

RESULTS OF OPERATIONS FOR  
THE YEAR ENDED MARCH 31, 2014 (CONSOLIDATED)  
(Japanese GAAP)

May 13, 2014

Listed company name: Torishima Pump Mfg. Co. Ltd.  
 Stock exchange listings: First Section of Tokyo Stock Exchange  
 Code number: 6363 URL: <http://www.torishima.co.jp/en>  
 Representative: Kotaro Harada, President  
 Contact person: Koichi Otao, Executive Officer, General Manager of Accounting Department  
 Phone: +81-72-695-0551  
 Scheduled date of general shareholders' meeting: June 27, 2014  
 Scheduled date of starting dividend payment: June 5, 2014  
 Scheduled date of filing financial statements: June 16, 2014  
 Preparing supplementary material on financial results: No  
 Holding financial results presentation meeting: Yes (for investment analysts and institutional investors)

Note: The amounts are rounded down to the nearest million.

1. Consolidated financial results of Fiscal 2013 (April 1, 2013 through March 31, 2014)

(1) Operating results % of change from previous year

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2013	45,985	0.0	-945	-	-632	-	442	-53.2
FY 2012	45,974	-1.0	517	-77.4	1,389	-52.6	943	-37.0

Note: Comprehensive income FY 2013 ¥ 1,535 million (-34.6%) FY 2012 ¥ 2,346 million (193.6%)

	Net income per share – Basic	Net income per share – Diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY 2013	15.74	15.68	1.3	-0.9	-2.1
FY 2012	33.64	33.54	2.9	2.2	1.1

Reference: Equity in earnings of affiliates FY 2013 ¥ 66 million FY 2012 ¥ 151 million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2013	68,062	34,524	49.9	1,209.10
FY 2012	68,232	33,602	48.2	1,172.56

Reference: Shareholders' equity FY 2013 ¥ 33,944 million FY 2012 ¥ 32,903 million

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents (Year-end)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2013	-4,086	-3,971	-112	4,125
FY 2012	3,513	-3,966	4,356	11,962

## 2. Dividends

	Dividends per share					Dividends total (Annual)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1Q End	2Q End	3Q End	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY 2012	-	9.00	-	9.00	18.00	505	53.5	1.5
FY 2013	-	9.00	-	9.00	18.00	505	114.4	1.5
FY 2014 (Forecast)	-	9.00	-	9.00	18.00		101.1	

## 3. Forecast for the Fiscal 2014 (April 1, 2014 through March 31, 2015) % of change from same period last year

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	17,000	-4.6	-1,000	-	-1,000	-	-600	-	-21.37
Annual	49,000	6.6	500	-	700	-	500	13.1	17.81

## 4. Others

(1) Changes in significant subsidiaries during this fiscal year: Yes

New: 1- Company Name: Torishima (USA) Corporation

Excluded: -

(For further details, please refer to page 6, "2. Corporate group information".)

(2) Changes in accounting policies applied, procedures and disclosures for presenting consolidated financial statements

① Changes of accounting policies applied due to revisions of accounting standards: Yes

② Changes of accounting policies other than the above: No

③ Changes in accounting estimates: No

④ Retrospective restatement: No

(3) Number of shares outstanding (Common stock)

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

(FY 2013) 29,889,079

(FY 2012) 29,889,079

② Number of treasury stocks at period end

(FY 2013) 1,814,990

(FY 2012) 1,827,927

③ Weighed-average number of shares outstanding over the period

(FY 2013) 28,071,163

(FY 2012) 28,058,316

Reference: Unconsolidated financial results of Fiscal 2013 (April 1, 2013 through March 31, 2014)

(1) Operating results

% of change from previous year

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2013	35,533	-7.7	-2,395	-	-1,602	-	199	-65.0
FY 2012	38,523	2.2	-431	-	695	-54.1	569	129.0

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY 2013	7.09	7.07
FY 2012	20.30	20.24

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2013	61,161	30,264	49.3	1,074.39
FY 2012	61,327	30,338	49.3	1,077.91

Reference: Shareholders' equity      FY 2013    ¥ 30,162 million      FY 2012    ¥ 30,247 million

\* Information regarding the implementation of audit procedures

These financial results are not subject to audit procedures under the Financial Instruments and Exchange Act. The consolidated financial statements are in the process of audit procedures at the time of disclosure of these financial results.

