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

May 8, 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 date of Ordinary General Shareholders' Meeting: June 26, 2012
Scheduled filing date of financial report: June 26, 2012
Scheduled date of delivery of dividends: June 27, 2012
Supplementary materials for the financial results: Yes
Investor conference for the financial results: Yes

(Rounded down to millions of Japanese Yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (April 1, 2011 - March 31, 2012)

(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	%
FY2012	4,494,237	11.9	64,522	72.0	62,228	37.3	(3,649)	-
FY2011	4,014,639	4.4	37,519	132.6	45,316	230.7	15,981	81.7

Note. Comprehensive Income FY2012: (17,622) (-%) FY2010: (16,653) (-%)

	Net Income per Share (EPS)	Adjusted EPS	ROE	ROA	Operating income Ratio
	Yen	Yen	%	%	%
FY2011	(2.92)	-	(1.1)	2.9	1.4
FY2010	12.77	12.77	4.7	2.1	0.9

Notes:（1）Equity in earnings of unconsolidated subsidiaries and affiliates for the year ended March 31, 2012 : 12,566 2011 : 19,297
（2）Return on Assets（ROA）=Ordinary Income/Total Assets

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
As of	Millions of Yen	Millions of Yen	%	Yen
March 31, 2012	2,120,596	330,471	14.4	244.52
March 31, 2011	2,116,960	355,510	15.6	263.79

(Millions of Yen)

Notes: Shareholders' Equity As of March 31, 2012 : 305,905 As of March 31, 2011 : 330,028

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash & Cash Equivalents at the end of the Period
For the year ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2012	91,600	(42,287)	(36,376)	427,274
March 31, 2011	67,863	(19,903)	(72,054)	415,261

2.Cash Dividends

	Cash Divided per Share					Total Ammout of Cash Dividends (annual)	Consolidated Payout ratio	Dividend to net assets (consolidated)
For the year ended	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2011	-	1.50	-	1.50	3.00	3,753	23.5	1.1
March 31, 2012	-	1.50	-	1.50	3.00	3,753	-	1.2
March 31, 2013 (forecast)	-	1.50	-	1.50	3.00		18.8	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2013(April 1, 2012 - March 31, 2013)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
For the Year Ending March 31, 2013	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full-year	4,300,000	(4.3)	52,000	(19.4)	50,000	(19.7)	20,000	-	15.99

4. Others

(1) Changes in major subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No

(2) Changes in accounting policy, procedures or presentation method for preparing 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

(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 December 31, 2012: 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, 2012 : 475,587 As of March 31, 2011 : 416,962

3. Average number of outstanding shares during the periods:

For the Year ended March 31, 2012(accumulative): 1,251,031,107

For the Year ended March 31, 2011(accumulative): 1,251,087,488

* Disclosure Regarding Auditing Procedure for Financial Statements

At the time of this earnings report's disclosure, auditing procedures for financial statements in accordance with the Financial Instruments and Exchange Act were in the process of being implemented.

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

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. Sojitz makes no assurances as to the actual results and/or other outcomes, which 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.

Analysis of business results

1. Overview of Fiscal 2011 (April 1, 2011 – March 31, 2012)

Economic environment

Fiscal 2011 (year ended March 31, 2012) began with the global economy in a moderate growth trend spearheaded by emerging market economies. Subsequently, however, Europe's protracted debt crisis triggered an economic slowdown in the euro zone. Other developed countries also experienced sluggish growth as they refrained from fiscal stimulus measures, and relied solely on monetary policy. Growth slowed even in some hitherto buoyant emerging market economies amid a falloff in exports to Europe and decrease in capital inflows from developed countries. All told, these developments led to a global economic slowdown.

The Japanese economy steadily recovered from its downturn following the Great East Japan Earthquake, but it encountered headwinds in the form of the slowdown in overseas economic growth, yen appreciation, and flooding in Thailand. Since January 2012, however, domestic economic sentiment has started to gradually improve, largely in response to progress in adapting to the strong yen.

The US economy remained in a mild recovery underpinned by consumer spending bolstered by extension of tax cuts. Employment conditions also improved, but continued weakness in US housing prices and sharply rising crude oil and gasoline prices cast doubt on the prospects of a full-fledged economic recovery.

Emerging market economies slowed, largely due to a decline in exports to Europe. Countries such as China and India, however, maintained relatively robust growth trajectories by virtue of domestic demand growth. In many emerging market economies, the authorities have shifted into monetary easing mode to stimulate economic growth despite the persistence of inflationary factors such as rising commodity prices and wage increases.

Financial Performance

To facilitate timely performance management and prompt execution of management initiatives and division-based strategies on a Group-wide basis, the Sojitz Group has newly adopted a uniform fiscal year-end for its major overseas consolidated subsidiaries that hitherto had a fiscal year-end different from that of the Sojitz parent company.

