

Highlights of Consolidated Results for the 1st Quarter of Fiscal Year ending March 31, 2015

Millions of yen (except for per share amounts)			
	Three months ended June 30, 2014	Three months ended June 30, 2013	Change (%)
Net sales	Y 160,436	Y 139,312	15.2
Operating income	16,490	9,388	75.6
Current profits	14,817	5,874	152.2
Net income	29,388	1,336	-
(Ref.) Comprehensive income	29,508	11,117	165.4
Net income per share:			
Basic	Y 111.19	Y 5.01	
Diluted	110.95	5.00	
	As of June 30, 2014	As of March 31, 2014	
Total assets	Y 485,350	Y 469,973	
Net assets	330,268	308,310	
Owners' equity ratio	64.6 %	62.0 %	
Owners' equity per share	Y 1,193.85	Y 1,097.01	
(Ref.) Owners' equity	313,436	291,164	
Number of consolidated subsidiaries	74	62	
Number of affiliates using the applied equity method	5	5	

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2015

Millions of yen (except for per share amounts)			
	[Revised] Year ending March 31, 2015	Year ended March 31, 2014	Change (%)
Net sales	Y 680,000	Y 616,834	10.2
Operating income	50,000	43,301	15.5
Current profits	46,000	35,613	29.2
Net income	49,000	19,220	154.9
Net income per share	Y 186.32	Y 72.20	
Dividends per common share	30.00	24.00	
	[Revised] Year ending March 31, 2015	[Previous] Year ending March 31, 2015	Change (%)
Net sales	Y 680,000	Y 670,000	1.5
Operating income	50,000	47,000	6.4
Current profits	46,000	43,000	7.0
Net income	49,000	46,000	6.5
Net income per share	Y 186.32	Y 173.31	
Dividends per common share	30.00	30.00	

(Note 1) Forecasted operating results have been changed from the most recent announcement.

(Note 2) No change has been made in forecasted dividends per common share from the most recent announcement.

Notes:

- The financial statements have been prepared in accordance with accounting principles generally accepted in Japan.
- Amounts less than 1 million yen have been rounded down.
- Yen amounts for the three months ended June 30, 2014 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=103.00 yen, in the accompanying consolidated financial statements.
- Operating results for the three months ended June 30, 2014 are based on the following currency exchange rates:
Actual average rates for the three months ended June 30, 2014: US\$=102.14 yen, EURO=140.01 yen
Forecasts for the year ending March 31, 2015 are based on the following currency exchange rates:
Assumed average rates for the fiscal year: US\$=100.71 yen, EURO=138.54 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of June 30, 2014, 277,535 thousands as of March 31, 2014
Number of treasury stock outstanding: 14,993 thousands as of June 30, 2014, 12,118 thousands as of March 31, 2014
Number of weighted average shares (quarterly): 264,311 thousands during the period ended June 30, 2014, 266,610 thousands during the period ended June 30, 2013

The above-mentioned forecasts are the results of estimations based on outlook for economic environment and predictions at the time of this announcement. The actual results of business performance may sometimes differ from these forecasts due to various factors.

CONSOLIDATED BALANCE SHEETS

	Millions of yen		Thousands of U.S. dollars
	As of June 30, 2014	As of March 31, 2014	As of June 30, 2014
ASSETS			
Current assets			
Cash and deposits	Y 86,186	Y 71,357	\$ 836,766
Marketable securities	2,408	3,017	23,383
Trade receivables	83,283	90,490	808,583
Allowance for doubtful accounts	(1,544)	(1,994)	(14,999)
Inventories	107,103	103,406	1,039,840
Other current assets	30,878	23,973	299,794
Total current assets	<u>308,316</u>	<u>290,252</u>	<u>2,993,366</u>
Net property, plant and equipment	102,419	100,422	994,362
Securities investments	36,889	37,627	358,148
Other assets	39,152	43,070	380,122
Allowance for doubtful accounts	(1,427)	(1,399)	(13,860)
Total assets	<u>Y 485,350</u>	<u>Y 469,973</u>	<u>\$ 4,712,138</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term borrowings	Y 709	Y 1,466	\$ 6,886
Trade payables	43,247	42,771	419,876
Other current liabilities	65,107	72,558	632,112
Total current liabilities	<u>109,064</u>	<u>116,797</u>	<u>1,058,875</u>
Long-term liabilities			
Long-term borrowings	13,606	12,900	132,105
Liability for retirement benefits	13,431	13,780	130,402
Other long-term liabilities	18,979	18,184	184,269
Total liabilities	<u>155,082</u>	<u>161,662</u>	<u>1,505,651</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	186,504
Capital surplus	16,694	16,682	162,083
Retained earnings	294,212	268,156	2,856,429
Treasury stock	(18,643)	(14,074)	(181,004)
Total shareholders' equity	<u>311,473</u>	<u>289,974</u>	<u>3,024,011</u>
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	5,502	4,209	53,424
Deferred gain (loss) under hedge accounting	(43)	(1,534)	(424)
Foreign currency translation adjustments	2,211	4,494	21,472
Defined retirement benefit plans	(5,706)	(5,978)	(55,406)
Total other comprehensive income	<u>1,963</u>	<u>1,190</u>	<u>19,065</u>
Stock acquisition rights	532	532	5,174
Minority interests	16,298	16,613	158,237
Total net assets	<u>330,268</u>	<u>308,310</u>	<u>3,206,487</u>
Total liabilities and net assets	<u>Y 485,350</u>	<u>Y 469,973</u>	<u>\$ 4,712,138</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Three months ended	Three months ended	Three months ended
	June 30, 2014	June 30, 2013	June 30, 2014
Net sales	Y 160,436	Y 139,312	\$ 1,557,637
Cost of sales	88,977	80,802	863,859
Gross profit	71,459	58,509	693,778
Selling, general and administrative expenses	54,968	49,120	533,678
Operating income	16,490	9,388	160,099
Non-operating income (expenses):			
Interest and dividend income	367	355	3,572
Interest expenses	(56)	(50)	(548)
Other, net	(1,984)	(3,819)	(19,267)
Current profits	14,817	5,874	143,857
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	16,245	(68)	157,726
Other, net	(30)	90	(294)
Income before income taxes	31,032	5,896	301,289
Income taxes	1,600	4,372	15,538
Income before minority interests	29,432	1,523	285,751
Minority interests in net income	43	187	426
Net income	Y 29,388	Y 1,336	\$ 285,325
Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 111.19	Y 5.01	\$ 1.08
Diluted	110.95	5.00	1.08

