

**Both net sales and income increased year on year.**

**The full-year forecasts have been revised upward.**

**Net sales/Gross trading profit**  
Net sales increased, chiefly reflecting a recovery in demand and rising commodity prices in Japan and abroad.

With the increase in net sales, gross trading profit rose.

**Operating income**  
Operating income rose, attributable to an increase in gross trading profit and the curbing of increases in SG&A expenses.

**Ordinary income**  
The loss on equity method investments improved, while non-operating income and expenses worsened slightly, reflecting a decline in dividends received and a rise in foreign exchange losses.

Overall, ordinary income rose, attributable to an increase in operating income.

**Net income**  
There were no large amounts of extraordinary items. Net income increased, reflecting rises in operating income and ordinary income.

<Reference>  
Initial forecasts (change)

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Net sales:	950 billion yen (+30)
Operating income:	17 billion yen (+3)
Ordinary income:	12 billion yen (+3.5)
Net income:	5.5 billion yen (+1.5)

**Electronics & IT:** Both net sales and income decreased  
The ICT solutions business and the mobile solutions business performed well, reflecting the expansion of the market for mobile communication terminals, including smartphones. In contrast, the semiconductor component business was weak given the effect of the earthquake. The semiconductor equipment business was also sluggish, attributable to a decline in demand in response to strong demand in the previous fiscal year.

**Food & Foodstuffs:** Both net sales and income increased  
Sales of imported meat products were firm partly because of the effect of the earthquake and nuclear disaster. The foods business, especially prepared foods and processed foods, performed well. The foodstuff business contributed to earnings thanks to our efforts to strengthen ties with suppliers of feedstuff and expand sales channels.

**Iron & Steel:** Both net sales and income increased  
Earnings were boosted by strong exports, especially of automobile wire rods and stainless steel, to Europe and the United States.

**Machinery & Plant:** Net sales increased but income declined  
Supply chains for business linked to automobile parts recovered in the second quarter. Business linked to plants was slightly weak, but the machine tool business was solid, reflecting recovering demand.

**Environment & Materials:** Both net sales and income increased  
In the functional chemicals business, exports of raw materials for car batteries grew, and overall transactions of chemicals, including lubricant oils and raw materials for resin, were solid. The energy business was firm, backed by increasing sales of fuel oil to electric power companies after the earthquake.

<b>Total assets</b>
Total assets declined 1.1 billion yen, to 387.6 billion yen.

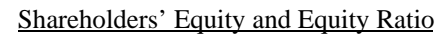
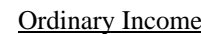
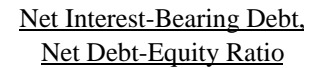
**Interest-bearing debt**

Gross interest-bearing debt decreased 5.3 billion yen as a result of debt repayment. Net interest-bearing debt declined 10.6 billion yen, reflecting an increase in cash and bank deposits.

**Total net assets**

Net assets rose 4.3 billion yen, attributable to an increase in retained earnings as a result of the posting of net income, which offset the deterioration of other accumulated comprehensive income, which was in negative territory, caused by the worsening of translation adjustments due to a stronger yen. Equity capital, which is net assets minus minority interests, increased 3.9 billion yen.

As a result, the equity ratio improved 1.1 percentage points from the end of the previous fiscal year, to 9.6%. The net debt-equity ratio improved to 2.5.



\* Results forecasts and forward-looking statements in this document assume information available to the Company as of the date of the announcement and estimates based on rational assumptions. Please note that actual results may differ materially from the forecasts presented here, depending on various factors.

\* Since the figures above are rounded off to the nearest 100 million yen, the sum of each item and the total may differ.