\* Explanations for adequate utilization of the forecast, and other note

Forecast shown above is prepared based on information available as of the issuing date of this report and assumptions that we consider as reasonable, and therefore the actual results may differ from these forecasted figures due to various unknown factors.

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1. Operations results

(1) Analysis of operations results

- Orders received, sales and orders backlog by demand category

FY2013

(Millions of yen)

	Orders received		Sales		Orders backlog	
Domestic public	15,923	30.1%	13,797	30.0%	7,631	18.1%
Domestic private	7,144	13.5%	6,299	13.7%	3,484	8.2%
Overseas	29,779	56.4%	25,888	56.3%	31,089	73.7%
Total	52,847	100.0%	45,985	100.0%	42,205	100.0%

FY2012

(Millions of yen)

	Orders received		Sales		Orders backlog	
Domestic public	10,971	26.8%	12,277	26.7%	5,505	15.6%
Domestic private	5,733	14.0%	5,792	12.6%	2,639	7.5%
Overseas	24,270	59.2%	27,904	60.7%	27,198	76.9%
Total	40,975	100.0%	45,974	100.0%	35,342	100.0%

- Forecast for FY2013 and medium-term business plan

The company reconsidered medium-term business plan made in FY2013 and announces the new medium-term business plan from FY2014 to FY2016. The new medium-term business plan is designed to develop Torishima Global Team (TGT) activities, which has been working on for the last 10 years, then expand business opportunities further focusing the water and energy industries, and also enhance the company structure by radical reform of business process.

Medium-term business plan from FY2014 to FY2016

(Millions of yen)

	FY2014	FY2015	FY2016
	Plan	Plan	Plan
Order received	49,500	55,000	60,000
Sales	49,000	50,000	55,000
Operating income	500	1,500	2,500
Ordinary income	700	1,700	2,700
Net income	500	1,200	1,900

Note: These forecasts do not reflect International Financial Reporting Standards (IFRS).

(2) Analysis of financial position

Recent trends in cash flow indicators

	March 31, 2012	March 31, 2013	March 31, 2014
Equity ratio (%)	51.3	48.2	49.9
Equity ratio at market value (%)	52.2	31.0	52.5
Debut to cash flow ratio (year)	3.0	3.7	-
Interest coverage ratio (times)	18.4	32.7	-

Note: Equity ratio: Shareholders' equity / Total assets

Equity ratio at market value: Stock market capitalization / Total assets

Debut to cash flow ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest expenses

- All indicators in the table above were computed with consolidated financial data.
- Stock market capitalization was computed on the basis of the number of outstanding shares without treasury stock.
- Operating cash flow is used for cash flow.
- Interest bearing debt indicates all debt paying interest among liabilities recorded in consolidated balance sheets.

2. Corporate group information

Torishima (USA) Corporation which was non-consolidated subsidiaries in the previous fiscal year was included in the consolidation due to the increase in the importance in the fiscal year under review.

Torishima (USA) Corporation corresponds to specified subsidiary of Torishima Pump Mfg. Co., Ltd.

