

2015

Growing Together with Our Customers



Contents

| | |
|----|---|
| 1 | Our Management Philosophy |
| 2 | Snapshot |
| 6 | Performance Highlights |
| 8 | Message from the Chairman and President |
| 11 | Directors, Audit and Supervisory Board Members, and Corporate Officers |
| 12 | Corporate Governance |
| 14 | Businesses of AMADA HOLDINGS CO., LTD. |
| 16 | Sheet Metal Fabrication Machine Business |
| 18 | From Development and Manufacture to Sale and Service |
| 20 | Metal Cutting and Machine Tool Businesses / Stamping Press Business |
| 22 | Precision Welding Machine Business |
| 24 | Development System |
| 26 | Environmental Management |
| 28 | Social Contribution Activities |
| 32 | Financial Reports |
| 32 | Financial Review |
| 34 | Consolidated Financial Statements |
| 39 | Notes to Consolidated Financial Statements |
| 66 | Independent Auditor's Report |
| 67 | The AMADA Group |
| 71 | Investor Information |

A CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS:

This annual report includes performance projections and descriptions of future strategies for use in connection with presentations and the provision of answers to inquiries, and these projections and descriptions are based on the judgment of the Company's management made in light of information available at the time of writing.

These kinds of statements and forecasts based on projections of future situations are not guarantees of future performance. Please be aware that actual results may differ greatly from such statements and forecasts due to diverse factors, including trends in demand for products, currency exchange rates, and interest rates.

Our Management Philosophy

1

Growing Together with Our Customers

Our company has been sharing this philosophy as a starting point for all of our business activities since its formation.

We believe that the creation and provision of new values based on customers' perspectives will strengthen the relationship of mutual trust between our customers and the AMADA Group, and become a source of mutual development.

2

Contribute to the international community through our business

Our company recognizes that contributing to "manufacturing" conducted by our customers throughout the world leads to the development not only of local communities, but also the international community as a whole, and we conduct our business activities with the aim of providing the highest quality of solutions in each market around the world by optimally distributing our group's management resources.

3

Develop human resources who pursue creative and challenging activities

Rather than being content with the present situation, we are constantly in search of new and better ideas to put into action in order to improve and enhance our business activities. This is the AMADA Group's basic philosophy of human resources development, and we believe that AMADA's unique corporate culture will be further developed by continuing to practice this philosophy.

4

Conduct sound corporate activities based on high ethics and fairness

We promote transparency and we comply with regulations in the AMADA Group's management and in all aspects of its business activities, and strive to further enhance its corporate value while conducting sound activities.

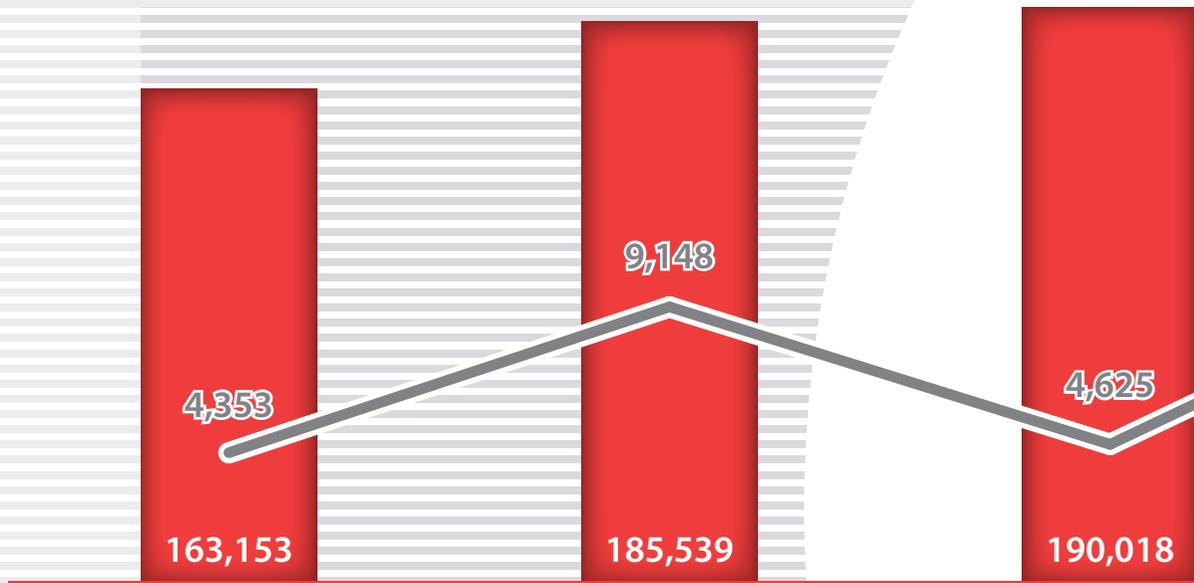
5

Take good care of people and the earth's environment

By treating the AMADA Group's stakeholders (such as shareholders, customers, business partners, employees and local residents) and the global environment with respect, we strive to continue to be a good company for both people and the earth.

History of AMADA 2011 to 2015

■ Net Sales
■ Operating Income



FY 2011

2012

2013

- Apr.** Merged AMADA MACHINE TOOLS CO., Ltd., and AMADA Machine Tools MFG Co., Ltd., and combined manufacture and sale of cutting and machine tools
- Apr.** Combined AMADA Tool Technica Co., Ltd., and tooling sales department of AMADA CO., LTD., and changed trade name to AMADA TOOL PRECISION CO., LTD.
- Apr.** AMADA (INDIA) PVT. LTD. opened technical center in Bangalore, India
- Oct.** Opened Kansai Technical Center in Higashi-Osaka City

- Feb.** Acquired local trading company in Switzerland and established AMADA SWISS GmbH
- Apr.** Established AMADA ADVANCED TECHNOLOGY GmbH, research and development company in Germany
- Apr.** Established AMADA (CHINA) CO., LTD., regional headquarters in China
- Jun.** Opened Los Angeles Technical Center in United States
- Jul.** Opened São Paulo Technical Center in Brazil

- Jan.** Established AMADA Europe HQ S.A.S., regional headquarters in Europe
- Jan.** Acquired local trading company in Denmark and established AMADA DENMARK A/S
- Jan.** Acquired local trading company in Norway and established AMADA NORWAY AS
- Feb.** AMADA AMERICA, INC., opened Blair Plant in Blair, California, in United States
- Mar.** Made MIYACHI CORPORATION subsidiary through tender offer

Major Products

Sheet Metal Processing Machines Division

ENSIS-3015AJ+AS3015



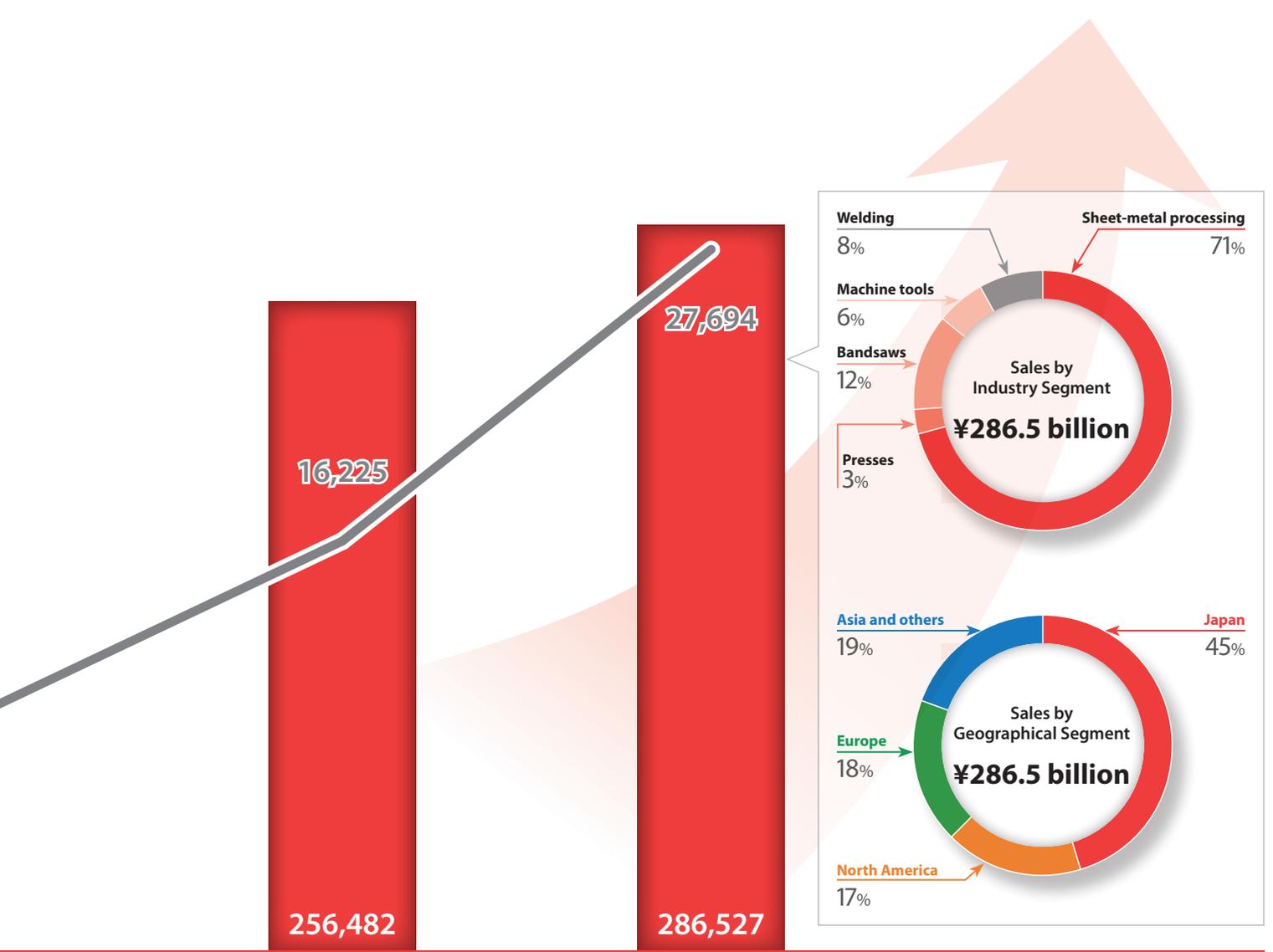
FOL-3015AJ



LC-2512C1AJ+ASR-2512NTK



FLW-4000AJM3



2014

2015

- Apr.** Transitioned to domestic organizational structure with six branches
- Apr.** MIYACHI CORPORATION changed company name to AMADA MIYACHI CO., LTD.
- Apr.** AMADA UNITED KINGDOM LTD. opened technical center
- Apr.** AMADA (MALAYSIA) SDN. BHD. opened technical center
- Aug.** AMADA ENGINEERING CO., LTD., changed company name to AMADA AUTOMATION SYSTEMS CO., LTD.

- Jan.** AMADA Europe HQ S.A.S. merged with AMADA EUROPE S.A.
- Apr.** Reorganized into holding company structure and changed company name to AMADA HOLDINGS CO., LTD.
- Apr.** Completed facility for heavy machinery storage at AMADA Technology Research Institute in Isehara Office
- Apr.** AMADA MAKINA TEKNOLOJI SANAYI VE TICARET LTD. STI. opened technical center
- May** Held AMADA Innovation Fair 2015, industry's largest private event

■ Domestic ■ Overseas



Cutting Division



Stamping Press Division



Machine Tools Division



AMADA MIYACHI



AMADA's Technology is Found Everywhere

The comprehensive manufacturer of metalworking machinery

AMADA's machines support the environmentally conscious "metalworking" technology to help build safe and people friendly towns.

Fully conversant with a variety of metalworking operations, AMADA develops future-oriented manufacturing with machines that combine state-of-the-art technology with proven technology and with advanced engineering capabilities built to date.



Building, Traffic signals

Airplane

Energy

Medical devices

Automobiles

Products made with AMADA's machines are used for such products as:

Computers



Elevators



Vending machines



Signals



Bridges



Stationery



Performance Highlights

AMADA Holdings Co., Ltd. and Consolidated Subsidiaries
Year ended March 31

Financial Data

| | Millions of yen | | | | |
|---|-----------------|----------|----------|----------|----------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| For the year: | | | | | |
| Net sales | ¥286,527 | ¥256,482 | ¥190,018 | ¥185,539 | ¥163,153 |
| Sales to foreign customers | 156,554 | 136,575 | 95,079 | 94,870 | 82,811 |
| Cost of sales | 165,961 | 153,977 | 115,595 | 109,509 | 98,959 |
| Gross profit | 120,565 | 102,505 | 74,423 | 76,030 | 64,193 |
| Selling, general and administrative expenses | 93,246 | 86,308 | 68,953 | 67,339 | 62,430 |
| Net changes in deferred profit on installment sales and finance lease sales | 375 | 28 | (844) | 458 | 2,590 |
| Operating income | 27,694 | 16,225 | 4,625 | 9,148 | 4,353 |
| Other income (expenses)—net | 3,381 | 5,584 | 2,390 | 1,062 | 1,812 |
| Income before income taxes and minority interests | 31,075 | 21,810 | 7,015 | 10,210 | 6,165 |
| Net income | 18,423 | 12,184 | 4,126 | 4,643 | 2,716 |
| Comprehensive income | 31,844 | 36,491 | 17,704 | 1,043 | (9,359) |
| Purchases of property, plant and equipment | 7,504 | 8,422 | 10,203 | 12,747 | 6,891 |
| Depreciation and amortization | 8,552 | 8,604 | 7,657 | 7,711 | 7,638 |
| Research and development costs | 8,332 | 9,048 | 7,491 | 7,022 | 6,304 |
| At year-end: | | | | | |
| Total equity | ¥426,481 | ¥417,002 | ¥385,102 | ¥371,969 | ¥375,159 |
| Total assets | 573,537 | 552,729 | 495,449 | 469,836 | 452,792 |
| Total long-term liabilities | 21,368 | 17,733 | 21,851 | 21,142 | 23,753 |
| Per share of common stock (yen): | | | | | |
| Net income — | | | | | |
| Basic | ¥49.18 | ¥31.89 | ¥10.81 | ¥12.16 | ¥ 7.11 |
| Diluted | 49.12 | 31.85 | | | |
| Cash dividends applicable to the year | 26.00 | 20.00 | 12.00 | 12.00 | 10.00 |
| Sales composition: | | | | | |
| Metalworking Machinery business: | ¥235,160 | ¥210,721 | ¥150,196 | ¥144,321 | ¥127,648 |
| Sheet metal processing machines | 225,811 | 202,899 | 143,221 | 138,104 | 121,838 |
| Presses | 9,349 | 7,822 | 6,974 | 6,216 | 5,809 |
| Metal Machine Tools business: | ¥50,116 | ¥44,517 | ¥38,646 | ¥40,032 | ¥34,174 |
| Cutting machines | 34,179 | 30,725 | 26,225 | 25,648 | 22,170 |
| Machine tools | 15,937 | 13,792 | 12,420 | 14,383 | 12,003 |
| Others | 1,249 | 1,244 | 1,175 | 1,185 | 1,330 |
| Total | ¥286,527 | ¥256,482 | ¥190,018 | ¥185,539 | ¥163,153 |

Notes:

1. The Financial Data yen figures are rounded down to millions of yen, except for per share amounts.

2. From the fiscal year ended March 31, 2014, the sales composition of the golf course management business was reclassified from "Others" to "Metalworking Machinery" and "Metal Machine Tools" businesses based on the rational allocation method, because the Group is expanding use of those facilities for sales promotion by capital participation in MIYACHI CORPORATION (currently AMADA MIYACHI CO., LTD.). The sales composition prior to the fiscal year ended March 31, 2014, is reclassified based on the current fiscal year policy.

Non-Financial Data

| CO₂ (t-CO₂) | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------|----------|----------|----------|-----------------|
| Overseas | 15,009.0 | 17,324.0 | 17,302.0 | 17,622.0 | 17,235.8 |
| Domestic | 24,816.0 | 25,802.0 | 23,874.0 | 24,923.1 | 25,915.5 |

| CO₂ intensity (kg-CO₂/kWh) | 2007 (Basic) | 2012 | 2013 | 2014 | 2015 |
|---|--------------|-------|-------|-------|--------------|
| Emission factor | 1.000 | 0.924 | 0.947 | 0.875 | 0.822 |

| Waste (t) | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------|---------|---------|---------|---------|----------------|
| Overseas | 1,325.0 | 1,636.0 | 1,626.0 | 1,513.0 | 2,164.1 |
| Domestic | 2,706.9 | 2,842.0 | 2,662.2 | 2,720.1 | 2,851.6 |

| Water resources (thousand m³) | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------|-------|-------|-------|--------------|
| Overseas | 91.0 | 95.0 | 99.0 | 129.0 | 120.4 |
| Domestic | 239.7 | 194.0 | 160.9 | 172.6 | 159.0 |

| Employees (people) | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|-------|-------|-------|-------|--------------|
| Number of employees | 5,899 | 6,467 | 7,678 | 7,956 | 8,083 |

TOPICS

AMADA Eco-Friendly Products

The AMADA Group is engaged in various activities, including environmental activities. AMADA's fiber laser machine, FOL-3015AJ, and laser/punch combination machines, the ACIES series, received the "2013 Environment Minister's Award for Global Warming Prevention Activity (Field of R&D and Commercialization)" as a developer of ecological products promoting high energy savings and productivity.



FOL-3015AJ



ACIES series



Global Environmental Activities

AMADA EUROPE S.A. is a metalworking machine manufacturing company in France. In 2014, AMADA EUROPE acquired certifications to both ISO 14001, the international standard for environmental management systems, and OHSAS 18001, a standard for occupational health and safety management systems.

Following acquisition, the total number of Group bases that have obtained ISO 14001 certification rose to ten, including seven domestic branches, a plant in China, and a plant in Austria.



Sponsoring the Yokohama Marathon with Employees Voluntarily Participating

In March 2015, AMADA sponsored the Yokohama Marathon 2015. In addition, a large number of employees supported the marathon by voluntarily participating as members of the event's management staff.



Message from the Chairman and President

We are contributing to global manufacturing and a better future for human beings.



Chairman & CEO
Mitsuo Okamoto

President
Tsutomu Isobe

» Business Performance

In regard to the consolidated business performance for the fiscal year under review, orders received and net sales recorded year-on-year increases, with orders received up 13.7%, to ¥296.4 billion, and net sales up 11.7%, to ¥286.5 billion. These increases reflected contributions from such factors as the depreciating yen

and improvement in the business environment. Operating income grew 70.7% year on year, to ¥27.6 billion, and net income rose 51.2%, to ¥18.4 billion, reflecting the impacts of higher net sales and yen depreciation.

» Recent Economic Environment Surrounding AMADA

In the global economy during the fiscal year under review, sluggish conditions continued in China and other emerging markets. Meanwhile, the U.S. economy remained steadily on a course for recovery, and signs of economic recovery continued in Europe as well.

In addition, the Japanese economy experienced a modest recovery, with the impact of the consumption tax increase waning and the economic and financial policies implemented by the Japanese government and the Bank of Japan working to firmly support overall economic conditions.

In the machinery industry, the effects of the depreciating yen resulted in favorable demand overseas. Also, subsidies and tax benefits for manufacturing in Japan provided incentives for capital investments, resulting in a strong performance for the industry. Amid these conditions, AMADA constantly engaged in initiatives targeting technological innovation from the perspective of a creative solutions provider to the manufacturing industry. We undertook these initiatives guided by our management philosophy of “growing together with our customers,” and dedicated ourselves to providing a diverse range of solutions as a comprehensive manufacturer of metalworking machinery.

» Task321: Tasks for the Future

With the fiscal year ending March 2017 marking the 70th year since its establishment, the AMADA Group has formulated “Task321,” which sets out medium-to-long-term goals for efforts in innovation over the next 10 years and beyond. The Group has been reorganized to facilitate the establishment of a holding company and is putting in place a Groupwide structure geared toward achieving these medium-to-long-term goals.

The three standards we are aiming to achieve under “Task321” are as follows.

- 30% increase in net sales (compared with net sales in the fiscal year ended March 31, 2015)
- Ordinary income ratio of 20%
- ROE of 10%

In realizing the goals set forth in “Task321,” the AMADA Group recognizes it has several tasks. These tasks include strongly promoting initiatives in the three strategic fields that act as pillars of

Mid / long term-target of AMADA group "Task321" — the level to be aimed for Tackle to the reform for looking ahead 10 years and farther on the 70th anniversary.

Promotion of growth strategy

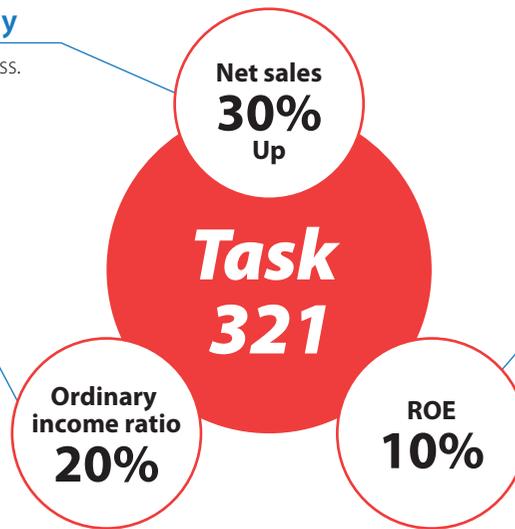
- Strengthening of market competitiveness.
- Differentiation of core business.
- Expansion of new business.

Establishment of firm profit structure

- Pursuit of business profit
- Re-establishment of profitable model

Efficiency of capital

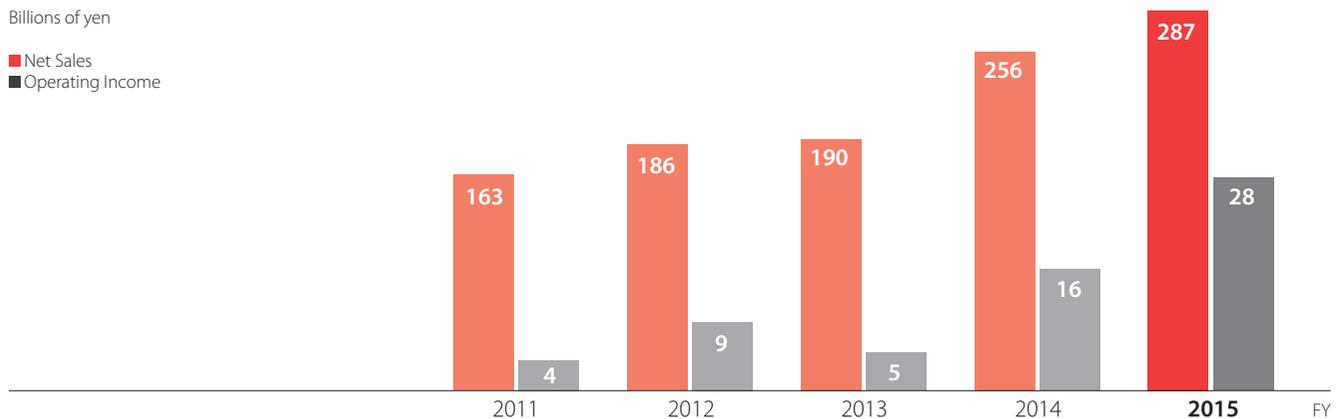
- Optimum capital structure
- Improvement of total asset turnover



Net Sales / Operating Income

Billions of yen

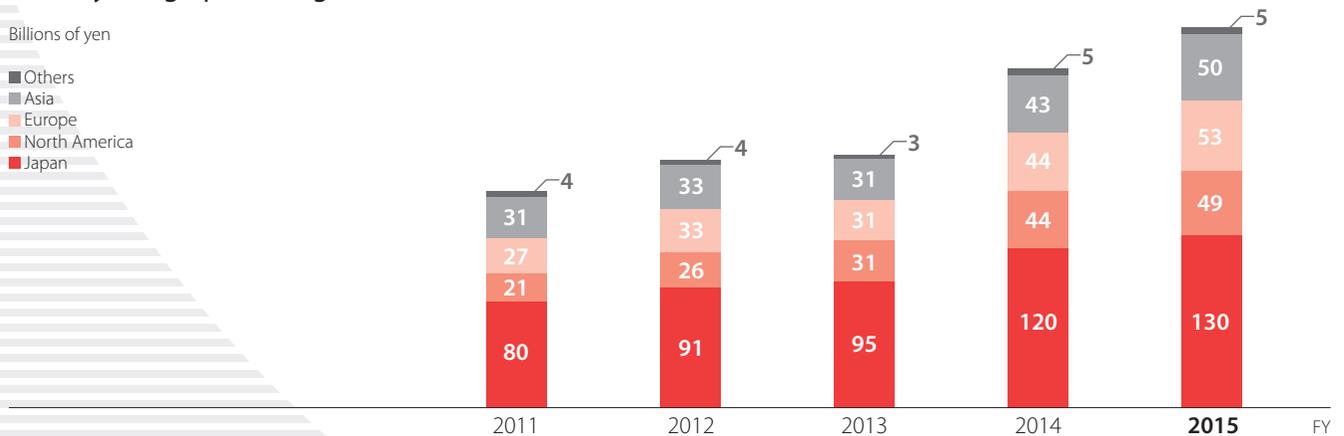
- Net Sales
- Operating Income



Sales by Geographical Segment

Billions of yen

- Others
- Asia
- Europe
- North America
- Japan



growth for the Group, improving capital productivity by establishing a solid earnings structure, and reinforcing our corporate governance.

