



Member of Financial Accounting Standards Foundation

Consolidated Financial Summary for the First Three Months of the Fiscal Year Ending March 2012 (Japanese Accounting Standards)

August 5, 2011

Company name: Kanematsu Corporation

Stock Exchange listing: Tokyo Stock Exchange

Stock code: 8020

URL: <http://www.kanematsu.co.jp>

Representative: President, Masayuki Shimojima

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Scheduled date to submit the Quarterly Securities Report (*Shihanki Houkokusho*): August 12, 2011

Scheduled date for commencement of dividend payments: -

Supplementary documents for quarterly results: Yes

Quarterly results briefing: None

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

1. Consolidated business results for the first three months of the fiscal year ending March 2012 (April 1, 2011 – June 30, 2011)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Three Months to June 2011	238,954	5.8	4,750	10.5	3,841	5.1	2,678	21.3
First Three Months to June 2010	225,866	11.0	4,297	80.9	3,655	119.0	2,207	177.7

(Note) Comprehensive income (loss): 2,448 million yen (336.4%) for the first three months to June 2011
561 million yen (-%) for the first three months to June 2010

	Net income per share	Net income per share (diluted basis)
	Yen	Yen
First Three Months to June 2011	6.40	-
First Three Months to June 2010	5.28	-

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2011	390,768	51,756	9.0
As of March 31, 2011	388,676	49,576	8.5

(Reference) Shareholders' equity: 35,248 million yen as of June 30, 2011
33,101 million yen as of March 2011

2. Dividends

(Record date)	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2011	-	0.00	-	0.00	0.00
Fiscal year ending March 2012	-				
Fiscal year ending March 2012 (Forecasts)		0.00	-	0.00	0.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecasts for consolidated results ending March 2012 (April 1, 2011 – March 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	-	-	-	-	-	-	-	-	-
Full year	950,000	1.4	17,000	-5.7	12,000	-15.8	5,500	-40.1	13.15

(Note) Revisions to results forecasts published most recently: None

(Note) The Company evaluates its business plan and business results on an annual basis.

4. Other information

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

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please see the statement under the heading of "2. Matters Relating to Summary Information (Other), (2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements" on page 4 of accompanying materials.

(3) Changes in accounting policies and changes or restatement of accounting estimates

- | | |
|---|------|
| 1. Changes in accounting policies associated with the revision of accounting standards, etc.: | None |
| 2. Changes in accounting policies other than 1.: | None |
| 3. Changes in accounting estimates: | None |
| 4. Restatement: | None |

(4) Number of outstanding shares (common shares)

- | | | | |
|--|--------------------|------------------------------|--------------------|
| 1. Number of outstanding shares including treasury stock | | | |
| First three months (2011/6): | 422,501,010 shares | Fiscal year (2010/3): | 422,501,010 shares |
| 2. Number of treasury stock | | | |
| First three months (2011/6): | 3,883,524 shares | Fiscal year (2010/3): | 3,878,764 shares |
| 3. Average number of shares during the period (First three months) | | | |
| First three months (2011/6): | 418,620,211 shares | First three months (2010/6): | 418,191,864 shares |

* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

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

The results forecasts and forward-looking statements included in this document are based on information available on the date of the announcement and estimates based on reasonable assumptions. Actual results might be significantly different from the forecasts in the document, depending on various factors. Refer to "(3) Qualitative information on consolidated results forecasts" in "1. Qualitative Information on Consolidated Results, Etc. for the First Three Months of the Fiscal Year Ending March 2012" on page 3 of accompanying materials for further information on results forecasts.

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1. Qualitative Information on Consolidated Results, Etc. for the First Three Months of the Fiscal Year Ending March 2012

(1) Qualitative information on consolidated results

During the first quarter under review (from April 1, 2011, to June 30, 2011), the global economy expanded, especially in Asia and emerging countries. However, the growth was moderate, reflecting a slowing recovery in Europe and the United States, continued concern over financial problems in certain areas, and a tight monetary policy in China.

