



Consolidated Financial Results for the Fiscal Year ended March 31, 2013
(April 1, 2012 through March 31, 2013)
(Prepared pursuant to Japanese GAAP)

All financial information has been prepared in accordance with accounting principles generally accepted in Japan. This is a partial English translation of the original Japanese-language document. All information pertains to consolidated results unless otherwise noted. Information on the basis of presentation of consolidated financial statements does not appear in this translation.

May 10, 2013

Company name: IT Holdings Corporation
 Stock exchange listings: The First Section of the Tokyo Stock Exchange
 Stock code: 3626
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Scheduled dates

Annual general shareholders' meeting: June 25, 2013
 Filing of statutory financial report: June 26, 2013
 Commencement of dividend payments: June 26, 2013

Supplementary materials to the full-year results: Available
 Full-year results presentation held: Yes (targeted at institutional investors and analysts)

Figures in millions of yen are rounded down to the nearest million

1. Consolidated Results for the Fiscal Year ended March 31, 2013 (FY2013)
(April 1, 2012 – March 31, 2013)

(1) Consolidated Financial Results Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2013	337,834	3.2	18,171	16.3	17,440	13.3	5,868	174.9
FY2012	327,417	1.3	15,621	21.9	15,393	21.9	2,135	(64.3)

Note: Comprehensive income: FY2013: 9,343 million yen (402.2%); FY2012: 1,860 million yen (70.1%)

	Net income per share – basic	Net income per share – diluted	Return on shareholders' equity	Ratio of recurring profit to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY2013	66.86	66.83	4.0	5.7	5.4
FY2012	24.33	24.33	1.5	5.0	4.8

For reference:

Equity in earnings (losses) of affiliated companies: FY2013: (105) million yen; FY2012: (202) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
End-FY2013	302,302	158,159	49.8	1,714.88
End-FY2012	310,003	150,965	46.3	1,636.72

For reference: Total equity: End of FY2013: 150,514 million yen End of FY2012: 143,658 million yen

*Total equity = Shareholders' equity plus total accumulated other comprehensive income

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equipments at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
FY2013	21,515	(14,391)	(19,883)	28,433
FY2012	23,658	(15,158)	(4,230)	41,119

2. Cash Dividends for Shareholders of Common Stock

Record date or period	Cash dividends per share					Total dividends paid (full year) millions of yen	Payout ratio (consolidated) %	Dividends paid to net assets (consolidated) %
	End-Q1	End-Q2	End-Q3	Year-end	Total			
FY2012	yen -	yen 0.00	yen -	yen 18.00	yen 18.00	1,579	74.0	1.1
FY2013	-	7.00	-	14.00	21.00	1,843	31.4	1.3
FY2014(forecast)	-	8.00	-	17.00	25.00		29.3	

3. Forecast of Consolidated Results for FY2014 (April 1, 2013 – March 31, 2014)

Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income		Net income per share – basic
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
First half of FY2014 (six months ending Sep. 30, 2013)	164,000	0.9	8,300	14.5	8,200	15.8	3,200	6.0	36.46
Full FY2014 (year ending Mar. 31, 2014)	345,000	2.1	20,500	12.8	20,000	14.7	7,500	27.8	85.45

※Notes

(1) Material reclassifications of subsidiaries during the period: None

Additions: None: Exclusions: None

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

1) Changes in accordance with amendments to accounting standards, etc.: None

2) Changes other than noted in 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Common stock issued

1) Issued shares as of period-end (including treasury stock):

End-FY2013 (March 31, 2013): 87,789,098 shares

End-FY2012 (March 31, 2012): 87,789,098 shares

2) Treasury stock as of period-end:

End-FY2013 (March 31, 2013): 19,046 shares

End-FY2012 (March 31, 2012): 16,882 shares

3) Average number of shares (during the fiscal year):

FY2013 (ended March 31, 2013): 87,771,318 shares

FY2012 (ended March 31, 2012): 87,773,108 shares

*Audit status

These materials are not subject to the audit procedure requirements of Japan's Financial Instruments and Exchange Act. As of this report's publication, an audit of the consolidated financial statements in accordance with the act had not been completed.

Caution on Forward-Looking Statements and Other Important Matters

This report contains earnings forecasts and other forward-looking statements that reflect IT Holdings Corporation's plans and expectations based on information available to the Company at the time of preparation and on certain other information the Company believes to be reasonable. These forward-looking statements are not guarantees of future performance, and actual results, performance, achievements or financial position may differ materially from those expressed or implied herein due to a range of factors. For details, refer to "(1) Analysis of Consolidated Operating Results" on page 2 in the accompanying materials.

