

Corporate Data

Corporate Headquarters

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Date of Establishment

August 1967

Number of Employees

1,454

Chairman and Representative Director

Guntaro Yamazaki

President and Representative Director

Kazuhiko Hara

Vice President and Director

Yasuo Igarashi

Senior Managing Director

Bungo Yamagishi

Managing Director

Akira Koide

Directors

Hitoshi Moriyama
Mitsuyuki Maruyama

Standing Corporate Auditors

Koichi Takahashi
Kazuhiro Masuda

Corporate Auditors

Kenzo Kaneko
Iwao Hosokai

(As of June 27, 2012)



THE FINEST SERVICE IN JAPAN

Financial Highlights

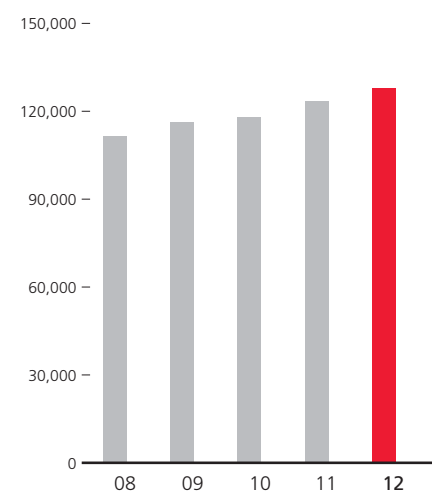
Years ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2012	2011	2010	2009	2008	2012
For the Period:						
Net sales	¥126,684	¥123,361	¥118,070	¥116,220	¥111,538	\$1,541,349
Operating income	4,131	3,824	3,296	3,220	3,630	50,256
Net income	1,758	1,348	1,426	1,065	1,535	21,389
At Year-End:						
Total assets	¥ 55,126	¥ 54,126	¥ 51,139	¥ 52,052	¥ 48,664	\$ 670,715
Total net assets	24,554	22,937	22,866	21,745	21,243	298,752
	Yen					U.S. Dollars
Per Common Share:						
Basic net income	¥99.99	¥75.17	¥79.19	¥59.14	¥85.27	\$1.22
Cash dividends	30.00	22.00	24.00	22.00	26.00	0.37

Notes: The U.S. dollar amounts are provided, for convenience only, at ¥82.19 to \$1, the approximate rate of exchange at March 31, 2012.

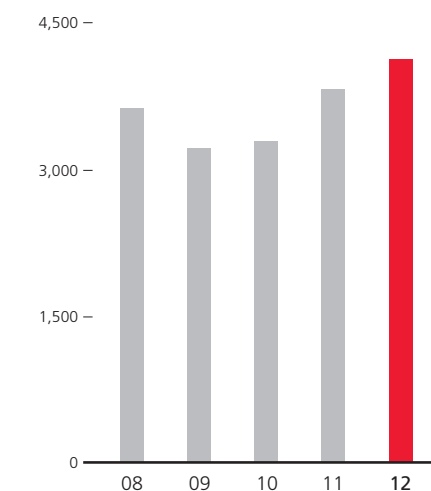
Net Sales

(Millions of yen)



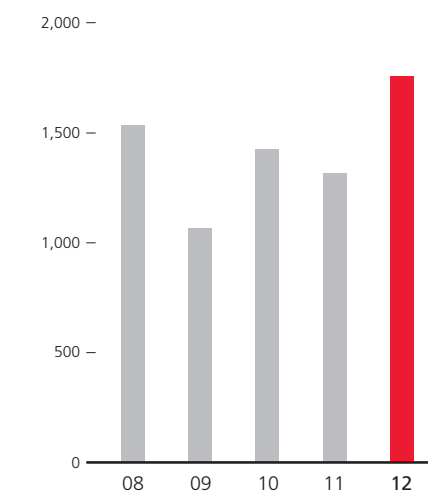
Operating Income

(Millions of yen)



Net Income

(Millions of yen)



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Performance

Overview of Business Operations

During fiscal 2012, the year ended March 31, 2012, uncertainty continued to prevail in Japan's economy due to the repercussions of the Great East Japan Earthquake and global economic turmoil.

