

Consolidated Financial Statements

Consolidated Balance Sheet

MANDOM CORPORATION and its Consolidated Subsidiaries
As of March 31, 2015

Millions of yen

	2015	2014
Assets		
CURRENT ASSETS:		
Cash and cash equivalents (Note 13)	¥ 11,265	¥ 10,891
Short-term investments (Notes 4 and 13)	15,129	14,302
Receivables (Note 13):		
Trade notes and accounts	9,540	8,252
Unconsolidated subsidiary and associated company	123	110
Other	80	98
Allowance for doubtful accounts	(19)	(17)
Inventories (Note 5)	10,000	8,122
Deferred tax assets (Note 9)	822	780
Prepaid expenses and other current assets	1,127	1,128
Total current assets	48,067	43,666
PROPERTY, PLANT AND EQUIPMENT:		
Land	511	511
Buildings and structures (Note 3)	19,889	19,567
Machinery and equipment	15,641	14,582
Furniture and fixtures	5,288	4,577
Lease assets (Note 12)	55	56
Construction in progress	5,051	2,447
Total	46,435	41,740
Accumulated depreciation	(27,787)	(24,927)
Net property, plant and equipment	18,648	16,813
INVESTMENTS AND OTHER ASSETS:		
Investment securities (Notes 4 and 13)	6,133	4,842
Investments in unconsolidated subsidiary and associated company	466	299
Deferred tax assets (Note 9)	371	249
Asset for retirement benefits (Note 7)	147	1
Other assets (Notes 3 and 6)	2,148	1,989
Total investments and other assets	9,265	7,380
TOTAL	¥ 75,980	¥ 67,859

	Millions of yen	
	2015	2014
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term bank loans (Notes 6 and 13)	¥ 1,817	
Payables (Note 13):		
Trade notes and accounts	5,001	¥ 6,692
Unconsolidated subsidiary and associated company	1	5
Other	562	29
Accrued income taxes (Note 13)	1,008	1,237
Accrued expenses	1,887	1,718
Other current liabilities	1,518	563
Total current liabilities	11,794	10,244
LONG-TERM LIABILITIES:		
Liability for retirement benefits (Note 7)	1,591	1,188
Deferred tax liabilities (Note 9)	673	303
Other long-term liabilities	942	945
Total long-term liabilities	3,206	2,436
COMMITMENTS (Notes 3 and 12)		
EQUITY (Notes 8 and 15):		
Common stock		
authorized, 81,969,700 shares		
issued, 24,134,606 shares in 2015 and 2014	11,395	11,395
Capital surplus	11,235	11,235
Retained earnings	36,102	33,406
Treasury stock—at cost 755,827 shares and 755,434 shares in 2015 and 2014, respectively	(1,855)	(1,854)
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	1,578	865
Foreign currency translation adjustments	(2,440)	(4,043)
Defined retirement benefit plans	(40)	34
Total	55,975	51,038
Minority interests	5,005	4,141
Total equity	60,980	55,179
TOTAL	¥ 75,980	¥ 67,859

See notes to consolidated financial statements.

Consolidated Statement of Income

MANDOM CORPORATION and its Consolidated Subsidiaries
For the Year Ended March 31, 2015

Millions of yen

	2015	2014
NET SALES	¥ 70,925	¥ 68,216
COST OF SALES	32,097	30,890
Gross profit	38,828	37,326
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 10, 11 and 12)	31,832	30,472
Operating income	6,996	6,854
OTHER INCOME (EXPENSES):		
Interest and dividend income	259	291
Foreign exchange gain	31	11
Loss on disposal of property, plant and equipment	(21)	(114)
Equity in earnings of associated company	153	90
Gain on sales of investment securities		109
Other—net	111	38
Other income - net	533	425
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	7,529	7,279
INCOME TAXES (Note 9):		
Current	2,496	2,584
Deferred	24	24
Total income taxes	2,520	2,608
NET INCOME BEFORE MINORITY INTERESTS	5,009	4,671
MINORITY INTERESTS IN NET INCOME OF CONSOLIDATED SUBSIDIARIES	584	579
NET INCOME	¥ 4,425	¥ 4,092

Yen

	2015	2014
PER SHARE OF COMMON STOCK (Note 2.m):		
Basic net income	¥ 189.28	¥ 175.02
Cash dividends applicable to the year	76.00	70.00

Diluted net income per share is not presented because no dilutive securities exist.
See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

MANDOM CORPORATION and its Consolidated Subsidiaries
For the Year Ended March 31, 2015

