

## Finances

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## 10-Year Financial Data

		Fiscal 2005	Fiscal 2006	Fiscal 2007
<b>Operating Performance and Profitability (Consolidated)</b>				
Net sales (million yen)	UACJ/Furukawa-Sky	209,357	239,580	253,046
	Sumitomo Light Metal	299,460	349,089	327,591
Operating income (loss) (million yen)	UACJ/Furukawa-Sky	14,396	16,459	13,734
	Sumitomo Light Metal	17,140	20,134	18,041
Ordinary income (loss) (million yen)	UACJ/Furukawa-Sky	12,794	15,065	11,858
	Sumitomo Light Metal	11,959	15,030	13,293
Income before income taxes and minority interests (loss) (million yen)	UACJ/Furukawa-Sky	11,703	14,498	11,175
	Sumitomo Light Metal	10,039	11,870	9,112
Net income (loss) (million yen)	UACJ/Furukawa-Sky	6,675	8,694	6,399
	Sumitomo Light Metal	5,404	7,248	5,394
Operating margin (%)	UACJ/Furukawa-Sky	6.9	6.9	5.4
	Sumitomo Light Metal	5.7	5.8	5.5
Net income/sales (%)	UACJ/Furukawa-Sky	3.2	3.6	2.5
	Sumitomo Light Metal	1.8	2.1	1.6
<b>Financial Condition and Efficiency (Consolidated)</b>				
Total assets (million yen)	UACJ/Furukawa-Sky	232,618	245,661	234,399
	Sumitomo Light Metal	398,019	421,035	374,503
Net assets (million yen)	UACJ/Furukawa-Sky	62,665	73,197	77,753
	Sumitomo Light Metal	42,108	53,597	57,108
Shareholders' equity (million yen)	UACJ/Furukawa-Sky	62,665	70,588	74,945
	Sumitomo Light Metal	42,108	50,117	53,359
Interest bearing debt (million yen)	UACJ/Furukawa-Sky	84,572	79,873	74,143
	Sumitomo Light Metal	221,243	205,385	196,577
Current assets (million yen)	UACJ/Furukawa-Sky	114,583	118,212	107,400
	Sumitomo Light Metal	146,456	162,893	130,080
Fixed assets (million yen)	UACJ/Furukawa-Sky	118,036	127,449	126,999
	Sumitomo Light Metal	251,558	258,133	244,419
Current liabilities (million yen)	UACJ/Furukawa-Sky	108,088	112,666	106,800
	Sumitomo Light Metal	185,082	219,755	183,016
Long-term liabilities (million yen)	UACJ/Furukawa-Sky	59,155	59,799	49,847
	Sumitomo Light Metal	164,393	147,682	134,378
Shareholders' equity ratio (%)	UACJ/Furukawa-Sky	26.9	28.7	32.0
	Sumitomo Light Metal	10.6	11.9	14.2
Return on equity (ROE) (%)	UACJ/Furukawa-Sky	12.2	13.0	8.8
	Sumitomo Light Metal	15.3	15.7	10.4
<b>Consolidated cash flows (fiscal year)</b>				
Net cash provided by operating activities (million yen)	UACJ/Furukawa-Sky	6,062	24,447	21,832
	Sumitomo Light Metal	27,081	37,542	2,936
Net cash used in investment activities (million yen)	UACJ/Furukawa-Sky	(4,312)	(18,161)	(15,702)
	Sumitomo Light Metal	(16,647)	(8,228)	(7,513)
Net cash used in financing activities (million yen)	UACJ/Furukawa-Sky	(1,869)	(6,400)	(7,531)
	Sumitomo Light Metal	(12,229)	(17,265)	(8,954)
<b>Per Share Information</b>				
Current net profit/loss (loss) (yen)	UACJ/Furukawa-Sky	32.0	38.28	28.18
	Sumitomo Light Metal	14.73	19.73	14.69
Dividend (yen)	UACJ/Furukawa-Sky	10.71	8.0	8.0
	Sumitomo Light Metal	3.0	3.0	3.0
<b>Capital Investment and R&amp;D Costs (Consolidated)</b>				
Capital Investment (million yen)	UACJ/Furukawa-Sky	6,733	17,736	12,602
	Sumitomo Light Metal	20,561	9,152	8,203
Depreciation and amortization costs (million yen)	UACJ/Furukawa-Sky	7,991	8,076	10,883
	Sumitomo Light Metal	9,204	8,010	9,258
R&D costs (million yen)	UACJ/Furukawa-Sky	2,369	2,391	2,563
	Sumitomo Light Metal	2,366	2,376	2,404

Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
228,637	185,588	207,223	193,972	183,702	364,107	<b>572,541</b>
278,189	233,530	259,476	258,926	252,783	—	—
830	572	12,338	6,360	5,339	17,772	<b>23,679</b>
(7,690)	5,208	15,595	12,349	9,730	—	—
(584)	(660)	11,680	6,411	5,819	16,798	<b>21,337</b>
(14,299)	3,017	11,466	10,184	8,787	—	—
(4,687)	(3,072)	10,498	6,128	5,573	15,523	<b>18,856</b>
(16,744)	(6,419)	8,178	3,970	4,170	—	—
(11,500)	(770)	11,968	3,540	3,146	9,946	<b>8,649</b>
(18,143)	(6,480)	7,189	8,298	1,510	—	—
0.4	0.3	6.0	3.3	2.9	4.9	<b>4.1</b>
(2.8)	2.2	6.0	4.8	3.8	—	—
(5.0)	(0.4)	5.8	1.8	1.7	2.7	<b>1.5</b>
(6.5)	(2.8)	2.8	3.2	0.6	—	—
193,644	200,176	217,878	212,998	217,782	608,490	<b>677,952</b>
321,330	309,897	306,649	322,150	318,418	—	—
56,690	59,617	69,907	71,179	77,299	168,140	<b>187,136</b>
18,934	28,600	35,267	53,261	60,867	—	—
55,036	59,131	69,362	70,583	76,483	155,515	<b>172,305</b>
17,928	27,727	34,559	52,402	59,904	—	—
72,799	73,153	76,859	70,728	70,766	256,309	<b>295,953</b>
205,824	179,187	165,176	154,596	144,552	—	—
79,533	89,239	112,782	102,670	95,561	236,638	<b>269,889</b>
95,637	91,337	92,504	102,220	96,092	—	—
114,110	110,938	105,096	110,328	122,221	371,852	<b>408,063</b>
225,691	218,560	214,144	219,929	222,326	—	—
84,535	85,699	88,169	91,261	90,093	236,387	<b>287,884</b>
174,131	152,985	149,819	171,960	161,765	—	—
52,419	54,861	59,802	50,559	50,390	203,963	<b>202,932</b>
128,263	128,311	121,562	96,928	95,785	—	—
28.4	29.5	31.8	33.1	35.1	25.6	<b>25.4</b>
5.6	8.9	11.3	16.3	18.8	—	—
(17.7)	(1.3)	18.6	5.1	4.3	8.6	<b>5.3</b>
(50.9)	(28.4)	23.1	19.1	2.7	—	—
14,293	13,337	20,434	17,609	12,766	14,233	<b>26,777</b>
351	17,844	15,489	18,630	16,266	—	—
(12,391)	(12,509)	(7,070)	(21,083)	(15,198)	(25,452)	<b>49,668</b>
(10,948)	1,669	(6,525)	(17,037)	(6,322)	—	—
(2,831)	(190)	2,700	(7,526)	(451)	14,067	<b>25,694</b>
12,230	(21,779)	(8,141)	(508)	(12,436)	—	—
(50.64)	(3.39)	52.70	15.59	13.85	30.36	<b>20.21</b>
(49.42)	(15.95)	16.64	14.95	2.59	—	—
6.0	2.0	6.0	6.0	6.0	9.0	<b>6.0</b>
0.0	0.0	0.0	1.5	3.5	—	—
10,020	5,581	4,449	8,177	18,643	27,104	<b>46,539</b>
9,215	5,674	4,643	5,174	6,911	—	—
13,582	13,519	12,703	12,370	10,866	17,165	<b>22,636</b>
11,546	10,982	10,742	10,451	9,255	—	—
2,573	2,547	2,757	2,897	2,860	3,688	<b>4,619</b>
2,435	2,055	2,129	2,214	2,171	—	—

\* The accounting procedure for handling invoices at the end of a term changed from fiscal 2013. However, regarding important items such as management indices for fiscal 2011 and 2012, figures before the retroactive process are stated.

