

Summary of Financial Results for the Fiscal Year Ended March 31, 2015

May 13, 2015

TSUGAMI CORPORATION

Stock code: 6101

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Scheduled date of annual shareholders meeting: June 18, 2015

Scheduled date of commencement of dividend payments: May 29, 2015

Scheduled date of submission of securities report: June 19, 2015

Supplementary briefing materials to be created: Yes

Investors meeting to be held: Yes (for institutional investors and analysts)

1. Consolidated business performance for the fiscal year ended March 31, 2015

(From April 1, 2014 to March 31, 2015)

(Figures are rounded down to the nearest one million yen.)

(1) Consolidated operating results

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2015	54,132	68.0	7,253	512.4	7,745	300.8	5,297	--
Fiscal year ended March 31, 2014	32,225	-39.0	1,184	-86.0	1,932	-71.6	344	-91.8

(Note): Comprehensive income: Fiscal year ended March 31, 2015: 7,848 million yen (622.8 %)

Fiscal year ended March 31, 2014: 1,085 million yen (-77.8 %)

	Net income per share	Net income per share after residual equity adjustment	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2015	74.37	72.92	15.7	14.2	13.4
Fiscal year ended March 31, 2014	4.72	4.64	1.1	3.9	3.7

(Reference): Investment gain or loss by equity method: Fiscal year ended March 31, 2015: -- million yen

Fiscal year ended March 31, 2014: -- million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2015	56,829	37,279	64.1	522.94
Fiscal year ended March 31, 2014	52,250	31,587	59.3	428.18

(Reference): Shareholders' equity: Fiscal year ended March 31, 2015: ¥36,414 million

Fiscal year ended March 31, 2014: ¥30,981 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the term
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2015	3,135	-1,706	-2,822	4,952
Fiscal year ended March 31, 2014	714	-713	445	6,044

2. State of dividends

	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividends on equity (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2014	--	6.00	--	6.00	12.00	868	254.2	2.8
Fiscal year ended March 31, 2015	--	6.00	--	8.00	14.00	989	18.8	2.9
Fiscal year ending March 31, 2016 (forecast)	--	8.00	--	8.00	16.00		22.8	

3. Consolidated business performance forecasts for the fiscal year ending March 31, 2016

(From April 1, 2015 to March 31, 2016)

(Percentage figures denote increases or decreases compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	26,000	-12.5	3,600	-24.3	3,400	-30.3	2,300	-32.5	33.62
Full-year	54,000	-0.2	7,500	3.4	7,000	-9.6	4,800	-9.4	70.27

*Notes

(1) Important changes in subsidiaries during the fiscal year under review (changes in specified subsidiaries that caused the scope of consolidation to change): none

Companies added to the scope: -- companies (names)
 Companies removed from the scope: -- companies (names)

(2) Changes in accounting policy and in accounting estimates, and restatements

- (i) Changes in accounting policy due to the revision of accounting standards and the like: applied
- (ii) Changes in accounting policy other than those stated in item (i) above: none
- (iii) Changes in accounting estimates: none
- (iv) Restatements: none

(3) Numbers of outstanding shares (common shares)

- (i) Numbers of outstanding shares at the end of the terms (including treasury shares):
- (ii) Numbers of treasury shares at the end of the terms:
- (iii) Average numbers of shares outstanding during the periods:

March 2015	74,919,379 shares	March 2014	74,919,379 shares
March 2015	5,285,426 shares	March 2014	2,562,250 shares
March 2015	71,227,477 shares	March 2014	72,900,461 shares

(Reference) Summary of non-consolidated business performance

Non-consolidated business performance for the fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(1) Non-consolidated operating results (Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2015	34,992	18.7	1,179	--	2,522	89.6	1,698	--
Fiscal year ended March 31, 2014	29,491	-17.7	-87	--	1,330	-80.8	-70	--

	Net income per share	Net income per share after residual equity adjustment
Fiscal year ended March 31, 2015	Yen 23.85	Yen 23.39
Fiscal year ended March 31, 2014	-0.97	--

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2015	39,050	30,494	76.2	427.60
Fiscal year ended March 31, 2014	41,800	29,692	69.6	401.99

(Reference): Shareholders' equity: Fiscal year ended March 31, 2015: 29,775 million yen
 Fiscal year ended March 31, 2014: 29,086 million yen

* Statement relating to execution status for audit procedures

This summary of financial results falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for financial statements based on the stipulations of the Act were not completed at the time this summary was disclosed.

* Explanations for the appropriate use of business forecasts and other items warranting special mention

The business forecasts presented above are produced on the basis of information accessible on the date of their announcement. Actual performance may differ materially from these forecasts due to underlying uncertainties.

Accompanying Documents

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1. Consolidated Operating Results

(1) Analysis relating to consolidated operating results

(i) Overview of the fiscal year under review

During the consolidated fiscal year under review, the Japanese economy remained on a modest recovery path overall, despite the effects of the consumption tax hike in certain areas.

In the machine tool industry, the domestic market maintained the moderate upward momentum seen the previous fiscal year. The U.S. and European markets both remained strong, and the Chinese market also generally staged a modest recovery, driven by EMS associated with smartphones.

In this environment, both net sales and income at TSUGAMI Corporation (the "Company") and its affiliates (the "Group") rose year on year, primarily reflecting sales of products for the IT products industry and the contribution of new products for automobiles.

(ii) Consolidated operating results

Net sales for the fiscal year under review increased 68.0% year on year, to 54,132 million yen.

Net sales in Japan increased 32.0% year on year, to 9,712 million yen. Exports increased 78.6% year on year, to 44,419 million yen. The export ratio increased from 77.2% for the previous fiscal year, to 82.1%.

A breakdown of net sales by machinery category shows that sales of mainstay Automatic lathes increased 71.0% year on year, to 44,150 million yen, sales of Grinding machines rose 1.1%, to 3,222 million yen, sales of Machining centers rose 1.9%, to 1,536 million yen, and sales of Rolling machines and other specialized machines rose 257.1%, to 4,914 million yen.

Operating income increased 512.4% year on year, to 7,253 million yen. Ordinary income increased 300.8% year on year, to 7,745 million yen and Net income increased 1,439.0% year on year, to 5,297 million yen for the fiscal year under review.

(iii) Forecasts for the next fiscal year

The moderate recovery trend will continue in the Japanese market, partly due to the return of production bases to Japan from overseas, and strong performance is also expected in both the European and U.S. markets. Meanwhile, uncertainty will arise regarding economic conditions in the Chinese market to some extent, despite emerging demand for local smartphones seen from the latter half of the first half period.

The Group's forecasts are as follows:

Consolidated business performance forecasts for the fiscal year ending March 31, 2016

(Million yen)

	First half	Full year
Net sales	26,000	54,000
Operating income	3,600	7,500
Ordinary income	3,400	7,000
Net income	2,300	4,800

(2) Analysis relating to the consolidated financial position

(i) State of assets, liabilities and net assets

Assets totaled 56,829 million yen at the end of the fiscal year under review, increasing 4,578 million yen from the end of the previous fiscal year.

The increase resulted primarily from a 1,741 million yen in inventories, 1,030 million yen in tangible fixed assets and 1,900 million yen in Investment securities.

