

Financial Results (Consolidated) for Second Quarter of Fiscal Year Ending March 2013 (Japanese Accounting Standards)

November 12, 2012

Name of listed firm: **Zensho Holdings Co., Ltd.** Exchange: TSE
 Code no.: 7550 URL: <http://www.zensho.co.jp/>
 Representative: (title) Chairman of the Board (name) Kentaro Ogawa and CEO
 Address any inquiries to: (title) Managing Executive (name) Takao Yuhara (tel.) 03 (6833) 1600 Director and CFO
 Date of submission of quarterly report (planned): November 12, 2012 Starting date of dividend payment (planned): December 4, 2012
 Supplemental explanatory materials on quarterly financial results prepared? Y
 Investors meeting held on settlement of accounts? Y

(Figures rounded down to the nearest million yen)

1. Consolidated financial performance in the second quarter of the fiscal year ending March 2013 (April 1 – September 30, 2012)

(1) Consolidated business performance (cumulative) (Percentages [%] indicate year-on-year changes)

	Sales		Operating profit		Ordinary profit		Quarterly net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2, FY 2013	205,618	3.7	8,917	(31.2)	8,146	(31.3)	3,176	(13.6)
Q2, FY 2012	198,308	7.5	12,956	74.1	11,850	87.7	3,675	80.9

Note: Comprehensive income: Q2, FY 2013: 3,393 million yen (down 23.5%); Q2, FY 2012: 4,434 million yen (524.6%)

	Quarterly net profit per share	Quarterly net profit per share – assuming dilution
	yen	yen
Q2, FY 2013	26.23	–
Q2, FY 2012	30.35	–

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Q2, FY 2013	240,173	51,391	16.7	331.30
FY 2012	235,981	49,066	16.2	316.59

Reference: Equity capital: Q2, FY 2013: 40,112 million yen; FY 2012: 38,331 million yen

2. Dividend position

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	yen	yen	yen	yen	yen
FY2012	–	8.00	–	8.00	16.00
FY2013	–	8.00	–	–	–
FY 2013 (forecast)	–	–	–	8.00	16.00

Note: Change in most recently announced dividend forecasts? N

3. Consolidated business performance forecasts for FY 2013 (April 1, 2012 – March 31, 2013)

(Percentages [%] indicate changes from the previous year.)

	Sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	410,440	1.9	18,412	(12.3)	16,560	(14.2)	6,695	118.2	55.29

Note: Change in most recently announced business performance forecasts? N

Notes

- (1) Important changes in subsidiaries (changes in specified subsidiaries involving change in scope of consolidation) during the cumulative period through the first quarter of this consolidated fiscal year: N

New: _____ company(ies); name: _____ Removed: _____ company(ies); name: _____

- (2) Special accounting policies applied in preparation of the quarterly consolidated financial results? N

- (3) Changes in accounting policies, changes in accounting estimates, corrections

- (i) Changes in accounting policies involving revisions of accounting standards: N
(ii) Other changes in accounting policies: N
(iii) Change in accounting estimates: N
(iv) Corrections N

- (4) Shares issued and outstanding (common stock)

- (i) Ending number of shares issued and outstanding (including treasury stock)
(ii) Ending number of shares of treasury stock
(iii) Average shares during the fiscal year (quarter cumulative)

Q2, FY 2013	121,100,000 shares	FY 2012	121,100,000 shares
Q2, FY 2013	23,315 shares	FY 2012	23,395 shares
Q2, FY 2013	121,076,663 shares	Q2, FY 2012	121,076,722 shares

Notes on implementation of quarterly review procedures

These quarterly financial results are not subject to the procedures for the review of quarterly reports under the Financial Instruments and Exchange Act. Procedures for the review of quarterly reports had been completed before these Financial Results were released.

Notes on appropriate use of forecasts of business performance and other notes

(Notes on forward-looking statements, etc.)

The forecast figures above are projections based on information available at the time they were prepared. The Company makes no guarantees regarding the realization of these forecast figures. Actual business performance and other results may differ from the forecast figures indicated above. See p. 3 of the Appendix for information on the above forecast figures.

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1. Qualitative information on quarterly consolidated business performance, etc.

