April 30, 2008

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 credt 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

(Unit: Billions of yen)

	FY2007 Results a	FY2006 Results b	Change a-b	Reasons for changes	Forecast FY2007 c	Percentage achieved a/c	Forecast FY2008
Net sales	5,771.0	5,218.2	552.8	Net sales Consumer Lifestyle +341.1 Energy & Mineral Resources +180.9 Machinery & Aerospace +103.9	5,650.0	102%	5,800.0
Gross trading profit	277.7	254.5	23.2	Gross trading profit Machinery & Aerospace +21.2 Chemicals & Plastics +5.0 Real Estate Development & Forest Products -3.7	277.0	100%	285.0
(Gross trading profit ratio)	(4.81%)	(4.88%)	(-0.07%)		(4.90%)		(4.91%)
Personnel expenses	-86.6	-83.5	-3.1	Higher expenses due to increase in sales of overseas automobile subsidiaries, etc.			
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 Decrease due to sale of shares of an investment in incubation company			
Other expenses	-18.7	-12.0	-6.7				
(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

(Unit: Billions of yen)

	March 31, 2008 d	March 31, 2007 e	Change d-e	Reasons for changes
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) Increase due to issuance of bonds (+46.2)
Bonds, less current portion	141.5	245.5	-104.0	
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 Results	Fiscal 2006 Results	Change	Main factors for change	Fiscal 2007 Results	Fiscal 2006 Results	Change	Main factors for change
Machinery & Aerospace	74.8	53.6	21.2	・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	・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	・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	・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	・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	・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)	・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)	・Decreased due to decline in gross trading profit
Consumer Lifestyle Business	38.6	38.4	0.2	・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)	・Decreased due to a slump in retail apparel sales
Overseas Subsidiaries	27.3	26.8	0.5	・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)	・Decreased due to rise in SG&A expenses stemming from increase of personnel overseas
Other	20.6	20.6	0.0	・Overall unchanged	7.5	13.7	(6.2)	・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
- 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
- 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
- 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
- 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
- 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
- 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
- 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)

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

30,April 2008

Sojitz Corporation
(URL http://www.sojitz.com
Listed stock exchange The first sections of Tokyo and Osaka
Securities Code 2768
Company Representative Yutaka Kase, President & CEO
Contact Information Takashi Inada, GM, Public Relations Dept TEL +81-3-5520-3404
Scheduled Date of Ordinary General Shareholders' Meeting : June 25, 2008
Scheduled Date of Delivery of Dividends : June 26, 2008
Scheduled filing date financial report: June 25, 2008
Adopting of US GAAP : No

(Rounded down to millions of Japanese Yen)

1.Consolidated Financial Results for the Year Ended March 31, 2008 and 200

(1) Operating Results (Consolidated) Description of % is indicated as the change rate compared with the same period last year.

	Net Sales		Operating Income		Recurring Profit		Net Income	
For the years ended	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
March 31, 2008	5,771,028	10.6	92,363	18.5	101,480	13.3	62,693	6.7
March 31, 2007	5,218,153	4.9	77,932	2.3	89,535	13.7	58,766	34.5

	EPS	Adjusted EPS	ROE	ROA	Operating Income Ratio
For the years ended	Yen	Yen	%	%	%
March 31, 2008	51.98	50.53	13.0	3.8	1.6
March 31, 2007	83.20	52.10	12.8	3.5	1.5

Notes:
Equity in Earnings of Unconsolidated subsidiaries and affiliate during the period: (Millions of Yen)
Current fiscal year : 28,911 Last fiscal year : 23,752

(2)Financial Position (Consolidated)

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
As of	Millions of Yen	Millions of Yen	%	Yen
March 31, 2008	2,669,352	520,327	17.8	383.46
March 31, 2007	2,619,507	531,635	18.7	144.22

Notes: (Millions of Yen)
1 Shareholders' Equity As of March 31, 2008: 476,031 As of March 31, 2007: 488,586

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the Period
For the years ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2008	35,407	(68,723)	(53,723)	373,883
March 31, 2007	7,040	42,706	(95,476)	464,273

2.Cash Dividends

	Cash Dividends per Share (Yen)			Total Amount of Dividend Payment	Dividend Payout (Consolidated)	Dividend Rate to Net Assets
	Interim	Year-end	Annual			
For the years ended	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2007	-	6.00	6.00	6407	7.2	-
March 31, 2008	3.50	4.50	8.00	9,869	15.4	3.0
March 31, 2009 (expected)	4.50	4.50	9.00		18.5	

Note. The above "Cash Dividends" refers to common stock. To calculate consolidated dividend payout ratio using the number of shares issued as of March 31, 2008 is 15.7%. For details on the payment of dividends for other (unlisted) classified stocks that have rights different from those of common stock issued by the Company, please refer to "Dividends on Preferred Shares" (page 3).

3. Consolidated Earnings Forecast for the Year Ending March 31, 2009 (April 1, 2008-March 31, 2009):

	Net Sales		Operating Income		Recurring Profit		Net Income		EPS
For the year ending March 31, 2009	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Interim	2,800,000	(0.1)	41,000	(10.3)	41,000	(23.0)	25,000	(29.5)	20.26
Full year	5,800,000	0.5	95,000	2.9	100,000	(1.5)	60,000	(4.3)	48.62

4.Others

(1) Changes in major subsidiaries during the fiscal year (changes in specified subsidiaries accompanying changes in scope of consolidation). : No

(2) Changes in accounting policy, procedures or method of presentation for preparing consolidated financial statements (those to be described in the section “Change of Significant Accounting Policies for the Preparation of Consolidated Interim Financial Statements)

1. Changes due to amendment of accounting standards : Yes
2. Change due to other reasons : Yes

(3) Number of outstanding shares at the end of the period (Common Stock):

1. Number of outstanding shares at the end of the period (Common Stock):
   As of March 31, 2008: 1,233,852,443 As of March 31, 2007: 1,068,105,228
2. Number of treasury shares at the end of the period:
   As of March 31, 2008: 290,099 As of March 31, 2007: 253,051

* Important Note Concerning the Appropriate Use of Business Forecast

The aforementioned forecasts are based on certain assumptions that Company has deemed relevant and appropriate as of the date of publication. Actual results may differ substantially from these forecasts due to variety of important factors. For details on matters of caution concerning the appropriate use of business forecasts.

Dividends on Preferred Shares

The table below sets out details of dividends per share and total dividends paid for classified stock conferring rights not offered by common stock.

	Cash Dividends per Share			Total
	Interim	Year-end	Annual	(Annual)
	Yen	Yen	Yen	Million Yen
FY2006				—
1st Series Class I	—	—	0 00	—
2nd Series Class I	—	—	0 00	—
3rd Series Class I	—	—	0 00	—
4th Series Class I	—	—	0 00	—
1st Series Class II	—	—	0 00	—
1st Series Class III	—	15 00	15 00	22
1st Series Class IV	—	—	0 00	—
1st Series Class V	—	143 76	143 76	1,563
2nd Series Class IV	—	—	0 00	—
FY2007				
1st Series Class III	7 50	7 50	15 00	22
(1st Series Class IV	—	—	0 00	—)
(1st Series Class V	—	—	0 00	—)
FY2008 (Forcast)				
1st Series Class III	7 50	7 50	15 00	

As a result of the repurchase and cancellation of 1st Series Class IV preferred shares (on June 22, 2007) and 1st Series Class V preferred shares (on June 22, 2007 and September 28, 2007), both the interim dividend and year-end dividend (forecast) for fiscal 2007 for the relevant preferred shares are ¥0 per share.

Business Results

1. Analysis of business results

(1) Overview of fiscal 2007

Economic environment

During fiscal 2007, the year ended March 31, 2008, the world's economy showed steady performance in general, driven by strong growth in emerging countries and the resource-rich nations, although there remained some uncertain elements over turmoil in world's financial markets shaken by the fallout from the subprime mortgage crisis in the United States and skyrocketing prices of crude oil and other commodities.

In Americas, though the effects of financial turmoil in the U.S. have become severe, such adverse effects were limited in the resource-rich nations. Latin American economies enjoyed benefits from skyrocketing commodity prices in general, and internal demand continued to be stable.

In Europe, although the Euro continued to appreciate, stable exports mainly destined for the resource-rich nations, such as the Middle East and Russia, and an increase in consumer spending due to favorable labor markets together pushed up overall growth.

Many countries in Asia continued to exhibit strong economic growth.

The NIEs and ASEAN countries, which up until now have been highly dependent on external demand, were concerned about being adversely affected by the slowdown in the U.S. economy. However, internal demand such as active capital investment by private firms and expansion in consumer spending supported these economies.

Capital inflows continued in India, which has been proceeding with gradual deregulation, its rapid growth continued, particularly in IT-related and other service sectors.

Although the Chinese economy enjoyed strong growth, the stock markets which tended to be overheated entered an adjustment phase in Autumn following inflation mainly in food prices and macroeconomic controls by the central government.

The presence of the Middle East and African nations have broadened in the world's economy due to oil monies accumulated in the Gulf oil producing countries. Also, non-oil sectors generally faired well.

The Japanese economy continued to be flat towards the end of fiscal 2007, since the number of new housing starts decreased due to the enforcement of the revised Building Standards Law, related sectors were adversely affected, and consumer spending remained stagnant following sluggish growth in wages, although the end of deflation came into sight as the number of employees increased and capital investment was favorable.

Financial Performance

Business results for Sojitz Corporation and consolidated subsidiaries for fiscal 2007, the year ended March 31, 2008, are presented as follows.

Net sales

In the fiscal year under review, consolidated net sales amounted to ¥5,771,028 million, an increase of 10.6% from the previous fiscal year. Sales were higher than in the previous year across all trading categories. Comparing year-on-year growth rate by category, sales from export transactions rose 13.4% due to the strong performance of the Machinery & Aerospace Division offsetting lower sales in Overseas Subsidiaries and Energy & Mineral Resources. Sales from import transactions rose 4.5% due to increased revenues by the Consumer Lifestyle Business, Energy & Mineral Resources, Chemicals & Plastics and other divisions. Sales from domestic transactions rose 11.2% because of growth in areas such as the Consumer Lifestyle Business, Energy & Mineral Resources and other divisions. Sales from offshore transactions increased by 14.9% thanks to strong performances in the Machinery & Aerospace, Chemicals & Plastics and other divisions.

By industry segment, in the Machinery & Aerospace Division, robust performances in the overseas-targeted automobile-related transactions resulted in a 9.3% increase in sales. Net sales in the Energy & Mineral Resources Division increased by 14.1% reflecting firm resources prices and an increase in oil and mineral resource transactions. In the Chemicals & Plastics Division net sales rose by 5.1% due to strong performance in methanol and fertilizer, while the Consumer Lifestyle Business Division benefited from higher sales of cigarette and foods-related transactions to post 37.3% growth. In the Real Estate Development & Forest Products Division, however, lower sales of plywood led to a net sales decline of 9.2%. Net sales at Overseas Subsidiaries also declined falling 9.3% from the previous fiscal year due to a drop in some consumer-lifestyle-related business in the Americas and other factors.

Gross trading profit

Consolidated gross trading profit amounted to ¥277,732 million, up ¥23,266 million from the previous fiscal year because of the strong performances of automobile-related sales to overseas markets by the Machinery & Aerospace Division, and methanol and fertilizer related sales by the Chemicals & Plastics Division which offset the decreased revenues from lackluster performance of plywood sales by the Real Estate Development & Forest Products Division.

Operating income

Consolidated operating income rose 18.5% year on year to ¥92,363 million. This reflected the rise in gross trading profit, which outweighed the increases to selling, general and administrative (SG&A) expenses resulting from an increase in non-personnel expenses arising from expanded sales activities.

Recurring profit

Consolidated recurring profit increased by 13.7% to ¥101,480 million, due to the continued strong performance of Metal One Corporation, the recovery for this period by Arysta LifeScience Corporation, which posted a one-time loss in fiscal 2006, an increase in equity in earnings of unconsolidated subsidiaries and affiliates from strong performance by a nickel manufacturing company, and reduction in interest expenses due to an improvement in Sojitz' credit rating.

Extraordinary gains and losses

Extraordinary gains totaled ¥15,827 million, including gains on the sale of investment securities (¥9,605 million) and a reversal of allowance for doubtful accounts (¥4,540 million). Extraordinary losses totaled ¥28,962 million, including a loss on dissolution of subsidiaries and affiliates plus related provisions (¥9,107 million), impairment losses on fixed assets following a review of assets at affiliates (¥6,994 million), devaluation losses on investment securities (¥6,085 million), and a loss on business restructuring (¥4,613 million), resulting in a net extraordinary loss of ¥13,135 million.

Net income

As a result of these and other factors, income before income taxes and minority interests for the fiscal year was ¥88,344 million. After accounting for income taxes (¥20,118 million), deferred income taxes (¥2,062 million) and minority interests in consolidated subsidiaries (¥3,469 million), Sojitz Corporation posted net income for the fiscal 2007 of ¥62,693 million, an increase of 6.7% from the previous fiscal year.

Machinery & Aerospace

Segment net sales amounted to ¥1,222,121 million, an increase of 9.3% from the previous fiscal year. This reflected strong growth in automobile-related sales targeting overseas markets. Operating income also increased by a substantial 103.0% from the previous fiscal year to ¥31,897 million thanks to an increase in gross trading profit.

Energy & Mineral Resources

Reflecting continuing high resources prices, segment net sales amounted to ¥1,467,775 million, an increase of 14.1% from the previous fiscal year. Operating income, however, fell 2.8% to ¥18,351 million due to a lower gross trading profit because of the effect of increased mining costs and ship congestion at Australian ports affecting coal operations.

Chemicals & Plastics

Segment net sales totaled ¥703,049 million, rising 5.1% on a basis of the previous fiscal year. An increase in gross trading profit through strong performance from methanol and fertilizer operations contributed to operating income that rose significantly to ¥23,320 million, a 6.9% increase.

Real Estate Development & Forest Products

Segment net sales declined 9.2% from the previous fiscal year to ¥345,326 million due to lackluster performance in the plywood market. Operating income also fell 32.0% to ¥7,967 million.

