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# Consolidated Financial Summary for the First Three Months of the Fiscal Year Ending March 2014 (Japanese Accounting Standards)

August 2, 2013

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 9, 2013

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 2014 (April 1, 2013 – June 30, 2013)

(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 2013	253,022	4.1	4,707	2.3	5,147	24.7	3,099	28.5
First Three Months to June 2012	242,985	1.7	4,601	-3.1	4,129	7.5	2,411	-10.0

(Note) Comprehensive income: 6,316 million yen (256.2%) for the first three months to June 2013  
1,773 million yen (-27.6%) for the first three months to June 2012

	Net income per share	Net income per share (diluted basis)
	Yen	Yen
First Three Months to June 2013	7.38	-
First Three Months to June 2012	5.76	-

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2013	401,825	81,789	14.9
As of March 31, 2013	399,186	75,912	13.7

(Reference) Shareholders' equity: 60,016 million yen as of June 30, 2013  
54,519 million yen as of March 31, 2013

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 2013	-	0.00	-	0.00	0.00
Fiscal year ending March 2014	-	-	-	-	-
Fiscal year ending March 2014 (Forecasts)	-	-	-	-	-

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

(Note) The dividend forecast for the fiscal year ending March 31, 2014 has not been determined.

3. Forecasts for consolidated results ending March 2014 (April 1, 2013 – March 31, 2014)

(%: 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
Full year	1,050,000	3.0	19,000	4.0	17,000	1.8	6,000	-37.3	14.30

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

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

\* Notes

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

New: –

Exception: –

(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 (Notes), (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 (2013/6):                                       | 422,501,010 shares | Fiscal year (2013/3):        | 422,501,010 shares |
| 2. Number of treasury stock  |                    |                              |                    |
| First three months (2013/6):                                       | 2,468,958 shares   | Fiscal year (2013/3):        | 2,539,243 shares   |
| 3. Average number of shares during the period (First three months) |                    |                              |                    |
| First three months (2013/6):                                       | 419,997,220 shares | First three months (2012/6): | 418,945,265 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. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. Refer to “(3) Information on the future outlook, including consolidated business performance forecasts” in “1. Qualitative Information on Consolidated Results, Etc. for the First Three Months of the Fiscal Year Ending March 2014” 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 2014

### (1) Details of consolidated results

In the first quarter under review (from April 1, 2013 to June 30, 2013), there were signs of an economic recovery in the United States, with employment, personal spending, and housing investments being solid. The European economy, however, remained sluggish, reflecting the prolongation of the debt problems. The Chinese economy appeared to have eased on slowing exports and domestic demand. Although emerging economies in Asia continued to show strong potential, growth rates in those countries declined.

The Japanese economy recovered moderately, with exports increasing and stock prices recovering against a backdrop of a correction of the strong yen on expectations of economic policy measures.

In this environment, the results of the Group for the first quarter under review are as shown below.

Consolidated net sales rose ¥10,037 million (4.1%) year on year, to ¥253,022 million. With the increase in net sales, consolidated gross trading profit increased ¥1,237 million (6.3%) from a year earlier, to ¥20,739 million. Consolidated operating income climbed ¥106 million (2.3%) from the previous fiscal year, to ¥4,707 million. Non-operating income rose ¥912 million year on year thanks primarily to an increase in foreign exchange gains. As a result, consolidated ordinary income increased ¥1,018 million (24.7%) year on year, to ¥5,147 million. In extraordinary items, the Group posted a consolidated extraordinary loss of ¥220 million, primarily reflecting a loss on liquidation of affiliates. Income before income taxes and minority interests climbed ¥927 million (23.2%) from a year ago, to ¥4,927 million. The Group posted consolidated net income of ¥3,099 million, an increase of ¥688 million (28.5%) year on year.

Results for each business segment are described below. The Group has reorganized its business units and has changed its reportable segments as follows:

The Group has created a Motor Vehicles & Aerospace segment consisting of the motorcycle and automobile parts business and aerospace business, which were included in the Electronics, Iron & Steel, and Machinery & Plant segments. Starting the first quarter under review, the Group, consequently, has four reportable segments—Electronics & Devices, Foods & Grain, Steel, Materials & Plant, and Motor Vehicles & Aerospace—instead of the five reportable segments it had until the previous fiscal year: Electronics, Foods & Foodstuff, Iron & Steel, Machinery & Plant, and Environment & Materials.

