



KUREHA CORPORATION
3-3-2, Nihonbashi-Hamacho, Chuo-ku, Tokyo 103-8552, Japan

**Consolidated Financial Results
for the year ended March 31, 2015
[Japanese GAAP]**



1. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	Prior fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
ASSETS		
Current assets:		
Cash and time deposits	8,726	7,772
Trade notes and accounts receivable	30,445	28,984
Inventories	28,101	32,774
Deferred tax assets	2,680	2,506
Others	3,591	4,102
Less: Allowance for doubtful accounts	(118)	(192)
Total current assets	73,429	75,949
Property, plant and equipment, net:		
Buildings and structures	33,378	39,198
Machinery, equipment and vehicles	39,178	49,514
Land	13,198	13,264
Construction in progress	23,426	18,123
Others	2,501	3,085
Total property, plant and equipment, net	111,684	123,185
Investments and other assets:		
Investments in securities	31,682	40,138
Long-term loans	2,070	1,975
Net defined benefit asset	34	2,415
Deferred tax assets	1,524	1,787
Others	4,170	4,375
Less: Allowance for doubtful accounts	(138)	(129)
Total investments and other assets	39,345	50,562
Total assets	224,459	249,697

(Millions of yen)

	Prior fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
LIABILITIES AND NET ASSETS		
Current liabilities:		
Trade notes and accounts payable	16,453	13,766
Short-term loans payable including current portion of long-term debt	18,606	34,866
Other payables	6,149	7,247
Accrued income taxes	2,526	2,430
Accrued expenses	5,347	5,734
Accrued bonuses	2,591	2,908
Reserve for environmental measures	21	21
Others	5,340	3,285
Total current liabilities	57,037	70,262
Long-term liabilities:		
Long-term debt	56,619	51,770
Deferred tax liabilities	1,836	4,125
Retirement allowance for directors and corporate auditors	284	229
Reserve for environmental measures	437	374
Net defined benefit liability	440	550
Asset retirement obligations	792	804
Others	819	955
Total long-term liabilities	61,231	58,810
Total liabilities	118,268	129,072
Net assets:		
Shareholders' equity:		
Capital, non par value	12,460	12,460
Authorized: March 31, 2015 and 2014		
- 600,000,000 shares		
Issued: March 31, 2015 and 2014		
- 181,683,909 shares		
Capital surplus	10,013	10,013
Retained earnings	78,289	84,163
Less: Treasury stock, at cost	(4,483)	(4,487)
Total shareholders' equity	96,279	102,150
Accumulated other comprehensive income (loss):		
Unrealized gain on available-for-sale securities	5,649	9,352
Deferred loss on hedges	(17)	(5)
Translation adjustments	3,621	7,272
Remeasurements of defined benefit plans	(1,771)	(615)
Total accumulated other comprehensive income	7,481	16,002
Stock acquisition rights	51	68
Minority interests	2,378	2,403
Total net assets	106,190	120,624
Total liabilities and net assets	224,459	249,697

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Prior fiscal year (From April 1, 2013 To March 31, 2014)	Current fiscal year (From April 1, 2014 To March 31, 2015)
Net sales	148,124	150,182
Cost of sales	109,034	107,714
Gross profit	39,089	42,467
Selling, general and administrative expenses	27,187	27,916
Operating income	11,902	14,551
Other income (expenses):		
Interest and dividend income	660	677
Interest expense	(732)	(701)
Foreign exchange gains	761	912
Compensation income	77	314
Gain on sales of investments in securities	193	70
Gain on sales of property, plant and equipment	15	37
Subsidy income	477	—
Loss on disposal and sales of property, plant and equipment	(1,183)	(1,063)
Loss on liquidation of subsidiaries	—	(751)
Loss on valuation of investments in capital	—	(399)
Advanced depreciation of property, plant and equipment	(424)	—
Loss on debt waiver of receivables from affiliates	(300)	—
Impairment loss	(133)	—
Loss due to disaster	(117)	—
Other, net	(570)	(57)
Other expenses, net	(1,273)	(958)
Income before income taxes and minority interests	10,629	13,593
Income taxes		
Current	3,647	4,061
Deferred	(624)	367
Total income taxes	3,023	4,429
Net income before minority interests	7,605	9,163
Minority interests	240	(32)
Net income	7,365	9,195

