

# **MITSUBISHI CORPORATION AND SUBSIDIARIES**

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## **CONSOLIDATED FINANCIAL RESULTS**

**FOR THE THREE MONTHS ENDED JUNE 30, 2008**

**(UNREVIEWED)**

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*Based on US GAAP*

### **Mitsubishi Corporation Investor Relations Office**

2-3-1 Marunouchi, Chiyoda-ku, Tokyo, JAPAN 100-8086

Phone: +81-3-3210-8581 Fax: +81-3-3210-8583

<http://www.mitsubishicorp.com/>

**Mitsubishi Corporation and subsidiaries**  
**FINANCIAL HIGHLIGHTS**  
**for the three months ended June 30, 2008 (unreviewed)**  
**(Based on US GAAP)**

**1. Operating transactions and income**

	Operating transactions	Operating income	Income from continuing operations before income taxes	Net income
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the three months ended June 30, 2008	6,243,889	113,687	181,941	137,185
June 30, 2007	5,455,232	93,315	155,520	122,867

	Net income per share	Net income per share (diluted basis)
	Yen	Yen
For the three months ended June 30, 2008	83.56	83.31
June 30, 2007	72.79	72.42

**2. Assets and shareholders' equity**

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of June 30, 2008	12,599,024	3,080,474	24.5	1,875.60
March 31, 2008	11,750,441	2,873,510	24.5	1,750.86

**3. Prospects for the year ending March 31, 2009**

	Operating transactions	Operating income	Income from continuing operations before income taxes	Net income	Forecast of Net income per share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
For the year ending March 31, 2009	25,000,000	685,000	785,000	580,000	353.40

- (1) The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.
- (2) Operating transactions and operating income, as presented above, are voluntary disclosures solely for the convenience of investors in Japan. Operating transactions represent the gross transaction volume or the aggregate nominal value of the sales contracts in which the companies act as principal and transactions in which the companies serve as agent. Operating transactions exclude the contract value of transactions in which the companies' role is limited to that of a broker.  
Operating income reflects the companies' (a) gross profit, (b) selling, general and administrative expenses, and (c) provision for doubtful receivables. Operating transactions and operating income, as presented above, are non-US GAAP measures commonly used by similar Japanese trading companies and should not be construed as equivalent to, or a substitute or proxy for, revenues, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities.
- (3) The outlook of operating transactions and net income for the year ending March 31, 2009 have not changed from the original outlook announced on April 30, 2008.
- (4) Certain adjustments for the three months ended June 30, 2007 have been made in accordance with Financial Accounting Standards Board ("FASB") Emerging Issues Task Force ("EITF") No. 06-9, "Reporting a Change in (or the Elimination of) a Previously Existing Difference Between the Fiscal Year-End of a Parent Company and That of a Consolidated Entity or Between the Reporting Period of an Investor and That of an Equity Method Investee."
- (5) Certain adjustments for the three months ended June 30, 2007 with regard to operations discontinued up to the end of March 31, 2008 have been made in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."
- (6) Certain adjustments for the three months ended June 30, 2007 have been made in accordance with Accounting Principles Board Opinion ("APB") No.18, "The Equity Method of Accounting for Investment in Common Stock."

**Forward-looking Statements**

This presentation contains forward-looking statements about Mitsubishi Corporation's future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and beliefs in light of competitive, financial and economic data currently available and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices. Accordingly, Mitsubishi Corporation wishes to caution readers that actual results may differ materially from those projected in this presentation.

**For Immediate Release**

**Mitsubishi Corporation Announces Consolidated Financial Results for the First Quarter Ended June 30, 2008 (Based on US GAAP)**

TOKYO, July 31, 2008.....Mitsubishi Corporation announced today its consolidated results, using accounting principles generally accepted in the United States, for the first quarter ended June 30, 2008.

**[Qualitative Information and Financial Position]**

**1. Qualitative Information Concerning Consolidated Operating Results**

**(1) Summary of Fiscal 2009 First-quarter Results (April 1, 2008 to June 30, 2008)**

There was a growing sense of uncertainty about the future of the world economy as a whole in the first quarter of fiscal 2009 due to ongoing economic malaise in the U.S., partly reflecting the protracted sub-prime loan problem. Furthermore, inflationary concerns heightened worldwide amid rising international commodity prices.

