Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

Consolidated Financial Results
For the Fiscal Year Ended March 31, 2015
<Japanese GAAP>

May 11, 2015

Company Name: **NICHIAS Corporation**
Stock Exchange Listing: Tokyo Stock Exchange (Code number 5393)
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Representative: Toshiyuki Takei, President and Chief Executive Officer
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Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2015
Scheduled date of filing the consolidated financial statements: June 26, 2015
Supplementary materials for financial results: Available
Organization of financial results briefing: Yes (for institutional investors and analysts)
Scheduled date of commencement of dividend payment: June 29, 2015

(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2015	158,939	8.0	11,490	12.5	12,913	16.8	7,532	19.2
Fiscal year ended March 31, 2014	147,118	7.4	10,216	8.5	11,057	13.4	6,317	6.4

Note: Comprehensive income
Fiscal year ended March 31, 2015…… ¥11,801 million 42.3%
Fiscal year ended March 31, 2014…… ¥8,293 million .....(0.1)%

	Net income per share	Net income per share (Fully diluted)	Net income on shareholders' equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2015	62.84	54.77	10.4	8.7	7.2
Fiscal year ended March 31, 2014	52.89	45.93	9.8	8.0	6.9

(Reference) Equity in earnings (losses) of affiliates
Fiscal year ended March 31, 2015…… ¥(0) million
Fiscal year ended March 31, 2014…… ¥21 million

(2) Financial status

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	156,234	78,893	50.0	647.36
As of March 31, 2014	141,311	67,956	47.6	563.10

(Reference) Shareholders' equity
Fiscal year ended March 31, 2015…… ¥78,132 million
Fiscal year ended March 31, 2014…… ¥67,276 million

(3) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2015	8,571	(4,115)	(1,556)	14,460
Fiscal year ended March 31, 2014	4,636	(8,807)	(4,254)	11,335

2. Dividends

	Annual dividends					Annual dividend amount	Dividend payout ratio	Dividend on net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2014	—	7.00	—	8.00	15.00	1,792	28.4	2.8
Fiscal year ended March 31, 2015	—	8.00	—	9.00	17.00	2,048	27.1	2.8
Fiscal year ending March 31, 2016 (Forecast)	—	9.00	—	9.00	18.00		25.6	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	81,000	8.7	5,800	15.3	5,900	7.1	3,500	13.4	29.00
Full year	170,000	7.0	13,600	18.4	13,800	6.9	8,500	12.8	70.43

***Notes**

(1) Changes in significant subsidiaries during the period under review (Changes in specific subsidiaries accompanying changes in the scope of consolidation): None

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

1) Changes in accounting policies due to revision of accounting standards: Yes
2) Changes other than those in 1) above: None
3) Changes in accounting estimates: None
4) Restatements: None

(3) Number of shares outstanding (ordinary shares)

1) Number of shares outstanding at the end of the year (including treasury stock)

As of March 31, 2015	125,057,344 shares	As of March 31, 2014	125,057,344 shares

2) Number of shares of treasury stock at the end of the year

As of March 31, 2015	4,364,774shares	As of March 31, 2014	5,582,526 shares

3) Average number of shares outstanding during the year

For the year ended March 31, 2015	119,866,607 shares	For the year ended March 31, 2014	119,447,500 shares

***Presentation of present status of audit procedures**

This summary of consolidated financial results is not subject to audit procedures based on the Financial Instrument and Exchange Act. As of the date when this summary was disclosed, the audit procedures on the consolidated financial statements were in progress.

***Information concerning proper use of financial forecasts and other special notes**

Forward-looking statements concerning financial forecasts contained in these materials are based on information available to the Company when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors.

Please refer to "1. Analysis of financial results and financial status (1) Analysis of financial result (Outlook for fiscal year 2016)" on page 2 for information concerning financial forecasts such as the assumptions used for financial forecasts and factors that could cause these assumptions to change.

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1. Analysis of financial results and financial status

(1) Analysis of financial results

(Overview of fiscal year 2015 results)

During the fiscal year under review (April 1, 2014 to March 31, 2015), despite the rebound from the last-minute rise in demand before the increase in the consumption tax rate and the impact of skyrocketing prices of raw materials triggered by the depreciation of the yen, overall a trend of moderate economic recovery has continued in Japan as a result of improvements in corporate earnings and the employment situation, as well as an increase in capital investments.

Against this backdrop, sales increased in the Energy and Industrial Plants Division due to an increase in the completion in power-related work and in the Autoparts Division due to strong overseas demand, and overall NICHIAS Group sales increased 8.0% year on year to ¥158,939 million.

In terms of profits, operating income increased 12.5% year on year to ¥11,490 million, and ordinary income increased 16.8% year on year to ¥12,913 million. Net income increased 19.2% year on year to ¥7,532 million, despite an impairment loss of ¥298 million and dismantling and removal costs of ¥428 million related to the previous head office building were recorded as extraordinary losses.

The net sales by segment for the fiscal year under review are as follows.

Sales in the **Energy and Industrial Plants Division** increased 18.6% year on year to ¥45,792 million. This was due to strong demand for work in the petroleum and petrochemicals industries combined with an increase in work for the electricity industry.

Sales in the **Industrial Products Division** increased 2.8% year on year to ¥40,481 million. This was due to the fact that demand has grown for sealing material products, inorganic insulation material products, and fluororesin products, triggered by the recent gentle recovery in the economy.

Sales in the **Advanced Products Division** decreased 5.4% year on year to ¥14,105 million. This was due to the fact that demand for the first half of the year was lower than the previous year's level despite the recent recovery trend.

Sales in the **Autoparts Division** increased 8.5% year on year to ¥31,657 million. This was due to solid overseas demand, particularly in North America and Europe, and an increase in exports and overseas sales, despite the impact of the consumption tax rate hike on domestic demand.

Sales in the **Building Materials Division** increased 7.4% year on year to ¥26,902 million. This was due to the contribution to sales made by the completion of construction projects such as fire-proofing covering materials.

(Outlook for fiscal year 2016)

Our performance is expected to stay strong and demand is expected to increase for the Energy and Industrial Plants Division, Industrial Products Division, and Autoparts Division.

In consideration of these conditions, the outlook for fiscal year ending March 31, 2016 is as follows.

Net sales of ¥170,000 million (up 7.0% year on year), operating income of ¥13,600 million (up 18.4% year on year), ordinary income of ¥13,800 million (up 6.9% year on year), and net income of ¥8,500 million (up 12.8% year on year) are expected.

Note that the earnings forecasts above are based on information that was currently available at the time this report was prepared and are judgments of the Group. Actual results may differ significantly from the forecasts due to a variety of factors.

(2) Analysis of financial status

1) Assets, liabilities, and net assets

Total assets at the end of the current fiscal year were ¥156,234 million, up ¥14,922 million year on year. This was a result of year-on-year decreases in machinery, equipment and vehicles, net of ¥1,173 million and software in progress of ¥1,840 million being outweighed by year-on-year increases in cash and deposits of ¥3,451 million, notes and accounts receivable–trade of ¥4,144 million, merchandise and finished goods of ¥1,986 million, software of ¥1,494 million, investment securities of ¥3,404 million, and net defined benefit assets of ¥2,591 million.

Liabilities at the end of the current fiscal year were ¥77,340 million, up ¥3,984 million year on year. This was a result of a year-on-year decrease in current portion of bonds of ¥5,450 million being outweighed by year-on-year increases in short-term loans payable of ¥2,157 million, bonds payable of ¥4,550 million, and deferred tax liabilities of ¥1,592 million.

Net assets at the end of the current fiscal year were ¥78,893 million, up ¥10,937 million year on year. This was a result of year-on-year increases in retained earnings of ¥5,830 million, valuation difference on available-for-sale securities of ¥1,743 million, foreign currency translation adjustment of ¥1,466 million, and remeasurements of defined benefit plans of ¥1,160 million.

2) Cash flows

Cash and cash equivalents at the end of the fiscal year (hereinafter, “cash”) increased by 3,124 million year on year to ¥14,460 million. Cash flows and factors affecting cash flows are as follows:

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities was ¥8,571 million (compared to receipts of ¥4,636 million year on year).

