TRANSLATION - FOR REFERENCE ONLY -

JVCKENWOOD

January 31, 2017

Company	JVCKENWOOD Corporation
Representative	Takao Tsuji, President & CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	Shinichiro Nishishita, General Executive, Corporate Communication Division (TEL: 81-45-444-5232)

Partial Revisions to "Accounting Report for the Third Quarter of Fiscal Year Ending March 2015"

JVCKENWOOD Corporation hereby announces that it has partially corrected the "Accounting Report for the Third Quarter of Fiscal Year Ending March 2015."

1. Background and Reason for Corrections

For the details and reason for the corrections, please refer to the "Notice Regarding Corrections to Earnings Results of the Company" released on January 31, 2017.

2. Details of Corrections

Corrected parts are underlined. Please note that corrections have been made to numerous items, and therefore only corrected figures are provided in this document.

TRANSLATION - FOR REFERENCE ONLY -

JVCKENWOOD

January 30, 2015

Company: JVC KENWOOD Corporation
Representative: Haruo Kawahara, Chairman and CEO
(Code: 6632; First Section of the Tokyo Stock Exchange)
Contact: Seiichi Tamura, Director of the Board and
Chief Strategy Officer (CSO)
(Tel: +81-45-444-5232)
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Accounting Report for the Third Quarter of Fiscal Year Ending March 2015 (April 1, 2014 – December 31, 2014)

Consolidated Financial Highlights for the Third Quarter of Fiscal Year Ending March 2015 (April 1, 2014 – December 30, 2014)

Operating Results (Millions of yen, except net income per share)

	First Nine Months of FYE 3/2015 April 1, 2014 to December 31, 2014	First Nine Months of FYE 3/2014 April 1, 2013 to December 31, 2013
Net sales	206,943	230,296
Operating income (loss)	2,619	(1,546)
Ordinary income (loss)	264	(4,402)
Net income (loss)	(511)	(5,570)
Net income (loss) per share	(3.69)yen	(40.17)yen

FYE: Fiscal year ended / ending

Net Sales and Operating Income by Business Segments (Millions of yen)

Business Segment		First Nine Months of FYE 3/2015	First Nine Months of FYE 3/2014	Year-on-year comparison
Car Electronics	Net sales	87,926	89,990	(2,064)
	Operating income (loss)	687	(2,282)	+2,970
Professional Systems	Net sales	60,112	63,263	(3,151)
	Operating income (loss)	1,080	971	+109
Optical & Audio	Net sales	33,111	45,360	(12,249)
	Operating income (loss)	394	(331)	+726
Entertainment Software	Net sales	21,234	22,975	(1,741)
	Operating income (loss)	456	794	(338)
Others	Net sales	4,565	8,707	(4,142)
	Operating income (loss)	(0)	(698)	+698
Intersegment Sales or Transfer	Net sales	(7)	(1)	(6)
Total	Net sales	206,943	230,296	(23,353)
	Operating income (loss)	2,619	(1,546)	+4,166
	Ordinary income (loss)	264	(4,402)	+4,667
	Net income (loss)	(511)	(5,570)	+5,059

Major Products in Each Segment

Car Electronics	Car Audio, Car AV Systems, Car Navigation Systems, CD and DVD Mechanism for Car-mounted Equipment, Home Audio, Optical Pickups for Car-mounted Equipment
Professional Systems	Land Mobile Radio Equipment, Video Surveillance Equipment, Audio Equipment, Video Equipment, Professional Display Equipment, Medical Display Equipment
Optical & Audio	Camcorders, AV Accessories, Projectors, Displays
Entertainment Software	Planning, Production and Sales of Audio and Video Content including CDs and DVDs, Production and Sales of CDs and DVDs (prerecorded)
Others	Radio Frequency ID Systems, Other Electronic Devices, Recording Media, Interior Furniture, etc.

