

Summary of Consolidated Financial Results For the First Half Ended September 2009

Name of Company: SPK CORPORATION
 Stock Code: 7466
 Stock Exchange Listing: Tokyo Stock Exchange, First Section
 URL: <http://www.spk.co.jp/>
 Representative
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 Date of quarterly securities report: November 11, 2009
 Date of commencement of dividend payment: December 1, 2009

(Yen in millions, rounded down)

1. Financial results for the first half ended September 2009 (April 1, 2009 – September 30, 2009)

(1) Result of operations (Consolidated, year-to-date) (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
First half ended September 2009	11,830	(21.8)	295	(46.6)	379	(37.9)	211	(40.4)
First half ended September 2008	15,135	-	553	-	611	-	354	-

	Net income per share	Net income per share fully diluted
	Yen	Yen
First half ended September 2009	39.88	-
First half ended September 2008	64.45	-

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
First half ended September 2009	13,193	10,021	76.0	1,892.11
Fiscal year ended March 2009	13,632	9,902	72.6	1,869.73

Note: Shareholders' equity

As of September 30, 2009 : 10,021 million yen

As of March 31, 2009 : 9,902 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2009	-	23.00	-	24.00	47.00
Fiscal year ending March 2010	-	24.00			
Fiscal year ending March 2010 (est.)			-	25.00	49.00

Note: Change in the estimation of dividend for the fiscal year in this period: None

3. Forecast for the fiscal year ending March 2010 (Consolidated, April 1, 2009 to March 31, 2010)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full year	28,000	(4.1)	970	0.7	1,070	(0.9)	620	2.3	117.06

Note: Change in the forecast made in this period: None

4. Others

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Use of simple method in accounting procedures and application of accounting procedures specific to the quarterly consolidated financial statements: Yes
Note: For details, see page 4: Operating Results and Financial Condition, Sub-section 4. Others
- (3) Changes in accounting principles and procedures, presentation methods and other items in the preparation of the quarterly consolidated financial statements (Presented in the section on Changes to the Basis of Presenting the Quarterly Consolidated Financial Statements)
 - (a) Changes due to revision of accounting standards: None
 - (b) Changes other than in (a): YesNote: For details, see page 4: Operating Results and Financial Condition, Sub-section 4. Others
- (4) Number of shares outstanding (common stock)
 - (a) Shares outstanding (including treasury stock)

As of September 30, 2009: 5,296,900	As of March 31, 2009: 5,296,900
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 - (b) Treasury stock

As of September 30, 2009: 617	As of March 31, 2009: 617
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 - (c) Average number of shares (consolidated half cumulative)

Period ended September 30, 2009: 5,296,283	Period ended September 30, 2008: 5,496,346
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*Cautionary statement regarding forecasts of operating results and special notes

There are no revisions to the consolidated forecast that was announced on April 21, 2009. The forecast shown above is based on information that was available when this document was released. Actual performance may differ from this forecast for a number of reasons. Please see the consolidated forecast section on page 3 of this document for more information.

【Operating Results and Financial Condition】

1. Results of Operations

In the first half of the fiscal year, there were signs of a slow recovery in Japan's industrial output and exports. However, there are concerns about the impact of the yen's rapid appreciation on the performance of export-dependent companies. Furthermore, there is still no recovery in capital expenditures and unemployment is rising. Due to worse environment in employment and income, personal consumption is still under depression and the risk of another dip in the Japanese economy may happen.

Overseas, more time will be needed until a full-scale economic recovery takes place in Europe and the United States. Currently, the global economy is being supported by economic growth in China and other Asian countries and in countries with emerging economies. Consequently, the outlook is unpredictable because the economic environment worldwide remains extremely uncertain.

In the Japanese automobile industry, hybrid vehicles have been very popular, thanks to eco-car tax reductions and government incentives to buy new cars. However, there is still no significant recovery in automobile sales. The market for automotive replacement parts is also difficult due to challenges at garage/repair shop, which are the primary buyers of "Superior Parts". These challenges include a decline in the frequency of auto part replacements by car owners, actions by car dealers to enclose demand for maintenance services, and competition from new entrants in the automobile maintenance market.

Market conditions are also challenging in the "Superior Parts" industry.

We must cope with intense competition from secondary brands sold by the genuine parts wholesalers, competition from other companies in the same field, and the increasing price gap with foreign products sold in overseas markets.

In Domestic Sales Div., the SPK Group concentrated on sales of functional and replacement parts for small cars, a market where SPK is very strong, and on developing new products and increasing their sales. However, the benefits of these actions were limited by the challenging operating environment. As a result, first half sales of Domestic Sales Div. totaled 7,684 million yen, 4.2% less than one year earlier.

