Member of Financial Accounting Standards Foundation

Consolidated Financial Summary for the First Half of the Fiscal Year Ending March 2010

November 6, 2009

Company name: Kanematsu Corporation

Stock Exchange listing: Tokyo Stock Exchange, Osaka Securities Exchange
Stock code: 8020 URL: http://www.kanematsu.co.jp
Representative: President, Yoshihiro Miwa
Contact: General Manager, the General Accounting Department, Nobuyoshi Sakuyama TEL (03) 5440-8111
Scheduled date of submission: November 13, 2009
Scheduled date for commencement of dividend payments: –

(Figures of less than one million are rounded down.)

1. Consolidated business results for the first half of the fiscal year ending March 2010 (April 1, 2009 – September 30, 2009)

(1) Consolidated business results (sum total) (%: Change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half to September 2009	420,692	-34.0	6,407	-51.6	4,581	-58.0	1,746	-52.6
First half to September 2008	637,089	–	13,232	–	10,895	–	3,687	–

	Net income per share	Net income per share (diluted basis)
	Yen	Yen
First half to September 2009	4.18	–
First half to September 2008	8.81	–

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2009	402,685	44,846	6.8	65.04
As of March 31, 2009	414,928	42,035	6.0	59.61

(Reference) Equity capital: 27,206 million yen as of September 30, 2009, 24,936 million yen as of March 31, 2009

2. Dividends

	Dividends per share				
(Record date)	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2009	–	0.00	–	0.00	0.00
Fiscal year ending March 2010	–	0.00			
Fiscal year ending March 2010 (Forecasts)			–	0.00	0.00

(Note) Revisions of expected dividends in the first half under review: None

3. Forecasts for consolidated results ending March 2010 (April 1, 2009 – March 31, 2010)

(%: Changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,000,000	-12.2	15,500	-18.5	11,500	-12.4	5,000	–	11.95

(Note) Revisions of estimated consolidated results in the first half under review: None

4. Other information

(1) Important change in subsidiaries during the term (Change in scope of consolidation): None

(2) Application of simplified accounting and accounting specific to the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please see the statement under the heading of “4. Others” of the section “Qualitative Information, Financial Statements, Etc.” on page 5.

(3) Change in accounting principle, procedure and presentation related to the preparation of the quarterly consolidated financial statements (noted on changes in “Basis of quarterly consolidated financial statements”)

(i) Change due to amendment to accounting standard: None

(ii) Change due to other than above: None

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares including treasury stock
First half (2009/9): 422,501,010 shares, Fiscal year (2009/3): 422,501,010 shares

(ii) Number of treasury stock
First half (2009/9): 4,209,650 shares, Fiscal year (2009/3): 4,173,604 shares

(iii) Average number of shares during the period (first half)
First half (2009/9): 418,311,217 shares, First half (2008/9): 418,393,593 shares,

* Explanation about the proper use of results forecasts, and additional information

The results forecasts and forward-looking statements included in this document are based on information available on the date of the announcement and estimates based on reasonable assumptions. Actual results might be significantly different from the forecasts in the document, depending on various factors. Refer to the section “3. Qualitative information on consolidated results forecasts” of Qualitative Information, Financial Statements, Etc. on page 4 for further information on results forecasts.

[Qualitative Information, Financial Statements, Etc.]

1. Qualitative Information on Consolidated Operating Results

During the first half under review (from April 1, 2009 to September 30, 2009), global business conditions remained generally weak, although the uncertainty surrounding the economic outlook have been attenuated somewhat. Demand for certain products has started to pick up, reflecting economic stimulus packages and financial stabilization measures introduced by governments around the world. The Japanese economy has also begun to improve, given steady progress with inventory adjustment. However, with corporate earnings, capital spending, and personal spending all remaining at low levels, more time will be needed before a full recovery can be staged.

In this environment, the Group remained profitable, reflecting cost cutting measures and initiatives to bolster earnings, despite a fall in turnover in each business segment

Consolidated net sales declined ¥216,397 million (34.0%) year on year, to ¥420,692 million, reflecting declining prices of a number of resources and commodities and lower turnover. Gross trading profit dropped ¥10,245 million (21.5%), to ¥37,447 million, given a decline in net sales. Operating income decreased ¥6,825 million (51.6%), to ¥6,407 million, as lower gross trading profit offset reductions in selling, general and administrative expenses made as part of cost cutting measures. Non-operating income increased ¥512 million, with declines in equity in the earnings of affiliated companies more than offset by an improvement in interest income thanks to reductions in interest-bearing debt and improved foreign currency translation outcomes. Ordinary income declined 6,314 million (58.0%), to ¥4,581 million.