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1. Results of Operations and Analysis of Financial Condition

(1) Analysis of Consolidated Operating Results

Results for fiscal 2013 (ended March 31, 2013)

In fiscal 2013, the Japanese economy, despite initial uncertainties stemming from concerns regarding overseas economies fueled primarily by the European financial crisis, showed signs of gradual expansion in the latter half of the fiscal year in anticipation of bold economic and financial measures following the change of government at the end of the year coupled with the depreciation of the yen and rising stock prices. Against this backdrop, the IT services industry has been witnessing an increasingly positive attitude among clients towards IT investments.

Under these circumstances, although some customers in the manufacturing industry refrained from making investments, the IT Holdings Group posted strong growth in sales and profits as clients on the whole resumed their IT investments.

In fiscal 2013, the IT Holdings Group's consolidated net sales rose 3.2% year on year to ¥337,834 million, operating income increased by 16.3% to ¥18,171 million and recurring profit rose 13.3% to ¥17,440 million, while net income soared 174.9% to ¥5,868 million.

Consolidated net sales increased year on year driven by the industrial IT services segment, which posted strong sales growth, and also the gradual recovery in the financial IT services segment. Profit levels improved significantly compared with the previous year owing to higher net sales and improved productivity. The impact of the Group office relocation and integration as well as that of reorganizational measures among Group companies in the previous fiscal year also contributed to the growth in profits.

Results by segment are as follows

1) IT Infrastructure Services

Consolidated sales increased 1.2% year on year to ¥112,666 million and operating income declined 11.8% to 7,101 million yen. While net sales rose steadily as major customers started using the Group's data centers, operating income declined year on year due to the impact of up-front investments made in response to the increased demand for the data center business as well as the rise in electricity charges.

2) Financial IT Services

Consolidated sales rose 2.0% year on year to ¥71,499 million and operating income grew 32.8% to ¥6,021 million. The increase in sales and profits was primarily driven by the Group's major customer credit card companies' moves to resume IT-related investments and the impact of cost reductions.

3) Industrial IT Services

Consolidated sales increased 4.2% year on year to ¥155,689 million, while operating income grew 87.8% to ¥4,992 million. A large-scale system development project for a major manufacturer led the sales increase, while profit levels improved by virtue of cost reductions.

4) Other

Consolidated sales in this segment showed a slight decrease year on year to ¥16,232 million, while operating income declined 5.4% to ¥2,153 million.

As for business expansion, the Group has been bolstering its existing businesses while boldly pursuing new services and precisely grasping the prevailing trends such as a shift to services-oriented business and globalization. The Group currently offers EINS WAVE, a high-availability wide-area virtual cloud service for corporate customers, by linking together its three domestic data centers (Tokyo, Hokuriku and Kansai), the first such commercially available service in Japan. It also started

offering its Asia Multi-platform Service, which provides total IT infrastructure support to globalizing companies expanding into other Asian countries.

At the same time, along with pursuing the construction of a new data center in Osaka to cater to the growing demand in the Kansai region, the Group also embarked on collaboration with SOFTBANK TELECOM Corp. in providing data center service, offering SOFTBANK's Pusan Data Center as a part of the disaster recovery and backup recovery (DR/BR) service.

In terms of business expansion related to big data, the importance of which has been increasing in corporate marketing activities, the Group decided to develop C-Finder, a big data analysis platform, jointly with OPT Inc. and Mathematical Systems Inc. It also established the TIS Enterprise Architecture Laboratory, which supports the formulation of effective IT strategies based on evidence obtained from testing the performance of the IT system, which is assuming greater importance upon utilizing big data, prior to its creation using actual hardware and software. In the Online to Offline (O2O) related business, which is expected to expand following the rapid spread of smartphones, the Group has developed a proprietary indoor location estimation technique based on the world's first hybrid model that utilizes the smartphone's built-in sensor and microphone. The Group has been carrying out test demonstration of the technology in addition to promotional activities towards its utilization.

Against this background, the Group's cloud compatible production control system AToMsQube received a JISA 2013 Award from the Japan Information Technology Services Industry Association for being a highly original system that achieved a certain level of success by quickly coping with globalization. Furthermore, the Group's next generation Office "Thin Office" was granted the IT Frontier Award instituted by the Japan Institute of Information Technology for realizing an IT environment suitable for productivity improvement.