Effective from fiscal 2011, 47 consolidated subsidiaries have changed their fiscal year-end to March 31. For the 36 other consolidated subsidiaries with a fiscal year-end other than March 31, the Group has newly adopted a policy of pro forma consolidated reporting of these subsidiaries' results as if the subsidiaries have a March 31 fiscal year-end.

As a result of this change, these 83 consolidated subsidiaries' accounting period for fiscal 2011 spans 15 months from January 1, 2011, to March 31, 2012, and net sales, gross profit, operating income, ordinary income, income before income taxes and minority interests, and net income consequently increased ¥171,983 million, ¥16,662 million, ¥6,545 million, ¥8,049 million, ¥7,837 million, and ¥6,209 million, respectively, relative to what they would have been in the absence of this change.

Sojitz Corporation’s consolidated business results for fiscal 2011 are presented below.

Net sales

Consolidated net sales grew 11.9% year on year to ¥4,494,237 million, broken down by type as follows.

(Millions of Yen)

	Fiscal 2010 (year ended March 31, 2011)		Fiscal 2011 (year ended March 31, 2012)	
Type of sales		% of total		% of total
Export	457,840	11.4	541,688	12.0
Import	960,382	23.9	946,884	21.1
Domestic	1,757,144	43.8	2,032,318	45.2

Offshore	839,272	20.9	973,346	21.7
Total	4,014,639	100.0	4,494,237	100.0

Relative to fiscal 2010, fiscal 2011 export sales increased 18.3%, largely due to growth in plant-related export sales. Imports decreased 1.4%, largely reflecting a decline in aircraft-related sales. Domestic sales grew 15.7%, driven largely by growth in energy and metals sales. Offshore sales rose 16.0%, largely as a result of growth in sales chemicals, synthetic resins, and automobiles.

By segment, consolidated net sales declined 6.9% year on year in the "Other" segment but grew year on year across all other segments, up 6.7% in the Machinery Division, 3.6% in the Energy & Metal Division, 12.3% in the Chemicals & Functional Materials Division, and 22.2% in the Consumer Lifestyle Business Division.

Gross profit
Consolidated gross profit increased ¥38,841 million year on year to ¥231,566 million. The increase was largely attributable to two divisions: Machinery and Energy & Metal. The former benefited from growth in overseas automobiles sales units; the latter, from oil and coal production growth and price increases.

Operating income
Consolidated operating income grew ¥27,003 million year on year to ¥64,522 million as a result of gross profit growth partially offset by increase in general, selling and administrative (SG&A) expenses.

Ordinary income
Despite a reduction in equity in the earnings of affiliates, most notably a bioethanol producer, consolidated ordinary income grew ¥16,912 million year on year to ¥62,228 million by virtue of operating income growth.

Extraordinary income and losses
Extraordinary income totaled ¥14,239 million, including a ¥9,039 million gain on sales of investment securities and ¥3,217 million gain on noncurrent asset sales. Extraordinary losses totaled ¥15,014 million, including ¥6,101 million in asset impairment losses, ¥2,648 million in losses, and provisions for losses, on liquidation of subsidiaries and affiliates, and a ¥2,640 million valuation loss on investment securities. Extraordinary income and losses netted to an extraordinary loss of ¥775 million.

Net income
Consolidated income before income taxes and minority interests was ¥61,454 million. Deduction of income tax expense of ¥18,482 million and deferred income taxes of ¥43,821 million, including a reversal of deferred tax assets in response to a revision in Japan’s corporate tax low, resulted in an ¥850 million consolidated net loss before adjustment for minority interests. After deduction of ¥2,799 million of minority interests in consolidated subsidiaries’ net income, consolidated net loss was ¥3,649 million, ¥19,630 million below fiscal 2010 consolidated net income.

Fiscal 2011 results are summarized by business segment below.

Effective from 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 grew 6.7% year on year to ¥1,030,555 million, lifted by growth in plant exports and robust European and Latin American automobile sales. Net income increased ¥4,694 million year on year to ¥8,085 million.

Energy & Metal
Net sales grew 3.6% year on year to ¥1,050,725 million, largely as a result of higheroil and coal prices and increased production volumes. Net income rose ¥813 million year on year to ¥27,275 million as an extraordinary gain on the sale of investment securities holdings in overseas operating companies offset a decrease in equity in the earnings of affiliates, most notably a bioethanol producer.

Chemicals & Functional Materials
Net sales rose 12.3% year on year to ¥687,890 million, largely due to increases in chemical and synthetic resin unit-sales and prices, mainly in Asia. Net income also increased, up ¥3,041 million year on year to ¥5,752 million.

Consumer Lifestyle Business
Net sales grew 22.2% year on year to ¥1,679,782 million, largely by virtue of increased cigarette unit-sales and prices and growth in unit sales of livestock feed ingredients. Net income, however, declined ¥633 million to ¥1,720 million, largely reflecting decreased profits from overseas fertilizer subsidiaries.

