

Non-Consolidated Financial Report for the year ended December 31, 2009

February 19, 2010

Company name: Otsuka Kagu, Ltd.
 Ticker symbol number: 8186
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Date of commencement of dividend payment: March 29, 2010

Date of annual shareholders' meeting: March 26, 2010

Date of filing of Securities Report: March 26, 2010

1. Non-Consolidated Financial Performance for the year ended December 31, 2009

(1) Results of operations

(Any amount less than a million yen is discarded.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2009	57,925	(13.3)	(1,451)	—	(1,337)	—
Year ended December 31, 2008	66,803	(8.2)	1,269	(72.9)	1,456	(69.5)

	Net income		Net income per share (basic)	Net income per share (diluted)
	Millions of yen	%	Yen	Yen
Year ended December 31, 2009	(1,490)	—	(76.84)	—
Year ended December 31, 2008	(530)	—	(27.32)	—

	Return on equity	Ordinary income to total assets	Operating income to net sales
	%	%	%
Year ended December 31, 2009	(4.2)	(3.0)	(2.5)
Year ended December 31, 2008	(1.4)	2.9	1.9

Note: The percentages represent changes from the previous fiscal year.

Reference: Earnings or loss on investments in equity-method affiliates (Millions of yen)

Year ended December 31, 2009: —

Year ended December 31, 2008: —

(2) Financial position

(Any amount of less than a million yen is discarded.)

	Total assets	Net assets	Shareholders' equity	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2009	43,707	34,655	79.3	1,786.41
As of December 31, 2008	46,625	36,595	78.5	1,886.37

Reference: An owned capital (Net assets - Treasury stock - Deferred hedge profit (loss)) (Millions of yen)

Year ended December 31, 2009: 34,655

Year ended December 31, 2008: 36,595

(3) Cash flow position

(Any amount of less than a million yen is discarded.)

	Net cash provided by operating activities	Net cash provided by (used in) investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2009	(1,328)	(156)	(774)	7,097
Year ended December 31, 2008	967	424	(678)	9,356

2. Dividends

	Cash dividends per share (yen)		
	Interim	Year-end	For the year
Year ended December 31, 2008	—	40.00	40.00
Year ended December 31, 2009	—	40.00	40.00
Year ended December 31, 2010 (forecast)	—	40.00	40.00

	Total cash dividends paid for the year	Payout ratio	Dividend to net assets
	Millions of yen	%	%
Year ended December 31, 2008	775	—	2.0
Year ended December 31, 2009	775	—	2.2
Year ended December 31, 2010 (forecast)		923.8	

3. Forecast of Non-Consolidated Financial Performance for Fiscal 2010 (From January 1, 2010, to December 31, 2010)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2010	30,385	1.6	296	—	350	—
Year ended December 31, 2010	61,378	6.0	167	—	231	—

	Net income		Net income per share (basic)
	Millions of yen	%	Yen
Six months ended June 30, 2010	191	—	9.85
Year ended December 31, 2010	83	—	4.33

4. Others

(1) Change in the principles of accounting

- Changes resulted from the amendment of accounting standards: Yes
- Changes other than the above change: None

(2) Number of shares issued (common stock)

a. Number of shares issued at the end of the year (including treasury stock):

Year ended December 31, 2009: 19,400,000 shares

Year ended December 31, 2008: 19,400,000 shares

b. Number of shares of treasury stock at the end of the year:

Year ended December 31, 2009: 204 shares

Year ended December 31, 2008: 193 shares

*Instruction about the appropriate use of forecasts and other special notes

Descriptions of future events such as forecasts of financial performance stated in this report are prepared based on the information available for the Company when this report was being prepared. Accordingly, the actual results may differ from those descriptions, depending on various factors.

