

Consolidated Financial Results for the Fiscal 2014 [Japanese GAAP]

Name: **Tokyo Rope Manufacturing Co., Ltd.**

Listing: **Tokyo Stock Exchange**

Stock code number: **5981**

URL: **http://www.tokyoropeco.jp**

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Annual Meeting of Shareholders: **June 26, 2015**

Date of issue of Financial Report: **June 26, 2015**

Start of cash dividend payments: **-**

Supplementary financial materials prepared: **None**

Financial results information meeting held: **Yes (for institutional investors)**

1. Fiscal 2014 (April 1, 2014 – March 31, 2015)

(1) Results of Operations

	(Millions of yen, except per share data, rounded down; percentage figures denote year-on-year change)							
	Net sales		Operating income		Ordinary income		Net income	
		(% change from previous year)		(% change)		(% change)		(% change)
Fiscal 2014	¥73,315	3.5%	¥3,948	16.5%	¥4,444	25.5%	¥3,822	-19.5%
Fiscal 2013	70,865	8.5	3,389	-	3,541	-	4,747	-

Note: Comprehensive income

Fiscal 2014: ¥6,534 million (97.1%)

Fiscal 2013: ¥3,316 million (-%)

	Net income per share	Net income per share (fully diluted)	ROE	Ordinary income/ total assets	Operating income/ net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal 2014	¥25.76	¥24.07	24.3%	5.1%	5.4%
Fiscal 2013	32.70	-	45.3	4.2	4.8

Note: Gain on investments based on equity method

Fiscal 2014: ¥129 million

Fiscal 2013: ¥192 million

(2) Financial Position

	(Millions of yen, rounded down)			
	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
Fiscal 2014	¥87,259	¥22,320	23.2%	¥121.80
Fiscal 2013	86,938	13,261	12.9	77.32

Note: Equity capital at the year-end

Fiscal 2014: ¥20,261 million

Fiscal 2013: ¥11,225 million

(3) Cash Flows

	(Millions of yen, rounded down)			
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal 2014	¥7,844	¥(1,744)	¥(3,525)	¥4,649
Fiscal 2013	2,379	(2,127)	(2,906)	2,172

2. Cash Dividends

	Cash dividend per share (yen)					Total dividends paid (full year) (Millions of yen)	Payout ratio (consolidated)	Dividends paid/net assets (consolidated) (%)
	1st quarter	2nd quarter	3rd quarter	Year-end	Full year			
Fiscal 2013	–	¥0.00	–	¥0.00	¥0.00	–	–	–%
Fiscal 2014	–	0.00	–	0.00	0.00	–	–	–
Fiscal 2015 (est.)	–	–	–	4.00	4.00		19.4	

Note: The above table shows cash dividends for the Company's common stock. For cash dividends of its class shares (non-listed) that have different entitlements from common shares, please refer to "Cash Dividends for Class A Shares" stated below.

3. Forecast for Fiscal 2015 (April 1, 2015–March 31, 2016)

(Millions of yen, rounded down; percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
First 2 quarters	¥32,700	-4.1%	¥1,300	14.8%	¥1,150	-26.8%	¥ 850	-54.3%	¥ 5.86
Full year	73,500	0.2	4,200	6.4	3,900	-13.0	3,000	-22.3	20.66

Notes

(1) Significant changes in subsidiaries during the year (changes in specific subsidiaries due to change in scope of consolidation):

Yes

Newly consolidated - Excluded 1 (Company name: Tokyo Rope Malaysia SDN.BHD.)

(2) Changes in accounting policies; changes in accounting estimates; restatements:

- Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
- Other changes in accounting policies: None
- Changes in accounting estimates: None
- Restatements: None

(3) Shares outstanding (common stock) at the year-end

1. Number of shares outstanding (including treasury stock)

Fiscal 2014: 162,682,420

Fiscal 2013: 162,682,420

2. Number of treasury shares outstanding

Fiscal 2014: 17,529,456

Fiscal 2013: 17,501,818

3. Average number of shares over the year

Fiscal 2014: 145,169,464

Fiscal 2013: 145,195,929

Implementation status of review procedures

At the time of disclosure of this report, review procedures for financial statements pursuant to the Financial Instruments and Exchange Act had been implementing.

