May 15, 2014

Consolidated Financial Highlights for the Year Ended March 31, 2014 [under Japanese GAAP]

Company name : **SMC Corporation**
Stock exchange listing : **Tokyo Stock Exchange first section**
Security code : **6273**
URL : http://www.smcworld.com/ir/en/
Representative : **Katsunori Maruyama, President**
Contact person : **Ikuji Usui, Executive Managing Director**
Projected date of annual shareholders' meeting : June 26, 2014
Projected date of filing Annual report : June 26, 2014
Projected starting date of dividend payment : June 27, 2014

1. Consolidated Financial Highlights for the Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Consolidated Operating Results

Fiscal Year ended March 31	Net sales (Millions of Yen)		Operating income (Millions of Yen)		Ordinary income (Millions of Yen)		Net income (Millions of Yen)	
2014	395,304	22.3%	105,153	34.8%	121,073	29.2%	86,311	34.3%
2013	323,135	(5.5%)	78,027	(11.4%)	93,737	2.6%	64,270	8.4%

Fiscal Year ended March 31	Net income per share (Yen)	Net income per share (diluted basis) (Yen)	Return on equity	Return on assets	Operating income ratio
2014	1,274.20	—	11.7%	13.4%	26.6%
2013	937.70	—	10.1%	11.9%	24.1%

(Note) Comprehensive Income Year ended March 31,2014 : ¥ 123,513 million 9.8%
Year ended March 31,2013 : ¥ 112,530 million 94.4%
Profit/Loss on equity method Year ended March 31,2014 : —
Year ended March 31,2013 : —

(2) Consolidated Financial Positions

	Total assets (Millions of Yen)	Net assets (Millions of Yen)	Equity ratio	Net assets per share (Yen)
As of March 31, 2014	966,875	785,521	81.0%	11,599.87
As of March 31, 2013	844,010	689,359	81.5%	10,031.63

(Note) Shareholders' equity As of March 31,2014 : ¥ 783,490 million
As of March 31,2013 : ¥ 687,532 million

(3) Consolidated Cash Flows

(Millions of Yen)

Fiscal Year ended March 31	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of period
2014	83,719	(60,326)	(1,802)	208,577
2013	66,977	(57,513)	(10,630)	173,501

2. Dividends

For the year ended March 31	Dividend per share (Yen)					Total dividends (Millions of Yen)	Dividend ratio	Dividend on equity
	1Q	2Q	3Q	4Q	Total			
2013(Actual)	—	70.00	—	80.00	150.00	10,280	16.0%	1.6%
2014(Actual)	—	80.00	—	90.00	170.00	11,482	13.3%	1.6%
2015(Projected)	—	90.00	—	90.00	180.00		14.8%	

3. Forecasts of consolidated operating results for the Year Ending March 31, 2015

	Net sales (Millions of Yen)		Operating income (Millions of Yen)		Ordinary income (Millions of Yen)		Net income (Millions of Yen)		Net income per share (Yen)
Half year ending September 30,2014	210,000	8.3%	55,000	5.8%	57,500	(5.3%)	41,000	(4.4%)	607.02
Year ending March 31,2015	420,000	6.2%	110,000	4.6%	115,000	(5.0%)	82,000	(5.0%)	1,214.04

4. Others

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2014: None

(2) Change in accounting policy, treatment, and presentation manner :

1. Changes in accounting standard : Yes
2. Changes of accounting policies other than the above: None
3. Changes in accounting estimates: None
4. Retrospective restatement: None

(3) Number of shares issued	(As of March 31,2014)	(As of March 31,2013)
1. Number of common shares issued (including treasury shares)	68,869,359	71,869,359
2. Number of treasury shares	1,326,301	3,332,869
3. Average number of common shares for the year	67,737,893	68,540,213

< Reference >

Non-consolidated Financial Highlights for the Year Ended March 31, 2014
(April 1, 2013 to March 31, 2014)