The Japanese economy was affected by disruptions in supply chains caused by the Great East Japan Earthquake, power shortages due to the nuclear disaster at Fukushima, and the cooling of consumer confidence because of harmful rumors. However, there were signs of a recovery associated with reconstruction activities.

In this environment, the results of the Group in the first quarter under review remained solid.

Consolidated net sales increased ¥13,088 million (5.8%) year on year, to ¥238,954 million, reflecting a recovery in demand and rising commodity prices in Japan and overseas. With the sales increase, consolidated gross trading profit grew ¥804 million (4.4%) year on year, to ¥19,184 million. Operating income rose ¥453 million (10.5%), to ¥4,750 million, thanks to the rise in gross trading profit and the curbing of increases in selling, general and administrative expenses. In spite of an improvement in loss on equity method investments, non-operating income and expenses worsened ¥268 million, attributable to a decrease in foreign exchange gains. Consequently, consolidated ordinary income climbed ¥186 million (5.1%) year on year, to ¥3,841 million.

In extraordinary items, net losses of ¥74 million were posted as a result of a loss on sale of investments in securities and other factors. Income before income taxes and minority interests was ¥3,766 million, up ¥572 million (17.9%) year on year. After subtracting tax expenses and minority interests, the Company posted consolidated net income of ¥2,678 million, an increase of ¥471 million (21.3%) from the previous fiscal year.

Results for each business segment are described below.

(i) Electronics & IT

The mechanical device business, especially onboard parts for motorcycles and automobiles for North America and Europe, was solid. The ICT solutions business and the mobile solutions business also performed well, reflecting the expansion of the market for mobile communication terminals, including for smartphones. The performance of the semiconductor component and equipment business was rather weak, as corporate capital expenditure appeared to have come to a pause.

As a result, net sales in the Electronics & IT Division decreased ¥5,475 million year on year, to ¥57,345 million. Operating income declined ¥554 million, to ¥1,753 million.

(ii) Foods & Foodstuff

The meat products business performed well, with demand for imported meat products rising as the domestic livestock industry, especially in the Tohoku region, faltered due to the effect of the earthquake and nuclear disaster. The foods business also performed well overall in a relatively stable supply and demand environment. The foodstuff business continued to face a harsh external environment, including surges in grain prices overseas, a decline in feedstuff production, due to the effect of the earthquake, and falls in the prices of soy products. However, the performance of the foodstuff business was solid overall as a result of our efforts to strengthen ties with suppliers and expand sales channels.

As a consequence, net sales in the Foods & Foodstuff Division increased ¥1,448 million, to ¥73,060 million. Operating income was up ¥390 million, to ¥1,547 million.

(iii) Iron & Steel

In the Iron & Steel Division, earnings were boosted by continued solid exports of automobile wire rods and active shipments of special steel products to North America.

As a result, sales in the Iron & Steel Division increased ¥4,324 million, to ¥27,866 million. Operating income was up ¥332 million, to ¥956 million.

(iv) Machinery & Plant

Business linked to automobile parts was weak because of the effects of the earthquake, including disruptions in supply chains. Business linked to plants was solid, as was the machine tool business, which experienced recovering demand.

As a result, sales in the Machinery & Plant Division rose ¥1,812 million, to ¥15,277 million. The operating loss worsened by ¥14 million, to ¥17 million.

(v) Environment & Materials

In the functional chemicals business, exports of raw materials for car batteries grew, and overall transactions of chemicals, including lubricant oils and raw materials for resin, were solid. The energy business was firm, backed by increasing demand from electric power companies, while overseas crude oil prices remained high.

As a consequence, net sales in the Environment & Materials Division increased ¥10,871 million, to ¥61,274 million. Operating income rose ¥237 million, to ¥340 million.

