

July 10, 2013

Summary of Consolidated Business Results for Fiscal 2012

For the fiscal year ended May 31, 2013

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Scheduled date of convention of ordinary general meeting of shareholders: August 27, 2013
 Scheduled date of commencement of dividend payments: August 28, 2013
 Scheduled date of submission of financial report: August 28, 2013
 Preparation of financial report supplemental explanatory materials: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

Note: Amounts in financial statements and the supplementary data are rounded down.

1. Consolidated Business Results for Fiscal 2012

(June 1, 2012 to May 31, 2013)

(1) Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year increase or decrease.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal 2012	30,575	(20.7)%	501	(70.5)%	1,150	(35.7)%	722	(8.1)%
Fiscal 2011	38,570	1.8%	1,701	13.1%	1,788	13.4%	785	15.8%

(Note) Comprehensive income: Fiscal 2012: 3,761 million yen (250.9%)
 Fiscal 2011: 1,071 million yen (293.3%)

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Net Income to Shareholder' Equity Ratio (%)	Ordinary Income to Total Assets Ratio (%)	Operating Income to Net Sales Ratio (%)
Fiscal 2012	14.98	—	4.3	2.9	1.6
Fiscal 2011	16.29	—	5.4	4.8	4.4

(Reference) Equity method investment gain or loss for: Fiscal 2012: (16) million yen
 Fiscal 2011: 113 million yen

(2) Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of May 31, 2013	42,364	18,519	43.7	384.14
As of May 31, 2012	38,086	15,049	39.5	312.12

(Reference) Shareholders' equity: As of May 31, 2013: 18,519 million yen
 As of May 31, 2012: 15,049 million yen

(3) Consolidated Cash Flows

(In millions of yen, except where noted)

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of the Fiscal Year
Fiscal 2012	1,069	(1,457)	155	1,302
Fiscal 2011	(1,328)	(2,148)	2,563	1,489

2. Dividend Information

	Annual Dividend (Yen)					Total Annual Dividends (Millions of yen)	Dividend Payout Ratio (consolidated, %)	Dividend on Equity Ratio (consolidated, %)
	1Q	Interim	3Q	Fiscal Year-End	Total			
Fiscal 2011	—	0.00	—	6.00	6.00	289	36.8	2.0
Fiscal 2012	—	0.00	—	6.00	6.00	289	40.0	1.7
Fiscal 2013 (Forecast)	—	0.00	—	6.00	6.00		39.0	

3. Consolidated Performance Forecast for Fiscal 2013 (June 1, 2013 to May 31, 2014)

(In millions of yen, except where noted; Percentage figures show year-on-year increase or decrease for the full fiscal year and increase or decrease compared with the corresponding period of the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
First half	16,000	17.9%	200	—%	200	—%	120	—%	2.46
Full year	36,000	17.7%	1,500	199.3%	1,500	30.4%	750	3.8%	15.40

Notes:

- (1) Transfers of major subsidiaries during the period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): No
Newly included: — Excluded: —
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (a) Changes in accounting policies in accordance with revisions to accounting standards and related practices: Yes
 - (b) Any changes other than (a) above: No
 - (c) Changes in accounting estimates: Yes
 - (d) Restatement: No
 (Note) These changes fall under Article 14-7 (Changes in accounting policies that are difficult to distinguish from changes in accounting estimates) of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.
- (3) Shares outstanding (common stock)
 - (a) Number of shares outstanding as of the end of the period (including treasury stock):
May 31, 2013: 48,675,000 shares May 31, 2012: 48,675,000 shares
 - (b) Number of shares of treasury stock as of the end of the period:
May 31, 2013: 463,566 shares May 31, 2012: 458,570 shares
 - (c) Average number of shares for the period (fiscal year-to-date):
Fiscal 2012: 48,214,325 shares Fiscal 2011: 48,219,015 shares

(Reference) Summary of Non-Consolidated Business Results

1. Non-Consolidated Business Results for Fiscal 2012 (June 1, 2012 to May 31, 2013)

(1) Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year increase or decrease.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal 2012	26,556	(22.0)%	163	(86.9)%	1,022	(29.6)%	737	33.0%
Fiscal 2011	34,057	2.1%	1,249	40.0%	1,451	27.0%	554	2.6%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal 2012	15.30	—
Fiscal 2011	11.50	—

(2) Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of May 31, 2013	39,326	15,620	39.7	324.01
As of May 31, 2012	35,326	12,358	35.0	256.31

(Reference) Shareholders' equity: As of May 31, 2013: 15,620 million yen
As of May 31, 2012: 12,358 million yen

Statements Regarding the Implementation Status of Audit Procedures

This summary of consolidated business result is not subject to audit procedures as prescribed under the Financial Instruments and Exchange Act. As of the date of report disclosure, audit procedures pursuant to the aforementioned Act were yet to be completed.

