



Consolidated Financial Results for the Fiscal Year Ended December 20, 2012

[Japanese GAAP]

January 23, 2013

Tokyo Stock Exchange, First Section

Name of registrant: Milbon Co., Ltd.
 Code No.: 4919 URL <http://www.milbon.co.jp>
 Representative: Ryuji Sato, President and CEO
 Inquiries: Masahiro Murai, Managing Director
 Scheduled date of annual general meeting of shareholders: March 15, 2013
 Scheduled filing date for Securities Report: March 15, 2013
 Scheduled starting date of dividend payments: March 18, 2013
 Preparation of supplementary materials on the Consolidated Financial Results: Yes
 Holding of an explanatory meeting on Consolidated Financial Results: Yes (For institutional investors and analysts)

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(Amounts of less than one million yen have been omitted)

1. Consolidated financial results for the fiscal year ended December 20, 2012 (December 21, 2011- December 20, 2012)

(1) Consolidated operating results (Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended December 20, 2012	21,887	6.6	3,986	5.1	3,735	5.3	2,128	(7.7)
Year ended December 20, 2011	20,526	3.9	3,792	6.0	3,545	6.6	2,304	25.8

(Note) Comprehensive income Year ended December 20, 2012: 2,219 million yen [1.0%] Year ended December 20, 2011: 2,198 million yen [26.7%]

	Net income per share	Diluted net income per share	Return on equity (ROE)	Return on assets (ROA)	Operating income ratio
	Yen	Yen	%	%	%
Year ended December 20, 2012	154.44	-	10.8	16.2	18.2
Year ended December 20, 2011	167.24	-	12.5	16.3	18.5

(Reference) Equity in earnings (losses) of affiliates Year ended December 20, 2012: -- million yen Year ended December 20, 2011: -- million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 20, 2012	23,662	20,367	86.1	1,478.02
As of December 20, 2011	22,592	19,059	84.4	1,383.02

(Reference) Equity As of December 20, 2012: 20,367 million yen As of December 20, 2011: 19,059 million yen

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Year ended December 20, 2012	2,977	(1,506)	(910)	5,633
Year ended December 20, 2011	3,157	101	(836)	5,076

2. Payment of dividends

	Annual dividend					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividends on equity (DOE) (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended December 20, 2011	-	30.00	-	34.00	64.00	882	38.3	4.8
Year ended December 20, 2012	-	32.00	-	34.00	66.00	909	42.7	4.6
Year ending December 20, 2013 (forecast)	-	33.00	-	33.00	66.00		37.3	

3. Consolidated operating forecasts for the fiscal year ending December 20, 2013 (December 21, 2012 - December 20, 2013)

(Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending June 20, 2013	11,082	5.1	1,822	(7.3)	1,671	(8.2)	1,011	(5.4)	73.36
Year ending December 20, 2013	23,100	5.5	4,250	6.6	3,960	6.0	2,440	14.6	177.06

*Notes

(1) Significant changes in subsidiaries during the period

(changes in specified subsidiaries accompanied by changes in the scope of consolidation) : Yes

New: 1 company (Company name: MILBON (THAILAND) CO., LTD.)

Exclude: 0 companies (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatements

- 1) Changes in accounting policies due to amendment to the accounting standards, etc. : Yes
- 2) Changes in accounting policies other than those in 1) above : None
- 3) Changes in accounting estimates : None
- 4) Retrospective restatements : None

(3) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the period (including treasury stock)
- 2) Number of treasury stock at the end of the period
- 3) Average number of shares during the period

	Year ended December 20, 2012	13,798,848 shares	Year ended December 20, 2011	13,798,848 shares
1) Number of shares issued at the end of the period (including treasury stock)	Year ended December 20, 2012	18,716 shares	Year ended December 20, 2011	17,728 shares
2) Number of treasury stock at the end of the period	Year ended December 20, 2012	13,780,535 shares	Year ended December 20, 2011	13,782,010 shares
3) Average number of shares during the period	Year ended December 20, 2012		Year ended December 20, 2011	

