Consolidated Financial Results for the Year Ended March 31, 2014

May 8, 2014

Listed company name	:	Sysmex Corporation
Code	:	6869
Listed stock exchanges	:	Tokyo Stock Exchange
URL	:	http://www.sysmex.co.jp
Company representative	:	Hisashi Ietsugu, Chairman and CEO
Contact	:	Yukitoshi Kamao, Executive Officer, Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for shareholders' meeting	:	June 20, 2014
Scheduled date for dividend payment	:	June 23, 2014
Scheduled date for filing of financial report	:	June 20, 2014
Preparation of supplementary material for earnings	:	Yes
Holding of earnings announcement	:	Yes

(Unit: Millions of Yen)

1. Results for the Year Ended March 31, 2014

(1) Operating results

(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
Year ended Mar. 31, 2014	184,538	26.8%	32,870	50.8%	33,782	47.0%	20,573	45.2%
Year ended Mar. 31, 2013	145,577	8.0%	21,804	13.5%	22,976	20.1%	14,165	18.0%

	Net income per share (Yen)	Diluted net income per share (Yen)	Return on Equity	Ordinary income to total assets	Operating income to net sales
Year ended Mar. 31, 2014	99.47	99.16	15.6%	17.6%	17.8%
Year ended Mar. 31, 2013	68.79	68.53	12.8%	14.6%	15.0%

Note:

Comprehensive income: 29,611 million yen (50.7%) for the year ended March 31, 2014; 19,653 million yen (75.1%) for March 31, 2013.

Equity in earnings (losses) of affiliates: (30) million yen for the year ended March 31, 2014; (23) million yen for the year ended March 31, 2013.

As resolved in a meeting of the board of directors held on March 5, 2014, stock split has been conducted and each share was split to 2 shares as of April 1, 2014.

The calculation of net income per share and diluted net income per share is done as if the stock split initiated on the beginning of previous fiscal year.

(2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Mar. 31, 2014	210,758	146,250	69.2%	703.76
As of Mar. 31, 2013	173,010	119,153	68.7%	575.69

Note:

Equity capital: 145,757 million yen as of March 31, 2014; 118,800 million yen as of March 31, 2013

As resolved in a meeting of the board of directors held on March 5, 2014, stock split has been conducted and each share was split to 2 shares as of April 1, 2014.

The calculation of net assets per share is done as if the stock split initiated on the beginning of previous fiscal year.

(3) Cash flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Total cash and cash equivalents at the end of term
Year ended Mar. 31, 2014	36,563	(33,940)	(2,897)	36,547
Year ended Mar. 31, 2013	25,806	(12,524)	(3,116)	34,306

2. Dividend

	Dividend per share					Total dividend payment	Dividend payout ratio	Dividend to equity
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)	Millions of Yen	(consolidated)	(consolidated)
Year ended Mar. 31, 2013	—	17.00	—	23.00	40.00	4,122	29.1%	3.7%
Year ended Mar. 31, 2014	—	21.00	—	33.00	54.00	5,588	27.1%	4.2%
Year ending Mar. 31, 2015 (Forecast)	—	14.00	—	14.00	28.00		26.4%	

Note:

As resolved in a meeting of the board of directors held on March 5, 2014, stock split has been conducted and each share was split to 2 shares as of April 1, 2014.

Dividend per share for year ended March 31, 2014 is calculated based on number of shares before the stock split.

Dividend per share for year ending March 31, 2015 (forecast) is calculated based on number of shares after the stock split.

3. Business Forecast for the Year Ending March 31, 2015

(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
Six months ending Sep. 30, 2014	100,000	18.9%	16,000	16.7%	16,000	14.7%	10,000	16.4%	48.28
Year ending Mar. 31, 2015	210,000	13.8%	36,000	9.5%	36,000	6.6%	22,000	6.9%	106.22

Note:

As resolved in a meeting of the board of directors held on March 5, 2014, stock split has been conducted and each share was split to 2 shares as of April 1, 2014.

Net income per share is calculated using number of shares after the stock split.

4. Other Information

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation): No

(2) Changes in accounting procedures

1) Changes due to the amendment of accounting methods: Yes
2) Changes of accounting methods other than 1): No
3) Changes in accounting estimates: No
4) Restatement of revisions: No

(3) Number of shares outstanding (Ordinary shares)

1) Number of shares outstanding at the end of each fiscal period (including treasury stock):
207,553,632 shares as of March 31, 2014; 206,798,832 shares as of March 31, 2013
2) Number of treasury stock at the end of each fiscal period:
440,556 shares as of March 31, 2014; 437,392 shares as of March 31, 2013
3) Average number of outstanding stock for each period (cumulative):
206,828,436 shares the year ended March 31, 2014;
205,927,940 shares the year ended March 31, 2013

Note:

As resolved in a meeting of the board of directors held on March 5, 2014, stock split has been conducted and each share was split to 2 shares as of April 1, 2014.