#### (i) Electronics & Devices

The electronic components and materials business, which deals in electronic parts for mobile phones among other products, performed well, with transactions for the Chinese market being particularly strong. Meanwhile, the semiconductor manufacturing equipment business was weak due to the tardiness of the recovery in companies' capital expenditures. The ICT solutions business and the mobile solutions business held steady against a backdrop of a favorable condition in the market of portable terminals, including smartphones.

As a result, net sales in the Electronics and Devices Division rose ¥9,767 million year on year, to ¥62,140 million. Operating income declined ¥413 million, to ¥1,185 million.

#### (ii) Foods & Grain

The foods business and the meat products business took time passing the effect of a weaker yen on to sales prices, which put downward pressure on operating income. Meanwhile, the foodstuff business was steady thanks to stable purchases and an increase in transaction volumes.

As a result, in the Foods & Grain Division, net sales increased ¥1,298 million year on year, to ¥72,785 million. Operating income fell ¥265 million, to ¥833 million.

#### (iii) Steel, Materials & Plant

In the iron and steel business, transactions of specialty steel for automobiles for Europe and the United States and the oilfield tubing business in North America acquired in the previous fiscal year were solid. In the energy business, sales of heavy oil were strong. The chemical business, imports of bulk pharmaceuticals in particular, performed well. In the plant business, transactions of machine tools and industrial machinery were weak.

As a result, net sales in the Steel, Materials & Plant Division declined ¥1,412 million year on year, to ¥102,571 million. Operating income increased ¥352 million, to ¥1,551 million.

(iv) Motor Vehicles & Aerospace

The motor vehicles business for Asia was weak overall, while transactions of motorcycle parts for Europe and the United States and domestic transactions of aircraft parts were steady.

As a result, in the Motor Vehicles & Aerospace Division, net sales rose ¥1,477 million from a year earlier, to ¥13,489 million. Operating income climbed ¥433 million, to ¥948 million.

(v) Other

Net sales declined ¥1,093 million year on year, to ¥2,035 million. Operating income fell ¥23 million, to ¥164 million.

(2) Details of financial position

(i) Assets, liabilities and net assets

Total assets at the end of the first quarter under review increased ¥2,639 million from the end of the previous fiscal year, to ¥401,825 million.

Interest-bearing debt declined ¥1,007 million from the end of the previous fiscal year, to ¥145,854 million. Net interest-bearing debt, which is interest-bearing debt minus cash and bank deposits, rose ¥958 million from the end of the previous fiscal year, to ¥87,397 million.

Net assets stood at ¥81,789 million, up ¥5,877 million from the end of the previous fiscal year, thanks to an increase in retained earnings as a result of the posting of net income, and improvements in foreign currency translation adjustments, reflecting exchange rate fluctuations. Shareholders' equity, obtained by subtracting minority interests from net assets, increased ¥5,497 million from the end of the previous fiscal year, to ¥60,016 million.

As a result, the equity ratio improved 1.2 percentage points from the end of the previous fiscal year, to 14.9%. The net debt-equity ratio ("net DER") improved to 1.5, up from 1.6 at the end of the previous fiscal year.

(ii) Cash flows

In the first quarter under review, net cash provided by operating activities stood at ¥3,602 million, net cash used in investing activities came to ¥3,450 million, and net cash used in financing activities was ¥2,847 million. With the effect of exchange rate changes on cash and cash equivalents added, cash and cash equivalents at the end of the first quarter under review came to ¥58,018 million.

(Cash flows from operating activities)

Net cash provided by operating activities in the first quarter under review stood at ¥3,602 million (versus ¥5,719 million in the first quarter of the previous fiscal year), primarily reflecting operating income.

(Cash flows from investing activities)

Net cash used in investing activities in the first quarter under review amounted to ¥3,450 million (versus net cash provided of ¥1,479 million in the first quarter of the previous fiscal year) chiefly due to the acquisition of a mobile phone sales company.

