SUMMARY OF FINANCIAL STATEMENTS [Japan GAAP] (CONSOLIDATED)

Financial Results for the Fiscal Year Ended March 31, 2014

May 16, 2014

Company Name: Yamaichi Electronics Co., Ltd.

Code：6941 Tokyo Stock Exchange 1st section URL: http://www.yamaichi.co.jp

President：Yoshitaka Ota

Managing Director：Katsuichi Kato Tel: (03)3734-0171

Scheduled date of securities report submission: June 26, 2014

Scheduled date of dividend payment commencement: June 27, 2014

Supplementary materials for the quarterly financial statements: Yes

Presentation to explain for the quarterly financial statements: Yes

1. Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2014

(1) Consolidated Operating Results (aggregated)

(Percentage figures represent changes from the same period of the previous year.)

	Net Sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2014	21,778	9.1	806	–	1,292	–	970	–
Year ended March 31, 2013	19,962	△13.8	△1,242	–	△810	–	△3,139	–

Notes: Comprehensive income : Year ended March 31, 2014 ¥ 1,338 million (–%) : Year ended March 31, 2013 ¥ △2,754 million (–%).

	Net profit per share	Diluted net profit per share	Return on equity	Return on assets	Operating profit ratio
	Yen	Yen	%	%	%
Year ended March 31, 2014	41.65	–	7.5	5.6	3.7
Year ended March 31, 2013	△134.82	–	△23.1	△3.3	△6.2

Notes: Equity in profit of affiliates: Year ended March 31, 2014: Yen △21 million ; Year ended March 31, 2013: Yen △31 million.

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	23,582	13,482	57.1	578.27
As of March 31, 2013	22,828	12,252	53.6	525.32

Notes: Shareholders' Equity as of March 31, 2014: ¥13,466 million ; as of March 31, 2013: ¥12,233 million.

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used for investing activities	Net cash used for financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2014	2,783	△698	△1,125	4,871
Year ended March 31, 2013	429	△1,673	△445	3,795

2. Dividends

	Dividends per share			Total dividends	Dividend payout	Dividend on equity
	Interim	Year-end	Total			
	Yen	Yen	Yen	Millions of Yen	%	%
Year ended March 31, 2013	0.00	0.00	0.00	—	—	—
Year ended March 31, 2014	0.00	5.00	5.00	116	12.0	0.9
Year ending March 31, 2015 (Forecast)	0.00	—	—		—	

Notes: Dividends per share as of Year ending March 31, 2015：Undecided

3. Forecast of Consolidated Operating Results for the year ending March 31, 2015

(Percentage figures represent changes from the same period of previous year.)

	Net Sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year ending September 30, 2014	11,400	2.6	460	7.9	420	△34.5	350	△32.1	15.03
Year ended March 31, 2015	23,100	6.1	1,000	23.9	900	△30.4	750	△22.7	32.21

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4. Other

(1) Changes in significant subsidiaries during the period: No

(Changes in specified subsidiaries resulting in the change in consolidation scope)

(2) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards etc.: Yes

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding (including treasury stock) at term end:

March 31, 2014	23,289,775 shares
March 31, 2013	23,289,775 shares

2) Number of shares of treasury stock at term end:

March 31, 2014	2,790 shares
March 31, 2013	2,790 shares

3) Average number of outstanding shares (during the second quarter ended September 30):

March 31, 2014	23,286,985 shares
March 31, 2013	23,286,985 shares

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5. Results of Operations

(1) Analysis of Results of Operations

The world economy in the current consolidated fiscal year is slowly recovering as a whole led mainly by the United States. Due to the decelerated growth in new-emerging markets including China and the sluggish economy in Europe on account of debt issues, however, the overall economic situation has continued to be difficult. In the meantime, Japanese economy has experienced continued recovery due to the progress of the weaker yen and improvement in employment situation. In addition, consumer spending and capital investment have increased because of a last-minute demand in anticipation of the consumption tax increase.

In the electronics industry to which our Company Group is related, the demand for mobile terminal apparatus such as smart phones and tablet terminals sustained high growth, while the overall situation for products for consumer electronics such as flat-screen TVs, personal computers, digital cameras and others was difficult despite the last-minute demand before the consumption tax increase in some products.