1. Qualitative Information on 3Q Consolidated Operating Results

(1) Qualitative Information Concerning Consolidated Operating Results

(Overview of the third quarter of the fiscal year under review)

During the first nine months of the fiscal year under review, the US economy continued to show growth in consumer spending and corporate capital investment, while the Europe's economy remained sluggish and those of China and other emerging countries saw growth slow. Regarding Japan's economy, although corporate earnings and capital expenditures have been on upward trends against the backdrop of an improved export environment, consumer spending signaled weakness due to falling consumer confidence, leaving the overall economy in a challenging situation.

Under these circumstances, net sales of the JVCKENWOOD Group for the first nine months of the fiscal year under review declined from a year earlier, due mainly to the disposals of some businesses. On the other hand, operating results in terms of profit and loss improved significantly from the previous fiscal year, with a return to profitability. This was mainly attributed to the favorable impacts of business restructuring such as overall cost reform and sales reforms undertaken since the third quarter of the previous fiscal year. In addition, the Group made efforts to reduce fixed costs by carrying out structural reforms in the previous fiscal year, and positive effects have steadily emerged in operating results since the first quarter of the fiscal year under review.

The following profit-and-loss exchange rates were used when preparing the financial statements for the first nine months of the fiscal year under review.

		1st Quarter	2nd Quarter	3rd Quater	First nine months
Profit-and-loss	US dollar	About 102 yen	About 104 yen	About 114 yen	About 107 yen
exchange rate	Euro	About 140 yen	About 138 yen	About 143 yen	About 140 yen
FY2014	US dollar	About 99 yen	About 99 yen	About 100 yen	About 99 yen
(for reference)	Euro	About 129 yen	About 131 yen	About 137 yen	About 132 yen

*Net Sales

Net sales for the first nine months of the fiscal year under review declined by about 23,400 million yen, or 10.1%, year-on-year to 206,943 million yen.

The OEM Business posted an increase in sales of dealer option products, which was driven mainly by new orders and Shinwa International Holdings Limited (hereinafter, referred to as "Shinwa"), a company that was converted into a consolidated subsidiary in June 2013, which performed strongly and made a substantial contribution throughout the entire nine months of the fiscal year under review. However, the OEM Business was hit severely by a drop in sales of genuine products due to a slump in market demand, resulting in a decline in overall net sales in the Car Electronics Segment. In the Professional System Segment, the Communications Business posted an increase in net sales. This was mainly attributable to a rebound in sales of professional-use wireless terminals in North America, the largest market, as well as sales revenue added by EF Johnson Technologies, Inc. (hereinafter, referred to as "EFJT"), a company that was converted into a consolidated subsidiary in March 2014. However, these encouraging results were largely offset by the negative impacts of the sale of all shares of Kenwood Geobit Corporation (hereinafter, referred to as "Geobit") in March 2014. Geobit had operated primarily as a seller of mobile phone devices and was disposed of in line with the corporate strategy of focusing on core businesses. As a result, net sales in the Professional System Segment overall declined. The Optical & Audio Segment posted a significant decline in net sales as a result of product refinements and other business reforms conducted in the Creation (former Imaging) Business in response to the sharp contractions of both domestic and overseas markets for consumer-use camcorder products. Net sales in the Entertainment Software Segment also dropped, which was attributable to the downturn in sales of the content business, having been adversely affected by the postponement of the release of some major products and changes in the compositions of products. Furthermore, the transfer of shares of JVC America, Inc. (hereinafter, referred to as "JAI") in the U.S., which was executed in the first quarter of the fiscal year under review, resulted in a significant decline in the net sales of other business segments.

*Operating Income

Operating income for the first nine months of the fiscal year under review increased by about 4,200 million yen year-on-year to 2,619 million yen, with the return to a surplus from the deficit recorded in the same period of the previous fiscal year. We are seeing positive effects as a consequence of business reforms such as cost-cutting activities and sales reforms carried out from the third quarter of the previous fiscal year. In addition, reduced fixed costs resulting from structural reforms executed in the previous fiscal year have favorably impacted operating results since the first quarter of the fiscal year under review. These corporate initiatives and measures contributed to the turnaround in operating results from a deficit to a profit.