(1) Qualitative information on quarterly consolidated business performance

Japan's economy showed signs of gentle recovery during the cumulative period through the second quarter of this consolidated fiscal year (April 1 – September 30, 2012). Nevertheless, prospects remained unclear, due to the European sovereign debt crisis and rising anxiety related to slumping economic conditions overseas. Personal consumption in the food service industry remained sluggish. Harsh business conditions persisted, including the rising cost of ingredients, such as rice.

Operating in the Zensho Group's core business in the Gyudon (beef bowl) category, Sukiya has maintained high net sales at existing restaurants over the medium to long term: Net sales in the second quarter at existing restaurants were up 123.7% relative to the 2003 figure and 117.8% relative to the 2009 figure. However, year-on-year figures show a decline in net sales (to 93.0%) at existing restaurants in the second quarter, a reaction to the increase in sales one year ago in the early stages of recovery from the Great East Japan Earthquake. Sukiya's profits declined year-on-year mainly due to the rising costs of ingredients (rice included) and to higher labor costs resulting from the new system of assigning multiple employees to late-night shifts at Sukiya restaurants to strengthen security. In addition, Coco's, Big Boy, and Jolly Pasta in the Family Dining category and Hamasushi, a chain in the Fast Food Service category that continues opening new outlets, all recorded strong performance overall in terms of net sales at existing restaurants.

With the opening of 127 and the closing of 21 restaurants, the number of restaurants operated by the Group at the end of the second quarter of this consolidated fiscal year stood at 4,447 locations.

Consolidated business performance in the cumulative period through the second quarter of this consolidated fiscal year showed sales of 205,618 million yen (up 3.7% year-on-year), operating profit of 8,917 million yen (down 31.2% year-on-year), ordinary profit of 8,146 million yen (down 31.3% year-on-year), and quarterly net profit of 3,176 million yen (down 13.6% year-on-year).

Information on reporting segments is omitted here because the Company's only reporting segment operates in the food industry. An overview of conditions in each of the major categories of the food business is provided below.

Gyudon category

With the opening of 96 restaurants and the closing of nine restaurants, the number of restaurants in the Gyudon category at the end of the second quarter of this consolidated fiscal year totaled at 2,403. This figure includes 1,856 outlets in the Sukiya chain operated by Zensho Co., Ltd. and 487 outlets (including 29 franchised outlets) operated by Nakau Co., Ltd.

In addition to opening new locations and strengthening brand power through advertising, public relations, and other activities, Sukiya, a gyudon chain operated by Zensho Co., Ltd., strengthened its product lineup by continuing to add new and seasonal products, drawing on the Group's strength in sales. Sukiya also has been seeking to strengthen quality controls and improve its service to allow customers to continue to enjoy safe, delicious products with peace of mind.

Products introduced in the cumulative period through the second quarter of this consolidated fiscal year include variations on Sukiya's traditional gyudon dishes: Gomadare Kinpira Gyudon (gyudon with sesame sauce and seasoned chopped burdock root; regular size: 380 yen), a dish introduced in April 2012; Ninniku Gyudon (gyudon with sprout of garlic with red pepper-based sauce; regular size: 380 yen), introduced in July; Hanagatsu Okura Gyudon (gyudon topped with okura and dried bonito shavings; regular size: 380 yen), introduced in August; and Kinpira Konnyaku Gyudon (gyudon with konjak and seasoned chopped burdock root; regular size: 400 yen), introduced in September. The chain also introduced a wide range of other products, including special rice-bowl dishes like Kaisen Chukadon (chop suey made with fresh seafood and served on a bowl of rice; regular size: 480 yen), introduced in May; Gyutorodon (special rice bowl made with especially juicy, tender beef; regular size: 680 yen), introduced in September; and Unadon (broiled-eel-and-rice bowls; regular size: 780 yen; offered from June), a seasonal dish that proves popular every year. In the curry category, in July 2012, it introduced Shin-Curry (new curry; regular size: 350 yen) made with 22 spices. At the same time, it offered Tamagokake Gohan Choshoku (a rice and egg breakfast; regular size: 200 yen), a breakfast dish introduced in May to entice customers to have breakfast.

