



Consolidated Financial Statements for the Six Months Ended September 30, 2014

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan. All figures in these statements which are less than 1 million yen have been rounded down. (English translation)

November 10 2014

CITIZEN HOLDINGS CO., LTD.

Code No.: 7762

Representative: Toshio Tokura, President and CEO

Contact: Shigeru Kabata, Director, In charge of Corporate Planning Division

Scheduled release of fiscal 2014 Quarterly Business Report: November 13, 2014

Scheduled start of dividend payment: December 4, 2014

Listings: First section of Tokyo Stock Exchange
(URL <http://www.citizen.co.jp>)

Tel: +81 -42 -468 -4934

1. Results for the Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)

(1) Consolidated operating results (Percentages represent changes over the corresponding period of the previous fiscal year)

	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	155,965	6.3	12,398	30.4	13,867	32.6	9,857	49.0
Six months ended September 30, 2013	146,708	8.1	9,511	23.0	10,458	50.5	6,617	48.5

Note: Comprehensive income:

As of September 30, 2014: ¥ 17,400million(32.5%) As of September 30, 2013: ¥ 13,136million(-%)

	Earnings per share	Fully diluted earnings per share
	(Yen)	(Yen)
Six months ended September 30, 2014	30.42	-
Six months ended September 30, 2013	20.42	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Six months ended September 30, 2014	406,038	229,703	55.7	698.44
March 31, 2014	383,920	217,412	55.8	660.83

Reference: Shareholders' Equity: As of September 30, 2014: ¥ 226,284million As of March 31, 2014: ¥ 214,102million

2. Dividends

(Record date)	Dividends per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Full year (Yen)
March 31, 2014	-	5.00	-	8.00	13.00
March 31, 2015	-	8.00	-	-	-
March 31, 2015 (Estimate)	-	-	-	8.00	16.00

Note: Revision of dividend forecast for quarter in review: None

3. Projected Consolidated Results for the Year ending March 31, 2015

(Percentages represent changes over the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(yen)
Full Year	323,000	4.2	27,700	16.8	29,000	14.6	18,500	6.1	57.10

Note: Revision of consolidated forecasts for quarter in review: Yes

CITIZEN HOLDINGS

4. Others

- (1) Change in significant subsidiaries during this period: None
- (2) Adoption of simplified accounting method and special accounting methods: None
- (3) Changes of accounting policies applied, procedures and disclosures
 - (i) Changes associated with revised accounting standards: Yes
 - (ii) Changes other than those in (i) above: None
 - (iii) Changes in accounting estimate: None
 - (iv) Restatements: None

Note: For details, please refer to Attached Documents "2. Other Information (3) Changes in accounting policies, changes in accounting estimates, and restatements" on page 5.

(4) Number of shares issued and outstanding (common stock)

		shares		shares
(i) Number of shares issued and outstanding at the end of term (including treasury stock)	September 2014	330,353,809	March 2014	330,353,809
(ii) Number of treasury stock at the end of term	September 2014	6,366,310	March 2014	6,363,200
(iii) Average number of common stocks	September 2014	323,989,158	September 2013	323,998,185

* Information regarding the implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures. Thus, at the time of disclosure of these financial results, the quarterly financial statement review procedures based on the Financial Instruments and Exchange Law, have not been completed.

* Explanation about the proper use of financial forecasts and other important notes

Statements above relating to financial forecasts are based on information available to the Company and certain assumptions the Company considers reasonable as of the date of the announcement of these statements. Actual results may differ materially from these forecasts, depending on a variety of factors. Please refer to the attached "Qualitative data on the consolidated earnings forecasts" on page 4 for assumptions underlying the above forecasts and precautions regarding their use.

