

Highlights of Consolidated Financial Results for the Year Ended March 31, 2008

Sojitz Corporation

Results Highlights

1. Gross trading profit and recurring profit made steady gains and recurring profit and net income set new records (Figures in brackets represent year-on-year changes)

Net sales: 5,771.0 billion yen (+552.8 billion yen/+10.6%)
 -Increase in transaction volume in cigarettes
 -Increase in trading volume in energy and mineral resources
 -Increase in trading volume in automobiles overseas

Gross trading profit: 277.7 billion yen (+23.2 billion yen/+9.1%)
 -Strong performance in automobiles overseas
 -Strong performance in methanol and fertilizer
 -Decrease in forest products due to decline of demand for plywood in domestic market

Recurring profit: 101.5 billion yen (+12.0 billion yen/+13.3%)

-Increase in operating income
 -Improvement in interest income and interest expense
 -Increase in equity in earnings of unconsolidated subsidiaries and affiliates.

Net income: 62.7 billion yen (+3.9 billion yen/+6.7%)

2. Sojitz has completed the reorganization of its capital structure

300.0 billion yen of convertible bonds were fully converted into common stock on July 3, 2007
 -300.0 billion yen of convertible bonds for the repurchase and cancellation of preferred shares were fully converted into common stock.

Completion of repurchase and cancellation of preferred shares on September 28, 2007

-The repurchase and cancellation of relevant preferred shares was fully completed
 (Issued amount : 560.4 billion yen, repurchase amount : 342.9 billion yen)

====>Sojitz's capital reorganization has been completed due to elimination of all preferred shares allocated for repurchase

3. Improved credit ratings due to better quality of capital and more stable earnings base

All credit ratings reached investment grade; original plan for the year achieved.

S&P

Long-term corporate credit rating: BBB-

Long-term senior unsecured debt rating: BBB

R&I

Issuer rating: BBB

JCR

Long-term rating: BBB

4. Resume dividend payment FY2007

Year-end dividend for common stock: 4.50 yen per share
 (Annual dividend for common stock: 8.00 yen per share)

5. Forecasts

Forecasts for fiscal 2008, ending March 31, 2009

Net sales 5,800.0 billion yen
 Operating income 95.0 billion yen
 Recurring profit 100.0 billion yen
 Net income 60.0 billion yen

<Assumptions>

-Exchange rate (Yen/US\$) = 100

-Crude oil price (US\$/BBL) = 90 (Brent crude)

Cash dividend per common stock for fiscal 2008 ending March 31, 2009 (expected)