Consumer Lifestyle Business

Primarily reflecting growth in cigarette and foods-related business, segment net sales rose 37.3% from the same period last year to ¥1,254,861 million. However, higher SG&A expenses resulted in a 21.7% drop from the previous fiscal year in operating income ¥4,388 million.

Overseas Subsidiaries

Segment net sales totaled ¥653,936 million, falling 9.3% from the previous fiscal year. An increase in SG&A expenses contributed to the 44.2% decline from the previous fiscal year in operating income to ¥1,053 million.

Other

Segment net sales fell 4.1% to ¥123,958 million but operating income increased 65.0% from the previous fiscal year to ¥3,432 million due to a recovery at sales activities of IT subsidiaries.

(2) Outlook for fiscal 2008, ending March 31, 2009

The following shows the performance outlook for the full fiscal year.

（Consolidated）	Net sales	5,800.0 billion Yen
	Operation income	95.0 billion Yen
	Recurring profit	100.00 billion Yen
	Net income	60.0 billion Yen
（Un consolidated）	Net sales	3,400.0 billion Yen
	Operation income	12.5 billon Yen
	Recurring profit	43.0 billion Yen
	Net income	37.0billion Yen

The above outlook assumes an exchange rate of ¥100/US$ and a crude oil price of US$90/BBL (Brent).

Forward-looking Statements

The above information on future performance (forward-looking statements) is based on information available to management at the time of disclosure. Accordingly, readers are advised that actual results may differ materially from forward-looking statements due to a wide variety of factors including, but not limited to, economic conditions in Sojitz' principal overseas and domestic markets, and changes in foreign currency exchange markets. The Company will provide timely disclosure of any material changes or related issues.

2. Financial position

Consolidated balance sheet

Aiming to realize the shift to a high-quality earnings structure, the Sojitz Group continued to make progress in selection and focus initiatives designed to entrench its business portfolio strategy. Sojitz also continued to invest resources in growth domains with the aim of raising SCVA, its internal risk/return indicator.

Total assets as of March 31, 2008 were ¥2,669,352 million, an increase of ¥49,845 million from the previous fiscal year. Although cash and cash equivalents decreased by ¥91,375 million from the previous fiscal year due to the repurchase and cancellation of preferred shares on June 22, 2007 and September 28, 2007, inventories increased by ¥106,273 million due to stock piles arising from the sales growth of automobile operations targeting overseas markets and cigarette.

In addition, Sojitz is working to achieve a more stable procurement structure. Specific steps included procuring new sources of long-term funding and diversifying fund procurement through the issue of straight bonds and other instruments, as evidenced by an improved current ratio and long-term debt ratio. Initiatives taken by Sojitz to establish a more stable and efficient funding structure involved both direct and indirect methods of financing. Direct financing initiatives included procuring funds through the bond markets by following up the ¥10,000 million public bond offering conducted in April 2007 with a series of four bond issues totaling ¥45,000 million. Indirect financing initiatives included taking active measures to change the balance of funding from short term to long term, and establishing a more stable and efficient fund procurement structure.

With regard to capital reorganization, Sojitz completed the conversion of the ¥75,000 million remaining from the previous year of the 4th issuance of convertible bonds into the full amount of common stocks on July 3, 2007. In accordance with the completion of the conversion of the 4th convertible bonds, preferred shares with a par value of ¥108,900 million in 1st Series Class V preferred shares were repurchased for ¥46,827 million and cancelled on September 28, 2007. Accordingly, the repurchase and cancellation of all preferred shares corresponding to the "repurchase agreement for convertible preferred shares" that was concluded on April 28, 2006 was fully completed. As a result, although the first dividend payment since the integration was made in the period, shareholders' equity increased ¥23,155 million from the end of last fiscal year to ¥451,619 million due to a rise in net income. However net assets, which includes minority interests, decreased ¥11,308 million from the end of last fiscal year to ¥520,327 million as a result of net unrealized gains on available-for-sale securities decreasing by ¥34,036 million due to a decrease in overall stock prices in the valuation and translation adjustments section, and foreign currency translation adjustment decreasing by ¥1,802 million due to yen appreciation.

The net interest-bearing debt after subtracting cash and cash equivalents from the total interest-bearing debt amount increased by ¥72,781 million from the end of last fiscal year to ¥918,889 million, which is a net debt equity ratio of 1.93.

Consolidated cash flows

In the fiscal year under review, net cash provided by operating activities amounted to ¥35,407 million, net cash flows used in investing activities amounted to ¥68,723 million, and net cash used in financing activities amounted to ¥53,723 million. After accounting for the effects of currency translation adjustments and changes in the scope of consolidation, the balance of cash and cash equivalents as of March 31, 2008, was ¥373,883 million.

Cash flows from operating activities

Net cash provided by operating activities in the fiscal year under review increased ¥28,367 million compared with the same period last year to ¥35,407 million. Although expenditures increased because of an increase in inventories, cash inflows exceeded cash outflows because of such factors as growth in operating income and an increase in trade payables.

Cash flows from investing activities

Net cash used in investing activities in the fiscal year under review decreased ¥111,429 million compared to the same period last year to ¥68,723 million outflow. There was positive cash flow from the sale of Arysta LifeScience, but a certain part of ¥300,000 million was used as part of our new investment and loans plan “New Stage 2008.”

Cash flows from financing activities

Net cash used in financing activities in the fiscal year under review increased ¥41,753 million compared to the same period last year to ¥53,723 million. The most significant item in cash outflow was the payment of ¥102,000 million to repurchase preferred shares.

3. Basic policy on profit distribution and dividends for fiscal 2007 and fiscal 2008

Sojitz considers the stable, continuous payment of dividends to shareholders one of the most important management issues. An equally important issue is the need to enhance competitiveness and shareholder value by increasing retained earnings and using them effectively. Regarding the level of dividends going forward, we have set a future consolidated payout ratio of 20% as our target, and will decide the appropriate level of dividends after considering such factors as progress with the New Stage 2008 medium-term management plan launched in 2006, capital structure and shareholders’ equity, and funding requirements for investments to grow profits.

Sojitz intends to pay a dividend of ¥4.5 per ordinary share (¥8 annually) for fiscal 2007, up ¥2 from a dividend for the previous fiscal year. This result is due to the following facts: First, burden to pay dividends of the preferred shares were mitigated following the repurchase and cancellation of preferred shares with the total outstanding amount of ¥330,000 million in fiscal 2007, and the completion of “Reorganization of Capital Structure Through Eliminating Preferred Shares” announced in April 2006; Second, net income amounted to ¥62,700 million, slightly less than the upwardly-revised target of ¥65,000 million from the initial second-year target of ¥60,000 million in the New Stage 2008 medium-term management plan, and recurring income amounted to ¥101,500 million, surpassing the upwardly-revised target of ¥100,000 million from the initial target of ¥92,000 million in the same plan; Lastly, the investment-grade credit rating of Sojitz recovered, which was one of the key objectives toward the completion of Sojitz’s restructuring. This annual dividends correspond to a consolidated payout ratio on common stock of [15.7%].

With regard to annual dividends on preferred shares, of the shares outstanding on March 31, 2008, the date of record, we will pay dividends in accordance with the provisions of the issuance guidelines for the following shares: ¥15 per share for 1st Series Class III Preferred Shares.

Turning to fiscal 2008, in line with our policy and aforementioned targets, we intend to pay an annual dividend on common stock for the fiscal year ending March 31, 2009 of ¥9 per share. This comprises an interim payment of ¥4.5 and a full-year payment of ¥4.5. This dividend payment would result in a consolidated payout ratio of 18.5% based on the number of shares of common stock.

4. Business and other risks

1）Risks in business

Sojitz is engaged in a wide and diverse range of activities including general trading; the purchase, sale and trade of goods and commodities; and the manufacture and sale of a wide variety of products in Japan and overseas. The Company also provides comprehensive services to a variety of industries on a global scale. In addition, it is engaged in planning and arranging projects, and investing in a variety of business fields and financial activities.

In light of these activities, Sojitz is confronted by numerous risks. These risks include: market risk relating to movements in foreign exchange rates, interest rates, commodity market conditions, and stock prices; credit risk relating to non-payment and collection; investment risk; country risk; and other risks. These risks are to a certain degree unpredictable, and as they cannot be accurately ascertained, can impact the performance and financial position of the Company. Although risk can not be entirely mitigated, the Company is reinforcing and enhancing risk management systems to address wide-ranging business risks where possible. Sojitz recognizes that a unified and integrated approach across the Group is critical to comprehensive risk management. This also entails quantifying and monitoring risk on an ongoing basis as a vital element of management. Additionally, Sojitz is building an internal control system around its Internal Control Administration Office and reinforcing the compliance structure under the Chief Compliance Officer, both measures aimed at enhancing the management of risks that can not be quantified.

Sojitz is confronted by the following risks in the execution of its daily business activities:

(1) Market risk

Sojitz is engaged in global business development and trade and is accordingly subject to a variety of market risks. Certain transactions are denominated in foreign currencies and as such are subject to exchange rate risks. The Company is also susceptible to movements in interest rates in connection with funds procurement and its investment activities. In its daily operating activities, the Company enters into purchase agreements, maintains inventories, and is exposed to commodity price risk. In addition, the Company is exposed to stock price risk due to its holdings of marketable and other securities. As a result, the Company is subject to a variety of market risks, and transactions susceptible to market risk are not limited to those identified above.

Sojitz works to avoid market risk-related losses by maintaining limits on the position (short/long) a business unit may assume and by setting loss-cut points. As well as managing these positions and any related losses, the Company strictly adheres to the loss-cut rule: if a loss greater than the loss-cut point occurs, the position is immediately dissolved and new transactions are prohibited during the applicable fiscal year. In order to offset market risks related to its general marketing and finance activities, Sojitz matches buying and selling transactions for commodities, adopts a matching principle for its assets and liabilities, and applies derivative financial instruments including forward foreign currency exchange contracts, commodity futures and interest rate swaps.

Taking these measures, however, is no guarantee that risks can be completely avoided. There is still the possibility that unanticipated market change could negatively affect the Company’s operations.

(2) Credit risk

In the course of its business, Sojitz extends credit facilities to a large number of customers in Japan and overseas, which in turn exposes the Company to credit risk. As part of efforts to manage and control this risk, the Company has established an 11-tier credit assessment system. In each instance, the Company objectively determines a credit rating for each customer, and based on this rating, sets the level of credit for the individual transaction. In addition, the Company strives to implement strict security and other collateral requirements in line with the credit rating for each customer. Also, Sojitz introduced a system to assess receivables from the fiscal 2006. Having extracted a target of assessment from customers owing operating receivables to the Group in accordance with a certain criterion, Sojitz set a new process to check credit status, receivable and security conditions with the Group, and spares no efforts in making more stringent the identification of status of credit risk and the calculation of individual allowance for doubtful accounts. Furthermore, the Company undertakes periodic assessment of credit risk related to deferred payment, finance and guarantee procedures based on risk/return considerations. When the risk/return is considered insufficient, steps are taken to improve returns and reduce risks.

Carrying out such administrative actions, however, is no guarantee that risks can be completely avoided. There is still the possibility that incidents involving uncollectible receivables could negatively affect the Company's operations.

(3) Investment risk

One of Sojitz' major business activities is investing in a variety of business fields, which are subject to changes in investment values and other risks. The Company has established a screening system to ascertain the merits and risks of each investment proposal, and a management system to follow-up investments. Clearly defined standards have also been formulated with regard to withdrawal from an investment. Through these initiatives, the Group is working to prevent and reduce loss.

The Company has established a system to adequately screen and select new business investment opportunities. On evaluating each proposal, the relevant business plan, including cash flow projections, is comprehensively examined. Profitability is also strictly assessed by setting a hurdle rate based on the internal rate of return (IRR).

Proposals that have been approved and implemented are subject to periodic review to ensure the early detection of issues and problems. In the event an issue or problem arises, steps are taken to ensure minimum loss. In addition, to ensure early detection and in an effort to avoid issues and problems, guidelines are established at the early stages to define acceptable risk and return, and to identify conditions for withdrawal and loss write-off.

Through these measures, the Company has in place a screening system for implementation of new business investment and procedures to ensure follow-up management of these investment decisions. It is difficult, however, to fully avoid the risk of revenues failing to rise as expected. It is possible that the Company could end up with losses associated with withdrawing from such business, and it is also possible that the Company would be unable to withdraw from such business for individual reasons such as relationships with other partners of that business. If such possibilities eventuated, it could negatively impact on the Company's results.

(4) Country risk

Sojitz is subject to country risk in its trading operations and activities. In order to minimize country risk, the Company avoids excessive investment exposure to any one country or region. As a basic rule for countries allocated a high country risk rating, country risk avoidance measures such as trade insurance are implemented for each proposal. To manage country risk, Sojitz conducts risk analysis for each country and region and assigns a risk rating for each. It then constrains the net exposure within the maximum threshold for net exposure (calculated by subtracting country risk hedges such as trade insurance from the total exposure), which it sets according to the risk rating and economic fundamentals of the country.

Even with the employment of such risk management and hedges, Sojitz is unable to fully eliminate the possibility of losses being incurred as a result of political, economic or social change in a country the Sojitz Group's trading partners are located, or in a country in which the Sojitz Group has operational activities. If such events occurred, it could have a large impact on the Company's financial results.

(5) Risk relating to changes in the macroeconomic environment

Sojitz is a *sogo shosha* with global operations that conducts its businesses both in Japan and overseas. It is active in a diverse range of businesses, including machinery and aerospace, energy and mineral resources, chemicals and plastics, real estate development and forest products, and consumer lifestyle business. Consequently, the Company's performance is affected by the economic situation in Japan and the other countries in which it operates, as well as by worldwide economic conditions. There is a risk that economic slowdown, either worldwide or in a particular region, could negatively impact the Company's performance or financial position.

(6) Risk relating to impairment of fixed assets

Sojitz is subject to impairment risk relating to leased assets and fixed assets it owns including real estate, machinery and equipment, and vehicles. The Company accounts for the relevant assets in accordance with the standards for asset-impairment accounting, and the required impairment adjustments were recorded at the end of the interim period under review. However, there is a risk that a fall in market prices for the assets concerned could lead to a sharp decline in the value of the assets, making it necessary to record significant asset impairment. In this case, the Company's performance or financial position could be negatively impacted.