Liabilities came to 19,550 million yen, decreasing 1,112 million yen from the end of the previous fiscal year.

The decrease resulted mainly from a 2,354 million yen decrease in trade notes and accounts payable.

Net assets stood at 37,279 million yen at the end of the fiscal year under review, increasing 5,691 million yen from the end of the previous fiscal year.

The growth mainly reflected increases of 5,297 million yen in net income, 1,406 million yen in unrealized gains on marketable securities and 988 million yen in translation adjustments, which offset a decreases of 866 million yen dividends paid and 1,848 million yen in treasury stock.

As a result of the changes stated above, the capital adequacy ratio came to 64.1%, rising 4.8 percentage points from the end of the previous fiscal year.

(ii) State of cash flows

Cash and cash equivalents declined by 1,092 million yen from the end of the previous fiscal year, to 4,952 million yen at the end of the consolidated fiscal year under review.

(Cash flows from operating activities)

Cash generated through operating activities was 3,135 million yen. (increased 714 million yen previous year)

The result principally reflected increases in cash, including a net income before taxes and other adjustments of 7,681 million yen, depreciation and amortization expenses of 1,160 million yen, 115 million yen decrease in trade notes and accounts receivable and 114 million yen decrease in inventories, which offset decreases in cash, such as a 3,565 million yen decrease in trade notes and accounts payable and 2,283 million yen in corporate and other taxes paid.

(Cash flows from investing activities)

Cash used for investing activities was 1,706 million yen. (decreased 713 million yen previous year)

The cash outflow was primarily attributable to decrease in cash that resulted from a 1,011 million yen expenditure for acquisition of tangible fixed assets, 434 million yen expenditure for acquisition of intangible fixed assets and 315 million yen payments of long-term loans receivable

(Cash flows from financing activities)

Cash used for financing activities was 2,822 million yen. (increased 445 million yen previous year)

The cash outflow resulted mainly from decrease in short term borrowings of 226 million yen, expenditure for acquisition of treasury stock of 1,850 million yen and dividends paid of 866 million yen.

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Capital adequacy ratio	60.9	53.9	68.6	59.3	64.1
Capital adequacy ratio on a market value basis (%)	106.6	136.6	86.9	85.4	94.2
Cash flow/interest-bearing debt ratio (annual)	1.3	5.4	2.0	8.5	2.2
Interest coverage ratio (times)	29.6	6.4	24.2	5.1	10.7

(Notes) Capital adequacy ratio: shareholders' equity/ total assets; capital adequacy ratio on a market value basis: aggregate market value of shares/ total assets; cash flow/interest-bearing debt ratio: interest-bearing debt/ cash flows; interest coverage ratio: cash flows/ interest paid

* Each of these indicators is calculated on the basis of consolidated financial figures.

* Aggregate market value of shares is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares issued at the end of the fiscal year (after treasury stock deduction).

* Cash flows used are cash flows from operating activities stated in the consolidated statements of cash flows.

Interest-bearing debt covers all liabilities stated in the consolidated balance sheets for which interest has been paid. Interest paid stated in the consolidated statements of cash flows is used as interest paid.

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

The Group adopts a basic policy of increasing its collective capabilities and returning profits to shareholders by sustaining aggressive investment in development projects in response to changing social demands and continuing its efforts to enhance competitiveness and streamline management.

Based on this policy, the Group is united in its commitment to strengthening its business structure and achieving stable dividends.

The Group will also deal appropriately with the acquisition of treasury stock for the flexible enforcement of capital policies and other purposes as part of its measures for returning profits to shareholders, based on a comprehensive assessment of factors, including the need, financial conditions and share price trends.

For the consolidated fiscal year ended March 31, 2015, the Company has decided to pay annual dividends of 14 yen per share, including interim dividends of 6 yen per share and year-end dividends of 8 yen per share which is 2 yen higher than its initial plan.

For the consolidated fiscal year ending March 31, 2016, the Company plans to pay annual dividends of 16 yen per share, including interim dividends of 8 yen per share and year-end dividends of 8 yen per share.

(4) Business and other risks

Risks that may adversely affect the operating results, share prices, financial situation and other aspects of the Group include the following:

(i) Effects of business fluctuations

The machine tool industry is an industry that is susceptible to the effects of business fluctuations. The Group is continuing its efforts to minimize the effects that unexpected market downsizing can have on its performance, by reducing fixed costs and taking other steps in an attempt to maximize management efficiency. Sudden and unexpected changes, however, may affect the Group's production, business performance and financial situation.

(ii) Effects of changes in prices of raw materials

The prices of cast metals and iron and steel products, the main raw materials of products of the Group, are influenced by movements of exchange rates and the international supply-demand situation. Increases in prices of raw materials for those reasons may affect the Group's production, business performance, and financial situation.

(iii) Effects of fluctuations in exchange rates

Each year, overseas sales are accounting for a greater percentage of total sales of the Group's products. Exports by the Group are denominated in yen, and they are not directly influenced by exchange rate fluctuations in principle. A sharp appreciation of the yen, however, prompts agents and users overseas to ask the Group to lower its selling prices for its products. In addition, the risk of an exchange loss attributable to fluctuations in the Chinese Yuan is rising in proportion to the growing weight of production at manufacturing factories in China.

(iv) Effects of overseas operations

A subsidiary in China manufactures and sells machine tools, and the Group sells products and provides after-the-sale services through subsidiaries in South Korea, Thailand, Germany and others. Deterioration in political situations and changes in laws and regulations in those countries may affect the Group's production, business performance and financial standing.

(v) Effects of matters relating to quality

The Group is united in its commitment to improving quality, in addition to proactively developing new products and introducing them to markets. Nonetheless, unexpected issues, such as accidents and poor service, may affect the Group's production, business performance and financial conditions should they arise.

(vi) Effects relating to intellectual property rights

To protect its technologies, the Group applies for patents for them and acquires intellectual property rights. However, if other companies infringe on the intellectual property rights of the Group, if the invalidation of intellectual property rights of the Group is sought, or if injunctions against the manufacture and sale of products are filed against the Group in association with infringements of intellectual property rights, then this may affect the Group's production, business performance and financial conditions.

(vii) Effects of the situation

The Group deals with range of industries, including the electronics, information and telecommunications, and automobile industries. The Group pays close attention to the environment and credit risk. However, if the situation of customer, especially those with which the Group conducts large transactions, changes because of amendments to contracts, changes in the business environment, business downturns, or other factors, this may could the Group's production, business performance, and financial situation.

