

Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2010

July 30, 2010
Sojitz Corporation

Results Highlights

1. Sojitz net sales and gross profit for the first quarter ended June 30, 2010, were up year on year. This resulted from increased transaction volume and the recovery of commodity prices in line with the moderate economic recovery. However, some businesses suffered from lower transaction volume. Performance improved at our equity method affiliates, and our equity in earnings of affiliates also increased. As a result, ordinary income and net income rose year on year.

(Figures in parentheses represent year-on-year changes.)

Net sales: 958.3 billion yen (+61.2 billion yen / +6.8%)

- Increase in Energy & Metal due to increase in ferroalloys etc. transaction volume and price recoveries.

- Increase in Chemicals & Plastics due to increase in methanol prices and demand recovery in Asia.

Gross profit: 44.8 billion yen (+7.2 billion yen / +19.1%)

- Improvement of profitability in overseas fertilizer business

- Increase in Chemicals due to increase in methanol prices etc.

Ordinary income: 10.8 billion yen (+15.9 billion yen)

- Improvement of operating income due to increase in gross profit

- Increase in equity in earnings of affiliates including steel-business company etc.

Net income: 6.6 billion yen (+8.2 billion yen)

- Improvement due to improvement of ordinary income

2. Forecast for fiscal 2010 (fiscal year ending March 31, 2011)

Net sales 4,210.0 billion yen

Operating income 40.0 billion yen

Ordinary income 26.0 billion yen

Net income 11.0 billion yen

Assumptions:

- Exchange rate (annual average: JPY/US\$ = 90)

- Crude oil price (US\$/BBL) = 80 (Brent)

3. Cash dividend per common stock for fiscal 2010 (forecast)

Interim: 1.50 yen per share

Year-end: 1.50 yen per share

Consolidated Statements of Profit and Loss

(Billions of yen)

	FY2010 (1st Quarter) Results	FY2009 (1st Quarter) Results	Change a - b	Reasons for change	Full-year	Achieved a/c
	a	b			FY2010 forecast c	
Net sales	958.3	897.1	61.2	Net sales Energy & Metal +34.3 Chemicals & Functional Materials +29.4 Machinery +2.3 Consumer Lifestyle Business (4.3)	4,210.0	23%
Gross profit	44.8	37.6	7.2	Gross profit Consumer Lifestyle Business +5.0 Chemicals & Functional Materials +2.6 Energy & Metal +0.9 Machinery (0.9)	205.0	22%
Gross profit margin	4.67%	4.19%	0.48%		4.87%	
Personnel expenses	(19.6)	(20.0)	0.4			
Non-personnel expenses	(15.5)	(16.0)	0.5			
Depreciation	(1.3)	(1.3)	0.0			
Subtotal	(36.4)	(37.3)	0.9			
Provision of allowance for doubtful accounts	(0.5)	(1.9)	1.4			
Amortization of goodwill	(1.3)	(1.3)	0.0			
Total selling, general and administrative expenses	(38.2)	(40.5)	2.3		(165.0)	23%
Operating income	6.6	(2.9)	9.5		40.0	17%
Operating income margin	0.69%	-			0.95%	
Interest income	1.0	1.5	(0.5)			
Interest expenses	(6.1)	(6.9)	0.8			
Interest expenses - net	(5.1)	(5.4)	0.3			
Dividends income	1.3	2.0	(0.7)			
Net financial revenue	(3.8)	(3.4)	(0.4)			
Equity in earnings of affiliates	8.3	0.5	7.8	Steel-business company +3.8 Bioethanol production company +2.5		
Other income and expenses - net	(0.3)	0.7	(1.0)			
Total non operating income/losses - net	4.2	(2.2)	6.4		(14.0)	-
Ordinary income	10.8	(5.1)	15.9		26.0	42%
Gain on sales of noncurrent assets	1.8			Gain on sale of an owned ship etc.		
Gain on sales of investment securities	0.2					
Gain on change in equity	0.1					
Gain on negative goodwill	0.3					
Reversal of allowance for doubtful accounts	0.4					
Total extraordinary income	2.8	3.7	(0.9)			
Loss on sales and retirement of noncurrent assets	(0.1)					
Impairment loss	(0.6)					
Loss on revaluation of securities	(0.2)					
Loss on change in equity	(0.5)					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(0.9)					
Loss on adjustment for changes of accounting standards for asset retirement obligations	(1.0)			Start-of-year adjustment due to changes to accounting standards		
Total extraordinary losses	(3.3)	(0.6)	(2.7)			
Extraordinary income/losses - net	(0.5)	3.1	(3.6)		0.0	-
Income before income taxes and minority interests	10.3	(2.0)	12.3		26.0	40%
Income taxes: Current	(2.1)	(1.6)	(0.5)			
Deferred	(1.3)	1.8	(3.1)			
Total income taxes	(3.4)	0.2	(3.6)			
Income before minority interests	6.9	(1.8)	8.7		13.0	53%
Minority interests in income	(0.3)	0.2	(0.5)			
Net income	6.6	(1.6)	8.2		11.0	60%
Core earnings	11.6	(3.9)	15.5			

