

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

**Net income decreased by 18.1% year-on-year.**

<b>Net sales</b>	<b>1,062.8 billion yen</b>	<b>4.9% down</b>
<b>Operating income</b>	<b>17.2 billion yen</b>	<b>22.1% down</b>
<b>Ordinary income</b>	<b>17.1 billion yen</b>	<b>25.3% down</b>
<b>Net income attributable to owners of the parent</b>	<b>9.4 billion yen</b>	<b>18.1% down</b>

Income Statement						
(Unit: billion yen)	FY2015	FY2016	Year-on-year		FY2017	
			Change	Change(%)	Forecast	YoY Change (%)
Net sales	1,117.1	<b>1,062.8</b>	(54.3)	(4.9)	1,250.0	17.6%
Gross trading profit	91.4	<b>88.9</b>	(2.6)	(2.8)	-	-
SG&A expenses	69.3	<b>71.6</b>	2.3	3.3	-	-
Operating income	22.1	<b>17.2</b>	(4.9)	(22.1)	22.0	27.6%
Dividends received	1.1	<b>0.9</b>	(0.2)	-	-	-
Interest	(2.5)	<b>(1.9)</b>	0.6	-	-	-
Equity in earnings of affiliated companies	1.1	<b>0.6</b>	(0.5)	-	-	-
Foreign exchange gains/losses	1.8	<b>0.7</b>	(1.2)	-	-	-
Others	(0.8)	<b>(0.4)</b>	0.4	-	-	-
Non-Operating income/expenses	0.8	<b>(0.1)</b>	(0.9)	-	-	-
Ordinary income	22.9	<b>17.1</b>	(5.8)	(25.3)	-	-
Extraordinary gains/loss	0.4	<b>(0.3)</b>	(0.7)	-	-	-
Income (loss) before income taxes and non-controlling interests	23.3	<b>16.8</b>	(6.5)	(28.0)	21.0	25.3%
Income taxes and non-controlling interests	11.8	<b>7.4</b>	(4.5)	-	-	-
Net income attributable to owners of the parent	11.5	<b>9.4</b>	(2.1)	(18.1)	11.5	22.5%
Net income per share (yen)	27.30	<b>22.32</b>	(4.98)	(18.2)	27.33	22.4%

**【Net sales】**  
Consolidated net sales declined by 54.3 billion yen due to lower net sales of the Steel Materials & Plant Division.

**【Operating income】**  
Consolidated operating income declined by 4.9 billion yen, reflecting the sluggish performance of the Foods & Grain and the Steel Materials & Plant Divisions.

**【Ordinary income】**  
Consolidated ordinary income dropped by 5.8 billion yen due mainly to lower operating income, as well as decreases in foreign exchange gains and equity in earnings of affiliates.

**【Net income attributable to owners of the parent】**  
Net income decreased by 18.1% year-on-year.

**<Forecasts for FY2017>**  
The forecasts for FY2017 are reported based on the International Financial Reporting Standards (IFRS). Operating income indicates profits from operating activities based on IFRS. It should be noted, though, that net sales are stated based on Japanese GAAP.

Assets, Liabilities and Net Assets				
(Unit: billion yen)	3/2015	3/2016	Comparison with 3/2015	
			Change	Change(%)
Total assets	459.0	<b>439.4</b>	(19.6)	(4.3)
Gross interest-bearing debt	136.1	<b>135.2</b>	(0.9)	(0.7)
Net interest-bearing debt	67.6	<b>47.1</b>	(20.5)	(30.4)
Equity capital	99.9	<b>107.5</b>	7.6	7.6
Accumulated other comprehensive income	(9.8)	<b>(14.2)</b>	(4.4)	-
Non-controlling interests	28.6	<b>28.6</b>	(0.0)	0.0
Total net assets	118.7	<b>121.9</b>	3.2	2.7
Shareholders' equity (Note 1)	90.1	<b>93.3</b>	3.2	3.5
Net assets per share (yen)	214.1	<b>221.6</b>	7.5	3.5
Equity ratio (Note 2)	19.6%	<b>21.2%</b>	1.6pt improved	-
Net debt-equity ratio (Note 3)	0.8 times	<b>0.5 times</b>	(0.3pt)	-

**【Interest-bearing debt】**  
Gross interest-bearing debt declined by 0.9 billion yen. Net interest-bearing debt declined a substantial 20.5 billion yen.

**【Net assets】**  
Despite an increase in retained earnings due to net income, net assets rose by only 3.2 billion yen. This was partly attributable to a decline in net unrealized gains on securities, net of tax and foreign currency translation adjustments. Shareholders' equity obtained by subtracting non-controlling interests from net assets increased by 3.2 billion yen.

As a result, the equity ratio was 21.2%. Net DER was 0.5 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			Dividends	
(Unit: billion yen)	FY2015	FY2016		
CF from operating activities	10.1	<b>31.5</b>	<b>【FY2016】</b>	
CF from investing activities	(8.9)	<b>(4.5)</b>	Interim	2.5 yen per share
Free cash flows	1.2	<b>27.0</b>	Year-end	2.5 yen per share
CF from financing activities	(9.9)	<b>(5.8)</b>	Annual	5.0 yen per share
Effect of exchange rate changes	2.5	<b>(1.2)</b>	<b>【FY2017】</b>	
Increase (decrease) in cash and cash equivalents	(6.2)	<b>20.0</b>	Interim(plan)	3.0 yen per share
			Year-end (plan)	3.0 yen per share
			Annual(plan)	6.0 yen per share
			Annual	
			Consolidated payout ratio	
			FY2015	FY2016
			14.7%	22.4%
				<b>FY2017 (plan)</b>
				<b>22.0%</b>

**【CF from operating activities】**  
Net cash provided by operating activities stood at 31.5 billion yen, primarily reflecting operating income and a decrease in inventories.

