



May 14, 2015

## Consolidated Financial Results of the Year ended March 31, 2015 (Japanese Standards)

### Company name: NIKON CORPORATION

Code number: 7731; Stock listings: Tokyo Stock Exchange

URL <http://www.nikon.co.jp/>

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Date for the annual shareholders' meeting: June 26, 2015

Date for the filing of the consolidated financial statements: June 26, 2015

Date of year-end dividend payout: June 29, 2015

Preparation of supplementary materials for financial results: Yes

Information meeting for financial results to be held: Yes (for institutional investors and analysts)

Note: Amounts less than 1 million yen are omitted.

### 1. Consolidated Results of the Year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

#### (1) Financial Results (Percentage represents comparison change to the corresponding previous period)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2015	857,782	(12.5)	43,412	(31.0)	46,368	(24.9)	18,364	(60.8)
Year ended March 31, 2014	980,556	(3.0)	62,941	23.4	61,725	27.7	46,824	10.3

(Note) Comprehensive Income: Year ended March 31, 2015: 49,432 million yen (-24.9%)

Year ended March 31, 2014: 65,832 million yen (-10.7%)

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	46.29	46.21	3.3	4.9	5.1
Year ended March 31, 2014	118.06	117.88	9.0	6.8	6.4

(Reference) Equity in Earning of non-consolidated subsidiaries and affiliates: Year ended March 31, 2015: 1,420 million yen  
Year ended March 31, 2014: 2,328 million yen

#### (2) Financial Position

	Total Assets	Net Assets	Equity Ratio	million yen
	Million yen	Million yen	%	Yen
Year ended March 31, 2015	972,945	572,200	58.6	1,438.17
Year ended March 31, 2014	949,515	546,813	57.5	1,375.92

(Reference) Equity: Year ended March 31, 2015: 570,560 million yen

Year ended March 31, 2014: 545,773 million yen

#### (3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2015	71,309	(24,945)	(24,954)	259,625
Year ended March 31, 2014	114,185	(43,193)	31,868	221,367

### 2. Dividends

	Dividend per Share				
	First quarter ended	Second quarter ended	Third quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	—	10.00	—	22.00	32.00
Year ended March 31, 2015	—	10.00	—	22.00	32.00
Year ending March 31, 2016 (Forecast)	—	8.00	—	8.00	16.00

	Total Annual Cash Dividend Paid	Dividend Payout Ratio (Consolidated)	Dividend Payout to Net Assets Ratio (Consolidated)
	Million yen	%	%
Year ended March 31, 2014	12,692	27.1	2.5
Year ended March 31, 2015	12,694	69.1	2.3
Year ending March 31, 2016 (Forecast)		31.7	

3. Consolidated Financial Forecasts for the year ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Percentage represents comparison to previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share of Common Stock
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter ending September 30, 2015	374,000	(0.3)	2,000	(84.7)	4,000	(72.9)	1,000	(90.1)	2.52
Full year	860,000	0.3	30,000	(30.9)	33,000	(28.8)	20,000	8.9	50.42

4. Other

(1) Changes of significant subsidiaries during the current fiscal year (change of specified subsidiaries that affected the scope of consolidated reporting): None

(2) Changes of accounting policies applied, procedures and methods of presentation for preparing consolidated financial statements

1. Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
2. Other changes in accounting policies: Yes
3. Changes in accounting estimates: Yes
4. Restatement of corrections: None

(3) Number of shares issued (common stock)

1. Number of shares issued as of the term end (including treasury stocks):

Year ended March 31, 2015	400,878,921 shares
Year ended March 31, 2014	400,878,921 shares

2. Number of treasury stock as of the term end:

Year ended March 31, 2015	4,152,366 shares
Year ended March 31, 2014	4,219,304 shares

3. Average number of shares during the term:

Year ended March 31, 2015	396,695,884 shares
Year ended March 31, 2014	396,630,041 shares

[Reference]

1. Non-consolidated Results of the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(1) Financial Results (Percentage represents comparison change to the corresponding previous period)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2015	607,556	(15.2)	7,319	(77.7)	28,223	(26.2)	10,133	(69.1)
Year ended March 31, 2014	716,863	(4.3)	32,809	97.3	38,228	89.5	32,780	62.4

	Net Income per Share of Common Stock	Net Income per Share of Common Stock after Dilution
	Yen	Yen
Year ended March 31, 2015	25.54	25.50
Year ended March 31, 2014	82.65	82.52

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share of Common Stock
	Million yen	Million yen	%	Yen
Year ended March 31, 2015	659,283	339,453	51.3	852.78
Year ended March 31, 2014	681,230	346,093	50.7	870.12

(Reference) Equity: Year ended March 31, 2015: 338,321 million yen  
Year ended March 31, 2014: 345,141 million yen

(※Indication of quarterly review procedures implementation status)

This financial results report is exempt from review procedures under Japan's Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

(※Appropriate use of business forecasts; other special items)

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements. For more information about the Company's business forecasts, please refer to page 6.

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# 1. Operating Results

## 1. Analysis of Operating Results

(1) Overview of the fiscal year ended March 31, 2015

During the consolidated fiscal year ended March 31, 2015, in the Precision Equipment Business, capital investments were firm in the semiconductor-related field. Meanwhile, in the FPD (Flat Panel Display)-related field, although there was a recovery in capital investments for large displays, its performance was weak as a result of a settling down in capital investments for mid-to-small size displays. In the Imaging Products Business, the market for the Digital camera—Interchangeable Lens Type was sluggish mainly in Europe and China, and the compact digital camera market continued to shrink. In the Instruments Business, although the microscope-related field was sluggish due to a reduction in the public budget of Japan and delays in execution, the field was robust in the Americas and China. In the industrial metrology-related field, capital investments related to electronic component and automobiles recovered.

Under these circumstances, the Group initiated a structural reform in order to re-build its business portfolio and try to achieve a transformation into a business model capable of realizing sustained growth based on the three-year Medium Term Management Plan announced in June, 2014.

Firstly, the Group shifted from the in-house company, which was a decentralized operation, to a divisional organization under direct control of the President, in order to create a system that allows the flexible allocation of management resources. In addition, the Group established the Medical Business Development Division in order to promote faster business development of the Medical Business that will serve as a new business pillar.

In existing core businesses, the Group has worked to strengthen the business base through the introduction of innovative new products and working on further cost reductions, etc. In addition, the Group promoted the development of corporate venture capital projects to utilize external resources through means such as M&As and business alliances, and to explore new fields.

For example, as a stepping stone toward full-fledged entry into the Medical Business, the Group reached an agreement with Optos Plc, which is a leading company in the UK's retina diagnostic imaging equipment market, for the friendly acquisition of Optos Plc and commencement of procedures to convert it into a wholly owned subsidiary.

Net sales of the Group for the fiscal year ended March 31, 2015 decreased by 122,774 million yen (12.5%) year on year to 857,782 million yen, operating income decreased by 19,529 million yen (31.0%) year on year to 43,412 million yen, and ordinary income decreased by 15,356 million yen (24.9%) year on year to 46,368 million yen. In addition, as a result of factors including an impairment loss recorded in the Semiconductor Lithography Business, net income decreased by 28,460 million yen (60.8%) year on year to 18,364 million yen.

Performance by business segment is as follows.

### 1) Precision Equipment Business

In the Semiconductor Lithography System field, the Group worked to improve performance and expand sales of equipment, focusing on ArF immersion scanners, and launched the new NSR-S630D equipment that offers extremely high overlay accuracy and improved productivity. However, the situation was challenging due to factors including the impact of changes in capital investment plans by customers.

In the FPD Lithography System field, although focusing on sales of products such as the FX-67S that are ideal for the production of mid-to-small size high definition displays for smart-phone/tablet terminals, etc., the Group was affected by the settling down of capital investments. In the equipment for large displays, sales of its latest products such as the FX-86S2 and FX-86SH2 grew steadily, supported by a recovery in capital investment.

Although the Group made efforts across its business as a whole to improve the profit structure, including shortening manufacturing periods and cutting costs, net sales decreased by 16.9% from the previous fiscal year to 170,757 million yen, and operating income decreased by 58.4% from the previous fiscal year to 8,355 million yen.

### 2) Imaging Products Business

In the Imaging Products Business, the performance of Digital camera—Interchangeable Lens Type was strong for D750 and D810, the digital single-lens reflex (SLR) cameras with full-scale specifications comparable to those of professional models, D7200 and D7100, the middle-class models, and D5500 and D3300, the entry-class models, and the market share grew significantly, especially in the USA and Russia during the fourth quarter.

In compact digital cameras, sales were strong for products including the multi-function model COOLPIX P600 which comes with 60x optical zoom and the stylish model COOLPIX S9700 equipped with a 30x optical zoom.

Cumulative production of interchangeable lenses reached 90 million units in November 2014.

As a result of the foregoing, despite downturn in the market, due in part to the expansion in market shares net sales only decreased by 14.5% from the previous fiscal year to 586,019 million yen, and operating income only decreased by 11.8% to 56,698 million yen.

