# Walden Research Japan

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# Nippon Manufacturing Service (2162)

Consolidated Fiscal Yea	r	Sales	OP	RP	NP	EPS	DPS	BPS
(Million Yen)						(Yen)	(Yen)	(Yen)
FY03/2013		38,869	387	564	235	23.0	3.0	367.5
FY03/2014		41,905	(643)	(175)	648	63.4	3.0	451.8
FY03/2015CoE		48,800	490	510	320	31.3	3.0	-
FY03/2014	YoY	7.8%	-	-	175.4%	-	-	-
FY03/2015CoE	YoY	16.5%	-	-	(50.7%)	-	-	-
Consolidated Half Year		Sales	OP	RP	NP	EPS	DPS	BPS
(Million Yen)						(Yen)	(Yen)	(Yen)
Q1 to Q2 FY03/2014		20,823	(345)	(68)	(197)	-	-	-
Q3 to Q4 FY03/2014		21,082	(298)	(107)	845	-	-	-
Q1 to Q2 FY03/2015CoE		24,000	130	115	45	-	-	-
Q3 to Q4 FY03/2015CoE		24,800	360	395	275	-	-	
Q1 to Q2 FY03/2015CoE	YoY	15.3%	-	-	-	-	-	-
Q3 to Q4 FY03/2015CoE	YoY	17.6%	-	-	(67.5%)	-	-	

Source: Company Data, WRJ Calculation

## 1.0 Executive Summary (27 June 2014)

#### V-Shaped Recovery at Operating Level

Nippon Manufacturing Service, heavily involved with EMS Business for major Japanese manufacturers, mainly those of consumer electronics, is on the verge of seeing V-shaped recovery at operating level. Compared with operating loss \( \frac{1}{2}643 \) min \( \text{FY03/2014}, \) the Company is going for operating profit \( \frac{1}{2}490 \) min \( \text{FY03/2015}. \) Thus, the net improvements at the operating level are to be \( \frac{1}{2}1,133 \) m, out of which more than 80% is accounted for by the mainstay EMS Business. While the operations in China are to move into profit from substantial loss in \( \text{FY03/2014} \) due mainly to one-off negative factors, the domestic operations in Japan are to see substantially decreasing loss over the year. In regards to the former, disadvantageous setting of forex rates with some customers, deterioration of labor productivity due to personnel adjustments and increasing volume of unprofitable products are all not to reappear two years in a row, significantly contributing to the improvements over the year. Meanwhile, increasing benefits from acquisition of businesses from Hitachi Group will contribute to both the former and the latter. Going forward, the Company is to benefit from another acquisition of businesses from Panasonic Group in \( \text{FY03/2016} \) (the deal to do so was signed up yesterday, i.e., 26 June 2014), just like the case of Hitachi Group. On top of this, the Company is looking to high growth potentials for its human resources business in China in a long-term view.

In FY03/2014, sales came in at \$41,905m (up 7.8% YoY) and operating loss \$643m (versus operating profit \$387m in the previous year). In regards to the mainstay EMS Business, sales came in at \$29,838m (up 13.3%) and operating loss \$621m (operating profit \$320m), having accounted for almost all of the net decreases in operating balance with the Company. In this business segment, yen's weakness was a major

driving force for sales. Sales in Japan came down due mainly to an issue that the Company failed to acquire new projects to compensate for the loss of volume by projects terminated, while sales in China and Malaysia, driven by yen's weakness, increased as much as more than compensating for the adjustments in Japan. In terms of earnings, the operations in Malaysia saw steady increases in operating profit, but those in Japan and China tumbled to massive operating loss. In Japan, on top of above-stated sluggishness in sales, expenses associated with acquisition of businesses from Hitachi Group have been generated while sales stemming from here were delayed. In China, all those above-stated one-off negative factors directly impacted to short-term operating balance.

In FY03/2015, Company forecasts are going for prospective sales \(\pmu44,800\)m (up 16.5% YoY) and operating profit \(\pmu4490\)m (versus operating loss \(\pmu643\)m in the previous year). In regards to the mainstay EMS Business, prospective sales are \(\pmu34,280\)m (up 14.9%), operating profit \(\pmu340\)m (operating loss \(\pmu621\)m) and thus accounting for more than 80% of the turnaround of operating balance as mentioned earlier. In this business segment, the key positive factor comes from net sales increases in Japan and China, stemming from acquisition of businesses from Hitachi Group. Meanwhile, earnings in Malaysia are to further rise, due to ongoing volume increases. On top of all those increases in sales, the Company is to benefit from that all those one-off negative factors associated with operations in China are to be gone, eventually enabling this business segment turn into profit at the operating level. In regards to human resources business, comprising IS Business (domestic and overseas), CS Business and GE Business, the Company goes for improving operating balance across the board.

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## 2.0 Company Profile

#### "neo EMS", the Business Concept

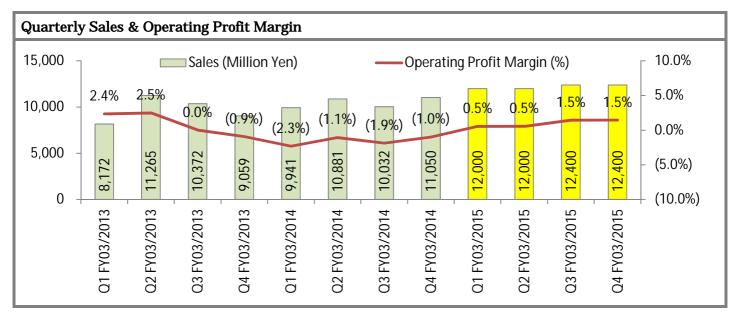
Company Name	Nippon Manufacturing Service Corporation
	Company Website IR Information Share Price
Established	18 September 1985
Listing	25 October 2007 (Tokyo Stock Exchange JASDAQ Standard: 2162)
Capital	¥500m (As of the end of March 2014)
No. of Shares	10,805,500 shares, including 581,500 treasury shares (As of the end of March 2014)
Main Features	EMS & human resources business in Japan, China and Malaysia
	To benefit from reorganization by domestic manufacturers in Japan
	Targeting to lead manufacturing-oriented outsourcing in Asia
Businesses	. In-Line Solutions (IS) Business
	. Customer Service (CS) Business
	. Global Engineering (GE) Business
	. Electronics Manufacturing Service (EMS) Business
Top Management	President & CEO: Fumiaki Ono
Shareholders	JAFCO Buyout No.2 Investment Limited Partnership 35.8%, Fumiaki Ono 16.8%
	(As of the end of March 2014)
Headquarters	Shinjuku-ku, Tokyo JAPAN
No. of Employees	Consolidated: 6,319, Unconsolidated :3,251 (As of the end of March 2014)

Source: Company Data

## 3.0 Recent Trading & Prospects

#### FY03/2014 Results

In FY03/2014, sales came in at \$41,905m (up 7.8% YoY), operating loss \$643m (versus operating profit \$387m in the previous year), recurring loss \$175m (recurring profit \$564m) and net profit \$648m (up 175.4%). The results were worse than initially expected by \$3,095m (6.9%) in sales and by \$1,463m in operating balance. The substantial shortfalls in operating balance basically came from those of the mainstay EMS Business. Meanwhile, the Company saw chronological improvements for operating balance on a quarterly basis towards Q4, which was also basically attributable to those of the mainstay EMS Business.

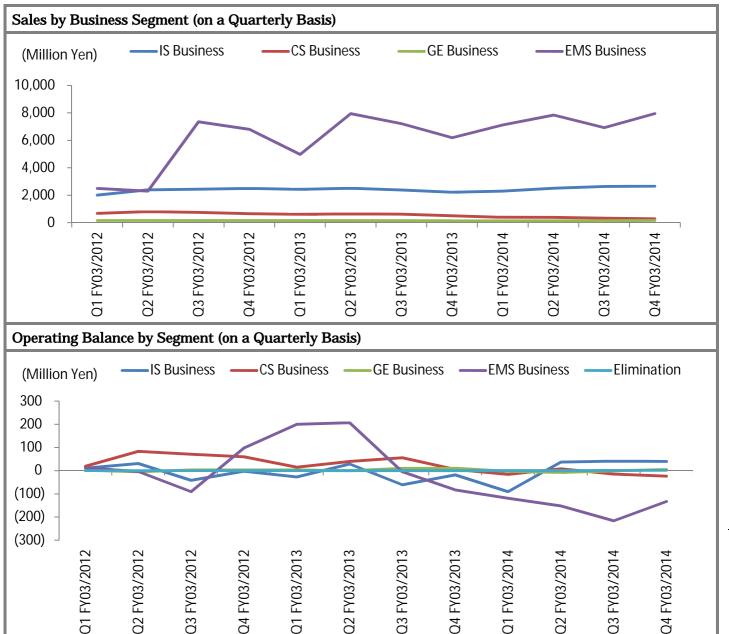


Source: Company Data, WRJ Calculation (Quarterly forecasts in FY03/2015, based on half year Company forecasts pro rata)

Meanwhile, the Company saw net add-ons ¥469m and ¥736m, respectively, at non-operating level and at extraordinary level. The former was mainly attributable to forex profit ¥359m and the latter to negative goodwill write-off ¥1,093m, booked as extraordinary profit, stemming from additional procurement of TKR Corporation shares. Together with another consolidated subsidiary Shima Electronic Industry Co., Ltd., TKR Corporation is in charge of the Company's operations in EMS Business. While the Company has been holding 100% of the shares in regards to the former, the deal this time increased the ratio up to 87.01% from 53.01% in regards to the latter. According to the Company, the deal this time should strengthen the overall management of EMS Business, the key determinant for the overall business performance with the Company, e.g., by promoting faster decision-making, etc.

In regards to mainstay EMS Business, sales came in at \$29,838m (up 13.3%) and operating loss \$621m (versus operating profit \$320m in the previous year). Meanwhile, remainders were accounted for by human resources business, comprising IS Business (domestic and overseas), CS Business and GE Business, where, collectively, sales came in at \$12,067m (down 3.7%) and operating loss \$27m (operating profit \$67m in the previous year). Operating loss \$643m with the Company comprised all those operating balances and elimination \$4m.

By region, the mainstay EMS Business performed through FY03/2013 to FY03/2014 as follows: operating profit \$5m to operating loss \$451m in Japan, operating profit \$59m to operating loss \$391m in China and operating profit \$238m to operating profit \$327m in Malaysia, while operating profit \$320m to operating loss \$621m for this business segment as a whole, after adjusting for elimination negative \$18m to positive \$106m for changes during the same period.



Source: Company Data,

In EMS Business, operating balance in China came down \$450m over the year, which was largely attributable to one-off negative factors, comprising disadvantageous setting of forex rates with some customers, deterioration of labor productivity due to personnel adjustments and increasing volume of unprofitable products, equating to collective \$320m, according to the Company and \$145m, \$70m and \$105m, respectively. Meanwhile, all of them are to be gone in FY03/2015.

