

Highlights of Consolidated Financial Results for the Fiscal Year Ended March 2015

- Ordinary income stood at 22.9 billion yen, a record high.
- Net income came to 11.5 billion yen, exceeding the forecast despite the adverse effect of the tax system revision.

Net sales	1,117.1 billion yen	0.2% Up
Operating income	22.1 billion yen	11.9% Up
Ordinary income	22.9 billion yen	13.6% Up
Net income	11.5 billion yen	2.8% Down

Income Statement						
(Unit: 100 million yen)	FY2014		FY2015		FY2016	
	FY2014	FY2015	Year-on-year		Forecasts	YoY
			Change	Change (%)		Change (%)
Net sales	11,145	11,171	26	0.2%	12,000	7.4%
Gross trading profit	864	914	50	5.8%	950	3.9%
SG&A expenses	666	693	27	4.0%	-	-
Operating income	198	221	23	11.9%	240	8.5%
Dividends received	8	11	3	-	-	-
Interest	(29)	(25)	3	-	-	-
Equity in earnings of affiliated companies	7	11	4	-	-	-
Foreign exchange gains/losses	24	18	(6)	-	-	-
Others	(7)	(8)	(1)	-	-	-
Non-operating income/expenses	4	8	4	-	-	-
Ordinary income	202	229	27	13.6%	230	0.5%
Extraordinary gains/loss	(11)	4	15	-	-	-
Income (loss) before income taxes and minority interests	191	233	42	22.1%	-	-
Income taxes and minority interests	73	118	45	-	-	-
Net income	118	115	(3)	(2.8%)	125	9.0%
Net income per share (yen)	28	27	(0.79)	(2.8%)	29.75	9.0%

【Net sales】
Consolidated net sales increased 2.6 billion yen year on year chiefly due to an increase in sales in the Motor Vehicles & Aerospace Division.

【Operating income】
Consolidated operating income rose 2.3 billion yen from a year earlier because business remained brisk overall in the Electronics and Devices Division and the motor vehicles and aerospace segment.

【Ordinary income】
Consolidated ordinary income increased 2.7 billion yen to reach a record high, reflecting a rise in consolidated operating income.

【Net income】
Consolidated net income declined a slight 0.3 billion yen due to an increase in tax expense associated with the FY2015 tax reform, which more than offset an increase 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		3/2015	
	3/2014	3/2015	Change	Change(%)
Total assets	4,285	4,590	306	7.1%
Gross interest-bearing debt	1,419	1,361	(58)	(4.1%)
Net interest-bearing debt	680	676	(4)	(0.6%)
Equity capital	907	999	92	10.2%
Accumulated other comprehensive income	(190)	(98)	92	-
Minority interests	245	286	41	16.6%
Total net assets	962	1,187	225	23.4%
Shareholders' equity (Note 1)	717	901	184	25.7%
Net assets per share (yen)	171	214	44	25.5%
Equity ratio (Note 2)	16.7%	19.6%	2.9pt improved	-
Net debt-equity ratio (Note 3)	0.9 times	0.8 times	0.1pt improved	-
ROE	18.7%	14.2%	(4.5pt)	-

【Total assets】
Gross interest-bearing debt declined 5.8 billion yen.
Net interest-bearing debt fell 0.4 billion yen.

【Net assets】
Net assets rose 22.5 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 fluctuations.

Shareholders' equity, obtained by subtracting minority interests from net assets, increased 18.4 billion yen.

As a result, the equity ratio improved to 19.6%.
Net DER was 0.8 times.

(Note 1) Shareholder's equity = Total net assets - Minority interests
(Note 2) Equity ratio = Shareholder's equity / Total assets
(Note 3) Net debt-equity ratio = Net interest-bearing debt / Equity capital

Cash Flows				
(Unit: 100 million yen)	FY2014		FY2015	
	FY2014	FY2015	FY2014	FY2015
CF from operating activities	224	101	224	101
CF from investing activities	(11)	(89)	(11)	(89)
Free cash flows	213	12	213	12
Cash flows from financing activities	(94)	(99)	(94)	(99)
Effect of exchange rate changes	16	25	16	25
Increase (decrease) in cash and cash equivalents	135	(62)	135	(62)

【CF from operating activities】
Net cash provided by operating activities stood at 10.1 billion yen, primarily reflecting operating income.

【CF from investing activities】
Net cash used in investing activities was 8.9 billion yen, chiefly reflecting the change of Kanematsu NNK Corporation into a consolidated subsidiary and the acquisition of additional shares in Nippon Office Systems Ltd. to make it a wholly owned subsidiary.

【CF from financing activities】
Net cash used was 9.9 billion yen chiefly due to the repayment of debt.

