#### Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail. . . . . . . . . . 

# **Summary of Consolidated Financial Results** for the Year Ended December 31, 2012 (Based on Japanese GAAP)

February 13, 2013

Company name	Aoyama Zai	Aoyama Zaisan Networks Co., Ltd.					
Stock exchange listing	Tokyo						
Stock Code	8929	URL http://www.azn.co.jp/					
Representative	President		Masazu	ımi Hasumi			
Inquiries	General Mar	nager, Administration Division	Yoshik	azu Mizushima	TEL 03-6439-5800		
Scheduled date of ordir	nary general m	neeting of shareholders	March 28, 2013				
Scheduled date to file S	ecurities Rep	ort	March 28, 2013				
Scheduled date to commence dividend payments			March 29, 2013				
Preparation of supplementary material on earnings			yes				
Holding of earnings performance review			yes	(for analysts)			

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2012 (from January 1, 2012 to December 31, 2012) (1) Consolidated operation entages indicat Da ....14

(1) Consolidated operating results					Percenta	ages indic	cate year-on-year o	changes
	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2012	5,839	(23.4)	98	(47.2)	91	(44.8)	92	(57.8)
Year ended December 31, 2011	7,627	45.9	186	(6.7)	166	3.7	218	164.5

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2012	871.25	-	7.4	2.2	1.7
Year ended December 31, 2011	2,063.14	-	17.8	4.1	2.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2012	4,769	1,941	26.5	11,947.42
As of December 31, 2011	3,698	1,224	33.1	11,584.90

#### (3) Consolidated cash flows

	Cash flows from	Cash flows from	Cash flows from	Period-end cash and
	operating activities	investing activities	financing activities	cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of December 31, 2012	227	(1,203)	247	746
As of December 31, 2011	579	122	(602)	1,474

#### 2. Cash dividends

		Annual dividends					Dividend	Ratio of dividends to
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total	dividends (Total)	(Consolidated)	net assets (Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2011	-	0.00	-	650.00	650.00	68	31.5	5.6
Year ended December 31, 2012	-	0.00	-	750.00	750.00	79	86.1	6.4
Year ending December 31, 2013 (Forecast)	-	0.00	-	750.00	750.00		61.0	

3. Forecast of consolidated financial results for the year ending December 31, 2013 (from January 1, 2013 to December 31, 2013)

			•			•			
							Percentages in	dicate ye	ear-on-year changes
	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2013	2,850	(30.3)	10	(68.0)	10	(72.2)	10	(70.5)	94.60
Full year	6,190	6.0	140	42.1	140	52.6	130	41.2	1,229.84

yes

#### 4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2012

(changes in specified subsidiaries resulting in the change in scope of consolidation):

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

Changes in accounting policies due to revisions to accounting standards and other regulations:	yes
Changes in accounting policies due to other reasons:	no
Changes in accounting estimates:	yes
Restatement of prior period financial statements after error corrections:	no

#### (3) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2012	105,705 shares	As of December 31, 2011	105,705 shares				
Number of shares of treasury stock at the end of the period							
As of December 31, 2012	- shares	As of December 31, 2011	- shares				
Average number of shares during the period (cumulative from the beginning of the fiscal year)							
Year ended December 31, 2012	105,705 shares	Year ended December 31, 2011	105,705 shares				

# Consolidated financial statements

Consolidated balance sheets

		(Thousands of yer
	As of December 31, 2011	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	1,474,995	746,749
Accounts receivable-trade	215,206	247,16
Real estate for sale	0	90,284
Other inventories	11,779	16,111
Purchased receivables	52,527	16,727
Other	88,341	60,669
Allowance for doubtful accounts	(51,929)	(22,829
Total current assets	1,790,921	1,154,874
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	89,371	910,038
Accumulated depreciation	(42,317)	(54,432
Buildings and structures, net	47,053	855,600
Vehicles	5,131	
Accumulated depreciation	(4,220)	
Vehicles, net	910	
Land	1,406	1,012,806
Other	61,503	102,569
Accumulated depreciation	(47,456)	(48,287
Other, net	14,047	54,281
Total property, plant and equipment	63,417	1,922,693
Intangible assets		
Software	34,162	30,228
Goodwill	286,447	122,755
Other	2,374	2,980
Total intangible assets	322,984	155,963
Investments and other assets		
Investment securities	1,382,765	1,395,623
Stocks of subsidiaries and affiliates	3,260	3,260
Other	134,951	136,906
Total investments and other assets	1,520,977	1,535,790
Total noncurrent assets	1,907,380	3,614,447
Total assets	3,698,302	4,769,322