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

	(Millions of yen)	
	FY 2012 (March 31, 2013)	FY 2013 (March 31, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,962	4,125
Notes and accounts receivable - trade	24,260	26,931
Securities	—	700
Merchandise and finished goods	250	459
Work in process	4,711	5,634
Raw materials and supplies	1,795	1,542
Advance payments - trade	582	422
Deferred tax assets	749	1,028
Other	1,495	1,289
Allowance for doubtful accounts	-113	-243
<b>Total current assets</b>	<b>45,693</b>	<b>41,889</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	9,098	9,613
Accumulated depreciation	-5,361	-5,624
Buildings and structures, net	3,736	3,989
Machinery, equipment and vehicles	10,786	10,781
Accumulated depreciation	-7,662	-7,482
Machinery, equipment and vehicles, net	3,124	3,298
Tools, furniture and fixtures	1,765	1,955
Accumulated depreciation	-1,506	-1,653
Tools, furniture and fixtures, net	259	301
Land	1,977	2,534
Leased assets	917	687
Accumulated depreciation	-458	-361
Leased assets, net	459	325
Construction in progress	287	60
<b>Total property, plant and equipment</b>	<b>9,844</b>	<b>10,511</b>
Intangible assets	2,044	2,219
<b>Investments and other assets</b>		
Investment securities	9,069	12,505
Long-term loans receivable	623	472
Deferred tax assets	798	130
Other	335	541
Allowance for doubtful accounts	-176	-208
<b>Total investments and other assets</b>	<b>10,650</b>	<b>13,441</b>
<b>Total non-current assets</b>	<b>22,539</b>	<b>26,173</b>
<b>Total assets</b>	<b>68,232</b>	<b>68,062</b>

(Millions of yen)

	FY 2012 (March 31, 2013)	FY 2013 (March 31, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	12,014	11,881
Short-term loans payable	5,410	6,934
Income taxes payable	126	179
Advances received	2,452	1,971
Provision for bonuses	602	722
Provision for product warranties	412	720
Provision for loss on construction contracts	217	351
Other	3,368	2,042
<b>Total current liabilities</b>	<b>24,606</b>	<b>24,804</b>
<b>Non-current liabilities</b>		
Long-term loans payable	7,671	6,728
Provision for retirement benefits	1,794	—
Provision for directors' retirement benefits	11	13
Net defined benefit liability	—	1,448
Other	547	543
<b>Total non-current liabilities</b>	<b>10,024</b>	<b>8,734</b>
<b>Total liabilities</b>	<b>34,630</b>	<b>33,538</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,592	1,592
Capital surplus	7,813	7,822
Retained earnings	23,951	23,888
Treasury shares	-968	-962
<b>Total shareholders' equity</b>	<b>32,389</b>	<b>32,342</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	903	1,072
Deferred gains or losses on hedges	-285	-249
Foreign currency translation adjustment	-104	632
Remeasurements of defined benefit plans	—	145
<b>Total accumulated other comprehensive income</b>	<b>513</b>	<b>1,602</b>
Subscription rights to shares	90	101
Minority interests	607	477
<b>Total net assets</b>	<b>33,602</b>	<b>34,524</b>
<b>Total liabilities and net assets</b>	<b>68,232</b>	<b>68,062</b>



(2) Consolidated statements of (comprehensive) income  
(Consolidated statements of income)

	(Millions of yen)	
	FY 2012 (April 1, 2012 through March 31, 2013)	FY 2013 (April 1, 2013 through March 31, 2014)
Net sales	45,974	45,985
Cost of sales	37,959	37,664
Gross profit	8,015	8,320
Selling, general and administrative expenses	7,497	9,265
Operating income (loss)	517	-945
Non-operating income		
Interest income	57	52
Dividend income	135	157
Share of profit of entities accounted for using equity method	151	66
Foreign exchange gains	397	112
Rent income	69	99
Reversal of allowance for doubtful accounts	132	—
Other	247	154
Total non-operating income	1,191	642
Non-operating expenses		
Interest expenses	107	128
Loss on retirement of non-current assets	11	1
Other	200	199
Total non-operating expenses	319	329
Ordinary income (loss)	1,389	-632
Extraordinary income		
Gain on sales of investment securities	1	75
Gain on sales of shares of subsidiaries	—	1,075
Gain on sales of non-current assets	—	766
Total extraordinary income	1	1,917
Extraordinary losses		
Loss on sales of investment securities	—	4
Loss on valuation of investment securities	—	21
Loss on sales of shares of subsidiaries	66	14
Impairment loss	8	—
Loss on extinguishment of tie-in shares	—	6
Loss on liquidation of subsidiaries and associates	—	97
Settlement package	—	226
Other	2	—
Total extraordinary losses	76	371
Income before income taxes and minority interests	1,314	913
Income taxes - current	140	285
Income taxes - deferred	134	37
Total income taxes	274	323
Income before minority interests	1,039	590
Minority interests in income	95	148
Net income	943	442

