Mitsubishi International Corporation and Subsidiaries

(A Wholly-Owned Subsidiary of
Mitsubishi Corporation)

Consolidated Financial Statements as of and for the
Years Ended March 31, 2012 and 2011, and
Independent Auditors' Report

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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, 2012 and 2011, and the related consolidated statements of income, changes in equity, comprehensive income 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, 2012 and 2011, 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

July 30, 2012

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

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2012 AND 2011
(In thousands, except for share data)

	2012	2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (including time deposits of $551,961 in 2012 and $263,294 in 2011)	$ 681,111	$ 412,220
Marketable securities		15,998
Notes and loans receivable:		
Parent and affiliated companies	376,338	547,491
Customers	31,835	33,705
Accounts receivable:		
Customers (after allowance for uncollectible accounts of $342 in 2012 and $322 in 2011)	420,477	632,315
Parent and affiliated companies	271,817	525,043
Other	79,680	95,727
Merchandise inventories	547,836	628,006
Leased inventories	1,234,514	1,049,364
Guaranty deposits and advances to suppliers	315,543	325,330
Deferred income taxes	110	1,272
Prepaid expenses and other current assets	12,748	9,558
Total current assets	3,972,009	4,276,029
LONG-TERM LOANS RECEIVABLE FROM PARENT	657,621	384,707
NONCURRENT ADVANCES AND RECEIVABLES AND OTHER ASSETS (after allowance for uncollectible accounts of $0 in 2012 and $0 in 2011)	283,542	171,703
INVESTMENTS:		
Investments in affiliated companies	207,173	223,328
Other investments	47,390	48,376
Total investments	254,563	271,704
PROPERTY AND EQUIPMENT — Net	14,782	47,919
DEFERRED INCOME TAXES	13,917	7,118
INTANGIBLE ASSETS		12,306
GOODWILL		15,407
TOTAL	$ 5,196,434	$ 5,186,893

(Continued)

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

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2012 AND 2011
(In thousands, except for share data)

LIABILITIES AND EQUITY	**2012**	**2011**
CURRENT LIABILITIES:		
Short-term debt:		
Parent	$ 52,388	$ 47,182
Other	1,139,285	1,161,307
Current maturities of long-term debt	194,316	175,913
Notes payable	12,923	18,001
Accounts payable and accrued expenses:		
Parent and affiliated companies	964,959	1,072,531
Trade creditors	392,093	643,743
Advances from customers	94,120	104,514
Lease liabilities and other	111,196	147,296
Total current liabilities	2,961,280	3,370,487
NONCURRENT LIABILITIES:		
Long-term debt	1,010,000	658,099
Noncurrent advances from Parent	101,669	133,991
Noncurrent advances from other	146,951	27,103
Other long-term liabilities	53,822	51,942
Total noncurrent liabilities	1,312,442	871,135
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Stockholder's equity:		
Common stock without par value (authorized — 750,000 shares; issued and outstanding — 710,718 shares)	448,363	448,363
Retained earnings	491,617	487,923
Accumulated other comprehensive income (loss):		
Net unrealized gains on available-for-sale securities — net of tax	6,325	12,853
Foreign currency translation adjustments	(10,541)	(7,348)
Proportionate share of investment in affiliated companies' net unrealized losses on derivative instruments — net of tax	(3,018)	(205)
Defined benefit and other postretirement plans — net of tax	(17,002)	(9,700)
Total Mitsubishi International Corporation stockholder's equity	915,744	931,886
Noncontrolling interests	6,968	13,385
Total equity	922,712	945,271
TOTAL	$ 5,196,434	$ 5,186,893

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, 2012 AND 2011
(In thousands)

	2012	2011
REVENUES:		
Revenues from operating and other activities	$2,148,564	$2,109,236
Margins and commissions on operating transactions	91,492	111,143
Total revenues	2,240,056	2,220,379
OPERATING TRANSACTIONS — $8,603,966 in 2012 and $9,262,232 in 2011		
COST OF REVENUES FROM OPERATING AND OTHER ACTIVITIES	2,055,227	2,033,811
GROSS PROFIT	184,829	186,568
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(135,038)	(133,446)
INTEREST INCOME (Net of interest expense of $16,002 in 2012 and $8,665 in 2011)	4,301	4,930
(LOSS) GAIN ON SALES OF MARKETABLE SECURITIES AND OTHER INVESTMENTS (Net of gains and losses of $1,498 in 2012 and $841 in 2011)	(67)	677
PROVISION FOR DOUBTFUL ACCOUNTS	(40)	(141)
SUNDRY INCOME (Net of expenses of $6,941 in 2012 and $4,877 in 2011)	17,390	12,096
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, EQUITY IN EARNINGS OF AFFILIATES, AND NONCONTROLLING INTERESTS	71,375	70,684
INCOME TAXES:		
Current	22,853	26,672
Deferred	5,022	3,009
Total	27,875	29,681
NET INCOME FROM CONTINUING OPERATIONS BEFORE EQUITY IN EARNINGS OF AFFILIATES AND NONCONTROLLING INTERESTS	43,500	41,003
EQUITY IN EARNINGS OF AFFILIATES (Net of losses of $4,438 in 2012 and $5,028 in 2011)	10,413	15,915
INCOME FROM CONTINUING OPERATIONS	53,913	56,918
DISCONTINUED OPERATIONS:		
(Loss) gain from discontinued operations	(4,039)	4,059
Gain on disposal of subsidiaries	12,763	
Income tax benefit (expense) from discontinued operations	69	(1,267)
Total	8,793	2,792
NET INCOME	62,706	59,710
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS:		
Continued operations	(1,513)	(2,222)
Discontinued operations	(585)	(574)
Net income attributable to noncontrolling interests	(2,098)	(2,796)
NET INCOME ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION	$ 60,608	$ 56,914
AMOUNTS ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION:		
Income from continuing operations	$ 52,400	$ 54,696
Income from discontinued operations	8,208	2,218
NET INCOME ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION	$ 60,608	$ 56,914

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, 2012 AND 2011
(In thousands, except for share data)

	2012	2011
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	487,923	509,690
Net income attributable to Mitsubishi International Corporation	60,608	56,914
Cash dividends paid	(56,914)	(78,681)
Balances — end of year	491,617	487,923
ACCUMULATED OTHER COMPREHENSIVE LOSS:		
Balances — beginning of year	(4,400)	(19,427)
Net unrealized (losses) gains on available-for-sale securities — net of tax benefit of $199 in 2012 and tax expense of $302 in 2011	(6,528)	12,052
Foreign currency translation adjustments	(3,193)	4,192
Proportionate share of investment in affiliated companies' net unrealized (losses) gains on derivative instruments — net of tax benefit of $1,515 in 2012 and tax expense of $304 in 2011	(2,813)	456
Defined benefit pension and other postretirement plans — net of tax benefit of $4,456 in 2012 and $1,115 in 2011	(7,302)	(1,673)
Balances — end of year	(24,236)	(4,400)
TOTAL MITSUBISHI INTERNATIONAL CORPORATION'S EQUITY	$ 915,744	$ 931,886
NONCONTROLLING INTERESTS:		
Balances — beginning of year	$ 13,385	$ 12,021
Dividends to noncontrolling interests	(2,956)	(1,511)
Equity transactions with noncontrolling interests and other	(5,535)	123
Net income attributable to noncontrolling interests	2,098	2,796
Other comprehensive loss attributable to noncontrolling interests (net of tax)	(24)	(44)
BALANCES — End of year	$ 6,968	$ 13,385

See notes to consolidated financial statements.

