Mitsui High-tec, Inc. and Subsidiaries

Consolidated Financial Statements for the Year Ended January 31, 2015, and Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mitsui High-tec, Inc.:

We have audited the accompanying consolidated balance sheet of Mitsui High-tec, Inc. and its subsidiaries as of January 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mitsui High-tec, Inc. and its subsidiaries as of January 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

DELOITTE TOUCHE TOHMATSU LLC
Fukuoka, Japan

April 17, 2015

Mitsui High-tec, Inc. and Subsidiaries

Consolidated Balance Sheet
January 31, 2015

ASSETS	Millions of Yen 2015	Millions of Yen 2014	Thousands of U.S. Dollars (Note 1) 2015
CURRENT ASSETS:			
Cash and cash equivalents (Note 14)	¥ 13,792	¥ 13,741	$ 116,634
Short-term investments (Notes 3 and 14)	344	808	2,909
Notes and accounts receivable－trade (Note 14)	11,767	9,604	99,509
Allowance for doubtful accounts	(14)	(10)	(118)
Inventories (Note 4)	5,695	4,663	48,161
Deferred tax assets (Note 10)	491	264	4,152
Prepaid expenses and other	1,029	1,001	8,702
Total current assets	33,104	30,071	279,949
PROPERTY, PLANT AND EQUIPMENT:			
Land (Note 6)	6,651	6,613	56,245
Buildings and structures (Note 6)	28,342	27,758	239,679
Machinery and equipment	66,322	62,091	560,863
Construction in progress	1,043	639	8,820
Total	102,358	97,101	865,607
Accumulated depreciation	(78,212)	(75,114)	(661,412)
Net property, plant and equipment	24,146	21,987	204,195
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 5 and 14)	1,067	868	9,023
Deferred tax assets (Note 10)	20	8	169
Asset for employees' retirement benefits (Note 8)	49		414
Other assets	1,086	1,192	9,184
Total investments and other assets	2,222	2,068	18,790
TOTAL	¥ 59,472	¥ 54,126	$ 502,934

LIABILITIES AND EQUITY	Millions of Yen 2015	Millions of Yen 2014	Thousands of U.S. Dollars (Note 1) 2015
CURRENT LIABILITIES:			
Current portion of long-term debt (Notes 7 and 14)		¥ 625	
Accounts payable－trade (Note 14)	¥ 3,845	3,369	$ 32,516
Income taxes payable (Note 14)	317	319	2,681
Accrued expenses and other	3,128	2,401	26,452
Total current liabilities	7,290	6,714	61,649
LONG-TERM LIABILITIES:			
Liability for employees' retirement benefits (Note 8)	790	826	6,681
Retirement benefits to directors and corporate auditors	127	110	1,074
Provision for loss on business liquidation	723		6,114
Other (Note 10)	218	208	1,843
Total long-term liabilities	1,858	1,144	15,712
EQUITY (Note 9):			
Common stock－authorized, 94,595,700 shares; issued, 42,466,865 shares in 2015 and 2014	16,404	16,404	138,723
Capital surplus	17,252	17,252	145,894
Retained earnings	15,186	13,340	128,423
Treasury stock－at cost, 859,838 shares in 2015 and 858,654 shares in 2014	(469)	(468)	(3,966)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Note 5)	380	252	3,214
Foreign currency translation adjustments	1,479	(612)	12,507
Remeasurements of defined benefit plans (Note 8)	(25)		(211)
Total	50,207	46,168	424,584
Minority interests	117	100	989
Total equity	50,324	46,268	425,573
TOTAL	¥ 59,472	¥ 54,126	$ 502,934

See notes to consolidated financial statements.

Mitsui High-tec, Inc. and Subsidiaries

Consolidated Statement of Income
Year Ended January 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
NET SALES	¥ 65,495	¥ 60,631	$ 553,869
COST OF SALES	55,467	51,581	469,066
Gross profit	10,028	9,050	84,803
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 11)	6,961	6,537	58,867
Operating income	3,067	2,513	25,936
OTHER (EXPENSES) INCOME:			
Interest and dividend income	87	116	736
Interest expense	(3)	(10)	(26)
Foreign exchange gain－net	702	582	5,937
Subsidy income	122		1,032
Loss on sales and disposal of property, plant and equipment	(156)	(56)	(1,319)
Loss on impairment of long-lived assets (Note 12)	(366)	(176)	(3,095)
Loss on business liquidation (Note 13)	(723)		(6,114)
Other－net	73	176	617
Other (expenses) income－net	(264)	632	(2,232)
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	2,803	3,145	23,704
INCOME TAXES (Note 10):			
Current	488	484	4,127
Deferred	(264)	(190)	(2,233)
Total income taxes	224	294	1,894
NET INCOME BEFORE MINORITY INTERESTS	2,579	2,851	21,810
MINORITY INTERESTS IN NET INCOME	(26)	(23)	(220)
NET INCOME	¥ 2,553	¥ 2,828	$ 21,590

	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK (Note 2.q):			
Net income	¥ 61.37	¥ 67.96	$ 0.52
Cash dividends applicable to the year	17.0	15.0	0.14

See notes to consolidated financial statements.

