

Highlights of Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 2012

Net sales, operating income and ordinary income increased year on year.

Net sales	742.5 billion yen	8.4% up
Operating income	16.2 billion yen	32.2% up
Ordinary income	13.4 billion yen	31.3% up
Net income	6.2 billion yen	6.9% down

On a consolidated basis							Net sales/Gross trading profit	
(Unit: 100 million yen)	Q3 of FY2010	Q3 of FY2011	Year-on-year		FY2011		Forecast revised on November 4	Change (%)
			Change	Change (%)				
Net sales	6,851	7,425	573	8.4%	9,800	75.8%		
Gross trading profit	556	600	45	8.0%	-	-		
SG&A expenses	433	438	5	1.2%	-	-		
Operating income	122	162	39	32.2%	200	80.9%		
Dividends received	11	6	-5	-	-	-		
Interest	-27	-28	0	-	-	-		
Gains or losses on equity-method investments	-1	2	2	-	-	-		
Foreign exchange losses	-2	-4	-2	-	-	-		
Others	-2	-4	-2	-	-	-		
Non-operating income/loss	-21	-28	-8	-	-	-		
Ordinary income	102	134	32	31.3%	155	86.3%		
Extraordinary gain	7	1	-6	-	-	-		
Extraordinary loss	-15	-11	4	-	-	-		
Income (loss) before income taxes	94	124	30	32.0%	-	-		
Income taxes and minority interests	-27	-62	-35	-	-	-		
Net income	66	62	-5	-6.9%	70	88.3%		

Net sales increased, chiefly reflecting the strong performance of the Foods & Foodstuff and Environment & Materials segments with the rise in total handling volumes and surges in commodity prices. This led to a rise in gross trading profit.

Operating income
Operating income increased, attributable to the rise in gross trading profit as well as continued efforts to reduce SG&A expenses.

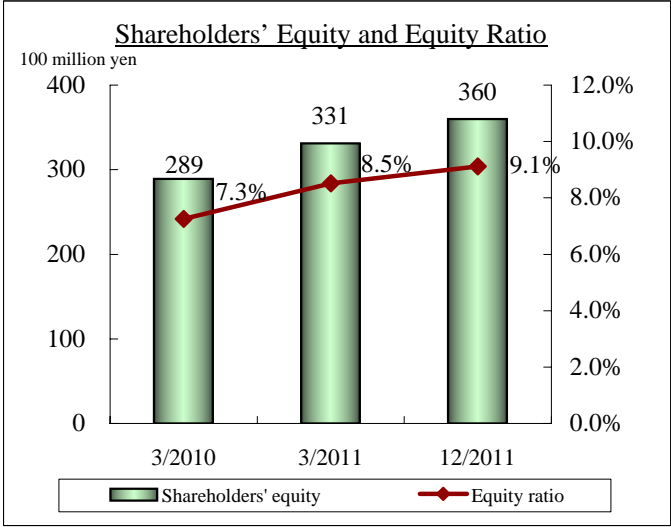
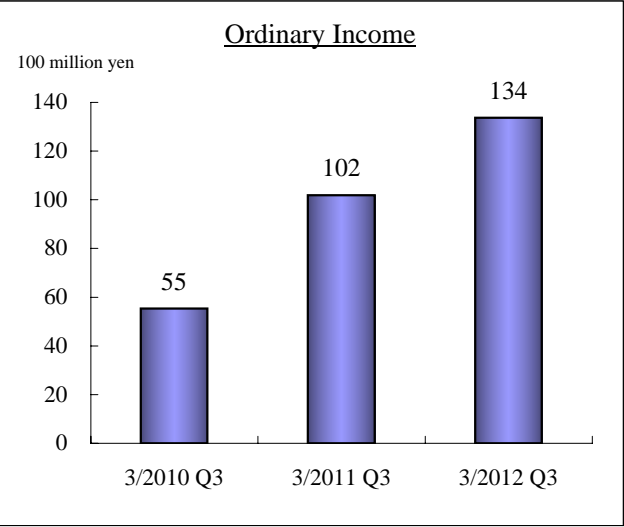
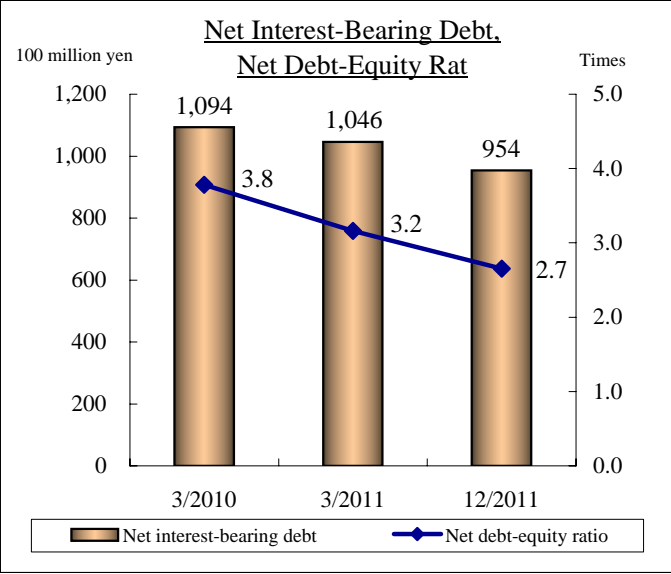
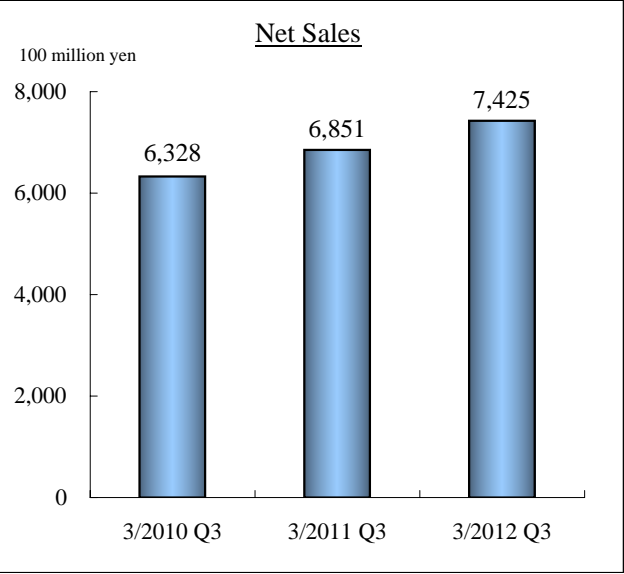
Ordinary income
Despite a slight worsening in non-operating income and expenses due to a decline in dividends received and an increase in foreign exchange losses, which offset an improvement in losses on equity-method investments, ordinary income climbed as a result of higher operating income.