This was due to outflows of cash that included a ¥4,508 million increase in notes and accounts receivable–trade and ¥3,569 million in income taxes paid being outweighed by inflows of cash that included ¥12,260 million in income before income taxes and ¥4,659 million in depreciation and amortization.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities was ¥4,115 million (compared to expenditures of ¥8,807 million year on year).

This was due to outflows of cash that included ¥3,355 million used for purchase of property, plant and equipment.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities was ¥1,556 million (compared to expenditures of ¥4,254 million year on year).

This was due to inflows of cash that included ¥5,000 million from the issuance of bonds and a ¥1,948 million net increase in short-term loans payable being outweighed by outflows of cash that included ¥5,900 million for redemption of bonds and ¥1,921 million for dividends paid.

(Reference) Consolidated cash flow indicators

	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015
Equity ratio	39.6	43.2	45.3	47.6	50.0
Shareholders' equity ratio on a market value basis	50.1	43.5	48.9	56.0	53.5
Ratio of interest-bearing debt to cash flows	2.5	5.3	3.3	7.3	3.9
Interest coverage ratio	26.2	12.7	28.6	15.4	40.1

(Reference) The indicators above were calculated according to the following formulas based on consolidated financial figures.

Shareholders' equity ratio (%): shareholders' equity / total assets × 100
Shareholders' equity ratio on a market value basis (%): market capitalization / total assets × 100
Ratio of interest-bearing debt to cash flows (years): interest-bearing debt / operating cash flows
Interest coverage ratio (times): operating cash flows / interest payments

- Market capitalization is calculated by multiplying the stock price at the end of the fiscal year by the number of outstanding shares at the end of the fiscal year excluding treasury stock.
- Interest-bearing debt refers to the entire balance of liabilities carried on the consolidated balance sheets on which interest is paid.
- For operating cash flows and interest payments, "net cash provided by (used in) operating activities" and "interest expenses paid" as stated in the consolidated statements of cash flows are used.

(3) Policies for distribution of profit and dividends for fiscal 2015 and 2016

In addition to strengthening the management base in order to enhance earnings power, the basic policy of the NICHIAS Group with respect to the distribution of profits is to strive for the long-term and appropriate return of profits to shareholders by expanding the level of such profits available as dividends and increasing shareholder value, while retaining sufficient reserves for reinvestment.

Guided by this basic policy, the decision to pay dividends is made after careful consideration of a range of factors that include the availability of capital investment funds and investment in R&D to support future business development. In finalizing this decision, emphasis is given to profit levels for the fiscal year, financial status, and the outlook for future business performance.

In terms of dividends for fiscal 2015, based on the above policy, the Company paid an interim dividend of ¥8 per share and a year-end dividend of ¥9 per share.

In terms of dividends for fiscal 2016, although an annual dividend of ¥18 per share have been planned, a final decision will be made after careful consideration is given to the Company's financial status and business performance next fiscal year.

(4) Risk factors

This section reviews matters that are believed likely to have a material effect on the decisions of investors. Note that matters related to future developments that are mentioned in this section are judgments of the Group that were made at the end of the fiscal year under review.

□ Business and economic fluctuation risk

The Group conducts manufacture and sales of sealing materials such as gaskets and packing; manufacture and sales of varieties of inorganic insulation materials using mainly rock wool and ceramic fibers; manufacture and sales of corrosion-resistant materials and machine parts using high-performance resin polymer such as fluoropolymer; manufacture

and sales of auto parts including sealing materials for engines and engine peripherals and parts with thermal insulation and soundproofing attributes; manufacture and sales of non-combustible building materials centered on calcium silicate boards and insulation materials; and industrial thermal insulation work for energy, gas, petroleum refining and petrochemicals plants and free-access floor work. The Group's customers comprise a wide range of industries, including petroleum, petrochemical, chemical, steel, electricity, gas, automotive, semiconductor, and construction.

In this manner, the Group is reliant on industry-wide capital expenditure trends, corrosion-resistant materials are reliant on semiconductor demand trends, auto parts are reliant on production and unit sales trends in the automotive industry, and building materials are reliant on residential and building construction trends. Accordingly, the Group could ultimately be affected by business and economic fluctuations both overseas and in Japan.

□ Overseas business risk

The Group conducts business in Asia and other locations overseas. In its business overseas, the Group is exposed to the risk of the occurrence of unfavorable economic factors and political turbulence, such as unpredictable changes in laws and regulations or drastic changes in financial conditions. If these types of risk were to manifest themselves it would interfere with the Group's business overseas, and this could affect the Group's business performance and financial status.

□ Receivables management risk

The Group holds receivables from its clients that include accounts and notes receivable. Although the Group always pays sufficient attention to credit management, recovery risk could manifest itself in some situations.

□ Retirement benefits obligation risk

The Group could incur losses if the market value of its pension assets dropped, investment returns on its pension assets fell, or if there were changes in the actuarial assumptions used to calculate the projected benefit obligations.

□ Product quality maintenance risk

Although the Group manufactures products based on the international quality assurance standard ISO 9001 at each of its manufacturing bases, there is no guarantee that all of its products will be free from defects and that there will be no complaints from customers in the future. Product defects could have an impact on the Group's reputation and as a result affect the Group's business performance and financial status.

□ Disaster risk

The Group has multiple production bases both overseas and in Japan, and the Group's business performance and financial position could be affected if a natural disaster such as an earthquake were to damage one of these production bases and cause problems with business operations.

□ Risk of compensation being payable to sufferers of health problems due to asbestos

NICHIAS Corporation and some of its domestic subsidiaries have paid compensation in accordance with in-house regulations to employees and former employees who have died or received medical treatment in response to asbestos-related diseases caused by the Group. In addition, NICHIAS Corporation and some of its domestic subsidiaries have paid financial

compensation to neighboring citizens for cases in which certain standards have been fulfilled. It is possible that the Group could continue to be required to make compensation payments to sufferers of health problems relating to asbestos in the future.

2. Current status of the Group

The Group is composed of NICHIAS Corporation, 51 subsidiaries, and 12 affiliates. The Group's five reporting segments are Energy and Industrial Plants, Industrial Products, Advanced Products, Autoparts, and Building Materials.

The nature of the businesses of these companies, the position of NICHIAS Corporation, subsidiaries, and affiliates within the Group's business, and the relationship with the Group's reporting segments are displayed below. The classifications shown below are identical to the reporting segments.

Business category		Major companies
Energy and Industrial Plants	Domestic	NICHIAS Corporation, NICHIAS ENGINEERING SERVICE CORPORATION, NIPPON THERMAL ENGINEERING CORPORATION, NICHIAS KANTO SALES CORPORATION, INOCRETE CO., LTD
	Overseas	THAI NICHIAS ENGINEERING CO., LTD.
Industrial Products	Domestic	NICHIAS Corporation, FUKUSHIMA NICHIAS CORPORATION, KOKUBU INDUSTRY CORPORATION, NICHIAS CERATECH CO., LTD., TATSUTA INDUSTRY CORPORATION, TOKYO MATERIALS CORPORATION, NIPPON ROCKWOOL CORPORATION, SAKAI NICHIAS CORPORATION, NISHI-NIPPON NICHIAS CORPORATION
	Overseas	NICHIAS SINGAPORE PTE. LTD., NICHIAS FGS SDN. BHD., PT.NICHIAS ROCKWOOL INDONESIA, PT.NICHIAS METALWORKS INDONESIA, PT.NICHIAS SUNIJAYA, NT RUBBER-SEALS SDN.BHD., NICHIAS HAIPHONG CO., LTD., SUZHOU NICHIAS INDUSTRIAL PRODUCTS CO., LTD.
Advanced Products	Domestic	NICHIAS Corporation, FUKUSHIMA NICHIAS CORPORATION, NICHIAS CERATECH CO., LTD., TATSUTA INDUSTRY CORPORATION, KUMAMOTO NICHIAS CORPORATION
Autoparts	Domestic	NICHIAS Corporation, METAKOTE INDUSTRY CORPORATION, TATSUTA INDUSTRY CORPORATION
	Overseas	NICHIAS FGS SDN.BHD. PT.NICHIAS SUNIJAYA, NICHIAS (THAILAND) CO., LTD., NICHIAS AUTOPARTS EUROPE a.s.
Building Materials	Domestic	NICHIAS Corporation, NICHIAS CERATECH CO., LTD., TATSUTA INDUSTRY CORPORATION, NIPPON ROCKWOOL CORPORATION, KIMITSU ROCKWOOL CORPORATION, NICHIAS CEMCRETE COPORATION
	Overseas	NICHIAS FGS SDN.BHD., PT.NICHIAS METALWORKS INDONESIA, PT.NICHIAS SUNIJAYA

3. Management policies

(1) The Group's basic management policy

In order to get a fresh start as a company that would be around for another 100 years, in April 2008 the NICHIAS Group took a step towards further corporate culture innovation by setting specific corporate culture guidelines that included improving communications within the organization, working more cooperatively with other employees, and thinking about what is best for the entire organization. As employees began to work in accordance with these guidelines, the NICHIAS Philosophy was then established in September 2011 as the next step in corporate culture innovation.

