

Highlights of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 2015

Although net sales and income declined year on year, progress vis-à-vis the full year forecast was good.

Net sales	251.8 billion yen	0.5% Down
Operating income	3.9 billion yen	17.9% Down
Ordinary income	3.6 billion yen	29.5% Down
Net income	2.1 billion yen	30.9% Down

Income Statement						
(Unit: 100 million yen)	Q1 of FY2014	Q1 of FY2015	Year-on-year		FY2015	
			Change	Change (%)	Forecasts	Progress
Net sales	2,530	2,518	(12)	(0.5%)	11,500	21.9%
Gross trading profit	207	200	(8)	(3.8%)	-	-
SG&A expenses	160	161	1	0.3%	-	-
Operating income	47	39	(8)	(17.9%)	220	17.6%
Dividends income	3	2	0	-	-	-
Interest	(7)	(7)	0	-	-	-
Equity in earnings of affiliated companies	0	2	1	-	-	-
Foreign exchange gains/losses	9	1	(9)	-	-	-
Others	(1)	0	1	-	-	-
Non-operating income/expenses	4	(2)	(7)	-	-	-
Ordinary income	51	36	(15)	(29.5%)	205	17.7%
Extraordinary gains/losses	(2)	0	-	-	-	-
Income (loss) before income taxes and minority interests	49	36	(13)	(27.1%)	-	-
Income taxes and minority interests	18	14	(4)	-	-	-
Net income	31	21	(10)	(30.9%)	110	19.5%

[Net sales]
A general reaction to the spike in demand before the consumption tax hike emerged. In this environment, sales rose in the Foods segment and the Motor Vehicles & Aerospace segment rose, but sales fell in the Electronics & Devices segment. Overall net sales declined 1.2 billion yen.

[Operating income]
Operating income declined 0.8 billion yen, reflecting weak income in the Steel, Materials & Plant segment and in the Electronics & Devices segment early in the quarter.

[Ordinary income]
A 1.5 billion yen decline in ordinary income due to a fall in operating income and a decrease in foreign exchange gains

[Net income]
A 1.0 billion yen decrease in net income with the decline in ordinary income

Assets, Liabilities and Net Assets				
(Unit: 100 million yen)	3/2014	6/2014	Comparison with 3/2014	
			Change	Change (%)
Total assets	4,285	4,124	(161)	(3.8%)
Gross interest-bearing debt	1,419	1,390	(29)	(2.1%)
Net interest-bearing debt	680	677	(3)	(0.5%)
Equity capital	907	915	8	0.9%
Accumulated other comprehensive income	(190)	(193)	(3)	-
Minority interests	245	241	(5)	(2.0%)
Total net assets	962	963	1	0.1%
Shareholders' equity (Note 1)	717	722	5	0.8%
Equity ratio (Note 2)	16.7%	17.5%	0.8 pt improved	-
Net debt-equity ratio (Note 3)	0.9 times	0.9 times	-	-

[Interest-bearing debt]
Gross interest-bearing debt declined 2.9 billion yen. Net interest-bearing debt declined 0.3 billion yen.

[Net assets]
Net assets rose 0.1 billion yen thanks to an increase in retained earnings as a result of the posting of net income, despite cash dividends paid. Shareholders' equity, which is net assets minus minority interests, rose 0.5 billion yen.

As a result, the equity ratio improved to 17.5%. Net DER remained 0.9 times.

(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

Cash Flows			Dividends	
(Unit: 100 million yen)	Q1 of FY2014	Q1 of FY2015	FY2015	
			Cash flows from operating activities	36
Cash flows from investing activities	(35)	(5)	Year-end (forecast)	1.5 yen per share
Free cash flows	2	13	Annual (forecast)	4.0 yen per share
Cash flows from financing activities	(28)	(36)	* A breakdown of interim dividends Common dividends of 1.5 yen Commemorative dividend of 1.0 yen	
Effect of exchange rate changes	7	(3)		
Increase (decrease) in cash and cash equivalents	(20)	(26)		

[CF from operating activities]
Net cash provided stood at 1.9 billion yen mainly due to operating income.

[CF from investing activities]
Net cash used was 0.5 billion yen, chiefly reflecting payments for acquisition of tangible fixed assets.

[CF from financing activities]
Net cash used was 3.6 billion yen chiefly due to the repayment of debt.