(vi) Other

Net sales increased ¥110 million, to ¥4,130 million, and operating income rose ¥39 million, to ¥143 million, attributable to improvements in the logistics business and the insurance service business.

(2) Qualitative information on consolidated financial position

(i) Assets, liabilities and net assets

Total assets at the end of the first quarter increased ¥2,092 million from the end of the previous fiscal year, to ¥390,768 million, reflecting an increase in cash and bank deposits due to the collection of operating receivables and a rise in inventories.

Interest-bearing debt rose ¥1,959 million, to ¥175,586 million. However, net interest-bearing debt, which is interest-bearing debt minus cash and bank deposits, fell ¥8,026 million from the end of the previous fiscal year, to ¥96,586 million.

Net assets climbed ¥2,180 million, to ¥51,756 million, attributable to an increase in retained earnings due to the posting of net income. Equity capital, which is net assets minus minority interests, rose ¥2,147 million, to ¥35,248 million.

As a result, the equity ratio improved 0.5 percentage point from the end of the previous fiscal year, to 9.0%. The net debt-equity ratio also improved to 2.7, up from 3.2 at the end of the previous fiscal year.

(ii) Cash flows

Net cash provided by operating activities in the first quarter under review stood at ¥7,183 million (net cash used of ¥1,141 million for the first quarter of the previous fiscal year), mainly reflecting operating income and the collection of operating receivables. Net cash provided by investing activities was ¥2,235 million (net cash provided of ¥3,257 million), primarily attributable to proceeds from the withdrawal of time deposits. Net cash provided by financing activities was ¥1,733 million (net cash used of ¥378 million), chiefly owing to a net increase in short-term loans.

As a result, cash and cash equivalents at the end of the first quarter under review stood at ¥78,691 million, up ¥11,265 million from the end of the previous fiscal year.

(3) Qualitative information on consolidated results forecasts

Although we expect the global economy will continue to expand, led by economies in Asia, especially China, we still need to assess economic trends in the United States and advanced countries in Europe and the effect of the rising prices of raw materials, a strong yen, and the earthquake. Consequently, we have not changed the forecasts for consolidated results that we announced on May 9, 2011.

The forecasts above are based on information available on the date of the announcement of this document and estimates based on reasonable assumptions. Actual results might differ materially from the forecasts, due to various factors.

2. Matters Relating to Summary Information (Other)

(1) Important change in subsidiaries during the term

Not applicable.

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements

(Calculation of tax expenses)

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

(3) Changes in accounting policies and changes or restatement of accounting estimates

Not applicable.

(Additional information)

For accounting changes and corrections of past errors after the beginning of the first quarter under review, the Group applied the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009).

3. Consolidated Financial Statements

(1) Consolidated balance sheets

	Fiscal 2010 (March 31, 2011)	End of first three months under review (June 30, 2011)
(Million yen)		
Assets		
Current assets		
Cash and bank deposits	69,014	78,999
Notes and accounts receivable	146,546	136,702
Investments in leased assets	606	663
Inventories	57,089	64,013
Short-term loans receivable	1,740	1,403
Deferred tax assets	3,581	3,263
Other	21,058	18,964
Allowance for doubtful accounts	(355)	(308)
Total current assets	299,283	303,700
Fixed assets		
Tangible fixed assets	27,884	27,494
Intangible fixed assets	1,859	1,862
Investments and other assets		
Investments in securities	31,977	30,598
Long-term loans receivable	12,679	12,644
Doubtful accounts	14,006	12,739
Deferred tax assets	13,325	13,201
Other	9,894	9,603
Allowance for doubtful accounts	(22,236)	(21,077)
Total investments and other assets	59,648	57,710
Total fixed assets	89,392	87,068
Total assets	388,676	390,768

(Million yen)

