

Financial Results for the Second Quarter Ended September 30, 2011

Contents

◆ Consolidated Statement of Profit and Loss for the First Half Fiscal Year Ending March 31, 2012	P. 1 ~ 2
◆ Extraordinary Income and Losses	P. 3 ~ 4
◆ Consolidated Statement of Balance Sheets as of September 30,2011 and March 31, 2011	P. 5 ~ 6
◆ Segment Information	P. 7 ~ 8
◆ Increase/Decrease in the Number of Consolidated Subsidiaries and Affiliates	P. 9 ~ 10
◆ Performance at Consolidated Subsidiaries and Affiliates	P. 11 ~ 12
◆ Major consolidated subsidiaries and affiliates	P. 13 ~ 14
◆ Country Risk Exposure	P. 15
◆ Real Estate (Consolidated)	P. 16
◆ Number of Employee by Operating Segment	P. 17
◆ Information regarding per share	P. 18
◆ Forecast for the Year Ending March 31, 2012	P. 19
◆ News Releases for the First Half Fiscal Year Ending September 30,2012	P. 20

◆ **Consolidated Statement of Profit and Loss**
for the First Half Fiscal Year Ending March 31, 2012

(Millions of Yen)

	For the 1st Half Fiscal Year Ended March 31, 2011 (From April 1, 2010 to September 30, 2010)	For the 1st Half Fiscal Year Ending March 31, 2012 (From April 1, 2011 to September 30, 2011)	Change
Net sales	1,965,179	2,195,704	230,525
Cost of sales	(1,871,509)	(2,093,495)	(221,986)
Gross profit	93,669	102,208	8,539
Selling, general and administrative expenses	(76,291)	(79,484)	(3,193)
Operating income	17,378	22,723	5,345
Non-operating income			
Interest income	2,010	2,319	309
Dividends income	1,553	1,729	176
Equity in earnings of affiliates	11,173	8,118	(3,055)
Other	10,231	9,162	(1,069)
Total non-operating income	24,968	21,329	(3,639)
Non-operating expenses			
Interest expenses	(12,235)	(11,715)	520
Interest on commercial papers	(15)	(2)	13
Foreign exchange losses	(3,842)	(4,969)	(1,127)
Other	(4,093)	(3,587)	506
Total non-operating expenses	(20,186)	(20,276)	(90)
Ordinary Income	22,161	23,776	1,615
Extraordinary income/losses - net	(6,305) *	(259) *	6,046
Income before income taxes and minority interests	15,855	23,516	7,661
Income taxes-current	(5,011)	(6,364)	(1,353)
Income taxes-deferred	(270)	(5,024)	(4,754)
Income before minority interests	10,574	12,128	1,554
Minority interests in income	(1,455)	(1,846)	(391)
Net income	9,119	10,281	1,162

*Please refer to ◆Extraordinary Income and Losses.

(Millions of Yen)

	For the 1st Half Fiscal Year Ended March 31, 2011 (From April 1, 2010 to September 30, 2010)	For the 1st Half Fiscal Year Ending March 31, 2012 (From April 1, 2011 to September 30, 2011)
Income before minority interests	10,574	12,128
Total other comprehensive income	(29,380)	(17,380)
Valuation difference on available-for-sale securities	(4,371)	(9,490)
Deferred gains or losses on hedges	(834)	(376)
Foreign currency translation adjustment	(15,481)	5,530
Unfunded retirement benefit obligation with respect to foreign consolidated companies	-	11
Share of other comprehensive income of associates accounted for using equity method	(8,691)	(13,054)
Comprehensive income	(18,805)	(5,251)
Comprehensive income attributable to owners of the parent	(19,718)	(6,953)
Comprehensive income attributable to minority interests	912	1,701

Details of Consolidated Statement of Profit and Loss

(Billions of Yen)

【Gross profit】					
Segment	FY2010 1H	FY2011 1H	Change	Change	Reasons for change
Machinery	27.4	33.1	5.7		Earnings increased due to the increased number of automobiles sold by automotive businesses in the Russia/NIS region and Central and South America
Energy & Metal	19.2	23.1	3.9		Earnings increased due to higher oil and coal prices and increase in production volumes.
Chemicals & Functional Materials	18.5	19.3	0.8		Earnings increased due to increase in trading volumes and sales prices resulting from increased demand, mainly in Asia
Consumer Lifestyle Business	25.8	25.6	(0.2)		Despite increases in trading volumes of lumber-related businesses, earnings decrease due because overseas fertilizer businesses were affected by price regulations in Thailand
Other / Adjustment	2.8	1.1	(1.7)		Earnings decreased due to revaluation of real estate-related business
Total	93.7	102.2	8.5		*From this fiscal year ending March 31, 2012, a portion of the retail property development business previously belonging to the Lifestyle Business division was reclassified as Other in an aim to strengthen the asset management base and functionality. In the above-mentioned Consolidated Statements of Profit and Loss, the amounts of increases or decreases for each segment are based on calculations performed after changes to the business segments.
【Selling, general and administrative expenses】	FY2010 1H	FY2011 1H	Change	Change	Reasons for change
Personnel expenses	(39.6)	(40.1)	(0.5)		
Non-personnel expenses	(31.4)	(31.7)	(0.3)		
Depreciation	(2.6)	(2.9)	(0.3)		
Provision of allowance for doubtful accounts	(0.1)	(2.1)	(2.0)		
Amortization of goodwill	(2.6)	(2.7)	(0.1)		
Total	(76.3)	(79.5)	(3.2)		
【Net financial revenue】	FY2010 1H	FY2011 1H	Change	Change	Reasons for change
Interest income	2.0	2.3	0.3		
interest expenses	(12.3)	(11.7)	0.6		
interest on commercial papers	(0.0)	(0.0)	0.0		
(Interest expenses-net)	(10.3)	(9.4)	0.9)		
Dividends income	1.6	1.7	0.1		
Total	(8.7)	(7.7)	1.0		
【Other income and expenses-net】	FY2010 1H	FY2011 1H	Change	Change	Reasons for change
Equity in earnings of affiliates	11.2	8.1	(3.1)		Bioethanol production company -4.3
Foreign exchange losses	(3.8)	(4.9)	(1.1)		
Other non-operating income	10.2	9.2	(1.0)		
Other non-operating expenses	(4.1)	(3.6)	0.5		
Total	13.5	8.8	(4.7)		
【Ordinary income】	FY2010 1H	FY2011 1H	Change	Change	Reasons for change
Ordinary income	22.2	23.8	1.6		

