Financial Information 2014

Iwatani Corporation

CONTENTS

Management's Discussion and Analysis	P. 1
Consolidated Balance Sheets	P. 4
Consolidated Statements of Income	P. 6
Consolidated Statements of Comprehensive Income	P. 6
Consolidated Statements of Changes in Net Assets	P. 7
Consolidated Statements of Cash Flows	P. 8
Notes to the Consolidated Financial Statements	P. 9
Independent Auditors' Report	P. 29

Management's Discussion and Analysis

1. Financial Position

Total assets as of March 31, 2014 amounted to ¥416,219 million, up by ¥29,916 million compared with the previous fiscal year-end. This rise was mainly due to increases in certain accounts such as ¥6,613 million in cash and deposits, ¥12,987 million in notes and accounts receivable–trade, ¥4,369 million in merchandise and finished goods, and ¥7,437 million in investments in securities, exceeding decreasing effects such as a ¥1,015 million drop in goodwill.

Total liabilities stood at ¥311,161 million, a ¥15,761 million increase on the previous fiscal year-end. There were considerable increases such as ¥4,900 million in notes and accounts payable–trade, ¥9,597 million short-term borrowings, and ¥2,157 million in income taxes payable, being partially offset by decreasing factors, including ¥834 million in deferred tax liabilities. Among liabilities, the aggregate amount of interest-bearing debt, including lease obligations, amounted to ¥161,099 million, up by ¥9,721 million from the previous fiscal year-end.

Total net assets as of March 31, 2014 were ¥105,058 million, a year-on-year increase of ¥14,155 million. This increase was mainly attributable to a ¥8,701 million increase in retained earnings, a ¥2,240 million increase in unrealized gains on securities, and ¥1,207 million credit balance of foreign currency translation adjustments posted, which reversed the ¥1,646 million debit balance recorded at the previous fiscal year-end.

In equity, which is determined as total net assets minus minority interests, retained earnings increased by ¥8,701 million, in addition to a ¥2,853 million net credit increase in foreign currency translation adjustments and a ¥2,240 million increase in unrealized gains on securities. As a result, total equity rose by ¥13,603 million to ¥96,725 million, improving the equity ratio by 1.7 percentage points to 23.2%. Adding ¥8,332 million minority interests, total net assets amounted to ¥105,058 million.

As a result of the above, ROA (the ratio of ordinary income to total assets) for the fiscal year ended March 31, 2014 was 4.8%. The ratio of interest-bearing debt to total assets was 38.7%, reflecting a ¥29,916 million increase in total assets to ¥416,219 million and a ¥9,721 million increase in total interest-bearing debt to ¥161,099 million.

2. Enhancing Corporate Governance

As regards the monitoring system for management decision making, business execution and internal control, the Company has established an organizational structure aimed at ensuring proper corporate governance.

The Board of Directors, which has 16 members, is the body responsible for business decision making and supervision. We have augmented the functions of the Board to ensure that decisions are made quickly and appropriately after full and active deliberation, and that the Board can properly carry out its supervisory functions.

The Management Committee, which meets twice a month, is composed of the Chairman and CEO, Vice Chairman, President, Executive Vice Presidents, Senior Executive Directors and Executive Directors. In addition to discussing matters that need to be addressed by the Board of Directors, and major matters arising in the course of normal business operations, the committee works to share information and facilitate communication. In addition, an executive officer system has been introduced to enable speedier decision making, promote the delegation of authority, and reinvigorate the Board of Directors. Executive officers are delegated authority by the representative directors in accordance with management policies determined by the Board of Directors, and carry out the Company's business in line with directions and orders given by the representative directors. The introduction of this system promotes management efficiency by strengthening the Board of Directors' ability to make strategic decisions and augmenting its supervisory function.

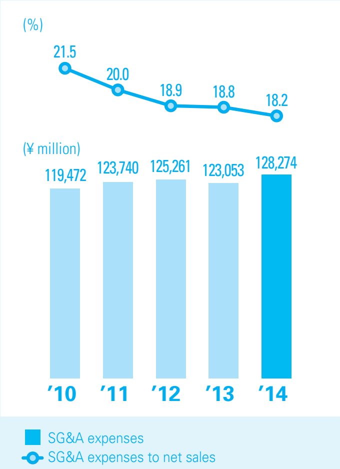
The Company also has a Board of Corporate Auditors consisting of four corporate auditors, two of whom are outside corporate auditors. The full-time corporate auditors attend all meetings of the Board of Directors and the Management Committee. An independent auditor (one of the outside corporate auditors) also attends the Management Committee meetings. These practices allow them to sufficiently monitor the actions of directors. In the appointment of corporate auditors, the Company places importance on specialized expertise in finance and accounting or the law and on knowledge and experience of the Company's business. In particular, in appointing outside corporate auditors the Company takes into consideration their degree of independence from the Board of Directors and specialization. In this way, the Company has established an audit structure based on more diversified points of view.

Although the Company does not appoint outside directors, we believe that through these activities, a framework has been put in place that fulfills the supervisory function and advisory function expected of outside directors.

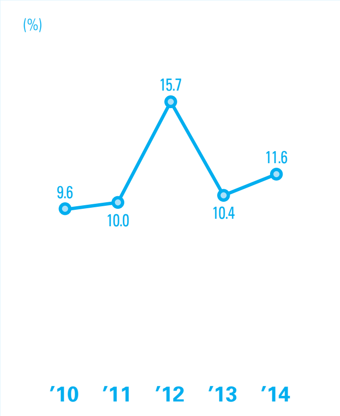
With regards to the internal audit, we have established the Audit Department, which operates directly under the President. Working in close cooperation with the corporate auditors, this body performs regular internal audits, and monitors business activities to ensure that they are conducted appropriately and efficiently.

The Company has selected KPMG AZSA LLC as the independent auditor. We submit necessary data to the independent auditor in a timely manner and have in place a system for conducting appropriate audits.

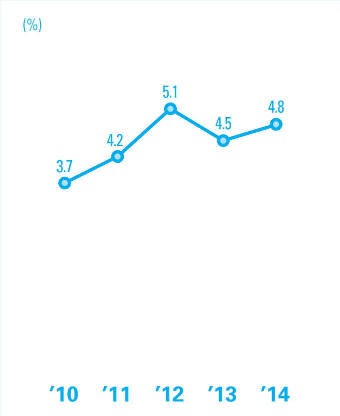
SG&A Expenses



ROE (Net Income to Net Assets)



ROA (Ordinary Income to Total Assets)



3. Cash Flows

Cash and cash equivalents as of March 31, 2014 amounted to ¥20,440 million, with a ¥6,414 million increase from the previous fiscal year-end.

(1) Cash flows from operating activities

Net cash provided by operating activities for the fiscal year ended March 31, 2014 decreased by ¥1,769 million from the previous fiscal year to ¥22,653 million.

The major cash in-flow factors were ¥18,302 million in income before income taxes and minority interests, ¥15,062 million in depreciation, ¥2,660 million in amortization of goodwill, and ¥2,199 million in increase in notes and accounts payable–trade. On the other hand, major cash out-flow factors included ¥9,632 million in increase in notes and accounts receivable–trade, and ¥7,984 million in income taxes paid.

(2) Cash flows from investing activities

Net cash used in investing activities increased by ¥2,178 million from the previous fiscal year to ¥20,978 million.

Major factors behind this increase were ¥17,667 million in payments for purchase of property, plant and equipment, ¥2,470 million in payments for purchase of intangible assets, ¥3,082 million in payments for purchase of investments in securities, offsetting decreasing factors such as ¥1,576 million proceeds from sales and redemption of investments in securities.

(3) Cash flows from financing activities

Net cash provided from financing activities for the fiscal year ended March 31, 2014 was ¥3,039 million, reversing the ¥11,244 million net cash used in the previous fiscal year.

Major cash-flows of financing activities include ¥5,896 million in net increase in borrowings, and ¥1,901 million in total cash dividends paid.

4. Risk Management

The Company has established the Risk Management Committee to integrate management of risks facing the entire Iwatani Group. The following risk factors are deemed to have the potential to materially influence investor decisions. Statements related to the future are judgments made by the Group as of March 31, 2014.

(1) Seasonal factors and weather fluctuations

Since consumption of LPG, the Group's mainstay product, is affected by air and water temperatures, LPG sales volumes tend to decrease in warm seasons and increase in cool seasons. For this reason, the Group's earnings structure is weighted toward income in the second half of the fiscal year. Additionally, unseasonable weather patterns may affect the Group's LPG sales volumes.

(2) Impact of LPG contract price

The contract price is the selling price set by the Saudi Arabian Oil Company (Saudi Aramco) and is announced monthly and subject to change. Saudi Arabia is the world's largest producer and exporter of LPG, and the country wields substantial influence on the international market price. Accordingly, rapid fluctuations in the contract price can affect the price at which the Group purchases LPG.

(3) Impact of currency rate fluctuations

The Group uses forward exchange contracts in order to avoid risks from exchange rate fluctuations in currency markets, which the Group is exposed to in its trade transactions. However, if exchange rates fluctuate rapidly, it is difficult to completely eliminate the risks, meaning that such conditions could impact on the Group's financial performance.

(4) Impact of interest rate fluctuations

The Group has financing needs for its strategic investments, including capital expenditures for increasing the number of LPG customer households through M&A, as well as for expanding the industrial gas business. This means that interest rate fluctuations could impact on the Group's financial performance. However, since most of the Group's interest-bearing debt has been procured at a fixed rate, such fluctuations have limited impact.

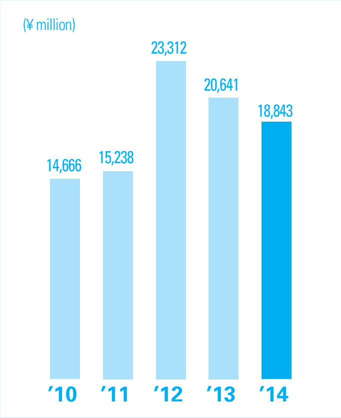
(5) Impact of credit risk

The Group has made it a practice to grant credit to business partners in various ways, meaning that the Group is exposed to credit risk in the event of non-performance by the partners. In order to avoid such credit risk, the Group takes appropriate safeguard measures depending on the partners' credit standing, such as setting credit limits and obtaining the necessary collateral and guarantees. However, in the event that we are unable to recover credit because of deterioration in credit standing, bankruptcies or other conditions affecting our business partners, the financial performance of the Group could possibly be affected.

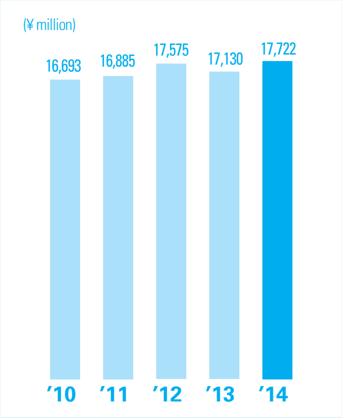
(6) Intensified competition resulting from deregulation

Currently, legal reforms and deregulation are under way to extensively liberalize the electric power and gas retail businesses. Such movements could result in significant transformation of the business environment toward severer competition within the same industry and/or among the various energy businesses, and the financial performance of the Group could be negatively affected.

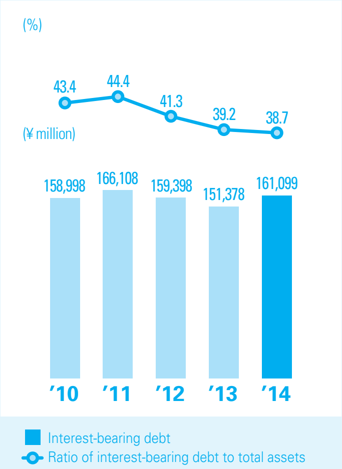
Capital Expenditure



Depreciation and Amortization



Interest-bearing Debt



(7) Impact of country risk

The Group not only has vast foreign trade transactions, but also has established business operations overseas, especially in Asia. The Group's financial performance may be affected if changes should occur in the countries and regions where the Group operates, such as deterioration in political and/or economic climate, unexpected revision of laws, regulations and tax schemes and deterioration of public security.

(8) Risk from price fluctuations in marketable securities

In addition to holding shares in the Group companies, the Group holds marketable securities, primarily in business partners and financial institutions, for the purpose of creating closer business relationships. Accordingly, future fluctuations in the stock markets may impact on the Group's financial performance.

