



FINANCIAL STATEMENTS

FOR

THE 58TH FISCAL YEAR

FROM 1 APRIL, 2013

TO 31 MARCH, 2014

日 東 工 器 株 式 会 社

NITTO KOHKI CO., LTD.

CONSOLIDATED BALANCE SHEETAS OF 31 MARCH 2014
(In Millions Japanese Yen)

ASSETS		LIABILITIES and NET ASSETS	
account title	amount	account title	amount
CURRENT ASSETS	34,051	CURRENT LIABILITIES	3,276
Cash & Deposits	17,863	Notes Payable and Accounts Payable, Trade	647
Notes Receivable and Accounts Receivable, Trade	6,893	Leased Liabilities	110
Marketable Securities	2,999	Income Taxes Payable	875
Merchandise and Finished Goods	3,328	Accrued Bonuses	548
Work in Progress	280	Asset Bonuses to Directors	14
Raw Material and Supplies	1,650	Other	1,080
Deferred Tax Assets	681		
Other	366	LONG-TERM LIABILITIES	3,096
Allowance for Doubtful Accounts	(13)	Leased Liabilities	488
		Net Defined Benefit Liability	2,118
FIXED ASSETS	15,661	Allowance for Director's Retirement Benefits	265
Tangible Fixed Assets	13,177	Asset Retirement Obligations	11
Buildings and Structures	6,484	Other	212
Machinery and Vehicle Equipments	1,138	TOTAL LIABILITIES	6,373
Tools, Furniture, Fixtures and Others	768	NET ASSETS	
Land	4,105	Total Shareholders' Equity	42,643
Leased Assets	600	Common Stock	1,850
Construction in Progress	79	Capital Surplus	1,925
Intangible Fixed Assets	116	Retained Earnings	39,784
Investments and Other Assets	2,368	Treasury Stock	(916)
Investments in Securities	1,519	Accumulated Other Comprehensive Income	445
Long-term Loans	133	Unrealized Holding Gains on Securities	454
Deferred Tax Assets	499	Translation Adjustment	23
Other	232	Remeasurements of Defined Benefit Plans	(32)
Allowance for Doubtful Accounts	(15)	Minority Interests	250
		TOTAL NET ASSETS	43,339
TOTAL ASSETS	49,713	TOTAL LIABILITIES AND NET ASSETS	49,713

CONSOLIDATED STATEMENT OF INCOME

FROM : 1 APRIL 2013

TO : 31 MARCH 2014

(In Millions Japanese Yen)

account title	amount	
Net Sales		27,145
Cost of Sales		14,307
Gross Profit		12,838
Selling, General and Administrative Expenses		8,690
Operating Income		4,147
Non-operating Income		
Interest Income	59	
Other	136	195
Non-operating Expenses		
Cash Discounts	82	
Other	34	117
Ordinary Income		4,226
Extraordinary Income		—
Extraordinary Losses		
Impairment Loss	84	
Loss on Withdrawal from Employees' Pension Fund	72	156
Income before Income Taxes		4,069
Income Taxes—current	1,687	
Income Taxes—deferred	(10)	1,676
Income before Minority Interests		2,392
Minority Interests		21
Net Income		2,371

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FROM : 1 APRIL 2013

TO : 31 MARCH 2014

(In Millions Japanese Yen)

	Shareholders' Equity				
	Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at Beginning of Period	1,850	1,925	38,135	(916)	40,995
Cash Dividends			(722)		(722)
Net Income			2,371		2,371
Repurchase of Treasury Stock				(0)	(0)
Total Changes in the Period	-	-	1,648	(0)	1,648
Balance at End of Period	1,850	1,925	39,784	(916)	42,643

	Accumulated Other Comprehensive Income				Minority Interests	Total Net Assets
	Unrealized Holding Gains on Securities	Translation Adjustment	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at Beginning of Period	304	(1,003)	-	(698)	192	40,488
Cash Dividends						(722)
Net Income						2,371
Repurchase of Treasury Stock						(0)
Net Changes of Items Other than Shareholders' Equity	150	1,026	(32)	1,144	58	1,202
Total Changes in the Period	150	1,026	(32)	1,144	58	2,851
Balance at End of Period	454	23	(32)	445	250	43,339

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM : 1 APRIL 2013

TO : 31 MARCH 2014

(In Millions Japanese Yen)

account title	amount
Cash Flows from Operating Activities:	
Income before Income Taxes	4,069
Depreciation and Amortization	1,238
Net Increase in Provisions	(2,028)
Net Increase in Assets	(361)
Net Increase in Liabilities	1,521
Others	0
Sub Total	4,440
Interest and Dividends Received	99
Insurance Received	589
Income Taxes Paid	(1,327)
Net Cash provided by Operating Activities	3,801
Cash flows from Investing Activities:	
Increase in Time Deposits	(8,316)
Decrease in Time Deposits	8,940
Payments for Purchases of Fixed Assets	(1,805)
Others	(2)
Net Cash Used in Investing Activities	(1,183)
Cash flows from Financing Activities:	
Payments for Purchase of Treasury Stock	(0)
Dividends Paid	(729)
Others	(109)
Net Cash Used in Financing Activities	(838)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	471
Net Increase in Cash and Cash Equivalents	2,250
Cash and Cash Equivalents at the Beginning of the Year	10,926
Cash and Cash Equivalents at the End of the Year	13,177