Under such business environment, in order to focus corporate resources on core businesses and increase sustainable growth as well as earning power, we ceased our EMS business both in Japan and overseas to carry out “business structure innovation” aimed at improved efficiency in global business and reduction of fixed costs.

Consequently, the current consolidated accounting year business results were sales of 21,778 million yen (up 9.1% from the same period previous year), thanks to increased income from both the Test solution business and Connector solution business despite decreased income due to the withdrawal from the PV solution business and EMS business. In terms of profits, the operating profit amounted to 806 million yen (vs. operating loss of 1,242 million yen in the same period the previous year) due to reduced expenses through structural innovation and the ordinary income amounted to 1,292 million yen (vs. ordinary loss of 810 million yen in the same period the previous year) because of exchange profit of 536 million yen. As a result, current net income amounted to 970 million yen (vs. current net loss of 3,139 million yen in the same period the previous year). This was because extraordinary loss consisting of 83 million yen of special retirement benefits based on employment laws abroad and 61 million yen of fixed assets impairment loss was posted.

Business results by segment are as follows:

[Test solution business]

In this business segment, sales of burn-in socket products for testing memory-based and logic-based semiconductors registered a significant increase in revenue due to strong capital investment in semiconductors for mobile equipment and vehicles in addition to the launching effect of new products. In addition, the development of mass production system for test socket products for cutting-edge semiconductors has expanded sales and led to the expansion of business infrastructure.

Consequently, sales amounted to 9,019 million yen (up 24.5% from the same period the previous year), and operating profit amounted to 1,034 million yen (up 330.6% from the same period the previous year).

[Connector solution business]

Connector products of this segment showed good sales as a result of having focused on communication

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infrastructure equipment, vehicle information equipment and connector products for industrial applications, in addition to the end of inventory adjustment as well as a last-minute rise in demand in anticipation of the consumption tax increase. Sales of YFLEX products were slow due to a drop in demand for amusement equipment. In terms of profit, however, an improvement was observed due to the improvement in product mix by the launch of new products and reduction of fixed expenses.

Consequently, sales amounted to 11,367 million yen (up 20.8% from the same period the previous year), and operating loss amounted to 56 million yen (vs. operating loss of 776 million yen in the same period the previous year).

[Optics-related business]

Filter products of this segment faced slow sales in video equipments including digital cameras etc, but sales of new thin-filter products for optical communication registered a steady growth. Quality improvement in development and production was also achieved.

Consequently, sales amounted to 1,193 million yen (down 0.8% from the same period the previous year), and operating profit amounted to 43 million yen (up 47.0% from the same period the previous year).

[EMS business]

EMS business of Pricon Microelectronics Inc., a consolidated subsidiary company, was transferred on June 28, 2013, while Matty Co., Ltd. which had operated MS business in Japan stopped its business operations as of June 10, 2013 and completed liquidation on November 19, 2013. As a result, the Company Group withdrew from EMS business as of the current consolidated fiscal year.

Consequently, sales amounted to 198 million yen (down 83.3% from the same period the previous year), and operating loss amounted to 83 million yen (loss of 75 in the same period the previous year).

As for prospects for the next period, the Company Group will endeavor to achieve sustained growth and improved profitability based on three pillars consisting of “structural reforms,” “strengthening of profitability” and “growth strategy.” For the purpose, we will focus on test solution business, connector solution business and optics-related business.

Full-year consolidated business results are expected to be sales of 23,100 million yen (up 6.1% from the same period the previous year), operating profit of 1,000 million yen (up 23.9 % from the same period the previous year), ordinary profit of 900 million yen (down 30.4 % from the same period the previous year), and current net profit of 750 million yen (down 22.7 % from the same period the previous year).

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(2) Analysis of Financial Condition

① State of assets, liabilities and net assets

Assets at the end of the current consolidated accounting year amounted to 23,582 million yen (up 754 million yen from the end of the same period the previous year).

Current assets increase 990 million yen due to increase in cash and deposits due to the recording of current net income and the transfer of the EMS business asset of Pricon Microelectronics Inc.