(viii) Effects of natural disasters

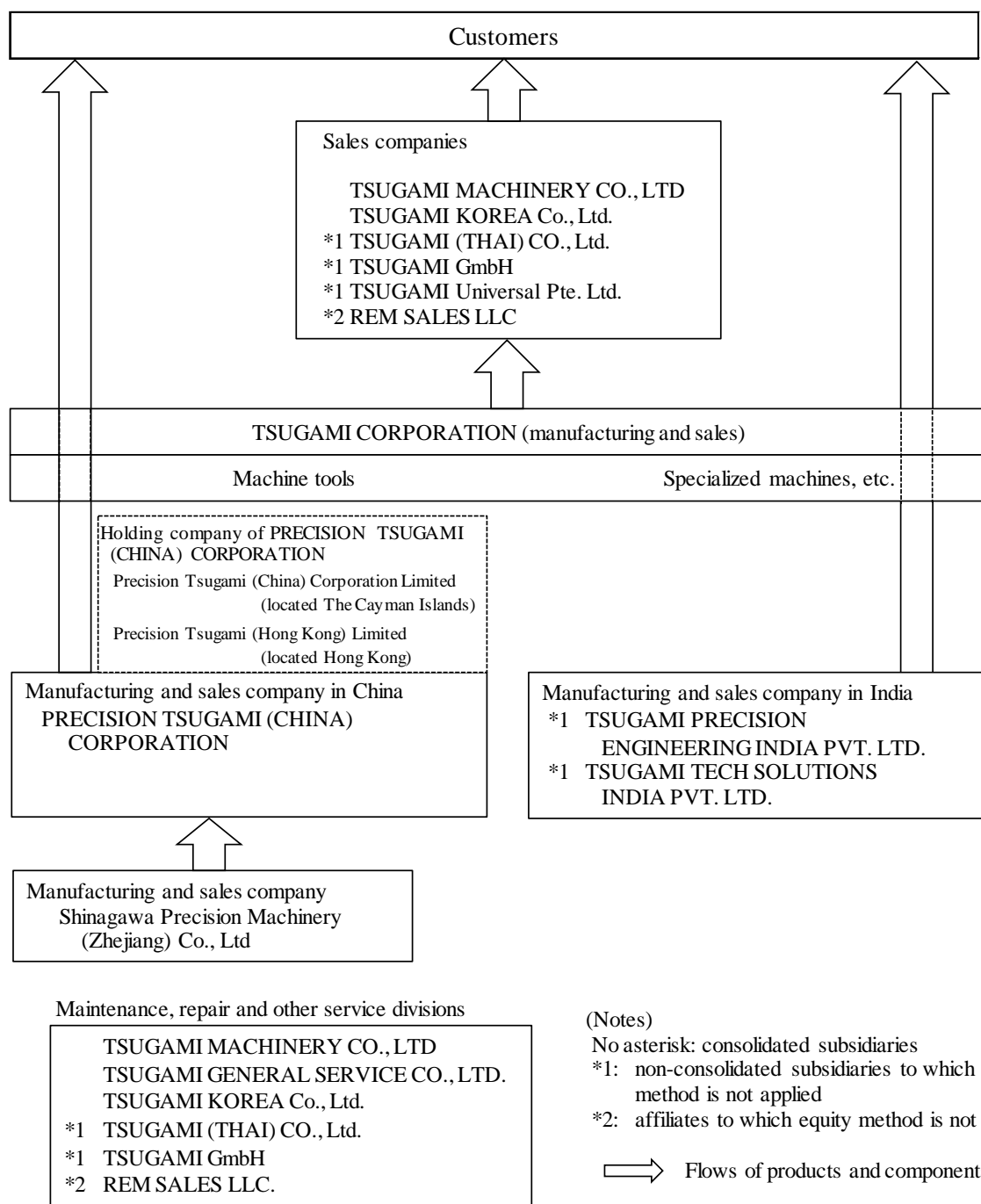
The Group has production, selling, and service bases worldwide, and may therefore be affected by disasters that might be caused by a range of phenomena, including natural disasters, computer viruses, and terrorism.

The Group has production bases in Niigata and in China. If large natural disasters, such as earthquakes and floods, should occur, and if as a result the supply of products should become impossible or be delayed, then this may affect the Group's production, business performance and financial situation.

2. Status of the Group

The TSUGAMI Group engages primarily in the manufacture and sales of machine tools and other products, including Automatic lathes, Grinding machines, Machining centers and Rolling machines. The Group undertakes additional business activities, including research on individual companies and other services.

Businesses operated by the Group (the key companies in the Group) are as presented in the following figure.



(Note) TSUGAMI GmbH under maintenance, repair and other service divisions changed its trade name to TSUGAMI EUROPE GmbH on April 13, 2015.

3. Management Policy

(1) Basic management policy

The Group believes that the basis for its management is anticipating market needs and contributing to society by generating new value through the precision technologies it has accumulated since its foundation. Guided by this basic policy, the Group is striving to offer high-precision, high-speed and high-rigidity products that satisfy the needs of its customers.

(2) Medium- and long-term management strategies

The Group is addressing the following priority issues proactively as its medium- and long-term strategies.

(i) Introduction of new products targeting growth fields

The Group is focused on developing new products that respond fully to customer demands, targeting markets where future growth is expected, including auto parts, which require that ecological and energy-saving needs are met, and small high-precision parts processing in the fields of IT, including sophisticating HDDs and smart phones, telecommunications and medical care.

(ii) Business strategies targeting growth regions

The Group will make further efforts to build up production, sales and after-sales service organizations in markets where investor confidence is high, such as China, Southeast Asia and India, over the medium and long terms.

(iii) Management streamlining and customer satisfaction enhancement

The Group is seeking to unify sales, production and administrative organizations, including those of affiliates, and to streamline management in an attempt to increase its collective capabilities as a corporate group.

The Group will continue to make every effort to offer new products that satisfy customer demands, to expand and upgrade its services, to improve customer satisfaction on a constant basis, and to maintain the trust of its customers.

4. Basic Approach to the Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese accounting standards for the time being, to facilitate comparisons between periods and comparisons between companies. The Group will address the issue of adoption of International Financial Reporting Standards (IFRS) as appropriate, taking into consideration conditions both inside and outside of Japan.

5. Consolidated financial statements

(1) Consolidated Balance Sheets

	(Million yen)	
	Figures at the end of the previous consolidated fiscal year (As of March 31, 2014)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	6,227	5,175
Trade notes and accounts receivable	6,686	7,054
Products and other commodities	7,374	8,264
Goods in process	4,631	5,684
Raw materials and supplies	8,953	8,750
Consumption taxes receivable	876	1,017
Deferred tax assets	577	443
Other	746	513
Allowance for doubtful accounts	-120	-43
Total current assets	35,953	36,861
Fixed assets		
Tangible fixed assets		
Buildings and structures	9,836	11,564
Accumulated depreciation	-4,693	-5,167
Buildings and structures (net)	5,142	6,396
Machinery, equipment and vehicles	10,486	10,067
Accumulated depreciation	-6,580	-5,895
Machinery, equipment and vehicles (net)	3,906	4,171
Land	564	564
Leased assets	48	55
Accumulated depreciation	-22	-27
Leased assets (net)	25	27
Construction in progress	473	3
Other	1,160	1,243
Accumulated depreciation	-852	-956
Other (net)	307	287
Total tangible fixed assets	10,420	11,451
Intangible fixed assets	328	756
Investments and other assets		
Investment securities	4,247	6,148
Stocks of affiliates	11	11
Investments in affiliates	1,107	1,131
Long-term loans receivable	6	316
Deferred tax assets	1	1
Other	167	*2 149
Total investments and other assets	5,541	7,759
Total fixed assets	16,290	19,967
Deferred assets		
Stock issuance cost	5	0
Total deferred assets	5	0
Total assets	52,250	56,829

