

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2010

October 29, 2010
Sojitz Corporation

Results Highlights

1. Sojitz's net sales, gross profit, and ordinary income for the second quarter ended September 30, 2010, were up year on year. These increases resulted from a recovery in commodity prices and increased demand for our products due to economic growth in emerging countries such as China and elsewhere in Asia.
On the other hand, Sojitz's net income dropped year on year. The decline was due to non-recurrence of gains on sales of investment securities that we booked in the year-earlier first half (ended September 30, 2009) and restructuring losses that we booked in the first half ended September 30, 2010, both of which were associated with reallocation of asset holdings.

Net sales: 1,965.2 billion yen (+78.8 billion yen / +4.2%)
- Increase in net sales from Energy & Metal due to increase in price of and trading volumes for ferroalloys etc.
- Increase in net sales from Chemicals and Functional Materials mainly due to (i) increase in chemical product and plastic trading volumes reflecting demand recoveries in China and elsewhere in Asia and (ii) increase in methanol prices
- Increase in net sales from Consumer Lifestyle Business due to cigarettes demand ahead of price increase

Gross profit: 93.7 billion yen (+8.6 billion yen / +10.1%)
- Increase in gross profit from Consumer Lifestyle Business due to overseas fertilizer business's profitability improved
- Increase in gross profit from Chemicals & Functional Materials due to (i) higher sales reflecting demand recovery in China and elsewhere in Asia and (ii) methanol price increases.
- Increase in gross profit from Energy & Metal due to increase in price and trading volume increases for ferroalloys etc..

Ordinary income: 22.2 billion yen (+20.7 billion yen / +1332.5%)
- Operating income improved due to increase in gross profit
- Increase in equity in earnings of affiliates, including steel-business company

Net income: 9.1 billion yen (-10.9 billion yen / -54.4%)
- Decrease due to capitalization of restructuring losses despite increase in ordinary income

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

Sojitz has revised its full-year forecast as follows:

	As of Apr. 30	As of Oct. 29
Net sales	4,210.0 billion yen ==> 4,180.0 billion yen	
Operating income	40.0 billion yen ==> 40.0 billion yen	
Ordinary income	26.0 billion yen ==> 40.0 billion yen	
Net income	11.0 billion yen ==> 12.0 billion yen	

Initial assumptions:

- Exchange rate (annual average: JPY/US\$ = 90)
- Crude oil price (US\$/BBL) = 80 (Brent)

3. Cash dividend per common stock for fiscal 2010

Interim: 1.50 yen per share
Year-end: 1.50 yen per share (forecast)

Consolidated Statements of Income

(Billions of yen)

