

Notice of the 8th Ordinary General Shareholders' Meeting

To be held on Thursday, June 23, 2011

**Deadline for Exercising Voting Rights by Mail or Internet:
To arrive no later than 5:30 p.m. on Wednesday, June 22, 2011 (JST)**



New way, New value

Sojitz Corporation

(Security code 2768)

The following is an English translation of Notice of the 8th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz" or the "Company") to be held on June 23, 2011. Sojitz provides this translation for your reference and convenience only. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Sojitz hereby disclaims all representations and warranties with respect to this translation, whether express or implied, including, but not limited to, any representations and warranties with respect to accuracy, reliability or completeness of this translation. In no event shall Sojitz be liable for any damages or any kind of nature, including, but not limited to, direct, indirect, special, punitive, consequential or incidental damages arising from or in connection with this translation. Also, this document was created for the purpose of providing information to our shareholders that will help them make informed decisions. It was not created to solicit investors to buy or sell Sojitz's stock. The final decision and responsibility for investments rests solely with the reader of this document.

Table of Contents

Guidance for Exercising Voting Rights	1
Notice of the 8th Ordinary General Shareholders' Meeting	2
Reference Documents for the General Shareholders' Meeting	4
Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 8th Fiscal Year)	4
Proposal No. 2 Partial Amendments to the Articles of Incorporation	5
Proposal No. 3 Election of Seven (7) Directors	7
(Attachment to the Notice of the 8th Ordinary General Shareholders' Meeting)	
Business Report	
1. Current Circumstances of the Sojitz Group	13
(1) Review of Progress and Performance in Operations	13
Sojitz Group Performance	13
Overview of Business Conditions by Business Segment	15
Net Sales by Transaction Type	22
Net Sales by Business Segment	22
(2) Funding	23
(3) Assets, Profits and Losses	24
(4) Business Outlook and Issues to Be Addressed	25
(5) Major Business Segments of the Sojitz Group	27
(6) Business Locations of Sojitz Group and the Number of Employees	31
(7) Major Subsidiaries	32
(8) Major Creditors and Borrowed Amounts	33
2. The Company's Shares	34
3. The Company's Directors and Corporate Auditors	35
4. Accounting Auditor	38
5. A System for Ensuring Appropriate Execution of Business Operations	39
Financial Statements	
Consolidated Financial Statements	52
Consolidated Balance Sheets	52
Consolidated Statements of Income	53
Consolidated Statements of Changes in Net Assets	54
(Reference) Consolidated Statements of Comprehensive Income	57
(Reference) Consolidated Statements of Cash Flows	58
(Reference) Business Segment Information	59
Non-consolidated Financial Statements	62
Non-consolidated Balance Sheets	62
Non-consolidated Statements of Income	63
Non-consolidated Statements of Changes in Net Assets	64
Audit Reports	
Accounting Auditors' Audit Report (Consolidated)	66
Accounting Auditors' Audit Report (Non-consolidated)	67
Board of Corporate Auditors' Audit Report (Consolidated and Non-consolidated)	68
Guide Map	Last page

In accordance with the applicable laws and regulations and the Articles of Incorporation of the Company, we publish Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements on our website at <http://www.sojitz.com/en/ir/stkholder/general/index.html>.

Guidance for Exercising Voting Rights

- When you attend in person on the day of the meeting, please present the enclosed Voting Right Exercise Form at the reception desk upon arrival at the meeting. In addition, please bring this “Notice of the 8th Ordinary General Shareholders’ Meeting” with you.
- If you are unable to attend on the day of the meeting, please exercise your voting right through one of the following methods:

<Exercising Voting Rights by Mail>

Please indicate your approval or disapproval on each proposal on the enclosed Voting Right Exercise Form, and return it by postal mail to arrive by no later than 5:30 p.m. on Wednesday, June 22, 2011 (JST).

In the event we receive the form which has no indication of either approval or disapproval on any of proposals made by the Company, we will regard such proposals as being approved.

<Exercising Voting Rights by Electronic Method (Internet)>

Please access the website designated by the Company for exercising voting rights which is at <http://www.evotc.jp/> (unavailable between 2:00 a.m. and 5:00 a.m. everyday) on your computer or mobile phone by using the login ID and temporary password indicated on the enclosed Voting Right Exercise Form, and enter your vote for each proposal according to the instructions on the screen. Before exercising your voting right via the Internet, please read the following information carefully.

To prevent illegal access to the voting system by a person other than the shareholder (impersonation) as well as to avoid falsification of voting data, you will be asked to change your temporary password on the site for exercising voting rights.

Although your exercise of voting rights via the Internet is acceptable until 5:30 p.m. on Wednesday, June 22, 2011, we recommend you to exercise your voting right as soon as possible. Should you have any inquiries, please contact the Help Desk (within Japan only) as described below.

If you duplicate your voting right by exercising it via postal mail and via the Internet, your vote via the Internet will be treated as valid.

If you exercise your voting right more than once via the Internet, or both through a personal computer and a mobile phone, only your last vote will be treated as valid.

If you exercise your voting right through a mobile phone, please use either i-mode, EZweb, or Yahoo! Keitai service. Please note that, for security reasons, the voting system only supports a model with the encryption (SSL) communication function and capable of sending the mobile phone information.

(Note) i-mode, EZweb, and Yahoo! are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI CORPORATION and Yahoo! Inc. (U.S.A.), respectively.

When using the website for exercising voting rights, connection fees to internet service providers and fees paid to telecommunication service providers (i.e. call charges, etc.), will be borne by shareholders.

<Electronic Voting Platform>

Nominal shareholders such as trust banks (including standing proxies) who apply in advance to use the Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ, Inc., a joint venture established by Tokyo Stock Exchange, Inc., etc. may use the platform to exercise their voting rights, in addition to the exercising of voting rights via the Internet.

For technical inquiries, please contact:

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)

Tel: 0120-173-027 (Business hours: 9:00 a.m. to 9:00 p.m.; toll free, within Japan only)

June 1, 2011

To Our Shareholders:

Yutaka Kase
President & CEO
1-20, Akasaka 6-chome, Minato-ku, Tokyo
Sojitz Corporation

Notice of the 8th Ordinary General Shareholders' Meeting

We would like to express our deepest sympathies to those who are affected by the Great East Japan Earthquake, and sincerely wish the earliest possible recovery of the affected areas.

You are cordially invited to attend the 8th Ordinary General Shareholders' Meeting of Sojitz Corporation to be held as described below. We look forward to greeting as many of our shareholders as possible at the meeting.

Date and Time	<u>10:00 a.m.</u>, Thursday, June 23, 2011
Place	Prominence Ball Room (BF1) at ANA InterContinental Tokyo 12-33, Akasaka 1-chome, Minato-ku, Tokyo (please refer to the Guide Map attached at the end)

If you are unable to attend the meeting in person, please read the attached Reference Documents for the General Shareholders' Meeting, and exercise your voting rights through either of the following methods by no later than 5:30 p.m. on Wednesday, June 22, 2011.

By mail	Please indicate your vote for each proposal on the enclosed Voting Right Exercise Form, and return it by postal mail to arrive by the above deadline.
By Electronic Method (Internet)	Please access the designated website for exercising voting rights (http://www.evotep.jp/) by using the login ID and temporary password indicated on the enclosed Voting Right Exercise Form, and enter your vote for each proposal according to the instructions on the screen. Before exercising your voting right via the Internet, please read the "Exercising Voting Rights by Electronic Method (Internet)" section of Guidance for Exercising Voting Rights described on the first page.

Please note that in case you duplicate your voting right by exercising it via postal mail and via the Internet, your vote via the Internet will be treated as valid.

Purposes of the Meeting

Matters to be reported:	<p>(1) The 8th Fiscal Year (from April 1, 2010 to March 31, 2011) business report, consolidated financial statements, and the audit reports concerning the consolidated financial statements by the accounting auditors and the Board of Corporate Auditors.</p> <p>(2) The 8th Fiscal Year (from April 1, 2010 to March 31, 2011) non-consolidated financial statements</p>
Matters to be resolved:	<p>Proposal No. 1 Dividends from Surplus (Year-End Dividends for the 8th Fiscal Year)</p> <p>Proposal No. 2 Partial Amendments to the Articles of Incorporation</p> <p>Proposal No. 3 Election of Seven (7) Directors</p>

- When you attend in person on the day of the meeting, please present the enclosed Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- If you exercise your voting right by proxy, you must appoint only one proxy who is a shareholder with voting right in the Company, in accordance with the Articles of Incorporation of the Company. In this case, the proxy will be requested to present your letter of proxy, together with your Voting Right Exercise Form at the reception desk upon arrival at the meeting.
- In the event of any revisions to the Reference Documents for the General Shareholders' Meeting, or the business report, consolidated or non-consolidated financial statements, we will publish the amended version on our website at <http://www.sojitz.com/en/ir/stkholder/general/index.html>.
- The Notice of Resolutions at of the 8th Ordinary General Shareholders' Meeting will be published on our website at <http://www.sojitz.com/en /ir/stkholder/general/index.html> after the General Shareholders' Meeting.

Reference Documents for the General Shareholders' Meeting

Proposals and Reference Matters

Proposal No. 1: Dividends from Surplus (Year-End Dividends for the 8th Fiscal Year)

We recognize that the stable, continuous payment of dividends is an important management issue, together with enhancing corporate competitiveness and shareholders' value by increasing retained earnings and using them effectively.

Taking into account matters such as the status of shareholders' equity and a capital demand resulting from investments for growth and other matters, we hereby propose year-end dividends for this fiscal year as follows.

(1) Type of Dividend Property

Cash

(2) The Allocation of Dividend Property to Shareholders, and the Total Amount

1.50 yen per share in common stock of the Company, and 1,876,719,929 yen in total

We paid an interim dividend of 1.50 yen per share on December 2, 2010, and therefore, an annual dividend per share will be 3 yen. 3,753,449,591 yen as the total amount of annual dividends is equal to 23.5% of consolidated net income for the 8th fiscal year.

(3) Effective Date of Dividends from Surplus

June 24, 2011

Proposal No. 2: Partial Amendments to the Articles of Incorporation

We hereby propose to amend the Articles of Incorporation as follows.

1. Reasons for the Amendments

(1) Amendment to the Total Number of Authorized Shares (Proposed Amendment to Article 6)

With an aim to establish a strong earnings foundation that will secure sustained growth, We have been working on its medium-term management plan, Shine 2011, whose final year is the fiscal year ending March 2012. In addition, we are aiming to further accelerate sustained growth in and after the fiscal year ending March 2013. In order to achieve these, not only promotion of new businesses but also implementation of M&As and other timely and appropriate investing and financing activities will be needed.

On the other hand, the total number of outstanding shares of us is currently 1,251,499,501 shares, which is approaching the upper limit of the total number of shares authorized to be issued stipulated in Article 6 of the current Articles of Incorporation, and therefore, methods to secure funding for the above indicated measures are limited. For this reason, we propose to change the total number of shares authorized to be issued stipulated in Article 6 of the Articles of Incorporation from the current 1,349,000,000 shares to 2,500,000,000 shares, which would be in an adequate level to broaden options in funding methods and to implement flexible capital policies. Please note that we do not intend to introduce so-called takeover defense measures by this amendment to Article 6 of the Articles of Incorporation.

(2) Amendment to the Statute of Limitations for Dividend Property (Proposed Amendment to Article 35)

We propose to extend the statute of limitations for dividend property from three (3) years to five (5) years for the convenience of shareholders, and to allow an extension of the period for receiving year-end dividends and interim dividends.

2. Contents of Amendments

The proposed amendments are as follows (underlining indicates amended text).


Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER II. SHARES</p> <p>Article 6. (Total Number of Authorized Shares)</p> <p>The total number of shares authorized to be issued by the Company shall be <u>1,349,000,000</u> shares of common stock.</p>	<p style="text-align: center;">CHAPTER II. SHARES</p> <p>Article 6. (Total Number of Authorized Shares)</p> <p>The total number of shares authorized to be issued by the Company shall be <u>2,500,000,000</u> shares of common stock.</p>
<p style="text-align: center;">CHAPTER VI. ACCOUNTING</p> <p>Article 35. (Statute of Limitations for Dividend Property)</p> <p>1. If the dividend property are not received by a shareholder after <u>three (3)</u> years have elapsed from the date of the commencement of the delivery thereof, the Company shall be relieved of its obligation to make such delivery to said shareholder.</p> <p>2. (Omitted)</p>	<p style="text-align: center;">CHAPTER VI. ACCOUNTING</p> <p>Article 35. (Statute of Limitations for Dividend Property)</p> <p>1. If the dividend property are not received by a shareholder after <u>five (5)</u> years have elapsed from the date of the commencement of the delivery thereof, the Company shall be relieved of its obligation to make such delivery to said shareholder.</p> <p>2. (Unchanged)</p>


Proposal No. 3: Election of Seven (7) Directors

The Board of Directors of the Company consists of seven (7) Directors including two (2) Outside Directors, all of whose tenures terminate as of the conclusion of the General Shareholders' Meeting for the current fiscal year. Accordingly, we hereby ask the election of seven (7) Directors including two (2) Outside Directors.



We recommend the election of the candidates listed below. Prior to the nomination of the candidates, we have received a report from the Nomination Committee, an advisory body of the Board of Directors of the Company, stating that each candidate satisfies the criteria formulated by the Committee for the nomination of directors.

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
1	 Akio Dobashi (January 2, 1949)	April 1972 Joined Nichimen Company, Limited June 1982 The corporate name was changed to Nichimen Corporation July 1995 General Manager, Tokyo Construction Dept. 1 April 1999 Senior General Manager, Construction Unit June 1999 Executive Officer April 2001 Head of Construction Company April 2002 Managing Executive Officer June 2002 Managing Director, Managing Executive Officer April 2003 Representative and Senior Managing Director, Senior Managing Executive Officer, Nissho Iwai - Nichimen Holdings Corporation December 2003 President and Representative Director, CEO, Nichimen Corporation April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Representative Director, President & CEO June 2004 Director (part-time), Nissho Iwai - Nichimen Holdings Corporation July 2004 Director (part-time), Sojitz Holdings Corporation (name changed from Nissho Iwai - Nichimen Holdings Corporation) June 2005 Representative Director, President & CEO October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Representative Director, President & CEO, Sojitz Corporation April 2007 Representative Director and Chairman (current position)	61,834

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
2	 Masaki Hashikawa (January 25, 1949)	<p>April 1971 Joined Sanwa Bank Limited</p> <p>October 1991 Branch Manager, Uchikanda Branch</p> <p>January 1993 Transferred to Daikyo Incorporated</p> <p>November 1994 General Manager, Sales Division 2, Sanwa Bank</p> <p>February 1997 General Manager, Retail Dept.</p> <p>April 1998 General Manager, Planning Dept.</p> <p>June 1998 Director</p> <p>June 1999 Executive Officer</p> <p>March 2001 Managing Executive Officer</p> <p>January 2002 The corporate name was changed to UFJ Bank Limited due to the merger of Sanwa Bank Limited and Tokai Bank, Limited</p> <p>May 2002 Senior Managing Executive Officer, Branch Manager of Osaka Chuo Branch</p> <p>July 2002 Senior Managing Executive Officer</p> <p>April 2003 Director, Executive Vice President, Nissho Iwai - Nichimen Holdings Corporation</p> <p>June 2003 Executive Vice President, Nissho Iwai Corporation</p> <p>April 2004 The corporate name was changed to Sojitz Corporation due to the merger between Nichimen Corporation and Nissho Iwai Corporation Representative Director, Chairman, Sojitz Corporation</p> <p>July 2004 Director, Executive Vice President, Sojitz Holdings Corporation (name changed from Nissho Iwai - Nichimen Holdings Corporation)</p> <p>October 2004 Director, Executive Vice President, Sojitz Corporation</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Representative Director, Executive Vice President</p> <p>April 2008 Representative Director and Vice Chairman (current position)</p>	76,900

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
3	 Yutaka Kase (February 19, 1947)	<p>May 1970 Joined Nissho Iwai Corporation</p> <p>November 1992 President, General Manager, Auckland Branch, Nissho Iwai New Zealand</p> <p>April 1995 General Manager, Wood Products Dept., Nissho Iwai Corporation</p> <p>June 1997 General Manager, Portland Branch, Nissho Iwai American Corporation</p> <p>January 1999 Group Executive, Consumer Life & Resources Business Group</p> <p>June 2001 Executive Officer, Nissho Iwai Corporation Executive Vice President, Nissho Iwai American Corporation</p> <p>October 2001 Senior Vice President, Chemicals, Forest Products & General Merchandise Company, Nissho Iwai Corporation</p> <p>April 2002 President, Chemicals & Forest Products Company</p> <p>April 2003 Director, Managing Executive Officer</p> <p>April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Representative Director, Senior Managing Executive Officer</p> <p>August 2004 Representative Director, Executive Vice President</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Representative Director, Executive Vice President</p> <p>April 2007 Representative Director, President & CEO (current position)</p>	109,700

