

Notice of the 7th Ordinary General Shareholders' Meeting

To be held on Tuesday, June 22, 2010



New way, New value

Sojitz Corporation

(Security code 2768)

The following is an English translation of Notice of the 7th Ordinary General Shareholders' Meeting of Sojitz Corporation ("Sojitz" or the "Company") to be held on June 22, 2010. 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.

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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.
- 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 Monday, June 21, 2010 (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.evotep.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 Monday, June 21, 2010, we recommend you to exercise your voting right as soon as possible. Should you have any inquiries, please contact the Help Desk as described below.

If you exercise your voting right twice by 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, 2010

To Our Shareholders:

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

Notice of the 7th Ordinary General Shareholders' Meeting

You are cordially invited to attend the 7th 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> , Tuesday, June 22, 2010
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, you may exercise your voting right through either of the following methods.

Please read the attached Reference Documents for the General Shareholders' Meeting, and return the enclosed Voting Right Exercise Form with your selections by no later than 5:30 p.m. on Monday, June 21, 2010.

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 exercise your voting right twice by postal mail and Internet, your vote by Internet will be treated as valid.

Purposes of the Meeting

Matters to be reported:	(1) The 7th Fiscal Year (from April 1, 2009 to March 31, 2010) business report, consolidated financial statements, and the reports on the audit results of the consolidated financial statements by the accounting auditors and the Board of Corporate Auditors. (2) The 7th Fiscal Year (from April 1, 2009 to March 31, 2010) non-consolidated financial statements
Matters to be resolved:	Proposal No. 1 Partial Amendments to the Articles of Incorporation Proposal No. 2 Election of Seven Directors

- 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/jp/ir/stkholder/general/index.html> (available only in Japanese).

Reference Documents for the General Shareholders' Meeting

Proposals and Reference Matters

Proposal No. 1: Partial Amendments to the Articles of Incorporation

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

1. Deletion of the issuance provisions for preferred shares

We have acquired the First Series Class-III Preferred Shares in exchange of common stock shares of the Company as of October 21, 2009, and cancelled all of these preferred shares as of October 29, 2009. Therefore, we propose to delete the provisions concerning preferred shares and the General Class Shareholders' Meeting from the Articles of Incorporation.

The details of the First Series Class-III Preferred Shares are as follows:

[Details of the First Series Class-III Preferred Shares]

Preferred dividends: 15.0 yen per share per annum of the First Series Class-III Preferred Shares. Claims to preferred dividends take precedence over claims to dividends to shareholders or registered pledgees of common stock shares.

Distribution of residual assets: 2,000 yen per share of the First Series Class-III Preferred Shares. Claims to residual asset distributions on preferred shares take precedence over claims to residual asset distributions to shareholders or registered pledgees of common stock shares.

Voting rights: The First Series Class-III Preferred Shares carry no voting rights at general shareholders' meeting. Provided, however, that if on or after April 1, 2007, 'other retained earnings' as of the end of the previous fiscal year less the total acquisition cost of the preferred shares to be resolved at the Ordinary General Shareholders' Meeting exceeds 60 billion yen, and any proposal for the full payment of dividends on the First Series Class-III Preferred Shares is not made at the meeting, holders of the said preferred shares are eligible to vote from the meeting until a proposal of such payment is made and resolved at the meeting.

Call period for exchange of the preferred shares for common stock:

From May 14, 2004 to May 13, 2013

Conversion price:

The initial conversion price shall be the price obtained by dividing the total amount of the closing prices of the Company's common stock in regular trading on the Tokyo Stock Exchange for five (5) business days immediately prior to November 14, 2003 by the number of business days on which closing prices were reported. The conversion price will be revised on any May 14 ("Conversion Price Revision Date") during the period from May 14, 2004 to May 14, 2012 to the average of the closing prices of the Company's common stock in regular trading on the Tokyo Stock Exchange for ten (10) trading days immediately prior to the Conversion Price Revision Date, if such average falls below the effective conversion price at that time. Provided, however, that if the revised conversion price determined as a result of the above calculation falls below the amount equivalent to 30% of the initial conversion price (minimum conversion price), the minimum conversion price will apply to the revised conversion price.

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>1,350,500,000 shares. The number of class shares authorized to be issued by the Company shall be 1,349,000,000 shares of common stock and 1,500,000 shares of First Series Class-III Preferred Shares.</u></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 1,349,000,000 shares of common stock.</p>


Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER II. SHARES</p> <p>Article 8. (Shares Constituting One Unit)</p> <ol style="list-style-type: none"> 1. The number of shares constituting one (1) unit of shares of common stock, <u>and First Series Class-III Preferred Shares</u> of the Company, shall be one hundred (100) shares. 2. (Omitted) 	<p style="text-align: center;">CHAPTER II. SHARES</p> <p>Article 8. (Shares Constituting One Unit)</p> <ol style="list-style-type: none"> 1. The number of shares constituting one (1) unit of shares of common stock of the Company shall be one hundred (100) shares. 2. (Unchanged)
<p style="text-align: center;"><u>CHAPTER II-2.</u> <u>PREFERRED SHARES</u></p> <p><u>Article 11. (First Series Class-III Preferred Shares)</u></p> <p><u>The details of the First Series Class-III Preferred Shares shall be as prescribed in Appendix 1.</u></p>	<p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(This article as well as Appendix 1 deleted)</p>
<p style="text-align: center;">CHAPTER III. GENERAL SHAREHOLDERS' MEETING</p> <p>Article <u>12</u> through Article <u>17</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER III. GENERAL SHAREHOLDERS' MEETING</p> <p>Article <u>11</u> through Article <u>16</u> (Unchanged)</p>
<p style="text-align: center;">CHAPTER III. GENERAL SHAREHOLDERS' MEETING</p> <p><u>Article 18. (General Class Shareholders' Meeting)</u></p> <ol style="list-style-type: none"> 1. <u>The provisions of Articles 14, 15 and 17 hereof shall apply mutatis mutandis to the General Class Shareholders' Meeting.</u> 2. <u>The provisions of Article 13 hereof shall apply mutatis mutandis to the relevant General Class Shareholders' Meeting, if a matter to be resolved at the Ordinary General Shareholders' Meeting shall also require a resolution of the General Class Shareholders' Meeting, in addition to a resolution of such Ordinary General Shareholders' Meeting.</u> 3. <u>The provisions of Article 16, paragraph 1 hereof shall apply mutatis mutandis to resolutions of the General Class Shareholders' Meeting to be made pursuant to the provisions of Article 324, paragraph (1) of the Companies Act.</u> 4. <u>The provisions of Article 16, paragraph 2 hereof shall apply mutatis mutandis to resolutions of the General Class Shareholders' Meeting prescribed in Article 324, paragraph (2) of the Companies Act.</u> 	<p style="text-align: center;">CHAPTER III. GENERAL SHAREHOLDERS' MEETING</p> <p style="text-align: center;">(Deleted)</p>


Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS Article <u>19</u> through Article <u>27</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS Article <u>17</u> through Article <u>25</u> (Unchanged)</p>
<p style="text-align: center;">CHAPTER V. CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS Article <u>28</u> through Article <u>34</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER V. CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS Article <u>26</u> through Article <u>32</u> (Unchanged)</p>
<p style="text-align: center;">CHAPTER VI. ACCOUNTING Article <u>35</u> through Article <u>37</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER VI. ACCOUNTING Article <u>33</u> through Article <u>35</u> (Unchanged)</p>


Proposal No. 2: Election of Seven 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 being admitted as candidates, the prospective appointees were interviewed by the Nomination Committee, an advisory body of the Board of Directors, to verify that each candidate satisfies the criteria formulated by the Committee for the appointment 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, 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)	46,634

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)	April 1971 Joined Sanwa Bank Limited October 1991 Branch Manager, Uchikanda Branch January 1993 Transferred to Daikyo Incorporated November 1994 General Manager, Sales Division 2, Sanwa Bank February 1997 General Manager, Retail Dept. April 1998 General Manager, Planning Dept. June 1998 Director June 1999 Executive Officer March 2001 Managing Executive Officer January 2002 The corporate name was changed to UFJ Bank Limited due to the merger of Sanwa Bank Limited and Tokai Bank, Limited May 2002 Senior Managing Executive Officer, Branch Manager of Osaka Chuo Branch July 2002 Senior Managing Executive Officer April 2003 Director, Executive Vice President, Nissho Iwai - Nichimen Holdings Corporation June 2003 Executive Vice President, Nissho Iwai Corporation 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 July 2004 Director, Executive Vice President, Sojitz Holdings Corporation (name changed from Nissho Iwai - Nichimen Holdings Corporation) October 2004 Director, Executive Vice President, Sojitz Corporation 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 April 2008 Representative Director and Vice Chairman (current position)	61,800

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>	79,500

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>	60,900
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>	30,400

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 Outside Director, Asahi Glass Co., Ltd.	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 one year 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 one year 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 7th Ordinary General Shareholders' Meeting)

Business Report

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

1. Current Circumstances of the Sojitz Group

(1) Review of Progress and Performance in Operations

The outlook at the start of the fiscal year under review (FY2009) was uncertain amid rapid deterioration in the real economy. With demand declining owing to the impact of the global recession following the Lehman shock in FY2008, developed countries including the United States, Europe and Japan registered negative growth and emerging countries and developing countries saw growth rates slow down.

Against this backdrop, the economies of some emerging countries such as China, India and Brazil stopped deteriorating ahead of other countries and began to recover steadily, while economic stimulus measures in developed countries helped in overcoming the worst of their crisis.

Nevertheless, the pace of recovery differed between countries and regions around the world. As seen with the financial bankruptcy of Greece in the EU, some countries and regions remain in economic difficulty and there remains concerns over credit crunch and long-term economic weakness persisting. It is difficult to form an optimistic outlook.

While there have been signs of improvements in the economy in Japan, a sense of economic stagnation continues to prevail. Weak demand has led to an intensifying deflationary trend, causing deterioration in the employment and income environments which has resulted in weak consumer spending. The outlook for the domestic economy remains bleak.

Sojitz Group Performance

In FY2009, the Sojitz Group (the "Group") performed as outlined below.

Net sales	In FY2009, consolidated net sales totaled ¥3,844,418 million, down 25.6% year on year. By transaction type, export sales declined 32.5% year on year, owing mainly to a decline in automotive-related transactions, import sales fell 26.7%, primarily reflecting declines in transactions related to energy and metals, and food resources. Domestic sales fell 18.9%, mainly due to a decrease in energy and metals-related transactions, and offshore sales fell 32.7%, primarily due to declines in energy and metals-related transactions and automotive-related transactions. By product division, sales declined 16.5% year on year in the Machinery Division, 42.9% in the Energy & Metal Division, 23.3% in the Chemicals & Functional Materials Division, 17.2% in the Consumer Lifestyle Business Division, and 23.3% in Other Businesses.
Gross profit	Gross profit declined ¥57,415 million year on year to ¥178,203 million, mainly due to lower profits in automotive-related transactions and energy and metals-related transactions, and also because of a drop in profits in chemicals transactions caused by a decline in methanol prices.
Operating income	Operating income fell ¥35,878 million year on year to ¥16,128 million, due to a drop in gross profit, despite a decline in selling, general and administrative expenses.

Ordinary income Non-operating income and expenses improved owing to an improvement in equity in earnings of unconsolidated subsidiaries and affiliates and in foreign exchange losses (gains). However, due to the drop in operating income, ordinary income declined ¥19,934 million year on year to ¥13,702 million.

Extraordinary loss (income)

The Group recorded extraordinary income totaling ¥41,185 million, which included ¥33,214 million in gain on the sale of investment securities and ¥3,248 million in reversal of allowance for doubtful accounts. The Group recorded extraordinary loss totaling ¥35,993 million, which mainly comprised ¥16,543 million in loss on valuation of investment securities, ¥9,402 million in impairment loss on noncurrent assets, and ¥7,968 million in loss and provision for loss, on liquidation of subsidiaries and affiliates. As a result, the company recorded extraordinary income of ¥5,192 million.

Net income

Income before income taxes and minority interests totaled ¥18,894 million. After deduction of ¥8,562 million in income taxes-current and ¥1,832 million in minority interests in income, partially offset by ¥294 million in income taxes-deferred, net income totaled ¥8,794 million, down ¥10,207 million year on year.

Overview of operating performance by product division is as follows.

The Group has implemented structural reforms in the aim of establishing a solid earnings foundation by further improving operating efficiency and implementing selection and focus initiatives. These structural reforms included changes to the business segments, effective from FY2009. Overseas subsidiaries, which previously had a separate business segment, are now grouped in the main business segments on the basis of products handled.

Machinery Division

Net sales declined 16.5% year on year to ¥994,498 million mainly due to a decline in automotive-related transactions for Russia and the NIS, and Central and South America. Operating income and loss deteriorated ¥25,598 million to operating loss of ¥3,896 million.

Energy & Metal Division

Net sales decreased 42.9% year on year to ¥874,543 million owing to a decline in resource prices and withdrawal from transactions with low profitability. Operating income declined ¥16,089 million to ¥13,478 million.

Chemicals & Functional Materials Division

Net sales dropped 23.3% year on year to ¥547,790 million due to a decline in methanol prices and a drop in transaction volume for other chemicals and plastics. Operating income declined ¥5,873 million to ¥4,835 million.

Consumer Lifestyle Business Division

Net sales declined 17.2% year on year to ¥1,364,672 million due to a decline in

food resources-related transactions caused by a drop in prices, and the impact of weakness in the domestic forest products market. However, operating income increased ¥3,860 million to ¥4,055 million, primarily reflecting a decline in loss on valuation of real estate incurred in FY2008 and an improvement in selling, general and administrative expenses on restructuring of the textile business.

Other Businesses

Net sales declined 23.3% year on year to ¥62,912 million, but operating loss improved ¥7,619 million to ¥2,988 million mainly owing to the impact of loss on valuation of real estate incurred in FY2008.

Overview of business conditions by product division

Overview of business conditions by product division is as follows.

Machinery Division

In the automotive field, automobile demand in the Russia and NIS region—one of the Group's key markets—fell sharply as the pace of recovery in the automotive market lagged the recovery in the overall economy. We forecast earnings will turn up in the market from the second half of FY2010. Amid this environment, we plan to stabilize profits by optimizing inventory level and strengthening forex risk hedging in the first half of FY2010. We forecast firm automobile demand in Central and South America. We aim to stabilize the manufacturing framework of assembly, manufacturing and sale businesses in Venezuela and strengthen the dealer business.

In plants and infrastructure field, we received an order for a fertilizer plant from a state-owned company in Turkmenistan, which continues to see high growth rates even compared with other countries in Central Asia. The fertilizer plant will be Turkmenistan's largest. This order, together with the one we also received for steam turbine generators for use in coal thermal power plant in Vietnam shows how we are leveraging our strengths in the fertilizer plants, power and other infrastructure fields, primarily in emerging countries and countries with resources such as Russia and NIS, Asia and Africa. We are supplementing this order-receipt business with investments in carefully selected projects that should generate stable profits over a longer timeframe, such as IPP businesses, solar power generation, water-related businesses and other projects in the growing environmental field. Especially in the water-related business, we have moved into the industrial waste water purification business in China as part of the efforts to establish a Japanese business model for recycling-based industrial waste water treatment in the Chinese market.

