



Summary of Consolidated Financial Results For the Fiscal Year Ended March 2014 [Japan GAAP]

April 23, 2014

Name of Company:	SPK CORPORATION
Stock Code:	7466
Stock Exchange Listing:	Tokyo Stock Exchange, First Section
URL:	http://www.spk.co.jp/
Representative	
Title:	President
Name:	Tomikazu Todoroki
Contact Person	
Title:	General Manager of Administration Division
Name:	Shyuji Fujii
Phone:	+81-(0)6-6454-2002
Date of annual shareholders meeting	June 20, 2014
Date of commencement of dividend payment:	June 2, 2014
Date of filing of securities report:	June 20, 2014
Supplementary materials for financial report:	None
Information meeting for financial report:	Yes

(Yen in millions, rounded down)

1. Financial results for the fiscal year ended March 2014 (April 1, 2013 – March 31, 2014)

(1) Result of operations (Consolidated) (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2014	35,183	6.7	1,409	6.4	1,482	5.2	1,297	50.6
Fiscal year ended March 2013	32,981	1.2	1,324	3.2	1,409	5.1	861	14.7

Note: Comprehensive income

Fiscal year ended March 2014: 1,335 million yen (50.5%)

Fiscal year ended March 2013: 887 million yen (18.2%)

	Net income per share	Net income per share fully diluted	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2014	248.49	-	10.7	8.4	4.0
Fiscal year ended March 2013	164.85	-	7.6	8.6	4.0

Reference: Equity-method income

Fiscal year ended March 2014: – million yen

Fiscal year ended March 2013: – million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2014	18,578	12,591	67.8	2,432.63
As of March 31, 2013	16,671	11,641	69.8	2,227.65

Reference: Shareholders' equity

As of March 31, 2014 : 12,591 million yen

As of March 31, 2013 : 11,641 million yen

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2014	137	215	(278)	2,832
Fiscal year ended March 2013	1,040	(230)	(589)	2,751

2. Dividends

	Annual dividend					Aggregate amount (annual)	Payout ratio (Consolidated)	Dividends/ net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 2013	-	27.00	-	28.00	55.00	287	33.4	2.5
Fiscal year ended March 2014	-	28.00	-	29.00	57.00	298	22.9	2.4
Fiscal year ending March 2015 (est.)	-	29.00	-	30.00	59.00		31.5	

3. Forecast for the fiscal year ending March 2015 (Consolidated, April 1, 2014 – March 31, 2015)

(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
First half	17,000	1.6	610	1.9	640	0.3	410	1.2	79.21
Full year	37,000	5.2	1,470	4.3	1,520	2.5	970	(25.3)	187.40

* Others

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): Yes

Newly consolidated companies: One, Tanikawa Yuka Kogyo Co., Ltd. Exclude:-

Note: Please see "2. SPK Group" on page 5 for more details

- (2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: No

(b) Changes other than in (a): No

(c) Changes in accounting estimates: No

(d) Retrospective restatement: No

- (3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock)

As of March 31, 2014: 5,226,900

As of March 31, 2013: 5,296,900

(b) Treasury stock

As of March 31, 2014: 50,789

As of March 31, 2013: 70,789

(c) Average number of shares

As of March 31, 2014: 5,222,265

As of March 31, 2013: 5,226,131

Non-consolidated Financial Results (For reference)

Financial results for the fiscal year ended March 2014 (April 1, 2013 – March 31, 2014)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2014	30,712	5.5	1,049	2.5	1,175	2.3
Fiscal year ended March 2013	29,102	1.0	1,023	2.1	1,149	1.9

	Net income		Net income per share	Net income per share fully diluted
	Million yen	%	Yen	Yen
Fiscal year ended March 2014	687	(3.7)	131.52	-
Fiscal year ended March 2013	713	10.8	136.54	-

(2) Financial position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2014	15,779	10,967	69.5	2,098.62
As of March 31, 2013	15,094	10,564	70.0	2,021.58

Reference: Shareholders' equity

As of March 31, 2014: 10,967 million yen

As of March 31, 2013: 10,564 million yen

*Status of implementation of auditing procedure

The auditing procedure for the consolidated financial statements that is prescribed by the Financial Instruments and Exchange Act had not been completed when this financial report was released.

*Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time, this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. Please refer to (1) Analysis of results of operations on page 5 for information concerning for forecasts.

Index for Supplementary Information

1. Results of Operations	2
(1) Analysis of results of operations	2
(2) Financial condition	3
(3) Basic policy concerning the distribution of profits, and dividend distributions for the year under review and the subsequent year	3
(4) Business risk	4
2. The SPK Group	5
3. Management Principles	6
(1) Basic management principles	6
(2) Goals and performance indicators	6
(3) Medium-and long-term business strategy	6
(4) Issues requiring attention	6
4. Consolidated Financial Statements	7
(1) Consolidated Balance Sheets	7
(2) Consolidated statements of (comprehensive) income	9
Consolidated statements of income	9
Consolidated statements of comprehensive income	10
(3) Consolidated Statements of Changes in Net Assets	11
(4) Consolidated Statements of Cash Flows	13

1. Results of Operations

(1) Analysis of results of operations

(i) Result of operations (Consolidated)

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2013	Change (%)
Net sales	35,183	32,981	106.7
Operating income	1,409	1,324	106.4
Ordinary income	1,482	1,409	105.2
Net income	1,297	861	150.6

(ii) Net sales (Consolidated)

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2013	Change (%)
Domestic Sales Division	19,570	18,326	106.8
International Trade Division	11,907	11,277	105.6
Machinery Equipment Division	3,705	3,376	109.7
Total	35,183	32,981	106.7

(Domestic Sales Division)

In the fiscal year that ended in March 2014, the Japanese economy continued to stage a recovery centered on domestic demand in part because of the benefits of Abenomics. However, the rush to make purchases before the April 2014 consumption tax hike contributed to economic growth. New car sales and housing starts are down sharply after this tax hike and now attention is focused on whether or not economic stimulus and tax measures can support the economy.

In the market for automotive replacement parts, SPK's business domain, the operating environment remained challenging. Competition in the automobile after-services market is fierce as car owners replace parts less frequently and auto dealers aggressively target the market for vehicle maintenance and repair services. To overcome these difficulties, the SPK Group continued to focus on selling functional and replacement parts as well as on developing and selling new products that are environmentally friendly. As a result, sales in this division increased 6.8% from the previous fiscal year to 19,570 million yen.

Competition in the replacement parts market is expected to remain fierce in the fiscal year ending in March 2015. The SPK Group will continue to concentrate on the development of core products with considerable added value and of products that are environmentally responsible.

(International Trade Division)

Sales recovered in all regions of the world because of the weaker yen. But the pace of the recovery was slow in Central and South America, which is a primary market for this business. Furthermore, there have been no exports to Venezuela for one year due to restrictions on external funds. The result was a drop in sales in Central and South America. Performance at SPK Singapore Pte. Ltd. was strong. Overall, sales increased 5.6% to 11,907 million yen.

In the fiscal year ending in March 2015, there are concerns about events involving Russia and Ukraine as well as about the outlook for Japan's relationship with China. The International Trade Division plans to take full advantage of the benefits of the weaker yen to increase imports and offshore trades and to increase earnings at SPK Singapore.

(Machinery Equipment Division)

Production and shipments by manufacturers of construction machinery and industrial machinery, which are the main customers in this division, increased only slightly for exports. But demand in Japan increased because sales of this machinery are still brisk for projects associated with earthquake recovery activities. The result was a strong recovery from the previous fiscal year that raised sales 9.7% to 3,705 million yen.

In the fiscal year ending in March 2015, the outlook is for an upturn in construction machinery demand in China, where sales have been sluggish, and healthy real demand for this machinery in Europe and North America. The division aims to capture orders associated with new development projects currently under way and to achieve big increases in sales and earnings.

(2) Financial condition

In the fiscal year under review, cash and cash equivalents (hereafter referred to as "cash") increased 80 million yen from the beginning of the year (compared to a 226 million yen increase in the prior fiscal year) to 2,832 million yen at the end of the year (compared to 2,751 million yen at the end of the prior fiscal year). The factors affecting each type of cash flow are discussed below.