The following are specific measures we will take to achieve the goals of "Task 321."

1. Overseas business

- Expand local production in North America, Europe, and Asia
- Expand the market by implementing direct sales structures at our global bases
- Promote proposals for solutions that utilize our technical centers

2. Laser business

- Strengthen our laser business by developing technology centered on direct-diode lasers (DDL) and pursuing further commercialization of our products
- Expand the overall commercial laser market by creating a business model for the direct sale of laser oscillators

3. After-sales business

- Promote "Smart Factories" created by AMADA's virtual factory system "V-factory," which focuses on the transparency of business management information related to production
- Promote high-value-added services by establishing a leading-edge supply structure for consumable goods

4. Establishment of solid earnings structure

- Promote the reduction of manufacturing costs, the improvement of sales prices, and a lower fixed expense ratio
- Improve earnings by pursuing business profit

5. Improvement of capital productivity and reinforcement of corporate governance

- Improve ROE through holding company leadership
- Improve medium-to-long-term corporate value by establishing a highly effective corporate structure

» AMADA's Human Resource Strategy

AMADA upholds a management philosophy that emphasizes the development of human resources who pursue creative and challenging activities. Rather than being content with the present situation, we are constantly in search of ideas to put into action to improve and enhance our business activities. This approach reflects the AMADA Group's basic philosophy of human resources development, and we believe that AMADA's unique corporate culture will be further developed by continuing to practice this philosophy. Guided by this basic philosophy, we have established our human resource strategy.

In order to assertively employ talented individuals who are active in the global market, we thoroughly communicate the fact that AMADA is a global company from the recruitment stage. In doing so, AMADA actively employs human resources with

abundant capabilities and knowledge regardless of nationality.

In addition, we believe that overseas experience is the quickest way to foster a global awareness among employees. Accordingly, we proactively dispatch young employees overseas who work in sales, after-sales services, consult engineering (CE), development, and production technology.

AMADA's management philosophy also promotes sound corporate activities based on high ethical standards and a commitment to fairness. We work to enhance transparency and we comply with regulations in the management of the AMADA Group and in all aspects of its operations. Also, we strive to further improve corporate value while conducting ethically sound business activities. To put this philosophy into practice, we implement compliance education for all employees once a year.

» Policy on Shareholder Returns Dividend and Capital Policy

AMADA maintains a policy of establishing a solid business foundation for sustainable growth and working toward the enhancement of corporate value. For this policy to succeed, we believe it is necessary to improve capital efficiency while maintaining financial soundness.

In accordance with its medium-term management plan, the Company is making efforts to strengthen its earnings structure and maximize profits. At the same time, we will take measures to control increases in net assets and improve capital efficiency.

Specifically, until the fiscal year ended March 31, 2013, the dividend payout ratio was about 30% to 50% of consolidated net income; however, from the fiscal year ended March 31, 2014, we raised the ratio to 50%. With that as our goal through the fiscal year ending March 31, 2016, we will continue to carry

out the acquisition of treasury stock.

Based on the above policies, we increased the fiscal year ended March, 2015's annual dividend ¥6 by previous term, to ¥26 per share (¥13 interim, ¥13 year-end). Also, we expect the annual dividend of ¥32 (¥16 interim, ¥16 year-end) per share at the fiscal year ended March 31, 2016, an increase of ¥6 from the previous fiscal year.

We also carried out the acquisition of 9,648 thousand shares of treasury stock (the total amount of ¥9,999 million) from May to June in 2014, 8,386 thousand shares of treasury stock (the total amount of ¥9,999 million) from July to August in 2015, respectively.

September 2015

Directors, Audit and Supervisory Board Members, and Corporate Officers

(As of June 26, 2015)

Directors



Chairman & CEO

Mitsuo Okamoto



President

Tsutomu Isobe



Senior Managing Director

Atsushige Abe



Director

Koji Yamamoto



Director

Kazuo Nakamura



Director

Yasuhiro Kawashita



Director (Outside)

Toshitake Chino



Director (Outside)

Hidekazu Miyoshi

Audit and Supervisory Board Members

Audit and Supervisory Board Members (Full-time)

Takaya Shigeta

Kiyoshi Takeo

Audit and Supervisory Board Members (Outside)

Masanori Saito

Akira Takenouchi

Corporate Officers

Takashi Yuuki

Masayuki Kunimaru

Corporate Governance

BASIC POLICY

AMADA places a high degree of importance on the implementation of sound business activities based on high ethical standards and a commitment to fairness.

Board of Directors and Directors

AMADA's Board of Directors has eight members, including two outside directors. In addition to regular meetings, the Board holds extraordinary meetings as needed. In this way, the Company has established a system that facilitates rapid, flexible decision making.

The Board makes decisions on matters stipulated by laws, regulations, and the Company's articles of incorporation as well as important management-related matters stipulated by the regulations of the Board of Directors.

To reinforce the functions of the Board of Directors and increase management efficiency, AMADA has established the Executive Council, which comprises members of the Board of Directors, executive officers, and others with commensurate duties. At these meetings, the council discusses important matters related to business execution and conducts careful deliberations on selected topics.

In addition, to further clarify management responsibility throughout the fiscal year and to increase the trust of shareholders in the Company, the term of members of the Board of

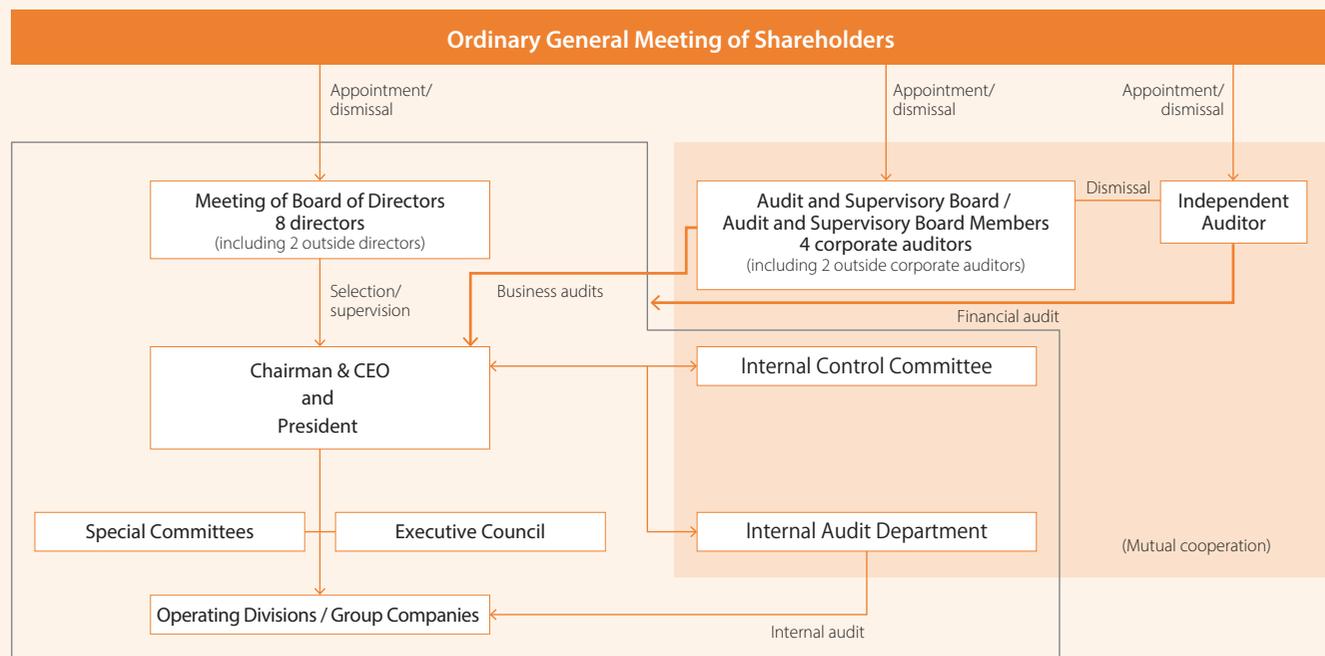
Directors was changed from two years to one year, with the approval of the Ordinary General Meeting of Shareholders held on June 26, 2009.

AMADA introduced an executive officer system in accordance with a resolution of the Board of Directors at a meeting held on June 26, 2009. The objectives of this were to further increase the speed of decision making and strengthen the supervisory and management functions through the Board of Directors, which has a limited number of members; to enhance the transparency of corporate governance by clarifying the separation of responsibilities between supervisory and executive entities; and to enhance the business execution function and increase management efficiency.

Audit and Supervisory Board and Audit and Supervisory Board Members

AMADA uses the Audit and Supervisory Board system. The Company has four Audit and Supervisory Board members, including two outside Audit and Supervisory Board members. The mission of the Audit and Supervisory Board is to carry out

Corporate Governance Structure



the mandate of the shareholders and respond to the demands of society, with a focus on ensuring sound management and increasing the trust of society. Audit and Supervisory Board members attend meetings of the Board of Directors and other important meetings, receive sales reports from directors and others, and track the state of management through actual inspections. In addition, Audit and Supervisory Board members read important documents. In these ways, Audit and Supervisory Board members monitor corporate governance.

The Audit and Supervisory Board Member Secretariat, which has been established for the Audit and Supervisory Board, records, stores, and manages the minutes of meetings. The Internal Audit Office holds advance consultations with Audit and Supervisory Board members in regard to audit policies and plans and reports the results of audits to the Audit and Supervisory Board.

In addition, the Audit and Supervisory Board receives explanations of the details of accounting audits from the Independent Auditor and takes steps to work in cooperation with the Independent Auditor, such as exchanging information. Further, the Audit and Supervisory Board meets periodically with the Independent Auditor when the audit is completed at the end of the fiscal year and also at the end of each quarter. Information is also exchanged at other times, as necessary.

Information Management and Disclosure

At AMADA, its subsidiaries, and other Group companies, information about important decisions, events, or account settlement is reviewed by the Chairman & CEO and President, members of the Board of Directors with related responsibilities, and other employees with related responsibilities. This information is tracked and managed by employees and departments with responsibility for information disclosure. These employees make judgments as to whether or not this information falls within the scope of disclosure items based on the perspectives of timely disclosure regulations and investor relations. If the information is determined to fall within the scope of disclosure items, it is disclosed in a timely manner without delay. Information about important decisions or account settlement is disclosed after decision or approval at a meeting of the Board of Directors, and information about events is disclosed after the event. In addition, as rapidly as possible after timely disclosure is made, the information is provided as IR information on the Company's website.

Strengthening Corporate Governance

In order to further bolster and enhance corporate governance, AMADA nominated two outside directors at the Ordinary General Meeting of Shareholders for the fiscal year ended March 2015. Also, when selecting an outside director or an outside corporate auditor, the decision is made based on such standards as the Tokyo Stock Exchange evaluation criteria for independent directors. Therefore, the candidate, in addition to being someone who will not cause a conflict of interest with the general shareholders, will not receive significant control from management nor exert significant control over management.

Going forward, the Company will work to further enhance the organizational structure and framework, centered on legal functions, such as those of the Ordinary General Meeting of Shareholders, the Board of Directors, the Audit and Supervisory Board, and the Independent Auditor. In addition, the Company will strive to ensure accountability through aggressive initiatives in the areas of prompt disclosure of management and financial information and investor relations.

Businesses of AMADA HOLDINGS CO., LTD.

We contribute to the future of the manufacturing industry with the strength of our group.

As comprehensive manufacturer of metalworking machinery, the AMADA Group is mainly operating in the sheet metal fabrication machine business, metal cutting machine and structural steel fabrication machine business, machine tool business, stamping press business, and precision welding machine business. On April 1, 2015, the AMADA Group restructured and consolidated the businesses. We will now develop differentiated products, offer services to customers from their viewpoint, and contribute to their future as sheet metal fabricators.

AMADA HOLDINGS CO., LTD.

AMADA HOLDINGS CO., LTD.

(Group strategy, management planning, etc.)

Sheet Metal Fabrication Machine Business

- **AMADA CO., LTD.**
(Sale and service of sheet metal fabrication machines)
 - China sales companies
 - ASIA and ASEAN sales companies
- **AMADA ENGINEERING CO., LTD.**
(Development and manufacture of sheet metal fabrication machines)
- **AMADA TECHNICAL SERVICE CO., LTD.**
(Service of sheet metal fabrication machines)

Metal Cutting and Machine Tool Business and Stamping Press Business

- **AMADA MACHINE TOOLS CO., LTD.**

Precision Welding Machine Business

- **AMADA MIYACHI CO., LTD.**
- **Overseas AMADA Group companies**
 - North American sales companies
 - European sales companies
 - Other overseas companies
- **AMADA Group companies in Japan**

AMADA ENGINEERING CO., LTD.

AMADA CO., LTD.

Sheet metal fabrication machine business

Sheet metal parts are used not only in cell phones, smartphones, clips, and mechanical pencils we use every day but also in traffic signals, elevators, and aircraft and rockets.

AMADA's sheet metal fabrication machine business offers all solutions, from machines through control software and peripheral devices to maintenance.

- Turret punch presses
- Press brakes
- Welders
- Software





AMADA TECHNICAL SERVICE CO., LTD.

Metal cutting machine business

The machines of AMADA MACHINE TOOLS are at work in many and varied fabrication applications, from minute precision parts for medical equipment to large steel frames for high-rise buildings, bridges, and other structures.

- Bandsaw machines
- Structural steel fabrication machines

AMADA MACHINE TOOLS CO., LTD.

Stamping press business

- Stamping press machines



Machine tool business

- Multi process center
- Grinding machines
- Electrical discharge machines



AMADA MIYACHI CO., LTD.

Precision welding machine business

AMADA MIYACHI is providing throughout the world welding and processing solutions for automotive body panels and electrical equipment, LCD displays, personal computers, medical devices, and other familiar products.

- Laser welders
- Resistance welders
- Laser markers
- Systems



Sheet Metal Fabrication Machine Business



AMADA CO., LTD.
AMADA ENGINEERING CO., LTD.
AMADA TECHNICAL SERVICE CO., LTD.

Image of processing on ENSIS

Proposal of total solutions for sheet metal fabrication

Sheet metal fabrication involves cutting, drilling, bending, and welding sheet metal.

Many of the metal parts found in various products we use every day are made from sheet metal.

The AMADA Group offers integrated solutions to customers, from the development and manufacture to the sale and service of sheet metal fabrication machines, to meet their specific conditions.

Software

The virtual prototype simulation system (VPSS) offers digital manufacturing for verifying parts in detail on a computer screen before they are actually made. This digital manufacturing system reduces the time the operator spends unfolding a part from its 3D drawing in his brain and achieves shorter times in all process steps.



Sale of sheet metal fabrication machines



SHEETCENTER
LASBEND-AJ



Fiber laser machine
ENSIS-3015AJ



Fiber laser/punch combination machine
LC-2515C1AJ



Fully automatic solution turret punch press
EM-3612ZRT



Ultimate press brake
for extremely high-mix, low-volume production
HG-1003 ATC



Fiber laser welding system
FLW-4000AJM3

Major Products



ACIES-2512T



HG-1003ARs



EG-6013

From Development and Manufacture to Sale and Service

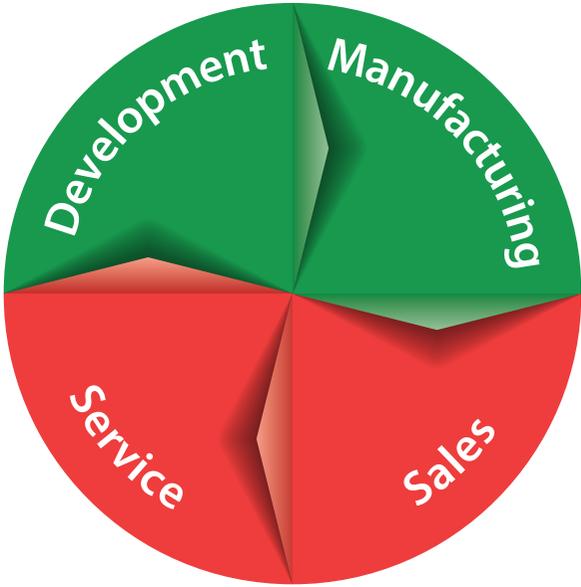
AMADA CO., LTD.
AMADA ENGINEERING CO., LTD.
AMADA TECHNICAL SERVICE CO., LTD.

AMADA Innovation Center is the source of innovations, located at the foot of Mt. Fuji, with a site area of more than 760,000m². As one of the largest laser-machine-dedicated facilities in the world, Fujinomiya Works third, most recent plant can produce 140 units of state-of-the-art machines per month.

In addition, it has adopted the front-loading development / manufacturing system by conducting concurrent designing in collaboration with the Development Center.

AMADA INNOVATION CENTER

AMADA ENGINEERING CO., LTD.



AMADA SOLUTION CENTER

AMADA CO., LTD.

Development system based on “voices of customers”

The core and elemental technologies of next-generation machines are developed with state-of-the-art design systems, and also module design is performed with the manufacturing process in view.



Innovation room



Development center

System for manufacturing machines to specifications of customers

Machines are module designed by the front-loading development concept and made by the “booth-stand” production system that can procure parts just in time and at the best quality, cost, delivery (QCD) levels. Shorter lead time and higher-quality manufacturing are thus accomplished.



“Booth-stand” production system



Clean room

Sales system to “solve problems of customers”

AMADA offers customers solutions for their manufacturing problems as well as engineering proposals by making use of its solution model.

AMADA Solution Center

The AMADA Solution Center is the place where AMADA offers solutions to the problems of customers. The center acts as an exhibition and showroom site to show customers the various products AMADA offers and also as a place of “process verification” where AMADA finds the problems of customers, proposes solutions to the problems, and helps the customers to verify the proposed solutions.



AMADA Solution Center (Isehara)

AMADA Solution Center (Schaumburg)

Technical Centers

At our Technical Centers, customers can verify parts processed according to their data and can confirm the functions, performance, and operability of AMADA machines.

The customers can use the centers as base with reinforced technical service functions.



Kansai Technical Center (Osaka)

Shanghai Technical Center (China)

Service system that “does not allow machines of customers to stop operating”

AMADA CO., LTD.

AMADA TECHNICAL SERVICE CO., LTD.

AMADA supports customers in operating the machines installed at their shops and in producing parts with the machines as well as provides maintenance on the machines.



Call center



IT service vehicle equipped with digitized service tools

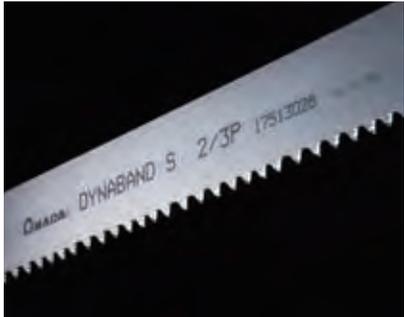


Tooling



Parts center

Metal Cutting and Machine Tool Businesses / Stamping Press Business



AMADA MACHINE TOOLS CO., LTD.

Image of processing on MX-150

From huge structures to minute parts

AMADA MACHINE TOOLS operates integrated businesses from the development and manufacture to the sale and service of metal cutting, machine tools, and stamping presses. From global perspectives, AMADA MACHINE TOOLS develops cutting-edge technology, supplies high-quality products to customers around the world, proposes optimum problem solutions to customers, and provides a wide range of services to customers. Metals machined with the machines of AMADA MACHINE TOOLS are used in various applications. The machines of AMADA MACHINE TOOLS are indispensable for making products that support our lives as well as products that not only require minute parts but products that require huge, robust structures.



Facilities for solving problems of customers

AMADA MACHINE TOOLS promptly solves the production problems of customers by combining the metal cutting, turning, and grinding technologies it has developed over many years.

At the Toki Technical Center, an integrated development and manufacturing base, AMADA MACHINE TOOLS organizes events and training sessions and proposes solutions as a comprehensive manufacturer of metalworking machinery.



Toki Technical Center

Development and manufacture with high quality and short delivery lead time

About 100 development staff members reside at the Toki Works and mainly develop machine tools with the latest design systems and video equipment. The latest, high-accuracy and high-performance equipment is introduced at the manufacturing factory, and quality is thoroughly built into products on each manufacturing line. A system is established for stably delivering high-quality and high-accuracy products within short lead times.



Toki Works



Office building



Factory building



Saw blade development and manufacturing base, Ono Plant



Pulse cutting bandsaw machine
PCSAW series



Multi process center
MX-150



Digital electric two-point servo press
SDEW series

Major Products



WS-1000

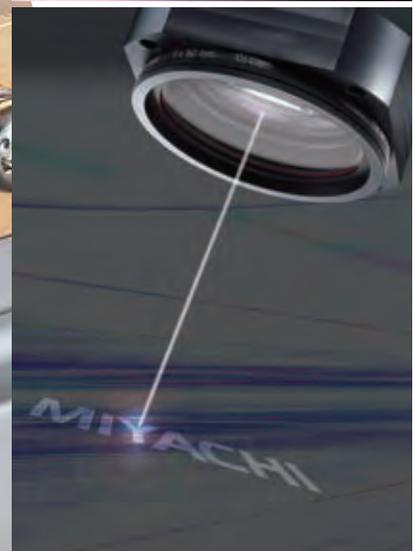
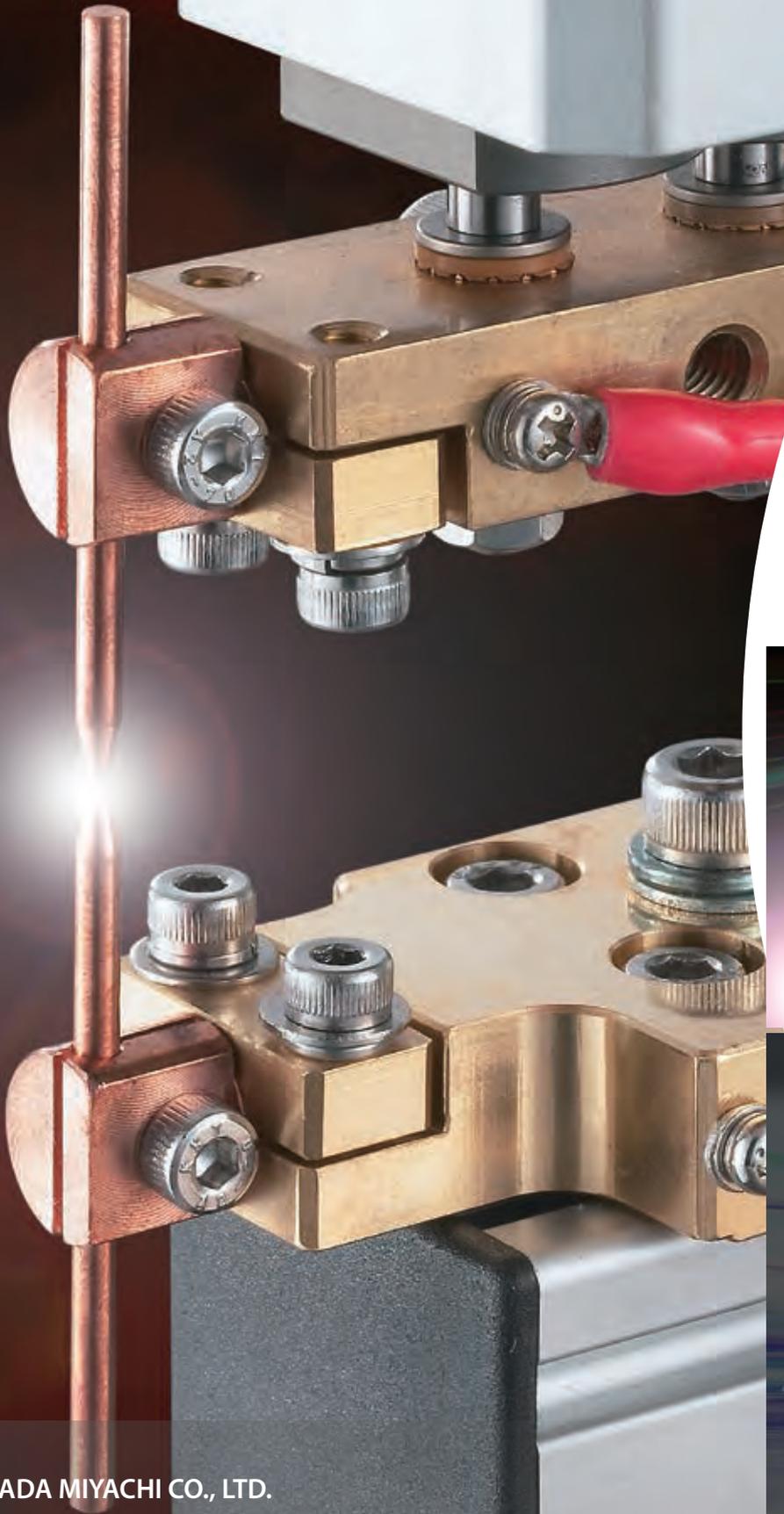


HK series



DV-1

Precision Welding Machine Business



AMADA MIYACHI CO., LTD.

