Translation

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Member of the Financial Accounting Standards Foundation

February 6, 2015

CONSOLIDATED FINANCIAL RESULTS for the Year Ended December 31, 2014 (Unaudited) <under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**
Listing: First Section of the Tokyo Stock Exchange
Securities identification code: 5214
URL: http://www.neg.co.jp/
Representative: Masayuki Arioka, President and Representative Director
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Scheduled date of ordinary general meeting of shareholders: March 27, 2015
Scheduled date to commence dividend payments: March 30, 2015
Scheduled date to file securities report: March 30, 2015
Supplementary material on financial results: Yes
Financial results presentation meeting: Yes (for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the year ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
For the year ended		%		%		%		%
December 31, 2014	192,692	-	5,223	-	6,883	-	5,938	-
March 31, 2014	252,548	(12.1)	16,170	(35.2)	14,372	(36.9)	12,431	17.2

Note: Comprehensive income:
For the year ended December 31, 2014: 17,120 million yen [-%]
For the year ended March 31, 2014: 23,558 million yen [(15.6%)]

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/ net sales
For the year ended	yen	yen	%	%	%
December 31, 2014	11.94	-	1.2	1.0	2.7
March 31, 2014	24.99	-	2.5	2.0	6.4

Reference: Equity in earnings of affiliates:
For the year ended December 31, 2014: None
For the year ended March 31, 2014: None

Note: The Company has changed its fiscal year end (last date of its business year) from March 31 to December 31 effective from the year ending December 31, 2014 (this fiscal year). As the period under consolidation for the period ended December 31, 2014, which is a transitional period in the change to the fiscal year end (the Company and its domestic consolidated subsidiaries: April 1, 2014 to December 31, 2014; the Company's overseas consolidated subsidiaries: January 1, 2014 to December 31, 2014) is different to that of the previous fiscal year, year-on-year changes are not presented. As a measure for this transitional period, profit and loss for the overseas consolidated subsidiaries in the three months from January 1, 2014, to March 31, 2014, are directly added or deducted in retained earnings under shareholders' equity on the consolidated balance sheet. Net income per share, net income/equity, ordinary income/total assets, and operating income/net sales are figures relative to income for the nine-month period.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
December 31, 2014	731, 184	522,577	70.2	1,032.66
March 31, 2014	707, 021	510,807	71.2	1,011.46

Reference: Equity:
As of December 31, 2014: 513,633 million yen
As of March 31, 2014: 503,093 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
For the year ended				
December 31, 2014	38,837	(29,264)	1,698	129,823
March 31, 2014	46,699	(33,842)	(11,189)	123,887

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen		%	%
For the year ended								
March 31, 2014	-	8.00	-	8.00	16.00	7,958	64.0	1.6
December 31, 2014	-	8.00	-	4.00	12.00	5,968	100.5	1.2
For the year ending December 31, 2015 (Forecasts)	-	8.00	-	8.00	16.00	——	-	——

Note: The planned annual dividend is 12 yen per share (interim dividend 8 yen, year-end dividend 4 yen). This assumes that a dividend of 16 yen per share will continue to be paid out, as in the previous fiscal year, when adjusting for the fact that the year ended December 31, 2014 was actually a nine-month period.

3. Consolidated earnings forecasts for the year ending December 31, 2015 (From January 1, 2015 to December 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
For the three months ending March 31, 2015	60,000 - 63,000	-	1,000 - 2,000	-	0 - 2,000	-	0 - 1,000	-	0.00 - 2.01
For the year ending December 31, 2015	257,000 - 263,000	-	13,000 - 15,000	-	9,000 - 11,000	-	8,000 - 10,000	-	16.08 - 20.11

Note: Since the fiscal year ending December 31, 2015 differs in duration from the current fiscal period, the rate of change over the same quarter in the previous year and the rate of change over the previous year are not presented.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

A. Changes in accounting policies due to revisions to accounting standards: Yes
B. Changes in accounting policies due to other reasons: None
C. Changes in accounting estimates: None
D. Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

A. Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2014	497,616,234 shares
As of March 31, 2014	497,616,234 shares