The Japanese economy, for its part, reached a standstill, as export growth, which had supported moderate economic expansion to date, tapered off because of a slowdown in overseas economies. Persistent sluggishness in housing investment and lackluster personal spending, meanwhile, affected domestic demand.

Under these conditions, consolidated operating transactions for the three months ended June 30, 2008 rose 788.7 billion yen, or 14.5%, year on year to 6,243.9 billion yen, the result of higher energy business-related transactions on rising commodity prices, as well as new consolidations. Gross profit rose 43.6 billion yen, or 14.9%, to 336.3 billion yen, reflecting mainly the impact of sales prices at an Australian business involving coking coal, firm prices for other commodities and new consolidations.

Selling, general and administrative expenses increased 22.6 billion yen, or 11.5%, to 220.1 billion yen, mainly due to new consolidations.

Regarding expenses and other, gain (loss) on marketable securities and investments-net decreased, reflecting the absence of gains on sale recorded in the corresponding quarter

of fiscal 2008. On the other hand, dividend income increased from investments related to resources in the Metals and Energy Business groups. Moreover, other income-net increased because of an improvement in foreign currency gains and losses.

As a result, income from continuing operations before income taxes increased 26.4 billion yen, or 17.0%, to 181.9 billion yen.

Equity in earnings of affiliated companies increased 1.3 billion yen, or 3.8%, to 33.9 billion yen, due to strong growth in earnings at overseas resource-related companies.

Accordingly, Mitsubishi Corporation posted consolidated net income of 137.2 billion yen, up 14.3 billion yen, or 11.7%, year on year.

The consolidated net income represented an achievement rate of 23.7% relative to the full-year forecast of 580.0 billion yen.

## **(2) Segment Information**

### **1) Business Innovation Group**

This business group recorded a net loss of 1.8 billion yen, 0.6 billion yen of loss increased than in the same period of fiscal 2008. The wider loss was principally attributable to lower earnings due to sluggish transactions at ICT (Information and Communications Technology)-related subsidiary, in addition to lower earnings stemming from the sale of a subsidiary in the foodservice field.

### **2) Industrial Finance, Logistics & Development Group**

This group recorded net income of 1.1 billion yen, down 7.1 billion yen year on year. The main factors for this decrease were the absence of dilution gain from changes in equity interest in Mitsubishi UFJ Lease & Finance Company Limited in the first quarter of fiscal 2008 and lower fund investment-related earnings.

### **3) Energy Business Group**

This group returned net income of 29.5 billion yen, 11.7 billion yen higher year on year. Higher crude oil prices lifted equity in earnings in overseas natural resource-related business investees and dividend income, contributing to the increased segment net income.

#### **4) Metals Group**

The Metals Group posted net income of 54.5 billion yen, up 10.3 billion yen year on year, despite lower equity in earnings at an aluminum-related business investee. The increased segment net income was the result mainly of higher gross profit due to higher resource sales prices at an Australian natural resource-related (coking coal) subsidiary and a South African natural resource-related (ferrochrome) subsidiary.

#### **5) Machinery Group**

This group posted net income of 16.0 billion yen, up 0.2 billion yen year on year. While earnings of affiliated companies decreased due to the sale of a European automobile-related company in the first quarter of fiscal 2008, segment net income was almost the same as the first quarter of fiscal 2008 due to sharply higher ship charter rates.

#### **6) Chemicals Group**

This group recorded net income of 11.2 billion yen, 2.1 billion yen more than in the first quarter of fiscal 2008. This result principally reflected strong transactions at the parent company and higher equity in earnings of affiliated companies arising from a higher equity interest in a petrochemical business-related company.

#### **7) Living Essentials Group**

The group posted net income of 9.2 billion yen, down 1.7 billion yen year on year, despite higher gross profit resulting from making subsidiaries out of foodstuffs-related companies. The year-on-year decrease in segment net income was the result mainly of write-downs of listed shares.

## **2. Qualitative Information Concerning Consolidated Financial Position**

### **(1) Changes in Assets, Liabilities and Shareholders' Equity**

Total assets at June 30, 2008 were 12,599.0 billion yen, up 848.6 billion yen from the previous fiscal year-end. This was principally due to an increase in trade receivables resulting from higher commodity prices and an increase in unrealized gains on listed shareholdings.