## (Consolidated statements of comprehensive income)

(Millions of yen)

	FY 2012 (April 1, 2012 through March 31, 2013)	FY 2013 (April 1, 2013 through March 31, 2014)
Income before minority interests	1,039	590
Other comprehensive income		
Valuation difference on available-for-sale securities	1,047	169
Deferred gains or losses on hedges	-20	36
Foreign currency translation adjustment	276	628
Share of other comprehensive income of entities accounted for using equity method	3	111
Total other comprehensive income	1,307	945
Comprehensive income	2,346	1,535
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,220	1,385
Comprehensive income attributable to minority interests	125	150

(3) Consolidated statements of changes in net assets  
 FY 2012 (April 1, 2012 through March 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,592	7,803	23,541	-972	31,965
Changes of items during period					
Dividends of surplus			-505		-505
Net income			943		943
Purchase of treasury shares				-2	-2
Disposal of treasury shares		10		6	16
Change of scope of consolidation			-28		-28
Net changes of items other than shareholders' equity					
Total changes of items during period	—	10	410	3	424
Balance at end of current period	1,592	7,813	23,951	-968	32,389

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	-145	-264	-353	—	-763	80	492	31,775
Changes of items during period								
Dividends of surplus								-505
Net income								943
Purchase of treasury shares								-2
Disposal of treasury shares								16
Change of scope of consolidation								-28
Net changes of items other than shareholders' equity	1,048	-20	248	—	1,277	10	114	1,402
Total changes of items during period	1,048	-20	248	—	1,277	10	114	1,826
Balance at end of current period	903	-285	-104	—	513	90	607	33,602

FY 2013 (April 1, 2013 through March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,592	7,813	23,951	-968	32,389
Changes of items during period					
Dividends of surplus			-505		-505
Net income			442		442
Purchase of treasury shares				-0	-0
Disposal of treasury shares		8		7	16
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	8	-63	6	-47
Balance at end of current period	1,592	7,822	23,888	-962	32,342

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	903	-285	-104	—	513	90	607	33,602
Changes of items during period								
Dividends of surplus								-505
Net income								442
Purchase of treasury shares								-0
Disposal of treasury shares								16
Change of scope of consolidation								
Net changes of items other than shareholders' equity	169	36	737	145	1,088	11	-130	969
Total changes of items during period	169	36	737	145	1,088	11	-130	921
Balance at end of current period	1,072	-249	632	145	1,602	101	477	34,524

## (4) Consolidated statements of cash flows

	(Millions of yen)	
	FY 2012 (April 1, 2012 through March 31, 2013)	FY 2013 (April 1, 2013 through March 31, 2014)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	1,314	913
Depreciation	1,231	1,646
Increase (decrease) in allowance for doubtful accounts	-102	157
Increase (decrease) in provision for product warranties	-822	307
Increase (decrease) in provision for loss on construction contracts	-106	134
Increase (decrease) in provision for retirement benefits	-100	-197
Interest and dividend income	-192	-209
Interest expenses	107	128
Share of (profit) loss of entities accounted for using equity method	-151	-66
Loss (gain) on sales of investment securities	-1	-70
Loss (gain) on valuation of investment securities	—	21
Loss (gain) on sales of shares of subsidiaries	66	-1,061
Loss on liquidation of subsidiaries and associates	—	97
Loss (gain) on extinguishment of tie-in shares	—	6
Settlement package	—	226
Loss (gain) on sales and retirement of property, plant and equipment	9	-767
Impairment loss	8	—
Decrease (increase) in notes and accounts receivable - trade	-111	-2,811
Decrease (increase) in inventories	1,520	-1,194
Decrease (increase) in advance payments	78	226
Increase (decrease) in notes and accounts payable - trade	948	-150
Increase (decrease) in advances received	-903	-684
Increase (decrease) in accounts payable - other	132	337
Other, net	401	-1,076
Subtotal	3,328	-4,088
Interest and dividend income received	193	269
Interest expenses paid	-103	-136
Income taxes paid	-164	-190
Income taxes refund	258	59
Net cash provided by (used in) operating activities	3,513	-4,086