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Prior fiscal year (From April 1, 2013 To March 31, 2014)	Current fiscal year (From April 1, 2014 To March 31, 2015)
Net income before minority interests	7,605	9,163
Other comprehensive income (loss):		
Unrealized gain on available-for-sale securities	33	3,761
Deferred gain on hedges	15	8
Translation adjustments	5,396	4,223
Remeasurements of defined benefit plans	—	1,166
Share of other comprehensive income in affiliates	580	285
Total other comprehensive income	6,026	9,444
Comprehensive income	13,632	18,608
Comprehensive income attributable to:		
Owners of parent	13,314	18,529
Owners of minority interests	317	78

(3) Consolidated Statements of Changes in Net Assets
Prior fiscal year (From April 1, 2013 To March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
BALANCE-APRIL 1, 2013	12,460	10,017	72,614	(4,510)	90,580
Cumulative effects of changes in accounting policies					—
Restated balance	12,460	10,017	72,614	(4,510)	90,580
Changes of items during the period					
Change of scope of consolidation			25		25
Changes in retained earnings resulting from merger of consolidated subsidiaries and unconsolidated subsidiaries					—
Effect of fiscal year change of consolidated subsidiaries					—
Dividends paid			(1,717)		(1,717)
Net income			7,365		7,365
Acquisition of treasury stock				(4)	(4)
Disposal of treasury stock		(3)	(0)	31	27
Others			2		2
Net change of items other than shareholders' equity					
Total changes of items during the period	—	(3)	5,675	27	5,699
BALANCE-MARCH 31, 2014	12,460	10,013	78,289	(4,483)	96,279

(Millions of yen)

	Accumulated other comprehensive income					Stock acquisition rights	Minority interest	Total net assets
	Unrealized gain on available-for-sale securities	Deferred loss on hedges	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
BALANCE-APRIL 1, 2013	5,636	(32)	(2,300)	—	3,303	62	2,264	96,211
Cumulative effects of changes in accounting policies								—
Restated balance	5,636	(32)	(2,300)	—	3,303	62	2,264	96,211
Changes of items during the period								
Change of scope of consolidation								25
Changes in retained earnings resulting from merger of consolidated subsidiaries and unconsolidated subsidiaries								—
Effect of fiscal year change of consolidated subsidiaries								—
Dividends paid								(1,717)
Net income								7,365
Acquisition of treasury stock								(4)
Disposal of treasury stock								27
Others								2
Net change of items other than shareholders' equity	12	15	5,921	(1,771)	4,177	(10)	113	4,280
Total changes of items during the period	12	15	5,921	(1,771)	4,177	(10)	113	9,979
BALANCE-MARCH 31, 2014	5,649	(17)	3,621	(1,771)	7,481	51	2,378	106,190

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
BALANCE-APRIL 1, 2014	12,460	10,013	78,289	(4,483)	96,279
Cumulative effects of changes in accounting policies			(276)		(276)
Restated balance	12,460	10,013	78,012	(4,483)	96,002
Changes of items during the period					
Change of scope of consolidation					—
Changes in retained earnings resulting from merger of consolidated subsidiaries and unconsolidated subsidiaries			(23)		(23)
Effect of fiscal year change of consolidated subsidiaries			(1,048)		(1,048)
Dividends paid			(1,975)		(1,975)
Net income			9,195		9,195
Acquisition of treasury stock				(4)	(4)
Disposal of treasury stock					—
Others			2		2
Net change of items other than shareholders' equity					
Total changes of items during the period	—	—	6,151	(4)	6,147
BALANCE-MARCH 31, 2015	12,460	10,013	84,163	(4,487)	102,150

(Millions of yen)