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
4	 Yoji Sato (July 14, 1949)	<p>April 1973 Joined Nissho Iwai Corporation</p> <p>January 1999 General Manager, Finance and Management, Accounting and Related Business Administration, Nissho Iwai American Corporation</p> <p>January 2003 Planning Unit Leader, Nissho Iwai Corporation</p> <p>April 2003 Executive Officer</p> <p>April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Managing Executive Officer</p> <p>April 2005 Director, Managing Executive Officer, CFO</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Director, Managing Executive Officer, CFO</p> <p>April 2006 Director, Senior Managing Executive Officer, CFO</p> <p>April 2008 Representative Director and Executive Vice President Corporate Management, CFO (current position)</p>	87,400
5	 Kazunori Teraoka (July 21, 1947)	<p>November 1970 Joined Nissho Iwai Corporation</p> <p>April 1994 General Manager, Marine Engineering Dept.</p> <p>October 1997 Deputy Senior General Manager, Vessels & Vehicles Division</p> <p>December 1997 Adviser to President & CEO for Europe, Africa & the Middle East, General Manager, London Branch</p> <p>April 2001 Senior Vice President, Machinery Company</p> <p>June 2001 Executive Officer</p> <p>April 2003 President, Machinery Company</p> <p>April 2004 The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Managing Executive Officer</p> <p>October 2005 The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Managing Executive Officer</p> <p>April 2006 Senior Managing Executive Officer</p> <p>April 2009 Executive Vice President, Supervising Business Divisions</p> <p>June 2009 Representative Director and Executive Vice President Business Group (current position)</p>	53,100

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company, and Significant Concurrent Occupations or Positions at Other Organizations	Number of Shares of Common Stock of the Company Owned
6	 Yoshikazu Sashida (February 13, 1940)	April 1963 Joined Nisshin Spinning Co., Ltd. June 1993 Deputy General Manager of Human Resources Division June 1994 Director General Manager of Human Resources Division June 1999 Executive Director General Manager of Human Resources Division General Manager of Business Planning Office June 2000 Representative Director, President June 2006 Director, Chairman April 2009 Director, Chairman, Nisshinbo Holdings Inc. June 2009 Advisor (Current Position) Director, Sojitz Corporation (current position) [Status of important concurrent occupations or positions at other organizations] Advisor, Nisshinbo Holdings Inc. Outside Director, NSK Ltd.	0
7	 Toru Nagashima (January 2, 1943)	April 1965 Joined Teijin Limited April 1999 General Manager of Functional Fibers Business Group June 1999 Corporate Officer April 2000 CESH (Chief Environment, Safety and Health Officer), General Manager of Functional Fibers Business Group June 2000 Director, Member of the Board April 2001 CMO (Chief Marketing Officer), General Manager of Corporate Strategy & Planning Office June 2001 Managing Director, Member of the Board November 2001 President & COO June 2002 President & CEO June 2008 Chairman of the Board (current position) June 2009 Director, Sojitz Corporation (current position) [Status of important concurrent occupations or positions at other organizations] Chairman of the Board, Teijin Limited	0

- (Notes) 1. Mr. Yoshikazu Sashida is a candidate for the office of Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The candidate currently holds the position of an Outside Director of the Company and will have held the said position for the duration of two years at the conclusion of the General Shareholders' Meeting for the current fiscal year. The candidate has been providing appropriate and significant counsel from an external independent viewpoint concerning the operations of the Company. We propose the election of the candidate as Outside Director at the General Shareholders' Meeting predicated on our judgment that the candidate will continue to provide appropriate counsel based on his deep insight and wide-ranging knowledge of corporate management acquired throughout his career in key positions including as Representative Director, President of Nisshin Spinning Co., Ltd. Notably, the Company has entered into a limited liability agreement with the candidate, limiting his liability to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If the candidate is elected, it is planned to continue the limited liability agreement referred to above.
2. Mr. Toru Nagashima is a candidate for the office of Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The candidate currently holds the position of an Outside Director of the Company and will have held the said position for the duration of two years at the conclusion of the General Shareholders' Meeting for the current fiscal year. The candidate has been providing appropriate and significant counsel from an external independent

viewpoint concerning the operations of the Company. We propose the election of the candidate as Outside Director at the General Shareholders' Meeting predicated on our judgment that the candidate will continue to provide appropriate counsel based on his deep insight and wide-ranging knowledge of corporate management acquired throughout his career in key positions including as President & CEO of Teijin Limited. Notably, the Company has entered into a limited liability agreement with the candidate, limiting his liability to the higher of 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If the candidate is elected, it is planned to continue the limited liability agreement referred to above.

(Attachment to the Notice of the 8th Ordinary General Shareholders' Meeting)

Business Report

(From April 1, 2010 to March 31, 2011)

1. Current Circumstances of the Sojitz Group

(1) Review of Progress and Performance in Operations

The global economy in the fiscal year under review (FY2010) started with a slow-paced recovery supported by fiscal and monetary policy measures implemented by governments around the world. While economies in Europe and the U.S. have been taking time to recover, Asian economies have been showing overall steady growth centered on China and India. Although the U.S. economy has been able to escape negative growth, about which there have been concerns since last year, and remained on a recovery path thanks to rebounding corporate profits and consumer spending coming back, high unemployment continued. In Europe, a moderate economic recovery took hold centered on Germany, but political instability broke out at the end of FY2010 due to events that included a change of government in Ireland and the resignation of Portugal's prime minister, raising concerns that EU credit uneasiness could resurge.

The Japanese economy, which contracted in the Oct-Dec 2010 quarter for the first time in five quarters, was initially expected to resume positive growth after the Jan-Mar 2011 quarter, marking an exit under way from a period of stagnation.

However, amidst concerns over the effects feared from the Great East Japan Earthquake of March 11, the prospects for economic recovery have been cast into uncertainty by factors such as nuclear power plants and electric power supply.

In addition, the global economy is faced with risks from instability in the Middle East and Africa spreading from Tunisia to Egypt and Libya, as well as risks from rising crude oil prices, while in emerging countries centered on Asian countries continuing monetary tightening requires attention. As a result of these factors, there is variation in the speed of economic recovery and growth according to the region and country.

Sojitz Group Performance

In FY2010, the Sojitz Group (the "Group") performed as outlined below.

Net sales In FY2010, consolidated net sales totaled ¥4,014,639 million, up 4.4% year on year. By transaction type, export transactions gained 2.6% year on year, owing mainly to an increase in chemicals and plastics-related transactions. Import sales fell 1.3%, mainly reflecting lower aircraft-related transactions. Domestic sales rose 4.0%, mainly due to an increase in transactions related to energy and metals. Offshore sales rose 14.0%, primarily due to growth in chemicals and plastics-related transactions and automotive-related transactions.

By business segment, sales declined 2.9% year on year in the Machinery Division and 28.9% in Other Businesses, but rose 15.9% in the Energy & Metal Division, 11.8% in the Chemicals & Functional Materials Division, and 1.0% in the Consumer Lifestyle Business Division.

Gross profit Gross profit increased ¥14,522 million year on year to ¥192,725 million, mainly due to improved earnings at overseas fertilizer business related to the Consumer Lifestyle Business and higher profits in the Energy & Metal, mainly from increased sales of coal. Contributions came also from higher profits in the

Chemicals & Functional Materials, mainly due to higher sales spurred by recovered demand in China and elsewhere in Asia, in addition to higher methanol prices.

Operating income	Operating income increased ¥21,391 million year on year to ¥37,519 million due to higher gross profit and lower selling, general and administrative expenses.
Ordinary income	Ordinary income increased ¥31,614 million year on year to ¥45,316 million. In addition to higher operating income, equity in earnings of affiliates increased mainly from a bioethanol manufacturing company and a steel business company.
Extraordinary income and losses	<p>The Group recorded extraordinary income totaling ¥19,078 million, which included ¥10,307 million in gain on step acquisitions and ¥4,870 million in gain on sales of noncurrent assets. While the Group recorded extraordinary loss totaling ¥25,082 million, which included ¥9,687 million in impairment loss on noncurrent assets, ¥5,097 million in restructuring losses, and ¥4,855 million in loss, and provision for loss, on dissolution of subsidiaries and affiliates. As a result, the Group recorded extraordinary loss of ¥6,004 million.</p>
Net income	Income before income taxes and minority interests totaled ¥39,312 million. After deduction of ¥11,400 million in income taxes-current and ¥9,103 million in income taxes-deferred, income before minority interests was ¥18,808 million. After deduction of ¥2,826 million of minority interests in income, net income totaled ¥15,981 million, up ¥7,187 million year on year.

An overview of operating performance by business segment is as follows.

Effective from FY2010, logistics and services operations related to airlines and airport retail, previously categorized in *Other Businesses*, is reclassified in *Consumer Lifestyle Business Division*.

Machinery Division

Net sales declined 2.9% year on year to ¥965,412 million as automotive-related transactions rose, including shipments to Europe, but aircraft-related transactions decreased. In addition, while a performance in the Central and South American automotive company was weak, net income increased ¥2,420 million year on year to ¥3,391 million due to a decrease in selling, general and administrative expenses, an increase in equity in earnings of affiliates and other reasons.

Energy & Metal Division

Net sales increased 15.9% year on year to ¥1,013,981 million owing to higher prices and increased trading volumes mainly of ferroalloys and precious metals and higher trading volumes of coal. In addition, equity in earnings of affiliates increased mainly from a bioethanol manufacturing company and a steel business company. Moreover, a gain on step acquisitions was posted from further acquisitions of equity in a mining interests holding company. As a result, net income increased ¥2,940 million year on year to ¥26,462 million.

Chemicals & Functional Materials Division

Net sales increased 11.8% year on year to ¥612,510 million mainly from

increased trading volumes due to the demand recovery in China and elsewhere in Asia as well as higher methanol prices. Net income increased ¥1,458 million year on year to ¥2,711 million.

Consumer Lifestyle Business Division

Net sales increased 1.0% year on year to ¥1,378,000 million due to increased tobacco and timber transactions. Moreover, net income improved ¥4,315 million year on year to ¥1,089 million mainly from improved earnings at overseas fertilizer business.

Other Businesses

Net sales declined 28.9% year on year to ¥44,734 million. Although restructuring losses were posted due to a review of assets held, net loss narrowed by ¥3,648 million year on year to ¥5,458 million due to the valuation loss recognized in FY2009 related to preferred shares in Japan Airlines Co., Ltd.

Overview of Business Conditions by Business Segment

An overview of business conditions by business segment is as follows.

Machinery Division

In the automotive field, thanks to the recovery in the Russia and NIS region, one of our key markets, our inventories returned to optimized levels, leading to improved performance in FY2010. Operating results are seen to stage a full recovery from FY2011. The Company also expects a sustained favorable performance in Southeast Asian markets, where demand is expected to be robust. Moreover, while working on stabilizing the manufacturing framework of assembly, manufacturing and sale businesses in Venezuela, operations will be strengthened in the strongly growing Latin American market.

In the plants and infrastructure field, where we received three orders for large-scale IPP businesses from Saudi Arabia and Oman in FY2010, steady efforts will be made to build stable earnings foundation for medium- and long-term. Moreover, we will work to increase our equity in electric power generation capacity, taking into consideration environmental aspects, mainly through participating in solar power generation business in Germany. We have been steadily increasing our orders on hand also in the plant business, such as fertilizer plants and electric power plants, a special strength of the Group, centered on emerging countries and countries with natural resource. Specific orders were received for a large-scale fertilizer plant from Republic of Tatarstan (Russia) and an order for a co-generation project in Far East Russia.

In the industrial systems and bearings business, performance has been solid, supported by firm economic conditions in the emerging countries, such as China which is the core market.

In the IT business, by coordinating and cooperating with subsidiaries and affiliates, we have been working on building an ICT business value chain capable of providing integrated services from system development and IT equipment sales and installation, through maintenance and operation. Moreover, aimed at strengthening data center operations, which are indispensable for IT outsourcing,

we completed the tender offer for SAKURA Internet Inc., and further deepened this strategic partnership relation by making the entity a subsidiary. We will also expand into Asian markets, which have growth potential, with an aim to develop an IT services business capable of covering the entire Asian market.

In the marine field, although cargo movements have plummeted due to the flooding in Australia since the end of last year and other reasons, overall shipping demand has remained buoyant and contributed to stable earnings. Efforts will be made to grow source of earnings also in environmental applications such as through sales of treatment equipment needed for the compliance with regulations for ships' ballast water discharge.

In the commercial aircraft business, we delivered a total of 27 aircraft including B737 and B777 to Japanese airlines in FY2010 as the import and sales consultant for The Boeing Company in the U.S. Moreover, as sales agent for commuter planes of Canada's Bombardier Inc., we delivered to the private sector and the Japan Coast Guard a total of five aircraft.



Rendering of Riyadh PP11 in Saudi Arabia



A next-generation blade server handled by Nissho Electronics, one of our subsidiaries



Ballast water treatment equipment for ships

Energy & Metal Division

In the oil and gas upstream businesses, crude oil production got under way in the Phoenix Oil Field in the U.S. waters of the Gulf of Mexico in October 2010, while tight sand gas development proceeded in the U.S. in Texas, marking the production start from interests acquired to date, while increased equity in production is expected from additional drilling and the development of upstream interests following capital participations. In this way, with crude oil prices at high levels, we will help to cover the world's energy demand.

In the coal and non-ferrous metals fields, we position securing of resources by owning upstream interests and trading as twin pillars for growth and strive to reinforce our business platform. Specifically, we have promoted this strategy through, for example, the acquisition of copper interests in Canada, the expansion of alumina refining business in Australia (Worsley Alumina joint venture) and coal development. In the coal business, in December 2010, we acquired an additional 51% in the Minerva coal mine in Australia, bringing our interest in the mine to 96%, and making us the only general trading company with own coal mine management and operations. Also in December 2010, we decided to increase our investment in the Vermont coal mine in Australia, which is our coking coal interest, and we expect to increase our equity in the production of not only thermal coal for power plant but also coking coal for steel production. Amidst robust market conditions for coal and non-ferrous metals, the increased equity in production is seen to contribute to higher earnings beginning in FY2011 and will also add to the stable supply of resources.

In the steel products and ferrous materials fields, along with expanding molybdenum mining in Canada, we acquired shares in Companhia Brasileira de Metalurgia e Mineracao (CBMM), which owns niobium interests in Brazil, in April 2011, through an SPC capitalized in March 2011. Niobium is a rare metal indispensable for the production of high-grade steel. CBMM holds the world's top share in niobium production. This acquisition has further strengthened a framework for the stable supply of this metal for us. Moreover, by promoting iron ore sales and iron ore mine development, we are working on creating an earnings foundation from our iron ore interests as well as establishing a framework for our iron ore supply. In addition, strengthening the cooperation with our affiliate Metal One Corporation with a view to selling steel products in Japan and overseas will create a robust business platform that integrates the whole process from ferrous materials to sales of the final steel products.

In the new energy and environmental business, business growth has been steady at the bioethanol production company ETH Bioenergia S.A. in Brazil (with operations integrating the range from sugar cane cultivation to bioethanol and sugar production and energy generation from biomass). With seven plants in operation and two more currently under construction, the company's operating capacity of nine plants at the end of 2011 is expected to make it the largest in sugar cane-derived bioethanol production in Brazil. Furthermore, in solar power-related business, we have the largest share of imports into Japan of high-purity silicon metal, a main raw material of solar panels, among trading

companies. Making use of this strength, we will also engage in the supply of raw materials in this field.



Lake Vermont Coal Mine in Australia



CBMM's Araxa plant in Brazil



ETH Bioenergia S.A.'s Alto Taquari Plant

Chemicals & Functional Materials Division

Our business model in the chemicals and functional materials businesses is focused on distribution. By identifying the strategic products such as industrial salt, rare earths and methanol and investing in upstream businesses, we aim to build a distribution value chain extending from the supply of raw materials to sales to increase profitability. Given that all these products are basic raw materials, they offer good future growth prospects as the global economy develops.

