Highlights of Consolidated Financial Results for the Year Ended March 31, 2013

May 8, 2013
Sojitz Corporation

Results Highlights

1. In the fiscal year 2012 (the fiscal year ended March 31, 2013), the first year of Medium-Term Management Plan 2014: Change for Challenge, the Japanese economy embarked on a recovery trend in the wake of yen depreciation and an equity market rally sparked by the inauguration of a new government in December 2012. However, economic conditions remained adverse in Europe, China and emerging markets.
Net sales, gross profit and ordinary income in the fiscal year 2012, all declined year on year largely as a result of lower prices and reduced demand for commodities in which Sojitz trades. Another contributing factor is that earnings in the fiscal year 2011 (the fiscal year ended March 31, 2012) included 15 months of major overseas subsidiaries' earnings as a result of a change in their fiscal year-end from December to March. Net income increased year on year as a result of non-recurrence of a reversal of deferred tax assets in response to tax reforms.
(Figures in brackets represent year-over-year changes).

Net sales: 3,955.9 billion yen (-538.3 billion yen / -12.0%)
- Decrease in net sales in the Consumer Lifestyle Business due to lower trading volumes of cigarettes and marine products
- Decrease in net sales in the Energy & Metal due to decline in resource prices and trading volumes
- Decrease in net sales in the Chemicals due to decline in demand in Europe, China and other parts of Asia

Gross profit: 192.1 billion yen (-39.5 billion yen / -17.1%)
- Decrease in gross profit in the Energy & Metal due to decline in resource prices and trading volumes
- Decrease in gross profit in the Machinery due to decrease in the number of vehicles sold by overseas automotive businesses

Ordinary income: 34.5 billion yen (-27.7 billion yen / -44.6%)
- Operating income decreased due to decrease in gross profit

Net income: 14.3 billion yen (+17.9 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. Cash dividends
Cash dividends per share of common stock for the fiscal year ended March 31, 2013

Year-end: 1.50 yen per share
Full year: 3.00 yen per share

3. Earnings forecast for the fiscal year ending March 31, 2014 (IFRS)

Net sales (JGAAP)	4,280 billion yen
Operating income	38 billion yen
Profit before tax	45 billion yen
Profit attributable to owners of the parent	25 billion yen

Initial assumptions:
- Exchange rate (annual average: JPY/US$) = 95
- Crude oil price (US$/BBL) = 105 (Brent)

*Sojitz will report its consolidated financial results in compliance with International Financial Reporting Standards (IFRS) from the first quarter of fiscal 2013 (the fiscal year ending March 31, 2014). Sojitz has accordingly prepared its earnings forecast based on IFRS.

4. Cash dividends per share of common stock for the fiscal year ending March 31, 2014
Interim: 2.00 yen per share (forecast)
Year-end: 2.00 yen per share (forecast)

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.

Consolidated Statements of Income

(Billions of yen)

