

**Non-Consolidated Financial Report  
for the Year ended December 31, 2013  
[Japanese GAAP]**

February 14, 2014

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: Mami Toyoshi, General Manager of Corporate Planning Division  
 Tel: (03) 5530-5566

Date of commencement of dividend payment: March 31, 2014

Date of annual shareholders' meeting: March 28, 2014

Date of filing of Securities Report: March 28, 2014

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, 2013 (From January 1, 2013 to December 31, 2013)

(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, 2013	56,230	3.1	843	(28.7)	1,004	(23.8)
Year ended December 31, 2012	54,520	0.3	1,183	2.9	1,317	1.0

	Net income		Net income per share (basic)	Net income per share (diluted)
	Millions of yen	%	Yen	Yen
Year ended December 31, 2013	856	33.7	46.19	—
Year ended December 31, 2012	640	214.2	34.21	—

	Return on equity	Ordinary income to total assets	Operating income to net sales
	%	%	%
Year ended December 31, 2013	2.5	2.2	1.5
Year ended December 31, 2012	2.0	3.2	2.2

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, 2013: —

Year ended December 31, 2012: —

(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, 2013	47,657	36,250	76.1	1,955.71
As of December 31, 2012	41,725	32,799	78.6	1,769.52

Reference: Equity = Net assets - Subscription rights to shares

Year ended December 31, 2013: 36,250 million yen

Year ended December 31, 2012: 32,799 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, 2013	528	324	(741)	7,431
Year ended December 31, 2012	1,384	388	(1,576)	7,320

### 2. Dividends

	Cash dividends per share (yen)				
	End of first quarter	End of second quarter	End of third quarter	Year-end	For the year
Year ended December 31, 2012	—	0.00	—	40.00	40.00
Year ended December 31, 2013	—	0.00	—	40.00	40.00
Year ending December 31, 2014 (forecast)	—	0.00	—	40.00	40.00

	Total cash dividends paid for the year	Payout ratio	Dividend to net assets
	Millions of yen	%	%
Year ended December 31, 2012	741	116.9	2.3
Year ended December 31, 2013	741	86.6	2.1
Year ending December 31, 2014 (forecast)		92.6	

### 3. Forecast of Non-Consolidated Financial Performance for Fiscal 2014 (From January 1, 2014 to December 31, 2014)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending June 30, 2014	29,572	3.9	539	(0.7)	651	(2.0)
Year ending December 31, 2014	58,500	4.0	1,224	45.2	1,374	36.9

	Net income		Net income per share (basic)
	Millions of yen	%	Yen
Six months ending June 30, 2014	379	(32.2)	20.45
Year ending December 31, 2014	800	(6.5)	43.19

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: Yes
- Changes other than the above changes: None
- Changes in accounting estimates: Yes
- 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, 2013	19,400,000 shares	As of December 31, 2012	19,400,000 shares
b. Number of shares of treasury stock at the end of the year	As of December 31, 2013	864,414 shares	As of December 31, 2012	864,414 shares
c. Average number of shares during the period	Year ended December 31, 2013	18,535,586 shares	Year ended December 31, 2012	18,716,759 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, 2013 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, 2013.

\*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, 2012		As of December 31, 2013	
<b>Assets</b>				
Current assets				
Cash and deposits	*3	7,320,872	*3	7,431,413
Notes receivable-trade		171,517		165,032
Accounts receivable-trade		2,784,861		3,077,020
Merchandise		13,570,778		14,801,988
Advance payments-trade		87,268		49,573
Prepaid expenses		870,278		867,099
Income taxes receivable		6,824		-
Deferred tax assets		492,611		144,027
Other		31,723		60,940
Allowance for doubtful accounts		(1,840)		(2,020)
Total current assets		25,334,895		26,595,075
Noncurrent assets				
Property, plant and equipment				
Buildings, net	*2	1,063,187	*2	1,012,365
Structures, net		16,857		14,820
Machinery and equipment, net		3,240		3,081
Vehicles, net		3,559		2,811
Tools, furniture and fixtures, net		587,168		569,575
Land	*2	1,263,159	*2	1,252,784
Total property, plant and equipment	*1	2,937,172	*1	2,855,438
Intangible assets				
Software		53,653		33,543
Other		47,012		86,999
Total intangible assets		100,666		120,543
Investments and other assets				
Investment securities		7,039,207		11,767,199
Stocks of subsidiaries and affiliates		77,000		77,000
Long-term prepaid expenses		1,096		1,777
Guarantee deposits		6,130,571		6,127,334
Other		112,893		114,540
Allowance for doubtful accounts		(8,131)		(1,600)
Total investments and other assets		13,352,638		18,086,252
Total noncurrent assets		16,390,477		21,062,233
Total assets		41,725,373		47,657,309