Tangible fixed assets in the form of buildings and structures decreased 141 million yen due to the transfer of the EMS business asset of Pricon Microelectronics Inc. despite the acquisition of alternative assets.

Investments and other assets decreased 78 million yen because of a decrease in deposit due to the relocation of our head office despite an increase in the value of investment securities.

Liabilities amounted to 10,100 million yen (down 475 million yen from the end of the same period the previous year).

Current liabilities decreased 221 million yen because of decrease in short-term loans despite an increase in bills payable and accounts payable due to increase in sales and influence of currency exchange.

Fixed liabilities decreased 253 million yen due to decrease in long-term lease debts despite an increase in deferred tax liability caused by an increase in the value of investment securities.

Net assets amounted to 13,482 million yen (up 1,229 million yen from the end of the same period the previous year).

Shareholders' equity increased 970 million yen after current net profit was posted.

② State of cash flows

Cash and cash equivalents (referred to hereinafter as "funds") in the current consolidated account year increased by 1,075 million yen due to increase in business cash-flow through increased sales and income brought about by the transfer of the EMS business asset of Pricon Microelectronics Inc. and funds at the end of the current consolidated fiscal year amounted to 4,871 million yen.

State of cash flows in the current consolidated account year and their situational factors are as follows:

(Cash flow from operating activities)

Funds acquired from operating activities amounted to 2,783 million yen (up 548.8% from the same period the previous year). This was mainly brought about by the recording of current net income before taxes and other adjustments and decrease in payment of special retirement benefits.

(Cash flow from investment activities)

Funds used for investment activities amounted to 698 million yen (down 58.2% from the same period the previous year). This was mainly brought about by income from the e transfer of the EMS business production facilities of Pricon Microelectronics Inc. despite the acquisition of tangible fixed assets.

(Cash flow from financial activities)

Funds used for financial activities amounted to 1,125 million yen (up 152.4% from the same period the previous year). This was mainly due to repayment of loans and financial lease debts.

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The following table shows cash flow indicator trends of the Company Group.

	Year Ended March 2010	Year Ended March 2011	Year Ended March 2012	Year Ended March 2013	Year Ended March 2014
Self Capital ratio (%)	55.5	59.0	57.1	53.6	57.1
Market value-based capital ratio (%)	26.5	22.4	15.9	15.9	41.1
Cash flow-to-interest-bearing debt ratio (per year)	---	2.5	10.9	17.2	2.3
Interest coverage ratio (times)	-1.5	14.7	3.9	2.5	16.6

Self capital ratio: Self capital ratio/gross asset
Market value-based self capital ratio: Gross market value of stock/gross asset
Cash flow-to-interest bearing debt ratio: Interest-bearing debt/cash flow
Interest coverage ratio: cash flow/interest payment
(Note 1) All calculations are based on consolidation-based financial figures.
(Note 2) Gross market value of stock is calculated on the basis of the number of issued stock excluding treasury stock.
(Note 3) Business cash flow is used for cash flow.

（3）Basic policies on profit distribution and dividend for current/next period

Our basic policies on profit distribution are to provide stable dividend and return a fair profit to stockholders while strengthening financial standing and business foundation. Additionally, we consider internal reserves necessary to develop new technologies and products from a long-term standpoint, establish financial standing capable of responding to anticipated changes in the business environment, expand our business and improve the efficiency of business management for the future.

Based on the above policies, we will provide a dividend of 5 yen per share for the fiscal year according to the revision of the year-end dividend forecast published on February 7, 2014.

Prospects for the dividend for the next period are uncertain at the moment and when the outlook for business results becomes clear, they will be announced at any time.

(4) Risks associated with business, etc.

Followings are the risks that may affect operating results, financial conditions, etc. of the Company Group.

① Risk associated with exchange rate fluctuation

Business operations of the Company Group are involved in production and sales of global products. Since our overseas production bases are located in the Philippines, China, South Korea and Germany, rise of currency value in these areas will directly push up production and funding costs.