(Attached Documents)

○INDEX

1. Qualitative Information on the Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2015	2
(1) Qualitative Data on the Consolidated Financial Results	2
(2) Qualitative Data on the Consolidated Financial Position.....	3
(3) Qualitative Data on the Consolidated Earnings Forecasts	4
2. Other Information	5
(1) Important Changes of Subsidiaries during the Term	5
(2) Adoption of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	5
(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements	5
3. Consolidated Financial Statements	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statement of Income and Consolidated Statements of Comprehensive Income.....	8
Consolidated Statement of Income (Six months ended September 30, 2014).....	8
Consolidated Statements of Comprehensive Income (Six months ended September 30, 2014)	9
(3) Consolidated Statement of Cash Flow	10
(4) Notes to the Consolidated Financial Statements	11
(Notes regarding going concern assumptions).....	11
(Notes regarding significant changes in shareholders' equity accounts)	11
(Segment information).....	11

1. Qualitative Information on the Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2015

(1) Qualitative Data on the Consolidated Financial Results

During the six months ended September 30, 2014, the Japanese economy saw a steady recovery with improving consumer confidence supported by an increase in foreign tourist arrivals, despite a temporary drop in consumer spending due to fallback after the rush demand before consumption tax rate hike. The demand of capital investments has been on a rising trend backed by the government's policies and such trend is expected to continue in the coming months. The U.S. economy continued to see a solid recovery bolstered by improved consumer spending, while the European economy has been sluggish and the outlook remains uncertain. With respect to the Asian economy, there were some negative factors such as intensifying worries over China's slowing economy and the recent deterioration in market sentiment in the ASEAN region due to political uncertainty and weaker currencies.

Under these circumstances, the Citizen Group reported in its consolidated financial results for the first half under review an increase in both sales and profits, with net sales of 155.9 billion yen (up 6.3% year on year) and operating income of 12.3 billion yen (up 30.4% year on year).

(Watches and Clocks)

Revenues from CITIZEN brand watches in the domestic market increased mainly due to the strong growth in sales in mass merchandise outlets, duty-free shops and some department stores supported by an increase in foreign tourist arrivals and the favorable growth in the sales of mainstay brands such as "xC," despite a temporary drop in sales due to fallback after the rush demand before consumption tax rate hike.

Revenues from overall overseas markets increased due to robust sales mainly in the markets of the U.S. and Europe. Revenues from the North American market increased mainly due to solid growth in consumer spending as well as strong sales from Internet marketing channels. Revenues from the European markets also increased, mainly due to solid sales in Germany, Italy and some other countries despite a stagnant recovery in European economies. Revenues from the Asian markets decreased mainly due to overall tough market conditions, mainly due to decreased sales in Hong Kong, one of the important markets in Asia, owing to the weakening purchasing power of foreign tourists. In China as well, although some marketing channels show signs of recovery, the market conditions remained sluggish.

Revenues from the BULOVA brand remain solid backed by the introduction of new products by re-branding as well as strong sales from some major department stores; however, its profitability was squeezed mainly due to increased costs incurred from new shop displays for re-branding and advertisements.

Revenues from the Q&Q brand increased due to steady growth in sales in the domestic market as well as robust sales mainly in the American market and other countries. In addition, the Citizen Group has been conducting sales promotion campaigns around the world along with the release of a new series of the products since the previous period, aiming to enhance the brand recognition and increase sales.

Revenues from movements increased mainly due to a stable demand for high-value added products such as multi-hand movements and movements with mechanical features.

As a result of these developments, the watches and clocks segment achieved growth in both sales and profits, with net sales of 79.1 billion yen (up 4.0% year on year) and operating income of 7.7 billion yen (up 5.8% year on year).

(Machine Tools)

Revenues from the domestic market increased due to an increase in renewal demand from small- to medium-sized companies triggered by increasing orders across segments led by the automobile industry.

Revenues from the Asian markets increased due to growing capital expenditures in automobiles in China, despite a decrease in demand from Japanese companies in the ASEAN region.

Revenues from the American market increased backed by growing orders across segments including automobiles, aircraft, and medical equipment, despite weakening demand due to the impact of narrowing scope of corporate tax reduction on capital investments in the U.S.

Revenues from the European markets increased due to strong demand in industries of automobiles and precision devices, despite the signs of stagnant recovery in some major economies around the end of the period under review.

