S.T.CORPORATION

Creating Corporate Value Report 2015

Financial Section

Year ended March 31, 2015

Refreshing the Air

Management's Discussion and Analysis

Group Outline

The S.T. CORPORATION Group is composed of S.T. CORPORATION, six consolidated subsidiaries, three equity method affiliated companies and other affiliated companies.

Sales Overview

In the fiscal year ended March 31, 2015, the Japanese economy was in moderate recovery including recovery in corporate performance due to government economic policies and monetary easing by the Bank of Japan. At the same time, our economic concerns remained with the sluggish recovery of consumer spending after the consumption tax hike and increased raw materials prices resulting from a rapid depreciation of the yen. While the global economy, led by the U.S., is gradually recovering, there are still uncertain factors, such as the future of the economies of China and other developing countries.

Within these circumstances, the S.T. CORPORATION Group followed our basic policies; narrowing down and concentrating on targets, developing unprecedented products, and managing businesses swiftly, and worked to create customers, establish a high-yielding system, and activate our organization. We also continued to develop the "S.T. Reformation" program throughout our group companies.

As a result, although consolidated net sales were sluggish initially due to decreased sales of Air Care category after the consumption tax hike, other categories like the Cloth Care category and the Humidity Care category increased their sales, and net sales of the fiscal year increased 2.7% year on year, to ¥48,263 million. Regarding individual segments, in the Mothproofing and Hygiene-Related Products, sales in the Cloth Care category increased 0.8%, sales in the Hand Care category increased 16.9%, and sales in the Thermal Care category increased 1.4%. In the Household Environment-Related Products, sales in the Air Care category decreased 0.7%, sales in the Humidity Care increased 17.0%, and sales in the Home Care category increased 2.8%.

Cost of Sales, SG&A Expenses, and Operating Income

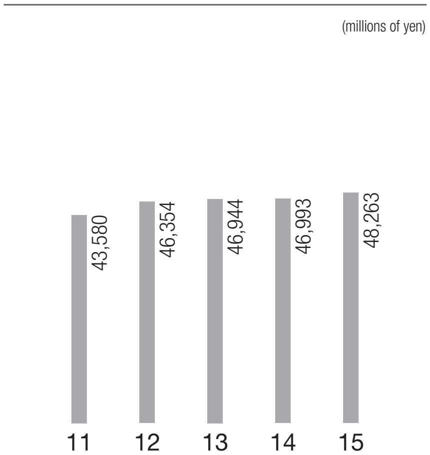
While raw materials costs rose, we continued to make efforts to lower manufacturing costs, and as a result the cost of sales increased 4.7% year on year, to ¥28,235 million. By making efficient marketing investments and cutting other costs, SG&A expenses increased 1.9% to ¥18,216 million. As a result, operating income decreased 14.9% to ¥1,813 million.

Other Income (Expenses), Pretax and Net Income

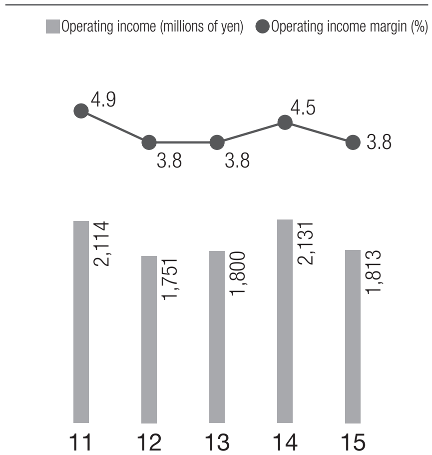
In other income and expenses, due to receipt of the insurance from the snow damage to the factories, decreased posting gain on sales of investment securities, and increased loss on retirement of non-current assets, income before income taxes and minority interests decreased 6.2% to ¥1,536 million and net income decreased 27.7% to ¥892 million.

Accordingly, net income per share decreased to ¥40.83 (¥56.74 for the previous fiscal year.) The net income margin decreased from 2.6% to 1.8%, and return on equity (ROE) decreased from 6.1% to 4.2%.

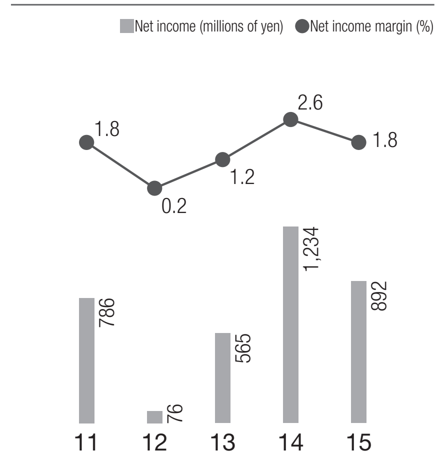
Net sales



Operating income /
Operating income margin



Net income /
Net income margin



Financial Position

Total assets as of March 31, 2015 stood at ¥33,785 million, up ¥1,415 million from the end of the previous year. Total current assets increased by ¥1,265 million, to ¥20,221 million, due to an increase in cash and deposits. On the other hand, non-current assets increased by ¥149 million, to ¥13,564 million, due to an increase in investment securities.

Total liabilities decreased by ¥99 million, to ¥11,185 million, from the end of the previous year, largely due to an increase in notes payables and trade payables. On the other hand, total net assets increased by ¥1,514 million, to ¥22,600 million from the end of the previous year, primarily due to an increase in retained earnings.

As a result of the above, total net assets per share increased from ¥936.06 at the end of the previous fiscal year to ¥1,001.84. Equity ratio is as high as 64.8%, near the same level as 63.2% of the previous fiscal year, and we continued to maintain a sound financial position.

Capital Expenditures and Depreciation and Amortization

Capital expenditures of this fiscal year increased from the previous fiscal year's ¥942 million to ¥1,486 million. Depreciation and amortization decreased from ¥894 million of the previous fiscal year to ¥844 million.

Cash Flows

Net cash provided by operating activities was ¥2,137 million, a year on year increase of ¥27 million. This was primarily due to a decrease in inventory. On the other hand, net cash used in investing activities was ¥1,768 million. (In the same period of the previous fiscal year, net cash provided by investing activities was ¥514 million.) This was primarily due to increased time deposits. Net cash used in financing activities was ¥614 million, a year on year increase of ¥148 million, primarily due to payment of dividends to shareholders.

As a result, cash and cash equivalents at the end of the year stood at ¥6,585 million, a year on year decrease of ¥143 million.

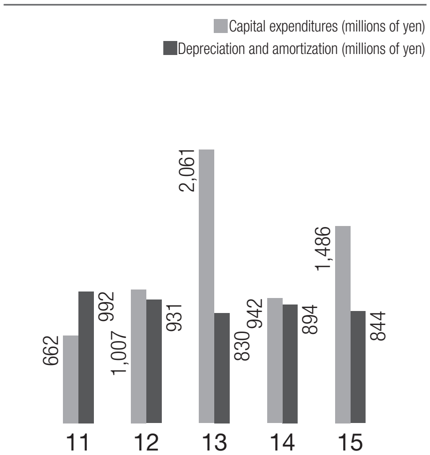
Dividends and Return to Shareholders

Taking into consideration such factors as net income and the need to realize shareholder returns, we decided to distribute a term-end dividend of ¥11.0 (¥22.0 for the full year, including the interim dividend), on a par with the previous fiscal year, making for a consolidated payout ratio of 53.9%. The company will continue to place importance on returns to shareholders.

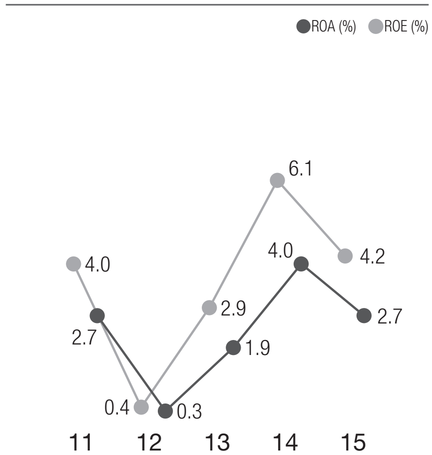
Business and Operational Risks

Factors that could possibly impact the Group's operating results, financial position or stock prices include the following: (1) an escalation in raw materials prices; (2) the impact on manufacturing operations from natural disasters and changes in international political or other conditions; (3) sales fluctuations due to unseasonal weather; (4) and the failure of initiatives to raise new businesses. Forward-looking statements in this annual report are based on certain assumptions made by the Group as of the end of this fiscal year.

