Financial Results (Consolidated) for Fiscal Year Ended March 2012
(Japanese accounting standards)

May 9, 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 and CEO	(name) Kentaro Ogawa	
Address any inquiries to:	(title) Managing Executive Director and CFO	(name) Takao Yuhara	(tel.) 03 (6833) 1600

Date of annual general meeting of shareholders (planned): June 20, 2012
Starting date of dividend payment (planned): June 21, 2012
Date of submittal of securities report (planned): June 20, 2012
Supplemental explanatory materials on consolidated financial results prepared? Y / N
Investors meeting held on settlement of accounts? Y / N (for institutional investors)

(Figures rounded down to the nearest million yen)

1. Consolidated financial performance in the fiscal year ended March 2012 (April 1, 2011 – March 31, 2012)

(1) Consolidated business performance (Percentages [%] indicate changes from the previous year)

	Sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2012	402,962	8.7	21,005	18.9	19,300	22.2	3,068	(35.2)
FY 2011	370,769	11.0	17,660	40.8	15,791	42.1	4,735	35.0

(Reference) Comprehensive income FY 2012: 5,195 million yen (up 88.3%) FY 2011: 2,759 million yen (down 39.1%)

	Net profit per share	Net profit per share–assuming dilution	Return on equity (ROE)	Return on assets (ROA)	Operating profit ratio
	yen	yen	%	%	%
FY 2012	25.34	–	8.3	8.3	5.2
FY 2011	39.11	–	13.5	6.8	4.8

(Reference) Gain/loss on equity-method investments FY 2012: – million yen FY 2011: – million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY 2012	235,981	49,066	16.2	316.59
FY 2011	231,190	45,887	15.6	297.12

(Reference) Equity capital FY 2012: 38,331 million yen FY 2011: 35,974 million yen

(3) Consolidated cash-flow position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Ending balance of cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2012	24,099	(19,398)	(6,593)	18,580
FY 2011	26,364	(17,750)	(9,131)	20,518

2. Dividend position

	Annual dividends					Total dividends (full-year)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY 2011	–	7.00	–	7.00	14.00	1,695	35.8	4.8
FY 2012	–	8.00	–	8.00	16.00	1,937	63.1	5.0
FY 2013 (forecast)	–	8.00	–	8.00	16.00	–	15.7	–

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

(Percentages [%] indicate changes from the previous year for annual figures and year-on-year changes for quarterly figures.)

	Sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Q2 (cumulative)	216,756	9.3	14,085	8.7	12,736	7.5	6,324	72.1	52.23
Full year	436,124	8.2	27,327	30.1	24,737	28.2	12,337	302.0	101.89

Notes

(1) Important changes in subsidiaries (changes in specified subsidiaries involving changes in scope of consolidation) during this fiscal year — $\boxed{\text{Y}}$ / N

New: 1 company(ies); name: Zensho Co., Ltd. Removed: No company(ies)

Note: For more information, see "Group position" on p. 9.

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

(i) Changes in accounting policies involving revisions of accounting standards:	Y / $\boxed{\text{N}}$
(ii) Other changes in accounting policies:	Y / $\boxed{\text{N}}$
(iii) Change in accounting estimates:	Y / $\boxed{\text{N}}$
(iv) Corrections	Y / $\boxed{\text{N}}$

(3) Shares issued and outstanding (common stock)

(i) Ending number of shares issued and outstanding (including treasury stock)	FY 2012	121,100,000 shares	FY 2011	121,100,000 shares
(ii) Ending number of shares of treasury stock	FY 2012	23,395 shares	FY 2011	23,230 shares
(iii) Average shares during the fiscal year	FY 2012	121,076,685 shares	FY 2011	121,076,863 shares

Note: See "Per-share information" on p. 27 concerning the number of shares on which calculations of net profit per share (consolidated) are based.

Notes on implementation of audit procedures

These Financial Results are not subject to audit procedures under the Financial Instruments and Exchange Act. Audit procedures were underway for financial statements at the time of release of these Financial Results.

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

The forecast figures indicated above are projections based on the information available at the time they were prepared. They include some degree of uncertainty. Actual business performance and other results may differ from the forecast figures indicated above. See p. 5 of the Appendix for information on the above forecast figures.

Appendix: Table of contents

1. Business performance

(1) Analysis of business performance

During this consolidated fiscal year (April 1, 2011 – March 31, 2012) Japan's economy showed signs of gentle recovery, including progress on the restoration of supply chains and social infrastructures affected by the Great East Japan Earthquake; recovery in production activities; and steady personal consumption. However, the economic landscape also featured worries about slumping economic conditions overseas, including fiscal uncertainty in Europe and rising crude oil prices. Business prospects remained unclear.

In the food service industry, despite concerns about declining consumer confidence due to the effects of the Great East Japan Earthquake, the fast food industry saw strong performance. The family restaurant industry also moved toward recovery. However, business conditions remain unpredictable due to various factors, including a slump in the *yakiniku* grilled meat industry and concerns about food safety, spurred by problems at nuclear power plants.

Under these conditions, the Zensho Group opened 322 new restaurants and built three new plants and three new distribution centers as part of efforts to strengthen its mass-merchandising system (MMD), with the overall goal of improving profitability by actively expanding its lines of business and pursuing group synergies.

Due to various developments, including the opening of 322 new restaurants, the closing of 36 locations, and the removal of 116 restaurants from the Group following the transfer of all shares of stock in Chicago Pizza Co., Ltd., the Group's number of restaurants at the end of this consolidated fiscal year stood at 4,314 locations.

In addition, during this consolidated fiscal year, the Group recorded impairment losses of approximately 2 billion yen on goodwill in Catalina Restaurant Group, a U.S. consolidated subsidiary, and approximately 1 billion yen on fixed assets at domestic operating restaurants, together with approximately 2.7 billion yen in revisions to corporate taxes for past fiscal years.

Given these factors, consolidated business performance in this consolidated fiscal year showed net sales of 402,962 million yen (up 8.7% from the previous fiscal year), operating income of 21,005 million yen (up 18.9% from the previous fiscal year), ordinary income of 19.3 billion yen (up 22.2% from the previous fiscal year), and net income of 3,068 million yen (down 35.2% from the previous fiscal year). The Group's net sales, ordinary income, and operating income recorded new record highs this 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

The number of restaurants in Gyudon (beef bowl) category at the end of this consolidated fiscal year totaled 2,316 locations, due to the opening of 255 and the closing of nine restaurants. A breakdown by company includes 1,783 locations of the Sukiya chain of Zensho Co., Ltd. and 490 locations of Nakau Co., Ltd. (including 31 franchised locations), among others.

In addition to an aggressive program of opening new locations and strengthening brand power through advertising, public relations, and other activities, Sukiya, a suburban family gyudon chain operated by Zensho Co., sought to strengthen quality controls and improve its services to allow customers to continue to enjoy safe, delicious products with peace of mind.