Disclaimer concerning the Proper Use of Business Results Forecasts and Other Relevant Specific Items

The forecasts of business results presented in this document are based on management's assumptions and beliefs in light of currently available information. Toyo Denki Seizo K.K. (hereinafter Toyo Denki) cautions readers that due to a variety of factors actual results may differ materially from forecasts. Please refer to "1. Results of Operations" in Accompanying Materials on page 2 for details relating to operating results forecasts.

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1. Results of Operation

(1) Analysis of Results of Operations

(a) Results of Operations in the Fiscal Year under Review

In fiscal 2012, the fiscal year ended May 31, 2013, economic conditions in Japan remained stringent as a whole, largely due to the symptoms of the global economic slowdown, including the debt crisis in Europe and the weaker rates of economic growth in China. The Japanese economy, however, showed favorable progress and hopeful signs, especially after the turn of the year. The downward turnaround of the yen and climbing stock prices spurred by hopeful expectations of the economic policies of the new administration have held steady, while economic sentiment in corporations and households has improved, as well.

Under these circumstances, the Toyo Denki Group has been working in unison to thoroughly strengthen its management foundation and drastically improve its corporate value in the first year of "Dash 2015," the Group's medium-term management plan launched in June 2012, in accordance with the plan.

The Toyo Denki Group's performance in fiscal 2012, the first fiscal year of the medium-term management plan, was as follows.

Orders received increased 3.9% compared with the previous fiscal year to 33,949 million yen. While orders received in the Information Equipment Systems segment dropped significantly from the surging levels of the previous year and orders received in the Industrial Systems segment remained on a declining trend due to environmental factors hindering incoming orders for production equipment and overseas sales, orders received in the Transportation Systems segment surged upward, particularly overseas.

Net sales decreased 20.7% year on year to 30,575 million yen. Net sales in the Transportation Systems segment decreased significantly, particularly overseas, and net sales in the Industrial Systems segment and Information Equipment Systems segment also decreased for the same reasons as orders received.

From a profit perspective, operating income decreased 70.5% compared with the previous fiscal year to 501 million yen, mainly due to the decrease in net sales. Ordinary income decreased 35.7% year on year to 1,150 million yen, partly due to the posting of foreign exchange gains of 629 million yen derived from the weakening yen. Net income decreased 8.1% compared with the previous fiscal year to 722 million yen.

Information by business segment is presented as follows.

Transportation Systems

Orders received increased 19.6% compared with the previous fiscal year to 20,940 million yen, mainly due to increases in overseas orders received for electrical products and equipment for the LRV (Light Rail Vehicle) in Los Angeles, USA, though domestic orders received increased only slightly.

Besides a decrease in domestic net sales due to muted demand for renewal, net sales for high-speed railroads and subways in China decreased significantly. In overall terms, net sales in this segment decreased 27.8% year on year to 17,324 million yen. Segment profit decreased 29.2% year on year to 1,913 million yen due to substantially decreased revenue.

Industrial Systems

While orders received for testing equipment for automotive development and infrastructure progressed favorably, overseas orders received declined considerably. In overall terms, orders received in this segment decreased 7.9% year on year to 11,457 million yen.

While net sales for testing equipment for automotive development and infrastructure increased, matching the trend for ordered received, net sales for production equipment and overseas significantly declined. In overall terms, net sales in this segment decreased 5.9% year on year to 11,542 million yen. Segment profit increased 71.1% year on year to 433 million yen, mainly buoyed by improved profitability in factories.

Information Equipment Systems

Orders received in this segment decreased 43.1% compared with the previous fiscal year to 1,544 million yen, retreating from the high levels generated by surging orders for mobile terminals for conductors in the previous year.