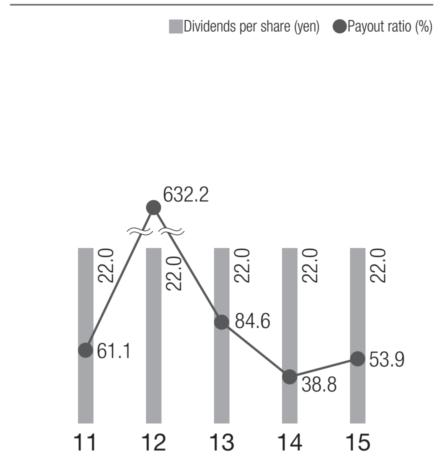
Capital expenditures / Depreciation and amortization



ROA / ROE



Dividends per share / Payout ratio



Consolidated Balance Sheets

S.T.CORPORATION and consolidated subsidiaries
March 31, 2015 and 2014

	millions of yen		thousands of U.S. dollars (Note 2)
Assets	**2015**	2014	**2015**
Current assets:			
Cash and time deposits (Notes 6, 10 and 16)	¥ 7,629	¥ 6,765	$ 63,429
Marketable securities (Notes 6 and 8)	109	—	908
Trade notes and accounts receivable (Note 6)	5,867	5,150	48,783
Merchandise and finished goods	4,866	5,086	40,458
Work in process	269	219	2,237
Raw materials and supplies	638	648	5,305
Deferred tax assets (Note 11)	371	386	3,083
Other current assets	478	717	3,974
Less - allowance for doubtful accounts	(5)	(16)	(42)
Total current assets	20,221	18,956	168,134
Property, plant and equipment, at cost:			
Land (Note 9)	3,189	3,289	26,515
Buildings and structures	6,659	6,702	55,368
Machinery, equipment and vehicles	6,509	7,628	54,117
Tools, furniture and fixtures	3,871	3,557	32,184
Construction in progress	375	14	3,116
Leased assets (Note 17)	794	381	6,598
Less - accumulated depreciation	(13,286)	(14,016)	(110,470)
Property, plant and equipment, net	8,110	7,555	67,428
Intangible assets, net of accumulated amortization	219	192	1,824
Total intangible assets	219	192	1,824
Investments and other assets:			
Investments in non-consolidated subsidiaries and affiliates	469	751	3,902
Investment securities (Notes 6 and 8)	3,757	3,008	31,238
Long-term loans	31	38	254
Deferred tax assets other than unrealized revaluation loss on land (Note 11)	4	412	35
Other assets	974	1,458	8,095
Total investments and other assets	5,235	5,667	43,525
Total assets	¥ 33,785	¥ 32,370	$ 280,910

Liabilities and net assets	millions of yen 2015	millions of yen 2014	thousands of U.S. dollars (Note 2) 2015
Current liabilities:			
Trade payables (Note 6)	¥ 1,974	¥ 2,050	$ 16,413
Electronically recorded obligations-operating	2,922	3,384	24,292
Short-term loans payable	62	38	519
Lease obligations	138	75	1,149
Other payables (Note 6)	2,384	2,316	19,825
Accrued expenses	614	590	5,105
Electronically recorded obligations-non-operating	89	43	738
Income taxes payable	315	196	2,619
Consumption taxes payable	267	88	2,221
Allowance for sales returns	158	117	1,317
Other current liabilities	85	67	705
Total current liabilities	9,008	8,966	74,901
Long-term liabilities:			
Lease obligations	559	275	4,644
Directors' retirement and severance benefits	122	156	1,015
Net defined benefit liability (Notes 1, 4 and 12)	1,190	1,565	9,895
Deferred tax liabilities (Note 11)	34	—	284
Deferred tax liabilities - unrealized revaluation profit on land (Note 9)	271	321	2,250
Other liabilities-not current liabilities	1	1	8
Total long-term liabilities	2,176	2,318	18,095
Net assets (Note 13):			
Shareholders' equity:			
Common stock:			
Authorized - 96,817,000 shares in 2015 and 2014			
Issued and outstanding - 23,000,000 shares in 2015 and 2014	7,066	7,066	58,747
Capital surplus	7,068	7,068	58,766
Retained earnings	9,394	8,837	78,109
Treasury stock, at cost	(1,654)	(1,652)	(13,750)
Total shareholders' equity	21,874	21,319	181,872
Accumulated other comprehensive income (loss):			
Unrealized holding gain on other securities, net of taxes	743	145	6,181
Unrealized revaluation loss on land, net of taxes (Note 9)	(546)	(524)	(4,537)
Translation adjustments	(202)	(335)	(1,679)
Remeasurements of defined benefit plans	21	(149)	176
Total accumulated other comprehensive income (loss)	17	(864)	141
Subscription rights	81	95	671
Minority interests in consolidated subsidiaries	629	536	5,229
Total net assets	22,600	21,087	187,913
Total liabilities and net assets	¥ 33,785	¥ 32,370	$ 280,910

See notes to consolidated financial statements.

Consolidated Statements of Income

S.T.CORPORATION and consolidated subsidiaries
For the years ended March 31, 2015 and 2014

	millions of yen		thousands of U.S. dollars (Note 2)
	2015	2014	**2015**
Net sales	**¥ 48,263**	¥ 46,993	**$ 401,293**
Cost of sales (Notes 15 and 20)	**28,194**	26,970	**234,421**
Gross profit before reversal of allowance for sales returns	**20,070**	20,023	**166,872**
Reversal of allowance for sales returns	**(42)**	(11)	**(345)**
Gross profit	**20,028**	20,013	**166,527**
Selling, general and administrative expenses (Note 15)	**18,216**	17,881	**151,455**
Operating income	**1,813**	2,131	**15,072**
Non-operating income (expenses):			
Interest and dividends received	**79**	49	**657**
Interest expense	**(2)**	(1)	**(14)**
Purchase discounts	**171**	172	**1,426**
Sales discounts	**(863)**	(857)	**(7,178)**
Loss on equity of affiliates	**(90)**	(110)	**(744)**
Insurance income	**154**	0	**1,284**
Other, net	**335**	113	**2,782**
Total non-operating income (expenses)	**(215)**	(634)	**(1,787)**
Ordinary income	**1,598**	1,497	**13,285**
Special gains (losses), net:			
Loss on disposition of property, plant and equipment, net	**(111)**	(25)	**(920)**
Gain on reversal of subscription rights to shares	**29**	25	**241**
Loss on valuation of investment securities	**(10)**	(5)	**(83)**
Gain (loss) on sales of investment securities, net	**(0)**	265	**(1)**
Loss on sales of stocks of subsidiaries and affiliates	**—**	(29)	**—**
Loss on valuation of stocks of subsidiaries and affiliates	**—**	(31)	**—**
Gain on extinguishment of tie-in shares, net	**30**	—	**249**
Loss on disaster	**—**	(60)	**—**
Total special gains (losses), net	**(62)**	140	**(514)**
Income before income taxes and minority interests	**1,536**	1,637	**12,770**
Income taxes (Note 11):			
Current	**532**	370	**4,420**
Deferred	**25**	(6)	**209**
Total income taxes	**557**	364	**4,629**
Income before minority interests	**979**	1,273	**8,141**
Minority interests	**87**	39	**723**
Net income	**¥ 892**	¥ 1,234	**$ 7,418**

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

S.T.CORPORATION and consolidated subsidiaries
For the years ended March 31, 2015 and 2014

	millions of yen		thousands of U.S. dollars (Note 2)
	2015	2014	**2015**
Income before minority interests	**¥ 979**	¥ 1,273	**$ 8,141**
Other comprehensive income (loss) (Note 5)			
Unrealized holding gain (loss) on other securities, net of taxes	**598**	(399)	**4,974**
Unrealized revaluation loss on land, net of taxes	**25**	—	**211**
Translation adjustments	**166**	177	**1,384**
Remeasurements of defined benefit plans, net of tax	**170**	—	**1,416**
Other comprehensive income (loss) on equity method companies	**19**	(83)	**160**
Total other comprehensive income (loss)	**980**	(305)	**8,145**
Comprehensive income	**¥ 1,959**	¥ 969	**$ 16,287**
Total comprehensive income attributable to:			
Shareholders of S.T. CORPORATION	**1,820**	857	**15,129**
Minority interests in consolidated subsidiaries	**139**	112	**1,158**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

S.T.CORPORATION and consolidated subsidiaries
For the years ended March 31, 2015 and 2014

	Number of shares of common stock (Thousands)	millions of yen Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2014	23,000	¥ 7,066	¥ 7,068	¥ 8,837	¥ (1,652)	¥ 21,319
Cumulative effects of changes in accounting policies				¥ 94		¥ 94
Restated balance at April 1, 2014	23,000	¥ 7,066	¥ 7,068	¥ 8,931	¥ (1,652)	¥ 21,412
Cash dividends paid by distribution of retained earnings				(481)		(481)
Net income				892		892
Purchases of treasury stock					(2)	(2)
Change of scope of consolidation				5		5
Reversal of unrealized revaluation loss on land, net of taxes				47		47
Net changes in items other than those in shareholders' equity						
Balance at March 31, 2015	23,000	¥ 7,066	¥ 7,068	¥ 9,394	¥ (1,654)	¥ 21,874

	millions of yen Unrealized holding gain on other securities, net of taxes	Unrealized revaluation loss on land, net of taxes (Note 9)	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive loss	Subscription rights	Minority interests in consolidated subsidiaries	Total net assets
Balance at April 1, 2014	¥ 145	¥ (524)	¥ (335)	¥ (149)	¥ (864)	¥ 95	¥ 536	¥ 21,087
Cumulative effects of changes in accounting policies								¥ 94
Restated balance at April 1, 2014	¥ 145	¥ (524)	¥ (335)	¥ (149)	¥ (864)	¥ 95	¥ 536	¥ 21,180
Cash dividends paid by distribution of retained earnings								(481)
Net income								892
Purchases of treasury stock								(2)
Change of scope of consolidation								5
Reversal of unrealized revaluation loss on land, net of taxes								47
Net changes in items other than those in shareholders' equity	598	(21)	134	170	881	(14)	93	959
Balance at March 31, 2015	¥ 743	¥ (546)	¥ (202)	¥ 21	¥ 17	¥ 81	¥ 629	¥ 22,600