Notes:

1. Core earnings

Core earnings = Operating income (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividends income + Equity in earnings of 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. Actual results may differ from those expressed or implied by forward-looking statements due to various 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

(Billions of yen)

	June. 30	Mar. 31	Change d - e	Reasons for change
	2010 d	2010 e		
Current assets	1,292.0	1,285.3	6.7	
Cash and deposits	431.4	455.7	(24.3)	Loan repayments; increased use of funds due to increase in transaction volume
Notes and accounts receivable - trade	473.2	462.3	10.9	Due to increase in machinery and forest products business
Short-term investment securities	6.6	6.1	0.5	
Inventories	270.5	248.6	21.9	Due to increase in cigarettes and fertilizer business
Short-term loans receivable	8.3	7.9	0.4	
Deferred tax assets	14.2	13.5	0.7	
Other	97.5	100.2	(2.7)	
Allowance for doubtful accounts	(9.7)	(9.0)	(0.7)	
Noncurrent assets	858.7	875.2	(16.5)	
Property, plant and equipment	216.9	222.7	(5.8)	
Goodwill	53.2	54.3	(1.1)	
Intangible assets	62.4	60.1	2.3	
Investment securities	316.0	327.8	(11.8)	Due to decrease in stock prices etc.
Long-term loans receivable	24.8	25.1	(0.3)	
Bad debts	84.4	88.4	(4.0)	
Deferred tax assets	62.9	61.4	1.5	
Real estate for investment	53.4	53.3	0.1	
Other	39.4	39.3	0.1	
Allowance for doubtful accounts	(54.7)	(57.2)	2.5	
Deferred assets	0.4	0.4	0.0	
Total assets	2,151.1	2,160.9	(9.8)	
Liabilities	842.3	841.5	0.8	
Notes and accounts payable - trade	394.8	377.4	17.4	Due to increase in machinery and fertilizer business
Short-term loans payable	239.4	256.7	(17.3)	Decrease due to repayments
Commercial papers	7.0	10.0	(3.0)	
Current portion of bonds	50.1	40.1	10.0	Reclassification of current portion +20.0, decrease due to bond redemptions (10.0)
Other	151.0	157.3	(6.3)	
Noncurrent liabilities	938.1	942.0	(3.9)	
Bonds payable	113.4	123.6	(10.2)	Issuance +10.0, reclassification of current portion (20.0)
Long-term loans payable	765.9	763.1	2.8	
Provision for retirement benefits	12.5	13.3	(0.8)	
Other	46.3	42.0	4.3	
Total liabilities	1,780.4	1,783.5	(3.1)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	151.7	146.5	5.2	Net income +6.6, Effect of changes to accounting standards (1.3)
Treasury stock	(0.2)	(0.2)	0.0	
Total shareholders' equity	464.0	458.8	5.2	
Valuation difference on available-for-sale securities	7.4	14.8	(7.4)	Decrease due to decline in stock prices etc.
Deferred gains or losses on hedges	1.9	2.4	(0.5)	
Revaluation reserve for land	(2.1)	(2.1)	0.0	
Foreign currency translation adjustment	(125.2)	(121.5)	(3.7)	Decrease due to overseas subsidiaries' translation adjustments
Total valuation and translation adjustments	(118.0)	(106.4)	(11.6)	
Minority interests	24.7	25.0	(0.3)	
Total net assets	370.7	377.4	(6.7)	
Total liabilities and net assets	2,151.1	2,160.9	(9.8)	