(Reference) Summary of non-consolidated operating results

1. Non-consolidated financial results for the fiscal year ended December 20, 2012 (December 21, 2011- December 20, 2012)

(1) Non-consolidated operating results

(Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended December 20, 2012	21,403	5.9	4,015	3.6	3,761	3.8	2,153	(9.3)
Year ended December 20, 2011	20,218	4.0	3,875	3.7	3,623	3.1	2,374	16.1

	Net income per share		Diluted net income per share	
	Yen		Yen	
Year ended December 20, 2012	156.29		-	
Year ended December 20, 2011	172.31		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of December 20, 2012	24,175		20,969		86.7		1,521.72	
As of December 20, 2011	23,116		19,650		85.0		1,425.90	

(Reference) Equity As of December 20, 2012: 20,969 million yen As of December 20, 2011: 19,650 million yen

2. Non-consolidated operating forecasts for the fiscal year ending December 20, 2013 (December 21, 2012 - December 20, 2013)

(Percentages show year-on-year changes)

	Net sales		Ordinary income		Net income		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	
Six months ending June 20, 2013	10,789	4.5	1,769	(4.7)	1,107	0.5	80.34	
Year ending December 20, 2013	22,416	4.7	4,100	9.0	2,580	19.8	187.22	

*Indication of the status of execution of audit procedures

As these financial results are not subject to audit procedures pursuant to the Financial Instruments and Exchange Act, said audit procedures were not completed at the time of disclosure of this report.

*Explanation on the appropriate use of operating forecasts and other special instructions

Operating forecasts and other statements regarding the future presented in these materials are based on information currently available and certain assumptions deemed to be reasonable, and actual performance may differ substantially due to various factors. For notes on the use of preconditions of operating forecasts and the use of operating forecasts, refer to "1. Operating results (1) Analysis of operating results" on page 2 of the supplementary materials.

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1. Analysis of operating results and financial conditions

(1) Analysis of operating results

1) Operating results for the consolidated fiscal year under review

During the consolidated fiscal year under review, our nation's economy continued to be enveloped in uncertainty, despite signs of moderate recovery backed by earthquake reconstruction demand, as deflation continued and the economies of Europe and the emerging countries slowed down. The climate in the beauty industry also remained harsh.

Under such circumstances, the Milbon Group promoted initiatives in order for salons to realize sustainable growth as well as increased revenues and profits, under the theme of "Nurturing 'personal production capabilities' that meet diverse value and supporting 'an increase in yearly usage amounts per customer.'" By aligning ourselves with women's perspectives and focusing our efforts on improving hairstyle designs / hairstyle menus / take-home products, which would lead to increased yearly usage amounts per customer, and reinforcing the training systems and organizational capacities of the salons, which would be instrumental in fostering designers with "personal production capabilities," we have been able to achieve our targets for both consolidated net sales and every multiple-step income, namely gross profit, operating income, ordinary income, income before income taxes, and net income.

Consolidated net sales during the consolidated fiscal year under review increased by 1,360 million yen to 21,887 million yen (up 6.6% year-on-year). This was primarily due to the strong sales of DEESSE'S Elujuda, leave-in treatment which was launched in February and AUJUA, premium hair-care products, in the hair-care product category; and the expanded sales of permanent and semi-permanent hair coloring products; "Ordeve Beaute," product line specialized for gray hair and "Pearl and Whity Line and Melty Line," additional color lines for hair coloring brand "Ordeve," which were launched in February and September in the hair coloring product category. Favorable sales growth of the overseas subsidiaries thanks to the proactive educational activities conducted in the salons was another factor of the increase.

