

July 12, 2011

Summary of Consolidated Business Results for Fiscal 2010

For the fiscal year ended May 31, 2011

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Scheduled date of convention of ordinary general meeting of shareholders: August 26, 2011
 Scheduled date of commencement of dividend payments: August 29, 2011
 Scheduled date of submission of financial report: August 29, 2011
 Preparation of financial report supplemental explanatory materials: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors)

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

1. Consolidated Business Results for Fiscal 2010

(June 1, 2010 – May 31, 2011)

(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 2010	37,893	7.0%	1,503	54.2%	1,577	60.6%	678	32.3%
Fiscal 2009	35,429	6.6%	975	(30.2)%	982	(22.5)%	512	397.6%

Note: Comprehensive income Fiscal 2010: 272 million yen (-41.9%)
 Fiscal 2009: 468 million yen (-%)

	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 2010	14.86	–	5.1	4.4	4.0
Fiscal 2009	11.63	–	4.1	2.9	2.8

Reference: Equity method investment gain or loss for: Fiscal 2010: - million yen
 Fiscal 2009: - 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, 2011	36,892	14,268	38.7	295.89
As of May 31, 2010	34,385	12,585	36.6	285.86

Reference: Shareholders' equity: As of May 31, 2011: 14,268 million yen
 As of May 31, 2010: 12,585 million yen

(3) Consolidated Cash Flows

	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 2010	2,495	(3,345)	836	2,410
Fiscal 2009	673	(1,643)	468	2,456

2. Dividend Information

	Annual Dividend (Yen)					Total Annual Dividends (Million Yen)	Dividend Payout Ratio (Consolidated, %)	Dividend on Equity Ratio (Consolidated, %)
	1Q	Interim	3Q	Fiscal Year-End	Total			
Fiscal 2009	–	0.00	–	6.00	6.00	264	51.6	2.1
Fiscal 2010	–	0.00	–	6.00	6.00	289	40.4	2.1
Fiscal 2011 (Forecast)					6.00		–	

3. Consolidated Performance Forecast for Fiscal 2011 (June 1, 2011 – May 31, 2012)

(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	19,000	0.4%	700	8.9%	700	21.8%	300	52.8%	6.57
Full year	40,800	7.7%	2,600	72.9%	2,600	64.8%	1,300	91.7%	28.48

4. Other

- (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 Principles, Procedures, Disclosure Methods and Related Standards
 - (a) Changes in accordance with revisions to accounting standards and related practices: Yes
 - (b) Changes in items other than (a) above: Yes
- (3) Shares Outstanding (Common Stock)
 - (a) Number of shares outstanding as of the end of the period (including treasury stock):
May 31, 2011: 48,675,000 shares May 31, 2010: 46,575,000 shares
 - (b) Number of shares of treasury stock as of the end of the period:
May 31, 2011: 452,701 shares May 31, 2010: 2,546,830 shares
 - (c) Average number of shares for the period (fiscal year-to-date):
Fiscal 2010: 45,640,974 shares Fiscal 2009: 44,079,889 shares

(Reference) Summary of Non-Consolidated Business Results

1. Non-Consolidated Business Results for Fiscal 2010 (June 1, 2010 – May 31, 2011)

(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 2010	33,360	11.3%	892	138.1%	1,143	64.7%	540	10.2%
Fiscal 2009	29,960	6.5%	374	(52.8)%	693	(31.2)%	490	152.1%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal 2010	11.84	–
Fiscal 2009	11.13	–

(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, 2011	34,056	11,786	34.6	244.43
As of May 31, 2010	31,559	10,112	32.0	229.68

Reference: Shareholders' equity: As of May 31, 2011: 11,786 million yen
As of May 31, 2010: 10,112 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. 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 2010, the fiscal year ended May 31, 2011, economic conditions in Japan followed a modest recovery path. This was largely supported by growth in emerging countries and particularly in China, and led by export, investment and production activity. However, following the Great East Japan Earthquake that struck the nation in March, a growing sense of stagnation spread throughout the economy reflecting the massive impact on distribution, production and consumer spending from an economic perspective.