In the chemicals field, FY2010 saw sustained increased trading volumes due to a recovery in demand centered on China and elsewhere in Asia. This trend is expected to continue in FY2011. In addition, in November 2010, we entered into a basic agreement for a strategic alliance with Lynas Corporation Limited of Australia related to a project for the increased supply of rare earths, which connected to an agreement in March 2011 to acquire a 0.73% stake in Lynas

together with Japan Oil, Gas and Metals National Corporation. Securing stable supply of rare earths has been an issue, and based on this acquisition, by concluding an exclusive sales agreement and an agreement for long-term supply for the Japanese market, we have now put into place a framework for steady supply to the Japanese market over the long-term. Furthermore, in February 2011, we decided to make a capital participation in a marine chemical project in India for the production of potassium sulfate fertilizer and industrial salt. Through efforts like these, we work to secure supply sources for strategic future growth products and strengthen our distribution value chain.

In the field of functional materials, resin-related transactions in FY2010 progressed steadily as a result of recovery in demand centered on China and elsewhere in Asia. This trend is expected to continue in FY2011. In Japan, our wholly owned subsidiary Sojitz Cosmetics Corporation, engaged in the development of own-brand cosmetics products, in April 2010 launched its natural-type cosmetics “NATURECIA” product line that uses 100% natural water, and in February 2011 came to market with “AMIJOUE,” an anti-aging care cosmetics product based on an amino-acid combination. The company will continue to pursue innovative attractive brand development.



Rare Earths Concentration Plant in Australia



Site of the marine chemical project in India



Anti-aging care cosmetics, “AMIJOUE”

Consumer Lifestyle Business Division

In the food resources field, fertilizer business in Thailand, Vietnam and the Philippines performed well, which contributed to the earnings of this business segment for FY2010. From the perspective of securing food resources, we established a wholly owned agricultural production company in Argentina as an agribusiness operation and initiated agricultural production mainly of soy. This is the first agricultural business incorporated overseas by a Japanese general trading company. We plan to increase cropland in South America and, using the expertise gained in the agricultural business, expand operations in emerging countries mainly in Asia and Africa. In the marine products field, our wholly owned subsidiary Sojitz Tuna Farm Takashima Co., Ltd., located in Takashima, Nagasaki Prefecture, engages in tuna farming business, with blue-fin tuna shipments incepted in December 2010. Overseas, at the Group affiliate Interflour Vietnam Ltd., specialized port facilities for grains with a stevedoring capacity of approximately 3 million tons annually were completed. Including grain warehousing and silo facilities, the port is the largest-scale specialized port for grains in the ASEAN region. With more milling lines to be added, the company will double its flour milling capacity by the end of FY2011, likely making its production capacity the largest in Vietnam.

In the forestry resources field, Sojitz and Sojitz Building Materials Corporation, both holders of CoC (Chain of Custody) certification attesting to the appropriate handling of certified forestry products, plan to strengthen business operation by securing forestry resources that put an emphasis on protecting the natural environment, such as plantation wood and certified forestry products. In the afforestation and woodchips business, our most important production base is Vietnam, where we have a strong foothold. The supply volume is slated to be doubled, mainly by increasing factory capacity. In 2010, a woodchips processing and export company was established also in Mozambique, Africa. We plan to expand our woodchips business in the future, not only in relation to demand in Japan but also the rising demand for paper in China. Sales will be increased also to European markets, where biomass demand is expected to rise.

In the real estate development field, in Japan we have focused on sales of existing condominiums, and in overseas activities mainly seek to participate in the development of industrial parks in emerging countries specifically in Vietnam.

In the textile business, the American-style casual apparel brand McGREGOR, which looks back on a 90-year history, saw the launch of a new brand, "McGREGOR CLASSIC" in June 2010. In addition to the regular handling through department stores, store openings will focus on urban-type shopping malls in the Tokyo metropolitan area. In the general commodities and retail field, plans are calling for import sales of foreign-brand products such as shoes and suitcases, while strategies for shifting overseas will focus on retail business initiatives in the consumer markets of emerging countries with their strong growth rates.



Interflour Vietnam's specialized port facilities for grains



Plantation in the Solomon Islands with International Forest Certification



The "McGREGOR CLASSIC" brand handled by Sojitz

Net Sales by Transaction Type

(Millions of yen)

	FY2010 (Apr. 2010 to Mar. 2011)		FY2009 (Apr. 2009 to Mar. 2010)		Year-on-year	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Change	Rate of change (%)
Export	457,840	11.4	446,073	11.6	11,767	2.6
Import	960,382	23.9	972,775	25.3	(12,393)	(1.3)
Domestic	1,757,144	43.8	1,689,558	44.0	67,586	4.0
Offshore	839,272	20.9	736,011	19.1	103,261	14.0
Total	4,014,639	100.0	3,844,418	100.0	170,221	4.4

Net Sales by Business Segment

(Millions of yen)

	FY2010 (Apr. 2010 to Mar. 2011)		FY2009 (Apr. 2009 to Mar. 2010)		Year-on-year	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Change	Rate of change (%)
Machinery	965,412	24.0	994,498	25.9	(29,086)	(2.9)
Energy & Metal	1,013,981	25.3	874,543	22.7	139,438	15.9
Chemicals & Functional Materials	612,510	15.3	547,790	14.2	64,720	11.8
Consumer Lifestyle Business	1,378,000	34.3	1,364,672	35.5	13,328	1.0
Other	44,734	1.1	62,912	1.7	(18,178)	(28.9)
Total	4,014,639	100.0	3,844,418	100.0	170,221	4.4

- (Notes)
1. Fractions less than one million yen are rounded down.
 2. For further information on the major products and services of each business segment, please refer to “(5) Major Business Segments of the Sojitz Group.”
 3. Change of business segment:
Effective from FY2010, logistics and services operations related to airlines and airport retail, previously categorized in *Other Businesses*, is reclassified in *Consumer Lifestyle Business Division* due to reorganization aiming at synergy effects mainly with the general commodities and retail field.
Figures of net sales for FY2009 reflect the segment division after the change.

(2) Funding

Funding

As before, the fundamental policy of the Sojitz Group's financial strategy which is laid out in the medium-term management plan, Shine 2011, is to maintain and improve the stability of the funding structure. As a specific measure, the Group continues to smoothly replace short-term with long-term funds, thereby creating a stable funding structure. At the same time, by securing sufficient liquidity on hand to be prepared for changes in the economic and financial environments, the Group works to maintain a stable financial base. As a result, the Group recorded a current ratio and a long-term debt ratio of 142% and 72%, respectively, as of the end of FY2010.

With regard to straight-bond issuance, another alternative for raising long-term funds, the Group issued ¥10 billion in May 2010 and another ¥10 billion in October 2010, for a total of ¥20 billion. We will continue to monitor interest and market trends and will consider further issuance when the timing and issuance cost are appropriate.

In order to secure sufficient liquidity to be prepared for unforeseen circumstances, the Group has signed a US\$300 million multi-currency commitment line agreement in addition to a previously existing ¥100 billion commitment line agreement, in order to take further supplemental measures to ensure its foreign-denominated liquidity.

(3) Assets, Profits and Losses

(a) The Group's Assets, Profits and Losses

The Group's assets, profits and losses in FY2010 and over the past three fiscal years are as outlined below.

(Millions of yen, otherwise specified)

Item \ FY	FY2007 5th Fiscal Year	FY2008 6th Fiscal Year	FY2009 7th Fiscal Year	FY2010 8th Fiscal Year (fiscal year under review)
Net sales	5,771,028	5,166,182	3,844,418	4,014,639
Ordinary income	101,480	33,636	13,702	45,316
Net income	62,693	19,001	8,794	15,981
Net income per share (yen)	51.98	15.39	7.08	12.77
Total assets	2,669,352	2,312,958	2,160,918	2,116,960
Net assets	520,327	355,503	377,404	355,510
Net assets per share (yen)	383.46	256.17	281.69	263.79
Consolidated subsidiaries	360	354	329	320
Affiliates accounted for by equity method	209	184	161	155

(Note) Fractions less than one million yen are rounded down.

(b) The Company's Assets, Profits and Losses

The Company's assets, profits and losses in FY2010 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, otherwise specified)

Item \ FY	FY2007 5th Fiscal Year	FY2008 6th Fiscal Year	FY2009 7th Fiscal Year	FY2010 8th Fiscal Year (fiscal year under review)
Net sales	3,480,490	3,217,313	2,389,381	2,466,861
Ordinary income	33,980	16,761	11,407	33,702
Net income	31,523	22,008	7,469	1,498
Net income per share (yen)	26.13	17.82	6.01	1.20
Total assets	1,925,999	1,790,594	1,699,043	1,660,993
Net assets	416,911	388,988	395,769	393,720
Net assets per share (yen)	335.52	312.91	316.32	314.69

(Note) Fractions less than one million yen are rounded down.

(4) Business Outlook and Issues to Be Addressed

To realize sustained growth, under our medium-term management plan, Shine 2011, we are aiming to strengthen our earnings foundation to make it more resilient to risks through business restructuring and improve the quality by accumulating high-quality business and assets, while optimizing the asset portfolio. Our future key performance targets are consolidated ROA of 3% and consolidated ROE of 15%.

We continue to place priority on remaining financially sound and improving the stability of our funding structure. Its basic policy is to maintain the financial ratios in the table below.

	Targets	March 31, 2011
Long-term debt ratio	Approximately 70%	72%
Current ratio	120% or higher	142%
Net DER*	Approximately 2.0 times	2.1 times

*The figure for equity used as the denominator in the net DER calculation excludes minority interests.

We aim to limit risk assets to no more than 1.0 times the Group's shareholders' equity and on an ongoing basis consider and implement measures that include the withdrawal from low-profitable businesses, inventory optimization and reduction of holdings of listed stock. Furthermore, we will continue to use measures such as asset reallocation to hold down borrowings and maintain net DER at around 2.0 times as part of efforts to further strengthen the Group's financial structure.

Shine 2011 includes the following four themes, and we will put particular emphasis on continuing to strengthen the existing businesses, expanding resource business, and enhance initiatives in new businesses such as new energy and environmental business and agribusiness.

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

In the FY2010, the second year of Shine 2011, we worked to reinforce earnings foundation at businesses with recoveries lagging and to accumulate high-quality business and assets. These efforts produced results that include recovered earnings at our fertilizer business and the completion of inventory optimization at automotive business.

In the resources field, in parallel with asset replacements, we continued to secure resources by accumulating existing interests and acquiring new ones.

In other areas, in order to build stable earnings foundation for medium- and long-term, we worked on business initiatives with the focus on the new energy and environmental businesses. Specifically, we emphasized efforts to participate in solar power-related business, initiatives in the rare earth business where supply risks have become prominent, participation in environment and infrastructure projects in China and IPP businesses in the Middle East. As a new business field, we promoted agribusiness

initiatives with the inception of agricultural business in Argentina.

In FY2011, the final year of Shine 2011, in order to establish robust earnings foundation that ensures sustained growth, we will accumulate high-quality business and assets and work to enhance earnings of existing businesses. Moreover, with a view to future growth, we will take proactive steps to enter new business fields. In terms of new investments and loans, our basic approach is to replace existing holdings but we will also carefully select and conduct investments and loans which raise the quality of assets in fields with good prospects for stable earnings or growth.

The Great East Japan Earthquake has caused great damage to the affected areas and has had an immense impact on the Japanese economy, leaving the outlook for corporate business environments uncertain.

In these circumstances, despite our efforts to minimize the disaster's impact on earnings, certain effects will likely prove unavoidable. Consolidated earnings targets for FY2011 released by the Group previous fiscal year have therefore been revised as follows.

	Revised targets	Targets released previous fiscal year
Net sales	¥4,380 billion	¥4,820 billion
Gross profit	¥214 billion	¥242 billion
Ordinary income	¥46 billion	¥56 billion
Net income	¥16 billion	¥25 billion

We will consider and implement rehabilitation support activities through helping restore the supply of daily necessities and the infrastructure of the stricken areas, establishing an education fund and aiding for and cooperating with our customers and suppliers.

(5) Major Business Segments of the Sojitz Group

Sojitz Group is a general trading company engaged in widely diversified business activities, including domestic and global trading of commodities, as well as manufacturing, selling, and providing services of a broad range of products in Japan and abroad. It also involves other areas of services such as project planning and coordination, investments and financing in various business sectors.

The Group consists of 505 companies which carry out above business activities, including 344 subsidiaries and 161 affiliates (of which, 475 are consolidated companies).

The following table shows a summary of each business segment of the Group, briefly explaining their major products, services, subsidiaries and affiliates.

(As of March 31, 2011)

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Machinery	Automobiles and automotive components; automobile manufacturing facilities and equipment; construction equipment; ships; rolling stock; aircraft and aerospace-related equipment; telecommunication infrastructure equipment; equipment for electronic industry; general plant equipment for steel manufacturing, cement, chemical and other industries; power generation; power-related equipment and facilities (generation, transformation and distribution facilities); infrastructure business; bearings; industrial power generator; various type of industrial machinery; metal processing machinery and related equipment; IT-related business; data processing; computer software development; etc.	<ul style="list-style-type: none"> • Sojitz Machinery Corporation (import/export and sales of general industrial machinery; subsidiary) • Sojitz Aerospace Corporation (import/export and sales of aerospace- and defense-related equipment; subsidiary) • Sojitz Marine & Engineering Corporation (sales, purchase and charter brokerage of ships; import/export and domestic sales of marine-related equipment and materials; subsidiary) • Nissho Electronics Corporation (IT systems and network services; subsidiary) • SAKURA Internet Inc. (Internet data center operator; subsidiary) (*1, 2) • MMC Automotriz, S.A. (sales and assembly of automobiles; subsidiary) • Subaru Motor LLC (import and exclusive distribution of Subaru automobiles in Russia; subsidiary) • TechMatrix Corporation (IT systems consulting; affiliate) (*1) • Densan Co., Ltd. (data information processing, communication services; software development and system provision services; affiliate) (*1) • NextGen, Inc. (network services; affiliate) (*1, 3) <p style="text-align: right; margin-right: 20px;">105 subsidiaries (25 domestic, 80 overseas) 51 affiliates (11 domestic, 40 overseas)</p>

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Energy & Metal	Oil and gas; petroleum products; coke; carbon products; nuclear fuel; nuclear power-related equipment and machinery; coal; iron ore; ferroalloys (nickel, molybdenum, vanadium and other rare metals) and ore; alumina; aluminum; copper; zinc; tin; precious metals; ceramic and minerals; machinery and equipment for offshore oil production; infrastructure business; energy and chemical-related projects; LNG-related business; steel-related business; renewable-energy-related business; environmental business; etc.	<ul style="list-style-type: none"> • Sojitz Energy Corporation (sales of petroleum products; subsidiary) • Sojitz Ject Corporation (trading of coke, carbon products and various minerals; subsidiary) • Tokyo Yuso Co., Ltd. (storage, warehousing and transportation of petrochemical products; subsidiary) • Sojitz Coal Resources Pty. Ltd. (investments in coal mines; subsidiary) • Sojitz Moly Resources, Inc. (investments in molybdenum mine; subsidiary) • Sojitz Energy Venture Inc. (oil and gas development; subsidiary) • Metal One Corporation (import/export and domestic and offshore sales of steel-related products; affiliate) • LNG Japan Corporation (LNG business and related investments; affiliate) • Coral Bay Nickel Corporation (manufacturing and sales of nickel and cobalt mixed sulfide; affiliate) • Japan Alumina Associates (Australia) Pty. Ltd. (alumina production; affiliate) • ETH Investimentos S.A. (bioethanol and sugar manufacturing ; affiliate) <p style="text-align: right;">43 subsidiaries (10 domestic, 33 overseas) 21 affiliates (7 domestic, 14 overseas)</p>
Chemicals & Functional Materials	Organic chemicals; inorganic chemicals; specialty chemicals; fine chemicals; industrial salt; cosmetics; foodstuff additives; rare earths; general-purpose resins; raw materials for plastics such as engineering plastics; films and sheets for industrial, packaging and foodstuff; plastic molding machinery; other plastics products; electronic materials such as liquid crystal and electrolytic copper foil; fiber material for industrial supplies and related products; etc.	<ul style="list-style-type: none"> • Sojitz Pla-Net Holdings, Inc. (holding company for plastic business; subsidiary) • Sojitz Pla-Net Corporation (trading and sales of plastic raw materials and products; subsidiary) • Pla Matels Corporation (trading and sales of plastic raw materials and products; subsidiary) (*1) • Sojitz Cosmetics Corporation (development, product planning and sales of cosmetics; subsidiary) • P.T. Kaltim Methanol Industri (manufacturing and sales of methanol; subsidiary) • P.T. Moriuchi Indonesia (manufacture of industrial fabrics; affiliate) <p style="text-align: right;">31 subsidiaries (14 domestic, 17 overseas) 29 affiliates (10 domestic, 19 overseas)</p>

