



New way, New value

Financial Results for the 2nd Quarter Ended September 30, 2008

October 29, 2008

Sojitz Corporation



□ Presentation Summary

Overview of the 2nd Quarter financial results for fiscal 2008, the year ending March 31, 2009

- 2nd quarter results (Apr – Sept 2008)
 - Recurring profit : ¥55.5 billion
 - Net income: ¥35.9 billion
- Full-year forecasts
 - Recurring profit: ¥95.0 billion (Revised forecast downwards)
 - Net income: ¥60.0 billion (Initial forecast maintained)
- Interim dividend : ¥4.50 per share
- Recurring Profit by Industry Segment : Overview of current situation and forecasts

Toward sustainable growth

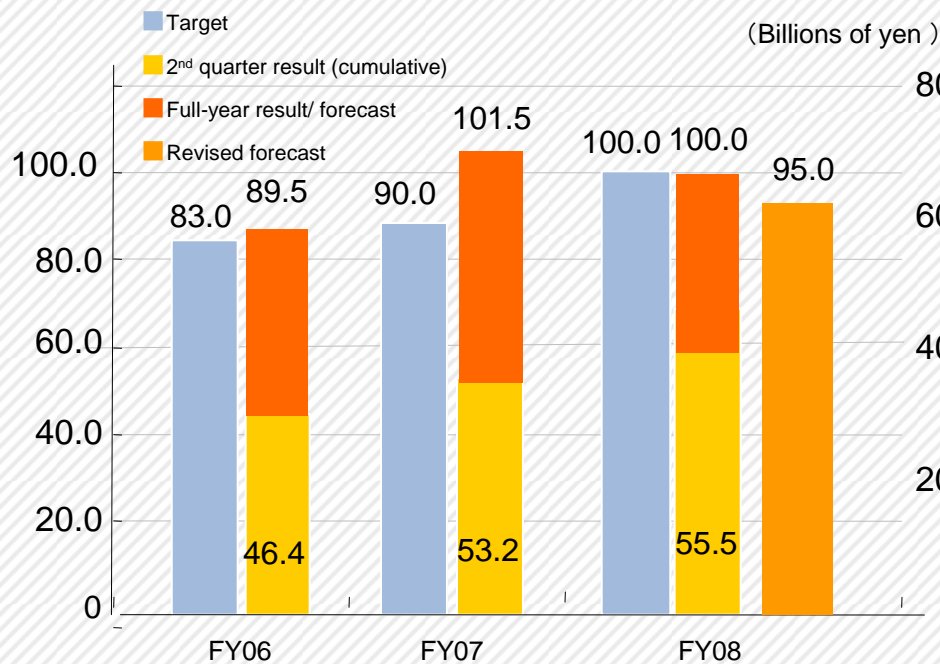
- Profit Structure Improvement
- Strengthening of Financial Constitution and Risk Management
- Toward sustainable growth



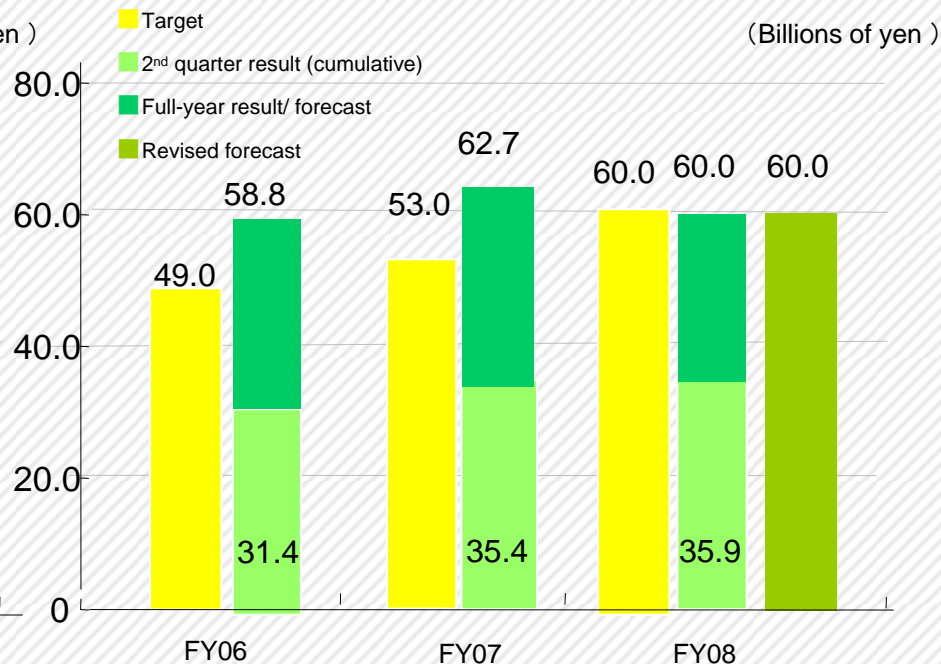
□ Recurring Profit & Net Income

Recurring profit forecast revised downwards; net income initial forecast maintained.

