

**Non-Consolidated Financial Report
for the Year ended December 31, 2012
[Japanese GAAP]**

February 15, 2013

Company name: Otsuka Kagu, Ltd.
 Ticker symbol number: 8186
 URL: <http://www.idc-otsuka.co.jp>
 Representative: Kumiko Otsuka, Representative Director and President
 Head office: 3-6-11, Ariake, Koto-ku, Tokyo, Japan
 Contact: Shuji Iwamoto, Managing Executive Officer and General Manager of Public Relations Division
 Tel: (03) 5530-5566

Date of commencement of dividend payment: March 28, 2013
 Date of annual shareholders' meeting: March 27, 2013
 Date of filing of Securities Report: March 27, 2013
 Availability of supplementary briefing material on results: Available
 Schedule of results briefing session: Planned (for institutional investors and analysts)

1. Non-Consolidated Financial Performance for the Year ended December 31, 2012 (From January 1, 2012 to December 31, 2012)

(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, 2012	54,520	0.3	1,183	2.9	1,317	1.0
Year ended December 31, 2011	54,366	(4.5)	1,150	—	1,304	—

	Net income		Net income per share (basic)	Net income per share (diluted)
	Millions of yen	%	Yen	Yen
Year ended December 31, 2012	640	214.2	34.21	—
Year ended December 31, 2011	203	—	10.51	—

	Return on equity	Ordinary income to total assets	Operating income to net sales
	%	%	%
Year ended December 31, 2012	2.0	3.2	2.2
Year ended December 31, 2011	0.6	3.1	2.1

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, 2012: —

Year ended December 31, 2011: —

(2) Financial position

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

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2012	41,725	32,799	78.6	1,769.52
As of December 31, 2011	41,751	32,666	78.2	1,683.90

Reference: Equity = Net assets - Subscription rights to shares

Year ended December 31, 2012: 32,799 million yen

Year ended December 31, 2011: 32,666 million yen

(3) Cash flow position

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

	Net cash provided by operating activities	Net cash provided by 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, 2012	1,384	388	(1,576)	7,320
Year ended December 31, 2011	928	700	(775)	7,123

2. Dividends

	Cash dividends per share (yen)		
	Interim	Year-end	For the year
Year ended December 31, 2011	—	40.00	40.00
Year ended December 31, 2012	—	40.00	40.00
Year ending December 31, 2013 (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, 2011	775	380.8	2.3
Year ended December 31, 2012	741	116.9	2.3
Year ending December 31, 2013 (forecast)		94.1	

3. Forecast of Non-Consolidated Financial Performance for Fiscal 2013 (From January 1, 2013 to December 31, 2013)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending June 30, 2013	28,996	4.3	750	10.7	848	8.2
Year ending December 31, 2013	57,000	4.5	1,257	6.2	1,385	5.1

	Net income		Net income per share (basic)
	Millions of yen	%	Yen
Six months ending June 30, 2013	477	3.9	25.73
Year ending December 31, 2013	788	23.1	42.51

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

*Notes

(1) Changes in accounting policies, changes in accounting estimates and errors

- Changes in accounting policies resulted from the amendment of accounting standards: None
- Changes other than the above changes: None
- Changes in accounting estimates: None
- Errors: None

(2) Number of shares issued (common stock)

a. Number of shares issued at the end of the year (including treasury stock)	As of December 31, 2012	19,400,000 shares	As of December 31, 2011	19,400,000 shares
b. Number of shares of treasury stock at the end of the year	As of December 31, 2012	864,414 shares	As of December 31, 2011	394 shares
c. Average number of shares during the period	Year ended December 31, 2012	18,716,759 shares	Year ended December 31, 2011	19,399,611 shares

*Presentation Regarding the Status of the Audit Procedures of Financial Results

The audit procedures of non-consolidated financial statements for the year ended December 31, 2012 required under the Financial Instruments and Exchange Act had not been completed at the time of the disclosure of this non-consolidated financial report for the year ended December 31, 2012.