### 3) Instruments Business

In the Microscope field, although the Group was influenced by the market downturn in Japan, sales grew mainly in inverted microscopes for research driven by China, where market share was expanded, and the Americas, where sales were strong in cellular research related field.

In the Industrial Metrology field, profits improved by increased the sales for products such as the CNC Video Measuring System -NEXIV series- and non-contact 3D Metrology System through recovery in capital investment, and working to further improve productivity.

As a result of the foregoing, net sales increased by 11.9% from the previous fiscal year to 72,381 million yen, marking a record high and operating income was 1,199 million yen (compared with operating loss of 2,156 million yen for the previous fiscal year).

### 4) Other Businesses

In the Customized Products Business, sales of space-related products grew significantly, and although sales decreased in the Glass Business due to poor sales of photomask substrates for FPD, efforts to improve profits were successful.

As a result of the foregoing, net sales increased by 14.7% from the previous fiscal year to 28,622 million yen, and operating income increased by 53.7% from the previous fiscal year to 6,791 million yen.

### (2) Forecast for the fiscal year ending March 31, 2016

As for the business segments of the Nikon Group, in the Precision Equipment Business, capital investments are expected to be strong in the semiconductor-related field, while in the FPD-related field, a drastic recovery in capital investments for mid-to-small size displays and stable capital investments for large displays are expected. In the Imaging Products Business, although the compact digital camera market is continuing its contraction, it is expected that the range of contraction of the Digital camera—Interchangeable Lens Type market will diminish and that this market will begin to recover from the second half of the fiscal year. In the Instruments Business, the microscope-related field is expected to recover in Japan and perform firmly in Asia and the Americas. In addition, robust capital investments are expected to continue in the industrial instruments-related field.

The biggest issue of the Nikon Group is the restructuring of the business portfolio. Under the Medium Term Management Vision "Next 100 – Transform to Grow", the Nikon Group needs to be reborn from the enterprise led by the Imaging Products Business, the Semiconductor Lithography Business and the FPD Lithography Business into an enterprise, which grows in the portfolio of six businesses, by expanding the Microscope Solutions Business and the Industrial Metrology Business and by growing the Medical Business. Striving for realization, the Group will invest even more internal and external management resources and actively participate in M&As, etc.

In the existing business, the Group will work on strengthening of the structures of the Semiconductor Lithography Business, where impairment loss was recorded for the current fiscal year, and the Imaging Products Business, which is facing increasingly severe business situation due to rapid changes in the market structure, and it will strive for revenue improvement.

Through these measures, the Nikon Group will achieve the transformation of its business model in order to achieve sustainable growth and endeavor to create a new value.

Current forecast for the fiscal year ending March 31, 2016 is as below.

(From April 1, 2015 to March 31, 2016)

(Percentage represents comparison change to the corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full year	860,000	0.3	30,000	(30.9)	33,000	(28.8)	20,000	8.9

The above forecast is based on the following foreign currency exchange rate:

1 US dollar = 115 yen, 1 Euro = 130 yen

\*Forecasts in this disclosure are made by management in light of information currently available.

A number of factors could cause actual results to differ materially from disclosed as above.

## 2. Analysis of Financial Position

The balance of current assets as of March 31, 2015 increased 36,693 million yen to 685,516 million yen (648,822 million yen at the end of the previous fiscal year). This is mainly due to the increase in cash and deposits by 36,981 million yen.

The balance of noncurrent assets as of March 31, 2015 decreased 13,263 million yen to 287,429 million yen (300,693 million yen at the end of the previous fiscal year). This is mainly because the impairment was carried out for the property, plant and equipment, intangible assets, and investment and other assets of the Semiconductor Lithography Business Unit.

The balance of current liabilities as of March 31, 2015 increased 7,088 million yen to 287,265 million yen (280,176 million yen at the end of the previous fiscal year). This is mainly attributable to the increase in accrued expense by 6,182 million yen, the reclassification of long-term loans to current portion of long-term loans by 15,000 million yen in spite of the decrease in current portion of corporate bond by 10,000 million yen due to redemption.

The balance of noncurrent liabilities as of March 31, 2015 decreased 9,046 million yen to 113,479 million yen (122,525 million yen at the end of the previous fiscal year). This is primarily due to the reclassification of long-term loans to short term by 15,000 million yen despite the increase in net defined benefit liability by 3,802 million yen.

The balance of net assets as of March 31, 2015 increased 25,387 million yen to 572,200 million yen (546,813 million yen at the end of the previous fiscal year). This is mainly attributable to the increase in accumulated other comprehensive income by 30,909 million yen, which were arisen from the increase in foreign currency translation adjustment due to the depreciation of Japanese yen and from the increase in valuation difference on available-for-sale securities in line with stock price rise, despite the decrease in retained earnings by 6,327 million yen resulted from the payment of cash dividends and the changes in the accounting policy of retirement benefits.

During the year ended March 31, 2015, net cash provided by operating activities amounted to 71,309 million yen. This is mainly attributable to the inflows from the post of 35,153 million yen of income before income taxes, and also inflows from the adjustment on depreciation and amortization, and on impairment loss, and the payment of income taxes paid by 11,107 million yen. Net cash used in investing activities amounted to 24,945 million yen. This is primarily due to the expenditure of 22,337 million yen for the purchase of property, plant and equipment.

Net cash used in financing activities amounted to 24,954 million yen. This is mainly due to the redemption of bonds by 10,000 million yen and the payment of cash dividends by 12,685 million yen.

### (Reference) Changes in Cash Flow-Related Indices

	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015
Equity ratio (%)	46.8	50.3	56.6	57.5	58.6
Equity ratio based on market value (%)	81.9	115.8	102.3	69.4	65.6
Cash flow to interest-bearing debt ratio (years)	0.7	5.7	1.6	1.1	1.6
Interest coverage ratio (times)	128.0	14.2	40.8	86.3	48.6

(Notes) Equity ratio: Equity/Total assets

Equity ratio based on market value: Total market value of shares/Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/Interest payments

\*All indices are calculated based on consolidated financial data.

\*The total market value of shares is calculated in accordance with the formula: final share price as of the end of the fiscal year multiplied by numbers of shares issued (after deducting treasury stock).

\*Operating cash flows are the cash flows from operating activities as indicated in the consolidated cash flow statement.

Interest-bearing debts include the short-term and long-term loans payable as posted in the consolidated balance sheet. As regards interest payments, the amount of interest paid as shown in the consolidated cash flow statement is used.

## 3. Shareholder Returns Policy and Dividends

Nikon's basic dividend policy is to improve the reflection of business performance based on paying a stable dividend, as well as expanding the investment for the future growth and strengthening of competitiveness.

The Group set the year-end dividends at 22 yen per share, same with the previous fiscal year despite the decrease in revenue and profit. As a result, cash dividends for the fiscal year ended March 31, 2015 will be 32 yen per share including 10 yen of interim dividend.

As for the dividends of the fiscal year ending March 31, 2016, the Group plans to pay 16 yen per share including 8 yen of interim dividend.

Henceforth, its present goal is to provide a total return ratio of 30% or more.



#### 4. Business and Other Risks

There is a possibility that the business performance of the Nikon Group will be impacted significantly by various factors that may arise in the future. Following are principal matters that are considered to be likely risk factors in the promotion of business operations by the Group.

Matters concerning the future as stated herein are based on the Nikon Group's estimations as of the date of the preparation hereof.

##### (1) Unique business environment and circumstances

The semiconductor industry, which is the main target market for the Semiconductor Lithography System handled by the Precision Equipment Business, is characterized as an industry with drastic changes in the business cycle, although this inclination has been waning in recent years, due to the diversification of end products. As a result, an over-supply of semiconductor devices in the market poses the risk of a decrease in the demand for steppers, due to a cutback in capital investment by semiconductor manufacturers and an accompanying increase in inventories. However, it is difficult to predict the timing or the duration of such a situation or the degree of fluctuation. As an additional characteristic of customer behavior in the same industry, orders are subject to postponement or cancellation even after they have been placed, resulting in a structure that is prone to increases in inventory during periods of slow demand. The demand for FPD Lithography System, which is dependent on the climate of the LCD panel market, may experience a rapid decline, should LCD panel prices drop as a result of an over-supply.

In the market for digital cameras, which are the leading products in the Imaging Products Business, there is a possibility of the market undergoing changes such as the decline in demand for digital cameras, due to such factors as fluctuation of the economy of the respective regions and the emergence of strong competition, such as new digital equipment.

In the Instruments Business, the microscope market is becoming saturated, leading to the possibility of a change in competition structure, as a result of an industry restructuring or the like. Further, the Industrial Instruments Business is susceptible to the effect of the economic and facility trends of various industries, including semiconductors, power generation, electronic components, automobiles and machine tools.

Such changes in the business environment are likely to have a considerable impact on the business performance and the financial position of the Nikon Group.

##### (2) Dependence on specific suppliers

In each business that it is engaged in, the Nikon Group is sometimes dependent on specific suppliers for such things as raw materials, key components, and finished products that have been outsourced. Although the Group is making efforts to ensure stable procurement while maintaining a close relationship with specific suppliers, there is a possibility that the Group's profit and financial position will be adversely affected in the event of a steep increase in purchase price or a material problem with procurement due to a sudden surge in demand, natural disasters, quality issues, as well as policy changes or bankruptcy on the part of a specific supplier.

