

Results Highlights

◆ Net income was lower year on year due to extraordinary losses resulting from changes in accounting standards, which outweighed steady progress in net sales, gross trading profit and recurring profit

The accomplishment rates for gross trading profit, recurring profit and net income surpassed 50% of initial first-half forecasts  
(Figures in brackets represent year-on-year changes)

Net sales: 1,407.2 billion yen (+29.9 billion yen/+2.2%)

-Increase in trading volume in energy and mineral resources  
-Increase in trading volume in food business  
-Decrease in Overseas segment

Gross trading profit: 68.5 billion yen (+3.3 billion yen/+5.1%)

-Strong performance in energy and mineral resources  
-Strong performance in fertilizer overseas  
-Decrease in real estate development due to slow-down in real estate market conditions

Recurring profit: 28.5 billion yen (+0.1 billion yen/+0.4%)

-Improvement in interest expense-net  
-Decrease in equity in earnings of unconsolidated subsidiaries and affiliates

Net income: 16.3 billion yen (-10.8 billion yen/-39.9%)

-Decrease in income before income taxes and minority interests influenced by change in accounting standards

◆ Forecasts

Forecasts for fiscal 2008, ending March 31, 2009

|                  | Interim             | Full year           |
|------------------|---------------------|---------------------|
| Net sales        | 2,800.0 billion yen | 5,800.0 billion yen |
| Operating income | 41.0 billion yen    | 95.0 billion yen    |
| Recurring profit | 41.0 billion yen    | 100.0 billion yen   |
| Net income       | 5.0 billion yen     | 60.0 billion yen    |

<Assumptions>  
-Exchange rate (Yen/US\$) = 100  
-Crude oil price (US\$/BBL) = 90 (Brent)

Cash dividend per share 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

|  | FY2008<br>(1st quarter) |                 | FY2007<br>(1st quarter) |  | Forecast FY2008<br>(1st-half) |                               | Reasons for changes   |
|--|-------------------------|-----------------|-------------------------|--|-------------------------------|-------------------------------|---|
|  | Results<br>a            | Results<br>b    | Change<br>a-b           |  | c                             | Percentage<br>achieved<br>a/c |   |
| Net sales  | 1,407.2                 | 1,377.3         | 29.9                    |  | 2,800.0                       | 50%                           | Net sales<br>Energy & Mineral Resources +86.0<br>Consumer Lifestyle +28.5<br>Overseas +61.3               |
| Gross trading profit<br>(Gross trading profit ratio)                       | 68.5<br>(4.87%)         | 65.2<br>(4.73%) | 3.3<br>(0.13%)          |  | 135.0<br>(4.82%)              | 51%                           | Gross trading profit<br>Energy & Mineral Resources +4.1<br>Real Estate Development & Forest Products -1.8 |
| Personnel expenses   | -21.6                   | -20.9           | -0.7                    |  |                               |                               |   |
| Non-personnel expenses   | -19.5                   | -19.1           | -0.4                    |  |                               |                               |   |
| Depreciation expenses<br>(Subtotal)  | -1.3<br>(-42.4)         | -1.7<br>(-41.7) | 0.4<br>(-0.7)           |  |                               |                               |   |
| Allowance for doubtful receivables and write-offs                          | -1.2                    | -0.4            | -0.8                    |  |                               |                               |   |
| Goodwill amortization  | -1.3                    | -1.2            | -0.1                    |  |                               |                               |   |
| (Selling, general and administrative expenses)                             | (-44.9)                 | (-43.3)         | (-1.6)                  |  |                               | 48%                           |   |
| Operating income<br>(Operating income ratio)                               | 23.6<br>(1.68%)         | 21.9<br>(1.59%) | 1.7                     |  | 41.0<br>(1.46%)               | 58%                           |   |
| Interest income  | 3.0                     | 3.9             | -0.9                    |  |                               |                               |   |
| Interest expense<br>(Interest expense-net)                                 | -7.4<br>(-4.4)          | -8.9<br>(-5.0)  | 1.5<br>(0.6)            |  |                               |                               | Improvement in interest expenses-net due to improvement in funding conditions                             |
| Dividends<br>(Net financial revenue)                                       | 2.2<br>(-2.2)           | 1.7<br>(-3.3)   | 0.5<br>(1.1)            |  |                               |                               |   |
| Equity in earnings of unconsolidated subsidiaries and affiliates           | 6.7                     | 7.8             | (-1.1)                  |  |                               |                               | Decrease due to sale of an agricultural chemical-related company (-0.9)                                   |
| Other income   | 3.4                     | 4.3             | -0.9                    |  |                               |                               |   |
| Other expenses<br>(Others-net)   | -3.0<br>(4.9)           | -2.3<br>(6.5)   | -0.7<br>(-1.6)          |  |                               | 0.0                           |   |
| Recurring profit   | 28.5                    | 28.4            | 0.1                     |  | 41.0                          | 70%                           |   |
| Gain on sale of investment securities                                      | 0.5                     |                 |                         |  |                               |                               |   |
| Gain on reversal of allowance for doubtful accounts                        | 0.3                     |                 |                         |  |                               |                               |   |
| Gain on bad debt recovered   | 0.1                     |                 |                         |  |                               |                               |   |
| (Extraordinary income)   | (0.9)                   | (6.8)           | (-5.9)                  |  |                               |                               |   |
| Loss on sale and disposal of properties                                    | -0.1                    |                 |                         |  |                               |                               |   |
| Loss on revaluation of securities  | -0.2                    |                 |                         |  |                               |                               |   |
| Loss, and provision for loss on dissolution of subsidiaries and affiliates | -1.4                    |                 |                         |  |                               |                               |   |
| Loss on valuation of inventories<br>(Extraordinary losses)                 | (-5.4)<br>(-7.1)        |                 |                         |  |                               |                               | Loss on valuation of inventories (condominiums, etc.) due to changes in accounting standards              |
| (Extraordinary income/losses-net)  | (-6.2)                  | (6.4)           | (-12.6)                 |  |                               | -4.0                          |   |
| Income before income taxes and minority interests                          | 22.3                    | 34.8            | -12.5                   |  | 37.0                          | 60%                           |   |
| Income taxes: Current  | -5.4                    | -5.3            | -0.1                    |  |                               |                               |   |
| Deferred   | 0.9                     | -1.1            | 2.0                     |  |                               |                               |   |
| Minority interests   | -1.5                    | -1.3            | -0.2                    |  |                               |                               |   |
| Net income   | 16.3                    | 27.1            | -10.8                   |  | 25.0                          | 65%                           |   |

|               |      |      |     |
|---------------|------|------|-----|
| Core earnings | 29.3 | 26.8 | 2.5 |
|---------------|------|------|-----|

