

July 10, 2015

Summary of Consolidated Business Results for Fiscal 2014

For the fiscal year ended May 31, 2015

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Scheduled date of convention of ordinary general meeting of shareholders: August 27, 2015
 Scheduled date of commencement of dividend payments: August 28, 2015
 Scheduled date of submission of financial report: August 28, 2015
 Preparation of financial report supplemental explanatory materials: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

Note: Amounts less than one million yen in financial statements and the supplementary data are rounded down.

1. Consolidated Business Results for Fiscal 2014

(June 1, 2014 to May 31, 2015)

(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 2014	39,617	13.3%	1,596	48.3%	2,056	98.5%	1,115	73.1%
Fiscal 2013	34,957	14.3%	1,076	114.7%	1,035	(10.0)%	644	(10.8)%

(Note) Comprehensive income: Fiscal 2014: 5,478 million yen [285.3%]

Fiscal 2013: 1,421 million yen [(62.2)%]

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Net Income to Shareholders' Equity Ratio	Ordinary Income to Total Assets Ratio	Operating Income to Net Sales Ratio
Fiscal 2014	23.15	—	5.0	4.2	4.0
Fiscal 2013	13.37	—	3.4	2.4	3.1

(Reference) Equity method investment gain or loss for: Fiscal 2014: 50 million yen
 Fiscal 2013: (14) 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, 2015	53,041	24,905	47.0	516.82
As of May 31, 2014	44,752	19,350	43.2	401.45

(Reference) Shareholders' equity: As of May 31, 2015: 24,905 million yen

As of May 31, 2014: 19,350 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 2014	1,514	(988)	18	3,570
Fiscal 2013	3,621	(753)	(1,199)	2,997

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 2013	—	0.00	—	6.00	6.00	289	44.9	1.5
Fiscal 2014	—	0.00	—	6.00	6.00	289	25.9	1.3
Fiscal 2015 (Forecast)	—	0.00	—	6.00	6.00		20.7	

3. Consolidated Performance Forecast for Fiscal 2015 (June 1, 2015 to May 31, 2016)

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share (Yen)
First half	18,000	(5.6)%	300	(48.7)%	350	(59.9)%	200	(61.2)%	4.15
Full year	44,000	11.1%	2,100	31.6%	2,200	7.0%	1,400	25.5%	29.05

Notes:

- (1) Transfers of major subsidiaries during the period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): No
- (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: No
 - (d) Restatement: No
- (3) Shares outstanding (common stock)
 - (a) Number of shares outstanding as of the end of the period (including treasury stock):
 May 31, 2015: 48,675,000 shares May 31, 2014: 48,675,000 shares
 - (b) Number of shares of treasury stock as of the end of the period:
 May 31, 2015: 484,737 shares May 31, 2014: 474,527 shares
 - (c) Average number of shares for the period (fiscal year-to-date):
 Fiscal 2014: 48,194,735 shares Fiscal 2013: 48,205,535 shares

(Reference) Summary of Non-Consolidated Business Results

1. Non-Consolidated Business Results for Fiscal 2014 (June 1, 2014 to May 31, 2015)

(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 2014	34,594	12.9%	1,057	62.7%	1,692	102.1%	826	66.8%
Fiscal 2013	30,634	15.4%	650	296.8%	837	(18.1)%	495	(32.8)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal 2014	17.15	—
Fiscal 2013	10.28	—

(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, 2015	49,019	21,519	43.9	446.56
As of May 31, 2014	41,394	16,399	39.6	340.23

(Reference) Shareholders' equity: As of May 31, 2015: 21,519 million yen
As of May 31, 2014: 16,399 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. Analysis of Results of Operations and Financial Position" in Accompanying Materials on page 2 for details relating to operating results forecasts.

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1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

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

In fiscal 2014, the fiscal year ended May 31, 2015, the economy in Japan saw declined personal consumption due to effects of the increase in the consumption tax rate and subdued conditions persisted for corporate capital expenditures during the first half of the fiscal year. However, the overall economy was on a mild recovery trend due to the signs of effect of the economic policies and monetary easing policy implemented by the current administration and growth in corporate and personal income followed by an improved demand during the second half of the fiscal year. Meanwhile, with regard to overseas, the recovery trend of the economy in the United States continued, and China secured growth amid a decelerating growth rate, leading to a high level of investment in infrastructure.

