



Member of Financial Accounting Standards Foundation

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

February 7, 2014

Company name: Kanematsu Corporation

Stock Exchange listing: Tokyo Stock Exchange

Stock code: 8020

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

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Scheduled date to submit the Quarterly Securities Report (*Shihanki Houkokusho*): February 14, 2014

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 nine months of the fiscal year ending March 2014 (April 1, 2013 – December 31, 2013)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Nine Months to December 2013	818,845	10.5	13,770	3.0	14,150	21.9	8,497	17.0
First Nine Months to December 2012	741,206	-0.2	13,375	-17.4	11,607	-13.2	7,264	17.5

(Note) Comprehensive income: 16,671 million yen (68.2%) for the first nine months to December 2013
9,912 million yen (163.8%) for the first nine months to December 2012

	Net income per share	Net income per share (diluted basis)
	Yen	Yen
First Nine Months to December 2013	20.23	-
First Nine Months to December 2012	17.32	-

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2013	419,636	91,929	16.3
As of March 31, 2013	399,186	75,912	13.7

(Reference) Shareholders' equity: 68,269 million yen as of December 31, 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	-	1.50	-		
Fiscal year ending March 2014 (Forecasts)				1.50	3.00

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

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

(%: Changes from 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	1,100,000	7.9	20,000	9.5	19,000	13.7	9,000	-5.9	21.45

(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 nine months (2013/12): | 422,501,010 shares | Fiscal year (2013/3): | 422,501,010 shares |
| 2. Number of treasury stock | | | |
| First nine months (2013/12): | 2,373,507 shares | Fiscal year (2013/3): | 2,539,243 shares |
| 3. Average number of shares during the period (First nine months) | | | |
| First nine months (2013/12): | 420,033,013 shares | First nine months (2012/12): | 419,369,199 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 Nine 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 Nine Months of the Fiscal Year Ending March 2014

(1) Details of consolidated results

In the first nine months (April 1, 2013 to December 31, 2013) of the fiscal year ending March 31, 2014, the U.S. economy continued to recover, with consumer spending expanding as a result of improved employment conditions and the mitigated burden of household debt. In Europe, GDP growth rates that had been declining appeared to have stabilized, and the economy is on a recovery track, although sovereign-debt problems have not been completely eliminated. Meanwhile, China's growth rate continued to moderate, while emerging economies in other parts of Asia also remained sluggish with comparatively soft exports and weaker currencies.

The Japanese economy continued on a recovery trend, with consumer spending and capital expenditures expanding, buoyed partly by the effects of the government's economic stimulus measures.

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

Consolidated net sales rose ¥77,639 million (10.5%) year on year, to ¥818,845 million. With the increase in net sales, consolidated gross trading profit increased ¥4,144 million (7.1%) from a year earlier, to ¥62,710 million. Consolidated operating income climbed ¥395 million (3.0%) from the same period of the previous fiscal year, to ¥13,770 million. Non-operating income rose ¥2,146 million year on year, thanks primarily to an increase in foreign exchange gains and an improvement in equity in the earnings of affiliated companies. As a result, consolidated ordinary income increased ¥2,543 million (21.9%) year on year, to ¥14,150 million. In extraordinary items, the Group posted a consolidated extraordinary loss of ¥82 million, primarily reflecting a loss on impairment, which offset a gain on sales of tangible fixed assets. Income before income taxes and minority interests climbed ¥2,125 million (17.8%) year on year, to ¥14,068 million. Consolidated net income rose ¥1,233 million (17.0%) year on year, to ¥8,497 million, during the period under review.

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 nine months 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 performed well, mainly in export transactions. The system integration business performed relatively well, reflecting its expanded size as a result of the inclusion of Nippon Office Systems Ltd. in the Group's consolidated subsidiaries in the previous fiscal year and aggressive corporate investment in infrastructure. Operating income decreased in the mobile solution business, primarily due to consumers' conservative purchasing in expectation of the launch of popular models and the effects of a product supply shortage, although replacement demand for smartphones increased.

As a result, net sales in the Electronics and Devices Division rose ¥23,397 million year on year, to ¥194,045 million. Operating income declined ¥1,004 million, to ¥4,516 million.

(ii) Foods & Grain

The meat products business performed well due to a recovery in market conditions. The foodstuffs business was steady thanks to stable purchases and an increase in transaction volumes. Meanwhile, the foods business took time to pass on the effect of the weaker yen to sales prices, and operating income declined.

