

# 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			
				Consumer Lifestyle Business	6.4		
				Energy & Metal	4.6	4.83%	
				Chemicals & Functional Materials	4.4		
				Machinery	(0.1)		
Gross profit margin	4.80%	4.64%	0.16%				4.89%
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.

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

April 28, 2011

### Sojitz Corporation

( URL <http://www.sojitz.com> )

Listed stock exchange: The first sections of Tokyo and Osaka

Security Code: 2768

Company Representative: Yutaka Kase, President & CEO

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Scheduled date of Ordinary General Shareholders' Meeting: June 23, 2011

Scheduled filing date of quarterly financial report: June 23, 2011

Scheduled date of delivery of dividends: June 24, 2011

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Ye

(Rounded down to millions of Japanese Yen)

### 1. Consolidated Financial Results for the Year Ended March 31, 2011 (April 1st, 2010 - March 31, 2011)

#### (1) Consolidated Operating Results

Description of % is indicated as the change rate compared with the same period last year.

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the year ended FY2010	4,014,639	4.4	37,519	132.6	45,316	230.7	15,981	81.7
FY2009	3,844,418	(25.6)	16,128	(69.0)	13,702	(59.3)	8,794	(53.7)

	EPS	Adjusted EPS	ROE	ROA	Operating Income Ratio
	Yen	Yen	%	%	%
For the year ended FY2010	12.77	12.77	4.7	2.1	0.9
FY2009	7.08	7.06	2.6	0.6	0.4

(Millions of Yen)

Notes: (1)Equity in earnings of unconsolidated subsidiaries and affiliates for the year ended March 31, 2011 : 19,297 2010 : 9,179

(2)Return on Assets (ROA) = Ordinary Income / Total Assets

#### (2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2011	2,116,960	355,510	15.6	263.79
March 31, 2010	2,160,918	377,404	16.3	281.69

(Millions of Yen)

Notes: Shareholders' Equity As of March 31, 2011 : 330,028 As of March 31, 2010 : 352,417

#### (3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the year ended March 31, 2011	67,863	(19,903)	(72,054)	415,261
March 31, 2010	107,222	28,439	(102,597)	454,262

### 2. Cash Dividends

	Cash Divided per Share					Total Amount of Cash Dividends (annual)	consolidated Payout ratio	Dividend to net assets (consolidated)
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual			
For the year ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2010	-	2.50	-	0.00	2.50	3,083	35.3	0.9
March 31, 2011	-	1.50	-	1.50	3.00	3,753	23.5	1.1
March 31, 2012 (forecast)	-	1.50	-	1.50	3.00		23.5	

2.The above "Cash Dividends" refers to common stock. For details on the payment of dividends for other (unlisted) classified stocks that have rights different from those of common stock issued by the Company, please refer to "Dividends on Preferred Shares".

### 3. Consolidated Earnings Forecast for the Year Ending March 31, 2012 (April 1, 2011 - March 31, 2012)

Description of % is indicated as the change rate compared with the same period last year.

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending March 31, 2012 Full year	4,380,000	9.1	50,000	33.3	46,000	1.5	16,000	0.1	12.79

Note.Fiscal first-half consolidated earnings forecast is omitted because Sojitz earnings on an annual basis only

#### 4. Others

- (1) Changes in major subsidiaries during the fiscal year  
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No
- (2) Changes in accounting policy, procedures or method of presentation for preparing consolidated financial statements
1. Changes due to amendment of accounting standards : Yes
  2. Changes due to other reasons : No
- (3) Number of outstanding shares at the end of the periods (Common Stock):
1. Number of outstanding shares at the end of the periods (Including treasury shares):  
As of March 31, 2011: 1,251,499,501      As of March 31, 2010: 1,251,499,501
  2. Number of treasury shares at the end of the periods:  
As of March 31, 2011 : 416,962                      As of March 31, 2010 : 408,488
  3. Average number of outstanding shares during the periods:  
For the Year ended March 31, 2011(accumulative): 1,251,087,488  
For the Year ended March 31, 2010(accumulative): 1,241,281,744

**\* Important Note Concerning the Appropriate Use of Business Forecasts**

**Caution regarding Forward-looking Statements**

The forecasts appearing above constitute forward-looking statements. They are based information available to Sojitz 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.

#### Dividends on Preferred Shares

The table below sets out details of dividends per share and total dividends paid for classified stock conferring rights different from common stock.

	Cash Dividends per Share					Total amount of Cash Dividends (annual)
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual	
FY2010 ended March 31, 2010	Yen	Yen	Yen	Yen	Yen	Millions of Yen
1st Series Class III	-	7.50	-	0.00	7.50	11

\*As Of October 29, 2009, conversion of 1st Series Class III Preferred Shares to Common stock has been completed, we have no year ended dividends for 1st Series Class III Preferred Shares.

We have deleted the provisions for 1st Series Class III Preferred Shares in the articles of incorporation at the Ordinary General Shareholders' Meeting held on June 22, 2010.

## Analysis of business results

### 1. Overview of fiscal 2010

#### (1) Fiscal 2010 operating results

##### Economic environment

The global economy entered fiscal 2010 (year ended March 31, 2011) in a gradual recovery trend supported by fiscal and monetary policy measures. While developed European and American economies have been slow to recover, Asian economies generally grew briskly in fiscal 2010, led by China and India. The US economy remained in a recovery trend by virtue of corporate earnings' recovery and a pickup in consumer spending. Although the US thus averted a recessionary relapse, which had been a concern last year, it remains plagued by high unemployment. Europe also spent fiscal 2010 in a gradual economic recovery trend, led by Germany, but political turmoil erupted at fiscal year-end, with Ireland's ruling party voted out of power and Portugal's prime minister announcing his resignation. These events gave rise to renewed sovereign credit concerns.

The Japanese economy's growth rate turned negative in the fiscal third quarter (October – December 2010) for the first time in five quarters. Positive growth was initially expected to resume from the fiscal fourth quarter and the economy did indeed regain momentum.

However, the catastrophic earthquake that struck eastern Japan on March 11 has cast a pall over the outlook for Japanese economic recovery amid concerns about its repercussions, including rolling power outages and the nuclear power plant problems it triggered.

In addition to the above, the global economy faces other risks in the form of rising crude oil prices and unrest in the Middle East and Africa that has spread from Tunisia to Egypt and Libya. Another risk factor that bears monitoring is intermittent monetary tightening in developing economies, mainly in Asia. Amid such an environment, rates of economic recovery and growth are diverging among regions and countries.

##### Financial Performance

Sojitz Corporation's consolidated business results in fiscal 2010 are presented below.

##### Net sales

Consolidated net sales grew 4.4% year on year to ¥4,014,639 million, broken down by type as follows.

Net sales by type (yen in millions, except percentages)

Type of sales	Fiscal 2009 (year ended March 31, 2010)		Fiscal 2010 (year ended March 31, 2011)	
		% of total		% of total
Export	446,073	11.6	457,840	11.4
Import	972,775	25.3	960,382	23.9
Domestic	1,689,558	44.0	1,757,144	43.8
Offshore	736,011	19.1	839,272	20.9
Total	3,844,418	100.0	4,014,639	100.0

Relative to fiscal 2009, export sales grew 2.6% in fiscal 2010, driven largely by growth in sales of chemicals and synthetic resins. Import sales declined 1.3%, largely as a result of a decrease in aircraft-related sales. Domestic sales increased 4.0%, bolstered by growth in sales of energy and metals. Offshore sales were up 14.0%, largely reflecting growth in autos, chemicals, and synthetic resins.

By segment, consolidated net sales declined year on year in the Machinery Division and "Other" segment, down 2.9% and 28.9% respectively, but increased 15.9% in the Energy & Metal Division, 11.8% in the Chemicals & Functional Materials Division, and 1.0% in the Consumer Lifestyle Business Division.

#### Gross profit

Consolidated gross profit increased ¥14,522 million year on year to ¥192,725 million. The increase was attributable to multiple factors, including improved earnings in the Consumer Lifestyle Business Division's overseas fertilizer business, Energy & Metal Division profit growth driven largely by coal sales growth, and Chemicals & Functional Materials Division profit growth derived largely from higher methanol prices and sales growth fueled by demand recovery in China and elsewhere in Asia.

#### Operating income

Consolidated operating income increased ¥21,391 million year on year to ¥37,519 million by virtue of growth in gross profit coupled with reduction in general, selling and administrative (SG&A) expenses.

#### Ordinary income

Consolidated ordinary income grew ¥31,614 million year on year to ¥45,316 million as a result of growth in equity in earnings of affiliates, most notably a bioethanol producer and steel-related companies, in addition to operating income growth.

#### Extraordinary income and losses

Extraordinary income totaled ¥19,078 million, including a ¥10,307 million gain related to step acquisitions and ¥4,870 million gain on the sale of noncurrent assets. Extraordinary losses totaled ¥25,082 million, including a ¥9,687 million fixed-asset impairment loss, ¥5,097 million restructuring loss, and ¥4,855 million in losses, and provisions for losses, on dissolution of subsidiaries and affiliates. On balance, these factors netted to an extraordinary loss of ¥6,004 million.

#### Net income

Consolidated income before income taxes and minority interests was ¥39,312 million. After deduction of income tax expense of ¥11,400 million and deferred income taxes of ¥9,103 million, consolidated net income before adjustment for minority interests was ¥18,808 million. After deduction of ¥2,826 million of minority interests in consolidated subsidiaries' net income, fiscal 2010 consolidated net income was ¥15,981 million, an increase of ¥7,187 million from fiscal 2009.

Effective from fiscal 2010, Sojitz revised its business segmentation, reclassifying its airline- and airport-related distribution and services operations from the "Other" segment into the Consumer Lifestyle Business Division.

Fiscal 2010 results are summarized by business segment below.

#### Machinery

Net sales declined 2.9% year on year to ¥965,412 million despite growth in auto sales in Europe and elsewhere. The decrease in sales was largely aircraft-related. Net income increased ¥2,420 million year on year to ¥3,391 million even as earnings slumped at an auto subsidiary in the Central and South America region. The bottom-line growth was largely attributable to an increase in equity in earnings of affiliates and reduction in SG&A expenses.

#### Energy & Metal

Net sales grew 15.9% year on year to ¥1,013,981 million, reflecting growth in coal unit sales and both increased unit sales and higher prices of several other products, including precious metals

and ferroalloys. Net income also increased, up ¥2,940 million year on year to ¥26,462 million as a result of increased equity in earnings of affiliates, including a steel business company and bioethanol production company, and a step-acquisition gain resulting from acquisition of an incremental interest in a mine by a subsidiary that holds mining interests.

#### Chemicals & Functional Materials

Net sales were up 11.8% year on year to ¥612,510 million, largely by virtue of higher methanol prices and unit volume growth driven by demand recovery in China and somewhere in Asia. Net income rose ¥1,458 million year on year to ¥2,711 million.

#### Consumer Lifestyle Business

Net sales increased 1.0% year on year to ¥1,378,000 million, bolstered by growth in tobacco and timber sales. Net income totaled ¥1,089 million, a ¥4,315 million improvement from fiscal 2009. The bottom-line improvement was largely due to improved earnings from the overseas fertilizer business.

#### Other

Net sales fell 28.9% year on year to ¥44,734 million. Despite booking a restructuring loss in conjunction with asset reallocations, the segment saw its net loss shrink to ¥5,458 million, a ¥3,648 million improvement from fiscal 2009. The improvement was attributable to nonrecurrence of a year-earlier revaluation loss on Japan Airlines preferred share holdings.

## (2) Fiscal 2011 Outlook

Sojitz's current earnings forecast for fiscal 2011 (year ending March 31, 2012) is as follows. Fiscal first-half consolidated and non-consolidated earnings forecasts are omitted because Sojitz forecasts earnings on an annual basis only.

#### Consolidated

Net sales	¥4,380 billion
Operating income	¥50 billion
Ordinary income	¥46 billion
Net income	¥16 billion

#### Non-consolidated

Net sales	¥2,615 billion
Operating income (loss)	¥(3) billion
Ordinary income	¥22 billion
Net income	¥13 billion

The above forecast assumes a yen/dollar rate of ¥80/US\$ and crude oil price of US\$90/bbl (Brent).

#### Caution regarding Forward-looking Statements

The forecasts appearing above constitute forward-looking statements. They are based information available to Sojitz 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. Sojitz will provide timely disclosure of any material changes, events, or other relevant issues.

## 2. Financial Position

### Consolidated Balance Sheet

At March 31, 2011, assets totaled ¥2,116,960 million, a ¥43,958 million decrease from March 31, 2010. The decrease was chiefly attributable to a ¥40,034 million drawdown in cash and deposits, much of which was used to new investment and loans, repay loans and redeem outstanding bonds, and a ¥19,268 million reduction in real estate for investment due largely to divestments. Such decreases were partially offset by growth in other asset accounts, most notably including a ¥16,647 million increase in trade notes and accounts receivable due largely to growth in tobacco sales and an ¥18,150 million increase in intangible noncurrent assets due mainly to acquisition of ownership interests in resource deposits.

Liabilities totaled ¥1,761,449 million at March 31, 2011, a decrease of ¥22,065 million from March 31, 2010. The decrease was largely attributable to repayment of loans and redemption of bonds, partially offset by a ¥37,516 million increase in trade notes and accounts payable due largely to growth in tobacco, coal, and nonferrous metal sales. Sojitz consequently ended fiscal 2010 with a current ratio of 142.2% and a ratio of long-term debt to total debt of 72.3%. Net interest-bearing debt (total interest-bearing debt less cash and deposits) at March 31, 2011, totaled ¥700,607 million, a ¥37,182 million decrease from March 31, 2010, resulting in a net-debt-to-equity ratio of 2.1 at March 31.

Shareholders' equity totaled ¥471,688 million at March 31, 2011, a ¥12,869 million increase from March 31, 2010. The increase was attributable to net income, partially offset by reductions in retained earnings due to dividend distributions and accounting standard changes. In the Total other comprehensive income account, net unrealized gains on available-for-sale securities decreased ¥2,535 million and the foreign currency translation adjustment account's balance decreased ¥32,434 million from March 31, 2010. As a result, total net assets inclusive of minority interests decreased ¥21,894 million to ¥355,510 million at March 31, 2011.

In terms of funding, Sojitz remains committed to a basic financial strategy of maintaining and improving the stability of its capital structure under its *Shine 2011* medium-term management plan. As a specific measure under this strategy, Sojitz is continuing to shift from short-term to long-term financing to shore up financing structure stability and to maintain its stable financial position by ensuring sufficient short-term liquidity to weather changes in economic and financial environments. In October 2010, Sojitz issued ¥10 billion in straight bonds, one source of long-term funding, following a similar bond issue in May 2010. Sojitz will continue to closely monitor interest rates and market conditions and will consider floating additional bond issues whenever advantageous opportunities to do so arise. In addition to an existing ¥100 billion committed credit line, Sojitz has obtained a US\$300 million multicurrency committed credit line as a precaution against unforeseen circumstances in the aim of supplementing its liquidity resources by ensuring access to foreign-currency liquidity also.

### Consolidated cash flows

In fiscal 2010, operating activities provided net cash of ¥67,863 million, investing activities used net cash of ¥19,903 million, and financing activities used net cash of ¥72,054 million. Sojitz ended fiscal 2010 with cash and cash equivalents of ¥415,261 million, adjusted to reflect changes in the scope of consolidation and foreign currency translation adjustments related to cash and cash equivalents.

#### (1) Cash flows from operating activities

Fiscal 2010 operating activities provided net cash of ¥67,863 million, a ¥39,359 million decrease from fiscal 2009. Despite growth in trade receivables, cash inflows from operations exceeded operating outlays, partly as a result of growth in trade payables.



#### (2) Cash flows from investing activities

Fiscal 2010 investing activities used net cash of ¥19,903 million, a ¥48,342million increase in net investment outflows from fiscal 2009. Major investment outlays included acquisitions of intangible assets, property, plant and equipment, and investment securities, partially offset by cash inflows from the sale and redemption of investment securities holdings and collection of long-term loan receivables.

#### (3) Cash flows from financing activities

Fiscal 2010 financing activities used net cash of ¥72,054 million, ¥30,543 million less than in fiscal 2009, as cash outlays to repay long-term loans and redeem bonds and commercial paper exceeded cash proceeds from bond issuance and new long-term loans.

### 3. Dividend Policy and Fiscal 2010-11 Dividends

In addition to paying stable dividends to shareholders on an ongoing basis, Sojitz is also committed to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings as a top management priority.

In light of the adequacy of its shareholders' equity and its funding requirements for investments in pursuit of growth, Sojitz has decided to pay a fiscal 2010 year-end dividend as follows.

#### (1) Type of property to be distributed as dividend

Cash

#### (2) Total value of dividend distribution and its allocation among shareholders

¥1.5 per share of Sojitz common stock, ¥1,876 million in total

Including the interim dividend of ¥1.5 per share paid on December 2, 2010, fiscal 2010 dividends will total ¥3 per share or ¥3,753 million in aggregate, equivalent to 23.5% of fiscal 2010 consolidated net income.

For fiscal 2011, Sojitz plans to pay annual common dividends of ¥3 per share (¥1.5 interim dividend plus ¥1.5 year-end dividend) based on comprehensive consideration of relevant factors, including the impact on shareholders' equity and its firm commitment to paying stable dividends on an ongoing basis. Based on Sojitz's current fiscal 2011 earnings forecast, planned fiscal 2011 dividends equate to a (projected) common dividend payout ratio of 23.5% on a consolidated basis.

#### Caution regarding Forward-looking Statements

The forecasts appearing above constitute forward-looking statements. They are based information available to Sojitz 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. Sojitz will provide timely disclosure of any material changes, events, or other relevant issues.

### 4. Business and Other Risks

#### 1) Business risks

As a general trading company, the Sojitz Group is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects, in Japan and overseas. The Group also invests in various sectors and conducts financing activities. These operations are inherently exposed to various risks. The Group defines and classifies risks and manages them in accord with their nature. For quantifiable risks (market risk, credit risk, business investment risk, and country risk), the Group conducts comprehensive risk management, measuring risks and

monitoring them based on risk asset scores derived from risk measurements. Although the group is strengthening and upgrading its risk management to deal with various risks, it cannot completely avoid these risks. In specific terms, the Group faces risks such as those described below.

(1) Risk of changes in the macroeconomic environment

As a general trading company with global operations, the Group operates a wide range of businesses in Japan and overseas, including machinery, energy, metals, chemicals, functional materials, and consumer lifestyle businesses. The Group's earnings are influenced by economic conditions in Japan and other countries and the overall global economy. A global or regional economic slowdown can adversely affect the Group's operating performance and/or financial condition.

(2) Market risks

The Group is exposed to market risks, including exchange rate risk associated with transactions denominated in foreign currencies in connection with international trade or business investments; interest rate risk associated with debt financing and portfolio investment; commodity price risk associated with purchase and sale agreements and commodity inventories incidental to operating activities; and market price risk associated with ownership of listed securities and other such assets. The Group pursues a basic policy of minimizing these market risks through such means as matching assets and liabilities (e.g., long and short commodity exposures) and hedging with forward exchange contracts, commodity futures, forward commodity contracts, and interest rate swaps.

(a) Currency risk

The Group engages in import and export transactions, and offshore transactions, denominated in foreign currencies as a principal business activity. Whereas the revenues and expenditures associated with such transactions are mainly paid in foreign currencies, the Group's consolidated reporting currency is the Japanese yen. The Group is therefore exposed to the risk of fluctuations in the yen's value against foreign currencies. To prevent or limit losses stemming from this currency risk, the Group hedges its foreign currency exposure with forward exchange contracts. Even with such hedging, however, there is no assurance that the Group can completely avoid currency risk. The Group's operating performance and/or financial condition could be adversely affected by unanticipated market movements. Additionally, the Group's dividend income from overseas group companies and the profits and losses of overseas consolidated subsidiaries and equity method affiliates are largely denominated in foreign currencies. Their conversion into yen entails currency risk. The group also owns many foreign subsidiaries and operating companies. When these companies' financial statements are converted into yen terms, exchange rate movements could impair the Group's shareholders' equity through the foreign currency translation adjustment account.

(b) Interest rate risk

The Group raises funds by borrowing from financial institutions or issuing bonds to acquire fixed assets, invest in securities, and extend credit (e.g., through trade receivables). An increase in funding costs due to a sharp rise in interest rates could adversely affect the Group's operating performance and/or financial condition through income derived from and expenses incurred on assets and liabilities on the Group's balance sheet.

(c) Commodity price risk

As a general trading company, the Group deals in a wide range of commodities in its various businesses. It is consequently exposed to the risk of commodity price fluctuations. For market-traded commodities, the Group manages exposures and controls losses by setting (long and short) position limits and stop-loss levels for each of its organizational units. The Group also

imposes and enforces stop-loss rules (i.e., rule that mandates prompt liquidation of losing positions and prohibits new trades in the same trading instrument for the remainder of the fiscal year if losses, including unrealized losses, reach a predetermined stop-loss level). Even with these controls, however, there is no assurance that the Group can completely avoid commodity price risk. The Group's operating performance and/or financial condition could be adversely affected by unanticipated market movements. The Group also monitors commodity inventories by business unit on a monthly basis to control inventory levels.

(d) Listed securities price risk

The Group has large holdings of marketable securities. For listed equities in particular, the Group periodically reviews and adjusts its portfolio. Nonetheless, a major decline in stock market could impair the Group's investment portfolio and, in turn, adversely affect the Group's operating performance and/or financial condition.

(3) Credit risk

The Group assumes credit risk by extending credit to many domestic and foreign customers through a variety of commercial transactions. To mitigate such credit risk, the Group assigns credit ratings to the customers to which it extends credit, using an 11-grade rating scale and objective rating criteria. The Group also controls credit risk by setting rating-based credit limits on a customer-by-customer basis and enforcing the credit limits thus set. The Group also employs other safeguards (e.g., collateral and guarantees) as warranted by the customer's creditworthiness. Additionally, the Group implements a system for assessing receivables. The Group screens the customers to which it has extended trade credit to identify those that meet certain criteria. It then reassesses the selected customers' creditworthiness and the status of the Group's claims against the customer. Through this approach, the Group is endeavoring to more rigorously ascertain credit risk and estimate provisions to allowance for doubtful accounts for individual receivables. For credit risk associated with deferred payments, loans, and credit guarantees, the Group periodically assesses whether profitability is commensurate with credit risk on a case-by-case-basis. For transactions that do not generate risk-commensurate returns, the Group takes steps to improve profitability or limit credit risk.

However, even with such credit management procedures, there is no assurance that the Group can completely avoid credit risk. If, for example, receivables are rendered uncollectible by a customer's bankruptcy, the Group's operating performance and/or financial condition could be adversely affected.

(4) Business investment risk

The Group invests in a wide range of businesses as one of its principal business activities. In doing so, it assumes the risk of fluctuations in investments' value. Additionally, because many business investments are illiquid, the Group also faces the risk of being unable to recoup its investment as profitably as initially anticipated.

In the aim of preventing and limiting losses from business investments, the Group has established standards for rigorously prescreening prospective business investments and monitoring and withdrawing from investments.

In screening prospective investments, the Group analyzes business plans, including cash flow projections, and rigorously assesses the businesses' prospects. It has also established procedures, including an IRR (internal rate of return) hurdle rate screen, to enable it to identify investments with the potential to generate returns commensurate with risk.

Once the Group has invested in a business venture, it closely monitors the business through such means as periodic reassessment of the business's prospects to minimize losses through early identification of problems. To identify problems with business investments at an early stage and minimize losses on divestiture or liquidation, the Group sets exit conditions and acts decisively to opportunistically exit investments that have failed to generate risk-commensurate returns.

Even with such procedures for screening prospective investments and monitoring existing investments, the Group can not completely avoid the risk of investment returns falling short of expectations or business activities themselves turning out to be not executable as planned.

. The Group could incur losses when exiting business ventures or may be precluded from exiting business ventures as intended due to circumstances such as relationships with partners in the ventures. In such an event, the Group's operating performance and/or financial condition could be adversely affected.

#### (5) Country risk

To minimize losses from realization of country risk, the Group recognizes that it must avoid concentrated exposure to any single country or region. In conducting business in countries that pose substantial country risk, the Group generally hedges against country risk on a transaction-by-transaction basis through such means as purchasing trade insurance.