The calculation of number of shares outstanding is done as if the stock split initiated on the beginning of previous fiscal year.

(Reference) Summary of Non-consolidated Financial Results
Non-consolidated Financial Results for the Year Ended March 31, 2014

(1) Non-consolidated Business Results
(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
Year ended Mar. 31, 2014	102,617	17.7%	19,058	80.3%	25,215	88.2%	17,356	87.3%
Year ended Mar. 31, 2013	87,171	6.8%	10,569	38.5%	13,399	27.4%	9,266	24.7%

	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended Mar. 31, 2014	83.92	83.66
Year ended Mar. 31, 2013	45.00	44.83

Note:
As resolved in a meeting of the board of directors held on March 5, 2014, stock split has been conducted and each share was split to 2 shares as of April 1, 2014.
The calculation of net income per share and diluted net income per share is done as if the stock split initiated on the beginning of previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Mar. 31, 2014	139,743	105,891	75.4%	508.89
As of Mar. 31, 2013	120,555	91,469	75.6%	441.54

Note:
Equity capital: 105,397 million yen as of March 31, 2014; 91,115 million yen as of March 31, 2013.
As resolved in a meeting of the board of directors held on March 5, 2014, stock split has been conducted and each share was split to 2 shares as of April 1, 2014.
The calculation of net assets per share is done as if the stock split initiated on the beginning of previous fiscal year.

*It is under the audit procedure based on the Financial Instruments and Exchange Act at the time of disclosure of this report.

*The above estimates are based on information available to the company on the date of the report's announcement. Due to unforeseen circumstances, however, actual results may differ from such estimates.

1. Financial Performance

1) Performance analysis

During the fiscal year ended March 31, 2014, the Japanese economy was in a recovery phase, as the government's economic policies and monetary easing by Japan's central bank caused manufacturing activity in the corporate sector to recover, and the employment and income environment showed signs of improving. In the United States, meanwhile, the employment situation continued to gradually improve and activity in the corporate sector maintained its recovery trend. In Europe, the debt crisis and the resulting austerity measures continued, but the region showed signs of recovery, albeit slight. The sense of decelerating growth in China's economy continued, as both internal demand and exports leveled off. Overall, however, the overseas economic outlook was in a gradual recovery.

On the healthcare front, the Japanese government is positioning the healthcare industry as a pillar of its strategies for national growth, reorganizing Medical Excellence JAPAN and announcing plans to establish Japanese National Institutes of Health. Such measures are expected to invigorate healthcare-related industries going forward. In advanced countries in Europe and the Americas, efforts are underway to reduce healthcare costs and reform medical systems, and fiscal austerity measures in countries such as Spain and Italy are causing healthcare spending in those countries to continue to decline. In the United States, efforts to reform the health insurance system to reduce the number of people without medical insurance continue. In China, medical system reform that is underway, including to the medical insurance system, aims to build infrastructures that provide uniform medical services in cities and farming villages throughout the country. Therefore, although some causes for uncertainty remain, the foundations of healthcare-related demand remain solid.

Under these circumstances, the Sysmex Group is moving forward with construction of a new factory that will increase the Group's instrument manufacturing capacity to meet growing demand for in-vitro diagnostic (IVD) instruments in the Japanese and overseas markets. The new factory will be located in the city of Kakogawa, Hyogo Prefecture, adjoining the Kakogawa Factory. We expanded existing factories at two domestic affiliated companies, Sysmex Medica Co., Ltd., and Sysmex RA Co., Ltd., boosting the Sysmex Group's overall IVD instrument production capacity. We have converted our distributor in South Korea to a subsidiary, strengthening our sales and support structures. We are also augmenting our scientific support—a Sysmex strength—and offering support proposals, efforts that should lead to enhanced customer satisfaction.

At the same time, we have established the R&D Center Americas to promote the globalization of R&D activities, locating the center at Sysmex America, Inc., our regional headquarters for the Americas. The center will pursue such strategic activities as joint research with U.S. healthcare institutions and the evaluation of technologies possessed by local companies in an effort to rapidly acquire useful leading-edge technologies.

As part of efforts to make a full-fledged entry into the area of personalized medicine, which is expected to grow, we converted to consolidated subsidiaries Partec GmbH and its affiliates, which possess flow cytometry technology*. We also converted to subsidiaries Inostics GmbH and its affiliated companies, which have gene amplification technologies that can be used to detect cancer genes circulating in the blood. By combining these companies' technologies with our own, we aim to make inroads in the hematology field and build the foundations for personalized medicine.

Sysmex has also established a marketing company in Kobe in cooperation with Kobe-based Kawasaki Heavy Industries, Ltd. This new company, Medicaroid Corporation, will promote the development of medical robots. Through this company, we aim to draft product plans centered on medical robots, for which global demand is expected to increase. Going forward, these efforts will concentrate on development, manufacturing and establishment of sales structures.