*Explanation Regarding 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 to the Company at the time of the preparation of this report. Accordingly, the actual results may differ from those descriptions, depending on various factors.

4. Financial Statements

(1) Non-Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2011		As of December 31, 2012	
Assets				
Current assets				
Cash and deposits		7,123,522		7,320,872
Notes receivable-trade	*3	460,852	*3	171,517
Accounts receivable-trade		3,050,564		2,784,861
Merchandise		13,045,279		13,570,778
Advance payments-trade		27,735		87,268
Prepaid expenses		927,233		870,278
Income taxes receivable		5,490		6,824
Deferred tax assets		715,017		492,611
Other		37,963		31,723
Allowance for doubtful accounts		(280)		(1,840)
Total current assets		25,393,379		25,334,895
Noncurrent assets				
Property, plant and equipment				
Buildings, net	*2	1,183,485	*2	1,063,187
Structures, net		24,089		16,857
Machinery and equipment, net		4,519		3,240
Vehicles, net		7,029		3,559
Tools, furniture and fixtures, net		611,787		587,168
Land	*2	1,271,658	*2	1,263,159
Construction in progress		8,112		-
Total property, plant and equipment	*1	3,110,682	*1	2,937,172
Intangible assets				
Software		63,655		53,653
Other		13,388		47,012
Total intangible assets		77,043		100,666
Investments and other assets				
Investment securities		5,530,046		7,039,207
Stocks of subsidiaries and affiliates		77,000		77,000
Long-term prepaid expenses		803		1,096
Guarantee deposits		6,709,094		6,130,571
Deferred tax assets		725,770		-
Other		129,657		112,893
Allowance for doubtful accounts		(1,600)		(8,131)
Total investments and other assets		13,170,773		13,352,638
Total noncurrent assets		16,358,499		16,390,477
Total assets		41,751,878		41,725,373

(Thousands of yen)

	As of December 31, 2011	As of December 31, 2012
Liabilities		
Current liabilities		
Notes payable-trade	1,479,995	1,378,025
Accounts payable-trade	2,264,079	2,140,422
Accounts payable-other	201,998	226,623
Accrued expenses	1,651,884	1,635,093
Income taxes payable	86,632	81,849
Advances received	1,800,944	1,791,715
Deposits received	294,312	299,105
Provision for bonuses	110,748	99,614
Provision for sales promotion expenses	42,322	37,553
Other	136,452	159,349
Total current liabilities	8,069,370	7,849,353
Noncurrent liabilities		
Guarantee deposits received	*2 243,319	*2 208,876
Provision for directors' retirement benefits	449,976	466,801
Asset retirement obligations	322,283	328,766
Deferred tax liabilities	-	72,469
Total noncurrent liabilities	1,015,579	1,076,913
Total liabilities	9,084,949	8,926,267
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	27,720,000	27,220,000
Retained earnings brought forward	289,931	654,304
Total retained earnings	28,279,931	28,144,304
Treasury stock	(893)	(800,855)
Total shareholders' equity	33,049,508	32,113,918
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(382,579)	685,187
Total valuation and translation adjustments	(382,579)	685,187
Total net assets	32,666,928	32,799,105
Total liabilities and net assets	41,751,878	41,725,373

(2) Non-Consolidated Statements of Operations

(Thousands of yen)