(Cash flows from financing activities)

Net cash used in financing activities in the first quarter under review came to ¥2,847 million (versus ¥10,134 million in the first quarter of the previous fiscal year), reflecting the repayment of debt, among other factors.

(3) Information on the future outlook, including consolidated business performance forecasts

The global economy appears likely to continue to face uncertain conditions, such as weak real economies in Europe and the slowdown of economic growth in China and emerging nations. We have not changed the forecasts for consolidated results that we announced on May 8, 2013.

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 (Notes)

### (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.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Million yen)

	Fiscal 2012 (March 31, 2013)	End of first three months under review (June 30, 2013)
<b>Assets</b>		
Current assets		
Cash and bank deposits	60,421	58,457
Notes and accounts receivable	165,378	154,673
Investments in leased assets	608	668
Short-term investment securities	16	16
Inventories	65,246	73,986
Short-term loans receivable	352	360
Deferred tax assets	1,669	1,187
Other	23,134	25,652
Allowance for doubtful accounts	(273)	(269)
Total current assets	316,554	314,733
Fixed assets		
Tangible fixed assets	26,990	27,656
Intangible fixed assets		
Goodwill	2,122	5,164
Other	5,104	5,285
Total intangible fixed assets	7,226	10,450
Investments and other assets		
Investments in securities	30,248	30,711
Long-term loans receivable	2,435	2,396
Doubtful accounts	1,895	1,831
Deferred tax assets	11,127	11,159
Other	6,441	6,560
Allowance for doubtful accounts	(3,731)	(3,674)
Total investments and other assets	48,415	48,985
Total fixed assets	82,632	87,092
Total assets	399,186	401,825

(Million yen)

	Fiscal 2012 (March 31, 2013)	End of first three months under review (June 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	132,356	127,796
Short-term borrowings	81,570	82,860
Lease obligations	733	782
Accrued income taxes	1,663	483
Deferred tax liabilities	95	113
Asset retirement obligations	118	116
Other	28,238	31,684
Total current liabilities	244,776	243,838
Long-term liabilities		
Long-term borrowings	65,290	62,994
Lease obligations	1,099	1,201
Deferred tax liabilities	45	47
Accrued severance indemnities	4,296	4,293
Reserve for directors' retirement benefits	385	320
Asset retirement obligations	741	725
Other	6,636	6,615
Total long-term liabilities	78,496	76,197
Total liabilities	323,273	320,036
<b>Net assets</b>		
Equity capital		
Capital stock	27,781	27,781
Capital surplus	27,526	27,525
Retained earnings	24,567	27,666
Treasury stock	(357)	(346)
Total equity capital	79,517	82,626
Other accumulated comprehensive income		
Unrealized loss on available-for-sale securities	1,048	1,078
Deferred gain/loss on hedging	298	173
Land revaluation reserves	66	71
Translation adjustments	(26,411)	(23,933)
Total other accumulated comprehensive income	(24,997)	(22,610)
Minority interests	21,393	21,773
Total net assets	75,912	81,789
Total liabilities and net assets	399,186	401,825



## (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, 2012 to June 30, 2012)	First three months under review (From April 1, 2013 to June 30, 2013)
Net sales	242,985	253,022
Cost of sales	223,482	232,282
Gross trading profit	19,502	20,739
Selling, general and administrative expenses	14,901	16,032
Operating income	4,601	4,707
Non-operating income		
Interest received	134	85
Dividends received	227	280
Equity in earnings of affiliates	-	40
Foreign exchange gains	95	949
Other	342	234
Total non-operating income	798	1,590
Non-operating expenses		
Interest paid	932	826
Loss on equity method investments	23	-
Other	314	323
Total non-operating expenses	1,270	1,150
Ordinary income	4,129	5,147
Extraordinary gains		
Gain on sale of tangible fixed assets	2	2
Gain on sale of investment in securities	232	80
Total extraordinary gains	235	82
Extraordinary losses		
Loss on sales or disposal of fixed assets	12	5
Loss on impairment	71	-
Loss on sale of investments in securities	1	31
Loss on valuation of investments in securities	208	-
Loss on liquidation of affiliates	-	265
Provision for loss on litigation	70	-
Total extraordinary losses	364	302
Income before income taxes and minority interests	4,000	4,927
Income taxes – current	496	734
Income taxes – deferred	883	668
Total income taxes	1,380	1,402
Income before minority interests	2,619	3,524
Minority interests in consolidated subsidiaries	208	425
Net income	2,411	3,099