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Consumer Lifestyle Business	Grain; wheat flour; oils and fats; oilcake and material for feed; stock farm products and marine products; processed foodstuffs from stock farm products and marine products; fruit and vegetables; frozen vegetables; frozen food; sweets; ingredients for sweets; coffee beans; sugar; other foodstuff and ingredients; chemical fertilizers; cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw material for textiles; clothing; interior accessory; bedclothes, bedding and home fashion-related products; nursery items; general merchandise; planning, construction and sale of condominiums; development and sales of housing sites; building-related business; construction contracting; sales, purchase, lease, brokerage, and management of real estate; development of retail property; construction materials; imported timber; timber products such as lumber, plywood and laminated lumber; building materials; afforestation and woodchip business; etc.	<ul style="list-style-type: none"> • Sojitz Building Materials Corporation (sales of construction materials; subsidiary) • Sojitz Foods Corporation (sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff; subsidiary) • Daiichibo Co., Ltd. (manufacturing and sales of textiles; storage and distribution; shopping center management; subsidiary) • Sojitz Infinity Inc. (planning, manufacturing and sales of men's, women's and children's clothing; subsidiary) • Sojitz General Merchandise Corporation (import/export and sales of general merchandise; subsidiary) • Sojitz General Property Management Corporation (management of building, condominium, retail property and other real estate; subsidiary) • Sojitz Fashion Co., Ltd. (cotton and synthetic fabrics printing; planning, processing and wholesaling of plain and yarn-dyed textiles; subsidiary) • Singapore Co., Ltd. (planning, manufacturing and sales of clothing; subsidiary) • Sojitz Commerce Development Corporation (development, construction, operation and lease of retail property; subsidiary) • Sojitz Yoshimoto Ringyo Co., Ltd. (sales of lumber, plywood, etc.; subsidiary) • Sojitz Realnet Corporation (sales, purchase and leasing brokerage of real estate; subsidiary) • Thai Central Chemical Public Co., Ltd. (manufacturing and sales of fertilizers; sales of imported fertilizers; subsidiary) • Vietnam Japan Chip Vung Ang Corporation (manufacturing and sales of woodchips; afforestation; subsidiary) • Sojitz Now Apparel Ltd. (production management and sales of secondary textiles; subsidiary) • JALUX Inc. (logistics and services operations related to airlines and airport retail, lifestyle and customer service sectors; affiliate) (*1) • Fuji Nihon Seito Corporation (manufacturing, refining, processing and sales of sugar; affiliate) (*1) • Yamazaki-Nabisco Co., Ltd. (manufacturing of sweets; affiliate) • Nissho Iwai Paper & Pulp Corporation (sales of paper boards, paper, industrial paper, papermaking raw materials and wrapping materials; affiliate) • Tachikawa Forest Products (N.Z.) Ltd. (sawmilling and sales of lumber products; affiliate) <p style="text-align: right;">57 subsidiaries (25 domestic, 32 overseas) 32 affiliates (11 domestic, 21 overseas)</p>

Segment	Major products/services	Major subsidiaries and affiliates (Main business; Status within consolidated group)
Other	Administration; domestic regional company; logistic and insurance agency services; venture capital; aircraft operating leasing; investment in real estate and other; real estate leasing; etc.	<ul style="list-style-type: none"> • Sojitz Kyushu Corporation (domestic regional company; subsidiary) • Sojitz Logistics Corporation (logistic services business; land, sea, and air cargo; international non vessel operating common carrier (NVOCC) transportation; subsidiary) • Sojitz Insurance Agency Corporation (insurance agency services; subsidiary) • Sojitz Shared Service Corporation (administration services; subsidiary) • Sojitz Aircraft Leasing B.V. (aircraft operating leasing; subsidiary) <p style="text-align: right; margin-right: 20px;">56 subsidiaries (28 domestic, 28 overseas) 12 affiliates (2 domestic, 10 overseas)</p>
Overseas Subsidiaries	<p>As a general trading company dealing with various products, Sojitz has principal operating bases in major cities around the world, conducting a wide variety of activities.</p> <ul style="list-style-type: none"> • In the “Business Segment Information”, operations of overseas subsidiaries are included in each business segment according to the similarity in lines of business. 	<ul style="list-style-type: none"> • Sojitz Corporation of America (subsidiary) • Sojitz Europe plc (subsidiary) • Sojitz Asia Pte. Ltd. (subsidiary) • Sojitz (Hong Kong) Ltd. (subsidiary) • Sojitz (China) Co., Ltd. (subsidiary) <p style="text-align: right; margin-right: 20px;">52 subsidiaries (all overseas) 16 affiliates (all overseas)</p>

(Notes)(*1) Of the subsidiaries and affiliates, JALUX Inc. listed on the first section of the Tokyo Stock Exchange; TechMatrix Corporation, Densan Co., Ltd. and Fuji Nihon Seito Corporation listed on the second section of the Tokyo Stock Exchange; SAKURA Internet Inc. listed on the Mothers; and NextGen, Inc. and Pla Matels Corporation listed on JASDAQ, all as of March 31, 2011.

(*2) As of March 30, 2011, SAKURA Internet Inc. changed its status from an affiliate to a subsidiary through a tender offer.

(*3) As of December 13, 2010, NextGen, Inc. changed its status from a subsidiary to an affiliate due to a decline in ownership ratio resulting from a capital increase through third party allotment.

(6) Business Locations of Sojitz Group and the Number of Employees (As of March 31, 2011)

(a) Business Locations of Sojitz Group

(i) Sojitz Corporation

Domestic: HQ	Tokyo
Branches	Sapporo, Sendai, Nagoya, and Fukuoka
Overseas: Branches	Singapore, the Philippines, Thailand, Malaysia, Myanmar, Pakistan, Saudi Arabia, and Republic of South Africa

(ii) Subsidiaries

Domestic: Regional Company	Fukuoka
Overseas: Overseas Subsidiaries	26 countries and areas including the US, UK, Singapore, China, Taiwan, Australia, the Republic of Korea, Russia, New Zealand, Thailand, India, Indonesia, Brazil, Vietnam, the Philippines, Malaysia, the UAE, Mexico, Nigeria, Canada, Argentina, Venezuela, and Peru

(b) Number of Employees

Segment	Number of employees
Machinery	5,922
Energy & Metal	1,308
Chemicals & Functional Materials	1,963
Consumer Lifestyle Business	5,376
Others	1,887
Total	16,456

(c) Employees of the Company

Number of employees	Change from the previous year	Average age	Average service years
2,254	(41)	41.4 years old	14.6 years

- (Notes) 1. The above figures do not include 172 local employees overseas.
 2. The average service years are calculated including the length of service at the former Sojitz Corporation.

(7) Major Subsidiaries (As of March 31, 2011)

(a) Major Subsidiaries and Affiliates

Subsidiaries		(Millions of yen, otherwise specified)	
Company	Capital	Controlling share (%)	Major business activities
Sojitz Corporation of America	US\$336,083,868	100.00	Trading business
Sojitz Europe plc	13,240 ST£73,117,500	100.00	Trading business
Sojitz Asia Pte. Ltd.	US\$136,507,474	100.00	Trading business
Sojitz (Hong Kong) Ltd.	US \$90,440,212	100.00	Trading business
Sojitz Aerospace Corporation	1,410	100.00	Import/export and sales of aerospace- and defense-related equipment
Sojitz Machinery Corporation	1,500	100.00	Import/export and sales of general industrial machinery
Sojitz Marine & Engineering Corporation	800	100.00	Sales, purchase, and charter brokerage of ships; import/export and domestic sales of marine-related equipment and materials
Nissho Electronics Corporation	14,336	77.78	IT systems and network services
Sojitz Energy Corporation	500	97.08	Sales of petroleum products
Sojitz Ject Corporation	460	100.00	Trading of coke, carbon products and various minerals
Sojitz Pla-Net Holdings, Inc.	6,164	100.00	Holding company for plastic business
Sojitz Pla-Net Corporation	3,000	100.00 (Note 1)	Trading and sales of plastic raw materials and products
Pla Matels Corporation	793	46.55 (Note 2)	Trading and sales of plastic raw materials and products
Sojitz Building Materials Corporation	1,039	100.00	Sales of construction materials
Sojitz General Property Management Corporation	324	100.00	Management of building, condominium, retail property and other real estate
Sojitz Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed foodstuffs; and other foodstuff
Sojitz Infinity Inc.	2,946	100.00	Planning, manufacturing and sales of men's, women's and children's clothing
Sojitz Kyushu Corporation	500	100.00	Domestic regional company

(Notes) 1. Sojitz Pla-Net Corporation is a wholly owned subsidiary of Sojitz Pla-Net Holdings, Inc.

2. Pla Matels Corporation is a 46.55%-owned subsidiary of Sojitz Pla-Net Corporation.

Affiliates

(Millions of yen, otherwise specified)

Company	Capital	Controlling share (%)	Main business activities
Metal One Corporation	100,000	40.00	Import/export and domestic and offshore sales of steel-related products
LNG Japan Corporation	8,002	50.00	LNG business and related investments
JALUX Inc.	2,558	30.00	Logistics and services operations related to airlines and airport retail, lifestyle and customer service sectors

(b) Result of Mergers

1. The Group now has 320 consolidated subsidiaries and 155 affiliates accounted for by equity method.
2. For the business performance of the Group in FY2010, please refer to “(1) Review of Progress and Performance in Operations.”

(8) Major Creditors and Borrowed Amounts (As of March 31, 2011)

(Billions of yen)

Creditor	Amount outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 3)	123.2
Mizuho Corporate Bank, Ltd. (Note 3)	90.6
The Sumitomo Trust and Banking Co., Ltd. (Note 3)	82.5
Development Bank of Japan Inc. (Note 3)	70.0
The Norinchukin Bank (Note 3)	61.0
Sumitomo Mitsui Banking Corporation (Note 3)	55.4
Mitsubishi UFJ Trust and Banking Corporation (Note 3)	40.3
Shinkin Central Bank	30.5
Resona Bank, Ltd. (Note 3)	29.0
Aozora Bank, Ltd.	28.0

- (Notes)
1. Amounts are rounded down to the first decimal place.
 2. The above amounts are on a non-consolidated basis.
 3. Sojitz accepts that these loans may be assigned in part or in whole upon request by the lender.

2. The Company's Shares (As of March 31, 2011)

(1) Total Number of Shares Authorized to Be Issued

Common stock	1,349,000,000	(end of FY2009: 1,349,000,000)
First Series Class-III preferred shares	—	(end of FY2009: 1,500,000)

(2) Total Number of Outstanding Shares

Common stock	1,251,499,501	(end of FY2009: 1,251,499,501)
First Series Class-III preferred shares	—	(end of FY2009: —)

- (Notes)
- The total number of outstanding shares of common stock includes the number of treasury stock (end of FY2010: 352,882 shares).
 - The Articles of Incorporation were changed at the Ordinary General Shareholders' Meeting held on June 22, 2010 and deleted the terms and conditions of First Series Class-III preferred shares. Therefore, the number of shares authorized to be issued related to those preferred shares decreased.

(3) Number of Shareholders

Common stock	206,814
--------------	---------

(4) Major Shareholders

Common Stock

Shareholder	Investment in the Company	
	Shares held (in thousands)	Shares Outstanding (%)
Japan Trustee Services Bank, Ltd. (Note 2)	141,835	11.34
The Master Trust Bank of Japan, Ltd. (Note 3)	42,641	3.41
Trust & Custody Services Bank, Ltd. (Note 4)	19,022	1.52
State Street Bank and Trust Company 505225	17,599	1.41
Melon Bank, N. A. As Agent For Its Client Melon Omnibus US Pension	14,984	1.20
State Street Bank – West Pension Fund Clients - Exempt	12,773	1.02
Nomura Singapore Limited Customer Segregated A/C FJ-1309	12,309	0.98
SSBT OD05 Omnibus Account – Treaty Clients	12,195	0.97
Juniper	11,484	0.92
State Street Bank West Client Treaty	10,608	0.85

- (Notes)
- The number of shares less than 1,000 is rounded down and the figures of shares outstanding are rounded to the nearest second decimal place.
 - The number of shares held by Japan Trustee Services Bank, Ltd. includes 132,146 thousand shares held in trust accounts.
 - The number of shares held by The Master Trust Bank of Japan, Ltd. includes 39,729 thousand shares held in trust accounts.
 - The number of shares held by Trust & Custody Services Bank, Ltd. includes 16,378 thousand shares held in trust accounts.
 - The shares outstanding is calculated excluding the number of shares of treasury stock.

3. The Company's Directors and Corporate Auditors

(1) List of Directors and Corporate Auditors (As of March 31, 2011)

Name	Position	Responsibilities	Important concurrent position
Akio Dobashi	Representative Director and Chairman		
Masaki Hashikawa	Representative Director and Vice Chairman		
Yutaka Kase	Representative Director and President	CEO	
Yoji Sato	Representative Director and Executive Vice President	Corporate Management, CFO	
Kazunori Teraoka	Representative Director and Executive Vice President	Business Group	
Yoshikazu Sashida	Part-time Director		Advisor, Nisshinbo Holdings Inc. Outside Director, NSK Ltd.
Toru Nagashima	Part-time Director		Chairman of the Board, Teijin Limited
Susumu Komori	Corporate Auditor		Outside Auditor, NHK SPRING CO., LTD.
Kazuhiko Tokita	Corporate Auditor		
Takashi Tsukada	Corporate Auditor		
Yukio Machida	Part-time Corporate Auditor		Lawyer, Nishimura & Asahi Outside Auditor, ASKUL Corporation
Mitsuaki Yuasa	Part-time Corporate Auditor		Outside Auditor, Yodogawa Steel Works, Ltd.

- (Notes)
1. Mr. Yoshikazu Sashida and Mr. Toru Nagashima are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
 2. Mr. Kazuhiko Tokita, Mr. Yukio Machida and Mr. Mitsuaki Yuasa are Outside Auditors as stipulated in Article 2, Item 16 of the Companies Act.
 3. Mr. Mitsuaki Yuasa is a licensed certified public accountant and has a substantial knowledge of finance and accounting.
 4. The Company has appointed Mr. Yukio Machida as an independent director, and submitted a notification of his appointment to the Tokyo Stock Exchange.

(2) Remuneration of Directors and Corporate Auditors

(Millions of yen)

Classification	Directors		Corporate Auditors		Total		Remarks
	Number of persons to be paid	Amount	Number of persons to be paid	Amount	Number of persons to be paid	Amount	
Remuneration pursuant to resolution of General Shareholders' Meeting	7	343	5	131	12	474	(*1), (*2)
Internal	5	319	2	73	7	392	
External	2	24	3	57	5	81	

*1. Directors' maximum remuneration resolved at the Ordinary General Shareholders' Meeting held on June 27, 2007

Directors 550 million yen per year (excluding the salary as for being employees)

Outside Directors 50 million yen per year

*2. Corporate Auditors' maximum remuneration resolved at the Ordinary General Shareholders' Meeting held on June 27, 2007

Corporate Auditors 150 million yen per year

(Note) Fractions less than one million yen are rounded down.

(3) Concurrent Positions of Outside Directors and Outside Auditors

Name	Position	Other organization	Concurrent position
Yoshikazu Sashida	Outside Director	Nisshinbo Holdings Inc.	Advisor
		NSK Ltd.	Outside Director
Toru Nagashima	Outside Director	Teijin Limited	Chairman of the Board
Yukio Machida	Outside Auditor	ASKUL Corporation	Outside Auditor
Mitsuaki Yuasa	Outside Auditor	Yodogawa Steel Works, Ltd.	Outside Auditor

(Note) Nisshinbo Holdings Inc., NSK Ltd., Teijin Limited, ASKUL Corporation and Yodogawa Steel Works, Ltd. where the Outside Directors and the Outside Auditors have concurrent positions are the Company's business partners, however, there are no special relationships with the Company (such as business operators having a specified relationship).