##### (3) Dependence on specific customers

Moves such as mergers and partnerships are progressing within the semiconductor industry, which is a customer of the Precision Equipment Business, in order to cope with expanding capital expenditure and increasingly diversified technology development. Further, selective elimination is proceeding as the competitive superiority or inferiority of various companies becomes more defined, based on the technologies owned and the characteristics of the devices manufactured. Competition among companies is intensifying also in the LCD panel industry as capital expenditures expand, resulting in some moves for industry restructuring. Capital investment plans of the Nikon Group's major customers are volatile owing to the foregoing circumstances. Hence, there is a possibility that the Group's profit and financial position will be adversely affected should; for example, a customer drastically reduce order volumes or take its business to a competitor, or should problems arise for any reason with respect to debt payment by a customer.

##### (4) Ability to develop new products and investment in development

Being subject to intense competition, the Nikon Group's core businesses are constantly required to develop new products by continuing to engage in highly advanced research and development. Therefore, it is necessary to continue to invest in product development, regardless of the fluctuations in the Group's profit.

In the Precision Equipment Business, there is a possibility of a decrease in profit in the event of failure to develop new products and/or next-generation technology in a timely manner, or of rejection by the market of a technology developed by the Nikon Group. Further, should a competitor acquire a patent on a new technology, there is a danger that the production and/or sale of a product will be suspended or of a decrease in profit margin due to the payment of royalty, as well as the possibility that the adoption of a new technology by a competitor's device will cause the price of Nikon's devices to deteriorate. Further intensification of price competition is expected with respect to FPD Lithography System in the event of

market entries by newcomers or introduction of a new technology, which may impact profit.

In the Imaging Products Business, given the rapid advances in surrounding technological environments and increasing sophistication and diversification of digital cameras, continual investment is required for the development of new technologies and new products. However, there is a conceivable possibility that a technology or a product that was developed will not lead to an increase in profit should the investment fail to produce adequate results or should there be an abrupt shift in demand to higher functioning digital equipment. As with the Precision Equipment Business, should a competitor acquire a patent on a new technology, there is a danger that the production and/or sale of a product will be suspended or of a decrease in profit margin due to the payment of royalty, which may impact profit.

(5) Intensification of price competition

In the market for Semiconductor and FPD Lithography System, while the development of cutting-edge technologies is progressing, there is a possibility that competitors will launch an offensive with low-priced Lithography System.

As for digital cameras, which are the leading products of the Imaging Products Business, there is a possibility that competitors will launch an offensive with low-priced products as the market matures.

In the Instruments business, the maturing of the microscope market is further promoting the competition to differentiate products, while fanning price competition in the mid- and low-range markets. There is a possibility that the Nikon Group's profit and financial position will be affected adversely, should there be a sharp and sudden decrease in prices.

(6) Overseas business operations

The Nikon Group is dependent on foreign countries for a significant portion of its production and sales activities. Hence, it is affected by changes in various import and export laws, tax systems, and regulation in Japan and other countries in which the Group operates. Further, in conducting business operations overseas, there is a possibility that major problems will be encountered and/or losses will be incurred in conducting business activities, due to such risks as changes in political regimes or economic climate; social chaos caused by riots, terrorism, wars, infectious diseases, etc.; problems with such infrastructures or logistics-related functions as water, electricity, and communications network due to natural disaster; and difficulty hiring human resources or loss thereof. There is a possibility that the Nikon Group's profit and financial status will be affected adversely as a result of production and sales being limited by the foregoing.

(7) Risk of fluctuations in exchange rate

The Nikon Group is highly dependent on overseas market, with overseas sales accounting for as much as 85.7% of net sales. While the Group is appropriately hedging foreign exchange risks in accordance with sales volumes and the sales region, the net sale of and profit from products and services subject to foreign currency transactions, or the yen values of the income, losses, assets and liabilities of overseas consolidated subsidiaries will be affected should there be a sharp fluctuation in foreign exchange rates.

(8) Risk relating to M&A, business alliances and strategic investments

The Company operates its business by building relationships with other companies in forms such as business alliances, joint ventures and strategic investments. In addition, the Company may acquire other companies.

These are important for optimization of the business portfolio, expansion of business bases and technological developments, and the Company shares the goal with the other companies and strives to work together towards its achievement.

However, if such cooperation system is not able to be built, and even if it is built, due to business environments, competitors' trends and other reasons, the desired outcome may not be brought fully. It may also take more time than planned for the cooperation system and business integration. In that case, it could adversely affect profitability and financial situation, or may damage investment values.

Further, if the Company found appropriate target company for acquisitions or investments but failed to reach the conclusion of contracts, it could adversely affect profitability and financial situation.

(9) Fund procurement risk

While the Nikon Group is procuring funds as the need arises with due consideration for the balance between long-term and short-term funds, as well as between direct and indirect financing, there is a possibility that such effects as an increase in interest rates on the fund procured or limitation of the means for procuring fund may arise should the financial market climate deteriorate further. There is a possibility that fund procurement by the Group will also be impacted should the rating of the Company's bond be revised downward due to a decline in business performance.

(10) Risk relating to the protection of and litigations on intellectual property rights

The Nikon Group acquires and holds numerous intellectual property rights as it develops products. In some cases, the Group licenses such intellectual property rights to other companies. Although utmost efforts are being made for the maintenance and protection of these intellectual property rights, there is a possibility that considerable litigation expenses will be incurred should a lawsuit be filed in connection

with an unlicensed use of the Group's intellectual property rights by another company.

Further, there is a possibility that other companies, individuals, or entities will file a complaint against the Nikon Group for an alleged infringement on their intellectual property rights, although the Group is paying adequate attention to avoiding infringing third-party intellectual property rights in conducting product development. Should such a situation occur, there is a possibility that the Group's profit and financial position will be affected significantly.

(11) Securing key personnel and outflow of human resources and know-how

The Nikon Group is supported by its employees, who possess advanced technical and other expertise and abilities, and securing such human resources is becoming increasingly more important in order to win through intense competitions in the market. However, should labor fluidity increase further for some reason, there is a possibility that such key personnel will resign, taking their expertise and know-how with them. In order to minimize such outflow of expertise and know-how, the internal transmission, standardization and sharing of proprietary technologies and skills are being promoted. While it is important to secure competent human resources locally overseas, it is believed that the risk of an outflow of human resources is particularly high in regions with high labor fluidity.

Since long-term education and training are essential in order to foster human resources given the rapid technological renovations in the business that the Group is engaged in, replacing key personnel that depart may be difficult at times and may thus adversely affect the Group's future growth, profit and financial position.

(12) Information Leaks

The Nikon Group retains such important information as technical information, corporate information, and the personal information of its customers and other persons concerned. Among other things, the Group is enhancing its internal regulations on the handling of information and educating its employees, while thoroughly controlling external access to such information and improving the level of storage security. However, in the rare event of leakage of the Group's confidential information, including technical information, there is a possibility that the corporate value of the Nikon Group will be damaged. Further, should corporate or personal information leak out, the Group would not only suffer damages to its credibility, but would also be subject to claims for compensation from such entities as business partners, customers, employees or other entities suffering the effect of the leak. Should this occur, there is a possibility that the Group's profit and financial position will be affected adversely as tremendous costs will be necessary for various activities related to the recovery of trust, compensation to subject companies and individuals, implementation of measures to prevent recurrence, and other necessities.

(13) Defects in products and services

As concerns the Nikon Group's products and services, advanced quality assurance systems are in place within Japanese and overseas Group companies, as well as production contractors, in order to provide customers with highly trustable and sophisticated products. However, in the rare event that a customer suffers a loss due to a defect in a product or service, there is a possibility that profit and financial position will be adversely affected, there being the risk that large amounts will be incurred in repair expenses and costs related to liability, recall, disposal of products and the like, in addition to the decreased desire of customers to purchase the Group's products and services due to a decrease in customer trust in the Nikon brand.

(14) Occurrence of natural disasters, etc.