Appropriate use of business forecasts; other special items

In this document, performance forecasts and other forward-looking statements are based on information currently available and certain assumptions judged by the Company to be rational. Actual results may differ significantly from forecasts due to various factors. Please refer to "1. Performance and Financial Position (1) Consolidated Business Results" on page 2 for information on preconditions underlying the above forecasts and other related information.

(Reference) Cash Dividends for Class A Shares

The following table shows the breakdown of cash dividend per share for the class shares that have different entitlements from the common stock.

	Cash dividend per share (yen)				
	First quarter	Second quarter	Third quarter	Year-end	Full year
Fiscal 2013	–	–	–	–	–
Fiscal 2014	–	¥0.00	–	¥32,917.80	¥32,917.80
Fiscal 2015 (est.)	–	0.00	–	45,000.00	45,000.00

(Note) For the fiscal year ending March 2016, the Company plans to deliver preferred dividends of ¥112 million to the 2,500 Class A Shares as year-end dividends, in accordance with its Articles of Incorporation.

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1. Performance and Financial Position

(1) Consolidated Business Results

1) Fiscal 2014 Results

During the consolidated fiscal year that ended March 31, 2015, the Japanese economy generally exhibited a recovery trend with corporate earnings improving and public investment and capital investment remaining strong, backed by economic measures by the government and monetary easing measures by the Bank of Japan despite the observed impact of stagnant consumer spending after the consumption tax rate hike.

With conditions as such, the Tokyo Rope Group continued to uphold its medium- to long-term vision – “In Pursuit of Total Cable Technology” – and endeavored to conduct structural reform of its Steel Cord segment and firmly take in domestic and overseas demand in the Wire Rope segment and Product Development segment while working on development and release of new products.

As a result of these efforts, the Tokyo Rope Group’s consolidated net sales for the fiscal year increased 3.5% year-on-year to ¥73,315 million. The increase was due to, among other things, sales towards overseas projects in the Product Development segment.

In terms of profits, the Group recorded a year-on-year increase of 16.5% in operating income to ¥3,948 million, mainly due to improved earnings in the Steel Cord segment, and 25.5% in ordinary income to ¥4,444 million due to the impact of foreign exchange gains, etc. on top of the improvement in operating income. The Group posted a net income of ¥3,822 million, a year-on-year decrease of 19.5%. The decrease was due to reversal of deferred tax assets in response to tax reform, among other reasons.

Results by Group business segment are as follows:

Wire Rope

Sales of elevator rope remained strong in both Japan and overseas markets. However, demand for wire products decreased mainly for project opportunities and telecommunication use.

As a result, total sales in the Wire Rope segment amounted to ¥28,100 million.

Steel Cord

Although sales in the industry machinery area (tire molding equipment) decreased year-on-year, sales volume of tire cord, the main product of this segment, increased from business operations both in Japan and China.

Accordingly, total sales in the Steel Cord segment amounted to ¥15,090 million.

Product Development

Although sales of road safety equipment in Japan failed to increase year-on-year, the bridge-related products recorded sales for overseas project opportunities.

As a result, total sales in the Product Development segment amounted to ¥19,789 million.

Real Estate

Sales in the Real Estate segment remained almost flat year-on-year, totaling ¥1,143 million.

Other

Although sales grew year-on-year in industrial machinery (automatic weighing machines and packaging machines) and powder metallurgy products, oil products showed a drop from the previous year’s results both in terms of volume and unit price, resulting in sales for the Other segment of ¥9,191 million.

2) Outlook for Fiscal 2015

The Group’s consolidated forecasts for fiscal 2015 are net sales of ¥73.5 billion, operating income of ¥4.2 billion, ordinary income of ¥3.9 billion and net income of ¥3.0 billion. Forecasts for the first two-quarter period of fiscal 2015 (the cumulative total of the first 2 quarters) are net sales of ¥32.7 billion, operating income of ¥1.3 billion, ordinary income of ¥1.15 billion and net income of ¥850 million.

