

Results for the Nine Months Ended December 31, 2008 (US GAAP)

Consolidated Income (Billion Yen)	For the nine months ended Dec. 31, 2008				For the nine months ended Dec. 31, 2007 (As adjusted)		Forecasts for the fiscal year ending Mar. 31, 2009		Summary of changes from the same period of the previous fiscal year (Nine months ended Dec. 31)
	First quarter	Second quarter	Third quarter		Increase or decrease		Percentage of achievement		
Operating transactions (*1)	6,243.9	6,936.7	5,237.6	18,418.2	17,126.3	1,291.9	23,000.0	80%	<p>a. [Gross profit] Gross profit rose 32% year on year. In addition to higher coking coal prices, this mainly reflected new consolidations.</p> <p>b. [Selling, general and administrative expenses] Increased mainly due to new consolidations.</p> <p>c. [Net financial income] Improvement reflects higher natural resource-related dividend income, although interest expenses rose due to higher interest rates and increased interest-bearing debt.</p> <p>d. [Loss (gain) on marketable securities and investments – net] (1) Write-off of marketable securities (available for sale) -49.3 billion yen (-49.4 billion yen ← -0.1 billion yen) (2) Impairment losses on non-performing assets -31.9 billion yen (-40.2 billion yen ← -8.3 billion yen) (3) Other gains on sales of shares, etc. -36.3 billion yen (+20.6 billion yen ← +56.9 billion yen)</p> <p>e. [Loss (gain) on property and equipment – net] Change reflects impairment losses on property and equipment at overseas subsidiaries.</p> <p>f. [Other income – net] Decrease due to deterioration in foreign exchange gains and losses, etc.</p> <p>g. [Equity in earnings of affiliated companies – net] Increase due to higher earnings at overseas natural resource-related companies.</p>
Gross profit	336.3	421.0	409.3	1,166.6	885.4	281.2	1,520.0	77%	
Selling, general and administrative expenses	(220.1)	(219.3)	(215.0)	(654.4)	(607.1)	(47.3)	(900.0)	73%	
Provision for doubtful receivables	(2.5)	(2.9)	0.8	(4.6)	(1.5)	(3.1)	(10.0)	46%	
Operating income (*1)	113.7	198.8	195.1	507.6	276.8	230.8	610.0	83%	
Interest expense – net	(3.6)	(5.2)	(8.0)	(16.8)	(8.0)	(8.8)	(30.0)	56%	
Dividend income	53.9	28.9	28.9	111.7	98.6	13.1	135.0	83%	
(Loss) gain on marketable securities and investments – net	(0.2)	(19.5)	(49.3)	(69.0)	48.5	(117.5)	(205.0)	59%	
(Loss) gain on property and equipment – net	3.0	(9.4)	(8.2)	(14.6)	0.1	(14.7)			
Other income – net	15.1	0.3	(53.4)	(38.0)	19.3	(57.3)			
Income from continuing operations before income taxes	181.9	193.9	105.1	480.9	435.3	45.6	510.0	94%	
Income taxes	(64.2)	(85.5)	(60.1)	(209.8)	(152.3)	(57.5)	(215.0)	98%	
Minority interests in income of consolidated subsidiaries	(14.5)	(13.1)	(5.5)	(33.1)	(40.1)	7.0	(55.0)	60%	
Equity in earnings of affiliated companies – net	33.9	58.1	54.3	146.3	112.1	34.2	180.0	81%	
Net income from continuing operations	137.1	153.4	93.8	384.3	355.0	29.3	420.0	92%	
Gain (loss) from discontinued operations – net (after income tax effect)	0.1	(1.4)	5.8	4.5	(0.2)	4.7	-	-	
Net income	137.2	152.0	99.6	388.8	354.8	34.0	420.0	93%	
Core earnings (*2)	200.4	283.5	269.5	753.4	481.0	272.4	905.0	83%	

(*1) Operating transactions and operating income, as presented above, are voluntary disclosures solely for the convenience of investors in Japan.

Revenue in accordance with Financial Accounting Standard Board Emerging Issues Task Force (EITF) No. 99-19 was 5,077.7 billion yen for the nine months ended December 31, 2008 and 4,411.3 billion yen for the nine months ended December 31, 2007.

(*2) Core earnings = Operating income (before the deduction of provision for doubtful receivables) + Interest expense (net) + Dividend income + Equity in earnings of affiliated companies (net)

(*3) Fiscal 2008 nine-month results have been adjusted, in accordance with the provisions of US GAAP.

Assets and Liabilities	Dec. 31, 2008	Mar. 31, 2008	Mar. 31, 2009 (Forecasts)	Summary of changes from March 31, 2008
Total assets	12,135.0	11,750.4	12,200.0	h. [Total assets] Total assets increased due to an increase in cash and deposits resulting from fund procurement to meet greater working capital requirements and to prepare for financial market instability.
Total shareholders' equity	2,466.4	2,873.5	2,500.0	i. [Total shareholders' equity] Total shareholders' equity declined due to a decrease in the foreign currency translation adjustments account because of the stronger yen, as well as a decrease in unrealized gains on listed shareholdings.
Interest-bearing liabilities (*4) Gross	5,177.0	4,183.6	5,050.0	j. [Interest-bearing liabilities] Interest-bearing liabilities increased due to fund procurement to meet greater working capital requirements and to prepare for financial market instability.
Interest-bearing liabilities (*4) Net	3,872.4	3,421.9	3,950.0	
(Debt-to-equity ratio – Gross)	2.1	1.5	2.0	
(Debt-to-equity ratio – Net)	1.6	1.2	1.6	

(*4) Interest-bearing liabilities do not include the impact of adopting SFAS No. 133.

Cash Flows	For the nine months ended Dec. 31, 2008	Net cash was provided by increased dividends from overseas natural resource-related business investees and increased operating transactions, despite increased working capital requirements.
Operating activities	155.6	... Net cash was used mainly for investments in plant and leasing businesses as well as resource-related investments.
Investing activities	(463.4)	... Reflects an increase in fund raising to meet increased demand for working capital and to prepare for financial market instability.
Free cash flow	(307.8)	
Financing activities	922.8	
Net increase in cash and cash equivalents	540.2	

[Change of major indices]	Nine months ended Dec. 31, 2008	Nine months ended Dec. 31, 2007	Increase or decrease
Crude oil (USD/BBL)	94.3	72.7	+21.6 (+30%)
Foreign Exchange (YEN/USD)	102.9	117.4	-14.5 (12% yen appreciation)
Interest (%)TIBOR	0.85	0.78	+0.07(+ 9%)