



Consolidated Basis Results for Fiscal 2014 (Summary)

(April 1, 2014 - March 31, 2015)

May 8th, 2015

Company name:	TOPY INDUSTRIES, LIMITED
Stock listing:	Tokyo, Nagoya stock exchanges
Code number:	7231
URL:	http://www.topy.co.jp/english/index.html
Representative:	Yasuo Fujii, President and CEO
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Scheduled date of Ordinary General Meeting of Shareholders:	June 25 th , 2015
Scheduled date to submit Securities Report:	June 25 th , 2015
Scheduled date for dividend payout:	June 4 th , 2015
Preparation of supplemental explanatory materials:	Yes
Holding of quarterly financial results meeting:	Yes (for analysts and institution investors, in Japanese)

(Figures less than ¥1 million have been omitted.)

1. Consolidated Financial and Operating Results through Fiscal 2014

(April 1, 2014- March 31, 2015)

(1) Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2014	237,677	1.3	6,422	21.0	6,037	34.6	2,360	23.2
Fiscal 2013	234,682	3.4	5,308	(24.1)	4,485	(28.1)	1,914	(43.8)

(For reference) Comprehensive income: **Fiscal 2014 ¥12,416 million 64.1%**

Fiscal 2013 ¥ 7,566 million (8.0%)

	Net income per share	Net income per share after full dilution	Return on Equity	Return on Assets	Return on Sales
	Yen	Yen	%	%	%
Fiscal 2014	9.96	-	2.4	2.5	2.7
Fiscal 2013	8.08	-	2.1	2.0	2.3

(For reference) Equity in net income of unconsolidated subsidiaries and affiliates: **Fiscal 2014 ¥12 million**

Fiscal 2013 ¥ (230) million

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Assets shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2014	252,456	107,941	42.1	448.36
Fiscal 2013	232,714	96,219	40.5	398.39

(For reference) Shareholders' equity: **Fiscal 2014 ¥106,187 million**

Fiscal 2013 ¥ 94,363million

(3) Consolidated Statements of Cash-Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2014	19,440	(29,141)	13,157	21,733
Fiscal 2013	7,251	(17,478)	7,538	17,485

2. Dividends

Base date	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
Fiscal 2013	Yen -	Yen 0.00	Yen -	Yen 2.00	Yen 2.00
Fiscal 2014	-	1.00	-	3.00	4.00
Fiscal 2015(Forecast)	-	1.00	-	5.00	6.00

Base date	Cash dividends	Ratio of cash dividends to net income	Ratio of dividends to net assets
	Millions of yen	%	%
Fiscal 2013	473	24.8	0.5
Fiscal 2014	947	40.2	0.9
Fiscal 2015(Forecast)		26.3	

3. Consolidated Financial Forecasts for Fiscal 2015 (April 1, 2015-March 31, 2016)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half of Fiscal 2015	116,000	2.3	3,000	36.7	2,500	52.7	1,200	40.4
Fiscal 2015	246,000	3.5	9,700	51.0	8,800	45.7	5,400	128.8

	Net income per share
	Yen
First half of Fiscal 2015	5.07
Fiscal 2015	22.80

※ NOTE

(1) Changes in the State of Material Subsidiaries during the Period (Changes regarding Specific Companies Accompanying Changes in the Scope of Consolidation): None

Newly included: — Excluded: —

(2) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements

(a) Changes in Accounting principles accompanying the amendment of accounting standards: Yes

(b) Changes other than those in (a) above: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(3) Number of Shares Issued (Common Shares)

(a) Number of shares issued at the end of the period (including treasury stock)

Fiscal 2014 240,775,103 shares

Fiscal 2013 240,775,103 shares

(b) Number of treasury stock at the end of the period

Fiscal 2014 3,939,837 shares

Fiscal 2013 3,912,870 shares

(c) Average number of shares issued during the term

Fiscal 2014 236,848,386 shares

Fiscal 2013 237,107,792 shares

(Reference) Summary of Non-Consolidated Financial and Operating Results

1. Non-Consolidated Financial and Operating Results through Fiscal 2014

(April 1, 2014- March 31, 2015)