(1) Non-consolidated Operating Results

Fiscal Year ended March 31	Net sales (Millions of Yen)		Operating income (Millions of Yen)		Ordinary income (Millions of Yen)		Net income (Millions of Yen)		Net income per share (Yen)
2014	259,420	19.6%	56,215	12.5%	65,522	9.1%	44,746	16.3%	660.57
2013	216,843	(7.2%)	49,980	(1.8%)	60,061	18.3%	38,468	22.5%	561.25

(2) Non-consolidated Financial Positions

	Total assets (Millions of Yen)	Net assets (Millions of Yen)	Equity ratio	Net assets per share (Yen)
As of March 31, 2014	617,532	459,902	74.5%	6,809.03
As of March 31, 2013	570,806	444,840	77.9%	6,490.56

(Note) Shareholders' equity As of March 31,2014 : ¥ 459,902 million
As of March 31,2013 : ¥ 444,840 million

Information on status of the audit procedures

These highlights are not subject to audit procedures by the independent auditor in accordance with Financial Instruments and Exchange Law of Japan.

Thus, at the time of disclosure of these highlights, the audit procedures of consolidated financial statement based on the Financial Instruments and Exchange Law, are in progress.

Appropriate use of business forecasts; other special items

The forecast contains forward-looking statements that are based on available data at the time of this release. Some factors could cause actual results to differ from expectations.

1. Analysis of Operating Results and Financial Positions

(1) Analysis of Operating Results

1. Overview of the fiscal year under review

During the fiscal year under review, emerging countries including China and India saw slowdowns in economic growth, while the U.S. economy recovered and Europe's economies bottomed out. Japan's economy also headed for recovery, albeit moderate, on the back of a weak yen and rising stock prices.

In the automatic control equipment business, there was strong demand related to automobile industries and semiconductor manufacturing equipment, mainly in the North America and Asian regions.

Under these circumstances, SMC group strengthened its sales capabilities and improved its distribution channels in major markets, and expanded its sales bases in growing regions. SMC group also focused on reducing production costs and made capital investments to secure production capacity with an eye toward the future.

As a result, consolidated net sales for the fiscal year under review were 395,304 million yen (22.3% increase year on year (yoy)), and operating income was 105,153 million yen (34.8% increase), mainly because profits were boosted by the weak yen. Ordinary income was 121,073 million yen (29.2% increase) and net income was 86,311 million yen (34.3% increase), reflecting an increase in net financial income, despite a decrease in foreign exchange gains.

SMC group marked record highs in terms of both net sales and income.

2. Outlook for the next fiscal year

During the next fiscal year, developed economies are expected to remain strong, while there are concerns about emerging economies decelerating. In Japan, the economy is expected to stay on a moderate recovery track.

Given this environment, SMC group will continue its efforts to improve profitability through such measures as sales expansion activities to gain market share, expanding overseas production bases, and reducing production costs.

Consolidated financial results for the next fiscal year are forecasted to be as follows, assuming average exchange rates of the U.S. dollar and the euro against the yen are 100 yen and 140 yen, respectively,

(Unit: Million yen)

	Forecast for consolidated financial results			
	First half		Full year	
		yoy change (%)		yoy change (%)
Net sales	210,000	8.3%	420,000	6.2%
Operating income	55,000	5.8%	110,000	4.6%
Ordinary income	57,500	(5.3%)	115,000	(5.0%)
Net income	41,000	(4.4%)	82,000	(5.0%)

(2) Analysis of financial positions

1. Assets, liabilities and net assets

Total assets as of the end of the fiscal year under review were 966,875 million yen, which was an increase of 122,865 million yen (14.6%) yoy, reflecting increases in cash and deposits, notes and accounts receivable-trade, property, plant and equipment, and inventories.

Total liabilities increased 26,704 million yen (17.3%) yoy to 181,354 million yen due to an increase in short-term loans payable.

Net assets increased 96,161 million yen (13.9%) yoy to 785,521 million yen, mainly due to increases in retained earnings and foreign currency translation adjustments as a result of the weak yen.

2. Cash flow

The balance of cash and cash equivalents (hereinafter “cash”) as of the end of the fiscal year under review was 208,577 million yen, an increase of 35,076 million yen yoy.

