



**Overview of Business Results**  
**for the Fiscal Year Ended March 31, 2014 (FY2013)**  
**[Japanese Standard Form](Consolidated)**

Name of the company: Iwatani Corporation  
 Code: 8088  
 Name of Representative: Masao Nomura, President  
 Date of ordinary general meeting of shareholders: June 27, 2014  
 Date of filing financial report: June 30, 2014  
 Earnings supplementary explanatory documents: **Yes**  
 Earnings presentation: **Yes**

Share traded: TSE and NSE first sections  
 URL <http://www.iwatani.co.jp/eng/>  
 Date of distribution of dividends: June 30, 2014

Note: Figures less than 1 million are rounded down

**1. Consolidated Financial Results for Fiscal Year Ended March 2014**  
 (For the period from April 1, 2013 to March 31, 2014)

**(1) Consolidated Operating Results** (Figures in % refer to changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2013	703,923	7.1	18,518	10.8	19,258	10.6	10,466	30.4
FY2012	657,006	(0.6)	16,709	(12.8)	17,406	(10.9)	8,026	(23.9)

(Notes) Comprehensive income: FY2013 16,384 million yen (19.7%) FY2012 13,691 million yen (30.3%)

	Net income per share	Net income per share after dilution	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY2013	42.53	—	11.6	4.8	2.6
FY2012	32.88	—	10.4	4.5	2.5

(Reference) Equity in earnings of nonconsolidated subsidiaries and affiliates: FY2013 769 million yen FY2012 400 million yen

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
FY2013	416,219	105,058	23.2	393.15
FY2012	386,302	90,903	21.5	337.74

(Reference) Equity capital: FY2013 96,725 million yen FY2012 83,121 million yen

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY2013	22,653	(20,978)	3,039	20,440
FY2012	24,422	(18,800)	(11,244)	14,026

**2. Dividends**

	Dividend per share					Total dividend paid (annual)	Payout ratio (consolidated)	Dividend rate to net assets (consolidated)
	1Q End	2Q End	3Q End	Year-end	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
FY2012	—	—	—	7.00	7.00	1,725	21.3	2.2
FY2013	—	—	—	7.00	7.00	1,724	16.5	1.9
FY2014 (Forecast)	—	—	—	7.00	7.00		16.4	

**3. Consolidated Results Forecast for FY2014 (April 1, 2014 – March 31, 2015)**

(Figures in % represent forecasted changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
1H FY2014	317,200	2.8	3,500	15.4	3,500	0.5	1,700	(4.2)	6.90
FY2014	724,800	3.0	19,500	5.3	19,500	1.3	10,500	0.3	42.67

This document is an English translation of a statement written initially in Japanese. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**\*Notes**

(1) Changes in important subsidiaries during the period

(Changes in specific subsidiaries resulting in changes in the scope of consolidation): **None**

New : —(Company name: —)

Excluded : —(Company name: —)

(2) Changes in accounting policies, changes in accounting estimates, and restatements

①Changes in accounting policies caused by revision of accounting standards: **Yes**

②Changes in accounting policies other than ①: **None**

③Changes in accounting estimates: **None**

④Restatements: **None**

(Note) From the fiscal 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 ¥ 5243 million have been recognized, and accumulated other comprehensive income has decreased by ¥ 55 million, at the end of the fiscal year ended March 31, 2014. Net assets per share have decreased by ¥ 0.22.

(3) Number of outstanding shares (common stock)

①Number of outstanding shares (common stock) at end of period (Treasury stocks are included)

②Number of treasury stocks at end of period

③Average number of shares outstanding

①	FY2013	251,365,028	FY2012	251,365,028
②	FY2013	5,342,931	FY2012	5,255,904
③	FY2013	246,065,274	FY2012	244,093,092

(Reference) Summary of nonconsolidated financial results

Nonconsolidated Financial Results for Fiscal Year Ended March 2014

(For the period from April 1, 2013 to March 31, 2014)

(1) Operating results

(Figures in % refer to changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2013	503,535	6.8	6,425	(13.4)	8,566	(12.0)	5,808	5.3
FY2012	471,519	(3.0)	7,421	(19.2)	9,730	(7.7)	5,516	3.9