As stated above, business performance of the Company is to heavily hinge on that of the mainstay EMS Business. In July 2010, the Company started up its involvements with EMS Business, having merged with Shima Electronic Industry Co., Ltd. that was running manufacturing facilities in China, Malaysia, etc. Roughly at the same time, the Company obtained a business license for "on-premises production contract" in Vietnam as the first Japanese company in there. On top of this, in December 2010, the Company obtained a business license for production dispatch in China as the first Japanese company in there, having established a comprehensive structure for own services, even overseas, including developments, mounting and manufacturing, combined with existing operations. This refers to "neo EMS (advanced EMS)", advocated by the Company.

Moreover, acquisition of TKR Corporation shares in July 2011 substantially increased the Company's exposure to EMS Business. While TKR Corporation was involved with designing & manufacturing for dies and molds, press processing, modules assembly including substrates mounting and ODM/OEM operations together with own advantageous capability for designing and developments, it was running overseas manufacturing facilities as well. However, it was the case that TKR Corporation was lacking in marketing capability, etc. as in Shima Electronic Industry Co., Ltd. Due mainly to this problem, both were seeing unfavorable business performance, while the Company, having acquired their shares at prices lower than their net assets value, immediately wrote off negative goodwill to have been generated for each deal and then pursued synergy by means of applying own marketing capability.

As a result, the Company saw substantial improvements in EMS Business in FY03/2013, having contributed to sales and earnings with the Company quite a lot. While the Company saw sales \$38,869m (up 22.1% YoY) and operating profit \$387m (up 54.1%), sales came in at \$26,333m (up 39.0%) and operating profit \$320m (versus \$14m in the previous year) for EMS Business, having accounted for 67.7% of sales and 82.8% of operating profit (before elimination) out of the Company as a whole or having become the overwhelming earnings source for the Company. Nevertheless, EMS Business almost collapsed in the following year, i.e., FY03/2014, as discussed earlier.

On the other hand, human resources business had rather limited impacts to overall business performance with the Company, when compared with EMS Business. Compared with operating profit \$320m to operating loss \$621m for EMS Business through FY03/2013 to FY03/2014, human resources business saw changes nothing but operating profit \$67m to operating loss \$27m, collectively.

Sales of CS Business to provide repair services mainly for game consoles and mobile phones came down in line with the decreasing volume of final products to be supplied with the services, having brought the major negative factor to net decreases in operating balance of human resources business. Meanwhile, IS Business to offer production contract and production dispatch in Japan turned into profit, driven by successful measures to suspend loss-making operations, but it was inevitable to suffer from initial costs in its operations of this business segment in China that have been consolidated since FY03/2014. In regards to GE Business to dispatch engineers remained too small to give meaningful impacts to overall business performance with the Company.

