



**Overview of Business Results**  
**for the Fiscal Year Ended March 31, 2015 (FY2014)**  
**[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 26, 2015  
 Date of filing financial report: June 29, 2015  
 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 29, 2015

Note: Figures less than 1 million are rounded down

1. Consolidated Financial Results for Fiscal Year Ended March 2015  
 (For the period from April 1, 2014 to March 31, 2015)

(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	%
FY2014	691,902	(1.7)	11,174	(39.7)	12,761	(33.7)	6,199	(40.8)
FY2013	703,923	7.1	18,518	10.8	19,258	10.6	10,466	30.4

(Notes) Comprehensive income: FY2014 16,100 million yen ((1.7%)) FY2013 16,384 million yen (19.7%)

	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	%	%	%
FY2014	25.19	—	6.1	3.1	1.6
FY2013	42.53	—	11.6	4.8	2.6

(Reference) Equity in earnings of nonconsolidated subsidiaries and affiliates: FY2014 968 million yen FY2013 769 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	million yen	million yen	%	yen
FY2014	408,824	117,942	26.7	442.96
FY2013	416,219	105,058	23.2	393.15

(Reference) Equity capital: FY2014 109,007 million yen FY2013 96,725 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
FY2014	43,008	(20,476)	(22,335)	21,804
FY2013	22,653	(20,978)	3,039	20,440

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	%	%
FY2013	—	—	—	7.00	7.00	1,724	16.5	1.9
FY2014	—	—	—	7.00	7.00	1,724	27.8	1.7
FY2015 (Forecast)	—	—	—	7.00	7.00		15.7	

3. Consolidated Results Forecast for FY2014 (April 1, 2015 – March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	
1H FY2015	325,000	(2.1)	5,700	116.3	5,700	72.8	2,500	27.4	10.15	
FY2015	700,000	1.2	20,700	85.2	21,000	64.6	11,000	77.4	44.69	

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

- ① Changes in accounting policies caused by revision of accounting standards: **Yes**  
② Changes in accounting policies other than ①: **None**  
③ Changes in accounting estimates: **None**  
④ Restatements: **None**

(Note) Adoption of the Accounting Standard for Retirement Benefits

Effective the fiscal year ended March 31, 2015, the Company has applied provisions described in the main clause of Section 35 of the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan Statement No.26, issued on May 17, 2012) and the main clause of Section 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25, issued on March 26, 2015) and has changed the calculation methods for retirement benefit obligations and service costs. The method of attributing expected retirement benefits to periods has been revised from the straight-line method to the benefit formula method, and the method of determining the discount rate has been revised from a method based on an approximation of the employees’ average remaining service period to a method of using a single weighted average discount rate reflecting the estimated payment period and the amount for each estimated payment period of the retirement benefit.

In accordance with transitional accounting treatments as stated in Section 37 of the Accounting Standard, the impact of the changes in calculation methods for retirement benefit obligations and service costs has been recognized as an adjustment to retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result, net defined benefit asset decreased by ¥1,553 million, net defined benefit liability increased by ¥434 million, and retained earnings decreased by ¥1,280 million as of April 1, 2014.

The impact on operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2015 was immaterial.

(3) Number of outstanding shares (common stock)

- ① Number of outstanding shares (common stock) at end of period (Treasury stocks are included)  
② Number of treasury stocks at end of period  
③ Average number of shares outstanding

①	FY2014	251,365,028	FY2013	251,365,028
②	FY2014	5,279,790	FY2013	5,342,931
③	FY2014	246,052,495	FY2013	246,065,274

(Reference) Summary of nonconsolidated financial results

Nonconsolidated Financial Results for Fiscal Year Ended March 2015

(For the period from April 1, 2014 to March 31, 2015)

(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	%
FY2014	494,182	(1.9)	(1,163)	—	1,764	(79.4)	1,321	(77.3)
FY2013	503,535	6.8	6,425	(13.4)	8,566	(12.0)	5,808	5.3
	Net income per share		Net income per share after dilution					
	yen		yen					
FY2014	5.36		—					
FY2013	23.57		—					

(2) Financial Position

	Total assets		Net assets		Equity capital ratio	Net assets per share
	million yen		million yen		%	yen
FY2014	278,838		74,386		26.7	301.95
FY2013	287,685		69,744		24.2	283.07