In managing country risk, the Group assigns country-risk ratings to individual countries and regions and sets net exposure (gross exposure less trade insurance coverage and/or other country-risk hedges) limits based on the country's size and assigned rating. The Group limits its net exposure to individual countries to no more than the net exposure limit. However, even with these risk controls and hedges, the Group cannot completely eliminate the risk of losses or not being able to conduct business activities as planned due to changes in political, economic, and societal conditions in the countries in which the Group conducts business activities or countries in which the Group's customers are located. In the event of such losses, the Group's operating performance and/or financial condition could be adversely affected.

#### (6) Fixed asset impairment risk

The Group is exposed to the risk of impairment of the value of its real estate holdings, other fixed assets (e.g., machinery, vehicles, mining rights), and leased assets. The Group uses asset impairment accounting and books necessary impairment losses at the end of the fiscal year in which the impairment occurred. However, if assets subject to asset impairment accounting decline materially in value due to a decline in their market prices, recognition of necessary impairment losses could adversely affect the Group's operating performance and/or financial condition.

#### (7) Financing risk

The Group largely funds its operations by issuing bonds and borrowing funds from financial institutions. Accordingly, in the event of a disruption of the financial system or financial or capital markets, or a major downgrade of the Group's credit rating by a rating agency, the Group's operating performance and/or financial condition could be adversely affected by funding constraints and/or increased financing costs.

#### (8) Environmental risk

The Group regards environmental preservation as an important management consideration. The Group has prescribed environmental policies and is proactively addressing environmental problems through such means as complying with environmental laws and regulations and assessing the environmental impact of prospective investments and development projects. Despite such measures, the Group's business activities could still pollute the environment. In such an event, the Group could incur costs due to project suspension, environmental remediation and purification, and/or litigation.

#### (9) Compliance risk

The Group's diverse business activities are subject to a broad range of laws and regulations, including corporation laws, tax laws, antitrust laws, foreign exchange laws and other trade-related laws, and various industry-specific laws, including chemical regulations. To ensure compliance with these laws and regulations, the Group has formulated a compliance program, established compliance committees, and promotes rigorous regulatory compliance on a Group-wide basis. However, such measures cannot completely eliminate the compliance risk entailed by the Group's business activities. Additionally, the Group's operating performance and/or financial condition could be adversely affected by major statutory or regulatory revisions or application of an unanticipated interpretation of existing laws or regulations.

(10) Litigation risk

Litigation or other legal proceedings (e.g., arbitration) may be initiated in Japan or overseas against the Group or certain of its assets in connection with the Group's business activities. As of March 31, 2011, the Group is not involved in any litigation, arbitration, or other legal proceedings with the potential to have a material impact on its operating performance or financial condition.

(11) Information system and information security risks

The Group has prescribed regulations and established oversight entities, mainly internal committees, to appropriately protect and manage information assets. The Group also has implemented safeguards (e.g., installation of redundant hardware) against failure of key information systems and network infrastructure. Additionally, the group is endeavoring to strengthen its safeguards against information leaks through such means as installing firewalls to prevent unauthorized access by outsiders, implementing antivirus measures, and utilizing encryption technologies.

While the Group is endeavoring to strengthen overall information security and prevent system failures, it cannot completely eliminate the risk of important information assets, including personal information, being leaked or damaged by an unknown computer virus or unauthorized access to its computer systems. Nor can the Group eliminate the risk of its information and communication systems being rendered inoperable by an unforeseeable natural disaster or system failure. In such an event, the Group's operating performance and/or financial condition could be adversely affected, depending on the extent of the damage.

(12) Natural disaster risk

The Group could be directly or indirectly affected in the event of an earthquake, flood, storm, or other natural disaster that damages offices or other facilities or injures employees. The Group has prepared disaster response manuals, conducts disaster response drills, has established an employee safety confirmation system, and has formulated a business continuity plan, but it cannot completely avoid the risk of damage from natural disasters. The Group's operating performance and/or financial condition could be adversely affected by natural disasters.

2) Risks related to the Shine 2011 medium-term management plan

As noted below in "Management Policies," the Group has formulated a new medium-term management plan, Shine 2011, for fiscal 2009-11.

Despite the Group's efforts, there is no assurance that all of the Shine 2011 plan's targets will be achieved. Initiatives directed at achieving the targets may not progress as planned or may not be as successful as anticipated.

## Group Business Operations

Sojitz Group is engaged in a wide range of businesses on a global basis as a general trading company or sogo-shosha. Our main businesses are trading, import, and export of products, domestic and overseas manufacture and sale of a diverse array of products, provision of domestic and overseas services, planning and organizing of various projects, investment in diversified business areas, and financial activities.

The Group consists of 505 companies, including 475 consolidated subsidiaries and affiliates, of which 344 are subsidiaries and 161 are affiliates.

The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of December 31, 2010

Segment	Main products and services	Main subsidiaries and affiliates (Main business; Status within consolidated group)
Machinery	Automobiles and automotive components; automobile-related equipment; construction equipment; ships; vehicles; aircraft and aerospace-related equipment; communication infrastructure equipment; equipment for electronics industries; general plant equipment for steel manufacturing, cement plants, chemical plants, etc.; electric power; electronics-related equipment (equipment for power generation, conversion, transmission, etc.); infrastructure business; bearings; industrial generators; various types of industrial machinery; machinery for the processing of metals and related equipment; IT-related business; information processing; computer software development; etc.	<ul style="list-style-type: none"> <li>- Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary)</li> <li>- Sojitz Aerospace Corporation (Import, export and domestic sale of aerospace-related and defense-related equipment; Subsidiary)</li> <li>- Sojitz Marine &amp; Engineering Corporation (Sale, purchase and charter brokerage, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary)</li> <li>- Nissho Electronics Corporation (IT systems, network services; Subsidiary)</li> <li>- SAKURA Internet Inc. (Internet data center operator; Affiliate)</li> <li>- MMC Automotoriz, S.A (Import, assembly and sale of automobiles; Subsidiary)</li> <li>- Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary)</li> <li>- TechMatrix (IT system consulting; Affiliate)</li> <li>- Densan Co., Ltd., (Information processing, communication service, software development, system provisioning service; Affiliate)</li> <li>- NextGen (Network services; Affiliate)</li> </ul> <p style="text-align: right;">Number of subsidiaries: 105 (Domestic: 25, Overseas: 80) Number of affiliates: 51 (Domestic: 11, Overseas: 40)</p>
Energy & Metal	Oil and gas; petroleum products; coke; carbon products; nuclear fuels; nuclear power-related equipment and machinery; coal; iron ore; ferroalloys (nickel, molybdenum, vanadium, other rare metals); ores; alumina; aluminum; copper; zinc; tin; precious and other metals; ceramics and minerals; floating production storage and offloading unit; infrastructure; energy and chemicals-related projects; LNG-related business; steel-related business; renewable energy-related business; environmental business; etc.	<ul style="list-style-type: none"> <li>- Sojitz Energy Corporation (Sale of petroleum products, etc.; Subsidiary)</li> <li>- Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary)</li> <li>- Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary)</li> <li>- Sojitz Coal Resources Pty Itc. (Investment in coal mines; Subsidiary)</li> <li>- Sojitz Moly Resources, Inc. (Investment in molybdenum mine; Subsidiary)</li> <li>- Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary)</li> <li>- Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Affiliate)</li> <li>- LNG Japan Corporation (LNG business and related investments; Affiliate)</li> <li>- Alconix Corporation (Sale of non-ferrous products and non-ferrous materials for construction and electronics industries; Affiliate)</li> <li>- Coral Bay Nickel Corporation (Manufacture and sale of nickel and cobalt mixed sulfide; Affiliate)</li> <li>- Japan Alumina Associates (Australia) Pty. Ltd. (Manufacture of alumina; Affiliate)</li> <li>- ETH Investimentos S.A. (Bioethanol and sugar manufacturing; Affiliate)</li> </ul> <p style="text-align: right;">Number of subsidiaries: 43 (Domestic: 10, Overseas: 33) Number of affiliates: 21 (Domestic: 7, Overseas: 14)</p>
Chemicals & Functional Materials	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; cosmetics; foodstuff additives; rare earths; commodity resins; raw materials for plastics including engineering plastics; film sheets for industry, packaging, and foodstuffs; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; fiber materials for use in industrial supplies; etc.	<ul style="list-style-type: none"> <li>- Sojitz Pla-Net-Holdings, Inc (Holdings company for Pla-Net businesses; Subsidiary)</li> <li>- Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary)</li> <li>- Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary)</li> <li>- Sojitz Cosmetics Corporation (Development, product planning and sale of cosmetics; Subsidiary)</li> <li>- P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary)</li> <li>- P.T. Moriuchi Indonesia (Manufacture of industrial fabrics; Affiliate)</li> </ul> <p style="text-align: right;">Number of subsidiaries: 31 (Domestic: 14, Overseas: 17) Number of affiliates: 29 (Domestic: 10, Overseas: 19)</p>
Consumer Lifestyle Business	Grains; flour; oils and fats; oilstuffs; feed materials; marine products; processed seafood; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; fertilizers; cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw materials for textiles; clothing; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities; planning, construction, and sale of condominiums; development and sale of residential properties; buildings-related business; construction works contracting; real estate dealing, leasing, brokerage, management; development of retail property; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; building materials; afforestation; manufacture and sale of wood chips	<ul style="list-style-type: none"> <li>- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary)</li> <li>- Sojitz Foods Corporation (Sale of sugar, dairy products, farmed marine products, processed foods, and other foodstuffs; Subsidiary)</li> <li>- Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary)</li> <li>- Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary)</li> <li>- Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary)</li> <li>- Sojitz General Property Management Corporation (Condominium and office building management; Subsidiary)</li> <li>- Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary)</li> <li>- Singapore Co., Ltd. (Planning, manufacture, and sale of women's clothing; Subsidiary)</li> <li>- Sojitz Commerce Development Corporation (Development, construction, operation, and lease of retail property; Subsidiary)</li> <li>- Sojitz Yoshimoto Ringyo Co., Ltd. (Sale of lumber, plywood, etc.; Subsidiary)</li> <li>- Sojitz Realnet Corporation (Real estate trading and lease broking; Subsidiary)</li> <li>- Thai Central Chemical Public Co., Ltd (Manufacture and sale of fertilizers; sale of imported fertilizer products; Subsidiary)</li> <li>- Vietnam Japan Chip Vung Ang Corporation (Afforestation; manufacture and sale of wood chips; Subsidiary)</li> <li>- Sojitz Now Apparel Ltd. (Garment agent and trader; Subsidiary)</li> <li>- JALLUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Affiliate)</li> <li>- Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Affiliate)</li> <li>- Yamazaki-Nabisco Co., Ltd. (Manufacture of sweets; Affiliate)</li> <li>- Nissho Iwai Paper &amp; Pulp Corporation (Sales of pulp and recycled paper as well as paper and paperboard products; Affiliates)</li> <li>- Tachikawa Forest Products (N.Z.) Ltd. (Saw milling; Affiliate)</li> </ul> <p style="text-align: right;">Number of subsidiaries: 57 (Domestic: 25, Overseas: 32) Number of affiliates: 32 (Domestic: 11, Overseas: 21)</p>
Other	Administration, domestic branches, logistics and insurance services, venture capital, aircraft leasing, investment in real estate etc., real estate leasing	<ul style="list-style-type: none"> <li>- Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary)</li> <li>- Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary)</li> <li>- Sojitz Insurance Agency Corporation (Accident insurance and life insurance agency services; Subsidiary)</li> <li>- Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary)</li> <li>- Sojitz Aircraft Leasing B. V. (Aircraft operating lease; Subsidiary)</li> </ul> <p style="text-align: right;">Number of subsidiaries: 56 (Domestic: 28, Overseas: 28) Number of affiliates: 12 (Domestic: 2, Overseas: 10)</p>
Overseas	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	<ul style="list-style-type: none"> <li>- Sojitz Corporation of America (Subsidiary)</li> <li>- Sojitz Europe plc (Subsidiary)</li> <li>- Sojitz Asia Pte. Ltd (Subsidiary)</li> <li>- Sojitz (Hong Kong) Ltd. (Subsidiary)</li> <li>- Sojitz (China) Co., Ltd. (Subsidiary)</li> </ul> <p style="text-align: right;">Number of subsidiaries: 52 (Overseas: 52) Number of affiliates: 16 (Overseas: 16)</p>

Note 1: The following seven companies are listed in the Japanese stock market as of March 31, 2011: JALLUX Inc. (TSE 1st section), TechMatrix Corporation, Densan Co., Ltd., Fuji Nihon Seito Corporation (TSE 2nd section), SAKURA Internet Inc. (Mothers), NextGen Inc. and Pla Matels Corporation (JASDAQ).

Note 2: Effective March 30, 2011, Sakura Internet Inc.'s status was changed from affiliate to subsidiary as the result of a tender offer for that company's shares.

Note 3: Effective December 13, 2010, NextGen, Inc.'s status was changed from subsidiary to affiliate owing to dilution of Sojitz's ownership resulting from an increase in NextGen's capital through a private equity placement.

## Management Policies

### (1) Fundamental Policy

Sojitz has adopted a basic policy of building a strong earnings foundation that will ensure sustained growth by improving earnings quality. Toward this end, Sojitz formulated a medium-term management plan named "Shine 2011: Toward Sustained Growth" for the three years from fiscal 2009 through fiscal 2011. Sojitz is carrying out the *Shine 2011* plan by realizing its Management Vision of the company it aspires to become and the common principles it embraces in accord with the Sojitz Group Statement below.

#### *Sojitz Group Statement*

The Sojitz Group produces new sources of wealth by connecting the world's economies, cultures and people in a spirit of integrity.

#### *Sojitz Group Slogan*

New way, New value

#### *Sojitz Group Management Vision*

Unrelentingly enhance the Group's trading company functions, as demanded by clients, by fully grasping and anticipating clients' diverse needs (Function-oriented trading company)

Take advantage of changes and continuously develop new business fields (Innovating trading company)

Become a company in which each and every employee can work with pride and pursue challenges and explore opportunities to realize his or her own personal goals and ambitions (Open and flexible company)

Seek to harmonize the Group's corporate activities with the society and the environment by consistently putting the Group's statement into practice (Socially contributive company)

### (2) Targeted Performance Indicators

Under the *Shine 2011* medium-term management plan, Sojitz aims to optimize its asset portfolio while pursuing qualitative improvement by accumulating high-quality businesses and assets and building a strong, risk-resistant earnings foundation by reconfiguring its operations. The performance targets that Sojitz has set as perpetual targets are consolidated ROA of 3% and consolidated ROE of 15%.

Financially, Sojitz continues to place priority on remaining financially sound and improving the stability of its funding structure. Sojitz's basic policy is to maintain the financial ratios in the table below within their target ranges.

	Target	Value at March 31, 2011
Long-term debt ratio	Approximately 70%	72%
Current ratio	At least 120%	142%
Net D/E ratio	Approximately 2.0 times	2.1 times

\*Net D/E ratio's denominator is net of minority interests.

In terms of risk assets, Sojitz will continually devise and execute measures such as exiting low-margin businesses, reducing inventories to appropriate levels, and reducing listed equity holdings in accord with its plan to control and reduce risk assets and target of limiting risk assets to no more than 1.0 times shareholders' equity. Sojitz will also further strengthen its financial foundation by pursuing a target of keeping its net D/E ratio in the vicinity of 2.0 times by limiting growth in borrowings through such means as divesting existing assets to fund new investments.

### (3) Medium to Long-term Business Strategy

Under the *Shine 2011* medium-term management plan intended to realize sustained growth, Sojitz aims to build a strong earnings foundation by improving earnings quality, thereby ensuring growth.

In accord with *Shine 2011*'s four themes set forth below, Sojitz will continuously endeavor to strengthen existing businesses, expand resource businesses, and cultivate new businesses, most notably in the environmental, new energy, and agribusiness sectors.

- Accumulate high-quality businesses/assets
  - Secure medium/long-term earnings foundation (build high-quality assets in absolute-volume terms)
- Branch into new businesses
  - Cultivate new businesses in pursuit of sustained growth (groundwork for future growth)
- Ensure asset liquidity
  - Pursue assets structure that is resilient to market fluctuations
- Develop globally competent human resources
  - Develop human resources capable of achieving sustained growth

In fiscal 2010, the second year of the *Shine 2011* plan's term, Sojitz endeavored to enlarge its holdings of high-quality businesses and assets and to reinforce its earnings base vis-à-vis businesses that have been slow to recover. Such efforts resulted in a number of successes, including earnings recovery in the fertilizer business and completion of inventory right-sizing in the automotive business.

In resource businesses, Sojitz continued to secure resources by adding to existing interests and acquiring new interests in resource deposits while replacing existing assets with new ones.

Meanwhile, Sojitz made progress in building a medium- to long-term earnings base, mainly in environmental and new energy businesses. Specific initiatives most notably included involvement in solar-related businesses, expansion of rare earth businesses in response to the emergence of supply risk, involvement in environmental and infrastructure projects in China, and expansion of the IPP business in the Middle East. Sojitz is also expanding into agribusiness as a new business, launching an agribusiness venture in Argentina in fiscal 2010.

In fiscal 2011, *Shine 2011*'s final year, Sojitz will continue accumulating high-quality businesses and assets and pursuing improvement in existing businesses' earnings in the aim of establishing a strong earnings base that will ensure sustained growth. Sojitz will also aggressively branch into new businesses in pursuit of future growth. In terms of new investments, Sojitz will continue to selectively invest in opportunities that will contribute to improvement in asset quality in growth businesses and businesses that generate stable earnings, based on replacement of existing assets with new ones.



#### (4) Prospective Challenges

The recent earthquake in eastern Japan caused massive damage and is having major repercussions for the Japanese economy. The outlook for the business environment is consequently murky.

In response, Sojitz will strive to minimize the earthquake's impact on its earnings, but it does anticipate the impact to be unavoidable to a certain extent. Sojitz has accordingly revised the earnings forecasts (consolidated) for the fiscal ending March 31, 2012, that it announced last fiscal year as follows.

#### Consolidated operating performance targets

	Fiscal 2011 (Revised)	Fiscal 2011 (Announced in previous fiscal year, Apr.30, 2010)
Net sales	¥4,380 billion	¥4,820 billion
Gross profit	¥214 billion	¥242 billion
Ordinary income	¥46 billion	¥56 billion
Net income	¥160 billion	¥25 billion

Sojitz will also support and reinforce reconstruction activities. Sojitz will undertake initiatives to provide food, housing and clothing to the disaster area, help rebuild infrastructure, establish an education fund, and plan and carry out reconstruction-support activities, including by providing assistance and cooperation to customers.

#### Caution regarding Forward-looking Statements

The forecasts appearing above constitute forward-looking statements. They are based on information available to Sojitz 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. Sojitz will provide timely disclosure of any material changes, events, or other relevant issues.

## Consolidated Balance Sheets As of March 31, 2011 and 2010

(Millions of Yen)

	As of March 31, 2010	As of March 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	455,728	415,694
Notes and accounts receivable-trade	462,233	478,880
Short-term investment securities	6,131	5,437
Inventories	248,629	243,210
Short-term loans receivable	7,943	8,518
Deferred tax assets	13,484	15,402
Other	100,216	106,832
Allowance for doubtful accounts	(9,089)	(7,347)
<b>Total current assets</b>	<b>1,285,277</b>	<b>1,266,629</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	112,591	111,537
Accumulated depreciation	(51,367)	(54,799)
<b>Buildings and structures, net</b>	<b>61,224</b>	<b>56,738</b>
Machinery, equipment and vehicles	169,688	158,458
Accumulated depreciation	(82,901)	(81,978)
<b>Machinery, equipment and vehicles, net</b>	<b>86,787</b>	<b>76,480</b>
Land	57,442	55,114
Construction in progress	11,883	19,177
Other	16,303	20,728
Accumulated depreciation	(10,975)	(12,463)
<b>Other, net</b>	<b>5,328</b>	<b>8,264</b>
<b>Total property, plant and equipment</b>	<b>222,665</b>	<b>215,774</b>
Intangible assets		
Goodwill	54,305	51,474
Other	60,139	81,120
<b>Total intangible assets</b>	<b>114,445</b>	<b>132,595</b>
Investments and other assets		
Investment securities	327,869	333,050
Long-term loans receivable	25,113	13,370
Bad debts	88,358	79,971
Deferred tax assets	61,432	52,881
Real estate for investment	53,261	33,993
Other	39,264	48,168
Allowance for doubtful accounts	(57,207)	(59,758)
<b>Total investments and other assets</b>	<b>538,093</b>	<b>501,678</b>
<b>Total noncurrent assets</b>	<b>875,204</b>	<b>850,049</b>
<b>Deferred assets</b>	<b>436</b>	<b>281</b>
<b>Total assets</b>	<b>2,160,918</b>	<b>2,116,960</b>

## Consolidated Balance Sheets As of March 31, 2011 and 2010

(Millions of Yen)

	As of March 31, 2010	As of March 31, 2011
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	377,468	414,984
Short-term loans payable	256,652	247,656
Commercial papers	10,000	2,000
Current portion of bonds	40,120	60,000
Income taxes payable	5,949	6,591
Deferred tax liabilities	44	146
Provision for bonuses	5,497	5,845
Other	145,801	153,321
<b>Total current liabilities</b>	<b>841,533</b>	<b>890,544</b>
Noncurrent liabilities		
Bonds payable	123,647	82,719
Long-term loans payable	763,098	723,926
Deferred tax liabilities	14,743	19,009
Deferred tax liabilities for land revaluation	944	774
Provision for retirement benefits	13,280	13,136
Provision for directors' retirement benefits	931	833
Other	25,336	30,505
<b>Total noncurrent liabilities</b>	<b>941,981</b>	<b>870,905</b>
<b>Total liabilities</b>	<b>1,783,514</b>	<b>1,761,449</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	160,339	160,339
Capital surplus	152,160	152,160
Retained earnings	146,489	159,358
Treasury stock	(169)	(170)
<b>Total shareholders' equity</b>	<b>458,819</b>	<b>471,688</b>
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale securities	14,845	12,310
Deferred gains or losses on hedges	2,357	3,022
Revaluation reserve for land	(2,055)	(2,302)
Foreign currency translation adjustment	(121,550)	(153,984)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	—	(706)
<b>Total Other Comprehensive Income</b>	<b>(106,402)</b>	<b>(141,659)</b>
Minority interests	24,987	25,481
<b>Total net assets</b>	<b>377,404</b>	<b>355,510</b>
<b>Total liabilities and net assets</b>	<b>2,160,918</b>	<b>2,116,960</b>

**Consolidated statement of Profit and Loss  
for the Year ended March 31, 2011 and 2010**

Millions of Yen

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2011
<b>Net sales</b>	3,844,418	4,014,639
Cost of sales	3,666,215	3,821,914
<b>Gross profit</b>	178,203	192,725
Selling, general and administrative expenses	162,074	155,205
<b>Operating income</b>	16,128	37,519
Non-operating income		
Interest income	4,632	4,308
Dividends income	5,040	4,081
Equity in earnings of affiliates	9,179	19,297
Penalty income	3,802	—
Other	14,591	16,285
<b>Total non-operating income</b>	37,245	43,973
Non-operating expenses		
Interest expenses	25,808	23,917
Interest on commercial papers	178	18
Other	13,685	12,240
<b>Total non-operating expenses</b>	39,672	36,176
<b>Ordinary Income</b>	13,702	45,316
Extraordinary income		
Gain on sales of noncurrent assets	1,439	4,870
Gain on sales of real estate for investment	—	449
Gain on sales of investment securities	33,214	1,575
Gain on sales of equity investment without stock	430	6
Gain on change in equity	92	135
Gain on negative goodwill	—	404
Gain on step acquisitions	—	10,307
Reversal of allowance for doubtful accounts	3,248	1,272
Gain on bad debts recovered	6	56
Adjustment for hyperinflationary economies	2,753	—
<b>Total extraordinary income</b>	41,185	19,078
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	448	483
Loss on sales of real estate for investment	—	835
Impairment loss	9,402	9,687
Loss on sales of investment securities	1,167	127
Loss on sales of equity investment without stock	1	0
Loss on revaluation of securities	16,543	801
Loss on change in equity	216	922
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	7,968	4,855
Restructuring losses	245	5,097
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	960
Loss on disaster	—	1,311
<b>Total extraordinary losses</b>	35,993	25,082
<b>Income before income taxes and minority interests</b>	18,894	39,312
Income taxes-current	8,562	11,400
Income taxes-deferred	(294)	9,103
<b>Total income taxes</b>	8,268	20,503
<b>Income before minority interests</b>	—	18,808
Minority interests in income	1,832	2,826
<b>Net income</b>	8,794	15,981