	Number of shares of common stock (Thousands)	millions of yen Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2013	23,000	¥ 7,066	¥ 7,068	¥ 7,662	¥ (1,787)	¥ 20,008
Cumulative effects of changes in accounting policies						
Restated balance at April 1, 2013	23,000	¥ 7,066	¥ 7,068	¥ 7,662	¥ (1,787)	¥ 20,008
Cash dividends paid by distribution of retained earnings				(478)		(478)
Net income				1,234		1,234
Purchases of treasury stock					(2)	(2)
Change of scope of consolidation				49		49
Change of scope of equity method				371	138	508
Net changes in items other than those in shareholders' equity						
Balance at March 31, 2014	23,000	¥ 7,066	¥ 7,068	¥ 8,837	¥ (1,652)	¥ 21,319

	millions of yen Unrealized holding gain on other securities, net of taxes	Unrealized revaluation loss on land, net of taxes (Note 9)	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive loss	Subscription rights	Minority interests in consolidated subsidiaries	Total net assets
Balance at April 1, 2013	¥ 648	¥ (524)	¥ (461)	—	¥ (337)	¥ 109	¥ 434	¥ 20,213
Cumulative effects of changes in accounting policies								
Restated balance at April 1, 2013	¥ 648	¥ (524)	¥ (461)	—	¥ (337)	¥ 109	¥ 434	¥ 20,213
Cash dividends paid by distribution of retained earnings								(478)
Net income								1,234
Purchases of treasury stock								(2)
Change of scope of consolidation								49
Change of scope of equity method								508
Net changes in items other than those in shareholders' equity	(503)	—	125	(149)	(527)	(13)	102	(438)
Balance at March 31, 2014	¥ 145	¥ (524)	¥ (335)	¥ (149)	¥ (864)	¥ 95	¥ 536	¥ 21,087

	Number of shares of common stock (Thousands)	thousands of U.S. dollars (Note 2) Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2014	23,000	$ 58,747	$ 58,766	$ 73,478	$ (13,733)	$ 177,258
Cumulative effects of changes in accounting policies				$ 778		$ 778
Restated balance at April 1, 2014	23,000	$ 58,747	$ 58,766	$ 74,256	$ (13,733)	$ 178,036
Cash dividends paid by distribution of retained earnings				(3,997)		(3,997)
Net income				7,418		7,418
Purchases of treasury stock					(17)	(17)
Change of scope of consolidation				42		42
Reversal of unrealized revaluation loss on land, net of taxes				390		390
Net changes in items other than those in shareholders' equity						
Balance at March 31, 2015	23,000	$ 58,747	$ 58,766	$ 78,109	$ (13,750)	$ 181,872

	thousands of U.S. dollars (Note 2) Unrealized holding gain on other securities, net of taxes	Unrealized revaluation loss on land, net of taxes (Note 9)	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive loss	Subscription rights	Minority interests in consolidated subsidiaries	Total net assets
Balance at April 1, 2014	$ 1,207	$ (4,358)	$ (2,789)	$ (1,240)	$ (7,180)	$ 791	$ 4,458	$ 175,327
Cumulative effects of changes in accounting policies								$ 778
Restated balance at April 1, 2014	$ 1,207	$ (4,358)	$ (2,789)	$ (1,240)	$ (7,180)	$ 791	$ 4,458	$ 176,104
Cash dividends paid by distribution of retained earnings								(3,997)
Net income								7,418
Purchases of treasury stock								(17)
Change of scope of consolidation								42
Reversal of unrealized revaluation loss on land, net of taxes								390
Net changes in items other than those in shareholders' equity	4,973	(179)	1,110	1,416	7,321	(120)	771	7,973
Balance at March 31, 2015	$ 6,181	$ (4,537)	$ (1,679)	$ 176	$ 141	$ 671	$ 5,229	$ 187,913

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

S.T.CORPORATION and consolidated subsidiaries
For the years ended March 31, 2015 and 2014

	millions of yen		thousands of U.S. dollars (Note 2)
	2015	2014	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,536	¥ 1,637	$ 12,771
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	844	894	7,019
Gain on reversal of subscription rights to shares	(29)	(25)	(241)
Gain on extinguishment of tie-in shares	(30)	—	(249)
Loss on sales of property, plant and equipment	111	25	920
Loss (gain) on sales and valuation of investment securities	10	(260)	84
Loss on sales of stocks of subsidiaries and affiliates	—	29	—
Loss on valuation of stocks of subsidiaries and affiliates	—	31	—
Increase (decrease) in allowance for doubtful receivables	(11)	1	(95)
Increase (decrease) in employees' retirement and severance benefits	—	(1,270)	—
Increase (decrease) in net defined benefit liability	(232)	1,565	(1,933)
Increase (decrease) in directors' retirement and severance benefits	(34)	18	(282)
Increase (decrease) in allowance for sales returns	42	11	345
Interest and dividends received	(79)	(49)	(657)
Insurance income	(154)	(0)	(1,284)
Interest expense	2	1	14
Foreign exchange loss (gain)	(235)	(58)	(1,955)
Loss on disaster	—	60	—
Equity in loss of affiliates	90	110	744
Changes in operating assets and liabilities:			
Receivables	(656)	(260)	(5,457)
Inventories	322	(669)	2,679
Payables and accrued expenses	(481)	519	(4,002)
Other, net	1,048	133	8,715
Subtotal	2,061	2,443	17,137
Interest and dividends received	89	101	740
Interest paid	(2)	(1)	(14)
Proceeds from insurance income	154	0	1,284
Payments for loss on disaster	(28)	(1)	(233)
Income taxes paid	(138)	(432)	(1,147)
Net cash provided by operating activities	2,137	2,110	17,768
Cash flows from investing activities:			
Payments into deposits (more than three months)	(1,005)	(0)	(8,353)
Proceeds from withdrawal of time deposits (more than three months)	—	220	—
Purchases of property, plant and equipment	(840)	(903)	(6,980)
Proceeds from sales of property, plant and equipment	123	2	1,021
Purchases of investment securities	(8)	(667)	(65)
Proceeds from sales of investment securities	3	465	24
Purchase of investments in subsidiaries	—	(36)	—
Proceeds from sales of stocks of subsidiaries and affiliates	—	1,509	—
Other investments, net	(42)	(76)	(346)
Net cash provided by investing activities	(1,768)	514	(14,699)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable	18	38	153
Proceeds from stock issuance to minority shareholders	—	47	—
Purchases of treasury stock	(2)	(2)	(17)
Payments of dividends	(481)	(478)	(3,997)
Payments of dividends to minority shareholders	(48)	(23)	(399)
Other finance, net	(101)	(48)	(841)
Net cash used in financing activities	(614)	(465)	(5,102)
Effect of exchange rate changes on cash and cash equivalents	32	74	267
Net increase (decrease) in cash and cash equivalents	(212)	2,233	(1,766)
Cash and cash equivalents at beginning of year	6,728	4,469	55,939
Increase in cash and cash equivalents from newly consolidated subsidiary	31	26	262
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	38	—	314
Cash and cash equivalents at end of year (Note 16)	¥ 6,585	¥ 6,728	$ 54,750

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

S.T.CORPORATION and Consolidated Subsidiaries
March 31, 2015

1 Summary of Significant Accounting Policies

(a) Basis of presentation
S.T. CORPORATION (the "Company") and its domestic subsidiaries maintain their books of account in conformity with accounting principles generally accepted in Japan, and its overseas subsidiaries maintain their books of account in conformity with those of their countries of domicile. Effective April 1, 2008, the Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18, issued by the ASBJ on May 17, 2006).

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of IFRS, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically for readers outside Japan. The notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information. Furthermore, certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

As permitted by Financial Instruments and Exchange Law, amounts of rounded off one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

(b) Scope of consolidation

(1) Number of consolidated subsidiaries:
6 companies

(2) Names of consolidated subsidiaries:
S.T. TRADING CO., LTD, S.T. BUSINESS SUPPORT CO., LTD, S.T. (THAILAND) CO., LTD, FAMILY GLOVE CO., LTD. (TAIWAN), S.T. KOREA CORPORATION (SOUTH KOREA), SHALDAN (THAILAND) CO., LTD

Due to increased significance, SHALDAN (THAILAND) CO., LTD has been included in the scope of consolidation.

S.T. AUTO CO., LTD has been excluded from the scope of consolidation due to a merger.

(3) Names of major non-consolidated subsidiaries:
JAPAN CORPORATION CO., LTD, JAPAN AROMA LABORATORY CO., LTD, S.T. GLOVE CO., LTD

Number of non-consolidated subsidiaries was reduced by 2 companies because ECOCO CO., LTD has been extinguished by a merger, and due to increased significance, SHALDAN (THAILAND) CO., LTD has been included in the scope of consolidation.

(Reasons for exclusion from scope of consolidation)
Non-consolidated subsidiaries have been excluded from the scope of consolidation because the total amounts of their total assets, net sales, net income or loss (amount equivalent to equity interests), retained earnings (amount equivalent to equity interests) and other figures are limited, and the effect on the consolidated financial statements as a whole is not significant.

(c) Scope of application of equity-method accounting

(1) Number of affiliated companies accounted for by the equity method:
3 companies

(2) Names of major companies:
SHALDAN (PHILIPPINES), INC, AEKYUNG S.T. CO., LTD, NS FAFA JAPAN CO., LTD

(3) Name of non-consolidated subsidiaries for which equity method is not applied
The non-consolidated subsidiaries to which the equity method does not apply (JAPAN CORPORATION CO., LTD, JAPAN AROMA LABORATORY CO., LTD, S.T. GLOVE CO., LTD) use the cost method rather than the equity method because the total amounts of their net income or loss (amount equivalent to equity interests), retained earnings (amount equivalent to equity interests) and other figures are limited, and the effect on the consolidated financial statements as a whole is not significant.

(d) Accounting period
The accounting period of the Company begins on April 1 and ends on March 31 of the following year. The four overseas subsidiaries have fiscal years ending on December 31. The necessary adjustments for significant transactions, if any, during the intervening period are made on consolidation.