(Reference) Equity capital: FY2014 74,386 million yen FY2013 69,744 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)	
	FY2013 (As of Mar 31, 2014)	FY2014 (As of Mar 31, 2015)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	20,995	22,237
Notes and accounts receivable-trade	121,074	106,792
Merchandise and finished goods	39,204	29,478
Work-in-process	2,614	3,424
Raw materials and supplies	3,520	4,689
Deferred tax assets	3,251	3,462
Other	11,612	12,457
Allowance for doubtful accounts	(778)	(732)
<b>Total current assets</b>	<b>201,495</b>	<b>181,809</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	28,867	28,889
Storage facilities, net	4,275	4,893
Machinery and vehicles, net	27,311	27,172
Tools and equipment, net	10,449	11,452
Land	55,735	57,368
Lease assets, net	3,585	3,437
Construction in progress	2,211	3,764
<b>Total property, plant and equipment</b>	<b>132,436</b>	<b>136,979</b>
<b>Intangible assets</b>		
Goodwill	14,027	14,157
Other	2,890	2,854
<b>Total intangible assets</b>	<b>16,917</b>	<b>17,012</b>
<b>Investments and other assets</b>		
Investments in securities	49,971	59,486
Long-term loans receivable	322	574
Net defined benefit assets	4,436	2,346
Deferred tax assets	2,731	3,023
Other	8,731	8,425
Allowance for doubtful accounts	(824)	(831)
<b>Total investments and other assets</b>	<b>65,369</b>	<b>73,023</b>
<b>Total fixed assets</b>	<b>214,724</b>	<b>227,015</b>
<b>Total assets</b>	<b>416,219</b>	<b>408,824</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	103,401	97,987
Short-term borrowings	45,902	37,654
Current portion of long-term borrowings	24,151	24,704
Lease liabilities	777	746
Income taxes payable	7,038	3,347
Accrued bonuses	4,484	4,364
Other	19,451	23,874
<b>Total current liabilities</b>	<b>205,206</b>	<b>192,678</b>
<b>Long-term liabilities</b>		
Bonds	8,000	8,000
Long-term borrowings	79,278	67,899
Lease liabilities	2,990	2,788
Deferred tax liabilities	3,093	5,483
Allowance for retirement benefits for directors and statutory auditors	1,190	1,174
Net defined benefit liability	5,243	5,732
Other	6,157	7,124
<b>Total long-term liabilities</b>	<b>105,954</b>	<b>98,203</b>
<b>Total liabilities</b>	<b>311,161</b>	<b>290,882</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	20,096	20,096
Capital surplus	18,042	18,118
Retained earnings	52,339	55,534
Treasury stock, at cost	(1,452)	(1,454)
<b>Total shareholders' equity</b>	<b>89,025</b>	<b>92,294</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gains (losses) on securities	6,492	12,865
Deferred gains (losses) on hedges	55	127
Foreign currency translation adjustments	1,207	3,759
Remeasurements of defined benefit plans	(55)	(40)
<b>Total accumulated other comprehensive income</b>	<b>7,700</b>	<b>16,712</b>
Minority interests	8,332	8,935
<b>Total net assets</b>	<b>105,058</b>	<b>117,942</b>
<b>Total liabilities and net assets</b>	<b>416,219</b>	<b>408,824</b>