Interim: 4.5 yen per share

Year-end: 4.5 yen per share

Consolidated Statements of Income

	FY2007 Results		Change a-b	Reasons for changes	(Unit: Billions of yen)		Forecast FY2008
	a	b			c	Percentage achieved a/c	
Net sales	5,771.0	5,218.2	552.8		5,650.0	102%	5,800.0
Net sales				Net sales			
				Consumer Lifestyle	+341.1		
				Energy & Mineral Resources	+180.9		
				Machinery & Aerospace	+103.9		
Gross trading profit	277.7	254.5	23.2		277.0	100%	285.0
(Gross trading profit ratio)	(4.81%)	(4.88%)	(-0.07%)		(4.90%)		(4.91%)
Gross trading profit				Gross trading profit			
				Machinery & Aerospace	+21.2		
				Chemicals & Plastics	+5.0		
				Real Estate Development & Forest Products	-3.7		
Personnel expenses	-86.6	-83.5	-3.1				
Non-personnel expenses	-82.1	-74.9	-7.2				
Depreciation expenses	-7.7	-7.1	-0.6				
(Subtotal)	(-176.4)	(-165.5)	(-10.9)				
Allowance for doubtful receivables and write off	-4.0	-5.5	1.5				
Goodwill amortization	-4.9	-5.6	0.7				
(Selling, general and administrative expenses)	(-185.3)	(-176.6)	(-8.7)		-185.0	100%	-190.0
Operating income	92.4	77.9	14.5		92.0	100%	95.0
(Operating income ratio)	(1.60%)	(1.49%)			(1.63%)		(1.64%)
Interest income	13.7	15.0	-1.3				
Interest expense	-33.3	-38.4	5.1				
(Interest expense-net)	(-19.6)	(-23.4)	(3.8)	Improvement in interest expenses-net due to improvement in funding conditions			
Dividends	5.0	6.0	-1.0				
(Net financial revenue)	(-14.6)	(-17.4)	(2.8)				
Equity in earnings of unconsolidated subsidiaries and affiliates	28.9	23.8	5.1	Agricultural chemical-related company (+3.5) Nickel manufacturing company (+1.8)			
Other income	13.5	17.2	-3.7	Loss on foreign currency exchange			
Other expenses	-18.7	-12.0	-6.7	Decrease due to sale of shares of an investment in incubation company			
(Others-net)	(9.1)	(11.6)	(-2.5)		8.0	114%	5.0
Recurring profit	101.5	89.5	12.0		100.0	102%	100.0
Gain on sale and disposal of properties	1.2						
Gain on sale of investment securities	9.6			Gain on sales of agricultural chemical-related company and other listed securities			
Gain on sale of investments in partners	0.2						
Dilution gain from changes in equity-interest	0.1						
Gain on reversal of allowance for doubtful accounts	4.5						
Gain on bad debt written-off	0.2						
(Extraordinary income)	(15.8)	(30.6)	(-14.8)				
Loss on sale and disposal of properties	-1.4						
Impairment losses on fixed assets	-7.0			Impairment losses on fixed assets following an asset review related to affiliated companies			
Loss on sale of investment securities	-0.7						
Loss on devaluation of securities	-6.1			Loss on revaluation of listed securities by decline of market prices, etc.			
Loss, and provision for loss on dissolution of subsidiaries and affiliates	-9.1			Disposal of losses related to revaluation of operations at affiliates, etc.			
Restructuring loss	-4.6						
(Extraordinary losses)	(-28.9)	(-32.0)	(3.1)				
(Extraordinary income/losses-net)	(-13.1)	(-1.4)	(-11.7)		-5.0		-10.0
Income before income taxes and minority interests	88.4	88.1	0.3		95.0	93%	90.0
Income taxes: Current	-20.1	-18.8	-1.3				
Deferred	-2.1	-5.0	2.9				
Minority interests	-3.5	-5.5	2.0				
Net income	62.7	58.8	3.9		65.0	96%	60.0
Core earnings	110.7	89.8	20.9				

Consolidated Statements of Cash Flows

	(Unit: Billions of yen)	
	FY2007	FY2006
Cash flows from operating activities	35.4	7.0
Cash flows from investing activities	-68.7	42.7
(Free Cash Flow)	(-33.3)	(49.7)
Cash flows from financing activities	-53.7	-95.5
Cash & Cash Equivalents at the End of the Period	373.9	464.3

NOTES

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

2. Forward-looking Statements

This document contains forward-looking statements regarding the Company's business plans and initiatives based on information available to management at the time of disclosure. Accordingly, such statements contain inherent risks and uncertainties. Readers are advised that actual results may differ from forward-looking statements due to a wide variety of factors, including, but not limited to, changes in economic conditions in key markets in Japan and overseas and exchange rates. The Company will provide timely disclosure of any material changes or related issues.