5. Financial Statements
(1) Non-consolidated Balance Sheets

(Thousands of yen)

	December 31, 2008		December 31, 2009
Assets			
Current assets			
Cash and deposits	9,356,529		7,097,494
Notes receivable-trade	220,825	*4	181,339
Accounts receivable-trade	2,111,335		2,075,522
Short-term investment securities	—	*3	15,523
Merchandise	15,447,122		14,672,727
Advance payments-trade	160,492		42,991
Prepaid expenses	1,059,315		990,083
Income taxes receivable	230,470		19,552
Deferred tax assets	158,181		194,380
Other	57,791		65,621
Allowance for doubtful accounts	(36,566)		(720)
Total current assets	28,765,498		25,354,516
Noncurrent assets			
Property, plant and equipment			
Buildings	1,326,876	*2	1,234,061
Structures	16,895		24,040
Machinery and equipment	12,325		8,812
Vessels	640		480
Vehicles	31,319		21,622
Tools, furniture and fixtures	508,606		534,834
Land	1,298,069	*2	1,335,121
Construction in progress	10,207		—
Total property, plant and equipment	3,204,938	*1	3,158,971
Intangible assets			
Software	39,722		97,419
Other	15,999		14,820
Total intangible assets	55,722		112,239
Investments and other assets			
Investment securities	6,002,569		6,193,489
Stocks of subsidiaries and affiliates	77,000		77,000
Long-term prepaid expenses	2,357		1,349
Guarantee deposits	7,594,385		7,350,120
Deferred tax assets	684,294		1,254,631
Other	240,547		207,358
Allowance for doubtful accounts	(2,000)		(2,000)
Total investments and other assets	14,599,153		15,081,949
Total noncurrent assets	17,859,814		18,353,160
Total assets	46,625,312		43,707,677

(Thousands of yen)

	December 31, 2008	December 31, 2009
Liabilities		
Current liabilities		
Notes payable-trade	2,170,165	1,738,935
Accounts payable-trade	2,478,806	2,401,269
Accounts payable-other	155,336	37,450
Accrued expenses	1,784,931	1,763,959
Income taxes payable	12,886	45,068
Advances received	1,934,540	1,632,370
Deposits received	305,388	305,298
Provision for bonuses	104,215	91,192
Provision for sales promotion expenses	48,542	46,133
Other	223,252	224,337
Total current liabilities	9,218,065	8,286,015
Noncurrent liabilities		
Guarantee deposits received	346,646	*2 312,204
Provision for directors' retirement benefits	465,320	453,517
Total noncurrent liabilities	811,966	765,721
Total liabilities	10,030,031	9,051,737
Net assets		
Shareholders' equity		
Capital stock	1,080,000	1,080,000
Capital surplus		
Legal capital surplus	3,690,470	3,690,470
Total capital surpluses	3,690,470	3,690,470
Retained earnings		
Legal retained earnings	270,000	270,000
Other retained earnings		
General reserve	40,320,000	31,020,000
Retained earnings brought forward	(8,439,523)	(1,406,110)
Total earned surpluses	32,150,476	29,883,889
Treasury stock	(699)	(707)
Total shareholders' equity	36,920,247	34,653,651
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(313,498)	2,288
Deferred gains or losses on hedges	(11,467)	—
Total valuation and translation adjustments	(324,966)	2,288
Total net assets	36,595,281	34,655,939
Total liabilities and net assets	46,625,312	43,707,677

(2) Non-consolidated Statements of Operations

(Thousands of yen)

	For the year ended December 31, 2008	For the year ended December 31, 2009
Total net sales	66,803,636	57,925,207
Net sales of goods	66,731,486	57,856,460
Rent income of real estate	72,149	68,746
Total cost of sales	31,573,348	27,319,310
Cost of goods sold		
Beginning goods	16,829,172	15,447,122
Cost of purchased goods	30,258,004	27,154,545
Total	47,087,176	42,601,667
Transfer to other account	98,419	639,327
Ending goods	15,447,122	14,672,727
Cost of goods sold	31,541,635	27,289,612
Cost of real estate rent	31,713	29,697
Gross profit	35,230,287	*1 30,605,897
Selling, general and administrative expenses	33,960,780	32,057,837
Operating income (loss)	1,269,506	(1,451,940)
Non-operating income		
Interest income	262	223
Dividends income	100,839	92,184
Insurance premiums refunded cancellation	18,610	—
Other	85,284	50,101
Total non-operating income	204,996	142,509
Non-operating expenses		
Interest expenses on guarantee deposits	5,841	5,136
Bad debts expenses	—	6,699
Loss on retirement of noncurrent assets	6,650	12,434
Other	5,417	3,617
Total non-operating expenses	17,909	27,888
Ordinary income (loss)	1,456,593	(1,337,319)
Extraordinary income		
Reversal of allowance for doubtful accounts	4,605	5,364
Reversal of provision for directors' retirement benefits	1,800	8,200
Gain on sales of noncurrent assets	5,337	—
Gain on sales of investment securities	160,884	—
Total extraordinary income	172,626	13,564
Extraordinary loss		
Loss on valuation of golf club membership	2,175	14,230
Loss on closing of stores	—	37,873
Impairment loss	220,003	*2 110,166
Loss on valuation of investment securities	744,902	300,164
Loss on valuation of goods	—	470,921
Loss on sales of investment securities	728	—
Total extraordinary losses	967,809	933,357
Income (loss) before income taxes	661,410	(2,257,113)
Income taxes-current	579,686	38,709
Income taxes-deferred	611,771	(805,228)
Total income taxes	1,191,458	(766,518)
Net loss	(530,047)	(1,490,594)