In International Trade Div., the yen's appreciation caused the volume of new orders to remain sluggish despite a recovery in Asian markets. Furthermore, exchange fluctuation made it difficult to make payments as prescribed. As a result, there were continuous problems of delayed shipments than originally scheduled. Due to this adversity, overseas sales were down 34.1% to 3,378 million yen.

In Machinery Equipment Div., there was no recovery in domestic sales or exports at manufacturers of construction machinery and industrial vehicles, the primary customers for SPK's machinery. Sales of parts used in the assembly of new vehicles remained weak as a result. The difficult market conditions caused first half sales to drop 61.4% to 766 million yen.

Overall, these challenges caused large declines in both sales and earnings in the first half. Consolidated net sales decreased 21.8% to 11,830 million yen, operating income fell 46.6% to 295 million yen, ordinary income was down 37.9% to 379 million yen and net income dropped 40.4% to 211 million yen.

2. Financial Condition

Total assets were 13,193 million yen at the end of the first half, 439 million yen less than at the end of the previous fiscal year.

Current assets decreased 452 million yen to 11,822 million yen. There were increases of 330 million yen in cash and deposits and 200 million yen in loans to subsidiaries. The decline in sales was responsible for decreases of 327 million yen in trade notes receivable and 626 million yen in trade accounts receivable. Noncurrent assets increased 12 million yen to 1,371 million yen.

Current liabilities decreased 546 million yen to 2,559 million yen mainly because of a 240 million yen decrease in trade accounts payable and a 144 million yen decrease in other payables. Noncurrent liabilities decreased 11 million yen to 612 million yen.

Net assets increased 118 million yen to 10,021 million yen. The equity ratio was 76.0%, 3.4 percentage points higher than at the end of the previous fiscal year.

3. Forecast for Fiscal Year Ending March 31, 2010

In the first half of the fiscal year, International Trade Div. and Machinery Equipment Div. continued to perform poorly as the external operating environment remained challenging. However, this adversity was generally within our prevision. The performance of Domestic Sales Div. is beginning to improve despite the difficult market conditions due to measures such as adding new products to the lineup and conducting various sales activities. In addition, the performance of International Trade Div. is expected to start recovering in the third quarter and there are signs that the downturn in Machinery Equipment Div. ended in the second quarter. For these reasons, there are no revisions at this time to the forecast announced on April 21, 2009.

4. Others

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Use of simple method in accounting procedures and application of accounting procedures specific to the quarterly consolidated financial statements
 - 1) Simple method in accounting
 - a. Valuation method for inventories
For certain inventory items that are unsold or to be disposed of because they are no longer part of the business cycle, and that as a result had book values reduced to the expected disposal prices, these items are shown on the balance sheet using the values as of the end of the previous fiscal year because there have been no significant changes following the end of the previous fiscal year.
 - b. Calculation method for depreciation expenses of noncurrent assets
For noncurrent assets that are depreciated using the declining-balance method, depreciation expenses for each fiscal period are calculated by using the corresponding proportion of annual depreciation expenses.
 - 2) Special accounting methods for the preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting principles and procedures, presentation methods and other items in the preparation of the quarterly consolidated financial statements
 - Change in presentation method
(Quarterly income statement)
In the first half of the current fiscal year, "Insurance income," which was previously included in "Others" in non-operating income, is presented as a separate item because the amount is more than 20% of total non-operating income. In the first half of the previous fiscal year, "Others" in non-operating income included "Insurance payments received" of 1,289 thousand yen.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	First half ended September 30, 2009	FY ended March 31, 2009
Assets		
Current assets		
Cash and deposits	3,135,971	2,805,028
Notes and accounts receivable-trade	5,569,287	6,523,108
Merchandise	2,397,627	2,321,157
Deferred tax assets	97,726	144,413
Short-term loans receivable to subsidiaries and affiliates	200,471	-
Others	427,799	488,196
Allowance for doubtful accounts	(6,757)	(7,658)
Total current assets	11,822,127	12,274,246
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	99,837	106,299
Machinery, equipment and vehicles, net	7,937	10,115
Land	619,325	619,325
Lease assets, net	8,905	9,515
Others, net	17,460	24,917
Total property, plant and equipment	753,466	770,173
Intangible assets		
Software	27,901	35,725
Lease assets	14,217	6,256
Others	10,128	10,128
Total intangible assets	52,247	52,111
Investments and other assets		
Investment securities	278,979	220,158
Deferred tax assets	167,584	197,844
Others	122,495	127,574
Allowance for doubtful accounts	(3,391)	(9,124)
Total investments and other assets	565,667	536,452
Total noncurrent assets	1,371,381	1,358,737
Total assets	13,193,508	13,632,983

(Thousand yen)