Consolidated statement of comprehensive income  
 [First three months]

(Million yen)

	Previous first three months (From April 1, 2012 to June 30, 2012)	First three months under review (From April 1, 2013 to June 30, 2013)
Income before minority interests	2,619	3,524
Other comprehensive income		
Valuation difference on available-for-sale securities	(975)	39
Deferred gains or losses on hedges	(380)	(135)
Foreign currency translation adjustment	409	2,734
Share of other comprehensive income of associates accounted for using equity method	99	154
Total other comprehensive income	(846)	2,792
Comprehensive income	1,773	6,316
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,417	5,487
Comprehensive income attributable to minority interests	356	829

## (3) Consolidated statements of cash flows

(Million yen)

	Previous first three months (From April 1, 2012 to June 30, 2012)	First three months under review (From April 1, 2013 to June 30, 2013)
Cash flows from operating activities:		
Income before income taxes and minority interests	4,000	4,927
Depreciation and amortization	601	714
Increase (decrease) in allowance for doubtful accounts	74	(63)
Increase (decrease) in reserve for employees' prior service obligations	97	(1)
Interest and dividend income	(361)	(366)
Interest expense	932	826
Equity in earnings of affiliated companies (gain)	23	(40)
Gain or loss on sales or disposal of fixed assets (gain)	9	3
Impairment loss on fixed assets	71	–
Gain or loss on sale of investments in securities (gain)	(231)	(48)
Gain or loss on valuation of investments in securities (gain)	208	–
Loss on liquidation of affiliates	–	265
Provision for loss on litigation	70	–
Decrease (increase) in notes and accounts receivable	24,709	14,669
Decrease (increase) in inventories	(1,011)	(7,062)
Increase (decrease) in notes and accounts payable	(21,761)	(7,184)
Other	710	(897)
Sub total	8,145	5,742
Interest and dividend income received	498	489
Interest paid	(558)	(548)
Income taxes paid	(2,353)	(2,080)
Payments for loss on litigation	(11)	–
Net cash provided by (used in) operating activities	5,719	3,602
Cash flows from investing activities:		
Decrease (increase) in time deposits	(129)	(24)
Payments for acquisition of tangible fixed assets	(352)	(580)
Proceeds from sale of tangible fixed assets	555	91
Payments for acquisition of intangible fixed assets	(297)	(190)
Payments for acquisition of investments in securities	(152)	(61)
Proceeds from sale of investments in securities	246	260
Purchase of investments in subsidiaries	–	(96)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(2,761)
Increase in loans receivable	(15)	(18)
Decrease in loans receivable	475	34
Other	1,150	(105)
Net cash provided by (used in) investing activities	1,479	(3,450)
Cash flows from financing activities		
Increase (decrease) in short-term loans, net	(6,690)	3,090
Proceeds from long-term debt	200	300
Repayment of long-term debt	(3,220)	(5,793)
Other	(422)	(445)
Net cash provided by (used in) financing activities	(10,134)	(2,847)
Effect of exchange rate changes on cash and cash equivalents	147	682
Net increase (decrease) in cash and cash equivalents	(2,787)	(2,014)
Cash and cash equivalent at beginning of year	70,594	60,032
Cash and cash equivalent at end of quarter	67,807	58,018

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

(Notes if there is a significant change in the amount of equity capital)  
 Not applicable.

(Segment information)

I. Previous first three months (From April 1, 2012 to June 30, 2012)

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 & Devices	Foods & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total				
Net sales									
Outside customers	52,373	71,487	103,983	12,012	239,857	3,128	242,985	–	242,985
Inter-segment	25	0	8	2	36	12	49	(49)	–
Total	52,398	71,488	103,991	12,015	239,893	3,140	243,034	(49)	242,985
Segment profit	1,598	1,098	1,199	515	4,411	187	4,599	2	4,601

(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 ¥2 million for segment profit includes inter-segment elimination of ¥2 million.

