



Internet Disclosure of Matters for
the Notice of the 9th Ordinary General Shareholders' Meeting

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In accordance with laws and regulations and Article 14 of the Articles of Incorporation,
this information is posted on the Company's website at:

(<http://www.sojitz.com/en/ir/stkholder/general/index.html>)

Sojitz Corporation

Notes to the Consolidated Financial Statements

Significant Basis of Presenting Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries: 323

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 Ject 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 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, 2012, 27 companies newly established or acquired by Sojitz have been included in the scope of consolidation, while 24 companies were excluded from the scope of consolidation, due to liquidation, sale 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: 139

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, 2012, 4 companies newly acquired by Sojitz have been included in the scope of application of equity method, while 20 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 consolidated subsidiaries, 110 companies adopt an individual closing date or provisional closing date for the fiscal year, which is different from the consolidated closing date 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 Group uses its financial statements in preparation of the consolidated financial statements, with necessary adjustments for significant transactions occurred during such period. For subsidiaries 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.

(Change in the matters concerning the fiscal year end of consolidated subsidiaries)

Effective from the current consolidated fiscal year, the Group carried out the unification of the closing dates for the fiscal year of the parent company and its major overseas consolidated subsidiaries in order to realize timely performance management and speedy implementation of management initiatives and division strategies on a consolidated group-wide basis.

As a result, the closing date for the fiscal year of 47 consolidated subsidiaries was changed to March 31, which was the fiscal year end date of the parent company. Other 36 consolidated subsidiaries continued to have an individual closing date for the fiscal year and were consolidated using the financial statements prepared on a provisional basis as of the consolidated closing date.

Due to this change, the financial statements of these 83 consolidated subsidiaries used for the consolidation purpose reflected their financial results for the 15-month period from January 1, 2011 to March 31, 2012, resulting in increases in net sales by 171,983 million yen, gross profit by 16,662 million yen, operating income by 6,545 million yen, ordinary income by 8,049 million yen, income before income taxes and minority interests by 7,837 million yen, and net income by 6,209 million yen as compared to their financial results for the 12-month period from January 1, 2011 to December 31, 2011.

In addition, other comprehensive income increased by 12,425 million yen due among others to an increase in foreign currency translation adjustment by 13,670 million yen.

Please refer to “(Reference) Business Segment Information” for the impact on segment information.

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 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.

(b) Derivatives

Stated at fair value.

(c) Fund 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 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 major useful lives are as follows:

Buildings and structures:	2 to 60 years
Machinery, equipment and vehicles:	2 to 40 years

(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:	4 to 50 years
Machinery, equipment and vehicles:	10 years

(3) Accounting Standards for Significant Provisions

(a) Allowance for Doubtful Accounts

In order to provide reserve for possible losses on receivables or loans, the Group 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 Group for the amount to be paid.

(c) Provision for Retirement Benefits

Provision for retirement benefits is recorded to provide the retirement benefits to employees of the Group 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 consolidated fiscal year under review.

(d) Provision for Directors' Retirement Benefits

For some consolidated subsidiaries, provision for directors' retirement benefits is recorded to provide the retirement benefits to directors and executive officers for the amount to be required at the end of the consolidated fiscal year under review 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 subsidiaries, assets and liabilities are translated into Japanese yen at the spot exchange rate on the closing date of the relevant subsidiaries, revenues and expenses are translated into Japanese yen at the average exchange rate during the fiscal year of the relevant subsidiaries, 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 Group enters into derivative contracts for hedging purpose in accordance with the Group'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 Group's operation.

(d) Assessment of Hedge Effectiveness

The Group 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) Amortization of Goodwill and Amortization Period

Goodwill and negative goodwill acquired before April 1, 2010 are amortized equally over five to twenty years.

However, they are subject to one-time depreciation within the year acquired when the amounts are immaterial.

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

(a) 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. 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.

Additional Information

Effective from the current consolidated fiscal year under review, the Group has adopted the “*Accounting Standard for Accounting Changes and Error Corrections*” (Accounting Standards Board of Japan (ASBJ) Statement No. 24, December 4, 2009) and the “*Guidance on Accounting Standard for Accounting Changes and Error Corrections*” (ASBJ Guidance No. 24, December 4, 2009) to accounting changes and error corrections that are made on or after the beginning of the current consolidated fiscal year under review.

Consolidated Balance Sheets

1. Amounts Recorded on the Balance Sheets

Fractions less than one million yen are rounded down.

