

Summary of Consolidated Financial Results for the First Half Fiscal Year Ending March 31, 2011 (Japanese accounting standard)

October 29, 2010

Sojitz Corporation

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

Listed stock exchange: The first sections of Tokyo and Osaka

Security Code: 2768

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Scheduled filing date of quarterly financial report: November 12, 2010

Scheduled date of delivery of dividends: December 2, 2010

Supplementary materials for the quarterly financial results: Yes

Investor conference for the quarterly financial results: Yes

(Rounded down to millions of Japanese Yen)

1. Consolidated Financial Results for the First Half Fiscal Year Ending March 31, 2011 (April 1st, 2010 - September 30, 2010)

(1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the 1st Half								
FY2010	1,965,179	4.2	17,378	221.8	22,161	—	9,119	(54.4)
FY2009	1,886,398	(35.1)	5,400	(89.2)	1,547	(97.2)	20,008	(44.3)

	Net Income per Share (EPS)	Adjusted EPS
	Yen	Yen
For the 1st Half		
FY2010	7.29	7.28
FY2009	16.21	16.12

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Millions of Yen	Millions of Yen	%	Yen
As of				
September 30, 2010	2,074,931	356,540	16.0	264.87
March 31, 2010	2,160,918	377,404	16.3	281.69

(Millions of Yen)

Notes: Shareholders' Equity

As of September 30, 2010 : 331,380

As of March 31, 2010 : 352,417

2. Cash Dividends

	Cash Divided per Share				
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual
For the year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2010	-	2.50	-	0.00	2.50
March 31, 2011	-	1.50	-	-	-
March 31, 2011 (forecast)	-	-	-	1.50	3.00

Note. 1. Change in cash dividends forecast in the first period : No

2. The above "Cash Dividends" refers to common stock. For details on the payment of dividends for other (unlisted) classified stocks that have rights different from those of common stock issued by the Company, please refer to "Dividends on Preferred Shares" (page 2).

3. Consolidated Earnings Forecast for the Year Ending March 31, 2011 (April 1, 2010 - March 31, 2011)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
For the year ending									
March 31, 2011									
Full year	4,180,000	8.7	40,000	148.0	40,000	191.9	12,000	36.5	9.59

Note. Changes in Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2011 : Yes

4.Others

- (1) Changes in major subsidiaries during the fiscal year
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : No
- (2) Use of simplified and exceptional accounting procedure :Yes
- (3) Changes in accounting policy, procedures or method of presentation for preparing quarterly consolidated financial statements
 1. Changes due to amendment of accounting standards : Yes
 2. Changes due to other reasons : No
- (4) Number of outstanding shares at the end of the periods (Common Stock):
 1. Number of outstanding shares at the end of the periods (Including treasury shares):
As of September 30, 2010: 1,251,499,501 As of March 31, 2010: 1,251,499,501
 2. Number of treasury shares at the end of the periods:
As of September 30, 2010 : 411,233 As of March 31, 2010 : 408,488
 3. Average number of outstanding shares during the periods:
For the 2nd Quarter ended September 30, 2010(accumulative): 1,251,089,586
For the 2nd Quarter ended September 30, 2009(accumulative): 1,233,452,207

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

This document contains projections and other forward-looking statements based on information available to the Company as of the date of this document and certain assumptions thought to be reasonable. Actual results may therefore differ from those expressed or implied by such forward-looking statements due to various factors including, but not limited to, changes in economic conditions in key markets, in Japan and overseas, and exchange rates.

Dividends on Preferred Shares

The table below sets out details of dividends per share and total dividends paid for classified stock conferring rights different from common stock.

	Cash Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year Ended	Annual
FY2010 ended March 31 2010 1st Series Class III	-	7.50	-	0.00	7.50

*As On October 29,2009, conversion of 1st Series Class III Preferred Shares to Common stock has been completed, we have no year ended dividends for 1st Series Class III Preferred Shares.
We have deleted the provisions for 1st Series Class III Preferred Shares in the articles of incorporation at the Ordinary General Shareholders' Meeting held on June 22, 2010.

Analysis of Business Results

1. Overview of the First Half of Fiscal 2010 (April 1 – September 30, 2010)

Economic Environment

The first half of fiscal 2010 (April – September 2010) began with the global economy in mild recovery in response to fiscal and monetary measures in various countries around the globe. Concerns of a double-dip recession in developed European economies and the US receded, but the pace of economic recovery remained slow. Asia experienced economic expansion on the whole and remained firm. Under these conditions, the US managed to head off negative growth, a continued concern since last year, helped by a recovery in corporate earnings. The US economy has clung to positive growth, but the risk of a slowdown remains amid still-struggling manufacturing levels, weak consumer spending, and a job market that is yet to fully recover. And the dollar has continued to weaken against the yen. European economies, Germany in particular, have tracked a recovery path, but entrenched concerns about sovereign risk have dissuaded countries from pressing forward with fiscal reform and tightening, reflecting fears that deep fiscal tightening by European governments could crimp economic growth.