	First half ended September 30, 2009	FY ended March 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,028,987	2,360,179
Income taxes payable	120,814	167,148
Others	409,954	578,659
Total current liabilities	2,559,756	3,105,986
Noncurrent liabilities		
Provision for retirement benefits	524,818	545,484
Long-term guarantee deposited	55,170	60,168
Long-term accounts payable-other	16,648	8,266
Others	15,956	10,445
Total noncurrent liabilities	612,594	624,365
Total liabilities	3,172,351	3,730,351
Net assets		
Shareholders' equity		
Capital stock	898,591	898,591
Capital surplus	961,044	961,044
Retained earnings	8,083,101	7,999,014
Treasury stock	(837)	(837)
Total shareholders' equity	9,941,898	9,857,811
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	79,114	44,410
Deferred gains or losses on hedges	143	409
Total valuation and translation adjustments	79,258	44,820
Total net assets	10,021,157	9,902,632
Total liabilities and net assets	13,193,508	13,632,983

(2) Consolidated Statements of Income
(Consolidated first half cumulative)

(Thousand yen)

	First half ended September 30, 2008 (Apr. 1, 2008 – Sept. 30, 2008)	First half ended September 30, 2009 (Apr. 1, 2009 – Sept. 30, 2009)
Net sales	15,135,893	11,830,343
Cost of sales	13,016,571	10,136,176
Gross profit	2,119,322	1,694,167
Selling, general and administrative expenses	1,565,368	1,398,593
Operating income	553,954	295,574
Non-operating income		
Interest income	5,138	4,572
Dividends income	2,992	1,404
Purchase discounts	69,578	59,316
Insurance income	-	38,331
Others	15,754	11,727
Total non-operating income	93,464	115,352
Non-operating expenses		
Interest expenses	135	441
Sales discounts	30,525	29,991
Other	5,449	901
Total non-operating expenses	36,110	31,333
Ordinary income	611,308	379,592
Extraordinary income		
Reversal of allowance for doubtful accounts	-	1,117
Total extraordinary income	-	1,117
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,210	-
Total extraordinary loss	1,210	-
Income before income taxes and minority interests	610,098	380,710
Income taxes-current	238,664	116,498
Income taxes-deferred	17,215	53,015
Total income taxes	255,879	169,513
Net income	354,218	211,197

(3) Note on going concern assumption: None

(4) Segment information

Operating segment information

No business segment information is presented for the first half of the previous fiscal year (April 1 to September 30, 2008) and the first half of the current fiscal year (April 1, to September 30, 2009) because all operations of the SPK Group belong to a single segment. These operations involve the sale in Japan and the import/export of automobile parts and accessories, associated products, and parts for industrial and construction vehicles. The group is not engaged in any other category of business activities.

Geographical segment information

No geographic segment information is presented for the first half of the previous fiscal year (April 1 to September 30, 2008) and the first half of the current fiscal year (April 1, to September 30, 2009) because the SPK Group has no consolidated subsidiaries or significant offices in foreign countries or regions.

Overseas sales

For the first half ended September 2008 (April 1, 2008 – September 30, 2008)

(Thousand yen)

	Asia/Oceania	Central/South America	Other regions	Total
I. Overseas sales	1,838,756	1,598,953	1,686,782	5,124,492
II. Consolidated sales	-	-	-	15,135,893
III. Share of overseas sales in total sales (%)	12.2	10.6	11.1	33.9

Notes:

1. Countries and regions are classified according to geographical proximity.
2. Countries and regions outside Japan are broken down into the following geographical areas:
 - (1) Asia/Oceania Singapore, Philippines and Taiwan
 - (2) Central/South America Panama, Ecuador and Guatemala
 - (3) Other regions Middle East, Africa, Europe and North America
3. Overseas sales are sales by SPK and its consolidated subsidiaries of products to customers in foreign countries or regions.

For the first half ended September 2009 (April 1, 2009 – September 30, 2009)

(Thousand yen)

	Asia/Oceania	Central/South America	Other regions	Total
I. Overseas sales	1,187,616	1,207,826	983,148	3,378,591
II. Consolidated sales	-	-	-	11,830,343
III. Share of overseas sales in total sales (%)	10.0	10.2	8.3	28.5

Notes:

1. Countries and regions are classified according to geographical proximity.
2. Countries and regions outside Japan are broken down into the following geographical areas:
 - (1) Asia/Oceania Singapore, Philippines and Taiwan
 - (2) Central/South America Panama, Ecuador and Guatemala
 - (3) Other regions Middle East, Africa, Europe and North America
3. Overseas sales are sales by SPK and its consolidated subsidiaries of products to customers in foreign countries or regions.

(5) Note on significant change in shareholders' equity: None

6. Others

None