(Thousands of yen)

	As of December 31, 2012	As of December 31, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable-trade	1,378,025	1,429,141
Accounts payable-trade	2,140,422	2,158,799
Accounts payable-other	226,623	155,373
Accrued expenses	1,635,093	1,648,565
Income taxes payable	81,849	202,812
Advances received	1,791,715	2,222,846
Deposits received	299,105	337,436
Provision for bonuses	99,614	88,058
Provision for sales promotion expenses	37,553	33,909
Other	159,349	156,571
<b>Total current liabilities</b>	<b>7,849,353</b>	<b>8,433,515</b>
<b>Noncurrent liabilities</b>		
Guarantee deposits received	*2 208,876	*2 174,434
Provision for directors' retirement benefits	466,801	481,434
Asset retirement obligations	328,766	348,099
Deferred tax liabilities	72,469	1,969,526
<b>Total noncurrent liabilities</b>	<b>1,076,913</b>	<b>2,973,494</b>
<b>Total liabilities</b>	<b>8,926,267</b>	<b>11,407,010</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
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	27,220,000	27,120,000
Retained earnings brought forward	654,304	869,122
Total retained earnings	28,144,304	28,259,122
Treasury stock	(800,855)	(800,855)
<b>Total shareholders' equity</b>	<b>32,113,918</b>	<b>32,228,737</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	685,187	4,021,562
<b>Total valuation and translation adjustments</b>	<b>685,187</b>	<b>4,021,562</b>
<b>Total net assets</b>	<b>32,799,105</b>	<b>36,250,299</b>
<b>Total liabilities and net assets</b>	<b>41,725,373</b>	<b>47,657,309</b>

## (2) Non-Consolidated Statements of Operations

(Thousands of yen)

	For the year ended December 31, 2012	For the year ended December 31, 2013
Net sales		
Net sales of goods	54,458,714	56,171,493
Rent income of real estate	61,451	59,025
Total net sales	54,520,166	56,230,518
Cost of sales		
Cost of goods sold		
Beginning goods	13,045,279	13,570,778
Cost of purchased goods	24,283,741	26,467,737
Total	37,329,020	40,038,516
Transfer to other account	110,976	99,873
Ending goods	13,570,778	14,801,988
Cost of goods sold	23,647,265	25,136,654
Cost of real estate rent	24,308	24,233
Total cost of sales	23,671,573	25,160,887
Gross profit	30,848,592	31,069,630
Selling, general and administrative expenses	*1 29,664,734	*1 30,226,009
Operating income	1,183,858	843,621
Non-operating income		
Interest income	2	3
Dividends income	86,592	100,118
Dividends income of insurance	50,922	45,545
Other	39,360	26,937
Total non-operating income	176,879	172,604
Non-operating expenses		
Interest expenses on guarantee deposits	3,078	2,380
Loss on retirement of noncurrent assets	29,345	1,532
Foreign exchange losses	4,014	6,686
Commission for purchase of treasury stock	5,362	-
Other	1,350	1,559
Total non-operating expenses	43,152	12,159
Ordinary income	1,317,584	1,004,067
Extraordinary income		
Gain on sales of investment securities	17,073	206,564
Settlement received	-	310,500
Total extraordinary income	17,073	517,064
Extraordinary loss		
Impairment loss	*2 99,873	*2 49,128
Loss on valuation of golf club membership	230	-
Total extraordinary losses	100,103	49,128
Income before income taxes	1,234,554	1,472,003
Income taxes-current	30,095	157,878
Income taxes-deferred	564,101	457,882
Total income taxes	594,197	615,761
Net income	640,356	856,242

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

For the year ended December 31, 2012

(Thousands of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at the beginning of current period	1,080,000	3,690,470	3,690,470	270,000	27,720,000	289,931	28,279,931
Changes of items during the period							
Reversal of general reserve					(500,000)	500,000	-
Dividends from surplus						(775,984)	(775,984)
Net income						640,356	640,356
Purchase of treasury stock							
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	-	(500,000)	364,372	(135,627)
Balance at the end of current period	1,080,000	3,690,470	3,690,470	270,000	27,220,000	654,304	28,144,304