Image of resistance welding

Machines indispensable for state-of-the-art manufacturing in such fields as automobiles, electronic parts, communications equipment, and medical devices

AMADA MIYACHI offers total solutions centered on the four pillars of laser welders, laser markers, resistance welders, and laser marking and laser and resistance welding systems.

AMADA MIYACHI has a business model specializing in the precision welding and processing markets, has both joining and laser technologies, and has a unique position in the world.

The technologies of AMADA MIYACHI are used in the joining and processing of electronic devices and other precision parts and are helpful in improving or maintaining the quality of familiar products.



From development and manufacture to sale and service

AMADA MIYACHI develops original product technologies, creates added value, such as excellent maintainability and operability and the accommodation of various inputs and outputs, realizes truly easy-to-use systems, and operates as a one-stop supplier, from discrete equipment to system products. The synergistic effects of these endeavors are what AMADA MIYACHI aims to achieve.

AMADA MIYACHI will continue to maintain its solid position in welding and processing for the electronics, automotive, and energy industries, and it will strive for the ability to propose solutions optimized for specific customers and for the achievement of outstanding customer satisfaction.



3D fiber laser marker
ML-7350DL-3D



Pulsed fiber laser welder
ML-3000 series



For DC spot welding and fusing
IS-800A + MM-370B

Major Products



ML-2550A

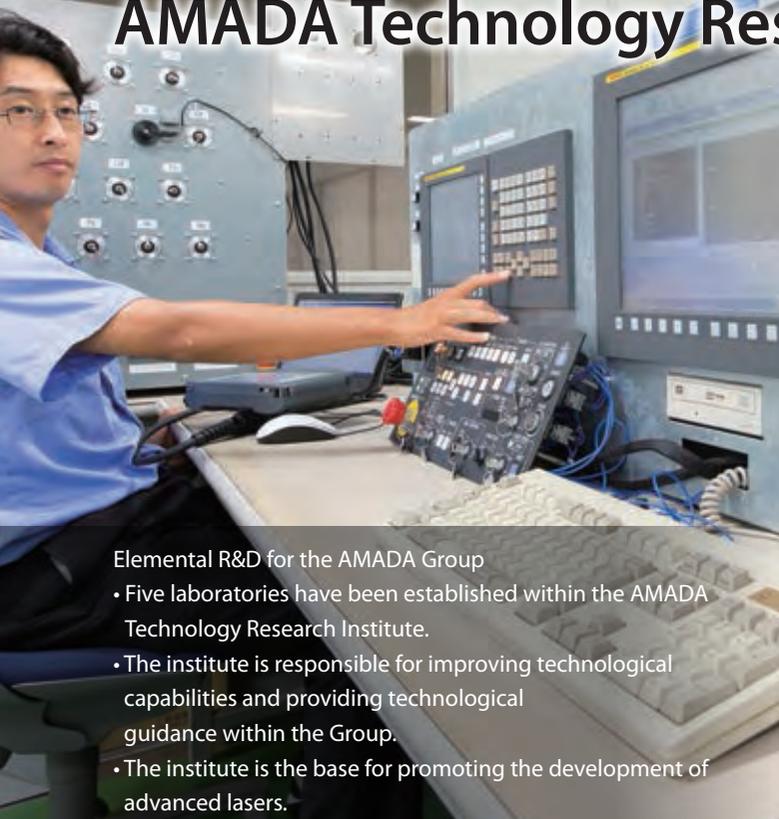


ML-8150A



ML-9001A

AMADA Technology Research Institute



Elemental R&D for the AMADA Group

- Five laboratories have been established within the AMADA Technology Research Institute.
- The institute is responsible for improving technological capabilities and providing technological guidance within the Group.
- The institute is the base for promoting the development of advanced lasers.

Organizations



New Products in 2015



Fiber laser cutting machine **ENSIS-3015AJ**

The ENSIS-3015AJ is equipped with AMADA's own developed fiber laser oscillator and the latest unique beam control technology for maximizing energy efficiency while supporting higher efficiency in v-mix v-lot production.

Fiber laser/punch combination machine **LC-2515C1AJ**

The laser cutting area is enclosed by a table cabin and a shutter to provide laser light shielding. The machine can be easily combined with peripheral units and automated to achieve a shorter total lead time.



Fiber Laser Welding system **FLW-4000AJM3**

High-speed and high grade processing with multi-functions. AMADA Fiber Laser Welding system achieves high-speed and high grade welding that is impossible with conventional laser welding.



TOPICS Passion for Laser Beams—Pursuing the Optimal Beam for Sheet Metal Processing

Higher Beam Quality

Cutting a 25mm-thick board with a 2kW laser oscillator

AMADA has created original fiber laser oscillators with excellent Beam Parameter Product (BPP). These oscillators generate a sophisticated beam, making them optimal for the high-speed cutting of thin metal sheets.

* Presented the FOL-3015AJ (4kW) at Euro Blech 2010 in Hanover (Germany)

By utilizing the special qualities of sophisticated laser beams, we sought to create oscillators that could cut thin metal sheets even faster and cut thick metal sheets with an even thicker width. We also wanted these oscillators to be able to operate for one week without having to change lenses and, giving consideration to the environment, to run at 2kW. Going forward, AMADA will extend its sophisticated laser beam technology across five fields.

* Presented the ENSIS-3015AJ (2kW) at FABTECH2013 in Chicago (U.S.)



ENSIS-2000

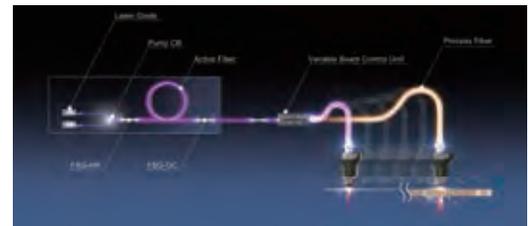


Image of plank processing using by ENSIS-20000 (ENSIS-AJ series)

Beam Quality Control

The ENSIS-2000 (2kW) is a fiber laser oscillator that realizes continuous processing from thin to thick metal sheets, without the need for lens replacement.

The ENSIS-2000 is a specialized oscillator for the ENSIS-AJ series. The ENSIS-2000 further evolves AMADA's AJ-2000 fiber laser oscillator, combining the AJ-2000 fiber laser system with a unique variable beam control unit to create a total control system. The variable beam control unit utilizes special fibers to change beam shape. As it can seamlessly change BPP, the ENSIS-2000 fiber laser oscillator can obtain the optimal beam for thick, soft steel sheets, and it is able to process thin to thick sheets using a single lens, with no need for lens replacement.



Beam variable unit



ENSIS-3015AJ

ENSIS-2000

ENSIS-4020AJ

Beam Quality Improvement

In pursuit of even higher beam quality, the AMADA Technology Research Institute is conducting the development of new oscillator models. Having developed the specialized ENSIS-2000 fiber laser oscillator for the ENSIS-3015AJ Fiber Laser Cutting Machine, the institute is now developing next-generation oscillators and DDL laser oscillators.

* Presented the ExC (DDL) (2kW) at Euro Blech2014 Hanover (Germany)

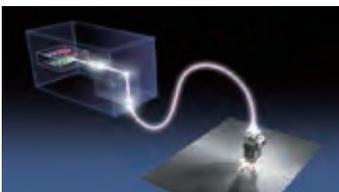


Image of ExC(DDL) (2kW)



AMADA Technology Research Institute

AMADA Group Environmental Declaration



The AMADA Group aggressively promotes environmental activities to its management in order to realize sustainable development of its business and society. AMADA will help to build a bright and prosperous future for people around the world by optimally utilizing the engineering capabilities we have cultivated, and by providing environmentally-friendly, energy-saving products as a general manufacturer of metalworking machinery.

“Linkage through Eco-conscious Manufacturing”

The AMADA Group aspires to become a business enterprise to link with customers, society and the world through eco-conscious manufacturing.

Producing eco-friendly machine at eco-friendly business establishment

All the AMADA Group's operations are carried out with the aim of achieving optimal compatibility between environmental preservation and business activities through promotion of energy- and resource-saving efforts.

Our eco-friendly merchandise assists customers' to manufacture eco-friendly products

The AMADA Group's eco-friendly products enable customers to manufacture energy savings and highly efficient products at their plants.

Creating eco-friendly environment at customers' plants

The AMADA Group contributes to the creation of eco-friendly environments at customers' plants by utilizing its accumulated environmental know-how.

AMADA FOREST

Approximately 60% of Fujinomiya Work's site, which is approximately 429,800m², remains as forests. And approximately 80% of them are artificial forests of “Japanese cypress.” Since it has been 40 to 50 years since the trees had been planted, we are planning to aggressively improve the forest into a forest rich in plants and animals.

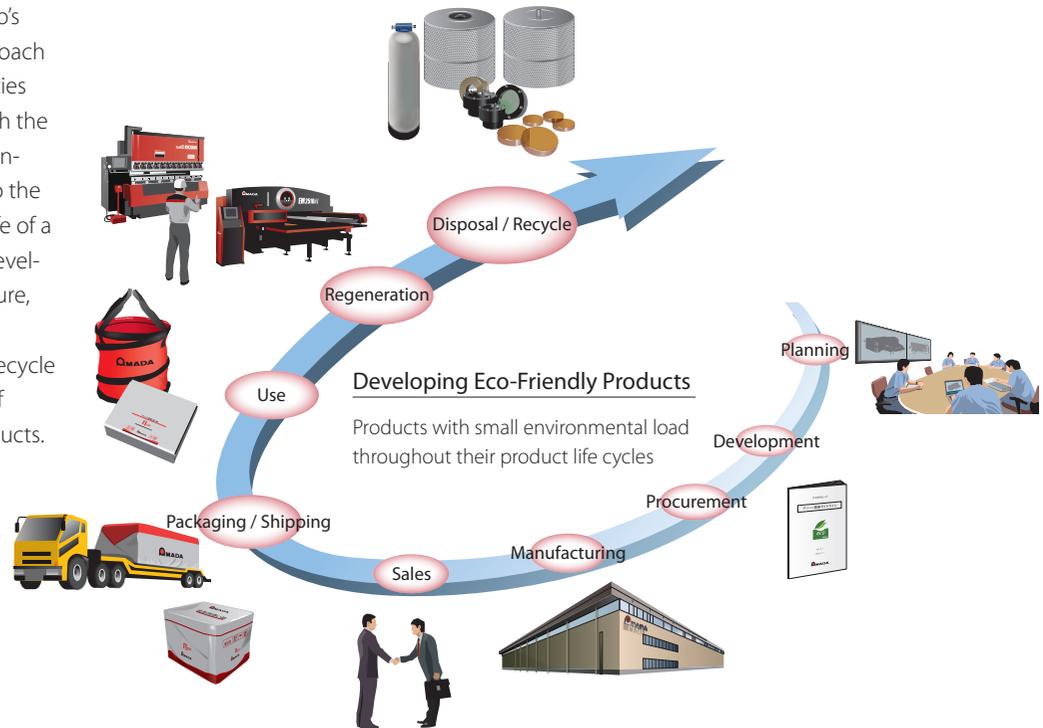
Approximately 700 species of plants have been found on the Fujinomiya Works premises. When we re-organized the forest next to Factory #2, we found trees such as konara oak and Japanese snowbell, and also the plant *Cypripedium japonicum* designated as a category II (VU) endangered species by the Ministry of the Environment and Shizuoka Prefecture.



The AMADA Group Environmental Management

Fundamental to the AMADA Group's environmental management approach is environmental protection activities during our products' life cycles with the aim of continually reducing environmental impacts "from the cradle to the grave", meaning throughout the life of a product from planning through development, procurement, manufacture, sale, shipping and use to disposal.

At AMADA we are developing lifecycle management to create this kind of entire life for our eco-friendly products.

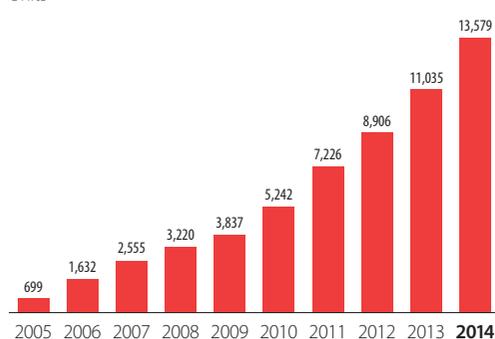


AMADA Eco-Friendly Products

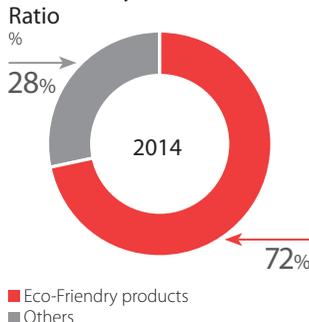
AMADA is engaged in the development of energy-efficient products with exceptional productivity through the establishment of independent standards for product assessment and eco-friendly products. Our initiatives to reduce greenhouse gases, which have been undertaken for many years, are highly praised. In December 2013, AMADA was awarded the 2013 Environment Minister's Award for Global Warming Prevention Activities in the technology and manufactured products category.



Total Sales Volume of Eco-Friendly Products
Units



Eco-Friendly Products Sales Ratio



Award-Winning Products



Social Contribution Activities

Communication with the Local Community

The AMADA Group places importance on communication with people of local communities and is expanding its social contribution activities in each of the regions of Europe, Asia, and the Americas. The Group is widening its sphere of activities, including internships and charity and volunteer activities.



Children's sports activities Promotion
AMADA UNITED KINGDOM LTD.



Professional training for technical high school students
AMADA EUROPE S.A.



Acceptance of factory tour



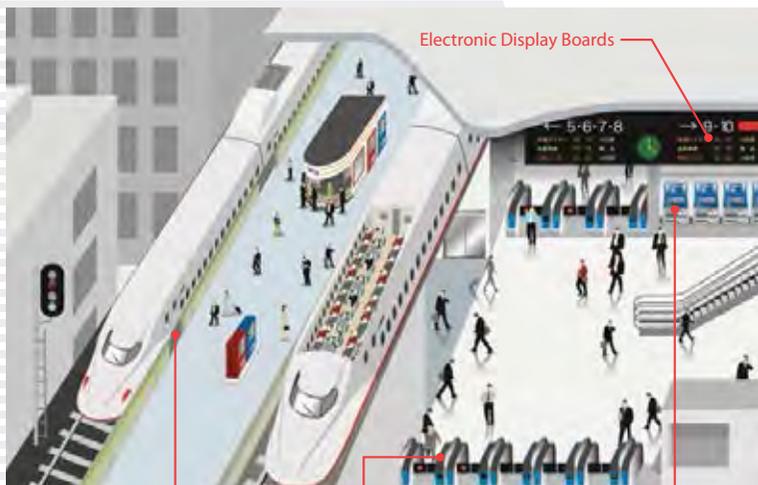
Sponsorship of Hoshiaward
AMADA CO., LTD.



Social Contribution through Business

The AMADA Group aims to contribute to society through its business operations. We will continue to push forward with the development of products that benefit society in a variety of fields.

SCENE 1 Station Facilities



Platform Doors

Automatic Ticket Gates

Ticket Vending Machines

Electronic Display Boards

SCENE 2 Convenience Store Facilities



Cash Registers

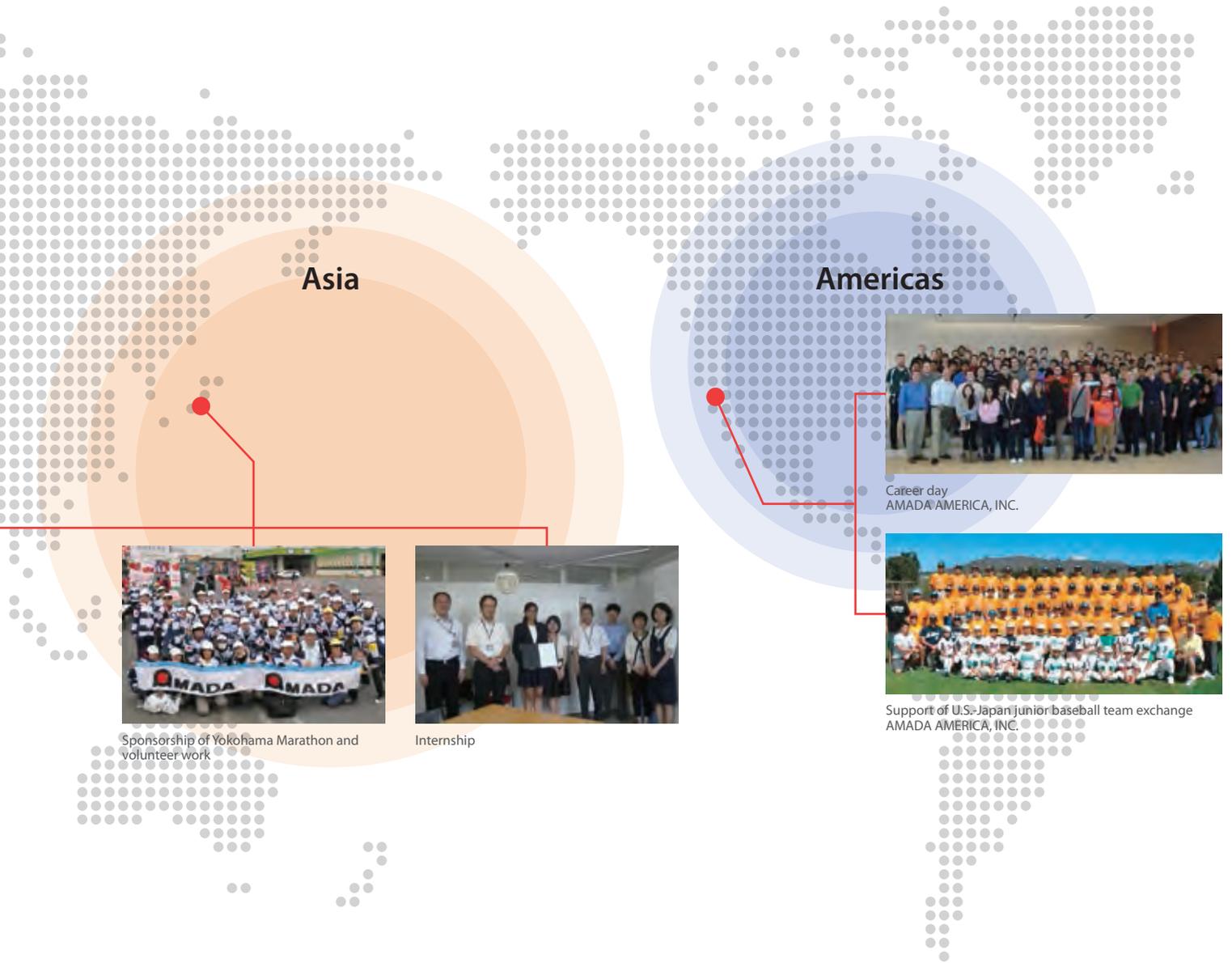
Display Stands

Refrigerated Showcases

Waste Bins

ATMs

Food Processing Machinery



Asia



Sponsorship of Yokohama Marathon and volunteer work



Internship

Americas



Career day
AMADA AMERICA, INC.



Support of U.S.-Japan junior baseball team exchange
AMADA AMERICA, INC.

SCENE 3 Hospital Facilities



Operating Tables

Medical Diagnostic Imaging Equipment
CT, MRI, X-ray

Examination Tables

Electronic Medical Records

SCENE 4 Construction Machinery



Road Construction Equipment

Trucks

Civil Engineering and Construction Equipment
Shovels, Bulldozers, and Cranes

Social Contribution Activities

AMADA Group WorldSkills Sponsorship

As a sponsor of WorldSkills, the AMADA Group supports the event from a technical perspective by providing sheet metal processing machines and assigning engineers to support the development and improvement of young engineers' skills.



Explanation scene with engineer

Relations with WorldSkills



AMADA School

The AMADA School was established in 1978 as Japan's first vocational training corporation dedicated to metalworking machinery. As an educational institution, the school leverages AMADA's wealth of technology and cutting-edge facilities. The school is built upon the two pillars of skills education (manufacturing) and support education (personnel development) and teaches students about machines, CAD/CAM operation, and the fundamentals of sheet metal processing. In addition, the school offers preparatory courses for the National Trade Skill Test (factory sheet metal work) theory and practical examinations. The school also provides courses with the goal of supporting human resources development for new employees, administrative staff, and supervisory staff at small- and medium-sized businesses as well as a support education course, Junior Management College (JMC), for those progressing to managerial positions.



Training in AMADA India Vocational Center

Precision Sheet Metal Technology Fair

The Precision Sheet Metal Technology Fair is a competition established in 1989 by the AMADA School to promote the improvement of sheet metal processing technology and skills. Currently, the school collects entries from five categories around May each year and, following judgment, holds an award ceremony the following March. The 27th Precision Sheet Metal Technology Fair awards ceremony was held in March 2015. A total of 224 entries were submitted, of which 78 were submissions from overseas, with 36 submissions from students—the largest number of submissions from students in the fair's history.



Fair's poster

Support for Sheet Metal Industry Associations

Sheet metal industry associations are established in each region of Japan by companies involved in the sheet metal processing industry to promote the planning, proposal, implementation, and research of activities for the prosperity and global expansion of member companies. To date, 26 such industry associations have been established in Japan. To help improve the skills of all association member companies, train human resources, and promote industry development, AMADA provides assistance through the industry association secretariats and takes such measures as dispatching lecturers for workshops.



Trade skill tests

Communication with Our Employees

Creation of a Healthy, Safe, and Pleasant Workplace

The AMADA Group places high priority on health and safety and is promoting the creation of a pleasant workplace that gives consideration to these priorities.

Health Management

AMADA aims to quickly identify employees with health problems and provide them with follow-up support as part of its efforts toward thorough mental and physical health management. Accordingly, we are promoting such initiatives as the establishment of an industry healthcare system and a mental and comprehensive physical healthcare support service through collaboration with health insurance organizations.

