

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2010

January 31, 2011

Sojitz Corporation

Results Highlights

1. Sojitz' business results for the third quarter ended December 31, 2010, outperformed its year-ago results, with net sales, gross profit, ordinary income, and net income all up year on year. The increases were mainly attributable to a recovery in commodity prices and demand for our products in an environment in which high economic growth in emerging economies, particularly those in Asia, has been driving the global economy since the beginning of the fiscal year.

Net sales: 2,958.9 billion yen (+89.9 billion yen / +3.1%)

- Increase in net sales from Energy & Metal due to increase in prices of ferroalloy and precious metal, and growth in precious metal, ferroalloy, and coal unit volumes.

- Increase in net sales from Chemicals & Functional Materials mainly due to increase in trading volumes reflecting demand recoveries in China and elsewhere in Asia and methanol price increases.

Gross profit: 142.5 billion yen (+13.3 billion yen / +10.4%)

- Increase in gross profit due to overseas fertilizer business's profitability improved

- Increase in gross profit from Chemicals & Functional Materials due to higher sales reflecting demand recoveries in China and elsewhere in Asia and methanol price increases.

- Increase in gross profit from Energy & Metal due to sales increase in ferroalloys and increase in trading volumes in coal businesses.

Ordinary income: 33.8 billion yen (+27.2 billion yen / +414.0%)

- Operating income improved due to increase in gross profit

- Increase in equity in earnings of affiliates, including steel-business company

Net income: 14.8 billion yen (+6.8 billion yen / +83.6%)

- Increase owing to increase in ordinary income despite booking of extraordinary losses due to asset reallocations.

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

As of Oct. 29, 2010
 Net sales 4,180.0 billion yen
 Operating income 40.0 billion yen
 Ordinary income 40.0 billion yen
 Net income 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 (paid)
 Year-end: 1.50 yen per share (forecast)

Consolidated Statements of Income

(Billions of yen)