LiabilitiesCurrent liabilitiesAccounts payable-tradeAccounts payable-tradeG00,000Current portion of long-term loans payable33,600Current portion of bonds395,000Qurrent portion of bonds17,799RefOther provision22,15924,577Other7 total current liabilitiesBonds payable98,76420,2500Long-term loans payable999 </th <th></th> <th></th> <th>(Thousands of yen</th>			(Thousands of yen
Current liabilities         63,682         67,073           Short-term loans payable         600,000         600,000           Current portion of long-term loans payable         33,600         58,703           Current portion of bonds         395,000         92,500           Income taxes payable         17,799         8,764           Other provision         22,159         24,577           Other         354,484         297,237           Total current liabilities         1,486,724         1,148,866           Noncurrent liabilities         92,500         100,974,855           Long-term loans payable         92,500         100,974,855           Long-term deposits received         70,216         60,539           Provision for retirement benefits         48,061         50,590           Long-term lease and guarantee deposited         718,216         812,755           Total liabilities         986,995         1,678,733           Total liabilities         2,473,719         2,827,599           Net assets         334,224         334,224         334,224           Sharehoklers' equity         1,600,100         1,623,487           Capital stock         1,030,817         1,030,817           Capital stock		As of December 31, 2011	As of December 31, 2012
Accounts payable-trade         63,682         67,074           Short-term loans payable         600,000         600,000           Current portion of long-term loans payable         33,600         58,703           Current portion of bonds         395,000         92,500           Income taxes payable         17,799         8,766           Other provision         22,159         24,577           Other         354,484         297,237           Total current liabilities         1,488,6724         1,148,867           Noncurrent liabilities         92,500         100           Long-term loans payable         92,500         100           Long-term loans payable         92,500         100,539           Provision for retirement benefits         48,061         50,590           Long-term lease and guarantee deposited         718,216         812,753           Total noncurrent liabilities         986,995         1,678,733           Total liabilities         2,473,719         2,827,597           Net assets         334,224         334,224           Shareho klers' equity         1,030,817         1,030,817           Capital stock         1,030,1817         1,030,817           Capital stock         1,000,100	Liabilities		
Short-tern loans payable         600,000         600,000           Current portion of long-term loans payable         33,600         58,703           Current portion of bonds         395,000         92,500           Income taxes payable         17,799         8,766           Other provision         22,159         24,577           Other         354,484         297,237           Total current liabilities         1,486,724         1,148,866           Noncurrent liabilities         1,486,724         1,148,866           Noncurrent liabilities         92,500         100         16,0533           Long-term loans payable         986,091         1,678,733           Total noncurrent liabilities         2,473,719         2,827,597           Net assets         Shareho klers' equity         1,030,817         1,030,817           Capital stock         1,030,817         1,030,817         1,030,817           Capital stock         1,600,100         1,623,484           Accumulated others' equit			
Current portion of long-term loans payable $33,600$ $58,700$ Current portion of bonds $395,000$ $92,500$ Income taxes payable $17,799$ $8,760$ Other provision $22,159$ $24,57'$ Other $354,484$ $297,23'$ Total current liabilities $1,486,724$ $1,148,860$ Bonds payable $92,500$ $1000000000000000000000000000000000000$		,	67,078
Current portion of bonds $395,000$ $92,500$ Income taxes payable $17,799$ $8,760$ Other provision $22,159$ $24,57'$ Other $354,484$ $297,23'$ Total current liabilities $1,486,724$ $1,148,860$ Bonds payable $92,500$ $1000000000000000000000000000000000000$		600,000	600,000
Income taxes payable         17,799         8,766           Other provision         22,159         24,577           Other         354,484         297,237           Total current liabilities         1,486,724         1,148,667           Noncurrent liabilities         1,486,724         1,148,667           Bonds payable         92,500         100           Long-term loans payable         58,000         754,85           Long-term deposits received         70,216         60,539           Provision for retirement benefits         48,061         50,590           Long-term lease and guarantee deposited         718,216         812,757           Total noncurrent liabilities         986,995         1,678,733           Total inoncurrent liabilities         2,473,719         2,827,597           Net assets         Shareholders' equity         2,473,719         2,827,597           Capital stock         1,030,817         1,030,817         1,030,817           Capital stock         1,030,817         1,030,817         1,030,817           Total shareholders' equity         235,059         258,444           Total shareholders' equity         342,224         334,224           Accumulated other comprehensive income         (375,518)		33,600	58,703
