Summary of Financial Results (Consolidated)
for the Fiscal 2014 Ended March 31, 2015
[under Japanese GAAP]

May 13, 2015

Listed Company Name:	ESPEC CORP.
Listed Stock Exchange:	Tokyo, Stock Exchanges, First Section
Securities Code:	6859
Homepage:	http://www.espec.co.jp
Representative:	Masaaki Ishida, President
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Annual General Shareholders' Meeting (Scheduled):	June 24, 2015
Dividends payment beginning day (Scheduled):	June 25, 2015
Filing of Securities Report *[Yuka shoken hokokusho]*(Scheduled):	June 25, 2015
Preparing Supplementary Material on Financial Results:	Yes
Holding Financial Results Presentation Meeting:	Yes (For Institutional Investors)
U.S. GAAP Accounting standard:	Not Adopted

*The original disclosure in Japanese was released on May 13, 2015 at 14:00. (GMT+9)

(Rounded off to nearest million yen)

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

(1) Consolidated operating results

(% figures are rates of change in comparison to previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Year Ended March 31, 2015	33,661	4.9	2,643	27.3	3,044	28.5	2,118	34.9
Year Ended March 31, 2014	32,099	4.2	2,077	11.3	2,370	9.6	1,570	28.8

(Note) Statements of comprehensive income Year Ended March 31, 2015 ¥3,280million [15.5%]
Year Ended March 31, 2014 ¥2,840million [45.8%]

	Net Income Per Share	Net Income Per Share, Diluted	Net Income to Shareholders' Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Year Ended March 31, 2015	91.19	-	6.3	6.8	7.9
Year Ended March 31, 2014	67.52	-	5.0	5.7	6.5

(Reference) Equity in earnings of affiliates Year Ended March 31, 2015 ¥－million
Year Ended March 31, 2014 ¥－million

(2) Consolidated financial standing

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Million Yen	Million Yen	%	Yen
As of March 31, 2015	46,792	35,451	75.1	1,521.96
As of March 31, 2014	43,031	32,811	75.6	1,399.52

(Reference) Shareholders' equity As of March 31, 2015 ¥35,158million
As of March 31, 2014 ¥32,552million

(3) Consolidated status on cash flows

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at End of Year
	Million Yen	Million Yen	Million Yen	Million Yen
Year Ended March 31, 2015	1,818	(293)	(508)	14,167
Year Ended March 31, 2014	838	(1,266)	(452)	12,853

2. Dividends

	Dividend Per Share					Total Cash Dividend (Total)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Term-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
Year Ended March 31, 2014	-	7.00	-	13.00	20.00	465	29.6	1.5
Year Ended March 31, 2015	-	7.00	-	19.00	26.00	604	28.5	1.8
Year Ending March 31, 2016 (Forecast)	-	9.00	-	19.00	28.00		30.8	

3. Forecast of Consolidated Operating Results for the Fiscal 2015 Ending March 31, 2016(April 1, 2015 ~ March 31, 2016)

(% figures for the full-term are rates of change in comparison to previous year and % figures for the six months ended are rates of change in comparison to the same quarter previous year)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Net Income Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Six Months Ending September 30, 2015	16,000	12.7	1,000	19.4	1,100	15.4	750	27.0	32.47
Full-term	35,000	4.0	2,800	5.9	3,000	(1.5)	2,100	(0.9)	90.91

4. Others

(1) Transfers of important subsidiaries during the term (transfers of specified subsidiaries entailing changes in the scope of consolidation): No
New (Company name:) Excluded (Company name:)

(2) Changes in accounting policies; changes in accounting estimates; restatements of financial statements
1) Changes in accounting policies due to amendment of accounting standards: Yes
2) Changes in accounting policies other than above: No
3) Changes in accounting estimates: No
4) Restatements of financial statements: No
(Note) For details, see "Change in accounting policy" on p. 19.

(3) Number of outstanding shares (Ordinary shares)

1) Number of outstanding shares at end of term (Including treasury stock):	As of March 31, 2015	23,781,394 shares	As of March 31, 2014	23,781,394 shares
2) Number of treasury stock at end of term:	As of March 31, 2015	680,455 shares	As of March 31, 2014	521,715 shares
3) Average number of shares during the term (Consolidated quarter):	Year Ended March 31, 2015	23,233,414 shares	Year Ended March 31, 2014	23,259,818 shares

* Disclosure Regarding Enactment of Audit Procedures

This earnings report is not subject to the audit procedures stipulated by Japan’s Financial Instruments and Exchange Act. As of the date of release of this report, the Company’s financial statements were undergoing audit procedures stipulated by the Financial Instruments and Exchange Act.

* Explanation of appropriate use of results forecasts and other matters of note

Statements concerning the future such as the results forecasts, etc., included in this document are based on currently available information and certain assumptions judged reasonable and actual results, etc., may differ due to various factors.

Index of Attached Material

1. Qualitative Information Concerning the Consolidated Results and Financial Situation

（1）Analysis of concerning the Operating Results

1) Operating Results for Fiscal 2014

During fiscal 2014, the Japanese economy continued on an overall recovery trend, underpinned mainly by expansion in the U.S. economy and increased competitiveness among Japanese companies due to the yen's depreciation. Moreover, personal consumption was expected to rise in response to wage increases at companies and other factors. However, there continued to be concerns over the global economic impact of the slowdown in the European economy, geopolitical risks in the Middle East and other factors.

Of the Company's main customers, automotive manufacturers continued to invest aggressively, while investment activity improved among electronics-related manufacturers.

In this environment, the Company strengthened marketing activities in the U.S., China and Southeast Asia, and focused on winning more orders in the green technology market, primarily eco-cars.

As a result, in the consolidated results for fiscal 2014, the amount of orders-received increased 14.3% year on year to ¥36,287 million and net sales increased 4.9% to ¥33,661 million. On the earnings front, operating income increased 27.3% year on year to ¥2,643 million and net income rose 34.9% year on year to ¥2,118 million.

