

July 10, 2014

Summary of Consolidated Business Results for Fiscal 2013

For the fiscal year ended May 31, 2014

Toyo Denki Seizo K.K. Stock Exchange: 1st Section of the Tokyo Stock Exchange
 Stock Code: 6505 URL <http://www.toyodenki.co.jp>
 Representative: Kenzo Terashima, President
 Inquiries: Yoshifumi Otsubo, Operating Officer and General Manager, Management Planning
 Division
 TEL +81-3-5202-8122

Scheduled date of convention of ordinary general meeting of shareholders: August 27, 2014
 Scheduled date of commencement of dividend payments: August 28, 2014
 Scheduled date of submission of financial report: August 28, 2014
 Preparation of financial report supplemental explanatory materials: Yes
 Holding of quarterly 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 2013

(June 1, 2013 to May 31, 2014)

(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 2013	34,957	14.3%	1,076	114.7%	1,035	(10.0)%	644	(10.8)%
Fiscal 2012	30,575	(20.7)%	501	(70.5)%	1,150	(35.7)%	722	(8.1)%

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

Fiscal 2012: 3,761 million yen [250.9%]

	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 2013	13.37	—	3.4	2.4	3.1
Fiscal 2012	14.98	—	4.3	2.9	1.6

(Reference) Equity method investment gain or loss for: Fiscal 2013: (14) million yen

Fiscal 2012: (16) 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, 2014	44,752	19,350	43.2	401.45
As of May 31, 2013	42,364	18,519	43.7	384.14

(Reference) Shareholders' equity: As of May 31, 2014: 19,350 million yen

As of May 31, 2013: 18,519 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 2013	3,621	(753)	(1,199)	2,997
Fiscal 2012	1,069	(1,457)	155	1,302

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 2012	—	0.00	—	6.00	6.00	289	40.0	1.7
Fiscal 2013	—	0.00	—	6.00	6.00	289	44.9	1.5
Fiscal 2014 (Forecast)	—	0.00	—	6.00	6.00		24.1	

3. Consolidated Performance Forecast for Fiscal 2014 (June 1, 2014 to May 31, 2015)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	
First half	18,500	16.9%	600	181.2%	600	122.1%	350	505.0%	7.26
Full year	40,000	14.4%	2,100	95.1%	2,100	102.7%	1,200	86.2%	24.89

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, 2014: 48,675,000 shares May 31, 2013: 48,675,000 shares
 - (b) Number of shares of treasury stock as of the end of the period:
 May 31, 2014: 474,527 shares May 31, 2013: 463,566 shares
 - (c) Average number of shares for the period (fiscal year-to-date):
 Fiscal 2013: 48,205,535 shares Fiscal 2012: 48,214,325 shares

(Reference) Summary of Non-Consolidated Business Results

1. Non-Consolidated Business Results for Fiscal 2013 (June 1, 2013 to May 31, 2014)

(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 2013	30,634	15.4%	650	296.8%	837	(18.1)%	495	(32.8)%
Fiscal 2012	26,556	(22.0)%	163	(86.9)%	1,022	(29.6)%	737	33.0%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Fiscal 2013	10.28	—
Fiscal 2012	15.30	—

(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, 2014	41,394	16,399	39.6	340.23
As of May 31, 2013	39,326	15,620	39.7	324.01

(Reference) Shareholders' equity: As of May 31, 2014: 16,399 million yen
As of May 31, 2013: 15,620 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 2013, the fiscal year ended May 31, 2014, the trend of economic recovery in Japan continued with an expansion in personal spending due to improvement in consumer sentiment and a revival in corporate earnings witnessed on the back of depreciation of the yen and rising stock prices due to the economic policies and monetary easing policy of the current administration in addition to last-minute demand accompanying the increase in the rate of consumption tax in the second half of the fiscal year.

On the other hand, overseas economies remained uncertain overall. While the recovery trend of the United States economy continued due to an improvement in employment, the pace of recovery in the European economy was slow due to factors that included prolonged fiscal problems, slowdown of economic growth in India, and political instability in Thailand.

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 “DASH 2015,” the Group’s medium-term management plan launched in June 2012.

The Toyo Denki Group’s performance in fiscal 2013, the second fiscal year of the medium-term management plan, was as follows.

