



Member of Financial Accounting Standards Foundation

Consolidated Financial Summary for the First Three Months of the Fiscal Year Ending March 2013 (Japanese Accounting Standards)

August 3, 2012

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 10, 2012

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 2013 (April 1, 2012 – June 30, 2012)

(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 2012	242,985	1.7	4,601	-3.1	4,129	7.5	2,411	-10.0
First Three Months to June 2011	238,954	5.8	4,750	10.5	3,841	5.1	2,678	21.3

(Note) Comprehensive income: 1,773 million yen (-27.6%) for the first three months to June 2012
2,448 million yen (336.4%) for the first three months to June 2011

	Net income per share	Net income per share (diluted basis)
	Yen	Yen
First Three Months to June 2012	5.76	-
First Three Months to June 2011	6.40	-

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2012	372,583	57,531	10.9
As of March 31, 2012	399,753	55,992	9.8

(Reference) Shareholders' equity: 40,472 million yen as of June 30, 2012
39,008 million yen as of March 31, 2012

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 2012	-	0.00	-	0.00	0.00
Fiscal year ending March 2013	-	-	-	-	-
Fiscal year ending March 2013 (Forecasts)	-	-	-	-	-

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

(Note) The dividend forecast for the fiscal year ending March 31, 2013 has not been determined.

3. Forecasts for consolidated results ending March 2013 (April 1, 2012 – March 31, 2013)

(%: 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	4.3	20,000	-6.7	16,000	-9.9	8,000	30.9	19.11

(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.: | Yes |
| 2. Changes in accounting policies other than 1.: | None |
| 3. Changes in accounting estimates: | Yes |
| 4. Restatement: | None |

(Note) The changes in accounting policies and changes or restatements of accounting estimates are pursuant to Article 10-5 of the Regulation for Terminology, Form and Preparation of Quarterly Consolidated Financial Statements. For details, please see the statement under the heading of “2. Matters Relating to Summary Information (Notes), (3) Changes in accounting policies and changes or restatement of accounting estimates” on page 4 of accompanying materials.

(4) Number of outstanding shares (common shares)

- | | | | |
|--|--------------------|------------------------------|--------------------|
| 1. Number of outstanding shares including treasury stock | | | |
| First three months (2012/6): | 422,501,010 shares | Fiscal year (2012/3): | 422,501,010 shares |
| 2. Number of treasury stock | | | |
| First three months (2012/6): | 3,313,542 shares | Fiscal year (2012/3): | 3,796,915 shares |
| 3. Average number of shares during the period (First three months) | | | |
| First three months (2012/6): | 418,945,265 shares | First three months (2011/6): | 418,620,211 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) 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 2013” 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 2013

(1) Qualitative information on consolidated results

During the first quarter under review (from April 1, 2012 to June 30, 2012), the global economy saw a very moderate recovery in the United States offset by the continuing economic slump in Europe associated with the sovereign debt crisis, which caused an export slowdown in China and emerging Asian nations. The Japanese economy sustained a moderate recovery aided by demand for reconstruction, the policy effects, and a rise in consumption. In this environment, the results of the Group for the first quarter under review are as shown below.

Consolidated net sales rose ¥4,031 million (1.7%) year on year, to ¥242,985 million. Consolidated gross trading profit increased ¥318 million (1.7%), to ¥19,502 million, reflecting a rise in sales. Operating income declined ¥149 million (3.1%) year on year, to ¥4,601 million. Non-operating income and expenses improved ¥437 million thanks to a decrease in paid interest and an improvement of loss on equity method investments. As a result, consolidated ordinary income increased ¥288 million (7.5%) year on year, to ¥4,129 million. In extraordinary items, a net loss of ¥128 million was posted, reflecting valuation losses on securities, among other items. Income before income taxes and minority interest stood at ¥4,000 million, up ¥234 million (6.2%) from a year earlier. Consolidated net income decreased ¥267 million (10.0%) year on year, to ¥2,411 million.

Results for each business segment are described below. Because of organizational changes made by the Group during the first quarter under review, the name of the Electronics & IT segment was changed to “Electronics.”

(i) Electronics

The mechanical device business such as onboard parts for motorcycles remained steady in Europe. The semiconductor component and equipment business remained brisk thanks to a recovery in corporate capital investments, among other factors. The ICT solutions business and the mobile solutions business continued to perform well, reflecting the rising market for mobile communication terminals such as smartphones.

