

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2011

February 1, 2012
Sojitz Corporation

Results Highlights

1. Despite increased uncertainty and an economic slowdown due to the prolonged European debt crisis, Sojitz' business results for the nine months ended December 31, 2011 showed a year on year increase for net sales, gross profit and ordinary income. This was mainly attributable to a recovery in commodity prices and demand for products amid solid growth in emerging economies.
Net income, however, declined as a consequence of reversal of deferred tax assets arising from the revision of Japan's corporate tax law. (figures in brackets represent year-over-year changes)

Net sales: 3,300.6 billion yen (+341.7 billion yen / +11.5%)
- Increase in net sales from Consumer Lifestyle Business due to higher price and trading volumes of cigarettes and wheat
- Increase in net sales from Energy & Metal due to increase in price and production volumes of oil and coal

Gross profit: 156.7 billion yen (+14.2 billion yen / +9.9%)
- Increase in gross profit due to increase in overseas automobile sales units
- Increase in gross profit from Energy & Metal due to increase in price and production volumes of oil and coal

Ordinary income: 38.5 billion yen (+4.7 billion yen / +13.9%)
- Operating income improved due to increase in gross profit
- Decrease in equity in earnings of affiliates

Net income: -13.5 billion yen (-28.3 billion yen / -)
- Net income decreased compared to the corresponding period of the previous year due to reversal of deferred tax assets owing to the revision of Japan's corporate tax law.

2. Earnings forecast for the fiscal year ending March 31, 2012 (released on December 9, 2011)

Net sales 4,380.0 billion yen
Operating income 50.0 billion yen
Ordinary income 46.0 billion yen
Net income -12.0 billion yen

Initial assumptions:

- Exchange rate (annual average: JPY/US\$ = 80)
- Crude oil price (US\$/BBL) = 90 (Brent)

3. Cash dividend per common stock for fiscal 2011

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

Consolidated Statements of Income

(Billions of yen)

	FY2011			FY2010		Reasons for change	FY2011 Forecast	
	Results a	1st half	3rd quarter	Results b	Change a - b		c	Percentage achieved a/c
Net sales	3,300.6	2,195.7	1,104.9	2,958.9	341.7	Consumer Lifestyle Business +248.2 Energy & Metal +41.2 Chemicals & Functional Materials +30.3 Machinery +25.4	4,380.0	75%
Gross profit	156.7	102.2	54.5	142.5	14.2	Gross profit	214.0	73%
Gross profit margin	4.75%	4.65%	4.93%	4.82%	(0.07%)	Machinery +10.1 Energy & Metal +6.0 Chemicals & Functional Materials +1.9 Consumer Lifestyle Business (2.2)	4.89%	
Personnel expenses	(60.1)	(40.1)	(20.0)	(59.4)	(0.7)			
Non-personnel expenses	(47.1)	(31.7)	(15.4)	(46.8)	(0.3)			
Depreciation	(4.5)	(2.9)	(1.6)	(4.0)	(0.5)			
Subtotal	(111.7)	(74.7)	(37.0)	(110.2)	(1.5)			
Provision of allowance for doubtful accounts	(2.3)	(2.1)	(0.2)	(0.5)	(1.8)			
Amortization of goodwill	(4.1)	(2.7)	(1.4)	(3.8)	(0.3)			
Total selling, general and administrative expenses	(118.1)	(79.5)	(38.6)	(114.5)	(3.6)		(164.0)	72%
Operating income	38.6	22.7	15.9	28.0	10.6		50.0	77%
Operating income margin	1.17%	1.03%	1.44%	0.95%	0.22%		1.14%	
Interest income	3.6	2.3	1.3	3.3	0.3			
Interest expenses	(17.6)	(11.7)	(5.9)	(18.1)	0.5			
Interest expenses - net	(14.0)	(9.4)	(4.6)	(14.8)	0.8			
Dividend income	2.6	1.7	0.9	2.3	0.3			
Net financial revenue	(11.4)	(7.7)	(3.7)	(12.5)	1.1			
Equity in earnings of affiliates	10.1	8.1	2.0	14.1	(4.0)	Bioethanol production company (5.0)		
Other income and expenses - net	1.2	0.7	0.5	4.2	(3.0)			
Non operating income/losses - net	(0.1)	1.1	(1.2)	5.8	(5.9)		(4.0)	-
Ordinary income	38.5	23.8	14.7	33.8	4.7		46.0	84%
Gain on sales of noncurrent assets	2.4	2.3	0.1			Gain on sales of owned ships, etc.		
Gain on sales of investment securities	3.5	3.2	0.3			Gains on sales of overseas steel-related shareholdings etc.,		
Total extraordinary income	5.9	5.5	0.4	6.5	(0.6)			
Impairment loss	(1.6)	(0.5)	(1.1)					
Loss on revaluation of investment securities	(6.3)	(2.6)	(3.7)			Loss on listed stock due to a decline in stock prices		
Loss on change in equity	(0.2)	(0.2)	0.0					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(2.6)	(2.2)	(0.4)					
Provision for loss on litigation	(2.5)	-	(2.5)					
Other extraordinary losses	(0.6)	(0.3)	(0.3)					
Total extraordinary losses	(13.8)	(5.8)	(8.0)	(14.6)	0.8			
(Extraordinary income/losses - net)	(7.9)	(0.3)	(7.6)	(8.1)	0.2		(0.0)	-
Income before income taxes and minority interests	30.6	23.5	7.1	25.7	4.9		46.0	67%
Income taxes: Current	(9.9)	(6.4)	(3.5)	(7.9)	(2.0)			
Deferred	(31.8)	(5.0)	(26.8)	(0.6)	(31.2)	Reversal of deferred tax assets owing to revision of Japan's corporate tax law, etc.		
Total income taxes	(41.7)	(11.4)	(30.3)	(8.5)	(33.2)			
Income before minority interests	(11.1)	12.1	(23.2)	17.2	(28.3)		(8.5)	-
Minority interests in income	(2.4)	(1.8)	(0.6)	(2.4)	0.0			
Net income (loss)	(13.5)	10.3	(23.8)	14.8	(28.3)		(12.0)	-
Core earnings	39.6	25.2	14.4	30.1	9.5			