Mitsui High-tec, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income
Year Ended January 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
NET INCOME BEFORE MINORITY INTERESTS	¥ 2,579	¥ 2,851	$ 21,810
OTHER COMPREHENSIVE INCOME (Note 16):			
Unrealized gain on available-for-sale securities	128	74	1,083
Foreign currency translation adjustments	2,091	2,242	17,682
Total other comprehensive income	2,219	2,316	18,765
COMPREHENSIVE INCOME	¥ 4,798	¥ 5,167	$ 40,575
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥ 4,773	¥ 5,144	$ 40,364
Minority interests	25	23	211

See notes to consolidated financial statements.

Mitsui High-tec, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended January 31, 2015

	Thousands	Millions of Yen									
						Accumulated other comprehensive income					
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total	Minority Interests	Total Equity
BALANCE, FEBRUARY 1, 2013	41,610	¥ 16,404	¥ 17,252	¥ 11,137	¥ (467)	¥ 178	¥ (2,854)		¥ 41,650	¥ 82	¥ 41,732
Net income				2,828					2,828		2,828
Cash dividends, ¥15.0 per share				(625)					(625)		(625)
Purchase of treasury stock	(2)				(1)				(1)		(1)
Net change in the year						74	2,242		2,316	18	2,334
BALANCE, JANUARY 31, 2014	41,608	16,404	17,252	13,340	(468)	252	(612)		46,168	100	46,268
Net income				2,553					2,553		2,553
Cash dividends, ¥17.0 per share				(707)					(707)		(707)
Purchase of treasury stock	(1)				(1)				(1)		(1)
Net change in the year						128	2,091	¥ (25)	2,194	17	2,211
BALANCE, JANUARY 31, 2015	41,607	¥ 16,404	¥ 17,252	¥ 15,186	¥ (469)	¥ 380	¥ 1,479	¥ (25)	¥ 50,207	¥ 117	¥ 50,324

	Thousands of U.S. Dollars (Note 1)									
					Accumulated other comprehensive income					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-sale Securities	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total	Minority Interests	Total Equity
BALANCE, JANUARY 31, 2014	$ 138,723	$ 145,894	$ 112,812	$ (3,958)	$ 2,131	$ (5,175)		$ 390,427	$ 846	$ 391,273
Net income			21,590					21,590		21,590
Cash dividends, $0.14 per share			(5,979)					(5,979)		(5,979)
Purchase of treasury stock				(8)				(8)		(8)
Net change in the year					1,083	17,682	$ (211)	18,554	143	18,697
BALANCE, JANUARY 31, 2015	$ 138,723	$ 145,894	$ 128,423	$ (3,966)	$ 3,214	$ 12,507	$ (211)	$ 424,584	$ 989	$ 425,573

See notes to consolidated financial statements.

Mitsui High-tec, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended January 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 2,803	¥ 3,145	$ 23,704
Adjustments for:			
Income taxes—paid	(523)	(309)	(4,423)
Depreciation and amortization	4,284	4,392	36,228
Loss on impairment of long-lived assets	366	176	3,095
Foreign exchange loss (gain)—net	47	(388)	397
Gain on sale of property, plant and equipment	(3)	(4)	(25)
Loss on sale and disposal of property, plant and equipment	156	56	1,319
Loss on business liquidation	723		6,114
Changes in assets and liabilities:			
Increase in notes and accounts receivable—trade	(1,618)	(1,020)	(13,683)
Increase in inventories	(748)	(120)	(6,326)
Increase in accounts payable—trade	274	195	2,317
Decrease in liability for employees' retirement benefits	(36)	(80)	(304)
Increase in retirement benefits to directors and corporate auditors	17	18	144
Other—net	801	447	6,775
Total adjustments	3,740	3,363	31,628
Net cash provided by operating activities	6,543	6,508	55,332
INVESTING ACTIVITIES:			
Purchases of property, plant, equipment and intangible assets	(6,181)	(3,612)	(52,271)
Proceeds from sale of property, plant and equipment	37	2	313
Proceeds from (investment in) long-term deposits—net	527	(217)	4,457
Other—net	(8)	11	(68)
Net cash used in investing activities	(5,625)	(3,816)	(47,569)
FORWARD	¥ 918	¥ 2,692	$ 7,763

(Continued)

Mitsui High-tec, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended January 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
FORWARD	¥ 918	¥ 2,692	$ 7,763
FINANCING ACTIVITIES:			
Repayments of long-term debt	(625)	(1,250)	(5,285)
Purchase of treasury stock	(1)	(1)	(8)
Dividends paid	(707)	(625)	(5,979)
Other－net	(8)	(5)	(68)
Net cash used in financing activities	(1,341)	(1,881)	(11,340)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	474	817	4,008
NET INCREASE IN CASH AND CASH EQUIVALENTS	51	1,628	431
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,741	12,113	116,203
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 13,792	¥ 13,741	$ 116,634

See notes to consolidated financial statements.