* Flow cytometry technology: Technology used for the flow dispersion of minute particles and the use of laser light to optically analyze the minute flows

Net Sales by Destination

Fiscal Years Ended March 31		2013		2014		Percentage of Previous Year's Figure (%)
		Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan		40,189	27.6	40,317	21.8	100.3
	Americas	30,765	21.1	39,926	21.7	129.8
	EMEA	39,587	27.2	53,385	28.9	134.9
	China	24,429	16.8	36,268	19.7	148.5
	Asia Pacific	10,606	7.3	14,639	7.9	138.0
Overseas subtotal		105,388	72.4	144,220	78.2	136.8
Total		145,577	100.0	184,538	100.0	126.8

Note:

The geographical region that we called "Europe" in the past included countries in Europe, the Middle East and Africa. Therefore, to express this segmentation more accurately, we have changed its name to "EMEA," effective from the fiscal year under review. There has been no change, however, to the countries and regions that belong to this segment.

In Japan, capital investments by large-scale healthcare institutions were robust, and we continued with solution-proposal efforts. Although sales in the hematology field were down, sales centered on the hemostasis and urinalysis field were solid. As a result, sales in Japan amounted to ¥40,317 million, up 0.3% year on year.

In overseas markets, we made steady progress in the strengthening of sales and support structures and the provision of solutions, leading to robust sales of IVD instruments, and sales of reagents and services grew in line with an increase in the installed instrument base. These factors, plus the effect of yen depreciation, caused the Sysmex Group's overseas sales to surge 36.8% year on year, to ¥144,220 million. The overseas sales ratio accordingly rose 5.8 percentage points, to 78.2%.

As a result, during the fiscal year the Group recorded consolidated net sales of ¥184,538 million, up 26.8% year on year. Operating income rose 50.8%, to ¥32,870 million; ordinary income grew 47.0%, to ¥33,782 million; and net income increased 45.2%, to ¥20,573 million.

Performance by segment

(1) Japan

Performance in Japan improved, mainly in the hemostasis and urinalysis fields, as we continued to persevere in promoting solution proposals. However, sales in the "Japan" segment decreased 2.8% year on year, to ¥41,758 million, because of the conversion of our South Korean distributor to a subsidiary, as sales to external customers formerly recorded in the "Japan" segment were shifted to the "Asia Pacific" segment during the fiscal year.

On the profit front, such factors as the expansion of export sales to Group companies led to a 68.7% surge in operating income, to ¥20,137 million.

(2) Americas

In the United States, in addition to rising instrument sales, an increase in the installed instrument base led to higher sales of reagents and support services, pushing up sales in the country. In Central and South America, the expansion of business volume in Chile and Costa Rica boosted sales, and for the Americas as a whole, sales expanded 29.9%, to ¥38,594 million.

Segment operating income rose 16.4%, to ¥2,477 million, as the impact of expanded sales outpaced the impact of higher selling, general and administrative expenses stemming from efforts to reinforce our sales management system.

(3) EMEA

Sales in Germany and France increased, as did sales in Russia and emerging markets, and we acquired new bid projects in Spain, resulting in favorable sales, centered on the hematology field. Segment sales consequently rose 34.9%, to ¥53,195 million.

Operating income jumped 48.4%, to ¥8,604 million, as the expansion in sales outpaced the rise in selling, general and administrative expenses accompanying our business expansion.

(4) China

In this market, sales were sluggish in some areas. However, sales of reagents rose in the hematology, urinalysis and hemostasis fields, pushing up segment sales 48.4%, to ¥36,258 million.

Boosted by higher sales, operating income rose 76.0%, to ¥4,195 million, offsetting an increase in selling, general and administrative expenses stemming from efforts to reinforce our sales structure.

(5) Asia Pacific

The conversion of our South Korean distributor to a subsidiary bolstered sales in this segment.

We also boosted sales in Thailand by enhancing our direct sales and support activities and benefited from higher sales of reagents in Indonesia and Malaysia thanks to an increase in the installed instrument base. As a result, sales expanded 62.9%, to ¥14,730 million.

Operating income expanded 31.3%, to ¥1,386 million, as the substantially higher sales overshadowed higher selling, general and administrative expenses that went toward the building of sales and support structures.

Forecast for the fiscal years ending March 31 (unit: million yen)

	2015	2014	Increase / decrease	Increase / decrease ratio
Sales	210,000	184,538	25,461	13.8%
Operating income	36,000	32,870	3,129	9.5%
Ordinary income	36,000	33,782	2,217	6.6%
Net income	22,000	20,573	1,426	6.9%

Our forecast for the fiscal year ending March 31, 2015, takes into account concerns of decelerating economic activity in Japan, due to the increase in the consumption tax. At the same time, however, we anticipate a gradual recovery in the second half of the year, buoyed by resurgent exports and firm capital investment. We expect the U.S. economy to maintain a firm recovery tone, as the risks facing the real economy seem to be abating. In Europe, although economic conditions have bottomed out, uncertainties remain with respect to a return to fiscal soundness, reducing the debt of financial institutions, and fund-raising difficulties. Given these factors, as well as concerns of growth leveling off in China and emerging markets and growing geopolitical risks, it is difficult to see the world economy in an optimistic light going forward.