Other
Net sales were down 6.9% year on year to ¥45,282 million, but net loss was reduced to ¥635 million, a year-on-year improvement of ¥6,092 million largely attributable to the nonrecurrence of restructuring charges booked in fiscal 2010.

(2) Fiscal 2012 Outlook

Sojitz's current earnings forecast for fiscal 2012 (year ending March 31, 2013) is as follows. Sojitz forecasts earnings on an annual basis only.

(Consolidated)

Net sales	¥4,300 billion
Operating income	¥52 billion
Ordinary income	¥50 billion
Net income	¥20 billion

The above forecasts assume a yen/dollar rate of ¥80/US$ and crude oil price of US$110/bbl (Brent).

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. Sojitz makes no assurances as to the actual results and/or other outcomes, which 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.

2. Financial Position

Consolidated Balance Sheet
At March 31, 2012, consolidated assets totaled ¥2,120,596 million, a ¥3,636 million increase from March 31, 2011. The increase was largely the net result of a ¥27,435 million increase in inventories, mainly cigarette and automobile inventories; a ¥17,486 million increase in property, plant and equipment due largely to capital expenditures by operating companies; a ¥9,045 million increase in long-term loans receivable; a ¥41,264 million decrease in deferred tax assets, mainly due to a reversal in response to a revision in Japan’s corporate tax law; and a ¥19,153 million decrease in investment securities due to adverse exchange rate and stock price movements.

Consolidated liabilities at March 31, 2012, totaled ¥1,790,125 million, an increase of ¥28,676 million from March 31, 2011. The increase in liabilities was attributable to a ¥46,815 million increase in trade notes and accounts payable largely due to growth in automobile-related, lumber-related sales and the fact that March 31 fell on a weekend, offset by a reduction in interest-bearing debt due largely to redemption of bonds payable.

Among shareholders' equity accounts, retained earnings decreased ¥7,652 million from March 31, 2011, largely as a result of the fiscal 2011 net loss and dividend payments; the foreign currency translation adjustment account's balance decreased ¥9,702 million; and net unrealized gains on available-for-sale securities decreased ¥4,684 million, largely as a result of adverse stock price movements. As a result, total net assets inclusive of minority interests decreased ¥25,039 million to ¥330,471 million over the course of fiscal 2011.

Sojitz consequently ended fiscal 2011 with a current ratio of 137% and a long-term debt ratio of 71%. Net interest-bearing debt (total interest-bearing debt less cash and deposits) at March 31, 2012, totaled ¥647,836 million, a ¥52,771 million decrease from March 31, 2011, resulting in a net interest bearing debt ratio of 2.10 at March 31, 2012.

In terms of funding, Sojitz has continued to pursue a basic financial strategy of maintaining and enhancing the stability of its funding structure under its *Shine 2011* medium-term management plan, the term of which expired at the end of fiscal 2011. Specifically, Sojitz has endeavored to maintain a stable financial foundation by holding sufficient liquidity as a buffer against changes in the economic or financial environment while 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 ¥40 billion in straight bonds in fiscal 2011, including a ¥10 billion issue in June 2011, a ¥20 billion issue in September 2011, and another ¥10 billion issue in March 2012. 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.

Consolidated cash flows

In fiscal 2011, operating activities provided net cash of ¥91,600 million, investing activities used net cash of ¥42,287 million, and financing activities used net cash of ¥36,376 million. Sojitz ended fiscal 2011 with cash and cash equivalents of ¥427,274 million, adjusted to reflect foreign currency translation adjustments related to cash and cash equivalents.

(1) Cash flows from operating activities
Fiscal 2011 operating activities provided net cash of ¥91,600 million, a ¥23,737 million increase from fiscal 2010. Despite growth in trade receivables and inventories, cash inflows from operations exceeded operating outlays, largely as a result of growth in trade payables and income before income taxes and minority interests.

(2) Cash flows from investing activities
Fiscal 2011 investing activities used net cash of ¥42,287 million, a ¥22,384 million increase in net investment outflows from fiscal 2010. Investment outlays, most notably including capital expenditures related to energy and mineral resource interests, exceeded cash inflows, sources of which included proceeds from the sale of aircraft, ships, and investment securities holdings.

(3) Cash flows from financing activities
Fiscal 2011 financing activities used net cash of ¥36,376 million, a ¥35,678 million decrease from fiscal 2010, as cash outlays to repay long-term loans and redeem bonds and exceeded cash inflows from bond issuance and new borrowings.

3. Dividend Policy and Fiscal 2011-12 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. Under its new medium-term management plan 2014, Sojitz has adopted a basic policy of maintaining a consolidated dividend payout ratio of around 20%.

Although Sojitz incurred a net loss in fiscal 2011, the net loss was attributable to a reversal of deferred tax assets in conjunction with a revision in Japan's corporate tax law. Sojitz's businesses have been performing well, in line with management's plans.

