

Condensed Consolidated Financial Information

(Japanese Standard)
For the Nine Months
Ended Dec. 31, 2014

(April 1, 2014 through Dec. 31, 2014)

Note: The English version of these financial results contains key items only. The English version of the financial statements is provided for reference purposes only and is based on the original Japanese version, which takes precedence. In the event that a difference in interpretation arises, please refer to the original Japanese version.

SANYO CHEMICAL INDUSTRIES, LTD.

URL <http://www.sanyo-chemical.co.jp>

Cautionary Statement with Respect to Forward-Looking Statement

This financial information contains forward-looking statements that are based on Sanyo Chemical Group's current plans, strategies and results. These forward-looking statements were formulated by managers based on currently-available information, however actual results may vary significantly depending on the economic environment where Sanyo Chemical Group conduct its business, competitive conditions, changes in the states of product development, relevant laws and regulations, and fluctuations in the currency exchange rate. Moreover, the factors that can affect these forward-looking statements are not limited to those listed here.

The following summary of the business results that Sanyo Chemical Group submitted Tokyo Stock Exchange is unaudited and for reference only.

Ticker code: 4471

Consolidated Financial Highlights

1-1. Results of Operations

	Nine months ended Dec. 31,			
	2014		2013	
	Millions of Yen	Change	Millions of Yen	Change
Net sales	124,311	1.3%	122,765	15.7%
Operating income	5,944	(9.2%)	6,543	41.4%
Ordinary income	7,135	(6.6%)	7,640	40.7%
Net income	4,210	(7.7%)	4,560	39.3%
Comprehensive income	9,087	(4.2%)	9,483	224.9%

	Nine months ended Dec. 31,	
	2014	2013
	Yen	Yen
Net income per share	38.18	41.35
Net income per share, diluted	—	—

1-2. Financial Conditions

	As of Dec. 31	As of March 31,
	2014	2014
	Millions of Yen	Millions of Yen
Total assets	181,514	166,529
Net assets	111,437	103,907
Shareholders' equity ratio	58.5%	59.5%
Shareholders' equity	106,271	99,161

2. Cash Dividend

	Year ended March 31,		
	2014	2015	2015 (Forecast)
	Yen	Yen	Yen
Cash dividend per share			
1Q (as of June 30)	—	—	
2Q (as of Sept. 30)	7.50	7.50	
3Q (as of Dec. 31)	—	—	
4Q (as of March 31)	7.50		7.50
Total	15.00		15.00

[Note] Revision of the latest forecasts of cash dividends announced: None

3. Earnings Forecasts

	Year ended March 31,	
	2015	
	Millions of Yen	Change
Net sales	172,000	4.1%
Operating income	8,800	8.5%
Ordinary income	10,000	8.5%
Net income	6,000	22.0%

	Year ended March 31,	
	2015	
	Yen	
Net income per share	54.41	

[Note] Revisions of the latest forecasts for consolidated operating results announced: None

Notes:

1. Amounts are rounded down to the nearest million.
2. The percentage change is year-on-year change compared with the same period of the previous fiscal year.
3. The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each period.

4. Notes

(1) Significant changes in subsidiaries during the period under review (changes in specific subsidiaries causing a change in the scope of consolidation): None

(2) Application of special accounting methods for the preparation of consolidated quarterly financial statements: Yes

(Note) See Page 7, “2. Matters related to Summary Information (Notes), (2) Application of special accounting methods for the preparation of consolidated quarterly financial statements” for more information.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

- a. Changes in accounting policies associated with revised accounting standards, etc.: Yes
- b. Changes in accounting policies other than a. above: None
- c. Changes in accounting estimates: None
- d. Restatements: None

(4) Number of shares issued (common stock)

- a. Number of shares issued at the end of the period (including treasury shares)
 - End of nine months (Dec. 31, 2014): 117,673,760 shares
 - End of previous period (March 31, 2014): 117,673,760 shares
- b. Treasury shares at the end of the period
 - End of nine months (Dec. 31, 2014): 7,407,514 shares
 - End of previous period (March 31, 2014): 7,401,797 shares
- c. Average number of shares (cumulative for the quarter)
 - Reporting nine months (ended Dec. 31, 2014): 110,269,527 shares
 - Previous nine months (ended Dec. 31, 2013): 110,285,891 shares

***Disclosure of Implementation Status of Quarterly Review Procedures**

This quarterly financial report is not subject to quarterly review procedures under Japan's Financial Instruments and Exchange Law.