	For the year ended December 31, 2011	For the year ended December 31, 2012
Net sales		
Net sales of goods	54,297,918	54,458,714
Rent income of real estate	68,785	61,451
Total net sales	54,366,704	54,520,166
Cost of sales		
Cost of goods sold		
Beginning goods	13,252,711	13,045,279
Cost of purchased goods	23,770,465	24,283,741
Total	37,023,176	37,329,020
Transfer to other account	190,960	110,976
Ending goods	13,045,279	13,570,778
Cost of goods sold	23,786,937	23,647,265
Cost of real estate rent	28,104	24,308
Total cost of sales	23,815,041	23,671,573
Gross profit	30,551,662	30,848,592
Selling, general and administrative expenses	*1 29,401,118	*1 29,664,734
Operating income	1,150,543	1,183,858
Non-operating income		
Interest income	2	2
Dividends income	71,642	86,592
Dividends income of insurance	50,996	50,922
Other	37,028	39,360
Total non-operating income	159,669	176,879
Non-operating expenses		
Interest expenses on guarantee deposits	3,758	3,078
Commission for purchase of treasury stock	-	5,362
Loss on retirement of noncurrent assets	557	29,345
Other	1,729	5,365
Total non-operating expenses	6,044	43,152
Ordinary income	1,304,168	1,317,584
Extraordinary income		
Gain on sales of investment securities	8,599	17,073
Total extraordinary income	8,599	17,073
Extraordinary loss		
Loss on valuation of golf club membership	1,255	230
Impairment loss	*2 7,126	*2 99,873
Loss on valuation of investment securities	65,752	-
Loss on disaster	349,031	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	491,623	-
Total extraordinary losses	914,788	100,103
Income before income taxes	397,979	1,234,554
Income taxes-current	30,169	30,095
Income taxes-deferred	164,013	564,101
Total income taxes	194,183	594,197
Net income	203,795	640,356

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

(Thousands of yen)

	For the year ended December 31, 2011	For the year ended December 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current 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 beginning of current 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 beginning of current period	28,820,000	27,720,000
Changes of items during the period		
Reversal of general reserve	(1,100,000)	(500,000)
Total changes of items during the period	(1,100,000)	(500,000)
Balance at the end of current period	27,720,000	27,220,000
Retained earnings brought forward		
Balance at the beginning of current period	(237,878)	289,931
Changes of items during the period		
Reversal of general reserve	1,100,000	500,000
Dividends from surplus	(775,985)	(775,984)
Net income	203,795	640,356
Total changes of items during the period	527,810	364,372
Balance at the end of current period	289,931	654,304
Total retained earnings		
Balance at the beginning of current period	28,852,121	28,279,931

(Thousands of yen)

	For the year ended December 31, 2011	For the year ended December 31, 2012
Changes of items during the period		
Reversal of general reserve	-	-
Dividends from surplus	(775,985)	(775,984)
Net income	203,795	640,356
Total changes of items during the period	(572,189)	(135,627)
Balance at the end of current period	28,279,931	28,144,304
Treasury stock		
Balance at the beginning of current period	(867)	(893)
Changes of items during the period		
Purchase of treasury stock	(26)	(799,962)
Total changes of items during the period	(26)	(799,962)
Balance at the end of current period	(893)	(800,855)
Total shareholders' equity		
Balance at the beginning of current period	33,621,723	33,049,508
Changes of items during the period		
Dividends from surplus	(775,985)	(775,984)
Net income	203,795	640,356
Purchase of treasury stock	(26)	(799,962)
Total changes of items during the period	(572,215)	(935,589)
Balance at the end of current period	33,049,508	32,113,918
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	398,138	(382,579)
Changes of items during the period		
Net changes of items other than shareholders' equity	(780,717)	1,067,766
Total changes of items during the period	(780,717)	1,067,766
Balance at the end of current period	(382,579)	685,187
Total valuation and translation adjustments		
Balance at the beginning of current period	398,138	(382,579)
Changes of items during the period		
Net changes of items other than shareholders' equity	(780,717)	1,067,766
Total changes of items during the period	(780,717)	1,067,766
Balance at the end of current period	(382,579)	685,187
Total net assets		
Balance at the beginning of current period	34,019,861	32,666,928
Changes of items during the period		
Dividends from surplus	(775,985)	(775,984)
Net income	203,795	640,356
Purchase of treasury stock	(26)	(799,962)
Net changes of items other than shareholders' equity	(780,717)	1,067,766
Total changes of items during the period	(1,352,933)	132,177
Balance at the end of current period	32,666,928	32,799,105