Selling, general and administrative expenses increased by 10.4% over the previous year to 10,847 million yen, as a result of sales promotion expenses of new products and personnel expenses exceeding the previous year levels. Operating income increased by 194 million yen to 3,986 million yen (up 5.1% year-on-year) and ordinary income also increased by 189 million yen to 3,735 million yen (up 5.3% year-on-year). Net income decreased by 176 million yen to 2,128 million yen (down 7.7% year-on-year), as a result of having reported insurance income under extraordinary income in the previous year. However, if we were to eliminate the effects of insurance income, then net income would have increased by 6.0% year-on-year.

Breakdown of net sales by product category and breakdown of net sales into domestic and overseas sales are shown below:

[Breakdown of consolidated net sales by product category]

(Unit: Million yen)

Product Category	Previous Consolidated Fiscal Year		Current Consolidated Fiscal Year		Increase (Decrease) Amount	Percentage Change (%)
	Amount	Ratio (%)	Amount	Ratio (%)		
Hair care products	10,398	50.7	11,069	50.6	670	6.4
Hair coloring products	7,987	38.9	8,820	40.3	832	10.4
Permanent wave products	1,816	8.8	1,678	7.7	(137)	(7.6)
Others	323	1.6	318	1.4	(4)	(1.5)
Total	20,526	100.0	21,887	100.0	1,360	6.6

[Breakdown of net sales into domestic and overseas sales]

(Unit: Million yen)

	Previous Consolidated Fiscal Year		Current Consolidated Fiscal Year		Increase (Decrease) Amount	Percentage Change (%)
	Amount	Ratio (%)	Amount	Ratio (%)		
Domestic sales	19,323	94.1	20,482	93.6	1,159	6.0
Overseas sales	1,202	5.9	1,404	6.4	201	16.7
Total	20,526	100.0	21,887	100.0	1,360	6.6

2) Outlook for fiscal 2013

In terms of the domestic economic environment, while some relief is expected from the appreciating yen following the change in administration, uncertainty about the future continues to persist. In the beauty industry, amid the harsh business climate, customers in their 30's and 40's have come to make up roughly half of the clientele of our partner salons and there has been a marked increase in yearly usage amounts per customer.

Under these circumstances, the Milbon Group has been changing its awareness of mature women who make up its clientele, and being fully aware of the importance of creating new value, has been promoting initiatives intended for salons under the slogan of "Promotion of Age Beauty Innovation, in which professional designers answer to the new values held by mature women."

The full-fledged, nationwide campaign in which hair designers market genuine organic products will commence from fiscal 2013, and we hope to capture new customers for our salons and contribute to their increased sales and income.

In terms of global expansion, we have commenced trial sales in Thailand, Malaysia, Vietnam and Turkey, and we have begun preparations to start operations at our Thai plant in fiscal 2014. We have also dispatched employees and commenced field surveys in Indonesia.

As a result of these efforts, the Company expects consolidated net sales of 23,100 million yen (up 5.5% year-on-year), consolidated operating income of 4,250 million yen (up 6.6% year-on-year), consolidated ordinary income of 3,960 million yen (up 6.0% year-on-year), and consolidated net income of 2,440 million yen (up 14.6% year-on-year).

(2) Analysis of financial conditions

1) Assets, liabilities and net assets

Total assets at the end of the current consolidated fiscal year increased by 1,069 million yen compared to the end of the previous consolidated fiscal year to 23,662 million yen.

Current assets increased by 982 million yen compared to the end of the previous consolidated fiscal year to 11,599 million yen. This was mainly due to the increase in cash and deposits by 986 million yen.

Noncurrent assets increased by 86 million yen compared to the end of the previous consolidated fiscal year to 12,062 million yen.

Current liabilities decreased by 230 million yen compared to the end of the previous consolidated fiscal year to 3,097 million yen. This was due mainly to the decrease in income taxes payable by 369 million yen.

Noncurrent liabilities decreased by 7 million yen from the end of the previous consolidated fiscal year to 197 million yen.

Net assets increased by 1,307 million yen compared to the end of the previous consolidated fiscal year to 20,367 million yen. This was due mainly to the increase of 1,218 million yen in retained earnings.