In industrial systems and bearings business, sales of mounting equipment and semiconductor production equipment to Brazil, China and Asia were weak during the first half of FY2009, due to the impact of the global recession. However, sales gradually began to recover from the second half of the fiscal year in tandem with an upturn in market conditions. Meanwhile, sales in the bearing business increased supported by firm economic conditions in the emerging economies such

as China which is the core market.

In the IT business, we followed our successful tender offer for Nissho Electronics Corporation by making Sojitz Systems Corporation a wholly owned subsidiary, creating a base on which we strengthen our IT services business such as system development and maintenance. Through coordination and cooperation with these two companies, as well as with SAKURA Internet Inc. (data center operation) and Net Enrich Inc. in the United States (remote management services for IT infrastructure), we intend to build an ICT business value chain capable of providing integrated services from system development, IT equipment sales and installation, through maintenance and operation. Also, we will expand into Asian markets which have the growth potential, with an aim to develop an IT services business capable of covering the entire market.

In the marine business, shipping market, which was affected by the global recession in FY2008, have rebounded to a higher level than we anticipated, while in the ship-owning business, we rotated assets by selling ageing ships and replacing them with new ones, continuing to contribute to stable earnings.

In the commercial aircraft business, we delivered a total of 24 aircraft including B737 and B777 to Japanese airlines as the import and sales consultant to The Boeing Company in the United States. Also, as the sales agent for Canada's Bombardier Inc.'s commuter planes, we delivered two Maritime Patrol Aircraft ("MPA") to the Japan Coast Guard. In the defense business, we have now delivered a total of nine Apache helicopters to Japan's Ground Self-Defense Forces since 2006.



-Turkmenistan fertilizer plant signing ceremony



-Waste water treatment and recycling membranes



-“TORM SALTHOLM”, a Sojitz-owned ship



-Maritime Patrol Aircraft (“MPA”) to the Japan Coast Guard

Energy & Metal Division

In the oil and gas upstream businesses, crude oil production got under way in the Frade Oil Field located in the northern Campos Basin of Brazil in June 2009, while the Tangguh LNG Project in Indonesia was completed and shipments started in July 2009. The development of deep-water oil and gas blocks in the U.S. waters of the Mexican Gulf is progressing steadily, and we expect the production volume to increase once new interests we have acquired come on stream and production is expanded at existing concessions. Also, amid the recovery in the crude oil price, we expect the effects of these developments to contribute to earnings from FY2010.

In mineral resources field, we continue to expand alumina refining business in Australia (Worsley Alumina joint venture), consider further expansion of molybdenum concessions, and develop coal fields. In addition, we acquired copper and molybdenum mining concessions in Canada in March 2010. These latter concessions are already at the production stage, but once expansion works are completed in FY2010, copper production is projected to be 180,000 tons annually, extending the viability of the mine for another 25 years. Metal resources prices are on the recovery trend, and as the markets recover, we expect our concessions in coal, ferroalloys, and nonferrous metals to contribute to earnings in FY2010.

In the steel business, Sojitz Group’s affiliate Metal One Corporation reported a year-on-year decrease in earnings, but demand from China and Asia began growing from the second half of FY2009. With a moderate recovery of the steel market projected, we plan to further strengthen our cooperative relationship with Metal One and drive a recovery of performance.

Initiatives in the new energy field included a strategic business integration between ETH Bioenergia S.A., a Brazilian bioethanol manufacturing company (integrated business covering sugar cane cultivation through bioethanol and sugar production) in which we have a stake, and BRESCO Holding S.A., a major player in the bioethanol sector. The newly created company is to own nine plants in Brazil and by FY2012, it is projected to have annual sugar cane crushing capacity of 40 million tons and annual bioethanol production capacity of 3

million kiloliters, making it the largest sugar cane-based ethanol producer in the industry.



-Floating Production, Storage and Offloading (FPSO) vessel in the Frade Oil Field, Brazil



-First shipment of LNG from the Tangguh LNG Project



-Gibraltar copper mine to which interest was acquired in Canada

Chemicals & Functional Materials Division

The Group's 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 supply of raw materials through to sales to boost profits. Given that all these strategic products are basic raw materials, we think they offer good growth prospects in tandem with global economic development.

Lithium compounds were one of the products that recorded strong sales in FY2009. Although demand for lithium declined from the second half of 2008 owing to the impact of the economic crisis, the lithium-ion battery market rebounded quickly compared with other sectors. In addition, 2010 is set to mark the beginning of the lithium-ion battery era for EV (electric vehicles) and demand for lithium for its applications grew strongly in 2009, supporting sales growth.

The methanol business, meanwhile, was the main factor behind the decline in profits. The global recession in FY2008 led to a decline in the number of housing starts worldwide, resulting in a drop in demand for adhesives, one of the biggest

methanol applications. Consequently, methanol market continued to decline in the first half of FY2009. Gradually recovery centered on China was seen in the second half of FY2009, but this was insufficient to cover the sharp decline in the first half, and the methanol business reported an year-on-year decline in profits for the full year.

In terms of recent initiatives in the new energy field, Sojitz joined hands with Sojitz Pla-Net Corporation to invest in Taihan Techren Co., Ltd., South Korea's biggest solar power generation system integrator. South Korea is a leading country in solar power generation and is the world's fourth largest market after Germany, the United States, and Spain. In addition to supplying all equipments and materials such as solar photovoltaic modules and inverters which Taihan Techren procures from overseas, the Sojitz Group is also involved, through Taihan Techren, in the construction of solar power generation plants and the system installation for energy-efficient homes in South Korea. Using these initiatives in South Korea as a foothold, we plan to expand its business into Asia, where solar power generation is expected to become more widespread.

In addition, amid growing momentum on tackling environment issues such as global warming, Sojitz Pla-Net Corporation began selling plastic grocery bags with carbon offsets as a functional material product to retailers in November 2009 to create opportunities for environmental contribution. Through its plastic grocery bags with carbon offsets, Sojitz Pla-Net is supporting projects to cut carbon dioxide emissions and plans to further develop its environmentally friendly business.



-Methanol manufacturing plant in Indonesia



-Solar power generation equipment supplied to Taihan Techren Co., Ltd.



-Plastic grocery bags with carbon offsets

Consumer Lifestyle Business Division

In the fertilizer business in Thailand, Vietnam and the Philippines, we completed inventory adjustments started in the second half of FY2008 and profitability is gradually recovering. Going forward, we plan to further strengthen the business base for our fertilizer business, and by leveraging the base of the business, push ahead with agribusiness initiatives in Asia, Africa, and Central and South America.

In the grains and feed materials field, we have a roughly 40-year track record of selling wheat to the Asian markets. In 2009, the volume of wheat handled by the Sojitz Group totaled approximately 4 million tons, equating to around 3% of global wheat exports volume. At the same time, we are also involved in wheat processing. For example, in Indonesia, we operate the country's largest bread production business as well as a noodle production business, while in Vietnam, we have a stake in Interflour Vietnam Ltd., one of the country's largest flour milling companies. In Russia, we concluded a strategic partnership agreement with the Russia Grain Union to promote sales of Russian wheat in Asian markets, one of the world's largest markets for wheat consumption. This marked the first time that the Russia Grain Union has signed a strategic partnership agreement with an Asian company. As the first step in the partnership, Sojitz and the Russia Grain Union jointly held the International Grain Trade Conference Asia-Russia 2010 in Singapore. In addition to our efforts in Asia, we plan to develop Middle Eastern and African markets that show signs of growth as promising wheat consumption regions, investigate measures to promote the stable supply of wheat, and help to secure and ensure stable supplies of food resources from a global perspective.

In the condominiums business, we have been focusing on selling condominiums on our books since FY2008 in an effort to reduce our inventories of properties for sale. Amid signs that the condominium market in metropolitan Tokyo is beginning to recover, at the end of FY2009, we resumed purchases of land for new projects, mainly in city center areas.

In the retail property development business, amid weak consumer spending, we focused on further improving the three properties in our Mallage series shopping center brand as matured, attractive facilities. Specifically, we worked to boost customer footfall and sales by bringing in a good mix of tenants and using strategies to attract shoppers.

In forest products, Sojitz Building Materials Corporation obtained CoC (Chain of Custody) certification, which certifies the appropriate handling of certified forestry products. Sojitz has already obtained this certification. We plan to strengthen our business in this area by enhancing the handling of timber and wood products that put an emphasis on protecting the natural environment, such as plantation wood and certified forestry products. Also, we plan to increase sales to Asian markets such as Vietnam, China and India, where demand for timber is expected to grow. In the woodchip and paper & pulp field, we intend to increase our secure access to resources mainly in Vietnam where Sojitz has strengths, and work to expand sales in the growing Asian markets and the European markets

where demand for biomass material is growing. Through a range of initiatives, including providing finance for afforestation to local afforestation companies and farmers in Vietnam, and distributing free seedlings each year to farmers and schools, the afforestation area now totals 37,000 hectares.

In the textile business, apparel OEM product transactions (manufacturing of brand products of the licensee) and textile transactions were firm during FY2009.

In the general commodities and retail field, we increased the volume of own-brand lifestyle consumer goods such as shoes and suitcases that we handle and strived for new business expansions.



-“International Grain Trade Conference Asia-Russia 2010” held jointly in Singapore with the Russia Grain Union



-Plantation in the Solomon Islands with International Forest Certification



-Donation of seedlings to junior and senior high schools in Vietnam



-“Ben Sherman” footwear for which Sojitz GMC acquired a license

Net Sales by Transaction Type

(Millions of yen)

	FY2009		FY2008		Year-on-year	
	Apr. 2009 to Mar. 2010	Composition ratio (%)	Apr. 2008 to Mar. 2009	Composition ratio (%)	Change	Rate of change (%)
Export	446,073	11.6	660,601	12.8	(214,528)	(32.5)
Import	972,775	25.3	1,327,475	25.7	(354,700)	(26.7)
Domestic	1,689,558	44.0	2,084,057	40.3	(394,499)	(18.9)
International	736,011	19.1	1,094,047	21.2	(358,036)	(32.7)
Total	3,844,418	100.0	5,166,182	100.0	(1,321,764)	(25.6)

Net Sales by Business Segment

(Millions of yen)

	FY2009		FY2008		Year-on-year	
	Apr. 2009 to Mar. 2010	Composition ratio (%)	Apr. 2008 to Mar. 2009	Composition ratio (%)	Change	Rate of change (%)
Machinery	994,498	25.9	1,190,524	23.0	(196,025)	(16.5)
Energy & Metal	874,543	22.7	1,531,984	29.7	(657,440)	(42.9)
Chemicals & Functional Materials	547,790	14.2	714,129	13.8	(166,339)	(23.3)
Consumer Lifestyle Business	1,364,672	35.5	1,647,573	31.9	(282,900)	(17.2)
Other	62,912	1.7	81,971	1.6	(19,058)	(23.2)
Total	3,844,418	100.0	5,166,182	100.0	(1,321,764)	(25.6)

(Notes) 1. Fractions less than one million yen are rounded off.

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:

The Group has implemented structural reforms in the aim of establishing a solid revenue base by further improving operating efficiency and implementing selection-and-focus initiatives, effective from FY2009. Details are provided below.

Figures of net sales for the previous consolidated fiscal year reflect the segment division after the change.

- The Group’s businesses have been reclassified into five segments of *Machinery*, *Energy & Metal*, *Chemicals & Functional Materials*, *Consumer Lifestyle Business*, and *Other*.
They were previously comprised of seven segments of *Machinery & Aerospace*, *Energy & Mineral Resources*, *Chemicals & Plastics*, *Real Estate Development & Forest Products*, *Consumer Lifestyle Business*, *Overseas Subsidiaries*, and *Other*.
- *Real Estate Development & Forest Products*, which was previously an independent segment, has been consolidated into *Consumer Lifestyle Business* with a part of real estate business transferred to *Other*.
- Operations of *Overseas Subsidiaries*, which was previously an independent segment, have been distributed to each of reclassified segments according to the characteristics of products and services it handled.
- The aircraft leasing business, which previously belonged to *Machinery & Aerospace*, has been transferred to *Other*.
- The industrial minerals business and fertilizer business, which previously belonged to *Chemicals & Plastics*, have been transferred to *Energy & Metal* and to *Consumer Lifestyle Business*, respectively.
- The fiber-related business for industrial supplies, which previously belonged to *Consumer Lifestyle Business*, has been transferred to *Chemicals & Functional Materials*.

(2) Funding

1) 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 launched in FY2008, is to maintain and improve the stability of the funding structure. Specifically, in FY2009, the Group procured new long-term loans and aggressively replaced short-term debt with long-term debt to establish a more stable financing structure. As a result, the Group recorded a current ratio and a long-term debt ratio of 153% and 74%, respectively as of March 31, 2010.

In addition, the Group has a long-term commitment line totaling ¥100 billion and continues to maintain a good relationship with the banks providing this commitment line and other financial institutions, thereby ensuring funding liquidity and stability.

Another source of long-term funding is the issuance of bonds. Though we did not issue any during FY2009, we continue to monitor market conditions.

2) Purchase or disposal of shares or other equity in other companies (including foreign companies) or subscription rights to shares

On August 21, 2009, Sojitz resolved to conclude a contract to transfer its entire interest of 4,925,344 shares (5.69% stake) in Coal & Allied Industries Limited (a listed company on the Australian Securities Exchange). The shares were transferred to institutional investors and other parties via a stockbroker on August 26.

(3) Assets, Profits and Losses over the Past Three Fiscal Years

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

The Group's assets, profits and losses in FY2009 and over the past three fiscal years are as outlined below.

(Millions of yen, otherwise specified)

Item \ FY	FY2006	FY2007	FY2008	FY2009
Net sales	5,218,153	5,771,028	5,166,182	3,844,418
Ordinary income	89,535	101,480	33,636	13,702
Net income	58,766	62,693	19,001	8,794
Net income per share (yen)	83.20	51.98	15.39	7.08
Total assets	2,619,507	2,669,352	2,312,958	2,160,918
Net assets	531,635	520,327	355,503	377,404
Net assets per share (yen)	144.22	383.46	256.17	281.69
Consolidated subsidiaries	334	360	354	329
Affiliates accounted for by equity method	200	209	184	161

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

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

The Company's assets, profits and losses in FY2009 and over the past three fiscal years on a non-consolidated basis are as outlined below.

(Millions of yen, otherwise specified)

Item \ FY	FY2006	FY2007	FY2008	FY2009
Net sales	2,833,207	3,480,490	3,217,313	2,389,381
Ordinary income	55,316	33,980	16,761	11,407
Net income	21,010	31,523	22,008	7,469
Net income per share (yen)	28.26	26.13	17.82	6.01
Total assets	1,916,431	1,925,999	1,790,594	1,699,043
Net assets	451,254	416,911	388,988	395,769
Net assets per share (yen)	109.25	335.52	312.91	316.32

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

(4) Business Outlook and Issues to be Addressed

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 businesses 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 its funding structure. Its basic policy is to maintain the financial ratios in the table below. The net debt equity ratio (DER)* which stood at 2.7 times as of March 31, 2009, improved to 2.1 times at the end of FY2009. We aim to reduce this to approximately 2.0 times by continuing to limit increase in borrowings by securing funds of new business investments and loans through asset reallocation.