	Year Ended March 31, 2014 (Million Yen)	Year Ended March 31, 2015 (Million Yen)	Change (%)
Orders-Received	31,760	36,287	14.3
Net Sales	32,099	33,661	4.9
Operating Income	2,077	2,643	27.3
Ordinary Income	2,370	3,044	28.5
Net Income	1,570	2,118	34.9

2) Performance by Segment

Consolidated results by operating segment for fiscal 2014

	Orders-Received (Million Yen)	Net Sales (Million Yen)	Operating Income (Million Yen)
Equipment Business	29,399	26,992	2,178
Service Business	5,589	5,541	430
Other Business	1,527	1,350	34
Elimination	(227)	(223)	0
Total	36,287	33,661	2,643

<Equipment Business>

In environmental test chambers, with investment demand improving in Japan, the Company saw strong business for highly versatile standardized products. Overseas, exports increased from the previous fiscal year, primarily to China and Europe. As a result, both overall orders-received and net sales of environmental test chambers increased year on year during fiscal 2014.

In energy devices equipment, both orders-received and net sales increased from the year before, atop orders the Company won for the Charge-discharge Evaluation System for secondary batteries, and firm sales of power device evaluation systems.

In semiconductor equipment, orders-received declined from the previous fiscal year despite the orders the Company received from certain semiconductor manufacturers and automotive-related manufacturers. However, net sales were mostly unchanged in comparison to the previous fiscal year.

In FPD equipment, the Company has been working to selectively win orders on the basis of profitability. However, there were few large business deals in the fiscal year under review. Orders-received were mostly unchanged, while net sales declined in comparison to the previous fiscal year.

As a result, the Equipment Business overall saw orders-received increase 16.3% to ¥29,399 million, and net sales increase by 4.5% to ¥26,992 million, compared with the previous fiscal year. Operating income increased 34.0% year on year to ¥2,178 million, due to changes in sales composition and other factors.

	Year Ended March 31, 2014 (Million Yen)	Year Ended March 31, 2015 (Million Yen)	Change (%)
Orders-Received	25,271	29,399	16.3
Net Sales	25,831	26,992	4.5
Operating Income	1,625	2,178	34.0

< Service Business >

In after-sales service and engineering, both orders-received and net sales were about the same compared to the previous fiscal year.

In commissioned tests and facility rentals, the core test consulting operation saw growth in the automobile market. Consequently, both orders-received and net sales increased year on year.

As a result, the Service Business overall recorded orders-received of ¥5,589 million, up 5.7% from the previous year. Net sales increased 7.2% to ¥5,541 million. However, operating income declined 14.6% year on year to ¥430 million, mainly due to the deteriorating cost ratio of after-sales service.

	Year Ended March 31, 2014 (Million Yen)	Year Ended March 31, 2015 (Million Yen)	Change (%)
Orders-Received	5,288	5,589	5.7
Net Sales	5,168	5,541	7.2
Operating Income	504	430	(14.6)

<Other Business>

In the Other Business, strong performance in environmental engineering in reforestation (tree planting) and the plant factory business drove orders-received to increase 11.1% year on year to ¥1,527 million. Net sales increased 6.5% year on year to ¥1,350 million. The segment posted operating income of ¥34 million, an improvement from the previous fiscal year.

	Year Ended March 31, 2014 (Million Yen)	Year Ended March 31, 2015 (Million Yen)	Change (%)
Orders-Received	1,375	1,527	11.1
Net Sales	1,267	1,350	6.5
Operating Income (loss)	(52)	34	-

3) Outlook for Fiscal 2015

The Japanese economy continues on its recovery trend, and there is vigorous growth investment against the backdrop of earnings improvement among automotive-related manufacturers and electronics-related manufacturers. Meanwhile, demand for environmental testing is expected to expand in overseas markets, in Asia in particular.

Under these circumstances, the Company will strengthen Group collaboration and strive to expand sales in the Asian market, while focusing on expanding the scope of its business in the green technology market, the aerospace field and the "food and drug markets" centered on pharmaceuticals.

As a result, the Company's business plan for fiscal 2015 projects that net sales will rise 4.0% to ¥35,000 million, operating income will increase 5.9% to ¥2,800 million, and Profit attributable to owners of parent will decline 0.9% to ¥2,100 million.

Forecast of Consolidated Operating Results for Fiscal 2015

(% figures for the full-term are rates of change in comparison to previous year and (% figures for the six months ended are rates of change in comparison to the same quarter previous year)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Net Income Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Six Months Ending September 30, 2015	16,000	12.7	1,000	19.4	1,100	15.4	750	27.0	32.47
Full-term	35,000	4.0	2,800	5.9	3,000	(1.5)	2,100	(0.9)	90.91

Forecast of Consolidated Operating Results by Segment for Fiscal 2014 (Full-term)

	Orders-Received (Million Yen)	Net Sales (Million Yen)	Operating Income (Million Yen)
Equipment Business	29,500	28,200	2,300
Service Business	6,000	5,800	500
Other Business	1,200	1,200	10
Elimination	(200)	(200)	(10)
Total	36,500	35,000	2,800

* There are marked seasonal fluctuations in our performance based on quarterly sales because of a strong trend towards contractual deliveries occurring in the 2nd and 4th consolidated quarters as a result of customers' budget implementation.

(2)Qualitative Information Concerning the Consolidated Financial Situation

Total assets at the end of the fiscal year consolidated accounting period were ¥46,792 million, an increase of ¥3,761 million over the end of the previous consolidated fiscal year. Major factors included an increase of ¥876 million in notes and accounts receivable-trade, an increase of ¥698 million in work in progress and other inventories, and an increase of ¥1,227 million in property, plant and equipment. Liabilities were ¥11,340 million, an increase of ¥1,120 million against the end of the previous consolidated fiscal year. Major factors included an increase in current liabilities such as notes and accounts payable-trade of ¥838 million, and an increase in noncurrent liabilities such as deferred tax liability of ¥281 million. Net assets were ¥35,451 million, an increase of ¥2,640 million against the end of the previous fiscal year. Major factors included an increase of ¥1,715 million in retained earnings and an increase of ¥544 million in foreign currency translation adjustment. As a result, the shareholders' equity ratio stood at 75.1%, a decrease of 0.5 points from the end of the previous fiscal year.

Net cash provided by operating activities was ¥1,818 million. The main factors were ¥3,309 million in income before income taxes and minority interests, a ¥784 million increase in inventories and the payment of ¥884 million in income taxes.