(Thousands of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(893)	33,049,508	(382,579)	(382,579)	32,666,928
Changes of items during the period					
Reversal of general reserve		-			-
Dividends from surplus		(775,984)			(775,984)
Net income		640,356			640,356
Purchase of treasury stock	(799,962)	(799,962)			(799,962)
Net changes of items other than shareholders' equity			1,067,766	1,067,766	1,067,766
Total changes of items during the period	(799,962)	(935,589)	1,067,766	1,067,766	132,177
Balance at the end of current period	(800,855)	32,113,918	685,187	685,187	32,799,105

For the year ended December 31, 2013

(Thousands of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at the beginning of current period	1,080,000	3,690,470	3,690,470	270,000	27,220,000	654,304	28,144,304
Changes of items during the period							
Reversal of general reserve					(100,000)	100,000	-
Dividends from surplus						(741,423)	(741,423)
Net income						856,242	856,242
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	-	(100,000)	214,818	114,818
Balance at the end of current period	1,080,000	3,690,470	3,690,470	270,000	27,120,000	869,122	28,259,122

(Thousands of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	(800,855)	32,113,918	685,187	685,187	32,799,105
Changes of items during the period					
Reversal of general reserve		-			-
Dividends from surplus		(741,423)			(741,423)
Net income		856,242			856,242
Net changes of items other than shareholders' equity			3,336,374	3,336,374	3,336,374
Total changes of items during the period	-	114,818	3,336,374	3,336,374	3,451,193
Balance at the end of current period	(800,855)	32,228,737	4,021,562	4,021,562	36,250,299



## (4) Non-Consolidated Statements of Cash Flows

(Thousands of yen)

	For the year ended December 31, 2012	For the year ended December 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes	1,234,554	1,472,003
Depreciation and amortization	253,708	226,568
Amortization of guarantee deposits	14,487	14,649
Increase (decrease) in allowance for doubtful accounts	8,091	(6,351)
Increase (decrease) in provision for bonuses	(11,134)	(11,555)
Increase (decrease) in provision for directors' retirement benefits	16,825	14,632
Increase (decrease) in provision for sales promotion expenses	(4,768)	(3,644)
Loss on valuation of golf club memberships	230	-
Impairment loss	99,873	49,128
Loss (gain) on sales of investment securities	(17,073)	(206,564)
Loss on retirement of noncurrent assets	29,345	1,532
Interest and dividends income	(86,595)	(100,121)
Decrease (increase) in notes and accounts receivable-trade	555,037	(285,674)
Decrease (increase) in inventories	(538,898)	(1,260,076)
Decrease (increase) in advance payments	(59,533)	37,695
Decrease (increase) in other current assets	63,155	(26,038)
Increase (decrease) in notes and accounts payable-trade	(225,626)	69,492
Increase (decrease) in advances received	(9,229)	431,131
Increase (decrease) in accrued expenses	(3,015)	13,471
Increase (decrease) in other current liabilities	8,406	44,791
Increase (decrease) in accrued consumption taxes	(9,132)	(43,226)
Increase (decrease) in income taxes payable-the factor based tax	(4,692)	1,375
Other, net	15,563	26,188
Subtotal	1,329,580	459,407
Interest and dividends income received	86,595	100,121
Income taxes paid	(37,010)	(38,290)
Income taxes refund	5,490	6,824
Net cash provided by (used in) operating activities	1,384,656	528,062
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(104,300)	(140,744)
Purchase of intangible assets	(28,087)	(63,794)
Proceeds from sales of investment securities	32,222	602,706
Payments for guarantee deposits	(100)	(35,854)
Proceeds from collection of guarantee deposits	540,199	1,892
Repayments of lease deposits	(34,442)	(34,442)
Proceeds from cancellation of insurance funds	7,161	-
Proceeds from maturity of insurance funds	5,088	-
Other, net	(28,974)	(5,364)
Net cash provided by (used in) investing activities	388,767	324,397

	For the year ended December 31, 2012	For the year ended December 31, 2013
Net cash provided by (used in) financing activities		
Cash dividends paid	(776,112)	(741,918)
Purchase of treasury stock	(799,962)	-
Net cash provided by (used in) financing activities	(1,576,074)	(741,918)
Net increase (decrease) in cash and cash equivalents	197,349	110,541
Cash and cash equivalents at beginning of period	7,123,522	7,320,872
Cash and cash equivalents at end of period	* 7,320,872	* 7,431,413

## (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's 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) Changes in Accounting Policies

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Due to the revision of the Corporation Tax Act, the Company has changed the method of depreciation for property, plant and equipment acquired on or after January 1, 2013 to the method in accordance with the revised Corporation Tax Act, effective from the current fiscal year.