Consolidated Balance Sheets and Principal Management Indices

	March 31, 2008		Change d-e	Reasons for changes
	d	e		
Current assets	1,676.0	1,615.1	60.9	
Cash and deposits	380.2	471.6	-91.4	Decrease due to repurchase and cancellation of preferred shares
Trade notes and trade accounts receivable	691.5	672.7	18.8	Increase due to higher sales of machinery and higher prices of grain
Securities	9.2	7.2	2.0	
Inventories	422.2	315.9	106.3	Increase due to higher sales of overseas automobiles and higher transaction volume in cigarettes Rise in real estate for future sale
Short-term loans receivable	11.6	23.2	-11.6	
Deferred tax assets-current	19.2	8.6	10.6	
Other current assets	156.0	130.6	25.4	
Allowance for doubtful receivables	-13.9	-14.7	0.8	
Fixed assets	990.9	1,000.9	-10.0	
Tangible assets	232.0	230.0	2.0	
Goodwill	65.5	69.9	-4.4	
Other intangible assets	67.9	29.2	38.7	Increase due to acquisition of resources-related rights
Investment securities	481.0	518.6	-37.6	Decrease due to sales of agricultural chemical-related company and decline of stock prices, etc.
Long-term loans receivable	37.0	39.3	-2.3	
Non-performing receivables	109.4	162.3	-52.9	Decrease due to sales, collection and amortization, etc.
Deferred tax assets-non-current	31.0	19.7	11.3	
Others	44.4	49.9	-5.5	
Allowance for doubtful receivables	-77.3	-118.0	40.7	Decrease due to sales, collection and amortization, etc.
Deferred assets	2.5	3.5	-1.0	
Total assets	2,669.4	2,619.5	49.9	
Liabilities	1,383.5	1,219.5	164.0	
Trade notes and trade accounts payable	579.0	531.5	47.5	Increase due to higher transaction volume in cigarettes and higher price of grain, etc.
Short-term loans payable	497.2	501.1	-3.9	
Commercial paper	25.0	10.0	15.0	
Bonds with redemption in one year	75.1	0.9	74.2	
Other current liabilities	207.2	176.0	31.2	
Non-current liabilities	765.6	868.4	-102.8	Decrease due to CB conversion (-75.0) 1 year rule (-75.1)
Bonds, less current portion	141.5	245.5	-104.0	Increase due to issuance of bonds (+46.2)
Long-term loans payable	560.3	560.2	0.1	
Allowance for retirement benefits	19.4	22.5	-3.1	
Other non-current liabilities	44.4	40.2	4.2	
Total liabilities	2,149.1	2,087.9	61.2	
Common and preferred shares	160.3	122.8	37.5	Increase from conversion of convertible bonds (+37.5)
Capital surplus	152.2	158.6	-6.4	Increase from conversion of convertible bonds (+37.5); transfer from retained earnings (+58.1); decrease due to repurchase and cancellation of preferred shares (-102.0)
Retained earnings	139.2	147.2	-8.0	Net income (+62.7); payment of dividends (-12.3) transfer to capital surplus (-58.1)
Treasury stock	-0.1	-0.1	0.0	
(Total shareholders' equity)	(451.6)	(428.5)	(23.1)	
Net unrealized gains on available-for-sale securities	60.3	94.3	-34.0	Decrease due to decline of stock prices, etc.
Gain (loss) on deferred hedges	1.3	0.6	0.7	
Land revaluation difference	-2.5	-1.9	-0.6	
Foreign currency translation adjustments	-34.7	-32.9	-1.8	
(Total valuation and translation adjustments)	(24.4)	(60.1)	(-35.7)	
Minority interests	44.3	43.0	1.3	
Total net assets	520.3	531.6	-11.3	
Total liabilities and net assets	2,669.4	2,619.5	49.9	
Gross interest-bearing debt	1,299.1	1,317.7	-18.6	
Net interest-bearing debt	918.9	846.1	72.8	
Net debt/equity ratio (Times)	* 1.93 times	* 1.73 times	0.20 times	* The denominator for the net debt/equity ratio and the numerator of the shareholders' equity ratio have been calculated after excluding minority interests.
Shareholders' equity ratio	* 17.8%	* 18.7%	-0.9%	

Highlights of Consolidated Financial Results for the Year Ended March 31, 2008
Supplementary Materials (1) -Gross Trading Profit and Recurring Profit (by Industry Segment)-

April 30, 2008
 Sojitz Corporation

(Unit: Billions of yen)