Net sales in this segment decreased 26.2% year on year to 1,701 million yen, mainly for the same reasons underlying the decrease in ordered received. Segment profit decreased 60.2% year on year to 265 million yen due to the combined effects of decreased revenue and development costs incurred for new products.

Note: Net sales data by business segment represents sales to third parties and is exclusive of inter-segment sales and transfers.

(b) Outlook for the Next Fiscal Year

Orders received and net sales in the Transportation Systems segment, Industrial Systems segment and Information Equipment Systems segment are expected to increase. As a result, net sales are projected to increase 17.7% compared with the current fiscal year to 36,000 million yen, and operating income is estimated to surge by 199.3% compared with the current fiscal year to 1,500 million yen in accordance with increased revenue.

Note: The aforementioned forecasts of business results are based on management assumptions and beliefs in light of currently available information. Toyo Denki cautions readers that actual results could differ materially from forecasts due to a variety of factors.

(2) Analysis of Financial Position

(a) Status of Assets, Liabilities and Net Assets

(Assets)

Total assets as of May 31, 2013 stood at 42,364 million yen, an increase of 4,278 million yen compared with the end of the previous fiscal year. Despite a decrease in trade notes and accounts receivable of 344 million yen, this increase was largely attributable to increases in inventories of 1,133 million yen and investment securities of 4,388 million yen.

(Liabilities)

Total liabilities as of May 31, 2013 amounted to 23,844 million yen, an increase of 807 million yen compared with the end of the previous fiscal year. While short-term borrowings contracted 2,080 million yen, this upswing in total liabilities reflected a 2,684 million yen increase in long-term debt.

(Net assets)

Net assets as of May 31, 2013 stood at 18,519 million yen, an increase of 3,470 million yen compared with the end of the previous fiscal year. This increase was largely attributable to a 433 million yen increase in retained earnings and a 2,951 million yen increase in unrealized holding gain on securities.

(b) Status of cash flows

The balance of consolidated cash and cash equivalents as of May 31, 2013 stood at 1,302 million yen, a decrease of 186 million yen compared with the previous fiscal year-end.

Principal movements in operating, investing and financing cash flows for the fiscal year under review are presented briefly as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to 1,069 million yen. Major cash outflows included an increase of 1,122 million yen in inventories, while principal cash inflows were income before income taxes and minority interests at 1,272 million yen and depreciation and amortization at 1,144 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 1,457 million yen for the fiscal year under review and mainly comprised funds used for the purchases of property, plant and equipment at 1,425 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 155 million yen. The principal cash inflow was an increase in long-term debt at 3,800 million yen, while major cash outflows were a decrease in short-term loans payable at 2,000 million yen and repayment of long-term debt at 1,196 million yen.

Trends in cash flow indices are as follows.

	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012
Shareholders' equity ratio (%)	38.0	36.6	38.7	39.5	43.7
Shareholders' equity ratio based on market capitalization (%)	80.8	62.6	49.8	31.4	34.0
Ratio of interest-bearing liabilities to cash flows (Times)	3.6	10.7	2.6	–	9.2
Interest coverage ratio (Times)	13.0	5.1	18.1	–	5.1

Notes:

- Shareholders' Equity Ratio (%): Shareholders' equity / Total assets
 - Shareholders' equity ratio based on market capitalization (%): Market capitalization / Total assets
 - Ratio of interest-bearing liabilities to cash flows: Interest-bearing liabilities / Cash flows
 - Interest coverage ratio: Cash flows / Interest payments
1. Indices are calculated based on consolidated financial data.
 2. Market capitalization is calculated by multiplying the period-end closing share price with the number of shares issued and outstanding as of the period-end (after deducting treasury stock).
 3. Cash flows from operating activities are used in calculations that use cash flows.
 4. Interest-bearing liabilities include all interest-bearing liabilities under liabilities recorded on the consolidated balance sheet.
 5. In each period where cash flows from operating activities are negative, ratio of interest-bearing liabilities to cash flows and interest coverage ratio data is not recorded.