Moreover, when an employee is injured or becomes ill, the Group has in place an independently established sickness and injury leave system and a return-to-work program, through which follow-ups are conducted by healthcare staff.



Safety Management

The AMADA Group is engaging in initiatives to prevent the reoccurrence of any work-related injuries that occur within the Group by identifying the cause and horizontally developing measures to prevent reoccurrence. In 2014, we continued to take initiatives that focus on safety education to eradicate injuries that result in lost work time.

AMADA EUROPE S.A., based in France, has introduced an occupational health and safety management system. In October 2014, it acquired OHSAS 18001 certification and it continues to make efforts toward the prevention of work-related injuries.



Promoting Support for Childcare

The AMADA Group is encouraging male employees to take childcare leave by establishing an independent childcare leave system, which differs from the original system by allowing employees who want to participate in childcare to redeem unused paid holidays that have expired. Moreover, to encourage employees to take paid leave, in addition to systematic paid holidays and recommended days to redeem paid holidays, we have established leave for special events, such as school-related activities, which is separate from normal paid holidays. Further, we implement "Bring Your Family to Work" days at each of our work sites. Through initiatives such as these, we are working to encourage employees with children to play an active role in raising their children.

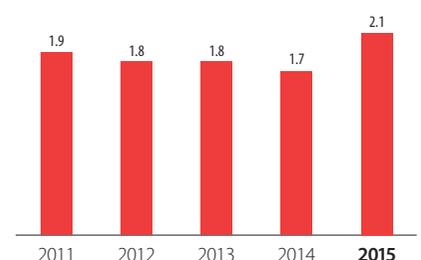


"Bring Your Family to Work" day, hosted at each work site across Japan

Workplace Where People with Disabilities Play a More Active Role

To assist the social progression and promote the independence of people with disabilities, the AMADA Group actively employs the disabled. We provide trial employment for those with intellectual disabilities and offer work experience programs for students of special needs schools. These efforts help people with intellectual disabilities find work in the future. Furthermore, in June 2015, we established a special-purpose subsidiary within the Group that exclusively employs people with disabilities. This subsidiary, the first of its kind in the machine tool industry, raised our employment rate for people with disabilities to 2.1%.

Disability Employment Rate %



Financial Review

EXTERNAL ECONOMIC CONDITIONS

In the global economy during the fiscal year under review, sluggish conditions persisted in China and other markets. On the other hand, the United States remained steadily on course towards economic recovery, while signs of economic recovery continued in Europe.

The Japanese economy showed signs of a gradual recovery, with the impact of the consumption tax increase dissipating and the

economic and financial policies implemented by the Japanese government and domestic banks underpinning overall economic conditions.

In the machinery industry, the impact of yen depreciation resulted in solid demand overseas. In addition, subsidies and tax benefits for manufacturing in Japan provided incentives for capital investments, resulting in favorable performance in the domestic industry.

EARNINGS

In regard to the consolidated business performance for the fiscal year under review, orders received and net sales recorded year-on-year increased. Orders received rose 13.7%, to ¥296,416 million, and net sales increased 11.7%, to ¥286,527 million.

Revenues also improved, with operating income up 70.7% year on year, to ¥27,694 million, and net income up 51.2%, to ¥18,423 million, mainly due to higher net sales and the depreciating yen.

FINANCIAL POSITION

At the end of the fiscal year under review, consolidated total assets were up ¥20,807 million year on year, to ¥573,537 million. This gain was partially attributable to increases in the yen equivalent of foreign currency-denominated assets accompanying yen depreciation.

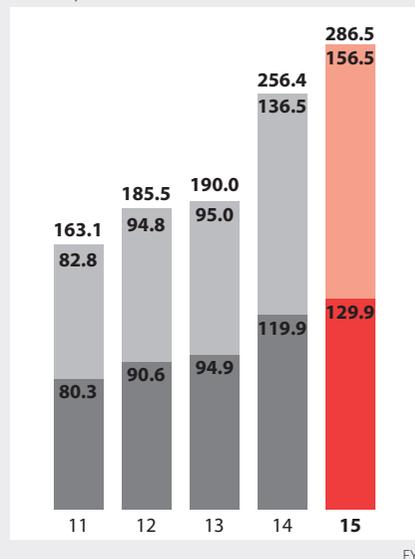
Total current assets increased by ¥20,847 million year on year, to ¥377,286 million, mainly due to a rise in cash and cash equivalents. Fixed assets were roughly the same as at the end of the previous fiscal year, standing at ¥196,250 million.

Total liabilities at fiscal year-end were ¥147,055 million, up ¥11,329 million. Of these, total current liabilities increased by ¥7,694 million year on year, to ¥125,687 million, reflecting higher short-term bank loans. Total long-term liabilities rose ¥3,634 million, to ¥21,368 million.

Consolidated total equity at the fiscal year-end stood at ¥426,481 million, up ¥9,478 million from the previous fiscal year-end. The shareholders' equity ratio was 73.8%, compared with 74.9% at the end of the previous fiscal year.

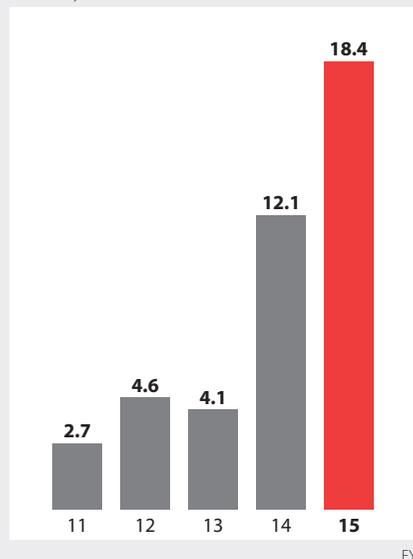
Domestic Sales and Overseas Sales

Billions of yen



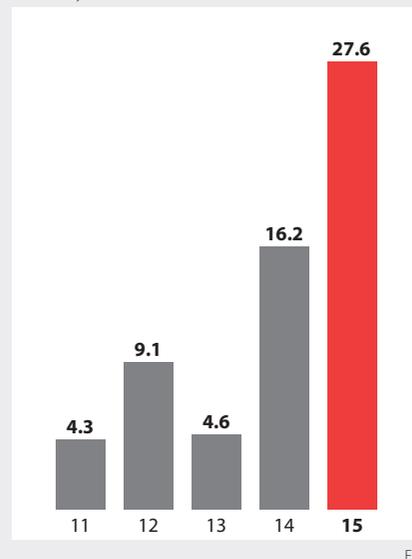
Net Income

Billions of yen



Operating Income

Billions of yen



■ Domestic Sales ■ Overseas Sales

CASH FLOWS

Consolidated cash and cash equivalents, end of year, amounted to ¥96,320 million, up ¥7,783 million from the previous fiscal year.

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash provided by operating activities totaled ¥25,242 million, down ¥737 million from the previous fiscal year. This decrease was primarily

attributable to an increase in income taxes paid, despite a rise in net income before income taxes and minority interests.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities amounted to ¥1,790 million, a ¥5,831 million decrease from the previous fiscal year. This decline was

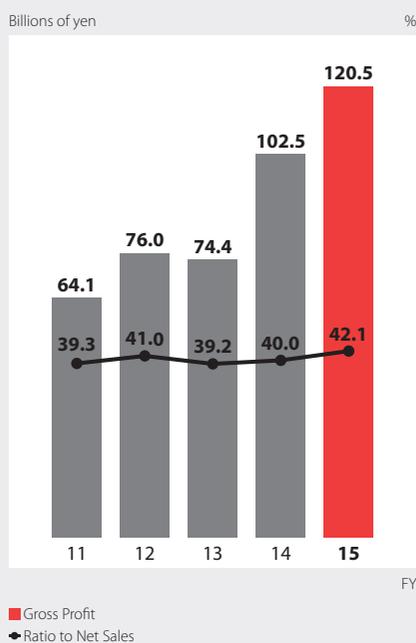
mainly attributable to an increase in proceeds from sales and redemption of marketable securities.

CASH FLOWS FROM FINANCING ACTIVITIES

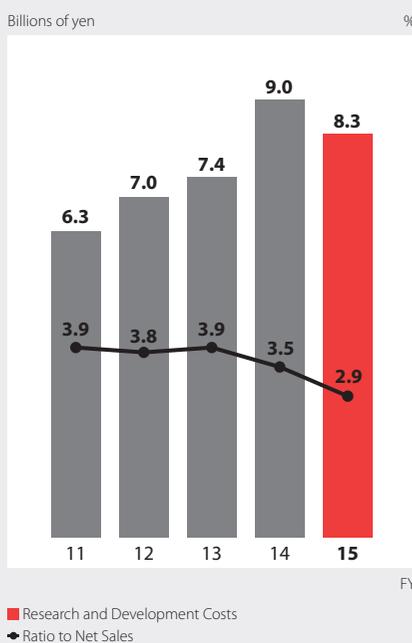
Net cash used in financing activities amounted to ¥17,866 million, compared with net cash provided by financing activities of ¥2,360 million in

the previous fiscal year. Major factors contributing to this shift were an increase in cash dividends paid and the acquisition of treasury stock.

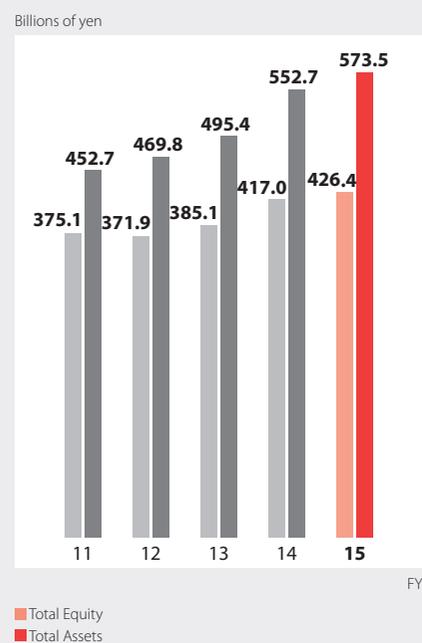
Gross Profit and Ratio to Net Sales



Research and Development Costs and Ratio to Net Sales



Total Equity and Total Assets



Consolidated Financial Statements

Consolidated Balance Sheet

AMADA HOLDINGS CO., LTD. and Consolidated Subsidiaries
March 31, 2015

| ASSETS | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|---|------------------|------------------|---------------------------------------|
| | 2015 | 2014 | 2015 |
| Current assets: | | | |
| Cash and cash equivalents (Note 16) | ¥ 96,320 | ¥ 88,537 | \$ 800,868 |
| Short-term investments (Notes 3 and 16) | 17,558 | 18,939 | 145,993 |
| Notes and accounts receivable (Notes 2, 6 and 16)— | | | |
| Trade | 147,884 | 141,338 | 1,229,603 |
| Unconsolidated subsidiaries and associated companies | 115 | 181 | 957 |
| Other | 2,160 | 2,040 | 17,965 |
| Allowance for doubtful receivables | (2,204) | (2,082) | (18,332) |
| Investments in lease (Notes 14 and 16) | 13,430 | 12,777 | 111,666 |
| Inventories (Note 4) | 90,109 | 84,566 | 749,225 |
| Deferred tax assets (Note 9) | 7,344 | 6,374 | 61,068 |
| Prepaid expenses and other current assets (Notes 7 and 14) | 4,567 | 3,766 | 37,980 |
| Total current assets | 377,286 | 356,439 | 3,136,996 |
| Property, plant and equipment: | | | |
| Land (Note 6) | 39,865 | 38,336 | 331,462 |
| Buildings and structures (Note 6) | 145,330 | 140,697 | 1,208,369 |
| Machinery and equipment | 63,655 | 59,194 | 529,268 |
| Buildings, structures and land for rent | 15,365 | 15,974 | 127,758 |
| Lease assets | 573 | 435 | 4,771 |
| Construction in progress | 1,070 | 3,512 | 8,901 |
| Total | 265,860 | 258,152 | 2,210,531 |
| Accumulated depreciation | (136,349) | (131,857) | (1,133,692) |
| Net property, plant and equipment | 129,511 | 126,294 | 1,076,839 |
| Investments and other assets: | | | |
| Investment securities (Notes 3 and 16) | 45,477 | 46,437 | 378,128 |
| Investments in and advances to unconsolidated subsidiaries and associated companies | 3,664 | 3,896 | 30,470 |
| Goodwill | 2,230 | 3,213 | 18,547 |
| Software | 2,415 | 2,519 | 20,080 |
| Deferred tax assets (Note 9) | 5,596 | 5,992 | 46,530 |
| Asset for retirement benefit (Note 8) | 131 | 5 | 1,090 |
| Other assets (Notes 7 and 14) | 7,223 | 7,931 | 60,064 |
| Total investments and other assets | 66,739 | 69,995 | 554,912 |
| Total | ¥ 573,537 | ¥ 552,729 | \$ 4,768,747 |

See notes to consolidated financial statements.

| LIABILITIES AND EQUITY | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|--|-----------------|----------|---------------------------------------|
| | 2015 | 2014 | 2015 |
| Current liabilities: | | | |
| Short-term bank loans (Notes 6 and 16) | ¥ 31,590 | ¥ 29,875 | \$ 262,662 |
| Current portion of long-term debt (Notes 6 and 16) | 1,604 | 377 | 13,337 |
| Notes and accounts payable (Note 16)— | | | |
| Trade | 20,210 | 19,872 | 168,043 |
| Unconsolidated subsidiaries and associated companies | 55 | 363 | 463 |
| Other | 8,282 | 24,230 | 68,868 |
| Electronically recorded obligations—operating (Note 16)— | | | |
| Trade | 18,637 | | 154,960 |
| Unconsolidated subsidiaries and associated companies | 520 | | 4,331 |
| Deferred profit on installment sales (Note 2) | 15,018 | 15,416 | 124,870 |
| Accrued expenses | 11,424 | 10,473 | 94,988 |
| Income taxes payable | 6,485 | 7,421 | 53,921 |
| Other current liabilities (Note 9) | 11,858 | 9,963 | 98,596 |
| Total current liabilities | 125,687 | 117,993 | 1,045,044 |
| Long-term liabilities: | | | |
| Long-term debt (Notes 6 and 16) | 6,355 | 3,599 | 52,845 |
| Liability for employees' retirement benefits (Note 8) | 7,733 | 6,655 | 64,301 |
| Retirement allowance for directors and corporate auditors (Note 8) | 35 | 29 | 296 |
| Deposits received (Notes 7 and 16) | 3,066 | 3,163 | 25,494 |
| Other long-term liabilities (Note 9) | 4,177 | 4,285 | 34,731 |
| Total long-term liabilities | 21,368 | 17,733 | 177,670 |
| Commitments and contingent liabilities (Note 15) | | | |
| Equity (Notes 10, 11 and 21): | | | |
| Common stock— | | | |
| Authorized—550,000 thousand shares | | | |
| Issued—386,502 thousand shares in 2015 and 396,502 thousand shares in 2014 | 54,768 | 54,768 | 455,377 |
| Capital surplus | 163,199 | 163,270 | 1,356,939 |
| Stock acquisition rights | 104 | 197 | 871 |
| Retained earnings | 208,449 | 210,617 | 1,733,180 |
| Treasury stock, at cost— | | | |
| 13,043 thousand shares in 2015 and 14,160 thousand shares in 2014 | (10,337) | (8,843) | (85,953) |
| Accumulated other comprehensive income: | | | |
| Net unrealized loss on available-for-sale securities | 1,155 | (592) | 9,606 |
| Deferred loss on derivatives under hedge accounting | 75 | (87) | 630 |
| Land revaluation difference (Note 1 k) | (9,251) | (9,304) | (76,923) |
| Foreign currency translation adjustments | 14,206 | 4,192 | 118,121 |
| Defined retirement benefit plans | 1,054 | 241 | 8,765 |
| Total | 423,424 | 414,459 | 3,520,616 |
| Minority interests | 3,056 | 2,543 | 25,416 |
| Total equity | 426,481 | 417,002 | 3,546,033 |
| Total | ¥573,537 | ¥552,729 | \$4,768,747 |

Consolidated Statement of Income

AMADA HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

| | Millions of yen | | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|----------|----------|---------------------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Net sales (Note 2) | ¥286,527 | ¥256,482 | ¥190,018 | \$2,382,366 |
| Cost of sales | 165,961 | 153,977 | 115,595 | 1,379,911 |
| Gross profit | 120,565 | 102,505 | 74,423 | 1,002,455 |
| Selling, general and administrative expenses (Note 13) | 93,246 | 86,308 | 68,953 | 775,312 |
| Net changes in deferred profit on installment sales and finance lease sales | 375 | 28 | (844) | 3,125 |
| Operating income | 27,694 | 16,225 | 4,625 | 230,268 |
| Other income (expenses): | | | | |
| Interest and dividend income | 2,716 | 2,683 | 2,440 | 22,588 |
| Interest expense | (288) | (337) | (183) | (2,399) |
| Equity in earnings of unconsolidated subsidiaries and associated companies | 181 | 189 | 78 | 1,507 |
| Foreign exchange gain | 2,193 | 1,414 | 1,239 | 18,235 |
| Other, net (Note 12) | (1,421) | 1,635 | (1,185) | (11,817) |
| Other income (expenses)—net | 3,381 | 5,584 | 2,390 | 28,115 |
| Income before income taxes and minority interests | 31,075 | 21,810 | 7,015 | 258,383 |
| Income taxes (Note 9): | | | | |
| Current | 12,167 | 9,438 | 2,974 | 101,165 |
| Deferred | 117 | (75) | (262) | 974 |
| Total income taxes | 12,284 | 9,362 | 2,712 | 102,139 |
| Net income before minority interests | 18,791 | 12,447 | 4,303 | 156,243 |
| Minority interests in net income | 367 | 263 | 176 | 3,057 |
| Net income | ¥ 18,423 | ¥ 12,184 | ¥ 4,126 | \$ 153,186 |

| | Yen | | | U.S. dollars (Note 1) |
|--|---------------|--------|--------|-----------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Per share of common stock (Notes 1 z and 19): | | | | |
| Net income— | | | | |
| Basic | ¥49.18 | ¥31.89 | ¥10.81 | \$0.40 |
| Diluted | 49.12 | 31.85 | | 0.40 |
| Cash dividends applicable to the year | 26 | 20.00 | 12.00 | 0.21 |

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

AMADA HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

| | Millions of yen | | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|---------|---------|---------------------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Net income before minority interests | 18,791 | ¥12,447 | ¥ 4,303 | 156,243 |
| Other comprehensive income (Note 18): | | | | |
| Unrealized gain on available-for-sale securities | 1,747 | 1,920 | 3,108 | 14,528 |
| Deferred loss on derivatives under hedge accounting | 163 | 782 | (454) | 1,358 |
| Land revaluation difference | 53 | | | 441 |
| Foreign currency translation adjustments | 10,257 | 21,182 | 10,690 | 85,289 |
| Defined retirement benefit plans | 802 | | | 6,671 |
| Share of other comprehensive income in associates | 29 | 158 | 56 | 243 |
| Total other comprehensive income | 13,053 | 24,044 | 13,401 | 108,532 |
| Comprehensive income | 31,844 | ¥36,491 | ¥17,704 | 264,776 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 31,214 | ¥35,808 | ¥17,277 | 259,538 |
| Minority interests | 630 | 683 | 426 | 5,238 |

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

AMADA HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

Millions of yen

| | Issued number of shares outstanding (thousands) | Number of treasury stock (thousands) | Common stock | Capital surplus | Stock acquisition rights | Retained earnings | Treasury stock | Accumulated other comprehensive income | | | | | Total | Minority interests | Total equity |
|--|---|--------------------------------------|----------------|-----------------|--------------------------|-------------------|------------------|---|---|-----------------------------|--|----------------------------------|-----------------|--------------------|-----------------|
| | | | | | | | | Net unrealized (loss) gain on available-for-sale securities | Deferred loss on derivatives under hedge accounting | Land revaluation difference | Foreign currency translation adjustments | Defined retirement benefit plans | | | |
| Balance, March 31, 2012 | 396,502 | 14,689 | ¥54,768 | ¥163,199 | ¥226 | ¥203,980 | ¥ (9,153) | ¥(5,613) | ¥ (415) | ¥(9,430) | ¥(27,234) | | ¥370,327 | ¥1,641 | ¥371,969 |
| Cash dividends, ¥14.00 per share | | | | | | (5,345) | | | | | | | (5,345) | | (5,345) |
| Net income | | | | | | 4,126 | | | | | | | 4,126 | | 4,126 |
| Acquisition of treasury stock | | 67 | | | | | (33) | | | | | | (33) | | (33) |
| Disposal of treasury stock | | (4) | | | | (0) | 3 | | | | | | 2 | | 2 |
| Reversal of land revaluation difference | | | | | | 104 | | | | (104) | | | | | |
| Increase resulting from change in scope of consolidated subsidiaries | | | | | 2 | | | | | | | | 2 | 866 | 869 |
| Net change in the year | | | | | 54 | | | 3,108 | (454) | | 10,498 | | 13,206 | 307 | 13,513 |
| Balance, March 31, 2013 | 396,502 | 14,752 | 54,768 | 163,199 | 284 | 202,865 | (9,184) | (2,504) | (870) | (9,534) | (16,736) | | 382,286 | 2,815 | 385,102 |
| Cash dividends, ¥11.00 per share | | | | | | (4,201) | | | | | | | (4,201) | | (4,201) |
| Net income | | | | | | 12,184 | | | | | | | 12,184 | | 12,184 |
| Acquisition of treasury stock | | 142 | | | | | (117) | | | | | | (117) | | (117) |
| Disposal of treasury stock | | (734) | | 70 | (84) | | 457 | | | | | | 444 | | 444 |
| Reversal of land revaluation difference | | | | | | (230) | | | | 230 | | | | | |
| Net change in the year | | | | | (2) | | | 1,912 | 782 | | 20,928 | ¥ 241 | 23,862 | (272) | 23,589 |
| Balance, March 31, 2014 | 396,502 | 14,160 | 54,768 | 163,270 | 197 | 210,617 | (8,843) | (592) | (87) | (9,304) | 4,192 | 241 | 414,459 | 2,543 | 417,002 |
| Cumulative effects of changes in accounting policies | | | | | | (2,879) | | | | | | | (2,879) | | (2,879) |
| Restated balance | | | 54,768 | 163,270 | 197 | 207,738 | (8,843) | (592) | (87) | (9,304) | 4,192 | 241 | 411,580 | 2,543 | 414,123 |
| Cash dividends, ¥26.0 per share | | | | | | (9,820) | | | | | | | (9,820) | | (9,820) |
| Net income | | | | | | 18,423 | | | | | | | 18,423 | | 18,423 |
| Acquisition of treasury stock | | 9,680 | | | | | (10,032) | | | | | | (10,032) | | (10,032) |
| Disposal of treasury stock | | (797) | | (40) | (91) | | 615 | | | | | | 483 | | 483 |
| Retirement of treasury stock | (10,000) | (10,000) | | (7,923) | | | 7,923 | | | | | | | | |
| Transfer of negative balance of other capital surplus | | | | 7,892 | | (7,892) | | | | | | | | | |
| Reversal of land revaluation difference | | | | | | | | | | 53 | | | 53 | | 53 |
| Net change in the year | | | | | (1) | | | 1,747 | 163 | | 10,013 | 812 | 12,736 | 513 | 13,250 |
| Balance, March 31, 2015 | 386,502 | 13,043 | ¥54,768 | ¥163,199 | ¥104 | ¥208,449 | ¥(10,337) | ¥ 1,155 | ¥ 75 | ¥(9,251) | ¥ 14,206 | ¥1,054 | ¥423,424 | ¥3,056 | ¥426,481 |