	FY2010			FY2009		Reasons for change	FY2010	
	3rd quarter YTD			3rd quarter YTD			Forecast	
	Results	1st	3rd	Results	Change		Percentage	
	a	half	quarter	b	a - b		achieved	
							a/c	
Net sales	2,958.9	1,965.2	993.7	2,869.0	89.9		71%	
						Energy & Metal	+104.3	4,180.0
						Chemicals & Functional Materials	+52.4	
						Consumer Lifestyle Business	(21.3)	
						Machinery	(29.9)	
Gross profit	142.5	93.7	48.8	129.2	13.3		71%	
Gross profit margin	4.82%	4.77%	4.91%	4.50%	0.32%	Consumer Lifestyle Business	+6.8	202.0
						Chemicals & Functional Materials	+4.8	4.83%
						Energy & Metal	+4.1	
						Machinery	(1.2)	
Personnel expenses	(59.4)	(39.6)	(19.8)	(59.8)	0.4			
Non-personnel expenses	(46.8)	(31.4)	(15.4)	(48.4)	1.6			
Depreciation	(4.0)	(2.6)	(1.4)	(3.8)	(0.2)			
Subtotal	(110.2)	(73.6)	(36.6)	(112.0)	1.8			
Provision of allowance for doubtful accounts	(0.5)	(0.1)	(0.4)	(2.4)	1.9			
Amortization of goodwill	(3.8)	(2.6)	(1.2)	(3.9)	0.1			
Total selling, general and administrative expenses	(114.5)	(76.3)	(38.2)	(118.3)	3.8			(162.0)
Operating income	28.0	17.4	10.6	10.9	17.1		70%	40.0
Operating income margin	0.95%	0.89%	1.07%	0.38%	0.57%			0.96%
Interest income	3.3	2.0	1.3	3.5	(0.2)			
Interest expenses	(18.1)	(12.3)	(5.8)	(19.7)	1.6			
Interest expenses - net	(14.8)	(10.3)	(4.5)	(16.2)	1.4			
Dividends income	2.3	1.6	0.7	3.9	(1.6)			
Net financial revenue	(12.5)	(8.7)	(3.8)	(12.3)	(0.2)			
Equity in earnings of affiliates	14.1	11.2	2.9	6.4	7.7	Steel-business company +3.3 Bioethanol production company +2.9		
Other income and expenses - net	4.2	2.3	1.9	1.6	2.6			
Non operating income/expenses - net	5.8	4.8	1.0	(4.3)	10.1			0.0
Ordinary income	33.8	22.2	11.6	6.6	27.2		85%	40.0
Gain on sales of noncurrent assets	4.4	1.8	2.6					
Gain on sales of investment securities	0.6	0.5	0.1			Gains on sales of an owned ship and an interest		
Gain on change in equity	0.1	0.1	0.0					
Gain on negative goodwill	0.4	0.3	0.1					
Reversal of allowance for doubtful accounts	1.0	0.8	0.2					
Total extraordinary income	6.5	3.5	3.0	32.8	(26.3)			
Loss on sales and retirement of noncurrent assets	(0.3)	(0.3)	0.0					
Impairment loss	(3.4)	(1.3)	(2.1)					
Loss on sales of investment securities	(0.1)	0.0	(0.1)					
Loss on revaluation of securities	(0.4)	(0.4)	0.0					
Loss on change in equity	(0.9)	(0.7)	(0.2)					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(3.5)	(1.1)	(2.4)					
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	(14.6)	(9.8)	(4.8)	(26.3)	11.7			
(Extraordinary income/losses - net)	(8.1)	(6.3)	(1.8)	6.5	(14.6)			(10.0)
Income before income taxes and minority interests	25.7	15.9	9.8	13.1	12.6			30.0
Income taxes: Current	(7.9)	(5.0)	(2.9)	(5.3)	(2.6)			
Deferred	(0.6)	(0.3)	(0.3)	1.0	(1.6)			
Total income taxes	(8.5)	(5.3)	(3.2)	(4.3)	(4.2)			
Income before minority interests	17.2	10.6	6.6	8.8	8.4			15.0
Minority interests in income	(2.4)	(1.5)	(0.9)	(0.8)	(1.6)			
Net income	14.8	9.1	5.7	8.0	6.8			12.0
Core earnings	30.1	20.0	10.1	7.4	22.7			

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)

	Dec. 31	Mar. 31	Change	Reasons for change
	2010	2010	d - e	
	d	e	d - e	
Current assets	1,264.6	1,285.3	(20.7)	
Cash and deposits	406.0	455.7	(49.7)	Decrease due to bond redemptions and loan repayments
Notes and accounts receivable - trade	500.8	462.3	38.5	Increase in cigarettes and effect of fiscal year-end date falling on a holiday
Short-term investment securities	12.8	6.1	6.7	
Inventories	231.2	248.6	(17.4)	Decrease in cigarettes etc.
Short-term loans receivable	6.2	7.9	(1.7)	
Deferred tax assets	14.3	13.5	0.8	
Other	101.9	100.2	1.7	
Allowance for doubtful accounts	(8.6)	(9.0)	0.4	
Noncurrent assets	821.3	875.2	(53.9)	
Property, plant and equipment	206.3	222.7	(16.4)	Decrease due to influence of foreign exchange rates etc.
Goodwill	50.9	54.3	(3.4)	
Intangible assets	59.4	60.1	(0.7)	
Investment securities	313.9	327.8	(13.9)	Decrease due to decline in stock prices, foreign exchange rate movements, etc.
Long-term loans receivable	15.6	25.1	(9.5)	
Bad debts	81.1	88.4	(7.3)	
Deferred tax assets	60.7	61.4	(0.7)	
Real estate for investment	51.9	53.3	(1.4)	
Other	41.2	39.3	1.9	
Allowance for doubtful accounts	(59.7)	(57.2)	(2.5)	
Deferred assets	0.3	0.4	(0.1)	
Total assets	2,086.2	2,160.9	(74.7)	
Liabilities	872.6	841.5	31.1	
Notes and accounts payable - trade	415.8	377.4	38.4	Increase due to cigarettes and effect of fiscal year-end date falling on a holiday
Short-term loans payable	262.3	256.7	5.6	Increase due to reclassification of current portion and decrease due to loan payments
Commercial paper	2.0	10.0	(8.0)	
Current portion of bonds	40.0	40.1	(0.1)	Decrease due to bond redemptions (40.1), reclassification of current portion +40.0
Other	152.5	157.3	(4.8)	
Noncurrent liabilities	856.6	942.0	(85.4)	
Bonds payable	103.0	123.6	(20.6)	Reclassification of current portion (40.0), issuance +20.0
Long-term loans payable	697.4	763.1	(65.7)	Decrease due to reclassification of current portion and increase due to raising of long-term funds
Provision for retirement benefits	12.9	13.3	(0.4)	
Other	43.3	42.0	1.3	
Total liabilities	1,729.2	1,783.5	(54.3)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	157.3	146.5	10.8	Net income +14.8, dividend (1.9), effect of changes to accounting standards (1.3)
Treasury stock	(0.2)	(0.2)	0.0	
Total shareholders' equity	469.6	458.8	10.8	
Valuation difference on available-for-sale securities	12.0	14.8	(2.8)	Decrease due to decline in stock prices, foreign exchange rate movements, etc.
Deferred gains or losses on hedges	2.0	2.4	(0.4)	
Revaluation reserve for land	(2.2)	(2.1)	(0.1)	
Foreign currency translation adjustment	(149.6)	(121.5)	(28.1)	Decrease due to overseas subsidiaries' translation adjustments
Total valuation and translation adjustments	(137.8)	(106.4)	(31.4)	
Minority interests	25.2	25.0	0.2	
Total net assets	357.0	377.4	(20.4)	
Total liabilities and net assets	2,086.2	2,160.9	(74.7)	