(Cash flow from operating activities）

Net cash provided by operating activities was 83,719 million yen (revenue increase of 16,741 million yen yoy). This is primarily attributable to 120,970 million yen of income before income taxes and minority interests, 12,618 million yen of depreciation, and 9,278 million yen increase in notes and accounts receivable-trade.

(Cash flow from investment activities)

Net cash used for investing activities was 60,326 million yen (increase of 2,812 million yen yoy). This is primarily attributable to 57,807 million yen of payments into time deposits and 25,914 million yen for purchase of property, plant and equipment.

(Cash flow from financing activities)

Net cash used for financing activities was 1,802 million yen (decrease of 8,827 million yen yoy). This is primarily attributable to 29,800 million yen of net increase in short-term loans payable, 19,614 million yen for purchase of treasury shares, and cash dividends paid of 10,886 million yen.

(3) Basic profit distribution policy, and dividends for the fiscal year under review and the next fiscal year

SMC’s basic profit distribution policy is to return appropriate profits to shareholders based on stable and continued payments of dividends, while enhancing its financial strength to prepare for any changes in operating environments and business expansion from a long-term perspective.

SMC plans to pay a year-end dividend of 90 yen per share for the fiscal year under review, which together with the interim dividend of 80 yen per share paid last December, will result in a full-year dividend of 170 yen per share.

Last June, SMC bought back one million shares of treasury stock (for 19,587 million yen in total).

Next fiscal year, SMC plans to pay 90 yen per share as an interim dividend and a year-end dividend, respectively, which is the same amount as the year-end dividend for the fiscal year under review.

2. Management Policy

(1) The Group's basic management policy

SMC group's flagship products, pneumatic equipment, are environmentally friendly automatic control equipment powered by air, and are widely used as essential items for facilitating automation and power savings in various industries at home and abroad.

As a comprehensive manufacturer of pneumatic equipment, SMC group has been making tireless efforts to raise customer satisfaction by improving its research and development (R&D) framework, streamlining its production structure, enhancing efficiency of its logistics, reducing overall costs, and providing a fine-tuned service network, with the aims of supplying global users with quality products promptly at low prices, as well as contributing to automation and power savings in industry.

SMC believes that gaining support from users through these efforts will help enhance its corporate value and lead to benefits for all of its stakeholders including shareholders.

(2) The Group's medium and long-term business strategy

SMC group has led competitors in developing overseas bases for sales, production, logistics, and R&D. SMC group will invest resources heavily in its core business of automatic control equipment to pursue higher levels of globalization and enhance its competitive strength in all corporate activities, ranging from R&D to procurement of raw materials, production, and sales, in order to further expand its share of the global market.

(3) Issues to be addressed by The Group

Within the Group, R&D, production, and sales divisions have been working together to establish a framework for responding to customers' needs globally, aiming to win a larger share of the global market. To this end, the following issues have been addressed on a group-wide basis.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
[ASSETS]		
Current assets		
Cash and deposits	282,187	349,354
Notes and accounts receivable-trade	86,640	102,446
Merchandise and finished goods	78,513	88,886
Work in process	16,579	15,585
Raw materials and supplies	89,324	89,783
Deferred tax assets	16,043	18,277
Other	11,983	13,446
Allowance for doubtful accounts	(733)	(781)
Total current assets	**580,539**	**677,018**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	46,535	53,196
Machinery, equipment and vehicles, net	25,854	26,751
Tools, furniture and fixtures, net	5,974	5,848
Land	24,831	29,388
Construction in progress	7,251	10,652
Total property, plant and equipment	**110,446**	**125,837**
Intangible assets		
Leasehold right	2,304	3,247
Other	998	893
Total intangible assets	**3,303**	**4,141**
Investments and other assets		
Investment securities	34,702	41,018
Insurance funds	104,297	109,366
Net defined benefit asset	—	63
Other	11,706	10,558
Allowance for doubtful accounts	(986)	(1,129)
Total investments and other assets	**149,720**	**159,877**
Total non-current assets	**263,470**	**289,857**
Total assets	**844,010**	**966,875**

(Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
[LIABILITIES]		
Current liabilities		
Notes and accounts payable-trade	45,488	48,687
Short-term loans payable	29,411	52,993
Income tax payable	17,912	20,251
Provision for bonuses	—	1,850
Other	32,154	29,724
Total current liabilities	**124,966**	**153,508**
Non-current liabilities		
Long-term loans payable	3,326	8,302
Provision for retirement benefits	11,046	—
Provision for directors' retirement benefits	744	739
Net defined benefit liability	—	5,028
Other	14,565	13,775
Total non-current liabilities	**29,683**	**27,845**
Total liabilities	**154,650**	**181,354**
[NET ASSETS]		
Shareholders' equity		
Capital stock	61,005	61,005
Capital surplus	72,686	72,677
Retained earnings	593,608	629,616
Treasury shares	(43,879)	(23,892)
Total shareholders' equity	**683,420**	**739,407**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,095	1,813
Foreign currency translation adjustment	3,017	39,282
Remeasurements of defined benefit plans	—	2,988
Total accumulated other comprehensive income	4,112	44,083
Minority interests	**1,826**	**2,030**
Total net assets	**689,359**	**785,521**
Total liabilities and net assets	**844,010**	**966,875**

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

1. Consolidated Statement of Income

(Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Net sales	**323,135**	**395,304**
Cost of sales	**179,451**	**207,794**
Gross profit	**143,684**	**187,509**
Selling, general and administrative expenses	**65,656**	**82,356**
Operating income	**78,027**	**105,153**
Non-operating income		
Interest income	4,221	5,402
Dividend income	602	340
Foreign exchange gains	8,966	8,888
Dividend income of insurance	417	461
Gain on sales of scraps	567	523
Other	1,752	1,059
Total non-operating income	**16,528**	**16,674**
Non-operating expenses		
Interest expenses	331	309
Sales discounts	174	195
Other	312	249
Total non-operating expenses	**818**	**754**
Ordinary income	**93,737**	**121,073**
Extraordinary income		
Gain on sales of non-current assets	57	84
Gain on sales of investment securities	130	18
Gain on bargain purchase	—	40
Gain on transfer of benefit obligation relating to employees' pension fund	—	128
Other	57	7
Total extraordinary income	**244**	**279**
Extraordinary losses		
Loss on sales of non-current assets	61	18
Loss on retirement of non-current assets	165	205
Impairment loss	—	66
Loss on change in equity	—	40
Other	85	51
Total extraordinary losses	**312**	**382**
Income before income taxes and minority interests	**93,669**	**120,970**
Income taxes-current	30,475	36,073
Income taxes-deferred	(1,148)	(1,598)
Total income taxes	**29,326**	**34,474**
Income before minority interests	**64,343**	**86,495**
Minority interests in income	**72**	**183**
Net income	**64,270**	**86,311**

2. Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Income before minority interests	**64,343**	**86,495**
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	568	721
Foreign currency translation adjustment, net of tax	47,618	36,297
Total other comprehensive income	**48,186**	**37,018**
Comprehensive income	**112,530**	**123,513**
(Breakdown)		
Comprehensive income attributable to owners of parent	112,424	123,294
Comprehensive income attributable to minority interests	106	218

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (from April 1, 2012 to March 31, 2013)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of the period	61,005	72,677	538,935	(43,221)	629,397
Changes of items during period					
Dividends of surplus			(9,598)		(9,598)
Net income			64,270		64,270
Purchase of treasury shares				(808)	(808)
Disposal of treasury shares		9		149	158
Retirement of treasury shares					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	9	54,672	(658)	54,022
Net assets at end of the period	61,005	72,686	593,608	(43,879)	683,420

	Other accumulated comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of the period	543	(44,584)	—	(44,041)	1,736	587,093
Changes of items during period						
Dividends of surplus						(9,598)
Net income						64,270
Purchase of treasury shares						(808)
Disposal of treasury shares						158
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	551	47,601	—	48,153	90	48,243
Total changes of items during period	551	47,601	—	48,153	90	102,266
Net assets at end of the period	1,095	3,017	—	4,112	1,826	689,359