Other provision $22,159$ $24,57'$ Other $354,484$ $297,23'$ Total current liabilities $1,486,724$ $1,148,86'$ Noncurrent liabilities $1,486,724$ $1,148,86'$ Bonds payable $92,500$ $20,200$ Long-term loans payable $58,000$ $754,85'$ Long-term deposits received $70,216$ $60,53'$ Provision for retirement benefits $48,061$ $50,590'$ Long-term lease and guarantee deposited $718,216$ $812,75'$ Total noncurrent liabilities $986,995$ $1,678,73'$ Total liabilities $2,473,719$ $2,827,59''$ Net assets $334,224$ $334,224'''''''''''''''''''''''''''''''''$	Current portion of bonds	395,000	92,500
Other354,484297,23Total current liabilities1,486,7241,148,86Noncurrent liabilities92,5001Bonds payable92,5006Long-term deposits received70,21660,539Provision for retirement benefits48,06150,590Long-term lease and guarantee deposited718,216812,755Total noncurrent liabilities986,9951,678,733Total inocurrent liabilities2,473,7192,827,597Net assets1,030,8171,030,817Shareholders' equity334,224334,224Capital stock1,030,8171,030,817Total shareholders' equity1,600,1001,623,487Accumulated other comprehensive income(375,518)(360,584Valuation difference on available-for-sale securities(375,518)(360,584Total net assets-678,8221,941,724Total net assets-678,8221,941,724	Income taxes payable	17,799	8,766
Total current liabilities1,486,7241,148,867Noncurrent liabilities92,500Long-term loans payable92,500Long-term deposits received70,216Provision for retirement benefits48,061States718,216Marcel and guarantee deposited718,216Total noncurrent liabilities986,995Total liabilities2,473,719Shareholders' equity334,224Capital stock1,030,817Total shareholders' equity334,224Accumulated other comprehensive income(375,518)Valuation difference on available-for-sale securities(375,518)Total net assets-Minority interests-Total net assets-Total net assets-Minority interests-Total net assets-Total net assets-Minority interests-Total net assets-Minority interests-Total net assets-Total net assets-Minority interests-Minority interests-Minority interests-Minority interests- <td< td=""><td>Other provision</td><td>22,159</td><td>24,577</td></td<>	Other provision	22,159	24,577
Noncurrent liabilitiesBonds payable92,500Long-term loans payable58,000Torg-term deposits received70,216Provision for retirement benefits48,061Long-term lease and guarantee deposited718,216Total noncurrent liabilities986,995Total noncurrent liabilities2,473,719Z,473,7192,827,597Net assets1,030,817Shareholders' equity334,224Capital stock1,030,817Total shareholders' equity235,059Accumulated other comprehensive income(375,518)Valuation difference on available-for-sale securities(375,518)Total accumulated other comprehensive income-Minority interests-Total net assets-Total net assets-Minority interests-Total net assets-1,224,5821,941,72	Other	354,484	297,237
Bonds payable         92,500           Long-term loans payable         58,000         754,85           Long-term deposits received         70,216         60,539           Provision for retirement benefits         48,061         50,590           Long-term lease and guarantee deposited         718,216         812,755           Total noncurrent liabilities         986,995         1,678,733           Total liabilities         2,473,719         2,827,597           Net assets         Shareholders' equity         2,473,719         2,827,597           Capital stock         1,030,817         1,030,817         1,030,817           Capital stock         1,030,100         1,623,487           Total shareholders' equity         235,059         258,444           Total shareholders' equity         1,600,100         1,623,487           Accumulated other comprehensive income         (375,518)         (360,584           Valuation difference on available-for-sale securities         (375,518)         (360,586           Total accumulated other comprehensive income         (375,518)         (360,588           Minority interests         -         678,822           Total net assets         1,224,582         1,941,72	Total current liabilities	1,486,724	1,148,862
Long-term loans payable $58,000$ $754,85$ Long-term deposits received $70,216$ $60,539$ Provision for retirement benefits $48,061$ $50,590$ Long-term lease and guarantee deposited $718,216$ $812,752$ Total noncurrent liabilities $986,995$ $1,678,732$ Total liabilities $2,473,719$ $2,827,597$ Net assetsShareholders' equity $334,224$ $334,224$ Capital stock $1,030,817$ $1,030,817$ $1,030,817$ Total shareholders' equity $235,059$ $258,444$ Total shareholders' equity $1,600,100$ $1,623,487$ Accumulated other comprehensive income $(375,518)$ $(360,586)$ Valuation difference on available-for-sale securities $(375,518)$ $(360,586)$ Total net assets $ 678,822$ Total net assets $1,224,582$ $1,941,722$	Noncurrent liabilities		
Long-term deposits received         70,216         60,539           Provision for retirement benefits         48,061         50,590           Long-term lease and guarantee deposited         718,216         812,752           Total noncurrent liabilities         986,995         1,678,732           Total liabilities         2,473,719         2,827,597           Net assets         Shareholders' equity         2,473,719         2,827,597           Capital stock         1,030,817         1,030,817         34,224           Capital stock         1,030,817         1,030,817         34,224           Retained earnings         235,059         258,444           Total shareholders' equity         1,600,100         1,623,487           Accumulated other comprehensive income         (375,518)         (360,584           Valuation difference on available-for-sale securities         (375,518)         (360,584           Total accumulated other comprehensive income         (375,518)         (360,584           Minority interests         -         678,822           Total net assets         1,224,582         1,941,72	Bonds payable	92,500	