	Net income per share		Net income per share after dilution	
	yen		yen	
FY2013	23.57		—	
FY2012	22.57		—	

(2) Financial Position

	Total assets		Net assets		Equity capital ratio		Net assets per share	
	million yen		million yen		%		yen	
FY2013	287,685		69,744		24.2		283.07	
FY2012	272,066		63,736		23.4		258.64	

(Reference) Equity capital: FY2013 69,744 million yen FY2012 63,736 million yen

**\*Information about audit procedure execution**

This Overview of Business Results is exempt from the audit procedure based upon the Financial Instruments and Exchange Act. The audit procedure for consolidated financial statements has not been completed, at the time of release of this report.

**\*Explanations and other matters of special note in regard to appropriate use of business results forecasts**

The aforementioned forecasts were prepared based on information obtainable as of the date of release of this document, and which do not intend for the Company to guarantee its materialization. Going forward, due to variety of factors, actual results may differ from estimated values.

## 4. Consolidated Balance Sheets

	(Unit: million yen)	
	FY2012 (As of Mar 31, 2013)	FY2013 (As of Mar 31, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	14,382	20,995
Notes and accounts receivable-trade	108,087	121,074
Merchandise and finished goods	34,834	39,204
Work-in-process	2,885	2,614
Raw materials and supplies	3,276	3,520
Deferred tax assets	3,041	3,251
<b>Other</b>	12,895	11,612
Allowance for doubtful accounts	(624)	(778)
<b>Total current assets</b>	<b>178,779</b>	<b>201,495</b>
<b>Fixed assets</b>		
Property, plant and equipment		
Buildings and structures, net	28,701	28,867
Storage facilities, net	3,886	4,275
Machinery and vehicles, net	24,853	27,311
Tools and equipment, net	10,322	10,449
Land	54,917	55,735
Lease assets, net	3,586	3,585
Construction in progress	920	2,211
<b>Total property, plant and equipment</b>	<b>127,188</b>	<b>132,436</b>
<b>Intangible assets</b>		
Goodwill	15,042	14,027
Other	2,663	2,890
<b>Total intangible assets</b>	<b>17,705</b>	<b>16,917</b>
<b>Investments and other assets</b>		
Investments in securities	42,534	49,971
Long-term loans receivable	716	322
Net defined benefit assets	-	4,436
Deferred tax assets	2,363	2,731
Other	17,874	8,731
Allowance for doubtful accounts	(860)	(824)
<b>Total investments and other assets</b>	<b>62,629</b>	<b>65,369</b>
<b>Total fixed assets</b>	<b>207,523</b>	<b>214,724</b>
<b>Total assets</b>	<b>386,302</b>	<b>416,219</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	98,500	103,401
Short-term borrowings	36,305	45,902
Current portion of long-term borrowings	25,000	24,151
Current portion of bonds	8,000	-
Lease liabilities	669	777
Income taxes payable	4,880	7,038
Accrued bonuses	4,283	4,484
Other	21,298	19,451
<b>Total current liabilities</b>	<b>198,938</b>	<b>205,206</b>
<b>Long-term liabilities</b>		
Bonds	-	8,000
Long-term borrowings	78,324	79,278
Lease liabilities	3,078	2,990
Deferred tax liabilities	3,928	3,093
Allowance for employees' severance and retirement benefits	4,457	-
Allowance for retirement benefits for directors and statutory auditors	1,114	1,190
Net defined benefit liability	-	5,243
Negative goodwill	280	166
Other	5,277	5,991
<b>Total long-term liabilities</b>	<b>96,461</b>	<b>105,954</b>
<b>Total liabilities</b>	<b>295,399</b>	<b>311,161</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	20,096	20,096
Capital surplus	18,042	18,042
Retained earnings	43,637	52,339
Treasury stock, at cost	(1,409)	(1,452)
<b>Total shareholders' equity</b>	<b>80,367</b>	<b>89,025</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gains (losses) on securities	4,251	6,492
Deferred gains (losses) on hedges	148	55
Foreign currency translation adjustments	(1,646)	1,207
Remeasurements of defined benefit plans	-	(55)
<b>Total accumulated other comprehensive income</b>	<b>2,754</b>	<b>7,700</b>
<b>Minority interests</b>	<b>7,781</b>	<b>8,332</b>
<b>Total net assets</b>	<b>90,903</b>	<b>105,058</b>
<b>Total liabilities and net assets</b>	<b>386,302</b>	<b>416,219</b>

