

# Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2012

February 5, 2013  
Sojitz Corporation

## Results Highlights

1. The economic environment remained adverse, with no improvement in the slowdown in European and emerging-market economies, including China. The Japanese economy began to show signs of recovery as the yen weakened and stocks rallied in response to the new administration in December. Net sales, gross profit, and ordinary income for the first three quarters of the fiscal year ending March 31, 2013 all declined year on year as a result of reduced demand for and lower prices of commodities in which Sojitz Corporation trades. Net income, however, increased year on year due to the non-recurrence of the year-earlier reversal of deferred tax assets in response to corporate tax reform. (Figures in brackets represent year-over-year changes)

Net sales: 2,948.1 billion yen (-352.5 billion yen / -10.7%)  
- 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: 141.1 billion yen (-15.6 billion yen / -10.0%)  
- 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: 19.8 billion yen (-18.7 billion yen / -48.7%)  
- Operating income decreased due to decrease in gross profit  
- Decrease in equity in earnings of affiliates

Net income: 11.0 billion yen (+24.5 billion yen / -)  
- In spite of a decrease in ordinary income, net income increased due to the non-recurrence of the year-earlier reversal of deferred tax assets

2. Earnings forecast for the fiscal year ending March 31, 2013 (released on November 2, 2012)

Net sales 4,100.0 billion yen  
Operating income 36.0 billion yen  
Ordinary income 32.0 billion yen  
Net income 10.0 billion yen

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

3. 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			FY2011		Reasons for change	FY2012 Forecast	
	Results	1st Half	3rd Quarter	Results	Change a - b		c	Percentage achieved a/c
Net sales	2,948.1	1,952.6	995.5	3,300.6	(352.5)	Consumer Lifestyle Business (132.6) Machinery (79.5) Energy & Metal (75.3) Chemicals (63.3)	4,100.0	72%
Gross profit	141.1	94.8	46.3	156.7	(15.6)	Energy & Metal (11.5) Chemicals (4.3) Machinery (2.2) Consumer Lifestyle Business 0.6	194.0	73%
Gross profit margin	4.79%	4.86%	4.65%	4.75%	0.04%			
Personnel expenses	(61.0)	(40.2)	(20.8)	(60.1)	(0.9)			
Non-personnel expenses	(48.0)	(32.1)	(15.9)	(47.1)	(0.9)			
Depreciation	(5.0)	(3.4)	(1.6)	(4.5)	(0.5)			
Subtotal	(114.0)	(75.7)	(38.3)	(111.7)	(2.3)			
Provision of allowance for doubtful accounts	0.6	0.4	0.2	(2.3)	2.9			
Amortization of goodwill	(4.0)	(2.7)	(1.3)	(4.1)	0.1			
Total selling, general and administrative expenses	(117.4)	(78.0)	(39.4)	(118.1)	0.7		(158.0)	74%
Operating income	23.7	16.8	6.9	38.6	(14.9)		36.0	66%
Operating income margin	0.80%	0.86%	0.69%	1.17%	(0.37%)		0.88%	
Interest income	3.7	2.5	1.2	3.6	0.1			
Interest expenses	(15.9)	(10.8)	(5.1)	(17.6)	1.7			
Interest expenses - net	(12.2)	(8.3)	(3.9)	(14.0)	1.8			
Dividend income	2.2	1.7	0.5	2.6	(0.4)			
Net financial revenue	(10.0)	(6.6)	(3.4)	(11.4)	1.4			
Equity in earnings of affiliates	5.0	4.3	0.7	10.1	(5.1)	Bioethanol production company (2.1), Nickel refinery company (0.8)		
Other income and expenses - net	1.1	1.3	(0.2)	1.2	(0.1)			
Non operating income/losses - net	(3.9)	(1.0)	(2.9)	(0.1)	(3.8)		(4.0)	-
Ordinary income	19.8	15.8	4.0	38.5	(18.7)		32.0	62%
Gain on sales of noncurrent assets	1.3	1.2	0.1					
Gain on sales of investment securities	8.2	5.7	2.5			Gain on sales of overseas investment		
Total extraordinary income	9.5	6.9	2.6	5.9	3.6			
Impairment loss	(1.7)	(0.4)	(1.3)					
Loss on revaluation of securities	(2.1)	(11.7)	9.6			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	(0.8)	(0.2)	(0.6)					
Other extraordinary losses	(0.3)	(0.3)	0.0					
Total extraordinary losses	(5.5)	(13.2)	7.7	(13.8)	8.3			
(Extraordinary income/losses - net)	4.0	(6.3)	10.3	(7.9)	11.9		(8.0)	-
Income before income taxes and minority interests	23.8	9.5	14.3	30.6	(6.8)		24.0	99%
Income taxes: Current	(6.8)	(5.7)	(1.1)	(9.9)	3.1			
Deferred	(2.9)	1.6	(4.5)	(31.8)	28.9	Non-recurrence of the year-earlier reversal of deferred tax assets in response to corporate tax reform		
Total income taxes	(9.7)	(4.1)	(5.6)	(41.7)	32.0			
Income before minority interests	14.1	5.4	8.7	(11.1)	25.2		13.5	104%
Minority interests in income	(3.1)	(2.4)	(0.7)	(2.4)	(0.7)			
Net income (loss)	11.0	3.0	8.0	(13.5)	24.5		10.0	110%
Core earnings	18.1	14.1	4.0	39.6	(21.5)			

## Consolidated Balance Sheets and Principal Management Indices

(Billions of yen, except ratio data)

	Dec. 31	Mar. 31	Change d - e	Reasons for change
	2012	2012		
	d	e		
<b>Current assets</b>	1,254.1	1,298.1	(44.0)	
Cash and deposits	419.9	442.7	(22.8)	Decrease due to redemption of bonds
Notes and accounts receivable - trade	476.9	490.7	(13.8)	Decrease in chemicals-related business
Short-term investment securities	0.1	1.3	(1.2)	
Inventories	271.4	270.6	0.8	
Short-term loans receivable	5.2	5.7	(0.5)	
Deferred tax assets	6.2	4.6	1.6	
Other	77.8	88.1	(10.3)	Decrease due to decrease in advance payments
Allowance for doubtful accounts	(3.4)	(5.6)	2.2	
<b>Noncurrent assets</b>	800.0	822.2	(22.2)	
Property, plant and equipment	239.5	233.3	6.2	
Goodwill	41.0	44.6	(3.6)	
Intangible assets	83.9	79.9	4.0	
Investment securities	298.3	313.9	(15.6)	Decrease due to decline in stock prices, etc.
Long-term loans receivable	24.5	22.4	2.1	
Bad debts	60.4	68.2	(7.8)	
Deferred tax assets	17.8	22.4	(4.6)	
Real estate for investment	31.6	31.9	(0.3)	
Other	48.7	52.8	(4.1)	
Allowance for doubtful accounts	(45.7)	(47.2)	1.5	
<b>Deferred assets</b>	0.2	0.3	(0.1)	
<b>Total assets</b>	2,054.3	2,120.6	(66.3)	
<b>Liabilities</b>	898.8	947.4	(48.6)	
Notes and accounts payable - trade	444.9	461.8	(16.9)	Decrease in chemicals-related and oil-related business
Short-term loans payable	271.0	282.5	(11.5)	Increase due to reclassification of current portion and decrease in loan repayments
Commercial paper	2.0	2.0	-	
Current portion of bonds	30.0	35.0	(5.0)	Reclassification of current portion +30.0, redemption (35.0)
Other	150.9	166.1	(15.2)	Decrease due to decrease in advances received from customers
<b>Noncurrent liabilities</b>	809.8	842.7	(32.9)	
Bonds payable	60.0	80.0	(20.0)	Reclassification of current portion (30.0), issuance +10.0
Long-term loans payable	678.8	691.0	(12.2)	Decrease due to reclassification of current portion
Provision for retirement benefits	15.6	14.2	1.4	
Other	55.4	57.5	(2.1)	
<b>Total liabilities</b>	1,708.6	1,790.1	(81.5)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	159.5	151.7	7.8	Net income +11.0, dividends (3.8)
Treasury stock	(0.2)	(0.2)	0.0	
<b>Total shareholders' equity</b>	471.8	464.0	7.8	
Valuation difference on available-for-sale securities	3.3	7.6	(4.3)	Decrease due to fluctuations in stock prices, etc.
Deferred gains or losses on hedges	1.8	0.9	0.9	
Revaluation reserve for land	(2.2)	(2.1)	(0.1)	
Foreign currency translation adjustment	(155.4)	(163.6)	8.2	Increase due to fluctuations in foreign exchange rate
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(0.9)	(0.9)	0.0	
<b>Total other comprehensive income</b>	(153.4)	(158.1)	4.7	
Minority interests	27.3	24.6	2.7	
<b>Total net assets</b>	345.7	330.5	15.2	
<b>Total liabilities and net assets</b>	2,054.3	2,120.6	(66.3)	
<b>Gross interest-bearing debt</b>	1,041.8	1,090.5	(48.7)	
<b>Net interest-bearing debt</b>	621.9	647.8	(25.9)	
<b>Net debt/equity ratio (times)</b>	* 1.95	* 2.12	(0.17)	*The figure for equity used as the denominator in the debt/equity ratio and the numerator in the equity ratio excludes minority interests.
<b>Equity ratio</b>	* 15.5%	* 14.4%	1.1%	
<b>Current ratio</b>	139.5%	137.0%	2.5%	
<b>Long-term debt ratio</b>	70.9%	70.7%	0.2%	

## Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2012			FY2011
	Results	1st Half	3rd Quarter	
Income before minority interests	14.1	5.4	8.7	(11.1)
Other comprehensive income	5.6	(17.0)	22.6	(45.3)
Comprehensive income	19.7	(11.6)	31.3	(56.4)
(Breakdown)				
Comprehensive income attributable to owners of the parent	15.8	(13.9)	29.7	(58.2)
Comprehensive income attributable to minority interests	3.9	2.3	1.6	1.8

## Consolidated Statements of Cash Flows

(Billions of yen)

	FY2012	FY2011
	9-month Results	9-month Results
Cash Flows from Operating Activities	42.7	40.2
Cash Flows from Investing Activities	(16.0)	(44.4)
(Free Cash Flows)	26.7	(4.2)
Cash Flows from Financial Activities	(58.1)	(32.7)
Cash and Cash Equivalents at the End of the Year	400.5	370.8

### 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 Third Quarter Ended December 31, 2012 - Supplementary Material

February 5, 2013  
Sojitz Corporation

(Billions of Yen)

