

## Highlights of Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 2013

**Sales and profits down year on year, but steady progress made towards achieving the full-year forecasts.**

<b>Net sales</b>	<b>487.2 billion yen</b>	<b>1.3%</b>	<b>Down</b>
<b>Operating income</b>	<b>9.9 billion yen</b>	<b>14.1%</b>	<b>Down</b>
<b>Ordinary income</b>	<b>8.8 billion yen</b>	<b>7.0%</b>	<b>Down</b>
<b>Net income</b>	<b>6.0 billion yen</b>	<b>5.8%</b>	<b>Down</b>

Income Statement						
(Unit: 100 million yen)	H1 of FY2011	H1 of FY2012	Year-on-year		FY2012	
			Change	Change (%)	Forecasts	Progress
Net sales	4,934	<b>4,872</b>	-62	-1.3%	10,500	46.4%
Gross trading profit	408	<b>400</b>	-9	-2.1%	-	-
SG&A expenses	293	<b>301</b>	8	2.6%	-	-
Operating income	115	<b>99</b>	-16	-14.1%	200	49.5%
Dividends received	5	<b>5</b>	0	-	-	-
Interest	-18	<b>-16</b>	3	-	-	-
Gains or losses on equity-method investments	-2	<b>0</b>	2	-	-	-
Foreign exchange losses	-2	<b>2</b>	4	-	-	-
Others	-3	<b>-2</b>	1	-	-	-
Non-operating income/loss	-21	<b>-11</b>	10	-	-	-
Ordinary income	95	<b>88</b>	-7	-7.0%	160	55.0%
Extraordinary gain	1	<b>25</b>	24	-	-	-
Extraordinary loss	-4	<b>-17</b>	-14	-	-	-
Income (loss) before income taxes	92	<b>96</b>	4	4.1%	-	-
Income taxes and minority interests	-28	<b>-35</b>	-7	-	-	-
Net income	64	<b>60</b>	-4	-5.8%	80	75.2%

**[Net sales]**  
Overall net sales fell slightly, reflecting a decline in business related to transport in the Machinery & Plant segment, offsetting the strong performance of the ICT solutions business and the mobile solutions business in the Electronics segment and increased business volume in the energy business in the Environment & Materials segment.

**[Operating income]**  
Overall operating income fell, largely due to lower profits in the meat products business and the foodstuff business in the Foods & Foodstuff segment.

**[Ordinary income]**  
Ordinary income decreased as a result of the decline in operating income, despite improvement in non-operating income and expenses thanks to an improvement of foreign exchange losses, a decrease in paid interest and an improvement of loss on equity method investments.

**[Net income]**  
Net income decreased primarily due to an increase in tax expenses, offsetting a rise in income before income taxes due to the posting of extraordinary gains.

Assets, Liabilities and Net Assets				
(Unit: 100 million yen)	3/2012	9/2012	Comparison with 3/2012	
			Change	Change (%)
Total assets	3,998	<b>3,731</b>	-267	-6.7%
Gross interest-bearing debt	1,608	<b>1,439</b>	-169	-10.5%
Net interest-bearing debt	900	<b>820</b>	-80	-8.9%
Equity capital	698	<b>760</b>	61	8.8%
(Retained earnings)	150	<b>210</b>	60	40.1%
Other accumulated comprehensive income	-308	<b>-325</b>	-17	-
Minority interests	170	<b>175</b>	5	3.1%
Total net assets	560	<b>609</b>	49	8.8%
Shareholder's equity (Note 1)	390	<b>434</b>	44	11.3%
Shareholder's equity ratio (Note 2)	9.8%	<b>11.6%</b>	1.8 pt improved	-
Net debt-equity ratio (Note 3)	2.3 times	<b>1.9 times</b>	0.4 pt improved	-

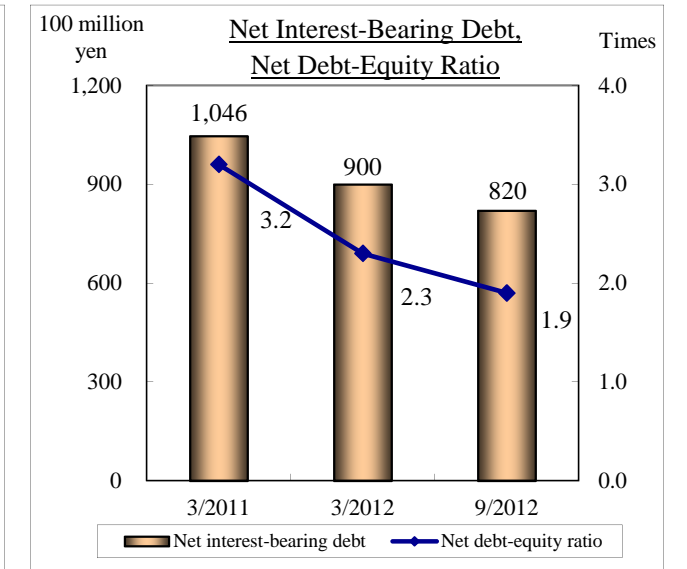
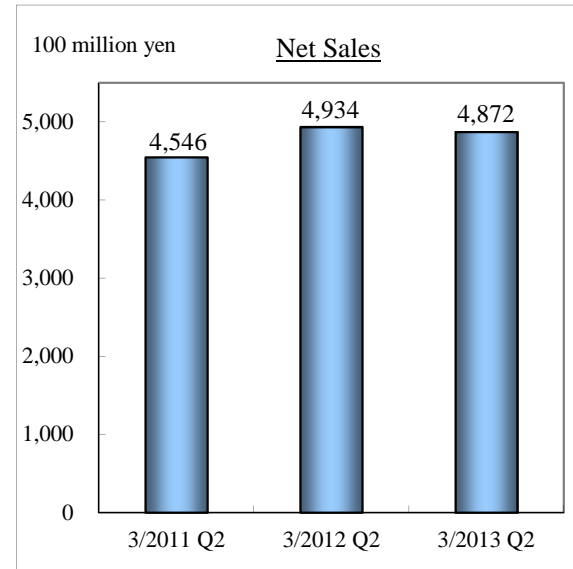
**[Total assets]**  
Total assets decreased by 26.7 billion yen, reflecting a decline in cash and deposits and accounts receivable.

