

October 31, 2014

Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2015 <under Japanese GAAP>

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 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 4626
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Scheduled date to file quarterly report: November 4, 2014
 Scheduled date to commence dividend payments: December 1, 2014
 Preparation of supplementary results briefing material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the six months of the fiscal year ending March 31, 2015 (from April 1, 2014 to September 30, 2014)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2014	24,778	16.0	4,755	25.7	4,878	26.3	3,337	35.2
September 30, 2013	21,354	14.8	3,783	60.7	3,863	56.8	2,469	41.4

Note: Comprehensive income

For the six months ended September 30, 2014: 4,306 million yen [4.4%]

For the six months ended September 30, 2013: 4,126 million yen [317.4%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2014	131.20	—
September 30, 2013	97.07	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2014	61,361	45,946	71.9	1,732.79
March 31, 2014	58,369	42,655	69.6	1,596.45

Reference: Equity (Net assets excluding minority interests)

As of September 30, 2014: 44,088 million yen As of March 31, 2014: 40,610 million yen

2. Cash dividends

	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	–	75.00	–	45.00	120.00
Fiscal year ending March 31, 2015	–	45.00			
Fiscal year ending March 31, 2015 (Forecasts)			–	45.00	90.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

The dividend at the end of the second quarter of the fiscal year ended March 31, 2014 includes payments of an ordinary dividend of 45 yen per share and a commemorative dividend of 30 yen per share.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2015	46,600	5.4	8,700	14.9	8,800	12.4	5,900	19.7	231.92

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

The consolidated earnings forecasts have been revised. For details, please refer to “Notice of Revision to Consolidated Earnings Forecasts” released on October 31, 2014 (only in Japanese).

* Notes

- (1) Changes in significant subsidiaries during the current six months (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None

Note: For details see “2. Matters Regarding Summary Information (Notes) (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections” on pages 5 of the Quarterly Financial Results Report (Attached Materials).

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2014	27,464,000 shares
As of March 31, 2014	27,464,000 shares

b. Number of treasury shares at the end of the period

As of September 30, 2014	2,020,480 shares
As of March 31, 2014	2,026,110 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2014	25,440,309 shares
Six months ended September 30, 2013	25,438,120 shares

Note: Treasury shares include stock of the Company owned by The Master Trust Bank of Japan, Ltd. (trust account for Employee Stock Ownership Plan grant stock).

*** Indication regarding execution of quarterly review procedures**

The completion of quarterly review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the quarterly review procedures for quarterly financial statements have not been completed.

*** Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

Attached Materials

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1. Qualitative Information Regarding Settlement of Accounts for the Six Months

(1) Qualitative information regarding consolidated operating results

In the global economy during the six months ended September 30, 2014, the U.S. economy benefited from further improvements in business economic conditions and employment while the European economy showed signs of moderate economic recovery. In the Chinese economy, business sentiment in the manufacturing sector recovered partly as a result of fiscal policies by the government. In the Japanese economy, the temporary slump following a hike in the consumption tax rate is gradually fading.

In the electronics components industry, in which the Group operates, demand was firm for materials for smartphone, servers and vehicle installation parts.

Operating under these conditions, net sales for the current six months amounted to 24,778 million yen (up 16.0% year on year).

In the PWB (printed wiring board) materials market, both the sales volume and the sales amount increased year on year. This reflected the firm sales of rigid board materials and PKG (semiconductor packages) materials and the favorable effect of foreign currency exchange rate. As a result, net sales of PWB materials were 22,054 million yen (up 20.2% year on year).

Net sales of FPD (flat panel display) materials, mainly consisting of PDP (plasma display panel) materials, dropped to 1,834 million yen (down 22.4% year on year), owing to a lower sales volume and a fall in the unit price driven by a drop in the market price of silver, which constitutes one of the products' raw materials.

As a result, operating income amounted to 4,755 million yen (up 25.7% year on year) with ordinary income at 4,878 million yen (up 26.3% year on year) and net income at 3,337 million yen (up 35.2% year on year).

Sales results by product group category

The following are sales results by product group category for the six months ended September 30, 2014.

(Millions of yen)

Name of product group category		Six months ended September 30, 2013	Six months ended September 30, 2014	Compared to the same period of the previous fiscal year	
				Change	Rate of change (%)
PWB materials	Rigid board materials	13,833	16,464	2,630	19.0
	PKG board and flexible printed circuit board materials	4,000	5,042	1,042	26.1
	Build-up board materials	520	547	26	5.2
FPD materials	PDP materials	2,364	1,834	(529)	(22.4)
Other related products	—	635	888	253	39.9
Total		21,354	24,778	3,423	16.0

Results by segment are as follows. (Net sales of segments includes inter-segment sales or transactions.)