P/L					
	FY2012 9-month Results *1	FY2011 9-month Results *1	Change	FY2012 Full-year Forecast (as of Nov. 2, 2012)	Achieved
<b>Net sales</b>	<b>2,948.1</b>	<b>3,300.6</b>	(352.5)	<b>4,100.0</b>	71.9%
<b>Gross profit</b>	<b>141.1</b>	<b>156.7</b>	(15.6)	<b>194.0</b>	72.7%
Gross profit margin	4.79%	4.75%	0.04%	4.73%	
Machinery	47.5	49.7	(2.2)	65.0	73.1%
Energy & Metal	24.4	35.9	(11.5)	32.0	76.3%
Chemicals	25.4	29.7	(4.3)	37.0	68.6%
Consumer Lifestyle Business	38.6	38.0	0.6	54.5	70.8%
Other	5.2	3.4	1.8	5.5	94.5%
<b>Selling, general and administrative expenses</b>	<b>(117.4)</b>	<b>(118.1)</b>	0.7	<b>(158.0)</b>	74.3%
<b>Operating income</b>	<b>23.7</b>	<b>38.6</b>	(14.9)	<b>36.0</b>	65.8%
Operating income margin	0.80%	1.17%	(0.37%)	0.88%	
<b>Non-operating income/expenses - net</b>	<b>(3.9)</b>	<b>(0.1)</b>	(3.8)	<b>(4.0)</b>	-
<b>Ordinary income</b>	<b>19.8</b>	<b>38.5</b>	(18.7)	<b>32.0</b>	61.9%
Ordinary income margin	0.67%	1.17%	(0.50%)	0.78%	
Machinery	1.4	6.4	(5.0)	5.0	28.0%
Energy & Metal	2.7	16.5	(13.8)	8.0	33.8%
Chemicals	4.5	7.9	(3.4)	8.0	56.3%
Consumer Lifestyle Business	8.8	7.6	1.2	11.0	80.0%
Other	2.4	0.1	2.3	0.0	-
<b>Extraordinary income/losses - net</b>	<b>4.0</b>	<b>(7.9)</b>	11.9	<b>(8.0)</b>	-
Income before income taxes and minority interests	<b>23.8</b>	<b>30.6</b>	(6.8)	<b>24.0</b>	99.2%
Income before minority interests	<b>14.1</b>	<b>(11.1)</b>	25.2	<b>13.5</b>	104.4%
<b>Net income (loss)</b>	<b>11.0</b>	<b>(13.5)</b>	24.5	<b>10.0</b>	110.0%
Machinery	1.8	2.7	(0.9)	3.0	60.0%
Energy & Metal	1.7	14.6	(12.9)	3.0	56.7%
Chemicals	1.9	4.7	(2.8)	4.5	42.2%
Consumer Lifestyle Business	4.9	2.1	2.8	6.0	81.7%
Other	0.7	(37.6)	38.3	(6.5)	-
<b>Core earnings *2</b>	<b>18.1</b>	<b>39.6</b>	(21.5)	<b>33.5</b>	

\*1 Effective from the fiscal year ending March 31, 2013, 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 changed to the Chemicals division. The results for the 9 months ended December 31, 2011, and December 31, 2012 are stated based on the business divisions after the changes were made.

\*2 Core earnings = Operating income (before provision of allowance for doubtful accounts and write-offs) + Interest expenses-net  
+ Dividend income + Equity in earnings of affiliates

B/S				
	Dec. 31, 2012	Mar. 31, 2012	Change	Mar. 31, 2012 Revised Full-year Forecast (Feb. 5, 2013)
<b>Total assets</b>	<b>2,054.3</b>	<b>2,120.6</b>	(66.3)	<b>2,060.0</b>
<b>Total equity *3</b>	<b>318.4</b>	<b>305.9</b>	12.5	<b>315.0</b>
Total net assets	345.7	330.5	15.2	-
<b>Equity ratio (%)</b>	<b>15.5%</b>	<b>14.4%</b>	1.1%	<b>15.3%</b>
<b>Net interest-bearing debt</b>	<b>621.9</b>	<b>647.8</b>	(25.9)	<b>640.0</b>
<b>Net D/E ratio (times)</b>	<b>1.95</b>	<b>2.12</b>	(0.17)	<b>2.0</b>
Net D/E ratio based on total net assets (times)	1.80	(1.96)	(0.16)	-
<b>Risk assets</b>	<b>290.0</b>	<b>300.0</b>	(10.0)	-
<b>Ratio of risk assets to equity (times)</b>	<b>0.9</b>	<b>1.0</b>	(0.1)	-

\*3 Total equity = Total net assets - Minority interests

\*4 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.

Main factors behind changes	FY2012 current position and outlook
<p><b>Machinery Division</b></p> <p>- 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.</p>	<p><b>Machinery Division</b></p> <p>- Despite a strong showing in the automobile business in some regions overseas, overall performance is unlikely to meet the full-year target due to low trading volumes in plant and IT-related businesses.</p>
<p><b>Energy &amp; Metal Division</b></p> <p>- 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.</p> <p>- 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.</p>	<p><b>Energy &amp; Metal Division</b></p> <p>- Although the crude oil price remained firm, progress is expected to be short of the full-year target due to the impact of factors such as the decline in prices of mineral resources.</p>
<p><b>Chemicals Division</b></p> <p>- Earnings decreased due to a decrease in sales prices and a decrease in trading volumes arising from a decline in demand mainly in Europe, China, and other parts of Asia.</p>	<p><b>Chemicals Division</b></p> <p>- Despite the continual strong performance of the methanol business, progress is expected to be short of the full-year target due to a decrease in trading volumes stemming from declining demand for other products.</p>
<p><b>Consumer Lifestyle Business Division</b></p> <p>- Ordinary income and net income increased due to increases in trading volumes in the overseas fertilizer businesses and sales contributions of the overseas industrial park-related business.</p>	<p><b>Consumer Lifestyle Business Division</b></p> <p>- We expect to exceed our full-year target on the strength of a strong performance in the overseas fertilizer and industrial park-related businesses in particular.</p>
<p><b>Other</b></p> <p>- Earnings improved due to the non-recurrence of the year-earlier real-estate related valuation losses and reversal of deferred tax assets.</p>	<p><b>Other</b></p> <p>- Performance is expected to be in accordance with the outlook.</p>

Commodity Prices and Exchange Rates					
	2011 Results (Annual Average)	FY2012 Assumption (2nd half)	FY2012 Results Apr.-Sep. '12 Avg.	FY2012 Results Oct.-Dec. '12 Avg.	FY2012 Results Apr.-Dec. '12 Avg.
<b>Crude oil (Brent) **1</b> (\$/bbl)	\$111.3/bbl	\$110/bbl	\$109.0/bbl	\$110.1/bbl	\$109.3/bbl
<b>Thermal Coal</b> (\$/t)	\$121.3/t	\$96.5/t	\$93.1/t	\$89.6/t	\$91.9/t
<b>Molybdenum</b> (\$/lb)	\$15.5/lb	\$13.8/lb	\$12.9/lb	\$11.2/lb	\$12.3/lb
<b>Nickel **2</b> (\$/lb)	\$10.4/lb	\$8.0/lb	Jan. -Jun. Avg. \$8.3/lb	Jul. -Sep. Avg. \$7.4/lb	Jan. -Sep. Avg. \$8.0/lb
<b>Copper **2</b> (\$/t)	\$8,821/t	\$7,690/t	Jan. -Jun. Avg. \$8,090/t	Jul. -Sep. Avg. \$7,718/t	Jan. -Sep. Avg. \$7,966/t
<b>Exchange rate **3</b> (¥/\$)	¥79.5/\$	¥79.0/\$ **4	¥79.0/\$	¥82.8/\$	¥80.2/\$

\*\*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 total equity by approx. ¥1.2 billion.

\*\*4 Exchange rate is based on the annual average

# Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2013

February 5, 2013

## Sojitz Corporation

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

Listed stock exchange: The first sections of Tokyo and Osaka

Security code: 2768

Company representative: Yoji Sato, President & CEO

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Scheduled filing date of quarterly financial report: February 13, 2013

Scheduled date of delivery of dividends: -

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes

(Rounded down to millions of Japanese Yen)

### 1. Consolidated Financial Results for the First Three Quarters Ended December 31, 2012 and 2011

#### (1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
for the 9-month Results								
FY 2012	2,948,144	(10.7)	23,710	(38.6)	19,753	(48.7)	11,038	-
FY 2011	3,300,577	11.5	38,605	38.0	38,474	13.9	(13,458)	-

Note. Comprehensive Income For the 9 months ended December 31, 2012: 19,701 (-%) For the 9 months ended December 31, 2011: (56,403) (-%)

	Net Income per Share (EPS)	Adjusted EPS
	Yen	Yen
for the 9-month Results		
FY 2012	8.82	8.82
FY 2011	(10.76)	-

#### (2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of			
December 31, 2012	2,054,315	345,750	15.5
March 31, 2012	2,120,596	330,471	14.4

(Millions of Yen)

Notes: Total Equity

As of December 31, 2012 : 318,386

As of March 31, 2011 : 305,905

### 2. Cash Dividends

	Cash Dividend per Share				
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual
For the year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2012	-	1.50	-	1.50	3.00
March 31, 2013	-	1.50	-		
March 31, 2013 (forecast)				1.50	3.00

Note. Change in cash dividends forecast announced on Nov. 2, 2012 : No

### 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2013(April 1, 2012 - March 31, 2013)

Description of % is indicated as the change rate compared with the same period last 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, 2013									
Full-year	4,100,000	(8.8)	36,000	(44.2)	32,000	(48.6)	10,000	-	7.99

Notes: Changes in Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2013 : No

Notes:

- (1) Changes in major subsidiaries during the period  
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No
- (2) Adoption of specific accounting procedures for preparing quarterly consolidated financial statements : No
- (3) Changes in accounting standards, accounting estimates, and retrospective restatement for preparing quarterly consolidated financial statements
  1. Changes due to amendment of accounting standards : Yes
  2. Changes due to other reasons : No
  3. Accounting estimate change : Yes
  4. Retrospective restatement : No
- (4) Number of outstanding shares at the end of the periods (Common Stock):
  1. Number of outstanding shares at the end of the periods (Including treasury shares ):  
As of December 31, 2012: 1,251,499,501 As of March 31, 2012: 1,251,499,501
  2. Number of treasury shares at the end of the periods:  
As of December 31, 2012 : 479,735 As of March 31, 2012 : 475,587
  3. Average number of outstanding shares during the periods:  
For the Third Quarter ended December 31, 2012(accumulative): 1,251,021,839  
For the Third Quarter ended December 31, 2011(accumulative): 1,251,033,131

\* Disclosure Regarding Auditing Procedure for Financial Statements

At the time of this earnings report's disclosure, auditing procedures for financial statements in accordance with the Financial Instruments and Exchange Act were in the process of being implemented.

\* Important Note Concerning the Appropriate Use of Business Forecasts and other

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.

We will soon incorporate our financial statement supplementary materials and details providing an explanation (recorded) of our quarterly financial statement meeting (teleconference) for both analysts and institutional investors together with some principle questions and answers on Tuesday, February 5.

## **Analysis of business results**

### **1. Overview of First Three Quarters of Fiscal 2012 (April 1 – December 31, 2012)**

#### **Economic environment**

In the first three quarters of fiscal 2012 (April–December 2012), global economic growth remained sluggish, but recession concerns subsided somewhat in response to aggressive monetary easing and other stimulus measures in Japan, the US, and Europe.

The US economy is in a gradual recovery trend driven largely by continued monetary easing and growth in housing starts. However, the US fiscal cliff remains a source of uncertainty despite progress toward averting a sovereign default triggered by a debt ceiling standoff.

The euro-zone has yet to embark on economic recovery, although there is a growing consensus that the worst is over and that a move toward unified bank supervision is imminent. Exports consequently remained depressed in emerging market economies heavily dependent on Europe as an export market. Against such a backdrop, resource-producing countries' economic growth rates remained sluggish, largely as a result of falling resource prices.

The Chinese economy showed signs of gradual improvement by the end of 2012, bolstered largely by investment in social capital formation.

The Japanese economy experienced a downshift in intermediate goods exports to China and other Asian countries due to European economic stagnation and a large decline in China-bound exports of finished goods, mainly automobiles, in the wake of Chinese anti-Japan protests in September and October. In response, domestic economic sentiment temporarily deteriorated, but from around October onwards industrial production, personal consumption, and other economic indicators exhibited some signs of improvement. Following the LDP's landslide victory in the December Lower House election, the yen began weakening on expectations of substantial monetary easing by the Bank of Japan. Meanwhile, the equity market rallied on expectations of increased public works spending funded by a large supplementary budget and recovery in exporters' earnings by virtue of the yen's depreciation.

