



New way, New value

Three-year Medium-term Management Plan (FY2009–FY2011)

***Shine* 2011**

April 30, 2009

Sojitz Corporation

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**Three-year Medium-term Management Plan
(FY2006 –FY2008)**

New Stage 2008 Review

□ New Stage 2008 Review

FY2006 ~The first half of FY2008

Restructuring completed

- Dividend payments reinstated ⇒ Resumed dividend payment from FY 2006
- Reorganization of capital structure through repurchase and cancellation of preferred shares
⇒ Completed end of September 2007
- Obtained investment-grade rating ⇒ Rated BBB- by S&P in March 2008
(Rated investment grade also by Moody's, R&I and JCR)
- Stabilized funding structure ⇒ (end-March 2009) Current ratio 142%
Long-term debt ratio 67%
September 2008: Contracted long-term commitment line (¥100bn)

Migration towards growth

- New investments and loans (¥300bn) over 3 years to lay groundwork for future growth

The second half of FY2008

Market overhaul in the wake of the financial crisis triggered by the Lehman Bros' collapse

- Were made acutely aware of our low resilience to rapid market changes
- Fell short on the following financial targets:

| | | | | |
|--------|---|-------------------------|---|----------------|
| FY2008 | Recurring profit: | ¥100.0 billion | ⇒ | ¥33.6 billion |
| | Net income: | ¥60.0 billion | ⇒ | ¥19.0 billion |
| | Shareholders' equity: | ¥500.0 billion | ⇒ | ¥319.0 billion |
| | Net D/E ratio (initial target): | approximately 2.0 times | ⇒ | 2.7 times |
| | Ratio of risk assets to shareholders' equity (initial target) | under 1.0 times | ⇒ | 1.1 times |

Three-year Medium-term Management Plan
(FY2009–FY2011)

***Shine* 2011**

□ Sojitz Group Statement and 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 Management Vision

- ◆ Unrelentingly enhance the Group's trading company functions, as demanded by clients, by fully grasping and anticipating clients' diverse needs (Function-oriented trading company)
- ◆ Take advantage of changes and continuously develop new business fields (Innovating trading company)
- ◆ Become a company in which each and every employee can work with pride and pursue challenges and explore opportunities to realize his or her own personal goals and ambitions (Open and flexible company)
- ◆ Seek to harmonize the Group's corporate activities with the society and the environment by consistently putting the Group's statement into practice (Socially contributive company)

□ Shine 2011 Highlights

Establish a strong earnings foundation conducive to sustained growth by improving earning's quality

Key Themes of *Shine 2011*

- Accumulation of high-quality business/assets
 - ✓ Secure medium/long-term earnings foundation
(Build high-quality asset holdings in absolute-volume terms)
- Branch into new business
 - ✓ Cultivate new business in pursuit of sustained growth
(Groundwork for future growth)
- Ensure asset liquidity
 - ✓ Pursue asset structure that is resilient to market fluctuations
- Develop globally competent human resources
 - ✓ Develop human resources capable of achieving sustained growth

Targets to be achieved

- Build an earnings foundation that is resilient to change
- Optimize asset portfolio
 - Net D/E ratio: approximately 2.0 times
 - Risk assets: ratio under 1.0 times

**Toward
sustained
growth**

Consolidated ROA 3%
Consolidated ROE 15%

□ Establishment of Earnings Foundation (1)

Solidify footing (strength fundamentals of existing business)

- Re-examine business model and implement selection and focus initiative to build resilience earnings base to change of environment
- Strengthen fundamentals of main businesses that weighted on FY2008 earnings and select key areas (underway since FY2008)
 - Automobiles
 - Re-examine business model and strengthen foundations of the business, which is a core part of our business
 - Fertilizers
 - We have an overwhelmingly dominant market share and customer base in 3 Asian countries
 - We have largely dealt with our excess inventory. We expect earnings to recover early
 - Real estate development
 - Have suspended new development projects since the start of FY2008
We continue to focus on reducing our inventory of properties for sale
 - After downsizing our inventory of properties, we will specialize in the condominiums business, where we are particularly strong
 - Textiles
 - We completed the restructuring and returned to profitability

□ Establishment of Earnings Foundation (2)

Steady Growth

Securing resources

Environmental awareness

- Ensuring a stable supply of finite resources is a general trading company's social mission
- Controlling for the impact of market trends, we will respond to the increase in demand over the medium-to-long-term
- Utilize our extensive know-how and functional capabilities in business development and structuring
- Informational capabilities and customer base developed through logistics business

Increasing mining interests

- Increasing production from mining interests invested in during New Stage 2008
- Opportunities to replace and accumulate mining interests as a long-term and stable revenue stream
 - ✓ Petroleum, gas, coal, coal, rare metals, and ferrous alloys

Expand resources coverage

- Mineral resources: Industrial salts, Rare earths
- Foodstuff resources: Marine products, Agriculture
- Forest products: Plantation, Timber processing

□ Establishment of Earnings Foundation (3)