Total liabilities were 9,193.0 billion yen, up 650.6 billion yen. There was an increase in interest-bearing liabilities due to demand for funds for new investments. In addition, deferred income tax liabilities rose in line with the increase in unrealized gains on listed

shareholdings and trade payables rose tracking the rise in trade receivables.

Interest-bearing liabilities-net, which are interest-bearing liabilities-gross minus cash and cash equivalents, rose 209.4 billion yen to 3,631.3 billion yen. The net debt-to-equity ratio, which is net interest-bearing liabilities divided by total shareholders' equity, was 1.2.

Total shareholders' equity increased 207.0 billion yen to 3,080.5 billion yen from March 31, 2008, due to the net income and an increase in net unrealized gains on securities available for sale due to a rise in unrealized gains on listed shareholdings.

## **(2) Cash Flows**

### **(Operating activities)**

Net cash provided by operating activities was 26.5 billion yen. Cash was chiefly provided by dividend income from business investments, mainly natural resource-related companies, and continued strong cash flows from transactions at natural resource-related subsidiaries. On the other hand, there was an increase in working capital requirements caused by rising commodity prices and firm growth in operating transactions.

### **(Investing activities)**

Net cash used in investing activities was 159.6 billion yen. In addition to cash used for the purchase of additional shares in Chiyoda Corporation and Mitsubishi UFJ Lease & Finance Company Limited via subscription to a private placement, there were large outlays for capital expenditures overall.

As a result of the above, free cash flow, the sum of operating and investing cash flows, was a negative 133.1 billion yen.

### **(Financing activities)**

Net cash provided by financing activities was 255.8 billion yen. One of the main use of cash was for the payment of dividends. The net cash inflow, however, reflected fund procurement at the parent company and finance subsidiaries to meet demand for funds for working capital and investments.

### **3. Qualitative Information Concerning Consolidated Forecasts for Fiscal 2009**

There has been no change to the consolidated forecasts for fiscal 2009 announced on April 30, 2008.

Note:

Earnings forecasts and other forward-looking statements in this release are management's current views and beliefs in accordance with data currently available, and are subject to a number of risks, uncertainties and other factors that may cause actual results to differ materially from those projected.

Mitsubishi Corporation does not issue consolidated forecasts for the first six months of the fiscal year because it sets business targets on an annual basis only.

### **4. Other**

#### **(1) Application of Simplified Accounting Treatment and Special Accounting Treatment in Preparing Quarterly Consolidated Financial Statements**

**[Special Accounting Treatment in Preparing Quarterly Consolidated Financial Statements]**

Income taxes are calculated based on the estimated tax rate, taking into account tax effects, for the consolidated fiscal year relating to the quarterly consolidated fiscal period under review.

#### **(2) Changes in Accounting Principles, Procedures and Presentation Methods in Preparing Quarterly Consolidated Financial Statements**

Effective from the first quarter, Mitsubishi Corporation has applied Article 93 (Cabinet Office Ordinance No. 64, August 10, 2007), "Regulations on Terminology, Format and Preparation Method of Quarterly Consolidated Financial Statements" for its quarterly consolidated financial statements.

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Mitsubishi Corporation and subsidiaries  
CONSOLIDATED BALANCE SHEETS (US GAAP)  
June 30, 2008 and March 31, 2008 (unreviewed)

ASSETS	Millions of Yen		
	June 30 2008	March 31 2008	Increase or [-]decrease
Current assets:			
Cash and cash equivalents	887,637	750,128	137,509
Time deposits	10,407	11,540	-1,133
Short-term investments	99,989	87,862	12,127
Receivables-trade:			
Notes and loans	569,389	587,150	-17,761
Accounts	3,221,539	2,955,325	266,214
Affiliated companies	215,081	211,556	3,525
Allowance for doubtful receivables	(31,427)	(29,948)	-1,479
Inventories	1,210,938	1,075,563	135,375
Advance payments to suppliers	136,631	129,469	7,162
Deferred income taxes	48,213	62,573	-14,360
Assets held for sale	5,872	6,526	-654
Other current assets	280,631	243,651	36,980
Total current assets	6,654,900	6,091,395	563,505
Investments and non-current receivables:			
Investments in and advances to affiliated companies	1,183,812	1,128,387	55,425
Other investments	2,258,156	2,102,726	155,430
Non-current notes, loans and accounts receivable-trade	569,837	515,202	54,635
Allowance for doubtful receivables	(42,647)	(40,580)	-2,067
Total investments and non-current receivables	3,969,158	3,705,735	263,423
Property and equipment:			
Property and equipment	2,796,797	2,736,380	60,417
Less accumulated depreciation	(1,142,253)	(1,125,759)	-16,494
Property and equipment - net	1,654,544	1,610,621	43,923
Other assets	320,422	342,690	-22,268
Total	12,599,024	11,750,441	848,583