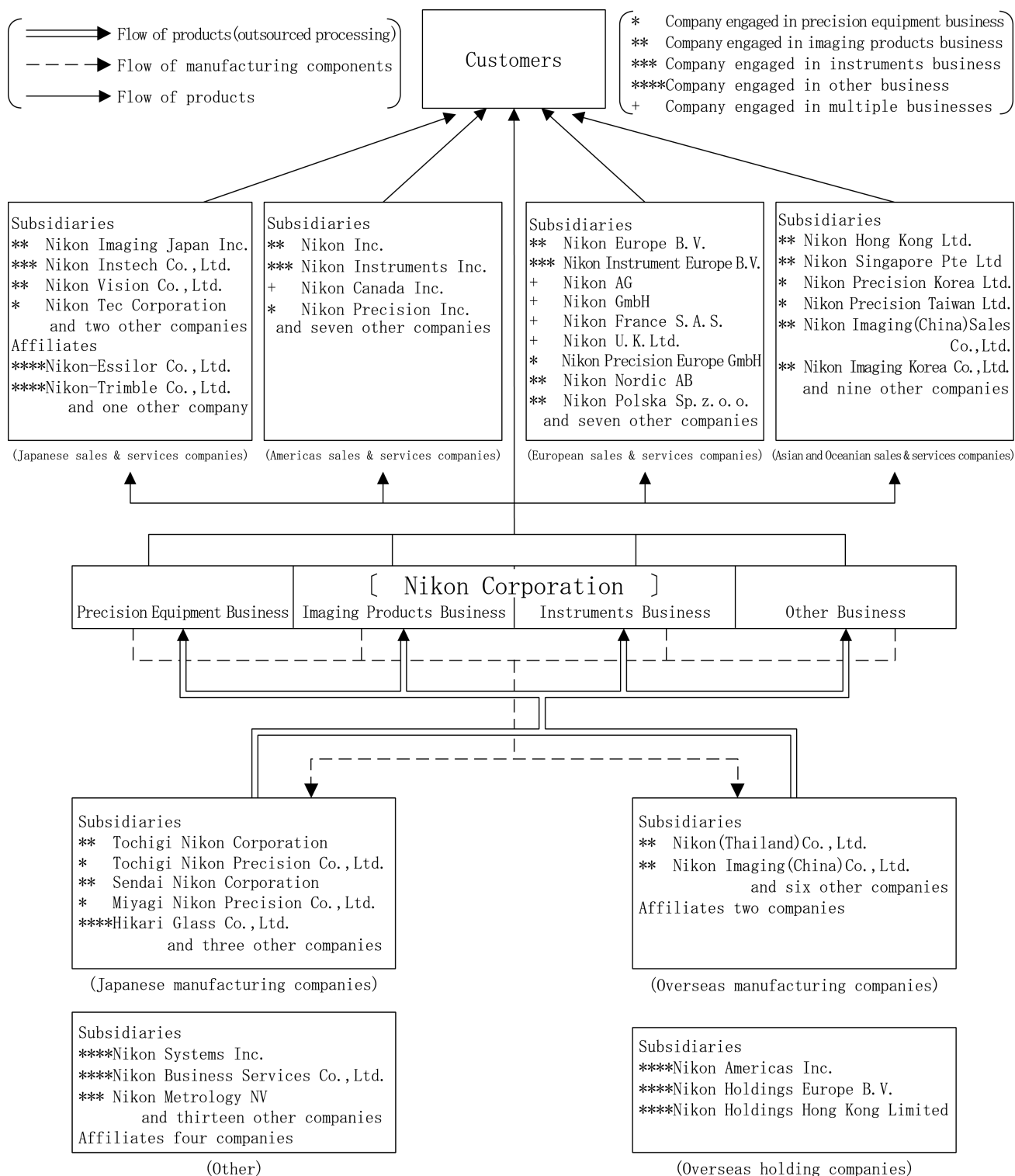
Due attention is being paid to measures relating to such natural disasters as earthquakes, fires and flood, and measures to counter the expansion of such infectious diseases as new strains of influenza, with the business continuity plan (BCP) formulated as a part of countermeasures. However, there is the risk that operations will be suspended and production and shipment will be delayed, should the Group's development or production sites, suppliers or other relevant parties suffer critical damage. There is a possibility that the Group's profit and financial position will be adversely affected, should net sales decrease and considerable expenses be incurred for business recovery as a result thereof.

(15) Damages to brand value

The Nikon Group is making utmost efforts to protect and enhance the 'Nikon Brand,' which was fostered over years of corporate management marked with integrity and provision of products and services that are worthy of customer trust. However, there is a possibility that the Group's profit and financial position will be adversely affected should trust in the brand decline and the value of the Nikon brand be damaged, as a result of the circulation of negative reputation or evaluation of the Group's technologies, products or services.

## 2. Status of Nikon Group

The Nikon Group is comprised of Nikon Corporation (the Company), its 83 subsidiaries, and 9 affiliates. While the principal operations of the Group are manufacturing and sales relating to the precision equipment, imaging product, instruments, and other businesses, it is also engaged in other operations and activities incidental thereto, such as services.



### **3. Management Policies**

#### **(1) Company's Basic Management Policies**

The Group sets "Our Aspirations" as follows, under its corporate philosophy of "Trustworthiness and Creativity".

##### Our Philosophy

"Trustworthiness and Creativity"

##### Our Aspirations

"Meeting needs. Exceeding expectations."

- Providing customers with new value that exceeds their expectations.
- Sustaining growth through a break with the past and a passionate commitment by one and all.
- Maximizing our understanding of light to lead the way towards transformation and a new future.
- Maintaining integrity in order to contribute to social prosperity

#### **(2) Targeted Management Indices**

The Group will make a unified effort to vigorously progress for the achievement of its goal to realize "the Nikon Group that keeps on providing new values and generates sustainable growth."

Continuing to follow the Medium Term Management Plan announced in June 2014, the Group set Medium Term Management Plan based on the progress of this year and the current business environment, and announced it in May, 2015.

#### **(3) Medium and Long-term Management Strategies and Issues to be Addressed**

Having year 2017 for its 100th anniversary, the Group, henceforth, to continuously grow together based on Medium Term Management Plan, "Next 100 - Transform to Grow", as its fundamental value, will effect management by focusing on the following measures.

- To constantly provide customers with new value, and further grow the Nikon brand.
- To realize a Nikon Group with a strong corporate structure to deal with environmental changes with flexibility and a sense of speed.
- To achieve a solid leading position for existing businesses.
- To accelerate the nurturing of new businesses, with priority on the areas of the health and medicine fields, and aim to become a company that can offer total solutions.
- To recognize the importance of Corporate Social Responsibility (CSR), and contribute to the sustainable development of society.

#### **4. Basic Policy on the Adoption of Accounting Standards**

The Group, as a goal to improve the international comparability of financial information and the quality of group management, and also to strengthen its governance, is in the process of various modifications to apply voluntarily IFRS (International Financial Reporting Standards) from the fiscal year ending March 31, 2017.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	225,519	262,501
Notes and accounts receivable-trade	128,443	131,554
Merchandise and finished goods	92,792	88,072
Work in process	123,813	121,929
Raw materials and supplies	28,336	29,980
Deferred tax assets	38,373	37,862
Other	15,513	17,774
Allowance for doubtful accounts	(3,969)	(4,159)
Total Current Assets	648,822	685,516
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	126,082	133,376
Accumulated depreciation	(75,469)	(80,282)
Buildings and structures, net	50,612	53,094
Machinery, equipment and vehicles	208,489	209,496
Accumulated depreciation	(150,879)	(161,424)
Machinery, equipment and vehicles, net	57,609	48,072
Land	15,234	16,142
Lease assets	12,001	9,317
Accumulated depreciation	(9,104)	(7,444)
Lease assets, net	2,896	1,872
Construction in progress	8,407	4,393
Other	81,716	86,149
Accumulated depreciation	(57,199)	(61,638)
Other, net	24,516	24,510
Total property, plant and equipment	159,278	148,085
Intangible assets		
Goodwill	3,759	3,076
Other	29,247	25,294
Total intangible assets	33,006	28,370
Investments and other assets		
Investment securities	72,742	80,860
Net defined benefit asset	19,266	9,658
Deferred tax assets	7,646	10,152
Other	9,007	10,586
Allowance for doubtful accounts	(255)	(285)
Total investments and other assets	108,408	110,973
Total noncurrent assets	300,693	287,429
Total assets	949,515	972,945

(Million yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	118,841	113,724
Short-term loans payable	14,511	28,600
Current portion of bonds	10,000	—
Lease obligations	1,301	1,011
Accrued expenses	52,272	58,454
Income taxes payable	4,449	5,038
Advances received	46,373	46,489
Provision for product warranties	9,926	9,165
Other	22,499	24,781
<b>Total current liabilities</b>	<b>280,176</b>	<b>287,265</b>
<b>Noncurrent liabilities</b>		
Bonds payable	50,000	50,000
Long-term loans payable	49,600	34,600
Lease obligations	1,719	1,285
Deferred tax liabilities	10,356	11,472
Net defined benefit liability	4,674	8,477
Asset retirement obligations	2,755	3,623
Other	3,419	4,020
<b>Total noncurrent liabilities</b>	<b>122,525</b>	<b>113,479</b>
<b>Total liabilities</b>	<b>402,702</b>	<b>400,744</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	65,475	65,475
Capital surplus	80,711	80,711
Retained earnings	384,843	378,515
Treasury stock	(12,618)	(12,412)
<b>Total shareholders' equity</b>	<b>518,412</b>	<b>512,290</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	12,859	20,775
Deferred gains or losses on hedges	(160)	(1,200)
Foreign currency translation adjustment	17,424	40,517
Remeasurements of defined benefit plans	(2,762)	(1,821)
<b>Total accumulated other comprehensive income</b>	<b>27,361</b>	<b>58,270</b>
Subscription rights to shares	952	1,132
Minority interests	87	507
<b>Total net assets</b>	<b>546,813</b>	<b>572,200</b>
<b>Total liabilities and net assets</b>	<b>949,515</b>	<b>972,945</b>