Consolidated Statements of Comprehensive Income

(Billions of yen)

	FY2011			FY2010 (First three quarters) Results
	Results	1st Half	3rd Quarter	
Income before minority interests	(11.1)	12.1	(23.2)	17.2
Other comprehensive income	(45.3)	(17.4)	(27.9)	(32.1)
Comprehensive income	(56.4)	(5.3)	(51.1)	(14.9)
(Breakdown)				
Comprehensive income attributable to owners of the parent	(58.2)	(7.0)	(51.2)	(16.6)
Comprehensive income attributable to minority interests	1.8	1.7	0.1	1.7

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 Income, 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 + Dividend 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, except ratio data)

	Dec. 31	Mar. 31	Change d - e	Reasons for change
	2011 d	2011 e		
Current assets	1,259.9	1,266.7	(6.8)	
Cash and deposits	376.3	415.7	(39.4)	Decrease due to bond redemptions and loan repayments
Notes and accounts receivable - trade	509.4	478.9	30.5	Increase in lumber-related trading volumes and effect of year-end date falling on a holiday
Short-term investment securities	9.0	5.4	3.6	
Inventories	258.1	243.2	14.9	Increase in cigarettes and fertilizers, etc.
Short-term loans receivable	5.5	8.5	(3.0)	
Deferred tax assets	15.6	15.4	0.2	
Other	92.6	106.9	(14.3)	
Allowance for doubtful accounts	(6.6)	(7.3)	0.7	
Noncurrent assets	794.9	850.0	(55.1)	
Property, plant and equipment	226.3	215.8	10.5	Increase in investments and loans in operating company
Goodwill	48.3	51.5	(3.2)	
Intangible assets	76.8	81.1	(4.3)	
Investment securities	294.3	333.0	(38.7)	Decrease due to decline in foreign exchange rate and stock prices, etc.
Long-term loans receivable	20.6	13.4	7.2	
Bad debts	71.4	80.0	(8.6)	
Deferred tax assets	24.2	52.9	(28.7)	Reversal due to Japan's revision of corporate tax law, etc.
Real estate for investment	33.0	34.0	(1.0)	
Other	48.1	48.1	0.0	
Allowance for doubtful accounts	(48.1)	(59.8)	11.7	
Deferred assets	0.3	0.3	0.0	
Total assets	2,055.1	2,117.0	(61.9)	
Liabilities	970.4	890.6	79.8	
Notes and accounts payable - trade	452.0	415.0	37.0	Increase in lumber-related trading volumes and effect of year-end date falling on a holiday
Short-term loans payable	306.1	247.7	58.4	Increase due to reclassification of current portion and decrease due to loan repayments
Commercial paper	2.0	2.0	-	
Current portion of bonds	55.0	60.0	(5.0)	Decrease due to reclassification of current portion +35.0, bond redemption (40.0)
Provision for loss on litigation	2.5	-	2.5	
Other	152.8	165.9	(13.1)	
Noncurrent liabilities	787.6	870.9	(83.3)	
Bonds payable	70.0	82.7	(12.7)	Reclassification of current portion (35.0), redemption (7.7), issuance +30.0
Long-term loans payable	653.1	723.9	(70.8)	Decrease due to reclassification of current portion and increase due to raising of long-term funds
Provision for retirement benefits	13.6	13.1	0.5	
Other	50.9	51.2	(0.3)	
Total liabilities	1,758.0	1,761.5	(3.5)	
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	142.0	159.4	(17.4)	Net income (13.5), dividends (3.8)
Treasury stock	(0.2)	(0.2)	0.0	
Total shareholders' equity	454.3	471.7	(17.4)	
Valuation difference on available-for-sale securities	(2.1)	12.3	(14.4)	Decrease due to decline in stock prices, etc.
Deferred gains or losses on hedges	1.1	3.0	(1.9)	
Revaluation reserve for land	(2.2)	(2.3)	0.1	
Foreign currency translation adjustment	(182.4)	(154.0)	(28.4)	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	(186.3)	(141.7)	(44.6)	
Minority interests	29.1	25.5	3.6	
Total net assets	297.1	355.5	(58.4)	
Total liabilities and net assets	2,055.1	2,117.0	(61.9)	
Gross interest-bearing debt	1,086.2	1,116.3	(30.1)	
Net interest-bearing debt	709.9	700.6	9.3	
Net debt/equity ratio (times)	* 2.64	* 2.12	0.52	*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	* 13.0%	* 15.6%	(2.6%)	
Current ratio	129.8%	142.2%	(12.4%)	
Long-term debt ratio	66.6%	72.3%	(5.7%)	

Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2011 - Supplementary Material

February 1, 2012
Sojitz Corporation

(Billions of yen)

P/L

	FY2011 Apr.-Dec. Results	FY2010 Apr.-Dec. Results	Change	FY2011 Full-year Forecast (as of Dec. 9, 2011)	Achieved
Net sales	3,300.6	2,958.9	341.7	4,380.0	75.4%
Gross profit	156.7	142.5	14.2	214.0	73.2%
Gross profit margin	4.75%	4.82%	(0.07%)	4.89%	
Machinery	49.7	39.6	10.1	68.0	73.1%
Energy & Metal	35.9	29.9	6.0	48.0	74.8%
Chemicals & Functional Materials	29.7	27.8	1.9	39.5	75.2%
Consumer Lifestyle Business	38.8	41.0	(2.2)	54.5	71.2%
Other	2.6	4.2	(1.6)	4.0	65.0%
Selling, general and administrative expenses	(118.1)	(114.5)	(3.6)	(164.0)	72.0%
Operating income	38.6	28.0	10.6	50.0	77.2%
Operating income margin	1.17%	0.95%	0.22%	1.14%	
Non-operating income/expenses - net	(0.1)	5.8	(5.9)	(4.0)	-
Ordinary income^{*1}	38.5	33.8	4.7	46.0	83.7%
Ordinary income margin	1.17%	1.14%	0.03%	1.05%	
Machinery	6.4	(0.1)	6.5	8.5	75.3%
Energy & Metal	16.5	19.5	(3.0)	27.0	61.1%
Chemicals & Functional Materials	7.9	5.8	2.1	8.5	92.9%
Consumer Lifestyle Business	6.5	6.0	0.5	4.5	144.4%
Other	1.2	2.6	(1.4)	(2.5)	-
Extraordinary income/losses - net	(7.9)	(8.1)	0.2	0.0	-
Income before income taxes and minority interests	30.6	25.7	4.9	46.0	66.5%
Income before minority interests	(11.1)	17.2	(28.3)	(8.5)	-
Net income (loss)	(13.5)	14.8	(28.3)	(12.0)	-
Machinery	2.7	0.4	2.3	3.5	77.1%
Energy & Metal	14.6	16.2	(1.6)	20.5	71.2%
Chemicals & Functional Materials	4.7	3.4	1.3	4.5	104.4%
Consumer Lifestyle Business	1.6	0.6	1.0	1.0	160.0%
Other	(37.1)	(5.8)	(31.3)	(41.5)	-
Core earnings^{*2}	39.6	30.1	9.5	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. Results for the nine months ended December 31, 2010 are 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 + Dividend income + Equity in earnings of affiliates

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 and net income.