#### **Financial Performance**

Sojitz Corporation's consolidated business results for the first three quarters of fiscal 2012 are presented below.

##### **Net sales**

Consolidated net sales declined 10.7% year on year to ¥2,948,144 million. Contributing to the decline were a decrease in the Consumer Lifestyle Business Division's sales due largely to reduced cigarette and marine-product trading volumes, a decline in the Machinery Division's sales due to non-recurrence of large plant export sales booked in the year-earlier period, a decline in the Energy & Metal Division's sales due largely to reduced trading volumes and lower prices, and a decline in the Chemicals Division's sales due largely to reduced demand in Europe, China, and elsewhere in Asia.

##### **Gross profit**

Consolidated gross profit decreased ¥15,625 million year on year to ¥141,077 million. The decline was largely attributable to the Energy & Metal and Chemicals Divisions. The former's gross profits decreased as a result of reduced trading volumes and lower prices while the latter's decline was largely due to reduced demand in Europe, China, and other Asian countries.

##### **Operating income**

As a result of the decline in gross profit, consolidated operating income decreased ¥14,895 million year on year to ¥23,710 million.

##### **Ordinary income**

Consolidated ordinary income decreased ¥18,721 million year on year to ¥19,753 million as a result of a decline in equity in the earnings of affiliates, including a bioethanol producer and nickel refining company, in addition to the decline in operating income.

#### Extraordinary income and losses

Extraordinary income totaled ¥9,474 million, including a ¥3,485 million gain on the sale of equity investment without stock and ¥4,642 million gain on sales of investment securities. Extraordinary losses totaled ¥5,465 million, including a ¥1,715 million impairment loss and ¥2,106 million valuation loss on investment securities due largely to declines in market prices of listed stocks. Extraordinary income and losses netted to an extraordinary income of ¥4,009 million.

#### Net income

Consolidated income before income taxes and minority interests was ¥23,762 million, and with current income tax expense of ¥6,768 million and deferred income taxes of ¥2,924 million, consolidated net income amounted to ¥14,069 million before adjustment for minority interests. After deduction of ¥3,030 million of minority interests in consolidated subsidiaries' net income, consolidated net income for the first three quarters of fiscal 2012 was ¥11,038 million, a ¥24,496 million improvement from the year-earlier period.

Effective from the first quarter of fiscal 2012, Sojitz revised its business segmentation, reclassifying its domestic real estate business from the Consumer Lifestyle Business Division to the "Other" segment. Additionally, the former Chemicals and Functional Materials Division was changed to the Chemicals Division.

Results for the first three quarters of fiscal 2012 are summarized by business segment below.

#### Machinery

Net sales declined 10.9% year on year to 648,615 million as growth in automobile export sales was outweighed by declines in plant exports and ship-related sales. Net income also decreased ¥825 million year on year to ¥1,848 million.

#### Energy & Metal

Net sales decreased 9.7% year on year to ¥703,298 million, largely as a result of price declines and reduced trading volumes. Net income decreased ¥12,873 million year on year to ¥1,721 million due to a decline in operating income coupled with a decrease in equity in the earnings of affiliates, including a bioethanol producer and nickel refining company.

#### Chemicals

Net sales declined 13.0% year on year to ¥423,559 million, largely due to reduced demand in Europe, China, and other Asian countries. Net income decreased ¥2,802 million year on year to ¥1,914 million.

#### Consumer Lifestyle Business

Net sales decreased 10.5% year on year to ¥1,133,022 million, largely as a result of reduced cigarette and marine-product trading volumes. Net income rose ¥2,857 million year on year to ¥4,940 million by virtue of increased profits from overseas fertilizer operations and overseas industrial park projects.

#### Other

Net sales declined 3.8% year on year to ¥39,647 million. Net loss shrank ¥1,310 million year on year to ¥242 million, largely as a result of non-recurrence of a real-estate-related valuation loss in the year-earlier period.

## 2. Financial Position

### Consolidated Balance Sheet

At December 31, 2012, consolidated assets totaled ¥2,054,315 million, a ¥66,281 million decrease from March 31, 2012. Notable reductions in individual asset accounts included a ¥22,782 million decrease in cash and deposits, largely due to redemption of bonds; a ¥13,820 million decrease in trade notes and accounts receivable, largely as a result of reduced chemicals-related business; and a ¥15,641 million decrease in investment securities, largely due to adverse stock price movements. These decreases were

partially offset by a ¥6,198 million increase in property, plant and equipment resulting mainly from operating companies' capital investments.

Consolidated liabilities totaled ¥1,708,565 million at December 31, 2012, a ¥81,560 million decrease from March 31, 2012. The decrease was attributable to a reduction in interest-bearing debt due mainly to redemption of bonds and loan repayments, and a ¥16,805 million decrease in trade notes and accounts payable resulting largely from reduced chemicals-related and oil-related business.

With regard to net assets, net unrealized gains on available-for-sale securities decreased ¥4,368 million from March 31 2012, largely as a result of adverse stock price movements, but the foreign currency translation adjustment account balance increased ¥8,221 million over the same timeframe due to exchange rate movements. As a result, total net assets inclusive of minority interests increased ¥15,279 million to ¥345,750 million between March 31 and December 31, 2012.

Sojitz consequently ended the fiscal third quarter with a current ratio of 140% and long-term debt ratio of 71%. Net interest-bearing debt (total interest-bearing debt less cash and deposits) at December 31, 2012, totaled ¥621,815 million, a ¥26,021 million decrease from March 31, 2012. This decrease resulted in a net interest bearing debt ratio of 2.0 at December 31, 2012.

In terms of funding, Sojitz remains committed to a basic financial strategy of maintaining and enhancing the stability of its capital structure under its *Medium-term Management Plan 2014*. Sojitz is endeavoring to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and building a stable funding structure by maintaining a sound long-term debt ratio as a target carried over from its previous medium-term plan.

As one source of long-term funding, Sojitz issued ¥10 billion in straight bonds in July 2012. Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional issues whenever advantageous opportunities to do so arise.

Additionally, Sojitz maintains two committed credit lines, a ¥100 billion yen line and US\$300 million multicurrency line, as supplemental sources of precautionary liquidity.

## **Consolidated cash flows**

In the nine months ended December 31, 2012, operating activities provided net cash of ¥42,696 million while investing and financing activities used net cash of ¥15,961 million and ¥58,051 million, respectively. Sojitz ended the fiscal third quarter with cash and cash equivalents of ¥400,470 after foreign currency translation adjustments related to cash and cash equivalents.

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

In the nine months ended December 31, 2012, operating activities provided net cash of ¥42,696 million, a ¥2,474 million year-on-year increase. Operating cash inflows, sources of which included income before income taxes and minority interests and a reduction in accounts receivable, exceeded operating cash outflows, uses of which included reduction of accounts payable.

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

Investing activities in the nine months ended December 31, 2012, used net cash of ¥15,961 million, a ¥28,475 million year-on-year decrease. Investment outlays included capital expenditures related to resource concessions and ship purchases and exceeded investment inflows, sources of which included sales of investment securities and aircraft.

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

Financing activities in the nine months ended December 31, 2012, used net cash of ¥58,051 million, a ¥25,369 million increase from the year-earlier period. Financing cash outflows, uses of which included bond redemptions and repayment of long-term loans, exceeded financing cash inflows, sources of which included new borrowings and bond issuance.

### **3. Consolidated Earnings Forecast**

When reporting fiscal first half earnings on November 2, 2012, Sojitz revised its fiscal 2012 consolidated earnings forecast issued on May 8, 2012, in light of its fiscal first-half results.

Exchange rate (annual average JPY/USD rate): ¥79

Crude oil price (Brent) (annual average): US\$110/bbl

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## Consolidated Balance Sheets

### As of December 31, 2012 and March 31, 2012

(Millions of Yen)

	As of March 31, 2012	As of December 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	442,706	419,924
Notes and accounts receivable-trade	490,708	476,888
Short-term investment securities	1,297	100
Inventories	270,645	271,381
Short-term loans receivable	5,667	5,181
Deferred tax assets	4,577	6,240
Other	88,132	77,827
Allowance for doubtful accounts	(5,583)	(3,402)
<b>Total current assets</b>	<b>1,298,151</b>	<b>1,254,140</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	116,084	120,629
Accumulated depreciation	(57,457)	(58,182)
Buildings and structures, net	58,626	62,446
Machinery, equipment and vehicles	168,030	190,909
Accumulated depreciation	(81,810)	(85,897)
Machinery, equipment and vehicles, net	86,220	105,011
Land	53,429	52,087
Construction in progress	26,169	9,152
Other	22,431	25,685
Accumulated depreciation	(13,616)	(14,924)
Other, net	8,814	10,760
<b>Total property, plant and equipment</b>	<b>233,260</b>	<b>239,458</b>
Intangible assets		
Goodwill	44,612	41,027
Other	79,884	83,871
<b>Total intangible assets</b>	<b>124,497</b>	<b>124,898</b>
Investments and other assets		
Investment securities	313,897	298,256
Long-term loans receivable	22,415	24,527
Bad debts	68,164	60,412
Deferred tax assets	22,442	17,776
Real estate for investment	31,934	31,636
Other	52,788	48,704
Allowance for doubtful accounts	(47,223)	(45,714)
<b>Total investments and other assets</b>	<b>464,419</b>	<b>435,598</b>
<b>Total noncurrent assets</b>	<b>822,177</b>	<b>799,956</b>
Deferred assets		
Other	266	219
<b>Total deferred assets</b>	<b>266</b>	<b>219</b>
<b>Total assets</b>	<b>2,120,596</b>	<b>2,054,315</b>

## Consolidated Balance Sheets

### As of December 31, 2012 and March 31, 2012

(Millions of Yen)

	As of March 31, 2012	As of December 31, 2012
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	461,799	444,994
Short-term loans payable	282,524	270,975
Commercial papers	2,000	2,000
Current portion of bonds	35,000	30,000
Income taxes payable	8,850	5,940
Deferred tax liabilities	87	59
Provision for bonuses	6,254	3,445
Other	150,906	141,414
<b>Total current liabilities</b>	<b>947,422</b>	<b>898,830</b>
Noncurrent liabilities		
Bonds payable	80,000	60,000
Long-term loans payable	691,018	678,764
Deferred tax liabilities	20,596	20,256
Deferred tax liabilities for land revaluation	696	672
Provision for retirement benefits	14,232	15,551
Provision for directors' retirement benefits	648	617
Other	35,509	33,873
<b>Total noncurrent liabilities</b>	<b>842,702</b>	<b>809,735</b>
<b>Total liabilities</b>	<b>1,790,125</b>	<b>1,708,565</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	160,339	160,339
Capital surplus	152,160	152,160
Retained earnings	151,706	159,551
Treasury stock	(179)	(179)
<b>Total shareholders' equity</b>	<b>464,026</b>	<b>471,871</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,626	3,258
Deferred gains or losses on hedges	935	1,803
Revaluation reserve for land	(2,120)	(2,161)
Foreign currency translation adjustment	(163,686)	(155,465)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(875)	(919)
<b>Total accumulated other comprehensive income</b>	<b>(158,121)</b>	<b>(153,485)</b>
Minority interests	24,565	27,363
<b>Total net assets</b>	<b>330,471</b>	<b>345,750</b>
<b>Total liabilities and net assets</b>	<b>2,120,596</b>	<b>2,054,315</b>