Thousands of U.S. dollars (Note 1)

| | Common stock | Capital surplus | Stock acquisition rights | Retained earnings | Treasury stock | Accumulated other comprehensive income | | | | | Total | Minority interests | Total equity |
|---|------------------|--------------------|--------------------------|--------------------|-------------------|---|---|-----------------------------|--|----------------------------------|--------------------|--------------------|--------------------|
| | | | | | | Net unrealized (loss) gain on available-for-sale securities | Deferred loss on derivatives under hedge accounting | Land revaluation difference | Foreign currency translation adjustments | Defined retirement benefit plans | | | |
| Balance, March 31, 2014 | \$455,377 | \$1,357,529 | \$1,641 | \$1,751,209 | \$(73,532) | \$(4,923) | \$(728) | \$(77,365) | \$34,858 | \$2,007 | \$3,446,073 | \$21,146 | \$3,467,220 |
| Cumulative effects of changes in accounting policies | | | | (23,938) | | | | | | | (23,938) | | (23,938) |
| Restated balance | 455,377 | 1,357,529 | 1,641 | 1,727,270 | (73,532) | (4,923) | (728) | (77,365) | 34,858 | 2,007 | 3,422,135 | 21,146 | 3,443,281 |
| Cash dividends, \$0.21 per share | | | | (81,650) | | | | | | | (81,650) | | (81,650) |
| Net income | | | | 153,186 | | | | | | | 153,186 | | 153,186 |
| Acquisition of treasury stock | | | | | (83,414) | | | | | | (83,414) | | (83,414) |
| Disposal of treasury stock | | | (339) | (759) | | 5,116 | | | | | 4,018 | | 4,018 |
| Retirement of treasury stock | | | (65,876) | | | 65,876 | | | | | | | |
| Transfer of negative balance of other capital surplus | | | 65,626 | | (65,626) | | | | | | | | |
| Reversal of land revaluation difference | | | | | | | | 441 | | | 441 | | 441 |
| Net change in the year | | | | (10) | | 14,529 | 1,358 | | 83,262 | 6,758 | 105,899 | 4,270 | 110,169 |
| Balance, March 31, 2015 | \$455,377 | \$1,356,939 | \$ 871 | \$1,733,180 | \$(85,953) | \$ 9,606 | \$ 630 | \$(76,923) | \$118,121 | \$ 8,765 | \$3,520,616 | \$25,416 | \$3,546,033 |

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

AMADA HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

| | Millions of yen | | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|----------|----------|---------------------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Operating activities: | | | | |
| Income before income taxes and minority interests | ¥ 31,075 | ¥ 21,810 | ¥ 7,015 | \$ 258,383 |
| Adjustments for: | | | | |
| Income taxes paid | (13,070) | (4,548) | (1,729) | (108,672) |
| Depreciation and amortization | 8,552 | 8,604 | 7,657 | 71,114 |
| Gain on sales of fixed assets | (120) | (1,111) | 22 | (999) |
| (Gain) loss on sales of investment securities | (118) | (282) | (78) | (984) |
| Equity in earnings of unconsolidated subsidiaries and associated companies | (181) | (189) | (78) | (1,507) |
| Changes in assets and liabilities, net of effects | | | | |
| Decrease (increase) in receivables, net of deferred profit on installment sales | 1,199 | (9,646) | 993 | 9,970 |
| Increase in investments in lease | (608) | (1,413) | (2,089) | (5,060) |
| (Increase) decrease in inventories | (2,652) | 7,824 | (2,971) | (22,058) |
| Increase (decrease) in payables | 15,942 | (1,504) | (3,540) | 132,555 |
| Decrease in liability for employees' retirement benefits | (1,973) | (2,029) | (1,842) | (16,408) |
| Other—net | (12,802) | 8,467 | 20 | (106,448) |
| Total adjustments | (5,833) | 4,170 | (3,636) | (48,500) |
| Net cash provided by operating activities | 25,242 | 25,980 | 3,379 | 209,883 |
| Investing activities: | | | | |
| Proceeds from sales and redemption of marketable securities | 10,552 | 5,751 | 9,531 | 87,738 |
| Purchases of marketable securities | (1,500) | (2,500) | | (12,471) |
| Proceeds from sales of property, plant and equipment | 927 | 1,047 | 465 | 7,715 |
| Purchases of property, plant and equipment | (7,504) | (8,422) | (10,203) | (62,399) |
| Purchases of intangible assets | (834) | (1,049) | (1,401) | (6,935) |
| Proceeds from sales and redemption of investment securities | 7,355 | 11,139 | 5,189 | 61,156 |
| Purchases of investment securities | (11,855) | (14,994) | (9,884) | (98,572) |
| Payment for purchase of consolidated subsidiaries' stock from minority interests | | (1,289) | (17) | |
| Payment for purchase of newly consolidated subsidiaries, net of cash acquired | | (242) | (7,512) | |
| Purchase of long-term time deposits | (1,000) | | (1,767) | (8,314) |
| Other—net | 2,068 | 2,937 | (266) | 17,195 |
| Net cash used in investing activities | (1,790) | (7,622) | (15,867) | (14,888) |
| Financing activities: | | | | |
| Net increase in short-term bank loans | (1,018) | 9,766 | 4,053 | (8,468) |
| Proceeds from long-term debt | 3,175 | 1,047 | 1,897 | 26,405 |
| Repayment of long-term debt | (553) | (4,069) | (1,258) | (4,598) |
| Purchase of treasury stock | (10,032) | | | (83,414) |
| Proceeds from exercise of stock option | 481 | 443 | | 4,004 |
| Cash dividends paid | (9,805) | (4,203) | (5,340) | (81,530) |
| Other—net | (114) | (623) | (126) | (949) |
| Net cash (used in) provided by financing activities | (17,866) | 2,360 | (775) | (148,551) |
| Foreign currency translation adjustments on cash and cash equivalents | 1,995 | 3,970 | 2,682 | 16,588 |
| Net increase (decrease) in cash and cash equivalents | 7,580 | 24,689 | (10,580) | 63,031 |
| Cash and cash equivalents increased by merger with unconsolidated subsidiaries | 202 | | | 1,683 |
| Cash and cash equivalents, beginning of year | 88,537 | 63,847 | 74,428 | 736,152 |
| Cash and cash equivalents, end of year | 96,320 | ¥ 88,537 | ¥ 63,847 | 800,868 |
| Additional information: | | | | |
| Retirement of treasury stock | ¥ 7,923 | | | \$ 65,876 |

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

AMADA HOLDINGS CO., LTD. and Consolidated Subsidiaries

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation of consolidated financial statements

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

The consolidated financial statements include the accounts of AMADA HOLDINGS CO., LTD. (the "Company") and its significant subsidiaries (together, the "Group").

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. Certain reclassifications and rearrangements have been made in the 2014 and 2013 consolidated financial statements in order for them to conform to the classifications and presentations used in 2015.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.27 to US\$1, the approximate rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

The yen figures presented in the consolidated financial statements are rounded down to millions of yen, except for per share amounts.

U.S. dollar figures presented in the consolidated financial statements are rounded down to thousands of dollar, except for per share amounts.

b) Principles of consolidation

The consolidated financial statements as of March 31, 2015, include the accounts of the Company and its 74 (73 in 2014 and 70 in 2013) significant subsidiaries.

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in eight (eight in 2014 and 2013) unconsolidated subsidiaries and three (three in 2014 and 2013) associated companies are accounted for by the equity method.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary at the date of acquisition is being amortized over a period from 5 to 10 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Companies is also eliminated.

c) Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

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

d) Business Combination

In October 2003, the Business Accounting Council (the "BAC") issued a Statement of Opinion, "Accounting for Business Combinations," and in December 2005, the ASBJ issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures" and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures." The accounting standard for business combinations allowed companies to apply the pooling-of-interests method of accounting only when certain specific criteria were met such that the business combination was essentially regarded as a uniting-of-interests. For business combinations that did not meet the uniting-of-interests criteria, the business combination was considered to be an acquisition and the purchase method of accounting was required. This standard also prescribed the accounting for combinations of entities under common control and for joint ventures.

In December 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows: (1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling-of-interests method of accounting is no longer allowed. (2) The previous accounting standard required research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development costs (IPR&D) acquired in the business combination are capitalized as intangible assets. (3) The previous accounting standard provided for bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the

revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. The revised standard was applicable to business combinations undertaken on or after April 1, 2010.

e) Cash equivalents

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

Cash equivalents include time deposits, commercial paper, funds in trust and mutual funds investing in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

f) Allowance for doubtful accounts

The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the companies' past credit loss experience and an evaluation of potential losses in receivables outstanding.

g) Inventories

Machinery inventories of merchandise, finished products and work in process are stated at cost, determined by the specific identification method, or net selling value. Other inventories are stated at cost determined principally by the moving-average method, or net selling value.

h) Marketable and investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:

Available-for-sale securities, which are not classified as trading securities or held-to-maturity debt, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, available-for-sale securities are reduced to net realizable value by a charge to income.

i) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is computed principally by the declining-balance method over the estimated useful lives of the assets, while the straight-line method is applied to buildings acquired after April 1, 1998. Leased property under finance leases that deem not to transfer ownership of the lease property is computed over the lease terms assuming no residual value.

Estimated useful lives are as follows:

| | |
|--------------------------|---------------|
| Buildings and structures | 3 to 60 years |
| Machinery and equipment | 2 to 17 years |

j) Long-lived assets

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

k) Land revaluation

Under the "Law of Land Revaluation," promulgated on March 31, 1998, and revised on March 31, 1999 and 2001, the Company effected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2002.

The resulting land revaluation loss represents unrealized depreciation of land and is stated as a component of equity. There was no effect on the consolidated statements of income. Continuous readjustment is not permitted.

As of March 31, 2015, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥7,318 million (\$60,849 thousand).

l) Software

Software development costs, incurred through the completion of a beta version of specific software for sale to the market, are charged to income when incurred. Such costs incurred subsequent to the completion of the beta version are deferred and amortized at the higher of either the amount to be amortized in the proportion of the actual sales volume of the software during the current year to the estimated total sales volume over the estimated salable years of the software or the amount to be amortized by the straight-line method over three years.

The cost of computer software obtained for internal use is principally amortized using the straight-line method over an estimated useful life of five years.

m) Bonuses to directors and Audit & Supervisory Board Members

Bonuses to directors and Audit & Supervisory Board Members are accrued at the year-end to which such bonuses are attributable.

n) Employees' retirement benefits

The Company has a contributory funded pension plan together with principal domestic group companies covering substantially all of their employees (see Note 8).

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

- (a) Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus is recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).
- (b) The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts are recognized in profit or loss over a certain period no longer than the expected average remaining service period of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss are included in other comprehensive income, and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period, are treated as reclassification adjustments (see Note 18).
- (c) The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods, the discount rate, and expected future salary increases.

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

The Company applied the revised accounting standard and guidance for retirement benefits for (a) and (b) above, effective March 31, 2014, and for (c) above, effective April 1, 2014.

With respect to (c) above, the Company changed the method of attributing the expected benefit to periods from a straight-line basis to a benefit formula basis and the method of determining the discount rate from using the period which approximates the expected average remaining service period to using a single weighted average discount rate reflecting the estimated timing and amount of benefit payment, and recorded the effect of (c) above as of April 1, 2014, in retained earnings. As a result, liability for retirement benefits as of April 1, 2014, increased by ¥4,421 million (\$36,762 thousand), and retained earnings as of April 1, 2014, decreased by ¥2,879 million (\$23,938 thousand). The effect on the consolidated statements of income and net income per share for the year ended March 31, 2015 were not material.

o) Retirement allowances for directors and Audit & Supervisory Board Members

Retirement allowances for directors and Audit & Supervisory Board Members of subsidiaries are recorded as a liability at the amount that would be required if all directors and Audit & Supervisory Board Members retired at the balance sheet date.

p) Asset retirement obligations

In March 2008, the ASBJ published ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

q) Stock options

In December 2005, the ASBJ issued ASBJ Statement No. 8, "Accounting Standard for Stock Options," and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. This standard requires companies to recognize compensation expense for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, stock options are presented as stock acquisition rights as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions. In addition, the standard allows unlisted companies to measure options at their intrinsic value if they cannot reliably estimate fair value.

r) Sales recognition

Domestic sales of machines are recognized upon customer inspection and approval.

Profit arising from installment sales is deferred and amortized over the contracted collection periods.

s) Foreign currency transactions

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

t) Foreign currency financial statements

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

u) Research and development costs

Research and development costs are generally charged to income as incurred.

v) Income taxes

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

w) Appropriations of retained earnings

Appropriations of retained earnings at each year-end are reflected in the consolidated financial statements for the following year upon shareholders' approval.

x) Leases

In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions.

Lessee

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases that existed at the transition date and do not transfer ownership of the leased property to the lessee to be measured at the obligations under finance leases including interest expense at the transition date and recorded as acquisition cost of lease assets.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases that existed at the transition date and do not transfer ownership of the leased property to the lessee as acquisition cost of lease assets measured at the obligations under finance leases including interest expense at the transition date.

Lessor

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if sold" information was disclosed in the note to the lessor's financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee should be recognized as investments in lease.

Revenue arising from finance leases of real estate that were deemed not to transfer ownership of the leased property to the lessee is recognized as interest income by the interest method. Revenue arising from finance leases of machinery that are deemed not to transfer ownership of the leased property to the lessee is recognized as sales on the date of transaction, and its profit is deferred and amortized over the lease term by the interest method or the straight-line method.

Finance leases of real estate that are deemed not to transfer ownership of the leased property to the lessee contracted before March 31, 2008, are classified as other in current assets and other in investments and other assets, and the deposit received which is offset in the future is deducted from the uncollected capital balance. The classification is based on the lease term.

Finance leases of machinery that are deemed not to transfer ownership of the leased property to the lessee contracted before March 31, 2008, are recognized as sales on the date of transaction and uncollected gross lease receivables are classified as investments in lease under current assets.

y) Derivatives

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts, non-deliverable forwards (NDF), and currency options are utilized by the Group to reduce foreign currency exchange and interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value; and gains or losses on derivative transactions are recognized in the consolidated statement of income; and b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until the maturity of the hedged transactions.

The Company enters into foreign currency forward contracts and NDF to hedge market risk from the changes in foreign exchange rates associated with assets and liabilities denominated in foreign currencies. Trade payables

and receivables denominated in foreign currencies are translated at the contracted rates if the forward contracts and currency options qualify for hedge accounting.

z) Per share information

Basic net income per share is computed by dividing net income available to shareholders of common stock by the weighted-average number of shares of common stock outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expenses, net of tax, and full exercise of outstanding warrants.

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

aa) Accounting changes and error corrections

In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance

are as follows: (1) Changes in Accounting Policies—When a new accounting policy is applied following revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions. (2) Changes in Presentation—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated.

ab) Change in presentation method of consolidated statement of cash flows

Prior to April 1, 2014, "Purchase of treasury stock" was included in "Other-net" in the "Financing activities" section of the consolidated statement of cash flows. Since during the fiscal year ended March 31, 2015, the amount increased significantly, such amount is disclosed separately in the "Financing activities" section of the consolidated statement of cash flows for the year ended March 31, 2015. The amounts of "Purchase of treasury stock" that were disclosed as "Other-net" for the years ended March 31, 2014 and 2013, were ¥117 million and ¥33 million, respectively.

2 NOTES AND ACCOUNTS RECEIVABLE

Sales on an installment basis consisted of 4%, 5%, 7% of consolidated net sales for the years ended March 31, 2015, 2014 and 2013, respectively.

Annual maturities of notes—trade at March 31, 2015, and related amortization of deferred profit on installment sales were as follows:

| | Millions of yen | | Thousands of U.S. dollars | |
|--|-----------------|--------------------------------------|---------------------------|--------------------------------------|
| | Receivables | Deferred profit on installment sales | Receivables | Deferred profit on installment sales |
| Total notes receivable (Years ending March 31): | | | | |
| 2016 | ¥ 21,400 | ¥ 4,052 | \$ 177,934 | \$ 33,693 |
| 2017 | 7,726 | 3,432 | 64,243 | 28,536 |
| 2018 | 5,558 | 2,740 | 46,220 | 22,783 |
| 2019 | 3,660 | 2,073 | 30,439 | 17,238 |
| 2020 | 2,362 | 1,479 | 19,645 | 12,303 |
| 2021 and thereafter | 1,753 | 1,240 | 14,578 | 10,315 |
| Subtotal | 42,462 | 15,018 | 353,062 | 124,870 |
| Add—accounts receivable | 105,421 | | 876,541 | |
| Total notes and accounts receivable | ¥147,884 | ¥15,018 | \$1,229,603 | \$124,870 |

3 SHORT-TERM INVESTMENTS AND INVESTMENT SECURITIES

Short-term investments and investment securities as of March 31, 2015 and 2014, consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|----------------------------------|-----------------|---------|------------------------------------|
| | 2015 | 2014 | 2015 |
| Current: | | | |
| Government and corporate bonds | ¥ 9,518 | ¥10,541 | \$ 79,139 |
| Trust fund investments and other | 8,040 | 8,397 | 66,854 |
| Total | 17,558 | 18,939 | 145,993 |
| Non-current: | | | |
| Marketable equity securities | ¥ 3,205 | ¥ 3,590 | \$ 26,656 |
| Government and corporate bonds | 24,097 | 23,276 | 200,358 |
| Trust fund investments and other | 18,174 | 19,570 | 151,114 |
| Total | ¥45,477 | ¥46,437 | \$378,128 |

The carrying amounts and aggregate fair values of the securities classified as available-for-sale securities at March 31, 2015 and 2014, were as follows:

| March 31, 2015 | Millions of yen | | | |
|----------------------------------|-----------------|------------------|-------------------|------------|
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Available-for-sale: | | | | |
| Equity securities | ¥ 1,693 | ¥1,515 | ¥ 3 | ¥ 3,205 |
| Government and corporate bonds | 33,540 | 127 | 52 | 33,615 |
| Trust fund investments and other | 17,954 | 1,302 | 844 | 18,412 |
| Total | ¥53,187 | ¥2,946 | ¥901 | ¥55,233 |

| March 31, 2014 | Millions of yen | | | |
|----------------------------------|-----------------|------------------|-------------------|------------|
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Available-for-sale: | | | | |
| Equity securities | ¥ 2,624 | ¥1,136 | ¥ 170 | ¥ 3,590 |
| Government and corporate bonds | 34,265 | 135 | 582 | 33,818 |
| Trust fund investments and other | 21,012 | 439 | 1,675 | 19,775 |
| Total | ¥57,902 | ¥1,710 | ¥2,428 | ¥57,184 |

| March 31, 2015 | Thousands of U.S. dollars | | | |
|----------------------------------|---------------------------|------------------|-------------------|------------|
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Available-for-sale: | | | | |
| Equity securities | \$ 14,081 | \$12,603 | \$ 28 | \$ 26,656 |
| Government and corporate bonds | 278,874 | 1,063 | 439 | 279,497 |
| Trust fund investments and other | 149,282 | 10,831 | 7,024 | 153,089 |
| Total | \$442,237 | \$24,498 | \$7,493 | \$459,243 |

The information for available-for-sale securities which were sold during the year ended March 31, 2015 and 2014, was as follows:

| March 31, 2015 | Millions of yen | | |
|----------------------------------|-----------------|----------------|---------------|
| | Proceeds | Realized gains | Realized loss |
| Available-for-sale: | | | |
| Equity securities | ¥1,043 | ¥106 | |
| Government and corporate bonds | | | |
| Trust fund investments and other | 3,745 | 174 | ¥162 |
| Total | ¥4,788 | ¥280 | ¥162 |

| March 31, 2014 | Millions of yen | | |
|----------------------------------|-----------------|----------------|---------------|
| | Proceeds | Realized gains | Realized loss |
| Available-for-sale: | | | |
| Equity securities | ¥1,593 | ¥431 | |
| Government and corporate bonds | 2,058 | 122 | ¥ 2 |
| Trust fund investments and other | 5,573 | 216 | 485 |
| Total | ¥9,224 | ¥770 | ¥488 |

| March 31, 2015 | Thousands of U.S. dollars | | |
|----------------------------------|---------------------------|----------------|---------------|
| | Proceeds | Realized gains | Realized loss |
| Available-for-sale: | | | |
| Equity securities | \$ 8,673 | \$ 883 | |
| Government and corporate bonds | | | |
| Trust fund investments and other | 31,141 | 1,450 | \$1,349 |
| Total | \$39,815 | \$2,334 | \$1,349 |

4 INVENTORIES

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

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|-----------------------------------|-----------------|---------|------------------------------------|
| | 2015 | 2014 | 2015 |
| Merchandise and finished products | ¥66,876 | ¥59,667 | \$556,050 |
| Work in process | 7,405 | 8,814 | 61,574 |
| Raw materials and parts | 15,827 | 16,085 | 131,601 |
| Total | ¥90,109 | ¥84,566 | \$749,225 |

5 LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of March 31, 2015, 2014 and 2013.

For 2015

The Group recognized an impairment loss of ¥314 million (\$2,618 thousand) and a loss on liquidation of business of ¥51 million (\$431 thousand) as other expense for the unused assets due to the continuous fall in land prices, and the carrying amount of the relevant assets was written down to the recoverable amount for the year ended March 31, 2015. The recoverable amounts of unused assets were measured at their net selling prices as determined by a quotation based on inheritance tax law.

For 2014

The Group recognized an impairment loss of ¥83 million as other expense for the unused assets due to the continuous fall in land prices, and the carrying amount of the relevant assets was written down to the recoverable amount for the year ended March 31, 2014. The recoverable amounts of unused assets were measured at their net selling prices as determined by a quotation based on inheritance tax law.

For 2013

The Group recognized an impairment loss of ¥109 million as other expense for the unused assets due to the continuous fall in land prices, and the carrying amount of the relevant assets was written down to the recoverable amount for the year ended March 31, 2013. The recoverable amount of unused assets was measured at its net selling price as determined by a quotation based on inheritance tax law.

6 SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans at March 31, 2015 and 2014, consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|---------|---------------------------------------|
| | 2015 | 2014 | 2015 |
| Interest rates ranging from 0.40% to 7.45% at March 31, 2015, and from 0.45% to 7.60% at March 31, 2014 | ¥31,590 | ¥29,875 | \$262,662 |

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

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|--------|------------------------------|
| | 2015 | 2014 | 2015 |
| Loans from banks, 0.43% to 5.50% (0.33% to 5.50% in 2014), due serially to 2028: | | | |
| Collateralized | ¥ 616 | ¥ 555 | \$ 5,125 |
| Unsecured | 6,583 | 2,781 | 54,738 |
| Obligations under finance leases | 759 | 639 | 6,318 |
| Total | 7,959 | 3,976 | 66,183 |
| Less-current portion | (1,604) | (377) | (13,337) |
| Long-term debt, less current portion | ¥ 6,355 | ¥3,599 | \$ 52,845 |

The annual maturities of long-term debt at March 31, 2015, were as follows:

| Years ending March 31 | Millions of yen | Thousands of U.S. dollars (Note 1) |
|-----------------------|-----------------|---------------------------------------|
| 2016 | ¥1,604 | \$13,337 |
| 2017 | 291 | 2,421 |
| 2018 | 2,072 | 17,234 |
| 2019 | 1,991 | 16,560 |
| 2020 | 1,327 | 11,040 |
| 2021 and thereafter | 672 | 5,588 |
| Total | ¥7,959 | \$66,183 |

The carrying amounts of assets pledged as collateral for short-term bank loans of ¥673 million (\$5,601 thousand) and the above collateralized long-term debt of ¥581 million (\$4,837 thousand) at March 31, 2015, were as follows:

| | Millions of yen | Thousands of U.S. dollars (Note 1) |
|-----------------------------------|-----------------|---------------------------------------|
| Notes and accounts receivable | ¥ 72 | \$ 599 |
| Merchandise and finished products | 133 | 1,106 |
| Land | 554 | 4,612 |
| Buildings and structures | ¥1,230 | \$10,229 |

7 DEPOSITS RECEIVED

Deposits received are collateralized by investments in lease for real estate having a book value of ¥726 million (\$6,040 thousand), of which ¥398 million (\$3,314 thousand) was secured as debt at March 31, 2015.

8 RETIREMENT AND PENSION PLANS

The Company and domestic consolidated subsidiaries have retirement and pension plans for employees.

Under the contributory pension plan, employees terminating their employment are, in most circumstances, entitled to pension distributions based on the average rate of pay at the time of termination, period of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to greater payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

Retirement allowances for directors and corporate auditors are paid subject to approval of the shareholders.