1) Japan

The consolidated company comprising the Japan segment is TAIYO INK MFG. CO., LTD., a manufacturing and marketing subsidiary.

In the six months ended September 30, 2014, due to firm performance of high function products such as PKG materials, mainly for smartphones, both the sales volume and the sales amount increased year on year.

As a result, net sales amounted to 8,212 million yen (up 17.0% year on year) with segment profit at 1,359 million yen (up 38.6% year on year).

2) China (including Hong Kong)

The consolidated companies comprising the China segment are TAIYO INK (SUZHOU) CO., LTD. and Onstatic Ink (Shenzhen) Co., Ltd., manufacturing and marketing subsidiaries, and TAIYO INK INTERNATIONAL (HK) LIMITED and TAIYO INK TRADING (SHENZHEN) CO., LTD., marketing subsidiaries operating mainly in the southern China region. Onstatic Ink (Shenzhen) Co., Ltd. is a subsidiary of Onstatic Technology Co., Ltd.

In the PWB materials market, both the sales volume and the sales amount increased year on year. This reflected not only the consolidation, effective from the first quarter ended June 30, 2014, of the statement of income of Onstatic Ink (Shenzhen) Co., Ltd., for which profit and loss was accounted for under the equity method in the first quarter ended June 30, 2013, but also other factors including strong sales mainly of materials related to vehicle installation parts and smartphones.

As a result, net sales amounted to 9,965 million yen (up 18.0% year on year) with segment profit at 1,668 million yen (up 34.1% year on year).

3) Taiwan

The consolidated companies comprising the Taiwan segment are manufacturing and marketing subsidiaries TAIWAN TAIYO INK CO., LTD., and Onstatic Technology Co., Ltd. (and another three subsidiaries).

In the PWB materials market, both the sales volume and the sales amount increased year on year. This reflected not only the consolidation, effective from the first quarter ended June 30, 2014, of the statement of income of Onstatic Technology Co., Ltd. (and another three subsidiaries), for which profit and loss was accounted for under the equity method in the first quarter ended June 30, 2013, but also strong demand for materials for servers, vehicle installation parts and smartphones.

As a result, net sales amounted to 4,802 million yen (up 33.1% year on year) with segment profit at 878 million yen (up 43.8% year on year).

4) Korea

The consolidated company comprising the Korea segment is TAIYO INK CO., (KOREA) LTD., a manufacturing and marketing subsidiary.

The sales amount decreased year on year due to a decline in sales volume of FPD materials and a fall in sales prices driven by a drop in the market price of silver, which constitutes one of the products' raw materials. On the other hand, demand was strong for the high function PWB materials used in smartphones, which have a high-profit margin, and profit increased year on year.

As a result, net sales amounted to 5,302 million yen (down 0.1% year on year) with segment profit at 616 million yen (up 1.5% year on year).

5) Other

The consolidated companies comprising the operations in areas other than the above are TAIYO AMERICA, INC. and TAIYO INK INTERNATIONAL (SINGAPORE) PTE LTD.

At TAIYO AMERICA, sales were roughly in the same level with the same period of the previous fiscal year.

TAIYO INK INTERNATIONAL (SINGAPORE) performed steadily due to the expansion of the market of material for vehicle installation parts in Thailand.

As a result, net sales amounted to 2,025 million yen (up 21.5% year on year) with segment profit at 286 million yen (up 39.4% year on year).

(2) Qualitative information regarding consolidated financial position

Positions of assets, liabilities and net assets

- The following shows the positions of assets, liabilities and net assets as of September 30, 2014.