	Gross Trading Profit				Recurring Profit			
	Fiscal 2007	Fiscal 2006	Change	Main factors for change	Fiscal 2007	Fiscal 2006	Change	Main factors for change
	Results	Results			Results	Results		
Machinery & Aerospace	74.8	53.6	21.2	<ul style="list-style-type: none"> •Automobiles: increase (+13.8) due to growth in overseas automobile business, and increase in transaction volume in Middle East at Sojitz Corporation •Information & Industrial Machinery: increase (+4.1) due to increase in transaction volume at a machinery-related subsidiary •Aircraft: increase (+0.6) due to increase in transaction volume in aircraft-related equipment •Ships: increase (+2.5) due to overall strength, particularly from the ship-owning business and marine-related equipment transaction volume 	23.3	10.0	13.3	<ul style="list-style-type: none"> •Increased due to growth in gross trading profit from Automobiles, Information & Industrial Machinery, Aircraft, and Ships
Energy & Mineral Resources	41.3	41.3	0.0	<ul style="list-style-type: none"> •Oil and Gas: increase (+0.7) due to higher oil and petroleum product prices and increased transaction volume •Coal: decrease (-2.5) due to impact of ship congestion at Australian ports and mining costs •Mineral Resources: increase (+1.1) due to increased transaction volume and higher prices 	36.1	33.3	2.8	<ul style="list-style-type: none"> •Increased due to solid performance by a nickel manufacturing company and other equity-method affiliates, although the gross trading profit remained unchanged
Chemicals & Plastics	53.8	48.8	5.0	<ul style="list-style-type: none"> •Chemicals: increase (+1.8) due to ongoing price offsetting of higher costs of raw materials as well as improved fertilizer sales volume •Methanol: increase (+2.6) due to higher market prices for methanol 	17.0	8.4	8.6	<ul style="list-style-type: none"> •Increased sharply due to growth in gross trading profit, as well as improved earnings from an equity-method affiliate involved in agricultural chemicals
Real Estate Development & Forest Products	21.3	25.0	(3.7)	<ul style="list-style-type: none"> •Construction: decrease (-0.7) due to decrease in number of contracts for office buildings •Forest Products: decrease (-3.2) due to lower sales volume reflecting reduced domestic demand, as well as lower profits due to a worsening inventory sales/earnings ratio following a sharp downturn in the market 	4.7	8.1	(3.4)	<ul style="list-style-type: none"> •Decreased due to decline in gross trading profit
Consumer Lifestyle Business	38.6	38.4	0.2	<ul style="list-style-type: none"> •Textiles: decrease (-0.8) due mainly to a slump in retail apparel sales •General Commodities: increase (+1.0) due to higher transaction volume accompanying an expansion of commercial rights for cigarettes 	0.1	2.5	(2.4)	<ul style="list-style-type: none"> •Decreased due to a slump in retail apparel sales
Overseas Subsidiaries	27.3	26.8	0.5	<ul style="list-style-type: none"> •Americas: increase (+0.9) due to higher machinery-related and metal resource-related transaction volumes •Europe: decrease (-0.2) due to decreases in home appliance-related machinery and chemicals transaction volumes 	12.8	13.5	(0.7)	<ul style="list-style-type: none"> •Decreased due to rise in SG&A expenses stemming from increase of personnel overseas
Other	20.6	20.6	0.0	<ul style="list-style-type: none"> •Overall unchanged 	7.5	13.7	(6.2)	<ul style="list-style-type: none"> •Decreased because the positive factors enjoyed by the IT Business Development Group in the previous period (e.g., earnings from the sale of shares of an investment in incubation company) did not recur •Decreased due to a review of the in-house interest-charging system
Total	277.7	254.5	23.2		101.5	89.5	12.0	

**Highlights of Consolidated Financial Results for the Year Ended March 31, 2008
Supplementary Materials (2) -FY2008 Full-year Forecast-**

April 30, 2008
Sojitz Corporation

(Unit: Billions of yen)