MITSUBISHI INTERNATIONAL CORPORATION AND SUBSIDIARIES
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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011
(In thousands)

	2012	2011
NET INCOME	$ 62,706	$ 59,710
OTHER COMPREHENSIVE INCOME (LOSS):		
Net unrealized (losses) gains on available-for-sale securities (net of tax)	(6,528)	12,052
Proportionate share of investment in affiliated companies' net unrealized (losses) gains on derivatives (net of tax)	(2,813)	456
Defined benefit pension and other postretirement plans (net of tax)	(7,367)	(1,680)
Foreign currency translation adjustments	(3,152)	4,155
Total	(19,860)	14,983
COMPREHENSIVE INCOME	$ 42,846	$ 74,693
AMOUNTS ATTRIBUTABLE TO NONCONTROLLING INTERESTS:		
Net income	$ (2,098)	$ (2,796)
Other comprehensive loss:		
Defined benefit pension and other postretirement plans	65	7
Foreign currency translation adjustments	(41)	37
Total	24	44
COMPREHENSIVE INCOME	$ (2,074)	$ (2,752)
AMOUNTS ATTRIBUTABLE TO MITSUBISHI INTERNATIONAL CORPORATION:		
Net income	$ 60,608	$ 56,914
Other comprehensive (loss) income:		
Net unrealized gains (losses) on available-for-sale securities	(6,528)	12,052
Net unrealized gains (losses) on derivatives	(2,813)	456
Defined benefit pension and other postretirement plans	(7,302)	(1,673)
Foreign currency translation adjustments	(3,193)	4,192
Total	(19,836)	15,027
COMPREHENSIVE INCOME	$ 40,772	$ 71,941

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, 2012 AND 2011
(In thousands)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 62,706	$ 59,710
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	12,053	10,103
Goodwill impairment	3,814	
Realized loss (gain) on sales of marketable securities and other investments — net	2,110	(677)
Inventory write-down	3,663	
Gain on disposal of discontinued operations	(12,763)	
Gain on sales of property and equipment	(67)	(26)
Provision for doubtful accounts and other losses	40	136
Provision for accrued pension liabilities	3,888	3,834
Deferred income taxes	540	3,724
Equity in earnings of affiliates — net less dividends received	8,850	(3,228)
Unrealized (gain) loss and foreign exchange (gain) loss on derivatives	11,225	(43,060)
Accreted interest	(1,790)	(1,884)
Changes in operating assets and liabilities:		
Notes receivable	25,827	(13,614)
Accounts receivable	488,311	(251,369)
Merchandise inventories and leased inventories	(156,852)	(121,899)
Guaranty deposits and advances to suppliers	9,763	(91,818)
Prepaid expenses and other current assets	(4,623)	61
Noncurrent advances and receivables and other assets	(116,111)	111,145
Notes payable	(492)	3,008
Accounts payable and accrued expenses	(426,808)	46,061
Other long-term liabilities	92,500	(124,445)
Net cash provided by (used in) operating activities	5,784	(414,238)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of marketable securities	16,000	35,000
Investments in affiliated companies	(23,361)	(17,958)
Proceeds from sales of cost method investments	3,986	4,449
Purchases of other investments	(4,567)	(5,265)
Proceeds from sales of property and equipment	1,046	5,534
Purchases of property and equipment	(13,946)	(13,011)
Proceeds from sales of affiliated companies	19,750	25,258
Proceeds from sales of businesses	50,265	
Collection of loan receivable from affiliated company	633,024	135,986
Increase in loan receivable to affiliated company	(762,236)	(334,779)
Proceeds from maturity of time deposit		100,000
Net cash used in investing activities	(80,039)	(64,786)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2012 AND 2011
(In thousands)

	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of short-term debt	$ 1,618,286	$ 338,968
Repayment of short-term debt	(1,626,931)	(48,114)
Proceeds from issuance of long-term debt	609,470	401,042
Repayment of long-term debt	(196,808)	(157,588)
Dividends	(56,914)	(78,681)
Dividends to noncontrolling interests	(2,956)	(1,511)
Net cash provided by financing activities	344,147	454,116
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,001)	1,729
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	268,891	(23,179)
CASH AND CASH EQUIVALENTS — Beginning of year	412,220	435,399
CASH AND CASH EQUIVALENTS — End of year	$ 681,111	$ 412,220
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION — Cash paid during the year for:		
Interest	$ 18,525	$ 9,863
Income tax	$ 30,400	$ 39,959

See notes to consolidated financial statements. (Concluded)

1. SIGNIFICANT ACCOUNTING POLICIES

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

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, logistics and development, energy, metals, machinery, chemicals and living essentials, each having a diverse customer base.

On April 1, 2012, the Parent established Mitsubishi Corporation (Americas) ("MCA") as a wholly-owned subsidiary, and transferred Mitsubishi International Corporation ("MIC")'s stock held by the Parent to MCA. MIC sold equity in some of its subsidiaries and affiliates to MCA at carrying value. The subsidiaries and affiliates being sold include Mitsubishi Canada Limited, Mitsubishi de Mexico, Mitsubishi Business Solutions, Inc., MIC Nebraska, Inc., Mitsubishi International PolymerTrade Corporation, Mitsubishi International Food Ingredients, Inc., MI Chlor-Alkali Inc., Rimtec Corporation, Amfine Chemical Corporation, and Agrex Inc. Their aggregate carrying value as of March 31, 2012 was $129,115 and the aggregate net income for year ended March 31, 2012 was $12,111.

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

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, 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.

During the year ended March 31, 2011, the Company determined that a certain decline of the fair value of available-for-sale securities were indicative of other-than-temporary impairment, primarily due to evidence of credit quality issues. For the years ended March 31, 2012 and 2011, the Company recorded

impairment losses of $0 and $69, respectively, on such available-for-sale securities, which were included in “(Loss) gain on sales of marketable securities and other investments — net” in the accompanying consolidated statements of income.

Financing Receivables and Allowance for Credit Losses — Financing receivables include loans and lease receivables portfolios. Loans as of March 31, 2012 and 2011 were $1,066,713 and $966,912, respectively. There were no lease receivables as of March 31, 2012 and 2011. Loans receivables are primarily provided to affiliated companies and included in Notes and loans receivables, Long-term loans receivables from parent, and Noncurrent advances and receivables and other assets.

To assess the adequacy of the allowance for financing receivables, the Company performs a quarterly analysis of the loans using credit quality indicators: performing financial receivables and nonperforming financial receivables. Receivables that meet one of the following conditions are classified as nonperforming financial receivables: counterparties who have filed a petition for liquidation, adjustments, rehabilitation or reorganization under bankruptcy codes; counterparties whose debts have not been collected for more than one year since the original due date; and counterparties experiencing suspension or discontinuance of business, as well as those whose ability to fulfill their obligations is doubtful based on the Company’s internal review of their financial conditions.

All of the loans receivable are classified as performing and there were no impaired loans as of March 31, 2012 and 2011. In addition, there were no past due or non-accrual loans as of March 31, 2012 and 2011.

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 recorded an inventory write-down of $3,663 and $0 for the years ended March 31, 2012 and 2011, respectively.

