TRANSLATION - FOR REFERENCE ONLY -

JVCKENWOOD

April 28, 2015

Company:	JVC KENWOOD Corporation
Representative:	Haruo Kawahara, Chairman and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
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Accounting Report for the Fiscal Year Ended March 2015 (April 1, 2014 - March 31, 2015)

Consolidated Financial Highlights for the Fiscal Year Ended March 2015 (April 1, 2014 – March 31, 2015)

Operating Results

(Millions of yen, except net income per share)

	FYE 3/2015 April 1, 2014 to March 31, 2015	FYE 3/2014 April 1, 2013 to March 31, 2014	Year-on-year comparison (%)
Net sales	285,010	316,343	(9.9)
Operating income (loss)	6,570	4,421	48.6
Ordinary income (loss)	3,176	(70)	-
Net income (loss)	4,654	(6,571)	-
Net income (loss) per share	33.56 yen	(47.39) yen	-

FYE: Fiscal year ended / ending

Net Sales and Operating Income by Business Segments

(Millions of yen)

Business Segment		FYE 3/2015 April 1, 2014 to March 31, 2015	FYE 3/2014 April 1, 2013 to March 31, 2014	Year-on-year comparison
Car Electronics	Net sales	120,745	124,770	(4,025)
	Operating income (loss)	1,347	(38)	+1,385
Professional Systems	Net sales	85,265	90,236	(4,971)
	Operating income (loss)	3,259	3,950	(691)
Optical & Audio	Net sales	43,355	58,900	(15,545)
	Operating income (loss)	878	60	+818
Entertainment Software	Net sales	29,832	31,382	(1,550)
	Operating income (loss)	1,002	1,276	(274)
Others	Net sales	5,820	11,057	(5,237)
	Operating income (loss)	82	(827)	+909
Intersegment Sales or Transfer	Net sales	(10)	(4)	(6)
Total	Net sales	285,010	316,343	(31,333)
	Operating income (loss)	6,570	4,421	+2,149
	Ordinary income (loss)	3,176	(70)	+3,246
	Net income (loss)	4,654	(6,571)	+11,225

Forecast for the Fiscal Year Ending March 2016

(Millions of yen)

	FYE 3/2016	FYE 3/2015	Year-on-year comparison (%)
	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015	
Net sales	300,000	285,010	5.3
Operating Income (loss)	8,000	6,570	21.8
Ordinary income (loss)	4,500	3,176	41.7
Net income (loss)	2,000	4,654	(57.0)

Paying Dividends

(yen)

	Annual dividend
FYE 3/2014	0.00
FYE 3/2015	5.00
FYE 3/2016 (forecast)	5.00

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. Analysis of Operating Results and Financial Position
(1) Analysis of Operating Results
1) Overview of the fiscal year under review
During the fiscal year under review, the global economy as a whole continued to grow gradually. More specifically, the U.S. economy continued to show growth in consumer spending, employment, and corporate capital investment, while the Chinese economy slowed in some sectors. On the other hand, Europe's economy remained sluggish, and emerging countries saw economic growth slow. Regarding Japan's economy, the export environment improved and production began to recover against the backdrop of a weaker yen and the U.S. economy's recovery. In addition, consumer spending grew gradually, supported by the government's economic policy, although it signaled weakness due to falling consumer confidence.
Under these circumstances, net sales of the JVCKENWOOD Group for the fiscal year under review declined from a year earlier, mainly due to the disposal of some businesses. On the other hand, operating income increased significantly from the previous fiscal year. This was mainly attributed to the favorable impacts of business restructuring, including comprehensive cost cuts and reforms to sales operations undertaken from the third quarter of the previous fiscal year, as well as the Group's efforts to reduce fixed costs by carrying out structural reforms during the previous fiscal year. As a result, positive effects have steadily emerged in operating results from 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 fiscal year under review.

