May 15, 2015

Consolidated Financial Highlights for the Year Ended March 31, 2015 [under Japanese GAAP]

Company name : **SMC Corporation**
Stock exchange listing : **Tokyo Stock Exchange first section**
Security code : **6273**
URL : http://www.smcworld.com/ir/en/
Representative : **Katsunori Maruyama, President**
Contact person : **Ikuji Usui, Executive Managing Director**
Projected date of annual shareholders' meeting : **June 25, 2015**
Projected date of filing Annual report : **June 25, 2015**
Projected starting date of dividend payment : **June 26, 2015**

1. Consolidated Financial Highlights for the Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results

Fiscal Year ended March 31	Net sales (Millions of Yen)		Operating income (Millions of Yen)		Ordinary income (Millions of Yen)		Net income (Millions of Yen)	
2015	458,081	15.9%	127,686	21.4%	158,816	31.2%	109,583	27.0%
2014	395,304	22.3%	105,153	34.8%	121,073	29.2%	86,311	34.3%

Fiscal Year ended March 31	Net income per share (Yen)	Net income per share (diluted basis) (Yen)	Return on equity	Return on assets	Operating income ratio
2015	1,629.38	—	12.9%	15.2%	27.9%
2014	1,274.20	—	11.7%	13.4%	26.6%

(Note) Comprehensive Income Year ended March 31,2015 : ¥ 157,790 million 27.8%
Year ended March 31,2014 : ¥ 123,513 million 9.8%
Profit/Loss on equity method Year ended March 31,2015 : —
Year ended March 31,2014 : —

(2) Consolidated Financial Positions

	Total assets (Millions of Yen)	Net assets (Millions of Yen)	Equity ratio	Net assets per share (Yen)
As of March 31, 2015	1,129,001	921,483	81.4%	13,682.01
As of March 31, 2014	966,875	785,521	81.0%	11,599.87

(Note) Shareholders' equity As of March 31,2015 : ¥ 919,245 million
As of March 31,2014 : ¥ 783,490 million

(3) Consolidated Cash Flows

(Millions of Yen)

Fiscal Year ended March 31	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of period
2015	111,652	(45,240)	(12,762)	281,716
2014	83,719	(60,326)	(1,802)	208,577

2. Dividends

For the year ended March 31	Dividend per share (Yen)					Total dividends (Millions of Yen)	Dividend ratio	Dividend on equity
	1Q	2Q	3Q	4Q	Total			
2014(Actual)	—	80.00	—	90.00	170.00	11,482	13.3%	1.6%
2015(Actual)	—	90.00	—	100.00	190.00	12,765	11.7%	1.5%
2016(Projected)	—	100.00	—	100.00	200.00		13.4%	

3. Forecasts of consolidated operating results for the Year Ending March 31, 2016

	Net sales (Millions of Yen)	Operating income (Millions of Yen)	Ordinary income (Millions of Yen)	Net income (Millions of Yen)	Net income per share (Yen)
Half year ending September 30,2015	241,500 8.5%	66,000 4.5%	69,500 (6.3%)	49,700 (5.9%)	739.73
Year ending March 31,2016	485,000 5.9%	133,000 4.2%	140,000 (11.8%)	100,000 (8.7%)	1,488.39

4. Others

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2015: None

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

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

(3) Number of shares issued	(As of March 31,2015)	(As of March 31,2014)
1. Number of common shares issued (including treasury shares)	67,369,359	68,869,359
2. Number of treasury shares	182,971	1,326,301
3. Average number of common shares for the year	67,254,711	67,737,893

< Reference >

Non-consolidated Financial Highlights for the Year Ended March 31, 2015
(April 1, 2014 to March 31, 2015)

(1) Non-consolidated Operating Results

Fiscal Year ended March 31	Net sales (Millions of Yen)	Operating income (Millions of Yen)	Ordinary income (Millions of Yen)	Net income (Millions of Yen)	Net income per share (Yen)
2015	286,362 10.4%	74,463 32.5%	97,648 49.0%	64,841 44.9%	964.12
2014	259,420 19.6%	56,215 12.5%	65,522 9.1%	44,746 16.3%	660.57

(2) Non-consolidated Financial Positions

	Total assets (Millions of Yen)	Net assets (Millions of Yen)	Equity ratio	Net assets per share (Yen)
As of March 31, 2015	686,238	506,817	73.9%	7,543.45
As of March 31, 2014	617,532	459,902	74.5%	6,809.03

(Note) Shareholders' equity As of March 31,2015 : ¥ 506,817 million
As of March 31,2014: ¥ 459,902 million

Information on status of the audit procedures

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

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

Appropriate use of business forecasts; other special items

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

1. Analysis of Operating Results and Financial Positions

(1) Analysis of Operating Results

1. Overview of the fiscal year under review

During the fiscal year under review, emerging countries including China saw slowdowns in economic growth, while the U.S. economy steadily performed and Europe's economies bottomed out by monetary easing measures, etc. Japan's economy also headed for mild recovery on the back of business improvement with a dropped yen and rising stock prices.