***Explanation of appropriate use of business performance forecasts**

The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on Sanyo Chemical's performance in the future. Therefore, Sanyo Chemical cannot guarantee that it will achieve the results. Actual earnings may differ significantly due to various factors. See Quarterly Financial Report (attachments) Page 7, “1. Qualitative Information Concerning Quarterly Business Performance for the Nine Months Ended Dec. 31, 2014, (3) Qualitative Information Concerning Future Forecast such as Consolidated Earnings Forecasts” for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

Contents

1. Qualitative Information Concerning Quarterly Business Performance for the Nine Months Ended Dec. 31, 2014.....	5
(1) Qualitative Information Concerning Consolidated Business Results.....	5
(2) Qualitative Information Concerning Consolidated Financial Position.....	6
(3) Qualitative Information Concerning Future Forecast such as Consolidated Earnings Forecasts.....	7
2. Matters Related to Summary Information (Notes).....	7
(1) Significant Changes in Subsidiaries during the Period under Review.....	7
(2) Application of Special Accounting Methods for the Preparation of Consolidated Quarterly Financial Statements.....	7
(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements.....	7
3. Quarterly Consolidated Financial Statements	8
(1) Consolidated Balance Sheets.....	8
(2) Consolidated Statements of Income and Comprehensive Income.....	10
(2)- (1) Consolidated Statements of Income.....	10
(Cumulative Nine Months of the Consolidated Fiscal Year).....	10
(2)- (2) Consolidated Statements of Comprehensive Income.....	11
(Cumulative Nine Months of the Consolidated Fiscal Year).....	11
(3) Consolidated Statements of Cash Flows	12
(4) Notes to Quarterly Consolidated Financial Statements.....	14
(5) Segment Information.....	14
4. Supplementary Information	17
Trend of Each Quarter Results.....	17

1. Qualitative Information Concerning Quarterly Business Performance for the Nine Months Ended Dec. 31, 2014

(1) Qualitative Information Concerning Consolidated Business Results

During the first nine months (April 1, 2014 through Dec. 31, 2014) of the current fiscal year, the Japanese economy is partly seen a sign of improvement in company earnings, although private consumption remained weakened due to consumption tax hike as well as export situation and capacity investment were flat. On the other hand, the outlook for the circumstance surrounding Japan remains unclear amid the stagnation such as a slowdown of Chinese economic expansion despite a move towards economic recovery in the United States.

In the chemical industry, business environment is getting out of the severe situation continued until the previous period because raw material and fuel costs that remained at a high level shift to fall and depreciation of the yen has progressed, etc.

Under these circumstances, net sales in the first nine months of the current fiscal year increased by 1.3% from the same period of the previous fiscal year, to ¥124,311 million mainly due to sales expansion of automobile-related products. However, profit decreased from the same period of the previous fiscal year because even though raw material and fuel costs shift to fall, they were higher than ones of the same period of the previous fiscal year through this period, and other factors. As a result, operating income was ¥5,944 million (a 9.2% decrease from the same period of the previous fiscal year), and ordinary income was ¥7,135 million (a 6.6% decrease). Net income was ¥4,210 million (a 7.7% decrease).

Results by product group (segment) were as follows.

Toiletries and Health Care

Sales in the Toiletries segment were weak because sales of surfactants for liquid detergents remained sluggish and surfactants for hair care products intensified price competition.

In Health Care segment, sales were weak because parts of superabsorbent polymers intensified price competition, though sales of high-performance superabsorbent polymers for thinner disposable diapers expanded.

As a result, total net sales in this segment decreased by 4.8% from the same period of the previous fiscal year, to ¥48,273 million. Operating income was ¥2,555 million (a 19.3% decrease).

Petroleum and Automotives

In Petroleum and Automotives segment, sales increased briskly because sales of raw materials for polyurethane foams used in automobile seats and other applications remained steadily in Japan and sales of them significantly expanded overseas. In addition, sales of lubricating oil additives increased strongly owing to thrived operations of new plant equipments in USA for fuel-saving engine oils, which are during continuing expansion of demand.