◆ Extraordinary Income and Losses

(Millions of Yen)

	For the 1st Half Fiscal Year Ended March 31, 2011 (a)	For the 1st Half Fiscal Year Ending March 31, 2012 (b)	Change (b)-(a)
<u>Extraordinary income</u>			
Gain on sales of noncurrent assets	1,809	2,297	488
Gain on sales of investment securities	479	3,151	2,672
Gain on change in equity	116	6	(110)
Gain on negative goodwill	286	-	(286)
Reversal of allowance for doubtful accounts	828	-	(828)
Gain on bad debts recovered	7	-	(7)
Total extraordinary income	3,527	5,455	1,928
<u>Extraordinary losses</u>			
Loss on sales and retirement of noncurrent assets	(348)	(205)	143
Impairment loss	(1,284)	(539)	745
Loss on sales of investment securities	(35)	(28)	7
Loss on sales of equity investment without stock	-	(5)	(5)
Loss on revaluation of securities	(405)	(2,567)	(2,162)
Loss on change in equity	(671)	(176)	495
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(1,082)	(2,193)	(1,111)
Restructuring losses	(5,045)	-	5,045
Loss on adjustment for changes of accounting standard for asset retirement obligations	(960)	-	960
Total extraordinary losses	(9,833)	(5,715)	4,118
Total extraordinary income/losses-net	(6,305)	(259)	6,046
<u>Reference</u>			
Provision of allowance for doubtful accounts (Included in Selling, general and administrative expenses)	(148)	(2,099)	(1,951)

Details of Extraordinary Income and Losses

	<u>For the 1st Half Fiscal Year</u> <u>Ending March 31, 2012</u>	<u>Details</u>
	Billions of Yen	
Gain on sales of noncurrent assets	2.3	Gain on sale of owned ships etc.
Gain on sales of investment securities	3.2	Gains on sales of overseas steel-related shareholdings etc.
Gain on change in equity	0.0	
<hr/>		
(Total extraordinary income)	5.5	
Loss on sales and retirement of noncurrent assets	(0.2)	
Impairment loss	(0.5)	
Loss on sales of investment securities	(0.0)	
Loss on sales of equity investment without stock	(0.0)	
Loss on revaluation of securities	(2.6)	Loss on listed stock due to decline in stock price
Loss on change in equity	(0.2)	
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	(2.2)	Losses on revision of project evaluation of group companies etc.
<hr/>		
(Total extraordinary losses)	(5.7)	
(Total extraordinary income/losses-net)	(0.2)	

◆ Consolidated Statement of Balance Sheets as of September 30, 2011 and March 31, 2011

(Millions of Yen)

	As of March 31, 2011	As of September 30, 2011	Change
Assets			
Current assets			
Cash and deposits	415,694	399,475	(16,219)
Notes and accounts receivable-trade	478,880	489,816	10,936
Short-term investment securities	5,437	9,465	4,028
Inventories	243,210	274,480	31,270
Short-term loans receivable	8,518	5,642	(2,876)
Deferred tax assets	15,402	18,930	3,528
Other	106,832	105,542	(1,290)
Allowance for doubtful accounts	(7,347)	(6,393)	954
Total current assets	1,266,629	1,296,959	30,330
Noncurrent assets			
Property, plant and equipment	215,774	223,872	8,098
Intangible assets			
Goodwill	51,474	49,383	(2,091)
Other	81,120	85,724	4,604
Total intangible assets	132,595	135,107	2,512
Investments and other assets			
Investment securities	333,050	305,770	(27,280)
Long-term loans receivable	13,370	18,720	5,350
Bad debts	79,971	82,742	2,771
Deferred tax assets	52,881	48,886	(3,995)
Real estate for investment	33,993	33,776	(217)
Other	48,168	49,962	1,794
Allowance for doubtful accounts	(59,758)	(57,374)	2,384
Total investments and other assets	501,678	482,485	(19,193)
Total noncurrent assets	850,049	841,465	(8,584)
Deferred assets	281	291	10
Total assets	2,116,960	2,138,717	21,757

	As of March 31, 2011	As of September 30, 2011	Change
Liabilities			
Current liabilities			
Notes and accounts payable-trade	414,984	423,766	8,782
Short-term loans payable	247,656	306,876	59,220
Commercial papers	2,000	2,000	-
Current portion of bonds	60,000	75,000	15,000
Income taxes payable	6,591	4,963	(1,628)
Deferred tax liabilities	146	122	(24)
Provision for bonuses	5,845	6,080	235
Other	153,321	158,812	5,491
Total current liabilities	890,544	977,622	87,078
Noncurrent liabilities			
Bonds payable	82,719	70,000	(12,719)
Long-term loans payable	723,926	673,499	(50,427)
Deferred tax liabilities	19,009	21,197	2,188
Deferred tax liabilities for land revaluation	774	774	-
Provision for retirement benefits	13,136	13,405	269
Provision for directors' retirement benefits	833	642	(191)
Other	30,505	31,421	916
Total noncurrent liabilities	870,905	810,940	(59,965)
Total liabilities	1,761,449	1,788,562	27,113
Net assets			
Shareholders' equity			
Capital stock	160,339	160,339	-
Capital surplus	152,160	152,160	-
Retained earnings	159,358	167,672	8,314
Treasury stock	(170)	(178)	(8)
Total shareholders' equity	471,688	479,993	8,305
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	12,310	(1,372)	(13,682)
Deferred gains or losses on hedges	3,022	2,665	(357)
Revaluation reserve for land	(2,302)	(2,302)	-
Foreign currency translation adjustment	(153,984)	(157,194)	(3,210)
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(706)	(690)	16
Total accumulated other comprehensive income	(141,659)	(158,895)	(17,236)
Minority interests	25,481	29,056	3,575
Total net assets	355,510	350,154	(5,356)
	2,116,960	2,138,717	21,757

