Translation

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Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2015 (Based on Japanese GAAP)

October 30, 2014

Company name: Azbil Corporation
Stock exchange listing: Tokyo Stock Exchange 1st Section (CODE 6845)
URL: http://www.azbil.com/
Representative: Hirozumi Sone, President and Chief Executive Officer
Contact: Takayuki Yokota, Executive Officer, Head of Group Management Headquarters
TEL: +81-3-6810-1009
Scheduled date to file Quarterly Securities Report: November 13, 2014
Scheduled date to commence dividend payments: December 4, 2014
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

(1) Consolidated financial results (Cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2014	115,699	4.0	3,590	46.1	4,480	62.2	2,170	112.6
Six months ended September 30, 2013	111,286	6.2	2,457	(30.7)	2,761	(16.5)	1,020	(31.5)

Note: Comprehensive income As of September 30, 2014 2,720 million yen (20.5)%
As of September 30, 2013 3,422 million yen 358.4%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2014	29.39	—
Six months ended September 30, 2013	13.82	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2014	239,759	150,156	62.1
As of March 31, 2014	253,448	144,978	56.5

Note : Shareholders' equity As of September 30, 2014 148,809 million yen
As of March 31, 2014 143,316 million yen

2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	—	31.50	—	31.50	63.00
Year ending March 31, 2015	—	31.50			
Year ending March 31, 2015 (Forecast)			—	31.50	63.00

Note: Revision of dividends forecast for during this period: No

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2014	255,000	2.7	15,000	7.9	15,300	4.8	8,500	10.8	115.09

Note: Revision of consolidated financial results forecast for during this period : Yes

* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries due to changes in the scope of consolidation): No

New consolidation : None (Company name: －)

Exclusion : None (Company name: －)

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1. Changes associated with revision in accounting standards: Yes
2. Other changes: No
3. Changes in accounting estimates: No
4. Retrospective restatements: No

Note: For details, please refer to "2. Matters concerning summary information (notes) (2) Changes in accounting policies, accounting estimates, and retrospective restatements" on page 9 of the financial results (appendix).

(4) Number of issued shares (Common stock)

1. Total number of issued shares at the end of the period (Including treasury stock)

As of September 30, 2014	75,116,101 shares	As of March 31, 2014	75,116,101 shares

2. Number of treasury stock at the end of the period

As of September 30, 2014	1,263,476 shares	As of March 31, 2014	1,263,194 shares

3. Average number of shares during the period (Cumulative from the beginning of the fiscal year)

Six months ended September 30, 2014	73,852,762 shares	Six months ended September 30, 2013	73,853,613 shares

* Description of the situation of the procedures for reviewing quarterly results

This quarterly financial results is not subject to the procedures for reviewing quarterly reports specified in the Financial Instruments and Exchange Act. As of the disclosure of this quarterly financial results, the procedures for reviewing consolidated quarterly financial statements are in progress.

* Regarding the appropriate use of forecast and other special matters

(Attention to the description of the future)

Sales for the azbil Group tend to be concentrated in the second quarter and fourth quarter consolidated accounting periods, while fixed costs are generated constantly. This means that profits in the first quarter and third quarter consolidated accounting periods are typically lower than those in the other two quarters. Sales for the azbil Group tend to be more concentrated in the fourth quarter consolidated accounting period than in the second quarter. For a similar reason, profits in the first half (combining first & second quarter consolidated accounting periods) tend to be lower than in the second half (combining third & fourth quarter consolidatted accouning periods).

The projections of azbil Group are based on currently available information and some reasonable assumptions. Due to various factors, actual results may differ from those discussed in this document. Please see "1. Qualitative information on consolidated quarterly financial results (3) Qualitative information on forecast of consolidated financial results" on page 7 of the appendix for preconditions underlying these projections and precautions to follow in using these projections.

(How to obtain supplementary material on quarterly financial results)

Supplementary material on quarterly financial results will be published on the company's website on the same day.