Under these circumstances, the Toyo Denki Group has been working in unison to thoroughly strengthen its management foundation and drastically improve its corporate value according to “Next 100: Beyond 100 years,” the medium-term management plan launched during fiscal 2014.

The Toyo Denki Group’s performance in fiscal 2014, the first fiscal year of the plan, was as follows.

Orders received decreased 8.2% compared with the previous fiscal year to 39,070 million yen. This overall result reflected a decrease in orders received in the Transportation Systems segment and the Information Equipment Systems segment, despite a surge in orders in the Industrial Systems segment.

Net sales increased 13.3% year on year to 39,617 million yen. Despite a decrease in the Information Equipment Systems segment, this result reflected a significant surge in the Transportation Systems segment outside Japan as well as an increase in the Industrial Systems segment.

From a profit perspective, operating income increased 48.3% compared with the previous fiscal year to 1,596 million yen, mainly due to increased revenue in the Transportation Systems segment and the Industrial Systems segment. Ordinary income grew by 98.5% to 2,056 million yen as a result of recording foreign exchange gains from a progressively weaker yen, and net income increased 73.1% to 1,115 million yen.

Information by business segment is presented as follows.

Transportation Systems

While orders received were up in Japan, orders received outside Japan were down mainly due to the delays, etc. in a planned overseas project, leading to a decrease of 16.9% compared with the previous fiscal year to 24,759 million yen.

Net sales in this segment showed a significant upturn outside Japan, totaling 26,869 million yen, a 21.0% increase from the previous fiscal year.

Segment profit increased 31.3% compared with the previous fiscal year to 3,117 million yen, which was attributable to increased revenue and improved profitability of factories.

Industrial Systems

Orders received were up mainly for testing equipment for automobile development, as well as for infrastructure related and for outside Japan, leading to an increase of 20.0% compared with the previous fiscal year to 13,319 million yen.

Net sales increased 6.3% year on year to 11,613 million yen primarily as sales of testing equipment for automotive development increased, despite a decrease in sales related to processing equipment.

Segment profit totaled 848 million yen, an increase of 58.1% compared with the previous fiscal year due to increased revenue.

Information Equipment Systems

Orders received in this segment decreased 41.1% to 985 million yen, primarily due to declines in orders for railway station operating equipment and remote monitoring systems.

Net sales in this segment decreased 38.3% year on year to 1,127 million yen, owing to the same reasons as above.

Segment profit was 71 million yen, a decrease of 79.5% compared with the previous fiscal year, due to decreased revenue.

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

As for the business environment surrounding the Company for the time being, capital expenditures are expected to recover backed by the favorable corporate earnings in Japan. With regard to overseas, the recovery trend of the U.S. economy is expected to continue and infrastructure-related investment is forecast to expand in China and other ASEAN countries.

Based on this recognition, the Group plans to exceed the performance of fiscal 2014 in all segments, namely, Transportation Systems, Industrial Systems and Information Equipment Systems, by building on the measures implemented during the first fiscal year of the medium-term management plan "NEXT 100: Beyond 100 Years." For this reason, we anticipate net sales of 44.0 billion yen, operating income of 2.1 billion yen, ordinary income of 2.2 billion yen and net income of 1.4 billion yen for the next fiscal year.

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, 2015 stood at 53,041 million yen, an increase of 8,288 million yen compared with the end of the previous fiscal year. Despite a decrease in work in process of 496 million yen, the increase in total assets was largely attributable to increases in investment securities of 6,063 million yen, which was the result of an increase in the market price of held listed securities, and trade notes and accounts receivable of 2,033 million yen.

(Liabilities)

Total liabilities amounted to 28,135 million yen, an increase of 2,733 million yen compared with the previous fiscal year end. Despite a 2,799 million yen decrease in accrued expenses, the increase in total liabilities was largely attributable to increases in electronically recorded obligations – operating of 3,022 million yen, deferred tax liabilities of 1,965 million yen, and long-term debt of 706 million yen.

(Net Assets)

Net assets as of May 31, 2015 stood at 24,905 million yen, an increase of 5,555 million yen compared with the previous fiscal year. This increase was largely attributable to a 4,327 million yen increase in unrealized holding gain on available-for-sale securities and a 93 million yen increase in foreign currency translation adjustments despite a decrease of 84 million yen from remeasurements of defined benefit plans.