### Income Statement (Cumulative, Quarterly)

Sales         8,172         11,265         10,372         9,059         9,941         10,881         10,032         11,050         +1,990           Cost of Sales         6,917         9,903         9,335         8,200         9,122         9,925         9,137         10,038         +1,837           Gross Profit         1,254         1,362         1,037         858         818         956         894         1,011         +153           SG&A Expenses         1,061         1,082         1,036         943         1,049         1,071         1,083         1,121         +178           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           Non Operating Balance         51         (61)         (45)         232         201         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (1)         (29)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pricaty P										
Sales	Income Statement									V- V
Sales	/Milliam Vam)									
Cost Sales	, ,									
Grass Profit   1,254   2,616   3,656   4,512   818   1,775   2,670   3,882   4,201     Operating Profit   192   471   472   387   387   388   1,75   2,670   4,265   4,201     Operating Profit   192   471   472   387   387   387   388   1,75   3,204   4,205   4,201     Non Operating Bilance   51   (10)   (55)   176   201   277   305   468   4291     Non Operating Bilance   51   (10)   (55)   176   201   277   305   469   4291     Non Operating Bilance   51   (10)   (55)   176   201   277   305   469   4291     Extraordinary Balance   (1)   3,31   (99)   (169)   (97)   (78)   (1,01)   (1,73)   (48)     Extraordinary Balance   (1)   24   242   429   317   486   (16)   (140)   (18)   (15)   (15)     Trac Albayes etc.   37   77   55   94   3   25   25   (15)   (15)   (19)   (319)     Not Profit   107   452   478   478   478   478   478   478   478     Not Profit   107   452   478   478   422   429   438   438   438   438     Not Profit   497   452   478   478   422   429   438   438   438   438   438   438     Not Profit   497   452   478   478   478   422   429   444   438   4		•	•	•	-	-	•	•	*	
SCAR Expenses   1,061										
Non-Operating Brofit										
Non-Operating Balance   51	•									
Recurring Profit         243         461         471         564         Q29         (68)         Q28         (775)         Q739           Extraordiary Balance         (1)         (31)         (93)         (106)         (77)         (78)         11.01         733         4838           Tax Charges etc.         37         777         655         94         3         22         550         100         +6           Minorities Interests         37         777         655         94         3         22         525         (155)         160         94         33         28         50         100         +6         33(3)         3819         25         125         155         159         443         34         22         12         150         150         16         3(3)         3(1)         3(1)         3(1)         3(1)         3(1)         3(1)         3(1)         442.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         421.9%         422.9%	•									
Pretax Profit	. •									
Protax Profit         242         429         317         458         (126)         (146)         872         557         498           Tax Changes etc.         37         77         65         94         3         28         85         100         +48           Mich Profit         107         200         159         225         155         197         849         648         +413           Sales YOY         +52.6%         +76.6%         +37.3%         +22.1%         +21.7%         +7.1%         43.5%         +7.8%           Operating Profit YoY         +32.7%         +21.5%         +42.9%         +41.9%         -2         -1         -2 <t< td=""><td><del>-</del></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	<del>-</del>									
Tax Charges etc.         37         77         65         94         3         28         58         100         46           Minorities' Interests         97         151         92         128         25         21         355         (191)         (319)         (319)           Net Profit         107         200         159         225         (155)         (197)         849         648         443           Sales YO'         452.8%         476.6%         473.73%         422.1%         421.7%         47.1%         43.5%         47.8%         1-2-2           Recurring Profit YoY         422.9%         442.9%         62.4         456.1%         62.4%         8.5%         8.7%         8.8%         (2.8%)           SGA A Sales         13.0%         11.0%         10.7%         10.6%         10.2%         10.4%         10.3%	·									
Minorities' Interests										
Net Profit   107   200   159   225   155   167   150   1648   1418   238   238   247   242.7%   242.										
Sales YoY									` '	
Operating Profit YoY         +327.7%         +215.9%         +422.9%         +54.1%         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         +432.1%         +175.4%         -         -         -         +432.1%         +175.4%         -         -         -         +432.1%         +175.4%         -         -         -         +432.1%         +175.4%         -         -         -         +432.1%         +175.4%         -         -         -         +432.1%         +175.4%         -         -         -         +432.1%         +175.4%         -         -         -         +432.1%         +175.4%         -         -         -         +332.1%         +10.3%         (0.3%)         0.0%									_	+413
Recurring Profit YoY   -						+21.7%	+7.1%	+3.5%	+7.8%	-
Net Profit YoY	· -					-	-	-	-	-
Consemble   Cons	=	-				-	-	<del>-</del>		-
SGRA / Sales         13.0%         11.0%         10.7%         10.6%         10.6%         10.2%         10.4%         10.3%         (0.3%)           Operating Profit Margin         2.4%         2.4%         1.6%         1.0%         (2.3%)         (1.7%)         (1.7%)         (1.5%)         (2.5%)           Net Profit Margin         3.0%         2.4%         1.4%         1.5%         (0.3%)         (0.3%)         (0.7%)         (0.4%)         (1.9%)           Tax Charges etc. / Pretax Profit         15.4%         18.1%         20.6%         20.6%         -         -         6.7%         18.0%         26.8%           Tax Charges etc. / Pretax Profit         15.4%         18.1%         20.6%         Cons.Act		-				-	-			-
Operating Profit Margin         2.4%         2.4%         1.6%         1.0%         (2.3%)         (1.7%)         (1.7%)         (1.5%)         (2.5%)           Recurring Profit Margin         3.0%         2.4%         1.4%         1.5%         (0.3%)         (0.3%)         (0.7%)         (0.4%)         (1.9%)           Net Profit Margin         1.3%         1.0%         0.5%         0.6%         (1.6%)         (0.9%)         2.8%         15.0%         4.0%           Tax Charges etc. / Pretax Profit         15.4%         18.1%         20.6%         20.6%         Cons.Act	· ·									
Recurring Profit Margin   3.0%   2.4%   1.4%   1.5%   0.3%   0.3%   0.7%   0.0%   0.4%   0.										` '
Net Profit Margin   1.3%   1.0%   0.5%   0.6%   0.6%   0.0%   0.9%   0.2.8%   1.5%   4.0.9%   1.5%   1.5%   4.0.9%   1.5%   1.	·									
Tax Charges etc. / Pretax Profit         15.4%         18.1%         20.6%         20.6%         6.7%         18.0%         (2.6%)           Income Statement         Cons.Act         Con						` ,	, ,			
No.   Cons.   Cons.	•					(1.6%)	(0.9%)			
(Million Yen)         Q31         Q32         Q33         Q44         Q1         Q2         Q3         Q4         YoY           Sales         8,172         11,265         10,372         9,059         9,941         10,881         10,322         11,050         +1,990           Cost of Sales         6,917         9,933         9,335         8,200         9,942         19,851         10,032         11,058         +1,897           Gross Profit         1,254         1,362         1,037         858         818         956         894         1,011         +153           SG&A Expenses         1,061         1,083         1,036         943         1,049         1,071         1,083         1,112         +178           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (199)         (249           Non Operating Balance         51         (61)         (45)         232         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (1)					_	-	-		18.0%	(2.6%)
(Million Yen)         03/2013         03/2013         03/2013         03/2014         04/30         11,050         +1,990           Cost of Sales         6,917         9,903         9,335         8,200         9,122         9,925         9,137         10,038         +1,837           Gross Profit         1,254         1,362         1,037         858         818         956         894         1,011         +153           SG&A Expenses         1,061         1,083         1,036         943         1,049         1,071         1,083         1,121         +178           Operating Profit         192         278         0         (84)         (230)         (115         (188)         (109         699         309         (160)         53         933         140         147         141         141	Income Statement									
Sales         8,172         11,265         10,372         9,059         9,941         10,881         10,032         11,050         +1,990           Cost of Sales         6,917         9,903         9,335         8,200         9,122         9,925         9,137         10,038         +1,837           Gross Profit         1,254         1,362         1,037         858         818         956         894         1,011         +153           SG&A Expenses         1,061         1,083         1,036         943         1,049         1,071         1,083         1,121         +178           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           Non Operating Balance         51         (61)         (45)         232         201         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (1)         (292)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pretax P										
Cost of Sales         6,917         9,903         9,335         8,200         9,122         9,925         9,137         10,038         +1,837           Gross Profit         1,254         1,362         1,037         858         818         956         894         1,011         +153           SG&A Expenses         1,061         1,033         1,036         943         1,049         1,071         1,083         1,121         +178           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           Non Operating Balance         51         (61)         (45)         232         201         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (39)           Extraordinary Balance         (11)         (29)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pretax Profit         242         187         (112)         140         (126)         (19)         1,019         (314)         (455)           Tax Charges e	(Million Yen)									
Gross Profit         1,254         1,362         1,037         858         818         956         894         1,011         +153           SG&A Expenses         1,061         1,083         1,036         943         1,049         1,071         1,083         1,121         +178           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           Non Operating Balance         51         (61)         (45)         232         201         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (11)         (29)         (88)         (6)         (97)         19         1,179         (368)         (361)           Pretax Profit         242         187         (112)         140         (126)         (19)         1,019         (314)         (455)           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit		•			•	-	•	•	*	
SG&A Expenses         1,061         1,083         1,036         943         1,049         1,071         1,083         1,121         +178           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           Non Operating Balance         51         (61)         (45)         232         201         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (1)         (29)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pretax Profit         242         187         (112)         148         (126)         (19)         1,179         (368)         (361)           Tax Charges etc.         37         40         (112)         28         3         25         29         42         +13           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         107 <td></td>										
Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           Non Operating Balance         51         (61)         (45)         232         201         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (1)         (29)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pretax Profit         242         187         (112)         140         (126)         (19)         1,019         (314)         (455)           Tax Charges etc.         37         40         (12)         28         3         25         29         42         +13           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         100         93         (40)         75         (155)         (41)         1,046         (201)         (270)         (270)         (270)         (270)						818				
Non Operating Balance         51         (61)         (45)         232         201         75         28         162         (69)           Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (1)         (29)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pretax Profit         242         187         (112)         140         (126)         (19)         1,019         (314)         (455)           Tax Charges etc.         37         40         (12)         28         3         25         29         42         +13           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         107         93         (40)         75         (155)         (41)         1,046         (201)         (277)           Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           Recurring Profit YoY	SG&A Expenses				943	1,049		1,083	1,121	+178
Recurring Profit         243         217         (44)         147         (29)         (39)         (160)         53         (93)           Extraordinary Balance         (1)         (29)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pretax Profit         242         187         (112)         140         (126)         (19)         1,019         (314)         (455)           Tax Charges etc.         37         40         (12)         28         3         25         29         42         +13           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         107         93         (40)         75         (155)         (41)         1,046         (201)         (277)           Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           Operating Profit YoY         +327.7%         +167.6%         -         -         -         -         -         (63.7%)         -           Recurring Profit Margin <t< td=""><td>Operating Profit</td><td>192</td><td>278</td><td>0</td><td></td><td></td><td>(115)</td><td>(188)</td><td>(109)</td><td>(24)</td></t<>	Operating Profit	192	278	0			(115)	(188)	(109)	(24)
Extraordinary Balance         (1)         (29)         (68)         (6)         (97)         19         1,179         (368)         (361)           Pretax Profit         242         187         (112)         140         (126)         (19)         1,019         (314)         (455)           Tax Charges etc.         37         40         (12)         28         3         25         29         42         +13           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         107         93         (40)         75         (155)         (41)         1,046         (201)         (277)           Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -2           Operating Profit YoY         +327.7%         +167.6%         -	Non Operating Balance	51	(61)	(45)	232	201	75	28	162	(69)
Pretax Profit         242         187         (112)         140         (126)         (19)         1,019         (314)         (455)           Tax Charges etc.         37         40         (12)         28         3         25         29         42         +13           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         107         93         (40)         75         (155)         (41)         1,046         (201)         (277)           Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           Operating Profit YoY         +327.7%         +167.6%         -	Recurring Profit	243	217	(44)	147	(29)	(39)	(160)	53	(93)
Tax Charges etc.         37         40         (12)         28         3         25         29         42         +13           Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         107         93         (40)         75         (155)         (41)         1,046         (201)         (277)           Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           Operating Profit YoY         +327.7%         +167.6%         - <td< td=""><td>Extraordinary Balance</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Extraordinary Balance									
Minorities' Interests         97         53         (59)         36         25         (3)         (57)         (155)         (191)           Net Profit         107         93         (40)         75         (155)         (41)         1,046         (201)         (277)           Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           Operating Profit YoY         +327.7%         +167.6%         -	Destar Desti	(1)	(29)	(68)	(6)	(97)	19	1,179	(368)	(361)
Net Profit         107         93         (40)         75         (155)         (41)         1,046         (201)         (277)           Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           Operating Profit YoY         +327.7%         +167.6%         -				` ,					` '	` ′
Sales YoY         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           Operating Profit YoY         +327.7%         +167.6%         - <td></td> <td>242</td> <td>187</td> <td>(112)</td> <td>140</td> <td>(126)</td> <td>(19)</td> <td>1,019</td> <td>(314)</td> <td>(455)</td>		242	187	(112)	140	(126)	(19)	1,019	(314)	(455)
Operating Profit YoY         +327.7%         +167.6%         -         <	Tax Charges etc.	242 37	187 40	(112) (12)	140 28	(126)	(19) 25	1,019 29	(314)	(455) +13
Recurring Profit YoY         -         +250.4%         -         (42.1%)         -         -         -         (63.7%)         -           Net Profit YoY         -         (92.7%)         -         (33.3%)         -         -         -         -         -           Gross Profit Margin         15.4%         12.1%         10.0%         9.5%         8.2%         8.8%         8.9%         9.2%         (0.3%)           SG&A / Sales         13.0%         9.6%         10.0%         10.4%         10.6%         9.8%         10.8%         10.1%         (0.3%)           Operating Profit Margin         2.4%         2.5%         0.0%         (0.9%)         (2.3%)         (1.1%)         (1.9%)         (1.0%)         (0.1%)           Recurring Profit Margin         3.0%         1.9%         (0.4%)         1.6%         (0.3%)         (0.4%)         10.4%         (1.6%)         0.5%         (1.1%)           Net Profit Margin         1.3%         0.8%         (0.4%)         0.8%         (1.6%)         (0.4%)         10.4%         (1.6%)         (2.7%)	Tax Charges etc.	242 37 97	187 40 53	(112) (12) (59)	140 28 36	(126) 3 25	(19) 25 (3)	1,019 29 (57)	(314) 42 (155)	(455) +13 (191)
Net Profit YoY         -         (92.7%)         -         (33.3%)         - </td <td>Tax Charges etc. Minorities' Interests</td> <td>242 37 97 <b>107</b></td> <td>187 40 53 <b>93</b></td> <td>(112) (12) (59) <b>(40)</b></td> <td>140 28 36 <b>75</b></td> <td>(126) 3 25 (155)</td> <td>(19) 25 (3) <b>(41)</b></td> <td>1,019 29 (57) <b>1,046</b></td> <td>(314) 42 (155) (201)</td> <td>(455) +13 (191)</td>	Tax Charges etc. Minorities' Interests	242 37 97 <b>107</b>	187 40 53 <b>93</b>	(112) (12) (59) <b>(40)</b>	140 28 36 <b>75</b>	(126) 3 25 (155)	(19) 25 (3) <b>(41)</b>	1,019 29 (57) <b>1,046</b>	(314) 42 (155) (201)	(455) +13 (191)
Gross Profit Margin         15.4%         12.1%         10.0%         9.5%         8.2%         8.8%         8.9%         9.2%         (0.3%)           SG&A / Sales         13.0%         9.6%         10.0%         10.4%         10.6%         9.8%         10.8%         10.1%         (0.3%)           Operating Profit Margin         2.4%         2.5%         0.0%         (0.9%)         (2.3%)         (1.1%)         (1.9%)         (1.0%)         (0.1%)           Recurring Profit Margin         3.0%         1.9%         (0.4%)         1.6%         (0.3%)         (0.4%)         (1.6%)         0.5%         (1.1%)           Net Profit Margin         1.3%         0.8%         (0.4%)         0.8%         (1.6%)         (0.4%)         10.4%         (1.8%)         (2.7%)	Tax Charges etc. Minorities' Interests  Net Profit	242 37 97 <b>107</b> +52.8%	187 40 53 <b>93</b> +99.0%	(112) (12) (59) <b>(40)</b>	140 28 36 <b>75</b>	(126) 3 25 (155)	(19) 25 (3) <b>(41)</b>	1,019 29 (57) <b>1,046</b>	(314) 42 (155) (201)	(455) +13 (191)
SG&A / Sales         13.0%         9.6%         10.0%         10.4%         10.6%         9.8%         10.8%         10.1%         (0.3%)           Operating Profit Margin         2.4%         2.5%         0.0%         (0.9%)         (2.3%)         (1.1%)         (1.9%)         (1.0%)         (0.1%)           Recurring Profit Margin         3.0%         1.9%         (0.4%)         1.6%         (0.3%)         (0.4%)         (1.6%)         0.5%         (1.1%)           Net Profit Margin         1.3%         0.8%         (0.4%)         0.8%         (1.6%)         (0.4%)         10.4%         (1.8%)         (2.7%)	Tax Charges etc. Minorities' Interests  Net Profit  Sales YoY	242 37 97 <b>107</b> +52.8%	187 40 53 <b>93</b> +99.0% +167.6%	(112) (12) (59) <b>(40)</b>	140 28 36 <b>75</b> (10.6%)	(126) 3 25 (155)	(19) 25 (3) <b>(41)</b>	1,019 29 (57) <b>1,046</b>	(314) 42 (155) (201) +22.0%	(455) +13 (191)
Operating Profit Margin         2.4%         2.5%         0.0%         (0.9%)         (2.3%)         (1.1%)         (1.9%)         (1.0%)           Recurring Profit Margin         3.0%         1.9%         (0.4%)         1.6%         (0.3%)         (0.4%)         (1.6%)         0.5%         (1.1%)           Net Profit Margin         1.3%         0.8%         (0.4%)         0.8%         (1.6%)         (0.4%)         10.4%         (1.8%)         (2.7%)	Tax Charges etc. Minorities' Interests  Net Profit  Sales YoY  Operating Profit YoY	242 37 97 <b>107</b> +52.8%	187 40 53 <b>93</b> +99.0% +167.6% +250.4%	(112) (12) (59) <b>(40)</b>	140 28 36 <b>75</b> (10.6%) - (42.1%)	(126) 3 25 (155)	(19) 25 (3) <b>(41)</b>	1,019 29 (57) <b>1,046</b> (3.3%)	(314) 42 (155) (201) +22.0%	(455) +13 (191)
Recurring Profit Margin         3.0%         1.9%         (0.4%)         1.6%         (0.3%)         (0.4%)         (1.6%)         0.5%         (1.1%)           Net Profit Margin         1.3%         0.8%         (0.4%)         0.8%         (1.6%)         (0.4%)         10.4%         (1.8%)         (2.7%)	Tax Charges etc. Minorities' Interests  Net Profit  Sales YoY  Operating Profit YoY  Recurring Profit YoY	242 37 97 <b>107</b> +52.8% +327.7%	187 40 53 <b>93</b> +99.0% +167.6% +250.4% (92.7%)	(112) (12) (59) <b>(40)</b> (3.0%)	140 28 36 <b>75</b> (10.6%) - (42.1%) (33.3%)	(126) 3 25 (155) +21.7%	(19) 25 (3) (41) (3.4%)	1,019 29 (57) <b>1,046</b> (3.3%)	(314) 42 (155) (201) +22.0% - (63.7%)	(455) +13 (191) (277) - - -
Net Profit Margin 1.3% 0.8% (0.4%) 0.8% (1.6%) (0.4%) 10.4% (1.8%) (2.7%)	Tax Charges etc. Minorities' Interests  Net Profit  Sales YoY  Operating Profit YoY  Recurring Profit YoY  Net Profit YoY	242 37 97 <b>107</b> +52.8% +327.7%	187 40 53 <b>93</b> +99.0% +167.6% +250.4% (92.7%)	(112) (12) (59) <b>(40)</b> (3.0%)	140 28 36 <b>75</b> (10.6%) - (42.1%) (33.3%) 9.5%	(126) 3 25 (155) +21.7% - - 8.2%	(19) 25 (3) (41) (3.4%) - - - 8.8%	1,019 29 (57) 1,046 (3.3%) - - - 8.9%	(314) 42 (155) (201) +22.0% - (63.7%)	(455) +13 (191) (277) - - - - (0.3%)
	Tax Charges etc. Minorities' Interests  Net Profit  Sales YoY  Operating Profit YoY  Recurring Profit YoY  Net Profit YoY  Gross Profit Margin	242 37 97 <b>107</b> +52.8% +327.7% - - 15.4% 13.0%	187 40 53 <b>93</b> +99.0% +167.6% +250.4% (92.7%) 12.1% 9.6%	(112) (12) (59) (40) (3.0%) - - 10.0%	140 28 36 <b>75</b> (10.6%) - (42.1%) (33.3%) 9.5% 10.4%	(126) 3 25 (155) +21.7% - - 8.2% 10.6%	(19) 25 (3) (41) (3.4%) - - - 8.8% 9.8%	1,019 29 (57) 1,046 (3.3%) - - - 8.9% 10.8%	(314) 42 (155) (201) +22.0% - (63.7%) - 9.2% 10.1%	(455) +13 (191) (277) - - - - (0.3%) (0.3%)
Tax Charges etc. / Pretax Profit 15.4% 21.5% - 20.5% 2.9%	Tax Charges etc. Minorities' Interests  Net Profit  Sales YoY  Operating Profit YoY  Recurring Profit YoY  Net Profit YoY  Gross Profit Margin  SG&A / Sales	242 37 97 107 +52.8% +327.7% - - 15.4% 13.0% 2.4%	187 40 53 <b>93</b> +99.0% +167.6% +250.4% (92.7%) 12.1% 9.6% 2.5%	(112) (12) (59) (40) (3.0%) - - - 10.0% 10.0%	140 28 36 <b>75</b> (10.6%) - (42.1%) (33.3%) 9.5% 10.4% (0.9%)	(126) 3 25 (155) +21.7% - - - 8.2% 10.6% (2.3%)	(19) 25 (3) (41) (3.4%) - - - 8.8% 9.8% (1.1%)	1,019 29 (57) 1,046 (3.3%) - - - 8.9% 10.8% (1.9%)	(314) 42 (155) (201) +22.0% - (63.7%) - 9.2% 10.1% (1.0%)	(455) +13 (191) (277) - - - (0.3%) (0.3%) (0.1%)
	Tax Charges etc. Minorities' Interests  Net Profit  Sales YoY  Operating Profit YoY  Recurring Profit YoY  Net Profit YoY  Gross Profit Margin  SG&A / Sales  Operating Profit Margin	242 37 97 107 +52.8% +327.7% - - 15.4% 13.0% 2.4% 3.0%	187 40 53 <b>93</b> +99.0% +167.6% +250.4% (92.7%) 12.1% 9.6% 2.5% 1.9%	(112) (12) (59) (40) (3.0%) - - - 10.0% 10.0% (0.4%)	140 28 36 <b>75</b> (10.6%) - (42.1%) (33.3%) 9.5% 10.4% (0.9%) 1.6%	(126) 3 25 (155) +21.7% - - 8.2% 10.6% (2.3%) (0.3%)	(19) 25 (3) (41) (3.4%) - - 8.8% 9.8% (1.1%) (0.4%)	1,019 29 (57) 1,046 (3.3%) - - - 8.9% 10.8% (1.9%) (1.6%)	(314) 42 (155) (201) +22.0% - (63.7%) - 9.2% 10.1% (1.0%) 0.5%	(455) +13 (191) (277) - - - (0.3%) (0.3%) (0.1%) (1.1%)

