

Highlights of Consolidated Results for the Nine Months and the Third Quarter of Fiscal Year Ending March 31, 2015

Millions of yen (except for per share amounts)			
	Nine months ended December 31, 2014	Nine months ended December 31, 2013	Change (%)
Net sales	Y 521,422	Y 451,841	15.4
Operating income	45,807	30,740	49.0
Current profits	42,397	24,145	75.6
Net income	48,053	11,784	307.8
(Ref.) Comprehensive income	79,908	40,595	96.8
Net income per share:			
Basic	Y 183.70	Y 44.21	
Diluted	183.30	44.12	
As of December 31, 2014			
Total assets	Y 560,383	Y 469,973	
Net assets	371,708	308,310	
Owners' equity ratio	63.2 %	62.0 %	
Owners' equity per share	Y 1,364.59	Y 1,097.01	
(Ref.) Owners' equity	354,382	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 710,000	Y 616,834	15.1
Operating income	55,000	43,301	27.0
Current profits	51,500	35,613	44.6
Net income	53,500	19,220	178.3
Net income per share	Y 204.88	Y 72.20	
Dividends per common share	30.00	24.00	
[Revised] Year ending March 31, 2015			
Net sales	Y 710,000	Y 700,000	1.4
Operating income	55,000	53,000	3.8
Current profits	51,500	49,000	5.1
Net income	53,500	51,000	4.9
Net income per share	Y 204.88	Y 195.31	
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 to forecasted dividend 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 nine months ended December 31, 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 nine months ended December 31, 2014 are based on the following currency exchange rates:
Actual average rates for the nine months ended December 31, 2014: US\$=107.27 yen, EURO=140.50 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\$=109.48 yen, EURO=139.35 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of December 31, 2014, 277,535 thousands as of March 31, 2014
Number of treasury stock outstanding: 17,837 thousands as of December 31, 2014, 12,118 thousands as of March 31, 2014
Number of weighted average shares (nine months): 261,592 thousands during the period ended December 31, 2014, 266,561 thousands during the period ended December 31, 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 December 31, 2014	As of March 31, 2014	As of December 31, 2014
ASSETS			
Current assets			
Cash and deposits	Y 99,090	Y 71,357	\$ 962,044
Marketable securities	2,716	3,017	26,375
Trade receivables	105,944	90,490	1,028,588
Allowance for doubtful accounts	(2,018)	(1,994)	(19,596)
Inventories	129,229	103,406	1,254,657
Other current assets	35,178	23,973	341,535
Total current assets	<u>370,141</u>	<u>290,252</u>	<u>3,593,604</u>
Net property, plant and equipment	111,976	100,422	1,087,147
Securities investments	39,517	37,627	383,669
Other assets	40,300	43,070	391,271
Allowance for doubtful accounts	(1,552)	(1,399)	(15,076)
Total assets	<u>Y 560,383</u>	<u>Y 469,973</u>	<u>\$ 5,440,616</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Short-term borrowings	Y 338	Y 1,466	\$ 3,288
Trade payables	52,574	42,771	510,435
Other current liabilities	85,994	72,558	834,899
Total current liabilities	<u>138,908</u>	<u>116,797</u>	<u>1,348,622</u>
Long-term liabilities			
Long-term borrowings	13,108	12,900	127,265
Liability for retirement benefits	14,497	13,780	140,757
Other long-term liabilities	22,160	18,184	215,150
Total liabilities	<u>188,674</u>	<u>161,662</u>	<u>1,831,794</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	186,504
Capital surplus	16,696	16,682	162,105
Retained earnings	308,976	268,156	2,999,774
Treasury stock	(24,074)	(14,074)	(233,734)
Total shareholders' equity	<u>320,808</u>	<u>289,974</u>	<u>3,114,649</u>
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	6,271	4,209	60,885
Deferred gain (loss) under hedge accounting	(964)	(1,534)	(9,368)
Foreign currency translation adjustments	33,618	4,494	326,392
Defined retirement benefit plans	(5,351)	(5,978)	(51,953)
Total other comprehensive income	<u>33,573</u>	<u>1,190</u>	<u>325,957</u>
Stock acquisition rights	526	532	5,112
Minority interests	16,799	16,613	163,104
Total net assets	<u>371,708</u>	<u>308,310</u>	<u>3,608,822</u>
Total liabilities and net assets	<u>Y 560,383</u>	<u>Y 469,973</u>	<u>\$ 5,440,616</u>