Since April 2011, Sukiya has introduced a succession of new products, including Shiraganegi Gyudon (beef-and-rice bowl with shredded leeks; regular size, 380 yen), Hiyashi Gyu-Mabushi (chilled drenched beef-and-rice bowl; regular size, 480 yen), and Negi-Kimchi Gyudon (beef-and-rice bowl with onions and kimchi; regular size, 380 yen). In January 2012, the chain introduced, *Chumori,* a new medium-sized gyudon (380 yen). Sukiya also sold products such as *unadon* broiled-eel-and-rice bowls (regular size, 680 yen) and Gyu-Mabushi (drenched beef-and-rice bowl; regular size, 480 yen) in season. Through these and other efforts, Sukiya achieved strong net sales through continuing investment in new products and seasonal products, in addition to existing products.

Nakau, a Japanese-style gyudon and Kyoto-style udon noodle chain operated by Nakau Co., sought to improve business performance by strengthening product power. Efforts included introducing seasonal products and improving existing products, as well as engaging in sales promotion activities at its restaurants.

Due to these efforts, net sales in Gyudon category during this consolidated fiscal year totaled 178,759 million yen (up 11.7% from the previous fiscal year).

Restaurant category

The number of restaurants in Restaurant category at the end of this consolidated fiscal year totaled 1,577 locations, following the opening of one restaurant, the closing of 16, and the conversion of five to other business types within the Group.

A breakdown of this figure into major subcategories shows 559 restaurants (including 82 licensee restaurants) under the umbrella of Coco's Japan Co., Ltd.; 322 operated by Big Boy Japan Inc.; 246 operated by Sunday's Sun Inc.; 186 operated by the Catalina Restaurant Group Inc. (including 19 franchised locations); 164 operated by Hanaya Yohei Co., Ltd., 58 Gyuan outlets operated by Zensho Co., and 37 restaurants operated by Takarajima Co., Ltd.

Coco's, the standard restaurant chain operated by Coco's Japan Co., Ltd. sought to strengthen business performance by improving in-store service. It also maintained efforts to secure sales through effective promotions and to achieve cost controls based on improvements in labor productivity and other measures.

Big Boy restaurants, the hamburger and steak chain, and other restaurants operated by Big Boy Japan Inc., sought to improve business performance through efforts including revisions to its main menu and salad-bar improvements.

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 seek 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, net sales in the restaurant category during this consolidated fiscal year totaled 150,536 million yen (up 0.6% from the previous fiscal year).

Fast food category

The number of restaurant locations in Fast food category at the end of this consolidated fiscal year totaled 420, following the opening of 65 restaurants, the closing of eight, and the conversion of four from other business types within the Group. A breakdown of this figure into its major subcategories shows 152 restaurants operated by Hamazushi Co., Ltd., 108 operated by Yamato Foods Co., Ltd., and 105 outlets of Denmaru operated by Zensho Co., Ltd. and other restaurants.

Due to these efforts, net sales in the fast food category during this consolidated fiscal year totaled 46,856 million yen (up 30.5% from the previous fiscal year).

Other category

Net sales in Other category this consolidated fiscal year totaled 26,812 million yen (up 6.1% from the previous fiscal 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.

Forecasts for the next fiscal year point to economic recovery. Nevertheless, worries remain, including anxiety about a potential global economic downturn caused by the debt crisis in Europe and high crude oil prices, among other factors. Uncertainty, the status quo, is expected to persist.

Given these conditions, as an enterprise providing safe, delicious food at reasonable cost to people all around the world, the Zensho Group will continue to strengthen the brands within each of its business types. Efforts targeting this goal include the pursuit of food safety, improvements in the quality of restaurants, and an energetic program to open new restaurants in categories offering competitive strengths, both in Japan and around the world. In pursuit of group synergies, the Zensho Group will also seek to achieve sustained improvements in product quality and cost through MMD, through which it implements integrated design and management of activities ranging from procurement of food materials through production, logistics, and in-store sales.

The Group projects the following full-year business performance figures: 436,124 million yen in net sales (up 8.2% from the previous year); 27,327 million yen in operating profit (up 30.1% from the previous year); 24,737 million yen in ordinary profit (up 28.2% from the previous year); and 12,337 million yen in net profit (up 4.02 times from the previous year).

(2) Analysis of financial position

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

At the end of this consolidated fiscal year, the Group's assets increased by 4,791 million yen, mainly due to capital investments accompanying activities such as the opening of 322 new restaurants.

Liabilities increased by 1,612 million yen, mainly due to an increase in corporate taxes payable accompanying an increase in net profit before taxes and other adjustments and an increase in lease liabilities accompanying active efforts to open new restaurants.

Net assets had increased by 3,179 million yen, mainly due to an increase in retained earnings accompanying net profit.

(ii) Cash-flow position

	Amount
Beginning balance in cash and cash equivalents	20,518 million yen
Operating cash flow	24,099 million yen
Investing cash flow	(19,398 million yen)
Financing cash flow	(6,593 million yen)
Ending balance in cash and cash equivalents	18,580 million yen
(Reference) Free cash flow	4,700 million yen

Cash and cash equivalents ("funds" hereinafter) totaled 18,580 million yen at the end of this consolidated fiscal year. This was due to cash inflows, including net income before taxes and other adjustments, and depreciation, along with cash outflows resulting from expenditures on opening new restaurants, debt repayment, payment of interest, and payment of corporate and other taxes, as well as dividends.

(Cash flow from operating activities)

Cash flow from operating activities resulted in an increase in funds of 24,099 million yen. This was mainly due to net income before taxes and other adjustments and depreciation.

(Cash flow from investing activities)

Cash flow used in investment activities resulted in a decrease in funds of 19,398 million yen. This was mainly due to expenditures on acquisition of tangible fixed assets.

(Cash flow from financing activities)

Cash flow used in financing activities resulted in a decrease in funds of 6,593 million yen. This was mainly due to expenditures on repayment of interest-bearing debt and payment of dividends.

(Reference) Trends in cash flow indicators

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Equity ratio (%)	14.2%	13.2%	14.7%	15.6%	16.2%
Equity ratio on market price basis (%)	32.0%	24.6%	36.5%	43.2%	52.1%
Debt repayment period (years)	8.0	11.4	6.2	5.4	6.0
Interest coverage ratio (times)	9.5	6.1	9.8	10.4	10.3

Notes: 1. Equity ratio: equity capital/total assets
Market value basis equity ratio: total market value of stock/total assets
Debt repayment period: interest-bearing debt/operating cash flow
Interest coverage ratio: operating cash flow/interest payments

2. Each of the above indicators is calculated using financial figures on a consolidated basis.
3. The total market value of stock is calculated as follows: year-end closing price × year-end number of shares issued and outstanding (after subtracting treasury stock).
4. The figure for cash flow from operating activities on the consolidated statement of cash flows is used as operating cash flow. The figure for payment of interest on the consolidated statement of cash flows is used as interest payments.
5. Since the fiscal year ended March 2009, interest-bearing debt includes lease liabilities.