Details of Consolidated Balance Sheets

	<u>As of</u> <u>March 31,</u> <u>2011</u>	<u>As of</u> <u>September 30,</u> <u>2011</u>	<u>Change</u>	
	<u>(a)</u>	<u>(b)</u>	<u>(b)-(a)</u>	<u>Reasons for change</u>
(Billions of Yen)				
(Assets)				
Cash and deposits	415.7	399.5	(16.2)	Increase in funds used, etc.
Notes and accounts receivable-trade	478.9	489.9	11.0	Increase in lumber-related trading volumes
Inventories	243.2	274.5	31.3	Increase in cigarettes and fertilizers
Short-term investment securities	5.4	9.5	4.1	
Investment securities	333.0	305.7	(27.3)	
(Total investment securities)	338.4	315.2	(23.2)	Decrease due to decline in stock prices, etc.
Short-term loans receivable	8.5	5.6	(2.9)	
Long-term loans receivable	13.4	18.7	5.3	
(Total Loans receivable)	21.9	24.3	2.4)
Property, plant and equipment	215.8	223.9	8.1	Increase in investments and loans in operating companies etc.
Intangible assets	132.6	135.1	2.5	
Real estate for investment	34.0	33.8	(0.2)	
Bad debts	80.0	82.7	2.7	
Allowance for doubtful accounts	(67.1)	(63.8)	3.3	
(Total assets)	2,117.0	2,138.7	21.7)
(Liabilities and net assets)				
Notes and accounts payable-trade	415.0	423.8	8.8	Increase in cigarettes and fertilizers
Short-term loans payable	247.7	306.9	59.2	Increase due to reclassification of current portion and decrease due to repayment
Commercial papers	2.0	2.0	-	
Current portion of bonds	60.0	75.0	15.0	Decrease due to bond redemptions (20.0), reclassification of current portion +35.0
Bonds payable	82.7	70.0	(12.7)	Reclassification of current portion (35.0), bond redemptions (7.7) and issuance +30.0
Long-term loans payable	723.9	673.5	(50.4)	Decrease due to reclassification of current portion and increase due to raising of long-term funds
(GROSS interest-bearing debt)	1,116.3	1,127.4	11.1)
(Total Liabilities)	1,761.5	1,788.6	27.1)
Capital stock	160.3	160.3	-	
Capital surplus	152.2	152.2	-	
Retained earnings	159.4	167.7	8.3	Net income +10.3, Dividends (1.9)
Treasury stock	(0.2)	(0.2)	(0.0)	
(Total shareholders' equity)	471.7	480.0	8.3)
Valuation difference on available-for-sale securities	12.3	(1.4)	(13.7)	Decrease due to decline in stock prices, etc.
Deferred gains or losses on hedges	3.0	2.6	(0.4)	
Revaluation reserve for land	(2.3)	(2.3)	-	
Foreign currency translation adjustment	(154.0)	(157.2)	(3.2)	Decrease due to change in currency
Unfunded retirement benefit obligation with respect to foreign consolidated companies	(0.7)	(0.7)	0.0	
(Total accumulated other comprehensive income)	(141.7)	(159.0)	(17.3))
Minority interests	25.5	29.1	3.6	
(Total net assets)	355.5	350.1	(5.4))
NET interest-bearing debt	700.6	727.9	27.3	
NET Debt Equity Ratio (times)	*	*	0.15	*The figure for equity used as the denominator in the debt/equity ratio and the numerator in the shareholders' equity ratio excludes minority interests.
Shareholders' equity ratio	*	*	(0.6%)	
Current ratio	142.2%	132.7%	(9.5%)	
Long-term debt ratio	72.3%	65.9%	(6.4%)	

◆ Segment Information

For the first half fiscal year ended 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	700,312	1,939,507	25,671	1,965,179	-	1,965,179
(2) Inter-segment	1,828	794	2,035	2,003	6,662	2,035	8,698	(8,698)	-
Total	454,599	486,187	303,066	702,316	1,946,170	27,707	1,973,877	(8,698)	1,965,179
Segment income (loss)	582	9,901	2,008	811	13,302	(3,498)	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, real estate leasing, and part of the retail property development business.
- The (685) million yen adjustment for segment income (loss) 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, comprising dividend income and other factors, 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 ended March 31, 2012 (April 1, 2011 - September 30, 2011)

(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	481,515	507,589	319,845	863,869	2,172,820	22,883	2,195,704	-	2,195,704
(2) Inter-segment	1,508	761	2,106	1,886	6,262	1,655	7,917	(7,917)	-
Total	483,023	508,351	321,951	865,755	2,179,082	24,539	2,203,622	(7,917)	2,195,704
Segment income (loss)	1,535	9,934	2,964	3,135	17,569	(1,306)	16,263	(5,981)	10,281

Notes:

- "Other" includes functional services, regional companies in Japan, logistics and insurance services, venture capital, aircraft leasing, real estate and other investment, real estate leasing, and part of the retail property development business.
- The (5,981) million yen adjustment for segment income includes the (5,278) 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 (718) million yen, comprising revaluation of investment securities and other factors, 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.

