

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2011

November 1, 2011
Sojitz Corporation

Results Highlights

Consolidated Statements of Income

(Billions of yen)

	FY2011 1st half			FY2010 1st half		FY2011 Forecast		Reasons for change
	Results a	1st quarter	2nd quarter	Results b	Change a - b	c	Percentage achieved a/c	
Net sales	2,195.7	1,109.6	1,086.1	1,965.2	(230.5)	4,380.0	50%	Net sales Consumer Lifestyle Business +163.6 Machinery +28.7 Energy & Metal +22.2
Gross profit	102.2	50.7	51.5	93.7	(8.5)	214.0	48%	Gross profit Machinery +5.7 Energy & Metal +3.9 Chemicals & Functional Materials +0.8
Gross profit margin	4.65%	4.57%	4.74%	4.77%	(0.12%)	4.89%		
Personnel expenses	(40.1)	(20.1)	(20.0)	(39.6)	(0.5)			
Non-personnel expenses	(31.7)	(15.4)	(16.3)	(31.4)	(0.3)			
Depreciation	(2.9)	(1.4)	(1.5)	(2.6)	(0.3)			
Subtotal	(74.7)	(36.9)	(37.8)	(73.6)	(1.1)			
Provision of allowance for doubtful accounts	(2.1)	(1.4)	(0.7)	(0.1)	(2.0)			
Amortization of goodwill	(2.7)	(1.4)	(1.3)	(2.6)	(0.1)			
Total selling, general and administrative expenses	(79.5)	(39.7)	(39.8)	(76.3)	(3.2)	(164.0)	48%	
Operating income	22.7	11.0	11.7	17.4	5.3	50.0	45%	
Operating income margin	1.03%	0.99%	1.08%	0.89%	0.14%	1.14%		
Interest income	2.3	1.1	1.2	2.0	0.3			
Interest expenses	(11.7)	(6.0)	(5.7)	(12.3)	0.6			
Interest expenses - net	(9.4)	(4.9)	(4.5)	(10.3)	0.9			
Dividends income	1.7	1.4	0.3	1.6	0.1			
Net financial revenue	(7.7)	(3.5)	(4.2)	(8.7)	1.0			
Equity in earnings of affiliates	8.1	4.1	4.0	11.2	(3.1)			Bioethanol production company (4.3)
Other income and expenses - net	0.7	(0.4)	1.1	2.3	(1.6)			
Non operating income/losses - net	1.1	0.2	0.9	4.8	(3.7)	(4.0)	-	
Ordinary income	23.8	11.2	12.6	22.2	1.6	46.0	52%	
Gain on sales of noncurrent assets	2.3	1.7	0.6					Gain on sales of owned ships, etc.
Gain on sales of investment securities	3.2	2.8	0.4					Gains on sales of overseas steel-related shareholdings etc.,
Total extraordinary income	5.5	4.5	1.0	3.5	2.0			
Impairment loss	(0.5)	0.0	(0.5)					
Loss on revaluation of investment securities	(2.6)	(0.1)	(2.5)					Loss on listed stock due to a decline in stock prices
Loss on change in equity	(0.2)	(0.1)	(0.1)					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(2.2)	(0.3)	(1.9)					
Other extraordinary losses	(0.3)	(0.1)	(0.2)					
Total extraordinary losses	(5.8)	(0.6)	(5.2)	(9.8)	4.0			
(Extraordinary income/losses - net)	(0.3)	3.9	(4.2)	(6.3)	6.0	0.0	-	
Income before income taxes and minority interests	23.5	15.1	8.4	15.9	7.6	46.0	51%	
Income taxes: Current	(6.4)	(3.5)	(2.9)	(5.0)	(1.4)			
Deferred	(5.0)	(4.2)	(0.8)	(0.3)	(4.7)			
Total income taxes	(11.4)	(7.7)	(3.7)	(5.3)	(6.1)			
Income before minority interests	12.1	7.4	4.7	10.6	1.5	19.5	62%	
Minority interests in income	(1.8)	(0.5)	(1.3)	(1.5)	(0.3)			
Net income	10.3	6.9	3.4	9.1	1.2	16.0	64%	
Core earnings	25.2	13.0	12.2	20.0	5.2			

Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2011 1st Half			FY2010
	Result	1st Quarter	2nd Quarter	(1st Half) Results
Income before minority interests	12.1	7.4	4.7	10.6
Other comprehensive income	(17.4)	7.1	(24.5)	(29.4)
Comprehensive income	(5.3)	14.5	(19.8)	(18.8)
(Comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent	(7.0)	13.6	(20.6)	(19.7)
Comprehensive income attributable to minority interests	1.7	0.9	0.8	0.9

Consolidated Balance Sheets and Principal Management Indices

(Billions of yen, except ratio data)

	Sep. 30	Mar. 31	Change d - e	Reasons for change
	2011	2011		
Current assets	1,297.0	1,266.7	30.3	
Cash and deposits	399.5	415.7	(16.2)	Increase in funds used, etc.
Notes and accounts receivable - trade	489.9	478.9	11.0	Increase in lumber-related trading volumes
Short-term investment securities	9.5	5.4	4.1	
Inventories	274.5	243.2	31.3	Increase in cigarettes and fertilizers
Short-term loans receivable	5.6	8.5	(2.9)	
Deferred tax assets	18.9	15.4	3.5	
Other	105.5	106.9	(1.4)	
Allowance for doubtful accounts	(6.4)	(7.3)	0.9	
Noncurrent assets	841.4	850.0	(8.6)	
Property, plant and equipment	223.9	215.8	8.1	Increase in investments and loans in operating companies, etc.
Goodwill	49.4	51.5	(2.1)	
Intangible assets	85.7	81.1	4.6	
Investment securities	305.7	333.0	(27.3)	Decrease due to decline in stock prices, etc.
Long-term loans receivable	18.7	13.4	5.3	
Bad debts	82.7	80.0	2.7	
Deferred tax assets	48.9	52.9	(4.0)	
Real estate for investment	33.8	34.0	(0.2)	
Other	50.0	48.1	1.9	
Allowance for doubtful accounts	(57.4)	(59.8)	2.4	
Deferred assets	0.3	0.3	0.0	
Total assets	2,138.7	2,117.0	21.7	
Liabilities	977.7	890.6	87.1	
Notes and accounts payable - trade	423.8	415.0	8.8	Increase in cigarettes and fertilizer transaction volume
Short-term loans payable	306.9	247.7	59.2	Increase due to reclassification of current portion and decrease due to repayment
Commercial paper	2.0	2.0	-	
Current portion of bonds	75.0	60.0	15.0	Increase due to reclassification of current portion +35.0, bond redemption (20.0)
Other	170.0	165.9	4.1	
Noncurrent liabilities	810.9	870.9	(60.0)	
Bonds payable	70.0	82.7	(12.7)	Reclassification of current portion (35.0), redemption (7.7), issuance +30.0
Long-term loans payable	673.5	723.9	(50.4)	Decrease due to reclassification of current portion and increase due to raising of long-term funds
Provision for retirement benefits	13.4	13.1	0.3	
Other	54.0	51.2	2.8	
Total liabilities	1,788.6	1,761.5	27.1	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	167.7	159.4	8.3	Net income +10.3, dividends (1.9)
Treasury stock	(0.2)	(0.2)	0.0	
Total shareholders' equity	480.0	471.7	8.3	
Valuation difference on available-for-sale securities	(1.4)	12.3	(13.7)	Decrease due to decline in stock prices, etc.
Deferred gains or losses on hedges	2.6	3.0	(0.4)	
Revaluation reserve for land	(2.3)	(2.3)	-	
Foreign currency translation adjustment	(157.2)	(154.0)	(3.2)	Decrease due to change in currency
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(0.7)	(0.7)	0.0	
Total other comprehensive income	(159.0)	(141.7)	(17.3)	
Minority interests	29.1	25.5	3.6	
Total net assets	350.1	355.5	(5.4)	
Total liabilities and net assets	2,138.7	2,117.0	21.7	