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

Under these circumstances, SMC group strengthened its sales capabilities and improved its distribution channels and expanded its sales bases. SMC group also made capital investments to secure production capacity with an eye toward the future.

As a result, consolidated net sales for the fiscal year under review were 458,081 million yen (15.9% increase year on year), and operating income was 127,686 million yen (21.4% increase), mainly because profits were boosted by the weak yen.

Reflecting a substantial increase in foreign exchange gains, ordinary income was 158,816 million yen (31.2% increase) and net income was 109,583 million yen (27.0% increase).

ROE became 12.9%, gained by 1.2 points from previous period.

2. Outlook for the next fiscal year

During the next fiscal year, U.S. economy is expected to remain strong, while there are concerns about emerging economies decelerating and Europe's sluggish economies. In Japan, the economy is expected to stay on a recovery track.

Given this environment, SMC group will continue its efforts to improve competitiveness in overseas market by globalization of overall business activities and make further expansion of market share. SMC group will actively make sales promotion activities in major market in overseas, make efforts to increase our presence especially in Asian market which is expected to be more demands, and make capital investments to enlarge a production capacity. SMC group will also focus on further improvements on profitability through reducing production and logistics costs and streamlining of tasks.

Consolidated financial results for the next fiscal year are forecasted to be as follows, assuming average exchange rates of the U.S. dollar and the euro against the yen are 115 yen and 125 yen, respectively,

(Unit: Million yen)

	Forecast for consolidated financial results			
	First half		Full year	
		yoy change (%)		yoy change (%)
Net sales	241,500	8.5%	485,000	5.9%
Operating income	66,000	4.5%	133,000	4.2%
Ordinary income	69,500	(6.3%)	140,000	(11.8%)
Net income	49,700	(5.9%)	100,000	(8.7%)

(2) Analysis of financial positions

1. Assets, liabilities and net assets

Total assets as of the end of the fiscal year under review were 1,129,001 million yen, which was an increase of 162,125 million yen (16.8%) yoy, reflecting increases in cash and deposits, notes and accounts receivable-trade, and property, plant and equipment.

Total liabilities increased 26,163 million yen (14.4%) yoy to 207,517 million yen due to an increase in short-term loans payable and income taxes payable.

Net assets increased 135,962 million yen (17.3%) yoy to 921,483 million yen, mainly due to increases in retained earnings and foreign currency translation adjustments as a result of the weak yen.

2. Cash flow

The balance of cash and cash equivalents (hereinafter "cash") as of the end of the fiscal year under review was 281,716 million yen, an increase of 73,138 million yen yoy.

(Cash flow from operating activities)

Net cash provided by operating activities was 111,652 million yen (revenue increase of 27,933 million yen yoy). This is primarily attributable to 158,734 million yen of income before income taxes and minority interests, 13,620 million yen of depreciation, and 12,818 million yen decrease in inventories.

(Cash flow from investment activities)

Net cash used for investing activities was 45,240 million yen (decrease of 15,086 million yen yoy). This is primarily attributable to 60,035 million yen of payments into time deposits and 25,221 million yen for purchase of property, plant and equipment.

(Cash flow from financing activities)

Net cash used for financing activities was 12,762 million yen (increase of 10,959 million yen yoy). This is primarily attributable to cash dividends paid of 12,127 million yen and 10,035 million yen for purchase of treasury shares.

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

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

SMC plans to pay a year-end dividend of 100 yen per share for the fiscal year under review, which together with the interim dividend of 90 yen per share paid last December, will result in a full-year dividend of 190 yen per share.

Last June, SMC bought back 360,900 shares of treasury share (for 9,998 million yen in total).

Next fiscal year, SMC plans to pay 100 yen per share as an interim dividend and a year-end dividend, respectively, which is the same amount as the year-end dividend for the fiscal year under review.

2. Management Policy

(1) The Group's basic management policy

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

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

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

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

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

(3) Issues to be addressed by The Group

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

3. Basic concept on selection of accounting standards

SMC Group has adopted accounting standards based on Japanese GAAP.