(4) Non-Consolidated Statements of Cash Flows

(Thousands of yen)

	For the year ended December 31, 2011	For the year ended December 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes	397,979	1,234,554
Depreciation and amortization	249,023	253,708
Amortization of guarantee deposits	14,498	14,487
Increase (decrease) in allowance for doubtful accounts	1,619	8,091
Increase (decrease) in provision for bonuses	21,652	(11,134)
Increase (decrease) in provision for directors' retirement benefits	16,366	16,825
Increase (decrease) in provision for sales promotion expenses	(5,007)	(4,768)
Loss on adjustment for changes of accounting standard for asset retirement obligations	491,623	-
Loss (gain) on valuation of investment securities	65,752	-
Impairment loss	7,126	99,873
Loss on valuation of golf club memberships	1,255	230
Loss (gain) on sales of investment securities	(8,599)	(17,073)
Loss on retirement of noncurrent assets	557	29,345
Interest and dividends income	(71,645)	(86,595)
Decrease (increase) in notes and accounts receivable-trade	(671,698)	555,037
Decrease (increase) in inventories	206,553	(538,898)
Decrease (increase) in advance payments	66,048	(59,533)
Decrease (increase) in other current assets	(27,224)	63,155
Increase (decrease) in notes and accounts payable-trade	(52,272)	(225,626)
Increase (decrease) in advances received	227,873	(9,229)
Increase (decrease) in accrued expenses	(43,918)	(3,015)
Increase (decrease) in other current liabilities	(2,597)	8,406
Increase (decrease) in accrued consumption taxes	(60,221)	(9,132)
Increase (decrease) in income taxes payable-the factor based tax	7,187	(4,692)
Other, net	39,391	15,563
Subtotal	871,323	1,329,580
Interest and dividends income received	71,645	86,595
Income taxes paid	(21,009)	(37,010)
Income taxes refund	6,305	5,490
Net cash provided by (used in) operating activities	928,264	1,384,656
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(120,017)	(104,300)
Purchase of intangible assets	(2,332)	(28,087)
Proceeds from sales of investment securities	8,742	32,222
Payments for guarantee deposits	(104,498)	(100)
Proceeds from collection of guarantee deposits	908,518	540,199
Repayments of lease deposits	(34,442)	(34,442)
Proceeds from cancellation of insurance funds	5,936	7,161
Proceeds from maturity of insurance funds	16,603	5,088
Other, net	21,839	(28,974)
Net cash provided by (used in) investing activities	700,348	388,767

(Thousands of yen)

	For the year ended December 31, 2011	For the year ended December 31, 2012
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(26)	(799,962)
Cash dividends paid	(775,961)	(776,112)
Net cash provided by (used in) financing activities	(775,987)	(1,576,074)
Net increase (decrease) in cash and cash equivalents	852,625	197,349
Cash and cash equivalents at beginning of period	6,270,896	7,123,522
Cash and cash equivalents at end of period	* 7,123,522	* 7,320,872

(5) Significant Accounting Policies

1. Securities

(1) Investments in subsidiaries and affiliates

Investments in subsidiaries and affiliates are stated at cost determined by the moving average method.

(2) 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.

2. Inventories

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.)

3. Depreciation and amortization of fixed assets

(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

(2) Intangible fixed assets

Intangible fixed assets are amortized by the straight-line method.

Amortization of software for internal use is determined using the straight-line method over the estimated useful lives (five years).

(3) Long-term prepaid expenses

Long-term prepaid expenses are amortized equally over the relevant period.

4. Allowances

(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.

(2) Allowance for bonuses

An allowance for bonuses to employees is provided in the estimated amounts of future payments attributable to the current year.

(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.

(4) Allowance for sales promotion

An allowance for sales promotion is provided for expenses resulting from the use of gift coupons issued to customers for the purchase of furniture in the amount expected to be used.

5. 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.

6. 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.