Establishing a medium-to-long-term earnings base

| New growth businesses | Environmental awareness | Commitment |
|---|---|---|
| <p>New energy and environment</p> | <ul style="list-style-type: none"> ● Emphasis on the environment is a constant trend ● Expansion and growth potential of environmental business ● Stable medium-to-long-term earnings base <p>⇒ Demand migration from fossil fuels</p> | <ul style="list-style-type: none"> ● Entry into bioethanol business ● Focus resources on nuclear energy, solar panels, and batteries ● Establish Solar Business Development Team <ul style="list-style-type: none"> ➢ Work to build a value chain that covers supply of raw materials, components, and the power generation business |
| <p>Agribusiness</p> | <ul style="list-style-type: none"> ● Growth in food demand due to rise in global population ● Create synergies by utilizing our market share and customer base in the fertilizers business in Asia | <ul style="list-style-type: none"> ● Establish Agribusiness Department <ul style="list-style-type: none"> ➢ Transferred fertilizers business into the department from the former Chemicals & Plastics Division and consolidated agricultural business resources |
| <p>Strategic regional focus (Africa)</p> | <ul style="list-style-type: none"> ● Potential of abundant and undeveloped natural resources ● Contribution to society through development of infrastructure ● Support system backed by Japanese public and private sectors | <ul style="list-style-type: none"> ● Increase staff stationed in Africa to establish one of the largest businesses among general trading companies in the region and cultivate markets ● Move ahead of and differentiate ourselves from industry peers by building Sojitz's strength in Africa |

□ Establishment of Earnings Foundation (4)

Steadfastly solidify footing and execute growth strategy to achieve higher profitability

FY2009
Strengthen foundation for sustained growth

FY2010-11
Establish earnings foundation

After FY2012
Sustained growth

Cultivate future business fundamentals

- New energy and environment
- Agribusiness

Expand Resource business

- Mineral resources
- Foodstuff resources
- Forest products

Energy and Mineral Resources
⇒ Groundwork of NS2008 to be realized through increased production

Expand existing business

- Expand steady revenue streams (plants and marine, etc.)
- Revive automotive and fertilizer business (within FY2009)
- Selectively focus resources on keys areas in the real estate and textiles business

Sustained Growth

□ FY2009's Position in the New Plan

Strengthen foundation in pursuit of sustained growth

- FY2009 Forecast

 - Forecast of Statement of Operations

| | |
|----------------------|----------------|
| Gross trading profit | ¥225.0 billion |
| Recurring profit | ¥45.0 billion |
| Net income | ¥20.0 billion |
| Core earnings | ¥47.5 billion |

 - Forecast of Balance Sheet

| | |
|---------------------------|------------------|
| Total assets | ¥2,320.0 billion |
| Net interest-bearing debt | ¥850.0 billion |
| Shareholders' equity | ¥335.0billion |
| Net D/E ratio | 2.5times |

- FY2009's position in the new plan, Shine 2011

 - Year of strengthening foundation to achieve sustained growth

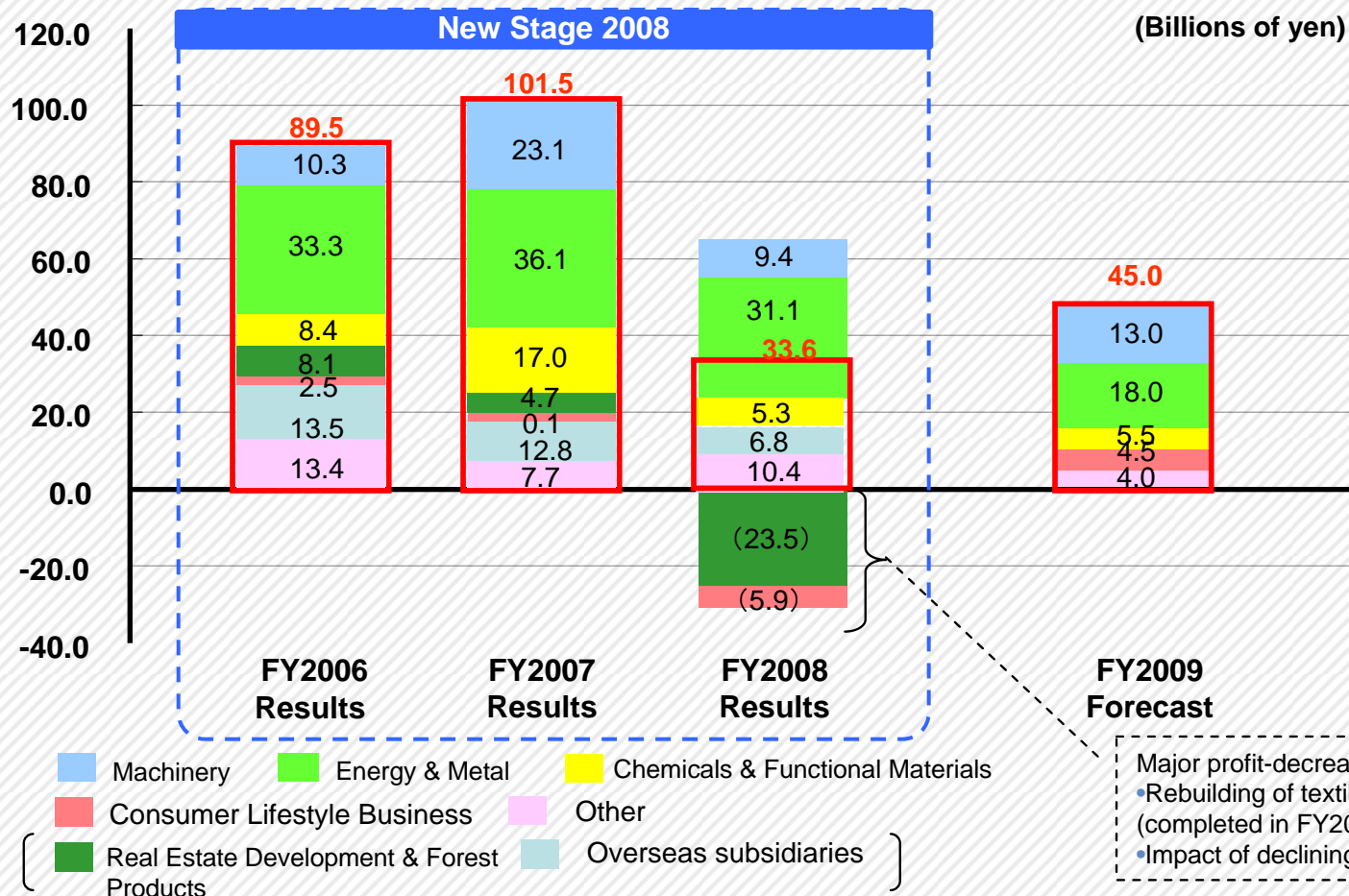
- Planned new investments: ¥70.0 billion