# Analysis of Business Performance and Financial Position (consolidated basis)

## 1. Business Performance

### ■ Business Environment

Influenced by a higher sales tax, UACJ experienced negative growth during the first half of fiscal 2014. However, signs of recovery began to appear in the second half, benefiting from various factors such as rising exports following recoveries in overseas markets and lower crude oil prices.

Amidst this environment, compared to the previous term, shipments of rolled aluminum products were up in categories including aluminum used for mainstay beverage cans, foil for condensers, and thick plate for liquid-crystal and semiconductor equipment. With exports also receiving a boost as the result of favorable exchange rates, overall shipments exceeded 2 million tons for the first time in four years.

In the wrought copper sector, demand for use in commercial air-conditioners remained unchanged compared to the previous year. However, due to sluggish consumption stemming from the sales tax hike and the impact of unstable weather conditions, unit shipments of residential air-conditioners decreased 14% compared to the previous year.

### ■ Financial Results Overview

Under the aforementioned conditions, in March 2014, we announced the “UACJ Group Vision for the Future.” Based on this vision, the Group is steadily introducing various measures aimed at realizing the effects of integration and pursuing

global expansion with the aim of “becoming an aluminum industry leader in a competitive global market.”

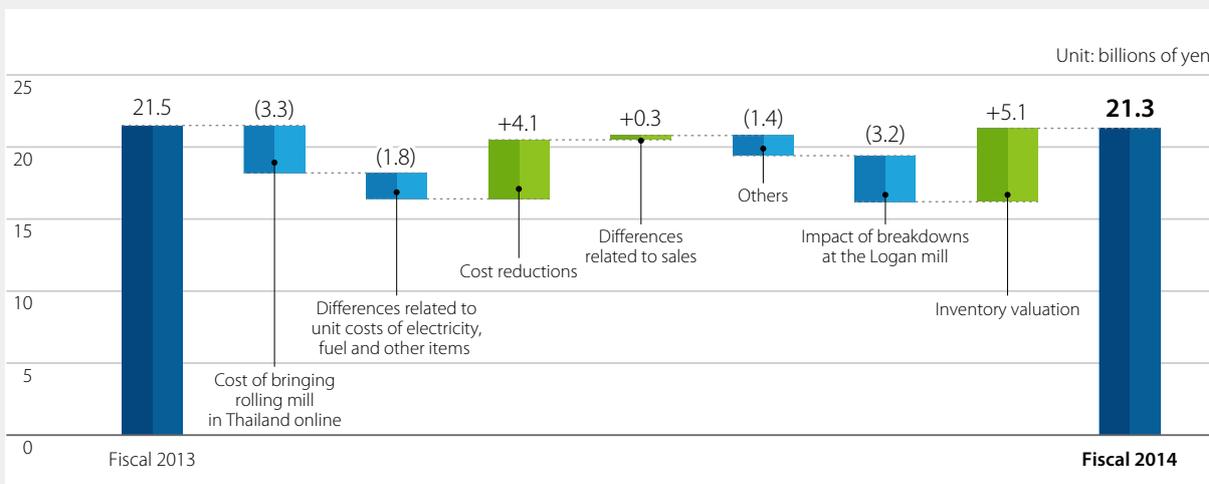
In addition, in December 2014, we formulated “Global Step 1,” the UACJ Group mid-term management plan. This plan explains the Group’s vision for the future in specific areas of business; through which it will create robust revenue bases capable of withstanding changes in the business environment and achieve sustainable growth.

As a result, for fiscal 2014, the UACJ Group reported net sales of ¥572.5 billion (up ¥208.4 billion compared to the previous term, and up ¥37.6 billion compared to the combined total of the two pre-merger companies for the same period). Operating income was ¥23.7 billion (up ¥5.9 billion compared to the previous term, but down ¥1.3 billion compared to the pre-merger combined total). Influenced by the expanding business scale following management integration, ordinary income was ¥21.3 billion (up ¥4.5 billion compared to the previous term, but down ¥0.2 billion compared to the pre-merger combined total), a substantial increase in the second-half compared to the previous term.

