



Consolidated Financial Summary FY2014

(April 1, 2013 – March 31, 2014)

TS TECH Co.,Ltd.

This document is an English translation of the Japanese language version of the consolidated financial summary that TS TECH Co., Ltd. has produced as reference purpose.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Summary for FY2013 (based on Japanese accounting standards)

April 25, 2014

Company name: TS TECH CO., LTD. Stock exchange listing: Tokyo Stock Exchange
 Stock code: 7313 URL: <http://www.tstech.co.jp>
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 Scheduled date of general meeting of shareholders: June 24, 2014
 Scheduled date of commencement of dividend payment: June 25, 2014
 Scheduled date for filing of securities report: June 25, 2014
 Preparation of supplementary explanatory material: Yes Results briefing: Yes

(Amounts of less than one million yen are rounded down to the nearest million yen.)

1. Consolidated Financial Results for FY2014 (April 1, 2013 - March 31, 2014)

(1) Consolidated Financial Results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2014	457,053	27.2	39,133	61.6	42,937	57.8	23,900	51.8
FY2013	359,331	17.6	24,219	157.6	27,209	149.0	15,741	234.0

(Note) Comprehensive income FY2014 41,975million yen (45.8%) FY2013 28,782million yen (530.3%)

	Net income per share	Diluted net income per share	Return on equity	Ratio on ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2014	351.49	—	17.4	18.2	8.6
FY2013	231.50	—	14.1	13.7	6.7

(Reference) Investment profit and loss on equity method FY2014 306million yen FY2013 306million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2014	264,635	170,714	57.3	2,229.53
FY2013	207,700	137,523	59.2	1,808.75

(Reference) Shareholders' equity: FY2013 122,992 million yen FY2012 100,946 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
FY2014	43,600	-18,233	-8,898	76,460
FY2013	23,772	-10,976	-7,304	53,348

2. Cash Dividends

	Annual cash dividends per share					Total cash dividends (annual)	Dividends payout ratio (consolidated)	Net assets dividend ratio (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of year	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2013	—	14.00	—	20.00	34.00	2,311	14.7	2.1
FY2014	—	24.00	—	30.00	54.00	3,671	15.4	2.7
FY2015 (Forecasts)	—	30.00	—	30.00	60.00		18.0	

3. Consolidated Forecasts for FY2014 (April 1, 2013 - March 31, 2014)

(% of change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of FY2015	213,000	-1.4	16,500	-19.5	17,800	-18.4	9,900	-22.3	145.59
FY2015	438,000	-4.2	37,500	-4.2	40,000	-6.8	22,700	-5.0	333.83

* Notes

- (1) Changes in important subsidiaries during the term : Yes
 (Changes in significant subsidiaries affecting the scope of consolidation during this period)
 New subsidiaries — 1 company Excluded subsidiaries — companies ()
 (TST MANUFACTURING DE MEXICO, S. DE R.L. DE C.V.)
 (Note) Please refer to “Group status” on Page 11 for details.

- (2) Changes in accounting principles and procedures and the presentation method
 1) Changes in accounting policies associated with the revision of accounting standards, etc. : Yes
 2) Changes other than 1) : None
 3) Changes in accounting estimates : None
 4) Re-statement None
 (Notes) For details, please refer to “Basic Important Matters for Preparation of Consolidated Financial Statements” on page 25

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the term including treasury stock	FY2014	68,000,000 shares	FY2013	68,000,000 shares
2) Number of treasury stock at the end of the term	FY2014	1,748 shares	FY2013	1,709 shares
3) Average number of shares during the term (cumulative)	FY2014	67,998,284 shares	FY2013	67,998,336 shares

(Note) For the number of shares that is the basis for the calculation of consolidated net income per share, please see Page 53, “Per Share Information.”

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2014 (April 1, 2013 - March 31, 2014)

(1) Non-Consolidated Financial Results

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2014	97,587	13.7	2,365	189.2	10,761	92.0	8,776	101.5
FY2013	85,800	-12.9	817	—	5,605	5.8	4,355	-4.1

	Net income per share	Diluted net income per share
	Yen	Yen
FY2014	129.07	—
FY2013	64.05	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2014	104,613	78,674	75.2	1,157.01
FY2013	90,532	72,569	80.2	1,067.23

(Reference) Shareholders' equity: FY2014 78,674 million yen FY2013 72,569million yen

(*Representation regarding implementation status of auditing procedures)

Auditing procedures based on the Financial Instruments and Exchange Act are not undertaken for financial statements at the time this financial summary is disclosed.

* Explanation regarding the appropriate use of forecasts of financial results and other notes

- The consolidated forecasts presented above are projections made by managers of TS TECH Co., Ltd. (hereinafter the “Company”) on the basis of information available at the time of preparation. For that reason, they involve risks and uncertainties. Accordingly, we request readers of this document to avoid making investment decisions based exclusively on these forecasts. Please bear in mind the possibility for actual results may differ materially from these forecasts, due to various important factors. Readers are asked to proceed to “1. Operating Performance (1) Analysis of Financial Results” on page 2 for assumptions and other information that form the premise for the operating results forecast above.
- Please refer to the earnings announcement and a supplementary document that will be distributed at the briefing to be held on April 26, 2013 at the following URL of the Company.
 (IR Library) : <http://www.tstech.co.jp/english/ir/index.html>

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1. Operating Performance

(1) Analysis of Financial Results

(i) Financial Results for the Consolidated Fiscal Year under Review

For the fiscal year under review, the global economy was brisk on the whole, although there was some uncertainty about the outlook of emerging economies. With respect to the business environment surrounding the TS TECH Group, there were fears that the political unrest in Thailand would affect its business. Meanwhile, demand for automobiles rallied, mainly in North America and China. As a result, performance was generally buoyant.

Under these circumstances, the Group continued to work on its 11th Medium-Term Management Plan (April 1, 2011-March 31, 2014) with the goal of Evolution as a Global Company under its vision for 2020 of “INNOVATIVE QUALITY COMPANY.”

The fiscal year under review was the final year of the Medium-Term Management Plan. During this period, the Group worked to reinforce its production structure in line with production expansion on the part of its major customers and the local development structures in China, Asia and Europe. The Group also endeavored to strengthen its structure for sales expansion from non-principal customers and to build a system in anticipation of the future. In addition, the Group implemented measures aimed at surviving the ever-intensifying competition for orders, including increasing the competitiveness of its components by means of regionally optimized procurement and the mutual interchange of components between different regions. With these initiatives, the Group took steady steps forward in preparation for its 12th Medium-Term Management Plan.

Net sales for the fiscal year under review on a consolidated basis increased 97,722 million yen, or 27.2% from the preceding fiscal year, to 457,053 million yen, reflecting a rise in orders from major customers chiefly in North America and China and the impact of conversions from foreign currencies. Looking at profits, operating income stood at 39,133 million yen, an increase of 14,913 million yen or 61.6% year on year, after the effects of the net sales growth and cost cuts. Ordinary income also rose by 15,727 million yen or 57.8% from the preceding fiscal year, to 42,937 million yen. Net income was up 8,159 million yen or 51.8% year on year, to 23,900 million yen.

The following outlines the business circumstances and performance in the individual segments.:
(Japan)

In the fiscal year under review, the Group commenced the production of seats for Honda’s new FIT, the new light automobile model N-WGN, the new Odyssey model and others. At the Saitama Plant, the new interior product plant went into full operation following its new seat plant, which commenced production in the preceding year, as part of the reform of the domestic production structure. The Group thereby integrated the interior product operations in the Saitama area to achieve further improvements in production efficiency as well as distribution and management cost reductions. The Suzuka Plant enhanced its organizational structure and revised its production lines in accordance with the needs of major customers in a bid to win orders for seats for light automobiles and interior products following a deal for seats for the N-WGN.

The operating performance of the Japanese segment is as follows:

(Unit: Million yen)

	FY2013	FY2014	Year-on-year	Changes
Net sales	93,862	104,895	11,033	11.8%
Operating income	5,323	6,893	1,570	29.5%

Main factors for year on year changes

Net sales	Net sales soared after increases in order volumes from major customers and royalty revenues following the expansion of overseas production.
Operating income	Operating income grew as a result of the rise in net sales, although the increase in orders led to a hike in various expenses.

(Americas)

As demand for automobiles showed a turnaround, brisk orders were obtained from major customers. With the continued effort to change the earning structure, the segment achieved a rise in both net sales and operating income. In the Americas market with its continued fierce competition, the Group implemented several measures including the establishment of a new company in Mexico in which to concentrate the production of automotive seat components.

The operating performance of the Americas segment is as follows:

(Unit: Million yen)

	FY2013	FY2014	Year-on-year	Changes
Net sales	172,063	214,628	42,564	24.7%
Operating income	10,212	16,334	6,122	60.0%

Main factors for year on year changes

Net sales	Net income rose with the impact of the weakening yen in terms of foreign currency conversion and a rise in order volumes from major customers.
Operating income	Operating income jumped with the effects of net sales growth and foreign currency conversion, despite a rise in expenses after the growth of orders.

(China)

In the fiscal year under review, the production of seats and interior products for Honda's Crider, a model exclusively marketed in China, commenced. In an attempt to meet the locally optimized specifications from major customers and their local development needs, a new company engaging in research and development functions was launched in the city of Guangzhou to commence its operations to develop new models. The Group has thus endeavored to construct a structure for obtaining orders that are expected to grow for locally developed models.

The operating performance of the Chinese segment is as follows:

(Unit: Million yen)

	FY2012	FY2013	Year-on-year	Changes
Net sales	71,911	104,063	32,151	44.7%
Operating income	8,190	13,970	5,780	70.6%

Main factors for year on year changes

Net sales	Net sales were up due to the positive effect of the depreciation of the yen on foreign currency conversion, as well as an increase in order volumes from major customers.
Operating income	Operating income surged with the effects of the net sales growth and the foreign currency conversion, despite a rise in expenses after the increase in orders.

(Asia and the Europe)

In the fiscal year under review, the Group commenced the production of seats for Honda's new Mobilio in Indonesia, and the production of seats and interior products for Honda's City and seats for the Amaze in India. As a result, the Group strengthened its production system in the Asia region. For example, a new company for the production of seats for four-wheel vehicles was erected in Thailand to keep up with the production growth of major customers, and new plants were built in India and Indonesia as well. In the Europe region, the Group pushed ahead with the construction of a new plant in Hungary for the production of seats for four-wheel vehicles and worked to construct a system for manufacturing products for Volkswagen.

The operating performance of Asia and the Europe segment is as follows:.

