

Summary of Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2014 (Japanese Standards)

This document is an English translation of the Japanese-language original. All financial information has been prepared in accordance with accounting principles generally accepted in Japan.

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 Stock Market Listings: Tokyo
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 Filing of Quarterly Securities Report (*Shihanki hokokusho*) (Scheduled): November 13, 2013
 Start of Distribution of Dividends (Scheduled) : –
 Preparation of Supplementary Materials for the Quarterly Financial Results: Yes
 Holding of Presentation of Quarterly Financial Results: Yes (for institutional investors/analysts)

1. Consolidated results for the second quarter of FY2013 (April 1, 2013 to September 30, 2013)

(1) Consolidated operating results (cumulative)

(Amounts less than one million yen are omitted)

(The percentage figures accompanying net sales, operating income, ordinary income and net income represent year-over-year changes.)

	Net sales		Operating income		Ordinary income	
	¥ millions	%	¥ millions	%	¥ millions	%
Six months ended Sept. 2013	69,523	9.8	1,478	68.9	1,969	162.2
Six months ended Sept. 2012	63,313	(5.6)	875	43.7	751	18.3

	Net income		E.P.S.	Diluted E.P.S.
	¥ millions	%	¥	¥
Six months ended Sept. 2013	802	311.3	4.19	4.16
Six months ended Sept. 2012	195	(40.7)	1.02	1.01

Note: Comprehensive income

Six months ended September 2013: ¥2,829 million [–%]

Six months ended September 2012: (¥2,037 million) [–%]

(2) Consolidated financial position

	Total assets	Net assets	Net worth ratio	Net assets per share
	¥ millions	¥ millions	%	(¥)
As of September 30, 2013	166,472	110,184	65.3	567.49
As of March 31, 2013	163,328	108,745	65.9	561.35

Reference: Net worth

September 30, 2013: ¥108,772 million

March 31, 2013: ¥107,600 million

2. Dividends

	Annual dividends per share (¥)				
	1st quarter	2nd quarter	3rd quarter	Year-end	Full year
FY2012	—	—	—	7.50	7.50
FY2013	—	—	—	—	—
FY2013 (projected)	—	—	—	7.50	7.50

Note: Revisions to dividend projections most recently announced: No

3. Projected results for FY2013 (April 1, 2013 to March 31, 2014)

(Percentages represent year-over-year changes.)

	Net sales		Operating income		Ordinary income	
	¥ millions	%	¥ millions	%	¥ millions	%
FY2013 full year	139,000	5.0	3,000	75.4	2,900	24.6

	Net income		E.P.S.
	¥ millions	%	¥
FY2013 full year	1,500	—	7.83

Note: Revisions to projections of consolidated financial results most recently announced: No

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries during the period accompanied by changes in the scope of consolidation): No
- (2) Application of specific accounting practices for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement after error corrections
 - (a) Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - (b) Changes in accounting policies due to other reasons: Yes
 - (c) Changes in accounting estimates: No
 - (d) Restatement after error corrections: No

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

(a) Number of shares at the end of period (including treasury stock):

2nd quarter of FY2013: 209,935,165 shares

End of FY2012: 209,935,165 shares

(b) Treasury stock at the end of period:

2nd quarter of FY2013: 18,261,227 shares

End of FY2012: 18,251,563 shares

(c) Average number of shares during the period (cumulative quarterly period):

2nd quarter of FY2013: 191,678,296 shares

2nd quarter of FY2012: 191,566,926 shares

Notes regarding quarterly review

This summary of consolidated financial statements is outside the scope of quarterly review procedures under the Financial Instruments and Exchange Law of Japan, and that review had not been completed on the day of disclosure.

Notes regarding the use of projections of results and other matters

Projections of results and future developments are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results and notes regarding the use of projections, see (3) "Description of Consolidated Financial Forecast" on page 5 of attached materials.

Attached Materials

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1. Qualitative Information on Quarterly Financial Results

(1) Description of Results of Operations

Reviewing economic conditions during the first two quarters of the current fiscal year (April 1 – September 30, 2013), the Japanese economy showed signs of recovery, reflecting positive expectations spurred by the Bank of Japan's monetary easing policy and Abenomics (economic policies advocated by Prime Minister Abe). Despite these positive factors, increasing raw material and energy costs, as well as a sense of economic uncertainty remaining outside Japan caused a continuing unpredictable situation. Moreover, due to a delay in improvement of employment and income, personal expenditures still showed no signs of a pickup.