Gross interest-bearing debt	1,175.8	1,193.5	(17.7)
Net interest-bearing debt	744.4	737.8	6.6
Net debt/equity ratio (times)	* 2.15	* 2.09	0.06
Shareholders' equity ratio	* 16.1%	* 16.3%	(0.2%)
Current ratio	153.4%	152.7%	0.7%
Long-term debt ratio	74.8%	74.3%	0.5%

* The figure for equity used as the denominator in the debt/equity ratio and the numerator in the shareholders' equity ratio excludes minority interests.

Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2010 - Supplementary Material

July 30, 2010
Sojitz Corporation

(Billions of yen)

P/L						
	FY2010 Apr.-Jun. Results	FY2009 Apr.-Jun. Results	Change	FY2010 Full-year Forecast	Achieved	FY2009 Results
Net sales	958.3	897.1	61.2	4,210.0	22.8%	3,844.4
Gross profit	44.8	37.6	7.2	205.0	21.9%	178.2
Gross profit margin	4.67%	4.19%	0.48%	4.87%		4.64%
Machinery	12.0	12.9	(0.9)	61.0	19.7%	56.2
Energy & Metal	9.7	8.8	0.9	47.0	20.6%	37.1
Chemicals and Functional Materials	9.1	6.5	2.6	37.0	24.6%	31.9
Consumer Lifestyle Business	12.4	7.4	5.0	53.0	23.4%	46.5
Other	1.6	2.0	(0.4)	7.0	22.9%	6.5
Selling, general and administrative expenses	(38.2)	(40.5)	2.3	(165.0)	23.2%	(162.1)
Operating income	6.6	(2.9)	9.5	40.0	16.5%	16.1
Operating income margin	0.69%	-		0.95%		0.42%
Non-operating income/expenses - net	4.2	(2.2)	6.4	(14.0)	-	(2.4)
Ordinary income¹	10.8	(5.1)	15.9	26.0	41.5%	13.7
Ordinary income margin	1.13%	-		0.62%		0.36%
Machinery	(2.5)	(3.6)	1.1	(1.5)	-	(4.1)
Energy & Metal	8.8	1.1	7.7	21.0	41.9%	12.6
Chemicals and Functional Materials	1.8	(1.3)	3.1	5.0	36.0%	2.9
Consumer Lifestyle Business	1.0	(5.5)	6.5	1.5	66.7%	(4.1)
Other	1.7	4.2	(2.5)	0.0	-	6.4
Extraordinary income/losses - net	(0.5)	3.1	(3.6)	0.0	-	5.2
Income before income taxes and minority interests	10.3	(2.0)	12.3	26.0	39.6%	18.9
Income before minority interests	6.9	(1.8)	8.7	13.0	53.1%	10.6
Net income	6.6	(1.6)	8.2	11.0	60.0%	8.8
Machinery	(1.7)	(3.0)	1.3	(4.0)	-	1.0
Energy & Metal	6.3	0.8	5.5	15.5	40.6%	23.5
Chemicals and Functional Materials	0.9	(0.8)	1.7	2.5	36.0%	1.2
Consumer Lifestyle Business	0.2	(3.4)	3.6	0.0	-	(3.2)
Other	0.9	4.8	(3.9)	(3.0)	-	(13.7)
Core earnings²	11.6	(3.9)	15.5	33.5	34.6%	14.4

¹ Effective this fiscal year (ending March 31, 2011), logistics and services operations related to airlines and airport retail were reclassified from the Other segment into the Consumer Lifestyle Business Division. Additionally, certain changes were made to the methods by which expenses are internally allocated. Results for April-June 2009 are based on these new segment classifications and expense allocation methods.

