

# Highlights of Consolidated Financial Results for the First Quarter Ended June30,2011

July 29, 2011  
Sojitz Corporation

## Results Highlights

1. Sojitz' business results for the first quarter ended June 30, 2011 outperformed those for the previous period, with net sales, gross profit, ordinary income, and net income all up year on year. The increases were mainly attributable to higher commodity prices and increased demand for our products in an environment in which Asia and other emerging economies continue to show stable, long term growth.

Net sales: 1,109.6 billion yen (+151.3 billion yen / +15.8%)  
- Increase in net sales from Consumer Lifestyle Business due to increase in trading volumes of cigarettes, higher price and trading volumes of wheat, and growth in domestic lumber demand  
- Increase in net sales from Chemicals & Functional Materials mainly due to increased trading volumes and higher prices of chemicals and plastics in Asia

Gross profit: 50.7 billion yen (+5.9 billion yen / +13.1%)  
- Increase in gross profit due to increase in trading volumes of overseas automotives businesses  
- Increase in gross profit from Consumer Lifestyle Business due to growth in domestic lumber demand  
- Increase in gross profit from Energy & Metal due to increase in price and production volumes of oil and coal

Ordinary income: 11.2 billion yen (+0.4 billion yen / +3.6%)  
- Operating income improved due to increase in gross profit  
- Decrease in equity in earnings of affiliates

Net income: 6.9 billion yen (+0.3 billion yen / +4.9%)  
- Although there were extraordinary income on sales of owned ships and stocks, net income remained roughly the same as for the corresponding period a year earlier due to an increase in tax expenses.

### 2. 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)

### 3. Cash dividend per common stock for fiscal year ending March 31, 2012

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

## Consolidated Statements of Profit and Loss

(Billions of yen)

	FY2011	FY2010	Change	Reasons for change	Full-year	Percentage
	(1st Quarter) Results	(1st Quarter) Results				
	a	b	a - b		c	a/c
Net sales	1,109.6	958.3	151.3	Net sales	4,380.0	25%
				Consumer Lifestyle Business	140.1	
				Chemicals & Functional Materials	12.1	
				Machinery	1.4	
Gross profit	50.7	44.8	5.9	Gross profit	214.0	24%
Gross profit margin	4.57%	4.67%	(0.10%)	Machinery	3.6	
				Consumer Lifestyle Business	0.9	4.89%
				Energy & Metal	0.9	
Personnel expenses	(20.1)	(19.6)	(0.5)			
Non-personnel expenses	(15.4)	(15.5)	0.1			
Depreciation	(1.4)	(1.3)	(0.1)			
Subtotal	(36.9)	(36.4)	(0.5)			
Provision for allowance for doubtful accounts	(1.4)	(0.5)	(0.9)			
Amortization of goodwill	(1.4)	(1.3)	(0.1)			
Total selling, general and administrative expenses	(39.7)	(38.2)	(1.5)		(164.0)	24%
Operating income	11.0	6.6	4.4		50.0	22%
Operating income margin	0.99%	0.69%	0.30%		1.14%	
Interest income	1.1	1.0	0.1			
Interest expenses	(6.0)	(6.1)	0.1			
Interest expenses - net	(4.9)	(5.1)	0.2			
Dividends income	1.4	1.3	0.1			
Net financial revenue	(3.5)	(3.8)	(0.3)			
Equity in earnings of affiliates	4.1	8.3	(4.2)	Bioethanol production company (3.5), Steel-business company (0.9)		
Other income and expenses - net	(0.4)	(0.3)	(0.1)			
Non operating income/losses - net	0.2	4.2	(4.0)		(4.0)	-
Ordinary income	11.2	10.8	0.4		46.0	24%
Gain on sales of noncurrent assets	1.7			Gains on sales of owned ships etc.,		
Gain on sales of investment securities	2.8			Gains on sales of overseas steel-related shareholdings etc.,		
Total extraordinary income	4.5	2.8	1.7			
Loss on sales of investment securities	(0.1)					
Loss on change in equity	(0.1)					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(0.3)					
Other extraordinary losses	(0.1)					
Total extraordinary losses	(0.6)	(3.3)	2.7			
Extraordinary income/losses - net	3.9	(0.5)	4.4		0.0	-
Income before income taxes and minority interests	15.1	10.3	4.8		46.0	33%
Income taxes: Current	(3.5)	(2.1)	(1.4)			
Deferred	(4.2)	(1.3)	(2.9)			
Total income taxes	(7.7)	(3.4)	(4.3)			
Income before minority interests	7.4	6.9	0.5		19.5	38%
Minority interests in income	(0.5)	(0.3)	(0.2)			
Net income	6.9	6.6	0.3		16.0	43%
Core earnings	13.0	11.6	1.4			

## Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2011	FY2010
	(1st Quarter) Results	(1st Quarter) Results
Income before minority interests	7.4	6.9
Other comprehensive income	7.1	(11.9)
Comprehensive income	14.5	(5.0)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	13.6	(5.1)
Comprehensive income attributable to minority interests	0.9	0.1

### Notes:

1. From this term, part of the retail property development business belonging to the Lifestyle Business division has been changed to Other. In the above-mentioned Consolidated Statements of Profit and Loss, each segment's amount increase or decrease is based on calculations performed after changes to the business segments.

### 2. Core earnings

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

### 3. Caution regarding Forward-looking Statements

This document contains forward-looking statements 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 Balance Sheets and Principal Management Indices

(Billions of yen)

	June. 30	Mar. 31	Change	Reasons for change
	2011	2011		
	d	e	d - e	
<b>Current assets</b>	<b>1,276.8</b>	<b>1,266.7</b>	<b>10.1</b>	
Cash and deposits	392.4	415.7	(23.3)	Decrease due to bond redemptions
Notes and accounts receivable - trade	501.3	478.9	22.4	Increase in cigarette trading volume
Short-term investment securities	8.0	5.4	2.6	
Inventories	260.0	243.2	16.8	Increase in fertilizer and cigarette etc
Short-term loans receivable	6.7	8.5	(1.8)	
Deferred tax assets	18.2	15.4	2.8	
Other	99.4	106.9	(7.5)	
Allowance for doubtful accounts	(9.2)	(7.3)	(1.9)	
<b>Noncurrent assets</b>	<b>860.8</b>	<b>850.0</b>	<b>10.8</b>	
Property, plant and equipment	223.1	215.8	7.3	Increase in investments and loans in operation companies etc.
Goodwill	50.3	51.5	(1.2)	
Intangible assets	82.3	81.1	1.2	
Investment securities	329.0	333.0	(4.0)	Decrease due to change in stock prices
Long-term loans receivable	20.1	13.4	6.7	
Bad debts	83.4	80.0	3.4	
Deferred tax assets	48.2	52.9	(4.7)	
Real estate for investment	33.9	34.0	(0.1)	
Other	49.8	48.1	1.7	
Allowance for doubtful accounts	(59.3)	(59.8)	0.5	
<b>Deferred assets</b>	<b>0.2</b>	<b>0.3</b>	<b>(0.1)</b>	
<b>Total assets</b>	<b>2,137.8</b>	<b>2,117.0</b>	<b>20.8</b>	
<b>Liabilities</b>	<b>914.7</b>	<b>890.6</b>	<b>24.1</b>	
Notes and accounts payable - trade	430.1	415.0	15.1	Increase in machinery and fertilizer transaction volume
Short-term loans payable	274.1	247.7	26.4	Increase due to reclassification of current portion
Commercial papers	2.0	2.0	-	
Current portion of bonds	40.0	60.0	(20.0)	Bond redemptions (20.0)
Other	168.5	165.9	2.6	
<b>Noncurrent liabilities</b>	<b>855.4</b>	<b>870.9</b>	<b>(15.5)</b>	
Bonds payable	85.0	82.7	2.3	Issuance +10.0, redemptions (7.7)
Long-term loans payable	705.3	723.9	(18.6)	Decrease due to reclassification of current portion
Provision for retirement benefits	13.3	13.1	0.2	
Other	51.8	51.2	0.6	
<b>Total liabilities</b>	<b>1,770.1</b>	<b>1,761.5</b>	<b>8.6</b>	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	164.4	159.4	5.0	Net income +6.9, dividends (1.9)
Treasury stock	(0.2)	(0.2)	0.0	
<b>Total shareholders' equity</b>	<b>476.7</b>	<b>471.7</b>	<b>5.0</b>	
Valuation difference on available-for-sale securities	10.2	12.3	(2.1)	Decrease due to change in stock prices etc.
Deferred gains or losses on hedges	2.0	3.0	(1.0)	
Revaluation reserve for land	(2.3)	(2.3)	-	
Foreign currency translation adjustment	(144.1)	(154.0)	9.9	Increase due to change in currency
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(0.7)	(0.7)	0.0	
<b>Total other comprehensive income</b>	<b>(134.9)</b>	<b>(141.7)</b>	<b>6.8</b>	
Minority interests	25.9	25.5	0.4	
<b>Total net assets</b>	<b>367.7</b>	<b>355.5</b>	<b>12.2</b>	
<b>Total liabilities and net assets</b>	<b>2,137.8</b>	<b>2,117.0</b>	<b>20.8</b>	
Gross interest-bearing debt	1,106.4	1,116.3	(9.9)	
Net interest-bearing debt	713.9	700.6	13.3	
Net debt/equity ratio (times)	* 2.09	* 2.12	(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	* 16.0%	* 15.6%	0.4%	
Current ratio	139.6%	142.2%	(2.6%)	
Long-term debt ratio	71.4%	72.3%	(0.9%)	