Mitsubishi Corporation and subsidiaries  
CONSOLIDATED BALANCE SHEETS (US GAAP)  
June 30, 2008 and March 31, 2008 (unreviewed)

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen		
	June 30 2008	March 31 2008	Increase or [-]decrease
Current liabilities:			
Short-term debt	1,052,826	742,421	310,405
Current maturities of long-term debt	380,754	384,810	-4,056
Payables-trade:			
Notes and acceptances	204,743	197,302	7,441
Accounts	2,771,222	2,509,533	261,689
Affiliated companies	145,851	124,796	21,055
Advances from customers	149,917	134,880	15,037
Accrued income taxes	60,491	62,309	-1,818
Other accrued expenses	92,977	158,626	-65,649
Liabilities held for sale	2,092	2,081	11
Other current liabilities	366,547	343,898	22,649
Total current liabilities	5,227,420	4,660,656	566,764
Long-term debt, less current maturities	3,105,247	3,096,818	8,429
Accrued pension and severance liabilities	51,716	51,724	-8
Deferred income taxes	443,247	400,944	42,303
Other long-term liabilities	365,358	332,277	33,081
Minority interests	325,562	334,512	-8,950
Shareholders' equity:			
Common stock	202,534	201,825	709
Additional paid-in capital	260,792	259,571	1,221
Retained earnings:			
Appropriated for legal reserve	41,988	41,295	693
Unappropriated	2,313,944	2,226,695	87,249
Accumulated other comprehensive income:			
Net unrealized gains on securities available for sale	526,795	429,796	96,999
Net unrealized gains on derivatives	28,996	12,505	16,491
Defined benefit pension plans	(39,179)	(38,927)	-252
Foreign currency translation adjustments	(103,858)	(107,746)	3,888
Less treasury stock	(151,538)	(151,504)	-34
Total shareholders' equity	3,080,474	2,873,510	206,964
Total	12,599,024	11,750,441	848,583

As written in Note 2. of "Basis of Consolidated Financial Statements," the figures at March 31, 2008 have been adjusted.

Mitsubishi Corporation and subsidiaries  
CONSOLIDATED STATEMENTS OF INCOME (US GAAP)  
for the three months ended June 30, 2008 and 2007 (unreviewed)

	Millions of Yen			
	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase or [-]decrease	%
Revenues:				
Revenues from trading, manufacturing and other activities	1,501,962	1,150,975	350,987	30.5
Trading margins and commissions on trading transactions	189,047	183,402	5,645	3.1
Total revenues	1,691,009	1,334,377	356,632	26.7
Cost of revenues from trading, manufacturing and other activities	(1,354,728)	(1,041,739)	-312,989	30.0
Gross profit	336,281	292,638	43,643	14.9
Expenses and other:				
Selling, general and administrative	(220,114)	(197,490)	-22,624	11.5
Provision for doubtful receivables	(2,480)	(1,833)	-647	/
Interest expense - net	(3,606)	(3,048)	-558	18.3
Dividend income	53,891	38,120	15,771	41.4
Gain (loss) on marketable securities and investments - net	(156)	20,886	-21,042	/
Gain on property and equipment - net	3,031	675	2,356	/
Other income - net	15,094	5,572	9,522	/
Total	(154,340)	(137,118)	-17,222	/
Income from continuing operations before income taxes	181,941	155,520	26,421	17.0
Income taxes	(64,169)	(52,916)	-11,253	/
Income from continuing operations	117,772	102,604	15,168	14.8
Minority interests in income of consolidated subsidiaries	(14,568)	(12,456)	-2,112	/
Equity in earnings of affiliated companies	33,907	32,651	1,256	3.8
Net income from continuing operations	137,111	122,799	14,312	11.7
Income from discontinued operations - net of tax	74	68	6	/
Net income	137,185	122,867	14,318	11.7

NOTE:

1. The companies display revenues and cost of revenues in accordance with the accounting guidance by the Financial Accounting Standards Boards ("FASB") Emerging Issues Task Force ("EITF") No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent."