**Consolidated Statement of Profit and Loss**  
**for the Third Quarter of Fiscal Year Ending March 31, 2013**

Millions of Yen

	For the First Three Quarters of Fiscal Year Ended March 31, 2012 (From April 1, 2011 to December 31, 2011)	For the First Three Quarters of Fiscal Year Ending March 31, 2013 (From April 1, 2012 to December 31, 2012)
<b>Net sales</b>	3,300,577	2,948,144
Cost of sales	3,143,875	2,807,067
<b>Gross profit</b>	156,702	141,077
Selling, general and administrative expenses	118,097	117,366
<b>Operating income</b>	38,605	23,710
Non-operating income		
Interest income	3,607	3,729
Dividends income	2,589	2,201
Equity in earnings of affiliates	10,092	5,019
Foreign exchange gains	—	4,004
Other	9,657	8,086
<b>Total non-operating income</b>	25,947	23,041
Non-operating expenses		
Interest expenses	17,628	15,932
Interest on commercial papers	4	3
Foreign exchange losses	3,078	—
Loss on valuation of derivatives	—	6,438
Other	5,367	4,624
<b>Total non-operating expenses</b>	26,078	26,999
<b>Ordinary Income</b>	38,474	19,753
Extraordinary income		
Gain on sales of noncurrent assets	2,377	1,302
Gain on sales of investment securities	3,271	4,642
Gain on sales of equity investment without stock	213	3,485
Gain on change in equity	6	5
Gain on negative goodwill	—	38
<b>Total extraordinary income</b>	5,868	9,474
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	438	253
Impairment loss	1,574	1,715
Loss on sales of investment securities	75	30
Loss on sales of equity investment without stock	5	—
Loss on valuation of securities	6,294	2,106
Loss on change in equity	205	17
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	2,637	759
Provision for loss on litigation	2,500	—
Loss on litigation etc	—	582
<b>Total extraordinary losses</b>	13,731	5,465
Income before income taxes and minority interests	30,612	23,762
Income taxes-current	9,887	6,768
Income taxes-deferred	31,829	2,924
Total income taxes	41,716	9,693
Income(loss) before minority interests	(11,104)	14,069
Minority interests in income	2,354	3,030
<b>Net income(loss)</b>	(13,458)	11,038

**Consolidated Statement of Comprehensive Income  
for the Third Quarter of Fiscal Year Ending March 31, 2013**

Millions of Yen

	For the First Three Quarters of Fiscal Year Ended March 31, 2012 (From April 1, 2011 to December 31, 2011)	For the First Three Quarters of Fiscal Year Ending March 31, 2013 (From April 1, 2012 to December 31, 2012)
<b>Income (loss) before minority interests</b>	(11,104)	14,069
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,874)	(3,050)
Deferred gains or losses on hedges	(1,942)	1,052
Revaluation reserve for land	77	—
Foreign currency translation adjustment	(14,767)	9,356
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(45)	(44)
Share of other comprehensive income of associates accounted for using equity method	(18,745)	(1,681)
<b>Total other comprehensive income</b>	<b>(45,299)</b>	<b>5,632</b>
<b>Comprehensive income</b>	<b>(56,403)</b>	<b>19,701</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(58,158)	15,846
Comprehensive income attributable to minority interests	1,754	3,855

**Consolidated Statements of Cash Flows**  
for the Third Quarter of Fiscal Year Ending March 31, 2013

(Millions of Yen)

	For the First Three Quarters of Fiscal Year Ended March 31, 2012 (From April 1, 2011 to December 30, 2011)	For the First Three Quarters of Fiscal Year Ending March 31, 2013 (From April 1, 2012 to December 30, 2012)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	30,612	23,762
Depreciation and amortization	23,033	21,907
Impairment loss	1,574	1,715
Loss on valuation of investment securities	6,294	2,106
Amortization of goodwill	3,662	3,604
Increase (decrease) in allowance for doubtful accounts	(12,975)	(3,857)
Increase (decrease) in provision for retirement benefits	820	1,114
Interest and dividends income	(6,196)	(5,931)
Interest expenses	17,633	15,936
Foreign exchange losses (gains)	4,010	(2,780)
Equity in (earnings) losses of affiliates	(10,092)	(5,019)
Loss (gain) on sales of investment securities	(3,205)	(8,085)
Loss (gain) on sales and retirement of noncurrent assets	(1,939)	(1,048)
Decrease (increase) in notes and accounts receivable-trade	(47,123)	18,756
Decrease (increase) in inventories	(18,140)	2,711
Increase (decrease) in notes and accounts payable-trade	48,185	(21,603)
Other, net	19,105	11,762
Subtotal	55,257	55,050
Interest and dividends income received	14,281	14,972
Interest expenses paid	(17,064)	(15,006)
Payments for loss on litigation	—	(3,082)
Income taxes paid	(12,252)	(9,238)
Net cash provided by (used in) operating activities	40,222	42,696
<b>Net cash provided by (used in) investing activities</b>		
Decrease (increase) in time deposits	(8,707)	(2,594)
Decrease (increase) in short-term investment securities	(1,315)	11
Purchase of property, plant and equipment	(25,873)	(21,226)
Proceeds from sales of property, plant and equipment	4,529	8,576
Purchase of intangible assets	(6,656)	(6,930)
Purchase of investment securities	(3,156)	(1,873)
Proceeds from sales and redemption of investment securities	8,063	14,762
Decrease (increase) in short-term loans receivable	3,609	250
Payments of long-term loans receivable	(12,250)	(3,957)
Collection of long-term loans receivable	517	1,097
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,030)	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(719)	(4,161)
Other, net	(445)	85
Net cash provided by (used in) investing activities	(44,436)	(15,961)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	12,389	(5,647)
Proceeds from long-term loans payable	72,763	129,313
Repayment of long-term loans payable	(94,892)	(151,615)
Proceeds from issuance of bonds	29,847	9,953
Redemption of bonds	(47,719)	(35,000)
Proceeds from stock issuance to minority shareholders	19	68
Cash dividends paid	(3,753)	(3,753)
Cash dividends paid to minority shareholders	(463)	(163)
Other, net	(873)	(1,208)
Net cash provided by (used in) financing activities	(32,682)	(58,051)
Effect of exchange rate change on cash and cash equivalents	(7,602)	4,512
Net increase (decrease) in cash and cash equivalents	(44,498)	(26,803)
Cash and cash equivalents at beginning of period	415,261	427,274
Cash and cash equivalents at end of period	370,763	400,470

## Segment Information

### Reportable segment information

For the first three quarters ended December 31, 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	728,209	778,608	486,933	1,265,616	3,259,367	41,210	3,300,577	-	3,300,577
(2) Inter-segment	2,290	1,067	3,727	2,112	9,198	2,815	12,013	(12,013)	-
Total	730,500	779,675	490,660	1,267,728	3,268,565	44,025	3,312,591	(12,013)	3,300,577
Segment income (loss)	2,673	14,594	4,716	2,083	24,067	(1,552)	22,514	(35,973)	(13,458)

Notes: 1. "Other" includes functional services, domestic 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 (35,973) million yen adjustment for segment loss includes (33,225) 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 (2,749) 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 three quarters ended December 31, 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	648,615	703,298	423,559	1,133,022	2,908,496	39,647	2,948,144	-	2,948,144
(2) Inter-segment	1,161	741	3,588	2,779	8,270	3,615	11,885	(11,885)	-
Total	649,777	704,039	427,147	1,135,802	2,916,766	43,263	2,960,029	(11,885)	2,948,144
Segment income (loss)	1,848	1,721	1,914	4,940	10,425	(242)	10,182	856	11,038

Notes: 1. "Other" includes functional services, domestic 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 856 million yen adjustment for segment income includes 238 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 349 million yen of dividend income and 268 million yen in gain on sales of investment 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.

(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 three quarters ended December 31, 2011 are stated based on the business divisions after the change was made.

# Financial Results for the Third Quarter Ended December 31, 2012 (Reference)

**February 5, 2013**  
**Sojitz Corporation**

# ■ Index

- I. Financial Results for the Third Quarter Ended December 31, 2012  
(Japanese accounting standard)
- II. Financial Results by Business Segment
- III. Energy & Mineral Resources
- IV. 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 Third Quarter Ended  
December 31, 2012  
(Japanese accounting standard)

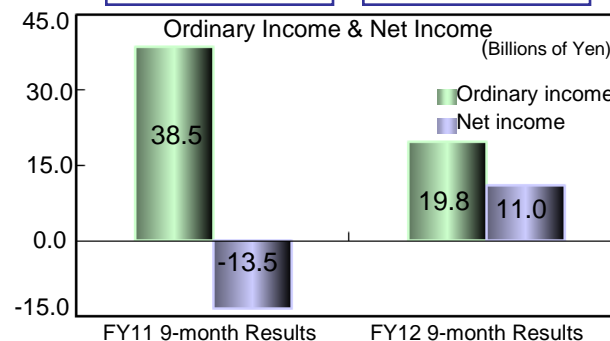
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## ■ Summary of P/L Statement

Declining demand and prices has led to a decrease in year-on-year revenues and profits (apart from net income and comprehensive income, both of which increased due to the non-recurrence of the year-earlier reversal of deferred tax assets)

(Billions of Yen)	FY11 9-month Results	FY12 9-month Results	Change
Net sales	3,300.6	2,948.1	-352.5
Gross profit	156.7	141.1	-15.6
Operating income	38.6	23.7	-14.9
Ordinary income	38.5	19.8	-18.7
Net income	-13.5	11.0	24.5
Comprehensive income	-56.4	19.7	76.1
Core earnings	39.6	18.1	-21.5

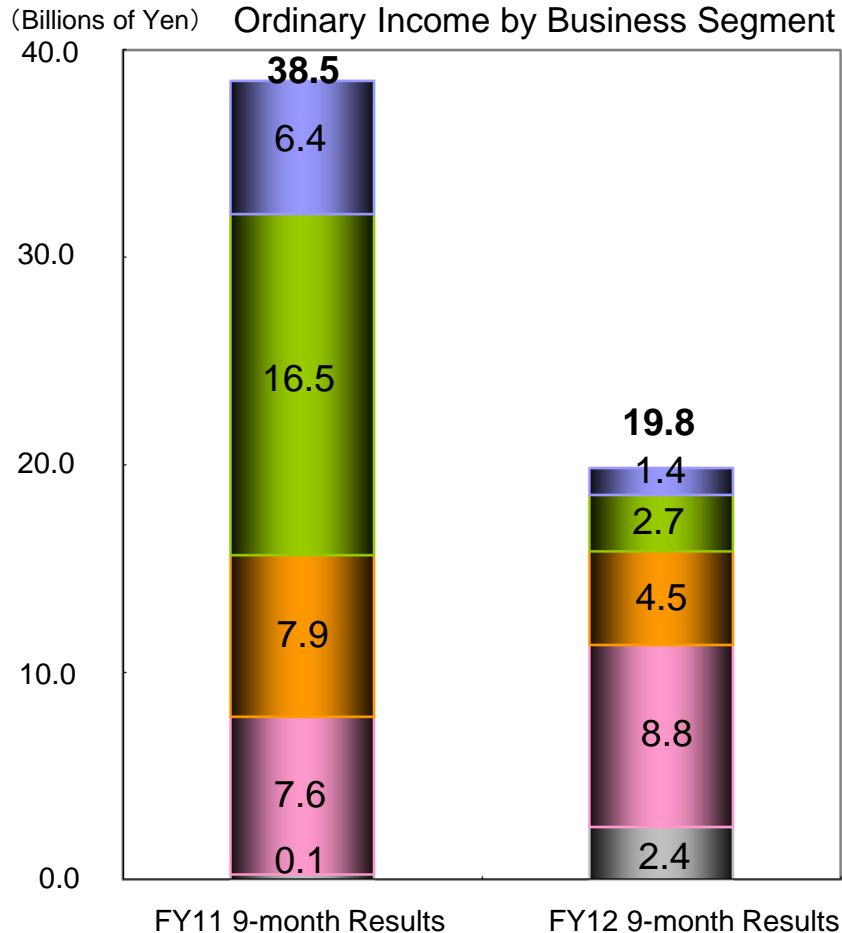
FY2012 Forecast	Achieved
4,100.0	72%
194.0	73%
36.0	66%
32.0	62%
10.0	110%