Extraordinary losses were ¥126 million, as losses from litigation outweighed a gain on the reversal of the allowance for doubtful accounts. Income before income taxes minority interests was ¥4,454 million, a decline of ¥4,025 million (47.5%) from a year earlier. Net income after the deduction of income taxes and minority interests amounted to ¥1,746 million, a fall of ¥1,941 million (52.6%).

The results for each business segment are as follows:

(1) IT

Turnover declined in the vehicle electronics parts, semiconductor equipment and solution businesses, a consequence of sluggish demand. As a result, net sales in the IT Division fell ¥32,222 million year on year, to ¥114,089 million. Operating income declined ¥1,551 million, to ¥2,581 million.

(2) Foods & Foodstuff

In the foods business, net sales declined, reflecting a fall in market prices and the appreciation of the yen. However, the business continued to generate profits on the strength of a recovery in the marine products business, which began to focus on sales of highly processed foods from the fiscal year under review, while also benefiting from strong sales of less expensive items. In the foodstuffs business, net sales were lower as the industry environment remained difficult, given falls in grain prices and a slump in sales prices in feedstuff transactions. As a consequence, net sales in the Foods & Foodstuffs Division decreased ¥31,932 million year on year, to ¥136,462 million. Operating income slipped ¥1,257 million, to ¥1,594 million.

(3) Iron, Steel & Plants

In the iron and steel business, given sluggish demand in Japan, the domestic steel business faced a severe business environment. In the industrial plants business, transactions related to petrochemical plants for the Middle East were solid, although transactions related to transportation machinery continued to struggle, with no real recovery in demand in sight. Demand for machine tools declined, the consequence of cutbacks in corporate capital spending. As a result, net sales in the Iron, Steel & Plants Division declined ¥61,515 million year on year, to ¥70,852 million. Operating income fell ¥3,234 million, to ¥1,198 million.

(4) Life Science & Energy

The life science business remained stagnant, given a fall in the prices of chemical products on lower prices of crude oil, and sluggish exports of pharmaceutical ingredients, the result of the emergence of generic drugs. The energy business also faces difficult business conditions, given a slump in demand, reflecting the economic slowdown, and a fall in the prices of petroleum products. Consequently, net sales in the Life Science & Energy Division fell ¥80,135 million year on year, to ¥91,283 million. Operating income slipped ¥1,084 million, to ¥525 million.

(5) Other

Net sales declined ¥10,593 million, to ¥8,004 million, mainly because of the downsizing of the aluminum recycling business. Thanks to improved profitability, operating income rose ¥460 million, to ¥281 million.

2. Qualitative Information on the Consolidated Financial Position

(Assets, liabilities and net assets)

Total assets at the end of the first half of the fiscal year under review fell ¥12,243 million from the end of the previous fiscal year, to ¥402,685 million, primarily because of a decline in operating receivables caused by a fall in the trading volume.

Borrowings fell ¥5,333 million, to ¥208,274 million, because of scheduled payments. Net interest-bearing debt declined ¥15,100 million, to ¥119,482 million, given an increase in cash and bank deposits.

Net assets increased ¥2,811 million, to ¥44,846 million, primarily attributable to net income and the improvement of valuation and translation adjustments. As a result, the equity ratio increased 0.8 percentage point from the end of the previous fiscal year, to 6.8%. The net debt-equity improved to 4.4 from 5.4.

(Cash flows)

Net cash provided by operating activities in the first half of the fiscal year under review stood at ¥15,746 million (compared with net cash used of ¥2,476 million for the first half of the previous fiscal year), reflecting the collection of accounts receivable. Net cash used in investing activities was ¥15,557 million (compared with net cash provided of ¥1,363 million), the result of an increase in time deposits and other factors. Net cash used in financing activities was ¥6,091 million (compared with net cash used of ¥10,384 million).

As a result, cash and cash equivalents at the end of the first half of the fiscal year under review stood at ¥72,903 million, down ¥5,752 million from the end of the previous fiscal year.