(b) Status of cash flows

The balance of consolidated cash and cash equivalents as of May 31, 2015 stood at 3,570 million yen, an increase of 573 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 1,514 million yen. Major cash outflows were an increase of 2,765 million yen in trade notes and accounts payable and a decrease of 2,802 million yen in accrued expenses. Principal cash inflow was income before income taxes and minority interests at 2,014 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 988 million yen for the fiscal year under review and mainly comprised funds used for the purchases of property, plant and equipment at 830 million yen, which included 111 million yen as a deposit for the acquisition of land for the new Shiga Factory.

Cash flows from financing activities

Net cash provided by financing activities was 18 million yen. The principal cash inflow was an increase in long-term debt at 1,500 million yen, while major cash outflows were repayment of long-term debt at 1,073 million yen and cash dividends paid at 287 million yen.

Trends in cash flow indices are as follows.

	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Shareholders' equity ratio (%)	38.7	39.5	43.7	43.2	47.0
Shareholders' equity ratio based on market capitalization (%)	49.8	31.4	34.0	40.3	42.3
Ratio of interest-bearing liabilities to cash flows (Times)	2.6	—	9.2	2.5	6.2
Interest coverage ratio (Times)	18.1	—	5.1	21.5	10.8

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. Interest-bearing liabilities include interest-bearing liabilities under liabilities on the consolidated balance sheet.
 4. 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.

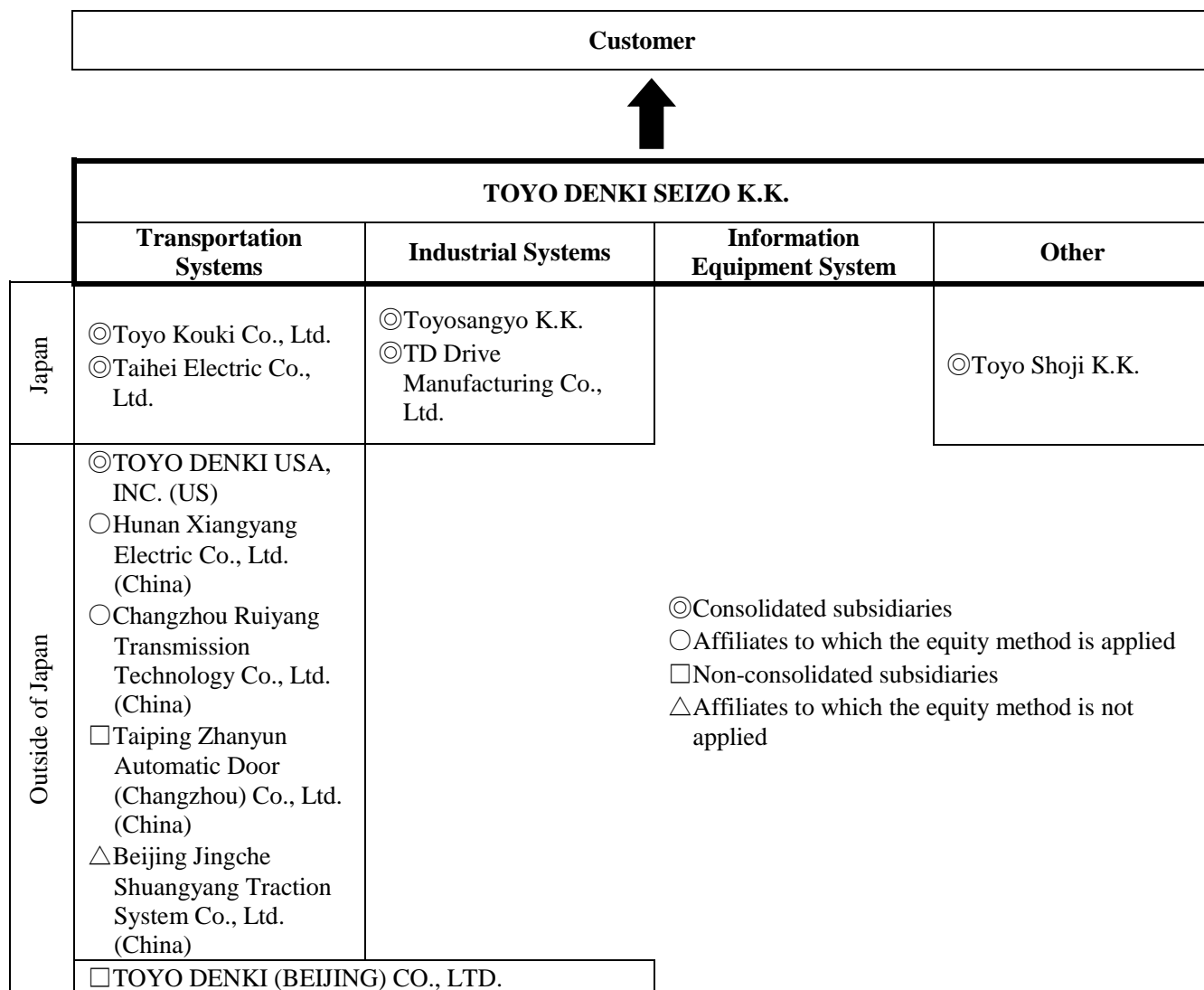
Dividends for the fiscal year under review will be six yen per share, unchanged from the previous term. The Company intends to maintain dividends at six yen per share or more from the fiscal year ending May 31, 2016 onward.