	Targets	March 31, 2010
Long-term debt ratio	Approximately 70%	74%
Current ratio	120% or higher	153%
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.

To realize sustained growth, the Group aims to establish a strong earnings foundation conducive to growth by improving earnings quality, in line with the medium-term management plan, Shine 2011.

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.

- Accumulate 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

We positioned FY2009 which was the first year of Shine 2011 as a year to solidify our footing, working to rebuild the foundations of our main businesses that performed poorly owing to the rapid deterioration in the economic environment in FY2008. Progress was made, including a recovery in earnings in the fertilizer business after optimizing the inventory level.

In the resources field, we continued to secure access to resources by replacing assets while accumulating the existing concessions.

Meanwhile, in the new business fields, which we are cultivating to build an earnings foundation for mid- to long-term, we focused on the new energy and environmental businesses. Specifically, we expanded our bioethanol business through business integration with another company and took a stake in a solar power-related business.

In terms of regional strategy, our infrastructure business such as power and cement is starting to

develop in Africa where, as a new priority region, we are strengthening the business foundation through measures such as stationing additional employees. In the Middle East, as well, we made some progress with projects that should support growth in the future, such as participation in the IPP business.

However, inventory optimization and profitability recovery has lagged in fields such as automobiles and foodstuffs, and there were some business sectors where we were not able to solidify our footing and achieve a genuine recovery of the earnings foundation during FY2009. This, together with the impact of loss on devaluation of shareholdings and other factors, meant we fell short of our initial full-year earnings forecasts for FY2009, which was the first year of Shine 2011 aimed at strengthening the foundation for sustained growth.

Looking at current conditions, in FY2010 we again plan to focus on strengthening the earnings foundations of businesses that have been slow to recover.

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.

Looking at issues for the Sojitz Group, we are aware that we need to establish a stronger earnings foundation conducive to sustained growth through the implementation of the Shine 2011 initiatives mentioned above.

In FY2010, we will work to maintain and improve on the Group's sound financial structure, while continuing to solidify our footing to strengthen earnings foundations of the businesses where recovery has been slow, as part of efforts to create a stable earnings foundation for the future.

Our consolidated performance targets for FY2010 and FY2011, the two remaining years of Shine 2011, are shown in the table below. Achieving these targets steadily will mark a first concrete step on the road to returning the Group to a trend of sustained growth and regaining the trust of all our stakeholders.

	FY2010	FY2011
Net sales	¥4,210 billion	¥4,820 billion
Gross profit	¥205 billion	¥242 billion
Ordinary income	¥26 billion	¥56 billion
Net income	¥11 billion	¥25 billion

We aim to limit risk assets to no more than 1.0 times its shareholders' equity. Based on plans to reduce and control risk assets, we will exit low-profitable businesses, reduce inventories to appropriate levels, and reduce holdings of listed stock where necessary. 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.

(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 522 companies which carry out above business activities, including 355 subsidiaries and 167 affiliates (of which, 490 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.

Business Segments

(As of March 31, 2010)

Segment	Major products/services	Major subsidiaries and affiliates
Machinery	Automobiles and car parts; auto manufacturing equipment and facilities; construction machinery; ships; rolling stock; airplanes and related equipment; telecommunication infrastructure equipment; electronic industry-related equipment; equipment and facilities for steel, cement, chemical and other industrial plants; power generation; power-related equipment and materials (generation, transformation and distribution); infrastructure business; bearings; industrial power generator; industrial machinery; metal processing machinery and related equipment; IT industry-related business; data processing; computer software development.	<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 shipping-related equipment and materials; subsidiary) • Nissho Electronics Corporation (IT systems and network services; subsidiary) (*2) • NextGen, Inc. (network services; subsidiary) (*1) • 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 and consulting; affiliate) (*1) • SAKURA Internet Inc. (Internet data center business; affiliate) (*1) <p style="text-align: right;">101 subsidiaries (22 domestic, 79 overseas) 49 affiliates (9 domestic, 40 overseas)</p>

Segment	Major products/services	Major subsidiaries and affiliates
Energy & Metal	Oil; gas; petroleum products; coke; carbon products; nuclear fuel; machinery for nuclear power generation; coal; ironstone; ferroalloy (nickel, molybdenum, vanadium and rare metals) and ore; alumina; aluminum; copper; zinc; tin; precious metals; ceramic and mineral products; machinery and equipment for offshore oil production; infrastructure business; energy and chemical projects; LNG operations; steel-manufacturing-related operations; renewable-energy-related business; environment-related business.	<ul style="list-style-type: none"> • Sojitz Energy Corporation (sales of petroleum products; subsidiary) • Sojitz Ject Corporation (trading in coke, carbon and mineral products; subsidiary) • Tokyo Yuso Co., Ltd. (oil storage facility management, warehousing and transportation; subsidiary) • Sojitz Coal Resources Pty. Ltd. (investment in coal mines; subsidiary) (*3) • Sojitz Moly Resources, Inc. (invests in molybdenum mines; subsidiary) • Sojitz Energy Venture Inc. (oil and gas development; subsidiary) • Metal One Corporation (import/export and domestic and international sales of steel-related products; affiliate) • LNG Japan Corporation (LNG business and related investments and loans; affiliate) • Alconix Corporation (sales of nonferrous product and, construction and electronic materials; affiliate) (*1) • Coral Bay Nickel Corporation (manufacturing and sales of nickel and cobalt combined sulfide; affiliate) • Japan Alumina Associates (Australia) Pty. Ltd. (alumina production; affiliate) • ETH Investimentos S.A. (bioethanol and sugar manufacturing business; affiliate) (*4) <p style="text-align: right;">43 subsidiaries (11 domestic, 32 overseas) 26 affiliates (7 domestic, 19 overseas)</p>
Chemicals & Functional Materials	Organic chemicals; inorganic chemicals; specialty chemicals; fine chemicals; industrial salt; cosmetics; chemical food ingredients; rare earths; general-purpose resins; raw materials for plastics such as engineering plastics; films and sheets for industrial, packaging or food applications; plastic molding machinery; other plastics products; electronic materials such as liquid crystal and electrolytic copper foil; textiles raw material for industrial supplies and related products.	<ul style="list-style-type: none"> • Sojitz Pla-Net Holdings, Inc. (plastics business holdings; subsidiary) • Sojitz Pla-Net Corporation (domestic and offshore trading of plastic materials and products; subsidiary) • Pla Matels Corporation (domestic and offshore trading of plastic 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;">32 subsidiaries (14 domestic, 18 overseas) 28 affiliates (9 domestic, 19 overseas)</p>

Segment	Major products/services	Major subsidiaries and affiliates
Consumer Lifestyle Business	Cereal grain; wheat flour; oils and fats; oilcake and raw materials for feed; stock farm products and marine products; farmed marine products and processed food; fruit and vegetables; frozen vegetables; frozen food; snacks and candy; ingredients for snacks and candy; coffee beans; sugar; other food products and ingredients; chemical fertilizers; cotton and chemical fibers; bonded textile; knitted clothes and knit products; textiles raw material; apparel; interior accessory; bedclothes, bedding and home interior accessory and related products; nursery items; general merchandise; planning, construction and subdivision of condominiums; development and sales of housing sites; sales, purchase, development, lease and management of buildings; construction contracting; sales, purchase, lease, brokerage, and management of real estate; retail property development; construction materials; imported timber; sawmilling and timber products such as plywood and bonded wood; housing construction materials; afforestation and woodchip business.	<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 food; and other foodstuff; subsidiary) • Sojitz Meat and Agri Corporation (import and domestic sales of meat, gardening products and feed; subsidiary) (*5) • 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 apparel; subsidiary) • Sojitz General Merchandise Corporation (import/export and sales of general merchandise; subsidiary) • Sojitz General Property Management Corporation (building, condominium, retail property and other real estate management; subsidiary) • Sojitz Fashion Co., Ltd. (cotton and synthetic fiber 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 and plywood; subsidiary) • Sojitz Realnet Corporation (sales, purchase and leasing brokerage of real estate; subsidiary) • Thai Central Chemical Public Co., Ltd. (production and sales of fertilizers; sales of imported fertilizers; subsidiary) • Vietnam Japan Chip Vung Ang Corporation (manufacturing and sales of timber chips; afforestation; subsidiary) • Sojitz Now Apparel Ltd. (production, management and sales of secondary textile products; subsidiary) (*6) • Fuji Nihon Seito Corporation (manufacturing, refining, processing and sales of sugar; affiliate) (*1) • Yamazaki-Nabisco Co., Ltd. (manufacturing of snacks and candy; affiliate) • Nissho Iwai Paper & Pulp Corporation (sales of paper boards, 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 (27 domestic, 30 overseas) 33 affiliates (10 domestic, 23 overseas)</p>

Segment	Major products/services	Major subsidiaries and affiliates
Other	Occupational-ability-related consulting and services; domestic regional corporation; logistic services; insurance agency services; venture capital; aircraft leasing; real estate investments; real estate leasing.	<ul style="list-style-type: none"> • Sojitz Kyushu Corporation (domestic regional corporation; subsidiary) • Sojitz Logistics Corporation (logistic services business; land, sea, and air cargo; international nonvessel operating common carrier (NVOCC) transportation; subsidiary) • Sojitz Insurance Agency Corporation (insurance agency services; subsidiary) • Sojitz Shared Service Corporation (occupational-ability-related consulting and services; subsidiary) • New Real Creation Inc. (real estate purchase, sales, investment and brokerage; receivable sales; subsidiary) • Sojitz Aircraft Leasing B.V. (aircraft leasing; subsidiary) • JALUX Inc. (logistics and services in the airline, airport, lifestyle and customer service sectors; affiliate) (*1) <p style="text-align: right; margin-right: 20px;">66 subsidiaries (35 domestic, 31 overseas) 14 affiliates (3 domestic, 11 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"> • Operations of <i>Overseas Subsidiaries</i>, which was previously an independent segment, have been distributed to each of reclassified segments according to the characteristics of products and services it handled. 	<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;">56 subsidiaries (all overseas) 17 affiliates (all overseas)</p>

(Notes) (*1) Of the subsidiaries and affiliates, JALUX Inc. listed on the first section of the Tokyo Stock Exchange; Fuji Nihon Seito Corporation and Alconix Corporation listed on the second section of the Tokyo Stock Exchange; SAKURA Internet Inc. listed on the Mothers; Pla Matels Corporation and TechMatrix Corporation listed on JASDAQ; and NextGen, Inc. listed on the Hercules market, all as of March 31, 2010.

(*2) Nissho Electronics Corporation was delisted on August 29, 2009.

(*3) As of May 21, 2009, Catherine Hill Resources Pty. Ltd. changed its company name to Sojitz Coal Resources Pty. Ltd.

(*4) ETH Investimentos S.A. was established as a holdings company of ETH Bioenergia S.A.

(*5) As of April 1, 2010, Sojitz Foods Corporation merged with Sojitz Meat and Agri Corporation.

(*6) As of June 1, 2009, Now Apparel Ltd. changed its company name to Sojitz Now Apparel Ltd.

(6) Business Locations of Sojitz Group and the Number of Employees (As of March 31, 2010)

(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: Local Companies	Fukuoka, Nagasaki, and Naha
Overseas: Overseas Subsidiaries	26 countries and areas incl. US, UK, Singapore, China, Taiwan, Australia, Korea, Russia, New Zealand, Thailand, India, Indonesia, Brazil, Vietnam, the Philippines, Malaysia, UAE, Mexico, Nigeria, Canada, Argentina, Venezuela, and Peru

(b) Number of Employees

Segment	Number of employees
Machinery	5,922
Energy & Metal	1,311
Chemicals & Functional Materials	1,993
Consumer Lifestyle Business	6,222
Others	1,883
Total	17,331

(c) Employees of the Company

Number of employees	Change from the previous year	Average age	Average service years
2,295	+39	41.10 years old	14.12 years

- (Notes) 1. The above figures do not include 191 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, 2010)

(a) Major Subsidiaries and Affiliates

Subsidiaries

(Millions of yen, otherwise specified)

Company	Capital	Controlling share (%)	Major business activities
Sojitz Corporation of America	US\$586,083,868	100.00	Offshore trade
Sojitz Europe plc	13,240 ST£73,117,500	100.00	Offshore trade
Sojitz Asia Pte. Ltd.	US\$136,507,474	100.00	Offshore trade
Sojitz (Hong Kong) Ltd.	US \$90,440,212	100.00	Offshore trade
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 machinery
Sojitz Marine & Engineering Corporation	800	100.00	Sales, purchase and charter brokerage of ships; import/export and domestic sales of shipping-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 Pla-Net Holdings, Inc.	6,164	100.00	Plastics business holdings
Sojitz Pla-Net Corporation	3,000	100.00 (Note 1)	Domestic and offshore trading of plastic materials and products
Pla Matels Corporation	793	46.55 (Note 2)	Domestic and offshore trading of plastic materials and products
Sojitz Building Materials Corporation	1,039	100.00	Sales of construction materials
Sojitz General Property Management Corporation	324	100.00	Building, condominium, retail property and other real estate management
Sojitz Foods Corporation	412	100.00	Sales of sugar; glycated products; dairy products; farm, livestock and marine products; processed food; and other foodstuff
Sojitz Infinity Inc.	2,946	100.00	Planning, manufacturing and sales of men's, women's and children's apparel
Sojitz Fashion Co., Ltd.	100	100.00	Cotton and synthetic fabric printing; planning, processing and wholesaling of plain and yarn-dyed textiles
Sojitz Kyushu Corporation	500	100.00	Domestic regional corporation

- (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 international sales of steel-related products
LNG Japan Corporation	8,002	50.00	LNG business and related investments and loans
JALUX Inc.	2,558	30.00	Logistics and services in the airline, airport, lifestyle and customer service sectors

(b) Result of Mergers

1. The Group now has 329 consolidated subsidiaries and 161 affiliates accounted for by equity method.
2. For the business performance of the Group in FY2009, please refer to “(1) Review of Progress and Performance in Operations.”

(8) Major Creditors and Borrowed Amounts (As of March 31, 2010)

(Billions of yen)

Creditor	Amount outstanding
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 3)	137.7
Mizuho Corporate Bank, Ltd. (Note 3)	95.2
The Sumitomo Trust and Banking Co., Ltd. (Note 3)	87.2
Development Bank of Japan Inc. (Note 3)	70.0
The Norinchukin Bank (Note 3)	63.8
Sumitomo Mitsui Banking Corporation (Note 3)	60.9
Mitsubishi UFJ Trust and Banking Corporation (Note 3)	43.8
Shinkin Central Bank	35.5
Resona Bank, Ltd. (Note 3)	30.0
Aozora Bank, Ltd.	28.2

- (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, 2010)

(1) Total Number of Shares Authorized to Be Issued

Common stock	1,349,000,000	(end of FY2008: 1,349,000,000)
First Series Class-III preferred shares	1,500,000	(end of FY2008: 1,500,000)

(2) Total Number of Outstanding Shares

Common stock	1,251,499,501	(end of FY2008: 1,233,852,443)
First Series Class-III preferred shares	—	(end of FY2008: 1,500,000)

(Note) The total number of outstanding shares of common stock includes the number of shares of treasury stock (343,668 shares).