Accompanying Materials

Contents

1. Qualitative information on consolidated quarterly financial results

(1) Qualitative information on consolidated financial results

In the second quarter of the current consolidated cumulative period, Japan's economy made only a modest recovery; this was due to the temporary drop in consumer spending that followed the rise in the consumption tax. Capital investment in manufacturing varied considerably depending on the industry for two reasons: expansion driven by domestic demand appeared unlikely, and the continuing shift of production to overseas bases.

As regards overseas economies, there were concerns about the situation in Ukraine, and there also appeared to be a slackening in the economies of several European countries. Moreover, among the emerging countries were some in which the economy was worsening or stagnating as a result of political uncertainty, etc. However, in China and elsewhere, although the tempo of economic growth slowed, continued strong growth, following a pickup, was observed. The US economy expanded, buoyed by improved employment numbers and continuing robust consumer spending.

Amid this business environment, aiming to achieve the targets of the medium-term plan, the azbil Group has adopted the following three initiatives: (1) becoming a long-term partner for the customer and the community by offering solutions based on azbil technologies and products; (2) taking the global operations to the next level, with global expansion by moving into new regions and making a qualitative change of focus; (3) becoming a corporate organization that never stops learning, so that it can continuously strengthen its corporate structure. The business plan targets three growth fields: next-generation solutions, energy management solutions, and safety solutions. For this, progress has been being made to implement distinctively azbil solutions utilizing our products, technologies and services.

As a result, although orders decreased for the Life Automation (LA) business owing mainly to a deterioration in the business environment overseas, orders increased for the Building Automation (BA) [Note] and the Advanced Automation (AA) businesses, and overall orders for the second quarter of the current consolidated cumulative period were 148,768 million yen, up 8.1% on the same period last year. All three businesses achieved sales growth, resulting in an overall figure of 115,699 million yen, up 4.0% on the same period last year.

As regards profits, the LA business suffered a decline as a result of projects for which profit margins were slim. The BA and AA businesses were affected by expenses incurred for the updating of core information systems and increased R&D expenses; nevertheless, sales growth and cost improvements led to increased profit. As a result, operating income was up 46.1% at 3,590 million yen, compared with 2,457 million yen for the same period last year. Ordinary income increased by 62.2% to 4,480 million yen, compared with 2,761 million yen for the same period last year; this was primarily due to foreign exchange gains resulting from the lower value of the yen. Net income was 2,170 million yen, up 112.6% on the same period last year (1,020 million yen).

Note: In addition to the growth in orders in the existing buildings and service fields, a number of large-scale service contracts that span several years came up for renewal, and the total value of these multi-year contracts, approximately 7,600 million yen, is included in this period's orders.

Sales for the azbil Group tend to be concentrated in the second quarter and the fourth quarter consolidated accounting periods, while fixed costs are generated constantly. This means that profits in the first quarter and the third quarter consolidated accounting periods are typically lower than those in the other two quarters. Sales for the azbil Group tend to be more concentrated in the fourth quarter consolidated accounting period than in the second quarter. For a similar reason, profits in the first half (combining first & second quarter consolidated accounting periods) tend to be lower than in the second half (combining third & fourth quarter consolidated accounting periods).

The results for the individual reportable segments are as follows.

Building Automation (BA) Business

In the domestic market, the economic recovery and a rise in electricity charges prompted growth in demand for power/energy-saving solutions, and this sparked greater investment in construction. Benefitting from this favorable business environment, which has continued since last year, sales increased, compared with the same period last year, in all three fields: new buildings, existing buildings, and service.

Abroad, sales decreased in China and Thailand – as a result of the transfer of power to new leadership in the former, and in the wake of political unrest in the latter. In contrast, sales were up in such Asian countries as Singapore, where progress is being made in developing local markets. Consequently, overseas sales were on a par with the same period last year.