*From this year a portion of the retail property development business previously belonging to the Lifestyle Business division was reclassified as Other in an aim to strengthen the asset management base and functionality. In the above-mentioned Consolidated Statements of Profit and Loss, the amounts of increases or decreases for each segment are based on calculations performed after changes to the business segments.

Details of Industry Segments

【Net sales】

	<u>FY2010 1st Half</u>	<u>FY2011 1st Half</u>	(Billions of Yen) <u>Change</u>	<u>Reasons for change</u>
Machinery	452.8	481.5	28.7	Increase due to increase in plant-related business
Energy & Metal	485.4	507.6	22.2	Increase due to higher prices and increase in production volumes in oil and coal
Chemicals & Functional Materials	301.0	319.8	18.8	Increase in trading volumes and sales prices resulting from increased demand, mainly in Asia
Consumer Lifestyle Business	700.3	863.9	163.6	Increase due to increase in trading volumes of cigarett, wheat and lumber-related business
Other	25.7	22.9	(2.8)	
Consolidated	1,965.2	2,195.7	230.5	

*Each segment net sales included inter-segment.

【Net income】

	<u>FY2010 1st Half</u>	<u>FY2011 1st Half</u>	<u>Change</u>	<u>Reasons for change</u>
Machinery	0.6	1.6	1.0	Increase due to the increased number of automobiles sold by automotive businesses in the Russia/NIS region and Central and South America
Energy & Metal	9.9	9.9	0.0	Despite decrease in equity in earnings of affiliates, net income is approximately same year on year due to increase in higher prices and increase in production volumes in oil and coal
Chemicals & Functional Materials	2.0	3.0	1.0	Due to increase in trading volumes and sales prices resulting from increased demand, mainly in Asia
Consumer Lifestyle Business	0.8	3.1	2.3	Despite decrease in gross profit, net income increased due to improvement in selling, general and administrative expenses and non-operating income
Other/Adjustment	(4.2)	(7.3)	(3.1)	Decrease due to loss on revaluation of listed stocks and real estate
Consolidated	9.1	10.3	1.2	

◆ Increase/Decrease in the Number of Consolidated Subsidiaries and Affiliates

Changes in the number of subsidiaries (April 1, 2011 - September 30, 2011)

	(Number of Companies)		
	As of March 31, 2011	As of September 30, 2011	Changes
Subsidiaries	320	324	4
Affiliates	155	148	(7)
Total	475	472	(3)

Changes in major subsidiaries (April 1, 2011 - September 30, 2011)

○ Major new subsidiaries

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Consumer Lifestyle Business	Long Duc Investment Co., LTD.	Development and lot sale of industrial park (Vietnam)

Equity-method affiliates

(Segment)	(Company name)	(Main business)
Energy & Metal	Sunlime Limited	Tenure of limestone miner and manufacture and sale of lime products

○ Major eliminated companies

Consolidated subsidiaries

(Segment)	(Company name)	(Main business)
Consumer Lifestyle Business	Singapore Co., Ltd.	Planning, manufacture and sale of clothing

Equity-method affiliates

(Segment)	(Company name)	(Main business)
Machinery	TechMatrix Corporation	IT system consulting

Impact on the Profit due to increase and decrease of consolidated subsidiaries(compared with the year earlier period)
(※Exclude the impact due to goodwill amortization charges)

Increase

(Billions of yen)

	Net Sales	Gross Profit	Ordinary income	Net income
Consolidated subsidiaries	0.0	0.0	(0.0)	(0.0)

Decrease

(Billions of yen)

	Net Sales	Gross Profit	Ordinary income	Net income
Consolidated subsidiaries	(1.6)	(0.1)	0.6	0.3

◆ Performance at Consolidated Subsidiaries and Affiliates

(1) Number of Consolidated Subsidiaries and Affiliates

(Number of Companies)

		As of September 30, 2010			As of September 30, 2011			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	52	41	93	46	48	94	(6)	7	1
	Overseas	153	79	232	148	82	230	(5)	3	(2)
	Total	205	120	325	194	130	324	(11)	10	(1)
	% of total	63.1%	36.9%	100.0%	59.9%	40.1%	100.0%			
Affiliates	Domestic	34	9	43	32	6	38	(2)	(3)	(5)
	Overseas	90	31	121	84	26	110	(6)	(5)	(11)
	Total	124	40	164	116	32	148	(8)	(8)	(16)
	% of total	75.6%	24.4%	100.0%	78.4%	21.6%	100.0%			
Total	Domestic	86	50	136	78	54	132	(8)	4	(4)
	Overseas	243	110	353	232	108	340	(11)	(2)	(13)
	Total	329	160	489	310	162	472	(19)	2	(17)
	% of total	67.3%	32.7%	100.0%	65.7%	34.3%	100.0%			

(2) Earnings of Consolidated Subsidiaries and Affiliates

(Billions of Yen)

		For the 1st Half Fiscal Year Ended March 31, 2011 (From Apr. 1, 2010 to Sep. 30, 2010)			For the 1st Half Fiscal Year Ending March 31, 2012 (From Apr. 1, 2011 to Sep. 30, 2011)			Change		
		Profit	Loss	Total	Profit	Loss	Total	Profit	Loss	Total
Consolidated subsidiaries	Domestic	3.5	(2.6)	0.9	6.1	(3.7)	2.4	2.6	(1.1)	1.5
	Overseas	16.1	(7.6)	8.5	21.9	(4.4)	17.5	5.8	3.2	9.0
	Total	19.6	(10.2)	9.4	28.0	(8.1)	19.9	8.4	2.1	10.5
Affiliates	Domestic	6.5	(0.3)	6.2	5.9	(0.1)	5.8	(0.6)	0.2	(0.4)
	Overseas	7.3	(0.8)	6.5	3.9	(2.4)	1.5	(3.4)	(1.6)	(5.0)
	Total	13.8	(1.1)	12.7	9.8	(2.5)	7.3	(4.0)	(1.4)	(5.4)
Total	Domestic	10.0	(2.9)	7.1	12.0	(3.8)	8.2	2.0	(0.9)	1.1
	Overseas	23.4	(8.4)	15.0	25.8	(6.8)	19.0	2.4	1.6	4.0
	Total	33.4	(11.3)	22.1	37.8	(10.6)	27.2	4.4	0.7	5.1