At the same time, the IT Holdings Group has been pursuing globalization along with the foray into overseas markets by its clients. In addition to the China-centric business expansion up until now, the Group is accelerating its foray into the ASEAN region. While aiming to build a firm business foundation by strengthening the organization of its Singapore subsidiary, the Group, as part of its expansion into the global business process outsourcing (BPO) business, has concluded a basic agreement regarding the establishment of a joint-venture company F-AGREX (tentative name) with FPT Group, the largest private IT company in Vietnam with whom IT Holdings Group has had a long-standing, close relationship.

The IT Holdings Group has been taking a series of measures to reorganize its Group formation so as to build a structure that would facilitate future growth, while focusing on its core business and promoting consolidation based on business models particular to each core business.

To drive forward its growth strategy, TIS, Inc. added TIS Business Consultants, Inc. (formerly BM Consultants Inc.) to its group in a bid to enhance business portfolios and established a structure for the group to cover the entire business field starting from the extreme upstream. It also transferred customer onsite service business to TIS Solution Link Inc. in pursuit of further functional integration. IUK Inc. was added to the INTEC INC. Group to enhance business collaboration and improve management efficiency, and SKY INTEC Inc. and INTEC Amenity Inc. were merged. Furthermore, AJS Inc., from the selection and focus perspective, transferred its radiology information system business as well as AGMS Inc., a subsidiary engaged in apparel CAD business, to outside of the Group.

From the perspective of operating the Group with a sense of unity, the Group has launched and is actively pursuing projects to study the cash management system (CMS) integrated operation and consolidated taxation system, and has established a Brand Committee, all in quick succession. At the same time, it has started the activities of the IT Holdings Group College and energized intra-Group information sharing related to an international taxation system aimed at mitigating overseas tax-related risks among other measures to promote the medium-term management plan's concept of "as One Company" in earnest.

Forecast for fiscal 2014 (year ending March 31, 2014)

While the environment surrounding the IT Holding Group is expected to improve in step with the recovery in the Japanese economy, the Group needs to take measures to address the paradigm shift in the industry such as the diversification in the usage formats of IT at businesses.

Under such circumstances, the Group set forth the following group management strategy for fiscal 2014 based on the basic concepts of “top-line emphasis,” “as One Company,” and “enterprising and bold” of the second medium-term management plan (from fiscal 2013 through fiscal 2015), and will strive to achieve the targets under the plan.

1) Top-Line Emphasis

Put the Group top-line on a “growth track” to ensure “earnings recovery”.

2) as One Company

Further strengthen the Group’s communication base and develop an open and dynamic corporate culture.

3) Enterprising and Bold

Expand the services-oriented business and promote globalization.

The Company’s consolidated earnings forecast for fiscal 2014 is as follows.

Net sales	¥345,000 million	(+2.1% year on year)
Operating income	¥20,500 million	(+12.8% year on year)
Recurring profit	¥20,000 million	(+14.7% year on year)
Net income	¥7,500 million	(+27.8% year on year)

The above performance forecast reflects IT Holdings Corporation’s plans and expectations based on information available to the Company at the time of preparation and on certain other information the Company believes to be reasonable. They are not guarantees of future performance and actual results, performance, achievements or financial position may differ materially from those expressed or implied herein due to a range of factors.

(2) Analysis of Financial Condition

1) Assets, liabilities, and net assets

Consolidated assets totaled ¥302,302 million at the end of the fiscal year (March 31, 2013), of which, current assets accounted for ¥138,219 million and fixed assets accounted for ¥164,083 million, while liabilities totaled ¥144,143 million. Net assets were ¥158,159 million, of which minority interests accounted for ¥7,602 million.

2) Cash flow

Cash and cash equivalents (“cash”) totaled ¥28,433 million as of March 31, 2013, down ¥12,685 million versus the end of the previous fiscal year (March 31, 2012).

Contributions to cash flow were as follows.

Cash flow from operating activities

Operating activities generated net cash of ¥21,515 million. This mainly reflects income before income taxes of ¥11,185 million and the positive cash flow effect of ¥12,920 million in depreciation. These were partly offset by a ¥4,088 million increase in notes and accounts receivable and ¥4,180 million in income tax payments.

Cash flow from investing activities

Investing activities used net cash of ¥14,391 million, as inflows of ¥2,263 million in proceeds from lease and guarantee deposits were offset by outflows of ¥7,454 million in payments for the acquisition of property and equipment, ¥5,600 million for the acquisition of securities and ¥4,149 million for the acquisition of intangible assets.