	(Million yen)	
	Figures at the end of the previous consolidated fiscal year (As of March 31, 2014)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2015)
Liabilities		
Current liabilities		
Trade notes and accounts payable	10,630	8,276
Short-term borrowings	6,075	6,855
Accrued income tax	1,113	616
Reserve for bonus payment	246	227
Reserve for product warranties	277	448
Other	973	1,427
Total current liabilities	19,316	17,851
Long-term liabilities		
Deferred tax liabilities	327	1,084
Reserve for directors' retirement benefits	14	18
Net defined benefit liability	946	535
Other	58	58
Total long-term liabilities	1,346	1,698
Total liabilities	20,663	19,550
Net assets		
Shareholders' equity		
Common stock	12,345	12,345
Capital surplus	5,889	5,889
Retained earnings	11,424	15,963
Treasury stock	-1,079	-2,738
Total shareholders' equity	28,579	31,460
Accumulated other comprehensive income		
Unrealized gains on marketable securities	1,391	2,798
Translation adjustments	1,134	2,123
Remeasurements of defined benefit plans	-123	32
Total accumulated other comprehensive income	2,401	4,953
Subscription rights to shares	605	865
Total net assets	31,587	37,279
Total liabilities and net assets	52,250	56,829

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

	(Million yen)	
	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (From April 1, 2014 to March 31, 2015)
Net sales	32,225	54,132
Cost of sales	*1 25,122	*1 39,890
Gross profit	7,102	14,241
Selling, general and administrative expenses		
Salaries and allowances	1,325	1,585
Provision for reserve for bonus payments	57	57
Retirement benefit expenses	83	79
Provision for reserve for directors' retirement benefits	4	4
Research and development expenses	*2 1,445	*2 1,278
Insurance premiums	124	177
Provision for allowance for doubtful accounts	29	--
Provision for reserve for product warranties	277	465
Other	2,569	3,338
Total selling, general and administrative expenses	5,918	6,988
Operating income	1,184	7,253
Non-operating income		
Interest received	20	24
Dividends received	55	84
Foreign exchange gains	912	1,071
Reversal of allowance for doubtful accounts	--	32
Insurance benefits received	36	34
Other	107	114
Total non-operating income	1,131	1,360
Non-operating expenses		
Interest paid	141	273
Loss on sale of trade notes	114	143
Payment fee	--	313
Other	127	138
Total non-operating expenses	383	869
Ordinary income	1,932	7,745
Extraordinary income		
Gain on sales of fixed assets	*3 122	*3 25
Gain on sales of investments securities	--	2
Subsidy income	110	37
Total extraordinary income	232	65
Extraordinary expenses		
Loss on retirement of fixed assets	*4 21	*4 19
Loss on sales of fixed assets	*5 13	*5 31
Loss on sales of investment securities	271	--
Impairment loss	--	60
Bad debts written off	0	--
Loss on valuation of investments in capital of subsidiaries and affiliates	12	--
Loss on liquidation of business	--	16
Total extraordinary expenses	320	129
Income before taxes and other adjustments	1,845	7,681
Corporate, inhabitant and enterprise taxes	1,462	2,126
Deferred taxes	38	258
Total corporate and other taxes	1,501	2,384
Income before minority interests	344	5,297
Minority interests in income	--	--
Net income	344	5,297

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (From April 1, 2014 to March 31, 2015)
Income before minority interests	344	5,297
Other comprehensive income		
Unrealized gains on marketable securities	299	1,406
Translation adjustments	442	988
Remeasurements of defined benefit plans, net of tax	--	156
Total other comprehensive income	741	* 2,551
Comprehensive Income	1,085	7,848
(Breakdown)		
Comprehensive income attributable to the shareholders of the parent company	1,085	7,848
Comprehensive income attributable to minority shareholders	--	--

(3) Consolidated Statements of Changes in Net Assets

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

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2013	12,345	5,884	11,956	-471	29,714
Cumulative effects of changes in accounting policies					--
Restated balance	12,345	5,884	11,956	-471	29,714
Change during the fiscal year					
Cash dividends paid			-876		-876
Net income			344		344
Purchase of treasury stock				-697	-697
Disposal of treasury stock		5		88	94
Changes in items other than shareholders' equity during the fiscal year (net)					
Total change during the fiscal year	--	5	-531	-608	-1,134
Balance as of March 31, 2014	12,345	5,889	11,424	-1,079	28,579

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Unrealized gains on marketable securities	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2013	1,092	691	--	1,783	500	31,998
Cumulative effects of changes in accounting policies						
Restated balance	1,092	691	--	1,783	500	31,998
Change during the fiscal year						
Cash dividends paid						-876
Net income						344
Purchase of treasury stock						-697
Disposal of treasury stock						94
Changes in items other than shareholders' equity during the fiscal year (net)	299	442	-123	618	105	723
Total change during the fiscal year	299	442	-123	618	105	-411
Balance as of March 31, 2014	1,391	1,134	-123	2,401	605	31,587

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

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2014	12,345	5,889	11,424	-1,079	28,579
Cumulative effects of changes in accounting policies			108		108
Restated balance	12,345	5,889	11,533	-1,079	28,688
Change during the fiscal year					
Cash dividends paid			-866		-866
Net income			5,297		5,297
Purchase of treasury stock				-1,848	-1,848
Disposal of treasury stock		0		189	189
Changes in items other than shareholders' equity during the fiscal year (net)					
Total change during the fiscal year	--	0	4,430	-1,658	2,771
Balance as of March 31, 2015	12,345	5,889	15,963	-2,738	31,460

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Unrealized gains on marketable securities	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2014	1,391	1,134	-123	2,401	605	31,587
Cumulative effects of changes in accounting policies						108
Restated balance	1,391	1,134	-123	2,401	605	31,696
Change during the fiscal year						
Cash dividends paid						-866
Net income						5,297
Purchase of treasury stock						-1,848
Disposal of treasury stock						189
Changes in items other than shareholders' equity during the fiscal year (net)	1,406	988	156	2,551	259	2,811
Total change during the fiscal year	1,406	988	156	2,551	259	5,583
Balance as of March 31, 2015	2,798	2,123	32	4,953	865	37,279