Against this background, both the Cincom brand and the Miyano brand achieved an increase in revenues.

As a result of these developments, the machine tools segment achieved growth in both sales and profits, with net sales of 25.1 billion yen (up 37.0% year on year) and operating income of 3.4 billion yen (up 627.2% year on year).

(Devices and Components)

Revenues from automobile components, among other precision machining components, increased due to solid demand in Japan as well as continued growth in demand in the U.S. and other countries. Revenues from switches also increased, resulting from a steady increase in orders for side switches used in smartphones mainly in the markets in China.

Revenues from opto-devices increased due to strong sales of LED lighting products, among other opto-devices, in markets such as Japan and Europe associated with market expansion thereof, despite the falling price of the products. Orders for LEDs used in automobiles also showed steady growth.

Revenues from quartz crystals, among other products, decreased mainly due to a decrease in the sales of quartz crystal blanks affected by customers' sluggish sales, as well as a decrease in the sales of tuning fork type quartz crystals affected by weakening demands and intensifying competition. Revenues from ferroelectric micro LCDs increased due to the expansion of sales in new markets other than cameras despite prolonged sluggish conditions for the digital camera market since the previous year.

As a result of these developments, the devices and components segment recorded a decrease in sales and an increase in profits, with net sales of 32.8 billion yen (down 0.8% year on year) and operating income of 2.7 billion yen (up 11.3% year on year).

(Electronic Products)

Revenues from overall information equipment increased due to strong sales from POS printers and label printers, among other printers, in Japan and overseas; solid sales from large-size printers in the Chinese market; and strong sales from photo printers in European countries.

Revenues from healthcare equipment decreased due to inventory adjustments in overseas markets despite strong growth in sales from the core products of blood-pressure monitors and thermometers in the domestic market. Revenues from calculators decreased due to inventory adjustments by sales agencies in the European markets, despite strong sales in the Asian markets.

As a result of these developments, the electronic products segment recorded an increase in sales and a decrease in profits, with net sales of 12.6 billion yen (up 4.0% year on year) and operating income of 0.6 billion yen (down 24.2% year on year).

(Other Products)

Revenues from pachinko-related products decreased due to weak capital investments caused by the uncertain outlook, while revenues from jewelries decreased due to a slow recovery in demand after the consumption tax rate hike.

As a result of these developments, the other products segment recorded decreases in both sales and profits, with net sales of 6.2 billion yen (down 11.2% year on year) and operating loss of 0.3 billion yen (compared to the operating loss of 0.1 billion yen in the previous fiscal year).

(2) Qualitative Data on the Consolidated Financial Position

As of the end of the second quarter under review, total assets increased by 22.1 billion yen from the end of the previous fiscal year, to 406.0 billion yen. Current assets increased by 20.2 billion yen mainly because inventories (merchandise and finished goods, work in process, raw materials and supplies) increased by 12.6 billion yen, and cash and deposits increased by 6.1 billion yen. Non-current assets increased by 1.8 billion yen due to an increase of 3.9 billion yen in investment securities, while there were decreases of 1.3 billion yen in land and 0.6 billion yen in buildings and structures.

Liabilities increased by 9.8 billion yen year on year to 176.3 billion yen, with a 4.1 billion yen increase in net defined benefit liability, a 3.1 billion yen increase in notes and accounts payable, and a 0.9 billion yen increase in accrued expenses.

Net assets increased by 12.2 billion yen from the end of the previous fiscal year, to 229.7 billion yen, mainly with a 4.7 billion yen increase in retained earnings, a 4.7 billion yen increase in foreign currency translation adjustments, and a 2.6 billion yen increase in valuation difference on available-for-sale securities.

CITIZEN HOLDINGS

(3) Qualitative Data on the Consolidated Earnings Forecasts

We have modified our consolidated earnings forecasts as follows, since net sales of all segments, except the machine tools segment (which will exceed the previous forecasts), are expected to fall below the previous forecasts, and ordinary income/net income are expected to exceed the previous forecasts due to the weakening yen during the six months ended September 30, 2014.