## Segmented Information (Cumulative, Quarterly)

Communication   Communicatio	Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
S Business										
CS   Business   10,0   1,268   1,369   1,268   13,00   1,107   1,309   1,907   1,007	,									
CE Business										
Bill Bulmens										` '
Selection   Sele										
S Business										
CS Balsaineas         (11,5%)         (15,5%)         (15,5%)         (25,5%)         (25,5%)         (12,5%)         (12,5%)         (25,5%)         (12,5%)         (12,5%)         (12,5%)         (12,5%)         (12,5%)         (15,3%)         (14,5%)         (15,5%)         (12,5%)         (15,5%)         (12,5%)         (15,5%)         (13,5%)         (14,3%)         (13,3%)         (14,3%)         (14,3%)         (14,3%)         (13,3%)         (14,3%)         (14,3%)         (15,5%)         (15,5%)         (12,5%)         (23,2%)         (23,3%)         (24,1%)         (24,1%)         (25,5%)         (25,5%)         (24,5%)         (23,2%)         (23,3%)         (24,1%)         (24,1%)         (25,5%)         (25,5%)         (25,5%)         (25,5%)         (25,5%)         (23,5%)         (23,3%)         (23,3%)         (23,1%)         (24,1%)         (24,1%)         (23,3%)         (23,3%)         (23,1%)         (24,1%)         (23,3%)         (23,3%)         (24,1%)         (23,3%)         (23,3%)         (23,1%)         (23,1%)         (24,1%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)         (23,3%)										+3,033
GE Business						, ,	, ,			
EMS Business		,	, ,	, ,	, ,	, ,	,	,	, ,	_
State   170									, ,	_
In Elements   1.98										_
CS Designess         1,94         6,956         6,196         1,696         1,396         1,796         1,396         1,396         1,496         1,596         1,396         1,396         1,296         1,296         1,296         71,996										
Composition   1.9%   1.9%   1.6%   1.6%   1.6%   1.2%   1.3%   1.3%   1.3%   1.4%   1.5%   1.5%   1.5%   1.5%   1.5%   1.5%   1.5%   1.3%   1.3%   1.4%   1.5%										_
EMB Business										_
Selestines										_
IS Business										_
CS Business         15         56         113         118         (16)         (7)         (23)         (48)         (168)           GE Business         3         3         14         25         (3)         (11)         (12)         (7)         (32)           EMS Business         200         408         403         320         (11)         (27)         (467)         (621)         (941)           Diprating Profit         192         471         472         387         (230)         (345)         (533)         (643)         4,33           Operating Profit         192         471         472         387         (230)         (345)         (534)         (643)         1,1,035           IS Business         (1,1%)         0.1%         (0.0%)         (0.0%)         (4,0%)         (1,11%)         (0.2%)         0.3%         1,11%           CB Business         1,1%         1,1%         4,2%         4,5%         6,0%         5,0%         (4,0%)         (1,1%)         (2,1%)         (3,3%)         (1,4%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)         (1,5%)	, ,									+105
GE Business         3         3         14         25         (3)         (11)         (12)         (7)         (32)           EMM Susiness         20         408         403         330         (119)         (271)         (487)         (621)         (941)           Operating Profit (Before Elimination)         192         471         471         386         (230)         (345)         (536)         (640)         (1,035)           Elimination         192         471         472         387         (230)         (345)         (0.2%)         0.3%         (1,031)           IS Business         (11,1%)         0.1%         (0.8%)         (0.8%)         (4.0%)         (1.1%)         (0.2%)         0.3%         1.1,33           GE Business         1.9%         1.2%         3.1%         4.2%         (2.8%)         (4.5%)         (3.1%)         (1.3%)         (5.4%)           GE Business         1.9%         1.2%         3.1%         4.2%         (2.8%)         (4.5%)         (3.1%)         (1.2%)         (5.4%)         (5.4%)         (6.4%)         (6.4%)         (6.4%)         (6.4%)         (6.2%)         (2.2%)         (2.2%)         (2.2%)         (2.2%)         (2.3%)	CS Business		56	113					(48)	(166)
EMBS Business   200	GE Business	3		14	25					
Departing Profit (Before Elimination)   192   471   471   386   230   346   353   654   1.33     Poperating Profit   192   471   472   387   230   345   354   643   1.33     Si Business   (1.1%)   0.1%   0.0%   0.0%   0.0%   0.0%   0.0%   0.0%   0.3%   1.1%   0.3%     Si Business   2.6%   4.7%   4.72   387   230   0.45   0.0%   0.3%   1.1%   0.3%   0.3%   1.1%     Si Business   1.9%   1.2%   3.1%   4.2%   0.2%   0.4%   0.1%   0.1%   0.2%   0.3%   1.1%   0.2%   0.3%   1.1%   0.2%   0.2%   0.3%   0.4%   0.2%	EMS Business									
Departing Profit   192	Operating Profit (Before Elimination)	192	471	471	386	(230)	(346)	(536)	(648)	(1,035)
S Business	Elimination	-	-	-	-	-	-	2	4	+3
CS Business         2 6%         4 5%         6.0%         5.0%         4.1%         1.0%         2.1%         3.4%         4.2%         2.8%         (4.5%)         3.1%         (1.5%)         3.2%         2.0%         1.2%         (2.8%)         (4.5%)         3.1%         (1.5%)         (3.5%)         (2.4%)         (3.6%)         2.0%         1.2%         (1.7%)         (1.8%)         0.0%	Operating Profit	192	471	472	387	(230)	(345)	(534)	(643)	(1,031)
GE Business         1.9%         1.2%         3.1%         4.2%         (2.8%)         (4.5%)         (3.1%)         (1.3%)         (5.4%)           EMS Business         4.0%         3.2%         2.0%         1.2%         (1.7%)         (1.1%)         (2.1%)         (2.1%)         (3.3%)         0.0%	IS Business	(1.1%)	0.1%	(0.8%)	(0.8%)	(4.0%)	(1.1%)	(0.2%)	0.3%	+1.1%
EMS Business         4.0%         3.2%         2.0%         1.2%         (1.7%)         (1.8%)         (2.2%)         (2.1%)         (3.3%)           Elimination         0.0% <th< td=""><td>CS Business</td><td>2.6%</td><td>4.5%</td><td>6.0%</td><td>5.0%</td><td>(4.1%)</td><td>(1.0%)</td><td>(2.1%)</td><td>(3.5%)</td><td>(8.4%)</td></th<>	CS Business	2.6%	4.5%	6.0%	5.0%	(4.1%)	(1.0%)	(2.1%)	(3.5%)	(8.4%)
Elimination   0.0%	GE Business	1.9%	1.2%	3.1%	4.2%	(2.8%)	(4.5%)	(3.1%)	(1.3%)	(5.4%)
Operating Profit Margin         2.4%         1.6%         1.0%         (2.3%)         (1.7%)         (1.7%)         (1.5%)         2.5%)           Segmented Information         Cons. Act Q1         Cons. Act Q2         Cons. Act Q3         Cons. Act Q4         Cons. Act Q2         Cons. Act Q3         Cons. Act Q4         Cons. Act Q2         Cons. Act Q3         Cons. Act Q4         Act Q2         Q3         Q4         Q3         Q3         Q4	EMS Business	4.0%	3.2%	2.0%	1.2%	(1.7%)	(1.8%)	(2.2%)	(2.1%)	(3.3%)
Segmented Information	Elimination	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	+0.0%
CMILITION   OJ/2013   OJ/2013   OJ/2013   OJ/2013   OJ/2014   OJ	Operating Profit Margin	2.4%	2.4%	1.6%	1.0%	(2.3%)	(1.7%)	(1.7%)	(1.5%)	(2.5%)
	On our auto dilutamo attau	Cone Ast	Cono Ant	Cono Act	Cono Act	Cono Aot	Cono Aot	Cono Aot	Cama Aat	
IS Business	Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	COIIS. ACI	Cons.Act	COIIS.ACL	Cons.Act	
CS Business         606         651         626         501         392         385         329         281         (219)           GE Business         156         157         148         149         128         133         143         165         +15           EMS Business         4,977         7,952         7,213         6,190         7,115         7,847         6,927         7,947         +1,756           Sales         8,172         11,265         10,372         9,059         9,941         10,881         10,032         11,050         +1,990           IS Business         421,1%         +4.4%         (2,4%)         (11,3%)         (5,2%)         +0.4%         +10.3%         +19.8%           CS Business         421,1%         +4.4%         (2,4%)         (35,3%)         (40,9%)         (47,4%)         (43,9%)         -6           GE Business         49.3%         424.5%         (19,9%)         (30,0%)         (17,5%)         (40,9%)         (40,9%)         42,4%         42,5%         43,3%         42,0%         42,0%         42,5%         23,2%         23,1%         26,2%         24,0%         42,0%         42,5%         23,2%         23,1%         26,2%         20,0%		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
GE Business         156         157         148         149         128         133         143         165         +15           EMS Business         4,977         7,952         7,213         6,190         7,115         7,847         6,927         7,947         +1,756           Sales         8,172         11,265         10,372         9,059         9,041         10,881         10,032         11,050         +1,990           IS Business         +21,1%         +4,4%         (2,4%)         (11,3%)         (5,2%)         +0.4%         +10,3%         +19,9%           GS Business         (11,5%)         (19,1%)         (16,3%)         (24,4%)         (35,3%)         (40,9%)         (47,4%)         (43,9%)         -6           EMS Business         +99,3%         +245,4%         (1,9%)         (8,4%)         (17,5%)         (15,2%)         (3,2%)         +10,7%         -           EMS Business         +99,3%         +245,4%         (1,9%)         (10,6%)         +21,7%         (3,4%)         (3,3%)         +22,0%         -           SB usiness         29,8%         22,2%         23,0%         24,5%         23,2%         23,1%         26,2%         24,0%           GS Business	(Million Yen)	Q1 03/2013	Q2 03/2013	Q3 03/2013	Q4 03/2013	Q1 03/2014	Q2 03/2014	Q3 03/2014	Q4 03/2014	Net Chg.
EMS Business         4,977         7,952         7,213         6,190         7,115         7,847         6,927         7,947         +1,756         5ales         8,172         11,265         10,372         9,059         9,941         10,881         10,032         11,050         +1,990           IS Business         +21.1%         +4.4%         (2.4%)         (1.3%)         (5.2%)         +0.4%         +10,3%         +19.9%         -10,90         -10,90         -10,90         +10,90         -10,90         -10,90         -10,90         +0.4%         +10,9%         +10,9%         -10,90         -10,90         +0.4%         +10,9%         +10,7%         -10,9%         -10,7%         -10,9%	(Million Yen) IS Business	Q1 03/2013 2,432	Q2 03/2013 2,504	Q3 03/2013 2,384	Q4 03/2013 2,217	Q1 03/2014 2,304	<b>Q2 03/2014</b> 2,514	<b>Q3</b> <b>03/2014</b> 2,631	Q4 03/2014 2,655	Net Chg. +438
Sales         8,172         11,265         10,372         9,059         9,941         10,881         10,032         11,050         +1,990           IS Business         +21.1%         +4.4.4%         (2,4%)         (11.3%)         (5,2%)         +0.4%         +10.3%         +19.8%         -           CS Business         (11.5%)         (19.1%)         (16.3%)         (24.4%)         (35.3%)         (40.9%)         (47.4%)         (43.9%)         -           GE Business         +0.7%         +2.8%         (4.9%)         (8.4%)         (17.5%)         (15.2%)         (3.2%)         +10.7%         -2.8%           EMS Business         +99.3%         +245.4%         (1.9%)         9.0%)         +43.0%         (1.3%)         (4.0%)         +28.4%         -2.8%         2.2.2%         23.0%         24.5%         23.2%         23.1%         26.2%         24.0%         -2.8%         25.8%         22.2%         23.0%         24.5%         23.2%         23.1%         26.2%         24.0%         -2.8%         25.8%         25.8%         25.1%         26.2%         24.0%         -2.8%         25.8%         25.2%         23.1%         26.2%         23.1%         26.2%         23.1%         25.2%         23.1%	(Million Yen) IS Business CS Business	Q1 03/2013 2,432 606	Q2 03/2013 2,504 651	Q3 03/2013 2,384 626	Q4 03/2013 2,217 501	Q1 03/2014 2,304 392	<b>Q2 03/2014</b> 2,514 385	Q3 03/2014 2,631 329	Q4 03/2014 2,655 281	Net Chg. +438 (219)
S Business	(Million Yen) IS Business CS Business GE Business	Q1 03/2013 2,432 606 156	Q2 03/2013 2,504 651 157	Q3 03/2013 2,384 626 148	Q4 03/2013 2,217 501 149	Q1 03/2014 2,304 392 128	Q2 03/2014 2,514 385 133	Q3 03/2014 2,631 329 143	Q4 03/2014 2,655 281 165	+438 (219) +15
CS Business         (11.5%)         (19.1%)         (16.3%)         (24.4%)         (35.3%)         (40.9%)         (47.4%)         (43.9%)           GE Business         +0.7%         +2.8%         (4.9%)         (8.4%)         (17.5%)         (15.2%)         (3.2%)         +10.7%         -           EMS Business         +99.3%         +245.4%         (1.9%)         (9.0%)         +43.0%         (1.3%)         (40.0%)         +28.4%         -           Sales (YoY)         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           S Business         29.8%         22.2%         23.0%         24.5%         23.2%         23.1%         26.2%         24.0%         -           CS Business         1.9%         1.4%         1.4%         1.7%         1.3%         1.2%         1.4%         1.5%         -           GE Business         60.9%         70.6%         69.5%         68.3%         71.6%         72.1%         69.1%         71.9%         -           Sales (Composition)         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         <	(Million Yen) IS Business CS Business GE Business EMS Business	Q1 03/2013 2,432 606 156 4,977	Q2 03/2013 2,504 651 157 7,952	Q3 03/2013 2,384 626 148 7,213	Q4 03/2013 2,217 501 149 6,190	Q1 03/2014 2,304 392 128 7,115	Q2 03/2014 2,514 385 133 7,847	Q3 03/2014 2,631 329 143 6,927	Q4 03/2014 2,655 281 165 7,947	Net Chg. +438 (219) +15 +1,756
GE Business         +0.7%         +2.8%         (4.9%)         (8.4%)         (17.5%)         (15.2%)         (3.2%)         +10.7%         - Business         +99.3%         +245.4%         (1.9%)         (9.0%)         +43.0%         (1.3%)         (4.0%)         +28.4%         - Business         - 28.8%         +29.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         - 28.8%         +22.2%         23.0%         24.5%         23.2%         23.1%         26.2%         24.0%         - 28.8%         22.2%         23.0%         24.5%         23.2%         23.1%         26.2%         24.0%         - 28.8%         22.2%         23.0%         5.5%         3.9%         3.5%         3.3%         2.5%         - 2.5%         - 2.5%         - 2.5%         25.8%         23.1%         26.2%         24.0%         - 2.5%         - 2.5%         - 2.5%         25.5%         23.1%         26.2%         24.0%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.5%         - 2.1%         - 2.1%         - 2.2%         <	(Million Yen) IS Business CS Business GE Business EMS Business Sales	Q1 03/2013 2,432 606 156 4,977 8,172	Q2 03/2013 2,504 651 157 7,952 11,265	Q3 03/2013 2,384 626 148 7,213	Q4 03/2013 2,217 501 149 6,190 9,059	Q1 03/2014 2,304 392 128 7,115 9,941	Q2 03/2014 2,514 385 133 7,847 10,881	Q3 03/2014 2,631 329 143 6,927 10,032	Q4 03/2014 2,655 281 165 7,947 11,050	Net Chg. +438 (219) +15 +1,756