Faced with this situation, the GUNZE Group worked to enhance its ability to adapt to rapid changes in the marketplace by securing growth and fortifying its corporate constitution. These are two key strategies of GUNZE Group's medium-term management plan, called "Innovation 4S" (fiscal 2011 through fiscal 2013)," which is now in its final year.

As for the GUNZE Group's functional solutions business, electronic components enjoyed a significant improvement in performance thanks to the market recovery. However, other business segments remained sluggish, due to the slowdown of the overseas economy and increasingly intense price competition for GUNZE's mainstay products. The apparel business continued to experience challenges, including cost hikes reflecting the depreciation of the yen and escalating labor costs outside Japan.

Consequently, the GUNZE Group consolidated net sales for the first two quarters of the current fiscal year amounted to ¥69,523 million (a year-over-year increase of 9.8%). Consolidated operating income was ¥1,478 million (a year-over-year increase of 68.9%), while consolidated ordinary income was ¥1,969 million (a year-over-year increase of 162.2%). Consolidated net income was ¥802 million (a year-over-year increase of 311.3%).

Results by Business Segment

<Functional Solutions>

In plastic film, despite soaring raw material prices, shrink films for beverage, toiletry and other household product applications performed strongly. However, anti-fogging

film for vegetable packaging suffered sluggish sales due to slow movement caused by adverse weather conditions. In engineering plastics, despite brisk sales for semiconductor applications, office automation equipment components experienced sales declines, reflecting slow demand for expendable supplies due to an increasing avoidance of printing. In electronic components, projected capacitive touch screens for PCs as well as semi-finished products and films performed well, with strong sales and improvement in profitability. In medical materials, sales increased steadily in China and Europe. Overall, the functional solutions business posted net sales of ¥29,003 million (a year-over-year increase of 24.8%) and operating income of ¥2,118 million (a year-over-year increase of 50.5%).

<Apparel>

In innerwear, sales of mainstay basic products for men remained disappointing. Although GUNZE worked hard to reduce cost of sales through improvement of productivity while also concentrating on fixed cost cutting, the weaker yen and increasing labor costs outside Japan negatively impacted the innerwear business. In leg wear, plain pantyhose products continued to perform impressively and leggings pants, which set a new trend in fashion, also enjoyed robust sales. Still, this was not enough to offset the increase in cost of sales due to the yen's depreciation. Overall, the apparel business posted net sales of ¥34,080 million (a year-over-year increase of 0.3%), while operating income was ¥453 million (a year-over-year decrease of 45.9%).

<Lifestyle Creations>

In the real estate business, the *GUNZE Town Center TSUKASHiN* continued to enjoy greater sales and an increased number of visitors, thanks to the re-opening of the renovated *Nishimachi* area. The sports club business also did well with the campaign for attracting new members contributing to an increase in membership. Overall, the lifestyle creation business posted net sales of ¥6,803million (a year-over-year increase of 2.9%) and operating income of ¥449 million (a year-over-year increase of 46.3%).

(2) Description of Financial Position

As of September 30, 2013, total assets were ¥166,472 million, an increase of ¥3,143 million compared to the end of the previous fiscal year. The main components of the increase were a ¥910 million increase in cash and cash equivalents, a ¥901 million increase in other fixed assets (an increase in construction in progress, etc.), a ¥788 million increase in notes and accounts receivable, a ¥765 million increase in

investments in securities, and a ¥712 million increase in other current assets (an increase in short-term loans, etc.). The main factors contributing to a decrease in total assets were a ¥968 million decrease in investments and other assets (a decrease in long-term prepaid expenses, etc.).

Total liabilities were ¥56,287 million, an increase of ¥1,704 million compared to the end of the previous fiscal year. The key components of the increase were a ¥2,903 million increase in notes and accounts payable. The main components of a decrease in total liabilities were a ¥1,413 million decrease in other current liabilities (a decrease in notes payable on acquisition of equipment, etc.).

Net assets were ¥110,184 million, an increase of ¥1,438 million compared to the end of the previous fiscal year. The main components of the increase included a ¥1,262 million increase in foreign currency translation adjustments, and a net income of ¥802 million recorded for the period under review, and a ¥573 million increase in unrealized gains on available-for-sale securities. The main components of a decrease included dividend payments amounting to ¥1,437 million.