Cash flow from financing activities

Financing activities used net cash of ¥19,883 million. Cash inflows of ¥12,500 million in proceeds from long-term debt were outweighed by outflows of ¥24,294 million for repayment of long-term debt and ¥4,053 million for net decrease in short-term borrowings.

For reference: Cash flow indicators

	Fiscal 2012	Fiscal 2013
Equity ratio (%)	46.3	49.8
Equity ratio based on market capitalization (%)	27.4	36.1
Ratio of interest-bearing debt to cash flow (years)	3.2	2.8
Interest-coverage ratio (times)	26.4	26.3

Equity ratio: Total equity / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flow

Interest-coverage ratio: Cash flow / Interest paid

Notes:

1. All indicators were calculated using consolidated financial statement data.
2. Market capitalization is based on the number of shares issued and outstanding (net of treasury stock).
3. Cash flow from operating activities is used as the cash flow variable.
4. "Interest-bearing debt" is all debt on the consolidated balance sheet on which interest is payable.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal 2013 and Fiscal 2014

In fiscal 2013, the Group booked extraordinary losses of approximately ¥2,600 million in expense following changes to the pension program at consolidated subsidiary TIS, Inc., approximately ¥1,500 million in real estate impairment loss, approximately ¥700 million in loss on disposal of fixed assets and a total of approximately ¥800 million spent in structural reform-related expenses. In addition to this, taking into account the need to secure sufficient internal reserves to fund continued growth, the Company plans to pay a year-end dividend of ¥14 per share.

For fiscal 2014, the Company plans to pay an annual dividend of ¥25 per share including an interim dividend of ¥8 per share.

(4) Business and Other Risks

Risks are inherent in each of the Company's business segments, including the emergence of unprofitable projects in the software development business and system failures in the outsourcing business. The Company takes various measures to ensure these risks do not materialize.

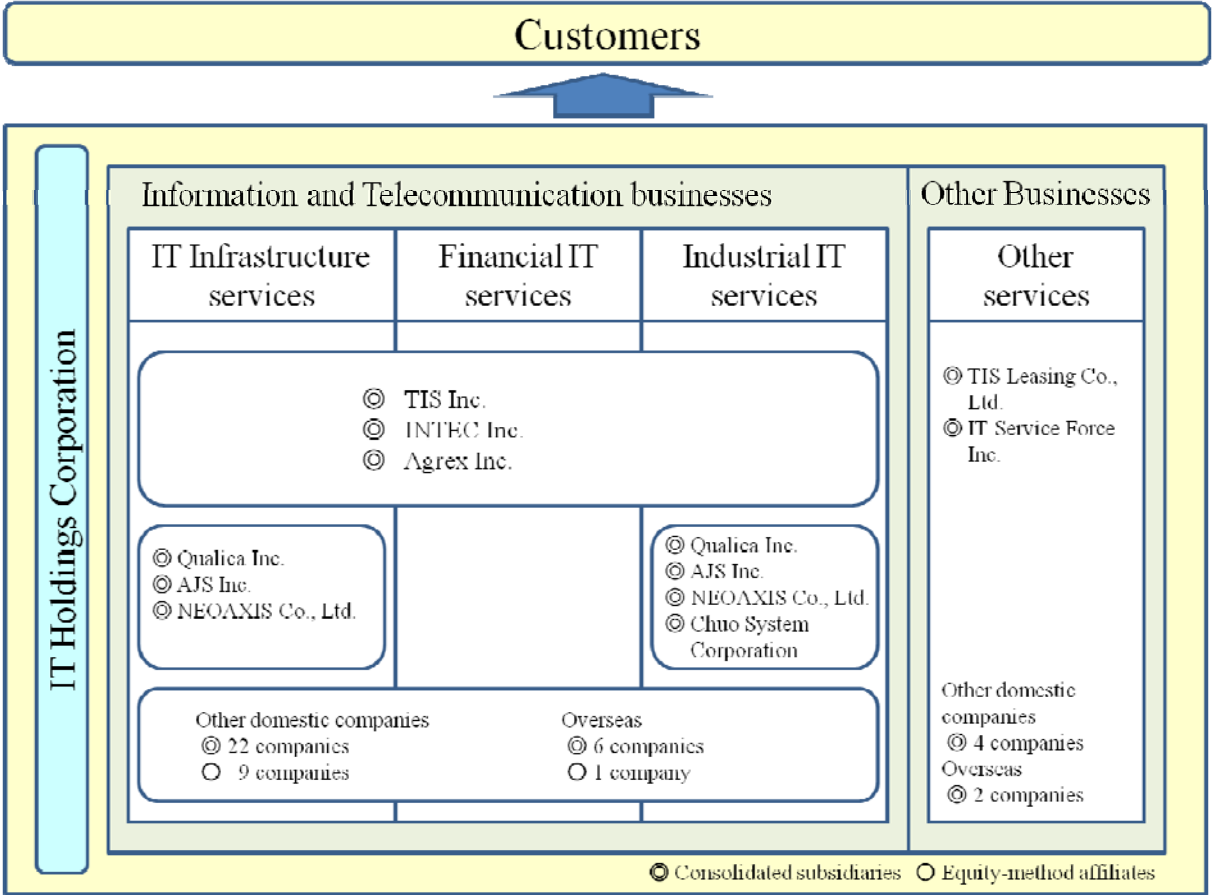
In the IT Infrastructure Service business, the Company operates data centers 24 hours a day, 365 days a year in Tokyo, Kanagawa Prefecture, Tochigi Prefecture, Toyama Prefecture, Aichi Prefecture, Osaka Prefecture, Tianjin, China, and other locations where its outsourcing and cloud services operations are carried out. The data centers have been built to be earthquake-proof or resistant, utilize privately operated power generators with uninterruptible power supplies, and have security equipment installed as part of the various measures taken to mitigate foreseeable risks.