The NICHIAS Philosophy
NICHIAS contributes to the Earth's bright future through our Insulation and Protection technologies.

By benefiting from the public trust gained using its insulation and protection technologies that have been cultivated over many years, the NICHIAS Philosophy aims to expand and make contributions in even wider fields.

To achieve this goal, the NICHIAS Group manages its business based on the following three promises that are faithfully followed by all of the Group's employees.

□ We will abide by community standards and work together with the communities we serve.
□ We will strive for customer satisfaction while never forgetting a sense of gratitude.
□ We will believe in mutual trust and continue to grow together.

(2) The Group's medium- to long-term business strategy and issues for resolution

Under the NICHIAS Philosophy, the NICHIAS Group has built up intangible assets that include varied technologies developed over many years with the core "insulation and protection" technologies; the NICHIAS TOMBO brand; a wide network of customers, suppliers, and sales bases; and the trust of stakeholders, based on which the NICHIAS Group has enhanced its corporate value through business activities.

In addition, in order to fulfill its corporate social responsibility, the NICHIAS Group set the management vision of becoming "a company trusted by customers where people can work with pride", and will enact the following initiatives in line with the basic management policy.

□ Rigorous enforcement of compliance
We will rigorously enforce compliance so that the NICHIAS Group can achieve stable growth. Specifically, guided by our compliance program and spearheaded by the Compliance Committee through cooperation with subcommittees and the labor union at each of the Group's business sites, we will take steps to assess the status of legal compliance and focus on increasing compliance awareness among employees.

□ Improvement of corporate value and the provision of value to stakeholders
To provide products and services that customers can use with peace of mind, the NICHIAS Group has paid careful attention to safety and the environment in its manufacturing activities, while further reinforcing research and development, production technologies, facilities technologies, and technical services. The Group will continue to develop these activities in an aim to improve corporate value and share value with stakeholders.

□ Advancement of global business operations

The Group has expanded its business overseas through its production and sales bases in order to supply products to companies in Japan and Japanese-affiliated companies overseas. In the future, the Group will expand its global business operations so as to provide services to customers in even larger global markets.

□ Promotion and development of personnel to lead the way into the future

To ensure future growth and development, the NICHIAS Group will conduct personnel development aimed at nurturing the next generation of executive managers, while actively promoting mid-career employees as well. The Group will also further enhance systems to support the growth of Group employees as a company.

□ Strengthening risk management

The NICHIAS Group experienced stoppages at several plants and saw operations at sales bases halted in the wake of the Great East Japan Earthquake. Based on these lessons, the Group will strengthen its risk management system throughout the entire organization so that it can continue operations even in the event of major earthquakes and other natural disasters.

4. Basic stance towards the selection of accounting standards

The NICHIAS Group prepares its consolidated financial statements based on J-GAAP to ensure that consolidated financial statements can be compared across time. In terms of the application of IFRS, an appropriate response will be made after considering circumstances in Japan and overseas.

5. Consolidated financial statements
(1) Consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Assets		
Current assets		
Cash and deposits	11,453	14,905
Notes and accounts receivable–trade	34,377	38,521
Accounts receivable from completed construction contracts	14,342	15,420
Merchandise and finished goods	7,786	9,772
Work in process	1,137	1,371
Raw materials and supplies	5,278	5,779
Costs on uncompleted construction contracts	3,474	3,634
Deferred tax assets	1,627	1,654
Other	2,955	2,674
Allowance for doubtful accounts	(17)	(14)
Total current assets	82,414	93,719
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	41,594	41,282
Accumulated depreciation and impairment loss	(26,525)	(26,984)
Buildings and structures, net	15,068	14,298
Machinery, equipment and vehicles	63,937	65,325
Accumulated depreciation and impairment loss	(53,186)	(55,747)
Machinery, equipment and vehicles, net	10,751	9,577
Land	13,449	13,514
Lease assets	329	288
Accumulated depreciation	(147)	(143)
Lease assets, net	182	145
Construction in progress	311	758
Other	7,140	7,239
Accumulated depreciation and impairment loss	(6,577)	(6,645)
Other, net	563	593
Total property, plant and equipment	40,326	38,889
Intangible assets		
Software	402	1,896
Software in progress	1,840	—
Other	1,075	998
Total intangible assets	3,318	2,894
Investments and other assets		
Investment securities	*1 9,981	*1 13,386
Long-term loans receivable	689	148
Net defined benefit asset	763	3,355
Deferred tax assets	617	462
Other	3,338	3,449
Allowance for doubtful accounts	(136)	(71)
Total investments and other assets	15,252	20,730
Total noncurrent assets	58,897	62,514
Total assets	141,311	156,234

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable–trade	24,219	24,776
Current portion of bonds	5,900	450
Short-term loans payable	9,798	11,956
Lease obligations	81	66
Accounts payable–other	5,328	4,754
Income taxes payable	1,896	2,449
Advances received on uncompleted construction contracts	274	867
Provision for bonuses	2,034	2,239
Other	2,097	2,947
Total current liabilities	51,631	50,507
Noncurrent liabilities		
Bonds payable	3,450	8,000
Bonds with subscription rights to shares	10,000	9,230
Long-term loans payable	4,175	3,500
Lease obligations	117	91
Deferred tax liabilities	215	1,807
Net defined benefit liability	2,849	3,172
Other	916	1,031
Total noncurrent liabilities	21,724	26,832
Total liabilities	73,355	77,340
Net assets		
Shareholders' equity		
Capital stock	9,283	9,283
Capital surplus	9,932	10,249
Retained Earnings	47,812	53,642
Treasury stock	(1,792)	(1,455)
Total shareholders' equity	65,236	71,720
Total other cumulative comprehensive income		
Valuation difference on available-for-sale securities	3,024	4,768
Foreign currency translation adjustment	60	1,527
Remeasurements of defined benefit plans	(1,044)	115
Total other cumulative comprehensive income	2,040	6,411
Minority interests	679	761
Total net assets	67,956	78,893
Total liabilities and net assets	141,311	156,234

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales		
Net sales of merchandise and finished goods	105,712	112,885
Net sales of completed construction contracts	41,406	46,053
Total net sales	147,118	158,939
Cost of sales		
Cost of merchandise and finished goods sold	*1, *6 78,610	*1, *6 84,548
Cost of sales of completed construction contracts	*6 36,640	*6 39,981
Total cost of sales	115,251	124,529
Gross profit	31,867	34,409
Selling, general and administrative expenses		
Selling expenses	*2 7,114	*2 7,186
General and administrative expenses	*3, *6 14,536	*3, *6 15,732
Total selling, general and administrative expenses	21,650	22,919
Operating income	10,216	11,490
Non-operating income		
Interest income	32	159
Dividends income	320	440
Foreign exchange gains	534	759
Rent income	280	311
Equity in earnings of affiliates	21	—
Other	280	235
Total non-operating income	1,469	1,906
Non-operating expenses		
Interest expenses	293	212
Cost of lease revenue	57	72
Equity in earnings of affiliates	—	0
Special contribution for asbestos	43	43
Bond issuance cost	48	24
Other	185	130
Total non-operating expenses	627	483
Ordinary income	11,057	12,913
Extraordinary income		
Gain on liquidation of subsidiaries	—	41
Subsidy income	—	379
Gain on sales of noncurrent assets	*4 62	*4 13
Gain on sales of investment securities	—	50
Gain on reversal of subscription rights to shares	7	—
Total extraordinary income	69	484