Orders received increased 25.4% compared with the previous fiscal year to 42,568 million yen. This overall result reflected a surge in orders received in the Transportation Systems segment both in and outside Japan.

Net sales increased 14.3% year on year to 34,957 million yen. Despite a slight decrease in the Industrial Systems segment, this overall result reflected a significant surge in the Transportation Systems segment both in and outside Japan, and a slight increase in the Information Equipment Systems segment.

From a profit perspective, operating income increased 575 million yen compared with the previous fiscal year to 1,076 million yen, mainly due to the increase in net sales and reductions in expenses. Ordinary income decreased 115 million yen to 1,035 million yen, which was partly attributable to foreign exchange losses, albeit small. Net income declined 78 million yen to 644 million yen.

Information by business segment is presented as follows.

Transportation Systems

Orders received recorded an increase in Japan in addition to a sharp upturn overseas, primarily in Asia and the United States. In overall terms, orders received increased 42.3% compared with the previous fiscal year to 29,790 million yen.

Net sales increased sharply as a result of a recovery in vehicle demand in Japan, as well as increased momentum outside Japan, and totaled 22,198 million yen representing 28.1% year-on-year increase.

Due to mainly to increased revenue, segment profit totaled 2,374 million yen representing 24.1% year-on-year increase.

Industrial Systems

While orders received for testing equipment for automobile development and those related to capital investment were robust, infrastructure related orders declined slightly. In overall terms, orders received decreased 3.1% compared with the previous fiscal year to 11,097 million yen.

Net sales in this segment decreased 5.4% year on year to 10,924 million yen, mainly for the same reasons underlying the decrease in orders received.

Segment profit increased 23.8% to 536 million yen, assisted by improved profitability of factories.

Information Equipment Systems

Orders received in this segment increased 8.4% compared with the previous fiscal year to 1,673 million yen, as orders for both railway station operating equipment and remote monitoring systems increased.

Net sales in this segment increased 7.5% year on year to 1,828 million yen, mainly due to program upgrading for railway station operating equipment accompanying the increase in the rate of the consumption tax.

Segment profit was 348 million yen representing 31.3% year-on-year increase.

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

Net sales are expected to increase in both the Transportations Systems segment, on the back of an abundant order backlog, and the Industrial Systems segment due to an increase in capital investment related demand. As a result, operating income is also anticipated to rise.

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, 2014 stood at 44,752 million yen, an increase of 2,388 million yen compared with the end of the previous fiscal year. Despite a decrease in trade notes and accounts receivable of 578 million yen, the increase in total assets was largely attributable to increases in cash and cash equivalents of 1,695 million yen, inventories of 436 million yen, and investment securities of 944 million yen.

(Liabilities)

Total liabilities amounted to 25,402 million yen, an increase of 1,558 million yen compared with the previous fiscal year end. While short-term debt contracted 2,308 million yen, this upswing in total liabilities reflected a 1,521 million yen increase in long-term debt and a 909 million yen increase in accrued expenses as well as an increase of 755 million yen in net defined benefit liability (deduction of decrease in the provision for employees' retirement benefits) as a result of application of the revised retirement benefits accounting standards.

(Net Assets)

Net assets as of May 31, 2014 stood at 19,350 million yen, an increase of 830 million yen compared with the previous fiscal year. This increase was largely attributable to a 355 million yen increase in retained earnings and a 622 million yen increase in unrealized holding gain on available-for-sale securities despite a decrease of 298 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, 2014 stood at 2,997 million yen, an increase of 1,695 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 3,621 million yen. Apart from accrued expenses, major cash outflows were an increase of 1,541 million yen in accrued expenses and trade notes and accounts payable. Principal cash inflows were income before income taxes and minority interests at 1,030 million yen and depreciation and amortization at 1,000 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 753 million yen for the fiscal year under review and mainly comprised funds used for the purchases of property, plant and equipment at 635 million yen.

Cash flows from financing activities

Net cash used in financing activities was 1,199 million yen. The principal cash inflow was an increase in long-term debt at 2,650 million yen, while major cash outflows were a decrease in short-term loans payable at 2,265 million yen and repayment of long-term debt at 1,172 million yen.

Trends in cash flow indices are as follows.

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Shareholders' equity ratio (%)	36.6	38.7	39.5	43.7	43.2
Shareholders' equity ratio based on market capitalization (%)	62.6	49.8	31.4	34.0	40.3
Ratio of interest-bearing liabilities to cash flows (Times)	10.7	2.6	—	9.2	2.5
Interest coverage ratio (Times)	5.1	18.1	—	5.1	21.5

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.