As a result, net sales in the Electronics Division increased ¥3,498 million year on year, to ¥60,843 million. Operating income rose ¥416 million, to ¥2,169 million.

(ii) Foods & Foodstuff

The meat products business generally remained sluggish due to weak domestic demand. The foods business remained solid overall, thanks to relatively stable demand and supply environments. The foodstuff business continued to struggle with a severe external environment, partly because certain consumers were reluctant to buy due to a sharp rise in overseas grain prices.

As a result, net sales in the Foods & Foodstuff Division declined ¥1,573 million year on year, to ¥71,487 million. Operating income decreased ¥449 million, to ¥1,098 million.

(iii) Iron & Steel

The business of automobile-use special steel shipped to Europe and America remained steady. However, shipments of steel plates and sheets and iron ore to Asia fell.

As a result, net sales in the Iron & Steel Division declined to ¥26,338 million, down ¥1,528 million from a year earlier. Operating income decreased ¥275 million, to ¥681 million.

(iv) Machinery & Plant

Business linked to machine tool and industrial machine remained brisk thanks to a rebound in domestic demand. Business linked to automobiles remained steady overall. The profitability of business linked to plant improved despite decreased projects.

As a result, net sales in the Machinery & Plant Division declined ¥2,798 million year on year, to ¥12,479 million. Operating income improved to ¥187 million, up ¥204 million year on year.

(v) Environment & Materials

In the functional chemicals business, exports of raw materials for car batteries remained slightly sluggish. However, imports of raw materials of medical and pharmaceutical products and health foods remained steady. The energy business was firm thanks to an increase in the volume of heavy oil sold to power companies despite violent fluctuations in overseas crude prices.

As a result, net sales in the Environment & Materials Division rose to ¥66,585 million, up ¥5,311 million from a year earlier. Operating income decreased ¥97 million, to ¥243 million.

(vi) Other

Net sales rose ¥1,119 million year on year, to ¥5,249 million. Operating income increased ¥76 million, to ¥219 million, reflecting improvements in the logistic 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 under review decreased ¥27,170 million from the end of the previous fiscal year, to ¥372,583 million, reflecting a decline in notes and accounts receivable.

Interest-bearing debt declined ¥9,503 million to ¥151,345 million. Net interest-bearing debt, which is interest-bearing debt minus cash and bank deposits, fell ¥6,884 million from the end of the previous fiscal year, to ¥83,128 million.

Net assets climbed ¥1,539 million, to ¥57,531 million, reflecting an increase in retained earnings, which was attributable to the posting of net income. Equity capital, which is net assets minus minority interests, rose ¥1,464 million, to ¥40,472 million.

As a result, the equity ratio improved 1.1 percentage point from the end of the previous fiscal year, to 10.9%. The net debt-equity ratio also improved to 2.1, up from 2.3 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 ¥5,719 million (net cash provided of ¥7,183 million for the first quarter of the previous fiscal year), mainly reflecting an increase in operating income, etc. Net cash provided by investing activities was ¥1,479 million (net cash provided of ¥2,235 million) reflecting the sale of fixed assets and the collection of loans, etc. Net cash used by financing activities was ¥10,134 million (net cash provided of ¥1,733 million), due to the repayment of debts, etc.

As a result, cash and cash equivalents at the end of the first quarter under review stood at ¥67,807 million, down ¥2,787 million from the end of the previous fiscal year.

(3) Qualitative information on consolidated results forecasts

The global economy appears likely to continue to face uncertain conditions, such as the European debt issue 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, 2012.

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

Changes in accounting policies

(Change of depreciation method)

Following the amendment to the Corporation Tax Act, certain of our domestic consolidated subsidiaries changed the depreciation method applied to tangible fixed assets acquired on or after April 1, 2012 to the depreciation method based on the amended Corporation Tax Act beginning the first quarter under review.