Japan posted real GDP growth in the April–June quarter, although the rate of growth slackened. When released, figures should indicate that the Japanese economy experienced real GDP growth in the July–September quarter, bolstered by the summer heat wave and last-minute demand for fuel-efficient cars ahead of the end of “eco car” tax concessions. Deteriorating corporate earnings in the face of a stronger yen, the impact of deflation, and a worsening of employment situation, however, may exert downward pressure on the economy, and domestic demand is expected to slow as the effects of the government’s stimulus package erode. Japan’s economic recovery prospects thus remain murky.

While concerns overshadow the European, US, and Japanese economies, strong growth in Asian and other emerging economies continues to drive the global economy.

Financial Performance

Sojitz Corporation’s consolidated business results for the first half of fiscal 2010 are presented below.

Net sales

Consolidated net sales increased 4.2% year on year to ¥1,965,179 million. The increase was mainly attributable to increased sales from the Energy & Metal Division reflecting higher market prices and increased unit volumes for ferroalloys; sales growth in the Chemicals & Functional Materials Division as a result of an increase in trading volumes for chemicals and synthetic resins reflecting demand recoveries in China and elsewhere in Asia as well as increased methanol prices; and sales growth in the Consumer Lifestyle Business Division reflecting an increase in demand for tobacco products ahead of anticipated price hikes.

Gross profit

Consolidated gross profit was up ¥8,559 million year on year to ¥93,669 million. The increase was largely attributable to an earnings increase in the Chemicals & Functional Materials Division reflecting higher methanol prices and sales growth due to demand recoveries in China and elsewhere in Asia; improved earnings from the overseas fertilizer business in part of Consumer Lifestyle Business Division; and increased earnings from the Energy & Metal Division due to a rise in market prices and increased unit volumes for ferroalloys.

Operating income

Consolidated operating income increased ¥11,978 million year on year to ¥17,378 million as a result of the increase in gross profit and a reduction in selling, general and administrative expenses.

Ordinary income

Consolidated ordinary income increased ¥20,614 million year on year to ¥22,161 million as a result of an increase in equity in earnings of affiliates, including a steel business company and a bioethanol production company.

Extraordinary gains and losses

Extraordinary gains totaled ¥3,527 million and included a ¥1,809 million gain on the sale of noncurrent assets and a ¥828 million reversal of allowance for doubtful accounts. Extraordinary losses totaled ¥9,833 million. They included ¥5,045 million in business restructuring losses, ¥1,284 million in impairment losses, a ¥1,082 million charge comprising losses, and provisions for losses, on dissolution of subsidiaries and affiliates, and ¥960 million associated with the adoption of new accounting standards for asset retirement obligations. On balance, these gains and losses netted to an extraordinary loss of ¥6,306 million.

Net income

Consolidated income before income taxes and minority interests was ¥15,855 million. After deduction of income tax expense of ¥5,011 million and deferred income taxes of ¥270 million, net income before minority interests amounted to ¥10,574 million. After deduction of ¥1,455 million in income from minority interests, fiscal-first-half net income was ¥9,119 million, a ¥10,889 million year-on-year decrease.

Effective the first quarter of fiscal 2010, Sojitz revised its business segmentation, reclassifying distribution and services operations related to airlines and airport retail from the Other segment into the Consumer Lifestyle Business Division.

First-half results are summarized by business segment below.

Machinery

Net sales decreased 6.3% year on year to ¥452,770 million. This was largely due to an increase in auto sales to Europe and other regions being offset by a decrease in aircraft transaction volumes. Although the Central and South American auto company's performance was subdued, selling, general and administrative expenses decreased and equity in earnings of affiliates increased.

Overall, the segment posted net income of ¥582 million, a ¥2,348 million improvement from its year-earlier net loss.

Energy & Metal

Net sales increased 15.4% year on year to ¥485,393 million, largely owing to a rise in market prices and increased unit volumes for ferroalloys. Net income fell ¥5,063 million year on year to ¥9,901 million owing to non-recurrence of gains on sales of investment securities (associated with asset reallocations) booked in the year-earlier first half, which more than offset an increase in equity in earnings of affiliates, including a steel business company and bioethanol production company.

Chemicals & Functional Materials

Net sales grew 16.9% year on year to ¥301,030 million as a result of an increase in chemicals and plastics transactions on the back of demand recoveries in China and elsewhere in Asia and an increase in methanol prices. Net income amounted to ¥2,008 million, a year-on-year improvement of ¥2,716 million.