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Extraordinary loss		
Head office transfer cost	211	—
Loss on reduction of noncurrent assets	—	329
Dismantling and removal costs	—	428
Loss on sales and retirement of noncurrent assets	*5 173	*5 81
Impairment loss	—	*7 298
Loss on valuation of golf club memberships	4	—
Loss on disaster	116	—
Total extraordinary losses	505	1,137
Income before income taxes	10,621	12,260
Income taxes–current	3,528	4,194
Income taxes–deferred	688	480
Total income taxes	4,216	4,674
Income before minority interests	6,405	7,585
Minority interests in income	88	53
Net income	6,317	7,532

Consolidated comprehensive income statements

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	6,405	7,585
Other comprehensive income		
Valuation difference on available-for-sale securities	683	1,739
Foreign currency translation adjustment	1,204	1,315
Remeasurements of defined benefit plans	—	1,160
Total other comprehensive income	*1 1,888	*1 4,215
Comprehensive income	8,293	11,801
Breakdown		
Comprehensive income attributable to owners of the parent company	8,182	11,721
Comprehensive income attributable to minority interests	111	79

(3) Consolidated statements of changes in shareholders' equity

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained Earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the current period	9,283	9,904	42,718	(1,834)	60,072
Cumulative effect of changes in accounting policies					
Restated balance at the beginning of the current period	9,283	9,904	42,718	(1,834)	60,072
Changes of items during the period					
Dividends from surplus			(1,671)		(1,671)
Change of scope of consolidation			448		448
Change of scope of consolidation—foreign currency translation					—
Net income			6,317		6,317
Purchase of treasury stock				(24)	(24)
Disposal of treasury stock		28		65	94
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	28	5,094	41	5,164
Balance at the end of the current period	9,283	9,932	47,812	(1,792)	65,236

	Total other cumulative comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other cumulative comprehensive income			
Balance at the beginning of current period	2,340	(1,120)	—	1,219	31	976	62,299
Cumulative effect of changes in accounting policies							
Restated balance at the beginning of the current period	2,340	(1,120)	—	1,219	31	976	62,299
Changes of items during the period							
Dividends from surplus				—			(1,671)
Change of scope of consolidation				—		(401)	47
Change of scope of consolidation—foreign currency translation		—		—			—
Net income				—			6,317
Purchase of treasury stock				—			(24)
Disposal of treasury stock				—			94
Net changes of items other than shareholders' equity	683	1,181	(1,044)	820	(31)	104	892
Total changes of items during the period	683	1,181	(1,044)	820	(31)	(297)	5,656
Balance at the end of the current period	3,024	60	(1,044)	2,040	—	679	67,956

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained Earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	9,283	9,932	47,812	(1,792)	65,236
Cumulative effect of changes in accounting policies			(84)		(84)
Restated balance at the beginning of the current period	9,283	9,932	47,727	(1,792)	65,151
Changes of items during the period					
Dividends from surplus			(1,918)		(1,918)
Change of scope of consolidation			300		300
Change of scope of consolidation―foreign currency translation					―
Net income			7,532		7,532
Purchase of treasury stock				(116)	(116)
Disposal of treasury stock		316		454	771
Net changes of items other than shareholders' equity					
Total changes of items during the period	―	316	5,914	337	6,568
Balance at the end of the current period	9,283	10,249	53,642	(1,455)	71,720

	Total other cumulative comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other cumulative comprehensive income			
Balance at the beginning of current period	3,024	60	(1,044)	2,040	—	679	67,956
Cumulative effect of changes in accounting policies							(84)
Restated balance at the beginning of the current period	3,024	60	(1,044)	2,040		679	67,871
Changes of items during the period							
Dividends from surplus							(1,918)
Change of scope of consolidation							300
Change of scope of consolidation—foreign currency translation		182		182			182
Net income							7,532
Purchase of treasury stock							(116)
Disposal of treasury stock							771
Net changes of items other than shareholders' equity	1,743	1,284	1,160	4,189	—	82	4,271
Total changes of items during the period	1,743	1,466	1,160	4,371	—	82	11,022
Balance at the end of the current period	4,768	1,527	115	6,411	—	761	78,893

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	10,621	12,260
Depreciation and amortization	3,802	4,659
Impairment loss	—	298
Loss (gain) on sales of property, plant and equipment	(4)	(8)
Loss on abandonment of property, plant and equipment	80	55
Increase (decrease) in allowance for doubtful accounts	(47)	(76)
Increase (decrease) in provision for retirement benefits	(2,266)	—
Increase (decrease) in net defined benefit liability	2,849	298
Increase (decrease) in provision for bonuses	106	202
Interest and dividends income received	(353)	(599)
Interest expenses	293	212
Foreign exchange losses (gains)	(112)	(84)
Decrease (increase) in notes and accounts receivable–trade	(5,883)	(4,508)
Decrease (increase) in inventories	(562)	(2,294)
Increase (decrease) in notes and accounts payable–trade	1,435	353
Decrease (increase) in accounts receivable–other	(23)	148
Increase (decrease) in accounts payable–other	102	444
Increase (decrease) in advances received on uncompleted construction contracts	(0)	574
Loss on reduction of noncurrent assets	—	329
Dismantling and removal costs	—	428
Subsidy income	—	(379)
Loss (gain) on liquidation of subsidiaries	—	(41)
Decrease (increase) in prepaid pension costs	1,343	—
Decrease (increase) in retirement benefit obligations	(763)	(2,591)
Other	(1,823)	1,805
Subtotal	8,794	11,486
Interest and dividends income received	353	479
Interest expenses paid	(300)	(213)
Proceeds from subsidy income	—	379
Income taxes paid	(4,254)	(3,569)
Income taxes refund	44	9
Net cash provided by (used in) operating activities	4,636	8,571
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(77)	(33)
Purchase of investments in subsidiaries	(205)	(228)
Proceeds from liquidation of subsidiaries	—	61
Proceeds from redemption of securities	—	100
Purchase of property, plant and equipment	(6,088)	(3,355)
Proceeds from sales of property, plant and equipment	133	58
Purchase of intangible assets	(1,497)	(185)
Purchase of investment securities	(16)	(251)
Payments of loans receivable	(1,284)	(260)
Collection of loans receivable	193	327
Other	36	(348)
Net cash provided by (used in) investing activities	(8,807)	(4,115)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,060	1,948
Proceeds from long-term loans payable	3,500	—
Repayment of long-term loans payable	(6,200)	(500)
Proceeds from issuance of bonds	3,000	5,000
Expenditures on redemption of bonds	(3,900)	(5,900)
Repayments of lease obligations	(80)	(69)
Issuance of new shares–exercise of subscription rights to shares	70	—
Net decrease (increase) in treasury stock	(24)	(115)
Cash dividends paid	(1,673)	(1,921)
Cash dividends paid to minority shareholders	(7)	(7)
Proceeds from share issuance to minority shareholders	—	10
Net cash provided by (used in) financing activities	(4,254)	(1,556)
Effect of exchange rate change on cash and cash equivalents	176	157
Net increase (decrease) in cash and cash equivalents	(8,248)	3,057
Cash and cash equivalents at beginning of period	19,344	11,335
Increase in cash and cash equivalents from newly consolidated subsidiary	239	67
Cash and cash equivalents at end of period	*1 11,335	*1 14,460

(5) Notes to Consolidated Financial Statements

(Notes regarding going concern assumption)

Not applicable

(Significant accounting policies in the preparation of the consolidated financial statements)

1. Items concerning the scope of consolidation

(1) Number of consolidated subsidiaries: 34

Names of significant consolidated subsidiaries

METAKOTE INDUSTRY CORPORATION, FUKUSHIMA NICHIAS CORPORATION, NICHIAS CERATECH CORPORATION, TATSUTA KOGYO CO., LTD., SAKAI NICHIAS CORPORATION, NICHIAS CEMCRETE CO., LTD., NICHIAS FGS SDN.BHD., SUZHOU NICHIAS INDUSTRIAL PRODUCTS CO., LTD.