Rising costs should deteriorate the price competitiveness of our Company Group and may hence have a negative impact on corporate earnings. In addition to Japanese yen, various currencies including US dollar, Euro, Singapore dollar are used in sales. Depreciation of currency value in related countries may result in decrease in income of the Company Group and can hurt corporate earnings. Although we try to eliminate any harmful influence through the use of currency hedging transactions for short-term risk of exchange rate fluctuations, we may not be able to deal with mid-and-long term exchange rate fluctuations. In such case, it may have a negative impact on operating results and financial conditions of the Company Group.

② Risk associated with operating results fluctuation

Given that a demand for test solution business related products which are a vital part of business earnings was significantly affected by the world's semiconductor supply and demand over the past years including the current consolidated accounting year, there are some factors in the Company Group's operating results that we cannot control. These factors consist of significant changes accompanying shift in overall economy and business environment, success and failure over launching new products onto the market, changes of product strategy, etc., requested by major customers, cancellation of large orders, bankruptcy of major customers, and dissolution of major customers as a result of M&A, etc. In case such unfavorable changes should occur, they may have a negative impact on operating results and financial conditions of the Company Group.

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③ Risk associated with price competition

Because progress of technological innovation in cell-phones, PCs, digital AV equipments and components has been accelerated, transition to new products has become quicker. As a result, the electronic component industry to which our Company Group belongs is now in the environment where movements for inventory adjustment in market and price competitions with other competitors have become increasingly fierce. Although we actively work on accumulating our unique technology and developing new products and technologies through continuing development investment, further price drops are anticipated to occur due to demands for lower costs from customers, new entries and challenges by other competitors, etc., while price-cutting competitions have been intensified in the industry both domestic and overseas.

The Company Group continues to promote structural reforms on earnings and costs from a global perspective, but if larger-than-expected price competitions, drops in selling price and inventory adjustments should occur, they may have a negative impact on operating results and financial conditions of the Company Group.

④ Risk associated with product quality and defects

We manufacture various products in accordance with globally-accredited quality control standards at each production base. However, there is no assurance that prevents product quality or recall issues from happening due to increasing demands for more refined and higher quality products. Especially because connectors for consumer industries are eventually used for mass-produced cell-phones and printers, connector-related issues could result in enormous compensation. In such case, it may have a negative impact on operating results and financial conditions of the Company Group.

⑤ Risk associated with intellectual property rights

As a technology development based corporation, our Company Group has so far accumulated technologies that distinguish us from other competitors. As a result of raid globalization of production plants, however, the intellectual property rights of the Company Group may not be fully protected in some areas. Furthermore, as a result of rapid technological development race among competitors, our technologies may also infringe on the intellectual property rights of other companies unconsciously.

⑥ Risk associated with lawsuits

When expanding the range of business activities in which our Company Group is engaged, there are possible risks that can be the subject of lawsuits such as intellectual property rights, product liability, environment and labor difficulties, etc. In case a serious suit is filed against the Company Group, it may have a negative impact on operating results and financial conditions of the Company Group.

⑦ Risk associated with overseas business expansion

A large part of our production and sales activities are now conducted in overseas countries such as South-East Asian and European countries, China and the U.S., etc. When advancing business into foreign countries, we could face such risks as follows:

- Unpredictable changes in tax and legal systems
- Wage increase by labor disputes and unexpectedly high wage increase as a result of changes in the minimum wage law
- Difficulties in continuing operations due to epidemic outbreaks, conflicts, terrorism and natural disasters
- Uncertainty of infrastructures for energy, logistics, etc.
- Difficulties in securing qualified human resources

etc.

In case these risks should occur, they may have a negative impact on operating results and financial conditions of the Company Group.

⑧ Risk associated with dependence on subcontract parts sources

Our Company Group depends on subcontractors for a large part of raw materials, components and jigs supplies. Although we have formed a partnership for stable supplies with them, there is no assurance that shortages of materials and components or delays of jig supplies will not emerge every now and then.

Such problems in the supply of raw materials, components and jigs may lead to rising cost of our products, and consequently, the Company Group will lose its competitive power. In such case, it may have a negative impact on operating results of the Company Group.

⑨ Risk associated with fluctuation of raw material price

Metallic and petrochemical raw materials including gold, copper, etc., that the Company Group uses often undergo big price fluctuations.