## 5. Consolidated Statements of Income

	(Unit: million yen)	
	FY2012	FY2013
	(Apr. 1, 2012 - Mar. 31, 2013)	(Apr. 1, 2013 - Mar. 31, 2014)
Net sales	657,006	703,923
Cost of sales	517,243	557,130
Gross profit	139,763	146,792
Selling, general and administrative expenses		
Transportation cost	19,961	20,909
Provision for allowance for doubtful accounts	(115)	301
Salaries, wages and bonuses	33,086	34,267
Provision for allowance for employees' bonuses	3,746	4,021
Retirement benefits expenses	2,585	2,063
Provision for allowance for retirement benefits for directors and statutory auditors	209	215
Depreciation and amortization	10,492	10,206
Rent expenses	9,727	9,609
Commissions	7,405	7,821
Amortization of goodwill	2,771	2,636
Other	33,182	36,221
Total selling, general and administrative expenses	123,053	128,274
Operating income	16,709	18,518
Non-operating income		
Interest income	239	238
Dividends income	473	514
Foreign exchange gains	925	711
Amortization of negative goodwill	116	114
Equity in earnings of nonconsolidated subsidiaries and affiliates	400	769
Other	2,259	1,842
Total non-operating income	4,415	4,191
Non-operating expenses		
Interest expenses	2,382	2,179
Sales discounts	509	492
Other	825	779
Total non-operating expenses	3,718	3,451
Ordinary income	17,406	19,258
Extraordinary income		
Gain on sales of fixed assets	380	115
Gain on sales of investments in securities	21	261
Gain on sales of investments in capital	11	12
Gain on liquidation of investments in capital	11	-
Gain on negative goodwill	142	172
Subsidy income	-	500
Total extraordinary income	566	1,061
Extraordinary losses		
Loss on sales of fixed assets	280	30
Loss on disposal of fixed assets	605	303
Impairment loss of fixed assets	514	674
Loss on sales of investments in securities	0	38
Loss on valuation of investments in securities	1,032	7
Loss on valuation of investments in capital	-	120
Loss on liquidation of subsidiaries and affiliates	46	5
Retirement benefits for directors and statutory auditors	29	5
Loss on step acquisitions	-	8
Loss on reduction of noncurrent assets	-	500
Loss on withdrawal from the employees' pension fund	-	322
Total extraordinary losses	2,507	2,017
Income before income taxes and minority interests	15,465	18,302
Current income taxes	6,602	9,900
Deferred income taxes	122	(2,723)
Total income taxes	6,724	7,177
Income before minority interests	8,740	11,125
Minority interests in income	714	658
Net income	8,026	10,466

**6. Consolidated Statements of Comprehensive Income**

	(Unit: million yen)	
	FY2012	FY2013
	(Apr. 1, 2012 - Mar. 31, 2013)	(Apr. 1, 2013 - Mar. 31, 2014)
Income before minority interests	8,740	11,125
Other comprehensive income		
Unrealized gains (losses) on securities	2,595	2,243
Deferred gains (losses) on hedges	131	(92)
Foreign currency translation adjustments	1,965	2,784
Share of other comprehensive income of associates accounted for using equity method	258	323
Total other comprehensive income	4,951	5,259
Comprehensive income	13,691	16,384
Comprehensive income attributable to:		
Owners of the parent	12,817	15,467
Minority interests	874	916