Under these circumstances, the Toyo Denki Group has been working in unison to expand businesses and improve corporate value under the "Challenge Up Plan," the Group's medium-term management plan that was launched in June 2009.

Performance during the fiscal year under review was as follows.

- Orders received amounted to 34,850 million yen, a decrease of 8.2% compared with the previous fiscal year. Despite an increase in orders received in the Industrial Systems segment, this was largely attributable to substantial decline in orders received in the Transportation Systems segment.
- Net sales increased 7.0% year on year to 37,893 million yen. In the fiscal year under review, net sales in the Transportation Systems segment increased, particularly overseas. Net sales in the Industrial Systems segment also exhibited a positive upward turnaround.
- From a profit perspective, operating income surged 54.2% compared with the previous fiscal year to 1,503 million yen on the back of continued robust results in the Transportation Systems segment as well as improvements in the Industrial Systems segment. Ordinary income also climbed 60.6% year on year to 1,577 million yen. Despite extraordinary losses of 132 million yen relating to the provision for allowance for environmental development and 99 million yen for loss on devaluation of investment securities, net income still increased 32.3% compared with the previous fiscal year to 678 million yen.

Results by business segment are presented briefly as follows.

Transportation Systems Segment

Orders received decreased both in and outside Japan in the Transportation Systems segment falling 18.3% compared with the previous fiscal year to 21,756 million yen. Net sales in this segment, on the other hand, increased 8.2% year on year to 25,657 million yen due mainly to robust growth overseas. Segment income totaled 3,055 million yen.

Industrial Systems Segment

Orders received in the Industrial Systems segment improved 30.7% compared with the previous fiscal year to 11,988 million yen. This was largely attributable to capital investment in Japan following a growth trend. Net sales in this segment rose 23.3% year on year to 11,095 million yen for the same reasons as the upswing in orders received. For the fiscal year under review, segment income amounted to 164 million yen.

Information Systems Segment

Order received in the Information Systems segment decreased 48.3% compared with the previous fiscal year to 1,105 million yen owing mainly to the drop in orders for IC card-compatible equipment relating particularly to railway station operations. Net sales in this segment contracted 58.4% year on year to 1,133 million yen for the same reasons as the downturn in orders received. Segment income was 101 million yen for the fiscal year ended May 31, 2011.

Note: Net sales data by business segment represents sales to external customers and is exclusive of intersegment sales and transfers.

(b) Outlook for the Next Fiscal Year

Orders received, net sales and income in the Transportation Systems segment are forecast to remain at high levels mainly reflecting contributions from overseas operations. Orders received, net sales and income in the Industrial Systems segment are projected to improve substantially on the back of a recovery in capital investment in Japan. As a result, both revenues and earnings are expected to rise.

Consolidated forecasts for the fiscal year ending May 31, 2012 are as follows.

Net sales	40.8 billion yen	(Up 7.7% year on year)
Operating income	2.6 billion yen	(Up 72.9% year on year)
Ordinary income	2.6 billion yen	(Up 64.8% year on year)
Net income	1.3 billion yen	(Up 91.7% year on 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

Status of Assets, Liabilities and Net Assets

(a) Assets

Total assets stood at 36,892 million yen as of May 31, 2011, up 2,507 million yen compared with the previous fiscal year-end. The major components included notes and accounts receivable – trade and inventories, which increased 712 million yen and 531 million yen, respectively, in line with the upswing in net sales, and investment securities, which climbed 1,061 million yen reflecting the Company's purchase of shares in Hitachi, Ltd. and Toyota Industries Corporation during the fiscal year under review in accordance with the decision to form a capital and business alliance with both companies.

(b) Liabilities

Total liabilities amounted to 22,623 million yen, an increase of 824 million yen compared with May 31, 2010. Reflecting the increase in procurement obligations, notes and accounts payable – trade climbed 575 million yen year on year. In the fiscal year under review, accrued expenses also increased 772 million yen. Partly offsetting this upswing, long-term borrowings contracted 440 million yen and corporate bonds declined 200 million yen compared with the end of the previous fiscal year.