Millions of yen

	2015	2014
NET INCOME BEFORE MINORITY INTERESTS	¥ 5,009	¥ 4,671
OTHER COMPREHENSIVE INCOME (Note 14):		
Unrealized gain on available-for-sale securities	715	532
Foreign currency translation adjustments	2,102	750
Defined retirement benefit plans	(112)	
Share of other comprehensive income in associate	68	58
Total other comprehensive income	2,773	1,340
COMPREHENSIVE INCOME	¥ 7,782	¥ 6,011
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	¥ 6,666	¥ 5,508
Minority interests	1,116	503

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

MANDOM CORPORATION and its Consolidated Subsidiaries
For the Year Ended March 31, 2015

	Thousands	Millions of yen			
	Outstanding Number of Shares of Common Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury stock, at cost
BALANCE, APRIL 1, 2013	23,380	¥ 11,395	¥ 11,235	¥ 30,834	¥ (1,850)
Net income				4,092	
Cash dividends, ¥65 per share				(1,520)	
Purchase of treasury stock	(1)				(4)
Net change in the year					
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	23,379	11,395	11,235	33,406	(1,854)
Cumulative effect of accounting change				1	
BALANCE, APRIL 1, 2014 (as restated)	23,379	11,395	11,235	33,407	(1,854)
Net income				4,425	
Cash dividends, ¥74 per share				(1,730)	
Purchase of treasury stock	0				(1)
Disposal of treasury stock	(0)		0		0
Net change in the year					
BALANCE, MARCH 31, 2015	23,379	¥ 11,395	¥ 11,235	¥ 36,102	¥ (1,855)

See notes to consolidated financial statements.

	Millions of yen				
	Accumulated Other Comprehensive Income				
	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Minority Interests
BALANCE, APRIL 1, 2013	¥ 335	¥ (4,929)		¥ 47,020	¥ 4,017
Net income				4,092	4,092
Cash dividends, ¥65 per share				(1,520)	(1,520)
Purchase of treasury stock				(4)	(4)
Net change in the year	530	886	¥ 34	1,450	124
BALANCE, MARCH 31, 2014 (APRIL 1, 2014, as previously reported)	865	(4,043)	34	51,038	4,141
Cumulative effect of accounting change				1	1
BALANCE, APRIL 1, 2014 (as restated)	865	(4,043)	34	51,039	4,141
Net income				4,425	4,425
Cash dividends, ¥74 per share				(1,730)	(1,730)
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock				0	0
Net change in the year	713	1,603	(74)	2,242	864
BALANCE, MARCH 31, 2015	¥ 1,578	¥ (2,440)	¥ (40)	¥ 55,975	¥ 5,005

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

MANDOM CORPORATION and its Consolidated Subsidiaries
For the Year Ended March 31, 2015

Millions of yen

	2015	2014
OPERATING ACTIVITIES:		
Income before income taxes and minority interests	¥ 7,529	¥ 7,279
Adjustments for:		
Income taxes paid	(2,741)	(2,351)
Depreciation and amortization	2,600	2,143
Liability for retirement benefits	18	109
Gain on sales of investment securities		(109)
Loss on disposal of property, plant and equipment	21	114
Changes in assets and liabilities:		
Increase in receivables	(719)	(421)
Increase in inventories	(1,271)	(398)
Increase (decrease) in payables	(549)	1,492
Other—net	600	(555)
Total adjustments	(2,041)	24
Net cash provided by operating activities	5,488	7,303
INVESTING ACTIVITIES:		
Increase in time deposits other than cash equivalents	(3,117)	(1,790)
Decrease in time deposits other than cash equivalents	2,208	2,605
Acquisition of property, plant and equipment	(4,884)	(6,353)
Proceeds from sales and redemptions of investment securities	2	1,139
Payments for purchases of investment securities	(307)	(8)
Proceeds from sales and redemptions of short-term investment securities	37,900	44,300
Payments for purchases of short-term investment securities	(37,595)	(45,192)
Other—net	652	(298)
Net cash used in investing activities	(5,141)	(5,597)
FINANCING ACTIVITIES:		
Proceeds from short-term bank loans	1,653	
Dividends paid	(1,981)	(1,818)
Other—net	(13)	(15)
Net cash used in financing activities	(341)	(1,833)
EFFECT OF FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	368	536
NET INCREASE IN CASH AND CASH EQUIVALENTS	374	409
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	10,891	10,482
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 11,265	¥ 10,891

See notes to consolidated financial statements.