	FY2010 1st half			FY2009 1st half		FY2010 forecast		Reasons for change
	Results a	1st quarter	2nd quarter	Results b	Change a - b	c	Percentage achieved a/c	
Net sales	1,965.2	958.3	1,006.9	1,886.4	78.8	4,180.0	47%	
Gross profit	93.7	44.8	48.9	85.1	8.6	202.0	46%	
Gross profit margin	4.77%	4.67%	4.86%	4.51%	0.26%	4.83%		
Personnel expenses	(39.6)	(19.6)	(20.0)	(39.6)	0.0			
Non-personnel expenses	(31.4)	(15.5)	(15.9)	(32.7)	1.3			
Depreciation	(2.6)	(1.3)	(1.3)	(2.6)	0.0			
Subtotal	(73.6)	(36.4)	(37.2)	(74.9)	1.3			
Provision of allowance for doubtful accounts	(0.1)	(0.5)	0.4	(2.2)	2.1			
Amortization of goodwill	(2.6)	(1.3)	(1.3)	(2.6)	0.0			
Total selling, general and administrative expenses	(76.3)	(38.2)	(38.1)	(79.7)	3.4	(162.0)	47%	
Operating income	17.4	6.6	10.8	5.4	12.0	40.0	44%	
Operating income margin	0.89%	0.69%	1.07%	0.29%	0.60%	0.96%		
Interest income	2.0	1.0	1.0	2.6	(0.6)			
Interest expenses	(12.3)	(6.1)	(6.2)	(13.6)	1.3			
Interest expenses - net	(10.3)	(5.1)	(5.2)	(11.0)	0.7			
Dividends income	1.6	1.3	0.3	3.3	(1.7)			
Net financial revenue	(8.7)	(3.8)	(4.9)	(7.7)	(1.0)			
Equity in earnings of affiliates	11.2	8.3	2.9	2.5	8.7			Steel-business company +4.5 Bioethanol production company +2.1
Other income and expenses - net	2.3	(0.3)	2.6	1.3	1.0			
Non operating income/losses - net	4.8	4.2	0.6	(3.9)	8.7	0.0	-	
Ordinary income	22.2	10.8	11.4	1.5	20.7	40.0	56%	
Gain on sales of noncurrent assets	1.8	1.8	0.0					Gain on sale of an owned ship, etc.
Gain on sales of investment securities	0.5	0.2	0.3					
Gain on change in equity	0.1	0.1	0.0					
Gain on negative goodwill	0.3	0.3	-					
Reversal of allowance for doubtful accounts	0.8	0.4	0.4					
Total extraordinary income	3.5	2.8	0.7	27.3	(23.8)			
Loss on sales and retirement of noncurrent assets	(0.3)	(0.1)	(0.2)					
Impairment loss	(1.3)	(0.6)	(0.7)					
Loss on sales of investment securities	(0.4)	(0.2)	(0.2)					
Loss on change in equity	(0.7)	(0.5)	(0.2)					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(1.1)	(0.9)	(0.2)					
Restructuring losses	(5.0)	-	(5.0)					Losses due to asset reallocations
Loss on adjustment for changes of accounting standards for asset retirement obligations	(1.0)	(1.0)	-					Start-of-year adjustment due to changes to accounting standards
Total extraordinary losses	(9.8)	(3.3)	(6.5)	(4.5)	(5.3)			
(Extraordinary income/losses - net)	(6.3)	(0.5)	(5.8)	22.8	(29.1)	(10.0)	-	
Income before income taxes and minority interests	15.9	10.3	5.6	24.3	(8.4)	30.0	53%	
Income taxes: Current	(5.0)	(2.1)	(2.9)	(3.6)	(1.4)			
Deferred	(0.3)	(1.3)	1.0	(0.4)	0.1			
Total income taxes	(5.3)	(3.4)	(1.9)	(4.0)	(1.3)			
Income before minority interests	10.6	6.9	3.7	20.3	(9.7)	15.0	71%	
Minority interests in income	(1.5)	(0.3)	(1.2)	(0.3)	(1.2)			
Net income	9.1	6.6	2.5	20.0	(10.9)	12.0	76%	
Core earnings	20.0	11.6	8.4	2.4	17.6			

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, except ratio data)

	Sep. 30	Mar. 31	Change d - e	Reasons for change
	2010 d	2010 e		
Current assets	1,248.2	1,285.3	(37.1)	
Cash and deposits	430.8	455.7	(24.9)	Decrease due to bond redemptions and loan repayments
Notes and accounts receivable - trade	459.8	462.3	(2.5)	
Short-term investment securities	7.9	6.1	1.8	
Inventories	231.9	248.6	(16.7)	Decrease in cigarettes and increase in fertilizers
Short-term loans receivable	8.0	7.9	0.1	
Deferred tax assets	15.4	13.5	1.9	
Other	103.4	100.2	3.2	
Allowance for doubtful accounts	(9.0)	(9.0)	0.0	
Noncurrent assets	826.4	875.2	(48.8)	
Property, plant and equipment	210.3	222.7	(12.4)	
Goodwill	52.0	54.3	(2.3)	
Intangible assets	59.5	60.1	(0.6)	
Investment securities	312.7	327.8	(15.1)	Decrease due to decline in stock prices, etc.
Long-term loans receivable	15.1	25.1	(10.0)	
Bad debts	80.9	88.4	(7.5)	
Deferred tax assets	61.7	61.4	0.3	
Real estate for investment	53.1	53.3	(0.2)	
Other	38.8	39.3	(0.5)	
Allowance for doubtful accounts	(57.7)	(57.2)	(0.5)	
Deferred assets	0.3	0.4	(0.1)	
Total assets	2,074.9	2,160.9	(86.0)	
Liabilities	825.3	841.5	(16.2)	
Notes and accounts payable - trade	403.9	377.4	26.5	Increase due to cigarettes and fertilizer raw materials purchasing
Short-term loans payable	248.7	256.7	(8.0)	
Commercial paper	2.0	10.0	(8.0)	
Current portion of bonds	30.0	40.1	(10.1)	Decrease due to bond redemptions (30.1), reclassification of current portion +20.0
Other	140.7	157.3	(16.6)	
Noncurrent liabilities	893.1	942.0	(48.9)	
Bonds payable	113.2	123.6	(10.4)	Reclassification of current portion (20.0), issuance +10.0
Long-term loans payable	725.2	763.1	(37.9)	Decrease due to reclassification of current portion and increase due to raising of long-term funds
Provision for retirement benefits	12.7	13.3	(0.6)	
Other	42.0	42.0	0.0	
Total liabilities	1,718.4	1,783.5	(65.1)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	154.5	146.5	8.0	Net income +9.1 Effect of changes to accounting standards (1.3)
Treasury stock	(0.2)	(0.2)	0.0	
Total shareholders' equity	466.8	458.8	8.0	
Valuation difference on available-for-sale securities	7.5	14.8	(7.3)	Decrease due to decline in stock prices, etc.
Deferred gains or losses on hedges	1.2	2.4	(1.2)	
Revaluation reserve for land	(2.2)	(2.1)	(0.1)	
Foreign currency translation adjustment	(142.0)	(121.5)	(20.5)	Decrease due to overseas subsidiaries' translation adjustments
(Total valuation and translation adjustments)	(135.5)	(106.4)	(29.1)	
Minority interests	25.2	25.0	0.2	
Total net assets	356.5	377.4	(20.9)	
Total liabilities and net assets	2,074.9	2,160.9	(86.0)	
Gross interest-bearing debt	1,119.1	1,193.5	(74.4)	
Net interest-bearing debt	688.3	737.8	(49.5)	
Net debt/equity ratio (times)	2.08	2.09	(0.01)	*The figure for equity used as the denominator in the debt/equity ratio and the numerator in the shareholders' equity ratio excludes minority
Shareholders' equity ratio	16.0%	16.3%	(0.3%)	
Current ratio	151.2%	152.7%	(1.5%)	
Long-term debt ratio	74.9%	74.3%	0.6%	