3. Qualitative Information on Consolidated Results Forecasts

Despite signs of a recovery supported by government economic stimulus measures, the global operating environment is expected to remain challenging. Meanwhile, the Japanese economy is likely to see only modest improvements in corporate earnings and personal spending.

Given these circumstances, although results for the first half of the fiscal year under review have exceeded the forecasts, prudence is still required when considering the future. Consequently, we have not changed the forecasts that were announced on May 8, 2009.

The forecasts are based on information available on the date of the announcement of this document and estimates based on reasonable assumptions. Actual results might differ substantially from the forecasts, affected by various factors.

4. Others

(1) Changes in important subsidiaries during the term under review (changes in specified subsidiaries requiring a change in the scope of consolidation)

Not applicable.

(For reference) The scope of consolidation and the application of the equity method

Number of consolidated subsidiaries: 88 companies (1 company was added; 2 companies reduced)

Number of unconsolidated subsidiaries accounted for by the equity method: 6 companies (- companies were added; 1 company reduced)

Number of equity method affiliates: 28 companies (- companies were added; - companies reduced)

(2) Application of simplified accounting and accounting specific to the preparation of quarterly consolidated financial statements

1. Simplified accounting

(i) Method used to calculate the estimate of general bad debts

Since the loan loss ratio at the end of the second quarter under review has not changed significantly from that at the end of the previous fiscal year, the Company used reasonable standards, including the loan loss ratio that was calculated in the settlement for the previous fiscal year, to calculate the estimate of general bad debts.

(ii) Inventory valuation method

Certain consolidated subsidiaries omitted physical stocktaking for the first half under review and computed inventories at the end of the second quarter by a reasonable method based on actual inventories at the end of the previous fiscal year.

With respect to the reduction of the book value of inventories held for the purpose of usual sale, certain consolidated subsidiaries estimated the net sale value of only those inventories whose profitability was obviously reduced and cut the book value of the inventories.

(iii) Method used to calculate the depreciation cost of fixed assets

The Company calculated the depreciation cost of assets for which the declining balance method is used by dividing the depreciation cost for the fiscal year proportionally.

(iv) Simplified method for judging the collectability of deferred tax assets

Since the business environment and the temporary difference were deemed not to have changed materially from the end of the previous fiscal year, the Company used the earnings forecast and tax planning used in the account settlement for the previous fiscal year to judge the collectability of deferred tax assets at the end of the second quarter.

2. Accounting specific to the preparation of quarterly consolidated financial statements

Calculation of tax expenses

Certain consolidated subsidiaries calculated tax expenses by multiplying income before income taxes and minority interests by an effective tax rate that was reasonably estimated by applying tax effect accounting to estimated income before income taxes for the fiscal year including the first half under review.

(3) Changes in accounting principle, procedure and presentation related to the preparation of quarterly consolidated financial statements

Not applicable.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	End of second quarter under review (September 30, 2009)	Condensed consolidated balance sheets at the end of the previous fiscal year (March 31, 2009)
Assets		
Current assets		
Cash and bank deposits	88,791	79,025
Notes and accounts receivable	124,767	144,470
Lease investment assets	432	301
Short-term investments	–	15
Inventories	*1 59,300	*1 60,241
Short-term loans receivable	2,063	2,772
Deferred tax assets	2,421	2,021
Other	29,608	28,221
Allowance for doubtful accounts	(631)	(772)
Total current assets	306,752	316,296
Fixed assets		
Tangible fixed assets	*2 29,932	*2 30,094
Intangible fixed assets	1,967	2,054
Investments and other assets		
Investments in securities	37,264	37,893
Long-term loans receivable	13,314	13,448
Doubtful accounts	16,266	19,409
Deferred tax assets	14,167	14,837
Other	7,978	9,115
Allowance for doubtful accounts	(24,957)	(28,221)
Total investments and other assets	64,033	66,482
Total fixed assets	95,933	98,631
Total assets	402,685	414,928

(Million yen)