As a result, BA business sales for the second quarter of the current consolidated cumulative period were 46,699 million yen, up 3.6% on the same period last year. Segment profit (operating income) was 2,408 million yen, up 60.2% on the same period last year, when a segment profit (operating income) of 1,503 million yen was recorded. This can be attributed to more profitable projects involving, as well as new buildings, growth in the existing buildings and service fields leading to increased sales, and the success of efforts to improve construction profitability in Japanese market.

Advanced Automation (AA) Business

In the domestic market, because of the transfer of customers' production facilities overseas, the recovery of capital investment in the manufacturing industry has been limited. However, in addition to an improvement in the market for control products for equipment manufacturers, orders were received for a large-scale project, leading to significant growth. There continued to be challenging conditions for those businesses that supply plants with everything from field instruments, control valves and system products to service. Nevertheless, sales figures were on a par with the same period last year thanks to business growth in the gas market triggered by the energy switch over, and also to the steady progress achieved in tapping into the demand for repairs and maintenance.

Turning to overseas markets, in Taiwan there was a fall in sales, reflecting the fact that there had been large projects in the same period last year. Sales also declined in Thailand and Indonesia owing to political uncertainty and the advent of a new political administration. However, in Europe, the US, China and Korea control products continued to sell well to equipment manufacturers. Total overseas sales grew as a result.

Consequently, AA business sales for the second quarter of the current consolidated cumulative period were 44,851 million yen, up 5.6% on the same period last year. Segment profit (operating income) was 2,010 million yen, up 60.9% on the same period last year, when a segment profit (operating income) of 1,249 million yen was recorded. This reflects increased sales in Japan and overseas, principally to equipment manufacturers.

Life Automation (LA) Business

In the field of gas and water meters, sales of town gas meters and water meters grew, but sales of LP gas meters fell reflecting the demand cycle. Nevertheless, overall sales increased.

The Life Science Engineering (LSE) business environment became challenging, owing to flagging economies and increasing competition in some regions, such as South America. As a result, sales were little changed from the same period last year, despite the favorable impact of exchange rates.

In the health and welfare and nursing care field, initiatives designed to win new contracts and deploy a new comprehensive service bore fruit, and sales increased.

In the field of residential central air-conditioning systems, an aggressive sales strategy targeting house builders has resulted in sales growth.

Consequently, LA business sales in the second quarter of the current consolidated cumulative period were 24,766 million yen, up 2.1% on the same period last year. As regards profits, there was a segment loss (operating loss) of 841 million yen, primarily due to the recording of a LSE operating loss caused by an increasingly difficult business environment. For comparison, in the same period last year a segment loss (operating loss) of 306 million yen was recorded.

Other

In Other business, sales in the second quarter of the current consolidated cumulative period were 41 million yen (compared with 40 million yen for the same period last year). Segment profit (operating income) was 17 million yen; for comparison, a profit of 15 million yen was recorded for the same period last year.

(2) Qualitative information on consolidated financial position

(Assets)

Total assets at the end of the second quarter of fiscal year 2014 stood at 239,759 million yen, a decrease of 13,688 million yen from the previous fiscal year-end. This was mainly due to a decrease of 12,217 million yen in notes and accounts receivable - trade.

(Liabilities)

Total liabilities at the end of the second quarter of fiscal year 2014 were 89,602 million yen, a decrease of 18,866 million yen from the previous fiscal year-end. This was mainly owing to a decrease of 5,494 million yen in notes and accounts payable - trade, a decrease of 5,525 million yen in income taxes payable due to the payment of income taxes, and a decrease of 8,770 million yen in net defined benefit liability resulting from changes in the Retirement Benefits Accounting Standard,etc.

