

Consolidated Financial Statements

for the year ended March 31,2015

Sansei Technologies, Inc

Consolidated balance sheet

(Unit:1000Yen)

	2014/3/31	2015/3/31
Assets		
Current assets		
Cash and deposits	4,174,600	5,754,011
Notes and accounts receivable – trade	7,845,133	11,079,148
Securities	304,158	405,210
Work in process	273,231	375,444
Raw materials and supplies	750,071	793,713
Deferred tax assets	379,162	421,316
Other	581,018	500,278
Allowance for doubtful accounts	-1,228	-
Total current assets	14,306,147	19,329,122
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,717,259	6,511,227
Accumulated depreciation	-2,227,628	-2,042,191
Buildings and structures, net	3,489,630	4,469,036
Machinery, equipment and vehicles	2,497,544	2,740,700
Accumulated depreciation	-2,008,042	-2,128,444
Machinery, equipment and vehicles, net	489,502	612,255
Land	3,821,986	4,018,254
Construction in progress	3,005	2,400
Other	795,024	767,262
Accumulated depreciation	-604,474	-576,249
Other, net	190,550	191,012
Total property, plant and equipment	7,994,675	9,292,959
Intangible assets		
Goodwill	3,232,066	3,269,780
Other	1,405,940	1,381,040
Total intangible assets	4,638,007	4,650,821
Investments and other assets		
Investment securities	5,542,579	4,947,573
Long-term loans receivable	57,644	60,071
Deferred tax assets	225,046	232,429
Other	1,000,418	770,911
Allowance for doubtful accounts	-7,538	-6,077
Total investments and other assets	6,818,151	6,004,908
Total non-current assets	19,450,833	19,948,689
Total assets	33,756,981	39,277,812

Consolidated balance sheet

(Unit:1000Yen)

	2014/3/31	2015/3/31
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,976,429	2,391,873
Short-term loans payable	958,055	3,418,281
Current portion of long-term loans payable	326,016	442,648
Income taxes payable	92,246	744,526
Accrued consumption taxes	64,612	152,542
Advances received	809,939	1,051,985
Provision for bonuses	376,094	408,556
Provision for directors' bonuses	15,000	12,000
Provision for loss on construction contracts	206,143	409,836
Other	708,042	870,812
Total current liabilities	5,532,579	9,903,063
Non-current liabilities		
Long-term loans payable	1,762,128	1,934,148
Deferred tax liabilities	702,205	648,968
Net defined benefit liability	1,217,741	1,313,950
Other	190,375	32,990
Total non-current liabilities	3,872,450	3,930,056
Total liabilities	9,405,029	13,833,120
Net assets		
Shareholders' equity		
Capital stock	3,251,279	3,251,279
Capital surplus	2,989,057	2,989,057
Retained earnings	17,103,813	17,905,849
Treasury shares	-467,029	-467,247
Total shareholders' equity	22,877,120	23,678,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	989,233	1,096,196
Deferred Gains Or Losses On Hedges	-	-45,514
Foreign currency translation adjustment	450,745	715,069
Remeasurements of defined benefit plans	-12,027	-
Total accumulated other comprehensive income	1,427,951	1,765,751
Minority interests	46,878	-
Total net assets	24,351,951	25,444,691
Total liabilities and net assets	33,756,981	39,277,812

Consolidated statement of income

(Unit:1000Yen)