(9) Defects in products and services

The products and services of the Group are produced and provided under an appropriate quality control system. However, if compensation was claimed for product liability, or if the Group must recall certain products, the social credibility and public image of the Group could be tarnished, in addition to a considerable amount of monetary expenses being directly required. Such a situation may impact the financial performance of the Group.

(10) Disasters

The Group handles LPG, industrial gases and other products in compliance with the High-Pressure Gas Safety Law. The Group therefore conducts regular inspections as mandated by the Law, as well as voluntary inspections and checks. However, the stable supply of these products may conceivably be interrupted if the Group's supply sites or the customers' facilities were to be damaged due to a large earthquake or other natural disasters.

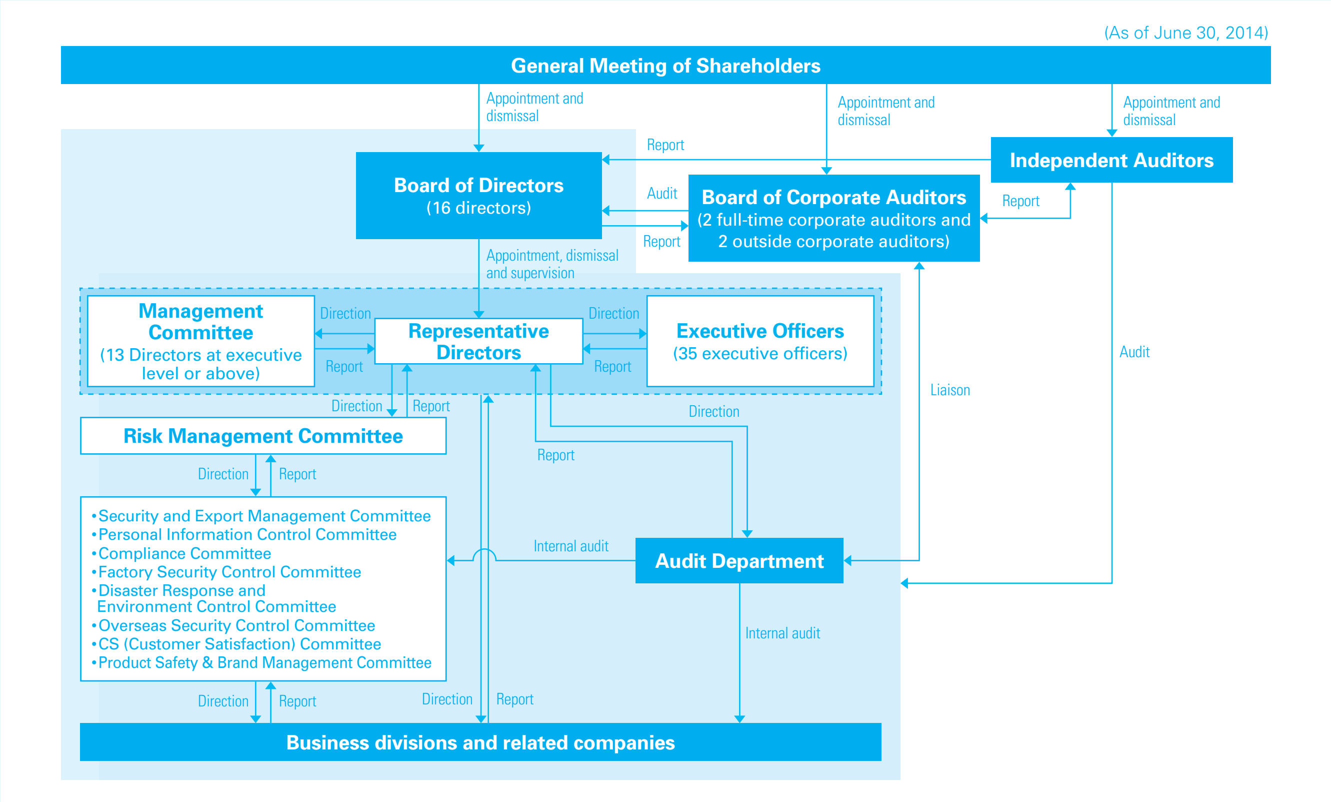
(11) Handling of personal information

In running the LPG business and other business operations, the Group handles a considerable amount of personal information. As business operators handling personal information covered by the Law on the Protection of Personal Information, we do our utmost to comply with the Law by always working to ensure that such information is managed properly. However, if any of the personal information the Group handles were to be leaked outside of the Group despite our efforts to prevent such events, the Group's reputation in society could be tarnished and/or customers could claim for damages. Such events could negatively affect the financial performance of the Group.

(12) Risk relating to legal compliance

The Group, which develops its businesses at home and abroad under various laws, regulations and social norms, has established the Compliance Committee and been striving to reinforce the corporate structure for legal compliance. In addition, the Group has also established the Outline of Iwatani Corporate Ethics, and widely publicized it to all members of the Group as the norm they should comply with. However, if infringement of laws and regulations occurred despite our efforts for thorough legal compliance as described above, the financial performance of the Group could be adversely affected through such consequences as administrative dispositions made by the authorities, lawsuits raised by stakeholders and tarnished social credibility of the Group.

Corporate Governance Structure



Consolidated Balance Sheets

Iwatani Corporation and its Consolidated Subsidiaries
Years ended March 31, 2013 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
ASSETS	2013	**2014**	**2014**
Current assets:			
Cash and cash equivalents	¥ 14,026	**¥ 20,440**	**$ 198,600**
Time deposits (Note 7)	356	**555**	**5,392**
Notes and accounts receivable (Note 7)			
Trade	108,087	**121,074**	**1,176,389**
Other	3,546	**3,962**	**38,495**
Allowance for doubtful accounts	(624)	**(778)**	**(7,559)**
Inventories (Note 9)	40,997	**45,339**	**440,526**
Deferred tax assets (Note 11)	3,041	**3,251**	**31,587**
Other	9,348	**7,649**	**74,319**
Total current assets	178,779	**201,495**	**1,957,782**
Property, plant and equipment:			
Land (Note 10)	54,917	**55,735**	**541,537**
Buildings and structures (Note 10)	100,197	**103,403**	**1,004,692**
Machinery, vehicles, equipment and tools (Note 10)	136,102	**143,661**	**1,395,851**
Lease assets	5,226	**5,670**	**55,091**
Construction in progress	920	**2,211**	**21,482**
	297,365	**310,682**	**3,018,674**
Accumulated depreciation	(170,176)	**(178,246)**	**(1,731,888)**
Net property, plant and equipment	127,188	**132,436**	**1,286,785**
Intangible assets:			
Goodwill	15,042	**14,027**	**136,290**
Other	2,663	**2,890**	**28,080**
Total intangible assets	17,705	**16,917**	**164,370**
Investments and other assets:			
Investments in securities (Notes 7, 8 and 10)	25,851	**32,248**	**313,330**
Investments in nonconsolidated subsidiaries and affiliates (Note 7)	16,683	**17,723**	**172,201**
Net defined benefit asset (Note 12)	—	**4,436**	**43,101**
Deferred tax assets (Note 11)	2,363	**2,731**	**26,535**
Other	18,591	**9,053**	**87,961**
Allowance for doubtful accounts	(860)	**(824)**	**(8,006)**
Total investments and other assets	62,629	**65,369**	**635,143**
Total assets	¥ 386,302	**¥ 416,219**	**$ 4,044,102**

See the accompanying Notes to the Consolidated Financial Statements.

	Millions of yen		Thousands of U.S. dollars (Note 4)
LIABILITIES AND NET ASSETS	2013	**2014**	**2014**
Current liabilities:			
Short-term borrowings (Notes 7 and 10)	¥ 36,305	**¥ 45,902**	**$ 445,996**
Current portion of long-term debt (Notes 7 and 10)	33,000	**24,151**	**234,657**
Notes and accounts payable–trade (Note 7)	98,500	**103,401**	**1,004,673**
Income taxes payable	4,880	**7,038**	**68,383**
Accrued bonuses	4,283	**4,484**	**43,567**
Other	21,967	**20,229**	**196,550**
Total current liabilities	198,938	**205,206**	**1,993,839**
Long-term liabilities:			
Long-term debt (Notes 7 and 10)	78,324	**87,278**	**848,017**
Deferred tax liabilities (Notes 2(11) and 11)	3,928	**3,093**	**30,052**
Allowance for employees' severance and retirement benefits (Note 12)	4,457	**—**	**—**
Net defined benefit liability (Note 12)	—	**5,243**	**50,942**
Allowance for retirement benefits for directors and statutory auditors	1,114	**1,190**	**11,562**
Negative goodwill	280	**166**	**1,612**
Other	8,356	**8,981**	**87,261**
Total long-term liabilities	96,461	**105,954**	**1,029,479**
Total liabilities	295,399	**311,161**	**3,023,328**
Contingent liabilities (Note 13)			
Net assets (Note 18)			
Shareholders' equity:			
Common stock Authorized–600,000,000 shares in 2014 and 2013 Issued–251,365,028 shares in 2014 and 2013	20,096	**20,096**	**195,258**
Capital surplus	18,042	**18,042**	**175,301**
Retained earnings	43,637	**52,339**	**508,540**
Treasury stock, at cost 5,342,931 shares in 2014 5,255,904 shares in 2013	(1,409)	**(1,452)**	**(14,108)**
Total shareholders' equity	80,367	**89,025**	**864,992**
Accumulated other comprehensive income:			
Unrealized gains (losses) on securities	4,251	**6,492**	**63,078**
Deferred gains (losses) on hedges	148	**55**	**534**
Foreign currency translation adjustments	(1,646)	**1,207**	**11,727**
Remeasurements of defined benefit plans	—	**(55)**	**(534)**
Total accumulated other comprehensive income	2,754	**7,700**	**74,815**
Minority interests	7,781	**8,332**	**80,956**
Total net assets	90,903	**105,058**	**1,020,773**
Total liabilities and net assets	¥ 386,302	**¥ 416,219**	**$ 4,044,102**

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Income

Iwatani Corporation and its Consolidated Subsidiaries
Years ended March 31, 2013 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	**2014**	**2014**
Net sales	¥ 657,006	**¥ 703,923**	**$ 6,839,516**
Cost of sales	517,243	**557,130**	**5,413,233**
Gross profit	139,763	**146,792**	**1,426,272**
Selling, general and administrative expenses (Note 19)	123,053	**128,274**	**1,246,346**
Operating income	16,709	**18,518**	**179,926**
Other income (expenses):			
Interest and dividends income	713	**752**	**7,306**
Interest expenses	(2,382)	**(2,179)**	**(21,171)**
Equity in earnings of nonconsolidated subsidiaries and affiliates	400	**769**	**7,471**
Impairment loss of fixed assets (Note 15)	(514)	**(674)**	**(6,548)**
Other, net (Note 20)	538	**1,115**	**10,833**
	(1,244)	**(216)**	**(2,098)**
Income before income taxes and minority interests	15,465	**18,302**	**177,827**
Income taxes (Note 11)**:**			
Current	6,602	**9,900**	**96,191**
Deferred	122	**(2,723)**	**(26,457)**
	6,724	**7,177**	**69,733**
Income before minority interests	8,740	**11,125**	**108,093**
Minority interests in income	714	**658**	**6,393**
Net income	¥ 8,026	**¥ 10,466**	**$ 101,690**

	Yen		U.S. dollars (Note 4)
	2013	**2014**	**2014**
Per share (Note 17)**:**			
Basic: net income	¥ 32.88	**¥ 42.53**	**$ 0.41**
Cash dividends applicable to the period	7.00	**7.00**	**0.06**

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Iwatani Corporation and its Consolidated Subsidiaries
Years ended March 31, 2013 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	**2014**	**2014**
Income before minority interests	¥ 8,740	**¥ 11,125**	**$ 108,093**
Other comprehensive income:			
Unrealized gains (losses) on securities	2,595	**2,243**	**21,793**
Deferred gains (losses) on hedges	131	**(92)**	**(893)**
Foreign currency translation adjustments	1,965	**2,784**	**27,050**
Share of other comprehensive income of associates accounted for using equity method	258	**323**	**3,138**
Total other comprehensive income	4,951	**5,259**	**51,097**
Comprehensive income	¥ 13,691	**¥ 16,384**	**$ 159,191**
Comprehensive income attributable to:			
Owners of the parent	12,817	**15,467**	**150,281**
Minority interests	¥ 874	**¥ 916**	**$ 8,900**