In the Wire Rope segment, the domestic wire rope market is anticipated to remain strong and elevator rope is

expected to see high demand in China and Southeast Asia which are the sources of demand for Tokyo Rope's Vietnam plant.

In the Steel Cord segment, tire cord for the Chinese tire market is expected to continue facing tough business conditions. In Japan, however, demand is anticipated to remain strong for tire cord and high-strength extra fine wire, the mainstay products.

The Product Development segment is projected to post a year-on-year decrease in sales due to lack of major bridge-related projects abroad that had contributed to the year-on-year increase in sales for the fiscal year under review. As for carbon fiber composite cable (CFCC®), one of the Company's growth engines, demand for overhead power lines in Indonesia is expected to ramp up and demand in the Japanese market is also anticipated to remain strong given an improvement in the business environment.

The Tokyo Rope Group will continue its group-wide and integrated endeavors to improve earnings by accelerating cost reductions while at the same time providing quality products that meet customer needs.

(2) Financial Position

1) Assets, Liabilities and Net Assets

At March 31, 2015, the Tokyo Rope Group had total assets of ¥87,259 million. The figure represents an increase of ¥320 million from the end of the previous consolidated fiscal year (March 31, 2014), due mainly to an increase in property, plant and equipment and investment securities.

Total liabilities decreased ¥8,737 million from the end of the previous consolidated fiscal year to ¥64,939 million, due to such factors as a decrease in borrowings and accounts payable.

Net assets totaled ¥22,320 million, an increase of ¥9,058 million compared with the end of the previous consolidated fiscal year. The increase was due to such factors as receiving payment on July 8, 2014 for the class A shares the Company issued, recording of net income and an increase in the valuation difference on available-for-sale securities.

2) Cash Flows

At March 31, 2015, cash and cash equivalents totaled ¥4,649 million, up ¥2,477 million from a year earlier.

Net cash provided by operating activities amounted to ¥7,844 million, which mainly reflected a recording of net income for the year under review and a decrease in accounts receivable (including liquidation of credit receivable).

Net cash used in investing activities totaled ¥1,744 million, mainly due to purchases of property, plant, and equipment.

Net cash used in financing activities was ¥3,525 million, mainly reflecting decreases in borrowings.

(Reference) Cash Flow Indicators

	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Equity ratio (%)	38.2	35.3	11.7	12.9	23.3
Equity ratio based on market price (%)	43.6	23.3	19.6	26.7	31.8
Debt coverage (years)	2.0	-7.3	13.6	15.3	4.0
Interest coverage ratio (times)	18.4	-9.7	4.9	2.6	9.6

Equity ratio: Equity capital/Total assets

Equity ratio based on market price: Total stock value based on market price/Total assets

Debt coverage: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest paid

Notes: 1. Each index is calculated based on consolidated financial figures.

2. Market value of total stock is calculated based on the number of shares outstanding at the end of the year, excluding treasury stock.

3. Operating cash flow is calculated using net cash provided by operating activities (listed in the Consolidated Statements of Cash Flows).

4. Interest-bearing debt refers to all liabilities listed in the Consolidated Balance Sheets that incur interest.

(3) Profit Appropriation Policy; Cash Dividends

Taking into account the dividend source, the Company must regretfully suspend the payment of the year-end cash dividend.

As for the year-end cash dividends for fiscal 2015, the Company forecasts paying ¥4.0 per share, representing a recovery of dividends for the first time in four fiscal years, based on its judgment that it has regained earning power and established a financial base strong enough to pay dividends on a continuous and stable basis.

In order to pay dividends on a continuous and stable basis, the Company will continue creating businesses and endeavor to enhance its enterprise value through further reinforcement of earning power as well as through other measures.

(4) Business Risks

A summary of the various risks that could affect the Group's financial position and business performance is given below. Forward-looking statements included in the summary below are based on the Group's judgments as of March 31, 2015.