Despite these measures, a prolonged power blackout, natural disaster of unforeseeable magnitude, international conflict, act of terrorism or major crime, or other such events that impede the smooth operation of the data centers may affect the Group's business results and financial condition.

All forward-looking statements in this document are based on information available to management as of the publication date, May 10, 2013.

2. Status of the Group

The group consists of IT Holdings Corporation (the parent company), 43 consolidated subsidiaries, and 10 affiliated companies accounted for under the equity method. The group’s core activities comprise the provision of outsourcing and cloud services, software development, and solution services, and the group also engages in businesses connected with these core activities such as leasing and consulting services. The group also provides other services, such as real estate rental and management services. As a pure holding company, IT Holdings handles business administration issues for the group and supports group companies in executing their respective business activities, which center on information and communication services. The Group’s structure and business flow are shown below.



3. Management Policy

(1) Basic Management Policy

IT Holdings has established, and discloses, the following management philosophy, which is the corporate cornerstone of the IT Holdings group.

Management Philosophy

The IT Holdings group seeks to be a corporate citizen, whose activities, namely, the provision of various services maximizing the power of information technology, match its status as a leading corporate group, and as a group, we will raise corporate value, supported in this effort by the high regard of all stakeholders, not only shareholders but also clients as well as employees and their families.

We will cultivate a vibrant corporate culture that encourages companies and individuals under the group umbrella to work together, embracing new challenges and striving to reach higher goals, and thereby ensure continued growth as a corporate entity.

We will always provide our clients with the very best products and services, through excellent quality and technology built on the composite strengths of the group.

We will uphold high corporate morals and fulfill our social obligations.

(2) Key Business Indicators

Amid dramatic business environment changes, such as the trend toward more complex and larger-scale systems, the rise of service-oriented approaches, ongoing globalization, and rapidly advancing technology innovation, the IT Holdings group, a leading IT services group, endeavors to play an integral role in creating a prosperous future for society.

(3) Medium- to Long-term Management Strategies

Management has defined the corporate image—the vision—that the group should strive to achieve. Everyone under the group umbrella shares this vision. It guides each person in the execution of daily activities, which in turn, underpins attainment of the ideals to which the group aspires and further enhances corporate value.

Group Vision

1. Play an integral role in realizing the comfortable lifestyles of tomorrow through IT

As the leading IT services group, we will design the template and develop the businesses that support several facets of tomorrow's society—where IT is the driving force of brisk activity in all industries as well as the creation of pleasant living environments where people feel safe and secure.

2. Act with initiative and a sense of enterprising spirit

We will be a group with a corporate culture that makes work enjoyable for employees. This atmosphere will encourage people to quickly pinpoint currents of change rippling across various realms, including society and technology, and resourcefully tackle emerging issues from a fresh perspective.

3. Secure the highest level of technological expertise

We will be a group that is constantly evolving, with an emphasis on new-technology R&D, production techniques and quality control, to achieve the highest level of quality and sharpen cost competitiveness.