Provision for retirement benefits48,06150,590Long-term lease and guarantee deposited718,216812,752Total noncurrent liabilities986,9951,678,732Total liabilities2,473,7192,827,597Vet assets2,473,7192,827,597Shareho klers' equity1,030,8171,030,817Capital stock1,030,8171,030,817Capital surplus334,224334,224Retained earnings235,059258,440Total shareho klers' equity1,600,1001,623,487Accumulated other comprehensive income(375,518)(360,580Valuation difference on available-for-sale securities(375,518)(360,580Total accumulated other comprehensive income(375,518)(360,580Minority interests-678,8221,224,582Total net assets1,224,5821,941,722	Long-term loans payable	58,000	754,851
Long-term lease and guarantee deposited718,216812,75Total noncurrent liabilities986,9951,678,73Total liabilities2,473,7192,827,59Net assets2,473,7192,827,59Shareholders' equity1,030,8171,030,817Capital stock1,030,8171,030,817Capital surplus334,224334,224Retained earnings235,059258,440Total shareholders' equity1,600,1001,623,48°Accumulated other comprehensive income(375,518)(360,580Valuation difference on available-for-sale securities(375,518)(360,580Total accumulated other comprehensive income(375,518)(360,580Minority interests-678,822Total net assets1,224,5821,941,724	Long-term deposits received	70,216	60,539
Total noncurrent liabilities986,9951,678,732Total liabilities2,473,7192,827,597Net assets2,473,7192,827,597Shareholders' equity1,030,8171,030,817Capital stock1,030,8171,030,817Capital surplus334,224334,224Retained earnings235,059258,444Total shareholders' equity1,600,1001,623,487Accumulated other comprehensive income(375,518)(360,584Valuation difference on available-for-sale securities(375,518)(360,584Total accumulated other comprehensive income(375,518)(360,584Minority interests-678,822Total net assets1,224,5821,941,724	Provision for retirement benefits	48,061	50,590
Total liabilities2,473,7192,827,59Net assetsShareholders' equity1,030,8171,030,817Capital stock1,030,8171,030,817Capital surplus334,224334,224Retained earnings235,059258,444Total shareholders' equity1,600,1001,623,48Accumulated other comprehensive income(375,518)(360,586Valuation difference on available-for-sale securities(375,518)(360,586Total accumulated other comprehensive income(375,518)(360,586Minority interests-678,822Total net assets1,224,5821,941,724	Long-term lease and guarantee deposited	718,216	812,753
Net assetsShareholders' equityCapital stockCapital surplusCapital surplusRetained earningsTotal shareholders' equityAccumulated other comprehensive incomeValuation difference on available-for-sale securitiesTotal accumulated other comprehensive incomeValuation difference on available-for-sale securitiesTotal accumulated other comprehensive incomeMinority interestsTotal net assets1,224,5821,224,5821,941,724	Total noncurrent liabilities	986,995	1,678,735
Shareholders' equityCapital stock1,030,817Capital surplus334,224Retained earnings235,059Total shareholders' equity1,600,100Accumulated other comprehensive income(375,518)Valuation difference on available-for-sale securities(375,518)Total accumulated other comprehensive income(375,518)Minority interests-Total net assets1,224,582Total net assets1,224,582	Total liabilities	2,473,719	2,827,597
Capital stock1,030,8171,030,817Capital surplus334,224334,224Retained earnings235,059258,444Total shareholders' equity1,600,1001,623,487Accumulated other comprehensive income(375,518)(360,584Valuation difference on available-for-sale securities(375,518)(360,584Total accumulated other comprehensive income(375,518)(360,584Minority interests-678,822Total net assets1,224,5821,941,724	Net assets		
Capital surplus334,224334,224Retained earnings235,059258,444Total shareholders' equity1,600,1001,623,487Accumulated other comprehensive income(375,518)(360,586Valuation difference on available-for-sale securities(375,518)(360,586Total accumulated other comprehensive income(375,518)(360,586Minority interests-678,822Total net assets1,224,5821,941,724	Shareholders' equity		
Retained earnings235,059258,440Total shareholders' equity1,600,1001,623,480Accumulated other comprehensive income(375,518)(360,580Valuation difference on available-for-sale securities(375,518)(360,580Total accumulated other comprehensive income(375,518)(360,580Minority interests-678,822Total net assets1,224,5821,941,724	Capital stock	1,030,817	1,030,817
Total shareholders' equity1,600,1001,623,48'Accumulated other comprehensive income(375,518)(360,58)Valuation difference on available-for-sale securities(375,518)(360,58)Total accumulated other comprehensive income(375,518)(360,58)Minority interests-678,822Total net assets1,224,5821,941,724	Capital surplus	334,224	334,224
Accumulated other comprehensive income(375,518)(360,580)Valuation difference on available-for-sale securities(375,518)(360,580)Total accumulated other comprehensive income(375,518)(360,580)Minority interests-678,822)Total net assets1,224,5821,941,724)	Retained earnings	235,059	258,446
Valuation difference on available-for-sale securities(375,518)(360,580Total accumulated other comprehensive income(375,518)(360,580Minority interests-678,822Total net assets1,224,5821,941,724	Total shareholders' equity	1,600,100	1,623,487
Total accumulated other comprehensive income(375,518)(360,580Minority interests-678,822Total net assets1,224,5821,941,724	Accumulated other comprehensive income		
Minority interests         -         678,822           Total net assets         1,224,582         1,941,724	Valuation difference on available-for-sale securities	(375,518)	(360,586
Minority interests         -         678,822           Total net assets         1,224,582         1,941,724	Total accumulated other comprehensive income	(375,518)	(360,586
			678,822
	Total net assets	1,224,582	1,941,724
	Total liabilities and net assets	3,698,302	4,769,322

