Mitsubishi International Corporation and Subsidiaries

(A Wholly-Owned Subsidiary of
Mitsubishi Corporation)

Consolidated Financial Statements as of and for the
Years Ended March 31, 2010 and 2009, and
Independent Auditors' Report

Deloitte.

Deloitte & Touche LLP
Two World Financial Center
New York, NY 10281-1414
USA

Tel: +1 212 436 2000
Fax: +1 212 436 5000
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mitsubishi International Corporation, Inc.
New York, New York

We have audited the accompanying consolidated balance sheets of Mitsubishi International Corporation and subsidiaries (collectively, the "Company") (a wholly-owned subsidiary of Mitsubishi Corporation) as of March 31, 2010 and 2009, and the related consolidated statements of income, change in equity, comprehensive income (loss) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Mitsubishi International Corporation and subsidiaries as of March 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

June 30, 2010

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2010 AND 2009
(In thousands, except for share data)

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (including time deposits of $331,260 in 2010 and $315,133 in 2009)	$ 435,399	$ 378,815
Time deposits	100,000	
Marketable securities	34,959	52,956
Notes and loans receivable:		
Parent and affiliated companies	561,046	372,126
Customers	24,975	24,617
Accounts receivable:		
Customers (after allowance for uncollectible accounts of $876 in 2010 and $2,546 in 2009)	504,104	387,524
Parent and affiliated companies	279,507	421,913
Other	80,401	107,026
Merchandise inventories	716,008	610,409
Leased inventories	796,833	427,747
Guaranty deposits and advances to suppliers	233,512	329,445
Deferred taxes	2,715	1,448
Prepaid expenses and other current assets	9,593	11,986
Total current assets	3,779,052	3,126,012
LONG-TERM LOANS RECEIVABLE FROM PARENT	165,219	143,713
NONCURRENT ADVANCES AND RECEIVABLES AND OTHER ASSETS (after allowance for uncollectible accounts of $6,516 in 2010 and $0 in 2009)	292,616	124,021
INVESTMENTS:		
Investments in affiliated companies	212,488	214,900
Other investments	62,731	92,673
Total investments	275,219	307,573
PROPERTY AND EQUIPMENT — Net	48,181	44,764
DEFERRED TAXES	10,619	23,769
INTANGIBLE ASSETS	13,335	8,973
GOODWILL	15,407	14,774
TOTAL	$ 4,599,648	$ 3,793,599

(Continued)

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2010 AND 2009
(In thousands, except for share data)

	2010	2009
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term debt:		
Parent	$ 67,130	$ 106,000
Other	850,498	589,294
Current maturities of long-term debt	163,001	75,022
Notes payable	14,993	24,892
Accounts payable and accrued expenses:		
Parent and affiliated companies	1,105,247	965,241
Trade creditors	557,698	363,511
Advances from customers	39,178	117,662
Lease liabilities and other	98,374	87,855
Total current liabilities	2,896,119	2,329,477
NONCURRENT LIABILITIES:		
Long-term debt	428,242	476,306
Noncurrent advances from Parent	153,289	46,910
Noncurrent advances from other	102,412	2,927
Other long-term liabilities	68,939	70,998
Total noncurrent liabilities	752,882	597,141
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Stockholder's equity:		
Common stock without par value (authorized — 750,000 shares in 2010 and 2009; issued and outstanding — 710,718 shares in 2010 and 2009)	448,363	448,363
Accumulated other comprehensive income (loss) — net of tax:		
Net unrealized gains (losses) on available-for-sale securities	801	(8,524)
Foreign currency translation adjustments	(11,540)	(25,268)
Net unrealized losses on derivative instruments	(661)	(930)
Defined benefit and other postretirement plans	(8,027)	(6,865)
Retained earnings	509,690	448,679
Total Mitsubishi International Corporation stockholder's equity	938,626	855,455
Noncontrolling interests	12,021	11,526
Total equity	950,647	866,981
TOTAL	$ 4,599,648	$ 3,793,599

See notes to consolidated financial statements. (Concluded)

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009
(In thousands)

	2010	2009
REVENUES:		
Revenues from operating and other activities	$2,317,906	$2,636,286
Margins and commissions on operating transactions	111,096	102,633
Total revenues	2,429,002	2,738,919
OPERATING TRANSACTIONS — $7,888,595 in 2010 and $9,287,273 in 2009		
COST OF REVENUES FROM OPERATING AND OTHER ACTIVITIES	2,208,891	2,538,394
GROSS PROFIT	220,111	200,525
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(145,099)	(145,603)
INTEREST INCOME (Net of interest expense of $10,306 in 2010 and $44,901 in 2009)	3,754	5,983
GAIN ON MARKETABLE SECURITIES AND OTHER INVESTMENTS — Net (net of losses of $5,516 in 2010 and $25,616 in 2009)	6,257	9,942
PROVISION FOR DOUBTFUL ACCOUNTS	(6,750)	(31)
IMPAIRMENT LOSS ON GOODWILL		(9,821)
SUNDRY INCOME (Net of expenses of $4,264 in 2010 and $3,106 in 2009)	17,833	18,729
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, EQUITY IN EARNINGS OF AFFILIATES, AND NONCONTROLLING INTERESTS	96,106	79,724
INCOME TAX PROVISION (BENEFIT):		
Current	30,131	36,618
Deferred	7,246	(7,132)
Total	37,377	29,486
NET INCOME FROM CONTINUING OPERATIONS BEFORE EQUITY IN EARNINGS OF AFFILIATES, AND NONCONTROLLING INTERESTS	58,729	50,238
EQUITY IN EARNINGS OF AFFILIATES — Net (net of losses of $5,982 in 2010 and $17,345 in 2009)	11,430	4,641
INCOME FROM CONTINUING OPERATIONS	70,159	54,879
DISCONTINUED OPERATIONS:		
Loss from discontinued operations	(4,841)	(73,074)
Gain on disposal	15,024	12,775
Income tax (benefit) expense from discontinued operations	(41)	9,656
Total	10,142	(50,643)
NET INCOME	80,301	4,236
ATTRIBUTABLE TO NONCONTROLLING INTERESTS:		
Continued operations	(1,821)	(2,398)
Discontinued operations	201	15,832
Net (income) loss attributable to noncontrolling interest	(1,620)	13,434
NET INCOME ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION	$ 78,681	$ 17,670
AMOUNTS ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION:		
Income from continuing operations	$ 68,338	$ 52,481
Income (loss) from discontinued operations	10,343	(34,811)
NET INCOME ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION	$ 78,681	$ 17,670

See notes to consolidated financial statements.

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009
(In thousands, except for share data)

	2010	2009
SHARES OUTSTANDING — Balances — beginning and end of year	710,718	710,718
COMMON STOCK — Balances — beginning and end of year	$ 448,363	$ 448,363
RETAINED EARNINGS:		
Balances — beginning of year	448,679	526,319
Net income attributable to Mitsubishi International Corporation	78,681	17,670
Cash dividends paid	(17,670)	(95,310)
Balances — end of year	509,690	448,679
ACCUMULATED OTHER COMPREHENSIVE LOSS (NET OF TAX):		
Balances — beginning of year	(41,587)	(19,264)
Unrealized gain (loss) on available-for-sale securities — net of tax expense (benefit) of $6,217 in 2010 and $(1,301) in 2009	9,325	(1,952)
Foreign currency translation adjustments	13,728	(16,754)
Unrealized net gains on derivative instruments — net of tax expenses of $179 in 2010 and $381 in 2009	269	571
Defined benefit pension and other postretirement plans — net of tax benefits of $775 in 2010 and $2,792 in 2009	(1,162)	(4,188)
Balances — end of year	(19,427)	(41,587)
TOTAL MITSUBISHI INTERNATIONAL CORPORATION'S EQUITY	$ 938,626	$ 855,455
NONCONTROLLING INTERESTS:		
Balances — beginning of year	$ 11,526	$ 26,971
Dividends to noncontrolling interests	(2,073)	(2,324)
Equity transactions with noncontrolling interests and other	2,029	233
Net income (loss) attributable to noncontrolling interests	1,620	(13,434)
Other comprehensive income (loss) attributable to noncontrolling interests (net of tax)	(1,081)	80
Balances — end of year	$ 12,021	$ 11,526

See notes to consolidated financial statements.

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009
(In thousands)

	2010	2009
NET INCOME	$ 80,301	$ 4,236
Other comprehensive income (loss):		
Net unrealized gains (losses) on available-for-sale securities	9,325	(1,952)
Net unrealized gains on derivatives	269	571
Defined benefit pension and other postretirement plans	(1,697)	(4,635)
Foreign currency translation adjustments	13,182	(16,227)
Total	21,079	(22,243)
Comprehensive income (loss)	$ 101,380	$ (18,007)
AMOUNTS ATTRIBUTABLE TO NONCONTROLLING INTERESTS:		
Net (income) loss	$ (1,620)	$ 13,434
Other comprehensive income (loss):		
Defined benefit pension and other postretirement plans	535	447
Foreign currency translation adjustments	546	(527)
Total	1,081	(80)
Comprehensive income (loss)	$ (539)	$ 13,354
AMOUNTS ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION:		
Net income	$ 78,681	$ 17,670
Other comprehensive income (loss):		
Net unrealized gains (losses) on available-for-sale securities	9,325	(1,952)
Net unrealized gains on derivatives	269	571
Defined benefit pension and other postretirement plans	(1,162)	(4,188)
Foreign currency translation adjustments	13,728	(16,754)
Total	22,160	(22,323)
Comprehensive income (loss)	$ 100,841	$ (4,653)

See notes to consolidated financial statements.

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009
(In thousands)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 80,301	$ 4,236
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciations and amortization	9,590	22,678
Goodwill impairment		24,450
Realized gain on marketable securities and other investments — net	(6,257)	(9,942)
Gain on disposal of discontinued operations	(15,024)	(12,775)
Loss (gain) on sale of property and equipment	(3,680)	11
Provision for doubtful accounts and other losses	6,833	31
Deferred income taxes	7,246	(4,248)
Equity in earnings of affiliates — net, less dividends received	2,545	10,077
Change in unrealized gain on commodity derivative contracts	9,139	(221,273)
Other		(2,215)
Changes in operating assets and liabilities:		
Notes receivable	(2,006)	34,552
Accounts receivable	111,246	545,664
Merchandise inventories and leased inventories	(151,007)	(165,049)
Guaranty deposits and advances to suppliers	95,934	(19,209)
Prepaid expenses and other current assets	2,552	14,016
Noncurrent advances and receivables and other assets	(138,454)	20,931
Notes payable	(9,899)	13,868
Accounts payable and accrued expenses	(86,253)	(571,771)
Other long-term liabilities	148,255	(28,092)
Net cash provided by (used in) operating activities	61,061	(344,060)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of marketable securities	65,144	108,052
Purchases of marketable securities		(34,462)
Investments in affiliated companies	(8,405)	(57,125)
Proceeds from sales of cost method investments	3,255	14,352
Purchases of other investments	(9,402)	(8,378)
Proceeds from sales of property and equipment	5,537	3,784
Acquisition of new businesses — net	(17,136)	(39,073)
Purchases of property and equipment	(8,893)	(9,809)
Proceeds from sales of affiliated companies	12,729	46,026
Proceeds from sales of businesses		2,664
Collection of loan receivable from affiliated company	103,158	615,449
Increase in loan receivable to affiliated company	(311,698)	(100,212)
Purchases of time deposit	(100,000)	
Net cash (used in) provided by investing activities	(265,711)	541,268

(Continued)

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of Mitsubishi Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009
(In thousands)

	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of short-term debt	$ 369,841	$ 108,621
Repayment of short-term debt	(118,796)	(334,973)
Proceeds from issuance of long-term debt	96,269	114,147
Repayment of long-term debt	(72,566)	(112,949)
Dividends	(17,670)	(95,310)
Dividends to noncontrolling interests	(2,073)	(2,324)
Net cash provided by (used in) financing activities	255,005	(322,788)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	6,229	2,687
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	56,584	(122,893)
CASH AND CASH EQUIVALENTS — Beginning of year	378,815	501,708
CASH AND CASH EQUIVALENTS — End of year	$ 435,399	$ 378,815
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION — Cash paid during the year for:		
Interest	$ 11,124	$ 58,472
Income tax	$ 30,131	$ 33,827

See notes to consolidated financial statements. (Concluded)

1. SIGNIFICANT ACCOUNTING POLICIES

Business Description and Principles of Consolidation — Mitsubishi International Corporation is a wholly-owned subsidiary of Mitsubishi Corporation (the "Parent"), Tokyo, Japan.