(Note 3) Segment profit 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, 2013 to June 30, 2013)

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 & Devices	Foods & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total				
Net sales									
Outside customers	62,140	72,785	102,571	13,489	250,986	2,035	253,022	–	253,022
Inter-segment	75	1	5	0	82	18	100	(100)	–
Total	62,215	72,786	102,577	13,489	251,069	2,053	253,122	(100)	253,022
Segment profit	1,185	833	1,551	948	4,519	164	4,684	23	4,707

(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 ¥23 million for segment profit includes a net goodwill write-down of ¥19 million and inter-segment elimination of ¥3 million.

(Note 3) Segment profit 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)

In the Electronics & Devices segment, Kanematsu Communications and Kanematsu Electronics, both of which are consolidated subsidiaries of the Company, acquired all shares in BD Holdings, Inc., which sells mobile communication devices, through KCS Investment, which was jointly established by Kanematsu Communications and Kanematsu Electronics, on May 1, 2013, thereby making BD Holdings a consolidated subsidiary. With the acquisition, goodwill increased ¥2,895 million in the first quarter under review. Because the allocation of acquisition costs has not been completed, the amount of goodwill is calculated tentatively based on reasonable information available.

(Significant gain on negative goodwill)

Not applicable in the first quarter under review

3. Matter about change of segment for reporting, etc.

The Company has reorganized its business units and five reportable segments: Electronics, Foods & Foodstuff, Iron & Steel, Machinery & Plant, and Environment & Materials. Starting the first quarter under review, the Company has four reportable segments: Electronics & Devices; Foods & Grain; Steel, Materials & Plant; and Motor Vehicles & Aerospace.

In this document, the segment information for the first quarter of the previous fiscal year is created based on the reportable segments after the change.

(Significant subsequent events)

Not applicable.

## Highlights of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 2014

Both net sales and income increased year on year. The first quarter of the first year of the medium-term business plan saw a good start.

Net sales	253.0 billion yen	4.1%	Up
Operating income	4.7 billion yen	2.3%	Up
Ordinary income	5.1 billion yen	24.7%	Up
Net income	3.1 billion yen	28.5%	Up

Income Statement						
(Unit: 100 million yen)	Q1 of FY2012	Q1 of FY2013	Year-on-year		FY2014	
			Change	Change (%)	Forecasts	Progress
Net sales	2,430	2,530	100	4.1%	10,500	24.1%
Gross trading profit	195	207	12	6.3%	-	-
SG&A expenses	149	160	11	7.6%	-	-
Operating income	46	47	1	2.3%	190	24.8%
Dividends received	2	3	1	-	-	-
Interest	-8	-7	1	-	-	-
Equity in earnings of affiliated companies	0	0	1	-	-	-
Foreign exchange gains/losses	1	9	9	-	-	-
Others	0	-1	-1	-	-	-
Non-operating income/expenses	-5	4	9	-	-	-
Ordinary income	41	51	10	24.7%	170	30.3%
Extraordinary gains	2	1	-2	-	-	-
Extraordinary losses	-4	-3	1	-	-	-
Income (loss) before income taxes	40	49	9	23.2%	-	-
Income taxes and minority interests	16	18	2	-	-	-
Net income	24	31	7	28.5%	60	51.7%

[Net sales]  
An increase in net sales, primarily reflecting a rise in net sales for the Electronics & Devices segment

[Operating income]  
A slight increase in operating income, with a decline in operating income for the Electronics & Devices and Foods & Grain segments more than offset by a rise in operating income in the Steel, Materials & Plant and Motor Vehicles & Aerospace segments

[Ordinary income]  
A rise in ordinary income, given an increase in non-operating income mainly due to a rise in foreign exchange gains