# Consolidated statements of income and consolidated statements of comprehensive income Consolidated statements of income

		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	December 31, 2011	December 31, 2012
Operating revenue		
Operating revenue	3,010,725	3,216,389
Real estate sales	4,616,845	2,623,277
Total operating revenue	7,627,571	5,839,666
Operating cost		
Cost For Sales	1,914,260	2,055,453
Cost of sales-real estate	4,305,658	2,546,477
Total operating cost	6,219,918	4,601,931
Operating gross profit	1,407,652	1,237,735
Selling, general and administrative expenses	1,221,055	1,139,205
Operating income	186,596	98,529
Non-operating income		
Interest income	199	224
Dividends income	6,855	9,382
Insurance premiums refunded cancellation	-	2,914
GainOnForfeitureOfUnclaimedDividends	2,673	1,898
Other	1,545	3,351
Total non-operating income	11,273	17,771
Non-operating expenses		1,,,,1
Interest expenses	18,536	20,957
Equity in losses of affiliates	6,452	20,757
Guarantee commission	4,319	1,475
Other	2,505	2,136
	31,814	24,569
Total non-operating expenses		
Ordinary income	166,055	91,731
Extraordinary income		202
Gain on sales of investment securities	-	203
Gain on sales of noncurrent assets	6,439	1,214
Reversal of allowance for doubtful accounts	21,000	-
Reversal of provision for directors' retirement benefits	90,589	-
Total extraordinary income	118,029	1,417
Extraordinary loss		
Loss on sales of investment securities	4,660	347
Loss on valuation of investment securities	1,496	-
Loss on sales of noncurrent assets	23,555	-
Loss on retirement of noncurrent assets	6	-
Loss on sales of stocks of subsidiaries and affiliates	32,927	-
Loss on disaster	12,793	-
Total extraordinary losses	75,440	347
Income before dividends distribution from silent partnership,	208,644	92,800
income taxes	208,044	92,800
Dividends distribution from silent partnership	(12,934)	(3,095)
Income before income taxes and minority interests	221,579	95,895
Income taxes-current	3,495	7,861
Refund of income taxes	-	(10,119)
Total income taxes	3,495	(2,257)
Income before minority interests	218,083	98,153
Minority interests in income		6,057
Net income	218,083	92,095
	210,005	92,093