(Concluded)

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards ("IFRS").

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassificasions have been made in the 2014 consolidated financial statements to conform to the classifications used in 2015.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Mitsui High-tec, Inc. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥118.25 to U.S. $1, the approximate rate of exchange at January 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation ― The consolidated financial statements as of January 31, 2015, include the accounts of the Company and its 15 (same in 2014) subsidiaries (collectively, the "Group"). Under the control concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized over a period within 20 years. However, such excess has not been incurred.

All significant intercompany balances, transactions, and unrealized profits included in inventories and fixed assets resulting from transactions within the Group have been eliminated.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements ― In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." PITF No. 18 prescribes that the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either IFRS or generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in equity; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant, and equipment and investment properties and incorporation of the cost model of accounting; and (e) exclusion of minority interests from net income, if contained in net income.

c. ***Cash Equivalents*** — Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits and certificates of deposit, all of which mature or become due within three months of the date of acquisition.

d. ***Inventories*** — Inventories are stated at the lower of cost, substantially determined by the specific-cost method, or net selling value except for certain products, raw materials and supplies which are stated at the lower of cost, determined by the moving-average method, or net selling value.

e. ***Investment Securities*** — Investment securities are classified and accounted for, depending on management's intent. Available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. ***Depreciation*** — Depreciation of property, plant and equipment is primarily computed by the declining-balance method over the estimated useful lives of the assets, except for the buildings that were acquired by the Company and its domestic subsidiaries after April 1, 1998, which are computed by the straight-line method. The range of useful lives is principally from 31 to 47 years for buildings, and from 5 to 10 years for machinery and equipment.

Depreciation of intangible assets included in other assets is computed by the straight-line method over the estimated useful lives (5 years).

g. ***Long-lived Assets*** — The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

h. ***Allowance for Doubtful Accounts*** — The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

i. ***Retirement and Pension Plan*** — The Company and its domestic subsidiaries have contributory funded defined pension plans and the Company also has a defined contribution pension plan. Some subsidiaries of the Company have lump-sum payment plans. The liability for employees' retirement benefits is accounted for based on projected benefit obligations and plan assets at the balance sheet date.

In May 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the accounting standard for retirement benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and were followed by partial amendments from time to time through 2009.

(a) Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus is recognized as a liability (liability for employee's retirement benefits) or asset (asset for employee's retirement benefits).

(b) The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

(c) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Company applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective January 31, 2015. As a result, asset for employees' retirement benefits of ¥49 million ($414 thousand) and liability for employee's retirement benefits of ¥790 million ($6,681 thousand) were recorded as of January 31, 2015. In addition, deferred tax assets for the year ended January 31, 2015, increased by ¥14 million ($118 thousand) and accumulated other comprehensive income for the year ended January 31, 2015, decreased by ¥25 million ($211 thousand). Net worth per share decreased by ¥0.62 ($0.01).

The effect of (c) above will be an increase in retained earnings by ¥643 million ($5,438 thousand) and a decrease in operating income and income before income taxes and minority interests by ¥15 million ($127 thousand).

The Company expects to apply (c) above from February 1, 2015.

Retirement benefits to directors and corporate auditors are provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date. The provisions for the retirement benefits are not funded. The retirement benefits for directors and corporate auditors are paid subject to the approval of the shareholders.

j. Bonuses to Directors and Corporate Auditors ― Bonuses to directors and corporate auditors are accrued at the year-end to which such bonuses are attributable.

k. Provision for Loss on Business Liquidation ― In order to reserve for loss on business liquidation, an estimated amount of loss on liquidation as of fiscal year end is recorded.

l. Research and Development Costs ― Research and development costs are charged to income as incurred.

m. Income Taxes ― The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

n. Foreign Currency Transactions ― All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

o. Foreign Currency Financial Statements ― The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of foreign subsidiaries are translated into Japanese yen at the annual average exchange rate.

p. Derivatives and Hedging Activities ― The Company uses foreign exchange forward contracts to manage its exposures to fluctuations in foreign exchange risks. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income and b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until each maturity of the hedged transactions. The effectiveness of hedging instruments is determined based on the correlation of price fluctuations and cash flows between hedging instruments and hedged items for the period from the beginning of the hedge to the time of evaluation.