(1) Non-Consolidated Operating Results

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2014	140,884	0.6	4,181	116.3	6,038	87.9	2,886	8.4
Fiscal 2013	140,047	(2.5)	1,932	(46.4)	3,213	(34.4)	2,663	(20.9)

	Net income per share	Net income per share after full dilution
	Yen	Yen
Fiscal 2014	12.18	-
Fiscal 2013	11.23	-

(2) Non-Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Assets shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2014	187,337	76,562	40.9	323.22
Fiscal 2013	176,395	69,759	39.5	294.47

(For reference) Shareholders' equity: **Fiscal 2014 ¥76,562 million**

Fiscal 2013 ¥ 69,759 million

2. Non-Consolidated Financial Forecasts for Fiscal 2015 (April 1, 2015-March 31, 2016)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half of Fiscal 2015	67,700	(1.5)	1,600	4.7	2,400	7.5	1,600	(8.0)
Fiscal 2015	140,800	(0.1)	4,000	(4.3)	5,100	(15.5)	3,400	17.8

	Net income per share
	Yen
First half of Fiscal 2015	6.75
Fiscal 2015	14.35

* Status of Performance of Audit Procedures

This note on the settlement of accounts is an exception to the audit process based on the Financial Instruments and Exchange Law, and such audit process based on the Financial Instruments and Exchange Law has not been completed at the time of disclosure of this note on the settlement of accounts.

* Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

(Caution concerning future descriptions etc.)

The above estimate has been compiled based on information available at the time of issue of this document. The actual earnings are subject to change from the estimated values due to various factors. For assumed conditions of earnings forecast and precaution statement in using earnings forecast, please refer to page 3 of the attached document "Qualitative Information Regarding Consolidated Earnings Forecast".

(Accessing quarterly results supplemental explanation documentation)

The quarterly results supplemental explanation documentation is scheduled to be uploaded onto our company website.

Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the original shall prevail. The original disclosure in Japanese was released on May 8th, 2015 at 13:30(GMT+9). The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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1. Analysis of Operation Results and Financial Situation

(1) Analysis Regarding Operation Results

【Operation Results for this Consolidated Accounting Year】

The global economy during this consolidated fiscal year showed gradual recovery as the United States economy recovered and the European economy showed continued signs of picking back up; however, the growth slowed down in China and was at a standstill in other developing countries. The economy in Japan showed signs of gradual recovery supported by governmental economic policies, despite weak personal spending due to the consumption tax increase.

Under such conditions, the Topy Industries Group has implemented the medium-term consolidated management plan, “Growth & Change 2015” with its basic principle being global “Growth” and “Change” to achieve a highly-profitable structure. As one part of such plan, the manufacture of truck wheels at Topy Palingda Manufacturing Indonesia (Jawa Barat, Indonesia) , started as well as operation of the new steel-making plant at Toyohashi Factory (Toyohashi City, Aichi Prefecture) have started. Furthermore, we will continue working on determining the optimum sales price of steel material, as well as the establishment of a production system that responds to demand, and improvement of productivity and cost in relation to energy-conservation etc.

As a result, net sales for this consolidated fiscal year for the Topy Industries Group ended at ¥237,677 million (year-to-year comparison, 1.3% increase), operating income ended at ¥6,422 million (year-to-year comparison, 21.0% increase), ordinary income ended at ¥6,037 million (year-to-year comparison, 34.6% increase). Net income ended at ¥2,360 million (year-to-year comparison, 23.2% increase) due to impairment loss of fixed assets etc. of consolidated subsidiary companies.

【Performance by Segment】

(Steel Business)

In the steel industry, production of crude steel fell below that of the previous year due to decline in demand. In the electric furnace industry, demand for domestic construction was steady during the first half of the year, but unfortunately weakened during the latter half of the year. Furthermore, difficult conditions continued overall due to increase in electricity and other costs despite decline of our main material cost, steel scrap price, from the middle of the year.

Under such circumstances, the Topy Industries Group has endeavored in the formulation of appropriate sales price structures and intensive cost reduction. This resulted in net sales of ¥72,247 million (year-to-year comparison, 1.0% decrease), and operating income of ¥3,381 million (year-to-year comparison, 107.4% increase).

