

# Highlights of Consolidated Financial Results for the Year Ended March 31, 2011

April 28, 2011  
Sojitz Corporation

## Results Highlights

1. Sojitz' business results for fiscal 2010 outperformed those for fiscal 2009, 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, are driving the global economy.

Net sales: 4,014.6 billion yen (+170.2 billion yen / +4.4%)

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

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

Gross profit: 192.7 billion yen (+14.5 billion yen / +8.1%)

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

- Increase in gross profit from Energy & Metal due to increase in sales in coal businesses

- 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.

Ordinary income: 45.3 billion yen (+31.6 billion yen / +230.7%)

- Operating income improved due to increase in gross profit

- Increase in equity in earnings of affiliates

Net income: 16.0 billion yen (+7.2 billion yen / +81.7%)

- We booked extraordinary losses due to reviews of assets holdings and unprofitable businesses, but also booked a gain on business combination and ordinary income improved, resulting in income growth.

### 2. Cash dividend

Cash dividend per share of common stock for fiscal 2010

Year-end: 1.50 yen per share

Full year: 3.00 yen per share

### 3. Forecast for fiscal 2011 (fiscal year ending March 31, 2012)

Net sales 4,380.0 billion yen

Operating income 50.0 billion yen

Ordinary income 46.0 billion yen

Net income 16.0 billion yen

### Assumptions:

- Exchange rate (annual average, JPY/US\$) = 80

- Crude oil price (US\$/BBL) = 90 (Brent)

### 4. Cash dividend per common stock for fiscal 2011

Interim (forecast): 1.50 yen per share

Year-end (forecast): 1.50 yen per share

## Consolidated Statements of Profit and Loss

(Billions of yen)

	FY2010	FY2009	Change a - b	Reasons for change	Full-year	Percentage	Full-year
	Results a	Results b			Forecast c	achieved a/c	Forecast
Net sales	4,014.6	3,844.4	170.2		4,180.0	96%	4,380.0
				Net sales			
				Energy & Metal	139.5		
				Chemicals & Functional Materials	64.7		
				Consumer Lifestyle Business	13.3		
				Machinery	(29.1)		
Gross profit	192.7	178.2	14.5		202.0	95%	214.0
Gross profit margin	4.80%	4.64%	0.16%		4.83%		4.89%
				Consumer Lifestyle Business	6.4		
				Energy & Metal	4.6		
				Chemicals & Functional Materials	4.4		
				Machinery	(0.1)		
Personnel expenses	(80.1)	(80.5)	0.4				
Non-personnel expenses	(63.9)	(65.5)	1.6				
Depreciation	(5.5)	(5.5)	0.0				
Subtotal	(149.5)	(151.5)	2.0				
Provision of allowance for doubtful accounts	(0.6)	(5.4)	4.8				
Amortization of goodwill	(5.1)	(5.2)	0.1				
Total selling, general and administrative expenses	(155.2)	(162.1)	6.9		(162.0)	96%	(164.0)
Operating income	37.5	16.1	21.4		40.0	94%	50.0
Operating income margin	0.93%	0.42%	0.51%		0.96%		1.14%
Interest income	4.3	4.6	(0.3)				
Interest expenses	(23.9)	(25.9)	2.0				
Interest expenses - net	(19.6)	(21.3)	1.7				
Dividends income	4.1	5.0	(0.9)				
Net financial revenue	(15.5)	(16.3)	0.8	Bioethanol production company +4.1, Steel-business company +3.9			
Equity in earnings of affiliates	19.3	9.2	10.1				
Other income and expenses - net	4.0	4.7	(0.7)				
Non operating income/losses - net	7.8	(2.4)	10.2		0.0	-	(4.0)
Ordinary income	45.3	13.7	31.6		40.0	113%	46.0
Gain on sales of noncurrent assets	4.9			Gains on sales of owned ships and a mining interest			
Gain on sales of investment securities	1.6						
Gain on step acquisitions	10.3			Acquisition of additional shares in a mining-interest- holding company and an IT company			
Reversal of allowance for doubtful accounts	1.3						
Other extraordinary income	1.0						
Total extraordinary income	19.1	41.2	(22.1)				
Impairment loss	(9.7)			Impairment loss on oil-gas interest etc.			
Loss on sales of investment securities	(0.8)						
Loss on change in equity	(0.9)						
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(4.9)						
Restructuring losses	(5.1)			Losses due to asset reallocations			
Loss on adjustment for changes of accounting standard for asset retirement obligations	(1.0)						
Loss on disaster	(1.3)						
Other extraordinary losses	(1.4)						
Total extraordinary losses	(25.1)	(36.0)	10.9				
Extraordinary income/losses - net	(6.0)	5.2	(11.2)		(10.0)	-	0.0
Income before income taxes and minority interests	39.3	18.9	20.4		30.0	131%	46.0
Income taxes: Current	(11.4)	(8.6)	(2.8)				
Deferred	(9.1)	0.3	(9.4)				
Total income taxes	(20.5)	(8.3)	(12.2)				
Income before minority interests	18.8	10.6	8.2		15.0	125%	19.5
Minority interests in income	(2.8)	(1.8)	(1.0)				
Net income	16.0	8.8	7.2		12.0	133%	16.0
Core earnings	41.9	14.4	27.5				