1) Economic Trends

Economic conditions worldwide and in Japan can potentially affect the activity levels of key sectors, including the tire and construction industries, which represent the main sources of demand for the Group. This could have a negative impact on the Group's business performance.

2) Competition

The competition which the Group faces, in terms of domestic and overseas production and sales activities, is intensifying. We are promoting both a consecutive effort to reduce costs and develop new products, or new businesses. However, the reduction of market prices could have a negative impact on the financial position and business performance of the Group.

3) Availability of Raw Materials, etc.

The Group makes regular purchases of key raw materials, namely wire rod, zinc, and fiber core, and depends upon a few suppliers for each type of purchase. Lack of supplies or delays in the delivery of raw materials caused by poor business performance or the closing down of certain businesses of suppliers, restrictions on purchasing volumes stemming from worldwide supply-demand pressures, or rising prices of steel, caused by surging prices of iron ore and coal, could have a negative impact on the Groups' financial position and business performance.

4) Overseas Operational Factors

The Group has overseas business operations in China and Vietnam. If those countries experience political and/or economic turmoil, social unrest resulting from the spread of disease or terrorism, or legal constraints, the Group's business activities could be restricted as a consequence.

5) Natural Disasters and Accidents

The advent of earthquakes, fires, and other large-scale disasters, as well as equipment-related accidents, could impede the Group's production activities and incur substantial restoration expenses. The Group's financial position and business performance could be affected as a consequence.

6) Falling Share Prices

The Group holds shares in some business partners in the interests of pursuing common medium- and long-term business strategies. If the market values of those shares decline, the Group may need to incur devaluation losses. Moreover, Company's pension assets may decline and its retirement benefits expenses may increase as a result of declines in share prices.

7) Default of Business Partners

The Group allows credit accommodation to business partners in various ways, and bears credit risks, such as the possibility of not being able to recover receivables. In order to avert such risks, the Group establishes credit ceilings according to the credit condition of each business partner, and implements countermeasures, which includes acquisition of necessary security or guarantees. However, in the event it is impossible to recover receivables due to the unexpected deterioration of the credit condition of, or corporate bankruptcies of business partners, the Group's financial position and business performance may be negatively impacted.

8) Impairment Loss on Fixed Assets

The Group possesses a large sum of fixed assets. In the event that it cannot be expected to recover the amount invested as a result of the decrease in profitability in the wake of changes in business environment, there will be a need to reduce the book value of fixed assets so as to reflect their collectability, and record the amount of the said decrease as impairment loss. As a result, this could have a negative impact on the Group's financial position and business performance.

9) Lawsuits

The Group is committed to comply with laws and regulations, etc. However, in the event an important lawsuit, or similar action, is filed against the Group regardless of whether we have violated any laws or regulations, etc., this could have a negative impact on the Group's financial position and business performance.

10) Environmental Factors

The Group properly disposes waste and hazardous substances that are produced as a byproduct of business activities subject to laws and regulations pertaining to the environment. However, in the event environmental standards, such as CO₂ emissions restrictions, are tightened in the future, expenses for creating and implementing new measures may arise, or we may have to close down certain businesses. As a result, this could have a negative impact on the Group's financial position and business performance.

11) Intellectual Property Rights

The Group has delivered a number of new technologies through development of new products, gained a lot of expertise, applied for patents for such intellectual properties and strived to protect such rights and leverage them as resources for business. However, in the event the Group's application for intellectual property rights is nullified, or a third party violates intellectual property rights, this could have a negative impact on the Group's financial position and business performance.

12) Legal Restrictions

The Group is subject to legal restrictions of the countries where it does business, whether it is in Japan or overseas. We have established and operated a proper internal control system, which includes matters related to compliance, as well as the securing of legal financial reporting procedures. However, this does not mean that violations of laws and regulations will never arise in the future, and furthermore, expenses to comply with changes in laws and regulations may arise. This could have a negative impact on the Group's financial position and business performance.

2. Business Policies

The Tokyo Rope Group aims to become a company with a high level of enterprise value that can make further contributions to the society in the 21st century, by working to reinforce its earning power and financial position through implementation of measures to achieve greater competitiveness in global markets and carrying out growth strategies, based on the provision of services from the perspective of its customers.