Performance at Principal Subsidiaries and Affiliates

○ Profit

(Billions of Yen)

Company	Owner ship	Equity in earnings			Main business
		FY2010 1H	FY2011 1H	Changes	
(Consolidated subsidiaries)					
Sojitz Coal Resources Pty Ltd.	100.00%	2.8	4.0	1.2	Investment in coal mines (Australia)
MMC Automotriz, S.A.	92.31%	(2.4)	2.0	4.4	Import, assembly and sales of Mitsubishi and Hyundai automobiles (Venezuela)
Sojitz Energy Venture Inc.	100.00%	(0.1)	1.7	1.8	Oil and gas development (U.S.A.)
Sojitz Building Materials Corporation	100.00%	0.0	1.6	1.6	Trading of construction materials and related products including lumber
Sojitz Corporation of America	100.00%	1.2	1.0	(0.2)	Overseas group company
(Equity-method affiliates)					
Metal One Corporation	40.00%	4.5	2.9	(1.6)	Integrated steel trading company
LNG Japan Corporation	50.00%	0.5	1.0	0.5	LNG business and related investments
Coral Bay Nickel Corporation	18.00%	0.8	1.0	0.2	Manufacturing and sales of nickel cobalt mixture sulfide (Philippines)
Mitsubishi Motors Philippines Corporation	49.00%	0.8	0.5	(0.3)	Import, assembly and sale of Mitsubishi automobiles (Philippines)

○ Loss

(Billions of Yen)

Company	Owner ship	Equity in earnings			Main business
		FY2010 1H	FY2011 1H	Changes	
(Consolidated subsidiaries)					
Sojitz Commerce Development Corporation	100.00%	(0.2)	(2.1)	(1.9)	Development, construction, operation and lease of retail property
Sojitz Energy Project Limited	100.00%	0.6	(0.9)	(1.5)	Oil and gas development (U.K.)
Sojitz Energy Australia Pty Ltd.	100.00%	(0.3)	(0.5)	(0.2)	Oil and gas development (Australia)
(Equity-method affiliates)					
ETH Investimentos S.A.	18.91%	2.1	(2.1)	(4.2)	Investment in sugar, ethanol and electricity production

◆ Major Consolidated Subsidiaries and Affiliates

()% is the group ownership as of September 30, 2011

Consolidated subsidiaries

(Millions of Yen)

Domestic

Sojitz Machinery Corporation	(100.00%)		
	10/9	11/3	11/9
Net sales	29,401	61,674	25,436
Gross profit	1,942	4,354	1,825
Net income	218	720	204
Equity in earnings	218	720	204

Sojitz Marine & Engineering Corporation (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	42,612	77,758	39,140
Gross profit	2,382	4,364	2,069
Net income	625	1,007	407
Equity in earnings	625	1,007	407

Sojitz Aerospace Corporation	(100.00%)		
	10/9	11/3	11/9
Net sales	47,394	97,805	53,364
Gross profit	1,098	2,665	1,213
Net income	44	198	109
Equity in earnings	44	198	109

Nissho Electronics Corporation (Consolidated)	(77.78%)		
	10/9	11/3	11/9
Net sales	19,302	46,390	18,484
Gross profit	5,115	12,089	4,758
Net income	(213)	368	(12)
Equity in earnings	(166)	286	(10)

Sojitz Energy Corporation (Consolidated)	(97.08%)		
	10/9	11/3	11/9
Net sales	77,426	165,154	90,019
Gross profit	2,405	4,983	2,439
Net income	(66)	(155)	31
Equity in earnings	(64)	(150)	31

Sojitz Pla-Net Holdings, Inc. (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	115,610	234,152	115,152
Gross profit	5,859	11,659	5,472
Net income	(30)	6	(110)
Equity in earnings	(30)	6	(110)

Pla Matels Corporation (Consolidated)	(46.55%)		
	10/9	11/3	11/9
Net sales	27,403	55,762	28,463
Gross profit	1,609	3,236	1,606
Net income	233	500	228
Equity in earnings	108	233	106

Consolidated to Sojitz Pla-Net Holdings, Inc.

Sojitz General Property Management Corporation	(100.00%)		
	10/9	11/3	11/9
Net sales	2,750	6,019	2,478
Gross profit	415	948	417
Net income	132	316	130
Equity in earnings	132	316	130

Sojitz Building Materials Corporation (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	69,555	144,676	79,670
Gross profit	2,602	5,519	3,631
Net income	28	(1,223)	1,577
Equity in earnings	28	(1,223)	1,577

Sojitz Foods Corporation (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	73,138	146,808	77,462
Gross profit	2,955	5,825	3,161
Net income	474	499	551
Equity in earnings	474	499	551

Sojitz General Merchandise Corporation	(100.00%)		
	10/9	11/3	11/9
Net sales	2,713	6,113	3,526
Gross profit	517	1,055	565
Net income	75	153	72
Equity in earnings	75	153	72

Sojitz Infinity Inc. (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	3,212	6,929	3,206
Gross profit	1,583	3,470	1,725
Net income	(804)	(1,739)	(158)
Equity in earnings	(804)	(1,739)	(158)

Daiichibo Co.,Ltd. (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	3,109	6,400	3,210
Gross profit	802	1,699	936
Net income	(42)	(242)	25
Equity in earnings	(42)	(242)	25

Consolidated subsidiaries

(Millions of Yen)