Net cash used in investing activities was ¥293 million. The main factors were ¥728 million in purchase of property, plant and equipment and intangible assets and a net ¥496 million decrease in time deposits.

Net cash used in financing activities was ¥508 million. The main factors were ¥463 million in cash dividends paid.

As a result of the foregoing, the balance of cash and cash equivalents increased ¥1,314 million from a year earlier to ¥14,167 million at the end of the fiscal year under review.

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015
Shareholders' Equity Ratio (%)	72.4	74.8	76.2	75.6	75.1
Shareholders' Equity Ratio on a Fair Value Basis (%)	42.9	46.7	41.2	43.2	59.3
Average Debt Repayment Period (years)	0.3	-	-	-	0.1
Interest Coverage Ratio (times)	83.9	73.1	2,599.9	647.4	1,169.0

(Note)

Shareholders' equity ratio = Shareholders' equity / Total assets

Shareholders' equity ratio on a fair value basis = Market capitalization / Total assets

Average debt repayment period = Interest-bearing debt / Net cash provided by operating activities

Interest coverage ratio = Net cash provided by operating activities / Interest expense payments

1. Each index is calculated using figures from the consolidated financial statements.

2. Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the number of shares issued and outstanding at the fiscal year-end (excluding treasury stock).

3. The cash flow from operating activities is calculated from the net cash provided by operating activities as stated on the consolidated cash flow statements. The interest-bearing debt refers to liabilities booked on the consolidated balance sheet for which interest is paid, except for leasing liabilities. Interest expense payments are calculated from the interest expenses paid as stated on the consolidated statements of cash flows.

(3) Basic Policy on Profit Distributions and Dividends for Fiscal 2013 and Fiscal 2014

The Company recognizes the return of profits to shareholders as an important management priority, and believes that constantly raising enterprise value is the key element in ensuring improved shareholder returns. Regarding the dividend for the fiscal year under review, the Company decides dividends in consideration of continuity and the consolidated dividend payout ratio, and plans to pay an increased year-end dividend of ¥19 per share. Together with the payment of an interim dividend of ¥7 per share, the Company will pay an annual dividend of ¥26 per share for fiscal 2014.

For fiscal 2015, current projections are for an annual dividend of ¥28 per share, including an interim dividend of ¥9 per share.

(4) Business Risks

1) Risk of Fluctuation in Business Performance

The ESPEC Group's main customers are manufacturers in the electronic components, electronic devices, and automotive sectors. Consequently, the Group's business performance is strongly affected by trends in business and capital investment in these industries. ESPEC works to swiftly develop products that meet its customers' diverse needs. At the same time, the Company strives to minimize fluctuations in its own business performance by responding to requests for customization and developing customers in sectors outside of electronics. These efforts notwithstanding, lower levels of capital investment among the Group's main customers due to protracted economic weakness and other factors may adversely impact the business performance of the ESPEC Group.

Furthermore, although the ESPEC Group commands a high market share in Japan, the Japanese market is also a maturing one. As such, the Group is reliant on overseas markets for growth in this business. Emerging markets, particularly the fast-growing markets of Asia, are witnessing entry by a host of companies from around the world, a situation that is fueling intense price competition. The ESPEC Group was among the first in the industry to establish multiple bases in China and Southeast Asia, and has a business framework in place for coping with rapid market expansion. Nevertheless, the Group's business performance may be adversely impacted by competition with U.S. and European environmental test chamber makers, who enjoy a large share of the market in their home countries, as well as by Chinese and Taiwanese manufacturers, who are aiming to enter the market by flooding it with low-priced products.

2) Risk Associated with Increasing Overseas Sales Ratio

The ratio of sales from outside Japan for the ESPEC Group accounted for a high 40.4% of Group total sales on a consolidated basis in the fiscal year ended March 31, 2015. Moreover, this percentage is expected to rise further in the future. In terms of business development overseas, the Group's efforts may be hindered by any number of factors that could result in difficult to foresee social turmoil in the countries and regions where it operates. These factors include, but are not limited to, terrorism, political instability, natural disasters, and outbreaks of new strains of influenza or other pandemic diseases. Such problems, should they arise, could adversely impact the Group's financial position and business performance.

With regard to foreign exchange risk, the ESPEC Group believes that its exposure is relatively limited due to hedging operations carried out within certain limits under its risk management policy, as well as the fact that a large proportion of the Group's export revenues are denominated in Japanese yen.

3) Risk Associated with Export Regulations

The Company's products and technologies are subject to laws and regulations governing exports, such as the Foreign Exchange and Foreign Trade Control Law and its directives (export trade management directive, foreign exchange directive), as well as a related ministerial directive. Based on this, the Group makes every effort to gain a clear picture of export destinations, buyers, uses, and transaction channels as stipulated in the latest legislation. Nevertheless, there is a possibility of resale by the buyer or other parties to countries and users who might use the products or technologies for manufacturing weapons of mass destruction or conventional armaments. The use of the Group's products and technologies by unanticipated parties in applications for which they were not intended could ultimately have an adverse effect on the ESPEC Group's business performance.

4) Risks Associated with Dependency on Suppliers

The ESPEC Group procures a variety of parts and materials from suppliers. Similarly, the Group engages third-party processing companies as a means of coping with varying manufacturing volumes and efficiently acquiring knowledge of various manufacturing technologies. The Group implements strict transaction controls aimed at these entities, grades them on their quality assurance programs and production and environmental management systems, and provides guidance where necessary, in an effort to cultivate mutual relationships of trust. However, the Group's own production efforts could become compromised if procurement from these suppliers and third-party processing services is halted due to bankruptcy, an exit from business, or similar factors. In addition, suppliers could provide defective components, leading to serious production delays. In the worst case, this situation could require expensive countermeasures, such as a recall of products already sold.

5) Risk in Cases of Significant Damage to Key Facilities from Earthquakes or Other Natural Disasters

The ESPEC Group's key manufacturing and R&D facilities are located in Japan. If these key facilities were to suffer major damage from an earthquake or other natural disaster, it would not only interfere with the Group's ability to operate, but could potentially require huge sums for repairs or rebuilding. Even in cases in which the Company itself is not directly damaged, business activities could be severely undermined by secondary damage, such as limitations on the supply of electric power and other infrastructure, and the inability to procure necessary components and materials from suppliers.