Note that the newly established THAI NICHIAS INTERNATIONAL CO., LTD. has been included in the scope of consolidation from the fiscal year under review, along with THAI NICHIAS ENGINEERING CO., LTD., which has been included as it increased its significance.

(2) Names of significant non-consolidated subsidiaries

NICHIAS (SHANGHAI) TRADING CO., LTD.
NICHIAS (SHANGHAI) AUTOPARTS TRADING CO., LTD.
NAX MFG, S.A.DE C.V.

Reason for exclusion from the scope of consolidation

The 17 non-consolidated subsidiaries are all small-scale companies, and as a result their total assets, net sales, net profit or loss (amount corresponding to equity holding), and retained earnings (amount corresponding to equity holding) do not have a material impact on the consolidated financial statements.

2. Items concerning the application of the equity method

(1) Number of non-consolidated subsidiaries accounted for under the equity method: -

(2) Number of affiliates accounted for under the equity method: 2

Company name: TOZETU INDUSTRY CORPORATION, and one other company

(3) Name of significant non-consolidated subsidiaries and affiliates not accounted for under the equity method

1. (2) The three companies stated as significant non-consolidated subsidiaries and HAMAASU CO., LTD.

Reason equity method not applied

For the companies not accounted for under the equity method, their net profit or loss (amount corresponding to equity holding) and retained earnings (amount corresponding to equity holding), etc. are low, and they are not material overall. For this reason they are excluded from the application of the equity method.

3. Items concerning the fiscal years of subsidiaries

Among the consolidated subsidiaries, the fiscal year end of overseas subsidiaries is December 31. Because the financial statements from the fiscal year-end date of the applicable subsidiaries are used during the preparation of the consolidated financial statements, adjustments are required for material transactions that occur between the fiscal year-end dates of subsidiary and the end of the fiscal year.

4. Items concerning accounting standards

(1) Valuation standards and methods for significant assets

1) Securities

a Held-to-maturity debt securities

Amortized cost method (straight-line method) applied.

b Available-for-sale securities

Securities with a readily determinable fair value

Valuation at fair value based on the market price at the end of the fiscal year (valuation differences are treated through direct net asset adjustment; sales costs are calculated with the moving average method) applied.

Securities without a readily determinable fair value

Valuation at cost with the moving average method applied.

2) Derivatives

Valuation at fair value applied.

3) Inventories

a Merchandise and finished goods

Mainly stated at cost using the moving average method (the carrying amount on the balance sheet is calculated after reductions for decreases in profitability)

b Work in process

Same as above

c Raw materials and supplies

Same as above

d Costs on uncompleted construction contracts

Stated at individual cost

(2) Depreciation method for significant depreciable assets

1) Property, plant and equipment (excluding lease assets)

The fixed-rate method is applied for NICHIAS Corporation and domestic subsidiaries, while the straight-line method is mainly applied for overseas subsidiaries. Note that the straight-line method is also applied for buildings (excluding building-attached facilities) acquired by NICHIAS Corporation and domestic subsidiaries since April 1, 1998.

The main useful lives are as follows.

Buildings and structures	3 to 50 years
Machinery, equipment and vehicles	4 to 10 years

2) Intangible assets (excluding lease assets)

Straight-line method applied.

The straight-line method is applied for software used in-house based on the in-house use period (3 to 5 years).

3) Lease assets

For lease assets in financial lease transactions without transfer of ownership, the straight-line method is applied for useful lives for the lease period, with a residual value of zero.

(3) Criteria for posting significant reserves

1) Allowance for doubtful accounts

To provide for losses on accounts and loans receivable, NICHIAS Corporation and domestic subsidiaries post the expected uncollectible amount based on the deductibility calculated for actual losses on general receivables and individual examination of the collectability of specific doubtful receivables. The expected uncollectible amount for specific receivables is mainly stated for overseas subsidiaries.

2) Provision for bonuses

To provide for bonuses paid to employees, the liability amount of expected payments for the current fiscal year is posted.

3) Provision for warranties for completed construction

To provide for after-service costs for work done, an amount based on the estimated compensation cost within the warranty period is posted.

4) Provision for directors' retirement benefits

To provide for retirement benefits paid to directors, the expected payments for the current fiscal year based on the internal regulations of the retirement benefits plan for directors is posted.

Upon the resolution of the general shareholders meeting held on June 28, 2007, the Company decided to terminate the retirement benefits plan for directors and corporate auditors. Due to the termination of the plan, the amount posted corresponds to the portion of benefit payments required for the service period until the completion of that general shareholders meeting.

(4) Accounting method for retirement benefits

1) Period allocation methodology for the estimated retirement benefit amount

The retirement benefit obligation is calculated by allocating the estimated retirement benefit amount until the end of the current fiscal year based on a benefit formula.

2) Amortization of actuarial differences

Actuarial differences are amortized pro rata in the years following the year in which the difference occurs by the straight-line method over a period of 12 years, which is shorter than the average remaining years of service of the employees.

3) Application of the simplified method for consolidated subsidiaries

The simplified method is applied for the calculation of retirement benefit obligations and retirement benefit costs for consolidated subsidiaries.

(5) Criteria for posting significant revenues and expenses

Criteria for posting net sales of completed construction contracts and cost of sales of completed construction contracts

1) Work in which the certainty of results has been recognized for the portion of progress at the end of the current fiscal year

The percent of completion method (cost-to-cost method used to estimate work progress rate) is applied.

2) Other work

The completed contract method is applied.

(6) Standards for converting significant foreign-denominated assets and liabilities to Japanese yen

Foreign currency-denominated receivables and payables are converted to yen at the spot exchange rate on the consolidated closing date and the translation adjustment is treated as a profit or loss. The assets and liabilities of overseas subsidiaries are converted to yen at

the spot exchange rate on the fiscal year-end date for the subsidiary, and revenue and expenses are converted to yen at the average annual exchange rate. Translation differences are then posted as part of minority interests and foreign currency translation adjustments in net assets.

(7) Accounting method for significant hedges

1) Hedge accounting method

In principal, deferred hedge accounting is applied. Note that special treatment is applied for interest rate swaps fulfilling certain requirements.

2) Hedging instrument and hedged items

Hedging instrument: interest rate swap

Hedged items: loans payable

3) Hedging policy

The risk of interest rate fluctuations on the hedged item is hedged based on internal regulations related to derivatives transactions.

4) Assessment of hedge effectiveness

The effectiveness of hedges is assessed by comparing on a quarterly basis the cumulative change of cash flows of both hedging instruments and corresponding hedged items. However, the assessment of effectiveness is not conducted for interest rate swaps for which special treatment is applied.

(8) The amortization method and amortization period for goodwill

Goodwill is amortized over a period deemed appropriate based on the individual investment projects.

(9) Scope of funds contained within the consolidated statement of cash flows

Cash on hand, deposits that can be withdrawn at any time, and short-term investments that can easily be converted to cash that have maturities within three months of acquisition that are exposed to only a minimal price fluctuation risk are posted.

(10) Other material items relating to the preparation of the consolidated financial statements

Accounting for consumption taxes

The tax excluded method is used as the accounting treatment for consumption taxes and local consumption taxes.

(Change in accounting policy)

Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012; hereinafter, the “Accounting Standard for Retirement Benefits”) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015; hereinafter, the “Guidance on Accounting Standard for Retirement Benefits”) have been adopted from the current consolidated fiscal year, specifically the stipulations of Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the calculation method of retirement benefit obligations and service costs has been revised, the periodic allocation method for the estimated retirement benefit amount has been changed from a straight-line basis to a benefit formula basis, and the discount rate determination method has also been changed from a discount rate based on approximate number of years of the average remaining service period of the employees to a single weighted average discount rate reflecting the estimated period and amount of benefit payment in each period.