	As of March 31 2014	As of March 31 2015
Net sales	20,805,357	24,479,330
Cost of sales	16,029,142	18,733,369
Gross profit	4,776,215	5,745,960
Selling, general and administrative expenses	3,955,126	4,092,042
Operating income	821,088	1,653,918
Non-operating income		
Interest income	37,399	36,321
Dividend income	74,466	72,710
ForeignExchangeGains	-	25,583
Dividend income of insurance	31,593	80,312
Other	63,299	52,255
Total non-operating income	206,758	267,183
Non-operating expenses		
Interest expenses	19,824	31,593
Commission fee	5,337	2,760
Other	1,790	628
Total non-operating expenses	26,952	34,983
Ordinary income	1,000,894	1,886,118
Extraordinary income		
Gain On Sales of NoncurrentAssets	-	150
Gain on sales of investment securities	171,456	171,818
Gain on Rede mption of InvestmentSecurities	-	15,884
Total extraordinary income	171,456	187,853
Extraordinary losses		
Loss on Sales of NoncurrentAssets	-	20,655
Loss on abandonment of non-current assets	4,651	25,813
Head Office Transfer Cost	-	75,842
Total extraordinary losses	4,651	122,312
Income before income taxes and minority interests	1,167,698	1,951,659
Income taxes - current	350,340	996,459
Income taxes - deferred	235,498	-121,625
Total income taxes	585,839	874,833
Income before minority interests	581,859	1,076,826
Minority interests in loss	-17,558	17,158
Net income	599,417	1,059,667

Consolidated statement of cash flows

(Unit:1000Yen)

	As of March 31 2014	As of March 31 2015
Cash flows from operating activities		
Income before income taxes and minority interests	1,167,698	1,951,659
Depreciation	710,498	672,390
Amortization of goodwill	244,603	268,118
Increase (decrease) in provision for bonuses	27,877	32,462
Increase (decrease) in provision for loss on construction contracts	191,524	203,692
Increase (decrease) in provision for retirement benefits	-1,081,093	-
Increase (decrease) in net defined benefit liability	1,217,741	96,208
Increase (decrease) in provision for directors' bonuses	-15,000	-3,000
Increase (decrease) in allowance for doubtful accounts	-5,713	-2,689
Interest and dividend income	-111,865	-109,032
Interest expenses	19,824	31,593
Loss (gain) on sales of investment securities	-171,456	-171,818
Loss (gain) on Sales of NoncurrentAssets	-	20505
Loss on abandonment of non-current assets	4,651	25,813
Decrease (increase) in notes and accounts receivable - trade	-1,928,471	-3,141,535
Decrease (increase) in inventories	55,865	-79,074
Increase (decrease) in notes and accounts payable - trade	813,024	355,991
Increase (decrease) in advances received	99,238	166,276
Increase (decrease) in accrued consumption taxes	1,172	87,930
Decrease (increase) in consumption taxes refund receivable	-36,774	36,467
Decrease (increase) in other assets	-113,545	-116,900
Increase (decrease) in other liabilities	-1,050,272	-95,655
Other, net	-55,445	-1,490
Subtotal	-15,915	227,912
Interest and dividend income received	112,722	109,879
Interest expenses paid	-19,813	-33,131
Income taxes paid	-852,424	-169,874
Net cash provided by (used in) operating activities	-775,430	134,786

Consolidated statement of cash flows

(Unit:1000Yen)

	As of March 31 2014	As of March 31 2015
Cash flows from investing activities		
Payments into time deposits	-30,000	-33,204
Proceeds from withdrawal of time deposits	30,000	43,204
Purchase of investment securities	-230,132	-
Proceeds from sales and redemption of investment securities	771,209	747,986
Purchase of shares of subsidiaries	-63,219	-281,547
Purchase of property, plant and equipment	-265,634	-2,510,405
Proceeds from Sales of Property Plant and Equipment	-	995,440
Purchase of intangible assets	-106,031	-76,289
Payments of loans receivable	-25,500	-18,150
Collection of loans receivable	16,841	15,991
Other, net	-79,984	64,616
Net cash provided by (used in) investing activities	17,548	-1,052,359
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	31,408	2,437,441
Proceeds from Long Term Loans Payable	-	650,000
Repayments of long-term loans payable	-326,016	-361,348
Repayments of lease obligations	-13,554	-13,017
Purchase of treasury shares	-289	-217
Cash dividends paid	-257,349	-257,295
Net cash provided by (used in) financing activities	-565,801	2,455,563
Effect of exchange rate change on cash and cash equivalents	23,049	51,420
Net increase (decrease) in cash and cash equivalents	-1,300,633	1,589,411
Cash and cash equivalents at beginning of period	5,434,862	4,134,229
Cash and cash equivalents at end of period	4,134,229	5,723,641