Looking at the healthcare environment, graying populations in developed countries and continued investments in healthcare infrastructure in emerging markets lead us to expect that growth will continue. We also anticipate new growth opportunities, owing to the growing popularity of personalized medicine employing genetic/molecular diagnostics, particularly in advanced countries.

Against this backdrop, as a unique and global healthcare testing company, the Sysmex Group aims to boost sales and profits in hematology, guided by the three core growth strategies of “Leading Hematology (Undisputed Global Leader in Hematology),” “Leading in Emerging Markets (Focus on Emerging Markets)” and “Innovating Life Science.” We will also accelerate growth in the key non-hematology field of immunochemistry and are moving forward with initiatives designed to reinforce direct sales and support systems in emerging markets. Furthermore, having acquired Partec and Inostics as part of our full-fledged efforts in the area of personalized medicine, we will strive to create synergies with these companies.

For the upcoming fiscal year, we anticipate net sales of ¥210,000 million (up 13.8% year on year), operating income of ¥36,000 million (up 9.5%), ordinary income of ¥36,000 million (up 6.6%) and net income of ¥22,000 million (up 6.9%). Our assumptions for annual average interest rates are US$1=¥100 and €1 = ¥135.

2) Financial conditions analysis

(1) Assets, liabilities and net assets

As of March 31, 2014, total assets amounted to ¥210,758 million, up ¥37,747 million from a year earlier. The main reasons were an increase in total current assets of ¥11,411 million—primarily owing to increases of ¥2,868 million in cash and deposits; of ¥4,260 million in trade notes and accounts receivable; and of ¥1,982 million in deferred tax assets (current)—as well as ¥26,336 million higher total noncurrent assets, stemming from increases of ¥2,791 million in tools, furniture and fixtures, of ¥3,856 million in construction in progress and of ¥11,325 million in goodwill.

Meanwhile, total liabilities were up ¥10,651 million, to ¥64,508 million. Main factors behind this increase were a ¥8,585 million increase in total current liabilities—due to rises of ¥3,716 million in income taxes payable, of ¥1,516 million in accrued expenses, of ¥1,047 million in short-term loans payable and of ¥1,004 million in provision for bonuses—and a ¥2,065 million rise in total noncurrent liabilities, affected by ¥3,003 million higher deferred tax liabilities (noncurrent).

Total net assets came to ¥146,250 million as of March 31, 2014, up ¥27,096 million from their level a year earlier. The rise was due principally to ¥16,029 million higher retained earnings and a ¥8,611 million increase in the foreign currency translation adjustment. The equity ratio as of March 31, 2014, was 69.2%, up 0.5 percentage point from 68.7% as of March 31, 2013.

(2) Cash flows

As of March 31, 2014, cash and cash equivalents amounted to ¥36,547 million, up ¥2,240 million from a year earlier.

Cash flows from various activities during the fiscal year are described in more detail below.

(Operating cash flow)

Net cash provided by operating activities was ¥36,563 million, ¥10,757 million more than in the preceding fiscal year. As principal factors, income before income taxes provided ¥33,451 million, ¥10,832 million more than in the preceding fiscal year; depreciation and amortization provided ¥9,960 million, ¥2,015 million more; the amortization of goodwill provided ¥1,435 million, ¥568 million more; the decrease in trade notes and accounts receivable provided ¥713 million, compared with a ¥2,424 million increase in the previous fiscal year; and the decrease in inventories provided ¥1,644 million, compared with a ¥2,818 million increase in the preceding year. However, the decrease in trade notes and accounts payable used ¥2,936 million, compared with a ¥2,431 million increase in the previous fiscal year, and income taxes paid used ¥10,232 million, ¥2,979 million more than in the preceding fiscal year.

(Investing cash flow)

Net cash used in investing activities was ¥33,940 million, ¥21,415 million more than in the preceding fiscal year. Among major factors were purchases of property, plant and equipment, which used ¥13,282 million, up ¥3,674 million, and the purchase of intangible assets used ¥3,812 million, up ¥1,609 million. Also, equity investments in subsidiaries used ¥16,643 million, ¥16,286 million more than in the fiscal year ended March 31, 2013.

(Financing cash flow)

Net cash used in financing activities amounted to ¥2,897 million, ¥218 million less than in the previous year. This figure was mainly due to cash dividends paid of ¥4,544 million, which used ¥841 million more in cash than in the preceding fiscal year. At the same time, the Company recorded an ¥854 million net increase in short-term loans payable, which was absent in the previous year, and ¥877 million in proceeds from issuance of common stock, up ¥11 million.