2. Inventories

Merchandise and finished goods	204,588 million yen
Real estate for sale	47,653 million yen
Raw materials and supplies	18,403 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, 2012		
Cash and deposits	278	Notes and accounts payable-trade	707
Notes and accounts receivable-trade	69	Short-term loans payable	6,873
Buildings and structures	5,339	Current liabilities (Other)	49
Machinery, equipment and vehicles	39,161	Long-term loans payable	37,403
Land	3,527	Noncurrent liabilities (Other)	507
Property, plant and equipment (Other)	120		
Intangible assets (Other)	20		
Investment securities	14,333		
Real estate for investment	2,629		
Total	65,481	Total	45,542

(Note) In addition to the above, the Company has investment securities in the form of stocks of subsidiaries, amounting to 12,534 million yen, which was eliminated in consolidation.

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

Cash and deposits	1,036 million yen
Land	29 million yen
Investment securities	26,076 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 152,885 million yen

5. Guaranteed Obligation

(Millions of yen)

Guaranteed party	Amount of guaranteed obligation
Japan Alumina Associates (Australia) Pty. Ltd.	9,210
LNG Japan Corporation	8,955
Dhuruma Electricity Company	6,229
INPEX Offshore North Campos, Ltd.	3,014
AI Suwadi Power Company SAOC	1,668
Others (62 parties)	8,840
Total	37,919

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

6. Notes Receivable-Trade—Discounted 21,585 million yen

7. Notes Receivable-Trade—Transferred by Endorsement 1 million yen

8. Accounting for Trade Notes Maturing on the Balance Sheet Date

The settlement of trade notes maturing on the balance sheet date of the consolidated fiscal year under review is accounted for on the date of bank clearance.

As the balance sheet date of the consolidated fiscal year under review was a bank holiday, the following notes maturing on the balance sheet date were included in the balance of the respective items outstanding at the end of the consolidated fiscal year under review:

Notes receivable-trade	9,703 million yen
Notes payable-trade	7,702 million yen

9. Revaluation of Land

Some domestic consolidated subsidiaries and affiliates 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

Value of land is measured by (i) calculating the amount adding reasonable adjustments to the price registered in the land tax ledger set forth in Article 341, Item 10 of the Local Tax Act, as defined in Article 2, Item 3 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998), or (ii) based on appraisals made by real estate appraisers as defined in Article 2, Item 5 of the same Order.

- Dates of Revaluation

On and before March 31, 2002

- Difference Between the Market Value of Land as of March 31, 2012 and the Book Value After Revaluation

1,109 million yen

Consolidated Statements of Income

Amounts Recorded on the Statements

Fractions less than one million yen are rounded down.

Consolidated Statements of Changes in Net Assets

1. Amounts Recorded on the Statements

Fractions less than one million yen are rounded down.

2. Class and Numbers of Shares Outstanding as of March 31, 2012

Common stock 1,251,499,501 shares

3. Dividends

(1) 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
Meeting of the Board of Directors held on November 1, 2011	Common stock	Retained earnings	1,876	1.50 yen	September 30, 2011	December 2, 2011

(2) Dividends for Which the Record Date Falls in the Current Consolidated Fiscal Year while the Effective Date Comes Next Consolidated Fiscal Year

The Company presents the following proposal on the year-end dividends for common stock as the agenda for the 9th Ordinary General Shareholders' Meeting scheduled on June 26, 2012.

Dividends of Common Stock

(a) Total amount of dividends	1,876 million yen
(b) Source of dividend funds	Retained earnings
(c) Dividend per share	1.50 yen
(d) Record date	March 31, 2012
(e) Effective date	June 27, 2012

Financial Instruments

1. Status of Financial Instruments

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 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, 2012 (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 values are not included (please refer to “Note 2” below).

(Millions of yen)			
	Consolidated balance sheet amount	Fair value	Difference
Assets			
(1) Cash and deposits	442,706	442,706	•
(2) Notes and accounts receivable-trade Allowance for doubtful accounts *1	490,708 (3,149)		
	487,558	487,259	(299)
(3) Short-term loans receivable Allowance for doubtful accounts *1	1,529 (504)		
	1,024	1,024	•
(4) Short-term investment and investment securities			
a) Trading securities	697	697	•
b) Stocks of subsidiaries and affiliates	9,304	6,497	(2,807)
c) Available-for-sale securities	70,948	70,948	•
(5) Long-term loans receivable (including current portion) Allowance for doubtful accounts *1	26,553 (291)		
	26,262	24,020	(2,242)
(6) Bad debts Allowance for doubtful accounts *1	68,164 (43,660)		
	24,503	24,503	•
Total assets	1,063,006	1,057,657	(5,349)
Liabilities			
(1) Notes and accounts payable-trade	461,799	461,770	(28)
(2) Short-term loans payable	117,698	117,698	•
(3) Commercial papers	2,000	2,000	•
(4) Income taxes payable	8,850	8,850	•
(5) Bonds payable (including current portion)	115,000	115,783	783
(6) Long-term loans payable (including current portion)	855,844	874,082	18,238
Total liabilities	1,561,192	1,580,185	18,992
Derivatives *2	(5,639)	(5,639)	•

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

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

(Note) 1. Fair value measurement 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.