Operating transactions and operating income, as presented below, are voluntary disclosures solely for the convenience of investors in Japan.

The figures are as follows:

	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase or [-] decrease	%
Operating transactions	6,243,889	5,455,232	788,657	14.5
Operating income	113,687	93,315	20,372	21.8

Operating transactions represent the gross transaction volume or the aggregate nominal value of the sales contracts in which the companies act as principal and transactions in which the companies serve as agent. Operating transactions exclude the contract value of transactions in which the companies' role is limited to that of a broker.

Operating income reflects the companies' (a) gross profit, (b) selling, general and administrative expenses, and (c) provision for doubtful receivables.

Operating transactions and operating income, as presented above, are non-US GAAP measures commonly used by similar Japanese trading companies and should not be construed as equivalent to, or a substitute or proxy for, revenues, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities.

2. As written in Note 2. of "Basis of Consolidated Financial Statements," the figures for the three months ended June 30, 2007 have been adjusted.

Mitsubishi Corporation and subsidiaries  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (US GAAP)  
for the three months ended June 30, 2008 and 2007 (unreviewed)

	Millions of Yen	
	Three months ended June 30, 2008	Three months ended June 30, 2007
<u>Comprehensive income</u>		
Net income	137,185	122,867
Other comprehensive income :		
Net unrealized gains on securities available for sale	96,999	76,691
Net unrealized gains on derivative instruments	16,491	12,141
Defined benefit pension plans	(252)	33
Foreign currency translation adjustments	3,888	69,429
Total other comprehensive income	117,126	158,294
Comprehensive income	254,311	281,161

As written in Note 2. of "Basis of Consolidated Financial Statements," the figures for the three months ended June 30, 2007 have been adjusted.

Mitsubishi Corporation and subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS (US GAAP)  
for the three months ended June 30, 2008 (unreviewed)

	Millions of Yen
	Three months ended June 30, 2008
<b>Operating activities:</b>	
Net income	137,185
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	38,718
Provision for doubtful receivables	2,480
Loss on marketable securities and investments - net	156
Gain on property and equipment - net	(3,031)
Equity in earnings of affiliated companies, less dividends received	(8,466)
Changes in operating assets and liabilities:	
Short-term investments - trading securities	(5,263)
Notes and accounts receivable - trade	(219,111)
Inventories	(124,666)
Notes, acceptances and accounts payable - trade	243,222
Advance payments to suppliers	(27,555)
Advances from customers	34,782
Other accounts receivable	17,190
Other accounts payable	16,104
Other accrued expenses	(23,514)
Other current assets	(44,751)
Other current liabilities	(11,504)
Other - net	4,549
Net cash provided by operating activities	26,525
<b>Investing activities:</b>	
Expenditures for property and equipment and other assets	(65,605)
Proceeds from sales of property and equipment	11,895
Investments in and advances to affiliated companies	(138,235)
Collection of advances to affiliated companies	8,814
Purchases of short-term investments and other investments	(31,162)
Proceeds from sales of short-term investments and other investments	17,813
Increase in loans receivable	(84,744)
Collection of loans receivable	120,666
Net decrease in time deposits	956
Net cash used in investing activities	(159,602)
<b>Financing activities:</b>	
Net increase in short-term debt	290,049
Proceeds from long-term debt	193,163
Repayment of long-term debt	(165,124)
Payment of dividends	(49,243)
Payment of dividends to minority interests	(13,139)
Other - net	92
Net cash provided by financing activities	255,798
<b>Effect of exchange rate changes on cash and cash equivalents</b>	14,788
<b>Net increase in cash and cash equivalents</b>	137,509
<b>Cash and cash equivalents, beginning of period</b>	750,128
<b>Cash and cash equivalents, end of period</b>	887,637

## Basis of Consolidated Financial Statements

### 1. Basic Accounting Policies

The accompanying consolidated financial statements of Mitsubishi Corporation (*the Company*) and its subsidiaries (collectively, *the companies*) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The significant differences between U.S. and Japanese accounting standards applicable to the companies relate to the followings:

- (1) Valuation of investments
- (2) Deferral of gain on sales of properties for tax purpose (Not permitted under U.S. GAAP)
- (3) Derivative instruments and hedge accounting
- (4) Pension and retirement benefit accounting (Underfunded obligations and overfunded obligations are recognized as assets, liabilities and other comprehensive income (loss) for U.S. GAAP)
- (5) Accounting for business combinations and goodwill and other intangible assets

### 2. Adjustments of Prior Year's Consolidated Financial Statements

In accordance with EITF No. 06-9 and SFAS No. 144, the Company has adjusted the consolidated financial statements for three months ended June 30, 2007, since certain subsidiaries changed their fiscal year ends to March 31, and certain operation had been classified as discontinued operations on March 31, 2008.