		1st Quarter	2nd Quarter	3rd Quarter	4th quarter	Full year
Profit-and-loss exchange rate	US dollar	approx. 102 yen	approx. 104 yen	approx. 114 yen	approx. 119 yen	approx. 110 yen
	Euro	approx. 140 yen	approx. 138 yen	approx. 143 yen	approx. 134 yen	approx. 139 yen
FYE 3/'14 (for reference)	US dollar	approx. 99 yen	approx. 99 yen	approx. 100 yen	approx. 103 yen	approx. 100 yen
	Euro	approx. 129 yen	approx. 131 yen	approx. 137 yen	approx. 141 yen	approx. 134 yen

*Net Sales
Net sales for the fiscal year under review declined by approximately 31,300 million yen, or 9.9%, year-on-year to 285,010 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 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 of the Car Electronics Segment. The Professional Systems Segment's sales decreased due to 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 divested in line with the corporate strategy of focusing on core businesses. However, 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 additional sales revenue from EF Johnson Technologies, Inc. (hereinafter, referred to as "EFJT"), a company that was converted into a consolidated subsidiary in March 2014. In other words, excluding the effects of selling Geobit, net sales generated by the Professional Systems Segment's existing businesses increased. 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 sharp contractions of both domestic and overseas markets for consumer-use video camera products. Net sales of the Entertainment Software Segment also dropped, which was attributable to a downturn in sales of the content business, having been adversely affected by a shrinking market 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 significant declines in the net sales of other business segments.

*Operating Income
Operating income for the fiscal year under review increased significantly by approximately 2,100 million yen, or 48.6%, year-on-year to 6,570 million yen. As described above, this was mainly attributed to the favorable impacts of business restructuring, such as comprehensive cost cuts and reforms to sales operations undertaken from the third quarter of the previous fiscal year, as well as the Group's efforts to reduce fixed costs by carrying out structural reforms in the previous fiscal year. As a result, positive effects have steadily emerged in operating results since the first quarter of the fiscal year under review.
The Car Electronics Segment's operating results 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 the strong recovery of the Consumer Business, as a result of business reforms undertaken from the third quarter of the previous fiscal year. The Optical & Audio Segment also increased its operating income, backed by significant improvements in the Creation (former Imaging) Business, as a result of business reforms.

*Ordinary Income
Ordinary income for the fiscal year under review increased by approximately 3,200 million yen year-on-year to 3,176 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 substantial rise in operating income, as well as improved non-operating profit or loss, as a result of factors such as reduced commissions for borrowings and a decline in interest payments.

*Net Income
The JVCKENWOOD Group achieved a turnaround during the fiscal year under review, with net income increasing sharply by approximately 11,200 million yen year-on-year to 4,654 million yen. This improvement in net income was due to a substantial increase in ordinary income, posting a gain on sales of property, plant and equipment (approximately 5,400 million yen) and a decrease in costs of structural reforms, as well as a non-recurring adjustment of income tax-deferred of approximately 1,500 million yen posted as profit in connection with deferred tax assets created by the integration with the U.S. subsidiary. These positive factors offset an extraordinary loss of approximately 1,100 million yen incurred due to the transfer of JAI shares in the first quarter of the fiscal year under review.

(Net Sales and Profits and Losses by Business Segment)
Net sales and operating income (loss) by business segment are listed below.
Aggregate operating income (loss) by business segment is consistent with the operating income (loss) in the consolidated income statements. Net sales include inter-segment sales and transfers.

Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015) (Million yen)

Business Segment		FYE3/'15	FYE3/'14	YoY comparison
Car Electronics	Net sales	120,745	124,770	(4,025)
	Operating income	1,347	(38)	+1,385
Professional Systems	Net sales	85,265	90,236	(4,971)
	Operating income	3,259	3,950	(691)
Optical & Audio	Net sales	43,355	58,900	(15,545)
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Total	Net sales	285,010	316,343	(31,333)
	Operating income	6,570	4,421	+2,149
	Ordinary income	3,176	(70)	+3,246
	Net income	4,654	(6,571)	+11,225

*Car Electronics Segment
Net sales of the Car Electronics Segment for the fiscal year under review declined by approximately 4,000 million yen, or 3.2%, year-on-year to 120,745 million yen, while operating income increased by approximately 1,400 million yen year-on-year to 1,347 million yen, marking a return to profit from the loss 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 domestic demand as a reaction to last-minute demand before a consumption tax hike and a shrinking market, while in overseas markets, sales in the U.S. and Asia marked strong performance. As a result, net sales of the Consumer Business were almost on a par with the previous fiscal year.