4. Contribute to societal and industry advances

As part of the IT services industry, we will be a group that plays a pioneering role in the overall development of our industry, and as a member of society, we will be a group that faithfully carries out our social responsibility and contributes to the communities in which we share a presence. This two-fold commitment will earn us a solid reputation from all directions.

(4) Issues Requiring a Response

1. Put the Group on a “growth track” to ensure “earnings recovery”

In fiscal 2013, the measures taken under the basic concept of “top-line emphasis” of the 2nd medium-term management plan started bearing fruit with signs pointing to an earnings recovery. However, the Group’s earnings continue to be significantly influenced by investment trends of top customers, as it is still highly dependent on the existing customer base. In view of this, the Company recognizes that it is necessary to further expand its top-line by focusing even more on new customers and new business areas.

2. Further strengthen the Group’s communication base

The Company has been implementing group activities involving core personnel expected to lead the Group in the future and pursuing a common group brand to realize the concept of “as One Company”. While these efforts are still in the beginning stage, the Company aims to further build on and strengthen these measures in fiscal 2014 to promote a stronger sense of unity.

3. Promote globalization, expand service-oriented business and boost profitability

The Group is witnessing increasing demands for services at overseas bases as its client companies globalize. While it has been increasing the number of business bases in Asia, it has yet to demonstrate its comprehensive strength as a Group, as the individual group companies are establishing the bases for their own businesses and investment efficiency is low. Moreover, the scale of the respective businesses is small and they face profitability issues. The Group’s overseas business is still in its infancy and it aims to expand the business so that it can offer cross-group services by streamlining and improving efficiency of the business from the perspective of total optimization.

In addition, though the Group offers various services and solutions in the service-oriented business, the business is yet to grow into a pillar supporting operating revenue. Going forward, the Group will continue focusing on its business while speeding up the expansion of its customer base and enhancement of services.

(5) Other Important Management Matters

None

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of Mar. 31, 2012	As of Mar. 31, 2013
	millions of yen	millions of yen
Assets		
Current assets		
Cash and deposits	41,365	28,633
Notes and accounts receivable	64,591	68,249
Lease receivables and lease investment assets	8,942	9,322
Marketable securities	201	5,401
Merchandise and finished goods	2,633	3,035
Work in process	8,278	7,091
Raw materials and supplies	209	200
Deferred tax assets	8,027	8,523
Other current assets	8,305	7,846
Allowance for doubtful accounts	(112)	(85)
Total current assets	142,442	138,219
Fixed assets		
Property and equipment		
Buildings and structures, net	58,635	58,133
Machinery and equipment, net	4,360	4,231
Land	22,266	21,135
Leased assets, net	3,455	3,615
Other property and equipment, net	6,074	6,475
Total property and equipment	94,792	93,592
Intangible assets		
Goodwill	3,471	1,784
Other intangible assets	14,047	13,487
Total intangible assets	17,519	15,272
Investments and other assets		
Investment securities	28,693	32,633
Deferred tax assets	8,597	6,823
Other assets	19,986	17,577
Allowance for doubtful accounts	(2,028)	(1,816)
Total investments and other assets	55,248	55,218
Total fixed assets	167,560	164,083
Total assets	310,003	302,302

	As of Mar. 31, 2012	As of Mar. 31, 2013
	millions of yen	millions of yen
Liabilities		
Current liabilities		
Notes and accounts payable	17,917	17,692
Short-term borrowings	23,126	32,881
Corporate bonds (redeemed within one year)	100	-
Income taxes payable	2,341	3,112
Accrued bonuses to directors and employees	11,115	11,074
Other allowances	322	551
Other current liabilities	28,141	25,750
Total current liabilities	83,065	91,063
Non-current liabilities		
Long-term debt	53,288	27,668
Lease obligations	4,723	5,501
Deferred tax liabilities	503	492
Deferred tax liabilities from revaluation of land	869	732
Accrued retirement benefits to employees	12,359	12,762
Accrued retirement benefits to directors	107	108
Other non-current liabilities	4,120	5,813
Total non-current liabilities	75,972	53,079
Total liabilities	159,038	144,143
Net assets		
Shareholders' equity		
Common stock	10,001	10,001
Additional paid-in capital	86,787	86,787
Retained earnings	47,673	51,596
Less treasury stock, at cost	(25)	(27)
Total shareholders' equity	144,436	148,357
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,210	4,271
Revaluation of land	(1,718)	(1,967)
Foreign currency translation adjustments	(270)	(147)
Total accumulated other comprehensive income	(778)	2,157
Stock acquisition rights	38	42
Minority interests	7,267	7,602
Total net assets	150,965	158,159
Total liabilities and net assets	310,003	302,302