(Millions of yen)

	FY 2012 (April 1, 2012 through March 31, 2013)	FY 2013 (April 1, 2013 through March 31, 2014)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-1,467	-1,621
Proceeds from sales of property, plant and equipment	4	773
Purchase of investment securities	-0	-3,952
Proceeds from sales of investment securities	7	223
Purchase of intangible assets	-1,616	-518
Payments of loans receivable	-305	-108
Collection of loans receivable	82	164
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-1	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	1,125
Purchase of shares of subsidiaries	-238	—
Other, net	-430	-58
Net cash provided by (used in) investing activities	-3,966	-3,971
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	1,607	1,089
Proceeds from long-term loans payable	4,500	1,078
Repayments of long-term loans payable	-1,094	-1,577
Cash dividends paid to minority shareholders	-16	-25
Proceeds from share issuance to minority shareholders	12	—
Cash dividends paid	-505	-505
Other, net	-146	-172
Net cash provided by (used in) financing activities	4,356	-112
Effect of exchange rate change on cash and cash equivalents	528	155
Net increase (decrease) in cash and cash equivalents	4,432	-8,014
Cash and cash equivalents at beginning of period	7,521	11,962
Increase in cash and cash equivalents from newly consolidated subsidiary	8	176
Cash and cash equivalents at end of period	11,962	4,125

(5) Notes for consolidated financial statements

- Segment information

FY2012 (April 1, 2012 to March 31, 2013)

The information is omitted by reason that the group's pump business exceeds 90% of both total sales and total operating income of all segments.

FY2013 (April 1, 2013 to March 31, 2014)

The information is omitted by reason that the group's pump business exceeds 90% of both total sales and total operating income of all segments.

- Additional information

FY2012 (April 1, 2012 to March 31, 2013)

Sales by area (Millions of yen)

Japan	Asia	Middle East		Others	Total
			Saudi Arabia		
18,070	10,259	11,887	7,012	5,758	45,974

Note: Sales is based on the place where products were installed and divided into countries or areas.

Property, plant and equipment by area (Millions of yen)

Japan	Asia	Middle East	Europe	Total
7,261	1,242	423	916	9,844

FY2013 (April 1, 2013 to March 31, 2014)

Sales by area (Millions of yen)

Japan	Asia	Middle East		Others	Total
			Saudi Arabia		
20,096	9,042	9,753	1,224	7,092	45,985

Note: Sales is based on the place where products were installed and divided into countries or areas.

Property, plant and equipment by area (Millions of yen)

Japan	Asia	Middle East	Others	Total
7,831	1,760	523	396	10,511

- Information on Impairment loss of non-current assets by reporting segment

FY2012 (April 1, 2012 to March 31, 2013) (Millions of Yen)

	Non-business
Land	8

FY2013 (April 1, 2013 to March 31, 2014) (Millions of Yen)

	Non-business
Land	-

- Information on depreciation of goodwill and undepreciated balance by reporting segment

FY2012 (April 1, 2012 to March 31, 2013) (Millions of Yen)

	Pump business
Depreciation amount on FY2012	35
Balance on March 31, 2013	93

FY2013 (April 1, 2013 to March 31, 2014) (Millions of Yen)

	Pump business
Depreciation amount on FY2013	30
Balance on March 31, 2014	20

- Information on net assets per share

(Yen)

	FY2012 (April 1, 2012 to March 31, 2013)	FY2013 (April 1, 2013 to March 31, 2014)
Net assets per share	1,172.56	1,209.10
Net income per share - Basic	33.64	15.74
Net income per share - Diluted	33.54	15.68

Note: Net income per share – basic and diluted are computed by the basis of the following.