 - Primarily through asset reallocation, make selective investments to accumulate high-quality assets in areas of steady revenue and growth

□ Earnings Forecast for FY2009

Building an optimal business portfolio

Recurring profit by division



Commodity Price, Exchange Rate and Interest Rate Forecasts

| | FY2008 Average | FY2009 Forecast | Average from Jan. to Mar. 2009 |
|-----------------------------|--|--------------------|-----------------------------------|
| Crude oil (Brent) *1 | \$98/bbl | \$55/bbl | \$45.7/bbl |
| Coal (Thermal) *2 | \$127.8/t | \$70/t | \$69.3/t |
| Molybdenum | \$29.1/lb (pound) | \$13/lb | \$8.9/lb |
| Vanadium | \$13.6/lb (pound) | \$5/lb | \$6.1/lb |
| Exchange rate *3 | Dec. year-end: ¥102.8/\$ Mar. year-end: ¥100.7/\$ | ¥90/\$ | ¥95.2/\$ |
| Interest rate (TIBOR) *4 | 0.82% | 0.75% | |

*1 Sensitivity to crude oil prices: Every US\$1/bbl movement in crude oil price equates to approximately ¥200mn change in recurring profits.

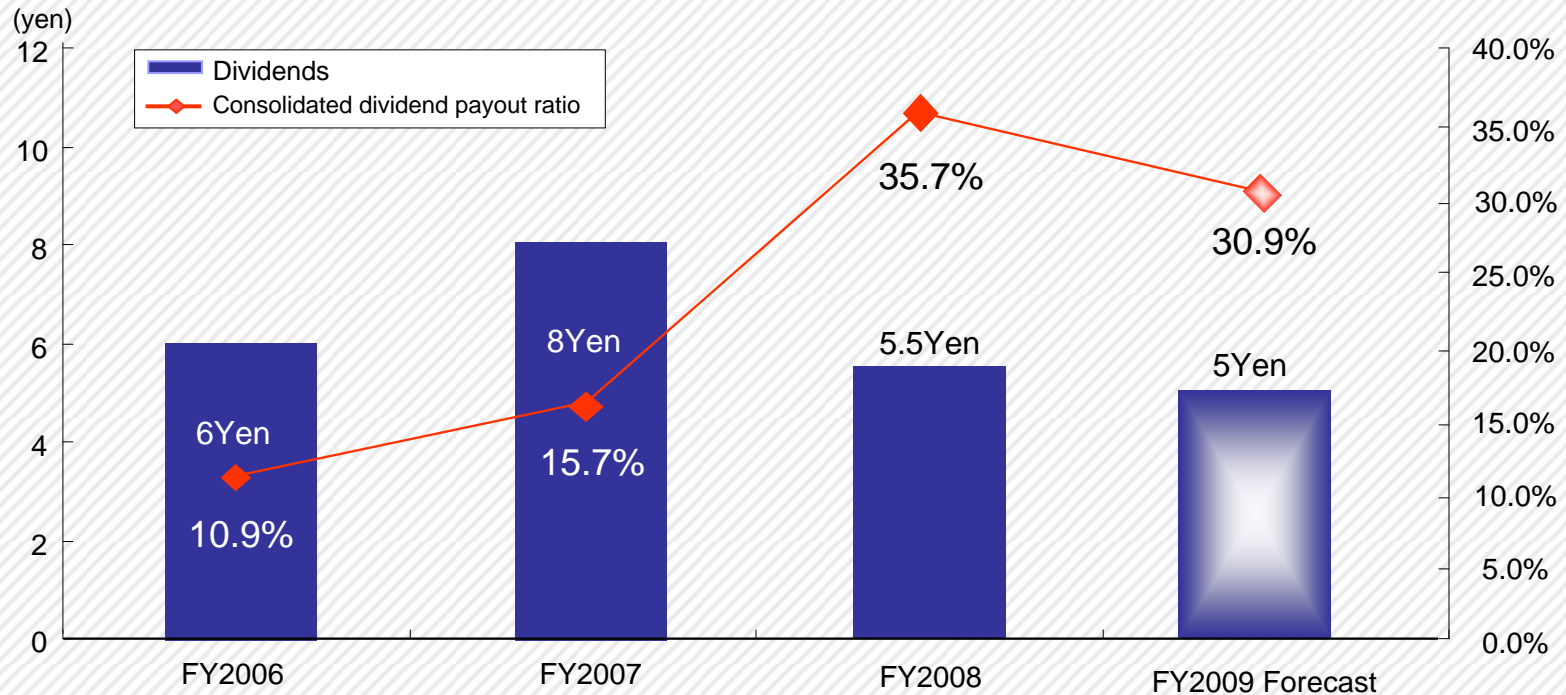
*2 Coal sales are generally priced by annual contract. Coal sales prices are therefore not affected by spot price movements. The above FY2008 coal price differs from Sojitz's sales price.