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Changes in Net Assets

Iwatani Corporation and its Consolidated Subsidiaries
Years ended March 31, 2013 and 2014

	Number of shares of common stock (thousands)	Millions of yen									
		Shareholders' equity				Accumulated other comprehensive income					
		Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests	Total
Balance at April 1, 2012	251,365	¥ 20,096	¥ 17,895	¥ 37,317	¥ (2,118)	¥ 1,636	¥ 17	¥ (3,689)	¥ —	¥ 8,397	¥ 79,551
Net income for the year	—	—	—	8,026	—	—	—	—	—	—	8,026
Cash dividends	—	—	—	(1,706)	—	—	—	—	—	—	(1,706)
Purchase of treasury stock	—	—	—	—	(14)	—	—	—	—	—	(14)
Disposal of treasury stock	—	—	146	—	723	—	—	—	—	—	870
Net changes in items other than shareholders' equity	—	—	—	—	—	2,615	131	2,043	—	(616)	4,174
Balance at April 1, 2013	251,365	¥ 20,096	¥ 18,042	¥ 43,637	¥ (1,409)	¥ 4,251	¥ 148	¥ (1,646)	—	¥ 7,781	¥ 90,903
Net income for the year	—	—	—	10,466	—	—	—	—	—	—	10,466
Cash dividends	—	—	—	(1,725)	—	—	—	—	—	—	(1,725)
Changes in scope of consolidation	—	—	—	(40)	—	—	—	—	—	—	(40)
Purchase of treasury stock	—	—	—	—	(42)	—	—	—	—	—	(42)
Net changes in items other than shareholders' equity	—	—	—	—	—	2,240	(93)	2,853	(55)	551	5,496
Balance at March 31, 2014	**251,365**	**¥ 20,096**	**¥ 18,042**	**¥ 52,339**	**¥ (1,452)**	**¥ 6,492**	**¥ 55**	**¥ 1,207**	**¥ (55)**	**¥ 8,332**	**¥ 105,058**

	Number of shares of common stock (thousands)	Thousands of U.S. dollars (Note 4)									
		Shareholders' equity				Accumulated other comprehensive income					
		Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests	Total
Balance at April 1, 2013	251,365	$ 195,258	$ 175,301	$ 423,989	$ (13,690)	$ 41,303	$ 1,438	$ (15,993)	$ —	$ 75,602	$ 883,239
Net income for the year	—	—	—	101,690	—	—	—	—	—	—	101,690
Cash dividends	—	—	—	(16,760)	—	—	—	—	—	—	(16,760)
Changes in scope of consolidation	—	—	—	(388)	—	—	—	—	—	—	(388)
Purchase of treasury stock	—	—	—	—	(408)	—	—	—	—	—	(408)
Net changes in items other than shareholders' equity	—	—	—	—	—	21,764	(903)	27,720	(534)	5,353	53,400
Balance at March 31, 2014	**251,365**	**$ 195,258**	**$ 175,301**	**$ 508,540**	**$ (14,108)**	**$ 63,078**	**$ 534**	**$ 11,727**	**$ (534)**	**$ 80,956**	**$ 1,020,773**

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Iwatani Corporation and its Consolidated Subsidiaries
Years ended March 31, 2013 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	2014	2014
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 15,465	**¥ 18,302**	**$ 177,827**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	17,130	**17,722**	**172,191**
Impairment loss of fixed assets	514	**674**	**6,548**
Amortization of negative goodwill	(116)	**(114)**	**(1,107)**
Gain on negative goodwill	(142)	**(172)**	**(1,671)**
Subsidy income	—	**(500)**	**(4,858)**
Loss on reduction of noncurrent assets	—	**500**	**4,858**
Increase (decrease) in allowance for doubtful accounts	(379)	**158**	**1,535**
Increase (decrease) in allowance for employees' bonuses	(165)	**184**	**1,787**
Increase (decrease) in allowance for employees' severance and retirement benefits	158	**—**	**—**
Increase (decrease) in net defined benefit liability	—	**639**	**6,208**
Decrease (increase) in prepaid pension cost	(231)	**—**	**—**
Decrease (increase) in net defined benefit asset	—	**2,851**	**27,701**
Increase (decrease) in allowance for retirement benefits to directors and statutory auditors	(61)	**76**	**738**
Interest and dividends income	(713)	**(752)**	**(7,306)**
Interest expenses	2,382	**2,179**	**21,171**
Foreign exchange (gains) losses	(33)	**205**	**1,991**
Equity in earnings of nonconsolidated subsidiaries and affiliates	(400)	**(769)**	**(7,471)**
Loss (gain) on sales and disposal of fixed assets	504	**218**	**2,118**
Loss (gain) on sales of investments in securities	(21)	**(222)**	**(2,157)**
Loss on valuation of investments in securities	1,032	**7**	**68**
Loss on liquidation of subsidiaries and affiliates	46	**5**	**48**
Loss (gain) on sales of investments in capital	(11)	**(12)**	**(116)**
Loss on valuation of investments in capital	—	**120**	**1,165**
Loss (gain) on liquidation of investments in capital	(11)	**—**	**—**
Loss (gain) on step acquisitions	—	**8**	**77**
Loss on withdrawal from employees' pension fund	—	**322**	**3,128**
Changes in assets and liabilities			
Decrease (increase) in notes and accounts receivable–trade	9,639	**(9,632)**	**(93,587)**
Decrease (increase) in inventories	(3,407)	**(3,587)**	**(34,852)**
Increase (decrease) in notes and accounts payable–trade	(9,487)	**2,199**	**21,366**
Other, net	1,415	**1,595**	**15,497**
Subtotal	¥ 33,107	**¥ 32,207**	**$ 312,932**
Interest and dividends received	677	**709**	**6,888**
Dividends received from equity method subsidiaries and affiliates	269	**190**	**1,846**
Interest paid	(2,365)	**(2,164)**	**(21,026)**
Payments for withdrawal from employees' pension fund	—	**(304)**	**(2,953)**
Income taxes paid	(7,265)	**(7,984)**	**(77,574)**
Net cash provided by (used in) operating activities	¥ 24,422	**¥ 22,653**	**$ 220,102**
Cash flows from investing activities:			
Payments for purchase of investments in securities	(3,028)	**(3,082)**	**(29,945)**
Proceeds from sales and redemption of investments in securities	100	**1,576**	**15,312**
Proceeds from sales of investments in capital	20	**13**	**126**
Collection of investments in capital	15	**—**	**—**
Payments for purchase of fixed assets	(17,336)	**(20,137)**	**(195,656)**
Proceeds from sales of fixed assets	2,327	**1,112**	**10,804**
Investments in loans receivable	(4,218)	**(2,498)**	**(24,271)**
Collection of loans receivable	3,816	**2,593**	**25,194**
Other, net	(497)	**(557)**	**(5,411)**
Net cash provided by (used in) investing activities	¥ (18,800)	**¥ (20,978)**	**$ (203,828)**
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(368)	**8,627**	**83,822**
Proceeds from long-term debt	18,135	**30,566**	**296,987**
Repayment of long-term debt	(26,145)	**(33,297)**	**(323,523)**
Cash dividends paid	(1,703)	**(1,721)**	**(16,721)**
Other, net	(1,162)	**(1,135)**	**(11,027)**
Net cash provided by (used in) financing activities	¥ (11,244)	**¥ 3,039**	**$ 29,527**
Effect of exchange rate changes on cash and cash equivalents	604	**1,015**	**9,862**
Net increase (decrease) in cash and cash equivalents	(5,017)	**5,729**	**55,664**
Cash and cash equivalents at beginning of year	18,966	**14,026**	**136,280**
Increase (decrease) in cash and cash equivalents due to changes in scope of consolidation	—	**608**	**5,907**
Increase (decrease) in cash and cash equivalents resulting from merger with nonconsolidated subsidiaries	78	**76**	**738**
Cash and cash equivalents at end of period	¥ 14,026	**¥ 20,440**	**$ 198,600**

See the accompanying Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Iwatani Corporation and its Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Iwatani Corporation ("the Company") and its consolidated subsidiaries (together, "the Companies") 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 conformity 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.

The accompanying consolidated financial statements have been restructured and translated into English, with some expanded descriptions, from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

As permitted, amounts of less than one million yen are omitted in the presentation for 2013 and 2014. As a result, the totals shown in the accompanying consolidated financial statements, both in yen and in U.S. dollars, do not necessarily agree with the sum of the individual amounts.

2. Summary of Major Accounting Policies

(1) Scope of consolidation

The accompanying consolidated financial statements include the accounts of the Company and 108 of its subsidiaries for the year ended March 31, 2014. Certain subsidiaries have fiscal years ending on December 31. As a result, adjustments have been made for any significant intercompany transactions which took place during the period between the fiscal year-end of those subsidiaries and the fiscal year-end of the Company.

(2) Elimination and combination

For the purposes of preparing the consolidated financial statements of the Companies, all significant intercompany transactions, account balances and unrealized profits among the Companies have been entirely eliminated. In the elimination, any differences between the cost of investments in subsidiaries and the amount of underlying equity in net assets of the subsidiaries are treated as an asset or a liability and amortized using the straight-line method within 10 years.

(3) Equity method of accounting for investments in nonconsolidated subsidiaries and affiliates

As of March 31, 2014, the Company had 66 nonconsolidated subsidiaries and 94 affiliates (companies 20% to 50% owned). The equity method has been applied to the investments in 65 of the subsidiaries and 47 of the affiliates.

Since the investments in the remaining nonconsolidated subsidiaries and remaining affiliates do not have a material effect on consolidated net income and retained earnings, the investments in these nonconsolidated subsidiaries and affiliates are carried at cost and are not accounted for by the equity method.

(4) Translation of foreign currencies

Foreign currency transactions are translated at the applicable rate of exchange prevailing at the transaction date. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Japanese yen at the applicable rate of exchange prevailing at that date.

Exchange differences are charged or credited to income. Assets and liabilities of foreign consolidated subsidiaries and affiliates accounted for by the equity method are translated into Japanese yen at applicable year-end rates of exchange, and all income and expense accounts are translated at the average rate of exchange prevailing during the year. The resulting translation adjustments are accumulated and included in "Foreign currency translation adjustments" classified as part of net assets.

(5) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments, generally, with original maturities of three months or less that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of change in value because of a change in interest rates.

(6) Securities

Securities are classified into four categories: trading securities, held-to-maturity debt securities, equity securities of nonconsolidated subsidiaries and affiliates and other securities. As of March 31, 2013 and 2014, the Companies did not hold any trading securities.

Held-to-maturity debt securities are stated at amortized cost. Equity securities of nonconsolidated subsidiaries and affiliates are accounted for, with minor exceptions due to materiality, using the equity method of accounting. Other securities whose fair market values are readily determinable are carried at fair value with unrealized gains and losses included as a component of net assets, net of related taxes. Other securities for which it is not practicable to estimate fair value are stated at cost. In cases in which any significant decline in the value of net assets is assessed to be other than temporary, the cost of other securities is written-down by the impaired amount and charged to income. Realized gains and losses are determined by the moving-average cost method and are reflected in the consolidated statement of income.

(7) Allowance for doubtful accounts

An allowance for doubtful accounts is provided in an amount based on past experience with bad debts generally and an evaluation of the collectibility of specific receivables with the possibility of default.

(8) Inventories

Inventories are stated mainly at the lower of first-in, first-out cost or net realizable value.

(9) Property, plant and equipment and depreciation

Fixed assets, including significant renewals and additions, are carried at cost. When these assets are retired or otherwise disposed of, the cost and related depreciation are cleared from the respective accounts, and the net difference less any amount realized on disposal is reflected in earnings.

Principal estimated useful lives are as follows:

Buildings and structures ··3 to 50 years
Machinery, vehicles, equipment and tools ···2 to 20 years

Depreciation is calculated by the declining balance method over the useful life of the asset, except that the straight-line method is applied to the Sakai LPG Plant, certain fixed assets for lease, certain gas generators and buildings purchased since April 1, 1998.

Lease assets are depreciated using the straight-line method over the lease term as the useful life, with zero residual value. However, finance lease transactions that do not transfer ownership of the lease assets and commenced prior to April 1, 2008 or have total lease payments of not more than ¥3 million ($29 thousand) under a single lease contract are accounted for as operating leases.

Maintenance and repairs, including minor renewals and improvements are charged to income as incurred.

(10) Intangible assets

Computer software for internal use is amortized by the straight-line method over the estimated useful life of 5 years.

Other intangible assets are amortized by the straight-line method over the estimated useful lives of the respective assets.