As a result, equity ratio changed from 84.4% at the end of the previous consolidated fiscal year to 86.1%. Net assets per share based on total outstanding shares as of the end of the current consolidated fiscal year increased from 1,383.02 yen per share at the end of the previous consolidated fiscal year to 1,478.02 yen per share.

2) Cash flows

Cash and cash equivalents (hereinafter "net cash") at the end of the current consolidated fiscal year increased by 556 million yen compared to the end of the previous consolidated fiscal year to 5,633 million yen, as a result of using the net cash provided by operating activities for the payment of income taxes and the payment of dividends.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 2,977 million yen. This was mainly the result of posting 3,584 million yen in income before income taxes and minority interests, depreciation and amortization of 952 million yen and 1,805 million yen in income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 1,506 million yen. This was mainly the result of the purchase of property, plant and equipment of 687 million yen, purchase of intangible assets of 176 million yen and payments into time deposits of 424 million yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 910 million yen. This was mainly the result of the cash dividends paid to shareholders of 908 million yen.

(Reference) Cash flow-related indicators

	Year ended December 20, 2008	Year ended December 20, 2009	Year ended December 20, 2010	Year ended December 20, 2011	Year ended December 20, 2012
Equity ratio (%)	79.9	81.8	84.9	84.4	86.1
Equity ratio based on market value (%)	154.0	125.6	131.4	146.03	163.76
Interest-bearing debt to cash flows ratio (%)	4.7	2.8	3.3	2.6	2.7
Interest-coverage ratio (times)	1,303.1	3,282.8	-	-	-

(Notes) Equity ratio: Shareholders' equity/total assets

Equity ratio based on market value: Total market capitalization/total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt/cash flows

Interest-coverage ratio: Cash flows/interest payments

- * All of the figures in the aforementioned indices were calculated on a consolidated basis.
- * Total market capitalization was calculated by multiplying the closing stock price at the end of the period by the total number of outstanding shares at the end of the period (excluding treasury stock).
- * Cash flows were shown as an operating cash flow in the consolidated statements of cash flows.
- * Interest-bearing debt refers to all debt posted in the consolidated balance sheets upon which interest is paid. The amount of interest paid in the consolidated statements of cash flows was treated as an interest payment in the calculations above.

(3) Basic policy on the distribution of profit and dividends for the fiscal year under review and the following fiscal year

The Milbon Group considers the returning of profits to shareholders as an important management issue and makes it a basic policy to pay dividends in accordance with its operating results, while enhancing its business structure by maintaining internal reserves to the end of improving its earnings in the future. In addition, interim dividends are determined at the Board of Directors meetings and year-end dividends at the general meeting of shareholders, and it is the Group's basic policy to pay dividends twice every fiscal year.

For the current consolidated fiscal year, upon comprehensively taking into account factors including our financial position and profit levels, we have decided to pay an interim dividend of 32 yen per share, and a year-end dividend of 34 yen per share, for a total annual dividend of 66 yen per share, which represents an increase of 2 yen per share compared to the previous fiscal year. For the following fiscal year, we plan to pay an annual dividend of 66 yen per share, which is equal to the annual dividend for the current consolidated fiscal year.

Internal reserves are used for capital expenditures required for the medium- to long-term expansion of our business as well as R&D investments, to the end of enhancing our business structure.

(4) Business and other risks

Risks that could potentially affect the operating results, stock price and financial position of the Milbon Group include the following. The future risks identified in this section are based on assessments made by the Company as of the end of the consolidated fiscal year under review. The Group recognizes the possibility of these risk events actually occurring and has prepared policies to prevent and avert such risks and take appropriate measures to minimize the impact of such risks when they do occur.

1) Risks associated with global expansion

The Milbon Group is aggressively expanding its business into the overseas markets. Global expansion entails risks relating to intellectual property rights including counterfeit goods, unforeseeable changes in laws and regulations, and risks of social unrest due to terrorism, war and other factors. Such risks could have a major impact on the Group's operating results and financial position.