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 due to a reduction in trading volumes suffered because overseas fertilizer businesses were affected by price regulations and heavy rain in demand season 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 and reversal of deferred tax assets owing to the revision of Japan's corporate tax law.

FY2011 current position and outlook

Machinery Division

- We envisage a favorable return for the whole year as a result of the strong business performance of automotive subsidiaries in the Russia/NIS region and Central and South America.

Energy & Metal Division

- Despite the decline in market conditions for some commodities and the impact of exchange rates, our performance for the whole year is largely on target thanks to the strong performance in oil and coal-related businesses which resulted from higher prices and increased production volume.

Chemicals & Functional Materials Division

- With increases in trading volumes and sales prices resulting from increased demand, primarily in Asia, we are on course to exceed our full-year target.

Consumer Lifestyle Business Division

- Since the impact of the Thai floods on overseas fertilizer businesses was milder than anticipated, we expect to exceed our full-year target.

Other

- Largely on target

B/S

(Billions of yen)

	December 31, 2011	March 31, 2011	Change	March 31, 2012 Full-year Forecast (as of Nov. 1, 2011)	March 31, 2012 Full-year Forecast (as of Feb. 1, 2012)
Total assets	2,055.1	2,117.0	(61.9)	2,070.0	2,060.0
Shareholders' equity^{*3}	268.0	330.0	(62.0)	320.0	275.0
Total net assets	297.1	355.5	(58.4)	-	-
Shareholders' equity ratio (%)	13.0%	15.6%	(2.6%)	15.5%	13.3%
Net interest-bearing debt	709.9	700.6	9.3	720.0	690.0
Net D/E ratio (times)	2.64	2.12	0.52	2.25	2.50
Net D/E ratio based on total net assets (times)	2.39	1.97	0.42	-	-

*3 Shareholders' Equity = Total net assets - Minority interests

*4 Forward-looking Statements

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Commodity Prices and Exchange Rates

	FY2010 Average	FY2011 Assumptions	2011 Results		
			Jan. - Sep. '11 Avg.	Oct. -Dec. '11 Avg.	Jan. -Dec. '11 Avg.
Crude oil (Brent)**1 (\$/bbl)	\$79.5/bbl	\$90/bbl	\$111.9/bbl	\$109.3/bbl	\$111.3/bbl
Thermal Coal**2 (\$/t)	\$99.0/t	\$120/t	\$123.4/t	\$115.1/t	\$121.3/t
Molybdenum (\$/lb)	\$15.7/lb	\$18.5/lb	\$16.2/lb	\$13.4/lb	\$15.5/lb
Nickel (\$/lb)	\$9.9/lb	\$11/lb	\$11.1/lb	\$8.3/lb	\$10.4/lb
Exchange rate**3 (¥/\$)	Dec. year-end ¥87.3/\$ Mar. year-end ¥85.2/\$	¥ 80/\$	¥ 80.2/\$	¥ 77.2/\$	¥ 79.5/\$

**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.

Summary of Consolidated Financial Results
for the Third Quarter of Fiscal Year Ending March 31, 2012 (Japanese accounting standard)

February 1, 2012

Sojitz Corporation

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

Listed stock exchange: The first sections of Tokyo and Osaka

Security code: 2768

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Scheduled filing date of quarterly financial report: February 10, 2012

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes

(Rounded down to millions of Japanese Yen)

1. Consolidated Financial Results for the First Three Quarters Ended December 31, 2011 (April 1, 2011 - December 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 First Three Quarters								
FY2011	3,300,577	11.5	38,605	38.0	38,474	13.9	(13,458)	-
FY2010	2,958,905	3.1	27,968	157.2	33,771	414.0	14,775	83.6

Note. Comprehensive Income For the First Three Quarters FY2011: (56,403) (-%) FY2010: (14,860) (-%)

	Net Income per Share (EPS)	Adjusted EPS
	Yen	Yen
For the First Three Quarters		
FY2011	(10.76)	-
FY2010	11.81	11.80

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
As of			
December 31, 2011	2,055,147	297,125	13.0
March 31, 2011	2,116,960	355,510	15.6

(Millions of Yen)

Notes: Shareholders' Equity As of December 31, 2011 : 267,981 As of March 31, 2011 : 330,028

2. Cash Dividends

	Cash Divided per Share				
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual
For the Year Ended					
	Yen	Yen	Yen	Yen	Yen
March 31, 2011	-	1.50	-	1.50	3.00
March 31, 2012	-	1.50	-		
March 31, 2012 (forecast)				1.50	3.00

