

Summary of Consolidated Financial Results For the Fiscal Year Ended March 2015 [Japan GAAP]



April 23, 2015

Name of Company:	SPK CORPORATION
Stock Code:	7466
Stock Exchange Listing:	Tokyo Stock Exchange, First Section
URL:	http://www.spk.co.jp/
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Title:	President
Name:	Tomikazu Todoroki
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Title:	Senior Managing Director and General Manager of Administration Division
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Date of annual shareholders meeting	June 23, 2015
Date of commencement of dividend payment:	June 1, 2015
Date of filing of securities report:	June 23, 2015
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 2015 (April 1, 2014 – March 31, 2015)

(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 2015	38,334	9.0	1,592	13.0	1,668	12.5	1,038	(19.9)
Fiscal year ended March 2014	35,183	6.7	1,409	6.4	1,482	5.2	1,297	50.6

Note: Comprehensive income

Fiscal year ended March 2015: 1,092 million yen (-18.2%)

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

	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 2015	201.38	-	8.0	8.6	4.2
Fiscal year ended March 2014	248.49	-	10.7	8.4	4.0

Reference: Equity-method income

Fiscal year ended March 2015: . million yen

Fiscal year ended March 2014: . 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, 2015	20,035	13,303	66.4	2,597.68
As of March 31, 2014	18,578	12,591	67.8	2,432.63

Reference: Shareholders' equity

As of March 31, 2015: 13,303 million yen

As of March 31, 2014: 12,591 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 2015	665	151	152	3,808
Fiscal year ended March 2014	137	215	(278)	2,832

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 2014	-	28.00	-	29.00	57.00	298	22.9	2.4
Fiscal year ended March 2015	-	29.00	-	30.00	59.00	303	29.3	2.3
Fiscal year ending March 2016 (est.)	-	30.00	-	31.00	61.00		27.1	

3. Forecast for the fiscal year ending March 2016 (Consolidated, April 1, 2015 – March 31, 2016)

(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	19,300	5.3	750	2.7	780	2.7	520	10.2	101.54
Full year	40,000	4.3	1,700	6.8	1,740	4.3	1,160	11.7	226.51

* Others

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
Newly consolidated companies: - Exclude:-
- (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, 2015: 5,226,900	As of March 31, 2014: 5,226,900
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 - (b) Treasury stock

As of March 31, 2015: 105,789	As of March 31, 2014: 50,789
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 - (c) Average number of shares

As of March 31, 2015: 5,159,188	As of March 31, 2014: 5,222,265
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Non-consolidated Financial Results (For reference)

Financial results for the fiscal year ended March 2015 (April 1, 2014 – March 31, 2015)

(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 2015	32,275	5.1	1,092	4.1	1,715	45.9
Fiscal year ended March 2014	30,712	5.5	1,049	2.5	1,175	2.3

	Net income		Net income per share	Net income per share fully diluted
	Million yen	%	Yen	Yen
Fiscal year ended March 2015	1,254	82.5	242.57	-
Fiscal year ended March 2014	687	(3.7)	131.52	-

(2) Financial position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2015	17,122	11,738	68.6	2,292.23
As of March 31, 2014	15,779	10,967	69.5	2,098.62

Reference: Shareholders' equity

As of March 31, 2015: 11,738 million yen

As of March 31, 2014: 10,967 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 2 for information concerning for forecasts.

Index for Supplementary Information

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

1. Results of Operations

(1) Analysis of results of operations

(i) Result of operations (Consolidated)

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014	Change (%)
Net sales	38,334	35,183	109.0
Operating income	1,592	1,409	113.0
Ordinary income	1,668	1,482	112.5
Net income	1,038	1,297	80.1

(ii) Net sales (Consolidated)

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014	Change (%)
Domestic Sales Division	20,271	19,570	103.6
International Trade Division	13,726	11,907	115.3
Machinery Equipment Division	4,335	3,705	117.0
Total	38,334	35,183	109.0

(Domestic Sales Division)

In the fiscal year that ended in March 2015, the Japanese economy was healthy for a number of reasons. The drop in demand after the April 2014 consumption tax hike and associated inventory reductions slowly came to an end and the economy benefited from self-sustained growth, the lower cost of crude oil, government economic stimulus measures, and other factors. Now attention is turning to the effects of economic stimulus measures and the direction of the economy leading up to the next consumption tax hike in April 2017.