2) Information security

The Milbon Group has taken various measures to protect information assets including customers' personal information and confidential information. However, unforeseeable events, such as the leakage of information due to unauthorized access, could have a major impact on the Group's operating results and financial position.

3) Risks associated with debt collection

The Milbon Group deliberates and records necessary reserves upon regularly reviewing its business partners from both quantitative and qualitative perspectives and in terms of collection status. However, deterioration in the business partner's

credit standing or events such as bankruptcy could have a major impact on the Group's operating results and financial position.

4) Risks associated with major accidents

The Milbon Group utilizes company cars in its sales activities. The Group implements safety measures that places maximum priority on human life, including strict control over driving and the reinforcement of safety training. However, should a major accident event occur, it could lead to the loss of the customers' and the public's trust in the Group and have a major impact on the Group's operating results and financial position.

2. Outline of the Milbon Group

Name	Location	Capital Stock	Main line of business	Percentage of voting rights held (%)	Relationship with the Company
(Consolidated subsidiaries)					
MILBON USA, INC.	New York, USA	USD 2 million	Sale of hair products	100.0	Sells the Company's hair products in the U.S.
Milbon Trading (Shanghai) Co., Ltd.	Shanghai, China	JPY 430 million	Sale of hair products	100.0	Sells the Company's hair products in China. Three executives hold concurrent posts at the Company.
Milbon Korea Co., Ltd.	Seoul, South Korea	KRW 3,000 million	Sale of hair products	100.0	Sells the Company's hair products in South Korea. One executive holds a concurrent post at the Company.
MILBON (THAILAND) CO., LTD.	Bangkok, Thailand	THB 230 million	Manufacture and sale of hair products	100.0	

(Note) All companies fall under the category of "specified subsidiary."

We have omitted the disclosure of the Company's "Diagram of Business Activities (Business Details)," as there have been no significant changes since the "Diagram of Business Activities (Business Details)" which was contained in the Company's recent Securities Report (submitted on March 16, 2012).

3. Management policy

(1) Basic management policies

Disclosure of basic management policies has been omitted as there have been no significant changes to the contents disclosed in the Consolidated Financial Statements for the Fiscal Term Ended December 20, 2006 (Disclosed on January 19, 2007).

The relevant Consolidated Financial Results may be viewed by accessing the following URL.

(Website of the Company)

URL: <http://www.milbon.co.jp>

(Website of the Tokyo Stock Exchange (for listed companies))

URL: <http://www/tse.or.jp/listing/compsearch/index.html>

(2) Medium- to long-term management strategies and target management indices

The Milbon Group, in the “Medium Term 5-Year Business Vision (2010-2014),” has set forth the following global vision: “Milbon aims to be the global No.1, first as a Japanese professional manufacturer, by cultivating global field ideas through human resource development and training in order for hair designers to achieve their goals.” The Milbon Group aims to achieve consolidated net sales of 25,000 million yen and overseas sales to total sales ratio of 10.5% in 2014, the final year of the 5-year plan.

In terms of the strategies by areas, we will establish the strong No.1 position in Japan, as it is the foundation for globalization. For North America, as the symbol of globalization, we create the basis for the Group’s existence and the core of all field activities. We will also cultivate Asian markets and establish its profit structure as a cornerstone of the Group’s global growth strategies. We will pursue opportunities to enter the European market, as a source of globalization. As part of our initiatives toward globalization, we will aim for global growth by establishing a global organizational control, fostering global human resources, expanding into new areas and establishing an overseas production framework.