B. Number of treasury shares at the end of the period

As of December 31, 2014	228,870 shares
As of March 31, 2014	220,670 shares

C. Average number of shares during the period

For the year ended December 31, 2014	497,391,512 shares
For the year ended March 31, 2014	497,402,810 shares

SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS (Reference)

Non-consolidated performance for the year ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
For the year ended		%		%		%		%
December 31, 2014	125,260	-	(4,811)	-	2,798	-	6,029	-
March 31, 2014	182,775	(18.0)	114	(99.1)	2,817	(82.2)	6,010	(1.5)

	Net income per share	Diluted net income per share
For the year ended	yen	yen
December 31, 2014	12.12	-
March 31, 2014	12.08	-

Note: As the fiscal year ended December 31, 2014, which is a transitional period in the change to the fiscal year end, was a nine-month fiscal period and thus differs with the previous fiscal year, year-on-year changes are not presented. Net income per share is the figure relative to income over the nine-month period.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
December 31, 2014	637,161	446,129	70.0	896.95
March 31, 2014	632,013	444,037	70.3	892.72

Reference: Equity:
As of December 31, 2014: 446,129 million yen
As of March 31, 2014: 444,037 million yen

* Indication regarding execution of audit procedures

At the time of disclosure of this financial results report, the audit procedures for the consolidated financial statements and non-consolidated financial statements in accordance with the Financial Instruments and Exchange Act were incomplete.

* Proper use of earnings forecasts, and other special directions

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and its subsidiaries ("the NEG Group") and include risks and contingencies. Actual business results may differ substantially due to a number of factors. For more details, please refer to the section of "(iii) Outlook for the year ending December 31, 2015 of (1) Analysis regarding operating results in Operating results: analysis regarding financial position" on page 6.

Operating results: analysis regarding financial position

(1) Analysis regarding operating results

(i) Overview of the fiscal year under review (from April 1, 2014 to December 31, 2014)

In the global economy, Europe showed a modest recovery, but the outlook remained uncertain due to geopolitical risks in some regions and the impact of cheap crude oil. The U.S. economy recovered on a solid job market and an expansion in personal consumption. Although there were signs that the economy had slowed in China, growth remained stable. The Japanese economy gradually recovered on the back of stronger employment conditions and a solid stock market, despite the reactionary decline following the rush in demand before the consumption tax rate hike.
Amid this environment, sales of substrate glass for liquid crystal displays (LCDs) and cover glass for mobile devices (specialty glass for chemical strengthening) undercut forecasts. However, sales of glass fiber and glass for optical devices attracted solid demand, which boosted sales.
As a result, operating income did not reach the previous forecast (released on October 31, 2014), but net sales were in line with forecasts. Ordinary income and net income were also consistent with forecasts due to the contributions made by non-operating income and extraordinary income.

(ii) Operating results for the fiscal year under review

(Billions of yen)

	Year ended March 31, 2014	Year ended December 31, 2014 (Nine Months)		Change (B) – (A)	Change (%)
		Previous forecast (A)	Results (B)		
Net sales	252.5	190.0 - 195.0	192.6	-	-
Operating income	16.1	6.0 - 8.0	5.2	-	-
Ordinary income	14.3	6.0 - 8.0	6.8	-	-
Net income	12.4	5.0 - 7.0	5.9	-	-
Net income per share (yen)	24.99	10.05 - 14.07	11.94	-	-

Note: Amounts less than 100 million yen are omitted.

(Sales by products)

Reporting segment	Category	Year ended March 31, 2014		Year ended December 31, 2014 (Nine Months)	
		billions of yen	(%)	billions of yen	(%)
Glass Business	Glass for electronic and information devices	180.9	72	133.6	69
	Glass for others	71.6	28	59.0	31
Total		252.5	100	192.6	100

Note: Amounts less than 100 million yen are omitted.