(7) Fund procurement risk

Sojitz procures funding for its operations through loans from financial institutions, and by issuing bonds and commercial paper, among other means. Consequently, in the event of disruption in the financial markets, or if a rating agency were to significantly downgrade Sojitz' credit rating, Sojitz' ability to procure funds would be restricted and its fund procurement costs would increase. In this case, the Company's performance or financial position could be negatively impacted.

(8) Risk relating to increases in environmental costs

Sojitz considers care for the global environment to be one of its most important management issues and is actively involved in tackling environmental problems. The Company has drawn up the Sojitz Environmental Policy, and takes the environment into consideration when conducting its operations. Sojitz also adheres strictly to environment-related laws and regulations and promotes initiatives targeting environmental protection. Nonetheless, implementing such initiatives cannot in itself eliminate all risk of potential environmental pollution arising in the course of business operations. In the event of such environmental pollution, potential adverse outcomes include suspension of Sojitz' operations, liability for decontamination and cleaning expenses, and liability for litigation costs.

(9) Compliance risk

Sojitz is active in a variety of business fields, and laws and regulations relating to its operations are wide ranging. They include trade-related laws such as those regarding Company, tax, business monopolies and foreign exchange, as well as laws relating to each industrial sector such as regulations for the chemical products. To ensure adherence to these laws and regulations, the Company has developed a compliance program and established a Compliance Committee. It has also conducted compliance training and enforced implementation of compliance throughout the entire Group. Nonetheless, even measures such as these cannot eliminate all compliance-related risk in the course of conducting business. There is always a possibility that significant changes to the relevant laws and regulations, or new and unexpected interpretations of existing laws, could be enforced. In such cases, the Company's performance or financial position could be negatively impacted.

(10) Risk of litigation

On matters concerning Sojitz' business activities, the Sojitz Group or its assets may on occasion be subject to, or an accused party of legal action including litigation or arbitration, either in Japan or overseas. However, as of the end of the interim period under review, there were no cases of litigation, arbitration or other legal action likely to exert a material impact on the performance or financial position of the Company.

(11) Risk relating to IT systems and security of information

Sojitz considers appropriate safeguarding and management of its information assets to be a crucial issue in operating its businesses. In line with this stance, the Company has established an information management system based on an internal committee and developed a range of other provisions. To deal with failures in key IT systems and networks, Sojitz has implemented such measures as duplicating systems and equipment. The Company is also working to bolster its defenses against information leaks. To this end Sojitz has established firewalls to prevent unauthorized external access to computer systems, and has also implemented anti-virus measures and adopted encryption technology.

As detailed above, Sojitz is taking comprehensive measures to reinforce its information security and avoid any untoward events. These efforts notwithstanding, it is impossible to completely eliminate all risk, and a number of potential risks remain. These include infection by a new computer virus, and leakage or loss of key information assets containing personal information as a result of events such as unauthorized access to a computer. Another potential risk is total failure of an IT system due to unexpected natural disaster or malfunction. Depending on the scale of damage incurred, the Company's performance or financial position could be negatively impacted.

(12) Risks of natural disasters

It is possible that business offices, facilities or employees could be damaged or injured by a natural disaster such as an earthquake, extreme wind or rain and for such an incident to directly or indirectly impact on the Sojitz Group. The Company has created disaster response manuals, emergency training, and installed systems to confirm employee safety. It is not possible, however, to have full protection from damage and there is a possibility that a disaster would negatively impact on the operational performance and financial position of the Sojitz Group.

2）Risks concerning our medium-term management plan "New Stage 2008"

As detailed in " Group Management Policy," the Sojitz Group formulated the medium-term management plan "New Stage 2008," which began in fiscal 2006 (ended March 2007). Notwithstanding the efforts of the Sojitz Group, there is no guarantee that all the targets of New Stage 2008 will be realized. Moreover, there is a possibility that the various policies established to achieve targets will not proceed as planned and it is also possible that the expected outcomes will not be obtained.

Group Management Policy

1. Fundamental Policy

Under New Stage 2008, a three-year medium-term management plan ending in fiscal 2008 (the year to March 31, 2009), Sojitz aims to further boost corporate value by further enhancing growth strategies, by accelerating capital and financial strategies and by upgrading risk management. Guided by this fundamental policy, the Company has been striving to boost corporate value through its key objectives of restoring dividend payments, reorganizing the capital structure, and achieving an investment-grade credit rating.

Dividend payments were resumed for the year-end dividend payment of fiscal 2006, and reorganization of the capital structure was completed in September 2007 through the repurchase and cancellation of preferred shares. As for achieving an investment-grade credit rating, in December 2007, Rating and Investment Information, Inc. (R&I) upgraded its issuer rating of the Company from BB+ to BBB, and then in March 2008, Standard and Poor's upgraded its corporate credit rating of the Company from BB+ to BBB-. The aforementioned key objectives have therefore been fully achieved.

In fiscal 2008, the final year of the New Stage 2008 medium-term management plan, our attention will be on executing this plan, particularly focusing on growth strategies to further boost corporate value.

In all Sojitz Group activities, the Company, guided by the Sojitz Group Statement, will strive to boost corporate value through realizing the aims and common tenets described in the Group Management Vision.

Sojitz Group Statement

The Sojitz Group produces new sources of wealth by connecting the

world's economies, cultures and people in a spirit of integrity.

Sojitz Group Slogan

New way, new value

Group Management Vision

-- To establish a multi-faceted business, which has both top-tier competitiveness and strong earnings power in specific industries and markets, by continuously pursuing profitability and growth in core business areas

-- To nurture an innovative trading company, by actively responding to environmental changes and market globalization, and continuously developing new business fields through entrepreneurship

-- To build a function-oriented trading company, by fully grasping and anticipating various client needs and by providing sophisticated, tailor-made services as a client's business partner

-- To become a flexible company, open to new ideas, where each employee can pursue challenges and explore opportunities to realize his or her own personal goals and ambitions

2. Targeted performance indicators

Sojitz has set financial performance targets for the final year of New Stage 2008 medium-term management plan (the year ending March 31, 2009) of ¥60.0 billion in net income, ¥100.0 billion in recurring profit, and ¥500.0 billion in shareholders' equity.

Concerning achievements in fiscal 2007 of the main quantitative financial targets, the second year of New Stage 2008, Sojitz upwardly revised forecasts both at the start of the year and at the time of the interim results, but in the end, net income was ¥62.7 billion, not quite reaching the revised forecast, and recurring profit, totaling ¥101.5 billion, exceeded its forecast.

Taking into account the results of fiscal 2007, and the nature and progress of Sojitz Group business activities, Sojitz forecasts ¥60.0 billion in net income, ¥100.0 billion in recurring profit, and ¥500.0 billion in shareholders' equity, in line with the initial plan target.

In addition, the goals set as part of the financial strategy are to maintain a current ratio of at least 120% and a long-term debt ratio of around 70%.

(billions of yen)

	Year ended March 21,2007			Year ended March 31, 2008				Year ending March 31, 2009	
	Initial plan target	Interim period revision	Results	Initial plan target	Start of year revision	Interim period revision	Results	Initial plan target	Forecast
Net income	49.0	56.0	58.8	53.0	60.0	65.0	62.7	60.0	60.0
Recurring profit	83.0	89.0	89.0	90.0	92.0	100.0	101.5	100.0	100.0
Shareholders' equity			488.6				476.0	500.0	500.0
Current ratio			132.4%				121.1%	120% or above	120% or above
Long-term debt ratio			61.1%				54.0%	Approx. 70%	Approx. 70%

(*) Shareholders' equity = Total net assets - Minority interests

3. Medium-to-long-term business strategy

The New Stage 2008 medium-term management plan aims to deliver sustainable growth to boost corporate value by focusing on three policy objectives: further enhance growth strategies, accelerate capital and financial strategies, and upgrade risk management.

As already mentioned above, dividend payments were resumed for the year-end dividend payment of fiscal 2006 and reorganization of the capital structure was completed in September 2007 through the repurchase and cancellation of preferred shares. Moreover, as for achieving an investment-grade credit rating, in December 2007, Rating and Investment Information, Inc. (R&I) upgraded its issuer rating of the Company from BB+ to BBB, and then in March 2008, Standard and Poor's upgraded its corporate credit rating of the Company from BB+ to BBB-. In fiscal 2007, having now met these key objectives, Sojitz's focus when executing New Stage 2008 has been on growth strategies.

But, as mentioned at the start of this report, the world's financial markets have been shaken by the fallout from the subprime mortgage crisis in the United States, and this has led to significant and rapid change in the economic environment both in Japan and abroad. The presidential elections in the United States and the political chaos in Japan are having an impact on various economic activities. From a global perspective, there is much about fiscal 2008 that is uncertain or difficult to predict, and numerous challenges and issues are expected to arise during the year, including those concerning currency exchange trends. Operating in such an environment as a general trading company, Sojitz will maximize its efforts to boost corporate value by fully utilizing on a global scale, its ability to foresee the future. Sojitz holds strengths in fields of future growth including natural resources, energy and mineral resources and it will draw on its full power to achieve the objectives of the final year of the New Stage 2008 medium-term management plan.

With respect to medium-to-long-term strategy, the Company is proceeding with the formulation of the new medium-term management plan to follow New Stage 2008. Although the details of the next plan are not finalized at present, the policy is in place from which the Company, after considering the aforementioned environments and foreseeing changes in business activities and future environments, can construct medium-term strategies, particularly concentrating on: the identification of growth fields and allocation of management resources for those growth fields, the strengthening of group management structures, and the development of human resources.

4. Prospective Challenges

The business activities of Sojitz Group are growing firmly and strongly as a result of the solid progress made by the New Stage 2008 medium-term management plan. The Company has enhanced our business and financial foundations to make them stronger and more adept at coping with changing environments. Despite the possibility that the future economic environment may not be conducive to smooth sailing, the Sojitz Group will continue to implement measures to boost corporate value and achieve steady growth. As part of these endeavors, the Sojitz Group identifies the following challenges, which must be confronted in fiscal 2008, the final year of the medium-term management plan.

(1) Further enhance growth strategies

By following the New Stage 2008 medium-term management plan, the Sojitz Group has seen steady enhancement of its growth strategies. To deal with economic uncertainties, however, Sojitz recognizes the importance of further enhancing its already strong growth strategies. Motivated by this recognition, and guided by the keywords of “cross-divisional business initiatives” and “new focus and attention,” the Company is working to strengthen initiatives for the multidisciplinary “automotive field” and initiatives for the “environmental and new energy field.” Sojitz also recognizes that the markets and regions outside Japan, particularly the markets of developing nations are where future growth will occur the most, and motivated by this recognition, much effort is being channeled into strengthening business competitiveness in these markets through cross-divisional business initiatives. In addition to engaging in cross-divisional activities in the aforementioned fields, Sojitz, aiming to establish a new focus for traditional business frameworks by incorporating growth fields, has recently established the Marine Unit and the Steel Business Unit.

In addition to the above, Sojitz, while continuing to reevaluate relatively unprofitable businesses by executing “selection and focus,” is working hard to maintain and improve a suitable business portfolio by investing management resources in growth businesses and growth fields.

(2) Upgrade risk management

While realizing growth strategies, Sojitz plans to further reinforce and upgrade risk management across the Sojitz Group to ensure sustainable growth in a changing economic environment. In particular, Sojitz is reviewing past business investments individually, looking at the resulting revenues or the dividends paid to Sojitz, and strengthening the risk management system so that the Company can more quickly carry out investigation into the required remedial action.

Sojitz aims to continue to manage risk assets so that its total value is no more than 100% of shareholders’ equity (with the target control value set at 80%). As measures to further refine this management, Sojitz has set exposure cap values for each single credit recipient for each credit rating tier, and secures returns that reflect the risk by following risk/return credit guidelines for not only business investments but also for trade transactions.

Furthermore, in addition to strengthening its internal control system and compliance framework, Sojitz aims to establish a highly transparent management system and upgrade corporate governance, placing importance on being accountable to, and responsibly managing the Company for its shareholders and other stakeholders.

(3) Moving to the next stage (the next medium-term management plan)

The current medium-term management plan New Stage 2008, shall run its final year in fiscal 2008, and the Sojitz Group's next medium-term management plan is in the process of formulation. The policy is in place from which the Company, after foreseeing changes future environments and business activities, can construct medium-term strategies, particularly concentrating on: the identification of growth fields and allocation of management resources for those growth fields, the strengthening of group management structures, and the development of human resources. Sojitz shall give greater clarity to the improvement of corporate value in the Group Management Vision and in order to establish the next stage for the Sojitz Group, the Company recognizes the importance to enhance strategies and measures to fully utilize Sojitz’s existing strengths and establish new strengths.

Sojitz recognizes that the creation of an executable plan to boost corporate value is the single most important task of fiscal 2008 and is harnessing the combined power of all executives and employees of the Sojitz Group to achieve this end.