	Fiscal 2010 (March 31, 2011)	End of first three months under review (June 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable	123,257	118,524
Short-term borrowings	100,488	104,865
Lease obligations	572	622
Accrued income taxes	1,562	317
Deferred tax liabilities	1	1
Asset retirement obligations	6	14
Other	26,231	30,266
Total current liabilities	252,120	254,612
Long-term liabilities		
Long-term borrowings	73,138	70,720
Lease obligations	1,248	1,285
Deferred tax liabilities	364	326
Accrued severance indemnities	2,516	2,576
Reserve for directors' retirement benefits	617	455
Asset retirement obligations	847	843
Other	8,245	8,191
Total long-term liabilities	86,978	84,400
Total liabilities	339,099	339,012
Net assets		
Owners' equity		
Capital stock	27,781	27,781
Capital surplus	27,606	27,606
Retained earnings	8,914	11,571
Treasury stock	(569)	(569)
Total owners' equity	63,732	66,389
Other accumulated comprehensive income		
Unrealized loss on available-for-sale securities	(166)	(512)
Deferred gain/loss on hedging	(143)	(209)
Land revaluation reserves	58	58
Translation adjustments	(30,379)	(30,476)
Total other accumulated comprehensive income	(30,631)	(31,140)
Minority interests	16,475	16,507
Total net assets	49,576	51,756
Total liabilities and net assets	388,676	390,768

(2) Consolidated statements of income / consolidated statement of comprehensive income

Consolidated statements of income

[First three months]

(Million yen)

	Previous first three months (From April 1, 2010 to June 30, 2010)	First three months under review (From April 1, 2011 to June 30, 2011)
Net sales	225,866	238,954
Cost of sales	207,485	219,770
Gross trading profit	18,380	19,184
Selling, general and administrative expenses	14,083	14,433
Operating income	4,297	4,750
Non-operating income		
Interest received	159	124
Dividends received	171	239
Foreign exchange gains	212	73
Other	443	165
Total non-operating income	986	602
Non-operating expenses		
Interest paid	1,026	1,051
Loss on equity method investments	240	145
Other	360	315
Total non-operating expenses	1,628	1,512
Ordinary income	3,655	3,841
Extraordinary gains		
Gain on sale of tangible fixed assets	7	13
Gain on sale of investment in securities	121	58
Gain on negative goodwill	68	–
Gain on reversal of allowance for doubtful accounts	136	–
Total extraordinary gains	334	72
Extraordinary losses		
Loss on sales or disposal of fixed assets	13	14
Loss on sale of investments in securities	12	91
Loss on valuation of investments in securities	333	41
Loss on adjustment for changes of accounting standard for asset retirement obligations	436	–
Total extraordinary losses	795	146
Income before income taxes and minority interests	3,194	3,766
Income taxes – current	395	391
Income taxes – deferred	468	481
Total income taxes	864	872
Income before minority interests	2,329	2,893
Minority interests in consolidated subsidiaries	122	215
Net income	2,207	2,678

Consolidated statement of comprehensive income
[First three months]

(Million yen)

	Previous first three months (From April 1, 2010 to June 30, 2010)	First three months under review (From April 1, 2011 to June 30, 2011)
Income before minority interests	2,329	2,893
Other comprehensive income		
Valuation difference on available-for-sale securities	(342)	(349)
Deferred gains or losses on hedges	(450)	(66)
Foreign currency translation adjustment	(1,021)	(49)
Share of other comprehensive income of associates accounted for using equity method	45	21
Total other comprehensive income	(1,768)	(445)
Comprehensive income	561	2,448
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	367	2,169
Comprehensive income attributable to minority interests	193	279

(3) Consolidated statements of cash flows

(Million yen)