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2010 - Supplementary Material

October 29, 2010
Sojitz Corporation

(Billions of yen)

P/L

	FY2010 Apr.-Sep. Results	FY2009 Apr.-Sep. Results	Change	FY2010 Initial Full-year Forecast	Achieved	FY2010 Revised Full-year Forecast
Net sales	1,965.2	1,886.4	78.8	4,210.0	46.7%	4,180.0
Gross profit	93.7	85.1	8.6	205.0	45.7%	202.0
Gross profit margin	4.77%	4.51%	0.26%	4.87%		4.83%
Machinery	27.4	28.4	(1.0)	61.0	44.9%	60.0
Energy & Metal	19.2	17.3	1.9	47.0	40.9%	46.0
Chemicals and Functional Materials	18.5	14.1	4.4	37.0	50.0%	37.0
Consumer Lifestyle Business	25.8	21.3	4.5	53.0	48.7%	52.0
Other	2.8	4.0	(1.2)	7.0	40.0%	7.0
Selling, general and administrative expenses	(76.3)	(79.7)	3.4	(165.0)	46.2%	(162.0)
Operating income	17.4	5.4	12.0	40.0	43.5%	40.0
Operating income margin	0.89%	0.29%	0.60%	0.95%		0.96%
Non-operating income/expenses - net	4.8	(3.9)	8.7	(14.0)	-	0.0
Ordinary income^{*1}	22.2	1.5	20.7	26.0	85.4%	40.0
Ordinary income margin	1.13%	0.08%	1.05%	0.62%		0.96%
Machinery	0.6	(2.8)	3.4	(1.5)	-	2.0
Energy & Metal	13.2	3.9	9.3	21.0	62.9%	25.0
Chemicals and Functional Materials	3.7	(1.1)	4.8	5.0	74.0%	6.0
Consumer Lifestyle Business	2.2	(3.9)	6.1	1.5	146.7%	4.5
Other	2.5	5.4	(2.9)	0.0	-	2.5
Extraordinary income/losses - net	(6.3)	22.8	(29.1)	0.0	-	(10.0)
Income before income taxes and minority interests	15.9	24.3	(8.4)	26.0	61.2%	30.0
Income before minority interests	10.6	20.3	(9.7)	13.0	81.5%	15.0
Net income	9.1	20.0	(10.9)	11.0	82.7%	12.0
Machinery	0.6	(1.8)	2.4	(4.0)	-	0.0
Energy & Metal	9.9	15.0	(5.1)	15.5	63.9%	17.0
Chemicals and Functional Materials	2.0	(0.7)	2.7	2.5	80.0%	3.0
Consumer Lifestyle Business	0.4	(2.4)	2.8	0.0	-	1.0
Other	(3.8)	9.9	(13.7)	(3.0)	-	(9.0)
Core earnings^{*2}	20.0	2.4	17.6	33.5		40.0