Consumer Lifestyle Business

Net sales were up 1.4% year on year to ¥702,316 million as tobacco product transaction volume increased, reflecting an increase in demand ahead of anticipated price hikes. Net income amounted to ¥410 million, a year-on-year improvement of ¥2,822 million, largely reflecting a recovery in earnings from the overseas fertilizer business.

Other

Net sales fell 27.4% year on year to ¥23,667 million. Net income decreased ¥6,402 million year on year to a net loss of ¥3,097 million, largely owing to business restructuring losses associated with reallocation of asset holdings.

Group Business Operations

Sojitz Group is engaged in a wide range of businesses on a global basis as a general trading company or sogo-shosha. Our main businesses are trading, import, and export of products, domestic and overseas manufacture and sale of a diverse array of products, provision of domestic and overseas services, planning and organizing of various projects, investment in diversified business areas, and financial activities.

The Group consists of 521 companies, including 489 consolidated subsidiaries and affiliates, of which 350 are subsidiaries and 171 are affiliates.

The following table lists our products, services, and main subsidiaries and affiliates by industry segment.

As of September 30, 2010

Segment	Main products and services	Main subsidiaries and affiliates (Main business; Status within consolidated group)
Machinery	Automobiles and automotive components; automobile-related equipment; construction equipment; ships; vehicles; aircraft and aerospace-related equipment; communication infrastructure equipment; equipment for electronics industries; general plant equipment for steel manufacturing, cement plants, chemical plants, etc.; electric power; electronics-related equipment (equipment for power generation, conversion, transmission, etc.); infrastructure business; bearings; industrial generators; various types of industrial machinery; machinery for the processing of metals and related equipment; IT-related business; information processing; computer software development; etc.	<ul style="list-style-type: none"> - Sojitz Machinery Corporation (Trading and sale of general industrial machinery; Subsidiary) - Sojitz Aerospace Corporation (Import, export and domestic sale of aerospace-related and defense-related equipment; Subsidiary) - Sojitz Marine & Engineering Corporation (Sale, purchase and charter brokerage, ship operation management, domestic sale and import/export of marine-related equipment and materials; Subsidiary) - Nissho Electronics Corporation (IT systems, network services; Subsidiary) - NextGen (Network services; Subsidiary) - MMC Automotriz, S.A (Import, assembly and sale of automobiles; Subsidiary) - Subaru Motor LLC (Import and exclusive distribution of Subaru automobiles in Russia; Subsidiary) - TechMatrix (IT system consulting; Affiliate) - Densan Co., Ltd., (Information processing, communication service, software development, system provisioning service; Affiliate) - SAKURA Internet Inc. (Internet data center operator; Affiliate) <p style="text-align: right;">Number of subsidiaries: 103 (Domestic: 21, Overseas: 82) Number of affiliates: 54 (Domestic: 11, Overseas: 43)</p>
Energy & Metal	Oil and gas; petroleum products; coke; carbon products; nuclear fuels; nuclear power-related equipment and machinery; coal; iron ore; ferroalloys (nickel, molybdenum, vanadium, other rare metals); ores; alumina; aluminum; copper; zinc; tin; precious and other metals; ceramics and minerals; offshore oil production equipment; infrastructure, energy and chemicals-related projects; LNG-related business; steel-related business; renewable energy-related business; environmental business; etc.	<ul style="list-style-type: none"> - Sojitz Energy Corporation (Sale of petroleum products, etc.; Subsidiary) - Sojitz Ject Corporation (Coke, carbon products, trading in various minerals; Subsidiary) - Tokyo Yuso Co., Ltd. (Stockpiling of petroleum products etc., storage, logistics; Subsidiary) - Sojitz Coal Resources Pty Itc. (Investment in coal mines; Subsidiary) - Sojitz Moly Resources, Inc. (Investment in molybdenum mine; Subsidiary) - Sojitz Energy Venture Inc. (Oil and gas development; Subsidiary) - Metal One Corporation (Import, export, and sale of, and domestic and foreign trading in, steel-related products; Affiliate) - LNG Japan Corporation (LNG business and related investments; Affiliate) - Alconix Corporation (Sale of non-ferrous products and non-ferrous materials for construction and electronics industries; Affiliate) - Coral Bay Nickel Corporation (Manufacture and sale of nickel and cobalt mixed sulfide; Affiliate) - Japan Alumina Associates (Australia) Pty. Ltd. (Manufacture of alumina; Affiliate) - ETH Investmentos S.A. (Bioethanol and sugar manufacturing; Affiliate) <p style="text-align: right;">Number of subsidiaries: 43 (Domestic: 11, Overseas: 32) Number of affiliates: 26 (Domestic: 7, Overseas: 19)</p>