**【CF from investing activities】**  
Net cash used in investing activities was 4.5 billion yen, chiefly due to the acquisition of investment securities and tangible fixed assets.

**【CF from financing activities】**  
Net cash used in financing activities stood at 5.8 billion yen, despite some proceeds from the issuance of corporate bonds. The result was mainly attributable to the repayment of borrowings.

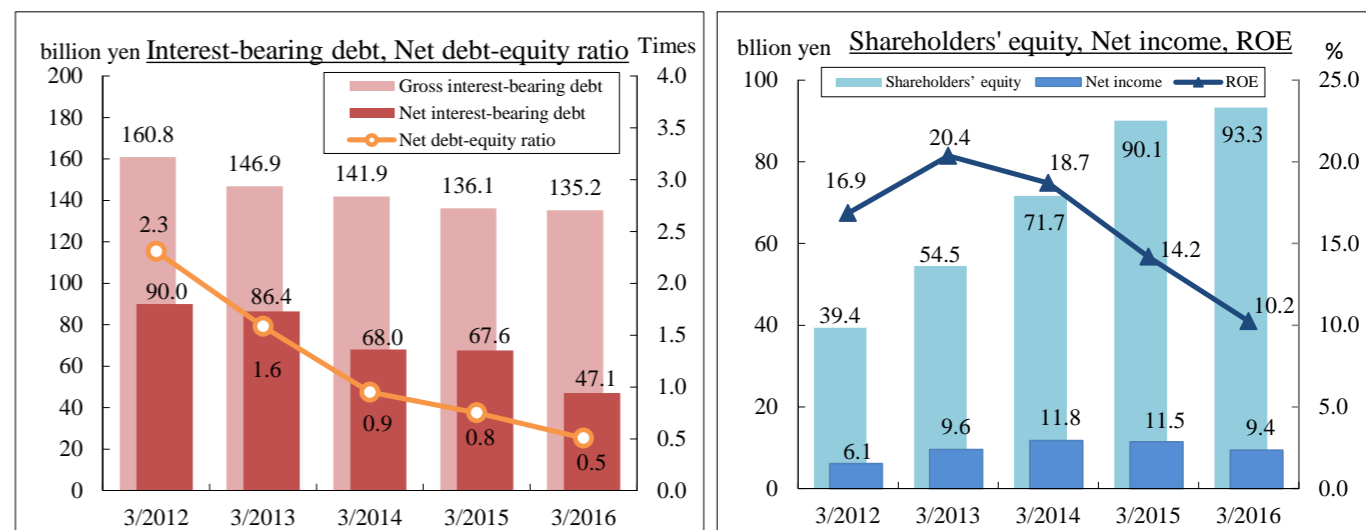
Segment information						
(Unit: billion yen)	Net sales (net external sales)			Operating income		
	FY2015	FY2016	Change	FY2015	FY2016	Change
Electronics & Devices	276.5	<b>277.7</b>	1.2	9.9	<b>9.8</b>	(0.1)
Foods & Grain	307.7	<b>323.1</b>	15.3	1.9	<b>0.5</b>	(1.5)
Steel, Materials & Plant	467.8	<b>378.4</b>	(89.5)	7.3	<b>3.7</b>	(3.6)
Motor Vehicles & Aerospace	59.7	<b>71.2</b>	11.6	2.8	<b>3.1</b>	0.4
Total for reportable segments	1,111.8	<b>1,050.3</b>	(61.5)	21.9	<b>17.1</b>	(4.7)
Other (including adjustment)	5.3	<b>12.5</b>	7.2	0.2	<b>0.1</b>	(0.1)
Grand total	1,117.1	<b>1,062.8</b>	(54.3)	22.1	<b>17.2</b>	(4.9)

**【Electronics & Devices】 Almost unchanged**  
The ICT solutions business experienced a smooth growth in products for the manufacturing industry. The mobile business also performed well. The semiconductor parts and manufacturing equipment business performed poorly due to the Chinese economic downturn and the slower demand growth for smartphone parts.

**【Foods & Grain】 An increase in net sales and a decline in income**  
In the feedstuff business, the sales of grain and agricultural oil remained solid while the feed business performed poorly. The meat products business experienced a significant year-on-year decline in profit.

**【Steel, Materials & Plant】 A decline in net sales and income**  
The energy business performed well thanks to the strong domestic demand for fuel oil due primarily to cold weather in winter. The plant and infrastructure business saw strong growth in the business related to machine tools and industrial machinery. In the iron and steel business, its mainstay oilfield tubing business fell due to stagnating crude oil prices.

**【Motor Vehicles & Aerospace】 An increase in net sales and income**  
The motor vehicles and parts business experienced a smooth growth mainly in motorcycle and motor vehicle parts. In the aerospace business, both the aircraft parts and space-related products performed well.



\* 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.  
\* FY2015 (the fiscal year ended March 31, 2015)  
\* FY2016 (the fiscal year ended March 31, 2016)