(11) Income taxes

The asset-liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred income taxes are measured by applying currently enacted tax laws. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the change is enacted. Valuation allowances is recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

(12) Accrued bonuses

Accrued bonuses are calculated and provided for based on the estimated amounts of future payments attributable to the services that have been rendered by employees as of the date of the balance sheet.

(13) Retirement benefits

(i) Employees' severance and retirement benefits

To provide for the retirement benefit payments to employees, net defined benefit asset and liability are recorded at the amounts deemed to be incurred at the fiscal year-end, based on the amount of projected benefit obligations and the fair value of plan assets at the fiscal year-end. Net transition obligation is amortized by the straight-line method over a period of 14 years. Prior service cost is amortized by the straight-line method over a period of 12 to 14 years, which is within the average remaining years of service of employees. Actuarial differences are amortized by the straight-line method over a period of 12 to 14 years, which is within the average remaining years of service of employees, commencing with the following period. Unrecognized actuarial differences and unrecognized prior service cost are accrued as remeasurements of defined benefit plans, net of tax, in accumulated other comprehensive income in net assets.

(ii) Retirement benefits for directors and statutory auditors

To provide for the payment of lump-sum retirement benefits to directors and statutory auditors, certain consolidated subsidiaries provide an allowance for retirement benefits to directors and statutory auditors at an amount that would be required by their internal regulations if all directors and statutory auditors retired on the balance sheet date.

(14) Goodwill and negative goodwill

Goodwill, and negative goodwill which was generated on or before March 31, 2010, are amortized on a straight-line basis over a period not to exceed ten years.

(15) Derivative financial instruments

Derivative financial instruments are utilized by the Companies principally to reduce interest rate and foreign exchange rate risks. The Companies have established a control environment which includes policies and procedures for risk assessment and for the approval, reporting and monitoring of transactions involving derivative financial instruments. The Companies do not hold or issue derivative financial instruments for trading purposes.

The Companies are exposed to certain market risks arising from fluctuations in exchange rates and interest rates and manages this risk by entering into forward exchange contracts and swap agreements. The Companies are also exposed to the risk of credit loss in the event of non-performance by the counterparties to the currency and interest. However, the Companies do not anticipate non-performance by any of these counterparties, all of whom are financial institutions with high credit ratings.

Derivative financial instruments are measured at fair value. Hedging transactions which meet the criteria for hedge accounting are accounted for using deferral hedge accounting, which requires the unrealized gain or loss to be deferred as a liability or asset until the loss or gain on the related hedged item is recognized. In addition, certain forward exchange contracts and certain interest rate swap transactions are accounted for using the allocation method and the special method. The allocation method requires that recognized foreign currency receivables and payables covered by forward exchange contracts be translated at contract rates. Under the special method, interest rate swap transactions are accounted for as if the interest rates under those transactions were originally applied to the underlying borrowings and bonds.

(16) Expenses for Research and Development

Expenses for research and development are charged to income when incurred.

(17) Reclassifications

Certain reclassifications of the financial statements for the year ended March 31, 2013 have been made to conform to the presentation for the year ended March 31, 2014.

3. Changes in Accounting Policies

Change in accounting policies that are not distinguishable from change in accounting estimates

Effective from the year ended March 31, 2013, in accordance with the amendment in the Corporate Tax Law, the Company and its domestic subsidiaries have changed the depreciation method for property, plant and equipment acquired on or after April 1, 2012. The depreciation method has been changed to reflect the amended Corporate Tax Law. The effects due to this change in the depreciation method were insignificant on the consolidated financial statements for the year ended March 31, 2013.

Adoption of new accounting standards for retirement benefits

Effective from the year ended March 31, 2014, the Company has adopted the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, hereinafter "Statement No. 26") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012, hereinafter "Guidance No. 25") except the article 35 of the Statement No. 26 and the article 67 of the Guidance No. 25 and unrecognized actuarial differences and unrecognized prior service cost have been recognized and the difference between retirement benefit obligations and plan assets has been recognized as net defined benefit asset and liability.

In accordance with Article 37 of the Statement No. 26, the effect of the change in accounting policies arising from initial adoption has been recognized in remeasurements of defined benefit plans in accumulated other comprehensive income in net assets.

As a result of the adoption, net defined benefit asset in the amount of ¥4,436 million and net defined benefit liability in the amount of ¥5,243 million have been recognized, and accumulated other comprehensive income has decreased by ¥55 million, as of March 31, 2014. Net assets per share have decreased by ¥0.22.

Unapplied accounting standards

– Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012)
– Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)

(1) Summary

From the perspective of improving financial reporting and the trend toward international convergence, Statement No. 26 and Guidance No. 25 have been amended mainly for the accounting treatment for unrecognized actuarial differences and unrecognized prior service costs, the calculation method for projected benefit obligations and current service cost and the enhancement of disclosures.

(2) Effective dates

Amendments relating to the determination of retirement benefit obligations and current service cost are effective from the beginning of the fiscal year ending on or after March 31, 2015.

(3) Effect of application of the standards

The Company and its consolidated domestic subsidiaries are currently in the process of determining the effects of these new standards on the consolidated financial statements.

– Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013)
– Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013)
– Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013)
– Accounting Standard for Earnings Per Share (ASBJ Statement No. 2, September 13, 2013)
– Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2013)
– Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No. 4, September 13, 2013)

(1) Summary

These accounting standards were revised mainly to focus on a) accounting for the change in the interest the parent company owns in its subsidiary upon additional acquisition of the subsidiary's stock while the control of the parent company continues; b) accounting for the acquisition-related costs; c) disclosure of net income and the change from minority interests to non-controlling interests; and d) tentative accounting treatments.

(2) Effective dates

The revised accounting standards are effective from the beginning of the fiscal year ending on or after March 31, 2016. The tentative accounting treatment is effective from the business combination being enforced after the beginning of the fiscal year ending on or after March 31, 2016.

(3) Effect of application of the standards

The Company and its consolidated domestic subsidiaries are currently in the process of determining the effects of these new standards on the consolidated financial statements.

4. U.S. Dollar Amounts

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate as of March 31, 2014, which was ¥102.92 to U.S. $1.00. The translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

5. Accounting Standards for Presentation of Comprehensive Income

Amounts reclassified to net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and the tax effects for each component of other comprehensive income are as follows:

	2013	**2014**	**2014**
Unrealized gains (losses) on securities			
Increase (decrease) during the year	¥ 2,822	**¥ 4,201**	**$ 40,818**
Reclassification adjustments	1,022	**(95)**	**(923)**
Subtotal, before tax	3,844	**4,105**	**39,885**
Tax (expense) or benefit	(1,248)	**(1,862)**	**(18,091)**
Subtotal, net of tax	2,595	**2,243**	**21,793**
Deferred gains (losses) on hedges			
Increase (decrease) during the year	215	**(138)**	**(1,340)**
Subtotal, before tax	215	**(138)**	**(1,340)**
Tax (expense) or benefit	(83)	**46**	**446**
Subtotal, net of tax	131	**(92)**	**(893)**
Foreign currency translation adjustments			
Increase (decrease) during the year	1,919	**2,776**	**26,972**
Reclassification adjustments	45	**8**	**77**
Subtotal, before tax	1,965	**2,784**	**27,050**
Subtotal, net of tax	1,965	**2,784**	**27,050**
Share of other comprehensive income of associates accounted for using equity method			
Increase (decrease) during the year	256	**323**	**3,138**
Reclassification adjustments	2	**—**	**—**
Subtotal, net of tax	258	**323**	**3,138**
Total other comprehensive income	¥ 4,951	**¥ 5,259**	**$ 51,097**

6. Supplemental Information on the Consolidated Statements of Cash Flows

Significant non-cash transactions for the years ended March 31, 2013, and 2014 were as follows:

	2013	**2014**	**2014**
Increase in investment securities due to the dissolution of the employees' retirement benefit trust	¥ —	**¥ 1,720**	**$ 16,712**

7. Financial Instruments

Information on Financial instruments as of March 31, 2013 and 2014 was as follows:

1. Status of financial instruments

(1) Policies for financial instruments

The Group primarily obtains funds through borrowing from banks and the issuance of corporate bonds for funding of its capital expenditures plan. After adequate liquidity has been ensured, the Companies invest temporary excess funds in

Tables show ¥ in millions and US$ in thousands.

deposits with low risk. Additionally, the Companies obtain short-term funds through bank borrowing, etc. The Companies utilize derivative transactions only for hedging purposes and not for speculative or dealing purposes.

(2) Description and risks of financial instruments

Notes and accounts receivable are exposed to customer credit risk. Additionally, some notes and accounts receivable are denominated in foreign currencies and are exposed to exchange rate fluctuation risk. If necessary, the Companies utilize foreign exchange forward contracts to reduce foreign currency risk.

Investments in securities are composed primarily of held-to-maturity debt securities and stocks in companies with which the Companies have business alliances and are exposed to credit risk in relation to issuers and market price fluctuation risk.

Notes and accounts payable such as accounts payable–trade are generally payable within six months. Some notes and accounts payable are denominated in foreign currencies. If necessary, the Companies utilize foreign exchange forward contracts to reduce foreign currency risk.

Borrowings and bonds are mainly for capital expenditures. The longest redemption period is fifteen years after the fiscal year closing date. Because some of these instruments have a variable interest rate, they are exposed to interest rate fluctuation risk. Therefore, the Companies utilize derivative transactions, interest rate swap contracts, to hedge this risk.

Derivative transactions consist of the use of foreign exchange forward contracts for the purpose of hedging exchange rate fluctuation risk related to notes and accounts receivable and notes and accounts payable and interest rate swap contracts for the purpose of hedging interest rate fluctuation risk related to borrowings and bonds. Hedging instruments and hedged items, hedging policy, assessment of hedge effectiveness and hedge accounting are discussed in Note 2(15), "Summary of Major Accounting Policies–Derivative financial instruments."

(3) Risk management of financial instruments

(i) Management of credit risk

(Risk of default by customers and counterparties)

In accordance with the internal policies of the Companies for managing credit risk arising from receivables and long-term loan receivables, each related sales management section monitors the credit worthiness of their main customers and counterparties on a regular basis and monitors due dates and outstanding balances by individual customer. In addition, the Companies are making efforts to quickly identify and mitigate risks of bad debts of customers who are having financial difficulties. In investments in securities, the Companies monitor the financial condition, etc., of the issuing companies on a regular basis. The Companies believe that the credit risk of the derivatives themselves is insignificant as they enter into derivatives only with financial institutions which have a high credit rating.

(ii) Management of market risk (risk arising from fluctuations in foreign exchange rates, interest rates and others)

The Companies utilize foreign exchange forward contracts within the requirements of their business activities in respect to part of their trade receivables and trade liabilities denominated in foreign currencies to mitigate exchange rate fluctuation risk and monitored for each currency respectively and interest rate swap contracts in respect to part of their borrowings and bonds to mitigate interest rate fluctuation risk.

In investments in securities, the Companies review the fair value of these securities and the financial condition of the issuing companies on a quarterly basis. For investments in securities, except held-to-maturity debt securities, the Companies monitor the market price and financial condition of the issuers and regularly evaluate the investment in each company, taking into account the relationship with the counterparty.

The accounting department enters into and manages derivative transactions within the requirements of the Companies' business activities and regulations established by the internal policies of the Companies. Based on policies approved by the Board of Directors, the issuance of bonds and the borrowing of large amounts, etc., are decided only by the Board of Directors. Therefore, foreign exchange forward contracts and interest rate swap contracts in respect to the aforementioned transactions are decided by the Board of Directors at the same time.

(iii) Management of liquidity risk (risk that the Companies may not be able to meet their obligations on scheduled due dates)

The Companies prepare cash flow projections and monitor funding requirements in the accounting department based on reports from each section and maintain fund liquidity.

(4) Supplementary explanation of fair value of financial instruments

The fair value of financial instruments is based on market price, but in cases in which the market price is not available, the fair value is reasonably estimated. As variable factors are incorporated in the estimation of values, values may vary depending on the assumptions used. The contract amount related to derivative transactions under "Note 15, Derivative Transactions," does not express the market risk related to the derivative transactions themselves.

2. Fair values of financial instruments

For financial instruments, amounts recorded on the consolidated balance sheet, the fair values as of March 31, 2013 and 2014 and the difference between the two are set forth in the table below. It should be noted that financial instruments for which it was considered extremely difficult to assess the fair value are not included in the table.