As its medium- to long-term vision, the Group has upheld "In Pursuit of Total Cable Technology."

The Company holds a broad range of wire, wire rope and fiber rope products as well as their derivatives

(including engineering business), and by providing them to various industries in Japan, has accumulated technologies. In addition, we are engaged in technological development in operational knowhow such as diagnosis techniques and in different materials such as carbon fiber.

Based on these endeavors, the Company will make an attempt to step into the new stage of growth as a unique and competitive supplier on a global scale that can offer a variety of solutions for cables.

3. Basic Perspective on Selection of Accounting Standards

It is the Tokyo Rope Group's policy to prepare the consolidated financial statements based on the Japanese Accounting Standards for the time being, taking into account the comparability of consolidated financial statements with other fiscal years and with other companies.

For the future, the Group intends to explore application of the International Financial Reporting Standards (IFRS) while considering factors such as the changes in its foreign shareholder ratio and the trends of domestic peer companies in terms of adoption of the IFRS.

4. Consolidated Financial Statements

(1) Balance Sheets

(Millions of yen, rounded down)

	Fiscal 2013 (March 31, 2014)	Fiscal 2014 (March 31, 2015)
ASSETS		
Current assets		
Cash and bank deposits	¥ 2,242	¥ 4,708
Notes and accounts receivable	17,533	14,819
Commodities and products	5,623	5,383
Goods in process	4,360	3,751
Materials and supplies	4,053	3,655
Deferred tax assets	1,152	762
Other	1,394	1,413
Allowance for doubtful accounts	(369)	(541)
Total current assets	35,990	33,953
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	9,815	9,968
Machinery and vehicles (net)	4,528	6,548
Land	19,862	19,819
Lease assets (net)	975	614
Construction in progress	1,323	525
Other (net)	311	375
Total property, plant and equipment	36,817	37,853
Intangibles	323	339
Investments and other assets		
Investment securities	8,423	10,463
Net defined benefit asset	138	109
Deferred tax assets	2,823	2,022
Other	4,156	3,957
Allowance for doubtful accounts	(1,752)	(1,446)
Total investments and other assets	13,788	15,107
Total fixed assets	50,929	53,300
Deferred assets	19	5
Total assets	86,938	87,259

(Millions of yen, rounded down)

	Fiscal 2013 (March 31, 2014)	Fiscal 2014 (March 31, 2015)
LIABILITIES		
Current liabilities		
Notes and accounts payable	¥13,300	¥11,712
Short-term borrowings	12,714	10,196
Accrued expenses	3,974	3,459
Reserve for employees' bonuses	810	845
Other	4,228	3,849
Total current liabilities	35,027	30,063
Long-term liabilities		
Long-term loans	23,702	20,928
Lease obligations	1,082	741
Deferred tax liabilities for land revaluation	5,326	4,856
Reserve for directors' retirement benefits	149	180
Net defined benefit liability	6,481	6,027
Asset retirement obligations	524	521
Long-term advances received	9	9
Other	1,372	1,610
Total long-term liabilities	38,649	34,875
Total liabilities	73,677	64,939
NET ASSETS		
Shareholders' equity		
Common stock	15,074	1,000
Capital surplus	8,574	3,781
Retained earnings	(17,406)	7,816
Treasury stock	(3,276)	(3,281)
Total shareholders' equity	2,965	9,316
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	600	1,936
Revaluation reserve for land	10,009	10,474
Foreign currency translation adjustment	(644)	120
Remeasurements of defined benefit plans	(1,704)	(1,586)
Total accumulated other comprehensive income	8,260	10,944
Minority interests	2,035	2,058
Total net assets	13,261	22,320
Total liabilities and net assets	86,938	87,259

(2) Statements of Income and Statements of Comprehensive Income

1) Statements of Income

(Millions of yen, rounded down)