The market for registration inspections (shaken) has a big effect on the market for automotive replacement parts, which is SPK's business domain. In 2014, vehicles sold during the first year of the financial crisis (2009) required their second inspection and vehicles sold in 2011, the year of the Great East Japan Earthquake, required their first inspection. New car sales fell sharply in Japan in both 2009 and 2011. Furthermore, car owners are replacing parts less frequently because of a reluctance to make purchases after the consumption tax hike and the rush to buy before this tax increase. In addition, auto dealers are aggressively targeting the market for vehicle maintenance and repair services. As a result, competition remained fierce as companies fought to capture business in this market. The Domestic Sales Division continued to focus on selling of functional and replacement parts for automobiles as well on developing and selling new products that are environmentally friendly. Sales also benefited from strong performances at consolidated subsidiaries Maruyasu Shokai Ltd. and Tanikawa Yuka Kogyo Co., Ltd., which became a consolidated subsidiary in the previous fiscal year. The result was a 3.6% increase in sales from one year earlier to 20,271 million yen.

Competition in the replacement parts market is expected to remain fierce in the fiscal year ending in March 2016. 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 of this division surpassed 10 billion yen for the first time in seven years because of strong exports backed by the yen's consistent weakness. Sales were particularly strong in the Middle East and in North, Central and South America. Consolidated subsidiary SPK Singapore Pte. Ltd. posted higher sales in the emerging countries of Southeast Asia. As a result, consolidated sales in this division rose to an all-time high, climbing 15.3% to 13,726 million yen. In the fiscal year ending in March 2016, there are concerns about the effects of events in Russia and the Middle East on the division's performance. The division will continue to focus on growth of export, import and offshore transactions as well as the growth of overseas subsidiaries.

(Machinery Equipment Division)

Production and shipments by manufacturers of construction machinery and industrial machinery, which are the main customers of this division, were higher, chiefly in North America as the economy recovered. Orders associated with large development projects also contributed to the division's sales growth. The result was a 17.0% increase in sales to an all-time high of 4,335 million yen.

The division is aiming for more growth by creating new business opportunities through closer ties among overseas sales companies. This includes SPK Vehicle Parts CORP, which was established in January 2015 in the United States.

(2) Financial condition

In the fiscal year under review, cash and cash equivalents (hereafter referred to as "cash") increased 976 million yen from the beginning of the year (compared to 80 million yen increase in the prior fiscal year) to 3,808 million yen at the end of the year (compared to 2,832 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 665 million yen (compared to 137 million yen in the prior fiscal year). Major uses of cash were 338 million yen increase in notes and accounts receivable-trade, 338 million yen increase in inventories and income taxes paid of 549 million yen. Major sources of cash were income before income taxes and minority interests of 1,653 million yen and a 219 million yen increase in notes and accounts payable-trade.

(Cash flow from investing activities)

Net cash provided by investing activities totaled 151 million yen (compared to 215 million yen used in the prior year). The main components were of payments of 568 million yen for time deposits and 203 million yen for purchase of property, plant and equipment and proceeds of 971 million yen from the withdrawal of time deposits.

(Cash flow from financing activities)

Cash flow used in financing activities totaled 152 million yen (compared to 278 million yen used in the prior year). The main uses of cash were cash dividends paid of 300 million yen and payments of 110 million yen for the purchase of treasury stock. There were proceeds of 590 million yen from long-term loans.

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

	Fiscal year ended March 2014	Fiscal year ended March 2015
Shareholders' equity ratio (%)	67.8	66.4
Shareholders' equity ratio at market value (%)	52.2	56.6
Interest-bearing debt to cash flow ratio (%)	283.5	151.1
Interest coverage ratio (times)	48.0	252.3

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 98th 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 2015) will be increased by 1 yen to 30 yen. The dividends paid for the entire year will be increased by 2 yen to 59 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	14
Dividend (yen)	15	16	21	26	28	30	32	34	37	40	43	47	49	51	53	55	57	59

(iii) In the coming fiscal year (fiscal year ending March 2016), 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 61 yen. This will be our 18th 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 34.0% in the year ended March 2014 and 36.7% in the year ended March 2015. 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.