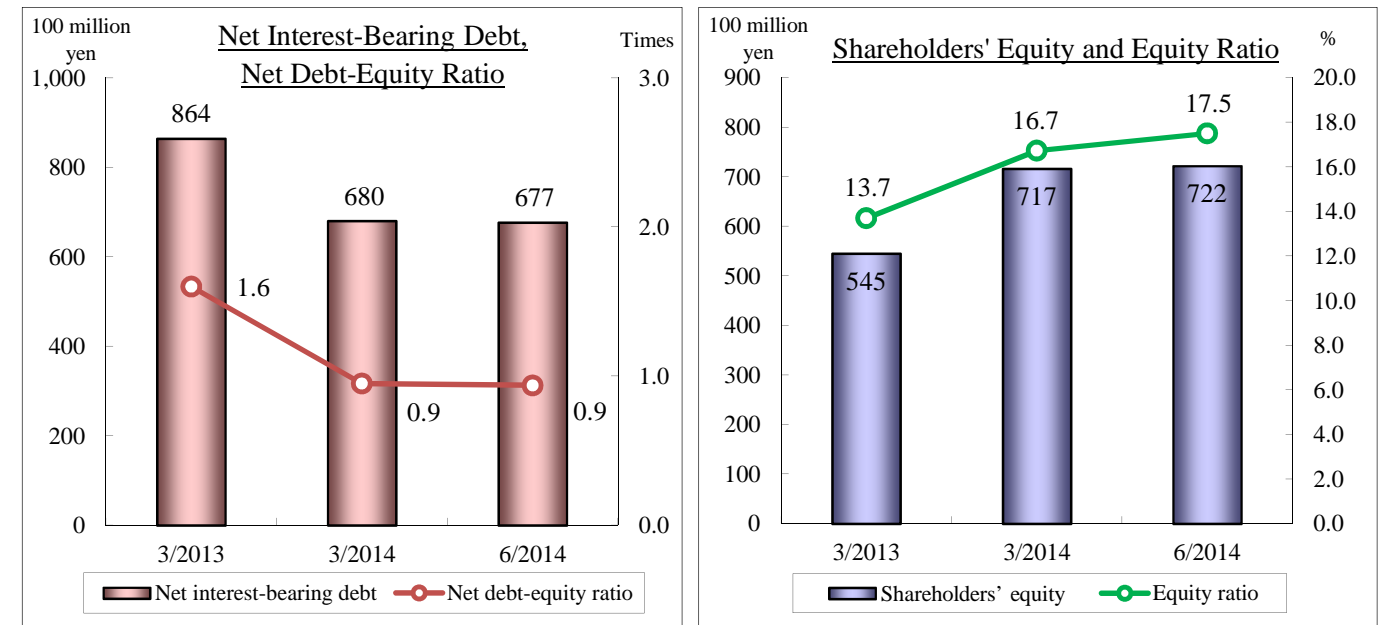
Segment information						
(Unit: 100 million yen)	Net sales (net external sales)			Operating income		
	Q1 of FY2014	Q1 of FY2015	Change	Q1 of FY2014	Q1 of FY2015	Change
Electronics & Devices	621	571	(50)	12	9	(3)
Foods & Grain	728	755	27	8	11	3
Steel, Materials & Plant	1,026	1,032	6	16	9	(7)
Motor Vehicles & Aerospace	135	153	19	9	9	0
Total for reportable segments	2,510	2,511	1	45	37	(8)
Other (including adjustment)	20	7	(13)	2	1	(1)
Grand total	2,530	2,518	(12)	47	39	(8)

[Electronics & Devices] **A decline in net sales and income**
The semiconductor parts and equipment business performed well, reflecting an increase in transactions involving products for amusement and educational terminals and a rise in demand for capital expenditure associated with smartphones. The ICT solutions business and the mobile solutions business were adversely affected by the reaction to a spike in demand before the consumption tax hike.

[Foods & Grain] **An increase in net sales and income**
In the meat products business, the market was recovering, and the movement of goods to the food-service industry was favorable. In the foodstuffs business, overall transactions, especially transactions of soybeans for food, were strong.

[Steel, Materials & Plant] **A rise in net sales and a decline in income**
In the plant business, transactions of machine tools, industrial machinery, and plant infrastructure were strong. In the iron and steel business, the specialty steel business for automobiles for Europe and the United States were solid. The oilfield tubing business, a mainstay in iron and steel, was slightly weak early in the first quarter, reflecting a sluggish recovery in offshore drilling despite strong shale gas processing. The energy business struggled with the sluggish pace of price pass-through to purchasers of petroleum products.

[Motor Vehicles & Aerospace] **A rise in net sales and income remaining flat**
In the aerospace business, transactions involving aircraft parts, including aircraft rotatable parts, remained stable. In the motor vehicles and parts business, transactions involving motorcycle and motor vehicle parts for Europe, the United States, and Asia were strong.



* The forward-looking statements, including results forecasts, included in this material are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results might differ materially from the forecasts due to a number of factors.
* Since the figures above are rounded off to the nearest 100 million yen, the sum of each item and the total may differ.
* FY2014 (the fiscal year ended March 31, 2014)
* FY2015 (the fiscal year ended March 31, 2015)