## 5. Consolidated Statements of Income

	(Unit: million yen)	
	FY2013	FY2014
	(Apr. 1, 2013 - Mar. 31, 2014)	(Apr. 1, 2014 - Mar. 31, 2015)
Net sales	703,923	691,902
Cost of sales	557,130	550,868
Gross profit	146,792	141,034
Selling, general and administrative expenses		
Transportation cost	20,909	22,208
Provision for allowance for doubtful accounts	301	(3)
Salaries, wages and bonuses	34,267	34,211
Provision for allowance for employees' bonuses	4,021	3,965
Retirement benefits expenses	2,063	1,845
Provision for allowance for retirement benefits to directors and statutory auditors	215	240
Depreciation and amortization	10,206	10,261
Rent expenses	9,609	9,521
Commissions	7,821	8,371
Amortization of goodwill	2,636	2,944
Other	36,221	36,292
Total selling, general and administrative expenses	128,274	129,859
Operating income	18,518	11,174
Non-operating income		
Interest income	238	237
Dividends income	514	568
Foreign exchange gains	711	568
Equity in earnings of nonconsolidated subsidiaries and affiliates	769	968
Other	1,956	2,636
Total non-operating income	4,191	4,979
Non-operating expenses		
Interest expenses	2,179	1,843
Sales discounts	492	501
Other	779	1,048
Total non-operating expenses	3,451	3,393
Ordinary income	19,258	12,761
Extraordinary income		
Gain on sales of fixed assets	115	202
Gain on sales of investments in securities	261	288
Gain on sales of investments in capital	12	-
Gain on liquidation of subsidiaries and associates	-	8
Gain on negative goodwill	172	30
Gain on step acquisitions	-	44
Subsidy income	500	872
Total extraordinary income	1,061	1,447
Extraordinary losses		
Loss on sales of fixed assets	30	65
Loss on disposal of fixed assets	303	407
Impairment loss of fixed assets	674	355
Loss on sales of investments in securities	38	1
Loss on valuation of investments in securities	7	21
Loss on valuation of investments in capital	120	-
Loss on liquidation of subsidiaries and affiliates	5	-
Retirement benefits for directors and statutory auditors	5	9
Loss on step acquisitions	8	6
Loss on reduction of non-current assets	500	873
Loss on withdrawal from the employees' pension fund	322	-
Total extraordinary losses	2,017	1,740
Income before income taxes and minority interests	18,302	12,468
Current income taxes	9,900	5,433
Deferred income taxes	(2,723)	114
Total income taxes	7,177	5,548
Income before minority interests	11,125	6,919
Minority interests in income	658	719
Net income	10,466	6,199

**6. Consolidated Statements of Comprehensive Income**

	(Unit: million yen)	
	FY2013	FY2014
	(Apr. 1, 2013 - Mar. 31, 2014)	(Apr. 1, 2014 - Mar. 31, 2015)
Income before minority interests	11,125	6,919
<b>Other comprehensive income</b>		
Unrealized gains (losses) on securities	2,243	6,320
Deferred gains (losses) on hedges	(92)	64
Foreign currency translation adjustments	2,784	2,470
Remeasurements of defined benefit plans, net of tax	-	(3)
Share of other comprehensive income of associates accounted for using equity method	323	328
<b>Total other comprehensive income</b>	<b>5,259</b>	<b>9,181</b>
<b>Comprehensive income</b>	<b>16,384</b>	<b>16,100</b>
<b>Comprehensive income attributable to:</b>		
Owners of the parent	15,467	15,212
Minority interests	916	888

## 7. Consolidated Statements of Cash Flows

	(Unit: million yen)	
	FY2013	FY2014
	(Apr. 1, 2013 - Mar. 31, 2014)	(Apr. 1, 2014 - Mar. 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	18,302	12,468
Depreciation and amortization	15,062	15,060
Impairment loss of fixed assets	674	355
Amortization of goodwill	2,660	2,957
Gain on negative goodwill	(172)	(30)
Subsidy income	(500)	(872)
Loss on reduction of non-current assets	500	873
Increase (decrease) in allowance for doubtful accounts	158	(90)
Increase (decrease) in allowance for employees' bonuses	184	(124)
Increase (decrease) in net defined benefit liabilities	639	49
Decrease (increase) in net defined benefit assets	2,851	634
Increase (decrease) in allowance for retirement benefits to directors and statutory auditors	76	(16)
Interest and dividends income	(752)	(806)
Interest expenses	2,179	1,843
Foreign exchange (gains) losses	205	157
Equity in (earnings) losses of nonconsolidated subsidiaries and affiliates	(769)	(968)
Loss (gain) on sales and disposal of fixed assets	218	269
Loss (gain) on sales of investments in securities	(222)	(287)
Loss on valuation of investments in securities	7	21
Loss on liquidation of subsidiaries and affiliates	5	-
Loss (gain) on sales of investments in capital	(12)	-
Loss on valuation of investments in capital	120	-
Loss (gain) on step acquisitions	8	(38)
Loss on withdrawal from employees' pension fund	322	-
Decrease(increase) in notes and accounts receivable-trade	(9,632)	15,866
Decrease(increase) in inventories	(3,587)	8,426
Increase (decrease) in notes and accounts payable-trade	2,199	(6,585)
Other, net	1,480	4,253
Subtotal	32,207	53,417
Interest and dividends received	709	760
Dividends received from equity method subsidiaries and affiliates	190	184
Interest paid	(2,164)	(1,792)
Payments for withdrawal from employees' pension fund	(304)	-
Income taxes paid	(7,984)	(9,561)
Net cash provided by (used in) operating activities	22,653	43,008