EMS Business         +99.3%         +245.4%         (1.9%)         (9.0%)         +43.0%         (1.3%)         (4.0%)         +28.4%         -2.8%           Sales (YoY)         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -2.0%           IS Business         29.8%         22.2%         23.0%         24.5%         23.2%         23.1%         26.2%         24.0%         -           CS Business         7.4%         5.8%         6.0%         5.5%         3.9%         3.5%         3.3%         2.5%         -           EMS Business         6.0.9%         70.6%         69.5%         68.3%         71.6%         72.1%         69.1%         71.9%         -           EMS Business         60.9%         70.6%         69.5%         68.3%         71.6%         72.1%         69.1%         71.9%         -	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%)	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8%	Net Chg. +438 (219) +15 +1,756
Sales (YoY)         +52.8%         +99.0%         (3.0%)         (10.6%)         +21.7%         (3.4%)         (3.3%)         +22.0%         -           IS Business         29.8%         22.2%         23.0%         24.5%         23.2%         23.1%         26.2%         24.0%         -           CS Business         7.4%         5.8%         6.0%         5.5%         3.9%         3.5%         3.3%         2.5%         -           GE Business         1.9%         1.4%         1.4%         1.7%         1.3%         1.2%         1.4%         1.5%         -           EMS Business         60.9%         70.6%         69.5%         68.3%         71.6%         72.1%         69.1%         71.9%         -           Sales (Composition)         100.0%	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business	Q1 03/2013 2,432 606 156 4,977 <b>8,172</b> +21.1% (11.5%)	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%)	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%)	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%)	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%)	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%)	Net Chg. +438 (219) +15 +1,756
IS Business   29.8%   22.2%   23.0%   24.5%   23.2%   23.1%   26.2%   24.0%   - CS Business   7.4%   5.8%   6.0%   5.5%   3.9%   3.5%   3.3%   2.5%   - GE Business   1.9%   1.4%   1.4%   1.7%   1.3%   1.2%   1.4%   1.5%   - EMS Business   60.9%   70.6%   69.5%   68.3%   71.6%   72.1%   69.1%   71.9%   - Sales (Composition)   100.0%	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business	Q1 03/2013 2,432 606 156 4,977 <b>8,172</b> +21.1% (11.5%) +0.7%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%)	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%)	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%)	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7%	Net Chg. +438 (219) +15 +1,756
CS Business         7.4%         5.8%         6.0%         5.5%         3.9%         3.5%         3.3%         2.5%         -           GE Business         1.9%         1.4%         1.4%         1.7%         1.3%         1.2%         1.4%         1.5%         -           EMS Business         60.9%         70.6%         69.5%         68.3%         71.6%         72.1%         69.1%         71.9%         -           Sales (Composition)         100.0%	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business EMS Business	Q1 03/2013 2,432 606 156 4,977 <b>8,172</b> +21.1% (11.5%) +0.7% +99.3%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%)	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%)	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%)	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4%	Net Chg. +438 (219) +15 +1,756
GE Business         1.9%         1.4%         1.4%         1.7%         1.3%         1.2%         1.4%         1.5%         -           EMS Business         60.9%         70.6%         69.5%         68.3%         71.6%         72.1%         69.1%         71.9%         -           Sales (Composition)         100.0%         100	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business EMS Business Sales (YoY)	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%)	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%)	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%)	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0%	Net Chg. +438 (219) +15 +1,756
EMS Business         60.9%         70.6%         69.5%         68.3%         71.6%         72.1%         69.1%         71.9%         -           Sales (Composition)         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         -           IS Business         (27)         29         (61)         (18)         (91)         37         41         40         +59           CS Business         15         40         56         5         (16)         8         (15)         (24)         (30)           GE Business         200         207         (5)         (83)         (119)         (152)         (216)         (133)         (50)           Operating Profit (Before Elimination)         192         278         0         (85)         (230)         (115)         (190)         (112)         (26)           Elimination         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5% <td>(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business EMS Business Sales (YoY) IS Business</td> <td>Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8%</td> <td>Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2%</td> <td>Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) (3.0%)</td> <td>Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5%</td> <td>Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2%</td> <td>Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1%</td> <td>Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2%</td> <td>Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0%</td> <td>Net Chg. +438 (219) +15 +1,756</td>	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business EMS Business Sales (YoY) IS Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) (3.0%)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5%	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0%	Net Chg. +438 (219) +15 +1,756
Sales (Composition)         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         100.0%         -           IS Business         (27)         29         (61)         (18)         (91)         37         41         40         +59           CS Business         15         40         56         5         (16)         8         (15)         (24)         (30)           GE Business         200         207         (5)         (83)         (119)         (152)         (216)         (133)         (50)           Operating Profit (Before Elimination)         192         278         0         (85)         (230)         (115)         (190)         (112)         (26)           Elimination         -         -         -         -         -         -         -         1         2         +2           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4% <td< td=""><td>(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business Sales (YoY) IS Business CS Business CS Business</td><td>Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4%</td><td>Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 5.8%</td><td>Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) (3.0%) 23.0% 6.0%</td><td>Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5% 5.5%</td><td>Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9%</td><td>Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5%</td><td>Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3%</td><td>Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5%</td><td>Net Chg. +438 (219) +15 +1,756</td></td<>	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business Sales (YoY) IS Business CS Business CS Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 5.8%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) (3.0%) 23.0% 6.0%	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5% 5.5%	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5%	Net Chg. +438 (219) +15 +1,756
IS Business   (27)   29   (61)   (18)   (91)   37   41   40   459   CS Business   15   40   56   5   (16)   8   (15)   (24)   (30)   GE Business   3   0   10   11   (3)   (8)   (1)   5   (5)   EMS Business   200   207   (5)   (83)   (119)   (152)   (216)   (133)   (50)   (133)   (50)   (150)	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business EMS Business EMS Business Sales (YoY) IS Business CS Business CS Business GE Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4% 1.9%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) (3.0%) 23.0% 6.0%	Q4 03/2013 2,217 501 149 6,190 	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5% 1.2%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (4.0%) (3.3%) 26.2% 3.3% 1.4%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5% 1.5%	Net Chg. +438 (219) +15 +1,756
CS Business         15         40         56         5         (16)         8         (15)         (24)         (30)           GE Business         3         0         10         11         (3)         (8)         (1)         5         (5)           EMS Business         200         207         (5)         (83)         (119)         (152)         (216)         (133)         (50)           Operating Profit (Before Elimination)         192         278         0         (85)         (230)         (115)         (190)         (112)         (26)           Elimination         -         -         -         -         -         -         -         1         2         +2           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4%           CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business EMS Business EMS Business Sales (YoY) IS Business CS Business CS Business CS Business CS Business GE Business GE Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4% 1.9% 60.9%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) (3.0%) 23.0% 6.0% 1.4% 69.5%	Q4 03/2013 2,217 501 149 6,190 	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5% 1.2% 72.1%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5% 1.5% 71.9%	Net Chg. +438 (219) +15 +1,756
GE Business         3         0         10         11         (3)         (8)         (1)         5         (5)           EMS Business         200         207         (5)         (83)         (119)         (152)         (216)         (133)         (50)           Operating Profit (Before Elimination)         192         278         0         (85)         (230)         (115)         (190)         (112)         (26)           Elimination         -         -         -         -         -         -         -         1         2         +2           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4%           CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%         0.5%         7.0%         7.4%         (2.8%)         (6.0%)         (0.8%)         3.3%         (4.1%)           EMS Business	(Million Yen) IS Business CS Business GE Business EMS Business Sales IS Business CS Business GE Business GE Business EMS Business EMS Business Sales (YoY) IS Business CS Business CS Business GE Business Sales (Composition)	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4% 1.9% 60.9% 100.0%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 23.0% 6.0% 1.4% 69.5% 100.0%	Q4 03/2013 2,217 501 149 6,190 	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5% 1.2% 72.1% 100.0%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5% 1.5% 71.9% 100.0%	Net Chg. +438 (219) +15 +1,756 +1,990
EMS Business         200         207         (5)         (83)         (119)         (152)         (216)         (133)         (50)           Operating Profit (Before Elimination)         192         278         0         (85)         (230)         (115)         (190)         (112)         (26)           Elimination         -         -         -         -         -         -         -         1         2         +2           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4%           CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%         0.5%         7.0%         7.4%         (2.8%)         (6.0%)         (0.8%)         3.3%         (4.1%)           EMS Business         4.0%         2.6%         (0.1%)         (1.3%)         (1.7%)         (1.9%)         (3.1%)         (1.7%)         (0.3%)	(Million Yen)  IS Business CS Business GE Business EMS Business  Sales  IS Business CS Business GE Business GE Business GE Business EMS Business Sales (YoY)  IS Business CS Business GE Business Sales (Composition) IS Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4% 1.9% 60.9% 100.0%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 23.0% 6.0% 1.4% 69.5% 100.0%	Q4 03/2013 2,217 501 149 6,190 	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5% 1.2% 72.1% 100.0%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5% 1.5% 71.9% 100.0%	Net Chg. +438 (219) +15 +1,756 +1,990
Operating Profit (Before Elimination)         192         278         0         (85)         (230)         (115)         (190)         (112)         (26)           Elimination         -         -         -         -         -         -         -         -         1         2         +2           Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4%           CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%         0.5%         7.0%         7.4%         (2.8%)         (6.0%)         (0.8%)         3.3%         (4.1%)           EMS Business         4.0%         2.6%         (0.1%)         (1.3%)         (1.7%)         (1.9%)         (3.1%)         (1.7%)         (0.3%)           Elimination         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business GE Business GE Business EMS Business Sales (YoY)  IS Business GE Business GE Business GE Business GE Business EMS Business CS Business CS Business EMS Business CS Business Sales (Composition)  IS Business CS Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4% 1.9% 60.9% 100.0%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0%	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) (3.0%) 23.0% 6.0% 1.4% 69.5% 100.0%	Q4 03/2013 2,217 501 149 6,190 	Q1 03/2014 2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5% 1.2% 72.1% 100.0%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +22.0% 2.5% 1.5% 71.9% 100.0%	Net Chg. +438 (219) +15 +1,756 +1,990