Chemicals & Functional Materials	Organic chemicals; inorganic chemicals; functional chemicals; fine chemicals; industrial salt; cosmetics; foodstuff additives; rare earths; commodity resins; raw materials for plastics including engineering plastics; film sheets for industry, packaging, and foodstuffs; plastic molding machines; other plastic products; electronics materials including liquid crystals and electrolytic copper foil; fiber materials for use in industrial supplies; etc.	<ul style="list-style-type: none"> - Sojitz Pla-Net-Holdings, Inc (Holdings company for Pla-Net businesses; Subsidiary) - Sojitz Pla-Net Corporation (Trading and sale of plastics and related products; Subsidiary) - Pla Matels Corporation (Trading and sale of plastics and related products; Subsidiary) - Sojitz Cosmetics Corporation (Development, product planning and sale of cosmetics; Subsidiary) - P. T. Kaltim Methanol Industri (Manufacture and sale of methanol; Subsidiary) - P. T. Moriuchi Indonesia (Manufacture of industrial fabrics; Subsidiary) <p style="text-align: right;">Number of subsidiaries: 31 (Domestic: 14, Overseas: 17) Number of affiliates: 29 (Domestic: 10, Overseas: 19)</p>
Consumer Lifestyle Business	Grains; flour; oils and fats; oilstuffs; feed materials; marine products; processed seafood; fruits and vegetables; frozen vegetables; frozen foods; sweets; raw ingredients for sweets; coffee beans; sugar; other foodstuffs and raw ingredients; fertilizers; cotton and synthetic fabrics; non-woven fabrics; knitted fabrics and products; raw materials for textiles; clothing; interior accessories; bedclothes and home fashion-related products; nursery items; general commodities; planning, construction, and sale of condominiums; development and sale of residential properties; buildings-related business; construction works contracting; real estate dealing, leasing, brokerage, management; development of retail property; construction materials; imported timber; timber products such as lumber, plywood, and laminated lumber; building materials; afforestation; manufacture and sale of wood chips	<ul style="list-style-type: none"> - Sojitz Building Materials Corporation (Sale of construction materials; Subsidiary) - Sojitz Foods Corporation (Sale of sugar, dairy products, farmed marine products, processed foods, and other foodstuffs; Subsidiary) - Daichibo Co., Ltd. (Manufacture and sale of textiles, storage distribution, shopping center management; Subsidiary) - Sojitz Infinity Inc. (Planning, manufacture, and sale of apparel; Subsidiary) - Sojitz General Merchandise Corporation (Import, export and domestic wholesale of general commodities; Subsidiary) - Sojitz General Property Management Corporation (Condominium and office building management; Subsidiary) - Sojitz Fashion Co., Ltd. (Processing and sale of fabrics; Subsidiary) - Singapore Co., Ltd. (Planning, manufacture, and sale of women's clothing; Subsidiary) - Sojitz Commerce Development Corporation (Development, construction, operation, and lease of retail property; Subsidiary) - Sojitz Yoshimoto Ringyo Co., Ltd. (Sale of lumber, plywood, etc.; Subsidiary) - Sojitz Realnet Corporation (Real estate trading and lease broking; Subsidiary) - Thai Central Chemical Public Co., Ltd (Manufacture and sale of fertilizers; sale of imported fertilizer products; Subsidiary) - Vietnam Japan Chip Vung Ang Corporation (Afforestation; manufacture and sale of wood chips; Subsidiary) - Sojitz Now Apparel Ltd. (Garment agent and trader; Subsidiary) - JALUX Inc. (Logistics and services in the in-flight, airport retail, lifestyle-related, and customer service business fields; Affiliate) - Fuji Nihon Seito Corporation (Manufacture, refining, processing and sale of sugar; Affiliate) - Yamazaki-Nabisco Co., Ltd. (Manufacture of sweets; Affiliate) - Nissho Iwai Paper & Pulp Corporation (Sales of pulp and recycled paper as well as paper and paperboard products; Affiliates) - Tachikawa Forest Products (N.Z.) Ltd. (Saw milling; Affiliate) <p style="text-align: right;">Number of subsidiaries: 56 (Domestic: 26, Overseas: 30) Number of affiliates: 34 (Domestic: 11, Overseas: 23)</p>
Other	Administration, domestic branches, logistics and insurance services, venture capital, aircraft leasing, investment in real estate etc., real estate leasing	<ul style="list-style-type: none"> - Sojitz Kyushu Corporation (Domestic regional operating company; Subsidiary) - Sojitz Logistics Corporation (Logistic services; land, sea and air cargo handling; international non vessel operating common carrier (NVOCC) transportation; Subsidiary) - Sojitz Insurance Agency Corporation (Accident insurance and life insurance agency services; Subsidiary) - Sojitz Shared Service Corporation (Shared services and consulting regarding HR, accounting and finance; temporary staffing services; Subsidiary) - Sojitz Aircraft Leasing B. V. (Aircraft operating lease; Subsidiary) <p style="text-align: right;">Number of subsidiaries: 62 (Domestic: 31, Overseas: 31) Number of affiliates: 12 (Domestic: 2, Overseas: 10)</p>
Overseas	We are engaged in wide range of activities as a general trading company, trading in thousands of products overseas.	<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;">Number of subsidiaries: 55 (Overseas: 55) Number of affiliates: 16 (Overseas: 16)</p>