## 7.Consolidated Statements of Cash Flows

	(Unit: million yen)	
	FY2012	FY2013
	(Apr. 1, 2012 - Mar. 31, 2013)	(Apr. 1, 2013 - Mar. 31, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	15,465	18,302
Depreciation and amortization	14,334	15,062
Impairment loss of fixed assets	514	674
Amortization of goodwill	2,796	2,660
Amortization of negative goodwill	(116)	(114)
Gain on negative goodwill	(142)	(172)
Subsidy income	-	(500)
Loss on reduction of noncurrent assets	-	500
Increase (decrease) in allowance for doubtful accounts	(379)	158
Increase (decrease) in allowance for employees' bonuses	(165)	184
Increase (decrease) in allowance for employees' severance and retirement benefits	158	-
Increase (decrease) in net defined benefit liabilities	-	639
Decrease (increase) in prepaid pension costs	(231)	-
Decrease (increase) in net defined benefit assets	-	2,851
Increase (decrease) in allowance for retirement benefits to directors and statutory auditors	(61)	76
Interest and dividends income	(713)	(752)
Interest expenses	2,382	2,179
Foreign exchange (gains) losses	(33)	205
Equity in (earnings) losses of nonconsolidated subsidiaries and affiliates	(400)	(769)
Loss (gain) on sales and disposal of fixed assets	504	218
Loss (gain) on sales of investments in securities	(21)	(222)
Loss on valuation of investments in securities	1,032	7
Loss on liquidation of subsidiaries and affiliates	46	5
Loss (gain) on sales of investments in capital	(11)	(12)
Loss on valuation of investments in capital	-	120
Loss (gain) on liquidation of investments in capital	(11)	-
Loss (gain) on step acquisitions	-	8
Loss on withdrawal from employees' pension fund	-	322
Decrease(increase) in notes and accounts receivable-trade	9,639	(9,632)
Decrease(increase) in inventories	(3,407)	(3,587)
Increase (decrease) in notes and accounts payable-trade	(9,487)	2,199
Other, net	1,415	1,595
Subtotal	33,107	32,207

	(Unit: million yen)	
	FY2012	FY2013
	(Apr. 1, 2012 - Mar. 31, 2013)	(Apr. 1, 2013 - Mar. 31, 2014)
Interest and dividends received	677	709
Dividends received from equity method subsidiaries and affiliates	269	190
Interest paid	(2,365)	(2,164)
Payments for withdrawal from employees' pension fund	-	(304)
Income taxes paid	(7,265)	(7,984)
Net cash provided by (used in) operating activities	24,422	22,653
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(15,258)	(17,667)
Proceeds from sales of property, plant and equipment	2,326	1,111
Payments for purchase of intangible assets	(2,077)	(2,470)
Proceeds from sales of intangible assets	1	1
Payments for purchase of investments in securities	(3,028)	(3,082)
Proceeds from sales and redemption of investments in securities	100	1,576
Proceeds from sales of investments in capital	20	13
Collection of investments in capital	15	-
Investments in loans receivable	(4,218)	(2,498)
Collection of loans receivable	3,816	2,593
Other, net	(497)	(557)
Net cash provided by (used in) investing activities	(18,800)	(20,978)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(368)	8,627
Proceeds from long-term debt	18,135	22,566
Repayments of long-term debt	(26,145)	(25,297)
Proceeds from issuance of bonds	-	8,000
Redemptions of bonds	-	(8,000)
Proceeds from stock issuance to minority shareholders	15	-
Net (increase) decrease in treasury stock	(6)	(20)
Purchase of treasury stock of subsidiaries in consolidation	(36)	-
Repayments of lease liabilities	(867)	(934)
Cash dividends paid	(1,703)	(1,721)
Cash dividends paid to minority shareholders	(169)	(180)
Liquidation dividends paid to minority shareholders	(98)	(0)
Net cash provided by (used in) financing activities	(11,244)	3,039
Effect of exchange rate changes on cash and cash equivalents	604	1,015
Net increase (decrease) in cash and cash equivalents	(5,017)	5,729
Cash and cash equivalents at beginning of year	18,966	14,026
Increase (decrease) in cash and cash equivalents due to changes in scope of consolidation	-	608
Increase in cash and cash equivalents resulting from merger with nonconsolidated subsidiaries	78	76
Cash and cash equivalents at end of period	14,026	20,440

## 8. Segment Information

### 1. Summary of reportable segment

The Company's reportable segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Company is pursuing commercial divisions classified by merchandise and products. Each commercial division develops comprehensive business strategies among Japan and the world.