As a result, in the Foods & Grain Division, net sales increased ¥21,232 million year on year, to ¥236,100 million. Operating income fell ¥908 million, to ¥2,113 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. In the plant business, transactions of machine tools and industrial machinery were weak.

As a result, net sales in the Steel, Materials & Plant Division increased ¥28,750 million year on year, to ¥342,865 million. Operating income increased ¥2,304 million, to ¥5,630 million.

(iv) Motor Vehicles & Aerospace

Transactions involving motorcycle and motor vehicle parts for North America and domestic transactions of aircraft parts performed well, while construction machinery-related transactions for Asia were weak.

As a result, in the Motor Vehicles & Aerospace Division, net sales rose ¥7,358 million from a year earlier, to ¥41,553 million. Operating income climbed ¥9 million, to ¥1,235 million.

(v) Other

Net sales declined ¥3,098 million year on year, to ¥4,280 million. Operating income fell ¥49 million, to ¥225 million.

(2) Details of financial position

(i) Assets, liabilities and net assets

Total assets at the end of the first nine months under review increased ¥20,450 million from the end of the previous fiscal year, to ¥419,636 million.

Interest-bearing debt declined ¥4,268 million from the end of the previous fiscal year, to ¥142,593 million. Net interest-bearing debt, which is interest-bearing debt minus cash and bank deposits, fell ¥9,542 million from the end of the previous fiscal year, to ¥76,897 million.

Net assets stood at ¥91,929 million, up ¥16,017 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 ¥13,750 million from the end of the previous fiscal year, to ¥68,269 million.

As a result, the equity ratio improved 2.6 percentage points from the end of the previous fiscal year, to 16.3%. The net debt-equity ratio ("net DER") improved to 1.1, up from 1.6 at the end of the previous fiscal year.

(ii) Cash flows

In the first nine months under review, net cash provided by operating activities stood at ¥12,438 million, net cash used in investing activities came to ¥973 million, and net cash used in financing activities was ¥7,661 million. With the effect of exchange rate changes on cash and cash equivalents added, cash and cash equivalents at the end of the first nine months under review came to ¥65,333 million.

(Cash flows from operating activities)

Net cash provided by operating activities in the first nine months under review stood at ¥12,438 million (versus net cash used of ¥7,975 million in the first nine months of the previous fiscal year), primarily reflecting operating income.

(Cash flows from investing activities)

Net cash used in investing activities in the first nine months of the consolidated fiscal year under review amounted to ¥973 million (compared to net cash provided of ¥7,720 million in the same period of the previous fiscal year), chiefly due to the acquisition of a mobile phone sales company and tangible fixed assets, which offset proceeds from the sale of tangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities in the first nine months under review came to ¥7,661 million (versus ¥16,475 million in the first nine months 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 is expected to continue to face uncertain conditions, as the U.S. economy is projected to expand, yet there will likely be a delay in an economic turnaround in Europe and a slowdown in economic growth in China and other emerging countries in Asia. There is no change from the full-year consolidated business results forecast previously announced on November 1, 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 nine months 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 nine months under review (December 31, 2013)
Assets		
Current assets		
Cash and bank deposits	60,421	65,695
Notes and accounts receivable	165,378	172,924
Investments in leased assets	608	619
Short-term investment securities	16	16
Inventories	65,246	72,418
Short-term loans receivable	352	869
Deferred tax assets	1,669	1,531
Other	23,134	22,404
Allowance for doubtful accounts	(273)	(148)
Total current assets	316,554	336,331
Fixed assets		
Tangible fixed assets	26,990	24,587
Intangible fixed assets		
Goodwill	2,122	5,025
Other	5,104	5,300
Total intangible fixed assets	7,226	10,325
Investments and other assets		
Investments in securities	30,248	32,459
Long-term loans receivable	2,435	1,850
Doubtful accounts	1,895	926
Deferred tax assets	11,127	9,619
Other	6,441	6,348
Allowance for doubtful accounts	(3,731)	(2,810)
Total investments and other assets	48,415	48,392
Total fixed assets	82,632	83,305
Total assets	399,186	419,636

(Million yen)