### Notes:

#### 1. Core earnings

Core earnings = Operating income (before provision of allowance for doubtful accounts and write-offs) + Interest expenses-net + Dividend income + Equity in earnings of affiliates

#### 2. Caution regarding Forward-looking Statements

The forecasts appearing above constitute forward-looking statements. They are based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. Actual results and other outcomes may differ substantially from those expressed or implied by forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

## Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2010	FY2009
Income before minority interests	18.8	10.6
Other comprehensive income	(35.5)	29.6
Comprehensive income	(16.7)	40.2
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(18.3)	37.9
Comprehensive income attributable to minority interests	1.6	2.3

## Consolidated Statements of Cash Flows

(Billions of yen)

	FY2010	FY2009
Cash flows from operating activities	67.9	107.2
Cash flows from investing activities	(19.9)	28.4
Free Cash Flow	48.0	135.6
Cash flows from financing activities	(72.1)	(102.6)
Cash & Cash Equivalents at the End of the Period	415.3	454.3

## Consolidated Balance Sheets and Principal Management Indices

(Billions of yen)

	Mar. 31	Mar. 31	Change d - e	Reasons for change
	2011 d	2010 e		
Current assets	1,266.7	1,285.3	(18.6)	
Cash and deposits	415.7	455.7	(40.0)	Decrease due to repayment of loans, redemption of bonds and new investment
Notes and accounts receivable - trade	478.9	462.3	16.6	Increase in cigarette trading volume
Short-term investment securities	5.4	6.1	(0.7)	
Inventories	243.2	248.6	(5.4)	Decrease due to repayment of loans, redemption of bonds and new investment
Short-term loans receivable	8.5	7.9	0.6	
Deferred tax assets	15.4	13.5	1.9	
Other	106.9	100.2	6.7	
Allowance for doubtful accounts	(7.3)	(9.0)	1.7	
Noncurrent assets	850.0	875.2	(25.2)	
Property, plant and equipment	215.8	222.7	(6.9)	
Goodwill	51.5	54.3	(2.8)	
Intangible assets	81.1	60.1	21.0	Increase due to acquisition of mining interest
Investment securities	333.0	327.8	(5.2)	
Long-term loans receivable	13.4	25.1	(11.7)	Decrease due to repayments received
Bad debts	80.0	88.4	(8.4)	
Deferred tax assets	52.9	61.4	(8.5)	
Real estate for investment	34.0	53.3	(19.3)	Decrease due to sales of properties
Other	48.1	39.3	8.8	
Allowance for doubtful accounts	(59.8)	(57.2)	(2.6)	
Deferred assets	0.3	0.4	(0.1)	
Total assets	2,117.0	2,160.9	(43.9)	
Liabilities	890.6	841.5	49.1	
Notes and accounts payable - trade	415.0	377.4	37.6	Increase due to cigarettes, coal, and ferroalloy transaction volume increase
Short-term loans payable	247.7	256.7	(9.0)	Increase due to reclassification of current portion and decrease due to loan payments
Commercial papers	2.0	10.0	(8.0)	
Current portion of bonds	60.0	40.1	19.9	Increase due to reclassification of current portion +60.0, decrease due to bond redemptions (40.1)
Other	165.9	157.3	8.6	
Noncurrent liabilities	870.9	942.0	(71.1)	
Bonds payable	82.7	123.6	(40.9)	Reclassification of current portion (60.0), issuance +20.0
Long-term loans payable	723.9	763.1	(39.2)	Decrease due to reclassification of current portion and increase due to raising of long-term funds
Provision for retirement benefits	13.1	13.3	(0.2)	
Other	51.2	42.0	9.2	
Total liabilities	1,761.5	1,783.5	(22.0)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	159.4	146.5	12.9	Net income +16.0, dividend (1.9), effect of changes to accounting standards (1.3)
Treasury stock	(0.2)	(0.2)	-	
Total shareholders' equity	471.7	458.8	12.9	
Valuation difference on available-for-sale securities	12.3	14.8	(2.5)	Decrease due to decline in stock prices, foreign exchange rate movements, etc.
Deferred gains or losses on hedges	3.0	2.4	0.6	
Revaluation reserve for land	(2.3)	(2.1)	(0.2)	
Foreign currency translation adjustment	(154.0)	(121.5)	(32.5)	Decrease due to yen appreciation
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(0.7)	-	(0.7)	
Total other comprehensive income	(141.7)	(106.4)	(35.3)	
Minority interests	25.5	25.0	0.5	
Total net assets	355.5	377.4	(21.9)	
Total liabilities and net assets	2,117.0	2,160.9	(43.9)	

Gross interest-bearing debt	1,116.3	1,193.5	(77.2)
Net interest-bearing debt	700.6	737.8	(37.2)
Net debt/equity ratio (times)	* 2.12	* 2.09	0.03
Shareholders' equity ratio	* 15.6%	* 16.3%	(0.7%)
Current ratio	142.2%	152.7%	(10.5%)
Long-term debt ratio	72.3%	74.3%	(2.0%)

\* 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 Year Ended March 31, 2011 - Supplementary Material