NOTES

1. Core earnings

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

|   | June 30, 2008     |                   | March 31, 2008     |   | Change<br>d-e | Reasons for changes  |
|---|-------------------|-------------------|--------------------|---|---------------|--|
|   | d                 | e                 | d                  | e |               |  |
| Current assets  | 1,646.2           | 1,676.0           | -29.8              |   |               |  |
| Cash and deposits   | 362.8             | 380.2             | -17.4              |   |               |  |
| Trade notes and trade accounts receivable   | 648.8             | 691.5             | (-42.7)            |   |               | Decrease due to payments for oil and food  |
| Securities  | 8.1               | 9.2               | -1.1               |   |               |  |
| Inventories   | 438.8             | 422.2             | 16.6               |   |               | Increase due to higher volumes for fertilizer, oil and food  |
| Short-term loans receivable   | 12.7              | 11.6              | 1.1                |   |               |  |
| Deferred tax assets-current   | 20.0              | 19.2              | 0.8                |   |               |  |
| Other current assets  | 167.5             | 156.0             | 11.5               |   |               |  |
| Allowance for doubtful receivables  | -12.5             | -13.9             | 1.4                |   |               |  |
| Fixed assets  | 967.2             | 990.9             | (-23.7)            |   |               |  |
| Tangible assets   | 211.6             | 232.0             | (-20.4)            |   |               | Decrease due to exit from businesses and translation adjustments at overseas subsidiaries (with Dec. 31 fiscal year) resulting from the yen's appreciation   |
| Goodwill  | 64.5              | 65.5              | -1.0               |   |               |  |
| Other intangible assets   | 73.3              | 67.9              | 5.4                |   |               |  |
| Investment securities   | 484.1             | 481.0             | 3.1                |   |               |  |
| Long-term loans receivable  | 33.9              | 37.0              | -3.1               |   |               |  |
| Non-performing receivables  | 105.8             | 109.4             | -3.6               |   |               |  |
| Deferred tax assets-non-current   | 20.0              | 31.0              | -11.0              |   |               |  |
| Others  | 43.5              | 44.4              | -0.9               |   |               |  |
| Allowance for doubtful receivables  | -69.5             | -77.3             | 7.8                |   |               |  |
| Deferred assets   | 2.4               | 2.5               | (-0.1)             |   |               |  |
| Total assets  | 2,615.8           | 2,669.4           | (-53.6)            |   |               |  |
| Liabilities   | 1,296.9           | 1,383.5           | (-86.6)            |   |               |  |
| Trade notes and trade accounts payable  | 531.7             | 579.0             | (-47.3)            |   |               | Decrease due to payments for cigarette and food transactions   |
| Short-term loans payable  | 478.7             | 497.2             | (-18.5)            |   |               | Decrease due to loan repayment and shift to long-term funding  |
| Commercial paper  | 37.0              | 25.0              | 12.0               |   |               |  |
| Bonds with redemption in one year   | 45.1              | 75.1              | -30.0              |   |               |  |
| Other current liabilities   | 204.4             | 207.2             | -2.8               |   |               |  |
| Non-current liabilities   | 825.9             | 765.6             | 60.3               |   |               |  |
| Bonds, less current portion   | 171.5             | 141.5             | 30.0               |   |               | Increase due to issuance of bonds (+30.0)  |
| Long-term loans payable   | 595.4             | 560.3             | 35.1               |   |               | Increase due to shift to long-term funding   |
| Allowance for retirement benefits   | 17.8              | 19.4              | -1.6               |   |               |  |
| Other non-current liabilities   | 41.2              | 44.4              | -3.2               |   |               |  |
| Total liabilities   | 2,122.8           | 2,149.1           | (-26.3)            |   |               |  |
| Common and preferred shares   | 160.3             | 160.3             | 0.0                |   |               |  |
| Capital surplus   | 152.2             | 152.2             | 0.0                |   |               |  |
| Retained earnings   | 146.3             | 139.2             | 7.1                |   |               | Net income (+16.3); payment of dividends (-5.6)<br>Effect from changes in accounting standards (-3.7)  |
| Treasury stock  | -0.2              | -0.1              | -0.1               |   |               |  |
| (Total shareholders' equity)  | (458.6)           | (451.6)           | (7.0)              |   |               |  |
| Net unrealized gains on available-for-sale securities                                     | 74.0              | 60.3              | 13.7               |   |               |  |
| Loss (gain) on deferred hedges  | -0.7              | 1.3               | -2.0               |   |               |  |
| Land revaluation difference   | -2.5              | -2.5              | 0.0                |   |               |  |
| Foreign currency translation adjustments<br>(Total valuation and translation adjustments) | (-79.3)<br>(-8.5) | (-34.7)<br>(24.4) | (-44.6)<br>(-32.9) |   |               | Translation adjustments at overseas subsidiaries (with Dec. 31 fiscal year) resulting from the yen's appreciation  |
| Minority interests  | 42.9              | 44.3              | -1.4               |   |               |  |
| Total net assets  | 493.0             | 520.3             | (-27.3)            |   |               |  |
| Total liabilities and net assets  | 2,615.8           | 2,669.4           | (-53.6)            |   |               |  |
| Gross interest-bearing debt   | 1,327.7           | 1,299.1           | 28.6               |   |               |  |
| Net interest-bearing debt   | 964.9             | 918.9             | 46.0               |   |               |  |
| Net debt/equity ratio (Times)   | * 2.14            | * 1.93            | 0.21               |   |               | * 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  | * 17.2%           | * 17.8%           | -0.6%              |   |               |  |

**Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2008**  
**Supplementary Materials (1) -Gross Trading Profit and Recurring Profit (by Industry Segment)-**

July 30, 2008  
 Sojitz Corporation

(Unit: Billions of yen)

|  | Gross Trading Profit |                  |        |  | Recurring Profit |                  |        |   |
|--|----------------------|------------------|--------|--|------------------|------------------|--------|---|
|  | Apr to Jun, 2008     | Apr to Jun, 2007 | Change | Main factors for change  | Apr to Jun, 2008 | Apr to Jun, 2007 | Change | Main factors for change   |
|  | Results              | Results          |        |  | Results          | Results          |        |   |
| <b>Machinery &amp; Aerospace</b>                     | 16.1                 | 15.5             | 0.6    | <ul style="list-style-type: none"> <li>•Ships: increase (+0.7) due to overall growth in ship-owing business and marine-related equipment transactions.</li> <li>•Information and Industrial Machinery: increase (+1.2) due to growth in plant-related equipment transactions.</li> <li>•Automobiles: slight decrease (-0.2) as net result of strong performance in the Russia and NIS region, and higher transaction volume at Sojitz Corporation in the Middle East, outweighed by temporary impact of restrictions on importing completely built-up vehicles to Venezuela in the Central and South America region.</li> <li>•Aircraft: decrease (-0.3) due to reduced sales in Boeing-related transactions.</li> </ul> | 4.7              | 5.0              | (0.3)  | <ul style="list-style-type: none"> <li>•Ships: increase due to growth in ship-owing business and marine-related equipment transactions.</li> <li>•Information and Industrial Machinery: increase due to growth in plant-related equipment transactions.</li> <li>•Automobiles: decrease, due primarily to temporary impact of restrictions on importing completely built-up vehicles to Venezuela in the Central and South America region.</li> <li>•Aircraft: decrease due to reduced sales in Boeing-related transactions.</li> </ul> |
| <b>Energy &amp; Mineral Resources</b>                | 14.6                 | 10.5             | 4.1    | <ul style="list-style-type: none"> <li>•Overall increase due to higher market prices:<br/>Oil and Gas (+3.1)<br/>Coal (+1.0)<br/>Mineral Resources (+0.4)</li> </ul>   | 11.5             | 10.2             | 1.3    | <ul style="list-style-type: none"> <li>•Increase overall due to continuing high market prices, despite reduced equity in earnings of unconsolidated subsidiaries and affiliates due to a drop in nickel prices, and other negative factors.</li> </ul>  |
| <b>Chemicals &amp; Plastics</b>                      | 15.0                 | 14.8             | 0.2    | <ul style="list-style-type: none"> <li>•Fertilizer: increase (+2.9) due to strong sales.</li> <li>•Methanol: decrease (-1.7) due to a reduction in sales volume during scheduled plant maintenance work.</li> </ul>  | 6.4              | 5.7              | 0.7    | <ul style="list-style-type: none"> <li>•Increase due to strong fertilizer performance outweighing lower profits in methanol, etc.</li> </ul>  |
| <b>Real Estate Development &amp; Forest Products</b> | 3.2                  | 5.0              | (1.8)  | <ul style="list-style-type: none"> <li>•Real Estate Development: decrease (-2.1) due to reduced profitability reflecting a slump in condominiums market.</li> <li>•Forest Products: increase (+0.3) due to improvement in domestic supply-demand balance for plywood.</li> </ul>   | (0.7)            | 1.0              | (1.7)  | <ul style="list-style-type: none"> <li>•Real Estate Development: decrease in gross trading profit.</li> <li>•Forest Products: increase in gross trading profit.</li> </ul>  |
| <b>Consumer Lifestyle Business</b>                   | 9.0                  | 8.2              | 0.8    | <ul style="list-style-type: none"> <li>•Textiles: decrease (-0.4) due to sluggish sales of apparel resulting from a slump in domestic consumer spending.</li> <li>•Foods: increase (+1.2) due to steep rise in trading prices of wheat, rice and corn etc.</li> </ul>  | (1.8)            | (0.5)            | (1.3)  | <ul style="list-style-type: none"> <li>•Decrease due to sluggish sales of apparel in textiles.</li> </ul>   |
| <b>Overseas Subsidiaries</b>                         | 6.3                  | 6.5              | (0.2)  | <ul style="list-style-type: none"> <li>•Unchanged.</li> </ul>  | 3.3              | 3.4              | (0.1)  | <ul style="list-style-type: none"> <li>•Unchanged.</li> </ul>   |
| <b>Other</b>   | 4.3                  | 4.7              | (0.4)  | <ul style="list-style-type: none"> <li>•Decrease (-0.2) due to lower sales at Nissho Electronics.</li> </ul>   | 5.1              | 3.6              | 1.5    | <ul style="list-style-type: none"> <li>•Increase due to gains on foreign currency translations, primarily in corporate divisions.</li> </ul>  |
| <b>Total</b>   | 68.5                 | 65.2             | 3.3    |  | 28.5             | 28.4             | 0.1    |   |

## Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2008 Supplementary Materials (2) -FY2008 Full-year Forecast-

July 30, 2008  
Sojitz Corporation

### P/L

|   | April to June,<br>2008 | April to June,<br>2007 | Change        | FY2008<br>Forecast | Progress |
|---|------------------------|------------------------|---------------|--------------------|----------|
| <b>Net Sales</b>                                    | <b>1,407.2</b>         | <b>1,377.3</b>         | +29.9         | <b>5,800.0</b>     | 24.3%    |
| <b>Gross trading profit</b>                         | <b>68.5</b>            | <b>65.2</b>            | +3.3          | <b>285.0</b>       | 24.0%    |
| [Gross trading profit ratio]                        | [4.87%]                | [4.73%]                |               | [4.91%]            |          |
| Machinery & Aerospace                               | 16.1                   | 15.5                   | +0.6          | 75.0               | 21.5%    |
| Energy & Mineral Resources                          | 14.6                   | 10.5                   | +4.1          | 48.0               | 30.4%    |
| Chemicals & Plastics                                | 15.0                   | 14.8                   | +0.2          | 51.0               | 29.4%    |
| Real Estate Development & Forest Products           | 3.2                    | 5.0                    | (1.8)         | 23.5               | 13.6%    |
| Consumer Lifestyle Business                         | 9.0                    | 8.2                    | +0.8          | 40.0               | 22.5%    |
| Overseas Subsidiaries                               | 6.3                    | 6.5                    | (0.2)         | 26.0               | 24.2%    |
| Other   | 4.3                    | 4.7                    | (0.4)         | 21.5               | 20.0%    |
| <b>Selling, general and administrative expenses</b> | <b>(44.9)</b>          | <b>(43.3)</b>          | <b>(1.6)</b>  | <b>(190.0)</b>     | 23.6%    |
| <b>Operating income</b>                             | <b>23.6</b>            | <b>21.9</b>            | +1.7          | <b>95.0</b>        | 24.8%    |
| [Operating income ratio]                            | [1.68%]                | [1.59%]                |               | [1.64%]            |          |
| <b>Non-operating income/expense-net</b>             | <b>4.9</b>             | <b>6.5</b>             | <b>(1.6)</b>  | <b>5.0</b>         | 98.0%    |
| <b>Recurring profit *1</b>                          | <b>28.5</b>            | <b>28.4</b>            | +0.1          | <b>100.0</b>       | 28.5%    |
| [Recurring profit ratio]                            | [2.03%]                | [2.06%]                |               | [1.72%]            |          |
| Machinery & Aerospace                               | 4.7                    | 5.0                    | (0.3)         | 24.5               | 19.2%    |
| Energy & Mineral Resources                          | 11.5                   | 10.2                   | +1.3          | 37.0               | 31.1%    |
| Chemicals & Plastics                                | 6.4                    | 5.7                    | +0.7          | 13.5               | 47.4%    |
| Real Estate Development & Forest Products           | (0.7)                  | 1.0                    | (1.7)         | 11.0               | -        |
| Consumer Lifestyle Business                         | (1.8)                  | (0.5)                  | (1.3)         | 2.5                | -        |
| Overseas Subsidiaries                               | 3.3                    | 3.4                    | (0.1)         | 9.0                | 36.7%    |
| Other   | 5.1                    | 3.6                    | +1.5          | 2.5                | 204.0%   |
| <b>Extraordinary income (loss)-net</b>              | <b>(6.2)</b>           | <b>6.4</b>             | <b>(12.6)</b> | <b>(10.0)</b>      | -        |
| <b>Income before income taxes</b>                   | <b>22.3</b>            | <b>34.8</b>            | <b>(12.5)</b> | <b>90.0</b>        | 24.8%    |
| <b>Net income</b>                                   | <b>16.3</b>            | <b>27.1</b>            | <b>(10.8)</b> | <b>60.0</b>        | 27.2%    |
| <b>Core earnings *2</b>                             | <b>29.3</b>            | <b>26.8</b>            | +2.5          | <b>100.0</b>       | 29.3%    |

### Recurring Profit Performance

© Overall progress towards reaching FY2008 forecast has been steady, at 29%.  
Performance by industry segment is as follows.

#### Machinery & Aerospace

- Ships: overall strong performance in ship-owning business and marine-related equipment transactions.
- Information and Industrial Machinery: generally progress is on schedule due to steady plant-related equipment transactions.
- Automobiles: progress is slow in the first quarter as steady transaction volume in Russia and NIS, as well as at Sojitz Corporation in the Middle East, was offset by temporary impact of restrictions on importing completely built-up vehicles to Venezuela in the Central and South America region. A recovery is expected during the second half of the year.

#### Energy & Mineral Resources

- Strong performance due to continuing high market prices, combined with increased production and sales volume.

#### Chemicals & Plastics

- Strong performance led by fertilizer.

#### Real Estate Development & Forest Products

- Real Estate Development: generally in line with plans considering the seasonal tendency to higher earnings in the second half.
- Forest Products: Robust performance due to improvement in domestic supply-demand balance for plywood.

#### Consumer Lifestyle Business

- Weak performance due to sluggish sales of apparel resulting from a slump in domestic consumer spending.

#### Overseas Subsidiaries

- Steady overall due to strong performances from machinery transactions in the Americas and chemicals transactions in Europe and China.

#### Other

- Steady overall.