(Unit: Million yen)

	FY2013	FY2014	Year-on-year	Changes
Net sales	50,207	67,811	17,603	35.1%
Operating income	4,878	7,994	3,115	63.9%

Main factors for year on year changes

Net sales	Net sales jumped, reflecting the impact of the weakening yen in terms of foreign currency conversion and growth in order volumes from major customers.
Operating income	Operating income expanded with the effects of the net sales hike and the foreign currency conversion, although expenses increased after the rise in orders.

Sales by business segment are as follows:

(Unit: Million yen)

	FY2013		FY2014		Year-on-year	Changes
		Sales ratio		Sales ratio		
Motorcycles	6,800	1.9%	6,855	1.9%	54	0.8%
Automobiles	349,003	97.1%	445,406	97.1%	96,403	27.6%
(Seats)	308,476	85.8%	396,148	85.8%	87,672	28.4%
(Interior products)	40,526	11.3%	49,258	11.3%	8,731	21.5%
Other businesses	3,527	1.0%	4,791	1.0%	1,263	35.8%
Total	359,331	100.0%	457,053	100.0%	97,722	27.2%

Main factors for year on year changes

Motorcycle business	Net sales grew following an increase in order volumes from major customers in India.
Automobile business	Net sales were up due to growing order volumes from major customers in different regions, particularly North America and China.

[2] Forecasts for FY2014

The Group's consolidated forecasts for the FY2014 are as follows:

Consolidated net sales	438.0 billion yen	(Year-on-year down 4.2%)
Consolidated operating income	37.5 billion yen	(Year-on-year down 4.2%)
Consolidated ordinary income	40.0 billion yen	(Year-on-year down 6.8%)
Consolidated net income	22.7 billion yen	(Year-on-year down 5.0%)

The Group's forecasts by segment are as follows:

(Japan)

(Unit: Million yen)

	FY2014	FY2015 Forecasts	Year-on-year	Changes
Net sales	104,895	101,320	-3,575	-3.4%
Operating income	6,893	9,460	2,566	37.2%

Main factors for year on year changes

Net sales Net sales decreased, reflecting a decline in the production of parts supplied from Japan.

Operating income Operating income increased, reflecting the reduction of expenses and the impact of a rise in sales.

(Americas)

(Unit: Million yen)

	FY2014	FY2015 Forecasts	Year-on-year	Changes
Net sales	214,628	197,960	-16,668	-7.8%
Operating income	16,334	14,000	-2,334	-14.3%

Main factors for year on year changes

Net sales Net sales declined due to a decrease in order volumes from major customers.

Operating income Operating income decreased, reflecting an increase in expenses such as depreciation and personnel expenses and the impact of a decline in sales.

(China)

(Unit: Million yen)

	FY2014	FY2015 Forecasts	Year-on-year	Changes
Net sales	104,063	107,350	3,286	3.2%
Operating income	13,970	14,480	509	3.6%

Main factors for year on year changes

Net sales	Net sales increased thanks to a rise in order volumes from major customers, despite a decline in sales, which was attributable to differences in the makeup of models.
Operating income	Operating income rose, reflecting the positive effects of foreign exchange rates and increased sales, despite an increase in expenses that was attributable to a rise in orders received.

(Asia and Europe) *

(Unit: Million yen)

	FY2014	FY2015 Forecasts	Year-on-year	Changes
Net sales	67,811	62,430	-5,381	-7.9%
Operating income	7,994	6,160	-1,834	-22.9%

Main factors for year on year changes

Net sales	Sales fell, reflecting decreased sales that were attributable to differences in the makeup of models and the impact of foreign exchange rates, despite a rise in order volumes from major customers.
Operating income	Despite a sales increase effect attributable to a rise in order volumes from major customers, sales declined, reflecting the effects of differences in the makeup of models and foreign exchange rates.

The amount of capital investment is planned to be 20.0 billion yen (up 0.2% from the previous fiscal year). As to foreign exchange rates, 100.0 yen per US dollar and 16.1 yen per RMB on a yearly average basis are assumed.

(2) Analysis of Financial Position

[1] Assets, liabilities, and net assets

(Total assets)

Total assets at the end of FY2014 stood at 264,635 million yen, showing an increase of 56,934 million yen from the end of the previous fiscal year. These changes chiefly reflected an increase in total assets, which was attributable to the impact of foreign exchange rates, a rise in cash and deposits, an increase in notes and accounts receivable - trade, which was due to increased orders from major customers, and investment in new models, as well as an increase in property, plant and equipment, which was attributable to the construction of new plants in Thailand, Mexico and other countries.

(Liabilities)

Total liabilities at the end of FY2014 amounted to 93,920 million yen (up 23,743 million yen from the end of the previous fiscal year). This was chiefly due to an increase attributable to the impact of foreign exchange rates and a rise in notes and accounts payable - trade.

(Net assets)

Net assets at the end of FY2014 amounted to 170,714 million yen, an increase of 33,190 million yen from the end of the previous fiscal year. This was chiefly attributable to a rise in retained earnings and foreign

currency translation adjustments.

[2] Cash flow

Cash and cash equivalents (hereinafter “cash”) at the end of FY2014 amounted to 76,460 million yen, up 23,111 million yen from the end of the previous fiscal year.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities amounted to 43,600 million yen, showing a year-on-year rise of 19,827million yen. This result reflects a year-on-year increase in income before income taxes of 15,808 million yen from the previous fiscal year, to 42,255 million yen, and a change in notes and accounts payable - trade from a decrease of 12,898 million yen in the previous fiscal year to an increase of 8,971 million yen in FY2014, despite a shift in notes and accounts receivable - trade from a rise of 8,458 million yen in the previous fiscal year to a decline of 8,370 million yen in FY2014.

(Net cash provided by (used in) from investing activities)

Net cash used in investing activities stood at 18,233 million yen, up 7,257 million yen from theprevious fiscal year, primarily reflecting a change in time deposits, after addition and withdrawal, from a net outlay of 126 million yen in the previous fiscal year to a net increase of 3,740 in the fiscal year under review, as well as expenditure of 19,378 million yen for the acquisition of property, plant and equipment, which increased 10,035 million yen from the previous fiscal year.

(Net cash provided by (used in) financial activities)

Net cash used in financing activities amounted to 8,898 million yen, showing a rise of 1,593 million yen year on year. This reflects an increase in dividend payments of 1,223 million yen from the previous fiscal year, to 2,991 million yen.

(Reference) Changes in Cash Flow-related Indexes

	FY2010	FY2011	FY2012	FY2013	FY2014
Equity ratio (%)	52.8	55.1	53.3	59.2	57.3
Equity ratio on actual cash value basis (%)	66.8	54.9	58.3	87.6	80.4
Ratio of cash flow to interest-bearing liabilities (%)	59.8	14.3	37.7	20.3	4.8
Interest coverage ratio	74.8	205.0	82.1	124.5	274.1

Equity ratio: shareholders' equity / total assets

Equity ratio on an actual cash value basis: amount of market capitalization / total assets

Ratio of cash flow to interest-bearing liabilities: interest-bearing liabilities / cash flow

Interest coverage ratio: cash flow / interest paid

(Note 1) All indexes are calculated based on financial figures on a consolidated basis.

(Note 2) The amount of market capitalization is calculated based on the number of outstanding shares excluding treasury stocks.

(Note 3) Net cash provided by (used in) operating activities is used as cash flow.

(Note 4) Interest-bearing liabilities cover all interest-bearing liabilities posted on the consolidated balance sheet.

(3) Basic Policy Concerning the Distribution of Profits and Dividends for FY2012 and FY2013

We have positioned the return of profits to shareholders as a top priority for management, while striving to improve corporate value through the development of businesses based on long-term, global perspectives. Our basic policy is to continue to pay stable dividends in overall consideration of consolidated results and payout ratios. We plan to pay a year-end dividend of 30 yen per share for FY2014 (the fiscal year ended March 31, 2014). Combined with the interim dividend of 24 yen, the dividend for FY2014 will amount to 54 yen per share. We will use retained earnings for the development of new technologies, investments for future business expansion, and other purposes to further improve operating performance and strengthen our financial position. With respect to the dividends for FY2015, we plan to pay xx yen per share (an interim dividend of xx yen and a year-end dividend of xx yen) in consideration of the trend of consolidated financial results and retained earnings required to strengthen the consolidated corporate structure.

(4) Business and Other Risks

[1] Changes in the market environment

The TS TECH Group operates in regions around the world, including Japan, North America, South America, China and other countries in Asia, and Europe. The decline in the economies of these regions and reduced consumer spending resulting from trends in the costs of goods that has led to reduced sales of motorcycles and automobiles may have an adverse effect on the Group's operating performance.

[2] Level of dependence on sales to Honda Motor Co., Ltd., and Honda Group

Honda Motor Co., Ltd. and its affiliates (the "Honda Group") accounted for 93.1% of the consolidated net sales of the TS TECH Group (96.0% if indirect sales to the Honda Group via other Honda Group partners are included).

The TS TECH Group has regular opportunities to communicate with the Honda Group, through which it reaffirms the business direction being pursued by both groups. However, it is not guaranteed that the TS TECH Group will continue to receive orders for each model. If the TS TECH Group unexpectedly failed to win an order with the Honda Group, the TS TECH Group's operating performance may be affected. In addition, the business performance of the TS TECH Group may also be affected by such factors as (1) changes in the Honda Group's business strategies or purchasing policies; (2) adjustments in the Honda Group's production; (3) transfer of the production bases of special models produced by the Honda Group; (4) reorganization of the Honda Group's production bases; and (5) the sale start time and the trend of sales of the Honda Group models that incorporate the TS TECH Group's products.

[3] Competition

The appearance of new competitors or cooperation among existing competitors may result in such companies, or alliances, rapidly gaining market share.

The TS TECH Group aims continually for technical innovation to reinforce its position as a manufacturer specializing in automobile seats and interiors. The Group focuses on the development of high-quality, high-value-added automobile seats and interiors as a means of enhancing its competitiveness. However, there is no guarantee that the Group will be able to maintain or expand its market share in the future.

[4] Latent risks inherent in international operations and overseas expansion

Reinforcing local production capabilities is a core strategy for the TS TECH Group. In North America, South America, China, other countries in Asia, and Europe, the Group has established local manufacturing subsidiaries and is pursuing an aggressive strategy of overseas business development.

Through this overseas business development, the business results of the Group may possibly be affected by factors such as the unexpected establishment or amendment of overseas laws and regulations, the opinions and views of tax authorities regarding transfer pricing taxation, difficulties acquiring human resources and

insufficient infrastructure, etc.

If a change in the political and economic situation of each country or an event such as a dispute between multiple countries, a terrorist attack or a serious accident occurred, the business results of the Group may be influenced due to physical and human damage and the disruption of infrastructure, etc.