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

	FY2012	FY2013
	millions of yen	millions of yen
Net sales	327,417	337,834
Cost of sales	266,159	276,935
Gross profit	61,258	60,899
Selling, general and administrative expenses	45,636	42,727
Operating income	15,621	18,171
Non-operating income		
Interest income	23	23
Dividend income	619	565
Foreign exchange gains	18	184
Rental income from real estate	266	257
Reversal of allowance for doubtful accounts	270	-
Other	449	427
Total non-operating income	1,646	1,458
Non-operating expense		
Interest expenses	898	789
Equity in losses of non-consolidated subsidiaries and affiliates	202	105
Provision of allowance for doubtful accounts	-	482
Other	773	813
Total non-operating expenses	1,874	2,189
Recurring profit	15,393	17,440
Extraordinary income		
Gain on sale of fixed assets	62	44
Gain on sale of investment securities	1,142	95
Other	103	36
Total extraordinary income	1,307	175
Extraordinary loss		
Loss on disposal of fixed assets	249	662
Impairment loss	766	1,523
Valuation loss on investment securities	318	71
Merger-related expenses	381	-
Structural reform-related expenses	7,852	843
Loss on partial termination of retirement benefit scheme	-	2,609
Other	1,010	720
Total extraordinary loss	10,579	6,431
Income before income taxes and minority interests	6,121	11,185
Income taxes: current	4,068	5,224
Income taxes: deferred	(170)	(349)
Total income taxes	3,897	4,874
Income before minority interests	2,224	6,310
Minority interests in earnings (losses) of consolidated subsidiaries	89	441
Net income	2,135	5,868

Consolidated Statements of Comprehensive Income

	FY2012	FY2013
	millions of yen	millions of yen
Income before minority interests	2,224	6,310
Other comprehensive income		
Net unrealized gains on other securities	(514)	3,108
Difference in revaluation of land	123	(248)
Foreign currency translation adjustments	33	169
Share of other comprehensive income of associates accounted for using the equity method	(5)	4
Total other comprehensive income	(363)	3,033
Comprehensive income	1,860	9,343
(Composition)		
Comprehensive income attributable to owners of the parent	1,772	8,804
Comprehensive income attributable to minority interests	87	539

(3) Consolidated Statements of Changes in Net Assets

	FY2012	FY2013
	millions of yen	millions of yen
Shareholders' equity		
Common stock		
Balance at beginning of fiscal year	10,001	10,001
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of fiscal year	10,001	10,001
Additional paid-in capital		
Balance at beginning of fiscal year	86,788	86,787
Changes during the fiscal year		
Disposal of treasury stock	(0)	(0)
Total changes during the fiscal year	(0)	(0)
Balance at end of fiscal year	86,787	86,787
Retained earnings		
Balance at beginning of fiscal year	47,298	47,673
Changes during the fiscal year		
Dividends from surplus	(1,755)	(2,194)
Net income	2,135	5,868
Change in scope of equity method	(0)	-
Reduction in revaluation reserve for land	-	248
Decrease due to merger of consolidated and non-consolidated subsidiaries	(3)	-
Net changes during the fiscal year	375	3,923
Balance at end of fiscal year	47,673	51,596
Treasury stock		
Balance at beginning of fiscal year	(24)	(25)
Changes during the fiscal year		
Acquisition of treasury stock	(1)	(2)
Disposal of treasury stock	0	0
Net changes during the fiscal year	(1)	(2)
Balance at end of fiscal year	(25)	(27)
Total shareholders' equity		
Balance at beginning of fiscal year	144,062	144,436
Changes during the fiscal year		
Dividends from surplus	(1,755)	(2,194)
Net income	2,135	5,868
Acquisition of treasury stock	(1)	(2)
Disposal of treasury stock	0	0
Change in scope of equity method	(0)	-
Reversal of land revaluation difference	-	248
Decrease from merger of consolidated and non-consolidated subsidiaries	(3)	-
Net changes during the fiscal year	374	3,920
Balance at end of fiscal year	144,436	148,357