\*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

|   | June 30, 2008  | March 31, 2008 | Change  | March 31, 2009<br>Forecast |
|---|----------------|----------------|---------|----------------------------|
| <b>Total assets</b>                         | <b>2,615.8</b> | <b>2,669.4</b> | (53.6)  | <b>2,750.0</b>             |
| <b>Shareholders' Equity *3</b>              | <b>450.1</b>   | <b>476.0</b>   | (25.9)  | <b>500.0</b>               |
| [Total net assets]                          | [493.0]        | [520.3]        | [-27.3] | -                          |
| <b>Shareholders' Equity ratio (%)</b>       | <b>17.2%</b>   | <b>17.8%</b>   | (0.6%)  | <b>18.2%</b>               |
| <b>Net interest-bearing debt</b>            | <b>964.9</b>   | <b>918.9</b>   | 46.0    | <b>990.0</b>               |
| <b>Net DER (Times)</b>                      | <b>2.1</b>     | <b>1.9</b>     | 0.2     | <b>2.0</b>                 |
| [Net DER (times) based on total net assets] | [2.0]          | [1.8]          | [0.2]   | -                          |

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

# Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2008

## Supplementary Materials (3)

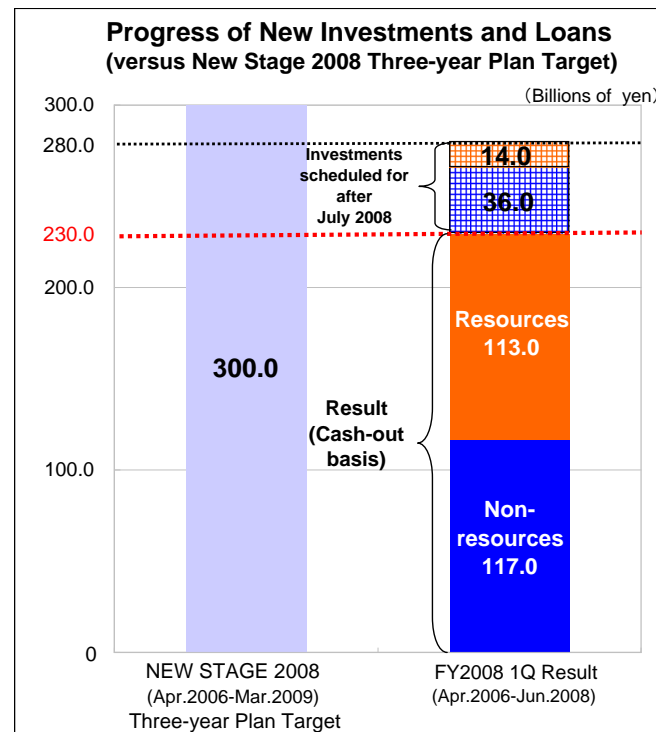
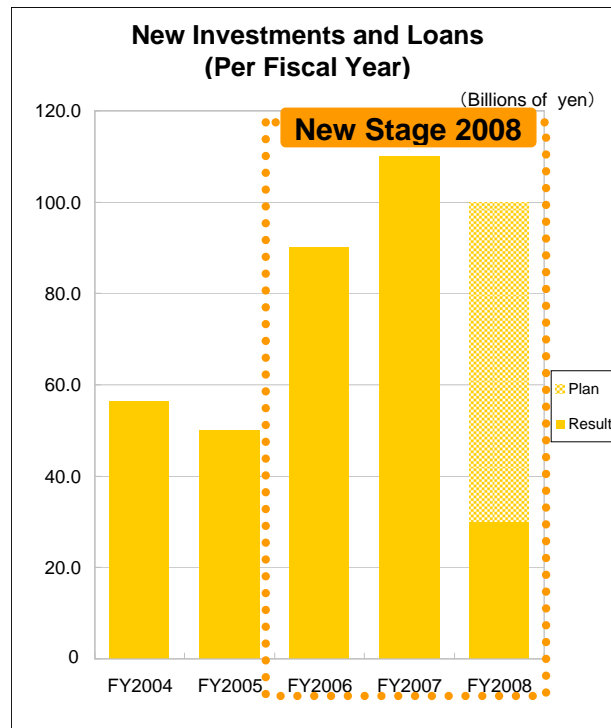
July 30, 2008  
Sojitz Corporation

### New Investments and Loans

#### Progress on New Investments and Loans

- ¥230.0 billion (77% complete) of ¥300.0 billion New Stage 2008 Three-year Plan Target  
¥280.0 billion including investments scheduled to be made after July 2008 (93% complete)

- ¥30 billion of fiscal year's ¥100.0 billion plan invested during 1<sup>st</sup> quarter (33% complete)

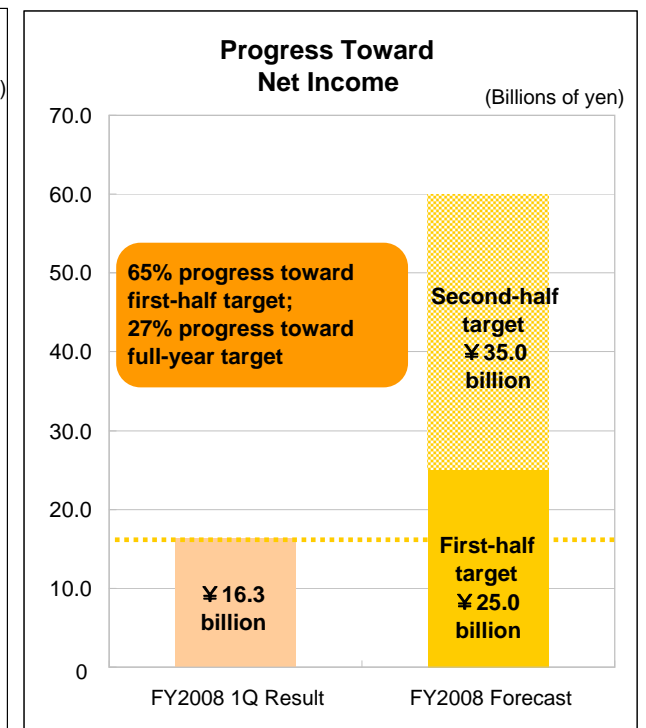
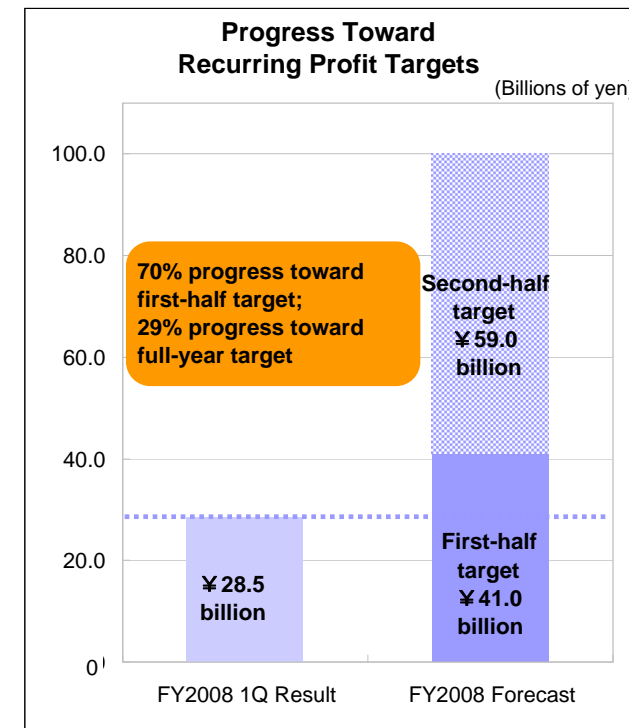


### Progress Toward Achieving Earnings Targets

#### Progress toward earnings targets

-70% progress toward recurring profit target for first half of year  
(¥28.5 billion result in FY2008 1st quarter, versus ¥41.0 billion target)