(3) Basic policy on distribution of profits and dividends for the current year and next year

Regarding the stable return of profits to its shareholders as among its key management goals, the Zensho Group applies a basic policy of distributing profits in accordance with business performance while actively expanding its lines of business and enhancing internal reserves.

In accordance with the above policy, plans call for payment of 16 yen per share in dividends over the course of this consolidated fiscal year, consisting of 8 yen/share in midyear dividends and 8 yen/share in year-end dividends.

Also in accordance with the above policy, plans call for payment of 16 yen per share in dividends in the next fiscal year, consisting of 8 yen/share in midyear dividends and 8 yen/share in year-end dividends.

(4) Business risks and other risks

Provided below is an overview of business risks and various other risks Zensho Holdings and the Zensho Group face that may have a significant impact on management decisions. Recognizing the possibility of these risks, the Company will seek to avoid them while preparing to respond appropriately in the event that they do occur. This information includes forward-looking statements that reflect judgments made as of the end of this consolidated fiscal year.

(i) Procurement of raw materials

Events such as supply instabilities or the rising cost of food materials in the event of disease outbreaks (past examples include bovine spongiform encephalopathy (BSE) in the United States or avian influenza), unseasonable weather, or natural disasters may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(ii) Control of safety of food products

While the Group pursues thorough quality and sanitation control to provide safe, delicious products to its customers, factors such as damage to the corporate image in the event of mass food poisoning or other health and safety problems may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(iii) Regulatory environment

In addition to the Companies Act, the Financial Instruments and Exchange Act, the Corporation Tax Act, and other generally applicable laws and regulations, the Group is also subject to various legal regulations and systems governing restaurant management, including the Food Sanitation Act, the Labor Standards Act, and the Container and Packaging Recycling Act. New costs required to comply with future strengthening in these regulations may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(iv) Dependence on main businesses

The Zensho Group currently consists mainly of Gyudon category, Restaurant category, and Fast food category. Through expansion, the Group is in the process of building a structure less dependent on any single business type. Nevertheless, events affecting the performance of a single business type, including problems in procuring food materials or other risks, may still harm the business performance and financial position of Zensho and the Zensho Group.

(v) Business performance of businesses subject to M&A activities

Through now, the Zensho Group has endeavored to grow its lines of business through mergers and acquisitions (M&A) in addition to opening new restaurants. While in an M&A dedicated sections carefully research the subject business from multifaceted points of view through the due-diligence process, there is a possibility that revenue improvements could not be implemented as originally planned or that it would not be possible to maintain the management team, employees, or customer base following the merger or acquisition. It is also possible that contingent liabilities or unrecognized liabilities could arise after an M&A, the occurrence of which may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(vi) Risk of natural disasters

In the event of a natural disaster such as a large-scale earthquake, flood, or typhoon in regions that include locations of Zensho Group restaurants or plants, the scope of the actual damage may render it difficult to carry out ordinary business activities, harming the business performance and financial position of Zensho Holdings and the Zensho Group.

(vii) Rising interest rates

Until now, the Zensho Group has raised some of the funds used for capital investments in restaurants and other facilities and in M&A activities by borrowing from financial institutions. This is intended to make the most of the historically low interest rates of recent years. While the Group does hedge against rising interest rates by employing a ratio of fixed assets to net worth of 81.9%, from a long-term perspective, rising cost burdens due to rising interest rates may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(viii) Asset-impairment accounting

Impairment losses recorded by the Group in the future based on asset-impairment accounting for fixed assets may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(ix) Dependence on leased restaurant properties

The Zensho Group leases the land and buildings for its offices and most of its restaurants. While leases can be renewed with the agreement of the lessor, the lessor may terminate the lease agreement for his or her own reasons. It is also possible that a restaurant may be forced into unplanned closure due to the early termination of a lease for the lessor's own reasons. These events may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(x) Intensifying competition

While conditions in the food service industry in Japan are bottoming out, competition is expected to intensify. Declining market share or weakening brand power of Group products in the event the Group is unable to supply products with high value added meeting consumer needs may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(xi) Foreign exchange risks

Zensho Holdings and the Zensho Group purchase some raw materials from overseas. Exchange rate fluctuations affect the cost of such materials. While the Group seeks to minimize its exposure to foreign exchange risk through forward foreign exchange contracts and other means, there is no guarantee that it will be able to hedge against all foreign exchange risk in a timely manner in accordance with growth in business performance. Thus, rising costs in the event of short-term violent fluctuations in exchange rates may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

(xii) Catalina Restaurant Group Inc. (U.S.)

In May 2006, Zensho America Corp., Zensho's wholly-owned subsidiary, made the U.S. firm Catalina Restaurant Group Inc. a subsidiary. The Catalina Restaurant Group operates the Coco's and Carrow's restaurant chains in the United States. As of the end of March 2012, it operated 186 locations in the states of California, Arizona, Nevada, and elsewhere. During this consolidated fiscal year, approximately 2 billion yen in goodwill and other assets were subjected to asset impairment, based on the assessment that it would be difficult to effect a quick return to profitability in light of long-term economic effects in the United States. Various measures to strengthen this business will be carried out in the future, including large-scale menu revisions focusing on introducing new products and revising restaurant operation systems. However, the inability to carry out these plans for various reasons (including concerns about an economic downturn in the United States) may harm the business performance and financial position of Zensho Holdings and the Zensho Group.

2. Group position

The Zensho Group consists of 35 companies—Zensho Holdings and 34 subsidiaries—and carries out a broad range of business activities in the food business.

(1) Gyudon category (share of Group sales: 44.4%)

Zensho Co., Ltd. runs directly operated outlets of Sukiya, a suburban family Gyudon chain, across Japan, striving to provide a broad range of customers, including families, with an abundant choice of value-priced products and satisfying service.
Nakau Co., Ltd. offers both directly operated and franchised outlets of Nakau, a Japanese-style Gyudon and Kyoto-style udon noodle chain that provide customers with high quality food, primarily in urban locations.