For IFRS adoption, our policy is to respond appropriately based on domestic and international situation and trend of other companies while acquiring knowledge of IFRS and understanding difference between IFRS and Japanese GAAP.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
[ASSETS]		
Current assets		
Cash and deposits	349,354	453,178
Notes and accounts receivable-trade	102,446	120,956
Merchandise and finished goods	88,886	90,044
Work in process	15,585	16,396
Raw materials and supplies	89,783	88,132
Deferred tax assets	18,277	21,041
Other	13,446	13,796
Allowance for doubtful accounts	(781)	(1,288)
Total current assets	**677,018**	**802,257**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	53,196	60,405
Machinery, equipment and vehicles, net	26,751	31,288
Tools, furniture and fixtures, net	5,848	6,410
Land	29,388	32,824
Construction in progress	10,652	15,932
Total property, plant and equipment	**125,837**	**146,861**
Intangible assets		
Leasehold right	3,247	3,842
Other	893	1,042
Total intangible assets	**4,141**	**4,884**
Investments and other assets		
Investment securities	41,018	48,294
Net defined benefit asset	63	80
Insurance funds	109,366	115,579
Other	10,558	12,182
Allowance for doubtful accounts	(1,129)	(1,139)
Total investments and other assets	**159,877**	**174,997**
Total non-current assets	**289,857**	**326,743**
Total assets	**966,875**	**1,129,001**

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
[LIABILITIES]		
Current liabilities		
Notes and accounts payable-trade	48,687	48,753
Short-term loans payable	52,993	63,475
Income taxes payable	20,251	29,528
Provision for bonuses	1,850	2,969
Other	29,724	34,345
Total current liabilities	**153,508**	**179,071**
Non-current liabilities		
Long-term loans payable	8,302	7,106
Provision for directors' retirement benefits	739	794
Net defined benefit liability	5,028	1,421
Other	13,775	19,122
Total non-current liabilities	**27,845**	**28,445**
Total liabilities	**181,354**	**207,517**
[NET ASSETS]		
Shareholders' equity		
Capital stock	61,005	61,005
Capital surplus	72,677	72,677
Retained earnings	629,616	696,953
Treasury shares	(23,892)	(3,458)
Total shareholders' equity	**739,407**	**827,178**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,813	5,841
Foreign currency translation adjustment	39,282	81,697
Remeasurements of defined benefit plans	2,988	4,527
Total accumulated other comprehensive income	44,083	92,066
Minority interests	**2,030**	**2,238**
Total net assets	**785,521**	**921,483**
Total liabilities and net assets	**966,875**	**1,129,001**

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

1. Consolidated Statement of Income

(Millions of Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Net sales	**395,304**	**458,081**
Cost of sales	**207,794**	**234,578**
Gross profit	**187,509**	**223,503**
Selling, general and administrative expenses	**82,356**	**95,816**
Operating income	**105,153**	**127,686**
Non-operating income		
Interest income	4,494	5,589
Foreign exchange gains	8,888	21,851
Other	3,292	4,337
Total non-operating income	**16,674**	**31,779**
Non-operating expenses		
Interest expenses	309	305
Sales discounts	195	229
Other	249	115
Total non-operating expenses	**754**	**650**
Ordinary income	**121,073**	**158,816**
Extraordinary income		
Gain on sales of non-current assets	84	522
Gain on sales of investment securities	18	428
Gain on bargain purchase	40	―
Gain on transfer of benefit obligation relating to employees' pension fund	128	―
Other	7	4
Total extraordinary income	**279**	**955**
Extraordinary losses		
Loss on retirement of non-current assets	205	136
Loss on valuation of investment securities	―	398
Loss on revision of retirement benefit plan	―	152
Impairment loss	66	267
Loss on change in equity	40	―
Other	69	81
Total extraordinary losses	**382**	**1,037**
Income before income taxes and minority interests	**120,970**	**158,734**
Income taxes-current	36,073	48, 736
Income taxes-deferred	(1,598)	209
Total income taxes	**34,474**	**48,946**
Income before minority interests	**86,495**	**109,788**
Minority interests in income	**183**	**204**
Net income	**86,311**	**109,583**

2. Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Income before minority interests	**86,495**	**109,788**
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	721	4,067
Foreign currency translation adjustment, net of tax	36,297	42,395
Remeasurements of defined benefit plans, net of tax	―	1,539
Total other comprehensive income	**37,018**	**48,002**
Comprehensive income	**123,513**	**157,790**
(Breakdown)		
Comprehensive income attributable to owners of parent	123,294	157,566
Comprehensive income attributable to minority interests	218	223