	FY2012 (April 1, 2012 to March 31, 2013)	FY2013 (April 1, 2013 to March 31, 2014)
Net income per share - Basic		
Net income (Millions of Yen)	943	442
Net income available to common shareholders (Millions of Yen)	943	442
Average shares of common stocks	28,058,316	28,071,163
Net income per share - Diluted		
Adjustment of net income (Millions of Yen)	-	-
Increasing number of common stock	81,226	109,839
(Rights to purchase new shares)	(81,226)	(109,839)
Potential shares excluded from consumption of diluted income per share which don't have a dilutive effect		-

- Important post-balance sheet events

No applicable items



#### 4. Individual financial statements

##### (1) Balance sheets

	(Millions of yen)	
	FY 2012 (March 31, 2013)	FY 2013 (March 31, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,596	2,456
Notes receivable - trade	1,302	906
Accounts receivable - trade	20,287	23,408
Securities	—	700
Merchandise and finished goods	192	319
Work in process	4,241	5,034
Raw materials and supplies	1,132	1,016
Advance payments - trade	185	192
Prepaid expenses	160	135
Deferred tax assets	717	988
Short-term loans receivable	711	491
Accounts receivable - other	509	639
Other	504	179
Allowance for doubtful accounts	-99	-104
<b>Total current assets</b>	<b>40,444</b>	<b>36,364</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	6,931	7,080
Accumulated depreciation	-4,439	-4,616
Buildings, net	2,491	2,464
Structures	1,120	1,120
Accumulated depreciation	-838	-866
Structures, net	282	254
Machinery and equipment	5,291	7,811
Accumulated depreciation	-3,972	-5,635
Machinery and equipment, net	1,318	2,176
Vehicles	92	102
Accumulated depreciation	-87	-89
Vehicles, net	4	13
Tools, furniture and fixtures	1,499	1,644
Accumulated depreciation	-1,339	-1,486
Tools, furniture and fixtures, net	160	158
Land	1,464	2,203
Leased assets	799	618
Accumulated depreciation	-417	-353
Leased assets, net	381	265
Construction in progress	286	57
<b>Total property, plant and equipment</b>	<b>6,391</b>	<b>7,593</b>

(Millions of yen)

	FY 2012 (March 31, 2013)	FY 2013 (March 31, 2014)
<b>Intangible assets</b>		
Software	98	2,097
Software in progress	1,762	—
Other	9	20
<b>Total intangible assets</b>	<b>1,870</b>	<b>2,118</b>
<b>Investments and other assets</b>		
Investment securities	7,907	7,398
Shares of subsidiaries and associates	1,403	2,738
Investments in capital	0	0
Investments in capital of subsidiaries and associates	567	567
Long-term loans receivable	351	201
Long-term loans receivable from employees	—	1
Long-term loans receivable from subsidiaries and associates	1,823	3,823
Claims provable in bankruptcy, claims provable in rehabilitation and other	37	37
Long-term prepaid expenses	10	6
Deferred tax assets	737	171
Insurance funds	79	24
Other	174	430
Allowance for doubtful accounts	-470	-314
<b>Total investments and other assets</b>	<b>12,620</b>	<b>15,085</b>
<b>Total non-current assets</b>	<b>20,882</b>	<b>24,797</b>
<b>Total assets</b>	<b>61,327</b>	<b>61,161</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	722	749
Accounts payable - trade	10,373	10,761
Short-term loans payable	3,400	4,300
Current portion of long-term loans payable	1,500	1,500
Lease obligations	148	114
Accounts payable - other	157	542
Accrued expenses	451	345
Income taxes payable	23	110
Advances received	1,570	1,716
Deposits received	64	59
Unearned revenue	3	8
Provision for bonuses	560	670
Provision for product warranties	403	715
Provision for loss on construction contracts	217	351
Notes payable - facilities	29	3
Forward exchange contracts	1,745	475
Other	145	—
<b>Total current liabilities</b>	<b>21,517</b>	<b>22,423</b>