The exchange rate assumptions for the period under review and thereafter are 105 yen/US dollar and 135 yen/euro.

Amendment in forecasts of consolidated full-year earnings (From April 1, 2014 to March 31, 2015) (Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share (yen)
Previous forecast (A)	327,000	27,000	27,000	16,500	50.93
Revised forecast (B)	323,000	27,700	29,000	18,500	57.10
Changes (B – A)	△4,000	700	2,000	2,000	-
Changes (%)	△1.2	2.6	7.4	12.1	-
Reference: March 31, 2013	309,994	23,706	25,307	17,434	53.81

Amendment in forecasts of non-consolidated full-year earnings (From April 1, 2014 to March 31, 2015) (Unit: Millions of yen)

	Net sales	Ordinary income	Net income	Earnings per share (yen)
Previous forecast (A)	13,000	7,000	6,500	20.06
Revised forecast (B)	13,000	7500	7,500	23.15
Changes (B – A)	0	500	1,000	-
Changes (%)	0	7.1	15.4	-
Reference: March 31, 2013	18,836	13,208	13,351	41.21

2. Other Information

(1) Important Changes of Subsidiaries during the Term

Not applicable.

(2) Adoption of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

(Application of the accounting standard for retirement benefits)

We have adopted the Accounting Standard for Retirement Benefits (ASBJ Statement No.26 issued on May 17, 2012; hereinafter, the "Accounting Standard for Retirement Benefits") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 issued on May 17, 2012; hereinafter, the "Guidance on Accounting Standard for Retirement Benefits") in accordance with the provisions of Article 35 of the Accounting Standard for Retirement Benefits and those of Article 67 of the Guidance on Accounting Standard for Retirement Benefits starting from the first quarter this fiscal year. We reviewed the calculation methods of retirement benefit obligations and service costs, and changed the method of attributing all contributions over all periods to periods of service based on the benefit formula instead of on a straight-line basis, as well as the method of determining a discount rate from the use of a discount rate based on the number of years similar to that of the average remaining service period of employees to the use of a single weighted average discount rate that reflects the estimated payment period of retirement benefits and the amount per that period.

We adopt these accounting standard and guidance in accordance with the transitional treatment specified in Article 37 of the Accounting Standard for Retirement Benefits. Amounts occurred due to such changes in calculation methods are recognized by adding to or deducting from retained earnings at the beginning of the six months ended September 30, 2014.

As a result, we recorded an increase of 3,600 million yen as net defined benefit liability and a decrease of 2,452 million yen in retained earnings at the beginning of the six months ended September 30, 2014. The impact of the above changes to operating income, ordinary income, and income before income taxes and minority interests for the six months ended September 30, 2014 is immaterial.

CITIZEN HOLDINGS

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	96,202	102,353
Notes and accounts receivable	66,811	67,506
Merchandise and Finished goods	38,306	46,003
Work in process	19,986	22,508
Raw materials and supplies	15,298	17,767
Consumption tax receivable	1,547	1,973
Deferred tax assets	9,490	9,342
Other	7,044	7,474
Allowance for doubtful accounts	△ 1,912	△ 1,862
Total current assets	252,775	273,066
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,769	32,136
Machinery, equipment and vehicles, net	19,481	19,905
Tools, furniture and fixtures, net	4,845	5,075
Land	12,103	10,790
Lease assets, net	548	750
Construction in progress	1,989	1,926
Total property, plant and equipment	71,736	70,585
Intangible assets		
Goodwill	6,131	5,434
Software	2,217	2,124
Leased assets	18	15
Other	5,581	5,345
Total intangible assets	13,948	12,919
Investments and other assets		
Investment securities	36,526	40,432
Long-term loans receivable	1,049	1,555
Deferred tax assets	4,665	4,011
Other	3,645	3,949
Allowance for doubtful accounts	△ 288	△ 345
Allowance for investment loss	△ 138	△ 138
Total investments and other assets	45,460	49,466
Total non-current assets	131,145	132,971
Total assets	383,920	406,038