## Consolidated statements of comprehensive income (cumulative)

		(Thousands of yen)
	Fiscal year ended	Fiscal year ended
	December 31, 2011	December 31, 2012
Income before minority interests	218,083	98,153
Other comprehensive income		
Valuation difference on available-for-sale securities	(163,148)	14,932
Total other comprehensive income	(163,148)	14,932
Comprehensive income	54,935	113,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	54,935	107,027
Comprehensive income attributable to minority interests	-	6,057

## Consolidated statements of changes in net assets

		(Thousands of year
	Fiscal year ended	Fiscal year ended
	December 31, 2011	December 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	1,030,817	1,030,817
Balance at the end of current period	1,030,817	1,030,817
Capital surplus		
Balance at the beginning of current period	605,035	334,224
Changes of items during the period		
Dividends from surplus	(52,852)	
Transfer to retained earnings from capital surplus	(217,958)	
Total changes of items during the period	(270,811)	
Balance at the end of current period	334,224	334,224
Retained earnings		
Balance at the beginning of current period	(200,983)	235,059
Changes of items during the period		
Dividends from surplus	-	(68,708
Net income	218,083	92,095
Transfer to retained earnings from capital surplus	217,958	
Total changes of items during the period	436,042	23,387
Balance at the end of current period	235,059	258,446
Total shareholders' equity		·
Balance at the beginning of current period	1,434,868	1,600,100
Changes of items during the period	2, 10 1,000	1,000,100
Dividends from surplus	(52,852)	(68,708
Net income	218,083	92,095
Transfer to retained earnings from capital surplus		,_,,,
Total changes of items during the period	165,231	23,387
Balance at the end of current period	1,600,100	1,623,487
Accumulated other comprehensive income	1,000,100	1,023,407
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(212 370)	(375,518
Changes of items during the period	(212,370)	(373,310
Net changes of items other than shareholders' equity	(163,148)	14,932
Total changes of items during the period	(163,148)	14,932
Balance at the end of current period	(375,518)	(360,586
Total accumulated other comprehensive income		
Balance at the beginning of current period	(212,370)	(375,518
Changes of items during the period		
Net changes of items other than shareholders' equity	(163,148)	14,932
Total changes of items during the period	(163,148)	14,932
Balance at the end of current period	(375,518)	(360,586
Minority interests		
Balance at the beginning of current period	-	
Changes of items during the period		
Net changes of items other than shareholders' equity	-	678,822
Total changes of items during the period	-	678,822
Balance at the end of current period		678,822