Consolidated Statements of Income

for the year ended March 31, 2008

Millions of yen

	FY2007 Results	Percentage of Net sales (%)	FY2006 Results	Percentage of Net sales (%)	Change Amount	Change Percentage
Net sales	**5,771,028**	**100.00**	**5,218,153**	**100.00**	552,875	10.60
Cost of sales	(5,493,296)	(95.19)	(4,963,686)	(95.12)	(529,610)	10.67
Gross trading profit	**277,732**	**4.81**	**254,466**	**4.88**	23,266	9.14
Selling, general and administrative expenses	**(185,368)**	(**3.21**)	**(176,533)**	(**3.39**)	(8,835)	5.00
Operating income	**92,363**	**1.60**	**77,932**	**1.49**	14,431	18.52
Interest income	13,715	0.24	14,995	0.29	(1,280)	(8.54)
Dividends	5,004	0.09	6,052	0.12	(1,048)	(17.32)
Equity in earnings of unconsolidated subsidiaries and affiliates	28,911	0.50	23,752	0.45	5,159	21.72
Gain on sale of securities	61	0.00	1,872	0.04	(1,811)	(96.74)
Other income	13,402	0.23	15,357	0.29	(1,955)	(12.73)
Non-operating income	**61,095**	**1.06**	**62,030**	**1.19**	(935)	(1.51)
Interest expense	(33,101)	(0.57)	(38,332)	(0.73)	5,231	(13.65)
Interest expense on commercial papers	(183)	(0.00)	(89)	(0.00)	(94)	105.62
Foreign Currency Exchange loss	(5,664)	(0.10)	-	(-)	(5,664)	-
Other expenses	(13,030)	(0.23)	(12,005)	(0.23)	(1,025)	8.54
Non-operating expense	**(51,979)**	(**0.90**)	**(50,427)**	(**0.96**)	(1,552)	3.08
Recurring profit	**101,480**	**1.76**	**89,535**	**1.72**	11,945	13.34
Extraordinary loss-net	**(13,135)**	(**0.23**)	**(1,449)**	(**0.03**)	(11,686)	806.49
Income before income taxes and minority interests	**88,344**	**1.53**	**88,085**	**1.69**	259	0.29
Income taxes; Current	(20,118)	(0.35)	(18,841)	(0.36)	(1,277)	6.78
Deferred	(2,062)	(0.03)	(4,971)	(0.10)	2,909	(58.52)
Minority interests in consolidated subsidiaries	(3,469)	(0.06)	(5,506)	(0.10)	2,037	(37.00)
Net Income	**62,693**	**1.09**	**58,766**	**1.13**	3,927	6.68

Extraordinary Income and Loss

for the year ended March 31, 2008

Millions of yen

	FY2007 Results	FY2006 Results	Change
Extraordinary Income;			
Gain on sale and disposal of properties	1,187	11,596	(10,409)
Gain on sale of investment securities	9,605	12,952	(3,347)
Gain on sale of investment in partners	166	188	(22)
Dilution gain from changes in equity interest	121	227	(106)
Gain on reversal of allowance for doubtful accounts	4,540	5,259	(719)
Gain on sale of certain overseas receivables	29	30	(1)
Gain on bad debt written-off	177	308	(131)
Total extraordinary income	15,827	30,562	(14,735)

	FY2007 Results	FY2006 Results	Change
Extraordinary Loss;			
Loss on sale and disposal of properties	(1,473)	(2,144)	671
Impairment losses on fixed assets	(6,994)	(3,393)	(3,601)
Loss on sale of investment securities	(659)	(293)	(366)
Loss on sale of investment in partners	(2)	(9)	7
Loss on devaluation of investment securities	(6,085)	(3,957)	(2,128)
Dilution loss from changes in equity interest	(26)	(150)	124
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(9,107)	(20,059)	10,952
Restructuring losses	(4,613)	(1,380)	(3,233)
Special early retirement benefits	-	(160)	160
Provision for retirement benefits for directors, executive officers and corporate auditors	-	(463)	463
Total extraordinary loss	(28,962)	(32,012)	3,050
Extraordinary income/loss, net	(13,135)	(1,449)	(11,686)

Reference: the following accounts are not included in the above extraordinary items.

Provision for doubtful receivables	(4,015)	(5,503)	1,488

(Included in Selling, general & administrative expenses)

Consolidated Balance Sheets

As of March 31, 2008

Assets

Millions of yen

	March 31, 2008	March 31, 2007	Change
Current assets;			
Cash and deposits	380,195	471,570	(91,375)
Trade notes and trade accounts receivable	691,492	672,658	18,834
Securities	9,180	7,251	1,929
Inventories	422,158	315,885	106,273
Short-term loans receivable	11,609	23,182	(11,573)
Deferred tax assets-current	19,179	8,591	10,588
Other current assets	156,000	130,636	25,364
Allowance for doubtful receivables	(13,869)	(14,695)	826
Total current assets	1,675,946	1,615,081	60,865
Fixed assets;			
Tangible assets	232,018	229,966	2,052
Intangible assets;	133,343	99,127	34,216
Goodwill	65,466	69,925	(4,459)
Other intangible assets	67,876	29,202	38,674
Investments and other fixed assets;	625,514	671,857	(46,343)
Investments securities	480,993	518,615	(37,622)
Long-term loans receivable	36,961	39,304	(2,343)
Non-performing receivables	109,440	162,305	(52,865)
Deferred tax assets-non-current	31,053	19,754	11,299
Others	44,400	49,916	(5,516)
Allowance for doubtful receivables	(77,335)	(118,039)	40,704
Total fixed assets	990,875	1,000,951	(10,076)
Deferred assets	2,529	3,475	(946)
Total assets	2,669,352	2,619,507	49,845

Consolidated Balance Sheets

As of March 31, 2008

Liabilities and net assets

Millions of yen

	March 31, 2008	March 31, 2007	Increase/ Decrease
Liabilities			
Current liabilities			
Trade notes and trade accounts payable	578,995	531,508	47,487
Short-term loans payable	289,999	348,413	(58,414)
Commercial paper	25,000	10,000	15,000
Current portion of long-term loans payable	282,310	153,538	128,772
Income taxes payable	8,246	8,811	(565)
Deferred tax liabilities-current	53	34	19
Allowance for employees' bonus	7,686	7,412	274
Other current liabilities	191,161	159,778	31,383
Total current liabilities	1,383,451	1,219,497	163,954
Non-current liabilities;			
Bonds, less current portion	141,496	245,540	(104,044)
Long-term loans payable	560,281	560,187	94
Deferred tax liabilities-non-current	16,685	13,078	3,607
Deferred tax liabilities-revaluation	1,193	1,238	(45)
Allowance for retirement benefits	19,410	22,526	(3,116)
Allowance for retirement benefits for directors, executive officers and corporate auditors	958	1,394	(436)
Other non-current liabilities	25,548	24,409	1,139
Total non-current liabilities	765,572	868,374	(102,802)
Total liabilities	2,149,024	2,087,872	61,152
Owners' equity;			
Common and preferred stock	160,339	122,790	37,549
Capital surplus	152,160	158,593	(6,433)
Retained earnings	139,264	147,206	(7,942)
Treasury stock	(145)	(126)	(19)
Total owners' equity	451,619	428,464	23,155
Valuation and translation adjustments;			
Net unrealized gains on available-for-sale securities	60,280	94,316	(34,036)
Defferred gains or losses on hedges	1,345	623	722
Lande revaluation difference	(2,530)	(1,935)	(595)
Foreign currency translation adjustments	(34,684)	(32,882)	(1,802)
Total valuation and translation adjustments	24,412	60,122	(35,710)
Minority Interests;	44,296	43,048	1,248
Total net assets	520,327	531,635	(11,308)
Total liabilities and net assets	2,669,352	2,619,507	49,845

Consolidated Statements of Cash Flows

for the year ended March 31, 2008

	FY2007 Results	FY2006 Results	Change
Operating activities;			
Income before income taxes and minority interests	88,344	88,085	259
Depreciation and amortization	28,844	23,928	4,916
Loss on revaluation of securities	6,085	3,957	2,128
Decrease (increase) in allowance for doubtful receivables	(41,067)	(6,148)	(34,919)
Interest and dividend income	(18,719)	(21,048)	2,329
Interest expense	33,284	38,421	(5,137)
Equity in earnings of unconsolidated subsidiaries and affiliates	(28,911)	(23,752)	(5,159)
Gain (loss) on sale of securities	(9,265)	(14,787)	5,522
Gain (loss) on sale and disposal of property & equipment	285	(9,452)	9,737
Impairment loss on fixed assets	6,994	3,393	3,601
Decrease (increase) in trade receivables	(26,135)	(62,697)	36,562
Decrease (increase) in inventories	(108,510)	(99,052)	(9,458)
Increase (decrease) in trade payables	55,154	78,685	(23,531)
Other, net	49,024	7,507	41,517
Net cash provided by operating activities	35,407	7,040	28,367
Investing Activities			
Decrease in time deposit, net	(268)	9,392	(9,660)
Decrease (increase) in marketable securities, net	(190)	84	(274)
Payments for property & equipment	(40,354)	(28,774)	(11,580)
Proceeds from sale of property & equipment	7,969	38,255	(30,286)
Payments for purchase of investment securities	(48,013)	(35,763)	(12,250)
Proceeds from sale of investment securities	40,234	46,480	(6,246)
Decrease in short-term loans receivable, net	13,891	36,315	(22,424)
Increase of long-term loans receivable	(7,136)	(22,914)	15,778
Collection of long-term loans receivable	2,361	8,576	(6,215)
Other, net	(37,216)	(8,945)	(28,271)
Net cash provided by investing activities	(68,723)	42,706	(111,429)
Financing activities			
Decrease in short-term debt, net	(54,258)	(201,386)	147,128
Increase (decrease) in commercial paper, net	15,000	(19,200)	34,200
Proceeds from long-term debt	211,648	274,898	(63,250)
Repayments of long-term debt	(154,977)	(266,922)	111,945
Proceeds from issuance of bonds	45,905	374,626	(328,721)
Redemption of bonds	(999)	(12,668)	11,669
Payment for purchase of preferred shares	(102,000)	(240,920)	138,920
Payment for cash dividens	(12,322)	-	(12,322)
Other, net	(1,720)	(3,903)	2,183
Net cash used in financing activities	(53,723)	(95,476)	41,753
Effect of Exchange Rate Changes on Cash & Cash Equivalents	(4,289)	3,419	(7,708)
Net Decrease in Cash & Cash Equivalents	(91,328)	(42,310)	(49,018)
Cash & cash Equivalents at the Beginning of the Period	464,273	506,254	(41,981)
Effect of Change in Scope of Consolidation	939	329	610
Cash & Cash Equivalents at the End of the Period	373,883	464,273	(90,390)

Segment Information

for the year ended March 31, 2008

Industry Segments

The business segment information for the year ended March 31, 2008 and 2007 are as follows:

Year ended March 31, 2008

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	1,222,121	1,467,775	703,049	345,326	1,254,861
Inter-segment	27,609	6,223	57,159	1,701	19,641
Total	1,249,730	1,473,999	760,208	347,027	1,274,502
Operating expense	1,217,833	1,455,648	736,888	339,059	1,270,114
Operating income	31,897	18,351	23,320	7,967	4,388
Total assets	447,278	591,333	345,394	296,038	335,885

	Overseas Subsidiaries	Other	Total	Elimination and Unallocated	Consolidated
Net sales					
Outside customers	653,936	123,958	5,771,028	-	5,771,028
Inter-segment	366,119	10,777	489,233	(489,233)	-
Total	1,020,056	134,736	6,260,262	(489,233)	5,771,028
Operating expense	1,019,002	131,304	6,169,850	(491,185)	5,678,665
Operating income	1,053	3,432	90,411	1,952	92,363
Total assets	362,904	144,409	2,523,243	146,108	2,669,352

Notes:

1. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 657million yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.

2. Company assets included in “Elimination and Unallocated” totaled 291,919 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company.

Segment Information

for the year ended March 31, 2007

Industry Segments (Continued)

(Ref.) Year ended March 31, 2007

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	1,118,192	1,286,934	668,737	380,340	913,833
Inter-segment	13,895	7,526	48,440	2,393	13,307
Total	1,132,088	1,294,460	717,178	382,733	927,140
Operating expense	1,116,376	1,275,570	695,359	371,024	921,533
Operating income	15,711	18,889	21,818	11,708	5,607
Total assets	355,323	504,317	370,225	272,799	316,111

	Overseas Subsidiaries	Other	Total	Elimination and Unallocated	Consolidated
Net sales					
Outside customers	720,832	129,283	5,218,153	-	5,218,153
Inter-segment	333,966	22,792	442,322	(442,322)	-
Total	1,054,798	152,075	5,660,475	(442,322)	5,218,153
Operating expense	1,052,911	149,994	5,582,771	(442,550)	5,140,220
Operating income	1,887	2,080	77,704	228	77,932
Total assets	363,495	171,580	2,353,853	265,654	2,619,507

Notes:

1. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 1,584million yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.
2. Company assets included in “Elimination and Unallocated” totaled 431,910 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company.

Segment Information

for the year ended March 31, 2008

Geographic Segments

The geographic segment information for the year ended March 31, 2008 and 2007 are as follows:

Year ended March 31, 2008

Millions of yen

	Japan	North America	Europe	Asia & Oceania	Other	Total	Elimination and Unallocated	Consolidated
Net sales								
Outside customers	4,456,432	298,659	230,591	668,628	116,716	5,771,028	-	5,771,028
Inter-area	387,762	136,281	27,917	271,661	513	824,136	(824,136)	-
Total	4,844,195	434,941	258,508	940,290	117,229	6,595,165	(824,136)	5,771,028
Operating expense	4,800,535	426,194	246,225	922,104	105,886	6,500,946	(822,281)	5,678,665
Operating income	43,659	8,746	12,283	18,185	11,342	94,218	(1,854)	92,363
Total assets	2,140,511	200,145	164,836	324,256	81,512	2,911,262	(241,910)	2,669,352

Notes:
1. Countries and regions are categorized by geographical classification.
2. The principal regions and countries included in each geographic segments are as follows:

North America:	United States and Canada
Europe:	UK and Russia
Asia & Oceania:	Singapore and China
Other:	Central and South America, and Africa

3. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 657 million yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.
4. Company assets included in “Elimination and Unallocated” totaled 291,919 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company.

