

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

Revenue and income rose from a year earlier. Results were favorable compared with the full year's forecast.

Net sales	823.7 billion yen	0.6% Up
Operating income	15.5 billion yen	12.6% Up
Ordinary income	15.5 billion yen	9.4% Up
Net income	9.5 billion yen	11.5% Up

Income Statement						
(Unit: 100 million yen)	Q3 of FY2014	Q3 of FY2015	Year-on-year		FY2015	
			Change	Change (%)	Forecasts	Progress
Net sales	8,188	8,237	49	0.6%	11,500	71.6%
Gross trading profit	627	654	27	4.2%	-	-
SG&A expenses	489	499	9	1.9%	-	-
Operating income	138	155	17	12.6%	220	70.5%
Dividends income	8	7	(0)	-	-	-
Interest	(22)	(20)	2	-	-	-
Equity in earnings of affiliated companies	3	8	5	-	-	-
Foreign exchange gains/losses	19	8	(11)	-	-	-
Others	(4)	(4)	1	-	-	-
Non-operating income/expenses	4	(0)	(4)	-	-	-
Ordinary income	142	155	13	9.4%	205	75.5%
Extraordinary gains/losses	(1)	10	10	-	-	-
Income (loss) before income taxes and minority interests	141	164	24	16.8%	-	-
Income taxes and minority interests	56	70	14	-	-	-
Net income	85	95	10	11.5%	110	86.1%

[Net sales]
Total consolidated net sales increased 4.9 billion yen year on year, chiefly reflecting a rise in net sales of the steel, materials & plant segment and the motor vehicles and aerospace segment.

[Operating income]
Consolidated operating income rose 1.7 billion yen from a year earlier because businesses remained brisk overall in the electronics & devices segment and the motor vehicles and aerospace segment.

[Ordinary income]
Consolidated ordinary income increased 1.3 billion yen, reflecting a rise in consolidated operating income.

[Net income]
Consolidated net income grew 1.0 billion yen year on year, reflecting a rise in consolidated ordinary income and an extraordinary gain on the change of Kanematsu NNK Corporation into a consolidated subsidiary.

Assets, Liabilities and Net Assets				
(Unit: 100 million yen)	3/2014	12/2014	Comparison with 3/2014	
			Change	Change (%)
Total assets	4,285	4,583	298	7.0%
Gross interest-bearing debt	1,419	1,391	(28)	(2.0%)
Net interest-bearing debt	680	775	94	13.9%
Equity capital	907	977	71	7.8%
Accumulated other comprehensive income	(190)	(119)	71	-
Minority interests	245	281	35	14.4%
Total net assets	962	1,139	177	18.4%
Shareholders' equity (Note 1)	717	858	141	19.8%
Equity ratio (Note 2)	16.7%	18.7%	Improved by 2.0 pt	-
Net debt-equity ratio (Note 3)	0.9 times	0.9 times	-	-

[Interest-bearing debt]
Gross interest-bearing debt declined 2.8 billion yen.
Net interest-bearing debt increased 9.4 billion yen.

[Net assets]
Net assets rose 17.7 billion yen thanks to an increase in retained earnings as a result of the posting of net income and an improvement in foreign currency translation adjustment attributable to foreign exchange rate fluctuation. Shareholders' equity, obtained by subtracting minority interests from net assets, increased 14.1 billion yen.

As a result, the equity ratio improved to 18.7%.
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			[CF from operating activities] Net cash used in operating activities stood at 5.1 billion yen, primarily reflecting operating income and expenditure due to an increase in inventories.	Dividends	
(Unit: 100 million yen)	Q3 of FY2014	Q3 of FY2015		FY2015	
Cash flows from operating activities	124	(51)	Interim	2.5 yen per share	
Cash flows from investing activities	(10)	(40)	Year-end (forecast)	1.5 yen per share	
Free cash flows	115	(92)	Annual (forecast)	4.0 yen per share	
Cash flows from financing activities	(77)	(60)	* A breakdown of interim dividends Common dividends of 1.5 yen Commemorative dividend of 1.0 yen		
Effect of exchange rate changes	15	22			
Increase (decrease) in cash and cash equivalents	53	(130)			

[CF from investing activities]
Net cash used was 4.0 billion yen, chiefly reflecting payments for acquisition of tangible fixed assets.

[CF from financing activities]
Net cash used was 6.0 billion yen chiefly due to the repayment of debt.