	2013		
	Amounts on consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	¥ 14,382	¥ 14,382	¥ —
(2) Notes and accounts receivable–trade	108,087	108,087	—
(3) Investments in securities			
Held-to-maturity debt securities	1,009	1,011	1
Other securities	22,764	22,764	—
Subsidiaries and affiliates	3,015	2,452	(563)
Total assets	149,260	148,698	(562)
(1) Notes and accounts payable–trade	98,500	98,500	—
(2) Short-term borrowings	36,305	36,305	—
(3) Bonds	8,000	8,015	15
(4) Long-term borrowings	103,324	103,912	587
Total liabilities	246,130	246,734	603
Derivative transactions*			
Transactions to which hedge accounting is not applied	(43)	(43)	—
Transactions to which hedge accounting is applied	239	89	(150)
Total derivative transactions	¥ 196	¥ 45	¥ (150)

	2014		
	Amounts on consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	**¥ 20,995**	**¥ 20,995**	**¥ —**
(2) Notes and accounts receivable–trade	**121,074**	**121,074**	**—**
(3) Investments in securities			
Held-to-maturity debt securities	**1,000**	**1,000**	**0**
Other securities	**29,631**	**29,631**	**—**
Subsidiaries and affiliates	**4,271**	**3,798**	**(473)**
Total assets	**176,974**	**176,501**	**(472)**
(1) Notes and accounts payable–trade	**103,401**	**103,401**	**—**
(2) Short-term borrowings	**45,902**	**45,902**	**—**
(3) Bonds	**8,000**	**8,000**	**0**
(4) Long-term borrowings	**103,429**	**103,774**	**344**
Total liabilities	**260,733**	**261,078**	**344**
Derivative transactions*			
Transactions to which hedge accounting is not applied	**(11)**	**(11)**	**—**
Transactions to which hedge accounting is applied	**100**	**69**	**(31)**
Total derivative transactions	**¥ 89**	**¥ 58**	**¥ (31)**

Tables show ¥ in millions and US$ in thousands.

	2014		
	Amounts on consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	$ 203,993	$ 203,993	$ —
(2) Notes and accounts receivable–trade	1,176,389	1,176,389	—
(3) Investments in securities			
Held-to-maturity debt securities	9,716	9,716	0
Other securities	287,903	287,903	—
Subsidiaries and affiliates	41,498	36,902	(4,595)
Total assets	1,719,529	1,714,933	(4,586)
(1) Notes and accounts payable–trade	1,004,673	1,004,673	—
(2) Short-term borrowings	445,996	445,996	—
(3) Bonds	77,730	77,730	0
(4) Long-term borrowings	1,004,945	1,008,297	3,342
Total liabilities	2,533,356	2,536,708	3,342
Derivative transactions*			
Transactions to which hedge accounting is not applied	(106)	(106)	—
Transactions to which hedge accounting is applied	971	670	(301)
Total derivative transactions	$ 864	$ 563	$ (301)

*The amounts for derivative transactions shown above are net of assets and liabilities. When the net amount results in liabilities, it is shown in parentheses.

(Note 1) The calculation method used to determine fair value of financial instruments and matters related to securities and derivative transactions

Assets

(1) Cash and deposits

(2) Notes and accounts receivable–trade

The book value is used as the fair value for these items as fair value approximates book value due to the short maturity of these instruments.

(3) Investments in securities

The fair value of equity securities is based on market price on securities exchanges. The fair value of bonds is based on market prices on securities exchanges, on quotes obtained from financial institutions or on present discounted value.

Refer to Note 7, "Investments in Securities", for notes on securities categorized by holding purposes.

Liabilities

(1) Notes and accounts payable–trade

(2) Short-term borrowings

The book value is used as the fair value for these items as the fair value approximates book value due to the short maturity of these instruments.

(3) Bonds

The fair value of bonds is based on present value calculated by discounting the sum of future principal and interest payments at rates that would be applied to similar borrowings at the present time.

(4) Long-term borrowings

The fair value of long-term borrowings is based on the present value calculated by discounting the sum of future principal and interest payments at rates that would be applied to similar borrowings at the present time.

(Note 2) Financial instruments with no fair value as of March 31, 2013 and 2014 were as follows:

	2013	2014	2014
Unlisted securities	¥ 2,086	¥ 1,616	$ 15,701
Investments in subsidiaries and affiliates	11,878	11,648	113,175
Investments in capital of subsidiaries and affiliates	1,789	1,802	17,508

Tables show ¥ in millions and US$ in thousands.

(Note 3) The maturity profile of the anticipated future contractual cash flows in relation to the Companies' financial assets as of March 31, 2013 and 2014 was as follows:

	2013			
	Due within 1 year	Due over 1 year but within 5 years	Due over 5 years but within 10 years	Due over 10 years
Cash and deposits	¥ 14,382	¥ —	¥ —	¥ —
Notes and accounts receivable–trade	108,087	—	—	—
Investments in securities				
Held-to-maturity debt securities (Japanese government bonds)	9	—	—	—
Held-to-maturity debt securities (corporate bonds)	—	—	1,000	—
Total	¥ 122,479	¥ —	¥ 1,000	¥ —

	2014			
	Due within 1 year	Due over 1 year but within 5 years	Due over 5 years but within 10 years	Due over 10 years
Cash and deposits	**¥ 20,995**	**¥ —**	**¥ —**	**¥ —**
Notes and accounts receivable–trade	**121,074**	**—**	**—**	**—**
Investments in securities				
Held-to-maturity debt securities (corporate bonds)	**—**	**—**	**1,000**	**—**
Total	**¥ 142,070**	**¥ —**	**¥ 1,000**	**¥ —**

	2014			
	Due within 1 year	Due over 1 year but within 5 years	Due over 5 years but within 10 years	Due over 10 years
Cash and deposits	**$ 203,993**	**$ —**	**$ —**	**$ —**
Notes and accounts receivable–trade	**1,176,389**	**—**	**—**	**—**
Investments in securities				
Held-to-maturity debt securities (corporate bonds)	**—**	**—**	**9,716**	**—**
Total	**$ 1,380,392**	**$ —**	**$ 9,716**	**$ —**

(Note 4) The aggregate annual maturities of bonds and long-term borrowings as of March 31, 2013 and 2014 were as follows:

	2013					
	Due within 1 year	Due over 1 year but within 2 years	Due over 2 years but within 3 years	Due over 3 years but within 4 years	Due over 4 years but within 5 years	Due over 5 years
Short-term borrowings	¥ 36,305	¥ —	¥ —	¥ —	¥ —	¥ —
Bonds	8,000	—	—	—	—	—
Long-term borrowings	25,000	23,606	23,219	12,737	15,673	3,086
Total	¥ 69,305	¥ 23,606	¥ 23,219	¥ 12,737	¥ 15,673	¥ 3,086

	2014					
	Due within 1 year	Due over 1 year but within 2 years	Due over 2 years but within 3 years	Due over 3 years but within 4 years	Due over 4 years but within 5 years	Due over 5 years
Short-term borrowings	**¥ 45,902**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Bonds	**—**	**—**	**—**	**—**	**3,000**	**5,000**
Long-term borrowings	**24,151**	**24,421**	**21,165**	**20,192**	**10,272**	**3,225**
Total	**¥ 70,053**	**¥ 24,421**	**¥ 21,165**	**¥ 20,192**	**¥ 13,272**	**¥ 8,225**

	2014					
	Due within 1 year	Due over 1 year but within 2 years	Due over 2 years but within 3 years	Due over 3 years but within 4 years	Due over 4 years but within 5 years	Due over 5 years
Short-term borrowings	**$ 445,996**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Bonds	**—**	**—**	**—**	**—**	**29,148**	**48,581**
Long-term borrowings	**234,657**	**237,281**	**205,645**	**196,191**	**99,805**	**31,335**
Total	**$ 680,654**	**$ 237,281**	**$ 205,645**	**$ 196,191**	**$ 128,954**	**$ 79,916**

Tables show ¥ in millions and US$ in thousands.

8. Investments in Securities

Investments in held-to-maturity debt securities with fair value as of March 31, 2013 and 2014 consisted of the following:

	2013		
	Book value	Fair value	Unrealized gains (losses)
Securities with fair value exceeding book value			
Japanese government bonds	¥ 9	¥ 9	¥ 0
Corporate bonds	1,000	1,001	1
Total	¥ 1,009	¥ 1,011	¥ 1

	2014		
	Book value	Fair value	Unrealized gains (losses)
Securities with fair value exceeding book value			
Corporate bonds	**¥ 1,000**	**¥ 1,000**	**¥ 0**
Total	**¥ 1,000**	**¥ 1,000**	**¥ 0**

	2014		
	Book value	Fair value	Unrealized gains (losses)
Securities with fair value exceeding book value			
Corporate bonds	**$ 9,716**	**$ 9,716**	**$ 0**
Total	**$ 9,716**	**$ 9,716**	**$ 0**

Investments in other securities with fair value as of March 31, 2013 and 2014 consisted of the following:

	2013		
	Book value	Acquisition cost	Unrealized gains (losses)
Securities with book value exceeding acquisition cost			
Securities	¥ 17,640	¥ 10,677	¥ 6,962
Securities with book value not exceeding acquisition cost			
Securities	5,124	5,793	(668)
Total	¥ 22,764	¥ 16,470	¥ 6,294

	2014		
	Book value	Acquisition cost	Unrealized gains (losses)
Securities with book value exceeding acquisition cost			
Securities	**¥ 28,606**	**¥ 18,050**	**¥ 10,555**
Securities with book value not exceeding acquisition cost			
Securities	**1,025**	**1,181**	**(156)**
Total	**¥ 29,631**	**¥ 19,232**	**¥ 10,399**

	2014		
	Book value	Acquisition cost	Unrealized gains (losses)
Securities with book value exceeding acquisition cost			
Securities	**$ 277,944**	**$ 175,378**	**$ 102,555**
Securities with book value not exceeding acquisition cost			
Securities	**9,959**	**11,474**	**(1,515)**
Total	**$ 287,903**	**$ 186,863**	**$ 101,039**

Total sale of other securities as of March 31, 2013 and 2014 consisted of the following:

	2013	2014	2014
Amount sold	¥ 66	**¥ 1,564**	**$ 15,196**
Total gain on sales	9	**261**	**2,535**
Total loss on sales	¥ 0	**¥ 34**	**$ 330**

The impairment loss of investments in securities was ¥1,032 million and ¥7 million ($68 thousand) for the years ended March 31, 2013 and 2014, respectively.

9. Inventories

Inventories as of March 31, 2013 and 2014 were as follows:

	2013	2014	2014
Merchandise and finished goods	¥ 34,834	**¥ 39,204**	**$ 380,917**
Work-in-process	2,885	**2,614**	**25,398**
Raw materials and supplies	3,276	**3,520**	**34,201**
Total	¥ 40,997	**¥ 45,339**	**$ 440,526**

10. Short-term Borrowings and Long-term Debt

The weighted average interest rate of short-term bank borrowings outstanding as of March 31, 2013 and 2014 were 1.0% and 0.9%, respectively.

Short-term borrowings as of March 31, 2013 and 2014 consisted of the following:

	2013	2014	2014
Secured	¥ 1,295	**¥ 2,740**	**$ 26,622**
Unsecured	35,010	**43,161**	**419,364**
Total	¥ 36,305	**¥ 45,902**	**$ 445,996**

Tables show ¥ in millions and US$ in thousands.

Long-term debt as of March 31, 2013 and 2014 consisted of the following:

	2013	2014	2014
Loans, principally from banks and maturing serially through 2028 with interest ranging from 0.2% to 7.0% (principally 1.0%)			
Secured	¥ 6,098	**¥ 5,576**	**$ 54,178**
Unsecured	97,225	**97,853**	**950,767**
Unsecured bonds			
Floating rate bonds, due March 2014*	5,000	**—**	**—**
1.390% bonds, due September 2013	3,000	**—**	**—**
0.590% bonds, due September 2018	—	**3,000**	**29,148**
0.690% bonds, due September 2021	—	**5,000**	**48,581**
Subtotal	111,324	**111,429**	**1,082,675**
Current portion of long-term debt	(33,000)	**(24,151)**	**(234,657)**
Total	¥ 78,324	**¥ 87,278**	**$ 848,017**

*Floating rate is the six-month Japanese yen TIBOR plus 0.85%, but this rate has been swapped for a fixed interest rate of 3.04% from March 2006 to maturity.