CITIZEN HOLDINGS

(Unit: Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable –trade	20,243	23,439
Notes payable-facilities	175	79
Short-term bank loans payable	13,015	13,727
Current portion of bonds	50	-
Income taxes payable	1,687	1,977
Deferred tax liabilities	39	10
Accrued expenses	13,124	14,067
Provision for bonuses	5,861	6,035
Provision for director's bonuses	235	-
Provision for product warranties	1,070	1,153
Provision for environmental measures	10	3
Provision for loss on business restructuring	1,916	1,235
Provision for loss on disaster	43	5
Other	22,407	23,576
Total current liabilities	79,881	85,311
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	45,283	45,217
Deferred tax liabilities	1,209	1,439
Provision for loss on guarantees	39	15
Provision for environmental measures	76	76
Provision for loss on business restructuring	3,885	3,880
Net defined benefit liability	14,598	18,712
Asset retirement obligations	248	248
Other	1,285	1,432
Total non-current liabilities	86,626	91,023
Total liabilities	166,508	176,334
Net assets		
Shareholders' equity		
Capital stock	32,648	32,648
Capital surplus	33,890	33,890
Retained earnings	142,159	146,927
Treasury stock	△5,387	△5,390
Total shareholders' equity	203,311	208,076
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,880	10,546
Foreign currency translation adjustments	3,523	8,224
Accumulated adjustment regarding retirement benefit	△612	△563
Total accumulated other comprehensive income	10,791	18,207
Minority interest	3,309	3,419
Total net assets	217,412	229,703
Total liabilities and net assets	383,920	406,038

CITIZEN HOLDINGS

(2) Consolidated Statement of Income and Consolidated Statements of Comprehensive Income

Consolidated Statement of Income (Six months ended September 30, 2014)

(Unit: Millions of yen)

	Three 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	146,708	155,965
Cost of sales	91,425	94,836
Gross profit	55,283	61,129
Selling, general and administrative expenses	45,772	48,730
Operating income	9,511	12,398
Non-operating income		
Interest Income	183	165
Dividend income	531	388
Foreign exchange gains	373	979
Equity in earnings of affiliates	137	153
Other	540	382
Total non-operating income	1,766	2,069
Non-operating expenses		
Interest expenses	570	329
Other	248	270
Total non-operating expenses	818	600
Ordinary income	10,458	13,867
Extraordinary income		
Gain on sales of investment securities	18	1
Gain on sales of non-current assets	361	553
Other	23	61
Total extraordinary gains	403	616
Extraordinary losses		
Loss on retirement of non-current assets	130	119
Loss on sales of non-current assets	8	12
Impairment loss	8	25
Compensation expenses	207	-
Other	27	168
Total extraordinary losses	382	326
Income before income taxes	10,480	14,157
Income taxes	3,757	4,207
Income before minority interests	6,722	9,950
Minority interests	105	93
Net income/loss	6,617	9,857

CITIZEN HOLDINGS

Consolidated Statements of Comprehensive Income (Six months ended September 30, 2014)

(Unit: 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	6,722	9,950
Other comprehensive income		
Valuation difference on available-for-sale securities	2,724	2,665
Foreign currency translation adjustment	3,627	4,621
Remeasurements of defined benefit plans	-	49
Share of other comprehensive income of associates accounted for using equity method	62	114
Other comprehensive income	6,414	7,450
Comprehensive Income	13,136	17,400
(Breakdown)		
Comprehensive income attributable to owners of the parent	13,031	17,273
Comprehensive income attributable to minority interests	105	127