(3) Tasks to be addressed by the Company

- 1) In the marketing system, establish a program for fostering field persons, including the recruiting of local employees, and enhance the quality of marketing activities and educational assistance at the hair salons, to the end of further evolving our field person (trainer/sales staff) strategy.
- 2) In product development, further improve TAC (Target Authority Customer) product development system, which catches the latest changes in hair design trends and utilizes such information in development.
- 3) Promote the establishment of an efficient high-mix variable volume production system, and promote a subcontracted production in areas outside of Mie prefecture, in order to avoid disaster risk as the production facilities are concentrated there.
- 4) Promote optimization of the supply chain and greater precision of the production plan, to the end of reducing losses from the disposal of inventories and improving inventory turnover.
- 5) In order to advance our global vision, develop a system for fostering human resources capable of international business activities, executives with a keen sense of management and specialists.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	Previous Consolidated Fiscal Year (As of December 20, 2011)	Current Consolidated Fiscal Year (As of December 20, 2012)
Assets		
Current assets		
Cash and deposits	5,079,642	6,066,322
Notes and accounts receivable – trade	3,031,626	2,964,933
Merchandise and finished goods	1,678,930	1,775,588
Work in process	16,428	18,754
Raw materials and supplies	526,193	522,000
Deferred tax assets	203,837	179,190
Other	91,566	113,719
Allowance for doubtful accounts	(11,616)	(40,939)
Total current assets	10,616,608	11,599,570
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,320,438	7,354,033
Accumulated depreciation	(3,461,952)	(3,741,699)
Buildings and structures, net	3,858,485	3,612,333
Machinery, equipment and vehicles	4,107,016	4,353,063
Accumulated depreciation	(3,182,584)	(3,465,615)
Machinery, equipment and vehicles, net	924,432	887,448
Land	4,763,766	4,763,766
Construction in progress	12,244	85,294
Other	1,831,212	1,767,460
Accumulated depreciation	(1,636,739)	(1,586,871)
Other, net	194,473	180,588
Total property, plant and equipment	9,753,401	9,529,431
Intangible assets	512,138	526,433
Investments and other assets		
Investment securities	1,017,033	1,136,817
Deferred tax assets	430,616	397,060
Other	291,661	542,404
Allowance for doubtful accounts	(28,772)	(69,240)
Total investments and other assets	1,710,540	2,007,041
Total noncurrent assets	11,976,079	12,062,905
Total assets	22,592,688	23,662,476

(Thousand yen)

	Previous Consolidated Fiscal Year (As of December 20, 2011)	Current Consolidated Fiscal Year (As of December 20, 2012)
Liabilities		
Current liabilities		
Accounts payable – trade	419,740	482,028
Accounts payable – other	1,448,203	1,558,946
Income taxes payable	1,016,927	647,791
Provision for sales returns	45,735	20,978
Provision for bonuses	68,354	71,204
Other	329,065	316,840
Total current liabilities	3,328,026	3,097,790
Noncurrent liabilities		
Provision for retirement benefits	11,612	46,231
Provision for loss on guarantees	37,200	-
Other	156,276	151,128
Total noncurrent liabilities	205,088	197,359
Total liabilities	3,533,115	3,295,150
Net assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	199,120	199,120
Retained earnings	17,257,339	18,476,098
Treasury stock	(48,652)	(51,035)
Total shareholders' equity	19,407,806	20,624,182
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(206,624)	(129,363)
Foreign currency translation adjustment	(141,609)	(127,493)
Total accumulated other comprehensive income	(348,233)	(256,856)
Total net assets	19,059,573	20,367,325
Total liabilities and net assets	22,592,688	23,662,476

(2) Consolidated Statements of Earnings and Consolidated Statements of Comprehensive Income

Consolidated Statements of Earnings

Consolidated Fiscal Year Ended December 20, 2011 and 2012

(Thousand yen)

