.0
Ordinary Income	101.5	33.6	13.7	45.3	62.2	15.8	32.0
Net Income	62.7	19.0	8.8	16.0	(3.6)	3.0	10.0
Core earnings	101.7	48.3	14.4	41.9	65.0	14.1	33.5
(Reference)							
ROA	2.4%	0.8%	0.4%	0.7%	(0.2%)	—	0.5%
ROE	13.0%	4.8%	2.6%	4.7%	(1.1%)	—	3.3%

(*) A fifteen-month accounting period was applied for the significant overseas consolidated subsidiaries which underwent a change in their fiscal year end date, results on a twelve-month basis disregarding the change in the fiscal year end date are also stated as a reference point.

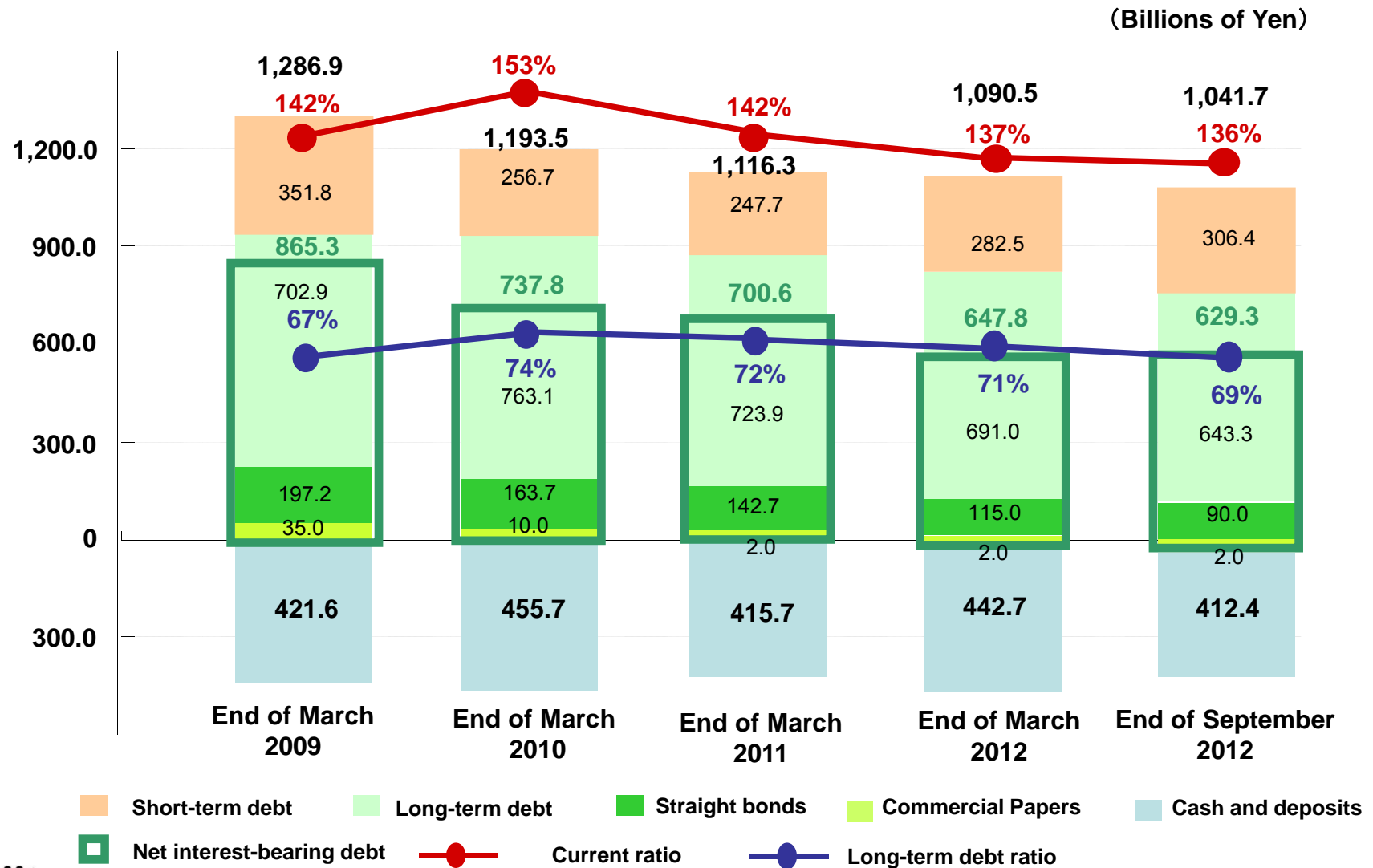
■ Summary of Consolidated Balance Sheets

(Billions of Yen)