Gross interest-bearing debt	1,127.4	1,116.3	11.1	
Net interest-bearing debt	727.9	700.6	27.3	
Net debt/equity ratio (times)	* 2.27	* 2.12	0.15	*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	* 15.0%	* 15.6%	(0.6%)	
Current ratio	132.7%	142.2%	(9.5%)	
Long-term debt ratio	65.9%	72.3%	(6.4%)	

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.

Highlights of Consolidated Financial Results for the Second Quarter Ended September 30, 2011 - Supplementary Material

November 1, 2011
Sojitz Corporation

(Billions of yen)

P/L

	FY2011 Apr.-Sep. Results	FY2010 Apr.-Sep. Results	Change	FY2011 Initial Full-year Forecast	Achieved	FY2011 Revised Full-year Forecast
Net sales	2,195.7	1,965.2	230.5	4,380.0	50.1%	4,380.0
Gross profit	102.2	93.7	8.5	214.0	47.8%	214.0
Gross profit margin	4.65%	4.77%	(0.12%)	4.89%		4.89%
Machinery	33.1	27.4	5.7	68.0	48.7%	68.0
Energy & Metal	23.1	19.2	3.9	48.0	48.1%	48.0
Chemicals & Functional Materials	19.3	18.5	0.8	37.5	51.5%	39.5
Consumer Lifestyle Business	25.6	25.8	(0.2)	54.5	47.0%	54.5
Other	1.1	2.8	(1.7)	6.0	18.3%	4.0
Selling, general and administrative expenses	(79.5)	(76.3)	(3.2)	(164.0)	48.5%	(164.0)
Operating income	22.7	17.4	5.3	50.0	45.4%	50.0
Operating income margin	1.03%	0.89%	0.14%	1.14%		1.14%
Non-operating income/expenses - net	1.1	4.8	(3.7)	(4.0)	-	(4.0)
Ordinary income¹	23.8	22.2	1.6	46.0	51.7%	46.0
Ordinary income margin	1.08%	1.13%	(0.05%)	1.05%		1.05%
Machinery	3.3	0.6	2.7	7.5	44.0%	8.5
Energy & Metal	11.0	13.2	(2.2)	29.5	37.3%	27.0
Chemicals & Functional Materials	4.8	3.7	1.1	6.0	80.0%	8.5
Consumer Lifestyle Business	4.3	2.7	1.6	4.5	95.6%	4.5
Other	0.4	2.0	(1.6)	(1.5)	-	(2.5)
Extraordinary income/losses - net	(0.3)	(6.3)	6.0	0.0	-	0.0
Income before income taxes and minority interests	23.5	15.9	7.6	46.0	51.1%	46.0
Income before minority interests	12.1	10.6	1.5	19.5	62.1%	19.5
Net income	10.3	9.1	1.2	16.0	64.4%	16.0
Machinery	1.6	0.6	1.0	3.0	53.3%	3.5
Energy & Metal	9.9	9.9	0.0	22.0	45.0%	20.5
Chemicals & Functional Materials	3.0	2.0	1.0	3.0	100.0%	4.5
Consumer Lifestyle Business	3.1	0.8	2.3	1.0	310.0%	1.0
Other	(7.3)	(4.2)	(3.1)	(13.0)	-	(13.5)
Core earnings²	25.2	20.0	5.2	54.5		54.5

¹ Effective this fiscal year ending March 31, 2012, a portion of retail property development business was reclassified from the Consumer Lifestyle Business Division to the Other segment. The results for the FY2010 Apr.-Sep. Results is stated based on the business divisions and expense allocation method after the changes were made.