Note 1:

The following eight companies are listed: JALUX Inc. (TSE 1st section), Fuji Nihon Seito Corporation, Alconix Corporation, Densan Co., Ltd., (TSE 2nd section), TechMatrix Corporation (TSE 2nd section), SAKURA Internet Inc. (Mothers), Pla Matels Corporation (JASDAQ), and NextGen Inc. (Hercules).

NexGen moved onto the Jasdqa Securities Exchange owing to the integration of the Jasdqa and Hercules markets on October 12, 2010.

2. Financial Position

Consolidated Balance Sheet

At September 30, 2010, consolidated assets totaled ¥2,074,931 million, a ¥85,987 million decrease from the preceding fiscal year-end (March 31, 2010). The decrease was largely attributable to a ¥24,955 million decrease in cash and deposits, due to repayment of loans and redemption of bonds, a ¥16,694 million net decrease in inventories largely due to increased fertilizer inventory and decreased tobacco inventory, and a ¥15,115 million reduction in investment securities resulting largely from stock market declines.

Consolidated liabilities totaled ¥1,718,390 million at September 30, 2010, a decrease of ¥65,124 million from March 31, 2010. The decrease was largely attributable to loan and debt repayments, which more than offset a ¥26,527 million increase in trade notes and accounts payable due primarily to increased purchases of tobacco products and fertilizer raw materials. As a result, Sojitz ended September 2010 with a current ratio of 151% and a long-term debt ratio (long-term debt to total debt) of 75%. Net interest-bearing debt (total interest-bearing debt less cash and deposits) totaled ¥688,314 million at September 30, 2010, a ¥49,475 million decrease from March 31, 2010, resulting in a net debt-to-equity ratio of 2.1 at September 30, 2010.

Shareholders' equity totaled ¥466,752 million at September 30, 2010, an increase of ¥7,933 million from March 31, 2010. The increase was mainly attributable to first-half net income, which more than offset a ¥1,342 million decrease in the beginning balance of retained earnings due to accounting standard changes. In valuation and translation adjustment accounts, net unrealized gains on available-for-sale securities were down by ¥7,279 million, owing largely to stock market declines, and foreign currency translation adjustments were down ¥20,370 million from March 31, 2010. As a result, total net assets inclusive of minority interests stood at ¥356,540 million at September 30, 2010, down ¥20,864 million from March 31, 2010.

In terms of funding, Sojitz continues to pursue a basic financial strategy of maintaining and improving the stability of its financial structure under its *Shine 2011* medium-term management plan. As a specific measure under this strategy, Sojitz is continuing to shift from short-term to long-term financing to shore up financial structure stability and to maintain its stable financial position by ensuring sufficient short-term liquidity to weather changes in economic and financial environments. Sojitz launched a straight bond issue totaling ¥10 billion in May 2010. From the standpoint of diversifying long-term funding sources, Sojitz continues to monitor interest rates and market trends to enable it to achieve appropriate timing and cost with respect to straight bond issuance. Sojitz secures adequate liquidity and stable funding by maintaining good relationships with numerous financial institutions, particularly a group of banks from which it has obtained a ¥100 billion long-term credit line.

3. Consolidated Earnings Forecast

In light of its first-half operating performance, Sojitz has revised its consolidated full-year earnings forecast for fiscal 2010. It's previous forecast appeared in the "Summary of Consolidated Financial Results for the Year Ended March 31, 2010," dated April 30, 2010. Details of the revision appear in the "Notice regarding Revision of Full-year Earnings Forecast," dated October 29, 2010

Consolidated Statement of Balance Sheets as of September 30, 2010 and March 31, 2010

(Millions of Yen)