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Nine months ended	Nine months ended	Nine months ended
	December 31, 2014	December 31, 2013	December 31, 2014
Net sales	Y 521,422	Y 451,841	\$ 5,062,358
Cost of sales	289,229	258,047	2,808,050
Gross profit	232,193	193,793	2,254,308
Selling, general and administrative expenses	186,386	163,053	1,809,577
Operating income	45,807	30,740	444,731
Non-operating income (expenses):			
Interest and dividend income	1,171	937	11,374
Interest expenses	(205)	(218)	(1,995)
Other, net	(4,375)	(7,314) *	(42,485)
Current profits	42,397	24,145	411,624
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	15,892	(309)	154,295
Other, net	(682)	384	(6,622)
Income before income taxes	57,607	24,220	559,297
Income taxes	9,410	11,820	91,361
Income before minority interests	48,197	12,399	467,936
Minority interests in net income	143	614	1,396
Net income	Y 48,053	Y 11,784	\$ 466,540

* Foreign exchange loss of 8,469 million yen is included.

Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 183.70	Y 44.21	\$ 1.78
Diluted	183.30	44.12	1.78

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars
	Nine months ended	Nine months ended	Nine months ended
	December 31, 2014	December 31, 2013	December 31, 2014
Income before minority interests	Y 48,197	Y 12,399	\$ 467,936
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	2,071	2,550	20,109
Deferred gain (loss) under hedge accounting	569	(1,664)	5,527
Foreign currency translation adjustments	28,447	27,309	276,193
Defined retirement benefit plans	623	-	6,055
Share of other comprehensive income (loss) of associates	(1)	-	(10)
Total other comprehensive income (loss)	31,711	28,195	307,875
Comprehensive income	Y 79,908	Y 40,595	\$ 775,811
Comprehensive income attributable to:			
Owners of the Company	Y 79,728	Y 40,335	\$ 774,066
Minority interests	179	259	1,745

SEGMENT INFORMATION

	Millions of yen		Thousands of U.S. dollars	
	Nine months ended December 31, 2014	Nine months ended December 31, 2013	Nine months ended December 31, 2014	
Printing & Solutions				
Net sales				
Unaffiliated customers	Y 350,416	Y 317,962	\$ 3,402,104	
Intersegment	-	-	-	
Total	350,416	317,962	3,402,104	
Operating income	30,321	23,146	294,379	
Personal & Home				
Net sales				
Unaffiliated customers	Y 38,494	Y 31,779	\$ 373,729	
Intersegment	-	-	-	
Total	38,494	31,779	373,729	
Operating income	4,189	2,891	40,671	
Machinery & Solution				
Net sales				
Unaffiliated customers	Y 73,358	Y 44,643	\$ 712,218	
Intersegment	-	-	-	
Total	73,358	44,643	712,218	
Operating income	11,758	3,088	114,157	
Network & Contents				
Net sales				
Unaffiliated customers	Y 35,128	Y 34,178	\$ 341,055	
Intersegment	-	-	-	
Total	35,128	34,178	341,055	
Operating income (loss)	(1,873)	(548)	(18,193)	
Industrial Part				
Net sales				
Unaffiliated customers	Y 12,902	Y 11,799	\$ 125,270	
Intersegment	-	-	-	
Total	12,902	11,799	125,270	
Operating income	195	831	1,893	
Others				
Net sales				
Unaffiliated customers	Y 11,121	Y 11,477	\$ 107,980	
Intersegment	9,530	7,345	92,527	
Total	20,652	18,822	200,507	
Operating income	1,333	1,389	12,946	
Adjustment				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(9,530)	(7,345)	(92,527)	
Total	(9,530)	(7,345)	(92,527)	
Operating income	(115)	(58)	(1,123)	
Consolidated				
Net sales				
Unaffiliated customers	Y 521,422	Y 451,841	\$ 5,062,358	
Intersegment	-	-	-	
Total	521,422	451,841	5,062,358	
Operating income	45,807	30,740	444,731	

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.