Given the circumstances, consolidated net sales grew 2.7% year on year to ¥126,684 million and operating income rose 8.0% to ¥4,131 million. Net income climbed 30.4% to ¥1,758 million, a turnaround from the previous fiscal year. Pre-tax income increased year on year, reflecting such factors as a recording of insurance proceeds received and a decrease in interest expenses, in addition to the increase in operating income.

The increase in operating income was the most significant factor contributing to the rise in net income. This, combined with the recording of an extraordinary loss due to the application of new accounting standards on asset retirement obligation in the previous fiscal year, brought a turnaround in results during the year under review, reflecting the absence of the impact of such accounting processing.

Supermarket Business

Overview

The Great East Japan Earthquake, which struck in March 2011 and led to stagnation in production activities, disarray in the logistics network and electricity shortages for the Japanese industrial sector, also exerted an impact on our business operations.

Under the circumstances, the Harashin Narus Group proceeded with its medium-term management plan based on the "Advanced Regional Chain" long-term management vision as it worked to form a strong and excellent regional chain continually winning greater favor with its customers.

Merchandizing Policy

There were temporary shortages of certain products because of some suppliers suffering damage due to the Great East Japan Earthquake. Also contributing to the shortage were drastic changes in customers' buying patterns. These effects gradually subsided over the first half of fiscal 2012, and we strived to minimize inconvenience for customers, seeking alternative purchasing routes and working to secure substitutions.

Based on the "New Concept Part II" approach launched two years ago, the Group further enforced its product policy, making steady progress in applying it to the existing product lineup/store format.

In addition, we have initiated "Challenge Products 101," as an extension of our existing initiatives to achieve the No. 1 position in terms of sales volume. Under this initiative, along with "New Concept Part II", we aim to differentiate ourselves from competitors by selecting and providing products that are worth more than their face value, bringing richness and fun to the customers' daily lives. In fact, we are steadily maintaining gross profit ratio owing to this initiative.

Sales Policy

We have introduced a management method that systemizes and controls the entire sales cycle from drawing up and implementing a plan to reviewing outcomes on a weekly basis. This policy was firmly adopted and succeeded to secure appropriate profits.

Amid the confusion caused by the Great East Japan Earthquake and sharp fluctuations in the fresh foods market, the gross profit ratio on storefront sales increased 0.2% year on year, to 24.6%.

Openings and Closings

During the fiscal year under review, we opened Harashin Omi store (July; Niigata, Niigata Prefecture; Floor space: 2,087m²) while relocating existing shops and reopening them as Harashin Itoigawa Higashi store (September; Itoigawa, Niigata Prefecture; Floor space: 2,057m²) and Harashin Civic Core store (October; Nagaoka, Niigata Prefecture; Floor space: 2,087m²). Accompanying the abovementioned relocations, Harashin Itoigawa store (August; Itoigawa, Niigata Prefecture; Floor space: 1,693m²) and Harashin Saiwai-Cho store (September; Nagaoka, Niigata Prefecture; Floor space: 1,458m²) were closed.

In addition, we implemented massive renovations at both Harashin Yoshida store (May; Tsubame, Niigata Prefecture; Floor space: 2,050m²) and Harashin Toyosaka store (March; Niigata, Niigata Prefecture; Floor space: 2,121m²).

New Business

We opened the "Harashin Net Super" online supermarket (<http://harashin-netsuper.hnhd.co.jp>) in September 2011. From the moment it went online, the sales brought in by this internet shopping service exceeded our expectations. We are seeking to expand this service as another earnings pillar supplementing face-to-face selling in the supermarket business.

Other Businesses (Information Processing, Cleaning and Printing Businesses)

In our information technology business, solid sales of information systems oriented toward the logistics industry led to increases in both income and profits. Thanks to their outstanding features, which reflect the know-how we have accumulated in supermarket business, orders for our systems from companies outside the Group increased year on year.

Income and profits in our cleaning business also grew, contributed to by stable orders from the supermarket business.

From the fiscal year under review, the equipment lease business is excluded from the scope of consolidation and the printing business newly included. In spite of severe operating environment due to a decrease in demand for printing, the printing business also recorded an increase in both income and profits. This was attributable to the appeal of our high-performance printing machines, which enable us to deliver high-quality and moderately priced products on a timely basis. Moreover, our information management structure received Privacy Mark Certification, engendering a greater level trust among our customers and contributing to sales growth, and our printing plant garnered Green Printing Plant certification.