**(2) Consolidated Statements of Income and Statements of Comprehensive Income****① Consolidated Statements of Income**

(Million yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Net sales	980,556	857,782
Cost of sales	630,568	532,383
Gross profit	349,987	325,398
Selling, general and administrative expenses	287,046	281,986
Operating income	62,941	43,412
Non-operating income		
Interest income	933	1,516
Dividends income	1,139	1,196
Equity in earnings of affiliates	2,328	1,420
Other	4,786	4,855
Total non-operating income	9,187	8,988
Non-operating expenses		
Interest expenses	1,351	1,405
Foreign exchange losses	5,486	1,789
Other	3,565	2,837
Total non-operating expenses	10,403	6,032
Ordinary income	61,725	46,368
Extraordinary income		
Gain on sales of noncurrent assets	238	91
Gain on sales of investment securities	1,484	4,982
Compensation income for expropriation	15,006	—
Total extraordinary income	16,729	5,073
Extraordinary loss		
Loss on sales of noncurrent assets	23	56
Impairment loss	2,319	16,229
Loss on sales of investment securities	11	—
Loss on valuation of investment securities	458	3
Environmental expenses	949	—
Total extraordinary losses	3,763	16,289
Income before income taxes	74,691	35,153
Income taxes-current	11,714	11,006
Income taxes-deferred	16,143	5,728
Total income taxes	27,857	16,735
Income before minority interests	46,834	18,417
Minority interests in income	9	53
Net income	46,824	18,364

② Consolidated Statements of Comprehensive Income

(Million yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Income before minority interests	46,834	18,417
Other comprehensive income		
Valuation difference on available-for-sale securities	3,396	7,915
Deferred gains or losses on hedges	56	(1,040)
Foreign currency translation adjustment	15,288	23,201
Remeasurements of defined benefit plans	275	927
Share of other comprehensive income of associates accounted for using equity method	(18)	11
Total other comprehensive income	18,997	31,014
Comprehensive income	65,832	49,432
(Breakdown)		
Comprehensive income attributable to owners of the parent	65,811	49,271
Comprehensive income attributable to minority interests	20	160

**(3) Consolidated Statements of Changes in Net Assets** Year ended March 31, 2014

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2013	65,475	80,711	345,698	(12,804)	479,081
Changes of items during the period					
Dividends from surplus			(4,759)		(4,759)
Dividends from surplus (interim dividends)			(3,966)		(3,966)
Net income			46,824		46,824
Purchase of treasury stock				(10)	(10)
Disposal of treasury stock			(112)	196	83
Changes in the number of consolidated subsidiaries			1,158		1,158
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	39,144	185	39,330
Balance as of March 31, 2014	65,475	80,711	384,843	(12,618)	518,412

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of April 1, 2013	9,482	(216)	2,135	(1,060)	10,340	795	—	490,217
Changes of items during the period								
Dividends from surplus								(4,759)
Dividends from surplus (interim dividends)								(3,966)
Net income								46,824
Purchase of treasury stock								(10)
Disposal of treasury stock								83
Changes in the number of consolidated subsidiaries								1,158
Net changes of items other than shareholders' equity	3,377	56	15,288	(1,701)	17,020	156	87	17,264
Total changes of items during the period	3,377	56	15,288	(1,701)	17,020	156	87	56,595
Balance as of March 31, 2014	12,859	(160)	17,424	(2,762)	27,361	952	87	546,813

**Consolidated Statements of Changes in Net Assets** Year ended March 31, 2015

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2014	65,475	80,711	384,843	(12,618)	518,412
Cumulative effect of changes in accounting policies			(11,970)		(11,970)
Balance as of April 1, 2014 (Restated)	65,475	80,711	372,872	(12,618)	506,441
Changes of items during the period					
Dividends from surplus			(8,726)		(8,726)
Dividends from surplus (interim dividends)			(3,966)		(3,966)
Net income			18,364		18,364
Purchase of treasury stock				(6)	(6)
Disposal of treasury stock			(115)	211	96
Changes in the number of consolidated subsidiaries			87		87
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	5,643	205	5,848
Balance as of March 31, 2015	65,475	80,711	378,515	(12,412)	512,290

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of April 1, 2014	12,859	(160)	17,424	(2,762)	27,361	952	87	546,813
Cumulative effect of changes in accounting policies								(11,970)
Balance as of April 1, 2014 (Restated)	12,859	(160)	17,424	(2,762)	27,361	952	87	534,842
Changes of items during the period								
Dividends from surplus								(8,726)
Dividends from surplus (interim dividends)								(3,966)
Net income								18,364
Purchase of treasury stock								(6)
Disposal of treasury stock								96
Changes in the number of consolidated subsidiaries								87
Net changes of items other than shareholders' equity	7,915	(1,040)	23,093	940	30,909	179	420	31,509
Total changes of items during the period	7,915	(1,040)	23,093	940	30,909	179	420	37,358
Balance as of March 31, 2015	20,775	(1,200)	40,517	(1,821)	58,270	1,132	507	572,200

**(4) Consolidated Statements of Cash Flows**

(Million yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Net cash provided by (used in) operating activities		
Income before income tax	74,691	35,153
Depreciation and amortization	42,477	38,458
Impairment loss	2,319	16,229
Increase (decrease) in allowance for doubtful accounts	(247)	2
Increase (decrease) in provision for product warranties	1,558	(862)
Increase (decrease) in net defined benefit liability benefits	(531)	(874)
Interest and dividends income	(2,073)	(2,712)
Equity in (earnings) losses of affiliates	(2,328)	(1,420)
Interest expenses	1,351	1,405
Loss on retirement of noncurrent assets	(214)	(35)
Loss (gain) on sales of investment securities	(1,473)	(4,982)
Loss (gain) on valuation of investment securities	458	3
Compensation income for expropriation	(15,006)	—
Decrease (increase) in notes and accounts receivable-trade	13,924	(3,776)
Decrease (increase) in inventories	34,684	15,103
Increase (decrease) in notes and accounts payable-trade	(13,941)	(4,891)
Increase (decrease) in advances received	(6,125)	(4,043)
Other, net	(12,298)	(2,952)
Subtotal	117,226	79,803
Interest and dividends income received	4,058	4,081
Interest expenses paid	(1,322)	(1,468)
Income taxes (paid) refund	(5,777)	(11,107)
Net cash provided by (used in) operating activities	114,185	71,309
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(32,680)	(22,337)
Proceeds from sales of property, plant and equipment	737	377
Purchase of investment securities	(4,628)	(1,027)
Proceeds from sales of investment securities	4,117	6,946
Decrease (increase) in loans receivable	23	(20)
Proceeds from compensation for expropriation	4,491	—
Other, net	(15,255)	(8,883)
Net cash provided by (used in) investing activities	(43,193)	(24,945)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	762	(896)
Proceeds from long-term loans payable	27,000	—
Repayment of long-term loans payable	(5,000)	—
Proceeds from issuance of bonds	19,888	—
Repayment of bonds	—	(10,000)
Cash dividends paid	(8,721)	(12,685)
Cash dividends paid to minority shareholders	—	(35)
Other, net	(2,060)	(1,337)
Net cash provided by (used in) financing activities	31,868	(24,954)
Effect of exchange rate change on cash and cash equivalents	7,330	14,195
Net increase (decrease) in cash and cash equivalents	110,190	35,605
Cash and cash equivalents at beginning of period	110,094	221,367
Increase in cash and cash equivalents from newly consolidated subsidiary	1,082	2,652
Cash and cash equivalents at end of period	221,367	259,625

## **(5) Note on Assumptions for Going Concern**

Not applicable

## **(6) Basis of Presenting Consolidated Financial Statements**

### **1. Scope of Consolidation**

(1) Number of Consolidated subsidiaries: 75 companies

Principal subsidiaries:

Tochigi Nikon Corporation, Tochigi Nikon Precision Co., Ltd., Sendai Nikon Corporation, Miyagi Nikon Precision Co., Ltd., Nikon Imaging Japan Inc., Nikon Instech Co., Ltd., Nikon (Thailand) Co., Ltd., Nikon Imaging (China) Co., Ltd., Nikon Hong Kong Ltd., Nikon Inc., Nikon Precision Inc., Nikon Europe B.V. and others.

[Addition: 6 companies]

Nikon Imaging Systems Inc., Nikon Lao Co., Ltd., Nikon Middle East FZE, PT NIKON INDONESIA, Nanjing Nikon Jiangnan Optical Instrument Co., Ltd., Nikon Asia Pacific Pte., Ltd.

[Exclusion: 1 company]

LK Investment Ltd.

(2) Non-consolidated subsidiaries: 8 companies

Major company name: Jigtec Corporation

Since these companies are small in scale, their combined assets, net sales, net income (the Company's interest share) and retained earnings (the Company's interest share) have a minimal effect on the Company's consolidated financial statements.

### **2. Scope of Equity Method**

(1) Number of Associated Company accounted for by Equity Method: 2 companies

Company names: Nikon-Essilor Co., Ltd., Nikon-Trimble Co., Ltd.