The change has had a negligible effect on profit and loss for the first quarter under review.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	Fiscal 2011 (March 31, 2012)	End of first three months under review (June 30, 2012)
Assets		
Current assets		
Cash and bank deposits	70,835	68,217
Notes and accounts receivable	163,782	141,139
Investments in leased assets	666	669
Inventories	57,113	58,895
Short-term loans receivable	974	3,902
Deferred tax assets	3,322	1,912
Other	22,180	22,500
Allowance for doubtful accounts	(294)	(314)
Total current assets	318,581	296,922
Fixed assets		
Tangible fixed assets	27,028	26,357
Intangible fixed assets	1,905	2,112
Investments and other assets		
Investments in securities	29,867	28,358
Long-term loans receivable	5,790	2,505
Doubtful accounts	1,886	2,043
Deferred tax assets	10,842	11,682
Other	7,585	6,330
Allowance for doubtful accounts	(3,734)	(3,729)
Total investments and other assets	52,238	47,190
Total fixed assets	81,172	75,660
Total assets	399,753	372,583

(Million yen)

	Fiscal 2011 (March 31, 2012)	End of first three months under review (June 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable	138,627	118,684
Short-term borrowings	78,444	73,868
Lease obligations	726	737
Accrued income taxes	1,863	288
Deferred tax liabilities	1	1
Asset retirement obligations	35	24
Other	27,138	29,882
Total current liabilities	246,837	223,487
Long-term liabilities		
Long-term borrowings	82,403	77,477
Lease obligations	1,394	1,360
Deferred tax liabilities	160	143
Accrued severance indemnities	2,736	2,839
Provision for loss on litigation	910	970
Reserve for directors' retirement benefits	537	315
Asset retirement obligations	821	838
Other	7,958	7,619
Total long-term liabilities	96,922	91,564
Total liabilities	343,760	315,052
Net assets		
Owners' equity		
Capital stock	27,781	27,781
Capital surplus	27,597	27,570
Retained earnings	15,003	17,415
Treasury stock	(550)	(477)
Total owners' equity	69,830	72,289
Other accumulated comprehensive income		
Unrealized loss on available-for-sale securities	137	(845)
Deferred gain/loss on hedging	492	123
Land revaluation reserves	66	66
Translation adjustments	(31,519)	(31,161)
Total other accumulated comprehensive income	(30,822)	(31,817)
Minority interests	16,984	17,058
Total net assets	55,992	57,531
Total liabilities and net assets	399,753	372,583

(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, 2011 to June 30, 2011)	First three months under review (From April 1, 2012 to June 30, 2012)
Net sales	238,954	242,985
Cost of sales	219,770	223,482
Gross trading profit	19,184	19,502
Selling, general and administrative expenses	14,433	14,901
Operating income	4,750	4,601
Non-operating income		
Interest received	124	134
Dividends received	239	227
Foreign exchange gains	73	95
Other	165	342
Total non-operating income	602	798
Non-operating expenses		
Interest paid	1,051	932
Loss on equity method investments	145	23
Other	315	314
Total non-operating expenses	1,512	1,270
Ordinary income	3,841	4,129
Extraordinary gains		
Gain on sale of tangible fixed assets	13	2
Gain on sale of investment in securities	58	232
Total extraordinary gains	72	235
Extraordinary losses		
Loss on sales or disposal of fixed assets	14	12
Loss on impairment	–	71
Loss on sale of investments in securities	91	1
Loss on valuation of investments in securities	41	208
Provision for loss on litigation	–	70
Total extraordinary losses	146	364
Income before income taxes and minority interests	3,766	4,000
Income taxes – current	391	496
Income taxes – deferred	481	883
Total income taxes	872	1,380
Income before minority interests	2,893	2,619
Minority interests in consolidated subsidiaries	215	208
Net income	2,678	2,411

Consolidated statement of comprehensive income
 [First three months]

(Million yen)

	Previous first three months (From April 1, 2011 to June 30, 2011)	First three months under review (From April 1, 2012 to June 30, 2012)
Income before minority interests	2,893	2,619
Other comprehensive income		
Valuation difference on available-for-sale securities	(349)	(975)
Deferred gains or losses on hedges	(66)	(380)
Foreign currency translation adjustment	(49)	409
Share of other comprehensive income of associates accounted for using equity method	21	99
Total other comprehensive income	(445)	(846)
Comprehensive income	2,448	1,773
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,169	1,417
Comprehensive income attributable to minority interests	279	356

(3) Consolidated statements of cash flows

(Million yen)