(Ref.) Year ended March 31, 2007

Millions of yen

	Japan	North America	Europe	Asia & Oceania	Other	Total	Elimination and Unallocated	Consolidated
Net sales								
Outside customers	3,935,946	349,935	176,392	673,290	82,587	5,218,153	-	5,218,153
Inter-area	340,669	103,753	26,320	253,639	277	724,660	(724,660)	-
Total	4,276,615	453,689	202,712	926,930	82,865	5,942,813	(724,660)	5,218,153
Operating expense	4,236,109	446,473	193,899	909,162	75,291	5,860,937	(720,716)	5,140,220
Operating income	40,505	7,215	8,812	17,767	7,574	81,876	(3,943)	77,932
Total assets	2,013,293	161,879	160,919	293,127	49,505	2,678,724	(59,217)	2,619,507

Notes:
1. Countries and regions are categorized by geographical classification.
2. The principal regions and countries included in each geographic segments are as follows:

North America:	United States and Canada
Europe:	UK and Russia
Asia & Oceania:	Singapore and China
Other:	Central and South America, and Africa

3. Unallocated costs and expenses included in “Elimination and Unallocated” totaled 1,584 million yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.
4. Company assets included in “Elimination and Unallocated” totaled 431,910 million yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities) of the Company.

sojitz
New way, New value

Financial Results for Fiscal 2007 and Forecasts for Fiscal 2008

April 30, 2008
Sojitz Corporation

Presentation Summary

Overview of Fiscal 2007 Results

- Full-year Results: Recurring profit: ¥101.5 billion (As percentage of revised forecast: 102%)
  Net income: ¥62.7 billion (As percentage of revised forecast: 96%)
  (Recurring profit and net income set new records thanks to steady progress led by mineral resources, automobiles, and chemicals)
- Risk Management: Elaborated risk assessment methods for risk assets
- Credit Ratings: S&P and R&I raised company's ratings. All credit ratings, including JCR, reached investment grade; initial targets achieved.
- Year-end Dividends: ¥4.50 per share and full-year dividend increases ¥2.00 year on year to ¥8.00 per share

Forecasts for Fiscal 2008

- Financial Targets: Recurring profit ¥100.0 billion
  Net income ¥ 60.0 billion
- Dividends (expected): Increased to ¥9.00 per share (interim ¥4.50; year-end ¥4.50)

Initiatives in the Final Year of New Stage 2008

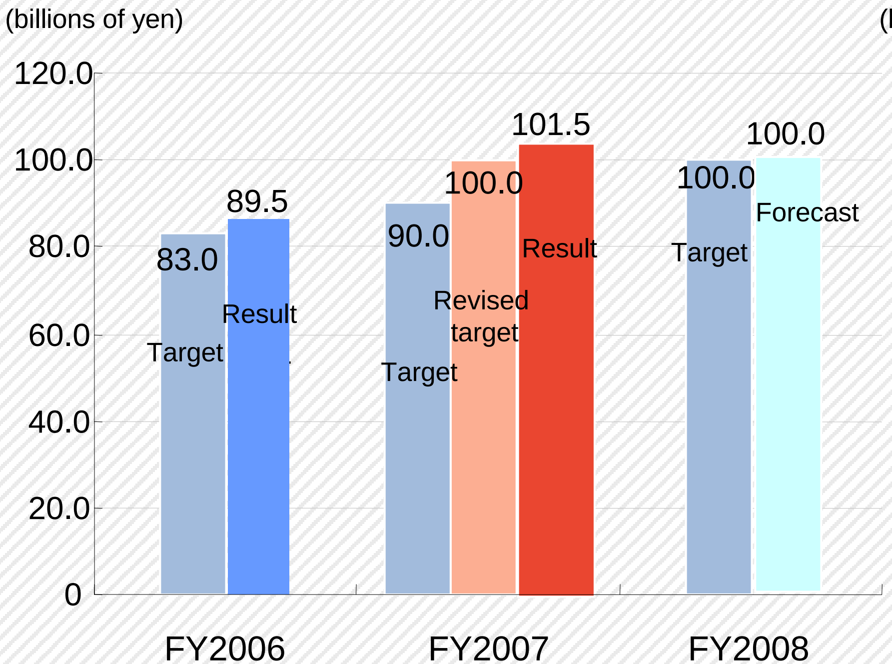
- This is a year to establish a solid foundation for the next medium-term management plan
- Reinforce earnings base
  - Implement ¥300.0 billion in new investments and loans, as per initial plan, with a focus on earnings drivers such as energy, mineral resources, machinery & aerospace
  - Improve profit structure by restructuring and consolidating group companies, and reconfiguring the textile business
- Strengthen financial base
  - Continue efforts to improve financing structure stability and establish a commitment line

Summary of Fiscal 2007 Results

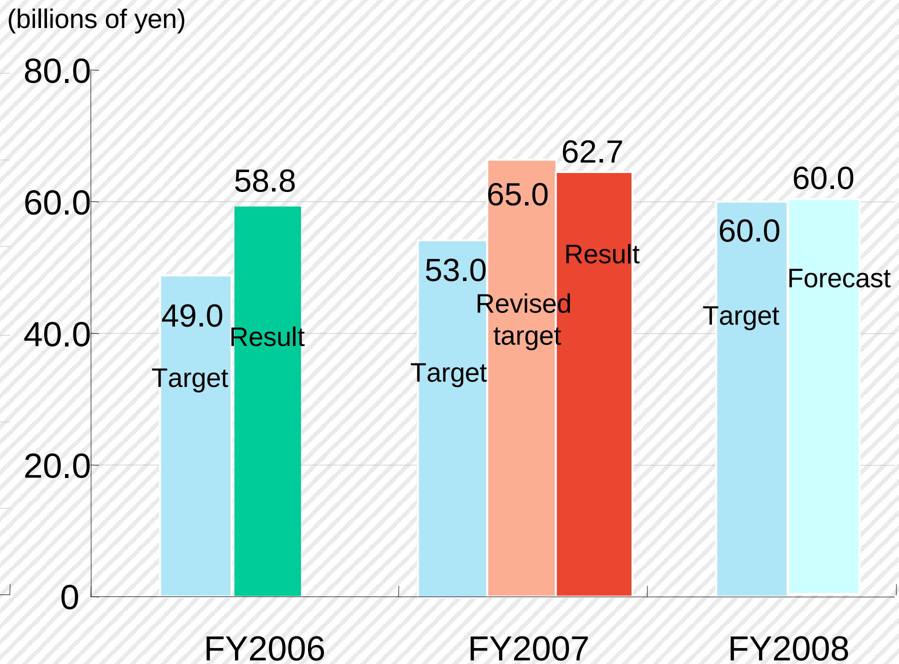
Financial Targets: Recurring Profit and Net Income

Both recurring profit and net income set new records

Recurring profit



Net income



P/L Summary

Both recurring profit and net income set new records

(billions of yen)

	FY2007 Results	FY2006 Results	Change (Percentage)	FY2007 Forecast (announced on October 30, 2007)	Accomplish-ment rate
Net sales	5,771.0	5,218.2	+552.8 (+10.6%)	5,650.0	102%
Gross trading profit	277.7	254.5	+23.2 (+9.1%)	277.0	100%
Operating income	92.4	77.9	+14.5 (+18.5%)	92.0	100%
Recurring profit	101.5	89.5	+12.0 (+13.3%)	100.0	102%
Net income	62.7	58.8	+3.9 (+6.7%)	65.0	96%
Core earnings	110.7	89.8	+20.9 (+23.3%)	103.0	107%

Reference:
ROA: 2.3% in FY2006; 2.4% in FY2007
ROE: 12.8% in FY2006; 13.0% in FY2007

B/S Summary

(billions of yen)

	As of March 31, 2008	As of March 31, 2007	Change
Current assets	1,676.0	1,615.1	+60.9
Investments and other assets	993.4	1,004.4	▲11.0
Total assets	2,669.4	2,619.5	+49.9

		As of March 31, 2008	As of March 31, 2007	Change
Liabilities		850.0	770.2	+79.8
Interest-bearing debt	Short-term	597.3	512.0	+85.3
Interest-bearing debt	Long-term	701.8	805.7	▲103.9
Shareholders' equity(*1) (Total net assets)		476.0 (520.3)	488.6 (531.6)	▲ 12.6 (▲ 11.3)
Total liabilities and net assets		2,669.4	2,619.5	+49.9

	As of March 31, 2008	As of March 31, 2007	Change
Shareholders' equity ratio (%)	17.8%	18.7%	▲ 0.9%
Current ratio (%)	121%	126% (*2)	▲ 5%
Long-term debt ratio (%)	54%	61%	▲ 7%

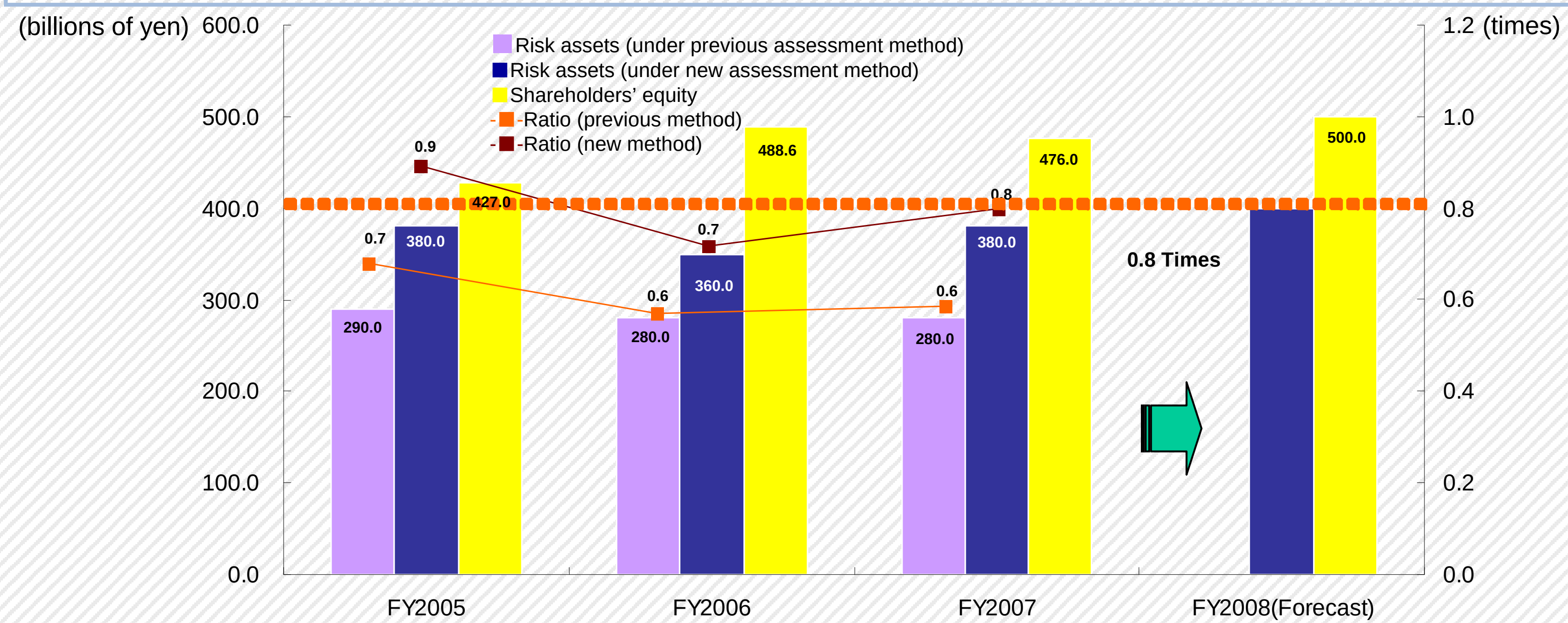
	As of March 31, 2008	As of March 31, 2007	Change
Net interest-bearing debt	918.9	846.1	+72.8
Net DER (times) (Net assets basis)	1.9 (1.8)	1.7 (1.6)	+0.2 (+0.2)

Notes:
(*1) Shareholders'equity = Total net assets – Minority interests
(*2) The current ratio at March 31, 2007 is calculated in real terms, having deducted a sum of ¥75 billion equivalent to the value of the corporate bonds acquired to fund the repurchase and cancellation of preferred shares.

Risk Asset Condition

Strengthened risk management by changing methods for assessing risk assets

Shareholders' Equity and Risk Assets



<u>Details of change in method for assessing risk assets (effective FY2007)</u>

◆Develop and apply a method to assess business risk

Of items in the consolidated balance sheet, most assets related to business investments are recorded as investment securities (unlisted), investment in partners or fixed assets. In the past these items have been assessed for credit risk and country risk, but now the Company assesses them for business risk rather than credit risk. Sojitz Corporation's operations have been divided into 33 business categories, and assessment will be based on risk weightings assigned to each category. This will ensure elaborated risk assessment across all Sojitz businesses.

◆A method appropriate to the Sojitz asset portfolio and policy on expanding business investment

Management believes that the change in assessment method described above gives it a comprehensive method for assessing business investment risk, an important requirement for a trading company. In addition, the new method has been judged appropriate in light of Sojitz' current business policy and asset portfolio.