As a result, total net sales in this segment increased by 6.4% from the same period of the previous fiscal year, to ¥29,863 million. However, operating income was ¥659 million (a 44.8% decrease), reflecting rising raw material and fuel costs through this period.

Plastics and Textiles

In Plastics segment, sales of paint, coating and other agents increased briskly. In addition, sales of permanent antistatic agents, which are used for the transport tray in the production of electronic components, considerably increased mainly due to expansion of overseas sales.

The Textiles segment recorded increase in sales. In spite of weakening demand for fiberglass agents, domestic sales of them expanded and demand for carbon fiber agents increased mainly overseas. In addition, sales of agents used in textile manufacturing processes including airbag and tire cord yarns remained a favorable trend.

As a result, total net sales in this segment increased by 10.3% from the same period of the previous fiscal year, to ¥16,058 million. Operating income was ¥1,804 million (a 2.8% increase).

Information and Electrics/Electronics

Sales in the Information segment were weak. This was mainly because demand for polyester beads as a core component of polymerization toners decreased temporarily and overseas production of pulverized toner resins was reduced.

Sales in the Electrics/Electronics segment substantially increased. This was mainly because demand for electrolytes for aluminum electrolytic capacitors recovered, flat panel display (FPD) resins were placed smoothly on the market and demand for pressure-sensitive adhesives for electronic components increased.

As a result, total net sales in this segment decreased by 2.2% from the same period of the previous fiscal year, to ¥15,354 million. Operating income was ¥817 million (a 70.9% increase) due to the improvement of product mix.

Environmental Protection, Construction and Others

Sales in the Environmental Protection segment were stagnant because demand for our mainstay polymer flocculant line was weak by deterioration of market.

In Construction segment, briskly increased demand for raw materials for building sealants and polyurethane foams used in furniture and heat insulating materials contributed to the substantial increase in sales.

As a result, total net sales in this segment increased by 7.4% from the same period of the previous fiscal year, to ¥14,762 million. Operating income was ¥108 million (¥51 million loss during the same period of the previous fiscal year).

(2) Qualitative Information Concerning Consolidated Financial Position

The Group's financial position at the end of this nine-month period was as follows:

Total assets increased by ¥14,984 million compared to the previous consolidated fiscal year end, amounting to ¥181,514 million mainly due to the increase in notes and accounts receivable-trade because of the effects of the period-end holiday, etc, the increase in inventories and the increase in investment securities caused by reappraisal of their market valuation and other factors.

Net assets increased by ¥7,530 million from the previous consolidated fiscal year end, to ¥111,437 million. However our shareholder's equity ratio decreased by 1.0 percentage point from the previous consolidated fiscal year end, to 58.5% due to the substantial increase in total assets.

Cash and cash equivalents ("Cash") as of the end of the nine months of the current consolidated fiscal year amounted to ¥16,872 million. This marked an increase of ¥1,395 million compared to the end of the previous consolidated fiscal year (cash increased by ¥5,629 million during the same period of the previous fiscal year).

The cash flow movements during the period and the factors influencing them were as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥7,980 million (¥12,298 million in net cash provided during the same period of the previous fiscal year). This result was mainly due to the cash inflow from income before income taxes and minority interests of ¥6,539 million, depreciation and amortization of ¥7,040 million, and the increase in notes and accounts payable-trade of ¥5,985 million, which outweighed the outflow from the increase in notes and accounts receivable-trade of ¥6,378 million and income taxes paid of ¥2,366 million.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥6,056 million (¥6,186 million in net cash used during the same period of the previous fiscal year). This result was mainly due to cash outlays of ¥6,250 million for fixed assets.

Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥639 million, (¥833 million in net cash used during the same period of the previous fiscal year). This result was mainly due to ¥1,648 million in cash dividends paid, which more than offset the (net) increase in cash of ¥693 million owing to long-term debt.

(3) Qualitative Information Concerning Future Forecast such as Consolidated Earnings Forecasts

Taking into consideration our performance in the nine months, we have not made any change to the consolidated earnings forecasts for the full year that we announced on April 30, 2014.

The rates of progress in the nine months toward the full-year consolidated earnings forecasts announced on April 30, 2014 are shown in the table below.