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)

(Million yen)

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

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

Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of the period	61,005	72,677	629,616	(23,892)	739,407
Cumulative effects of changes in accounting policies			188		188
Restated balance	61,005	72,677	629,804	(23,892)	739,595
Changes of items during period					
Dividends of surplus			(12,125)		(12,125)
Net income			109,583		109,583
Purchase of treasury shares				(10,035)	(10,035)
Disposal of treasury shares		88		72	160
Retirement of treasury shares		(88)	(30,308)	30,396	―
Net changes of items other than shareholders' equity					
Total changes of items during period	―	―	67,149	20,433	87,583
Net assets at end of the period	61,005	72,677	696,953	(3,458)	827,178

	Other accumulated comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of the period	1,813	39,282	2,988	44,083	2,030	785,521
Cumulative effects of changes in accounting policies						188
Restated balance	1,813	39,282	2,988	44,083	2,030	785,709
Changes of items during period						
Dividends of surplus						(12,125)
Net income						109,583
Purchase of treasury shares						(10,035)
Disposal of treasury shares						160
Retirement of treasury shares						―
Net changes of items other than shareholders' equity	4,028	42,415	1,539	47,982	207	48,190
Total changes of items during period	4,028	42,415	1,539	47,982	207	135,774
Net assets at end of the period	5,841	81,697	4,527	92,066	2,238	921,483

(4) Consolidated Statement of Cash Flows

(Millions of Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	120,970	158,734
Depreciation	12,618	13,620
Impairment loss	66	267
Increase (decrease) in allowance for doubtful accounts	14	519
Increase (decrease) in provision for directors' retirement benefits	(6)	55
Increase (decrease) in provision for retirement benefits	(11,072)	―
Increase (decrease) in net defined benefit liability	9,654	(1,244)
Interest and dividend income	(4,834)	(5,984)
Interest expenses	314	305
Foreign exchange losses (gains)	(3,878)	(15,433)
Loss (gain) on sales of investment securities	(14)	(428)
Loss (gain) on valuation of investment securities	―	398
Decrease (increase) in notes and accounts receivable-trade	(9,278)	(11,624)
Decrease (increase) in inventories	(240)	12,818
Increase (decrease) in notes and accounts payable-trade	(858)	(4,492)
Decrease (increase) in other current assets	(1,093)	(867)
Increase (decrease) in other current liabilities	815	1,370
Other, net	(679)	(1,782)
Subtotal	112,497	146,231
Interest and dividend income received	5,836	5,994
Interest expenses paid	(270)	(334)
Income taxes (paid) refund	(34,344)	(40,238)
Net cash provided by operating activities	**83,719**	**111,652**

(Millions of Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from investing activities		
Payments into time deposits	(57,807)	(60,035)
Proceeds from withdrawal of time deposits	35,506	42,842
Purchase of securities	505	―
Purchase of property, plant and equipment	(25,914)	(25,221)
Purchase of investment securities	(5,871)	(3,169)
Proceeds from sales of investment securities	565	2,544
Payments of loans receivable	(28)	(446)
Collection of loans receivable	198	723
Purchase of insurance funds	(7,647)	(5,773)
Proceeds from maturity of insurance funds	2,579	3,503
Other, net	(2,410)	(207)
Net cash used in investing activities	**(60,326)**	**(45,240)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	29,800	9,740
Proceeds from long-term loans payable	7,385	2,000
Repayments of long-term loans payable	(8,627)	(2,454)
Purchase of treasury shares	(19,614)	(10,035)
Cash dividends paid	(10,886)	(12,127)
Other, net	140	114
Net cash used in financing activities	**(1,802)**	**(12,762)**
Effect of exchange rate change on cash and cash equivalents	**13,487**	**19,488**
Net increase (decrease) in cash and cash equivalents	**35,076**	**73,138**
Cash and cash equivalents at beginning of period	**173,501**	**208,577**
Cash and cash equivalents at the end of period	**208,577**	**281,716**

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

N/A

(Changes in accounting policies)

Since the consolidated fiscal year under review, SMC group has applied the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 issued on May 17, 2012; hereinafter “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on March 26, 2015; hereinafter “Retirement Benefits Guidance”) subject to the provisions set forth in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the provisions set forth in the main clause of Paragraph 67 of the Retirement Benefits Guidance), and has changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, SMC has changed the method for determining the discount rate from basing that on an approximate number of years for the average expected remaining working life of employees to using a single weighted average discount rate reflecting the estimated timing and amount of each benefit payment.

