



Financial Announcement for Year Ended March 31, 2012 [Japan standard] (Consolidated)

May 10, 2012

Stock Exchanges Tokyo Stock Exchange and Osaka Securities Exchange

Company name TOLI Corporation

Code number 7971

URL <http://www.toli.co.jp>

Representative (Position) President and Representative Director (Name) Motohiro Nagashima

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Scheduled date for Ordinary General Meeting of Shareholders June 27, 2012

Scheduled date for start of dividend payments June 28, 2012

Scheduled date for submission of financial statements June 27, 2012

Preparation of supplementary explanatory materials for the financial announcement: Yes

Holding of a briefing on the financial announcement: Yes (for securities analysts)

(Amounts of less than 1 million yen are rounded off)

1. Consolidated results for year ended March 2012 (April 1, 2011 - March 31, 2012)

(1) Consolidated results

(% shows change from previous term)

	Net sales		Operating profit		Ordinary profit		Current term net profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2012	80,875	1.6	1,161	26.3	1,037	19.6	283	3.3
Year ended March 2011	79,614	(2.1)	919	(19.7)	867	(20.8)	274	(45.8)

(Note) Comprehensive income Year ended March 2012 336 million yen (248.4%) Year ended March 2011 96 million yen (-84.0%)

	Net income per share	Diluted net income per share	Return on equity	Return on total assets	Operating profit on sales
	yen	yen	%	%	%
Year ended March 2012	4.55	-	1.2	1.6	1.4
Year ended March 2011	4.34	-	1.1	1.3	1.2

(For reference) Investment gain or loss under equity method for the year ended March 2012 8 million yen Year ended March 2011 (1 million yen)

(2) Consolidated assets

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
Year ended March 2012	65,373	24,509	37.2	390.72
Year ended March 2011	64,152	24,542	37.9	390.51

(For reference) Shareholders' equity Year ended March 2012 24,311 million yen Year ended March 2011 24,299 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended March 2012	2,941	(991)	(1,769)	5,972
Year ended March 2011	454	(872)	(1,838)	5,784

2. Dividend payments

	Annual dividend					Total dividends (Total)	Dividend payout ratio (Consolidated)	Dividend ratio to net assets (Consolidated)
	End 1st quarter	End 2nd quarter	End 3rd quarter	End of year	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 2011	-	0.00	-	5.00	5.00	311	115.2	1.3
Year ended March 2012	-	0.00	-	5.00	5.00	311	109.9	1.3
Year ending March 2013 (projection)	-	0.00	-	5.00	5.00		62.2	

3. Consolidated forecasts for year ending March 2013 (April 1, 2012 - March 31, 2013)

(% shows change for the full term against the previous full term and change for the quarter against the same quarter of the previous year)

	Net sales		Operating profit		Ordinary profit		Current term net profit		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
2nd quarter (cumulative)	38,000	3.0	(400)	-	(450)	-	(250)	-	(4.02)
Full term	83,000	2.6	1,200	3.3	1,050	1.2	500	76.6	8.04

* Notes

(1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary entailing a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, representation of amendments

[1] Changes accompanying revisions to accounting standards: None

[2] Changes other than [1]: None

[3] Changes in accounting estimates: None

[4] Representation of amendments: None

(3) Number of outstanding shares (ordinary shares)

[1] Number of outstanding shares at end of year (including stock)

[2] Number of shares in treasury stock at end of year

[3] Average number of shares during the term

Year ended March 2012	66,829,249 shares	Year ended March 2011	66,829,249 shares
Year ended March 2012	4,607,412 shares	Year ended March 2011	4,603,721 shares
Year ended March 2012	62,223,754 shares	Year ended March 2011	63,125,389 shares

(For reference) Outline of Company-specific business performance

Company-specific business performance for year ended March 2012 (April 1, 2011 - March 31, 2012)

(1) Company-specific management performance

(% shows change from previous term)

	Net sales		Operating profit		Ordinary profit		Current term net profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 2012	49,336	0.8	533	32.0	481	8.2	173	32.6
Year ended March 2011	48,938	(2.9)	404	(57.6)	444	(55.4)	130	(71.4)

	Net income per share		Diluted net income per share	
	yen		yen	
Year ended March 2012	2.79		-	
Year ended March 2011	2.07		-	

(2) Company-specific financial state

	Total assets		Net assets		Capital-to-asset ratio		Net assets per share	
	million yen		million yen		%		yen	
Year ended March 2012	55,355		19,695		35.6		316.53	
Year ended March 2011	54,529		19,800		36.3		318.21	

(For reference) Shareholders' equity Year ended March 2012 19,695 million yen Year ended March 2011 19,800 million yen

* Statement concerning the implementation of audit procedures

This financial announcement is not subject to the audit procedures based on the Financial Instruments and Exchange Act and the audit procedures for financial statements based on the Financial Instruments and Exchange Act were not completed at the time of presentation of this financial announcement.