(2) Restaurant category (share of Group sales: 37.4%)

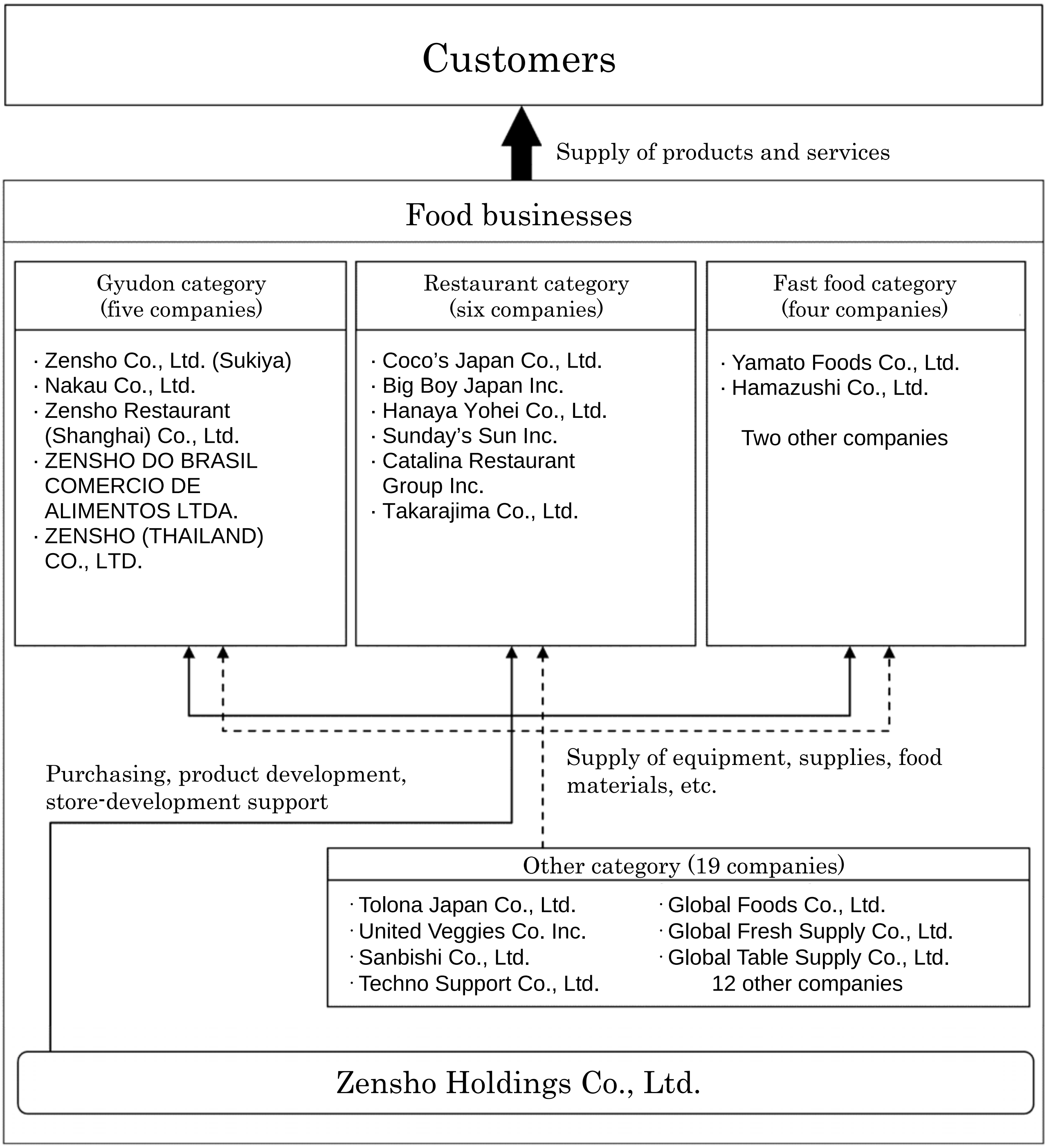
Coco's Japan Co., Ltd. offers both directly operated and franchised outlets of Coco's, a standard restaurant selling meals in the 1,000-yen price range, across Japan.
Big Boy Japan Inc. directly operates hand-kneaded hamburger and salad-bar restaurants. It directly operates Big Boy restaurants chiefly in the Kanto, Kansai, and Tohoku regions of Japan and the Victoria Station restaurants in Hokkaido.
Sunday's Sun Inc. directly operates Jolly Pasta restaurants, which sell boiled spaghetti and handmade pizza, and Fracasso Italian kitchens, both primarily in the Kanto and Kansai regions.
Hanaya Yohei Co., Ltd. directly operates the Hanaya Yohei chain of Japanese-cuisine restaurants in the Kanto region.
Catalina Restaurant Group Inc. operates the Coco's and Carrows family dining chains, primarily in the U.S. state of California.

(3) Fast food category (share of Group sales: 11.6%)

Hamazushi Co., Ltd. directly operates the Hamazushi chain of conveyer-belt sushi restaurants primarily in the Kanto region. Yamato Foods Co., Ltd. directly operates the Kyubeiya chain of restaurants in the Kanto region; the main product is homemade udon. It also operates franchises of Mister Donut and Mos Burger, primarily in the Kanto region.

(4) Other (share of Group sales: 6.7%)

The main businesses of Tolona Japan Co., Ltd. are the production and sale of pizza crust.
The main business of United Veggies Co. Inc. is the sale of fruits and vegetables.
The main businesses of Sanbishi Co., Ltd. are the production and sale of soy sauce and other seasonings.
The main businesses of Techno Support Co., Ltd. are facilities and maintenance.
The main businesses of Global Foods Co., Ltd. are the purchase and sale of food materials.
The main business of Global Fresh Supply Co., Ltd. is the nationwide distribution of food materials.
The main business of Global Table Supply Co., Ltd. is the sale of supplies and equipment.


Customers
Supply of products and services
Food businesses
Gyudon category
(five companies)
· Zensho Co., Ltd. (Sukiya)
· Nakau Co., Ltd.
· Zensho Restaurant (Shanghai) Co., Ltd.
· ZENSHO DO BRASIL COMERCIO DE ALIMENTOS LTDA.
· ZENSHO (THAILAND) CO., LTD.
Restaurant category
(six companies)
· Coco’s Japan Co., Ltd.
· Big Boy Japan Inc.
· Hanaya Yohei Co., Ltd.
· Sunday’s Sun Inc.
· Catalina Restaurant Group Inc.
· Takarajima Co., Ltd.
Fast food category
(four companies)
· Yamato Foods Co., Ltd.
· Hamazushi Co., Ltd.
Two other companies
Purchasing, product development, store-development support
Supply of equipment, supplies, food materials, etc.
Other category (19 companies)
· Tolona Japan Co., Ltd.
· United Veggies Co. Inc.
· Sanbishi Co., Ltd.
· Techno Support Co., Ltd.
· Global Foods Co., Ltd.
· Global Fresh Supply Co., Ltd.
· Global Table Supply Co., Ltd.
12 other companies
Zensho Holdings Co., Ltd.

3. Management policies

(1) The Company's basic management policies

Based on the fundamental philosophy of eradicating hunger and poverty from the world, the Zensho Group does business around the world. Its mission is to provide people around the world with safe, delicious food at reasonable price by developing a broad range of food businesses. To provide safe, high quality products and services to its customers, it strives to develop a mass-merchandising system (MMD) to plan and design all processes ranging from menu development through procurement of food materials, production and processing, logistics, and sales, and to implement integrated control of these processes.