Therefore, the Company is organized with operating segments which are classified with commonality of merchandise, products and sales channel based on commercial divisions. The Company regards four operating segments as reportable segments.

From the fiscal 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. Following are main goods of four reportable segments.

- (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 speciality 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 earths and 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. Information related to sales, income(loss), assets, liabilities and other items by reportable segment

#### (1) FY2012 (Apr 1, 2012-March 31, 2013)

(Unit: million yen)

	Reportable Segment					Others*1	Total	Adjustments*2	Consolidated statements of income*3
	Energy	Industrial Gases & Machinery	Materials	Agri-bio & Foods	Subtotal				
Net sales									
(1) Outside customers	358,078	145,092	118,041	23,672	644,885	12,121	657,006	—	657,006
(2) 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 (loss)	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	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

#### (2) FY2013 (Apr 1, 2013-March 31, 2014)

(Unit: million yen)

	Reportable Segment					Others*1	Total	Adjustments*2	Consolidated statements of income*3
	Energy	Industrial Gases & Machinery	Materials	Agri-bio & Foods	Subtotal				
Net sales									
(1) Outside customers	386,718	151,474	126,885	26,378	691,456	12,466	703,923	—	703,923
(2) 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 (loss)	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	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

## (Notes)

1. "Others" is an operating segment not included in reportable segments. "Others" represents financial, insurance, transportation, warehouse, information processing etc.
2. Adjustments indicates as follows:
  - (1) Adjustments for segment income (loss) include companywide expenses not allocated to each segment and 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 department of the Company.
  - (3) Adjustments for depreciation and amortization is mainly depreciation and amortization for general and administrative departments of the Company.
  - (4) Adjustments of impairment loss is mainly impairment loss on 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.
3. Segments income (loss) is adjusted with operating income of the consolidated statements of income.

## (Related Information)

Geographic net sales FY2012 (Apr. 1, 2012-Mar. 31, 2013)

(Unit: million yen)

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

## (Notes)

- (1) East Asia ..... China, Taiwan, South Korea
- (2) Southeast Asia ..... Singapore, Thailand, Malaysia, Indonesia
- (3) Others ..... United States, Australia, Germany

Geographic net sales FY2013(Apr. 1, 2013-Mar. 31, 2014)

(Unit: million yen)

Japan	East Asia	Southeast Asia	Others	Total
637,180	42,179	13,457	11,106	703,923

## (Notes)

- (1) East Asia ..... China, Taiwan, South Korea
- (2) Southeast Asia ..... Singapore, Thailand, Malaysia, Indonesia
- (3) Others ..... United States, Australia, Germany

## Additional Information

## Consolidated

## (1) Statements of Income

(Unit: million yen)

	FY2013	FY2012	Change	Rate
<b>Net sales</b>	<b>703,923</b>	<b>657,006</b>	46,917	7.1 %
(Forecast/ Change from forecast )	( 675,000 )		( 28,923 )	4.3 %
<b>Gross profit</b>	<b>146,792</b>	<b>139,763</b>	7,029	5.0 %
Selling, general and administrative expenses	128,274	123,053	5,221	4.2 %
<b>Operating income</b>	<b>18,518</b>	<b>16,709</b>	1,808	10.8 %
(Forecast/ Change from forecast )	( 18,500 )		( 18 )	0.1 %
Interest income	238	239	(1)	
Dividend income	514	473	40	
Foreign exchange gains, net	711	925	(213)	
Equity in earnings of nonconsolidated subsidiaries and affiliates	769	400	368	
Interest expense	(2,179)	(2,382)	203	
Other, net	684	1,039	(354)	
<b>Total non-operating income (loss)</b>	<b>739</b>	<b>696</b>	43	
<b>Ordinary income</b>	<b>19,258</b>	<b>17,406</b>	1,851	10.6 %
(Forecast/ Change from forecast )	( 18,000 )		( 1,258 )	7.0 %
Gain (loss) on sales and disposal of fixed assets	(218)	(504)	285	
Impairment loss of fixed assets	(674)	(514)	(159)	
Gain (loss) on sales and valuation of investments in securities	107	(1,000)	1,107	
Other, net	(170)	78	(248)	
<b>Total extraordinary income (loss)</b>	<b>(956)</b>	<b>(1,941)</b>	984	
Income taxes	(7,177)	(6,724)	(452)	
Minority interests in income	(658)	(714)	55	
<b>Net income</b>	<b>10,466</b>	<b>8,026</b>	2,439	30.4 %
(Forecast/ Change from forecast )	( 8,600 )		( 1,866 )	21.7 %