Operating results in the Car Electronics Segment improved significantly, marking a return to an operating profit from the operating loss posted in the previous fiscal year. The big swing to profitability was mainly attributed to a strong recovery of the Consumer Business, as a result of business reforms that have been undertaken since the third quarter of the previous fiscal year, as well as the favorable effects of converting Shinwa into a consolidated subsidiary. The Optical & Audio Segment also posted a surplus, backed by a significant improvement in the Creation

(former Imaging) Business as a result of business reforms.
Operating income for the third quarter of the fiscal year under review increased by about 900 million yen year-on-year to 1,404 million yen, and all business segments achieved profitability.

*Ordinary Income

Ordinary income for the first nine months of the fiscal year under review increased by about 4,700 million yen year-on-year to 264 million yen with a swing to profitability from the loss posted in the previous fiscal year. The upturn in ordinary income was mainly attributed to a significant boost in operating income, as well as the improvement in non-operating profit or loss, as a result of factors such as reduced commissions for borrowings and a decline in interest payments.

*Quarterly Net Income

Net income for the first nine months of the fiscal year under review increased by about 5.1 billion yen year-on-year to post a net loss of 551 million yen. The significant improvement in net income was due to a substantial increase in ordinary income, as well as a non-recurring adjustment of income tax-deferred of about 3.5 billion yen posted as profit arising from the booking of deferred tax assets with the integration with the U.S. subsidiary. These positive factors offset an extraordinary loss of about 1.1 billion yen, resulting from the transfer of JAI shares executed in the first quarter of the fiscal year under review. For details on the booking of deferred tax assets, refer to the announcement in the “Notice on Posting of Deferred Tax Assets and Revision of Earnings Forecast,” released on January 30, 2015.

(Net Sales and Profits and Losses by Business Segment)

Effective November 1, 2014, JVCKENWOOD also implemented organizational changes focused on the reform of the Home Business and the bolstering of the OEM Business. To be consistent with the organizational changes, business reports by segment of operating results have been revised starting from the third quarter of the fiscal year under review. The major changes are as follows:
The Home Audio Business and Car Device Business which had been under the Optical & Audio Segment were transferred to the Car Electronics Segment. The professional-use Camcorder Business which had belonged to the Professional Systems Segment has been placed under the Optical & Audio Segment to be combined with the Consumer-use Camcorder Business. Part of the development function of the Camcorder Business which had been under the Other Segment has been integrated into the Optical & Audio Segment.
Parts of development and production of the Professional Systems Segment that had been reported to the Optical & Audio Segment have been transferred to the Professional Systems Segment so that development, production and sales have become consolidated. These changes have resulted in a reduction in inter-segment sales and transfer amount, compared with the previous reporting structure.
Disclosed segment information for the first nine months of the previous fiscal year reflects those after the organizational change.
Aggregate operating income (loss) by business segment is consistent with the operating income (loss) in the quarterly consolidated income statements.
Net sales include inter-segment sales and transfers.

First nine months of the fiscal year ending March 31, 2015 (From April 1, 2014 to December 31, 2014)

(Unit: Million yen)

Business Segment		First nine months of FYE3/’15	First nine months of FYE3/’14	YoY comparison
Car Electronics Segment	Net sales	87,926	89,990	(2,064)
	Operating income	687	(2,282)	+2,970
Professional Systems Segment	Net sales	60,112	63,263	(3,151)
	Operating income	1,080	971	+109
Optical & Audio Segment	Net sales	33,111	45,360	(12,249)
	Operating income	394	(331)	+726
Entertainment Software Segment	Net sales	21,234	22,975	(1,741)
	Operating income	456	794	(338)
Others	Net sales	4,565	8,707	(4,142)
	Operating income	(0)	(698)	+698
Inter-segment elimination	Net sales	(7)	(1)	(6)
Total	Net sales	206,943	230,296	(23,353)
	Operating income	2,619	(1,546)	+4,166
	Ordinary income	264	(4,402)	+4,667
	Net income	(511)	(5,570)	+5,059