Note. Change in cash dividends forecast announced on November 1, 2011 : No

3. Consolidated Earnings Forecast for the Fiscal 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	(12,000)	-	(9.59)

Note. Changes in Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2012 : No

4. Others

- (1) Changes in major subsidiaries during the period
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No
- (2) Use of exceptional accounting procedure :No
- (3) Changes in accounting policy, procedures or presentation method for preparing quarterly consolidated financial statements
 1. Changes due to amendment of accounting standards : No
 2. Changes due to other reasons : No
 3. Accounting estimate change : No
 4. Retrospective restatement : No
- (4) 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 December 31, 2011: 1,251,499,501 As of March 31, 2011: 1,251,499,501
 2. Number of treasury shares at the end of the periods:
As of December 31, 2011 : 473,679 As of March 31, 2011 : 416,962
 3. Average number of outstanding shares during the periods:
For the Third Quarter ended Decmber 31, 2011(accumulative): 1,251,033,131
For the Third Quarter endedDecember 30, 2010(accumulative): 1,251,088,766

* Disclosure Regarding Quarterly Review Procedure

As of date of disclosure of these financial results, a review of the financial statements is being carried out in accordance with the Financial Instruments of Exchange Act

* Important Note Concerning the Appropriate Use of Business Forecasts and other

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Analysis of business results

1. Overview of First Three Quarters of Fiscal 2011 (April 1 – December 31, 2011)

Economic environment

In the first three quarters of fiscal 2011 (April–December 2011), the global economy underwent a slowdown, triggered largely by the prolonged European debt crisis, after entering the fiscal year in a gradual recovery spearheaded by growth in emerging market economies. As the slowdown unfolded, the economic outlook became increasingly hazy, clouded by anxieties about the debt crisis's impact on European financial institutions and the financial system in general, capital flight from emerging markets, and concerns about downside risks to emerging market economies.

The Japanese economy rebounded from its downturn following the Great East Japan Earthquake, but its recovery lost momentum amid a decline in exports in response to the overseas economic slowdown, yen appreciation, and flooding in Thailand.

The US economy remained in a mild recovery against a backdrop of growth in exports to emerging market economies, but the US housing and job markets continued to languish. Emerging market economies maintained solid growth rates bolstered by domestic demand expansion, but economic slowdown concerns have started to emerge, largely reflecting a downshift in Chinese exports in response to Europe's worsening debt problems.

Financial Performance

Sojitz Corporation's consolidated business results for the first three quarters of fiscal 2011 are presented below.

Net sales

Consolidated net sales grew 11.5% year on year to ¥3,300,577 million, driven mainly by the Energy & Metal Division and Consumer Lifestyle Business Division. The former benefited from increased oil and coal production and prices; the latter's sales growth was derived mainly from higher prices and unit sales of cigarettes and wheat.

Gross profit

Consolidated gross profit grew ¥14,159 million year on year to ¥156,702 million. The increase was largely attributable to growth in the Machinery Division's overseas auto sales volume and an increase in the Energy & Metal Division's production of oil and coal coupled with higher prices for both.

Operating income

As a result of gross profit growth, consolidated operating income grew ¥10,637 million year on year to ¥38,605 million despite increased general, selling and administrative (SG&A) expenses.

Ordinary income

Consolidated ordinary income increased ¥4,703 million year on year to ¥38,474 million as operating income growth more than offset a decline in equity in the earnings of affiliates, most notably a bioethanol producer.

Extraordinary income and losses

Extraordinary income totaled ¥5,868 million, including a ¥3,271 million gain on sales of investment securities and ¥2,377 million gain on noncurrent asset sales. Extraordinary losses totaled ¥13,731 million, including a ¥6,294 million valuation loss on investment securities and ¥2,637 million in losses, and provisions for losses, on liquidation of subsidiaries and affiliates. Extraordinary income and losses netted to an extraordinary loss of ¥7,863 million.

Net income

Consolidated income before income taxes and minority interests was ¥30,612 million. Deduction of income tax expense of ¥9,887 million and deferred income taxes of ¥31,829 million, including a reversal of deferred tax assets in response to the revisions of Japan's corporate tax law, resulted in an ¥11,104 million consolidated net loss before adjustment for minority interests. After deduction of ¥2,354 million of minority interests in consolidated subsidiaries' net income, consolidated net loss was ¥13,458 million, ¥28,233 million below the year-earlier period's consolidated net income.

Results for the first three quarters of fiscal 2011 are summarized by business segment below.