(Cash flow from operating activities)

Net cash provided by operating activities totaled 137 million yen (compared to 1,040 million yen in the prior fiscal year). Major uses of cash were an 848 million yen increase in notes and accounts receivable-trade and income taxes paid of 564 million yen. Major sources of cash were income before income taxes and minority interests of 1,848 million yen (including goodwill amortization of 430 million yen) and a 316 million yen increase in notes and accounts payable-trade.

(Cash flow from investing activities)

Net cash provided by investing activities totaled 215 million yen (compared to 230 million yen used in the prior year). The main components were of payments of 334 million yen for the purchase of stock of a subsidiary and 1,719 million yen for time deposits and proceeds of 2,300 million yen from the withdrawal of time deposits.

(Cash flow from financing activities)

Cash flow used in financing activities totaled 278 million yen (compared to 589 million yen used in the prior year). This mainly consisted of 292 million yen in cash dividends paid

The SPK group's cash flow indicators are presented below.

	Fiscal year ended March 2013	Fiscal year ended March 2014
Shareholders' equity ratio (%)	69.8	67.8
Shareholders' equity ratio at market value (%)	52.1	52.2
Interest-bearing debt to cash flow ratio (%)	30.8	283.5
Interest coverage ratio (times)	244.5	48.0

Notes:

Shareholders' equity ratio is shareholders' equity divided by total assets.

Shareholders' equity ratio at market value is market capitalization divided by total assets.

Interest-bearing debt to cash flow ratio is interest-bearing debt divided by operating cash flows.

Interest coverage ratio is operating cash flows divided by interest expenses.

1. All figures are calculated based on consolidated financial data.
2. Market capitalization uses the number of shares issued less treasury stock.
3. Cash flows are operating cash flows.
4. Interest-bearing debt is the sum of all liabilities on the balance sheet on which the Group is obligated to pay interest.

(3) Basic policy concerning the distribution of profits, and dividend distributions for the year under review and the subsequent year

- (i) SPK's corporate objective is to "endure with prosperity." With reverence for a corporate history that marks its 97th anniversary this year, and appreciation for our many stakeholders in mind, we practice business principles needed to achieve this corporate objective, and carry out a dividend policy based on a medium to longer term perspective.
- (ii) We see "continual dividend increases" as an important management objective. The year-end dividend for the year under review (fiscal year ended March 2014) will be increased by 1 yen to 29 yen. The dividends paid for the entire year will be increased by 2 yen to 57 yen. Our record of dividend increases is presented below.

Fiscal year ended March	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13
Dividend (yen)	15	16	21	26	28	30	32	34	37	40	43	47	49	51	53	55	57

(iii) In the coming fiscal year (fiscal year ending March 2015), we intend to increase the interim and year-end dividends by 1 yen each, raising the dividends paid for the full fiscal year by 2 yen to 59 yen. This will be our 17th consecutive year of dividend increases. Our basic policy for the next fiscal year and afterward is to maintain a dividend payout ratio of not more than 50%.

(4) Business risk

Our business results, share price and financial condition are subject to risks such as those discussed below. Forward-looking matters contained in this discussion represent the judgment of the SPK group as of the end of the fiscal year under review.

1. Heavy reliance on business where continued trading is uncertain

Export risk

The SPK Group's export ratio (exports as a percentage of net sales) was 33.9% in the year ended March 2013 and 34.0% in the year ended March 2014. The primary sales targets are importers in developing countries in Asia, Latin America, and the Middle East, where many people own Japanese-made vehicles. On numerous occasions in the past, the market in these regions has deteriorated and the value of local currencies has declined due to political and economic turmoil, and this has affected the business results of SPK's International Trade Division. These events may have a significant effect on the performance of the SPK Group.

While the SPK Group believes that it is impossible to completely avoid the risk associated with this uncertain export climate, in principle our export transactions are denominated in yen, and where they are denominated in foreign currencies we enter into comprehensive currency forward contracts with the aim of mitigating this risk.