Consolidated fiscal year under review (from April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of the period	61,005	72,686	593,608	(43,879)	683,420
Changes of items during period					
Dividends of surplus			(10,886)		(10,886)
Net income			86,311		86,311
Purchase of treasury shares				(19,614)	(19,614)
Disposal of treasury shares		73		102	176
Retirement of treasury shares		(82)	(39,417)	39,500	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(9)	36,007	19,987	55,986
Net assets at end of the period	61,005	72,677	629,616	(23,892)	739,407

	Other accumulated comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of the period	1,095	3,017	—	4,112	1,826	689,359
Changes of items during period						
Dividends of surplus						(10,886)
Net income						86,311
Purchase of treasury shares						(19,614)
Disposal of treasury shares						176
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	717	36,265	2,988	39,970	203	40,174
Total changes of items during period	717	36,265	2,988	39,970	203	96,161
Net assets at end of the period	1,813	39,282	2,988	44,083	2,030	785,521

(4) Consolidated Statement of Cash Flows

(Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	93,669	120,970
Depreciation	10,952	12,618
Impairment loss	—	66
Increase (decrease) in allowance for doubtful accounts	(913)	14
Increase (decrease) in provision for directors' retirement benefits	11	(6)
Increase (decrease) in provision for retirement benefits	(972)	(11,072)
Increase (decrease) in net defined benefit liability	—	9,654
Interest and dividend income	(4,823)	(5,742)
Interest expenses	331	314
Foreign exchange losses (gains)	(3,933)	(3,878)
Loss (gain) on sales of investment securities	(125)	(14)
Decrease (increase) in notes and accounts receivable-trade	5,382	(9,278)
Decrease (increase) in inventories	(824)	(240)
Increase (decrease) in notes and accounts payable-trade	(8,921)	(858)
Decrease (increase) in other current assets	847	(1,093)
Increase (decrease) in other current liabilities	(5,405)	815
Other, net	193	228
Subtotal	85,468	112,497
Interest and dividend income received	4,494	5,836
Interest expenses paid	(335)	(270)
Income taxes (paid) refund	(22,649)	(34,344)
Net cash provided by operating activities	**66,977**	**83,719**

(Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from investing activities		
Payments into time deposits	(49,150)	(57,807)
Proceeds from withdrawal of time deposits	15,358	35,506
Purchase of securities	—	505
Proceeds from sales of securities	1,000	—
Purchase of property, plant and equipment	(15,841)	(25,914)
Purchase of investment securities	(2,733)	(5,871)
Proceeds from sales of investment securities	748	565
Payments of loans receivable	(1,905)	(28)
Collection of loans receivable	47	198
Purchase of insurance funds	(7,535)	(7,647)
Proceeds from maturity of insurance funds	2,903	2,579
Other, net	(405)	(2,410)
Net cash used in investing activities	**(57,513)**	**(60,326)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(190)	29,800
Proceeds from long-term loans payable	2,600	7,385
Repayments of long-term loans payable	(2,748)	(8,627)
Purchase of treasury shares	(808)	(19,614)
Cash dividends paid	(9,601)	(10,886)
Other, net	116	140
Net cash used in financing activities	**(10,630)**	**(1,802)**
Effect of exchange rate change on cash and cash equivalents	**15,443**	**13,487**
Net increase (decrease) in cash and cash equivalents	**14,276**	**35,076**
Cash and cash equivalents at beginning of period	**159,224**	**173,501**
Cash and cash equivalents at the end of period	**173,501**	**208,577**

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

N/A

(Changes in accounting policies)

Since the end of the consolidated fiscal year under review, SMC group has applied the “Accounting Standards for Retirement Benefits” (Corporate Accounting Standards No. 26 issued on May 17, 2012; hereinafter “Retirement Benefits Accounting Standards”) and the “Application Guidelines for Accounting Standards for Retirement Benefits” (Application Guidelines for Corporate Accounting Standards No. 25 issued on May 17, 2012; hereinafter “Retirement Benefits Application Guidelines”) (excluding the provisions set forth in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standards and the provisions set forth in the main clause of Paragraph 67 of the Retirement Benefits Application Guidelines).