(4) Consolidated Statements of Cash Flows

	(Million yen)	
	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (From April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before taxes and other adjustments	1,845	7,681
Depreciation and amortization expenses	1,075	1,160
Share-based compensation expenses	170	315
Impairment loss	--	60
Subsidy income	-110	-37
Increase (decrease) in allowance for doubtful accounts	42	-54
Increase (decrease) in reserve for bonus payment	26	-19
Increase (decrease) in reserve for product warranties	-15	150
Increase (decrease) in net defined benefit liability	16	-138
Interest and dividends received	-75	-108
Interest paid	141	273
Loss (gain) on sales of investment securities	271	-2
Loss on retirement of fixed assets	21	19
Loss (gain) on sales of fixed assets	-108	5
Foreign exchange losses (gains)	-648	-756
Decrease (increase) in trade notes and accounts receivable	-1,159	115
Decrease (increase) in inventories	-2,256	114
Decrease (increase) in advance payments	-92	28
Increase (decrease) in trade notes and accounts payable	3,229	-3,565
Increase (decrease) in advances received	157	149
Decrease (increase) in consumption taxes refund receivable	-301	-90
Other	-146	276
Sub total	2,085	5,581
Interest and dividends received	71	94
Interest paid	-139	-294
Proceeds from subsidy	110	37
Corporate and other taxes paid	-1,413	-2,283
Cash flows from operating activities	714	3,135
Cash flows from investing activities		
Payments into time deposits	-242	-280
Refund of time deposits	247	256
Expenditure for acquisition of tangible fixed assets	-1,092	-1,011
Income from disposal of tangible fixed assets	130	74
Expenditure for acquisition of intangible fixed assets	-16	-434
Income from disposal of investments securities	614	2
Payments of long-term loans receivable	--	-315
Payment for investment in affiliates	-364	--
Other	9	1
Cash flows from investing activities	-713	-1,706
Cash flows from financing activities		
Short-term borrowings	7,075	7,457
Repayment of short-term borrowings	-4,772	-7,683
Redemption of corporate bonds	-300	--
Proceeds from sales of treasury stock	29	133
Purchase of treasury stock	-698	-1,850
Dividends paid	-876	-866
Repayments of lease obligations	-12	-11
Other	--	-0
Cash flows from financing activities	445	-2,822
Translation differences for cash and cash equivalents	302	300
Net increase (decrease) in cash and cash equivalents	748	-1,092
Cash and cash equivalents at the beginning of the term	5,296	6,044
Cash and cash equivalents at the end of the term	*6,044	*4,952

(5) Notes concerning the Consolidated Financial Statements

(Notes relating to the Going Concern Assumption)

No corresponding item exists.

(Important Matters that Become Basis of Presenting Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 7

Names of consolidated subsidiaries

TSUGAMI MACHINERY CO., LTD.
 TSUGAMI GENERAL SERVICE CO., LTD.
 PRECISION TSUGAMI (CHINA) CORPORATION
 Shinagawa Precision Machinery (Zhejiang) Co., Ltd.
 TSUGAMI KOREA Co., Ltd.
 Precision Tsugami (China) Corporation Limited
 Precision Tsugami (Hong Kong) Limited

(2) Names of non-consolidated subsidiaries:

Non-consolidated subsidiaries:

TSUGAMI (THAI) CO., LTD.
 TSUGAMI GmbH
 TSUGAMI PRECISION ENGINEERING INDIA PRIVATE LIMITED
 TSUGAMI TECH SOLUTIONS INDIA PRIVATE LIMITED
 TSUGAMI Universal Pte. Ltd.

(Reason for non-consolidation)

The non-consolidated subsidiaries are small in size, and their total assets, sales, net income or loss (amounts to equivalent to the equity holding) and retained earnings (amounts to equivalent to the equity holding) do not have significant material effect on the consolidated financial statements.

2. Application of equity method

(1) Non-consolidated subsidiaries or affiliates accounted for by the equity method : 0

(2) The non-consolidated subsidiaries (TSUGAMI (THAI) CO., LTD., Tsugami GmbH, TSUGAMI PRECISION ENGINEERING INDIA PRIVATE LIMITED, TSUGAMI TECH SOLUTIONS INDIA PRIVATE LIMITED and TSUGAMI Universal Pte. Ltd.) as well as the affiliate (REM SALES LLC), have little material effect on the consolidated net income or loss and the consolidated retained earnings, and further, have small significance in the Group as a whole. For the above reason, the equity method is not applied on these companies.

3. Matters Concerning Fiscal year of consolidated subsidiaries, etc.

Among the consolidated subsidiaries, the balance sheet date of PRECISION TSUGAMI (CHINA) CORPORATION, Shinagawa Precision Machinery (Zhejiang) Co., Ltd. and Precision Tsugami (Hong Kong) Limited are December 31. In preparing the consolidated financial statements, financial statements based on provisional calculations made as of the consolidated closing date were utilized in connection with this company.

4. Matters concerning significant accounting policies

(1) Valuation standard and valuation method of major assets

(i) Securities

Other securities

Securities with fair market value:

Market value method based on the quoted market value on the closing date of the fiscal year (Valuation differences are directly charged or credited to shareholders' equity, and the cost of securities sold is calculated using the moving-average method.)

Securities without fair market value:

Cost accounting method using the moving average method

(ii) Derivatives

Market value method

(iii) Inventories:

Primarily cost accounting method using the moving average method (The values in the consolidated balance sheet were calculated using the book-value write-down method based on the decline of profitability.).

- (2) Depreciation and amortization methods used for material depreciable and amortizable assets
- (i) Property, plant and equipment (excluding leased assets)
Depreciation is principally computed by the declining-balance method.
However, buildings acquired on or after April 1, 1998, excluding fittings, equipment, and foreign subsidiary, are depreciated on a straight-line basis.
The significant service lives are summarized as follows:
Buildings and structures: 15-38 years
Machinery and transportation vehicle: 9 year
- (ii) Intangible fixed assets (excluding leased assets)
Intangible fixed assets are amortized using the straight-line method.
However, software for in-house use is amortized on a straight-line basis over the expected usable period, up to five years.
- (iii) Leased assets
Depreciation for leased assets is computed using the straight-line method over the lease terms as service life, assuming no residual value.
Among finance lease transactions other than those that are deemed to transfer the ownership of leased assets to lessees, the lease transactions whose start dates are prior to March 31, 2008, are accounted for by the method for ordinary lease transactions.
- (3) Accounting standards for major deferred assets
Stock issuance cost
This is amortized using the straight-line method (3 years).
- (4) Accounting standards for significant allowances
- (i) Allowance for doubtful accounts
To provide for a loss on doubtful accounts, general allowances are provided using a rate determined by past experience with bad debts. Specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing the individual collectibility of certain doubtful accounts.
- (ii) Allowance for employees' bonuses
To provide for the payment of employees' bonuses, the Company and its domestic subsidiaries provide accrued bonuses for employees based on the projected amount for the current consolidated fiscal year.
- (iii) Allowance for directors' retirement benefits
Certain of the Company's consolidated subsidiaries recorded an allowance for retirement benefits for directors equivalent to the amount payable in accordance with their rules for directors' retirement benefits.
- (iv) Allowance for product warranties
To provide for expenses for repair cost that arise in the after-sales free-repair warranty period, the Company accrues repair expenses using an amount projected based on the past ratio of repairs.
- (5) Accounting policies for retirement benefits
- (i) Period attribution method of the expected amount of retirement benefits
As a method of attributing the expected amount of retirement benefits to the period before the end of the consolidated fiscal year under review to calculate retirement benefit obligations, we use the projected benefit method."
- (ii) Method of expensing net retirement benefit obligation at transition and actuarial gains and losses
Any difference arising as a result of the change of accounting standards (2,180 million yen) is expensed equally, mainly over 15 years. Also, any actuarial difference is expensed equally from the fiscal year following its accrual over an average remaining service period (5 years) of employees at the time of the accrual using the straight-line method.
- (iii) Accounting method of unrecognized actuarial gain or loss and unrecognized prior service cost
Unrecognized actuarial gains and losses and unrecognized prior service costs after tax are recorded as remeasurements of defined benefit plans in the net assets section as a component of accumulated other comprehensive income.
- (6) Accounting standards for translating significant assets or liabilities in foreign currencies into yen
Monetary assets and liabilities denominated in foreign currencies are translated into yen at spot exchange rates at the consolidated closing date. Translation adjustments are accounted for as gains or losses. Assets, liabilities, revenues, and expenses at overseas subsidiaries are translated into yen at spot exchange rates at the consolidated closing date.
Translation adjustments are included in "Translation adjustments" in net assets.