	Fiscal 2012 (March 31, 2013)	End of first nine months under review (December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable	132,356	142,561
Short-term borrowings	81,570	79,688
Lease obligations	733	783
Accrued income taxes	1,663	650
Deferred tax liabilities	95	0
Asset retirement obligations	118	101
Other	28,238	29,078
Total current liabilities	244,776	252,863
Long-term liabilities		
Long-term borrowings	65,290	62,905
Lease obligations	1,099	1,095
Deferred tax liabilities	45	49
Accrued severance indemnities	4,296	4,326
Reserve for directors' retirement benefits	385	367
Asset retirement obligations	741	755
Other	6,636	5,343
Total long-term liabilities	78,496	74,843
Total liabilities	323,273	327,707
Net assets		
Equity capital		
Capital stock	27,781	27,781
Capital surplus	27,526	27,494
Retained earnings	24,567	32,434
Treasury stock	(357)	(329)
Total equity capital	79,517	87,381
Other accumulated comprehensive income		
Unrealized loss on available-for-sale securities	1,048	1,826
Deferred gain/loss on hedging	298	418
Land revaluation reserves	66	104
Translation adjustments	(26,411)	(21,460)
Total other accumulated comprehensive income	(24,997)	(19,111)
Minority interests	21,393	23,660
Total net assets	75,912	91,929
Total liabilities and net assets	399,186	419,636

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

Consolidated statements of income

[First nine months]

(Million yen)

	Previous first nine months (From April 1, 2012 to December 31, 2012)	First nine months under review (From April 1, 2013 to December 31, 2013)
Net sales	741,206	818,845
Cost of sales	682,640	756,135
Gross trading profit	58,566	62,710
Selling, general and administrative expenses	45,190	48,939
Operating income	13,375	13,770
Non-operating income		
Interest received	369	271
Dividends received	734	782
Equity in earnings of affiliates	20	310
Foreign exchange gains	144	1,910
Other	661	605
Total non-operating income	1,930	3,880
Non-operating expenses		
Interest paid	2,643	2,456
Other	1,055	1,044
Total non-operating expenses	3,698	3,500
Ordinary income	11,607	14,150
Extraordinary gains		
Gain on sale of tangible fixed assets	11	2,103
Gain on sale of investment in securities	2,492	170
Gain on step acquisitions	81	–
Gain on negative goodwill	–	46
Total extraordinary gains	2,585	2,320
Extraordinary losses		
Loss on sales or disposal of fixed assets	73	87
Loss on impairment	1,022	1,998
Loss on sale of investments in securities	636	34
Loss on valuation of investments in securities	371	18
Loss on liquidation of affiliates	–	262
Loss on withdrawal from the employee pension funds program	74	–
Loss on litigation	71	–
Total extraordinary losses	2,250	2,402
Income before income taxes and minority interests	11,943	14,068
Income taxes – current	2,031	2,697
Income taxes – deferred	1,641	1,207
Total income taxes	3,672	3,904
Income before minority interests	8,270	10,163
Minority interests in consolidated subsidiaries	1,006	1,665
Net income	7,264	8,497

Consolidated statement of comprehensive income
[First nine months]

(Million yen)

	Previous first nine months (From April 1, 2012 to December 31, 2012)	First nine months under review (From April 1, 2013 to December 31, 2013)
Income before minority interests	8,270	10,163
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	777
Deferred gains or losses on hedges	(113)	123
Foreign currency translation adjustment	1,483	5,467
Share of other comprehensive income of associates accounted for using equity method	271	138
Total other comprehensive income	1,641	6,508
Comprehensive income	9,912	16,671
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	8,882	14,384
Comprehensive income attributable to minority interests	1,029	2,287

(3) Consolidated statements of cash flows

(Million yen)