BALANCE SHEET

AS OF 31 MARCH 2014
(In Millions Japanese Yen)

ASSETS		LIABILITIES and NET ASSETS	
account title	amount	account title	amount
<u>CURRENT ASSETS</u>	<u>23,815</u>	<u>CURRENT LIABILITIES</u>	<u>2,739</u>
Cash & Deposits	11,475	Accounts Payable, Trade	972
Notes Receivable, Trade	2,322	Leased Liabilities	45
Accounts Receivable, Trade	4,227	Accounts Payable, Other	90
Marketable Securities	2,999	Income Tax Payable	663
Merchandise & Finished Goods	2,192	Accrued Expenses	515
Work in Progress	15	Deposits Received	47
Raw Materials & Supplies	108	Accrued Bonuses	357
Advance Payments	10	Accrued Bonuses to Directors	14
Prepaid Expenses	60	Other	30
Short-term Loans—subsidiaries	44		
Deferred Tax Assets	252		
Other	105		
<u>FIXED ASSETS</u>	<u>16,680</u>	<u>LONG-TERM LIABILITIES</u>	<u>2,059</u>
<u>Tangible Fixed Assets</u>	<u>9,154</u>	Leased Liabilities	321
Buildings	5,062	Allowance for Employee's Retirement Benefits	1,274
Structures	284	Allowance for Directors' Retirement Benefits	265
Machinery & Equipment	40	Asset Retirement obligations	7
Vehicles and Delivery Equipment	13	Other	190
Tools, Furniture, Fixtures and Other	546		
Land	2,783	<u>TOTAL LIABILITIES</u>	<u>4,798</u>
Leased Assets	368	<u>NET ASSETS</u>	
Construction in Progress	56	<u>Common Stock</u>	<u>1,850</u>
<u>Intangible Fixed Assets</u>	<u>101</u>	<u>Capital Surplus</u>	<u>1,925</u>
Computer Software	73	Additional Paid-in Capital	1,925
Other	27	<u>Retained Earnings</u>	<u>32,384</u>
<u>Investments and Other Assets</u>	<u>7,424</u>	Legal Reserve	462
Investments in Securities	1,519	Reserve for Equalization of Dividends	220
Investments in Subsidiaries	5,149	Voluntary Reserve	29,300
Long-term Loans	159	Reserve for Interim Dividends	8
Long-term Prepaid Expenses	33	Unappropriated Retained Earnings	2,392
Guarantee Deposits	53	<u>Treasury Stock</u>	<u>(916)</u>
Accumulated Funds of Insurance	78	<u>Total Shareholders' Equity</u>	<u>35,243</u>
Deferred Tax Assets	393		
Other	52	<u>Unrealized Holding Gains on Securities</u>	<u>454</u>
Allowance for Doubtful Accounts	(15)		
		<u>TOTAL NET ASSETS</u>	<u>35,697</u>
<u>TOTAL ASSETS</u>	<u>40,496</u>	<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>40,496</u>

INCOME STATEMENT

FROM : 1 APRIL 2013
TO : 31 MARCH 2014

(In Millions Japanese Yen)

account title	amount	
Net Sales		23,113
Cost of Sales		14,223
Gross Profit		8,889
Selling, General and Administrative Expenses		6,550
Operating income		2,338
Non-operating Income		
Interest Income	19	
Dividend Income	840	
Other	180	1,040
Non-operating Expenses		
Cash Discounts	82	
Other	34	116
Ordinary Income		3,263
Extraordinary Income		—
Extraordinary Losses		
Impairment Loss	84	84
Income before Income Taxes		3,179
Income Taxes—current	1,069	
Income Taxes—deferred	(30)	1,039
Net Income		2,139

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FROM : 1 APRIL 2013

TO : 31 MARCH 2014

(In Millions Japanese Yen)

	Shareholders' Equity						
	Capital	Capital Surplus	Retained Earnings				
			Legal Reserve	Other Retained Earnings			
				Reserve for Interim Dividends	Reserve for Equalization of Dividends	Voluntary Reserve	Unappropriated Retained Earnings
Balance at Beginning of Period	1,850	1,925	462	0	220	28,400	1,884
Reserve for Interim Dividends				370			(370)
Reversal of Reserve for Interim Dividends				(361)			361
Dividends from Surplus							(722)
Reserve for Voluntary Reserve						900	(900)
Net Income							2,139
Total Changes in the Period	-	-	-	8	-	900	508
Balance at End of Period	1,850	1,925	462	8	220	29,300	2,392

	Shareholders' Equity		Difference of Valuation, Translation and Other Adjustments	Total Net Assets
	Treasury Stock	Total Shareholders' Equity		
			Unrealized Holding Gains on Securities	
Balance at Beginning of Period	(916)	33,826	304	34,130
Dividends from Surplus		(722)		(722)
Net Income		2,139		2,139
Repurchase of Treasury Stock	(0)	(0)		(0)
Net Changes of Items Other than Shareholders' Equity			150	150
Total Changes in the Period	(0)	1,417	150	1,567
Balance at End of Period	(916)	35,243	454	35,697