Foreign currency forward contracts are utilized to hedge foreign exchange exposures for export sales. Receivables denominated in foreign currencies, for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations, are translated at the contracted rate if the forward contracts qualify for hedge accounting.

q. Per Share Information ― Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding during the year.

Diluted net income per share is not disclosed, because it is anti-dilutive.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

r. ***Accounting Changes and Error Corrections*** — In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows: (1) Changes in Accounting Policies—When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions. (2) Changes in Presentation—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated.

3. SHORT-TERM INVESTMENTS

Short-term investments as of January 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Time deposits which mature over three months from the date of acquisition	¥ 344	¥ 808	$ 2,909

4. INVENTORIES

Inventories at January 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Merchandise	¥ 476	¥ 494	$ 4,026
Finished products	2,175	1,632	18,393
Work in process	1,696	1,339	14,343
Raw materials and supplies	1,321	1,180	11,171
Goods in transit	27	18	228
Total	¥ 5,695	¥ 4,663	$ 48,161

5. INVESTMENT SECURITIES

Investment securities as of January 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Non-current:			
Marketable equity securities	¥ 1,028	¥ 829	$ 8,693
Nonmarketable equity securities	39	39	330
Total	¥ 1,067	¥ 868	$ 9,023

The costs and aggregate fair values of marketable equity securities at January 31, 2015 and 2014, were as follows:

January 31, 2015	Millions of Yen Cost	 Unrealized Gains	 Unrealized Losses	 Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 441	¥ 587		¥ 1,028
January 31, 2014				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 440	¥ 389		¥ 829

January 31, 2015	Thousands of U.S. Dollars Cost	 Unrealized Gains	 Unrealized Losses	 Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	$ 3,729	$ 4,964		$ 8,693

6. INVESTMENT PROPERTY

In November 28, 2008, the ASBJ issued ASBJ Statement No. 20, “Accounting Standard for Investment Property and Related Disclosures,” and issued ASBJ Guidance No. 23, “Guidance on Accounting Standard for Investment Property and Related Disclosures.”

The Group holds some idle assets in Kumamoto and other areas.

In addition, the carrying amounts, changes in such balances and market prices of such properties are as follows:

Millions of Yen

Carrying amount			Fair value
February 1, 2014	Increase/Decrease	January 31, 2015	January 31, 2015
¥ 909		¥ 909	¥ 978

Millions of Yen

Carrying amount			Fair value
February 1, 2013	Increase/Decrease	January 31, 2014	January 31, 2014
¥ 909		¥ 909	¥ 978

Thousands of U.S. Dollars

Carrying amount			Fair value
February 1, 2014	Increase/Decrease	January 31, 2015	January 31, 2015
$ 7,687		$ 7,687	$ 8,271

Notes:
1) Carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation and accumulated impairment losses, if any.
2) Fair value of properties is based on a real estate appraisal by an external real estate appraiser.

7. LONG-TERM DEBT

Long-term debt at January 31, 2015 and 2014, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Unsecured loans from a bank with interest rates ranging from 0.82% maturing through 2015		¥ 625	
Less current portion		(625)	

8. RETIREMENT AND PENSION PLANS

The Company and its domestic subsidiaries have contributory funded defined pension plans and the Company also has a defined contribution pension plan. Some subsidiaries of the Company have lump-sum payment plans.

Under most circumstances in the defined benefit plan, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

Year Ended January 31, 2015

(1) The changes in defined benefit obligation for the year ended January 31, 2015, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Balance at beginning of year	¥ 5,346	$ 45,209
Current service cost	248	2,097
Interest cost	80	677
Actuarial gains	(51)	(431)
Benefits paid	(67)	(567)
Others	4	34
Balance at end of year	¥ 5,560	$ 47,019

(2) Movement in net defined benefit liability applying the simplified method

	Millions of Yen	Thousands of U.S. Dollars
Balance at beginning of year	¥ 39	$ 330
Net periodic retirement benefit costs	6	51
Balance at end of year	¥ 45	$ 381

(3) The changes in plan assets for the year ended January 31, 2015, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Balance at beginning of year	¥ 4,412	$ 37,311
Expected return on plan assets	92	778
Actuarial gains	64	541
Contributions from the employer	367	3,104
Benefits paid	(67)	(567)
Others	(4)	(34)
Balance at end of year	¥ 4,864	$ 41,133

(4) Reconciliation between the liability (asset) recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets

	2015	
	Millions of Yen	Thousands of U.S. Dollars
Funded defined benefit obligation	¥ 5,593	$ 47,298
Plan assets	(4,864)	(41,133)
	729	6,165
Unfunded defined benefit obligation	12	102
Net liability arising from defined benefit obligation	¥ 741	$ 6,267