By putting this MMD into practice, we strive to develop restaurants that can be used safely and conveniently by a wide range of customers at any time. We also strive to expand our lines of business and increase efficiency and to increase shareholder value.

(2) Target management indicator

As an important management indicator for increasing returns to shareholders and improving corporate value, the Zensho Group targets an ordinary profit ratio of 10%.

(3) Mid- to long-term Company management strategies and topics

In the future, we will address the following points as key topics:

(i) Progress on MMD

To allow its customers to enjoy safe, delicious products with peace of mind and to ensure safety from the raw materials stage through the MMD, the Zensho Group has sought to improve business performance, expand its lines of business, and pursue group synergies. By further strengthening these efforts, we will pursue food safety, improve product quality, and improve costs.

(ii) Growth by opening new restaurants and through M&A activities

In addition to an ongoing energetic program to open new restaurants in categories in which it offers competitive strengths, both in Japan and worldwide, the Group will also make it possible to open new restaurants in other categories by strengthening their competitive capabilities. We will also consider further strengthening the MMD through M&A activities.

(iii) Brand progress

We will build our brands by pursuing quality, quick service, and cleanliness (QQSC) in all our businesses, while moving ahead to build spaces in which customers can enjoy their food in comfort.

(iv) Food safety

We regard assuring food safety on behalf of our customers as the most important issue we face. Through our Food Safety Pursuing Division, responsible for food safety groupwide, we will pursue food safety by strengthening efforts in areas including sanitary management in restaurants, securing traceability of food materials, and quality testing of food materials.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Units: Millions of yen)

	Previous consolidated fiscal year (March 31, 2011)	This consolidated fiscal year (March 31, 2012)
Assets		
Current assets		
Cash and deposits	20,518	18,580
Notes and accounts receivable – trade	3,905	4,774
Merchandise and products	5,438	7,179
In-process inventories	407	358
Raw materials and supplies	1,955	2,488
Deferred income taxes	2,357	1,844
Other receivables	7,726	9,090
Allowance for doubtful accounts	(21)	(0)
Total current assets	42,286	44,317
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures	136,650	141,312
Accumulated depreciation	(63,684)	(67,329)
Buildings and structures (net)	72,966	73,982
Machinery and vehicles	12,120	11,644
Accumulated depreciation	(7,036)	(6,049)
Machinery and vehicles (net)	5,083	5,594
Tools, appliances, and fixtures	30,132	34,352
Accumulated depreciation	(17,288)	(20,524)
Tools, appliances, and fixtures (net)	12,843	13,828
Land	8,966	9,344
Lease assets	10,888	14,101
Accumulated depreciation	(3,428)	(5,578)
Lease assets (net)	7,460	8,523
Construction in progress	609	386
Total property, plant, and equipment	107,929	111,660
Intangible assets		
Goodwill	16,046	13,052
Other	5,776	5,260
Total intangible assets	21,822	18,312
Investments and other assets		
Investment securities	3,534	4,069
Guarantee deposits	29,167	30,560
Long-term loans receivable	80	72
Long-term prepaid rents	21,522	22,644
Deferred income taxes	2,224	2,417
Other	2,570	1,773
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	59,095	61,532
Total noncurrent assets	188,846	191,506
Deferred assets		
Stock issuance expenses	9	4
Bond issuance expenses	47	153
Total deferred assets	57	157
Total assets	231,190	235,981

(Units: Millions of yen)

	Previous consolidated fiscal year (March 31, 2011)	This consolidated fiscal year (March 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	10,103	11,067
Short-term loans payable	1,622	5,397
Current portion of bonds	1,038	3,190
Current portion of long-term loans payable	47,062	44,321
Lease obligations	2,116	2,639
Accrued income taxes	5,074	6,366
Allowance for bonuses	1,575	1,463
Derivatives obligations	2,142	640
Other	17,277	19,178
Total current liabilities	88,013	94,264
Noncurrent liabilities		
Corporate bonds	2,305	11,375
Long-term loans payable	83,444	69,131
Lease obligations	6,185	7,051
Allowance for retirement benefits	366	358
Asset retirement obligations	1,148	1,267
Other	3,839	3,466
Total noncurrent liabilities	97,288	92,649
Total liabilities	185,302	186,914
Net assets		
Shareholders' equity		
Capital stock	10,089	10,089
Capital surplus	10,642	10,642
Retained earnings	21,440	22,691
Treasury stock	(20)	(20)
Total shareholders' equity	42,152	43,403
Accumulated other comprehensive profit		
Net unrealized holding gains on securities	(1,335)	(1,144)
Deferred hedging gains/losses	(1,528)	(579)
Foreign currency translation adjustments	(3,314)	(3,348)
Total accumulated other comprehensive profit	(6,178)	(5,071)
Non-controlling interests	9,913	10,734
Total net assets	45,887	49,066
Total liabilities and net assets	231,190	235,981

(2) Consolidated statement of profit and loss and consolidated statement of comprehensive income
(Consolidated statement of profit and loss)

(Units: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Sales	370,769	402,962
Cost of sales	126,414	141,341
Gross profit	244,354	261,621
Sales and general administrative expenses	226,694	240,615
Operating profit	17,660	21,005
Non-operating income		
Interest income	308	359
Dividend income	76	213
Lease income	943	569
Amortization of negative goodwill	3	3
Foreign exchange gains	—	48
Other	539	390
Total non-operating income	1,870	1,584
Non-operating expenses		
Interest expenses	2,568	2,413
Lease expenses	795	519
Foreign exchange losses	60	—
Other	315	356
Total non-operating expenses	3,739	3,289
Ordinary profit	15,791	19,300
Extraordinary income		
Gains on sale of noncurrent assets	28	3
Gains on sales of stock in affiliates	—	1,196
Lease contract cancellation penalty	10	—
Compensation	20	—
Other	35	75
Total extraordinary income	94	1,275
Extraordinary losses		
Loss on sales of noncurrent assets	6	39
Loss on retirement of noncurrent assets	396	530
Loss on cancellation of lease contracts	38	204
Impairment losses	520	2,990
Loss on disasters	588	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	331	—
Other	655	767
Total extraordinary losses	2,537	4,532
Net profit before income taxes	13,348	16,043
Corporate, residence, and enterprise taxes	6,064	9,904
Income taxes – past year	—	2,731
Income taxes – deferred	3,092	(666)
Total corporate taxes	9,156	11,968
Net profit before non-controlling	4,191	4,074

(Units: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Non-controlling interests in income (loss)	(543)	1,005
Net profit	4,735	3,068

(Consolidated statement of comprehensive income)