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When soaring raw material prices cannot be sufficiently transferred to product prices, or product costs after conversing products cannot be restrained, such cases may have a negative impact on operating results of the Company Group.

⑩ Risk associated with technology trend forecast

The Company Group secures its operating results by developing new products reflecting innovative technologies and resources, but it will be impossible to recover funneled resources once we misread a forecast for new technology trends and needs in market. In such case, it may have a negative impact on operating results of the Company Group.

⑪ Risk associated with excessive concentration of mass production bases

Except production bases for test solution business products (the Philippines and Chiba Pref.) and PV solution business products (Germany and Shenzhen, China), each cluster of production bases are excessively concentrated in a particular site as follows; connector solution business products in Shenzhen, China, optic-related products in Kanagawa Pref., LCD assembly business products in Okayama Pref. etc.

In case unexpected trouble that disables the operation at these production sites should occur for some reasons, it may have a negative impact on operating results of the Company Group.

⑫ Risk associated with impairment loss

In case income assumed at the time of acquisition of assets including land and facilities owned by the Company Group can no longer be expected, impairment loss will be posted by the application of "Accounting Standards for Impairment of Fixed Assets." Consequently, it may have a negative impact on operating results of the Company Group.

⑬ Risk associated with financial arrangements

When funding costs necessary for the Company Group to develop a business increase due to such reasons as rise in interest rates or decrease of Company Group's credibility, profitability of the Company Group may decrease. Also, if the Company Group is requested to pay interest-bearing debts back in a lump sum, it may have a negative impact on financial conditions of the Company Group.

6. Management Policy

(1) Basic management policy

The corporate slogan of our Company Group goes "Better Connection with More Flexible Mind" to vigorously create better connections among people, companies, society and the Earth, with flexible technologies and ingenuity. Based on its management philosophy of "People: Our most Important Assets," "Create Value," "Commitment to Quality," "Technology Innovation Makes a Difference" and "Contribution to Communities and Environment," the Company Group will contribute to create values for customers and endeavor to improve sustained corporate value.

(2) Mid to long-term corporate management strategy and challenges to be met by the Company Group

Since fiscal year 2013, the Company Group has got involved in "business structural reforms" consisting of three pillars："structural reforms," "strengthening of profitability" and "growth strategy." For achieving "structural reforms" and "strengthening of profitability," we endeavored to reduce fixed expenses and improve or dispose of unprofitable products by withdrawing from PV solution business and EMS business. We will further continue to promote the reduction of fixed expenses by strengthening cooperation among the Group Companies and improving business efficiency. For "strengthening profitability," we will concentrate our business resources on three pillars of test solution business, connector solution business and optics-related business and strengthen the global system through cooperation by groups of regions, markets, customers and products in order to maximize our consolidated profit. For the implementation of "growth strategy," we will provide a practical approach based on keywords such as "Developing regions, developing markets, active customers and profitable products" as well as "Creation of attractive products."

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The Company Group will advance the following measures for the implementation of growth strategy for each business.

[Test solution business]

・Further promote technology development, and enhance services for worldwide customers as a brand leader for burn-in socket products for sales expansion.

・Further strengthen production and sales structures of test socket products for sales expansion.

・Strengthen the global system through cooperation by groups of regions, markets, customers and products.

[Connector solution business]

・Expand sales of products for three markets of communications, automobile and industrial equipment.

・Enhance relationship with vital worldwide customers and expand a customer base by offering technology and products that fit customer needs.

・Strengthen development and production system of YFLEX products to expand customer base and sales.

[Optics-related business]

・Expand sales of high-performance IR cut filter, polyamide filter and quantum dot light sources as strategic products.

・Integrate the development and production of strategic products to shorten the lead time and reduce loss cost.