As of March 31, 2013 and 2014, the following assets were pledged as security for short-term borrowings and long-term debt:

Net book value	2013	2014	2014
Land	¥ 6,218	**¥ 6,355**	**$ 61,746**
Buildings and structures	3,750	**3,648**	**35,445**
Machinery, vehicles, equipment and tools	1,691	**1,533**	**14,895**
Investments in securities	94	**589**	**5,722**
Total	¥ 11,755	**¥ 12,127**	**$ 117,829**

The aggregate annual maturities of long-term debt as of March 31, 2014 were as follows:

Year ended March 31,		
2016	**¥ 24,421**	**$ 237,281**
2017	**21,165**	**205,645**
2018	**20,192**	**196,191**
2019	**10,272**	**99,805**
2020 and thereafter	**3,225**	**31,335**
Total	**¥ 79,278**	**$ 770,287**

The Company entered into commitment line contracts with three banks for the efficient management of financial liabilities. The maximum aggregate credit facility available to the Company as of March 31, 2013 and 2014 was ¥10,000 million and ¥10,000 million ($97,162 thousand), respectively. The credit facility has not been used as of March 31, 2013 and 2014.

11. Deferred Taxes

The Company and its domestic subsidiaries are subject to a number of taxes based on earnings which, in the aggregate, resulted in a statutory rate of approximately 38.0% for the years ended March 31, 2013 and 2014. Overseas subsidiaries are subject to income taxes of the countries in which they operate.

Deferred taxes consisted of the following:

	2013	2014	2014
Deferred tax assets			
Tax loss carryforwards	¥ 970	**¥ 985**	**$ 9,570**
Allowance for doubtful accounts	232	**305**	**2,963**
Accrued bonuses	1,623	**1,592**	**15,468**
Allowance for employees' severance and retirement benefits	1,326	**—**	**—**
Net defined benefit liability	—	**1,415**	**13,748**
Accrued enterprise taxes	412	**510**	**4,955**
Intercompany profits and write-downs (inventories, investments in securities and fixed assets)	1,286	**1,294**	**12,572**
Loss on valuation of securities	312	**343**	**3,332**
Loss on cancellation of real estate trust	383	**383**	**3,721**
Impairment loss	814	**860**	**8,356**
Other	2,655	**4,849**	**47,114**
Valuation allowance	(2,797)	**(2,656)**	**(25,806)**
Total deferred tax assets	¥ 7,219	**¥ 9,885**	**$ 96,045**
Deferred tax liabilities			
Gain on contributing marketable securities to a retirement trust	¥ (1,461)	**¥ —**	**$ —**
Reserve for advanced depreciation of noncurrent assets	(314)	**(301)**	**(2,924)**
Unrealized gains on securities	(2,018)	**(3,558)**	**(34,570)**
Unrealized gains on assets and liabilities of consolidated subsidiaries	(1,076)	**(1,076)**	**(10,454)**
Unrealized gains on hedging	(91)	**(44)**	**(427)**
Other	(780)	**(2,016)**	**(19,588)**
Total deferred tax liabilities	(5,743)	**(6,996)**	**(67,975)**
Net deferred tax assets	¥ 1,476	**¥ 2,888**	**$ 28,060**

Tables show ¥ in millions and US$ in thousands.

Reconciliation of the differences between the statutory tax rate and the effective tax rate was as follows:

	2013	**2014**
Statutory tax rate	38.0%	—
Nondeductible expenses for tax purposes	3.9	—
Dividend income	(0.7)	—
Change in valuation allowance	0.7	—
Taxation on per capital basis	1.3	—
Equity in earnings of nonconsolidated subsidiaries and affiliates	(1.0)	—
Other	1.3	—
Effective tax rate	43.5%	—

Note: Information for the year ended March, 31, 2014 is not provided because the difference between the statutory tax rate and the effective tax rate is less than 5%.

Adjustment of deferred tax assets and liabilities for enacted changes in tax laws and rates

According to the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc.," (Act No. 10 of 2014) on March 31, 2014, the special corporate tax for reconstruction will not be imposed for the fiscal year which starts from April 1, 2014.

According to the legislation, the effective tax rate which the Company used for calculation of deferred tax assets and deferred tax liabilities that are expected to be settled in the year ended March 31, 2015, has been changed from 38% to 35.6%.

This change had an insignificant impact on the consolidated financial statements for the year ended March 31, 2014.

12. Employees' Severance and Retirement Benefits

Previous fiscal year (April 1, 2012 to March 31, 2013)

Changes in the benefit obligations and the fair value of the plan assets for the year ended March 31, 2013 were as follows:

	2013
Projected benefit obligation	¥ (17,927)
Fair value of plan assets	20,294
Funded status	2,367
Unrecognized net transition obligation at date of adoption	929
Unrecognized actuarial differences	409
Unrecognized prior service cost	844
Net amount recognized	4,550
Prepaid pension cost	(9,008)
Allowance for employees' severance and retirement benefits	¥ (4,457)

The components of severance and retirement benefit expenses for the year ended March 31, 2013 were as follows:

	2013
Service cost	¥ 1,229
Interest cost	276
Expected return on plan assets	(142)
Amortization of transition obligation	929
Amortization of actuarial differences	(28)
Amortization of prior service cost	124
Other	177
Severance and retirement benefit expenses	¥ 2,565

The assumptions used in the accounting for the plans as of March 31, 2013 were set forth below:

The method of attributing benefits to the period of service was the straight-line method.

	2013
Discount rate	2.0%
Expected return on plan assets	2.0-2.2%
Amortization period for actuarial differences	12-14 years
Amortization period for prior service cost	12-14 years
Amortization period for net transition obligation at date of adoption	14 years

Current fiscal year (April 1, 2013 to March 31, 2014)

The Company and some domestic consolidated subsidiaries have contributory funded defined benefit pension plans and lump-sum benefit plans, and some domestic consolidated subsidiaries have defined contribution plans.

1. Defined benefit plans

(1) Movement in retirement benefit obligations

	2014	**2014**
Balance as of April 1, 2013	**¥ 17,927**	**$ 174,183**
Service cost	**1,240**	**12,048**
Interest cost	**279**	**2,710**
Actuarial loss (gain)	**(247)**	**(2,399)**
Benefits paid	**(1,012)**	**(9,832)**
Other	**120**	**1,165**
Balance as of March 31, 2014	**¥ 18,308**	**$ 177,885**

(2) Movements in plan assets

	2014	**2014**
Balance as of April 1, 2013	**¥ 20,294**	**$ 197,182**
Expected return on plan assets	**177**	**1,719**
Actuarial loss (gain)	**1,282**	**12,456**
Contributions paid by the employer	**1,921**	**18,664**
Benefits paid	**(579)**	**(5,625)**
Return of portion of plan assets	**(5,720)**	**(55,577)**
Other	**124**	**1,204**
Balance as of March 31, 2014	**¥ 17,501**	**$ 170,044**

Tables show ¥ in millions and US$ in thousands.

(3) Reconciliation from retirement benefit obligations and plan assets to liability (asset) for retirement benefits

	2014	2014
Funded retirement benefit obligations	¥ 14,242	$ 138,379
Plan assets	(17,501)	(170,044)
	(3,259)	(31,665)
Unfunded retirement benefit obligations	4,066	39,506
Total net defined benefit liability (asset) as of March 31, 2014	¥ 807	$ 7,841
Net defined benefit liability	¥ 5,243	$ 50,942
Net defined benefit asset	(4,436)	(43,101)
Total net defined benefit liability (asset) as of March 31, 2014	¥ 807	$ 7,841

(4) Retirement benefit costs

	2014	2014
Service cost	¥ 1,240	$ 12,048
Interest cost	279	2,710
Expected return on plan assets	(177)	(1,719)
Amortization of transition obligation	929	9,026
Amortization of actuarial differences	(492)	(4,780)
Amortization of prior service cost	124	1,204
Other	(43)	(417)
Total retirement benefit costs for the year ended March 31, 2014	¥ 1,860	$ 18,072

(5) Remeasurements of defined benefit plans

	2014	2014
Unrecognized prior service cost	¥ 773	$ 7,510
Unrecognized actuarial differences	(627)	(6,092)
Total balance as of March 31, 2014	¥ 145	$ 1,408

(6) Plan assets

(i) Plan assets comprise

	2014
Bonds	28.3%
Equity securities	22.1%
Cash and cash equivalents	30.5%
General account	19.0%
Other	0.1%
Total	100.0%

(ii) Long-term expected rate of return

Current and target asset allocations, historical and expected returns on various categories of plan assets have been considered in determining the long-term expected rate of return.

(7) Actuarial assumptions

The principal actuarial assumptions as of March 31, 2014 are set forth below:

	2014
Discount rate	2.0%
Expected return on plan assets	2.0-2.2%

2. Defined contribution plans

Some domestic consolidated subsidiaries expended ¥248 million ($2,409 thousand) on contributions for defined contribution plans for the year ended March 31, 2014.

3. Multi-employer pension plans

The funded status of the multi-employer pension plans as of March 31, 2013 (based on information available as of March 31, 2014), to which contributions were recorded as net periodic retirement benefit costs, was as follows:

	2014	2014
Fair value of plan assets	¥ 706,711	$ 6,866,605
Benefit obligation in the calculation of pension financing	756,040	7,345,899
Difference	¥ (49,329)	$ (479,294)

The contribution ratio of the Companies to the multi-employer pension plans from April 1, 2013 to March 31, 2014 was 4.0%.

Some domestic consolidated subsidiaries expended ¥155 million ($1,506 thousand) on contributions for the multi-employer pension plans for the year ended March 31, 2014.

In addition, the amount of contribution for withdrawal from the employees' pension fund was ¥322 million ($3,128 thousand) and was recorded in other expenses.

13. Contingent Liabilities

Contingent liabilities as of March 31, 2013 and 2014 were as follows:

	2013	2014	2014
Notes receivable endorsed	¥ 75	¥ 41	$ 398
Recourse obligation for notes receivable sold	731	886	8,608

	2013	2014	2014
Guarantees of loans made by:			
Nonconsolidated subsidiaries and affiliates	¥ 3,136	¥ 585	$ 5,684
Other	5	5	48
Total	¥ 3,142	¥ 591	$ 5,742

Tables show ¥ in millions and US$ in thousands.

14. Leases

As Lessee

As of March 31, 2013 and 2014, lease payments for finance lease transactions that did not transfer ownership and commenced prior to April 1, 2008 were as follows:

	2013	2014	2014
Lease payments	¥ 841	**¥ 459**	**$ 4,459**

The amounts of outstanding future minimum lease payments due as of March 31, 2013 and 2014, including the portion of interest thereon, were as follows:

	2013	2014	2014
Future minimum lease payments			
Due within one year	¥ 459	**¥ 279**	**$ 2,710**
Due over one year	873	**593**	**5,761**
Total	¥ 1,332	**¥ 873**	**$ 8,482**

Assumed acquisition cost, accumulated depreciation, net book value and depreciation of lease assets as of March 31, 2013 and 2014, including the portion of interest thereon, were as follows:

	2013	2014	2014
Acquisition cost	¥ 10,300	**¥ 5,738**	**$ 55,752**
Buildings and structures	76	**68**	**660**
Machinery, vehicles, equipment and tools	10,223	**5,669**	**55,081**
Accumulated depreciation	8,967	**4,865**	**47,269**
Buildings and structures	52	**47**	**456**
Machinery, vehicles, equipment and tools	8,915	**4,817**	**46,803**
Net book value	1,332	**873**	**8,482**
Buildings and structures	24	**21**	**204**
Machinery, vehicles, equipment and tools	1,308	**851**	**8,268**
Depreciation	841	**459**	**4,459**

Depreciation is computed by the straight-line method over the lease term as the useful life with the assumption of no residual value.