Cash Flow Indices

Fiscal Years Ended March 31	2010	2011	2012	2013	2014
Equity ratio (%)	71.5	71.9	71.6	68.7	69.2
Equity ratio at market price (%)	233.2	232.8	241.8	346.0	324.0
Interest-bearing debt to cash flow ratio (years)	0.1	0.1	0.1	0.0	0.1
Interest coverage ratio (times)	100.5	200.0	340.3	609.8	2,347.7

Notes:

Equity ratio = shareholders' equity / total assets
Equity ratio at market price = aggregate market value of shares / total assets
Interest-bearing debt to cash flow ratio = balance of interest-bearing liabilities / cash flows from operating activities
Interest coverage ratio = cash flows from operating activities / interest payments

1. Indices are calculated using consolidated financial figures.
2. The total market value of shares is calculated as the share price at the end of the fiscal year times the total number of shares outstanding at that date.
3. Cash flows from operating activities correspond to net cash provided by operating activities in the Consolidated Statements of Cash Flows.
4. The balance of interest-bearing liabilities corresponds to interest-bearing liabilities included in the Consolidated Balance Sheets.
5. Interest payments corresponds the amount of interest paid, as indicated in the Consolidated Statements of Cash Flows.

3) Basic policy on distribution of profit and dividends for the fiscal years to March 31, 2014 and 2015

We aim to maintain a proper balance between internal reserves for R&D and capital expenditure, which are designed to sustain steady high growth, and returns to our shareholders as our earning power increases. In terms of returns to shareholders, we intend to provide a stable dividend on a continuous basis and aim for a consolidated payout ratio of 20% under our basic policy of sharing the successes of our operations in line with business performance.

In tandem with this policy, at the 47th Ordinary General Meeting of Shareholders we intend to propose a year-end dividend of ¥33 per share. This amount would bring total annual dividends to ¥54 per share, for a consolidated payout ratio of 27.1%. In addition, this dividend amount would be ¥14 higher than the ¥40 per share paid for the fiscal year ended March 31, 2013.

Also in accordance with the above-stated policy and taking our operating performance forecast into account, for the upcoming fiscal year we forecast a dividend of ¥28 per share (an interim dividend of ¥14 per share and a year-end dividend of ¥14). (The Company has conducted a two-for-one stock split with an effective date of April 1, 2014. The dividend forecast for the upcoming fiscal year refers to post-split shares.)

We retain our commitment to bolstering operating performance and reinforcing our management base.

2. Corporate philosophy and strategy

1) Corporate philosophy

We have established the Sysmex Way, corporate philosophy on April 1st 2007. Sysmex way is success from our "Three confidence" which is nominated since our foundation. In addition, in accordance with the Sysmex Way we have established "Our Core Behaviors" which states our promise to our diversity of stakeholders.

Sysmex Way

【Mission】	Shaping the advancement of healthcare.
【Value】	We continue to create unique and innovative values, while building trust and confidence.
【Mind】	With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork

We are heading for social confidence in accordance with Sysmex Way.

2) Target in mid-term plan

We aim to achieve consolidated net sales of ¥220.0 billion and operating income of ¥40.0 billion in the year ending March 31, 2016, the final year of the plan.

3) Mid-term strategy and objectives

As a distinctive global company in the healthcare testing market, the Sysmex Group will develop its business in accordance with three core strategies: Leading Hematology (Undisputed Global Leader in Hematology), Leading in Emerging Markets (Focus on Emerging Markets), and Innovating Life Science. As a result, we aim to maintain our high level of Group growth and further enhance profitability.

Our key objectives in promoting these core strategies are outlined below.

(1) Enhance undisputed leadership position and increase profitability in hematology
(2) Maintain growth rate in urinalysis field and augment our product portfolio
(3) Achieve high level of growth in the field of immunochemistry by rapidly developing business in Asia
(4) Achieve sustained growth by reinforcing our product portfolio in the hemostasis field
(5) Accelerate commercialization in the OSNA business and lab assay business*1
(6) Strengthen global R&D initiatives to contribute to personalized medicine and integrate therapy with diagnostics
(7) Achieve increases in efficiency and profitability through global supply chain management reforms, and enhance system to provide a stable supply of products by expanding factories
(8) Reinforce global regulatory affairs structure to enable flexible response to fast-changing regulations
(9) Recruit and train personnel to accelerate business structure reform
(10) Prepare for IFRS application, and realize business process alignment and visualization through BPM*2 initiatives