7. Other significant basis of preparation of the financial statements

Consumption taxes

Consumption taxes are separately recorded from the related items in the financial statements.

(6) Notes to Non-Consolidated Financial Statements
(Balance Sheets)

1. Accumulated depreciation of tangible fixed assets	(Thousands of yen)	
	As of December 31, 2011	As of December 31, 2012
	4,184,652	4,283,487

2. Assets pledged as collateral and liabilities secured by such collateral are as follows:

Assets pledged as collateral	(Thousands of yen)	
	As of December 31, 2011	As of December 31, 2012
Buildings	102,281	96,451
Land	10,023	10,023
Total	112,305	106,475

Liabilities secured by such collateral	(Thousands of yen)	
	As of December 31, 2011	As of December 31, 2012
Guarantee deposits received	206,319	171,876

3. The Company assumes that notes maturing on bank holidays are settled on their dates of maturity. The following notes reached maturity on bank holidays:

	(Thousands of yen)	
	As of December 31, 2011	As of December 31, 2012
Trade notes receivable	9,563	10,372

(Statements of Operations)

1. Selling, general and administrative expenses principally consisted of the following:

	(Thousands of yen)	
	For the year ended December 31, 2011	For the year ended December 31, 2012
Freight	1,537,699	1,478,356
Advertising	3,007,747	3,113,911
Provision for allowance for sales promotion	28,934	24,801
Allowance for doubtful accounts	1,620	8,091
Allowance for employee bonuses	110,748	99,437
Provision for reserve for retirement allowance to directors and corporate auditors	16,366	16,825
Salaries	8,570,470	8,716,283
Legal welfare expenses	1,453,401	1,570,277
Depreciation	231,965	235,370
Rent	9,038,889	8,761,337
Administrative expenses	1,823,122	1,877,420

2. For the year ended December 31, 2011 (From January 1, 2011 to December 31, 2011)

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

Location	Use	Classification	Others	Impairment loss (Thousands of yen)
Chita-gun, Aichi and others	Idle assets	Land	—	3,897
Kyushu Delivery Center	Delivery Center	Buildings, equipment and others	—	3,228

Retail stores are primarily classified into groups based on the management accounting units on which revenue and expenditure are continuously recorded. Idle assets are individually classified.

The book values of asset groups whose retail stores incurred operating losses continuously were reduced to the recoverable amount. The book values of idle assets were written down to their respective recoverable amounts due to a significant decline in the market value of land. The resulting impairment loss amounted to 7,126 thousand yen and is recorded as an extraordinary loss.

The impairment loss consists of 3,897 thousand yen for land, 2,541 thousand yen for Buildings and 686 thousand yen for equipment.

The recoverable amounts from these asset groups were calculated based on the net selling prices. The recoverable amounts from asset groups that have a significant impact on the balance sheets were calculated based on assessments from real estate appraisers in accordance with established standards.

For the year ended December 31, 2012 (From January 1, 2012 to December 31, 2012)

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

Location	Use	Classification	Others	Impairment loss (Thousands of yen)
Chita-gun, Aichi and others	Idle assets	Land, buildings and others	—	27,445
Kasukabe Showroom and others	Retail stores	Buildings, equipment and others	—	72,428

Retail stores are primarily classified into groups based on the management accounting units on which revenue and expenditure are continuously recorded. Idle assets are individually classified.

The book values of asset groups whose retail stores incurred operating losses continuously were reduced to the recoverable amount. The book values of idle assets were written down to their respective recoverable amounts due to a significant decline in the market value of land. The resulting impairment loss amounted to 99,873 thousand yen and is recorded as an extraordinary loss.

The impairment loss consists of 8,499 thousand yen for land, 63,853 thousand yen for Buildings and 27,521 thousand yen for equipment.

The recoverable amounts from these asset groups were calculated based on the net selling prices. The recoverable amounts from asset groups that have a significant impact on the balance sheets were calculated based on assessments from real estate appraisers in accordance with established standards.