[5] Exposure to the credit risk of business partners

As a manufacturer of automotive parts, the TS TECH Group has many business partners. While we regularly verify the management status of our business partners, in the event of an unexpected deterioration in the credit or failure of a partner, the Group's operating performance may be adversely affected.

[6] Impact of fluctuations in raw material markets

The TS TECH Group's main product, automobile seats, is made of steel, resin, polyurethane, and covering materials. The Group takes steps to ensure the stable procurement of these materials by concluding basic purchase contracts with our suppliers of raw materials and parts.

However, in the event of an insufficient supply of raw materials that cannot be addressed or absorbed by the Group, or sharp price increases induced by changes in the regulations surrounding raw materials, reduced production by raw materials manufacturers, and changes in raw materials markets, the Group's operating performance may be negatively affected.

[7] Impact of foreign exchange fluctuations

The TS TECH Group operates globally and is susceptible to foreign exchange fluctuations in its foreign currency-denominated transactions. While the Group conducts exchange hedging transactions for major currencies to minimize the risk of foreign exchange fluctuations, as it is impossible to hedge against all exchange risk, the Group's operating performance may be affected by changes in the foreign exchange market.

The Group's operating performance may also be affected by changes in management results following the conversion to yen based on the conversion rate used in the consolidated financial statements.

[8] Impact of disasters, accidents and other incidents on the Group's production lines

To minimize the latent risk of disruptions to its production lines, the TS TECH Group carries out regular accident prevention and safety inspections as well as equipment maintenance inspections on all equipment at its plants.

However, there is no guarantee that the Group will be able to completely prevent or mitigate the effect of disruptions to its production lines.

In addition, although the Group endeavors to enhance its manufacturing capacity by undertaking measures to improve processes on its production lines, making its equipment more versatile, and installing production equipment that enables the flexible transfer of production between different plants, among other measures, if an earthquake, contagious disease, or other large-scale natural disaster were to occur, or some other situation arose that caused the suspension of operations, it is possible that production capacity would be severely constrained. This event may have an adverse effect on the Group's operating performance.

[9] Protection of intellectual property rights

Although the TS TECH Group has accumulated technologies and know-how related to the manufacture of its products, in the future it is possible that these intellectual property rights will not be comprehensively protected. Moreover, the Group's operations could be adversely affected if its intellectual property rights were illegally infringed on a large scale.

In addition to the foregoing, although the Group develops products and technologies while paying sufficient attention to ensure that it does not infringe on the intellectual property rights of other companies, the business

results of the Group may be affected if it is considered that products and technologies developed by the Group infringe on the intellectual property rights of third parties.

[10] Response to legal procedures

There is a possibility of a lawsuit against the TS TECH Group or an investigation based on the applicable laws. If a decision against the TS TECH Group was made in legal proceedings pending in court, the business results of the Group may be affected.

[11] Response in case of a product defect

The TS TECH Group has made efforts to prevent the occurrence of product defects by establishing a quality assurance system for the manufacturing process and operating quality management systems based on international standards such as ISO 9001.

Moreover, with respect to product defects that require compensation for losses due to product liability, the Group hedges risks by taking out insurance and establishing a system of traceability (tracing of manufacturing history), etc. However, the business results of the Group may be adversely affected by a significant cost caused by a product recall or deterioration of trust, etc.

[12] Response to laws and regulations

In its business activities, which extend across many countries, the TS TECH Group is subject to a wide range of legal restrictions, such as safety and environmental regulations and laws. The Group operates in compliance with the relevant laws and regulations. In particular, in response to legal requirements in Europe and the United States relating to automobile safety, the Group has established a research and development system that enables it to respond adequately to future changes in the regulatory framework in this area.

However, in response to the reinforcement of various regulations or the establishment of new regulations in the future, if the Group is unable to fully comply with new legal requirements, its business activities may be restricted. Moreover, such reinforcement of regulations or the establishment of new regulations may cause the costs of the Group to increase, and the business results of the Group may be adversely affected.

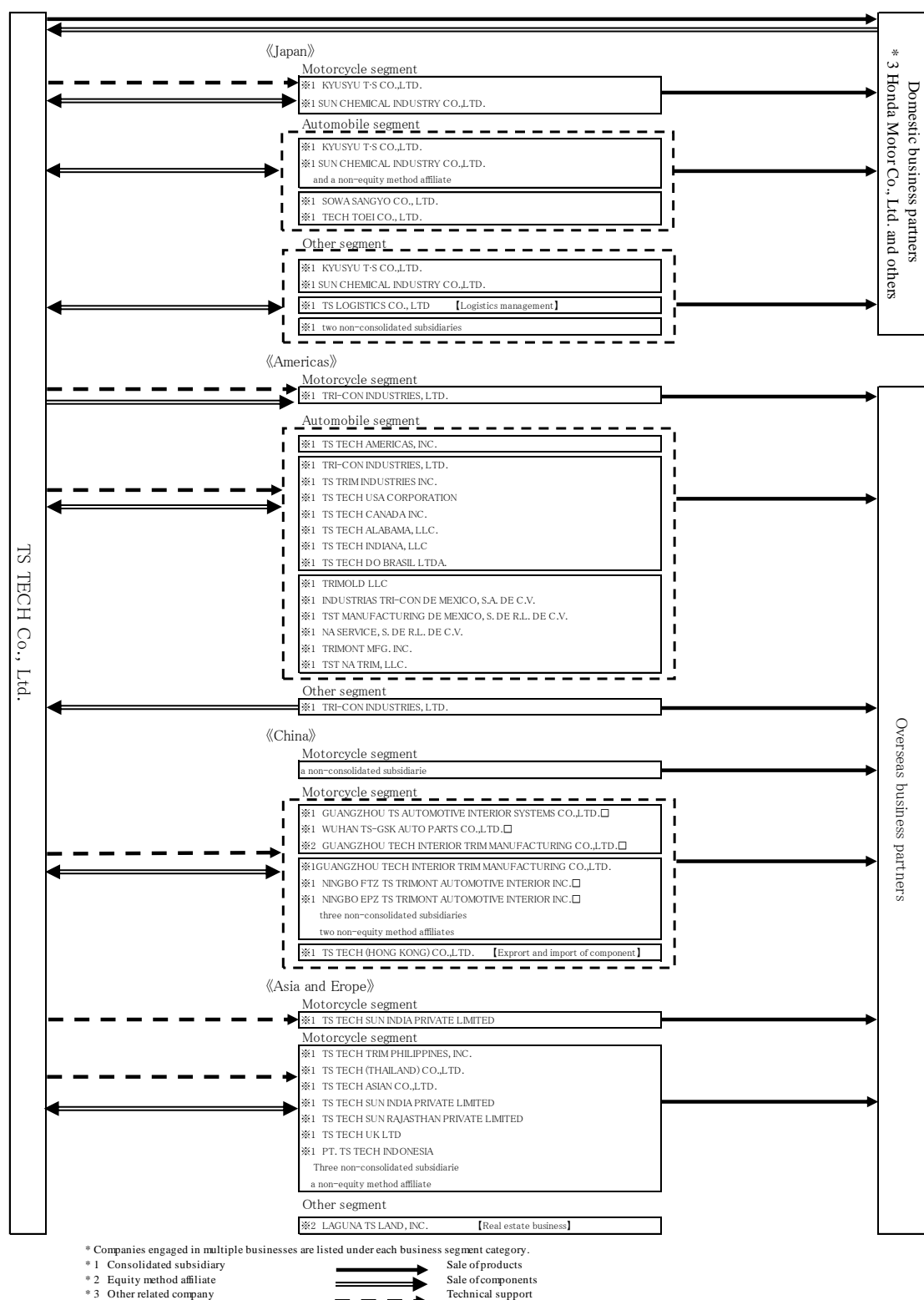
[13] Retirement benefit liabilities

The retirement benefit costs and liabilities of the TS TECH Group are calculated based on assumptions such as the discount rate and expected rate of investment income. As a result, should actual results differ from these assumptions or should these assumptions change, the Group's operating performance and financial condition may be affected.

2. Group Status

Flowchart of Business Activities

The TS TECH Group consists of TS TECH Co., Ltd. and its 46 domestic and overseas subsidiaries. Its regional segments consist of four regions including Japan, the Americas, China and Asia and Europe. In addition, the Group maintains a close and ongoing relationship with Honda Motor Co., Ltd., one of its major business partners. The following chart shows the business organization of the TS TECH Group:



Status of affiliated companies

Name	Location	Capital stock or investments in capital	Content of principal businesses	Ownership of voting rights or percentage of holding		Nature of relationship			
				Percentage of ownership (%)	Percentage of holding (%)	Sharing of directors	Fund assistance	Operational transactions	Lease of facilities
(Consolidated subsidiaries)									
KYUSYU T·S CO., LTD.	Kikuchi, Kumamoto	110 million yen	Motorcycle business Automobile business Other business	100.0	—	Concurrent appointment: 1 External transfer: 1	Loans	From TS TECH Co., Ltd.: technical support, component supply, sale of lease of properties; From Kyusyu T·S Co., Ltd.: sale of products	Yes
SUN CHEMICAL INDUSTRY CO., LTD.	Hamamatsu, Shizuoka	99 million yen	Motorcycle business Automobile business Other business	58.8	—	External transfer: 2	—	From TS TECH Co., Ltd.: lease of properties; From Sun Chemical Industry Co., Ltd.: sale of products	Yes
TS LOGISTICS CO., LTD.	Kawagoe, Saitama	99 million yen	Other business	100.0	—	External transfer: 6	—	From TS TECH Co., Ltd.: lease of properties; From TS Logistics Co., Ltd.: property lease, logistics support, manufacturing of TS TECH products, packing and transportation of TS TECH products and components	—
TECH TOEI CO., LTD.	Suzuka Mie	91 million yen	Automobile business	100.0		External transfer: 4	Loans	Sale of products to TS TECH Co., Ltd.	Yes
SOWA SANGYO CO., LTD.	Saitama, Kazo	40 million yen	Automobile business	100.0	—	Concurrent appointment: 1 External transfer: 2	Loans	From TS TECH Co., Ltd.: component supply, From Sowa Sangyo Co., Ltd.: sale of products	Yes
TRI-CON INDUSTRIES, LTD.	Nebraska, the United States	5.1 million US dollars	Motorcycle business Automobile business Other business	100.0 (100.0)	—	External transfer: 3	—	From TS TECH Co., Ltd.: technical support, component supply, sale of equipment	—
TS TRIM INDUSTRIES INC.	Ohio, the United States	23 million US dollars	Automobile business	100.0 (100.0)	—	External transfer: 2	—	From TS TECH Co., Ltd.: technical support, component supply, sale of equipment	—
TS TECH USA CORPORATION	Ohio, the United States	15 million US dollars	Automobile business	100.0 (100.0)	—	External transfer: 4	—	From TS TECH Co., Ltd.: technical support, component supply, sale of equipment From TS TECH USA Corporation: sale of products	—
TS TECH AMERICAS, INC.	Ohio, the United States	46.1 million US dollars	Automobile business	100.0	—	Concurrent appointment: 2 External transfer: 4	—	Technical support and purchase of parts from TS TECH Co., Ltd., sale of products to TS TECH Co., Ltd., real estate lease and development business	—
TS TECH ALABAMA, LLC.	Alabama, the United States	10 million US dollars	Automobile business	100.0 (100.0)	—	External transfer: 2	—	From TS TECH Co., Ltd.: technical support, component supply	—
TRIMOLD LLC	Ohio, the United States	3 million US dollars	Automobile business	100.0 (100.0)	—	External transfer: 2	—	From TS TECH Co., Ltd.: technical support,	—
TS TECH INDIANA, LLC	Indiana, the United States	10 million US dollars	Automobile business	100.0 (100.0)	—	External transfer: 2	—	Technical support and purchase of parts from TS TECH Co., Ltd., and sale of products to TS TECH Co., Ltd.	—
TST NA TRIM, LLC.	Texas, the United States	2 million US dollars	Automobile business	100.0 (100.0)	—	Concurrent appointment: 1 External transfer: 2	—	Purchase of parts from TS TECH Co., Ltd. and sale of products to	—
TS TECH CANADA INC.	Ontario, Canada	6 million Canadian dollars	Automobile business	100.0 (100.0)	—	External transfer: 2	—	From TS TECH Co., Ltd.: technical support, component supply, sale of equipment From TS TECH Canada Inc.: sale of products	—
TRIMONT MFG. INC.	Ontario, Canada	2 million Canadian dollars	Automobile business	100.0 (100.0)	—	External transfer: 3	—	From TS TECH Co., Ltd.: technical support, component supply	—
INDUSTRIAS TRI-CON DE MEXICO, S.A. DE C.V.	Tamaulipas, Mexico	1 thousand US dollars	Automobile business	100.0 (100.0)	—	External transfer: 1	—	—	—
TST MANUFACTURING DE MEXICO, S. DE R.L. DE C.V.	Guanajuato Mexico	34,819 thousand US dollars	Automobile business	100.0 (100.0)	—	External transfer: 2	—	—	—
NA SERVICE, S. DE R.L. DE C.V.	Guanajuato Mexico	179 thousand US dollars	Other business	100.0 (28.6)		External transfer: 2	—	—	—
TS TECH DO BRASIL LTDA.	São Paulo, Brazil	8.57 million Brazilian real	Automobile business	100.0 (11.1)	—	External transfer: 2	—	From TS TECH Co., Ltd.: technical support	—
GUANGZHOU TS AUTOMOTIVE INTERIOR SYSTEMS CO., LTD.	Guangdong, China	3.86 million US dollars	Automobile business	52.0	—	External transfer: 3	—	From TS TECH Co., Ltd.: technical support,	—
GUANGZHOU TECH INTERIOR TRIM MANUFACTURING CO., LTD.	Guangdong, China	3.3 million US dollars	Automobile business	52.0	—	External transfer: 3	—	—	—
NINGBO FTZ TS TRIMONT AUTOMOTIVE INTERIOR INC.	Zhejiang, China	5 million US dollars	Automobile business	100.0 (40.0)	—	Concurrent appointment: 2 External transfer: 4	—	Technical support and purchase of parts from TS TECH Co., Ltd.	—
NINGBO EPZ TS TRIMONT AUTOMOTIVE INTERIOR INC.	Zhejiang, China	5 million US dollars	Automobile business	100.0 (40.0)	—	Concurrent appointment: 2 External transfer: 4	—	From TS TECH Co., Ltd.: technical support, component supply, From Ningbo EPZ TS Trimont Automotive Interior Inc.: sale of products	—

Name	Location	Capital stock or investments in capital	Content of principal businesses	Ownership of voting rights or percentage of holding		Nature of relationship			
				Percentage of ownership (%)	Percentage of holding (%)	Sharing of directors	Fund assistance	Operational transactions	Lease of facilities
WUHAN TS-GSK AUTO PARTS CO., LTD.	Hubei, China	9 million US dollars	Automobile business	60.0	—	External transfer: 3	—	From TS TECH Co., Ltd.: technical support, sale of equipment	—
TS TECH (HONG KONG) CO., LTD.	Hong Kong, China	600 thousand Hong Kong dollars	Automobile business	100.0 (1.0)	—	External transfer: 3	—	Purchase of parts from TS TECH Co., Ltd., sale of products to TS TECH Co., Ltd. and development business	—
TS TECH TRIM PHILIPPINES, INC.	Laguna, the Philippines	125 million Philippine pesos	Automobile business	100.0	—	Concurrent appointment: 1 External transfer: 3	—	From TS TECH Co., Ltd.: technical support, component supply From TS TECH Trim Philippines, Inc.: sale of products	—
PT. TS TECH INDONESIA	West Java Province, Indonesia	7 million US dollars	Automobile business	90.0	—	External transfer: 4	—	Technical support and purchase of parts and equipment and facilities from TS TECH Co., Ltd., and sale of products to TS TECH Co., Ltd.	—
TS TECH (THAILAND) CO., LTD.	Ayutthaya, Thailand	150 million Thai baht	Automobile business	64.5	—	External transfer: 4	—	From TS TECH Co., Ltd.: technical support, component supply, sale of equipment From TS TECH (Thailand) Co., Ltd.: sale of products	—
TS TECH ASIAN CO., LTD.	Bangkok, Thailand	150 million Thai baht	Automobile business	100.0	—	Concurrent appointment: 1 External transfer: 3	—	—	—
TS TECH SUN (INDIA) LIMITED	Uttar Pradesh, India	154.8 million Indian rupee	Motorcycle business Automobile business	74.0 (0.0)	—	Concurrent appointment: 1 External transfer: 2	—	Technical support from TS TECH Co., Ltd. and sale of products to TS TECH Co., Ltd.	—
TS TECH SUN RAJASTHAN PVT. LTD.	Rajasthan, India	999,999 million Indian rupee	Automobile business	98.4 (2.7)	—	Concurrent appointment: 1 External transfer: 2	—	From TS TECH Co., Ltd.: technical and personnel support	—
TS TECH UK LTD.	Wiltshire, the United Kingdom	12 million British pounds	Automobile business	100.0	—	Concurrent appointment: 1 External transfer: 1	—	Technical support and purchase of parts and equipment and facilities from TS TECH Co., Ltd., and sale of products to TS TECH Co., Ltd.	—
(Equity method affiliates)									
GUANGZHOU TSK AUTO PARTS CO., LTD.	Guangdong, China	5 million US dollars	Automobile business	36.0	—	External transfer: 2	—	From TS TECH Co., Ltd.: technical support	—
LAGUNA TS LAND, INC.	Laguna, the Philippines	2.7 million Philippine pesos	Other business	40.0 (40.0)	—	External transfer: 2	—	—	—
(Other affiliates)									
Honda Motor Co., Ltd.	Minato-ku, Tokyo	86,067 million yen	Manufacturing and sale of automobiles	0.2	22.6	—	—	From TS TECH Co., Ltd.: component supply From Honda Motor Co., Ltd.: sale of components	—

(Note 1) In the Content of principal businesses column, names of businesses categories are listed.

(Note 2) The subcategories of “Ownership of voting rights or percentage of holding” indicate the percentage of indirect ownership.

(Note 3) Specified subsidiaries include TS TECH AMERICAS, INC., TS TECH DO BRASIL LTDA, Guangzhou TS Automotive Interior Systems Co., Ltd., Ningbo FTZ TS Trimont Automotive Interior Inc., Ningbo EPZ TS Trimont Automotive Interior Inc., Wuhan TS-GSK Auto Parts Co., Ltd., PT. TS TECH Indonesia, TS TECH (THAILAND) CO.,LTD., TS TECH Sun (India) Limited, TS TECH Sun Rajasthan PVT. Ltd, TS TECH UK Ltd., TST MANUFACTURING DE MEXICO, S. DE R.L. DE C.V.

(Note 4) Honda Motor Co., Ltd. submits securities reports to the Japanese government.

(Note 5) The percentage of sales (excluding internally generated sales among consolidated companies) generated by TS TECH Holding Company and Wuhan TS-GSK Auto Parts Co., Ltd. exceeded 10% of net consolidated sales.

TS TECH AMERICAS, INC.

Net sales	201,581 million yen
Ordinary income	14,106
Net income	9,563
Net assets	37,142
Total assets	66,010

GUANGZHOU TS AUTOMOTIVE INTERIOR SYSTEMS CO., LTD.

Net sales	50,909 million yen
Ordinary income	5,753
Net income	4,231
Net assets	17,706
Total assets	34,943

(Note 6) TS TECH (Kabinburi) Co., Ltd., which was newly incorporated on April 1, 2014, is planned to be included in the consolidated subsidiaries from the fiscal year ending March 2015.

3. Management Policies

(1) Basic Policies for Company Management

The TS TECH Group maintains a management philosophy that places priority on “due regard for human resources” and on being “a company welcomed with joy” that brings pleasure to all its stakeholders.

“Due regard for human resources” is a philosophy in which we see people as the key to our growth and strive to provide a working environment in which the Group’s employees can pursue their dreams with passion. Being “a company welcomed with joy” is a philosophy whereby we offer to the world products that bring comfort and emotional joy in striving to become an independent and international supplier of automotive interior systems, and to conduct business in harmony with society so that we can bring pleasure to all stakeholders who have high expectations from our existence.

Based on this management philosophy, we will continue to practice our company principle, namely “We will always provide comfortable, high-quality products at a competitive price for customers all over the world, pursuing our dreams through creating products and challenging infinite possibilities,” to further enhance our corporate value.

(2) Target Management Indexes

Under the 12th Medium-Term Management Plan, which commenced in April 2014 (from April 1, 2014 to March 31, 2017), the Company will perform corporate activities to achieve consolidated net sales of 500 billion yen or more and operating income of 45 billion yen or more.

(3) Medium- to Long-Term Management Strategy of the TS TECH Group

The TS TECH Group has positioned the ten years from the fiscal year under review through 2020 as a decade for laying the groundwork to become a top-ranking interior system supplier with the aim of expanding its corporate scale and enhancing its corporate value. The Group has developed the vision of “Innovative Quality Company” for 2020.