# Highlights of Consolidated Financial Results for the First Quarter ended June 30, 2011 - Supplementary Material

July 29, 2011  
Sojitz Corporation

(Billions of Yen)

P/L	FY2011 (1st Quarter) Results	FY2010 (1st Quarter) Results	Change	Full-year FY2011 Forecast	Achieved	FY2010 Results
<b>Net sales</b>	<b>1,109.6</b>	<b>958.3</b>	151.3	<b>4,380.0</b>	25.3%	<b>4,014.6</b>
<b>Gross profit</b>	<b>50.7</b>	<b>44.8</b>	5.9	<b>214.0</b>	23.7%	<b>192.7</b>
Gross profit margin	4.57%	4.67%	(0.10%)	4.89%		4.80%
Machinery	15.6	12.0	3.6	68.0	22.9%	56.1
Energy & Metal	10.6	9.7	0.9	48.0	22.1%	41.7
Chemicals & Functional Materials	9.6	9.1	0.5	37.5	25.6%	36.3
Consumer Lifestyle Business	13.4	12.5	0.9	54.5	24.6%	53.0
Other	1.5	1.5	0.0	6.0	25.0%	5.6
<b>Selling, general and administrative expenses</b>	<b>(39.7)</b>	<b>(38.2)</b>	(1.5)	<b>(164.0)</b>	24.2%	<b>(155.2)</b>
<b>Operating income</b>	<b>11.0</b>	<b>6.6</b>	4.4	<b>50.0</b>	22.0%	<b>37.5</b>
Operating income margin	0.99%	0.69%	0.30%	1.14%		0.93%
<b>Non-operating income/expenses - net</b>	<b>0.2</b>	<b>4.2</b>	(4.0)	<b>(4.0)</b>	-	<b>7.8</b>
<b>Ordinary income<sup>1</sup></b>	<b>11.2</b>	<b>10.8</b>	0.4	<b>46.0</b>	24.3%	<b>45.3</b>
Ordinary income margin	1.01%	1.13%	(0.12%)	1.05%		1.13%
Machinery	0.4	(2.5)	2.9	7.5	5.3%	2.0
Energy & Metal	4.8	8.8	(4.0)	29.5	16.3%	28.7
Chemicals & Functional Materials	2.4	1.8	0.6	6.0	40.0%	6.8
Consumer Lifestyle Business	2.4	1.2	1.2	4.5	53.3%	6.3
Other	1.2	1.5	(0.3)	(1.5)	-	1.5
<b>Extraordinary income/losses - net</b>	<b>3.9</b>	<b>(0.5)</b>	4.4	<b>0.0</b>	-	<b>(6.0)</b>
<b>Income before income taxes and minority interests</b>	<b>15.1</b>	<b>10.3</b>	4.8	<b>46.0</b>	32.8%	<b>39.3</b>
<b>Income before minority interests</b>	<b>7.4</b>	<b>6.9</b>	0.5	<b>19.5</b>	37.9%	<b>18.8</b>
<b>Net income</b>	<b>6.9</b>	<b>6.6</b>	0.3	<b>16.0</b>	43.1%	<b>16.0</b>
Machinery	(0.1)	(1.7)	1.6	3.0	-	3.4
Energy & Metal	3.6	6.3	(2.7)	22.0	16.4%	26.5
Chemicals & Functional Materials	1.4	0.9	0.5	3.0	46.7%	2.7
Consumer Lifestyle Business	2.3	0.4	1.9	1.0	230.0%	2.3
Other	(0.3)	0.7	(1.0)	(13.0)	-	(18.9)
<b>Core earnings<sup>2</sup></b>	<b>13.0</b>	<b>11.6</b>	1.4	<b>54.5</b>		<b>41.9</b>

<sup>1</sup> Effective the first quarter ended June 30, 2011, a portion of retail property development business was reclassified from the Consumer Lifestyle Business Division in the Other segment. The results for the first quarter ended June 30, 2011, the quarter ended June 30, 2010, and the fiscal year ended March 31, 2011 are stated based on the business divisions and expense allocation method after the changes were made.

