

Highlights of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2016

■ Net sales and gross trading profit rose year on year, but net income declined.

Net sales	540.3 billion yen	1.1% Up
Operating income	8.5 billion yen	23.5% Down
Ordinary income	9.2 billion yen	12.7% Down
Net income attributable to owners of the parent	4.4 billion yen	27.1% Down

(Unit: billion yen)	H1 of FY2015	H1 of FY2016	Year-on-year		FY2016	
			Change	Change(%)	Forecasts	Progress
Net sales	534.4	540.3	5.9	1.1%	1,200	45.0%
Gross trading profit	44.0	44.6	0.6	1.3%	95	46.9%
SG&A expenses	32.9	36.1	3.2	9.6%	-	-
Operating income	11.1	8.5	Δ 2.6	Δ23.5%	24	35.3%
Dividends received	0.6	0.5	Δ 0.1	-	-	-
Interest	Δ 1.4	Δ 1.0	0.4	-	-	-
Equity in earnings of affiliated companies	0.3	0.4	0.1	-	-	-
Foreign exchange gains/losses	0.0	0.9	0.9	-	-	-
Others	Δ 0.2	Δ 0.1	0.0	-	-	-
	Δ 0.5	0.7	1.3	-	-	-
Ordinary income	10.6	9.2	Δ 1.3	Δ12.7%	23	40.1%
Extraordinary gains/loss	Δ 0.1	Δ 1.5	Δ 1.4	-	-	-
Income (loss) before income taxes and minority interests	10.5	7.7	Δ 2.7	Δ26.0%	-	-
Income taxes and profit attributable to non-controlling interests	4.4	3.3	Δ 1.1	-	-	-
Net income attributable to owners of the parent	6.1	4.4	Δ 1.7	Δ27.1%	13	35.5%
Net income per share (yen)	14.50	10.55	Δ 3.95	Δ27.2%	29.75	35.5%

[Net Sales]
Consolidated net sales increased 5.9 billion yen year on year due to the contribution of the Foods & Grain Division, the Electronics & Devices Division and the Motor Vehicles & Aerospace Division.

[Operating income]
Consolidated operating income declined 2.6 billion yen, reflecting the sluggish performance of the Foods & Grain Division and the Steel, Materials and Plant Division.

[Ordinary income]
Consolidated ordinary income declined 1.3 billion yen due to the decrease in operating income, despite the improvement in foreign exchange gains (losses) and interest income.

[Extraordinary gains/loss]
Extraordinary losses were posted due to the transfer of securities in the textile business. This business has already been withdrawn.

[Net income]
Net income attributable to owners of the parent declined 1.7 billion yen in association with recording extraordinary losses of 1.5 billion yen.

(Unit: billion yen)	Net sales (net external sales)			Operating income		
	H1 of FY2015	H1 of FY2016	Change	H1 of FY2015	H1 of FY2016	Change
Electronics & Devices	126.5	134.5	8.1	4.1	4.4	0.3
Foods & Grain	151.4	163.6	12.2	2.4	Δ 0.4	Δ 2.8
Steel, Materials & Plant	224.2	198.7	Δ 25.5	3.1	2.2	Δ 0.9
Motor Vehicles & Aerospace	31.0	37.0	6.0	1.4	2.3	0.9
Total for reportable segments	533.0	533.9	0.8	10.9	8.5	Δ 2.4
Other (including adjustment)	1.3	6.4	5.1	0.1	Δ 0.0	Δ 0.2
Grand total	534.4	540.3	5.9	11.1	8.5	Δ 2.6

[Electronics & Devices] An increase in net sales and income
In the electronics components and materials business and the semiconductor business, transactions of imaging equipment to North America and Asia, amusement products, and parts for smartphones were strong.
In the ICT solutions business, transactions of products for the manufacturing industry were firm, while the mobile business also remained strong.

[Food] A rise in net sales and a decline in income
In the food business, sales of transactions of grain and agricultural products and oilseeds were firm, but transactions of feedstuff struggled. The meat products business was weaker than the previous year.
The division recorded an operating loss, which was partly due to posting of some of its income as foreign exchange gains.

[Steel, Materials & Plant] A decline in net sales and income
Although transactions of machine tools and industrial machinery were strong in the plant business, income declined because there were large-scale projects in plant infrastructure transactions in the previous fiscal year.
The oilfield tubing business was sluggish due to weak crude oil prices.

[Motor Vehicle & Aerospace] An increase in net sales and income
In the aerospace business, transactions of aircraft parts were strong. In the motor vehicles and parts business, transactions involving motor vehicle parts were firm.