The retirement benefits accounting standards were applied in accordance with transitional

treatment set forth in Article 37 of the Accounting Standard for Retirement Benefits, and the effect of the changes in the calculation method for retirement benefit obligations and service costs was recorded as an adjustment to retained earnings at the beginning of the current fiscal year.

As a result, net defined benefit assets decreased by ¥98 million and net defined benefit liability increased by ¥32 million at the beginning of the current fiscal year, causing retained earnings to decrease by ¥84 million.

Note that this change has not caused a material impact on operating income, ordinary income, or income before income taxes for the current fiscal year.

The impact on per share information is not material.

(Changes in the presentation method)

(Consolidated balance sheets)

"Software," which was included in "Other" under "Intangible assets" in the financial statements for the previous fiscal year, is presented separately in the current fiscal year because of its increased significance. The consolidated financial statements for the previous fiscal year were reclassified to reflect this change in presentation.

As a result, ¥1,478 million that was stated as "Other" under "Intangible assets" was reclassified as ¥402 million of "Software" and ¥1,075 million of "Others."

"Asset retirement obligations," which was listed under "Current liabilities" for the previous fiscal year, is included in "Other" in the current fiscal year because of its minimal significance. The consolidated financial statements for the previous fiscal year were reclassified to reflect this change in presentation.

As a result, ¥175 million (¥36 million for the current fiscal year) that was stated as "Asset retirement obligations" under "Current liabilities" was reclassified as ¥2,097 million of "Others."

"Asset retirement obligations," which was listed under "Noncurrent liabilities" for the previous fiscal year, is included in "Other" in the current fiscal year because of its minimal significance. The consolidated financial statements for the previous fiscal year were reclassified to reflect this change in presentation.

As a result, ¥311 million (¥280 million for the current fiscal year) that was stated as "Asset retirement obligations" under "Current liabilities" was reclassified as ¥916 million of "Others."

(Additional information)

Adjustments to deferred tax assets and deferred tax liabilities due to a change in the corporate tax rate

Following the promulgation of the Act on Partial Revision of the Income Tax Act, etc. (Law No. 9, 2015) and the Act on Partial Revision of the Local Tax Act, etc. (Law No. 2, 2015) on March 31, 2015, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities for the current fiscal year (limited, however, to assets and liabilities canceled on or after April 1, 2015) has been changed from 35.64% for the previous fiscal year to 33.10% for assets and liabilities for which recovery or payment is expected from April 1, 2015 to March 31, 2016, and to 32.34% for which recovery or payment is expected from April 1, 2016 and onward.

As a result, deferred tax assets (the amount excluding deferred tax liabilities) have decreased by ¥10 million, while the income tax adjustment, the valuation difference on available-for-sale securities (credit), and remeasurements of defined benefit plans (debit) recorded for the current fiscal year have increased ¥192 million, ¥177 million, and ¥5 million, respectively.

(Consolidated balance sheets-related)

*1. Items for non-consolidated subsidiaries and associates are as follows. (Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Investment securities (stocks and investment in capital)	2,287	2,425

2. Guarantee obligations

(1) Guarantees on loans from financial institutions for companies other than consolidated subsidiaries are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
SHANGHAI GOYU AUTOPARTS CO.	499	482
NICHIAS INDUSTRIAL PRODUCTS PVT.LTD.	184	172
Other	2 companies 135	1 company 20
Employees	16	15
Total	836	690

(2) Repurchase obligation limit accompanying liquidation of notes (Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	576	341

(Consolidated statements of income-related)

*1. The carrying amount on the balance sheet at the end of the fiscal year is calculated after reductions for decreases in profitability. The following inventory valuation loss is included in the cost of merchandise and finished goods sold.

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	179	228

*2. A breakdown of the main selling expenses is displayed below. (Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Employee salaries	1,915	1,818
Bonuses	425	469
Transfer to provision for bonuses	303	354
Retirement benefit expenses	166	179
Packing, storage, shipping expenses	1,469	1,302
Depreciation and amortization	55	58
Transfer to provision for doubtful receivables	(19)	(15)

*3. A breakdown of the main general and administrative expenses is displayed below. (Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Employee salaries	3,402	3,654
Bonuses	1,049	1,140
Transfer to provision for bonuses	723	849
Retirement benefit expenses	935	774
Investigative research expenses	683	570
Depreciation and amortization	680	1,061
Asbestos compensation expenses	290	226

*4. A breakdown of the gains on sales of noncurrent assets is displayed below. (Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Buildings and structures	0	—
Machinery, equipment and vehicles	9	9
Land	49	—
Other	3	3
Total	62	13

*5. A breakdown of the losses on sales of noncurrent assets is displayed below. (Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Loss on sale of: Buildings and structures	—	—
Machinery, equipment and vehicles	3	—
Land	54	2
Other	0	2
Loss on retirement of: Buildings and structures	68	20
Machinery, equipment and vehicles	43	15
Other	2	41
Total	173	81

*6. Research and development expenses included in general and administrative expenses, current year manufacturing expenses, and cost of sales of completed construction contracts (Millions of yen)

Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
5,545	5,602

*7. Impairment loss

Fiscal year ended March 31, 2015

The Group posted impairment losses on the asset group below for the year under review.

Location	Use	Type	Impairment loss
Former head office (Minato-ku, Tokyo)	Group asset	Buildings and structures, etc.	298 Millions of yen

The Group, in principal, groups assets by business unit and factory.

For the current fiscal year, the decision was made to demolish the former head office building, and the book value of this asset group was reduced to the recoverable amount. This reduction (¥298 million) was recorded as an impairment loss under extraordinary loss.

Note that the memorandum value was used for determining the recoverable amount.

(Consolidated comprehensive income statements-related)

*1. Reclassification adjustments and effects of taxation related to other comprehensive income (Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Valuation difference for available-for-sale securities		
Amount incurred during the year under review	1,037	2,435
Reclassification adjustments	—	(50)
Before adjustment for effects of taxation	1,037	2,384
Effects of taxation	(353)	(645)
Valuation difference on available-for-sale securities	683	1,739
Foreign currency translation adjustment		
Amount incurred during the year under review	1,204	1,315
Remeasurements of defined benefit plans		
Amount incurred during the year under review	—	1,303
Reclassification adjustments	—	490
Before adjustment for effects of taxation	—	1,794
Effects of taxation	—	(633)
Remeasurements of defined benefit plans	—	1,160
Total other comprehensive income	1,888	4,215

(Consolidated statements of changes in shareholders' equity-related)

Fiscal year ended March 31, 2014

1. Type and total number of issued shares and of treasury stocks

	Number of shares as of the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares as of the end of the fiscal year under review
Issued shares				
Common stock	125,057,344	—	—	125,057,344
Total	125,057,344	—	—	125,057,344
Treasury stock				
Common stock See notes 1 and 2	5,752,899	35,627	206,000	5,582,526
Total	5,752,899	35,627	206,000	5,582,526

Notes 1. An increase of 35,627 common treasury shares was due to the demand for purchase of fractional shares.

2. A decrease of 206,000 common treasury shares was due to the execution of stock options.

2. Subscription rights to shares and subscription rights to treasury shares

Type	Breakdown of subscription rights to shares	Type of shares subscription applies to	Number of shares subscription applies to (stocks)				Balance at the end of the current fiscal year (millions of yen)
			Beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	End of the fiscal year under review	
Filing company (Parent company)	Yen-denominated convertible bonds with subscription rights due 2017	Common stock	18,083,182	—	—	18,083,182	—
Total		—	18,083,182	—	—	18,083,182	—

3. Dividends

(1) Amount of dividends paid

Resolution date	Type of shares	Total dividends (millions)	Dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2013	Common stock	835	7	March 31, 2013	June 28, 2013
Meeting of the board of directors held on November 11, 2013	Common stock	836	7	September 30, 2013	December 5, 2013

(2) Dividends with record dates in the fiscal year under review to be paid in the following fiscal year on the effective date

Resolution date	Type of shares	Total dividends (millions)	Source of dividends	Dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2014	Common stock	956	Retained Earnings	8	March 31, 2014	June 30, 2014

Fiscal year ended March 31, 2015

1. Type and total number of issued shares and of treasury stocks

	Number of shares as of the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares as of the end of the fiscal year under review
Issued shares				
Common stock	125,057,344	—	—	125,057,344
Total	125,057,344	—	—	125,057,344
Treasury stock				
Common stock See notes 1 and 2	5,582,526	176,249	1,394,001	4,364,774
Total	5,582,526	176,249	1,394,001	4,364,774

Notes 1. An increase of 176,249 common treasury shares was due to the demand for purchase of fractional shares.