(3) Number of Shareholders

Common stock	212,940
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(4) Major Shareholders

Common Stock

Shareholder	Investment in the Company	
	Shares held (in thousands)	Investment ratio (%)
Japan Trustee Services Bank, Ltd. (Note 2)	142,398	11.38
The Master Trust Bank of Japan, Ltd. (Note 3)	34,891	2.79
Trust & Custody Services Bank, Ltd. (Note 4)	21,543	1.72
State Street Bank and Trust Company 505225	17,884	1.43
Melon Bank, N. A. As Agent For Its Client Melon Omnibus US Pension	14,023	1.12
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	12,007	0.96
Juniper	11,484	0.92
State Street Bank West Client Treaty	10,449	0.84
Melon Bank, N.A. Treaty Client Omnibus	10,087	0.81
Nomura Singapore Limited Account Nominee FJ 1309	9,280	0.74

- (Notes)
1. The number of shares less than 1,000 is rounded off and the figures of investment ratio are rounded to the nearest second decimal place.
 2. The number of shares held by Japan Trustee Services Bank, Ltd. includes 133,433 thousand shares held in trust accounts.
 3. The number of shares held by The Master Trust Bank of Japan, Ltd. includes 32,215 thousand shares held in trust accounts.
 4. The number of shares held by Trust & Custody Services Bank, Ltd. includes 21,293 thousand shares held in trust accounts.
 5. The investment ratio 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, 2010)

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 Outside Director, Asahi Glass Co., Ltd.
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 Director, Mitsui Chemicals, Inc. 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)

	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	9	328	8	133	17	462	(*1), (*2)
Internal	6	307	3	75	9	383	
External	3	21	5	58	8	79	

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

Corporate Auditors 150 million yen per year

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

(3) Concurrent Positions of Outside Directors and Outside Auditors

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

(4) Main Activities of Outside Directors and Outside Auditors

Position	Name	Main activities
Outside Director	Yoshikazu Sashida	Mr. Sashida has attended all 11 meetings of the Board of Directors held in FY2009, after assuming the position of Director of the Company. 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.
Outside Director	Toru Nagashima	Mr. Nagashima has attended 10 of 11 meetings of the Boards of Directors held in FY2009, after assuming the position of Director of the Company. 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.
Outside Auditor	Kazuhiko Tokita	Mr. Tokita has attended all 11 meetings of the Board of Directors held in FY2009, and all 11 meetings of the Board of Corporate Auditors held in the same year, after assuming the position of Corporate Auditor of the Company. 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.
Outside Auditor	Yukio Machida	Mr. Machida has attended 13 of 14 meetings of the Board of Directors held in FY2009, and all 14 meetings of the Board of Corporate Auditors held in the same 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.
Outside Auditor	Mitsuaki Yuasa	Mr. Yuasa attended 10 of 11 meetings of the Board of Directors held in FY2009, and 10 of 11 meetings of the Board of Corporate Auditors held in the same year, after assuming the position of Corporate Auditor of the Company. 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 & Co.

(2) Remuneration, etc. for Accounting Auditor in FY2009

(Millions of yen)	
	Amount
	KPMG AZSA & Co.
Remuneration, etc. payable by the Company in FY2009	
Remuneration, etc. for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	400
Remuneration, etc. for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act	9
Total	409
Total amount of money and other financial benefits payable by the Company and its subsidiaries	742

- (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 & Co.
3. Fractions less than one million yen are rounded off.

(3) Non-Audit Services

We entrust our Accounting Auditor to provide advisory services pertaining to the “Task-analysis Phase of the Adoption Process of the International Financial Reporting Standards (IFRS),” 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 a one of the most important issues of our business. 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 established the Board of Corporate Auditors, where Corporate Auditors independently audit the business operations executed by Directors. In addition, we have set up the Nomination Committee and the Remuneration Committee 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 all 11 meetings of the Board of Directors held in FY2009 after assuming the position of Director of the Company on June 23, 2009. 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 10 of 11 meetings of the Board of Directors held in FY2009 after assuming the position of Director of the Company on June 23, 2009. 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.

In addition, we have set up the Nomination Committee and the Remuneration Committee, both headed by Outside Directors, acting as an advisory body to the Board of Directors, in order to ensure adequacy and transparency of appointment of and remuneration for Directors.

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 contract 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 the financial, business or legal industry, or auditing firms. Main activities of these Outside Auditors are as follows:

Auditor Tokita: Attended all 11 meetings of the Board of Directors held in FY2009 after assuming the position of Corporate Auditor of the Company on June 23, 2009.

Auditor Machida: Attended 13 of 14 meetings of the Board of Directors held in FY2009.

Auditor Yuasa: Attended 10 of 11 meetings of the Board of Directors held in FY2009, after assuming the position of Corporate Auditor of the Company on June 23, 2009.

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 eight 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 and assessing Director and Executive Officer candidates, as well as considers 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.

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 oversees and monitors the operations of the Group by performing audits using means such as interview Directors to discuss about their performance of duties, review important board resolution documents, and check business reports submitted from subsidiaries. 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 Accounting Auditor, and share information with each other to conduct an effective audit. At the same time, they monitor the independence of 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 biannually. They exchange information on a daily basis 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 & Co. 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 FY2009 are as follows:

Name of CPAs, etc.		Audit Firm
Designated Members (Executive Officers)	Teruo Suzuki	KPMG AZSA & Co.
	Iwao Hirano	
	Tomoki Kasama	

Their assistant staff working for the Company includes 12 CPAs and 31 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: 38 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, General Managers 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 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 which is a specialized department for the Company's investor relations activities, organizes seminars for analysts and institutional investors and individual interviews with investors upon announcement of our financial results quarterly. 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 Compliance Code of Conduct that stipulates the standards of conduct that must be adhered in our daily business activities for the sake of our stakeholders and to earn their trust. Under the Conduct, we proactively provide disclosure not only those 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.

Furthermore, we are proactive in implementing environment-minded measures such as energy and resource conservation, waste reduction, recycling and green procurement. Indeed, every Sojitz employee makes an effort to reduce environmental impact, and the "Promotion of Eco-Business" is a group-wide target. We 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) System for Ensuring Legal Compliance in Execution of Business by Directors and Employees

Compliance Code of Conduct, the Sojitz Group Compliance Manual for the Compliance Code of Conduct and the Sojitz Group Compliance Program are established 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) System for 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 and 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) System for Ensuring 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) System for Ensuring 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 Compliance Code of Conduct and 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) System for Reporting to Corporate Auditors by Directors and Employees, etc.

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 accounting 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

Our efforts to improve internal controls in the Company and group companies are as follows:

Conduct inspections and improvements to the legal compliance systems, led by the Compliance Committee; conduct inspections and improvements to the risk management methods, led by the Risk Management Department; and conduct promotion of “Assessment of Internal Controls Regarding Financial Reporting” under the Financial Instruments and Exchange Act, led by the Internal Control Committee.

With these efforts, we strive to operate, maintain and further improve our internal control systems.

ii) Compliance

Our efforts to enhance compliance are as follows:

In order to increase awareness of compliance, we have published the Sojitz Group Compliance Code of Conduct and the Sojitz Group Compliance Manual for the Compliance Code of Conduct (integrated into the Sojitz Group Compliance Code of Conduct in February 2002) in a booklet form and distribute them 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 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 Compliance Code of Conduct 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 strategically 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 trading 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 Department promotes the Self-inspection System throughout the group companies, to raise awareness towards operational improvements in frontline operations. The Department is also working on to build a good cooperation with corporate auditors of major group companies through the exchange of information, thereby successfully implementing effective monitoring effective 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 enhance the reliability of financial reporting. 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 earn higher social credibility, we believe one of the most important goals is to maintain 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 monitoring and supervision 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 established.

3. Use of IT for Internal Controls over Financial Reporting

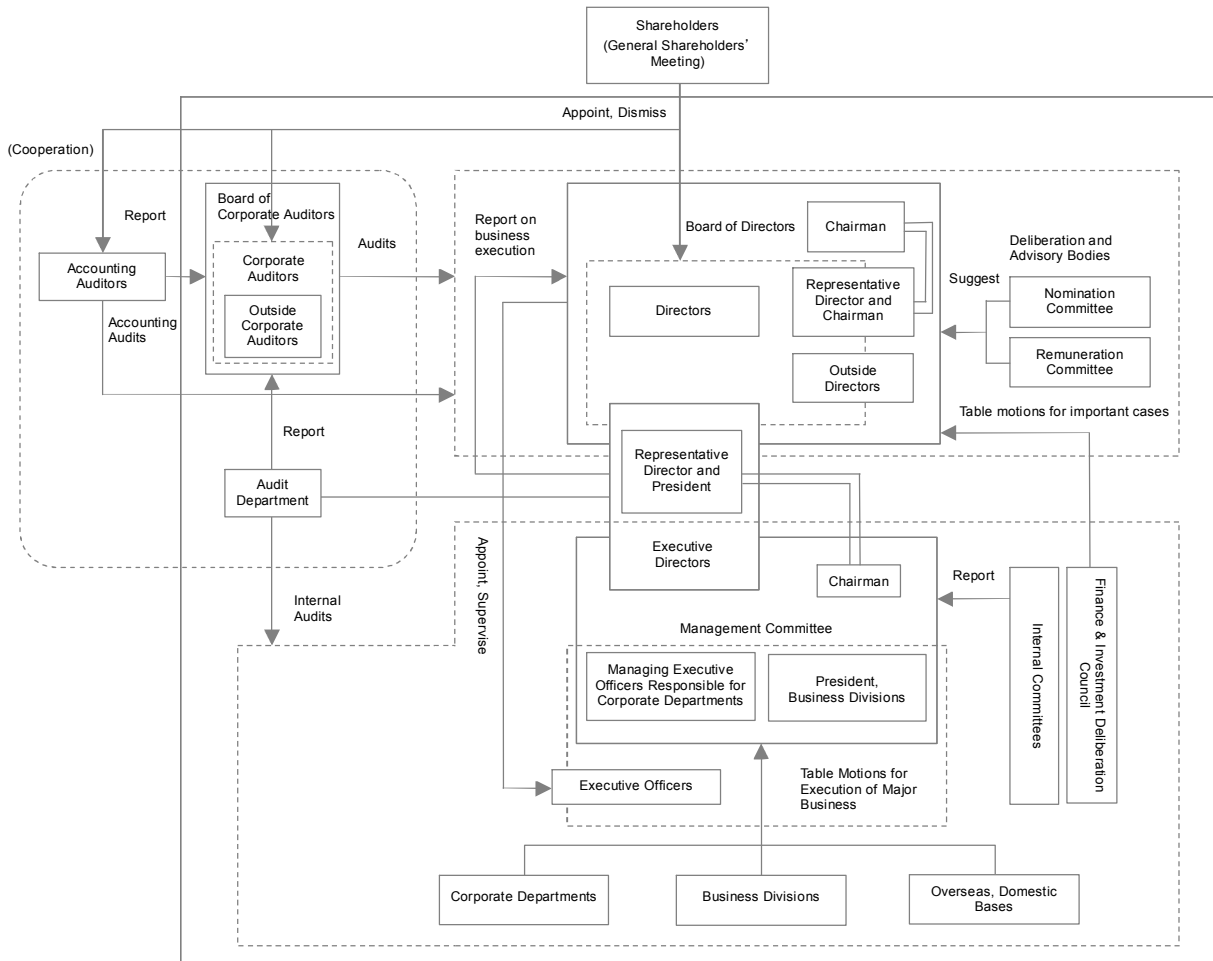
- All directors and employees of the Group shall understand the importance of IT infrastructures in relation to internal controls over financial reporting and appropriately understand its associated risks. These risks shall be minimized to the possible extent, and IT controls shall be effectively used 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 the standards and procedures of "Assessment and Reporting of Internal Controls over Financial Reporting by Management" shall be corrected promptly.

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

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



Financial Statements
Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

Items	As of Mar. 31, 2010	(Reference) As of Mar. 31, 2009	Items	As of Mar. 31, 2010	(Reference) As of Mar. 31, 2009
Assets			Liabilities		
<u>Current assets</u>	1,285,277	1,473,172	<u>Current liabilities</u>	841,533	1,039,857
Cash and deposits	455,728	421,629	Notes and accounts payable-trade	377,468	418,811
Notes and accounts receivable-trade	462,233	522,397	Short-term loans payable	256,652	351,841
Short-term investment securities	6,131	2,123	Commercial papers	10,000	35,000
Inventories	248,629	382,899	Current portion of bonds	40,120	42,136
Short-term loans receivable	7,943	9,375	Income taxes payable	5,949	7,230
Deferred tax assets	13,484	15,821	Deferred tax liabilities	44	597
Other	100,216	129,237	Provision for bonuses	5,497	5,503
Allowance for doubtful accounts	(9,089)	(10,312)	Other	145,801	178,734
<u>Noncurrent assets</u>	875,204	838,375	<u>Noncurrent liabilities</u>	941,981	917,597
<u>Property, plant and equipment</u>	222,665	209,720	Bonds payable	123,647	155,120
Buildings and structures	61,224	56,753	Long-term loans payable	763,098	702,861
Machinery, equipment and vehicles	86,787	87,664	Deferred tax liabilities	14,743	15,528
Land	57,442	50,154	Deferred tax liabilities for land revaluation	944	1,045
Construction in progress	11,883	10,710	Provision for retirement benefits	13,280	16,174
Other	5,328	4,436	Provision for directors' retirement benefits	931	872
<u>Intangible assets</u>	114,445	114,855	Other	25,336	25,994
Goodwill	54,305	60,685	Total liabilities	1,783,514	1,957,454
Other	60,139	54,170	Net assets		
<u>Investments and other assets</u>	538,093	513,798	<u>Shareholders' equity</u>	458,819	454,491
Investment securities	327,869	351,466	Capital stock	160,339	160,339
Long-term loans receivable	25,113	27,908	Capital surplus	152,160	152,160
Bad debts	88,358	92,378	Retained earnings	146,489	142,157
Deferred tax assets	61,432	64,137	Treasury stock	(169)	(166)
Real estate for investment	53,261	—	<u>Valuation and translation adjustments</u>	(106,402)	(135,500)
Other	39,264	39,435	Valuation difference on available-for-sale securities	14,845	6,236
Allowance for doubtful accounts	(57,207)	(61,526)	Deferred gains or losses on hedges	2,357	1,510
<u>Deferred assets</u>	436	1,410	Revaluation reserve for land	(2,055)	(1,907)
Business commencement expenses	—	59	Foreign currency translation adjustment	(121,550)	(141,340)
Stock issuance cost	61	790	<u>Minority interests</u>	24,987	36,512
Bond issuance cost	375	559	Total net assets	377,404	355,503
Total assets	2,160,918	2,312,958	Total liabilities and net assets	2,160,918	2,312,958

(Fractions less than one million yen are rounded off)

Consolidated Statements of Income

(Millions of yen)