(4) Main Activities of Outside Directors and Outside Auditors

Name	Position	Main activities
Yoshikazu Sashida	Outside Director	Mr. Sashida has attended 15 of 16 meetings of the Board of Directors held in FY2010. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the business industry.
Toru Nagashima	Outside Director	Mr. Nagashima has attended all 16 meetings of the Boards of Directors held in FY2010. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the business industry.
Kazuhiko Tokita	Outside Auditor	Mr. Tokita has attended all 16 meetings of the Board of Directors held in FY2010, and all 14 meetings of the Board of Corporate Auditors held in the same fiscal year. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the finance industry.
Yukio Machida	Outside Auditor	Mr. Machida has attended all 16 meetings of the Board of Directors held in FY2010, and all 14 meetings of the Board of Corporate Auditors held in the same fiscal year. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions in the legal and business industries.
Mitsuaki Yuasa	Outside Auditor	Mr. Yuasa attended all 16 meetings of the Board of Directors held in FY2010, and all 14 meetings of the Board of Corporate Auditors held in the same fiscal year. He provides necessary advice based on his wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through his experiences in key positions at the audit firms.

(5) Limited Liability Agreements with Outside Directors and Outside Auditors

We have concluded an agreement with Outside Directors Yoshikazu Sashida and Toru Nagashima and Outside Auditors Kazuhiko Tokita, Yukio Machida and Mitsuaki Yuasa, respectively, to limit their liability to either 10 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher.

4. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(Note) KPMG AZSA & Co. changed its name to KPMG AZSA LLC as it was transformed into a limited liability audit corporation as of July 1, 2010.

(2) Amount of Remuneration, etc. for Accounting Auditor in FY2010

(Millions of yen)	
	Amount paid
	KPMG AZSA LLC
Remuneration, etc. payable by the Company in FY2010	
Remuneration, etc. for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	405
Remuneration, etc. for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	71
Total	476
Total amount of money and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	815

- (Notes)
1. The audit agreement between the Company and the Accounting Auditor does not and cannot practically distinguish between remunerations for audits in accordance with the Companies Act and those in accordance with the Financial Instruments and Exchange Act. For this reason, the above figures include the remuneration for audits under the Financial Instruments and Exchange Act.
 2. Of major subsidiaries of the Company, Sojitz Corporation of America, Sojitz Europe plc, Sojitz Asia Pte. Ltd., and Sojitz (Hong Kong) Ltd. are audited (limited to audits stipulated in the Companies Act or Financial Instruments and Exchange Act (including equivalent laws and regulations of the relevant overseas country)) by CPAs or audit firms (including those who hold equivalent qualifications of the relevant overseas country) other than KPMG AZSA LLC.
 3. Fractions less than one million yen are rounded down.

(3) Non-audit Services

We entrust our Accounting Auditor to provide advisory services pertaining to the adoption of the International Financial Reporting Standards (IFRS) that are services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(4) Policy for Determining Dismissal or Non-reappointment of Accounting Auditor

In the event that the Board of Corporate Auditors deems that any Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act, or that any situation occurs that may cause material hindrance to the audit activities of the Company, the Accounting Auditor shall be dismissed.

In addition to the above, Directors shall, upon approval of or request by the Board of Corporate Auditors, submit a proposal to General Shareholders' Meeting, for dismissal or non-reappointment of the Accounting Auditor, and election of another audit firm suitable for Accounting Auditor.

5. A System for Ensuring Appropriate Execution of Business Operations

(1) Basic Concept

We recognize that corporate governance is one of the most important issues of our management. In order to strengthen corporate governance, we strive to clarify managerial responsibility and accountability to our shareholders and other stakeholders, as well as to establish a highly transparent management structure and enhance the efficiency of monitoring and supervisory functions. We are also actively implementing measures with an aim to achieving higher profitability and maximized corporate value of the entire Group.

The current governance structure is employed for the following reasons:

(a) To separate management functions from executive functions

To promote a clear separation of management functions from executive functions, our Board of Directors is chaired by the Representative Director and Chairman. As the highest decision-making body, the Board of Directors reviews and resolves fundamental policies and critical issues concerning the management of the Group. We also employ an executive officer system, with the aim of, through the separation of managerial decision-making from business execution, clarifying authority and responsibilities, and ensuring a smooth and swift execution of business.

(b) To reinforce monitoring functions on management

We appoint Outside Directors in order to further reinforce monitoring functions on business execution from an independent perspective. Outside Directors provide objective, appropriate advice and proposals on the management of the Company within and outside the Board of Directors. As a company with a board of corporate auditors, we also have Corporate Auditors who independently audit the business operations executed by Directors. In addition, we have set up the Nomination Committee and the Remuneration Committee as advisory bodies to the Board of Directors chaired by Outside Directors to ensure adequacy and transparency of appointment of and remuneration for our Directors.

(c) To strengthen supervisory functions on business execution

We have established two committees as a supervisory body of business execution: the Management Committee responsible for the review and resolution of important managerial agendas and the Finance & Investment Deliberation Council for the review and resolution of major investments and financing activities. We also have internal committees acting as an executing body directly reporting to the President. They handle issues to be addressed from cross-organizational perspectives.

(2) Management Framework Regarding Management-related Decision-making, Execution and Supervision, and Other Corporate Governance Matters

(a) Corporate Governance Organization

i) Structure

We are a company with a board of corporate auditors.

ii) Directors and Executive Officers

Our Board of Directors is currently comprised of seven Directors, including two Outside Directors. As the highest decision-making body, the Board of Directors reviews and resolves fundamental policies and critical issues concerning the management of the Group. To enhance corporate governance by promoting a clear separation of management functions from executive functions, the Board is chaired by the Representative Director and Chairman. The Chairman

works together with the Vice Chairman and Outside Directors to reinforce the supervisory function over Executive Directors as well as the Company's overall system of business execution. They also provide their opinions and advice on the Company's corporate governance, including the Board of Directors and the Management Committee.

We employ an executive officer system, with the aim of, through the separation of managerial decision-making from business execution, clarifying authority and responsibilities, and ensuring swift decision-making and execution. The term of office of Directors and Executive Officers is one year, in order to clarify their responsibilities to management and allow them to swiftly and appropriately respond to rapid changes in the business environment.

We have appointed Mr. Yoshikazu Sashida and Mr. Toru Nagashima as Outside Directors of the Company and concluded a limited liability agreement with them. Both of them were selected because of their capabilities of providing appropriate advice on Sojitz's business, based on their wide range of knowledge with highly specialized expertise in corporate management and operations, which have been accumulated through their experiences in key positions in the business industry. Director Sashida has attended 15 of 16 meetings of the Board of Directors held in FY2010. Since he has proactively given his appropriate advice from an independent perspective at the meetings of the Board of Directors or on other occasions during his term, we believe that he has fulfilled his duty as Outside Director. Director Nagashima has attended all 16 meetings of the Board of Directors held in FY2010. Since he has proactively given his appropriate advice from an independent perspective at the meetings of the Board of Directors or on other occasions during his term, we believe that he has fulfilled his duty as Outside Director.

iii) Functions and Roles of Outside Directors in Corporate Governance

Mr. Yoshikazu Sashida, besides being Outside Director of the Company, serves as Adviser at Nisshinbo Holdings Inc. He gives appropriate and useful advice on the operation of the Company from an independent perspective, based on his valuable knowledge and experience earned through executive positions he has assumed including that of Representative Director, President at Nisshinbo Industries Inc. Taking into account that Nisshinbo Holdings Inc. is not a major business partner of the Company, we believe Mr. Sashida maintains his independence.

Mr. Toru Nagashima, besides being Outside Director of the Company, serves as Chairman of the Board at Teijin Limited. He gives appropriate and useful advice on the operation of the Company from an independent perspective, based on his valuable knowledge and experience earned through executive positions he has assumed including that of President at Teijin Limited. Taking into account that Teijin Limited is not a major business partner of the Company, we believe Mr. Nagashima maintains his independence.

iv) Corporate Auditors

Our Board of Corporate Auditors is currently comprised of five Corporate Auditors (including three Outside Auditors), three of whom are serving full-time. The Corporate Auditors are independent from the Board of Directors, and audit the Directors' execution of their duties.

We have appointed Mr. Kazuhiko Tokita, Mr. Yukio Machida and Mr. Mitsuaki Yuasa as Outside Auditors of the Company and concluded a limited liability agreement with them. They have a wide range of knowledge and highly specialized expertise in corporate management and operations, which have been accumulated through their experiences in key positions in finance, business, in the legal community, or at auditing firms. Main activities of these Outside Auditors are as follows:

Auditor Tokita: Attended all 16 meetings of the Board of Directors held in FY2010.

Auditor Machida: Attended all 16 meetings of the Board of Directors held in FY2010.

Auditor Yuasa: Attended all 16 meetings of the Board of Directors held in FY2010.

v) Functions and Roles of Outside Auditors in Corporate Governance

Mr. Kazuhiko Tokita, being Outside Auditor of the Company, has extensive insight and expertise not only in finance but also in compliance, as he has served as General Manager of Compliance Administration Department in addition to numerous executive positions he assumed in the financial industry. He assumed the office of Outside Auditor after being selected from among professionals having wide knowledge and experience in compliance. Mr. Kazuhiko Tokita once served as an executive officer at UFJ Bank Limited (current The Bank of Tokyo-Mitsubishi UFJ, Ltd.). However, about nine years have already passed since his retirement from the post, and he has properly fulfilled his responsibilities after assuming the position of Outside Auditor, by providing appropriate advice and proposals within and outside the Board of Directors, from a position independent from the Company and financial institutions he has served in the past. For these reasons, we believe that Mr. Kazuhiko Tokita maintains his independence.

Mr. Yukio Machida, besides being Outside Auditor of the Company, currently practices the law, after handling criminal cases mainly as a prosecutor for over 30 years and taking senior posts at the Public Prosecutors Office. Since Mr. Machida has properly fulfilled his responsibilities by supervising the management of the Company and providing appropriate advice and proposals within and outside the Board of Directors, from an independent and objective viewpoint as Outside Auditor, we believe he maintains his independence. In addition, we have designated and registered Mr. Machida as an independent officer specified in the Securities Listing Regulations.

Mr. Mitsuaki Yuasa, being Outside Auditor of the Company, has an extensive insight since he also serves as an Outside Auditor at other companies, in addition to his knowledge and experience in auditing as a certified public accountant. He is also knowledgeable about the International Financial Reporting Standards which is to be introduced in the future. We have appointed Mr. Yuasa in order to receive appropriate and objective supervision, advice and proposals on the management of the Company based on his expertise. Since Mr. Yuasa has properly fulfilled his responsibilities by providing appropriate advice and proposals within and outside the Board of Directors, from an independent and objective viewpoint as Outside Auditor, we believe that he maintains his independence.

As stated above, we have established and maintain corporate governance with Outside Auditors who have expertise in respective fields of law, finance, compliance and accounting, to ensure the legality of the Company's business execution in every aspect.

vi) Support for Outside Directors and Outside Auditors

We provide Outside Directors with support such as the provision of information, on relevant matters and reports regarding the meetings of the Board of Directors, including prior explanation about meeting agendas.

For Outside Auditors, we provide support such as the provision of information, on relevant matters and reports through the staff members of Corporate Auditors Office, a dedicated support body of the Board of Corporate Auditors.

(b) Business Execution, Auditing, Supervision, Nomination and Remuneration Decisions

i) Business Execution

We have the following executing bodies.

- Management Committee (held semimonthly)

The committee is comprised of Executive Directors and the heads of business divisions and corporate departments, and discusses and resolves important issues pertaining to the management of the Company.

- Finance & Investment Deliberation Council (held semimonthly)

The council is comprised of Executive Directors and the heads of corporate departments, and discusses and resolves issues pertaining to important investments and financing opportunities.

- Internal committees (held quarterly)

In order to address management issues at the company-wide level, we have established internal committees acting as an executing body under the direct supervision of the President. Currently, there are four committees: the Internal Control Committee (monitoring progress of establishing the internal control structure and creating policies), the Compliance Committee (examining and formulating basic policies on compliance of the Group); the CSR Committee (examining and formulating policies and measures to promote CSR); and the Portfolio Management Committee (examining policies and measures to build an optimal asset and business portfolio of the Group). Each internal committee reports regularly to the Management Committee on its activities.

ii) Selection of Directors and Decision on Their Remuneration

We have the following advisory bodies to the Board of Directors to help select Directors and determine their remuneration.

- Nomination Committee (held biannually)

Chaired by Outside Director, the committee discusses and proposes criteria and methods for selecting Director and Executive Officer candidates, as well as discusses candidate proposals.

- Remuneration Committee (held triannually)

Chaired by Outside Director, the committee discusses and proposes the remuneration level for Directors and Executive Officers and various systems related to evaluation and remuneration.

Directors' remuneration is decided at the meeting of the Board of Directors within the maximum remuneration amount resolved at the Ordinary General Shareholders' Meeting of the Company

by comprehensively taking into account the performance of the Company and through discussions at the Remuneration Committee.

iii) Corporate Audit, Accounting Audit and Internal Audit

- Corporate Audit

Organization: Board of Corporate Auditors

Members: Five Corporate Auditors, including three Outside Auditors. Of the five, three are full-time and two are part-time, and one of the Outside Auditors is full-time.

Procedures: Pursuant to the Corporate Audit Standards established by the Board of Corporate Auditors and in line with audit plans and task assignments, Corporate Auditors attend the meetings of the Board of Directors and other important meetings such as those of the Management Committee and Finance & Investment Deliberation Council. Corporate Auditors oversee and monitor the operations of the Group by performing audits through interview with Directors to discuss about their performance of duties, reviewing important board resolution documents and checking business reports submitted from subsidiaries of the Company. In addition, to enhance this supervisory function of Corporate Auditors, we have set up the Corporate Auditors Office, a dedicated support team of three staff members for the Board of Corporate Auditors.

Corporate Auditors receive explanation of audit plans and regular audit reports from the Accounting Auditor, and share information with each other to conduct an effective audit. At the same time, they monitor the independence of the Accounting Auditor. In addition, Corporate Auditors receive explanation of audit plans from the Audit Department, as well as receive their audit reports at the meetings of the Board of Corporate Auditors semi-annually. They exchange information on a daily basis through such as participation of full-time Corporate Auditor in the audit review meetings held by the Audit Department and submission of Corporate Auditors' opinion reports on the audit results conducted by the Audit Department.

- Accounting Audit

Our Accounting Auditor is KPMG AZSA LLC which conducts accounting audits in accordance with the Companies Act, as well as financial statement audits, quarterly reviews and internal control audits in accordance with the Financial Instruments and Exchange Act. Details of their executive officers and assistant staff working for Sojitz in FY2010 are as follows:

Name of CPAs, etc.		Audit Firm
Designated Limited Liability Partners	Teruo Suzuki	KPMG AZSA LLC
Engagement Partners	Iwao Hirano	
	Takemitsu Nemoto	

Their assistant staff working for the Company includes 23 CPAs and 26 assistant CPAs.

Details on their service years are omitted, as all of the CPAs who audited the Company have served for less than seven years.

- Internal Audit

Organization: Audit Department

Staff: 37 employees including General Manager

Procedures: Based on an audit plan approved by the Board of Directors at the beginning of each fiscal year, the Audit Department conducts an audit on the business divisions, corporate departments, consolidated subsidiaries and major overseas subsidiaries (U.S.A., Europe, Asia and China). The domestic divisions and departments subject to audits (including those that engage in hedge trading and other futures transactions) and major consolidated subsidiaries are audited annually, while others are subject to a biennial audit.

The business divisions are in a position easy to identify and handle transaction risks in a timely and accurate manner. Therefore, if they carry out a repetitive self check, that will help them identify frontline operation problems in the early stages, improve the operational efficiency, prevent the occurrence of losses, and maintain a strong focus on risk management. With this in mind, we have introduced a Self-inspection System for the business divisions and Group companies. Under this system, they are required to check items according to a self-check list compiled by the Audit Department twice a year, and then the Audit Department will follow up their improvement status.

Placing emphasis on compliance, reliability of financial reporting, status of risk management and inventory management, the Audit Department closely monitors audited divisions and departments to ensure that internal control systems and governance are functioning correctly. The Department also investigates and assesses the existence of major management risks in the operation of these units, then reports to the President and gives practical advice on improvement plans for the workplace.

After the audit is completed, the Department holds an audit review meeting for the audited departments, President of lead divisions, Officers responsible for corporate departments and Corporate Auditors, and also reports the audit results based on the recorded documents to the frontline operations.

The Department submits a summarized audit report to the President as well as provides explanation on audits each month to the Chairman, Vice Chairman, President and Executive Vice President, and takes necessary measures, if needed. Furthermore, in order to ensure a swift response of audited divisions and departments towards improvement of their problem areas identified in audits, the Department requests them to submit an improvement progress report for the three- and six-month periods after the audits, thus conducts a follow-up assessment to check their progress.