Effective from the first quarter of fiscal 2011, Sojitz revised its business segmentation, reclassifying part of its commercial property development operations from the Consumer Lifestyle Business Division to the "Other" segment.

Machinery

Net sales increased 3.6% year on year to ¥728,209 million as growth in plant exports and other sales offset a decrease in automobile export sales. Net income rose ¥2,268 million year on year to ¥2,673 million, lifted by strong earnings from automotive businesses in the Russia/NIS region and Central and South America.

Energy & Metal

Net sales grew 5.6% year on year to ¥778,608 million, largely by virtue of increased oil and coal production and prices. Despite an extraordinary gain on the sale of an equity interest in an overseas steel-related company, net income declined ¥1,582 million year on year to ¥14,594 million, largely as a result of a decrease in equity in the earnings of affiliates, most notably a bioethanol producer.

Chemicals & Functional Materials

Net sales grew 6.6% year on year to ¥487,022 million, largely due to increased unit sales and prices of chemicals and synthetic resins, mainly in Asia. Net income also increased ¥1,358 million year on year to ¥4,716 million.

Consumer Lifestyle Business

Net sales and net income both increased year on year, with the former up 24.2% to ¥1,272,680 million and the latter up ¥956 million to ¥1,576 million. The main factors behind this growth were a rise in both unit sales and prices for cigarettes and wheat.

Other

Net sales decreased 9.2% year on year to ¥34,056 million. Net loss, however, shrank to ¥1,048 million, a ¥3,729 million improvement from the year-earlier period, as restructuring charges were booked in the year-earlier period.

2. Financial Position

Consolidated Balance Sheet

At December 31, 2011, consolidated assets totaled ¥2,055,147 million, a ¥61,813 million decrease from March 31, 2011. Among individual asset accounts that contributed to this decrease, cash and deposits decreased ¥39,377 million over the same timeframe, largely as a result of repayment of borrowings and redemption of bonds payable; investment securities holdings decreased ¥38,745 million, mainly due to adverse exchange rate and equity price movements; and deferred tax assets decreased ¥28,535 million, mainly as a result of being reversed to reflect corporate tax reforms. These decreases were partially offset by a ¥30,478 million increase in trade notes and accounts receivable, largely due to growth in lumber-related sales and the fact that December 31 fell on a weekend; a ¥14,875 million increase in inventories, mainly cigarette and fertilizer inventories; a ¥10,512 million increase in property, plant and

equipment due largely to capital expenditures by operating companies; and a ¥7,262 million increase in long-term loans receivable.

Consolidated liabilities at December 31 totaled ¥1,758,021 million, down ¥3,428 million from March 31 despite a ¥36,957 million increase in trade notes and accounts payable largely due to growth in lumber-related sales and the fact that December 31 fell on a weekend. The decrease in total liabilities was attributable to reduction in interest-bearing debt, mainly as a result of repayment of borrowings and redemption of bonds payable.

Among shareholders' equity accounts, retained earnings decreased ¥17,338 million from March 31 largely as a result of dividend payments and the net loss incurred in the first three quarters of the fiscal year. Over the same timeframe, the foreign currency translation adjustment account's balance decreased ¥28,369 million and net unrealized gains on available-for-sale securities decreased ¥14,410 million, largely as a result of adverse equity price movements. As a result, total net assets inclusive of minority interests decreased ¥58,385 million to ¥297,125 million between March 31 and December 31, 2011.

Sojitz consequently ended the first three quarters of the fiscal year with a current ratio of 130% and a long-term debt ratio of 67%. Net interest-bearing debt (total interest-bearing debt less cash and deposits) at December 31, 2011, totaled ¥709,913 million, a ¥9,306 million increase from March 31, resulting in a net interest bearing debt ratio of 2.6 at December 31.

In terms of funding, Sojitz remains committed to a basic financial strategy of maintaining and enhancing the stability of its capital structure under its *Shine 2011* medium-term management plan. Specifically, Sojitz is endeavoring to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment and continuing to build a stable funding structure by maintaining a sound long-term debt ratio as a priority target. As one source of long-term funding, Sojitz issued ¥30 billion in straight bonds in the first three quarters of the fiscal year, including a ¥10 billion issue in June and a ¥20 billion issue in September. 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. As supplemental sources of precautionary liquidity, Sojitz maintains two committed credit lines: a ¥100 billion yen line and US\$300 million multicurrency line.

3. Consolidated Earnings Forecast

Sojitz's fiscal 2011 consolidated earnings forecast is based on the following assumptions.