Items	FY2009 (From April 1, 2009 to March 31, 2010)		(Reference) FY2008 (From April 1, 2008 to March 31, 2009)	
Net sales		3,844,418		5,166,182
Cost of sales		3,666,215		4,930,564
Gross profit		178,203		235,618
Selling, general and administrative expenses		162,074		183,611
Operating income		16,128		52,006
Non-operating income		37,245		29,977
Interest income	4,632		9,597	
Dividends income	5,040		8,349	
Equity in earnings of affiliates	9,179		2,455	
Penalty income	3,802		—	
Other	14,591		9,574	
Non-operating expenses		39,672		48,347
Interest expenses	25,808		29,145	
Interest on commercial papers	178		306	
Foreign exchange losses	—		5,243	
Other	13,685		13,651	
Ordinary income		13,702		33,636
Extraordinary income		41,185		41,125
Gain on sales of noncurrent assets	1,439		6,806	
Gain on sales of investment securities	33,214		30,764	
Gain on sales of equity investment without stock	430		0	
Gain on change in equity	92		28	
Reversal of allowance for doubtful accounts	3,248		2,245	
Gain on bad debts recovered	6		110	
Gain on liquidation of subsidiaries and affiliates	—		1,169	
Adjustment for hyperinflationary economies	2,753		—	
Extraordinary loss		35,993		37,691
Loss on sales and retirement of noncurrent assets	448		542	
Impairment loss	9,402		12,151	
Loss on sales of investment securities	1,167		561	
Loss on sales of equity investment without stock	1		0	
Loss on valuation of investment securities	16,543		15,132	
Loss on change in equity	216		80	
Loss, and provision for loss, on liquidation of subsidiaries and affiliates	7,968		3,752	
Restructuring losses	245		47	
Loss on valuation of inventories	—		5,421	
Income before income taxes and minority interests		18,894		37,070
Income taxes—current		8,562		19,229
Income taxes—deferred		(294)		(2,490)
Minority interests in income		1,832		1,330
Net income		8,794		19,001

(Fractions less than one million yen are rounded off)

Consolidated Statements of Changes in Net Assets

(Millions of yen)

Items	FY2009 (From April 1, 2009 to March 31, 2010)	(Reference) FY2008 (From April 1, 2008 to March 31, 2009)
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	142,157	139,264
Changes of items during the period		
Dividends from surplus	(4,339)	(11,125)
Net income	8,794	19,001
Reversal of revaluation reserve for land	147	(622)
Effect from changes of Consolidated subsidiaries and affiliates accounted for by equity method	(286)	36
Effect of changes in accounting policies applied to foreign subsidiaries	—	(3,660)
Minimum pension liability adjustment	15	(736)
Total changes of items during the period	4,331	2,893
Balance at the end of the current period	146,489	142,157
Treasury stock		
Balance at the end of the previous period	(166)	(145)
Changes of items during the period		
Purchase of treasury stock	(1)	(20)
Change in equity in affiliates accounted for by equity method - treasury stock	(1)	0
Total changes of items during the period	(2)	(20)
Balance at the end of the current period	(169)	(166)
Total shareholders' equity		
Balance at the end of the previous period	454,491	451,619
Changes of items during the period		
Dividends from surplus	(4,339)	(11,125)
Net income	8,794	19,001
Reversal of revaluation reserve for land	147	(622)
Effect from changes of Consolidated subsidiaries and affiliates accounted for by equity method	(286)	36
Effect of changes in accounting policies applied to foreign subsidiaries	—	(3,660)
Minimum pension liability adjustment	15	(736)
Purchase of treasury stock	(1)	(20)
Change in equity in affiliates accounted for by equity method - treasury stock	(1)	0
Total changes of items during the period	4,328	2,872
Balance at the end of the current period	458,819	454,491

(Fractions less than one million yen are rounded off)

Consolidated Statements of Changes in Net Assets (continued)

Items	(Millions of yen)	
	FY2009 (From April 1, 2009 to March 31, 2010)	(Reference) FY2008 (From April 1, 2008 to March 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of the previous period	6,236	60,280
Changes of items during the period		
Net changes of items other than shareholders' equity	8,608	(54,044)
Total changes of items during the period	8,608	(54,044)
Balance at the end of the current period	14,845	6,236
Deferred gains or losses on hedges		
Balance at the end of the previous period	1,510	1,345
Changes of items during the period		
Net changes of items other than shareholders' equity	847	165
Total changes of items during the period	847	165
Balance at the end of the current period	2,357	1,510
Revaluation reserve for land		
Balance at the end of the previous period	(1,907)	(2,530)
Changes of items during the period		
Net changes of items other than shareholders' equity	(147)	622
Total changes of items during the period	(147)	622
Balance at the end of the current period	(2,055)	(1,907)
Foreign currency translation adjustment		
Balance at the end of the previous period	(141,340)	(34,684)
Changes of items during the period		
Net changes of items other than shareholders' equity	19,789	(106,656)
Total changes of items during the period	19,789	(106,656)
Balance at the end of the current period	(121,550)	(141,340)
Total valuation and translation adjustments		
Balance at the end of the previous period	(135,500)	24,412
Changes of items during the period		
Net changes of items other than shareholders' equity	29,097	(159,912)
Total changes of items during the period	29,097	(159,912)
Balance at the end of the current period	(106,402)	(135,500)
Minority interests		
Balance at the end of the previous period	36,512	44,296
Changes of items during the period		
Net changes of items other than shareholders' equity	(11,525)	(7,784)
Total changes of items during the period	(11,525)	(7,784)
Balance at the end of the current period	24,987	36,512

(Fractions less than one million yen are rounded off)

Consolidated Statements of Changes in Net Assets (continued)

Items	(Millions of yen)	
	FY2009 (From April 1, 2009 to March 31, 2010)	(Reference) FY2008 (From April 1, 2008 to March 31, 2009)
Total net assets		
Balance at the end of the previous period	355,503	520,327
Changes of items during the period		
Dividends from surplus	(4,339)	(11,125)
Net income	8,794	19,001
Reversal of revaluation reserve for land	147	(622)
Effect from changes of Consolidated subsidiaries and affiliates accounted for by equity method	(286)	36
Effect of changes in accounting policies applied to foreign subsidiaries	—	(3,660)
Minimum pension liability adjustment	15	(736)
Purchase of treasury stock	(1)	(20)
Change in equity in affiliates accounted for by equity method -treasury stock	(1)	0
Net changes of items other than shareholders' equity	17,572	(167,697)
Total changes of items during the period	21,900	(164,824)
Balance at the end of the current period	377,404	355,503

(Fractions less than one million yen are rounded off)

Notes to the Consolidated Financial Statements

Significant Basis of Presenting Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries: 329

The major consolidated subsidiaries of the Sojitz Group are as follows:

Sojitz Aerospace Corporation, Sojitz Machinery Corporation, Sojitz Marine & Engineering Corporation, Nissho Electronics Corporation, Sojitz Energy Corporation, Sojitz Pla-Net Holdings, Inc., Sojitz Pla-Net Corporation, Pla Matels Corporation, Sojitz Building Materials Corporation, Sojitz General Property Management Corporation, Sojitz Foods Corporation, Sojitz Infinity Inc., Sojitz Fashion Co., Ltd., Sojitz Kyushu Corporation, Sojitz Corporation of America, Sojitz Europe plc, Sojitz Asia Pte. Ltd. and Sojitz (Hong Kong) Ltd.

Effective from the fiscal year ended March 31, 2010, 11 companies newly established or acquired by Sojitz have been included in the scope of consolidation, while 36 companies were excluded from the scope of consolidation, due to liquidation, merger or other reasons.

(2) Major Non-consolidated Subsidiaries

CRJ Investment, Inc.

(Reason for excluding from the scope of consolidation)

This subsidiary is small in terms of the total assets, net sales, net income and retained earnings and does not have a significant effect on the consolidated financial statements. Thus, this subsidiary was excluded from the scope of consolidation.

2. Application of Equity Method

(1) Number of Non-consolidated Subsidiaries and Affiliates Accounted for by Equity Method: 161

The major affiliates accounted for by equity method are as follows:

Metal One Corporation, LNG Japan Corporation, and JALUX, Inc.

Effective from the fiscal year ended March 31, 2010, 8 companies newly acquired by Sojitz have been included in the scope of application of equity method, while 31 companies were sold and excluded from the scope of application of the equity method.

(2) Major Non-consolidated Subsidiaries and Affiliates Not Accounted for by Equity Method:

D-Storm, Inc.

(Reason for excluding from the scope of application of the equity method)

This company is small in terms of net income or loss and retained earnings and does not have a significant effect on the consolidated financial statements. Thus, this company was excluded from the scope of application of the equity method.

3. Fiscal Year End of Consolidated Subsidiaries

Of the Company's consolidated subsidiaries, 209 companies adopt an individual closing date for the fiscal year, which is different from that of the Company. If the duration between their closing date and the closing date of the consolidated financial statements is three months or less, the Company uses their financial statements in preparation of the consolidated financial statements, with necessary adjustments for significant transactions occurred during such period. For the companies with a closing date that differs by more than three months from the closing date of the consolidated financial statements, the accounts of these companies are included in the consolidated financial statements with reasonable adjustments based on the appropriate procedures equivalent to the normal year-end closing process.

4. Accounting Policies

(1) Basis and Methods of Valuation of Significant Assets

(a) Securities (including investment securities)

- Trading Securities

Stated at fair value.

Cost of securities sold is mainly calculated using the moving average method.

- Held-to-Maturity Debt Securities

Stated at amortized cost (straight-line method)

- Available-for-Sale Securities

- Securities with available fair values

Stated at fair value based on market prices as of the closing date. Valuation gains or losses are directly included in a component of net assets. The cost of securities sold is calculated using the moving average method.

- Securities with no available fair value

Stated at cost using the moving-average method.

Investments in a limited investment partnership or a similar partnership (that can be considered as marketable securities in accordance with the Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are stated at their net equity value on the most recent financial statements that are available on the settlement report day as specified in the partnership agreement.

(b) Derivatives

Stated at fair value.

(c) Money Trusts for Investment Purpose

Stated at fair value.

(d) Inventories

- Inventories held for sale in the ordinary course of business

Stated at cost, in principle, based on the specific identification method or moving average method (balance sheet values are adjusted by writing down the book values where the profitability declines). At some of foreign consolidated subsidiaries, inventories are stated based on the lower-of-cost-or-market method, with determining the cost by the specific

identification method.

- Inventories held for trading purpose

Stated at fair value.

(2) Depreciation Method for Significant Depreciable Assets

(a) Property, Plant and Equipment (excluding lease assets)

Property, plant and equipment are depreciated mainly using the declining balance method. However, the buildings (excluding fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method.

The useful lives for major tangible assets are as follows:

Buildings and structures:	2 to 60 years
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Machinery, equipment and vehicles:	2 to 40 years
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(b) Intangible Assets (excluding lease assets)

Intangible assets are amortized mainly using the straight-line method. Software for internal use is amortized using the straight-line method over the internal use period of five years. At certain consolidated subsidiaries, mining rights are amortized using the production output method.

(c) Lease Assets

- Lease assets under finance lease transactions that do not transfer ownership rights of the property

Lease assets are depreciated using the straight-line method over the corresponding lease period with no residual value.

Of finance leases that do not transfer ownership, the lease transactions whose inception date is on or before March 31, 2008 are accounted for by the same method as that of ordinary rental contracts.

(d) Real Estate for Investment

Real estate for investment is depreciated mainly using the straight-line method.

The major useful lives are as follows:

Buildings and structures:	7 to 50 years
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Machinery, equipment and vehicles:	10 years
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(3) Accounting Standards for Significant Provisions

(a) Allowance for Doubtful Accounts

In order to provide reserve for possible losses on receivables or loans, the Company records allowance for doubtful accounts based on the historical uncollectible rates for ordinary receivables and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

(b) Provision for Bonuses

Provision for bonuses is recorded to accrue the bonus to employees of the Company for the amount to be paid.

(c) (c) Provision for Retirement Benefits

Provision for retirement benefits is recorded to provide the retirement benefits to employees of the Company for the amount to be accrued based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the fiscal years.

(d) Provision for Directors' Retirement Benefits

Provision for directors' retirement benefits is recorded to provide the retirement benefits to directors and executive officers of the Company for the amount to be required at the end of the fiscal year in accordance with the internal rule.

(4) Basis for Translating of Significant Foreign Currency Denominated Assets and Liabilities into Japanese Yen

Monetary assets and liabilities denominated in foreign currency are translated into Japanese yen at the spot exchange rate on the closing date of the consolidated financial statements. Translation differences are recognized as profit or loss in the corresponding fiscal year. As to foreign consolidated subsidiaries, assets and liabilities are translated into Japanese yen at the spot exchange rate on the closing date, revenues and expenses are translated into Japanese yen at the average exchange rate during the fiscal year, and translation differences are included in the foreign currency translation adjustment and minority interests in net assets.

(5) Significant Hedge Accounting

(a) Hedge Accounting Method

In general, the deferral hedge accounting is applied. Forward exchange contracts, currency swaps, and currency options that fulfill the appropriation requirements are subjected to the appropriation treatment, while interest rate swaps that fulfill the requirement for preferential treatment are subjected to the preferential treatment.

(b) Hedging Instruments and Hedged Items

Forward exchange contract, currency swap, and currency option contracts are used as hedging instruments against exchange rate fluctuation risks involved in transactions in foreign currencies. Interest rate swap, interest rate cap, and interest rate option contracts are used as hedging instruments against interest rate fluctuation risks involved in debts, loans, and interest-bearing bonds. Commodity future and forward are used as hedging instruments against price fluctuation risks of precious metals, grain, petroleum and others.

(c) Hedging Policy

The Company enters into derivative contracts for hedging purpose in accordance with the Company's policies and procedures, in order to avoid fluctuation risks in foreign exchange, interest rates, and market value of securities and commodities, which are associated with the Company's operation.

(d) Assessment of Hedge Effectiveness

The Company assesses the hedge effectiveness by comparing the cumulative change in cash-flows or the changes in fair value of hedged items with the corresponding changes of hedging instruments on a quarterly basis. However, the assessment of hedge effectiveness is omitted for interest rate swaps under the preferential treatment.

(6) Other Significant Basis of Presenting the Consolidated Financial Statements

(a) Accounting for Deferred Assets

Business commencement expenses are amortized equally over the period the start-up remains effective, within five years after the start of business.

Stock issuance cost is amortized equally over three years.

Bond issuance cost is amortized on a straight-line basis over the period until the bond maturity.

However, they are expensed as incurred when the amounts are immaterial.

(b) Capitalization of Interest Expenses Associated with Large Real-estate Development Projects

Interest expenses associated with a large real-estate development project (with a total investment cost of 2 billion yen or more and construction period exceeding one year) during the normal construction period are capitalized as part of the acquisition cost of the real estate.

(c) Accounting for Consumption Tax

The tax-excluded method is used.

(d) Application of Consolidated Taxation Systems

The consolidated taxation system is applied.

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries acquired through business combinations are fully evaluated at fair market value at the time of acquisition.

6. Amortization of Goodwill

Goodwill is amortized on a straight-line basis over 5 to 20 years, where negative goodwill is amortized in 5 years. However, it is subject to one-time depreciation when the amount is immaterial.

Changes in the Accounting Policies

<Accounting Standard for Construction Contracts>

The Company has previously applied both the completed-contract method and percentage-of-completion method for recognizing revenues of construction contracts. However, effective from the fiscal year ended March 31, 2010, the Company has adopted the “Accounting Standard for Construction Contracts” (ASBJ Statement No. 15, December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18, December 27, 2007). Of construction contracts which has started during the fiscal year under review, a construction contract, whose outcome of its construction activities until the end of the fiscal year is deemed certain, is accounted for using percentage-of-completion method otherwise, the completed-contract method is applied.