*Car Electronics Segment

Net sales in the Car Electronics Segment for the first nine months of the fiscal year under review declined by about 2,100 million yen, or 2.3% year-on-year, to 87,926 million yen, while operating income increased by about 3,000 million yen year-on-year to 687 million yen, marking a return to a surplus from the deficit posted in the previous fiscal year.

Net sales:
In the Consumer Business, sales of Saisoku-Navi, an SSD-type AV car navigation system, were negatively impacted by a decline in demand as a subsequent reaction to last-minute demand before a consumption tax hike in the domestic market, while in overseas markets, sales in the U.S. and Asia marked strong performance. As a result, net sales of the Consumer Business matched the results of the same period in the previous fiscal year.
The OEM Business posted an increase in net sales, due largely to a strong contribution by Shinwa, a consolidated subsidiary that was incorporated in June 2013, improving net sales for the entire nine months of the fiscal year under review. These favorable results compensated for declining sales of genuine products for automobile makers, such as an SSD-type of AV car navigation system for automobile manufactures and CD/DVD mechanism for car equipment.
The Home Audio Business was transferred from the Optical & Audio Segment on November 1, 2014, and its net sales dropped significantly due mainly to struggling sales of low-end products.

Operating Income:
The OEM Business saw swelling losses due to an increase in development costs invested in next-generation businesses. The Home Audio Business also faced worsening losses due to the sales downturn. The Consumer Business marked a significant improvement as a result of business reforms underway since the third quarter of the previous fiscal year, with a swing to operating profit from the deficit posted in the previous fiscal year.

*Professional Systems Segment

Net sales in the Professional System Segment for the first nine months of the fiscal year under review declined by about 3,200 million yen, or 5.0% year-on-year, to 60,112 million yen, due largely to the disposal of Geobit, which was worth about 9,400 million yen, although strong operating performance mainly led by the Communications Business significantly boosted sales. Operating income increased by about 100 million yen, or 11.2% year-on-year to 1,080 million yen.

Net Sales:
The Communication Business logged an increase in net sales, which was mainly attributable to a rebound in sales of professional-use wireless terminals on the back of growing private-sector demand in North America, the largest market, and new revenue contributed by EFJT, a consolidated subsidiary incorporated into the Group in March 2014. In the Professional System Business, declining sales in overseas markets were covered by brisk sales in domestic markets. As a result, overall net sales matched the results in the same period of the previous fiscal year. The Healthcare Business, which primarily handles information equipment, was transferred from Totoku Electric Co., Ltd. in July 2013, and recorded an increase in net sales from revenue posted for the entire nine months of the fiscal year under review.

Operating Income:
Operating income of the Communications Business was higher than in the same period of the previous fiscal year. The regaining of sales momentum of radio communications system handled by Zetron, Inc. and professional-use wireless terminals in North America, on the back of growing demand in private-sector markets, largely contributed to the improved operating results. The Professional System Business achieved a large reduction in its operating loss as a result of structural reforms executed in the previous fiscal year.

*Optical & Audio Segment

Net sales in the Optical &Audio Segment for the first nine months of the fiscal year under review declined by about 12,200 million yen, or 27.0% year-on-year to 33,111 million yen, while operating income increased by about 700 million yen to 394 million yen with a swing to profitability from operating loss recorded in the same period of the previous fiscal year.