As a result, the amount after deducting pension assets from retirement benefit obligations is recorded as a liability or asset for retirement benefits. Unrecognized actuarial differences and unrecognized prior service costs are recorded as a liability for retirement benefits.

Application of Retirement Benefits Accounting Standards, etc. is pursuant to the transitional treatment stipulated in Paragraph 37 of the Retirement Benefits Accounting Standards. As of the end of the consolidated fiscal year under review, the amount affected by this change is added to or deducted from the accumulated adjustment for retirement benefits in accumulated other comprehensive income.

The effects of this change on total assets, liabilities, and net assets are negligible.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segment

The reportable segment of SMC comprises constituent units of the Group for which separate financial information is available and examined on a regular basis by the board of directors to determine the allocation of management resources and evaluate financial results.

SMC group produces automatic control equipment including pneumatic equipment in Japan and abroad, and sells them to users around the world. Each group company is an independent operating unit.

Pneumatic equipment, including air cylinders, electromagnetic valves, and air filters are SMC group’s flagship products, and these constitute product lines that are used as relay units or terminal units for compressed air pipes. These products have the same or similar manufacturing procedures/processes, accessory services, types of market/customer, and sales procedures.

For this reason, SMC consolidates pneumatic equipment-related businesses into a reportable segment as the “automatic control equipment business.”

2. Reportable segment information on net sales, profit/loss and assets

Previous consolidated fiscal year (from April 1, 2012 to March 31, 2013)

(Unit: Million yen)

	Reportable segment	Others (Note) 1	Total	Adjustment amount (Note) 2	Amount included in consolidated financial statements (Note) 3
	Automatic control equipment business				
Net sales					
Sales to external customers	320,778	2,357	323,135	—	323,135
Inter-segment sales or transfers	—	144	144	(144)	—
Total	320,778	2,502	323,280	(144)	323,135
Segment profit	80,599	205	80,804	(2,776)	78,027
Segment asset	637,801	7,998	645,800	198,209	844,010

(Note) 1 The category of “Others” applies to business segments not included in the reportable segment. The commercial warehouse business is included in this category.

2 Adjustment amounts are as follows:

(1) The segment profit adjustment of (2,776) million yen includes company-wide costs of (2,776) million yen in general and administrative expenses not belonging to the reportable segment.

(2) The segment asset adjustment of 198,209 million yen includes company-wide assets of 202,423 million yen not allocated to the reportable segment.

3 Adjustment is made between segment profit and operating income in the consolidated statements of income.

Consolidated fiscal year under review (from April 1, 2013 to March 31, 2014)

(Unit: Million yen)

	Reportable segment	Others (Note) 1	Total	Adjustment amount (Note) 2	Amount included in consolidated financial statements (Note) 3
	Automatic control equipment business				
Net sales					
Sales to external customers	393,119	2,185	395,304	—	395,304
Inter-segment sales or transfers	—	147	147	(147)	—
Total	393,119	2,332	395,451	(147)	395,304
Segment profit	108,227	123	108,350	(3,197)	105,153
Segment asset	731,185	7,823	739,009	227,866	966,875

(Note) 1 The category of “Others” applies to business segments not included in the reportable segment. The commercial warehouse business is included in this category.

2 Adjustment amounts are as follows:

(1) The segment profit adjustment of (3,197) million yen includes company-wide costs of (3,197) million yen in general and administrative expenses not belonging to the reportable segment.

(2) The segment asset adjustment of 227,866 million yen includes company-wide assets of 231,933 million yen not allocated to the reportable segment.

3 Adjustment is made between segment profit and operating income in the consolidated statements of income.

[Related information]

Previous consolidated fiscal year (from April 1, 2012 to March 31, 2013)

1. Geographical information

(1) Net sales

(Unit: Million yen)

Japan	United States	China	Asia (excl. China)	Europe	Other regions	Total
119,048	35,270	48,028	48,166	52,215	20,406	323,135

(Note) Net sales are classified by country and region based on locations of customers.

