

**Financial Results for the Second Quarter  
Ended September 30, 2010**

***Shine*  2011**

**October 29, 2010**

**Sojitz Corporation**

### Forward-looking Statements

This document contains forecasts of business performance and other forward-looking statement. All such forward-looking statements are based on currently available information and certain assumptions that the Company believes to be reasonable. Therefore, actual results may differ materially from those expressed or implied by the above forecasts due to economic conditions in major domestic and overseas markets, foreign exchange rate movements, and other factors.

## ■ Financial Results for the 2<sup>nd</sup> Quarter



## □ Summary of P/L Statements

We have revised our forecast of ordinary income in light of strong progress toward targets driven by a recovery of earnings power

(Billions of Yen)

	First-half FY10 Results	First-half FY09 Results	Change	Initial Full-year FY10 Forecast	Achieved	Revised Full-year FY10 Forecast
Net sales	1,965.2	1,886.4	+78.8 (+4%)	4,210.0	47%	4,180.0
Gross profit	93.7	85.1	+8.6 (+10%)	205.0	46%	202.0
Operating income	17.4	5.4	+12.0 (+222%)	40.0	44%	40.0
Ordinary income	22.2	1.5	20.7 (+1333%)	26.0	85%	40.0
Net income	9.1	20.0	-10.9 (-54%)	11.0	83%	12.0
Core earnings	20.0	2.4	+17.6 (+733%)	33.5	60%	40.0

## □ Summary of Balance Sheets

### Financial Soundness Maintained

				(Billions of Yen)					
		As of Sep. 30, 2010	As of Mar. 31, 2010	Change			As of Sep. 30, 2010	As of Mar. 31, 2010	Change
Current assets		1,248.2	1,285.3	-37.1	Interest-bearing debt	Short-term	280.7	306.8	-26.1
					Long-term	838.4	886.7	-48.3	
	Other liabilities				599.3	590.0	+9.3		
Investment and other assets		826.7	875.6	-48.9	Shareholders' equity *1		331.3	352.4	-21.1
Total assets		2,074.9	2,160.9	-86.0	Total net assets		(356.5)	(377.4)	(-20.9)
Risk assets <i>Vs. shareholders' equity</i>		300.0 (0.9 times)	320.0 (0.9 times)	-20.0 (0.0 times)	Total liabilities and net assets		2,074.9	2,160.9	-86.0
Current ratio (%)		151%	153%	-2%	Shareholders' equity ratio (%)		16.0%	16.3%	-0.3%
Long-term debt ratio (%)		75%	74%	+1%	Net interest-bearing debt		688.3	737.8	-49.5
					Net DER (times)		2.1	2.1	±0.0
					<i>Net D/E ratio based on total net assets</i>		(1.9)	(2.0)	(-0.1)

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

## □ Commodity Price, Exchange Rate, and Interest Rate Forecast

	FY2010 Initial Forecast	2010 Result (Jan. – Jun. Avg.)	2010 Result (Jul. – Sep Avg.)	2010 Result (Jan. – Sep. Avg.)
Crude oil (Brent)*1	\$80/bbl	\$77.3/bbl	\$76.9/bbl	\$77.1/bbl
Coal (Thermal Coal)*2	\$98/t	\$97.2/t	\$93.6/t	\$96.0/t
Molybdenum	\$15/lb	\$16.1/lb	\$15.0/lb	\$15.7/lb
Nickel	\$7/lb	\$9.6/lb	\$9.8/lb	\$9.7/lb
Exchange rate*3	¥ 90/\$	¥ 91.0/\$	¥ 85.0/\$	¥ 89.0/\$
Interest rate (TIBOR)*4	0.75%	0.40%(Apr.-Jun.)	0.37%(Jul.-Sep.)	0.38%(Apr. – Sep.)

\*1 Sensitivity to crude oil prices: Every US\$1/bbl movement in crude oil price equates to an approximately ¥0.2bn change in ordinary income.

\*2 Coal (thermal) sales are generally priced by annual contract. Coal sales prices are therefore not affected by spot price movements. The results of FY2010 coal price in the above table differs from Sojitz's sales price.

\*3 Exchange rate sensitivity: Every ¥1 movement in JPY/USD rate equates to approximately ¥4.0bn change in sales, ¥0.2bn change in ordinary income, and ¥1.5bn change in shareholders' equity.