(c) Net assets

Taking into account the aforementioned, net assets stood at 14,268 million yen as of May 31, 2011, a rise of 1,682 million yen compared with the previous fiscal year-end. This reflects the increase in common stock of 515 million yen and capital surplus of 515 million yen due to the issuance and third-party allocation of new shares to Toyota Industries Corporation, as well as the deduction of 741 million yen from shareholders' equity attributable to the retirement of treasury stock in connection with the third-party allocation to Hitachi, Ltd.

Status of cash flows

The balance of consolidated cash and cash equivalents as of May 31, 2011 stood at 2,410 million yen, a decrease of 46 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 2,495 million yen. Major cash outflows included increases in notes and accounts receivable – trade as well as inventory, while principal cash inflows were income before income taxes, depreciation expenses and increase in notes and accounts payable – trade.

Cash flows from investing activities

Net cash used in investing activities totaled 3,345 million yen for the fiscal year under review and mainly comprised funds used for the purchase of tangible fixed assets and funds used for the purchase of investment securities reflecting the business and capital alliances with Hitachi, Ltd. and Toyota Industries Corporation.

Cash flows from financing activities

Net cash provided by financing activities was 836 million yen. Major cash outflows were cash dividends paid, redemption of bonds and repayments of borrowings. This was, however, more than offset by principal cash inflows comprising proceeds from the issuance of new shares and proceeds from the retirement of treasury stock in line with the business and capital alliances with Toyota Industries Corporation and Hitachi, Ltd., respectively.

Trends in cash flow indices are as follows.

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Shareholders' equity ratio (%)	41.3	38.8	38.0	36.6	38.7
Shareholders' equity ratio based on market capitalization (%)	56.3	41.3	80.8	62.6	49.8
Ratio of interest-bearing liabilities to cash flows (Times)	2.0	–	3.6	10.7	2.6
Interest coverage ratio (Times)	20.8	–	13.0	5.1	18.1

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 overseas expansion, with the aims of growing its business and strengthening its management foundation in the future.