(Millions of yen)

	FY 2012 (March 31, 2013)	FY 2013 (March 31, 2014)
<b>Non-current liabilities</b>		
Long-term loans payable	7,500	6,600
Lease obligations	251	163
Provision for retirement benefits	1,641	1,471
Long-term accounts payable - other	79	53
Asset retirement obligations	—	77
Long-term deposits received	—	107
Total non-current liabilities	9,472	8,473
Total liabilities	30,989	30,896
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,592	1,592
<b>Capital surplus</b>		
Legal capital surplus	4,610	4,610
Other capital surplus	3,203	3,212
Total capital surpluses	7,813	7,822
<b>Retained earnings</b>		
Legal retained earnings	398	398
<b>Other retained earnings</b>		
Reserve for advanced depreciation of non-current assets	3	370
Reserve for dividend equalization	1,400	1,400
General reserve	11,470	11,470
Retained earnings brought forward	7,920	7,247
Total retained earnings	21,192	20,886
Treasury shares	-968	-962
Total shareholders' equity	29,630	29,339
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	902	1,072
Deferred gains or losses on hedges	-285	-249
Total valuation and translation adjustments	617	823
Subscription rights to shares	90	101
Total net assets	30,338	30,264
Total liabilities and net assets	61,327	61,161

## (2) Statements of income

(Millions of yen)

	FY 2012 (April 1, 2012 through March 31, 2013)	FY 2013 (April 1, 2013 through March 31, 2014)
Net sales	38,523	35,533
Cost of sales		
Beginning finished goods	—	—
Cost of products manufactured	33,359	31,188
Total	33,359	31,188
Ending finished goods	—	—
Total cost of sales	33,359	31,188
Gross profit	5,164	4,344
Selling, general and administrative expenses	5,596	6,739
Operating income (loss)	-431	-2,395
Non-operating income		
Interest income	103	197
Dividend income	284	383
Foreign exchange gains	305	174
Rent income	86	117
Reversal of allowance for doubtful accounts	373	—
Other	194	81
Total non-operating income	1,347	954
Non-operating expenses		
Interest expenses	72	81
Loss on retirement of non-current assets	10	0
Other	137	79
Total non-operating expenses	220	161
Ordinary income (loss)	695	-1,602
Extraordinary income		
Gain on sales of investment securities	1	75
Gain on sales of shares of subsidiaries	39	1,585
Gain on sales of non-current assets	—	766
Total extraordinary income	41	2,426
Extraordinary losses		
Loss on valuation of investment securities	—	21
Loss on sales of investment securities	—	4
Impairment loss	8	—
Loss on valuation of investments in capital	2	—
Loss on extinguishment of tie-in shares	—	89
Loss on liquidation of subsidiaries and associates	—	97
Settlement package	—	226
Other	—	65
Total extraordinary losses	10	505
Income before income taxes	725	319
Income taxes - current	23	71
Income taxes - deferred	132	48
Total income taxes	156	120
Net income	569	199

(3) Statements of changes in net assets  
 FY 2012 (April 1, 2012 through March 31, 2013)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for advanced depreciation of non-current assets	Reserve for dividend equalization	General reserve	Retained earnings brought forward	
Balance at beginning of current period	1,592	4,610	3,193	7,803	398	4	1,400	11,470	7,855	21,127
Changes of items during period										
Reversal of reserve for advanced depreciation of non-current assets						-0			0	-
Provision of reserve for advanced depreciation of non-current assets										
Dividends of surplus									-505	-505
Net income									569	569
Purchase of treasury shares										
Disposal of treasury shares			10	10						
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	10	10	-	-0	-	-	65	64
Balance at end of current period	1,592	4,610	3,203	7,813	398	3	1,400	11,470	7,920	21,192