April 28, 2011  
Sojitz Corporation

(Billions of yen)						
P/L	FY2010 Results	FY2009 Results	Change	FY2010 Revised Full-year Forecast (Issued Oct. 29, 2010)	Percent Achieved Vs Full-year Forecast (Issued Oct. 29, 2010)	FY2011 Full-year Forecast
<b>Net sales</b>	<b>4,014.6</b>	<b>3,844.4</b>	170.2	<b>4,180.0</b>	96.0%	<b>4,380.0</b>
<b>Gross profit</b>	<b>192.7</b>	<b>178.2</b>	14.5	<b>202.0</b>	95.4%	<b>214.0</b>
Gross profit margin	4.80%	4.64%	+0.16%	4.83%		4.89%
Machinery	56.1	56.2	(0.1)	60.0	93.5%	68.0
Energy & Metal	41.7	37.1	4.6	46.0	90.7%	48.0
Chemicals & Functional Materials	36.3	31.9	4.4	37.0	98.1%	37.5
Consumer Lifestyle Business	52.9	46.5	6.4	52.0	101.7%	54.5
Other	5.7	6.5	(0.8)	7.0	81.4%	6.0
Selling, general and administrative expenses	(155.2)	(162.1)	6.9	(162.0)	95.8%	(164.0)
<b>Operating income</b>	<b>37.5</b>	<b>16.1</b>	21.4	<b>40.0</b>	93.8%	<b>50.0</b>
Operating income margin	0.93%	0.42%	0.51%	0.96%		1.14%
<b>Non-operating income/expenses - net</b>	<b>7.8</b>	<b>(2.4)</b>	10.2	0.0	-	(4.0)
<b>Ordinary income<sup>1</sup></b>	<b>45.3</b>	<b>13.7</b>	31.6	<b>40.0</b>	113.3%	<b>46.0</b>
Ordinary income margin	1.13%	0.36%	0.77%	0.96%		1.05%
Machinery	2.0	(4.1)	6.1	2.0	100.0%	7.5
Energy & Metal	28.7	12.6	16.1	25.0	114.8%	29.5
Chemicals & Functional Materials	6.8	2.9	3.9	6.0	113.3%	6.0
Consumer Lifestyle Business	5.3	(4.1)	9.4	4.5	117.8%	4.5
Other	2.5	6.4	(3.9)	2.5	100.0%	(1.5)
<b>Extraordinary income/losses - net</b>	<b>(6.0)</b>	<b>5.2</b>	(11.2)	<b>(10.0)</b>	-	<b>0.0</b>
Income before income taxes and minority interests	<b>39.3</b>	<b>18.9</b>	20.4	<b>30.0</b>	131.0%	<b>46.0</b>
Income before minority interests	<b>18.8</b>	<b>10.6</b>	8.2	<b>15.0</b>	125.3%	<b>19.5</b>
<b>Net income</b>	<b>16.0</b>	<b>8.8</b>	7.2	<b>12.0</b>	133.3%	<b>16.0</b>
Machinery	3.4	1.0	2.4	0.0	-	3.0
Energy & Metal	26.5	23.5	3.0	17.0	155.9%	22.0
Chemicals & Functional Materials	2.7	1.2	1.5	3.0	90.0%	3.0
Consumer Lifestyle Business	1.1	(3.2)	4.3	1.0	110.0%	1.0
Other	(17.7)	(13.7)	(4.0)	(9.0)	-	(13.0)
<b>Core earnings<sup>2</sup></b>	<b>41.9</b>	<b>14.4</b>	27.5	<b>40.0</b>		<b>54.5</b>

<sup>1</sup> Effective the fiscal year ended 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 shown for FY2009, are also based on these new segment classifications and expense allocation methods.

<sup>2</sup> 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	FY2011 outlook