2. Other risks

Adverse impact from vehicle ownership trends

Because vehicle parts wear out with usage and the passage of time, the demand for the vehicle replacement parts that represent the SPK Group's core products is influenced by vehicle ownership trends. During the 10-year period beginning in 2003, the number of vehicles owned has increased by about 2.7 million (source: Ministry of Land, Infrastructure, Transport, and Tourism). Nevertheless, the number of vehicle owned was peaked in 2007, if vehicle ownership continues to decline, demand for vehicle replacement parts would decline, and this could have an adverse effect on the SPK Group's business results.

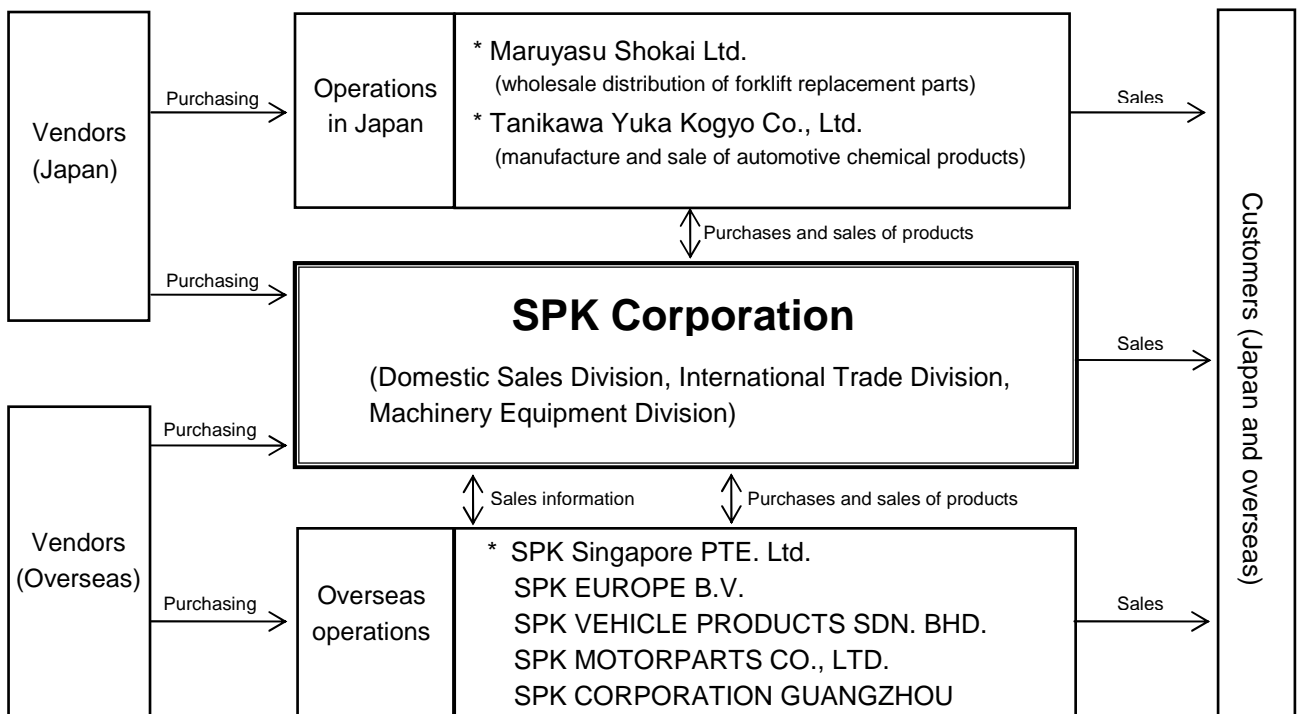
New car sales in Japan in the fiscal year that ended in March 2014 increased 0.1% from the previous fiscal year to 5,375,000 vehicles as people rushed to make purchases prior to the April 2014 consumption tax hike. In the current fiscal year, a drop in sales is expected following this upturn. Furthermore, there are an increasing number of reasons to expect a decline in car ownership in Japan, including the rising preference among young people to avoid owning a car.

2. The SPK Group

The SPK Group comprises the parent company and seven subsidiaries, which are primarily engaged in the business of selling automotive parts and industrial equipment and vehicle parts in Japan, and in the business of exporting and importing these parts.