**Consolidated statement of Comprehensive Income  
for the Year ended March 31, 2011 and 2010**

Millions of Yen

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2011
<b>Income before minority interests</b>	—	18,808
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(1,557)
Deferred gains or losses on hedges	—	1,165
Foreign currency translation adjustment	—	(26,545)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	—	129
Share of other comprehensive income of associates accounted for using equity method	—	(8,654)
<b>Total Other comprehensive income</b>	—	(35,462)
Comprehensive income		
Comprehensive income attributable to owners of the parent	—	(18,317)
Comprehensive income attributable to minority interests	—	1,663
<b>Total comprehensive income</b>	—	(16,653)

**Consolidated Statements of Cash Flows**  
**for the Year Ended March 31, 2011 and 2010**

(millions of Yen)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2011
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interest:	18,894	39,312
Depreciation and amortization	23,196	24,096
Impairment loss	9,402	9,687
Loss on valuation of investment securities	16,543	801
Amortization of goodwill	4,443	4,548
Increase (decrease) in allowance for doubtful accounts	(3,977)	1,619
Increase (decrease) in provision for retirement benefits	(3,296)	901
Interest and dividends income	(9,672)	(8,390)
Interest expenses	25,987	23,936
Foreign exchange losses (gains)	(1,832)	3,907
Equity in (earnings) losses of affiliates	(9,179)	(19,297)
Loss (gain) on sales of investment securities	(32,375)	(755)
Loss (gain) on sales and retirement of noncurrent assets	(990)	(4,386)
Loss (gain) on step acquisitions	—	(10,307)
Decrease (increase) in notes and accounts receivable-trad	57,221	(30,328)
Decrease (increase) in inventories	80,618	(6,997)
Increase (decrease) in notes and accounts payable-trad	(46,575)	52,368
Other, net	(2,433)	8,790
Subtotal	125,972	89,506
Interest and dividends income received	18,120	13,172
Interest expenses paid	(26,379)	(24,013)
Income taxes paid	(10,490)	(10,801)
Net cash provided by (used in) operating activities:	107,222	67,863
<b>Net cash provided by (used in) investing activities</b>		
Decrease (increase) in time deposits	(301)	5,591
Decrease (increase) in short-term investment securities	292	(344)
Purchase of property, plant and equipment	(21,189)	(27,252)
Proceeds from sales of property, plant and equipment	5,443	6,654
Purchase of intangible assets	(7,264)	(21,195)
Purchase of investment securities	(19,098)	(20,647)
Proceeds from sales and redemption of investment securities	66,099	14,228
Decrease (increase) in short-term loans receivable	4,857	3,049
Payments of long-term loans receivable	(2,263)	(4,481)
Collection of long-term loans receivable	1,785	11,173
Net increase from purchase of consolidated subsidiaries	23	2,551
Net decrease from sale of consolidated subsidiaries	(49)	(460)
Other, net	103	11,229
Net cash provided by (used in) investing activities:	28,439	(19,903)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(41,620)	(49,686)
Increase (decrease) in commercial papers	(25,000)	(8,000)
Proceeds from long-term loans payable	244,907	167,047
Repayment of long-term loans payable	(240,962)	(155,603)
Proceeds from issuance of bonds	—	19,900
Redemption of bonds	(33,489)	(41,047)
Proceeds from stock issuance to minority shareholders	13	463
Purchase of treasury stock	(1)	(1)
Cash dividends paid	(4,339)	(1,876)
Cash dividends paid to minority shareholder	(1,374)	(1,924)
Other, net	(730)	(1,325)
Net cash provided by (used in) financing activities:	(102,597)	(72,054)
Effect of exchange rate change on cash and cash equivalents	6,825	(14,470)
Net increase (decrease) in cash and cash equivalents	39,890	(38,564)
Cash and cash equivalents at beginning of period	414,419	454,262
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(48)	(436)
Cash and cash equivalents at end of period	454,262	415,261

## Segment Information

### Additional information

Effective the fiscal year ended March 31, 2011, the Company adopted the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, revised March 27, 2009) and its accompanying Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Guidance No. 20, March 21, 2008). Segment information for the fiscal year ended March 31, 2010 presented below also was prepared in accord with this accounting standard and guidance.

### 1. Overview of reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance. The Company's business divisions at head office are delineated based on goods and service categories. Each of the divisions is engaged in a wide range of businesses globally (in Japan and overseas), including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, planning and coordinating projects, investing in various sectors, and conducting financing activities. The Company's operations are therefore segmented based on the goods and services handled by each of the divisions. The Company's four reportable segments are the Machinery segment, the Energy & Metal segment, the Chemicals & Functional Materials segment, and the Consumer Lifestyle Business segment. The company's main products and series in each reportable segment are described in the page "Group Business Operations"

### 2. Method of calculating net sales by segment, segment income and loss, segment assets and other amounts

The Company's accounting procedures for its reportable business segments, except those for tax expenses, are largely the same as those used to prepare its consolidated financial statements.

Figures for inter-segment transactions are based on market prices or prices applying to transactions with third parties.

### 3. Reportable segment information

For the fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(Millions of Yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	994,498	874,543	547,790	1,364,672	3,781,505	62,912	3,884,418	-	3,884,418
(2) Inter-segment	5,299	1,600	2,877	2,251	12,029	4,227	16,256	(16,256)	-
Total	999,798	876,144	550,667	1,366,924	3,793,535	67,319	3,860,675	(16,256)	3,844,418
Segment income (loss)	971	23,522	1,253	(3,226)	22,520	(9,106)	13,413	(4,619)	8,764
Segment assets	406,811	483,447	255,509	419,354	1,565,123	295,407	1,860,530	300,388	2,160,918
Other									
Depreciation and amortization	4,343	7,972	2,962	2,188	17,467	5,752	23,219	(22)	23,196
Amortization of goodwill	703	884	1,517	1,362	4,467	(24)	4,443	-	4,443
Interest income	1,071	1,280	341	528	3,222	1,749	4,971	(339)	4,632
Interest expenses	6,045	8,515	3,304	7,607	25,473	852	26,326	(339)	25,987
Equity in earnings (losses) of affiliates	2,145	4,658	482	(277)	7,008	2,167	9,176	3	9,179
Extraordinary income	7,099	24,365	1,294	2,350	35,110	3,482	38,592	2,592	41,185
Gain on sales of investment securities	2,743	23,685	837	1,742	29,009	1,612	30,621	2,592	33,214
Extraordinary loss	1,895	4,354	908	3,452	10,610	25,382	35,993	-	35,993
Loss on revaluation of securities	213	194	308	179	896	15,647	16,543	-	16,543
Impairment loss	232	2,994	181	259	3,668	5,733	9,402	-	9,402
Tax expenses	(594)	9,093	1,806	(2,813)	7,492	(6,846)	646	7,622	8,268
Amount invested in equity-method affiliates	27,431	152,614	11,105	15,757	206,909	7,771	214,680	(435)	214,245
Property, plant and equipment and Intangible assets increase	5,818	17,035	772	1,329	24,956	3,497	28,454	-	28,454

### Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
- The (4,619) million yen adjustment for segment income (loss) includes the (7,622) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment. It also includes 2,911 million yen, comprising gains on sales of investment securities and other factors, associated with shared corporate assets not allocated to any segment. The 300,388 million yen adjustment for segment assets includes (51,629) million yen in inter-segment eliminations and 352,017 million yen in shared corporate assets not allocated to any segment, mainly comprising (a) surplus funds invested in cash, deposits, and bonds and items listed, (b) investment securities. Adjustments for other items listed, namely depreciation and amortization, interest income, interest expenses, equity in earnings of affiliates, and amount invested in equity-method affiliates, mainly comprise inter-segment eliminations.
- Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

For the fiscal year ended March 31, 2011 (April 1, 2010 – March 31, 2011)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	965,412	1,013,981	612,510	1,378,000	3,969,905	44,734	4,014,639	-	4,014,639
(2) Inter-segment	3,330	1,493	3,980	5,115	13,918	3,355	17,273	(17,273)	-
Total	968,742	1,015,475	616,490	1,383,115	3,983,824	48,089	4,031,913	(17,273)	4,014,639
Segment income (loss)	3,391	26,462	2,711	1,089	33,655	(5,458)	28,196	(12,215)	15,981
Segment assets	378,028	543,667	259,528	420,042	1,601,266	264,945	1,866,212	250,748	2,116,960
Other									
Depreciation and amortization	4,123	9,501	2,649	2,736	19,011	4,911	23,922	174	24,096
Amortization of goodwill	905	827	1,448	1,358	4,539	8	4,548	-	4,548
Interest income	1,243	1,586	200	512	3,544	1,225	4,769	(460)	4,308
Interest expenses	5,806	9,081	3,303	6,416	24,607	(209)	24,397	(460)	23,936
Equity in earnings (losses) of affiliates	2,741	15,207	1,127	1,170	20,246	(948)	19,298	(0)	19,297
Extraordinary income	4,366	11,829	249	992	17,438	1,638	19,076	2	19,078
Gain on sales of noncurrent assets	2,058	2,321	12	30	4,423	446	4,870	-	4,870
Gain on step acquisitions	1,065	9,241	-	-	10,307	-	10,307	-	10,307
Extraordinary loss	1,855	8,202	730	4,274	15,064	10,018	25,082	-	25,082
Impairment loss	40	6,468	82	604	7,196	2,490	9,687	-	9,687
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	1,038	506	308	2,437	4,289	566	4,855	-	4,855
Restructuring losses	-	-	-	-	-	5,097	5,097	-	5,097
Tax expenses	849	5,831	3,265	(1,111)	8,835	(899)	7,935	12,567	20,503
Amount invested in equity-method affiliates	24,584	171,627	11,238	16,278	223,730	6,300	230,030	(435)	229,595
Property, plant and equipment and Intangible assets increase	8,283	33,742	657	2,379	45,063	3,384	48,448	-	48,448

Notes:

1. "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
2. The (12,215) million yen adjustment for segment income (loss) includes the (12,567) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment.  
It also includes 428 million yen, comprising dividend income and other factors, associated with shared corporate assets not allocated to any segment. The 250,748million yen adjustment for segment assets includes (46,886) million yen in inter-segment eliminations and 297,634million yen in shared corporate assets not allocated to any segment, mainly comprising (a) surplus funds invested in cash, deposits, and items listed, (b) investment securities. Adjustments for other items listed, namely depreciation and amortization, interest income, interest expenses, equity in earnings of affiliates, and amount invested in equity-method affiliates, mainly comprise inter-segment eliminations.
3. Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

\*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 aiming for synergy with general merchandise & retail business . 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.



# Financial Results for the Year Ended March 31, 2011



The Picture from Sojitz Group Calendar



**Sojitz Corporation**

<http://www.sojitz.com>

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

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◆ **Consolidated Statement of Profit and Loss**  
for the Year Ended March 31, 2011 and 2010

(Millions of Yen)

	For the Fiscal Year Ended March 31, 2010 (From April 1, 2009 to March 31, 2010)	For the Fiscal Year Ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Change
<b>Net sales</b>	3,844,418	4,014,639	170,221
Cost of sales	(3,666,215)	(3,821,914)	(155,699)
<b>Gross profit</b>	178,203	192,725	14,522
Selling, general and administrative expenses	(162,074)	(155,205)	6,869
<b>Operating income</b>	16,128	37,519	21,391
Non-operating income			
Interest income	4,632	4,308	(324)
Dividends income	5,040	4,081	(959)
Equity in earnings of affiliates	9,179	19,297	10,118
Penalty income	3,802	503 *	(3,299)
Other	14,591	15,782 *	1,191
Total non-operating income	37,245	43,973	6,728
Non-operating expenses			
Interest expenses	(25,808)	(23,917)	1,891
Interest on commercial papers	(178)	(18)	160
Other	(13,685)	(12,240)	1,445
Total non-operating expenses	(39,672)	(36,176)	3,496
<b>Ordinary Income</b>	13,702	45,316	31,614
Extraordinary income/losses - net	5,191 **	(6,004) **	(11,195)
Income before income taxes and minority interests	18,894	39,312	20,418
Income taxes-current	(8,562)	(11,400)	(2,838)
Income taxes-deferred	294	(9,103)	(9,397)
Income before minority interests	10,626	18,808	8,182
Minority interests in income	(1,832)	(2,826)	(994)
<b>Net income</b>	8,794	15,981	7,187

\*Penalty income included in 'Other' of Non-operating income for the Fiscal Year Ended March 31, 2011 in Consolidated statement of Profit and Loss. However, in order to compare FY2010 with FY2009, we classified FY2010 Penalty income from 'Other'.

\*\*Please refer to ◆ Extraordinary Income and Losses.

(Millions of Yen)

	For the Fiscal Year Ended March 31, 2010 (From April 1, 2009 to March 31, 2010)	For the Fiscal Year Ended March 31, 2011 (From April 1, 2010 to March 31, 2011)
<b>Income before minority interests</b>	10,626	18,808
<b>Total other comprehensive income</b>	29,563	(35,462)
Valuation difference on available-for-sale securities	3,786	(1,557)
Deferred gains or losses on hedges	641	1,165
Foreign currency translation adjustment	14,217	(26,545)
Unfunded retirement benefit obligation with respect to foreign consolidated companies, net of tax-OCI	63	129
Share of other comprehensive income of associates accounted for using equity method	10,854	(8,654)
<b>Comprehensive income</b>	40,189	(16,653)
Comprehensive income attributable to owners of the parent	37,869	(18,317)
Comprehensive income attributable to minority interests	2,319	1,663

## Details of Consolidated Statement of Profit and Loss

(Billions of Yen)

【Gross profit】				
<u>Segment</u>	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>	<u>Reasons for change</u>
Machinery	56.2	56.1	(0.1)	Decrease due to decline in earnings of an automotive company in the Central and South America region, despite increase in automobile unit sales and increased trading volume in the plant-related business
Energy & Metal	37.1	41.7	4.6	Due to growth in precious metal, ferroalloy and coal unit volumes and increase in prices of ferroalloys and precious metals.
Chemicals & Functional Materials	31.9	36.3	4.4	Increase due to increase in trading volume resulting from demand recovery in China and elsewhere in Asia and higher methanol prices.
Consumer Lifestyle Business	46.5	52.9	6.4	Increase due to improvement in profitability in the overseas fertilizer businesses.
Other	7.2	6.5	(0.7)	
Elimination & Unallocated	(0.7)	(0.8)	(0.1)	
<b>Total</b>	<b>178.2</b>	<b>192.7</b>	<b>14.5</b>	
*Effective this 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 for previous fiscal year is based on these new segment classifications and expense allocation methods.				
【Selling, general and administrative expenses】				
	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>	<u>Reasons for change</u>
Personnel expenses	(80.5)	(80.1)	0.4	
Non-personnel expenses	(65.5)	(63.9)	1.6	Decrease due to revision of non-personnel expenses
Depreciation	(5.5)	(5.5)	0.0	
Provision of allowance for doubtful accounts	(5.4)	(0.6)	4.8	
Amortization of goodwill	(5.2)	(5.1)	0.1	
<b>Total</b>	<b>(162.1)</b>	<b>(155.2)</b>	<b>6.9</b>	
【Net financial revenue】				
	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>	<u>Reasons for change</u>
Interest income	4.6	4.3	(0.3)	
Interest expenses	(25.7)	(23.9)	1.8	Improvement due to decrease in interest-bearing debt
Interest on commercial papers	(0.2)	0.0	0.2	
( Interest expenses-net	(21.3)	(19.6)	1.7 )	
Dividends income	5.0	4.1	(0.9)	
<b>Total</b>	<b>(16.3)</b>	<b>(15.5)</b>	<b>0.8</b>	
【Other income and expenses-net】				
	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>	<u>Reasons for change</u>
Equity in earnings of affiliates	9.2	19.3	10.1	Bioethanol production company +4.1, Steel-related company +3.9
Penalty income	3.8	0.5	(3.3)	Decrease due to decrease in penalty income related with cancellation of real estate development contract
Other non-operating income	14.6	15.7	1.1	
Other non-operating expenses	(13.7)	(12.2)	1.5	
<b>Total</b>	<b>13.9</b>	<b>23.3</b>	<b>9.4</b>	
【Ordinary income】				
	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>	
Ordinary income	13.7	45.3	31.6	

## ◆ Extraordinary Income and Losses

(Millions of Yen)

	For the Fiscal Year Ended March 31, 2010 (a)	For the Fiscal Year Ended March 31, 2011 (b)	Change (b)-(a)
<u>Extraordinary income</u>			
Gain on sales of noncurrent assets	1,439	4,870	3,431
Gain on sales of real estate for investment	-	449	449
Gain on sales of investment securities	33,214	1,575	(31,639)
Gain on sales of equity investment without stock	430	6	(424)
Gain on change in equity	92	135	43
Gain on negative goodwill	-	404	404
Gain on step acquisitions	-	10,307	10,307
Reversal of allowance for doubtful accounts	3,248	1,272	(1,976)
Gain on bad debts recovered	6	56	50
Adjustment for hyperinflationary economies	2,753	-	(2,753)
Total extraordinary income€	41,185	19,078	(22,107)
<u>Extraordinary losses</u>			
Loss on sales and retirement of noncurrent assets	(448)	(483)	(35)
Loss on sales of real estate for investment	-	(835)	(835)
Impairment loss	(9,402)	(9,687)	(285)
Loss on sales of investment securities	(1,167)	(127)	1,040
Loss on sales of equity investment without stock	(1)	(0)	1
Loss on revaluation of securities	(16,543)	(801)	15,742
Loss on change in equity	(216)	(922)	(706)
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(7,968)	(4,855)	3,113
Restructuring losses	(245)	(5,097)	(4,852)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	(960)	(960)
Loss on disaster	-	(1,311)	(1,311)
Total extraordinary losses	(35,993)	(25,082)	10,911
Total extraordinary income/losses-net	5,191	(6,004)	(11,195)
<u>Reference</u>			
Provision of allowance for doubtful accounts (Included in Selling, general and administrative expenses)	(5,429)	(619)	4,810

## Details of Extraordinary Income and Losses

	<u>For the Fiscal Year</u> <u>Ended March 31, 2011</u>	<u>Details</u>
	Billions of Yen	
Gain on sales of noncurrent assets	4.9	Gains on sales of owned ships and a mining interest
Gain on sales of real estate for investment	0.4	
Gain on sales of investment securities	1.6	
Gain on sales of equity investment without stock	0.0	
Gain on change in equity	0.1	
Gain on negative goodwill	0.4	
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	
Gain on bad debts recovered	0.1	
<hr/>		
(Total extraordinary income)	19.1	
Loss on sales and retirement of noncurrent assets	(0.5)	Impairment loss on oil-gas interest etc.
Loss on sales of real estate for investment	(0.8)	
Impairment loss	(9.7)	
Loss on sales of investment securities	(0.1)	
Loss on sales of equity investment without stock	(0.0)	
Loss on revaluation of securities	(0.8)	
Loss on change in equity	(0.9)	
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(4.9)	Loss due to revaluation of business in subsidiaries and affiliates
Restructuring losses	(5.1)	Losses due to asset reallocations
Loss on adjustment for changes of accounting standard for asset retirement obligations	(1.0)	Start-of-year adjustment due to changes to accounting standards
Loss on disaster	(1.3)	Loss due to East Japan Earthquake
<hr/>		
(Total extraordinary losses)	(25.1)	
(Total extraordinary income/losses-net)	(6.0)	

## ◆ Consolidated Statement of Balance Sheets as of March 31, 2011 and 2010

(Millions of Yen)

	As of March 31, 2010	As of March 31, 2011	Change
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	455,728	415,694	(40,034)
Notes and accounts receivable-trade	462,233	478,880	16,647
Short-term investment securities	6,131	5,437	(694)
Inventories	248,629	243,210	(5,419)
Short-term loans receivable	7,943	8,518	575
Deferred tax assets	13,484	15,402	1,918
Other	100,216	106,832	6,616
Allowance for doubtful accounts	(9,089)	(7,347)	1,742
<b>Total current assets</b>	<b>1,285,277</b>	<b>1,266,629</b>	<b>(18,648)</b>
<b>Noncurrent assets</b>			
Property, plant and equipment	222,665	215,774	(6,891)
<b>Intangible assets</b>			
Goodwill	54,305	51,474	(2,831)
Other	60,139	81,120	20,981
<b>Total intangible assets</b>	<b>114,445</b>	<b>132,595</b>	<b>18,150</b>
<b>Investments and other assets</b>			
Investment securities	327,869	333,050	5,181
Long-term loans receivable	25,113	13,370	(11,743)
Bad debts	88,358	79,971	(8,387)
Deferred tax assets	61,432	52,881	(8,551)
Real estate for investment	53,261	33,993	(19,268)
Other	39,264	48,168	8,904
Allowance for doubtful accounts	(57,207)	(59,758)	(2,551)
<b>Total investments and other assets</b>	<b>538,093</b>	<b>501,678</b>	<b>(36,415)</b>
<b>Total noncurrent assets</b>	<b>875,204</b>	<b>850,049</b>	<b>(25,155)</b>
<b>Deferred assets</b>	<b>436</b>	<b>281</b>	<b>(155)</b>
<b>Total assets</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>(43,958)</b>

	As of March 31, 2010	As of March 31, 2011	Change
<b>Liabilities</b>			
<b>Current liabilities</b>			
Notes and accounts payable-trade	377,468	414,984	37,516
Short-term loans payable	256,652	247,656	(8,996)
Commercial papers	10,000	2,000	(8,000)
Current portion of bonds	40,120	60,000	19,880
Income taxes payable	5,949	6,591	642
Deferred tax liabilities	44	146	102
Provision for bonuses	5,497	5,845	348
Other	145,801	153,321	7,520
<b>Total current liabilities</b>	<b>841,533</b>	<b>890,544</b>	<b>49,011</b>
<b>Noncurrent liabilities</b>			
Bonds payable	123,647	82,719	(40,928)
Long-term loans payable	763,098	723,926	(39,172)
Deferred tax liabilities	14,743	19,009	4,266
Deferred tax liabilities for land revaluation	944	774	(170)
Provision for retirement benefits	13,280	13,136	(144)
Provision for directors' retirement benefits	931	833	(98)
Other	25,336	30,505	5,169
<b>Total noncurrent liabilities</b>	<b>941,981</b>	<b>870,905</b>	<b>(71,076)</b>
<b>Total liabilities</b>	<b>1,783,514</b>	<b>1,761,449</b>	<b>(22,065)</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock	160,339	160,339	-
Capital surplus	152,160	152,160	-
Retained earnings	146,489	159,358	12,869
Treasury stock	(169)	(170)	(1)
<b>Total shareholders' equity</b>	<b>458,819</b>	<b>471,688</b>	<b>12,869</b>
<b>Valuation and translation adjustments</b>			
Valuation difference on available-for-sale securities	14,845	12,310	(2,535)
Deferred gains or losses on hedges	2,357	3,022	665
Revaluation reserve for land	(2,055)	(2,302)	(247)
Foreign currency translation adjustment	(121,550)	(153,984)	(32,434)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	—	(706)	(706)
<b>Total valuation and translation adjustments</b>	<b>(106,402)</b>	<b>(141,659)</b>	<b>(35,257)</b>
Minority interests	24,987	25,481	494
<b>Total net assets</b>	<b>377,404</b>	<b>355,510</b>	<b>(21,894)</b>
<b>Total liabilities and net assets</b>	<b>2,160,918</b>	<b>2,116,960</b>	<b>(43,958)</b>