The adoption of these standards had no material impact on the Company's net income as well as on the business segment information.

<Accounting Standard for Retirement Benefits>

Effective from the fiscal year ended March 31, 2010, the Company has adopted the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No.19, July 31, 2008).

The adoption of this standard had no effect on the Company's net income as well as the balance of unrecognized difference for the fiscal year ended March 31, 2010.

Changes in the Presentation of Financial Statements

<Consolidated Statements of Income>

1. *Penalty income*, previously included in *Other* under *Non-operating income*, is reclassified as a separate component of *Non-operating income* from the fiscal year ended March 31, 2010, since the amount has become material. In the previous fiscal year, the item was reported as 545 million yen.
2. *Foreign exchange losses*, previously reported as a component of *Non-operating expenses*, is reclassified and included in *Other* under *Non-operating expenses* from the fiscal year ended March 31, 2010, since the amount of this item becomes immaterial. The amount of the item included in *Non-operating expenses* for the fiscal year ended March 31, 2010 is 172 million yen.

Additional Information

We have made other reclassifications in the presentation of the financial statements for the fiscal year ended March 31, 2010.

Reclassification of *Inventories* due to a change in the holding purpose: 3,950 million yen is reclassified to *Buildings and Structures*, 119 million yen to *Machinery, Equipment and Vehicles*, 6,715 million yen to *Land*, and 48,199 million yen to *Real Estate for Investment*.

Reclassification of certain properties under *Property, Plant and Equipment* after reviewing the holding purpose: 5,055 million yen of *Buildings and Structures* (leased properties) is reclassified to *Real Estate for Investment*; and 72 million yen of *Buildings and Structures* (used as welfare facilities) as well as 275 million yen of *Land* to *Inventories*.

Consolidated Balance Sheets

1. Amounts Recorded on the Balance Sheets

Fractions less than one million yen are rounded off.

2. Inventories

Merchandise and finished goods	176,453 million yen
Real estate for sale	53,980 million yen
Raw materials and supplies	18,196 million yen

3. Pledged Assets and Corresponding Liabilities

(1) Assets Pledged as Collateral

(Millions of yen)

Pledged assets		Corresponding liabilities	
Items	Book value at March 31, 2010		
Cash and deposits	1,753	Notes and accounts payable-trade	2,468
Notes and accounts receivable-trade	625	Short-term loans payable	7,763
Inventories	22,797	Current portion of bonds	120
Short-term loans receivable	5	Current liabilities (Other)	858
Current assets (Other)	133	Bonds payable	8,647
Buildings and structures	3,626	Long-term loans payable	25,412
Machinery, equipment and vehicles	30,092	Noncurrent liabilities (Other)	183
Land	3,386		
Property, plant and equipment (Other)	396		
Intangible assets (Other)	46		
Investment securities	31,999		
Real estate for investment	2,649		
Total	97,514	Total	45,452

(Note) In addition to the above, the Company has investment securities and short-term loans receivable, in the form of stocks of subsidiaries and loans to subsidiaries, amounting to 7,965 million yen and 3 million yen, respectively, which were eliminated in consolidation.

(2) Assets Pledged in Lieu of a Guarantee Deposit, etc.

Cash and deposits	5 million yen
Buildings and structures	7,141 million yen
Land	201 million yen
Intangible assets (Other)	3,794 million yen
Investment securities (including securities)	26,367 million yen
Investments and other assets (Other)	2,099 million yen

(Note) In addition to the above, the Company has investment securities in the form of stocks of subsidiaries, amounting to 7,357 million yen, which was eliminated in consolidation.

4. Accumulated Depreciation of Property, Plant and Equipment 145,244 million yen

5. Guaranteed Obligation

(Millions of yen)

Guaranteed party	Amount of guaranteed obligation
LNG Japan Corporation	10,980
Japan Alumina Associates (Australia) Pty. Ltd.	6,319
INPEX Offshore North Campos, Ltd.	4,606
Kansai Sojitz Enrichment Investing	1,098
Hirokawa-Mt.Myojin Wind Farm CO., LTD.	689
Others (74 parties)	8,397
Total	32,091

(Note) The above guaranteed obligation mainly consists of the Company's guarantees for the indebtedness made by the above parties from financial institutions.

6. Notes Receivable-trade—Discounted 26,394 million yen

7. Notes Receivable-trade—Transferred by Endorsement 348 million yen

8. Preliminary Allocation of Acquisition Costs Pertaining to Merger

The acquired assets, to which the allocation of acquisition costs has not been completed on the closing date after the date of merger, are preliminarily recorded as *Intangible Assets* based on reasonable information available as of the fiscal year end.

9. Revaluation of Land

Some domestic consolidated subsidiaries performed the revaluation of land for their business use in accordance with the Act on Revaluation of Land (No. 34 promulgated on March 31, 1998) and recorded *Revaluation Reserve for Land* under *Net Assets*.

- Revaluation Method

In general, value of land is measured based on appraisals made by real estate appraisers as defined in Article 2, Item 5 of the Enforcement Order on Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998).

- Dates of Revaluation

On and before March 31, 2002

- Difference Between the Market Value of Land as of March 31, 2010 and the Book Value After Revaluation

300 million yen

Consolidated Statements of Income

Amounts Recorded on the Statements

Fractions less than one million yen are rounded off.

Consolidated Statements of Changes in Net Assets

1. Amounts Recorded on the Statements

Fractions less than one million yen are rounded off.

2. Class and Numbers of Shares Outstanding as of March 31, 2010

Common stock 1,251,499,501 shares

3. Dividends

Amount of dividends paid

Resolution	Class of shares	Source of dividend funds	Total amount of dividends (Millions of yen)	Dividend per share	Record date	Effective date
The Ordinary General Shareholders' Meeting held on June 23, 2009	Common stock	Retained earnings	1,233	1.00 yen	March 31, 2009	June 24, 2009
The Ordinary General Shareholders' Meeting held on June 23, 2009	First Series Class-III preferred shares	Retained earnings	11	7.50 yen	March 31, 2009	June 24, 2009
Meeting of the Board of Directors held on October 29, 2009	Common stock	Retained earnings	3,083	2.50 yen	September 30, 2009	December 2, 2009
Meeting of the Board of Directors held on October 29, 2009	First Series Class-III preferred shares	Retained earnings	11	7.50 yen	September 30, 2009	December 2, 2009

Financial Instruments

1. Status of Financial Instruments Held by the Company

As a general trading company, the Group is engaged in a wide range of businesses globally, including buying, selling, importing and exporting goods, manufacturing and selling products, providing services, planning and coordinating projects, making investments in various sectors and conducting financial activities in Japan and overseas.

In order to carry out these businesses, the Group has set up a target of long-term debt ratio and raises funds, not only through indirect financing from financial institutions, but also through direct financing by securitization as well as issuance of bonds and commercial papers. In this manner, the Group aims at maintaining and improving the stability of its funding structure.

Furthermore, the Group is exposed to market risks, including foreign exchange risk associated with transactions denominated in foreign currencies in connection with international trade or business investments; interest rate risk associated with debt financing and portfolio investment; commodity price risk associated with purchase and sales agreements and commodity inventories incidental to sales activities; and market price risk associated with ownership of listed securities and other such assets. To hedge and minimize these risks, the Group utilizes derivatives such as forward exchange contracts, commodity futures, forward commodity contracts, and interest rate swaps.

2. Fair Value of Financial Instruments

The table below shows the amounts of financial instruments recorded in the consolidated balance sheet as of March 31, 2010 (i.e. the closing date for the current fiscal year) and their fair values, as well as the differences between the B/S amounts and the fair values. Provided, financial instruments deemed extremely difficult to assess their fair value are not included (please refer to “Note 2” below).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Assets			
(1) Cash and deposits	455,728	455,728	—
(2) Notes and accounts receivable-trade Allowance for doubtful accounts *1	462,233 (5,062)		
	457,170	454,950	(2,220)
(3) Short-term loans receivable	553	553	—
(4) Short-term and long-term investment securities *2			
a) Trading securities	1,005	1,005	—
b) Available-for-sale securities	83,178	83,178	—
(5) Long-term loans receivable (including current portion) Allowance for doubtful accounts *1	32,504 (2,513)		
	29,990	30,195	205
(6) Bad debts Allowance for doubtful accounts *1	88,358 (52,811)		
	35,547	35,547	—
Total assets	1,063,173	1,061,158	(2,014)
Liabilities			
(1) Notes and accounts payable-trade	377,468	377,373	(95)
(2) Short-term loans payable	176,485	176,485	—
(3) Commercial papers	10,000	10,000	—
(4) Income taxes payable	5,949	5,949	—
(5) Bonds payable (including current portion)	163,767	165,482	1,714
(6) Long-term loans payable (including current portion)	843,265	844,637	1,372
Total liabilities	1,576,936	1,579,928	2,992
Derivatives *3	(827)	(827)	—

*1 Notes and accounts receivable-trade, Long-term loans receivable and Bad debts are stated net of each Allowance for doubtful accounts.

*2 Investments in non-consolidated subsidiaries and associated companies (Consolidated balance sheet amount: 203,988 million yen) are not included in the above “(4) Short-term and long-term investment securities”.

*3 Derivatives are stated in net of assets and liabilities. The figures in parenthesis indicate net liabilities.

(Note) 1. Fair value measurement of fair value of financial instruments, including securities and derivatives

Assets

(1) Cash and deposits

The fair value of cash and deposits approximates their book value because of their short-term nature. Thus, the book value is used as fair value.

(2) Notes and accounts receivable-trade

The fair value of notes and accounts receivable-trade is measured as present value obtained by discounting the amounts classified by aging at a rate with the terms until maturities and credit risk taken into consideration.

Forward exchange contracts, to which the appropriation treatment is applied, is accounted for together with notes and accounts receivable-trade designated as a hedged item, therefore, their fair values are included in the fair value of notes and accounts receivable-trade.

(3) Short-term loans receivable

The fair value of short-term loans receivable approximates their book value because of their short-term nature. Thus, the book value is used as fair value.

(4) Short-term and long-term investment securities

The fair values of equity securities are based upon prices set by exchange markets.

(5) Long-term loans receivable (including current portion)

The fair value of long-term loans receivable (including current portion) is measured as present value of their future cash flow discounted, for each credit risk classification under credit management, by a rate with credit spread added to appropriate indices such as government bond yields.

(6) Bad debts

An estimate for allowance for doubtful debts is made based on expected recoverable amounts through collaterals and guarantees. Therefore, the fair value of bad debts approximates, and, thus, is defined as, the value obtained by subtracting the present estimate of allowance for doubtful accounts from the balance of bad debts recorded in the balance sheet as of the fiscal year end.

Liabilities

(1) Notes and accounts payable-trade

The fair value of notes and accounts payable-trade is measured as present value calculated by discounting the future cash flow of payables classified by certain aging by a rate with the terms before due date and credit risk taken into account.

Forward exchange contracts, to which the appropriation treatment is applied, is accounted for together with notes and accounts payable-trade designated as a hedged item, therefore, their fair values are included in the fair value of notes and accounts payable-trade.

(2) Short-term loans payable, (3) commercial papers and (4) income taxes payable

The fair value of these items approximates their book value because of their short-term nature. Thus, the book value is used as fair value.

(5) Bonds payable (including current portion)

The fair value of bonds issued by the Company is based on the market price. The fair value of bonds without market price is measured as present value, calculated by discounting the combined total of principal and interest by a rate with the current maturity and credit risk taken into account.

(6) Long-term loans payable (including current portion)

The fair value of long-term loans payable (including current portion) is calculated by discounting the combined total of principal and interest by an assumed interest rate for similar new borrowings. The specific matching criteria of interest rate swaps is applicable to long-term loans payable (including current portion) with floating interest rates (please refer to “Derivatives” below). The fair value of these loans is calculated by discounting the combined total of interest and principal, with which the interest rate swap has been accounted for, by an interest rate estimated rationally for similar borrowings.

Derivatives

Forward exchange contracts, to which the appropriation treatment is applied, is accounted for together with notes and accounts receivable-trade or notes and accounts payable-trade designated as a hedged item, therefore, their fair values are included in the fair value of either of these items (please refer to the above “Assets (2) Notes and accounts receivable-trade” and “Liabilities (1) Notes and accounts payable-trade”). Also, interest rate swaps, to which the matching criteria is applied, is accounted for together with long-term loans payable (including current portion) designated as a hedged item, therefore, their fair values are included in the fair value of long-term loans payable (including current portion) (please refer to the above “Liabilities (6) Long-term loans payable (including current portion)”).

(Note) 2. Financial instruments deemed extremely difficult to assess their fair value

(Millions of yen)	
Category	Consolidated balance sheet amount
Unlisted equity securities (*1)	36,189
Unlisted corporate bonds (*2)	4,471
Unlisted securities (*2)	0
Investments in a limited investment partnership or a similar partnership (*3)	5,167

(*1) Unlisted equity securities are not included in the above “Assets (4) Short-term and long-term investment securities, (b) Available-for-sale securities,” since their market price is unavailable and the assessment of their fair values is deemed extremely difficult.

(*2) Unlisted corporate bonds and unlisted bond securities, whose market prices are not available and future cash flows are not possible to estimate, are deemed extremely difficult to assess their fair value. Thus, they are not included in the above “Assets (4) Short-term and long-term investment securities, (b) Available-for-sale securities.”

(*3) Investments in a limited investment partnership or a similar partnership which holds assets comprised of unlisted equity securities or similar investments that are deemed extremely difficult to assess their fair value are not included in the above “Asset (4) Short-term and long-term investment securities, (b) Available-for-sale securities.”

Investment and Rental Properties

1. Status of Investment and Rental Properties

The Company and certain consolidated subsidiaries own rental office buildings, rental commercial facilities and rental condominiums in Tokyo and other areas.

2. Fair Values of Investment and Rental Properties

Amounts recorded in the consolidated balance sheet, changes during the current fiscal year and fair values are as follows.

(Millions of yen)

Purpose of use	Consolidated balance sheet amount			Fair value as of March 31, 2010
	Balance as of March 31, 2009	Changes during the current fiscal year	Balance as of March 31, 2010	
Office building	6,189	35,962	42,151	42,926
Commercial facility	17,784	(252)	17,532	15,403
Condominium	546	12,315	12,861	12,998
Others	6,529	732	7,261	7,170
Total	31,050	48,757	79,807	78,498

- (Notes) 1. The above consolidated balance sheet amounts are calculated by subtracting accumulated depreciation from acquisition costs.
2. The significant increases shown during the current fiscal year are as follows.
Office building: Transfer from real estate for sale 35,795 million yen
Condominium: Transfer from real estate for sale 12,368 million yen
3. The significant decrease shown during the current fiscal year is due to depreciation.
4. Fair values as of March 31, 2010 are measured by the Company based on the values in the appraisal report prepared by external real estate appraisers as well as the "Real Estate Appraisal Standards". However, if no material change has, at the time of acquisition from a third party or recent appraisals, been made in certain values (current market prices or appraised values) or indices deemed to reflect market prices appropriately, the fair values are determined by adjusting such appraised values and indices.