Gross interest-bearing debt	1,104.7	1,193.5	(88.8)
Net interest-bearing debt	698.7	737.8	(39.1)
Net debt/equity ratio (times)	* 2.11	* 2.09	0.02
Shareholders' equity ratio	* 15.9%	* 16.3%	(0.4%)
Current ratio	144.9%	152.7%	(7.8%)
Long-term debt ratio	72.4%	74.3%	(1.9%)

*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 Third Quarter Ended December 31, 2010 - Supplementary Material

January 31, 2011
Sojitz Corporation

P/L

(Billions of yen)

	FY2010 Apr.-Dec. Results	FY2009 Apr.-Dec. Results	Change	FY2010 Full-year Forecast (Issued on Oct. 29, 2010)	Achieved
Net sales	2,958.9	2,869.0	89.9	4,180.0	70.8%
Gross profit	142.5	129.2	13.3	202.0	70.5%
Gross profit margin	4.82%	4.50%	0.32%	4.83%	
Machinery	39.6	40.8	(1.2)	60.0	66.0%
Energy & Metal	29.9	25.8	4.1	46.0	65.0%
Chemicals & Functional Materials	27.8	23.0	4.8	37.0	75.1%
Consumer Lifestyle Business	41.0	34.2	6.8	52.0	78.8%
Other	4.2	5.4	(1.2)	7.0	60.0%
Selling, general and administrative expenses	(114.5)	(118.3)	3.8	(162.0)	70.7%
Operating income	28.0	10.9	17.1	40.0	70.0%
Operating income margin	0.95%	0.38%	0.57%	0.96%	
Non-operating income/expenses - net	5.8	(4.3)	10.1	0.0	-
Ordinary income^{*1}	33.8	6.6	27.2	40.0	84.5%
Ordinary income margin	1.14%	0.23%	0.91%	0.96%	
Machinery	(0.1)	(4.5)	4.4	2.0	-
Energy & Metal	19.5	7.3	12.2	25.0	78.0%
Chemicals & Functional Materials	5.8	0.5	5.3	6.0	96.7%
Consumer Lifestyle Business	5.2	(3.9)	9.1	4.5	115.6%
Other	3.4	7.2	(3.8)	2.5	136.0%
Extraordinary income/losses - net	(8.1)	6.5	(14.6)	(10.0)	-
Income before income taxes and minority interests	25.7	13.1	12.6	30.0	85.7%
Income before minority interests	17.2	8.8	8.4	15.0	114.7%
Net income	14.8	8.0	6.8	12.0	123.3%
Machinery	0.4	(4.2)	4.6	0.0	-
Energy & Metal	16.2	20.5	(4.3)	17.0	95.3%
Chemicals & Functional Materials	3.4	0.3	3.1	3.0	113.3%
Consumer Lifestyle Business	0.0	(3.1)	3.1	1.0	-
Other	(5.2)	(5.5)	0.3	(9.0)	-
Core earnings^{*2}	30.1	7.4	22.7	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 segment. Additionally, certain changes were made to the methods by which expenses are internally allocated. Results shown for April-December, 2009, are also based on these new segment classifications and expense allocation methods.