	Accumulated other comprehensive income					Stock acquisition rights	Minority interest	Total net assets
	Unrealized gain on available-for-sale securities	Deferred loss on hedges	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
BALANCE-APRIL 1, 2014	5,649	(17)	3,621	(1,771)	7,481	51	2,378	106,190
Cumulative effects of changes in accounting policies							2	(274)
Restated balance	5,649	(17)	3,621	(1,771)	7,481	51	2,380	105,916
Changes of items during the period								
Change of scope of consolidation								—
Changes in retained earnings resulting from merger of consolidated subsidiaries and unconsolidated subsidiaries								(23)
Effect of fiscal year change of consolidated subsidiaries								(1,048)
Dividends paid								(1,975)
Net income								9,195
Acquisition of treasury stock								(4)
Disposal of treasury stock								—
Others								2
Net change of items other than shareholders' equity	3,703	11	3,650	1,155	8,521	16	22	8,560
Total changes of items during the period	3,703	11	3,650	1,155	8,521	16	22	14,707
BALANCE-MARCH 31, 2015	9,352	(5)	7,272	(615)	16,002	68	2,403	120,624

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Prior fiscal year (From April 1, 2013 To March 31, 2014)	Current fiscal year (From April 1, 2014 To March 31, 2015)
Cash flows from operating activities:		
Income before income taxes and minority interests	10,629	13,593
Adjustments for:		
Impairment loss	133	—
Loss on liquidation of subsidiaries	—	660
Depreciation	9,320	8,261
Amortization of goodwill	34	3
(Decrease) increase in allowance for doubtful accounts	(15)	36
Increase in net defined benefit asset	(656)	(805)
Decrease in net defined benefit liability	(66)	(26)
Decrease in retirement allowance for directors and corporate auditors	(57)	(55)
Decrease in provision for environmental measures	(15)	(62)
Interest and dividend income	(661)	(678)
Interest expenses	732	701
Loss on disposal and sale of property, plant and equipment	1,167	1,025
Loss on valuation of investments in capital	—	399
Gain on sale of investments in securities	(193)	(70)
(Increase) decrease in trade notes and accounts receivable	(2,278)	739
Increase in inventories	(1,895)	(4,350)
Increase in other assets	(177)	(1,132)
Decrease in trade notes and accounts payable	(315)	(2,437)
Increase in other liabilities	919	904
Other, net	(355)	(1,076)
Subtotal	16,248	15,629
Dividends and interest received	1,525	1,677
Interest paid	(737)	(690)
Income taxes paid	(2,978)	(4,082)
Net cash provided by operating activities	14,058	12,533
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	(18,056)	(16,051)
Proceeds from sales of property, plant and equipment	72	127
Payments for disposal of property, plant and equipment	(772)	(698)
Purchase of investments in securities	(2,446)	(377)
Proceeds from sales of investments in securities	1,161	215
Payments of loans receivable	(332)	(20)
Proceeds from collection of loans receivable	175	117
Purchase of shares in subsidiaries	(244)	(10)
Payments for investments in capital	—	(2,168)
Other, net	(0)	100
Net cash used in investing activities	(20,444)	(18,766)

(Millions of yen)

	Prior fiscal year (From April 1, 2013 To March 31, 2014)	Current fiscal year (From April 1, 2014 To March 31, 2015)
Cash flows from financing activities:		
Net increase (decrease) in commercial paper	2,000	(2,000)
Net increase in short-term loans payable	1,759	2,463
Proceeds from long-term loans payable	9,598	5,236
Repayments of long-term loans payable	(6,826)	(5,441)
Proceeds from issuance of bonds	—	6,959
Proceeds from stock issuance to minority shareholders	33	—
Dividends paid	(1,717)	(1,975)
Dividends paid to minority shareholders	(12)	(37)
Other, net	(162)	(163)
Net cash provided by financing activities	4,673	5,042
Effect of exchange rate changes on cash and cash equivalents	381	375
Net decrease in cash and cash equivalents	(1,331)	(815)
Cash and cash equivalents at beginning of year	9,954	8,726
Decrease in cash and cash equivalents resulting from fiscal year change of consolidated subsidiaries	—	(166)
Increase in cash and cash equivalents resulting from inclusion of consolidated subsidiaries	102	—
Increase in cash and cash equivalents resulting from consolidated subsidiaries' merger with unconsolidated subsidiaries	—	28
Cash and cash equivalents at end of year	8,726	7,772