The competitive environment of the Group is changing from the existing framework to a stage of fierce competition with its competitors around the world. To expand its corporate scale and enhance its corporate value in a changing environment, we not only need to deal with our existing main customers, but also address the challenge of steadily developing new customers and acquiring new trade rights.

In response to this environment, the 12th Medium-Term Management Plan, which commenced in April 2014 (from April 1, 2014 to March 31, 2017), constitutes the most important three years of the decade for the achievement of our 2020 vision. The qualitative goal of the plan is “Evolution as a global company,” and the Group will pursue four key policies: “Expansion of sales to other customers*,” “Strengthening QCDDM* competitiveness,” “Building an infrastructure of people who are able to strive globally,” and “Implementation of social contribution activity.”

*Sales to other customers: sales to manufacturers of an entire car other than major customers

*QCDDM stands for quality, cost, development, delivery, and management.

[Four key management policies]

[1] Expansion of sales to other customers

“Expansion of sales to other customers,” for which special efforts were made under the 11th Medium-Term Management Plan, is included in the key policies. The TS TECH Group will further strengthen its efforts to expand business with customers other than its main customers as one of the growth strategies for achieving the 2020 vision.

[2] Strengthening QCDDM competitiveness

To prevail in a fiercely competitive environment, the TS TECH Group will enhance competitiveness in all

aspects of corporate activities (QCDDM). To this end, the Group will build a foundation for achieving the 2020 vision.

[3] Build an infrastructure of people who are able to strive globally

Under our management philosophy, which includes "careful consideration of human resources," the TS TECH Group, as a truly global company, will lay foundations for cultivating human resources who will be able to work in the international arena.

[4] Implementation of social contribution activity

The TS TECH Group will implement social contribution activities through the provision of safe and comfortable products and the fulfillment of social responsibility in our business activities, including consideration for the environment, in order to pursue and achieve "a company welcomed with joy" in accordance with its management philosophy.

(4) Issues Requiring a Response from the TS TECH Group

In order to prevail in global competitions, the Group will research and develop mainly three technologies such as "safety technology" to protect drivers, "environment technology" like weight reduction which helps to increase fuel efficiency, and "attractive product technology" like seat arrangement that meet a variety of user-needs. In addition, the Group makes efforts to strengthen the regional controlling functions in various regions around the world, and also strengthen cost competitiveness by collaborating sales, development, purchase, and production department.

In the emerging markets especially, where demand for automobiles is expected to increase, the Group focuses on developing specifications optimized to each region that meet the needs of local users and the establish the cost structure suitable for low-priced cars.

To achieve further growth, the Group needs to expand sales to new automakers, so that the Group will proceed more aggressively with sales expansion activities through its concerted efforts.

In addition, the Group will strengthen its risk management system to respond to various risks that may arise in the course of globally expanding its business.

(Japan)

In Japan, a mature market, the Group will continue to endeavor to secure orders from both its mainstay customers and its new customers by conducting research and development of products that respond to the needs of automobile users for eco-friendly and compact vehicles as well as for vehicles for elderly drivers. In addition, the Group will actively proceed with efforts to secure orders for products for light automobiles with strong sales, and to reduce costs.

Meanwhile, the Group will provide support to strengthen the individual regional systems as a global innovation base, promoting the horizontal transfer of the production technologies that the Group has accumulated through production in Japan to Group companies.

(Americas)

Although profitability was improved as a result of the efforts to improve the profit structure, the severe competition with competitors for securing orders is expected to continue in North America, and thus the Group has consolidated in Mexico its production bases that manufacture parts for automobile seats in North America.

In the Americas, the Group will increase its earnings and continue to take measures to further strengthen the structure for generating profits such as consolidation of the production bases and streamlining.

(China)

Despite the risk of production cutbacks associated with the changing domestic situations, orders from major

customers are likely to grow steadily. Responding rapidly to changes in the business environment, the Group will continue to develop operations in China.

In addition to the existing global models, the Group's newly established local research and development company will propose specifications for the products for locally developed models for which demand is likely to increase. Furthermore, the Group will proceed strongly with the manufacture of low-priced products and the establishment of a cost structure that is able to generate profits through the expansion of business with local suppliers and a decrease in the prices of raw materials.

(Asia and Europe)*

In Asia, the Group has been proceeding primarily with the construction of new factories to meet increased orders from major customers. The Group will focus on the smooth launch of factories and thorough quality management, and will also manufacture low-priced products and establish a cost structure that is able to generate profits to secure orders for exclusive models available locally, as in the case of China.

In Europe, a mature market, the Group will seek to secure orders from its major customers and maintain a production system and profit structure tailored to the production volume. In addition, under the leadership of the research and development company in Germany, the Group will further strengthen the initiatives for sales to Volkswagen and other European manufacturers of entire cars to expand sales to new customers.

(5) Other Important Matters Concerning the Group's Management

Not applicable

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Million yen)

	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
Assets		
Current assets		
Cash and deposits	58,269	78,181
Notes and accounts receivable—trade	48,806	65,530
Merchandise and finished goods	2,251	2,609
Work in process	1,978	3,325
Raw materials and supplies	18,256	19,681
Income taxes receivable	186	65
Deferred tax assets	2,388	2,703
Other	4,470	5,338
Allowance for doubtful accounts	-21	-40
Total current assets	136,587	177,394
Noncurrent assets		23,940
Property, plant and equipment		14,272
Buildings and structures, net	18,317	6,661
Machinery, equipment and vehicles, net	12,430	10,249
Tools, furniture and fixtures, net	4,830	758
Land	9,682	6,371
Lease assets, net	580	62,253
Construction in progress	3,027	1,546
Total property, plant and equipment	48,869	16,673
Intangible assets	1,259	1,546
Investments and other assets		
Investment securities	15,371	16,673
Investments in capital of subsidiaries and affiliates	2,636	3,082
Long-term loans receivable	691	399
Net defined benefit asset	—	267
Deferred tax assets	1,165	1,569
Other	1,457	1,455
Allowance for doubtful accounts	-337	-6
Total investments and other assets	20,984	23,441
Total noncurrent assets	71,113	87,240
Total assets	207,700	264,635

(Unit: Million yen)

	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable–trade ※ 3	40,330	56,932
Short-term loans payable	2,049	1,869
Long-term loans scheduled for payment within one year	2,572	167
Lease obligations	419	416
Income taxes payable	1,716	3,049
Provision for bonuses	2,366	3,053
Provision for directors' bonuses	110	151
Deferred tax liabilities	151	36
Other	12,471	19,095
Total current liabilities	62,188	84,772
Noncurrent liabilities		
Long-term loans payable	210	69
Lease obligations	247	404
Deferred tax liabilities	5,099	4,714
Provision for directors' retirement benefits	58	60
Provision for retirement benefits	562	—
Net defined benefit liability	—	2,663
Other	1,810	1,235
Total noncurrent liabilities	7,988	9,148
Total liabilities	70,176	93,920
Net assets		
Shareholders' equity		
Capital stock	4,700	4,700
Capital surplus	5,163	5,163
Retained earnings	113,122	133,858
Treasury stock	-3	-3
Total shareholders' equity	122,982	143,718
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,191	8,533
Foreign currency translation adjustment	-8,181	290
Net defined benefit liability		-937
Total valuation and translation adjustments	9	7,886
Minority interests	14,531	19,110
Total net assets	137,523	17,714
Total liabilities and net assets	207,700	264,635

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Unit: Million yen)

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2013 - March 31, 2014)
Net sales	359,331	457,053
Cost of sales	309,929	385,939
Gross profit	49,401	71,113
Selling, general and administrative expenses		
Packing and transportation expenses	3,753	4,557
Directors' compensations	604	615
Salaries and allowances	10,193	12,407
Depreciation	892	1,169
Research and development expenses	1,271	1,658
Other	8,465	11,570
Total selling, general and administrative expenses	25,182	31,979
Operating income	24,219	39,133
Non-operating income		
Interest income	801	1,096
Dividends income	612	682
Land and house rent received	196	202
Foreign exchange gains	1,075	1,015
Equity in earnings of affiliates	306	599
Other	352	402
Total non-operating income	3,345	3,999
Non-operating expenses		
Interest expenses	189	158
Provision of allowance for doubtful accounts	154	—
Other	11	37
Total non-operating expenses	355	195
Ordinary income	27,209	42,937
Extraordinary income		
Gain on sales of noncurrent assets		
Reversal of allowance for doubtful accounts	50	127
Insurance income	9	97
Gain on translation of negative goodwill	272	78
Compensation income	19	255
Other	5	1
Total extraordinary income	1,204	0

(Unit: Million yen)

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2013 - March 31, 2014)
Extraordinary loss		
Loss on sales of noncurrent assets	36	57
Loss on retirement of noncurrent assets	245	415
Impairment loss	325	407
Loss on disaster	420	356
Other	95	5
Total extraordinary loss	1,121	1,242
Income before income taxes	26,447	42,255
Income taxes-current	8,539	12,763
Income taxes-deferred	-976	-628
Total Income taxes	7,562	12,134
Income before minority interests	18,884	30,121
Minority interests in income	3,142	6,220
Net income	15,741	23,900

Consolidated Comprehensive Income

(Unit: Million yen)

	FY2013 (April 1, 2011 - March 31, 2012)	FY2014 (April 1, 2012 - March 31, 2013)
Income before minority interests	18,884	30,121
Other comprehensive income		
Valuation difference on available-for-sale securities	1,109	357
Foreign currency translation adjustment	8,683	11,288
Share of other comprehensive income of associates accounted for using equity method	104	208
Other comprehensive income	※ 1 9,898	※ 1 11,854
Comprehensive income	28,782	41,975
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	23,878	32,715
Comprehensive income attributable to minority interests	4,903	9,260

(3) Consolidated Statements of Changes in Net Assets

FY2013 (April 1, 2012 - March 31, 2013)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as at the end of the previous fiscal year	4,700	5,163	99,213	-3	109,073
Changes of items					
Dividends from surplus			-1,767		-1,767
Employee welfare fund			-65		-65
Net income			15,741		15,741
Acquisition of treasury stock				-0	-0
(Net) changes in items other than shareholders' equity					
Total changes in items	—	—	13,908	-0	13,908
Ending balance as at the end of the fiscal year	4,700	5,163	113,122	-3	122,982

	Valuation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Measurements of defined benefit plans	Valuation and translation adjustments		
Balance as at the end of the previous fiscal year	7,089	-15,216		-8,126	11,300	112,247
Changes of items						
Dividends from surplus						-1,767
Employee welfare fund						-65
Net income						15,741
Acquisition of treasury stock						-0
(Net) changes in items other than shareholders' equity	1,101	7,034	—	8,136	3,231	11,367
Total changes in items	1,101	7,034	—	8,136	3,231	25,276
Ending balance as at the end of the fiscal year	8,191	-8,181	—	9	14,531	13,523