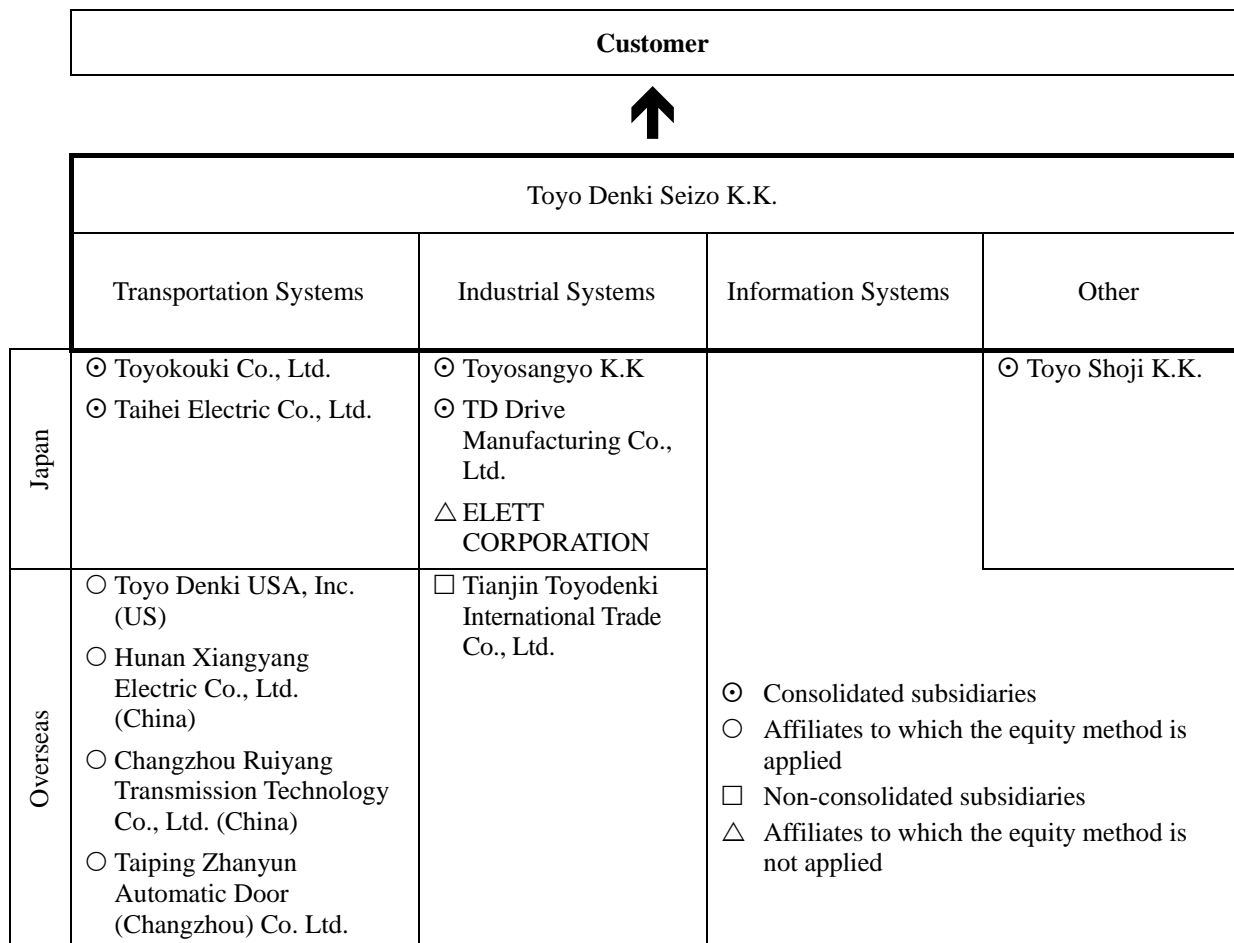
Dividends for the fiscal year under review remained at six yen per share, unchanged from the previous term. The Company intends to maintain dividends at six yen per share or more from the fiscal year ending May 31, 2012 onward.

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, eight subsidiaries (including three 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 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 currently implementing its medium-term management plan, the “Challenge Up Plan,” which concludes at the end of fiscal 2011 on May 31, 2012. Under this plan, every effort is being made to develop customers and enhance Group corporate value.

Long-Term Vision

- Drawing on the core electric motor drive technology that the Group has amassed since its foundation, the Toyo Denki Group is committed to realizing next-generation high-speed railroads and a recycling-based society, by fusing highly sophisticated information-oriented machines and electronics.
- The net sales target is 100 billion yen.

(2) Pending Issues

Looking at the future, the Toyo Denki Group recognizes that it will take more time for the Japanese economy to achieve a full-fledged recovery. This is mainly attributable to the impacts of such trends as persistent deflation, the continuing strength of the yen, anxieties over the global economy, and the effects of the Great East Japan Earthquake.

Under these circumstances, the Toyo Denki Group is making progress under its “Challenge Up Plan,” a three-year medium-term management plan that continues through to the fiscal year ending May 31, 2012.

The salient points of the fundamental policy of the Plan are presented briefly as follows. In the current fiscal year, the Group will continue to engage in activities based on this plan.

- (a) Further increase Group corporate value
 - Take full advantage of business alliances
 - Place every emphasis on promoting a consolidated operating division system
 - Thoroughly implement cash flow management
- (b) Fortify the Group’s efforts toward overseas expansion
 - Focus on the Chinese and North American markets
 - Strengthen operating platforms in the Indian and Russian markets
- (c) Generate new businesses
 - Enter electrical product and equipment markets targeting environmentally friendly rail vehicles
- (d) Develop new products
 - Develop specific products that contribute to the creation and maintenance of a low-carbon society
 - Develop services that utilize IT technologies
- (e) Bolster CSR activities
 - Formulate a Group-wide Environmental Philosophy as a platform for increased activity and effort aimed at protecting the global environment
- (f) Establish and promote a dynamic corporate culture
 - Continue to implement 5S activities — *Seiri* (Sort); *Seiton* (Set in order); *Seiso* (Shine); *Seiketsu* (Cleanliness); *Shitsuke* (Sustain / Self-discipline) — and improve the environment of each workplace
 - Reform and upgrade human resource education and training systems