	Previous first three months (From April 1, 2010 to June 30, 2010)	First three months under review (From April 1, 2011 to June 30, 2011)
Cash flows from operating activities:		
Income before income taxes and minority interests	3,194	3,766
Depreciation and amortization	646	544
Increase (decrease) in allowance for doubtful accounts	(77)	(37)
Increase (decrease) in reserve for employees' prior service obligations	(76)	57
Interest and dividend income	(331)	(363)
Interest expense	1,026	1,051
Equity in earnings of affiliated companies (gain)	240	145
Gain or loss on sales or disposal of fixed assets (gain)	5	0
Loss on adjustment for changes of accounting standard for asset retirement obligations	436	–
Gain or loss on sale of investments in securities (gain)	(108)	32
Gain or loss on valuation of investments in securities (gain)	333	41
Decrease (increase) in notes and accounts receivable	2,794	13,130
Decrease (increase) in inventories	(2,912)	(6,561)
Increase (decrease) in notes and accounts payable	(984)	(1,447)
Other	(4,189)	(1,154)
Sub total	(1)	9,205
Interest and dividend income received	484	463
Interest paid	(518)	(617)
Income taxes paid	(1,106)	(1,867)
Net cash provided by (used in) operating activities	(1,141)	7,183
Cash flows from investing activities:		
Decrease (increase) in time deposits	2,469	1,305
Payments for acquisition of tangible fixed assets	(270)	(353)
Proceeds from sale of tangible fixed assets	187	469
Payments for acquisition of intangible fixed assets	(72)	(92)
Payments for acquisition of investments in securities	(40)	(72)
Proceeds from sale of investments in securities	429	487
Purchase of investments in subsidiaries	(41)	(0)
Increase in loans receivable	(111)	(53)
Decrease in loans receivable	677	248
Other	31	296
Net cash provided by (used in) investing activities	3,257	2,235
Cash flows from financing activities		
Increase (decrease) in short-term loans, net	275	4,951
Proceeds from long-term debt	12,200	–
Repayment of long-term debt	(12,588)	(2,904)
Proceeds on payments by minority shareholders	–	4
Other	(264)	(318)
Net cash provided by (used in) financing activities	(378)	1,733
Effect of exchange rate changes on cash and cash equivalents	(448)	112
Net increase (decrease) in cash and cash equivalents	1,289	11,265
Cash and cash equivalent at beginning of year	64,479	67,426
Effect of the change in scope of consolidated subsidiaries	137	–
Cash and cash equivalent at end of year	65,906	78,691

(4) Notes on the going concern assumption
Not applicable.

(5) Segment information

I. Previous first three months (From April 1, 2010 to June 30, 2010)

1. Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments						Others (Note 1)	Total	Adjustment (Note 2)	Amount posted in consolidated statements of income (Note 3)
	Electronics & IT	Foods & Foodstuff	Iron & Steel	Machinery & Plant	Environment & Materials	Sub-total				
Net sales										
Outside customers	62,820	71,612	23,542	13,465	50,403	221,845	4,020	225,866	-	225,866
Inter-segment	5	2	37	6	14	65	11	77	(77)	-
Total	62,825	71,614	23,580	13,472	50,418	221,911	4,031	225,943	(77)	225,866
Segment profit (loss)	2,307	1,157	624	(3)	103	4,188	104	4,293	4	4,297

(Note 1) "Others" is a business segment that is not included in the reported segments and includes the aluminum recycling business and the logistics and insurance service business, etc.

(Note 2) Adjustment of ¥4 million for segment profit (loss) includes inter-segment elimination of ¥4 million.

(Note 3) Segment profit (loss) is adjusted for operating income in the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets and goodwill by reported segment

(Significant impairment loss relating to fixed assets)

Not applicable in the first quarter under review

(Significant change in the amount of goodwill)

Not applicable in the first quarter under review

(Significant gain on negative goodwill)

Not applicable in the first quarter under review

II. First three months under review (From April 1, 2011 to June 30, 2011)

1. Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments						Others (Note 1)	Total	Adjustment (Note 2)	Amount posted in consolidated statements of income (Note 3)
	Electronics & IT	Foods & Foodstuff	Iron & Steel	Machinery & Plant	Environment & Materials	Sub-total				
Net sales										
Outside customers	57,345	73,060	27,866	15,277	61,274	234,824	4,130	238,954		238,954
Inter-segment	15	1	12	2	9	42	16	58	(58)	
Total	57,361	73,062	27,878	15,279	61,284	234,866	4,146	239,012	(58)	238,954
Segment profit (loss)	1,753	1,547	956	(17)	340	4,580	143	4,723	27	4,750

(Note 1) "Others" is a business segment that is not included in the reported segments and includes the aluminum recycling business and the logistics and insurance service business, etc.