	FY2012 Results a	FY2011 Results b	Change a - b	Reasons for change		FY2012 Forecast c	Percentage achieved a/c
				Net sales			
Net sales	3,955.9	4,494.2	-538.3	Consumer Lifestyle Business	(178.7)	4,100.0	96%
				Energy & Metal	(162.7)		
				Chemicals	(116.7)		
				Machinery	(81.9)		
				Gross profit			
Gross profit	192.1	231.6	-39.5	Energy & Metal	(26.5)	194.0	99%
Gross profit margin	4.86%	5.15%	(0.29%)	Machinery	(9.1)	4.73%	
				Chemicals	(7.1)		
				Consumer Lifestyle Business	+2.0		
Personnel expenses	(82.1)	(84.5)	2.4				
Non-personnel expenses	(64.9)	(69.5)	4.6				
Depreciation	(6.5)	(6.4)	(0.1)				
Subtotal	(153.5)	(160.4)	6.9				
Provision of allowance for doubtful accounts	0.0	(1.1)	1.1				
Amortization of goodwill	(5.3)	(5.6)	0.3				
Total selling, general and administrative expenses	(158.8)	(167.1)	8.3			(158.0)	101%
Operating income	33.3	64.5	(31.2)			36.0	93%
Operating income margin	0.84%	1.44%	-0.60%			0.88%	
Interest income	4.9	6.0	(1.1)				
Interest expenses	(21.0)	(24.2)	3.2				
Interest expenses - net	(16.1)	(18.2)	2.1				
Dividend income	2.6	5.0	(2.4)				
Net financial revenue	(13.5)	(13.2)	(0.3)				
Equity in earnings of affiliates	15.6	12.6	3.0	LNG-related company +3.4 Steel-related company +2.7			
Other income and expenses - net	(0.9)	(1.7)	0.8	Bioethanol production company (1.3)			
Non operating income/expenses - net	1.2	(2.3)	3.5	Nickel refinery company (1.0)		(4.0)	-
Ordinary income	34.5	62.2	(27.7)			32.0	108%
Gain on sales of noncurrent assets	3.4						
Gain on sales of investment securities	10.3			Gains on sales of overseas investment etc.			
Total extraordinary income	13.7	14.2	(0.5)				
Impairment loss	(11.9)			Loss from oil and gas filed interests and investments in real estate			
Loss on revaluation of investment securities	(1.5)						
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(1.7)						
Other extraordinary losses	(1.4)						
Total extraordinary losses	(16.5)	(14.9)	(1.6)				
(Extraordinary income/losses - net)	(2.8)	(0.7)	(2.1)			(8.0)	-
Income before income taxes and minority interests	31.7	61.5	(29.8)			24.0	132%
Income taxes: Current	(11.4)	(18.6)	7.2				
Deferred	(2.0)	(43.8)	41.8	Reversal of deferred tax assets in FY2011 owing to revision of Japan's corporate tax law			
Total income taxes	(13.4)	(62.4)	49.0				
Income before minority interests	18.3	(0.9)	19.2			13.5	136%
Minority interests in income	(4.0)	(2.7)	(1.3)				
Net income (loss)	14.3	(3.6)	17.9			10.0	143%

	FY2012 Results a	FY2011 Results b	Change a - b
Core earnings	35.4	65.0	(29.6)

Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2012 Results	FY2011 Results
Income before minority interests	18.3	(0.9)
Other comprehensive income	38.6	(16.7)
Comprehensive income	56.9	(17.6)
(Breakdown)		
Comprehensive income attributable to owners of the parent	50.0	(20.2)
Comprehensive income attributable to minority interests	6.9	2.6

Consolidated Statements of Cash Flows

(Billions of yen)

	FY2012 Results	FY2011 Results
Cash Flows from Operating Activities	51.5	91.6
Cash Flows from Investing Activities	(13.6)	(42.3)
(Free Cash Flows)	37.9	49.3
Cash Flows from Financial Activities	(52.7)	(36.4)
Cash and Cash Equivalents at the End of the Year	424.4	427.3

Consolidated Balance Sheets and Principal Management Indices

(Billions of yen, except ratio data)

	Mar. 31, 2013 d	Mar. 31, 2012 e	Change d - e	Reasons for change
Current assets	1,264.3	1,298.1	(33.8)	
Cash and deposits	433.6	442.7	(9.1)	
Notes and accounts receivable - trade	456.5	490.7	(34.2)	Sale of petroleum products sales subsidiary and decrease in chemicals-related business, etc.
Short-term investment securities	0.1	1.3	(1.2)	
Inventories	292.1	270.6	21.5	Increase in cigarettes and fertilizer, etc.
Short-term loans receivable	2.2	5.7	(3.5)	
Deferred tax assets	4.1	4.6	(0.5)	
Other	79.1	88.1	(9.0)	
Allowance for doubtful accounts	(3.4)	(5.6)	2.2	
Noncurrent assets	821.9	822.2	(0.3)	
Property, plant and equipment	228.3	233.3	(5.0)	
Goodwill	39.9	44.6	(4.7)	
Intangible assets	86.2	79.9	6.3	
Investment securities	338.8	313.9	24.9	Increase due to changes in foreign exchange rate and stock prices, etc.
Long-term loans receivable	31.3	22.4	8.9	
Bad debts	59.7	68.2	(8.5)	
Deferred tax assets	13.7	22.4	(8.7)	
Real estate for investment	26.6	31.9	(5.3)	
Other	43.8	52.8	(9.0)	
Allowance for doubtful accounts	(46.4)	(47.2)	0.8	
Deferred assets	0.2	0.3	(0.1)	
Total assets	2,086.4	2,120.6	(34.2)	
Liabilities	859.0	947.4	(88.4)	
Notes and accounts payable - trade	436.7	461.8	(25.1)	Decrease due to the sale of petroleum products sales subsidiary, etc.
Short-term loans payable	242.3	282.5	(40.2)	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	148.0	166.1	(18.1)	Decrease due to decrease in advances received from customers
Noncurrent liabilities	844.9	842.7	2.2	
Bonds payable	60.0	80.0	(20.0)	Reclassification of current portion (30.0), issuance +10.0
Long-term loans payable	715.5	691.0	24.5	Decrease due to reclassification of current portion and increased raising of long-term funds
Provision for retirement benefits	15.0	14.2	0.8	
Other	54.4	57.5	(3.1)	
Total liabilities	1,703.9	1,790.1	(86.2)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	158.5	151.7	6.8	Net income +14.3, dividends (3.8)
Treasury stock	(0.2)	(0.2)	0.0	
Total shareholders' equity	470.8	464.0	6.8	
Valuation difference on available-for-sale securities	13.7	7.6	6.1	Increase due to change in stock prices, etc.
Deferred gains or losses on hedges	(0.1)	0.9	(1.0)	
Revaluation reserve for land	0.0	(2.1)	2.1	
Foreign currency translation adjustment	(129.5)	(163.6)	34.1	Increase due to change in foreign exchange rate
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(1.4)	(0.9)	(0.5)	
Total other comprehensive income	(117.3)	(158.1)	40.8	
Minority interests	29.0	24.6	4.4	
Total net assets	382.5	330.5	52.0	
Total liabilities and net assets	2,086.4	2,120.6	(34.2)	