(Units: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Net profit before non-controlling interests	4,191	4,074
Other comprehensive profit		
Valuation difference on available-for-sale securities	(235)	206
Deferred hedging gains/losses	44	948
Foreign currency translation adjustments	(1,241)	(34)
Total other comprehensive profit	(1,432)	1,121
Comprehensive profit	2,759	5,195
(Breakdown)		
Comprehensive profit attributable to parent company owners	3,311	4,175
Comprehensive profit attributable to non-controlling interests	(551)	1,020

(3) Consolidated statement of changes in shareholders' equity

(Units: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Shareholders' equity		
Capital stock		
Beginning balance	10,089	10,089
Ending balance	10,089	10,089
Capital surplus		
Beginning balance	10,642	10,642
Change during this fiscal year		
Disposal of treasury stock	(0)	—
Total change during this fiscal year	(0)	—
Ending balance	10,642	10,642
Retained earnings		
Beginning balance	18,279	21,440
Change during this fiscal year		
Distribution of retained earnings	(1,573)	(1,816)
Net profit	4,735	3,068
Decrease in retained earnings from change in equity	—	(1)
Total change during this fiscal year	3,161	1,250
Ending balance	21,440	22,691
Treasury stock		
Beginning balance	(20)	(20)
Change during this fiscal year		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	0	—
Total change during this fiscal year	(0)	(0)
Ending balance	(20)	(20)
Total shareholders' equity		
Beginning balance	38,991	42,152
Change during this fiscal year		
Dividends declared	(1,573)	(1,816)
Net profit	4,735	3,068
Decrease in retained earnings from change in equity	—	(1)
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	0	—
Total change during this fiscal year	3,161	1,250
Ending balance	42,152	43,403
Accumulated other comprehensive profit		
Valuation difference on available-for-sale securities		
Beginning balance	(1,108)	(1,335)
Change during this fiscal year		
Change during this fiscal year (net) in accounts other than shareholders' equity	(227)	191
Total change during this fiscal year	(227)	191
Ending balance	(1,335)	(1,144)
Deferred hedging gains/losses		
Beginning balance	(1,573)	(1,528)
Change during this fiscal year		
Change during this fiscal year (net) in accounts other than shareholders' equity	44	948
Total change during this fiscal year	44	948
Ending balance	(1,528)	(579)

(Units: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Foreign currency translation adjustments		
Beginning balance	(2,072)	(3,314)
Change during this fiscal year		
Change during this fiscal year (net) in accounts other than shareholders' equity	(1,241)	(33)
Total change during this fiscal year	(1,241)	(33)
Ending balance	(3,314)	(3,348)
Total accumulated other comprehensive income		
Beginning balance	(4,754)	(6,178)
Change during this fiscal year		
Change during this fiscal year (net) in accounts other than shareholders' equity	(1,423)	1,106
Total change during this fiscal year	(1,423)	1,106
Ending balance	(6,178)	(5,071)
Non-controlling interests		
Beginning balance	10,697	9,913
Change during this fiscal year		
Change during this fiscal year (net) in accounts other than shareholders' equity	(783)	821
Total change during this fiscal year	(783)	821
Ending balance	9,913	10,734
Total net assets		
Beginning balance	44,934	45,887
Change during this fiscal year		
Dividends declared	(1,573)	(1,816)
Net profit	4,735	3,068
Decrease in retained earnings from change in equity	—	(1)
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	0	—
Change during this fiscal year (net) in accounts other than shareholders' equity	(2,207)	1,928
Total change during this fiscal year	953	3,178
Ending balance	45,887	49,066

(4) Consolidated statement of cash flows

(Units: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Cash flows from operating activities		
Net profit before taxes and other adjustments	13,348	16,043
Depreciation	14,421	16,006
Amortization of goodwill	1,073	1,069
Amortization of negative goodwill	(3)	(3)
Increase (decrease) in allowance for doubtful accounts	(73)	(18)
Increase (decrease) in allowance for bonuses	(27)	(104)
Increase (decrease) in allowance for retirement	1	(1)
Increase (decrease) in allowance for directors' retirement benefits	—	(1)
Interest and dividends received	(384)	(573)
Interest expense	2,568	2,413
Loss (gain) on sale of stock in affiliates	—	(1,196)
Loss (gain) on sale of investment securities	16	(2)
Loss (gain) on sale of property, plant, and equipment	(21)	36
Loss on retirement of property, plant, and equipment	389	523
Loss on disasters	523	—
Other extraordinary losses (gains)	30	326
Other non-operating losses (gains)	(95)	(7)
Decrease (increase) in accounts receivable – trade	261	(1,058)
Decrease (increase) in inventories	(2,171)	(2,254)
Increase (decrease) in accounts payable – trade	(153)	1,038
Increase (decrease) in accrued consumption taxes	717	(320)
Decrease (increase) in other current assets	202	1,019
Decrease (increase) in other noncurrent assets	1,524	147
Increase (decrease) in other current liabilities	492	1,668
Increase (decrease) in other noncurrent liabilities	(635)	(75)
Impairment losses	520	2,990
Effect of change in accounting standard for asset retirement obligations	331	—
Foreign exchange losses (gains)	30	(65)
Subtotal	32,887	37,601
Interest and dividends received	64	255
Interest paid	(2,527)	(2,333)
Income taxes paid	(4,059)	(11,424)
Cash flows from operating activities	26,364	24,099

(Units: Millions of yen)

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Cash flows from investing activities		
Decrease (increase) in time deposits	158	—
Purchase of property, plant, and equipment	(14,473)	(16,021)
Proceeds from sale of property, plant, and equipment	187	43
Purchase of intangible assets	(432)	(391)
Proceeds from sale of intangible assets	0	—
Purchase of long-term prepaid expenses	(356)	(195)
Purchase of investment securities	(68)	(75)
Proceeds from sale of investment securities	18	3
Purchase of stock in affiliates	(65)	—
Proceeds from sale of stock in affiliates	—	1,263
Payments of loans receivable	(27)	65
Collection of loans receivable	33	8
Security deposits and guarantees pledged	(1,452)	(1,765)
Security deposits and guarantees returned	1,883	571
Revenue and expenditures on insurance funds	3	(5)
Expenditures on lease premiums	(160)	(171)
Expenditures on long-term prepaid rents	(2,984)	(2,581)
Other	(14)	(147)
Cash flows from investing activities	(17,750)	(19,398)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(9,842)	3,687
Proceeds from long-term loans payable	47,852	34,782
Repayment of long-term loans payable	(43,630)	(51,754)
Repayment of lease obligations	(1,843)	(2,377)
Purchase of treasury stock	(0)	(0)
Purchase of treasury stock in consolidated subsidiaries	(0)	(0)
Proceeds from issuance of bonds	1,200	13,000
Redemption of bonds	(871)	(1,778)
Repayment of installment payables	(228)	(141)
Payment of dividends	(1,568)	(1,813)
Dividends paid to minority shareholders	(198)	(198)
Other	0	—
Cash flows from financing activities	(9,131)	(6,593)
Effect of exchange rate changes on cash and cash equivalents	(284)	(44)
Increase (decrease) in cash and cash equivalents	(802)	(1,937)
Beginning balance of cash and cash equivalents	21,320	20,518
Ending balance of cash and cash equivalents	20,518	18,580