(3) Consolidated Statements of Changes in Net Assets

FY2014 (April 1, 2013 - March 31, 2014)

(Unit: Million yen)

(Unit: Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus	Retained earnings				Treasury stock	Total shareholders' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward			
Balance as at the end of the previous fiscal year	4,700	5,121	763	31,450	22,366	54,580	-3	64,399
Changes of items								
Dividends from surplus					-2,991	-2,991		-2,991
Net income					8,776	8,776		8,776
Acquisition of treasury stock							-0	-0
Provision of general reserve				1,500	-1,500			
(Net) changes in items other than shareholders' equity								
Total changes in items	—	—	—	1,500	4,284	5,784	-0	5,784
Ending balance as at the end of the fiscal year	4,700	5,121	763	32,950	26,651	60,365	-3	70,183

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as at the end of the previous fiscal year	8,170	8,170	72,569
Changes of items			
Dividends from surplus			-2,991
Net income			8,776
Acquisition of treasury stock			-0
(Net) changes in items other than shareholders' equity	320	320	320
Total changes in items	320	320	6,105
Ending balance as at the end of the fiscal year	8,491	8,491	78,674

(4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	FY2013 (April 1, 2012- March 31, 2013)	FY2014 (April 1, 2013- March 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	26,447	42,255
Depreciation and amortization	7,332	8,628
Impairment loss	325	407
Increase (decrease)Net defined benefit liability	—	1,165
Loss on transfer of equity of subsidiaries and affiliates	—	-78
Amortization of goodwill	1	33
Amortization of negative goodwill	-43	-43
Increase (decrease) in allowance for doubtful accounts	178	-12
Increase (decrease) in provision for bonuses	434	658
Increase (decrease) in provision for directors' bonuses	23	41
Increase (decrease) in provision for retirement benefits	-84	—
Interest and dividends income	-1,414	-1,779
Interest expenses	189	158
Equity in (earnings) losses of affiliates	-306	-599
Foreign exchange losses (gains)	-398	-102
Loss (gain) on sales of property, plant and equipment	-14	-70
Loss on retirement of property, plant and equipment	245	415
Gain on translation of negative goodwill	-9	-97
Insurance income	-272	-255
Loss on disaster	-19	-1
Decrease (increase) in notes and accounts receivable-trade	420	356
Compensation income	8,458	-8,370
Decrease (increase) in inventories	-499	-823
Increase (decrease) in notes and accounts payable-trade	-12,898	8,971
Other	2,011	2,758
Subtotal	30,106	53,616
Interest and dividends income received	1,422	1,791
Interest expenses paid	-191	-159
Income taxes paid	-7,734	-11,573
Proceeds from insurance income	272	19
Payments for loss on disaster	19	1
Proceeds from compensation	-123	-95
Net cash provided by (used in) operating activities	23,772	43,600

(Unit: Million yen)

	FY2013 (April 1, 2012 - March 31, 2012)	FY2014 (April 1, 2013 - March 31, 2014)
Net cash provided by (used in) investing activities		
Payments for acquiring stocks of subsidiaries and affiliates that resulted in the scope of consolidation	—	-30
Payments into time deposits	-6,132	-4,384
Proceeds from withdrawal of time deposits	6,005	8,124
Purchase of property, plant and equipment	-9,342	-19,378
Proceeds from sales of property, plant and equipment	145	307
Purchase of investment securities	-559	-686
Purchase of investments in subsidiaries	-375	-1,341
Payments of loans receivable	-187	-973
Collection of loans receivable	384	961
Other	-914	-832
Net cash provided by (used in) investing activities	-10,976	-18,233
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-2,329	-313
Repayment of long-term loans payable	-221	-2,754
Repayments of finance lease obligations	-580	-573
Purchase of treasury stock	-0	-0
Cash dividends paid	-1,767	-2,991
Cash dividends paid to minority shareholders	-2,405	-2,264
Net cash provided by (used in) financing activities	-7,304	-8,898
Effect of exchange rate change on cash and cash equivalents	4,462	6,642
Net increase (decrease) in cash and cash equivalents	9,953	23,111
Cash and cash equivalents at beginning of period	43,394	53,348
Cash and cash equivalents at end of period	53,348	76,460

(5) Notes Concerning Consolidated Financial Statements

(Notes Concerning Going Concern)

Not applicable.

(6) Basic Important Matters for Preparation of Consolidated Financial Statements

① Items concerning the scope of consolidation

I The number of consolidated subsidiaries: 32 companies

II Names of the consolidated subsidiaries

The names of consolidated subsidiaries are listed in “2. Group Status, Status of affiliated companies” and are therefore omitted.

The Company decided to include TST MANUFACTURING DE MEXICO, S. DE R.L. DE C.V. and another company, which were established during the consolidated fiscal year under review, and TECH TOEI CO., LTD., which became a consolidated subsidiary in the consolidated fiscal year under review, in the scope of consolidation from the consolidated fiscal year under review.

The Company decided to exclude TS TECH NORTH AMERICA, INC., which was merged with TS TECH HOLDING COMPANY in the consolidated first quarter, from the scope of consolidation from the consolidated first quarter. TS TECH HOLDING COMPANY changed its name to TS TECH AMERICAS, INC.

III Names of non-consolidated subsidiaries

TS Corporation Inc., TS Insurance Service Co., Ltd., Chongqing TS Plastic Products Co., Ltd., Wuhan Sowa Auto Parts Co., Ltd., GUANGZHOU TS TECH AUTOMOTIVE INTERIOR RESEARCH & DEVELOPMENT CO., LTD, TS TECH (Kabinburi) CO., LTD., TS TECH Deutschland GmbH, TS TECH Hungary Kft.

IV The six non-consolidated companies are outside the scope of consolidation, because all these companies are small in size, and their total net assets, net sales, net income/loss (in proportion to equity holding) and retained earnings (in proportion to equity holding), among other items, do not significantly impact consolidated financial statements.

② Items concerning application of the equity method

I The number of equity method affiliates: 2 companies

II Names of equity method affiliates

Guangzhou TSK Auto Parts Co., Ltd., Laguna TS Land, Inc.

III Names of non-consolidated subsidiaries and affiliates on which the equity method is not applied

TS Corporation Inc., TS Insurance Service Co., Ltd., Chongqing TS Plastic Products Co., Ltd., Wuhan Sowa Auto Parts Co., Ltd., GUANGZHOU TS TECH AUTOMOTIVE INTERIOR RESEARCH & DEVELOPMENT CO., LTD, TS TECH (Kabinburi) CO., LTD., TS TECH Deutschland GmbH, TS TECH Hungary Kft., TS Puppy Honda Co., Ltd., Tech Toei Co., Ltd., Daiyu Co., Ltd and three other companies.

IV The twelve companies to which the equity method is not applied have little influence on net income/loss (in proportion to equity holding) and retained earnings (in proportion to equity holding), among other items, and are of little importance overall. Therefore, the equity method is not applied to these companies.

③ Items concerning the business year of consolidated

Of the consolidated subsidiaries of TS TECH Co., Ltd., the following companies have a settlement date of December 31:

TS TECH do Brasil Ltda., Guangzhou TS Automotive Interior Systems Co., Ltd., Guangzhou Tech Interior Trim Manufacturing Co., Ltd., Ningbo FTZ TS Trimont Automotive Interior Inc., Ningbo EPZ TS Trimont Automotive Interior Inc., Wuhan TS-GSK Auto Parts Co., Ltd., TS TECH (Hong Kong) Co., Ltd., TS TECH Trim Philippines, Inc., PT. TS TECH Indonesia, TS TECH (Thailand) Co., Ltd., TS TECH Asian Co., Ltd., TS TECH UK Ltd. Consolidated financial statements use the financial statements of the above companies dated December 31. Necessary adjustments for consolidation are made concerning important transactions that occurred between December 31 and the consolidated settlement date of March 31.

④ Items concerning accounting standards

I Items concerning accounting standards

(a) Securities

Other securities

Securities with fair market value

Fair value method based on the market price at the closing date (Valuation differences are included in shareholders' equity, and sales costs when sold are determined using the moving-average method.)

Securities without fair market value

Cost accounting method calculated using the moving-average method

(b) Inventories

Inventories held for normal sale purposes

The evaluation standard uses the cost accounting method (the method of reducing book value due to lower profitability)

Raw materials, work in process and products

Cost accounting method calculated using the first-in, first-out method

However, cost accounting method for certain raw materials, work in process and products calculated using the identified cost method

Supplies

Cost accounting method calculated using the last purchased price method

II Depreciation method for significant depreciable assets

(a) Property, plant and equipment (excluding lease assets)

At the Company and its domestic consolidated subsidiaries, property, plant and equipment are depreciated using the age-life method. At overseas consolidated subsidiaries, the straight-line method based on estimated life of property, plant and equipment is used.

The useful lives for such main buildings, machinery, and equipment range as follows:

Buildings and structures: 2 to 50 years

Machinery, equipment and vehicles: 2 to 20 years

Tools, furniture and fixtures: 2 to 20 years

(Change in accounting policy which is difficult to distinguish from change in accounting estimate)

From the end of the consolidated fiscal year under review, the accounting method was changed to one whereby the amount obtained by subtracting the amount of pension assets from that of retirement benefit liabilities is posted as liabilities concerning retirement benefits (provided, however, that where the amount of pension assets exceeds that of retirement benefit liabilities, the former shall be posted as assets concerning retirement benefits), by adopting the Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25, May 17, 2012) (provided, however, that the provisions of the main clause of paragraph 35 of the Accounting Standard for Retirement Benefits and the provisions of the main clause of paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits are excluded). As a result, unrecognized accounting expenses for actuarial differences and unrecognized accounting expenses for past service liabilities were posted as liabilities concerning retirement benefits.

The Accounting Standard for Retirement Benefits, etc. was adopted in accordance with the transitional treatment stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits. At the end of the consolidated fiscal year under review, the effects of the change were reflected in the cumulated adjustments concerning retirement benefits of the valuation and translation adjustments.

As a result, assets concerning retirement benefits, which are 267 million yen, and liabilities concerning retirement benefits, which are 2,663 million yen, were posted at the end of the consolidated fiscal year under review. In addition, the valuation and translation adjustments decreased by 937 million yen.

The effects on per share information are described in "Per Share Information."

III Accounting standards for significant allowances

(Segment information)

1. Overview of reporting segments

Reporting segments are component units of the Company able to provide financial information. These segments file monthly reports which the Board of Directors uses for deciding management resource allocation and evaluating results.