Elimination         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4%           CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%         0.5%         7.0%         7.4%         (2.8%)         (6.0%)         (0.8%)         3.3%         (4.1%)           EMS Business         4.0%         2.6%         (0.1%)         (1.3%)         (1.7%)         (1.9%)         (3.1%)         (1.7%)         (0.3%)           Elimination         0.0% <t< td=""><td>(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business Sales (YoY)  IS Business CS Business GE Business Sales (Composition)  IS Business CS Business Sales (Composition)</td><td>Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4% 1.9% 60.9% 100.0%</td><td>Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0</td><td>Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (3.0%) 23.0% 6.0% 1.4% 69.5% 100.0%</td><td>Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5</td><td>Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%  (91) (16) (3)</td><td>Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5% 1.2% 72.1% 100.0%</td><td>Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%</td><td>Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 2.5% 71.9% 100.0% 40 (24) 5</td><td>Net Chg. +438 (219) +15 +1,756 +1,990</td></t<>	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business Sales (YoY)  IS Business CS Business GE Business Sales (Composition)  IS Business CS Business Sales (Composition)	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 29.8% 7.4% 1.9% 60.9% 100.0%	Q2 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (3.0%) 23.0% 6.0% 1.4% 69.5% 100.0%	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%  (91) (16) (3)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) (3.4%) 23.1% 3.5% 1.2% 72.1% 100.0%	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 2.5% 71.9% 100.0% 40 (24) 5	Net Chg. +438 (219) +15 +1,756 +1,990
Operating Profit         192         278         0         (84)         (230)         (115)         (188)         (109)         (24)           IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4%           CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%         0.5%         7.0%         7.4%         (2.8%)         (6.0%)         (0.8%)         3.3%         (4.1%)           EMS Business         4.0%         2.6%         (0.1%)         (1.3%)         (1.7%)         (1.9%)         (3.1%)         (1.7%)         (0.3%)           Elimination         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business Sales (YoY)  IS Business CS Business GE Business CS Business CS Business CS Business GE Business EMS Business EMS Business EMS Business Sales (Composition)  IS Business CS Business GE Business GE Business GE Business GE Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 7.4% 1.9% 60.9% 100.0% (27) 15 3	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (3.0%) 23.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0% (91) (16) (3) (119)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0% 8 (8) (152)	Q3 03/2014 2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0% 41 (15) (1) (216)	Q4 03/2014 2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 2.5% 1.5% 71.9% 100.0% 40 (24) 5 (133)	Net Chg. +438 (219) +15 +1,756 +1,990
IS Business         (1.1%)         1.2%         (2.6%)         (0.8%)         (4.0%)         1.5%         1.6%         1.5%         +2.4%           CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%         0.5%         7.0%         7.4%         (2.8%)         (6.0%)         (0.8%)         3.3%         (4.1%)           EMS Business         4.0%         2.6%         (0.1%)         (1.3%)         (1.7%)         (1.9%)         (3.1%)         (1.7%)         (0.3%)           Elimination         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%         0.0%	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business EMS Business Sales (YoY)  IS Business CS Business CS Business CS Business GE Business GE Business GE Business EMS Business GE Business GE Business GE Business CS Business CS Business CS Business Operating Profit (Before Elimination)	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 7.4% 1.9% 60.9% 100.0% (27) 15 3	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (3.0%) 23.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0% (91) (16) (3) (119)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0% 8 (8) (152)	Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%  41 (15) (1) (216) (190)	Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0%  24.0% 2.5% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112)	Net Chg. +438 (219) +15 +1,756 +1,990
CS Business         2.6%         6.2%         9.1%         1.1%         (4.1%)         2.1%         (4.6%)         (8.8%)         (10.0%)           GE Business         1.9%         0.5%         7.0%         7.4%         (2.8%)         (6.0%)         (0.8%)         3.3%         (4.1%)           EMS Business         4.0%         2.6%         (0.1%)         (1.3%)         (1.7%)         (1.9%)         (3.1%)         (1.7%)         (0.3%)           Elimination         0.0%	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business EMS Business Sales (YoY)  IS Business CS Business GE Business CS Business GE Business GE Business GE Business EMS Business Sales (Composition)  IS Business CS Business CS Business GE Business Operating Profit (Before Elimination) Elimination	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 7.4% 1.9% 60.9% 100.0% (27) 15 3 200 192	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207 278	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 23.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5) 0	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0% (91) (16) (3) (119) (230)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0% 37 8 (8) (152) (115)	Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%  41 (15) (1) (216) (190)	Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112) 2	Net Chg. +438 (219) +15 +1,756 +1,990
GE Business       1.9%       0.5%       7.0%       7.4%       (2.8%)       (6.0%)       (0.8%)       3.3%       (4.1%)         EMS Business       4.0%       2.6%       (0.1%)       (1.3%)       (1.7%)       (1.9%)       (3.1%)       (1.7%)       (0.3%)         Elimination       0.0%	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business EMS Business Sales (YoY)  IS Business CS Business GE Business Sales (Composition) IS Business Sales (Composition) IS Business CS Business OB Business CS Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 7.4% 60.9% 100.0% (27) 15 3 200 192	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207 278	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 23.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5) 0	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0% (91) (16) (3) (119) (230)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0% 37 8 (8) (152) (115)	Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 1.4% 69.1% 100.0% 41 (15) (1) (216) (190) 1 (188)	Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0%  24.0% 2.5% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112) 2 (109)	Net Chg. +438 (219) +15 +1,756 +1,990
EMS Business       4.0%       2.6%       (0.1%)       (1.3%)       (1.7%)       (1.9%)       (3.1%)       (1.7%)       (0.3%)         Elimination       0.0% <td>(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business EMS Business Sales (YoY)  IS Business GE Business GE Business CS Business GE Business GE Business GE Business GE Business GE Business EMS Business GE Business Sales (Composition)  IS Business GE Business EMS Business Operating Profit (Before Elimination) Elimination Operating Profit</td> <td>Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 7.4% 60.9% 100.0% (27) 15 3 200 192 -192 (1.1%)</td> <td>02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207 278 </td> <td>Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 6.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5) 0 - 0 (2.6%)</td> <td>Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5 11 (83) (85) </td> <td>Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0% (91) (16) (3) (119) (230) (230)</td> <td>Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0% 37 8 (8) (152) (115) - (115)</td> <td>Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%  41 (15) (1) (216) (190) 1 (188) 1.6%</td> <td>Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0%  24.0% 25% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112) 2 (109) 1.5%</td> <td>Net Chg. +438 (219) +15 +1,756 +1,990</td>	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business EMS Business Sales (YoY)  IS Business GE Business GE Business CS Business GE Business GE Business GE Business GE Business GE Business EMS Business GE Business Sales (Composition)  IS Business GE Business EMS Business Operating Profit (Before Elimination) Elimination Operating Profit	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% +52.8% 7.4% 60.9% 100.0% (27) 15 3 200 192 -192 (1.1%)	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207 278 	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 6.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5) 0 - 0 (2.6%)	Q4 03/2013 2,217 501 149 6,190 9,059 (11.3%) (24.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0% (18) 5 11 (83) (85) 	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0% (91) (16) (3) (119) (230) (230)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0% 37 8 (8) (152) (115) - (115)	Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%  41 (15) (1) (216) (190) 1 (188) 1.6%	Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0%  24.0% 25% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112) 2 (109) 1.5%	Net Chg. +438 (219) +15 +1,756 +1,990
Elimination 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% +0.0%	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business EMS Business Sales (YoY)  IS Business CS Business GE Business GE Business GE Business GE Business GE Business GE Business EMS Business Sales (Composition)  IS Business CS Business GE Business GE Business GE Business GE Business GE Business GE Business CS Business CS Business CS Business Operating Profit (Before Elimination) Elimination Operating Profit IS Business CS Business	Q1 03/2013 2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% -52.8% 7.4% 60.9% 100.0% (27) 15 3 200 192 -192 (1.1%) 2.6%	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207 278 	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 6.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5) 0 (2.6%) 9.1%	Q4 03/2013  2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0%  (18) 5 11 (83) (85) - (84) (0.8%) 1.1%	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%  (91) (16) (3) (119) (230) (230) (4.0%) (4.1%)	Q2 03/2014 2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0% 37 8 (8) (152) (115) - (115) 1.5% 2.1%	Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%  41 (15) (1) (216) (190) 1 (188) 1.6% (4.6%)	Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112) 2 (109) 1.5% (8.8%)	Net Chg.  +438 (219) +15 +1,756 +1,990
	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business EMS Business Sales (YoY)  IS Business CS Business GE Business GE Business GE Business GE Business GE Business GE Business EMS Business Operatiness GE Business GE Business GE Business CS Business GE Business CS Business GE Business CS Business CS Business GE Business Operating Profit IS Business CS Business CS Business CS Business CS Business CS Business CS Business	Q1 03/2013  2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% -52.8% 7.4% 60.9% 100.0% (27) 15 3 200 192 -192 (1.1%) 2.6% 1.9%	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% +99.0% 22.2% 5.8% 1.4% 70.6% 100.0% 29 40 0 207 278 	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 6.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5) 0 (2.6%) 9.1% 7.0%	Q4 03/2013  2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) (10.6%) 24.5% 5.5% 1.7% 68.3% 100.0%  (18) 5 11 (83) (85) (84) (0.8%) 1.1% 7.4%	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%  (91) (16) (3) (119) (230) (4.0%) (4.1%) (2.8%)	Q2 03/2014  2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0%  37 8 (8) (152) (115) - (115) - 1.5% 2.1% (6.0%)	Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%  41 (15) (1) (216) (190) 1 (188) 1.6% (4.6%) (0.8%)	Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 24.0% 2.5% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112) 2 (109) 1.5% (8.8%) 3.3%	Net Chg.  +438 (219) +15 +1,756 +1,990
	(Million Yen)  IS Business CS Business GE Business EMS Business Sales  IS Business CS Business GE Business GE Business Sales (YoY)  IS Business CS Business GE Business GE Business CS Business GE Business GE Business GE Business EMS Business Operatiness GE Business EMS Business CS Business Operating Profit IS Business CS Business	Q1 03/2013  2,432 606 156 4,977 8,172 +21.1% (11.5%) +0.7% +99.3% -52.8% 7.4% 60.9% 100.0% (27) 15 3 200 192 -192 (1.1%) 2.6% 1.9% 4.0%	02 03/2013 2,504 651 157 7,952 11,265 +4.4% (19.1%) +2.8% +245.4% 1.4% 70.6% 100.0% 29 40 0 207 278 	Q3 03/2013 2,384 626 148 7,213 10,372 (2.4%) (16.3%) (4.9%) (1.9%) 6.0% 6.0% 1.4% 69.5% 100.0% (61) 56 10 (5) 0 (2.6%) 9.1% 7.0% (0.1%)	Q4 03/2013  2,217 501 149 6,190 9,059 (11.3%) (24.4%) (8.4%) (9.0%) 24.5% 5.5% 1.7% 68.3% 100.0%  (18) 5 11 (83) (85) - (84) (0.8%) 1.1% 7.4% (1.3%)	Q1 03/2014  2,304 392 128 7,115 9,941 (5.2%) (35.3%) (17.5%) +43.0% +21.7% 23.2% 3.9% 1.3% 71.6% 100.0%  (91) (16) (3) (119) (230) (4.0%) (4.1%) (2.8%) (1.7%)	Q2 03/2014  2,514 385 133 7,847 10,881 +0.4% (40.9%) (15.2%) (1.3%) 23.1% 3.5% 1.2% 72.1% 100.0%  37 8 (8) (152) (115) - (115) 1.5% 2.1% (6.0%) (1.9%)	Q3 03/2014  2,631 329 143 6,927 10,032 +10.3% (47.4%) (3.2%) (4.0%) (3.3%) 26.2% 3.3% 1.4% 69.1% 100.0%  41 (15) (1) (216) (190) 1 (188) 1.6% (4.6%) (0.8%) (3.1%)	Q4 03/2014  2,655 281 165 7,947 11,050 +19.8% (43.9%) +10.7% +28.4% +22.0% 2.5% 1.5% 71.9% 100.0%  40 (24) 5 (133) (112) 2 (109) 1.5% (8.8%) 3.3% (1.7%)	Net Chg.  +438 (219) +15 +1,756 +1,990