As stated above, our Corporate Auditors, Accounting Auditor, and the Audit Department perform their respective duties on audits, while conducting interactive communications and sharing information in order to develop cooperation in a mutually complementary manner and achieve better efficiency, thereby establishing a highly effective audit function.

(3) Measures regarding Shareholders and Other Stakeholders

(a) Efforts to Ensure a Well-facilitated, Active General Shareholders' Meeting and Smooth Exercise of Voting Rights

We take the following measures:

- Deliver a convocation notice of General Shareholders' Meeting as early as possible
- Avoid dates which other companies are likely to choose for their meeting
- Introduce the exercise of voting rights by electronic method
- Publish the Shareholders Magazine for shareholders
- Establish a website for individual shareholders
- Host a shareholder gathering after a General Shareholders' Meeting

(b) Investor Relations Activities

The Investor Relations Department (Investor Relations Office since April 2011) which is a specialized department for the Company's investor relations activities, organizes seminars for analysts and institutional investors upon announcement of our financial results quarterly, and also conducts individual interviews with investors. The Department also provides individual interviews and seminars on a regular basis to foreign investors at their premises, and these IR activities are planned to continue for the years ahead. Information materials provided at IR seminars are published on our website.

Meanwhile, we also make our efforts in promoting shareholder relations (SR) focusing on individual shareholders and investors, such as holding shareholder gatherings as an opportunity for individual shareholders to have direct conversations with our management, as well as publishing the "Shareholders Magazine" as an information transmission tool.

(c) Respect the Rights of Stakeholders

- Establishing standards to protect the rights of stakeholders

We have established the Sojitz Group Code of Conduct and Ethics and stipulated core values in the Conduct as a guideline for conducting our corporate philosophy. In accordance with these core values, we stipulate the standards of conduct that must be adhered in our daily business activities for the sake of our stakeholders and to earn their trust. Furthermore, we proactively disclose information not only required by laws and regulations, but also those deemed necessary in order to promote appropriate understanding and trust of our stakeholders.

- Efforts on CSR and environmental protection activities

The Group believes that CSR is the steady practice of corporate philosophy. In our corporate activities, we strive for a harmonious coexistence and co-prosperity with the environment and society, so as to best make a contribution to our stakeholders and build trust in our relationships.

Based on the above concept, we are proactive in implementing environment-minded measures such as energy and resource conservation, waste reduction, recycling and green procurement, and every Sojitz employee makes an effort to reduce environmental impact. In addition, we have established the "Promotion of Eco-Business" as a group-wide target and operate a range of businesses in various areas that are conducive to protection of the natural environment.

(4) Basic Concept and Implementation of Internal Control System

(a) Basic Concept

We have been working on to implement and maintain our internal control systems in terms of regulations, organization and systems. The following basic policies have been resolved regarding the establishment of “System for Ensuring Proper and Ethical Business Operations.”

i) Compliance by Directors and Employees

The Company shall establish the Sojitz Group Code of Conduct and Ethics and the Sojitz Group Compliance Program to ensure that directors and employees comply with laws and regulations, the Articles of Incorporation, and internal rules.

The Compliance Committee shall lead the reinforcement and improvement of the legal compliance system. Also, the Company shall make clear the responsibility of each department so that any amendment of laws and regulations relating to the Company's operations will be closely followed and fully observed.

The Company shall ensure that the Sojitz Group does not enter into any business or other relationship with antisocial forces, and shall resolutely reject any improper request with legal measures if necessary.

With regard to important laws and regulations such as security export control and insider trading, the Company shall establish respective internal rules to ensure strict compliance.

ii) Retention of Information relating to the Execution of Directors' Duties

With respect to important documents relating to the execution of directors' duties such as the minutes of the Board of Directors meetings and approval documents, the Company shall prescribe in the Board of Directors rules and the internal rules for document retention a retention period that is equal to, or longer than, that required by the relevant law or regulation. The Company shall also designate the department in charge of such retention and documents shall be made available as review or examination becomes necessary.

iii) Regulations regarding Management of Loss Risks; Other Systems

In order to prevent, or when impossible to prevent, to minimize, economic losses, the Company shall analyze and categorize potential risks for economic losses both inside and outside its operations. It shall establish internal rules or manuals, and assign a department for managing the risks in each category.

Credit risk and business investment risk shall be assessed and appropriately handled in accordance with the internal rules for risk management. Market risk shall be controlled to ensure that it is minimized in accordance with applicable internal rules. The Company shall prepare for natural disasters by establishing internal rules and drawing up disaster manuals.

The Company shall periodically review the effectiveness of internal rules and handling procedures, and revise them if required. Further, in the event that a new type of risk emerges due to changes in the business environment, the Company shall promptly appoint a person and/or department in charge, and prescribe appropriate internal rules with regard to the new risk.

iv) Efficiency in Execution of Directors' Duties

The Company shall make clear the responsible fields or departments of each director and executive officer and the responsibility of each department, as well as chains of command, scopes of authority and decision making rules.

The Company shall clearly prescribe in the Board of Directors rules important matters requiring Board resolutions, and shall convene the Management Committee and other committees to deliberate and decide other important matters. Also, matters to be reported to the Board of Directors shall be set forth in the Board of Directors rules.

Top management policy shall be promptly announced to all directors and employees of the Company through the Management Committee or Corporate Planning Department, and through other oral or written methods.

v) Proper and Ethical Business Operations in the Sojitz Group

The Company shall establish a department to oversee the management structure of Sojitz Group companies, ensuring the sound management of each Group company. The Company shall enhance its Audit Department to audit Group companies, ensuring the proper and ethical conduct of their business operations.

The Code of Conduct and Ethics and the Compliance Program shall apply to all Sojitz Group companies and shall be fully observed by their directors and employees.

The Company shall review, and direct necessary improvement of, the business processes of each Group company in the light of internal controls relating to consolidated financial reporting.

vi) Employees Assisting Corporate Auditors and Their Independence from Directors

The Company shall establish the Corporate Auditors Office to assist corporate auditors and assign the necessary employees. These employees shall work under the direction of corporate auditors, and their performance evaluations and personnel changes shall require the consent of corporate auditors.

vii) Reports to Corporate Auditors

The Board of Directors rules shall include a rule that requires any director to immediately report to corporate auditors when he/she learns of a fact that may cause significant damage to the Company. The Audit Department shall provide corporate auditors with a copy of the internal audit report upon completion of each internal audit.

The Board of Corporate Auditors shall be entitled to request a report from an independent auditor, director or other person, as it deems necessary.

viii) Other Arrangements to Ensure Efficient Auditing by the Corporate Auditors

One or more of the corporate auditors shall attend every meeting of the Board of Directors and express opinions as necessary. They may also attend the Management Committee and other important meetings, directly observing the discussions and reporting on important matters.

Representative directors shall regularly meet with corporate auditors and exchange opinions on key issues for the Company, as well as on the conditions of, and important issues relating to, audits by corporate auditors.

(b) Progress of Improvement**i) Overview**

With respect to the status of establishing internal control systems of the Company and Group companies, in addition to inspections and improvements to the legal compliance systems, led by the Compliance Committee, and inspections and improvements to the risk management methods, led by the Risk Management Department, we establish, improve and operate overall internal control systems while promoting “Assessment of Internal Controls Regarding Financial Reporting” under the Financial Instruments and Exchange Act, led by the Internal Control Committee.

Corporate Auditors including Outside Auditors confirm the establishment and operation status of internal controls for which the Internal Control Committee or other units related to internal controls are responsible, by attending meetings of the Board of Directors and Management Committee by fulltime Corporate Auditors. Furthermore, they are monitoring the overall internal control systems of the Company and providing advice on more efficient operations of the systems through an interactive exchange of information with the Accounting Auditor and units related to internal controls such as the Internal Control Administration Department and the Audit Department when necessary.

ii) Compliance

Our efforts to enhance compliance are as follows:

In order to increase awareness of compliance, we have published the Sojitz Group Code of Conduct and Ethics in a booklet form and distribute it to employees and directors of the Company and Group companies. We also conduct regular compliance training by job class and e-learning training at the Company, in addition to compliance seminars for the Group companies.

In order to prevent, promptly identify and respond to violations of laws and regulations within the Sojitz Group, we recognize the importance of the initial report to the Compliance Committee, and proactively work to establish the reporting system. At the same time, we conduct comprehensive checks on the status of compliance within the Group. In addition, we set up whistleblower system (hotlines) to the Chief Compliance Officer and to the external attorney of the Company, and a consultation desk in the Legal Department.

With respect to measures against antisocial forces, we have clearly stipulated the elimination of relationships with antisocial forces in the Sojitz Group Code of Conduct and Ethics and Manual for Handling Antisocial Forces, to ensure full awareness and thorough implementation by all employees and directors of the Group. In addition, we set up contact and consultation desks internally.

The Audit Department conducts compliance-centric audits on all companies of the Sojitz Group, strictly focusing on compliance with laws and regulations, the Articles of Incorporation, and internal regulations.

iii) Risk Management

Our efforts to enhance risk management are as follows:

We try to minimize market risks, in principle, by adopting the asset/liability matching model for product transaction balances, etc., and the hedge transactions such as forward exchange contracts, commodity futures trading and forward commodity contracts, and interest rate swaps.

Credit risks are controlled through the use of an internal credit rating system for each business partner.

Country risks are controlled with the use of a country rating system, which determines a maximum exposure limit for each country.

Business investment risks are controlled based on our strict criteria, designed for assessing risks of new projects, taking into account partner risks and their business features, and carrying out the comparison against IRRs (internal rates of return). We conduct follow-up checks on a regular basis, maintaining strict criteria for withdrawal.

Our basic policy is to identify and manage the overall level of risk assets using our integrated risk management system and keeping the ratio of risk assets to shareholders' equity within 1.0 time. The businesses of the Group are by their natures exposed to various kinds of risks, therefore we first classify and define each risk by items including those quantifiable as mentioned above, and manage these risks according to their characteristics.

iv) Management of Group Companies

The Corporate Planning Department adopts and promotes a comprehensive management system for the Group companies' business operations. Meanwhile, the Audit Department conducts audits on the Group companies (annually for major Group companies) and strives to strengthen its oversight function over them, identify problems in the early stages, and prevent the occurrence of loss to the Company. In addition, the Audit Department promotes the Self-inspection System throughout the Group companies, to raise awareness towards operational improvements in frontline operations. Furthermore, Corporate Auditors and the Audit Department are working on to build a good cooperation with corporate auditors of major Group companies through the exchange of information, thereby implementing efficient monitoring that corresponds to the operations of each Group company.

v) Efforts for Ensuring the Reliability of Financial Reporting

The Internal Control Committee plays a central role in practically maintaining and improving the internal control systems of the entire Group, in order to secure the reliability of financial reporting, with an aim to ensure a qualitative progress of those internal control systems. We have carried out the assessment on the effectiveness of internal controls in accordance with the "Assessment, Reporting and Auditing of Internal Controls over Financial Reporting." Further, to remind the entire Group of the importance of securing the reliability of financial reporting, as well as the importance of internal control activities for that purpose, the Board of Directors adopted a resolution regarding the following "Basic Policy to Ensure Appropriate Financial Reporting," and we have been making every attempt to keep all employees informed and involved.

<Basic Policy to Ensure Appropriate Financial Reporting>

To maintain and earn higher social credibility of the Company, we believe one of the most important goals is to ensure appropriate financial reporting. Subsequently, we have established the following basic policy in accordance with the "Internal Control Reporting System" as prescribed in Article 24-4-4 of the Financial Instruments and Exchange Act.

1. Basic Principle for Ensuring Appropriate Financial Reporting

- Sojitz Group always applies appropriate accounting principles and adopts them as its own

principles. Therefore, all directors and employees of the Group shall be informed and understood of this policy, and carry out accounting processing in accordance with these principles.

- All directors and employees shall understand that any false representations arising from fraud, willful act, negligence, or improper understanding of accounting standards may damage the reliability of financial reporting of the Group. This could be disastrous and harm the credibility of the entire Group. Should such a situation occur, the Company will take disciplinary actions against any individuals found to be accountable.

2. Establishment of Systems and Procedures for Ensuring Appropriate Financial Reporting

- The Board of Directors shall understand and perform its responsibilities for proper supervision and monitoring over management, with respect to financial reporting as well as internal controls over the financial reporting.
- In order to ensure appropriate financial reporting, a proper organizational framework shall be established that is optimal for the features of the Group's businesses. Duties and responsibilities involved in financial reporting shall be clarified, and authorities and obligations shall be appropriately allocated.
- Potential risks of significant false representations shall be identified and analyzed. To minimize such risks, effective internal controls shall be established and implemented in good faith.
- A system to routinely monitor internal controls over financial reporting shall be established. Any problems detected by the constant monitoring shall be reported in a timely and appropriate manner, and a system for this process shall be established.
- Any material information on internal controls over financial reporting shall be communicated between the levels of management, managers, and responsible staff in a timely and appropriate manner, and a system for this process shall be maintained and established.

3. Use of IT for Internal Controls over Financial Reporting

- All directors and employees of the Group shall understand the importance of IT infrastructures in relation to internal controls over financial reporting and appropriately understand its associated risks. These risks shall be minimized to the possible extent, and IT controls shall be effectively used for the efficient internal controls.

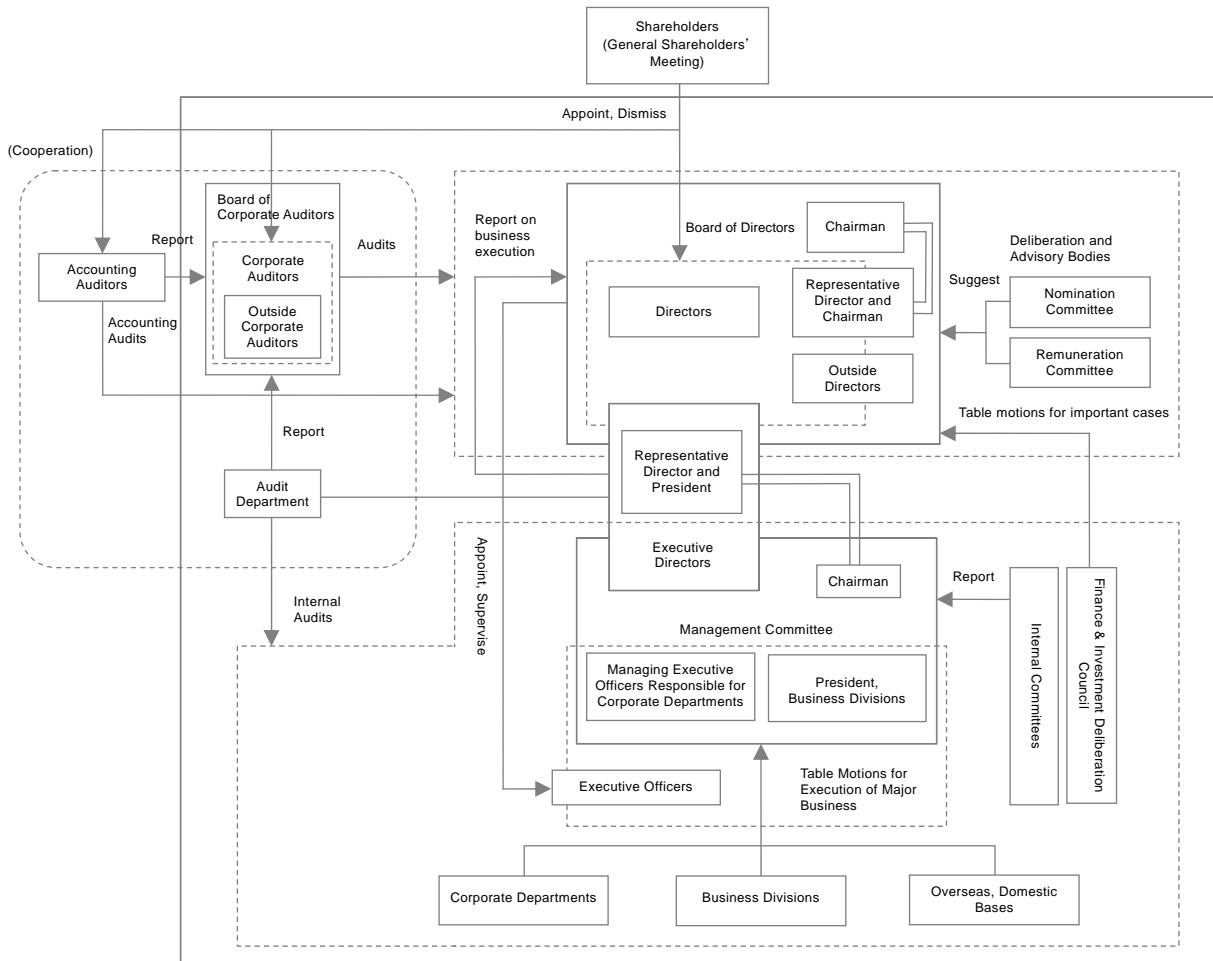
4. Implementation of "Assessment and Reporting of Internal Controls over Financial Reporting" Pursuant to the Financial Instruments and Exchange Act

- All directors and employees of the Group shall faithfully carry out its practice standards and procedures for the "Assessment and Reporting of Internal Controls over Financial Reporting by Management" established pursuant to the Financial Instruments and Exchange Act. Detailed guidelines and plans shall be separately determined as necessary.
- Any insufficiency or material defects in internal controls of the Group identified in the course of implementing "Assessment and Reporting of Internal Controls over Financial Reporting by Management" shall be corrected immediately.