Net income
Net income declined year on year, primarily attributable to a loss at a subsidiary on the withdrawal from the employee pension funds program which was recorded as an extraordinary loss, as well as an increase in income taxes – deferred as a result of the reversal of deferred tax assets pursuant to the tax reform.

Segment information							Electronics & IT: Sales dropped, but income increased	
(Unit: 100 million yen)	Net sales (net external sales)			Operating income			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 overall semiconductor business was weak, with the semiconductor component business affected by the impacts of Thai flooding and the semiconductor equipment business experiencing a decline in demand in response to the strong demand in the previous fiscal year.	
	Q3 of FY2010	Q3 of FY2011	Change	Q3 of FY2010	Q3 of FY2011	Change		
Electronics & IT	1,839	1,835	-5	67	68	1	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.	
Food & Foodstuffs	2,072	2,215	143	17	42	25		
Iron & Steel	729	754	25	26	27	1	Iron & Steel: Both net sales and income increased Exports transactions of special and stainless steel for Europe and the United States remained solid, which was the main driver for improved overall earnings.	
Machinery & Plant	463	526	63	5	7	2		
Environment & Materials	1,617	1,960	344	6	15	10	Machinery & Plant: Both net sales and income increased Supply chains for business linked to automobile parts recovered in the second quarter. Business	
Total for reportable segments	6,720	7,290	569	120	159	39		
Other (including adjustment)	131	135	4	2	3	1	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.	
Grand total	6,851	7,425	573	122	162	39		

Assets, Liabilities and Net Assets					Total assets
(Unit: 100 million yen)	3/2011	12/2011	Comparison with 3/2011		Total assets rose 5.8 billion yen to 394.5 billion yen.
			Change	Change (%)	
Total assets	3,887	3,945	58	1.5%	Interest-bearing debt Gross interest-bearing debt decreased 9 billion yen as a result of debt repayment. Net interest-bearing debt declined 9.2 billion yen.
Gross interest-bearing debt	1,736	1,646	-90	-5.2%	
Net interest-bearing debt	1,046	954	-92	-8.8%	Total net assets Net assets rose 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 2.9 billion yen.
Equity capital	637	699	62	9.7%	
(Retained earnings)	89	151	62	69.1%	As a result, the equity ratio improved to 9.1%, and the net debt-equity ratio improved to 2.7.
Other accumulated comprehensive income	-306	-339	-33	-	
Minority interests	165	166	2	1.0%	
Total net assets	496	526	30	6.1%	
Shareholder's equity (Note 1)	331	360	29	8.7%	
Shareholder's equity ratio (Note 2)	8.5%	9.1%	0.6 pt improved	-	
Net debt-equity ratio (Note 3)	3.2 times	2.7 times	0.5 pt improved	-	

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



* 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.