

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

■ Year-on-year decline in both revenues and earnings

| | | | |
|--|--------------------------|--------------|-------------|
| Net sales | 804.7 billion yen | 2.3% | Down |
| Operating income | 12.1 billion yen | 21.7% | Down |
| Ordinary income | 12.5 billion yen | 19.2% | Down |
| Net income attributable to owners of the parent | 7.2 billion yen | 23.7% | Down |

| Income Statement | | | | | | |
|---|--------------|--------------|--------------|-----------|-----------|----------|
| (Unit: billion yen) | Q3 of FY2015 | | Q3 of FY2016 | | FY2016 | |
| | Q3 of FY2015 | Q3 of FY2016 | Change | Change(%) | Forecasts | Progress |
| Net sales | 823.7 | 804.7 | (19.1) | (2.3) | 1,100 | 73.2% |
| Gross trading profit | 65.4 | 65.4 | 0.0 | 0.0 | 90 | 72.6% |
| SG&A expenses | 49.9 | 53.2 | 3.4 | 6.8 | - | - |
| Operating income | 15.5 | 12.1 | (3.4) | (21.7) | 19 | 63.9% |
| Dividends received | 0.7 | 0.6 | (0.1) | - | - | - |
| Interest | (2.0) | (1.5) | 0.5 | - | - | - |
| Equity in earnings of affiliated companies | 0.8 | 0.4 | (0.4) | - | - | - |
| Foreign exchange gains/losses | 0.8 | 1.1 | 0.3 | - | - | - |
| Others | (0.4) | (0.4) | 0.0 | - | - | - |
| Non-Operating income/expenses | (0.0) | 0.4 | 0.4 | - | - | - |
| Ordinary income | 15.5 | 12.5 | (3.0) | (19.2) | 19 | 65.8% |
| Extraordinary gains/loss | 1.0 | (0.5) | (1.5) | - | - | - |
| Income (loss) before income taxes and minority interests | 16.4 | 12.0 | (4.4) | (26.8) | - | - |
| Income taxes and profit attributable to non-controlling interests | 7.0 | 4.8 | (2.2) | - | - | - |
| Net income attributable to owners of the parent | 9.5 | 7.2 | (2.2) | (23.7) | 10 | 72.3% |
| Net income per share (yen) | 22.55 | 17.18 | (5.4) | (23.8) | 23.80 | 72.2% |

[Net Sales]
Consolidated net sales were down 19.1 billion yen due to a decline in the net sales of the Steel Materials & Plant Division.

[Operating income]
Consolidated operating income declined 3.4 billion yen, reflecting the sluggish performance of the Food & Grain Division and the Steel Materials & Plant Division.

[Ordinary income]
Consolidated ordinary income declined 3.0 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 2.2 billion yen due to the decrease in ordinary income.

| Assets, Liabilities and Net Assets | | | | |
|--|----------|-----------------|------------------------|-----------|
| (Unit: billion yen) | | | Comparison with 3/2015 | |
| | 3/2015 | 12/2015 | Change | Change(%) |
| Total assets | 459.0 | 446.5 | (12.6) | (2.7) |
| Gross interest-bearing debt | 136.1 | 130.9 | (5.2) | (3.9) |
| Net interest-bearing debt | 67.6 | 60.1 | (7.6) | (11.2) |
| Equity capital | 99.9 | 105.4 | 5.5 | 5.5 |
| Accumulated other comprehensive income | (9.8) | (9.3) | 0.5 | - |
| Minority interests | 28.6 | 29.0 | 0.4 | 1.4 |
| Total net assets | 118.7 | 125.1 | 6.4 | 5.4 |
| Shareholders' equity (Note 1) | 90.1 | 96.1 | 6.0 | 6.6 |
| Net assets per share (yen) | 21.4 | 22.8 | 1.4 | 6.6 |
| Equity ratio (Note 2) | 19.6% | 21.5% | 1.9pt improved | - |
| Net debt-equity ratio (Note 3) | 0.8times | 0.6times | (0.2pt) | - |

[Interest-bearing debt]
Gross interest-bearing debt declined 5.2 billion yen.
Net interest-bearing debt declined 7.6 billion yen.

[Net assets]
Net assets increased 6.4 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 noncontrolling interests from net assets, rose 6.0 billion yen

As a result, the equity ratio improved to 21.5%.
Net DER was 0.6 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: billion yen) | Q3 of FY2015 | Q3 of FY2016 |
| CF from operating activities | (5.1) | 15.9 |
| CF from investing activities | (4.0) | (3.0) |
| Free cash flows | (9.2) | 12.9 |
| Cash flows from financing activities | (6.0) | (10.2) |
| Effect of exchange rate changes | 2.2 | (0.2) |
| Increase (decrease) in cash and cash equivalents | (13.0) | 2.6 |

[CF from operating activities]
Net cash provided by operating activities stood at 15.9 billion yen, primarily reflecting operating income and a decrease in inventories.