# Summary of P/L Statements

## Ordinary Income by Business segment

All operating segments apart from the Consumer Lifestyle Business Division experienced a year-on-year decrease in earnings

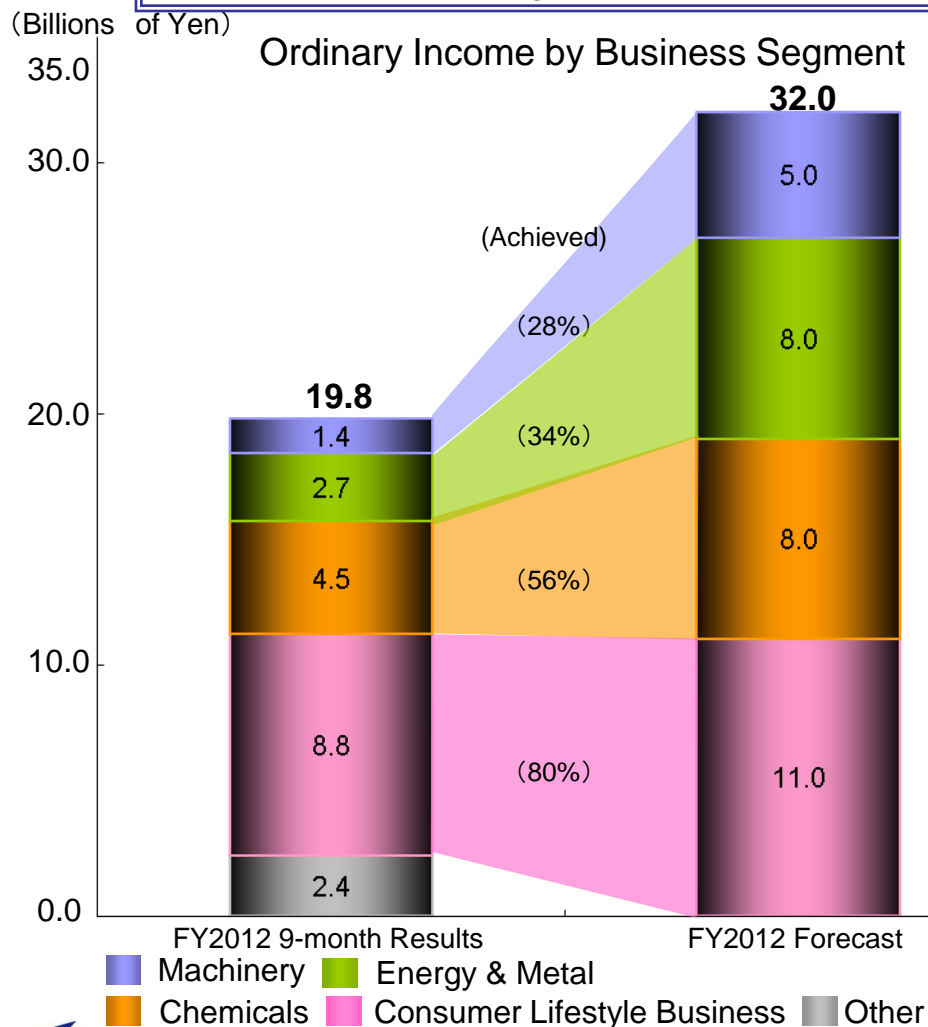


### Main factors behind the changes

- Machinery ¥1.4bn** (down 78% year-on-year)  
 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 ¥2.7bn** (down 84% year-on-year)  
 Earnings decreased due to declines in equity in earnings of affiliates and the prices of mineral resources.
- Chemicals ¥4.5bn** (down 43% year-on-year)  
 Earnings decreased due to a decrease in sales prices and a decrease in trading volumes arising from a decline in demand mainly in Europe, China, and other parts of Asia.
- Consumer Lifestyle Business ¥8.8bn** (up 16% year-on-year)  
 Ordinary income and net income increased due to increases in trading volumes in the overseas fertilizer businesses and sales contributions of the overseas industrial park-related business.
- Other ¥2.4bn** (up 2,300% year-on-year)  
 Earnings improved due to the non-recurrence of the year-earlier real-estate related valuation.

# ■ FY2012 Ordinary Income Forecast by Business Segment

While the Consumer Lifestyle Business Division prospered, progress has been slow in other operating segments



## FY2012 current position and outlook

- Machinery** (¥1.4bn Achieved 28%)  
 Despite a strong showing in the automobile business in some regions overseas, overall performance is unlikely to meet the full-year target due to low trading volumes in plant and IT-related businesses.
- Energy & Metal** (¥2.7bn Achieved 34%)  
 Progress is expected to be short of the full-year target due to the impact of factors such as the decline in prices of some products.
- Chemicals** (¥4.5bn Achieved 56%)  
 Despite the continual strong performance of the methanol business, progress is expected to be short of the full-year target due to a decrease in trading volumes stemming from declining demand for other products.
- Consumer Lifestyle Business** (¥8.8bn Achieved 80%)  
 Steady performance in the overseas fertilizer and industrial park-related businesses in particular.
- Other** (¥2.4bn Achieved —)  
 Performance is expected to be in accordance with the outlook.

## ■ Summary of Balance Sheets

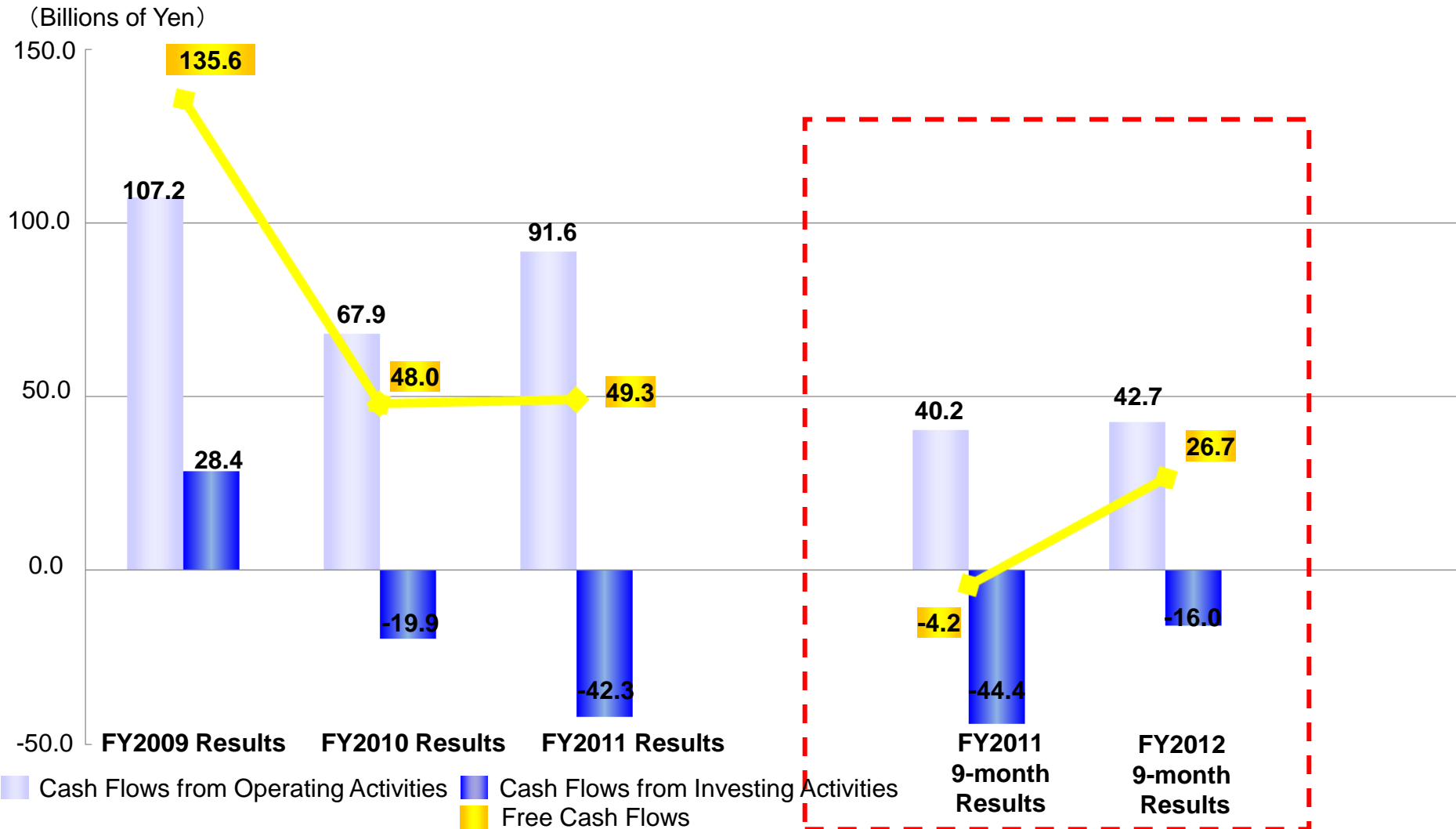
### Financial Soundness Maintained

(Billions of Yen)

	End of Dec. 2012	End of Mar. 2012	Change		End of Dec. 2012	End of Mar. 2012	Change
<b>Current assets</b>	1,254.1	1,298.1	-44.0	<b>Interest-bearing debt</b>			
<b>Investment and Other assets</b>	800.2	822.5	-22.3	<b>Short-term</b>	303.0	319.5	-16.5
<b>Total assets</b>	2,054.3	2,120.6	-66.3	<b>Long-term</b>	738.8	771.0	-32.2
				<b>Other liabilities</b>	666.8	699.6	-32.8
				<b>Total equity *1 (Total net assets)</b>	318.4 (345.7)	305.9 (330.5)	+12.5 (+15.2)
				<b>Total liabilities and net assets</b>	2,054.3	2,120.6	-66.3
<b>Risk assets vs. equity</b>	290.0 (0.9times)	300.0 (1.0times)	-10.0 (-0.1times)	<b>Equity ratio(%)</b>	15.5%	14.4%	+1.1%
<b>Current ratio(%)</b>	140%	137%	+3%	<b>Net interest-bearing debt</b>	621.9	647.8	-25.9
<b>Long-term debt ratio(%)</b>	71%	71%	0%	<b>Net DER (times)</b>	2.0	2.1	-0.1
				<b>Net D/E ratio based on total net assets</b>	(1.8)	(2.0)	(-0.2)

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

# Summary of Cash Flows



# Commodity Prices, Foreign Exchange, and Interest Rate

	2011 Results (Jan.-Dec. Avg.)	FY2012 Assumption (2 <sup>nd</sup> half)	FY2012 Results (Apr.-Sep. Avg.)	FY2012 Results (Oct.-Dec. Avg.)	FY2012 Results (Apr.-Dec. Avg.)
Crude Oil (Brent)*1	\$111.3/bbl	\$110/bbl	\$109.0/bbl	\$110.1/bbl	\$109.3/bbl
Thermal Coal	\$121.3/t	\$96.5/t	\$93.1/t	\$89.6/t	\$91.9/t
Molybdenum	\$15.5/lb	\$13.8/lb	\$12.9/lb	\$11.2/lb	\$12.3/lb
Nickel*2	\$10.4/lb	\$8.0/lb	Jan.-Jun. Avg. \$8.3/lb	Jul.-Sep. Avg. \$7.4/lb	Jan.-Sep. Avg. \$8.0/lb
Copper*2	\$8,821/t	\$7,690/t	Jan.-Jun. Avg. \$8,090/t	Jul.-Sep. Avg. \$7,718/t	Jan.-Sep. Avg. \$7,966/t
Exchange rate*3	¥79.5/\$	¥79.0/\$ *5	¥79.0/\$	¥82.8/\$	¥80.2/\$
Interest rate (TIBOR)*4	0.34%	0.4%	0.34%	0.32%	0.33%

\*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 net sales, ¥0.2bn change in ordinary income, and ¥1.2bn change in total equity.