(1) The changes in defined benefit obligation for the years ended March 31, 2015 and 2014 were as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|---------|---------------------------|
| | 2015 | 2014 | 2015 |
| Balance at beginning of year | ¥47,557 | ¥49,094 | \$395,424 |
| Cumulative effects of changes in accounting policies | 4,388 | | 36,489 |
| Restated balance | 51,946 | 49,094 | 431,914 |
| Current service cost | 1,850 | 1,656 | 15,382 |
| Interest cost | 651 | 948 | 5,419 |
| Actuarial (gains) losses | 2,122 | (2,515) | 17,649 |
| Benefits paid | (2,097) | (1,602) | (17,439) |
| Others | (104) | (24) | (866) |
| Balance at end of year | ¥54,369 | ¥47,557 | \$452,058 |

(2) The changes in plan assets for the years ended March 31, 2015 and 2014 were as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|---------------------------------|-----------------|---------|---------------------------|
| | 2015 | 2014 | 2015 |
| Balance at beginning of year | ¥40,907 | ¥36,374 | \$340,132 |
| Expected return on plan assets | 1,018 | 900 | 8,466 |
| Actuarial losses | 3,164 | 2,061 | 26,310 |
| Contributions from the employer | 3,361 | 3,314 | 27,948 |
| Benefits paid | (1,821) | (1,748) | (15,141) |
| Others | 135 | 3 | 1,130 |
| Balance at end of year | ¥46,766 | ¥40,907 | \$388,847 |

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

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|----------|---------------------------|
| | 2015 | 2014 | 2015 |
| Funded defined benefit obligation | ¥ 53,149 | ¥ 46,339 | \$ 441,914 |
| Plan assets | (46,766) | (40,907) | (388,847) |
| | 6,382 | 5,432 | 53,066 |
| Unfunded defined benefit obligation | 1,220 | 1,217 | 10,144 |
| Net liability arising from defined benefit obligation | ¥ 7,602 | ¥ 6,650 | \$ 63,211 |

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|--------|---------------------------|
| | 2015 | 2014 | 2015 |
| Liability for retirement benefits | ¥7,733 | ¥6,655 | \$64,301 |
| Asset for retirement benefits | (131) | (5) | (1,090) |
| Net liability arising from defined benefit obligation | ¥7,602 | ¥6,650 | \$63,211 |

(4) The components of net periodic benefit costs for the years ended March 31, 2015 and 2014 were as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|-------------------------------------|-----------------|--------|---------------------------|
| | 2015 | 2014 | 2015 |
| Service cost | ¥1,885 | ¥1,699 | \$15,678 |
| Interest cost | 625 | 924 | 5,202 |
| Expected return on plan assets | (991) | (876) | (8,243) |
| Recognized actuarial (gains) losses | 28 | 28 | 240 |
| Amortization of prior service cost | 40 | (868) | 335 |
| Others | 100 | 211 | 839 |
| Net periodic benefit costs | ¥1,690 | ¥1,118 | \$14,052 |

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the year ended March 31, 2015

| | Millions of yen | | Thousands of U.S. dollars |
|--------------------------|-----------------|------|---------------------------|
| | 2015 | 2014 | 2015 |
| Prior service cost | ¥ 40 | | \$ 335 |
| Actuarial (gains) losses | 1,094 | | 9,099 |
| Total | ¥1,134 | | \$9,435 |

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2015 and 2014

| | Millions of yen | | Thousands of U.S. dollars |
|---------------------------------------|-----------------|--------|---------------------------|
| | 2015 | 2014 | 2015 |
| Unrecognized prior service cost | ¥ 67 | ¥ 95 | \$ 564 |
| Unrecognized actuarial (gains) losses | (1,681) | (572) | (13,980) |
| Total | ¥(1,613) | ¥(476) | \$(13,416) |

(7) Plan assets

a. Components of plan assets

| | 2015 | 2014 |
|------------------------------------|-------------|------|
| Debt investments | 38% | 32% |
| Equity investments | 33% | 24% |
| Assets insurance (general account) | 19% | 24% |
| Cash and cash equivalents | 1% | 1% |
| Others | 9% | 19% |
| Total | 100% | 100% |

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

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

(8) Assumptions used for the years ended March 31, 2015 and 2014 were set forth as follows:

| | 2015 | 2014 |
|--|-------------|------|
| Discount rate | 0.9% | 2.0% |
| Expected rate of return on plan assets | 2.5% | 2.5% |

9 INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 35.6% and 38.0% for the years ended March 31, 2015 and 2014, respectively.

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

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|--|------------------|------------------|---------------------------------------|
| | 2015 | 2014 | 2015 |
| Deferred tax assets: | | | |
| Allowance for doubtful accounts | ¥ 415 | ¥ 631 | \$ 3,453 |
| Tax loss carryforwards | 4,182 | 4,153 | 34,777 |
| Inventories—intercompany profits and write-downs | 5,002 | 4,217 | 41,598 |
| Provisions for bonus payment | 1,072 | 1,104 | 8,917 |
| Deferred profit on installment sales | 50 | 73 | 420 |
| Investment securities | 48 | 55 | 401 |
| Research and development costs | 4,236 | 3,992 | 35,223 |
| Liability for employees' retirement benefits | 2,318 | 2,144 | 19,273 |
| Loss on impairment of long-lived assets | 911 | 995 | 7,575 |
| Property, plant and equipment—intercompany profits and depreciation expenses | 609 | 817 | 5,068 |
| Land revaluation difference | 3,319 | 3,782 | 27,603 |
| Unrealized loss on available-for-sale securities | 6 | 261 | 55 |
| Other | 2,064 | 1,924 | 17,163 |
| Less—valuation allowance | (8,519) | (8,895) | (70,835) |
| Total | 15,718 | 15,260 | 130,695 |
| Deferred tax liabilities: | | | |
| Property, plant and equipment—special reserve | (678) | (788) | (5,641) |
| Other | (2,099) | (2,104) | (17,455) |
| Total | (2,777) | (2,893) | (23,096) |
| Net deferred tax assets | ¥12,940 | ¥12,366 | \$107,598 |
| Deferred tax liabilities: | | | |
| Depreciation | ¥ (431) | ¥ (163) | \$ (3,585) |
| Land revaluation difference | (502) | (555) | (4,180) |
| Other | (866) | (514) | (7,207) |
| Total | (1,800) | (1,233) | (14,973) |
| Deferred tax assets: | | | |
| Other | 509 | 4 | 4,236 |
| Total | 509 | 4 | 4,236 |
| Net deferred tax liabilities | ¥ (1,291) | ¥ (1,229) | \$ (10,736) |

For the years ended March 31, 2015 and 2014, a reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income is as follows:

| | 2015 | 2014 |
|--|--------------|--------------|
| Normal effective statutory tax rate | 35.6% | 38.0% |
| Increase (decrease) in tax rate resulting from: | | |
| Expenses not deductible for income tax purposes | 1.1 | 1.4 |
| Non-taxable dividend income | (7.4) | (3.6) |
| Inhabitants' tax—per capita levy | 0.3 | 0.5 |
| Change in valuation allowance | 2.2 | 3.5 |
| Temporary differences that are not recognized as deferred tax assets | 0.3 | (2.5) |
| Elimination of intercompany dividend income | 7.5 | 3.9 |
| Lower income tax rates applicable to income in certain foreign countries | (2.2) | (2.0) |
| Effect of tax rate reduction | 2.6 | 1.6 |
| Other—net | (0.5) | 2.1 |
| Actual effective tax rate | 39.5% | 42.9% |

New tax reform laws enacted in 2015 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2015, to approximately 33% and for the fiscal year beginning on or after April 1, 2016, to approximately 32.2%. The effect of these changes was to decrease deferred tax assets, net of deferred tax liabilities, by ¥630 million (\$5,244 thousand) and increase accumulated other comprehensive income for net unrealized gain on available-for-sale securities by ¥58 million (\$484 thousand), land revaluation difference by ¥53 million (\$441 thousand), and defined retirement benefit plan by ¥63 million (\$531 thousand), in the

consolidated balance sheet as of March 31, 2015, and to increase income taxes—deferred in the consolidated statement of income for the year then ended by ¥805 million (\$6,701 thousand).

At March 31, 2015, the Company and certain subsidiaries had tax loss carryforwards aggregating approximately ¥13,436 million (\$111,720 thousand), which are available to be offset against taxable income of such subsidiaries in future years. These tax loss carryforwards, if not utilized, will expire for the years ending March 31, 2023, and thereafter.

10 EQUITY

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

a) Dividends

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

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

b) Increases/decreases and transfer of common stock, reserve and surplus

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

c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are now presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

11 STOCK OPTIONS

The stock options outstanding as of March 31, 2015, were as follows:

| Stock Option | Persons Granted | Number of Options Granted | Date of Grant | Exercise Price | Exercise Period |
|--------------------------|--|---------------------------|------------------------|----------------|-----------------|
| 2010 stock option | 8 directors of the Company 12 directors of the subsidiaries 7 operating officers of the Company 7 operating officers of the subsidiaries 515 employees of the Company 147 employees of the subsidiaries | 2,500,000 shares | August 31, 2010 | ¥605 | Note 1 |

Note 1. 100,000 shares are from September 1, 2012, to August 5, 2020, and 2,400,000 shares are from September 1, 2012, to August 31, 2017, based on contracts with persons granted stock options.

The stock option activity is as follows:

| | 2010 Stock Option |
|--|-------------------|
| For the year ended March 31, 2013 | |
| Non-vested | |
| March 31, 2012—Outstanding | 2,461,000 |
| Granted | |
| Canceled | (8,000) |
| Vested | (2,453,000) |
| March 31, 2013—Outstanding | |
| Vested | |
| March 31, 2012—Outstanding | |
| Vested | 2,453,000 |
| Exercised | |
| Canceled | |
| March 31, 2013—Outstanding | 2,453,000 |
| For the year ended March 31, 2014 | |
| Non-vested | |
| March 31, 2013—Outstanding | |
| Granted | |
| Canceled | |
| Vested | |
| March 31, 2014—Outstanding | |
| Vested | |
| March 31, 2013—Outstanding | 2,453,000 |
| Vested | |
| Exercised | (733,000) |
| Canceled | |
| March 31, 2014—Outstanding | 1,720,000 |
| For the year ended March 31, 2015 | |
| Non-vested | |
| March 31, 2014—Outstanding | |
| Granted | |
| Canceled | |
| Vested | |
| March 31, 2015—Outstanding | |
| Vested | |
| March 31, 2014—Outstanding | |
| Vested | 1,720,000 |
| Exercised | (807,000) |
| Canceled | — |
| March 31, 2015—Outstanding | 913,000 |
| Exercise price | 605 |
| Average stock price at exercise | 997 |

12 OTHER INCOME (EXPENSES)—OTHER, NET

Other income (expenses)—other, net, for the years ended March 31, 2015, 2014 and 2013, consisted of the following:

| | Millions of yen | | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|--------|----------|---------------------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Commissions earned | ¥ 122 | ¥ 132 | ¥ 98 | \$ 1,014 |
| Gain on sales of fixed assets | 165 | 1,161 | 26 | 1,377 |
| Loss on sales of fixed assets | (45) | (49) | (48) | (377) |
| Loss on disposal of fixed assets | (66) | (329) | (171) | (556) |
| Gain on sales of investment securities | 280 | 770 | 200 | 2,334 |
| Loss on sales of investment securities | (162) | (488) | (122) | (1,349) |
| Loss on impairment of investment securities | (18) | | | (153) |
| Amortization of negative goodwill | | | 264 | |
| Loss on liquidated subsidiaries and associates | (595) | | | (4,950) |
| Loss on impairment of long-lived assets | (314) | (83) | (109) | (2,618) |
| Amortization of goodwill | | | (1,369) | |
| Loss on liquidation of business | (1,106) | | | (9,197) |
| Employees' retirement special benefits | (351) | | | (2,922) |
| Subsidy income from prefecture for new plant construction | 23 | | | 194 |
| Other | 647 | 522 | 46 | 5,386 |
| Total | ¥(1,421) | ¥1,635 | ¥(1,185) | \$ (11,817) |

13 RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥8,332 million (\$69,278 thousand), ¥9,048 million and ¥7,491 million for the years ended March 31, 2015, 2014 and 2013, respectively.

14 LEASES

a) Lessee

The Companies lease certain equipment and other assets.

The minimum rental commitments under non-cancelable operating leases at March 31, 2015 and 2014, were as follows:

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|--------------------------|-----------------|--------|---------------------------------------|
| | 2015 | 2014 | 2015 |
| Operating leases: | | | |
| Due within one year | ¥ 558 | ¥ 406 | \$ 4,646 |
| Due after one year | 868 | 882 | 7,220 |
| Total | ¥1,427 | ¥1,288 | \$11,866 |

b) Lessor

The Companies also have a number of lease agreements as lessor for certain machinery, equipment, real estate and other assets.

Information on investments in lease of finance leases that are deemed not to transfer ownership of the leased property to the lessee for the year ended March 31, 2015 and 2014, was as follows.

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|---------|------------------------------------|
| | 2015 | 2014 | 2015 |
| I. Current assets | | | |
| Gross lease receivables | ¥14,307 | ¥13,766 | \$ 118,962 |
| Unguaranteed residual value | 693 | 565 | 5,763 |
| Unearned interest income | (1,570) | (1,554) | (13,059) |
| Investments in lease | ¥13,430 | 12,777 | 111,666 |
| | | | |
| Gross lease receivables | ¥ 676 | ¥ 676 | \$ 5,623 |
| Unearned interest income | (156) | (169) | (1,299) |
| Other current assets (Investments in lease for real estate) | ¥ 519 | ¥ 506 | \$ 4,323 |
| II. Investments and other assets | | | |
| Gross lease receivables | ¥ 3,800 | ¥ 4,476 | \$ 31,599 |
| Unearned interest income | (874) | (1,030) | (7,268) |
| Other assets (Investments in lease for real estate) | ¥ 2,926 | ¥ 3,446 | \$ 24,330 |

Maturities of investments in lease for finance leases that are deemed not to transfer ownership of the leased property to the lessee at March 31, 2015, were as follows:

| Years ending March 31 | Millions of yen | Thousands of U.S. dollars (Note 1) |
|--|-----------------|------------------------------------|
| I. Investments in lease | | |
| 2016 | ¥ 3,819 | \$ 31,759 |
| 2017 | 3,086 | 25,660 |
| 2018 | 2,507 | 20,849 |
| 2019 | 2,063 | 17,154 |
| 2020 | 1,610 | 13,389 |
| 2021 and thereafter | 1,220 | 10,149 |
| Total | ¥14,307 | \$ 118,962 |
| II. Other assets (Investments in lease for real estate) | | |
| 2016 | ¥ 676 | \$ 5,623 |
| 2017 | 676 | 5,623 |
| 2018 | 558 | 4,645 |
| 2019 | 381 | 3,175 |
| 2020 | 249 | 2,075 |
| 2021 and thereafter | 1,933 | 16,079 |
| Total | ¥ 4,476 | \$ 37,222 |

The minimum rental commitments under non-cancelable operating leases at March 31, 2015 and 2014, were as follows:

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|--------------------------|-----------------|--------|------------------------------------|
| | 2015 | 2014 | 2015 |
| Operating leases: | | | |
| Due within one year | ¥ 649 | ¥ 534 | \$ 5,400 |
| Due after one year | 3,319 | 3,839 | 27,596 |
| Total | ¥3,968 | ¥4,373 | \$32,996 |

15 CONTINGENT LIABILITIES

At March 31, 2015 and 2014, the Companies had the following contingent liabilities:

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|---|-----------------|-------|---------------------------------------|
| | 2015 | 2014 | 2015 |
| Customers' (23 companies in 2015 and 53 companies in 2014) bank loans | ¥ 676 | ¥ 878 | \$ 5,621 |
| Customers' (156 companies in 2015 and 116 companies in 2014) finance lease payables | 4,078 | 2,866 | 33,912 |
| Travel agency ticket payables | ¥ 45 | ¥ 49 | \$ 374 |

16 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Policy for financial instruments

The Company's cash surpluses are invested in low risk financial assets, based on its internal guidelines. Bank loans are used to fund its ongoing operations. Derivatives are used, not for speculative purposes, but to manage exposure to foreign currency risks and interest rates.

Nature and extent of risks arising from financial instruments

Receivables, such as trade notes, trade accounts and investments in lease are exposed to customer credit risk. Although receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the Company's receivables are hedged by using forward foreign currency contracts. Marketable and investment securities, mainly equity instruments of customers and suppliers of the Company, and bonds to hold based on its internal guidelines, are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes, trade accounts, and electronically recorded obligations-operating, are less than one year. Although payables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the Company's payables are hedged by using forward foreign currency contracts.

Bank loans and bonds are used to fund the Company's ongoing operations. Although a part of such bank loans are exposed to market risks from changes in variable interest rates, those risks are mitigated by using interest-rate swap derivatives.

Deposits received, mainly security deposits for real estate leases which are held by the Company and cash on deposits from members of a golf club operated by a subsidiary, are refunded without interest at the expiration of the contract term or at the withdrawal. These liabilities are exposed to liquidity risk.

Derivatives mainly include forward foreign currency contracts, NDF and interest-rate swaps, which are used to manage exposure to risks from changes in foreign currency exchange rates of receivables, payables and from changes in interest rates of bank loans. Please see Note 17 for more details about derivatives.

Risk management for financial instruments

Credit risk management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay according to the contractual terms.

The Companies manage their credit risk from receivables on the basis of internal guidelines, which include monitoring of the payment terms and balances of customers based on periodic visits by the sales and marketing department to identify the default risk of the customers at an early stage. With respect to financial investments, the Company manages its exposure to credit risk by limiting its funding to high credit rated bonds in accordance with its internal guidelines. Please see Note 17 for the details about derivatives.

Market risk management (foreign exchange risk and interest-rate risk)

Foreign currency trade receivables and payables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. The Company manages its foreign exchange risk of foreign currency trade receivables by currency on a monthly basis. Such foreign exchange risk is hedged principally by forward foreign currency contracts.

Foreign exchange risk of foreign currency trade payables of some subsidiaries is hedged by forward foreign currency contracts. The Company continuously reconsiders holding equity instruments of its customers and suppliers.

Marketable and investment securities are managed by monitoring the market values and financial position of issuers on a regular basis.

Derivative transactions entered into by the Company have been made in accordance with internal guidelines which prescribe the authority and the limit for each transaction. The execution and control of derivatives are under the authority of the Finance Department. Each derivative transaction is periodically reported to the chief financial officer and accounting manager.

Derivative transactions entered into by the subsidiaries have been made in accordance with the parent company's internal guidelines. The execution and control of derivatives are under the authority of the Finance Department. Each derivative transaction is periodically reported to the parent company's chief financial officer and accounting manager.

Liquidity risk management

Although payables, such as trade notes and trade accounts, bank loans and deposits received are exposed to liquidity risk, the Company manages such liquidity risk by preparing a cash flow schedule on a monthly basis.

Cash on deposits from members of the golf club are fixed on a repayment schedule.

Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead. Also, please see Note 17 for the details of the fair value of derivatives.

The carrying amounts, fair values and unrealized gain (loss) of financial instruments at March 31, 2015 and 2014, were as follows:

| March 31, 2015 | Millions of yen | | |
|---|-----------------|------------|----------------------|
| | Carrying amount | Fair value | Unrealized gain/loss |
| Cash and cash equivalents | ¥ 96,320 | ¥ 96,320 | |
| Notes and accounts receivable | 145,886 | 146,006 | ¥ 119 |
| Investments in lease | 13,250 | 12,899 | (350) |
| Short-term investments and investment securities | 62,889 | 62,889 | |
| Total | ¥318,346 | ¥318,116 | ¥(230) |
| Notes and accounts payable | ¥ 20,261 | ¥ 20,261 | |
| Electronically recorded obligations-operating | 19,158 | 19,158 | |
| Short-term bank loans and current portion of long-term debt | 32,903 | 32,903 | |
| Long-term debt | 5,887 | 6,032 | ¥ 145 |
| Deposits received | 1,851 | 1,730 | (120) |
| Total | ¥ 80,061 | ¥ 80,085 | ¥ 24 |

| March 31, 2014 | Millions of yen | | |
|---|-----------------|------------|----------------------|
| | Carrying amount | Fair value | Unrealized gain/loss |
| Cash and cash equivalents | ¥ 88,537 | ¥ 88,537 | |
| Notes and accounts receivable | 139,486 | 139,405 | ¥ (80) |
| Investments in lease | 12,587 | 12,239 | (347) |
| Short-term investments and investment securities | 65,203 | 65,203 | |
| Total | ¥305,814 | ¥305,386 | ¥(428) |
| Notes and accounts payable | ¥ 20,230 | ¥ 20,230 | |
| Short-term bank loans and current portion of long-term debt | 30,015 | 30,015 | |
| Long-term debt | 3,196 | 3,255 | ¥ 59 |
| Deposits received | 1,915 | 1,747 | (168) |
| Total | ¥ 55,358 | ¥ 55,248 | ¥(109) |

| March 31, 2015 | Thousands of U.S. dollars | | |
|---|---------------------------|-------------|----------------------|
| | Carrying amount | Fair value | Unrealized gain/loss |
| Cash and cash equivalents | \$ 800,868 | \$ 800,868 | |
| Notes and accounts receivable | 1,212,991 | 1,213,988 | \$ 996 |
| Investments in lease | 110,170 | 107,258 | (2,912) |
| Short-term investments and investment securities | 522,904 | 522,904 | |
| Total | \$2,646,935 | \$2,645,019 | \$(1,915) |
| Notes and accounts payable | \$ 168,466 | \$ 168,466 | |
| Electronically recorded obligations-operating | 159,292 | 159,292 | |
| Short-term bank loans and current portion of long-term debt | 273,576 | 273,576 | |
| Long-term debt | 48,949 | 50,156 | \$ 1,206 |
| Deposits received | 15,395 | 14,391 | (1,004) |
| Total | \$ 665,681 | \$ 665,882 | \$ 201 |

Carrying amounts of notes and accounts receivable and investments in lease are deducted from the allowance for doubtful receivables.

Cash and cash equivalents

The carrying values of cash and cash equivalents approximate fair value because of their short maturities.

Notes and accounts receivable and investments in lease

The carrying values of notes and accounts receivable with maturities within one year approximate fair value. The fair values of installment receivables, including investments in lease, are measured at the amount to be received at maturity discounted at an assumed corporate discount rate. Installment receivables of domestic sales include interest. Its interest is included as deferred profit on installment sales in current liabilities.

Short-term investments and investment securities

The fair values of short-term investments and investment securities are measured at quoted market prices from stock exchanges for equity instruments, at quoted prices obtained from financial institutions for certain debt instruments, and at quoted base prices for trust fund investments. Information on the fair value of marketable and investment securities by classification is included in Note 3.

Notes and accounts payable, electronically recorded obligations-operating, short-term bank loans and current portion of long-term debt

The carrying values of notes and accounts payable, short-term bank loans, and the current portion of long-term debt approximate fair value because of their short maturities.

Long-term debt

The fair values of long-term debt are determined by discounting the cash flows related to the debt at an assumed corporate borrowing rate. Floating-rate long-term debt is intended for the interest-rate swaps which qualify for hedge accounting, meet specific matching criteria, and therefore are not remeasured at market value. The fair values of floating-rate long-term debt are determined by discounting the cash flows related to the debt that is accounted for as a unit with interest-rate swaps at an assumed corporate borrowing rate.

Deposits received

The fair values of deposits received are measured at the amount to be paid at maturity discounted at the yield of government bonds.

Derivatives

Fair value information for derivatives is included in Note 17.