Interview with President Hara:



Kazuhiko Hara
President and Representative Director

Q1 Please tell us about the Company's fiscal 2012 performance and results.

We had record-high profits, generally achieving targets in spite of the severe conditions surrounding our business in fiscal 2012.

Struggling amid the economic uncertainty that began with the turmoil following the Great East Japan Earthquake, we also experienced an extremely hot summer coupled with the requirement to reduce electricity consumption. Moreover, a series of natural disasters and poor weather conditions, including heavy rains and snowfalls, struck the country during the fiscal year under review.

We rallied the overall strength of the Group and devoted ourselves to getting past these adversities. Our determined efforts served to bring out our potential and elevated our performance, inspiring greater support from our customers. Right after the earthquake hit, we strived to secure purchasing routes and alternative products for items that experienced shortfalls as well as daily commodities, in line with our mission as provider of a vital public service.

During this difficult time, a mood of voluntary restraint

was prevalent nationwide, especially at first, leading to a remarkable tendency to eat at home. This served as a tail wind for us.

At the end of June 2011, for the most part supply shortfalls had passed while the mood of voluntary restraint was beginning to recede. With the ending of the rainy season, which was earlier than usual, an extremely hot summer came and sales of summer-season products, including cold beverages, soared. Customer demand for lower prices grew stronger after autumn, and in response we accelerated the following initiatives: introducing "Power Items," low-cost products utilizing our production functionalities and scale of sales; launching "Challenge Products 101," a sales strategy intensively promoting well-selected products worth more than their face value; and continuing to implement the "New Concept Part II," policy of promoting new products, which began three years ago along with the establishment of the "Supervisor Department" (see also Q2). We succeeded in meeting customer needs through these initiatives.

“Our Mission is to Support Local Society as a Provider of a Vital Public Service”

Q2 Could you please tell us about the progress you have made under “New Concept Part II,” which is aimed at achieving your long-term vision of becoming an “Advanced Regional Chain” capable of offering top-level services in Japan, establishing 200 super supermarkets (SSMs*) and building trust?

First of all, our long-term vision represents our eventual goal. We are working to steadily move toward these goals, including the establishment of 200 SSMs, which is seemingly impossible at present, over a long period of time.

This numerical goal of 200 SSMs must not be seen as an article of faith. Our aim is to provide customers with the greatest possible benefits. As a regional chain,** we are seeking to expand our network of stores so that we can leverage business scale to develop new products and achieve lower-prices.

*Very large supermarkets
**A chain store covering several districts and prefectures and developing a concentrated shop network within the region

Introduced 10 years ago, the first “New Concept” approach took as its theme the key words “easy and convenient,” and aimed to offer customers simple diet solutions that bring richness and fun to daily life.

“New Concept Part II” began with the renewal of our long-term vision and aims to accelerate the abovementioned approach through the following initiatives: for items that customers consume on a daily basis, we seek to offer better-tasting and readymade products while maintaining low-prices; in the area of stores, we seek to improve the interior décor and lighting so that customers can enjoy shopping in a quieter and more relaxing atmosphere than existing stores; to increase appeal, we are working to raise the sophistication of stores through innovative “Visual Merchandising”; and, as always, we strive to improve store productivity.

Although all these initiatives are being adopted at existing stores, there are limits to what can be done with regard to floor space and store layouts. These limitations hinder our efforts to effect significant changes that will impress customers. Therefore, we are promoting the opening of new stores as well as remodeling to fully realize the effects of this concept.

For example, the newly established Harashin Misawa store, which fully adopted the principles of “New Concept Part II” in March 2010, is attracting great support from customers. This shop offers a broader selection of moderately priced sake (rice wine), including local-brews sake from nearby sake breweries, that is affordable to anyone on a daily basis.

We introduced the “New Concept Part II” at nine stores, three of which were exhaustively remodeled and have since enjoyed a considerable pickup in sales compared with pre-remodeling sales. These results have led us to believe that store design is one of the most important factors in gaining the support of customers.