(Net assets)

Net assets at the end of the second quarter of fiscal year 2014 were 150,156 million yen, an increase of 5,177 million yen from the previous fiscal year-end. This was mainly due to an increase in retained earnings following changes in the Retirement Benefits Accounting Standard, and to the recording of net income for the second quarter of the current consolidated cumulative period, offsetting the impact of the dividend payment.

As a result, the shareholders' equity ratio was 62.1% compared with 56.5% at the previous fiscal year-end.

(Cash Flows)

1) Net cash provided by (used in) operating activities

Cash and cash equivalents (hereinafter, net cash) provided by operating activities in the second quarter of the current consolidated cumulative period were 2,851 million yen, representing a decrease of 2,953 million yen compared to the same period last year. This was primarily due to the increase in notes and accounts receivable - trade as a result of sales growth.

2) Net cash provided by (used in) investing activities

Net cash used in investing activities (net increase (decrease)) in the second quarter of the current consolidated cumulative period was 4,924 million yen, an increase of 3,623 million yen compared to the same period last year. This was mainly due to the increase in expenditure resulting from the acquisition of securities.

3) Net cash provided by (used in) financing activities

Net cash used in financing activities (net increase (decrease)) in the second quarter of the current consolidated cumulative period was 2,914 million yen, a decrease of 243 million yen compared to the same period last year, which is about the same level as the same period last year.

As a result of the above factors, net cash at the end of the second quarter of the current consolidated cumulative period stood at 51,067 million yen, a decrease of 4,777 million yen from the previous fiscal year-end.

(3) Qualitative information on forecast of consolidated financial results

Based on the consolidated financial results for the second quarter of the current consolidated cumulative period, as well as on other information related to trends in the business environment currently available to management, the initial forecast for consolidated financial results in the fiscal year ending March 31, 2015, which was published on May 12, 2014, will be revised as follows. The figure for sales is set at 255,000 million yen, down 5,000 million yen (1.9%). As regards profits, operating income is set at 15,000 million yen, down 500 million yen (3.2%), while the forecast for ordinary income is increased by 300 million yen (2.0%) to 15,300 million yen. Net income remains unchanged at 8,500 million yen. The individual forecasts for each segment are as shown in the table below.

The BA business environment continues to be robust, and steady expansion is expected thanks to the brisk market for new buildings and a solutions initiative that taps into the demand for power/energy-saving prompted by the rise in electricity charges. As for the AA business, challenging conditions exist for sales of control systems to domestic plants; however, it is expected that robust market conditions will continue to prevail for the service field and sales to semiconductor equipment manufacturers. We also forecast steady growth in overseas markets and the success of a business initiative based on new products and solutions. Nonetheless, in the LA business, the business environment has become increasingly difficult for Life Science Engineering (LSE), a business that mainly supplies equipment for use on the production lines of pharmaceutical companies. Taking into account these factors, together with the financial results for the second quarter of the current consolidated cumulative period, it has been decided to revise the forecast for consolidated financial results in the fiscal year ending March 31, 2015.

In order to achieve the revised performance figures forecast for the fiscal year ending March 31, 2015, the azbil Group is making steady progress with implementing various initiatives to ensure sales and profit targets are met by the BA and AA businesses. As regards the LA business, plans are being formulated to provide azbil Group support for Azbil Telstar, S.L. – the company that plays a central role in the LSE field – while strengthening its business structure.

(Hundred millions of yen)

		Revised forecast (October 30, 2014)	Initial forecast (May 12, 2014)	Difference	%	(Reference) FY2013 Actual
Building Automation	Sales	1,150	1,140	10	0.9	1,095
	Operating income	118	111	7	6.3	105
Advanced Automation	Sales	940	950	(10)	(1.1)	908
	Operating income	47	46	1	2.2	39
Life Automation	Sales	480	530	(50)	(9.4)	495
	Operating income	(15)	(2)	(13)	-	(6)
Other	Sales	1	1	-	-	0
	Operating income	0	0	-	-	0
Consolidated	Net sales	2,550	2,600	(50)	(1.9)	2,484
	Operating income	150	155	(5)	(3.2)	139
	Ordinary income	153	150	3	2.0	145
	Net income	85	85	-	-	76

These projections are based on management's assumptions, intent and expectations in light of the information currently available to it, and therefore these statements are not guarantees of future performance. Due to various factors, actual results may differ from those discussed in this document.