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Basis of presenting consolidated financial statements)

1. Scope of consolidation

(1) The number of consolidated subsidiaries: 37

The names of the consolidated subsidiaries of Kureha Corporation (the “Company”):

Kureha Trading Co., Ltd., Kureha Unyu Co., Ltd., Kurehanishiki Construction Co., Ltd., Kureha Gohsen Co., Ltd., Kureha Service Co., Ltd., Kureha Ecology Management Co., Ltd., Kureha Engineering Co., Ltd., Kureha Extech Co., Ltd., Kureha Special Laboratory Co., Ltd., Kureha Staff Service Co., Ltd., Kureha Extron Co., Ltd., Kureha Battery Materials Japan Co., Ltd., KREHALON INDUSTRIE B.V. (The Netherlands), KUREHA GmbH (Germany), KUREHA EUROPE B.V. (The Netherlands), KUREHA AMERICA INC. (USA), KUREHA CHEMICALS SHANGHAI CO., LTD. (China), KUREHA PGA LLC (USA), KUREHA VIETNAM CO., LTD. (Vietnam), KUREHA (CHINA) INVESTMENT CO., LTD. (China), KUREHA (CHANGSHU) FLUOROPOLYMERS CO., LTD. (China)

(2) The number of unconsolidated subsidiary: 1

The name of unconsolidated subsidiary: Sunshine Kureha Co., Ltd.

Sunshine Kureha Co., Ltd. has been excluded from the scope of consolidation because its total amounts in terms of total assets, net income and retained earnings are immaterial and do not have a significant effect on the consolidated financial statements.

2. Fiscal years of consolidated subsidiaries

Four consolidated subsidiaries, including KUREHA (CHINA) INVESTMENT CO., LTD., have fiscal years ending on December 31. The Company uses the financial statements of those subsidiaries based on a tentative settlement as of the consolidated fiscal year end to prepare the consolidated financial statements.

The Company previously prepared consolidated financial statements using the financial statements of those foreign subsidiaries whose fiscal year end was December 31, as of that date, and adjusted as necessary for consolidation for major transactions which were executed during the three months between January 1 and March 31. However, beginning with the current fiscal year, to increase the appropriateness of the consolidated accounting information disclosure, the Company has changed the fiscal year end for ten companies, including KUREHA AMERICA INC. and KUREHA EUROPE B.V., to March 31, and adopted a new consolidation method with a tentative settlement as of March 31 for four companies including KUREHA (CHINA) INVESTMENT CO., LTD.

The results of all the subsidiaries affected by the above changes for the three months between January 1, 2014 and March 31, 2014 have been recognized directly in retained earnings.

3. Summary of significant accounting policies

Accounting treatment for retirement benefits

(1) Method of attributing the projected benefits to periods of services

In calculating the retirement benefit obligations, the projected benefit obligations attributable up to the end of the fiscal year are accounted for by benefit formula basis.

(2) Actuarial gain or loss and past service cost

Past service cost is fully amortized when incurred.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized, on a straight-line basis over certain periods within the employees' average remaining service years.

(3) Adopting the simplified method for small companies

Certain domestic consolidated subsidiaries calculate their retirement benefit obligations using the liability which would be paid if all the employees voluntarily retired at each consolidated balance sheet date or liability reserve for pension financing calculation purpose.

(Changes in accounting policies)

The Company has adopted “Accounting Standard for Retirement Benefits” (the Accounting Standards Board of Japan (hereinafter “ASBJ”) Statement No. 26, May 17, 2012, hereinafter “Retirement Benefits Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015, hereinafter “Retirement Benefits Guidance”) from the current fiscal year, with regard to Paragraph 35 of Retirement Benefits Standard and

Paragraph 67 of Retirement Benefits Guidance.