(Unit: billion yen)	3/2015	9/2015	Comparison with 3/2015	
			Change	Change(%)
Total assets	459.0	452.8	Δ 6	Δ1.4%
Gross interest-bearing debt	136.1	137.6	1	1.1%
Net interest-bearing debt	67.6	74.2	7	9.7%
Equity capital	99.9	101.1	1	1.2%
Accumulated other comprehensive income	Δ 9.8	Δ 8.2	2	-
Minority interests	28.6	28.4	Δ 0	Δ0.9%
Total net assets	118.7	121.2	2	2.1%
Shareholders' equity (Note 1)	90.1	92.8	3	3.0%
Net assets per share (yen)	21.4	22.1	0.7	3.2%
Equity ratio (Note 2)	19.6%	20.5%	1.5pt improved	-
Net debt-equity ratio (Note 3)	0.8times	0.8times	Δ0.1pt	-

[Interest-bearing debt]
Gross interest-bearing debt declined 2.9 billion yen.
Net interest-bearing debt increased 1.1 billion yen due to an increase in operating assets and funds for investment.

[Net assets]
Net assets increased 5.0 billion yen, thanks to an increase in retained earnings as a result of posting net income and the improvement in foreign currency translation adjustment.
Shareholders' equity, obtained by subtracting non-controlling interests from net assets, rose 4.3 billion yen.

As a result, the equity ratio improved to 21.1%.
Net DER was 0.7 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

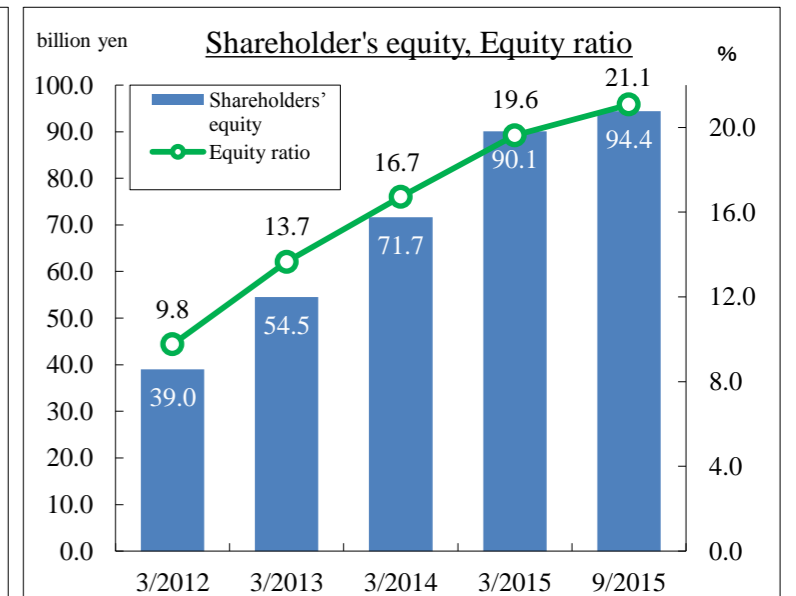
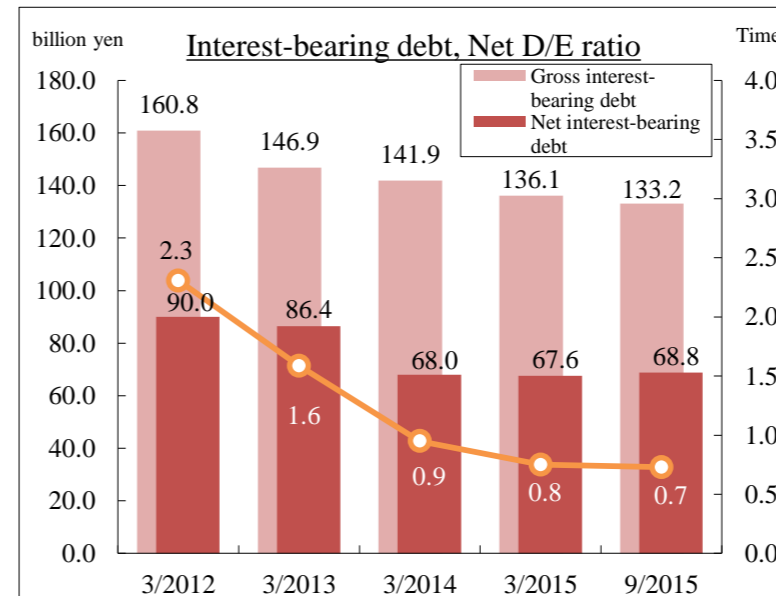
(Unit: billion yen)	H1 of FY2015	H1 of FY2016
CF from operating activities	6.2	3.8
CF from investing activities	Δ 2.5	Δ 3.3
Free cash flows	3.7	0.5
Cash flows from financing activities	Δ 10.7	Δ 4.5
Effect of exchange rate changes	0.4	Δ 0.2
Increase (decrease) in cash and cash equivalents	Δ 6.6	Δ 4.1

[CF from operating activities]
Net cash provided by operating activities stood at 3.8 billion yen, primarily reflecting operating income.

[CF from investing activities]
Net cash used in investing activities was 3.3 billion yen, chiefly due to the acquisition of investment securities.

[CF from financing activities]
Net cash used in financing activities stood at 4.5 billion yen, mainly reflecting the repayment of short-term loans.

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



* 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)