-65% progress toward net income target for first half of year  
(¥16.3 billion result in FY2008 1st quarter, versus ¥25.0 billion target)



### Commodities and Exchange Rates

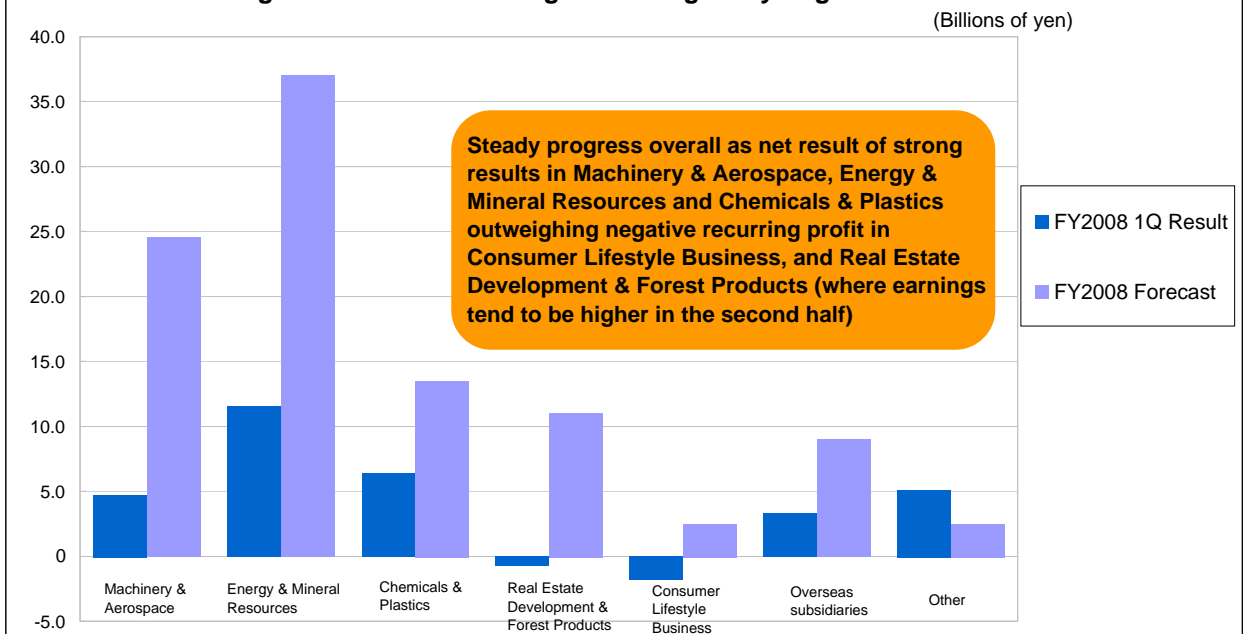
|                                | FY2007 Average | FY2008 Forecast | Jan. to Jun. 2008 Average |                           | Jan. to Jun. 2008 Average |
|--------------------------------|----------------|-----------------|---------------------------|---------------------------|---------------------------|
|                                |                |                 | Jan. to Mar. 2008 Average | Apr. to Jun. 2008 Average |                           |
| Crude oil (Brent)*1 (\$/bbl)   | 73.2           | 90.0            | 96.5                      | 122.3                     | 109.4                     |
| Coal (Thermal Coal)*2 (\$/ton) | 65.0           | 110.0           | 115.0                     | 143.0                     | 129.0                     |
| Molybdenum (\$/lb)             | 30.1           | 29.5            | 33.2                      | 33.0                      | 33.1                      |
| Vanadium (\$/lb)               | 7.4            | 6.5             | 12.7                      | 16.1                      | 14.4                      |
| Exchange Rates*3 (¥/\$)        | Dec. year end  | 117.7           | 100.0                     | 103.8                     | 105.4                     |
|                                | Mar. year-end  | 113.8           |                           |                           |                           |

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

\*2. Prices for the majority of the (thermal) coal traded by Sojitz are fixed by the annual contracts during the previous fiscal year. The effect of the most recent spot prices is negligible. And Market forecast and average in above table differ from our sales price.

\*3. Impact of fluctuations in the exchange rate on earnings: A ¥1/\$ change alters net sales by approx. ¥10.0 billion, recurring profit by approx. ¥0.3-0.4 billion, and shareholders' equity by approx. ¥1.5 billion.

### Progress Toward Recurring Profit Targets by Segment



## Summary of Consolidated Financial Results for the First Quarter ended June 30, 2008

30, July 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 filing date first period financial report: Aug 14, 2008

Adopting of US GAAP : No

(Rounded down to millions of Japanese Yen)

### 1. Consolidated Financial Results for the First Quarter Ended June 30, 2008 and 2007

#### (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      |      |
|--|-----------------|------|------------------|------|------------------|------|-----------------|------|
|  | Millions of Yen | %    | Millions of Yen  | %    | Millions of Yen  | %    | Millions of Yen | %    |
| For the first quarter ended<br>June 30, 2008 | 1,407,178       | -    | 23,550           | -    | 28,519           | -    | 16,301          | -    |
| June 30, 2007                                | 1,377,294       | 12.2 | 21,874           | 23.1 | 28,370           | 30.4 | 27,068          | 44.6 |

|  | EPS   | Adjusted EPS |
|--|-------|--------------|
|  | Yen   | Yen          |
| For the first quarter ended<br>June 30, 2008 | 13.21 | 13.13        |
| June 30, 2007                                | 24.12 | 23.40        |

#### (2) Financial Position (Consolidated)

|                        | Total Assets    | Total Net Assets | Equity Ratio | Net Assets per Share |
|------------------------|-----------------|------------------|--------------|----------------------|
|                        | Millions of Yen | Millions of Yen  | %            | Yen                  |
| As of<br>June 30, 2008 | 2,615,804       | 493,049          | 17.2         | 362.47               |
| March 31, 2008         | 2,669,352       | 520,327          | 17.8         | 383.46               |

Notes: (Millions of Yen)

Shareholders' Equity

As of June 30, 2008: 450,122

As of March 31, 2008: 476,031

### 2. Cash Dividends

|                           | Cash Divided per Share(Yen) |                |               |          |        |
|---------------------------|-----------------------------|----------------|---------------|----------|--------|
|                           | First Quarter               | Second Quarter | Third Quarter | Year-end | Annual |
| For the year ended        | Yen                         | Yen            | Yen           | Yen      | Yen    |
| March 31, 2008            | -                           | 3.50           | -             | 4.50     | 8.00   |
| March 31, 2009            | -                           | -              | -             | -        | -      |
| March 31, 2009 (expected) | -                           | 4.50           | -             | 4.50     | 9.00   |

Note. 1. Change in Cash Dividends in the First Period : No

2. The above "Cash Dividends" refers to common stock. 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   |
|---------------------------------------|-----------------|-----|------------------|-----|------------------|-------|-----------------|-------|-------|
|                                       | Millions of Yen | %   | Millions of Yen  | %   | Millions of Yen  | %     | Millions of Yen | %     | Yen   |
| For the year ending<br>March 31, 2009 |                 |     |                  |     |                  |       |                 |       |       |
| Interim                               | 2,800,000       | -   | 41,000           | -   | 41,000           | -     | 25,000          | -     | 20.26 |
| Full year                             | 5,800,000       | 0.5 | 95,000           | 2.9 | 100,000          | (1.5) | 60,000          | (4.3) | 48.62 |

Note. Changes in consolidated earnings forecast for the fiscal year ending March 31, 2009 : No