(Net sales)

Glass for electronic and information devices:

Demand for substrate glass for LCDs recovered, but product prices continued to decline and sales were sluggish. Sales of cover glass for mobile devices also slowed due to the impact of falling demand for high-end models, despite the results of an expansion in models adopted and

sales channels. With regard to glass for electronic devices, sales of cover glass for image sensors slowed due to stagnation in demand for digital cameras. However, sales of glass for optical devices remained strong, thanks to demand for communications infrastructure. Sales of substrate glass for solar cells were generally firm. We completed sales of substrate glass for plasma display panels in the second quarter (July 1 to September 30, 2014) due to the withdrawal of the client, and we also concluded molding production for glass for cathode ray tubes in the third quarter (October 1 to December 31, 2014) due to a shrinking market (we continue to process and sell some products remaining in inventory).

Glass for others:

Sales increased for glass fiber on the back of the demand for its applications in high-function plastics for auto parts due to the expanding auto market, particularly in North America, as well as an increase in orders for reinforced cement, particularly overseas. Sales recovered for glass for building materials on an increase in orders for large buildings in Japan and buildings overseas. Sales of heat resistant glass recovered gradually in line with the economic recovery. Sales of glass tubes for pharmaceutical and medical use were solid, particularly sales to overseas clients.

(Profits)

Although improved productivity and cost-cutting yielded some results, operating income declined due to lower product prices, higher costs of raw fuels, costs related to the operation of new facilities at Electric Glass (Korea) Co., Ltd., and development costs. At the same time, foreign exchange gains from yen depreciation boosted ordinary income, while the reversal of provision for special repairs accompanying a suspension of production facilities boosted net income.

(iii) Outlook for the year ending December 31, 2015

(Consolidated earnings forecasts for the three months and for the year ending December 31, 2015)

(Billions of yen)

	Three months ending March 31, 2015	Year ending December 31, 2015
Net sales	60.0 - 63.0	257.0 - 263.0
Operating income	1.0 - 2.0	13.0 - 15.0
Ordinary income	0 - 2.0	9.0 - 11.0
Net income	0 - 1.0	8.0 - 10.0

Notes: Amounts less than 100 million yen are omitted.

Despite uncertainties regarding geopolitical risks and responses to government debt problems in some regions, the global economy is expected to make a modest recovery. Although consumer sentiment appears weak in Japan, the domestic economy is expected to record solid growth on the impact of various government policies.

In this environment, in glass for electronic and information devices, we forecast shipments of substrate glass for LCDs to grow steadily, in line with market growth. We expect shipments of cover glass for mobile devices to increase as models adopted and sales channels expand. Demand for glass for optical devices and electronic devices are expected to increase as telecommunications, home appliances and related markets overseas grow. We anticipate steady shipments of substrate glass for solar cells. In glass for others, sales of glass fiber should remain firm, particularly applications in high-function plastics for auto parts. Production at new facilities at our Malaysian subsidiary (to be operating in April 2015) should contribute to higher sales. We are aggressively expanding sales of glass tubes for pharmaceutical and medical use, glass for building materials and heat resistant glass in Japan and overseas markets.

In terms of profitability, we expect depreciation and launch costs on the aforementioned new facility for glass fiber, but this facility is expected to soon begin operating steadily and should absorb costs. We expect trends in product prices and raw fuel costs to affect profitability, but we will strive to raise profitability by improving productivity and cutting costs.

In the first quarter of the fiscal year ending in December 31, 2015, we expect a temporary standstill in earnings due to the lingering impact of development costs from the previous quarter in addition to seasonal factors. However, we anticipate a steady recovery from the second quarter as the market picks up again.
In light of these considerations, we forecast consolidated earnings for the first quarter and the full year of the fiscal year ending December 31, 2015 as shown in the table above.

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the NEG Group and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors that may impact actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets as well as the financial situation showing extensive changes in prices on capital markets, exchange rates between the yen and other major currencies such as the U.S. dollar and the Euro, and interest rates, in addition to rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.

(2) Analysis regarding financial position

(i) Overview of consolidated financial position for the fiscal year under review

(Billions of yen)

	As of March 31, 2014	As of December 31, 2014	Change
Total assets	707.0	731.1	24.1
Liabilities	196.2	208.6	12.3
Net assets	510.8	522.5	11.7

Note: Amounts less than 100 million yen are omitted.