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 $1,263,309 and $1,049,364 and liabilities of $690,212 and $648,096 as of March 31, 2012 and 2011, respectively. The balances are included in “Leased inventories”, “Noncurrent Advances and Receivables and Other Assets”, “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 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 $1,493 and $752 for the years ended March 31, 2012 and 2011, respectively, which were included in "(Loss) gain on sales of marketable securities and other investments — net" in the accompanying consolidated statements of income.

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 and Intangible Assets — Pursuant to the provisions of ASC 350, *Intangibles — Goodwill and Other*, goodwill and other indefinite-lived intangible assets are 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.

Intangible assets with indefinite useful lives are tested for impairment by comparing the carrying value to current projections of discounted cash flows attributable to the related reporting units. Any excess carrying value over the amount of the fair value represents the amount of impairment.

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.

Intangible assets with definite useful lives 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.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of — The Company reviews long-lived assets, other than goodwill and other indefinite-lived intangible assets, 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, 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, 2012 and 2011, respectively.

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 currency and interest rate exposure related to borrowings made in foreign currencies.

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).

The Company has elected to offset cash margin accounts against fair value amounts recognized for net derivative positions executed with the same counterparty under the same master netting arrangement.

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.

The Company recognizes the financial statement effects of tax positions when it is more-likely-than-not, based on the technical merits, that the tax positions will be sustained upon examination by the tax authorities. Benefits from tax positions that meet the more-likely-than-not recognition threshold are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. The Company records potential interest and penalties related to unrecognized tax benefits as part of income tax expense.

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. 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 "Sundry income, net" in the consolidated statements of income in such period. The aggregate transaction losses (net of transaction gains) were $5,169 and $2,387 for the years ended March 31, 2012 and 2011, respectively.

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

Reclassifications — Certain reclassifications have been made to the prior year's consolidated financial statements to conform to our current year's presentation to present the sale of subsidiaries during the fiscal year ended March 31, 2012 as a discontinued operation in the consolidated financial statements and footnotes for all periods presented.

New Accounting Standards — In October 2009, the FASB issued Accounting Standards Update ("ASU") No. 2009-13, *Revenue Recognition — Multiple-Deliverable Revenue Arrangements (a Consensus of the FASB Emerging Issues Task Force)*. 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, third-party evidence of selling price, or estimated selling price. This update was effective in fiscal years beginning on or after June 15, 2010. The adoption of this update did not have an impact on the Company's consolidated financial statements.

In July 2010, the FASB issued ASU No. 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*, which amends ASC 310, *Receivables*, by requiring more robust and disaggregated disclosures about the credit quality of an entity's financing receivables, including trade receivables, and its allowance for credit losses. The objective of enhancing these disclosures is to improve financial statement users understanding of (1) the nature of an entity's credit risk associated with its financing receivables and (2) the entity's assessment of that risk in estimating its allowance for credit losses, as well as changes in the allowance and the reasons for those changes. This update is effective for public entities for reporting periods ending on or after December 15, 2010 for disclosures of financing receivables as of the end of a reporting period. The disclosures related to activity that occurs during a reporting period are required to be adopted for periods beginning on or after December 15, 2010. During the year end March 31, 2012, the Company adopted this standard and has provided the required disclosures.

In December 2010, the FASB issued ASU No. 2010-28, *Intangibles — Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts, a consensus of the FASB Emerging Issues Task Force (Issue No. 10-A)*. ASU No. 2010-28 modifies Step 1 of the goodwill impairment test under ASC 350 for reporting units with zero or negative carrying amounts to require an entity to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are adverse qualitative factors in determining whether and interim goodwill impairment test between annual test dates is necessary. ASU No. 2010-28 is effective for fiscal years beginning after December 15, 2010. The adoption of this guidance did not have an impact on the consolidated financial statements.

In April 2011, the FASB issued ASU No. 2011-02, *A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring.* ASU No. 2011-02 provides guidance for determining whether a restructuring constitutes a troubled debt restructuring for the purpose of measuring an impairment loss and disclosure of troubled debt restructuring. In determining whether a restructuring constitutes a troubled debt restructuring, creditors must separately conclude whether the restructuring constitutes a concession and whether a debtor is experiencing financial difficulties. ASU No. 2011-02 is effective for the first interim period or fiscal years beginning on or after June 15, 2011. The Company is currently assessing the potential impacts, if any, that adoption of ASU No. 2011-02 may have on the consolidated financial statements.

In April 2011, the FASB issued ASU No. 2011-03, *Transfers and Servicing — Reconsideration of Effective Control for Repurchase Agreements.* The ASU amends the conditions to determine whether a transferor in repurchase agreements (repos) and other similar agreements maintains effective control over the financial assets transferred by removing from the assessment of effective control (1) the

criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (2) the collateral maintenance implementation guidance related to that criterion. The ASU is effective for annual period beginning on or after December 15, 2011, and should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted. The Company is currently assessing the potential impacts, if any, that adoption of ASU No. 2011-03 may have on the consolidated financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* ASU No. 2011-04 is the result of joint efforts by the FASB and International Accounting Standards Board ("IASB") to develop a single, converged fair value framework, that is, converged guidance on how to measure fair value and on what disclosures to provide about fair value measurements. ASU No. 2011-04 is effective for the first interim period or fiscal years beginning after December 15, 2011. The Company is currently assessing the potential impacts, if any, that adoption of ASU No. 2011-04 may have on the consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income — Presentation of Comprehensive Income*, which requires that comprehensive income be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU No. 2011-05 also requires entities to disclose on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net earnings. ASU No. 2011-05 no longer allows companies to present components of other comprehensive income only in the statement of equity. This ASU was subsequently amended by ASU No. 2011-12, *Comprehensive Income — Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*, which deferred the requirement for companies to present reclassification adjustments for each component of accumulated other comprehensive income in both other comprehensive income and net income on the face of the financial statements. For public entities, this update was effective for interim and annual reporting periods beginning after December 15, 2011. The changes will be for presentation and disclosure only and will have no impact on our consolidated financial position or results of operations.

In September 2011, the FASB issued ASU No. 2011-08, *Intangibles —Goodwill and Other: Testing Goodwill for Impairment*. This ASU permits and entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying two-step goodwill impairment test. If an entity concludes it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test. The ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The Company is currently assessing the potential impacts, if any, that adoption of ASU No. 2011-08 may have on the consolidated financial statements.

In September 2011, the FASB issued ASU No. 2011-09, *Disclosures About an Employer's Participation in a Multiemployer Plan*, which amends ASC 715-80, *Compensation — Retirement Benefits,* by increasing the quantitative and qualitative disclosures an employer is required to provide about its participation in significant multiemployer plans that offer pension or other postretirement benefits. This ASU's objective is to enhance the transparency of disclosures about (1) the significant multiemployer plans in which an employer participates, (2) the level of the employer's participation in those plans, (3) the financial health of the plans, and (4) the nature of the employer's commitments to the plans. This update is effective for fiscal years ending after December 15, 2011. The adoption of this guidance did not have an impact on the consolidated financial statements.

In December 2011, the FASB issued ASU No. 2011-11, *Balance Sheet — Disclosures about Offsetting Assets and Liabilities*. The update requires entities to disclose information about offsetting and related arrangements of financial instruments and derivative instruments. This update is effective for interim and annual reporting periods beginning on or after January 1, 2013. The Company is currently assessing the potential impacts, if any, that adoption of ASU No. 2011-11 may have on the consolidated financial statements.