	As of September 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	430,773	455,728
Notes and accounts receivable-trade	459,826	462,233
Short-term investment securities	7,892	6,131
Inventories	231,935	248,629
Short-term loans receivable	8,001	7,943
Deferred tax assets	15,412	13,484
Other	103,363	100,216
Allowance for doubtful accounts	(9,026)	(9,089)
Total current assets	1,248,179	1,285,277
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	110,159	112,591
Accumulated depreciation	(51,961)	(51,367)
Buildings and structures, net	58,197	61,224
Machinery, equipment and vehicles	158,076	169,688
Accumulated depreciation	(79,940)	(82,901)
Machinery, equipment and vehicles, net	78,135	86,787
Land	56,029	57,442
Construction in progress	12,834	11,883
Other	15,691	16,303
Accumulated depreciation	(10,558)	(10,975)
Other, net	5,133	5,328
Total property, plant and equipment	210,330	222,665
Intangible assets		
Goodwill	52,035	54,305
Other	59,450	60,139
Total intangible assets	111,485	114,445
Investments and other assets		
Investment securities	312,754	327,869
Long-term loans receivable	15,073	25,113
Bad debts	80,876	88,358
Deferred tax assets	61,657	61,432
Real estate for investment	53,120	53,261
Other	38,800	39,264
Allowance for doubtful accounts	(57,684)	(57,207)
Total investments and other assets	504,597	538,093
Total noncurrent assets	826,413	875,204
Deferred assets	338	436
Total assets	2,074,931	2,160,918

Consolidated Statement of Balance Sheets as of September 30, 2010 and March 31, 2010

(Millions of Yen)

	As of September 30, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	403,995	377,468
Short-term loans payable	248,650	256,652
Commercial papers	2,000	10,000
Current portion of bonds	30,000	40,120
Income taxes payable	4,187	5,949
Deferred tax liabilities	90	44
Provision for bonuses	5,521	5,497
Other	130,850	145,801
Total current liabilities	825,296	841,533
Noncurrent liabilities		
Bonds payable	113,218	123,647
Long-term loans payable	725,219	763,098
Deferred tax liabilities	14,254	14,743
Deferred tax liabilities for land revaluation	841	944
Provision for retirement benefits	12,740	13,280
Provision for directors' retirement benefits	856	931
Other	25,962	25,336
Total noncurrent liabilities	893,094	941,981
Total liabilities	1,718,390	1,783,514
Net assets		
Shareholders' equity		
Capital stock	160,339	160,339
Capital surplus	152,160	152,160
Retained earnings	154,422	146,489
Treasury stock	(169)	(169)
Total shareholders' equity	466,752	458,819
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,566	14,845
Deferred gains or losses on hedges	1,185	2,357
Revaluation reserve for land	(2,204)	(2,055)
Foreign currency translation adjustment	(141,920)	(121,550)
Total valuation and translation adjustments	(135,372)	(106,402)
Minority interests	25,159	24,987
Total net assets	356,540	377,404
Total liabilities and net assets	2,074,931	2,160,918

**Consolidated Statement of Profit and Loss
for the First Half Fiscal Year Ending March 31, 2011**

(Millions of Yen)

	For the 1st Half Fiscal Year Ended March 31, 2010 (From April 1, 2009 to September 30, 2009)	For the 1st Half Fiscal Year Ending March 31, 2011 (From April 1, 2010 to September 30, 2010)
Net sales	1,886,398	1,965,179
Cost of sales	1,801,288	1,871,509
Gross profit	85,110	93,669
Selling, general and administrative expenses	79,710	76,291
Operating income	5,400	17,378
Non-operating income		
Interest income	2,647	2,010
Dividends income	3,299	1,553
Equity in earnings of affiliates	2,450	11,173
Penalty income	3,600	—
Other	6,785	10,231
Total non-operating income	18,782	24,968
Non-operating expenses		
Interest expenses	13,434	12,235
Interest on commercial papers	144	15
Other	9,056	7,936
Total non-operating expenses	22,635	20,186
Ordinary income	1,547	22,161
Extraordinary income		
Gain on sales of noncurrent assets	1,062	1,809
Gain on sales of investment securities	23,252	479
Gain on sales of equity investment without stock	431	—
Gain on change in equity	—	116
Gain on negative goodwill	—	286
Reversal of allowance for doubtful accounts	2,570	828
Gain on bad debts recovered	0	7
Total extraordinary income	27,318	3,527
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	56	348
Impairment loss	1,334	1,284
Loss on sales of investment securities	70	35
Loss on revaluation of securities	1,258	405
Loss on change in equity	0	671
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	1,800	1,082
Restructuring losses	—	5,045
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	960
Total extraordinary losses	4,520	9,833
Income before income taxes and minority interests	24,345	15,855
Income taxes-current	3,622	5,011
Income taxes-deferred	372	270
Total income taxes	3,995	5,281
Income before minority interests	—	10,574
Minority interests in income	342	1,455
Net income	20,008	9,119

Consolidated Statement of Profit and Loss
for the Second Quarter Ended September 30, 2010 and 2009

(Millions of Yen)