The OEM Business posted an increase in net sales. This was largely because sales of dealer option products were strong due to new order intake during the fiscal year under review and to a strong contribution by Shinwa, which became a consolidated subsidiary in June 2013, although sales of genuine products for automobile makers, such as SSD-type AV car navigation systems, declined.

The Home Audio Business was transferred from the Optical & Audio Segment on November 1, 2014, and its net sales dropped significantly, mainly due 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, posting a significant increase in operating income.

*Professional Systems Segment

Net sales of the Professional Systems Segment for the fiscal year under review declined by approximately 5,000 million yen, or 5.5%, year-on-year to 85,265 million yen, due largely to the sale of Geobit, which was worth approximately 13,000 million yen, although strong operating performance, mainly led by the Communications Business, boosted sales. Operating income decreased by approximately 700 million yen, or 17.5%, year-on-year to 3,259 million yen. In other words, excluding the effects of selling Geobit, net sales generated by existing businesses increased.

Net Sales:

The Communications 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 Systems Business, declining sales in overseas markets were covered by brisk sales in domestic markets. As a result, overall net sales were almost on a par with the previous fiscal year. The Healthcare Business, which primarily handles information equipment, was transferred from Totoku Electric Co., Ltd. in July 2013, and contributed to sales growth throughout the fiscal year under review.

Operating Income:

Operating income of the Communications Business was lower than in the previous fiscal year, mainly because EFJT's sales synergies were below expectations, although sales of professional-use wireless terminals recovered mainly in North American private-sector markets. The Professional Systems Business increased its operating income due to the positive effects of structural reforms executed in the previous fiscal year. Development costs of next-generation businesses increased from a year earlier, resulting in increased losses.

*Optical & Audio Segment

Net sales of the Optical & Audio Segment for the fiscal year under review decreased by approximately 15,500 million yen, or 26.4%, year-on-year to 43,355 million yen, while operating income increased significantly by approximately 800 million yen, or 1,363.3%, year-on-year to 878 million yen.

Net Sales:

The Creation (former Imaging) Business posted a substantial decline in net sales, due largely to the consolidation of its product lineup as part of business-reform measures, which were undertaken in response to substantial contractions of both domestic and overseas markets for consumer video camera products.

The Imaging Optical Business marked a significant fall in net sales, because of declining sales of high-definition 4K models in the projector field.

In the AV Accessory Business, declining sales mainly in overseas markets were covered by increased sales in domestic markets, and overall net sales increased.

Operating Income:

The Creation (former Imaging) Business reduced its losses significantly and posted a swing to profit for the fiscal year under review, as a result of business reforms from the third quarter of the previous fiscal year.

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 fiscal year under review declined by approximately 1,600 million yen, or 4.9%, year-on-year to 29,832 million yen, while operating income fell by approximately 300 million yen, or 21.5%, year-on-year to approximately 1,002 million yen.

Net Sales:

The Content Business marked a decline in net sales, due largely to a shrinking market and changes to the compositions of titles. Net sales of the OEM Business fell, mainly because of a decrease in the number of OEM products caused by 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 fourth quarter of the fiscal year under review. For our major hits during the first, second, and third 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, "Accounting Report for the First Half of Fiscal Year Ending March 2015 (April 1,2014 - September 30, 2014)" announced on October 31, 2014, and "Accounting Report for the Third Quarter of Fiscal Year Ending March 2015 (April 1, 2014 – December 31, 2014)" announced on January 30, 2015, respectively.

[Major hits of Victor Entertainment]

- "Budo," an album from Southern All Stars
- "Kareinaru Gyakushu/Humor shichauyo," a single from SMAP
- "20," an album from Leo Ieiri
- "Happy," an album from Sakurako Ohara

[Major hits of Teichiku Entertainment]

・“Ah…Antagawa,” a single from Sayuri Ishikawa
・“Koma,” a single from Aya Shimazu
・“Inochino Haru” and “Inochino Hito,” singles from Yoshimi Tendo
・“Fudanjuku Rambu TOUR 2014 ~ Ikki Nijuichikai ~ FINAL at Hibiya Open-Air Concert Hall,” BD&DVD from Fudanjuku