In light of its fiscal 2011 results, the adequacy of its shareholders' equity, and funding requirements for investments in pursuit of growth, Sojitz has decided to pay a fiscal 2011 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, 2011, fiscal 2011 dividends will total ¥3 per share or ¥3,753 million in aggregate.

For fiscal 2012, Sojitz plans to pay annual dividends of ¥3 per share (¥1.5 interim dividend plus ¥1.5 year-end dividend) based on comprehensive consideration of relevant factors in accord with the aforementioned basic policy. Based on Sojitz's current fiscal 2012 earnings forecast, planned fiscal 2012 dividends equate to a (projected) dividend payout ratio of 18.8% on a consolidated basis.

Caution regarding Forward-looking Statements
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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 enhancing 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 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 could 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 opportunely exit investments that have failed to generate risk-commensurate returns.

Even with such procedures for screening prospective investments and monitoring existing investments, the Group cannot 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., property, plant and equipment, vehicles, goodwill, 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-elated 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, 2012, 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 current Medium-Term Management Plan 2014 ’Change for Challenge’,
As noted in “Management Policies,” the Group has formulated a new medium-term management plan 2014, ’Change for Challenge’, for fiscal 2012-14.
Despite the Group's efforts, there is no assurance that all of the medium-term management plan 2014‘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 489companies, including 462 consolidated subsidiaries and affiliates, of which 344 are subsidiaries and 145 are affiliates.
The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of March 31, 2012

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 machineries; machinery for the processing of metals and related equipment; IT-related business; information processing; computer software development; etc.	-Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) - Sojitz Aerospace Corporation (Import, export and domestic sale of aerospace-related and defense-related equipment; Subsidiary) - Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary) - Nissho Electronics Corporation (IT systems, network services; Subsidiary) - SAKURA Internet Inc. (Internet data center operator; Subsidiary) - MMC Automotoriz, S.A (Import, assembly and sale of automobiles; Subsidiary) - Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary) - Densan Co., Ltd., (Information processing, communication service, software development, system provisioning service; Affiliate) Number of subsidiaries: 105 (Domestic: 26, Overseas: 79) Number of affiliates: 42 (Domestic:7, Overseas: 35)
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 metals; ceramics and minerals; floating production strage and offloading unit; infrastructure; energy and chemicals-related projects; LNG-related business; steel-related business; renewable energy-related business; environmental business; etc.	-Sojitz Energy Corporation (Sale of petroleum products, etc.; Subsidiary) - Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) - Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) - Sojitz Coal Resources Pty ltc. (Investment in coal mines; Subsidiary) - Sojitz Moly Resources, Inc. (Investment in molybdenum mine; Subsidiary) - Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary) - Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Affiliate) - LNG Japan Corporation (LNG business and related investments and loans; Affiliate) - Alconix Corporation (Sale of non-ferrous products and non-ferrous materials for construction and electronics industries; Affiliate) - Coral Bay Nickel Corporation (Manufacture and sale of nickel and cobalt mixed sulfide; Affiliate) - Japan Alumina Associates (Australia) Pty. Ltd. (Manufacture of alumina; Affiliate) - ETH Investmentos S.A. (Bioethanol and sugar manufacturing; Affiliate) Number of subsidiaries: 43 (Domestic: 9, Overseas: 34) Number of affiliates: 21 (Domestic: 7, Overseas: 14)
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.	-Sojitz Pla-Net-Holdings, Inc (Holdings company for plastics businesses; Subsidiary) - Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) - Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) - Sojitz Cosmetics Corporation (Development, product planning and sale of cosmetics; Subsidiary) - P.T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) - P.T. Moriuchi Indonesia (Manufacture of industrial fabrics; Affiliate) Number of subsidiaries: 31 (Domestic: 13, Overseas: 18) Number of affiliates: 25 (Domestic: 9, Overseas: 16)
Consumer Lifestyle Business	Grains; flour; oils and fats; oilstuff; 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; chemical 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; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; building materials; afforestation; manufacture and sale of wood chips	- Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) - Sojitz Foods Corporation (Sale of sugar, dairy products, farmed and marine products, processed foods, and other foodstuffs; Subsidiary) - Daiichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) - Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) - Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary) - Sojitz General Property Management Corporation (Condominium and office building management; Subsidiary) - Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) - Sojitz Yoshimoto Ringyo Co., Ltd. (Sale of lumber, plywood, etc.; Subsidiary) - Sojitz Realnet Corporation (Real estate trading and lease broking; Subsidiary) - Thai Central Chemical Public Co., Ltd (Manufacture and sale of chemical fertilizers; sale of imported fertilizer products; Subsidiary) - Vietnam Japan Chip Vung Ang Corporation (Afforestation; manufacture and sale of wood chips; Subsidiary) - Sojitz Now Apparel Ltd. (Garment agent and trader; Subsidiary) - JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Affiliate) - Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Affiliate) - Yamazaki-Nabisco Co., Ltd. (Manufacture of sweets; Affiliate) - Nissho Iwai Paper & Pulp Corporation (Sales of pulp and recycled paper as well as paper and paperboard products; Affiliates) - Tachikawa Forest Products (N.Z.) Ltd. (Saw milling; Affiliate) Number of subsidiaries: 54 (Domestic: 19, Overseas: 35) Number of affiliates: 29 (Domestic: 11, Overseas: 18)
Other	Administration, domestic branches, logistics and insurance services, venture capital, aircraft leasing, investment in real estate etc., real estate leasing, commercial facilities development ; etc.	- Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) - Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) - Sojitz Insurance Agency Corporation (Accident insurance and life insurance agency services; Subsidiary) - Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) - Sojitz Commerce Development Corporation (Development, construction, operation and lease of retail property) - Sojitz Aircraft Leasing B. V. (Aircraft operating lease; Subsidiary) Number of subsidiaries: 55 (Domestic: 30, Overseas: 25) Number of affiliates: 12(Domestic: 2, Overseas: 10)