(e) Translation of foreign currency transactions and financial statements
Monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date and the accounts of the overseas consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date. Foreign exchange gains and losses are credited or charged to income and translation adjustments are included in net assets.

(f) Marketable securities and investment securities
Other securities with determinable market value are carried at market value with any changes in unrealized holding gain or loss, net of the related deferred income tax assets or liabilities, included in net assets. Other securities without determinable market value are stated at cost determined by the moving-average method and the cost of other securities sold is computed based on the moving-average method. During the years ended March 31, 2015 and 2014, the Company and its consolidated subsidiaries did not have any trading securities.

(g) Inventories
Inventories are stated at the lower of cost or net selling value, cost being determined by the average method.

(h) Property, plant and equipment, except for leased assets, and depreciation
Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its domestic subsidiaries, except for buildings (excluding structures attached to the buildings) acquired on or after April 1, 1998, is computed by the declining-balance method in conformity with the Corporation Tax Law of Japan. Depreciation of property and equipment of overseas subsidiaries and buildings (excluding structures attached to the buildings) acquired on or after April 1, 1998 of the Company and domestic subsidiaries is computed by the straight-line method.

The estimated useful lives of the major depreciable assets are as follows:

Buildings and structures	3 to 50 years
Machinery, equipment and vehicles	2 to 17 years
Tools, furniture and fixtures	2 to 20 years

(i) Intangible assets
Intangible assets, except for leased assets, are amortized by the straight-line method. Cost of software purchased for internal use is amortized by the straight-line method over a period of mainly 5 years, the useful life applicable to commercially available software.

(j) Leases
Non-cancelable lease transactions that transfer substantially all the risks and rewards associated with the ownership of the leased assets are accounted for as finance leases. All other lease transactions are accounted for as operating leases and related payments are charged to income as incurred.

Depreciation is computed by the straight-line method over the respective lease terms assuming a nil residual value.

(k) Allowance for doubtful receivables
The allowance for doubtful receivables is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

(l) Allowance for sales returns
The allowance for sales returns is provided for losses on sales returns subsequent to the balance sheet date at an amount equivalent to that calculated based on the actual percentage of returns in prior years.

(m) Employees' retirement and severance benefits
(1) Method of attributing expected benefit payments to the period
In a calculation retirement benefit obligation, a method of attributing expected benefit payments to the period is based on the benefit formula.

(2) Method of expenses for actuarial gains/losses
Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over a period of a certain number of years (5 years) which is shorter than the average remaining years of service of the employees.

(3) Adoption of a simplified method in some consolidated subsidiaries
Some consolidated subsidiaries adopt the simplified method which assumes retirement benefit obligation to be equal to the benefits payable if all eligible employees voluntarily terminated their employment at fiscal year end for the calculation of net defined benefit liability and retirement benefit expenses.

(n) Directors' retirement and severance benefits
The Company has accrued directors' retirement and severance benefits at the amount which would be required to be paid if all directors resigned from their positions and left the Company as of the balance sheet date in accordance with its internal regulations.

(o) Consumption taxes
Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(p) Cash and cash equivalents
Cash and cash equivalents in the accompanying consolidated statements of cash flows consist of cash on hand, demand deposits and liquid short-term investments with a maturity of three months or less from their respective dates of acquisition.

2 Basis of Translation

The consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into U.S. dollars at ¥120.27 = U.S.$1.00, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market on March 31, 2015. This translation should not be construed as a representation that all amounts shown could have been, or could in the future be, converted into U.S. dollars at that or any other rate.

3 Changes in Presentation

(Consolidated Statements of Income)
"Insurance income" included in "Other non-operating income" in the previous fiscal year exceeds 10% of total non-operating income and is therefore presented separately from the current fiscal year. In order to reflect the change in presentation, the consolidated statement of income in the previous fiscal year has been reclassified.

As a result of this change, ¥113 million presented as "Other non-operating income" in the previous fiscal year is reclassified as ¥0 million for "Insurance income" and ¥113 million for "Other non-operating income," respectively.

(Consolidated Statements of Cash Flows)
"Insurance income" included in "Income before income taxes and minority interests" of net cash provided by operating activities in the previous fiscal year is presented separately due to the increase in the monetary significance. In order to reflect the change in presentation, "Proceeds from insurance income" beneath the subtotal of net cash provided by operating activities" is presented separately.

As a result of this change, ¥ (0) million of "Insurance income" and ¥0 million of "proceeds from insurance income" in the previous fiscal year are reclassified to reflect the change in presentation.

4 Change in Accounting Policies

The Company has adopted Section 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the main clause of Section 67 of "Guidance on Accountings Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015) effective from April 1, 2014 of the end of current fiscal year. As a result, the methods for calculating the retirement benefit obligation and service cost have been revised in the following respects: the method for attributing projected benefits to each period has been changed from the straight-line method to the benefit formula method, and the method for determining the discount rate has been changed to use a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.

The cumulative effect of changing the method for calculating the retirement benefit obligation and service cost was recognized by adjusting retained earnings at April 1, 2014, in accordance with the transitional treatment provided in Paragraph 37 of Accounting Standard for Retirement Benefits.

As a result, at the beginning of the year ended March 31, 2015, "liabilities for retirement benefits" decreased by ¥144 million (U.S.$1,197 thousand), and "retained earnings" increased by ¥94 million (U.S.$778 thousand). Also the effects on operating income, ordinary income and income before income taxes and minority interests for the year ended March 31, 2015 are minor.

In addition, the effects on per share information are minor.

5 Consolidated Statements of Comprehensive Income

The amount of recycling and amount of income tax effect associated with other comprehensive income for the years ended March 31, 2015 and 2014 were as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Unrealized holding gain (loss) on other securities, net of taxes			
Amount recognized in the year	¥ 864	¥ (354)	$ 7,181
Reclassification adjustments included in the statement of income	0	(260)	1
Before income tax effect adjustment	864	(613)	7,182
Amount of income tax effect	(266)	215	(2,208)
Unrealized holding gain (loss) on other securities, net of taxes	598	(399)	4,974
Unrealized revaluation loss on land, net of taxes			
Amount of income tax effect	25	—	211
Translation adjustments			
Amount recognized in the year	166	177	1,384
Remeasurements of defined benefit plans, net of tax			
Amount recognized in the year	206	—	1,711
Reclassification adjustments included in the statement of income	55	—	456
Before income tax effect adjustment	261	—	2,167
Amount of income tax effect	(90)	—	(751)
Remeasurements of defined benefit plans, net of tax	170	—	1,416
Other comprehensive income (loss) on equity method companies			
Amount recognized in the year	26	(82)	217
Reclassification adjustments included in the statement of income	(7)	(1)	(57)
Other comprehensive income (loss) on equity method companies	19	(83)	160
Total other comprehensive income (loss)	980	(305)	8,145

6 Financial Instruments

(1) Current status of financial instruments

(a) Policy in relation to financial instruments

The Company and its consolidated subsidiaries (collectively, the "Group") raises necessary funds following capital investment plans for undertaking the manufacturing-and-selling businesses. If surplus funds arise, the Group manages only financial assets with high degrees of safety.

(b) Details of financial instruments and related risk

Trade receivables—trade notes and accounts receivable—are exposed to credit risk in relation to customers. In addition, receivables denominated in foreign currencies are exposed to foreign currency exchange risk.

Marketable securities and Investment securities, most of which are stocks of other companies with which the Group has business relationships, are exposed to market price fluctuation risk.

Substantially all trade payables—notes and accounts payable-trade, electronically recorded obligations-operating and other payables—have payment due dates within one year. In addition, payables denominated in foreign currencies are exposed to foreign currency exchange risk.

(c) Risk management system for financial instruments

(Credit risk management—the risk that customers or counterparties may default)

The Company holds its management policy and put it into effect whereby the Company grasps trust conditions of its customers and monitors due dates and outstanding balances regularly to identify and mitigate risks of bad debts from customers who are having financial difficulties.

The consolidated subsidiaries perform equivalent management with the Company.

(Market risk management—the risk arising from fluctuations in exchange rates and interest rates)

The Company uses forward exchange contract transactions with the aim of avoiding risk related to fluctuation in future foreign exchange.

For investment securities, the Company periodically confirms the market value of such financial instruments and reports to the director in charge. The Company reviews the status of these investments on a continuing basis.

(Liquidity risk management—the risk that the Group may not able to meet its payment obligations on the schedule dates)

The Company manages liquidity risk by means of preparing monthly financial plans.

(d) Supplementary explanation of items relating to the fair value of financial instruments

The fair value of financial instruments is based on their quoted market prices if available. If there are no market prices available, fair value is reasonably estimated. Because estimation of fair values incorporates variable factors, adopting different assumptions can change the value.