#### 4.Others

- (1) Changes in major subsidiaries during the fiscal year (changes in specified subsidiaries accompanying changes in scope of consolidation). :No
- (2) Use of simplified accounting procedure :Yes
- (3) Changes in accounting policy, procedures or method of presentation for preparing quarterly consolidated financial statements
  1. Changes due to amendment of accounting standards : Yes
  2. Change due to other reasons : No
- (4) Number of outstanding shares at the end of the period (Common Stock):
  1. Number of outstanding shares at the end of the period (Include treasury shares ):

|                                    |                                     |
|------------------------------------|-------------------------------------|
| As of June 30, 2008: 1,233,852,443 | As of March 31, 2008: 1,233,852,443 |
|------------------------------------|-------------------------------------|
  2. Number of treasury shares at the end of the period:

|                              |                               |
|------------------------------|-------------------------------|
| As of June 30, 2008: 295,513 | As of March 31, 2008: 290,099 |
|------------------------------|-------------------------------|
  3. Average number of outstanding shares during period:

|   |   |
|---|---|
| For the 1st Quarter ended March 31, 2009: 1,233,559,873 | For the 1st Quarter ended March 31, 2008: 1,122,108,479 |
|---|---|

#### \* 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 |                |               |          |        |
|----------------------|--------------------------|----------------|---------------|----------|--------|
|                      | First Quarter            | Second Quarter | Third Quarter | Year-end | Annual |
|                      | Yen                      | Yen            | Yen           | Yen      | Yen    |
| FY2007               |                          |                |               |          |        |
| 1st Series Class III |                          | 7.50           |               | 7.50     | 15.00  |
| 1st Series Class IV  | -                        | -              | -             | -        | 0.00   |
| 1st Series Class V   | -                        | -              | -             | -        | 0.00 ) |
| FY2008               |                          |                |               |          |        |
| 1st Series Class III | -                        |                |               |          |        |
| FY2008 (expected)    |                          |                |               |          |        |
| 1st Series Class III |                          | 7.50           | -             | -        | 15.00  |
|                      |                          |                |               | 7.50     |        |

# Consolidated Statements of Income for the First Quarter Ended June 30, 2008

Millions of Yen

|   | First Quarter<br>(From April 1, 2008<br>To June 30, 2008) |
|---|---|
| <b>Net sales</b>  | 1,407,178   |
| Cost of sales   | (1,338,711)   |
| <b>Gross trading profit</b>   | 68,466  |
| Selling, general and administrative expenses                                | (44,916)  |
| <b>Operating income</b>   | 23,550  |
| Interest income   | 3,035   |
| Dividends   | 2,250   |
| Equity in earnings of unconsolidated subsidiaries and affiliates            | 6,678   |
| Other income  | 3,356   |
| <b>Non-operating income</b>   | 15,321  |
| Interest expense  | (7,331)   |
| Interest expense on commercial papers                                       | (74)  |
| Other expenses  | (2,946)   |
| <b>Non-operating expense</b>  | (10,352)  |
| <b>Recurring profit</b>   | 28,519  |
| Extraordinary income  |   |
| Gain on sale and disposal of properties                                     | 18  |
| Gain on sale of investment securities                                       | 447   |
| Gain on change in equity  | 9   |
| Reversal of allowance for doubtful accounts                                 | 340   |
| Gain on bad debt recovered  | 45  |
| <b>Total extraordinary income</b>   | 862   |
| Extraordinary loss  |   |
| Loss on sale and disposal of properties                                     | (42)  |
| Impairment losses on fixed assets   | (26)  |
| Loss on sale of investment securities                                       | (12)  |
| Loss on devaluation of securities   | (216)   |
| Loss, and provision for loss, on dissolution of subsidiaries and affiliates | (1,397)   |
| Loss on valuation of inventories  | (5,421)   |
| <b>Total extraordinary loss</b>   | (7,117)   |
| Income before income taxes and minority interests                           | 22,264  |
| Income taxes-current  | (5,375)   |
| Income taxes-deferred   | 911   |
| <b>Total income taxes</b>   | 4,463   |
| Minority interests in income  | (1,499)   |
| <b>Net income</b>   | 16,301  |



**Consolidated Statements of Income**  
**for the First Quarter Ended June 30, 2008 (Continued)**

| (Ref.) For the First Quarter Ended June 30, 2007                 | (Millions of Yen)<br>First Quarter<br>(From April 1, 2007<br>To June 30, 2007) |
|--|--|
| <b>Net sales</b>   | 1,377,294  |
| Cost of sales  | (1,312,108)  |
| <b>Gross trading profit</b>                                      | 65,186   |
| <br>Selling, general and administrative expenses                 | <br>(43,311)   |
| <b>Operating income</b>  | 21,874   |
| <br>Interest income  | <br>3,856  |
| Dividends  | 1,740  |
| Equity in earnings of unconsolidated subsidiaries and affiliates | 7,793  |
| Gain on sale of securities                                       | 16   |
| Other income   | 4,312  |
| Non-operating income   | 17,719   |
| <br>Interest expense   | <br>(8,882)  |
| Interest expense on commercial papers                            | (23)   |
| Other expenses   | (2,318)  |
| Non-operating expense  | (11,223)   |
| <b>Recurring profit</b>  | 28,370   |
| <br><b>Extraordinary income/(loss)-net</b>                       | <br>6,421  |
| <b>Income before income taxes and minority interest</b>          | 34,791   |
| <br>Income taxes-Current   | <br>(5,273)  |
| Income taxes-Deferred  | (1,113)  |
| Minority interests   | (1,335)  |
| <b>Net Income</b>  | 27,068   |

**Consolidated Balance Sheets**  
**As of June 30, 2008**

(Millions of Yen)

|  | As of June 30, 2008 | As of March 31, 2008 |
|--|---------------------|----------------------|
| <b>Assets</b>                              |                     |                      |
| <b>Current assets</b>                      |                     |                      |
| Cash and deposits                          | 362,851             | 380,195              |
| Notes and accounts receivable—trade        | 648,759             | 691,492              |
| Short-term investment securities           | 8,090               | 9,180                |
| Inventories                                | 438,775             | 422,158              |
| Short-term loans receivable                | 12,747              | 11,609               |
| Deferred tax assets                        | 19,953              | 19,179               |
| Other                                      | 167,525             | 156,000              |
| Allowance for doubtful accounts            | (12,518)            | (13,869)             |
| <b>Total current assets</b>                | <b>1,646,185</b>    | <b>1,675,946</b>     |
| <b>Noncurrent assets</b>                   |                     |                      |
| <b>Property, plant and equipment</b>       |                     |                      |
| Buildings and structures                   | 103,366             | 112,168              |
| Accumulated depreciation                   | (47,162)            | (48,638)             |
| Machinery, equipment and vehicles          | 171,604             | 180,726              |
| Accumulated depreciation                   | (79,310)            | (83,943)             |
| Land                                       | 53,362              | 56,393               |
| Construction in progress                   | 6,373               | 7,139                |
| Other                                      | 13,255              | 19,649               |
| Accumulated depreciation                   | (9,919)             | (11,476)             |
| <b>Total property, plant and equipment</b> | <b>211,569</b>      | <b>232,018</b>       |
| <b>Intangible assets</b>                   |                     |                      |
| Goodwill                                   | 64,501              | 65,466               |
| Other                                      | 73,300              | 67,876               |
| <b>Total intangible assets</b>             | <b>137,802</b>      | <b>133,343</b>       |
| <b>Investments and other assets</b>        |                     |                      |
| Investment securities                      | 484,102             | 480,993              |
| Long-term loans receivable                 | 33,874              | 36,961               |
| Bad debts                                  | 105,825             | 109,440              |
| Deferred tax assets                        | 20,014              | 31,053               |
| Other                                      | 43,520              | 44,400               |
| Allowance for doubtful accounts            | (69,447)            | (77,335)             |
| <b>Total investments and other assets</b>  | <b>617,889</b>      | <b>625,514</b>       |
| <b>Total noncurrent assets</b>             | <b>967,261</b>      | <b>990,875</b>       |
| <b>Deferred assets</b>                     | 2,357               | 2,529                |
| <b>Total assets</b>                        | <b>2,615,804</b>    | <b>2,669,352</b>     |