	End of second quarter under review (September 30, 2009)	Condensed consolidated balance sheets at the end of the previous fiscal year (March 31, 2009)
Liabilities		
Current liabilities		
Notes and accounts payable	97,397	106,468
Short-term borrowings	117,931	103,534
Lease obligations	242	152
Accrued income taxes	1,612	2,282
Deferred tax liabilities	0	1
Other	37,552	36,906
Total current liabilities	254,736	249,344
Long-term liabilities		
Long-term borrowings	90,342	110,073
Lease obligations	496	345
Deferred tax liabilities	227	283
Accrued severance indemnities	2,796	2,860
Allowance for loss on lawsuits	80	610
Reserve for directors' retirement benefits	579	681
Negative goodwill	70	92
Other	8,508	8,601
Total long-term liabilities	103,102	123,548
Total liabilities	357,838	372,892
Net assets		
Shareholders' equity		
Capital stock	27,781	27,781
Capital surplus	27,644	27,644
Retained earnings	(2,041)	(3,786)
Treasury stock	(633)	(632)
Total shareholders' equity	52,749	51,006
Valuation and translation adjustments		
Unrealized loss on available-for-sale securities	305	(891)
Deferred gain/loss on hedging	(166)	173
Land revaluation reserves	58	58
Translation adjustments	(25,739)	(25,409)
Total valuation and translation adjustments	(25,542)	(26,070)
Minority interests	17,640	17,099
Total net assets	44,846	42,035
Total liabilities and net assets	402,685	414,928

(2) Consolidated Statements of Income

[First half]

(Million yen)

	Previous first half (From April 1, 2008 to September 30, 2008)	First half under review (From April 1, 2009 to September 30, 2009)
Net sales	637,089	420,692
Cost of sales	589,397	383,245
Gross trading profit	47,692	37,447
Selling, general and administrative expenses	*1 34,459	*1 31,039
Operating income	13,232	6,407
Non-operating income		
Interest received	563	355
Dividends received	463	306
Foreign exchange gains	–	549
Other	943	586
Total non-operating income	1,970	1,797
Non-operating expenses		
Interest paid	2,835	2,221
Loss on equity method investments	412	560
Other	1,060	841
Total non-operating expenses	4,308	3,623
Ordinary income	10,895	4,581
Extraordinary gains		
Gain on sale of tangible fixed assets	23	12
Gain on sale of investment in securities	721	28
Gain on reversal of allowance for doubtful accounts	103	567
Total extraordinary gains	848	608
Extraordinary losses		
Loss on sales or disposal of fixed assets	56	27
Impairment loss	195	87
Loss on sales of investments in securities	45	18
Loss on valuation of investments in securities	235	40
Loss on valuation of inventories	*2 558	–
Loss on liquidation of subsidiaries and affiliates	–	31
Loss on revaluation of assets for special business	478	–
Provision of allowance for doubtful accounts for subsidiaries and affiliates	20	–
Transfer to allowance for doubtful accounts for credits of special business	1,674	–
Transfer to allowance for loss on lawsuits	–	80
Loss on litigation	–	449
Total extraordinary losses	3,263	735
Income before income taxes and minority interests	8,479	4,454
Income taxes – current	3,199	1,856
Income taxes – deferred	647	112
Total income taxes	3,847	1,968
Minority interests in consolidated subsidiaries	944	739
Net income	3,687	1,746

(3) Consolidated Statements of Cash Flows

(Million yen)

	Previous first half (From April 1, 2008 to September 30, 2008)	First half under review (From April 1, 2009 to September 30, 2009)
Cash flows from operating activities:		
Income before income taxes and minority interests	8,479	4,454
Depreciation and amortization	1,576	1,532
Increase (decrease) in allowance for doubtful accounts	1,640	(522)
Increase (decrease) in reserve for employees' prior service obligations	(802)	(100)
Allowance for loss on lawsuits	–	(530)
Interest and dividend income	(1,027)	(661)
Interest expense	2,835	2,221
Equity in earnings of affiliated companies (gain)	412	560
Gain or loss on sales or disposal of fixed assets (gain)	33	14
Impairment loss	195	87
Gain or loss on sale of investments in securities (gain)	(676)	(10)
Gain or loss on valuation of investments in securities (gain)	235	40
Decrease (increase) in notes and accounts receivable	10,060	24,248
Decrease (increase) in inventories	(13,945)	1,930
Increase (decrease) in notes and accounts payable	(4,940)	(10,219)
Other	(1,914)	(3,305)
Sub total	2,162	19,740
Interest and dividend income received	1,079	754
Interest paid	(2,857)	(2,231)
Income taxes paid	(2,860)	(2,517)
Net cash provided by (used in) operating activities	(2,476)	15,746
Cash flows from investing activities:		
Decrease (increase) in time deposits	35	(15,512)
Payments for acquisition of tangible fixed assets	(1,191)	(604)
Proceeds from sale of tangible fixed assets	153	104
Payments for acquisition of intangible fixed assets	(324)	(440)
Payments for acquisition of investments in securities	(81)	(64)
Proceeds from sale of investments in securities	1,591	23
Increase in loans receivable	(395)	(119)
Decrease in loans receivable	1,475	1,098
Other	100	(43)
Net cash provided by (used in) investing activities	1,363	(15,557)
Cash flows from financing activities		
Increase (decrease) in short-term loans, net	(4,550)	(1,320)
Proceeds from long-term debt	9,250	7,553
Repayment of long-term debt	(14,901)	(11,962)
Proceeds from stock issuance to minority shareholders	100	60
Other	(281)	(421)
Net cash used in financing activities	(10,384)	(6,091)
Effect of exchange rate changes on cash and cash equivalents	(626)	151
Net increase (decrease) in cash and cash equivalents	(12,123)	(5,752)
Cash and cash equivalent at beginning of term	74,437	78,655
Effect of the change in scope of consolidated subsidiaries	692	0
Cash and cash equivalent at end of term	*1 63,006	*1 72,903