	2015	
	Millions of Yen	Thousands of U.S. Dollars
Liability for employees' retirement benefits	¥ 790	$ 6,681
Asset for employees' retirement benefits	(49)	(414)
Net liability arising from defined benefit	¥ 741	$ 6,267

(5) The components of net periodic benefit costs for the year ended January 31, 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars	
Service cost	¥	248	$	2,097
Interest cost		80		677
Expected return on plan assets		(92)		(778)
Recognized actuarial losses		46		389
Others		(24)		(203)
Net periodic retirement benefit costs calculated under the simplified method		6		51
Net periodic benefit costs	¥	264	$	2,233

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of January 31, 2015

	Millions of Yen		Thousands of U.S. Dollars	
Unrecognized actuarial losses	¥	40	$	338
Total	¥	40	$	338

(7) Plan assets

a. Components of plan assets

Plan assets as of January 31, 2015, consisted of the following:

Debt investments	6.8%
Equity investments	9.3
General account	82.3
Others	1.6
Total	100.0%

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the current and target asset allocations and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the year ended January 31, 2015, were set forth as follows:

Discount rate	Mainly	1.5%
Expected rate of return on plan assets	Mainly	2.0%

Year Ended January 31, 2014

The liability for employees' retirement benefits at January 31, 2014, consisted of the following:

	Millions of Yen
Projected benefit obligation	¥ 5,385
Fair value of plan assets	(4,412)
Prepaid pension cost	54
Unrecognized actuarial loss	(201)
Net liability	¥ 826

The components of net periodic retirement benefit costs for the years ended January 31, 2014, were as follows:

	Millions of Yen
Service cost	¥ 314
Interest cost	96
Expected return on plan assets	(79)
Recognized actuarial loss	27
Net periodic retirement benefit costs	¥ 358

Assumptions used for the year ended January 31, 2014, were set forth as follows:

Discount rate	Mainly 1.5%
Expected rate of return on plan assets	Mainly 2.0%
Recognition period of actuarial gain/loss	Mainly 5 years

9. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. *Dividends*

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as (1) having a board of directors, (2) having independent auditors, (3) having an audit & supervisory board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the board of directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the board of directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/decreases and transfer of common stock, reserve and surplus
The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the amount of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury stock and treasury stock acquisition rights
The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the board of directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

10. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a statutory tax rate of approximately 37.7% for the years ended January 31, 2015 and 2014.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at January 31, 2015 and 2014, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Deferred tax assets:			
Tax loss carryforwards	¥ 3,320	¥ 4,106	$ 28,076
Loss on impairment of long-lived assets	1,616	1,493	13,666
Liability for employee's retirement benefits	267	291	2,258
Provision for loss on business liquidation	255		2,157
Unrealized profits included in inventories and fixed assets	103	57	871
Other	230	256	1,945
Less valuation allowance	(5,207)	(5,902)	(44,034)
Total	584	301	4,939
Deferred tax liabilities:			
Net unrealized gain on available-for-sale securities	(207)	(137)	(1,751)
Other	(59)	(58)	(499)
Total	(266)	(195)	(2,250)
Net deferred tax assets	¥ 318	¥ 106	$ 2,689

The amounts of the net deferred tax assets (liabilities) are shown in the following accounts in the consolidated balance sheets as of January 31, 2015 and 2014:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Deferred tax assets — current assets	¥ 491	¥ 264	$ 4,152
Deferred tax assets — investments and other assets	20	8	169
Other (deferred tax liabilities) — long-term liabilities	(193)	(166)	(1,632)

A reconciliation between the statutory tax rates and the effective tax rates reflected in the accompanying consolidated statements of income for the years ended January 31, 2015 and 2014, is as follows:

	2015	2014
Statutory tax rate	37.7%	37.7 %
Expenses not deductible for income tax purposes	1.4	2.4
Exempt income for income tax purposes	(0.3)	(0.9)
Change in valuation allowance	(26.2)	(31.8)
Lower income tax rates applicable in certain foreign countries	(4.5)	(3.1)
Foreign corporation tax	2.5	2.2
Effect of tax deduction	(3.5)	-
Other—net	0.9	2.8
Effective tax rate	8.0%	9.3 %

A new tax reform law, “Partial Amendment of the Income Tax Act, etc.” (Act No. 10, 2014), enacted on March 31, 2014 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after February 1, 2015, from 37.7% to 35.3%. The effect of this change is not material.

A new tax reform law, “Partial Amendment of the Income Tax Act, etc.” (Act No. 9 of 2015), enacted on March 31, 2015 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2015.

As a result, the normal effective statutory tax rate will be changed from 35.3% to 32.8% for the fiscal year beginning on February 1, 2016, and to 32.0% for the fiscal year beginning on or after February 1, 2017. The effect of this change would not be material.

11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income for the years ended January 31, 2015 and 2014, were ¥429 million ($3,628 thousand) and ¥398 million, respectively.