The table below shows profit and loss on investment and rental properties for the fiscal year ended in March 31, 2010.

(Millions of yen)

Purpose of use	Consolidated balance sheet amount			
	Rent income	Rent expenses	Net	Other gains or losses
Office building	1,691	(1,577)	114	617
Commercial facility	1,926	(1,259)	666	—
Condominium	102	(221)	(119)	—
Others	416	(286)	130	(29)
Total	4,135	(3,344)	791	588

- (Notes) 1. Rent income is income from rents and accounted for primarily in *Net sales* and *Non-operating income*.
Rent expenses are expenses corresponding to income from rents (depreciation, repair and maintenance fees, insurance, taxes and dues, and others) and accounted for primarily in *Cost of sales*, *Selling, general and administrative expenses*, and *Non-operating expenses*.
2. Other gains and losses are penalty income, gain or loss on sales of noncurrent assets, and

impairment loss and others.

Per-share Information

- | | |
|-------------------------|------------|
| 1. Net Assets per Share | 281.69 yen |
| 2. Net Income per Share | 7.08 yen |

Significant Subsequent Events

There is no applicable item.

(Reference) Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2009 (From April 1, 2009 to March 31, 2010)	(Reference) FY2008 (From April 1, 2008 to March 31, 2009)
<u>Net cash provided by (used in) operating activities</u>		
Income before income taxes and minority interests	18,894	37,070
Depreciation and amortization	23,196	26,698
Impairment loss	9,402	12,151
Loss on valuation of investment securities	16,543	15,132
Amortization of goodwill	4,443	5,119
Increase (decrease) in allowance for doubtful accounts	(3,977)	(16,127)
Increase (decrease) in provision for retirement benefits	(3,296)	(2,088)
Interest and dividends income	(9,672)	(17,947)
Interest expenses	25,987	29,452
Foreign exchange losses (gains)	(1,832)	5,294
Equity in (earnings) losses of affiliates	(9,179)	(2,455)
Loss (gain) on sales of investment securities	(32,375)	(30,217)
Loss (gain) on sales and retirement of noncurrent assets	(990)	(6,263)
Decrease (increase) in notes and accounts receivable-trade	57,221	118,034
Decrease (increase) in inventories	80,618	10,703
Increase (decrease) in notes and accounts payable-trade	(46,575)	(108,118)
Other, net	(2,433)	43,779
Subtotal	125,972	120,218
Interest and dividends income received	18,120	30,871
Interest expenses paid	(26,379)	(29,016)
Income taxes paid	(10,490)	(18,344)
Net cash provided by (used in) operating activities	107,222	103,729
<u>Net cash provided by (used in) investing activities</u>		
Decrease (increase) in time deposit	(301)	3,862
Decrease (increase) in short-term investment securities	292	1,420
Purchase of property, plant and equipment	(21,189)	(43,718)
Proceeds from sales of property, plant and equipment	5,443	16,452
Purchase of intangible assets	(7,264)	(21,821)
Purchase of investment securities	(19,098)	(35,104)
Proceeds from sales and redemption of investment securities	66,099	51,925
Decrease (increase) in short-term loans receivable	4,857	13,355
Payments of long-term loans receivable	(2,263)	(2,360)
Collection of long-term loans receivable	1,785	3,085
Purchase of investments in subsidiaries resulting in change in scope of consolidation	23	(5,692)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	(49)	65
Other, net	103	1,331
Net cash provided by (used in) investing activities	28,439	(17,198)
<u>Net cash provided by (used in) financing activities</u>		
Net increase (decrease) in short-term loans payable	(41,620)	(57,272)
Increase (decrease) in commercial papers	(25,000)	10,000
Proceeds from long-term loans payable	244,907	308,571
Repayment of long-term loans payable	(240,962)	(234,144)
Proceeds from issuance of bonds	—	55,686
Redemption of bonds	(33,489)	(75,212)
Proceeds from stock issuance to minority shareholders	13	522
Purchase of treasury stock	(1)	(20)
Cash dividends paid	(4,339)	(11,125)
Cash dividends paid to minority shareholders	(1,374)	(2,513)
Other, net	(730)	(450)
Net cash provided by (used in) financing activities	(102,597)	(5,958)
Effect of exchange rate change on cash and cash equivalents	6,825	(40,332)
Net increase (decrease) in cash and cash equivalents	39,890	40,241
Cash and cash equivalents at beginning of period	414,419	373,883
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(48)	294
Cash and cash equivalents at the end of period	454,262	414,419

(Fractions less than one million yen are rounded off)

(Reference) Consolidated Business Segment Information

Business Segment Information

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

(Millions of yen)

	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Other	Total	Elimination & Unallocated	Consolidated
I. Net sales and operating income/loss								
Net sales								
(1) Sales to outside customers	994,498	874,543	547,790	1,364,672	62,912	3,844,418	—	3,844,418
(2) Internal sales between segments	5,299	1,600	2,877	2,251	4,227	16,256	(16,256)	—
Total	999,798	876,144	550,667	1,366,924	67,139	3,860,675	(16,256)	3,844,418
Operating expenses	1,003,694	862,666	545,832	1,362,868	70,127	3,845,190	(16,900)	3,828,289
Operating income (loss)	(3,896)	13,478	4,835	4,055	(2,988)	15,484	644	16,128
II. Assets (As of March 31, 2010)	406,811	483,447	255,509	415,551	299,210	1,860,530	300,388	2,160,918

(Fractions less than one million yen are rounded off)

- (Notes) 1. Of Operating expenses, there is no unallocatable operating expense included in Elimination & Unallocated.
2. Of Assets, the Company-wide assets that fall in the Elimination & Unallocated amount to 352,017 million yen. The main portion is in the form of cash, deposits, and surplus investments or investment securities such as government and corporate bonds.
3. Change of business segment

From the fiscal year ended March 31, 2010, the Group has modified the classification of business segments in the aim of establishing a solid revenue base by further improving operating efficiency and implementing selection-and-focus initiatives. Details are provided below.

Segment information for the previous fiscal year shown below reflects the business segment after the change.

- The Group's businesses have been reclassified into five segments of *Machinery*, *Energy & Metal*, *Chemicals & Functional Materials*, *Consumer Lifestyle Business*, and *Other*.
They were previously comprised of seven segments of *Machinery & Aerospace*, *Energy & Mineral Resources*, *Chemicals & Plastics*, *Real Estate Development & Forest Products*, *Consumer Lifestyle Business*, *Overseas Subsidiaries*, and *Other*.
- *Real Estate Development & Forest Products*, which was previously an independent segment, has been consolidated into *Consumer Lifestyle Business* with a part of real estate business transferred to *Other*.
- Operations of *Overseas Subsidiaries*, which was previously an independent segment, have been reclassified to each of business segments according to the characteristics of products and services handled.
- The aircraft leasing business, which previously belonged to *Machinery & Aerospace*, has been transferred to *Other*.
- The industrial minerals business and fertilizer business, which previously belonged to *Chemicals & Plastics*, have been transferred to *Energy & Metal* and to *Consumer Lifestyle Business*, respectively.
- The fiber-related business for industrial supplies, which previously belonged to *Consumer Lifestyle Business*, has been transferred to *Chemicals & Functional Materials*.

FY2008 (From April 1, 2008 to March 31, 2009)

(Millions of yen)

	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Other	Total	Elimination & Unallocated	Consolidated
I. Net sales and operating income/loss								
Net sales								
(1) Sales to outside customers	1,190,524	1,531,984	714,129	1,647,573	81,971	5,166,182	—	5,166,182
(2) Internal sales between segments	4,898	2,156	4,278	3,425	8,427	23,186	(23,816)	—
Total	1,195,422	1,534,140	718,407	1,650,999	90,398	5,189,369	(23,816)	5,166,182
Operating expenses	1,173,720	1,504,573	707,699	1,650,803	101,006	5,137,802	(23,627)	5,114,175
Operating income (loss)	21,702	29,567	10,708	195	(10,607)	51,566	440	52,006
II. Assets (As of March 31, 2009)	465,396	490,330	257,396	505,103	295,921	2,014,148	298,810	2,312,958

(Fractions less than one million yen are rounded off)

- (Notes) 1. Of Operating expenses, there is no unallocatable operating expense included in the category of Elimination & Unallocated.
2. Of Assets, the Company-wide assets that fall in the Elimination & Unallocated amount to 344,918 million yen. The main portion is in the form of cash, deposits, and surplus investments or investment securities such as government and corporate bonds.
- (*) 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	(Reference)		Items	(Reference)	
	As of Mar. 31, 2010	As of Mar. 31, 2009		As of Mar. 31, 2010	As of Mar. 31, 2009
Assets			Liabilities		
Current assets	716,956	858,713	Current liabilities	471,971	581,964
Cash and deposits	270,979	227,815	Notes payable-trade	4,529	5,087
Notes receivable-trade	17,719	34,202	Notes payable-import	11,568	39,761
Accounts receivable-trade	179,217	213,472	Accounts payable-trade	172,489	161,609
Merchandise and finished goods	71,686	96,048	Short-term loans payable	125,288	185,564
Real estate for sale	24,522	72,687	Short-term loans payable to subsidiaries and affiliates	1,767	1,866
Goods in transit	41,844	42,980	Commercial papers	10,000	35,000
Advance payments-trade	14,210	29,806	Current portion of bonds	40,000	25,000
Prepaid expenses	2,373	3,167	Lease obligations	120	49
Deferred tax assets	9,389	9,654	Accounts payable-other	6,739	9,966
Short-term loans receivable	1,171	2,419	Accrued expenses	3,423	4,090
Short-term loans receivable from subsidiaries and affiliates	42,620	85,139	Income taxes payable	1,384	997
Guarantee deposits	1,071	1,920	Advances received	11,582	21,249
Accrued income	1,160	1,055	Deposits received	74,818	77,096
Accounts receivable-other	38,869	39,308	Unearned revenue	163	199
Other	2,478	2,099	Guarantee deposits received	2,580	3,528
Allowance for doubtful accounts	(2,357)	(3,063)	Provision for bonuses	2,074	2,002
Noncurrent assets	981,777	930,654	Other	3,440	8,893
Property, plant and equipment	20,929	9,213	Noncurrent liabilities	831,302	819,641
Buildings	7,590	3,694	Bonds payable	115,000	155,000
Structures	323	361	Long-term loans payable	696,659	641,177
Machinery and equipment	337	301	Long-term loans payable to subsidiaries and affiliates	5,985	5,942
Vehicles	63	67	Lease obligations	343	139
Tools, furniture and fixtures	478	509	Provisions for retirement benefits	4,567	7,470
Land	11,694	4,100	Other	8,745	9,911
Lease assets	440	178	Total liabilities	1,303,273	1,401,605
Intangible assets	17,696	19,469	Net assets		
Software	2,450	2,870	Shareholders' equity	390,283	387,155
Goodwill	15,172	16,524	Capital stock	160,339	160,339
Telephone subscription right	29	29	Capital surplus	155,271	155,271
Right of using telephone and telegraph facilities	0	1	Legal capital surplus	152,160	152,160
Other	43	43	Other capital surplus	3,110	3,110
Investments and other assets	943,152	901,971	Retained earnings	74,809	71,679
Investment securities	100,340	138,785	Other retained earnings	74,809	71,679
Stocks of subsidiaries and affiliates	610,130	595,840	Retained earnings brought forward	74,809	71,679
Investments in other securities of subsidiaries and affiliates	34,810	18,037	Treasury stock	(137)	(135)
Investments in capital	3,006	2,680	Valuation and translation adjustments	5,486	1,833
Investments in capital of subsidiaries and affiliates	18,289	20,098	Valuation difference on available-for-sale securities	5,435	1,883
Long-term loans receivable	4,911	2,625	Deferred gains or losses on hedges	51	(49)
Long-term loans receivable from employees	17	26	Total net assets	395,769	388,988
Long-term loans receivable from subsidiaries and affiliates	44,734	28,837	Total liabilities and net assets	1,699,043	1,790,594
Bad debts	96,221	107,322			
Long-term prepaid expenses	4,873	5,127			
Deferred tax assets	44,149	46,949			
Real estate for investment	34,295	—			
Other	6,007	5,983			
Allowance for doubtful accounts	(55,008)	(66,714)			
Allowance for investment loss	(3,628)	(3,628)			
Deferred assets	308	1,226			
Stock issuance cost	39	780			
Bond issuance cost	268	445			
Total assets	1,699,043	1,790,594			

(Fractions less than one million yen are rounded off)

Non-consolidated Statements of Income

(Millions of yen)

Items	FY2009 (From April 1, 2009 to March 31, 2010)		(Reference) FY2008 (From April 1, 2008 to March 31, 2009)	
Net sales		2,389,381		3,217,313
Cost of sales		2,343,413		3,169,985
Gross profit		45,967		47,328
Selling, general and administrative expenses		56,230		62,489
Operating income (loss)		(10,262)		(15,161)
Non-operating income		51,382		67,566
Interest income	4,344		6,443	
Dividends income	37,256		53,668	
Other	9,781		7,454	
Non-operating expenses		29,711		35,643
Interest expenses	19,245		22,153	
Interest on commercial papers	178		306	
Loss on investments in partnership	—		5,035	
Other	10,287		8,147	
Ordinary income		11,407		16,761
Extraordinary income		33,950		33,935
Gain on sales of noncurrent assets	3		225	
Gain on sales of subsidiaries and affiliates' stocks	145		24,570	
Gain on sales of investment securities	29,885		7,434	
Gain on sales of equity investment without stock	354		0	
Reversal of allowance for doubtful accounts	3,562		1,266	
Gain on liquidation of subsidiaries and affiliates	0		438	
Extraordinary loss		37,449		29,097
Loss on sales of noncurrent assets	3		24	
Loss on retirement of noncurrent assets	15		22	
Impairment loss	4,356		70	
Loss on sales of investment securities	1,061		120	
Loss on sales of investments in capital	0		0	
Loss on valuation of investment securities	15,878		12,931	
Loss on valuation of investments in capital	7		324	
Loss, and provision for loss, on liquidation of subsidiaries and affiliates	15,880		10,559	
Restructuring losses	245		47	
Valuation loss on goods	—		4,995	
Income before income taxes		7,908		21,599
Income taxes—current		(1,602)		(1,649)
Income taxes—deferred		2,041		1,241
Net income		7,469		22,008

(Fractions less than one million yen are rounded off)

Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

Items	FY2009 (From April 1, 2009 to March 31, 2010)	(Reference) FY2008 (From April 1, 2008 to March 31, 2009)
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	71,679	60,795
Changes of items during the period		
Dividends from surplus	(4,339)	(11,125)
Net income	7,469	22,008
Total changes of items during the period	3,130	10,883
Balance at the end of the current period	74,809	71,679
Total retained earnings		
Balance at the end of the previous period	71,679	60,795
Changes of items during the period		
Dividends from surplus	(4,339)	(11,125)
Net income	7,469	22,008
Total changes of items during the period	3,130	10,883
Balance at the end of the current period	74,809	71,679
Treasury stock		
Balance at the end of the previous period	(135)	(114)
Changes of items during the period		
Purchase of treasury stock	(1)	(20)
Total changes of items during the period	(1)	(20)
Balance at the end of the current period	(137)	(135)

(Fractions less than one million yen are rounded off)

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

	(Millions of yen)	
Items	FY2009 (From April 1, 2009 to March 31, 2010)	(Reference) FY2008 (From April 1, 2008 to March 31, 2009)
Total shareholders' equity		
Balance as of the end of the previous period	387,155	376,292
Changes of items during the period		
Dividends from surplus	(4,339)	(11,125)
Net income	7,469	22,008
Purchase of treasury stock	(1)	(20)
Total changes of items during the period	3,128	10,863
Balance at the end of the current period	390,283	387,155
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of the previous period	1,883	39,183
Changes of items during the period		
Net changes of items other than shareholders' equity	3,552	(37,300)
Total changes of items during the period	3,552	(37,300)
Balance at the end of the current period	5,435	1,883
Deferred gains or losses on hedges		
Balance at the end of the previous period	(49)	1,436
Changes of items during the period		
Net changes of items other than shareholders' equity	100	(1,485)
Total changes of items during the period	100	(1,485)
Balance at the end of the current period	51	(49)
Total valuation and translation adjustments		
Balance at the end of the previous period	1,833	40,619
Changes of items during the period		
Net changes of items other than shareholders' equity	3,652	(38,785)
Total changes of items during the period	3,652	(38,785)
Balance at the end of the current period	5,486	1,833
Total net assets		
Balance at the end of the previous period	388,988	416,911
Changes of items during the period		
Dividends from surplus	(4,339)	(11,125)
Net income	7,469	22,008
Purchase of treasury stock	(1)	(20)
Net changes of items other than shareholders' equity	3,652	(38,785)
Total changes of items during the period	6,781	(27,922)
Balance at the end of the current period	395,769	388,988

(Fractions less than one million yen are rounded off)

Notes to the Non-consolidated Financial Statements

Significant Accounting Policies

1. Basis and Methods of Valuation of Assets

(1) Basis and Methods of Valuation of Securities

- Trading Securities

Stated at fair value.

