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. Should there be any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct. The "Notice of Consolidated Earnings Forecast" mentioned in this statement is disclosed in Japanese only. Please instead refer to the "First quarter of fiscal year ending March 31, 2016 Financial Results Supplementary Materials," which is similar to the above document and is available in English.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015) [Japanese GAAP]

August 3, 2015

Company Name: **NICHIAS Corporation**
Stock Exchange Listing: Tokyo Stock Exchange (Code number 5393)
URL: http://www.nichias.co.jp
Representative: Toshiyuki Takei, President and Chief Executive Officer
Inquiries: Masayuki Tomita, Director & Executive Officer, Head of Corporate Administration Division
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Scheduled date of filing the quarterly consolidated financial statements: August 6, 2015
Supplementary materials for financial results: Available
Organization of financial results briefing: None
Scheduled date of commencement of dividend payment: -

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

1. Consolidated financial results for the first quarter of the fiscal year ending March 31, 2016 (April 1 to June 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter of Fiscal Year Ending March 31, 2016	38,648	11.1	3,140	24.7	3,416	23.0	2,071	14.8
First Quarter of Fiscal Year Ended March 31, 2015	34,800	6.9	2,518	5.2	2,776	(1.8)	1,805	2.1

Note: Comprehensive income

First Quarter of Fiscal Year Ending March 31, 2016 ..... ¥2,390 million / (8.5%)
First Quarter of Fiscal Year Ended March 31, 2015..... ¥2,612 million / (14.3%)

	Net income per share	Net income per share (Fully diluted)
	Yen	Yen
First Quarter of Fiscal Year Ending March 31, 2016	17.03	15.08
First Quarter of Fiscal Year Ended March 31, 2015	15.11	13.12

(2) Financial status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First Quarter of Fiscal Year Ending March 31, 2016	157,540	82,738	52.0
As of March 31, 2015	156,234	78,893	50.0

(Reference) Shareholders' Equity

First Quarter of Fiscal Year Ending March 31, 2016 ..... ¥81,979 million

Fiscal year ended March 31, 2015 ..... ¥78,132 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	—	8.00	—	9.00	17.00
Fiscal year ending March 31, 2016	—				
Fiscal year ending March 31, 2016 (Forecast)		9.00	—	9.00	18.00

Note: Adjustments from the most recently released dividend forecast: None

3. Forecast of consolidated financial results for the fiscal 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

Note: Adjustments from the most recently released consolidated results forecast: None

* Notes

(1) Changes in significant subsidiaries during the consolidated quarter under review: None

(Change in the scope of consolidation for a significant subsidiary)

(2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of shares outstanding (ordinary shares)

1) Number of shares issued at the end of the period (including treasury stock)

Fiscal year ending March 31, 2016 1Q	125,057,344 shares	As of March 31, 2015	125,057,344 shares

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

Fiscal year ending March 31, 2016 1Q	694,928 shares	As of March 31, 2015	4,364,774 shares

3) Average number of shares outstanding during the period (quarterly cumulative)

Fiscal year ending March 31, 2016 1Q	121,665,489 shares	Fiscal year ended March 31, 2015 1Q	119,471,859 shares

* Items related to the conduct of quarterly review procedures

These quarterly financial results are not subject to quarterly review based on the Financial Instrument and Exchange Act. At the time of disclosure of this report, review procedures for quarterly financial results were under way.

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

・Forward-looking statements concerning financial forecasts contained in these materials are based on certain assumptions judged to be reasonable and on the information available when the forecasts were made. 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.

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1. Qualitative information on the quarter under review

(1) Explanation of operating results

During the first quarter of the fiscal year under review (April 1, 2015 to June 30, 2015), the Japanese economy remained on a path of moderate recovery overall as a result of improvement in corporate earnings, a more favorable employment environment and increasing capital investment. Meanwhile, overseas economies remained on a moderate growth trajectory due in part to increasing consumer spending and capital investment in the U.S., despite concerns of an economic slowdown in China.

Against that backdrop, net sales increased primarily in the Advanced Products Division and the Autoparts Division, with the former experiencing rebounding demand with respect to products for semiconductor production equipment, and the latter benefitting from solid overseas demand. As a result, net sales for the NICHIAS Group overall increased 11.1% year on year to ¥38,648 million.

In terms of profits, operating income increased 24.7% year on year to ¥3,140 million, ordinary income increased 23.0% year on year to ¥3,416 million, and profit attributable to owners of the parent increased 14.8% year on year to ¥2,071 million.