The consolidated financial statements include the accounts of Mitsubishi International Corporation and its wholly-owned and majority-owned subsidiaries (collectively, the "Company"). All intercompany accounts and transactions have been eliminated. Consolidation of an entity is also assessed pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, *Consolidation*.

The Company is engaged in various business activities, such as trading activities, financing for customers and suppliers relating to such trading activities, and organizing and coordinating industrial projects through its business networks. The Company's operations are principally in the following areas: industrial finance, fuels, metals, machinery, chemicals and living essentials, each having a diverse customer base.

Most of the Company's subsidiaries and affiliated companies maintain their fiscal year end at March 31st, while the remaining subsidiaries maintain their fiscal year end at December 31st. These December 31st subsidiaries are consolidated into the Company's financial statements with a three-month lag period.

Revenue Recognition — The Company's revenue recognition policies are as follows:

Revenues from Operating and Other Activities — Revenues from operating activities include revenues related to various trading transactions in which the Company acts as a principal, carries commodity inventory, and makes a profit or loss on the spread between bid and asked prices for commodities. These revenues include sales of non-ferrous metals, machinery, chemicals, food products and general consumer merchandise. Revenues from other activities include system developments and implementations, technical support services and sales of other industrial products.

Revenues from sales of various products are recognized at the time the delivery conditions are met. These conditions are usually considered to have been met when the goods are received by the customer or title to the goods is transferred and any future obligations are perfunctory and do not affect the customer's final acceptance of the arrangement. Revenues from services are recorded when the contracted services are rendered to third-party customers pursuant to the agreements.

Margins and Commissions on Operating Transactions — Margins and commissions on operating transactions include revenues from various trading transactions in which the Company acts as a principal or an agent. Through its trading activities, the Company facilitates its customers' purchases and sales of commodities and other products and charges a commission for this service. The Company also facilitates conclusion of the contracts between manufacturers and customers and deliveries of the products between suppliers and customers. Revenues from such transactions are recognized when the contracted services are rendered to third-party customers pursuant to the agreements.

Operating transactions, as presented in the accompanying consolidated statements of income, is a voluntary disclosure and represents the gross transaction volume or the aggregate nominal value of the sales contracts in which the Company acts as principal or agent, but excludes contract value in which the Company serves as broker. When the Company serves as principal or agent, it is responsible for the payment of the inventory purchase price and the collection of the sales proceeds. As a broker, however, the Company earns a commission, without involvement in cash payments or cash collections. Operating transactions should not be construed as equivalent to, or a substitute or a proxy for, revenues or as an indicator of the Company's operating performance, liquidity or cash flows generated by operating, investing or financing activities. The Company has included the operating transactions information because similar Japanese trading companies have generally used it as an industry benchmark. As such, management believes that operating transactions is a useful supplement to the results of operations information for users of the consolidated financial statements.

Additionally, gross profit represents gross margin (revenues less cost of revenues) on transactions in which the Company acts as principal and commissions on transactions in which the Company serves as agent or broker. This presentation conforms to the industry practice for Japanese trading companies.

Cash Equivalents — For purposes of the consolidated statements of cash flows, the Company considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents. Time deposits with an original maturity of three months or less are also classified as cash equivalents.

Marketable Securities — In accordance with ASC 320, *Investments*, the Company classifies its investments as available-for-sale, based on the Company's intent with respect to those securities. Available-for-sale investments are carried at fair value with unrealized gains and losses recorded, net of tax, as accumulated other comprehensive income (loss), which is a component of equity.

The Company reviews its investment securities portfolio on a quarterly basis to identify and evaluate investments that have indications of possible other-than-temporary impairment. Such securities are written down to their fair value when there is impairment in value that is other than temporary. The determination of whether or not other-than-temporary impairment exists is a matter of judgment. Factors considered in determining whether a loss is temporary include the length of time and the extent to which fair value has been less than the cost basis, the financial condition and credit quality of the security issuer, and the Company's ability and intent to hold the investment securities for a period of time sufficient to allow for any anticipated recovery in market value. When the Company does not intend to sell the investment securities, and it is more likely than not the Company will not have to sell the investment securities before recovery of its cost basis, the Company recognizes the credit component of an other-than-temporary impairment of the investment securities in earnings and the remaining portion in other comprehensive income (loss).

During the year ended March 31, 2010, the Company determined that certain decline of the fair value of available-for-sale debt securities were indicative of other-than-temporary impairment, primarily due to evidence of credit quality issues. For the years ended March 31, 2010 and 2009, the Company recorded impairment losses of $910 and $14,662, respectively, on such available-for-sale debt securities, which were included in "Gain on marketable securities and other investments — net" in the accompanying consolidated statements of income.

Inventories — Inventories, except for certain commodities inventories that are accounted for at fair value in accordance with ASC 330, *Inventory*, are stated at the lower of cost (principally on the moving-average basis or a specific-identification basis) or market value. Inventories leased out to customers are classified as "Leased inventories" on the Company's consolidated balance sheets.

The Company has presented in the consolidated balance sheets assets and liabilities related to its leased precious metal positions. The amounts related to precious metal lease positions consist of assets of $796,833 and $427,747 and liabilities of $821,820 and $624,600 as of March 31, 2010 and 2009, respectively. The balances are included in “Leased inventories”, “Accounts payable and accrued expenses: Parent and affiliated companies”, and “Accounts payable and accrued expenses: Lease liabilities — other”.

Investments — The equity method of accounting is used for investments in affiliated companies over which the Company has significant influence, but does not have effective control. Significant influence is generally deemed to exist when the Company has an ownership interest in the voting stock of the investee of between 20% and 50%, although other factors, such as representation on the investee’s Board of Directors, voting rights and the impact of commercial arrangements, are also considered in determining whether the equity method of accounting is appropriate. The Company records its percentage of earnings (losses) from affiliated companies in “Equity in earnings of affiliates — net” in the consolidated statements of income.

A number of entities in which the Company holds less than 20% have been accounted for on the equity method due to significant influence achieved by combined interests held by the Parent or other affiliates.

The cost method of accounting is used for investments in which the Company has less than a 20% ownership interest, and the Company does not have the ability to exercise significant influence. These investments are carried at cost and are adjusted only for other-than-temporary declines in fair value. The Company tests for triggering events that could result in impairments every quarter. The Company recorded impairment charges of $3,920 and $5,011 for the years ended March 31, 2010 and 2009, respectively, which were included in “Gain on marketable securities and other investments — net” in the accompanying consolidated statements of income.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of — The Company reviews long-lived assets, other than goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired because the carrying amount exceeds the gross cash flows, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairments of long-lived assets for the years ended March 31, 2010 and 2009, respectively.

Property and Equipment — Property and equipment are recorded at cost less accumulated depreciation and amortization.

Business Combinations — In accordance with ASC 805, *Business Combinations*, all business combinations are accounted for by the acquisition method. Goodwill is the excess of the purchase price over the fair value of net assets, including the amount assigned to the identifiable intangible assets acquired.

Goodwill Impairment — Pursuant to the provisions of ASC 350, *Intangibles — Goodwill and Other*, goodwill is no longer amortized, but instead is measured for impairment at least annually or when events indicate that impairment exists.

Goodwill impairment is determined using a two-step process. Goodwill is allocated to various reporting units, which are either an operating segment or one reporting level below an operating segment. The first step of the goodwill impairment test is to compare the fair value of each reporting unit to its carrying amount to determine if there is potential impairment. If the fair value of the reporting unit is less than its carrying value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value was the purchase price paid to acquire the reporting unit.

Determining the fair value of a reporting unit under the first step of the goodwill impairment test and determining the fair value of individual assets and liabilities of a reporting unit under the second step of the goodwill impairment test is judgmental in nature and often involves the use of significant estimates and assumptions. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and also the extent of such charge. The Company's estimates of fair value utilized in goodwill and other indefinite-lived intangible asset tests may be based upon a number of factors, including assumptions about the projected future cash flows, discount rate, and growth rate, determination of market comparables, technological change, economic conditions or changes in the business operations. Such changes may result in impairment charges recorded in future periods.

Amortization of Intangibles — Intangible assets include primarily customer relationships, trademarks and employment agreements. Such intangibles assets are amortized on a straight-line basis over their estimated useful lives, which are generally four to twenty years.

Derivative Instruments — In accordance with ASC 815, *Derivatives and Hedging*, all derivative instruments are recognized and measured at fair value as either assets or liabilities in the consolidated balance sheets.

The Company uses derivative instruments to manage exposures to foreign currency and interest rate risks. Interest rate swaps are utilized to hedge interest rate exposures. Cross-currency interest rate swaps are utilized to hedge both the currency and interest rates exposure to help facilitate borrowings made in foreign currencies to be converted into U.S. dollar obligations.

In addition, the Company has foreign exchange forward contracts that have been entered into principally to manage exposure to transaction and translation risk associated with certain assets, obligations and commitments denominated in foreign currencies. Such contracts have not been designated as fair value hedges for accounting purposes and are marked to market with changes in fair value recognized in earnings.

In the normal course of business, the Company enters into commodity forward and futures contracts to reduce its exposures to price fluctuations on certain of its long-term commitments and inventory positions in such commodities (principally aluminum, coffee and cocoa, each of which is traded on a terminal market).

Income Taxes — Income taxes are accounted for in accordance with ASC 740, *Income Taxes*. Under this guidance, temporary differences between the financial and income tax bases of assets and liabilities are recognized as deferred income taxes, using enacted tax rates applicable to the periods in which the differences are expected to effect taxable income. Valuation allowances are established when it is more likely than not that some or all of the deferred tax assets will not be recognized.

In June 2006, the FASB issued updates to guidance in ASC 740, *Income Taxes*. This updated guidance clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for financial statement disclosure of a tax position taken or expected to be taken in a tax return. The guidance also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The updated guidance has been applied to all tax positions commencing from that date. The Company records potential interest and penalties related to unrecognized tax benefits as part of income tax expense.

Noncontrolling Interest — Effective April 1, 2009, the Company adopted the updated guidance in ASC 810, *Consolidation*, which establishes and expands accounting and reporting standards for noncontrolling interests in a subsidiary and the deconsolidation of a subsidiary. As a result of the Company's adoption of this updated guidance, amounts previously reported as minority interests in the consolidated balance sheets are now presented as noncontrolling interests as a component of equity. Also effective with the adoption of ASC 810, previously reported minority interests have been recharacterized on the accompanying consolidated statements of income as noncontrolling interests and placed below net income before arriving at net income attributable to the Company. As a result of the adoption, the Company reclassified the amount previously recorded as minority interest of $26,971 as a component of equity and reclassified the amount previously recorded as minority interest of $13,434 as noncontrolling interest, which represents the noncontrolling interest's share of income.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant judgment and estimates are required in the determination of the allowances against accounts receivables, inventories and deferred tax assets, assumptions used in the calculation of pension and other long-term employee benefit accruals, legal and other accruals for contingent liabilities, and the determination of the carrying value of long-lived assets, among other items. Actual results could differ from those estimates.

Concentration Risk — The Company in the normal course of business is a party to various financial instruments. The Company engages in operating transactions with a significant number of customers in a wide variety of industries, and the Company's receivables from and guarantees to such parties are broadly diversified. Consequently, in management's opinion, no significant concentration of credit risk exists for the Company. Credit risk exposure of these financial instruments in the event of counterparty nonperformance is controlled through credit approvals, limits and monitoring procedures based on the credit policies.

Foreign Currency Transactions — Assets and liabilities of foreign subsidiaries have been translated at current exchange rates at the balance sheet date, and related revenues and expenses have been translated at average exchange rates in effect during the period. Cumulative translation adjustments are included as a component of accumulated other comprehensive income (loss) in the consolidated statements of changes in equity.