	Mar. 31, 2013 d	Mar. 31, 2012 e	Change d - e	
Gross interest-bearing debt	1,049.8	1,090.5	(40.7)	
Net interest-bearing debt	616.2	647.8	(31.6)	
Net debt/equity ratio (times)	1.74	2.12	(0.38)	*The figure for equity used as the denominator in the debt/equity ratio and the numerator in the equity ratio excludes minority interests.
Equity ratio	16.9%	14.4%	2.5%	
Current ratio	147.2%	137.0%	10.2%	
Long-term debt ratio	73.9%	70.7%	3.2%	

Highlights of Consolidated Financial Results for the Year Ended March 31, 2013 - Supplementary Material (1) ー Based on JGAAP ー

May 8, 2013

Sojitz Corporation

(Billions of Yen)

P/L

	FY2012 Results a	FY2011 Results b	Change a-b	FY2012 Full-year Forecast (Nov 2, 2012)	% Achieved Vs. Full-year Forecast	*2 <Reference> FY2011 Results (12-month basis) c	Change (12-month basis) a-c
Net sales	**3,955.9**	**4,494.2**	(538.3)	**4,100.0**	96.5%	**4,322.2**	(366.3)
Gross profit	**192.1**	**231.6**	(39.5)	**194.0**	99.0%	**214.9**	(22.8)
Gross profit margin	4.86%	5.15%	(0.29%)	4.73%		4.97%	(0.11%)
Machinery	66.8	75.9	(9.1)	65.0	102.8%	68.8	(2.0)
Energy & Metal	31.3	57.8	(26.5)	32.0	97.8%	52.0	(20.7)
Chemicals	34.6	41.7	(7.1)	37.0	93.5%	39.0	(4.4)
Consumer Lifestyle Business	52.6	50.6	2.0	54.5	96.5%	49.5	3.1
Other	6.8	5.6	1.2	5.5	123.6%	5.6	1.2
Selling, general and administrative expenses	(158.8)	(167.1)	8.3	(158.0)	100.5%	(157.0)	(1.8)
Operating income	**33.3**	**64.5**	(31.2)	**36.0**	92.5%	**57.9**	(24.6)
Operating income margin	0.84%	1.44%	(0.60%)	(0.88%)		1.34%	(0.50%)
Non-operating income/expenses - net	1.2	(2.3)	3.5	(4.0)	-	(3.7)	4.9
Ordinary income	**34.5**	**62.2**	(27.7)	**32.0**	107.8%	**54.2**	(19.7)
Ordinary income margin	0.87%	1.38%	(0.51%)	0.78%		1.25%	(0.38%)
Machinery	3.8	12.4	(8.6)	5.0	76.0%	9.9	(6.1)
Energy & Metal	9.7	32.6	(22.9)	8.0	121.3%	28.0	(18.3)
Chemicals	5.8	9.8	(4.0)	8.0	72.5%	9.0	(3.2)
Consumer Lifestyle Business	12.3	9.1	3.2	11.0	111.8%	8.8	3.5
Other	2.9	(1.7)	4.6	0.0	-	(1.5)	4.4
Extraordinary income/losses - net	**(2.8)**	**(0.7)**	(2.1)	**(8.0)**	-	**(0.5)**	(2.3)
Income before income taxes and minority interests	**31.7**	**61.5**	(29.8)	**24.0**	132.1%	**53.7**	(22.0)
Income before minority interests	**18.3**	**(0.9)**	19.2	**13.5**	135.6%	**(7.1)**	25.4
Net income	**14.3**	**(3.6)**	17.9	**10.0**	143.0%	**(9.8)**	24.1
Machinery	2.0	8.1	(6.1)	3.0	66.7%	6.8	(4.8)
Energy & Metal	16.2	27.3	(11.1)	3.0	540.0%	23.2	(7.0)
Chemicals	2.0	5.7	(3.7)	4.5	44.4%	5.1	(3.1)
Consumer Lifestyle Business	6.9	4.0	2.9	6.0	115.0%	3.7	3.2
Other	(12.8)	(48.7)	35.9	(6.5)	-	(48.6)	35.8
Core earnings *3	35.4	65.0	(29.6)	33.5		58.4	(23.0)