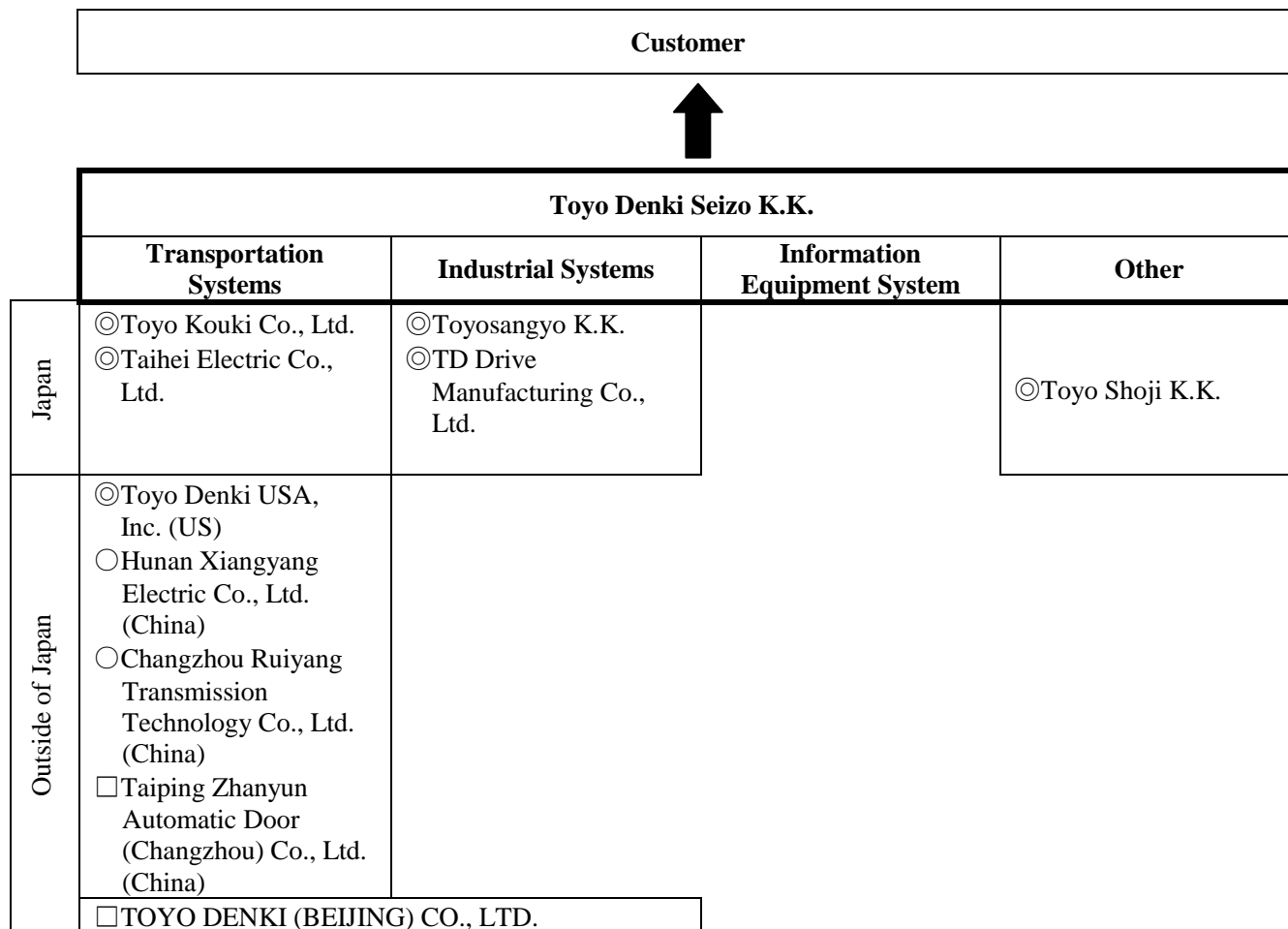
Dividends for the fiscal year under review remained at six yen per share, unchanged from the previous term. The Company intends to maintain dividends at six yen per share or more from the fiscal year ending May 31, 2015 onward.