12. LOSS ON IMPAIRMENT OF LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of January 31, 2015. As a result, the Group recognized impairment losses totaling ¥366 million ($3,095 thousand) for the IC assembly in the Company which the board of directors of the Company decided to liquidate. Comparatively, the Company has recorded impairment losses totaling ¥176 million for the IC leadframes (Stamped Leadframe division) in Mitsui High-tec (Tianjin) Co., Ltd. for the year ended January 31, 2014. Due to continuous operating losses at these units, the carrying amounts of property, plant and equipment were written down to the recoverable amounts. The recoverable amounts of business assets were measured at their values in use and the discount rate used for computation of the present values of future cash flows were 5.2% and 6% for the years ended January 31, 2015 and 2014, respectively.

13. LOSS ON BUSINESS LIQUIDATION

The Company recorded loss on business liquidation of ¥723 million ($6,114 thousands) for assembly of IC packages which the board of directors of the Company decided to liquidate, for the year ended January 31, 2015. The loss on business liquidation consisted of mainly estimated loss related to production transfer of IC assembly products.

14. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group policy for financial instruments

The Group finances mainly by bank loans, based on its capital investment plan. Cash surpluses, if any, are invested in low-risk financial assets. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in (2) below.

(2) Nature and extent of risks arising from financial instruments and risk management for financial instruments

Receivables such as trade notes and trade accounts are exposed to customer credit risk. The Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment terms and balances of customers to identify the default risk of customers.

Although receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the position is hedged by using forward foreign currency contracts.

Investment securities, mainly equity instruments of customers and suppliers of the Group, are exposed to the risk of market price fluctuations. Investment securities are managed by monitoring market values and financial position of issuers on a regular basis.

Payment terms of payables, such as trade accounts, are approximately less than one month. Although a bank loan is exposed to market risks from changes in variable interest rates, this risk is managed by monitoring market risks on a regular basis.

Derivatives include forward foreign currency contracts, which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables. Please see Note 15 for more detail about derivatives.

(3) Fair values of financial instruments

Fair values of financial instruments are based on quoted prices in active markets.

(a) Fair value of financial instruments

	Millions of yen		
January 31, 2015	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 13,792	¥ 13,792	¥
Short-term investments	344	344	
Notes and accounts receivable—trade	11,767	11,767	
Investment securities	1,028	1,028	
Total	¥ 26,931	¥ 26,931	¥
Accounts payable—trade	¥ 3,845	¥ 3,845	¥
Income taxes payable	317	317	
Total	¥ 4,162	¥ 4,162	¥

	Millions of yen		
January 31, 2014	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	¥ 13,741	¥ 13,741	¥
Short-term investments	808	808	
Notes and accounts receivable—trade	9,604	9,604	
Investment securities	829	829	
Total	¥ 24,982	¥ 24,982	¥
Accounts payable—trade	¥ 3,369	¥ 3,369	¥
Income taxes payable	319	319	
Current portion of long-term debt	625	625	
Total	¥ 4,313	¥ 4,313	¥

	Thousands of U.S. Dollars		
January 31, 2015	Carrying amount	Fair value	Unrealized gain/loss
Cash and cash equivalents	$ 116,634	$ 116,634	$
Short-term investments	2,909	2,909	
Notes and accounts receivable—trade	99,509	99,509	
Investment securities	8,693	8,693	
Total	$ 227,745	$ 227,745	$
Accounts payable—trade	$ 32,516	$ 32,516	$
Income taxes payable	2,681	2,681	
Total	$ 35,197	$ 35,197	$

Cash, cash equivalents and short-term investments

The carrying values of cash, cash equivalents and short-term investments approximate fair value because of their short maturities.

Investment securities

The fair values of investment securities are measured at the quoted market price of the stock exchange for equity instruments. Fair value information for investment securities by classification is included in Note 5.

Notes and accounts receivable —trade, accounts payables —trade and income taxes payable

The carrying values of notes and accounts receivable—trade, accounts payable—trade and income taxes payable approximate fair value because of their short maturities.

Among accounts receivable—trade, the receivables with foreign exchange forward contracts that meet certain criteria are combined with foreign exchange forward contracts to determine the fair value. For other receivables, the carrying value is deemed as the fair value since it is scheduled to be settled in a short period of time.

Long-term debt

The carrying values of long-term debt approximate fair value, because the long-term debt which depends on floating rate reflects the market interest rate over a period of time.