	As of March 31, 2014 (Millions of yen)	As of September 30, 2014 (Millions of yen)	Change (Millions of yen)	Main factors (comparison with the end of the previous fiscal year)
Current assets	37,798	40,546	2,747	Cash and deposits increased approx. 600 million yen and notes and accounts receivable - trade increased approx. 1,800 million yen.
Non-current assets	20,570	20,815	244	Net defined benefit asset increased approx. 200 million yen.
Total assets	58,369	61,361	2,992	
Total liabilities	15,713	15,415	(298)	Net defined benefit liability decreased approx. 300 million yen.
Total net assets	42,655	45,946	3,290	Net income increased approx. 3,300 million yen, cash dividends paid was approx. 1,100 million yen and foreign currency translation adjustment increased approx. 800 million yen.
Total liabilities and net assets	58,369	61,361	2,992	

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

As a result of demand exceeding what was envisioned in our initial plans and the yen trending weaker than the expected foreign exchange rate, the consolidated results are now expected to exceed the consolidated earnings forecasts that were announced on May 2, 2014. Accordingly, the consolidated earnings forecasts for the fiscal year ending March 31, 2015 have been revised.

Revisions to the consolidated earnings forecasts for the fiscal year ending March 31, 2015
(from April 1, 2014 to March 31, 2015)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Previous forecasts (A)	45,500	7,700	7,700	5,000	196.56
Revised forecasts (B)	46,600	8,700	8,800	5,900	231.92
Change (B-A)	1,100	1,000	1,100	900	-
Change (%)	2.4	13.0	14.3	18.0	-
(Reference) Results of the previous fiscal year (Fiscal year ended March 31, 2014)	44,224	7,568	7,827	4,930	193.83

2. Matters Regarding Summary Information (Notes)

(1) Changes in significant subsidiaries during the current six months

No items to report

(2) Application of specific accounting for preparing quarterly consolidated financial statements

No items to report

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

(Changes in accounting policies)

Regarding the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012), effective from the first quarter ended June 30, 2014, the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of Guidance on Accounting Standard for Retirement Benefits, reviewed its calculation method for retirement benefit obligations and current service costs, and changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Company has changed the method for determining the discount rate from one that uses a discount rate based on a period approximate to the expected average remaining working lives of employees, to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the change in the calculation method for retirement benefit obligations and current service costs has been added to or deducted from retained earnings at the beginning of the first quarter ended June 30, 2014.

As a result, at the beginning of the six months ended September 30, 2014, net defined benefit liability decreased by 316 million yen, net defined benefit asset increased by 244 million yen and retained earnings increased by 561 million yen. In addition, operating income, ordinary income and income before income taxes and minority interests for the six months ended September 30, 2014 decreased 12 million yen respectively.

(4) Additional information

(Accounting treatment for Employee Stock Ownership Plan stock granting trust)

The Company has applied the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, December 25, 2013) effective from the first quarter ended June 30, 2014.

The Company, at a meeting of the Board of Directors held on May 2, 2014, resolved to introduce an employee incentive plan, the Employee Stock Ownership Plan (“ESOP”) trust for granting stock. Through this plan, the Company aims to cultivate a sense of belonging among its employees, increase their sense of participation in the management of the Company, and heighten their motivation to help improve operating results and increase the stock price in the long term as well as their morale. In addition, the Company aims to enhance corporate value on a medium- and long-term basis through the plan.

The Company will establish a trust into which it will contribute funds for the acquisition of the Company’s stock, of which the beneficiaries will be employees of the Company who meet certain criteria. The trust will acquire stock of the Company in one lot from the Company in the number expected to be delivered to employees of the Company based on the regulations for the delivery of stock established in advance. Following this, the trust will deliver stock of the Company to employees, without contribution, in accordance with the regulations for the delivery of stock, based on the eligibility of the Company’s employees during the trust period and other such criteria, during the period in service of such employees. As the full amount of the acquisition funds for the stock of the Company to be acquired through the trust will be contributed by the Company, there will be no contribution to be made by employees of the Company.

The trust is accounted for with a method (the gross method), in which assets and liabilities of the trust are recorded on the balance sheet as assets and liabilities of the Company and profits and losses of the trust are recorded on the statement of income as profits and losses of the Company.

The gross method was applied to the stock of the Company owned by the trust account for the ESOP grant stock as of the end of the second quarter ended September 30, 2014, and the amount is presented under net assets in the quarterly consolidated balance sheet as treasury shares using the carrying amount at the trust (excluding amounts of ancillary costs). The amount recorded as such is 301 million yen and the number of shares recorded is 98,850 shares.