## Details of Consolidated Balance Sheets

	<u>As of</u> <u>March 31,</u> <u>2010</u>	<u>As of</u> <u>March 31,</u> <u>2011</u>	<u>Change</u>  (Billions of Yen)	
	<u>(a)</u>	<u>(b)</u>	<u>(b)-(a)</u>	<u>Reasons for change</u>
<b>Assets</b>				
Cash and deposits	455.7	415.7	(40.0)	Decrease due to bond redemptions, loans repayments and new investments
Notes and accounts receivable-trade	462.3	478.9	16.6	Increase in cigarette trading volume
Inventories	248.6	243.2	(5.4)	
Short-term investment securities	6.1	5.4	(0.7)	
Investment securities	327.8	333.0	5.2	
( Total investment securities	333.9	338.4	4.5 )	
Short-term loans receivable	7.9	8.5	0.6	
Long-term loans receivable	25.1	13.4	(11.7)	Decrease due to repayments from affiliated companies accounted for under the equity method
( Total Loans receivable	33.0	21.9	(11.1) )	
Property, plant and equipment	222.7	215.8	(6.9)	
Intangible assets	114.4	132.6	18.2	Acquisition of additional shares in a mining-interest
Real estate for investment	53.3	34.0	(19.3)	Decrease due to sales of properties
Bad debts	88.4	80.0	(8.4)	
Allowance for doubtful accounts	(66.3)	(67.1)	(0.8)	
( Total assets	2,160.9	2,117.0	(43.9) )	
<b>Liabilities and net assets</b>				
Notes and accounts payable-trade	377.4	415.0	37.6	Increase due to cigarettes and coal, nonferrous metals transaction volume
Short-term loans payable	256.7	247.7	(9.0)	increase in loans repayments and reclassification of current portion
Commercial papers	10.0	2.0	(8.0)	
Current portion of bonds	40.1	60.0	19.9	Increase due to bond redemptions (40.1), reclassification of current portion +60.0
Bonds payable	123.6	82.7	(40.9)	Decrease due to reclassification of current portion (60.0), bond issuance +20.0
Long-term loans payable	763.1	723.9	(39.2)	Decrease due to reclassification of current portion and increase in long-term loans
( GROSS interest-bearing debt	1193.5	1116.3	(77.2) )	
( Total Liabilities	1783.5	1761.5	(22.0) )	
Capital stock	160.3	160.3	—	
Capital surplus	152.2	152.2	—	
Retained earnings	146.5	159.4	12.9	Net income +16.0, dividend (1.9), changes to accounting standards (1.3)
Treasury stock	(0.2)	(0.2)	0	
( Total shareholders' equity	458.8	471.7	12.9 )	
Valuation difference on available-for-sale securities	14.8	12.3	(2.5)	Decrease due to stock market and foreign currency changes
Deferred gains or losses on hedges	2.4	3.0	0.6	
Revaluation reserve for land	(2.1)	(2.3)	(0.2)	
Foreign currency translation adjustment	(121.5)	(154.0)	(32.5)	Decrease due to appreciation of yen
Unfunded retirement benefit obligation with respect to foreign consolidated companies	—	(0.7)	(0.7)	
( Accumulated other comprehensive income	(106.4)	(141.7)	(35.3) )	
Minority interests	25.0	25.5	0.5	
( Total net assets	377.4	355.5	(21.9) )	
NET interest-bearing debt	737.8	700.6	(37.2)	
NET Debt Equity Ratio (times)	*	*	0.03	*The figure for equity used as the denominator in the debt/equity ratio and the numerator in the shareholders' equity ratio excludes minority interests.
Shareholders' equity ratio	*	*	(0.7%)	
Current ratio	152.7%	142.2%	(10.5%)	
Long-term debt ratio	74.3%	72.3%	(2.0%)	



**◆ Consolidated Statements of Cash Flows**  
**for the Year Ended March 31, 2011 and 2010**

(Millions of Yen)

		For the Fiscal Year Ended March 31, 2010 (From April 1, 2009 to March 31, 2010)	For the Fiscal Year Ended March 31, 2011 (From April 1, 2010 to March 31, 2011)
1	<b>Net cash provided by (used in) operating activities</b>		
2	Income before income taxes and minority interests	18,894	39,312
3	Depreciation and amortization	23,196	24,096
4	Impairment loss	9,402	9,687
5	Loss on valuation of investment securities	16,543	801
6	Amortization of goodwill	4,443	4,548
7	Increase (decrease) in allowance for doubtful accounts	(3,977)	1,619
8	Increase (decrease) in provision for retirement benefits	(3,296)	901
9	Interest and dividends income	(9,672)	(8,390)
10	Interest expenses	25,987	23,936
11	Foreign exchange losses (gains)	(1,832)	3,907
12	Equity in (earnings) losses of affiliates	(9,179)	(19,297)
13	Loss (gain) on sales of investment securities	(32,375)	(755)
14	Loss (gain) on sales and retirement of noncurrent assets	(990)	(4,386)
15	Loss (gain) on step acquisitions	-	(10,307)
16	Decrease (increase) in notes and accounts receivable-trade	57,221	(30,328)
17	Decrease (increase) in inventories	80,618	(6,997)
18	Increase (decrease) in notes and accounts payable-trade	(46,575)	52,368
19	Other, net	(2,433)	8,790
20	<b>Subtotal</b>	<b>125,972</b>	<b>89,506</b>
21	Interest and dividends income received	18,120	13,172
22	Interest expenses paid	(26,379)	(24,013)
23	Income taxes paid	(10,490)	(10,801)
24	<b>Net cash provided by (used in) operating activities</b>	<b>107,222</b>	<b>67,863</b>
	<b>Net cash provided by (used in) investing activities</b>		
25	Decrease (increase) in time deposits	(301)	5,591
26	Decrease (increase) in short-term investment securities	292	(344)
27	Purchase of property, plant and equipment	(21,189)	(27,252)
28	Proceeds from sales of property, plant and equipment	5,443	6,654
29	Purchase of intangible assets	(7,264)	(21,195)
30	Purchase of investment securities	(19,098)	(20,647)
31	Proceeds from sales and redemption of investment securities	66,099	14,228
32	Decrease (increase) in short-term loans receivable	4,857	3,049
33	Payments of long-term loans receivable	(2,263)	(4,481)
34	Collection of long-term loans receivable	1,785	11,173
35	Net increase from purchase of consolidated subsidiaries	23	2,551
36	Net decrease from sale of consolidated subsidiaries	(49)	(460)
37	Other, net	103	11,229
38	<b>Net cash provided by (used in) investing activities</b>	<b>28,439</b>	<b>(19,903)</b>
	<b>Net cash provided by (used in) financing activities</b>		
39	Net increase (decrease) in short-term loans payable	(41,620)	(49,686)
40	Increase (decrease) in commercial papers	(25,000)	(8,000)
41	Proceeds from long-term loans payable	244,907	167,047
42	Repayment of long-term loans payable	(240,962)	(155,603)
43	Proceeds from issuance of bonds	-	19,900
44	Redemption of bonds	(33,489)	(41,047)
45	Proceeds from stock issuance to minority shareholders	13	463
46	Purchase of treasury stock	(1)	(1)
47	Cash dividends paid	(4,339)	(1,876)
48	Cash dividends paid to minority shareholders	(1,374)	(1,924)
49	Other, net	(730)	(1,325)
50	<b>Net cash provided by (used in) financing activities</b>	<b>(102,597)</b>	<b>(72,054)</b>
51			
52	Effect of exchange rate change on cash and cash equivalents	6,825	(14,470)
53	Net increase (decrease) in cash and cash equivalents	39,890	(38,564)
54	Cash and cash equivalents at beginning of period	414,419	454,262
55	Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(48)	(436)
56	<b>Cash and cash equivalents at end of period</b>	<b>454,262</b>	<b>415,261</b>

◆ Consolidated Statements of Cash Flows  
for the Year Ended March 31, 2011 and 2010 (Supplementary)

	FY2010	Details
<b>① Net cash provided by operating activities</b> (Billions of Yen)		
1. Income before income taxes and depreciation	63.4	
2. Excluding profits/losses that do not affect cash flow	22.5	Interest and dividends income, Interest expenses, Loss on sales and retirement of noncurrent assets, Impairment loss, Increase (decrease) allowance for doubtful accounts
3. Excluding profits/losses related to investment activities	(25.0)	Loss on revaluation of securities, Loss(Gain) on sales of investment securities, Equity in loss of affiliates, Amortization of goodwill, Loss (gain) on step acquisitions
Sub-total	60.9	
4. Other	7.0	Income gained from the decrease of the accounts receivable and inventories, etc
<b>Total</b>	<b>67.9</b>	
<b>② Net cash provided by (used in) investing activities</b>		
1. Decrease (increase) in time deposits	5.6	
2. Noncurrent assets		
Purchase of property, plant and equipment	(27.3)	Ferralloy, Oil and gas field related facilities, Alumina purification facilities
Purchase of intangible assets	(21.2)	Assets of coal mining interest and oil/gas interests
Proceeds from sales of property, plant and equipment	6.7	Sales of ships and real estate
Sub-total	(41.8)	
3. Short-term investment Securities, Investment securities		
Decrease (increase) in short-term investment securities	(0.3)	
Purchase of investment securities	(20.6)	Investment in rare metal such as niobium production business etc
Proceeds from sales of investment securities, etc.	14.2	Redemption of corporate bonds issued by an oil and gas development company
Sub-total	(6.7)	
4. Loans receivable		
Decrease (increase) in short-term loans receivable	3.0	
Payments of long-term loans receivable	(4.5)	
Collection of long-term loans receivable	11.2	Collection from affiliated companies accounted for under the equity method
Sub-total	9.7	
5. Other	13.3	Income related sales of real estate for investment etc
<b>Total</b>	<b>(19.9)</b>	
<b>Free cash flow (① + ②)</b>	<b>48.0</b>	
<b>③ Net cash provided by (used in) financing activities</b>		
1. Increase (decrease) in short-term loans payable	(49.7)	Decrease due to shift to long-term funding
2. Increase (decrease) in commercial papers	(8.0)	
3. Long-term loans payable		
Proceeds from long-term loans payable	167.0	Increase due to shift away from short-term funding
Repayment of long-term loans payable	(155.6)	
Sub-total	11.4	
4. Bonds		
Proceeds from issuance of bonds	19.9	
Redemption of bonds	(41.0)	
Sub-total	(21.1)	
5. Cash dividends paid	(1.9)	
6. Other	(2.8)	
<b>Total</b>	<b>(72.1)</b>	

## ◆ Segment Information

For the fiscal year ended March 31, 2010(April 1, 2009 – March 31, 2010)

(Millions of Yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	994,498	874,543	547,790	1,364,672	3,781,505	62,912	3,884,418	-	3,884,418
(2) Inter-segment	5,299	1,600	2,877	2,251	12,029	4,227	16,256	(16,256)	-
Total	999,798	876,144	550,667	1,366,924	3,793,535	67,319	3,860,675	(16,256)	3,844,418
Segment income (loss)	971	23,522	1,253	(3,226)	22,520	(9,106)	13,413	(4,619)	8,794
Segment assets	406,811	483,447	255,509	419,354	1,565,123	295,407	1,860,530	300,388	2,160,918
Other									
Depreciation and amortization	4,343	7,972	2,962	2,188	17,467	5,752	23,219	(22)	23,196
Amortization of goodwill	703	884	1,517	1,362	4,467	(24)	4,443	-	4,443
Interest income	1,071	1,280	341	528	3,222	1,749	4,971	(339)	4,632
Interest expenses	6,045	8,515	3,304	7,607	25,473	852	26,326	(339)	25,987
Equity in earnings (losses) of affiliates	2,145	4,658	482	(277)	7,008	2,167	9,176	3	9,179
Extraordinary income	7,099	24,365	1,294	2,350	35,110	3,482	38,592	2,592	41,185
Gain on sales of investment securities	2,743	23,685	837	1,742	29,009	1,612	30,621	2,592	33,214
Extraordinary loss	1,895	4,354	908	3,452	10,610	25,382	35,993	-	35,993
Loss on revaluation of securities	213	194	308	179	896	15,647	16,543	-	16,543
Impairment loss	232	2,994	181	259	3,668	5,733	9,402	-	9,402
Tax expenses	(594)	9,093	1,806	(2,813)	7,492	(6,846)	646	7,622	8,268
Amount invested in equity-method affiliates	27,431	152,614	11,105	15,757	206,909	7,771	214,680	(435)	214,245
Property, plant and equipment and Intangible assets increase	5,818	17,035	772	1,329	24,956	3,497	28,454	-	28,454

### Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
- The (4,619) million yen adjustment for segment income (loss) includes the (7,622) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment.  
It also includes 2,911 million yen, comprising gains on sales of investment securities and other factors, associated with shared corporate assets not allocated to any segment. The 300,388 million yen adjustment for segment assets includes (51,629) million yen in inter-segment eliminations and 352,017 million yen in shared corporate assets not allocated to any segment, mainly comprising (a) surplus funds invested in cash, deposits, and bonds and items listed,  
(b) investment securities. Adjustments for other items listed, namely depreciation and amortization, interest income, interest expenses, equity in earnings of affiliates, and amount invested in equity-method affiliates, mainly comprise inter-segment eliminations.
- Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

For the fiscal year ended March 31, 2011 (April 1, 2010 – March 31, 2011)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	965,412	1,013,981	612,510	1,378,000	3,969,905	44,734	4,014,639	-	4,014,639
(2) Inter-segment	3,330	1,493	3,980	5,115	13,918	3,355	17,273	(17,273)	-
Total	968,742	1,015,475	616,490	1,383,115	3,983,824	48,089	4,031,913	(17,273)	4,014,639
Segment income (loss)	3,391	26,462	2,711	1,089	33,655	(5,458)	28,196	(12,215)	15,981
Segment assets	378,028	543,667	259,528	420,042	1,601,266	264,945	1,866,212	250,748	2,116,960
Other									
Depreciation and amortization	4,123	9,501	2,649	2,736	19,011	4,911	23,922	174	24,096
Amortization of goodwill	905	827	1,448	1,358	4,539	8	4,548	-	4,548
Interest income	1,243	1,586	200	512	3,544	1,225	4,769	(460)	4,308
Interest expenses	5,806	9,081	3,303	6,416	24,607	(209)	24,397	(460)	23,936
Equity in earnings (losses) of affiliates	2,741	15,207	1,127	1,170	20,246	(948)	19,298	(0)	19,297
Extraordinary income	4,366	11,829	249	992	17,438	1,638	19,076	2	19,078
Gain on sales of noncurrent assets	2,058	2,321	12	30	4,423	446	4,870	-	4,870
Gain on step acquisitions	1,065	9,241	-	-	10,307	-	10,307	-	10,307
Extraordinary loss	1,855	8,202	730	4,274	15,064	10,018	25,082	-	25,082
Impairment loss	40	6,468	82	604	7,196	2,490	9,687	-	9,687
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	1,038	506	308	2,437	4,289	566	4,855	-	4,855
Restructuring losses	-	-	-	-	-	5,097	5,097	-	5,097
Tax expenses	849	5,831	3,265	(1,111)	8,835	(899)	7,935	12,567	20,503
Amount invested in equity-method affiliates	24,584	171,627	11,238	16,278	223,730	6,300	230,030	(435)	229,595
Property, plant and equipment and Intangible assets increase	8,283	33,742	657	2,379	45,063	3,384	48,448	-	48,448

### Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
- The (12,215) million yen adjustment for segment income (loss) includes the (12,567) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment.  
It also includes 428 million yen, comprising dividend income and other factors, associated with shared corporate assets not allocated to any segment. The 250,748 million yen adjustment for segment assets includes (46,886) million yen in inter-segment eliminations and 297,634 million yen in shared corporate assets not allocated to any segment, mainly comprising (a) surplus funds invested in cash, deposits, and items listed,  
(b) investment securities. Adjustments for other items listed, namely depreciation and amortization, interest income, interest expenses, equity in earnings of affiliates, and amount invested in equity-method affiliates, mainly comprise inter-segment eliminations.
- Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

\*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 aiming for synergy with general merchandise & retail business. 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.

### Details of Industry Segments

<b>【Net sales】</b>	(Billions of Yen)			<u>Reasons for change</u>
	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>	
Machinery	994.5	965.4	(29.1)	Decrease due to decrease in aircraft-related business
Energy & Metal	874.5	1,014.0	139.5	Increased unit sales and higher prices of ferroalloy as well as growth in coal unit sales
Chemicals & Functional Materials	547.8	612.5	64.7	Increase due to increase in trading volumes resulting from demand recovery in China and elsewhere in Asia and higher methanol prices
Consumer Lifestyle Business	1,364.7	1,378.0	13.3	
Other	62.9	44.7	(18.2)	Decrease due to decrease in transaction volumes in domestic group company etc
Consolidated	3,844.4	4,014.6	170.2	
<b>【Net income】</b>	(Billions of Yen)			<u>Reasons for change</u>
	<u>FY2009</u>	<u>FY2010</u>	<u>Change</u>	
Machinery	1.0	3.4	2.4	Increase due to increase in equity in earnings of affiliates and gain on sale of owned ships, which outweighed decrease in gross profit resulting from decrease in earnings in an automotive business company in Central and South America region .
Energy & Metal	23.5	26.5	3.0	Increase due to increase in gross profit and increase in equity in earnings of affiliates
Chemicals & Functional Materials	1.2	2.7	1.5	Increased unit sales and higher prices of ferroalloy as well as growth in coal unit sales
Consumer Lifestyle Business	(3.2)	1.1	4.3	Increase due to substantial increase in foodstuff businesses earnings in conjunction with improvements in profitability in the overseas fertilizer businesses
Other	(9.1)	(5.5)	3.6	The amount of a loss decreased due to a loss on revaluation of securities recorded in previous fiscal year, which outweighed restructuring losses which were associated with reallocation of asset holdings
Elimination & Unallocate	(4.6)	(12.2)	(7.6)	
Consolidated	8.8	16.0	7.2	
<b>【Assets】</b>	(Billions of Yen)			<u>Reasons for change</u>
	<u>As of March 31, 2009</u>	<u>As of March 31, 2010</u>	<u>Change</u>	
Machinery	406.8	378.0	(28.8)	Decrease in accounts receivable and other current assets
Energy & Metal	483.4	543.7	60.3	Increase in accounts receivable, inventories and other current assets, increase in acquisition of additional shares in mining-interest and other noncurrent assets
Chemicals & Functional Materials	255.5	259.5	4.0	
Consumer Lifestyle Business	419.4	420.0	0.6	
Other	295.4	265.0	(30.4)	Decrease in noncurrent assets due to sales pf real estate for investment
Elimination & Unallocate	300.4	250.8	(49.6)	Decrease in cash and deposits
Consolidated	2,160.9	2,117.0	(43.9)	

## ◆ Increase/Decrease in the Number of Consolidated Subsidiaries and Affiliates

### Changes in the number of subsidiaries (April 1, 2010 - March 31, 2011)

	As of March 31, 2010	As of March 31, 2011	Changes
Subsidiaries	329	320	(9)
Affiliates	161	155	(6)
Total	490	475	(15)

(Number of Companies)

### Changes in major subsidiaries (April 1, 2010- March 31, 2011)

#### ○ Major new subsidiaries

##### Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Energy & Metal	Japan Climate Exchange Corporation	Emissions rights trading mediation
Chemicals & Functional Materials	Sojitz Rare Earths Investment B.V.	Investment in Rare Earths interests-developing company (Holland)
Consumer Lifestyle Business	Sojitz Buenas Tierras del Sur S.A.	Agricultural business operation (Argentina)

##### Equity-method affiliates

(Segment)	(Company name)	(Main business)
Energy & Metal	Qatar Petroleum Development Co., Ltd.	Holding interests in Qatar offshore, oil production
Energy & Metal	Metal Research Corporation	Investment and management in niobium manufacturer
Chemicals & Functional Materials	Japan Dong Pao Rare Earths Development Corporation	Investment in overseas and domestic companies, intelligence gathering and R&D for mine development

#### ○ Major eliminated companies

##### Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Consumer Lifestyle Business	Sojitz Meat and Agri Corporation*	Import of meat, gardening products and feed for sale in Japan
Other	New Real Creation Inc.	Real estate purchase and sale, investment and brokerage, and sale of receivables

\* Due to merger with Sojitz Foods Corporation

##### Equity-method affiliates

(Segment)	(Company name)	(Main business)
Energy & Metal	Alconix Corporation	Sale of nonferrous products, nonferrous materials for construction and electronic industries
Overseas Group Company	Shenzhen Aero-Fasteners Manufacturing Company Ltd.	Manufacture and sales of bolts and nuts for refrigerator compressor and air conditioner (China)

Impact on the Profit due to increase and decrease of consolidated subsidiaries(compared with the year - earlier period)

(※Exclude the impact due to goodwill amortization changes)

Increase

(Billions of Yen)

	Net Sales	Gross Profit	SG&A	Operating income
<u>Consolidated subsidiaries</u>	0.8	0.7	(0.0)	0.7

Decrease

(Billions of Yen)

	Net Sales	Gross Profit	SG&A	Operating income
<u>Consolidated subsidiaries</u>	(0.0)	0.0	0.0	0.0

## ◆ Performance at Consolidated Subsidiaries and Affiliates

(1) Number of Consolidated Subsidiaries and Affiliates

(Number of Companies)

		As of March 31, 2010			As of March 31, 2011			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	66	32	98	54	39	93	(12)	7	(5)
	Overseas	131	100	231	154	73	227	23	(27)	(4)
	Total	197	132	329	208	112	320	11	(20)	(9)
	% of total	59.9%	40.1%	100.0%	65.0%	35.0%	100.0%			
Affiliates	Domestic	32	9	41	31	11	42	(1)	2	1
	Overseas	90	30	120	89	24	113	(1)	(6)	(7)
	Total	122	39	161	120	35	155	(2)	(4)	(6)
	% of total	75.8%	24.2%	100.0%	77.4%	22.6%	100.0%			
Total	Domestic	98	41	139	85	50	135	(13)	9	(4)
	Overseas	221	130	351	243	97	340	22	(33)	(11)
	Total	319	171	490	328	147	475	9	(24)	(15)
	% of total	65.1%	34.9%	100.0%	69.1%	30.9%	100.0%			

(2) Earnings of Consolidated Subsidiaries and Affiliates

(Billions of Yen)

		Fiscal Year Ended March 31, 2010 (From Apr. 1st, 2009 to Mar. 31, 2010)			Fiscal Year Ended March 31, 2011 (From Apr. 1st, 2010 to Mar. 31, 2011)			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	10.4	(7.3)	3.1	7.4	(7.0)	0.4	(3.0)	0.3	(2.7)
	Overseas	24.2	(11.7)	12.5	39.8	(14.0)	25.8	15.6	(2.3)	13.3
	Total	34.6	(19.0)	15.6	47.2	(21.0)	26.2	12.6	(2.0)	10.6
Affiliates	Domestic	6.7	(1.0)	5.7	11.1	(0.8)	10.3	4.4	0.2	4.6
	Overseas	6.9	(2.2)	4.7	13.7	(1.4)	12.3	6.8	0.8	7.6
	Total	13.6	(3.2)	10.4	24.8	(2.2)	22.6	11.2	1.0	12.2
Total	Domestic	17.1	(8.3)	8.8	18.5	(7.8)	10.7	1.4	0.5	1.9
	Overseas	31.1	(13.9)	17.2	53.5	(15.4)	38.1	22.4	(1.5)	20.9
	Total	48.2	(22.2)	26.0	72.0	(23.2)	48.8	23.8	(1.0)	22.8

## Performance at Principal Subsidiaries and Affiliates

### ○ Profit

(Billions of Yen)

Company	Owner ship	Equity in earnings			Main business
		FY2009	FY2010	Changes	
<b>(Consolidated subsidiaries)</b>					
Sojitz Coal Resources Pty Ltd.	100.0%	5.57	13.16	7.59	Investment in coal mines (Australia)
Sojitz Corporation of America	100.0%	0.78	1.80	1.02	Overseas subsidiaries
Solar Shipholding Corp.	100.0%	0.65	1.29	0.64	Shipholding company (Liberia)
Sojitz Energy Project Limited	100.0%	2.14	1.05	(1.09)	Oil and gas development (Britain)
Sojitz Marine & Engineering Corporation	100.0%	1.39	1.01	(0.38)	Sales, purchase and charter brokerage of new and used vessels, ship operation management, Japanese sales and import/export of marine-related and materials
<b>(Equity-method affiliates )</b>					
Metal One Corporation	40.0%	3.60	7.51	3.91	Integrated steel trading company
ETH Investimentos S.A.	20.6%	(1.58)	2.53	4.11	Production of sugar cane, and production and sale of ethanol and sugar (Brasil)
Coral Bay Nickel Corporation	18.0%	1.00	2.20	1.20	Manufacturing and sales of nickel cobalt mixture sulfide (Philippines)
Mitsubishi Motors Philippines Corporation	49.0%	0.85	1.47	0.62	Import, assembly and sale of Mitsubishi automobiles (Philippines)
LNG Japan Corporation	50.0%	0.65	1.33	0.68	LNG business and related investments

### ○ Loss

(Billions of Yen)

Company	Owner ship	Equity in earnings			Main business
		FY2009	FY2010	Changes	
<b>(Consolidated subsidiaries)</b>					
Sojitz Energy Australia Pty Ltd	100.0%	(2.09)	(4.92)	(2.83)	Oil and gas development (Australia)
MMC Automotriz, S.A.	92.3%	(1.87)	(3.43)	(1.56)	Import, assembly and sales of Mitsubishi and Hyundai automobiles (Venezuela)
Bright Islands Corporation	100.0%	(0)	(2.68)	(2.68)	Sales of new shipment (Liberia)
Sojitz Infinity Inc.	100.0%	0.67	(1.74)	(2.41)	Manufacture and sale of apparel
Sojitz Building Materials Corporation	100.0%	0.25	(1.22)	(1.47)	Trading company specializing in sale of construction materials, lumber and residential-related equipment, building interior finish works



## ◆ Major consolidated subsidiaries and affiliates

( )% is the share as of March 31, 2011

### Consolidated subsidiaries

(Millions of Yen)

#### Domestic

Sojitz Machinery Corporation	(100.00%)		
	09/3	10/3	11/3
Net sales	81,709	65,272	61,674
Gross profit	5,335	4,331	4,354
Net income	1,065	646	720
Equity in earnings	1,065	646	720

Sojitz Marine & Engineering Corporation (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	90,026	81,975	77,758
Gross profit	5,617	5,032	4,364
Net income	1,891	1,394	1,007
Equity in earnings	1,891	1,394	1,007

Sojitz Aerospace Corporation	(100.00%)		
	09/3	10/3	11/3
Net sales	108,085	111,803	97,805
Gross profit	2,927	3,048	2,665
Net income	285	549	198
Equity in earnings	285	549	198

Nissho Electronics Corporation (Consolidated)	(77.78%)		
	09/3	10/3	11/3
Net sales	48,140	40,475	46,390
Gross profit	12,316	11,632	12,089
Net income	90	1,123	368
Equity in earnings	39	873	286

Sojitz Energy Corporation (Consolidated)	(97.08%)		
	09/3	10/3	11/3
Net sales	223,538	153,636	165,154
Gross profit	7,064	4,992	4,983
Net income	338	68	(155)
Equity in earnings	328	66	(150)

Sojitz Pla-Net Holdings, Inc. (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	278,620	213,208	234,152
Gross profit	13,072	11,068	11,659
Net income	(336)	112	6
Equity in earnings	(336)	112	6

Pla Matels Corporation (Consolidated)	(46.55%)		
	09/3	10/3	11/3
Net sales	52,550	47,145	55,762
Gross profit	3,148	2,838	3,236
Net income	489	388	500
Equity in earnings	228	181	233

Consolidated to Sojitz Pla-Net Holdings, Inc.