Net sales by segment for the first quarter of the year ending March 31, 2016 are as follows.

The Company has made changes to its reportable segment categories, effective from the first quarter of the year ending March 31, 2016. Accordingly, comparison and analysis with respect to the first quarter of the year ending March 31, 2016 have been provided on the basis of the reportable segment categories subsequent to those changes.

Sales in the **Energy and Industrial Plants Division** increased 2.7% year on year to ¥10,484 million. This was due to an increase in power-related work.

Sales in the **Industrial Products Division** increased 9.9% year on year to ¥9,756 million. This was due to the fact that demand has grown for sealing material products, inorganic insulation material products and fluoropolymer products, triggered by the recent gentle recovery in the economy.

Sales in the **Advanced Products Division** increased 28.6% year on year to ¥4,153 million. This was due to recovery in demand with respect to products for semiconductor and liquid crystal production equipment.

Sales in the **Autoparts Division** increased 18.9% year on year to ¥8,821 million. This was due to solid overseas demand particularly in North America and Europe, along with an increase in exports and overseas sales.

Sales in the **Building Materials Division** increased 7.2% year on year to ¥5,432 million. This was due to firm results from property construction projects involving fire-proofing covering materials.

(2) Explanation of financial position

1) Assets, liabilities, and net assets

Total assets at the end of the first quarter of the year ending March 31, 2016 were ¥157,540 million, up ¥1,306 million year on year. This was largely a result of year-on-year decreases in accounts receivable from completed construction contracts of ¥3,042 million being outweighed by year-on-year increases in cash and deposits of ¥1,430 million and costs on uncompleted construction contracts of ¥2,231 million.

Liabilities at the end of the first quarter of the year ending March 31, 2016 were ¥74,802 million, down ¥2,538 million year on year. This was largely the result of year-on-year decreases in income taxes payable of ¥1,818 million and bonds with subscription rights to shares of ¥2,035 million.

Net assets at the end of the first quarter of the year ending March 31, 2016 were ¥82,738 million, up ¥3,844 million year on year. This was largely a result of year-on-year increases in capital surplus of ¥801 million and retained earnings of ¥1,225 million, and year-on-year decreases in treasury stock of ¥1,220 million.

2) Cash flows

Cash and cash equivalents at the end of the first quarter of the year ending March 31, 2016 (hereinafter, "cash") increased by ¥1,329 million to ¥15,790 million year on year. 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 ¥3,216 million (compared to receipts of ¥2,130 million in the same period of the previous fiscal year).

This was due to inflows of cash from an increase in inventories of ¥2,261 million and income taxes paid of ¥2,445 million being outweighed by factors such as income before income taxes of ¥3,433 million, an increase in accrued expenses of ¥2,313 million and a decrease in notes and accounts receivable–trade of ¥4,105 million.

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

Net cash used in investing activities was ¥910 million (compared to expenditures of ¥1,692 million in the same period of the previous fiscal year).

This was due to outflows of cash that included expenditures of ¥840 million for purchases of property, plant and equipment.

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

Net cash used in financing activities was ¥1,404 million (compared to receipts of ¥3,971 million in the same period of the previous fiscal year).

This was due to outflows of cash largely attributable to dividends paid of ¥993 million.

(3) Explanation of information relating to future prospects including consolidated results forecasts

The results for the first quarter of the fiscal year ending March 31, 2016 were largely in line with expectations. Therefore, the forecasts released on May 11, 2015 for the first half and entire fiscal year ending March 31, 2016 remain unchanged at this point in time.

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

2. Summary information (Notes)

Changes in accounting policies, changes in accounting estimates, and restatements

(Changes in accounting policies)

Effective from the first quarter of the consolidated fiscal year ending March 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and other accounting standards. Accordingly, changes have been made in the presentation of quarterly net income and other amounts, and changes have also been made in nomenclature from "minority interests" to "non-controlling interests." The consolidated financial statements for the first quarter of the previous fiscal year and those for the entire previous fiscal year have been reclassified to reflect these changes in presentation.

3. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	Fiscal year ended March 31, 2015	First Quarter of Fiscal Year Ending March 31, 2016 (June 30, 2015)
Assets		
Current assets		
Cash and deposits	14,905	16,335
Notes and accounts receivable-trade	38,521	38,315
Accounts receivable from completed construction contracts	15,420	12,377
Merchandise and finished goods	9,772	9,637
Work in process	1,371	1,413
Raw materials and supplies	5,779	6,085
Costs on uncompleted construction contracts	3,634	5,865
Deferred tax assets	1,654	1,119
Other	2,674	2,502
Allowance for doubtful accounts	(14)	(13)
Total current assets	93,719	93,639
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	41,282	41,832
Accumulated depreciation and impairment loss	(26,984)	(27,190)
Buildings and structures, net	14,298	14,641
Machinery, equipment and vehicles	65,325	65,326
Accumulated depreciation and impairment loss	(55,747)	(56,021)
Machinery, equipment and vehicles, net	9,577	9,305
Land	13,514	13,669
Lease assets	288	313
Accumulated depreciation	(143)	(160)
Lease assets, net	145	153
Construction in progress	758	1,154
Other	7,239	7,347
Accumulated depreciation and impairment loss	(6,645)	(6,734)
Other, net	593	612
Total property, plant and equipment	38,889	39,537
Intangible assets		
Software	1,896	1,819
Other	998	966
Total intangible assets	2,894	2,785
Investments and other assets		
Investment securities	13,386	13,774
Net defined benefit asset	3,355	3,726
Deferred tax assets	462	544
Other	3,598	3,604
Allowance for doubtful accounts	(71)	(70)
Total investments and other assets	20,730	21,578
Total noncurrent assets	62,514	63,901
Total assets	156,234	157,540

(Millions of yen)

	Fiscal year ended March 31, 2015	First Quarter of Fiscal Year Ending March 31, 2016 (June 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,776	24,720
Current portion of bonds	450	450
Short-term loans payable	11,956	11,570
Accounts payable-other	4,754	4,993
Income taxes payable	2,449	630
Advances received on uncompleted construction contracts	867	1,012
Provision for bonuses	2,239	1,326
Other	3,014	4,754
Total current liabilities	50,507	49,458
Noncurrent liabilities		
Bonds payable	8,000	8,000
Bonds with subscription rights to shares	9,230	7,195
Long-term loans payable	3,500	3,500
Deferred tax liabilities	1,807	2,310
Net defined benefit liability	3,172	3,204
Other	1,123	1,133
Total noncurrent liabilities	26,832	25,343
Total liabilities	77,340	74,802
Net assets		
Shareholders' equity		
Capital stock	9,283	9,283
Capital surplus	10,249	11,051
Retained earnings	53,642	54,868
Treasury stock	(1,455)	(235)
Total shareholders' equity	71,720	74,967
Total other cumulative comprehensive income		
Valuation difference on available-for-sale securities	4,768	5,423
Foreign currency translation adjustment	1,527	1,457
Remeasurements of defined benefit plans	115	131
Total other cumulative comprehensive income	6,411	7,011
Non-controlling interests	761	759
Total net assets	78,893	82,738
Total liabilities and net assets	156,234	157,540

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income

First quarter of consolidated fiscal year

(Millions of yen)

	First Quarter of Fiscal Year Ended March 31, 2015 (April 1, 2014 to June 30, 2014)	First Quarter of Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)
Net sales		
Net sales of merchandise and finished goods	26,275	29,932
Net sales of completed construction contracts	8,525	8,716
Total net sales	34,800	38,648
Cost of sales		
Cost of merchandise and finished goods sold	19,546	22,029
Cost of sales of completed construction contracts	7,122	7,582
Total cost of sales	26,668	29,612
Gross profit	8,132	9,036
Selling, general and administrative expenses		
Selling expenses	1,543	1,881
General and administrative expenses	4,070	4,014
Total selling, general and administrative expenses	5,614	5,895
Operating income	2,518	3,140
Non-operating income		
Interest income	127	9
Dividends income	240	124
Foreign exchange gains	—	81
Rent income	84	71
Equity in earnings of affiliates	—	14
Other	36	58
Total non-operating income	489	360
Non-operating expenses		
Interest expenses	54	48
Foreign exchange losses	121	—
Equity in losses of affiliates	23	—
Other	31	36
Total non-operating expenses	230	84
Ordinary income	2,776	3,416
Extraordinary income		
Gains on liquidation of subsidiaries	—	35
Gain on sales of noncurrent assets	3	2
Gain on sale of investment securities	20	—
Total extraordinary income	24	37
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	40	20
Total extraordinary losses	40	20
Income before income taxes	2,761	3,433
Income taxes-current	646	595
Income taxes-deferred	305	745
Total income taxes	951	1,340
Net income	1,809	2,092
Profit attributable to non-controlling interests	4	20

(Millions of yen)

	First Quarter of Fiscal Year Ended March 31, 2015 (April 1, 2014 to June 30, 2014)	First Quarter of Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)
Profit attributable to owners of parent	1,805	2,071