(2) Estimated fair value of financial instruments

The carrying value of financial instruments recognized on the consolidated balance sheets as of March 31, 2015 and 2014, the estimated fair value of such items and the differences between them are shown below. Financial instruments for which fair value is extremely difficult to estimate are not included in the following table.

	millions of yen		
Year ended March 31, 2015	Carrying value	Fair value	Difference
a Cash and time deposits	¥ 7,629	¥ 7,629	—
b Trade notes and accounts receivable	5,867	5,867	—
c Marketable securities and investment securities	3,811	3,811	—
Assets	¥ 17,307	¥ 17,307	—
a Trade payables	¥ 1,974	¥ 1,974	—
b Electronically recorded obligations-operating	2,922	2,922	—
c Other payables	2,384	2,384	—
Liabilities	¥ 7,280	¥ 7,280	—

	millions of yen		
Year ended March 31, 2014	Carrying value	Fair value	Difference
a Cash and time deposits	¥ 6,765	¥ 6,765	—
b Trade notes and accounts receivable	5,150	5,150	—
c Investment securities	2,943	2,943	—
Assets	¥ 14,859	¥ 14,859	—
a Trade payables	¥ 2,050	¥ 2,050	—
b Electronically recorded obligations-operating	3,384	3,384	—
c Other payables	2,316	2,316	—
Liabilities	¥ 7,751	¥ 7,751	—

	thousands of U.S. dollars		
Year ended March 31, 2015	Carrying value	Fair value	Difference
a Cash and time deposits	$ 63,429	$ 63,429	—
b Trade notes and accounts receivable	48,783	48,783	—
c Marketable securities and investment securities	31,688	31,688	—
Assets	$ 143,899	$ 143,899	—
a Trade payables	$ 16,413	$ 16,413	—
b Electronically recorded obligations-operating	24,292	24,292	—
c Other payables	19,825	19,825	—
Liabilities	$ 60,529	$ 60,529	—

Notes: 1. Method of estimating the fair value of financial instruments and other matters relating to marketable and investment securities

Assets

a. Cash and time deposits and b. Trade notes and accounts receivable

Because these items are settled over short terms, fair value and carrying values are nearly equivalent. Therefore, relevant carrying value is used.

c. Marketable securities and investment securities

Stocks are valued at the exchange trading price. Bonds are valued at the exchange trading price or at the price provided by the financial institutions offering these securities. For information on securities classified by purpose of holding, please refer to the "Marketable Securities and Investment Securities" section of the notes to the financial statements.

Liabilities

a. Trade payables, b. Electronically recorded obligations-operating and c. Other payables

Because these items are settled over short terms, fair value and carrying value is nearly equivalent. Therefore, relevant carrying value is used.

2. Financial instruments for which fair value is extremely difficult to determine

	Carrying value		
	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Unlisted equity securities	¥ 55	¥ 65	$ 459

Because the fair value of these financial instruments is extremely difficult to determine, given that no quoted market price is available, they are not included in the above table.

3. Redemption schedule for receivables and other securities with maturity dates at March 31, 2015 and 2014 are summarized as follows:

	millions of yen			
Year ended March 31, 2015	One year or less	More than 1 year and within 5 years	More than 5 years and within 10 years	More than 10 years
Time deposits	¥ 7,627	¥ —	—	—
Trade notes and accounts receivable	5,867	—	—	—
Marketable securities and investment securities				
Bond	100	—	—	—
Other	—	100	—	—
Total	¥ 13,594	¥ 100	—	—

	millions of yen			
Year ended March 31, 2014	One year or less	More than 1 year and within 5 years	More than 5 years and within 10 years	More than 10 years
Time deposits	¥ 6,764	¥ —	—	—
Trade notes and accounts receivable	5,150	—	—	—
Investment securities				
Bond	—	100	—	—
Other	—	100	—	—
Total	¥ 11,915	¥ 200	—	—

	thousands of U.S. dollars			
Year ended March 31, 2015	One year or less	More than 1 year and within 5 years	More than 5 years and within 10 years	More than 10 years
Time deposits	$ 63,417	$ —	—	—
Trade notes and accounts receivable	48,783	—	—	—
Marketable securities and investment securities				
Bond	831	—	—	—
Other	—	831	—	—
Total	$ 113,031	$ 831	—	—

7 Derivatives

The Company and its consolidated subsidiaries had no derivative instruments outstanding at March 31, 2015 and 2014.

8 Marketable Securities and Investment Securities

(1) Other securities

The acquisition cost and related carrying value of other securities with a determinable market value at March 31, 2015 and 2014 are summarized as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Acquisition cost	¥ 2,753	¥ 2,748	$ 22,888
Carrying value	3,811	2,943	31,688
Total unrealized gain	1,077	709	8,958
Total unrealized loss	19	514	158

At March 31, 2015 and 2014, unlisted stocks (whose carrying value was ¥55 million (U.S.$459 thousand) and ¥65 million, respectively) are not included in the above table because their fair value is extremely difficult to determine, given that no quoted market price is available.

(2) Sales of other securities
(Year ended March 31, 2015)

	millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales
(1) Stocks	¥ 3	—	¥ 0
(2) Bonds			
1. Government bonds	—	—	—
2. Corporate bonds	—	—	—
3. Others	—	—	—
(3) Other securities	—	—	—
Total	¥ 3	—	¥ 0

(Year ended March 31, 2014)

	millions of yen		
	Proceeds from sales	Gain on sales	Loss on sales
(1) Stocks	¥ 465	¥ 265	—
(2) Bonds			
1. Government bonds	—	—	—
2. Corporate bonds	—	—	—
3. Others	—	—	—
(3) Other securities	—	—	—
Total	¥ 465	¥ 265	—

(Year ended March 31, 2015)

	thousands of U.S. dollars		
	Proceeds from sales	Gain on sales	Loss on sales
(1) Stocks	$ 24	—	$ 1
(2) Bonds			
1. Government bonds	—	—	—
2. Corporate bonds	—	—	—
3. Others	—	—	—
(3) Other securities	—	—	—
Total	$ 24	—	$ 1

(3) Impairment of investment securities
The Company recognized impairment loss on investment securities of ¥10 million (U.S.$83 thousand) for the years ended March 31, 2015.
The Company recognized impairment loss on investment securities of ¥36 million for the years ended March 31, 2014.

9 Land Revaluation

In accordance with the Land Revaluation Law (Proclamation No. 34 dated March 31, 1998), land used for business activities was revalued at March 31, 2002. The revaluation difference, net of taxes, is stated as “unrealized revaluation loss on land, net of taxes” in net assets. Deferred tax liabilities arising from this revaluation difference are presented separately from deferred tax liabilities for other temporary differences in the accompanying consolidated balance sheets. The market value of the land as of March 31, 2015 and 2014 decreased by ¥584 million (U.S.$4,859 thousand) and ¥579 million, respectively, after the revaluation.

10 Pledged Assets

Pledged assets for the years ended March 31, 2015 and 2014 are summarized as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Time deposits	¥ 5	¥ 1	$ 40

Time deposits were pledged as collateral mainly for leased office space at March 31, 2015 and 2014.

11 Income Taxes

At March 31, 2015 and 2014, the tax effect of the temporary differences which gave rise to a significant portion of the deferred tax assets (excluding deferred taxes on unrealized revaluation loss on land) was as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Current assets:			
Accrued employees' bonuses	¥ 136	¥ 154	$ 1,127
Allowance for sales returns	52	41	435
Accrued business taxes	28	14	234
Other	157	186	1,303
Gross current deferred tax assets	373	395	3,099
Valuation allowance	(2)	(5)	(13)
Total current deferred tax assets	371	390	3,086
Current liabilities:			
Deferred gain on sales of property	(0)	(1)	(4)
Enterprise tax receivable	—	(3)	—
Total current deferred tax liabilities	(0)	(4)	(4)
Net current deferred tax assets	¥ 371	¥ 386	$ 3,083
Non-current assets:			
Net defined benefit liability	¥ 4	¥ 543	$ 35
Directors' retirement and severance benefits	—	55	—
Write-downs of securities	—	63	—
Impairment loss	—	8	—
Other	—	2	—
Gross non-current deferred tax assets	4	671	35
Valuation allowance	—	(126)	—
Total non-current deferred tax assets	4	545	35
Non-current liabilities:			
Deferred gain on sales of property	—	(15)	—
Undistributed earnings of controlled foreign companies	—	(68)	—
Unrealized holding gain on other securities, net of taxes	—	(51)	—
Total non-current deferred tax liabilities	—	(133)	—
Net non-current deferred tax assets	¥ 4	¥ 412	$ 35
Non-current assets:			
Net defined benefit liability	¥ 375	¥ —	$ 3,117
Directors' retirement and severance benefits	39	—	325
Write-downs of securities	61	—	506
Impairment loss	7	—	62
Other	8	—	70
Gross non-current deferred tax assets	491	—	4,081
Valuation allowance	(107)	—	(893)
Total non-current deferred tax assets	383	—	3,187
Non-current liabilities:			
Deferred gain on sales of property	(13)	—	(108)
Undistributed earnings of controlled foreign companies	(88)	—	(734)
Unrealized holding gain on other securities, net of taxes	(316)	—	(2,629)
Total non-current deferred tax liabilities	(417)	—	(3,471)
Net non-current deferred tax liabilities	¥ (34)	¥ —	$ (284)

A reconciliation of the statutory tax rate to the Company's effective tax rates for the years ended March 31, 2015 and 2014 is summarized as follows:

	2015	2014
Japanese statutory tax rate	35.00%	38.00%
Permanent differences such as entertainment expenses, etc.	1.69	2.10
Permanent differences such as dividend income	(0.71)	(11.97)
Tax credit	(3.10)	(0.29)
Undistributed earnings of controlled foreign companies	1.32	1.79
Equity in loss of affiliates	2.04	2.55
Downward adjustment of deferred tax assets at end of year due to tax rate change	3.46	2.24
Cancellation of temporary difference related to investments in affiliates accounted for by the equity method	—	(12.65)
Other	(3.45)	0.46
Effective tax rate	36.25%	22.23%

(Adjustment of deferred tax assets and liabilities pursuant to the change in the corporate tax rates)
The "Act for Partial Amendment of the Income Tax Act, etc." (Act No.9 of 2015) and the "Act for Partial Amendment of the Local Tax Act, etc." (Act No.2 of 2015) were promulgated on March 31, 2015. As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 35% to 33% and 32% for the temporary differences expected to be realized or settled in the year beginning April 1, 2015 and for the temporary differences expected to be realized or settled from April 1, 2016, respectively.