(Note 2) Adjustment of ¥27 million for segment profit (loss) includes a net goodwill write-down of ¥20 million and inter-segment elimination of ¥6 million.

(Note 3) Segment profit (loss) is adjusted for operating income in the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets and goodwill by reported segment

(Significant impairment loss relating to fixed assets)

Not applicable in the first quarter under review

(Significant change in the amount of goodwill)

Not applicable in the first quarter under review

(Significant gain on negative goodwill)

Not applicable in the first quarter under review

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

Not applicable.

(7) Significant subsequent events

Not applicable.

4. Supplementary Information

A lawsuit against the Company (in which the claim is ¥3,300 million) was filed with the Tokyo District Court in December 2009 with regard to compensation based on a stated guarantee by a transferee in connection with an agreement for transferring shares in and credits to Kanematsu Kankyo Co., Ltd. (presently known as Funabashi Kankyo Co., Ltd.), the Company's subsidiary, prior to its transfer in March 2008.

Highlights of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 2012

Both net sales and income grew year on year.

(100 million yen)	Net sales	2,390	5.8% up
	Operating income	48	10.5% up
	Ordinary income	38	5.1% up
	Net income	27	21.3% up

On a consolidated basis

(Unit: 100 million yen)	FY2011/3 1Q		FY2012/3 1Q		Year-on-year		FY2012/3	
	FY2011/3 1Q	FY2012/3 1Q	Change	Change (%)	Forecasts	Change (%)	Forecasts	Change (%)
Net sales	2,259	2,390	131	5.8%	9,500	25.2%		
Gross trading profit	184	192	8	4.4%	-	-		
SG&A expenses	141	144	4	2.5%	-	-		
Operating income	43	48	5	10.5%	170	27.9%		
Dividends received	2	2	1	-	-	-		
Interest	9	9	1	-	-	-		
Gains or losses on equity-method investments	2	1	1	-	-	-		
Foreign exchange loss/profit	2	1	1	-	-	-		
Others	1	2	2	-	-	-		
Non-operating income/loss	6	9	3	-	-	-		
Ordinary income	37	38	2	5.1%	120	32.0%		
Extraordinary gain	3	1	3	-	-	-		
Extraordinary loss	8	1	6	-	-	-		
Income (loss) before income taxes	32	38	6	17.9%	-	-		
Income taxes and minority interests	10	11	1	10.2%	-	-		
Net income	22	27	5	21.3%	55	48.7%		

[Net sales/Gross trading profit]
Net sales increased, chiefly reflecting a recovery in demand and rising commodity prices in Japan and abroad. With the increase in net sales, gross trading profit rose.

[Operating income]
Operating income rose, attributable to an increase in gross trading profit and the curbing of increases in SG&A expenses.

[Ordinary income]
Despite a decline in foreign exchange gains and the worsening of non-operating income and expenses, ordinary income climbed with an improvement in loss on equity method investments and an increase in operating income.

[Net income]
There were no large amounts of extraordinary items. Net income increased, reflecting rises in operating income and ordinary income.