The fair value of 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, and therefore 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 investment and investment securities

The fair value of equity securities is 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 sheets 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.

The fair value of 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, and therefore 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

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. Long-term loans payable (including current portion) with floating interest rates are subject to interest rate swaps under preferential treatment (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

The fair value of 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, and therefore 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, the fair value of interest rate swaps under preferential treatment is accounted for together with long-term loans payable (including current portion) designated as a hedged item, and therefore 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 securities of subsidiaries and affiliates (*1)	199,791
Unlisted equity securities (*1)	33,401
Unlisted securities (*2)	0
Investments in a limited investment partnership or a similar partnership (*3)	1,050

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

(*2) Unlisted 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 investment and investment securities, (c) 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 “Assets (4) Short-term investment and investment securities, (c) Available-for-sale securities.”

Investment and Rental Properties

1. Status of Investment and Rental Properties

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

2. Fair Values of Investment and Rental Properties

Amounts recorded in the consolidated balance sheets, 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, 2012
	Balance as of April 1, 2011	Changes during the current fiscal year	Balance as of March 31, 2012	
Office building	35,435	(2,270)	33,164	31,100
Commercial facility	14,234	(543)	13,691	11,565
Others	6,775	(663)	6,111	6,217
Total	56,445	(3,478)	52,967	48,883

- (Notes) 1. The above consolidated balance sheet amounts are calculated by subtracting accumulated depreciation from acquisition costs.
2. The significant decreases shown during the current fiscal year are as follows.
Office building: Sale of real estates for investment and impairment loss 1,626 million yen
3. Fair values as of March 31, 2012 are measured by the Group 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 March 31, 2012.

(Millions of yen)

Purpose of use	Consolidated balance sheet amount			
	Rent income	Rent expenses	Net	Other gains or losses
Office building	2,182	(1,522)	660	(668)
Commercial facility	1,468	(838)	630	106
Others	429	(321)	108	(13)
Total	4,081	(2,682)	1,398	(574)

- (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 impairment loss, loss and gain on sales and retirement of noncurrent assets and others.

Per-share Information

- | | |
|-------------------------|------------|
| 1. Net Assets per Share | 244.52 yen |
| 2. Net Income per Share | 2.92 yen |

Significant Subsequent Events

There is no applicable item.

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) Fund 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.

The major useful lives are as follows:

Buildings and structures:	2 to 60 years
Machinery and equipment and vehicles:	3 to 17 years
Tools, furniture and fixtures	2 to 20 years

(2) Intangible Assets (excluding lease assets)

Intangible 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 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.

The major useful lives are as follows:

Buildings:	15 to 50 years
Machinery and equipment:	10 years

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 default 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 subsidiaries and 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 year.

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

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 Presentation of Financial Statements

<Statements of Income>

Effective from the current fiscal year, *loss on valuation of derivatives* (678 million yen for the previous fiscal year), which was included in *Other* under *Non-operating expenses* in the previous fiscal year, is presented as a separate component *loss on valuation of derivatives* (3,299 million yen for the current fiscal year) since the amount of this item represents more than ten one-hundredth of non-operating expenses in the current fiscal year.

Additional Information

Effective from the current fiscal year, the Company has adopted the “*Accounting Standard for Accounting Changes and Error Corrections*” (ASBJ Statement No. 24, December 4, 2009) and the “*Guidance on Accounting Standard for Accounting Changes and Error Corrections*” (ASBJ Guidance No. 24, December 4, 2009) to accounting changes and error corrections that are made on or after the beginning of the current fiscal year.

Non-consolidated Balance Sheets

1. Amounts Recorded on the Balance Sheets

Fractions less than one million yen are rounded down.