	Previous first three months (From April 1, 2011 to June 30, 2011)	First three months under review (From April 1, 2012 to June 30, 2012)
Cash flows from operating activities:		
Income before income taxes and minority interests	3,766	4,000
Depreciation and amortization	544	601
Increase (decrease) in allowance for doubtful accounts	(37)	74
Increase (decrease) in reserve for employees' prior service obligations	57	97
Interest and dividend income	(363)	(361)
Interest expense	1,051	932
Equity in earnings of affiliated companies (gain)	145	23
Gain or loss on sales or disposal of fixed assets (gain)	0	9
Impairment loss on fixed assets	–	71
Gain or loss on sale of investments in securities (gain)	32	(231)
Gain or loss on valuation of investments in securities (gain)	41	208
Provision for loss on litigation	–	70
Decrease (increase) in notes and accounts receivable	13,130	24,709
Decrease (increase) in inventories	(6,561)	(1,011)
Increase (decrease) in notes and accounts payable	(1,447)	(21,761)
Other	(1,154)	710
Sub total	9,205	8,145
Interest and dividend income received	463	498
Interest paid	(617)	(558)
Income taxes paid	(1,867)	(2,353)
Payments for loss on litigation	–	(11)
Net cash provided by (used in) operating activities	7,183	5,719
Cash flows from investing activities:		
Decrease (increase) in time deposits	1,305	(129)
Payments for acquisition of tangible fixed assets	(353)	(352)
Proceeds from sale of tangible fixed assets	469	555
Payments for acquisition of intangible fixed assets	(92)	(297)
Payments for acquisition of investments in securities	(72)	(152)
Proceeds from sale of investments in securities	487	246
Purchase of investments in subsidiaries	(0)	–
Increase in loans receivable	(53)	(15)
Decrease in loans receivable	248	475
Other	296	1,150
Net cash provided by (used in) investing activities	2,235	1,479
Cash flows from financing activities		
Increase (decrease) in short-term loans, net	4,951	(6,690)
Proceeds from long-term debt	–	200
Repayment of long-term debt	(2,904)	(3,220)
Proceeds on payments by minority shareholders	4	–
Other	(318)	(422)
Net cash provided by (used in) financing activities	1,733	(10,134)
Effect of exchange rate changes on cash and cash equivalents	112	147
Net increase (decrease) in cash and cash equivalents	11,265	(2,787)
Cash and cash equivalent at beginning of year	67,426	70,594
Cash and cash equivalent at end of year	78,691	67,807

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

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

(6) Segment information

I. Previous first three months (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	Food & 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

II. First three months under review (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	Food & Foodstuff	Iron & Steel	Machinery & Plant	Environment & Materials	Sub-total				
Net sales										
Outside customers	60,843	71,487	26,338	12,479	66,585	237,735	5,249	242,985	–	242,985
Inter-segment	25	0	61	2	7	98	12	110	(110)	–
Total	60,868	71,488	26,400	12,482	66,593	237,834	5,262	243,096	(110)	242,985
Segment profit	2,169	1,098	681	187	243	4,380	219	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

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

Due to organizational changes, the name of the Electronics & IT segment was changed to “Electronics” during the first quarter under review.

Segment information for the first quarter of the previous fiscal year is stated using the segment name following the change.

(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 2013

The first quarter of the final year of the medium term management plan: “S-Project” saw a steady beginning.

Net sales	243.0 billion yen	+1.7%	Slight increase
Operating income	4.6 billion yen	-3.1%	Slight decrease
Ordinary income	4.1 billion yen	+7.5%	Increase
Net income	2.4 billion yen	-10.0%	Decrease

Income Statement						
(Unit: 100 million yen)	Q1 of FY		Year-on-year		FY 2012	
	2011	2012	Change	Change (%)	Forecasts	Progress
Net sales	2,390	2,430	40	1.7%	10,500	23.1%
Gross trading profit	192	195	3	1.7%	-	-
SG&A expenses	144	149	5	3.2%	-	-
Operating income	48	46	-1	-3.1%	200	23.0%
Dividends received	2	2	0	-	-	-
Interest	-9	-8	1	-	-	-
Gains or losses on equity-method investments	-1	0	1	-	-	-
Foreign exchange gains (losses)	1	1	0	-	-	-
Others	-2	0	2	-	-	-
Non-operating income/loss	-9	-5	4	-	-	-
Ordinary income	38	41	3	7.5%	160	25.8%
Extraordinary gain	1	2	2	-	-	-
Extraordinary loss	-1	-4	-2	-	-	-
Income (loss) before income taxes	38	40	2	6.2%	-	-
Income taxes and minority interests	11	16	5	-	-	-
Net income	27	24	-3	-10.0%	80	30.1%

[Net sales]
Total net sales rose slightly, reflecting a recovery in the semiconductor component and equipment business of the electronics segment, and an increase in the handling volume of the energy business of the environment & materials segment.