In the fiscal year under review, the Toyo Denki Group took proactive steps to pursue alliances in an effort to further expand Group corporate value. In October 2010, Toyo Denki formed a business and capital alliance with Hitachi, Ltd. to pursue electrical equipment business activities targeting rail vehicles overseas. Moreover, the Company entered into a business and capital alliance with Toyota Industries Corporation focusing mainly on motors and inverters in the industrial machinery sector in February 2011. As a part of this tie up, a joint-venture company, ELETT CORPORATION, was established in May 2011.

4. Consolidated Financial Position

(1) Consolidated Balance Sheets

(Millions of yen)

	End of Fiscal 2009 (As of May 31, 2010)	End of Fiscal 2010 (As of May 31, 2011)
(Assets)		
Current assets		
Cash and cash equivalents	2,456	2,410
Notes and accounts receivable — trade	9,619	10,332
Products and finished goods	2,397	2,565
Work in process	3,034	3,389
Raw materials and stored goods	2,215	2,224
Advances	243	15
Other accounts receivable	51	31
Deferred tax assets	603	609
Other	119	84
Allowance for doubtful accounts	(43)	(40)
Total current assets	20,697	21,621
Fixed assets		
Tangible fixed assets		
Buildings and structures	6,081	6,295
Accumulated depreciation	(3,496)	(3,710)
Buildings and structures	2,585	2,584
Machinery and equipment	5,796	6,291
Accumulated depreciation	(4,511)	(4,933)
Machinery and equipment	1,285	1,357
Land	289	289
Construction work in progress	274	48
Other	2,306	2,429
Accumulated depreciation	(1,896)	(2,033)
Other	409	395
Total tangible fixed assets	4,844	4,675
Intangible fixed assets		
Software	196	209
Other	66	179
Total intangible fixed assets	263	389
Investments and other fixed assets		
Investment securities	6,376	7,438
Deferred tax assets	947	1,296
Other	1,272	1,486
Allowance for doubtful accounts	(16)	(16)
Total investments and other fixed assets	8,579	10,204
Total fixed assets	13,687	15,270
Total assets	34,385	36,892

(Millions of yen)

	End of Fiscal 2009 (As of May 31, 2010)	End of Fiscal 2010 (As of May 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable — trade	5,107	5,683
Short-term borrowings	4,420	4,420
Current portion of corporate bonds	200	200
Income taxes payable	224	463
Consumption and other taxes payable	76	117
Accrued expenses	3,086	3,859
Advances received	947	677
Deposits received	216	210
Reserve for employees' bonuses	841	933
Reserve for directors' bonuses	22	42
Reserve for order losses	340	148
Allowance for environmental development	—	89
Other	443	273
Total current liabilities	15,929	17,119
Long-term liabilities		
Corporate bonds	480	280
Long-term borrowings	2,075	1,635
Reserve for employees' retirement benefits	2,981	3,208
Reserve for directors' retirement benefits	163	—
Long-term payables	170	301
Allowance for environmental development	—	43
Other	—	36
Total long-term liabilities	5,870	5,504
Total liabilities	21,799	22,623
(Net assets)		
Shareholders' equity		
Common stock	4,482	4,998
Capital surplus	2,661	3,177
Retained earnings	5,909	6,226
Treasury stock	(901)	(160)
Total shareholders' equity	12,152	14,241
Accumulated other comprehensive income		
Differences in evaluation of other marketable securities	470	124
Deferred gains or losses on hedges	(37)	(97)
Total accumulated other comprehensive income	432	27
Total net assets	12,585	14,268
Total net assets and liabilities	34,385	36,892

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

(Millions of yen)