	(Thousands of yen)	
Fiscal year ended	Fiscal year ended	
December 31, 2011	December 31, 2012	
1,222,498	1,224,582	
(52,852)	(68,708)	
218,083	92,095	
(163,148)	693,754	
2,083	717,142	
1,224,582	1,941,724	
	December 31, 2011 1,222,498 (52,852) 218,083 (163,148) 2,083	

## Consolidated statements of cash flows

		(Thousands of yen)
	Fiscal year ended December 31, 2011	Fiscal year ended
		December 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	221,579	95,895
Depreciation and amortization	31,356	50,830
Amortization of goodwill	163,692	163,692
Increase (decrease) in allowance for doubtful accounts	13,967	(29,099
Increase (decrease) in provision for bonuses	(6,307)	
Increase (decrease) in provision for retirement benefits	4,201	2,529
Increase (decrease) in provision for directors' retirement	(90,589)	
benefits	(90,589)	
Increase (decrease) in other provision	10,964	2,417
Interest and dividends income	(7,054)	(9,606
Interest expenses	18,536	20,957
Equity in (earnings) losses of affiliates	6,452	
Loss (gain) on valuation of investment securities	1,496	
Loss (gain) on sales of short-term and long term investment securities	4,660	144
Loss (gain) on sales of stocks of subsidiaries and affiliates	32,927	
additional loss on an earthquake	12,793	
Loss (gain) on sales of noncurrent assets	17,115	(1,214
Loss on retirement of noncurrent assets	6	
Decrease (increase) in notes and accounts receivable-trade	178,417	(20,348
The amount of increase and decrease of purchased receivables	185,625	35,800
Decrease (increase) in inventories	(8,786)	(94,610
Increase (decrease) in notes and accounts payable-trade	(14,360)	3,396
Increase (decrease) in accounts payable-other	(16,780)	(52,585
Increase (decrease) in lease and guarantee deposits received	41,539	94,536
Increase (decrease) in long-term deposits received	(98,252)	(2,321
Other, net	(88,872)	(42,170
Subtotal	614,329	218,237
Interest and dividends income received	7,054	9,606
Interest expenses paid	(19,160)	(21,407
Payments for loss on disaster	(12,793)	
Refunded consumption taxes for prior periods	3,467	10,655
Income taxes (paid) refund	(13,049)	10,907
Net cash provided by (used in) operating activities	579,846	227,998

		(Thousands of year)
	Fiscal year ended	Fiscal year ended
	December 31, 2011	December 31, 2012
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-	(752,643)
Proceeds from sales of property, plant and equipment	79,730	1,934
Purchase of intangible assets	(13,213)	(11,485)
Payments of investment securities and investments in capital	-	(10,000)
Proceeds from sales of investment securities and investments	34,016	11.001
in capital	34,010	11,001
Proceeds from sales of stocks of subsidiaries and affiliates	15,000	15,000
Purchase of stocks of subsidiaries and affiliates	(3,260)	-
Stocks of investments in subsidiaries resulting in change in		(459,100)
scope of consolidation	-	(458,190)
Other, net	10,187	959
Net cash provided by (used in) investing activities	122,459	(1,203,423)
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(72,400)	-
Proceeds from long-term loans payable	100,000	770,000
Repayment of long-term loans payable	(8,400)	(48,045)
Redemption of bonds	(535,000)	(395,000)
Payments for share profits on deposits received from	(33,268)	(1 260)
investments in silent partnership		(4,260)
Cash dividends paid	(52,941)	(67,903)
Cash dividends paid to minority shareholders	-	(7,611)
Net cash provided by (used in) financing activities	(602,009)	247,179
Net increase (decrease) in cash and cash equivalents	100,296	(728,245)
Cash and cash equivalents at beginning of period	1,374,698	1,474,995
Cash and cash equivalents at end of period	1,474,995	746,749