Quarterly consolidated statements of comprehensive income

First quarter of consolidated fiscal year

(Millions of yen)

	First Quarter of Fiscal Year Ended March 31, 2015 (April 1, 2014 to June 30, 2014)	First Quarter of Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)
Net income	1,809	2,092
Other comprehensive income		
Valuation difference on available-for-sale securities	716	654
Foreign currency translation adjustment	7	(372)
Remeasurements of defined benefit plans	78	15
Total other comprehensive income	802	297
Comprehensive income	2,612	2,390
(Breakdown)		
Comprehensive income attributable to owners of the parent company	2,595	2,383
Comprehensive income attributable to minority interests	16	7

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	First Quarter of Fiscal Year Ended March 31, 2015 (April 1, 2014 to June 30, 2014)	First Quarter of Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	2,761	3,433
Depreciation and amortization	1,125	1,092
Increase (decrease) in allowance for doubtful accounts	(14)	(0)
Increase (decrease) in provision for retirement benefits	83	30
Increase (decrease) in provision for bonuses	(771)	(913)
Interest and dividends income received	(368)	(134)
Interest expenses	54	48
Foreign exchange losses (gains)	19	(11)
Decrease (increase) in notes and accounts receivable-trade	2,116	4,105
Decrease (increase) in inventories	(3,133)	(2,261)
Increase (decrease) in notes and accounts payable-trade	24	(967)
Increase (decrease) in accounts payable-other	292	(846)
Increase (decrease) in accrued expenses	2,101	2,313
Increase (decrease) in advances received on uncompleted construction contracts	142	145
Loss (gain) on liquidation of subsidiaries	—	(35)
Decrease (increase) in net defined benefit asset	(230)	(371)
Other	(488)	(64)
Subtotal	3,715	5,562
Interest and dividends income received	247	134
Interest expenses paid	(47)	(42)
Income taxes paid	(1,794)	(2,445)
Income taxes refund	9	6
Net cash provided by (used in) operating activities	2,130	3,216
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(94)	(76)
Purchase of investments in subsidiaries	(166)	—
Proceeds from liquidation of subsidiaries	—	38
Purchase of property, plant and equipment	(1,500)	(840)
Proceeds from sales of property, plant and equipment	5	11
Purchase of intangible assets	(37)	(54)
Payments of loans receivable	(101)	(2)
Collection of loans receivable	187	20
Other	14	(6)
Net cash provided by (used in) investing activities	(1,692)	(910)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(5)	(244)
Repayment of long-term loans payable	(125)	(125)
Proceeds from issuance of bonds	5,000	—
Cash dividends paid	(868)	(993)
Dividends paid to non-controlling interests	(7)	(9)

(Millions of yen)

	First Quarter of Fiscal Year Ended March 31, 2015 (April 1, 2014 to June 30, 2014)	First Quarter of Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)
Other	(22)	(31)
Net cash provided by (used in) financing activities	3,971	(1,404)
Effect of exchange rate change on cash and cash equivalents	17	43
Net increase (decrease) in cash and cash equivalents	4,426	944
Cash and cash equivalents at beginning of period	11,335	14,460
Increase in cash and cash equivalents from newly consolidated subsidiary	—	385
Cash and cash equivalents at end of period	15,761	15,790

(4) Notes regarding quarterly consolidated financial results statements

(Notes regarding going concern assumption)

Not applicable

(Notes regarding significant changes in shareholders' equity (if any))

Not applicable

(Segment information)

I. First quarter of fiscal year ended March 31, 2015 (April 1, 2014 to June 30, 2014)

1. Information on net sales and income (loss) by reporting segments

(Millions of yen)

	Reporting segments						Adjust-ments	Amount stated in quarterly consolidated financial statements
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	10,205	8,876	3,229	7,419	5,068	34,800	—	34,800
Intersegment sales or transfers	—	1,724	—	—	—	1,724	(1,724)	—
Total	10,205	10,601	3,229	7,419	5,068	36,525	(1,724)	34,800
Segment profit or loss	610	1,059	380	816	(348)	2,518	—	2,518

2. Information relating to impairment loss of noncurrent assets and goodwill by reporting segments:

Not applicable

II. First quarter of fiscal year ending March 31, 2016 (April 1, 2015 to June 30, 2015)

1. Information on net sales and income (loss) by reporting segments

(Millions of yen)