P/L

	FY2007 Results	FY2008 Plan (announced on April 28, 2006)	FY2008 Forecast	Change vs. FY2007 Results
Net Sales	5,771.0	6,100.0	5,800.0	+29.0
Gross trading profit	277.7	300.0	285.0	+7.3
[Gross trading profit ratio]	[4.81%]	[4.92%]	[4.91%]	
Machinery & Aerospace	74.8	52.2	75.0	+0.2
Energy & Mineral Resources	41.3	49.5	48.0	+6.7
Chemicals & Plastics	53.8	46.9	51.0	(2.8)
Real Estate Development & Forest Products	21.3	26.0	23.5	+2.2
Consumer Lifestyle Business	38.6	60.8	40.0	+1.4
Overseas Subsidiaries	27.3	32.8	26.0	(1.3)
Other	20.6	31.8	21.5	+0.9
Selling, general and administrative expenses	(185.3)	(200.0)	(190.0)	(4.7)
Operating income	92.4	100.0	95.0	+2.6
[Operating income ratio]	[1.60%]	[1.64%]	[1.64%]	
Non-operating income/expense-net	9.1	0.0	5.0	(4.1)
Recurring profit *1	101.5	100.0	100.0	(1.5)
[Recurring profit ratio]	[1.76%]	[1.64%]	[1.72%]	
Machinery & Aerospace	23.3	13.9	24.5	+1.2
Energy & Mineral Resources	36.1	26.2	37.0	+0.9
Chemicals & Plastics	17.0	10.0	13.5	(3.5)
Real Estate Development & Forest Products	4.7	9.1	11.0	+6.3
Consumer Lifestyle Business	0.1	10.6	2.5	+2.4
Overseas Subsidiaries	12.8	15.3	9.0	(3.8)
Other	7.5	14.9	2.5	(5.0)
Extraordinary income/(loss)-net	(13.1)	(10.0)	(10.0)	+3.1
Income/(loss) before income taxes	88.4	90.0	90.0	+1.6
Net income/(loss)	62.7	60.0	60.0	(2.7)
Core earnings *2	110.7	100.0	100.0	(10.7)

Recurring Profit Performance

◎ Recurring profit and net income for fiscal 2008 forecast to achieve final-year target of New Stage 2008 medium-term management plan

Machinery & Aerospace	<ul style="list-style-type: none"> Automobiles: decrease due to lower unit sales in Central and South America Information & Industrial Machinery: increase due to greater order backlog for plant-related transactions Ships: increase owing to anticipated continuation of excellent market conditions overall
Energy & Mineral Resources	<ul style="list-style-type: none"> Oil, Gas and LNG: increase due to higher production from upstream interests and rise in energy related prices Coal: increase due to skyrocketing coal prices Mineral Resources: decrease owing to anticipated decline in prices of some ferroalloys
Chemicals & Plastics	<ul style="list-style-type: none"> Methanol: decrease due to anticipated reduction in sales volume resulting from periodic repairs and deterioration in market conditions Chemicals, Plastics, and Fertilizer: little change expected
Real Estate Development & Forest Products	<ul style="list-style-type: none"> Real Estate Development: increase due to the sale of a shopping center and increase in the number of contracts for office buildings Forest products: increase expected due to anticipated market stability resulting from recovery in domestic demand and inventory adjustment
Consumer Lifestyle Business	<ul style="list-style-type: none"> Foods: increase due to growth in transactions for cereals, animal feed, and tuna Textiles: increase due to improvement in SG&A expenses resulting from the implementation of selection and focus initiatives General Commodities: little change expected
Overseas Subsidiaries	<ul style="list-style-type: none"> Decrease owing to anticipated reduction in machinery- and metals-related transactions in the U.S. Decrease due to lower interest expense-net accompanying collection of loan receivables, mainly in the Americas and Europe
Other	<ul style="list-style-type: none"> Decrease due to a review of the in-house interest-charging system

*1 Figures for recurring profit by business segment are internal figures for reference only

*2 Core earnings = Operating income (Before allowance for doubtful receivables and write-offs) + Net interest income and expenses + Dividends received + Equity in earnings of unconsolidated subsidiaries and affiliates

B/S

	March 31, 2008	March 31, 2009 Plan (announced on April 28, 2006)	March 31, 2009 Forecast
Total assets	2,669.4	2,670.0	2,750.0
Shareholders' Equity *3	476.0	500.0	500.0
[total net assets]	[520.3]	-	-
Shareholders' Equity ratio (%)	17.8%	18.7%	18.2%
Net interest-bearing debt	918.9	1,040.0	990.0
Net DER (Times)	1.9	2.1	2.0
[net DER (times) based on total net assets]	[1.8]	-	-

*3 Equity = total net assets - stock acquisition rights - minority interests (same meaning as "shareholders' equity" as used previously)