2. Matters concerning summary information (notes)

(1) Changes in significant subsidiaries during the period:

Although there is no change in specified subsidiaries, from the first quarter of the current consolidated cumulative period, Azbil Saudi Limited and Azbil Production (Thailand) Co.,Ltd. are included in the scope of consolidation due to their growing weight. Also, from the second quarter of the current consolidated cumulative period, Azbil Telstar Bangladesh Ltd. is included in the scope of consolidation due to the same reason.

(2) Changes in accounting policies, accounting estimates, and retrospective restatements:

(Application of Accounting Standard for Retirement Benefits, etc.)

"Accounting Standard for Retirement Benefits" (ASBJ statement No. 26, May 17, 2012; hereinafter called "the Retirement Benefits Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ guidance No. 25, May 17, 2012; hereinafter called "the Retirement Benefits Application Guidance") were applied from the first quarter of the current consolidated accounting period, regarding Section 35 of the Retirement Benefits Accounting Standard and Section 67 of the Retirement Benefits Application Guidance. The method is changed to the benefit formula basis. For the method of determining the discount rate, a single weighted average discount rate which reflects the estimated period and amount of benefit payment, is used.

As for the application of the Retirement Benefits Accounting Standard, etc., effect of the changes in calculation method of retirement benefit obligations and service costs were posted in retained earnings at the beginning of the second quarter of the current consolidated accounting period, in accordance with the provision for transitional handling set forth in Section 37 of the Retirement Benefits Accounting Standard.

As a result, net defined benefit liabilities decreased 7,985 million yen and retained earnings increased 5,148 million yen at the beginning of the second quarter of the current consolidated accounting period. This produces minor effects on the operating income, ordinary income, and income before income taxes and minority interests for the second quarter of the current term.

３. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

（Millions of yen）

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	52,402	50,258
Notes and accounts receivable - trade	88,227	76,010
Securities	14,937	15,033
Merchandise and finished goods	4,236	5,100
Work in process	5,958	7,126
Raw materials	7,998	8,418
Other	16,110	13,415
Allowance for doubtful accounts	(494)	(387)
Total current assets	189,377	174,976
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,951	12,680
Other, net	11,549	12,278
Total property, plant and equipment	24,501	24,958
Intangible assets		
Goodwill	8,083	7,340
Other	4,866	5,523
Total intangible assets	12,950	12,864
Investments and other assets		
Investment securities	16,841	18,643
Other	10,153	8,685
Allowance for doubtful accounts	(375)	(368)
Total investments and other assets	26,618	26,960
Total non-current assets	64,070	64,783
Total assets	253,448	239,759
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,456	35,962
Short-term loans payable	15,380	15,519
Income taxes payable	6,247	722
Provision for bonuses	8,600	6,248
Provision for directors' bonuses	109	81
Provision for product warranties	567	519
Provision for loss on order received	370	749
Provision for loss on litigation	—	418
Other	14,625	15,152
Total current liabilities	87,356	75,373

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Non-current liabilities		
Bonds payable	40	20
Long-term loans payable	2,215	1,348
Net defined benefit liability	16,636	7,865
Provision for directors' retirement benefits	111	110
Other	2,108	4,885
Total non-current liabilities	21,112	14,229
Total liabilities	108,469	89,602
Net assets		
Shareholders' equity		
Capital stock	10,522	10,522
Capital surplus	17,197	17,197
Retained earnings	114,275	119,106
Treasury shares	(2,646)	(2,647)
Total shareholders' equity	139,349	144,179
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,978	6,478
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	824	(178)
Remeasurements of defined benefit plans	(1,836)	(1,671)
Total accumulated other comprehensive income	3,966	4,630
Subscription rights to shares	2	2
Minority interests	1,660	1,344
Total net assets	144,978	150,156
Total liabilities and net assets	253,448	239,759