*3 Exchange rate sensitivity: Every ¥1 movement in JPY/USD rate equates to approximately ¥10bn change in sales, ¥300-400mn change in recurring profit, and ¥1.5bn change in shareholders' equity.

*4 Interest rate sensitivity: Every 100 basis point movement in interest rates equates to approximately ¥1.5-2bn changings.

□ Dividends

Annual Dividends per Share



Note: Consolidated dividend payout ratios were calculated based on common shares outstanding at fiscal year-end.

Basic dividend policy

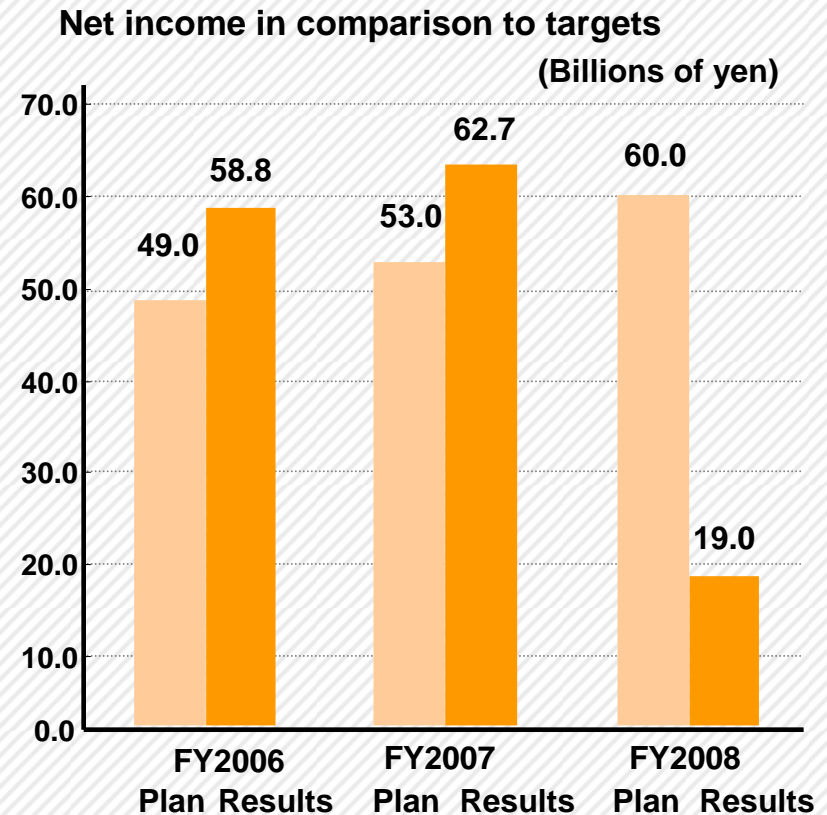
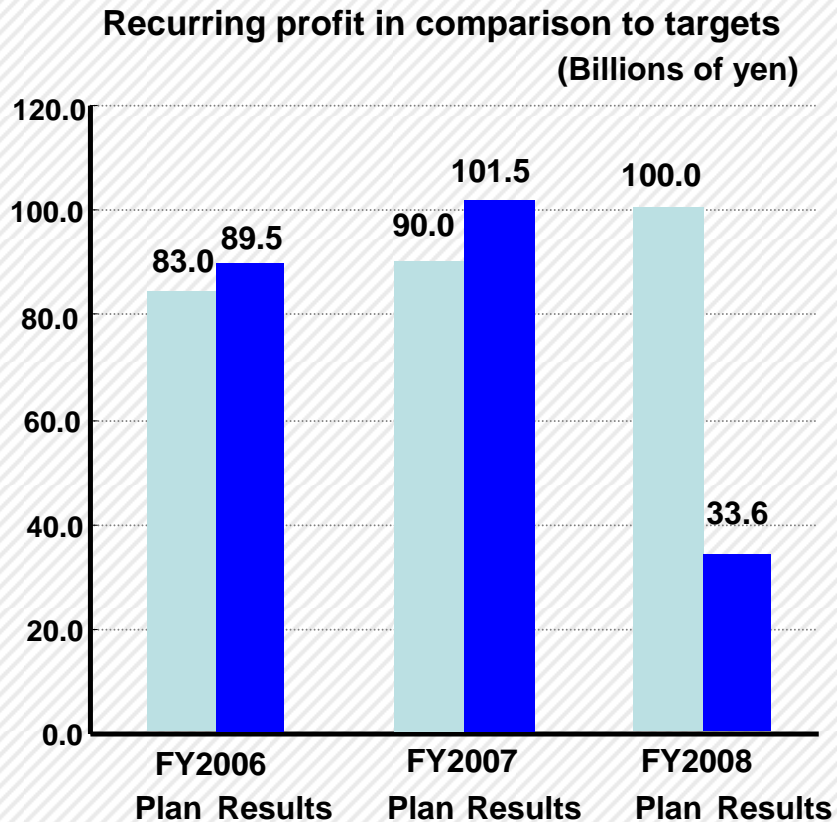
Sojitz recognizes that paying stable, continuous dividends is an important management priority, together with enhancing shareholder value and boosting competitiveness by accumulating and effectively utilizing retained earnings.