(Cash Flows)

As of September 30, 2013, cash and cash equivalents were ¥6,980 million, ¥910 million more than at the end of the previous fiscal year. Below is an overview of cash flows and reasons for changes during the first two quarters of the current fiscal year.

Net cash provided by operating activities for the period under review was ¥6,332 million, an increase of ¥4,323 million compared to the same period of the previous fiscal year. The major components of incoming cash flows were depreciation and amortization of ¥3,089 million, and a ¥2,354 million increase in notes and accounts payable, and an income before income taxes and minority interests of ¥1,564 million, while the major component of outgoing cash flows was payment of income taxes, etc. amounting to ¥489 million yen.

Net cash used in investing activities totaled ¥3,507 million, a decrease of ¥1,385 million compared to the same period of the previous fiscal year. The main components of outgoing cash flows included payments for purchase of property, plants and equipment amounting to ¥3,327 million, including capital investment in equipment related to the functional solutions business.

Net cash used in financing activities totaled ¥2,254 million compared with ¥1,966 million provided during the same period of the previous fiscal year. The main components of outgoing cash flows included ¥1,427 million spent for dividend payments, a repayment of short-term debt and commercial paper amounting to ¥989 million, and a repayment of long-term debt amounting to ¥826 million. The main components of incoming cash flows included proceeds from the issuance of long-term debt amounting to ¥1,000 million.

(3) Description of Consolidated Financial Forecast

GUNZE has not revised its consolidated full-year forecast for the present fiscal year ending March 31, 2014 from the previous forecast announced on May 14, 2013, as performance during the first two quarters of the present fiscal year remained within the assumed range.

2. Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

None applicable

(2) Application of Specific Accounting Practices for Preparing Quarterly Consolidated Financial Statements

(Calculation of taxes)

Taxes are calculated by multiplying income before income taxes for the first two quarters of the current fiscal year by the reasonably estimated effective tax rate subsequent to the application of tax effect accounting to the income before income taxes for the current consolidated fiscal year ending March 31, 2014.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement after Error Corrections

(Change in accounting policies, which is difficult to distinguish from changes in accounting estimates)

Change in depreciation method for property, plants and equipment

Conventionally, GUNZE and its domestic consolidated subsidiaries principally used the declining-balance method for depreciation of their property, plants and equipment (excluding buildings purchased on or after April 1, 1998). Foreign consolidated subsidiaries depreciated their property, plants and equipment by the straight-line method. Effective from the first quarter of the current fiscal year, GUNZE and its domestic consolidated subsidiaries changed their depreciation methods for property, plants and equipment to the straight-line method.

As a result of examination of the GUNZE Group's usage status for property, plants and equipment, it was discovered that these assets have been in stable operation over their useful life, and equipment/facility maintenance costs including repair costs have been nearly level. These findings enabled GUNZE to verify that physical deterioration of equipment and facilities has been progressing constantly with age. Moreover, GUNZE's large-scale investments related to the functional solutions business in Japan are almost complete. In view of this situation, GUNZE considered that it would be more suitable to change the depreciation method used by GUNZE and its domestic subsidiaries into the straight-line method in order to unify the accounting methods across the GUNZE Group both in and out of Japan. GUNZE also determined that the straight-line method, which allocates the costs of each asset evenly over its estimated useful life, could reflect the nature of the GUNZE Group's business more appropriately.

As a result of this change, depreciation for the first two quarters of the current fiscal year decreased by ¥501 million compared to the conventional depreciation method. Operating income increased by ¥370 million compared to the conventional depreciation method, while ordinary income and income before income taxes increased by ¥398 million each.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	End of FY2012 (As of Mar. 31, 2013)	End of FY2013 2nd quarter (As of Sept. 30, 2013)
Assets		
Current assets		
Cash and cash equivalents	6,070	6,980
Notes & accounts receivable, trade	28,736	29,524
Finished products and goods	21,281	21,568
Work in process	6,765	7,330
Raw materials and supplies	5,938	5,945
Other current assets	4,672	5,385
Allowance for doubtful accounts	(9)	(15)
Total current assets	73,454	76,718
Fixed assets		
Property, plants and equipment		
Buildings and structures (Net)	37,591	37,055
Machinery, equipment and vehicles (Net)	14,524	14,331
Land	11,887	11,906
Other (Net)	1,299	2,201
Total property, plants and equipment	65,304	65,493
Intangible fixed assets	1,674	1,569
Investments and other assets		
Investments in securities	11,831	12,596
Other assets	11,166	10,197
Allowance for doubtful accounts	(102)	(102)
Total investments and other assets	22,894	22,690
Total fixed assets	89,873	89,753
Total assets	163,328	166,472