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, six consolidated subsidiaries, two non-consolidated subsidiaries, two equity-method affiliated companies and one non-equity-method affiliated company. 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.



3. Management Policies

(1) Basic Management Policies of the Company

The Toyo Denki Group is promoting “NEXT 100: Beyond 100 Years,” a medium-term management plan set to conclude at the end of fiscal 2016 (on May 31, 2017). The Group is working to promote measures under the basic policies described below for further growth towards the achievement of its long-term vision.

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 in view of 2018, the 100th anniversary of its foundation, and beyond.

Aiming to strengthen the management foundation as a 50 billion yen company in three years under the slogan: “Beyond the 100-Year Mark”

- (a) Strengthen international competitiveness
- (b) Build a stable business earnings structure
- (c) Restructure production system
- (d) Promote development of technology
- (e) Establish new businesses
- (f) Train human resources to support global development

(2) Pending Issues

The Toyo Denki Group is now implementing “NEXT 100: Beyond 100 Years,” its medium-term management plan and is formulating and promoting the principal measures as follows in line with the fundamental policies.

The specific measures are presented as follows.

- (a) Strengthen international competitiveness
 - Promote business centered on the Group’s bases in overseas markets in China, the U.S., South Korea, India, and Taiwan
 - Build up the brand and expand business through bases in Southeast Asia
 - Utilize alliances to cultivate new markets
- (b) Build a stable business earnings structure
 - Expand its share in Japan’s Mothers market
 - Stabilize earnings potential in Industrial Systems segment
- (c) Restructure production system
 - Expand production capacity and establish global production system as Toyo Denki in view of its 100th year and beyond
 - Strengthen global quality control systems, including supplier management
 - Reorganize backbone systems
- (d) Promote development of technology
 - Proactively utilize young human resources with an eye to achieving fresh ideas
 - Train advanced engineers through active secondment to research institutions such as universities
- (e) Establish new businesses
 - Promote businesses in distributed power sources and electrification
 - Establish system to expand overseas maintenance business
- (f) Train human resources to support global development
 - Procure next-generation human resources and capacity-development systems
 - Establish working and living environments that the promotion and development of global business
- (g) Promote CSR activities

4. Basic Concept behind the Choice of Accounting Standards

To sustain comparability of consolidated financial statements between periods as well as between companies, the Group shall, for the time being, prepare consolidated financial statements under the Japanese GAAP.

We will appropriately respond to the application of the International Financial Reporting Standards (IFRS) considering various circumstances in Japan and overseas.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2014	As of May 31, 2015
Assets		
Current assets		
Cash and cash equivalents	2,997	3,570
Trade notes and accounts receivable	12,805	14,838
Products and finished goods	1,483	1,283
Work in process	3,459	2,962
Raw materials and stored goods	2,158	2,149
Advances	51	23
Other accounts receivable	25	13
Deferred tax assets	544	660
Other	63	132
Allowance for doubtful accounts	(34)	(40)
Total current assets	23,555	25,593
Fixed assets		
Property, plant and equipment		
Buildings and structures	7,075	7,058
Accumulated depreciation	(4,228)	(4,320)
Buildings and structures, net	2,847	2,737
Machinery and equipment	6,679	6,792
Accumulated depreciation	(5,770)	(5,930)
Machinery and equipment, net	908	862
Land	289	289
Construction in progress	63	227
Other	3,171	3,272
Accumulated depreciation	(2,624)	(2,786)
Other, net	547	486
Total property, plant and equipment	4,656	4,603
Intangible assets		
Software	230	204
Other	37	144
Total intangible assets	268	348
Investments and other assets		
Investment securities	14,262	20,326
Deferred tax assets	35	7
Other	1,986	2,173
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	16,273	22,495
Total fixed assets	21,197	27,447
Total assets	44,752	53,041