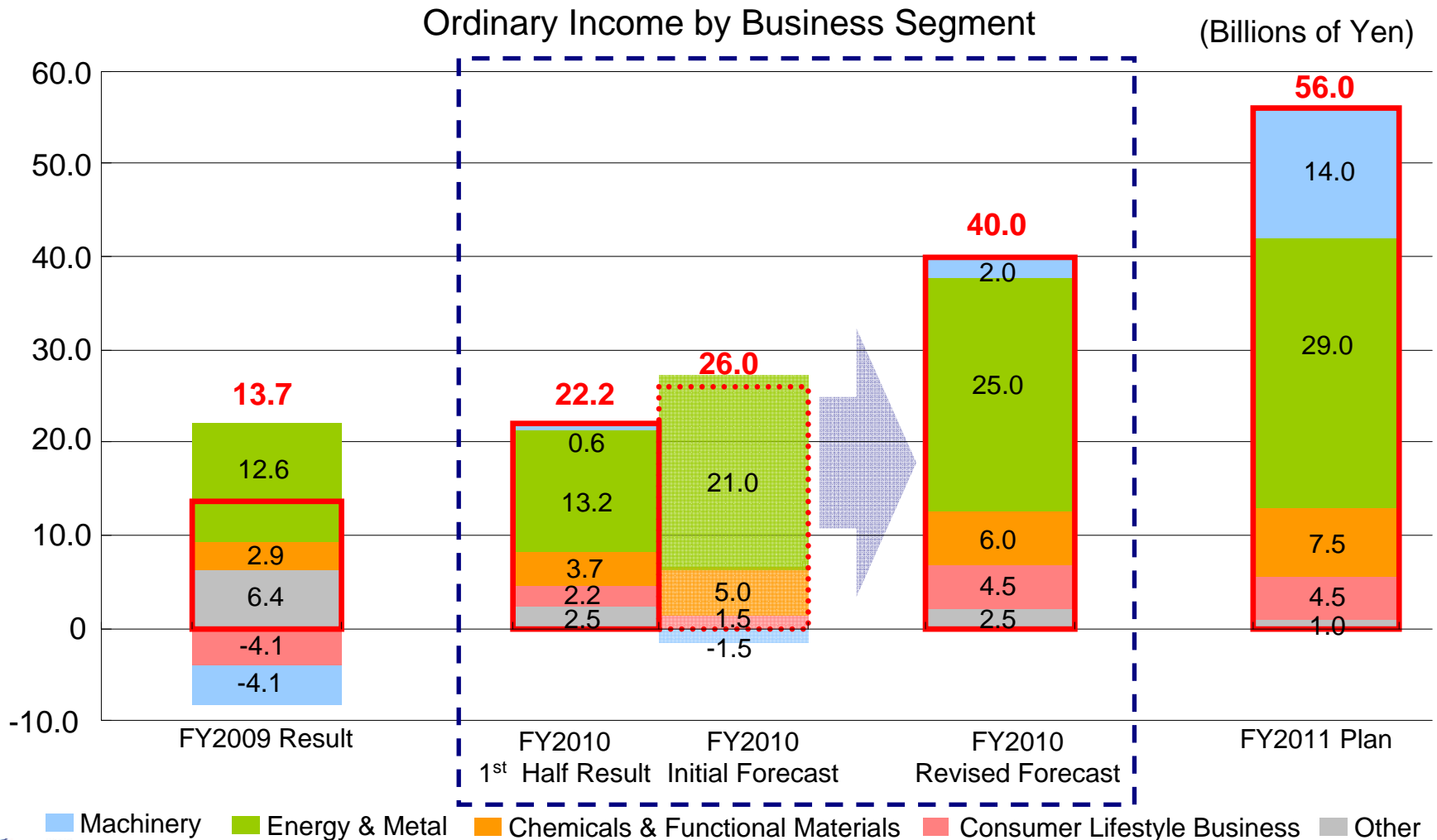
\*4 Interest rate sensitivity: Every 100 basis point movement in interest rates equates to approximately ¥1.5-2.0bn per year.

■ Progress Update on *Shine2011*

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# □ Full-Year Forecast on Ordinary Income by Business Segment

Full-year forecasts for all business segments to turn positive due to recovery of profitability



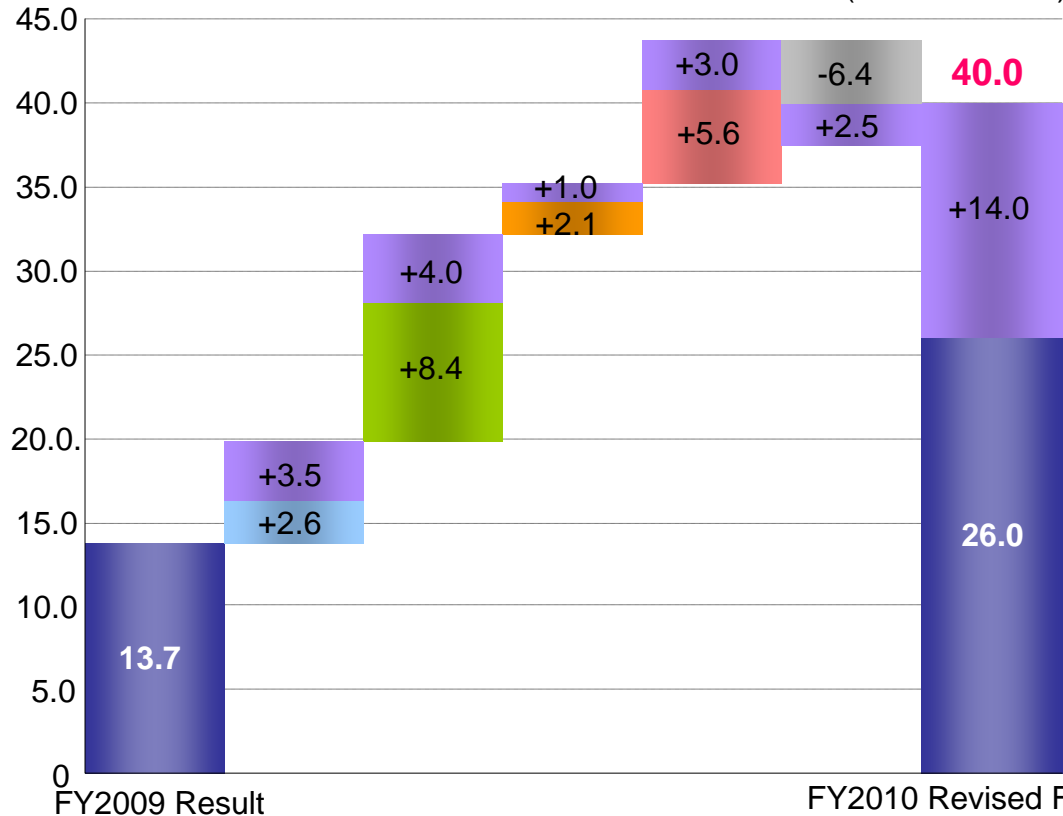


# Change in Ordinary Income by Business Segment for the Fiscal Year Ending March 31, 2011

Upward revision across all business segments

Revised Ordinary Income Forecast by Segment (Fiscal 2010)

(Billions of Yen)