### **Balance Sheet (Quarterly)**

Balance Sheet	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons. Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2013	03/2013	03/2013	03/2013	03/2014	03/2014	03/2014	03/2014	Net Chg.
Cash & Deposit	3,915	4,255	3,710	3,635	3,986	3,703	3,656	3,209	(426)
Accounts Receivables	6,192	6,868	6,285	6,332	6,516	6,680	5,955	6,912	+580
Inventory	2,426	2,246	2,288	2,729	2,983	2,913	2,565	3,035	+305
Other	881	393	488	631	639	523	549	551	(79)
Current Assets	13,416	13,764	12,773	13,328	14,126	13,821	12,727	13,708	+379
Tangible Assets	4,012	3,908	3,923	4,203	4,179	4,219	4,387	4,292	+88
Intangible Assets	462	463	451	448	444	437	432	406	(42)
LT Investment Securities etc.	1,434	1,206	1,060	1,080	1,060	1,092	1,159	1,055	(25)
Fixed Assets	5,909	5,578	5,435	5,732	5,684	5,748	5,979	5,753	+20
Total Assets	19,325	19,342	18,208	19,061	19,810	19,570	18,707	19,462	+400
Accounts Payable	3,464	3,820	3,107	3,571	3,676	3,744	2,910	3,934	+363
Short Term Debt	4,669	4,761	4,895	4,264	4,868	4,988	6,021	5,981	+1,716
Corporate Bond (Less than 1 year)	100	100	100	100	100	50	50	-	(100)
Other	2,475	2,502	2,310	2,213	2,361	2,058	2,121	2,077	(135)
Current Liabilities	10,709	11,184	10,413	10,149	11,006	10,841	11,102	11,994	+1,844
Corporate Bond	100	50	50	-	-	-	-	-	-
Long Term Debt	1,552	1,250	905	1,701	1,542	1,419	1,395	1,345	(355)
Other	727	713	706	686	691	703	713	738	+52
Fixed Liabilities	2,379	2,013	1,661	2,387	2,234	2,123	2,109	2,084	(303)
Total Liabilities	13,089	13,197	12,074	12,537	13,240	12,964	13,212	14,078	+1,540
Shareholders' Equity	3,596	3,689	3,648	3,724	3,476	3,435	4,482	4,280	+556
Other	2,639	2,454	2,484	2,799	3,093	3,170	1,013	1,103	(1,695)
Total Assets	6,236	6,144	6,133	6,523	6,569	6,605	5,495	5,384	(1,139)
Total Liabilities & net Assets	19,325	19,342	18,208	19,061	19,810	19,570	18,707	19,462	+400
Equity Capital	3,543	3,473	3,476	3,756	3,695	3,717	4,699	4,619	+863
Interest Bearing Debt	6,421	6,161	5,951	6,066	6,511	6,458	7,466	7,327	+1,260
Net Debt	2,506	1,905	2,240	2,430	2,524	2,754	3,810	4,117	+1,687
Equity Capital Ratio	18.3%	18.0%	19.1%	19.7%	18.7%	19.0%	25.1%	23.7%	+4.0%
Net-Debt-Equity Ratio	69.7%	51.6%	61.4%	65.2%	72.6%	80.2%	85.0%	96.2%	+30.9%
ROE	12.4%	11.8%	6.2%	6.6%	(16.7%)	(10.5%)	26.8%	15.5%	+8.9%
ROA	5.1%	4.8%	3.0%	3.0%	(0.6%)	(0.7%)	(1.6%)	(0.9%)	(3.9%)
Days for Inventory Turnover	32	21	22	30	30	27	26	28	-
Inventory Turnover	11.4	17.6	16.3	12.0	12.2	13.6	14.2	13.2	-
Quick Ratio	94%	99%	96%	98%	95%	96%	87%	84%	-
Current Ratio	125%	123%	123%	131%	128%	127%	115%	114%	-