(5) Notes on going concern assumption
Not applicable

(6) Important bases for preparation of consolidated financial statements

Item	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
1. Scope of consolidation	(1) Thirty-four subsidiaries are subject to consolidation. Names of main consolidated subsidiaries: Zensho Co., Ltd., Coco's Japan Co., Ltd., Techno Support Co., Ltd., Global Foods Co., Ltd., Yamato Foods Co., Ltd., Global Table Supply Co., Ltd., Hamazushi Co., Ltd., Big Boy Japan Inc., Nakau Co., Ltd., Takarajima Co., Ltd., Sanbishi Co., Ltd., Sunday's Sun Inc., Catalina Restaurant Group Inc., Tolona Japan Co., Ltd., Hanaya Yohei Co., Ltd., Global IT Service Co., Ltd., and 18 other companies During this consolidated fiscal year, effective October 1, 2011, the Company transferred to its wholly owned subsidiary Zensho Co., Ltd. (whose name was changed from Zensho Spin-Off Preparation Co., Ltd. effective October 1, 2011; "successor company" hereinafter) its restaurant business and other businesses pursuant to an absorption-type company split agreement concluded with the successor company on May 30, 2011. Effective October 1, 2011, the Company became a holding company and was renamed Zensho Holdings Co., Ltd. accordingly. Zensho Co., Ltd. and three other new companies were established this consolidated fiscal year and are included in the scope of consolidation starting this consolidated fiscal year. During this consolidated fiscal year, all shares of stock in Chicago Pizza Co., Ltd. were sold. Chicago Pizza Co. was removed from the scope of consolidation. During this consolidated fiscal year, the consolidated subsidiaries Menn Kobo Co., Ltd., Protech Co., Ltd., and Bell Sanyo Co., Ltd. were merged into the consolidated subsidiary Tolona Japan Co., Ltd. During this consolidated fiscal year, the consolidated subsidiary Kita-Nihon Hamazushi Co., Ltd. was merged into the consolidated subsidiary Kanto Hamazushi Co., Ltd. The latter was renamed Kanto-Kita-Nihon Hamazushi Co., Ltd. In addition, the consolidated subsidiaries Nishi-Nihon Hamazushi Co., Ltd. and Kanto-Kita-Nihon Hamazushi Co., Ltd. were merged into Hamazushi Co., Ltd. (2) Names of important non-consolidated subsidiaries and other information Important non-consolidated subsidiaries: Not applicable
2. Application of equity method	(1) Number of equity-method affiliates: No applicable companies (2) Names of important non-consolidated subsidiaries not subject to application of the equity method and other information: No applicable companies
3. Fiscal years of consolidated subsidiaries and other topics	While the fiscal years of Catalina Restaurant Group Inc. and seven other overseas subsidiaries had previously ended at the end of December, starting this consolidated fiscal year, their fiscal years will end at the end of March. For these companies, financial statements for the 15-month period from January 1, 2011, through March 31, 2012 have been employed in preparing consolidated financial statements. The fiscal year of United Veggies Co. Inc. had previously ended at the end of January. Starting this consolidated fiscal year, its fiscal year will end at the end of March. For this company, financial statements for the 14-month period from February 1, 2011, through March 31, 2012 have been employed in preparing consolidated financial statements.

Item	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
4. Accounting standards (1) Standards and methods for evaluating important assets	(i) Securities Available-for-sale securities: Available-for-sale securities with fair market values: Mark-to-market based on market values and other information as of the date of settlement of accounts (The entire amount of revaluation gains/losses is booked directly to net assets. Costs of sold securities are calculated by the moving average method.) Available-for-sale securities without fair market values: Cost method, using the moving average method For investments in limited partnerships for investment, the amount equivalent to equity is booked based on the most recent available financial statements issued on the settlement reporting dates specified in the partnership agreement. (ii) Derivatives Mark-to-market (iii) Inventories Merchandise: Mainly the last purchase price method (The Balance Sheet figure is calculated by writing down book values based on decreased profitability.) Products, semi-processed goods, raw materials, in-process products: Mainly the cost method, using FIFO (The Balance Sheet figure is calculated by writing down book values based on decreased profitability.) Stored goods: Mainly the last purchase price method (The Balance Sheet figure is calculated by writing down book values based on decreased profitability.)
(2) Depreciation methods for important depreciable assets	(i) Property, plant, and equipment (not including leased assets) Mainly the straight-line method The standards employed for useful lives and residual values are generally identical to the methods specified in the Corporation Tax Act. (ii) Intangible assets Straight-line method Software (used by the Company) is depreciated based on the number of years usable in the Company (five years). (iii) Leased assets The straight-line method is employed for leased assets related to finance lease transactions not involving transfer of ownership, using the lease term as the useful life of the asset and zero or the guaranteed residual value as the residual value. Finance lease transactions not involving transfer of ownership for which the starting date of the lease transaction was March 31, 2008, or earlier are booked according to the method used for ordinary lease transactions.
(3) Methods of accounting for deferred assets	(i) Stock issuance expenses Amortized over three years by the straight-line method (ii) Bond issuance expenses Amortized over the redemption period of the bond by the straight-line method
(4) Accounting standards for important reserves	(i) Allowance for doubtful accounts To prepare for losses from unrecoverable claims, the anticipated amount of unrecoverable claims is booked as follows: The actual rate of unrecoverability is applied to ordinary claims; for extraordinary claims, such as those involving the possibility of default, the possibility of recovery is considered for each claim on a case-by-case basis. (ii) Allowance for bonus reserves Bonus reserves are booked based on the anticipated amount payable to prepare for bonus payments to employees. (iii) Allowance for retirement and severance benefits To prepare for payments of retirement and severance benefits to employees, retirement and severance benefit reserves are booked based on the anticipated amount of retirement and severance benefit obligations payable at the end of the consolidated fiscal year. The simplified method used to calculate retirement and severance benefit obligations of the Company and consolidated Company subsidiaries.