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 consolidated and non-consolidated subsidiaries and two equity-method affiliated companies. 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.



◎Consolidated subsidiaries

○Affiliates to which the equity method is applied

□Non-consolidated subsidiaries

3. Management Policies

(1) Basic Management Policies of the Company

The Toyo Denki Group is reviewing “Dash 2015,” the medium-term management plan it announced on July 11, 2012, based on subsequent changes in the business environment and pending issues and has commenced work on formulating “NEXT 100: Beyond 100 Years,” a new medium-term management plan set to conclude at the end of fiscal 2016 (on May 31, 2017). The Group is proactively working to promote measures under the basic policies described below for further growth towards the achievement of its long-term vision based on the foundations built under the previous medium-term management plan “Dash 2015.”

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 new medium-term management plan and is proactively working to settle issues remaining from the previous medium-term management plan as well as new issues.

Principal measures under this plan 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
- (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. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2013	As of May 31, 2014
Assets		
Current assets		
Cash and cash equivalents	1,302	2,997
Trade notes and accounts receivable	13,384	12,805
Products and finished goods	1,464	1,483
Work in process	3,081	3,459
Raw materials and stored goods	2,118	2,158
Advances	77	51
Other accounts receivable	12	25
Deferred tax assets	452	544
Other	90	63
Allowance for doubtful accounts	(40)	(34)
Total current assets	21,943	23,555
Fixed assets		
Property, plant and equipment		
Buildings and structures	6,973	7,075
Accumulated depreciation	(3,988)	(4,228)
Buildings and structures, net	2,985	2,847
Machinery and equipment	6,757	6,679
Accumulated depreciation	(5,648)	(5,770)
Machinery and equipment, net	1,108	908
Land	289	289
Construction in progress	80	63
Other	3,024	3,171
Accumulated depreciation	(2,476)	(2,624)
Other, net	547	547
Total property, plant and equipment	5,012	4,656
Intangible assets		
Software	274	230
Other	47	37
Total intangible assets	321	268
Investments and other assets		
Investment securities	13,318	14,262
Deferred tax assets	39	35
Other	1,893	1,986
Allowance for doubtful accounts	(162)	(12)
Total investments and other assets	15,087	16,273
Total fixed assets	20,421	21,197
Total assets	42,364	44,752

(Millions of yen)

	As of May 31, 2013	As of May 31, 2014
Liabilities		
Current liabilities		
Trade notes and accounts payable	4,646	5,285
Short-term debt	4,296	1,987
Current portion of corporate bonds	120	-
Income taxes payable	319	374
Consumption and other taxes payable	67	180
Accrued expenses	2,883	3,792
Advances received	413	292
Deposits received	212	228
Reserve for directors' bonuses	16	28
Reserve for employees' bonuses	772	915
Reserve for order losses	196	129
Other	335	281
Total current liabilities	14,280	13,496
Long-term liabilities		
Long-term debt	5,413	6,934
Long-term payables	164	145
Deferred tax liabilities	614	653
Reserve for employees' retirement benefits	3,289	-
Allowance for environmental development	43	43
Net defined benefit liability	-	4,044
Other	38	84
Total long-term liabilities	9,564	11,906
Total liabilities	23,844	25,402
Net assets		
Shareholders' equity		
Capital stock	4,998	4,998
Capital surplus	3,177	3,177
Retained earnings	7,155	7,510
Treasury stock	(163)	(167)
Total shareholders' equity	15,167	15,519
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	3,367	3,989
Deferred gains or losses on hedges	-	(26)
Foreign currency translation adjustments	(14)	165
Remeasurements of defined benefit plans	-	(298)
Total accumulated other comprehensive income	3,352	3,830
Total net assets	18,519	19,350
Total liabilities and net assets	42,364	44,752

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

(Millions of yen)