Overseas	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	- Sojitz Corporation of America (Subsidiary) - Sojitz Europe plc (Subsidiary) - Sojitz Asia Pte. Ltd (Subsidiary) - Sojitz (Hong Kong) Ltd. (Subsidiary) - Sojitz (China) Co., Ltd. (Subsidiary) Number of subsidiaries: 56 (Overseas: 56) Number of affiliates: 16 (Overseas: 16)

Note 1: The following five companies are listed in the Japanese stock market as of March 31, 2012: JALUX Inc. (TSE 1st section), Densan Co., Ltd., Fuji Nihon Seito Corporation (TSE 2nd section), SAKURA Internet Inc. (Mothers), and Pla Matels Corporation (JASDAQ).

Management Policies

(1) Fundamental Policy
Sojitz is endeavoring to enhance its corporate value 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 society and the environment by consistently putting the Group's statement into practice (Socially contributive company)

(2) Medium- to Long-term Business Strategy and Prospective Challenges
Under the *Shine 2011* medium-term management plan, Sojitz endeavored to improve the quality of its earnings by accumulating high-quality businesses and assets in the aim of building a strong earnings foundation that is resilient to changes in the operating environment and ensures sustained growth.

During the Shine 2011 plan's term, Sojitz invested in businesses in which it possesses a competitive advantage (e.g., coal, niobium, rare earths) and reconfigured its earnings structure in businesses after the Lehman Shock, through such means as rationalizing inventories through rigorous risk management.

However, further work remains to be done in terms of building up shareholders' equity following the fiscal 2011 net loss stemming from the reversal of deferred tax assets in conjunction with tax reform, and reduction in the currency translation adjustment account's balance due to yen appreciation.

	Target	Value as of March 31, 2012
Net D/E ratio	approximately 2.0	2.1
Risk asset ratio	No higher than 1.0x shareholders' equity	1.0

In response to the challenges encountered during the Shine 2011 plan's term, Sojitz has embarked on a new three-year plan, Medium-Term Management Plan 2014: 'Change for Challenge', from April 2012. Under this new plan, Sojitz aims to enhance its corporate value by focusing on the themes: "Implement reforms in pursuit of growth initiatives."

Implement reforms in pursuit of growth initiatives
Strengthen earnings capacity by improving the quality of assets
Continue investing for growth (Strategic allocation to business focus areas)
Build up a structure and organization that enables its business to be creative, efficient, and highly capable of managing risk
Foster human resources that are able to go the distance even in a business environment typified by accelerating globalization

Enhance the financial foundation
through the accumulation of shareholders' equity

Improving corporate value and pursuing greater achievements

(3) Targeted Performance Indicators
The targeted performance indicators in Medium-term Management Plan 2014:'Change for Challenge' are as follows:

Performance indicator	Target
Net D/E ratio	2.0 times or lower
ROA	2% or higher

Regarding distribution of earnings, Sojitz is committed to paying stable dividends on an ongoing basis and to enhancing shareholder value and improving its competitiveness by accumulating and effectively utilizing retained earnings as a top management priority. Under Medium-term Management Plan 2014: 'Change for Challenge', Sojitz has adopted a basic policy of maintaining a consolidated dividend payout ratio of around 20%.
(For more details on Medium-term Management Plan 2014: 'Change for Challenge', visit Sojitz's website.)