<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 current position and outlook
<b>Machinery Division</b> - Earnings increased due to the increased number of automobiles sold by automotive businesses in the Russia/NIS region and Central and South America.	<b>Machinery Division</b> - Despite the late start of environment/infrastructure plant-related business, automotive business in regions such as Central and South America showed well, and we foresee recovery on the strength of the automotive businesses.
<b>Energy &amp; Metal Division</b> - Gross profit increased due to higher oil and coal prices and increased production volumes. - Equity in earnings of affiliates attributable to a bioethanol production company, which booked a one-time gain during the previous fiscal year, and a steel-business company affected by the decrease in demand for steel products following the Great East Japan Earthquake decreased, contributing to a decrease in ordinary income and net income.	<b>Energy &amp; Metal Division</b> - Although performance was lackluster during the first quarter due to decreased demand for steel products following the Great East Japan Earthquake and the impact caused by heavy rains in Australia on coal businesses, increase in steel product demand and coal trading volumes is expected in the future.
<b>Chemicals &amp; Functional Materials Division</b> - Earnings increased due to increases in trading volumes and sales prices resulting from increased demand, mainly in Asia.	<b>Chemicals &amp; Functional Materials Division</b> - Although performance was strong during the first quarter due to solid demand in Asia, from the second quarter onward we will watch demand trends overseas, particularly in China.
<b>Consumer Lifestyle Business Division</b> - Although overseas fertilizer businesses were affected by price regulations in Thailand, earnings increased due to increases in trading volumes of cigarette and lumber businesses.	<b>Consumer Lifestyle Business Division</b> - While cigarette and lumber businesses, which showed well in the first quarter, respectively, will be adjusted after the second quarter, we envisage a favorable return for the whole year.
<b>Other</b> - Earnings decrease due to increased selling, general and administrative expenses	<b>Other</b> - Largely in accordance with the outlook

(Billions of Yen)

B/S	June 30, 2011	March 31, 2011	Change	March 31, 2012 Forecast
<b>Total assets</b>	<b>2,137.8</b>	<b>2,117.0</b>	20.8	<b>2,070.0</b>
<b>Shareholders' equity<sup>3</sup></b>	<b>341.8</b>	<b>330.0</b>	11.8	<b>340.0</b>
Total net assets	367.7	355.5	12.2	-
<b>Shareholders' equity ratio (%)</b>	<b>16.0%</b>	<b>15.6%</b>	0.4%	<b>16.4%</b>
<b>Net interest-bearing debt</b>	<b>713.9</b>	<b>700.6</b>	13.3	<b>730.0</b>
<b>Net D/E ratio (times)</b>	<b>2.09</b>	<b>2.12</b>	(0.03)	<b>2.15</b>
Net D/E ratio based on total net assets (times)	1.94	1.97	(0.03)	-

<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 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					
	FY2010 Average	FY2011 Forecast	FY 2011 Results		
			Jan. - Mar. '11 Avg.	Apr. - Jun. '11 Avg.	Jan. - Jun. '11 Avg.
<b>Crude oil (Brent)<sup>**1</sup></b> (\$/bbl)	\$79.5/bbl	\$90/bbl	\$105.0/bbl	\$117.4/bbl	\$111.2/bbl
<b>Thermal Coal<sup>**2</sup></b> (\$/t)	\$99.0/t	\$120/t	\$127.9/t	\$120.6/t	\$124.1/t
<b>Molybdenum</b> (\$/lb)	\$15.7/lb	\$18.5/lb	\$17.3/lb	\$16.7/lb	\$17.0/lb
<b>Nickel</b> (\$/lb)	\$9.9/lb	\$11/lb	\$12.2/lb	\$11.0/lb	\$11.6/lb
<b>Exchange rate<sup>***3</sup></b> (¥/\$)	Dec. year-end ¥87.3/\$ Mar. year-end ¥85.2/\$	¥80/\$	¥82.3/\$	¥81.2/\$	¥81.8/\$

<sup>\*\*1</sup> Impact of fluctuations in the crude oil price on earnings: A \$1/bbl change alters ordinary income by approx. ¥0.2 billion.

<sup>\*\*2</sup> 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.

<sup>\*\*\*3</sup> 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. ¥1.2 billion