(4) Notes Relating to the Assumptions of the Going Concern

Not applicable.

(5) Segment Information

[Industry Segment Information]

Previous first half (From April 1, 2008 to September 30, 2008)

(Million yen)

	IT	Foods & Foodstuff	Iron, Steel & Plants	Life Science & Energy	Other	Total	Adjustments & Eliminations	Consolidated
Net sales								
(1) Outside customers	146,311	168,394	132,367	171,418	18,597	637,089	-	637,089
(2) Inter-segment	9	6	119	39	35	210	(210)	-
Total	146,320	168,400	132,487	171,458	18,632	637,299	(210)	637,089
Operating income	4,132	2,851	4,432	1,609	(179)	12,846	386	13,232

First half under review (From April 1, 2009 to September 30, 2009)

(Million yen)

	IT	Foods & Foodstuff	Iron, Steel & Plants	Life Science & Energy	Other	Total	Adjustments & Eliminations	Consolidated
Net sales								
(1) Outside customers	114,089	136,462	70,852	91,283	8,004	420,692	-	420,692
(2) Inter-segment	7	3	117	20	19	167	(167)	-
Total	114,096	136,466	70,970	91,303	8,024	420,860	(167)	420,692
Operating income/loss	2,581	1,594	1,198	525	281	6,181	225	6,407

(Notes) Segments are determined in accordance with the business management units of the relevant products and services. (The results of the consolidated subsidiaries having more than one business segment are calculated by segment.)

(6) Notes if there is a significant change in the amount of shareholders' equity

Not applicable.

(7) Notes

(In relation to consolidated balance sheets)

End of second quarter of Fiscal 2009 (September 30, 2009)	Fiscal 2008 (March 31, 2009)
*1 The following is a breakdown of inventories: Merchandise and finished goods ¥56,677 million Real estate for sale ¥969 million Raw materials and stores ¥835 million Work in process ¥818 million Total ¥59,300 million	*1 The following is a breakdown of inventories: Merchandise and finished goods ¥57,102 million Real estate for sale ¥978 million Raw materials and stores ¥1,278 million Work in process ¥882 million Total ¥60,241 million
*2 The accumulated depreciation of tangible fixed assets was ¥31,963 million.	*2 The accumulated depreciation of tangible fixed assets was ¥31,001 million.
3 Guarantee obligation The Company provides debt guarantees for bank loans to companies other than consolidated companies: Century Textile Industry ¥1,088 million True Corporation Public ¥407 million Japan Logistics ¥155 million Others ¥2,866 million Total ¥4,518 million The above includes activities similar to guarantees.	3 Guarantee obligation The Company provides debt guarantees for bank loans to companies other than consolidated companies: Century Textile Industry ¥1,222 million True Corporation Public ¥407 million Japan Logistics ¥168 million Others ¥2,909 million Total ¥4,708 million The above includes activities similar to guarantees.
4 Discounted notes receivable were ¥7,323 million (of which export bills discounted were ¥6,306 million). Notes receivable transfer by endorsement was ¥108 million.	4 Discounted notes receivable were ¥16,446 million (of which export bills discounted were ¥14,393 million). Notes receivable transfer by endorsement was ¥177 million.