(3) Fundamental Policy concerning Distribution of Surplus and Dividend for the Fiscal Year under Review and the Next Fiscal Year

The maintenance of stable dividends forms the basis of Toyo Denki's distribution of profit. The Company applies internal reserves to strengthen its financial position in addition to making strategic allocations to such areas as research and development, capital expenditure and outside of Japan expansion, with the aims of growing its business and strengthening its management foundation in the future.

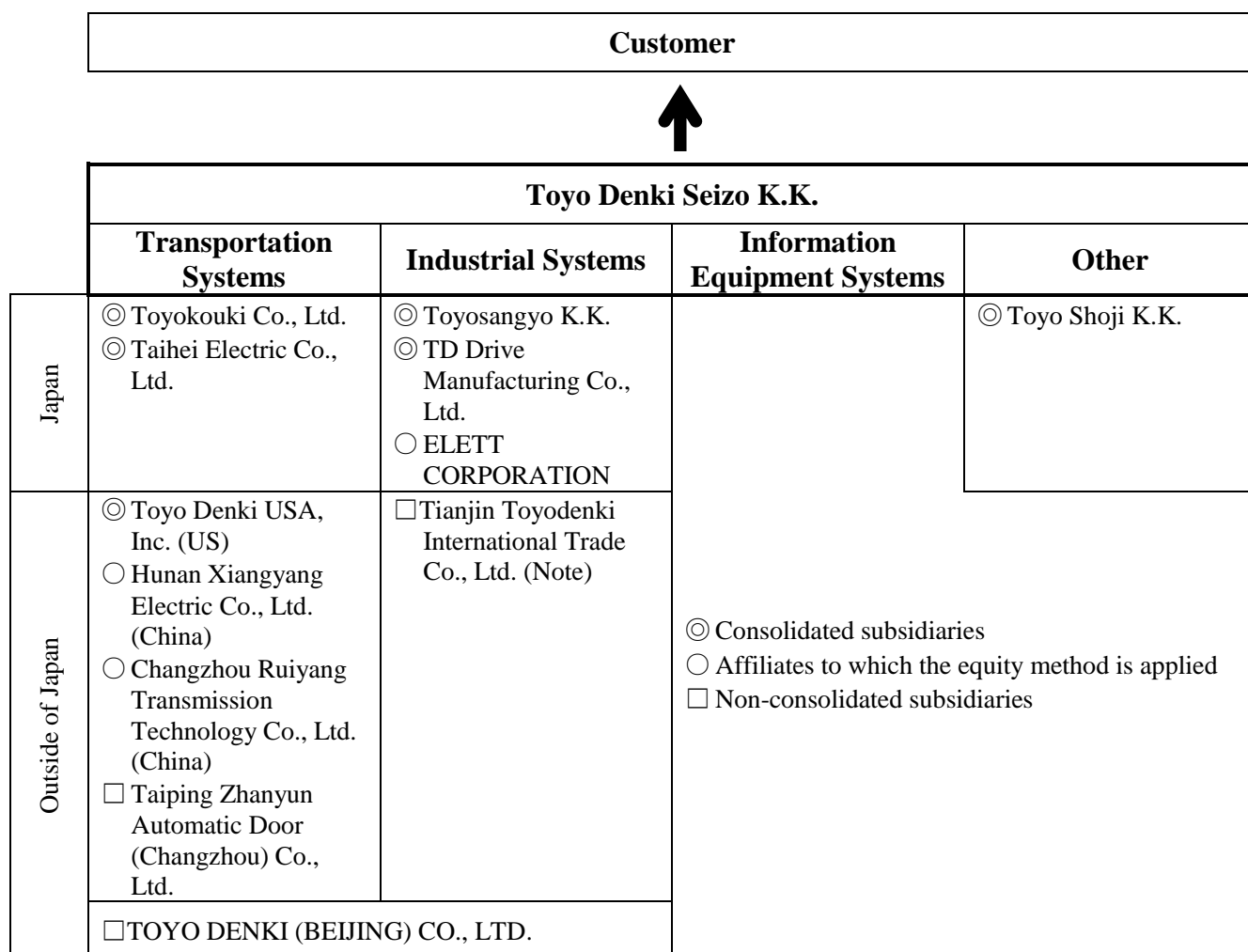
Dividends for the fiscal year under review remained at six yen per share, unchanged from the previous term. The Company intends to maintain dividends at six yen per share or more from the fiscal year ending May 31, 2014 onward.