2) Outlook for the Next Fiscal Year

The Car Electronics Segment, one of the core businesses, is expected to continue to increase its new order intake for OEM dealer option products, generating strong sales in the next fiscal year (FYE 3/’16). ASK Industries S.p.A. (hereinafter “ASK”) became a subsidiary in April 2015, and is also expected to contribute to increased sales and income.
The Professional Systems Segment, another core business, is expected to increase sales and income in anticipation of continued strong sales of the Communications Business in North America and also sales growth from synergies created by EFJT, which became a subsidiary in March 2014.
During the current fiscal year, corporate performance was driven by these two core businesses and implementation of structural reforms including the restructuring of overseas bases. Total fixed costs are expected to continue to decrease on a global basis, contributing to stronger corporate performance.
The JVCKENWOOD group’s earnings forecast is: Sales of 300,000 million yen, operating income of 8,000 million yen, ordinary income of 4,500 million yen, and net income attributable to the parent company of 2,000 million yen.

Note: Descriptions about the future events (e.g. earnings forecast) contained in these materials are based on information that the company currently has and other certain prerequisites that are considered reasonable, and may differ significantly from actual results due to various reasons.

(2) Analysis of Financial Position

(Analysis of assets, liabilities, net assets, etc.)

*Assets

Total assets rose by approximately 11,500 million yen from the end of the previous fiscal year to 278,669 million yen. This was mainly due to increases in merchandise and finished goods, software, and retirement benefit-related assets. Software increased as a result of active development-related investments, and retirement benefit-related assets increased in line with an increase in pension assets.

*Liabilities

Total liabilities declined by approximately 7,900 million yen from the end of the previous fiscal year to 199,448 million yen. This was due to a decline in other accounts payable associated with the payment of expenses for employment-related structural reforms carried out in the previous fiscal year and the repayment 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 73,618 million yen. Net debts (amount obtained by subtracting cash and deposits from interest-bearing debts) declined by approximately 7,900 million yen from the end of the previous fiscal year to 18,541 million yen.

*Net Assets

Retained earnings for the fiscal year under review increased by approximately 4,800 million yen from the end of the previous fiscal year to 22,181 million yen, due mainly to net income recorded for the fiscal year under review. Total shareholders’ equity also increased by approximately 4,500 million yen from the end of the previous fiscal year to 77,217 million yen.
Total net assets increased by approximately 19,400 million yen from the end of the previous fiscal year to 79,221 million yen. This was mainly because total other comprehensive income increased by approximately 15,600 million yen. More specifically, shareholders’ equity, foreign currency translation adjustment, and remeasurements of defined benefits plans increased. In the case of the foreign currency translation adjustment, the value of the Japanese yen against the U.S. dollar and other Asian currencies declined from the end of the previous fiscal year, resulting in an increase in the adjustment related to capital contributions made to overseas affiliates.
The shareholders’ equity ratio also rose 6.4% from the end of the previous fiscal year to 25.8%, due to an increase in net assets.

(Cash Flow Analysis)

*Cash flow from operating activities

Net cash generated by operating activities for the fiscal year under review was 8,575 million yen, reflecting a year-on-year decline of approximately 6,400 million yen. This was primarily due to a decline in other accounts payable as a result of payments of expenses for employment-related structural reforms, etc. carried out in the previous fiscal year, in spite of posting income before income taxes and minority interests for the fiscal year under review.

***Cash flow from investing activities**
Net cash used in investing activities for the fiscal year under review was 3,857 million yen, reflecting a year-on-year decrease of approximately 6,800 million yen in cash spent. This was primarily due to a lack of payments made for the acquisition of subsidiaries' shares accompanying a change in the scope of consolidation and receipt of cash for the transfer of land use rights and buildings of JVC Manufacturing Malaysia Sdn.Bhd., although cash was paid for the acquisition of intangible fixed assets.

***Cash flow from financing activities**
Net cash used in financing activities for the fiscal year under review was 7,514 million yen, reflecting a year-on-year decrease of approximately 2,100 million yen in cash spent. This was mainly due to the repayment of bank loans, although no payments were made for bond redemptions.
The balance of cash and cash equivalents at the end of the fiscal year under review declined by approximately 300 million yen from the end of the previous fiscal year to 54,452 million yen.