(Full Year)	(Millions of yen)				
	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Consolidated forecast	172,000	8,800	10,000	6,000	54.41
Progress to forecast (%)	72.3	67.6	71.4	70.2	—
Previous term's figures	165,183	8,110	9,212	4,918	44.60

Note: These earnings forecasts were based on information available at the time announced. Actual earnings may differ due to various factors occurring in the future.

2. Matters Related to Summary Information (Notes)

(1) Significant Changes in Subsidiaries during the Period under Review

None

(2) Application of Special Accounting Methods for the Preparation of Consolidated Quarterly Financial Statements

After applying tax effect accounting to income before income taxes and minority interests for the fiscal year, which includes the nine months under review, we make a reasonable estimate of the effective tax rate and multiply income before income taxes and minority interests by that estimated effective tax rate. Furthermore, income tax adjustments are included in the presentation of income taxes.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements

Changes in Accounting Policy

[Application of Accounting Standard for Retirement Benefits]

The Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012 (hereinafter, the "Statement No.26")) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25, May 17, 2012 (hereinafter, the "Guidance No.25")) were applied from the period of the first quarter of fiscal year 2014, in accordance with the provisions stated in the article 35 of the Statement No.26 and the article 67 of the Guidance No.25. The method of calculating retirement benefit obligations and current service costs was revised, with the method of attributing expected benefits to periods changed from the straight-line basis to the benefit formula basis and the method of determination of discount rate changed from discount rate based on the average remaining service period for employees to the method that uses a single weighted average discount rate reflecting the expected payment period and the amount for each expected payment period.

In accordance with the article 37 of the Statement No.26, the effect of changing the determination of retirement benefit obligations and current service costs has been recognized in retained earnings from the beginning of the consolidated fiscal year.

As a result, liabilities for retirement benefits decreased by ¥566 million and retained earnings increased by ¥366 million from the beginning of the consolidated fiscal year. Influences by the above-mentioned on operating income, ordinary income and income before income taxes for this first nine months of consolidated fiscal year are insignificant.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of Yen	
	As of Mar. 31, 2014	As of Dec. 31, 2014
Assets		
Current assets		
Cash and deposits	15,476	16,872
Notes and accounts receivable—trade	43,626	50,173
Merchandise and finished goods	12,101	14,345
Semi-finished goods	3,464	3,649
Work in process	495	180
Raw materials and supplies	4,110	3,816
Deferred tax assets	1,281	1,283
Other	711	1,179
Allowance for doubtful accounts	(34)	(39)
Total current assets	81,232	91,460
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	16,705	16,570
Machinery, equipment and vehicles, net	27,533	25,148
Land	8,748	8,779
Construction in progress	1,468	3,229
Other, net	1,619	1,507
Total property, plant and equipment	56,076	55,235
Intangible assets		
Software	924	806
Goodwill	1,201	1,101
Other	477	472
Total intangible assets	2,603	2,380
Investments and other assets		
Investment securities	25,005	30,990
Long-term loans receivable	1	3
Deferred tax assets	365	436
Other	1,280	1,044
Allowance for doubtful accounts	(36)	(35)
Total investments and other assets	26,617	32,438
Total fixed assets	85,296	90,054
Total assets	166,529	181,514

	Millions of Yen	
	As of Mar. 31, 2014	As of Dec. 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,322	34,531
Short-term loans	9,868	10,633
Current portion of long-term debt	5,871	5,871
Accrued expenses	3,065	3,166
Income taxes payable	1,202	516
Provision for bonuses	1,723	1,066
Provision for directors' and corporate auditors' bonuses	81	63
Notes payable-facilities	710	1,127
Other	3,045	2,770
Total current liabilities	53,890	59,747
Long-term liabilities		
Long-term debt	3,017	3,716
Deferred tax liabilities	2,154	4,485
Provision for directors' and corporate auditors' retirement benefits	606	360
Net defined benefit liability	1,999	737
Other	953	1,029
Total long term liabilities	8,732	10,328
Total liabilities	62,622	70,076
Net assets		
Shareholders' equity		
Common stock	13,051	13,051
Capital surplus	12,194	12,194
Retained earnings	70,412	73,335
Treasury stock	(5,714)	(5,718)
Total shareholders' equity	89,943	92,861
Accumulated other comprehensive income		
Unrealized gains on other securities	8,099	11,738
Foreign currency translation adjustment	1,310	1,795
Remeasurements of defined benefit plans	(191)	(124)
Total accumulated other comprehensive income	9,217	13,409
Minority interests	4,746	5,166
Total net assets	103,907	111,437
Total liabilities and net assets	166,529	181,514