Consolidated Balance Sheets

(Thousand of yen)

	As of March 31, 2013	As of March 31, 2014
	Amount	Amount
(ASSETS)		
Current assets		
Cash and deposits	3,805,780	4,890,952
Notes and accounts receivable-trade	3,936,584	3,943,119
Merchandise and finished goods	1,220,424	1,241,731
Work in process	300,112	226,183
Raw materials and supplies	1,353,897	1,332,222
Deferred tax assets	37,392	53,288
Other	634,694	583,656
Allowance for doubtful accounts	△18,433	△10,018
Total current assets	11,270,452	12,261,134
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,774,714	2,775,372
Machinery, equipment and vehicles	1,448,266	1,209,221
Tools, furniture and fixtures	1,352,952	1,434,748
Land	3,440,176	3,437,510
Lease assets	41,250	60,350
Construction in progress	187,620	186,427
Total tangible fixed assets	9,244,981	9,103,631
Intangible fixed assets		
Software	39,378	44,906
Other	53,114	32,180
Total intangible fixed assets	92,493	77,087
Investments and other assets		
Investment securities	1,263,087	1,627,780
Long-term loans receivable	54,051	—
Deferred tax assets	58,678	118,637
Provision for retirement assets	—	170,507
Other	953,398	254,666
Allowance for doubtful accounts	△114,447	△35,183
Total investments and other assets	2,214,767	2,136,407
Total fixed assets	11,552,242	11,317,127
Deferred assets	5,519	4,659
Total assets	22,828,213	23,582,921

(Thousand of yen)

	As of March 31, 2013	As of March 31, 2014
	Amount	Amount
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	1,279,874	1,521,447
Current portion of bonds	35,000	35,000
Short-term loans payable	4,913,100	4,485,920
Current portion of long-term loans payable	595,600	412,560
Lease obligations	478,753	480,752
Income taxes payable	54,370	119,862
Provision for bonuses	110,198	163,895
Deferred tax liabilities	65,347	67,258
Other	1,301,591	1,325,339
Total current liabilities	8,833,836	8,612,036
Long-term liabilities		
Bonds payable	197,500	162,500
Long-term borrowings	691,300	428,740
Lease obligations	457,631	351,946
Deferred tax liabilities	154,354	239,492
Accrued severance indemnities	24,642	—
Allowance for director's retirement benefits	23,500	62,689
Provision for retirement liabilities	—	32,225
Asset retirement obligations	17,899	18,311
Other	175,326	192,925
Total long-term liabilities	1,742,154	1,488,830
Total liabilities	10,575,990	10,100,867
(NET ASSETS)		
Shareholders' equity		
Common stock	10,047,063	10,047,063
Capital surplus	4,520,001	1,586,633
Retained earnings	△1,449,293	2,454,079
Treasury stock - at cost	△3,754	△3,754
Total shareholders' equity	13,114,017	14,084,022
Valuation and translation adjustments		
Unrealized gains on available-for-sale securities	191,392	413,945
Foreign currency translation adjustments	△1,072,318	△926,748
Provision for retirement translation adjustment	—	△105,111
Total valuation and translation adjustments	△880,925	△617,915
Minority interests	19,131	15,946
Total net assets	12,252,222	13,482,053
Total liabilities and total net assets	22,828,213	23,582,921

Consolidated Statements of Income

(Thousand of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
	Amount	Amount
Net sales	19,962,440	21,778,893
Cost of sales	15,857,264	15,417,663
Gross profit	4,105,176	6,361,229
Selling, general and administrative expenses		
Salaries	2,448,021	2,569,684
Bonuses	75,890	160,141
Welfare expenses	401,572	404,801
Retirement benefit expenses	115,398	102,805
Freightage related expenses	257,107	285,928
Traveling and transportation expenses	207,488	187,508
Depreciation	209,909	159,155
Rent expenses	322,249	369,867
Communication expenses	69,293	67,403
Commission fee	196,668	212,470
Miscellaneous expenses	1,043,699	1,034,531
Total Selling, general and administrative expenses	5,347,298	5,554,298
Operating income	△1,242,122	806,931
Non-operating income		
Interests income	10,643	6,182
Dividends income	16,453	34,342
Foreign exchange gains	489,527	536,716
Gain on sales of scraps	39,188	58,391
Subsidy income	89,119	30,990
Other	121,778	113,796
Total non-operating income	766,710	780,419
Non-operating expenses		
Interests expense	179,682	165,768
Equity in losses of affiliates	31,064	21,740
Other	123,917	107,450
Total non-operating expenses	334,664	294,959
Ordinary income	△810,076	1,292,391