6) Risk of Steep Rise in Raw Material Procurement Costs

The raw materials for the products manufactured by the ESPEC Group consist primarily of stainless steel, steel, copper and aluminum. Procurement prices of these materials fluctuate in line with movements on international commodity markets. In the event of a sudden steep rise in raw materials prices, there is a possibility that the Group's business performance will be adversely affected.

2. Management Policy

(1) Basic Policy for Management of the Company

The Group's mission statement is "To provide a more reliable living environment through services built on environmental creation technology". We believe firmly that growth of the Group in itself serves to achieve this mission, and that this also improves value exchangeability between the Group's various stakeholders, including its shareholders. As a full member of society, one of the Group's key management policies is "respect for social norms and respect for laws", and we regard improvements to value exchangeability as one of our management strategies. We aim to become a company which possesses "outstanding service as a result of its broad-ranging technology and a concentration of knowledge that creates a new level of expectation in our customers", as well as to become "a highly social company that quickly adapts to social change and people's wishes through sensitivity and dynamic preparation". We intend to implement ongoing improvements to corporate value.

(2) Management Index Target

The Group uses the ratio of operating income to sales as an important management index from the perspective of improving business growth and profitability.

(3) The Company's Medium to Long-term Management Strategy and Challenges Facing the Company

Looking towards the fiscal year ending March 31, 2026, the Company has formulated "ESPEC Vision 2025," a business vision with consolidated revenue and earnings targets for fiscal 2025 of net sales of over ¥60.0 billion, operating income of ¥6.0 billion or more, and an operating income ratio of at least 10%. Going forward, the Company will formulate medium-term management plans every four years (Stage I through Stage III) to make the vision a reality and work to achieve its objectives. Stage I is the medium-term management plan "PROGRESSIVE PLAN 2017" covering the four years from the fiscal year ended March 31, 2015 through to the fiscal year ending March 31, 2018. The consolidated revenue and earnings targets set for the final year of this plan are net sales of over ¥40.0 billion, operating income of over ¥4.0 billion, and an operating income ratio of at least 10%. The Company is working to boost shareholder returns and aims to achieve a 40% dividend payout ratio by the fiscal year ending March 31, 2018. ESPEC's "PROGRESSIVE PLAN 2017" medium-term management plan describes the following three directions for growth.

1) Strengthen Group alliances to increase sales in growing countries and regions
In ASEAN countries, to which Japanese companies are currently transferring their development and production bases, the Company will strive to strengthen customer support by newly establishing service bases and commissioned testing centers, as well as to increase sales by reinforcing sales bases. In China, the Company will bolster production capacity at ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD., a production subsidiary, and work to expand sales. The Company will also endeavor to expand sales in emerging countries such as Turkey and India.

2) Expand business domains targeting growing and strategic markets
In the energy device market, centering on secondary batteries for automobiles, the Company will expand the product lineup and commissioned testing services. In the "food and drug markets," the Company will enhance products and services for pharmaceuticals, advance into the food and cosmetics field, and make further progress in the field for testing medical equipment. The Company will also strive to develop new domains, such as the aerospace field.

3) Take the lead in the domestic environmental testing business
The Company will change and expand models for ESPEC's proprietary services like network services, as well as for standard products, to strengthen its competitive capabilities. In order to respond rapidly to the needs of cutting-edge technology development, the Company will move ahead with module standardization of customized products and expand its scope of support by cooperating with other companies.

＜Targets for Consolidated Revenues and Earnings＞
Net Sales: ¥35,000 million
Operating Income: ¥2,800 million (operating income ratio of 8%)

＜Basic Policy＞
①Pursue growth strategies "faster" and "more dynamically"
②Achieve "expansion in the scope of business" and "efficiency enhancements" in order to survive in the Japanese market

＜Main Priority Strategies＞
(1) Strengthen Group alliances to increase sales in overseas markets centered on China and ASEAN countries
At the new company ESPEC ENGINEERING (THAILAND) CO., LTD., the Company is further cultivating the ASEAN market by having established the ASEAN Technical Support Center and strengthening the technological support for

Japanese companies that are developing business in the ASEAN region. Moreover, the Company is making preparations to start commissioned testing services. In the Chinese market, the Company is working to bolster production capacity at ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD., a production subsidiary, and expand sales.

2) Expand business domains targeting growing and strategic markets
In the energy device market, the Company will expand product lineups, and also commission testing services and verification services at ESPEC's Energy Device Environmental Test Center. In the "food and drug markets," the Company is working to expand sales of safety evaluation devices and verification chambers for pharmaceuticals that were launched in the fiscal year ended March 31, 2015, and of low-temperature homeothermic humidity chambers suitable for preservation testing of foods. In the aerospace field, the Company is working to expand sales of customized products and bolster commissioned testing services.

3) Provide comprehensive technological services that are useful in increasing the efficiency of the testing business, and develop new products to take the lead domestically
To strengthen its competitive edge, ESPEC will offer proprietary services, such as the “5-year Product Guarantee” service started in the fiscal year ended March 31, 2015, and services that utilize networks. Furthermore, the Company will provide comprehensive technological services from installation to disposal that include maintenance agreements, and services such as inspection and tuning of equipment, with the aim of increasing the efficiency of the customer’s testing operations. Moreover, the Company will vigorously work on initiatives with other companies to strengthen its support of customized products.