In autumn 2012, taking a similar approach we plan to open new store in Uozu, Toyama Prefecture. It has been three years since we opened a shop outside Niigata Prefecture, and 12 years since we opened a store in Toyama Prefecture. Toyama Prefecture is a highly competitive market with a dietary culture that differs from that of Niigata. Drawing on our experience with the Harashin Kurobe store, which helped us learn more about the region’s unique characteristics, we will race against competitors to provide items that are best suited to customers in Uozu.

Becoming an Advanced Regional Chain



Q3 How are you going about offering top-quality services in Japan?

To supply top-level services in Japan, we are rallying entire strength of the Company to pursue a number of initiatives. One such initiative is to improve both the quality of services and hospitality.

After taking office, I sought to revitalize an in-house commendation system called the “Flower Smile Award” to promote the above policy. This policy aimed to ensure that every customer is welcomed with a level of hospitality that goes beyond the expected.

An example of an action that merited an award was the following comment: “When I inquired about my gloves, which I had dropped in the store parking lot, one of your employees found them and took them home to wash out a stain. I am

filled with gratitude.” A comment like this reflects the high level of hospitality that we are providing. The award is given for proactive responses that show consideration for customer concerns. In addition, the pictures of award winning employees, alongside the customer comments that won them their awards, are posted in our in-house newsletter. Through such initiatives, we are trying to build consensus and raise awareness about having gratitude to customers and welcoming them through our day-to-day service.

In fiscal 2010, 160 awards were given, and this number increased to 245 in fiscal 2011, clearly, a yearly growth trend. From these, we selected 20 excellent examples and on the basis of a vote by employees, chose three of as the “Smile of

the Year Prize” recipients in the fiscal year under review.

Let me introduce one of these examples. “When I walked into the shop walking on my crutches and tried to pick up a shopping basket, I was addressed by an employee gently, ‘Welcome to our shop. May I bring you a shopping cart?’ After that, the employee said, ‘I would gladly help you with your shopping, please feel free to ask anytime.’ On top of that, he opened a cash register that was closed, to let me check out without walking to other registers. Finally, he carried my shopping bags to my car. I was touched by this fine display of hospitality.”

Another thing I am trying to do is to encourage employees to be conscious of smiling in the course of their daily tasks. I believe this is the most basic of basic for our service to customers. Sometimes one can forget to smile when one is concentrating on their duties, like stocking shelves or filling orders, losing sight of the customers. This serves only to make customers uncomfortable. Also, from the customers’ viewpoint, sometimes it seems as if store employees are not genuinely

smiling or only halfheartedly doing so, even when they are trying their best.

Back to the basics, we are striving for all employees to practice “service with a smile” by formulating a systemized method. At our newly established “Customer Communications Department,” we are developing a systemized training program that provides employees with a basic understanding of customer service techniques as well as practical methods of responding to customers in diverse situations. Looking ahead, we strive to enhance our service through the abovementioned efforts while we share good examples of hospitality among the staff, so that customers can better enjoy shopping.

These changes are indispensable if we are to achieve one of our essential goals, that is, to “supply top-level services in Japan.” I believe that our efforts toward “service with a smile” can be naturally understood by our employees when they consider how to act for and please customers by putting themselves in customers’ shoes.

Q4 Please tell us about your ambitions for the future.

It is predicted that the operating environment for retailing industry will grow exceedingly severe in the future due to increasing competition. However, we must guard against becoming too selfish in the course of business operations by putting too much emphasis on surviving the competition in a harsh environment. We have a mission to support lives in local societies as a provider of a vital public service. More specifically, we have a calling/duty to bring richness and fun to people’s daily lives, through the stable supply of good quality, appropriately priced food. To achieve this, we need to pursue innovations in our production systems as well as logistic systems. Of course, local traditions must be respected as well.

We can only realize our corporate philosophy “Toward a Cultural Life with Greater Richness” by fulfilling our mission. To make such a wide-ranging contribution to our customers, we need to adopt highly sophisticated knowledge and advanced techniques through ongoing efforts to enhance our capabilities.