Nakau, a Japanese-style gyudon and Kyoto-style udon noodle chain operated by Nakau Co., Ltd., sought to improve business performance and strengthen the power of its products by enhancing its menu and introducing seasonal products. It also sought to improve existing products while undertaking various sales promotions. One approach to enhancing its menu was to strengthen its breakfast lineup, including Medamayaki Asateishoku (breakfast with fried eggs; regular size: 200 yen), introduced in September.

Due to these efforts, sales in the Gyudon category in the cumulative period through the second quarter of this consolidated fiscal year totaled 91,206 million yen (up 1.9% year-on-year).

Family Dining category

With nine closures and some conversions of restaurants to other business types within the Group, the number of restaurants in the Family Dining category at the end of the second quarter of this consolidated fiscal year stood at 1,565.

Coco's, the standard restaurant chain operated by Coco's Japan Co., Ltd., sought to strengthen business performance by improving in-store service. It continued efforts from the previous year to boost sales through effective promotions and to cut costs through strengthened labor productivity and other measures.

The Big Boy chain of hamburger and steak restaurants and other restaurants operated by Big Boy Japan Inc. sought to improve business performance in various ways, including improvements in its salad bar and soup bar and new set menus.

Jolly Pasta restaurants, the chain that sells boiled spaghetti and handmade pizza, and other restaurants operated by Sunday's Sun INC., sought to make their menus even more delicious by improving their pasta sauces and by introducing full-featured seasonal menus. Under the slogan "When you want pasta, it's Jolly Pasta," these measures have seeking to underscore the chain's identity as a pasta specialist.

To increase customer satisfaction, Hanaya Yohei, the Japanese-cuisine restaurant chain operated by Hanaya Yohei Co., Ltd. targeted various improvements, including improving service by strengthening training of in-store employees; improving labor productivity; and developing safe, delicious products customers can enjoy with peace of mind.

Due to these efforts, sales in the Family Dining category in the cumulative period through the second quarter of this consolidated fiscal year totaled 74,576 million yen. (down 0.0% year-on-year)

Fast Food Service category

With the opening of 31 restaurants, the closing of three restaurants, and some conversions from other business types within the Group, the number of restaurant locations in the Fast Food Service category at the end of the second quarter of this consolidated fiscal year stood at 478.

Due to these efforts, sales in the Fast Food Service category in the cumulative period through the second quarter of this consolidated fiscal year totaled 28,664 million yen (up 31.5% year-on-year).

Other category

Net sales in the Other category in the cumulative period through the second quarter of this consolidated fiscal year totaled 11,171 million yen (down 10.1% year-on-year).

Main businesses included in this category include Tolona Japan Co., Ltd., which produces and sells pizzas; Sanbishi Co., Ltd., which produces and sells soy sauce; and Global Fresh Supply Co., Ltd., a company which handles logistics functions for the Zensho Group, and Global Table Supply Co., Ltd., which procures supplies, uniforms, and other equipment.

(2) Qualitative information on consolidated financial position

(i) Status of assets, liabilities, and net assets

As of the end of the second quarter of this consolidated fiscal year, the Group's assets increased by 4,191 million yen. Contributing factors included capital investment due to the opening of 127 new restaurants and expanding inventory due to efforts to promote direct trade.

Various factors increased liabilities by 1,866 million yen, including expanded debt assumed to open new restaurants.

Various factors, including higher retained earnings resulting from net profits, increased net assets by 2,325 million yen.

(ii) Cash flow position

The balance of cash and cash equivalents ("funds" hereinafter) totaled 18,004 million yen at the end of the second quarter of this consolidated fiscal year, down 575 million yen from the end of the previous consolidated fiscal year.

(Cash flow from operating activities)

Cash flow from operating activities resulted in an increase in funds of 7,261 million yen (a decline of 3,845 million yen compared to the same period of the previous fiscal year). Pertinent factors included revenue from net profit before taxes and other adjustments, depreciation, and various expenditures, including corporate taxes.

(Cash flow from investing activities)

Cash flow from investment activities resulted in a decrease in funds of 10,995 million yen (a decline of 1,505 million yen compared to the same period of the previous fiscal year). This was mainly due to expenditures on acquisition of tangible fixed assets.

(Cash flow from financing activities)

Cash flow from financing activities resulted in an increase in funds of 3,117 million yen (an increase of 3,897 million yen compared to the same period of the previous fiscal year). This was mainly due to borrowing and other activities related to the opening of new restaurants, along with dividend payments.