(Millions of yen)

	End of FY2012 (As of Mar. 31, 2013)	End of FY2013 2nd quarter (As of Sept. 30, 2013)
Liabilities		
Current liabilities		
Notes & accounts payable, trade	6,990	9,893
Short-term debt	4,680	4,946
Commercial paper	11,800	11,200
Current portion of long-term debt	1,911	1,660
Accrued income taxes	438	651
Allowance for employees' bonuses	1,136	1,116
Other current liabilities	9,130	7,716
Total current liabilities	36,086	37,185
Long-term liabilities		
Long-term debt	11,647	12,223
Allowance for retirement benefits	1,805	1,912
Long-term deposits & guarantee deposits	4,664	4,495
Other long-term liabilities	378	470
Total long-term liabilities	18,495	19,102
Total liabilities	54,582	56,287
Net assets		
Shareholders' equity		
Common stock	26,071	26,071
Capital surplus	14,064	14,064
Retained earnings	76,700	76,065
Treasury stock	(7,603)	(7,605)
Total shareholders' equity	109,233	108,596
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	(27)	545
Deferred gains on hedge	57	30
Revaluation difference on land	(400)	(400)
Foreign currency translation adjustments	(1,261)	0
Total accumulated other comprehensive income	(1,632)	176
Stock acquisition rights	268	319
Minority interests	876	1,092
Total net assets	108,745	110,184
Total liabilities and net assets	163,328	166,472

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

Consolidated Statements of Income
(for the six months from April 1 to September 30)

(Millions of yen)

	2nd quarter of FY2012 (Apr. 1, 2012 to Sept. 30, 2012)	2nd quarter of FY2013 (Apr. 1, 2013 to Sept. 30, 2013)
Net sales	63,313	69,523
Cost of sales	46,814	52,712
Gross profit	16,499	16,811
Selling, general & administrative expenses	15,623	15,333
Operating income	875	1,478
Non-operating income		
Interest income	5	13
Dividend income	198	184
Rental income	284	261
Exchange gain	-	340
Other	125	91
Total non-operating income	613	892
Non-operating expenses		
Interest expenses	81	81
Rental expenses	260	238
Exchange loss	213	-
Other	182	81
Total non-operating expenses	738	400
Ordinary income	751	1,969
Extraordinary income		
Gain on sale of property, plants & equipment	4	61
Gain on sale of investment securities	2	-
Gain on establishment of employee retirement benefit trust	1,673	-
Other	86	-
Total extraordinary income	1,766	61
Extraordinary loss		
Loss on sale or disposal of property, plants & equipment	38	24
Loss on sale of investment securities	158	-
Loss on valuation of investments in securities	380	-
Amortization of actuarial differences in retirement benefits	1,300	443
Other	9	-
Total extraordinary loss	1,887	467
Income before income taxes and minority interests	630	1,564
Income taxes	532	652
Income before minority interests	98	911
Minority interests in income (loss)	(96)	109
Net income	195	802

Consolidated Statements of Comprehensive Income
(for the six months from April 1 to September 30)

(Millions of yen)

	2nd quarter of FY2012 (Apr. 1, 2012 to Sept. 30, 2012)	2nd quarter of FY2013 (Apr. 1, 2013 to Sept. 30, 2013)
Income before minority interests	98	911
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities	(2,470)	573
Deferred gains (losses) on hedge	99	(27)
Foreign currency translation adjustments	235	1,371
Total other comprehensive income (loss)	(2,135)	1,917
Comprehensive income (loss) attributable to:	(2,037)	2,829
Shareholders of the parent company	(1,969)	2,611
Minority interests	(67)	218