\* Forecasts are the figures released in May 13, 2013.

## (5) Segment Information

(Unit: million yen)

	FY2013	FY2012	Change	Rate
<b>Net sales (Sales to outside customers)</b>	<b>703,923</b>	<b>657,006</b>	46,917	7.1 %
Energy	386,718	358,078	28,639	8.0 %
Industrial Gases & Machinery	151,474	145,092	6,382	4.4 %
Materials	126,885	118,041	8,843	7.5 %
Agri-bio & Foods	26,378	23,672	2,705	11.4 %
Others, Adjustments	12,466	12,121	345	2.9 %
<b>Operating income</b>	<b>18,518</b>	<b>16,709</b>	1,808	10.8 %
Energy	12,075	11,027	1,048	9.5 %
Industrial Gases & Machinery	4,753	3,936	816	20.7 %
Materials	2,683	1,816	867	47.7 %
Agri-bio & Foods	573	505	68	13.5 %
Others, Adjustments	(1,567)	(576)	(991)	—

\*From the fiscal year ended March 31, 2014, the reportable segments have been changed.

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

## (2) Changes in Subsidiaries Resulting in Changes in Scope of Consolidation

Consolidated subsidiaries  
new: 8 excluded: 5 total: 105 → 108

Equity method subsidiaries and affiliates  
new: 10 excluded: 8 total: 110 → 112

Impact of changes in scope of consolidation: Little

## (3) Statements of Cash Flows

(Unit: million yen)

	FY2013	FY2012	Change
Cash flows from operating activities	22,653	24,422	(1,769)
Cash flows from investing activities	(20,978)	(18,800)	(2,178)
Free cash flow	1,675	5,622	(3,947)
Cash flows from financing activities	3,039	(11,244)	14,283
Effect of exchange rate changes	1,015	604	410
Net increase (decrease) in cash and cash equivalents	5,729	(5,017)	10,747
Increase in cash and cash equivalents due to changes in scope of consolidation	684	78	606
Borrowings and repayments	5,896	(8,378)	14,274
Dividends	(1,901)	(1,872)	(28)

## (4) Financial Position

(Unit: million yen)

	FY2013	FY2012	Change
Total assets	416,219	386,302	29,916
Equity capital	96,725	83,121	13,603
Interest-bearing debt, gross*	161,099	151,378	9,721
Interest-bearing debt, net*	140,103	136,995	3,108
Equity capital ratio	23.2%	21.5%	1.7pt
Ratio of ordinary income to total assets	4.8%	4.5%	0.3pt
Ratio of net income to equity capital	11.6%	10.4%	1.2pt
Ratio of interest-bearing debt to total assets	38.7%	39.2%	(0.5pt)
Debt-to-equity ratio, gross	1.66	1.82	(0.16pt)
Debt-to-equity ratio, net	1.44	1.64	(0.20pt)

\* Interest-bearing debt include lease liabilities in the amount of ¥ 3,767million.