[Net income]  
A climb in net income with the increase in ordinary income

Assets, Liabilities and Net Assets				
(Unit: 100 million yen)	3/2013	6/2013	Comparison with 3/2013	
			Change	Change (%)
Total assets	3,992	4,018	26	0.7%
Gross interest-bearing debt	1,469	1,459	-10	-0.7%
Net interest-bearing debt	864	874	10	1.1%
Equity capital	795	826	31	3.9%
Other accumulated comprehensive income	-250	-226	24	-
Minority interests	214	218	4	1.8%
Total net assets	759	818	59	7.7%
Shareholders' equity (Note 1)	545	600	55	10.1%
Equity ratio (Note 2)	13.7%	14.9%	1.2 pt improved	-
Net debt-equity ratio (Note 3)	1.6 times	1.5 times	0.1 pt improved	-

[Interest-bearing debt]  
Gross interest-bearing debt declined 1.0 billion yen. Net interest-bearing debt rose 1.0 billion yen due to a decrease in cash and bank deposits.

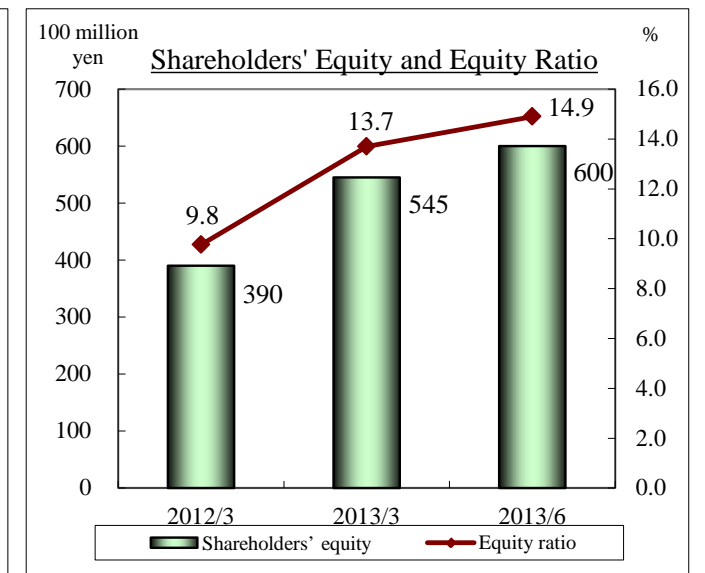
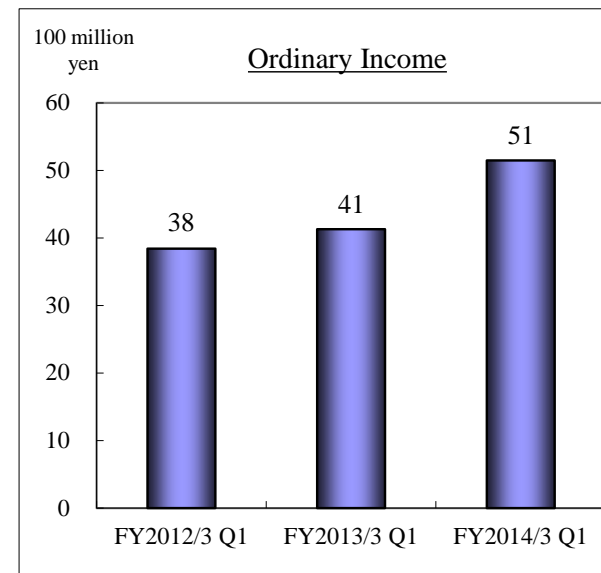
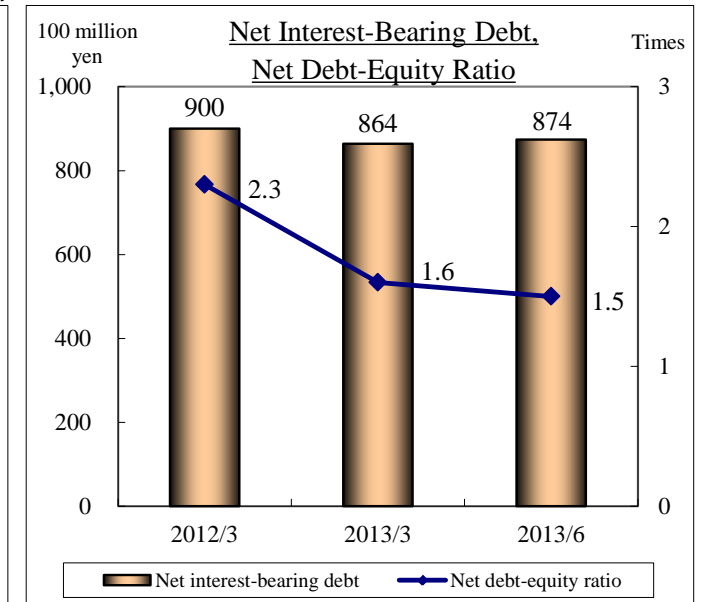
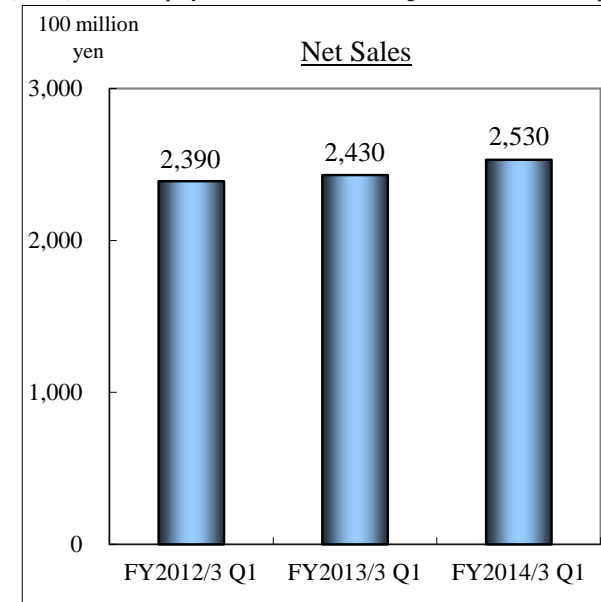
[Net assets]  
Net assets increased 5.9 billion yen, reflecting an increase in retained earnings attributable to the posting of net income, etc. Shareholders' equity, which is net assets minus minority interests, rose 5.5 billion yen.

