

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2015

Millions of yen (except for per share amounts)			
	Six months ended September 30, 2014	Six months ended September 30, 2013	Change (%)
Net sales	Y 324,672	Y 288,355	12.6
Operating income	29,962	19,364	54.7
Current profits	27,637	15,323	80.4
Net income	37,122	6,435	476.9
(Ref.) Comprehensive income	50,070	18,335	173.1
Net income per share:			
Basic	Y 141.39	Y 24.14	
Diluted	141.09	24.09	
Dividends per common share	15.00	12.00	
	As of September 30, 2014	As of March 31, 2014	
Total assets	Y 521,418	Y 469,973	
Net assets	345,863	308,310	
Owners' equity ratio	63.0 %	62.0 %	
Owners' equity per share	Y 1,264.90	Y 1,097.01	
(Ref.) Owners' equity	328,494	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 700,000	Y 616,834	13.5
Operating income	53,000	43,301	22.4
Current profits	49,000	35,613	37.6
Net income	51,000	19,220	165.3
Net income per share	Y 195.31	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 700,000	Y 680,000	2.9
Operating income	53,000	50,000	6.0
Current profits	49,000	46,000	6.5
Net income	51,000	49,000	4.1
Net income per share	Y 195.31	Y 186.32	
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 six months ended September 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 six months ended September 30, 2014 are based on the following currency exchange rates:
Actual average rates for the six months ended September 30, 2014: US\$=103.51 yen, EURO=139.07 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\$=104.54 yen, EURO=138.64 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of September 30, 2014, 277,535 thousands as of March 31, 2014
Number of treasury stock outstanding: 17,836 thousands as of September 30, 2014, 12,118 thousands as of March 31, 2014
Number of weighted average shares (first half): 262,545 thousands during the period ended September 30, 2014, 266,612 thousands during the period ended September 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 September 30, 2014	As of March 31, 2014	As of September 30, 2014
ASSETS			
Current assets			
Cash and deposits	Y 88,477	Y 71,357	\$ 859,003
Marketable securities	1,705	3,017	16,556
Trade receivables	92,744	90,490	900,434
Allowance for doubtful accounts	(1,705)	(1,994)	(16,553)
Inventories	125,145	103,406	1,215,000
Other current assets	31,154	23,973	302,475
Total current assets	<u>337,522</u>	<u>290,252</u>	<u>3,276,914</u>
Net property, plant and equipment	107,311	100,422	1,041,857
Securities investments	38,670	37,627	375,442
Other assets	39,381	43,070	382,346
Allowance for doubtful accounts	(1,467)	(1,399)	(14,246)
Total assets	<u>Y 521,418</u>	<u>Y 469,973</u>	<u>\$ 5,062,312</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term borrowings	Y 154	Y 1,466	\$ 1,496
Trade payables	50,453	42,771	489,839
Other current liabilities	77,558	72,558	752,995
Total current liabilities	<u>128,165</u>	<u>116,797</u>	<u>1,244,330</u>
Long-term liabilities			
Long-term borrowings	12,941	12,900	125,648
Liability for retirement benefits	13,782	13,780	133,810
Other long-term liabilities	20,664	18,184	200,630
Total liabilities	<u>175,555</u>	<u>161,662</u>	<u>1,704,418</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	186,504
Capital surplus	16,694	16,682	162,082
Retained earnings	301,946	268,156	2,931,516
Treasury stock	(24,070)	(14,074)	(233,697)
Total shareholders' equity	<u>313,779</u>	<u>289,974</u>	<u>3,046,405</u>
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	5,764	4,209	55,965
Deferred gain (loss) under hedge accounting	127	(1,534)	1,234
Foreign currency translation adjustments	14,309	4,494	138,926
Defined retirement benefit plans	(5,485)	(5,978)	(53,261)
Total other comprehensive income	<u>14,715</u>	<u>1,190</u>	<u>142,864</u>
Stock acquisition rights	526	532	5,112
Minority interests	16,841	16,613	163,513
Total net assets	<u>345,863</u>	<u>308,310</u>	<u>3,357,894</u>
Total liabilities and net assets	<u>Y 521,418</u>	<u>Y 469,973</u>	<u>\$ 5,062,312</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2014	Six months ended September 30, 2013	Six months ended September 30, 2014
	Y	Y	\$
Net sales	324,672	288,355	3,152,162
Cost of sales	178,680	165,627	1,734,765
Gross profit	145,991	122,727	1,417,397
Selling, general and administrative expenses	116,029	103,363	1,126,503
Operating income	29,962	19,364	290,894
Non-operating income (expenses):			
Interest and dividend income	728	587	7,075
Interest expenses	(125)	(168)	(1,218)
Other, net	(2,928)	(4,459) *	(28,427)
Current profits	27,637	15,323	268,323
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	16,174	(238)	157,035
Other, net	(132)	(64)	(1,284)
Income before income taxes	43,679	15,020	424,074
Income taxes	6,463	8,348	62,748
Income before minority interests	37,216	6,672	361,326
Minority interests in net income	94	237	914
Net income	Y 37,122	Y 6,435	\$ 360,412