- | | |
|----------------------------------|--|
| (1) Domestic Sales Division | This division sells parts and accessories made by Japanese autoparts and accessories makers and parts imported from Europe and the US to regional parts wholesalers and car shops throughout Japan through 16 offices located throughout Japan. Because of the nature of their business activities, consolidated subsidiary Maruyasu Shokai Ltd. and Tanikawa Yuka Kogyo Co., Ltd. which became a consolidated subsidiary in the fiscal year that ended in March 2014, are included in this division |
| (2) International Trade Division | This division mainly sells products produced by Japanese autoparts makers to more than 80 countries throughout the world through local importers. This division has five overseas companies as subsidiaries, through which it collects marketing information. Additionally, the volume of trilateral trade through these overseas companies is steadily increasing. |
| (3) Machinery Equipment Division | This division sells parts made by Japanese and foreign manufacturers to construction equipment, agricultural equipment, and forklift makers as attachments. |

Our organizational chart is presented below.



* Consolidated subsidiary

3. Management Principles

(1) Basic management principles

- (i) Pursue corporate transformation and business innovation.
- (ii) Provide all employees with opportunities and a stage for growth.
- (iii) Aim for sustained and enhanced "lasting earning power."
- (iv) Seek to satisfy our business partners and contribute to society.
- (v) Focus on returning profits and disclosing information to our owners (our shareholders).

(2) Goals and performance indicators

- (i) "Lasting earning power" is a way of rewarding shareholders over the medium and longer term, and also makes it possible to continue contributing to society.
- (ii) We have established a goal of 4.5% for operating profit margin, we see as the most important management indicator.

(3) Medium- and long-term business strategy

- (i) As SPK's 100th anniversary (2017) approaches, we are embarking on the new challenges of "evolving into a new company with tradition" and "becoming a true medium-sized company."
- (ii) Based on our unshaken SPK business principles, officers and employees will share a sense of urgency as they confront difficulties with a sense of unity.
- (iii) In order to succeed in our core business, we are fully committed to fostering our human resources and delving into product development and marketing channels.

(4) Issues requiring attention

- (i) Establishing fundamental principles for corporate governance and creating management mechanisms that reflect the SPK way.
- (ii) We recognize that fostering human resources, especially the next generation of the management team, is indispensable for the lasting development of the company. By adhering to our educational principles and policies, we will encourage personal development.
- (iii) Risk diversification is an important issue with respect to achieving lasting earning power. We will seek to mitigate risk by diversifying our customer base and our product line.
- (iv) One-third of sales come from overseas markets. We have been affected by geopolitical risk, country risk, and foreign exchange fluctuations. We will seek to minimize risk by diversifying our customer base, shifting to yen-denominated transactions, and using forex contracts.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	3,772,057	3,272,384
Notes and accounts receivable-trade	7,299,617	8,566,230
Merchandise	2,938,274	3,376,238
Deferred tax assets	113,617	152,640
Short-term loans receivable to subsidiaries and affiliates	13,815	14,477
Account receivable - other	806,242	692,162
Others	175,520	245,903
Allowance for doubtful accounts	(31,410)	(30,857)
Total current assets	15,087,734	16,289,179
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	741,304	1,051,045
Accumulated depreciation	(521,200)	(792,799)
Buildings and structures, net	220,104	258,245
Machinery, equipment and vehicles	28,869	360,019
Accumulated depreciation	(19,660)	(308,586)
Machinery, equipment and vehicles, net	9,209	51,433
Land	614,467	1,212,202
Lease assets	44,269	48,015
Accumulated depreciation	(25,284)	(36,505)
Lease assets, net	18,985	11,509
Others	232,288	286,746
Accumulated depreciation	(191,831)	(214,049)
Others, net	40,457	72,696
Total property, plant and equipment	903,224	1,606,088
Intangible assets		
Software	3,302	2,853
Lease assets	127,010	77,333
Others	10,128	10,665
Total intangible assets	140,440	90,852
Investments and other assets		
Investment securities	291,013	321,620
Deferred tax assets	113,819	112,772
Others	172,125	186,666
Allowance for doubtful accounts	(37,186)	(29,135)
Total investments and other assets	539,771	591,924
Total noncurrent assets	1,583,436	2,288,864
Total assets	16,671,171	18,578,044