3. Significant Events Regarding Premise of Going Concern

No items to report

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	21,149	21,720
Notes and accounts receivable - trade	11,891	13,725
Securities	1	1
Merchandise and finished goods	2,227	2,469
Work in process	319	296
Raw materials and supplies	1,841	1,899
Other	641	777
Allowance for doubtful accounts	(272)	(343)
Total current assets	37,798	40,546
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,625	7,764
Land	4,237	4,267
Other, net	2,512	2,692
Total property, plant and equipment	14,375	14,725
Intangible assets		
Goodwill	4,745	4,474
Other	398	403
Total intangible assets	5,144	4,878
Investments and other assets		
Net defined benefit asset	–	158
Other	1,050	1,052
Total investments and other assets	1,050	1,211
Total non-current assets	20,570	20,815
Total assets	58,369	61,361
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,433	6,870
Short-term loans payable	534	416
Accounts payable - other	1,394	909
Income taxes payable	562	984
Provision for bonuses	352	384
Provision for directors' bonuses	61	92
Other	596	640
Total current liabilities	8,936	10,298
Non-current liabilities		
Provision for directors' retirement benefits	10	10
Long-term loans payable	5,658	4,213
Net defined benefit liability	316	–
Asset retirement obligations	54	55
Stock benefit allowance	–	42
Other	736	794
Total non-current liabilities	6,776	5,116
Total liabilities	15,713	15,415

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Net assets		
Shareholders' equity		
Capital stock	6,134	6,134
Capital surplus	7,102	7,143
Retained earnings	32,257	34,873
Treasury shares	(5,373)	(5,398)
Total shareholders' equity	40,120	42,753
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	235	250
Foreign currency translation adjustment	328	1,149
Remeasurements of defined benefit plans	(74)	(65)
Total accumulated other comprehensive income	489	1,334
Minority interests	2,045	1,857
Total net assets	42,655	45,946
Total liabilities and net assets	58,369	61,361

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Net sales	21,354	24,778
Cost of sales	13,626	15,106
Gross profit	7,727	9,671
Selling, general and administrative expenses	3,944	4,916
Operating income	3,783	4,755
Non-operating income		
Interest income	47	50
Dividend income	39	7
Foreign exchange gains	–	22
Refunded consumption taxes	–	27
Share of profit of entities accounted for using equity method	13	–
Other	44	42
Total non-operating income	144	149
Non-operating expenses		
Interest expenses	14	13
Foreign exchange losses	42	–
Other	7	13
Total non-operating expenses	64	27
Ordinary income	3,863	4,878
Extraordinary income		
Gain on sales of non-current assets	51	12
Gain on sales of investment securities	–	144
Gain on liquidation of subsidiaries and associates	58	–
Total extraordinary income	110	157
Extraordinary losses		
Loss on valuation of investment securities	0	–
Loss on step acquisitions	73	–
Total extraordinary losses	73	–
Income before income taxes and minority interests	3,900	5,035
Income taxes - current	994	1,637
Income taxes - deferred	283	(76)
Total income taxes	1,278	1,560
Income before minority interests	2,622	3,475
Minority interests in income	153	137
Net income	2,469	3,337

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Income before minority interests	2,622	3,475
Other comprehensive income		
Valuation difference on available-for-sale securities	63	14
Foreign currency translation adjustment	1,439	807
Remeasurements of defined benefit plans, net of tax	–	9
Total other comprehensive income	1,503	831
Comprehensive income	4,126	4,306
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,827	4,135
Comprehensive income attributable to minority interests	298	171

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	3,900	5,035
Depreciation	564	677
Loss (gain) on valuation of investment securities	0	–
Loss (gain) on sales of investment securities	–	(144)
Loss (gain) on step acquisitions	73	–
Amortization of goodwill	47	123
Increase (decrease) in allowance for doubtful accounts	(280)	68
Increase (decrease) in allowance for stocks benefit	–	42
Increase (decrease) in provision for retirement benefits	35	–
Increase (decrease) in provision for bonuses	41	30
Increase (decrease) in provision for directors' bonuses	(16)	30
Decrease (increase) in net defined benefit asset	–	89
Interest and dividend income	(86)	(57)
Interest expenses	14	13
Loss (gain) on liquidation of subsidiaries and associates	(58)	–
Loss (gain) on sales of property, plant and equipment	(51)	(12)
Decrease (increase) in notes and accounts receivable - trade	(605)	(1,242)
Decrease (increase) in inventories	235	(142)
Decrease (increase) in other current assets	17	(198)
Increase (decrease) in notes and accounts payable - trade	345	1,103
Increase (decrease) in other current liabilities	(126)	54
Increase (decrease) in accrued consumption taxes	7	(9)
Other, net	(13)	76
Subtotal	4,041	5,538
Interest and dividend income received	86	59
Interest expenses paid	(3)	(13)
Income taxes paid	(1,074)	(1,131)
Net cash provided by (used in) operating activities	3,050	4,452