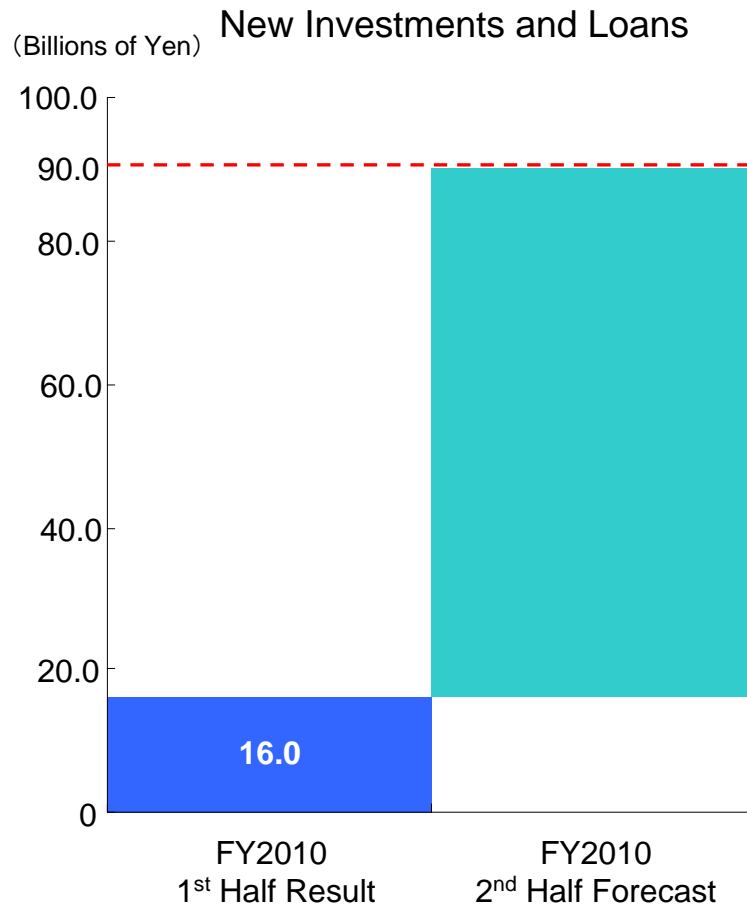
## Reason for revision

- Machinery  
Improvements in automotive business in Russia and Venezuela and growth in the automotive business in Asia
- Energy & Metal  
Recovery in steel demand in China and other emerging economies and strong coal sales
- Chemicals & Functional Materials  
Demand recovery in emerging economies, predominantly China and elsewhere in Asia
- Consumer Lifestyle Business  
Favorable performance continued due to buoyant demand for fertilizers in Southeast Asia

■ Machinery   
 ■ Energy & Metal   
 ■ Chemicals & Functional Materials  
■ Consumer Lifestyle Business   
 ■ Other

## □ Initiatives for Establishing a Solid Earnings Base

Planned execution of ¥150bn in new investments and loans over two years (¥90bn slated for fiscal 2010) while maintaining financial soundness

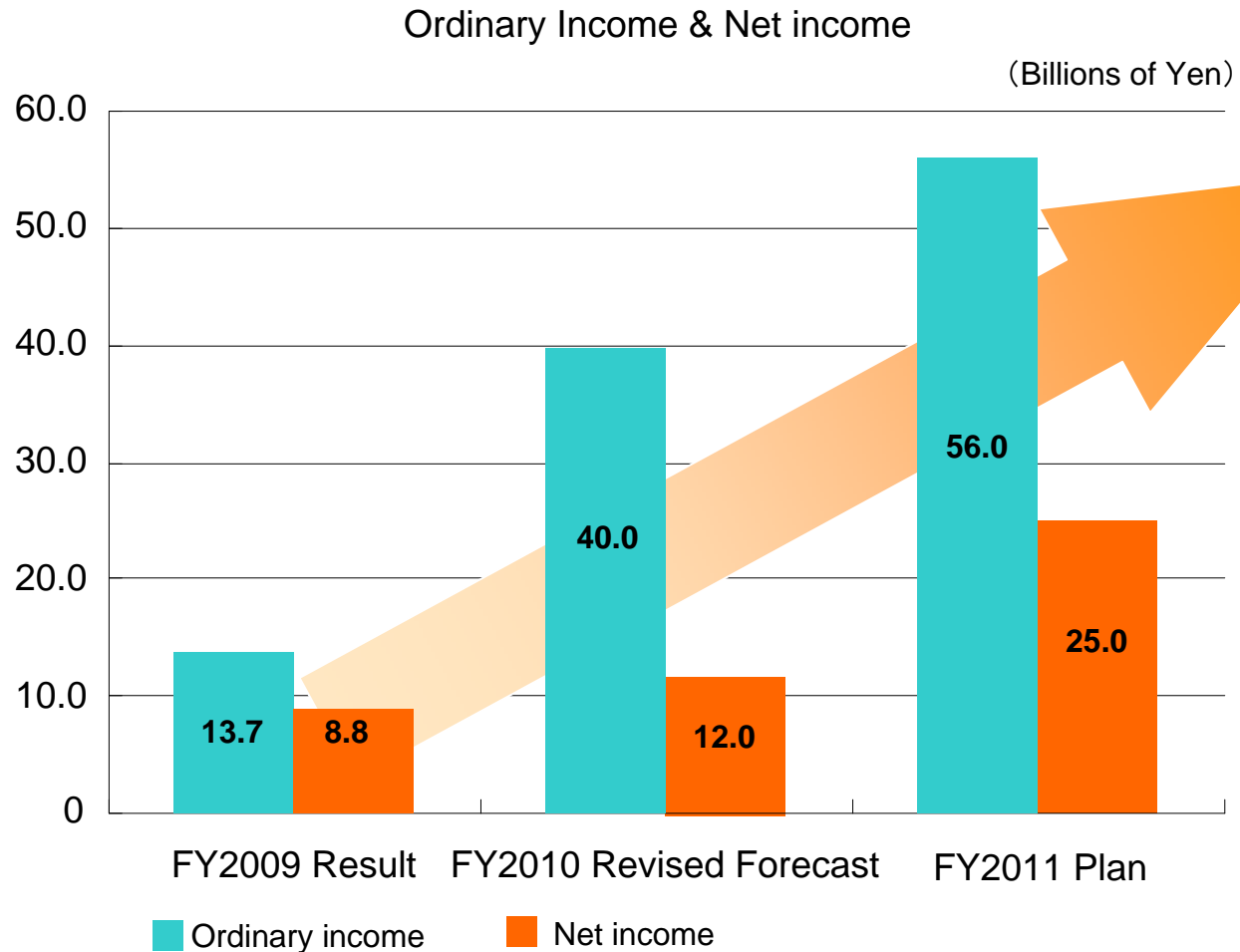


- 1H fiscal 2010: Executed new investments and loans with a focus on expanding existing resource interests
- Amount of assets reallocated in 1H fiscal 2010(actual): Approx. ¥20bn
- Steadily laying groundwork for solid earnings base by, for example, making inroads into the IPP business as a future revenue source