2. PROPERTY AND EQUIPMENT — NET

Property and equipment — net at March 31, 2012 and 2011, consisted of the following:

	2012	2011
Leasehold improvements	$ 12,507	$ 11,356
Land and land improvements	410	1,070
Building and structures	2,854	10,459
Machinery and equipment	4,824	40,985
Furniture, fixtures and vehicles	9,254	10,963
Construction in progress	2,164	1,182
Capitalized software costs	13,689	12,830
Total	45,702	88,845
Less accumulated depreciation and amortization	(30,920)	(40,926)
Net	$ 14,782	$ 47,919

Depreciation and amortization expense for the years ended March 31, 2012 and 2011 was $2,932 and $3,213, 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 costs are expensed as incurred.

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	3–18
Building and structures	10–30
Machinery and equipment	3–14
Furniture, fixtures and vehicles	4–15
Capitalized software costs	3–5

3. GOODWILL AND INTANGIBLE ASSETS

Goodwill — The following table summarizes the carrying amount of goodwill by reporting segment for the year ended March 31, 2011:

	Industrial Finance, Logistics & Development	Metals	Chemicals	Living Essentials	Total
Balances — March 31, 2011:					
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 as of March 31, 2011 was subject to impairment testing. The goodwill had been generated from business acquisitions through the Industrial Finance, Logistics & Development segment of the Company. Changes in the carrying amount of goodwill during the years ended March 31, 2012 and 2011 were as follows:

Balance — March 31, 2010	$ 15,407
Balance — March 31, 2011	$ 15,407
Impairment	(3,814)
Disposal of businesses — see Note 13 on discontinued operations	(11,593)
Balance — March 31, 2012	$ -

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.

During the fiscal years ended March 31, 2011 and 2012, the Company performed impairment tests of its goodwill, and recorded impairment charges of $3,814 and $0 for the fiscal years ended March 31, 2012 and 2011, respectively.

Intangible Assets — Intangible assets subject to amortization as of March 31, 2011 consist of the following:

2011	Gross Carrying Amount	Accumulated Amortization	Net
Trademarks	$ 2,244	$ 1,168	$ 1,076
Customer relationships	13,082	1,950	11,132
Other	100	2	98
Total	$ 15,426	$ 3,120	$ 12,306

During the year ended March 31, 2012, the Company sold Interflex Holdings, Inc. (“Interflex”) and Viapack, Inc. (“Viapack”) within the Company’s Industrial Finance, Logistics & Development segment. The reduction in intangible assets during the current year was due to the disposal of the two subsidiaries which is discussed in Note 13.

Amortization expense on the Company’s intangible assets for the fiscal years ended March 31, 2012 and 2011 was $1,347 and $1,047, respectively.

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, 2012 and 2011:

	March 31, 2012			March 31, 2011		
	Ownership Interest	Ownership Equity	Ownership Earnings	Ownership Interest	Ownership Equity	Ownership Earnings
Metal One Holdings America, Inc. (a)	12.00 %	$ 44,772	$ 4,505	12.00 %	$ 46,294	$ 5,883
MCX Gulf of Mexico	5.00	21,297	645	5.00	24,523	(1,596)
Mitsubishi do Brasil S.A.	16.82	20,340	380	16.82	27,017	878
Petro-Diamond Inc.	50.00	18,337	(2,483)	50.00	26,749	1,857
Indiana Packers Corp.	10.00	18,309	3,093	10.00	17,288	4,145
Diamond Nebraska	5.00	12,185	1,808	5.00	10,089	1,126
MC Credit Products Fund Inc.	20.00	11,784	(105)	20.00	8,189	169
Agrex	10.00	10,890	1,011	10.00	11,297	2,476
CIMA Energy Ltd.	13.60	9,287	(216)	13.60	9,503	(2,018)
MC Machinery Systems Inc.	20.00	7,021	810	20.00	6,604	343
MC Asset Management (b)	20.00	5,392	(379)			
Aladdin Capital Holdings LLC (b)				3.90	3,952	(190)

(a) Metal One Holdings America, Inc. (“MOHA”) changed its year end from December 31, 2010 to March 31, 2011. For the year ended March 31, 2011, the Company recorded its proportionate share of earnings for the fifteen-month period from January 1, 2010 through March 31, 2011 in equity in earnings of affiliates on the Company’s consolidated statement of income. The impact of the year-end change by MOHA to March 31, 2011 was not material to the Company’s consolidated financial statements.

(b) During the year ended March 31, 2012, the Company exchanged shares of Aladdin Capital Holdings LLC for shares of MC Asset Management. No gain or loss was recognized on the transfer. The Company recorded earning of ($644), which is included in equity in earnings of affiliates 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 — net" on the consolidated statements of income. For the years ended March 31, 2012 and 2011, the Company received dividends from affiliates of $19,263 and $13,087, respectively. The Company's total investments in affiliates as of March 31, 2012 and 2011 were $207,173 and $223,328, 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, 2012 and 2011 represents an aggregation of all the Company's affiliates which have been accounted for under the equity method:

Statements of Operations	**2012**	**2011**
Net sales	$12,936,448	$11,142,548
Gross profit	545,845	584,146
Net earnings	143,594	62,386

Statements of Financial Condition	**2012**	**2011**
Current assets	$2,615,583	$2,498,110
Non-current assets	1,355,311	1,499,333
Total assets	$3,970,894	$3,997,443
Current liabilities	$1,761,117	$1,796,476
Non-current liabilities	201,075	317,267
Stockholders' equity	2,008,702	1,883,700
Total liabilities and stockholders' equity	$3,970,894	$3,997,443

Diamond Plastics Corp., in which the Company has more than a 20% 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, 2012 and 2011 was $31,268 and $31,743, 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 all quantitative and qualitative factors are weighted 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, 2012 and 2011 was $0 and $15,998, respectively. The total fair value of the marketable securities classified as "non-current" at March 31, 2012 and 2011 was $16,122 and $16,633, respectively.

The following table is the summary of marketable securities held by the Company at March 31, 2012 and 2011:

	2012				2011			
	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	$ 357	$ 77	$ -	$ 434	$ 357	$ 33	$ -	$ 390
Debt securities	16,502		(814)	15,688	32,502	1	(262)	32,241

Maturities of debt securities included in marketable securities are as follows at March 31, 2012 and 2011, respectively:

	2012		2011	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due through one year	$ -	$ -	$ 16,000	$ 15,998
Due after one year to five years	16,502	15,688	16,502	16,243
Total	$ 16,502	$ 15,688	$ 32,502	$ 32,241

The following table sets forth gross unrealized losses and the fair value of the Company's investments which have unrealized losses that are deemed to be 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, 2012 and 2011:

	Less Than 12 Months		12 Months or Longer		Total	
2012	Fair Value	Unrealized Value Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities	$ -	$ -	$ 15,688	$ (814)	$ 15,688	$ (814)
Total	$ -	$ -	$ 15,688	$ (814)	$ 15,688	$ (814)

	Less Than 12 Months		12 Months or Longer		Total	
2011	Fair Value	Unrealized Value Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities	$ -	$ -	$ 22,243	$ (262)	$ 22,243	$ (262)
Total	$ -	$ -	$ 22,243	$ (262)	$ 22,243	$ (262)

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, 2012 and 2011.

The above considerations are used for recognizing and measuring the amount related to credit losses as well. For the fiscal years ended March 31, 2012 and 2011, the Company did not record any credit losses on the marketable securities.