	Fiscal Year Ended December 20, 2011 (December 21, 2010 - December 20, 2011)	Fiscal Year Ended December 20, 2012 (December 21, 2011 - December 20, 2012)
Net sales	20,526,742	21,887,379
Cost of sales	6,906,735	7,053,704
Gross profit	13,620,006	14,833,674
Selling, general and administrative expenses	9,827,881	10,847,413
Operating income	3,792,125	3,986,260
Non-operating income		
Interest income	1,103	4,063
Dividends income	34,194	33,555
Company house defrayment income	52,637	57,711
Foreign exchange gains	-	12,118
Insurance cancellation margin of profit	7,813	-
Other	11,367	13,063
Total non-operating income	107,117	120,512
Non-operating expenses		
Sales discounts	342,744	371,176
Other	10,661	230
Total non-operating expenses	353,405	371,406
Ordinary income	3,545,837	3,735,366
Extraordinary income		
Insurance proceeds	498,102	-
Gain on sales of investment securities	1,555	-
Reversal of allowance for doubtful accounts	7,391	-
Reversal of provision for loss on guarantees	1,200	-
Total extraordinary income	508,250	-
Extraordinary loss		
Loss on retirement of noncurrent assets	5,269	138,702
Loss on valuation of investment securities	73,123	-
Provision of allowance for doubtful accounts	-	12,647
Loss on adjustment for changes of accounting standard for asset retirement obligations	28,320	-
Total extraordinary losses	106,713	151,349
Income before income taxes and minority interests	3,947,374	3,584,016
Income taxes – current	1,626,085	1,440,032
Income taxes – deferred	16,359	15,679
Total income taxes	1,642,445	1,455,711
Income before minority interests	2,304,928	2,128,304
Net income	2,304,928	2,128,304

Consolidated Statements of Comprehensive Income
 Consolidated Fiscal Year Ended December 20, 2011 and 2012

(Thousand yen)

	Fiscal Year Ended December 20, 2011 (December 21, 2010 - December 20, 2011)	Fiscal Year Ended December 20, 2012 (December 21, 2011 - December 20, 2012)
Income before minority interests	2,304,928	2,128,304
Other comprehensive income		
Valuation difference on available-for-sale securities	(65,344)	77,260
Foreign currency translation adjustment	(41,547)	14,115
Total other comprehensive income	(106,891)	91,376
Comprehensive income	2,198,037	2,219,681
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,198,037	2,219,681
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Thousand yen)

	Fiscal Year Ended December 20, 2011 (December 21, 2010 - December 20, 2011)	Fiscal Year Ended December 20, 2012 (December 21, 2011 - December 20, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,000,000	2,000,000
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	2,000,000	2,000,000
Capital surplus		
Balance at the beginning of current period	199,120	199,120
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	199,120	199,120
Retained earnings		
Balance at the beginning of current period	15,779,971	17,257,339
Changes of items during the period		
Dividends from surplus	(827,030)	(909,531)
Net income	2,304,928	2,128,304
Disposal of treasury stock	(529)	(14)
Total changes of items during the period	1,477,367	1,218,758
Balance at the end of current period	17,257,339	18,476,098
Treasury stock		
Balance at the beginning of current period	(38,254)	(48,652)
Changes of items during the period		
Purchase of treasury stock	(12,710)	(2,481)
Disposal of treasury stock	2,312	98
Total changes of items during the period	(10,398)	(2,382)
Balance at the end of current period	(48,652)	(51,035)
Total shareholders' equity		
Balance at the beginning of current period	17,940,836	19,407,806
Changes of items during the period		
Dividends from surplus	(827,030)	(909,531)
Net income	2,304,928	2,128,304
Purchase of treasury stock	(12,710)	(2,481)
Disposal of treasury stock	1,782	84
Total changes of items during the period	1,466,969	1,216,376
Balance at the end of current period	19,407,806	20,624,182

(Thousand yen)