* Foreign exchange loss of 5,570 million yen is included.

Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 141.39	Y 24.14	\$ 1.37
Diluted	141.09	24.09	1.37

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2014	Six months ended September 30, 2013	Six months ended September 30, 2014
	Y	Y	\$
Income before minority interests	37,216	6,672	361,326
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	1,601	2,099	15,546
Deferred gain (loss) under hedge accounting	1,661	(369)	16,129
Foreign currency translation adjustments	9,102	9,933	88,372
Defined retirement benefit plans	490	-	4,760
Share of other comprehensive income (loss) of associates	(0)	-	(7)
Total other comprehensive income (loss)	12,854	11,662	124,800
Comprehensive income	Y 50,070	Y 18,335	\$ 486,126
Comprehensive income attributable to:			
Owners of the Company	Y 49,938	Y 17,874	\$ 484,845
Minority interests	131	460	1,281

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of yen		Thousands of
	Six months ended September 30, 2014	Six months ended September 30, 2013	Six months ended September 30, 2014
			U.S. dollars
OPERATING ACTIVITIES:			
Income before income taxes	Y 43,679	Y 15,020	\$ 424,074
Adjustments for:			
Depreciation and amortization	12,694	12,535	123,248
Impairment loss	61	231	599
Amortization of goodwill	664	766	6,453
Provision for (Reversal of) allowance for doubtful accounts	410	231	3,989
Increase (Decrease) in liability for retirement benefits	74	914	723
Provision for (Reversal of) product warranty	(570)	789	(5,543)
Provision for (Reversal of) bonus reserve	471	(324)	4,580
Interest and dividend income	(728)	(587)	(7,075)
Interest expenses	125	168	1,218
Foreign exchange loss (gain)	(2,917)	(1,985)	(28,326)
Equity in loss (earnings) of affiliates	(37)	128	(364)
Valuation loss (gain) on derivatives	(442)	(1,652)	(4,300)
Loss (Gain) on sales and disposals of property, plant and equipment, net	(16,174)	238	(157,035)
Loss (Gain) on cancellation of shares due to absorption of a subsidiary	-	(144)	-
Decrease (Increase) in trade notes and accounts receivable	12	(666)	123
Decrease (Increase) in inventories	(14,653)	(5,336)	(142,266)
Increase (Decrease) in trade notes and accounts payable	6,192	12,590	60,125
Increase (Decrease) in accrued expenses	408	254	3,963
Other, net	(1,187)	(3,051)	(11,528)
Cash generated from operations	28,083	30,122	272,658
Interest and dividends received	771	618	7,493
Interest paid	(125)	(170)	(1,223)
Income taxes paid	(5,617)	(4,775)	(54,537)
Net cash provided by operating activities	Y 23,112	Y 25,795	\$ 224,391
INVESTING ACTIVITIES:			
Proceeds from sales and redemption of marketable securities	1,707	2,801	16,579
Disbursement for purchases of property, plant and equipment	(11,645)	(13,787)	(113,058)
Proceeds from sales of property, plant and equipment	17,238	764	167,361
Disbursement for purchases of intangible assets	(2,841)	(2,493)	(27,583)