Recurring profit



Net income



□ Summary of P/L Statements

(Billions of yen)

	First-half FY07 results	First-half FY08 results	Y-o-Y Change	Initial FY08 full-year forecast	Percentage achieved	Revised FY08 full-year forecast
Net sales	2,802.5	2,905.1	+102.6 (+4%)	5,800.0	50%	5,800.0
Gross trading profit	134.3	143.7	+9.4 (+7%)	285.0	51%	280.0
Operating income	45.7	50.0	+4.3 (+9%)	95.0	53%	90.0
Recurring profit	53.2	55.5	+2.3 (+4%)	100.0	56%	95.0
Net income	35.4	35.9	+ 0.5 (+1%)	60.0	60%	60.0
Core earnings	56.1	60.9	+4.8 (+9%)	100.0	61%	104.0

□ Summary of Balance Sheets

(Billions of yen)	As of Sep. 30, 2008	As of Mar. 31, 2008	Change		As of Sep. 30, 2008	As of Mar. 31, 2008	Change
Current assets	1,770.2	1,676.0	+94.2	Liabilities	907.0	850.0	+57.0
Investment and other assets	970.3	993.4	▲23.1	Interest-bearing debt	450.3	597.3	▲147.0
Total assets	2,740.5	2,669.4	+71.1	Short-term	882.8	701.8	+181.0
				Long-term	455.6	476.0	▲20.4
				Shareholders' equity*1(Total net assets)	(500.4)	(520.3)	(▲19.9)
				Total liabilities and net assets	2,740.5	2,669.4	+71.1
Risk Assets (to share holder's equity) (times)	370.0 (0.8)	380.0 (0.8)	▲10.0 (0.0)	Shareholder's equity ratio	16.6%	17.8%	▲1.2%
Current ratio (%)	137%	121%	+16%	Net interest-bearing debt	916.5	918.9	▲2.4
Long-term debt ratio (%)	66%	54%	+12%	Net DER (times) (Net DER (times) total net assets basis)	2.0 (1.8)	1.9 (1.8)	+0.1 (+0.0)

*1 Shareholders' equity = Total net assets – Minority interests

□ Market Regarding Product Prices, Exchange Rates and Interest Rates Results

	Initial assumptions for year ending March 31, 2009	Results for Jan.-Jun. 2008	Results for Jul.-Sep. 2008	Results for Jan.-Sep. 2008
Crude oil (Brent)*1	\$90/bbl	\$109.7/bbl	\$117.2/bbl	\$112.2/bbl
Coal (thermal coal)*2	\$110/t	\$129/t	\$163/t	\$140/t
Molybdenum	\$29.5/lb	\$32.9/lb	\$33.5/lb	\$33.1/lb
Vanadium	\$6.5/lb	\$14.4/lb	\$14.0/lb	\$14.2/lb
Exchange rates*3	¥ 100.0/\$	¥ 104.6/\$	¥ 107.0/\$	¥ 105.4/\$
Interest rates (TIBOR)*4	0.97%	0.84% (Apr.-Jun.)	0.85% (Jul.-Sep.)	0.85% (Apr.-Sep.)