	Fiscal 2013 (April 1, 2013 – March 31, 2014)	Fiscal 2014 (April 1, 2014 – March 31, 2015)
Net sales	¥70,865	¥73,315
Cost of sales	57,826	59,408
Gross profit	13,038	13,907
Selling, general and administrative expenses	9,649	9,959
Operating income	3,389	3,948
Other income		
Interest income	28	23
Dividend income	280	174
Foreign exchange gains	848	1,148
Transfer from allowance for doubtful accounts	255	325
Other	518	383
Total other income	1,931	2,056
Other expenses		
Interest expense	924	821
Financing expenses	592	154
Other	261	583
Total other expenses	1,778	1,560
Ordinary income	3,541	4,444
Extraordinary income		
Gain on sales of investment securities	1,342	260
-	-	8
Total extraordinary income	1,342	417
Extraordinary expenses		
Loss on liquidation of subsidiaries and associates	-	209
Business structure improvement expenses	713	-
Other	21	52
Total extraordinary expenses	735	262
Income before income taxes	4,148	4,599
Income taxes	345	261
Income tax adjustment	(967)	492
Total income taxes	(622)	753
Income before minority interests	4,771	3,845
Minority interests in income	23	22
Net income	4,747	3,822

2) Statement of Comprehensive Income

(Millions of yen, rounded down)

	Fiscal 2013 (April 1, 2013 – March 31, 2014)	Fiscal 2014 (April 1, 2014 – March 31, 2015)
Income before minority interests	¥4,771	¥3,845
Other comprehensive income		
Valuation difference on available-for-sale securities	(375)	1,336
Revaluation reserve for land	-	469
Foreign currency translation adjustment	(1,493)	497
Remeasurements of defined benefit plans, net of tax	-	117
Share of other comprehensive income of associates accounted for using equity method	413	267
Total other comprehensive income	(1,455)	2,689
Comprehensive income	3,316	6,534
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,292	6,511
Comprehensive income attributable to minority interests	23	22

(3) Statements of Changes in Shareholders' Equity

Fiscal 2013 (April 1, 2013 – March 31, 2014)

(Millions of yen, rounded down)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at beginning of the year	¥15,074	¥8,574	¥(22,058)	¥(3,272)	¥(1,682)
Cumulative effects of changes in accounting policies					-
Restated balance	15,074	8,574	(22,058)	(3,272)	(1,682)
Changes of items during the period					
Dividends from surplus					-
Net income			4,747		4,747
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		(0)		0	0
Change of scope of consolidation			28		28
Change of scope of equity method			(124)		(124)
Changes of items other than shareholder s' equity (net)					-
Total changes of items during the period	-	(0)	4,651	(3)	4,647
Balance at end of the year	15,074	8,574	(17,406)	(3,276)	2,965

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	¥975	¥10,009	¥435	-	¥11,420	¥2,059	¥11,796
Cumulative effects of changes in accounting policies					-		-
Restated balance	975	10,009	435	-	11,420	2,059	11,796
Changes of items during the period							
Dividends from surplus							-
Net income							4,747
Purchase of treasury stock							(4)
Disposal of treasury stock							0
Change of scope of consolidation							28
Change of scope of equity method							(124)
Changes of items other than shareholder s' equity (net)	(375)	-	(1,080)	(1,704)	(3,159)	(23)	(3,182)
Total changes of items during the period	(375)	-	(1,080)	(1,704)	(3,159)	(23)	1,465
Balance at end of the year	600	10,009	(644)	(1,704)	8,260	2,035	13,261

Fiscal 2014 (April 1, 2014 – March 31, 2015)

(Millions of yen, rounded down)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at beginning of the year	¥15,074	¥ 8,574	¥(17,406)	¥(3,276)	¥2,965
Cumulative effects of changes in accounting policies			29		29
Restated balance	15,074	8,574	(17,377)	(3,276)	2,994
Changes of items during the period					
Dividends from surplus					-
Issuance of new shares	1,250	1,250			2,500
Capital reduction	(15,324)	15,324			-
Deficit disposition		(21,366)	21,366		-
Net income (loss)			3,822		3,822
Reversal of revaluation reserve for land			5		5
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		(0)		0	0
Change of scope of consolidation			0		0
Changes of items other than shareholder s' equity (net)					-
Total changes of items during the period	(14,074)	(4,792)	25,194	(5)	6,322
Balance at end of the year	1,000	3,781	7,816	(3,281)	9,316