Net income for the term ending March 31, 2015 was ¥8.6 billion (down ¥1.3 billion compared to the previous term, and down ¥3.1 billion compared to the pre-merger combined total). This result was largely attributable to the marginal gain of ¥6.1 billion declared in relation to the step acquisition of Tri-Arrows Aluminum Holding Inc. and Tri-Arrows Aluminum Inc. during management integration in the previous term.

Reference: Based on Combined Totals for the Two Former Companies\*

### Analysis of Consolidated Ordinary Income



\* “Based on totals for the two former companies” in fiscal 2013 refers to the combined total for former Furukawa-Sky and former Sumitomo Light Metal Industries. (A simple reclassification has been made for TAAH, transforming from an equity-method affiliate to a consolidated subsidiary.)  
Fiscal 2014 (First-half combined total for the two former companies + Second-half for UACJ)

### Rolled Aluminum Products

Segment performance was affected by an equipment breakdown at Logan Aluminum Inc., a manufacturing outsourcing partner of Tri-Arrows Aluminum Inc. However, demand grew for IT-related materials such as computer casings, the thick plate for liquid-crystal and semiconductor equipment, and the thick plate used in the construction of LNG tankers. In addition, the expanded scale of business resulting from management integration led to a substantial increase compared to the previous term. Accordingly, net sales of rolled aluminum products in fiscal 2014 totaled ¥451.9 billion (up ¥149.9 billion compared to the previous term) and operating income was ¥23.3 billion (up ¥5.7 billion for the same term).

Based on the pre-merger combined totals, net sales were up ¥31.8 billion and operating income was down ¥1.9 billion.

### Wrought Copper Products

In fiscal 2014, demand for use in commercial air-conditioners remained unchanged compared to the previous year. However, due to sluggish consumption stemming from the sales tax hike and the impact of unstable weather conditions, unit shipments of residential air-conditioners decreased 14% compared to the previous fiscal year. As a result, net sales were ¥50.6 billion (up ¥26.5 billion compared to the previous term) and operating income was ¥1.0 billion (up ¥0.7 billion for the same term).

Based on pre-merger combined totals, net sales were up ¥2.7 billion and operating income was up ¥0.2 billion.

### Precision-machined Components and Related Businesses

In fiscal 2014, performance in IT-related materials and automotive parts—mainly for North America—led to net sales of ¥161.6 billion

(up ¥76.3 billion compared to the previous term). Operating income came to ¥4.6 billion (up ¥1.5 billion for the same term).

Based on pre-merger combined totals, net sales were up ¥13.8 billion and operating income was up ¥0.6 billion.

## 2. Forecast for the Next Term

### ■ Issues to be Addressed

Even unclear, we believe the economic outlook in Japan points to ongoing economic recovery, but we expect the pace of recovery to be modest. Furthermore, we anticipate the domestic operating environment to remain difficult over the medium- to long-term due to various factors such as the falling birthrate, aging population and customer manufacturing bases migrating overseas. Meanwhile, although some uncertainties remain with respect to overseas economic prospects, overall we expect the global economy to continue expanding gradually.

Amidst this economic environment, in December 2014, the UACJ Group announced its three-year mid-term management plan, “Global Step 1,” for fiscal 2015–2017. Under this plan, we are targeting specific developments for each business sector with the aim of creating revenue bases capable of withstanding economic change and achieving sustainable growth.

The plan has three major policies:

1. Expand growth products in the transportation field—focusing on automobiles—and the energy field, and strengthen business in growth regions such as Asia,
2. Construct an optimal production network for each business sector utilizing the synergies created through unification, and
3. Develop unique technologies and products by applying our vast technological prowess to fundamental research.