Transactions in foreign currencies are recorded at the exchange rate in effect at the transaction date and are recorded in "Sundry income, net" on the Company's consolidated statements of income. Gains or losses from foreign currency transactions, such as those resulting from the settlement of foreign receivables or payables during the period, are recognized in the consolidated statements of income in such period. The aggregate transaction losses (net of transaction gains) for the year ended March 31, 2010 was $2,202 and the aggregate transaction gains (net of transaction losses) for the year ended March 31, 2009 was $1,161.

Comprehensive Income — In accordance with ASC 220, *Comprehensive Income*, the Company has included amounts for comprehensive income (which consists of net income and other comprehensive income (loss)) in the consolidated statements of changes in equity and the consolidated statements of comprehensive income (loss). Other comprehensive income (loss) consists of all changes to stockholder's equity other than those resulting from net income (loss) and shareholder transactions. For the Company, other comprehensive income (loss) consists of foreign currency translation adjustments, defined benefit plans, its share of unrealized gains (losses) on derivatives accounted for as cash flow hedges by the Company's equity method investees, and unrealized gains (losses) on available-for-sale securities, on a net of tax basis, where applicable. Accumulated other comprehensive income (loss), which is primarily the cumulative amount of other comprehensive income (loss), is a separate component of total stockholder's equity.

Reclassifications — Reclassifications have been made to the prior year consolidated financial statements to conform to the current year's presentation. The prior year consolidated balance sheet reflects the reclassification of $427,747 of leased inventories which were previously included within "Accounts receivable: Other" of $150,957 and "Merchandise inventories" of $276,790, reclassification of $11,102 of "Notes and loans receivable: Affiliated companies" into "Notes and loans receivable: Parent and affiliated companies", and reclassification of $64,360 of "Accounts receivable: Affiliated companies" to "Accounts receivable: Parent and affiliated companies". In addition, $3,785 previously reported as "Accounts payable and accrued expenses: Lease liabilities and other" has been reclassified to "Accounts payable and accrued expenses: Parent and affiliated companies" and $2,927 previously reported as "Noncurrent advances" has been reclassified to "Noncurrent advances from other".

These reclassifications had no impact on total assets and total current liabilities or any debt covenants. Accordingly, management believes these reclassifications are immaterial to the Company's consolidated financial statements.

Certain other reclassifications have been made to the prior year's consolidated financial statements to present the disposition of a subsidiary during the fiscal year ended March 31, 2010 as a discontinued operation in the consolidated financial statements and footnotes for all periods presented.

New Accounting Standards — In June 2009, the FASB issued ASC 105, *Generally Accepted Accounting Principles*, which approved the FASB Accounting Standards Codification (the "Codification") as the single source of authoritative generally accepted accounting principles ("GAAP"). The Codification is effective for annual periods ending after September 15, 2009. The adoption of ASC 105 did not impact the Company's consolidated financial position or results of operations. All accounting references within these financial statements are in accordance with the new Codification.

In May 2009, the FASB issued guidance in ASC 855, *Subsequent Events*. This guidance establishes general standards of accounting for and disclosures of events that occur after the balance sheet date, but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date (i.e., whether that date represents the date the financial statements are issued or are available to be issued). This guidance is effective for annual periods ending after June 15, 2009. In February 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-09, *Amendments to Certain Recognition and Disclosure Requirements*. ASU No. 2010-09 amended ASC 855 to, among other things, define "revised financial statements" as financial statements revised as a result of the correction of an error or retrospective application of GAAP and to require an entity to update its evaluation of subsequent events through the date the revised financial statements are issued or are available to be issued. This update was effective upon issuance and therefore was effective for the Company for the year ended March 31, 2010. The Company has evaluated subsequent events through June 30, 2010, the date the consolidated financial statements were available for issuance. (See Note 16.)

In February 2008, the FASB issued updated guidance under ASC 820, *Fair Value Measurements and Disclosures*, which delays the effective date of the fair value disclosures for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis, to fiscal years beginning after November 15, 2008. The Company adopted the updated guidance as of April 1, 2009. (See Note 14.)

In June 2009, the FASB issued new guidance under ASC 810, *Consolidation*. In February 2010, this guidance was amended by ASU 2010-10, *Amendments to Statement 167 for Certain Investment Funds*. This updated guidance defers the application of ASC 810 for certain interests in an entity that has all of the attributes of an investment company, or for which it is industry practice to apply measurement principles for financial reporting that are consistent with those investment companies apply, or the entity is a registered money market fund. An entity that qualifies for the deferral will continue to be assessed under the overall guidance on the consolidation of variable interest entities before the ASC 810 amendments. ASU 2010-10 also clarifies other aspects of the ASC 810 amendments. ASC 810 changes the consolidation guidance applicable to a variable interest entity ("VIE"). It also amends the guidance governing the determination of whether an entity is the VIE's primary beneficiary (the reporting entity that must consolidate the VIE) by requiring a qualitative analysis rather than a quantitative analysis. The qualitative analysis will include consideration of who has the power to direct the activities of the entity that most significantly impacts the entity's economic performance and who has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. This guidance also requires continuous reassessment of whether an enterprise is the primary beneficiary of a VIE. Before this guidance, FASB Interpretation No. 46(R) required reconsideration of whether an enterprise was the primary beneficiary of a VIE only when specific events had occurred. The new guidance also requires enhanced disclosures about an entity's involvement with a VIE. This guidance is effective for fiscal reporting periods beginning after November 15, 2009. The Company is in the process of determining the impact, if any, on its consolidated financial statements of adopting this guidance.

In December 2007, the FASB issued guidance in ASC 805, *Business Combinations*. This new guidance requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at its fair values as of that date. The new guidance also requires the acquirer in a business combination which is achieved in stages to recognize the identifiable assets and liabilities, as well as the noncontrolling interest in the acquiree, at the full amounts or its fair values. This guidance applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company adopted this guidance beginning April 1, 2009 and such guidance had no effect on the Company's consolidated financial statements.

In March 2008, the FASB amended disclosure requirements under ASC 815, *Derivatives and Hedging*. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. To meet those objectives, this statement requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair values amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. This guidance is effective for fiscal years and interim periods beginning after November 15, 2008. The Company adopted this new guidance as of April 1, 2009. (See Note 5 of the consolidated financial statements.)

In April 2008, the FASB issued new guidance under ASC 350, *Intangibles − Goodwill and Other*. This guidance amends the factors that should be considered in developing the renewal or extension assumptions used to determine the useful life of a recognized intangible asset. The intent of the new guidance is to improve the consistency between the useful life of a recognized intangible asset under ASC 350 and the period of expected cash flows used to measure the fair value of the asset under ASC 805, and other accepted accounting principles generally accepted in the United States of America. This guidance is effective for fiscal years beginning after December 15, 2008. The adoption of the new guidance did not have a material impact on the consolidated financial statements.

In December 2008, the FASB issued new guidance under ASC 715, *Compensation*. This guidance requires employers to provide additional disclosures about plan assets of a defined benefit pension or other postretirement plan. These disclosures principally include information detailing investment policies and strategies, the major categories of plan assets, the inputs and valuation techniques used to measure the fair value of plan assets and an understanding of significant concentrations of risk within plan assets. The new disclosures are required to be included in financial statements for fiscal years ending after December 15, 2009. The Company provided the enhanced disclosures required by this guidance in its consolidated financial statements for the year ended March 31, 2010. (See Note 15 of the consolidated financial statements.)

In April 2009, the FASB issued new guidance under ASC 320, *Investments*. This guidance changes the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of the impairment to be recorded in earnings. This guidance is effective for interim and annual periods ending after June 15, 2009. The Company provided the enhanced disclosures required by this guidance in its consolidated financial statements for the year ended March 31, 2010. (See Note 4 of the consolidated financial statements.)

In April 2009, the FASB issued new guidance under ASC 805. This guidance eliminates the distinction between contractual and non-contractual contingencies related to initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. This guidance requires that an asset or liability arising from a contingency that would be within the scope of ASC 450, *Contingencies*, be recognized at the acquisition date at fair value if fair value can be reasonably determined during the measurement period. This guidance provides guidance for assessing when fair value can be reasonably determined. If those conditions are not met, assets acquired and liabilities assumed are not recognized at the acquisition date. In subsequent periods, those assets and liabilities are accounted for under ASC 450 or other applicable GAAP. Accounting for contingent consideration arrangements remains unchanged. This guidance is effective for business combinations for which the acquisition date was on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption as of this guidance did not have any impact on the consolidated financial statements.

In August 2009, the FASB issued ASU No. 2009-05, *Fair Value Measurements and Disclosures (Topic 820) — Measuring Liabilities at Fair Value*. ASU No. 2009-05 provides amendments for fair value measurements of liabilities. It provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more techniques. It also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. ASU No. 2009-05 is effective for the first interim or annual reporting period beginning after August 28, 2009. The adoption of this standard did not have a material impact on the consolidated financial statements.

In October 2009, the FASB issued ASU No. 2009-13, *Revenue Recognition (Topic 605) — Multiple Deliverable Revenue Arrangements (a Consensus of the FASB Emerging Issue Task Force ("EITF"))*. ASU No. 2009-13 modifies ASC 605-25, *Revenue Recognition — Multiple-Element Arrangements*. ASU No. 2009-13 requires an entity to allocate the revenue at the inception of an arrangement to all of its deliverables based on their relative selling prices. This guidance eliminates the residual method of allocation of revenue in multiple deliverable arrangements and requires the allocation of revenue based on the relative-selling-price method. The determination of the selling price for each deliverable requires the use of a hierarchy designed to maximize the use of available objective evidence, including, vendor-specific objective evidence ("VSOE"), third-party evidence of selling price ("TPE"), or estimated selling price ("ESP"). This update will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The Company is currently assessing the potential impacts, if any, on the consolidated financial statements.

In December 2009, the FASB issued ASU No. 2009-16, *Accounting for Transfers of Financial Assets*, which is an amendment of ASC 860, *Transfers and Servicing*. This update will require more information about the transfer of financial assets. More specifically, ASU No. 2009-16 eliminates the concept of a "special purpose entity", changes the requirements for derecognizing financial assets, and enhances the information reported to users of financial statements. This update will be effective for fiscal years beginning on or after November 15, 2009. Early application is not permitted. The Company is currently assessing the potential impacts, if any, on the consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures of Fair Value Measurements*, which amends ASC 820, *Fair Value Measurements*, to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. The ASU No. 2010-06 also requires entities to provide fair value measurement disclosures for each class of assets and liabilities and about inputs and valuation techniques used to measure fair value. The Company adopted this ASU No. 2010-06 as of March 31, 2010 and provided the required disclosures in Note 14.

2. PROPERTY AND EQUIPMENT — NET

Property and equipment — net at March 31, 2010 and 2009, consisted of the following:

	2010	2009
Property leased to others	$ -	$ 13,589
Leasehold improvements	11,108	9,711
Land and land improvements	1,048	890
Building and structures	10,209	8,860
Machinery and equipment	40,562	32,265
Furniture, fixtures and vehicles	11,287	11,374
Construction in progress	561	706
Capitalized software costs	12,349	12,894
Total	87,124	90,289
Less accumulated depreciation and amortization	(38,943)	(45,525)
Net	$ 48,181	$ 44,764

Depreciation and amortization expense for the years ended March 31, 2010 and 2009 was $8,651 and $9,429, respectively. Depreciation is determined principally on a straight-line basis over the estimated useful lives of the property. Leasehold improvements are amortized on the straight-line basis over the estimated useful life of the property or the life of the lease, whichever is shorter. Maintenance and repair expenses are expensed as incurred.

During the fiscal year ended March 31, 2010, the Company disposed of its leased property which was classified as “Property leased to others” in the prior year. The gain on the disposal of this leased property was immaterial to the Company’s consolidated statements of income.

The useful lives used in computing depreciation and amortization are based on the Company’s estimate of the service life of the classes of property and as follows:

	Years
Leasehold improvements	5–18
Building and structures	15–50
Machinery and equipment	3–20
Furniture, fixtures and vehicles	3–9
Capitalized software costs	3

3. ACQUISITIONS, GOODWILL AND INTANGIBLE ASSETS

Acquisitions — On December 18, 2009, the Company, through one of its subsidiaries, acquired 100% of the shares of C&H Packaging Company, Inc. (“C&H”), a Wisconsin-based converter of flexible packaging for the food industry, for a total purchase price of $17,136.