- Supplemental data (1)
Summary of Fiscal 2008 Results

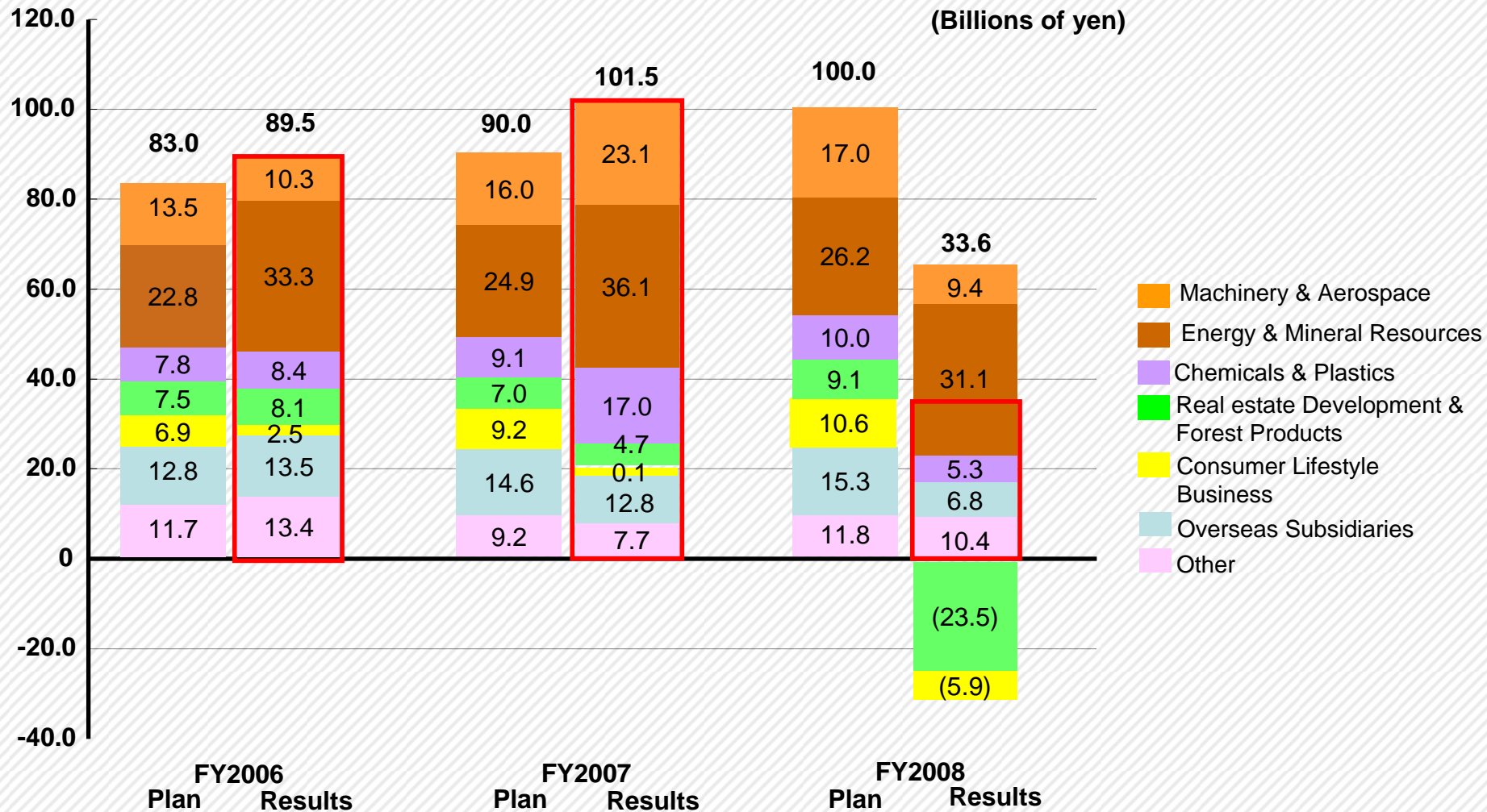
□ Summary of Consolidated Statements of Operations