Accordingly, the Company has revised the calculation method for retirement benefit obligations and service cost, and has changed the method of attributing the projected benefits to periods of services from the straight-line method to the benefit formula basis, and also changed the method of determining the discount rate from using the discount rate based on the terms closely related to the employees' average remaining service years to using a single weighted average discount rate that reflects the estimated term and amount of benefit payments.

The Retirement Benefits Standard and other accounting methods are applied in accordance with the transitional provisions set forth in Paragraph 37 of the Retirement Benefits Standard, the effect of the change in calculation method for retirement benefit obligations and service cost is reflected as increase or decrease in retained earnings at the beginning of the current fiscal year.

The effect on the operating results, the financial position and per share information for the current fiscal year is immaterial.

(Changes in accounting estimates)

The Group has been discussing whether to continuously adopt the previous useful life or not as it is expecting the installment of a new large-scale manufacturing facility during the current fiscal year. In addition, since the implementation of ERP, maintenance condition and lifecycle of manufacturing plant have been examined, triggered by the fact that the maintenance data for manufacturing plant has been systematically accumulated. As a result, irrespective of existing or new facility, maintenance technology has been reasonably demonstrated to fulfill the function of manufacturing plants over a certain period, which has led to the decision that useful life should be changed based on this certain period. Therefore, the Company and certain consolidated subsidiaries have reviewed the useful life of manufacturing plant included in "machinery, equipment and vehicles," starting from the current fiscal year.

As a result of the review, compared to the previous method adopted, operating income and income before income taxes and minority interests for the current fiscal year increased by ¥1,014 million, respectively.

Except for those described above, other accounting policies have been omitted since there are no significant changes from the latest Securities Report (submitted on June 25, 2014).

(Notes to Consolidated Balance Sheets)

1. Accumulated depreciation of property, plant and equipment

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
	169,165	172,971

2. Assets pledged as collateral

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Buildings and structures	16,723	16,567
Machinery, equipment and vehicles	12,474	13,386
Land	3,897	3,897
Investments in securities	4,452	5,105
Total	37,548	38,956

3. Guarantee liabilities

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Guarantees of employees' bank loans	86	59

(Notes to Consolidated Statements of Income)

1. Research and development expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2013 To March 31, 2014)	Current fiscal year (From April 1, 2014 To March 31, 2015)
	4,586	4,978

2. Impairment loss

Prior fiscal year (From April 1, 2013 To March 31, 2014)

The Company and its consolidated subsidiaries (collectively the “Group”) have recognized impairment loss for the following asset group.

(Millions of yen)

Purpose of use	Location	Type of assets	Amount
Idle assets	Tanba City, Hyogo Prefecture	Land	133

In principle, the Group has grouped the operating assets by business units and idle assets by individual properties.

For the above mentioned idle asset for which the market value has been declining, the Group reduced it to the recoverable value and recognized the reduction as impairment loss of ¥133 million under other income (expenses). The recoverable value is measured by the net sales price, determined reasonably based on assessed value of fixed assets for property tax.

Current fiscal year (From April 1, 2014 To March 31, 2015)

The Group has recognized impairment loss for the following asset group.

(Millions of yen)

Purpose of use	Location	Type of assets	Amount
Manufacturing facility	Pennsylvania, USA	Buildings	255
		Machinery and equipment	397
		Others	8

In principle, the Group has grouped the operating assets by business units and idle assets by individual properties.

For the above mentioned manufacturing facility, the Group wrote down the carrying amount of fixed assets owned by KUREHA ADVANCED MATERIALS LLC, a wholly-owned subsidiary of KUREHA AMERICA INC., to their recoverable value and recognized the reduction as loss on liquidation of subsidiaries of ¥660 million under other income (expenses), following the decision to dissolve the company.

The recoverable value is determined as the higher of either net sales price or the value in use. Net sales price of buildings is reasonably estimated based on appraisals by real estate appraisers. Net sales price of machinery, equipment and others is reasonably estimated based on expected net realizable sales proceeds. The value in use is taken as zero because the future cash flows cannot be expected.