Sojitz General Property Management Corporation	(100.00%)		
	09/3	10/3	11/3
Net sales	5,597	4,955	6,019
Gross profit	901	847	948
Net income	324	284	316
Equity in earnings	324	284	316

Sojitz Building Materials Corporation (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	169,347	134,720	144,676
Gross profit	6,613	5,235	5,519
Net income	31	250	(1,223)
Equity in earnings	31	250	(1,223)

Sojitz Foods Corporation (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	107,462	104,790	146,808
Gross profit	3,844	3,856	5,825
Net income	722	749	499
Equity in earnings	722	749	499

Sojitz General Merchandise Corporation	(100.00%)		
	09/3	10/3	11/3
Net sales	13,576	4,237	6,113
Gross profit	1,031	657	1,055
Net income	137	56	153
Equity in earnings	137	56	153

Sojitz Infinity Inc. (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	17,451	9,247	6,929
Gross profit	6,554	4,392	3,470
Net income	(2,371)	670	(1,739)
Equity in earnings	(2,371)	670	(1,739)

Daiichibo Co.,Ltd. (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	7,710	6,501	6,400
Gross profit	1,902	1,820	1,699
Net income	134	154	(242)
Equity in earnings	134	154	(242)

## Consolidated subsidiaries

(Millions of Yen)

**Overseas**

MMC Automotriz, S.A.	(92.31%)		
	09/3	10/3	11/3
Net sales	57,512	25,433	18,612
Gross profit	11,541	4,071	1,131
Net income	1,476	(2,031)	(3,715)
Equity in earnings	1,362	(1,874)	(3,430)

Sojitz Coal Resources Pty Ltd. (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	30,717	25,271	29,438
Gross profit	13,149	8,539	10,420
Net income	9,634	5,568	13,163
Equity in earnings	9,634	5,568	13,163

Sojitz Moly Resources, Inc.	(100.00%)		
	09/3	10/3	11/3
Net sales	8,346	2,857	3,282
Gross profit	5,675	1,114	1,128
Net income	3,589	502	907
Equity in earnings	3,589	502	907

P.T. Kaltim Methanol Industri	(85.00%)		
	09/3	10/3	11/3
Net sales	17,403	10,162	11,354
Gross profit	4,868	585	1,541
Net income	2,899	6	673
Equity in earnings	2,464	5	572

Sojitz Corporation of America (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	55,143	37,458	55,781
Gross profit	9,985	7,256	8,404
Net income	2,007	776	1,795
Equity in earnings	2,007	776	1,795

Sojitz Europe Plc (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	160,874	84,640	92,635
Gross profit	4,694	3,124	3,762
Net income	1,141	444	512
Equity in earnings	1,141	444	512

Sojitz Asia Pte. Ltd. (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	239,544	125,871	133,480
Gross profit	4,304	3,754	4,389
Net income	45	(200)	752
Equity in earnings	45	(200)	752

Sojitz (Hong Kong) Ltd. (Consolidated)	(100.00%)		
	09/3	10/3	11/3
Net sales	99,332	40,914	48,529
Gross profit	971	749	751
Net income	354	516	827
Equity in earnings	354	516	827

## Equity-method affiliates

**Domestic**

LNG Japan Corporation (Consolidated)	(50.00%)		
	09/3	10/3	11/3
Net sales	725,496	472,104	567,381
Gross profit	3,539	3,383	4,924
Net income	3,976	1,295	2,668
Equity in earnings	1,988	647	1,334

Metal One Corporation (Consolidated)	(40.00%)		
	08/3*	10/3	11/3
Net sales	3,334,767	2,108,090	2,523,462
Gross profit	150,215	97,776	116,064
Net income	22,108	10,473	18,655
Equity in earnings	8,843	3,602	7,466

JALUX Inc. (Conoslidated)	(30.00%)		
	09/3	10/3	11/3
Net sales	113,225	105,561	65,541
Gross profit	22,503	21,752	20,570
Net income	392	(1,263)	492
Equity in earnings	117	(380)	148

**Overseas**

Coral Bay Nickel Corporation	(18.00%)		
	09/3	10/3	11/3
Net sales	15,785	21,971	30,793
Gross profit	1,111	6,414	12,999
Net income	191	5,536	12,207
Equity in earnings	34	996	2,197

Japan Alumina Associates (Australia) Pty. Ltd.	(50.00%)		
	09/3	10/3	11/3
Net sales	13,403	8,206	10,646
Gross profit	3,847	664	2,305
Net income	2,038	139	1,136
Equity in earnings	1,019	69	568

(Note)

In general, figures in the above tables are based on the financial statements prepared by each company. "Equity in earnings" is calculated by multiplying the respective company's net income by our percentage of ownership in that company as of the end of the respective fiscal period. Changes in ownership during the fiscal period are not taken into account.

## ◆ Country Risk Exposure

### Exposure (As of March 31, 2011)

Based on consolidated Sojitz group (Domestic: end of March, Overseas: end of December)

(Note)

We calculate exposure for the consolidated Sojitz Group by tallying assets that are exposed to country risk.

We disclose exposure for the entire Sojitz Group and for the following assets: investments, loans, guarantees, and operating receivables and inventories (grouped as "operating receivables"); cash and deposits and financial assets (grouped as "cash and deposits, etc."); Bad debts, noncurrent assets, etc. (grouped as "other assets").

Exposure is tallied on the following bases:

- Country risk: Exposure is calculated based on the country in which credit counterparties, etc., are present.
- Substantial country risk: Exposure is adjusted based on the substantial country of risk, regardless of counterparties' country of domicile.

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	1.6	0.1	0.0	23.9	13.0	6.4	45.0	51.8
Malaysia	0.9	0.0	0.0	4.8	0.5	0.7	6.9	5.8
Indonesia	3.6	0.1	0.0	14.6	5.0	30.2	53.5	55.0
Philippines	13.1	0.7	0.0	7.7	0.8	1.4	23.7	18.2
China (include Hong Kong)	11.1	0.9	0.7	41.7	8.5	6.4	69.3	69.6
(China)	10.3	0.4	0.6	28.8	6.2	2.3	48.6	56.7
(Hong Kong)	0.8	0.5	0.1	12.9	2.3	4.1	20.7	12.9
Brazil	16.9	0.6	0.2	4.0	3.2	8.5	33.4	58.9
Venezuela	0.0	0.0	0.0	10.2	5.5	6.5	22.2	22.2
Argentina	0.4	0.0	0.0	3.5	0.1	2.0	6.0	3.3
Russia	0.3	0.0	0.0	14.0	2.5	1.0	17.8	19.1
Total	47.9	2.4	0.9	124.4	39.1	63.1	277.8	303.9

(Reference)

### Exposure (As of September 30, 2010)

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	1.5	0.2	0.0	29.9	7.7	6.9	46.2	53.4
Malaysia	0.8	0.2	0.0	5.3	0.5	0.9	7.7	6.5
Indonesia	5.4	0.0	0.0	11.7	2.5	34.2	53.8	60.3
Philippines	12.8	0.7	0.0	7.8	0.8	1.4	23.5	18.1
China (include Hong Kong)	11.5	0.9	0.7	38.1	6.6	6.8	64.6	67.2
(China)	10.7	0.4	0.6	25.8	3.7	2.4	43.6	51.4
(Hong Kong)	0.8	0.5	0.1	12.3	2.9	4.4	21.0	15.8
Brazil	15.1	0.7	0.2	4.9	3.1	8.7	32.7	38.8
Venezuela	0.0	0.0	0.0	8.7	5.4	6.4	20.5	20.5
Argentina	0.4	0.0	0.0	3.5	0.1	1.9	5.9	3.1
Russia	0.3	0.0	0.0	15.4	6.4	1.3	23.4	13.8
Total	47.8	2.7	0.9	125.3	33.1	68.5	278.3	281.7

## ◆ Real Estate (Consolidated)

### Book value and unrealized profits of real estate for sale

(Billions of Yen)

	As of March 31,2010		As of March 31,2011		Change	
	Book Value	(unrealized profits)	Book Value	(unrealized profits)	Book Value	(unrealized profits)
Company	24.5	0.9	21.1	1.9	(3.4)	1.0
Consolidated subsidiaries	29.4	0.4	26.1	0.6	(3.3)	0.2
Consolidated Total	53.9	1.3	47.2	2.5	(6.7)	1.2

### Book value of real estate (land,building and structure) in property, plant and equipment

(Billions of Yen)

	As of March 31,2010	As of March 31,2011	Change
Company	19.5	19.2	(0.3)
Consolidated subsidiaries	99.1	92.7	(6.4)
Consolidated Total	118.6	111.9	(6.7)

### Book value of real estate for investment

(Billions of Yen)

	As of March 31,2010	As of March 31,2011	Change
Company	34.3	27.3	7.0
Consolidated subsidiaries	19.0	6.7	(12.3)
Consolidated Total	53.3	34.0	(19.3)

## ◆ Number of Employee by Operating Segment

(Number of Employee)

	As of March 31, 2010			As of March 31, 2011			Change		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Machinery	297	5,625	5,922	271	5,651	5,922	(26)	26	0
Energy & Metal	251	1,060	1,311	232	1,076	1,308	(19)	16	(3)
Chemicals & Functional Materials	229	1,764	1,993	226	1,737	1,963	(3)	(27)	(30)
Consumer Lifestyle Business	316	5,906	6,222	295	5,081	5,376	(21)	(825)	(846)
Other	722	1,161	1,883	707	1,180	1,887	(15)	19	4
Total	1,815	15,516	17,331	1,731	14,725	16,456	(84)	(791)	(875)

Note

(Reference)

Employee headcounts for Sojitz Corporation (including employees seconded by Sojitz Corporation to subsidiaries) was as follows: end-March 2010: 2,295; end-March 2011: 2,254

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## ◆ Information regarding per share

(Yen)

For the Year Ended March 31,2010 (From April 1, 2009 to March 31, 2010)		For the Year Ended March 31,2010 (From April 1, 2010 to March 31, 2011)	
Net Assets Per Share	281.69	Net Assets Per Share	263.79
Net Income Per Share	7.08	Net Income Per Share	12.77
Net Income Per Share adjusted residual securities	7.06	Net Income Per Share adjusted residual securities	12.77

(Ref.)Net Assets Per Share is based on following calculation

### 1.Net Assets Per Share

	As of March 31, 2010	As of March 31, 2011
Total Net Assets (Millions of Yen)	377,404	355,510
Net Assets for common stock (Millions of Yen)	352,417	330,028
Main reason for the balance (Millions of Yen)		
Minority interests	24,987	25,481
Number of outstanding shares for common stock (thousands)	1,251,499	1,251,499
Number of treasury shares (thousands)	408	416
Number of common stock used for calculation of Net Assets Per Share (thousands)	1,251,091	1,251,082

### 2.Net Income Per Share and Net Income Per Share adjusted residual securities

	For the Fiscal Year 2009	For the Fiscal Year 2010
Earnings Per Share		
Net income (Millions of Yen)	8,794	15,981
Amount not attributable to common stock (Millions of Yen)	(11)	-
Dividends on Preferred Shares	(11)	-
Net income for common stock (Millions of Yen)	8,782	15,981
Number of average common stocks during the fiscal year (thousands)	1,241,281	1,251,087
Earnings Per Share adjusted residual securities		
Adjusted net income (millions of Yen)	6	(7)
(of which, adjustments due to issuance of residual shares by subsidiaries and affiliates)	(4)	(7)
Dividends on Preferred Shares	11	-
Number of increasing common stock (thousands)	4,192	-
Preferred shares	4,192	-
Summary of residual shares not included in the calculation of diluted net income per share due to said residual shares not having a dilutive effect	-	-

3. Number of average Common stocks during the fiscal year

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2011
Common stock	1,241,281,744	1,251,087,488
Preferred shares	834,247	-
1st Series Class III	834,247	-

4. Number of Common stocks at the end of the period

	As of March 31, 2010	As of March 31, 2011
Common stock	1,251,091,013	1,251,082,539

(Note)

Net income per share is calculated in accord with the Accounting Standard on Net Income per Share (Accounting Standards Board of Japan (ASBJ) Statement No. 2) and its accompanying Guidance on the Accounting Standard on Net Income per Share (ASBJ Guidance No. 4).

Earnings Per Share

$$\frac{\text{Net income for common stock}}{\text{Number of average common stocks during the fiscal year}}$$

Net Assets Per Share

$$\frac{\text{Net Assets for common stock at the end of the period}}{\text{Number of common stocks at the end of the period}}$$

Earnings Per Share (Forecast)

$$\frac{\text{Net income for common stock (Forecast)}}{\text{Number of common stocks at the end of the period}}$$



## ◆ Forecast for the Year Ending March 31, 2012

### Full - Year Forecast

(Billions of Yen)

	Year Ended March 31, 2011 Results	Year Ending March 31, 2012 Forecast	Change
Net Sale	4,016.4	4,380.0	363.6
Gross Profit	192.7	214.0	21.3
Selling, general and administrative expenses	(155.2)	(164.0)	(8.8)
Operating Income	37.5	50.0	12.5
Interest expenses-net	(19.6)	(22.5)	(2.9)
Equity in earnings of affiliates	19.3	19.0	(0.3)
Other income and expenses - net	8.1	(0.5)	(8.6)
Non operating income/losses - net	7.8	(4.0)	(11.8)
Ordinary income	45.3	46.0	0.7
Extraordinary income/losses - net	(6.0)	0.0	6.0
Income before income taxes and minority interests	39.3	46.0	6.7
Income before minority interests	18.8	19.5	0.7
Net income	16.0	16.0	0.0

### Gross profit Forecast by Operating Segment

(Billions of Yen)

	Year Ended March 31, 2011 Results	Year Ending March 31, 2012 Forecast	Change
Machinery	56.1	68.0	11.9
Energy & Metal	41.7	48.0	6.3
Chemicals & Functional Materials	36.3	37.5	1.2
Consumer Lifestyle Business	52.9	54.5	1.6
Other	5.7	6.0	0.3
Total	192.7	214.0	21.3

### Ordinary income Forecast by Operating Segment

(Billions of Yen)

	Year Ended March 31, 2011 Results	Year Ending March 31, 2012 Forecast	Change
Machinery	2.0	7.5	5.5
Energy & Metal	28.7	29.5	0.8
Chemicals & Functional Materials	6.8	6.0	(0.8)
Consumer Lifestyle Business	5.3	4.5	(0.8)
Other	2.5	(1.5)	(4.0)
Total	45.3	46.0	0.7

### Net income Forecast by Operating Segment

(Billions of Yen)

	Year Ended March 31, 2011 Results	Year Ending March 31, 2012 Forecast	Change
Machinery	3.4	3.0	(0.4)
Energy & Metal	26.5	22.0	(4.5)
Chemicals & Functional Materials	2.7	3.0	0.3
Consumer Lifestyle Business	1.1	1.0	(0.1)
Other	(17.7)	(13.0)	4.7
Total	16.0	16.0	0.0

◆ News Releases FY2010

Segment	date	Title
<b>Machinery</b>		
	April 26, 2010	Sojitz to Implement Environmentally-Friendly Co-generation Project in Russian Far East - Memorandum Signed with Russian Government-Linked Corporation -
	April 27, 2010	Sojitz Machinery Receives Orders for Sumitomo Precision Products' LNG Vaporizers for PetroChina Company LNG Receiving Terminal
	April 30, 2010	Sojitz to Participate in IPP in Saudi Arabia - 1720 MW Gas-Fired Combined-Cycle Power Generation Project -
	May 13, 2010	Sojitz Corporation enters US solar power market - Accelerates solar power investments -
	May 24, 2010	Sojitz Machinery Launches New Forster Japan Wine Cellar - New Wine Cellars Make It Easier for Consumers to Enjoy Delicious Wine at Home -
	May 25, 2010	Sojitz Systems Begins Deploying commercial and industrial LED Lightings - SSC Signs Exclusive Manufacturing and Distribution Agreement in Japan with Ringdale -
	May 27, 2010	Sojitz and YONDEN were selected as successful bidder for Barka 3 IPP Project and Sohar 2 IPP Project in the Sultanate of Oman
	May 31, 2010	Sojitz Participates in Solar IPP Project in Europe - Sojitz Operating Solar Power Plant in Germany, the World's Largest Market -
	June 16, 2010	Sojitz Group signs Power Purchase Agreement for Riyadh Independent Power Project in the Kingdom of Saudi Arabia
	August 11, 2010	Sojitz Enters into a Strategic Alliance with AFC - International Financial Institution Supporting African Development
	August 26, 2010	Sojitz to expand its business jet operations - Establishment of a new operating base to deal with expanding demand in Asia -
	August 30, 2010	Sojitz Forms Strategic Alliance in Caofeidian, China in Environmental and Infrastructure Fields - Sojitz to Construct Eco-City with Tangshan Caofeidian Infrastructure Construction Investment Company -
	September 14, 2010	Sojitz and Arshiya, India's largest Logistics Company Collaborate to provide Logistics/Infrastructuresolutions for Japanese companies in India - India's First Free Trade Warehousing Zone (FTWZ) now operational -
	October 14, 2010	Sojitz, Mitsubishi-Hitachi Metals Machinery, and Hitachi Receive Order from India's Tata Steel to Upgrade Cold Rolling Mill - Iron Manufacturing Equipment Sales Increase Expected in Booming Indian Market -
	November 10, 2010	Additional Gas Turbine Generator Ordered for 2012 APEC Summit Site and Oceanarium
	November 11, 2010	MHI and Sojitz Receive \$1 Billion Order from Russian Republic of Tatarstan For Large-scale Urea Fertilizer Plant Construction, Jointly with CNCEC - One of the World's Largest Ammonia/Methanol Concurrent Production Facility -
	November 11, 2010	Kawasaki and Sojitz Sign Contracts for Russian Cogeneration Project
	November 29, 2010	Sojitz Marine & Engineering Moving into Full-Fledged Sales of Ballast Water Treatment Systems - Sojitz Owned Bulk Carrier to be Equipped with Treatment System Manufactured by Ecochlor of America -
	January 13, 2011	Sojitz Signs Agreement for Joint Development of First Wind Power Project in Namibia - First IPP Project by a Japanese Firm in Sub-Saharan Africa-
	January 20, 2011	Mega Class Urea Plant Up and Running in Pakistan
	February 15, 2011	Sojitz Group Member SPS SYNTEX to Market Small Desktop Spark Plasma Sintering System for Use in Advanced Material R&D - Guiding Concept from Tohoku University Realizes High Performance and Compact Size -
	February 22, 2011	Sojitz Announces Tender Offer for Shares of Sakura Internet Inc.
	March 4, 2011	Sojitz announces amendment of Public Notice of Tender Offer's Commencement and previous press release entitled "Sojitz Announces Tender Offer for Shares of Sakura Internet Inc." in conjunction with filing of Tender Offer Notice amendment notice
	March 24, 2011	Sojitz Sojitz Announces Final Results of Tender Offer for Shares of Sakura Internet Inc. and Consolidation of New Subsidiary
<b>Energy &amp; Metal</b>		
	June 7, 2010	Water Mixed in Regular Gasoline at Sojitz Group Gas Station
	June 16, 2010	Sojitz Accelerates Development of Tight-Sand Gas and Shale Gas in Texas - Horizontal Drilling Used to Develop Deep Layers and Expand Production of Unconventional Gas -
	July 20, 2010	Sojitz Acquires Additional Shares of Qatar Petroleum Development Co., Ltd., Holder of Offshore Block 1 in Southeast Qatar - Holdings Reach 25%, QPD Subject to Equity Method -
	August 6, 2010	Sojitz Undertakes Full-scale Start of Expansion at Canadian Molybdenum Mine - Reductions of production cost and increase of production volume through supplemental capital investment -
	August 23, 2010	Japan Climate Exchange Corporation Made First Trade - Trade under Tokyo Program Marks First Step to Promoting Emissions Rights Trading -
	November 4, 2010	Kansai Electric and Sojitz to Collaborate in Overseas Uranium Enrichment Business with Tohoku Electric Power and Kyushu Electric Power
	November 5, 2010	Production at Phoenix Oil Field in Gulf Of Mexico Begins - Floating Production Units Used to Address Hurricane Risk and Perform Safe, Stable Operations-
	December 13, 2010	Japan Climate Exchange to Trade Emissions Credits in Shikoku Region Project to Encourage Local Emissions Trade and Contribute to Preventing Global Warming
	December 21, 2010	Sojitz becomes a coal mine operator by increasing its interest in the Minerva Coal Mine - Sojitz expands its corporate function by acquiring coal mining expertise -
	February 1, 2011	Japan Climate Exchange Corporation is certified for Official Domestic Credit Certification Support Agency for Domestic Emissions Trading from METI - Synergy Effects with Sojitz Group to be Leveraged to Invigorate Emissions Trading
	March 4, 2011	JFE Steel, Nippon Steel, Sojitz, JOGMEC, POSCO and NPS Form Japan-Korea Partnership Group to Invest in Brazilian Producer of Niobium, Critical Alloying Element for High-Grade Steel Products
<b>Chemicals &amp; Functional Materials</b>		
	April 20, 2010	Sojitz Cosmetics Develops Cosmetics Brand for Mail Order Market - Sales of naturecia, Sojitz Cosmetics' First Brand to Begin April 22 -
	September 29, 2010	Sojitz launches generic drug development business overseas - Provision of consistent pharmaceutical services from ingredients to finished products -
	October 12, 2010	Sojitz Enters into Bio-Resin Compound Business Using "TENCEL®" Plant-Derived Fiber - Environmental Material Made Primarily from Eucalyptus Targeting Automotive-Use Development -
	November 24, 2010	Agreement to Form Strategic Alliance with Lynas, an Australian Rare Earths Company, Concerning Rare Earths Supply for the Japanese Market and Supporting the expansion of Lynas Rare Earths Project
	January 27, 2011	Sojitz Cosmetics Successfully Develops "AMIJOUÉ" Anti-Aging Skin Care Series Blended with Amino Acids - Sales to Begin February 2 as Second In-House Brand -
	February 8, 2011	Sojitz to Invest in Sulphate of Potash Fertilizer and Industrial Salt Production Project in Northwestern India - Sales of Sulphate of Potash Fertilizer and Industrial Salt in Asian Markets to Start in 2012 -
	March 30, 2011	Sojitz and JOGMEC enter into Definitive Agreements with Lynas Including Availability Agreement to secure supply of Rare Earths products to Japanese Market
<b>Consumer Lifestyle Business</b>		
	April 22, 2010	Sojitz Begins Agriculture Business in Japan Using New Technology - Low-Cost Plant Factory Produces High Value Added Vegetables -
	June 10, 2010	Sojitz Infinity Launches McGREGOR CLASSIC Brand New Brand Tailored to Elegant Lifestyles with Focus on Consumers in their 30s with Families
	June 15, 2010	Sojitz and KOKUBU Tie-up in Food Distribution Business in Vietnam - Alliance to Innovate and Expand Food Distribution Business in Vietnam -
	July 16, 2010	Sojitz GMC Acquires Exclusive Import and Sales Rights to Royal Elastics Brand Products Laceless West Coast Slip-On Sneakers "No Time for Laces"
	November 17, 2010	Sojitz Launches Soybean & Agricultural Product Business in Argentina Business Expertise to be Used to Expand Operations to Brazil and Other Countries. Sojitz Contributing to Stable Food Supplies.
	December 2, 2010	Largest Grain Port in ASEAN Completed Flour Production Capacity Doubled to Become a Leading Milling Company in Vietnam
	December 8, 2010	Sojitz Launches Takashima Bluefin Tuna High-Quality Farmed Bluefin Tuna Headed for Japanese Markets
	December 9, 2010	Sojitz to Supply Russian Veneer Products for Plywood to Japanese Market Sojitz and Hashimoto Denki Receive Order for the Russian Far East's Largest Wood Processing Plant Line Equipment. Seihoku to Provide Technical Support for Veneer Products Supply to Japan
	January 13, 2011	Sojitz GMC Begins Sales of TITAN 5th Element Suitcases
	February 16, 2011	Sojitz GMC Introduces West Coast Slip-on Sneakers - Royal Elastics Laceless Brand Shoes "No Time for Laces" -
	March 10, 2011	Sojitz Begins Shipping Takashima Bluefin Tuna to Chinese Markets - High-Quality Farmed Bluefin Tuna Headed for Wealthy Consumers in China -
<b>Other</b>		
	April 16, 2010	Sojitz Provides Support to Earthquake Victims in Qinghai Province, China
	April 28, 2010	Sojitz Participates in Africa Tanzania pre-school Educational Support Program - Sojitz Group's Social Contribution Activities -
	August 18, 2010	Sojitz Provides Support to Disaster-stricken Areas in China and Pakistan
	January 13, 2011	Sojitz Provides Support to Flood Victims in Queensland, Australia
	January 28, 2011	Sojitz Expands Family Care Support Programs - Programs Support Work Environments that Enable Employees to Provide Family Care, Enhancing the Work-Life Balance-
	February 2, 2011	Sojitz Provides Support to Flood Victims in Rio de Janeiro State, Brazil
	March 1, 2011	Sojitz Provides Support to Earthquake Victims in New Zealand
	March 15, 2011	Sojitz Supports Areas Afflicted by the Tohoku Pacific Earthquake and Current Situation Affecting Sojitz Corporation
	March 24, 2011	New Graduate Recruiting to be Rescheduled as a Result of the East Japan Earthquake