3. Basic Stance on the Selection of Accounting Standards
At the current time, the Company prepares its consolidated financial statements based on Japanese accounting standards. This is in consideration of the need to ensure that the consolidated financial statements can be readily compared between different periods and between different companies. Also, many of the Company’s stakeholders are shareholders or creditors in Japan.
Looking ahead, the Company will study the feasibility of applying International Financial Reporting Standards (IFRS) on the basis of whether there is a tendency for other Japanese companies in the industry to apply IFRS and growth in the proportion of foreign shareholders.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	8,954	9,270
Notes and accounts receivable - trade	12,868	13,744
Securities	4,401	4,901
Merchandise and finished goods	340	562
Work in process	952	1,110
Raw materials and supplies	1,226	1,544
Deferred tax assets	400	371
Other	1,367	1,543
Allowance for doubtful accounts	(7)	(11)
Total current assets	30,503	33,036
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,193	9,536
Accumulated depreciation	(6,006)	(6,237)
Buildings and structures, net	3,186	3,298
Machinery, equipment and vehicles	1,553	2,153
Accumulated depreciation	(1,159)	(1,303)
Machinery, equipment and vehicles, net	393	849
Tools, furniture and fixtures	3,404	3,624
Accumulated depreciation	(2,667)	(2,775)
Tools, furniture and fixtures, net	736	848
Land	4,424	4,464
Leased assets	81	77
Accumulated depreciation	(47)	(59)
Leased assets, net	33	18
Construction in progress	481	165
Total property, plant and equipment	9,257	9,644
Intangible assets		
Other	246	364
Total intangible assets	246	364
Investments and other assets		
Investment securities	2,362	2,913
Net defined benefit asset	—	229
Deferred tax assets	13	14
Other	684	627
Allowance for doubtful accounts	(37)	(38)
Total investments and other assets	3,022	3,746
Total non-current assets	12,527	13,755
Total assets	43,031	46,792

(Million Yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,104	5,301
Income taxes payable	545	742
Provision for bonuses	360	377
Provision for directors' bonuses	6	6
Provision for product warranties	216	255
Other	2,264	2,653
Total current liabilities	8,497	9,336
Non-current liabilities		
Long-term loans payable	—	196
Deferred tax liabilities	307	536
Net defined benefit liability	96	45
Provision for directors' retirement benefits	19	12
Asset retirement obligations	51	52
Deferred tax liabilities for land revaluation	625	565
Other	620	595
Total non-current liabilities	1,721	2,003
Total liabilities	10,219	11,340
Net assets		
Shareholders' equity		
Capital stock	6,895	6,895
Capital surplus	7,172	7,172
Retained earnings	18,838	20,554
Treasury shares	(360)	(550)
Total shareholders' equity	32,546	34,072
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	813	1,199
Revaluation reserve for land	(743)	(686)
Foreign currency translation adjustment	33	578
Remeasurements of defined benefit plans	(97)	(5)
Total accumulated other comprehensive income	5	1,085
Minority interests	258	293
Total net assets	32,811	35,451
Total liabilities and net assets	43,031	46,792

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

Consolidated Statements of Income

(Million Yen)

	Year Ended March 31, 2014	Year Ended March 31, 2015
Net sales	32,099	33,661
Cost of sales	21,367	21,567
Gross profit	10,731	12,094
Selling, general and administrative expenses		
Salaries and allowances	2,762	3,015
Research and development expenses	951	1,013
Provision for bonuses	110	112
Provision for product warranties	162	214
Commission fee	938	1,054
Provision for directors' bonuses	6	6
Other	3,723	4,033
Total selling, general and administrative expenses	8,654	9,450
Operating income	2,077	2,643
Non-operating income		
Interest income	33	45
Dividend income	85	124
Foreign exchange gains	110	176
Other	82	77
Total non-operating income	312	422
Non-operating expenses		
Interest expenses	0	1
Loss on sales of securities	2	1
Commission fee	9	9
Other	6	9
Total non-operating expenses	19	21
Ordinary income	2,370	3,044
Extraordinary income		
Gain on sales of non-current assets	1	3
Gain on sales of investment securities	1	4
Insurance income	—	264
Total extraordinary income	2	272
Extraordinary losses		
Loss on retirement of non-current assets	15	3
Loss on sales of investment securities	—	0
Impairment loss	1	4
Total extraordinary losses	17	7
Income before income taxes and minority interests	2,356	3,309
Income taxes - current	714	1,106
Income taxes - deferred	16	35
Total income taxes	731	1,142
Income before minority interests	1,624	2,166
Minority interests in income	53	48
Net income	1,570	2,118

Consolidated Statements of Comprehensive Income

(Million Yen)

	Year Ended March 31, 2014	Year Ended March 31, 2015
Income before minority interests	1,624	2,166
Other comprehensive income		
Valuation difference on available-for-sale securities	369	386
Foreign currency translation adjustment	846	575
Revaluation reserve for land	—	59
Remeasurements of defined benefit plans, net of tax	—	91
Total other comprehensive income	1,215	1,113
Comprehensive income	2,840	3,280
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,736	3,201
Comprehensive income attributable to minority interests	103	78

(3) Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2014

（Million Yen）

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,895	7,172	17,619	(360)	31,327
Cumulative effects of changes in accounting policies					―
Restated balance	6,895	7,172	17,619	(360)	31,327
Changes of items during period					
Dividends of surplus			(348)		(348)
Net income			1,570		1,570
Purchase of treasury shares				(0)	(0)
Other			(2)		(2)
Net changes of items other than shareholders' equity					
Total changes of items during period	―	―	1,219	(0)	1,219
Balance at end of current period	6,895	7,172	18,838	(360)	32,546

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	443	(742)	(763)	―	(1,062)	190	30,455
Cumulative effects of changes in accounting policies							―
Restated balance	443	(742)	(763)	―	(1,062)	190	30,455
Changes of items during period							
Dividends of surplus							(348)
Net income							1,570
Purchase of treasury shares							(0)
Other							(2)
Net changes of items other than shareholders' equity	369	(1)	796	(97)	1,068	68	1,136
Total changes of items during period	369	(1)	796	(97)	1,068	68	2,355
Balance at end of current period	813	(743)	33	(97)	5	258	32,811

Year Ended March 31, 2015

(Million Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,895	7,172	18,838	(360)	32,546
Cumulative effects of changes in accounting policies			62		62
Restated balance	6,895	7,172	18,901	(360)	32,609
Changes of items during period					
Dividends of surplus			(465)		(465)
Net income			2,118		2,118
Purchase of treasury shares				(194)	(194)
Disposal of treasury shares				5	5
Other			(0)		(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	―	―	1,652	(189)	1,463
Balance at end of current period	6,895	7,172	20,554	(550)	34,072