	(Unit: million yen)	
	FY2013	FY2014
	(Apr. 1, 2013 - Mar. 31, 2014)	(Apr. 1, 2014 - Mar. 31, 2015)
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(17,667)	(17,225)
Proceeds from sales of property, plant and equipment	1,111	560
Payments for purchase of intangible assets	(2,470)	(2,920)
Proceeds from sales of intangible assets	1	9
Payments for purchase of investments in securities	(3,082)	(1,241)
Proceeds from sales and redemption of investments in securities	1,576	1,393
Proceeds from sales of investments in capital	13	5
Investments in loans receivable	(2,498)	(3,397)
Collection of loans receivable	2,593	2,801
Other, net	(557)	(463)
Net cash provided by (used in) investing activities	(20,978)	(20,476)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,627	(8,520)
Proceeds from long-term debt	22,566	15,543
Repayments of long-term debt	(25,297)	(26,358)
Proceeds from issuance of bonds	8,000	-
Redemptions of bonds	(8,000)	-
Net (increase) decrease in treasury stock	(20)	(49)
Repayments of lease liabilities	(934)	(1,029)
Cash dividends paid	(1,721)	(1,723)
Cash dividends paid to minority shareholders	(180)	(196)
Liquidation dividends paid to minority shareholders	(0)	-
Net cash provided by (used in) financing activities	3,039	(22,335)
Effect of exchange rate changes on cash and cash equivalents	1,015	960
Net increase (decrease) in cash and cash equivalents	5,729	1,157
Cash and cash equivalents at beginning of year	14,026	20,440
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	76	206
Cash and cash equivalents at end of period	20,440	21,804

## 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 FY2014, the reportable segment of a consolidated subsidiary has been changed from "Others" to "Industrial Gases & Machinery". 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, facilities of hydrogen station, disaster prevention equipment, high-pressure gas container, 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) 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	153,387	126,885	26,378	693,370	10,553	703,923	—	703,923
(2) Intersegment	7,272	6,171	5,708	242	19,395	20,821	40,217	Δ40,217	—
Total	393,990	159,559	132,593	26,621	712,765	31,375	744,140	Δ40,217	703,923
Segment income (loss)	12,075	4,849	2,683	573	20,182	931	21,114	Δ2,595	18,518
Segment assets	165,093	109,351	59,738	9,633	343,816	44,182	387,999	28,220	416,219
Other items :									
Depreciation and amortization	5,286	4,316	938	173	10,713	3,010	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	4,294	1,057	431	12,627	2,666	15,293	3,550	18,843

#### (2) FY2014(Apr 1, 2014-March 31, 2015)

(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	365,592	162,275	128,034	27,286	683,189	8,712	691,902	—	691,902
(2) Intersegment	6,994	7,625	5,066	187	19,874	22,551	42,426	(42,426)	—
Total	372,586	169,901	133,101	27,474	703,063	31,264	734,328	(42,426)	691,902
Segment income (loss)	2,347	6,324	2,647	727	12,047	826	12,873	(1,698)	11,174
Segment assets	144,981	114,563	58,919	9,972	328,436	40,472	368,909	39,915	408,824
Other items :									
Depreciation and amortization	5,187	4,597	887	160	10,832	3,041	13,874	1,186	15,060
Impairment loss	163	17	80	—	261	22	283	72	355
Amortization of goodwill	2,298	609	22	26	2,957	—	2,957	—	2,957
Increase in fixed assets and intangible assets	8,361	7,648	578	175	16,763	3,404	20,167	4,219	24,386



## (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 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

Geographic net sales FY2014(Apr. 1, 2014-Mar. 31, 2015)

(Unit: million yen)