Positioning Japan as its global base, the Company has a control and management system for the three operating regions of “Americas,” which includes the U.S.A, Canada, Mexico and Brazil, “China” including China and Hong Kong and “Asia and the U.K.” comprising Thailand, Philippines, India, Indonesia and the U.K. The Company appoints an officer responsible for control and management in each region. Policies, plans, controls and other matters concerning general operations are discussed at regional management meetings attended by directors and the like in these regions for executing business activities.

Accordingly, the Company positions “Japan,” “Americas,” “China” and “Asia and the U.K.” as its four reporting segments.

In the reporting segments of “Japan,” “Americas,” and “Asia and the U.K.” the Company manufactures and sells products under their coverage that mainly consist of automobile seats, automobile interiors, motorcycle seats and resin-based products for motorcycles. In the reporting segment of “China,” the Company engages primarily in the manufacture and sale of automobile seats and automobile interiors.

Since the consolidated fiscal year under review, the title of the reporting segment “Asia and the U.K.” has been changed to “Asia and Europe.” This change is only a change of title, and involved no changes in the reporting of numerical figures. Segment information for the previous consolidated fiscal year was prepared based on the revised segment title.

(Change in the calculation method for profits or losses in the business segments)

As stated in “Changes in accounting policy that are difficult to distinguish from changes in accounting estimates,” the Company and its consolidated domestic subsidiaries previously applied the declining balance method for depreciation (except for any buildings [excluding annexed structures] acquired on or after April 1, 1998, for which the straight line method was adopted). However, in the consolidated fiscal year under review, the Company and its consolidated domestic subsidiaries adopted the straight-line method of depreciation. As a result of this change, segment profits for “Japan” for the consolidated fiscal year under review rose 907 million yen compared with the figure based on the previous method.

2. Accounting methods of net sales, profits or losses, assets, liabilities and other items for reporting segments

Accounting methods for reporting business segments are mostly the same as those presented in “Basic Important Matters for Preparation of Consolidated Financial Statements.” The Company decides the price of transactions carried out among its segments by considering market prices and gross costs, and through price negotiations.

3. Information about net sales, profits or losses, assets, liabilities and other items for reporting segments
FY2013(April 1, 2012 - March 31, 2013)

(Unit: Million yen)

	Reporting Segments					Adjustments (Note) 1	Amounts stated in consolidated F/S (Note) 2
	Japan	Americas	China	Asia and Europe.	Total		
Net sales							
Sales to customers	69,697	172,063	67,470	50,100	359,331	—	359,331
Interred transfer	24,164	—	4,441	107	28,713	-28,713	—
Total	93,862	172,063	71,911	50,207	388,044	-28,713	359,331
Segment profits	5,323	10,212	8,190	4,878	28,604	-4,384	24,219
Segment assets	78,971	61,587	37,749	38,257	216,565	-8,864	207,700
Segment liabilities	21,569	31,495	17,802	10,824	81,691	-11,514	70,176
Other categories							
Depreciation	2,587	2,597	858	1,316	7,360	-28	7,332
Investments to equity method affiliates	745	—	—	6	751	—	751
Increase of property, plant and equipment and intangible assets	5,082	2,857	658	2,778	11,377	—	11,377

(Note) 1 Adjustments are as follows.

(1) Adjustments of -4,384 million yen for segment profits included a deduction of 430 million yen for transactions between segments, and operating expenses of -4,153 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

(2) An adjustment of -8,864 million yen for segment assets included the Company's investments in its subsidiaries of -14,404 million yen, offsetting the elimination of liabilities of -11,476 million yen, and long-term investment securities held by the Company and its subsidiaries, which amount to 15,371 million yen.

(3) An adjustment of -11,514 million yen for segment liabilities is a deduction for transactions between segments.

(4) An adjustment of -28 million yen for depreciation is a deduction for transactions between segments.

2 Operating income in the consolidated statements of income is adjusted for segment profits.

FY2014(April 1, 2013 - March 31, 2014)

(Unit: Million yen)

	Reporting Segments					Adjustments (Note) 1	Amounts stated in consolidated F/S (Note) 2
	Japan	Americas	China	Asia and Europe.	Total		
Net sales							
Sales to customers	79,064	214,179	96,702	67,106	457,053	—	359,331
Interred transfer	25,831	448	7,360	704	34,713	-28,713	—
Total	104,895	214,628	104,063	67,811	388,044	-28,713	359,331
Segment profits	6,893	16,334	13,970	7,994	28,604	-4,384	24,219
Segment assets	91,147	71,408	61,785	47,401	216,565	-8,864	207,700
Segment liabilities	29,899	29,261	33,228	12,207	81,691	-11,514	70,176
Other categories							
Depreciation	3,204	2,873	784	1,781	7,360	-28	7,332
Investments to equity method affiliates	1,200	—	—	7	751	—	751
Increase of property, plant and equipment and intangible assets	5,380	6,698	654	7,227	11,377	—	11,377

(Note) 1 Adjustments are as follows.

(1) Adjustments of -6,060 million yen for segment profits included a deduction of -203 million yen for transactions between segments, and operating expenses of -4,360 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

(2) An adjustment of -7,107 million yen for segment assets included the Company's investments in its subsidiaries of -14,176 million yen, offsetting the elimination of liabilities of -10,728 million yen, and long-term investment securities held by the Company and its subsidiaries, which amount to 16,673 million yen.

(3) An adjustment of -10,675 million yen for segment liabilities is a deduction for transactions between segments.

(4) An adjustment of -15 million yen for depreciation is a deduction for transactions between segments.

2 Operating income in the consolidated statements of income is adjusted for segment profits.

(Related information)

FY2014 (April 1, 2013 - March 31, 2014)

1. Information according to products and services

The percentage of sales of sole product or service to customers in consolidated statements of income exceed 90%, and for that reason segment information by products and services is omitted.

2. Information according to regions

(1) Net sales

(Unit: Million yen)

Japan	Americas	China	Asia and Europe.	Other regions	Total
69,036	172,148	67,748	50,126	270	359,331

(Note) Net sales are based on customers' locations, and are categorized into countries or regions.

(2) Property, plant and equipment

(Unit: Million yen)

Japan	Americas	China	Asia and Europe.	Total
21,801	15,063	3,869	8,134	48,869

3. Information according to customers

(Unit: Million yen)

Customers or individuals	Net sales	Related segments
Honda of America Mfg., Inc.	62,733	Americas
Honda Motor Co., Ltd.	44,420	Japan
Dongfeng Honda Automobile Co., Ltd.	36,366	China

FY2014 (April 1, 2013 - March 31, 2014)

1. Information according to products and services

The percentage of sales of sole product or service to customers in consolidated statements of income exceed 90%, and for that reason segment information by products and services is omitted.

2. Information according to regions

(1) Net sales

(Unit: Million yen)

Japan	Americas	China	Asia and Europe.	Other regions	Total
77,670	214,559	97,348	67,151	323	457,053

(Note) Net sales are based on customers' locations, and are categorized into countries or regions.

(2) Property, plant and equipment

(Unit: Million yen)

Japan	Americas	China	Asia and Europe.	Total
23,641	19,960	4,431	14,218	62,253

3. Information according to customers

(Unit: Million yen)

Customers or individuals	Net sales	Related segments
Honda of America Mfg., Inc.	73,571	Americas
Honda Motor Co., Ltd.	57,053	Japan
Honda Canada Inc.	50,638	China
Guan qi Honda Automobile Co.,Ltd	48,359	China

(Information regarding impairment loss of intangible assets according to reporting segments)

FY2013 (April 1, 2012 - March 31, 2013)

(Unit: Million yen)

	Reporting segments					Corporate/ Eliminations	Total
	Japan	Americas	China	Asia and Europe.	Total		
Impairment loss	250	74	—	—	325	—	325

FY2014 (April 1, 2013 - March 31, 2014)

(Unit: Million yen)

	Reporting segments					Corporate/ Eliminations	Total
	Japan	Americas	China	Asia and Europe.	Total		
Impairment loss	202	24	181	—	407	—	407

(Amortization of goodwill and amortized balance by reportable segment)

Because this is not significant, notes are omitted.

(Gain on negative goodwill by reportable segment)

FY2013 (April 1, 2012 – March 31, 2013)]

Not applicable

FY2014 (April 1, 2013 – March 31, 2014)

Not applicable.

(Unit: Million yen)

	Reporting segments					Corporate/ Eliminations	Total
	Japan	Americas	China	Asia and Europe.	Total		
Gain on translation of negative goodwill	—	—	—	9	9	—	9

The Company acquired additional shares in TS TECH SUN RAJASTHAN PVT. LTD, a consolidated subsidiary, on December 5, 2012. As a result, the Company posted a gain on negative goodwill of 9 million yen in the Asia and Europe segment.

FY2015 (April 1, 2014 – March 31, 2015)

Not applicable.

(Unit: Million yen)

	Reporting segments					Corporate/ Eliminations	Total
	Japan	Americas	China	Asia and Europe.	Total		
Gain on translation of negative goodwill	—	—	—	9	9	—	9

TECH TOEI CO., LTD. became a consolidated subsidiary in the consolidated fiscal year under review as a result of the share acquisition on March 28, 2014. As a result of this, the Company posted a gain on negative goodwill of 96 million yen in the Japan segment..

(Per Share Information)

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2013 - March 31, 2014)
Net assets per share	1,808.75 yen	2,229.53 yen
Net income per share	231.50 yen	351.49 yen

(Note) 1 Net income per share on a diluted basis is not recorded, as there are no potential shares.

2 As stated in “Change in accounting policy,” the Accounting Standard for Retirement Benefits, etc. was adopted and the transitional treatment stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits was followed. As a result of this, net assets per share for the consolidated fiscal year under review decreased by 13.79 yen.