Dividends	
【FY2015】	2.5 yen per share
Interim*	1.5 yen per share
Year-end (plan)	4.0 yen per share
Annual (plan)	4.0 yen per share
* A breakdown of interim dividends Common dividend of 1.5 yen Commemorative dividend of 1.0 yen	
【FY2016】	2.5 yen per share
Interim (plan)	2.5 yen per share
Year-end (plan)	5.0 yen per share
Annual (plan)	5.0 yen per share
Annual (Plan)	FY2014
Consolidated payout ratio	10.7%
	FY2015
	14.7%
	FY2016
	16.8%

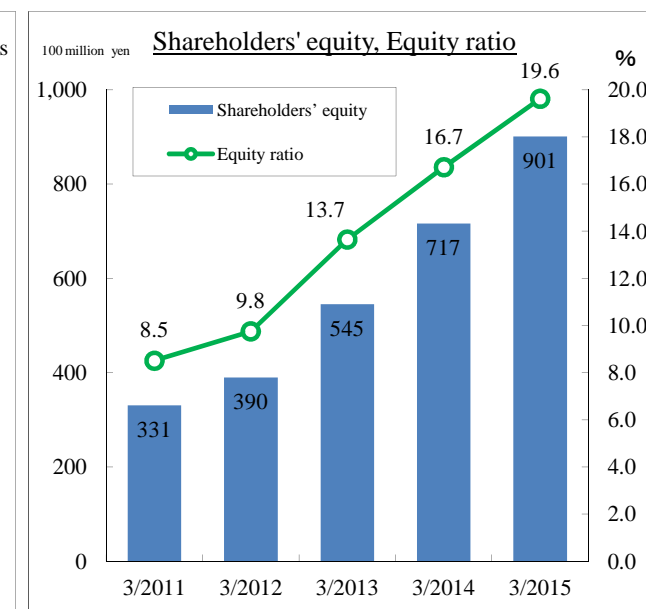
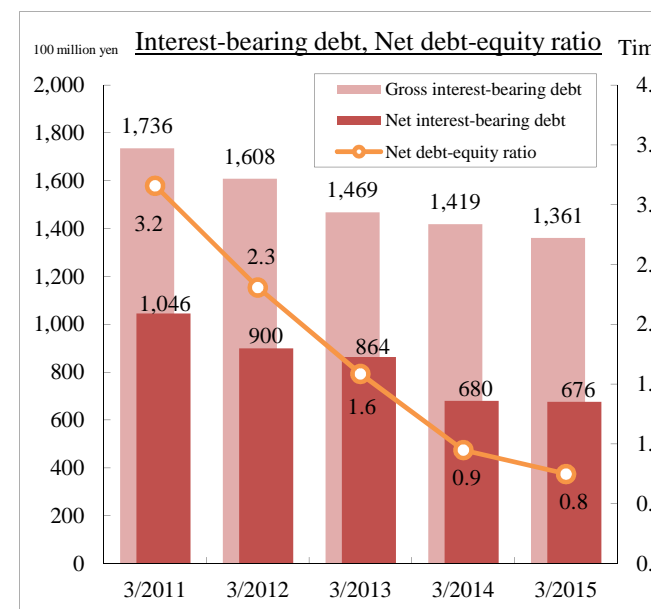
Segment information						
(Unit: 100 million yen)	Net sales (net external sales)			Operating income		
	FY2014	FY2015	Change	FY2014	FY2015	Change
Electronics & Devices	2,773	2,765	(8)	78	99	22
Foods & Grain	3,090	3,077	(13)	21	19	(2)
Steel, Materials & Plant	4,688	4,678	(10)	81	73	(8)
Motor Vehicles & Aerospace	545	597	52	15	28	13
Total for reportable segments	11,097	11,118	21	195	219	24
Other (including adjustment)	49	53	5	3	2	(1)
Grand total	11,145	11,171	26	198	221	23

【Electronics & Devices】 A decline in net sales and a rise in income
The electronics components and materials business and the semiconductor parts business remained brisk overall. The in-car electronics business, in particular, grew on the back of rising demand in Japan and overseas. The ICT solutions business remained steady, reflecting companies' active capital expenditure on infrastructure. The mobile business also performed well.

【Foods & Grain】 A decline in net sales and income
The meat products business was favorable overall, reflecting a rise in demand. In the foodstuff business, the transactions of both grains and feed remained smooth. The food business struggled mainly due to the effects of a decline in personal spending after the consumption tax hike and a rise in the purchase prices of imported goods associated with the weaker yen.

【Steel, Materials & Plant】 A decline in net sales and income
In the plant infrastructure business, large-scale wind-power plant projects in Southeast Asia and transactions of machine tools and industrial machinery performed well. 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 drop in crude oil prices.

【Motor Vehicles & Aerospace】 An increase in 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.



* 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)