² Core earnings = Operating income (before provision of allowance for doubtful receivables and write-offs) + Net interest expenses + Dividends income + Equity in earnings of affiliates

(Billions of yen)

B/S

	September 30, 2011	March 31, 2011	Change	March 31, 2012 Initial Full-year Forecast	March 31, 2012 Revised Full-year Forecast
Total assets	2,138.7	2,117.0	21.7	2,070.0	2,070.0
Shareholders' equity³	321.0	330.0	(9.0)	340.0	320.0
Total net assets	350.1	355.5	(5.4)	-	-
Shareholders' equity ratio (%)	15.0%	15.6%	(0.6%)	16.4%	15.5%
Net interest-bearing debt	727.9	700.6	27.3	730.0	720.0
Net D/E ratio (times)	2.27	2.12	0.15	2.15	2.25
Net D/E ratio based on total net assets (times)	2.08	1.97	0.11	-	-
Risk assets	300.0	310.0	(10.0)	-	-
Ratio of risk assets to shareholder's equity (times)	0.9	0.9	0.0	-	-

³ Shareholders' Equity = Total net assets - Minority interests

⁴ 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.

Main factors behind changes

Machinery Division

- Earnings increased due to the increased number of automobiles sold by automotive businesses in the Russia/NIS region and Central and South America.

Energy & Metal Division

- 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 decreased, contributing to a decrease in ordinary income. Despite this, net income was the same as the corresponding period a year earlier due to gain on sales of investment securities.

Chemicals & Functional Materials Division

- Earnings increased due to increases in trading volumes and sales prices resulting from increased demand, mainly in Asia.

Consumer Lifestyle Business Division

- Despite increases in trading volumes of lumber-related businesses, gross profit decreased because overseas fertilizer businesses were affected by price regulations in Thailand
- Ordinary income and net income increased due to improvement in selling, general and administrative expenses and non operating income/losses - net

Other

- Decrease due to loss on revaluation of listed stocks and real estate

FY2011 current position and outlook

Machinery Division

There is an upward revision in the full-year outlook due to the solid business performance of automotive subsidiaries in the Russia/NIS region and Central and South America.

Energy & Metal Division

There is a downward revision in the full-year outlook due to a decline in market conditions for some commodities and the impact of exchange rates, despite the solid performance in energy-related business and an overall recovery.

Chemicals & Functional Materials Division

There is an upward revision in the full-year outlook considering the increases in trading volumes and sales prices in the first half of this fiscal year, which triggered by increased demand in the entire Asian region.

Consumer Lifestyle Business Division

Despite solid performance in tobacco and forest products trading, the full-year outlook has been maintained in anticipation of the adverse impact of flooding in Thailand on the overseas fertilizer businesses and a reversal in the increased demand for forest products trading.

Other

There is a downward revision in the full-year outlook due to booking of revaluation losses on listed stocks and real estate in the first half of this fiscal year.

Commodity Prices and Exchange Rates

	FY2010 Average	FY2011 Initial forecast	2011 Results		
			Jan. - Jun. '11 Avg.	Jul. -Sep. '11 Avg.	Jan. -Sep. '11 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$79.5/bbl	\$90/bbl	\$111.2/bbl	\$113.5/bbl	\$111.9/bbl
Thermal Coal**2 (\$/t)	\$99.0/t	\$120/t	\$124.1/t	\$121.8/t	\$123.3/t
Molybdenum (\$/lb)	\$15.7/lb	\$18.5/lb	\$17.0/lb	\$14.6/lb	\$16.2/lb
Nickel (\$/lb)	\$9.9/lb	\$11/lb	\$11.6/lb	\$10.0/lb	\$11.1/lb
Exchange rate**3 (\$/¥)	Dec. year-end ¥87.3/\$ Mar. year-end ¥85.2/\$	¥80/\$	¥81.8/\$	¥77.1/\$	¥80.2/\$

**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. ¥1.2 billion.