- We are set to reach ¥90bn in new investments and loans executed in fiscal 2010
- Fiscal 2011: ¥60bn in new investments and loans planned
- Building our earnings base by securing food resources and making inroads into the environment, new energy, and agribusiness areas
- Building quality asset holdings by reallocating assets while maintaining financial soundness

## □ Sustained Growth

Steady achievement of *Shine 2011's* earnings plan will drive sustained growth



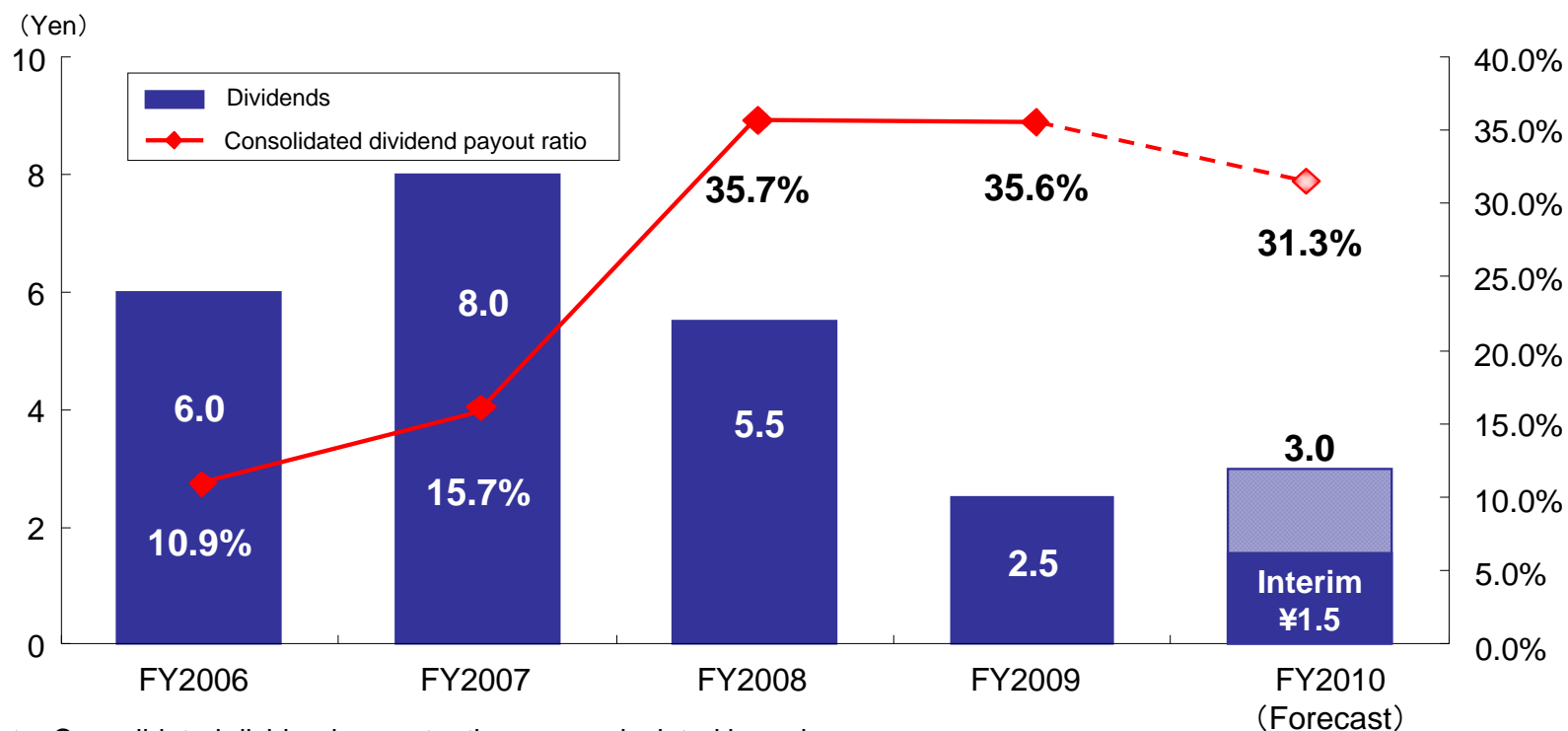
**Toward  
sustained  
growth**

Consolidated  
ROA 3%

Consolidated  
ROE 15%

## □ Dividends

### Annual dividends per share and consolidated payout ratio



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

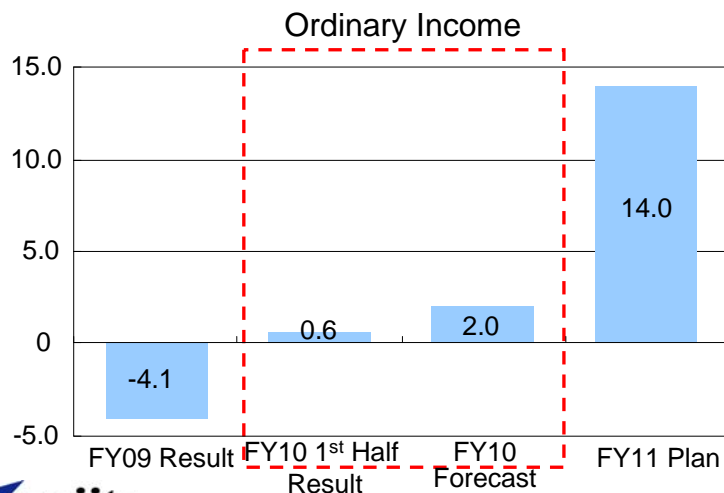
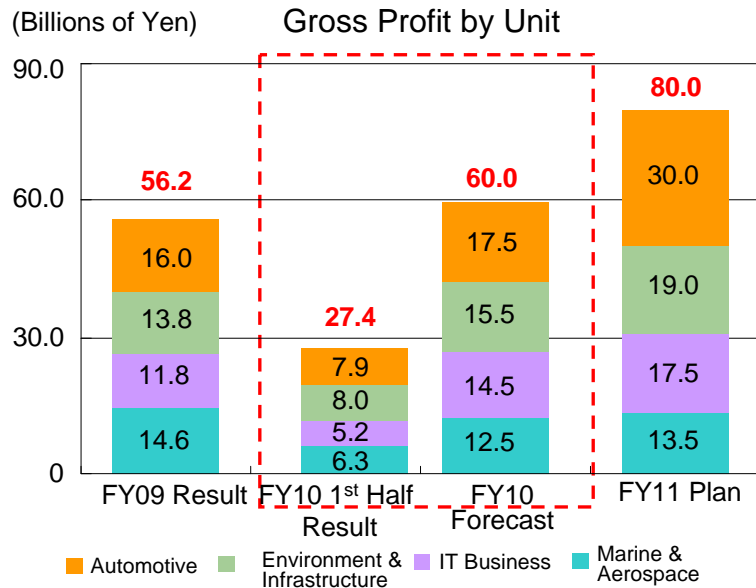
#### Basic dividend policy