During the years ended March 31, 2012 and 2011, the proceeds from sales and maturities of marketable securities were $16,000 and $35,000, respectively. There were no gross realized gains or losses on such securities for the years ended March 31, 2012 and 2011. 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 deemed to be temporary were $814 and $262, respectively, at March 31, 2012 and 2011. The gross unrealized gains were not significant as of March 31, 2012 and 2011. The changes in net unrealized holding gains and losses on the securities that were included in "(Loss) gain on Marketable Securities and Other Investments" on the Company's consolidated statement of income for the years ended March 31, 2012 and 2011 were losses of $2 and gains of $5, respectively.

As of March 31, 2012, investments in marketable debt securities have remaining maturities of two 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 ongoing 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 Sheets:

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 positions 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, 2012 and 2011, respectively:

Commodity Type	Commitment	Amount 2012	2011
Nonferrous metals	Purchase	$ 316,821	$ 293,204
Nonferrous metals	Sales	653,157	643,441
Precious metals	Purchase	2,434,433	2,558,157
Precious metals	Sales	3,103,131	2,989,814
Precious metals	Borrowing	704,332	631,702

The following tables present Company's commodity derivative instruments measured at fair value as reflected in the consolidated balance sheets as of March 31, 2012 and 2011, respectively:

Derivatives Designated as Hedging Instruments	Balance Sheet Location	2012	2011
Commodity contracts	Accounts payable and accrued expenses — Parent and affiliated companies	$ -	$ 39,095
Commodity contracts	Accounts receivable — Parent and affiliated companies	5,168	

The changes in fair value are recognized in "Cost of revenues from operating and other activities" in the accompanying consolidated statements of income. Time value has been excluded from the effectiveness testing. Ineffectiveness resulting from differences in the price fluctuations between hedging instruments and hedged items for the years ended March 31, 2012 and 2011 was a loss of $7,262 and a gain of $9,925, respectively, and was included in "Cost of revenues from operating and other activities".

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 and Canadian dollar to a United States dollar floating-rate basis.

For specifically designated fair value hedges of certain fixed-rate debt, the Company utilizes the short-cut method when certain criteria are met. For other fair value hedges of fixed rate assets and liabilities denominated in foreign currencies, the Company utilizes the regression method to evaluate hedge effectiveness on a quarterly basis. Changes to the fair value of the hedged items or derivatives attributable to a change in credit risk are excluded from our assessment of hedge effectiveness. For hedging relationships that are designated as fair value hedges, changes in the fair value of the derivative are, to the extent that the hedging relationship is effective, recorded through earnings and offset against changes in the fair value of the hedged item.

The total notional amounts of the Company's financial swaps as of March 31, 2012 and 2011 were $263,789 and $394,622, respectively.

The following tables present Company's financial swap contracts measured at fair value as reflected in the consolidated balance sheets as of March 31, 2012 and 2011, respectively.

Derivatives Designated as Hedging Instruments	Balance Sheet Location	2012	2011
Currency and interest rate swap	Accounts receivable — other/noncurrent advances and receivables and other assets	$ -	$ 31,164
Currency and interest rate swap	Accounts payable accrued expenses — Parent and affiliated companies/other long-term liabilities	986	681

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, 2012 and 2011, respectively.

Embedded Derivatives Related to Commodity Lease Transactions — The Company utilizes commodity lease contracts in precious metals trading activities as embedded derivative instruments. These instruments are measured at fair value as reflected in the consolidated balance sheets as of March 31, 2012 and 2011, respectively.

Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	2012	2011
Precious metals — lease contracts	Accounts payable and accrued expenses — Parent and affiliated companies	$ 15,150	$ 14,138

Classification of 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 sheets as of March 31, 2012 and 2011, respectively.

	Balance Sheet Location	2012	2011
Gains:			
Contracts maturing within one year	Account receivable — Parent and affiliated companies/account receivable — other	$ 137,998	$ 243,113
Contracts maturing over one year	Noncurrent advances and receivables	7,847	9,952
Losses:			
Contracts maturing within one year	Accounts payable and accrued expenses: Parent and affiliated companies	103,308	291,239
Contracts maturing over one year	Other long-term liabilities	1,812	6,524

Derivative instruments shown above are subject to master netting arrangements and are presented on a net basis in the consolidated balance sheet. The total cash margin accounts included in "Guaranty deposits and advances to suppliers" which were subject to master netting arrangements at March 31, 2012 and 2011 were $8,602 and $67,975, respectively, of which $0 and $56,321, respectively, have been offset against net derivative positions.

Effect on Derivative Instruments on the Consolidated Statements of Income:

Gains and (Losses) on Commodity Derivatives — The following table presents gains and (losses) on commodity derivatives both designated and not designated as hedging instruments in the consolidated statements of income for the years ended March 31, 2012 and 2011, respectively:

Commodity Derivatives	Statement of Income Location	2012	2011
Nonferrous metal	Cost of revenues from operating and other activities	$ (75,299)	$ 23,130
Precious metal	Cost of revenues from operating and other activities	(60,366)	141,027

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	2012	2011
Foreign exchange contracts	Sundry income — net	$ 8,335	$ 3,291

6. SHORT-TERM AND LONG-TERM DEBT

Short-term debt as of March 31, 2012 and 2011 consisted of the following:

	2012		2011	
		Interest Rate		Interest Rate
Loans from financial institutions	$ 1,053	0.8 %	$ 49,114	1.1 %
Loans from affiliated companies	52,388	0.4	47,182	0.2
Commercial paper	1,138,232	0.4	1,112,193	0.3
Total short-term debt	$ 1,191,673		$ 1,208,489	

The interest rates on short-term debt represent weighted-average rates of fixed and floating rates on outstanding balances at March 31, 2012 and 2011, respectively.

As of March 31, 2012, long-term debt bore interest at floating rates. As of March 31, 2011, long-term debt bore interest at fixed and floating rates. Long-term debt as of March 31, 2012 and 2011 is comprised of the following:

	2012	2011
Financial institutions — maturing through 2018 — at fixed or floating rates, principally 0.34% to 1.56%	$ 1,204,316	$ 798,940
Fair value adjustments for debt in accordance with ASC 815		35,072
Total long-term debt (including ASC 815 adjustments)	1,204,316	834,012
Less current maturities (including ASC 815 adjustments of $0 in 2012 and $31,063 in 2011)	(194,316)	(175,913)
Long-term debt, less current maturities	$ 1,010,000	$ 658,099

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

2013 (included in current liabilities)	$ 194,316
2014	230,000
2015	170,000
2016	310,000
2017	150,000
Thereafter	150,000
Total long-term debt	$ 1,204,316

Certain subsidiaries of the Company have pledged all or certain business assets with an aggregate carrying amount of $0 and $115,411 to banks in connection with their current loan agreements at March 31, 2012 and 2011, 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, 2012 and 2011.

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, 2013.

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, 2012 and 2011.

7. INCOME TAXES

The provision for income taxes from continuing operations for the years ended March 31, 2012 and 2011 consisted of the following:

	2012	2011
Current:		
Federal	$ 19,938	$ 22,756
State	2,915	3,916
Deferred:		
Federal	4,106	2,533
State	916	476
Total income taxes	$ 27,875	$ 29,681

Total income taxes include the effects of tax expense of $372 and $2,088 on equity in earnings of affiliates for the years ended March 31, 2012 and 2011, respectively.