(2)Consolidated quarterly statements of income and Consolidated quarterly statements of comprehensive income

(Consolidated quarterly statements of income)

(The second quarter of the current consolidated cumulative period)

(Millions of yen)

	Six months ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)
Net sales	111,286	115,699
Cost of sales	73,870	76,208
Gross profit	37,416	39,491
Selling, general and administrative expenses	34,958	35,900
Operating income	2,457	3,590
Non-operating income		
Interest income	79	71
Dividend income	170	206
Foreign exchange gains	273	720
Real estate rent	25	27
Reversal of allowance for doubtful accounts	36	1
Other	82	136
Total non-operating income	667	1,163
Non-operating expenses		
Interest expenses	208	169
Commitment fee	10	10
Rent expenses on real estates	34	27
Office transfer expenses	22	25
Share of loss of entities accounted for using equity method	2	3
Other	85	35
Total non-operating expenses	363	273
Ordinary income	2,761	4,480
Extraordinary income		
Gain on sales of non-current assets	3	67
Gain on sales of investment securities	41	53
Total extraordinary income	45	120
Extraordinary losses		
Loss on sales and retirement of non-current assets	18	62
Impairment loss	26	－
Provision for loss on litigation	－	418
Loss on sales of investment securities	1	0
Loss on valuation of investment securities	0	－
Restructuring loss	137	－
Total extraordinary losses	184	481
Income before income taxes and minority interests	2,622	4,119
Income taxes - current	714	730
Income taxes - deferred	902	1,271
Total income taxes	1,617	2,002
Income before minority interests	1,004	2,117
Minority interests in loss	(15)	(53)
Net income	1,020	2,170

(Consolidated quarterly statements of comprehensive income)

(The second quarter of the current consolidated cumulative period)

（Millions of yen）

	Six months ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)
Income before minority interests	1,004	2,117
Other comprehensive income		
Valuation difference on available-for-sale securities	933	1,500
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	1,484	(1,063)
Remeasurements of defined benefit plans, net of tax	－	165
Total other comprehensive income	2,417	602
Comprehensive income	3,422	2,720
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,222	2,834
Comprehensive income attributable to minority interests	199	(113)

(3) Consolidated quarterly statements of cash flows

(The second quarter of the current consolidated cumulative period)

（Millions of yen）

	Six months ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	2,622	4,119
Depreciation	1,781	1,806
Amortization of goodwill	933	942
Increase (decrease) in allowance for doubtful accounts	52	(101)
Increase (decrease) in provision for retirement benefits	704	－
Increase(decrease) in net defined benefit liability	－	(782)
Increase (decrease) in provision for bonuses	(1,849)	(2,342)
Increase (decrease) in provision for directors' bonuses	(22)	(28)
Interest and dividend income	(250)	(277)
Interest expenses	208	169
Foreign exchange losses (gains)	(338)	(533)
Loss (gain) on sales of property, plant and equipment	14	(4)
Loss (gain) on sales and valuation of investment securities	(39)	(53)
Increase (decrease) in provision for loss on litigation	－	418
Impairment loss	26	－
Loss on business restructuring	137	－
Decrease (increase) in notes and accounts receivable - trade	17,942	11,851
Decrease (increase) in inventories	(1,448)	(2,564)
Increase (decrease) in notes and accounts payable - trade	(8,065)	(5,488)
Decrease (increase) in other assets	42	824
Increase (decrease) in other liabilities	(1,199)	1,037
Subtotal	11,252	8,992
Interest and dividend income received	249	270
Interest expenses paid	(203)	(172)
Income taxes paid	(5,440)	(6,184)
Payments for business restructuring	(52)	(53)
Net cash provided by (used in) operating activities	5,805	2,851
Cash flows from investing activities		
Payments into time deposits	(2,039)	(923)
Proceeds from withdrawal of time deposits	2,298	1,156
Purchase of securities	(3,700)	(13,000)
Proceeds from sales of securities	3,827	10,000
Purchase of trust beneficiary right	(6,405)	(6,700)
Proceeds from sales of trust beneficiary right	6,663	7,022
Purchase of property, plant and equipment	(1,348)	(1,942)
Proceeds from sales of property, plant and equipment	142	348
Purchase of intangible assets	(972)	(967)
Proceeds from sales of intangible assets	－	0
Purchase of investment securities	(14)	(13)
Proceeds from sales of investment securities	199	137
Other, net	48	(42)
Net cash provided by (used in) investing activities	(1,300)	(4,924)