Net Sales:
The Creation (former Imaging) Business posted a substantial decline in net sales, due largely to a consolidation of its product lineup, as a business-reform measure, which was undertaken in response to significant contractions of both domestic and overseas markets for consumer camcorder products.
The Imaging Optical Business marked a significant fall in net sales because of declining sales of high-definition of 4K models in the projector field.
In the AV Accessory Business, declining sales in overseas markets were covered by increased sales in domestic markets, and overall net sales matched the results in the same period of the previous fiscal year.

Operating Income:
The operating performance of the Creation (former Imaging) Business improved as a result of business reforms conducted from the third quarter of the previous fiscal year. Consequently, the Business posted earnings for the third quarter of the fiscal year under review, with an operating profit recorded for two consecutive quarters and a swing to a surplus for the first nine months of the fiscal year under review.
The Image & Optical Device Business posted a significant decline in operating income because net sales fell. The AV Accessory Business also recorded a decline in operating income, due mainly to changes in product mix caused by intensifying competition in the U.S. market.

*** Entertainment Software Segment**
Net sales in the Entertainment Software Segment for the first nine months of the fiscal year under review declined by about 1,700 million yen, or 7.6% year-on-year, to 21,234 million yen, while operating income fell by 300 million yen, or 42.6% year-on-year, to 456 million yen.

Net Sales:
The Content Business marked a decline in net sales, due largely to the postponed release of major titles and changes to the compositions of titles. Net sales of the OEM Business fell, mainly because of a decrease in the number of products entrusted from external parties due to changes in the market environment and other factors.

Operating Income:
Operating income of both the Content Business and the OEM Business declined due to a decrease in net sales.
The following were our major hits during the third quarter of the fiscal year under review. For our major hits during the first and second quarters, refer to "Accounting Report for the First Quarter of Fiscal Year Ending March 2015 (April 1, 2014 - June 30, 2014)" announced on July 31, 2014 and "Accounting Report for the First Half of Fiscal Year Ending March 2015 (April 1,2014 - September 30, 2014)" announced on October 31, 2014 respectively.

[Major big hits of Victor Entertainment]
・"Mr. S saikou de saikou no CONCERT TOUR," BD&DVD from SMAP
・"MIETA," an album from Kaera Kimura
・"Silly," a single from Reo Ieiri
・"Boys!" an album from THE BAWDIES

[Major big hits of Teichiku Entertainment]
・"Waremoko-Utsuriyuku Hibi," a single from Miyuki Kawanaka
・"Kitano Koshu," a single from Joji Yamamoto
・"Utano Homare Shiro," an album from Dohatsuten
・"BACK TO MELLOW," an album and "SONG COMPOSITE SPECIAL IN NIHONBASHI," DVD from Yuji Nakada

(2) Qualitative Information Concerning Financial Position
(Analysis of assets, liabilities, net assets, etc.)

*Assets
Total assets rose by about 1,300 million yen from the end of the previous fiscal year to 268,679 million yen. While cash and deposits balances declined following repayments of bank loans, and balances in notes and accounts receivable fell, inventory assets such as merchandize and products increased, boosting total assets.

*Liabilities
Total liabilities declined by about 9,100 million yen from the end of the previous fiscal year to 198,027 million yen. This was due to a decline in other accounts payable associated with payments of employment structural reform expenses carried out in the previous fiscal year and repayments of bank loans.
Interest-bearing debts (sum of loans payable and bonds payable) decreased by 8,000 million yen from the end of the previous fiscal year to 73,674 million yen.
Net debts (amount obtained by subtracting cash and deposits from interest-bearing debts) declined by about 900 million yen from the end of the previous fiscal year to 25,555 million yen.

*Net Assets
Retained earnings for the first nine months of the fiscal year under review decreased by about 700 million yen from the end of the previous fiscal year to 17,113 million yen, due mainly to the recording of a net loss for the third quarter of the fiscal year under review. Total shareholders' equity also declined by 700 million yen from the end of the previous fiscal year to 72,451 million yen.
Total net assets increased by about 10,400 million yen from the end of the previous fiscal year to 70,651 million yen. Although shareholders' equity decreased, the value of the Japanese yen against the U.S. dollar, the euro, and other

major currencies declined from the end of the previous fiscal year, which generated an increase of approximately 9,000 million yen in the foreign currency translation adjustment in relation to the capital contributions to overseas affiliates, and resulted in an increase of total net assets.
The capital adequacy ratio also rose 3.7% from the end of the previous fiscal year to23.2%, due to an increase in net assets.