(3) Basic Policy for Profit Distribution, and Dividends for Current Year and Next Year
JVCKENWOOD's most important issues include stable distribution of profits and ensuring necessary management resources for future growth. The dividends paid out of reserves and other amounts appropriated are determined based on profitability and financial conditions as a whole.
As described in the "Notice Regarding Revision of Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 2015" announced on April 21, 2015, the annual dividend (year-end) of 5 yen per share is scheduled to be distributed for the fiscal year under review (FYE 3/'15).
In accordance with the above policy, JVCKENWOOD is also scheduled to distribute an annual dividend (year-end) of 5 yen per share for the next fiscal year (FYE 3/'16). To this end, JVCKENWOOD will work to improve its performance and financial condition.

2. Management Policy
(1) Basic Management Policy of the Company
Under the corporate vision of "Creating excitement and peace of mind for the people of the world," the JVCKENWOOD Group aims to achieve profitable growth, become a company that provides new value to stakeholders, and be widely trusted by society. To achieve these goals, the JVCKENWOOD Group focuses on its strengths as a global specialized company creating excitement and peace of mind for customers,

(2) Mid- to Long-term Management Strategies of the Company
The electronics industry is facing dramatic changes at present. With this in mind, the JVCKENWOOD Group prepared its new mid-term management plan (up to FYE 3/'16) in November 2012, aiming to achieve profitable growth on a continuing basis.
However, sales for FYE 3/'14 (1st year of the plan) were far below the forecasted figures, due to significantly increased yen-denominated costs caused by a rapidly depreciated yen against USD and soft overseas sales. As a result, the JVCKENWOOD Group was forced to revise its mid-term plan, and started to reduce its fixed costs, aiming to recover its earnings in a short period. Included among measures taken were business reforms (e.g. comprehensive cost cuts), solicitation of voluntary early retirement in Japan, structural reforms, and restructuring of overseas production and sales bases. As part of its mid-term measures, the JVCKENWOOD Group also pursued strategic investment opportunities, including development of next-generation businesses in growing business fields, and restructured its business portfolio.
During FYE 3/'15, these measures started to create positive effects, including an earnings recovery and steady progress in next-generation business areas. Specific achievements can also be expected in these new areas. To fuel these measures and achieve growth by responding appropriately to changes in external environments, the JVCKENWOOD Group is currently exploring its new mid- to long-term management policy.

(3) Issues that Should be Solved by the Company
The JVCKENWOOD Group has been affected by exchange rate fluctuations, including significantly increased yen-denominated costs caused by a rapidly depreciating yen against the U.S. dollar, and deteriorating sales and earnings in Europe due to a rapidly depreciating yen against the euro. Accordingly, it is important to reduce risks caused by future exchange rate fluctuations and take cost reduction measures to improve profitability. The JVCKENWOOD Group also considers that issues outstanding are to create synergies with companies it acquires, enhance competitive advantages, and steadily implement growth strategies including the development of next-generation businesses.

1) Comprehensive Cost Cuts, Strengthened Direct Sales by Business Units, and Measures for Foreign Exchange Risk

・Comprehensive cost cuts

Cost reductions (short-term) by decreasing the number of models, changing design concepts and parts procurement systems, and other measures, as well as comprehensive cost-cutting measures through production innovations (mid-term), including exploration of next-generation production systems.

・Strengthen direct sales by business units.
Implementation of a structure in which business coordinators support direct sales teams under the control of regional CEOs for Professional Systems, OEM Business (CE), etc., and strengthening activities to increase a new order intake.

・Measures for foreign exchange risk
Reduction of short-term foreign exchange risk by making foreign exchange contracts and mid-term foreign exchange risk related to production costs by pursuing local production for local consumption

2) Improvement Measures for U.S. Subsidiaries in the Wireless Equipment Business

・EFJT
EFJT plans to recruit a sales manager who is well acquainted with government-related businesses, and significantly increase the number of sales persons. EFJT also plans to reduce costs further to enhance cost competitiveness.

・Zetron
Zetron's performance has continued to recover since the second quarter of the fiscal year ended March 2014.
This year, Zetron entered the security control room solution business in the fiscal year ended March 2015 to expand its business area.