Regarding the corporate governance framework, please refer to the chart on the next page.

The diagrams below outline the Sojitz's corporate governance framework.

Corporate Governance Framework



Financial Statements

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

Items	As of Mar. 31, 2011	(Reference) As of Mar. 31, 2010	Items	As of Mar. 31, 2011	(Reference) As of Mar. 31, 2010
Assets			Liabilities		
<u>Current assets</u>	1,266,629	1,285,277	<u>Current liabilities</u>	890,544	841,533
Cash and deposits	415,694	455,728	Notes and accounts payable-trade	414,984	377,468
Notes and accounts receivable-trade	478,880	462,233	Short-term loans payable	247,656	256,652
Short-term investment securities	5,437	6,131	Commercial papers	2,000	10,000
Inventories	243,210	248,629	Current portion of bonds	60,000	40,120
Short-term loans receivable	8,518	7,943	Income taxes payable	6,591	5,949
Deferred tax assets	15,402	13,484	Deferred tax liabilities	146	44
Other	106,832	100,216	Provision for bonuses	5,845	5,497
Allowance for doubtful accounts	(7,347)	(9,089)	Other	153,321	145,801
			<u>Noncurrent liabilities</u>	870,905	941,981
<u>Noncurrent assets</u>	850,049	875,204	Bonds payable	82,719	123,647
<u>Property, plant and equipment</u>	215,774	222,665	Long-term loans payable	723,926	763,098
Buildings and structures	56,738	61,224	Deferred tax liabilities	19,009	14,743
Machinery, equipment and vehicles	76,480	86,787	Deferred tax liabilities for land revaluation	774	944
Land	55,114	57,442	Provision for retirement benefits	13,136	13,280
Construction in progress	19,177	11,883	Provision for directors' retirement benefits	833	931
Other	8,264	5,328	Other	30,505	25,336
<u>Intangible assets</u>	132,595	114,445	Total liabilities	1,761,449	1,783,514
Goodwill	51,474	54,305	Net assets		
Other	81,120	60,139	<u>Shareholders' equity</u>	471,688	458,819
<u>Investments and other assets</u>	501,678	538,093	Capital stock	160,339	160,339
Investment securities	333,050	327,869	Capital surplus	152,160	152,160
Long-term loans receivable	13,370	25,113	Retained earnings	159,358	146,489
Bad debts	79,971	88,358	Treasury stock	(170)	(169)
Deferred tax assets	52,881	61,432	<u>Accumulated other comprehensive income</u>	(141,659)	(106,402)
Real estate for investment	33,993	53,261	Valuation difference on available-for-sale securities	12,310	14,845
Other	48,168	39,264	Deferred gains or losses on hedges	3,022	2,357
Allowance for doubtful accounts	(59,758)	(57,207)	Revaluation reserve for land	(2,302)	(2,055)
			Foreign currency translation adjustment	(153,984)	(121,550)
<u>Deferred assets</u>	281	436	Unfunded retirement benefit obligation with respect to foreign consolidated companies	(706)	—
Stock issuance cost	3	61	<u>Minority interests</u>	25,481	24,987
Bond issuance cost	277	375	Total net assets	355,510	377,404
Total assets	2,116,960	2,160,918	Total liabilities and net assets	2,116,960	2,160,918

(Fractions less than one million yen are rounded down)

Consolidated Statements of Income

(Millions of yen)

Items	FY2010 (From April 1, 2010 to March 31, 2011)		(Reference) FY2009 (From April 1, 2009 to March 31, 2010)	
Net sales		4,014,639		3,844,418
Cost of sales		3,821,914		3,666,215
Gross profit		192,725		178,203
Selling, general and administrative expenses		155,205		162,074
Operating income		37,519		16,128
Non-operating income		43,973		37,245
Interest income	4,308		4,632	
Dividends income	4,081		5,040	
Equity in earnings of affiliates	19,297		9,179	
Penalty income	—		3,802	
Other	16,285		14,591	
Non-operating expenses		36,176		39,672
Interest expenses	23,917		25,808	
Interest on commercial papers	18		178	
Other	12,240		13,685	
Ordinary income		45,316		13,702
Extraordinary income		19,078		41,185
Gain on sales of noncurrent assets	4,870		1,439	
Gain on sales of real estate for investment	449		—	
Gain on sales of investment securities	1,575		33,214	
Gain on sales of equity investment without stock	6		430	
Gain on change in equity	135		92	
Gain on negative goodwill	404		—	
Gain on step acquisitions	10,307		—	
Reversal of allowance for doubtful accounts	1,272		3,248	
Gain on bad debts recovered	56		6	
Adjustment for hyperinflationary economies	—		2,753	
Extraordinary loss		25,082		35,993
Loss on sales and retirement of noncurrent assets	483		448	
Loss on sales of real estate for investment	835		—	
Impairment loss	9,687		9,402	
Loss on sales of investment securities	127		1,167	
Loss on sales of equity investment without stock	0		1	
Loss on revaluation of securities	801		16,543	
Loss on change in equity	922		216	
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	4,855		7,968	
Restructuring losses	5,097		245	
Loss on adjustment for changes of accounting standard for asset retirement obligations	960		—	
Loss on disaster	1,311		—	
Income before income taxes and minority interests		39,312		18,894
Income taxes—current		11,400		8,562
Income taxes—deferred		9,103		(294)
Income before minority interests		18,808		—
Minority interests in income		2,826		1,832
Net income		15,981		8,794

(Fractions less than one million yen are rounded down)

Consolidated Statements of Changes in Net Assets

(Millions of yen)

Items	FY2010 (From April 1, 2010 to March 31, 2011)	(Reference) FY2009 (From April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of the previous period	160,339	160,339
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of the current period	160,339	160,339
Capital surplus		
Balance at the end of the previous period	152,160	152,160
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of the current period	152,160	152,160
Retained earnings		
Balance at the end of the previous period	146,489	142,157
Changes of items during the period		
Dividends from surplus	(1,876)	(4,339)
Net income	15,981	8,794
Reversal of revaluation reserve for land	247	147
Effect from changes of consolidated subsidiaries and affiliates accounted for under the equity method	(936)	(286)
Effect of changes in accounting policies applied to foreign affiliates	(1,342)	—
Minimum pension liability adjustment	—	15
Transfer to Unfunded retirement benefit obligation with respect to foreign consolidated companies	796	—
Total changes of items during the period	12,869	4,331
Balance at the end of the current period	159,358	146,489
Treasury stock		
Balance at the end of the previous period	(169)	(166)
Changes of items during the period		
Purchase of treasury stock	(1)	(1)
Change in equity in affiliates accounted for by equity method - treasury stock	0	(1)
Total changes of items during the period	(1)	(2)
Balance at the end of the current period	(170)	(169)

(Fractions less than one million yen are rounded down)

Consolidated Statements of Changes in Net Assets (continued)

Items	FY2010 (From April 1, 2010 to March 31, 2011)	(Millions of yen) (Reference) FY2009 (From April 1, 2009 to March 31, 2010)
Total shareholders' equity		
Balance at the end of the previous period	458,819	454,491
Changes of items during the period		
Dividends from surplus	(1,876)	(4,339)
Net income	15,981	8,794
Reversal of revaluation reserve for land	247	147
Effect from changes of consolidated subsidiaries and affiliates accounted for under the equity method	(936)	(286)
Effect of changes in accounting policies applied to foreign affiliates	(1,342)	—
Minimum pension liability adjustment	—	15
Transfer to Unfunded retirement benefit obligation with respect to foreign consolidated companies	796	—
Purchase of treasury stock	(1)	(1)
Change in equity in affiliates accounted for by equity method - treasury stock	0	(1)
Total changes of items during the period	12,868	4,328
Balance at the end of the current period	471,688	458,819
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of the previous period	14,845	6,236
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,534)	8,608
Total changes of items during the period	(2,534)	8,608
Balance at the end of the current period	12,310	14,845
Deferred gains or losses on hedges		
Balance at the end of the previous period	2,357	1,510
Changes of items during the period		
Net changes of items other than shareholders' equity	664	847
Total changes of items during the period	664	847
Balance at the end of the current period	3,022	2,357
Revaluation reserve for land		
Balance at the end of the previous period	(2,055)	(1,907)
Changes of items during the period		
Net changes of items other than shareholders' equity	(247)	(147)
Total changes of items during the period	(247)	(147)
Balance at the end of the current period	(2,302)	(2,055)
Foreign currency translation adjustment		
Balance at the end of the previous period	(121,550)	(141,340)
Changes of items during the period		
Net changes of items other than shareholders' equity	(32,433)	19,789
Total changes of items during the period	(32,433)	19,789
Balance at the end of the current period	(153,984)	(121,550)

(Fractions less than one million yen are rounded down)

Consolidated Statements of Changes in Net Assets (continued)

Items	FY2010 (From April 1, 2010 to March 31, 2011)	(Millions of yen) (Reference) FY2009 (From April 1, 2009 to March 31, 2010)
Unfunded retirement benefit obligation with respect to foreign consolidated companies		
Balance at the end of the previous period	—	—
Changes of items during the period		
Net changes of items other than shareholders' equity	(706)	—
Total changes of items during the period	(706)	—
Balance at the end of the current period	(706)	—
Total accumulated other comprehensive income		
Balance at the end of the previous period	(106,402)	(135,500)
Changes of items during the period		
Net changes of items other than shareholders' equity	(35,257)	29,097
Total changes of items during the period	(35,257)	29,097
Balance at the end of the current period	(141,659)	(106,402)
Minority interests		
Balance at the end of the previous period	24,987	36,512
Changes of items during the period		
Net changes of items other than shareholders' equity	494	(11,525)
Total changes of items during the period	494	(11,525)
Balance at the end of the current period	25,481	24,987
Total net assets		
Balance at the end of the previous period	377,404	355,503
Changes of items during the period		
Dividends from surplus	(1,876)	(4,339)
Net income	15,981	8,794
Reversal of revaluation reserve for land	247	147
Effect from changes of consolidated subsidiaries and affiliates accounted for under the equity method	(936)	(286)
Effect of changes in accounting policies applied to foreign affiliates	(1,342)	—
Minimum pension liability adjustment	—	15
Transfer to Unfunded retirement benefit obligation with respect to foreign consolidated companies	796	—
Purchase of treasury stock	(1)	(1)
Change in equity in affiliates accounted for by equity method -treasury stock	0	(1)
Net changes of items other than shareholders' equity	(34,762)	17,572
Total changes of items during the period	(21,893)	21,900
Balance at the end of the current period	355,510	377,404

(Fractions less than one million yen are rounded down)

(Reference) Consolidated Statements of Comprehensive Income

(Millions of yen)

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

(Fractions less than one million yen are rounded down)

(Reference) Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2010 (From April 1, 2010 to March 31, 2011)	(Reference) FY2009 (From April 1, 2009 to March 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	39,312	18,894
Depreciation and amortization	24,096	23,196
Impairment loss	9,687	9,402
Loss on valuation of investment securities	801	16,543
Amortization of goodwill	4,548	4,443
Increase (decrease) in allowance for doubtful accounts	1,619	(3,977)
Increase (decrease) in provision for retirement benefits	901	(3,296)
Interest and dividends income	(8,390)	(9,672)
Interest expenses	23,936	25,987
Foreign exchange losses (gains)	3,907	(1,832)
Equity in (earnings) losses of affiliates	(19,297)	(9,179)
Loss (gain) on sales of investment securities	(755)	(32,375)
Loss (gain) on sales and retirement of noncurrent assets	(4,386)	(990)
Loss (gain) on step acquisitions	(10,307)	—
Decrease (increase) in notes and accounts receivable-trade	(30,328)	57,221
Decrease (increase) in inventories	(6,997)	80,618
Increase (decrease) in notes and accounts payable-trade	52,368	(46,575)
Other, net	8,790	(2,433)
Subtotal	89,506	125,972
Interest and dividends income received	13,172	18,120
Interest expenses paid	(24,013)	(26,379)
Income taxes paid	(10,801)	(10,490)
Net cash provided by (used in) operating activities	67,863	107,222
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposit	5,591	(301)
Decrease (increase) in short-term investment securities	(344)	292
Purchase of property, plant and equipment	(27,252)	(21,189)
Proceeds from sales of property, plant and equipment	6,654	5,443
Purchase of intangible assets	(21,195)	(7,264)
Purchase of investment securities	(20,647)	(19,098)
Proceeds from sales and redemption of investment securities	14,228	66,099
Decrease (increase) in short-term loans receivable	3,049	4,857
Payments of long-term loans receivable	(4,481)	(2,263)
Collection of long-term loans receivable	11,173	1,785
Net increase from purchase of consolidated subsidiaries	2,551	23
Net decrease from sale of consolidated subsidiaries	(460)	(49)
Other, net	11,229	103
Net cash provided by (used in) investing activities	(19,903)	28,439
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(49,686)	(41,620)
Increase (decrease) in commercial papers	(8,000)	(25,000)
Proceeds from long-term loans payable	167,047	244,907
Repayment of long-term loans payable	(155,603)	(240,962)
Proceeds from issuance of bonds	19,900	—
Redemption of bonds	(41,047)	(33,489)
Proceeds from stock issuance to minority shareholders	463	13
Purchase of treasury stock	(1)	(1)
Cash dividends paid	(1,876)	(4,339)
Cash dividends paid to minority shareholders	(1,924)	(1,374)
Other, net	(1,325)	(730)
Net cash provided by (used in) financing activities	(72,054)	(102,597)
Effect of exchange rate change on cash and cash equivalents	(14,470)	6,825
Net increase (decrease) in cash and cash equivalents	(38,564)	39,890
Cash and cash equivalents at beginning of period	454,262	414,419
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(436)	(48)
Cash and cash equivalents at the end of period	415,261	454,262

(Fractions less than one million yen are rounded down)

(Reference) Business Segment Information

FY2010 (From April 1, 2010 to March 31, 2011)

(Millions of yen)

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

- (Notes) 1. *Other* includes administration, domestic regional company, logistic and insurance agency services, venture capital, aircraft leasing, investment in real estate and other, and real estate leasing.
2. The adjustment of 12,215 million yen under *Segment income (loss)* includes a difference of 12,567 million yen between actual tax expenses to be incurred in the Group and the tax expenses allocated to respective segments based on the calculation method internally established, and 428 million yen of dividends income, etc. from the Group-wide assets not allocated to respective segments.

The adjustment of 250,748 million yen under *Segment assets* contains 46,886 million yen of inter-segment elimination, etc. and 297,634 million yen of the Group-wide assets not allocated to segments. Those assets are mainly in the form of surplus investments such as cash and deposits and investment securities.

The adjustments of depreciation and amortization, interest income, interest expense, equity in earnings (losses) of affiliates, and amount invested in equity-method affiliates under *Other items* are mainly attributed to inter-segment elimination.

3. *Segment income (loss)* is adjusted based on net income in the Consolidated Statements of Income.

<Change of business segment>

Effective from the consolidated fiscal year ended March 31, 2011, *Logistics and Services operations related to Airlines and Airport retail*, previously categorized in *Other Business*, were reclassified in *Consumer Lifestyle Business* due to recognition aiming at synergy effects mainly with the general commodities and retail field.

Figures of the segment information for the previous consolidated fiscal year reflect the segment classification.