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	¥ 600	¥10,009	¥(644)	¥(1,704)	¥ 8,260	¥2,035	¥13,261
Cumulative effects of changes in accounting policies					-		29
Restated balance	600	10,009	(644)	(1,704)	8,260	2,035	13,290
Changes of items during the period							
Dividends from surplus							-
Issuance of new shares							2,500
Capital reduction							-
Deficit disposition							-
Net income (loss)							3,822
Reversal of revaluation reserve for land							5
Purchase of treasury stock							(5)
Disposal of treasury stock							0
Change of scope of consolidation							0
Changes of items other than shareholder s' equity (net)	1,336	464	765	117	2,684	22	2,707
Total changes of items during the period	1,336	464	765	117	2,684	22	9,029
Balance at end of the year	1,936	10,474	120	(1,586)	10,944	2,058	22,320

(4) Statements of Cash Flows

(Millions of yen, rounded down)

	Fiscal 2013 (April 1, 2013 – March 31, 2014)	Fiscal 2014 (April 1, 2014 – March 31, 2015)
Operating activities		
Income (loss) before income taxes	¥4,148	¥4,599
Depreciation	1,793	2,002
Gain on bargain purchase	(22)	-
Increase (decrease) in allowance for doubtful accounts	120	93
Increase (decrease) in reserve for employees' bonuses	29	34
Increase (decrease) in reserve for directors' retirement benefits	36	39
Increase (decrease) in net defined benefit liability	(71)	(228)
Interest and dividend income	(308)	(197)
Interest expense	924	821
Equity in (earning) losses of affiliates	(192)	(129)
(Gain) loss on sales investments securities	(1,342)	(260)
Business structure improvement expenses	713	-
Loss on liquidation of subsidiaries and associates	-	209
Other extraordinary loss (income)	21	44
(Increase) decrease in notes and accounts receivable	(1,099)	3,273
(Increase) decrease in inventories	(1,244)	1,600
Net (increase) decrease in other assets	81	(1,000)
Increase (decrease) in notes and accounts payable	(700)	(1,288)
Increase (decrease) in advances received	794	(717)
Net increase (decrease) in accrued consumption tax	(1)	146
Net increase (decrease) in other liabilities	(291)	(200)
Subtotal	3,390	8,842
Interest and dividends received	376	242
Interest paid	(919)	(820)
Payments for directors' retirement benefits	(92)	(73)
Income tax paid	(374)	(347)
Net cash provided by operating activities	2,379	7,844
Investing activities		
Purchases of investment securities	(1,806)	(587)
Proceeds from sales of investment securities	2,584	830
Purchase of stocks of subsidiaries and affiliates	(25)	-
Loans extended	(163)	(168)
Proceeds from loans recovered	139	163
Purchases of property, plant and equipment	(2,835)	(2,152)
Proceeds from sales of property, plant and equipment	57	245
Other	(79)	(75)
Net cash used in investing activities	(2,127)	(1,744)

(Millions of yen, rounded down)

	Fiscal 2013 (April 1, 2013 – March 31, 2014)	Fiscal 2014 (April 1, 2014 – March 31, 2015)
Financing activities		
Net increase (decrease) in short-term borrowings	¥(13,674)	¥(3,453)
Proceeds from long-term borrowings	23,884	2,500
Repayment of long-term borrowings	(11,332)	(4,500)
Repayments of long-term guarantee deposits	(1,234)	-
Cash dividends paid	(3)	(2)
Proceeds from disposal of treasury stock	0	0
Purchase of treasury stock	(4)	(5)
Repayments of lease obligations	(542)	(563)
	-	2,500
Net cash used in financing activities	(2,906)	(3,525)
Effect of exchange rate change on cash and cash equivalents	(946)	(57)
Net increase (decrease) in cash and cash equivalents	(3,600)	2,516
Cash and cash equivalents at beginning of the year	5,463	2,172
Increase in cash and cash equivalents due to inclusions in consolidation	309	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(38)
Cash and cash equivalents at end of the year	2,172	4,649

(5) Segment Information

1) Overview of Reporting Segments

The Company's reporting segments are subject to regular examination, so that the Board of Directors can appropriately allocate business resources and evaluate business performances. Financial information separated according to specific segment is available.