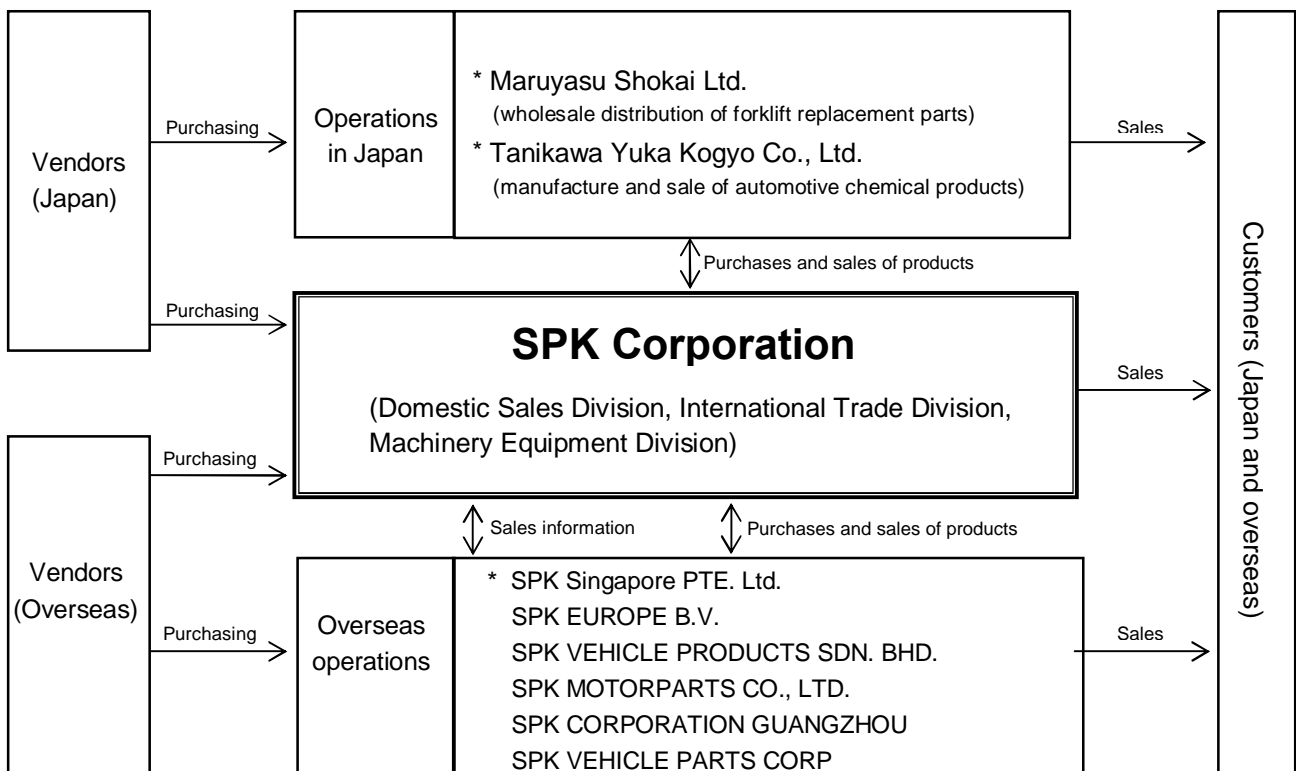
During the 10-year period beginning in 2004, the number of vehicles owned in Japan increased by about 2.88 million (source: Ministry of Land, Infrastructure, Transport, and Tourism). If the number of vehicles owned in Japan starts to decrease or the growth rate in vehicles owned slows, demand for vehicle replacement parts would decline. This could have an adverse effect on the SPK Group's performance.

2. The SPK Group

The SPK Group comprises the parent company and eight 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. 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. The division established a subsidiary in the United States during the fiscal year that ended in March 2015. The purpose is to establish a stronger presence in this country as major manufacturers of industrial machinery move production activities to the United States. |

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. Basic Position for the Selection of Accounting Standards