*1 From this fiscal year, the domestic real estate business was reclassified from the Consumer Lifestyle Business Division to the Other segment. In addition, former Chemicals and Functional Materials division changed to the Chemicals division. The results for FY2011 are stated based on the business divisions after the change was made.

*2 In FY 2011, Sojitz Group adopted a uniform fiscal year-end date for its major overseas consolidated subsidiaries that hitherto had a date different from that of the Sojitz parent company by applying a fifteen-month accounting period. Since the above change in business segments had only a minor impact on companies whose fiscal year-end date changed, twelve-month results simply calculated by subtracting the amount attributable to the change in fiscal year-end date under the previous business segmentation from the fiscal 2011 results for the revised business segments have been provided for reference purposes only.

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

Main factors behind changes

Machinery Division

-Earnings declined due to factors including a decrease in the number of vehicles sold by overseas automotive businesses.

Energy & Metal Division

- Earnings decreased due to factors including declines in the prices of mineral resources, and a decrease in production volume for certain interests and concessions.

Chemicals Division

- Earnings decreased due to a decline 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 Division

- Earnings increased due to increases in trading volumes in the overseas fertilizer businesses and sales contributions of the overseas industrial park-related businesses.

Other

- Earnings improved due to the non-recurrence of the year-earlier real-estate related valuation losses and reversal of deferred tax assets.

Main factors behind differences between results and Full-year Forecast

Machinery Division

- Despite a strong showing in the automotive business in some overseas regions, ordinary income and net income underperformed the full-year forecast due to low trading volumes in plant-related and IT-related businesses.

Energy & Metal Division

- Ordinary income exceeded the full-year forecast on strong result from LNG-related company and one-time profit from steel-related company, despite the impact of factors including a slump in mineral resource prices.

- Net income substantially exceeded the full-year forecast as the parent company recorded internal income taxes for its loss on revaluation of investment securities at a bioethanol production company and a concessions subsidiary.

Chemicals Division

- Although the methanol business developed favorably, results underperformed the full-year forecast due to lower transaction volumes accompanying a slowdown of the economy in China and Europe.

Consumer Lifestyle Business Division

- Both ordinary income and net income exceeded the full-year forecast thanks mainly to strong results in overseas fertilizer businesses and the overseas industrial park-related businesses.

Other

- Although ordinary income surpassed the full-year forecast thanks to improvement in areas including selling, general, and administrative expenses and non-operating income/expenses, net loss was higher than the full-year forecast due to a difference in actual tax expense for the entire company and internal income tax allocated to the business segments using the prescribed calculation method.

(Billions of Yen)

B/S

	March 31, 2013	March 31, 2012	Change	March 31, 2013 Full-year Forecast (Feb 5, 2013)
Total assets	**2,086.4**	**2,120.6**	(34.2)	**2,060.0**
Total equity *4	**353.5**	**305.9**	47.6	**315.0**
Total net assets	382.5	330.5	52.0	-
Equity ratio (%)	**16.9%**	**14.4%**	2.5%	**15.3%**
Net interest-bearing debt	**616.2**	**647.8**	(31.6)	**640.0**
Net D/E ratio (times)	**1.74**	**2.12**	(0.38)	**2.0**
Net D/E ratio based on total net assets (times)	(1.61)	(1.96)	(0.35)	-
Risk assets	**300.0**	**300.0**	0	-
Ratio of risk assets to equity (times)	**0.8**	**1.0**	(0.2)	-