The C&H acquisition was accounted for using the acquisition method of accounting. The excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill. Based upon the Company's allocation of the purchase price, the fair value of the assets acquired and liabilities assumed, on December 18, 2009 were as follows:

Assets acquired:	
Current assets	$ 8,062
Property, plant and equipment	4,881
Intangible assets	5,240
Goodwill	633
Total assets	18,816
Liabilities assumed — total liabilities	1,680
Cash paid — net	$ 17,136

The acquired intangible asset consists of a customer list of $5,240, which is being amortized over a useful life of 15 years using the straight-line method.

The results of operations of C&H have been included in the Company's results of operations for the year ended March 31, 2010 (as part of the Company's Industrial Finance segment) commencing on the acquisition date. The entity has a December 31st year end and the acquired assets and liabilities have been included in Company's consolidated balance sheet at March 31, 2010.

On January 14, 2008, the Company, through one of its subsidiaries that has a December 31 year end, acquired 93.8% of the shares of W.C. Wood Holdings, Inc. ("Woods"), a Canadian-based company, involved in producing and marketing of consumer and commercial appliances, for a cash consideration of $19,942. In addition, the Company incurred professional fees and other acquisition-related costs of $5,640. As part of the Woods acquisition, the Company developed and approved a plan to exit certain product lines and facilities. Consequently, the Company recognized liabilities associated with exit activities of $5,061 and incurred an asset impairment loss of $2,355.

This acquisition was accounted for using the purchase method of accounting. Based upon the Company's allocation of the purchase price, the fair value of the assets acquired and liabilities assumed, on January 14, 2008, were as follows:

Assets acquired:	
Current assets	$ 65,694
Property, plant and equipment and other non-current assets	31,786
Trademarks and customer lists	7,538
Total assets	105,018
Liabilities assumed — total liabilities	(39,903)
Total net assets acquired	65,115
Negative goodwill allocated to reduce long-lived assets above	(39,324)
Excess negative goodwill recorded as extraordinary gain	(209)
Purchase price	$ 25,582

The assets acquired and liabilities assumed in the Woods acquisition were at an amount below the fair value, resulting in negative goodwill of $209 (included in Sundry income). In accordance with ASC 805, any negative goodwill is required to first be allocated to reduce the value of long-lived assets on a pro-rata basis. The final purchase price allocated to proportionately reduce the assigned values of acquired property, equipment and acquired intangible assets amounted to $39,324.

On March 7, 2008, the Company, through one of its subsidiaries, acquired 100% of the shares of EBR Holdings Limited ("EBR"), a U.K.-based company, involved in providing flexographic printing and conversion services and supplying printed polymers and flexible materials for a total purchase price of $13,491, consisting of cash consideration of approximately $12,875 and professional fees and other related costs incurred of approximately $616.

The EBR acquisition was accounted for using the purchase method of accounting. The excess of the purchase price over the fair value of the net assets acquired and liabilities assumed has been recorded as goodwill. Based upon the Company's allocation of the purchase price, the fair value of the assets acquired and liabilities assumed, on March 7, 2008, were as follows:

Assets acquired:	
Current assets	$ 10,463
Property, plant and equipment	4,005
Intangible assets	5,400
Goodwill	990
Total assets	20,858
Liabilities assumed — total liabilities	7,367
Purchase price	$ 13,491

The acquired intangible asset consists of a customer list of $5,400, which is being amortized over a useful life of fifteen years. The purchase agreement calls for additional consideration to be paid by the Company, through one of its subsidiaries, to the sellers if the actual revenue of the acquired company exceeds certain thresholds as stated in the agreement for the twelve-month period ended December 31, 2008. The Company has reviewed actual revenues for this period and determined that the revenue thresholds have not been exceeded. No additional consideration has been recorded in these consolidated financial statements.

The results of operations of Woods and EBR have been included in the Company's results of operations for the year ended March 31, 2009 (as part of the Company's Industrial Finance segment) commencing on their respective acquisition dates. Both entities have a December 31st year end and the acquired assets and liabilities have been included in the Company's consolidated balance sheet at March 31, 2009.

During the fiscal year ended March 31, 2010, the Company reorganized the structure of its operating segments. Certain subsidiaries of the Company's asset management business which performed the business acquisitions were transferred from the Corporate segment to the Industrial Finance segment. (See Note 8.)

Goodwill — The following table summarizes the changes in the carrying amount of goodwill for the years ended March 31, 2010 and 2009:

	Industrial Finance	Metals	Chemicals	Living Essentials	Total
Balance — April 1, 2008:					
Goodwill	$ 39,292	$ 1,279	$ 14	$ 303	$ 40,888
Accumulated impairment losses	(1,785)	(852)	(11)	(6)	(2,654)
	$ 37,507	$ 427	$ 3	$ 297	$ 38,234
Purchase accounting adjustments related to acquisition	$ 990	$ -	$ -	$ -	$ 990
Disposal of business	$ (14,629)	$ -	$ -	$ -	$ (14,629)
Impairment losses	$ (9,821)	$ -	$ -	$ -	$ (9,821)
Balance — March 31, 2009:					
Goodwill	$ 25,653	$ 1,279	$ 14	$ 303	$ 27,249
Accumulated impairment losses	(11,606)	(852)	(11)	(6)	(12,475)
	$ 14,047	$ 427	$ 3	$ 297	$ 14,774
Purchase accounting adjustments related to acquisition	$ 633	$ -	$ -	$ -	$ 633
Balance — March 31, 2010:					
Goodwill	$ 26,286	$ 1,279	$ 14	$ 303	$ 27,882
Accumulated impairment losses	(11,606)	(852)	(11)	(6)	(12,475)
	$ 14,680	$ 427	$ 3	$ 297	$ 15,407

The Company’s goodwill of $15,407 and $14,774 as of March 31, 2010 and 2009, respectively, was subject to impairment testing. The majority of the goodwill has been generated from business acquisitions through the Corporate and Industrial Finance segments of the Company. Changes in the carrying amount of goodwill during the years ended March 31, 2010 and 2009 were as follows:

Balance — April 1, 2008	$ 38,234
Impairment	(9,821)
Disposal of businesses — see Note 13 on discontinued operations	(14,629)
Acquisition of EBR	990
Balance — March 31, 2009	14,774
Acquisition of C&H	633
Balance — March 31, 2010	$ 15,407

The fair value of these subsidiaries is tested annually or when events indicate that impairment may exist. The Company utilized a combination of discounted cash flows and trading comparables approaches to estimate the fair value of these subsidiaries in the first step of goodwill impairment testing. Under the discounted cash flows approach, the fair value of this subsidiary is calculated based on the present value of estimated future cash flows. Under the trading comparables approach, fair value is estimated based on the average ratio of market multiples of revenue or earnings for comparable companies.

At March 31, 2009, the Company identified indicators of potential impairment at one of its subsidiaries. That was primarily due to recurring operating losses for this subsidiary during fiscal 2008, coupled with a loss of a major customer and continued deterioration of the general economy and consumer confidence during the fourth quarter of 2009. The results of the goodwill impairment analysis indicated an impairment amount of $9,821 for the year ended March 31, 2009. During the fiscal year ended March 31, 2010, the Company performed impairment tests of its goodwill, but no impairment was identified through the tests.

Intangible assets — Intangible assets subject to amortization as of March 31, 2010 and 2009 consist of the following:

2010	**Gross Carrying Amount**	**Accumulated Amortization**	**Net**
Trademarks	$ 2,244	$ 953	$ 1,291
Customer relationships	13,082	1,118	11,964
Employment agreements and other	794	714	80
Total	$ 16,120	$ 2,785	$ 13,335
2009			
Trademarks	$ 2,152	$ 646	$ 1,506
Customer relationships	7,842	636	7,206
Employment agreements and other	794	533	261
Total(a)	$ 10,788	$ 1,815	$ 8,973

(a) During the fiscal year ended March 31, 2009, the Company sold one of its subsidiaries, Avon within its Corporate segment. As a result, the Company no longer consolidates the intangible assets of Avon in the Company's consolidated balance sheet.

Amortization expense on the Company's intangible assets for the fiscal years ended March 31, 2010 and 2009 was $892 and $786, respectively.

Estimated future amortization expense of the intangible assets for the next five years is as follows:

Year	
2011	$ 1,054
2012	1,054
2013	1,054
2014	1,054
2015	1,054
Total	$ 5,270

4. INVESTMENTS IN AFFILIATED COMPANIES AND OTHER INVESTMENTS

Investments in Affiliated Companies — The Company has investments in a number of affiliates, which are accounted for under the equity method. The Company's significant equity method investees and its approximate ownership interests in each investee were as follows as of March 31, 2010 and 2009:

	2010(a)			2009(b)		
	Ownership Interest	Ownership Equity	Ownership Earnings	Ownership Interest	Ownership Equity	Ownership Earnings
Metal One Holdings America, Inc.	12.00 %	$ 40,525	$ 3,204	12.00 %	$ 38,218	$ 7,036
Petro-Diamond Inc.	50.00	31,602	3,419	50.00	34,056	5,750
MCX Gulf of Mexico	5.00	28,828	(1,236)	5.00	28,279	(9,637)
Indiana Packers Corp.	10.00	14,008	1,731	10.00	13,167	1,843
CIMA Energy Ltd.	13.60	11,521	2,507	13.60	9,428	1
Mitsubishi do Brasil S.A.	16.82	10,781	661	16.82	11,853	884
MC Credit Products Fund Ltd.	20.00	10,093	924	20.00	17,888	(5,128)
Agrex	10.00	9,842	1,607	10.00	8,769	1,429
Diamond Nebraska	5.00	9,460	1,662	5.00	8,750	1,933
MC Machinery Systems Inc.	20.00	6,196	(967)	20.00	7,306	426
MC Life Science Ventures	19.26	5,781	(562)	19.26	6,317	(618)
Aladdin Capital Holdings LLC	3.90	4,135	(2,681)	3.90	7,131	87

(a) During the year ended March 31, 2010, the Company recorded an impairment loss of $2,881 associated with its investment in Aladdin Capital Holdings LLC, which is included in equity in earnings of affiliates on the Company's consolidated statement of income.

(b) During the year ended March 31, 2009, the Company acquired CIMA Energy Ltd., MC Credit Products Fund Ltd., and Aladdin Capital Holdings LLC, which have been accounted for as equity method investments. During the year ended March 31, 2009, the Company sold its investment in HTR Holding Corp. at a gain of $31,827 which is included in "Gain on Marketable Securities and Other Investments" on the Company's consolidated statement of income.

The Company's share of earnings of these affiliates is included in "Equity in earnings of affiliates" on the consolidated statements of income. For the years ended March 31, 2010 and 2009, the Company received dividends from affiliates of $13,975 and $14,718, respectively. The Company's total investments in affiliates as of March 31, 2010 and 2009 were $212,488 and $214,900, respectively, which are included in "Investments in affiliated companies" on the consolidated balance sheets.

The summarized unaudited financial information below for the years ended March 31, 2010 and 2009 represents an aggregation of all the Company's affiliates which have been accounted for under the equity method:

Statements of Operations	**2010**	**2009**
Net sales	$ 9,022,064	$ 12,407,577
Gross profit	712,027	901,435
Net earnings	271,692	67,787

Statements of Financial Condition	**2010**	**2009**
Current assets	$ 2,283,603	$ 2,460,191
Non-current assets	2,769,222	2,782,047
Total assets	$ 5,052,825	$ 5,242,238
Current liabilities	$ 1,538,695	$ 1,908,397
Non-current liabilities	1,862,504	1,955,578
Stockholders' equity	1,651,626	1,378,263
Total liabilities and stockholders' equity	$ 5,052,825	$ 5,242,238

Diamond Plastics Corp., in which the Company has more than a 20% of interest, is not being accounted for under the equity method due to the Company's inability to exercise significant influence over its operating and financial policies.

The total carrying value of cost method investments, included in "Other investments" in the consolidated balance sheets as of March 31, 2010 and 2009 was $30,727 and $26,239 respectively.

For cost method investments, the Company evaluates information (e.g., budgets, business plans, financial statements) in determining whether an other-than-temporary decline in value exists. Factors indicative of an other-than-temporary decline include recurring operating losses, credit defaults, and subsequent rounds of financings at an amount below the cost basis of the investment. This list is not all inclusive and we weigh all quantitative and qualitative factors in determining if an other-than-temporary decline in value of an investment has occurred. When a decline in value is deemed to be other-than-temporary, we recognize an impairment loss in the current period's operating results to the extent of the decline.