	Previous first nine months (From April 1, 2012 to December 31, 2012)	First nine months under review (From April 1, 2013 to December 31, 2013)
Cash flows from operating activities:		
Income before income taxes and minority interests	11,943	14,068
Depreciation and amortization	1,866	2,216
Increase (decrease) in allowance for doubtful accounts	58	(169)
Increase (decrease) in reserve for employees' prior service obligations	289	(5)
Interest and dividend income	(1,104)	(1,054)
Interest expense	2,643	2,456
Equity in earnings of affiliated companies (gain)	(20)	(310)
Gain or loss on sales or disposal of fixed assets (gain)	62	(2,015)
Impairment loss on fixed assets	1,022	1,998
Gain or loss on sale of investments in securities (gain)	(1,855)	(135)
Gain or loss on valuation of investments in securities (gain)	371	18
Loss on liquidation of affiliates	–	262
Loss (gain) on step acquisitions	(81)	–
Loss on withdrawal from the employee pension funds program	74	–
Loss on litigation	71	–
Gain on negative goodwill	–	(46)
Decrease (increase) in notes and accounts receivable	3,144	(3,579)
Decrease (increase) in inventories	(12,050)	(4,717)
Increase (decrease) in notes and accounts payable	(4,980)	7,129
Other	(3,559)	727
Sub total	(2,106)	16,841
Interest and dividend income received	1,187	1,179
Interest paid	(2,368)	(2,197)
Income taxes paid	(3,707)	(3,385)
Payments for loss on litigation	(981)	–
Net cash provided by (used in) operating activities	(7,975)	12,438
Cash flows from investing activities:		
Decrease (increase) in time deposits	(0)	75
Payments for acquisition of tangible fixed assets	(1,187)	(1,749)
Proceeds from sale of tangible fixed assets	933	3,065
Payments for acquisition of intangible fixed assets	(1,107)	(390)
Payments for acquisition of investments in securities	(238)	(134)
Proceeds from sale of investments in securities	3,056	386
Purchase of investments in subsidiaries	(0)	(96)
Proceeds from sales of investments in subsidiaries	–	766
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(2,761)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	804	–
Increase in loans receivable	(60)	(95)
Decrease in loans receivable	4,404	181
Other	1,115	(221)
Net cash provided by (used in) investing activities	7,720	(973)

(Million yen)

	Previous first nine months (From April 1, 2012 to December 31, 2012)	First nine months under review (From April 1, 2013 to December 31, 2013)
Cash flows from financing activities		
Increase (decrease) in short-term loans, net	(27)	1,246
Proceeds from long-term debt	8,743	15,692
Repayment of long-term debt	(24,432)	(23,002)
Proceeds on payments by minority shareholders	–	102
Cash dividends paid	–	(571)
Other	(758)	(1,129)
Net cash provided by (used in) financing activities	(16,475)	(7,661)
Effect of exchange rate changes on cash and cash equivalents	728	1,496
Net increase (decrease) in cash and cash equivalents	(16,001)	5,300
Cash and cash equivalent at beginning of year	70,594	60,032
Cash and cash equivalent at end of quarter	54,593	65,333

(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 nine months (From April 1, 2012 to December 31, 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	170,648	214,868	314,115	34,195	733,828	7,378	741,206	–	741,206
Inter-segment	13	3	11	7	36	39	76	(76)	–
Total	170,662	214,872	314,126	34,203	733,864	7,418	741,282	(76)	741,206
Segment profit	5,520	3,021	3,326	1,226	13,095	274	13,369	5	13,375

(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 ¥5 million for segment profit includes inter-segment elimination of ¥5 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 nine months under review

(Significant change in the amount of goodwill)

Not applicable in the first nine months under review

(Significant gain on negative goodwill)

Not applicable in the first nine months under review

II. First nine months under review (From April 1, 2013 to December 31, 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	194,045	236,100	342,865	41,553	814,564	4,280	818,845	–	818,845
Inter-segment	228	4	9	0	242	44	286	(286)	–
Total	194,273	236,105	342,874	41,553	814,807	4,324	819,132	(286)	818,845
Segment profit	4,516	2,113	5,630	1,235	13,496	225	13,721	48	13,770

(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 ¥48 million for segment profit includes a net goodwill write-down of ¥57 million and inter-segment elimination of negative ¥9 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 nine months 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. (currently Kanematsu BD Communications Limited), 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 ¥2,753 million in the first nine months 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 nine months 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 of this fiscal year, 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 nine months 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 Nine Months of the Fiscal Year Ending March 2014

Both net sales and income increased year on year

Net sales	818.8 billion yen	10.5%	Up
Operating income	13.8 billion yen	3.0%	Up
Ordinary income	14.2 billion yen	21.9%	Up
Net income	8.5 billion yen	17.0%	Up

Income Statement						
(Unit: 100 million yen)	Q3 of FY2012	Q3 of FY2013	Year-on-year		FY2013	
			Change	Change (%)	Forecast revised on November 1	Progress
Net sales	7,412	8,188	776	10.5%	11,000	74.4%
Gross trading profit	586	627	41	7.1%	-	-
SG&A expenses	452	489	37	8.3%	-	-
Operating income	134	138	4	3.0%	200	68.9%
Dividends received	7	8	0	-	-	-
Interest	-23	-22	1	-	-	-
Equity in earnings of affiliated companies	0	3	3	-	-	-
Foreign exchange gains/losses	1	19	18	-	-	-
Others	-4	-4	0	-	-	-
Non-operating income/expenses	-18	4	21	-	-	-
Ordinary income	116	142	25	21.9%	190	74.5%
Extraordinary gains	26	23	-3	-	-	-
Extraordinary losses	-23	-24	-2	-	-	-
Income (loss) before income taxes	119	141	21	17.8%	-	-
Income taxes and minority interests	-47	-56	-9	-	-	-
Net income	73	85	12	17.0%	90	94.4%

[Net sales]
Net sales increased in all segments, especially in the Steel, Materials & Plant segment.