(Thousand yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,180,152	3,940,326
Short-terms loans payable	89,374	217,637
Income taxes payable	315,362	317,970
Provision for bonuses	155,300	170,520
Others	659,662	683,853
Total current liabilities	4,399,852	5,330,308
Noncurrent liabilities		
Provision for retirement benefits	442,043	-
Net defined benefit liability	-	488,392
Long-term guarantee deposited	79,981	75,736
Long-term accounts payable-other	14,655	11,590
Others	92,680	80,450
Total noncurrent liabilities	629,361	656,170
Total liabilities	5,029,213	5,986,479
Net assets		
Shareholders' equity		
Capital stock	898,591	898,591
Capital surplus	961,044	961,044
Retained earnings	9,759,888	10,674,920
Treasury stock	(91,006)	(94,714)
Total shareholders' equity	11,528,517	12,439,841
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	101,120	109,863
Deferred gains or losses on hedges	3,215	2,426
Foreign currency translation adjustment	9,104	39,433
Total valuation and translation adjustments	113,440	151,724
Total net assets	11,641,958	12,591,565
Total liabilities and net assets	16,671,171	18,578,044

(2) Consolidated Statements of (Comprehensive) Income
Consolidated statements of income

(Thousand yen)

	Fiscal year ended March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)	Fiscal year ended March 31, 2014 (Apr. 1, 2013 – Mar. 31, 2014)
Net sales	32,981,746	35,183,713
Cost of sales	28,138,015	30,120,953
Gross profit	4,843,730	5,062,759
Selling, general and administrative expenses	3,519,025	3,653,745
Operating income	1,324,705	1,409,014
Non-operating income		
Interest income	3,370	2,408
Dividends income	3,855	3,855
Purchase discounts	103,265	106,685
Foreign exchange gains	32,908	24,067
Others	20,541	27,191
Total non-operating income	163,941	164,209
Non-operating expenses		
Interest expenses	4,256	2,856
Sales discounts	73,017	84,404
Others	2,352	3,537
Total non-operating expenses	79,626	90,798
Ordinary income	1,409,020	1,482,425
Extraordinary income		
Gain on sales of investment securities	2,972	48,144
Gain on sales of noncurrent assets	739	466
Gain on bargain purchase	-	430,931
Total extraordinary income	3,711	479,541
Extraordinary loss		
Office transfer expenses	-	1,982
Loss on sales and retirement of noncurrent assets	4,119	1,593
Others	-	109,930
Total extraordinary loss	4,119	113,506
Income before income taxes and minority interests	1,408,613	1,848,460
Income taxes-current	541,521	562,220
Income taxes-deferred	5,539	(11,446)
Total income taxes	547,060	550,774
Income before minority interests	861,552	1,297,685
Net income	861,552	1,297,685

Consolidated Statements of Comprehensive Income

(Thousand yen)

	Fiscal year ended March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)	Fiscal year ended March 31, 2014 (Apr. 1, 2013 – Mar. 31, 2014)
Income before minority interests	861,552	1,297,685
Other comprehensive income		
Valuation difference on available-for-sale securities	5,399	8,743
Deferred gains or losses on hedges	1,945	(788)
Foreign currency translation adjustment	18,755	30,328
Total other comprehensive income	26,101	38,283
Comprehensive income	887,654	1,335,969
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	887,654	1,335,969
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	898,591	961,044	9,180,546	(90,949)	10,949,232
Changes of items during the period					
Reversal of reserve for special depreciation			(1,815)		(1,815)
Provision of legal retained earnings			560		560
Other			1,255		1,255
Dividends from surplus			(282,211)		(282,211)
Net income			861,552		861,552
Retirement of treasury stock				-	-
Purchase of treasury stock				(57)	(57)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	579,341	(57)	579,284
Balance at the end of current period	898,591	961,044	9,759,888	(91,006)	11,528,517

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments	
Balance at the beginning of current period	95,720	1,269	(9,650)	87,339	11,036,572
Changes of items during the period					
Reversal of reserve for special depreciation					(1,815)
Provision of legal retained earnings					560
Other					1,255
Dividends from surplus					(282,211)
Net income					861,552
Disposal of treasury stock					-
Purchase of treasury stock					(57)
Net changes of items other than shareholders' equity	5,399	1,945	18,755	26,101	26,101
Total changes of items during the period	5,399	1,945	18,755	26,101	605,386
Balance at the end of current period	101,120	3,215	9,104	113,440	11,641,958