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	2nd quarter of FY2012 (Apr. 1, 2012 to Sept. 30, 2012)	2nd quarter of FY2013 (Apr. 1, 2013 to Sept. 30, 2013)
Cash flows from operating activities		
Income before income taxes & minority interests	630	1,564
Depreciation and amortization	3,689	3,089
Increase (decrease) in allowance for doubtful accounts	(14)	6
Increase (decrease) in allowance for retirement benefits	(722)	332
Increase (decrease) in allowance for employees' bonuses	24	(21)
Interest and dividend income	(204)	(198)
Interest expenses	81	81
Loss (gain) on sale or disposal of fixed assets	34	(37)
Loss (gain) on sale or valuation of investments in securities	536	-
Loss (gain) on establishment of employee retirement benefit trust	(1,673)	-
Amortization of (gain on) actuarial differences in retirement benefits	1,300	443
Other losses (gains)	117	10
Decrease (increase) in notes and accounts receivable	(389)	70
Decrease (increase) in inventories	(2,091)	(28)
Decrease (increase) in other current assets	213	(134)
Increase (decrease) in notes and accounts payable	1,108	2,354
Increase (decrease) in deposits and guarantee deposits	(105)	(252)
Increase (decrease) in other current liabilities	(347)	(558)
Increase (decrease) in other long-term liabilities	36	(11)
Subtotal	2,227	6,709
Interest and dividends received	203	195
Interest paid	(84)	(83)
Income tax refund (paid)	(338)	(489)
Net cash provided by (used in) operating activities	2,008	6,332
Cash flows from investing activities		
Payments for purchase of property, plants & equipment	(3,722)	(3,327)
Proceeds from sale of property, plants & equipment	48	101
Payments for disposition of property, plants & equipment	(23)	(2)
Payments for acquisition of investment securities	(644)	(62)
Proceeds from sale of investment securities	92	137
Net decrease (increase) in loans	(727)	(324)
Other	83	(29)
Net cash provided by (used in) investing activities	(4,893)	(3,507)

(Millions of yen)

	2nd quarter of FY2012 (Apr. 1, 2012 to Sept. 30, 2012)	2nd quarter of FY2013 (Apr. 1, 2013 to Sept. 30, 2013)
Cash flows from financing activities		
Net increase (decrease) in short-term debt and commercial paper	4,021	(989)
Proceeds from issuance of long-term debt	-	1,000
Repayments of long-term debt	(625)	(826)
Cash dividends paid	(1,426)	(1,427)
Acquisition of treasury stock	(1)	(2)
Other	(1)	(7)
Net cash provided by (used in) financing activities	1,966	(2,254)
Effect of exchange rate changes on cash & cash equivalents	37	341
Net increase (decrease) in cash and cash equivalents	(880)	910
Cash and cash equivalents at beginning of period	6,078	6,070
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	89	-
Cash and cash equivalents at end of period	5,287	6,980

**(4) Notes to Quarterly Consolidated Financial Statements
(Notes Regarding Assumptions of Continuing Operations)**

None applicable

(Notes in the Event of Significant Changes in Shareholders' Equity)

None applicable

(Segment Information, etc.)

I. Second quarter of FY2012 (Six months ended September 30, 2012)

1. Information on Net Sales and Profit (Loss) of Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustment (note)	Consolidated
	Functional solutions	Apparel	Lifestyle creations	Total		
Net sales						
Sales to customers	23,158	33,903	6,251	63,313	-	63,313
Intersegment sales and transfers	76	65	360	503	(503)	-
Total	23,235	33,969	6,611	63,817	(503)	63,313
Segment profit	1,407	837	307	2,552	(1,676)	875

Note:

The - (minus) ¥1,676 million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.

II. Second quarter of FY2013 (Six months ended September 30, 2013)

1. Information on Net Sales and Profit (Loss) of Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustment (note)	Consolidated
	Functional solutions	Apparel	Lifestyle creations	Total		
Net sales						
Sales to customers	28,922	33,988	6,613	69,523	-	69,523
Intersegment sales and transfers	80	91	190	362	(362)	-
Total	29,003	34,080	6,803	69,886	(362)	69,523
Segment profit	2,118	453	449	3,021	(1,542)	1,478

Note:

The - (minus) ¥1,542 million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.

2. Matters Regarding Changes in Reportable Segments

(Change in accounting policies, which is difficult to distinguish from changes in accounting estimates)

Change in depreciation method for property, plants and equipment

Conventionally, GUNZE and its domestic consolidated subsidiaries principally used the declining-balance method for depreciation of their property, plants and equipment (excluding buildings purchased on or after April 1, 1998).

Foreign consolidated subsidiaries depreciated their property, plants and equipment by the straight-line method.