Source: Company Data, WRJ Calculation

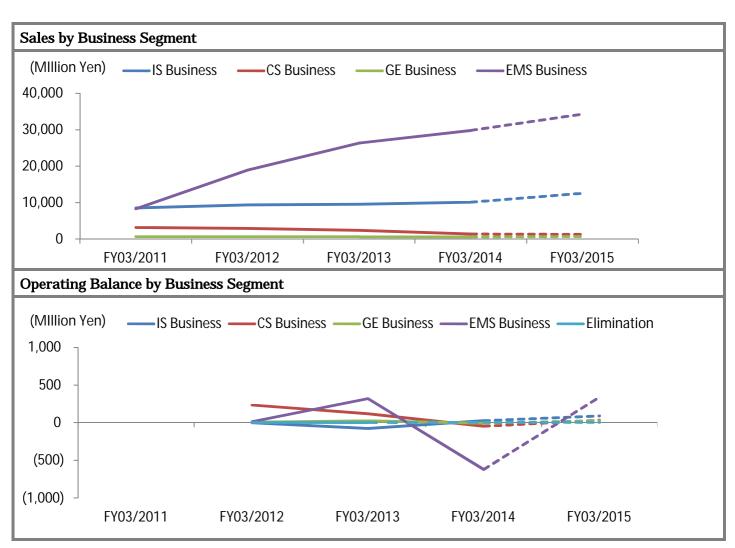
## **Cash flow Statement (Cumulative)**

Cash Flow Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons. Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2013	03/2013	03/2013	03/2013	03/2014	03/2014	03/2014	03/2014	Net Chg.
Operating Cash Flow	na	230	na	145	na	(317)	na	(464)	(610)
Investing Cash Flow	na	88	na	(222)	na	(194)	na	(1,347)	(1,125)
Operating CF + Investment CF	na	319	na	(77)	na	(512)	na	(1,812)	(1,735)
Financing Cash Flow	na	(227)	na	(382)	na	281	na	1,020	+1,402

#### FY03/2015 Company Forecasts

In FY03/2015, Company forecasts are going for prospective sales \$48,800m (up 16.5% YoY), operating profit \$490m (versus operating loss \$643m in the previous year), recurring profit \$510m (recurring loss \$175m) and net profit \$320m (down 50.7%). Meanwhile, prospective dividend per share is set at \$3.0, unchanged from that of FY03/2014, implying payout ratio 9.6%.

In regards to EMS Business, sales ¥29,838m to ¥34,280m through FY03/2014 to FY03/2015 are expected, while sales ¥12,067m to ¥14,520m for human resources business. In terms of operating balance, Company forecasts are respectively going for operating loss ¥621m to operating profit ¥340m and operating loss ¥27m to operating profit ¥150m. Thus, more than 80% of improvements at the operating level are to come from EMS Business. In regards to human resources business, comprising IS Business (domestic and overseas), CS Business and GE Business, Company forecasts are going for improvements in operating balance, across the board.

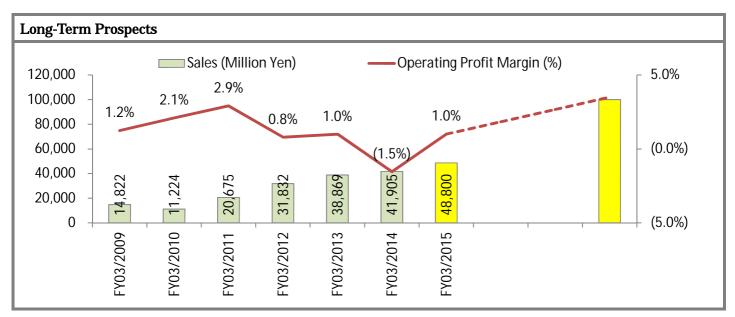


Prospective sales of EMS Business are to rise 14.9% over the year, while operating balance improving as much as \$961m. Through FY03/2014 to FY03/2015, operating balance by region is to be as follows: operating loss \$451m to operating loss \$100m in Japan, operating loss \$391m to operating profit \$327m to operating profit \$386m in Malaysia. When changes of elimination \$106m to negative \$2m are added to all those above-stated figures, they account for changes of overall operating balance in this business segment.

In Japan and China, major contributions come from acquisition of businesses from Hitachi Group, making net increases of sales for operations of both. On top of this, non-reappearance of one-off negative factors, collectively equating to ¥320m in FY03/2014, will have direct impacts to make improvements in operating balance as much as this. In Malaysia, ongoing increases of volume are to further drive operating profit upwards.

#### **Long-Term Prospects**

The Company is going for ongoing increases in sales, combined with chronologically improving operating profit margin, in a long-term view. While it is considered to increase exposure to operations in South East Asian countries or "one" of "China plus one", the Company suggests that there are great opportunities for human resources business in China to massively expand in a long-term view. For example, the Company is going for substantial increases in the number of headcounts enrolled for IS Business in China, up to 2,906 as of the end of FY03/2015 versus 1,168 as of the end of FY03/2014.



Source: Company Data, WRJ Calculation

Most recently, the Company is on the verge of benefiting from acquisition of businesses from major domestic manufacturers, stemming from their implementations of strategy to reorganize contents of their own operations. This will be a major driving force for prospective earnings with the Company over the long-term.

On 2 July 2013, it was revealed that TKR Corporation, one of the Company's consolidated subsidiaries, was going to succeed a part of businesses with a sub-subsidiary of Hitachi, Ltd. In FY03/2015, this deal is to start contributing to the Company's business performance on a full-fledged basis. After it was disclosed that TKR

Corporation was going to succeed a part of businesses with Hitachi Media Electronics Co., Ltd. (capital ¥50m, 100% owned by Hitachi Consumer Electronics Co., Ltd.) which is a sub-subsidiary of Hitachi, Ltd., this deal to succeed was signed up, on 1 July 2013, and then the Company acquired the said operations, on 1 October 2013.

The said operations to have been acquired comprise Power Supply Business, Transformer Business, In-Car Tuner Business and Video Board Business by category. All those businesses refer to those incorporating the key technologies in the field of digital consumer electronics, while the Company succeeded knowhow on developments, designing and manufacturing (assembling) for boards (modules) and units to be adopted in diverse final products in here. In line with the signing up for the deal, the Company also acquired Mizusawa Factory (located in Ohshu-city, Iwate-prefecture; ground area 36,000 square meters and building area 24,700 square meters) and its production facilities, etc. owned by Hitachi Media Electronics Co., Ltd.

Meanwhile, on 27 March 2014, the Company made an IR disclosure to notify that the Company entered into basic agreement to acquire General Power Supply Business from Panasonic Corporation. That is to say, in board of directors' meeting, held on the same day, has the Company decided to sign up basic agreement to acquire Panasonic Corporation's General Power Supply Business to develop, manufacture and sell power supply and power-supply-related components, i.e., high-voltage power supply, low-voltage power supply, magnet roll, transformer, etc. but for those of in-car-related by application. More recently, it was revealed that the deal to do so was signed up on 26 June 2014.

The Company started up its involvements with power supply domain in line with acquisition of businesses from Hitachi Group and the above-stated deal is to further deepen the involvements with power supply domain for the Company. To date, the Company has set it as the key technology domain.

The Company suggests that the domestic market for power supply equates to some ¥384,000m pa (CY2011) in amounts, out of which some 6.0% is accounted for by Panasonic Corporation. We have an impression that more than half of trading over here is related to in-car application, while the acquisition this time to trading other than that. Meanwhile, by product, Panasonic Corporation appears to being exposed some 20% to high-voltage power supply that has relatively high opportunities to create value in its business operations. In regards to high-voltage power supply, mainly applied in copiers, medical equipment, etc., Panasonic Corporation is estimated to account for some 40% of the domestic market as the market leader. It is true, generally speaking, that almost all the players in the market for power supply and its peripherals have difficulties to differentiate among themselves, but the Company is getting at the pursuit of earnings by means of focusing on high-voltage power supply in the future developments of business to be acquired

Panasonic Corporation has been developing and designing products for General Power Supply Business to be acquired this time in Matsuzaka-city, Mie-prefecture. One of the reasons why the business was making loss was that operations over here had excess headcounts. To date, however, the number of headcounts has roughly halved and the operations are making money most recently, were it not for loss associated with bad inventory write-off, etc. On top of this, the Company is to acquire operations of the businesses in Hong Kong and China, collectively having seen sales  $\S15,473\text{m}$  in FY03/2014, according to the Company.

## 4.0 Business Model

#### "neo EMS", the Business Concept

The Company advocates that it is to "develop unprecedented and innovated solutions for "Monozukuri" (or manufacturing) on a global basis". As a concrete vision, does the Company mention "neo-EMS (advanced EMS)" which is the Company's business concept. While holding "Monozukuri knowhow on designing to assembly" and "capability to flexibly supply human resources through human resources business" at a time, the Company provides the best solutions for "Monozukuri, demanded by Japanese manufacturers" based on above-stated expertise. Even going forward, the Company is to remain being exposed to businesses for Japanese major manufacturers only, according to the Company.

#### Image Pictures (Inside of Oversea EMS Factory)





Source: Company Data

In terms of sales by customer category in FY03/2014, electrical-&-electronics-related accounted for more than 80% of total, comprising electrical machine 71%, electronic components & devices 6%, precision machinery 2% and telecom equipment 2%. On top of those customer categories, the Company was exposed to rubber, plastic and chemicals 7% as well as to other customer categories collectively 12%. Meanwhile, the contents of businesses with top 10 customers, having accounted for collective 48% of sales with the Company, suggest that major final products for the Company include control units for air-conditioners, MFPs (multifunctional printers), mobile phones and MFPs for home use. On top of all those ones, it is presumed that the Company was involved with diverse final products, including toner cartridges for MFPs, built-in antenna for mobile phones, optical disk drives, car navigations, in-car seats, etc.

#### Disclaimer

Information here is a summary of "IR Information" of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. "IR Information" of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage etc.

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