(3) Non-consolidated Statements of Changes in Net Assets

(Thousands of yen)

	For the year ended December 31, 2008	For the year ended December 31, 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,080,000	1,080,000
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	1,080,000	1,080,000
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	3,690,470	3,690,470
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,690,470	3,690,470
Total capital surplus		
Balance at the end of previous period	3,690,470	3,690,470
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,690,470	3,690,470
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	270,000	270,000
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	270,000	270,000
Other retained earnings		
General reserve		
Balance at the end of previous period	38,220,000	40,320,000
Changes of items during the period		
Provision of general reserve	2,100,000	—
Reversal of general reserve	—	(9,300,000)
Total changes of items during the period	2,100,000	(9,300,000)
Balance at the end of current period	40,320,000	31,020,000
Retained earnings brought forward		
Balance at the end of previous period	2,838,060	(8,439,523)
Changes of items during the period		
Provision of general reserve	(2,100,000)	—
Reversal of general reserve	—	9,300,000
Dividends from surplus	(678,997)	(775,992)
Net loss	(530,047)	(1,490,594)
Retirement of treasury stock	(7,968,539)	—
Total changes of items during the period	(11,277,584)	7,033,413
Balance at the end of current period	(8,439,523)	(1,406,110)

(Thousands of yen)

	For the year ended December 31, 2008	For the year ended December 31, 2009
Total retained earnings		
Balance at the end of previous period	41,328,060	32,150,476
Changes of items during the period		
Dividends from surplus	(678,997)	(775,992)
Net loss	(530,047)	(1,490,594)
Retirement of treasury stock	(7,968,539)	—
Total changes of items during the period	(9,177,584)	(2,266,586)
Balance at the end of current period	32,150,476	29,883,889
Treasury stock		
Balance at the end of previous period	(7,969,062)	(699)
Changes of items during the period		
Purchase of treasury stock	(176)	(8)
Retirement of treasury stock	7,968,539	—
Total changes of items during the period	7,968,363	(8)
Balance at the end of current period	(699)	(707)
Total shareholders' equity		
Balance at the end of previous period	38,129,468	36,920,247
Changes of items during the period		
Dividends from surplus	(678,997)	(775,992)
Net loss	(530,047)	(1,490,594)
Purchase of treasury stock	(176)	(8)
Retirement of treasury stock	—	—
Total changes of items during the period	(1,209,221)	(2,266,595)
Balance at the end of current period	36,920,247	34,653,651
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	2,699,835	(313,498)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,013,334)	315,786
Total changes of items during the period	(3,013,334)	315,786
Balance at the end of current period	(313,498)	2,288
Deferred gains or losses on hedges		
Balance at the end of previous period	778	(11,467)
Changes of items during the period		
Net changes of items other than shareholders' equity	(12,246)	11,467
Total changes of items during the period	(12,246)	11,467
Balance at the end of current period	(11,467)	—
Total valuation and translation adjustments		
Balance at the end of previous period	2,700,614	(324,966)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,025,580)	327,254
Total changes of items during the period	(3,025,580)	327,254
Balance at the end of current period	(324,966)	2,288

(Thousands of yen)

	For the year ended December 31, 2008	For the year ended December 31, 2009
Total net assets		
Balance at the end of previous period	40,830,083	36,595,281
Changes of items during the period		
Dividends from surplus	(678,997)	(775,992)
Net loss	(530,047)	(1,490,594)
Purchase of treasury stock	(176)	(8)
Retirement of treasury stock	—	—
Net changes of items other than shareholders' equity	(3,025,580)	327,254
Total changes of items during the period	(4,234,802)	(1,939,341)
Balance at the end of current period	36,595,281	34,655,939