(Thousand of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	25,486	38,915
Gain on sales of golf memberships	1,400	—
Total extraordinary income	26,886	38,915
Extraordinary loss		
Loss on sale of fixed assets	986	19,358
Loss on sales of investment securities	5,783	—
Loss on change in equity	5,739	—
Special retirement expenses	802,248	83,531
Impairment loss	1,359,190	61,295
Loss on liquidation of subsidiaries and affiliates	72,881	—
Total extraordinary loss	2,246,831	164,185
Income before income taxes	△3,030,020	1,167,121
Income taxes	110,578	197,050
Minority interests	△956	65
Net income	△3,139,642	970,005

(Thousand of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
	Amount	Amount
Income before minority interests	△3,140,599	970,070
Other comprehensive income		
Unrealized gains on available-for-sale securities	82,844	222,552
Foreign currency translation adjustments	272,522	115,387
Other	30,694	30,561
Total other comprehensive income	386,061	368,501
Comprehensive income	△2,754,537	1,338,572
Attribute to		
Comprehensive income attribute to owners of the parent	△2,753,991	1,338,126
Comprehensive income attribute to minority interests	△546	445

Consolidated Statements of Cash Flows

(Thousand of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
	Amount	Amount
Cash Flows from Operating Activities		
Income before income taxes and other adjustments to net income	△3,030,020	1,167,121
Depreciation and amortization	1,690,938	1,453,630
Loss on impairment of long-lived assets	1,359,190	61,295
Interest and dividends income	△27,097	△40,524
Interest expenses	179,682	165,768
Exchange (gain) loss	△585,368	△515,318
Equity in profit of affiliates	31,064	21,740
Loss (gain) on sales of fixed assets	△24,499	△19,557
Extra retirement payment	802,248	83,531
Loss (gain) on liquidation of subsidiaries and affiliates	72,881	—
Decrease (increase) in notes and accounts receivable-trade	776,469	212,210
Decrease (increase) in inventories	517,106	310,865
Increase (decrease) in notes and accounts payable-trade	△373,882	119,575
Increase (decrease) in accounts payable-other	95,686	27,554
Decrease (increase) in provision for retirement assets	—	△170,507
Increase (decrease) in provision for retirement liabilities	—	32,225
Increase (decrease) in provision for retirement benefits	△30,723	△29,573
Increase (decrease) in provision for directors' retirement benefits	△18,205	39,189
Other, net	△120,458	346,629
Sub total	1,315,012	3,265,857
Interest and dividends income received	33,750	46,316
Interest expenses paid	△171,301	△167,187
Payments for extra retirement payments	△635,920	△180,498
Income taxes paid	△112,531	△181,120
Net Cash provided by Operating Activities	429,009	2,783,368

(Thousand of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
	Amount	Amount
Cash Flows from Investing Activities		
Payments into time deposits	△3,000	△19,300
Proceeds from withdrawal of time deposits	8,500	10,000
Purchase of property, plant and equipment	△1,702,339	△2,224,198
Proceeds from sales of property, plant and equipment	35,299	1,172,307
Purchase of investment securities	△5,142	△5,573
Proceeds from sales of investment securities	—	11,404
Purchase of insurance funds	△12,304	△36,596
Proceeds from maturity of insurance funds	11,803	118,541
Other, net	△6,056	274,633
Net Cash used in Investing Activities	△1,673,239	△698,781
Cash flows from Financing Activities		
Net increase (decrease) in short-term loans payable	△720,844	△439,540
Proceeds from long-term loans payable	600,000	150,000
Repayment of long-term loans payable	△779,100	△595,600
Proceeds from issuance of bonds	237,679	—
Redemption of bonds	△17,500	△35,000
Increase from lease assets	619,956	454,747
Repayments of finance lease obligations	△386,026	△659,781
Other	—	△2
Net Cash used in Financing Activities	△445,835	△1,125,176
Effect of exchange rates changes on cash and cash equivalents	193,494	116,462
Net increase (decrease) of cash and cash equivalents	△1,496,570	1,075,872
Cash and Cash Equivalents at beginning of period	5,292,350	3,795,780
Cash and Cash Equivalents at end of period	3,795,780	4,871,652