Fiscal year ended March 31, 2014 (Apr. 1, 2013 – Mar. 31, 2014)

(Thousand yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of current period	898,591	961,044	9,759,888	(91,006)	11,528,517
Changes of items during the period					
Reversal of reserve for special depreciation			1,756		1,756
Provision of legal retained earnings			-		-
Other			(1,756)		(1,756)
Dividends from surplus			(292,662)		(292,662)
Net income			1,297,685		1,297,685
Retirement of treasury stock			(89,991)	89,991	-
Purchase of treasury stock				(93,700)	(93,700)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	915,031	(3,708)	911,323
Balance at the end of current period	898,591	961,044	10,674,920	(94,714)	12,439,841

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments	
Balance at the beginning of current period	101,120	3,215	9,104	113,440	11,641,958
Changes of items during the period					
Reversal of reserve for special depreciation					1,756
Provision of legal retained earnings					-
Other					(1,756)
Dividends from surplus					(292,662)
Net income					1,297,685
Disposal of treasury stock					-
Purchase of treasury stock					(93,700)
Net changes of items other than shareholders' equity	8,743	(788)	30,328	38,283	38,283
Total changes of items during the period	8,743	(788)	30,328	38,283	949,607
Balance at the end of current period	109,863	2,426	39,433	151,724	12,591,565

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Fiscal year ended March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)	Fiscal year ended March 31, 2014 (Apr. 1, 2013 – Mar. 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,408,613	1,848,460
Depreciation and amortization	100,174	100,174
Gain on bargain purchase	-	(430,931)
Amortization of long-term prepaid expenses	2,174	1,889
Increase (decrease) in allowance for doubtful accounts	241	(13,585)
Increase (decrease) in provision for bonuses	155,300	8,220
Increase (decrease) in provision for retirement benefits	(21,791)	-
Increase (decrease) in net defined benefit liability	-	41,349
Interest and dividends income	(7,226)	(6,264)
Interest expenses	4,256	2,856
Foreign exchange losses (gains)	(136)	(14)
Loss (gain) on sales of investment securities	(2,972)	(48,144)
Loss (gain) on sales and retirement of property, plant and equipment	3,380	(432)
Decrease (increase) in notes and accounts receivable-trade	66,107	(848,323)
Decrease (increase) in inventories	(217,674)	(264,308)
Increase (decrease) in notes and accounts payable-trade	120,739	316,180
Decrease (increase) in accrued consumption taxes	4,133	(21,732)
Increase (decrease) in consumption taxes refund receivable	(1,319)	(1,912)
Other, net	(21,405)	14,955
Sub-total	1,592,597	698,437
Interest and dividends income received	7,044	5,999
Interest expenses paid	(4,256)	(2,856)
Income taxes paid	(554,491)	(564,481)
Net cash provided by (used in) operating activities	1,040,894	137,098
Net cash provided by (used in) investment activities		
Payments into time deposits	(2,846,500)	(1,719,500)
Proceeds from withdrawal of time deposits	2,630,000	2,300,000
Proceeds from sales of investment securities	7,625	52,505
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(334,682)
Purchase of property, plant and equipment	(60,012)	(60,068)
Proceeds from sales of property, plant and equipment	55,634	1,302
Purchase of intangible assets	(2,000)	(1,445)
Payments of loans receivable	(10,700)	(5,000)
Collection of loans receivable	1,146	2,322
Other, net	(5,934)	(20,243)
Net cash provided by (used in) investment activities	(230,741)	215,190
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	(251,294)	73,377
Repayments of lease obligations	(55,914)	(59,031)
Purchase of treasury stock	(57)	-
Cash dividends paid	(282,211)	(292,662)
Net cash provided by (used in) financing activities	(589,477)	(278,316)
Effect of exchange rate change on cash and cash equivalents	5,419	6,825
Net increase (decrease) in cash and cash equivalents	226,094	80,797
Cash and cash equivalents, beginning of period	2,525,415	2,751,510
Cash and cash equivalents, end of period	2,751,510	2,832,308