Japan	East Asia	Southeast Asia	Others	Total
617,910	47,779	14,361	11,851	691,902

## (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)

	FY2014	FY2013	Change	Rate
Net sales	691,902	703,923	(12,021)	(1.7) %
(Forecast/ Change from forecast)	( 692,000 )		( 97 )	(0.0) %
Gross profit	141,034	146,792	(5,758)	(3.9) %
Selling, general and administrative expenses	129,859	128,274	1,584	1.2 %
Operating income	11,174	18,518	(7,343)	(39.7) %
(Forecast/ Change from forecast)	( 9,500 )		( 1,674 )	17.6 %
Interest income	237	238	(1)	
Dividend income	568	514	54	
Foreign exchange gains, net	568	711	(143)	
Equity in earnings of nonconsolidated subsidiaries and affiliates	968	769	198	
Interest expense	(1,843)	(2,179)	335	
Other, net	1,086	684	402	
Total non-operating income (loss)	1,586	739	846	
Ordinary income	12,761	19,258	(6,497)	(33.7) %
(Forecast/ Change from forecast)	( 10,300 )		( 2,461 )	23.9 %
Gain (loss) on sales and disposal of fixed assets	(269)	(218)	(50)	
Impairment loss of fixed assets	(355)	(674)	318	
Gain (loss) on sales and valuation of investments in securities	274	107	166	
Gain on negative goodwill	30	172	(141)	
Other, net	27	(342)	370	
Total extraordinary income (loss)	(292)	(956)	663	
Income taxes	(5,548)	(7,177)	1,628	
Minority interests in income	(719)	(658)	(61)	
Net income	6,199	10,466	(4,266)	(40.8) %
(Forecast/ Change from forecast)	( 4,300 )		( 1,899 )	44.2 %

\* Forecasts are the figures released in February 12, 2015.

## (5) Segment Information

(Unit: million yen)

	FY2014	FY2013	Change	Rate
Net sales (Sales to outside customers)	691,902	703,923	(12,021)	(1.7) %
Energy	365,592	386,718	(21,125)	(5.5) %
Industrial Gases & Machinery	162,275	153,387	8,887	5.8 %
Materials	128,034	126,885	1,149	0.9 %
Agri-bio & Foods	27,286	26,378	908	3.4 %
Others, Adjustments	8,712	10,553	(1,840)	(17.4) %
Operating income	11,174	18,518	(7,343)	(39.7) %
Energy	2,347	12,075	(9,727)	(80.6) %
Industrial Gases & Machinery	6,324	4,849	1,475	30.4 %
Materials	2,647	2,683	(36)	(1.4) %
Agri-bio & Foods	727	573	153	26.7 %
Others, Adjustments	(872)	(1,663)	791	—

\*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 ended March 31, 2015.

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

Consolidated subsidiaries

new: - excluded: - total: 108 → 108

Equity method subsidiaries and affiliates

new: 3 excluded: 4 total: 112 → 111

Impact of changes in scope of consolidation: Little

## (3) Statements of Cash Flows

(Unit: million yen)

	FY2014	FY2013	Change
Cash flows from operating activities	43,008	22,653	20,354
Cash flows from investing activities	(20,476)	(20,978)	502
Free cash flow	22,532	1,675	20,857
Cash flows from financing activities	(22,335)	3,039	(25,374)
Effect of exchange rate changes	960	1,015	(54)
Net increase (decrease) in cash and cash equivalents	1,157	5,729	(4,572)
Increase in cash and cash equivalents due to changes in scope of consolidation	206	684	(487)
Borrowings and repayments	(19,335)	5,896	(25,232)
Dividends	(1,920)	(1,901)	(18)

## (4) Financial Position

(Unit: million yen)

	FY2014	FY2013	Change
Total assets	408,824	416,219	(7,395)
Equity capital	109,007	96,725	12,281
Interest-bearing debt, gross*	141,793	161,099	(19,306)
Interest-bearing debt, net*	119,556	140,103	(20,547)
Equity capital ratio	26.7%	23.2%	3.4pt
Ratio of ordinary income to total assets	3.1%	4.8%	(1.7pt)
Ratio of net income to equity capital	6.1%	11.6%	(5.6pt)
Ratio of interest-bearing debt to total assets	34.7%	38.7%	(4.0pt)
Debt-to-equity ratio, gross	1.30	1.66	(0.36pt)
Debt-to-equity ratio, net	1.09	1.44	(0.35pt)

\* Interest-bearing debt include lease liabilities in the amount of ¥3,534million.