The effects of this change on the income and losses for the current fiscal year are insignificant.

## (7) Changes in Presentation

(Statements of Operations)

“Foreign exchange losses” were included in “Other” under “Non-operating expenses” in the previous fiscal year. As they account for more than 10% of total non-operating expenses, they have been separately listed from the current fiscal year. To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified.

As a result, 5,365 thousand yen stated as “Other” under “Non-operating expenses” in the statements of operations for the previous fiscal year has been reclassified into “Foreign exchange losses” (4,014 thousand yen) and “Other” (1,350 thousand yen).

## (8) Notes to Non-Consolidated Financial Statements

(Balance Sheets)

### 1. Accumulated depreciation of tangible fixed assets (Thousands of yen)

	As of December 31, 2012	As of December 31, 2013
	4,283,487	4,463,335

### 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, 2012	As of December 31, 2013
Buildings	96,451	90,953
Land	10,023	10,023
Total	106,475	100,977

#### Liabilities secured by such collateral (Thousands of yen)

	As of December 31, 2012	As of December 31, 2013
Guarantee deposits received	171,876	137,434

### 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:

	As of December 31, 2012	As of December 31, 2013
Trade notes receivable	10,372	7,822

(Statements of Operations)

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

	(Thousands of yen)	
	For the year ended December 31, 2012	For the year ended December 31, 2013
Freight	1,478,356	1,521,171
Advertising	3,113,911	3,391,198
Provision for allowance for sales promotion	24,801	26,770
Allowance for doubtful accounts	8,091	180
Allowance for employee bonuses	99,437	87,858
Provision for reserve for retirement allowance to directors and corporate auditors	16,825	14,632
Salaries, allowances and bonuses	8,716,283	8,924,437
Legal welfare expenses	1,570,277	1,659,538
Depreciation	235,370	206,268
Rent	8,761,337	8,451,321
Administrative expenses	1,877,420	1,896,425

2. 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.

For the year ended December 31, 2013 (From January 1, 2013 to December 31, 2013)

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	—	10,375
Kasukabe Showroom and others	Retail stores	Buildings, equipment and others	—	38,752

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 49,128 thousand yen and is recorded as an extraordinary loss.

The impairment loss consists of 10,375 thousand yen for land, 21,124 thousand yen for buildings and 17,628 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, 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

For the year ended December 31, 2013 (From January 1, 2013 to December 31, 2013)

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

	As of January 1, 2013  (Thousands of shares)	Increase during the year ended December 31, 2013 (Thousands of shares)	Decrease during the year ended December 31, 2013 (Thousands of shares)	As of December 31, 2013  (Thousands of shares)
Number of shares issued:				
Common stock	19,400	—	—	19,400
Total	19,400	—	—	19,400
Treasury stock:				
Common stock	864	—	—	864
Total	864	—	—	864

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 27, 2013	Common stock	741,423	40.00	December 31, 2012	March 28, 2013

(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 28, 2014	Common stock	Retained earnings	741,423	40.00	December 31, 2013	March 31, 2014

(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, 2012	For the year ended December 31, 2013
Cash and deposits	7,320,872	7,431,413
Cash and cash equivalents	7,320,872	7,431,413

## 5. Net Sales by Segment and Merchandise

(Thousands of yen)

	For the year ended December 31, 2012		For the year ended December 31, 2013	
	Amount	%	Amount	%
Furniture				
Storage Furniture	1,418,009	2.6	1,237,177	2.2
Japanese-Style Furniture	262,679	0.5	236,526	0.4
Furniture for Living Rooms	12,377,104	22.7	12,994,186	23.1
Living Room Boards	3,014,917	5.5	2,990,023	5.3
School and Office Furniture	2,767,818	5.1	2,734,875	4.9
Dining Furniture	10,611,290	19.5	10,925,670	19.4
Carpets and Curtains	4,741,907	8.7	4,874,415	8.7
Bedding	14,503,337	26.6	15,014,487	26.7
Lighting and Household Fixtures	1,842,691	3.4	1,948,321	3.5
Unit Furniture	1,689,233	3.1	1,593,699	2.8
Lithography and Paintings	20,869	0.0	28,943	0.1
Others	1,208,854	2.2	1,593,165	2.8
Total sales	54,458,714	99.9	56,171,493	99.9
Real estate rental	61,451	0.1	59,025	0.1
Total revenue	54,520,166	100.0	56,230,518	100.0

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