(Cash Flow Analysis)

*Cash flow from operating activities

Net cash generated by operating activities for the first nine months of the fiscal year under review was 4,828 million yen, reflecting a year-on-year decline of about 2,300 million yen. This was primarily due to a decline in other accounts payable as a result of payments of expenses such as employment structural reform costs made in the previous fiscal year, as well as an increase in inventory assets, in spite of a reduction in the loss before income taxes for the first nine months of the fiscal year under review.

*Cash flow from investing activities

Net cash used for investing activities for the first nine months of the fiscal year under review was 6,800 million yen, reflecting a year-on-year increase of about 700 million yen in cash spent. This was due largely to no inflows from purchases of shares of subsidiaries and affiliates in conjunction with the change in the scope of consolidation and an increase in cash used for the purchase of investment securities.

*Cash flow from financing activities

Net cash used by financing activities for the first nine months of the fiscal year under review was 8,681 million yen, reflecting a year-on-year increase of about 3,700 million yen in cash spent. This was due mainly to repayments of bank loans payable.
The balance of cash and cash equivalents at the end of the third quarter of the fiscal year under review declined by about 9,400 million yen from the end of the previous fiscal year to 47,554 million yen.

(3) Qualitative Information Concerning the Consolidated Earnings Forecast

Operating income for the first nine months of the fiscal year under review marked a year-on-year increase of approximately 4,200 million yen, and all segments returned to profitability except the Other Segment, showing clear signs of improved corporate earnings. This improvement is mainly attributed to the Car Electronics Segment regaining momentum and reductions in fixed costs from structural reforms made in the previous fiscal year, as well as other positive impacts of measures to control costs. These favorable results compensated for declining sales in the Optical & Audio Segment caused by business reforms, which included consolidating its product lineup as a countermeasure to sharp contractions of domestic and overseas markets for consumer camcorder products.
In the coming fourth quarter of the fiscal year under review, we expect continued upward trends in the Car Electronics Segment and the Communications Business, improvements in the Optical & Audio Segment due to a shift from consumer products to professional products, and positive effects from company-wide structural reforms. Accordingly, we have decided not to amend the full-year earnings forecasts for net sales, operating income, and ordinary income announced at the beginning of the fiscal year on April 30, 2014.
Regarding net income for the fiscal year under review, as stated in the “Notice on the Recording of Deferred Tax Assets and the Revision of Earnings Forecast,” announced on January 30, 2015, we have revised the forecast initially announced at the beginning of the fiscal year because of the booking of deferred tax assets arising from the integration of the U.S. subsidiary implemented in the third quarter of the fiscal year under review.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2014)	End of current consolidated third quarter (as of Dec. 31, 2014)
Assets		
Current assets		
Cash and cash equivalents	55,191	48,119
Trade notes and accounts receivable	57,387	52,689
Merchandise and finished goods	22,767	28,425
Work in process	3,414	5,246
Raw materials and supplies	8,406	9,668
Deferred tax assets	3,560	4,091
Other current assets	9,427	9,958
Allowance for doubtful accounts	(1,556)	(1,700)
Total current assets	158,598	156,498
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	13,625	13,481
Machinery and equipment, net	6,871	7,144
Tools, furniture and fixtures, net	4,274	4,369
Land	28,216	27,761
Construction in progress	1,432	1,476
Total property, plant and equipment, net	54,420	54,232
Intangible fixed assets		
Goodwill	10,057	8,151
Software	7,000	7,252
Other intangible fixed assets	4,617	7,410
Total intangible fixed assets	21,675	22,813
Investments and other assets		
Investment securities	3,843	5,376
Net defined benefit asset	24,720	22,781
Other investments	5,193	8,019
Allowance for doubtful accounts	(1,119)	(1,043)
Total investments and other assets	32,637	35,134
Total fixed assets	108,733	112,180
Deferred assets	49	—
Total assets	267,380	268,679