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. Sojitz makes no assurances as to the actual results and/or other outcomes, which 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
As of March 31, 2012 and 2011

(Millions of Yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	415,694	442,706
Notes and accounts receivable-trade	478,880	490,708
Short-term investment securities	5,437	1,297
Inventories	243,210	270,645
Short-term loans receivable	8,518	5,667
Deferred tax assets	15,402	4,577
Other	106,832	88,132
Allowance for doubtful accounts	(7,347)	(5,583)
Total current assets	1,266,629	1,298,151
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	111,537	116,084
Accumulated depreciation	(54,799)	(57,457)
Buildings and structures, net	56,738	58,626
Machinery, equipment and vehicles	158,458	168,030
Accumulated depreciation	(81,978)	(81,810)
Machinery, equipment and vehicles, net	76,480	86,220
Land	55,114	53,429
Construction in progress	19,177	26,169
Other	20,728	22,431
Accumulated depreciation	(12,463)	(13,616)
Other, net	8,264	8,814
Total property, plant and equipment	215,774	233,260
Intangible assets		
Goodwill	51,474	44,612
Other	81,120	79,884
Total intangible assets	132,595	124,497
Investments and other assets		
Investment securities	333,050	313,897
Long-term loans receivable	13,370	22,415
Bad debts	79,971	68,164
Deferred tax assets	52,881	22,442
Real estate for investment	33,993	31,934
Other	48,168	52,788
Allowance for doubtful accounts	(59,758)	(47,223)
Total investments and other assets	501,678	464,419
Total noncurrent assets	850,049	822,177
Deferred assets	281	266
Total assets	2,116,960	2,120,596

Consolidated Balance Sheets
As of March 31, 2012 and 2011

(Millions of Yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	414,984	461,799
Short-term loans payable	247,656	282,524
Commercial papers	2,000	2,000
Current portion of bonds	60,000	35,000
Income taxes payable	6,591	8,850
Deferred tax liabilities	146	87
Provision for bonuses	5,845	6,254
Other	153,321	150,906
Total current liabilities	890,544	947,422
Noncurrent liabilities		
Bonds payable	82,719	80,000
Long-term loans payable	723,926	691,018
Deferred tax liabilities	19,009	20,596
Deferred tax liabilities for land revaluation	774	696
Provision for retirement benefits	13,136	14,232
Provision for directors' retirement benefits	833	648
Other	30,505	35,509
Total noncurrent liabilities	870,905	842,702
Total liabilities	1,761,449	1,790,125
Net assets		
Shareholders' equity		
Capital stock	160,339	160,339
Capital surplus	152,160	152,160
Retained earnings	159,358	151,706
Treasury stock	(170)	(179)
Total shareholders' equity	471,688	464,026
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale securities	12,310	7,626
Deferred gains or losses on hedges	3,022	935
Revaluation reserve for land	(2,302)	(2,120)
Foreign currency translation adjustment	(153,984)	(163,686)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(706)	(875)
Total Other Comprehensive Income	(141,659)	(158,121)
Minority interests	25,481	24,565
Total net assets	355,510	330,471
Total liabilities and net assets	2,116,960	2,120,596

Consolidated Statement of Profit and Loss
for the Year ended March 31, 2012 and 2011

Millions of Yen

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2012
Net sales	4,014,639	4,494,237
Cost of sales	3,821,914	4,262,671
Gross profit	192,725	231,566
Selling, general and administrative expenses	155,205	167,044
Operating income	37,519	64,522
Non-operating income		
Interest income	4,308	5,994
Dividends income	4,081	4,978
Equity in earnings of affiliates	19,297	12,566
Other	16,285	13,603
Total non-operating income	43,973	37,142
Non-operating expenses		
Interest expenses	23,917	24,212
Interest on commercial papers	18	5
Foreign exchange losses	2,848	145
Other	9,392	15,072
Total non-operating expenses	36,176	39,436
Ordinary Income	45,316	62,228
Extraordinary income		
Gain on sales of noncurrent assets	4,870	3,217
Gain on sales of real estate for investment	449	—
Gain on sales of investment securities	1,575	9,039
Gain on sales of equity investment without stock	6	556
Gain on change in equity	135	24
Gain on negative goodwill	404	1,207
Gain on step acquisitions	10,307	194
Reversal of allowance for doubtful accounts	1,272	—
Gain on bad debts recovered	56	—
Total extraordinary income	19,078	14,239
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	483	824
Loss on sales of real estate for investment	835	18
Impairment loss	9,687	6,101
Loss on sales of investment securities	127	122
Loss on sales of equity investment without stock	0	5
Loss on revaluation of securities	801	2,640
Loss on change in equity	922	205
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	4,855	2,648
Restructuring losses	5,097	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	960	—
Loss on disaster	1,311	—
Loss on litigation	—	2,348
Retirement benefit expenses	—	99
Total extraordinary losses	25,082	15,014
Income before income taxes and minority interests	39,312	61,454
Income taxes-current	11,400	18,482
Income taxes-deferred	9,103	43,821
Total income taxes	20,503	62,304
Income before minority interests	18,808	(850)
Minority interests in income	2,826	2,799
Net income	15,981	(3,649)

Consolidated Statement of Comprehensive Income
for the Year ended March 31, 2012 and 2011