(Notes to Consolidated Statements of Changes in Net Assets)

Prior fiscal year (From April 1, 2013 To March 31, 2014)

1. Issued stock

Type of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Common stock (Shares)	181,683,909	—	—	181,683,909

2. Treasury stock

Type of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Common stock (Shares)	9,952,952	9,932	69,880	9,893,004

(Outline of reasons for change)

Detail of the increase was as follows:

Due to purchase of shares less than one unit: 9,932 shares

Detail of the decrease was as follows:

Due to exercise of stock options: 69,100 shares

Due to sales of shares less than one unit: 780 shares

3. Stock acquisition rights

Company	Description	Type of share to be issued	Number of shares to be issued (Shares)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Submitting company	Stock acquisition rights as stock options	—	—				51

4. Dividends

(1) Dividends paid

Date of approval	Type of share	Amount (Millions of yen)	Amount per share (Yen)	Measurement date	Effective Date
April 23, 2013 Board of Directors	Common stock	858	5	March 31, 2013	June 4, 2013
October 15, 2013 Board of Directors	Common stock	858	5	September 30, 2013	December 3, 2013

(2) Dividends for which the measurement date falls in the current fiscal year, but the effective date falls in the following fiscal year

Date of approval	Type of share	Source of dividend	Amount (Millions of yen)	Amount per share (Yen)	Measurement date	Effective Date
April 15, 2014 Board of Directors	Common stock	Retained Earnings	1,030	6	March 31, 2014	June 3, 2014

Current fiscal year (From April 1, 2014 To March 31, 2015)

1. Issued stock

Type of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Common stock (Shares)	181,683,909	—	—	181,683,909

2. Treasury stock

Type of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Common stock (Shares)	9,893,004	7,839	—	9,900,843

(Outline of reasons for change)

Detail of the increase was as follows:

Due to purchase of shares less than one unit: 7,839shares

3. Stock acquisition rights

Company	Description	Type of share to be issued	Number of shares to be issued (Shares)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Submitting company	Stock acquisition rights as stock options	—	—				68

4. Dividends

(1) Dividends paid

Date of approval	Type of share	Amount (Millions of yen)	Amount per share (Yen)	Measurement date	Effective Date
April 15, 2014 Board of Directors	Common stock	1,030	6	March 31, 2014	June 3, 2014
October 21, 2014 Board of Directors	Common stock	944	5.5	September 30, 2014	December 2, 2014

(2) Dividends for which the measurement date falls in the current fiscal year, but the effective date falls in the following fiscal year

Date of approval	Type of share	Source of dividend	Amount (Millions of yen)	Amount per share (Yen)	Measurement date	Effective Date
April 21, 2015 Board of Directors	Common stock	Retained Earnings	1,116	6.5	March 31, 2015	June 2, 2015

(Securities)

Current fiscal year (as of March 31, 2015)

1. Available-for-sale Securities

(Millions of yen)

	Type	Carrying amount	Acquisition Cost	Unrealized gain (loss)
Carrying amount in consolidated balance sheets exceeds acquisition cost	Stock	24,271	10,179	14,092
Carrying amount in consolidated balance sheets does not exceed acquisition cost	Stock	1,754	1,878	(123)
Total		26,026	12,057	13,968

(Note) Regarding unlisted stocks (¥315 million on the consolidated balance sheets), as market prices are not available and also the future cash flows cannot be estimated, the fair values of the items are deemed to be extremely difficult to measure, and are not included in the above.

2. Available-for-sale securities sold during current fiscal year

(Millions of yen)

Type	Proceeds from sales	Gross realized gain	Gross realized loss
Stock	215	70	—

(Income Taxes)

Current fiscal year (as of March 31, 2015)

Significant components of deferred tax assets and liabilities

(Millions of yen)

(Deferred tax assets)

Tax loss carried forward	7,460
Unrealized gain on fixed assets	1,392
Accrued bonuses	892
Accumulated depreciation	616
Loss on valuation of inventories	522
Others	4,034
Sub-total	14,917
Valuation allowance	(2,315)
Total deferred tax assets	12,602

(Deferred tax liabilities)

Shortfall in depreciation	(6,720)
Net unrealized gain on available-for-sale securities	(4,456)
Others	(1,260)
Total deferred tax liabilities	(12,437)
Net deferred tax assets	164