^{*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-September 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
<p>Machinery Division</p> <ul style="list-style-type: none"> - Decrease in gross profit reflecting decline in earnings of an automotive company in the Central and South America region, despite increase in automotive unit sales and increased trading volume in the plant-related business. - 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. <p>Energy & Metal Division</p> <ul style="list-style-type: none"> - increase in gross profit due to higher prices and increase in trading volume in ferroalloy businesses. - Decrease in net income due to decrease in gains on sale of investment securities, due to non-recurrence of such gains booked in the previous fiscal year, despite dramatic increase in ordinary income, reflecting increases in equity in earnings of affiliates attributable to a steel-business company, where performance is firm, and a bioethanol production company, which booked a one-time gain resulting from a business integration. <p>Chemicals & Functional Materials Division</p> <ul style="list-style-type: none"> - Increase in earnings due to increase in trading volume resulting from demand recovery in China and elsewhere in Asia and higher methanol prices. <p>Consumer Lifestyle Business Division</p> <ul style="list-style-type: none"> - Significant increase in gross profit, ordinary income, and net income due to substantial increase in foodstuff business earnings in line with improvements in profitability in the overseas fertilizer businesses. <p>Other</p> <ul style="list-style-type: none"> - Decline in ordinary income and net income due to decrease in equity in earnings of affiliates and booking of extraordinary losses. 	<p>Machinery Division</p> <ul style="list-style-type: none"> - Forecasts upwardly revised in light of improved performance; notably, the automotive business booked greater-than-projected automotive unit sales in Southeast Asia and the Central and South America region. <p>Energy & Metal Division</p> <ul style="list-style-type: none"> - Progress was steady, mainly in steel-related businesses, owing to buoyant first-half demand for steel in China and other overseas markets. Forecasts upwardly revised to reflect expectations of strong sales of coal and other commodities through the fiscal second half. <p>Chemicals & Functional Materials Division</p> <ul style="list-style-type: none"> - We expect solid performance, marked by increases in trading volumes in response to demand recoveries in China and elsewhere in Asia. <p>Consumer Lifestyle Business Division</p> <ul style="list-style-type: none"> - Forecasts upwardly revised to reflected continued favorable performance in the overseas fertilizer business. <p>Other</p> <ul style="list-style-type: none"> - Forecast of net income downwardly revised in response to the booking of extraordinary losses, despite an upward revision to the ordinary income forecast due to an improvement in net interest expenses.

B/S

(Billions of yen)

	September 30, 2010	March 31, 2010	Change	March 31, 2011 Initial Full-year Forecast	March 31, 2011 Revised Full-year Forecast
Total assets	2,074.9	2,160.9	(86.0)	2,120.0	2,090.0
Shareholders' equity^{*3}	331.3	352.4	(21.1)	360.0	330.0
Total net assets	356.5	377.4	(20.9)	-	-
Shareholders' equity ratio (%)	16.0%	16.3%	(0.3%)	17.0%	15.8%
Net interest-bearing debt	688.3	737.8	(49.5)	800.0	770.0
Net D/E ratio (times)	2.08	2.09	(0.01)	2.2	2.3
Net D/E ratio based on total net assets (times)	1.93	1.95	(0.02)	-	-
Risk assets	300.0	320.0	(20.0)	-	-
Ratio of risk assets to shareholder's equity (times)	0.9	0.9	+ 0.00	-	-

^{*3} Equity = Total net assets - Minority interests

^{*4} Forward-looking Statements

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Commodity Prices and Exchange Rates

	FY2009 Average	FY2010 Initial forecast	2010 Results		
			Jan. - Jun. '10 Avg.	Jul. -Sep. '10 Avg.	Jan. -Sep. '10 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$62.6/bbl	\$80/bbl	\$77.3/bbl	\$76.9/bbl	\$77.1/bbl
Thermal Coal**2 (\$/t)	\$72.5/t	\$98/t	\$97.2/t	\$93.6/t	\$96.0/t
Molybdenum (\$/lb)	\$11.0/lb	\$15/lb	\$16.1/lb	\$15.0/lb	\$15.7/lb
Nickel (\$/lb)	\$6.7/lb	\$7/lb	\$9.6/lb	\$9.8/lb	\$9.7/lb
Exchange rate**3 (¥/\$)	Dec. year-end ¥93.7/\$	¥90/\$	¥91.0/\$	¥85.0/\$	¥89.0/\$
	Mar. year-end ¥92.6/\$				

^{**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 averages in the above table differ from our sales prices.

^{**3} Impact of fluctuations in the exchange rate on earnings: A ¥1/US\$ change alters net sales by approx. ¥4.0 billion, ordinary income by approx. ¥0.2 billion, and shareholders' equity by approx. ¥1.5 billion.