	FY2012	FY2013
	millions of yen	millions of yen
Accumulated other comprehensive income		
Net unrealized gains on other securities		
Balance at beginning of fiscal year	1,729	1,210
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	(519)	3,061
Net changes during the fiscal year	(519)	3,061
Balance at end of fiscal year	1,210	4,271
Revaluation reserve for land		
Balance at beginning of fiscal year	(1,841)	(1,718)
Items other than changes in shareholders' equity, net	123	(248)
Total change during the fiscal year	123	(248)
Balance at end of the fiscal year	(1,718)	(1,967)
Foreign currency translation adjustments		
Balance at beginning of fiscal year	(303)	(270)
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	33	123
Net changes during the fiscal year	33	123
Balance at end of fiscal year	(270)	(147)
Accumulated other comprehensive income		
Balance at beginning of fiscal year	(415)	(778)
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	(362)	2,935
Net changes during the fiscal year	(362)	2,935
Balance at end of fiscal year	(778)	2,157
Stock acquisition rights		
Balance at beginning of fiscal year	29	38
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	9	3
Net changes during the fiscal year	9	3
Balance at end of fiscal year	38	42
Minority interests		
Balance at beginning of fiscal year	7,434	7,267
Changes during the fiscal year		
Items other than changes in shareholders' equity, net	(166)	334
Net changes during the fiscal year	(166)	334
Balance at end of fiscal year	7,267	7,602
Total net assets		
Balance at beginning of fiscal year	151,110	150,965
Changes during the fiscal year		
Dividends from surplus	(1,755)	(2,194)
Net income	2,135	5,868
Acquisition of treasury stock	(1)	(2)
Disposal of treasury stock	0	0
Change in scope of equity method	(0)	-
Reversal of land revaluation difference	-	248
Decrease due to merger of consolidated and non-consolidated subsidiaries	(3)	-
Items other than changes in shareholders' equity, net	(519)	3,273
Net changes during the fiscal year	(145)	7,194
Balance at end of fiscal year	150,965	158,159

(4) Consolidated Statements of Cash Flows

Items	FY2012	FY2013
	millions of yen	millions of yen
Cash flows from operating activities		
Income before income taxes and minority interests	6,121	11,185
Depreciation	12,745	12,920
Impairment loss	766	1,523
Loss on disposal of fixed assets	249	662
Valuation (gain) loss on investment securities	318	71
Amortization of goodwill	1,882	1,670
Increase (decrease) in accrued bonuses to directors and employees	(8)	(11)
Increase(decrease) in allowance for doubtful accounts	(391)	(238)
Increase (decrease) in accrued retirement benefits to employees	547	413
Interest and dividend income	(642)	(589)
Interest expenses	898	789
(Increase) decrease in notes and accounts receivable	(5,235)	(4,088)
(Increase) decrease in inventories	(2,214)	770
Increase (decrease) in notes and accounts payable	2,710	(71)
Structural reform-related expenses	2,388	(401)
Other, net	8,448	1,331
Subtotal	28,585	25,936
Interest and dividend income received	656	578
Interest expenses paid	(897)	(819)
Income taxes paid	(4,685)	(4,180)
Net cash provided by (used in) operating activities	23,658	21,515
Cash flows from investing activities		
Purchase of marketable securities	(400)	(5,600)
Acquisitions of property and equipment	(9,519)	(7,454)
Acquisitions of intangible assets	(4,927)	(4,149)
Proceeds from sale and redemption of investment securities	2,314	990
Payment of lease and guarantee deposits	(2,009)	(308)
Collection of lease and guarantee deposits	538	2,263
Other, net	(1,153)	(134)
Net cash provided by (used in) investing activities	(15,158)	(14,391)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	4,403	(4,053)
Proceeds from long-term debt	16,637	12,500
Repayments of long-term debt	(14,662)	(24,294)
Redemption of bonds	(7,500)	(100)
Dividends paid	(1,755)	(2,194)
Dividends paid to minority shareholders	(155)	(199)
Other, net	(1,197)	(1,540)
Net cash provided by (used in) financing activities	(4,230)	(19,883)
Effect of exchange rate changes on cash and cash equivalents	31	109
Net increase (decrease) in cash and cash equivalents	4,301	(12,649)
Cash and cash equivalents at beginning of year	36,492	41,119
Increase in cash and cash equivalents resulting from merger	325	-
Decrease in cash and cash equivalents due to corporate division	-	(36)
Cash and cash equivalents at end of year	41,119	28,433

(5) Notes on the Going-concern Assumption
Not applicable