[Operating income]
Total operating income decreased slightly, mainly because the meat product business and the foodstuff business of the food & foodstuff segment remained sluggish, and iron ore transactions in the iron & steel segment declined.

[Ordinary income]
Ordinary income rose thanks to a decrease in paid interest and an improvement in loss on equity method investments, etc.

[Net income]
Net income declined due to an increase in tax cost.

Assets, Liabilities and Net Assets				
(Unit: 100 million yen)	3/2012		6/2012	
	Value	Value	Change	Change (%)
Total assets	3,998	3,726	-272	-6.8%
Gross interest-bearing debt	1,608	1,513	-95	-5.9%
Net interest-bearing debt	900	831	-69	-7.6%
Equity capital	698	723	25	3.5%
(Retained earnings)	150	174	24	16.1%
Other accumulated comprehensive income	-308	-318	-10	-
Minority interests	170	171	1	0.4%
Total net assets	560	575	15	2.7%
Shareholder's equity (Note 1)	390	405	15	3.8%
Shareholder's equity ratio (Note 2)	9.8%	10.9%	1.1 pt improved	-
Net debt-equity ratio (Note 3)	2.3 times	2.1 times	0.2 pt improved	-

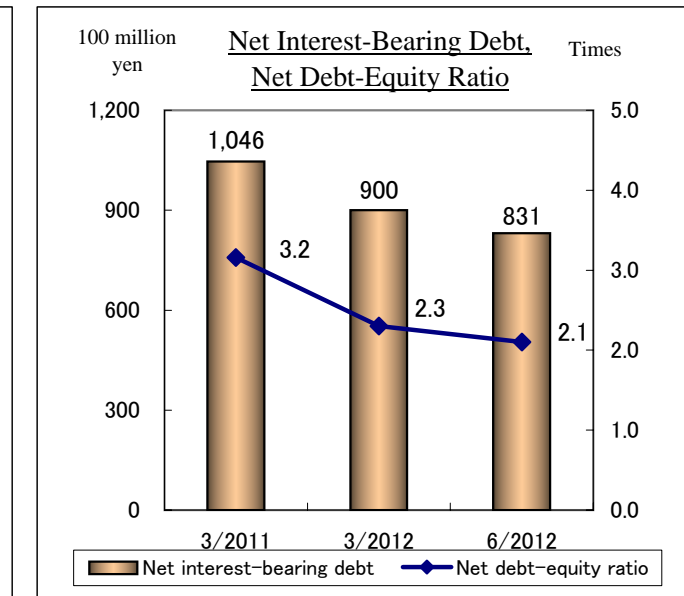
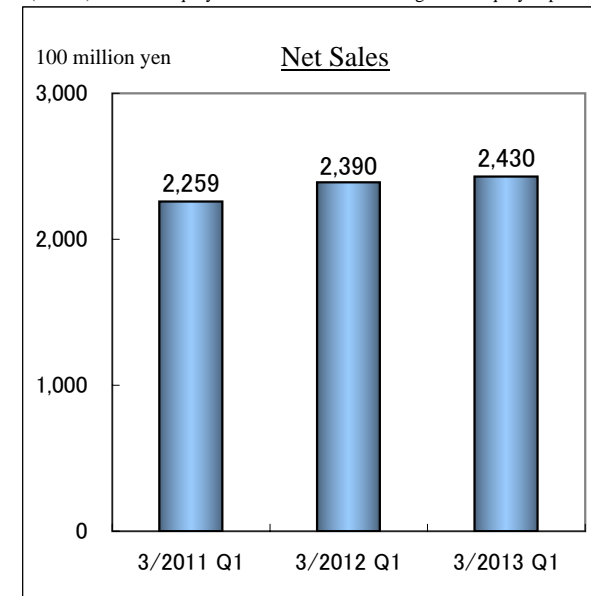
[Total assets]
Total assets decreased 27.2 billion yen, reflecting a decline in notes receivable and accounts receivable.

[Interest-bearing debt]
Gross interest-bearing debt declined 9.5 billion yen. Net interest-bearing debt fell 6.9 billion yen.