(2) Consolidated Statements of Income and Comprehensive Income

(2)- (1) Consolidated Statements of Income

(Cumulative Nine Months of the Consolidated Fiscal Year)

	Millions of Yen	
	Nine months ended Dec. 31,	
	2013	2014
Net sales	122,765	124,311
Cost of sales	101,966	103,097
Gross profit	20,799	21,213
Selling, general and administrative expenses	14,255	15,269
Operating income	6,543	5,944
Non-operating income		
Interest income	47	74
Dividends income	362	437
Equity in earnings of unconsolidated subsidiaries and affiliates	27	567
Real estate rent	232	229
Foreign exchange gains	555	517
Other	369	49
Total non-operating income	1,594	1,876
Non-operating expenses		
Interest expenses	268	205
Rent cost of real estate	57	47
Loss on disposal of inventories	90	330
Other	80	101
Total non-operating expenses	498	685
Ordinary income	7,640	7,135
Extraordinary income		
Gain on sales of investment securities	129	2
Gain on sales of fixed assets	5	—
Insurance income	15	21
Total extraordinary income	151	24
Extraordinary loss		
Loss on disposal of fixed assets	500	461
Loss on valuation of investment securities	0	—
Compensation expenses	—	13
Loss on liquidation of business	—	144
Other	0	2
Total extraordinary losses	500	621
Income before income taxes and minority interests	7,291	6,539
Income taxes	2,051	1,748
Income before minority interests	5,240	4,790
Minority interests	679	580
Net income	4,560	4,210

(2)- (2) Consolidated Statements of Comprehensive Income
(Cumulative Nine Months of the Consolidated Fiscal Year)

	Millions of Yen	
	Nine months ended Dec. 31,	
	2013	2014
Income before minority interests	5,240	4,790
Other comprehensive income		
Unrealized gains on other securities	2,553	3,639
Foreign currency translation adjustment	1,690	589
Remeasurements of defined benefit plans, net of tax	—	67
Total other comprehensive income	4,243	4,296
Comprehensive income	9,483	9,087
Comprehensive income attributable to:		
Shareholders of the Company	8,481	8,402
Minority interests	1,002	684

(3) Consolidated Statements of Cash Flows

	Millions of Yen	
	Nine months ended Dec. 31,	
	2013	2014
Operating activities		
Income before income taxes and minority interests	7,291	6,539
Depreciation and amortization	7,057	7,040
Loss on disposal of fixed assets	500	461
Loss on liquidation of business	—	144
Amortization of goodwill	100	100
Increase (decrease) in allowance for doubtful accounts	1	3
Increase (decrease) in provision for bonuses	(582)	(658)
Increase (decrease) in provision for retirement benefits	(519)	—
Increase (decrease) in net defined benefit liability	—	(591)
(Decrease) increase in provision for directors' and corporate auditors' retirement benefits	67	(246)
(Decrease) increase in provision for directors' and corporate auditors' bonuses	(9)	(18)
Interest and dividends income	(409)	(512)
Interest expenses	268	205
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(27)	(567)
Loss (gain) on sales of fixed assets	(5)	—
Loss (gain) on sales of investment securities	(129)	(2)
Loss (gain) on valuation of investment securities	0	—
Other non-operating expenses (income)	(783)	(248)
Decrease (increase) in notes and accounts receivable-trade	(2,909)	(6,378)
Decrease (increase) in inventories	112	(1,664)
Decrease (increase) in other assets	(398)	(307)
Increase (decrease) in notes and accounts payable-trade	3,697	5,985
Increase (decrease) in accrued consumption taxes	130	193
Increase (decrease) in other liabilities	415	490
Subtotal	13,867	9,967
Interest and dividends income received	710	811
Interest expenses paid	(292)	(197)
Other, net	39	(235)
Income taxes paid	(2,027)	(2,366)
Net cash provided by operating activities	12,298	7,980