As a result of this change, deferred tax assets (net of deferred tax liabilities) decreased by ¥24 million (U.S.$196 thousand), and income taxes-deferred, unrealized holding gain on other securities increased by ¥53 million (U.S.$442 thousand), and by ¥30 million (U.S.$247 thousand), respectively. Also deferred tax liabilities - unrealized revaluation profit on land decreased by ¥25 million (U.S.$211 thousand) and unrealized revaluation loss on land, net of taxes increased by same amount for the year ended March 31, 2015.

12 Employees' Retirement and Severance Benefits

The Company and its consolidated subsidiaries have either funded or unfunded defined benefit plans for payments of employees' retirement.

The Group pays a pension or lump sum based on length of service and salary in the defined benefit corporate pension plan.

In unfunded retirement benefit plans, the Company pays a lump sum based on length of service and salary as a retirement benefit.

Some consolidated subsidiaries adopt the simplified method which assumes retirement benefit obligation to be equal to the benefits payable if all eligible employees voluntarily terminated their employment at fiscal year end for the calculation of net defined benefit liability and retirement benefit expenses.

Defined benefit plans

Adjustments of beginning and ending balance of retirement benefit obligations

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Balance at the beginning of the year	¥ 3,931	¥ 3,736	$ 32,686
Cumulative effect of change in accounting principle	(144)	—	(1,197)
Restated balance at the beginning of the year	3,787	3,736	31,489
Service cost	229	185	1,904
Interest cost	30	30	250
Actuarial loss	1	74	11
Payment of retirement benefits	(240)	(97)	(1,993)
Other	2	4	15
Balance at the end of the year	¥ 3,810	¥ 3,931	$ 31,677

Adjustments of beginning and ending balance of plan assets

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Balance at the beginning of the year	¥ 2,367	¥ 2,120	$ 19,677
Expected return on plan assets	47	42	394
Actuarial loss	207	120	1,722
Employer's contributions	161	156	1,338
Payment of retirement benefits	(162)	(72)	(1,348)
Balance at the end of the year	¥ 2,620	¥ 2,367	$ 21,782

Adjustments of ending balance of retirement benefit obligations and plan assets, and net defined benefit asset and liability on consolidated balance sheet

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Funded retirement benefit obligations	¥ 2,701	¥ 2,784	$ 22,458
Plan assets	(2,620)	(2,367)	(21,782)
	81	417	675
Unfunded retirement benefit obligations	1,109	1,147	9,219
Net defined benefit asset and liability on consolidated balance sheet	1,190	1,565	9,895
Net defined benefit liability	1,190	1,565	9,895
Net defined benefit asset and liability on consolidated balance sheet	¥ 1,190	¥ 1,565	$ 9,895

The following table summarizes the components of net retirement benefit expenses:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Service cost	¥ 229	¥ 185	$ 1,904
Interest cost on benefit obligation	30	30	250
Expected return on plan assets	(47)	(42)	(394)
Amortization of actuarial loss	55	75	456
Amortization of past service cost	—	(1)	—
Extraordinary additional retirement payments	28	20	235
Net retirement benefit expenses	¥ 295	¥ 267	$ 2,452

Remeasurements of defined benefit plans, before tax

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Actuarial gain (loss)	¥ 261	¥ —	$ 2,167

Remeasurements of defined benefit plans

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Unrecognized actuarial gain (loss)	¥ (31)	¥ 230	$ (259)

Plan assets
(1) Plan assets
The fair value of plan assets, by major category, as a percentage of total plan assets is as follows:

	2015	2014
Domestic bonds	12.8%	14.1%
Domestic equity	20.6	15.8
Foreign bonds	5.5	6.2
Foreign equity	14.4	12.2
General account	44.3	49.0
Other	2.4	2.7
Total	100.0%	100.0%

(2) Calculation method of expected long-term rate of return on plan assets
The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

The assumptions used in the actuarial calculation
Mainly the assumptions used in the actuarial calculation (presented as a weighted average) are as follows:

	2015	2014
Discount rate	0.8%	0.8%
Expected rate of return on plan assets	2.0%	2.0%

13 Net Assets

The Corporation Law of Japan (the "Law"), which superseded most of the provisions of the Commercial Code of Japan, went into effect on May 1, 2006. The Law provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

Capital surplus and the legal reserve are not available for the distribution of dividends but may be used to reduce or eliminate a deficit or may be transferred to stated capital. At March 31, 2015, the legal reserve of the Company included in retained earnings amounted to ¥550 million (U.S.$4,572 thousand).

The maximum amount which the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company and in accordance with the Corporation Law of Japan.

14 Amounts per Share

Net assets per share as of March 31, 2015 and 2014 were ¥1,001.84 (U.S.$8.33) and ¥936.06, respectively. Basic net income per share for the years ended March 31, 2015 and 2014 were ¥40.83 (U.S.$0.34) and ¥56.74, respectively.

Diluted net income per share for the year ended March 31, 2015 and 2014 were ¥40.82 (U.S.$0.34) and ¥56.73, respectively.

The basis for calculation of basic net income per share and diluted net income per share for the years ended March 31, 2015 and 2014 was as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Basic net income per share:			
Net income	¥ 892	¥ 1,234	$ 7,418
Amount not attributable to shareholders of common stock	—	—	—
Amount attributable to shareholders of common stock	892	1,234	7,418
Weighted-average number of shares outstanding (millions of shares)	22	22	—
Diluted net income per share:			
Adjustments to net income	—	—	—
Increase in number of shares outstanding (millions of shares)	0	0	—
(Subscription rights to shares)	(0)	(0)	—
Shares resulting in an anti-dilutive effect (millions of shares)	1	1	—

The basis for calculation of total net assets per share as of March 31, 2015 and 2014 was as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Total net assets per share:			
Total net assets	¥ 22,600	¥ 21,087	$ 187,913
Deductions:	710	631	5,901
Subscription rights	81	95	671
Minority interests in consolidated subsidiaries	629	536	5,229
Amounts attributable to shareholders of common stock	21,891	20,455	182,013
Number of shares outstanding at year end (millions of shares)	22	22	—

15 Major Expenses

Major expenses included in selling, general and administrative expenses for the years ended March 31, 2015 and 2014 were as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Sales promotion expenses	¥ 5,861	¥ 6,133	$ 48,734
Advertising costs	2,857	2,678	23,751
Salaries	2,067	1,986	17,186
Shipment and storage expenses	1,357	1,284	11,279
Provision for employees' retirement and severance benefits	267	219	2,221
Provision for directors' retirement and severance benefits	20	22	163

Research and development expenses included in general and administrative expenses and cost of sales for the years ended March 31, 2015 and 2014 amounted to ¥512 million (U.S.$4,263 thousand) and ¥563 million, respectively.

16 Cash and Time Deposits

A reconciliation of cash and cash equivalents in the accompanying consolidated statements of cash flows to cash and time deposits in the accompanying consolidated balance sheets at March 31, 2015 and 2014 is as follows:

	millions of yen		thousands of U.S. dollars
	2015	2014	2015
Cash and time deposits	¥ 7,629	¥ 6,765	$ 63,429
Time deposits with a maturity in excess of three months	(1,044)	(38)	(8,679)
Cash and cash equivalents	¥ 6,585	¥ 6,728	$ 54,750

17 Leases

(Finance leases)
Leased assets included in property, plant and equipment are machinery, equipment and vehicles, tools, furniture and fixtures in the mothproofing and hygiene-related products segment and the household environment-related products segment. Leased assets included in intangible assets are software.

(1) Lease payments and proforma depreciation charges for the years ended March 31, 2014 was ¥1 million.

(2) Depreciation is computed by the straight-line method over the respective lease terms assuming a nil residual value.

(Operating leases)
The Company and its consolidated subsidiaries had no significant operating leases at March 31, 2015 and 2014.

18 Segment Information

(1) Summary of Reporting Segments
The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors of the Company to make decisions about resource allocation and to assess their performance.

The Company formulates comprehensive strategies for implementation in Japan and overseas of its head office and conducts business activities. The Company has two reportable segments: Mothproofing and Hygiene-Related Products and Household Environment-Related Products. The business segments are classified according to the nature of the Company's products and their markets.

The Mothproofing and Hygiene-Related Products segment includes the manufacture and sales of Cloth Care products, Hand Care products and Thermal Care products. The Household Environment-Related Products segment includes the manufacture and sales of Air Care products, Humidity Care products and Home Care products.

(2) Calculation method of sales, profits or losses, and other items by reportable segment
The accounting method for the reportable segments is the same as the principles and procedures set forth in Note 1, "Summary of Significant Accounting Policies." The segment income or losses are based on operating income or loss.

(Application of the Accounting Standard for Retirement Benefits, etc.)
As stated in Changes in Accounting Policies, the method of calculating retirement benefit liabilities and service costs was revised in consolidated accounting year. Accordingly, the method of calculating retirement benefit liabilities and service costs of business segments was revised similarly.

The effects on each reportable segments are minor.