² Core earnings = Operating income (before provision of allowance for doubtful receivables and write-offs) + Net interest expenses + Dividends income + Equity in earnings of affiliates

Main factors behind changes	FY2010 current position and outlook
Machinery Division - Decrease in gross profit due to declines in charterage in the ship-owning business and earnings of automotive companies in Central and South America, despite increases in transaction volumes in the plant and industrial machinery businesses - Increase in ordinary income and net income due to improvements in SG&A expenses, increase in equity in earnings of affiliates, and gain on sale of an owned ship	Machinery Division -Progress is largely on target. Despite their poor performance in the fiscal first quarter, automotive companies in Central and South America and the Russia/NIS region are expected to recover, as anticipated, as operations stabilize and inventory levels normalize. Moreover, we expect plant-related equipment transaction volumes to increase, mainly in emerging countries.
Energy & Metal Division - Increase in gross profit, reflecting higher prices and increase in transaction volumes in ferroalloy businesses - Dramatic increase in ordinary income and net income due to increase in equity in earnings of affiliates attributable to a steel-business company, where performance was firm, and a bioethanol production company, which booked a one-time gain resulting from a business integration.	Energy & Metal Division -Progress was steady, mainly in steel-related businesses, owing to strong first-quarter demand for steel in overseas markets, including China. With regard to the fiscal second half, however, an increasingly uncertain outlook for market prices is a source of concern, although coal production volume is expected to rise.
Chemicals & Functional Materials Division - Increase in earnings due to increased transaction volume resulting from demand recovery in China and elsewhere in Asia and higher methanol prices	Chemicals & Functional Materials Division -We expect the division to perform largely in line with our outlook on the back of steady progress in the trading business, reflecting a recovery of demand, mainly in China and elsewhere in Asia, in the first quarter.
Consumer Lifestyle Business Division - Increase in gross profit, ordinary income, and net income due to substantial increase in the foodstuff business in conjunction with improvements in profitability in the overseas fertilizer business	Consumer Lifestyle Business Division -Progress was steady in the first quarter, reflecting strong performance in the overseas fertilizer business. We expect full-year performance to be in line with forecasts, however, due to seasonal factors that will affect the overseas fertilizer business from the fiscal second half.
Other - Decrease due to decrease in equity in earnings of affiliates and non-recurrence of the previous fiscal year's extraordinary income items	Other -Progress is largely on target

(Billions of yen)

B/S				
	June 30, 2010	March 31, 2010	Change	March 31, 2011 Forecast
Total assets	2,151.1	2,160.9	(9.8)	2,120.0
Shareholders' equity³	346.0	352.4	(6.4)	360.0
Total net assets	370.7	377.4	(6.7)	-
Shareholders' equity ratio (%)	16.1%	16.3%	(0.2%)	17.0%
Net interest-bearing debt	744.4	737.8	6.6	800.0
Net D/E ratio (times)	2.15	2.09	0.06	2.2
Net D/E ratio based on total net assets (times)	2.01	1.95	0.06	

³ Shareholders' equity = Total net assets - Minority interests

⁴ Forward-looking Statements

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Commodity Prices and Exchange Rates

	FY2009 Average	FY2010 Forecast	2010 Results		
			Jan. - Mar. '10 Avg.	Apr. - Jun. '10 Avg.	Jan. - Jun. '10 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$62.6/bbl	\$80/bbl	\$76.2/bbl	\$78.3/bbl	\$77.3/bbl
Thermal Coal**2 (\$/t)	\$72.5/t	\$98/t	\$94.4/t	\$99.9/t	\$97.2/t
Molybdenum (\$/lb)	\$11.0/lb	\$15/lb	\$15.6/lb	\$16.4/lb	\$16.0/lb
Nickel (\$/lb)	\$6.7/lb	\$7/lb	\$9.1/lb	\$10.2/lb	\$9.6/lb
Exchange rate**3 (¥/\$)	Dec. year-end ¥93.7/\$ Mar. year-end ¥92.6/\$	¥90/\$	¥90.7/\$	¥91.3/\$	¥91.0/\$

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

² Prices for the majority of the thermal coal traded by Sojitz are fixed by annual contracts during the previous fiscal year. The effect of the most recent spot prices is negligible. Market forecasts and averages in the above table differ from our sales prices.

³ Impact of fluctuations in the exchange rate on earnings: A ¥1/\$ change alters net sales by approx. ¥4.0 billion, ordinary income by approx. ¥0.1 billion, and shareholders' equity by approx. ¥1.5 billion.