| | | New Stage 2008 | | | (Billions of yen) |
|----------------------|----------------|----------------|----------------|----------------|-------------------|
| | FY2005 Results | FY2006 Results | FY2007 Results | FY2008 Results | FY2009 Forecast |
| Net sales | 4,972.1 | 5,218.2 | 5,771.0 | 5,166.2 | 4,750.0 |
| Gross trading profit | 242.2 | 254.5 | 277.7 | 235.6 | 225.0 |
| Operating income | 76.2 | 77.9 | 92.4 | 52.0 | 56.0 |
| Recurring profit | 78.8 | 89.5 | 101.5 | 33.6 | 45.0 |
| Net income | 43.7 | 58.8 | 62.7 | 19.0 | 20.0 |
| Core earnings | 78.5 | 89.8 | 110.7 | 48.3 | 47.5 |
| (Reference) | | | | | |
| ROA | 1.8% | 2.3% | 2.4% | 0.8% | 0.9% |
| ROE | 12.4% | 12.8% | 13.0% | 4.8% | 6.1% |

□ New Stage 2008 Review - Recurring Profit & Net Income



□ New Stage 2008 Review - Recurring Profit by Segment

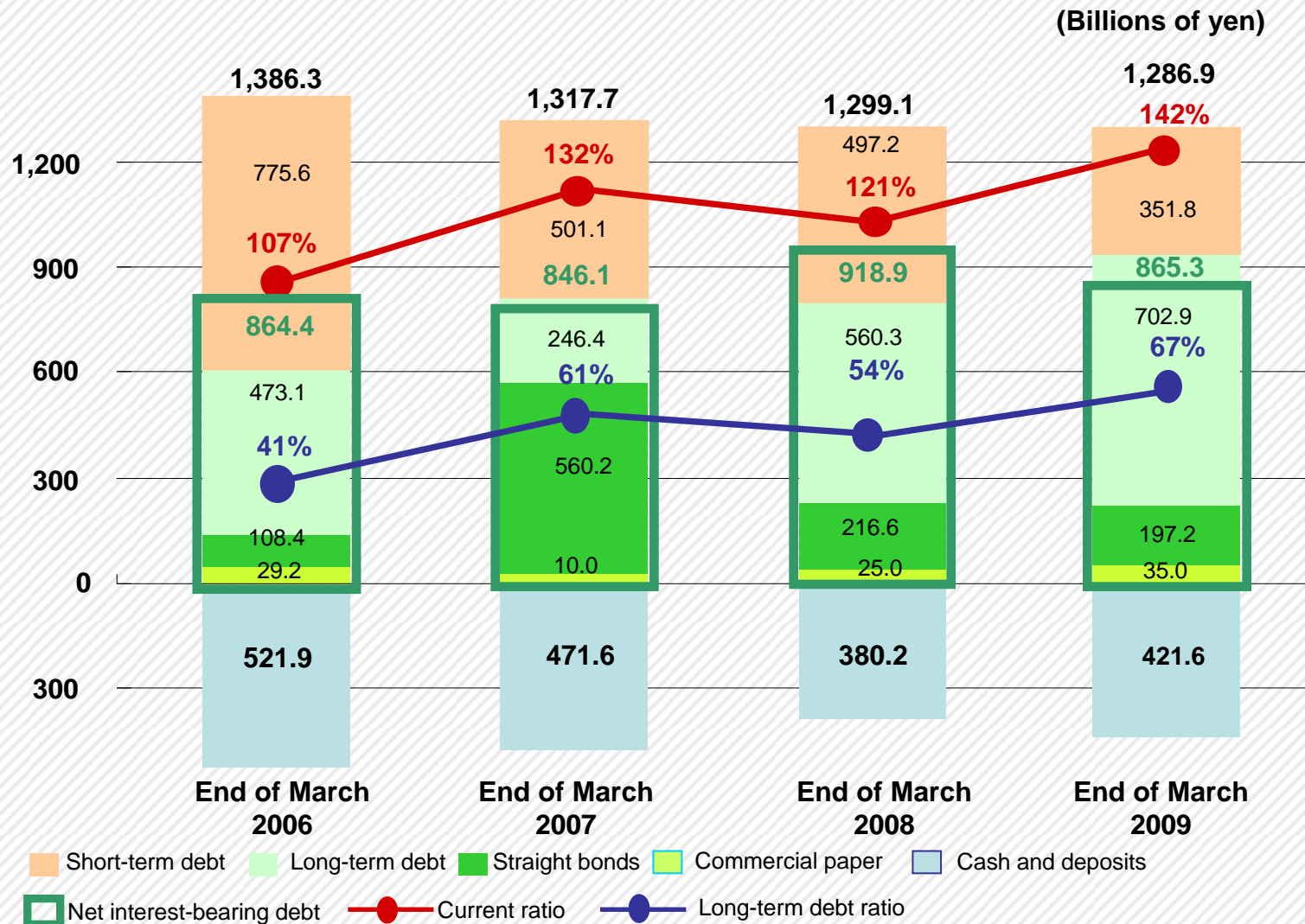


□ Summary of Consolidated Balance Sheets

| | | (Billions of yen) | | | | | | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---|----------------------------------|------------|-------------------|-------------------|-------------------|-------------------|
| | | End of March 2006 | End of March 2007 | End of March 2008 | End of March 2009 | | | End of March 2006 | End of March 2007 | End of March 2008 | End of March 2009 |