Financial instruments whose fair value cannot be reliably determined as of March 31, 2015 and 2014, were as follows:

| | Millions of yen | | Thousands of U.S. dollars (Note 1) |
|--|-----------------|--------|---------------------------------------|
| | 2015 | 2014 | 2015 |
| Short-term investments and investment securities: | | | |
| Available-for-sale: | | | |
| Investments in equity instruments that do not have a quoted market price in an active market | ¥ 142 | ¥ 166 | \$ 1,182 |
| Investments in subsidiaries and associated companies: | | | |
| Investments in unconsolidated subsidiaries | 2,233 | 2,482 | 18,571 |
| Investments in associated companies: | 1,138 | 1,137 | 9,462 |
| Deposits received: | | | |
| Money on deposits from golf club members | ¥1,273 | ¥1,308 | \$10,590 |

Maturity analysis for financial assets and securities with contractual maturities at March 31, 2015, was as follows:

| | Millions of yen | | | |
|---|-------------------------|---------------------------------------|--|---------------------|
| | Due in one year or less | Due after one year through five years | Due after five years through ten years | Due after ten years |
| Cash and cash equivalents | ¥ 96,320 | | | |
| Notes and accounts receivable | 94,812 | ¥49,079 | ¥4,018 | |
| Short-term investments and investment securities: | | | | |
| Available-for-sale: | | | | |
| Government and corporate bonds | 5,712 | 11,822 | 2,625 | ¥3,496 |
| Trust fund investments and other | 28,099 | 9,102 | 1,919 | |
| Total | ¥224,945 | ¥70,004 | ¥8,562 | ¥3,496 |

Thousands of U.S. dollars

| | Due in one year or less | Due after one year through five years | Due after five years through ten years | Due after ten years |
|---|-------------------------|---------------------------------------|--|---------------------|
| Cash and cash equivalents | \$ 800,868 | | | |
| Notes and accounts receivable | 788,334 | \$408,080 | \$33,413 | |
| Short-term investments and investment securities: | | | | |
| Available-for-sale: | | | | |
| Government and corporate bonds | 47,497 | 98,298 | 21,825 | \$29,071 |
| Trust fund investments and other | 233,637 | 75,682 | 15,955 | |
| Total | \$1,870,337 | \$582,061 | \$71,195 | \$29,071 |

Please see Note 6 for annual maturities of long-term debt.

17 DERIVATIVES

The Group enters into derivatives, including foreign exchange forward contracts, NDF and currency options, to hedge foreign exchange risk associated with notes and accounts receivable and payable denominated in foreign currencies. The Group also enters into interest-rate swap contracts and interest-rate swaption contracts to manage its interest-rate exposures for certain liabilities. It is the Group's policy to use derivatives only for the purpose of reducing market risks associated with assets and liabilities. The Group does not hold or issue derivatives for trading purposes.

Derivatives are subject to market risk and credit risk. All derivative transactions, however, are entered into to hedge foreign currency and interest exposures incorporated within the Group's business; therefore, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities. Because the counterparties to these derivatives are limited to major domestic banks, the Group does not anticipate any losses arising from credit risk.

The execution and monitoring of derivatives are carried out by the Company's Finance Department. The Finance Department also reports on a monthly basis, the contractual amounts and other information related to derivatives to the Accounting Department, where the monitoring of derivatives is performed. The Finance Department's review procedures are focused on whether the derivatives are effective as a means of hedging, whether they are used within the balances of assets and liabilities and whether the Group is exposed to a large amount of risk. In the subsidiaries, derivative transactions entered into by the Group have been made in accordance with the parent company's internal guidelines. The execution and control of derivatives are under the authority of the Finance Department. Each derivative transaction is periodically reported to the parent company's chief financial officer and accounting manager.

Derivative transactions to which hedge accounting was not applied at March 31, 2015 and 2014:

| | Millions of yen | | | |
|--|-----------------|------------------------------------|------------|----------------------|
| | 2015 | | | |
| At March 31, 2015 | Contract amount | Contract amount due after one year | Fair value | Unrealized gain/loss |
| Non-deliverable forward: | | | | |
| Selling KRW | ¥545 | | ¥(2) | ¥(2) |
| Foreign currency forward contracts: | | | | |
| Buying JPY | ¥ 81 | | ¥ 1 | ¥ 1 |

| | Millions of yen | | | |
|---------------------------------|-----------------|------------------------------------|------------|----------------------|
| | 2014 | | | |
| At March 31, 2014 | Contract amount | Contract amount due after one year | Fair value | Unrealized gain/loss |
| Non-deliverable forward: | | | | |
| Selling KRW | ¥354 | | ¥(11) | ¥(11) |

| | Thousands of U.S. dollars | | | |
|--|---------------------------|------------------------------------|------------|----------------------|
| | 2015 | | | |
| At March 31, 2015 | Contract amount | Contract amount due after one year | Fair value | Unrealized gain/loss |
| Non-deliverable forward: | | | | |
| Selling KRW | \$4,534 | | \$(18) | \$(18) |
| Foreign currency forward contracts: | | | | |
| Buying JPY | \$ 674 | | \$ 10 | \$ 10 |

Derivative transactions to which hedge accounting was applied at March 31, 2015 and 2014:

Millions of yen

| At March 31, 2015 | 2015 | | | |
|--|-----------------------|-----------------|------------------------------------|------------|
| | Hedged item | Contract amount | Contract amount due after one year | Fair value |
| Foreign currency forward contracts: | | | | |
| Selling USD | Receivables and other | ¥8,010 | | ¥ (66) |
| EUR | Receivables and other | 1,704 | | 173 |
| GBP | Receivables and other | 742 | | 32 |
| CAD | Receivables and other | 290 | | 19 |
| THB | Receivables and other | 609 | | (30) |
| CNY | Receivables and other | 645 | | (15) |

Millions of yen

| At March 31, 2014 | 2014 | | | |
|--|-----------------------|-----------------|------------------------------------|------------|
| | Hedged item | Contract amount | Contract amount due after one year | Fair value |
| Foreign currency forward contracts: | | | | |
| Selling USD | Receivables and other | ¥6,875 | | ¥(45) |
| EUR | Receivables and other | 3,610 | | (81) |
| GBP | Receivables and other | 505 | | (5) |
| AUD | Receivables and other | 282 | | (5) |
| CAD | Receivables and other | 156 | | 2 |
| THB | Receivables and other | 396 | | (7) |
| CNY | Receivables and other | 1,409 | | 33 |
| SGD | Receivables and other | 103 | | (28) |

1. The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

2. The above interest-rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value. In addition, the fair value of such interest-rate swaps in Note 16 is included in that of the hedged items (i.e., long-term debt, current portion of long-term debt).

Thousands of U.S. dollars

| At March 31, 2015 | 2015 | | | |
|--|-----------------------|-----------------|------------------------------------|------------|
| | Hedged item | Contract amount | Contract amount due after one year | Fair value |
| Foreign currency forward contracts: | | | | |
| Selling USD | Receivables and other | \$66,602 | | \$ (549) |
| EUR | Receivables and other | 14,172 | | 1,441 |
| GBP | Receivables and other | 6,176 | | 267 |
| CAD | Receivables and other | 2,417 | | 161 |
| THB | Receivables and other | 5,070 | | (254) |
| CNY | Receivables and other | 5,366 | | (125) |

18 OTHER COMPREHENSIVE INCOME

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

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|----------------|------------------------------|
| | 2015 | 2014 | 2015 |
| Unrealized gain (loss) on available-for-sale securities: | | | |
| Gains arising during the year | ¥ 2,632 | ¥ 3,264 | \$ 21,889 |
| Reclassification adjustments to profit or loss | (102) | (305) | (849) |
| Amount before income tax effect | 2,530 | 2,958 | 21,039 |
| Income tax effect | (783) | (1,038) | (6,511) |
| Total | ¥ 1,747 | ¥ 1,920 | \$ 14,528 |
| Deferred gain (loss) on derivatives under hedge accounting: | | | |
| Gains arising during the year | ¥ 249 | ¥ 1,266 | \$ 2,071 |
| Amount before income tax effect | 249 | 1,266 | 2,071 |
| Income tax effect | (85) | (484) | (713) |
| Total | ¥ 163 | ¥ 782 | \$ 1,358 |
| Land revaluation surplus: | | | |
| Income tax effect | ¥ 53 | | \$ 441 |
| Total | ¥ 53 | | \$ 441 |
| Foreign currency translation adjustments: | | | |
| Adjustments arising during the year | ¥10,257 | ¥21,182 | \$ 85,289 |
| Amount before income tax effect | 10,257 | 21,182 | 85,289 |
| Total | ¥10,257 | ¥21,182 | \$ 85,289 |
| Defined retirement benefit plans: | | | |
| Gains arising during the year | 1,041 | | 8,661 |
| Reclassification adjustments to profit or loss | 93 | | 774 |
| Amount before income tax effect | 1,134 | | 9,435 |
| Income tax effect | (332) | | (2,763) |
| Total | 802 | | 6,671 |
| Share of other comprehensive income in associates: | | | |
| Gains arising during the year | ¥ 26 | ¥ 158 | \$ 220 |
| Reclassification adjustments to profit or loss | 2 | | 22 |
| Total | ¥ 29 | ¥ 158 | \$ 243 |
| Total other comprehensive income | ¥13,053 | ¥24,044 | \$108,532 |

19 NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2015, 2014 and 2013, is as follows:

| | Millions of yen | Thousands of shares | Yen | U.S. dollars |
|---|-----------------|-------------------------|--------|--------------|
| | Net income | Weighted-average shares | EPS | EPS |
| For the year ended March 31, 2015: | | | | |
| Basic EPS | | | | |
| Net income available to common shareholders | ¥18,423 | 374,593 | ¥49.18 | \$0.40 |
| Effect of dilutive securities | | | | |
| Warrants | | 491 | | |
| Diluted EPS | | | | |
| Net income for computation | ¥18,423 | 375,085 | ¥49.12 | \$0.40 |
| For the year ended March 31, 2014: | | | | |
| Basic EPS | | | | |
| Net income available to common shareholders | ¥12,184 | 382,055 | ¥31.89 | \$0.31 |
| Effect of dilutive securities | | | | |
| Warrants | | 472 | | |
| Diluted EPS | | | | |
| Net income for computation | ¥12,184 | 382,528 | ¥31.85 | \$0.30 |
| For the year ended March 31, 2013: | | | | |
| Basic EPS | | | | |
| Net income available to common shareholders | ¥ 4,126 | 381,784 | ¥10.81 | \$0.11 |
| Diluted EPS is not disclosed because it is anti-dilutive. | | | | |

20 SEGMENT INFORMATION

For the year ended March 31, 2015, 2014 and 2013

In March 2008, the ASBJ revised ASBJ Statement No. 17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No. 20 "Guidance on Accounting Standard for Segment Information Disclosures." Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group consists of "the Metalworking Machinery business" and "the Metal Machine Tools business." "The Metalworking Machinery business" consists of laser machines, punch presses and press brakes for the sheet metalworking market as well as mechanical presses for the press market. "The Metal Machine Tools business" consists of metal-cutting bandsaws for the metal cutting market as well as lathes and grinders for the machine tools market.

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

The accounting policies of each reportable segment are consistent with those disclosed in Note 1, "Summary of Significant Accounting Policies."

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

| | Millions of yen | | | | | | |
|--|---------------------|---------|----------|--------|----------|-----------------|--------------|
| | 2015 | | | | | | |
| | Reportable segment | | | Others | Total | Reconciliations | Consolidated |
| Metalworking Machinery | Metal Machine Tools | Total | | | | | |
| Sales: | | | | | | | |
| Sales to external customers | ¥235,160 | ¥50,116 | ¥285,277 | ¥1,249 | ¥286,527 | | ¥286,527 |
| Intersegment sales or transfers | 50 | 22 | 73 | | 73 | ¥ (73) | |
| Total | 235,211 | 50,139 | 285,350 | 1,249 | 286,600 | (73) | 286,527 |
| Segment profit | 22,362 | 4,852 | 27,214 | 479 | 27,694 | | 27,694 |
| Segment assets | 384,352 | 64,043 | 448,395 | 14,209 | 462,604 | 110,932 | 573,537 |
| Other: | | | | | | | |
| Depreciation | 6,802 | 1,744 | 8,546 | 6 | 8,552 | | 8,552 |
| Investments in unconsolidated subsidiaries and associated companies accounted for by the equity method | 3,375 | 60 | 3,436 | | 3,436 | | 3,436 |
| Increase in property, plant and equipment and intangible assets | ¥ 8,966 | ¥ 849 | ¥ 9,815 | | ¥ 9,815 | ¥ 25 | ¥ 9,841 |

| | Millions of yen | | | | | | |
|--|---------------------|---------|----------|---------|----------|-----------------|--------------|
| | 2014 | | | | | | |
| | Reportable segment | | | Others | Total | Reconciliations | Consolidated |
| Metalworking Machinery | Metal Machine Tools | Total | | | | | |
| Sales: | | | | | | | |
| Sales to external customers | ¥210,721 | ¥44,517 | ¥255,238 | ¥ 1,244 | ¥256,482 | | ¥256,482 |
| Intersegment sales or transfers | 63 | 26 | 89 | | 89 | ¥ (89) | |
| Total | 210,784 | 44,543 | 255,328 | 1,244 | 256,572 | (89) | 256,482 |
| Segment profit | 12,790 | 3,028 | 15,819 | 405 | 16,225 | | 16,225 |
| Segment assets | 362,190 | 62,222 | 424,412 | 14,753 | 439,166 | 113,563 | 552,729 |
| Other: | | | | | | | |
| Depreciation | 6,630 | 1,968 | 8,598 | 6 | 8,604 | | 8,604 |
| Investments in unconsolidated subsidiaries and associated companies accounted for by the equity method | 3,605 | 41 | 3,646 | | 3,646 | | 3,646 |
| Increase in property, plant and equipment and intangible assets | ¥ 10,060 | ¥ 1,054 | ¥ 11,115 | | ¥ 11,115 | ¥ 48 | ¥ 11,163 |

Millions of yen

| | 2013 | | | | | | |
|--|------------------------|---------------------|----------|--------|----------|-----------------|--------------|
| | Reportable segment | | | Others | Total | Reconciliations | Consolidated |
| | Metalworking Machinery | Metal Machine Tools | Total | | | | |
| Sales: | | | | | | | |
| Sales to external customers | ¥150,196 | ¥38,646 | ¥188,842 | ¥1,175 | ¥190,018 | | ¥190,018 |
| Intersegment sales or transfers | 53 | 15 | 68 | | 68 | ¥ (68) | |
| Total | 150,249 | 38,662 | 188,911 | 1,175 | 190,087 | (68) | 190,018 |
| Segment profit | 3,334 | 1,222 | 4,557 | 67 | 4,625 | | 4,625 |
| Segment assets | 325,985 | 56,494 | 382,479 | 15,267 | 397,747 | 97,701 | 495,449 |
| Other: | | | | | | | |
| Depreciation | 5,803 | 1,851 | 7,655 | 2 | 7,657 | | 7,657 |
| Investments in unconsolidated subsidiaries and associated companies accounted for by the equity method | 3,021 | 25 | 3,047 | | 3,047 | | 3,047 |
| Increase in property, plant and equipment and intangible assets | ¥ 9,597 | ¥ 1,065 | ¥ 10,663 | | ¥ 10,663 | ¥ 35 | ¥ 10,698 |

Thousands of U.S. dollars

| | 2015 | | | | | | |
|--|------------------------|---------------------|-------------|----------|-------------|-----------------|--------------|
| | Reportable segment | | | Others | Total | Reconciliations | Consolidated |
| | Metalworking Machinery | Metal Machine Tools | Total | | | | |
| Sales: | | | | | | | |
| Sales to external customers | \$1,955,272 | \$416,703 | \$2,371,976 | \$10,390 | \$2,382,366 | | \$2,382,366 |
| Intersegment sales or transfers | 419 | 189 | 609 | | 609 | \$ (609) | |
| Total | 1,955,692 | 416,893 | 2,372,585 | 10,390 | 2,382,976 | (609) | 2,382,366 |
| Segment profit | 185,935 | 40,344 | 226,279 | 3,988 | 230,268 | | 230,268 |
| Segment assets | 3,195,743 | 532,499 | 3,728,243 | 118,143 | 3,846,386 | 922,361 | 4,768,747 |
| Other: | | | | | | | |
| Depreciation | 56,558 | 14,505 | 71,063 | 50 | 71,114 | | 71,114 |
| Investments in unconsolidated subsidiaries and associated companies accounted for by the equity method | 28,067 | 506 | 28,573 | | 28,573 | | 28,573 |
| Increase in property, plant and equipment and intangible assets | \$ 74,551 | \$ 7,064 | \$ 81,615 | | \$ 81,615 | \$ 212 | \$ 81,828 |

1. Other includes the real estate leasing business and the automobile leasing business.

2. Reconciliations are as follows.

(1) Reconciliations in segment assets are corporate assets not allocated to a reportable segment. Corporate assets principally consist of cash and cash equivalents, short-term investments and investment securities of the Company and customer training and reception facilities. Corporate assets were ¥110,932 million (\$922,361 thousand), ¥113,563 million and ¥97,701 million for the years ended March 31, 2015, 2014 and 2013, respectively.

(2) Income and expenses related to customer training and reception facilities are allocated to a reportable segment based on the rational allocation method. However, those assets are included in "Reconciliations" as corporate assets because of the difficulty of rational allocation.

(3) Reconciliations in increase in property, plant and equipment and intangible assets are capital investment related to corporate assets. The capital investments were ¥25 million (\$212 thousand), ¥48 million and ¥35 million for the years ended March 31, 2015, 2014 and 2013, respectively.

3. Segment profit is adjusted from the operating income in the consolidated statement of income.

Information related to the segment information is as follows:

1. Information about products and services

| Millions of yen | | | | | | |
|-----------------------------|--|------------------|---------------------|------------------------|---------------|-----------------|
| 2015 | | | | | | |
| | Metalworking Machinery | | Metal Machine Tools | | Others | Total |
| | Sheet-Metal Processing Machines Division | Presses Division | Bandsaws Division | Machine Tools Division | | |
| Sales to external customers | ¥225,811 | ¥9,349 | ¥34,179 | ¥15,937 | ¥1,249 | ¥286,527 |

| Millions of yen | | | | | | |
|-----------------------------|--|------------------|---------------------|------------------------|--------|----------|
| 2014 | | | | | | |
| | Metalworking Machinery | | Metal Machine Tools | | Others | Total |
| | Sheet-Metal Processing Machines Division | Presses Division | Bandsaws Division | Machine Tools Division | | |
| Sales to external customers | ¥202,899 | ¥7,822 | ¥30,725 | ¥13,792 | ¥1,244 | ¥256,482 |

| Thousands of U.S. dollars | | | | | | |
|-----------------------------|--|------------------|---------------------|------------------------|-----------------|--------------------|
| 2015 | | | | | | |
| | Metalworking Machinery | | Metal Machine Tools | | Others | Total |
| | Sheet-Metal Processing Machines Division | Presses Division | Bandsaws Division | Machine Tools Division | | |
| Sales to external customers | \$1,877,534 | \$77,738 | \$284,189 | \$132,514 | \$10,390 | \$2,382,366 |

2. Information about geographical areas

(1) Sales

| Millions of yen | | | | | | |
|-----------------|----------------|----------------|----------------|---------------|-----------------|--|
| 2015 | | | | | | |
| Japan | North America | Europe | Asia | Others | Total | |
| ¥129,972 | ¥48,777 | ¥52,770 | ¥49,611 | ¥5,395 | ¥286,527 | |

| Millions of yen | | | | | | |
|-----------------|---------------|---------|---------|--------|----------|--|
| 2014 | | | | | | |
| Japan | North America | Europe | Asia | Others | Total | |
| ¥119,907 | ¥44,299 | ¥44,140 | ¥43,367 | ¥4,768 | ¥256,482 | |

| Thousands of U.S. dollars | | | | | | |
|---------------------------|------------------|------------------|------------------|-----------------|--------------------|--|
| 2015 | | | | | | |
| Japan | North America | Europe | Asia | Others | Total | |
| \$1,080,673 | \$405,567 | \$438,766 | \$412,500 | \$44,858 | \$2,382,366 | |

(2) Property, plant and equipment

| Millions of yen | | | | | |
|-----------------|----------------|----------------|----------------|-----------------|--|
| 2015 | | | | | |
| Japan | North America | Europe | Others | Total | |
| ¥87,551 | ¥14,815 | ¥15,261 | ¥11,883 | ¥129,511 | |

| Millions of yen | | | | | |
|-----------------|---------------|---------|--------|----------|--|
| 2014 | | | | | |
| Japan | North America | Europe | Others | Total | |
| ¥88,149 | ¥13,228 | ¥15,112 | ¥9,804 | ¥126,294 | |

| Thousands of U.S. dollars | | | | | |
|---------------------------|------------------|------------------|-----------------|--------------------|--|
| 2015 | | | | | |
| Japan | North America | Europe | Others | Total | |
| \$727,955 | \$123,182 | \$126,892 | \$98,808 | \$1,076,839 | |

Information related to impairment losses of assets is as follows:

Millions of yen

| | 2015 | | | | |
|-----------------------------|------------------------|---------------|--------|-----------------------|-------------|
| | Reportable segment | | Others | Elimination/Corporate | Total |
| | Metalworking Machinery | Machine Tools | | | |
| Impairment losses of assets | ¥314 | | | | ¥314 |

Millions of yen

| | 2014 | | | | |
|-----------------------------|------------------------|---------------|--------|-----------------------|-------|
| | Reportable segment | | Others | Elimination/Corporate | Total |
| | Metalworking Machinery | Machine Tools | | | |
| Impairment losses of assets | ¥83 | | | | ¥83 |

Thousands of U.S. dollars

| | 2015 | | | | |
|-----------------------------|------------------------|---------------|--------|-----------------------|----------------|
| | Reportable segment | | Others | Elimination/Corporate | Total |
| | Metalworking Machinery | Machine Tools | | | |
| Impairment losses of assets | \$2,618 | | | | \$2,618 |

Information related to amortization of goodwill and the balance of goodwill is as follows:

Millions of yen

| | 2015 | | | | |
|----------------------------|------------------------|---------------------|--------|-----------------------|---------------|
| | Reportable segment | | Others | Elimination/Corporate | Total |
| | Metalworking Machinery | Metal Machine Tools | | | |
| Amortization of goodwill | ¥ 888 | ¥112 | | | ¥1,001 |
| Goodwill at March 31, 2015 | 2,202 | 28 | | | 2,230 |

Millions of yen

| | 2014 | | | | |
|----------------------------|------------------------|---------------------|--------|-----------------------|-------|
| | Reportable segment | | Others | Elimination/Corporate | Total |
| | Metalworking Machinery | Metal Machine Tools | | | |
| Amortization of goodwill | ¥ 611 | ¥123 | | | ¥ 735 |
| Goodwill at March 31, 2014 | 3,071 | 142 | | | 3,213 |

Thousands of U.S. dollars

| | 2015 | | | | |
|----------------------------|------------------------|---------------------|--------|-----------------------|-----------------|
| | Reportable segment | | Others | Elimination/Corporate | Total |
| | Metalworking Machinery | Metal Machine Tools | | | |
| Amortization of goodwill | \$ 7,388 | \$938 | | | \$ 8,326 |
| Goodwill at March 31, 2015 | 18,315 | 232 | | | 18,547 |

21 SUBSEQUENT EVENTS

I) Appropriations of retained earnings

The following appropriation of retained earnings at March 31, 2015, was approved by the shareholders at the Company's general shareholders' meeting held on June 26, 2015.

| | Millions of yen | Thousands of U.S. dollars (Note 1) |
|--|-----------------|------------------------------------|
| Year-end cash dividends, ¥13.00 (\$0.10) per share | ¥4,854 | \$40,367 |

II) Acquisition of treasury stock

The following acquisition of treasury stock was approved at the board of directors' meeting held on May 13, 2015.

| | |
|--|---|
| 1) Purpose for purchasing treasury stock | To improve capital efficiency by controlling the increase in net assets, and to establish flexible capital policy |
| 2) Type of shares to be purchased | Common stock |
| 3) Number of shares to be purchased | Up to 9,000,000 shares |
| 4) Amount of shares to be purchased | Up to ¥10,000 million (\$83,146 thousand) |
| 5) Method of purchase | Purchase on the stock market |
| 6) Period of purchase | From May 14, 2015 to March 28, 2016 |

III) Transfer of significant business

On March 27, 2015, the Company signed an agreement to transfer the lathe business, which is part of AMADA MACHINE TOOLS CO., LTD. (a consolidated subsidiary), to DMG MORI SEIKI Co., Ltd.

