

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Adoption of simplified accounting treatment for quarterly closing: Yes

(3) Changes in accounting treatment for quarterly consolidated financial statement:

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (incl. treasury stock)

Mar. 2015: 43,076,347 shares Sep. 2014: 43,076,347 shares

2) Number of treasury stock at the end of the period

Mar. 2015: 1,208,692 shares Sep. 2014: 1,714,430 shares

3) Average number of shares in the fiscal year

Mar. 2015: 41,862,595 shares Mar. 2014: 41,370,896 shares

* Cautionary statement

-This Quarterly Financial Results Report ("TANSHIN") is out of scope of quarterly review under Financial Instruments and Exchange Act of Japan and at the point of disclosing this TANSHIN Report, reviews by the independent auditors under Financial Instruments and Exchange Act of Japan has not been finished yet.

-The forecasts above are based on currently available information at the time of announcement. Actual results may differ from these forecasts for a number of factors.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of Yen)

	As of September 30, 2014	As of Mar 31, 2015
Assets		
Current Assets		
Cash and deposits	9,915	8,177
Notes and accounts receivable-trade	12,830	10,970
Securities	—	220
Finished goods	2,487	2,917
Work in process	1,740	2,132
Raw materials and supplies	2,686	2,672
Deferred tax assets	416	434
Others	867	1,018
Allowance for doubtful accounts	(243)	(195)
Total Current Assets	30,701	28,348
Non-Current Assets		
Property, plant and equipment		
Buildings and structures (net)	18,099	18,127
Machinery, equipment and vehicles (net)	10,389	10,292
Land	4,761	4,925
Construction in progress	52	104
Other (net)	2,017	2,036
Accumulated depreciation & Impairment Loss	(16,658)	(16,725)
Total property, plant and equipment	18,662	18,761
Intangible assets		
Goodwill	10	229
Other	244	261
Total intangible assets	254	491
Investments and other assets		
Investment securities	1,258	1,264
Deferred tax assets	314	289
Other	286	280
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	1,849	1,824
Total Non-Current Assets	20,766	21,077
TOTAL ASSETS	51,467	49,425

(Millions of Yen)

	As of September 30, 2014	As of March 31, 2015
Liability		
Current Liabilities		
Notes and accounts payable-trade	5,857	4,375
Short-term loans payable	136	—
Current portion of long-term loans payable	565	552
Accrued expenses	2,372	2,161
Income taxes payable	441	190
Deferred tax liabilities	200	135
Advances received	2,600	3,105
Provision for bonuses	327	308
Provision for directors' bonuses	58	43
Provision for product warranties	617	494
Other	1,148	1,108
Total Current Liabilities	14,327	12,476
Non-Current Liabilities		
Long-term loans payable	3,344	3,225
Net defined benefit liability	5,413	5,270
Deferred tax liabilities	28	28
Other	160	148
Total Non-Current Liabilities	8,946	8,673
Total Liabilities	23,273	21,149
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,204	5,148
Legal retained earnings	12,964	13,021
Treasury stock	(1,293)	(911)
Total Shareholders' Equity	31,372	31,754
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	65	237
Deferred gains or losses on hedges	(33)	(66)
Foreign currency translation adjustment	(2,289)	(2,815)
Remeasurements of defined benefit plans	(983)	(892)
Total valuation and translation adjustments	(3,241)	(3,536)
Subscription rights to shares	62	58
Total Net Assets	28,193	28,276
Total Liabilities and Net Assets	51,467	49,425

(2) Quarterly Consolidated Statements of Income

(Million of Yen)

	Oct. 1, 2013 - Mar. 31, 2014	Oct. 1, 2014 - Mar. 31, 2015
Net sales	22,336	21,135
Cost of sales	14,793	13,848
Gross profit	7,543	7,286
Selling, general and administrative expenses	6,431	6,681
Operating income (loss)	1,111	605
Non-operating income		
Interest income	22	20
Dividends income	4	8
Equity in earnings of affiliates	13	29
Foreign exchange gains	—	37
Other	40	36
Total non-operating Income	79	132
Non-operating expenses		
Interest expenses	20	21
Foreign exchange losses	24	—
Others	76	39
Total non-operating Expenses	121	60
Ordinary income (loss)	1,069	677
Extraordinary income		
Gain on sales of non-current assets	8	1
Total extraordinary income	8	1
Extraordinary loss		
Loss on disposal of non-current assets	7	3
Special retirement benefits	36	13
Total extraordinary loss	44	16
Income (loss) before income taxes	1,034	661
Income Taxes	305	201
Income before minority interests	728	460
Net income (loss)	728	460

(3) Quarterly Consolidated Statements of Comprehensive Income

(Million of Yen)

	Oct. 1, 2013 - Mar. 31, 2014	Oct. 1, 2014 - Mar. 31, 2015
Income before minority interests	728	460
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	172
Deferred gains or losses on hedges	—	(33)
Foreign currency translation adjustment	1,065	(525)
Adjustment on pension liabilities at foreign subsidiaries	(64)	—
Remeasurements of defined benefit plans	—	91
Total other comprehensive income	993	(295)
Quarterly Comprehensive income	1,721	164
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,721	164
Comprehensive income attributable to minority interests	—	—

(4) Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2013 - March 31, 2014	Oct. 1, 2014 - March 31, 2015
Cash flows from operating activities;		
Income before income taxes	1,034	661
Depreciation and amortization	553	560
Amortization of goodwill	2	23
Increase (decrease) in allowance for doubtful accounts	(18)	(40)
Increase (decrease) in provision for loss on order received	(11)	—
Increase (decrease) in provision for bonuses	(16)	(19)
Increase (decrease) in provision for directors' bonuses	(19)	(14)
Increase (decrease) in provision for product warranties	50	(110)
Increase (decrease) in provision for retirement benefits	121	—
Increase (decrease) in defined benefit liability	—	16
Interest and dividends income	(26)	(28)
Interest expenses	20	21
Equity in (earnings) losses of affiliates	(13)	(29)
Decrease (increase) in notes and accounts receivable-trade	73	1,493
Decrease (increase) in inventories	166	(1,223)
Increase (decrease) in notes and accounts payable-trade	(142)	(1,262)
Increase (decrease) in advances received	930	565
Other	(666)	(293)
Sub total	2,039	319
Interests and dividends income received	26	128
Interest expenses paid	(20)	(20)
Income taxes paid	(387)	(374)
Net cash provided by (used in) operating activities	1,657	52
Cash flows from investing activities;		
Purchase of investment securities	(148)	(50)
Purchase of property, plant and equipment	(1,328)	(1,154)
Purchase of intangible assets	(26)	(74)
Other	9	5
Net cash provided by (used in) investing activities	(1,494)	(1,273)
Cash flows from financing activities;		
Net increase (decrease) in short-term loans payable	—	(146)
Proceeds from long-term loans payable	1,093	207
Repayment of long-term loans payable	(497)	(416)
Cash dividends paid	(248)	(310)
Other	(0)	(2)
Net cash provided by (used in) financing activities	348	(666)
Effect of exchange rate change on cash and cash equivalents	339	150
Net increase (decrease) in cash and cash equivalents	850	(1,737)
Cash and cash equivalents at beginning of period	8,207	9,894
Cash and cash equivalents at end of period	9,057	8,157