	Millions of Yen	
	Nine months ended Dec. 31,	
	2013	2014
Investing activities		
Purchase of fixed assets	(6,332)	(6,250)
Proceeds from sale of fixed assets	6	—
Purchase of investment securities	(13)	(2)
Proceeds from sales of investment securities	255	45
Payments of loans receivable	(2)	—
Collection of loans receivable	81	0
Proceeds from withdrawal of time deposits	—	200
Other, net	(181)	(49)
Net cash used in investing activities	(6,186)	(6,056)
Financing activities		
Increase (decrease) in short-term loans payable	59	584
Proceeds from long-term loans payable	2,759	1,541
Repayment of long-term debt	(1,869)	(848)
Proceeds from sales of treasury stock	0	—
Purchase of treasury stock	(9)	(4)
Cash dividends paid	(1,648)	(1,648)
Cash dividends paid to minority shareholders	(125)	(265)
Net cash used in financing activities	(833)	(639)
Effect of exchange rate changes on cash and cash equivalents	350	111
Net increase (decrease) in cash and cash equivalents	5,629	1,395
Cash and cash equivalents at beginning of period	10,164	15,476
Cash and cash equivalents at end of period	15,794	16,872

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

None

(Notes to Significant Changes in Shareholders' Equity)

None

(5) Segment Information

[Cumulative Nine Months of the Previous Consolidated Fiscal Year (April 1, 2013 through Dec. 31, 2013)]

1. Net Sales and Profit by Reporting Segment

(Millions of yen)

	Reporting Segment						Adjust- ment	Total
	Toiletries and Health Care	Petroleum and Automo- tives	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Subtotal		
Net Sales								
Sales to Third Parties	50,722	28,056	14,522	15,691	13,741	122,765	—	122,765
Inter-Segment Sales/ Transfers	—	—	16	—	347	364	(364)	—
Subtotal	50,722	28,056	14,569	15,691	14,088	123,129	(364)	122,765
Segment Profits (loss)	3,167	1,193	1,755	478	(51)	6,543	—	6,543

Notes: The total figure is the same as that of operating income in Consolidated Statements of Income.

2. Impairment Loss for Fixed Assets by Reporting Segment

None

[Cumulative Nine Months of the Current Consolidated Fiscal Year (April 1, 2014 through Dec. 31, 2014)]

1. Net Sales and Profit by Reporting Segment

(Millions of yen)

	Reporting Segment						Adjust- ment	Total
	Toiletries and Health Care	Petroleum and Automo- tives	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Subtotal		
Net Sales								
Sales to Third Parties	48,273	29,863	16,058	15,354	14,762	124,311	—	124,311
Inter-Segment Sales/ Transfers	—	—	19	—	376	395	(395)	—
Subtotal	48,273	29,863	16,077	15,354	15,138	124,707	(395)	124,311
Segment Profits (loss)	2,555	659	1,804	817	108	5,944	—	5,944

Notes: The total figure is the same as that of operating income in Consolidated Statements of Income.

2. Impairment Loss of Fixed Assets by Reporting Segment

Loss on liquidation of business consists of impairment loss of ¥78 million of fixed assets.

Business segmental breakdown is as follows.

Information and Electrics/Electronics: ¥78 million

<Reference>

[Information by Geographic Segment]

[Cumulative Nine Months of the Previous Consolidated Fiscal Year (April 1, 2013 through Dec. 31, 2013)]

(Millions of yen)

	Japan	USA	China	Other	Total
Sales					
(1) Sales to third parties	95,141	3,882	21,182	2,560	122,765
(2) Sales from inter-segment transactions and transfers	3,412	—	1,067	9	4,490
Total	98,553	3,882	22,249	2,569	127,255
Operating income (loss)	5,074	(141)	1,394	139	6,466

	Elimination or Common Assets	Consolidated Total
Sales		
(1) Sales to third parties	—	122,765
(2) Sales from inter-segment transactions and transfers	(4,490)	—
Total	(4,490)	122,765
Operating income (loss)	77	6,543

[Cumulative Nine Months of the Current Consolidated Fiscal Year (April 1, 2014 through Dec. 31, 2014)]

(Millions of yen)

	Japan	USA	China	Other	Total
Sales					
(1) Sales to third parties	96,711	4,052	20,868	2,679	124,311
(2) Sales from inter-segment transactions and transfers	4,203	4	1,214	23	5,445
Total	100,915	4,056	22,082	2,702	129,757
Operating income (loss)	4,756	(156)	1,173	103	5,877