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

As a result, as of April 1, 2014, net defined benefit liability decreased 291 million yen, and retained earnings increased by 188 million yen.

The effects of this change on total assets, liabilities, net assets, and segment information, and per share information are negligible.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segment

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

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

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

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

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

Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)

(Unit: Million yen)

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

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

2 Adjustment amounts are as follows:

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

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

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

Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)

(Unit: Million yen)

	Reportable segment	Others (Note) 1	Total	Adjustment amount (Note) 2	Amount included in consolidated financial statements (Note) 3
	Automatic control equipment business				
Net sales					
Sales to external customers	456,032	2,049	458,081	—	458,081
Inter-segment sales or transfers	—	133	133	(133)	—
Total	456,032	2,182	458,215	(133)	458,081
Segment profit	131,615	165	131,780	(4,093)	127,686
Segment asset	819,945	7,672	827,617	301,383	1,129,001

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

2 Adjustment amounts are as follows:

(1) The segment profit adjustment of (4,093) million yen includes company-wide costs of (4,093) million yen in general and administrative expenses not belonging to the reportable segment.

(2) The segment asset adjustment of 301,383 million yen includes company-wide assets of 305,247 million yen not allocated to the reportable segment.

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

[Related information]

Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)

1. Geographical information

(1) Net sales

(Unit: Million yen)

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

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

(2) Property, plant and equipment

(Unit: Million yen)

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

2. Information by major customer

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

Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)

1. Geographical information

(1) Net sales

(Unit: Million yen)

Japan	United States	China	Asia (excl. China)	Europe	Other regions	Total
141,717	56,505	79,571	75,575	78,821	25,889	458,081

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

(2) Property, plant and equipment

(Unit: Million yen)

Japan	China	Asia (excl. China)	Other regions	Total
51,259	36,428	17,608	41,564	146,861

2. Information by major customer

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

(Per share information)

	Consolidated FY under review (April 1, 2013 – March 31, 2014)	Consolidated FY under review (April 1, 2014 – March 31, 2015)
Net asset per share	11,599.87 yen	13,682.01 yen
Net income per share	1,274.20 yen	1,629.38 yen

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

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

Item	End of consolidated FY under review (March 31, 2014)	End of consolidated FY under review (March 31, 2015)
Total net assets (Million yen)	785,521	921,483
Amount deducted from total net assets (Million yen)	2,030	2,238
(o/w minority interests) (Million yen)	(2,030)	(2,238)
Year-end net assets for common shares (Million Yen)	783,490	919,245
Year-end number of common shares used for calculating net assets per share (1,000 shares)	67,543	67,186

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

Item	Consolidated FY under review (April 1, 2013 – March 31, 2014)	Consolidated FY under review (April 1, 2014 – March 31, 2015)
Net income per share		
Net income (Million yen)	86,311	109,583
Amount not belonging to common shareholders (Million yen)	―	―
Net income for common shares (Million yen)	86,311	109,583
Average number of common shares during fiscal year (1,000 shares)	67,737	67,254

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

(Significant subsequent events)

N/A

4. Additional Information

(1) Geographic segment information (Millions of Yen)

	Year ended March 31, 2015							
	Japan	North America	Europe	Asia	Other	Total	Intersegment Eliminations	Consolidated
Net sales								
(1) Sales to external customers	147,978	71,617	75,401	151,048	12,035	458,081	—	458,081
(2) Intersegment sales	159,082	1,847	1,427	41,546	32	203,936	(203,936)	—
Total	307,061	73,464	76,828	192,595	12,068	662,017	(203,936)	458,081
Operating income	79,588	12,582	8,773	32,771	382	134,099	(6,412)	127,686

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

	Year ended March 31, 2015 (Actual)		Year ending March 31, 2016 (Forecast)	
Capital expenditures	28,669	27.1%	52,000	81.4%
Depreciation	13,159	8.4%	15,200	15.5%
R&D expense	17,607	13.3%	18,500	5.1%

(3) Foreign currency exchange rates

	Year ended March 31, 2015 (Actual)		Year ending March 31, 2016 (Forecast)
	(average)	(at end)	(average)
U S $	¥ 109.76	¥ 120.27	¥ 115
E U R	¥ 138.69	¥ 130.41	¥ 125

(4) Full-time employees and temporary employees (Number of personnel)

	Year ended March 31, 2015	increase from last year end
Full-time employees (at end)	17,389	1,379
Temporary employees (average)	4,939	236