As a result, the equity ratio increased to 14.9%, and net DER improved to 1.5.

(Note 1) Shareholders' equity = Total net assets - Minority interests

(Note 2) Equity ratio = Shareholders' equity / Total assets

(Note 3) Net debt-equity ratio = Net interest-bearing debt / Shareholders' equity



Segment information						
(Unit: 100 million yen)	Net sales (net external sales)			Operating income		
	Q1 of FY2012	Q1 of FY2013	Change	Q1 of FY2012	Q1 of FY2013	Change
Electronics & Devices	524	621	98	16	12	-4
Foods & Grain	715	728	13	11	8	-3
Steel, Materials & Plant	1,040	1,026	-14	12	16	4
Motor Vehicles & Aerospace	120	135	15	5	9	4
Total for reportable segments	2,399	2,510	111	44	45	1
Other (including adjustment)	31	20	-11	2	2	0
Grand total	2,430	2,530	100	46	47	1

[Electronics & Devices] A rise in net sales and a decrease in income  
The ICT solutions business and the mobile solutions business held steady given favorable conditions in the smartphone market. The electronic components and materials business, which deals in electronic components for mobile phones among other products, performed well, with transactions for the Chinese market particularly strong. The semiconductor manufacturing equipment business was weak due to the tardiness of the recovery in corporate capital expenditures.

[Foods & Grain] A rise in net sales and a decline in income  
The foods business and the meat products business took time to pass the effect of a weaker yen on to sales prices and performed badly. Meanwhile, the foodstuff business was steady thanks to stable purchases and an increase in transaction volumes.

[Steel, Materials & Plant] A decline in net sales and an increase in income  
In the iron and steel business, transactions of specialty steel for automobiles for Europe and the United States and the oilfield tubing business in North America were solid. In the energy business, sales of heavy oil were strong. The chemicals business, imports of bulk pharmaceuticals in particular, performed well. In the plant business, transactions of machine tools and industrial machinery were weak.

[Motor Vehicles & Aerospace] An increase in net sales and income  
The motor vehicles business for Asia was weak overall, while transactions involving motor cycle parts for Europe and the United States and domestic transactions of aircraft parts were steady.

\* 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.