The difference between the actual income tax expense and income tax expense from continuing operations computed by applying the Federal statutory rate to pretax income (which includes equity in earnings of affiliates) for the years ended March 31, 2012 and 2011 is explained as follows:

	2012	2011
Statutory rate	35.00 %	35.00 %
Change in valuation allowance	0.13	0.24
State taxes (net of Federal tax benefit)	2.93	3.21
Book and tax basis difference of investments in affiliates	(4.44)	(4.75)
Expenses not deductible for income taxes	0.90	0.87
Other	(0.44)	(0.30)
Effective tax rate	34.08 %	34.27 %

At March 31, 2012 and 2011, deferred tax assets and deferred tax liabilities were as follows:

	2012		2011	
	Current	Non-Current	Current	Non-Current
Assets:				
Investments	$ -	$ 14,732	$ -	$ 17,891
Pension	456	16,028	456	12,564
Bad debt write-off	4		4	
Office sublease loss write-off	208	2,958	105	3,124
ASC 815 adjustments		1,626		39
Net operating loss carryforward	349		352	4,554
Vacation accrual	267		267	
Other	2,209	204	3,087	
Gross deferred tax assets	3,493	35,548	4,271	38,172
Valuation allowance	(387)	(11,141)	(1,750)	(18,060)
Deferred tax assets, net of valuation allowance	3,106	24,407	2,521	20,112
Liabilities:				
Affiliated companies		(8,237)		(8,961)
ASC 815 adjustments	(3,250)		(1,249)	
Depreciation and amortization		(2,831)		(1,783)
Other				(2,250)
Gross deferred tax liabilities	(3,250)	(11,068)	(1,249)	(12,994)
Net deferred tax assets (liabilities)	$ (144)	$ 13,339	$ 1,272	$ 7,118

As of March 31, 2012, the Company had U.S. State net operating losses ("NOL") carryforwards and the deferred tax amount is $349. The NOL carryforwards expire in periods beginning in 2021 through 2022. The Company did not have any Federal or 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 $11,528 and $19,810 were recorded as of March 31, 2012 and 2011, respectively, related to certain of the Company's 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, 2012, the aggregate amount of gross unrealized and realized capital losses of $63.5 million exceeded the aggregate amount of capital gains of $33.2 million by $30.3 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 $11.5 million related to the $30.3 million balance. The net change in the valuation allowance for the years ended March 31, 2012 and 2011 was a decrease of $8,282 and $128, respectively.

No provision for income tax is recognized on a portion of undistributed earnings of the Company's foreign subsidiaries to the extent that the Company considers that such earnings are not expected to be remitted in the foreseeable future. At March 31, 2012 and 2011, 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 $6,089 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, 2012 and 2011 were as follows:

Balance — March 31, 2010	$ 351
Additions for tax positions of prior years	6
Balance — March 31, 2011	357
Reductions for tax positions of prior years	(175)
Balance — March 31, 2012	$ 182

Total amount of unrecognized tax benefits that would reduce the effective tax rate, if recognized, is $152.

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, 2012 and 2011 were $0 and $1, respectively, and accrued interest and penalties included in the consolidated balance sheets as of March 31, 2012 and 2011 were $30 and $46, respectively.

The Company and its U.S. subsidiaries file income tax returns in the United States Federal jurisdiction, and various states and foreign jurisdictions. The Company and its U.S. subsidiaries are under income tax examination by the Internal Revenue Service ("IRS") for the fiscal years ended March 31, 2010, 2009, 2008, 2007 and December 31, 2006. 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, 2006.

The Company does not anticipate any significant change in the amount of unrecognized 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 Operating Decision Maker, which is 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, Logistics & Development — The Industrial Finance, Logistics & Development group develops the finance business, such as asset management, leasing business and logistics service.

Energy — The Energy Business 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 marketing and distribution of metals 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 years ended March 31, 2012 and 2011, respectively, was as follows:

March 31, 2012	Industrial Finance, Logistics & Development	Energy	Metals	Machinery	Chemicals	Living Essentials	Corporate, Other & Elimination (a),(b)	Total
Revenue (c)	$ 3,673	$ 10,121	$1,354,696	$ 14,933	$ 793,342	$ 53,499	$ 9,792	$2,240,056
Gross profit	3,673	10,121	61,457	14,933	65,546	17,781	11,318	184,829
Interest income	464	509	421	1,790	100	2,040	14,979	20,303
Interest expense	(669)	(1,073)	(11,397)	(232)	(485)	(1,557)	(589)	(16,002)
Income tax (expense) benefit	445	(1,501)	(12,556)	(1,366)	(11,473)	(667)	(757)	(27,875)
Equity in earnings (losses) of affiliates	(1,408)	(2,053)	4,265	934	(58)	5,324	3,409	10,413
Net income attributable to Mitsubishi International Corporation	5,471	342	21,872	3,067	16,527	7,065	6,264	60,608
Segment assets	179,078	237,590	2,073,457	669,832	357,977	556,768	1,121,732	5,196,434
Depreciation and amortization	(94)	(31)	(440)	(39)	(597)	(116)	(1,615)	(2,932)
Operating transactions (d)	$142,158	$819,341	$4,073,423	$636,222	$2,265,525	$664,620	$ 2,677	$8,603,966

March 31, 2011	Industrial Finance, Logistics & Development	Energy	Metals	Machinery	Chemicals	Living Essentials	Corporate, Other & Elimination (a),(b)	Total
Revenue (c)	$ 3,097	$ 8,465	$1,536,944	$ 10,380	$ 589,448	$ 59,584	$ 12,461	$2,220,379
Gross profit	3,097	8,465	62,912	10,380	70,937	19,527	11,250	186,568
Interest income	679	363	459	1,662	137	934	9,361	13,595
Interest expense	(691)	(840)	(6,850)	(235)	(500)	(1,184)	1,635	(8,665)
Income tax (expense) benefit	(958)	570	(14,868)	844	(13,545)	(2,756)	1,032	(29,681)
Equity in earnings (losses) of affiliates	2,608	(1,758)	5,037	532	(212)	7,595	2,113	15,915
Net income (loss) attributable to Mitsubishi International Corporation	2,961	603	26,146	(1,015)	19,478	8,975	(234)	56,914
Segment assets	263,432	409,670	2,228,913	642,795	401,193	595,659	645,231	5,186,893
Goodwill	14,680		427		3	297		15,407
Depreciation and amortization	(142)	(36)	(420)	(43)	(661)	(107)	(1,804)	(3,213)
Operating transactions (d)	$123,643	$1,741,892	$4,229,417	$400,062	$2,068,956	$693,777	$ 4,485	$9,262,232

(a) Segment assets included in Corporate, Other & 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) The Company had immaterial intersegment revenue. All other revenues were from external customers.
(d) Operating transactions is a voluntary disclosure commonly made by similar Japanese trading companies. See Note 1 to the consolidated financial statements. No intersegment operating transaction was in the reportable operating segment.