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)  
Earnings Forecast by Business Segment



# □ Machinery Segment



## Updated forecast based on current conditions

- Ordinary income Initial forecast: -¥1.5bn (loss) → Revised forecast: ¥2.0bn
- Automotive
  - Improvements in automotive business in Venezuela and Russia
  - Set to exceed initial forecast due to the business's growth in Asia
- Environment & Infrastructure
  - Unchanged from initial forecast
- IT Business
  - Expect to fall short of initial forecast due to stagnant IT demand in Japan
- Marine & Aerospace
  - Expect to undershoot initial forecast due to subdued aircraft transaction volume, etc.

## Initiatives during *Shine2011*

### 【Automotive business】

- Business revival due to inventory rationalization in Russia and recovery of steady operations in assembly business in Venezuela
- Continue exposure management
- Business portfolio restructuring through means including participation in dealers and other downstream business

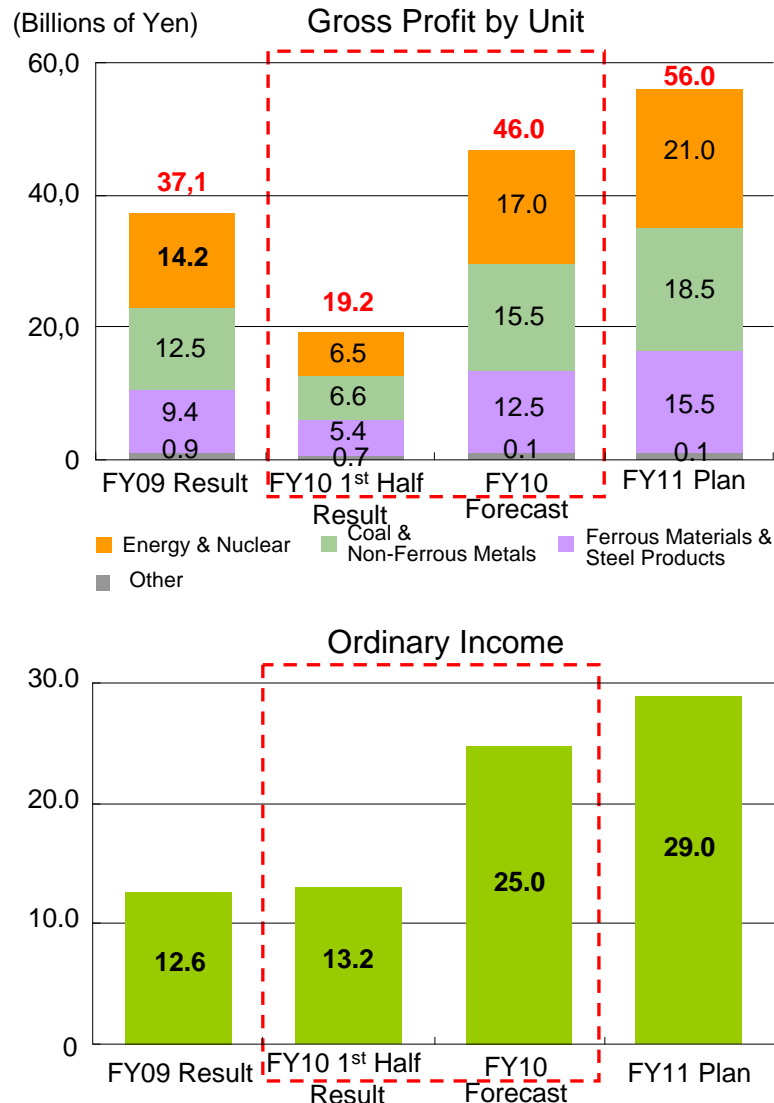
### 【Infrastructure/Plant business】

- Accumulation of plant order
- Initiative in IPP investment expected to generate middle to long term profit contributions
- Work to capture infrastructure demand in emerging countries

### 【IT business】

- Promote IT service business with Nissho Electronics as core
- Strengthen overseas business, such as Asia

# Energy & Metal Segment

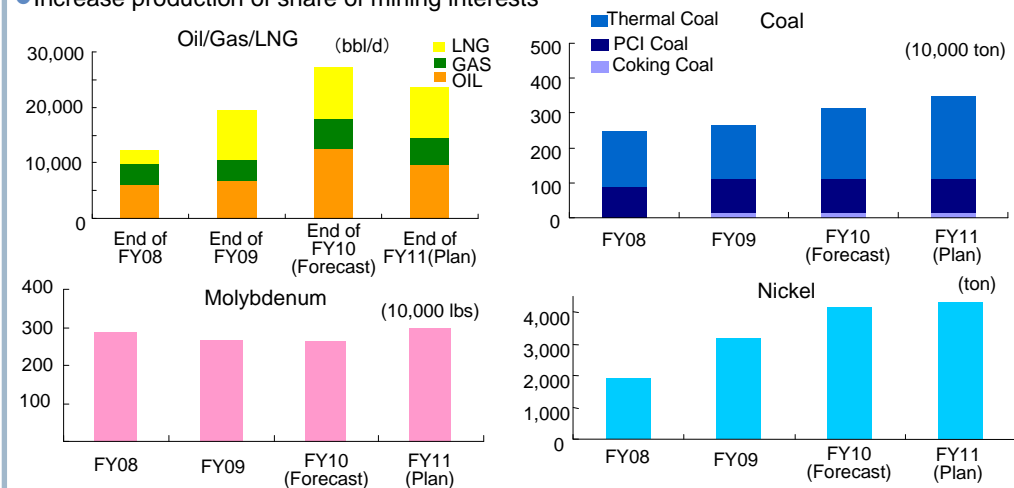


## Updated forecast based on current conditions

- Ordinary income Initial forecast: ¥21.0bn → Revised forecast: ¥25.0bn
- Energy & Nuclear
  - Unchanged from initial forecast
- Coal & Non-Ferrous Metals
  - Set to exceed initial forecast on anticipations of strong coal sales
- Ferrous Materials & Steel Products
  - Set to exceed initial forecast due to buoyant steel market conditions in Asia and elsewhere overseas