2. A decrease of 1,392,401 common treasury shares was due to the exercise of the subscription rights for convertible bonds and to purchase of 1,600 fractional shares.

2. Subscription rights to shares and subscription rights to treasury shares

Type	Breakdown of subscription rights to shares	Type of shares subscription applies to	Number of shares subscription applies to (stocks)				Balance at the end of the current fiscal year (millions of yen)
			Beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	End of the fiscal year under review	
Filing company (Parent company)	Yen-denominated convertible bonds with subscription rights due 2017	Common stock	18,083,182	—	1,392,405	16,690,777	—
Total		—	18,083,182	—	1,392,405	16,690,777	—

3. Dividends

(1) Amount of dividends paid

Resolution date	Type of shares	Total dividends (millions)	Dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2014	Common stock	956	8	March 31, 2014	June 30, 2014
Meeting of the board of directors held on November 10, 2014	Common stock	962	8	September 30, 2014	December 5, 2014

(2) Dividends with record dates in the fiscal year under review to be paid in the following fiscal year on the effective date

Resolution date	Type of shares	Total dividends (millions)	Source of dividends	Dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders to be held on June 26, 2015	Common stock	1,086	Retained Earnings	9	March 31, 2015	June 29, 2015

(Consolidated statements of cash flows-related)

*1 Relationship between cash and cash equivalents at end of year and the carrying amount on the consolidated balance sheet

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash and deposit accounts	11,453	14,905
Time deposits with a deposit period of over three months	(118)	(444)
Cash and cash equivalents	11,335	14,460

(Segment information)

Segment information

1. Overview of reporting segments

(1) Method of determining reporting segments

The Group's reporting segments are components of the Group for which separate financial information is available, and that are evaluated regularly by decision-making bodies such as the board of directors in order to determine the allocation of resources and in assessing performance.

The Group consists of multiple business divisions in different markets, with each division conducting business based on comprehensive strategies formulated for the products and services they handle both in Japan and overseas.

Accordingly, the Group is composed of segments based on these business divisions. The five reporting segments are Energy and Industrial Plants, Industrial Products, Advanced Products, Autoparts, and Building Materials.

(2) Types of products and services included in each reporting segment

The main businesses of each reporting segment are as follows.

Name of segment	Main businesses
Energy and Industrial Plants	Sales of sealing materials (gaskets and packing), inorganic fiber insulating material, fluororesin products for plant facilities in petroleum and petrochemicals industries; design, installation work, and maintenance of thermal insulation, cold reserving, fireproofing, noise proofing, and disaster prevention work for plants in industries including power, petroleum, petrochemicals, etc.
Industrial Products	Manufacturing and sales of sealing materials (gaskets and packing), inorganic fiber insulating material, fluoropolymer molding materials and processed goods, anticorrosive lining materials, and honeycomb filters for a broad range of industries including power, gas, steel, environment, medical, and food.
Advanced Products	Manufacturing and sales of fluoropolymer products, inorganic fiber insulating materials, honeycomb filters, and sealing materials for semiconductor and LCD manufacturing equipment
Autoparts	Manufacturing and sales of auto parts including sealing materials for engines and engine peripherals, and parts with thermal insulation, soundproofing and vibration control attributes
Building Materials	Manufacturing and sales of non-combustible interior & decorative boards composed mainly of calcium silicate, non-combustible building materials such as residential insulation with rock wool as the base material, and insulating materials; construction of fireproofing protection with non-combustible building materials for office buildings, etc.; and design and installation work of free-access floors with various floor materials.

2. The methods of calculating the amounts of net sales, income (loss), assets, liabilities and other items by reporting segment

The accounting methods for the reporting segments are, in general, the same as those described in the "Significant accounting policies in the preparation of the consolidated financial statements." The income of each reporting segment is an amount based on operating income. Note that intersegment sales and transfers are recorded at internal transfer prices that are reasonably calculated based on prevailing market prices.

3. Information on net sales, income (loss), assets, liabilities and other items by reporting segment

Fiscal year ended March 31, 2014

(Millions of yen)

	Reporting segments						Adjustments Notes	Amount stated in consolidated financial statements
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	38,617	39,369	14,904	29,181	25,045	147,118	—	147,118
Intersegment sales or transfers	—	5,466	—	—	—	5,466	(5,466)	—
Total	38,617	44,835	14,904	29,181	25,045	152,584	(5,466)	147,118
Segment profit (loss)	2,318	4,212	1,761	2,685	(762)	10,216	—	10,216
Segment assets	21,765	35,167	12,691	24,645	21,473	115,743	25,568	141,311
Other items								
Depreciation and amortization	138	1,392	513	1,142	615	3,802	—	3,802
Amortization of goodwill	—	0	—	—	—	0	—	0
Increase in property, plant and equipment and intangible assets	31	1,519	610	649	3,928	6,739	1,560	8,299

Notes "Adjustment" is described below.

(1) The ¥25,568 million adjustment in "segment assets" consists of assets relating to Group assets that do not belong to specific reporting segments. Group assets mainly consist of the filing company's surplus operating capital (cash and deposits), assets attributable to the administrative and research divisions, deferred tax assets, etc.

(2) The ¥1,560 million adjustment in "increase in property, plant and equipment and intangible assets" consists of capital investments in assets attributable to the administrative and research divisions.

Fiscal year ended March 31, 2015

(Millions of yen)

	Reporting segments						Adjustments Notes	Amount stated in consolidated financial statements
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	45,792	40,481	14,105	31,657	26,902	158,939	—	158,939
Intersegment sales or transfers	—	5,656	—	—	—	5,656	(5,656)	—
Total	45,792	46,138	14,105	31,657	26,902	164,596	(5,656)	158,939
Segment profit (loss)	2,889	5,084	1,580	3,285	(1,349)	11,490	—	11,490
Segment assets	23,591	39,545	11,104	27,860	22,653	124,626	31,607	156,234
Other items								
Depreciation expenses	324	1,478	521	1,193	1,141	4,659	—	4,659
Amortization of goodwill	38	—	—	—	—	38	—	38
Increase in property, plant, and equipment and intangible assets	55	635	85	994	498	2,269	519	2,788

Notes "Adjustment" is described below.

(1) The ¥31,607 million adjustment in "segment assets" consists of assets relating to Group assets that do not belong to specific reporting segments. Group assets mainly consist of the filing company's surplus operating capital (cash and deposits), assets attributable to the administrative and research divisions, deferred tax assets, etc.

(2) The ¥519 million adjustment in "increase in property, plant and equipment and intangible assets" consists of capital investments in assets attributable to the administrative and research divisions.

(Related information)

Fiscal year ended March 31, 2014

1. Information by product and service

Information by product and service is omitted, because similar information is provided in "segment information."

2. Information by region

(1) Sales

(Millions of yen)

Japan	Asia	Others	Total
126,303	15,133	5,681	147,118

Note: Net sales are based on the customer's location and are divided by country and region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
33,889	6,006	430	40,326

3. Information by main customers

Because there are no customers that account for over 10% of sales stated in the consolidated statements of income for sales to external customers, this information is omitted.

Fiscal year ended March 31, 2015

1. Information by product and service

Information by product and service is omitted, because similar information is provided in “segment information.”

2. Information by region

(1) Sales

(Millions of yen)

Japan	Asia	Others	Total
133,162	18,175	7,601	158,939

Note: Net sales are based on the customer’s location and are divided by country and region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Others	Total
32,029	6,416	443	38,889

3. Information by main customers

Because there are no customers that account for over 10% of sales stated in the consolidated statements of income for sales to external customers, this information is omitted.