Overseas

MMC Automotriz, S.A.	(92.31%)		
	10/9	11/3	11/9
Net sales	6,820	18,612	17,093
Gross profit	268	1,131	4,858
Net income	(2,554)	(3,715)	2,120
Equity in earnings	(2,358)	(3,430)	1,957

Sojitz Coal Resources Pty Ltd. (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	13,109	29,438	20,318
Gross profit	4,095	10,420	5,834
Net income	2,816	13,163	4,014
Equity in earnings	2,816	13,163	4,014

Sojitz Moly Resources, Inc.	(100.00%)		
	10/9	11/3	11/9
Net sales	1,859	3,282	1,598
Gross profit	738	1,128	194
Net income	419	907	2
Equity in earnings	419	907	2

P.T. Kaltim Methanol Industri	(85.00%)		
	10/9	11/3	11/9
Net sales	6,756	11,354	7,439
Gross profit	1,345	1,541	1,015
Net income	789	673	603
Equity in earnings	671	572	513

Sojitz Corporation of America (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	30,937	55,781	23,026
Gross profit	4,365	8,404	4,206
Net income	1,170	1,795	951
Equity in earnings	1,170	1,795	951

Sojitz Europe Plc (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	44,886	92,635	34,022
Gross profit	1,692	3,762	1,945
Net income	228	512	405
Equity in earnings	228	512	405

Sojitz Asia Pte. Ltd. (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	64,533	133,480	82,651
Gross profit	2,069	4,389	2,177
Net income	363	752	459
Equity in earnings	363	752	459

Sojitz (Hong Kong) Ltd. (Consolidated)	(100.00%)		
	10/9	11/3	11/9
Net sales	23,983	48,529	31,414
Gross profit	356	751	342
Net income	258	827	166
Equity in earnings	258	827	166

Equity-method affiliates

Domestic

LNG Japan Corporation (Consolidated)	(50.00%)		
	10/9	11/3	11/9
Net sales	280,024	567,381	248,169
Gross profit	2,614	4,924	3,028
Net income	1,082	2,668	2,092
Equity in earnings	541	1,334	1,046

Metal One Corporation (Consolidated)	(40.00%)		
	10/9	11/3	11/9
Net sales	1,230,812	2,523,462	1,223,427
Gross profit	58,438	116,064	54,511
Net income	11,298	18,780	7,163
Equity in earnings	4,519	7,512	2,865

JALUX Inc. (Consolidated)	(22.00%)		
	10/9	11/3	11/9
Net sales	47,238	95,541	41,918
Gross profit	10,572	20,570	9,039
Net income	431	492	193
Equity in earnings	130	148	42

Overseas

Coral Bay Nickel Corporation	(18.00%)		
	10/9	11/3	11/9
Net sales	13,665	30,793	14,324
Gross profit	4,672	12,999	5,731
Net income	4,316	12,207	5,549
Equity in earnings	776	2,197	998

Japan Alumina Associates (Australia) Pty. Ltd.	(50.00%)		
	10/9	11/3	11/9
Net sales	5,537	10,646	5,091
Gross profit	1,408	2,305	438
Net income	683	1,136	181
Equity in earnings	341	568	90

(Note)

In general, figures in the above tables are based on the financial statements prepared by each company. "Equity in earnings" is calculated by multiplying the respective company's net income by our percentage of ownership in that company as of the end of the respective fiscal period. Changes in ownership during the fiscal period are not taken into account.

◆ Country Risk Exposure

Exposure (As of September 30,2011)

Based on consolidated Sojitz group

(Domestic: as of September 30, Overseas: as of June 30)

(Note)

We calculate exposure for the consolidated Sojitz Group by tallying assets that are exposed country risk.

We disclose exposure for the entire Sojitz Group and for the following assets: investments, loans, guarantees, and operating receivables and inventories (grouped as "operating receivables"); cash and deposits and financial assets (grouped as "cash and deposits, etc."); Bad debts, noncurrent assets, etc. (grouped as "other assets").

Exposure is tallied on the following bases:

- Country risk: Exposure is calculated based on the country in which credit counterparties, etc., are present.
- Substantial country risk: Exposure is adjusted based on the substantial country of risk, regardless of counterparties' country of domicile.

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	1.5	0.1	0.0	30.3	10.3	6.3	48.5	54.8
Malaysia	0.8	0.0	0.0	5.4	0.5	0.7	7.4	6.1
Indonesia	3.9	0.0	0.0	6.3	3.3	29.4	42.9	55.2
Philippines	13.0	0.6	0.0	9.3	0.5	1.3	24.7	19.6
China (include Hong Kong)	11.2	0.9	0.6	44.2	7.3	6.0	70.2	68.3
(China)	10.0	0.4	0.5	33.6	5.1	2.2	51.8	57.3
(Hong Kong)	1.2	0.5	0.1	10.6	2.2	3.8	18.4	11.0
Brazil	11.4	0.6	0.2	6.6	2.9	8.0	29.7	46.1
Venezuela	0.0	0.0	0.0	10.9	5.6	8.2	24.7	24.7
Argentina	0.6	0.0	0.0	5.0	0.1	1.9	7.6	3.5
Russia	0.3	0.0	0.0	16.8	3.5	1.0	21.6	23.5
Total	42.7	2.2	0.8	134.8	34.0	62.8	277.3	301.8

(Reference)

Exposure (As of March 31, 2011)

(Billions of Yen)