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

\*5 Exchange rate is based on the annual average.

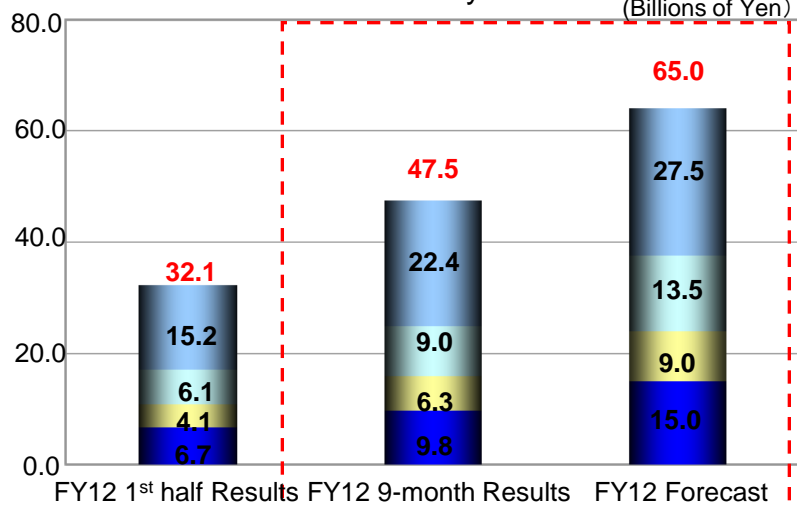
## II. Financial Results by Business Segment

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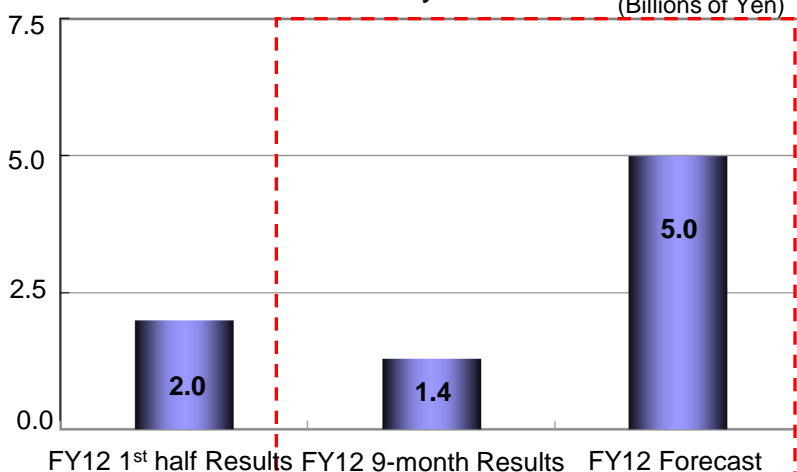
# ■ Machinery Segment

Gross Profit by Unit (Billions of Yen)



■ Automotive ■ Infrastructure Project & Industrial Machinery  
■ Marine & Aerospace ■ Other

Ordinary Income (Billions of Yen)



## Main Subsidiaries Profit Statement (Gross profit & Equity in earnings)

(Billions of Yen)

	(Gross profit)		(Equity in earnings)	
	FY2011 9-month Results	FY2012 9-month Results	FY2011 9-month Results	FY2012 9-month Results
MMC Automotoriz, S.A.	7.2	6.9	2.4	1.1
Sojitz Machinery Corporation	3.0	3.5	0.4	0.7
Nissho Electronics Corporation	6.9	6.4	-1.3	-0.5

## FY2012 9-month Results (Supplements)

(Billions of Yen)

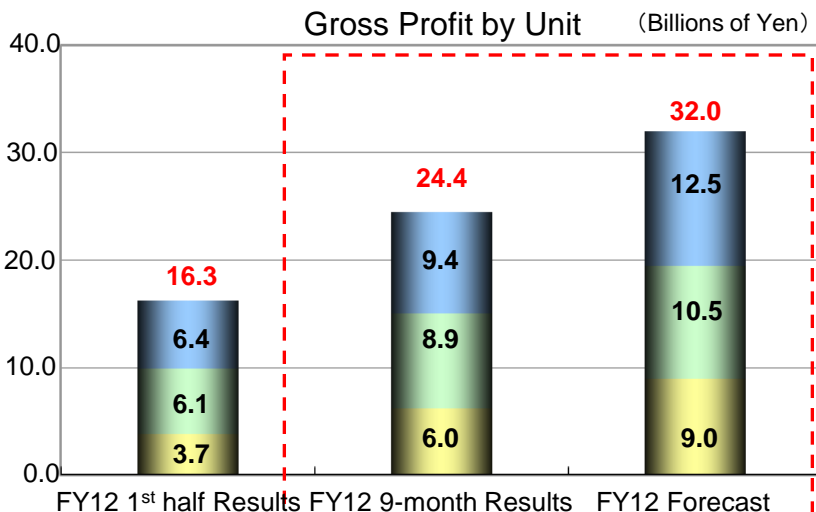
	FY2011 9-month Results	FY2012 9-month Results	FY2012 Full-year Forecast
Gross profit	49.7	47.5	65.0
Operating income	5.2	2.2	—
Equity in earnings of affiliates	2.1	1.9	—
Ordinary income	6.4	1.4	5.0
Net income	2.7	1.8	3.0
Total assets	—	371.6	—

## FY2012 Outlook

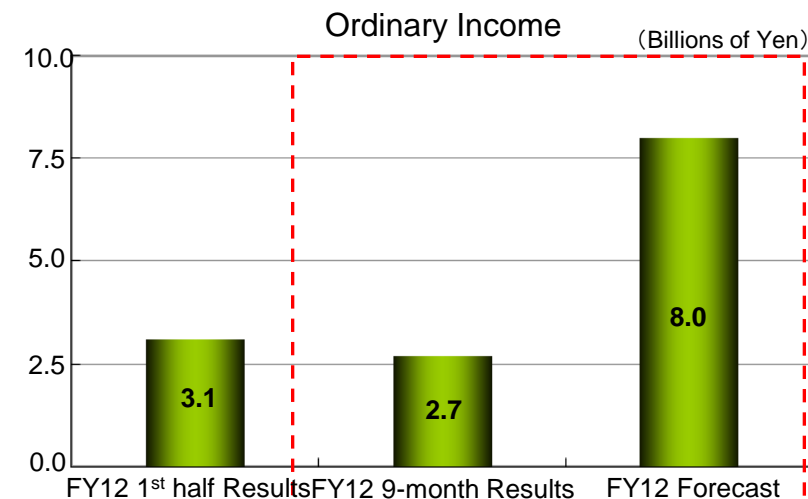
### Ordinary income 9-month Results ¥1.4bn (Achieved 28%)

- Despite a strong showing in the automobile business in some regions overseas, overall performance is unlikely to meet the full-year target due to low trading volumes in plant and IT-related businesses.

# Energy & Metal Segment



■ Energy  
■ Coal & Nuclear  
■ Steel & Mineral Resource



## Main Subsidiaries Profit Statement (Gross profit & Equity in earnings)

(Billions of Yen)

	(Gross profit)		(Equity in earnings)	
	FY2011 9-month Results	FY2012 9-month Results	FY2011 9-month Results	FY2012 9-month Results
Sojitz Coal Resources Pty Ltd.	9.7	4.8	6.7	1.6
Sojitz Energy Venture Inc.	4.3	2.7	2.6	1.5
Sojitz Moly Resources, Inc.	0.3	-1.2	0.0	-1.0

## FY2012 9-month Results (Supplements)

(Billions of Yen)

	FY2011 9-month Results	FY2012 9-month Results	FY2012 Full-year Forecast
Gross profit	35.9	24.4	32.0
Operating income	16.7	6.2	—
Equity in earnings of affiliates	5.6	2.1	—
Ordinary income	16.5	2.7	8.0
Net income	14.6	1.7	3.0
Total assets	—	539.4	—

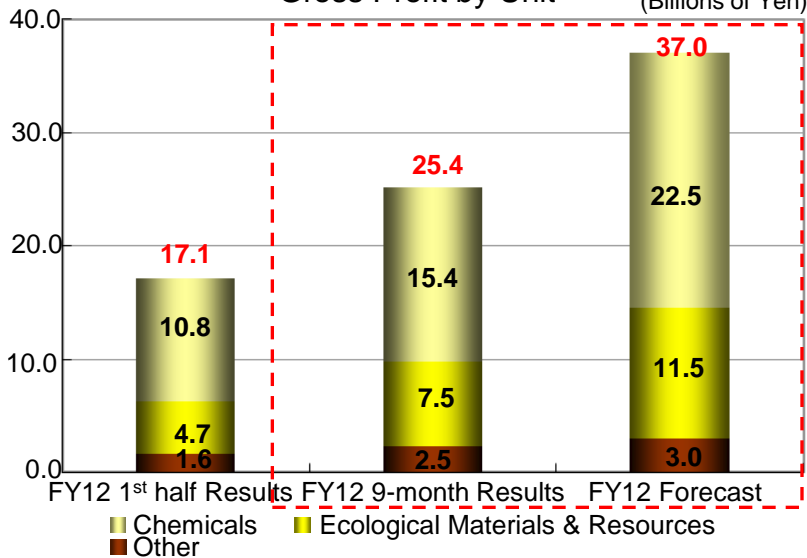
## FY2012 Outlook

### Ordinary income 9-month Results ¥2.7bn (Achieved 34%)

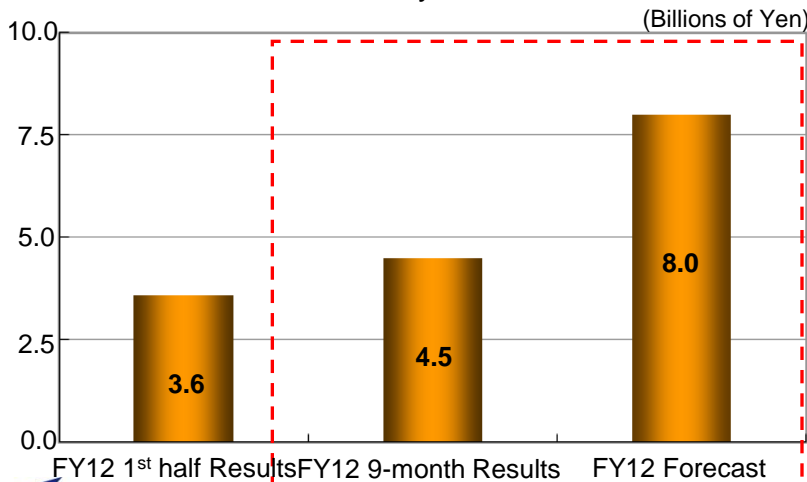
- Progress is expected to be short of the full-year target due to the impact of factors such as the decline in prices of some products.