[Operating income]
Operating income increased, with the 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 segment.

[Ordinary income]
Ordinary income rose, given the increase in operating income and a rise in non-operating income, mainly due to an increase in foreign exchange gains and equity in the earnings of affiliates.

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

Assets, Liabilities and Net Assets				
(Unit: 100 million yen)	2013/3	2013/12	Comparison with 3/2013	
			Change	Change (%)
Total assets	3,992	4,196	205	5.1%
Gross interest-bearing debt	1,469	1,426	-43	-2.9%
Net interest-bearing debt	864	769	-95	-11.0%
Equity capital	795	874	79	9.9%
Other accumulated comprehensive income	-250	-191	59	-
Minority interests	214	237	23	10.6%
Total net assets	759	919	160	21.1%
Shareholders' equity (Note 1)	545	683	138	25.2%
Equity ratio (Note 2)	13.7%	16.3%	2.6 pt improved	-
Net debt-equity ratio (Note 3)	1.6 times	1.1 times	0.5 pt improved	-

[Interest-bearing debt]
Gross interest-bearing debt declined 4.3 billion yen.
Net interest-bearing debt fell 9.5 billion yen.

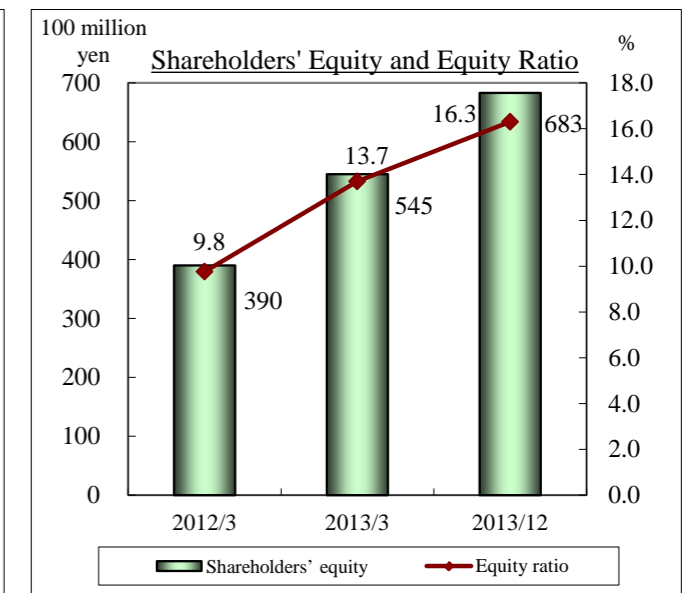
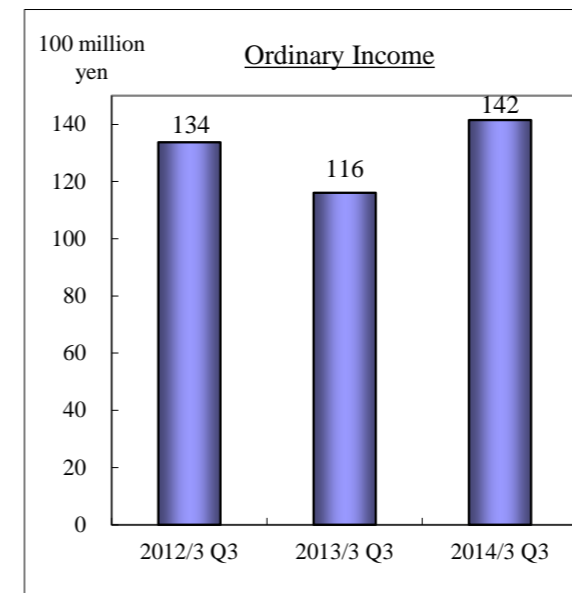
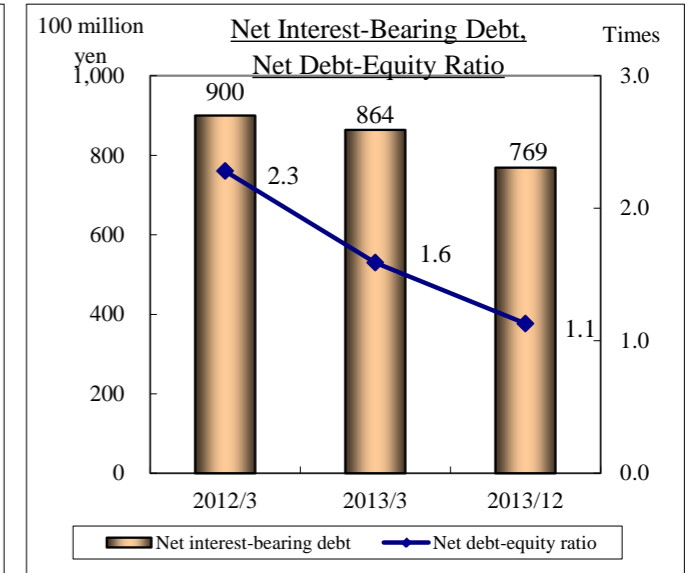
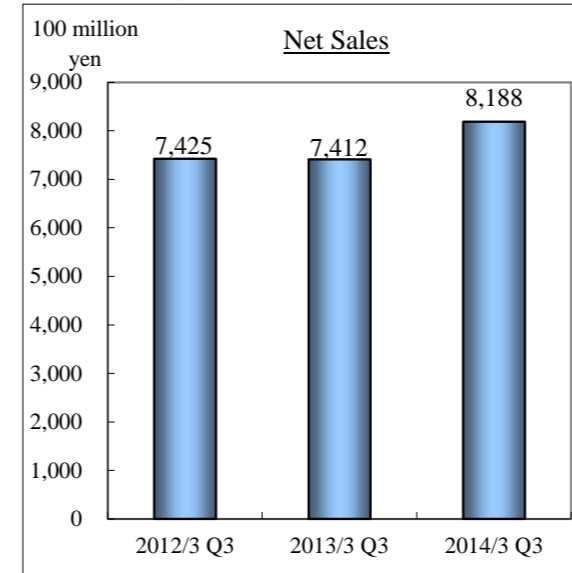
[Net assets]
Net assets increased 16.0 billion yen, reflecting an increase in retained earnings attributable to the posting of net income, etc.
Shareholders' equity, which is net assets minus minority interests, rose 13.8 billion yen.