**Financial Results for the Fiscal Year  
Ended March 31, 2011**

***Shine*  2011**

**April 28, 2011  
Sojitz Corporation**

# ■ Index

- I. Financial Results for the Fiscal Year Ended March 31, 2011
- II. Forecast for the Fiscal Year Ending March 31, 2012
- III. Sustained Growth

## 【Supplemental Data】

- I. Earnings Forecast by Business Segment
- II. Summary of Financial Results

### 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.

I. Financial Results for the  
Fiscal Year Ended March 31, 2011

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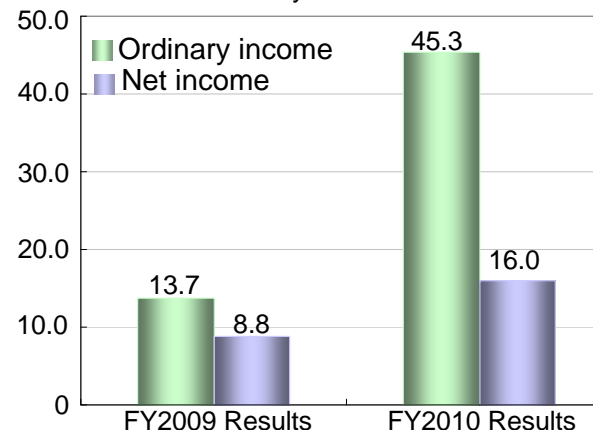
# ■ Summary of P/L Statements

Major earnings growth driven by resurgent earnings power

(Billions of Yen)	FY2009 Results	FY2010 Results	Change
Net sales	3,844.4	4,014.6	+170.2
Gross profit	178.2	192.7	+14.5
Operating income	16.1	37.5	+21.4
Ordinary income	13.7	45.3	+31.6
Net income	8.8	16.0	+7.2
Comprehensive income	40.2	-16.7	-56.9
Core earnings	14.4	41.9	+27.5
Cash Dividend per share	2.5yen	3yen	+0.5yen
(Reference)			
ROA	0.4%	0.7%	+0.3%
ROE	2.6%	4.7%	+2.1%

FY2011 Forecast	Achieved
4,180.0	96%
202.0	95%
40.0	94%
40.0	113%
12.0	133%

(Billions of Yen) Ordinary income & Net income

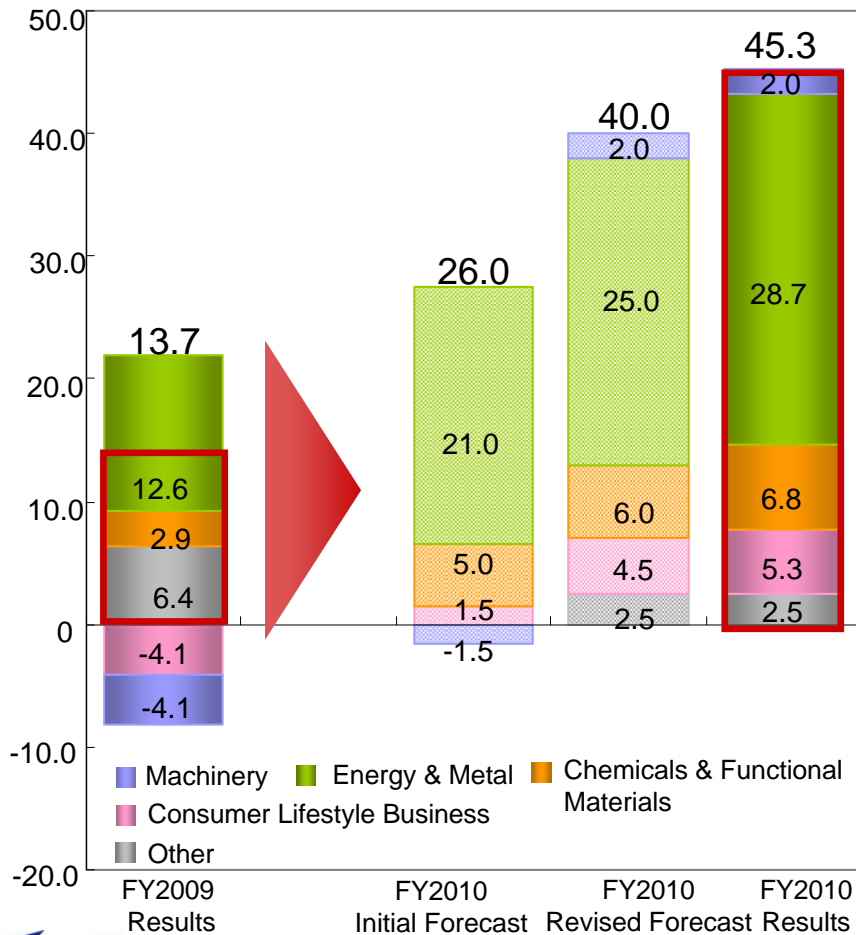


# Summary of P/L Statements

## Ordinary Income by Business Segment

Achieved profitability across all segments by virtue of earnings recovery

(Billions of Yen) Ordinary Income by Business Segment



### Factors behind year on year change in earnings

- **Machinery** (Change: —)  
Improvement in automotive businesses' earnings, growth in plant-related sales, etc.
- **Energy & Metal** (Change: +128%)  
Recovery in market prices and unit volume growth
- **Chemicals & Functional Material** (Change: +134%)  
Unit volume growth driven by demand recovery in China/Asia
- **Consumer Lifestyle Business** (Change: —)  
Major improvement in fertilizer business's earnings
- **Other** (Change: -61%)  
Decrease in equity in earnings of affiliates

### Factors behind variances from FY2010 revised forecast

- **Machinery** (Achievement: 100%)  
No variance from forecast
- **Energy & Metal** (Achievement: 115%)  
Growth in equity in earnings of affiliates in addition to unit volume growth and recovery in market prices
- **Chemicals & Functional Materials** (Achievement: 113%)  
Demand recovery in China/Asia and unit volume growth
- **Consumer Lifestyle Business** (Achievement: 118%)  
Earnings growth in excess of expectations across all operations, particularly fertilizer
- **Other** (Achievement: 100%)  
No variance from forecast

# Summary of Balance Sheets

## Financial Soundness Maintained

(Billions of Yen)

	End of March 2011	End of March 2010	Change		End of March 2011	End of March 2010	Change	
Current assets	1,266.7	1,285.3	-18.6	Interest-bearing debt	Short-term	309.7	306.8	+2.9
					Long-term	806.6	886.7	-80.1
Investment and other assets	850.3	875.6	-25.3	Other liabilities	645.2	590.0	+55.2	
Total assets	2,117.0	2,160.9	-43.9	Shareholders' equity *1	330.0	352.4	-22.4	
				Total net assets	(355.5)	(377.4)	(-21.9)	
				Total liabilities and net assets	2,117.0	2,160.9	-43.9	
Risk assets Vs. shareholders' equity	310.0 (0.9times)	320.0 (0.9times)	-10.0 (0.0times)	Shareholders' equity ratio (%)	15.6%	16.3%	-0.7%	
Current ratio(%)	142%	153%	-11%	Net interest-bearing debt	700.6	737.8	-37.2	
Long-term debt ratio(%)	72%	74%	-2%	Net DER (times) Net D/E ratio based on total net assets	2.1 (2.0)	2.1 (2.0)	0 (0)	

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



## II. Forecast for the Fiscal Year Ending March 31, 2012

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# ■ Sojitz and External Business Environment

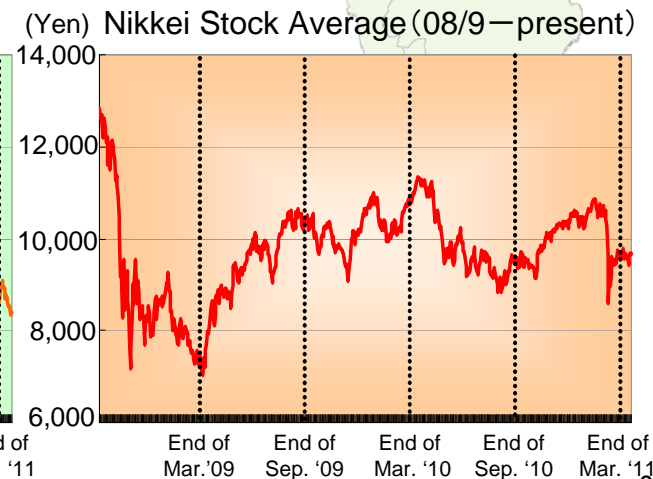
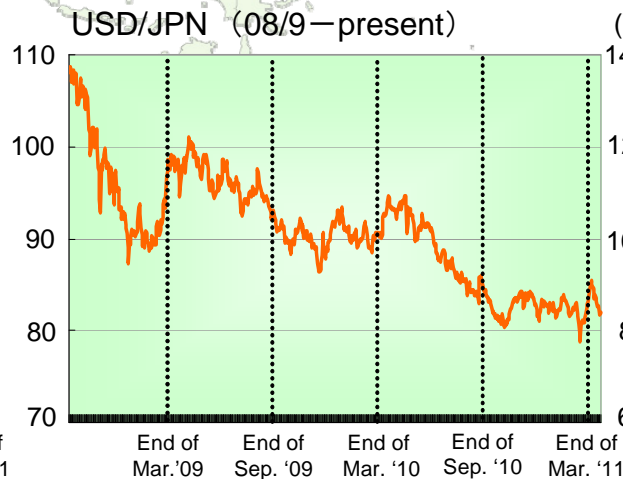
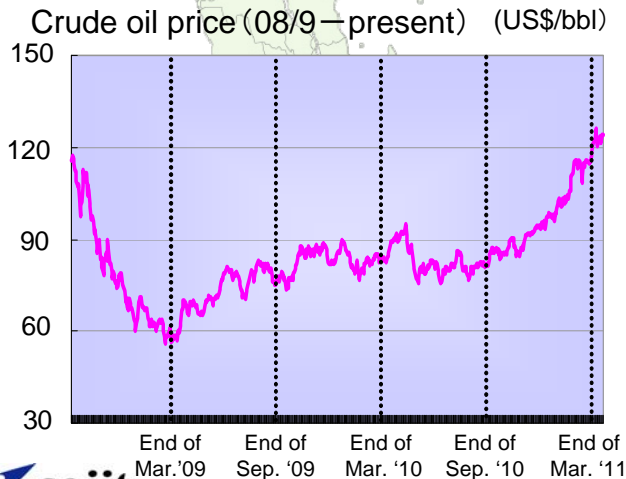
## External environment

- Emerging market economies' GDP growth rate: +6.5%
- Crude oil prices in rising trend driven by demand growth in emerging market economies
- Heightened social and economic tensions in Middle East & North Africa
- Lackluster GDP growth of +2.5% in developed countries (USA, Europe, etc.)
- Japanese economy is affected by March 11 earthquake



## Sojitz

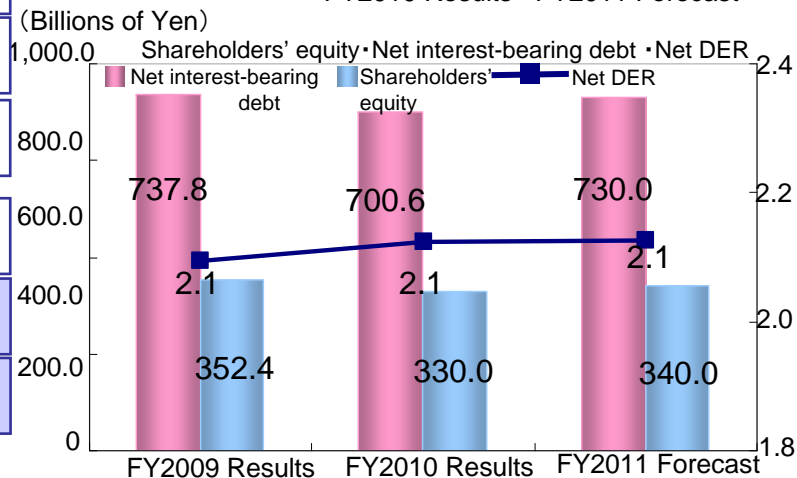
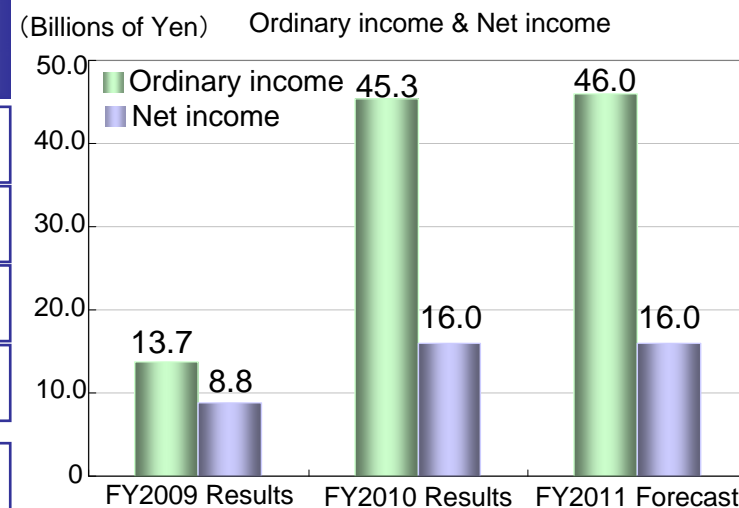
- Expecting solid earnings performance from operations in rapidly growing emerging market economies
- Expecting energy- and metals-related operations to perform relatively well by virtue of rising crude oil and other prices and strong demand for resources
- Impact of strong yen
- Risk of earthquake impact in addition to slowdown in domestically oriented businesses



# Forecast for the Fiscal Year Ending March 31, 2012

Forecasting flat overall earnings due to earthquake impact despite anticipated recovery in operating profitability

(Billions of Yen)	FY2009 Results	FY2010 Results	FY2011 Forecast	FY2011 Initial Plan
Gross profit	178.2	192.7	214.0	242.0
Ordinary income	13.7	45.3	46.0	56.0
Net income	8.8	16.0	16.0	25.0
Core earnings	14.4	41.9	54.5	63.0
Total assets	2,160.9	2,117.0	2,070.0	2,170.0
Net interest-bearing debt	737.8	700.6	730.0	770.0
Shareholders' equity *1	352.4	330.0	340.0	380.0
Net DER (times)	2.1	2.1	2.1	2.0
Current ratio	153%	142%	120% or higher	
Long-term debt ratio	74%	72%	Approx. 70%	

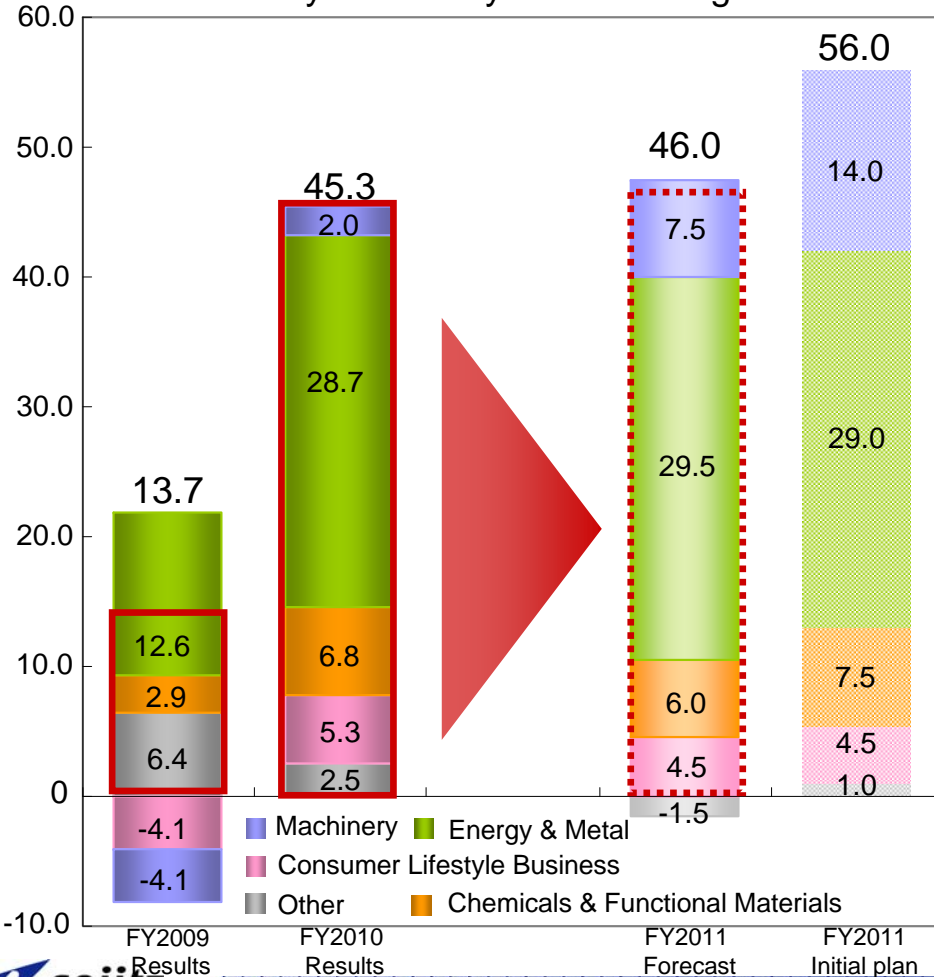


\*1. Shareholders' equity = Total net assets – Minority interests

# FY2011 Ordinary Income Forecast by Business Segment

Earthquake impact will be felt across all segments  
but automotive businesses' earnings should definitely improve

(Billions of Yen) Ordinary income by business segment



## FY2011 Ordinary Income Forecast

- Machinery** (projected YoY increase of ¥5.5bn)  
 Anticipating improvement in automotive business and solid unit volume growth from plant & infrastructure projects
- Energy & Metal** (projected YoY increase of ¥0.8bn)  
 Expecting higher prices and unit volume growth to contribute to earnings growth
- Chemicals & Functional Materials**  
 (projected YoY decrease of ¥0.8bn)  
 Projecting continued robust unit volume growth, mainly in China/Asia
- Consumer Lifestyle Business**  
 (projected YoY decrease of ¥0.8bn)  
 Projecting earnings decline due to earthquake impact and decrease in earnings from overseas fertilizer business, which had stellar year in FY2010
- Other** (projected YoY decrease of ¥4.0bn)  
 Projecting earnings decline due to headquarter moving costs

# ■ Earnings Forecast Assumptions

	2010 Results (Jan. – Dec. Avg.)	FY2011 Forecast	2011 Results (Jan. –Mar. Avg.)
<b>Crude oil (Brent)*1</b>	\$79.5/bbl	\$90/bbl	\$105.0/bbl
<b>Coal (Thermal Coal)*2</b>	\$99.0/t	\$120/t	\$127.9/t
<b>Molybdenum</b>	\$15.7/lb	\$18.5/lb	\$17.3/lb
<b>Nickel</b>	\$9.9/lb	\$11/lb	\$12.2/lb
<b>Exchange rate*3</b>	Dec. year-end: ¥87.3/\$ Mar. year-end: ¥85.2/\$	¥80/\$	¥82.3/\$
<b>Interest rate (TIBOR)*4</b>	0.37%(Apr.-Dec.)	0.5%	0.34%

\*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 above coal price differs from Sojitz's sales price.

\*3 Exchange rate sensitivity: Every ¥1 movement in JPY/USD rate equates to approximately ¥5bn change in sales, ¥0.2bn change in ordinary income, and ¥1.5bn change in shareholders' equity.

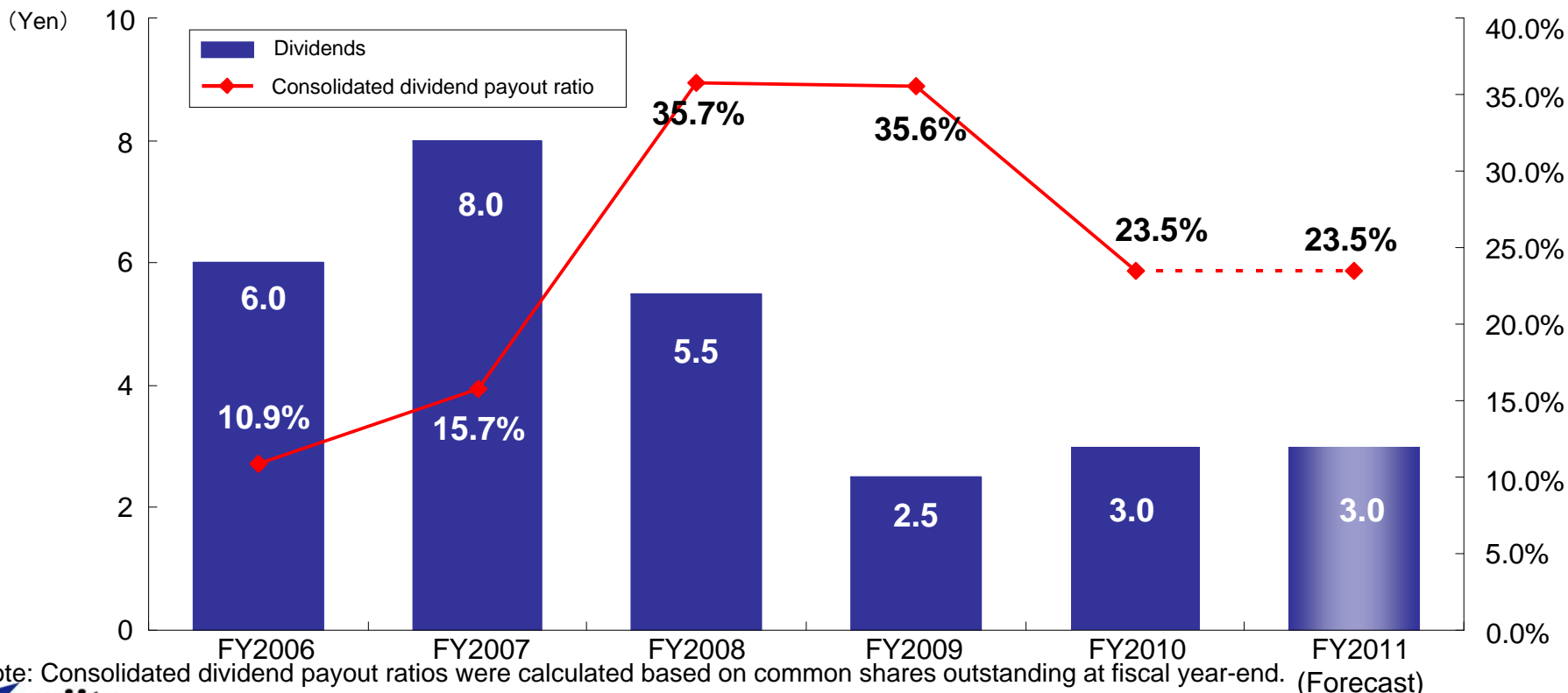
\*4 Interest rate sensitivity: Every 100 basis point movement in interest rates equates to approximately ¥1.5-2.0bn per year.