# Chemicals Segment

Gross Profit by Unit (Billions of Yen)



Ordinary Income (Billions of Yen)



## Main Subsidiaries Profit Statement (Gross profit & Equity in earnings)

(Billions of Yen)

	(Gross profit)		(Equity in earnings)	
	FY2011 9-month Results	FY2012 9-month Results	FY2011 9-month Results	FY2012 9-month Results
P.T. Kaltim Methanol Industri	1.7	1.6	0.9	0.7
Sojitz Pla-Net Holdings, Inc.	8.3	7.6	-0.1	-0.9

## FY2012 9-month Results (Supplements)

(Billions of Yen)

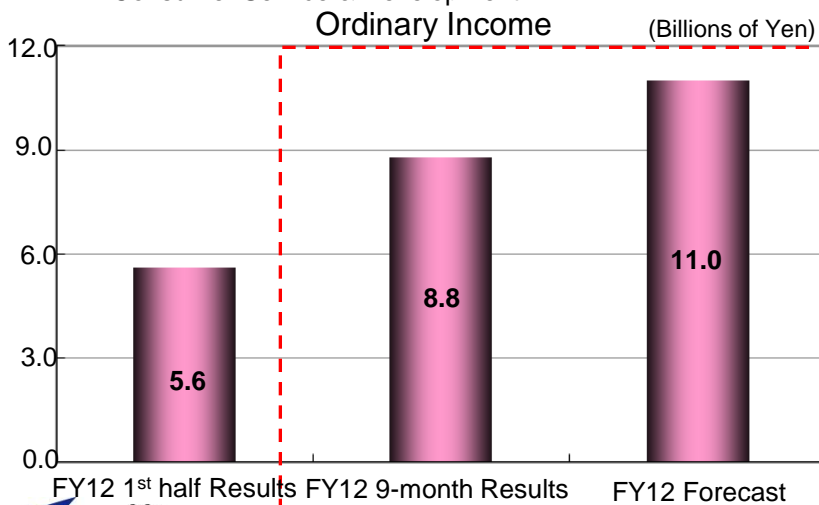
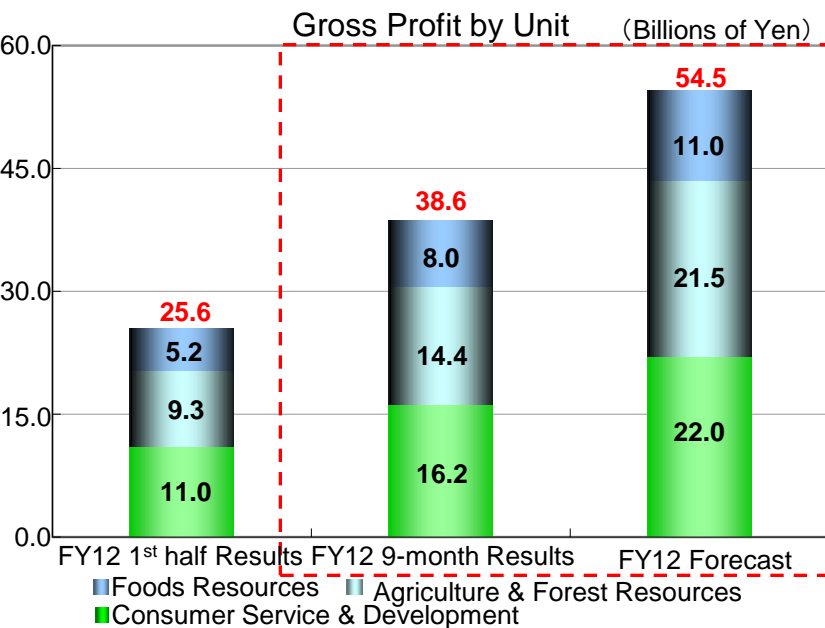
	FY2011 9-month Results	FY2012 9-month Results	FY2012 Full-year Forecast
Gross profit	29.7	25.4	37.0
Operating income	9.4	6.2	—
Equity in earnings of affiliates	1.1	0.3	—
Ordinary income	7.9	4.5	8.0
Net income	4.7	1.9	4.5
Total assets	—	256.2	—

## FY2012 Outlook

### Ordinary income 9-month Results ¥4.5bn (Achieved 56%)

- Despite the continual strong performance of the methanol business, progress is expected to be short of the full-year target due to a decrease in trading volumes stemming from declining demand for other products.

# Consumer Lifestyle Business Segment



## Main Subsidiaries Profit Statement (Gross profit & Equity in earnings)

(Billions of Yen)

	(Gross profit)		(Equity in earnings)	
	FY2011 9-month Results	FY2012 9-month Results	FY2011 9-month Results	FY2012 9-month Results
Sojitz Building Materials Corporation	5.2	4.4	1.6	0.6
Sojitz Infinity Inc.	2.9	3.1	0.2	-0.1

## FY2012 9-month Results (Supplements)

(Billions of Yen)

	FY2011 9-month Results	FY2012 9-month Results	FY2012 Full-year Forecast
Gross profit	38.0	38.6	54.5
Operating income	11.0	11.6	—
Equity in earnings of affiliates	1.1	1.1	—
Ordinary income	7.6	8.8	11.0
Net income	2.1	4.9	6.0
Total assets	—	399.2	—

## FY2012 Outlook

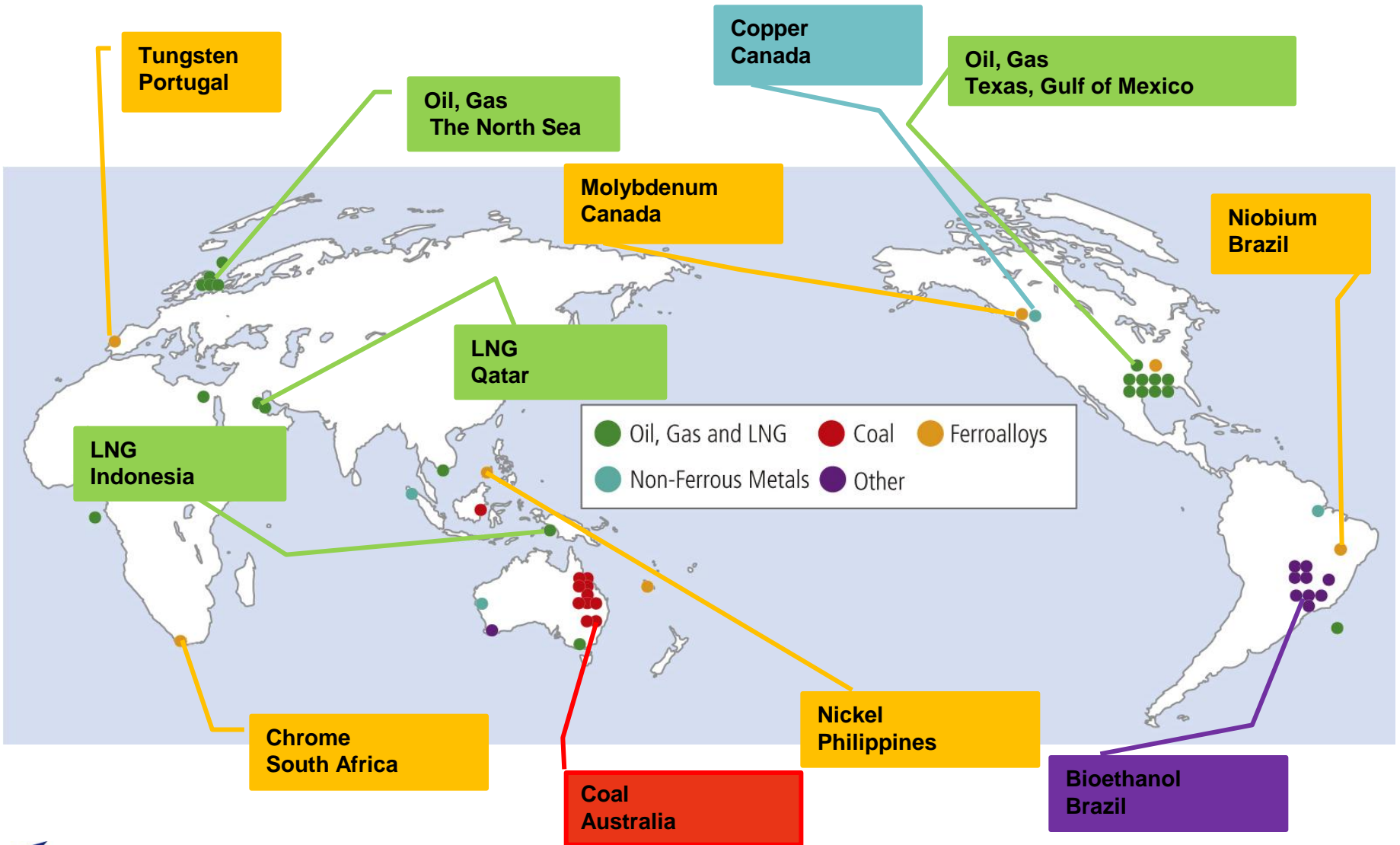
### Ordinary income 9-month Results ¥8.8bn (Achieved 80%)

- Steady performance in the overseas fertilizer and industrial park-related businesses in particular.

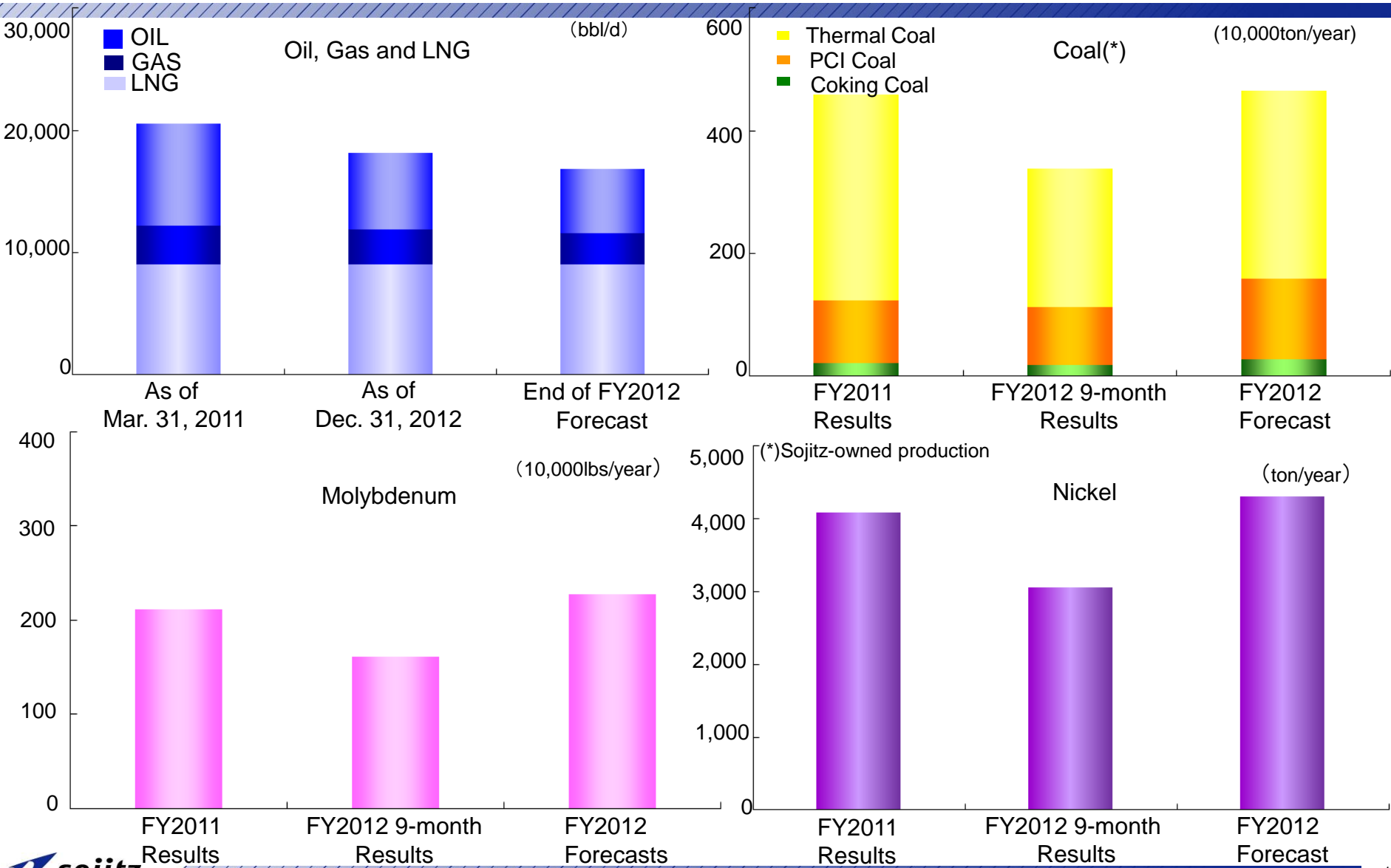
## III. Energy & Mineral Resources

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# Overview of Major Interests