	Investments	Loans	Guarantees	Operating Receivables	Cash and Deposits, etc.	Other Assets	Country risk	Substantial country risk
Thailand	1.6	0.1	0.0	23.9	13.0	6.4	45.0	51.8
Malaysia	0.9	0.0	0.0	4.8	0.5	0.7	6.9	5.8
Indonesia	3.6	0.1	0.0	14.6	5.0	30.2	53.5	55.0
Philippines	13.1	0.7	0.0	7.7	0.8	1.4	23.7	18.2
China (include Hong Kong)	11.1	0.9	0.7	41.7	8.5	6.4	69.3	69.6
(China)	10.3	0.4	0.6	28.8	6.2	2.3	48.6	56.7
(Hong Kong)	0.8	0.5	0.1	12.9	2.3	4.1	20.7	12.9
Brazil	16.9	0.6	0.2	4.0	3.2	8.5	33.4	58.9
Venezuela	0.0	0.0	0.0	10.2	5.5	6.5	22.2	22.2
Argentina	0.4	0.0	0.0	3.5	0.1	2.0	6.0	3.3
Russia	0.3	0.0	0.0	14.0	2.5	1.0	17.8	19.1
Total	47.9	2.4	0.9	124.4	39.1	63.1	277.8	303.9

◆ Real Estate(Consolidated)

Book value and unrealized profits of real estate for sale

(Billions of Yen)

	As of March 31, 2011		As of September 30, 2011		Change	
	Book value	(unrealized profits)	Book value	(unrealized profits)	Book value	(unrealized profits)
Company	21.1	1.9	21.7	2.3	0.6	0.4
Consolidated subsidiaries	26.1	0.6	27.3	0.4	1.2	(0.2)
Consolidated Total	47.2	2.5	49.0	2.7	1.8	0.2

Book value of real estate (land, building and structure) in property, plant and equipment

(Billions of Yen)

	As of March 31, 2011	As of September 30, 2011	Change
Company	19.2	18.8	(0.4)
Consolidated subsidiaries	92.7	89.9	(2.8)
Consolidated Total	111.9	108.7	(3.2)

Book value of real estate for investment

(Billions of Yen)

	As of March 31, 2011	As of September 30, 2011	Change
Company	27.3	27.2	(0.1)
Consolidated subsidiaries	6.7	6.6	(0.1)
Consolidated Total	34.0	33.8	(0.2)

◆ Number of Employee by Industry Segment

(Number of Employee)

	As of March 31, 2011			As of September 30, 2011			Change		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Machinery	271	5,651	5,922	291	5,633	5,924	20	(18)	2
Energy & Metal	232	1,076	1,308	240	1,082	1,322	8	6	14
Chemicals & Functional Materials	226	1,737	1,963	224	1,749	1,973	(2)	12	10
Consumer Lifestyle Business	295	5,081	5,376	298	4,820	5,118	3	(261)	(258)
Other	707	1,180	1,887	727	1,176	1,903	20	(4)	16
Total	1,731	14,725	16,456	1,780	14,460	16,240	49	(265)	(216)

(Note)

Employee headcounts above indicate personnel employed by Sojitz and its subsidiaries including employees seconded by Sojitz Corporation.

(Reference)

Employee headcounts for Sojitz Corporation (including employees seconded by Sojitz Corporation to subsidiaries) was as follows:
 end-March 2011: 2,254; end-September 2011: 2,289.

◆ Information regarding per share

Net Income Per Share and Net Income Per Share adjusted residual securities

(Yen)

	For the 1st Half of Fiscal Year Ended March 31, 2011	For the 1st Half of Fiscal Year Ending March 31, 2012
Earnings Per Share	7.29	8.22
Earnings Per Share is based on following calculation		
Net income (Millions of Yen)	9,119	10,281
Amount not attributable to common stock (Millions of Yen)	–	–
Net income for common stock (Millions of yen)	9,119	10,281
Number of average common stocks during the fiscal year (thousands)	1,251,089	1,251,036
Earnings per share adjusted residual securities	7.28	8.21
Earnings per share adjusted residual securities is based on following calculation		
Adjusted net income (Millions of yen)	(6)	(6)
(of which, adjustments due to issuance of residual shares by subsidiaries and affiliates)	(6)	(6)
Number of increasing common stock (thousands)	–	–
Summary of residual shares not included in the calculation of diluted net income per share due to said residual shares not having a dilutive effect	–	On June 27, 2011, the rights execution period expired for the new share subscription rights (316 common shares) issued by a consolidated subsidiary. The rights were not included in the calculation of diluted net income per share due to not having a dilutive effect at the end of the previous consolidated financial year.

(Note)

Net income per share is calculated in accord with the Accounting Standard on Net Income per Share (Accounting Standards Board of Japan (ASBJ) Statement No. 2) and its accompanying Guidance on the Accounting Standard on Net Income per Share (ASBJ Guidance No. 4).

○Earnings Per Share	$\frac{\text{Net income for common stock}}{\text{Number of average Common stocks during the period}}$
○Earnings Per Share (Forecast)	$\frac{\text{Net income for common stock (Forecast)}}{\text{Number of Common stocks during the fiscal year (Forecast)}}$

◆ Full-Year Forecast for the Fiscal Year Ending March 31, 2012

Full-Year Forecast

(Billions of yen)

	Fiscal Year Ended March 31, 2011 Results	Fiscal Year Ending March 31, 2012			
		1st Half Results	Initial Full - Year Forecast	Revised Full - Year Forecast	Achieved
		A		B	A/B
Net sale	4,014.6	2,195.7	4,380.0	4,380.0	50%
Gross profit	192.7	102.2	214.0	214.0	48%
Selling, general and administrative expenses	(155.2)	(79.5)	(164.0)	(164.0)	48%
Operating income	37.5	22.7	50.0	50.0	45%
Interest expenses-net	(19.6)	(9.4)	(22.5)	(20.5)	-
Equity in earnings of affiliates	19.3	8.1	19.0	17.0	-
Other income and expenses - net	8.1	2.4	(0.5)	(0.5)	-
Non operating income/losses - net	7.8	1.1	(4.0)	(4.0)	-
Ordinary income	45.3	23.8	46.0	46.0	52%
Extraordinary income/losses - net	(6.0)	(0.3)	0.0	0.0	-
Income before income taxes and minority interests	39.3	23.5	46.0	46.0	51%
Income before income taxes and minority interests	18.8	12.1	19.5	19.5	62%
Net income	16.0	10.3	16.0	16.0	64%