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2014)	End of current consolidated third quarter (as of Dec. 31, 2014)
Liabilities		
Current liabilities		
Trade notes and accounts payable	27,947	31,477
Short-term loans payable	17,310	15,495
Current portion of bonds payable	—	5,912
Current portion of long-term loans payable	9,906	44,165
Other accounts payable	14,462	9,664
Accrued expenses	18,318	18,054
Income taxes payable	1,227	2,658
Warranty reserves	1,742	1,627
Sales return reserves	1,432	1,178
Other current liabilities	8,329	9,013
Total current liabilities	100,676	139,247
Long-term liabilities		
Bonds payable	5,812	—
Long-term loans payable	48,635	8,101
Deferred tax liabilities for land revaluation	1,772	1,772
Deferred tax liabilities	12,979	11,733
Net defined benefit liability	34,166	34,438
Other long-term liabilities	3,112	2,733
Total long-term liabilities	106,479	58,779
Total liabilities	207,156	198,027
Equity		
Shareholders' equity		
Common stock	10,000	10,000
Capital surplus	45,875	45,875
Retained earnings	17,821	17,113
Treasury stock	(537)	(538)
Total shareholders' equity	73,159	72,451
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	205	607
Land revaluation surplus	3,209	3,209
Foreign currency translation adjustments	(13,440)	(4,478)
Remeasurements of defined benefit plans	(11,010)	(9,490)
Total accumulated other comprehensive income	(21,036)	(10,151)
Stock acquisition rights	806	—
Minority interests	7,294	8,351
Total equity	60,224	70,651
Total liabilities and equity	267,380	268,679

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Accumulated period for consolidated third quarter)

(JPY in Million)

	Accumulated period for previous consolidated third quarter (Apr.1, 2013 – Dec.31, 2013)	Accumulated period for current consolidated third quarter (Apr.1, 2014 – Dec.31, 2014)
Net sales	230,296	206,943
Cost of sales	171,737	146,324
Gross profit	58,559	60,619
Selling, general and administrative expenses	60,105	58,000
Operating income(loss)	(1,546)	2,619
Non-operating income		
Interest income	158	122
Dividend income	82	220
Equity in earnings of unconsolidated subsidiaries and associated companies	32	–
Other non-operating income	740	691
Total non-operating income	1,014	1,034
Non-operating expense		
Interest expense	1,634	1,449
Foreign exchange loss	358	726
Borrowing costs	759	135
Other non-operating expenses	1,118	1,077
Total non-operating expense	3,870	3,389
Ordinary income(loss)	(4,402)	264
Extraordinary profit		
Gain on sales of property, plant and equipment	88	115
Gain on sales of investment securities	55	21
Settlement received	541	–
Gain on bargain purchase	640	–
Gain on reversal of stock acquisition rights	–	806
Other extraordinary profit	–	269
Total extraordinary profit	1,326	1,213
Extraordinary loss		
Loss on sales of property, plant and equipment	123	11
Loss on disposal of property, plant and equipment	58	20
Loss on sales of shares in subsidiaries and associated companies	–	1,105
Business structural improvement expenses	236	156
Employment structural improvement expenses	345	475
Other extraordinary loss	66	37
Total extraordinary loss	831	1,806
Loss before income taxes and minority interests	(3,908)	(328)
Income taxes - current	1,044	2,943
Income taxes - deferred	45	(3,527)
Total income taxes	1,090	(584)
Net income(loss) before minority interests	(4,998)	256
Minority interests in net income	572	768
Net loss	(5,570)	(511)