Marketable Securities — The total fair value of the marketable securities classified as "current" at March 31, 2010 and 2009 was $34,959 and $52,956, respectively. The total fair value of the marketable securities classified as "non-current" at March 31, 2010 and 2009 was $32,004 and $66,434, respectively.

The following table is the summary of marketable securities held by the Company at March 31, 2010 and 2009:

	2010				2009			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities:								
Marketable equity securities	$ 426	$ -	$ (70)	$ 356	$ 442	$ -	$ (177)	$ 265
Debt securities	67,504	12	(909)	66,607	133,308	425	(14,608)	119,125

Maturities of debt securities included in marketable securities are as follows at March 31, 2010 and 2009, respectively:

	2010		2009	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due through one year	$ 35,002	$ 34,959	$ 54,542	$ 52,956
Due after one year to five years	32,502	31,648	78,766	66,169
Total	$ 67,504	$ 66,607	$ 133,308	$ 119,125

The following table sets forth gross unrealized losses and the fair value of the Company's investments which have unrealized losses that are not deemed to be other than temporary, aggregated by investment category and by the length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2010 and 2009:

	Less Than 12 Months		12 Months or Longer		Total	
2010	Fair Value	Unrealized Value Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ -	$ -	$ 356	$ (70)	$ 356	$ (70)
Debt securities			46,614	(909)	46,614	(909)
Total	$ -	$ -	$ 46,970	$ (979)	$ 46,970	$ (979)

	Less Than 12 Months		12 Months or Longer		Total	
2009	Fair Value	Unrealized Value Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 265	$ (177)	$ -	$ -	$ 265	$ (177)
Debt securities	17,736	(221)	94,086	(14,387)	111,822	(14,608)
Total	$ 18,001	$ (398)	$ 94,086	$ (14,387)	$ 112,087	$ (14,785)

The Company considers the investment rating, the contractual nature of the investments, the underlying collateral, the rights and priority of the investment's cash flows and the condition of the issuers to determine if the marketable securities are other-than-temporarily impaired. Based on the analysis performed, the Company currently believes that all amounts will be redeemed upon maturing of these investments and the Company does not consider any investments to be other-than-temporarily impaired at March 31, 2010.

The above considerations are used for recognizing and measuring the amount related to credit losses as well. For the fiscal years ended March 31, 2010 and 2009, the Company did not record any credit losses on the marketable securities.

During the years ended March 31, 2010 and 2009, the proceeds from sales and maturities of marketable securities were $65,144 and $108,052, respectively. The gross realized gains on such securities for the years ended March 31, 2010 and 2009 amounted to $938 and $0, respectively. The gross realized losses on the securities for the years ended March 31, 2010 and 2009 amounted to $1,597 and $19,877, respectively. The basis on which cost was determined in computing the realized gains and losses is specific identification. The gross unrealized losses on the securities that were not deemed to be other-than-temporary were $980 and $14,785, respectively at March 31, 2010 and 2009. The gross unrealized gains were not significant as of March 31, 2010 and 2009. The changes in net unrealized holding gains and losses on the securities that were included in earnings for the years ended March 31, 2010 and 2009 were losses of $4,798 and $5,542, respectively.

As of March 31, 2010, investments in marketable debt securities have remaining maturities primarily between two months and five years. The Company does not intend to sell and it is not more-likely-than not that the Company will be required to sell the non-current marketable securities for more than the Company's operating cycle, which is twelve months.

5. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In the normal course of business, the Company is exposed to market risk from changes in interest rates, foreign exchange rates and commodity prices. To manage the exposure to those risks, the Company enters into interest rate swaps, interest rate and cross currency swaps, and commodity forward and futures contracts as a means of hedging the change in the fair value of the underlying exposure being hedged. For all derivatives designated as fair value hedges, the Company documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for using the hedging instrument. Whenever practical, the Company designates specific exposures to qualify for hedge accounting. In these circumstances, the Company assesses, both at the inception of the hedge and on an on-going basis, whether the hedging derivatives are highly effective in offsetting changes in fair value of the hedged items. The Company utilizes regression analysis and dollar offset models to determine hedge effectiveness.

Fair Value of Derivative Instruments in the Consolidated Balance Sheet:

Commodity Hedges — The Company is exposed to price fluctuations of various commodities used in its trading activities. The Company enters into commodity forward and futures contracts to reduce its exposures to price fluctuations on certain of its long-term commitments and inventory positions in such commodities. The Company designates certain exchange-traded futures as fair value hedges of its non-precious metals inventory positions. These hedges are designed to protect a portion of its inventory position from exposure to movements in those commodity prices. Both the hedged inventory positions and the related exchange-traded futures are stated at exchange quoted prices.

Notional Amounts of Derivative Instruments — The following table provides information regarding the notional amounts of outstanding commodity contracts as of March 31, 2010:

Commodity Type	**Commitment**	**Amount**
Nonferrous metal	Purchase	$ 926,015
Nonferrous metal	Sales	1,413,729
Precious metal	Purchase	2,552,516
Precious metal	Sales	2,319,208
Precious metal	Borrowing	783,139

The following tables present Company's commodity derivative instruments measured at fair value as reflected in the consolidated balance sheet as of March 31, 2010.

Derivatives Designated as Hedging Instruments	**Balance Sheet Location**	
Commodity Contracts	Accounts payable and accrued expenses — Parent and affiliated companies	$ 87,367

The changes in fair value are recognized in "Cost of revenues from operating and other activities" in the accompanying consolidated statements of income. Ineffectiveness for the year ended March 31, 2010 was $1,117 and was included in "Cost of revenues from operating and other activities" as a result in differences of the price fluctuations between hedging instruments and hedged items during the year.

Financial Swaps — The Company's financing, investing, and cash management activities are exposed to market risk from changes in interest rates and currency exchange rates. The Company enters into currency and interest rate swaps in order to convert certain fixed rate assets and liabilities denominated in foreign currencies, primarily Japanese yen, to a United States dollar floating-rate basis.

As of March 31, 2010, the total notional amounts of the Company's financial swaps were $246,354.

The following tables present Company's financial swap contracts measured at fair value as reflected in the consolidated balance sheet as of March 31, 2010.

Derivatives Designated as Hedging Instruments	**Balance Sheet Location**	
Currency and interest rate swap	Accounts receivable — Others/noncurrent advances and receivables and other assets	$ 34,899
Currency and interest rate swap	Accounts payable accrued expenses — Parent and affiliated companies/other long-term liabilities	1,403

The changes in the fair value of these swaps were included in "Sundry income" in the accompanying consolidated statements of income. Any ineffectiveness, which was not significant, was included in earnings for the years ended March 31, 2010.

Embedded Derivatives Related to the Commodity Lease Transaction — The Company utilizes commodity lease contracts in precious metal trading activities as embedded derivative instruments. These instruments are measured at fair value as reflected in the consolidated balance sheet as of March 31, 2010.

Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	
Precious metals-lease contracts	Accounts payable and accrued expenses — Parent and affiliated companies	$ 38,681

Classification of the Gains and Losses on Derivative Transactions — The following tables present gains and losses on derivative transactions measured at fair value as reflected in the consolidated balance sheet as of March 31, 2010.

	Balance Sheet Location	
Gains:		
Contracts maturing within one year	Account receivable — Parent and affiliated companies/account receivable — other	$ 169,001
Contracts maturing over one year	Noncurrent advances and receivables	96,943
Losses:		
Contracts maturing within one year	Accounts payable and accrued expenses: Parent and affiliated companies	353,616
Contracts maturing over one year	Lease liabilities and other	35,222

The amounts shown above are presented gross without netting assets and liabilities with the same counterparty where the right offset and intent to net exist.

Effect on Derivative Instruments on the Consolidated Statement of Income:

Foreign Exchange Forwards Used for Other Than Hedging Activities — The Company has foreign exchange forward contracts. Such contracts have not been designated as hedges for accounting purposes and are marked-to-market with changes in fair value recognized in earnings currently, which are included in the “Sundry income” in the accompanying consolidated statements of income.

Derivatives Not Designated as Hedging Instruments	Income Statement Location	2010	2009
Foreign exchange contracts	Sundry income	$ 1,215	$ 102

6. SHORT-TERM AND LONG-TERM DEBT

Short-term debt as of March 31, 2010 and 2009 consisted of the following:

	2010		2009	
		Interest Rate		Interest Rate
Loans from financial institutions	$ 40,498	0.7 %	$ 70,194	3.3 %
Loans from affiliated companies	67,130	0.2	106,000	1.0
Commercial paper	810,000	0.3	519,100	0.9
Total short-term debt	$ 917,628		$ 695,294	

The interest rates on short-term debt represent weighted-average rates on outstanding balances at March 31, 2010 and 2009, respectively.

Long-term debt bears interest at fixed and floating rates. Long-term debt as of March 31, 2010 and 2009 is comprised of the following:

	2010	2009
Financial institutions — maturing through 2016 — at fixed or floating rates, principally 0.34% to 13.00%	$ 555,487	$ 521,438
Fair value adjustments for debt in accordance with ASC 815 adjustments	35,756	29,890
Total long-term debt (including ASC 815 adjustments)	591,243	551,328
Less current maturities (including ASC 815 adjustments of $16,377 in 2010 and $4,678 in 2009)	(163,001)	(75,022)
Long-term debt, less current maturities	$ 428,242	$ 476,306

Long-term debt matures during the following years ending March 31 as follows:

2011 (included in current liabilities)	$ 146,624
2012	154,144
2013	249,962
2014	1,888
2015	1,934
Thereafter	935
Total long-term debt	555,487
Fair value adjustments for debt in accordance with ASC 815	35,756
	$ 591,243

Certain subsidiaries of the Company have pledged all or certain business assets with an aggregate carrying amount of $109,390 and $139,817 to banks in connection with their current loan agreements at March 31, 2010 and 2009, respectively. Such assets include but are not limited to accounts receivable, inventories, and property and equipment.

The Company has certain financial debt covenants which have been compiled with as of March 31, 2010 and 2009.

The Company and its Parent entered into a Keep Well Agreement dated January 27, 2003, which is governed by the laws of the State of New York. The following is a summary of certain terms of the Company's Keep Well Agreement.

a. The Parent has agreed to make cash payments to the Company in amounts sufficient, together with other revenues of the Company, to cause the consolidated Tangible Net Worth of the Company to be positive at all times.

b. The Parent will maintain direct or indirect ownership of all the voting capital stock of the Company and will not pledge or grant any security interest in, or encumber, any such capital stock.

c. The Parent will cause the Company to maintain sufficient liquidity to punctually meet the debt obligations issued by the Company in order to facilitate the raising of funds.

The Parent has indicated that due to its superior creditworthiness, it is committed and will continue to fulfill obligations under the Keep Well Agreement until at least the fiscal year ending March 31, 2011.

The Company is a party to a joint revolving credit agreement together with its Parent in the amount of $1 billion, of which $100 million shall be dedicated and specifically available to the Company. There were no amounts outstanding as of March 31, 2010 and 2009.

7. INCOME TAXES

The provision (benefit) for income taxes for the years ended March 31, 2010 and 2009 consisted of the following:

	2010	**2009**
Current:		
Federal	$ 26,174	$ 32,161
State	3,957	4,457
Deferred:		
Federal	6,516	(5,965)
State	730	(1,167)
Total income taxes	$ 37,377	$ 29,486

Total income taxes include the effects of tax expense of $936 and $2,016 on equity earnings of affiliates for the years ended March 31, 2010 and 2009, respectively.