*4 Total equity = Total net assets – Minority interests

*5 Forward-looking Statements

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Commodity Prices and Exchange Rates

	FY2012 Assumption (Annual Average)	FY2012 Results (Annual Average)	2013 Results (Jan.- Mar. Avg.)
Crude oil (Brent)1** ($/bbl)	$110/bbl	$110.1/bbl	$112.5/bbl
Thermal coal **2 ($/t)	$115/t	$93.2/t	$97.0/t
Molybdenum ($/lb)	$17.5/lb	$/12.1lb	$11.4/lb
Nickel **3 ($/lb)	$10/lb	$8.0/lb	$7.9/lb
Copper **3 ($/t)	$7,690/t	$7,962/t	$7,950/t
Exchange rates (¥/$)	¥80.0/$	¥83.3/$	¥92.6/$

**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 results in the above table are cited from the Global Coal Index and differ from our sales prices.

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

Highlights of Consolidated Financial Results for the Year Ended March 31, 2013 - Supplementary Material (2)
- Forecast for the Year Ending March 31, 2014 based on IFRS -

May 8, 2013
Sojitz Corporation

IFRS

(Billions of Yen)

P/L

	FY 2013 Forecast
Net sales (JGAAP)	**4,280.0**
Gross profit	**209.0**
Machinery	79.0
Energy & Metal	28.5
Chemicals	37.5
Consumer Lifestyle Business	56.0
Others	8.0
Selling, general and administrative expenses	(163.0)
Other income (expenses)	(8.0)
Operating profit	**38.0**
Finance income/costs	(16.0)
Share of profit (loss) of investments accounted for using the equity method	23.0
Profit before tax	**45.0**
Profit for the year	**29.0**
(Breakdown)	
Profit attributable to owners of the Company	**25.0**
Machinery	5.5
Energy & Metal	16.0
Chemicals	5.5
Consumer Lifestyle Business	8.5
Others	(10.5)
Profit attributable to non-controlling interests	4.0
Core earnings *2	53.0

JGAAP (for reference)

(Billions of Yen)

P/L

	FY 2013 Forecast	FY 2012 Results
Net sales	**4,280.0**	**3,955.9**
Gross profit	**209.0**	**192.1**
Machinery	79.0	66.8
Energy & Metal	28.5	31.3
Chemicals	37.5	34.6
Consumer Lifestyle Business	56.0	52.6
Others	8.0	6.8
Selling, general and administrative expenses	(167.0)	(158.8)
Operating income	**42.0**	**33.3**
Non-operating income/expenses- net	4.0	1.2
Ordinary income	**46.0**	**34.5**
Extraordinary income/losses- net	**(5.0)**	**(2.8)**
Income before income taxes and minority interests	41.0	31.7
Income before minority interests	25.0	18.3
Net income	**21.0**	**14.3**
Machinery	4.5	2.0
Energy & Metal	15.0	16.2
Chemicals	4.5	2.0
Consumer Lifestyle Business	8.0	6.9
Others	(11.0)	(12.8)
Core earnings *3	49.0	35.4

*1 Sojitz will report its consolidated financial results in compliance with International Financial Reporting Standards (IFRS) from the first quarter of fiscal 2013 (the fiscal year ending March 31, 2014). Sojitz has accordingly prepared its earnings forecast based on IFRS.

*2 Core earnings = Gross profit + Selling, general and administrative expenses - Doubtful accounts + Net interest expenses + Dividends received + Share of profit (loss) of investments accounted for using the equity method

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

FY2013 current position and outlook

Machinery Division

- We envisage a recovery in the performance of some overseas automotive businesses that were sluggish in the previous fiscal year.

Energy & Metal Division

- We foresee an improvement in earnings as a result of the partial resumption of production of oil and gas interests and exclusion from equity method accounting of a bioethanol production company, among other factors.
- However, we anticipate that net income will remain at the prior-year level due to the impact of the recording of internal income taxes in the previous fiscal year and the sale of a petroleum products sales subsidiary.

Chemicals Division

- We expect to see a contribution to earnings from overseas businesses, mainly in Asia.

Consumer Lifestyle Business Division

- We anticipate a continuation of the strong overseas fertilizer businesses and an earnings improvement in the food resources business and forest products trading.

Other

- Extraordinary losses and deferment of income taxes have been allowed for.