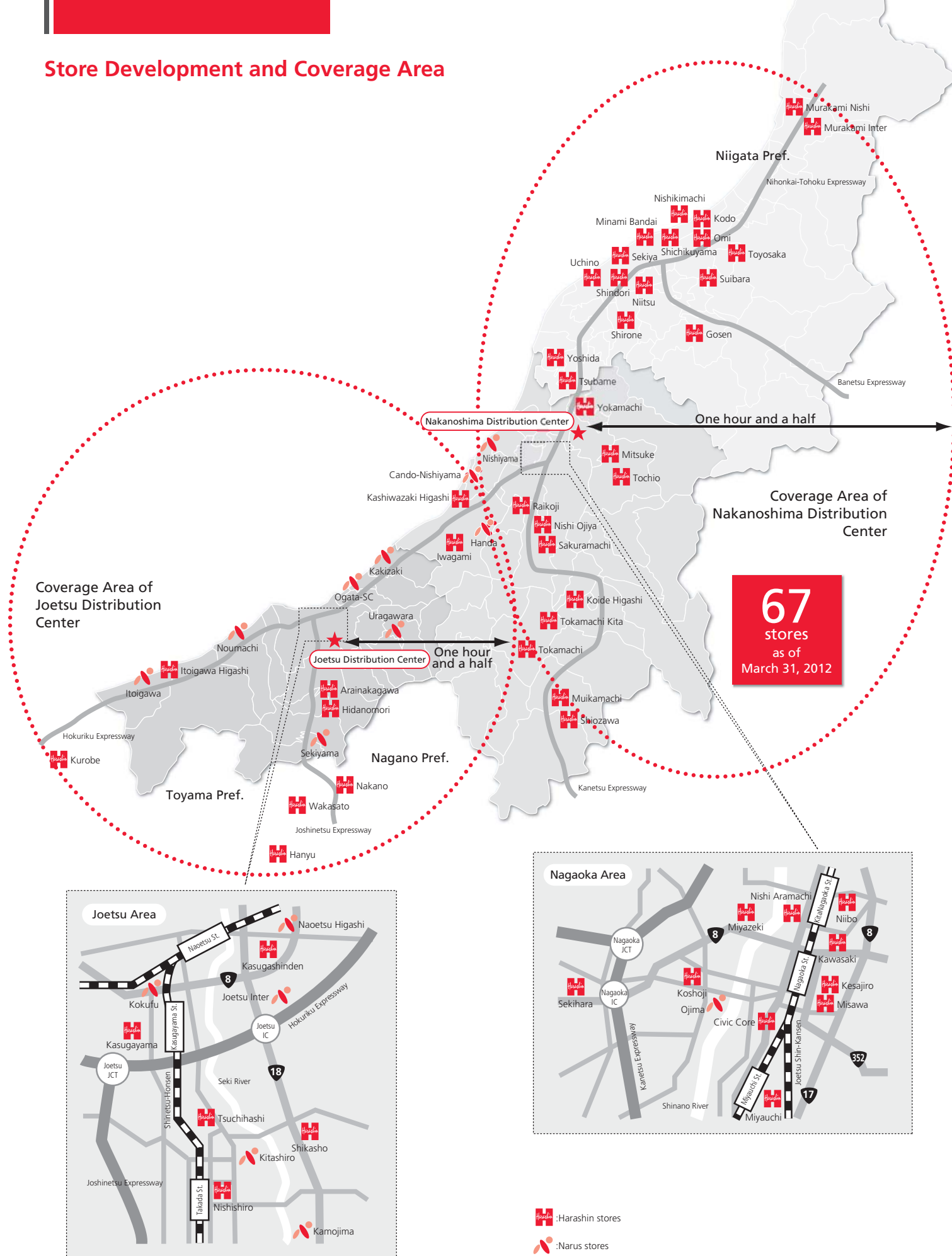
Our long-term vision “Advanced Regional Chain” represents our hope that we will be able to return the benefits of growth in scale to our customers. As a member of regional

society, Harashin Narus will make continuous efforts to become a regional store chain that meets customers’ everyday lifestyle needs. We sincerely ask for shareholders, and investors’ continued support and understanding.