	Reporting segments						Adjust-ments	Amount stated in quarterly consolidated financial statements
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	10,484	9,756	4,153	8,821	5,432	38,648	—	38,648
Intersegment sales or transfers	—	1,999	—	—	—	1,999	(1,999)	—
Total	10,484	11,756	4,153	8,821	5,432	40,648	(1,999)	38,648
Segment profit or loss	460	1,324	689	1,176	(510)	3,140	—	3,140

2. Information relating to impairment loss of noncurrent assets and goodwill by reporting segments:

Not applicable

3. Matters Relating to Changes in Reporting Segments

As of April 1, 2015, a portion of NICHIAS Corporation has been transferred from the Industrial Products Division to the Energy and Industrial Plants Division. In accordance with this reorganization, the entities that had been part of the Industrial Products Division have been re-categorized as part of the Energy and Industrial Plants Division, effective from the first quarter of the year ending March 31, 2016.

Segment information presented for the first quarter of the previous fiscal year has been prepared on the basis of the classification subsequent to the change.

(Significant subsequent events)

Conversion of Japanese yen-denominated convertible bond-type bonds with subscription rights to shares maturing in 2017

Some stock acquisition rights of the Company's Japanese yen-denominated convertible bond-type bonds with subscription rights to shares maturing in 2017 were exercised after June 30, 2015.

Details from July 1, 2015 to July 31, 2015 are as follows:

1. Face value of corporate bonds converted	¥1,900 million
2. Class of shares issued	Ordinary shares
3. Number of shares issued	3,443,275 shares
4. Increase in capital	¥950 million
5. Increase in legal capital surplus	¥950 million

4. Supplementary materials

August 3, 2015

Financial results briefing supplementary materials for the first quarter of the fiscal year ending March 31, 2016

NICHIAS Corporation

(1) Key consolidated figures

(Millions of yen)

	Half year			Full year					
	Fiscal year 2015	Fiscal year 2016		Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal year 2016	
	Second quarter (cumulative)	Second quarter (cumulative) forecast	Year-on-year change					Forecast	Year-on-year change
Net sales	74,499	81,000	8.7%	144,258	137,008	147,118	158,939	170,000	7.0%
Operating income	5,029	5,800	15.3%	11,140	9,414	10,216	11,490	13,600	18.4%
Operating income margin (%)	6.8%	7.2%		7.7%	6.9%	6.9%	7.2%	8.0%	
Ordinary income	5,506	5,900	7.1%	11,151	9,752	11,057	12,913	13,800	6.9%
Ordinary income margin (%)	7.4%	7.3%		7.7%	7.1%	7.5%	8.1%	8.1%	
Net income (loss)	3,086	3,500	13.4%	6,914	5,936	6,317	7,532	8,500	12.8%
Net income (loss) margin (%)	4.1%	4.3%		4.8%	4.3%	4.3%	4.7%	5.0%	
Net income (loss) per share (yen)	25.83	29.00	12.3%	58.14	49.81	52.89	62.84	70.43	12.1%
Total assets	145,792	—	—	125,601	135,401	141,311	156,234	—	—
Net assets	71,028	—	—	55,241	62,299	67,956	78,893	—	—
Shareholders' equity	70,337	—	—	54,296	61,291	67,276	78,132	—	—
Equity ratio (%)	48.2%	—		43.2%	45.3%	47.6%	50.0%	—	
Interest-bearing debt	34,665	—	—	31,574	36,289	33,825	33,830	—	—
Interest-bearing debt ratio (%)	23.8%	—		25.1%	26.8%	23.9%	21.7%	—	
Capital expenditures	1,173	—	—	4,355	6,537	8,299	2,788	5,200	86.5%
Depreciation and amortization	2,230	—	—	3,796	3,260	3,802	4,659	4,100	△ 12.0%
Research and development expenses	2,666	—	—	5,335	5,189	5,545	5,602	5,500	△ 1.8%

(2) Quarterly consolidated financial results

(Millions of yen)

	Fiscal year 2015				Fiscal year 2016		
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Year-on-year change	Second quarter forecast
Net sales	34,800	39,698	39,969	44,470	38,648	11.1%	42,351
Operating income	2,518	2,510	2,949	3,512	3,140	24.7%	2,659
Operating income margin (%)	7.2%	6.3%	7.4%	7.9%	8.1%		6.3%
Ordinary income	2,776	2,729	3,551	3,854	3,416	23.0%	2,483
Ordinary income margin (%)	8.0%	6.9%	8.9%	8.7%	8.8%		5.9%
Net income	1,805	1,281	2,245	2,200	2,071	14.8%	1,428
Net income margin (%)	5.2%	3.2%	5.6%	4.9%	5.4%		3.4%

*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.