(Total assets)

In current assets, cash and deposits increased due to the issuance of new bonds. In addition, notes and accounts receivable - trade increased due to a recovery in sales.
In non-current assets, buildings and structures increased as a result of the completion of the second phase of investment for Electric Glass (Korea) Co., Ltd., and construction in progress decreased. Moreover, investments and other assets rose due to an increase in investment securities in line with the recovery in the stock market.

(Liabilities)

In current liabilities, notes and accounts payable - trade increased due to the start of production at the facilities built in the second phase of investment for Electric Glass (Korea) Co., Ltd. In addition, current portion of bonds was redeemed. In non-current liabilities, we issued new bonds, and provision for special repairs accompanying a suspension of production facilities was reversed.

(Net assets)

Valuation difference on available-for-sale securities increased due to a recovery in the stock market, and foreign currency translation adjustment increased as a result of yen depreciation against major currencies.

(ii) Overview of consolidated cash flows for the fiscal year under review (Billions of yen)

	Year ended March 31, 2014	Year ended December 31, 2014 (Nine Months)
Cash flows from operating activities	46.6	38.8
Cash flows from investing activities	(33.8)	(29.2)
Cash flows from financing activities	(11.1)	1.6
Period-end cash and cash equivalents	123.8	129.8

Note: Amounts less than 100 million yen are omitted.

(Cash flows from operating activities)

Income before income taxes and minority interests was weak. Depreciation has been high due to capital investments made in recent years. Notes and accounts payable - trade increased due to the start of production at the facilities built in the second phase of investment for Electric Glass (Korea) Co., Ltd.

(Cash flows from investing activities)

There was purchase of non-current assets related to the second phase of investment for Electric Glass (Korea) Co., Ltd.

(Cash flows from financing activities)

While there were expenditures for redemption of bonds and the repayments of long-term loans payable, as well as payment of cash dividends, there were also proceeds from issuance of new bonds.

(iii) Trends of cash-flow related indices

Year ended	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	December 31, 2014
Equity ratio (%)	66.9	68.4	70.1	71.2	70.2
Market value-based equity ratio (%)	84.6	52.1	34.1	37.4	37.1
Interest-bearing debt to cash flows ratio (years)	0.7	1.0	1.9	2.1	2.8
Interest coverage ratio (times)	123.6	86.3	74.6	77.1	68.1

Equity ratio: Shareholders' equity / Total assets
Market value-based equity ratio: Market capitalization / Total assets
Interest-bearing debt to cash flows ratio: Interest-bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest paid

Notes: 1. All calculations are based on consolidated financial figures.
2. Market capitalization was calculated based on the number of issued shares excluding treasury stock.
3. For operating cash flows and interest paid, calculations use "cash flows from operating activities" and "interest expenses paid," respectively, in the consolidated statement of cash flows. Moreover, interest-bearing debt corresponds to long- and short-term loans payable, bonds payable and commercial papers included in liabilities presented in the consolidated balance sheet.
4. As the fiscal year ended December 31, 2014, a transitional period in the change to the fiscal year-end, was a nine-month fiscal period, figures are calculated using cash flows from operating activities and interest expenses paid for the nine-month period.

(3) Basic policy on allocation of profits and cash dividends for this fiscal year and next fiscal year

(Basic policy)

While ensuring adequate retained earnings to provide for reinforcement of the Company's financial standing and future business development, the Company decides on the amount of dividend payment based on a basic policy of maintaining a long-term and stable return of profits to shareholders that is not significantly affected by fluctuations in earnings, but it also takes the financial situation etc. into consideration.

Regarding the funds from retained earnings, the Company aims to fulfill the expectations of shareholders through boosting its corporate value by appropriating retained earnings funds for future research and development and future business expansion.

(Year-end dividend)

The Company shall present the year-end dividend payment of 4 yen per share (which, combined with the 8 yen per share interim dividend, equals an annual dividend of 12 yen per share; converted to a full year [12 months], this would be the same as the dividend payment of 16 yen per share made in the previous fiscal year) for approval at the Ordinary General Meeting of Shareholders scheduled to be held on March 27, 2015.