^{*2} Core earnings = Operating income (before provision of allowance for doubtful accounts 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 volumes in the plant-related business. - Increase in ordinary income and net income due to improvements in SG&A expenses and increase in equity in earnings of affiliates. <p>Energy & Metal Division</p> <ul style="list-style-type: none"> - Increase in gross profit due to increase in trading volumes in coal businesses in addition to higher prices and increased trading volumes in ferroalloy businesses. - Decrease in net income due to non-recurrence of the previous fiscal year's gains on sales of investment securities, 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 volumes resulting from demand recoveries 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 due to decrease in equity in earnings of affiliates. - Slight increase in net income owing to non-recurrence of loss on revaluation of securities booked in the previous fiscal year and despite the booking of restructuring losses in the current fiscal year. 	<p>Machinery Division</p> <ul style="list-style-type: none"> - Progress is largely in line with our outlook owing to steady progress in automotive businesses in Southeast Asia in addition to improved performance at automotive operating companies in the Russia/NIS region. <p>Energy & Metal Division</p> <ul style="list-style-type: none"> - Progress is largely on target despite concerns about decreases in production volume in line with lower gas prices. <p>Chemicals & Functional Materials Division</p> <ul style="list-style-type: none"> - We expect the division to perform largely in line with our outlook due to 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"> - Progress is on target overall, reflecting the thriving fertilizer business's performance despite weak performance in real estate and textile businesses. <p>Other</p> <ul style="list-style-type: none"> - Progress is largely on target.

B/S

(Billions of yen)

	December 31, 2010	March 31, 2010	Change	March 31, 2011 Forecast (Issued on Oct. 29, 2010)
Total assets	2,086.2	2,160.9	(74.7)	2,090.0
Shareholders' equity^{*3}	331.8	352.4	(20.6)	330.0
Total net assets	357.0	377.4	(20.4)	-
Shareholders' equity ratio (%)	15.9%	16.3%	(0.4%)	15.8%
Net interest-bearing debt	698.7	737.8	(39.1)	770.0
Net D/E ratio (times)	2.11	2.09	0.02	2.3
Net D/E ratio based on total net assets (times)	1.96	1.95	0.01	-

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

^{*4} Forward-looking Statements

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Commodity Prices and Exchange Rates

	FY2009 Average	FY2010 Initial assumption	2010 Results		
			Jan. - Sep. '10 Avg.	Oct. -Dec. '10 Avg.	Jan. -Dec. '10 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$62.6/bbl	\$80/bbl	\$77.1/bbl	\$86.5/bbl	\$79.5/bbl
Thermal Coal**2 (\$/t)	\$72.5/t	\$98/t	\$96.0/t	\$108.0/t	\$99.0/t
Molybdenum (\$/lb)	\$11.0/lb	\$15/lb	\$15.7/lb	\$15.7/lb	\$15.7/lb
Nickel (\$/lb)	\$6.7/lb	\$7/lb	\$9.7/lb	\$10.7/lb	\$9.9/lb
Exchange rate**3 (¥/\$)	Dec. year-end ¥93.7/\$	¥90/\$	¥ 89.0/\$	¥ 82.2/\$	¥ 87.3/\$

^{**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.