(2) Number of Non-consolidated Company not accounted for by Equity Method: 8 companies

Major company name: Jigtec Corporation

(3) Number of Associated Company not accounted for by Equity Method: 7 companies

Major company name: Nihon System Seigyo K.K.

Since these companies are small in scale, net income (the company's interest share) and retained earnings (the company's interest share) have a minimal effect on the Company's consolidated financial statements. They are insignificant in general; therefore, they are not included in the scope of consolidation.

(4) Companies that are in the scope of equity method and have a closing date other than March 31 use financial statements based on the fiscal year of each company.

### **3. Fiscal Period of Consolidated Subsidiaries**

The statutory closing date of the following companies is December 31, different from the closing date of the Company, March 31. For those companies, the financial statements based on the tentative financial closing as of March 31 are used for the consolidated financial statements.

Company names: Nikon Imaging (China) Co., Ltd., Nikon Precision Shanghai Co., Ltd., Nikon Imaging (China) Sales Co., Ltd., Nikon (Russia) LLC., Nikon Mexico S.A de C.V., NIKON DO BRASIL LTDA., Nikon Instruments (Shanghai) Co., Ltd., Hikari Glass (Changzhou) Optics Co., Ltd., Nikon Lao Co., Ltd., Najing Nikon Jiangnan Optical Instruments Co., Ltd.

## **(7) Changes in Basis of Presenting Consolidated Financial Statements**

### **1. Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections**

(Changes in Accounting Policies)

(Application of Accounting Standard for Retirement Benefits and Other)

Effective from the beginning of the fiscal year under review, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012; the "Retirement Benefits Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012; the "Guidance on Retirement Benefits"), in respect of the provisions stated in Clause 35

of the Retirement Benefits Accounting Standard and Clause 67 of the Guidance on Retirement Benefits, whereby the method of calculating retirement liability and service cost has been reviewed. Based on this review, the method of attributing expected retirement benefits to periods has been changed from straight-line basis to benefit formula basis, while the method of determining discount rates has been changed from the method where the period for bonds, which forms the basis for determining the discount rate, is determined based on the approximate number of years of the average remaining service period of employees, to the method using a single weighted average discount rate reflecting the period up to the expected timing of retirement benefits payment, as well as the amount of retirement benefits payment for each such period.

The Retirement Benefits Accounting Standard and other standards were applied transitionally as determined in Clause 37 of the Retirement Benefits Accounting Standard and the effect of the change in the method of calculating retirement liability and service cost is stated as an adjustment to retained earnings at the beginning of the fiscal year under review.

As a result, net defined benefit asset decreased by 18,349 million yen and net defined benefit liability increased by 237 million yen, while retained earnings decreased by 11,970 million yen, at the beginning of the fiscal year under review. The impact on operating income, ordinary income and income before income taxes for the year ended March 31, 2015 was minimal.

The effect on per-share data is stated in the relevant section.

#### (Application of Accounting for Business Combinations and Others)

As the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; the "Business Combinations Accounting Standard"), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; the "Consolidation Accounting Standard"), "Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013; the "Business Divestitures Accounting Standard") and other standards became applicable from the beginning of the fiscal years commencing on or after April 1, 2014, these accounting standards (except for the provisions stated in Clause 39 of the Consolidation Accounting Standard) have been applied from the fiscal year under review, effecting changes in the accounting method to record the difference associated with the changes in equity in subsidiaries remaining under the control of the Company as capital surplus, and to record acquisition-related costs as expenses for the fiscal year in which such costs are incurred. For business combinations implemented on or after the beginning of the fiscal year under review, the accounting method would change to reflect the adjustments to the allocated amount of acquisition costs under the finalization of provisional accounting treatment in the consolidated financial statements, for the consolidated fiscal year containing the date of such business combinations.

The Business Combinations Accounting Standard and other standards were applied transitionally as determined in Clause 58-2 (4) of the Business Combinations Accounting Standard, Clause 44-5 (4) of the Consolidation Accounting Standard and Clause 57-4 (4) of the Business Divestitures Accounting Standard. Although these standards are applicable from the beginning of the fiscal year under review, they have no impact on the Consolidated Balance Sheet and Consolidated Statements of Income for the fiscal year under review.

In addition, the method of presentation was changed in the Consolidated Statement of Cash Flows, and the cash flows from a purchase or a sale of shares of subsidiaries, which do not bring about a change in the scope of consolidation, are presented in "Net cash provided by (used in) financing activities", and cash flows with regard to the expenses related to a purchase of shares of subsidiaries, which bring about a change in the scope of consolidation, or the expenses related to a purchase or a sale of shares of subsidiaries, which do not lead a change in the scope of consolidation, are presented in "Net cash provided by (used in) operating activities". However, there was no impact on the Consolidated Statement of Cash Flows for the year ended March 31, 2015.

#### (Changes in Depreciation Method and Useful Lives for Property, Plant and Equipment)

For depreciation of property, plant and equipment excluding lease assets, the Company and its domestic consolidated subsidiaries previously used the declining-line method, except for buildings (excluding attached facilities) subject to depreciation by the straight-line method. From the fiscal year under review, however, the depreciation method has been changed to the straight-line method.

The aforementioned change was based on a series of review over the depreciation method for property, plant and equipment within the Group, in coordination with cost reduction in design and manufacturing processes and fundamental review of production structure, with a view to strengthen the maturing core businesses under the Medium Term Management Plan "Next 100 – Transform to Grow" for the period up to fiscal year 2016. As a result of the review, it was concluded that the straight-line method shall be adopted from the fiscal year under review to better reflect the actual usage of property, plant and equipment of the Company and its domestic consolidated subsidiaries, as generalization of production facilities and leveled production are further promoted, contributing to constant utilization of production facilities over their useful lives.

In coordination with the aforementioned cost reduction in design and manufacturing processes and fundamental review of production structure, the useful lives of the machinery and equipment have been revised effective from the fiscal year under review, by estimating the period in which these assets are expected to be economically useful in consideration of their usage and operational status.

These changes have minimal impact on operating income, ordinary income and income before income taxes for the year ended March 31, 2015.

(Changes in Presentation)

Changes in Presentation of Deferred Tax Assets and Deferred Tax Liabilities

For the fiscal year ended March 31, 2015, deferred tax assets, included in "Other" under investments and other assets in the previous year, was individually presented in the Consolidated Balance Sheets, as the materiality has increased. The amount of deferred tax liabilities in the previous year was 7,646 million yen.

(Additional Information)

Revisions on Deferred Tax Assets and Deferred Tax Liabilities in accordance with the Changes in the Corporate Tax Rates

Pursuant to "Partial Revision of Income Tax Act" (Act No. 9 of 2015) and "Partial Revision of Local Tax Act" (Act No. 2 of 2015), which were issued on March 31, 2015, reduced corporate tax rates, etc. are applied from the fiscal year starting on and after April 1, 2015. In accordance with this revision, the effective tax rate, applied to the calculation of deferred tax assets and deferred tax liabilities, is changed from 35.6% to 33.1% for temporary differences which are expected to be settled during the consolidated fiscal year starting April 1, 2015, or 32.3% for those which are expected to be settled in the consolidated fiscal year starting April 1, 2016 onward.

According to aforementioned changes in the tax rate, deferred tax assets (the net amount with the deferred tax liabilities) decreased by 1,866 million yen and deferred tax expense increased by 2,826 million yen.



## (8) Notes to Consolidated Financial Statements

### 1) Consolidated Statements of Income

#### 1. Principal Items and Amounts under Selling, General and Administrative Expenses

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1 2014 to March 31, 2015)
Advertising expenses	73,232	70,268
Provision for doubtful debts	(128)	(71)
Provision for product warranties	4,992	2,984
Salary and allowances	32,965	35,028
Retirement benefit expenses	2,149	3,141
Other personnel expenses	17,332	17,359
Research and development	74,552	66,730

### 2. Impairment Loss

#### a. Impaired Assets

For Semiconductor Lithography Business Unit of the Precision Equipment Business, investment recovery is no longer expected due to declining revenue, the carrying amount of following noncurrent assets was reduced to the recoverable amount, and extraordinary loss of 15,220 million yen was recognized as impairment loss.

(Million yen)

Place	Usage	Type	Impairment Loss
Kumagaya, Saitama and others	Assets for Business	Buildings and Structures	2,755
		Machinery, Equipment, and Vehicle	6,463
		Lease Assets	327
		Construction in Progress	1,899
		Tools, Furnitures and Fixtures ※1	1,464
		Intangible Assets (Except Goodwill)	2,166
		Long-term Prepaid Expense ※2	142
		Total	15,220

※1 Tools, Furnitures, and Fixtures are included in "Other " within "Property, Plant and Equipment" of the consolidated balance sheet.

※2 Long-term Prepaid Expense is included in "Investment and other assets" of the consolidated balance sheet.

As a result of the reviewing on current status of utilization and future prospect of noncurrent assets held by the Company and its consolidated subsidiaries, 1,009 million yen of impairment loss was recorded as no specific use is expected in the future for idle assets located mainly in Japan, China, and Thailand.