(Automotive & Industrial Machinery Components Business)

The automobile industry saw volume of domestic production decrease below that of last year due to the downfall in demand after the tax raise. On the other hand, automobile production was strong in North America. The demand in the construction machinery industry remained low as the Chinese and South East Asian markets and demand for mining machinery stagnated.

Under such conditions, the sales of wheels for passenger cars and trucks for the Topy Industries Group were steady. This resulted in net sales of ¥151,025 million (year-to-year comparison, 2.4% increase). Despite continued improvement actions that were taken, operating income remained at ¥6,919 million (year-to-year comparison, 6.0% decrease) due to decrease in sales volume of construction machinery components in the Chinese and East Asian markets, and due to effects from severe competition.

(Others)

The Topy Industries Group also engages in wholesale electricity utility, indoor and outdoor sign systems, manufacture of synthetic mica used in cosmetics etc., manufacture and sales of LED display and crawler robots, civil engineering and construction, real estate lease such as “Topy-Rec Plaza” (Minami-Suna, Kotoku, Tokyo), and operation of sports club “OSSO”. Net sales resulted at ¥14,404 million, and operating income was ¥418 million.

【Next Accounting Year Forecast】

With regards to the outlook of the economic environment from here onward, there is hope for gradual recovery as a result of governmental economic policies. However, there are unclear elements that remain such as the economic trend in China and other emerging countries, and the movement of U.S. credit policies etc. which leaves us to believe the business environment surrounding the Topy Industries Group will continue to be unpredictable.

Under such management conditions, and in promoting the new medium-term consolidated management plan, “Growth & Change 2015”, the Topy Industries Group will strive to further improve its corporate value by active business development into overseas markets where growth can be expected, and by solidifying the domestic manufacturing base to establish a business structure strong enough to withstand drastically changing environments. The Topy Industries Group will continue to pursue consecutive profit and seek further progression by exerting its competitive advantage of “integrated manufacture from raw material to product” as defined by the corporate message “One-piece Cycle”.

As for the outlook of next year’s consolidated performance, we anticipate net sales of ¥246,000 million, operating income of ¥9,700 million, ordinary income of ¥8,800 million, and net income attributable to parent company shareholders of ¥5,400 million by ensuring to produce the effects of the new steel-making plant and by formulating appropriate sales price structures and by implementing further cost reductions.

(2) Analysis Regarding Financial Situation

【Assets, Debt and Net Assets】

Total assets at the end of this consolidated fiscal year increased by ¥19,741 million compared to the end of last year’s consolidated fiscal year and resulted at ¥252,456 million. This was mainly due to an increase of ¥4,410 million in cash and deposit, an increase of ¥10,803 million in tangible fixed assets, and an increase of ¥6,933 million in investment in securities.

Total debt at the end of this consolidated fiscal year increased by ¥8,019 million compared to the end of last year’s consolidated fiscal year and resulted at ¥144,515 million. This was mainly due to an increase of ¥15,062 million in interest bearing debt and a decrease of ¥8,845 million in other current liabilities etc.

Net assets at the end of this consolidated fiscal year increased by ¥11,722 million and resulted at ¥107,941 million.

This was mainly due to an increase of ¥4,951 million in valuation difference on available-for-sale securities and a ¥3,262 million increase of foreign currency translation adjustments etc. As a result, net assets per share marked ¥448.36 and ratio of net worth was 42.1%.

【Cash Flow】

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of this consolidated fiscal year was ¥21,733 million (increase of ¥4,247 million, year-to-year comparison) as a result of appropriating the income from operating and financial activities relating to bond issue to the investment activities of payment for acquiring tangible fixed assets.

(Cash Flow from Operating Activities)

Funds from operation activities during this consolidated fiscal year resulted in an increase of ¥19,440 million (increase of ¥12,188 million, year-to-year comparison) due to net income before taxes and other adjustment resulting at ¥4,476 million (increase of ¥227 million, year-to-year comparison), depreciation cost resulting at ¥10,315 million (increase of ¥229 million, year-to-year comparison), changes in debt regarding employee retirement benefit by ¥1,170 million (increase of ¥225 million, year-to-year comparison), and the net operating trade funds, the total of trade receivables, trade payables, and inventory assets, increased by ¥2,658 (increase of ¥8,064 million, year-to-year comparison) etc.