# Share of Production Volume from Major Interests



## IV. Summary of Financial Results

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## ■ Summary of P/L Statements

(Billions of Yen)

	FY07 Results	FY08 Results	FY09 Results	FY10 Results	FY11 Results(*)	FY12 9-month Results	FY12 Forecast
<b>Net sales</b>	5,771.0	5,166.2	3,844.4	4,014.6	4,494.2	2,948.1	4,100.0
<b>Gross profit</b>	277.7	235.6	178.2	192.7	231.6	141.1	194.0
<b>Operating income</b>	92.4	52.0	16.1	37.5	64.5	23.7	36.0
<b>Ordinary income</b>	101.5	33.6	13.7	45.3	62.2	19.8	32.0
<b>Net income</b>	62.7	19.0	8.8	16.0	-3.6	11.0	10.0
<b>Core earnings</b>	110.7	48.3	14.4	41.9	65.0	18.1	33.5
(Reference)							
<b>ROA</b>	2.4%	0.8%	0.4%	0.7%	-0.2%	—	0.5%
<b>ROE</b>	13.0%	4.8%	2.6%	4.7%	-1.1%	—	3.2%

(\*) 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.

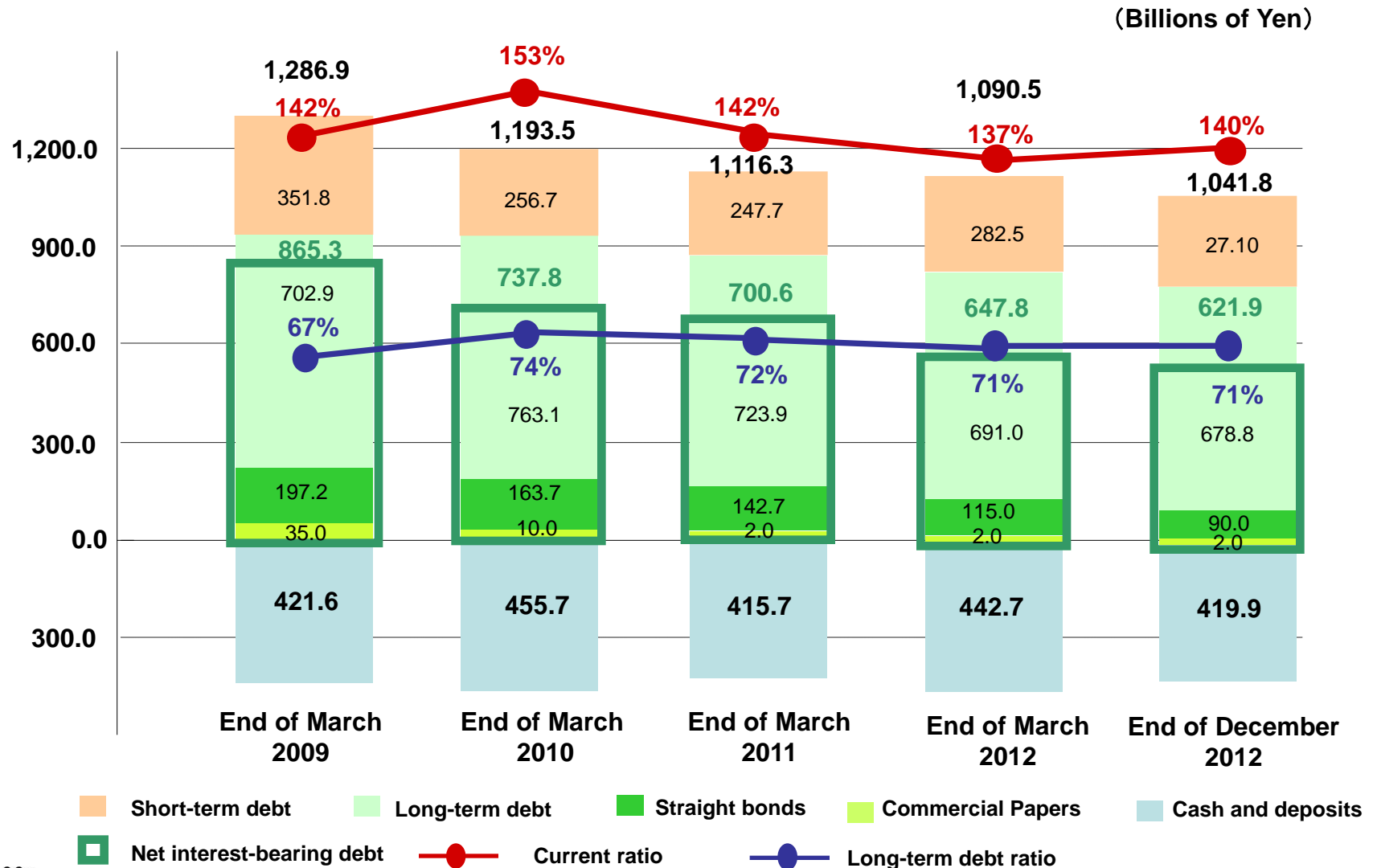
# ■ Summary of Consolidated Balance Sheets

(Billions of Yen)

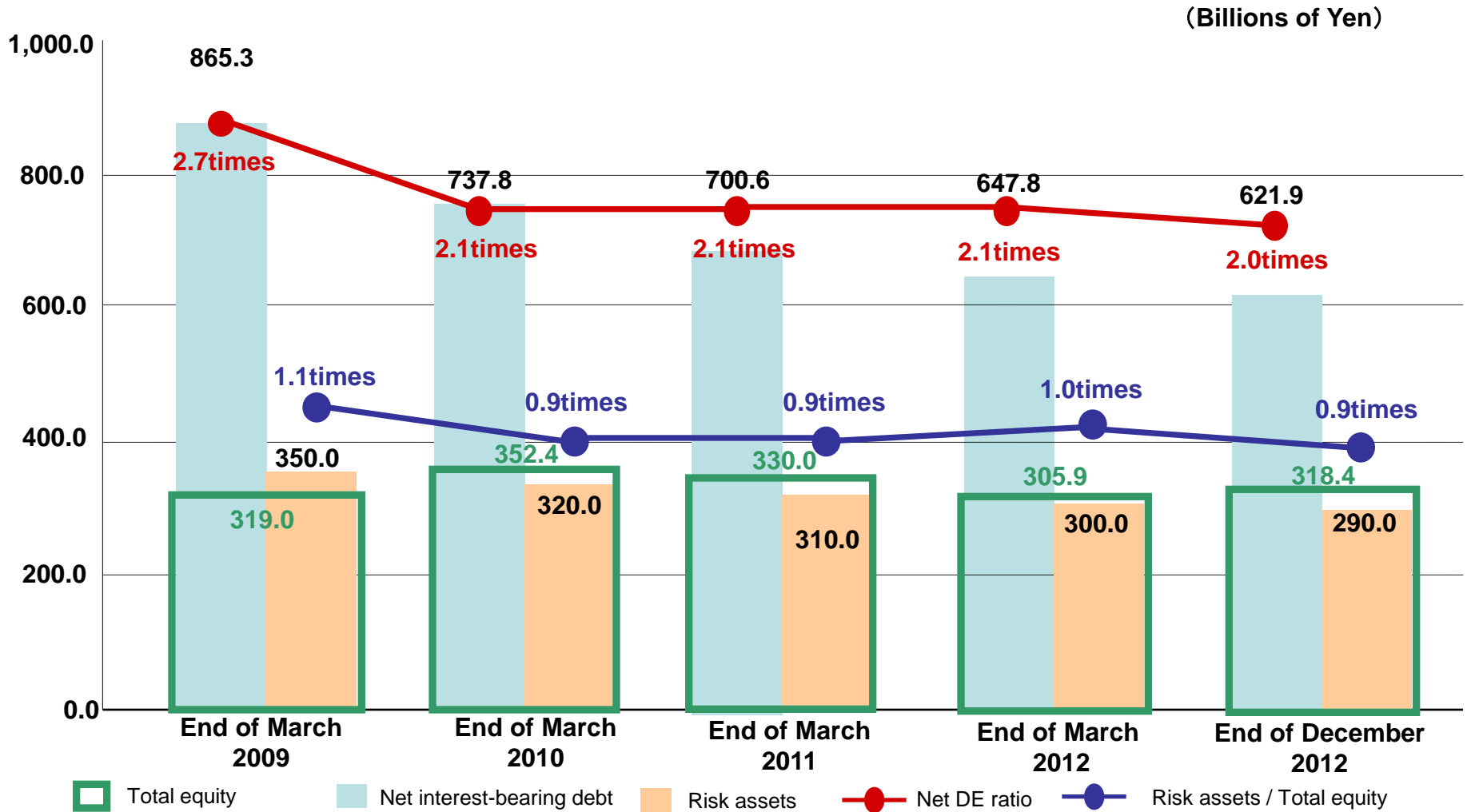
	March 2010	March 2011	March 2012	December 2012		March 2010	March 2011	March 2012	December 2012	
<b>Current assets</b>	1,285.3	1,266.7	1,298.1	1,254.1	<b>Interest bearing debt</b>	<b>Short-term</b>	306.8	309.7	319.5	303.0
						<b>Long-term</b>	886.7	806.6	771.0	738.8
<b>Investment and Other assets</b>	875.6	850.3	822.5	800.2	<b>Other liabilities</b>	590.0	645.2	699.6	666.8	
<b>Total assets</b>	2,160.9	2,117.0	2,120.6	2,054.3	<b>Total Equity * (Total net assets)</b>	352.4 (377.4)	330.0 (355.5)	305.9 (330.5)	318.4 (345.7)	
					<b>Total liabilities and net assets</b>	2,160.9	2,117.0	2,120.6	2,054.3	
<b>Risk assets vs. equity</b>	320.0 (0.9 times)	310.0 (0.9 times)	300.0 (1.0 times)	290.0 (0.9 times)	<b>Equity ratio(%)</b>	16.3%	15.6%	14.4%	15.5%	
<b>Current ratio (%)</b>	153%	142%	137%	140%	<b>Net interest-bearing debt</b>	737.8	700.6	647.8	621.9	
<b>Long-term debt ratio(%)</b>	74%	72%	71%	71%	<b>Net DER (times) Net D/E ratio based on total net assets</b>	2.1 (2.0)	2.1 (2.0)	2.1 (2.0)	2.0 (1.8)	

\* Total equity = Total net assets – Minority interests

# Interest-bearing Debt



# Net interest-bearing Debt and Risk Assets





***sojitz***

***New way, New value***