Toyo Denki will continue seeking to expand its operations and strengthen its management foundation as it strives to achieve a stable dividend.

2. Overview of the Group

The Toyo Denki Group is composed of Toyo Denki, nine subsidiaries (including four subsidiaries outside of Japan) and three affiliated companies (including two affiliated companies outside of Japan). The Group is engaged in the manufacture and sale of electrical equipment for transportation, industrial, and information equipment systems as well as incidental projects.

The organization and position of companies within the Toyo Denki Group together with business flows are presented as follows.



(Note) Resolutions for the dissolution and liquidation of Tianjin Toyodenki International Trade Co., Ltd. were adopted at the Board of Directors held on November 12, 2012.

3. Management Policies

(1) Basic Management Policies of the Company

The Toyo Denki Group is implementing “Dash 2015,” the medium-term management plan set to conclude at the end of fiscal 2014 (on May 31, 2015), and pursues further growth towards the achievement of its long-term vision by proactively promoting several measures under the basic policies described below.

Long-Term Vision

The Toyo Denki Group will contribute to the realization of an environmental-compatibility-based society through global business development by fusing advanced breakthrough technologies together with the excellent motor drive technologies it has cultivated since its foundation.

Fundamental Policy

The Toyo Denki Group is committed to drastically improving its corporate value while thoroughly strengthening its management foundation, in order to become a Group well adapted to the new era as it approaches 2018, the 100th anniversary of its foundation.

- Strengthen business outside of Japan
- Increase market share in Japan
- Develop new business and products
- Promote alliance strategy
- Be consistent for efficient management

(2) Pending Issues

The Toyo Denki Group is implementing "Dash 2015," its medium-term management plan started at the beginning of fiscal 2012 (on June 1, 2012) and set to conclude at the end of fiscal 2014 (on May 31, 2015). Under this plan, the Group is proactively working to settle the issues it faces.

Principal measures under this plan are presented as follows.

- (a) Establish a global business promotion system
 - Further cultivate and expand markets in China, the U.S., South Korea, and Taiwan
 - Improve business bases in India and Southeast Asia
 - Expand and newly establish outside of Japan production bases
 - Fortify alliances
- (b) Develop and promote new businesses
 - Establish early the mass production of automotive electric equipment
 - Open up new business fields suited to the trends of “electrification” and “environmental suitability”
- (c) Develop new products and new technologies
 - Develop new strategic products
 - Reorganize and expand research and development departments
 - Acquire certification through international attestation
- (d) Pursue cost reduction, high quality, and high reliability
 - Implement drastic cost reductions in production and management departments as a whole
 - Strengthen cash-generating potential by improving asset efficiency
 - Strengthen quality control systems
- (e) Promote CSR activities
 - Establish CSR activities and expand their sphere
- (f) Establish and promote a dynamic corporate culture
 - Improve the pleasant environment of each workplace
 - Procure next-generation human resources and capacity-development systems

4. Consolidated Financial Position

(1) Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2012	As of May 31, 2013
Assets		
Current assets		
Cash and cash equivalents	1,489	1,302
Trade notes and accounts receivable	13,728	13,384
Products and finished goods	1,598	1,464
Work in process	2,242	3,081
Raw materials and stored goods	1,690	2,118
Advances	37	77
Other accounts receivable	66	12
Deferred tax assets	517	452
Other	73	90
Allowance for doubtful accounts	(28)	(40)
Total current assets	21,415	21,943
Fixed assets		
Property, plant and equipment		
Buildings and structures	6,279	6,973
Accumulated depreciation	(3,905)	(3,988)
Buildings and structures, net	2,373	2,985
Machinery and equipment	6,404	6,757
Accumulated depreciation	(5,174)	(5,648)
Machinery and equipment, net	1,229	1,108
Land	289	289
Construction in progress	495	80
Other	2,714	3,024
Accumulated depreciation	(2,242)	(2,476)
Other, net	472	547
Total property, plant and equipment	4,861	5,012
Intangible assets		
Software	279	274
Other	66	47
Total intangible assets	346	321
Investments and other assets		
Investment securities	8,929	13,318
Deferred tax assets	960	39
Other	1,589	1,893
Allowance for doubtful accounts	(16)	(162)
Total investments and other assets	11,463	15,087
Total fixed assets	16,670	20,421
Total assets	38,086	42,364