(3) Qualitative information on forecasts of consolidated business performance

We have lowered our forecasts of business performance through the second quarter of the fiscal year ending March 2013 (April 1 – September 30, 2012) and forecasts of business performance for this fiscal year ending March 2013 (April 1, 2012 – March 31, 2013) from initial forecasts, as announced November 1, 2012.

2. Notes on summary information (notes)

(1) Important changes in subsidiaries during the cumulative period through the first quarter of this consolidated fiscal year

None

(2) Special accounting policies applied in preparation of the quarterly consolidated financial statements

None

(3) Changes in accounting policies, changes in accounting estimates, corrections

None

3. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Units: Millions of yen)

	Previous consolidated fiscal year (March 31, 2012)	Second quarter of this consolidated fiscal year (September 30, 2012)
Assets		
Current assets		
Cash and deposits	18,580	18,004
Notes and accounts receivable – trade	4,774	4,277
Merchandise and products	7,179	8,472
In-process inventories	358	503
Raw materials and supplies	2,488	2,451
Other receivables	10,935	11,544
Allowance for doubtful accounts	(0)	(4)
Total current assets	44,317	45,249
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures	141,312	143,728
Accumulated depreciation	(67,329)	(69,593)
Buildings and structures (net)	73,982	74,135
Machinery and vehicles	11,644	10,954
Accumulated depreciation	(6,049)	(5,229)
Machinery and vehicles (net)	5,594	5,724
Other	58,185	62,937
Accumulated depreciation	(26,102)	(28,894)
Other (net)	32,083	34,043
Total property, plant, and equipment	111,660	113,903
Intangible assets		
Goodwill	13,052	12,731
Other	5,260	4,870
Total intangible assets	18,312	17,602
Investments and other assets		
Investment securities	4,069	4,384
Guarantee deposits	30,560	30,791
Other	26,907	28,062
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	61,532	63,234
Total noncurrent assets	191,506	194,739
Deferred assets	157	183
Total assets	235,981	240,173

(Units: Millions of yen)

	Previous consolidated fiscal year (March 31, 2012)	Second quarter of this consolidated fiscal year (September 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	11,067	10,305
Short-term loans payable	5,397	4,564
Current portion of bonds	3,190	4,790
Current portion of long-term loans payable	44,321	39,446
Accrued income taxes	6,366	3,440
Reserves	1,463	1,588
Other	22,458	28,677
Total current liabilities	94,264	92,813
Noncurrent liabilities		
Corporate bonds	11,375	17,180
Long-term loans payable	69,131	66,454
Reserves	358	365
Asset retirement obligations	1,267	1,323
Other	10,517	10,644
Total noncurrent liabilities	92,649	95,968
Total liabilities	186,914	188,781
Net assets		
Shareholders' equity		
Capital stock	10,089	10,089
Capital surplus	10,642	10,642
Retained earnings	22,691	24,899
Treasury stock	(20)	(20)
Total shareholders' equity	43,403	45,611
Accumulated other comprehensive profit		
Net unrealized holding gains on securities	(1,144)	(1,365)
Deferred hedging gains/losses	(579)	(448)
Foreign currency translation adjustments	(3,348)	(3,685)
Total accumulated other comprehensive profit	(5,071)	(5,498)
Non-controlling interests	10,734	11,278
Total net assets	49,066	51,391
Total liabilities and net assets	235,981	240,173

(2) Quarterly consolidated statement of profit and loss and consolidated statement of comprehensive income
(Quarterly consolidated statement of profit and loss)
(Cumulative period through second quarter of this consolidated fiscal year)

(Units: Millions of yen)