Exchange rate (annual average JPY/USD rate): ¥80

Crude oil price (Brent) (annual average): US\$90/bbl

Forward-looking statements are based on information in management's possession at the time of disclosure and assumptions deemed reasonable by management. Actual results may differ materially from outcomes expressed or implied by forward-looking statements due to various factors, including but not limited to exchange rate movements and changes in economic conditions in key domestic and/or foreign markets.

Consolidated Balance Sheets
As of December 31, 2011 and March 31, 2011

(Millions of Yen)

	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets		
Cash and deposits	415,694	376,317
Notes and accounts receivable-trade	478,880	509,358
Short-term investment securities	5,437	9,014
Inventories	243,210	258,085
Short-term loans receivable	8,518	5,530
Deferred tax assets	15,402	15,553
Other	106,832	92,633
Allowance for doubtful accounts	(7,347)	(6,577)
Total current assets	1,266,629	1,259,916
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	111,537	110,059
Accumulated depreciation	(54,799)	(54,629)
Buildings and structures, net	56,738	55,430
Machinery, equipment and vehicles	158,458	169,338
Accumulated depreciation	(81,978)	(81,837)
Machinery, equipment and vehicles, net	76,480	87,501
Land	55,114	53,605
Construction in progress	19,177	21,045
Other	20,728	22,118
Accumulated depreciation	(12,463)	(13,415)
Other, net	8,264	8,702
Total property, plant and equipment	215,774	226,286
Intangible assets		
Goodwill	51,474	48,290
Other	81,120	76,827
Total intangible assets	132,595	125,117
Investments and other assets		
Investment securities	333,050	294,305
Long-term loans receivable	13,370	20,632
Bad debts	79,971	71,392
Deferred tax assets	52,881	24,195
Real estate for investment	33,993	32,993
Other	48,168	48,184
Allowance for doubtful accounts	(59,758)	(48,128)
Total investments and other assets	501,678	443,574
Total noncurrent assets	850,049	794,978
Deferred assets	281	252
Total assets	2,116,960	2,055,147

Consolidated Balance Sheets
As of December 31, 2011 and March 31, 2011

(Millions of Yen)

	As of March 31, 2011	As of December 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	414,984	451,941
Short-term loans payable	247,656	306,144
Commercial papers	2,000	2,000
Current portion of bonds	60,000	55,000
Income taxes payable	6,591	4,028
Deferred tax liabilities	146	89
Provision for bonuses	5,845	3,410
Provision for loss on litigation	—	2,500
Other	153,321	145,277
Total current liabilities	890,544	970,391
Noncurrent liabilities		
Bonds payable	82,719	70,000
Long-term loans payable	723,926	653,086
Deferred tax liabilities	19,009	18,419
Deferred tax liabilities for land revaluation	774	696
Provision for retirement benefits	13,136	13,638
Provision for directors' retirement benefits	833	694
Other	30,505	31,093
Total noncurrent liabilities	870,905	787,630
Total liabilities	1,761,449	1,758,021
Net assets		
Shareholders' equity		
Capital stock	160,339	160,339
Capital surplus	152,160	152,160
Retained earnings	159,358	142,020
Treasury stock	(170)	(179)
Total shareholders' equity	471,688	454,341
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,310	(2,100)
Deferred gains or losses on hedges	3,022	1,065
Revaluation reserve for land	(2,302)	(2,227)
Foreign currency translation adjustment	(153,984)	(182,353)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(706)	(743)
Total accumulated other comprehensive income	(141,659)	(186,359)
Minority interests	25,481	29,144
Total net assets	355,510	297,125
Total liabilities and net assets	2,116,960	2,055,147

Consolidated Statement of Profit and Loss
for the First Three Quarters of Fiscal Year Ending March 31, 2012