(Cash Flow from Investment Activities)

Funds from investment activities during this consolidated fiscal year resulted in a decrease of ¥29,141 million (decrease of ¥11,663 million, year-to-year comparison) as a result of expenditure of ¥28,870 million (decrease of ¥9,777 million, year-to-year comparison) for the acquisition of tangible fixed assets, and an expenditure of ¥338 million (decrease of ¥313 million, year-to-year comparison) for the acquisition of investment securities etc.

(Cash Flow from Financial Activities)

Funds from financial activities during this consolidated fiscal year resulted in an increase of ¥13,157 million (increase of ¥5,619 million, year-to-year comparison) due to net increase of ¥14,359 million (increase of ¥6,045 million, year-to-year comparison) from loans payable and bonds etc.

(Reference) Transition of Cash Flow Associated Indicators

	FY ending Mar. 2011	FY ending Mar. 2012	FY ending Mar. 2013	FY ending Mar. 2014	FY ending Mar. 2015
Ratio of Net Worth (%)	39.0	38.7	42.9	40.5	42.1
Ratio of Net Worth (%) at market price	25.4	28.6	25.0	18.5	26.2
Debt Redemption Term (years)	9.9	3.6	3.2	8.6	4.0
Interest Coverage Ratio (times)	6.1	15.8	18.4	8.0	17.0

ratio of net worth: owner's equity ÷ total assets

ratio of net worth at market price: current aggregate value of shares ÷ total assets

debt redemption term: interest-bearing debt ÷ cash flow

interest coverage ratio: cash Flow ÷ Interest Expenses

(Note 1) All indicators are calculated based on figures in the consolidated financial statement.

(Note 2) Current Aggregate Value of Shares are calculated based on issued shares except owner's Equity

(Note 3) for cash flow, operating cash flow is used.

(Note 4) interest-bearing debt includes all debt allocated in the consolidated balance sheet that have interest.

(3) Basic Policy Regarding Profit Allocation and Dividend for this Year and next Year

The basic policy regarding profit allocation at Topy is to return profit to our customers appropriately according to consolidated business results, to retain earnings for future business development, and for strengthening our corporate structure. Retained earnings will be appropriated to new business investments and new technology/product developments for long-term and stable business deployment in order to strengthen our corporate structure and global competitiveness. Profit return index based on consolidated business earnings are targeted at consolidated payout ratio of 25%. However, decisions are made with careful consideration for stable and continuous dividend.

In view of the circumstances for a stable and continuous payout, end of the year dividend for this consolidated accounting year is scheduled to be ¥/share. Interim dividend was ¥1/share, resulting in a year-end dividend of ¥4/share.

Annual dividend for the next fiscal year is scheduled to be ¥6.

2. Management Policy

(1) Basic Policy for Company Management

The fundamental principal at Topy is "To fulfill our duty to society as a public institution and earn trust at home and abroad through the preservation and development of our Company".

The basic belief of our management is to contribute to the development of society by supplying high quality and competitive products that satisfy our customers and users, to disclose appropriate information in a duly manner to our shareholders, to coordinate with local societies, to actively tackle environmental problems, to fulfill our obligation to society as well as to become a valuable corporate group company for our employees.

(2) Mid to Long-term Company Management Strategies and Challenges

The Topy Group holds a wide business portfolio backed by our policy of integrated manufacture from raw materials to final products. However, mid to long-term decline in domestic demand at each of our business sectors cannot be avoided, and inter-corporate competition at the global level is expected to escalate drastically.

Under such conditions, the Topy Industries Group has implemented the medium term consolidated management plan “Growth & Change 2015” for which the 4 year action started in 2012. The basic principle of this plan is “Growth” on a global scale and “Change” to a highly profitable structure. We will seek further improvement of corporate value by strengthening our business base to respond to expanding demand from emerging countries and the maturation of the domestic economy.