(Statements of Changes in Net Assets)

For the year ended December 31, 2011 (From January 1, 2011 to December 31, 2011)

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

	As of January 1, 2011 (Thousands of shares)	Increase during the year ended December 31, 2011 (Thousands of shares)	Decrease during the year ended December 31, 2011 (Thousands of shares)	As of December 31, 2011 (Thousands of shares)
Number of shares issued:				
Common stock	19,400	—	—	19,400
Total	19,400	—	—	19,400
Treasury stock:				
Common stock (Note)	0	0	—	0
Total	0	0	—	0

Note: The increase of shares in treasury stock is due to the acquisition of treasury stock pursuant to Article 155, Paragraph 7, of the Companies Act.

2. Subscription rights to shares
None applicable

3. Dividends

(1) Dividends paid during the year under review

Resolution	Class of shares	Total dividends (Thousands of yen)	Amount of dividends per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on March 29, 2011	Common stock	775,985	40.00	December 31, 2010	March 30, 2011

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

Resolution	Class 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 shareholders on March 29, 2012	Common stock	Retained earnings	775,984	40.00	December 31, 2011	March 30, 2012

For the year ended December 31, 2012 (From January 1, 2012 to December 31, 2012)

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

	As of January 1, 2012 (Thousands of shares)	Increase during the year ended December 31, 2012 (Thousands of shares)	Decrease during the year ended December 31, 2012 (Thousands of shares)	As of December 31, 2012 (Thousands of shares)
Number of shares issued:				
Common stock	19,400	—	—	19,400
Total	19,400	—	—	19,400
Treasury stock:				
Common stock (Note)	0	864	—	864
Total	0	864	—	864

Note: Breakdown of the increase in shares of treasury stock is as follows.

Acquisition of treasury stock by resolution of the Board of Directors: 864 thousand shares

Purchase of less-than-one-unit shares: 0 thousand shares

2. Subscription rights to shares
None applicable

3. Dividends

(1) Dividends paid during the year under review

Resolution	Class of shares	Total dividends (Thousands of yen)	Amount of dividends per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on March 29, 2012	Common stock	775,984	40.00	December 31, 2011	March 30, 2012

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

Resolution	Class 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 shareholders on March 27, 2013	Common stock	Retained earnings	741,423	40.00	December 31, 2012	March 28, 2013

(Statements of Cash Flows)

Reconciliation of “Cash and deposits” in the Balance Sheets and “Cash and cash equivalents” in the Statements of Cash Flows

	(Thousands of yen)	
	For the year ended December 31, 2011	For the year ended December 31, 2012
Cash and deposits	7,123,522	7,320,872
Cash and cash equivalents	7,123,522	7,320,872

5. Net Sales by Segment and Merchandise

(Thousands of yen)

	For the year ended December 31, 2011		For the year ended December 31, 2012	
	Amount	%	Amount	%
Furniture				
Storage Furniture	1,595,712	2.9	1,418,009	2.6
Japanese-Style Furniture	294,684	0.5	262,679	0.5
Furniture for Living Rooms	12,299,724	22.6	12,377,104	22.7
Living Room Boards	3,250,568	6.0	3,014,917	5.5
School and Office Furniture	2,723,941	5.0	2,767,818	5.1
Dining Furniture	10,367,060	19.1	10,611,290	19.5
Carpets and Curtains	4,790,827	8.8	4,741,907	8.7
Bedding	13,619,600	25.1	14,503,337	26.6
Lighting and Household Fixtures	1,893,905	3.5	1,842,691	3.4
Unit Furniture	1,891,780	3.5	1,689,233	3.1
Lithography and Paintings	43,124	0.1	20,869	0.0
Others	1,526,987	2.8	1,208,854	2.2
Total sales	54,297,918	99.9	54,458,714	99.9
Real estate rental	68,785	0.1	61,451	0.1
Total revenue	54,366,704	100.0	54,520,166	100.0

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