3. Basic Policy on Selecting Accounting Standards

To prepare for the application of IFRS in the future, JVCKENWOOD is currently preparing internal manuals, guidelines, etc., and is exploring the relevant timing.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2014)	Current Fiscal Year (as of Mar. 31, 2015)
Assets		
Current assets		
Cash and cash equivalents	55,191	55,077
Trade notes and accounts receivable	57,387	57,944
Merchandise and finished goods	22,767	25,836
Work in process	3,414	2,935
Raw materials and supplies	8,406	8,381
Deferred tax assets	3,780	4,103
Other current assets	8,977	8,374
Allowance for doubtful accounts	(1,556)	(1,612)
Total current assets	158,369	161,039
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	13,625	13,009
Machinery and equipment, net	6,871	6,870
Tools, furniture and fixtures, net	4,274	5,451
Land	28,216	27,703
Construction in progress	1,432	400
Total property, plant and equipment, net	54,420	53,435
Intangible fixed assets		
Goodwill	10,057	7,998
Software	7,000	9,818
Other intangible fixed assets	4,617	5,282
Total intangible fixed assets	21,675	23,099
Investments and other assets		
Investment securities	3,843	5,058
Net defined benefit asset	24,720	29,729
Other investments	5,193	7,218
Allowance for doubtful receivables	(1,119)	(911)
Total investments and other assets	32,637	41,095
Total fixed assets	108,733	117,630
Deferred assets		
Issuance cost of stock acquisition rights	49	—
Total deferred assets	49	—
Total assets	267,152	278,669

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2014)	Current Fiscal Year (as of Mar. 31, 2015)
Liabilities		
Current liabilities		
Trade notes and accounts payable	27,947	30,033
Short-term loans payable	17,310	16,827
Current portion of bonds payable	—	5,946
Current portion of long-term loans payable	9,906	43,009
Other accounts payable	14,462	10,584
Accrued expenses	18,318	19,196
Income taxes payable	1,398	1,931
Warranty reserves	1,742	1,505
Sales return reserves	1,432	1,418
Other current liabilities	8,329	8,906
Total current liabilities	100,847	139,358
Long-term liabilities		
Bonds payable	5,812	—
Long-term loans payable	48,635	7,835
Deferred tax liabilities for land revaluation	1,772	1,606
Deferred tax liabilities	12,979	14,548
Net defined benefit liability	34,166	33,357
Other long-term liabilities	3,112	2,742
Total long-term liabilities	106,479	60,090
Total liabilities	207,327	199,448
Equity		
Shareholders' equity		
Common stock	10,000	10,000
Capital surplus	45,875	45,574
Retained earnings	17,421	22,181
Treasury stock	(537)	(538)
Total shareholders' equity	72,759	77,217
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	205	569
Land revaluation surplus	3,209	3,375
Foreign currency translation adjustments	(13,440)	(6,383)
Remeasurements of defined benefit plans	(11,010)	(3,000)
Total accumulated other comprehensive income	(21,036)	(5,437)
Stock acquisition rights	806	—
Minority interests	7,294	7,441
Total equity	59,824	79,221
Total liabilities and equity	267,152	278,669

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

(Consolidated Statement of Income)

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2013 - Mar.31, 2014)	Current Fiscal Year (Apr.1, 2014 – Mar.31, 2015)
Net sales	316,343	285,010
Cost of sales	232,494	200,049
Gross profit	83,848	84,960
Selling, general and administrative expenses	79,427	78,390
Operating income	4,421	6,570
Non-operating income		
Interest income	210	181
Dividend income	82	220
Royalty income	158	149
Reversal of warranty reserves	263	51
Equity in earnings of unconsolidated subsidiaries and associated companies	32	2
Other non-operating income	671	930
Total non-operating income	1,419	1,535
Non-operating expense		
Interest expense	2,245	1,944
Borrowing costs	982	467
Foreign exchange loss	920	1,078
Other non-operating expenses	1,763	1,438
Total non-operating expense	5,911	4,929
Ordinary income(loss)	△70	3,176
Extraordinary profit		
Gain on sales of property, plant and equipment	128	5,427
Gain on sales of investment securities	109	190
Gain on sales of shares in subsidiaries and associated companies	2,384	―
Settlement received	579	―
Gain on bargain purchase	640	―
Gain on reversal of stock acquisition rights	―	806
Other extraordinary profit	36	518
Total extraordinary profit	3,879	6,942
Extraordinary loss		
Loss on sales of property, plant and equipment	128	12
Loss on disposal of property, plant and equipment	84	176
Loss on impairment of long-lived assets	469	―
Loss on sales of shares in subsidiaries and associated companies	―	1,105
Business structural improvement expenses	677	295
Employment structural improvement expenses	4,495	1,237
Loss on valuation of inventory related to business withdrawal	―	444
Other extraordinary loss	563	216
Total extraordinary loss	6,418	3,489
Income (loss) before income taxes and minority interests	(2,609)	6,629
Income taxes - current	1,496	2,634
Income taxes - deferred	1,833	(1,519)
Total income taxes	3,329	1,115