Cost of securities sold is mainly calculated using the moving average method.

- Held-to-Maturity Debt Securities

Stated at amortized cost (straight-line method)

- Stocks of subsidiaries and affiliates

Stated at cost using the moving-average method.

- Available-for-Sale Securities

- Securities with available fair values

Stated at fair value based on market prices as of the closing date. Valuation gains or losses are taken directly included in a component of net assets. The cost of securities sold is calculated using the moving average method.

- Securities with no readily available fair value

Stated at cost using the moving-average method.

Investments in a limited investment partnership or a similar partnership (that can be considered as marketable securities in accordance with the Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are stated at their net equity value on the most recent financial statements that are available on the settlement report day as specified in the partnership agreement.

(2) Derivatives

Stated at fair value.

(3) Money Trusts for Investment Purpose

Stated at fair value.

(4) Basis and Methods of Valuation of Inventories

- Inventories held for sale in the ordinary course of business

Stated at cost based on the specific identification method or moving average method (balance sheet values are adjusted by writing down the book values where the profitability declines).

- Inventories held for trading purpose

Stated at fair value.

2. Depreciation Method for Noncurrent Assets

(1) Property, Plant and Equipment (excluding lease assets)

Property, plant and equipment are depreciated using the declining balance method.

However, the buildings (excluding fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method.

(2) Intangible Assets (excluding lease assets)

Intangible fixed assets are amortized using the straight-line method.

Software for internal use is amortized using the straight-line method over the internal use period of five years.

(3) Lease Assets

- Lease assets under finance lease transactions that do not transfer ownership rights of the property

Lease assets are depreciated using the straight-line method over the corresponding lease period with no residual value.

Of finance leases that do not transfer ownership, the lease transactions whose inception date is on or before March 31, 2008 are accounted for by the same method as that of ordinary rental contracts.

(4) Real Estate for Investment

Real estate for investment is depreciated mainly using the straight-line method.

3. Accounting Standards for Provisions

(1) Allowance for Doubtful Accounts

In order to provide reserve for possible losses on receivables or loans, the Company records allowance for doubtful accounts based on the historical uncollectible rates for ordinary receivables and on an estimate of collectability of specific doubtful receivables from customers in financial difficulties.

(2) Allowance for Investment Loss

In order to provide reserve for possible losses on investments in affiliates etc., the Company records the allowance for investment loss for each investment based upon the financial condition and business value of each investee in accordance with the internal standard.

(3) Provision for Bonuses

Provision for bonuses is recorded to accrue the bonus to employees of the Company for the amount to be paid.

(4) Provision for Retirement Benefits

Provision for retirement benefits is recorded to provide the retirement benefits to employees of the Company for the amount to be accrued based on the retirement benefit obligation at the end of the fiscal years.

4. Basis for Translating of Foreign Currency Denominated Assets and Liabilities into Japanese Yen

Monetary assets and liabilities denominated in foreign currency are translated into Japanese yen at the spot exchange rate on the closing date. Translation differences are recognized as profit or loss in the corresponding fiscal year.

5. Hedge Accounting

(1) Hedge Accounting Method

In general, the deferral hedge accounting is applied. Forward exchange contracts, currency swaps, and currency options that fulfill the appropriation requirements are subjected to the appropriation treatment, while interest rate swaps that fulfill the requirement for preferential treatment are subjected to the preferential treatment.

(2) Hedging Instruments and Hedged Items

Forward exchange contract, currency swap, and currency option contracts are used as hedging instruments against exchange rate fluctuation risks involved in transactions in foreign currencies. Interest rate swap, interest rate cap, and interest rate option contracts are used as hedging instruments against interest rate fluctuation risks involved in debts, loans, and interest-bearing bond. Commodity future and forward are used as hedging instruments against price fluctuation risks of precious metals, grain, petroleum, and others.

(3) Hedge Policy

The Company enters into derivative contracts for hedging purpose in accordance with the Company's policies and procedures, in order to avoid fluctuation risks in foreign exchange, interest rates, and market value of securities and commodities, which are associated with the Company's operation.

(4) Assessment of Hedge Effectiveness

The Company assesses the hedge effectiveness by comparing the cumulative change in cash-flows or the changes in fair value of hedged items with the corresponding changes of hedging instruments on a quarterly basis. However, the assessment of hedge effectiveness is omitted for interest rate swaps under the preferential treatment.

6. Other Significant Basis of Presenting the Non-consolidated Financial Statements

(1) Accounting for Deferred Assets

Stock issuance cost is amortized equally over three years.

Bond issuance cost is amortized on a straight-line basis over the period until the bond maturity.

(2) Capitalization of Interest Expenses Associated with Large Real-estate Development Projects

Interest expenses associated with a large real-estate development project (with a total investment cost of 2 billion yen or more and construction period exceeding one year) during the normal construction period are capitalized as part of the acquisition cost of the real estate.

(3) Accounting for Consumption Tax

The tax-excluded method is used.

(4) Application of Consolidated Taxation Systems

The consolidated taxation system is applied.

Changes in the Accounting Policies

<Accounting Treatment for Completed Construction Contracts>

Changes in the accounting treatment for net sales and cost of sales of completed construction contracts

The Company has previously applied both the completed-contract method and percentage-of-completion method for recognizing revenues of construction contracts. However, effective from the fiscal year ended March 31, 2010, the Company has adopted the “Accounting Standard for Construction Contracts” (ASBJ Statement No. 15, December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18, December 27, 2007). Of construction contracts which has started during the fiscal year under review, a construction contract, whose outcome of its construction activities until the end of the fiscal year is deemed certain, is accounted for using percentage-of-completion method otherwise, the completed-contract method is applied.

The adoption of these standards had no material impact on the Company’s net income.

<Accounting Standard for Retirement Benefits>

Effective from the fiscal year ended March 31, 2010, the Company has adopted the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No. 19, July 31, 2008).

The adoption of this standard had no effect on the Company’s net income as well as the balance of unrecognized difference for the fiscal year ended March 31, 2010.

Changes in the Presentation of Financial Statements

<Statements of Income>

Loss on investments in partnerships, previously reported as a component of *Non-operating expenses*, is included in *Other* under *Non-operating expenses* from the current fiscal year, due to the immateriality of the amount of this item to the Company’s Statements of Income. The amount of the item included in *Non-operating expenses* for the fiscal year ended March 31, 2010 is 2,343 million yen.

Additional Information

We have made other reclassifications in the presentation of the financial statements for the fiscal year ended March 31, 2010.

Reclassification of *Real Estate for Sale* due to a change in the holding purpose: 3,950 million yen is reclassified to *Buildings*, 119 million yen to *Machinery and Equipment*, 6,715 million yen to *Land*, and 34,107 million yen to *Real Estate for Investment*.

Reclassification of properties under *Property, Plant and Equipment* after reviewing the holding purpose: 72 million yen of *Buildings* (used as welfare facilities) as well as 275 million yen of *Land* to *Real Estate for Sale*.

Non-consolidated Balance Sheets

1. Amounts Recorded on the Balance Sheets

Fractions less than one million yen are rounded off.

2. Pledged Assets and Corresponding Liabilities

(1) Assets Pledged as Collateral

(Millions of yen)

Pledged assets		Corresponding liabilities
Items	Book value at March 31, 2010	
Short-term loans receivable (including those to subsidiaries and affiliates)	9	The assets to the left have been pledged as collateral for the borrowings listed below.
Investment securities (including stocks of subsidiaries and affiliates)	31,168	Long-term loans payable (including current portion) 473
Total	31,177	Total 473

(Note) The above assets pledged as collateral include the assets pledged as collateral for affiliates' borrowings from banks.

(2) Assets Pledged in Lieu of a Guarantee Deposit, etc.

Investment securities
(including stocks of subsidiaries and affiliates) 38,489 million yen

3. Accumulated Depreciation of Property, Plant and Equipment 5,216 million yen

4. Guaranteed Obligation

(Millions of yen)

Guaranteed party	Amount of guaranteed obligation
Sojitz Corporation of America	36,122
Sojitz Asia Pte. Ltd.	13,899
LNG Japan Corporation	10,980
Sojitz UK plc	9,513
Shobu Project SPC	8,647
Sojitz Energy Project Ltd.	6,989
Japan Alumina Associates (Australia) Pty. Ltd.	6,319
Sojitz Alumina Pty Ltd.	6,116
Sojitz Moolarben Resources Pty. Ltd.	5,960
Sojitz Energy Corporation	5,842
Others (152 parties)	98,738
Total	209,130

(Note) The above guaranteed obligation mainly consists of the Company's guarantees for the indebtedness of the above parties from financial institutions, and includes items similar to guarantees in the amount of 63,762 million yen.

5. Notes Receivable-trade—Discounted

25,934 million yen

(Note) Outstanding inter-bank transactions, which represent the balance of export letters of credit yet to be purchased by banks, are included in the discounts on notes receivable-trade because they can be treated as trade note discounts. The amount is 15,662 million yen.

6. Monetary Receivables from and Payables to Subsidiaries and Affiliates

Short-term monetary receivables:	60,773 million yen
Long-term monetary receivables:	30,287 million yen
Short-term monetary payables:	71,322 million yen
Long-term monetary payables:	1,552 million yen

(Note) The above monetary receivables and payables are the monetary receivables from and payables to subsidiaries and affiliates other than those separately presented in the balance sheet.

Non-consolidated Statements of Income**1. Amounts Recorded on the Statements**

Fractions less than one million yen are rounded off.

2. Transactions with Subsidiaries and Affiliates

Sales to subsidiaries and affiliates:	180,530 million yen
Purchases from subsidiaries and affiliates:	305,351 million yen
Non-operating transactions with subsidiaries and affiliates:	61,163 million yen

Non-consolidated Statements of Changes in Shareholders' Equity**1. Amounts Recorded on the Statements**

Fractions less than one million yen are rounded off.

2. Types and Numbers of Shares of Treasury Stock as of the End of the Current Fiscal Year

Common stock	343,668 shares
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Tax Effect Accounting

1. Fractions less than one million yen are rounded off.
2. Breakdown of major reason for deferred tax assets and deferred tax liabilities:

Deferred tax assets	(Millions of yen)
Excess amount over limitation of taxable allowance for doubtful accounts	10,631
Loss on valuation of investment securities	27,714
Loss from merger	4,455
Excess amount over limitation of taxable allowance for retirement benefits	2,638
Loss carried forward	241,921
Other	21,768
Subtotal	309,130
Valuation allowance	(228,840)
Total deferred tax assets	80,290
Offset against deferred tax liabilities	(26,751)
Amounts recorded as deferred tax assets	53,538
Deferred tax liabilities	
Gain from merger	(24,009)
Valuation difference on available-for-sale securities	(2,250)
Other	(492)
Total deferred tax liabilities	(26,751)
Offset against deferred tax assets	26,751
Amounts recorded as deferred tax liabilities	—
Net deferred tax assets	53,538

Assets Used by Lease

In addition to major noncurrent assets recorded in the balance sheet, the Company uses computer equipment under a lease agreement.

Transactions with Related Parties

Fractions less than one million yen are rounded off.

Subsidiaries

(Millions of yen)

Classification	Company Name	Ownership including voting right	Relationship		Transactions	Amount of Transactions	Account	As of March 31, 2010
			Holding the executive position in other organizations	Business relationship				
Subsidiary	Sojitz Corporation of America	Directly and wholly owned	—	Buyer and supplier of products	Guarantee on debt (Note 1)	36,122	—	—
					Guarantee fees received (Note 2)	37	—	—
Subsidiary	Sojitz Pla-Net Holdings, Inc.	Directly and wholly owned	—	Borrower of funds	Funds loaned (Note 3)	—	Long-term loans receivable from subsidiaries and affiliates	17,922
					Interest received (Note 3)	410	—	—

Conditions of Transactions and Policies for Determining the Conditions

- (Notes)
1. The Company guarantees the bank borrowings of the above companies.
 2. The Company receives the guarantee fee of 0.1% per annum on the outstanding balance of the borrowings.
 3. Interest rate is determined reasonably based upon the market interest rate. These guarantees are not secured by collateral.

Per-share Information

1. Net Assets per Share: 316.32 yen
2. Net Income per Share: 6.01 yen

Significant Subsequent Events

There is no applicable item.

Independent Auditors' Audit Report

May 13, 2010

To the Board of Directors,
Sojitz Corporation

KPMG AZSA & Co.

Designated and Engagement Partner Certified Public Accountant	Teruo Suzuki
Designated and Engagement Partner Certified Public Accountant	Iwao Hirano
Designated and Engagement Partner Certified Public Accountant	Tomoki Kasama

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, 2010 and for the consolidated fiscal year from April 1, 2009 to March 31, 2010. 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, applicable to the consolidated fiscal year ended March 31, 2010 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 13, 2010

To the Board of Directors,
Sojitz Corporation

KPMG AZSA & Co.

Designated and Engagement Partner Certified Public Accountant	Teruo Suzuki
Designated and Engagement Partner Certified Public Accountant	Iwao Hirano
Designated and Engagement Partner Certified Public Accountant	Tomoki Kasama

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, 2010 and for the 7th fiscal term from April 1, 2009 to March 31, 2010. 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, 2010 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 7th fiscal term (from April 1, 2009 to March 31, 2010), 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 monitored and inspected 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 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 Directors' performance of their duties concerning the internal control systems.

(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 & Co., 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 & Co., are appropriate.

May 13, 2010

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

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.)