Ratings: Investment-grade Credit Ratings Obtained

S&P	R&I	JCR
●Corporate credit rating (March 28, 2008) **BB+ → BBB-** (stable) ●Long-term senior unsecured debt rating (March 28, 2008) **BBB- → BBB**	●Issuer rating (December 13, 2007) **BB+ → BBB** (stable) ●Short-term rating (December 13, 2007) **a-3→ a-2**	●Long-term rating (April 3, 2007) **BBB** (Positive) ●Domestic commercial paper rating (April 3, 2007) **J-2**

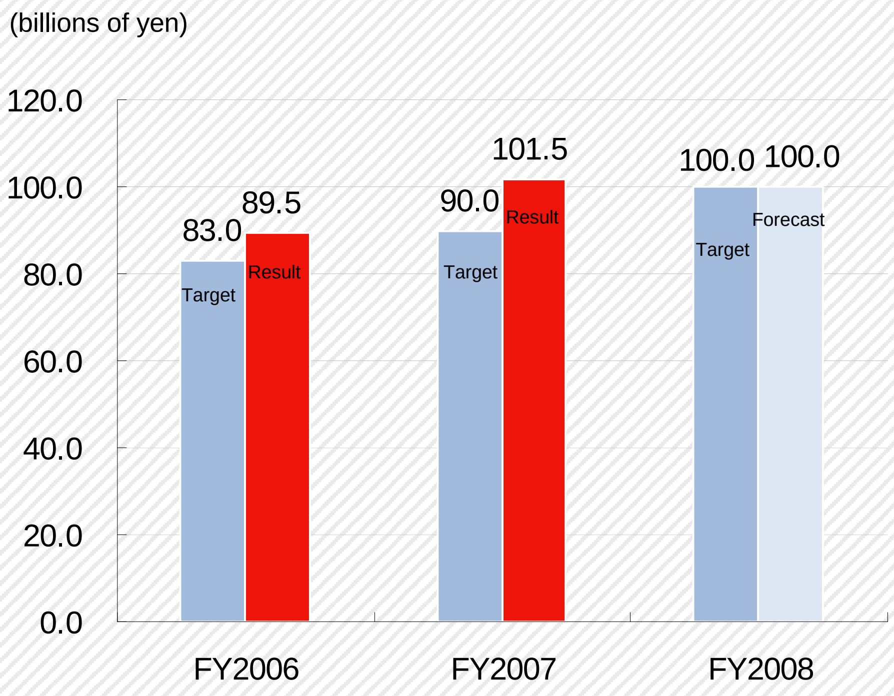
Sojitz will reinforce its earnings base and ensure rigorous risk management in an effort to secure A-grade ratings

Fiscal 2008 Forecasts

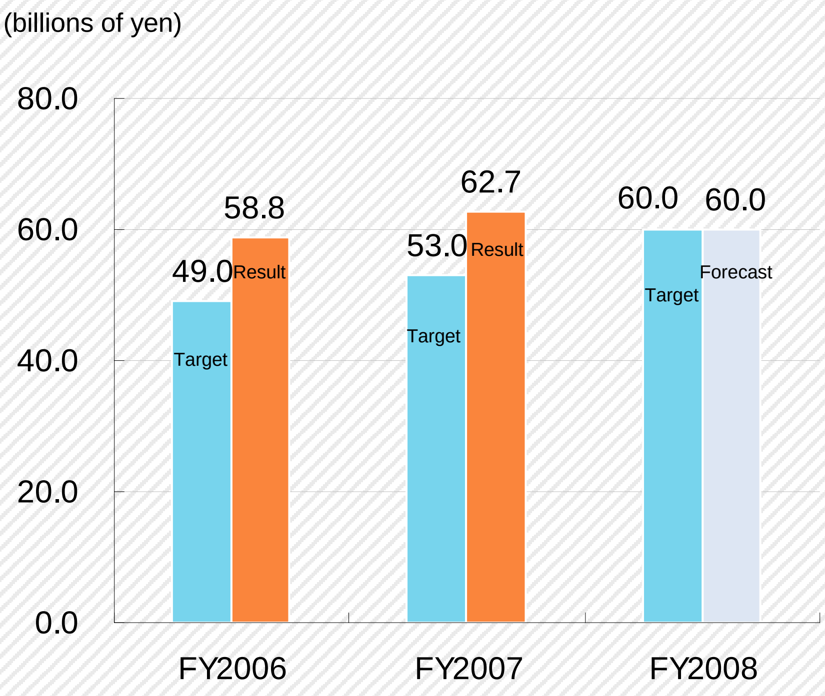
Financial Targets: Recurring Profit and Net Income

Achieve New Stage 2008 final-year targets

Recurring profit



Net income



Fiscal 2008 Forecasts: P/L Summary

Achieve New Stage 2008 final-year targets

(billions of yen)

	FY2007 Results	FY2008 Forecasts	Change compared to FY2007	*Reference* FY2008 Plan (announced on April 28, 2006)
Net sales	5,771.0	5,800.0	+29.0	6,100.0
Gross trading profit	277.7	285.0	+7.3	300.0
Operating income	92.4	95.0	+2.6	100.0
Recurring profit	101.5	100.0	▲1.5	100.0
Net income	62.7	60.0	▲2.7	60.0
Core earnings	110.7	100.0	▲10.7	100.0

Fiscal 2008 Forecasts: Recurring Profit by Industry Segment

Achieve New Stage 2008 final-year targets

(billions of yen)

	FY2007 Results	FY2008 Forecasts	Change compared to FY2007
Machinery & Aerospace	23.3	24.5	+1.2
Energy & Mineral Resources	36.1	37.0	+0.9
Chemicals & Plastics	17.0	13.5	▲3.5
Real Estate Development & Forest Products	4.7	11.0	+6.3
Consumer Lifestyle	0.1	2.5	+2.4
Overseas Subsidiaries	12.8	9.0	▲3.8
Others	7.5	2.5	▲5.0
Total	101.5	100.0	▲1.5

Market Forecasts Regarding Product Prices, Exchange Rates and Interest Rates

	FY2007 Forecasts	FY2007 Averages	FY2008 Forecasts	Jan.-Mar. 2008 Averages
Crude oil (Brent)*1	$65/bbl (barrel)	$73.2/bbl	$90/bbl	$96.5/bbl
Coal (thermal coal)*2	$56/t	$65/t	$110/t	$115/t
Molybdenum	$31.0/lb (pound)	$30.1/lb	$29.5/lb	$33.2/lb
Vanadium	$6.0/lb (pound)	$7.4/lb	$6.5/lb	$12.7/lb
Exchange rates*3	¥115.0/$	Dec. year-end: ¥117.7/$ Mar. year-end: ¥113.8/$	¥100.0/$	¥103.8/$
Interest rates (TIBOR)*4	1.15%	0.79%	0.97%	

Notes:

*1 Impact of fluctuations in the crude oil and gas price on earnings: $1/barrel change alters recurring profit by approx. ¥0.2 billion.

*2 Prices for coal are generally based on contracts for the year, so Sojitz is unaffected by spot market prices. The prices recorded in the "Averages" columns above differ from Sojitz Corporation's sales prices.

*3 Impact of fluctuations in the exchange rate on earnings: ¥1/US$ change alters net sales by approx. ¥10 billion, recurring profit by approx. ¥0.3 billion to ¥0.4 billion and shareholders' equity by approx. ¥1.5 billion.

*4 Impact of fluctuations in interest rates on earnings: 1% change alters annual earnings by around ¥1.5 billion to ¥2.0 billion.

Initiatives in the Fiscal Year of New Stage 2008

Initiatives in the Final Year of New Stage 2008

The final year of New Stage 2008 is a year to establish a solid foundation for the next medium-term management plan

Business Environment

- Continuation of soaring prices for natural resources
- High demand, centered on developing countries
- Yen appreciation, falling stock prices
- Deceleration of the U.S. economy

Develop Earnings Base

- Implement ¥300.0 billion in new investments and loans, as per initial plan
- Review of the current state of growth businesses and future prospects
- Profit structure improvement

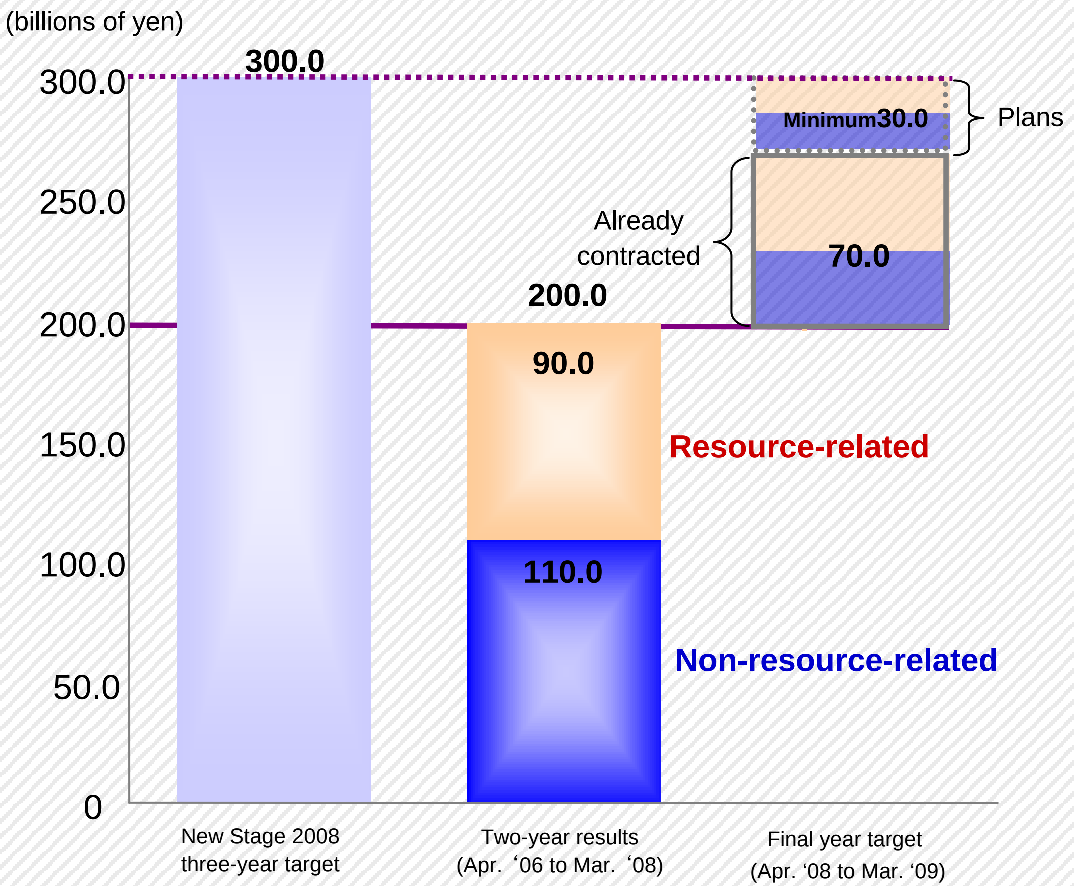
Develop Financial Base

- Continuation of efforts to improve funding structure stability
  - Current ratio 121% (End FY2007) → 120% or higher (End FY2008)
  - Long-term debt ratio 54% (End FY2007) → Approx. 70% (End FY2008)
- Establishment of a commitment line

Construct a robust business base in preparation for sustained growth

¥300.0 Billion in New Investments and Loans

Investment in future growth businesses



Resource-Related Investment – Two-Year Results

- Oil and gas ¥60.0 billion
- Coal ¥13.0 billion
- Mineral resources ¥11.0 billion
- Others ¥6.0 billion

Future Plans

- North American molybdenum mine expansion project
- Australian non-ferrous metals project expansion

Non-Resource-Related Investment – Two-Year Results

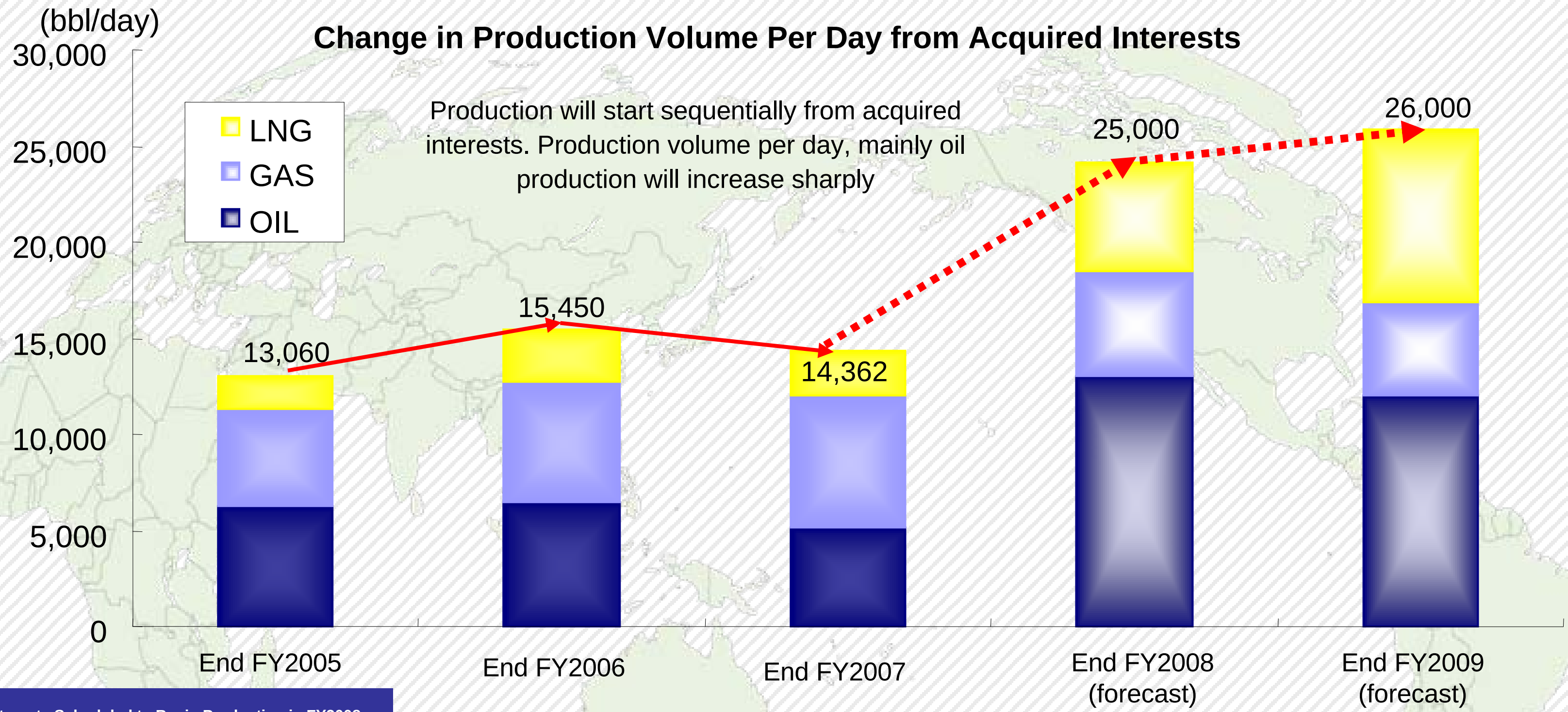
- Machinery & Aerospace ¥24.0 billion
- Chemicals & Plastics ¥8.0 billion
- Real Estate Development & Forest Products ¥44.0 billion
- Consumer Lifestyle ¥8.0 billion
- Others ¥26.0 billion

Future Plans

- Acquisition of overseas automobile sales companies
- Capital increase in an Australian industrial salt company

Review of the Current State of Growth Businesses and Future Prospects — Oil, Gas & LNG

Full-scale return on new investments and loans made during the term of New Stage 2008 will be realized beginning in fiscal 2009