Millions of Yen

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2012
Income before minority interests	18,808	(850)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,557)	(2,802)
Deferred gains or losses on hedges	1,165	(1,899)
Revaluation reserve for land	—	77
Foreign currency translation adjustment	(26,545)	(1,302)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	129	(184)
Shere of other comprehensive income of associates accounted for using equity mettod	(8,654)	(10,660)
Total Other comprehensive income	(35,462)	(16,772)
Comprehensive income	(16,653)	(17,622)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(18,317)	(20,212)
Comprehensive income attributable to minority interests	1,663	2,589

Consolidated Statements of Cash Flows
for the Year Ended March 31, 2012 and 2011

(millions of Yen)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	39,312	61,454
Depreciation and amortization	24,096	33,289
Impairment loss	9,687	6,101
Loss on valuation of investment securities	801	2,640
Amortization of goodwill	4,548	4,998
Increase (decrease) in allowance for doubtful accounts	1,619	(15,162)
Increase (decrease) in provision for retirement benefits	901	1,130
Interest and dividends income	(8,390)	(10,972)
Interest expenses	23,936	24,217
Foreign exchange losses (gains)	3,907	445
Equity in (earnings) losses of affiliates	(19,297)	(12,566)
Loss (gain) on sales of investment securities	(755)	(9,286)
Loss (gain) on sales and retirement of noncurrent assets	(4,386)	(2,393)
Loss (gain) on step acquisitions	(10,307)	(194)
Decrease (increase) in notes and accounts receivable-trade	(30,328)	(19,910)
Decrease (increase) in inventories	(6,997)	(25,494)
Increase (decrease) in notes and accounts payable-trade	52,368	47,570
Other, net	8,790	27,277
Subtotal	89,506	113,143
Interest and dividends income received	13,172	18,933
Interest expenses paid	(24,013)	(23,883)
Income taxes paid	(10,801)	(16,593)
Net cash provided by (used in) operating activities	67,863	91,600
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	5,591	(11,048)
Decrease (increase) in short-term investment securities	(344)	623
Purchase of property, plant and equipment	(27,252)	(35,745)
Proceeds from sales of property, plant and equipment	6,654	13,419
Purchase of intangible assets	(21,195)	(8,698)
Purchase of investment securities	(20,647)	(10,025)
Proceeds from sales and redemption of investment securities	14,228	19,402
Decrease (increase) in short-term loans receivable	3,049	3,745
Payments of long-term loans receivable	(4,481)	(13,548)
Collection of long-term loans receivable	11,173	1,489
Net increase from purchase of consolidated subsidiaries	2,551	(2,340)
Net decrease from sale of consolidated subsidiaries	(460)	(707)
Other, net	11,229	1,144
Net cash provided by (used in) investing activities	(19,903)	(42,287)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(49,686)	3,433
Increase (decrease) in commercial papers	(8,000)	—
Proceeds from long-term loans payable	167,047	128,061
Repayment of long-term loans payable	(155,603)	(133,646)
Proceeds from issuance of bonds	19,900	39,800
Redemption of bonds	(41,047)	(67,719)
Proceeds from stock issuance to minority shareholders	463	66
Purchase of treasury stock	(1)	(9)
Cash dividends paid	(1,876)	(3,753)
Cash dividends paid to minority shareholders	(1,924)	(1,416)
Other, net	(1,325)	(1,193)
Net cash provided by (used in) financing activities	(72,054)	(36,376)
Effect of exchange rate change on cash and cash equivalents	(14,470)	(923)
Net increase (decrease) in cash and cash equivalents	(38,564)	12,012
Cash and cash equivalents at beginning of period	454,262	415,261
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidatio	(436)	—
Cash and cash equivalents at end of period	415,261	427,274

◆Segment Information

1. Overview of reportable segment
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 "Group Business Operations"

2. Calculation of net sales by segment, segment income/loss, segment assets, and other amounts
Accounting procedures adopted for reportable business segments, except those for tax expenses, largely correspond to those used to prepare the company's consolidated financial statements.
Amounts for inter-segment transactions are based on market prices or prices applying to transactions with third parties.

3. Net sales by segment, segment income/loss, segment assets, and other amounts

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	1,374,113	3,966,018	48,621	4,014,639	-	4,014,639
(2) Inter-segment	3,330	1,493	3,980	5,115	13,918	3,866	17,785	(17,785)	-
Total	968,742	1,015,475	616,490	1,379,228	3,979,936	52,488	4,032,425	(17,785)	4,014,639
Segment income (loss)	3,391	26,462	2,711	2,353	34,919	(6,727)	28,191	(12,210)	15,981
Segment assets	378,028	543,667	259,528	389,326	1,570,551	295,661	1,866,212	250,748	2,116,960
Other									
Depreciation and amortization	4,123	9,501	2,649	2,665	18,940	4,982	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	3,543	1,225	4,769	(460)	4,308
Interest expenses	5,806	9,081	3,303	5,600	23,791	606	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
Restructing losses	-	-	-	-	-	5,097	5,097	-	5,097
Tax expenses	849	5,831	3,265	(1,241)	8,704	(768)	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, real estate leasing, and retail property development.
2. The (12,210) 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 using internally-defined methods and allocated to each segment.
It also includes 428 million yen, comprising dividend income and other factors, associated with unallocated shared corporate assets.
The 250,748 million yen adjustment for segment assets includes (46,886) million yen in inter-segment eliminations and 297,634 million yen in unallocated shared corporate assets, mainly comprising (a) surplus funds invested in cash, deposits and other financial instruments and (b) investment securities.
Adjustments for other items listed, namely depreciation and amortization, interest income, interest expenses, equity in earnings (losses) 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 consolidated statement of profit and loss for the corresponding period.