# ■ Dividends

## Annual dividends per share and consolidated payout ratio

### 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.

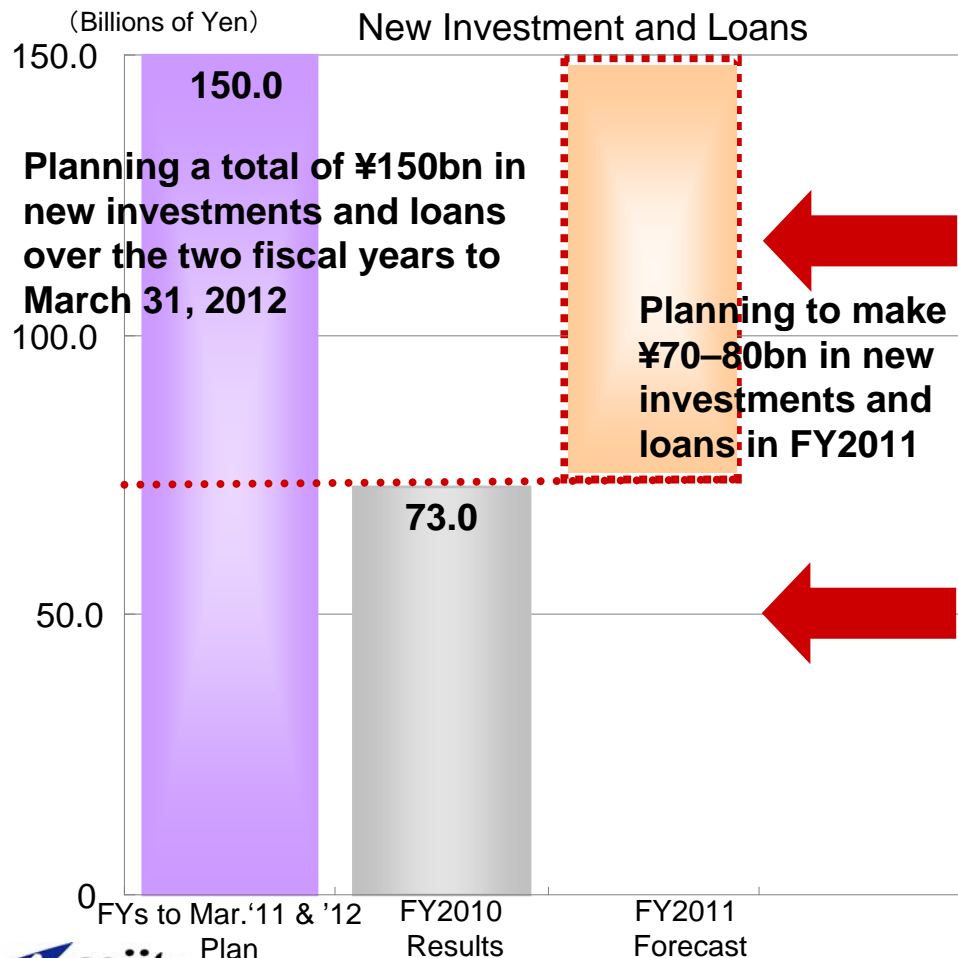


### III. Sustained Growth

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# ■ New Investments and Loans

Continuously strengthening earnings base  
in pursuit of sustained growth



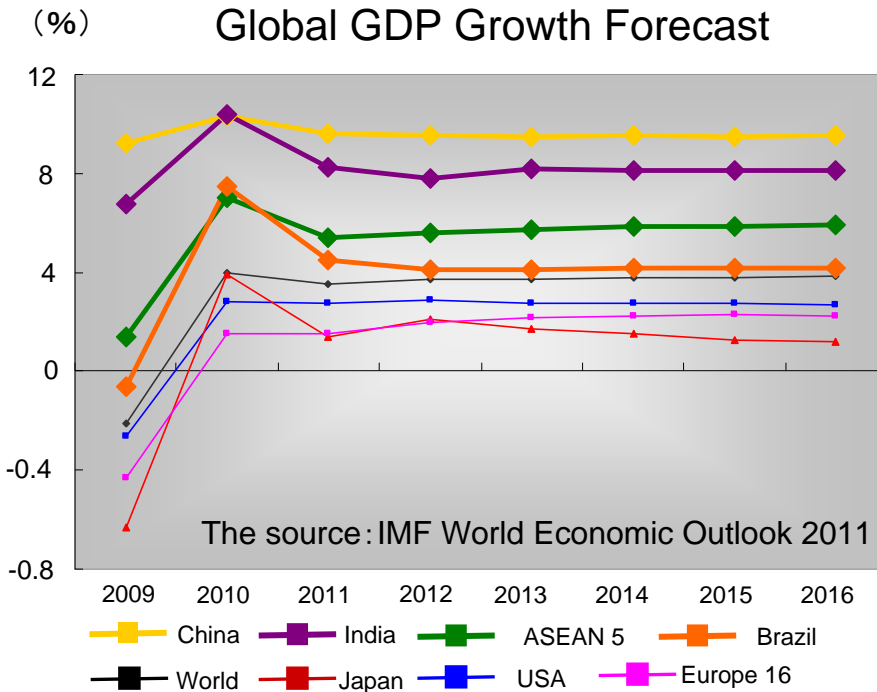
- Planning to make ¥70-80bn in new investments and loans in FY2011
- Investment will be focused in non-resource businesses (e.g., machinery, chemicals, foodstuffs, agribusiness) in addition to resource-related businesses

- FY2010 investments were concentrated in Energy & Metal segment  
Major investments:  
Purchased additional coal interests, acquired equity stakes in niobium, rare earths, and industrial salts producers, acquired incremental interest in ICT company to gain control of it as a subsidiary
- Expansion of Sojitz-owned production will lead to earnings growth from FY2011

Primarily through asset reallocation,  
accumulate high-quality asset holdings  
while maintaining a sound financial position



# ■ Building Foundation for Sustained Growth



Strengthening the foundations of operations in emerging market economies with high growth potential

Pursuing sales in emerging markets in addition to existing stable customer base in Japan



Expanding earnings base by strengthening key businesses

## Expanding Interests in Energy & Metal Resource

- Acquired additional Australian coal interests  
Increased share of production and expanded into mine operation
- Strengthened rare metals business by acquiring stake in niobium producer

## Strengthening Priority Businesses

- Invested in Australian rare earth business - Established stable, long-term supply chain -
- Invested in Indian industrial salts producer - Planning to commence sales in Asian markets from 2012 -
- Expanded and strengthened IPP business
- Succeeded in establishing Hyundai Motor's presence in emerging markets

## Cultivating New Businesses

- Launched agribusiness in Argentina
- Brazilian ethanol business  
World's top sugarcane-based ethanol producer after merging with competitor

# Expanding Interests in Energy & Metal Resources

## Coal

Acquired additional stake in Minerva Coal Mine (Australia)  
 – Increased share of production and expanded into mine operation –

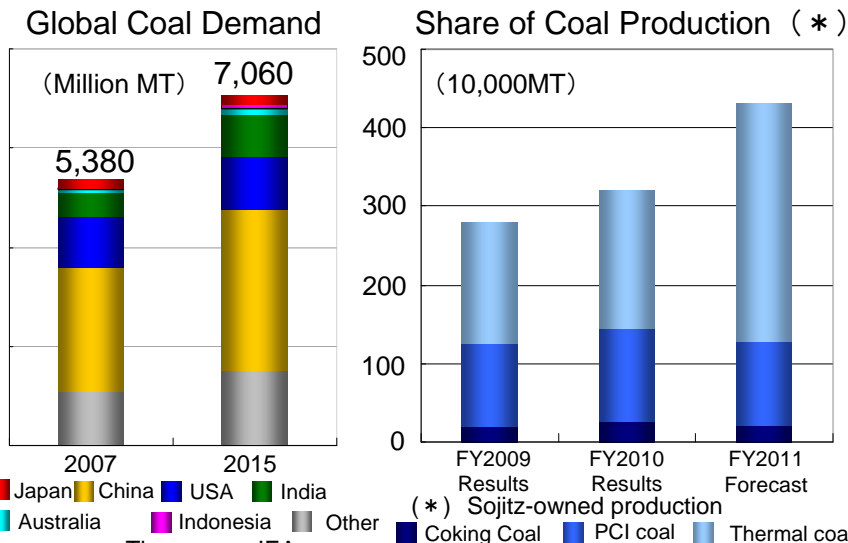
- Nearly doubled Minerva ownership interest from 45% (share of production: 1.3mn MT) to 96% (2.7mn MT)
- Gained mine operation capabilities by acquiring majority interest
- Strengthened re-export sales

## Niobium

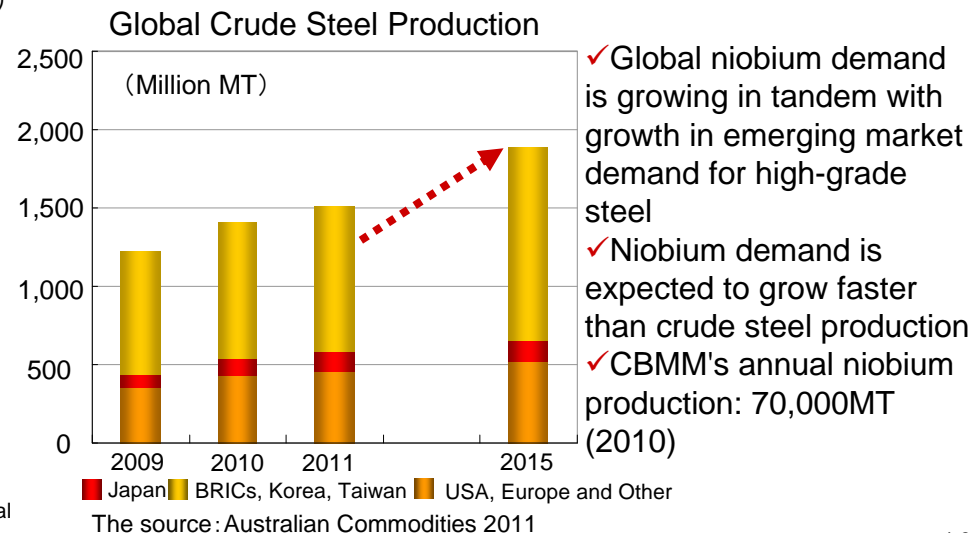
Rare metal essential for high-grade steel  
 – Acquired stake in Brazilian niobium producer CBMM as member of a Japanese-Korean consortium –

- Acquired 2.5% equity stake in CBMM, the world's top niobium producer by market share
- Secured and expanded distribution rights pursuant to long-term contracts
- Established stable niobium supply chain

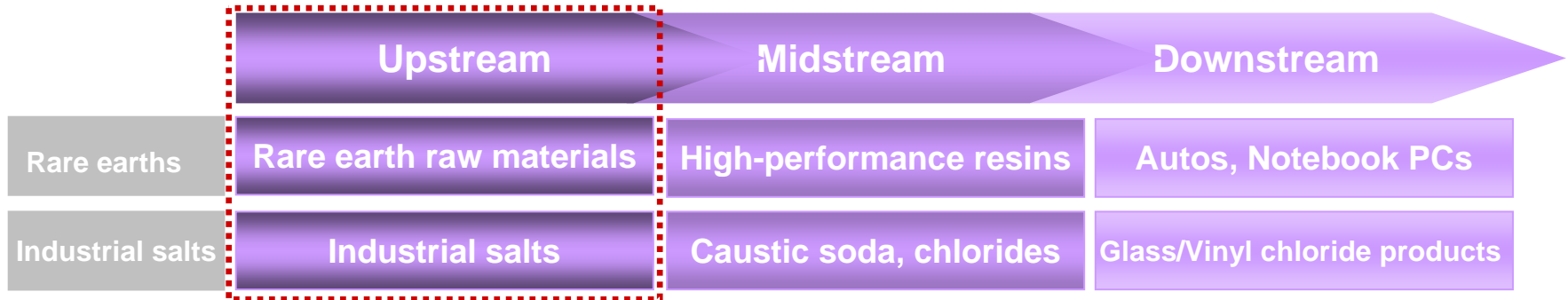
**Strengthened existing operations' foundations by acquiring additional stakes in operating mines**



**Strengthened key business by expanding rare metal product line**



# Strengthening Priority Businesses



**Strengthening existing businesses' earnings base  
by investing in upstream operations**

- Invested in Australian rare earth business  
— Established long-term supply chain in pursuit of stable supplies —
- With JOGMEC, jointly invested some ¥20bn (equity & debt) in Lynas
  - Planning to begin supplying Japan from late 2011
  - Long-term supply to Japan of 8,500MT ( $\pm$  500MT) per year

**Assuming responsibility to be Japan's top rare earths supplier by stably supplying some 30% of Japan's annual consumption for 10 years**

Acquired stake in Indian industrial salts producer



Invested in potash fertilizer and industrial salts production project (¥3.5bn in debt & equity financing)  
Production to commence from 2012

**Project will produce 2mn MT of industrial salts; 100,000MT of potash fertilizer to be sold in Asian and Middle Eastern markets**

# Strengthening Priority Businesses

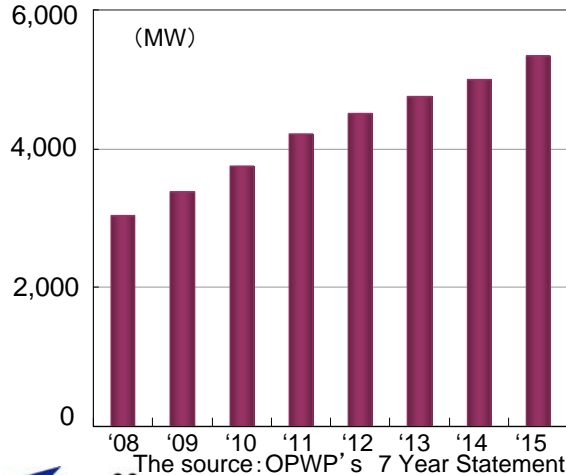
## IPP

Booked series of orders for IPP projects in key regions  
 – Entered IPP business in Saudi Arabia and Oman –

- Gained stable, long-term income stream from power sales
- Established profit structure well-insulated against economic volatility
- Demand for construction of new power plants is growing, mainly in rapidly growing emerging market economies

**Strengthening existing businesses' foundations by focusing on acquiring projects, mainly in emerging markets**

Electric power demand in Oman is projected to grow at 8.5% CAGR



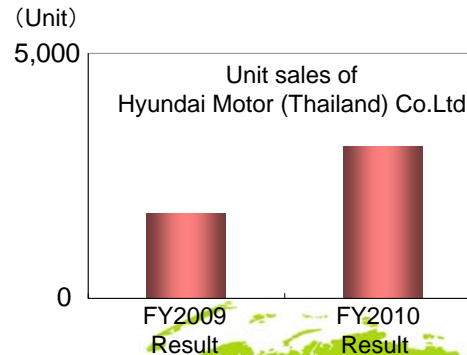
- ✓ Focused on acquiring projects in 5 Southeast Asian and Middle Eastern Gulf countries
- ✓ Partnering with top companies

**Target**

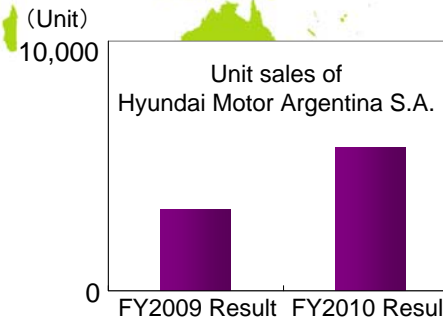
Ownership of 1,700MW of power generation capacity (FY2013)

## Automotive

Succeeded in establishing Hyundai Motors' presence in emerging markets  
 – Auto import and sales business is prospering in emerging market—



**Expanding earnings base by supplying cost-competitive products to growing markets**



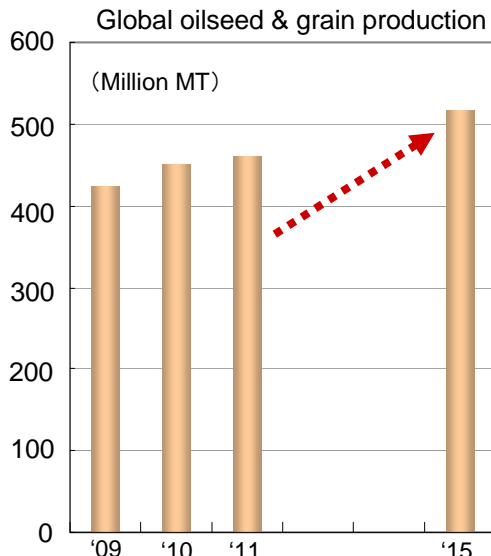
# ■ Cultivating New Businesses

## Agribusiness

Launched agribusiness in Argentina  
 - Aiming to meet growing demand for foodstuffs, mainly in emerging markets -

- Secured foodstuff supply sources through production operations
- Gained farm management know-how by partnering with major local agribusiness operator
- Expanded and strengthened existing soybean business

### Strengthening foundations of food resource business from fertilizer to farming



- Established agribusiness company in FY2010 (initial investment of ¥500mn)
- Projected grain production of 25,000MT in 2010 grain marketing year
- Planning to sell production in Asia in addition to South America

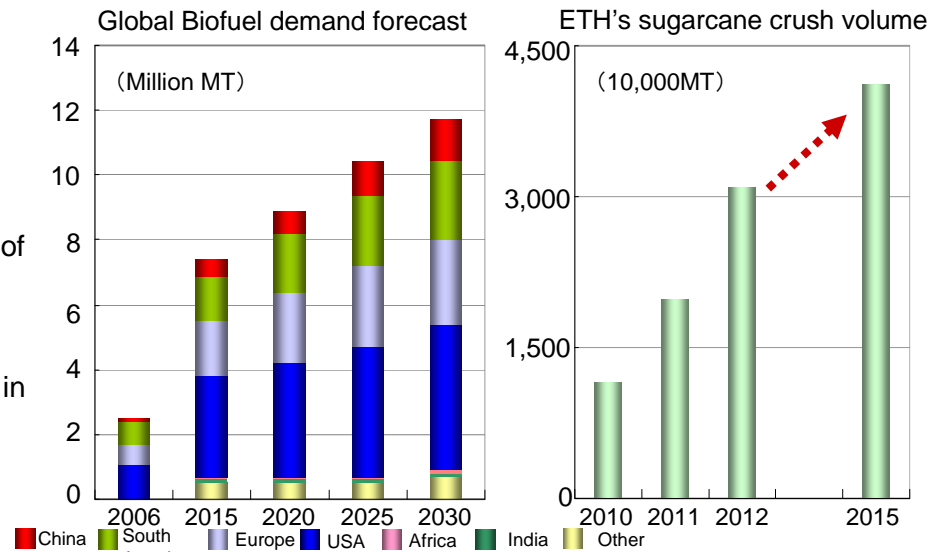
The source: USDA, Australian Bureau of Statistics

## Bioethanol business

Brazilian ethanol producer ETH  
 - Strengthened foundations by merging with competitor in 2010 -

- World's top sugarcane-based ethanol producer by volume
- Advantageously located in Brazil, a huge market for ethanol consumption
- Launch of operations at two large mills will bring the total to 9 mills in operation
- Projected to recoup startup losses and achieve profitability from FY2012

### Strengthening operational foundations in environmental and new energy businesses



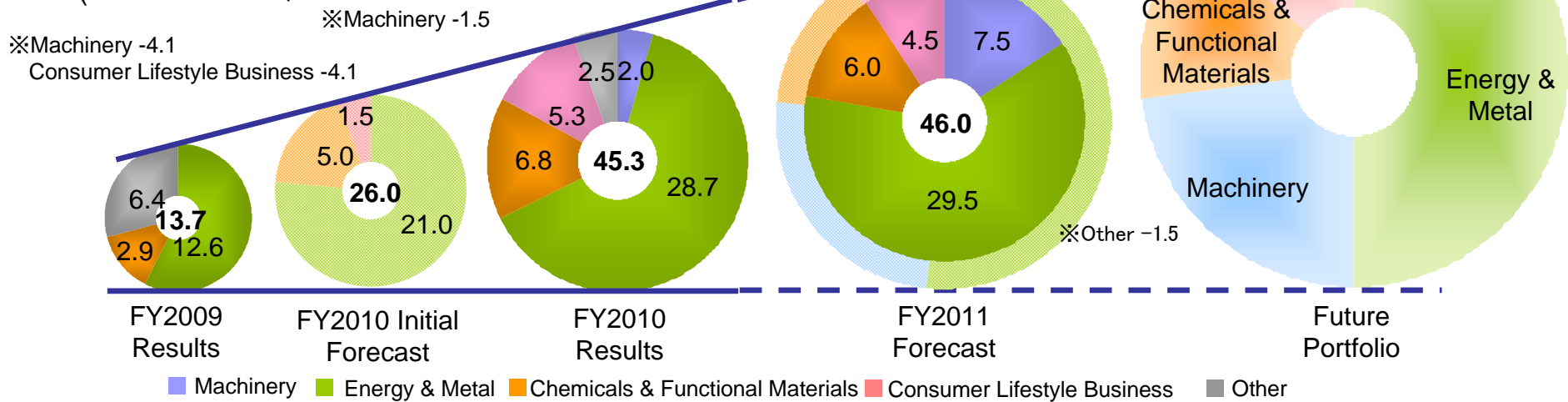
The source: Tatsujii Koizumi, Impact of the bio-ethanol program on the world food markets

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# Vision of Future Earnings Portfolio

Build a stable earnings foundation and work toward an earnings portfolio well balanced between resources and non-resource areas

Ordinary Income  
(Billions of Yen)



Pursuing sustained growth  
by stabilizing and strengthening earnings base

# Supplemental Data I.

## Earnings Forecast by Business Segment

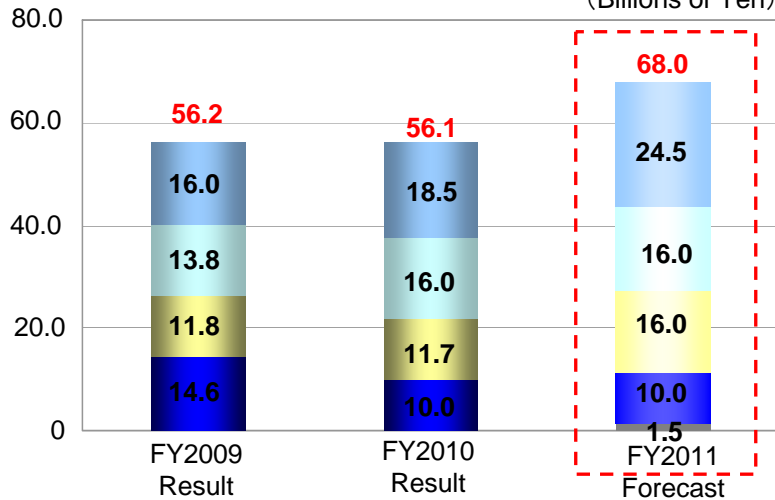
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# Machinery Segment