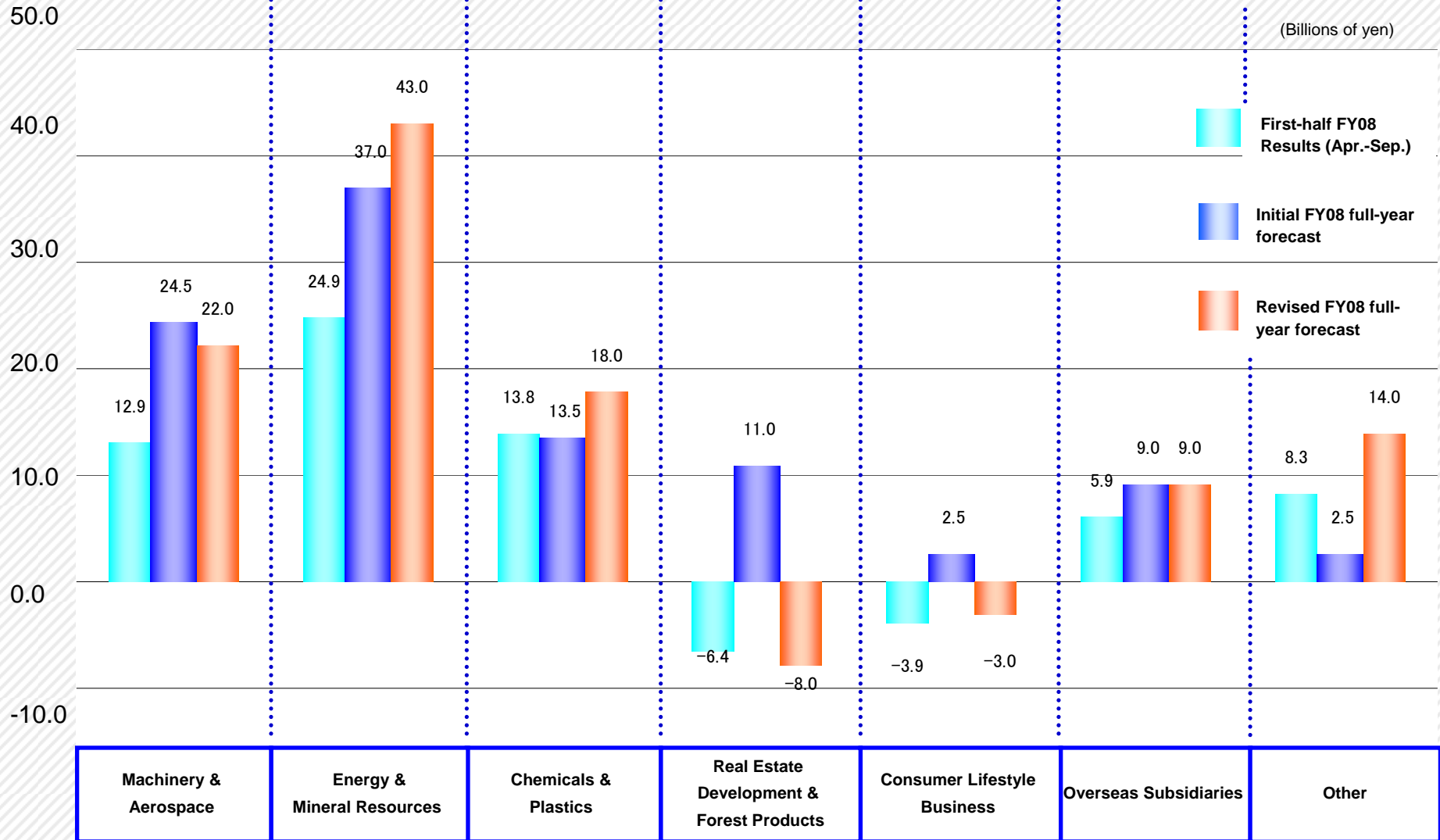
*1 Impact of fluctuations in the crude oil and gas price on earnings: \$1/barrel change alters recurring profit by approx. ¥0.2 billion.

*2: Prices for coal are generally based on contracts for the year, so Sojitz is not impacted by spot market prices. The market results listed above differ from Sojitz's sales prices.

*3: Sensitivity of sales and earnings to exchange rates: An exchange rate change of ¥1/US\$ would alter sales and recurring profit by approx. ¥10 billion and ¥0.3~ ¥0.4 billion, respectively. The effect on the balance sheet would be around ¥1.6 billion on shareholders' equity.

*4: Sensitivity of earnings to interest rates: An interest rate change of 1% would alter annual earnings by around ¥1.5 billion to ¥2.0 billion.