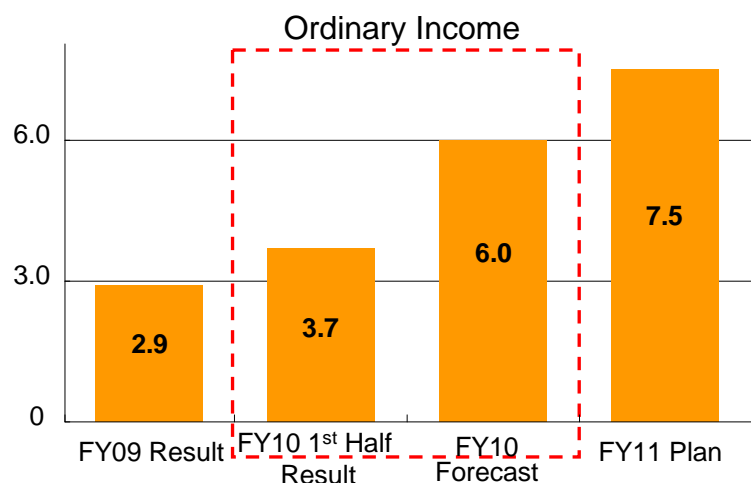
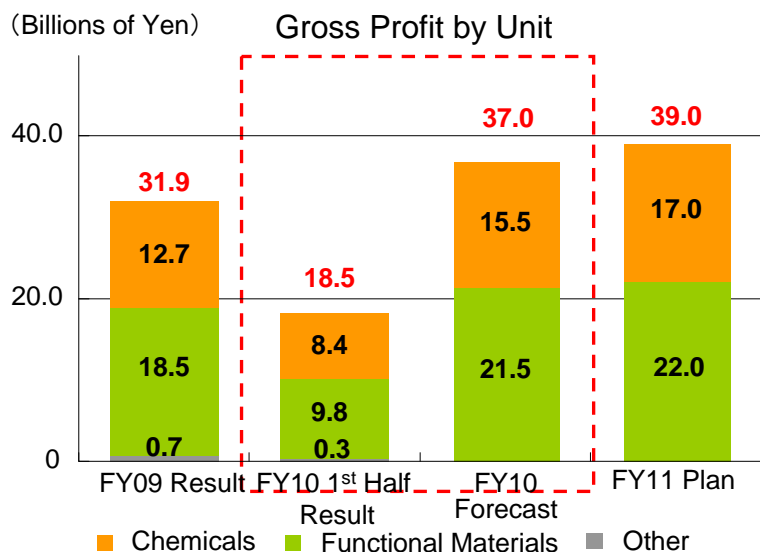
## Initiatives during *Shine 2011*

- Increase production of share of mining interests



- Increase production of Sojitz's share of interests by expanding existing interests and broadening range of resource rights held
- Carry out investments in the nuclear energy business, including in upstream uranium interests
- Build up the Solar Power Business value-chain, from upstream to downstream

# Chemicals & Functional Materials Segment



## Updated forecast based on current conditions

- Ordinary income Initial forecast: ¥5.0bn → Revised forecast: ¥6.0bn
- Chemicals
  - Expect to slightly exceed initial forecast due to a recovery in demand across the chemical products market in China and elsewhere in Asian along with firm methanol prices
- Functional Materials
  - Set to slightly exceed initial forecast due to strong synthetic resin transaction volumes reflecting demand recoveries in China and elsewhere in Asia

## Initiatives during *Shine2011*

### 【Chemicals business】

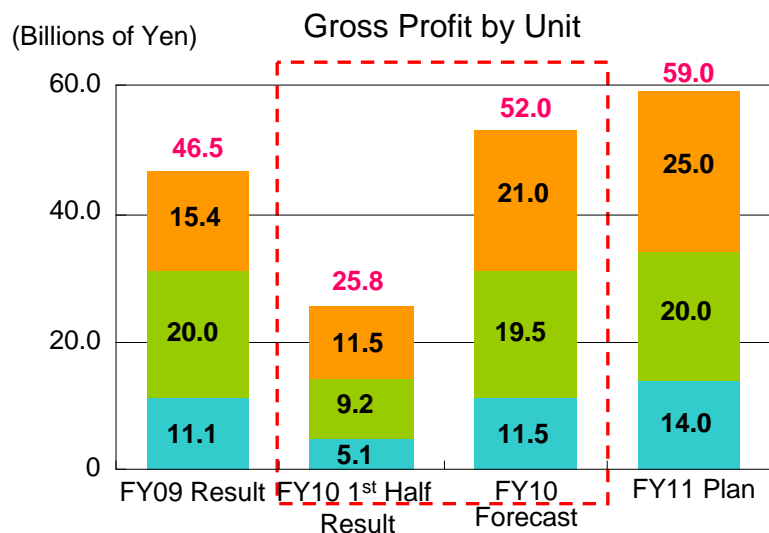
- Strengthen logistic value chain for key products
  - Strategic products : Industrial salt, Rare earth metals, Lithium, Methanol, Metton resin
  - Initiative to secure a supply sources
- Reinforce the overseas logistic business in China, Asia, and other areas