(4) Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the year ended December 31, 2008	For the year ended December 31, 2009
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	661,410	(2,257,113)
Depreciation and amortization	304,803	275,100
Amortization of guarantee deposits	74,350	54,477
Increase (decrease) in allowance for doubtful accounts	(4,709)	(35,846)
Increase (decrease) in provision for bonuses	(25,048)	(13,023)
Increase (decrease) in provision for directors' retirement benefits	(62,166)	(11,802)
Increase (decrease) in provision for sales promotion expenses	(4,341)	(2,409)
Loss on valuation of golf club memberships	2,175	14,230
Impairment loss	220,003	110,166
Loss (gain) on valuation of investment securities	744,902	300,164
Loss (gain) on sales of noncurrent assets	(5,337)	—
Loss (gain) on sales of investment securities	(160,884)	—
Loss on retirement of noncurrent assets	6,650	12,434
Interest and dividends income	(101,101)	(92,408)
Loss (gain) on cancellation of insurance contract	(18,610)	—
Decrease (increase) in notes and accounts receivable-trade	329,887	75,299
Decrease (increase) in inventories	1,379,486	689,615
Decrease (increase) in advance payments	341,337	117,501
Decrease (increase) in other current assets	41,220	60,140
Increase (decrease) in notes and accounts payable-trade	(852,688)	(508,766)
Increase (decrease) in advances received	(211,650)	(302,170)
Increase (decrease) in accrued expenses	(49,605)	(20,972)
Increase (decrease) in other current liabilities	(22,888)	(19,101)
Increase (decrease) in accrued consumption taxes	(116,717)	(114,353)
Increase (decrease) in income taxes payable-the factor based tax	(50,465)	27,925
Other, net	(3,094)	43,026
Subtotal	2,416,917	(1,597,882)
Interest and dividends income received	101,101	92,408
Income taxes paid	(1,550,764)	(53,855)
Income taxes refund	—	230,933
Net cash provided by (used in) operating activities	967,255	(1,328,395)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(117,053)	(194,727)
Proceeds from sales of property, plant and equipment	49,366	309
Purchase of intangible assets	—	(94,891)
Proceeds from sales of investment securities	749,851	—
Payments for guarantee deposits	(320,929)	(345,303)
Proceeds from collection of guarantee deposits	16,015	534,972
Repayments of lease deposits	(41,061)	(39,578)
Proceeds from cancellation of insurance funds	102,058	25,279
Other, net	(13,440)	(42,119)
Net cash provided by (used in) investing activities	424,806	(156,059)
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(176)	(8)
Cash dividends paid	(678,533)	(774,571)
Net cash provided by (used in) financing activities	(678,710)	(774,580)
Effect of exchange rate change on cash and cash equivalents	(421)	—
Net increase (decrease) in cash and cash equivalents	712,929	(2,259,035)
Cash and cash equivalents at beginning of period	8,643,599	9,356,529
Cash and cash equivalents at end of period	9,356,529	* 7,097,494

(5) Important Accounting Policies

Item	For the year ended December 31, 2009
1. Securities	<p>(1) Held-to-maturity debt securities Held-to-maturity debt securities are stated at amortized cost determined by the straight-line method.</p> <p>(2) Investments in subsidiaries and affiliates Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.</p> <p>(3) Other securities a. Other securities for which market quotations are available: These are stated at fair value as of the balance sheet date. Net unrealized holding gains or losses on these securities are presented as a separate component of net assets. Realized gains or losses on sales of these securities are determined by the moving-average method. b. Other securities for which market quotations are unavailable: These are stated at cost determined by the moving-average method.</p>
2. Derivatives	Derivative instruments are stated at fair value.
3. Inventories	<p>Inventories are stated at cost determined by the moving-average method. (The balance sheet amounts are stated at cost using the method of devaluing book value to reflect declines in profitability.) (Changes in accounting policies) Until the year ended December 31, 2008, inventories held for the purpose of ordinary sale were stated at cost determined by the moving-average method. Effective from the year ended December 31, 2009, however, pursuant to the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9 issued on July 5, 2006), inventories held for the purpose of ordinary sale are stated at cost determined by the moving-average method (the method of devaluing book value to reflect declines in profitability). As a result of this change, gross profit decreased 32,097 thousand yen, operating loss and ordinary loss increased 32,097 thousand yen, respectively, and loss before income taxes increased 503,019 thousand yen.</p>
4. Depreciation and amortization of fixed assets	<p>(1) Tangible fixed assets Depreciation of tangible fixed assets is computed by the declining-balance method over the estimated useful lives of the respective assets. However, buildings, excluding improvements, acquired on or after April 1, 1998, are depreciated by the straight-line method. Major useful lives are as follows: Buildings: 2–50 years Tools, furniture and fixtures: 2–17 years</p> <p>(2) Intangible fixed assets Intangible fixed assets are amortized by the straight-line method. Amortization of the software for internal use is determined using the straight-line method over the estimated useful lives (five years).</p> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized equally over the relevant period.</p>