Net income (loss) before minority interests	(5,939)	5,514
Minority interests in net income	632	860
Net income (loss)	(6,571)	4,654

(Consolidated Statement of Comprehensive Income)

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2013 - Mar.31, 2014)	Current Fiscal Year (Apr.1, 2014 – Mar.31, 2015)
Net income (loss) before minority interests	(5,939)	5,514
Other comprehensive income		
Unrealized gain on available-for-sale securities	11	353
Land revaluation surplus	―	166
Foreign currency translation adjustments	5,152	8,076
Remeasurements of defined benefit plans	―	7,981
Share of other comprehensive income of unconsolidated subsidiaries and associated companies accounted for by the equity method	(579)	―
Total other comprehensive income	4,584	16,577
Comprehensive income	(1,354)	22,092
Total comprehensive income attributable to:		
Owners of the parent	(2,187)	20,253
Minority interests	832	1,839

(4) Consolidated Statement of Cash Flows

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2013 - Mar.31, 2014)	Current Fiscal Year (Apr.1, 2014 – Mar.31, 2015)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(2,609)	6,629
Depreciation	10,986	10,465
Amortization of goodwill	329	536
Loss on impairment of long-lived assets	469	—
Decrease in allowance for doubtful accounts	(394)	(258)
Increase in net defined benefit liability	487	4,821
Increase in net defined benefit asset	(2,575)	(2,403)
Interest and dividend income	(293)	(401)
Interest expense	2,245	1,944
Equity in earnings of unconsolidated subsidiaries and associated companies	(32)	(2)
Gain on sales of investment securities	(109)	(190)
Loss (gain) on sales of shares in subsidiaries and associated companies	(2,384)	1,105
Gain on reversal of stock acquisition rights	-	(806)
Loss on disposal of property, plant and equipment	84	176
(Gain) loss on sales of property, plant and equipment	0	(5,415)
Decrease in trade notes and accounts receivable	6,543	978
(Increase) decrease in inventories	11,717	(460)
Increase (decrease) in trade notes and accounts payable	(8,696)	76
Decrease in other accounts payable	4,260	(4,158)
Decrease in accrued expenses	(3,459)	127
Other, net	989	(697)
Sub-total	17,557	12,068
Interest and dividend received	293	401
Interest paid	(2,095)	(1,781)
Insurance received arisen from natural disaster	705	-
Income taxes paid	(1,518)	(2,112)
Net cash provided by operating activities	14,943	8,575
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,862)	(4,922)
Proceeds from sales of property, plant and equipment	564	833
Purchase of intangible fixed assets	(4,396)	(6,554)
Proceeds from sales of intangible fixed assets	-	7,171
Purchase of investment securities	(220)	(961)
Proceeds from sales of investment securities	206	489
Proceeds from purchases of investments in	1,424	-

subsidiaries resulting in change of scope of consolidation		
Purchases of investments in subsidiaries resulting in change of scope of consolidation	(5,934)	-
Proceeds from sales of investments in subsidiaries resulting in change of scope of consolidation	3,084	567
Payments for absorption-type company split resulting in change of scope of consolidation	(563)	-
Other, net	39	(481)
Net cash used in investing activities	(10,658)	(3,857)

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2013 - Mar.31, 2014)	Current Fiscal Year (Apr.1, 2014 – Mar.31, 2015)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	4,244	(551)
Proceeds from long-term loans payable	47,562	2,500
Repayment of long-term loans payable	(52,678)	(10,212)
Redemption of bonds	(6,000)	-
Cash dividends paid	(693)	-
Other, net	(2,017)	749
Net cash used in financing activities	(9,581)	(7,514)
Effect of exchange rate changes on cash and cash equivalents	2,507	2,511
Net decrease in cash and cash equivalents	(2,788)	(284)
Cash and cash equivalents at beginning of year	57,526	54,737
Cash and cash equivalents at end of year	54,737	54,452