Gross profit Forecast by Industry Segment

(Billions of yen)

	Fiscal Year Ended March 31, 2011 Results	Fiscal Year Ending March 31, 2012			
		1st Half Results	Initial Full - Year Forecast	Revised Full - Year Forecast	Achieved
		A		B	A/B
Machinery	56.1	33.1	68.0	68.0	49%
Energy & Metal	41.7	23.1	48.0	48.0	48%
Chemicals & Functional Materials	36.3	19.3	37.5	39.5	49%
Consumer Lifestyle Business	53.0	25.6	54.5	54.5	47%
Other	5.6	1.1	6.0	4.0	28%
Total	192.7	102.2	214.0	214.0	48%

Ordinary income Forecast by Industry Segment

(Billions of yen)

	Fiscal Year Ended March 31, 2011 Results	Fiscal Year Ending March 31, 2012			
		1st Half Results	Initial Full - Year Forecast	Revised Full - Year Forecast	Achieved
		A		B	A/B
Machinery	2.0	3.3	7.5	8.5	39%
Energy & Metal	28.7	11.0	29.5	27.0	41%
Chemicals & Functional Materials	6.8	4.8	6.0	8.5	56%
Consumer Lifestyle Business	6.3	4.3	4.5	4.5	96%
Other	1.5	0.4	(1.5)	(2.5)	-
Total	45.3	23.8	46.0	46.0	52%

Net income Forecast by Industry Segment

(Billions of yen)

	Fiscal Year Ended March 31, 2011 Results	Fiscal Year Ending March 31, 2012			
		1st Half Results	Initial Full - Year Forecast	Revised Full - Year Forecast	Achieved
		A		B	A/B
Machinery	3.4	1.6	3.0	3.5	46%
Energy & Metal	26.5	9.9	22.0	20.5	48%
Chemicals & Functional Materials	2.7	3.0	3.0	4.5	67%
Consumer Lifestyle Business	2.3	3.1	1.0	1.0	310%
Other	(18.9)	(7.3)	(13.0)	(13.5)	-
Total	16.0	10.3	16.0	16.0	64%

◆ News Releases for the First half Fiscal Year Ending September 30, 2012

Segment	Date	Title
Machinery		
	June 8, 2011	Sojitz Receives Order for 5.5 MTPA Hot Strip Mill for Kalinganagar Project, Orissa from TATA Steel
	June 9, 2011	Sojitz Group's Nissho Electronics Moves into Cloud Services for the Care Industry - Timely Management of Transport Vehicle Driving Images, and Promotion of Safe and Ecological Driving = Connecting People and Communities Using ICT to Help Enrich Society -
Energy & Metal		
	May 16, 2011	Sojitz, Marubeni, JFE Shoji Trade and Nippon Steel Trading Acquire Interests in Australia's Codrilla Deposit - Ownership of Low Volatile Pulverized Coal Injection (LV PCI) Product Will Contribute to Stable Supplies -
	May 19, 2011	Sojitz Succeeds in Developing A-Structure South Oil Field, Block 1SE Offshore Qatar
	May 20, 2011	Japan Climate Exchange Corporation Acquires Certification from Toshima Ward, Tokyo as Support Agency under the Domestic Emissions Reduction Certification Scheme <u>Certification Will Encourage Local Emissions Trading and Contribute to Reducing Global Warming</u>
	August 17, 2011	Sojitz and Ube Material Industries Invest in Lime Business in China - Aim is to Acquire High-Quality Limestone Sources and Capture the Top Share of the Rapidly-Growing Asian Market -
	August 31, 2011	Sojitz, Tsukishima Kikai Launch Project to Promote Greenhouse Gas Reducing Technologies - NEDO Selects Proposal for Promoting Technologies to Prevent Global Warming -
Chemicals & Functional Materials		
	April 13, 2011	Sojitz Signs Long-Term Butadiene Purchase Agreement with Brazil's Braskem, South America's Largest Petrochemical Company
	September 28, 2011	Sojitz Cosmetics, Kanebo Cosmillion Launch Authentic Anti-Aging Cosmetics "Chronorest" Jointly Planned, Launch Ser for November
Consumer Lifestyle Business		
	May 17, 2011	Exclusive Distribution Rights Acquired for French Suitcase Brand DorDrops - Customizable Coloring for Your Own Original Design -
	July 1, 2011	Sojitz Enters Woodchip Manufacturing Business in Africa Woodchip Export Base to be Constructed in Mozambique, Production and Exports to Begin this Fiscal Year
	August 3, 2011	Japan Airport Terminal, Sojitz and JALUX Form Alliance in Airport Retail Business
	August 27, 2011	Sojitz, Daiwa House Industry and Kobelco Eco-Solutions to Develop Industrial Park in Outskirts of Ho Chi Minh City - Park Will Offer Outstanding Land, Marine and Air Transport Access -
	September 5, 2011	Sojitz, Kyodo Shiryō Enter Compound Feed Production and Sales Business in Vietnam - Responding to Rapid Growth of Demand for Compound Feed for Livestock -
Other		
	May 27, 2011	Sojitz Sets up "Sojitz Reconstruction and Education Fund" to Support Victims of the Great East Japan Earthquake
	July 11, 2011	Sojitz Implements Summer Time Working - Promoting Work-Life Balance & Energy Saving Measures for the Summer -
	July 13, 2011	Sojitz Launches Overland International Logistics Service in the Indochinese Regions of Vietnam, Cambodia and Thailand Developing a through transit land and sea service using the Second East-West Economic Corridor
	September 20, 2011	Sojitz to Expand Industrial Park in Indonesia - Response to Increase in Companies Establishing Operations in Rapidly-Growth Emerging Market Countries