President
Kazuhiko Hara



Store Development and Coverage Area



New Concept

The number of SSMs to be developed is not simply a numerical target, it is the number of stores necessary to fulfill our mission as a store chain that meets customers' everyday lifestyle needs. SSM stands for a super superstore, that is, an outlet that has approximately 1,650–2,650m² floor space. We plan to open new SSMs in pursuit of developing areas of dominance where stores are sited close enough to each other so that their catchment areas slightly overlap. We are aiming to extend our business footprint across more than one prefecture, while developing distribution networks in neighboring regions and forming areas of dominance.

Harashin Omi store (Niigata, Niigata Prefecture, opened on July 15, 2011)

As the first store to adopt the New Concept Part II policy in Niigata city, this store boasts a product lineup tailored to reflect the changing lifestyles of local people. The lineup includes broad selection of cured meat products such as "Three Stars Pork Loin *Tonkatsu*" from black pigs (Berkshire pigs) raised in Kagoshima Prefecture; a variety of hand-rolled *Sushi* using raw ingredients with maximum freshness; and local fresh fish. The store also strives to be the best in the region in terms of customer services and hospitality.



Harashin Itoigawa Higashi store (Itoigawa, Niigata Prefecture, opened on September 1, 2011)

We relocated Harashin Itoigawa store, which had been serving its neighborhood for 16 years, in the process creating a new type of store that fully introduces the New Concept Part II. In doing so, we sought to expand our business in a market with a population that is smaller than that of Harashin Murakami Inter store we opened last year under the same concept. The new Harashin Itoigawa Higashi store is proactively selling various local products and its in-store bakery and café are earning a solid reputation.



Harashin Civic Core store (Nagaoka, Niigata Prefecture, opened on October 1, 2011)

Instead of simply closing Harashin Saiwai-Cho store, which we relocated it to the Harashin Civic Core store. In line with the New Concept Part II approach, this store offers an enriched product lineup that includes items prepared on the premises, such as cut fruit and minced fish products that are well-known traditional specialties from the nearby fishing village of Teradomari. "Soleime," a gelato shop situated in the city's Kitayama district has also opened a corner selling its ice creams and cookies. We are working to make the Harashin Civic Core store the most beloved retail outlet in the local community.



Consolidated Balance Sheets

March 31, 2012 and 2011

ASSETS	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
CURRENT ASSETS:			
Cash and cash equivalents	¥ 6,714	¥ 6,228	\$ 81,683
Short-term investments	2	2	25
Marketable securities		6	
Receivables:			
Trade notes and accounts	2,008	1,846	24,429
Allowance for doubtful receivables	(17)	(6)	(209)
Inventories	2,840	2,345	34,556
Deferred tax assets	687	691	8,362
Lease investment assets	2,044	1,896	24,870
Prepaid expenses and other current assets	1,077	1,142	13,108
Total current assets	15,355	14,150	186,824
PROPERTY, PLANT AND EQUIPMENT:			
Land	13,539	13,382	164,727
Buildings and structures	27,963	26,623	340,227
Machinery and equipment	2,061	1,625	25,072
Lease assets	4,606	5,646	56,039
Construction in progress	429	198	5,217
Other	4,785	4,297	58,220
Total	53,383	51,771	649,502
Accumulated depreciation	(24,212)	(22,692)	(294,587)
Net property, plant and equipment	29,171	29,079	354,915
INVESTMENTS AND OTHER ASSETS:			
Investment securities	1,530	1,431	18,622
Investments in unconsolidated subsidiaries and associated companies		37	
Long-term loans receivable	38	124	465
Intangible assets	1,537	1,747	18,702
Lease and guarantee deposits	4,944	4,936	60,149
Deferred tax assets	1,554	1,605	18,911
Other asset	1,003	1,018	12,199
Allowance for doubtful accounts	(6)	(1)	(72)
Total investments and other assets	10,600	10,897	128,976
TOTAL ASSETS	¥55,126	¥54,126	\$670,715