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	813	(743)	33	(97)	5	258	32,811
Cumulative effects of changes in accounting policies							62
Restated balance	813	(743)	33	(97)	5	258	32,874
Changes of items during period							
Dividends of surplus							(465)
Net income							2,118
Purchase of treasury shares							(194)
Disposal of treasury shares							5
Other							(0)
Net changes of items other than shareholders' equity	386	56	544	91	1,080	34	1,114
Total changes of items during period	386	56	544	91	1,080	34	2,577
Balance at end of current period	1,199	(686)	578	(5)	1,085	293	35,451

(4) Consolidated Statements of Cash Flows

(Million Yen)

	Year Ended March 31, 2014	Year Ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	2,356	3,309
Depreciation	570	645
Impairment loss	1	4
Increase (decrease) in allowance for doubtful accounts	3	10
Increase (decrease) in provision for directors' bonuses	2	0
Increase (decrease) in provision for directors' retirement benefits	—	(6)
Increase (decrease) in net defined benefit liability	7	8
Interest and dividend income	(119)	(169)
Interest expenses	0	1
Loss (gain) on sales of securities	2	1
Decrease (increase) in notes and accounts receivable - trade	(1,218)	(561)
Decrease (increase) in inventories	(175)	(784)
Increase (decrease) in notes and accounts payable - trade	141	10
Other, net	(482)	79
Subtotal	1,089	2,549
Interest and dividend income received	95	155
Interest expenses paid	(1)	(1)
Income taxes (paid) refund	(345)	(884)
Net cash provided by (used in) operating activities	838	1,818
Cash flows from investing activities		
Net decrease (increase) in time deposits	(455)	496
Net decrease (increase) in trust beneficiary right	(68)	(23)
Purchase of property, plant and equipment and intangible assets	(751)	(728)
Proceeds from sales of property, plant and equipment and intangible assets	1	3
Purchase of investment securities	(1)	(72)
Proceeds from sales and redemption of investment securities	6	29
Payments of loans receivable	(0)	—
Collection of loans receivable	3	0
Net cash provided by (used in) investing activities	(1,266)	(293)
Cash flows from financing activities		
Proceeds from long-term loans payable	—	196
Cash dividends paid	(347)	(463)
Cash dividends paid to minority shareholders	(85)	(35)
Purchase of treasury shares	(0)	(194)
Proceeds from disposal of treasury shares	—	5
Other, net	(18)	(16)
Net cash provided by (used in) financing activities	(452)	(508)
Effect of exchange rate change on cash and cash equivalents	464	297
Net increase (decrease) in cash and cash equivalents	(415)	1,314
Cash and cash equivalents at beginning of period	13,268	12,853
Cash and cash equivalents at end of period	12,853	14,167

(5) Notes to the Consolidated Financial Statements

(Notes on the assumption of a going concern)

Not applicable.

(Important Matters Concerning the Basis for Preparing Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 9

Name of main consolidated subsidiary: ESPEC NORTH AMERICA,INC.

(2) Name of main non-consolidated subsidiary:

Main non-consolidated subsidiary: ESPEC SOUTH EAST ASIA SDN. BHD.

(Reason for exclusion from scope of consolidation)

The non-consolidated subsidiaries have been excluded from the scope of consolidation because of their small size and because their total assets, net sales, net income (corresponding to equity) and retained earnings (corresponding to equity) have a negligible effect on the consolidated financial statements of the ESPEC Group.

2. Application of the Equity Method

(1) Number of non-consolidated subsidiaries accounted for using the equity method: None

(2) Number of affiliates accounted for using the equity method: None

(3) Some non-consolidated subsidiaries (ESPEC SOUTH EAST ASIA SDN. BHD. and others) not accounted for using the equity method have been excluded from the scope of companies accounted for by the equity method as they have a negligible effect on the consolidated net income and retained earnings of the ESPEC Group, and are immaterial overall.

3. Fiscal Year of Consolidated Subsidiaries

The fiscal year-ends of consolidated subsidiaries ESPEC NORTH AMERICA, INC., ESPEC (CHINA) LIMITED, ESPEC ENVIRONMENTAL EQUIPMENT (SHANGHAI) CO.,LTD.,ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD., ESPEC KOREA CORP. and SHANGHAI ESPEC ENVIRONMENTAL EQUIPMENT CORP. are December 31. Accordingly, the financial statements of these subsidiaries as of December 31 are used to prepare the consolidated financial statements, and any necessary adjustments are made to the consolidated statements for important transactions occurring between December 31 and March 31.

4. Summary of Significant Accounting Policies

(1) Valuation standards and accounting treatment for important assets

1) Marketable securities

Among available-for-sale securities, with listed securities, the market value is determined by the market price as of the end of the period, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets, and the cost of securities sold determined by the moving average method. With non-listed securities, the cost is determined by the moving average method.

2) Derivatives

Market value.

3) Inventories

Work in process is mainly stated by the specific identification method; other inventories are mainly stated using the acquisition cost method, cost being determined by the weighted average method (the book value in the balance sheet is reduced when the profitability has declined).

(2) Method for depreciating and amortizing important assets

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

The Company uses the straight-line method.

Estimated useful lives are as follows: Buildings 5-50 years

2) Intangible assets (excluding lease assets)

The Company amortizes intangible assets using the straight-line method. Estimated useful lives are as follows:

Software used by the Company 5 years

3) Lease assets

Depreciation equivalents are accounted for by the straight-line method, assuming the lease period to be the useful lives and the residual value to be zero.

(3) Accounting for important allowances

1) Allowance for doubtful accounts

The allowance for doubtful accounts provides for possible losses arising from default on accounts receivable. It comprises a general reserve for accounts receivable based on historical default rates, and an estimated credit loss for accounts receivable based on an individual assessment of each account.

2) Allowance for bonuses

The allowance for employees' bonuses is based on the estimated requirements for the fiscal year.

3) Allowance for directors' bonuses

The allowance for directors' bonuses is based on the estimated requirements for the fiscal year.

4) Reserve for product warranties

The reserve for product warranties is provided to cover the after service expenses, which are free during the warranty period, and are calculated based on historical claim rates for warranty expenses proportional to net sales.

5) Allowance for directors' retirement benefits

For the Company's domestic consolidated subsidiaries, the Board of Directors has decided to terminate retirement benefits for directors. The Company books an allowance for the monetary amount for the period served by current directors up to the date of termination of retirement benefits.