The difference between the actual income tax expense and income tax expense computed by applying the Federal statutory rate to pretax income (which includes equity in earnings of affiliates) for the years ended March 31, 2010 and 2009 is explained as follows:

	2010	2009
Statutory rate	35.00 %	35.00 %
Change in valuation allowance	(1.33)	13.96
State taxes (net of federal tax benefit)	2.83	0.81
Book and tax basis difference of investments in affiliates	(2.54)	(8.85)
Dividends received deduction	(0.05)	(0.37)
Expenses not deductible for income taxes	0.62	0.80
Other	0.23	(6.40)
Effective tax rate	34.76 %	34.95 %

At March 31, 2010 and 2009, deferred tax assets and deferred tax liabilities were as follows:

	2010		2009	
	Current	Non-Current	Current	Non-Current
Assets:				
Investments	$ -	$ 18,546	$ -	$ 26,331
Pension		12,933		12,813
Bad debt write-off	206		602	
Office sublease loss write-off	122	3,202	266	3,408
ASC 815 adjustments		382		539
Depreciation and amortization			174	5,465
Net operating loss carryforwards	448	4,445	177	6,527
Vacation accrual		303		310
Other	2,599		299	
Gross deferred tax assets	3,375	39,811	1,518	55,393
Valuation allowance		(19,938)		(21,628)
Deferred tax assets — net of valuation allowance	3,375	19,873	1,518	33,765
Liabilities:				
Affiliated companies		(7,754)		(8,226)
ASC 815 adjustments	(660)		(70)	
Depreciation and amortization		(816)		
Other		(684)		(1,770)
Gross deferred tax liabilities	(660)	(9,254)	(70)	(9,996)
Net deferred tax assets	$ 2,715	$ 10,619	$ 1,448	$ 23,769

As of March 31, 2010, the Company had U.S. net operating loss (“NOL”) carryforwards of $12,702 expiring in periods beginning in 2026 through 2029. The Company did not have any foreign NOL carryforwards.

In assessing the realizability of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not the Company will realize the benefit of these deductible differences, net of the recorded valuation allowance. The underlying assumptions used in forecasting future taxable income require significant judgment and take into account the Company's recent performance.

A valuation allowance of $19,938 and $21,628 were recorded as of March 31, 2010 and 2009, respectively, related to certain of the Company's NOL carryforwards and deductible temporary differences in domestic and foreign jurisdictions. The Company recorded the valuation allowance on the deferred tax assets where there is uncertainty as to the ultimate realization of the future tax deductions. As of March 31, 2010, the aggregate amount of gross unrealized and realized capital losses of $62.1 million exceeded the aggregate amount of capital gains of $22.9 million by $39.2 million. The Company's capital losses are only deductible against capital gains and the Company does not anticipate having the ability to generate sufficient capital gains in the future to realize such capital losses. Accordingly, the Company recorded a valuation allowance of approximately $15.3 million related to the $39.2 million balance.

No provision for income tax is recognized on undistributed earnings of the Company's foreign subsidiaries, as the Company intends to permanently reinvest such earnings. At March 31, 2010 and 2009, the amount of such deferred tax liability on the undistributed earnings of its foreign subsidiaries which has not been recognized in the accompanying consolidated financial statements aggregated $6,245 for both years.

The Company files income tax returns in the U.S. federal jurisdiction, various states and foreign jurisdictions. The Company believes it is filing in all jurisdictions deemed necessary and appropriate.

The reconciliation of the beginning and ending amount of unrecognized tax benefits at March 31, 2010, and 2009 were as follows:

Balance — April 1, 2008	$ 1,877
Additions for tax positions of prior years	381
Reductions for tax positions of prior years	(1,648)
Balance — March 31, 2009	610
Additions for tax positions of prior years	
Reductions for tax positions of prior years	(259)
Balance — March 31, 2010	$ 351

Total amount of unrecognized tax benefits that would reduce the effective tax rate, if recognized, is $351.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income taxes in the consolidated statements of income. Interest and penalties included in the consolidated statements of income for the fiscal years ended March 31, 2010 and 2009 were $0 and $75, respectively, and accrued interest and penalties included in the consolidated balance sheets as of March 31, 2010 and 2009 were $45 and $104, respectively.

The Company and its U.S. subsidiaries file income tax returns in the United States Federal jurisdiction, and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to the United States Federal and local income tax examinations by tax authorities for years before December 31, 2005 and 2004, respectively.

The Company does not anticipate any significant change in the amount of identified tax benefits within the next twelve months.

8. RELATED PARTY AND SEGMENT INFORMATION

ASC 280, *Segment Reporting*, defines operating segments as components of an enterprise that engage in activities from which it may earn revenues and incur expenses, separate financial information is available and this information is regularly evaluated by the Chief Executive Officer of the Company for the purpose of allocating resources and assessing performance. The operating segments were determined based on the criteria listed above. The Company's reportable operating segments consist of the following six businesses:

Industrial Finance — The Industrial Finance group develops the finance business, such as asset management, leasing business and logistics service.

Fuels — The Fuels group identifies and invests in oil and gas projects and focuses its trading activities on crude oil, petroleum products and other.

Metals — The Metals group is mainly engaged in precious metals, marketing and distribution of metal and non-ferrous metal products such as aluminum and precious metals.

Machinery — The Machinery group is engaged in investment, project development and trading activities in a variety of business fields, such as electricity, automobiles, plants, industrial machinery and transportation systems.

Chemicals — The Chemicals group identifies and invests in chemical development projects and focuses its trading activities on basic chemicals, petrochemicals, non-organic chemicals and specialty chemicals.

Living Essentials — The Living Essentials group invests in companies and focus its trading on products such as foods, textiles and general merchandise.

The Company evaluates segment performance based on several factors, of which the primary financial measure is net income (loss). Intersegment transactions are priced with reference to prices applicable to transactions with unaffiliated parties. Information on the Company's reportable segments as of and for the year ended March 31, 2010 and 2009, respectively, was as follows:

March 31, 2010	Industrial Finance (e)	Fuels	Metals	Machinery	Chemicals	Living Essentials (d)	Corporate and Elimination (a),(b),(d),(e)	Total
Revenue	$105,476	$ 8,253	$1,842,050	$ 19,081	$ 391,299	$ 47,366	$ 15,477	$2,429,002
Gross profit	18,433	8,253	81,894	19,081	64,750	16,972	10,728	220,111
Interest income	372	384	835	1,428	333	791	9,917	14,060
Interest expense	(3,110)	(1,038)	(4,617)	(466)	(619)	(1,042)	586	(10,306)
Income tax (expense) benefit	(1,348)	(1,729)	(24,961)	(2,323)	(9,366)	(1,458)	3,808	(37,377)
Equity in earnings (loss) of affiliates	(1,719)	4,690	3,142	565	(732)	4,002	1,482	11,430
Net income (loss) attributable to Mitsubishi International Corporation	10,427	5,339	39,231	3,180	18,162	3,501	(1,159)	78,681
Segment assets	309,982	239,626	2,151,451	601,273	289,679	297,033	710,604	4,599,648
Goodwill	14,680	0	427	0	3	297		15,407
Depreciation and amortization	(5,113)	(47)	(418)	(61)	(875)	(159)	(2,770)	(9,443)
Operating transactions (c)	158,034	792,551	3,877,565	789,683	1,684,122	577,969	8,671	7,888,595

March 31, 2009	Industrial Finance (e)	Fuels	Metals	Machinery	Chemicals	Living Essentials (d)	Corporate and Elimination (a),(b),(d),(e)	Total
Revenue	$110,033	$ 8,754	$2,056,453	$ 23,107	$ 484,601	$ 42,558	$ 13,413	$2,738,919
Gross profit	23,105	8,754	39,627	23,107	77,239	18,006	10,687	200,525
Interest income	204	244	2,345	1,984	1,372	1,650	43,085	50,884
Interest expense	(4,369)	(2,321)	(15,936)	(664)	(3,431)	(3,560)	(14,620)	(44,901)
Income tax (expense) benefit	(8,289)	2,683	(3,527)	(4,193)	(13,573)	(533)	(2,054)	(29,486)
Equity in earnings (loss) of affiliates	(5,837)	(3,886)	8,469	2,639	(1,706)	3,472	1,490	4,641
Net income (loss) attributable to Mitsubishi International Corporation	(2,516)	576	13,740	7,295	21,991	3,506	(26,922)	17,670
Segment assets	374,165	194,941	1,540,196	553,184	261,473	251,116	618,524	3,793,599
Goodwill	14,047		427		3	297		14,774
Depreciation and amortization	(5,723)	(47)	(429)	(65)	(707)	(189)	(2,493)	(9,653)
Operating transactions (c)	172,639	1,235,646	3,914,993	1,065,771	2,188,505	698,448	11,271	9,287,273

(a) Segment assets included in Corporate and Eliminations consist principally of time deposits, marketable securities, and certain financial investments.

(b) Corporate consists of operating transactions for providing services and operational support to the Company, its subsidiaries and affiliated companies and indirect corporate expenses not allocated to the other reportable segments. It also includes certain operating transactions and expenses from business activities related to financial investments of the Company, which account for a significant portion of the segment. Corporate elimination amounts of the intersegment transactions were not significant.

(c) Operating transactions is a voluntary disclosure commonly made by similar Japanese trading companies, and is not meant to represent sales or revenues in accordance with GAAP. See Note 1 to the consolidated financial statements. No intersegment operating transaction was in the reportable operating segment.

(d) As of April 2009, the Company has reorganized the "Business Innovation Group" into related groups ("Living Essentials" and "Corporate"). This reorganizatior took place in order to maintain a similar organization structure as the Parent. Figures for the fiscal year ended March 31, 2009 were retrospectively adjusted to conform with this reorganization.

(e) Red Diamond Capital LP ("RDC LP") and Red Diamond Capital Inc. ("RDC Inc."), which were classified in the Corporate segment for the fiscal year ended March 31, 2009, were transferred at book value to the Industrial Finance segment in the fiscal year ended March 31, 2010. This decision was made by the Parent and the Company to align the asset management business of RDC LP and RDC Inc. into the Industrial Finance segment's strategy. Figures for the fiscal year ended March 31, 2009 were reclassified to conform with this transfer.

All of the Company's segments have a significant portion of their transactions with the Parent and its subsidiaries. Operating transactions with the Parent and its subsidiaries represent $4,571,111 (58%) and $4,868,253 (52%) of total operating transactions for the years ended March 31, 2010 and 2009, respectively. Other than operating transactions with the Parent and its subsidiaries, no other single customer represents a significant portion of the Company's total operating transactions. In addition, the Company received various service fees from the Parent aggregating $15,204 and $14,888 for the years ended March 31, 2010 and 2009, respectively, which were included in "Margins and commissions on operating transactions" in the consolidated statements of income.

The following table provides geographical information for total operating transactions, which is based on the location of the customer for the year ended March 31, 2010 and 2009:

	2010	2009
United States	$ 2,098,694	$ 1,038,848
Japan	3,604,427	5,600,135
Other foreign countries	2,185,474	2,648,290
	$ 7,888,595	$ 9,287,273

The Company received a significant portion of interest income from the Parent and its subsidiaries. For the years ended March 31, 2010 and 2009, interest income from the Parent and its subsidiaries was $9,465 and $26,095, respectively.

The following table provides geographical information for property, plant and equipment, net, which is based on the location of the assets for the year ended March 31, 2010 and 2009, respectively:

	2010	2009
United States	$ 31,807	$ 28,111
Other foreign countries	16,374	16,653
	$ 48,181	$ 44,764

9. COMMITMENTS AND CONTINGENCIES

The Company accounts for guarantees in accordance with ASC 460, *Guarantees*. Accordingly, the Company evaluates its guarantees to determine whether (a) the guarantee is specifically excluded from the scope of ASC 460, (b) the guarantee is subject to ASC 460 disclosure requirements only, but not subject to the initial recognition and measurement provisions, or (c) the guarantee is required to be recorded in the financial statements at fair value. The Company has evaluated its guarantees discussed below and has no liabilities recorded for these obligations and is of the opinion that it will not be required to satisfy these guarantees.

Guarantees arise during the ordinary course of business from relationships with customers and equity affiliates when the Company undertakes an obligation to guarantee the performance of others if specified triggering events occur. Nonperformance under a contract by the guaranteed party triggers the obligation of the Company. Such nonperformance usually relates to loans. The Company has directly guaranteed various debt obligations under agreements with third parties related to equity affiliates and other unaffiliated companies. At March 31, 2010 and 2009, the Company had directly guaranteed $13,646 and $18,687, respectively, of such obligations.