Future minimum lease payments under non-cancelable operating leases as of March 31, 2013 and 2014 were as follows:

	2013	2014	2014
Future minimum lease payments			
Due within one year	¥ 2,015	**¥ 1,953**	**$ 18,975**
Due over one year	8,922	**7,646**	**74,290**
Total	¥ 10,937	**¥ 9,600**	**$ 93,276**

As Lessor

Lease investment assets as of March 31, 2013 and 2014 were as follows:

	2013	2014	2014
Amount of lease payments	¥ 1,279	**¥ 999**	**$ 9,706**
Amount equivalent to interest receivable	(58)	**(63)**	**(612)**
Lease investment assets	¥ 1,221	**¥ 935**	**$ 9,084**

The collection schedule for lease payments from lease investment assets after March 31, 2014 was as follows:

Year ended March 31,		
2015	**¥ 368**	**$ 3,575**
2016	**246**	**2,390**
2017	**162**	**1,574**
2018	**108**	**1,049**
2019	**59**	**573**
2020 and thereafter	**53**	**514**
Total	**¥ 999**	**$ 9,706**

Future minimum lease receipts from non-cancelable operating lease transactions as of March 31, 2013 and 2014 were as follows:

	2013	2014	2014
Due within one year	¥ 94	**¥ 95**	**$ 923**
Due over one year	205	**186**	**1,807**
Total	¥ 300	**¥ 281**	**$ 2,730**

15. Impairment Loss of Fixed Assets

The Companies reduced the book value of a portion of idle assets, fixed assets for business use and goodwill for which profitability had declined to net realizable value, and recognized the reduced amount as impairment loss.

(Method of grouping)

The Companies grouped assets based on operating segments for which the Companies reviewed performance and profitability regularly. Idle assets not in operation are treated individually.

Impairment loss recognized for the years ended March 31, 2013 and 2014 was as follows:

Year ended March 31, 2013	2013
Land, buildings and structures	¥ 397
Goodwill, machinery, vehicles, equipment and tools	116
Total	¥ 514

Year ended March 31, 2014	2014	2014
Land	**¥ 222**	**$ 2,157**
Buildings and structures	**407**	**3,954**
Machinery, vehicles, equipment and tools	**44**	**427**
Total	**¥ 674**	**$ 6,548**

Tables show ¥ in millions and US$ in thousands.

16. Derivative Transactions

Derivative transactions to which hedge accounting is not applied

Currency related transactions

	2013			
	Contract amount	Contract amount over 1 year	Fair value*	Valuation gain (loss)
Foreign exchange forward contracts				
To sell	¥ 406	¥ —	¥ 7	¥ 7
To buy	638	—	(50)	(50)
	¥ 1,044	¥ —	¥ (43)	¥ (43)

	2014							
	Contract amount	Contract amount over 1 year	Fair value*	Valuation gain (loss)	Contract amount	Contract amount over 1 year	Fair value*	Valuation gain (loss)
Foreign exchange forward contracts								
To sell	**¥ 835**	**¥ —**	**¥ (5)**	**¥ (5)**	**$ 8,113**	**$ —**	**$ (48)**	**$ (48)**
To buy	**647**	**—**	**(5)**	**(5)**	**6,286**	**—**	**(48)**	**(48)**
	¥ 1,482	**¥ —**	**¥ (11)**	**¥ (11)**	**$ 14,399**	**$ —**	**$ (106)**	**$ (106)**

*Fair values are based on quotes obtained from financial institutions.

Derivative transactions to which hedge accounting is applied

(1) Currency related transactions

	2013			
	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value*1
Principle method	Foreign exchange forward transactions			
Foreign exchange forward contracts				
To sell				
U.S. dollars		¥ 650	¥ —	¥ (7)
Other currencies		31	—	(1)
To buy				
U.S. dollars		2,916	—	204
Other currencies		785	160	43
Allocation method Foreign exchange forward contracts				
To sell				
U.S. dollars*2	Accounts receivable	¥ 1,321	¥ —	¥ —
Other currencies*2	Accounts receivable	28	—	—
To buy				
U.S. dollars*2	Accounts payable	1,803	—	—
Other currencies*2	Accounts payable	57	—	—
		¥ 7,595	¥ 160	¥ 239

Tables show ¥ in millions and US$ in thousands.

	2014							
	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value*1	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value*1
Principle method	**Foreign exchange forward transactions**				**Foreign exchange forward transactions**			
Foreign exchange forward contracts								
To sell								
U.S. dollars		**¥ 1,143**	**¥ —**	**¥ (30)**		**$ 11,105**	**$ —**	**$ (291)**
Other currencies		**11**	**—**	**0**		**106**	**—**	**0**
To buy								
U.S. dollars		**9,678**	**—**	**54**		**94,034**	**—**	**524**
Other currencies		**902**	**—**	**77**		**8,764**	**—**	**748**
Allocation method Foreign exchange forward contracts								
To sell								
U.S. dollars*2	**Accounts receivable**	**1,802**	**—**	**—**	**Accounts receivable**	**17,508**	**—**	**—**
Other currencies*2	**Accounts receivable**	**151**	**—**	**—**	**Accounts receivable**	**1,467**	**—**	**—**
To buy								
U.S. dollars*2	**Accounts payable**	**5,141**	**—**	**—**	**Accounts payable**	**49,951**	**—**	**—**
Other currencies*2	**Accounts payable**	**47**	**—**	**—**	**Accounts payable**	**456**	**—**	**—**
		¥ 18,879	**¥ —**	**¥ 100**		**$ 183,433**	**$ —**	**$ 971**

*1 Fair values are based on quotes obtained from financial institutions.
*2 The hedged foreign currency receivables and payables were recorded using the Japanese yen amounts at the contracted forward rate, and no gains or losses on the foreign exchange forward contracts were recorded. The fair values of foreign exchange forward contracts were included in accounts receivable and accounts payable.

(2) Interest related transactions

	2013			
	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value*1
Interest rate swap contracts				
Pay fixed, receive variable*2	Long-term borrowings and bonds	¥ 10,896	¥ 5,521	¥ (150)

	2014							
	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value*1	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value*1
Interest rate swap contracts								
Pay fixed, receive variable*2	**Long-term borrowings**	**¥ 5,521**	**¥ 5,072**	**¥ (31)**	**Long-term borrowings**	**$ 53,643**	**$ 49,280**	**$ (301)**

*1 Fair values are based on quotes obtained from financial institutions.
*2 The net amount to be paid or received under interest rate swap contracts was added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

Tables show ¥ in millions and US$ in thousands.

17. Earnings Per Share

The basis of calculating net income per share for the years ended March 31, 2013 and 2014 was as follows:

Year ended March 31	2013	2014	2014
Net income	¥ 8,026	**¥ 10,466**	**$ 101,690**
Net income attributable to common stockholders	8,026	**10,466**	**101,690**
Net income not attributable to common stockholders	—	**—**	**—**

		(Thousands)
Weighted average number of shares outstanding	244,093	**246,065**

*Diluted net income per share has not been presented for the years ended March 31, 2013 and 2014 because the Company had no potentially dilutive shares outstanding as of these balance sheet dates.

18. Net Assets

Under the Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus. Under the Japanese Corporate Law ("The Law"), in cases in which a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend and the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve and additional paid-in capital may not be distributed as dividends. By the resolution of shareholders' meeting, legal earnings reserve and additional paid-in capital may be transferred to other retained earnings and capital surplus, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Law.

Cash dividends charged to retained earnings during the two years ended March 31, 2014 represent dividends paid out during those periods. The accompanying consolidated financial statements do not include any provision for the year-end dividend of ¥7 ($0.068) per share, aggregating ¥1,724 million ($16,750 thousand), which was approved at the Company's shareholders' meeting on June 27, 2014, in respect of the year ended March 31, 2014.

19. Expenses for Research and Development

Research and development expenses charged to selling, general and administrative expenses for the years ended March 31, 2013 and 2014 were ¥ 683 million and ¥ 1,368 million ($ 13,291 thousand), respectively.

20. Other Revenue (Expenses)

Other, net consisted of the following:

	2013	2014	2014
Gain (loss) on sales of investments in securities	¥ 21	**¥ 222**	**$ 2,157**
Loss on valuation of investments in securities	(1,032)	**(7)**	**(68)**
Gain (loss) on sales and disposal of fixed assets	(504)	**(218)**	**(2,118)**
Loss on liquidation of subsidiaries and affiliates	(46)	**(5)**	**(48)**
Gain (loss) on sales of investments in capital	11	**12**	**116**
Loss on valuation of investments in capital	—	**(120)**	**(1,165)**
Loss (gain) on liquidation of investments in capital	11	**—**	**—**
Foreign exchange gains (losses)	925	**711**	**6,908**
Sales discounts	(509)	**(492)**	**(4,780)**
Amortization of negative goodwill	116	**114**	**1,107**
Gain on negative goodwill	142	**172**	**1,671**
Retirement benefits for directors and statutory auditors	(29)	**(5)**	**(48)**
Gain (loss) on step acquisitions	—	**(8)**	**(77)**
Subsidy income	—	**500**	**4,858**
Loss on reduction of noncurrent assets	—	**(500)**	**(4,858)**
Loss on withdrawal from the employees' pension fund	—	**(322)**	**(3,128)**
Other, net	1,433	**1,063**	**10,328**
Total	¥ 538	**¥ 1,115**	**$ 10,833**

21. Business Combination

Previous fiscal year (April 1, 2012 to March 31, 2013)

(Transactions under common control)

Acquisition of 100% ownership of Iwatani Industrial Gases Corporation through share exchange

The Company resolved at the Board of Directors meeting held on November 8, 2012 to conduct a share exchange ("Share Exchange") between the Company as a wholly owing parent company and Iwatani Industrial Gases Corporation ("IIG") as a wholly owned subsidiary and concluded a share exchange agreement with IIG on the same day.

In accordance with the share exchange agreement, the Company carried out the share exchange effective January 1, 2013, resulting in IIG becoming a wholly owned subsidiary.

(1) Outline of the business combination

1) Name and main business of the companies under the business combination

Tables show ¥ in millions and US$ in thousands.

(a) Acquisition company
(the wholly owning parent company in share exchange)
Name: Iwatani Corporation
Main business: Energy business, industrial gases business, and other businesses

(b) Acquired company
(the wholly owned subsidiary company in share exchange)
Name: Iwatani Industrial Gases Corporation
Main business: Manufacture and sales of various gases and manufacture and sales of production and supply facilities, containers and equipment for various gases

2) Date of combination
January 1, 2013

3) Legal method used for combination
Share exchange with the Company as a wholly owing parent company and IIG as a wholly owned subsidiary

4) Name of company after combination
Unchanged

5) Outline and purpose of transaction
The Share Exchange will establish a more stable capital relationship between the Company and IIG, which manufactures industrial gases. The Company assessed that even more enhanced cooperation will enable IIG to strengthen and broaden its business base. By means of this Share Exchange, the Companies will better address the changes in the competitive business environment and aim at expanding revenues in the industrial gases and welding business.

(2) Outline of accounting policy applied

The Company accounted for the Share Exchange as a transaction under common control based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

(3) Information on acquisition of additional shares of the subsidiary

1) Acquisition cost and its breakdown

	2013
Consideration for acquisition (common stock of the Company)	¥ 870
Expenditures directly required for acquisition (advisory fees, etc.)	34
Total acquisition cost	¥ 904

2) Exchange ratio by class of shares, calculation methods and number of shares delivered

(a) Exchange ratio by class of shares
The Company allotted and delivered 0.96 common shares of the Company for one common share of IIG. However, no shares were allotted for 29,436,625 common shares of IIG owned by the Company.

(b) Calculation method of share exchange ratio
The Company and IIG respectively obtained calculations of the share exchange ratio for the Share Exchange from independent third-party institutions. Based on the results, the Company and IIG negotiated and agreed that the share exchange ratio was appropriate.

(c) Number of shares delivered
2,718,888 common shares (including 2,718,888 shares allotted and delivered for treasury stock)

3) Amount of gain on negative goodwill recognized and reason for recognition

(a) Amount of gain on negative goodwill recognized
¥105 million

(b) Reason for recognition
Gain on negative goodwill was attributable to minority interests which decreased as a result of the Share Exchange exceeding the acquisition cost of the subsidiary's shares additionally acquired.

22. Segment Information

1. General information about reportable segments

The Company's reportable segments are regularly reviewed by the Board of Directors using the financial information available within each segment to determine the allocation of management resources and evaluate business results. The Company maintains commercial divisions classified by merchandise and products. Each commercial division develops comprehensive business strategies for Japan and the world. Therefore, the Company is organized by operating segments which are classified by merchandise, products and sales channels based on commercial divisions.

From the year ended March 31, 2014, the reportable segments have been changed from five segments to four. The four segments are the Energy Business segment, the Industrial Gases & Machinery Business segment, the Materials Business segment and the Agri-bio & Foods Business segment. The Industrial Gases & Machinery Business segment consists of the previous segments, the Industrial Gases & Welding Business segment and the Electronics & Machinery Business segment.

The segment information of the year ended March 31, 2013 is disclosed in line with the reportable segments after the organization change.