(In relation to consolidated statements of income)

Previous first half (From April 1, 2008 to September 30, 2008)	First half under review (From April 1, 2009 to September 30, 2009)
*1 Major items in selling, general and administrative expenses and their amounts are as follows: Employees' salaries and bonuses: ¥13,527 million Provision for doubtful accounts: ¥239 million	*1 Major items in selling, general and administrative expenses and their amounts are as follows: Employees' salaries and bonuses: ¥12,021 million Provision for doubtful accounts: ¥20 million
*2 This is the reduced book amount relating to inventories at the beginning of the fiscal year in association with the application of the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan Statement No. 9 issued on July 5, 2006).	2 ―――――

(In relation to consolidated statements of cash flows)

Previous first half (From April 1, 2008 to September 30, 2008)	First half under review (From April 1, 2009 to September 30, 2009)
*1 Relations between cash and cash equivalents at the end of the first half and amounts recorded for accounts in the quarterly consolidated balance sheets (As of September 30, 2008) Cash and bank deposits: ¥63,302 million Time deposits with maturities of 3 months or longer: -¥295 million Cash and cash equivalent: ¥63,006 million	*1 Relations between cash and cash equivalents at the end of the first half under review and amounts recorded for accounts in the quarterly consolidated balance sheets (As of September 30, 2009) Cash and bank deposits: ¥88,791 million Time deposits with maturities of 3 months or longer: -¥15,888 million Cash and cash equivalent: ¥72,903 million

6. Other information

In August 2009, the Company received a request for mediation (for the amount of ¥3,300 million) from a transferee based on a stated guarantee in connection with an agreement for transferring shares in and credits to Kanematsu Kankyo Co., Ltd. (the current Funabashi Kankyo Co., Ltd.), our subsidiary prior to the transfer in March 2008.

November 6, 2009
Kanematsu Corporation

Highlights of Consolidated Financial Results for the First Half of FY2009 (Ending March 31, 2010)

Although both sales and income declined year on year, operating income, ordinary income and net income exceeded the forecasts made at the start of the fiscal year under review.

Net sales	**¥420.7 billion**	**down 34.0%**
Operating income	**¥6.4 billion**	**declining 51.6%**
Ordinary income	**¥4.6 billion**	**falling 58.0%**
Net income	**¥1.7 billion**	**down 52.6%**

(Reference: Forecasts for the first half results announced May 8)

Net sales:	450.0 billion yen
Operating income:	5.5 billion yen
Ordinary income:	3.5 billion yen
Net income:	1.0 billion yen

(Unit: 100 million yen)

(On a consolidated basis)	H1 of FY2008	**H1 of FY2009**	Year-on-year Change	Year-on-year Change (%)	FY2009 Forecast	FY2009 Progress
Net sales	6,371	**4,207**	-2,164	-34.0%	10,000	42.1%
Gross trading profit	477	**374**	-102	-21.5%	-	-
SG&A expenses	345	**310**	-34	-9.9%	-	-
Operating income	132	**64**	-68	-51.6%	155	41.3%
Dividends received	5	**3**	-2	-33.9%	-	-
Interest	-23	**-19**	4	-	-	-
Gains on equity-method investment	-4	**-6**	-1	-	-	-
Others	-1	**3**	4	-	-	-
Non-operating income/loss	-23	**-18**	5	-	-	-
Ordinary income	109	**46**	-63	-58.0%	115	39.8%
Extraordinary gain	8	**6**	-2	-28.3%	-	-
Extraordinary loss	-33	**-7**	25	-	-	-
Income before income taxes	85	**45**	-40	-47.5%	-	-
Income taxes and minority interest	-48	**-27**	21	-	-	-
Net income	37	**17**	-19	-52.6%	50	34.9%

Summary of Results for First Half

Net sales
Net sales declined in all segments, reflecting a fall in trading volume associated with weak demand and a decline in commodity prices.

Gross trading profit
Gross trading profit fell in association with the decline in net sales.

Operating income
Operating income dropped in association with the fall in gross trading profit, despite a decrease in selling, general and administrative expenses.

Ordinary income
Non-operating income increased with a fall in equity in earnings of affiliated companies more than offset by the improvement of interest income, thanks to the reduction in interest-bearing debt and improved foreign currency translation outcomes. However, ordinary income declined, reflecting a sharp fall in operating income.