| Current assets | | 1,510.5 | 1,615.1 | 1,676.0 | 1,473.2 | Liabilities | | 671.3 | 770.2 | 850.0 | 670.6 |
| | | | | | | Interest-bearing debt | Short-term | 814.2 | 512.0 | 597.3 | 428.9 |
| Investment and other assets | | 1,011.2 | 1,004.4 | 993.4 | 839.8 | | Long-term | 572.1 | 805.7 | 701.8 | 858.0 |
| | | | | | | Shareholders' equity *1 | | 427.0 | 488.6 | 476.0 | 319.0 |
| Total assets | | 2,521.7 | 2,619.5 | 2,669.4 | 2,313.0 | Total net assets | | 464.1 | 531.6 | 520.3 | 355.5 |
| | | | | | | Total liabilities and net assets | | 2,521.7 | 2,619.5 | 2,669.4 | 2,313.0 |
| Risk assets <i>Vs. shareholders' equity</i> | 380.0 <i>0.9 times</i> | 360.0 <i>0.7 times</i> | 380.0 <i>0.8 times</i> | 350.0 <i>1.1 times</i> | Shareholders' equity ratio (%) | | 16.9% | 18.7% | 17.8% | 13.8% | |
| Current ratio (%) | 107% | 132% | 121% | 142% | Net interest-bearing debt | | 864.4 | 846.1 | 918.9 | 865.3 | |
| Long-term debt ratio (%) | 41% | 61% | 54% | 67% | Net DER (times) <i>Net D/E ratio based on total net assets</i> | | 2.0 1.9 | 1.7 1.6 | 1.9 1.8 | 2.7 2.4 | |

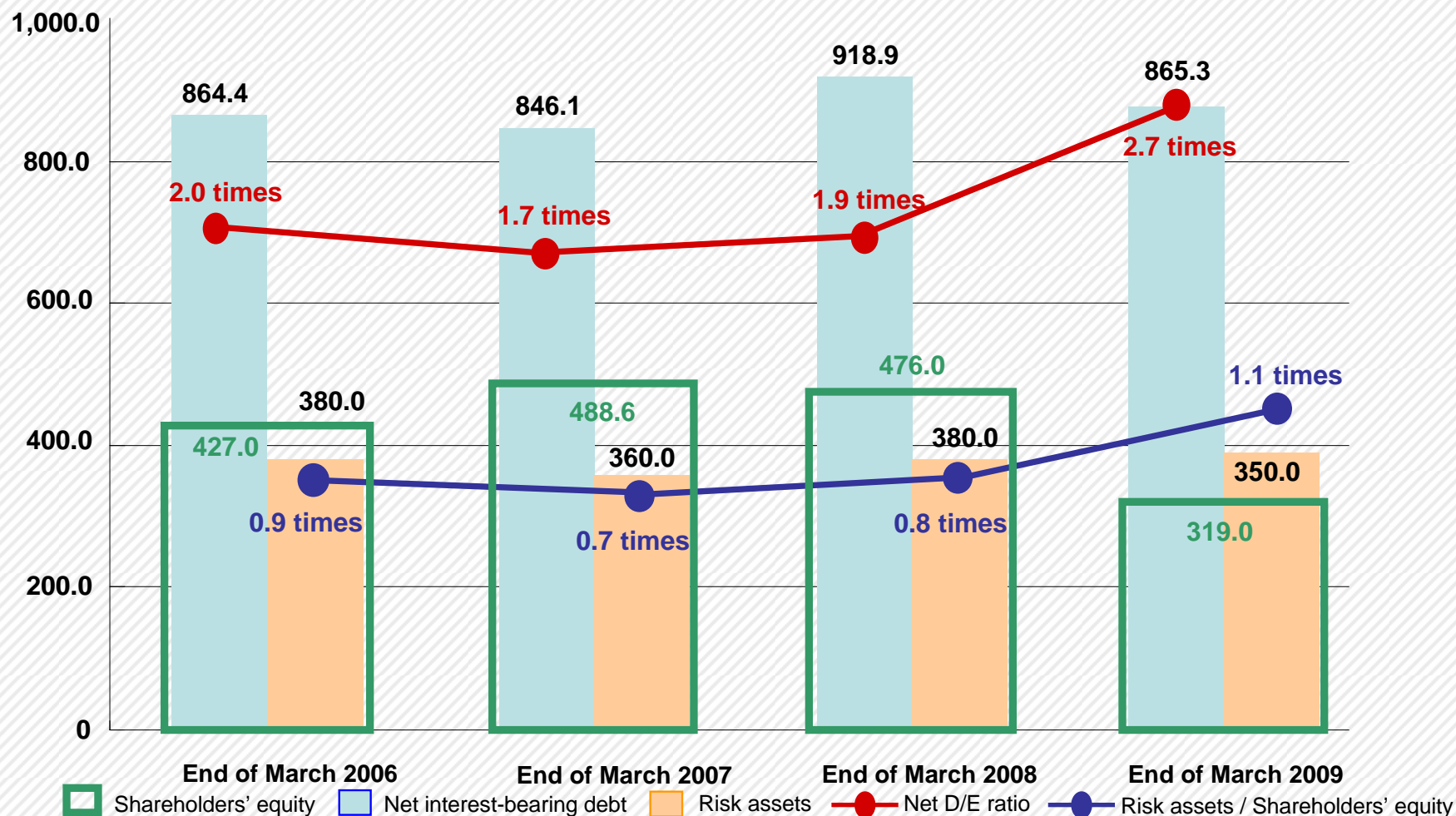
*1 Shareholders' equity = Total net assets - Minority interests