	March 2010	March 2011	March 2012	September 2012		March 2010	March 2011	March 2012	September 2012
Current assets	1,285.3	1,266.7	1,298.1	1,233.7	Interest bearing debt	306.8	309.7	319.5	328.4
					Short-term	886.7	806.6	771.0	713.3
					Long-term				
					Other liabilities	590.0	645.2	699.6	648.7
Investment and Other assets	875.6	850.3	822.5	772.8	Total Equity * (Total net assets)	352.4 (377.4)	330.0 (355.5)	305.9 (330.5)	290.2 (316.1)
Total assets	2,160.9	2,117.0	2,120.6	2,006.5	Total liabilities and net assets	2,160.9	2,117.0	2,120.6	2,006.5
Risk assets vs. equity	320.0 (0.9 times)	310.0 (0.9 times)	300.0 (1.0 times)	280.0 (1.0 times)	Equity ratio(%)	16.3%	15.6%	14.4%	14.5%
Current ratio(%)	153%	142%	137%	136%	Net interest-bearing debt	737.8	700.6	647.8	629.3
Long-term debt ratio(%)	74%	72%	71%	69%	Net DER(times) Net D/E ratio based on total net assets	2.1 (2.0)	2.1 (2.0)	2.1 (2.0)	2.2 (2.0)

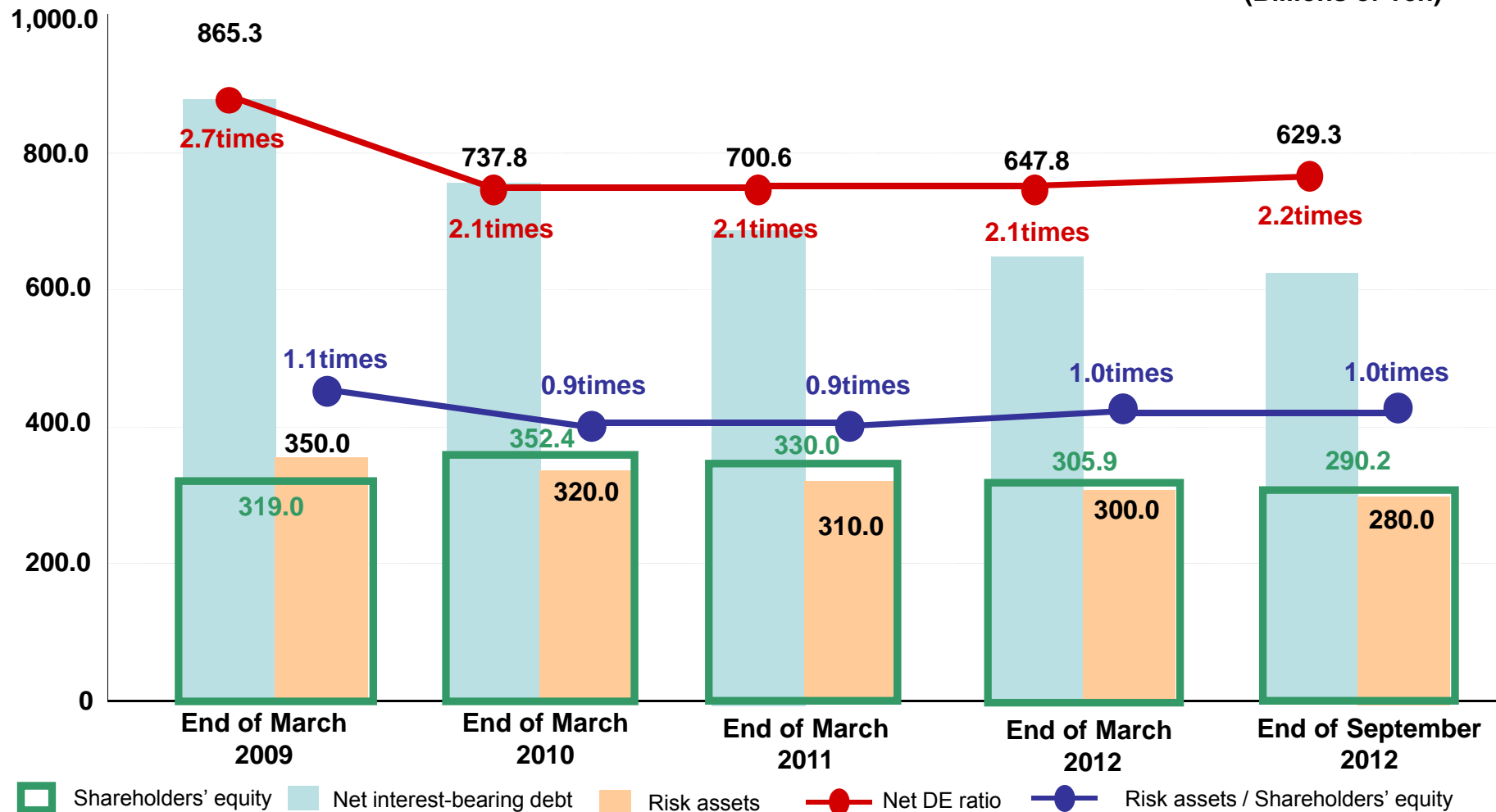
* Total equity = Total net assets – Minority interests

Interest-bearing Debt



Net interest-bearing Debt and Risk Assets

(Billions of Yen)





sojitz

New way, New value