### Segment Information/Net Sales

Unit: billions of yen

	Fiscal 2013	Fiscal 2014	Change
Rolled aluminum products	420.1	<b>451.9</b>	31.8
Wrought copper products	47.9	<b>50.6</b>	2.7
Precision-machined components and related businesses	147.8	<b>161.6</b>	13.8
(Adjustment)	(80.9)	<b>(91.6)</b>	(10.7)
<b>Total</b>	<b>534.9</b>	<b>572.5</b>	<b>37.6</b>

### Segment Information/Operating Income

Unit: billions of yen

	Fiscal 2013	Fiscal 2014	Change
Rolled aluminum products	25.2	<b>23.3</b>	(1.9)
Wrought copper products	0.8	<b>1</b>	0.2
Precision-machined components and related businesses	4	<b>4.6</b>	0.6
(Adjustment)	(5)	<b>(5.2)</b>	(0.2)
<b>Total</b>	<b>25</b>	<b>23.7</b>	<b>(1.3)</b>

By enhancing these initiatives, our aim is to improve the Group's financial structure and invest in growth. As a result of these efforts, we intend to win the competition with major global aluminum companies and companies newly entering the rolling business, and further augment corporate value as we strive to achieve ongoing growth in expanding markets.

To secure the ongoing trust of our stakeholders, we are concentrating on CSR initiatives. The Group will steadily enforce the management philosophy and Code of Conduct, and ensure thorough compliance and risk management in order to enhance corporate governance, thereby fulfilling corporate responsibilities as a global company.

### ■ Financial Performance Forecast for the Next Term

Regarding the sales forecast for fiscal 2015, while expenses are expected to be incurred as the result of continued construction at the Rayong Works of UACJ (Thailand) Co., Ltd. (UATH), we also anticipate positive ongoing effects from the merger. Consequently, we are forecasting net sales of ¥640.0 billion, operating income of ¥26.5 billion, ordinary income of ¥23.0 billion and net income this term attributable to parent company shareholder's equity of ¥11.0 billion.

#### Rolled Aluminum Products

With shale gas imports from the United States and Canada scheduled to commence, we anticipate an increase in sales of thick plate used in the construction of LNG tankers.

For fiscal 2015, we forecast net sales of ¥500.4 billion and operating income of ¥27.0 billion.

#### Wrought Copper Products

We will work to develop and expand the sales of unique products that capitalize on advantageous technologies such as our internally grooved tubing compatible with new refrigerants and Thermoexcel heat-transfer pipe with a micro-finned outer surface. We will also strive to increase profits by maximizing the use of existing facility capabilities and strengthen the competitiveness of overseas business, centering on growth markets such as India and the Middle East.

For fiscal 2015, we forecast net sales of ¥57.9 billion and operating income of ¥1.4 billion.

#### Precision-machined Components and Related Businesses

We plan to further reinforce our business foundation while developing new areas of demand in various sectors such as our automotive and heating businesses. At the same time, we are implementing initiatives to increase global expansion. For example, we have established a new automotive parts manufacturing and sales subsidiary in Mexico, a principal market where automobile production is being concentrated.

For fiscal 2015, we forecast net sales of ¥179.6 billion and operating income of ¥4.4 billion.

## 3. Returning Profit to Shareholders

### ■ Dividend Policy

We believe it is important to return profits to shareholders in the form of dividends. While our basic policy is to provide stable and sustainable dividends, we also comprehensively consider a variety of factors when making decisions on dividend amounts. These factors include trends in corporate performance, securing funds to invest in improving corporate value and R&D to boost competitiveness, and strengthening our financial standing.

Our general policy is to pay dividends twice annually: an interim dividend that is decided by the Board of Directors, and a fiscal year-end dividend that is decided at the General Meeting of Shareholders.

For fiscal 2014, the year-end dividend was ¥3, the same amount as the interim dividend. Our dividend forecast for fiscal 2015 is an interim dividend of ¥3 per share and a fiscal year-end dividend of ¥3 per share, for a combined total of ¥6 for the year.

## 4. Financial Position

### ■ Balance Sheet Analysis

As of March 31, 2015, total assets were ¥678.0 billion, up ¥69.5 billion compared to the previous term. This rise was mainly attributable to capital investment at the UATH Rayong Works and currency exchange conversion resulting in a lower yen.

Total liabilities were ¥490.8 billion (up ¥50.5 billion compared to the same term), mainly because of higher loans payable for the aforementioned capital investment.

Net assets rose to ¥187.1 billion (up ¥19.0 billion compared to the same term), with retained earnings increasing following the posting of net income and an increase in currency conversion adjustments as well.