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	-972	29,551	-145	-264	-410	80	29,222
Changes of items during period							
Reversal of reserve for advanced depreciation of non-current assets		—					—
Provision of reserve for advanced depreciation of non-current assets							
Dividends of surplus		-505					-505
Net income		569					569
Purchase of treasury shares	-2	-2					-2
Disposal of treasury shares	6	16					16
Net changes of items other than shareholders' equity			1,047	-20	1,027	10	1,037
Total changes of items during period	3	78	1,047	-20	1,027	10	1,116
Balance at end of current period	-968	29,630	902	-285	617	90	30,338

FY 2013 (April 1, 2013 through March 31, 2014)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for advanced depreciation of non-current assets	Reserve for dividend equalization	General reserve	Retained earnings brought forward	
Balance at beginning of current period	1,592	4,610	3,203	7,813	398	3	1,400	11,470	7,920	21,192
Changes of items during period										
Reversal of reserve for advanced depreciation of non-current assets						-0			0	—
Provision of reserve for advanced depreciation of non-current assets						367			-367	—
Dividends of surplus									-505	-505
Net income									199	199
Purchase of treasury shares										
Disposal of treasury shares			8	8						
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	8	8	—	366	—	—	-673	-306
Balance at end of current period	1,592	4,610	3,212	7,822	398	370	1,400	11,470	7,247	20,886

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	-968	29,630	902	-285	617	90	30,338
Changes of items during period							
Reversal of reserve for advanced depreciation of non-current assets		—					—
Provision of reserve for advanced depreciation of non-current assets		—					—
Dividends of surplus		-505					-505
Net income		199					199
Purchase of treasury shares	-0	-0					-0
Disposal of treasury shares	7	16					16
Net changes of items other than shareholders' equity			169	36	205	11	216
Total changes of items during period	6	-291	169	36	205	11	-74
Balance at end of current period	-962	29,339	1,072	-249	823	101	30,264



## 5. Additional information

### (1) Retirement / Appointment (scheduled on June 27, 2014)

#### - Director

Retirement: Sadao Uchida (to be an Adviser)

#### - Audit & Supervisory Board Member

Appointment: Yutaka Fukuda (current general manager of Internal Audit Department / standing auditor candidate)

### (2) Others

Orders received, sales and orders backlog by demand category

#### Orders received

(Millions of yen)

	From April 1, 2012 to March 31, 2013		From April 1, 2013 to March 31, 2014		Year-on-year comparison	
Domestic public	10,971	26.8%	15,923	30.1%	4,952	45.1%
Domestic private	5,733	14.0%	7,144	13.5%	1,410	24.6%
Overseas	24,270	59.2%	29,779	56.4%	5,509	22.7%
Total	40,975	100.0%	52,847	100.0%	11,872	29.0%

#### Sales

(Millions of yen)

	From April 1, 2012 to March 31, 2013		From April 1, 2013 to March 31, 2014		Year-on-year comparison	
Domestic public	12,277	26.7%	13,797	30.0%	1,519	12.4%
Domestic private	5,792	12.6%	6,299	13.7%	507	8.8%
Overseas	27,904	60.7%	25,888	56.3%	-2,016	-7.2%
Total	45,974	100.0%	45,985	100.0%	10	0.0%

#### Orders backlog

(Millions of yen)

	From April 1, 2012 to March 31, 2013		From April 1, 2013 to March 31, 2014		Year-on-year comparison	
Domestic public	5,505	15.6%	7,631	18.1%	2,126	38.6%
Domestic private	2,639	7.5%	3,484	8.2%	844	32.0%
Overseas	27,198	76.9%	31,089	73.7%	3,891	14.3%
Total	35,342	100.0%	42,205	100.0%	6,862	19.4%