**Consolidated Balance Sheets**  
**As of June 30, 2008**

(Millions of Yen)

|   | As of June 30, 2008 | As of March 31, 2008 |
|---|---------------------|----------------------|
| <b>Liabilities</b>                                    |                     |                      |
| Current liabilities                                   |                     |                      |
| Notes and accounts payable-trade                      | 531,734             | 578,995              |
| Short-term loans payable                              | 478,695             | 497,208              |
| Commercial papers                                     | 37,000              | 25,000               |
| Current portion of bonds                              | 45,050              | 75,100               |
| Income taxes payable                                  | 5,460               | 8,246                |
| Deferred tax liabilities                              | 34                  | 53                   |
| Provision for bonuses                                 | 4,206               | 7,686                |
| Other   | 194,647             | 191,161              |
| Total current liabilities                             | 1,296,828           | 1,383,451            |
| Noncurrent liabilities                                |                     |                      |
| Bonds payable   | 171,496             | 141,496              |
| Long-term loans payable                               | 595,442             | 560,281              |
| Deferred tax liabilities                              | 14,004              | 16,685               |
| Deferred tax liabilities for land revaluation         | 1,193               | 1,193                |
| Provision for retirement benefits                     | 17,761              | 19,410               |
| Provision for directors' retirement benefits          | 996                 | 958                  |
| Other   | 25,032              | 25,548               |
| Total noncurrent liabilities                          | 825,927             | 765,572              |
| Total liabilities                                     | 2,122,755           | 2,149,024            |
| <b>Net assets</b>                                     |                     |                      |
| Shareholders' equity                                  |                     |                      |
| Capital stock   | 160,339             | 160,339              |
| Capital surplus                                       | 152,160             | 152,160              |
| Retained earnings                                     | 146,306             | 139,264              |
| Treasury stock  | (147)               | (145)                |
| Total shareholders' equity                            | 458,659             | 451,619              |
| Valuation and translation adjustments                 |                     |                      |
| Valuation difference on available-for-sale securities | 73,976              | 60,280               |
| Deferred gains or losses on hedges                    | (678)               | 1,345                |
| Revaluation reserve for land                          | (2,530)             | (2,530)              |
| Foreign currency translation adjustment               | (79,305)            | (34,684)             |
| Total valuation and translation adjustments           | (8,536)             | 24,412               |
| Minority interests                                    | 42,927              | 44,296               |
| Total net assets                                      | 493,049             | 520,327              |
| <b>Total liabilities and net assets</b>               | <b>2,615,804</b>    | <b>2,669,352</b>     |

## Segment Information for the First Quarter Ended June 30, 2008

### Industry Segments

The industry segment information for the first quarter ended June 30, 2008 and preceding first quarter is as follows:

**For the first quarter ended June 30, 2008**

(Millions of yen)

|                         | Machinery & Aerospace | Energy & Mineral Resources | Chemicals & Plastics | Real Estate Development & Forest Products | Consumer Lifestyle Business |
|-------------------------|-----------------------|----------------------------|----------------------|---|-----------------------------|
| Net sales               |                       |                            |                      |   |                             |
| Outside customers       | 280,970               | 442,333                    | 175,284              | 70,094                                    | 326,439                     |
| Inter-segment           | 6,452                 | 1,095                      | 12,790               | 256                                       | 3,587                       |
| Total                   | 287,423               | 443,429                    | 188,075              | 70,350                                    | 330,026                     |
| Operating income (loss) | 5,844                 | 8,663                      | 7,599                | (142)                                     | 358                         |

|                         | Overseas Subsidiaries | Other  | Total     | Elimination & Unallocated | Consolidated |
|-------------------------|-----------------------|--------|-----------|---------------------------|--------------|
| Net sales               |                       |        |           |                           |              |
| Outside customers       | 86,734                | 25,321 | 1,407,178 | -                         | 1,407,178    |
| Inter-segment           | 85,596                | 3,072  | 112,851   | (112,851)                 | -            |
| Total                   | 172,331               | 28,393 | 1,520,029 | (112,851)                 | 1,407,178    |
| Operating income (loss) | 640                   | (74)   | 22,888    | 661                       | 23,550       |

Notes:

Unallocated costs and expenses no included in "Elimination and Unallocated" .

**Segment Information**  
**for the First Quarter Ended June 30, 2008 (Continued)**

**Industry Segments**

The industry segment information for the first quarter ended June 30, 2007 as follows:

**(Ref.)For the first quarter ended June 30, 2007**

(Millions of yen)

|                   | Machinery & Aerospace | Energy & Mineral Resources | Chemicals & Plastics | Real Estate Development & Forest Products | Consumer Lifestyle Business |
|-------------------|-----------------------|----------------------------|----------------------|---|-----------------------------|
| Net sales         |                       |                            |                      |   |                             |
| Outside customers | 294,898               | 356,291                    | 171,461              | 80,793                                    | 297,922                     |
| Inter-segment     | 3,726                 | 1,721                      | 13,811               | 293                                       | 3,997                       |
| Total             | 298,625               | 358,012                    | 185,272              | 81,086                                    | 301,920                     |
| Operating income  | 6,500                 | 5,057                      | 7,499                | 1,800                                     | (145)                       |

|                   | Overseas Subsidiaries | Other  | Total     | Elimination and Unallocated | Consolidated |
|-------------------|-----------------------|--------|-----------|-----------------------------|--------------|
| Net sales         |                       |        |           |                             |              |
| Outside customers | 148,005               | 27,921 | 1,377,294 | -                           | 1,377,294    |
| Inter-segment     | 76,356                | 2,351  | 102,258   | (102,258)                   | -            |
| Total             | 224,362               | 30,273 | 1,479,552 | (102,258)                   | 1,377,294    |
| Operating income  | 488                   | 233    | 21,434    | 440                         | 21,874       |

Notes:

Unallocated costs and expenses included in "Elimination and Unallocated" totaled 14million yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.

## **Business Results**

### **Analysis of business results**

#### **1. Overview of first quarter of fiscal 2008**

##### **Economic environment**

During the first quarter of fiscal 2008, the year ending March 31, 2009, the economic slowdown in the United States continued to have an adverse impact on the global economy. Although the trend of the weakening U.S. dollar has now eased, inflation has risen sharply right across the board, due to steep rises in international prices for minerals and energy resources as well as market prices for foods. While domestic demand is expanding not only in nations that consume resources, but also in resource-rich nations, concern regarding inflation has arisen, and dealing with this issue has become a challenge. One factor that is believed to be behind soaring prices for various resources is the flow of investment and speculative funds, which are abundant in the market.

In the Americas, the United States has still not emerged from the impact of the subprime loan problem and the Federal Funds interest rate has been kept at a low level. However, although some hold the view that this is a factor behind the weakening of the dollar and the steep rise in resource prices, it has become difficult to adopt measures to control inflation by raising interest rates. In Central and South America, domestic demand was robust primarily in resource-rich Brazil, but the impact of the economic slowdown in the United States, the major trading partner, was significant.

In Europe, the Eurozone economy was generally strong and did not appear to be severely influenced by the U.S. economic slowdown. However, as in the case of other countries, wariness regarding inflation stemming from the steep rise in resource prices has been increasing.