(7) Significant hedge accounting method

(i) Hedge accounting method

Deferred hedge accounting was adopted. In addition, a method for translating foreign currency receivables and payables based on yen-value cash flows fixed by forward contracts was adopted for hedging the risk of exchange rate fluctuations in cases where requirements for using the method were fulfilled.

(ii) Hedging instrument and hedged item

Hedge accounting was applied to the following hedging instrument and hedged item during the consolidated fiscal year under review.

Hedging instrument: exchange contracts

Hedged item: foreign currency receivables

(iii) Hedging policy

Hedging was performed within the scope of subject receivables for avoiding the risk of exchange rate fluctuations and establishing profit/loss.

(iv) Method for assessing hedging effectiveness

An assessment of hedging effectiveness is omitted because the hedging instrument and an important requirement for the hedged item are the same and hedging is assumed to completely offset market fluctuations at the point of its launch and in the subsequent period.

(8) Scope of Funds in Consolidated Cash Flow Statements

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with a maturity of three months or less at the date of acquisition that can easily be converted into cash and that have only minor risks of changes in value.

(9) Other important matters for the preparation of consolidated financial statements

Accounting method for consumption taxes

The tax-exclusion method is used for the calculation of consumption tax and local consumption tax, and non-deductible consumption tax and local consumption tax are accounted as expenses.

(Changes in Accounting Policy)

(Application of Accounting Policies for Retirement Benefits)

We have reviewed the method for calculating retirement benefit obligations and service costs and have changed the method for allocating expected retirement benefits to periods from a fixed-amount method to a projected benefit method and the discount rate from a discount rate based on a number of years approximating to the employees' average remaining service years to a single weighted average discount rate reflecting the estimated periods of benefit payments and amounts for each estimated period by applying the provisions set forth in the text of Paragraph 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 on May 17, 2012. Hereinafter the "Accounting Standard for Retirement Benefits") and in the text of Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 on March 26, 2015. Hereinafter the "Guidance on Accounting Standard for Retirement Benefits") from the consolidated fiscal year under review.

The application of the Accounting Standard for Retirement Benefits, etc. follows the transitional treatment set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, and we have made an adjustment for the amount affected by the change in the method for calculating retirement benefit obligations and service costs to retained earnings at the beginning of the consolidated fiscal year under review.

As a result, the net defined benefit liability declined 168 million yen, and retained earnings rose 108 million yen at the beginning of the consolidated fiscal year under review. The effect on operating income, ordinary income and income before income taxes and other adjustments in the consolidated fiscal year under review is minor. The effect on net assets per share, net income per share and net income per share after residual equity adjustment is minor.

(Changes in Method of Presentation)

(Consolidated Statements of Income)

"Rent income" had been posted as a separate item in the previous consolidated fiscal year, was included in "Other" of the Non-operating income in the consolidated fiscal year under review because of the amount decrease in its importance in terms of the amount. To reflect the changes in the method of presentation, the Group changed the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Rent income" of 45 million yen in the Non-operating income in the consolidated statements of income for the previous consolidated fiscal year was include in "Other".

"Dormant expenses" had been posted as a separate item in the previous consolidated fiscal year, was included in "Other" of the Non-operating expenses in the consolidated fiscal year under review because of the amount decrease in its importance in terms of the amount. To reflect the changes in the method of presentation, the Group changed the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Dormant expenses" of 40 million yen in the Non-operating income in the consolidated statements of income for the previous consolidated fiscal year was include in "Other".

(Consolidated Statements of Cash Flows)

"Share-based compensation expenses" , "Increase (decrease) in reserve for bonus payment" and "Increase (decrease) in advances received", which had been included in "Other" of the cash flows from operating activities in the previous consolidated fiscal year, were posted as a separate item in the consolidated fiscal year under review because of an increase in its importance in terms of the amount. To reflect the change in the method of presentation, the Group changed the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Other" of 209 million yen in the cash flows from operating activities in the consolidated statements of cash flows for the previous consolidated fiscal year was divided into "Share-based compensation expenses" of 170 million yen, "Increase (decrease) in reserve for bonus payment" of 26 million yen, "Increase (decrease) in advances received" of 157 million yen and "Other" of 146 million yen.

"Expenditure for acquisition of investment securities" which had been posted as a separate item in the previous consolidated fiscal year, was included in "Other" of the cash flows from investing activities in the consolidated fiscal year under review because of the amount decrease in its importance in terms of the amount. To reflect the changes in the method of presentation, the Group changed the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Expenditure for acquisition of investment securities" of minus 1 million yen in the cash flows from investing activities in the consolidated statements of cash flows for the previous consolidated fiscal year was include in "Other".

(Consolidated Balance Sheet)

1. Amount of discount for bills receivable (Million yen)

	Previous consolidated fiscal year (As of March 31, 2014)	Consolidated fiscal year under review (As of March 31, 2015)
Amount of discount for bills receivable	978	985
Amount of discount for export bills receivable	2,453	2,269

*2.Amount of allowance for doubtful accounts directly subtracted from assets (Million yen)

	Previous consolidated fiscal year (As of March 31, 2014)	Consolidated fiscal year under review (As of March 31, 2015)
Investments and other assets	--	1

(Consolidated Statement of Income)

*1. Reductions in book value associated with declines in the profitability of inventories owned for ordinary sales

(Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Cost of sales	-10	16

*2.R&D expenses included in selling, general and administrative expenses, and manufacturing cost for the term (Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
	1,445	1,278

*3.Breakdown of gain on sales of fixed assets

(Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Machinery and equipment	1	25
Land	119	--
Vehicles	1	--
Total	122	25

*4. Breakdown of loss on retirement of fixed assets

(Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Buildings	13	10
Machinery and equipment	7	8
Others	0	0
Total	21	19

*5. Breakdown of the loss on sales of fixed assets

(Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Machinery and equipment	13	31

(Consolidated Statements of Comprehensive Income)

* Recycling and tax effect relating to other comprehensive income

(Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Unrealized gains on marketable securities:		
Amount arising during fiscal year under review	79	1,899
Recycling	271	--
Before tax effect adjustment	351	1,899
Tax effect	-51	-492
Unrealized gains on marketable securities	299	1,406
Translation adjustments:		
Amount arising during fiscal year under review	442	988
Remeasurements of defined benefit plans, net of tax:		
Amount arising during fiscal year under review	--	102
Recycling	--	139
Before tax effect adjustment	--	241
Tax effect	--	-85
Remeasurements of defined benefit plans, net of tax	--	156
Total other comprehensive income	741	2,551

(Consolidated Statements of Changes in Net Assets)
 Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)

1. Matters relating to type and number of outstanding shares and treasury stock (Thousand shares)

	Number of shares at the beginning of the consolidated fiscal year	Increase in shares in the consolidated fiscal year	Decrease in shares in the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year
Outstanding shares				
Common shares	74,919	--	--	74,919
Total	74,919	--	--	74,919
Treasury stock				
Common shares Note1, 2	1,300	1,493	231	2,562
Total	1,300	1,493	231	2,562

(Notes) 1. The increase in common shares of treasury stock of 1,493 thousand shares due to the purchase of 1,484 thousand shares on the Tokyo Stock Exchange, and the purchase of 9 thousand shares of odd-lot shares.
 2. The decrease in common shares of treasury stock of 231 thousand shares was due to the exercise of stock options.