### ■ Research and Development

We are positioning fiscal 2015, the first year of the new mid-term management plan, as the base year for reinforcing our foundation. To achieve this, we will secure the trust of customers and business partners through the continuous creation and supply of products, technologies and services that are safe and beneficial to society. Based on this policy, the Research and Development Division is building a system that facilitates our ability to make use of comprehensive Group capabilities. To this end, we have concentrated key development activities and facilities in Nagoya, and moved some functions to Fukaya and Fukui.

In fiscal 2014, total R&D expenditures amounted to ¥4.6 billion.

#### Rolled Aluminum Products

In our mainstay category of aluminum sheet products, we are pursuing R&D to meet increasingly diverse and sophisticated needs in areas such as can stock, BiW panels, automotive heat exchanger materials, thick plate for LNG tankers and lithium-ion battery current collectors. To raise productivity and lower manufacturing costs and environmental impact, we are

developing new processes from both tangible and intangible perspectives. Aiming to develop new alloys that can be used in the construction of next-generation aircraft, we are participating in the Innovative Structural Materials Project, a business commissioned by Japan's Ministry of Economy, Trade and Industry.

Regarding extruded products, we are developing automotive heat exchanger materials—an area of strength—and pushing forward with the development of aluminum alloy materials to meet new demand in areas such as aircraft and automotive parts, and heat exchangers for air-conditioners.

Regarding casted products, we are proactively developing high-value-added aluminum components such as compressor wheels, which only a few companies worldwide have the ability to manufacture. In materials for motorcycles, we are developing new high-strength materials and processing methods that continue to receive excellent evaluations from the market, including winning the 49th Oyamada Medal from the Japan Institute of Light Metals.

R&D expenditures for rolled aluminum products in fiscal 2014 totaled ¥4,484 million.

### **Wrought Copper Products**

In the wrought copper products segment, we are developing high-strength copper pipe for air-conditioners, contributing greatly to the development and mass production of air-conditioners that with increasingly higher performance and greater energy savings. Other activities include progressing in the development alloys and manufacturing equipment that increase the corrosion resistance of copper tubing and piping used for air-conditioners and construction. We are also proactively pursuing publicity activities to promote the spread of these leading-edge technologies.

R&D expenditures for wrought copper products in fiscal 2014 totaled ¥114 million.

### **Precision-machined Components and Related Businesses**

In the precision-machined components and related businesses sector, we are developing and producing cooling devices for high-performance, precise power control units. Moving forward, we will work to expand sales to meet expected increases in demand for high-end applications. Regarding heat exchangers for air-conditioners, applying the Group's comprehensive technological expertise and technologies accumulated in the materials and assessment fields, we have begun the mass production of all-aluminum heat exchangers.

As regulations regarding fuel efficiency grow stricter, the automotive industry is increasing its focus on developing lighter-weight automobiles. Addressing this need, we have succeeded in commercializing a globally compatible ultralight aluminum bumper system. By providing this technology to customers, our aim is to contribute to reducing environmental impact throughout society as a whole.

R&D expenditures for precision-machined components and related businesses in fiscal 2014 totaled ¥21 million.

### **Capital Investment**

Construction of the UATH Rayong Works continued in fiscal 2014, with Phase 2 investment (fully-integrated manufacturing beginning from casting processes) covering the installation of equipment and trial operations. The fully-integrated manufacturing system commenced operation in August 2015.

In Japan, optimizing our product mix at manufacturing bases is a priority measure of the mid-term management plan. Capital investment was focused on this area, and we invested where upgrading deteriorating facilities was necessary.

As a result, total capital investment came to ¥46.5 billion in fiscal 2014.

### **Analysis of Capital Resources and Funding Liquidity Analysis of Cash Flows**

Cash and cash equivalents totaled ¥20.9 billion as of March 31, 2015, up ¥3.5 billion from the previous term.

The situation and factors for cash flow from each activity are as follows:

#### **(Cash Flow from Operating Activities)**

Net cash provided by operating activities was ¥26.8 billion, an increase of ¥12.5 billion compared to the previous term. The main sources of cash were income before income taxes and minority interests, which rose substantially due to the expanded business scale as a result of the merger, and depreciation and amortization minus cash outlays.