	Cumulative period through second quarter of previous consolidated fiscal year (April 1 – September 30, 2011)	Cumulative period through second quarter of this consolidated fiscal year (April 1 – September 30, 2012)
Sales	198,308	205,618
Cost of sales	68,926	74,603
Gross profit	129,382	131,015
Sales and general administrative expenses	116,425	122,097
Operating profit	12,956	8,917
Non-operating income		
Interest income	138	178
Dividend income	79	84
Lease income	381	171
Other	145	374
Total non-operating income	745	809
Non-operating expenses		
Interest expenses	1,266	1,052
Lease expenses	339	172
Other	245	355
Total non-operating expenses	1,850	1,580
Ordinary profit	11,850	8,146
Extraordinary income		
Gains on sale of noncurrent assets	1	0
Gains on sales of stock in affiliates	1,196	–
Other	15	12
Total extraordinary income	1,212	12
Extraordinary losses		
Loss on sales of noncurrent assets	434	213
Impairment losses	94	130
Other	390	186
Total extraordinary losses	919	530
Net profit before income taxes	12,144	7,628
Corporate, residence, and enterprise taxes	6,134	3,632
Income taxes – past year	1,974	–
Income taxes – deferred	(349)	168
Total corporate taxes	7,760	3,801
Net profit before non-controlling interests	4,383	3,827
Non-controlling interests in income	708	650
Net profit	3,675	3,176

(Quarterly consolidated statement of comprehensive income)
 (Cumulative period through second quarter of this consolidated fiscal year)

(Units: Millions of yen)

	Cumulative period through second quarter of previous consolidated fiscal year (April 1 – September 30, 2011)	Cumulative period through second quarter of this consolidated fiscal year (April 1 – September 30, 2012)
Net profit before non-controlling interests	4,383	3,827
Other comprehensive profit		
Valuation difference on available-for-sale securities	7	(228)
Deferred hedging gains/losses	101	131
Foreign currency translation adjustments	(58)	(336)
Total other comprehensive profit	51	(434)
Comprehensive profit	4,434	3,393
(Breakdown)		
Comprehensive profit attributable to parent company owners	3,718	2,749
Comprehensive profit attributable to non-controlling interests	716	643

(3) Quarterly consolidated statement of cash flows

(Units: Millions of yen)

	Cumulative period through second quarter of previous consolidated fiscal year (April 1 – September 30, 2011)	Cumulative period through second quarter of this consolidated fiscal year (April 1 – September 30, 2012)
Cash flows from operating activities		
Quarterly net profit before taxes and other adjustments	12,144	7,628
Depreciation	7,614	8,249
Impairment losses	94	130
Amortization of goodwill	533	463
Amortization of negative goodwill	(1)	(1)
Increase (decrease) in allowance for doubtful accounts	(0)	4
Increase (decrease) in allowance for bonuses	87	113
Increase (decrease) in allowance for retirement	(1)	(8)
Interest and dividends received	(218)	(263)
Interest expense	1,266	1,052
Foreign exchange losses (gains)	29	105
Loss (gain) on sale of stock in affiliates	(1,196)	—
Loss (gain) on sale of property, plant, and equipment	17	26
Loss on retirement of property, plant, and equipment	430	207
Other extraordinary losses (gains)	158	12
Other non-operating losses (gains)	(5)	(14)
Decrease (increase) in accounts receivable – trade	(336)	530
Decrease (increase) in inventories	(877)	(1,322)
Increase (decrease) in accounts payable – trade	(72)	(757)
Increase (decrease) in accrued consumption taxes	(611)	110
Decrease (increase) in other current assets	332	(1,233)
Decrease (increase) in other noncurrent assets	399	402
Increase (decrease) in other current liabilities	(443)	(898)
Increase (decrease) in other noncurrent liabilities	(54)	90
Subtotal	19,286	14,631
Interest and dividends received	58	26
Interest paid	(1,227)	(903)
Income taxes paid	(7,011)	(6,492)
Cash flows from operating activities	11,106	7,261

(Units: Millions of yen)