(b) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Investments in equity instruments that do not have a quoted market price in an active market	¥ 39	¥ 39	$ 330

(4) Maturity analysis for financial assets with contractual maturities

	Millions of Yen	
January 31, 2015	Due in one year or less	Due after one year
Cash and cash equivalents	¥ 13,792	¥
Short-term investments	344	
Notes and accounts receivable—trade	11,767	
Total	¥ 25,903	¥

	Millions of Yen	
January 31, 2014	Due in one year or less	Due after one year
Cash and cash equivalents	¥ 13,741	¥
Short-term investments	808	
Notes and accounts receivable—trade	9,604	
Total	¥ 24,153	¥

January 31, 2015	Thousands of U.S. Dollars Due in one year or less	Due after one year
Cash and cash equivalents	$ 116,634	$
Short-term investments	2,909	
Notes and accounts receivable－trade	99,509	
Total	$ 219,052	$

Please see Note 7 for annual maturities of long-term debt.

15. DERIVATIVES

The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates. Foreign exchange forward contracts are utilized by the Company to reduce foreign currency exchange risks. Subsidiaries do not enter into derivative transactions.

The Company utilizes those instruments only to hedge foreign currency exposures incorporated within its business and does not enter into derivatives for trading or speculative purposes.

Because the counterparties to those derivatives are limited to major international or domestic financial institutions, the Company does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Company have been made in accordance with internal policies which regulate the authorization and credit limit amount.

Derivative transactions to which hedge accounting is applied

	Millions of Yen			
At January 31, 2015	Hedged Item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	Receivables	¥ 2,844	¥	¥

	Millions of Yen			
At January 31, 2014	Hedged Item	Contract Amount	Contract Amount due after One Year	Fair Value
Foreign currency forward contracts:				
Selling U.S.$	Receivables	¥ 2,638	¥	¥

At January 31, 2015	Hedged Item	Contract Amount	Contract Amount due after One Year	Fair Value
	Thousands of U.S. Dollars			
Foreign currency forward contracts:				
Selling U.S.$	Receivables	$ 24,051	$	$

The fair values of derivative transactions are included in the fair values of accounts receivable—trade as the hedged item.

16. COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended January 31, 2015 and 2014, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Unrealized gain on available-for-sale securities:			
Gains arising during the year	¥ 198	¥ 113	$ 1,674
Reclassification adjustments to profit or loss			
Amount before income tax effect	198	113	1,674
Income tax effect	(70)	(39)	(591)
Total	¥ 128	¥ 74	$ 1,083
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ 2,091	¥ 2,242	$ 17,682
Total other comprehensive income	¥ 2,219	¥ 2,316	$ 18,765

17. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures" and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

   The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group consists of the industry Tooling, Electronic Parts, Electrical Parts and Machinery.

   Industry "Tooling" consists of stamping for motor cores and IC leadframes, and other precision tooling and parts.
   Industry "Electronic Parts" consists of IC leadframes and assembly of IC packages.
   Industry "Electrical Parts" consists of motor cores.
   Industry "Machinery" consists of surface grinders and jig grinders.

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

   The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

3. Information about sales, profit (loss), assets and other items is as follows:

	Millions of Yen						
	2015						
	Reportable segment						
	Tooling	Electronic Parts	Electrical Parts	Machinery	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥ 4,379	¥ 37,824	¥ 22,388	¥ 904	¥ 65,495		¥ 65,495
Intersegment sales or transfers	2,822	2		303	3,127	¥ (3,127)	
Total	¥ 7,201	¥ 37,826	¥ 22,388	¥ 1,207	¥ 68,622	¥ (3,127)	¥ 65,495
Segment profit	¥ 508	¥ 1,961	¥ 2,489	¥ 17	¥ 4,975	¥ (1,908)	¥ 3,067
Segment assets	6,163	29,167	12,624	618	48,572	10,900	59,472
Other:							
Depreciation	444	2,431	1,141	12	4,028	256	4,284
Increase in property, plant and equipment and intangible assets	514	3,418	1,910	48	5,890	119	6,009
Impairment losses of assets		366			366		366

	Millions of Yen						
	2014						
	Reportable segment						
	Tooling	Electronic Parts	Electrical Parts	Machinery	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥ 3,780	¥ 35,205	¥ 20,830	¥ 816	¥ 60,631		¥ 60,631
Intersegment sales or transfers	2,637	10	5	177	2,829	¥ (2,829)	
Total	¥ 6,417	¥ 35,215	¥ 20,835	¥ 993	¥ 63,460	¥ (2,829)	¥ 60,631
Segment profit (loss)	¥ 296	¥ 1,587	¥ 2,386	¥ (54)	¥ 4,215	¥ (1,702)	¥ 2,513
Segment assets	5,762	27,865	10,858	625	45,110	9,016	54,126
Other:							
Depreciation	403	2,460	1,246	12	4,121	271	4,392
Increase in property, plant and equipment and intangible assets	239	2,561	549	3	3,352	325	3,677
Impairment losses of assets	3	173			176		176