<p><b>Machinery Division</b></p> <ul style="list-style-type: none"> <li>- Slight 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.</li> <li>- Increase in ordinary income and net income due to improvements in SG&amp;A expenses and increase in equity in earnings of affiliates.</li> </ul> <p><b>Energy &amp; Metal Division</b></p> <ul style="list-style-type: none"> <li>- Increase in gross profit due to higher prices and increased trading volumes in ferroalloy businesses in addition to increased trading volumes in coal businesses.</li> <li>- Increase in ordinary income and net income owing to 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 onetime gain resulting from a business integration.</li> </ul> <p><b>Chemicals &amp; Functional Materials Division</b></p> <ul style="list-style-type: none"> <li>- Increase in earnings due to increase in trading volumes resulting from demand recoveries in China and elsewhere in Asia and higher methanol prices.</li> </ul> <p><b>Consumer Lifestyle Business Division</b></p> <ul style="list-style-type: none"> <li>- 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.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>- Decreases in ordinary income and net income, mainly owing to lower equity in earnings of affiliates, the booking of extraordinary losses, and the reversal of deferred tax.</li> </ul>	<p><b>Machinery Division</b></p> <ul style="list-style-type: none"> <li>- We expect improved performance at automotive operating companies in the Russia/NIS region and Central and South America as well as solid trading in the Southeast Asian automotive business and a solid level of plant and infrastructure projects.</li> <li>- We expect net income to be about equivalent to FY2010's level, in part reflecting the booking of gains on sales of owed ships.</li> </ul> <p><b>Energy &amp; Metal Division</b></p> <ul style="list-style-type: none"> <li>- We expect the division to contribute to earnings as market prices increase across the board and unit sales increase.</li> <li>- We expect net income to be lower than in FY2010 due to the booking of extraordinary income resulting from the acquisition of additional shares in a mining-interest-holding company.</li> </ul> <p><b>Chemicals &amp; Functional Materials Division</b></p> <ul style="list-style-type: none"> <li>- We expect trading volumes to remain solid with demand likely to remain strong, mainly in China and elsewhere in Asia.</li> </ul> <p><b>Consumer Lifestyle Business Division</b></p> <ul style="list-style-type: none"> <li>- Although we expect the textile business's earnings to improve and anticipate increased trading in timber and woodchips, we expect earnings in the overseas fertilizer business, which thrived in the previous fiscal year, to decrease.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>- We expect net loss to improve versus the previous fiscal year when we booked extraordinary losses, even though we expect the division to be somewhat impacted by headquarter moving costs and the reversal of deferred tax.</li> </ul>