2. Matters concerning subscription rights to shares and subscription right to shares for treasury stock

Category	Description of subscription rights to shares	Type of shares to be issued under subscription rights to shares	Number of shares to be issued under subscription rights to shares				Outstanding balance at the end of the consolidated fiscal year (million yen)
			Number of shares at the beginning of the consolidated fiscal year	Increase in shares in the consolidated fiscal year	Decrease in shares in the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year	
Submitting company (parent company)	Subscription rights to shares as stock options	--	--	--	--	--	605
Total		--	--	--	--	--	605

3. Matters relating to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 10, 2013	Common shares	441	6.00	March 31, 2013	May 29, 2013
Board of directors meeting held on November 12, 2013	Common shares	434	6.00	September 30, 2013	November 27, 2013

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividend (million yen)	Funds for dividends	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 13, 2014	Common shares	434	Retained earnings	6.00	March 31, 2014	May 28, 2014

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

1. Matters relating to type and number of outstanding shares and treasury stock (Thousand shares)

	Number of shares at the beginning of the consolidated fiscal year	Increase in shares in the consolidated fiscal year	Decrease in shares in the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year
Outstanding shares				
Common shares	74,919	--	--	74,919
Total	74,919	--	--	74,919
Treasury stock				
Common shares Note 1, 2	2,562	3,128	405	5,285
Total	2,562	3,128	405	5,285

(Notes) 1. The increase in common shares of treasury stock of 3,128 thousand shares due to the purchase of 3,123 thousand shares on the Tokyo Stock Exchange, and the purchase of 5 thousand shares of odd-lot shares.

2. The decrease in common shares of treasury stock of 405 thousand shares was due to the exercise of stock options.

2. Matters concerning subscription rights to shares and subscription right to shares for treasury stock

Category	Description of subscription rights to shares	Type of shares to be issued under subscription rights to shares	Number of shares to be issued under subscription rights to shares				Outstanding balance at the end of the consolidated fiscal year (million yen)
			Number of shares at the beginning of the consolidated fiscal year	Increase in shares in the consolidated fiscal year	Decrease in shares in the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year	
Submitting company (parent company)	Subscription rights to shares as stock options	--	--	--	--	--	718
Consolidated subsidiary	Subscription rights to shares as stock options	--	--	--	--	--	146
Total		--	--	--	--	--	865

3. Matters relating to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 13, 2014	Common shares	434	6.00	March 31, 2014	May 28, 2014
Board of directors meeting held on November 12, 2014	Common shares	432	6.00	September 30, 2014	November 28, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividend (million yen)	Funds for dividends	Dividend per share (yen)	Record date	Effective date
Board of directors meeting held on May 13, 2015	Common shares	557	Retained earnings	8.00	March 31, 2015	May 29, 2015

(Consolidated Statements of Cash Flows)

*Relationship between the ending balance of cash and cash equivalents and the accounts and their amounts on the Consolidated Balance Sheet (Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Cash and cash accounts	6,227	5,175
Time deposits with maturity of more than 3 months	-182	-223
Cash and cash equivalents	6,044	4,952

(Securities)

1. Other securities

Previous consolidated fiscal year (As of March 31, 2014)

(Million yen)

	Classification	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Carrying amounts on the consolidated balance sheet exceeding the acquisition cost	(1)Shares	4,245	2,237	2,008
	(2) Corporate bond	--	--	--
	(3)Others	--	--	--
	Subtotal	4,245	2,237	2,008
Carrying amounts on the consolidated balance sheet not exceeding the acquisition cost	(1)Shares	--	--	--
	(2) Corporate bond	--	--	--
	(3)Others	--	--	--
	Subtotal	--	--	--
Total		4,245	2,237	2,008

(Note) Since unlisted stocks (whose consolidated balance sheet amount is 2 million yen) have no market prices, and their fair values are very difficult to estimate, they are omitted.

Consolidated fiscal year under review (As of March 31, 2015)

(Million yen)

	Classification	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Carrying amounts on the consolidated balance sheet exceeding the acquisition cost	(1)Shares	6,146	2,238	3,907
	(2) Corporate bond	--	--	--
	(3)Others	--	--	--
	Subtotal	6,146	2,238	3,907
Carrying amounts on the consolidated balance sheet not exceeding the acquisition cost	(1)Shares	--	--	--
	(2) Corporate bond	--	--	--
	(3)Others	--	--	--
	Subtotal	--	--	--
Total		6,146	2,238	3,907

(Note) Since unlisted stocks (whose consolidated balance sheet amount is 1 million yen) have no market prices, and their fair values are very difficult to estimate, they are omitted.

2. Other securities sold during the consolidated fiscal year

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

Classification	Amount of sale (million yen)	Total profit on sale (million yen)	Total loss on sale (million yen)
Shares	609	--	271

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

Classification	Amount of sale (million yen)	Total profit on sale (million yen)	Total loss on sale (million yen)
Shares	2	2	--

(Segment information)

a. Segment Information

1. Summary of reportable segments

The Company's reportable segments are its constituent units that disclose financial information separately. They fall under the scope of periodic reviews the Company's Board of Directors performs to determine the distribution of its management resources and to assess its operating results.

The Group manufactures and sells machine tools in Japan and abroad. The Group consists of geographic segments based on its manufacturing and sales organizations. The Company's reportable segments are Japan, China and South Korea, which are the areas where Group companies are located.

2. Basis of calculating net sales, income or loss, assets, liabilities and other items by reportable segment

The accounting methods for the reportable segments are the same as those described in "Important Matters that Become Basis of Presenting Consolidated Financial Statements."

Segment income is based on operating income for each reportable segment.

Intersegment revenue and transfers are based on market prices.

As described in "Changes in Accounting Policy," the Group changed the method for calculating retirement benefit obligations and services costs from the beginning of the consolidated fiscal year under review. As a result, the method for calculating the retirement benefit obligations and service costs of reportable segments has similarly changed.

This change had no material impact on segment income.