(Consolidated Statements of Comprehensive Income)

(JPY in Million)

	Accumulated period for previous consolidated third quarter (Apr.1, 2013 - Dec.31, 2013)	Accumulated period for current consolidated third quarter (Apr.1, 2014 – Dec.31, 2014)
Net income(loss) before minority interests	(4,998)	256
Other comprehensive income		
Unrealized gain on available-for-sale securities	176	390
Foreign currency translation adjustments	6,933	10,010
Remeasurements of defined benefit plans	―	1,520
Share of other comprehensive income of unconsolidated subsidiaries and associated companies accounted for by the equity method	(579)	―
Total other comprehensive income	6,530	11,921
Comprehensive income	1,532	12,177
Total comprehensive income attributable to:		
Owners of the parent	584	10,373
Minority interests	947	1,804

(3) Quarterly Consolidated Statement of Cash Flows

(JPY in Million)

	Accumulated period for previous consolidated third quarter (Apr.1, 2013 – Dec.31, 2013)	Accumulated period for current consolidated third quarter (Apr.1, 2014 – Dec.31, 2014)
Cash flows from operating activities		
Loss before income taxes and minority interests	(3,908)	(328)
Depreciation	8,383	7,778
Amortization of goodwill	245	397
Increase in liability for retirement benefits	2,640	—
Increase in net defined benefit liability	—	3,714
Increase in net defined benefit asset	—	(1,747)
Decrease in allowance for doubtful accounts	(63)	(109)
Interest and dividend income	(241)	(342)
Interest expense	1,634	1,449
Gain on sales of investment securities	(55)	(21)
Loss on sales of shares in subsidiaries and associated companies	—	1,105
Gain on reversal of stock acquisition rights	—	(806)
Equity in earnings of unconsolidated subsidiaries and associated companies	(32)	—
Loss on disposal of property, plant and equipment	58	20
(Gain) loss on sales of property, plant and equipment	34	(104)
Decrease in trade notes and accounts receivable	9,321	7,088
(Increase) decrease in inventories	4,407	(5,920)
Increase (decrease) in trade notes and accounts payable	(7,094)	1,166
Decrease in other accounts payable	(1,268)	(4,854)
Decrease in accrued expenses	(3,633)	(1,360)
Other, net	(1,189)	193
Sub-total	9,240	7,319
Interest and dividend received	241	342
Interest paid	(1,450)	(1,283)
Income taxes paid	(879)	(1,549)
Net cash provided by operating activities	7,151	4,828
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,024)	(3,517)
Proceeds from sales of property, plant and equipment	503	576
Purchase of intangible fixed assets	(3,380)	(3,085)
Purchase of investment securities	(114)	(960)
Proceeds from sales of investment securities	90	22
Proceeds from purchases of investments in subsidiaries resulting in change of scope of consolidation	1,424	—
Proceeds from sales of investments in subsidiaries resulting in change of scope of consolidation	—	567
Payments for absorption-type company split resulting in change of scope of consolidation	(563)	—
Other, net	(63)	(404)
Net cash used in investing activities	(6,127)	(6,800)

(JPY in Million)

	Accumulated period for previous consolidated third quarter (Apr.1, 2013 – Dec.31, 2013)	Accumulated period for current consolidated third quarter (Apr.1, 2014 – Dec.31, 2014)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	4,808	(1,979)
Proceeds from long-term loans payable	47,562	2,500
Repayment of long-term loans payable	(49,079)	(8,813)
Redemption of bonds	(6,000)	—
Cash dividends paid	(693)	—
Other, net	(1,601)	(388)
Net cash used in financing activities	(5,003)	(8,681)
Effect of exchange rate changes on cash and cash equivalents	3,395	3,470
Net decrease in cash and cash equivalents	(584)	(7,183)
Cash and cash equivalents at beginning of year	57,526	54,737
Cash and cash equivalents at end of quarter	56,941	47,554