(3) Information on the amounts of sales, income, and other items by reportable segments

	millions of yen		
Year ended March 31, 2015	Mothproofing and Hygiene-Related Products	Household Environment-Related Products	Total
Sales			
Sales to third parties	**¥ 21,568**	**¥ 26,696**	**¥ 48,263**
Intra-group sales and transfers	**—**	**—**	**—**
Net sales	**21,568**	**26,696**	**48,263**
Segment income	**¥ 1,102**	**¥ 711**	**¥ 1,813**
Other items			
Depreciation	**¥ 356**	**¥ 467**	**¥ 823**

	millions of yen		
Year ended March 31, 2014	Mothproofing and Hygiene-Related Products	Household Environment-Related Products	Total
Sales			
Sales to third parties	¥ 20,668	¥ 26,325	¥ 46,993
Intra-group sales and transfers	—	—	—
Net sales	20,668	26,325	46,993
Segment income	¥ 822	¥ 1,309	¥ 2,131
Other items			
Depreciation	¥ 399	¥ 471	¥ 870

	thousands of U.S. dollars		
Year ended March 31, 2015	Mothproofing and Hygiene-Related Products	Household Environment-Related Products	Total
Sales			
Sales to third parties	**$ 179,328**	**$ 221,964**	**$ 401,293**
Intra-group sales and transfers	**—**	**—**	**—**
Net sales	**179,328**	**221,964**	**401,293**
Segment income	**$ 9,159**	**$ 5,913**	**$ 15,072**
Other items			
Depreciation	**$ 2,961**	**$ 3,881**	**$ 6,842**

Notes: 1. The total for segment income is the same as the operating income in the consolidated statements of income.
2. Assets and liabilities by reportable segment have not been described in the above tables because the Board of Directors of the Company does not regularly review them to make decisions about resource allocation and to assess their performance.

(4) Related Information

(a) Information by product and service

Year ended March 31, 2015	millions of yen				
	Cloth Care	Thermal Care	Air Care	Others	Total
Sales to third parties	¥ 10,405	¥ 6,093	¥ 20,319	¥ 11,447	¥ 48,263

Year ended March 31, 2014	millions of yen				
	Cloth Care	Thermal Care	Air Care	Others	Total
Sales to third parties	¥ 10,321	¥ 6,011	¥ 20,469	¥ 10,192	¥ 46,993

Year ended March 31, 2015	thousands of U.S. dollars				
	Cloth Care	Thermal Care	Air Care	Others	Total
Sales to third parties	$ 86,511	$ 50,662	$ 168,944	$ 95,175	$ 401,293

(b) Information by geographical segment

(Sales)

Geographical segment information is not presented as overseas sales were less than 10% of consolidated net sales for the years ended March 31, 2015 and 2014.

(Property, plant and equipment)

Geographical segment information is not presented as the amount of property, plant and equipment in Japan exceeded 90% of the total of property, plant and equipment at March 31, 2015 and 2014.

(c) Information by major customers

Customer's name	Sales: millions of yen		thousands of U.S. dollars	Related segment
	2015	2014	2015	
PALTAC CORPORATION	¥ 16,064	¥ 15,543	$ 133,564	Mothproofing and hygiene-related products Household environment-related products
ARATA CORPORATION	¥ 9,964	¥ 9,965	$ 82,850	Mothproofing and hygiene-related products Household environment-related products

19 Related Party Transactions

(Year ended March 31, 2015)
Not applicable

(Year ended March 31, 2014)

(1) Dealings with related parties

FUMAKILLA, Ltd. carried out a takeover bid. The Company applied the takeover bid and sold stocks of FUMAKILLA, Ltd. The proceeds from sale was ¥1,509 million (U.S.$14,661 thousand), the loss on sales was ¥29 million (U.S.$278 thousand).

20 Inventory Valuation Loss Included in Cost of Sales

Inventory valuation loss write-downs below cost to net selling value are included in cost of sales and amounted to ¥593 million (U.S.$4,928 thousand) and ¥394 million for the years ended March 31, 2015 and 2014.

21 Note to Consolidated Statements of Changes in Net Assets

Shares in issue and outstanding and treasury stock at March 31, 2015 and 2014 were as follows:

(Year ended March 31, 2015)
Number of shares in issue and outstanding:

Common stock	23,000 thousand

Number of shares held in treasury:

Common stock	1,149 thousand

Note: Detail of the increase/decrease is as follows:

Increase due to purchase of shares less than standard unit:	2 thousand

Subscription rights at March 31, 2015 were as follows:

Subscription rights for stock options	¥80 million (U.S.$671 thousand)

Dividends paid from retained earnings for the year ended March 31, 2015 were as follows:

Resolution	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Board of directors' meeting held on May 19, 2014	240	11	March 31, 2014	June 2, 2014
Board of directors' meeting held on October 30, 2014	240	11	September 30, 2014	December 5, 2014

Dividends for which the record date was in the year ended March 31, 2015 and the effective date is in the year ending March 31, 2016 were as follows:

Resolution	Total amount of dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
Board of directors' meeting held on May 18, 2015	240	Retained earnings	11	March 31, 2015	June 1, 2015

(Year ended March 31, 2014)
Number of shares in issue and outstanding:

Common stock	23,000 thousand

Number of shares held in treasury:

Common stock	1,147 thousand

Note: Details of the increase are as follows:

Increase due to purchase of shares less than standard unit:	2 thousand
Decrease due to changes in treasury stock held by equity method companies:	138 thousand

Subscription rights at March 31, 2014 were as follows:

Subscription rights for stock options	¥95 million

Dividends paid from retained earnings for the year ended March 31, 2014 were as follows:

Resolution	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Board of directors' meeting held on May 20, 2013	240	11	March 31, 2013	May 31, 2013
Board of directors' meeting held on October 30, 2013	240	11	September 30, 2013	December 6, 2013

Dividends for which the record date was in the year ended March 31, 2014 and the effective date was in the year ended March 31, 2015 were as follows:

Resolution	Total amount of dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
Board of directors' meeting held on May 19, 2014	240	Retained earnings	11	March 31, 2014	June 2, 2014

22 Stock Option Plans

At March 31, 2015, the Company had stock option plans, which were approved at the annual general meetings of the shareholders and by the Board of Directors. Details of these stock option plans are summarized as follows:

Date of approval	Number of shares granted	Eligible participants	Exercisable period
June 15, 2007	140,000	4 officers and 14 employees	July 1, 2009 – June 30, 2014
June 18, 2008	95,000	3 officers and 12 employees	Aug 1, 2010 – July 31, 2015
June 18, 2009	20,000	4 employees	Aug 4, 2011 – Aug 3, 2016
June 18, 2010	155,000	4 officers and 17 employees	Aug 3, 2012 – Aug 2, 2017
June 17, 2011	35,000	7 employees	Aug 2, 2013 – Aug 1, 2018
June 15, 2012	130,000	3 officers and 8 employees	Aug 2, 2014 – Aug 1, 2019
June 14, 2013	130,000	2 officers and 10 employees	Aug 2, 2015 – Aug 1, 2020
June 17, 2014	175,000	6 officers and 11 employees	Aug 2, 2016 – Aug 1, 2021

The option price per share was determined on the date the options were granted based on an established formula for determining option prices. The options are exercisable during the above periods provided that the recipients are still directors, officers or employees of the Company or its subsidiaries.

Cost related to the 2015 stock option plan amounting to ¥15 million (U.S.$121 thousand) were included in selling, general and administrative expenses.

Contents of stock options

	2008	2009	2010	2011	2012	2013	2014	**2015**
Grantees	4 officers and 14 employees	3 officers and 12 employees	4 employees	4 officers and 17 employees	7 employees	3 officers and 8 employees	2 officers and 10 employees	**6 officers and 11 employees**
Type of stock	Common stock	Common stock	Common stock	Common stock	Common stock	Common stock	Common stock	**Common stock**
Number of stock options granted(*)	140,000	95,000	20,000	155,000	35,000	130,000	130,000	**175,000**
Grant date	August 1, 2007	August 1, 2008	August 3, 2009	August 2, 2010	August 1, 2011	August 1, 2012	August 1, 2013	**August 1, 2014**
Condition for exercise	Working from August 1, 2007 to July 31, 2009	Working from August 1, 2008 to July 31, 2010	Working from August 3, 2009 to August 3, 2011	Working from August 2, 2010 to August 2, 2012	Working from August 1, 2011 to August 1, 2013	Working from August 1, 2012 to August 1, 2014	Working from August 1, 2013 to August 1, 2015	**Working from August 1, 2014 to August 1, 2016**
Working period	August 1, 2007 to June 31, 2009	August 1, 2008 to July 31, 2010	August 3, 2009 to August 3, 2011	August 2, 2010 to August 2, 2012	August 1, 2011 to August 1, 2013	August 1, 2012 to August 1, 2014	August 1, 2013 to August 1, 2015	**August 1, 2014 to August 1, 2016**
Exercisable period	Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)	Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)	Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)	Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)	Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)	Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)	Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)	**Within 5 years after the vesting date (those retiring after the vesting date cannot exercise their stock options)**

(*) Number of stock options in the column "Number of stock options granted" has been converted into equivalent numbers of shares.