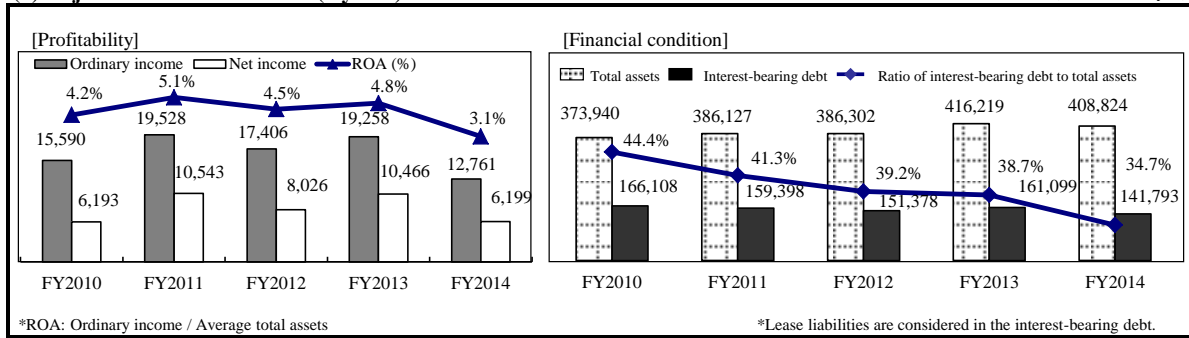
## (6) Results Forecast for FY2015

(Unit: million yen)

	Forecast for FY2015	FY2014	Change	Rate
Net sales	700,000	691,902	8,097	1.2 %
Energy	347,000	365,592	(18,592)	(5.1) %
Industrial Gases & Machinery	175,000	162,275	12,724	7.8 %
Materials	140,300	128,034	12,265	9.6 %
Agri-Bio & Foods	29,700	27,286	2,413	8.8 %
Others, Adjustments	8,000	8,712	(712)	(8.2) %
Operating income	20,700	11,174	9,525	85.2 %
Energy	12,300	2,347	9,952	423.9 %
Industrial Gases & Machinery	6,500	6,324	175	2.8 %
Materials	3,000	2,647	352	13.3 %
Agri-Bio & Foods	900	727	172	23.8 %
Others, Adjustments	(2,000)	(872)	(1,127)	—
Ordinary income	21,000	12,761	8,238	64.6 %
Net income	11,000	6,199	4,800	77.4 %

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

(Unit: million yen)



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

		FY2014	FY2013	Change	
				Change	Rate
Domestic residential use	Sales volume (thousand tons)	1,534	1,499	34	2.3%
	Net sales (million yen)	181,924	190,958	(9,033)	(4.7%)
Domestic industrial use	Sales volume (thousand tons)	296	294	2	0.7%
	Net sales (million yen)	28,124	31,853	(3,729)	(11.7%)
Overseas	Sales volume (thousand tons)	721	556	165	29.7%
	Net sales (million yen)	53,134	48,542	4,592	9.5%
LPG total	Sales volume (thousand tons)	2,551	2,350	201	8.6%
	Net sales (million yen)	263,183	271,353	(8,170)	(3.0%)
Various industrial gases	Net sales (million yen)	89,118	80,665	8,453	10.5%

\*Barter transactions in domestic residential use LPG decreased by the the volume of 25 thousand tons in comparison with FY2013.

## (9) Capital Expenditure

(Unit: million yen)

	FY2014	FY2013	FY2015 (Plan)
Capital expenditure*	18,843	15,515	26,000
Energy	4,601	4,393	4,100
Industrial Gases & Machinery	10,419	4,134	17,600
Materials	496	939	700
Agri-bio & Foods	97	393	800
Others, Adjustments	3,228	5,655	2,800
Depreciation expense*	13,339	13,228	16,000

\* 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 ended March 31, 2015

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

\* The capital expenditure for hydrogen stations is included in Industrial Gases &amp; Machinery.