1. Reason for the business transfer

The Group implemented selection and concentration business initiatives to achieve a mid-term management plan and aim for an efficient operation of capital. In line with this operation, the Company has decided to transfer the lathe business to DMG MORI SEIKI Co., Ltd. which is able to expand this business more actively.

2. Outline of the business transfer

| | |
|-----------------------------------|--|
| 1) Name of transferee | DMG MORI SEIKI WASINO Co., Ltd. (subsidiary of DMG MORI SEIKI Co., Ltd.) |
| 2) Detail of transferred business | Lathe business of AMADA MACHINE TOOLS CO., LTD. |
| 3) Date of transfer | April 1, 2015 |
| 4) Scale of transferred business | Sales of this business included in the consolidated statement of income as of March 31, 2015 were ¥8,533 million (\$70,950 thousand) |

3. Name of reportable segment which previously included the transferred business

Metal Machine Tools



Deloitte Touche Tohmatsu LLC
Shinagawa Intercity
2-15-3, Konan
Minato-ku, Tokyo 108-6221
Japan
Tel: +81 (3) 6720 8200
Fax: +81 (3) 6720 8205
www.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Amada Holdings Co., Ltd.:

We have audited the accompanying consolidated balance sheet of Amada Holdings Co., Ltd. (formerly, Amada Co., Ltd.) and its consolidated subsidiaries as of March 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amada Holdings Co., Ltd. and its consolidated subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

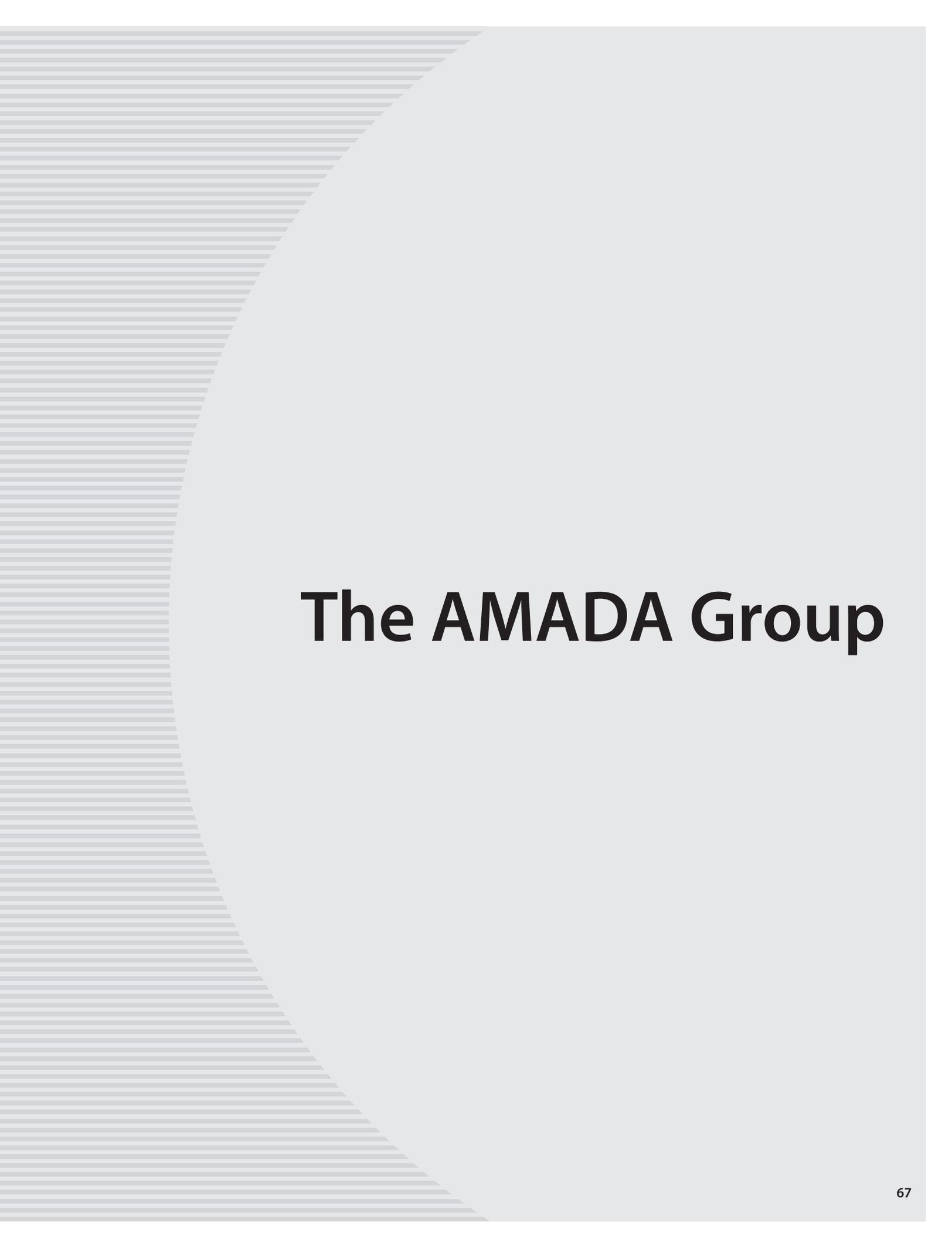
Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 26, 2015

Member of
Deloitte Touche Tohmatsu Limited



The AMADA Group

The AMADA Group

(As of October 1, 2015)

DOMESTIC NETWORK AND BASES

SALES NETWORK

AMADA CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-1111

Major Activities: Sale and service of sheet metal fabrication machines and equipment.

AMADA MACHINE TOOLS CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-3351

Major Activities: Development, manufacture, sale, and service of metal cutting machines and equipment, machine tools and equipment, and stamping presses and equipment. Development, manufacture, and sale of saw blades.

AMADA MIYACHI CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-4-7125-6177

Major Activities: Development, design, production, and sale of laser welding equipment, laser marking equipment, and resistance welding equipment (welding controls, weld monitoring instruments, welding power supplies, peripherals) and integration of these products.

AMADA TECHNICAL SERVICE CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-3111

Major Activities: Sale and service of sheet metal fabrication machines and equipment.

AMADA LEASE CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-3663

Major Activities: Leasing operation for sheet metal machines, metal cutting machines, and power press machines.

AMADA BUTSURYU CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-3334

Major Activities: Forwarding and import/export agency for sheet metal machines, metal cutting machines, and power press machines. Used machine distributor for sheet metal machines and metal cutting machines.

AMADA AILINK SERVICE CO., LTD.

FORUM246 #605, 350, Ishida, Isehara-shi, Kanagawa, 259-1116
Phone: 81-463-97-2800

Major Activities: Information provider for sheet metal machines & electronic devices through the Internet.

AMADA DOCUMECH CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-3171

Major Activities: Editing, production, and translation of instruction manuals and technical information on metal processing machines.

AMADA PLANTECH CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-3603

Major Activities: Landscaping design and construction and maintenance for gardens and buildings.

NICOTEC CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: 81-463-96-3221

Major Activities: Sale and service for metal cutting machines and environmental machines to distributors and agents. Manufacture of band saw blades and sale to distributors and agents.

FUJINO CLUB CO., LTD.

350, Ishida, Isehara-shi, Kanagawa 259-1116
Phone: 81-463-96-3711

Major Activities: Management of restaurants.

MANUFACTURING NETWORK

AMADA ENGINEERING CO., LTD. (Fujinomiya Works)

Works: 7020 Kitayama, Fujinomiya-shi, Shizuoka 418-0112

Major Activities: Development, manufacture, sale, and service of sheet metal fabrication machines and equipment.

AMADA AUTOMATION SYSTEMS CO., LTD. (Fukushima Plant)

Plant: 113-1, Hara, Ozawa, Nihonmatsu-shi, Fukushima 960-1241

Major Activities: Manufacture, sale, contract remodeling, maintenance inspection, and management and other services pertaining to conveyor devices, power transmission devices, automatic control units, and various other equipment.

AMADA MACHINE TOOLS CO., LTD. (Toki Works)

Works: 1431-37 Kitayama, Kujiri, Izumi-cho, Toki-shi, Gifu 509-5142

Major Activities: Development and manufacture of metal cutting machines and equipment and machine tools and equipment.

AMADA MACHINE TOOLS CO., LTD. (Ono Plant)

Plant: 56 Hata-cho, Ono-shi, Hyogo 675-1377

Major Activities: Development and manufacture of saw blades.

AMADA MIYACHI CO., LTD. (Noda Works)

Works: 95-3 Futatsuka, Noda-shi, Chiba 278-0016

Major Activities: Development, design, production, and sale of laser welding equipment, laser marking equipment, and resistance welding equipment (welding controls, weld monitoring instruments, welding power supplies, peripherals), and integration of these products.

NICOTEC CO., LTD. (Miki Plant)

Plant: 45, Tomoe, Bessho-cho, Miki-shi, Hyogo 673-0443

Major Activities: Manufacture of band saw blades.

AMADA TOOL PRECISION CO., LTD.

Head Office / Plant: 200, Ishida, Isehara-shi, Kanagawa 259-1196

Major Activities: Manufacture and sale of tooling for punching and bending, tooling for hydraulic punch presses, and tooling peripheral machines.

OVERSEAS NETWORK AND BASES

SALES NETWORK

United States

AMADA NORTH AMERICA, INC.

7025 Firestone Boulevard, Buena Park, CA 90621, U.S.A.
Phone: 1-714-739-2111
Major Activities: Management control of North American subsidiaries (holding company).

AMADA AMERICA, INC.

7025 Firestone Boulevard, Buena Park, CA 90621, U.S.A.
Phone: 1-714-739-2111
Major Activities: Manufacture, sale, and after-sales service of metalworking machines and machine tools.

AMADA MACHINE TOOLS AMERICA, INC.

2324 Palmer Drive, Schaumburg, IL 60173, U.S.A.
Phone: 1-847-285-4800
Major Activities: Sale and repair of bandsaw machines and related products. Sale and repair of machine tools and industrial tools.

Canada

AMADA CANADA LTD.

155 Admiral Boulevard, Mississauga ON L5T 2T3, Canada
Phone: 1-905-676-9610
Major Activities: Purchase and sale of metalworking machines.

Mexico

AMADA de MEXICO, S. de R.L. de C.V.

Torres los Campestre Ave. Ricardo Margain 575, Parque Corporativo Santa Engracia, San Pedro Garza Garcia, NL CP 66267, Mexico
Phone: 52-81-1234-0700
Major Activities: Sale and after-sales service of metalworking machines.

Brazil

AMADA DO BRASIL LTDA.

Avenida Tambore, 965/973, Tambore, Barueri - SP CEP 06460-000, Brazil
Phone: 55-11-4134-2324
Major Activities: Sale and maintenance of sheet metal processing machines and peripheral equipment and tools.

United Kingdom

AMADA UNITED KINGDOM LTD.

Spennelles Valley Road, Kidderminster, Worcestershire DY10 1XS, England
Phone: 44-1562-749-500
Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

Germany

AMADA GmbH

AMADA Allee 1, 42781 Haan, Germany
Phone: 49-2104-21260
Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

AMADA MACHINE TOOLS EUROPE GmbH

AMADA Allee 3, 42781 Haan, Germany
Phone: 49-2104-1777-0
Major Activities: Sale and repair of bandsaw machines and related products. Sale and repair of machine tools and industrial tools.

France

AMADA EUROPE S.A.

ZI Paris Nord II, 96, Avenue de la Pyramide, 93290 Tremblay-en-France, France
Phone: 33-1-4990-3000
Major Activities: Management control of European subsidiaries. Manufacture and sale of metalworking machines, and related services.

AMADA S.A.

ZI Paris Nord II, 96, Avenue de la Pyramide, 93290 Tremblay-en-France, France
Phone: 33-1-4990-3000
Major Activities: Sale and after-sales service of metalworking machines.

Spain

AMADA MAQUINARIA IBERICA

C/Recerca, 5-Esq. C/Imaginació, 1 Polígono Industrial Gavà Business Park, 08850-GAVÀ, Barcelona, Spain
Phone: 34-93-4742725
Major Activities: Sale and after-sales service of metalworking machines.

Italy

AMADA ITALIA S.r.l.

Via AMADA I, 1/3, 29010 Pontenure, Piacenza, Italy
Phone: 39-0523-872111
Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

Sweden

AMADA SWEDEN AB

Borgens Gata 16-18, 441 17 Alingsås, Sweden
Phone: 46-322-20-99-00
Major Activities: Sale and after-sales service of metalworking machines.

Austria

AMADA AUSTRIA GmbH

Wassergasse 1, A-2630 Ternitz, Austria
Phone: 43-2630-35170
Major Activities: Manufacture and sale of cutting tools and dies.

Russian Federation

AMADA OOO

Dokukina Street 16, Building 3, 5th Floor, Moscow 129226, Russian Federation
Phone: 7-495-518-9650
Major Activities: Sale and after-sales service of metalworking machines.

Turkey

AMADA MAKINA TEKNOLOJİ SANAYİ VE TICARET LTD. STİ.

İkitelli, Organize Sanayi Bölgesi Haseyad Kooperatifi, Turgut Ozal Caddesi, No: 116, 34670 İkitelli İstanbul, Turkey
Phone: 90-212-549-10-70
Major Activities: Sale and after-sales service of metalworking machines.

Switzerland

AMADA SWISS GmbH

Daettlikonerstrasse 5, CH-8422 Pfungen, Switzerland
Phone: 41-52-304-00-34
Major Activities: Export, import, sale, and repair of industrial machinery.

Denmark

AMADA DENMARK A/S

Erhvervsbyvej 4, 8700 Horsens, Denmark
Phone: 45-7563-1400
Major Activities: Sale and after-sales service of sheet metal processing machines.

Norway

AMADA NORWAY AS

Myrveien 12, 1430 As, Norway
Phone: 47-6497-3100
Major Activities: Sale and after-sales service of sheet metal processing machines.

Poland

AMADA SPOLKA Z ORGANICZONA ODPOWIEDZIALNOSCIA

ul.Prof.M. Życzkowskiego 14, 31-864 Krakow Poland
Phone: 48-123793185
Major Activities: Sale and after-sales service of sheet metal processing machines.

South Africa

AMADA UNITED KINGDOM LTD. JOHANNESBURG BRANCH

225 Albert Amon Road, Millennium Business Park, Meadowdale Ext-7, JOHANNESBURG, South Africa
Phone: 27-11-453-5459
Major Activities: Sale and after-sales service of sheet metal processing machines.

China

AMADA (CHINA) CO., LTD.

No. 89 Zhuoqing Road, Qingpu District, Shanghai, People's Republic of China
Phone: 86-21-5985-8222
Major Activities: Management of local AMADA Group subsidiaries in China. Regional sale of and service businesses for metalworking machines.

AMADA HONG KONG CO., LTD

Unit 1101-2, 11/F., Austin Tower, 22-26 Austin Ave., Jordan, Kowloon, Hong Kong, S.A.R., People's Republic of China
Phone: 852-2868-9186
Major Activities: Sales of AMADA products for the Chinese market and international trading

BEIJING AMADA MACHINE & TOOLING CO., LTD.

No. 3, 705 Yong Chang Bei Lu, Beijing Economic Technological Development Area, People's Republic of China
Phone: 86-10-6786-9380
Major Activities: Manufacture and sale of dies. Sale and after-sale service of metalworking machines and metal machine tools.

AMADA INTERNATIONAL INDUSTRY & TRADING (SHANGHAI) CO., LTD.

No. 89 Zhuoqing Road, Qingpu District, Shanghai, People's Republic of China
Phone: 86-21-6212-1111
Major Activities: Sale, after-sales service, and trading service of metalworking machines and metal machine tools.

OVERSEAS NETWORK AND BASES

AMADA INTERNATIONAL TRADING (SHENZHEN) CO., LTD.

Rooms 801-803, 8th Floor, Talfook Chong, No. 9, Shihua Road, Futian Free Trade Zone, Shenzhen, People's Republic of China
Phone: 86-755-8358-0011

Major Activities: Sale, after-sales service, and trading service of metalworking machines and metal machine tools.

Taiwan

AMADA TAIWAN INC.

No. 21, Wenming Road, Guishan District, Taoyuan City 333, Taiwan (R.O.C.) 33382
Phone: 886-3-328-3511

Major Activities: Sale, after-sales service, and trading service of metalworking machines and metal machine tools.

Republic of Korea

AMADA KOREA CO., LTD.

821, Dongchun-Dong, Yeonsu-gu, Incheon, Republic of Korea 406-130
Phone: 82-32-821-6010

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

Singapore

AMADA ASIA PTE LTD.

12 Tannery Road, #03-07 HB Centre 1, Singapore 347722
Phone: 65-6743-3244

Major Activities: Management of four local AMADA Group subsidiaries in ASEAN, regional sales, and service strategy promotion.

AMADA SINGAPORE (1989) PTE LTD.

12 Tannery Road, #05-01/02 HB Centre 1, Singapore 347722
Phone: 65-6743-6334

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

Thailand

AMADA (THAILAND) CO., LTD.

110/8 Moo 13, Rachatheva, Sub-District, Bangplee District, Samutprakarn Province 10540, Thailand
Phone: 66-2738-9530

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

AMADA MACHINE TOOLS (THAILAND) CO., LTD.

700/146 Village No. 1, Bankao Sub-District, Panthong District, Chonburi 20160, Thailand
Phone: 66-3846-8920

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

Malaysia

AMADA (MALAYSIA) SDN. BHD.

No. 20, Jalan Pendaftar, U1/54, Temasya Industrial Park, Section U1, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia
Phone: 60-3-5569-6233

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

Vietnam

AMADA VIETNAM CO., LTD.

469 Ha Huy Tap Road, Yen Vien, Gia Lam, Ha Noi, Vietnam
Phone: 84-4-6261-4583

Major Activities: Repair of machines and equipment.

India

AMADA SOFT (INDIA) PVT. LTD.

IITM Research Park, 2nd Floor, Block No. 6, Plot No. 2, Rajiv Gandhi Salai Taramani, Chennai, PIN-600113, India
Phone: 91-44-6663-0300

Major Activities: Research and development of software for metalworking machines.

AMADA (INDIA) PVT. LTD.

No. 60, KIADB Bengaluru Aerospace Park, Singahalli Village, Budigere Post, Bengaluru North Taluk-562 129, India

Phone: 91-80-7110-0200

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

Australia

AMADA OCEANIA PTY LTD.

Unit 7, 16 Lexington Drive, Bella Vista, NSW 2153, Australia
Phone: 61-2-8887-1100

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

MANUFACTURING NETWORK

United States

AMADA AMERICA, INC.

7025 Firestone Boulevard, Buena Park, CA 90621, U.S.A.
Phone: 1-714-739-2111

Major Activities: Sale and after-sales service of metalworking machines and metal machine tools.

AMADA MACHINE TOOLS AMERICA, INC.

2324 Palmer Drive, Schaumburg, IL 60173, U.S.A.
Phone: 1-847-285-4800

Major Activities: Sale and repair of bandsaws and related products. Sale and repair of machine tools and industrial tools.

AMADA TOOL AMERICA, INC.

4A Treadeasy Avenue, Batavia, NY 14020, U.S.A.
Phone: 1-585-344-3900

Major Activities: Manufacture and sale of dies.

France

AMADA EUROPE S.A.

ZI Paris Nord II, 96 Avenue de la Pyramide, 93290 Tremblay-en-France, France
Phone: 33-1-4990-3000

Major Activities: Management control of European subsidiaries, manufacture and sale of metalworking machines, and related services.

AMADA OUTILLAGE S.A.

Zone Industrielle B.P.35 76720, Auffay, France
Phone: 33-2-3280-8100

Major Activities: Manufacture, export, import, and sale of dies.

Italy

AMADA ENGINEERING EUROPE S.p.A.

Via AMADA I, 1/3, 29010 Pontenure, Piacenza, Italy
Phone: 39-0523-952811

Major Activities: Development of software for sheet metal machines.

Austria

AMADA AUSTRIA GmbH

Wassergasse 1, A-2630 Ternitz, Austria
Phone: 43-2630-35170

Major Activities: Manufacture and sale of cutting tools and dies.

Finland

Ab LKI Kälöman Oy

Svartnäshagavägen 7 FIN-68910 Bennis, Finland
Phone: 358-20-7009-000

Major Activities: Manufacture of sheet metal machines and peripheral equipment.

China

AMADA SHANGHAI MACHINE TECH CO., LTD.

No. 89 Zhuoqing Road, Qingpu District, Shanghai, People's Republic of China
Phone: 86-21-6917-1352

Major Activities: Manufacture, sale, and after-sales service of metalworking machines, metalworking machine parts, and consumables.

BEIJING AMADA MACHINE & TOOLING CO., LTD.

No. 3, 705 Yong Chang Bei Lu, Beijing Economic Technological Development Area, People's Republic of China
Phone: 86-10-6786-9380

Major Activities: Manufacture and sale of dies. Sale and after-sale service of metalworking machines and metal machine tools.

AMADA LIANYUNGANG MACHINERY CO., LTD.

No. 21 Zhenxing Road, Songtiao, Lianyungang Eco. & Tech. Development Zone, Jiangsu, Peoples Republic of China
Phone: 86-518-8515-1111

Major Activities: Manufacture of bandsaw blades.

AMADA LIANYUNGANG MACHINE TOOL CO., LTD.

No. 3-2 Songtiao Eco. & Tech. Development Zone, Lianyungang, Jiangsu, People's Republic of China
Phone: 86-518-8515-1111

Major Activities: Manufacture of bandsaw blades.

AMADA LIANYUNGANG MACHINE TECH CO., LTD.

No.1 Qufeng Road, Haizhou Development Zone, Lianyungang, Jiangsu, People's Republic of China
Phone: 86-518-8591-8369

Major Activities: Manufacture of bandsaw blades.

Investor Information

Company name

AMADA HOLDINGS CO., LTD.

Head office

200, Ishida, Isehara-shi, Kanagawa 259-1196

Phone: 81-463-96-1111

URL: <http://www.amadaholdings.co.jp/>

Founded

September 10, 1946

Incorporated

May 1, 1948

Number of Shares of Common Stock

(As of September 30, 2015)

Authorized: 550,000,000 shares

Issued: 386,502,117 shares

Number of Shareholders

(As of March 31, 2015)

33,959

Stock Listing

Tokyo Stock Exchange, Inc., First Section

Quarterly Stock Price Range on Tokyo Stock Exchange (¥)

| | 2014 | | | | 2015 | |
|------|------|-------|-------|-------|--------------|--------------|
| | 1st | 2nd | 3rd | 4th | 1st | 2nd |
| High | 961 | 1,143 | 1,067 | 1,110 | 1,208 | 1,361 |
| Low | 672 | 683 | 923 | 875 | 988 | 1,121 |

Ordinary General Meeting of Shareholders

June

Shareholder Register Administrator

Mitsubishi UFJ Trust and Banking Corporation

4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

Major Shareholders

(As of March 31, 2015)

| Shareholder | Shares owned (1,000 shares) | Percent (%) |
|--|--------------------------------|-------------|
| Japan Trustee Services Bank, Ltd. (Trust accounts) | 43,920 | 11.8 |
| The Master Trust Bank of Japan, Ltd. (Trust accounts) | 22,544 | 6.0 |
| BNP PARIBAS SEC SERVICES LUXEMBOURG/JASDEC/ABERDEEN GLOBAL CLIENT ASSETS | 20,207 | 5.4 |
| Mizuho Bank, Ltd. | 15,000 | 4.0 |
| The AMADA Foundation | 9,936 | 2.7 |
| Trust & Custody Services Bank, Ltd. (Trust accounts) | 9,681 | 2.6 |
| THE BANK OF NEW YORK MELLON 140030 | 6,370 | 1.7 |
| Nippon Life Insurance Company | 5,979 | 1.6 |
| STATE STREET BANK AND TRUST COMPANY 505217 | 5,793 | 1.6 |
| The Joyo Bank, Ltd. | 5,756 | 1.5 |

Note: Ownership percentages have been calculated excluding treasury stock (13,043,469 shares).



Non-VOC Ink
This report was printed using 100% vegetable-based ink containing zero volatile organic compounds (VOCs).



Waterless Printing
This report was printed using a waterless printing process to prevent the emission of hazardous liquids during printing.

AMADA HOLDINGS CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196, Japan