## (6) Results Forecast for FY2014

(Unit: million yen)

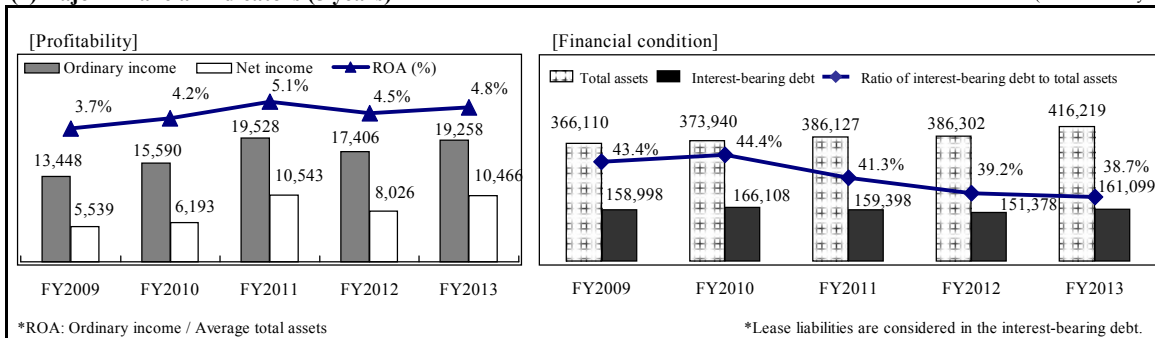
	Forecast for FY2014	FY2013	Change	Rate
<b>Net sales</b>	<b>724,800</b>	<b>703,923</b>	<b>20,876</b>	<b>3.0 %</b>
Energy	392,000	386,718	5,281	1.4 %
Industrial Gases & Machinery	160,000	153,387	6,612	4.3 %
Materials	133,000	126,885	6,114	4.8 %
Agri-Bio & Foods	28,400	26,378	2,021	7.7 %
Others, Adjustments	11,400	10,553	846	8.0 %
<b>Operating income</b>	<b>19,500</b>	<b>18,518</b>	<b>981</b>	<b>5.3 %</b>
Energy	12,500	12,075	424	3.5 %
Industrial Gases & Machinery	5,400	4,849	550	11.4 %
Materials	2,700	2,683	16	0.6 %
Agri-Bio & Foods	800	573	226	39.4 %
Others, Adjustments	(1,900)	(1,663)	(236)	—
<b>Ordinary income</b>	<b>19,500</b>	<b>19,258</b>	<b>241</b>	<b>1.3 %</b>
<b>Net income</b>	<b>10,500</b>	<b>10,466</b>	<b>33</b>	<b>0.3 %</b>

\*For a comparison purpose, figures of the fiscal year ended March 31, 2014,

in this section are reclassified in accordance with the new segment classification which is adopted from the fiscal year ending March 31, 2015.

## (7)Major Financial Indicators (5 years)

(Unit: million yen)



## (8) LPG and Industrial Gases Net Sales · Sales Volume

		FY2013	FY2012	Change	Rate
Domestic residential use	Sales volume (thousand tons)	1,499	1,567	(67)	(4.3)%
	Net sales (million yen)	190,958	178,529	12,429	7.0 %
Domestic industrial use	Sales volume (thousand tons)	294	316	(22)	(7.1)%
	Net sales (million yen)	31,853	29,865	1,987	6.7 %
Overseas	Sales volume (thousand tons)	556	619	(63)	(10.3)%
	Net sales (million yen)	48,542	45,966	2,575	5.6 %
LPG total	Sales volume (thousand tons)	2,350	2,503	(153)	(6.1)%
	Net sales (million yen)	271,353	254,361	16,992	6.7 %
Various industrial gases	Net sales (million yen)	80,665	75,247	5,418	7.2 %

\*Barter transactions in domestic residential use LPG decreased by the the volume of 37 thousand tons in comparison with FY2012.

## (9)Capital Expenditure

(Unit: million yen)

	FY2013	FY2012	FY2014 (Plan)
Capital expenditure*	15,515	18,154	21,000
Energy	4,393	7,482	4,500
Industrial Gases & Machinery	4,134	3,062	8,500
Materials	939	609	1,000
Agri-bio & Foods	393	97	400
Others, Adjustments	5,655	6,901	6,600
Depreciation expense*	13,228	12,269	15,350

\* For a comparison purpose, figures of financial results for the fiscal year ended March 31, 2014 in this section

are reclassified in accordance with the new segment classification which is adopted from the fiscal year ending March 31, 2015

\* Figures for capital expenditure and depreciation expense cover only property, plant, and equipment.