The SPK Group will continue to use Japanese accounting standards. However, a study is under way concerning the establishment of a framework for using International Financial Reporting Standards (IFRS) in the future and the timing of the application of IFRS.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	3,272,384	3,844,674
Notes and accounts receivable-trade	8,566,230	8,964,624
Inventories	3,376,238	3,738,327
Deferred tax assets	152,640	141,491
Short-term loans receivable to subsidiaries and affiliates	14,477	13,190
Account receivable - other	692,162	655,651
Others	245,903	267,460
Allowance for doubtful accounts	(30,857)	(13,264)
Total current assets	16,289,179	17,612,157
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,051,045	942,214
Accumulated depreciation	(792,799)	(702,578)
Buildings and structures, net	258,245	239,635
Machinery, equipment and vehicles	360,019	371,037
Accumulated depreciation	(308,586)	(320,740)
Machinery, equipment and vehicles, net	51,433	50,297
Land	1,212,202	1,269,023
Lease assets	48,015	48,176
Accumulated depreciation	(36,505)	(44,063)
Lease assets, net	11,509	4,113
Others	286,746	401,263
Accumulated depreciation	(214,049)	(218,694)
Others, net	72,696	182,568
Total property, plant and equipment	1,606,088	1,745,638
Intangible assets		
Software	2,853	2,471
Lease assets	77,333	39,785
Others	10,665	10,665
Total intangible assets	90,852	52,923
Investments and other assets		
Investment securities	321,620	326,839
Deferred tax assets	112,772	69,210
Others	186,666	280,964
Allowance for doubtful accounts	(29,135)	(52,559)
Total investments and other assets	591,924	624,454
Total noncurrent assets	2,288,864	2,423,017
Total assets	18,578,044	20,035,174

(Thousand yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,940,326	4,148,535
Short-terms loans payable	217,637	343,117
Current portion of long-term borrowing	-	258,912
Income taxes payable	317,970	333,883
Provision for bonuses	170,520	191,100
Others	683,853	650,249
Total current liabilities	5,330,308	5,925,797
Noncurrent liabilities		
Net defined benefit liability	488,392	410,493
Long-term borrowing	-	283,678
Long-term guarantee deposited	75,736	72,708
Long-term accounts payable-other	11,590	11,052
Others	80,450	28,435
Total noncurrent liabilities	656,170	806,367
Total liabilities	5,986,479	6,732,165
Net assets		
Shareholders' equity		
Capital stock	898,591	898,591
Capital surplus	961,044	961,044
Retained earnings	10,674,920	11,443,577
Treasury stock	(94,714)	(205,539)
Total shareholders' equity	12,439,841	13,097,672
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	109,863	135,544
Deferred gains or losses on hedges	2,426	(971)
Foreign currency translation adjustment	39,433	70,762
Total valuation and translation adjustments	151,724	205,336
Total net assets	12,591,565	13,303,009
Total liabilities and net assets	18,578,044	20,035,174

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

(Thousand yen)

	Fiscal year ended March 31, 2014 (Apr. 1, 2013 . Mar. 31, 2014)	Fiscal year ended March 31, 2015 (Apr. 1, 2014 . Mar. 31, 2015)
Net sales	35,183,713	38,334,252
Cost of sales	30,120,953	32,607,441
Gross profit	5,062,759	5,726,811
Selling, general and administrative expenses	3,653,745	4,134,378
Operating income	1,409,014	1,592,433
Non-operating income		
Interest income	2,408	966
Dividends income	3,855	4,787
Purchase discounts	106,685	107,733
Foreign exchange gains	24,067	12,676
Others	27,191	41,954
Total non-operating income	164,209	168,118
Non-operating expenses		
Interest expenses	2,856	2,638
Sales discounts	84,404	85,699
Others	3,537	4,212
Total non-operating expenses	90,798	92,550
Ordinary income	1,482,425	1,668,001
Extraordinary income		
Gain on sales of investment securities	48,144	1,241
Gain on sales of noncurrent assets	466	-
Gain on bargain purchase	430,931	-
Total extraordinary income	479,541	1,241
Extraordinary loss		
Office transfer expenses	1,982	4,657
Loss on sales and retirement of noncurrent assets	1,593	10,962
Others	109,930	-
Total extraordinary loss	113,506	15,619
Income before income taxes and minority interests	1,848,460	1,653,622
Income taxes-current	562,220	565,560
Income taxes-deferred	(11,446)	49,107
Total income taxes	550,774	614,667
Income before minority interests	1,297,685	1,038,955
Net income	1,297,685	1,038,955

Consolidated Statements of Comprehensive Income

(Thousand yen)

	Fiscal year ended March 31, 2014 (Apr. 1, 2013 . Mar. 31, 2014)	Fiscal year ended March 31, 2015 (Apr. 1, 2014 . Mar. 31, 2015)
Income before minority interests	1,297,685	1,038,955
Other comprehensive income		
Valuation difference on available-for-sale securities	8,743	25,680
Deferred gains or losses on hedges	(788)	(3,398)
Foreign currency translation adjustment	30,328	31,329
Total other comprehensive income	38,283	53,611
Comprehensive income	1,335,969	1,092,567
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,335,969	1,092,567
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Net Assets
 Fiscal year ended March 31, 2014 (Apr. 1, 2013 . Mar. 31, 2014)