At March 31, 2010, directly and indirectly guaranteed obligations of $13,646 and $510, respectively, consisted of $10,703 for supplier obligations to equity affiliates, $2,820 for short-term (less than one year) bank obligations to equity affiliates, $633 for short-term bank obligations to external customers. At March 31, 2009, directly and indirectly guaranteed obligations of $18,687 and $3,010, respectively, consisted of $15,796 for supplier obligations to equity affiliates, $5,704 for short-term (less than one year) bank obligations to equity affiliates, $100 for short-term bank obligations to external customers, and $97 that expired in September 2009 with initial long-term (2–5 years) bank obligations to external customers.

Unused letters of credit outstanding at March 31, 2010 and 2009 amounted to approximately $81,417 and $120,888, respectively.

10. LITIGATION

The Company and its subsidiaries are parties to litigation arising in the ordinary course of business. Although some of the matters are still in preliminary stages and definitive conclusions cannot be made as to those matters, the Company is of the opinion that, based on information presently available, none of the lawsuits will have a material adverse effect on the consolidated financial statements of the Company.

11. LEASES

Lessor — The Company is engaged as a lessor in direct financing leases involving primarily machinery and equipment for producing milk products. The Company's net investment in its direct financing leases at March 31, 2010 and 2009, included in "Accounts receivable — customer" in the accompanying consolidated balance sheets, was as follows:

	Financing Leases	
	2010	2009
Minimum lease payments receivable	$ 349	$ 928
Less unearned income	(23)	(88)
Total	$ 326	$ 840

Future minimum lease payments to be received by year and in aggregate from direct financing leases during the year ending March 31, 2011 are as follows:

	Financing Leases
2011	$ 349
Total minimum payments	$ 349

Lessee — The Company's subsidiaries have capital leases for equipment and automobiles expiring from 2010 through 2014. The gross amounts of property, machinery and equipment recorded under capital leases as of March 31, 2010 and 2009 are as follows:

	2010			2009		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Machinery and equipment	$ 9,480	$ (2,020)	$ 7,460	$ 9,282	$ (2,180)	$ 7,102

The Company has operating leases for office space and equipment under non-cancelable operating leases expiring through 2022. The lease term is calculated from the date the Company first takes possession of the office space and equipment. Rent increases vary for each per lease agreement and the average increase is in the range of 1-3% over a five year period. The annual rent payments reflect scheduled rent increases over the lease terms and any allowance or reimbursement provided by the lessor.

Future minimum payments, by year and in the aggregate, under capital leases and operating leases, in which the Company is a lessee, with initial or remaining terms of one year or more during the year ending March 31 are as follows:

	Capital Leases	Operating Leases
2011	$ 1,448	$ 7,438
2012	1,335	6,969
2013	1,170	6,679
2014	1,049	6,262
2015	584	5,735
Thereafter	88	40,025
Total minimum payments required (a)	5,674	$ 73,108
Less amount representing interest long-term obligations	(734)	
	$ 4,940	

(a) Minimum payments have been reduced by minimum sublease rentals of $291 for each of the next five year fiscal years ending 2015, and $1,800 thereafter under operating leases due in the future under non-cancelable leases.

Total rent expense (net of subleases) for the years ended March 31, 2010 and 2009 was $8,216 and $7,535, respectively. The amount of rental income from subleases for the years ended March 31, 2010 and 2009 was $356 and $647, respectively.

12. SUNDRY INCOME — NET

Sundry Income — Net for the years ended March 31, 2010 and 2009, consisted of the following:

	2010	2009
Foreign exchange (loss) gain — net	$ (2,202)	$ 1,161
Management and service fees	13,819	15,884
Dividend income	740	1,166
Gain from sales of properties — net	3,147	207
Rental income	642	1,309
Other — net	1,687	(998)
Total	$ 17,833	$ 18,729

13. DISCONTINUED OPERATIONS

During the fiscal year ended March 31, 2010, the Company's subsidiary in its Industrial Finance segment, W.C. Wood Holdings, Inc. ("Woods"), and Woods' wholly-owned subsidiaries (W.C. Wood Corporation, Ltd. ("Woods Canada"), W.C. Wood Corporation, Inc. ("Woods US") and W.C. Wood, SA de CV and W.C. Wood Servicios, SA de CV (collectively, "Woods Mexico"), all of which had a December 31st fiscal year end, filed for bankruptcy and entered into liquidation proceedings. Woods was a manufacturer and marketer of freezers and dehumidification products for consumer and commercial markets. In spite of management's restructuring efforts, Woods and its subsidiaries experienced significant financial difficulties resulting from the current economic downturn, compounded by extraordinary volatility in raw material prices and currency fluctuations.

On May 19, 2009, Woods Canada filed an application for a stay of proceedings and other relief under the Company Creditor's Arrangement Act ("CCAA") statute in Toronto, Ontario. Subsequently, Woods and Woods US filed an application under Chapter 15 of the U.S. Bankruptcy Code to recognize the CCAA proceedings and provide full force and effect to such CCAA orders in the United States. In October 2009, Woods Mexico commenced a liquidation process and, one month later, Woods Canada and Woods US's senior secured lenders forced those entities into a court supervised liquidation process. The Company consolidated Woods until May 19, 2009. As a result of commencement of liquidation, the losses from operations of Woods for the year ended December 31, 2009 and December 31, 2008, and the gain resulting from the reversal of previously booked losses in excess of equity invested were reported as discontinued operations in the Company's consolidated financial statements for the fiscal years ended March 31, 2010 and 2009, respectively.

During the year ended March 31, 2009, the Company sold Avon Automotive Holdings, Inc. ("Avon"), a subsidiary within the Company's Corporate segment, which had a December 31st fiscal year end. As a result of the sale on February 12, 2009, the losses from operations of Avon for the years ended December 31, 2008 and the gain on the sale of Avon were reported as discontinued operations in the Company's consolidated financial statements for the fiscal year ended March 31, 2009.

Summarized financial information for the fiscal years ended March 31, 2010 and 2009 for the discontinued operations is as follows:

	2010	2009 (a)
Revenues	$ 35,490	$ 511,295
Losses from discontinued operations before income taxes	$ (4,841)	$ (73,074)
Gain on disposal	15,024	12,775
Income taxes	(41)	9,656
Income (loss) from discontinued operations	10,142	(50,643)
Loss from discontinued operations attributable to noncontrolling interests	201	15,832
Income (loss) from discontinued operations attributable to Mitsubishi International Corporation	$ 10,343	$ (34,811)

(a) The Company consolidated Avon on a three-month lag period as Avon had a December 31st year end subsidiary. Although Avon was sold subsequent to the subsidiary's December 31st year end, the Company included Avon's results of operations from January 1, 2009 through February 12, 2009, ("Catch Up Period") for the Company to properly recognize the gain on disposal of Avon during the lag period. Revenue for Avon during the Catch Up Period amounted to $19,112. Pre- and post-tax operating losses of Avon during the Catch Up Period were $6,256 and $6,225, respectively. The gain on disposal of Avon was determined as the difference between the selling proceeds and the carrying amount of Avon at the date of sale on February 12, 2009, which amounted to $13,082, net of the operating loss incurred during the Catch Up Period discussed above.

14. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements for fair value measurements. The Company accounts for certain financial assets and liabilities at fair value under various accounting literature.

Under ASC 820, fair value utilizes an exit price concept and is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. ASC 820 also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The hierarchy is broken down into three levels as follows:

Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Included in Level 1 are exchanged-traded securities, money market funds, and exchange-traded futures.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means. Financial instruments included in this category include corporate debt securities and over-the-counter ("OTC") instruments such as interest rate swaps, currency forwards, commodity forwards and options.

Level 3 — one or more significant inputs are unobservable. Valuations are determined using pricing models and discounted cash flow models and include management judgment and estimation, which may be significant. Level 3 is comprised of financial instruments whose fair values are estimated based on internally developed models or methodologies utilizing significant inputs that are not readily observable from objective sources.

Inputs — The Company's determination of the fair value of its interest rate swap was calculated using a discounted cash flow analysis based on the terms of the swap contract and the observable interest rate curve. The Company's commodities forwards and option contracts are traded over-the-counter and are valued based on inputs obtained from the London Metal Exchange and New York Mercantile Exchange quoted prices for similar instruments in active markets or corroborated by observable market data available from various pricing sources. For marketable securities, the Company obtained inputs from independent pricing service. For Level 3 investments, the Company uses various inputs such as rates of estimated credit losses, interest rates or discount rates and volatilities and correlations.

Valuation Techniques — The following section describes the valuation methodology used to measure the financial assets and liabilities that were accounted for at fair value.

Cash Equivalents and Marketable Securities — Where quoted prices are available in an active market, securities are classified within Level 1 of the fair value hierarchy. Level 1 securities include exchange-traded equities and money market funds. If quoted market prices are not available for the specific security, fair values are estimated based on dealer quotes of securities with similar characteristics, pricing models or discounted cash flows. Those fair value measurements are classified within Level 2 of the fair value hierarchy.

Pension Assets — Equities are valued at the closing price reported on the stock exchange. Equity commingled funds are valued using the net asset value (NAV) and these assets are classified as Level 1 and Level 2 depending on availability of quoted market prices. Bonds are estimated based on dealer quotes of similar characteristics, pricing models or discounted cash flows. Bonds commingled funds are valued using NAV and these are classified as Level 1 and Level 2 depending on availability of quoted prices. Life insurance company general accounts are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer, and these assets are classified as Level 3.

Derivatives — Derivative contracts are valued using quoted market prices and significant other observable inputs. Such financial instruments consist of interest rate swaps, commodity forwards and options (principally aluminum and precious metals), and foreign currency contracts. The fair values for the majority of these derivative contracts are based upon current quoted market prices. For exchanged-traded contracts, fair value is based on quoted market prices and classified as Level 1. For OTC instruments, fair value is based on dealer quotes, pricing models and discounted cash flows. These models and analysis reflect the contractual terms of the derivatives, including the period to maturity and market based parameters such as interest rates, volatility and the credit ratings. These valuation techniques do not involve significant management judgment and inputs are readily observable from an active market. Such instruments are generally classified within Level 2 of the fair value hierarchy.

ASC 820 requires consideration of credit value adjustments in our valuations that other market participants might consider, specifically non-performance risk and counterparty credit risk. In adjusting the effect of non-performance risk, the Company has considered the effects of legally enforceable master netting agreements that allow the Company to settle positive and negative positions held with the same counterparty on a net basis. The Company has considered the impact of counterparty nonperformance risk in the valuation of its assets and its own credit spreads when measuring the fair value of liabilities, including derivatives, which was not significant at March 31, 2010 and 2009.

Financial Instruments — The estimated fair values of the Company's financial instruments are summarized as follows.

The carrying amounts of cash and cash equivalents (including time deposits and commercial paper), current notes and loans receivables, accounts receivable, short-term debt (including commercial paper and current maturities of long-term debt), and short-term notes and accounts payables approximate fair value because of their short-term maturities.

The fair market values of long-term debt, except for debt with floating rates, is estimated by discounted cash flow analysis, using interest rates currently available for similar types of borrowings with similar terms and maturities. For debt with floating rates, the carrying value approximates fair value due to the variable rates of these liabilities.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of March 31, 2010 and 2009 (For Pension Assets, see Note 15):

Description	Fair Value at March 31, 2010	Fair Value Measurement Hierarchy Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 1,633	$ 1,633	$ -	$ -
Available-for-sale securities:				
Marketable equity securities	356	356		
Debt securities	66,607		66,607	
Derivative assets:				
Commodity contracts	229,821	39,282	190,539	
Currency and interest rate swap	36,123		36,123	
Total assets	$334,540	$ 41,271	$293,269	$ -
Liabilities — derivative liabilities:				
Commodity contracts	$387,426	$152,199	$235,227	$ -
Currency and interest rate swap	1,412		1,412	
Total liabilities	$388,838	$152,199	$236,639	$ -

Description	Fair Value at March 31, 2009	Fair Value Measurement Hierarchy Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 1,988	$ 1,988	$ -	$ -
Available-for-sale securities:				
Marketable equity securities	265	265		
Debt securities	119,125		119,125	
Derivative assets:				
Commodity contracts	305,140	88,364	216,776	
Currency and interest rate swap	30,460		30,460	
Total assets	$456,978	$ 90,617	$366,361	$ -
Liabilities:				
Derivative liabilities:				
Commodity contracts	$ 99,991	$ 3,785	$ 96,206	$ -
Currency and interest rate swap	1,486		1,486	
Total liabilities	$101,477	$ 3,785	$ 97,692	$ -

Cost method investments and certain equity method investments are adjusted to fair value only when impairment charges are recorded for other-than-temporary declines in value and are determined using fair value criteria with the framework of ASC 820. In determining whether a decline in value of these investments has occurred and is other than temporary, an assessment is made by considering available evidence, including the latest fund-raising activities and the related valuation, trading multiples for comparable publically traded companies, the investees' ability to meet milestones, financial condition and near-term prospects of the individual investee, among other things. As the valuation methodology for determining the decline in value of these investments is based on the factors noted above which require considerable judgment by management and are not based on observable market data, these cost method investments are classified within Level 3 of the fair value hierarchy on a non-recurring basis. The fair value of the investments classified as Level 3 above are determined using unobservable inputs such as net assets of the investees and estimated cash flows for the discounted future cash flow method.