Types of main idle assets, which were impaired, are buildings and structures of 165 million yen, machinery, equipment and vehicles of 291 million yen, and other noncurrent assets of 552 million yen.

#### b. Method for Grouping Assets

The assets are grouped by the minimum unit that generates approximately independent cash flow.

#### c. Method for Measuring Recoverable Amount

Recoverable amount is determined by the higher of either net realizable value or value in use.

Net realizable value is computed reasonably, based mainly on the revaluated amount of noncurrent assets.

## 2) Segment Information

### 1. Outline of business segments reported

The business segments the Group reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigation to determine distribution of management resources and evaluate their business results.

The Group has introduced the in-house company system since 1999, and each operating division has addressed the creation of consistent responsibility system and thoroughness of decentralized operation. However, in order to reflect intention of the management to the business administration more directly and to create a system capable of carrying out fundamental restructuring, from June 27, 2014, the Group was reorganized to the divisional system directly supervised by the President according to the business field. The divisions were integrated in consideration of similarity, etc., of the economic characteristics, and the Group remains to have three reportable segments as before: the Precision Equipment Business, the Imaging Products Business, and the Instruments Business.

The Precision Equipment Business provides products and services of IC steppers and LCD steppers. The Imaging Products Business provides products and services of imaging products and its peripheral domain, such as digital SLR cameras, compact digital cameras and interchangeable camera lenses. The Instruments Business provides products and services of microscopes, measuring instruments, x-ray/CT inspection systems, etc.

### 2. Method for calculating the sales, income (loss), assets, and other items for reporting segments

The accounting methods for the reporting business segments are generally those set forth in “Material Items Which Form the Basis for Preparation of the Consolidated Financial Statements.” Figures for income of reporting segments are on an operating income basis. Inter-segment sales or transfer are based on current market price.

### 3. Information on the amounts of sales, income (loss), assets, and other items by reporting segments

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Million yen)

	Business segments reported				Other <sup>1</sup>	Total	Adjustment <sup>2</sup>	Consolidated Statement of income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	205,446	685,446	64,708	955,601	24,954	980,556	—	980,556
Inter-segment sales or transfer	500	558	900	1,959	23,267	25,227	(25,227)	—
Total	205,946	686,005	65,609	957,561	48,222	1,005,783	(25,227)	980,556
Segment income (loss)	20,079	64,284	(2,156)	82,207	4,419	86,626	(23,685)	62,941
Segment assets	203,779	242,783	57,263	503,826	98,133	601,959	347,555	949,515
Other items								
Depreciation and amortization	9,561	20,724	1,717	32,003	5,774	37,777	4,699	42,477
Increase in tangible/intangible fixed assets	9,730	16,130	1,362	27,224	11,314	38,538	6,933	45,472

Notes: 1. The “Other Business” category incorporates operations not included in business segments reported, including the glass-related business and the customized products business.

2. Adjustment of segment income (loss) refers to elimination of intersegment transactions of 341 million yen and corporate expenses of minus 24,026 million yen. In addition, segment assets adjustment includes corporate assets not allocated to the respective reportable segments of 360,425 million yen and elimination of intersegment transactions of minus 12,869 million yen. Principal components of corporate assets are surplus funds (cash and deposits) held by the Company and its consolidated subsidiaries, long-term investments (investment securities), deferred tax assets, and some intersegment fixed assets.

3. Segment income is adjusted with reported operating income on the consolidated financial statements.

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

(Million yen)

	Business segments reported				Other <sup>1</sup>	Total	Adjustment <sup>2</sup>	Consolidated Statement of income <sup>3</sup>
	Precision Equipment	Imaging Products	Instruments	Total				
Sales								
Outside customers	170,757	586,019	72,381	829,159	28,622	857,782	—	857,782
Inter-segment sales or transfer	382	474	836	1,692	20,520	22,213	(22,213)	—
Total	171,140	586,493	73,217	830,851	49,143	879,995	(22,213)	857,782
Segment income (loss)	8,355	56,698	1,199	66,253	6,791	73,045	(29,632)	43,412
Segment assets	199,389	224,196	61,520	485,106	67,997	553,104	419,840	972,945
Other items								
Depreciation and amortization	7,722	18,814	1,618	28,156	5,800	33,956	4,502	38,458
Increase in tangible/intangible fixed assets	6,034	8,329	1,788	16,152	8,365	24,517	8,032	32,549

Notes: 1. The “Other Business” category incorporates operations not included in business segments reported, including the glass-related business and the customized products business.

2. Adjustment of segment income (loss) refers to elimination of intersegment transactions of 311 million yen and corporate expenses of minus 29,943 million yen. In addition, segment assets adjustment includes corporate assets not allocated to the respective reportable segments of 431,709 million yen and elimination of intersegment transactions of minus 11,868 million yen. Principal components of corporate assets are surplus funds (cash and deposits) held by the Company and its consolidated subsidiaries, long-term investments (investment securities), deferred tax assets, and some intersegment fixed assets.

3. Segment income is adjusted with reported operating income on the consolidated financial statements.

[Related Information]

Fiscal year ended March 31, 2014 (From April 1 2013 to March 31, 2014)

1. Information by geographical area

(1) Net Sales

(Million yen)

Japan	USA	Europe	China	Other	Total
150,161	222,676	254,036	141,501	212,179	980,556

(Note) Sales information is based on the geographical location of customers, and it is classified by region.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Europe	China	Thailand	Other	Total
92,690	6,325	4,459	17,966	36,470	1,366	159,278

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

1. Information by geographical area

(1) Net Sales

(Million yen)

Japan	USA	Europe	China	Other	Total
122,264	200,600	212,372	120,690	201,853	857,782

(Note) Sales information is based on the geographical location of customers, and it is classified by region.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Europe	China	Thailand	Other	Total
78,830	6,734	4,004	17,447	38,881	2,186	148,085

[Information for impairment loss of noncurrent assets by business segments reported]

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Million yen)

	Business segments reported				Other	Corporate or Eliminations	Total
	Precision Equipment	Imaging Products	Instruments	Total			
Impairment loss	169	1,815	19	2,004	315	—	2,319

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

(Million yen)

	Business segments reported				Other	Corporate or Eliminations	Total
	Precision Equipment	Imaging Products	Instruments	Total			
Impairment loss	15,220	851	—	16,071	158	—	16,229

[Information for amortization of goodwill and balance of goodwill by business segments reported]

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Million yen)

	Business segments reported				Other	Corporate or Eliminations	Total
	Precision Equipment	Imaging Products	Instruments	Total			
Amortization of goodwill for the current fiscal year	—	—	683	683	—	—	683
Balance of goodwill at fiscal year ended March 31, 2014	—	—	3,759	3,759	—	—	3,759

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

(Million yen)

	Business segments reported				Other	Corporate or Eliminations	Total
	Precision Equipment	Imaging Products	Instruments	Total			
Amortization of goodwill for the current fiscal year	—	—	683	683	—	—	683
Balance of goodwill at fiscal year ended March 31, 2015	—	—	3,076	3,076	—	—	3,076

[Information for gains on negative goodwill by business segments reported]

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

Not applicable

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

Not applicable

### 3) Per-Share Information

Fiscal Year Ended March 2014 (From April 1, 2013 to March 31, 2014)		Fiscal Year Ended March 2015 (From April 1, 2014 to March 31, 2015)	
	(Yen)		(Yen)
Net assets per share	1,375.92	Net assets per share	1,438.17
Net income per share	118.06	Net income per share	46.29
Net income per share(fully diluted)	117.88	Net income per share(fully diluted)	46.21

Notes: 1. The basis for calculating net income per share and fully diluted net income per share is shown below.

	Fiscal Year Ended March 2014 (From April 1, 2013 to March 31, 2014)	Fiscal Year Ended March 2015 (From April 1, 2014 to March 31, 2015)
Net income per share		
Net income (million yen)	46,824	18,364
Amount not belonging to common stockholders (million yen)	—	—
Net income related to common stock (million yen)	46,824	18,364
Average shares outstanding (1,000 shares)	396,630	396,695
Net income per share (fully diluted)		
Increase in common stock (1,000 shares)	607	750
(Subscription rights to shares) (1,000 shares)	(607)	(750)
Latent shares not included in fully diluted net income per share calculation due to lack of dilution effect.	2007 stock options (79 new share subscription rights): 79,000 shares of common stocks	2007 stock options (68 new share subscription rights): 68,000 shares of common stocks

Notes: 2. As stated in "Changes in Accounting Policies," the Retirement Benefits Accounting Standards was applied transitionally in accordance with Clause 37. As a result, net assets per share of fiscal year ended March 31, 2015 decreased by 30.17 yen.