(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	9,759,888	(91,006)	11,528,517
Changes of items during the period					
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					
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

Fiscal year ended March 31, 2015 (Apr. 1, 2014 . Mar. 31, 2015)

(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	10,674,920	(94,714)	12,439,841
Changes of items during the period					
Dividends from surplus			(300,214)		(300,214)
Net income			1,038,955		1,038,955
Other			29,916		29,916
Retirement of treasury stock					-
Purchase of treasury stock				(110,825)	(110,825)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	768,656	(110,825)	657,831
Balance at the end of current period	898,591	961,044	11,443,577	(205,539)	13,097,672

	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	109,863	2,426	39,433	151,724	12,591,565
Changes of items during the period					
Dividends from surplus					(300,214)
Net income					1,038,955
Other					29,916
Disposal of treasury stock					-
Purchase of treasury stock					(110,825)
Net changes of items other than shareholders' equity	25,680	(3,398)	31,329	53,611	53,611
Total changes of items during the period	25,680	(3,398)	31,329	53,611	711,443
Balance at the end of current period	135,544	(971)	70,762	205,336	13,303,009

Note: The 29,916 thousand yen for %Other+ is a transfer of deferred tax liabilities to retained earnings in association with the valuation at market of SPK stock that was purchased from consolidated subsidiaries.

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Fiscal year ended March 31, 2014 (Apr. 1, 2013 . Mar. 31, 2014)	Fiscal year ended March 31, 2015 (Apr. 1, 2014 . Mar. 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,848,460	1,653,622
Depreciation and amortization	100,174	105,571
Gain on bargain purchase	(430,931)	-
Amortization of long-term prepaid expenses	1,889	1,432
Increase (decrease) in allowance for doubtful accounts	(13,585)	5,543
Increase (decrease) in provision for bonuses	8,220	20,580
Increase (decrease) in net defined benefit liability	41,349	(77,899)
Interest and dividends income	(6,264)	(5,754)
Interest expenses	2,856	2,638
Foreign exchange losses (gains)	(14)	(194)
Loss (gain) on sales of investment securities	(48,144)	(1,241)
Loss (gain) on sales and retirement of property, plant and equipment	(432)	10,962
Decrease (increase) in notes and accounts receivable-trade	(848,323)	(338,135)
Decrease (increase) in inventories	(264,308)	(338,140)
Increase (decrease) in notes and accounts payable-trade	316,180	219,193
Decrease (increase) in accrued consumption taxes	(21,732)	(61,440)
Increase (decrease) in consumption taxes refund receivable	(1,912)	19,157
Other, net	14,955	(3,558)
Sub-total	698,437	1,212,339
Interest and dividends income received	5,999	5,589
Interest expenses paid	(2,856)	(2,638)
Income taxes paid	(564,481)	(549,518)
Net cash provided by (used in) operating activities	137,098	665,771
Net cash provided by (used in) investment activities		
Payments into time deposits	(1,719,500)	(568,000)
Proceeds from withdrawal of time deposits	2,300,000	971,994
Proceeds from sales of investment securities	52,505	23,690
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(334,682)	-
Purchase of investments in subsidiaries	-	(58,785)
Purchase of property, plant and equipment	(60,068)	(203,022)
Proceeds from sales of property, plant and equipment	1,302	37
Purchase of intangible assets	(1,445)	(535)
Payments of loans receivable	(5,000)	(8,500)
Collection of loans receivable	2,322	7,230
Other, net	(20,243)	(12,168)
Net cash provided by (used in) investment activities	215,190	151,942
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	73,377	80,328
Proceeds from long-term borrowing	-	590,000
Repayments of long-term borrowing	-	(47,410)
Repayments of lease obligations	(59,031)	(59,629)
Purchase of treasury stock	-	(110,825)
Cash dividends paid	(292,662)	(300,214)
Net cash provided by (used in) financing activities	(278,316)	152,249
Effect of exchange rate change on cash and cash equivalents	6,825	6,304
Net increase (decrease) in cash and cash equivalents	80,797	976,267
Cash and cash equivalents, beginning of period	2,751,510	2,832,308
Cash and cash equivalents, end of period	2,832,308	3,808,575