*1: Provision of laboratory testing results as services

*2: Business process management

Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Mar. 31, 2013 Amount	As of Mar. 31, 2013 %	As of Mar. 31, 2014 Amount	As of Mar. 31, 2014 %	Increase or Decrease Amount
(Assets)					
Ⅰ Current assets					
Cash and deposits	33,830		36,698		2,868
Notes and accounts receivable-trade	41,254		45,514		4,260
Lease investment assets	3,262		4,640		1,377
Short-term investment securities	627		131		(495)
Merchandise and finished goods	20,317		21,242		924
Work in process	1,472		1,725		253
Raw materials and supplies	4,150		4,351		201
Deferred tax assets	6,029		8,011		1,982
Prepaid expenses	1,342		1,600		258
Short-term loans receivable	43		1		(42)
Others	2,603		2,793		189
Allowance for doubtful accounts	(523)		(889)		(366)
Total current assets	114,411	66.1	125,823	59.7	11,411
Ⅱ Noncurrent assets					
Property, plant and equipment					
Buildings and structures	31,216		32,756		
Accumulated depreciation	(12,563)		(13,900)		
Buildings and structures, net	18,652		18,855		202
Machinery, equipment and vehicles	8,314		9,460		
Accumulated depreciation	(5,221)		(6,225)		
Machinery, equipment and vehicles, net	3,102		3,235		132
Tools, furniture and fixtures	33,854		42,687		
Accumulated depreciation	(21,501)		(27,542)		
Tools, furniture and fixtures, net	12,353		15,145		2,791
Land	10,023		11,264		1,240
Lease assets	2,820		2,536		
Accumulated depreciation	(2,295)		(1,940)		
Lease assets, net	525		595		70
Construction in progress	821		4,678		3,856
Total Property, plant and equipment	45,478	26.3	53,774	25.5	8,295
Intangible assets					
Goodwill	1,790		13,115		11,325
Software	4,654		5,969		1,314
Others	440		4,773		4,333
Total Intangible assets	6,885	4.0	23,858	11.3	16,972
Investments and other assets					
Investment securities	4,035		4,672		637
Long-term loans receivable	14		13		(1)
Long-term prepaid expenses	323		353		30
Net defined benefit assets	—		13		13
Others	1,739		2,121		381
Deferred tax assets	125		132		7
Allowance for doubtful accounts	(3)		(3)		—
Total Investments and other assets	6,234	3.6	7,303	3.5	1,069
Total Noncurrent assets	58,599	33.9	84,935	40.3	26,336
Total assets	173,010	100.0	210,758	100.0	37,747

(Note) fractions of one million yen are rounded off

(Unit: Millions of Yen)

Items	As of Mar. 31, 2013		As of Mar. 31, 2014		Increase or Decrease
	Amount	%	Amount	%	Amount
(Liabilities)					
I Current liabilities					
Notes and accounts payable-trade	14,832		13,263		(1,568)
Short-term loans payable	3		1,050		1,047
Current portion of lease obligations	53		57		3
Income taxes payable	3,982		7,699		3,716
Deferred tax liabilities	6		8		1
Accrued expenses	5,598		7,115		1,516
Provision for bonuses	4,043		5,047		1,004
Provision for directors' bonuses	265		269		4
Provision for product warranties	175		291		116
Others	16,462		19,205		2,743
Total current liabilities	45,424	26.2	54,010	25.6	8,585
II Noncurrent liabilities					
Long-term loans payable	1		105		103
Lease obligations	245		251		5
Deferred tax liabilities	3,074		6,078		3,003
Provision for retirement benefits	1,747		–		(1,747)
Provision for directors' retirement benefits	160		102		(57)
Net defined benefit liabilities	–		631		631
Others	3,203		3,329		125
Total Noncurrent liabilities	8,432	4.9	10,498	5.0	2,065
Total liabilities	53,857	31.1	64,508	30.6	10,651
(Net assets)					
I Shareholders' equity					
Capital stock	9,711		10,243		531
Capital surplus	14,651		15,183		531
Retained earnings	93,947		109,976		16,029
Treasury stock	(259)		(270)		(10)
Total shareholders' equity	118,050	68.3	135,133	64.1	17,082
II Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	708		1,134		426
Foreign currency translation adjustment	41		8,652		8,611
Remeasurements of defined benefit plans	–		836		836
Total accumulated other comprehensive income	749	0.4	10,623	5.1	9,874
III Subscription rights to shares	353	0.2	493	0.2	140
IV Minority interests	0	0.0	0	0.0	(37)
Total net assets	119,153	68.9	146,250	69.4	27,096
Total liabilities and net assets	173,010	100.0	210,758	100.0	37,747