Disbursement for purchases of investment securities	(2,734)	(3,487)	(26,551)
Proceeds from sales and redemption of investment securities	677	699	6,573
Disbursement for purchases of shares in affiliates	-	(920)	-
Disbursement for payment of investments in affiliates	-	(2,188)	-
Other, net	(58)	244	(570)
Net cash used in investing activities	Y 2,343	Y (18,367)	\$ 22,751
FINANCING ACTIVITIES:			
Increase (Decrease) in short-term borrowings, net	(1,318)	(444)	(12,798)
Proceeds from borrowings of long-term debt	1,754	200	17,031
Disbursement for repayment of long-term borrowings	(1,800)	-	(17,476)
Disbursement for repayment of lease obligations	(662)	(747)	(6,431)
Decrease (Increase) in treasury stock, net	(10,006)	(1)	(97,146)
Cash dividends paid	(3,612)	(3,365)	(35,070)
Net cash used in financing activities	Y (15,644)	Y (4,359)	\$ (151,890)
Effect of foreign currency exchange rate changes on cash and cash equivalents	4,281	3,075	41,569
Net increase (decrease) in cash and cash equivalents	14,092	6,144	136,822
Cash and cash equivalents at beginning of period	68,934	55,059	669,271
Cash and cash equivalents of newly consolidated subsidiaries	2,905	4,301	28,205
Cash and cash equivalents increased by merger with unconsolidated subsidiaries	94	210	921
Cash and cash equivalents at end of period	Y 86,027	Y 65,714	\$ 835,219

SEGMENT INFORMATION

	Millions of yen		Thousands of U.S. dollars	
	Six months ended September 30, 2014	Six months ended September 30, 2013	Six months ended September 30, 2014	
Printing & Solutions				
Net sales				
Unaffiliated customers	Y 217,823	Y 202,533	\$ 2,114,795	
Intersegment	-	-	-	
Total	217,823	202,533	2,114,795	
Operating income	21,068	14,722	204,553	
Personal & Home				
Net sales				
Unaffiliated customers	Y 21,848	Y 18,767	\$ 212,117	
Intersegment	-	-	-	
Total	21,848	18,767	212,117	
Operating income	1,986	1,613	19,285	
Machinery & Solution				
Net sales				
Unaffiliated customers	Y 46,887	Y 30,049	\$ 455,218	
Intersegment	-	-	-	
Total	46,887	30,049	455,218	
Operating income	7,524	2,049	73,051	
Network & Contents				
Net sales				
Unaffiliated customers	Y 22,527	Y 22,256	\$ 218,710	
Intersegment	-	-	-	
Total	22,527	22,256	218,710	
Operating income (loss)	(1,641)	(292)	(15,940)	
Industrial Part				
Net sales				
Unaffiliated customers	Y 8,613	Y 7,638	\$ 83,627	
Intersegment	-	-	-	
Total	8,613	7,638	83,627	
Operating income	199	516	1,934	
Others				
Net sales				
Unaffiliated customers	Y 6,972	Y 7,110	\$ 67,695	
Intersegment	6,154	4,779	59,756	
Total	13,127	11,890	127,451	
Operating income	898	790	8,725	
Adjustment				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(6,154)	(4,779)	(59,756)	
Total	(6,154)	(4,779)	(59,756)	
Operating income	(73)	(36)	(714)	
Consolidated				
Net sales				
Unaffiliated customers	Y 324,672	Y 288,355	\$ 3,152,162	
Intersegment	-	-	-	
Total	324,672	288,355	3,152,162	
Operating income	29,962	19,364	290,894	

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.