### 4) Significant Subsequent Events Not applicable

## 6. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Million yen)

	As of March 31,2014	As of March 31,2015
Assets		
Current assets		
Cash and deposits	109,636	126,404
Notes receivable-trade	4,464	4,876
Accounts receivable-trade	68,182	72,542
Merchandise and finished goods	36,123	34,574
Work in process	114,966	113,044
Raw materials and supplies	12,083	10,337
Deferred tax assets	25,688	24,904
Other	47,512	36,997
Allowance for doubtful accounts	(5)	(686)
Total current assets	418,651	422,995
Noncurrent assets		
Property, plant and equipment		
Buildings, net	22,959	22,911
Structures, net	858	766
Machinery and equipment, net	24,195	15,272
Vehicles, net	84	26
Tools, furniture and fixtures, net	6,482	5,764
Land	9,840	9,837
Lease assets, net	2,267	1,332
Construction in progress	7,044	3,579
Total property, plant and equipment	73,734	59,491

(Million yen)

	As of March 31,2014	As of March 31,2015
Intangible assets		
Software	19,828	16,668
Other	5,246	4,081
Total intangible assets	25,075	20,749
Investments and other assets		
Investment securities	60,618	70,054
Stocks of subsidiaries and affiliates	49,931	48,729
Investments in capital	1	1
Investments in capital of subsidiaries and affiliates	14,918	14,786
Long-term loans receivable	14,918	9,826
Prepaid pension cost	19,973	5,100
Deferred tax assets	—	3,544
Other	3,416	4,012
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	163,769	156,047
Total noncurrent assets	262,579	236,287
Total assets	681,230	659,283



(Million yen)

	As of March 31,2014	As of March 31,2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable-trade	2,160	705
Electronically recorded obligations-operating	24,366	19,562
Accounts payable-trade	72,145	73,069
Short-term loans payable	13,600	28,600
Current portion of bonds	10,000	—
Lease obligations	1,077	825
Accounts payable-other	8,176	9,620
Accrued expenses	23,108	25,638
Income taxes payable	3,732	2,368
Advances received	38,403	36,164
Deposits received	26,557	26,986
Provision for product warranties	5,740	4,114
Other	1,426	3,428
<b>Total current liabilities</b>	<b>230,495</b>	<b>231,084</b>
<b>Noncurrent liabilities</b>		
Bonds payable	50,000	50,000
Long-term loans payable	49,600	34,600
Lease obligations	1,298	919
Deferred tax liabilities	1,166	—
Asset retirement obligations	1,674	2,335
Other	901	890
<b>Total noncurrent liabilities</b>	<b>104,641</b>	<b>88,745</b>
<b>Total liabilities</b>	<b>335,137</b>	<b>319,829</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	65,475	65,475
Capital surplus		
Legal capital surplus	80,711	80,711
<b>Total capital surplus</b>	<b>80,711</b>	<b>80,711</b>
<b>Retained earnings</b>		
Legal retained earnings	5,565	5,565
Other retained earnings		
Reserve for special depreciation	7	—
Reserve for research and development	2,056	2,056
Reserve for advanced depreciation of noncurrent assets	9,250	9,354
General reserve	111,211	111,211
Retained earnings brought forward	70,831	56,815
<b>Total retained earnings</b>	<b>198,921</b>	<b>185,002</b>
Treasury stock	(12,618)	(12,412)
<b>Total shareholders' equity</b>	<b>332,490</b>	<b>318,777</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	12,844	20,744
Deferred gains or losses on hedges	(193)	(1,200)
<b>Total valuation and translation adjustments</b>	<b>12,650</b>	<b>19,543</b>
Subscription rights to shares	952	1,132
<b>Total net assets</b>	<b>346,093</b>	<b>339,453</b>
<b>Total liabilities and net assets</b>	<b>681,230</b>	<b>659,283</b>

**(2) Non-Consolidated Statements of Income**

(Million yen)

	Year ended March 31,2014	Year ended March 31,2015
Net sales	716,863	607,556
Cost of sales	545,682	465,887
Gross profit	171,180	141,668
Selling, general and administrative expenses	138,371	134,349
Operating income	32,809	7,319
Non-operating income		
Interest and dividends income	11,253	21,604
Other	4,322	3,822
Total non-operating income	15,575	25,427
Non-operating expenses		
Interest expenses	957	1,161
Other	9,198	3,362
Total non-operating expenses	10,156	4,524
Ordinary income	38,228	28,223
Extraordinary income		
Gain on sales of noncurrent assets	150	229
Gain on sales of investment securities	1,484	4,982
Compensation income for expropriation	14,926	—
Total extraordinary income	16,561	5,211
Extraordinary loss		
Loss on sales of noncurrent assets	0	1
Impairment loss	601	15,555
Loss on sales of investment securities	8	—
Loss on valuation of investment securities	458	—
Loss on sales of stocks of subsidiaries and affiliates	3	—
Loss on business of subsidiaries and affiliates	—	3,267
Environmental expenses	103	—
Total extraordinary losses	1,175	18,823
Income before income taxes	53,615	14,610
Income taxes-current	5,353	4,387
Income taxes-deferred	15,482	90
Total income taxes	20,835	4,477
Net income	32,780	10,133

### (3) Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 2014

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Retained earnings					Total retained earnings
		Legal capital surplus	Legal retained earnings	Other retained earnings					
				Reserve for special depreciation	Reserve for research and development	Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward	
Balance as of April 1,2013	65,475	80,711	5,565	15	2,056	4,764	111,211	51,367	174,979
Changes of items during the period									
Reversal of reserve for special depreciation				(7)				7	—
Provision of reserve for advanced depreciation of noncurrent assets						4,851		(4,851)	—
Reversal of reserve for advanced depreciation of noncurrent assets						(365)		365	—
Dividends from surplus								(4,759)	(4,759)
Dividends from surplus ( Interim dividends )								(3,966)	(3,966)
Net income								32,780	32,780
Purchase of treasury stock									
Disposal of treasury stock								(112)	(112)
Net changes of items other than Shareholders' equity									
Total changes of items during the period	—	—	—	(7)	—	4,485	—	19,463	23,942
Balance as of March 31,2014	65,475	80,711	5,565	7	2,056	9,250	111,211	70,831	198,921

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance as of April 1,2013	(12,804)	308,362	9,460	(250)	9,210	795	318,369
Changes of items during the period							
Reversal for special depreciation		—					—
Provision of reserve for advanced depreciation of noncurrent assets		—					—
Reversal of reserve for advanced depreciation of noncurrent assets		—					—
Dividends from surplus		(4,759)					(4,759)
Dividends from surplus ( Interim dividends )		(3,966)					(3,966)
Net income		32,780					32,780
Purchase of treasury stock	(10)	(10)					(10)
Disposal of treasury stock	196	83					83
Net changes of items other than Shareholders' equity			3,383	56	3,440	156	3,596
Total changes of items during the period	185	24,127	3,383	56	3,440	156	27,724
Balance as of March 31,2014	(12,618)	332,490	12,844	(193)	12,650	952	346,093

	Shareholders' equity								
	Capital stock	Capital surplus	Retained earnings						Total retained earnings
		Legal capital surplus	Legal retained earnings	Other retained earnings				Retained earnings brought forward	
				Reserve for special depreciation	Reserve for research and development	Reserve for advanced depreciation of noncurrent assets	General reserve		
Balance as of April 1, 2014	65,475	80,711	5,565	7	2,056	9,250	111,211	70,831	198,921
Cumulative effect of changes in accounting policies								(11,243)	(11,243)
Balance as of April 1, 2014 (Restated)	65,475	80,711	5,565	7	2,056	9,250	111,211	59,587	187,677
Changes of items during the period									
Reversal of reserve for special depreciation				(7)				7	—
Provision of reserve for advanced depreciation of noncurrent assets						2,601		(2,601)	—
Reversal of reserve for advanced depreciation of noncurrent assets						(2,497)		2,497	—
Dividends from surplus								(8,726)	(8,726)
Dividends from surplus ( Interim dividends )								(3,966)	(3,966)
Net income								10,133	10,133
Purchase of treasury stock									
Disposal of treasury stock								(115)	(115)
Net changes of items other than Shareholders' equity									
Total changes of items during the period	—	—	—	(7)	—	104	—	(2,771)	(2,675)
Balance as of March 31, 2015	65,475	80,711	5,565	—	2,056	9,354	111,211	56,815	185,002

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance as of April 1, 2014	(12,618)	332,490	12,844	(193)	12,650	952	346,093
Cumulative effect of changes in accounting policies		(11,243)					(11,243)
Balance as of April 1, 2014 (Restated)	(12,618)	321,246	12,844	(193)	12,650	952	334,850
Changes of items during the period							
Reversal for special depreciation		—					—
Provision of reserve for advanced depreciation of noncurrent assets		—					—
Reversal of reserve for advanced depreciation of noncurrent assets		—					—
Dividends from surplus		(8,726)					(8,726)
Dividends from surplus ( Interim dividends )		(3,966)					(3,966)
Net income		10,133					10,133
Purchase of treasury stock	(6)	(6)					(6)
Disposal of treasury stock	211	96					96
Net changes of items other than Shareholders' equity			7,900	(1,007)	6,893	179	7,072
Total changes of items during the period	205	(2,469)	7,900	(1,007)	6,893	179	4,603
Balance as of March 31, 2015	(12,412)	318,777	20,744	(1,200)	19,543	1,132	339,453