In Asia as well, dealing with the trend of inflation is an issue that is common to each country. Moreover, the region is simultaneously facing the problem of a slowdown in exports, which had supported buoyant economies, and the problem of income in resource-poor nations flowing out of the country because of the rapid rise in resource prices.

In India, there was no sign of a substantial change in capital inflows from other countries, but at the domestic level, the government implemented measures to ease the financial burden associated with inflation, including the deregulation of energy prices.

In China, internal demand remained strong and GDP also continued to show high growth. However, the government continued to carry out monetary tightening.

In the Middle East and Africa, resource-producing countries continued to enjoy vibrant economic conditions, as soaring prices for resources, especially crude oil, also contributed to the expansion of domestic demand. Meanwhile caution regarding prices of commodities has become necessary.

The Japanese economy saw a pickup supported by a recovery in domestic demand and growth in exports to emerging nations. Nevertheless, the economy is now experiencing a striking rise in prices of both producer goods and consumer goods, and daily necessities such as foods are also in an inflationary trend. Furthermore, owing to a slowdown in exports, production activity in the manufacturing sector has entered an adjustment phase. In this environment, domestic firms mainly in the manufacturing sector have started to curb their capital investments amid signs of household budgets cutting back on consumer spending.

As outlined above, although the future outlook for the global economy is uncertain, the Sojitz Group sees this as an opportunity to create new value. Accordingly, we will continue to anticipate market and economic changes and deepen our endeavors related to changes in the industrial structures of emerging nations associated with steep rises in resource prices and domestic demand growth, as well as areas where new demand is produced as a result of those changes.

### **Financial Performance**

Business results for Sojitz Corporation and its consolidated subsidiaries in the first quarter of fiscal 2008 are presented below.

#### **Net sales**

In the first quarter of fiscal 2008, consolidated net sales amounted to ¥1,407,178 million, an increase of 2.2% from the previous fiscal year. Sales grew in the Energy & Mineral Resources Division and the Consumer Lifestyle Business Division as a result of continuing high resource prices and food prices.

#### **Gross trading profit**

Consolidated gross trading profit amounted to ¥68,466 million, a rise of 5.0% from the previous fiscal year. Despite a decline in profits in the condominium business reflecting slump in real estate market, the Energy & Mineral Resources Division performed strongly and the overseas fertilizer business also registered a favorable performance.

#### **Operating income**

Consolidated operating income rose 7.7% year on year to ¥23,550 million. This reflected the rise in gross trading profit, which outweighed an increase in 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 0.5% to ¥28,519 million. Although equity in earnings of unconsolidated subsidiaries and affiliates decreased because of the sale of an agricultural chemical-related company, operating income rose and interest expenses declined due to an improvement in Sojitz's credit rating.

#### **Extraordinary gains and losses**

Extraordinary gains totaled ¥862 million, including gains on the sale of investment securities (¥447 million). Extraordinary losses totaled ¥7,117 million, including devaluation losses associated with a change in accounting standards relating to inventories (¥5,421 million), resulting in a net extraordinary loss of ¥6,255 million.

#### **Net income**

As a result of these and other factors, income before income taxes and minority interests for the first quarter of the fiscal year was ¥22,264 million. After accounting for income taxes (¥5,375 million), deferred income taxes (¥911 million), and minority interests in consolidated subsidiaries (¥1,499 million), Sojitz Corporation posted net income for quarter of ¥16,301 million, a decline of 39.8% from the previous fiscal year.

Results by business segment are shown below.

### **Machinery & Aerospace**

Segment net sales amounted to ¥280,970 million, a decline of 4.7% from the previous fiscal year. Although automobile-related sales were robust and sales also grew in the information and industrial machinery business, these factors were outweighed by a decline in sales in the aircraft business. Although operating income was boosted by an increase in gross trading profit, it fell 10.1% from the previous fiscal year to ¥5,844 million,

partly reflecting the temporary impact of restriction on importing completely built-up vehicles to Venezuela in the automotive business.

### **Energy & Mineral Resources**

Reflecting continuing high resource prices, segment net sales amounted to ¥442,333 million, an increase of 24.1% from the previous fiscal year. Operating income also rose 71.3% to ¥8,663 million mainly due to an increase in gross trading profit driven by the strong performance of the coal and mineral resources businesses.

### **Chemicals & Plastics**

Segment net sales totaled ¥175,284 million, a rise of 2.2% from the previous fiscal year, driven by growth in overseas fertilizer sales. Operating income also grew 1.3% to ¥7,599 million on the back of an increase in gross trading profit stemming from the strong performance of the overseas fertilizer business.

### **Real Estate Development & Forest Products**

Segment net sales declined 13.2% from the previous fiscal year to ¥70,094 million, mainly due to a drop in plywood prices, but profitability continued to improve in the plywood business. However, owing to deteriorating profitability in the domestic condominium business, the segment reported an operating loss of ¥142 million.

### **Consumer Lifestyle Business**

Primarily reflecting growth in foods-related business associated with rising prices, segment net sales increased 9.6% from the same period last year to ¥326,439 million. Operating income also recovered from a loss a year earlier to a profit of ¥358 million, mainly due to higher gross trading profit driven by the strong performance of foods-related business.

### **Overseas Subsidiaries**

Segment net sales totaled ¥86,734 million, falling 41.4% from the previous fiscal year. This reflected a decrease in sales stemming from a change in accounting standards, namely, the unification of accounting criteria for overseas subsidiaries. However, operating income rose 31.1% year on year to ¥640 million due to a decline in SG&A expenses.

### **Other**

Segment net sales dropped 9.3% to ¥25,321 million. The segment also reported a small operating loss of ¥74 million, reflecting slightly weak sales at IT subsidiaries.

## **2. Financial position**

### **Consolidated balance sheet**

Total assets as of June 30, 2008 were ¥2,615,804 million, a decrease of ¥53,548 million from the end of previous fiscal year, March 31, 2008. Although inventories increased by ¥16,617 million from the end of the previous fiscal year mainly due to rises in fertilizer and food prices, fixed tangible assets declined due to the collection of accounts receivable and business withdrawal based on a policy of selection and focus.

With regard to liabilities, 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- and short-term debt ratios. 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 public bond offerings conducted in fiscal 2007 with a bond issue totaling ¥30,000 million in June 2008. 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.

Despite the payment of dividends and a decrease associated with the change in accounting standards, shareholders' equity increased ¥7,040 million from the end of the previous fiscal year to ¥458,659 million due to a rise in net income for the first quarter of fiscal 2008. However, net assets, which includes minority interests, decreased ¥27,278 million from the end of the previous fiscal year to ¥493,049 million. Despite an increase of ¥13,696 million in net unrealized gains on available-for-sale securities in the valuation and translation adjustments section, foreign currency translation adjustment relating to companies whose fiscal year ends in December decreased by ¥44,621 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 ¥45,942 million from the end of the previous fiscal year to ¥964,832 million, resulting in a net debt equity ratio of 2.14.

### **3. Consolidated earnings forecasts**

The assumptions behind Sojitz consolidated earnings forecasts are an exchange rate of ¥100/US\$ and a crude oil price of US\$90/BBL (Brent). In the first quarter of fiscal 2008, the yen was slightly weaker than the Company's exchange rate forecast and the crude oil price was also higher than the Company's assumption. However, from the second quarter onward, we believe it is necessary to adopt a cautious stance regarding the impact of interest rate movements and exchange rate fluctuation in the second half of the fiscal year, in particular. At present, there are no changes to either our cumulative second quarter estimates or our full-year estimates in the consolidated earnings forecasts that we announced on April 30, 2008.