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
CURRENT LIABILITIES:			
Short-term loans payable	¥ 200		\$ 2,433
Current portion of long-term loans payable	4,182	¥ 5,154	50,887
Payables:			
Trade	9,100	7,899	110,724
Other	313	368	3,807
Income taxes payable	929	1,142	11,309
Accrued expenses	3,486	2,449	42,408
Other current liabilities	876	815	10,642
Total current liabilities	19,086	17,827	232,210
LONG-TERM LIABILITIES:			
Long-term loans payable	3,760	5,312	45,745
Lease obligations	2,093	2,560	25,470
Asset retirement obligations	2,490	2,396	30,298
Long-term lease and guarantee deposited	2,854	2,765	34,729
Other	289	329	3,511
Total long-term liabilities	11,486	13,362	139,753
NET ASSETS:			
SHAREHOLDERS' EQUITY:			
Common stock			
Authorized— 38,000,000 shares			
Issued— 18,014,239 shares in 2012 and 18,014,239 shares in 2011	3,160	3,160	38,444
Capital surplus	6,406	6,406	77,940
Retained earnings	15,238	13,621	185,405
Treasury stock, at cost— 484,017 shares in 2012 and 413,293 shares in 2011	(586)	(495)	(7,127)
Total shareholders' equity	24,218	22,692	294,662
VALUATION AND TRANSLATION ADJUSTMENTS:			
Net unrealized gains on available-for-sale securities	336	245	4,090
Total valuation and translation adjustments	336	245	4,090
Total net assets	24,554	22,937	298,752
TOTAL LIABILITIES AND NET ASSETS	¥55,126	¥54,126	\$670,715

Consolidated Statements of Income

Years Ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
NET SALES	¥126,684	¥123,361	\$1,541,349
COST OF SALES	92,846	90,132	1,129,651
GROSS PROFIT	33,838	33,229	411,698
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	29,707	29,405	361,442
OPERATING INCOME	4,131	3,824	50,256
OTHER INCOME (EXPENSES):			
Interest and dividends	79	106	966
Interest expense	(140)	(184)	(1,707)
Other—net	(471)	(1,365)	(5,727)
Total other income (expenses)	(532)	(1,443)	(6,468)
INCOME BEFORE INCOME TAXES	3,599	2,381	43,788
INCOME TAXES:			
Current	1,783	1,800	21,697
Deferred	58	(768)	702
Total income taxes	1,841	1,032	22,399
INCOME BEFORE MINORITY INTERESTS	1,758	1,349	21,389
Minority interests in income		(1)	
NET INCOME	¥ 1,758	¥ 1,348	\$ 21,389
	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK:			
Basic net income	¥ 99.99	¥ 75.17	\$ 1.22
Cash dividends applicable to the year	30.00	22.00	0.37

Consolidated Statements of Comprehensive Income

Years Ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
INCOME BEFORE MINORITY INTERESTS	¥1,758	¥1,349	\$21,389
OTHER COMPREHENSIVE INCOME			
Valuation difference on available for sale securities	91	(73)	1,107
Total other comprehensive Income	91	(73)	1,107
TOTAL COMPREHENSIVE INCOME	¥1,849	¥1,276	\$22,496
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of Harashin Narus	¥1,849	¥1,275	\$22,496
Minority interests		1	

HARASHIN NARUS Holdings Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

Years Ended March 31, 2012 and 2011

	Outstanding Number of Shares of Common Stock	Millions of Yen					Total Net Assets
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Net Unrealized Gains on Available-for-sale Securities	
BALANCE, MARCH 31, 2010	18,002,548	¥3,160	¥6,406	¥12,993	¥(11)	¥318	¥22,866
Net income				1,348			1,348
Cash dividends				(432)			(432)
Net increase in treasury stock					(484)		(484)
Changes of scope of consolidation				(288)			(288)
Other net changes during the year	(401,602)					(73)	(73)
BALANCE, MARCH 31, 2011	17,600,946	¥3,160	¥6,406	¥13,621	¥(495)	¥245	¥22,937
Net income				1,758			1,758
Cash dividends				(387)			(387)
Net increase in treasury stock					(91)		(91)
Changes of scope of consolidation				246			246
Other net changes during the year	(70,724)					91	91
BALANCE, MARCH 31, 2012	17,530,222	¥3,160	¥6,406	¥15,238	¥(586)	¥336	¥24,554