	Elimination or Common Assets	Consolidated Total
Sales		
(1) Sales to third parties	—	124,311
(2) Sales from inter-segment transactions and transfers	(5,445)	—
Total	(5,445)	124,311
Operating income (loss)	67	5,944

[Overseas Sales]

[Cumulative Nine Months of the Previous Consolidated Fiscal Year (April 1, 2013 through Dec. 31, 2013)]
(Millions of yen)

	Asia	(of which, China)	Americas	Other	Total
I. Overseas sales	29,481	(16,853)	8,663	9,676	47,820
II. Consolidated sales	—	(—)	—	—	122,765
III. Percentage of overseas sales to consolidated sales (%)	24.0	(13.7)	7.1	7.9	39.0

[Cumulative Nine Months of the Current Consolidated Fiscal Year (April 1, 2014 through Dec. 31, 2014)]
(Millions of yen)

	Asia	(of which, China)	Americas	Other	Total
I. Overseas sales	32,828	(19,133)	8,183	9,257	50,268
II. Consolidated sales	—	(—)	—	—	124,311
III. Percentage of overseas sales to consolidated sales (%)	26.4	(15.4)	6.6	7.4	40.4

Notes:

1. The term “overseas sales” refers to sales of the parent company and its consolidated subsidiaries registered in countries and regions outside Japan.
2. Areas included in each country or region are determined based on their degree of proximity.
3. Main countries or regions included in each geographic segment
 - (1) Asia: Korea, China, Indonesia, India, and Thailand
 - (2) Americas: USA, Mexico, and Brazil
 - (3) Other: Australia, Europe, Russia, and the Middle East

4. Supplementary Information

Trend of Each Quarter Results

1. Consolidated

Previous Fiscal Year

(Millions of yen)

	FY 2013				
	1Q	2Q	3Q	4Q	Total
	April 2013 through June 2013	July 2013 through Sept. 2013	Oct. 2013 through Dec. 2013	Jan. 2014 through March 2014	April 2013 through March 2014
Net sales	38,997	41,238	42,529	42,417	165,183
Operating income	2,469	1,635	2,438	1,567	8,110
Ordinary income	3,094	1,960	2,586	1,571	9,212
Net income	2,009	923	1,627	358	4,918
Comprehensive income	4,395	2,575	2,512	1,588	11,071

Current Fiscal Year

(Millions of yen)

	FY 2014			Change	
	1Q	2Q	3Q	Same term of previous fiscal year	Previous term
	April 2014 through June 2014	July 2014 through Sept. 2014	Oct. 2014 through Dec. 2014	Oct. 2013 through Dec. 2013	July 2014 through Sept. 2014
Net sales	40,793	41,524	41,994	(1.3%)	1.1%
Operating income	1,950	1,449	2,544	4.3%	75.5%
Ordinary income	2,251	1,582	3,301	27.7%	108.6%
Net income	1,359	917	1,932	18.8%	110.6%
Comprehensive income	1,791	678	6,617	165.8%	875.2%

2. Non-consolidated

Previous Fiscal Year

(Millions of yen)

	FY 2013				
	1Q	2Q	3Q	4Q	Total
	April 2013 through June 2013	July 2013 through Sept. 2013	Oct. 2013 through Dec. 2013	Jan. 2014 through March 2014	April 2013 through March 2014
Net sales	24,475	24,778	26,361	26,525	102,141
Operating income	1,289	426	954	543	3,213
Ordinary income	1,904	944	1,538	979	5,365
Net income(loss)	1,476	640	1,296	(3,680)	(266)

Current Fiscal Year

(Millions of yen)

	FY 2014			Change	
	1Q	2Q	3Q	Same term of previous fiscal year	Previous term
	April 2014 through June 2014	July 2014 through Sept. 2014	Oct. 2014 through Dec. 2014	Oct. 2013 through Dec. 2013	July 2014 through Sept. 2014
Net sales	26,016	25,568	26,978	2.3%	5.5%
Operating income	842	461	1,111	16.5%	140.8%
Ordinary income	1,373	1,016	1,688	9.8%	66.2%
Net income	1,030	706	1,295	(0.1%)	83.2%