Assets, Liabilities and Net Assets

(Unit: 100 million yen)	2011/3		2011/6		Comparison with 2011/3	
	2011/3	2011/6	Change	Change (%)	Change	Change (%)
Total assets	3,887	3,908	21	0.5%		
Gross interest-bearing debt	1,736	1,756	20	1.1%		
Net interest-bearing debt	1,046	966	-80	-7.7%		
Equity capital	637	664	27	4.2%		
(Retained earnings)	89	116	27	30%		
Valuation and translation adjustments	-306	-311	-5	-		
Minority interests	165	165	0	0.2%		
Total net assets	496	518	22	4.4%		
Shareholder's equity (Note 1)	331	352	21	6.5%		
Shareholder's equity ratio (Note 2)	8.5%	9.0%	1.2pt	-		
Net debt-equity ratio (Note 3)	3.2	2.7	0.6pt	-		

[Total assets]

Cash and bank deposits increased due to the collection of operating receivables. However, total assets rose only slightly.

[Interest-bearing debt]

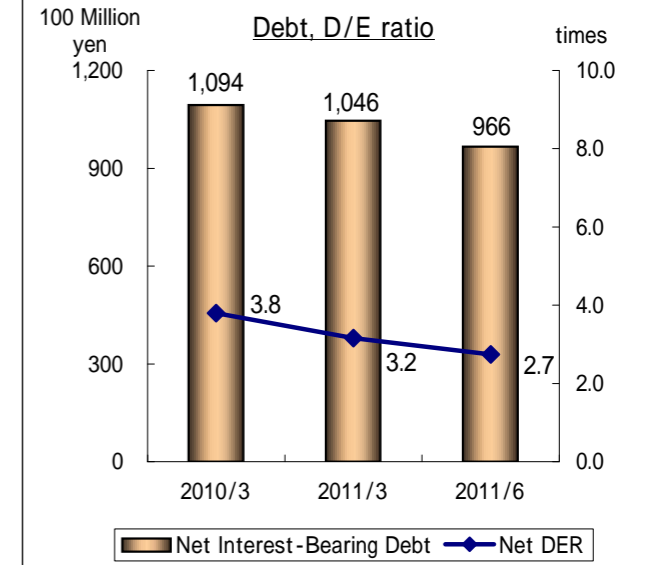
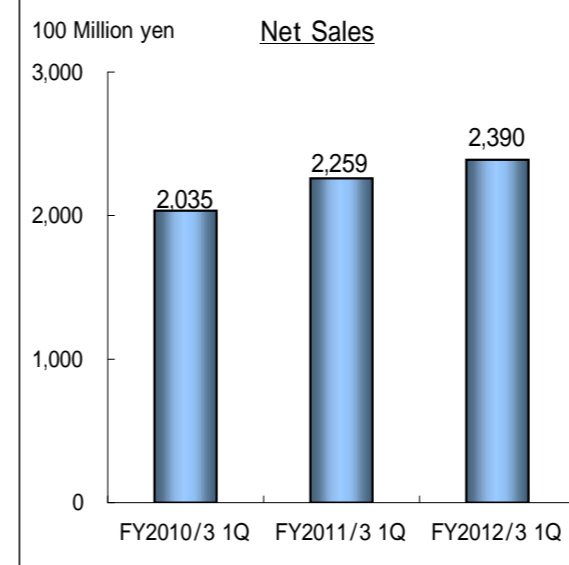
Gross interest-bearing debt rose 2.0 billion yen. Net interest-bearing debt declined 8.0 billion yen, reflecting an increase in cash and bank deposits.

[Total net assets]

Despite the worsening of the unrealized loss on available-for-sale securities, net assets climbed 2.2 billion yen, attributable to a rise in retained earnings with the posting of net income. Equity capital, which is net assets minus minority interests, rose 2.1 billion yen.

As a result, the equity ratio and net debt-equity ratio improved to 9.0% and 2.7, respectively.