FY2009 (From April 1, 2009 to March 31, 2010)

(Millions of yen)

	Segments to be reported					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on consolidated financial statements (Note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Total				
Net sales									
(1) Sales to outside customers	994,498	874,543	547,790	1,364,672	3,781,505	62,912	3,844,418	—	3,844,418
(2) Internal sales or transfers between segments	5,299	1,600	2,877	2,251	12,029	4,227	16,256	(16,256)	—
Total	999,798	876,144	550,667	1,366,924	3,793,535	67,139	3,860,675	(16,256)	3,844,418
Segment income (loss)	971	23,522	1,253	(3,226)	22,520	(9,106)	13,413	(4,619)	8,794
Segment assets	406,811	483,447	255,509	419,354	1,565,123	295,407	1,860,530	300,388	2,160,918
Other items									
Depreciation and amortization	4,343	7,972	2,962	2,188	17,467	5,752	23,219	(22)	23,196
Amortization of goodwill	703	884	1,517	1,362	4,467	(24)	4,443	—	4,443
Interest income	1,071	1,280	341	528	3,222	1,749	4,971	(339)	4,632
Interest expenses	6,045	8,515	3,304	7,607	25,473	852	26,326	(339)	25,987
Equity in earnings (losses) of affiliates	2,145	4,658	482	(277)	7,008	2,167	9,176	3	9,179
Extraordinary income	7,099	24,365	1,294	2,350	35,110	3,482	38,592	2,592	41,185
(Gain on sales of investment securities)	2,743	23,685	837	1,742	29,009	1,612	30,621	2,592	33,214
Extraordinary loss	1,895	4,354	908	3,452	10,610	25,382	35,993	—	35,993
(Loss on revaluation of securities)	213	194	308	179	896	15,647	16,543	—	16,543
(Impairment loss)	232	2,994	181	259	3,668	5,733	9,402	—	9,402
Tax expenses	(594)	9,093	1,806	(2,813)	7,492	(6,846)	646	7,622	8,268
Amount invested in equity-method affiliates	27,431	152,614	11,105	15,757	206,909	7,771	214,680	(435)	214,245
Property, plant and equipment and intangible assets increase	5,818	17,035	772	1,329	24,956	3,497	28,454	—	28,454

- (Notes) 1. *Other* includes administration, domestic regional company, logistic and insurance agency services, venture capital, aircraft leasing, investment in real estate and other, and real estate leasing.
2. The adjustment of 4,619 million yen under *Segment income (loss)* includes a difference of 7,622 million yen between actual tax expenses to be incurred in the Group and the tax expenses allocated to respective segments based on the calculation method internally established, and 2,911 million yen of gain on sales of investment securities related to the Group-wide assets not allocated to respective segments.

The adjustment of 300,388 million yen under *Segment assets* contains 51,629 million yen of inter-segment elimination, etc. and 352,017 million yen of the Group-wide assets not allocated to segments. Those assets are mainly in the form of surplus investments such as cash and deposits and investment securities.

The adjustments of depreciation and amortization, interest income, interest expense, equity in earnings (losses) of affiliates, amount invested in equity-method affiliates under *Other items* are mainly attributed to inter-segment elimination.

3. *Segment income (loss)* is adjusted based on net income in the Consolidated Statements of Income.
- (*) For further information on the major products and services of each business segment, please refer to “Business Report 1. Current Circumstances of the Sojitz Group, (5) Major Business Segments of the Sojitz Group.”

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

Items	As of Mar. 31, 2011	(Reference) As of Mar. 31, 2010	Items	(Millions of yen)	
				As of Mar. 31, 2011	(Reference) As of Mar. 31, 2010
Assets			Liabilities		
Current assets	719,119	716,956	Current liabilities	526,543	471,971
Cash and deposits	226,302	270,979	Notes payable-trade	4,332	4,529
Notes receivable-trade	16,475	17,719	Notes payable-import	23,948	11,568
Accounts receivable-trade	194,299	179,217	Accounts payable-trade	191,358	172,489
Merchandise and finished goods	52,777	71,686	Short-term loans payable	132,217	125,288
Real estate for sale	21,105	24,522	Short-term loans payable to subsidiaries and affiliates	—	1,767
Goods in transit	55,306	41,844	Commercial papers	2,000	10,000
Advance payments-trade	18,366	14,210	Current portion of bonds	60,000	40,000
Prepaid expenses	2,653	2,373	Lease obligations	148	120
Deferred tax assets	11,742	9,389	Accounts payable-other	4,917	6,739
Short-term loans receivable	893	1,171	Accrued expenses	2,953	3,423
Short-term loans receivable from subsidiaries and affiliates	44,899	42,620	Income taxes payable	1,351	1,384
Guarantee deposits	1,282	1,071	Advances received	21,490	11,582
Accrued income	1,203	1,160	Deposits received	75,528	74,818
Accounts receivable-other	71,252	38,869	Unearned revenue	116	163
Other	2,729	2,478	Guarantee deposits received	2,230	2,580
Allowance for doubtful accounts	(2,172)	(2,357)	Provision for bonuses	2,061	2,074
Noncurrent assets	941,662	981,777	Asset retirement obligations	62	—
Property, plant and equipment	20,669	20,929	Other	1,826	3,440
Buildings	7,338	7,590	Noncurrent liabilities	740,729	831,302
Structures	362	323	Bonds payable	75,000	115,000
Machinery and equipment	335	337	Long-term loans payable	645,847	696,659
Vehicles	80	63	Long-term loans payable to subsidiaries and affiliates	7,360	5,985
Tools, furniture and fixtures	517	478	Lease obligations	337	343
Land	11,574	11,694	Provisions for retirement benefits	4,950	4,567
Lease assets	460	440	Asset retirement obligations	774	—
Intangible assets	17,078	17,696	Other	6,457	8,745
Software	3,118	2,450	Total liabilities	1,267,273	1,303,273
Goodwill	13,819	15,172	Net assets		
Telephone subscription right	—	29	Shareholders' equity	389,903	390,283
Right of using telephone and telegraph facilities	—	0	Capital stock	160,339	160,339
Other	141	43	Capital surplus	155,271	155,271
Investments and other assets	903,914	943,152	Legal capital surplus	152,160	152,160
Investment securities	92,604	100,340	Other capital surplus	3,110	3,110
Stocks of subsidiaries and affiliates	620,850	610,130	Retained earnings	74,431	74,809
Investments in other securities of subsidiaries and affiliates	33,283	34,810	Other retained earnings	74,431	74,809
Investments in capital	2,906	3,006	Retained earnings brought forward	74,431	74,809
Investments in capital of subsidiaries and affiliates	24,098	18,289	Treasury stock	(138)	(137)
Long-term loans receivable	3,419	4,911	Valuation and translation adjustments	3,816	5,486
Long-term loans receivable from employees	13	17	Valuation difference on available-for-sale securities	3,985	5,435
Long-term loans receivable from subsidiaries and affiliates	11,560	44,734	Deferred gains or losses on hedges	(168)	51
Bad debts	97,530	96,221	Total net assets	393,720	395,769
Long-term prepaid expenses	5,088	4,873	Total liabilities and net assets	1,660,993	1,699,043
Deferred tax assets	33,515	44,149			
Real estate for investment	27,297	34,295			
Other	21,373	6,007			
Allowance for doubtful accounts	(59,898)	(55,008)			
Allowance for investment loss	(9,730)	(3,628)			
Deferred assets	211	308			
Stock issuance cost	—	39			
Bond issuance cost	211	268			
Total assets	1,660,993	1,699,043			

(Fractions less than one million yen are rounded down)

Non-consolidated Statements of Income

(Millions of yen)

Items	FY2010 (From April 1, 2010 to March 31, 2011)		(Reference) FY2009 (From April 1, 2009 to March 31, 2010)	
Net sales		2,466,861		2,389,381
Cost of sales		2,416,972		2,343,413
Gross profit		49,888		45,967
Selling, general and administrative expenses		51,720		56,230
Operating loss		(1,831)		(10,262)
Non-operating income		60,427		51,382
Interest income	3,827		4,344	
Dividends income	48,255		37,256	
Other	8,344		9,781	
Non-operating expenses		24,894		29,711
Interest expenses	18,503		19,245	
Interest on commercial papers	18		178	
Other	6,372		10,287	
Ordinary income		33,702		11,407
Extraordinary income		3,320		33,950
Gain on sales of noncurrent assets	3		3	
Gain on sales of real estate for investment	449		—	
Gain on sales of subsidiaries and affiliates' stocks	267		145	
Gain on sales of investment securities	1,340		29,885	
Gain on sales of equity investment without stock	56		354	
Reversal of allowance for doubtful accounts	945		3,562	
Gain on bad debts recovered	7		—	
Gain on liquidation of subsidiaries and affiliates	—		0	
Gain on transfer of business	249		—	
Extraordinary loss		29,034		37,449
Loss on sales of noncurrent assets	3		3	
Loss on retirement of noncurrent assets	26		15	
Loss on sales of real estate for investment	329		—	
Impairment loss	2,043		4,356	
Loss on sales of investment securities	73		1,061	
Loss on sales of equity investment without stock	0		0	
Loss on valuation of investment securities	549		15,878	
Loss on valuation of investments in capital	50		7	
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	13,944		15,880	
Restructuring losses	5,097		245	
Provision of allowance for investment loss	6,102		—	
Loss on adjustment for changes of accounting standard for asset retirement obligations	483		—	
Loss on disaster	331		—	
Income before income taxes		7,987		7,908
Income taxes—current		(2,019)		(1,602)
Income taxes—deferred		8,508		2,041
Net income		1,498		7,469

(Fractions less than one million yen are rounded down)

Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

Items	FY2010 (From April 1, 210 to March 31, 2011)	(Reference) FY2009 (From April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of the previous period	160,339	160,339
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of the current period	160,339	160,339
Capital surplus		
Legal capital surplus		
Balance at the end of the previous period	152,160	152,160
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of the current period	152,160	152,160
Other capital surplus		
Balance at the end of the previous period	3,110	3,110
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of the current period	3,110	3,110
Total capital surplus		
Balance at the end of the previous period	155,271	155,271
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of the current period	155,271	155,271
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the end of the previous period	74,809	71,679
Changes of items during the period		
Dividends from surplus	(1,876)	(4,339)
Net income	1,498	7,469
Total changes of items during the period	(378)	3,130
Balance at the end of the current period	74,431	74,809
Total retained earnings		
Balance at the end of the previous period	74,809	71,679
Changes of items during the period		
Dividends from surplus	(1,876)	(4,339)
Net income	1,498	7,469
Total changes of items during the period	(378)	3,130
Balance at the end of the current period	74,431	74,809
Treasury stock		
Balance at the end of the previous period	(137)	(135)
Changes of items during the period		
Purchase of treasury stock	(1)	(1)
Total changes of items during the period	(1)	(1)
Balance at the end of the current period	(138)	(137)

(Fractions less than one million yen are rounded down)

Non-consolidated Statements of Changes in Net Assets (continued)

Items	FY2010 (From April 1, 2010 to March 31, 2011)	(Millions of yen) (Reference) FY2009 (From April 1, 2009 to March 31, 2010)
Total shareholders' equity		
Balance as of the end of the previous period	390,283	387,155
Changes of items during the period		
Dividends from surplus	(1,876)	(4,339)
Net income	1,498	7,469
Purchase of treasury stock	(1)	(1)
Total changes of items during the period	(379)	3,128
Balance at the end of the current period	389,903	390,283
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of the previous period	5,435	1,883
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,450)	3,552
Total changes of items during the period	(1,450)	3,552
Balance at the end of the current period	3,985	5,435
Deferred gains or losses on hedges		
Balance at the end of the previous period	51	(49)
Changes of items during the period		
Net changes of items other than shareholders' equity	(219)	100
Total changes of items during the period	(219)	100
Balance at the end of the current period	(168)	51
Total valuation and translation adjustments		
Balance at the end of the previous period	5,486	1,833
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,669)	3,652
Total changes of items during the period	(1,669)	3,652
Balance at the end of the current period	3,816	5,486
Total net assets		
Balance at the end of the previous period	395,769	388,988
Changes of items during the period		
Dividends from surplus	(1,876)	(4,339)
Net income	1,498	7,469
Purchase of treasury stock	(1)	(1)
Net changes of items other than shareholders' equity	(1,669)	3,652
Total changes of items during the period	(2,049)	6,781
Balance at the end of the current period	393,720	395,769

(Fractions less than one million yen are rounded down)

Independent Auditors' Audit Report

May 11, 2011

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Teruo Suzuki
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Iwao Hirano
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Takemitsu Nemoto

In accordance with Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, comprising the consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets and the notes to the consolidated financial statements of Sojitz Corporation and its subsidiaries as of March 31, 2011 and for the 8th consolidated fiscal year from April 1, 2010 to March 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these consolidated financial statements referred to above present fairly, in all material aspects, the financial position and results of operations of the Company and its subsidiaries, applicable to the consolidated fiscal year ended March 31, 2011 in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Independent Auditors' Audit Report

May 11, 2011

To the Board of Directors,
Sojitz Corporation

KPMG AZSA LLC

Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Teruo Suzuki
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Iwao Hirano
Designated Limited Liability Partner Engagement Partner Certified Public Accountant	Takemitsu Nemoto

In accordance with Article 436, Paragraph 2 Item 1 of the Companies Act, we have audited the non-consolidated financial statements, comprising the non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets and notes to the non-consolidated financial statements and supplementary schedules of Sojitz Corporation as of March 31, 2011 and for the 8th fiscal year from April 1, 2010 to March 31, 2011. These non-consolidated financial statements and supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements and the supplementary schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance as to whether the non-consolidated financial statements and supplementary schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these non-consolidated financial statements and supplementary schedules referred to above present fairly, in all material aspects, the financial position and results of operation of the Company, applicable to the fiscal year ended March 31, 2011 in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Audit Report

With respect to the Directors' performance of their duties during the 8th fiscal year (from April 1, 2010 to March 31, 2011), the Board of Corporate Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Corporate Auditor, and hereby report as follows:

1. Method and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors has established the audit policies, assignment of duties, etc. and received a report from each Corporate Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Corporate Auditors has received reports from the Directors, etc. and the accounting auditors regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Corporate Auditors auditing standards established by the Board of Corporate Auditors, and in accordance with the audit policies and assignment of duties, etc., each Corporate Auditor endeavored to facilitate a mutual understanding with the Directors, the internal audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations.

Also, each Corporate Auditor regularly received reports on the status of the system and performance from the Directors and other employees and, as necessary, requested explanations for and expressed opinions on the status of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the business report complied with all laws, regulations and the articles of incorporation of the company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (*kabushiki kaisha*), and the systems (internal control systems) based on such resolutions. With respect to the subsidiaries, each Corporate Auditor endeavored to facilitate a mutual understanding and exchanged information with the Directors and Corporate Auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.

Based on the above-described methods, each Corporate Auditor examined the business report and supplementary schedules for the fiscal year under consideration.

In addition, each Corporate Auditor monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Corporate Auditor was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations), and requested explanations as necessary.

Based on the above-described methods, each Corporate Auditor examined the non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets, and notes to the non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets, and notes to the consolidated financial statements), for the fiscal year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

(i) We acknowledge that the Business Report and the supplementary schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the articles of incorporation of the company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the company was found with respect to the Directors' performance of their duties.

(iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents of the business report concerning the internal control systems and the Directors' performance of their duties.

(2) Results of Audit of the non-consolidated financial statements and their supplementary schedules

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of the consolidated financial statements

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

May 12, 2011

Sojitz Corporation Board of Corporate Auditors

Corporate Auditor (Full-time) Susumu Komori

Outside Auditor (Full-time) Kazuhiko Tokita

Corporate Auditor (Full-time) Takashi Tsukada

Outside Auditor Yukio Machida

Outside Auditor Mitsuaki Yuasa

Guide Map

Place:

Prominence Ball Room,
1st Basement Floor, ANA InterContinental Tokyo
12-33, Akasaka 1-chome, Minato-ku, Tokyo 107-0052
Tel: 03-3505-1111

Date and Time:

10:00 a.m., Thursday, June 23, 2011

Please come early to the venue as the reception area will become congested as it comes close to the starting time of the meeting. The reception is scheduled to open at 9:00 a.m.

Rail access via:

Tokyo Metro Ginza Line

- Tameike-sanno Station: 1 minute walk from Exit 13.
(5 minute walk from Tameike-sanno Station.)

Tokyo Metro Namboku Line

- Tameike-sanno Station: 1 minute walk from Exit 13.
(7 minute walk from Tameike-sanno Station.)
- Roppongi-itchohome Station: 2 minute walk from Exit 3.
(5 minute walk from Roppongi-itchohome Station.)

ANA InterContinental Tokyo