	Thousands of U.S. Dollars						
	2015						
	Reportable segment						
	Tooling	Electronic Parts	Electrical Parts	Machinery	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	$ 37,031	$ 319,865	$ 189,328	$ 7,645	$ 553,869		$ 553,869
Intersegment sales or transfers	23,865	17		2,562	26,444	$ (26,444)	
Total	$ 60,896	$ 319,882	$ 189,328	$ 10,207	$ 580,313	$ (26,444)	$ 553,869
Segment profit	$ 4,296	$ 16,584	$ 21,049	$ 143	$ 42,072	$ (16,136)	$ 25,936
Segment assets	52,119	246,655	106,757	5,226	410,757	92,177	502,934
Other:							
Depreciation	3,755	20,558	9,649	101	34,063	2,165	36,228
Increase in property, plant and equipment and intangible assets	4,347	28,905	16,152	406	49,810	1,006	50,816
Impairment losses of assets		3,095			3,095		3,095

Notes: 1. The amounts of “Reconciliations” for the year ended January 31, 2015, are as follows:
(1) The amount of “Reconciliations” for segment profit is ¥1,908 million ($16,136 thousand). This amount mainly includes general and administrative expenses, which are not allocable to the reportable segments.
(2) The amount of “Reconciliations” for segment assets comprises elimination of intersegment transactions of ¥13,347 million ($112,871 thousand) and corporate assets of ¥24,247 million ($205,048 thousand).
(3) The amount of “Reconciliations” for depreciation of ¥256 million ($2,165 thousand) consists of depreciation of corporate assets.
(4) The “Reconciliations” of increase in property, plant and equipment and intangible assets comprise an increase of corporate assets.
Segment profit in reportable segments corresponds to operating income.

2. The amounts of “Reconciliations” for the year ended January 31, 2014, are as follows:
(1) The amount of “Reconciliations” for segment profit (loss) is ¥1,702 million. This amount mainly includes general and administrative expenses, which are not allocable to the reportable segments.
(2) The amount of “Reconciliations” for segment assets comprises elimination of intersegment transactions of ¥14,745 million and corporate assets of ¥23,761 million.
(3) The amount of “Reconciliations” for depreciation of ¥271 million consists of depreciation of corporate assets.
(4) The “Reconciliations” of increase in property, plant and equipment and intangible assets comprise an increase of corporate assets.
Segment profit in reportable segments corresponds to operating income.

4. Related information

1. Information about geographical areas

(1) Sales

Millions of Yen			
2015			
Japan	China	Other	Total
¥ 28,454	¥ 13,694	¥ 23,347	¥ 65,495

Millions of Yen			
2014			
Japan	China	Other	Total
¥ 27,733	¥ 11,161	¥ 21,737	¥ 60,631

Thousands of U.S. Dollars			
2015			
Japan	China	Other	Total
$ 240,626	$ 115,805	$ 197,438	$ 553,869

Note: Sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

Millions of Yen			
2015			
Japan	China	Asia	Total
¥ 16,749	¥ 4,035	¥ 3,362	¥ 24,146

Millions of Yen			
2014			
Japan	China	Asia	Total
¥ 15,649	¥ 3,503	¥ 2,835	¥ 21,987

Thousands of U.S. Dollars			
2015			
Japan	China	Asia	Total
$ 141,641	$ 34,123	$ 28,431	$ 204,195

2. Information about major customers

Name of customer	Millions of Yen 2015 Sales		Related segment name
TOYOTA MOTOR CORPORATION	¥	11,563	Electrical Parts

Name of customer	Millions of Yen 2014 Sales		Related segment name
TOYOTA MOTOR CORPORATION	¥	11,307	Electrical Parts

Name of customer	Thousands of U.S. Dollars 2015 Sales		Related segment name
TOYOTA MOTOR CORPORATION	$	97,784	Electrical Parts

18. SUBSEQUENT EVENTS

(1) Appropriation of Retained Earnings

At the general shareholders meeting held on April 16, 2015, the Company's shareholders approved the following appropriation of retained earnings as of January 31, 2015:

	Millions of Yen		Thousands of U.S. Dollars	
Year-end cash dividends, ¥10 ($0.08) per share	¥	416	$	3,518

(2) Acquisition of Treasury Stock

At the Board of Directors' meeting held on March 11, 2015, the Company decided to acquire its own shares to execute a flexible capitalization strategy in response to changes in the management environment, pursuant to the Companies Act.

(a) Type of shares: Common stock
(b) Number of shares: Up to 400,000 shares (0.96% of currently outstanding common stock)
(c) Total purchase price: Up to ¥400 million ($3,383 thousand)
(d) Period of acquisition: From March 12, 2015 to September 3, 2015
(e) Method of acquisition: Market purchases on the Tokyo Stock Exchange

As a result, the Company acquired 400,000 shares of its own shares at an aggregate cost of ¥352 million ($2,977 thousand) in the period from March 12, 2015 to March 30, 2015.

* * * * *