Recurring Profit By Industry Segment



□ Profit Structure Improvement

Progress on the reconfiguration of the textile business, restructuring and consolidation of group companies, and the current status of construction/real estate

Progress on the reconfiguration of the textile business

- Finish as scheduled during the current fiscal year
- Areas of focus: Highly functional materials, OEM, and brand businesses

Construction/
Real estate

- Real estate market conditions have worsened due to financial contraction, resulting in lower profitability for the business
- As an early measure to respond to the downturn in the real estate market, we froze new initiatives effective April 2008

Group companies restructuring and consolidation

- Target companies: 165
- 57 companies eliminated as of September 30, 2008
- Accelerate eliminations, aiming for March 31, 2009

Complete all initiatives listed above during the current fiscal year




□ Strengthening of Financial Constitution and Risk Management

Strengthen the business base to support sustainable growth

Strengthen
financial
constitution

- **Continue approach to improve the stability of the funding structure**
 - Current ratio: 137% (as of September 30, 2008)
 - Long-term debt ratio: 66% (as of September 30, 2008)
- **Establishment of ¥100 billion commitment line complete**
- **Begin introducing CMS (Cash Management System)**

Strengthen
risk
management

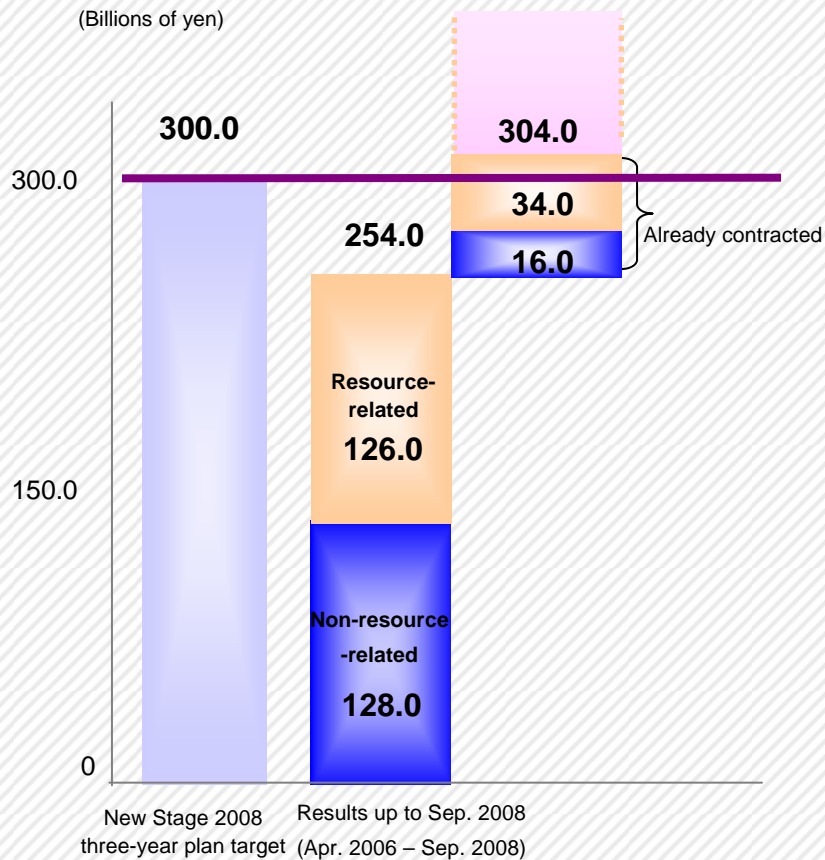
- **Elaborated risk assessment methods for risk assets**
 - **Construct early follow-up structure**
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- **Limit risk assets to less than shareholders' equity, aiming for 80%**

□ Toward Sustainable Growth

Respond to dramatic changes in the business environment and continue a growth strategy aimed at sustainable growth

Achievement of new investments and loans for New Stage 2008

(Billions of yen)



Dramatic changes in the business environment

Continue growth strategies

Strengthen the foundations of management

Sustainable growth

- Appendix : Financial Results for the 2nd Quarter and Fiscal 2008 Forecasts by Industry Segment

□ Machinery & Aerospace Segment

(Billions of yen)

	First-half FY08 results	Initial FY08 full-year forecast	Percentage achieved	Gross Trading Profit Current position and full-year outlook	Revised FY08 full-year forecast
Gross Trading Profit	39.1	75.0	52%		76.0
Automobiles	19.6	36.5	53%	Move up slightly, helped by sales price increases by Venezuela's MAV	37.5
Information and Industrial Machinery	8.9	16.4	54%	Higher than initial forecasts due to strong performance on plant-related transactions	17.5
Aircraft	3.9	8.5	46%	Performance generally in line with initial forecasts	9.0
Ships	6.7	11.6	58%	Higher than initial forecasts due to overall strong performance in the ship-owning business and transactions in equipment for ships	12.5
Recurring Profit	12.9	24.5	53%		22.0