(4) Change in accounting method of retirement benefits

1) Attribution method for projected retirement benefits

As regards calculating retirement benefit obligations, at the end of the consolidated fiscal year under review the Company changed its method for attributing projected retirement benefits to accounting periods from the straight-line method to the benefit formula method.

2) Amortization method of actuarial gains or losses

Actuarial gains or losses are amortized from the consolidated fiscal year following the consolidated fiscal year in which they arise, using the straight-line method over a fixed number of years (10 years), but no more than the average remaining years of service of employees.

(5) Standards for Translation of Material Foreign Currency-Denominated Assets and Liabilities Into Japanese Yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the balance sheet date, with the foreign currency exchange gains and losses from translation recognized in the statement of income. The assets and liabilities of foreign subsidiaries, etc. are translated into Japanese yen at the current exchange rates at the balance sheet date. Revenue and expenses of foreign subsidiaries, etc. are translated into Japanese yen at the average rate for the year. Differences arising from such translation are shown as “Foreign currency translation adjustments” and “Minority interests” as separate components of net assets.

(6) Scope of Cash and Cash Equivalents on the Consolidated Statements of Cash Flows

Cash and cash equivalents include cash in hand and deposits as well as short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value, all of which mature or become due within three months of the date of acquisition.

(7) Other Significant Notes on Preparation of Consolidated Financial Statements

Treatment of Consumption Tax

Figures are presented exclusive of consumption taxes and local consumption taxes for accounting purposes.

(Change in accounting policy)

(Accounting standard applied to retirement benefits)

From the fiscal year under review, with regard to the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012, hereafter the "Retirement Benefits Accounting Standard"), and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, hereafter the "Retirement Benefits Guideline"), the Company has adopted the provisions of Article 35 of the Retirement Benefits Accounting Standard and the provisions of Article 67 of the Retirement Benefits Guideline. As a result, the Company revised its method of calculating retirement benefit obligations and service costs. The Company has changed its method for attributing projected retirement benefits to accounting periods from the straight-line method to the benefit formula method. At the same time, the method for determining the discount rate was changed to apply a single weighted-average discount rate reflecting the projected period of benefit payments and amounts to be paid in each period. Formerly, this discount rate was based on a close approximation of the number of years the Company's employees had on average until retirement.

With regard to the adoption of the retirement benefit accounting standards, the Company has followed the transitional treatment stipulated in Article 37 of the Retirement Benefits Accounting Standard. Accordingly, the amounts that correspond to the effect of the change in the method of calculating retirement benefit obligations and service costs were added to, or deducted from, the starting balance of retained earnings for the fiscal year ended March 31, 2015.

The impact of this accounting change on the consolidated financial statements for the fiscal year under review is negligible.

(Additional Information)

(Restatement of amounts of deferred tax assets and deferred tax liabilities due to changes in the corporate tax rate, etc.)

Following the promulgation of the "Act for Partial Revision of the Income Tax Act" (Act No. 9, 2015) and the "Act for Partial Revision of the Local Tax Act" (Act No. 2, 2015) on March 31, 2015, the corporate income tax rate, etc. will be reduced from fiscal years beginning on or after April 1, 2015, among other revisions. In line with this change, the statutory income tax rate used to calculate deferred tax assets and deferred tax liabilities for temporary differences expected to reverse in the fiscal year beginning on April 1, 2015 has been reduced from the previous 35.6% to 33.0%, and for temporary differences expected to reverse in the fiscal years beginning on or after April 1, 2016, is 32.2%.

As a result of these changes in the tax rate, the amount of deferred tax liabilities (less the amount of deferred tax assets) was reduced by ¥13 million and deferred tax liabilities associated with re-evaluation was reduced by ¥59 million, while valuation difference on other available-for-sale securities increased by ¥36 million, re-valuation difference on land increased by ¥59 million, and income taxes-deferred increased by ¥22 million.

Trust-type Employee Stock Ownership Incentive Plan

At a meeting of the Board of Directors held on February 12, 2015, the Company decided to introduce a Trust-type Employee Stock Ownership Incentive Plan to give employees an incentive to raise corporate value over the medium and long term, to enhance the savings plan aspect of its welfare system, and to promote the constant development of the Company by providing employees the incentive to work through capital participation as a shareholder.

This Trust-type Employee Stock Ownership Incentive Plan is an incentive plan that is offered to all employees who participate in the ESPEC Employee Stock Ownership Association. Under the Trust-type Employee Stock Ownership Incentive Plan, the Company has set up the ESPEC Employee Stock Ownership Dedicated Trust (hereafter, “Employee Trust”) in a trust bank, and the Employee Trust will acquire the number of the Company’s shares that are expected to be acquired by the ESPEC Employee Stock Ownership Association for a period of three years from February 2015.

After that, the Employee Trust will continuously sell the Company’s shares to the ESPEC Employee Stock Ownership Association. If there is a balance amounting to the net accumulated gain on the sales of the Company’s shares left in the Employee Trust when it expires, this gain will be distributed to the employees who qualify as beneficiaries as a residual asset. If there is a balance of outstanding debt, due to a drop in the Company's share price, amounting to the net accumulated loss on the sales of the Company’s shares left in the Employee Trust when it expires, the Company will repay the outstanding debt as the guarantor of the debt the Employee Trust incurred in acquiring the Company’s shares. The Company guarantees the debt the Employee Trust incurs in acquiring or disposing the Company’s shares, and applies an accounting procedure by which the Company and the Employee Trust are handled as one entity. Accordingly, the assets, liabilities, and profit and loss, including those pertaining to the Company's share held in the Employee Trust, are included for reporting in the Company's consolidated financial statements.

The following shows the book value and the number of treasury stocks held as of the end of the current fiscal year.

	End of current fiscal year
Book value of treasury stocks	550 million yen
Book value of treasury stocks held by the Company	360 million yen
Book value of treasury stocks held by the Employee Trust	189 million yen
Number of treasury stocks	680,455 shares
Number of treasury stocks held by the Company	521,955 shares
Number of treasury stocks held by the Employee Trust	158,500 shares

The following shows the book value of debt recorded under the aforementioned accounting procedure.

	End of current fiscal year
Long-term debt	196 million yen

The aforementioned accounting procedure applies the Accounting Standards Board of Japan's "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015).