The challenges to be handled by each segment are as follows.

(Steel Business)

We will aim to become the leading company in the industry by taking advantage of our distinctive special section steel and preparing a cost competitiveness of the highest domestic level.

We will drastically lower electric power consumption rate, improve productivity and quality, reduce environmental effects, enable self-support of iron, and strengthen our cost competitiveness by ensuring the operation of the new steel making facilities. Furthermore, all companies of the Topy Industries Group will come together to promote efficiency to obtain improvement in revenue by reducing the cost of our integrate production from raw materials to product delivery.

(Automotive & Industrial Machinery Components Business)

Strengthen our presence as a “world top class general wheel manufacturer” and work toward establishing our status as a “general undercarriage components manufacturer of construction machinery”. In addition, we will endeavor further cost reduction to enable a profitable structure even under difficult business conditions. Also, we will continue to work in the formulation of a global optimum production structure by expansion of our oversea manufacturing sites and by strengthening cooperation with our global business partners.

(Others)

We will work toward expanding our business by product development that satisfies the needs of our customers in all areas of energy, service etc. and during other various business developments.

3. Our Basic View Regarding the Choice of Accounting standard

It is the decision of the Topy Industries Group for the time being to prepare the consolidated financial statements according to the Japanese accounting standards to enable the comparison of consolidated financial statements from different years and to enable comparison between companies.

With regards to applying IFRS, we will take into consideration the domestic and international conditions and respond appropriately.

4. Consolidated Financial Statements
(1) Consolidated balance sheets

(Millions of yen)

	March 31, 2014	March 31, 2015
x		
Current assets		
Cash and deposits	17,638	22,048
Notes and accounts receivable - trade	46,073	43,988
Merchandise and finished goods	12,790	13,324
Work in process	4,835	4,418
Raw materials and supplies	8,943	9,910
Deferred tax assets	1,657	2,079
Other	6,447	5,737
Allowance for doubtful accounts	(36)	(34)
Total current assets	98,349	101,471
Non-current assets		
Property, plant and equipment		
Buildings and structures	76,107	85,547
Accumulated depreciation	(50,592)	(52,932)
Buildings and structures, net	25,514	32,615
Machinery, equipment and vehicles	163,403	191,503
Accumulated depreciation	(134,910)	(139,852)
Machinery, equipment and vehicles, net	28,493	51,651
Land	18,387	18,479
Leased assets	3,610	4,314
Accumulated depreciation	(817)	(1,199)
Leased assets, net	2,792	3,114
Construction in progress	24,284	4,450
Other	31,668	33,385
Accumulated depreciation	(29,538)	(31,290)
Other, net	2,129	2,095
Total property, plant and equipment	101,602	112,406
Intangible assets		
Other	1,270	1,417
Total intangible assets	1,270	1,417
Investments and other assets		
Investment securities	26,426	33,359
Long-term loans receivable	597	607
Deferred tax assets	2,643	1,302
Claims provable in bankruptcy, claims provable in rehabilitation and other	1	0
Other	1,903	1,937
Allowance for doubtful accounts	(79)	(46)
Total investments and other assets	31,492	37,161
Total non-current assets	134,365	150,985
Total assets	232,714	252,456

4. Consolidated Financial Statements
(1) Consolidated balance sheets

(Millions of yen)

	March 31,2014	March 31,2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,279	26,707
Electronically recorded obligations - operating	7,552	8,263
Short-term loans payable	22,607	21,954
Current portion of bonds	5,000	5,300
Lease obligations	389	403
Income taxes payable	1,103	1,750
Other	19,259	10,861
Total current liabilities	82,192	75,241
Non-current liabilities		
Bonds payable	18,900	23,600
Long-term loans payable	15,946	26,662
Lease obligations	2,403	2,729
Deferred tax liabilities	52	1,544
Provision for corporate officers' retirement benefits	98	140
Reserve for repairs	478	518
Net defined benefit liability	11,441	9,574
Asset retirement obligations	271	257
Liabilities from application of equity method	774	838
Other	3,937	3,409
Total non-current liabilities	54,303	69,274
Total liabilities	136,495	144,515
Net assets		
Shareholders' equity		
Capital stock	20,983	20,983
Capital surplus	18,824	18,824
Retained earnings	51,695	53,399
Treasury shares	(919)	(925)
Total shareholders' equity	90,584	92,281
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,447	10,399
Deferred gains or losses on hedges	(4)	(8)
Foreign currency translation adjustment	534	3,796
Remeasurements of defined benefit plans	(2,196)	(281)
Total accumulated other comprehensive income	3,779	13,906
Minority interests	1,855	1,753
Total net assets	96,219	107,941
Total liabilities and net assets	232,714	252,456