(Dividend forecast for the next fiscal year)

Both the interim dividend and the year-end dividend are expected to be 8 yen per share respectively (annual dividend of 16 yen per share).

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	134,149	149,742
Notes and accounts receivable - trade	44,317	48,026
Merchandise and finished goods	35,807	33,603
Work in process	2,373	1,620
Raw materials and supplies	19,139	20,837
Deferred tax assets	3,894	3,703
Other	7,890	6,537
Allowance for doubtful accounts	(68)	(71)
Total current assets	247,502	264,001
Non-current assets		
Property, plant and equipment		
Buildings and structures	131,558	143,979
Accumulated depreciation	(64,525)	(68,727)
Buildings and structures, net	67,032	75,252
Machinery, equipment and vehicles	691,812	706,890
Accumulated depreciation	(405,325)	(419,910)
Machinery, equipment and vehicles, net	286,487	286,979
Land	13,042	13,191
Construction in progress	25,287	19,870
Other	19,973	20,808
Accumulated depreciation	(18,072)	(18,828)
Other, net	1,900	1,979
Total property, plant and equipment	393,750	397,273
Intangible assets	2,659	2,948
Investments and other assets		
Investment securities	42,209	48,723
Deferred tax assets	18,847	16,344
Other	2,100	1,958
Allowance for doubtful accounts	(48)	(62)
Total investments and other assets	63,109	66,962
Total non-current assets	459,519	467,183
Total assets	707,021	731,184

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,143	32,180
Short-term loans payable	15,185	15,340
Current portion of bonds	10,000	—
Income taxes payable	1,898	1,301
Other provision	65	49
Other	31,676	33,827
Total current liabilities	86,969	82,700
Non-current liabilities		
Bonds payable	30,000	50,000
Long-term loans payable	41,306	40,800
Provision for special repairs	35,937	32,854
Other provision	72	62
Net defined benefit liability	1,012	1,217
Other	915	971
Total non-current liabilities	109,243	125,906
Total liabilities	196,213	208,607
Net assets		
Shareholders' equity		
Capital stock	32,155	32,155
Capital surplus	34,351	34,350
Retained earnings	422,893	423,763
Treasury shares	(276)	(280)
Total shareholders' equity	489,124	489,989
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,670	17,882
Deferred gains or losses on hedges	84	(763)
Foreign currency translation adjustment	214	6,525
Total accumulated other comprehensive income	13,969	23,644
Minority interests	7,714	8,943
Total net assets	510,807	522,577
Total liabilities and net assets	707,021	731,184

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Year ended March 31, 2014	Year ended December 31, 2014 (Nine Months)
Net sales	252,548	192,692
Cost of sales	208,065	164,694
Gross profit	44,482	27,997
Selling, general and administrative expenses	28,311	22,773
Operating income	16,170	5,223
Non-operating income		
Interest income	218	204
Dividend income	1,227	1,102
Foreign exchange gains	1,780	2,672
Other	1,247	842
Total non-operating income	4,474	4,822
Non-operating expenses		
Interest expenses	649	486
Depreciation of inactive non-current assets	3,035	1,836
Other	2,588	840
Total non-operating expenses	6,272	3,162
Ordinary income	14,372	6,883
Extraordinary income		
Reversal of provision for special repairs	4,696	5,736
Gain on sales of non-current assets	3,756	325
Other	80	128
Total extraordinary income	8,533	6,190
Extraordinary losses		
Loss on retirement of non-current assets	541	831
Impairment loss	3,356	3,042
Other	38	16
Total extraordinary losses	3,937	3,890
Income before income taxes and minority interests	18,968	9,183
Income taxes - current	5,435	2,457
Income taxes - deferred	(274)	44
Total income taxes	5,160	2,501
Income before minority interests	13,808	6,681
Minority interests in income	1,376	743
Net income	12,431	5,938

Consolidated statement of comprehensive income

(Millions of yen)