	For the fiscal year ended May 31, 2013	For the fiscal year ended May 31, 2014
Net sales	30,575	34,957
Cost of sales	22,878	26,859
Gross profit	7,696	8,097
Selling, general and administrative expenses	7,194	7,021
Operating income	501	1,076
Non-operating income		
Interest income	0	0
Dividend income	159	168
Foreign exchange gains	629	-
Life insurance dividend income	90	5
Miscellaneous income	60	22
Total non-operating income	940	196
Non-operating expenses		
Interest expense	215	181
Equity in loss of unconsolidated subsidiaries and affiliates	16	14
Loss on foreign currency exchange	-	14
Loss on disposal of fixed assets	15	13
Miscellaneous loss	43	12
Total non-operating expenses	291	236
Ordinary income	1,150	1,035
Extraordinary income		
Gain on sales of investment securities	72	-
Extraordinary repayment of special corporate taxes	64	-
Total extraordinary income	137	-
Extraordinary loss		
Loss on liquidation of subsidiaries and affiliates	-	5
Office transfer expenses	15	-
Total extraordinary losses	15	5
Income before income taxes and minority interests	1,272	1,030
Income taxes:		
Current	496	624
Deferred	54	(237)
Total income taxes	550	386
Income before minority interests	722	644
Net income	722	644

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended May 31, 2013	For the fiscal year ended May 31, 2014
Income before minority interests	722	644
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	2,951	622
Deferred gains or losses on hedges	-	(26)
Foreign currency translation adjustments	26	14
Share of other comprehensive income of affiliates to which the equity method is applied	61	166
Total other comprehensive income	3,039	777
Comprehensive income	3,761	1,421
Comprehensive income attributable to:		
Owners of the parent	3,761	1,421
Minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended May 31, 2013 (June 1, 2012 to May 31, 2013)

(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	6,722	(162)	14,735
Change during fiscal period under review					
Distribution of retained earnings	-	-	(289)	-	(289)
Net income	-	-	722	-	722
Acquisition of treasury stock	-	-	-	(1)	(1)
Net changes of items other than shareholders' equity	-	-	-	-	-
Total change during fiscal period under review	-		433	(1)	431
Balance as of the end of fiscal period under review	4,998	3,177	7,155	(163)	15,167

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance as of the beginning of the fiscal period under review	415	(102)	313	15,049
Change during fiscal period under review				
Distribution of retained earnings	-	-	-	(289)
Net income	-	-	-	722
Acquisition of treasury stock	-	-	-	(1)
Net changes of items other than shareholders' equity	2,951	87	3,039	3,039
Total change during fiscal period under review	2,951	87	3,039	3,470
Balance as of the end of fiscal period under review	3,367	(14)	3,352	18,519

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
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
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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended May 31, 2013	For the fiscal year ended May 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	1,272	1,030
Depreciation and amortization	1,144	1,000
Increase (decrease) in allowance for doubtful accounts	158	(156)
Increase (decrease) in reserve for employees' bonuses	(118)	142
Increase (decrease) in reserve for employees' retirement benefits	152	(3,289)
Increase (decrease) in net defined benefit liability	-	3,580
Interest and dividends income	(159)	(168)
Interest expenses	215	181
Loss (gain) on sales of investment securities	(72)	-
Decrease (increase) in notes and accounts receivable-trade	230	586
Decrease (increase) in inventories	(1,122)	(430)
Increase (decrease) in trade notes and accounts payable	100	635
Increase (decrease) in reserve for order losses	(5)	(68)
Increase (decrease) in advances received	200	(142)
Increase (decrease) in accrued expenses	(28)	902
Other	(243)	384
Subtotal	1,723	4,188
Interest and dividends income received	171	168
Interest expenses paid	(210)	(168)
(Payments for) refund of corporate and other taxes	(615)	(567)
Net cash provided by operating activities	1,069	3,621
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,425)	(635)
Purchases of investment securities	(13)	(13)
Proceeds from sales of investment securities	127	-
Other payments	(178)	(74)
Other receipts	123	4
Other	(91)	(34)
Net cash used in investing activities	(1,457)	(753)

(Millions of yen)

	For the fiscal year ended May 31, 2013	For the fiscal year ended May 31, 2014
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	(2,000)	(2,265)
Increase in long-term debt	3,800	2,650
Repayment of long-term debt	(1,196)	(1,172)
Redemption of bonds payable	(160)	(120)
Proceeds from sales of treasury stock	(1)	(3)
Cash dividends paid	(287)	(287)
Other	(0)	(0)
Cash provided by (used in) financing activities	155	(1,199)
Effect of exchange rate change on cash and cash equivalents	45	26
Increase (decrease) in cash and cash equivalents	(186)	1,695
Balance of cash and cash equivalents at the beginning of the period	1,489	1,302
Balance of cash and cash equivalents at the end of the period	1,302	2,997