Stock option activity during the year ended March 31, 2015 was as follows:

Number of shares

	2008	2009	2010	2011	2012	2013	2014	2015
Non-vested Outstanding at beginning of year	—	—	—	—	—	70,000	130,000	—
Granted during the year	—	—	—	—	—	—	—	175,000
Forfeited during the year	—	—	—	—	—	—	5,000	—
Vested during the year	—	—	—	—	—	70,000	—	—
Outstanding at end of year	—	—	—	—	—	—	125,000	175,000
Vested Outstanding at beginning of year	140,000	85,000	20,000	140,000	35,000	—	—	—
Vested during the year	—	—	—	—	—	70,000	—	—
Exercised during the year	—	—	—	—	—	—	—	—
Forfeited during the year	140,000	10,000	—	—	—	—	—	—
Outstanding at end of year	—	75,000	20,000	140,000	35,000	70,000	—	—

Price of stock options

	yen								U.S. dollars
	2008	2009	2010	2011	2012	2013	2014	2015	2015
Exercise price	¥ 1,517	¥ 1,264	¥ 1,037	¥ 1,049	¥ 976	¥ 946	¥ 1,066	¥ 1,059	$ 9
Weighted-average market price	—	—	—	—	—	—	—	—	—
Fair value per option on grant date	¥ 191	¥ 220	¥ 197	¥ 178	¥ 194	¥ 153	¥ 117	¥ 97	$ 1

The fair value of each stock option grant was estimated at the grant date using the Black-Scholes option pricing model. The fair value per option for options granted during the year ended March 31, 2015 was estimated based on the following assumptions:

	2015
Volatility	19.5%
Option term	4 years and 6 months
Expected dividend (per share)	¥22 (U.S.$0.18)
Risk-free interest rate	0.13%

Volatility was determined based on the actual stock price over the past 4 years and 6 months.

The option term was estimated under the assumption that the options would be exercised in the middle of the exercisable period because of insufficient data.

Expected dividend (per share) was based on the dividend amount applicable to the 2014 fiscal year.

Risk-free interest rate was based on government bonds whose terms corresponded with the terms of the above options.

Method of estimating exercised stock options

The Company estimated the number of exercised stock options based on the actual number of forfeitures because it is difficult to estimate the number of stock options which will be forfeited in the future.

23 Business Combinations

Common control transaction

(Merger with consolidated subsidiary)

On December 1, 2014, the Company merged with a consolidated subsidiary, S.T. AUTO CO., LTD in order to improve efficiency of the Group’s management and strengthen the Car Care products business. The Company was the surviving company.

The merger was accounted for as a transaction under common control in accordance with ASBJ Statement No.21, “Accounting Standard for Business Combinations” and ASBJ Guidance No.10, “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures,” issued on December 26, 2008.

Report of Independent Auditors

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Building a better working world

Independent Auditor's Report

The Board of Directors
S.T.CORPORATION

We have audited the accompanying consolidated financial statements of S.T.CORPORATION and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of S.T.CORPORATION and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

June 16, 2015
Tokyo, Japan

Ernst & Young ShinNihon LLC

Five-Year Financial Summary

S.T. CORPORATION and consolidated subsidiaries
Years ended March 31

	millions of yen (except per share data and ratios)					thousands of U.S. dollars (except per share data and ratios)
	2015	2014	2013	2012	2011	**2015**
For the Year:						
Net sales	**¥ 48,263**	¥ 46,993	¥ 46,944	¥ 46,354	¥ 43,580	**$ 401,293**
Cost of sales	**28,235**	26,980	27,738	27,347	25,370	**234,766**
Selling, general and administrative expenses	**18,216**	17,881	17,406	17,256	16,097	**151,455**
Operating income	**1,813**	2,131	1,800	1,751	2,114	**15,072**
Income before income taxes and minority interests	**1,536**	1,637	1,105	596	1,343	**12,771**
Net income	**892**	1,234	565	76	786	**7,418**
Capital expenditures	**1,486**	942	2,061	1,007	662	**12,354**
Depreciation and amortization	**844**	894	830	931	992	**7,019**
R&D expenses	**513**	564	572	659	610	**4,263**
Cash flows from operating activities	**2,137**	2,110	980	1,560	2,704	**17,768**
Cash flows from investing activities	**(1,768)**	514	(1,924)	(787)	(3,601)	**(14,699)**
Free cash flow	**369**	2,624	(944)	773	(897)	**3,069**
Cash flows from financing activities	**(614)**	(465)	(557)	(549)	(521)	**(5,102)**
At Year-End:						
Total current assets	**¥ 20,221**	¥ 18,956	¥ 15,533	¥ 16,941	¥ 16,523	**$ 168,134**
Property, plant and equipment, net	**8,110**	7,555	7,524	6,295	6,312	**67,428**
Total assets	**33,785**	32,370	30,076	30,287	30,011	**280,910**
Total current liabilities	**9,008**	8,966	8,058	8,778	8,286	**74,901**
Total long-term liabilities	**2,176**	2,318	1,805	1,807	1,753	**18,095**
Total net assets	**22,600**	21,087	20,213	19,701	19,972	**187,913**
Cash and cash equivalents	**6,585**	6,728	4,469	5,921	5,731	**54,750**
Number of shares issued (thousand shares)	**23,000**	23,000	23,000	23,000	23,000	
Treasury stock (thousand shares)	**1,149**	1,147	1,284	1,282	1,214	
Number of employees	**859**	760	663	647	630	
Per Share (yen and U.S. dollars)**:**						
Net income	**¥ 40.83**	¥ 56.74	¥ 26.01	¥ 3.48	¥ 36.03	**$ 0.34**
Dividends	**22.00**	22.00	22.00	22.00	22.00	**0.18**
Net assets	**1,001.84**	936.06	905.84	884.45	893.74	**8.33**
Common stock price	**1,021**	999	988	1,025	916	**8.49**
Ratios (%)**:**						
Operating income margin	**3.8**	4.5	3.8	3.8	4.9	
Income before income taxes and minority interests/net sales	**3.2**	3.5	2.4	1.3	3.1	
Net income margin	**1.8**	2.6	1.2	0.2	1.8	
ROA	**2.7**	4.0	1.9	0.3	2.7	
ROE	**4.2**	6.1	2.9	0.4	4.0	
Equity ratio	**64.8**	63.2	65.4	63.4	64.9	

Notes: 1. U.S. dollar amounts are translated from yen for convenience only, at the rate of ¥120.27 = U.S.$1.00, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2015.
2. The common stock prices listed are as of the end of the fiscal year ended in March.
3. ROA = Net income divided by average total assets for the fiscal year.
4. ROE = Net income divided by average total equity (total net assets minus subscription rights less minority interests in consolidated subsidiaries) for the fiscal year.

Investor Information

As of March 31, 2015

Corporate Data

Company name	S.T. CORPORATION
Headquarters	4-10, Shimo-ochiai 1-chome, Shinjuku-ku, Tokyo 161-8540, Japan
Establishment	August 31, 1948
Common stock	¥7,065,500,000
Fiscal year-end	March 31
Shares issued and outstanding	23,000,000
Listed stock exchange	Tokyo Stock Exchange, First Section
Shareholders	15,994
Registered transfer agent	Mizuho Trust & Banking Co., Ltd.
Accounting auditors	Ernst & Young ShinNihon LLC
Annual shareholders' meeting	Middle of June each year
Employees	859 (consolidated) 402 (non-consolidated)
Contact	Kouichi Yoshizawa, Public Relations Department
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Group Companies

S.T. TRADING CO., LTD.

S.T. BUSINESS SUPPORT CO., LTD.

S.T. (THAILAND) CO., LTD.

FAMILY GLOVE CO., LTD. (TAIWAN)

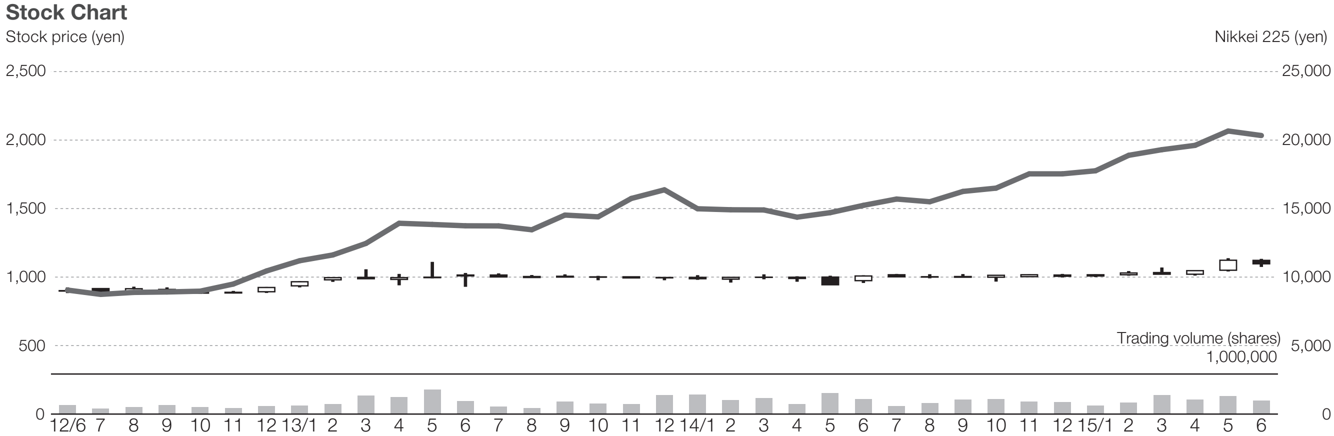
S.T. KOREA CORPORATION (SOUTH KOREA)

Major Shareholders

	Thousands of shares	% of total
Shaldan Co., Ltd.	5,587	25.6
Nippon Life Insurance Company	1,336	6.1
TCSB (Mizuho Bank)	884	4.0
Takashi Suzuki	682	3.1
FUMAKILLA LIMITED	541	2.5
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	524	2.4
Kanichi Suzuki	500	2.3
Hiromu Fujii	441	2.0
Suzuki Kanichi Shouten	433	2.0
Takako Suzuki	424	1.9

Note: The Company holds treasury stock of 1,149 thousand shares as of March 31, 2015; however, it is excluded from the list of major shareholders shown above.

Stock Chart



S.T.CORPORATION

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http://www.st-c.co.jp/english/company/ index.html

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