Revisions to amounts of deferred tax assets and deferred tax liabilities due to change in rate of income taxes

On March 31, 2015, “Partial Amendment of the Income Tax Act” and “Partial Amendment of the Local Tax Act” were promulgated. Accordingly, for temporary differences expected to be reversed on and after April 1, 2015, the effective tax rate applied to the calculation of deferred tax assets and liabilities for the current fiscal year has been lowered from 35.38% in the prior fiscal year to 32.83% for those expected to be collected or paid during the period from April 1, 2015 to March 31, 2016, and to 32.07% for those expected to be collected or paid on and after April 1, 2016, respectively.

As a result, the amount of deferred tax liabilities (after deducting deferred tax assets) decreased by ¥226 million, while income taxes – deferred, unrealized gain on available-for-sale securities, and remeasurements of defined benefit plans for the current fiscal year increased by ¥205 million, ¥460 million, and ¥(29) million, respectively.

(Segment Information, etc.)

a. Segment Information

1. Overview of the reportable segments

The Company's reportable segments are determined on the basis that separate financial information of such segments are available and examined periodically by the Board of Directors to make decisions regarding the allocation of management resources and assess the business performances of such segments within the Group. The Company has separate divisions by product, and each division formulates a comprehensive strategy for business activities in domestic and overseas markets.

Thus, the Company consists of segments by product and service on the basis of the business divisions, and the "Advanced materials," "Specialty chemicals," "Specialty plastics," "Construction related," and "Other operations" are 5 reportable segments.

Major products and services for each segment are as follows:

Segment	Products and services
Advanced materials	PPS resin, PVDF resin, carbon fiber, bead-shaped activated carbon, anode materials for lithium ion batteries, PGA (polyglycolic acid) resin
Specialty chemicals	Therapeutic agent for chronic renal failure, anti cancer agent, agricultural and horticultural fungicide, caustic soda, hydrochloric acid, sodium hypochlorite, monochlorobenzene, para-dichlorobenzene, ortho-dichlorobenzene
Specialty plastics	Household-use plastic wrap, garbage bags for kitchen sink, food containers and cooking paper, PVDF fishing line, PVDC film, PVDC compound, multilayer heat-shrinkable film, multilayer bottle, machinery for auto-seal food packaging
Construction related	Civil engineering and construction contracting business, construction and management service
Other operations	Environmental engineering and industrial waste management business, transport and warehousing business, laboratory tests, analysis, measurement, and inspection service

2. Valuation method for reportable segment profit (loss) and asset amounts

The reportable segment profit figures are based on operating profit. Inter-segment internal rates of return and the amounts transferred are presented based on the current market prices at the time of this report.

As described in "Changes in accounting estimates," the useful life of manufacturing plant was revised from the current fiscal year. As a result of the review, compared to the previous method adopted, segment operating income for the current fiscal year for "Advanced materials," "Specialty chemicals" and "Specialty plastics" increased by ¥546 million, ¥278 million and ¥187 million, respectively.

3. Information on amount of net sales, income (loss), assets, liabilities and other items by reportable segment

Prior fiscal year (From April 1, 2013 To March 31, 2014)

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Consolidated (Note 2)
	Advanced materials	Specialty chemicals	Specialty plastics	Construction related	Other	Total		
Net sales:								
Outside customers	32,815	36,615	45,291	17,238	16,163	148,124	—	148,124
Inter-segment	1,781	311	1,227	5,705	6,650	15,676	(15,676)	—
Total	34,596	36,926	46,519	22,943	22,814	163,800	(15,676)	148,124
Operating income (loss)	(2,625)	7,341	4,519	833	1,621	11,689	212	11,902
Assets	81,360	22,028	42,973	10,394	13,684	170,441	54,017	224,459
Other items								
Depreciation	3,918	1,111	1,608	116	744	7,499	1,596	9,096
Adjustment for increase in fixed assets	4,049	1,004	8,207	84	845	14,191	2,277	16,468

Notes: 1. Adjustment for segment operating income (loss) is due to inter-segment elimination.