	Thousands of U.S. Dollars					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Net Unrealized Gains on Available-for-sale Securities	Total Net Assets
BALANCE, MARCH 31, 2011	\$38,444	\$77,940	\$165,724	\$(6,015)	\$2,983	\$279,076
Net income			21,389			21,389
Cash dividends			(4,711)			(4,711)
Net increase in treasury stock				(1,112)		(1,112)
Changes of scope of consolidation			3,003			3,003
Other net changes during the year					1,107	1,107
BALANCE, MARCH 31, 2012	\$38,444	\$77,940	\$185,405	\$(7,127)	\$4,090	\$298,752

Consolidated Statements of Cash Flows

Years Ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
OPERATING ACTIVITIES:			
Income before income taxes	¥3,599	¥2,382	\$43,788
Adjustments for:			
Income taxes paid	(2,085)	(1,494)	(25,371)
Depreciation and amortization	2,556	2,774	31,106
Loss on sales and retirement of noncurrent assets—net	107	64	1,300
Impairment losses on fixed assets	535		6,507
Changes in assets and liabilities:			
Increase in trade notes and accounts receivables	(52)	(85)	(638)
Decrease (Increase) in inventories	(475)	135	(5,785)
Increase in lease investment assets	(148)	(401)	(1,798)
Increase in interest and dividends receivable	(51)	(52)	(620)
Increase in trade payables	1,152	451	14,017
Increase in interest payable	6	3	76
Loss on adjustment for changes of accounting standard for asset retirement obligations		1,361	
Other—net	1,408	479	17,130
Net cash provided by operating activities	6,552	5,617	79,712
INVESTING ACTIVITIES:			
Proceeds from sales of property, plant and equipment	14	91	170
Purchases of property, plant and equipment	(2,802)	(2,861)	(34,087)
Proceeds from sales of marketable securities	6	6	77
Purchases of marketable securities		(6)	(5)
Proceeds from sales of investments in securities	4	6	49
Decrease lease and guarantee deposit—net	47	339	570
Other—net	(125)	(4)	(1,524)
Net cash used in investing activities	(2,856)	(2,429)	(34,750)
FINANCING ACTIVITIES:			
Increase in short-term loans payable—net	200		2,433
Proceeds from long-term loans payable	2,200	4,620	26,767
Repayments of long-term loans payable	(4,594)	(4,583)	(55,897)
Repayments of lease obligations	(625)	(727)	(7,599)
Increase in treasury stock	(91)	(483)	(1,112)
Dividends paid	(388)	(432)	(4,716)
Repayments to minority shareholders		(2)	
Cash dividends paid to minority shareholders		(1)	
Net cash used in financing activities	(3,298)	(1,608)	(40,124)
NET INCREASE IN CASH AND CASH EQUIVALENTS	398	1,580	4,838
INCREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM CHANGE OF SCOPE OF CONSOLIDATION	88	39	1,075
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,228	4,609	75,770
CASH AND CASH EQUIVALENTS, END OF YEAR	¥6,714	¥6,228	\$81,683

Shareholders' Information**Paid-in Capital**

¥3,160 million

Number of Shares of Common Stock

Authorized: 38,000,000 shares

Issued: 18,014,239 shares

Outstanding (excluding treasury stock): 17,530,222 shares

Stock Exchange Listing

Tokyo Stock Exchange, First Section

Listing Date: March 2007

Code: 8255

Transfer Agent and Registrar

Mitsubishi UFJ Trust and Banking Corporation

1-4-5, Marunouchi, Chiyoda-ku,

Tokyo 100-8212, Japan

Number of Shareholders

7,380

Major Shareholders

(As of March 31, 2012)

Name	Number of Shares (Thousands)	Shareholding Ratio (%)
Kazuhiko Hara	1,249	7.1
Nobuhiro Hara	843	4.8
The Daishi Bank, Ltd.	835	4.7
Harashin Narus Group Employees' Stockholding	668	3.8
The Shoko Chukin Bank, Ltd.	540	3.0
Sumitomo Mitsui Banking Corporation	398	2.2
Aioi Nissay Dowa Insurance Company, Limited	368	2.1
Masaki Hara	368	2.1
Setsu Hara	320	1.8
Hokuto Corporation	302	1.7

*Ratio of Shareholding is calculated on the outstanding shares.

Distribution of Shareholders (%)