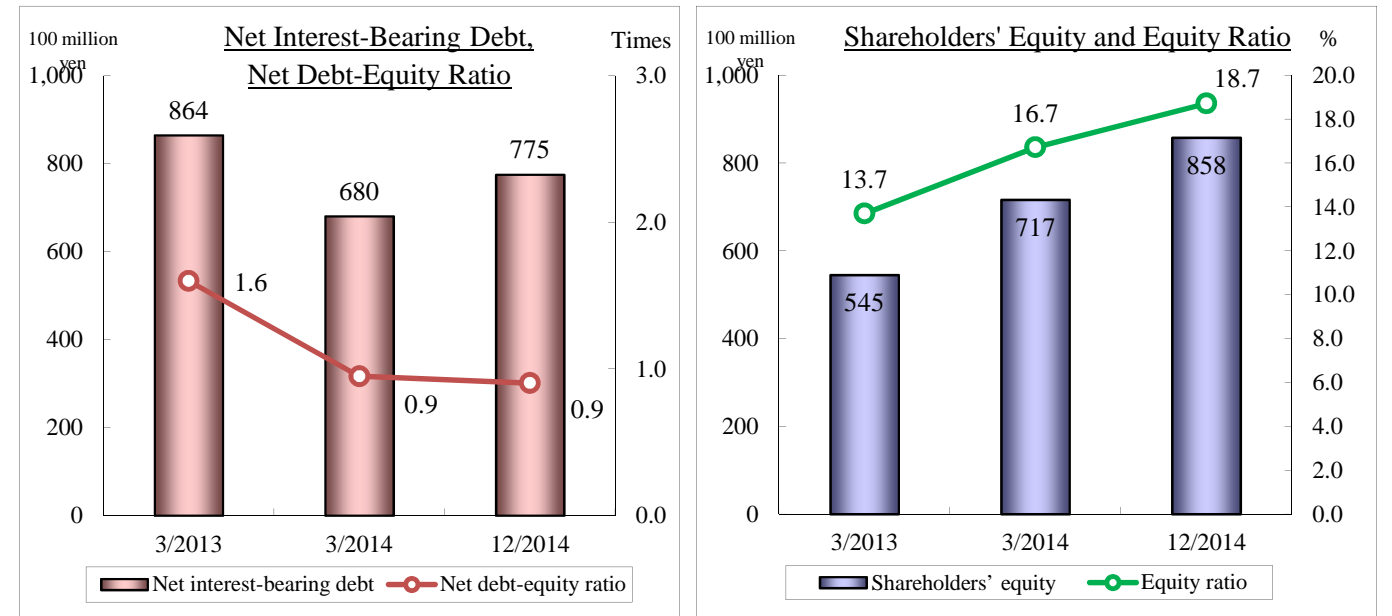
Segment information						
(Unit: 100 million yen)	Net sales (net external sales)			Operating income		
	Q3 of FY2014	Q3 of FY2015	Change	Q3 of FY2014	Q3 of FY2015	Change
Electronics & Devices	1,940	1,943	3	45	55	10
Foods & Grain	2,361	2,336	(25)	21	28	6
Steel, Materials & Plant	3,429	3,474	45	56	48	(8)
Motor Vehicles & Aerospace	416	462	47	12	22	10
Total for reportable segments	8,146	8,216	71	135	153	18
Other (including adjustment)	43	21	(22)	3	2	(0)
Grand total	8,188	8,237	49	138	155	17

[Electronics & Devices] Increased net sales and income.
The electronics components and materials business and the semiconductor parts business remained brisk, mainly because of the growth of the in-car electronic materials and parts business, which was attributable to the expansion of the market, the strong U. S. economy and an increase in production of new-type mobile terminals, which became positive factors. The ICT solutions business and the mobile solutions business remained steady thanks to the successful expansion of the business base of the mobile solutions business.

[Foods & Grain] Decreased net sales and increased income.
The meat products business was favorable overall reflecting a rise in demand and the steady trend of the market. In the foodstuff business, the transactions of both grains and feed remained smooth.

[Steel, Materials & Plant] Increased net sales and declined income.
In the plant business, transactions of plant infrastructure in Southeast Asia were strong. In the iron and steel business, transactions involving automobile-use special steels for Europe and America remained steady, but demand was weak in the oilfield tubing business, mainstay business. The energy business had a tough time reflecting a decline in demand during the summer season and a sharp drop in crude oil prices.

[Motor Vehicles & Aerospace] Increased net sales and income.
In the aerospace business, transactions of aircraft parts remained stable. The motor vehicles and parts business remained stable overall, centering on transactions involving motorcycle and motor vehicle parts for Europe, the United States, and Asia.



* 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 ending March 31, 2015)