As a result, the equity ratio increased to 16.3%, and net DER improved to 1.1.

(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		
	Q3 of FY2012	Q3 of FY2013	Change	Q3 of FY2012	Q3 of FY2013	Change
Electronics & Devices	1,706	1,940	234	55	45	-10
Foods & Grain	2,149	2,361	212	30	21	-9
Steel, Materials & Plant	3,141	3,429	288	33	56	23
Motor Vehicles & Aerospace	342	416	74	12	12	0
Total for reportable segments	7,338	8,146	807	131	135	4
Other (including adjustment)	74	43	-31	3	3	0
Grand total	7,412	8,188	776	134	138	4

[Electronics & Devices] A rise in net sales and a decrease in income
The electronic components and materials business performed well, mainly in export transactions. The system integration business also performed well, reflecting the inclusion of Nippon Office Systems Ltd. in its consolidated subsidiaries in the previous fiscal year and aggressive corporate infrastructure investment. Operating income decreased in the mobile solutions business, primarily due to consumers' conservative purchasing in expectation of the launch of popular models and the effects of a product supply shortage.

[Foods & Grain] A rise in net sales and a decline in income
The meat products business performed well due to a recovery in market prices. The foodstuffs business was steady thanks to stable purchases and an increase in transaction volumes. The foods business took time to pass the effects of the weaker yen on to sales prices, and operating income declined.

[Steel, Materials & Plant] An increase in net sales and income
In the iron and steel business, transactions of specialty steel for automobiles for Europe and the United States and the oil-field tubing business in North America acquired in the previous fiscal year were solid. In the energy business, sales of heavy oil were strong. In the plant business, transactions of machine tools and industrial machinery were weak.

[Motor Vehicles & Aerospace] An increase in net sales and flat profits
Transactions involving motorcycle and motor vehicle parts for North America and domestic transactions of aircraft parts performed well, while construction machinery-related transactions for Asia were weak.

* 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.