For the fiscal year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

	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	1,030,555	1,050,725	687,890	1,679,782	4,448,954	45,282	4,494,237	-	4,494,237
(2) Inter-segment	2,486	1,383	5,347	3,974	13,191	4,122	17,314	(17,314)	-
Total	1,033,041	1,052,108	693,238	1,683,757	4,462,146	49,405	4,511,551	(17,314)	4,494,237
Segment income (loss)	8,085	27,275	5,752	1,720	42,833	(635)	42,198	(45,848)	(3,649)
Segment assets	392,172	541,152	272,268	409,866	1,615,459	240,447	1,855,906	264,689	2,120,596
Other									
Depreciation and amortization	6,757	15,878	2,752	2,438	27,826	5,288	33,115	174	33,289
Amortization of goodwill	1,344	822	1,448	1,369	4,984	14	4,998	-	4,998
Interest income	944	2,565	317	677	4,504	1,724	6,229	(234)	5,994
Interest expenses	6,107	9,916	3,643	5,762	25,429	(976)	24,452	(234)	24,217
Equity in earnings (losses) of affiliates	2,778	7,765	853	1,555	12,952	(390)	12,652	4	12,566
Extraordinary income	5,996	6,118	211	680	13,007	1,232	14,239	-	14,239
Gain on sales of noncurrent assets	1,848	406	0	21	2,276	940	3,217	-	3,217
Gain on sales of investment securities	2,557	5,708	211	443	8,921	117	9,039	-	9,039
Extraordinary loss	2,385	1,674	433	5,995	10,487	2,430	12,918	2,095	15,014
Impairment loss	258	1,176	9	3,287	4,732	1,369	6,101	-	6,101
Loss of revaluation securities	361	132	8	18	520	24	544	2,095	2,640
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	1,516	55	116	120	1,809	839	2,648	-	2,648
Tax expenses	6,422	9,988	3,589	(464)	19,534	(1,403)	18,131	44,172	62,304
Amount invested in equity-method affiliates	21,161	163,455	10,593	17,671	212,881	5,212	218,093	(433)	217,659
Property, plant and equipment and Intangible assets increase	15,721	22,168	750	2,455	41,095	3,348	44,443	-	44,443

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 retail property development.
2. The (45,848) million yen adjustment for segment income (loss) includes the (44,172) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated using internally-defined methods and allocated to each segment.
   It also includesand 419 million yen, for dividend income and (2,095) million yen, comprising loss on revaluation of investment securities, associated with unallocated shared corporate assets.
   The 264,689 million yen adjustment for segment assets includes (47,542) million yen in inter-segment eliminations and 312,232 million yen in unallocated shared corporate assets, mainly comprising (a) surplus funds invested in cash, deposits and other financial instruments and (b) investment securities.
   Adjustments for other items listed, namely depreciation and amortization, interest income, interest expenses, equity in earnings (losses) 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 consolidated statement of profit and loss for the corresponding period.

Changes in segmentation

Effective the fiscal year ended 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 fiscal year ended March 31, 2011 in the Segment information are stated in the business division after the change was made.

Changes in fiscal year-end date for consolidated subsidiaries

To facilitate timely performance management and prompt execution of management initiatives and division-based strategies on a Group-wide basis, the Sojitz Group has newly adopted a uniform fiscal year-end for its major overseas consolidated subsidiaries that hitherto had a fiscal year-end different from that of the Sojitz parent company. Effective from fiscal 2011, 47 consolidated subsidiaries have changed their fiscal year-end to March 31. For the 36 other consolidated subsidiaries with a fiscal year-end other than March 31, the Group has newly adopted a policy of pro forma consolidated reporting of these subsidiaries' results as if the subsidiaries have a March 31 fiscal year-end.
As a result of this change, compared with what they would have been in the absence of this change, net sales was 49,916 million yen higher in the Machinery business; 22,857 million yen higher in Energy & Metal; 50,198 million yen higher in Chemicals & Functional Materials; 48,159 million yen higher in Consumer Lifestyle Business; and 851 million yen higher in Other. By the same comparison, segment income was 1,319 million yen higher in Machinery; 4,109 million yen higher in Energy & Metal, 600 million yen higher in Chemicals & Functional Materials; 246 million yen higher in Consumer Lifestyle Business; and 209 million yen higher in Other, while adjustments were 276 million yen lower.