In accordance with APB No. 18, the Company has adjusted the consolidated financial statements for the three months ended June 30, 2007 and for the year ended March 31, 2008, since the Company acquired additional investments in cost method investees, and accounted for the Company's ownership interest in the investees under the equity method retroactively.

Adjustments to consolidated net income, total shareholders' equity and total assets in line with these adjustments are as follows:

(Millions of Yen)

Three months ended June 30, 2007

	Pre-adjustment	Adjustment	Adjusted
Consolidated net income	115,326	7,541	122,867
Total shareholders' equity	3,167,426	△14,631	3,152,795
Total assets	12,253,864	△41,551	12,212,313

Year ended March 31, 2008

	Pre-adjustment	Adjustment	Adjusted
Consolidated net income	462,788	8,071	470,859
Total shareholders' equity	2,873,210	300	2,873,510
Total assets	11,754,439	△3,998	11,750,441

Mitsubishi Corporation and subsidiaries  
**OPERATING SEGMENT INFORMATION (US GAAP)**  
for the three months ended June 30, 2008 and 2007 (unreviewed)

**Three months ended June 30, 2008**

	Millions of Yen								Eliminations or Unallocated	Consolidated
	Business Innovation	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total		
Gross profit.....	9,239	12,034	27,726	98,792	46,988	28,931	112,045	335,755	526	336,281
Equity in earnings of affiliated companies.....	543	741	14,296	5,911	4,148	3,916	4,516	34,071	(164)	33,907
Net income.....	(1,799)	1,134	29,545	54,459	16,047	11,164	9,247	119,797	17,388	137,185
Segment assets.....	195,124	885,976	1,952,381	3,733,901	2,347,920	869,724	2,264,027	12,249,053	349,971	12,599,024
Operating transactions.....	71,283	53,185	1,511,214	1,538,637	961,201	672,738	1,444,828	6,253,086	(9,197)	6,243,889

**Three months ended June 30, 2007**

	Millions of Yen								Eliminations or Unallocated	Consolidated
	Business Innovation	Industrial Finance, Logistics & Development	Energy Business	Metals	Machinery	Chemicals	Living Essentials	Total		
Gross profit.....	9,695	11,136	21,610	85,327	50,219	25,668	87,348	291,003	1,635	292,638
Equity in earnings of affiliated companies.....	443	684	8,598	8,821	6,855	2,939	4,751	33,091	(440)	32,651
Net income.....	(1,183)	8,220	17,859	44,125	15,811	9,045	10,899	104,776	18,091	122,867
Segment assets.....	186,765	780,088	1,822,565	3,389,827	2,257,228	849,518	2,313,184	11,599,175	613,138	12,212,313
Operating transactions.....	66,392	49,776	1,058,355	1,461,146	971,163	606,884	1,247,979	5,461,695	(6,463)	5,455,232

**NOTE:**

- (1) Operating transactions, as presented above, are voluntary disclosures solely for the convenience of investors in Japan. Operating transactions represent the gross transaction volume or the aggregate nominal value of the sales contracts in which the companies act as principal and transactions in which the companies serve as agent. Operating transactions exclude the contract value of transactions in which the companies' role is limited to that of a broker.  
Operating transactions, as presented above, are non-US GAAP measures commonly used by similar Japanese trading companies and should not be construed as equivalent to, or a substitute or proxy for, revenues, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities.
- (2) Unallocated corporate assets included in the column of "Eliminations or Unallocated" at June 30, 2008 and 2007 were 1,234,505 million yen and 1,342,723 million yen respectively.  
The assets mainly consist of cash, time deposits and securities for financial and investment activities.
- (3) As written in Note 2. of "Basis of Consolidated Financial Statements," the figures for the three months ended June 30, 2007 have been adjusted.