(Millions of yen)

	As of May 31, 2012	As of May 31, 2013
Liabilities		
Current liabilities		
Trade notes and accounts payable	4,544	4,646
Short-term borrowings	6,376	4,296
Current portion of corporate bonds	160	120
Income taxes payable	473	319
Consumption and other taxes payable	185	67
Accrued expenses	2,909	2,883
Advances received	182	413
Deposits received	213	212
Reserve for directors' bonuses	46	16
Reserve for employees' bonuses	891	772
Reserve for order losses	197	196
Other	540	335
Total current liabilities	16,720	14,280
Long-term liabilities		
Corporate bonds	120	—
Long-term borrowings	2,729	5,413
Long-term payables	251	164
Deferred tax liabilities	—	614
Reserve for employees' retirement benefits	3,136	3,289
Allowance for environmental development	43	43
Other	35	38
Total long-term liabilities	6,316	9,564
Total liabilities	23,036	23,844
Net assets		
Shareholders' equity		
Capital stock	4,998	4,998
Capital surplus	3,177	3,177
Retained earnings	6,722	7,155
Treasury stock	(162)	(163)
Total shareholders' equity	14,735	15,167
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	415	3,367
Foreign currency translation adjustments	(102)	(14)
Total accumulated other comprehensive income	313	3,352
Total net assets	15,049	18,519
Total liabilities and net assets	38,086	42,364

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

(Millions of yen)

	For the fiscal year ended May 31, 2012	For the fiscal year ended May 31, 2013
Net sales	38,570	30,575
Cost of sales	29,736	22,878
Gross profit	8,834	7,696
Selling, general and administrative expenses	7,133	7,194
Operating income	1,701	501
Non-operating income		
Interest income	0	0
Dividend income	116	159
Equity in earnings of unconsolidated subsidiaries and affiliates	113	—
Foreign exchange gains	—	629
Life insurance dividend income	47	90
Miscellaneous income	53	60
Total non-operating income	330	940
Non-operating expenses		
Interest expense	163	215
Equity in losses of unconsolidated subsidiaries and affiliates	—	16
Loss on foreign currency exchange	23	—
Loss on disposal of fixed assets	4	15
Miscellaneous loss	51	43
Total non-operating expenses	242	291
Ordinary income	1,788	1,150
Extraordinary income		
Gain on sales of investment securities	—	72
Extraordinary repayment of special corporate taxes	—	64
Total extraordinary income	—	137
Extraordinary loss		
Office transfer expenses	—	15
Loss on devaluation of investment securities	22	—
Loss on disaster	7	—
Total extraordinary losses	30	15
Income before income taxes and minority interests	1,758	1,272
Income taxes:		
Current	730	496
Income taxes for prior periods	(16)	—
Deferred	258	54
Total income taxes	972	550
Income before minority interests	785	722
Net income	785	722

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended May 31, 2012	For the fiscal year ended May 31, 2013
Income before minority interests	785	722
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	291	2,951
Foreign currency translation adjustments	(5)	26
Share of other comprehensive income of affiliates to which the equity method is applied	0	61
Total other comprehensive income	286	3,039
Comprehensive income	1,071	3,761
Comprehensive income attributable to		
Owners of the parent	1,071	3,761
Minority interests	—	—

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	For the fiscal year ended May 31, 2012	For the fiscal year ended May 31, 2013
Shareholders' equity		
Capital stock		
Balance as of the beginning of the fiscal period under review	4,998	4,998
Balance as of the end of fiscal period under review	4,998	4,998
Capital surplus		
Balance as of the beginning of the fiscal period under review	3,177	3,177
Balance as of the end of fiscal period under review	3,177	3,177
Retained earnings		
Balance as of the beginning of the fiscal period under review	6,226	6,722
Change during fiscal period under review		
Changes of items during the period		
Distribution of retained earnings	(289)	(289)
Net income	785	722
Total change during fiscal period under review	496	433
Balance as of the end of fiscal period under review	6,722	7,155
Treasury stock		
Balance as of the beginning of the fiscal period under review	(160)	(162)
Change during fiscal period under review		
Changes of items during the period		
Acquisition of treasury stock	(1)	(1)
Total change during fiscal period under review	(1)	(1)
Balance as of the end of fiscal period under review	(162)	(163)
Total shareholders' equity		
Balance as of the beginning of the fiscal period under review	14,241	14,735
Change during fiscal period under review		
Changes of items during the period		
Distribution of retained earnings	(289)	(289)
Net income	785	722
Acquisition of treasury stock	(1)	(1)
Total change during fiscal period under review	494	431
Balance as of the end of fiscal period under review	14,735	15,167