	For the 2nd Quarter Year Ended March 31, 2010 (From July 1, 2009 to September 30, 2009)	For the 2nd Quarter Year Ending March 31, 2011 (From July 1, 2010 to September 30, 2010)
Net sales	989,277	1,006,889
Cost of sales	941,747	957,988
Gross profit	47,529	48,900
Selling, general and administrative expenses	39,221	38,141
Operating income	8,308	10,759
Non-operating income		
Interest income	1,171	1,010
Dividends income	1,268	245
Equity in earnings of affiliates	1,922	2,901
Penalty income	3,036	—
Other	2,907	5,969
Total non-operating income	10,305	10,127
Non-operating expenses		
Interest expenses	6,578	6,167
Interest on commercial papers	43	5
Other	5,348	3,348
Total non-operating expenses	11,970	9,522
Ordinary income	6,643	11,364
Extraordinary income		
Gain on sales of noncurrent assets	1,026	13
Gain on sales of investment securities	21,505	284
Gain on sales of equity investment without stock	431	—
Gain on change in equity	—	19
Reversal of allowance for doubtful accounts	712	393
Gain on bad debts recovered	0	5
Total extraordinary income	23,677	715
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	40	213
Impairment loss	1,270	706
Loss on sales of investment securities	5	29
Loss on revaluation of securities	857	176
Loss on change in equity	0	143
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	1,755	203
Restructuring losses	—	5,045
Total extraordinary losses	3,929	6,518
Income before income taxes and minority interests	26,391	5,561
Income taxes-current	2,044	2,867
Income taxes-deferred	2,211	(982)
Total income taxes	4,256	1,884
Income before minority interests	—	3,676
Minority interests in income	562	1,112
Net income	21,572	2,564

Consolidated Statements of Cash Flows
for the First Half Fiscal Year Ending March 31, 2011

(Millions of yen)

	For the 1st Half Fiscal Year Ended March 31, 2010 (From April 1, 2009 to September 30, 2009)	For the 1st Half Fiscal Year Ending March 31, 2011 (From April 1, 2010 to September 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	24,345	15,855
Depreciation and amortization	11,745	11,402
Impairment loss	1,334	1,284
Loss on valuation of investment securities	1,258	405
Amortization of goodwill	2,174	2,278
Increase (decrease) in allowance for doubtful accounts	(2,547)	831
Increase (decrease) in provision for retirement benefits	(1,527)	471
Interest and dividends income	(5,947)	(3,564)
Interest expenses	13,578	12,250
Foreign exchange losses (gains)	(1,562)	2,833
Equity in (earnings) losses of affiliates	(2,450)	(11,173)
Loss (gain) on sales of investment securities	(23,636)	91
Loss (gain) on sales and retirement of noncurrent assets	(1,006)	(1,461)
Decrease (increase) in notes and accounts receivable-trade	49,544	(4,260)
Decrease (increase) in inventories	33,588	7,754
Increase (decrease) in notes and accounts payable-trade	(25,274)	35,270
Other, net	(17,528)	(7,856)
Subtotal	56,088	62,413
Interest and dividends income received	11,998	8,062
Interest expenses paid	(13,938)	(12,256)
Income taxes paid	(7,306)	(6,555)
Net cash provided by (used in) operating activities	46,841	51,664
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	957	279
Decrease (increase) in short-term investment securities	123	(18)
Purchase of property, plant and equipment	(11,394)	(11,130)
Proceeds from sales of property, plant and equipment	2,549	4,500
Purchase of intangible assets	(1,925)	(6,156)
Purchase of investment securities	(13,156)	(1,310)
Proceeds from sales and redemption of investment securities	43,840	5,524
Decrease (increase) in short-term loans receivable	2,443	1,534
Payments of long-term loans receivable	(1,171)	(1,491)
Collection of long-term loans receivable	253	9,215
Net increase/decrease from sale of consolidated subsidiaries	(0)	(397)
Other, net	545	(2,805)
Net cash provided by (used in) investing activities	23,065	(2,255)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(13,605)	(18,688)
Increase (decrease) in commercial papers	(20,000)	(8,000)
Proceeds from long-term loans payable	85,666	70,995
Repayment of long-term loans payable	(79,149)	(86,397)
Proceeds from issuance of bonds	—	9,953
Redemption of bonds	(17,474)	(30,549)
Proceeds from stock issuance to minority shareholders	13	400
Cash dividends paid	(1,244)	—
Cash dividends paid to minority shareholders	(278)	(209)
Other, net	(265)	(338)
Net cash provided by (used in) financing activities	(46,337)	(62,834)
Effect of exchange rate change on cash and cash equivalents	8,990	(9,282)
Net increase (decrease) in cash and cash equivalents	32,559	(22,708)
Cash and cash equivalents at beginning of period	414,419	454,262
Cash and cash equivalents at end of period	446,979	431,554

Notes on the Going-concern Assumption

For the first half fiscal year ending March 31, 2011 (April 1, 2010 – September 30, 2010)
Not applicable

Segment Information

Additional information

Effective the first quarter of the fiscal year ending March 31, 2011, the Company adopted the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, revised March 27, 2009) and its accompanying Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Guidance No. 20, March 21, 2008). Segment information for the first half fiscal year ended March 31, 2010 and for the second quarter ended September 30, 2009, presented below also was prepared in accord with this accounting standard and guidance.