Net income
Net income fell year on year, but exceeded the forecasts made at the beginning of the fiscal year under review, primarily owing to an improvement in the tax expense.

(Unit: 100 million yen)

Segment Information	Net sales H1 of FY2008	Net sales H1 of FY2009	Net sales Year-on-year Change	Operating income H1 of FY2008	Operating income H1 of FY2009	Operating income Year-on-year Change
IT	1,463	**1,141**	-322	41	**26**	-16
Foods & Foodstuff	1,684	**1,365**	-319	29	**16**	-13
Iron & Steel	815	**432**	-382	35	**17**	-17
Plant	509	**276**	-233	10	**-5**	-15
Iron, Steel & Plant	1,324	**709**	-615	44	**12**	-32
Energy	1,546	**801**	-744	13	**3**	-9
Life Science	168	**111**	-57	4	**2**	-2
Life Science & Energy	1,714	**913**	-801	16	**5**	-11
Others	186	**80**	-106	-2	**3**	5
Adjustment & elimination	-	**-**	-	4	**2**	-2
Total	6,371	**4,207**	-2,164	132	**64**	-68

Summary of Segment Results

IT
While the mobile business performed strongly, turnover declined, especially in the vehicle electronics parts, semiconductor equipment and solution businesses. Overall, both sales and profit were down.

Foods & Foodstuff
The foods business remained profitable, thanks to strong sales of less expensive items and steady marine products transactions that focused on sales of highly processed foods. The foodstuffs business was affected by a fall in the unit prices of feedstuff transactions. Overall, both sales and profit declined.

Iron, Steel & Plant
The operating environment remained difficult in the domestic steel, transportation machinery, and machine tools businesses. Overall, both sales and profit fell.

Life Science & Energy
Given a fall in prices of chemical products, reflecting lower prices of crude oil, as well as sluggish demand, both sales and profits were down.

Others
Net sales declined with the downsizing in the aluminum recycling business, but with an improvement in the profitability, overall operations of this segment moved into the black.

(Unit: 100 million yen)

Assets, Liabilities and Net Assets	3/2009	9/2009	Comparison with 3/2009 Change	Comparison with 3/2009 Change (%)
Total assets	4,149	**4,027**	-122	-3.0%
Gross interest-bearing debt	2,136	**2,083**	-53	-2.5%
Net interest-bearing debt	1,346	**1,195**	-151	-11.2%
Shareholders' equity	510	**527**	17	3.4%
(Retained earnings)	-38	**-20**	17	-
Valuation and translation adjustments	-261	**-255**	5	-
Minority interests	171	**176**	5	3.2%
Total net assets	420	**448**	28	6.7%
Equity capital (Note 1)	249	**272**	23	9.1%
Equity ratio (Note 2)	6.0%	**6.8%**	0.8pt improvement	–
Net debt-equity ratio (Note 3)	5.4 times	**4.4 times**	1.0pt improvement	–

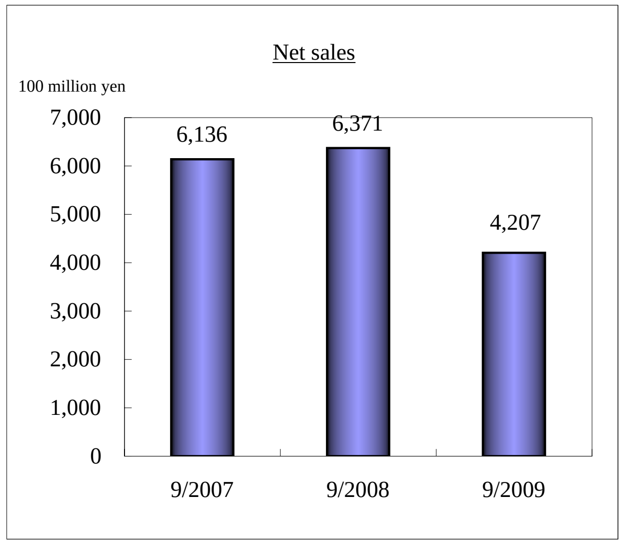
(Note 1) Equity capital = Net assets - Minority interests
(Note 2) Equity ratio = Equity capital / Total assets
(Note 3) Net debt-equity ratio = Net interest-bearing debt / Equity capital