	Fiscal 2009 (Jun. 1, 2009 to May 31, 2010)	Fiscal 2010 (Jun. 1, 2010 to May 31, 2011)
Net sales	35,429	37,893
Cost of sales	28,026	29,229
Gross profit	7,403	8,663
Selling, general and administrative expenses	6,428	7,160
Operating income	975	1,503
Non-operating income		
Interest received	0	0
Dividends received	98	121
Equity in earnings of equity-method investments	–	107
Subsidy income	33	–
Life insurance dividend income	–	95
Technical support income	–	94
Miscellaneous income	79	34
Total non-operating income	211	453
Non-operating expenses		
Interest expenses	135	135
Loss on disposal of fixed assets	19	10
Loss on foreign currency exchange	28	198
Miscellaneous expenses	21	35
Total non-operating expenses	203	380
Ordinary income	982	1,577
Extraordinary income		
Reversal of allowance for doubtful accounts	16	5
Total extraordinary income	16	5
Extraordinary loss		
Provision for allowance for environmental development	–	132
Loss on devaluation of investment securities	12	99
Impact of adopting the Accounting Standard for Asset Retirement Obligations	–	38
Loss on disasters	–	24
Loss on devaluation of golf club memberships	–	5
Total extraordinary loss	12	301
Net income before taxes	986	1,280
Corporate, local and enterprise taxes	492	607
Corporate, local and enterprise taxes for prior periods	–	89
Corporate tax adjustments, etc.	(18)	(94)
Total taxes	474	602
Loss before minority interests	–	678
Net income	512	678

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal 2009 (Jun. 1, 2009 to May 31, 2010)	Fiscal 2010 (Jun. 1, 2010 to May 31, 2011)
Income before minority interests	–	678
Other comprehensive income		
Differences in evaluation of other marketable securities	–	(345)
Deferred gains or losses on hedges	–	(22)
Share of other comprehensive income of affiliates to which the equity method is applied	–	(37)
Total other comprehensive income	–	(405)
Comprehensive income	–	272
(Breakdown)		
Comprehensive income attributable to owners of the parent	–	272
Comprehensive income attributable to minority interests	–	–

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Fiscal 2009 (Jun. 1, 2009 to May 31, 2010)	Fiscal 2010 (Jun. 1, 2010 to May 31, 2011)
Shareholders' equity		
Common stock		
Balance as of the end of the previous fiscal period	4,482	4,482
Change during fiscal period under review		
Issuance of new shares	—	515
Total change during fiscal period under review	—	515
Balance as of the end of fiscal period under review	4,482	4,998
Capital surplus		
Balance as of the end of the previous fiscal period	2,661	2,661
Change during fiscal period under review		
Issuance of new shares	—	515
Total change during fiscal period under review	—	515
Balance as of the end of fiscal period under review	2,661	3,177
Retained earnings		
Balance as of the end of the previous fiscal period	5,661	5,909
Change during fiscal period under review		
Distribution of retained earnings	(264)	(264)
Change in the scope of consolidation	—	(68)
Disposal of treasury stock	—	(29)
Net income	512	678
Total change during fiscal period under review	247	316
Balance as of the end of fiscal period under review	5,909	6,226
Treasury stock		
Balance as of the end of the previous fiscal period	(818)	(901)
Change during fiscal period under review		
Disposal of treasury stock	—	743
Acquisition of treasury stock	(82)	(2)
Total change during fiscal period under review	(82)	741
Balance as of the end of fiscal period under review	(901)	(160)
Total shareholders' equity		
Balance as of the end of the previous fiscal period	11,987	12,152
Change during fiscal period under review		
Issuance of new shares	—	1,031
Distribution of retained earnings	(264)	(264)
Change in the scope of consolidation	—	(68)
Disposal of treasury stock	—	714
Net income	512	678
Acquisition of treasury stock	(82)	(2)
Total change during fiscal period under review	165	2,088
Balance as of the end of fiscal period under review	12,152	14,241

(Millions of yen)