1. Overview of reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance. The Company's business divisions at head office are delineated based on goods and service categories. Each of the divisions is engaged in a wide range of businesses globally (in Japan and overseas), including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, planning and coordinating projects, investing in various sectors, and conducting financing activities. The Company's operations are therefore segmented based on the goods and services handled by each of the divisions. The Company's four reportable segments are the Machinery segment, the Energy & Metal segment, the Chemicals & Functional Materials segment, and the Consumer Lifestyle Business segment.

2. Reportable segment information

For the first half fiscal year ended March 31, 2010 (April 1, 2009 – September 30, 2009)

(Millions of yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	482,998	420,542	257,524	692,733	1,853,799	32,598	1,886,398	-	1,886,398
(2) Inter-segment	3,122	614	946	1,048	5,731	1,801	7,533	(7,533)	-
Total	486,121	421,157	258,471	693,781	1,859,531	34,400	1,893,932	(7,533)	1,886,398
Segment income (loss)	(1,766)	14,964	(708)	(2,412)	10,076	3,305	13,382	6,625	20,008

Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
- The 6,625 million yen adjustment for segment income includes the 6,201 million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment. It also includes 325 million yen in gains associated with unallocated shared corporate assets.
- Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

For the first half fiscal year ending March 31, 2011 (April 1, 2010 – September 30, 2010)

(Millions of yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	452,770	485,393	301,030	702,316	1,941,511	23,667	1,965,179	-	1,965,179
(2) Inter-segment	1,828	794	2,035	2,003	6,662	1,797	8,460	(8,460)	-
Total	454,599	486,187	303,066	704,320	1,948,173	25,465	1,973,639	(8,460)	1,965,179
Segment income (loss)	582	9,901	2,008	410	12,902	(3,097)	9,804	(685)	9,119

Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
- The (685) million yen adjustment for segment income includes the (863) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment. It also includes 211 million yen in gains associated with unallocated shared corporate assets.
- Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

For the second quarter ended September 30, 2009 (July 1, 2009 – September 30, 2009)

(Millions of yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	255,925	208,075	137,631	368,345	969,977	19,299	989,277	-	989,277
(2) Inter-segment	1,212	329	61	510	2,113	607	2,720	(2,720)	-
Total	257,137	208,404	137,692	368,856	972,091	19,906	991,997	(2,720)	989,277
Segment income (loss)	1,253	14,082	115	1,016	16,468	(119)	16,348	5,223	21,572

Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
- The 5,223 million yen adjustment for segment income includes the 5,062 million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment. It also includes 76 million yen in gains associated with unallocated shared corporate assets.
- Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

For the second quarter ended September 30, 2010 (July 1, 2010 – September 30, 2010)

(Millions of yen)

	Reportable Segment					Other (note 1)	Total	Adjustment (note 2)	Amounts on the consolidated quarterly statement of profit and loss (note 3)
	Machinery	Energy & Metal	Chemicals & Functional Materials	Consumer Lifestyle Business	Subtotal				
Net sales and segment income (loss)									
Net sales									
(1) Customers	223,348	238,644	151,792	382,186	995,971	10,917	1,006,889	-	1,006,889
(2) Inter-segment	1,149	404	1,032	1,297	3,884	842	4,726	(4,726)	-
Total	224,498	239,048	152,825	383,483	999,856	11,759	1,011,615	(4,726)	1,006,889
Segment income (loss)	2,271	3,582	1,131	241	7,227	(2,915)	4,311	(1,747)	2,564

Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, and real estate leasing.
- The (1,747) million yen adjustment for segment income includes the (1,701) million yen difference between (a) actual tax expenses incurred by the Company and (b) tax expenses calculated with internally defined methods and allocated to each segment. It also includes (19) million yen in gains associated with unallocated shared corporate assets.
- Segment income (loss) adjustments are based on the net income reported in the quarterly consolidated statement of profit and loss for the corresponding period.

Changes in segmentation

Effective the first quarter of this fiscal year (ending March 31, 2011), logistics and services operations related to airlines and airport retail were reclassified from the Other segment into the Consumer Lifestyle Business Division as part of restructuring to realize synergies with areas such as the General Commodities & Retail Department.

Segment information for the first half fiscal year ended March 31, 2010 and for the second quarter ended September 30, 2009, is based on the new segmentation.