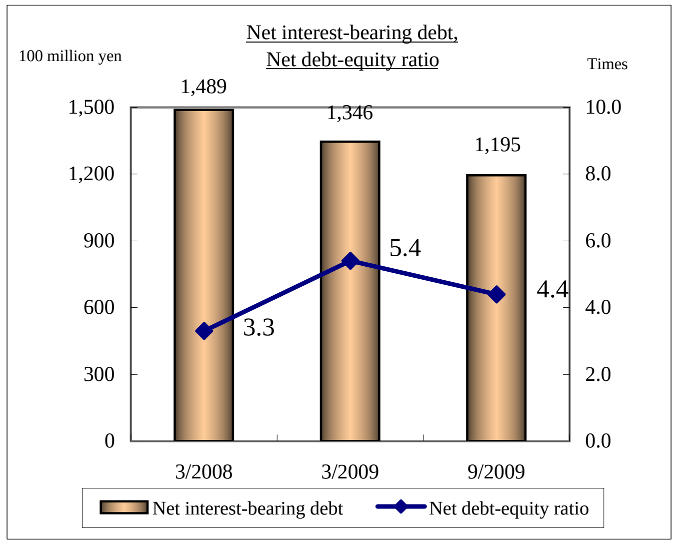
Summary

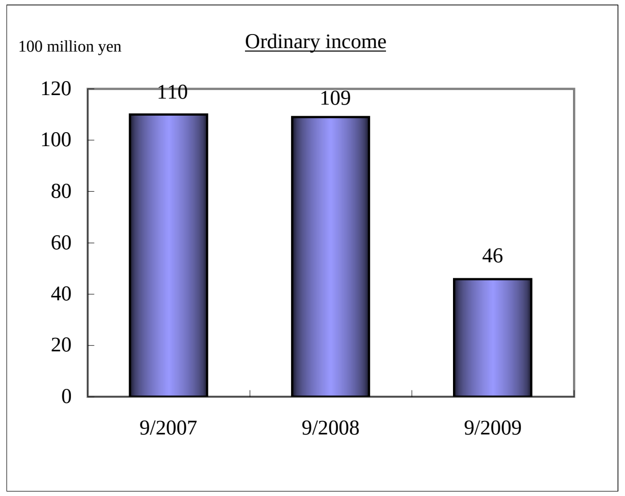
Total assets
Total assets fell 12.2 billion yen, primarily reflecting a decline in operating receivables.

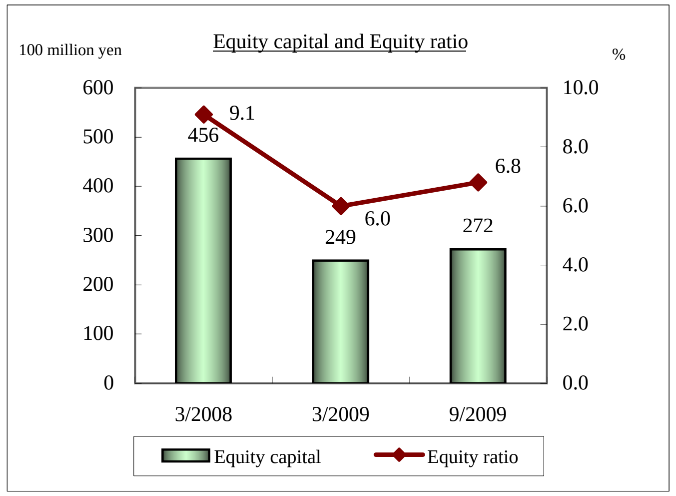
Interest-bearing debt
Gross interest-bearing debt fell 5.3 billion yen, reflecting repayments of seasonal loans by overseas offices.
Net interest-bearing debt dropped 15.1 billion yen, linked also to the rise in cash and bank deposits.

Net assets
Equity capital rose due to net income.
Valuation and translation adjustments improved slightly.
As a result, the equity ratio and net debt-equity ratio improved to 6.8%, and 4.4 times, respectively.









* The forecasts and forward-looking statements that are included in this document are based on information available at the time of the announcement as well as on calculations made using reasonable assumptions. Please note that actual results may differ materially depending on various factors.
* Since the figures above are rounded off to the nearest 100 million yen, the sum of each item and the total may differ.