**[Interest-bearing debt]**  
Gross interest-bearing debt decreased 16.9 billion yen through the repayment of debts. Net interest-bearing debt also declined 8.0 billion yen.

**[Net assets]**  
Shareholder's equity rose, reflecting an increase in retained earnings attributable to the posting of net income. Net assets increased 4.9 billion yen due to a decrease in other accumulated comprehensive income. Equity capital, which is net assets minus minority interests, rose 4.4 billion yen.

As a result, the equity ratio increased to 11.6%, and net DER improved to 1.9.

(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		
	H1 of FY2011	H1 of FY2012	Change	H1 of FY2011	H1 of FY2012	Change
Electronics	1,250	<b>1,305</b>	55	50	<b>57</b>	7
Food & Foodstuffs	1,461	<b>1,426</b>	-35	30	<b>18</b>	-13
Iron & Steel	513	<b>468</b>	-45	19	<b>14</b>	-5
Machinery & Plant	359	<b>271</b>	-89	4	<b>5</b>	1
Environment & Materials	1,261	<b>1,308</b>	47	9	<b>3</b>	-6
Total for reportable segments	4,845	<b>4,778</b>	-66	112	<b>97</b>	-16
Other (including adjustment)	89	<b>94</b>	5	3	<b>2</b>	0
Grand total	4,934	<b>4,872</b>	-62	115	<b>99</b>	-16

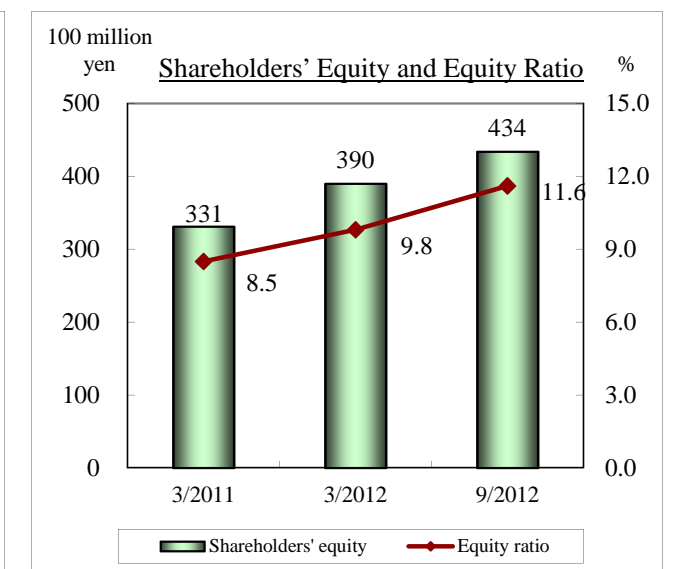
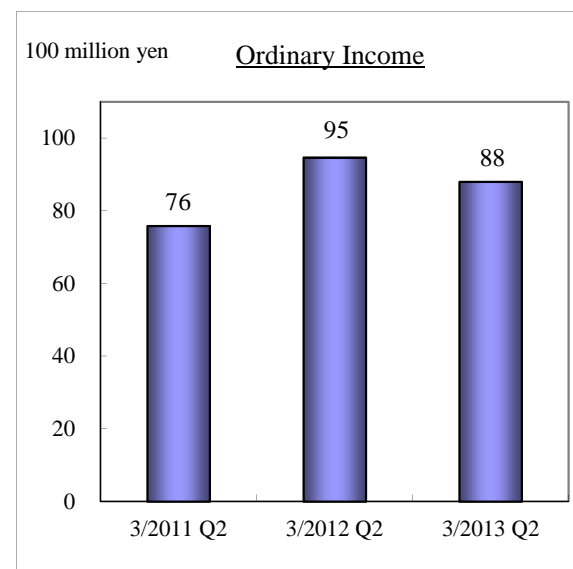
**[Electronics] An increase in net sales and income**  
The ICT solutions business and the mobile solutions business continued to perform well, reflecting the rising market for mobile communication terminals, including replacement demand for smartphones. The semiconductor component and equipment business was also brisk during the first half under review compared to the same period a year ago, when business was slow in the aftermath of the earthquake.

**[Food & Foodstuffs] A decline in net sales and income**  
The foods business remained solid. The meat products business remained sluggish amid stagnant market conditions, reflecting higher import volumes causing an oversupply and expansion in the domestic production of meat products. As the American drought caused grain prices to soar, the foodstuff business endeavored to stabilize supply by seeking to procure raw materials from other countries besides America, but faced a tough uphill battle.

**[Iron & Steel] A decrease in net sales and income**  
The business of steel pipes shipped to North 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 performed well, tapping into customers' capital investment demand and equipment replacement demand. Business linked to plant remained solid, especially government ODA-related projects. In business linked to transport, exports to Asia were weak.

**[Environment & Materials] A rise in net sales and a decrease in income**  
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 struggled in face of persistently high prices, maintaining a steady business volume but failing to pass through higher prices to customers.



\* 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.