	Cumulative period through second quarter of previous consolidated fiscal year (April 1 – September 30, 2011)	Cumulative period through second quarter of this consolidated fiscal year (April 1 – September 30, 2012)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(8,100)	(7,852)
Proceeds from sale of property, plant, and equipment	2	84
Purchase of intangible assets	(133)	(246)
Proceeds from sale of intangible assets	—	2
Purchase of long-term prepaid expenses	(69)	(138)
Purchase of investment securities	(58)	(7)
Proceeds from sale of investment securities	0	—
Payments for acquisition of newly consolidated subsidiaries	—	(370)
Proceeds from sale of stock in affiliates	1,263	—
Payments of loans receivable	(23)	(104)
Collection of loans receivable	6	2
Guarantees pledged	(959)	(949)
Guarantees collected	433	261
Decrease (increase) in insurance funds	(2)	(2)
Decrease (increase) in lease premiums	(92)	(71)
Expenditures on long-term prepaid rents	(1,653)	(1,526)
Other	(101)	(76)
Cash flows from investing activities	(9,489)	(10,995)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	1,697	(903)
Increase (decrease) in short-term corporate bonds	—	7,000
Proceeds from long-term loans payable	18,124	17,000
Repayment of long-term loans payable	(25,951)	(24,806)
Proceeds from issuance of bonds	8,000	9,000
Redemption of bonds	(523)	(1,595)
Repayment of lease obligations	(1,097)	(1,475)
Purchase of treasury stock	(0)	—
Repayment of installment payables	(85)	(35)
Payment of dividends	(845)	(967)
Dividends paid to minority shareholders	(99)	(99)
Other	—	0
Cash flows from financing activities	(780)	3,117
Effect of exchange rate changes on cash and cash equivalents	3	40
Increase (decrease) in cash and cash equivalents	840	(575)
Beginning balance of cash and cash equivalents	20,518	18,580
Ending balance of cash and cash equivalents	21,358	18,004

(4) Notes on going concern assumption

Not applicable

(5) Segment information

[Segment information]

Cumulative period through the second quarter of previous consolidated fiscal year (April 1 – September 30, 2011)

This information is omitted because the Group's only reporting segment is the food business.

Cumulative period through the second quarter of this consolidated fiscal year (April 1 – September 30, 2012)

This information is omitted because the Group's only reporting segment is the food business.

(6) Notes on significant changes in amount of shareholders' equity (if any)

Not applicable

(7) Material subsequent event(s)

Tender offer for stock in Maruya Co., Ltd.

At a meeting held October 3, 2012, the Zensho board of directors approved a resolution to submit a tender offer for common stock in Maruya Co., Ltd. The tender offer began October 4 and ended November 1. Maruya became a consolidated subsidiary of Zensho effective November 8.

1. Purpose of acquisition

Maruya operates the Maruya supermarket chain, a community-oriented chain comprised (as of February 20, 2012) of 50 stores located in the Japanese prefectures of Saitama, Chiba, Ibaraki, and Tochigi. The chain's main areas of business are perishables and groceries. Its management philosophy seeks to develop stores valued and trusted by local communities.

Maruya's stores are located in the same general region in which Zensho Group restaurants are concentrated. The decision to purchase these shares was based on the synergies anticipated in logistics and product supply, as well as expectations that the expertise in efficiency accrued to date by Zensho and hospitality improvements would make Maruya stores more attractive and increase the corporate value of both companies.

2. Overview of acquisition

Name: Maruya Co., Ltd.

Business: Supermarket chain focusing on groceries

Capital: 4,976 million yen (as of August 20, 2012)

Net sales: 23,658 million yen (period ended February 2012)

3. Overview of transactions

(1) Period of tender offer

October 4 – November 1, 2012

(2) Price of tender offer

150 yen per share of common stock

(3) Planned number of shares acquired

Planned number of shares acquired: 23,178,170 shares

Minimum planned number of shares acquired: 11,593,000 shares

Maximum planned number of shares acquired: —

(4) Results of tender offer

(i) Success or failure of tender offer

All offered shares will be purchased.

(ii) Date of public notice of the results of the tender offer and name of newspaper carrying public notice

Zensho issued a public announcement to the media at the Tokyo Stock Exchange on November 2, 2012, in the manner specified in Article 9-4 of the Enforcement Order of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended) and Article 30-2 of the Cabinet Office Ordinance concerning the Disclosure of Tender Offers for Shares and Other Securities by Parties Other than the Issuer (Ministry of Finance Ordinance No. 38 of 1990, as amended), pursuant to Article 27-13, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

(iii) Numbers of shares purchased

(A) Number offered, converted to shares: 18,235,097 shares

(B) Number purchased, converted to shares: 18,235,097 shares

(iv) Purchase price and breakdown thereof

Purchase price 2,735 million yen

Direct cost of purchase 31 million yen

Cost of purchase 2,766 million yen

(v) Commencement date of settlement

November 8, 2012

(vi) Ownership stake after purchase

78.65%