	Year ended March 31, 2014	Year ended December 31, 2014 (Nine Months)
Income before minority interests	13,808	6,681
Other comprehensive income		
Valuation difference on available-for-sale securities	2,817	4,211
Deferred gains or losses on hedges	151	(847)
Foreign currency translation adjustment	6,781	7,074
Total other comprehensive income	9,750	10,438
Comprehensive income	23,558	17,120
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,122	16,309
Comprehensive income attributable to minority interests	1,436	810

(3) Consolidated statement of changes in equity

Year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	34,351	418,419	(270)	484,657
Changes of items during period					
Dividends of surplus			(7,958)		(7,958)
Net income			12,431		12,431
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(0)	4,473	(6)	4,466
Balance at end of current period	32,155	34,351	422,893	(276)	489,124

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	10,852	(67)	(6,506)	4,279	6,358	495,294
Changes of items during period						
Dividends of surplus						(7,958)
Net income						12,431
Purchase of treasury shares						(6)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	2,817	151	6,721	9,690	1,355	11,046
Total changes of items during period	2,817	151	6,721	9,690	1,355	15,513
Balance at end of current period	13,670	84	214	13,969	7,714	510,807

Year ended December 31, 2014(Nine Months)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	34,351	422,893	(276)	489,124
Changes of items during period					
Dividends of surplus			(7,958)		(7,958)
Net income			5,938		5,938
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		(0)		0	0
Increase in retained earnings in subsidiaries due to changes in accounting period			2,889		2,889
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(0)	869	(4)	865
Balance at end of current period	32,155	34,350	423,763	(280)	489,989

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	13,670	84	214	13,969	7,714	510,807
Changes of items during period						
Dividends of surplus						(7,958)
Net income						5,938
Purchase of treasury shares						(4)
Disposal of treasury shares						0
Increase in retained earnings in subsidiaries due to changes in accounting period						2,889
Net changes of items other than shareholders' equity	4,211	(847)	6,310	9,674	1,229	10,904
Total changes of items during period	4,211	(847)	6,310	9,674	1,229	11,769
Balance at end of current period	17,882	(763)	6,525	23,644	8,943	522,577

(4) Consolidated statement of cash flows

(Millions of yen)

	Year ended March 31, 2014	Year ended December 31, 2014 (Nine Months)
Cash flows from operating activities		
Income before income taxes and minority interests	18,968	9,183
Depreciation	35,890	28,419
Loss on retirement of non-current assets	1,422	67
Impairment loss	3,356	3,042
Gain on sales of non-current assets	(3,798)	(340)
Increase (decrease) in provision for special repairs	904	(3,082)
Interest and dividend income	(1,446)	(1,306)
Interest expenses	649	486
Decrease (increase) in notes and accounts receivable - trade	2,550	292
Decrease (increase) in inventories	(1,670)	(469)
Increase (decrease) in notes and accounts payable - trade	(8,987)	2,468
Other, net	3,054	3,496
Subtotal	50,895	42,258
Interest and dividend income received	1,446	1,257
Interest expenses paid	(605)	(570)
Income taxes paid	(5,036)	(4,109)
Net cash provided by (used in) operating activities	46,699	38,837
Cash flows from investing activities		
Net decrease (increase) in time deposits	(2,684)	(5,082)
Purchase of investment securities	(621)	―
Purchase of non-current assets	(45,349)	(25,642)
Proceeds from sales of non-current assets	15,027	1,458
Other, net	(214)	1
Net cash provided by (used in) investing activities	(33,842)	(29,264)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(5,093)	463
Proceeds from long-term loans payable	5,500	―
Repayments of long-term loans payable	(3,539)	(1,048)
Proceeds from issuance of bonds	―	20,000
Redemption of bonds	―	(10,000)
Cash dividends paid	(7,957)	(7,958)
Other, net	(99)	241
Net cash provided by (used in) financing activities	(11,189)	1,698
Effect of exchange rate change on cash and cash equivalents	479	1,045
Net increase (decrease) in cash and cash equivalents	2,147	12,316
Cash and cash equivalents at beginning of period	121,740	123,887
Decrease in cash and cash equivalents due to changes in accounting period	―	(6,381)
Cash and cash equivalents at end of period	123,887	129,823