(Millions of yen)

	Six months ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)
Cash flows from financing activities		
Increase in short-term loans payable	2,924	2,516
Decrease in short-term loans payable	(2,018)	(1,943)
Proceeds from long-term loans payable	71	―
Repayments of long-term loans payable	(1,140)	(902)
Redemption of bonds	(45)	(30)
Cash dividends paid	(2,326)	(2,325)
Repayments of lease obligations	(34)	(26)
Cash dividends paid to minority shareholders	(586)	(202)
Purchase of treasury shares	(1)	(0)
Proceeds from sales of treasury shares	0	0
Net cash provided by (used in) financing activities	(3,157)	(2,914)
Effect of exchange rate change on cash and cash equivalents	928	(213)
Net increase (decrease) in cash and cash equivalents	2,275	(5,200)
Cash and cash equivalents at beginning of period	56,050	55,844
Increase in cash and cash equivalents from newly consolidated subsidiary	36	423
Cash and cash equivalents at end of period	58,362	51,067

(4) Notes to the consolidated quarterly financial statements

(Notes regarding assumptions of continuing operations)

Non applicable

(Notes if there is a remarkable change in the amount of shareholders' equity)

Non applicable

(Segment information)

Six months ended September 30, 2013 (from April 1, 2013 to September 30, 2013)

1.Sales and profit (loss) information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	44,994	42,073	24,182	111,250	36	111,286
Inter-segment	98	380	64	543	3	547
Total	45,092	42,454	24,247	111,794	40	111,834
Segment Profit (loss)	1,503	1,249	(306)	2,446	15	2,462

* "Other" includes insurance agent business.

2.The main contents of the difference between reportable segment profit (loss) and operating income

(Millions of yen)

Income	Amount
Total of reportable segment	2,446
Profit in Other	15
Elimination	(4)
Operating income	2,457

Six months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

1.Sales and profit (loss) information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	46,600	44,364	24,696	115,660	38	115,699
Inter-segment	99	487	69	656	2	659
Total	46,699	44,851	24,766	116,317	41	116,358
Segment Profit (loss)	2,408	2,010	(841)	3,577	17	3,594

* “Other” includes insurance agent business.

2.The main contents of the difference between reportable segment profit (loss) and operating income

(Millions of yen)

Income	Amount
Total of reportable segment	3,577
Profit in Other	17
Elimination	(4)
Operating income	3,590

4.Supplementary information

Orders received condition

(Millions of yen)

Reportable segment	Six months ended September 30, 2013 (April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)	Change	
	Orders received	Orders received	Orders received	
			Amount	Ratio (%)
Building Automation	64,426	76,241	11,815	18.3
Advanced Automation	46,556	49,457	2,901	6.2
Life Automation	27,604	23,836	(3,768)	(13.7)
Total of reportable segments	138,587	149,535	10,947	7.9
Other	40	41	0	2.0
Elimination	(947)	(808)	138	－
Consolidated	137,680	148,768	11,087	8.1