CITIZEN HOLDINGS

(3) Consolidated Statement of Cash Flow

	(Unit: 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	10,480	14,157
Depreciation	6,765	6,826
Amortization of goodwill	670	679
Increase/decrease in allowance for doubtful accounts	△8,954	△874
Increase/decrease in defined benefit plans	-	506
Interest and dividends income	△714	△553
Interest charges	570	329
Loss/gain on sales of investment securities	△17	△1
Loss/gain on sales of non-current assets	△352	△541
Loss on disposal of fixed assets	129	119
Increase/decrease in receivables - trade	△2,172	2,164
Increase/decrease in inventories	△417	△9,705
Increase/decrease in payables - trade	3,682	1,034
Other	2,401	844
Sub total	<u>12,071</u>	<u>14,987</u>
Interest and dividends received	719	557
Interest payments	△558	△357
Income taxes	△1,272	△2,677
Net cash provided by operating activities	<u>10,959</u>	<u>12,509</u>
Cash flows from investing activities		
Payments for the purchase of investment securities	△216	△1
Proceeds from the sale of investment securities	114	8
Payments for the purchase of property, plant and equipment	△8,124	△7,624
Proceeds from the sale of property, plant and equipment	423	2,874
Payments for the purchases of Intangible fixed assets	△370	△362
Payments for loans receivable	△67	△583
Collection of loans receivable	277	18
Other	△2,003	△2,504
Net cash used in investing activities	<u>△9,967</u>	<u>△8,174</u>
Cash flows from financing activities		
Net increase/decrease in borrowings	2,275	818
Proceeds from long-term loans payable	15,128	79
Repayments of long-term loans payable	△250	△288
Redemption of bonds	△250	△50
Dividends paid	△971	△2,591
Dividends paid to the minority stockholders	△507	△48
Payments for purchase of treasury stock	△2	△2
Other	△56	△52
Net cash used in financing activities	<u>15,365</u>	<u>△2,137</u>
Effect of exchange rate changes on cash and cash equivalents	961	1,710
Increase in cash and cash equivalents	<u>17,319</u>	<u>3,909</u>
Cash and cash equivalents at beginning of term	67,517	92,661
Increase/decrease in cash and cash equivalents resulting from change of scope of consolidation	130	3
Cash and cash equivalents at end of term	<u>84,967</u>	<u>96,574</u>

(4) Notes to the Consolidated Financial Statements

CITIZEN HOLDINGS

(Notes regarding going concern assumptions)

Not applicable

(Notes regarding significant changes in shareholders' equity accounts)

Not applicable

(Segment Information)

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

Net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Watches and clocks	Machine Tools	Devices and components	Electronic Products	Other products	Segment totals	Eliminations or general corporate (Note 1)	Consolidated totals (Note 2)
Net sales								
Customers	76,101	18,329	33,097	12,141	7,038	146,708	-	146,708
Inter-segment	2,030	182	2,559	846	374	5,992	△5,992	-
Total	78,132	18,512	35,656	12,987	7,412	152,701	△5,992	146,708
Operating income/loss	7,306	479	2,493	852	△104	11,028	△1,516	9,511

(Notes) 1. Adjustments to segment loss (operating loss) of 1,516 million yen include intersegment transactions of 105 million yen to be eliminated as well as corporate expenses of 1,410 million yen not allocated to each reporting segment.

2. Segment income/loss was reconciled with operating income presented in the Quarterly Consolidated Statement of Income.

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

Net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Watches and clocks	Machine Tools	Devices and components	Electronic Products	Other products	Segment totals	Eliminations or general corporate (Note 1)	Consolidated totals (Note 2)
Net sales								
Customers	79,147	25,110	32,830	12,629	6,246	155,965	-	155,965
Inter-segment	67	176	3,073	381	374	4,072	△4,072	-
Total	79,214	25,287	35,903	13,010	6,620	160,037	△4,072	155,965
Segment income (loss/△)	7,729	3,488	2,776	646	△352	14,288	△1,890	12,398

(Notes) 1. Adjustments to segment loss (operating loss) of 1,890million yen include intersegment transactions of 36 million yen to be eliminated as well as corporate expenses of 1,854million yen not allocated to each reporting segment.

2. Segment income/loss was reconciled with operating income presented in the Quarterly Consolidated Statement of Income.