Tables show ¥ in millions and US$ in thousands.

The main products of the four reportable segments were as follows:

(1) Energy: LPG for household, commercial and industrial use, LPG supply equipment and facilities, LNG, petroleum products, household kitchen appliances, home energy components, daily necessities, portable cooking stoves, gas canisters, mineral water, etc.

(2) Industrial Gases & Machinery: air-separation gases, hydrogen, helium, other specialty gases, gas supply facilities, welding materials, welding and cutting equipment, industrial machinery and facilities, industrial robots, pumps and compressors, disaster prevention equipment, high-pressure gas equipment, semiconductor manufacturing equipment, electronic component manufacturing equipment, factory automation systems, medicine and food packing machinery, environmental equipment, etc.

(3) Materials: stainless steel, non-ferrous metals, functional plastic products, electronic display materials, mineral sand, rare earth metals, etc.

(4) Agri-bio & Foods: frozen vegetables and fruits, health foods, livestock related products, agri-bio related goods, food plant sanitation management, etc.

2. Basis of measurement for reported segment profit and loss, segment assets and other material items by reportable segment

Accounting methods for reportable segments are basically the same as the accounting methods described in "Basis of Presenting Consolidated Financial Statements." Income by reportable segment is equivalent to operating income. Intersegment sales and transfers are based on market values.

As described in "Change in accounting policies that are not distinguishable from change in accounting estimates," and in accordance with the amendment in the Corporate Tax Law, effective from the year ended March 31, 2013, the Company and its domestic subsidiaries have changed the depreciation method for property, plant and equipment acquired on or after April 1, 2012. The depreciation method for the reporting segments has been changed to reflect the amended Corporate Tax Law. The effects due to this change in the depreciation method are insignificant on the consolidated financial statements for the year ended March 31, 2013.

3. Information related to sales, operating income (loss), assets and other items by reportable segment

	2012								
	Reportable Segment								
	Energy	Industrial Gases & Machinery	Materials	Agri-bio & Foods	Subtotal	Others*[1]	Total	Adjustments*[2]	Consolidated statements of operations*[3]
Net sales									
Outside customers	¥ 358,078	¥ 145,092	¥ 118,041	¥ 23,672	¥ 644,885	¥ 12,121	¥ 657,006	¥ —	¥ 657,006
Intersegment	7,043	5,674	5,659	254	18,632	19,849	38,482	(38,482)	—
Total	365,122	150,767	123,701	23,927	663,517	31,970	695,488	(38,482)	657,006
Segment income	¥ 11,027	¥ 3,936	¥ 1,816	¥ 505	¥ 17,286	¥ 1,197	¥ 18,483	¥ (1,774)	¥ 16,709
Segment assets	¥ 157,505	¥ 96,589	¥ 53,203	¥ 9,204	¥ 316,501	¥ 44,480	¥ 360,982	¥ 25,320	¥ 386,302
Other items:									
Depreciation and amortization	¥ 5,617	¥ 3,902	¥ 932	¥ 163	¥ 10,616	¥ 3,176	¥ 13,792	¥ 541	¥ 14,334
Impairment loss of fixed assets	1	—	116	—	118	—	118	396	514
Amortization of goodwill	2,028	605	66	95	2,796	—	2,796	—	2,796
Increase in fixed assets and intangible assets	9,390	3,160	649	107	13,308	3,143	16,451	4,189	20,641

Tables show ¥ in millions and US$ in thousands.

	2014								
	Reportable Segment					Others*1	Total	Adjustments*2	Consolidated statements of operations*3
	Energy	Industrial Gases & Machinery	Materials	Agri-bio & Foods	Subtotal				
Net sales									
Outside customers	¥ 386,718	¥ 151,474	¥ 126,885	¥ 26,378	¥ 691,456	¥ 12,466	¥703,923	¥ —	¥ 703,923
Intersegment	7,272	6,637	5,708	242	19,861	20,859	40,720	(40,720)	—
Total	393,990	158,111	132,593	26,621	711,318	33,326	744,644	(40,720)	703,923
Segment income	¥ 12,075	¥ 4,753	¥ 2,683	¥ 573	¥ 20,086	¥1,027	¥21,114	(2,595)	¥ 18,518
Segment assets	¥ 165,093	¥ 108,984	¥ 59,738	¥ 9,633	¥ 343,449	¥ 45,055	¥388,505	¥ 27,714	¥ 416,219
Other items:									
Depreciation and amortization	¥ 5,286	¥ 4,312	¥ 938	¥ 173	¥ 10,710	¥ 3,013	¥13,724	¥ 1,338	¥ 15,062
Impairment loss of fixed assets	31	57	—	406	496	—	496	178	674
Amortization of goodwill	2,008	602	22	26	2,660	—	2,660	—	2,660
Increase in fixed assets and intangible assets	6,844	4,293	1,057	431	12,627	2,666	15,293	3,550	18,843

	2014								
	Reportable Segment					Others*1	Total	Adjustments*2	Consolidated statements of operations*3
	Energy	Industrial Gases & Machinery	Materials	Agri-bio & Foods	Subtotal				
Net sales									
Outside customers	$ 3,757,462	$ 1,471,764	$ 1,232,850	$ 256,296	$ 6,718,383	$ 121,123	$ 6,839,516	$ —	$ 6,839,516
Intersegment	70,656	64,486	55,460	2,351	192,975	202,671	395,647	(395,647)	—
Total	3,828,118	1,536,251	1,288,311	258,657	6,911,368	323,804	7,235,172	(395,647)	6,839,516
Segment income	$ 117,324	$ 46,181	$ 26,068	$ 5,567	$ 195,161	$ 9,978	$ 205,149	$ (25,213)	$ 179,926
Segment assets	$ 1,604,090	$ 1,058,919	$ 580,431	$ 93,596	$ 3,337,048	$ 437,767	$ 3,774,825	$ 269,277	$ 4,044,102
Other items:									
Depreciation and amortization	$ 51,360	$ 41,896	$ 9,113	$ 1,680	$ 104,061	$ 29,275	$ 133,346	$ 13,000	$ 146,346
Impairment loss of fixed assets	301	553	—	3,944	4,819	—	4,819	1,729	6,548
Amortization of goodwill	19,510	5,849	213	252	25,845	—	25,845	—	25,845
Increase in fixed assets and intangible assets	66,498	41,712	10,270	4,187	122,687	25,903	148,591	34,492	183,083

*1 "Others" is an operating segment not included in reportable segments. "Others" represents financial, insurance, transportation, warehouse, information processing, etc.
*2 Adjustments are as follows:
(1) Adjustments for segment income include companywide expenses not allocated to each segment and the elimination of intersegment transactions.
(2) Adjustments for segment assets is mainly assets in cash, deposits and investments in securities of the Company along with general and administrative departments of the Company.
(3) Adjustments for depreciation and amortization is mainly depreciation and amortization for general and administrative departments of the Company.
(4) Adjustments for impairment loss of fixed assets is mainly impairment loss within the general and administrative departments of the Company.
(5) Adjustments for increase in fixed assets and intangible assets is increase in fixed assets and intangible assets for general and administrative departments of the Company.
(6) "Depreciation and amortization" and "Increase in fixed assets and intangible assets" include long-term prepaid expenses and its amortization.
*3 Segment income is adjusted with operating income of the consolidated statements of income.

(Related Information)

1. Information about products and services

Since the segments' products and services are the same as those for the reportable segments, information for products and services is omitted.

2. Information about geographic areas

(1) Net sales

2013				
Japan	East Asia	Southeast Asia	Others	Total
¥ 600,721	¥ 35,224	¥ 12,256	¥ 8,803	¥ 657,006

Notes: 1. Net sales are classified by country or region based on the locations of customers.
2. Main countries and regions outside Japan are grouped as follows.
(1) East Asia..................... China, Taiwan, South Korea
(2) Southeast Asia............ Singapore, Thailand, Malaysia, Indonesia
(3) Others......................... United States, Australia, Germany

Tables show ¥ in millions and US$ in thousands.

2014									
Japan	East Asia	Southeast Asia	Others	Total	Japan	East Asia	Southeast Asia	Others	Total
¥ 637,180	**¥ 42,179**	**¥ 13,457**	**¥ 11,106**	**¥ 703,923**	**$ 6,191,022**	**$ 409,823**	**$ 130,752**	**$ 107,909**	**$ 6,839,516**

Notes: 1. Net sales are classified by country or region based on the locations of customers.
2. Main countries and regions outside Japan are grouped as follows.
(1) East Asia.................... China, Taiwan, South Korea
(2) Southeast Asia........... Singapore, Thailand, Malaysia, Indonesia
(3) Others........................ United States, Australia, Germany

(2) Tangible fixed assets

Since tangible fixed assets in Japan account for over 90% of tangible fixed assets on the consolidated balance sheets, tangible fixed assets are omitted.

3. Information about major customers

Since sales to no customer account for 10% or more of the net sales on the consolidated statements of income, information by major customer is omitted.

(Information on amortization of goodwill and unamortized balance by reportable segment)

	2013							
	Reportable Segment					Others*	Corporate assets and elimination	Total
	Energy	Industrial Gases & Welding	Materials	Agri-bio & Foods	Subtotal			
Goodwill								
Amortization	¥ 2,028	¥ 605	¥ 66	¥ 95	¥ 2,796	¥ —	¥ —	¥ 2,796
Balance at end of year	10,032	4,782	115	111	15,042	—	—	15,042
Negative goodwill								
Amortization	¥ 50	¥ 2	¥ 64	¥ —	¥ 116	¥ —	¥ —	¥ 116
Balance at end of year	81	0	198	—	280	—	—	280

	2014							
	Reportable Segment					Others*	Corporate assets and elimination	Total
	Energy	Industrial Gases & Welding	Materials	Agri-bio & Foods	Subtotal			
Goodwill								
Amortization	**¥ 2,008**	**¥ 602**	**¥ 22**	**¥ 26**	**¥ 2,660**	**¥ —**	**¥ —**	**¥ 2,660**
Balance at end of year	**9,669**	**4,180**	**92**	**85**	**14,027**	**—**	**—**	**14,027**
Negative goodwill								
Amortization	**¥ 50**	**¥ 0**	**¥ 63**	**¥ —**	**¥ 114**	**¥ —**	**¥ —**	**¥ 114**
Balance at end of year	**31**	**0**	**134**	**—**	**166**	**—**	**—**	**166**

	2014							
	Reportable Segment					Others*	Corporate assets and elimination	Total
	Energy	Industrial Gases & Welding	Materials	Agri-bio & Foods	Subtotal			
Goodwill								
Amortization	**$ 19,510**	**$ 5,849**	**$ 213**	**$ 252**	**$ 25,845**	**$ —**	**$ —**	**$ 25,845**
Balance at end of year	**93,946**	**40,614**	**893**	**825**	**136,290**	**—**	**—**	**136,290**
Negative goodwill								
Amortization	**$ 485**	**$ 0**	**$ 612**	**$ —**	**$ 1,107**	**$ —**	**$ —**	**$ 1,107**
Balance at end of year	**301**	**0**	**1,301**	**—**	**1,612**	**—**	**—**	**1,612**

*"Others" is an operating segment which is not included in the reportable segments. "Others" represents insurance, transportation and warehouse.

(Information on gain on negative goodwill by reportable segment)

No significant gain on negative goodwill is omitted.

Tables show ¥ in millions and US$ in thousands.

Independent Auditors' Report

To the Board of Directors of Iwatani Corporation:

We have audited the accompanying consolidated financial statements of Iwatani Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2014 and 2013, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and 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 our judgement, 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, we consider 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, while the objective of the financial statement audit is 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 present fairly, in all material respects, the financial position of Iwatani Corporation and its consolidated subsidiaries as at March 31, 2014 and 2013, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2014 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 4 to the consolidated financial statements.

KPMG AZSA LLC

July 4, 2014
Osaka, Japan

Iwatani Corporation

Osaka Head Office
6-4, Hommachi 3-chome, Chuo-ku, Osaka 541-0053, Japan
Tel: 81-6-7637-3310 Fax: 81-6-7637-3535

Tokyo Head Office
21-8, Nishi-Shimbashi 3-chome, Minato-ku, Tokyo 105-8458, Japan
Tel: 81-3-5405-5711 Fax: 81-3-5405-5640

Corporate Website
http://www.iwatani.co.jp/eng/

FSC www.fsc.org MIX Paper from responsible sources FSC® C017928

Printed in Japan