[CF from investing activities]
Net cash used in investing activities was 3.0 billion yen, chiefly due to the acquisition of investment securities.

[CF from financing activities]
Net cash used in financing activities stood at 10.2 billion yen, mainly reflecting the repayment of short-term loans.

| Dividends | | | |
|--|--------------------------|--------------|--------|
| [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) | FY2014 | FY2015 | FY2016 |
| Consolidated payout ratio | 10.7% | 14.7% | 21.0% |

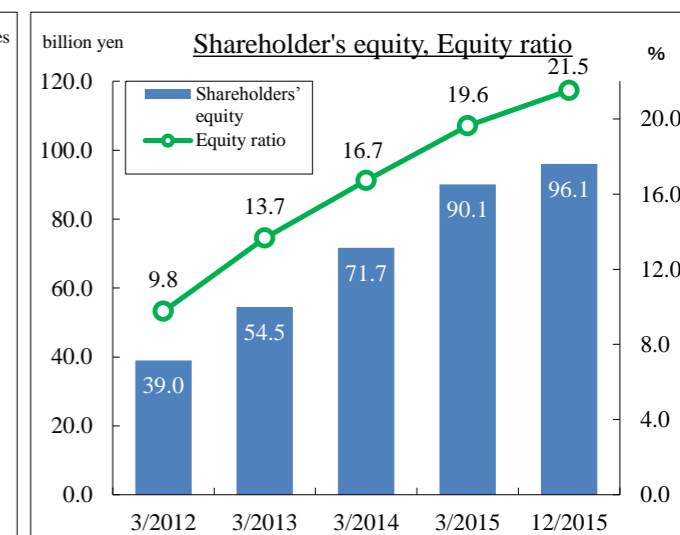
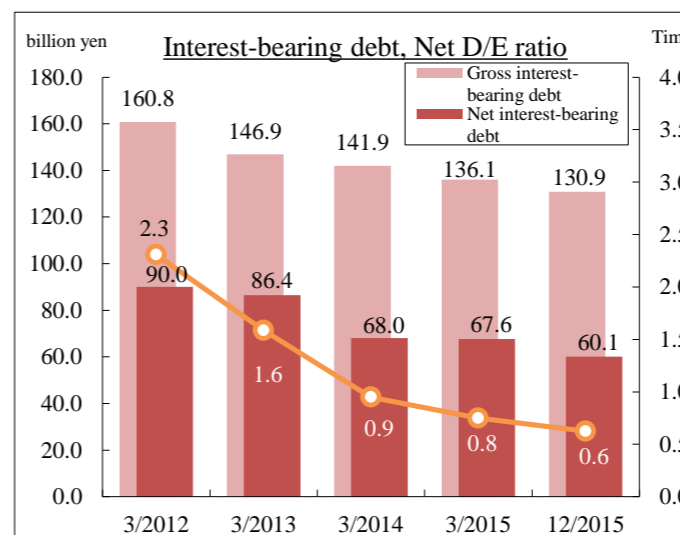
| Segment information | | | | | | |
|-------------------------------|--------------------------------|--------------|--------|------------------|--------------|--------|
| (Unit: billion yen) | Net sales (net external sales) | | | Operating income | | |
| | Q3 of FY2015 | Q3 of FY2016 | Change | Q3 of FY2015 | Q3 of FY2016 | Change |
| Electronics & Devices | 194.3 | 201.0 | 6.7 | 5.5 | 6.0 | 0.5 |
| Foods & Grain | 233.6 | 245.2 | 11.5 | 2.8 | 0.4 | (2.4) |
| Steel, Materials & Plant | 347.4 | 291.7 | (55.7) | 4.8 | 2.9 | (1.9) |
| Motor Vehicles & Aerospace | 46.2 | 57.1 | 10.9 | 2.2 | 2.7 | 0.5 |
| Total for reportable segments | 821.6 | 795.1 | (26.6) | 15.3 | 12.0 | (3.3) |
| Other (including adjustment) | 2.1 | 9.6 | 7.5 | 0.2 | 0.1 | (0.1) |
| Grand total | 823.7 | 804.7 | (19.1) | 15.5 | 12.1 | (3.4) |

[Electronics & Devices] An increase in net sales and income in the ICT solutions business, products for the manufacturing industry were firm, while the mobile business also remained strong, partly attributable to the year-end increase in demand.

[Food] A rise in net sales and a decline in income in the food business, sales of grain and agricultural products and oilseeds were firm, but feedstuffs struggled. The meat products business was weaker than the previous year.

[Steel, Materials & Plant] A decline in net sales and income Although machine tools and industrial machinery were strong in the plant business, income declined because there were large-scale projects in plant infrastructure 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, aircraft parts were strong. In the motor vehicles and parts business, automobile and motorcycle parts were firm.



* 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)