Effective from the first quarter of the current fiscal year, GUNZE and its domestic subsidiaries changed their depreciation methods for property, plants and equipment to the straight-line method.

As a result of this change, profits of the functional solutions segment, apparel segment, and lifestyle creation segment for the first two quarters of the current fiscal year increased by ¥259 million, ¥58 million and ¥15 million, respectively, compared to the conventional depreciation method. The amount of adjustment increased by ¥37 million.

4. Supplementary Information

(1) Supplementary Materials for Quarterly Financial Results

Overview of Consolidated Results for Second Quarter of FY2013

<Overview of Results>

- Functional solutions business enjoyed increases in sales and profits due to the recovery of the electronic components market.
- Apparel business suffered a decrease in profits due to increased costs caused by the weaker yen and soaring labor costs overseas.
- Lifestyle creation business posted increases in sales and profits, thanks to the re-opening of the renovated *TSUKASHiN Nishimachi* area and increased membership for sports clubs.

<Main Extraordinary Income/Loss>

- Loss on amortization of actuarial differences in retirement benefits: (¥400 million)

<FY2012 Forecast>

- GUNZE has not revised its previously announced full-year forecast as the performance during the first two quarters of the present fiscal year remained within the assumed range.
- Scheduled dividend payment for current fiscal year: ¥7.5 per share

(1) FY2013 2nd Quarter Operating Results (Apr. 1, 2013 to Sept. 30, 2013)

(Millions of yen)

	FY2013 2nd Quarter (Six months ended Sept. 30, 2013)	FY2012 2nd Quarter (Six months ended Sept. 30, 2012)	Change
			<Upper figures in brackets %>
Net Sales	69,523	63,313	<9.8> 6,209
Operating Income	1,478	875	<68.9> 602
Ordinary Income	1,969	751	<162.2> 1,218
Income Before Income Taxes and Minority Interests	1,564	630	<148.3> 933
Net Income	802	195	<311.3> 607
Total Assets	166,472	167,974	<(0.9)> (1,501)
Inventories	34,844	38,224	<(8.8)> (3,380)
Fixed Assets	89,753	90,985	<(1.4)> (1,232)
Net Assets	110,184	106,855	<3.1> 3,329
Financing Income/Expenses	116	122	(6)
Interest/Dividends Received	198	204	(6)
Interest Expenses	(81)	(81)	(0)
Capital Expenditures	1,164	1,657	(493)
Depreciation and Amortization	3,089	3,689	(600)

Notes: Acquisition of treasury stock

	(Thousands of shares)	(Amount)
• Treasury stock acquired (including acquisition of odd-lot shares)	11	¥2 million
• Treasury stock disposed	(1)	(¥0 million)
• Treasury stock held at the end of the previous fiscal year	18,251	¥7,603 million
• Treasury stock held at the end of the period	18,261	¥7,605 million

(2) Results by Business Segment

(Millions of yen)

Item		FY2013 2nd Quarter (Six months ended Sept. 30, 2013)		FY2012 2nd Quarter (Six months ended Sept. 30, 2012)		Change	
		Amount	Weight	Amount	Weight	Amount	Change (%)
Net Sales	Functional Solutions	29,003	41.5	23,235	36.4	5,768	24.8
	Apparel	34,080	48.8	33,969	53.2	111	0.3
	Lifestyle Creations	6,803	9.7	6,611	10.4	192	2.9
	Subtotal	69,886	100.0	63,817	100.0	6,069	9.5
	Eliminations	(362)		(503)		141	-
	Consolidated	69,523		63,313		6,209	9.8
Operating Income	Functional Solutions	2,118	70.1	1,407	55.1	711	50.5
	Apparel	453	15.0	837	32.8	(384)	(45.9)
	Lifestyle Creations	449	14.9	307	12.1	142	46.3
	Subtotal	3,021	100.0	2,552	100.0	469	18.4
	Eliminations/Corporate	(1,542)		(1,676)		134	-
	Consolidated	1,478		875		602	68.9