(2) Property, plant and equipment

(Unit: Million yen)

Japan	China	Asia (excl. China)	Other regions	total
48,537	22,372	12,441	27,096	110,446

2. Information by major customer

This information is omitted because no net sales to external customers account for 10% or more of consolidated net sales.

Consolidated fiscal year under review (from April 1, 2013 to March 31, 2014)

1. Geographical information

(1) Net sales

(Unit: Million yen)

Japan	United States	China	Asia (excl. China)	Europe	Other regions	Total
128,214	46,445	63,877	61,678	71,119	23,969	395,304

(Note) Net sales are classified by country and region based on locations of customers.

(2) Property, plant and equipment

(Unit: Million yen)

Japan	China	Asia (excl. China)	Other regions	total
49,721	27,600	14,214	34,302	125,837

2. Information by major customer

This information is omitted because no net sales to external customers account for 10% or more of consolidated net sales.

(Per share information)

	Previous consolidated FY (April 1, 2012 – March 31, 2013)	Consolidated FY under review (April 1, 2013 – March 31, 2014)
Net asset per share	10,031.63 yen	11,599.87 yen
Net income per share	937.70 yen	1,274.20 yen

(Note) 1 Diluted net income per share is not stated as there are no dilutive stocks.

2 The basis for calculating net assets per share is as follows.

Item	End of previous consolidated FY (March 31, 2013)	End of consolidated FY under review (March 31, 2014)
Total net assets (Million yen)	689,359	785,521
Amount deducted from total net assets (Million yen)	1,826	2,030
(o/w minority interests) (Million yen)	(1,826)	(2,030)
Year-end net assets for common shares (Million Yen)	687,532	783,490
Year-end number of common shares used for calculating net assets per share (1,000 shares)	68,536	67,543

3 The basis for calculating net income per share is as follows.

Item	Previous consolidated FY (April 1, 2012 – March 31, 2013)	Consolidated FY under review (April 1, 2013 – March 31, 2014)
Net income per share		
Net income (Million yen)	64,270	86,311
Amount not belonging to common shareholders (Million yen)	—	—
Net income for common shares (Million yen)	64,270	86,311
Average number of common shares during fiscal year (1,000 shares)	68,540	67,737

4 The “Year-end number of common shares used for calculating net assets per share” and “Average number of common shares during fiscal year” are calculated after deducting the Company’s shares held by the Employee Stock Ownership Plan (ESOP) trust.

(Significant subsequent events)

N/A

4. Additional Information

(1) Geographic segment information

(Millions of Yen)

	Year ended March 31, 2014							
	Japan	North America	Europe	Asia	Other	Total	Intersegment Eliminations	Consolidated
Net sales								
(1) Sales to external customers	133,751	59,746	67,699	122,238	11,868	395,304	—	395,304
(2) Intersegment sales	141,956	1,260	1,135	40,926	20	185,298	(185,298)	—
Total	275,708	61,006	68,834	163,164	11,889	580,603	(185,298)	395,304
Operating income	60,102	10,343	8,606	30,928	1,005	110,986	(5,833)	105,153

(2) Capital expenditures, Depreciation and R&D expense

(Millions of Yen)

	Year ended March 31, 2014 (Actual)		Year ending March 31, 2015 (Forecast)	
Capital expenditures	22,563	23.0%	26,000	15.2%
Depreciation	12,142	15.8%	13,500	11.2%
R&D expense	15,544	13.2%	15,800	1.6%

(3) Foreign currency exchange rates

	Year ended March 31, 2014 (Actual)		Year ending March 31, 2015 (Forecast)
	(average)	(at end)	(average)
U S $	¥ 100.17	¥ 102.92	¥ 100
E U R	¥ 134.22	¥ 141.61	¥ 140

(4) Full-time employees and temporary employees

(Number of personnel)

	Year ended March 31, 2014	increase from last year end
Full-time employees (at end)	16,010	414
Temporary employees (average)	4,703	(182)