Item	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
(5) Method of converting important foreign currency assets or liabilities into Japanese currency	Foreign currency claims and obligations are converted into yen using the spot exchange rate as of the date of consolidated settlement of accounts. Any effects of changes in exchange rates are booked as gains or losses. Assets, liabilities, revenues, and expenses of subsidiaries and other operations located overseas are converted into yen using the spot exchange rate as of the date of settlement of accounts at the subsidiary or other operation. Any effects of changes in exchange rates are included in foreign currency translation adjustments and minority investments under net assets.
(6) Important hedge accounting methods	(i) Hedge accounting methods Deferral hedge accounting is applied. Appropriation processing is applied to foreign exchange contracts meeting the requirements for that method. Special processing is applied to interest rate swaps meeting the requirements for that method. (ii) Hedging vehicles and subjects Vehicle — Subject Currency options — Foreign currency accounts payable – trade Foreign exchange contracts — Foreign currency accounts payable – trade Currency swaps — Foreign currency accounts payable – trade; Foreign currency debts Interest rate swaps — Interest on debts (iii) Hedging policy Hedging is deployed against the risks of interest rate and exchange rate fluctuations on debt obligations, foreign currency monetary obligations, etc. (iv) Method of assessing hedging efficacy Hedge transactions are deployed in accordance with risk management policies. Complete correlation is confirmed between hedging vehicles and subjects resulting from exchange rates and interest rate fluctuations.
(7) Amortization method and amortization period for goodwill	Goodwill is amortized over a period of up to 20 years by the straight-line method.
(8) Scope of funds on the Consolidated Statement of Cash Flows	These consist of cash on hand, deposits available for withdrawal on demand, and short-term investments easily liquidated subject to minor risk of fluctuations in value and redeemable within three months from the date of acquisition.
(9) Other important bases for preparation of consolidated financial statements	Accounting for consumption tax and other tax The tax-excluded method is used to account for national and local consumption tax.

(7) Significant changes to bases for preparation of consolidated financial statements

Not applicable

(8) Changes in methods of representation

This consolidated fiscal year (April 1, 2011 – March 31, 2012)
(Consolidated Balance Sheet) The current portion of bonds, shown under "Other" under current liabilities through the previous consolidated fiscal year, and corporate bonds, shown under "Other" under fixed liabilities through the previous consolidated fiscal year, are shown separately starting this consolidated fiscal year. This is because their significance in terms of monetary amounts has increased. In the previous consolidated fiscal year, the amount of the current portion of bonds was 1,038 million yen. The amount of corporate bonds was 2,305 million yen.

(9) Notes to the consolidated statement of profit and loss

This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Amounts of taxes paid and refunded due to factors including revisions of and decisions on income tax and other tax On June 30, 2011 the Company received a notice from the Tokyo Regional Taxation Bureau on the revision of income tax amounts and notification of the assessment of a tax penalty. These notices primarily addressed the Company's sale of its shares in response to acquisition of treasury stock by Kappa Create Co., Ltd., through the Tokyo Stock Exchange Trading Network System (ToSTNet-3), an after-hours trading system for purchasing treasury stock whereby buyers are limited to the issuers of stock, which the Company had reported based on the judgment that it qualified under Article 24, Paragraph 1, Subparagraph 4 of the Corporation Tax Act prior to the 2009 amendment (under which dividend imputation applied to purchases of treasury stock). In this case, tax authorities determined dividend imputation not to apply. The additional penalty tax of one million yen assessed due to this revision has been booked under "past-year corporate taxes" in this consolidated fiscal year. The Company insists that its original processing was correct and has requested an investigation by the National Tax Tribunal.

(10) Additional information

This consolidated fiscal year (April 1, 2011 – March 31, 2012)
(Application of the Accounting Standard for Accounting Changes and Error Corrections) The Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24; December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24; December 4, 2009) were applied to accounting changes and corrections of past errors undertaken since the beginning of this consolidated fiscal year.

(11) Notes to the consolidated financial statements

(Segment information)

1. Segment information

Previous consolidated fiscal year (April 1, 2010 – March 31, 2011):

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

This consolidated fiscal year (April 1, 2011 – March 31, 2012):

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

2. Related information

Previous consolidated fiscal year (April 1, 2010 – March 31, 2011):

(1) Product- and service-specific information

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

(2) Region-specific information

(i) Sales

This information is omitted because more than 90% of sales on the consolidated statement of profit and loss are sales to external customers in Japan.

(ii) Property, plant, and equipment

This information is omitted because more than 90% of the value of tangible fixed assets on the consolidated balance sheet consist of the value of tangible fixed assets located in Japan.

(3) Information on specific main customers

This information is omitted because sales to no specific external customer account for 10% or more of the sales on the consolidated statement of profit and loss.

This consolidated fiscal year (April 1, 2011 – March 31, 2012):

(1) Product- and service-specific information

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

(2) Region-specific information

(i) Net sales

This information is omitted because more than 90% of net sales on the consolidated statement of profit and loss consist of sales to external customers in Japan.

(ii) Property, plant, and equipment

This information is omitted because more than 90% of the value of tangible fixed assets on the consolidated balance sheet consist of the value of tangible fixed assets located in Japan.

(3) Information on specific main customers

This information is omitted because sales to no specific external customer account for 10% or more of the net sales on the consolidated statement of profit and loss.

3. Information on impairment loss of fixed assets per reporting segment

Previous consolidated fiscal year (April 1, 2010 – March 31, 2011):

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

This consolidated fiscal year (April 1, 2011 – March 31, 2012):

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

4. Information on amortization amount and unamortized balance of goodwill by reporting segment

Previous consolidated fiscal year (April 1, 2010 – March 31, 2011):

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

This consolidated fiscal year (April 1, 2011 – March 31, 2012):

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

5. Information on gain on negative goodwill by reporting segment

Previous consolidated fiscal year (April 1, 2010 – March 31, 2011):

Not applicable

This consolidated fiscal year (April 1, 2011 – March 31, 2012):

Not applicable

(Information on interested parties)

Previous consolidated fiscal year (April 1, 2010 – March 31, 2011):

Not applicable

This consolidated fiscal year (April 1, 2011 – March 31, 2012):

Not applicable

(Per-share information)

Previous consolidated fiscal year (April 1, 2010 – March 31, 2011))		This consolidated fiscal year (April 1, 2011 – March 31, 2012))	
Net assets per share	297.12 yen	Net assets per share	316.59 yen
Net income per share	39.11 yen	Net income per share	25.34 yen
Diluted net income per share is not shown because there is no dilutive stock.		Diluted net income per share is not shown because there is no dilutive stock.	

Note: Net income per share is calculated on the following bases:

	Previous consolidated fiscal year (April 1, 2010 – March 31, 2011)	This consolidated fiscal year (April 1, 2011 – March 31, 2012)
Net income (million yen)	4,735	3,068
Amount not attributable to common shareholders (million yen)	–	–
Net income on common stock (million yen)	4,735	3,068
Average shares of stock during the fiscal year	121,076,863	121,076,685

(Important events after the reporting period)
This consolidated fiscal year (April 1, 2011 – March 31, 2012):
Not applicable

5. Changes in directors

(1) Changes in representative directors

Not applicable

(2) Changes in other directors

- New statutory auditor candidates

  Statutory Auditor Hideo Watanabe (formerly Representative Director and Deputy President, Daiwa Institute of Research Holdings Ltd.)

  Statutory Auditor Yuji Yamamoto, C.P.A.

(3) Scheduled date for assuming office

June 20, 2012