□ Energy & Mineral Resources Segment

(Billions of yen)

	First-half FY08 results	Initial FY08 full-year forecast	Percentage achieved	Gross Trading Profit Current position and full-year outlook	Revised FY08 full-year forecast
Gross Trading Profit	29.8	48.0	62%	<p>Although prices remained high until the third quarter, production volumes at certain sites were lower than anticipated. In addition, a decline in market conditions is predicted in the fourth quarter, with performance generally in line with initial forecasts.</p> <p>Performance is higher than initial forecasts due to higher prices for FY08 yearly contracts</p> <p>Despite the market prices declining, performance is higher than initial forecasts due to overall high prices</p>	53.0
Oil, Gas and LNG	14.0	22.8	61%		23.0
Coal	5.5	7.7	71%		12.5
Mineral Resources	8.9	14.2	63%		15.0
Recurring profit	24.9	37.0	67%		43.0

□ Chemicals and Plastics Segment

(Billions of yen)

	First-half FY08 results	Initial FY08 full-year forecast	Percentage achieved	Gross Trading Profit Current position and full-year outlook	Revised FY08 full-year forecast
Gross Trading Profit	32.0	51.0	63%		52.0
Chemicals	8.7	18.6	47%	Performance falls slightly short of initial forecasts due to buying restraint caused by anticipation of a drop in the price of naphtha and other raw materials	18.0
Plastics	7.2	15.7	46%	Performance falls slightly short of initial forecasts due to buying restraint caused by anticipation of a drop in the price of raw materials	15.0
Fertilizer	11.7	10.8	108%	Overall result exceeds initial forecasts thanks to strong performance in the earlier part of the period, despite pressure on earnings in the later part of the period as a result of reduced sales volumes due to seasonal factors And delays in passing the cost on price increases to customers.	12.5
Methanol	4.4	5.5	80%	Sales volumes declined as a result of unforeseen repairs, but market prices remained high and we are able to cover the gap and outstrip initial forecasts.	6.5
Recurring Profit	13.8	13.5	102%		18.0

Real Estate Development and Forest Products Segment

(Billions of yen)

	First-half FY08 results	Initial FY08 full-year forecast	Percentage achieved	Gross Trading Profit Current position and full-year outlook	Revised FY08 full-year forecast
Gross Trading Profit	5.0	23.5	21%		15.0
Condominiums	▲1.5	4.7	-	Performance falls significantly short of initial forecasts due to worsening conditions in the real estate market	1.3
Development of retail property	▲0.4	5.2	-	Performance falls significantly short of initial forecasts due to delays in handing over some properties and worsening conditions in the real estate market	1.7
Forest products	5.9	11.6	51%	Performance is lower than initial forecasts due to sluggish demand for domestic plywood	11.0
Recurring profit	▲5.7	11.0	-		▲8.0

□ Consumer Lifestyle Business Segment

(Billions of yen)

	First-half FY08 results	Initial FY08 full-year forecast	Percentage achieved	Gross Trading Profit Current position and full-year outlook	Revised FY08 full-year forecast
Gross Trading Profit	16.1	40.0	40%		36.0
Textiles	7.3	21.7	41%	Performance is lower than initial forecasts due to withdrawal from businesses in line with the reconfiguring of the textiles business and sluggish sales of spring and summer items.	17.9
General merchandise	2.1	4.3	51%	Performance generally in line with initial forecasts	4.1
Foods	6.7	14.0	48%	Performance generally in line with initial forecasts	14.0
Recurring profit	▲3.9	2.5	-		▲3.0

□ Overseas Subsidiaries

(Billions of yen)

	First-half FY08 results	Initial FY08 full-year forecast	Percentage achieved	Gross Trading Profit Current position and full-year outlook	Revised FY08 full-year forecast
Gross Trading Profit	13.1	26.0	49%		26.0
Americas	5.5	9.7	57%	Performance generally in line with initial forecasts	9.7
Europe	2.7	4.9	55%	Performance generally in line with initial forecasts	4.9
China	2.0	3.7	54%	Performance generally in line with initial forecasts	3.7
Asia	2.3	5.2	44%	Performance generally in line with initial forecasts	5.2
Recurring profit	5.9	9.0	66%		9.0



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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.