The following table presents the information of those investments measured at fair value on a non-recurring basis, for which impairment was recognized for the year ended March 31, 2010:

2010	Carrying Amount	Level 1	Level 2	Level 3	Total Losses
Assets — investments in affiliated companies	$ 4,135	$ -	$ -	$ 4,135	$ (2,881)
Assets — other investments	3,783			3,783	(3,920)
Total	$ 7,918	$ -	$ -	$ 7,918	$ (6,801)
2009					
Assets — other investments	$ 8,564	$ -	$ -	$ 8,564	$ (5,011)

For the year ended March 31, 2010, other investments with a carrying amount of $7,703 were written down to $3,783, resulting in an impairment charge of $3,920, which was included in "Gain on marketable securities and other investments — net" of the Company's consolidated statement of income. Other investments with a carrying amount of $13,575 were written down to $8,564, resulting in an impairment charge of $5,011 for the year ended March 31, 2009. Subsequent to the impairment charge, one of these investments, with a fair value of $4,090, was sold at a loss, which was not significant to the Company's consolidated statement of income for the year ended March 31, 2010.

Non-Financial Instruments — The estimated fair values of the Company's non-financial instruments are summarized as follows.

Where quoted prices are available in an active market, the fair market values of commodity inventory (principally precious metals including leased out inventory) is measured using market prices as of closing date and significant other observable inputs.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of March 31, 2010:

Non-Financial Instruments	Level 2
Assets:	
Merchandise inventories (precious metals)	$ 57,988
Leased inventories (precious metals)	796,833
Total	$ 854,821

15. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company and certain subsidiaries such as Mitsubishi Canada Ltd. and RDC LP sponsor defined benefit pension plans covering substantially all of their employees. The Company and certain subsidiaries also provide postretirement medical benefits for eligible retired employees. Additionally, the Company provides certain nonqualified supplemental executive defined pension plans to provide supplemental retirement benefit primarily to certain high-level employees.

The following tables provide key information pertaining to the Company's and its subsidiaries' defined benefit pension and other postretirement benefit plans. The Company used a March 31st year-end measurement date for the majority of the plans, except for certain subsidiaries that did not change their year-end to March 31st, which used a December 31st year end as the measurement date.

	2010		2009	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Change in projected benefit obligation:				
Projected benefit obligation — beginning of year	$ 57,774	$ 13,918	$ 63,795	$ 18,273
Translation gain (loss)	1,771		(1,632)	
Service cost	1,215	107	1,403	141
Interest cost	4,360	942	4,026	920
Amendments				
Actuarial gain (loss)	12,853	1,285	(10,998)	(1,253)
Past service cost				
Curtailments and settlements				
Employee contributions	84		64	
Benefits paid	(2,895)	(883)	(3,080)	(1,175)
Acquisitions/divestitures and other — net		65	4,196	(2,988)
Projected benefit obligation — end of year	75,162	15,434	57,774	13,918
Change in plan assets:				
Fair value of plan assets — beginning of year	40,925		49,284	
Actual return (loss) on plan assets	13,592		(11,976)	
Foreign exchange rate changes	885		(1,851)	
Contributions by employer	3,170		2,211	
Contributions by employee	84		64	
Benefits paid	(2,895)		(3,080)	
Acquisitions/divestitures and other — net	363		6,273	
Fair value of plan assets — end of year	56,124	-	40,925	-
Reconciliation of funded status — end of year — funded status	$ (19,038)	$ (15,434)	$ (16,849)	$ (13,918)

Amounts recognized in the consolidated balance sheets as of March 31, 2010 and 2009, consist of the following:

	2010		2009	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Noncurrent assets	$ -	$ -	$ 895	$ -
Current liabilities	(70)	(1,078)	(70)	(1,023)
Noncurrent liabilities	(18,968)	(14,356)	(17,674)	(12,895)
Total accrued pension liability	$ (19,038)	$ (15,434)	$ (16,849)	$ (13,918)

Amounts recognized in accumulated other comprehensive income as of March 31, 2010 and 2009 consist of the following:

	2010		2009	
	Defined Benefit Pension Plans	**Other Postretirement Benefits**	**Defined Benefit Pension Plans**	**Other Postretirement Benefits**
Net actuarial loss (gain)	$ 16,301	$ (2,708)	$ 16,829	$ (1,066)
Prior service cost (credit)	70	(798)	103	(4,314)
Transition obligation	(107)		(110)	
Accumulated other comprehensive loss (income) (before tax effects)	$ 16,264	$ (3,506)	$ 16,822	$ (5,380)

Net periodic pension costs related to the Company's and its subsidiaries' defined benefit plans and other postretirement benefit plans for the years ended March 31, 2010 and 2009 include the following components:

	2010		2009	
	Defined Benefit Pension Plans	**Other Postretirement Benefits**	**Defined Benefit Pension Plans**	**Other Postretirement Benefits**
Net periodic costs:				
Service cost	$ 1,215	$ 107	$ 1,403	$ 141
Interest cost	4,360	942	4,026	920
Expected return on plan assets	(3,098)		(4,247)	
Contributions by employee	(84)		(64)	
Amortization of:				
Prior service cost	33	(268)	33	(268)
Actuarial gains and losses	1,304	(321)	644	(178)
Recognized actuarial loss				
Other	(6)			
Total net periodic costs	$ 3,724	$ 460	$ 1,795	$ 615

Amounts expected to be recognized in net periodic cost in the coming year are as follows:

	2010		2009	
	Defined Benefit Pension Plans	**Other Postretirement Benefits**	**Defined Benefit Pension Plans**	**Other Postretirement Benefits**
Loss (gain) recognition	$ 1,048	$ (268)	$ 1,173	$ (268)
Prior service cost recognition	33	(147)	33	(321)

Additional information pertaining to the defined benefit plans as of March 31, 2010 and 2009 were as follows:

	2010 Defined Benefit Pension Plans	2009 Defined Benefit Pension Plans
Accumulated benefit obligations	$ 60,686	$ 48,443
Pension plans with benefit obligation in excess of plan assets:		
Benefit obligation	75,162	48,238
Fair value of plan assets	56,124	30,493

The projected benefit obligation and aggregate fair value of plan assets of the defined benefit pension plans are disclosed above. The Company has recorded these amounts in "Accounts payable and accrued expenses", and "Other long-term liabilities" in its consolidated balance sheets at March 31, 2010 and 2009.

Benefit payments for the defined benefit pension plans and other postretirement benefits plans for the next 10 years are expected to be as follows:

	Defined Benefit Pension Plans	Other Postretirement Benefit
2011	$ 2,878	$ 1,262
2012	3,027	1,305
2013	3,239	1,319
2014	3,454	1,326
2015	3,722	1,342
2016–2020	23,815	7,006

The following weighted-average assumptions were used to determine benefit obligations for the defined benefit pension plans and the other postretirement benefit plans at end of years:

	2010		2009	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Discount rate	5.75%–6.25%	6.00%	7.00%–7.50%	7.00%–7.25%
Initial health care cost trend rate		8.00%		9.00%
Ultimate health care cost trend rate		5.00%		5.00%
Year in which ultimate rate is reached		2015		2015
Salary scale	3.50–3.75	4.00	2.50–4.00	4.00

Weighted-average assumptions were used to determine benefit cost for the Company's defined benefit pension plans and the other postretirement benefit plans for the years ended March 31, 2010 and 2009 are as follows:

	2010		2009	
	Defined Benefit Pension Plans	**Other Postretirement Benefits**	**Defined Benefit Pension Plans**	**Other Postretirement Benefits**
Discount rate	7.00%–7.50%	7.00%–7.25%	6.00%–7.50%	6.25%
Expected asset return	6.00–7.75		7.70–8.50	
Salary scale	2.50–4.00	4.00	2.50–4.00	4.00
Mortality table	1994GAM/UP 1994	1994GAM	1994GAM/UP 1994	1994GAM
Average future working lifetime (years)	9.77–17.24		9.85–17.24	

In determining the expected long-term rate of return on assets of 6.00% to 7.75%, the Company evaluated input from its investment consultants, actuaries and investment management firms, including their review of asset class return expectations, as well as long-term historical asset class returns. Projected returns by such consultants and economists are based on broad equity and bond indices.

The Company's pension plan asset allocations at the respective measurement dates, by asset category, was as follows:

	2010		2009	
Asset Category	**The Company's Sponsored Plan Percentage of Plan Assets**	**Certain Subsidiary's Sponsored Plan Percentage of Plan Assets**	**The Company's Sponsored Plan Percentage of Plan Assets**	**Certain Subsidiary's Sponsored Plan Percentage of Plan Assets**
Equity securities	66.70 %	45.99 %	53.07 %	46.68 %
Debt securities	18.53	51.94	27.98	49.34
Life insurance company general account and other	14.77	2.07	18.95	3.98
Total	100.00 %	100.00 %	100.00 %	100.00 %

The Company's policy is to allocate pension plan funds within a range of percentages for each major asset category as follows:

	% Range	
	2010	**2009**
Equity securities	50–70%	50–70%
Debt securities/fixed income	30–50	30–50

The Company may direct the transfer of assets between investment managers in order to rebalance the portfolio in accordance with the asset allocation ranges above to accomplish the investment objectives for the pension plan assets.

The Company's funding policy is mainly to contribute an amount deductible for income tax purposes. The Company expects to contribute approximately $1.5 million to their defined benefit pension plans during the year ending March 31, 2011.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The Company's one-percentage-point change in assumed health care cost trend rates would have the following effects:

	2010	
	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on other postretirement benefit obligation	$ 1,189	$ (1,058)
Effect on total of service and interest cost components	90	(80)

	2009	
	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on other postretirement benefit obligation	$ 1,078	$ (958)
Effect on total of service and interest cost components	83	(74)

The Company's investment policies are designed to ensure adequate plan assets are available to provide future payments of pension benefits to eligible participants. The equity securities are selected primarily from stocks that are listed on the securities exchanges. Prior to investing, the Company has investigated the business condition of the investee companies, and appropriately diversified investments by type of industry and other relevant factors. The debt securities are selected primarily from government bonds, public debt instruments, and corporate bonds. Prior to investing, the Company has investigated the quality of the issue, including rating, interest rate, and repayment dates, and has appropriately diversified the investments. As for investments in life insurance company general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital.

The fair values of the Company's pension plan assets at March 31, 2010 by asset category are follows (the three levels of input used to measure fair value are more fully described in Notes 14):

	Level 1	Level 2	Level 3	Total
Equities	$ 3,536	$ 30,931	$ -	$ 34,467
Bonds	13,047	2,138		15,185
Life insurance company general account and other	105	191	6,176	6,472
Total	$ 16,688	$ 33,260	$ 6,176	$ 56,124

The life insurance company general accounts, which consist of investments such as privately placed debt securities, mortgage loans and real estate, are categorized as Level 3 assets since a precise market value determination cannot be made. The changes between April 1, 2009 and March 31, 2010 are as follows:

	Level 3 Asset
Change in Level 3 asset:	
Beginning balance	$ 5,778
Unrealized gain	717
Purchase, sales and settlement	(319)
Ending balance	$ 6,176

16. SUBSEQUENT EVENTS

The Company has evaluated all events or transactions that occurred after March 31, 2010 up through June 30, 2010, the date that the consolidated financial statements were available to be issued, and it has been determined that there were no subsequent events requiring adjustment to or disclosure in the consolidated financial statements.

* * * * * *