(2) Consolidated statements of (comprehensive) income and Consolidated statements of comprehensive income
Consolidated statements of (comprehensive) income

(Millions of yen)

	Fiscal 2013	Fiscal 2014
Net sales	234,682	237,677
Cost of sales	200,416	202,762
Gross profit	34,265	34,915
Selling, general and administrative expenses	28,957	28,492
Operating income	5,308	6,422
Non-operating income		
Interest income	45	69
Dividend income	489	575
Share of profit of entities accounted for using equity method	—	12
Insurance income	69	570
Other	506	415
Total non-operating income	1,111	1,643
Non-operating expenses		
Interest expenses	996	1,124
Foreign exchange losses	—	332
Share of loss of entities accounted for using equity method	230	—
Other	706	570
Total non-operating expenses	1,933	2,028
Ordinary income	4,485	6,037
Extraordinary income		
Gain on sales of non-current assets	21	16
Gain on sales of investment securities	436	80
Other	4	—
Total extraordinary income	461	96
Extraordinary losses		
Loss on sales of non-current assets	9	40
Loss on retirement of noncurrent assets	398	243
Loss on sales of investment securities	262	—
Loss on valuation of investment securities	—	37
Impairment loss	—	1,334
Other	27	1
Total extraordinary losses	697	1,657
Income before income taxes and minority interests	4,249	4,476
Income taxes - current	2,311	2,862
Income taxes - deferred	(55)	(500)
Total income taxes	2,256	2,361
Income before minority interests	1,992	2,115
Minority interests in income(loss)	77	(244)
Net income	1,914	2,360

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal 2013	Fiscal 2014
Income before minority interests	1,992	2,115
Other comprehensive income		
Valuation difference on available-for-sale securities	1,728	4,894
Deferred gains or losses on hedges	(2)	(6)
Foreign currency translation adjustment	3,834	3,411
Remeasurements of defined benefit plans	—	1,907
Share of other comprehensive income of entities accounted for using equity method	13	65
Total other comprehensive income	5,573	10,301
Comprehensive income	7,566	12,416
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	7,565	12,486
Comprehensive income attributable to minority interest	1	(70)

(3) Consolidated statement of changes in equity
Fiscal 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,983	18,824	50,255	(866)	89,196
Cumulative effects of changes in accounting policies					
Restated balance	20,983	18,824	50,255	(866)	89,196
Changes of items during period					
Dividends of surplus			(474)		(474)
Net income			1,914		1,914
Purchase of treasury shares				(52)	(52)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,440	(52)	1,387
Balance at end of current period	20,983	18,824	51,695	(919)	90,584

	Accumulated Other Comprehensive					Minority interests	Total Equity
	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 at beginning of current period	3,706	(1)	(3,377)	—	326	1,735	91,258
Cumulative effects of changes in accounting policies							
Restated balance	3,706	(1)	(3,377)	—	326	1,735	91,258
Changes of items during period							
Dividends of surplus							(474)
Net income							1,914
Purchase of treasury shares							(52)
Net changes of items other than shareholders' equity	1,741	(2)	3,911	(2,196)	3,453	119	3,572
Total changes of items during period	1,741	(2)	3,911	(2,196)	3,453	119	4,960
Balance at end of current period	5,447	(4)	534	(2,196)	3,779	1,855	96,219

Fiscal 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,983	18,824	51,695	(919)	90,584
Cumulative effects of changes in accounting policies			53		53
Restated balance	20,983	18,824	51,749	(919)	90,637
Changes of items during period					
Dividends of surplus			(710)		(710)
Net income			2,360		2,360
Purchase of treasury shares				(5)	(5)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,649	(5)	1,643
Balance at end of current period	20,983	18,824	53,399	(925)	92,281