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2013 Amount	%	Year ended Mar. 31, 2014 Amount	%	Increase or Decrease Amount
Ⅰ Net sales	145,577	100.0	184,538	100.0	38,960
Ⅱ Cost of sales	56,582	38.9	68,814	37.3	12,231
Gross profit	88,995	61.1	115,723	62.7	26,728
Ⅲ Selling, general and administrative expenses	67,190	46.1	82,852	44.9	15,661
Operating income	21,804	15.0	32,870	17.8	11,066
Ⅳ Non-operating income					
Interest income	122		170		47
Dividends income	55		58		3
Subsidy income	178		129		(48)
Foreign exchange gains	814		410		(403)
Others	162		333		170
Total non-operating income	1,334	0.9	1,103	0.6	(230)
Ⅴ Non-operating expenses					
Interest expense	59		41		(18)
Sales discounts	40		40		0
Equity in losses of affiliates	23		30		6
Others	38		80		41
Total non-operating expenses	161	0.1	191	0.1	29
Ordinary income	22,976	15.8	33,782	18.3	10,805
Ⅵ Extraordinary profits					
Gain on sales of noncurrent assets	12		10		(2)
Gain on sales of investment securities	−		0		0
Insurance income	−		246		246
Gain on reversal of subscription rights to shares	10		0		(9)
Gain on reversal of asset retirement obligation	−		8		8
Total extraordinary profits	23	0.0	266	0.1	243
Ⅶ Extraordinary loss					
Loss on sales and retirement of noncurrent assets	338		204		(134)
Impairment loss	−		231		231
Loss on valuation of investment securities	−		46		46
Loss on membership cancellation	1		−		(1)
Loss on valuation of membership	41		−		(41)
Loss on transport accident	−		116		116
Total extraordinary loss	381	0.3	598	0.3	216
Income before income taxes and minority interest	22,618	15.5	33,451	18.1	10,832
Income taxes-current	8,184		13,734		5,550
Income taxes-deferred	253		(857)		(1,110)
Total income taxes	8,437	5.8	12,877	7.0	4,439
Income before minority interests	14,181	9.7	20,573	11.1	6,392
Minority interest	15	0.0	0	0.0	(15)
Net income	14,165	9.7	20,573	11.1	6,408

(Note) fractions of one million yen are rounded off

Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2013	Year ended Mar. 31, 2014
Income before minority interests	14,181	20,573
Other comprehensive income		
Valuation difference on available-for-sale securities	281	426
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	5,190	8,611
Total other comprehensive income	5,472	9,037
Comprehensive income	19,653	29,611
Comprehensive income attributable to owners of the parent	19,625	29,611
Comprehensive income attributable to minority interests	28	(0)

(Note) fractions of one million yen are rounded off

Consolidated Statements of Changes in Net Assets

Year ended March 31,2013

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	9,187	14,127	83,484	(255)	106,543
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	524	524			1,048
Dividends from surplus			(3,703)		(3,703)
Net income			14,165		14,165
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during the period	524	524	10,462	(4)	11,507
Balance at end of term	9,711	14,651	93,947	(259)	118,050

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of term	426	(0)	(5,136)	(4,709)	546	122	102,502
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares							1,048
Dividends from surplus							(3,703)
Net income							14,165
Purchase of treasury stock							(4)
Disposal of treasury stock							—
Net changes of items other than shareholders' equity	281	0	5,177	5,459	(193)	(122)	5,143
Total changes of items during the period	281	0	5,177	5,459	(193)	(122)	16,650
Balance at end of term	708	—	41	749	353	0	119,153

(Note) fractions of one million yen are rounded off

Year ended March 31,2014

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at begininng of term	9,711	14,651	93,947	(259)	118,050
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	531	531			1,062
Dividends from surplus			(4,544)		(4,544)
Net income			20,573		20,573
Purchase of treasury stock				(10)	(10)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	531	531	16,029	(10)	17,082
Balance at end of term	10,243	15,183	109,976	(270)	135,133

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of term	708	41	－	749	353	0	119,153
Changes of items during the period							
Issuance of new shares-exercise of subscription rights to shares							1,062
Dividends from surplus							(4,544)
Net income							20,573
Purchase of treasury stock							(10)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	426	8,611	836	9,874	140	(0)	10,014
Total changes of items during the period	426	8,611	836	9,874	140	(0)	27,096
Balance at end of term	1,134	8,652	836	10,623	493	0	146,250