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 $3,798,375 (44.1%) and $4,745,130 (51.2%) of total operating transactions for the years ended March 31, 2012 and 2011, 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 information service fees from the Parent aggregating $17,096 and $16,618 for the years ended March 31, 2012 and 2011, 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, 2012 and 2011:

	2012	2011
United States	$3,258,556	$3,144,819
Japan	3,692,889	4,499,247
Other foreign countries	1,652,521	1,618,166
	$8,603,966	$9,262,232

The Company received a significant portion of interest income from the Parent and its subsidiaries. For the years ended March 31, 2012 and 2011, interest income from the Parent and its subsidiaries was $14,221 and $9,364, 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, 2012 and 2011, respectively:

	2012	2011
United States	$ 13,213	$ 34,094
Other foreign countries	1,569	13,825
	$ 14,782	$ 47,919

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, 2012 and 2011, the Company had directly guaranteed $32,669 and $14,770, respectively, of such obligations.

At March 31, 2012, directly and indirectly guaranteed obligations of $32,669 and $510, respectively, consisted of $17,470 for supplier obligations to equity affiliates, $15,690 for short-term (less than one year) bank obligations to equity affiliates, and $19 for short-term bank obligations to external customers. At March 31, 2011, directly and indirectly guaranteed obligations of $14,770 and $510, respectively, consisted of $12,468 for supplier obligations to equity affiliates, $2,772 for short-term (less than one year) bank obligations to equity affiliates, and $40 for short-term bank obligations to external customers.

Unused letters of credit outstanding at March 31, 2012 and 2011 amounted to approximately $154,141 and $124,680, 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

Lessee — The Company's subsidiaries had capital leases for equipment and automobiles. The gross amounts of property, machinery and equipment recorded under capital leases as of March 31, 2011 is as follows:

	Cost	Accumulated Depreciation	Net
Machinery and equipment	$ 11,901	$ (4,326)	$ 7,575

There were no remaining assets under capital leases at March 31, 2012 due to the disposal of the two subsidiaries which is discussed in Note 13.

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 annual 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 with any allowance or reimbursement provided by the lessor.

Future minimum payments, by year and in the aggregate, under 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:

	Operating Leases
2013	$ 7,556
2014	7,950
2015	7,565
2016	6,976
2017	6,421
Thereafter	29,870
Total minimum payments required (a)	$ 66,338

(a) Minimum payments have been reduced by minimum sublease rentals. The sublease rental amount is $391, $101, $101, $61, and $61 for each of the next five fiscal years ending 2017, and $314 thereafter under operating leases due in the future under non-cancelable leases.

Total rent expense (net of subleases) for the years ended March 31, 2012 and 2011 was $9,419 and $8,409, respectively. The amount of rental income from subleases for the years ended March 31, 2012 and 2011 was $241 and $347, respectively.

12. SUNDRY INCOME — NET

Sundry income — net for the years ended March 31, 2012 and 2011, consisted of the following:

	2012	2011
Foreign exchange loss — net	$ (5,169)	$ (2,387)
Gain on financial deriviative	4,947	1,762
Management service fees	15,143	11,678
Dividend income	1,878	1,635
(Loss) gain on sales of properties — net	(34)	26
Rental income	225	347
Other — net	400	(965)
Total	$ 17,390	$ 12,096

13. DISCONTINUED OPERATIONS

During the year ended March 31, 2012, the Company sold Interflex, a subsidiary within the Company's Industrial Finance, Logistics & Development segment. As a result of the sale, the gain from the operations of Interflex for the years ended December 31, 2011 and December 31, 2010 and the gain on sale of Interflex were reported as discontinued operations in the Company's consolidated financial statements for the fiscal year ended March 31, 2012.

The Company sold Interflex on March 30, 2012. The Company consolidated Interflex on a three-month lag period as Interflex had a December 31st fiscal year end. Although Interflex was sold subsequent to its December 31st fiscal year end, the Company included Interflex's results of operations from January 1, 2012 through March 31, 2012 ("Catch Up Period") to properly recognize the gain on the disposal of Interflex during the lag period.

During the year ended March 31, 2012, the Company sold Viapack, a subsidiary within the Company's Industrial Finance, Logistics & Development segment. As a result of the sale, the loss from the operations of Viapack for the years ended December 31, 2011 and December 31, 2010 and the loss on the sale of Viapack were reported as discontinued operations in the Company's consolidated financial statements for the fiscal year ended March 31, 2012.

Summarized financial information for the fiscal years ended March 31, 2012 and 2011 for the discontinued operations is as follows:

	2012 (a)	2011
Revenues	$ 186,366	$ 147,210
(Loss) gain from discontinued operations before income taxes	$ (4,039)	$ 4,059
Gain on disposal of subsidiaries	12,763	
Income tax benefit (expense)	69	(1,267)
Income from discontinued operations	8,793	2,792
Gain from discontinued operations attributable to noncontrolling interests	(585)	(574)
Income from discontinued operations attributable to Mitsubishi International Corporation	$ 8,208	$ 2,218

(a) The Company consolidated Inteflex over a three-month lag period as Interflex had a December 31st year end subsidiary. Although Interflex was sold subsequent to the subsidiary's December 31st year end, the Company included Interflex's results of operations from January 1, 2012 through March 30, 2012, ("Catch Up Period") for the Company to properly recognize the gain on disposal of Interflex during the lag period. Revenue for Interflex during the Catch Up Period amounted to $26,950. Pre- and post-tax operating gain of Interflex during the Catch Up Period were $10 and $4, respectively. The gain on disposal of Interflex was determined as the difference between the selling proceeds and the carrying amount of Interflex at the date of sale on March 30, 2012, which amounted to $12,763, net of operating income 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 OTC and are valued based on inputs obtained from the London Metal Exchange and the 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.

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, 2012 and 2011.

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 payable approximate fair value because of their short-term maturities.

For long-term debt, the fair values are based on current rates at which the Company could borrow funds with similar remaining maturities. The carrying value of long-term debt 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, 2012 and 2011 (for Pension Assets, see Note 15):

Description	**Fair Value at March 31, 2012**	**Fair Value Measurement Hierarchy**		
		Level 1	**Level 2**	**Level 3**
Assets:				
Cash equivalents	$ -	$ -	$ -	$ -
Available-for-sale securities:				
Marketable equity securities	434	434		
Debt securities	15,688		15,688	
Derivative assets:				
Commodity contracts	137,497	52,248	85,249	
Currency and interest rate swap	8,348		8,348	
Total assets	$ 161,967	$ 52,682	$ 109,285	$ -
Liabilities — derivative liabilities:				
Commodity contracts	$ 104,121	$ 28,138	$ 75,983	$ -
Currency and interest rate swap	999		999	
Total liabilities	$ 105,120	$ 28,138	$ 76,982	$ -

Description	**Fair Value at March 31, 2011**	**Fair Value Measurement Hierarchy**		
		Level 1	**Level 2**	**Level 3**
Assets:				
Cash equivalents	$ 1,648	$ 1,648	$ -	$ -
Available-for-sale securities:				
Marketable equity securities	390	390		
Debt securities	32,241		32,241	
Derivative assets:				
Commodity contracts	217,785	23,813	193,972	
Currency and interest rate swap	35,280		35,280	
Total assets	$ 287,344	$ 25,851	$ 261,493	$ -
Liabilities — derivative liabilities:				
Commodity contracts	$ 296,257	$ 81,769	$ 214,488	$ -
Currency and interest rate swap	1,506		1,506	
Total liabilities	$ 297,763	$ 81,769	$ 215,994	$ -

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 years ended March 31, 2012 and 2011:

Year Ended March 31, 2012	Carrying Amount	Level 1	Level 2	Level 3	Total Losses
Assets — other investments	$ 1,553	$ -	$ -	$ 1,553	$ (1,493)
Goodwill impairment—see Note 3	$ -	$ -	$ -	$ -	$ (3,814)
Year Ended March 31, 2011					
Assets — other investments	$ 2,104	$ -	$ -	$ 2,104	$ (752)

For the year ended March 31, 2012, other investments with a carrying amount of $3,046 were written down to $1,553, resulting in an impairment charge of $1,493, which was included in "Gain (Loss) on sales of marketable securities and other investments — net" in the Company's consolidated statements of income. Other investments with a carrying amount of $2,856 were written down to $2,104, resulting in an impairment charge of $752 for the year ended March 31, 2011.