(Segment Information and Others)

Segment Information

1. Overview of reportable segments

ESPEC's reportable segments refer to those components of the Company for which separate financial information is available and such information is reviewed regularly by the Board of Directors in determining the allocation of resources and in evaluating performance.

The Company classifies its business activities into segments according to the business format. There are three reportable segments: Equipment Business, Service Business, and Other Business.

The Equipment Business provides environmental test chambers, energy device equipment, semiconductor equipment, and FPD equipment. The Service Business is engaged in after service engineering, commissioned testing, and rentals. The Other Business is involved with environmental engineering and new businesses.

2. Method of calculating the monetary values of net sales, income or loss, assets, and other items of each reportable segment

Accounting treatment methods for reportable segments are the same as the methods shown in the "Important Matters Concerning the Basis for Preparing Consolidated Financial Statements." Inter-segment sales and transfers are based on market prices and certain other factors.

3. Information concerning the monetary values of net sales, income or loss, assets and other items of each reportable segment

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

(Million Yen)

	Reportable Segment			Total	Adjustment *1	Carried Amount on Consolidated Financial Statements *2
	Equipment Business	Service Business	Other Business			
Net Sales						
(1) Sales to External Customers	25,829	5,011	1,258	32,099	-	32,099
(2) Internal Sales or Transfers between Segments	1	157	9	168	(168)	-
Total	25,831	5,168	1,267	32,267	(168)	32,099
Segment Income (Loss)	1,625	504	(52)	2,077	(0)	2,077
Segment Assets	23,505	4,795	894	29,196	13,835	43,031
Other						
Depreciation Expenses	382	174	5	562	(0)	562
Increases in Property, Plant and Equipment and Intangible Assets	667	382	0	1,050	64	1,115

(Note)

1. Adjustments are as follows.

1) “Adjustment” for segment sales mainly represents eliminations of inter-segment transactions.

2) “Adjustment” for segment income or segment loss mainly represents eliminations of inter-segment transactions.

3) “Adjustment” for segment assets mainly represents eliminations of inter-segment transactions and company-wide assets. Company-wide assets of ¥13,912 million primarily consist of surplus working capital at the parent company (cash and deposits, short-term investment securities, etc.), long-term investment funds (investment securities) and assets related to administrative divisions.

4) “Adjustment” for depreciation expenses mainly represents eliminations of inter-segment transactions.

5) “Adjustment” for increases in property, plant and equipment and intangible assets mainly represents eliminations of inter-segment transactions and company-wide assets.

2. Segment income or segment loss is adjusted to be consistent with the operating income stated in the consolidated statements of income.

This consolidated fiscal year (April 1, 2014 ~ March 31, 2015)

(Million Yen)

	Reportable Segment			Total	Adjustment *1	Carried Amount on Consolidated Financial Statements *2
	Equipment Business	Service Business	Other Business			
Net Sales						
(1) Sales to External Customers	26,981	5,331	1,349	33,661	-	33,661
(2) Internal Sales or Transfers between Segments	11	210	0	223	(223)	-
Total	26,992	5,541	1,350	33,884	(223)	33,661
Segment Income	2,178	430	34	2,643	0	2,643
Segment Assets	25,625	4,865	911	31,401	15,390	46,792
Other						
Depreciation Expenses	450	185	3	639	(1)	637
Increases in Property, Plant and Equipment and Intangible Assets	666	148	0	814	139	954

(Note)

1. Adjustments are as follows.

1) "Adjustment" for segment sales mainly represents eliminations of inter-segment transactions.

2) "Adjustment" for segment income mainly represents eliminations of inter-segment transactions.

3) "Adjustment" for segment assets mainly represents eliminations of inter-segment transactions and company-wide assets. Company-wide assets of ¥15,452 million primarily consist of surplus working capital at the parent company (cash and deposits, short-term investment securities, etc.), long-term investment funds (investment securities) and assets related to administrative divisions.

4) "Adjustment" for depreciation expenses mainly represents eliminations of inter-segment transactions.

5) "Adjustment" for increases in property, plant and equipment and intangible assets mainly represents eliminations of inter-segment transactions and company-wide assets.

2. Segment income or segment loss is adjusted to be consistent with the operating income stated in the consolidated statements of income.

(Per-Share Information)

FY2013 (From April 1, 2013 to March 31, 2014)		FY2014 (From April 1, 2014 to March 31, 2015)	
	Yen		Yen
Net Assets Per Share	1,399.52	Net Assets Per Share	1,521.96
Net Income Per Share	67.52	Net Income Per Share	91.19
Diluted net income per share is not shown as there are no dilutive securities.		Diluted net income per share is not shown as there are no dilutive securities.	

※The Company's shares that the Employee Trust set up by the Trust-type Employee Stock Ownership Incentive Plan owns are recognized as treasury stocks in the Company's consolidated financial statements. Accordingly, the number of common shares used to calculate the amount of net assets per share in the consolidated fiscal year under review was calculated after deducting the relevant number of those shares. For the purpose of calculating net assets per share, the number of treasury stocks held by the Employee Trust after deducting the relevant number at the end of the consolidated financial year under review was 158,500 shares.

(Note) 1. The basis of calculation for net income per share is as follows:

	FY2013 (From April 1, 2013 to March 31, 2014)	FY2014 (From April 1, 2014 to March 31, 2015)
Net Income Per Share		
Net Income (Million Yen)	1,570	2,118
Net income available to minority interests (Million Yen)	-	-
Net income available to common shares (Million Yen)	1,570	2,118
Weighted-average number of common shares outstanding for the period (Thousand Shares)	23,259	23,233
Dilutive shares omitted from the calculation of diluted net income per share, due to absence of a dilution effect.		

※The Company's shares that the Employee Trust set up by the Trust-type Employee Stock Ownership Incentive Plan owns are recognized as treasury stocks in the Company's consolidated financial statements. Accordingly, the average number of outstanding stock throughout the period in the consolidated fiscal year under review was calculated after deducting the relevant number of those shares. For the purpose of calculating net income per share, the average number of treasury stocks after deducting the relevant number for the consolidated fiscal year under review was 26,133 shares.

(Material Subsequent Events)

Not applicable.