Adjustment for segment assets includes corporate assets such as cash and cash equivalents, investments in securities, and other corporate shared facilities that are not allocated to each reportable segment.

2. Segment operating income (loss) is adjusted with operating income on the consolidated statements of income.

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Consolidated (Note 2)
	Advanced materials	Specialty chemicals	Specialty plastics	Construction related	Other	Total		
Net sales:								
Outside customers	36,187	35,535	46,519	16,721	15,218	150,182	—	150,182
Inter-segment	929	331	421	6,478	6,885	15,046	(15,046)	—
Total	37,116	35,866	46,941	23,200	22,104	165,228	(15,046)	150,182
Operating income	438	7,941	3,660	1,081	1,789	14,912	(360)	14,551
Assets	88,251	25,405	46,502	10,404	13,493	184,059	65,638	249,697
Other items								
Depreciation	3,217	867	1,634	106	786	6,611	1,650	8,261
Adjustment for increase in fixed assets	3,596	1,713	5,205	31	1,217	11,765	5,791	17,557

Notes: 1. Adjustment for segment operating income is due to inter-segment elimination.

Adjustment for segment assets includes corporate assets such as cash and cash equivalents, investments in securities, and other corporate shared facilities that are not allocated to each reportable segment.

2. Segment operating income is adjusted with operating income on the consolidated statements of income.

b. Related Information

Prior fiscal year (From April 1, 2013 To March 31, 2014)

1. Information by product and service

Information is omitted since similar description has been disclosed in the segment information.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Europe	Asia	Other	Total
105,588	12,712	14,184	15,638	148,124

Note: Sales are categorized by country and regions based on customer's location.

(2) Property, plant and equipment

(Millions of yen)

Japan	United States	Other	Total
78,431	19,438	13,814	111,684

3. Information by major customer

There are no customers accounting for 10% or more of net sales on the consolidated statements of income for the fiscal year ended March 31, 2014.

Current fiscal year (From April 1, 2014 To March 31, 2015)

1. Information by product and service

Information is omitted since similar description has been disclosed in the segment information.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	Europe	Asia	Other	Total
103,943	13,335	19,915	12,987	150,182

Note: Sales are categorized by country and regions based on customer's location.

(2) Property, plant and equipment

(Millions of yen)

Japan	United States	Other	Total
86,980	19,832	16,372	123,185

3. Information by major customer

There are no customers accounting for 10% or more of net sales on the consolidated statements of income for the fiscal year ended March 31, 2015.

c. Information on impairment loss of fixed assets by reportable segment

Prior fiscal year (From April 1, 2013 To March 31, 2014)

(Millions of yen)

	Reportable segment						Adjustment	Consolidated
	Advanced materials	Specialty chemicals	Specialty plastics	Construction related	Other	Total		
Impairment loss	—	—	133	—	—	133	—	133

Current fiscal year (From April 1, 2014 To March 31, 2015)

(Millions of yen)

	Reportable segment						Adjustment	Consolidated
	Advanced materials	Specialty chemicals	Specialty plastics	Construction related	Other	Total		
Impairment loss	660	—	—	—	—	660	—	660

(Per Share Information)

(Yen)

Current fiscal year (From April 1, 2014 To March 31, 2015)	
Net assets per share	687.80
Net income per share	53.53
Diluted net income per share	44.51

Note: Net income per share and diluted net income per share were calculated based on the following data:

	Current fiscal year (From April 1, 2014 To March 31, 2015)
Net income per share:	
Net income (Millions of yen)	9,195
Amount not attributed to common shareholders (Millions of yen)	—
Net income attributed to common stock (Millions of yen)	9,195
Average number of common stock during the period (Shares)	171,786,895
Diluted net income per share:	
Adjustment for net income (Millions of yen)	—
Number of increased common stock (Shares):	34,823,223
(Bonds with stock acquisition rights (Shares))	(34,642,032)
(Stock acquisition rights (Shares))	(181,191)
Outline of diluted shares which were not included in the calculation of diluted net income per share because they do not have dilutive effects	—

(Subsequent Events)

Not applicable.