#### **(Cash Flow from Investing Activities)**

Net cash used in investing activities totaled ¥49.7 billion, an increase of ¥24.2 billion compared to that used in the previous term. The primary use of cash was for purchasing property, plant and equipment—including ongoing construction at the UATH Rayong Works—totaling ¥43.9 billion; up ¥19.1 billion compared to that used in the previous term.

#### **(Cash Flow from Financing Activities)**

Net cash provided by financing activities totaled ¥25.7 billion, an increase of ¥11.6 billion compared to the previous term. The primary reason was borrowing to raise funds for capital investment in addition to internal funding.

### **Analysis of Capital Funding and Liquidity**

As capital investment related to construction of the UATH Rayong Works increased in fiscal 2014, necessary funds were obtained using funds on hand and loans payable. As a result, the consolidated balance of interest-bearing debt at the end of the term was ¥296.0 billion (up ¥39.6 billion compared to the previous term).

Additionally, borrowing from financial institutions and the issuance of commercial paper during fiscal 2014 had no impact on capital funding capacity, thereby maintaining fund liquidity.

## Consolidated Balance Sheets

Unit: millions of yen (rounded off)

	Previous fiscal year (as of March 31, 2014)	Current fiscal year (as of March 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	17,471	21,069
Notes and accounts receivable-trade	113,209	108,550
Merchandise and finished goods	22,251	32,672
Work in process	36,399	45,225
Raw materials and supplies	28,249	39,842
Deferred tax assets	5,813	5,938
Other	13,266	16,627
Allowance for doubtful accounts	(21)	(33)
<b>Total current assets</b>	<b>236,638</b>	<b>269,889</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	48,392	56,729
Machinery, equipment and vehicles, net	52,946	62,421
Land	115,669	115,711
Lease assets, net	7,972	6,962
Construction in progress	29,011	47,175
Other, net	2,998	3,375
<b>Total property, plant and equipment</b>	<b>256,988</b>	<b>292,374</b>
Intangible assets		
Goodwill	47,150	46,503
Other	17,825	19,369
<b>Total intangible assets</b>	<b>64,976</b>	<b>65,871</b>
Investments and other assets		
Investment securities	27,056	32,804
Deferred tax assets	8,103	2,013
Retirement benefit assets	334	414
Other	14,449	14,659
Allowance for doubtful accounts	(53)	(73)
<b>Total investments and other assets</b>	<b>49,889</b>	<b>49,818</b>
<b>Total noncurrent assets</b>	<b>371,852</b>	<b>408,063</b>
<b>Total assets</b>	<b>608,490</b>	<b>677,952</b>

Unit: millions of yen (rounded off)

	Previous fiscal year (as of March 31, 2014)	Current fiscal year (as of March 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	100,220	110,114
Short-term loans payable	42,094	80,100
Commercial paper	6,999	6,000
Current portion of bonds	99	2,606
Current portion of long-term loans payable	48,369	47,074
Lease obligations	4,617	4,885
Income taxes payable	2,645	1,930
Catastrophe reserve	1,125	291
Other	30,218	34,884
Total current liabilities	236,387	287,884
Noncurrent liabilities		
Bonds payable	10,143	7,538
Long-term loans payable	148,604	152,636
Lease obligations	9,268	6,777
Deferred tax liabilities	8,754	7,809
Provision for restructuring	1,210	1,180
Retirement benefit obligations	21,369	21,358
Other	4,615	5,634
Total noncurrent liabilities	203,963	202,932
Total liabilities	440,350	490,816
<b>Net assets</b>		
Shareholders' equity		
Capital stock	45,000	45,000
Capital surplus	72,901	72,901
Retained earnings	30,670	33,564
Treasury stock	(82)	(178)
Total shareholders' equity	148,489	151,287
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	571	2,026
Deferred gains or losses on hedges	(10)	(69)
Foreign currency translation adjustment	6,258	18,055
Cumulative adjustments related to retirement benefits	208	1,006
Total accumulated other comprehensive income	7,026	21,018
Minority interests	12,625	14,831
Total net assets	168,140	187,136
Total liabilities and net assets	608,490	677,952