Millions of Yen

	FY2010 First Three Quarters (From April 1, 2010 to December 31, 2010)	FY2011 First Three Quarters (From April 1, 2011 to December 31, 2011)
Net sales	2,958,905	3,300,577
Cost of sales	2,816,362	3,143,875
Gross profit	142,543	156,702
Selling, general and administrative expenses	114,574	118,097
Operating income	27,968	38,605
Non-operating income		
Interest income	3,289	3,607
Dividend income	2,328	2,589
Equity in earnings of affiliates	14,135	10,092
Other	13,454	9,657
Total non-operating income	33,207	25,947
Non-operating expenses		
Interest expenses	18,070	17,628
Interest on commercial papers	17	4
Foreign exchange losses	3,331	3,078
Other	5,985	5,367
Total non-operating expenses	27,404	26,078
Ordinary Income	33,771	38,474
Extraordinary income		
Gain on sales of noncurrent assets	4,367	2,377
Gain on sales of investment securities	574	3,271
Gain on sales of equity investment without stock	6	213
Gain on change in equity	135	6
Gain on negative goodwill	404	—
Reversal of allowance for doubtful accounts	977	—
Gain on bad debts recovered	12	—
Total extraordinary income	6,477	5,868
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	348	438
Impairment loss	3,343	1,574
Loss on sales of investment securities	57	75
Loss on sales of equity investment without stock	—	5
Loss on revaluation of securities	435	6,294
Loss on change in equity	921	205
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	3,453	2,637
Restructuring losses	5,045	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	960	—
Provision for loss on litigation	—	2,500
Total extraordinary losses	14,565	13,731
Income before income taxes and minority interests	25,683	30,612
Income taxes-current	7,885	9,887
Income taxes-deferred	616	31,829
Total income taxes	8,502	41,716
Income (loss) before minority interests	17,181	(11,104)
Minority interests in income	2,405	2,354
Net income (loss)	14,775	(13,458)

**Consolidated Statement of Comprehensive Income
for the First Three Quarters of Fiscal Year Ending March 31, 2012**

Millions of Yen

	FY2010 First Three Quarters (From April 1, 2010 to December 31, 2010)	FY2011 First Three Quarters (From April 1, 2011 to December 31, 2011)
Income(loss) before minority interests	17,181	(11,104)
Other comprehensive income		
Valuation difference on available-for-sale securities	(860)	(9,874)
Deferred gains or losses on hedges	25	(1,942)
Revaluation reserve for land	—	77
Foreign currency translation adjustment	(21,423)	(14,767)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	—	(45)
Share of other comprehensive income of associates accounted for using equity method	(9,783)	(18,745)
Total other comprehensive income	(32,041)	(45,299)
Breakdown	(14,860)	(56,403)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(16,562)	(58,158)
Comprehensive income attributable to minority interests	1,702	1,754

Notes on the Going-concern Assumption

For the First Three Quarters Ended December 31, 2011 (April 1, 2011 – December 31, 2011)
Not applicable

Segment Information

For the First Three Quarters Ended December 31, 2010 (April 1, 2010 - December 31, 2010)

(Millions of Yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly 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	702,778	737,352	456,685	1,024,585	2,921,402	37,503	2,958,905	-	2,958,905
(2) Inter-segment	2,530	1,251	2,978	3,191	9,952	3,025	12,977	(12,977)	-
Total	705,309	738,604	459,664	1,027,776	2,931,354	40,528	2,971,883	(12,977)	2,958,905
Segment income (loss)	405	16,176	3,358	620	20,561	(4,777)	15,784	(1,008)	14,775

Notes:

1. "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, real estate leasing, and part of the retail property development business.
2. The (1,008) million yen adjustment for segment income (loss) includes the (1,314) 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 415 million yen, comprising dividend income and other factors, associated with unallocated shared corporate assets.
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.

For the First Three Quarters Ended December 31, 2011 (April 1, 2011 - December 31, 2011)

(Millions of Yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly 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	728,209	778,608	487,022	1,272,680	3,266,521	34,056	3,300,577	-	3,300,577
(2) Inter-segment	2,290	1,067	3,637	2,817	9,813	2,903	12,717	(12,717)	-
Total	730,500	779,675	490,660	1,275,498	3,276,335	36,959	3,313,294	(12,717)	3,300,577
Segment income (loss)	2,673	14,594	4,716	1,576	23,559	(1,048)	22,511	(35,970)	(13,458)

Notes:

1. "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, real estate leasing, and part of the retail property development business.
2. The (35,970) million yen adjustment for segment income includes the (33,225) 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 (2,749) million yen, comprising revaluation of investment securities and other factors, associated with unallocated shared corporate assets.
3. Segment income (loss) adjustments are based on the net loss reported in the quarterly consolidated statement of profit and loss for the corresponding period.

Changes in segmentation

*From this fiscal year ending March 31, 2012, a portion of the retail property development business previously belonging to the Lifestyle Business division was reclassified as Other in an aim to strengthen the asset management base and functionality. Results for the first three quarters ended December 31, 2010 in the Segment information are stated on the business divisions and expense allocation method after changes were made.

Notes on major changes in shareholders' equity

For the First Three Quarters Ended December 31, 2011 (April 1, 2011 - December 31, 2011)
Not applicable