	Fiscal Year Ended December 20, 2011 (December 21, 2010 - December 20, 2011)	Fiscal Year Ended December 20, 2012 (December 21, 2011 - December 20, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(141,280)	(206,624)
Balance at the beginning of current period		
Changes of items during the period		
Net changes of items other than shareholders' equity	(65,344)	77,260
Total changes of items during the period	(65,344)	77,260
Balance at the end of current period	(206,624)	(129,363)
Foreign currency translation adjustment		
Balance at the beginning of current period	(100,061)	(141,609)
Changes of items during the period		
Net changes of items other than shareholders' equity	(41,547)	14,115
Total changes of items during the period	(41,547)	14,115
Balance at the end of current period	(141,609)	(127,493)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(241,341)	(348,233)
Changes of items during the period		
Net changes of items other than shareholders' equity	(106,891)	91,376
Total changes of items during the period	(106,891)	91,376
Balance at the end of current period	(348,233)	(256,856)
Total net assets		
Balance at the beginning of current period	17,699,495	19,059,573
Changes of items during the period		
Dividends from surplus	(827,030)	(909,531)
Net income	2,304,928	2,128,304
Purchase of treasury stock	(12,710)	(2,481)
Disposal of treasury stock	1,782	84
Net changes of items other than shareholders' equity	(106,891)	91,376
Total changes of items during the period	1,360,078	1,307,752
Balance at the end of current period	19,059,573	20,367,325

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	Fiscal Year Ended December 20, 2011 (December 21, 2010 - December 20, 2011)	Fiscal Year Ended December 20, 2012 (December 21, 2011 - December 20, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,947,374	3,584,016
Depreciation and amortization	1,014,887	952,259
Increase (decrease) in allowance for doubtful accounts	(5,488)	69,497
Increase (decrease) in provision for bonuses	3,079	2,823
Increase (decrease) in provision for sales returns	26,660	(24,756)
Increase (decrease) in provision for loss on guarantees	(1,200)	(37,200)
Increase (decrease) in provision for retirement benefits	10,848	34,423
Decrease (increase) in prepaid pension costs	10,461	-
Interest and dividends income	(35,297)	(37,618)
Insurance income	(498,102)	-
Foreign exchange losses (gains)	4,891	(2,208)
Loss (gain) on sales of investment securities	(1,555)	-
Loss (gain) on valuation of investment securities	73,123	-
Loss on retirement of noncurrent assets	5,269	138,702
Loss on adjustment for changes of accounting standard for asset retirement obligations	28,320	-
Decrease (increase) in notes and accounts receivable-trade	(176,206)	67,527
Decrease (increase) in inventories	(19,870)	(86,089)
Increase (decrease) in notes and accounts payable-trade	(41,654)	61,220
Other, net	260,371	25,067
Subtotal	4,605,911	4,747,665
Interest and dividends income received	35,550	35,463
Payments for directors' retirement benefits	(248,854)	-
Income taxes paid	(1,234,683)	(1,805,740)
Net cash provided by (used in) operating activities	3,157,924	2,977,387
Net cash provided by (used in) investing activities		
Proceeds from sales of investment securities	9,208	-
Purchase of property, plant and equipment	(305,345)	(687,773)
Purchase of intangible assets	(213,698)	(176,386)
Payments of loans receivable	(5,670)	(10,441)
Collection of loans receivable	20,046	18,957
Payments into time deposits	(1,211)	(424,418)
Payments for guarantee deposits	(19,540)	(23,606)
Proceeds from collection of guarantee deposits	22,447	3,623
Purchase of insurance funds	(2,762)	(201,486)
Proceeds from cancellation of insurance funds	601,373	-
Other, net	(3,801)	(5,023)
Net cash provided by (used in) investing activities	101,045	(1,506,555)

(Thousand yen)

	Fiscal Year Ended December 20, 2011 (December 21, 2010 - December 20, 2011)	Fiscal Year Ended December 20, 2012 (December 21, 2011 - December 20, 2012)
Net cash provided by (used in) financing activities		
Net decrease (increase) in treasury stock	(10,928)	(2,397)
Cash dividends paid	(825,874)	(908,333)
Net cash provided by (used in) financing activities	(836,803)	(910,730)
Effect of exchange rate change on cash and cash equivalents	(16,361)	(3,160)
Net increase (decrease) in cash and cash equivalents	2,405,805	556,942
Cash and cash equivalents at beginning of period	2,670,550	5,076,356
Cash and cash equivalents at end of period	5,076,356	5,633,298