□ New Stage 2008 Review - Interest-bearing Debt



□ New Stage 2008 Review - Net interest-bearing Debt and Risk Assets

(Billions of yen)



■ Supplemental data (2)
Earnings Forecast by Business Segment

□ Machinery Division

(billions of yen)

| | FY2009 Forecast | Near-term Business Environment and <i>Shine 2011</i> Strategy | FY2009 Forecast |
|---|-------------------------|---|---------------------|
| | Gross trading profit | | Recurring profit |
| Automotive Unit | 29.0 | The global decline in demand in the wake of the financial crisis prompted inventory destocking and production-level reductions. Unit sales are consequently expected to remain low. We will strength our existing core businesses, expand the distributor business, and cultivate the dealership business and other retail businesses. | 13.0 |
| Plant, Industrial Machinery & IT Business Unit | 32.0 | Revenue is expected to increase in the plant business due to an increase in machinery transactions. We will continue working to accrue order backlog by winning new orders in the plant business. With regard to the IT business, we will strengthen the business foundation of the IT-services business, with Nissho Electronics at the core. | |
| Marine & Aerospace Unit | 15.5 | Revenue is expected to decline in the ship-owning business due a slowdown in the market for ships. We will keep close watch of vessel market trends while reinforcing our ship-owning business and increasing revenue. | |
| Division total | 76.5 | | |

□ Energy & Metal Division

(billions of yen)

| | FY2009 Forecast Gross trading profit | Near-term Business Environment and <i>Shine 2011</i> Strategy | FY2009 Forecast Recurring profit |
|------------------------|---|---|-------------------------------------|
| Energy & Nuclear Unit | 19.5 | A moderate recovery is anticipated in energy markets toward 2H due to a slowdown in oil production in OPEC countries and the effect of China's economic stimulus package. We will add to investments in existing projects and work to expand alternative energy businesses by building upstream interests in nuclear and sustainable energy. | 18.0 |
| Mineral Resources Unit | 21.5 | A gradual recovery is anticipated toward 2H as the steel market recovers moderately. Enhance synergy with logistics by solidifying earnings foundation through increased coal production while investing in mining interests and other upstream investment opportunities. | |
| Steel Business Unit | 3.0 | A moderate recovery is anticipated due to a gradual recovery in steel materials markets as inventory levels undergo correction. Lay groundwork for the future by investing in iron ore interests and expanding commercial distribution. | |
| Division total | 44.0 | | |

□ Chemicals & Functional Materials Division

(billions of yen)

| | FY2009 Forecast | Near-term Business Environment and <i>Shine 2011</i> Strategy | FY2009 Forecast |
|---------------------------------|----------------------|--|------------------|
| | Gross trading profit | | Recurring profit |
| Chemicals Unit | 15.5 | Prices are expected to trend upward due to recovery in the demand-supply balance. We will expand our value chains in rare earths and industrial salts over the medium to long term. | 5.5 |
| Functional Material Unit | 22.0 | We expect a moderate recovery in functional-materials transaction volume due to the effect of China's economic stimulus package and inventory corrections. We will expand our value chains in LCDs and other high-performance electronics materials where we see solid demand prospects. | |
| Division total | 37.5 | | |

□ Consumer Lifestyle Business Division

(billions of yen)

| | FY2009 Forecast | Near-term Business Environment and <i>Shine 2011</i> Strategy | FY2009 Forecast |
|---|-------------------------|---|---------------------|
| | Gross trading profit | | Recurring profit |
| Foods Resources Unit | 21.0 | Fertilizer inventory corrections are now complete, and foodstuff market prices have settled. We expect a return to profitability. Over the medium to long term, we will expand overseas business, and we will treat foodstuffs as resources, secure marine produce resources, and launch forays into agribusiness. | 4.5 |
| General Commodities & Textile Unit | 21.0 | We completed low profitable business withdrawals in conjunction with the restructuring of the textiles business. Going forward, we build earnings foundation in strategic businesses. | |
| Forest Products & Real Estate Development Unit | 14.5 | In the real estate business, we will specialize in newly developed condominiums while focusing on selling existing properties. Over the medium to long term, we will strengthen upstream business and overseas business in forest products. | |
| Division total | 56.5 | | |



sojitz

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.