### 【Functional Materials business】

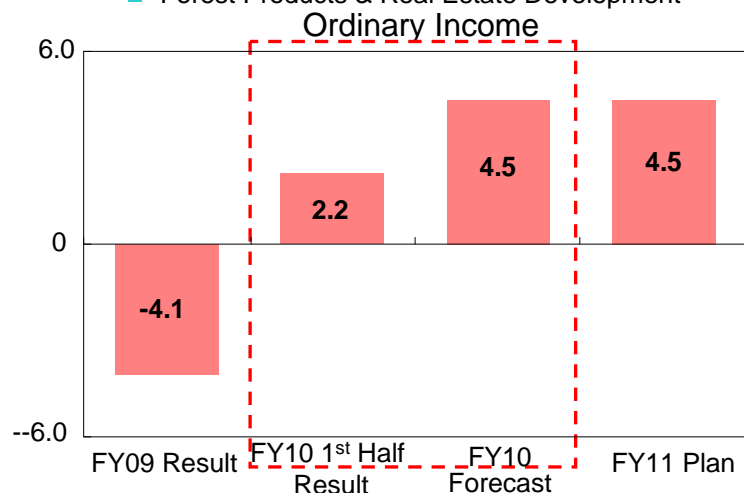
- Develop supply chain for logistic transactions in priority areas
  - Priority areas : Electronics, Solar power generation, High-performance monomers



# Consumer Lifestyle Business Segment



■ Foods Resources 
 ■ General Commodities & Textile  
■ Forest Products & Real Estate Development



## Updated forecast based on current conditions

- Ordinary income Initial forecast: ¥1.5bn → Revised forecast: ¥4.5bn
- Foods Resources
  - Set to exceed initial forecast due to strong performance in overseas fertilizer businesses
- General Commodities & Textiles
  - Unchanged from initial forecast
- Forest Products & Real Estate Development
  - Unchanged from initial forecast

## Initiatives during *Shine2011*

### 【Food business】

- Accelerate developing business in overseas
  - Food industrial complex development business in Vietnam
  - Initiative in securing fertilizer raw materials, geographically expand business
- Initiative in securing wheat and other food resources
- Initiative in agribusiness

### 【Retail business】

- Business development in Vietnam, China and other Asian countries where consumption is expected to increase

- Supplemental Data (2)  
Summary of Financial Results



## □ Summary of Consolidated Statements of Operations

(Billions of Yen)

	FY2006 Result	FY2007 Result	FY2008 Result	FY2009 Result	1 <sup>st</sup> Half FY2010 Result	FY2010 Revised Forecast	FY2011 Plan
<b>Net sales</b>	5,218.2	5,771.0	5,166.2	3,844.4	1,965.2	4,180.0	4,820.0
<b>Gross profit</b>	254.5	277.7	235.6	178.2	93.7	202.0	242.0
<b>Operating income</b>	77.9	92.4	52.0	16.1	17.4	40.0	69.0
<b>Ordinary income</b>	89.5	101.5	33.6	13.7	22.2	40.0	56.0
<b>Net income</b>	58.8	62.7	19.0	8.8	9.1	12.0	25.0
<b>Core earnings</b>	89.8	110.7	48.3	14.4	20.0	40.0	63.0
(Reference)							
<b>ROA</b>	2.3%	2.4%	0.8%	0.4%	-	0.6%	1.2%
<b>ROE</b>	12.8%	13.0%	4.8%	2.6%	-	3.5%	7.0%

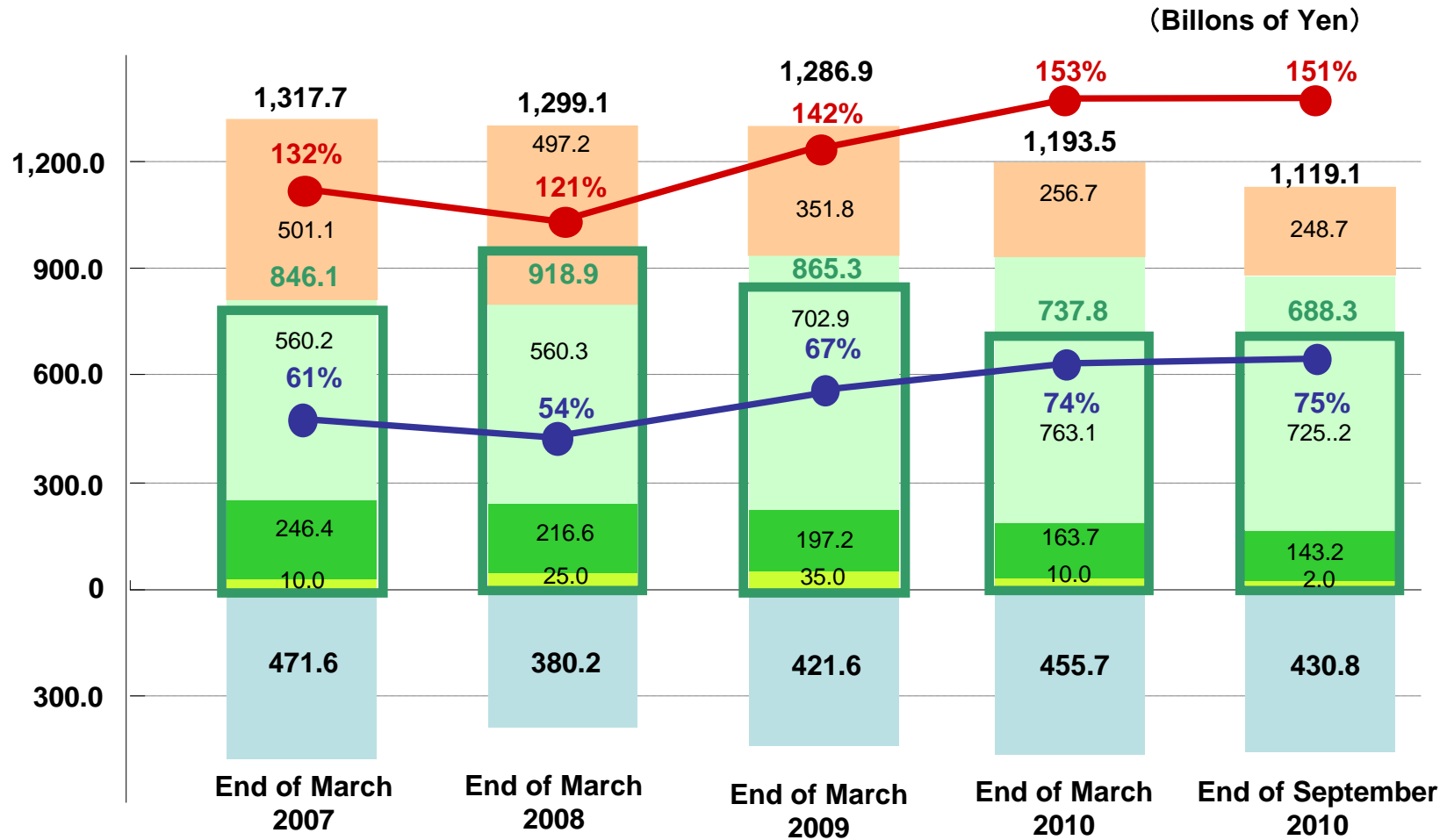
## □ Summary of Consolidated Balance Sheets