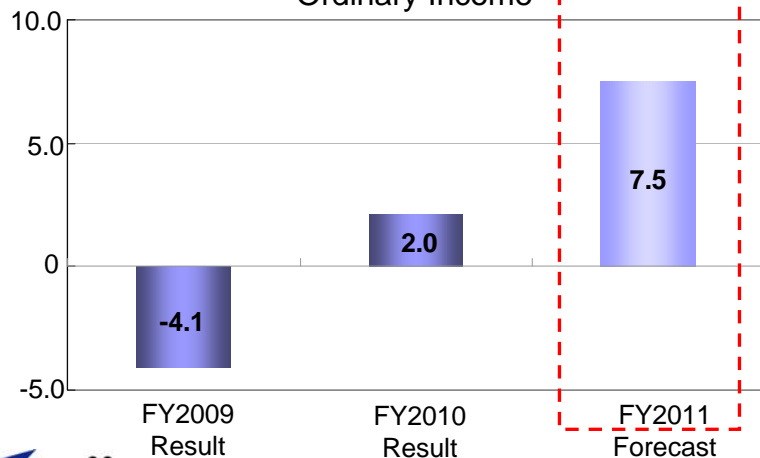
Gross Profit by Unit

(Billions of Yen)



■ Automotive    ■ Infrastructure Project & Industrial Machinery (Environmental & Infrastructure)  
■ IT Business    ■ Marine & Aerospace    ■ Other

Ordinary Income



## Current Status

【FY2011 Ordinary Income】 Forecast: ¥7.5bn

- Automotive  
Will be affected by earthquake, but operating subsidiaries in Russia, NIS, and Central & South America are seeing unit sales growth in the wake of market recovery and resurgence in earnings power. Asian operating subsidiaries also continue to perform well.
- Infrastructure Project & Industrial Machinery (Former Environmental & Infrastructure)  
Projecting healthy volume of plant/infrastructure project transactions, mainly in Asia including China, Russia, Middle East, Africa, and South America
- IT  
Will be affected by earthquake, but expecting growth in NELCO's video-related and communication hardware orders from service providers and maintenance service transactions
- Marine and Aerospace  
Slowdown due largely to decrease in Boeing-related transactions

## Initiatives during *Shine 2011*

### 【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

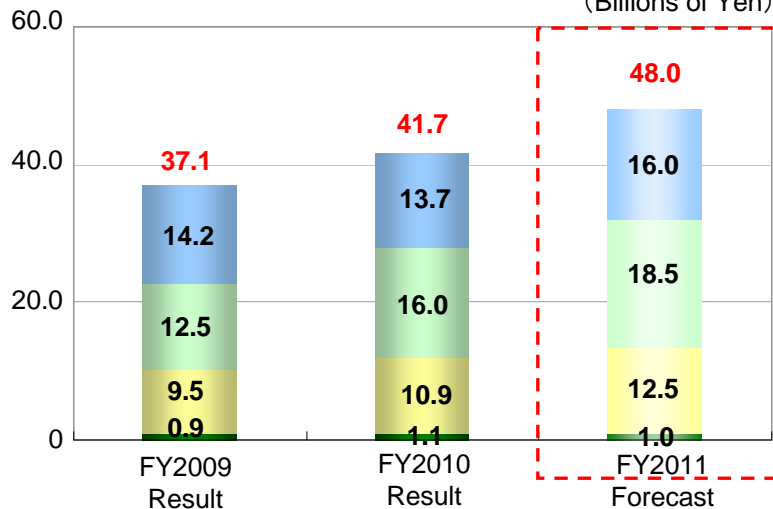
### 【IT business】

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

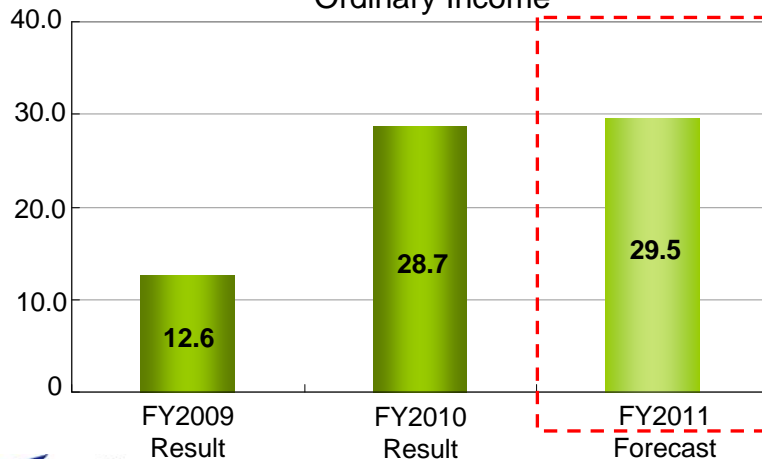


# Energy & Metal Segment

Gross Profit by Unit  
(Billions of Yen)



Ordinary Income

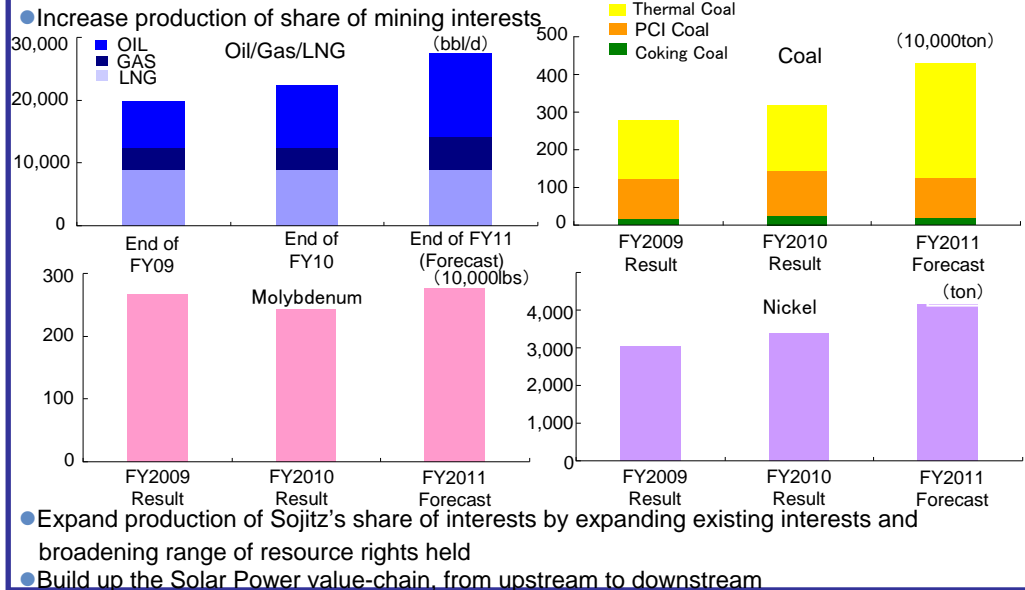


## Current Status

【FY2011 Ordinary Income】 Forecast: ¥29.5bn

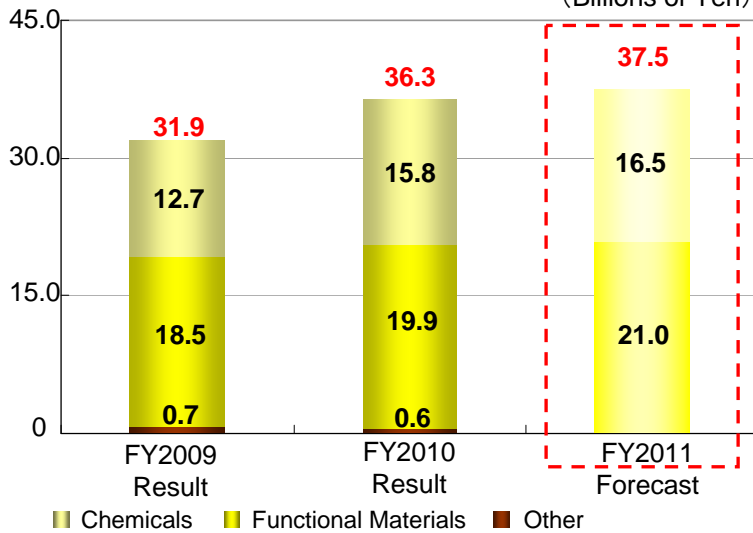
- Energy & Nuclear Power  
Projecting strong performance driven by unit volume growth and across-the-board crude oil and natural gas price gains
- Coal & Nonferrous Metals  
Despite Australian floods' impact on coal production, projecting solid progress driven by unit volume growth and commodity price gains
- Ferrous Materials & Steel Products  
Poor performance likely in fiscal first half due to earthquake's impact but projecting improvement in earnings from second half by virtue of general recovery in auto and other industries

## Initiatives during Shine 2011

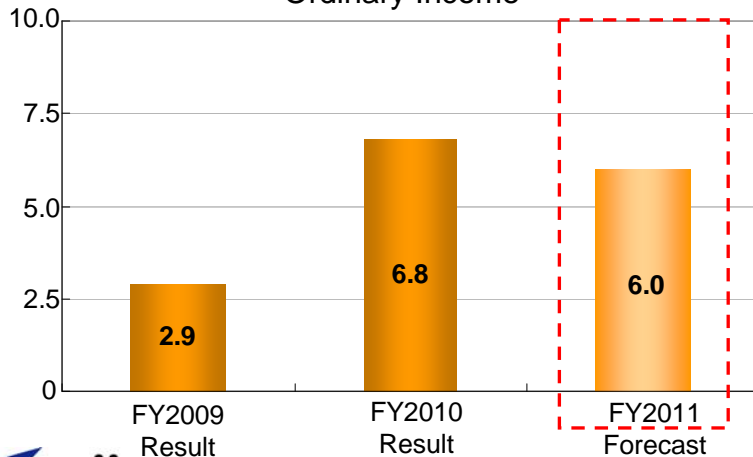


# Chemicals & Functional Materials Segment

Gross Profit by Unit (Billions of Yen)



Ordinary Income



## Current Status

【FY2011 Ordinary Income】 Forecast: ¥6.0bn

### ➤ Chemicals

Expecting unit volumes to remain robust, mainly in China/Asia, but projecting decline in earnings from FY2010, largely due to earthquake's impact

### ➤ Functional Materials

Expecting unit volume to remain robust, mainly in China/Asia, but projecting flat earnings in light of earthquake's impact on automotive resin and other operations

## Initiatives during *Shine 2011*

### 【Chemicals business】

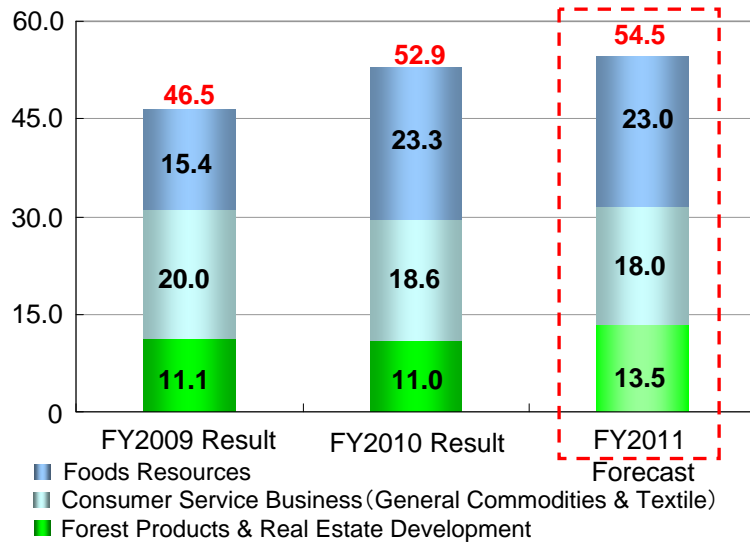
- Strengthen logistic value chain for key products
  - Strategic products : Industrial salt, Rare earth metals, Lithium, Methanol, Metton resin
  - Initiative to secure a supply sources
- Reinforce the overseas logistic business in China, Asia, and other areas

### 【Functional Materials business】

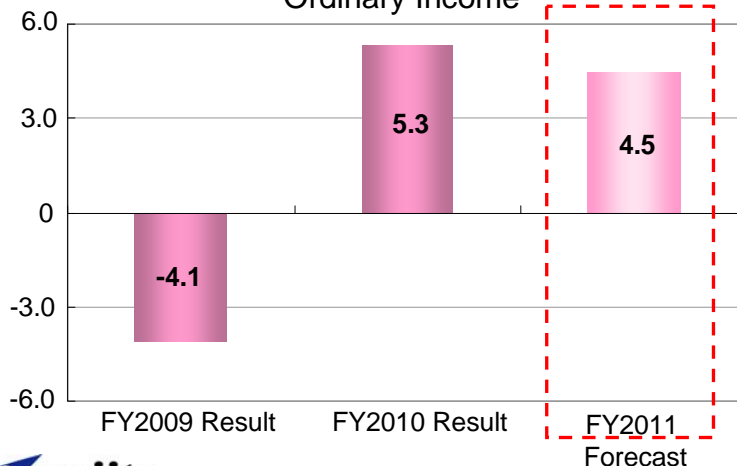
- Develop supply chain for logistic transactions in priority areas
  - Priority areas : Electronics, Solar power generation, High-performance monomers

# Consumer Lifestyle Business Segment

Gross Profit by Unit (Billions of Yen)



Ordinary Income



## Current Status

【FY2011 Ordinary Income】 Forecast: ¥4.5bn

- Food Resources
  - Slowdown in response to falloff in domestic sales due to earthquake's impact and decline in overseas fertilizer business's earnings
- Consumer Service (Former General Commodities & Textiles)
  - Anticipating recovery in apparel-related textile operations' earnings power but projecting flat earnings due to earthquake's impact
- Forest Products & Real Estate Development
  - Projecting growth in lumber and woodchip sales and improvement in real estate business's earnings

## Initiatives during Shine 2011

### 【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 II.

## Summary of Financial Results

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# Summary of P/L Statements

(Billions of Yen)

	FY2006 Results	FY2007 Results	FY2008 Results	FY2009 Results	FY2010 Results	FY2010 Revised Forecast	FY2011 Forecast
<b>Net Sales</b>	5,218.2	5,771.0	5,166.2	3,844.4	4,014.6	4,180.0	4,380.0
<b>Gross profit</b>	254.5	277.7	235.6	178.2	192.7	202.0	214.0
<b>Operating income</b>	77.9	92.4	52.0	16.1	37.5	40.0	50.0
<b>Ordinary income</b>	89.5	101.5	33.6	13.7	45.3	40.0	46.0
<b>Net income</b>	58.8	62.7	19.0	8.8	16.0	12.0	16.0
<b>Core earnings</b>	89.8	110.7	48.3	14.4	41.9	40.0	54.5
(Reference)							
<b>ROA</b>	2.3%	2.4%	0.8%	0.4%	0.7%	0.6%	0.8%
<b>ROE</b>	12.8%	13.0%	4.8%	2.6%	4.7%	3.5%	4.8%

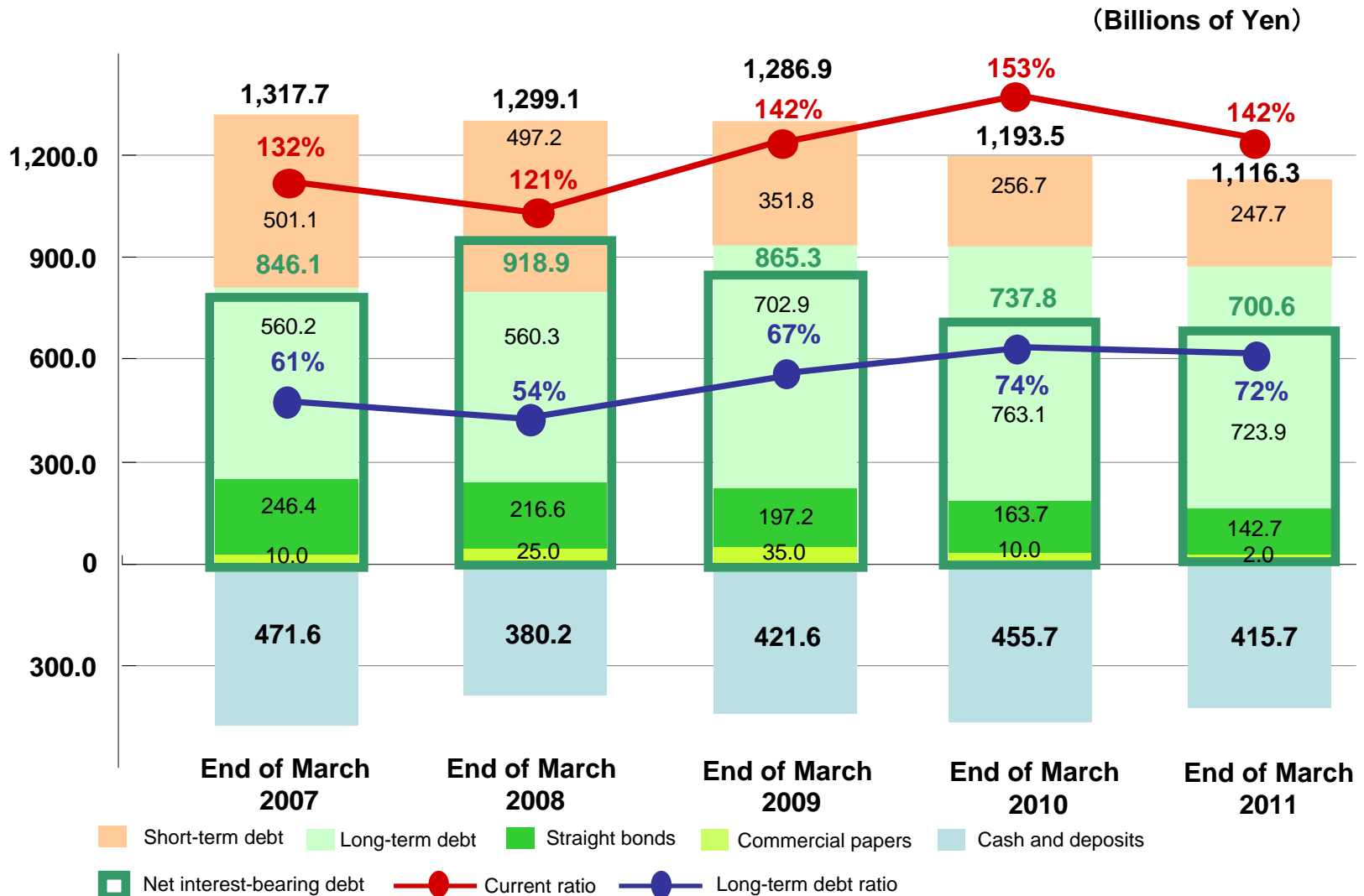
# ■ Summary of Consolidated Balance Sheets

(Billions of Yen)

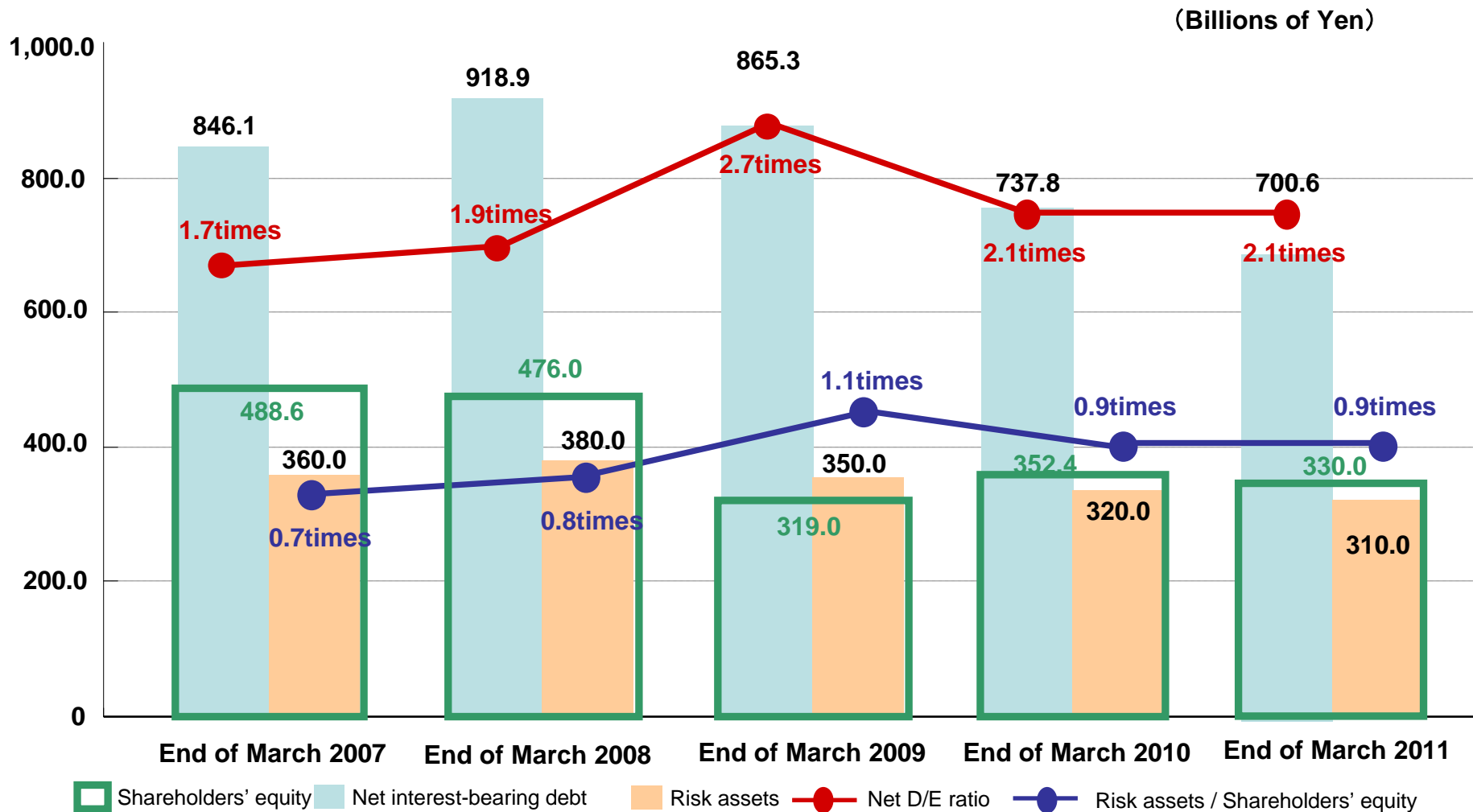
	End of March 2008	End of March 2009	End of March 2010	End of March 2011		End of March 2008	End of March 2009	End of March 2010	End of March 2011	
<b>Current assets</b>	1,676.0	1,473.2	1,285.3	1,266.7	<b>Interest-bearing debt</b>	<b>Short-term</b>	597.3	428.9	306.8	309.7
						<b>Long-term</b>	701.8	858.0	886.7	806.6
<b>Investment and other assets</b>	993.4	839.8	875.6	850.3	<b>Other liabilities</b>	850.0	670.6	590.0	645.2	
<b>Total assets</b>	2,669.4	2,313.0	2,160.9	2,117.0	<b>Shareholders' equity *1</b>	476.0	319.0	352.4	330.0	
					<b>Total net assets</b>	(520.3)	(355.5)	(377.4)	(355.5)	
					<b>Total liabilities and net assets</b>	2,669.4	2,313.0	2,160.9	2,117.0	
<b>Risk assets vs. shareholders' equity</b>	380.0 (0.8times)	350.0 (1.1times)	320.0 (0.9times)	310.0 (0.9times)	<b>Shareholders' equity ratio</b>	17.8%	13.8%	16.3%	15.6%	
<b>Current ratio(%)</b>	121%	142%	153%	142%	<b>Net interest-bearing debt</b>	918.9	865.3	737.8	700.6	
<b>Long-term debt ratio</b>	54%	67%	74%	72%	<b>Net DER (times)</b> <i>Net D/E ratio based on total net assets</i>	1.9 (1.8)	2.7 (2.4)	2.1 (2.0)	2.1 (2.0)	

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

# Interest-bearing Debt



# Net interest-bearing Debt and Risk Assets







***sojitz***

***New way, New value***