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 value 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, 2012 and 2011:

Non-Financial Instruments	2012 Level 2	2011 Level 2
Assets:		
Merchandise inventories (precious metals)	$ 85,580	$ 71,462
Leased inventories (precious metals)	1,261,325	1,049,364
Total	$ 1,346,905	$ 1,120,826

15. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company and certain subsidiaries 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 plans.

	2012		2011	
	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	$ 82,912	$ 17,363	$ 75,162	$ 15,434
Translation gain	(12)		(244)	
Service cost	1,934	130	1,775	127
Interest cost	4,632	966	4,582	893
Amendments				599
Actuarial loss	11,798	473	4,972	1,021
Employee contributions	89		89	
Benefits paid	(3,376)	(808)	(3,882)	(779)
Divestiture	(6,069)			
Other	(256)	72	458	68
Projected benefit obligation — end of year	91,652	18,196	82,912	17,363
Change in plan assets:				
Fair value of plan assets — beginning of year	65,823		56,124	
Actual return on plan assets	4,548		7,696	
Foreign exchange rate changes	(12)		(231)	
Contributions by employer	3,714		5,646	
Contributions by employee	89		89	
Benefits paid	(3,376)		(3,882)	
Divestiture	(5,786)			
Other	(230)		381	
Fair value of plan assets — end of year	64,770	-	65,823	-
Reconciliation of funded status — end of year — funded status	$ (26,882)	$ (18,196)	$ (17,089)	$ (17,363)

Amounts recognized in the consolidated balance sheets as of March 31, 2012 and 2011 consist of the following:

	2012		2011	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Current liabilities	$ (68)	$ (1,042)	$ (70)	$ (1,099)
Noncurrent liabilities	(26,814)	(17,154)	(17,019)	(16,264)
Total accrued pension liability	$ (26,882)	$ (18,196)	$ (17,089)	$ (17,363)

Amounts recognized in accumulated other comprehensive income as of March 31, 2012 and 2011 consist of the following:

	2012		2011	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Net actuarial loss (gain)	$ 27,652	$ (1,064)	$ 17,141	$ (1,540)
Prior service cost	4	183	37	69
Transition obligation			(81)	
Accumulated other comprehensive loss (income) (before tax effects)	$ 27,656	$ (881)	$ 17,097	$ (1,471)

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, 2012 and 2011 include the following components:

	2012		2011	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Net periodic costs:				
Service cost	$ 1,934	$ 130	$ 1,775	$ 127
Interest cost	4,632	966	4,582	893
Expected return on plan assets	(4,774)		(4,146)	
Contributions by employee	(89)		(89)	
Amortization of:				
Prior service cost (credit)	33	(114)	33	(268)
Actuarial loss (gain)	1,174	(4)	1,103	(147)
Other			(30)	1
Total net periodic costs	$ 2,910	$ 978	$ 3,228	$ 606

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

	2012		2011	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Loss (gain) recognition	$ 2,197	$ -	$ 1,038	$ (4)
Prior service cost recognition	4	37	33	(114)

Additional information pertaining to the defined benefit plans as of March 31, 2012 and 2011 were as follows:

	2012 Defined Benefit Pension Plans	2011 Defined Benefit Pension Plans
Accumulated benefit obligations	$ 73,794	$ 67,457
Pension plans with benefit obligation in excess of plan assets:		
Benefit obligation	91,652	82,912
Fair value of plan assets	64,770	65,823

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 as of March 31, 2012 and 2011.

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
2013	$ 3,246	$ 1,225
2014	3,423	1,245
2015	3,624	1,286
2016	4,006	1,313
2017	4,331	1,380
2018–2022	26,699	7,130

The following weighted-average assumptions were used to determine benefit obligations for the defined benefit pension plans and the other postretirement benefit plans at March 31, 2012 and 2011:

	2012		2011	
	Defined Benefit Pension Plans	Other Postretirement Benefits	Defined Benefit Pension Plans	Other Postretirement Benefits
Discount rate	4.5 % – 4.75 %	4.75 %	5.45 % – 5.90 %	5.75 %
Initial health care cost trend rate		7.00–9.00		7.50–8.50
Ultimate health care cost trend rate		4.50		5.00
Year in which ultimate rate is reached		2021		2019
Salary scale	3.50	4.00	3.50	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, 2012 and 2011 are as follows:

	2012		2011	
	Defined Benefit Pension Plans	**Other Postretirement Benefits**	**Defined Benefit Pension Plans**	**Other Postretirement Benefits**
Discount rate	5.45%–5.75%	5.75 %	5.75 %–6.25 %	6.00 %
Expected asset return	5.50–7.75		6.00–7.75	
Salary scale	3.50	4.00	3.50–3.75	4.00
Mortality table	RP-2000/UP 1994	RP-2000	RP-2000/UP 1994	RP-2000
Average future working lifetime (years)	6.00–16.62		7.00–17.44	

In determining the expected long-term rate of return on assets of 5.50% 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:

	2012		2011	
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	61.40 %	35.46 %	60.21 %	46.88 %
Debt securities	20.02	59.65	19.68	50.82
Life insurance company general account and other	18.58	4.89	20.11	2.30
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	
	2012	**2011**
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 $5.0 million to their defined benefit pension plans during the year ending March 31, 2013.

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:

	2012	
	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on other postretirement benefit obligation	$ 1,913	$ (1,601)
Effect on total of service and interest cost components	95	(84)

	2011	
	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on other postretirement benefit obligation	$ 1,840	$ (1,540)
Effect on total of service and interest cost components	88	(78)

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 by asset category as of March 31, 2012 and 2011 are follows (the three levels of input used to measure fair value are more fully described in Notes 14):

	2012			
	Level 1	Level 2	Level 3	Total
Equities	$ 3,358	$ 33,954	$ -	$ 37,312
Bonds	16,718			16,718
Life insurance company general account and other	463		10,277	10,740
Total	$ 20,539	$ 33,954	$ 10,277	$ 64,770

	2011			
	Level 1	Level 2	Level 3	Total
Equities	$ 3,694	$ 33,940	$ -	$ 37,634
Bonds	15,519	2,110		17,629
Life insurance company general account and other	92	254	10,214	10,560
Total	$ 19,305	$ 36,304	$ 10,214	$ 65,823

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, 2011 and March 31, 2012 and April 1, 2010 and March 31, 2011 are as follows:

	2012 Level 3 Asset	2011 Level 3 Asset
Change in Level 3 asset:		
Beginning balance	$ 10,214	$ 6,176
Unrealized gain	372	183
Purchase, sales and settlement	(309)	3,855
Ending balance	$ 10,277	$ 10,214

16. SUBSEQUENT EVENTS

The Company has evaluated all events or transactions that occurred after March 31, 2012 up through July 30, 2012, 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, except for the event disclosed under “Business Description” in Note 1.

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