(Millions of yen)

	As of May 31, 2014	As of May 31, 2015
Liabilities		
Current liabilities		
Trade notes and accounts payable	5,285	5,116
Electronically recorded obligations - operating	-	3,022
Short-term debt	1,987	1,783
Income taxes payable	374	642
Consumption and other taxes payable	180	249
Accrued expenses	3,792	992
Advances received	292	288
Deposits received	228	230
Reserve for directors' bonuses	28	41
Reserve for employees' bonuses	915	927
Reserve for order losses	129	301
Allowance for environmental development	-	65
Other	281	307
Total current liabilities	13,496	13,969
Long-term liabilities		
Long-term debt	6,934	7,640
Long-term payables	145	141
Deferred tax liabilities	653	2,618
Allowance for environmental development	43	-
Net defined benefit liability	4,044	3,725
Other	84	40
Total long-term liabilities	11,906	14,166
Total liabilities	25,402	28,135
Net assets		
Shareholders' equity		
Capital stock	4,998	4,998
Capital surplus	3,177	3,177
Retained earnings	7,510	8,708
Treasury stock	(167)	(171)
Total shareholders' equity	15,519	16,712
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	3,989	8,317
Deferred gains or losses on hedges	(26)	-
Foreign currency translation adjustments	165	259
Remeasurements of defined benefit plans	(298)	(383)
Total accumulated other comprehensive income	3,830	8,193
Total net assets	19,350	24,905
Total liabilities and net assets	44,752	53,041

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

(Millions of yen)

	For the fiscal year ended May 31, 2014	For the fiscal year ended May 31, 2015
Net sales	34,957	39,617
Cost of sales	26,859	30,334
Gross profit	8,097	9,282
Selling, general and administrative expenses	7,021	7,686
Operating income	1,076	1,596
Non-operating income		
Interest income	0	0
Dividend income	168	203
Equity in profit of unconsolidated subsidiaries and affiliates	-	50
Foreign exchange gains	-	363
Life insurance dividend income	5	7
Miscellaneous income	22	26
Total non-operating income	196	652
Non-operating expenses		
Interest expense	181	138
Equity in loss of unconsolidated subsidiaries and affiliates	14	-
Loss on foreign currency exchange	14	-
Loss on disposal of fixed assets	13	4
Delinquent charge for delay in delivery	1	25
Miscellaneous loss	10	24
Total non-operating expenses	236	192
Ordinary income	1,035	2,056
Extraordinary income		
Gain on sales of fixed assets	-	12
Total extraordinary income	-	12
Extraordinary loss		
Loss on liquidation of subsidiaries and affiliates	5	-
Impairment loss	-	30
Provision of allowance for environmental development	-	24
Total extraordinary losses	5	54
Income before income taxes and minority interests	1,030	2,014
Income taxes:		
Current	624	944
Deferred	(237)	(45)
Total income taxes	386	898
Income before minority interests	644	1,115
Net income	644	1,115

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended May 31, 2014	For the fiscal year ended May 31, 2015
Income before minority interests	644	1,115
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	622	4,327
Deferred gains or losses on hedges	(26)	26
Foreign currency translation adjustments	14	(11)
Remeasurements of defined benefit plans	-	(84)
Share of other comprehensive income of affiliates to which the equity method is applied	166	104
Total other comprehensive income	777	4,362
Comprehensive income	1,421	5,478
Comprehensive income attributable to:		
Owners of the parent	1,421	5,478
Minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended May 31, 2014 (June 1, 2013 to May 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal period under review	4,998	3,177	7,155	(163)	15,167
Cumulative effects of changes in accounting policies	-	-	-	-	-
Restated balance	4,998	3,177	7,155	(163)	15,167
Change during fiscal period under review					
Distribution of retained earnings	-	-	(289)	-	(289)
Net income	-	-	644	-	644
Acquisition of treasury stock	-	-	-	(3)	(3)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total change during fiscal period under review	-	-	355	(3)	351
Balance as of the end of fiscal period under review	4,998	3,177	7,510	(167)	15,519