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Year ended Mar. 31, 2013	Year ended Mar. 31, 2014	Increase or Decrease
Ⅰ Net cash provided by (used in) operating activities			
Income before income taxes	22,618	33,451	10,832
Depreciation and amortization	7,945	9,960	2,015
Impairment loss	－	231	231
Amortization of goodwill	866	1,435	568
Increase (decrease) in provision for bonuses	259	723	464
Increase (decrease) in provision for directors' bonuses	17	4	(12)
Increase (decrease) in provision for retirement benefits	453	(1,803)	(2,256)
Increase (decrease) in provision for directors' retirement benefits	－	(57)	(57)
Increase (decrease) in allowance for doubtful accounts	114	251	136
Increase (decrease) in net defined benefit liability	－	1,895	1,895
Interest and dividends income	(178)	(229)	(51)
Interest expenses	59	41	(18)
Equity in (earnings) losses of affiliates	23	30	6
Loss (gain) on valuation of investment securities	－	46	46
Loss on retirement of noncurrent assets	338	204	(134)
Insurance income	－	(246)	(246)
Loss on transport accident	－	116	116
Decrease (increase) in notes and accounts receivable-trade	(2,424)	713	3,137
Decrease (increase) in inventories	(2,818)	1,644	4,462
Increase (decrease) in notes and accounts payable-trade	2,431	(2,936)	(5,368)
Increase (decrease) in consumption taxes payable (receivable)	72	93	20
Others	3,150	780	(2,369)
Subtotal	32,929	46,348	13,419
Interest and dividends received	172	217	44
Interest expenses paid	(42)	(15)	26
Insurance received	－	246	246
Income taxes paid	(7,253)	(10,232)	(2,979)
Net cash provided by (used in) operating activities	25,806	36,563	10,757
Ⅱ Net cash provided by (used in) investment activities			
Payments into time deposits	(16)	(146)	(130)
Proceeds from withdrawal of time deposits	18	84	66
Purchase of property, plant and equipment	(9,608)	(13,282)	(3,674)
Proceeds from sales of property, plant and equipment	81	268	187
Purchase of intangible assets	(2,203)	(3,812)	(1,609)
Purchase of investments in subsidiaries	(357)	(16,643)	(16,286)
Others	(439)	(407)	31
Net cash provided by (used in) investment activities	(12,524)	(33,940)	(21,415)
Ⅲ Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	－	854	854
Repayments of long-term loans payable	(5)	(12)	(6)
Repayments of lease obligations	(269)	(62)	206
Proceeds from issuance of common stock	865	877	11
Purchase of treasury stock	(4)	(10)	(5)
Cash dividends paid	(3,703)	(4,544)	(841)
Net cash provided by (used in) financing activities	(3,116)	(2,897)	218
Ⅳ Effect of exchange rate change on cash and cash equivalents	2,303	2,514	211
Ⅴ Net increase (decrease) in cash and cash equivalents	12,468	2,240	(10,227)
Ⅵ Cash and cash equivalents at beginning of term	21,838	34,306	12,468
Ⅶ Cash and cash equivalents at end of term	34,306	36,547	2,240

(Note) fractions of one million yen are rounded off

Segment Information

Information on sales and income, identifiable assets, and other items by segment reported

For the year ended March 31,2013

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliation	Consolidated
Sales								
Outside sales	42,970	29,702	39,435	24,425	9,043	145,577	—	145,577
Intersegment sales	45,196	2	483	5	166	45,854	(45,854)	—
Total sales	88,167	29,704	39,919	24,430	9,210	191,432	(45,854)	145,577
Segment income	11,939	2,128	5,799	2,383	1,055	23,306	(1,501)	21,804
Segment assets	99,945	25,471	35,255	19,062	8,502	188,237	(15,226)	173,010
Other items								
Depreciation	4,463	1,256	2,348	202	539	8,811	(866)	7,945
Amortization of goodwill	280	—	579	—	7	866	—	866
Investment to equity-method affiliates	415	—	—	—	—	415	—	415
Increase in property, plant and equipment and intangible assets	6,085	1,957	2,633	327	1,137	12,142	(993)	11,148

Notes:
1. Reconciliation amounts are as follows.
(1) The negative ¥1,501 million reconciliation of segment income includes an ¥224 million elimination of intersegment transactions, a negative ¥1,745 million in inventory adjustments and ¥18 million in adjustments of noncurrent assets.
(2) The negative ¥15,226 million reconciliation of segment assets includes ¥3,104 million of the Company's long-term investment funds (investment securities) and a negative ¥18,331 million in eliminations of receivables among reportable segments.
(3) The negative ¥866 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.
(4) The reconciliation of a negative ¥993 million in investments in property, plant and equipment and intangible assets is an adjustment related to intersegment transactions.
2. Increases in property, plant and equipment and intangible assets include increases in long-term prepaid expenses.

For the year ended March 31,2014

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliation	Consolidated
Sales								
Outside sales	41,758	38,594	53,195	36,258	14,730	184,538	—	184,538
Intersegment sales	62,058	24	785	5	164	63,038	(63,038)	—
Total sales	103,816	38,618	53,981	36,263	14,895	247,576	(63,038)	184,538
Segment income	20,137	2,477	8,604	4,195	1,386	36,800	(3,929)	32,870
Segment assets	100,887	29,743	65,359	23,467	16,198	235,655	(24,896)	210,758
Other items								
Depreciation	4,672	1,841	3,290	267	985	11,056	(1,096)	9,960
Amortization of goodwill	280	—	640	—	514	1,435	—	1,435
Investment to equity-method affiliates	390	—	—	—	—	390	—	390
Increase in property, plant and equipment and intangible assets	10,143	1,857	4,487	164	1,936	18,590	(1,412)	17,178

Notes:
1. Reconciliation amounts are as follows.
(1) The negative ¥3,929 million reconciliation of segment income includes a ¥112 million elimination of intersegment transactions, a negative ¥3,633 million in inventory adjustments and ¥279 million in adjustments of noncurrent assets.
(2) The negative ¥24,896 million reconciliation of segment assets includes ¥3,740 million of the Company's long-term investment funds (investment securities) and a negative ¥28,636 million in eliminations of receivables among reportable segments.
(3) The negative ¥1,096 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.
(4) The reconciliation of a negative ¥1,412 million in investments in property, plant and equipment and intangible assets is an adjustment related to intersegment transactions.
2. Increases in property, plant and equipment and intangible assets include increases in long-term prepaid expenses.