	Accumulated Other Comprehensive					Minority interests	Total Equity
	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 at beginning of current period	5,447	(4)	534	(2,196)	3,779	1,855	96,219
Cumulative effects of changes in accounting policies							53
Restated balance	5,447	(4)	534	(2,196)	3,779	1,855	96,272
Changes of items during period							
Dividends of surplus							(710)
Net income							2,360
Purchase of treasury shares							(5)
Net changes of items other than shareholders' equity	4,951	(3)	3,262	1,915	10,126	(101)	10,024
Total changes of items during period	4,951	(3)	3,262	1,915	10,126	(101)	11,668
Balance at end of current period	10,399	(8)	3,796	(281)	13,906	1,753	107,941

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal 2013	Fiscal 2014
Net cash provided by (used in) operating activities		
Income before income taxes and minority interest	4,249	4,476
Depreciation	10,086	10,315
Impairment loss	-	1,334
Increase (decrease) in allowance for doubtful accounts	20	(36)
Increase (decrease) in provision for directors' retirement benefits	(448)	-
Increase (decrease) in provision for corporate officers' retirement benefit	11	41
Increase (decrease) in provision for scheduled repairs	(209)	39
Increase (decrease) in net defined benefit liability	945	1,170
Interest and dividend income	(535)	(644)
Interest expenses	996	1,124
	(69)	(570)
Share of (profit) loss of entities accounted for using equity method	230	(12)
Loss on valuation of inventories	(9)	36
Loss (gain) on sales of short-term and long term investment securities	(173)	(80)
Loss (gain) on valuation of short-term and long term investment securities	-	37
Gain(loss) on sales and disposal of property, plant and equipment, net	386	268
Loss on valuation of golf club membership	5	0
Decrease (increase) in notes and accounts receivable-trade	(2,945)	2,949
Decrease (increase) in inventories	(1,241)	(314)
Increase (decrease) in notes and accounts payable-trade	(1,218)	22
Increase/decrease in other assets/liabilities	(824)	1,576
Subtotal	9,257	21,735
Interest and dividend income received	552	665
Interest expenses paid	(910)	(1,145)
Proceeds from insurance income	69	570
Income taxes paid	(2,099)	(2,398)
Income taxes refund	382	11
Net cash provided by (used in) operating activities	7,251	19,440

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal 2013	Fiscal 2014
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(17)	(145)
Purchase of property, plant and equipment	(19,093)	(28,870)
Proceeds from sales of property, plant and equipment	86	103
Purchase of investment securities	(24)	(338)
Proceeds from sales of investment securities	1,617	106
Proceeds from sales of shares of subsidiaries and associates	-	228
Payments of loans receivable	(17)	(30)
Collection of loans receivable	12	20
Purchase of intangible assets	(56)	(138)
Proceeds from sales of intangible assets	15	-
Other	0	(76)
Net cash provided by (used in) investing activities	<u>(17,478)</u>	<u>(29,141)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,640)	(636)
Proceeds from long-term loans payable	7,716	15,486
Repayment of long-term loans payable	(6,389)	(5,418)
Proceeds from issuance of bonds	9,927	9,928
Redemption of bonds	(300)	(5,000)
Increase (decrease) in deposit payable in cash	(19)	(60)
Repayments of lease obligations	(392)	(389)
Purchase of treasury shares	(7)	(5)
Proceeds from share issuance to minority shareholders	236	107
Cash dividends paid	(475)	(713)
Cash dividends paid to minority shareholders	(116)	(139)
Net cash provided by (used in) financing activities	<u>7,538</u>	<u>13,157</u>
Effect of exchange rate change on cash and cash equivalents	376	791
Net increase (decrease) in cash and cash equivalents	<u>(2,312)</u>	<u>4,247</u>
Cash and cash equivalents at beginning of period	<u>(19,798)</u>	<u>17,485</u>
Cash and cash equivalents at end of period	<u>17,485</u>	<u>21,733</u>