2. Pledged Assets and Corresponding Liabilities

(1) Assets Pledged as Collateral

(Millions of yen)

Pledged assets		Corresponding liabilities	
Item	Book value at March 31, 2012		
Buildings	1,161	The assets to the left have been pledged as collateral for the borrowings listed below.	
Structures	14		
Investment securities (including stocks of subsidiaries and affiliates)	13,820		
		Deposits received	17
		Long-term loans payable (including current portion)	332
		Noncurrent liabilities (other)	436
Total	14,996	Total	786

(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) 44,551 million yen

3. Accumulated Depreciation of Property, Plant and Equipment 6,568 million yen

4. Guaranteed Obligation

(Millions of yen)

Guaranteed party	Amount of guaranteed obligation
Sojitz Corporation of America	42,366
Japan Alumina Associates (Australia) Pty. Ltd.	9,210
Sojitz Alumina Pty Ltd.	9,122
LNG Japan Corporation	8,955
MCC PTA India Corp. Pte. Ltd.	8,702
Sojitz Energy Corporation	8,437
Sojitz (Hong Kong) Ltd.	8,413
Subaru Motor LLC	7,905
Sojitz Energy Project Ltd.	6,467
Dhurma Electricity Company	6,229
Others (147 parties)	97,517
Total	213,327

(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 39,932 million yen.

5. Notes Receivable-Trade—Discounted 19,879 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 12,714 million yen.

6. Accounting for Trade Notes Maturing on the Balance Sheet Date

The settlement of trade notes maturing on the balance sheet date of the fiscal year under review is accounted for on the date of bank clearance.

As the balance sheet date of the fiscal year under review was a bank holiday, the following notes maturing on the balance sheet date were included in the balance of the respective items outstanding at the end of the fiscal year under review:

Notes receivable-trade	1,545 million yen
Notes payable-trade	792 million yen

7. Monetary Receivables from and Payables to Subsidiaries and Affiliates

Short-term monetary receivables:	83,264 million yen
Long-term monetary receivables:	36,717 million yen
Short-term monetary payables:	56,977 million yen
Long-term monetary payables:	91 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 down.

2. Transactions with Subsidiaries and Affiliates

Sales to subsidiaries and affiliates:	228,370 million yen
Purchases from subsidiaries and affiliates:	329,857 million yen
Non-operating transactions with subsidiaries and affiliates:	45,388 million yen

Non-consolidated Statements of Changes in Net Assets

1. Amounts Recorded on the Statements

Fractions less than one million yen are rounded down.

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

Common stock	411,427 shares
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Tax Effect Accounting

1. Amounts Recorded on the Statements

Fractions less than one million yen are rounded down.

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	13,204
Loss on valuation of investment securities	24,763
Loss from merger	1,054
Excess amount over limitation of taxable allowance for retirement benefits	2,320
Loss carried forward	101,512
Other	17,408
Subtotal	160,264
Valuation allowance	(137,499)
Total deferred tax assets	22,764
Offset against deferred tax liabilities	(14,742)
Amounts recorded as deferred tax assets	8,022
Deferred tax liabilities	
Foreign exchange losses relating to stocks of subsidiaries and affiliates	(8,536)
Gain from merger	(4,823)
Valuation difference on available-for-sale securities	(1,058)
Other	(324)
Total deferred tax liabilities	(14,742)
Offset against deferred tax assets	14,742
Amounts recorded as deferred tax liabilities	—
Net deferred tax assets	8,022

3. Adjustment to the amounts of deferred tax assets and deferred tax liabilities due to changes in the corporate income tax rate

Effective from the fiscal year starting on or after April 1, 2012, corporate income tax rates are changed pursuant to the “Act on Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction from the Great East Japan Earthquake” (Act No. 117 of 2011), which were promulgated on December 2, 2011. Following these changes, the statutory effective tax rates used in the calculation of deferred tax assets and deferred tax liabilities will be as follows depending on the timing of elimination of temporary differences, etc.:

From April 1, 2012 to March 31, 2015	38.01%
On or after April 1, 2015	35.64%

As a result of this change in tax rates, the net amount of deferred tax assets decreased by 470 million yen, while income taxes-deferred and valuation difference on available-for-sale securities, which were recognized in expenses in the fiscal year under review, increased by 606 million yen and 135 million yen, respectively.

Noncurrent 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 down.

Subsidiaries

(Millions of yen)

Classification	Company name	Ownership including voting right	Relationship		Transactions	Amount of transactions	Account	As of March 31, 2012
			Holding the executive position in other organizations	Business relationship				
Subsidiary	Sojitz Corporation of America	Directly and wholly owned	2 persons in interlocking positions	Buyer and supplier of products	Guarantee on debt (Note 1)	42,366	•	•
					Guarantee fees received (Note 2)	42	•	•
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)	434	•	•

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 approximately 0.1% per annum on the outstanding balance of the guarantee.
 3. Interest rate is determined reasonably based upon the market interest rate. These loans and interest are not secured by collateral.

Per-share Information

1. Net Assets per Share: 290.08 yen
2. Net Loss per Share: 18.49 yen

Significant Subsequent Events

There is no applicable item.