3. Information relating to net sales income or loss, assets, liabilities and other items by reportable segment.

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

(Million yen)

	Reportable segment				Adjustment (Note) 1 (Note) 2 (Note) 3	Consolidated financial statement amount (Note) 4
	Japan	China	South Korea	Total		
Net sales						
Net sales to external customers	19,860	11,238	1,126	32,225	--	32,225
Intersegment net sales or transfers to other accounts	9,872	7,191	35	17,099	-17,099	--
Total	29,733	18,429	1,161	49,324	-17,099	32,225
Segment income	115	662	87	864	319	1,184
Segment assets	29,506	24,168	785	54,460	-2,210	52,250
Other items						
Depreciation and amortization	509	558	17	1,086	-10	1,075
Increases in tangible fixed assets and intangible fixed assets	205	1,876	11	2,093	-354	1,738

(Note) 1. "Adjustment" of segment income of 319 million yen is the adjustment of unrealized income.

2. "Adjustment" of segment assets of minus 2,210 million yen includes Company-wide assets of 9,303 million yen and an effect of intersegment adjustments of minus 11,513 million yen.

Company-wide assets are primarily assets that do not belong to any reportable segment (cash and deposits and investment securities).

3. "Adjustment" of increases in tangible fixed assets and intangible fixed assets of minus 354 million yen is the effect of intersegment adjustments.

4. Segment income is adjusted in accordance with operating income on the consolidated financial statements.

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

(Million yen)

	Reportable segment				Adjustment (Note) 1 (Note) 2 (Note) 3	Consolidated financial statement amount (Note) 4
	Japan	China	South Korea	Total		
Net sales						
Net sales to external customers	23,758	29,249	1,124	54,132		54,132
Intersegment net sales or transfers to other accounts	11,637	9,683	54	21,375	-21,375	--
Total	35,395	38,932	1,179	75,507	-21,375	54,132
Segment income	1,485	5,749	24	7,259	-5	7,253
Segment assets	25,514	27,002	844	53,361	3,468	56,829
Other items						
Depreciation and amortization	417	744	12	1,174	-13	1,160
Increases in tangible fixed assets and intangible fixed assets	269	1,487	29	1,786	-60	1,725

(Note) 1. "Adjustment" of segment income of minus 5 million yen is the adjustment of unrealized income.

2. "Adjustment" of segment assets of 3,468 million yen includes Company-wide assets of 9,918 million yen and an effect of intersegment adjustments of minus 6,450 million yen.

Company-wide assets are primarily assets that do not belong to any reportable segment (cash and deposits and investment securities).

3. "Adjustment" of increases in tangible fixed assets and intangible fixed assets of minus 60 million yen is the effect of intersegment adjustments.

4. Segment income is adjusted in accordance with operating income on the consolidated financial statements.

Related information

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

1. Information by product and service

Not stated because sales of machine tools to external customers exceeded 90% of net sales on the consolidated statements of income.

2. Information by area

(1) Net sales

Not stated because similar information is stated in the segment information.

(2) Tangible fixed assets

Not stated because similar information is stated in the segment information.

3. Information by major customer

Not stated because sales for specific customer less than 10% of net sales on the consolidated statements of income.

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

1. Information by product and service

Not stated because sales of machine tools to external customers exceeded 90% of net sales on the consolidated statements of income.

2. Information by area

(1) Net sales

Not stated because similar information is stated in the segment information.

(2) Tangible fixed assets

Not stated because similar information is stated in the segment information.

3. Information by major customer

Not stated because sales for specific customer less than 10% of net sales on the consolidated statements of income.

Information on impairment loss on fixed assets by reportable segment

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

No corresponding item existed.

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

(Million yen)

	Japan	China	South Korea	Corporate or elimination	Total
Impairment loss	60	--	--	--	60

Information on the amortization of goodwill and unamortized balance by reportable segment

No corresponding item existed.

Information on gain on negative goodwill by reportable segment

No corresponding item existed.

(Related Party information)

Transaction with the Company's directors and major shareholders

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

The statement of transactions with related parties is omitted, since the amount did not reach the disclosure standard.

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

The statement of transactions with related parties is omitted, since the amount did not reach the disclosure standard.

(Per Share information)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Net assets per share	428.18 yen	522.94 yen
Net income per share	4.72 yen	74.37 yen
Net income per share after residual equity adjustment	4.64 yen	72.92 yen

(Note) The bases for the calculation of net income per share and net income per share after residual equity adjustment are as follows.

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)
Net income per share		
Net income (million yen)	344	5,297
Net income that does not belong to common shareholders (million yen)	--	--
Net income on common shares (million yen)	344	5,297
Average number of shares during the period (thousand shares)	72,900	71,227
Net income per share after residual equity adjustment		
Adjustment in net income (million yen)	--	--
Increase in common shares (thousand shares)	1,255	1,411
(Stock option) (thousand shares)	(1,255)	(1,411)
Summary of residual shares not included in the calculation of net income per share after residual equity adjustment because of no dilutive effect	Stock options granted on the basis of a resolution at the annual shareholders meeting held on June 21, 2013 (Number of shares: 200,000)	Stock options granted on the basis of a resolution at the annual shareholders meeting held on June 20, 2014 (Number of shares: 200,000) (Consolidated subsidiary) Two types of subscription rights to shares as stock options (Number of the subscription rights to shares: 4,845,000 and 3,781,000)

(Important post-balance sheet events)

No corresponding event occurred.

6. Other

(1) Supplementary Information

(i) Overseas net sales

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

(Million yen)

	Asia	America	Europe	Total
I Overseas net sales	37,451	3,172	3,794	44,419
II Consolidated net sales				54,132
III Ratio of overseas net sales to consolidated net sales (%)	69.2	5.9	7.0	82.1

(Notes) 1. National or regional classifications are based on geographic proximity.

2. Major countries or regions in each classification

(1) Asia China, Thailand, South Korea, Singapore, the Philippines, and India

(2) America the United States and Mexico

(3) Europe Switzerland, Germany, France and Italy

3. Overseas net sales refer to net sales achieved by the Company and its consolidated subsidiaries in countries or regions other than Japan.

(ii) Net sales by machinery category

(Million yen)

	Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)		Consolidated fiscal year under review (from April 1, 2014 to March 31, 2015)		Year-on-year change	
		%		%		%
Automatic lathes	25,819	80.1	44,150	81.6	18,331	71.0
Grinding machines	3,187	9.9	3,222	5.9	35	1.1
Machining centers	1,507	4.7	1,536	2.8	28	1.9
Rolling machines and specialized machines	1,376	4.3	4,914	9.1	3,538	257.1
Other	334	1.0	307	0.6	-27	-8.2
Total	32,225	100.0	54,132	100.0	21,906	68.0
(Overseas net sales)	(24,865)	(77.2)	(44,419)	(82.1)	(19,554)	(78.6)

(2) Changes in Directors (scheduled to take effect on June 18, 2015)

(i) Changes in Representative Director

- Director scheduled to retire from the post

Director: Kiyoshi Tauchi (currently Representative Director, COO)

(ii) Changes in Other Directors

- New statutory auditor candidate

Statutory auditor: Hitoshi Yoshida (currently President and CEO of Tokyo Seimitsu Co., Ltd.)
(Note) Mr. Hitoshi Yoshida is candidate for outside Statutory auditor.

- Auditor scheduled to retire from the post

Statutory auditor: Ryuichi Kimura (currently Statutory auditor)
(Note) Mr. Ryuichi Kimura is outside Statutory auditor.