## Consolidated Statements of Income and Comprehensive Income

### Consolidated Statements of Income

Unit: millions of yen (rounded off)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Net sales	364,107	572,541
Cost of sales	313,647	500,400
Gross profit	50,460	72,142
Selling, general and administrative expenses	32,688	48,463
Operating income	17,772	23,679
Non-operating income		
Equity in earnings of affiliates	1,240	712
Dividend income	119	372
Rental income	209	301
Other	801	925
Total non-operating income	2,368	2,310
Non-operating expenses		
Interest expenses	2,087	3,221
Other	1,255	1,431
Total non-operating expenses	3,342	4,652
Ordinary income	16,798	21,337
Extraordinary income		
Insurance proceeds	15	397
Gain on sale of noncurrent assets	23	90
Income related to step acquisitions	6,127	—
Other	91	3
Total extraordinary income	6,256	489
Extraordinary loss		
Impairment loss	3,596	1,678
Loss on retirement of noncurrent assets	408	957
Business restructuring costs	1,630	—
Other	1,897	335
Total extraordinary losses	7,531	2,970
Income before income taxes and minority interests	15,523	18,856
Income taxes-current	3,155	4,880
Income taxes-deferred	1,602	4,284
Total income taxes	4,757	9,165
Income before minority interests	10,766	9,691
Income of minority shareholders	821	1,043
Net income	9,946	8,649

### Consolidated Statements of Comprehensive Income

Unit: millions of yen (rounded off)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Income before minority interests	10,766	9,691
Other comprehensive income		
Valuation difference on available-for-sale securities	332	1,450
Deferred gains (losses) on hedges	8	(239)
Foreign currency translation adjustment	5,031	12,938
Adjustments to retirement benefits	—	1,219
Share of other comprehensive income of associates accounted for using equity method	(377)	362
Total other comprehensive income	4,994	15,729
Comprehensive income	15,761	25,421
(Attributable to)		
Parent company shareholders	14,246	22,634
Minority interests	1,515	2,787

## Consolidated Statements of Cash Flows

Unit: millions of yen (rounded off)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	15,523	18,856
Depreciation and amortization	17,165	22,636
Amortization of good will	1,385	2,513
Impairment loss	3,596	1,678
Equity in (earnings) losses of affiliates	(1,240)	(712)
(Gains) losses on step transactions	(6,127)	—
Interest and dividends income	(177)	(556)
Interest expenses	2,087	3,221
Decrease (increase) in notes and accounts receivable-trade	(14,361)	8,192
Decrease (increase) in inventories	(4,735)	(25,294)
Increase (decrease) in notes and accounts payable-trade	8,611	6,964
Increase (decrease) in provision for retirement benefits	(8,289)	—
Increase (decrease) in retirement benefit obligations	7,109	(1,526)
Other	(1,694)	(511)
Subtotal	18,853	35,462
Interest and dividends income received	440	848
Interest expenses paid	(2,101)	(3,085)
Income taxes (paid)	(2,959)	(6,448)
Net cash provided by (used in) operating activities	14,233	26,777
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(24,773)	(43,870)
Purchase of intangible assets	(1,653)	(1,485)
Other	975	(4,313)
Net cash provided by (used in) investing activities	(25,452)	(49,668)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(8,199)	32,693
Proceeds from long-term loans payable	41,527	52,065
Repayment of long-term loans payable	(29,953)	(51,496)
Proceeds from issuance of bonds	10,070	—
Cash dividends paid	(1,363)	(3,852)
Cash dividends paid to minority shareholders	(117)	(198)
Sale-and-leaseback revenues	4,222	1,162
Outlays for the repayment of lease obligations	(1,892)	(3,802)
Other	(228)	(879)
Net cash provided by (used in) financing activities	14,067	25,694
Effect of exchange rate change on cash and cash equivalents	6	401
Net increase (decrease) in cash and cash equivalents	2,855	3,204
Cash and cash equivalents at beginning of period	8,419	17,471
Net increase (decrease) in cash and cash equivalents due to changes in scope of consolidation	(93)	274
Increases in cash and cash equivalents due to merger	6,290	—
Cash and cash equivalents at end of period	17,471	20,949