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Cash flows from investing activities		
Payments into time deposits	(1,125)	(815)
Proceeds from withdrawal of time deposits	1,210	766
Purchase of property, plant and equipment	(659)	(1,309)
Proceeds from sales of property, plant and equipment	19	58
Purchase of intangible assets	(71)	(28)
Proceeds from sales of investment securities	14	211
Purchase of shares of subsidiaries	(1,927)	(33)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(861)	–
Payments of loans receivable	(11)	(13)
Collection of loans receivable	11	9
Other, net	520	(48)
Net cash provided by (used in) investing activities	(2,879)	(1,203)
Cash flows from financing activities		
Increase in short-term loans payable	2	–
Decrease in short-term loans payable	–	(101)
Proceeds from long-term loans payable	5,619	3,232
Repayments of long-term loans payable	–	(4,925)
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	–	17
Cash dividends paid	(1,144)	(1,144)
Cash dividends paid to minority shareholders	(215)	(290)
Net cash provided by (used in) financing activities	4,260	(3,212)
Effect of exchange rate change on cash and cash equivalents	221	432
Net increase (decrease) in cash and cash equivalents	4,653	468
Cash and cash equivalents at beginning of period	13,766	20,338
Cash and cash equivalents at end of period	18,419	20,806

(4) Notes to consolidated financial statements**(Notes on premise of going concern)**

No items to report

(Notes on substantial changes in the amount of shareholders' equity)

No items to report

(Segment information, etc.)**[Segment information]**

1. Information regarding net sales and profit/loss by reportable segment

Six months ended September 30, 2013

(Millions of yen)

	Reportable segments					Other (Note 2)	Total
	Japan	China (Note 1)	Taiwan	Korea	Total		
Net sales							
External sales	4,388	7,842	2,338	5,160	19,730	1,624	21,354
Inter-segment sales or transfers	2,629	604	1,268	144	4,646	43	4,690
Total sales	7,017	8,447	3,606	5,305	24,376	1,668	26,044
Segment profit	980	1,244	610	607	3,443	205	3,649

Notes: 1. The "China" segment covers local subsidiaries in China and Hong Kong.

2. The "Other" segment represents operating segments not included in reportable segments and covers the business activities of local subsidiaries in the U.S. and other Asian countries.

3. The net sales and operating income of Onstatic Technology Co., Ltd. (and another four subsidiaries) have been presented in the Taiwan and China segments effective from the six months ended September 30, 2013.

As two of the six subsidiaries of Onstatic Technology Co., Ltd. do not operate any business, they do not constitute a reportable segment.

Six months ended September 30, 2014

(Millions of yen)

	Reportable segments					Other (Note 2)	Total
	Japan	China (Note 1) (Note 3)	Taiwan (Note 3)	Korea	Total		
Net sales							
External sales	4,868	9,206	3,604	5,122	22,803	1,974	24,778
Inter-segment sales or transfers	3,343	758	1,197	179	5,478	51	5,529
Total sales	8,212	9,965	4,802	5,302	28,282	2,025	30,308
Segment profit	1,359	1,668	878	616	4,522	286	4,809

Notes: 1. The "China" segment covers local subsidiaries in China and Hong Kong.

2. The "Other" segment represents operating segments not included in reportable segments and covers the business activities of local subsidiaries in the U.S. and other Asian countries.

3. The net sales and operating income of Onstatic Technology Co., Ltd. (and another four subsidiaries) have been included in the China and Taiwan segments.

As one of the five subsidiaries of Onstatic Technology Co., Ltd. does not operate any business, it does not constitute a reportable segment.

2. Difference between total segment profit or loss for reportable segments and operating income on consolidated statement of income, and details thereof (reconciliation)

(Millions of yen)

Profit/loss	Six months ended September 30, 2013	Six months ended September 30, 2014
Reportable segments total	3,443	4,522
“Other” segment profit	205	286
Inter-segment eliminations	117	75
Amortization of goodwill	(47)	(123)
Profit/loss not allocated to operating segments (Note)	57	27
Other adjusted amounts	5	(33)
Operating income on the consolidated statement of income	3,783	4,755

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

3. Information regarding impairment loss on non-current assets, goodwill and negative goodwill by reportable segment

No items to report

(Significant subsequent events)

No items to report