IFRS

(Billions of Yen)

B/S

	March 31, 2014 Forecast
Total assets	**2,210.0**
Total equity *4	**410.0**
Total net assets	
Equity ratio (%)	**18.6%**
Net interest-bearing debt	**695.0**
Net D/E ratio (times)	**1.70**

JGAAP (for reference)

(Billions of Yen)

B/S

	March 31, 2014 Forecast	March 31, 2013
Total assets	**2,150.0**	**2,086.4**
Total equity *4	**375.0**	**353.5**
Total net assets	–	382.5
Equity ratio (%)	**17.4%**	**16.9%**
Net interest-bearing debt	**670.0**	**616.2**
Net D/E ratio (times)	**1.79**	**1.74**
Net D/E ratio based on total net assets (times)	–	(1.61)

*4 Total equity = Total net assets – Minority interests

*5 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.

Commodity Prices and Exchange Rates

	FY 2012 Assumption (Annual Average)	FY 2012 latest data (as of April 30, 2013)
Crude oil (Brent) **1 ($/bbl)	$105/bbl	$102.4/bbl
Thermal coal **2 ($/t)	$95/t	$86.6/t
Molybdenum ($/lb)	$12.5/lb	$11.3/lb
Nickel **3 ($/lb)	$8.0/lb	$7.1/lb
Copper **3 ($/t)	$8,000/t	$7,055/t
Exchange rates **4 (¥/$)	¥95.0/$	¥97.9/$

**1 Impact of fluctuations in the crude oil price on earnings: A $1/bbl change alters profit attributable to owners of the parent company by approx. ¥0.1 billion.

**2 The latest data (as of April 30, 2013) is cited from the Global Coal Index and differs from our sales prices.

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

**4 Impact of fluctuations in the exchange rate on earnings: A ¥1/US$ change alters gross profit by approx. ¥0.4billion, profit attributable to the owner of the parent by approx. ¥0.2billion, and total equity by approx. ¥1.5billion.

(For reference)

Highlights of differences between IFRS and JGAAP

◆ Revenue (net sales) — Impact: P/L only
- JGAAP: Net sales are ordinarily calculated using total transaction amount.
- IFRS: For risk-free transactions (agent transactions), only the commission income portion is recorded as revenue.

Note: Even after the application of IFRS, net sales will continued to be disclosed using Japanese accounting practices. Also, in the consolidated earnings forecast of the summary of consolidated financial results and the forecasts in the supplementary materials, net sales will be presented using such practices and not by IFRS based revenue.

◆ Goodwill amortization — Impact: P/L, B/S
- JGAAP: Straight-line method of amortization is used. An impairment test is applied only when there are indications of impairment.
- IFRS: Goodwill is not amortized but is subject to an impairment test each reporting period.

◆ Asset impairment — Impact: P/L, B/S
- JGAAP: Impairment loss is recorded in the following cases: The non-discounted future cash flows < carrying amount
- IFRS: Impairment loss is recorded in the following cases: The discounted future cash flows < carrying amount

Note: The amount of loss when the impairment loss is recorded is the difference between the recoverable value (discounted future cash flows) and the carrying amount both in JGAAP and IFRS.

◆ Discounted notes — Impact: B/S only
- JGAAP: Notes receivable are removed from the B/S when discounted.
- IFRS: Notes receivable remain on the B/S even after discounting.

◆ Short-term investment securities (excluding shares of subsidiaries and affiliates) — Impact: P/L, B/S, OCI
- JGAAP: Recording of gain or loss on sale/ loss on revaluation in P/L
- IFRS: Even when there is a sale or marked impairment, it will not be recorded in the P/L but rather in the other comprehensive income as a change in fair value.

◆ Unlisted stocks (excluding shares of subsidiaries and affiliates) — Impact: B/S, OCI
- JGAAP: Recorded in B/S at acquisition amount
- IFRS: Fair value is measured and recorded in B/S (Change in fair value is recorded in other comprehensive income.)

Note: OCI: Other Comprehensive Income

<u>Special Treatment in First Time Adoption of IFRS</u>

◆ Deemed cost
- ・ Fair value of noncurrent assets, etc. on the date of transition to IFRS is used as the carrying amount at the transition date.

◆ Foreign exchange adjustment account (cumulative translation differences)
- ・ The balance of the foreign exchange adjustment account at the transition date is transferred to retained earnings, and cumulative translation differences at the transition date are deemed to be zero.

Note: The transition date is the first day of the comparative period (previous accounting period) at the time IFRS financial statements are first prepared and disclosed. (For Sojitz, the transition date is April 1, 2011.)