(Billions of Yen)

	End of March 2008	End of March 2009	End of March 2010	End of Sep. 2010		End of March 2008	End of March 2009	End of March 2010	End of Sep. 2010
Current assets	1,676.0	1,473.2	1,285.3	1,248.2	Interest-bearing debt	597.3	428.9	306.8	280.7
					Short-term	701.8	858.0	886.7	838.4
					Long-term				
Investment and other assets	993.4	839.8	875.6	826.7	Other liabilities	850.0	670.6	590.0	599.3
					Shareholders' equity *1	476.0	319.0	352.4	331.3
Total assets	2,669.4	2,313.0	2,160.9	2,074.9	Total net assets	(520.3)	(355.5)	(377.4)	(356.5)
					Total liabilities and net assets	2,669.4	2,313.0	2,160.9	2,074.9
Risk assets Vs. Shareholders' equity (times)	380.0 (0.8)	350.0 (1.1)	320.0 (0.9)	300.0 (0.9)	Shareholders' equity ratio (%)	17.8%	13.8%	16.3%	16.0%
Current ratio (%)	121%	142%	153%	151%	Net interest-bearing debt	918.9	865.3	737.8	688.3
Long-term debt ratio (%)	54%	67%	74%	75%	Net DER (times)	1.9 (1.8)	2.7 (2.4)	2.1 (2.0)	2.1 (1.9)
					Net D/E ratio based on total net assets				

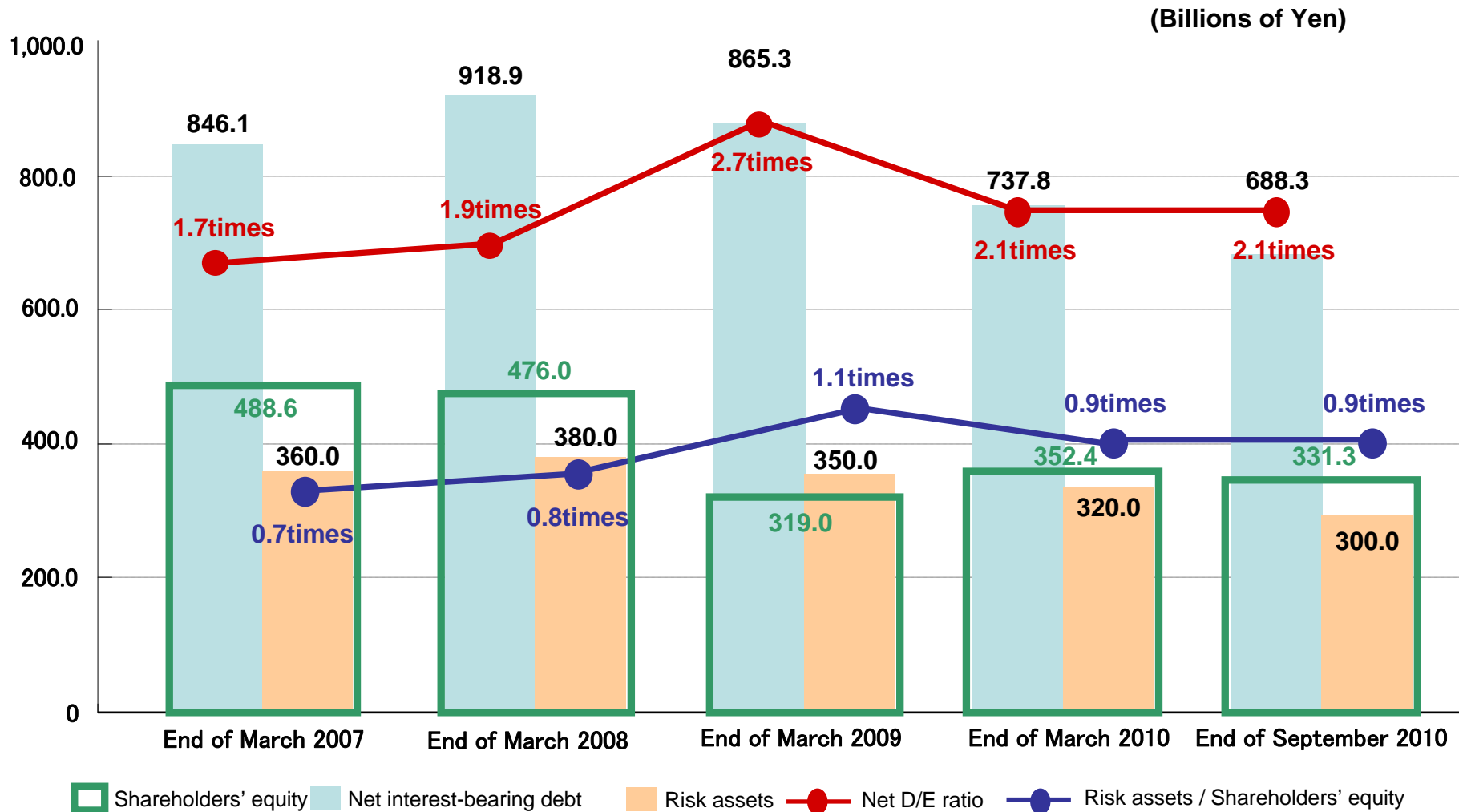
\*1. Shareholders' equity = Total net assets – Minority interests

# Interest-bearing Debt



■ Short-term debt   
 ■ Long-term debt   
 ■ Straight bonds   
 ■ Commercial papers   
 ■ Cash and deposits  
 Net interest-bearing debt   
● Current ratio   
● Long-term debt ratio

# Net interest-bearing Debt and Risk Assets





***sojitz***

***New way, New value***