Interests Scheduled to Begin Production in FY2008

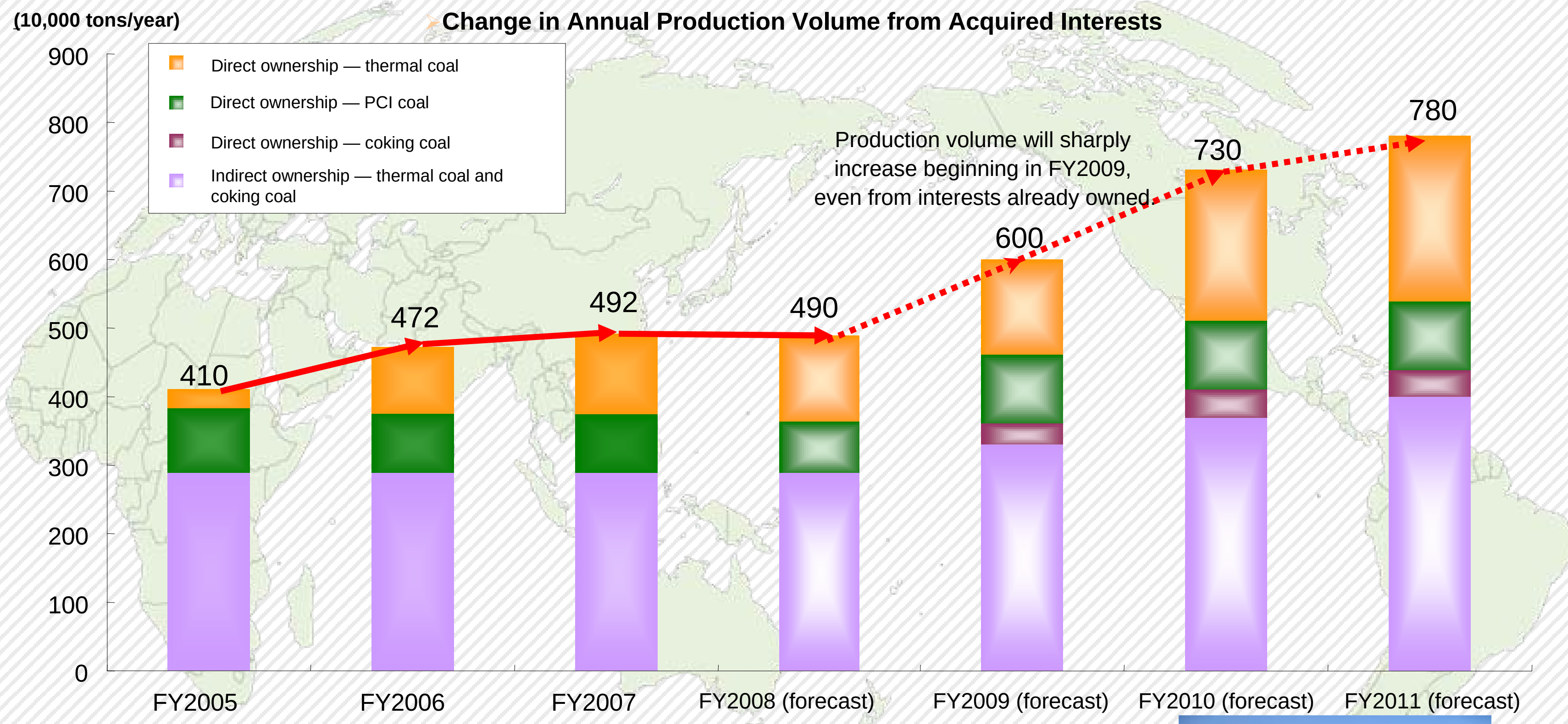
Project	Start of Production	Production Volume of Sojitz Interest (Peak)
Gulf of Mexico, deepwater oilfield	Dec. 2008	9,000bbl
Brazil, deepwater oilfield	Jan. 2009	2,000bbl
Australia, offshore oil and gas field	Currently producing (Acquired Apr. 2008)	3,000bbl
Indonesia, LNG	Jan. 2009	7,000bbl

Initiatives in FY2008

We will continue geographically distributed investment in regions including the North Sea (U.K.), the Gulf of Mexico, Australia, and Africa.

☐ Review of the Current State of Growth Businesses and Future Prospects — Coal

Full-scale return on new investments and loans made during the term of New Stage 2008 will be realized beginning in fiscal 2009



Initiatives in FY2008

We aim to acquire new rights even in regions other than Australia, carefully assessing profitability.

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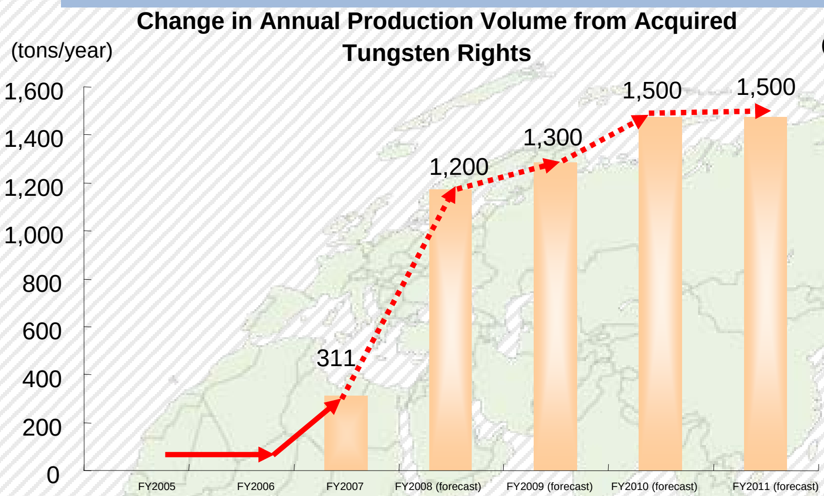
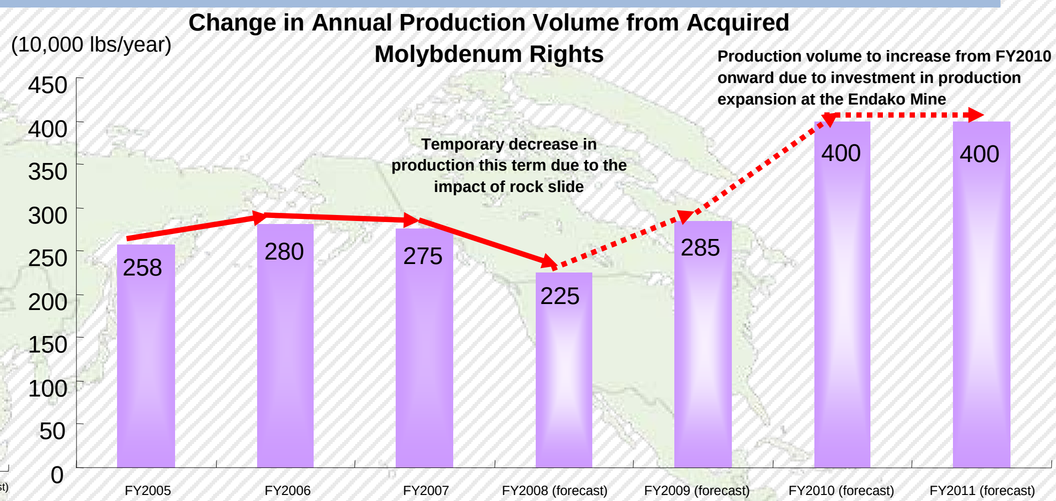
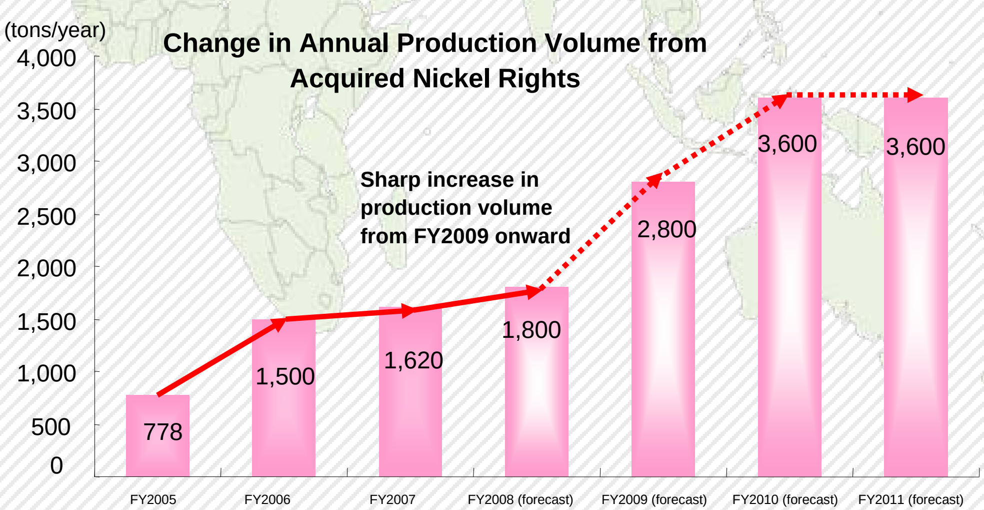
Review of the Current State of Growth Businesses and Future Prospects— Rare Metals

In the rare metals business, which has developed favorably during the course of New Stage 2008, production will increase sharply from fiscal 2009 onward.







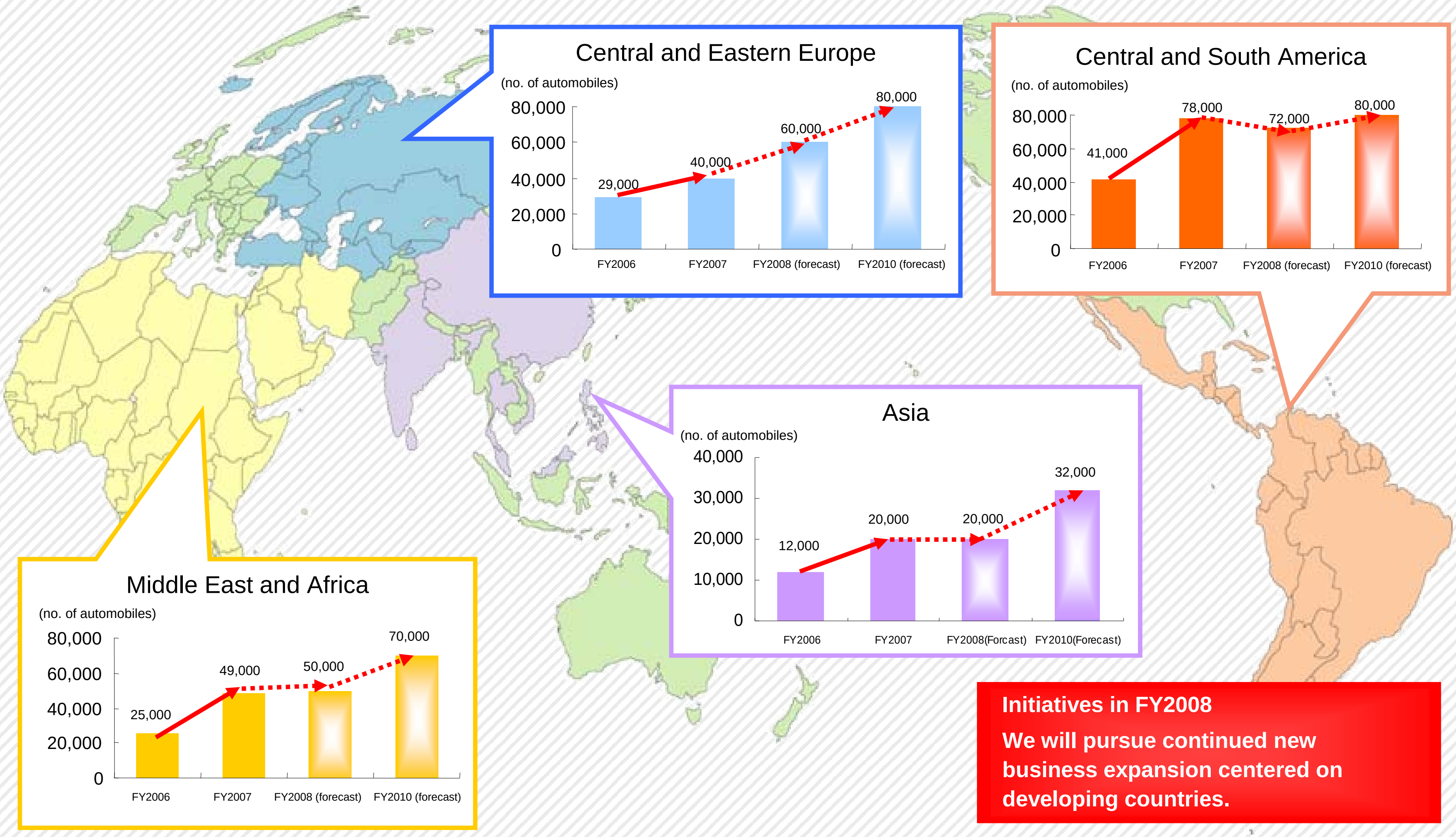
Additional investment in Canadian molybdenum mines
50% to 60% production increase from FY2010 onward

Initiatives in FY2008

- **We will enhance the portfolio by further investing in products for which demand can be expected.**
- **We will acquire resource sources in countries other than China.**

Review of the Current State of Growth Businesses and Future Prospects— Automobiles

Increase in unit sales of completely built-up vehicles in growth regions

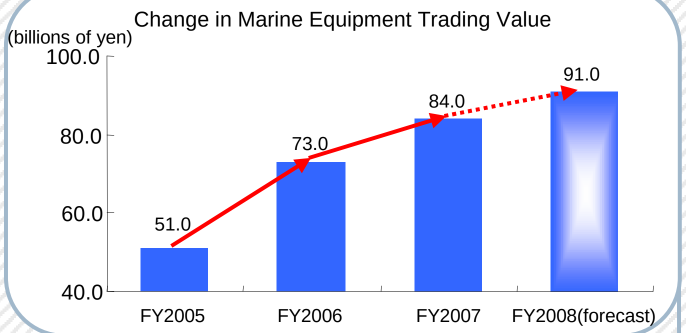


Initiatives in FY2008

We will pursue continued new business expansion centered on developing countries.