Item	For the year ended December 31, 2009
5. Allowances	<p>(1) Allowance for doubtful accounts An allowance for doubtful accounts is provided in an amount sufficient to cover possible losses on collections. It consists of the estimated uncollectible amount with respect to identified doubtful receivables and an amount based on past experience of bad debt losses for the remaining receivables.</p> <p>(2) Allowance for bonuses An allowance for bonuses to employee is provided in the estimated amounts of future payments attributable to the current year.</p> <p>(3) Allowance for retirement benefits to directors and corporate auditors An allowance for retirement benefits to directors and corporate auditors is provided in the amount required as stipulated in the Company' internal regulations.</p> <p>(4) Allowance for sales promotion Allowance for sales promotion is provided for expenses resulting from the use of gift coupons (free tickets) issued to customers for the purchase of furniture in the amount expected to be used.</p>
6. Foreign currency translation	Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are charged or credited to income.
7. Cash and cash equivalents	Cash and cash equivalents included in the Statement of Cash Flows consist of cash on hand, cash in banks which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted into cash and are subject to little risk of change in value.
8. Other significant basis of presentation of the financial statements	<p>(1) Consumption taxes Consumption taxes are separately recorded from the related items on the financial statements.</p> <p>(2) For finance lease transactions that do not involve transfer of ownership for which the start date of the lease transaction was on or before December 31, 2008, the Company applies the accounting procedures based on the method for ordinary lease transactions.</p>

(6) Changes in Important Accounting Policies

For the year ended December 31, 2009
<p>(Accounting Standard Concerning Lease Transactions)</p> <p>Until the year ended December 31, 2008, for finance lease transactions that do not involve transfer of ownership, the Company applied the accounting procedures based on the method for ordinary lease transactions. Effective from the year ended December 31, 2009, however, the Company has adopted the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 issued on June 17, 1993, and revised on March 30, 2007), and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16 (JICPA Accounting Committee) issued on January 18, 1994, and revised on March 30, 2007), and applies the accounting procedures based on the method for ordinary sales and purchase transactions.</p> <p>For finance lease transactions that do not involve transfer of ownership for which the start date of the lease transaction precedes the beginning of the first fiscal year of application, the Company continues to apply the accounting procedures based on the method for ordinary lease transactions.</p> <p>This change has no effect on the profit and loss account.</p>

(7) Notes to Non-Consolidated Financial Statements

(Balance Sheets)

As of December 31, 2009	
1. Accumulated depreciation of tangible fixed assets (directly deducted from the tangible fixed assets) totaled 4,018,544 thousand yen.	
2. Assets pledged as collateral and liabilities secured by such collateral are as follows: (Thousands of yen)	
Assets pledged as collateral	
Buildings	115,020
Land	10,023
Total	125,043
Liabilities secured by such collateral	
Guarantee deposits received	275,204
3. Out of the above amount, government bonds amounting to 10,000 thousand yen are pledged as collateral in the Ministry of Justice under the Building Lots and Buildings Transaction Business Law.	
4. The Company assumes that notes maturing on bank holidays are settled on their dates of maturity. The following notes reached maturity on bank holidays:	
Trade notes receivable	17,245 thousand yen

(Statements of Operations)