[Net assets]
Shareholder's equity rose, reflecting an increase in retained earnings attributable to the posting of net income. Net assets increased 1.5 billion yen due to a decrease in other accumulated comprehensive income. Equity capital, which is net assets minus minority interests, rose 1.5 billion yen.

As a result, the equity ratio increased to 10.9%, and net DER improved to 2.1.

(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		
	Q1 of FY2011	Q1 of FY2012	Change	Q1 of FY2011	Q1 of FY2012	Change
Electronics	573	608	35	18	22	4
Food & Foodstuffs	731	715	-16	15	11	-4
Iron & Steel	279	263	-15	10	7	-3
Machinery & Plant	153	125	-28	-0	2	2
Environment & Materials	613	666	53	3	2	-1
Total for reportable segments	2,348	2,377	29	46	44	-2
Other (including adjustment)	41	52	11	2	2	1
Grand total	2,390	2,430	40	48	46	-1

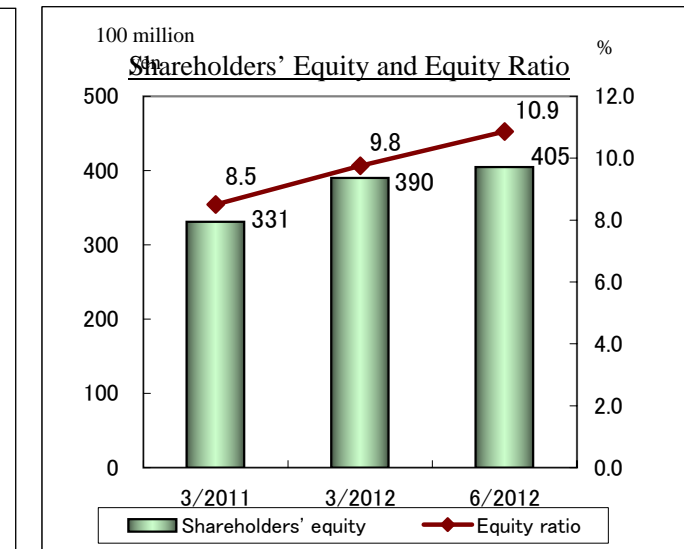
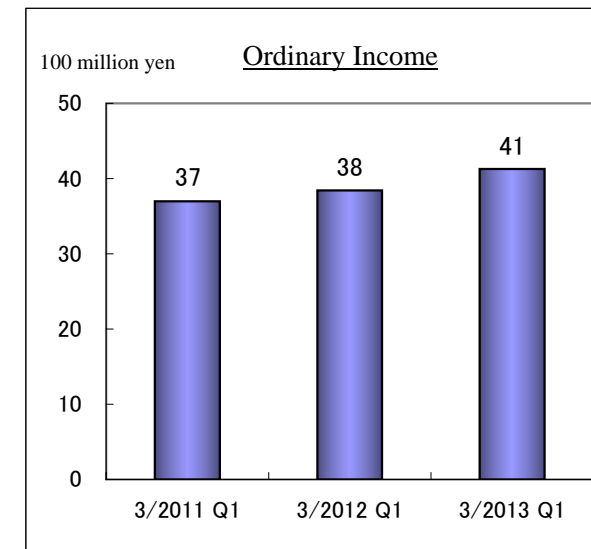
[Electronics] An increase in net sales and income
The ICT solutions business and the mobile solutions business continued to perform well, reflecting the rising smartphone market. The semiconductor component and equipment business remained brisk thanks to a recovery in corporate capital investments, etc. The mechanical device business, including onboard parts for motorcycles, remained steady in Europe.

[Food & Foodstuffs] A decline in net sales and income
The meat products business remained generally sluggish due to weak domestic demand. The foods business remained generally solid, reflecting a relatively stable demand and supply environment. The foodstuff business continued to struggle with a severe external environment owing to a sharp rise in overseas grain prices, etc.

[Iron & Steel] A decrease in net sales and income
The business of automobile-use special steel shipped to Europe and America remained steady. However, shipments of steel plates and sheets and iron ore to Asia fell.

[Machinery & Plant] A decline in net sales and a rise in income
Business linked to machine tool and industrial machine remained brisk thanks to a rebound in domestic demand.

[Environment & Materials] A rise in net sales and a decrease in income
The energy business was firm thanks to an increase in the volume of heavy oil sold to power companies.



*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.