(Information relating to impairment loss of noncurrent assets by reporting segment)

Fiscal year ended March 31, 2014

Not applicable.

Fiscal year ended March 31, 2015

(Significant impairment loss on noncurrent assets)

For the current fiscal year, the decision was made to demolish the former head office building, and an impairment loss was recorded for corporate assets that are not included in any reporting segments. The amount of this impairment loss was ¥298 million for the current fiscal year.

(Information relating to goodwill amortization and unamortized balance by reporting segment)

Fiscal year ended March 31, 2014

This information is omitted because it lacks materiality.

Fiscal year ended March 31, 2015

This information is omitted because it lacks materiality.

(Per share information)

Net assets per share and the basis for calculation, net income per share and the basis for calculation, and diluted net income per share and the basis for calculation are as follows.

(Yen)

Item	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net assets per share	563.10	647.36
(Basis for calculation)		
Total net assets (millions of yen)	67,956	78,893
Amount to be deducted from total net assets (millions of yen)	679	761
(Of which, subscription rights to shares)	—	—
(Of which, minority interests)	(679)	(761)
Net assets attributable to common shares at the end of the fiscal year (millions of yen)	67,276	78,132
Number of common shares at the end of the fiscal year used for the calculation of net assets per share (thousand shares)	119,474	120,692

(Yen)

Item	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income per share	52.89	62.84
(Basis for calculation)		
Net income (millions of yen)	6,317	7,532
Amount not attributed to common shareholders (millions of yen)	—	—
Net income attributable to common shares (millions of yen)	6,317	7,532
Average outstanding shares of common stock during the fiscal year (thousand shares)	119,447	119,866
Diluted net income per share	45.93	54.77
(Basis for calculation)		
Net income adjustment (millions of yen)	—	—
Increase in number of common shares (thousand shares)	18,083	17,662
(Of which, subscription rights to shares)	—	—
(Of which, bonds with subscription rights)	(18,083)	(17,662)
Overview of potential shares that were not included in the calculation of diluted net income per share because they have no dilutive effects	———————	———————

(Significant subsequent events)

Not applicable

7. Other

(1) Status of production, orders, and sales

1. Production output by segment

(Millions of yen, %)

Name of segment	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	YoY Percentage change	Current fiscal year composition ratio
Industrial Products	26,200	27,424	4.7	39.5
Advanced Products	10,712	9,774	(8.8)	14.1
Autoparts	19,248	23,267	20.9	33.6
Building Materials	8,236	8,881	7.8	12.8
Total	64,397	69,347	7.7	100.0

2. Orders by segment

(Millions of yen, %)

Name of segment	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	YoY Percentage change	Current fiscal year composition ratio
Energy and Industrial Plants	39,745	49,266	24.0	30.3
Industrial Products	39,708	40,680	2.4	25.0
Advanced Products	15,167	14,958	(1.4)	9.2
Autoparts	29,440	31,504	7.0	19.4
Building Materials	26,811	26,324	(1.8)	16.2
Total	150,873	162,734	7.9	100.0

3. Net sales by segments

(Millions of yen, %)

Name of segment	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	YoY Percentage change	Current fiscal year composition ratio
Energy and Industrial Plants	38,617	45,792	18.6	28.8
Industrial Products	39,369	40,481	2.8	25.5
Advanced Products	14,904	14,105	(5.4)	8.9
Autoparts	29,181	31,657	8.5	19.9
Building Materials	25,045	26,902	7.4	16.9
Total	147,118	158,939	8.0	100.0

(2) Change of directors

(As of June 26, 2015, titles and positions to be changed are underlined)

(This change was announced on March 17, 2015.)

1) Change of Directors and Corporate Auditors

a New candidates for Director

New position	Name	Current position
Outside Director	Yoichi Eto	Outside Audit & Supervisory Board Member

b Changes in title and position of Director: none

c Retiring Representative Directors

Kunihiko Yano (Current Representative Director and Senior Advisor)

To be appointed as Director and Senior Advisor after retirement

d Retiring Directors

Shigeaki Mitsukuri (Current Director, Executive Officer, Deputy Head of Energy and Industrial Plants Division)

To be appointed as the Company's Advisor after retirement

e New candidates for Corporate Auditor

New position	Name	Current position
Full-time Audit & Supervisory Board Member	Akira Hirosawa	Kyushu Branch Manager
Outside Audit & Supervisory Board Member	Yoko Wachi (Attorney of Kajitani Law Offices)	

f Retiring Corporate Auditors

Yasuo Shimizu (Full-time Audit & Supervisory Board Member)

Yoichi Eto (Outside Audit & Supervisory Board Member): To be appointed as Outside Director after retirement

2) Changes of Executive Officers

a Newly appointed Executive Officers

Toshiaki Saito	(Current Position: Deputy Head of Building Materials Division New Position: Head of Building Materials Division)
Hiroaki Seki	(Current Position: Corporate Administration Division, Head of Accounting Department New Position: Corporate Administration Division, Accounting and Operation Support Representative, Head of Accounting Department)

b Retiring Executive Officers: none

8. Supplementary materials

May 11, 2015

Financial results supplementary materials for fiscal year ended March 31, 2015

NICHIAS Corporation

(1) Key consolidated figures

(Millions of yen)

	Full year							
	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015		Fiscal year 2016	
						Year-on-year change	Forecast	Year-on-year change
Net sales	144,138	144,258	137,008	147,118	158,939	8.0%	170,000	7.0%
Operating income	11,314	11,140	9,414	10,216	11,490	12.5%	13,600	18.4%
Operating income margin (%)	7.8%	7.7%	6.9%	6.9%	7.2%		8.0%	
Ordinary income	10,681	11,151	9,752	11,057	12,913	16.8%	13,800	6.9%
Ordinary income margin (%)	7.4%	7.7%	7.1%	7.5%	8.1%		8.1%	
Net income	7,234	6,914	5,936	6,317	7,532	19.2%	8,500	12.8%
Net income margin (%)	5.0%	4.8%	4.3%	4.3%	4.7%		5.0%	
Net income per share (yen)	60.84	58.14	49.81	52.89	62.84	18.8%	70.43	12.1%
Total assets	123,474	125,601	135,401	141,311	156,234	10.6%	—	—
Net assets	49,994	55,241	62,299	67,956	78,893	16.1%	—	—
Shareholders' equity	48,899	54,296	61,291	67,276	78,132	16.1%	—	—
Equity ratio (%)	39.6%	43.2%	45.3%	47.6%	50.0%		—	
Interest-bearing debt	32,872	31,574	36,289	33,825	33,830	0.0%	—	—
Interest-bearing debt ratio (%)	26.6%	25.1%	26.8%	23.9%	21.7%		—	
Capital expenditures	4,465	4,355	6,537	8,299	2,788	(66.4%)	5,200	86.5%
Depreciation and amortization	4,236	3,796	3,260	3,802	4,659	22.5%	4,100	(12.0%)
Research and development expenses	5,246	5,335	5,189	5,545	5,602	1.0%	5,500	(1.8%)

(2) Quarterly consolidated financial results

(Millions of yen)

	Fiscal year 2014				Fiscal year 2015				
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	Year-on-year change
Net sales	32,558	36,971	34,705	42,883	34,800	39,698	39,969	44,470	3.7%
Operating income	2,392	2,535	2,631	2,656	2,518	2,510	2,949	3,512	32.2%
Operating income margin (%)	7.3%	6.9%	7.6%	6.2%	7.2%	6.3%	7.4%	7.9%	
Ordinary income	2,827	2,544	3,014	2,671	2,776	2,729	3,551	3,854	44.3%
Ordinary income margin (%)	8.7%	6.9%	8.7%	6.2%	8.0%	6.9%	8.9%	8.7%	
Net income	1,767	1,447	1,634	1,467	1,805	1,281	2,245	2,200	50.0%
Net income margin (%)	5.4%	3.9%	4.7%	3.4%	5.2%	3.2%	5.6%	4.9%	

*The statements contained in this material, which refer to current plans and projections, other than historical facts, represent forward-looking statements made at the discretion of top management based on information currently available.
Therefore, please note that the actual results may considerably differ from those projected due to various factors.