For the year ended December 31, 2009	
1. Selling, general and administrative expenses principally consisted of the following: (Thousands of yen)	
Freight	1,616,771
Advertising	3,853,139
Provision for allowance for sales promotion	37,008
Allowance for employee bonuses	91,090
Provision for reserve for retirement allowance to directors and corporate auditors	17,757
Salaries	9,019,277
Depreciation	258,430
Rent	10,005,748
Administrative expenses	2,110,472

2. The Company recorded an impairment loss on the following asset groups.

Location	Use	Classification	Others	Impairment loss (Thousands of yen)
Suntou-gun, Shizuoka	Idle assets	Land	—	10,000
Kasukabe Showroom and others	Retail stores and others	Buildings, equipment and others	—	100,166

Each retail store is primarily classified into groups based on the management accounting units on which revenue and expenditure are continuously taken in. Idle assets are individually classified.

The book value of asset groups whose retail stores incurred operating losses continuously was reduced to the recoverable amount. The book value of the idle assets was written down to their respective recoverable amounts due to a significant decline in the market value of lands. The resulting impairment loss amounted to 110,166 thousand yen and is recorded as an extraordinary loss.

The impairment loss consists of 10,000 thousand yen of land and 46,371 thousand yen of buildings and 53,794 thousand yen of equipment and others.

The recoverable amount from these asset groups was calculated based on the net selling price. The asset groups that have a significant impact on the balance sheets were calculated based on assessments from real estate appraisers in terms of set standards.

(Statements of Changes in Net Assets)

For the year ended December 31, 2009 (From January 1, 2009, through December 31, 2009)

1. The classification and aggregate number of shares issued and the classification and number of treasury stock

	As of December 31, 2008	Increase during the year ended December 31, 2009	Decrease during the year ended December 31, 2009	As of December 31, 2009
	(Thousand of shares)	(Thousand of shares)	(Thousand of shares)	(Thousand of shares)
Number of shares issued:				
Common stock (Notes)	19,400	—	—	19,400
Total	19,400	—	—	19,400
Treasury stock:				
Common stock (Notes)	0	0	—	0
Total	0	0	—	0

Notes: The increase of shares in treasury stock is due to the acquisition of treasury stock pursuant to Article 155, Paragraph 7, of the Corporate Law.

2. Stock acquisition rights

None applicable

3. Dividends

(1) Dividends paid during the year under review

Resolution	Nature of shares	Total dividends (Thousands of yen)	Amount of dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on March 27, 2009	Common stock	775,992	40.00	December 31, 2008	March 30, 2009

(2) Dividends to be paid after the closing date of the year under review

Resolution	Nature of shares	Source for payment of dividends	Total dividends (Thousands of yen)	Amount of dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on March 26, 2010	Common stock	Retained earnings	775,991	40.00	December 31, 2009	March 29, 2010

(Statements of Cash Flows)

(Thousands of yen)

Reconciliation of "Cash and deposits" in the Balance Sheets and "Cash and cash equivalents" in the Statements of Cash Flows	For the year ended December 31, 2009
Cash and deposits	7,097,494
Cash and cash equivalents	7,097,494

6. Net Sales by Segment and Merchandise

(Thousands of yen)

	For the year ended December 31, 2008		For the year ended December 31, 2009	
	Amount	%	Amount	%
Furniture				
Storage Furniture	2,303,424	3.5	1,900,635	3.3
Japanese-Style Furniture	351,080	0.5	312,778	0.6
Furniture for Living Rooms	16,014,664	24.0	13,998,610	24.2
Living Room Boards	5,041,769	7.5	4,345,381	7.5
School and Office Furniture	3,355,807	5.0	2,897,061	5.0
Dining Furniture	12,808,187	19.2	11,079,499	19.1
Carpets and Curtains	4,740,678	7.1	4,553,026	7.9
Bedding	14,570,468	21.8	13,517,006	23.3
Lighting and Household Fixtures	2,312,724	3.5	1,974,444	3.4
Unit Furniture	1,631,206	2.4	1,354,826	2.3
Lithography and Paintings	95,547	0.1	50,412	0.1
Others	3,505,927	5.3	1,872,778	3.2
Total sales	66,731,486	99.9	57,856,460	99.9
Real estate rental	72,149	0.1	68,746	0.1
Total revenue	66,803,636	100.0	57,925,207	100.0

Any fractional amount of less than a thousand yen is discarded.