In its head office, the Tokyo Rope Group has established business departments for each product/service line. Those departments are responsible for formulating comprehensive domestic and overseas strategies and advancing the activities of their respective businesses.

Accordingly, the Group has classified its operations into four product- and service-specific segments, each based on a business department. Those segments are: "Wire Rope," "Steel Cord," "Product Development," and "Real Estate."

Segment	Main products
Wire Rope	Wire rope, other wire products, fiber rope, nets
Steel Cord	Steel cord for tire use, saw wire, wire saw
Product Development	Road safety equipment, long-bridge cables, bridge design and construction, metallic fiber
Real Estate	Real estate rental services

2) Calculation Method of Sales, Income (Loss), Assets, Liabilities and Other Items by Reporting Segment

The accounting methods for the business segments reported are basically the same as the one stated under "Major basic items for preparing consolidated financial statements."

Income under reporting segments are calculated based on operating income. Internal return and amounts of transfer between segments are calculated based on the prevailing market price.

3) Sales, Income (Loss), Assets, Liabilities and Other Items by Reporting Segment

Fiscal 2013 (April 1, 2013 – March 31, 2014)

	Reporting Segment					Other (Note)	Total	Adjustment	Consolidated statements of Income
	Wire Rope	Steel Cord	Product Development	Real Estate	Total				
Net sales									
Sales to outside customers	¥28,445	¥16,653	¥15,302	¥1,185	¥61,586	¥ 9,278	¥70,865	¥ -	¥70,865
Intersegment sales or transfers	245	190	289	-	725	1,129	1,854	(1,854)	-
Total	28,690	16,844	15,592	1,185	62,312	10,407	72,720	(1,854)	70,865
Segment income (loss)	2,041	(917)	1,521	319	2,964	424	3,389	-	3,389
Segment assets	40,081	14,270	15,781	9,967	80,100	5,108	85,209	1,729	86,938
Other items									
Depreciation	1,023	51	208	345	1,628	165	1,793	-	1,793
Investment in affiliates accounted for by equity method	1,261	-	1,363	-	2,625	-	2,625	-	2,625
Increase in Property, plant and equipment and Intangibles	2,805	99	70	168	3,142	83	3,226	-	3,226

Note: "Other" refers to a business segment that is not included in the reporting segments. It includes the Company's industrial machinery, powder metallurgy products, and oil businesses.

Fiscal 2014 (April 1, 2014 – March 31, 2015)

	Reporting Segment					Other (Note)	Total	Adjustment	Consolidated statements of Income
	Wire Rope	Steel Cord	Product Development	Real Estate	Total				
Net sales									
Sales to outside customers	¥28,100	¥15,090	¥19,789	¥1,143	¥64,124	¥ 9,191	¥73,315	¥ -	¥73,315
Intersegment sales or transfers	232	97	325	-	654	1,070	1,724	(1,724)	-
Total	28,332	15,187	20,114	1,143	64,778	10,261	75,040	(1,724)	73,315
Segment income (loss)	1,834	582	1,075	(43)	3,448	499	3,948	-	3,948
Segment assets	41,236	13,637	14,280	9,850	79,005	4,739	83,744	3,515	87,259
Other items									
Depreciation	1,191	57	214	384	1,848	154	2,002	-	2,002
Investment in affiliates accounted for by equity method	1,328	-	1,651	-	2,979	-	2,979	-	2,979
Increase in Property, plant and equipment and Intangibles	1,604	233	327	600	2,766	123	2,890	-	2,890

Note: "Other" refers to a business segment that is not included in the reporting segments. It includes the Company's industrial machinery, powder metallurgy products, and oil businesses.