(3) Significant Financial Indicators

		FY2013 2nd Quarter (Six months ended Sept. 30, 2013)	FY2012 2nd Quarter (Six months ended Sept. 30, 2012)	Change
Operating Income to Total Assets Ratio	%	0.9	0.5	0.4
Ordinary Income to Total Assets Ratio	%	1.2	0.4	0.8
Operating Income to Net Sales Ratio	%	2.1	1.4	0.7
Ordinary Income to Net Sales Ratio	%	2.8	1.2	1.6
Net Worth Ratio	%	65.3	62.9	2.4
ROE	%	0.7	0.2	0.5
Earnings per Share	¥	4.19	1.02	3.17
Diluted Earnings per Share	¥	4.16	1.01	3.15
Net Assets per Share	¥	567.49	551.50	15.99

(4) Cash Flows

(Millions of yen)

Cash Flow Activity	FY2013 2nd Quarter (Six months ended Sept. 30, 2013)	FY2012 2nd Quarter (Six months ended Sept. 30, 2012)	Change	Breakdown of Major Components
Operating Activities	6,332	2,008	4,323	Depreciation and amortization: 3,089; Increase in notes and accounts payable: 2,354; Income before income taxes and minority interests: 1,564; Income taxes paid: (489)
Investing Activities	(3,507)	(4,893)	1,385	Purchase of property, plants and equipment: (3,327)
Financing Activities	(2,254)	1,966	(4,221)	Dividends paid: (1,427); Decrease in short-term debt and commercial paper: (989); Repayment of long-term debt: (826); Proceeds from issuance of long-term debt: 1,000
Foreign Currency Translation	341	37	303	
Increase in Cash and Cash Equivalents - 2nd Quarter	910	(880)	1,791	
Increase due to Change in Scope of Consolidation	-	89	(89)	
Cash and Cash Equivalents - End of Period	6,980	5,287	1,693	

(5) Capital Expenditures and Depreciation and Amortization by Segment

(Millions of yen)

Item	FY2013 Plan			FY2012		Y-over-Y Change
	Amount	Weight	2nd Quarter (cumulative)	Amount	Weight	
Capital Expenditures	[International]	[1,500]		[240]	[527]	
	Functional Solutions	4,900	51.0	672	3,735	53.9
	[International]	[500]		[55]	[362]	
	Apparel	1,000	10.4	149	916	13.2
	Lifestyle Creations	2,400	25.0	203	1,932	27.9
	Corporate	1,300	13.6	139	346	5.0
	[International]	[2,000]		[296]	[889]	
	Total	9,600	100.0	1,164	6,930	100.0
Depreciation and Amortization	Functional Solutions	3,000	46.9	1,422	3,783	49.9
	Apparel	1,200	18.8	615	1,635	21.6
	Lifestyle Creations	1,400	21.9	695	1,408	18.6
	Corporate	800	12.4	357	759	9.9
	Total	6,400	100.0	3,089	7,587	100.0

Notes:

- Capital expenditures are based on the amount charged to construction in progress.
- Capital expenditures include investments for intangible fixed assets.

Main Investment Plans for the Period under Review

- Electronic components production equipment: ¥2,100 million
- Solar power generation facilities: ¥1,700 million
- Plastic film production equipment: ¥1,300 million

(6) FY2013 Forecast

(Millions of yen)

	FY2013 Forecast	FY2012	Change <Upper figures %>
Net Sales	139,000	132,373	<5.0> 6,627
Operating Income	3,000	1,710	<75.4> 1,290
Ordinary Income	2,900	2,328	<24.6> 572
Net Income	1,500	(1,161)	< - > 2,661

(7) Forecast of Results by Segment

(Millions of yen)

		FY2013 Forecast		FY2012 Results		Change	
		Amount	Weight	Amount	Weight	Amount	Change (%)
Net Sales	Functional Solutions	56,900	40.6	49,538	37.1	7,362	14.9
	Apparel	69,100	49.4	69,991	52.5	(891)	(1.3)
	Lifestyle Creations	14,000	10.0	13,867	10.4	133	1.0
	Subtotal	140,000	100.0	133,397	100.0	6,603	4.9
	Eliminations	(1,000)		(1,024)		24	-
	Consolidated	139,000		132,373		6,627	5.0
Operating Income	Functional Solutions	4,550	72.2	2,813	53.6	1,737	61.7
	Apparel	550	8.7	1,393	26.5	(843)	(60.5)
	Lifestyle Creations	1,200	19.0	1,044	19.9	156	14.9
	Subtotal	6,300	100.0	5,251	100.0	1,049	20.0
	Eliminations/Corporate	(3,300)		(3,540)		240	-
	Consolidated	3,000		1,710		1,290	75.4