3 The basis for calculating net income per share is as follows:

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2013 - March 31, 2014)
Net income (million yen)	15,741	23,900
Amount that does not belong to shareholders (million yen)	—	—
Net income for common stock for the period (million yen)	15,741	23,900
Average number of common shares for the period (thousand shares)	67,998	67,998

4 The basis for calculating net assets per share is as follows::

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2013 - March 31, 2014)
Total net assets (million yen)	137,523	170,714
Amount to be deducted from total net assets (million yen)		
(Minority interests/million yen)	(14,531)	(19,110)
Net assets for common stock as of the end of the period (million yen)	122,992	151,604
Number of common shares as of the end of the period used to calculate net assets per share (thousand shares)	67,998	67,998

(Significant Subsequent Events)

Not applicable

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Unit: Million yen)

	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
Assets		
Current assets		
Cash and deposits	15,076	17,838
Notes receivable-trade	432	369
Accounts receivable-trade	15,492	18,825
Merchandise and finished goods	244	217
Work in process	2,865	5,291
Raw materials and supplies	797	1,691
Advance payments-trade	475	860
Prepaid expenses	210	157
Deferred tax assets	892	1,032
Accounts receivable-other	1,687	2,615
Other	1,169	1,153
Allowance for doubtful accounts	-1	-2
Total current assets	39,340	50,049
Noncurrent assets		
Property, plant and equipment		
Buildings, net	6,966	7,745
Structures, net	441	446
Machinery and equipment, net	2,413	2,472
Vehicles, net	90	149
Tools, furniture and fixtures, net	1,074	1,412
Land	6,665	6,517
Lease assets, net	203	194
Construction in progress	349	526
Total property, plant and equipment	18,204	19,465
Intangible assets		
Software	640	735
Other	169	87
Total intangible assets	809	822
Investments and other assets		
Investment securities	1,259	1,470
Stocks of subsidiaries and affiliates	26,238	27,378
Investments in capital of subsidiaries and affiliates	4,241	4,241
Long-term loans receivable from employees	207	225
Long-term loans receivable from subsidiaries and affiliates	300	300
Long-term prepaid expenses	15	9
Insurance funds	137	782
Prepaid pension cost	—	91
Other	84	83
Allowance for doubtful accounts	-306	-306
Total investments and other assets	32,177	34,276
Total noncurrent assets	51,191	54,563
Total assets	90,532	104,613

	(Unit: Million yen)	
	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
Liabilities		
Current liabilities		
Notes payable-trade	225	616
Accounts payable-trade	7,285	12,823
Lease obligations	171	147
Accounts payable-other	2,035	2,515
Accrued expenses	939	1,358
Income taxes payable	305	394
Deposits received	91	91
Unearned revenue	1	264
Provision for bonuses	1,663	1,721
Provision for directors' bonuses	107	149
Notes payable-facilities	607	207
Other	18	151
Total current liabilities	13,452	20,442
Noncurrent liabilities		
Lease obligations	42	56
Deferred tax liabilities	3,703	3,687
Provision for retirement benefits	12	1,148
Accrued directors' retirement payments	496	496
Asset retirement obligations	253	107
Total noncurrent liabilities	4,509	5,496
Total liabilities	17,962	25,938
Net assets		
Shareholders' equity		
Capital stock	4,700	4,700
Capital surplus		
Legal capital surplus	5,121	5,121
Total capital surplus	5,121	5,121
Retained earnings		
Legal retained earnings	763	763
Other retained earnings		
General reserve	31,450	32,950
Retained earnings brought forward	22,366	26,651
Total retained earnings	54,580	60,365
Treasury stock	-3	-3
Total shareholders' equity	64,399	70,183
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,170	8,491
Total valuation and translation adjustments	8,170	8,491
Total net assets	72,569	78,674
Total liabilities and net assets	90,532	104,613

(2) Non-Consolidated Statements of Income

(Unit: Million yen)

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2013 - March 31, 2014)
Net sales		
Net sales of finished goods	85,800	97,587
Total net sales	85,800	97,587
Cost of sales		
Beginning finished goods	232	244
Cost of products manufactured	75,751	84,759
Total	75,983	85,004
Ending finished goods	244	217
Total cost of sales	75,739	84,786
Gross profit	10,061	12,801
Selling, general and administrative expenses		
Packing and transportation expenses	1,684	1,384
Directors' compensations	411	415
Salaries and allowances	2,235	2,387
Provision for bonuses	411	414
Provision for directors' bonuses	107	149
Legal welfare expenses	547	596
Depreciation	155	223
Research and development expenses	1,266	1,652
Commission fee	584	1,283
Other	1,838	1,927
Total selling, general and administrative expenses	9,243	10,435
Operating income (loss)	817	2,365
Non-operating income		
Interest income	20	21
Dividends income	3,586	7,104
Land and house rent received	193	202
Commission fee	11	15
Foreign exchange gains	1,096	1,015
Other	33	46
Total non-operating income	4,942	8,404
Non-operating expenses		
Provision of allowance for doubtful accounts	154	—
Other	0	8
Total non-operating expenses	154	8
Ordinary income	5,605	10,761

(Unit: Million yen)

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2012- March 31, 2013)
Extraordinary income		
Gain on sales of noncurrent assets	12	54
Insurance income	8	78
Gain on extinguishment of tie-in shares	—	1
	19	19
Other	0	0
Total extraordinary income	42	136
Extraordinary loss		
Loss on sales of noncurrent assets	22	22
Loss on retirement of noncurrent assets	151	310
Loss on disaster	6	202
Impairment loss	250	10
Other	25	7
Total extraordinary loss	456	553
Income before income taxes	5,190	10,343
Income taxes-current	1,325	1,894
Income taxes-deferred	-489	-326
Total Income taxes	835	1,567
Net income	4,355	8,776

(3) Non-Consolidated Statements of Changes in Net Assets

(Unit: Million yen)

	FY2013 (April 1, 2012 - March 31, 2013)	FY2014 (April 1, 2013 - March 31, 2014)
Shareholders' equity		
Capital stock		
Balance as at the end of the previous fiscal year	4,700	4,700
Changes of items		
Total changes in items	—	—
Ending balance as at the end of the fiscal year	4,700	4,700
Capital surplus		
Legal capital surplus		
Balance as at the end of the previous fiscal year	5,121	5,121
Changes of items		
Total changes in items	—	—
Ending balance as at the end of the fiscal year	5,121	5,121
Retained earnings		
Legal retained earnings		
Balance as at the end of the previous fiscal year	763	763
Changes of items		
Total changes in items	—	—
Ending balance as at the end of the fiscal year	763	763
Other retained earnings		
General reserve		
Balance as at the end of the previous fiscal year	28,450	29,950
Changes of items		
Provision of general reserve	1,500	1,500
Total changes in items	1,500	1,500
Ending balance as at the end of the fiscal year	29,950	31,450
Retained earnings brought forward		
Balance as at the end of the previous fiscal year	19,936	21,279
Changes of items		
Dividends from surplus	-1,699	-1,767
Net income	4,542	4,355
Provision of general reserve	-1,500	-1,500
Total changes in items	1,343	1,087
Ending balance as at the end of the fiscal year	21,279	22,366
Total retained earnings		
Balance as at the end of the previous fiscal year	49,150	51,993
Changes of items		
Dividends from surplus	-1,699	-1,767
Net income	4,542	4,355
Provision of general reserve	—	—
Total changes in items	2,843	2,587
Ending balance as at the end of the fiscal year	51,993	54,580

	(Unit: Million yen)	
	FY2013	FY2014
	(April 1, 2012 - March 31, 2013)	(April 1, 2013 - March 31, 2014)
Treasury stock		
Balance as at the end of the previous fiscal year	-3	-3
Changes of items		
Acquisition of treasury stock	-0	-0
Total changes in items	-0	-0
Ending balance as at the end of the fiscal year	-3	-3
Total shareholders' equity		
Balance as at the end of the previous fiscal year	58,968	61,811
Changes of items		
Dividends from surplus	-1,699	-1,767
Net income	4,542	4,355
Acquisition of treasury stock	-0	-0
Total changes in items	2,842	2,587
Ending balance as at the end of the fiscal year	61,811	64,399
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance as at the end of the previous fiscal year	6,431	7,081
Changes of items		
(Net) changes in items other than shareholders' equity	650	1,088
Total changes in items	650	1,088
Ending balance as at the end of the fiscal year	7,081	8,170
Total valuation and translation adjustments		
Balance as at the end of the previous fiscal year	6,431	7,081
Changes of items		
(Net) changes in items other than shareholders' equity	650	1,088
Total changes in items	650	1,088
Ending balance as at the end of the fiscal year	7,081	8,170
Total net assets		
Balance as at the end of the previous fiscal year	65,400	68,893
Changes of items		
Dividends from surplus	-1,699	-1,767
Net income	4,542	4,355
Acquisition of treasury stock	-0	-0
(Net) changes in items other than shareholders' equity	650	1,088
Total changes in items	3,493	3,676
Ending balance as at the end of the fiscal year	68,893	72,569

(3) Non-Consolidated Statements of Changes in Net Assets

FY2013 (April 1, 2012 - March 31, 2013)

(Unit: Million yen)

(Unit: Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus	Retained earnings				Treasury stock	Total shareholders' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward			
Balance as at the end of the previous fiscal year	4,700	5,121	763	29,950	21,279	51,993	-3	61,811
Changes of items								
Dividends from surplus					-1,767	-1,767		-1,767
Net income					4,355	4,355		4,355
Acquisition of treasury stock							-0	-0
Provision of general reserve				1,500	-1,500			-
(Net) changes in items other than shareholders' equity								
Total changes in items	—	—	—	1,500	1,087	2,587	-0	2,587
Ending balance as at the end of the fiscal year	4,700	5,121	763	31,450	22,366	54,580	-3	64,399

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as at the end of the previous fiscal year	7,081	7,081	68,893
Changes of items			
Dividends from surplus			-1,767
Net income			4,355
Acquisition of treasury stock			-0
(Net) changes in items other than shareholders' equity	1,088	1,088	1,088
Total changes in items	1,088	1,088	3,676
Ending balance as at the end of the fiscal year	8,170	8,170	72,569

(3) Non-Consolidated Statements of Changes in Net Assets

FY2014 (April 1, 2013 - March 31, 2014)

(Unit: Million yen)

(Unit: Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus	Retained earnings				Treasury stock	Total shareholders' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward			
Balance as at the end of the previous fiscal year	4,700	5,121	763	31,450	22,366	54,580	-3	64,399
Changes of items								
Dividends from surplus					-2,991	-2,991		-2,991
Net income					8,776	8,776		8,776
Acquisition of treasury stock							-0	-0
Provision of general reserve				1,500	-1,500			
(Net) changes in items other than shareholders' equity								
Total changes in items	—	—	—	1,500	4,284	5,784	-0	5,784
Ending balance as at the end of the fiscal year	4,700	5,121	763	32,950	26,651	60,365	-3	70,183

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as at the end of the previous fiscal year	8,170	8,170	72,569
Changes of items			
Dividends from surplus			-2,991
Net income			8,776
Acquisition of treasury stock			-0
(Net) changes in items other than shareholders' equity	320	320	320
Total changes in items	320	320	6,105
Ending balance as at the end of the fiscal year	8,491	8,491	78,674

6 . Other

(1) Trasfer of Directors

The transfer of directors is as listed in the “Notice of Transfer of Directors and Operating Officers,” the “Notice of Changes in Organization and Transfer of Commissioned Officer and Personnel,” and the “Notice of Transfer of Auditor,” which were released on February 24, 2014, and the “Notice of Decision on a Candidate for Auditor” released on March 26, 2014