(Millions of yen)

	For the fiscal year ended May 31, 2012	For the fiscal year ended May 31, 2013
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities		
Balance as of the beginning of the fiscal period under review	124	415
Changes during fiscal period under review		
Net changes of items other than shareholders' equity	291	2,951
Total change during fiscal period under review	291	2,951
Balance as of the end of the fiscal period under review	415	3,367
Foreign currency translation adjustment		
Balance as of the beginning of the fiscal period under review	(97)	(102)
Changes during fiscal period under review		
Net changes of items other than shareholders' equity	(4)	87
Total change during fiscal period under review	(4)	87
Balance as of the end of the fiscal period under review	(102)	(14)
Total accumulated other comprehensive income		
Balance as of the beginning of the fiscal period under review	27	313
Changes during fiscal period under review		
Net changes of items other than shareholders' equity	286	3,039
Total change during fiscal period under review	286	3,039
Balance as of the end of the fiscal period under review	313	3,352
Total net assets		
Balance as of the beginning of the fiscal period under review	14,268	15,049
Changes during fiscal period under review		
Distribution of retained earnings	(289)	(289)
Net income	785	722
Acquisition of treasury stock	(1)	(1)
Net changes of items other than shareholders' equity	286	3,039
Total change during fiscal period under review	780	3,470
Balance as of the end of the fiscal period under review	15,049	18,519

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended May 31, 2012	For the fiscal year ended May 31, 2013
Cash flows from operating activities		
Income before income taxes and minority interests	1,758	1,272
Depreciation and amortization	1,145	1,144
Increase (decrease) in allowance for doubtful accounts	(12)	158
Increase (decrease) in reserve for employees' bonuses	(42)	(118)
Increase (decrease) in reserve for employees' retirement benefits	(71)	152
Interest and dividends income	(116)	(159)
Interest expenses	163	215
Loss (gain) on devaluation of investment securities	22	—
Loss (gain) on sales of investment securities		(72)
Decrease (increase) in notes and accounts receivable-trade	(3,399)	230
Decrease (increase) in inventories	2,648	(1,122)
Increase (decrease) in trade notes and accounts payable	(1,134)	100
Increase (decrease) in reserve for order losses	46	(5)
Increase (decrease) in advances received	(492)	200
Increase (decrease) in accrued expenses	(950)	(28)
Increase (decrease) in allowance for environmental development	(89)	—
Other	(51)	(243)
Subtotal	(576)	1,723
Interest and dividends income received	135	171
Interest expenses paid	(163)	(210)
(Payments for) refund of corporate and other taxes	(724)	(615)
Net cash provided by (used in) operating activities	(1,328)	1,069
Cash flows from investing activities		
Purchases of property, plant and equipment	(918)	(1,425)
Purchases of investment securities	(917)	(13)
Proceeds from sales of investment securities	—	127
Other payments	(72)	(178)
Other receipts	31	123
Other	(270)	(91)
Net cash used in investing activities	(2,148)	(1,457)

(Millions of yen)

	For the fiscal year ended May 31, 2012	For the fiscal year ended May 31, 2013
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	1,500	(2,000)
Increase in long-term debt	2,300	3,800
Repayment of long-term debt	(750)	(1,196)
Redemption of bonds payable	(200)	(160)
Proceeds from sales of treasury stock	(1)	(1)
Cash dividends paid	(284)	(287)
Other	—	(0)
Cash provided by financing activities	2,563	155
Effect of exchange rate change on cash and cash equivalents	(8)	45
Increase (decrease) in cash and cash equivalents	(921)	(186)
Balance of cash and cash equivalents at the beginning of the period	2,410	1,489
Balance of cash and cash equivalents at the end of the period	1,489	1,302