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars
	Three months ended	Three months ended	Three months ended
	June 30, 2014	June 30, 2013	June 30, 2014
Income before minority interests	Y 29,432	Y 1,523	\$ 285,751
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	1,342	1,475	13,035
Deferred gain (loss) under hedge accounting	1,490	(510)	14,470
Foreign currency translation adjustments	(3,027)	8,629	(29,392)
Defined retirement benefit plans	270	-	2,625
Total other comprehensive income (loss)	76	9,593	738
Comprehensive income	Y 29,508	Y 11,117	\$ 286,489
Comprehensive income attributable to:			
Owners of the Company	Y 29,453	Y 10,752	\$ 285,959
Minority interests	54	364	529

SEGMENT INFORMATION

	Millions of yen		Thousands of U.S. dollars	
	Three months ended June 30, 2014	Three months ended June 30, 2013	Three months ended June 30, 2014	
Printing & Solutions				
Net sales				
Unaffiliated customers	Y 107,798	Y 97,223	\$ 1,046,590	
Intersegment	-	-	-	
Total	107,798	97,223	1,046,590	
Operating income	11,778	7,504	114,353	
Personal & Home				
Net sales				
Unaffiliated customers	Y 9,366	Y 8,256	\$ 90,942	
Intersegment	-	-	-	
Total	9,366	8,256	90,942	
Operating income	712	640	6,921	
Machinery & Solution				
Net sales				
Unaffiliated customers	Y 24,978	Y 15,912	\$ 242,506	
Intersegment	-	-	-	
Total	24,978	15,912	242,506	
Operating income	4,175	831	40,540	
Network & Contents				
Net sales				
Unaffiliated customers	Y 10,687	Y 11,063	\$ 103,765	
Intersegment	-	-	-	
Total	10,687	11,063	103,765	
Operating income (loss)	(975)	(175)	(9,469)	
Industrial Part				
Net sales				
Unaffiliated customers	Y 4,198	Y 3,762	\$ 40,763	
Intersegment	-	-	-	
Total	4,198	3,762	40,763	
Operating income	184	313	1,787	
Others				
Net sales				
Unaffiliated customers	Y 3,406	Y 3,093	\$ 33,071	
Intersegment	2,310	2,274	22,430	
Total	5,716	5,367	55,501	
Operating income	635	283	6,166	
Adjustment				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(2,310)	(2,274)	(22,430)	
Total	(2,310)	(2,274)	(22,430)	
Operating income	(20)	(9)	(200)	
Consolidated				
Net sales				
Unaffiliated customers	Y 160,436	Y 139,312	\$ 1,557,637	
Intersegment	-	-	-	
Total	160,436	139,312	1,557,637	
Operating income	16,490	9,388	160,099	

Note:

Main products in each business segment are as follows:

Printing & Solutions	Printers, All-in-Ones, FAX Machines, Electronic Stationery, Typewriters, Scanners
Personal & Home	Home Sewing Machines, Home Cutting Machines, etc.
Machinery & Solution	Industrial Sewing Machines, Machine Tools, Garment Printers
Network & Contents	Online Karaoke Systems, Content Services, Content-delivery Systems, etc.
Industrial Part	Reducers, Gears, etc.
Others	Real Estate, etc.