\* Impact of the 2011 Earthquake and Tsunami in Japan  
 - We expect production volume to temporarily decrease owing to the severing of supply chains.  
 - We expect consumer-related businesses to temporarily decrease due to a decline in domestic consumption.  
 - Based on the above factors, we have incorporated losses of approximately 5.0 billion yen into our ordinary income forecast for the year ending March 31, 2012.

(Billions of yen)				
B/S	March 31, 2011	March 31, 2010	Change	March 31, 2012 Forecast (Issued Apr. 28, 2011)
<b>Total assets</b>	<b>2,117.0</b>	<b>2,160.9</b>	(43.9)	<b>2,070.0</b>
<b>Shareholders' equity<sup>3</sup></b>	<b>330.0</b>	<b>352.4</b>	(22.4)	<b>340.0</b>
Total net assets	355.5	377.4	(21.9)	-
<b>Shareholders' equity ratio (%)</b>	<b>15.6%</b>	<b>16.3%</b>	(0.7%)	<b>16.4%</b>
<b>Net interest-bearing debt</b>	<b>700.6</b>	<b>737.8</b>	(37.2)	<b>730.0</b>
<b>Net D/E ratio (times)</b>	<b>2.12</b>	<b>2.09</b>	0.03	<b>2.15</b>
Net D/E ratio based on total net assets (times)	(1.97)	(1.95)	0.02	-
<b>Risk assets</b>	<b>310.0</b>	<b>320.0</b>	(10.0)	-
<b>Ratio of risk assets to shareholders' equity (times)</b>	<b>0.9</b>	<b>0.9</b>	<b>0.0</b>	-

<sup>3</sup> Equity = Total net assets - Minority interests

<sup>4</sup> Forward-looking Statements

The forecasts appearing above constitute forward-looking statements. They are based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. Actual results and other outcomes may differ substantially from those expressed or implied by forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

Commodity Prices and Exchange Rates			
	2010 Results (Annual Average)	2011 Assumption (Annual Average)	2011 Results
			Jan. - Mar. '11 Avg.
<b>Crude oil (Brent)**1</b> (\$/bbl)	\$79.5/bbl	\$90/bbl	\$105.0/bbl
<b>Thermal coal **2</b> (\$/t)	\$99.0/t	\$120/t	\$127.9/t
<b>Molybdenum</b> (\$/lb)	\$15.7/lb	\$18.5/lb	\$17.3/lb
<b>Nickel</b> (\$/lb)	\$9.9/lb	\$11/lb	\$12.2/lb
<b>Exchange rates**3</b> (¥/\$)	Dec. year-end ¥ 87.3/\$ Mar. year-end ¥ 85.2/\$	¥ 80/\$	¥ 82.3/\$

\*\*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. ¥5.0 billion, ordinary income by approx. ¥0.2 billion, and shareholders' equity by approx. ¥1.5 billion.