Review of the Current State of Growth Businesses and Future Prospects — Ships

Demonstrate strength through collective capabilities



Marine Equipment Business

■More than 50 years of experience
■Approx. 10% share of marine equipment trading, including import-export and domestic transactions

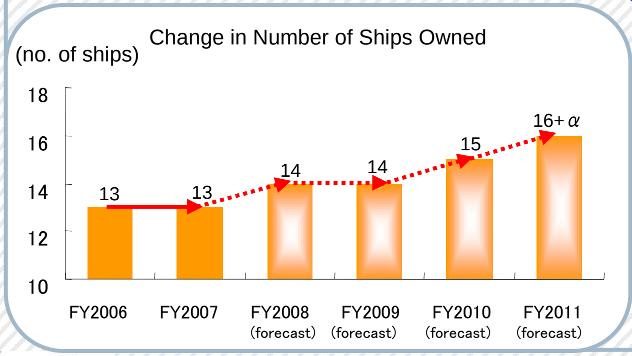
One-Stop Provision of Diverse Functions

Ship-Owning Business

■Ownership of 13 ships, primarily dry bulk carriers ranging from small Handy to Panamax in size (plus 5 ships under construction)
■Operation/management via balance between medium- and long-term charter contracts, while also replacing existing ships

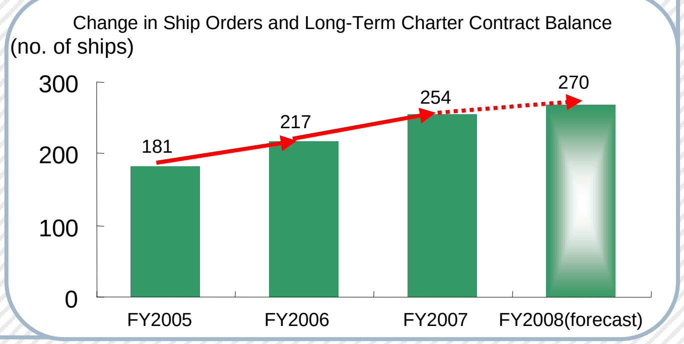
New Shipbuilding and Long-Term Chartering Business

■New ship construction orders and long-term charter contract balance for approx. 250 ships



Initiatives in FY2008

We will continue to stabilize, and expand our profit base.



Profit Structure Improvement
— Restructuring and Consolidation of Group Companies

Reinforce the management foundation through further implementation of selection and focus initiatives targeting Group companies

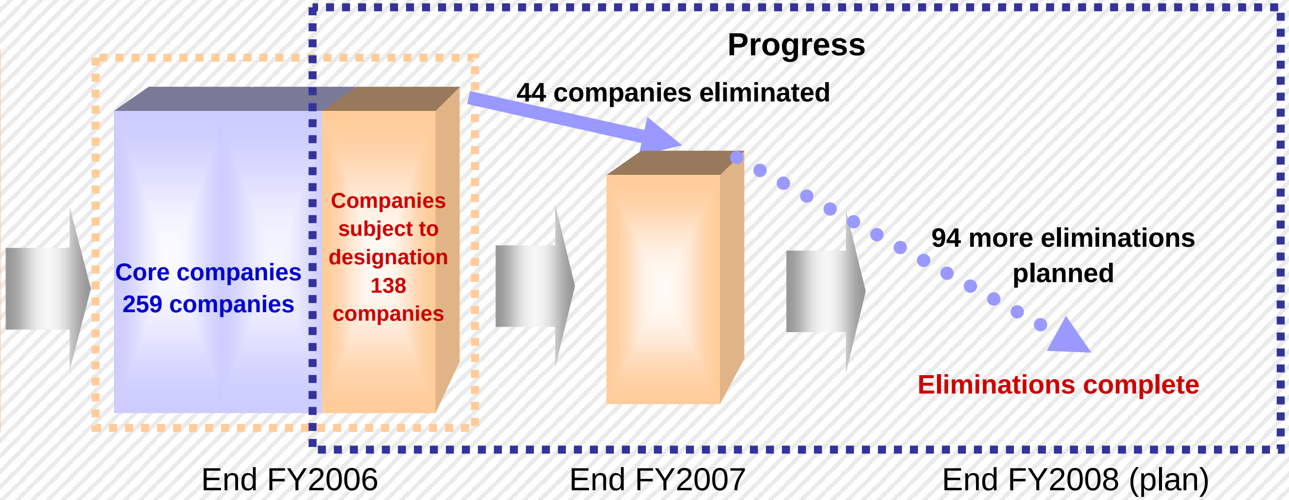
- **Objectives of the Selection and Focus Initiatives**
  - **Designate consistently unprofitable companies for elimination and low-profit companies for restructuring and consolidation.**
  - **Increase Group management efficiency through reallocation of management resources (personnel and assets).**
  - **Curtail group-wide management costs by reducing the number of companies.**

Group companies

397 Group companies (excluding 137 overseas subsidiaries and SPCs)

— **259 core companies**

— **138 companies subject to designation**



Reinforcement of Group earning power through management cost reduction and elimination of unprofitable companies

Profit Structure Improvement — Reconfiguring the Textile Business

Analyze the environment and businesses and specialize in areas of focus

- **Overview**
  - Rigorous analysis of internal and external environments
  - Review approx. 100 kinds of business by business partner/product and determine appropriate actions
- **Areas of Focus**

Highly functional materials	OEM	Nichimen Infinity
New materials and environment	Maintain competitive advantage through increased efficiency Revise production infrastructure and product range	Business category innovation, brand development, wholesaling, SPA
Upstream to Midstream		Downstream to Retail

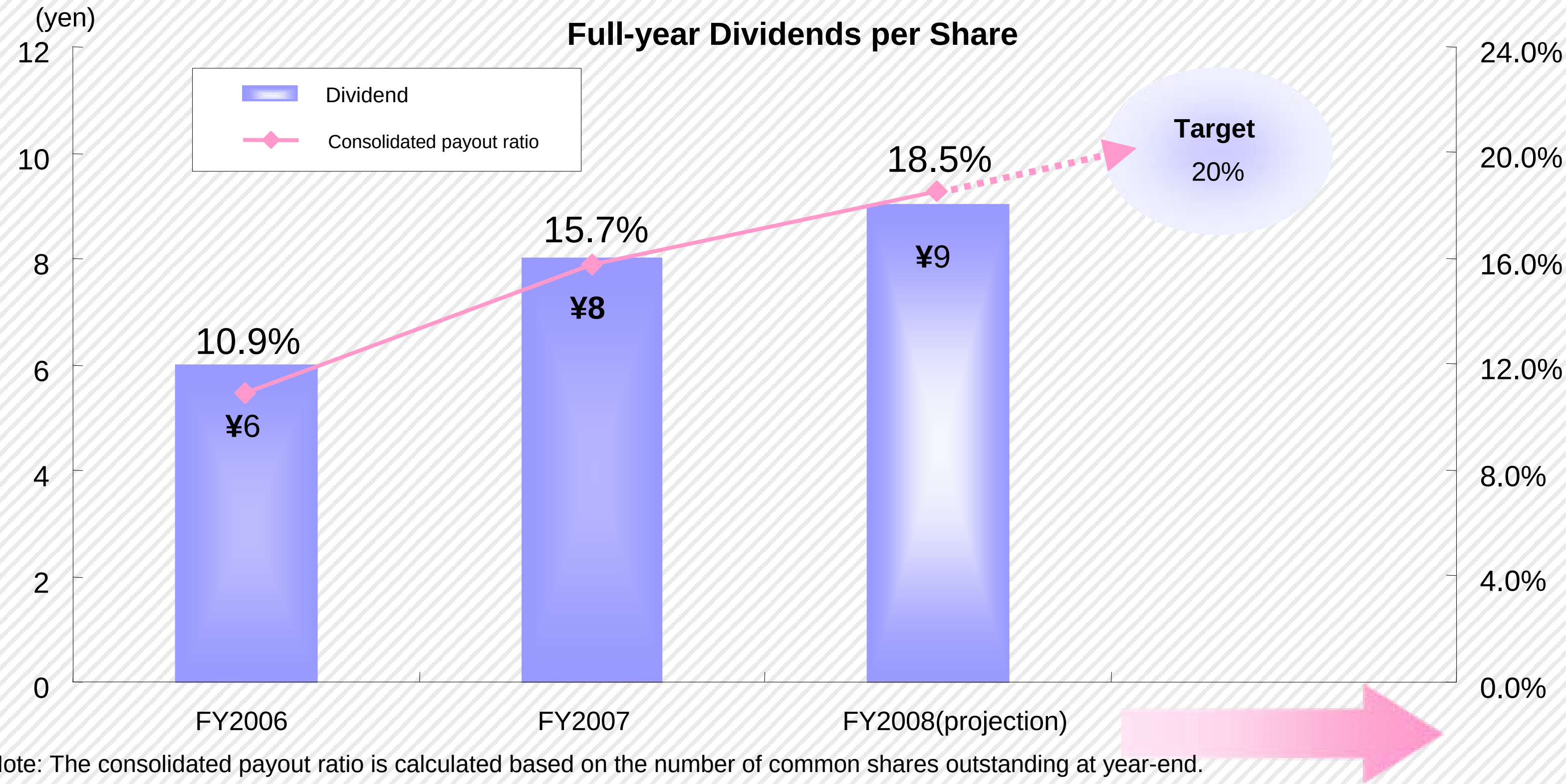
- **Schedule**

Nov. 2007 onward	Apr. 1, 2008	To March 2009
Environment and business analysis → Determine appropriate action	Establishment of Business Management Office (Dedicated textile business rebuilding unit)	Implementation of selection and focus initiatives → Completion during fiscal 2008

Establish a foundation for growth based on areas of focus

Dividends

Sojitz increased the dividend by ¥2 from the previous term to ¥8 in fiscal 2007 by means of capital restructuring and setting new record-high profits. We are progressing steadily toward a consolidated payout ratio of 20%



Note: The consolidated payout ratio is calculated based on the number of common shares outstanding at year-end.

Policy on Profit Distribution

Sojitz recognizes that the provision of stable, continuing dividends coupled with the enhancement of competitive strength and shareholder value through the accumulation and effective use of retained earnings is an important management priority.

Appendix: Fiscal 2008 Forecasts by Industry Segment

Machinery & Aerospace

(billions of yen)

	FY2007 (result)	FY2008 (forecast)	Change	Gross trading profit Current situation and forecast for the year
Gross trading profit	74.8	75.0	+0.2	
Automobiles	35.9	36.5	+0.6	Little change expected as higher unit sales in Central & Eastern Europe and the Middle East & Africa should offset decline in Central and South America
Information and Industrial Machinery	14.6	16.4	+1.8	Increase due to increased order backlog for plant-related transactions
Aircraft	11.0	8.5	▲2.5	Decrease due to reduction in leasing fee income in the leasing business accompanying sale of aircraft owned
Ships	10.4	11.6	+1.2	Increase owing to anticipated continuation of excellent market conditions overall
Recurring profit	23.3	24.5	+1.2	

Energy & Mineral Resources

(billions of yen)

	FY2007 (result)	FY2008 (forecast)	Change	Gross trading profit Current situation and forecast for the year
Gross trading profit	41.3	48.0	+6.7	
Oil & Gas	17.4	22.8	+5.4	Increase due to higher production and improvement in market conditions
Coal	3.1	7.7	+4.6	Increase due to higher selling prices
Mineral Resources	15.8	14.2	▲1.6	Decrease owing to anticipated decline in production for some ferroalloys
Recurring profit	36.1	37.0	+0.9	

Chemicals & Plastics

(billions of yen)

	FY2007 (result)	FY2008 (forecast)	Change	Gross trading profit Current situation and forecast for the year
Gross trading profit	53.8	51.0	▲2.8	
Chemicals	16.8	18.6	+1.8	Increase due to anticipated rise in transaction volume
Plastics	15.5	15.7	+0.2	Little change expected
Fertilizer	10.4	10.8	+0.4	Little change expected as increase in sales volume should offset higher raw material costs
Methanol	11.2	5.5	▲5.7	Decrease due to anticipated drop in sales volume and fall in prices
Recurring profit	17.0	13.5	▲3.5	

Real Estate Development & Forest Products

(billions of yen)

	FY2007 (result)	FY2008 (forecast)	Change	Gross trading profit Current situation and forecast for the year
Gross trading profit	21.3	23.5	+2.2	
Condominiums	7.9	4.7	▲3.2	Decrease due to decline in units sold
Development of retail property	2.6	5.2	+2.6	Increase due to rise in office building contracts
Forest Products	9.4	11.6	+2.2	Increase due to likelihood of gradual market recovery and stabilization of prices
Recurring profit	4.7	11.0	+6.3	

Consumer Lifestyle Business

(billions of yen)

	FY2007 (result)	FY2008 (forecast)	Change	Gross trading profit Current situation and forecast for the year
Gross trading profit	38.6	40.0	+1.4	
Textiles & General Commodities	26.7	26.0	▲0.7	Decrease due to drop in transaction volume for non-apparel-related business accompanying rebuilding of the textile business; this drop should outweigh an anticipated rise in transaction volume for woodchips used in paper manufacturing
Foods	11.9	14.0	+2.1	Increase due to anticipated growth in transactions for cereals, animal feed, and tuna
Recurring profit	0.1	2.5	+2.4	

Overseas Subsidiaries

(billions of yen)

	FY2007 (result)	FY2008 (forecast)	Change	Gross trading profit Current situation and forecast for the year
Gross trading profit	27.3	26.0	▲1.3	
Americas	12.3	9.7	▲2.6	Decrease due to anticipated drop in machinery and mineral resources transactions
Europe	4.6	4.9	+0.3	Little change expected
China	3.7	3.7	±0	Little change expected
Asia	5.1	5.2	+0.1	Little change expected
Recurring profit	12.8	9.0	▲3.8	

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New way, New value

Forward-looking Statements

Readers are advised that the contents of this document are based on various assumptions and that forward-looking statements regarding the Company's business plans and initiatives involve risks and uncertainties