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of the beginning of the fiscal period under review	3,367	-	(14)	-	3,352	18,519
Cumulative effects of changes in accounting policies	-	-	-	-	-	-
Restated balance	3,367	-	(14)	-	3,352	18,519
Change during fiscal period under review						
Distribution of retained earnings	-	-	-	-	-	(289)
Net income	-	-	-	-	-	644
Acquisition of treasury stock	-	-	-	-	-	(3)
Net changes of items other than shareholders' equity	622	(26)	180	(298)	478	478
Total change during fiscal period under review	622	(26)	180	(298)	478	830
Balance as of the end of fiscal period under review	3,989	(26)	165	(298)	3,830	19,350

For the fiscal year ended May 31, 2015 (June 1, 2014 to May 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal period under review	4,998	3,177	7,510	(167)	15,519
Cumulative effects of changes in accounting policies	-	-	370	-	370
Restated balance	4,998	3,177	7,881	(167)	15,890
Change during fiscal period under review					
Distribution of retained earnings	-	-	(289)	-	(289)
Net income	-	-	1,115	-	1,115
Acquisition of treasury stock	-	-	-	(4)	(4)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total change during fiscal period under review	-	-	826	(4)	822
Balance as of the end of fiscal period under review	4,998	3,177	8,708	(171)	16,712

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of the beginning of the fiscal period under review	3,989	(26)	165	(298)	3,830	19,350
Cumulative effects of changes in accounting policies	-	-	-	-	-	370
Restated balance	3,989	(26)	165	(298)	3,830	19,720
Change during fiscal period under review						
Distribution of retained earnings	-	-	-	-	-	(289)
Net income	-	-	-	-	-	1,115
Acquisition of treasury stock	-	-	-	-	-	(4)
Net changes of items other than shareholders' equity	4,327	26	93	(84)	4,362	4,362
Total change during fiscal period under review	4,327	26	93	(84)	4,362	5,184
Balance as of the end of fiscal period under review	8,317	-	259	(383)	8,193	24,905

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended May 31, 2014	For the fiscal year ended May 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	1,030	2,014
Depreciation and amortization	1,000	881
Increase (decrease) in allowance for doubtful accounts	(156)	6
Increase (decrease) in reserve for employees' bonuses	142	12
Increase (decrease) in allowance for environmental development	-	21
Increase (decrease) in reserve for employees' retirement benefits	(3,289)	-
Increase (decrease) in net defined benefit liability	3,580	(106)
Interest and dividends income	(168)	(203)
Interest expenses	181	138
Decrease (increase) in notes and accounts receivable-trade	586	(1,925)
Decrease (increase) in inventories	(430)	737
Increase (decrease) in trade notes and accounts payable	635	2,765
Increase (decrease) in reserve for order losses	(68)	171
Increase (decrease) in advances received	(142)	(14)
Increase (decrease) in accrued expenses	902	(2,802)
Impairment loss	-	30
Other	384	391
Subtotal	4,188	2,116
Interest and dividends income received	168	219
Interest expenses paid	(168)	(139)
(Payments for) refund of corporate and other taxes	(567)	(681)
Net cash provided by operating activities	3,621	1,514
Cash flows from investing activities		
Purchases of property, plant and equipment	(635)	(830)
Purchases of investment securities	(13)	(13)
Other payments	(74)	(76)
Other receipts	4	6
Other	(34)	(74)
Net cash used in investing activities	(753)	(988)

(Millions of yen)

	For the fiscal year ended May 31, 2014	For the fiscal year ended May 31, 2015
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	(2,265)	(114)
Increase in long-term debt	2,650	1,500
Repayment of long-term debt	(1,172)	(1,073)
Redemption of bonds payable	(120)	-
Proceeds from sales of treasury stock	(3)	(4)
Cash dividends paid	(287)	(287)
Other	(0)	(0)
Cash provided by (used in) financing activities	(1,199)	18
Effect of exchange rate change on cash and cash equivalents	26	28
Increase (decrease) in cash and cash equivalents	1,695	573
Balance of cash and cash equivalents at the beginning of the period	1,302	2,997
Balance of cash and cash equivalents at the end of the period	2,997	3,570