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



Segment information

(Unit: 100 million yen)	Net sales (net external sales)			Operating income		
	FY2011/3 1Q	FY2012/3 1Q	Change	FY2011/3 1Q	FY2012/3 1Q	Change
Electronics & IT	628	573	55	23	18	6
Foods & Foodstuff	716	731	14	12	15	4
Iron & Steel	235	279	43	6	10	3
Machinery & Plant	135	153	18	0	0	0
Environment & Materials	504	613	109	1	3	2
Total for reportable segments	2,218	2,348	130	42	46	4
Other (including adjustment)	40	41	1	1	2	1
Grand total	2,259	2,390	131	43	48	5

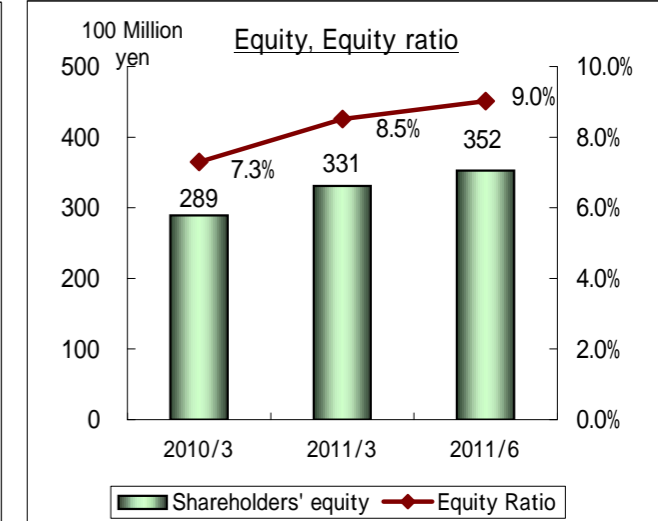
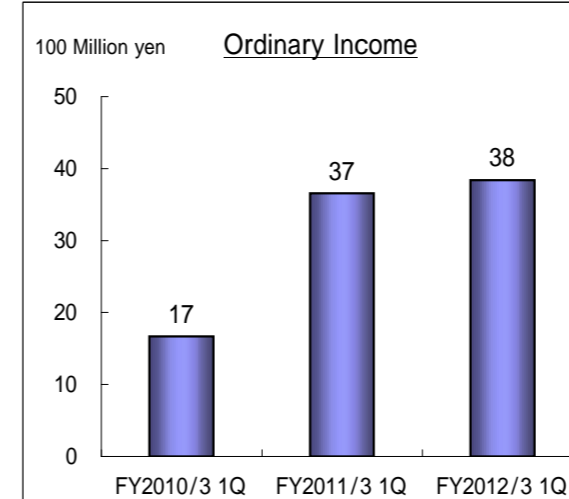
[Electronics & IT]: Both sales and income declined. The mechanical device business, especially onboard parts for motorcycles and automobiles for North America and Europe, was solid. The ICT solutions business and the mobile solutions business also performed well, with the smartphone market expanding. The performance of the semiconductor component and equipment business was weak.

[Foods & Foodstuff]: Both sales and income rose. The meat products business performed well, with demand for imported meat products rising. The foods business also performed well overall in a relatively stable supply and demand environment. The performance of the foodstuff business was solid as a result of the expansion of sales channels and other factors, although the business continued to face a harsh external environment.

[Iron & Steel]: Both sales and income rose. Exports of automobile wire rods were solid. Shipments of special steel products to North America increased. Those factors boosted earnings in the segment.

[Machinery & Plant]: Sales rose, but income remained flat. Business linked to automobile parts was weak because of the effects of the earthquake, including disruptions in supply chains. Business linked to plants was good. The machine tool business was solid with demand recovering.

[Environment & Materials]: Both sales and income rose. In the functional chemicals business, exports of raw materials for car batteries grew, and overall transactions of chemicals, including lubricant oils and raw materials for resin, were solid. The energy business was firm, backed by increasing demand from electric power companies, while overseas crude oil prices remained high.



* Results forecasts and forward-looking statements in this document assume information available to the Company as of the date of the announcement and estimates based on rational assumptions. Please note that actual results may differ materially from the forecasts presented here, depending on various factors.
* Since the figures above are rounded off to the nearest 100 million yen, the sum of each item and the total may differ.