	Fiscal 2009 (Jun. 1, 2009 to May 31, 2010)	Fiscal 2010 (Jun. 1, 2010 to May 31, 2011)
Evaluation and foreign currency translation adjustments		
Differences in evaluation of other marketable securities		
Balance as of the end of the previous fiscal period	509	470
Change during fiscal period under review		
Net change in items other than shareholders' equity during fiscal period under review	(39)	(345)
Total change during fiscal period under review	(39)	(345)
Balance as of the end of fiscal period under review	470	124
Deferred gains or losses on hedges		
Balance as of the end of the previous fiscal period	(32)	(37)
Change during fiscal period under review		
Net change in items other than shareholders' equity during fiscal period under review	(4)	(60)
Total change during fiscal period under review	(4)	(60)
Balance as of the end of fiscal period under review	(37)	(97)
Total evaluation and foreign currency translation adjustments		
Balance as of the end of the previous fiscal period	476	432
Change during fiscal period under review		
Net change in items other than shareholders' equity during fiscal period under review	(43)	(405)
Total change during fiscal period under review	(43)	(405)
Balance as of the end of fiscal period under review	432	27
Total net assets		
Balance as of the end of the previous fiscal period	12,464	12,585
Change during fiscal period under review		
Issuance of new shares	–	1,031
Distribution of retained earnings	(264)	(264)
Change in the scope of consolidation	–	(68)
Disposal of treasury stock	–	714
Net income	512	678
Acquisition of treasury stock	(82)	(2)
Net change in items other than shareholders' equity during fiscal period under review	(43)	(405)
Total change during fiscal period under review	121	1,682
Balance as of the end of fiscal period under review	12,585	14,268

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2009 (Jun. 1, 2009 to May 31, 2010)	Fiscal 2010 (Jun. 1, 2010 to May 31, 2011)
Cash flows from operating activities		
Net income before taxes	986	1,280
Depreciation expenses	949	1,169
Increase (decrease) in allowance for doubtful accounts	(51)	(2)
Increase (decrease) in reserve for employees' bonuses	3	92
Increase (decrease) in reserve for employees' retirement benefits	142	226
Increase (decrease) in reserve for directors' retirement benefits	22	(163)
Interest and dividend income	(98)	(121)
Interest expenses	135	135
Loss (gain) on devaluation of investment securities	12	99
Decrease (increase) in notes and accounts receivable — trade	(1,229)	(750)
Decrease (increase) in inventory	278	(532)
Increase (decrease) in notes and accounts payable — trade	(204)	628
Increase (decrease) in accrued liabilities at time of transfer to defined contribution pension plan	(250)	(13)
Increase (decrease) in reserve for order losses	13	(191)
Increase (decrease) in advances received	419	(269)
Increase (decrease) in accrued expenses	—	774
Increase (decrease) in allowance for environmental development	—	132
Other	81	477
Subtotal	1,210	2,974
Interest and dividend income received	98	121
Interest paid	(132)	(137)
(Payments for) refund of corporate and other taxes	(503)	(462)
Net cash provided by (used in) operating activities	673	2,495
Cash flows from investing activities		
Funds used for the purchase of tangible fixed assets	(1,698)	(1,157)
Proceeds from sale of tangible fixed assets	0	—
Funds used for the purchase of investment securities	(10)	(1,758)
Other outflows	(62)	(139)
Other inflows	209	83
Other	(83)	(374)
Net cash used in investing activities	(1,643)	(3,345)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	49	(60)
Proceeds from the issue of bonds	1,450	300
Repayments of long-term borrowings	(480)	(680)
Redemption of bonds	(200)	(200)
Proceeds from issuance of new shares	—	1,031
Proceeds from retirement of treasury stock	—	714
Payment for the acquisition of treasury stock	(82)	(2)
Cash dividends paid	(268)	(266)
Cash provided by financing activities	468	836
Effect of exchange rate changes on cash and cash equivalents	(8)	(32)
Increase (decrease) in cash and cash equivalents	(511)	(46)
Balance of cash and cash equivalents at the beginning of the period	2,967	2,456
Balance of cash and cash equivalents at the end of the period	2,456	2,410

Acknowledgement: This is a translation of the Japanese original of the Summary of Consolidated Business Results for Fiscal 2010 issued by Toyo Denki Seizo K.K. on July 12, 2011.