* Explanation of the appropriate use of performance projections and other special instructions

These performance projections were prepared based on the information available as of the time of presentation, and actual business performance figures may differ from the projections due to various factors.

For matters pertaining to these business performance projections, please refer to "1. Management performance (1) Discussion and analysis of the management performance" on page 2.

○ Contents of the supplementary materials

1. Management performance	2
(1) Discussion and analysis of the management performance	2
(2) Discussion and analysis of the financial situation	3
(3) Basic policy regarding dividend payment, and dividend payments for the current term and next term	3
2. The TOLI Group	4
3. Management policy	5
(1) Basic management policy	5
(2) Operating targets	5
(3) The Company's medium-term business management strategy	5
(4) Challenges that the Company should address	5
(5) Other important matters for corporate management	5
4. Consolidated financial statements	6
(1) Consolidated Balance Sheets	6
(2) Consolidated statement of income and consolidated statement of comprehensive income	8
Consolidated Statements of Income	8
Consolidated statement of comprehensive income	9
(3) Consolidated Statement of Changes in Shareholders' Equity, etc.	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes on the assumption of the company as a going concern	14
(6) Basis of presenting consolidated financial statements	14
(7) Notes on consolidated financial statements	14
(Notes on the consolidated statement of income)	14
(Segment Information)	15
(Per share information)	17
(Important post-balance sheet events)	17
5. Company-specific financial statements	18
(1) Balance Sheets	18
(2) Statements of Income	21
(3) Statement of Changes in Shareholders' Equity, etc.	23
(4) Notes on the assumption of the company as a going concern	25
6. Others	25
(1) Transfers of directors	25
(2) Others	25

1. Management performance

(1) Discussion and analysis of the management performance

Although there was a trend towards a mild recovery from the economic slowdown due to the Great East Japan Earthquake during the current consolidated fiscal year, conditions in the Japanese economy continued to be difficult due to factors including the continuation of underlying deflation and the weakness of exports due to the downward swing in the overseas economic environment. The management environment in the interior industry was difficult because the recovery in demand for interior materials from the effects of the earthquake was duller than projected and raw material costs trended at high levels.

It was in such circumstances that the TOLI Group made efforts to generate demand and improve the profitability of the business based on the medium term business plan Change & Challenge 2011. As a result, net sales during the consolidated fiscal year under review were 80,875 million yen (1.6% increase YoY), operating profit was 1,161 million yen (26.3% increase YoY), ordinary profit was 1,037 million yen (19.6% increase YoY) and net income was 283 million yen (3.3% increase YoY).

Business performance by segment for each business area was as follows. This information includes business between segments.

< Product business >

In the area of vinyl chloride floor materials, sales of vinyl floor sheeting for medical and welfare facilities such as NONWAXLEUM and NONWAXLEUM RD, which do not require regular maintenance by waxing because of their precise surface layer, etc., increased. In the carpet area, the comfort and design of TOLI FABRIC FLOOR SMIFEEL, a tile carpet product for residential use that won the 2011 GOOD DESIGN AWARD, were well received by customers and the product performed steadily. However, because raw material costs hovered at high levels, sales in the Product business finished at 49,487 million yen (0.8% increase YoY) and segment profit finished at 497 million yen (15.8% decrease YoY).

< Interior wholesaling and installation business >

Net sales in interior wholesaling and installation business finished at 54,343 million yen (1.3% increase YoY) and segment profit finished at 561 million yen (95.9% increase YoY) even though sales of window surroundings products at sales subsidiaries decreased slightly because construction material and facility related sales as well as decorating work sales were higher than the previous year.

(Outlook for the next term)

In regard to the outlook for the next term, while further recovery is expected in the domestic economy, there are concerns on the other hand over a downward swing in the economy due to the European sovereign debt crisis, and due to this and other factors, the future is unclear. Although demand for interior materials is tending towards recovery due to an increase in construction starts, the outlook in the interior industry is for the continuation of the difficult management environment because raw material costs are projected to continue at high levels while crude oil prices keep on appreciating. In such circumstances, the TOLI Group will work on the construction of a business framework that allows us to increase stable earnings based on "Innovation and Growth 2014", the medium term business plan starting in fiscal year 2012.

Taking the above factors into consideration, we expect consolidated net sales of 83,000 million yen, consolidated operating income of 1,200 million yen, consolidated ordinary income of 1,050 million yen and consolidated net income of 500 million yen for the fiscal year ending March 31, 2013 (full term).

(2) Discussion and analysis of the financial situation

[1] State of assets, liabilities and net assets

Assets at the end of the current consolidated fiscal year increased 1,221 million yen compared to the end of the previous term to finish at 65,373 million yen due to factors such as increases in accounts receivable and inventories, etc.

Although some loans were repaid, liabilities increased 1,254 million yen compared to the end of the previous term to finish at 40,864 million yen due to factors such as increases in trade payables, etc.

Although there was an increase in the valuation difference on available-for-sale securities, net assets at the end of the term under review were 24,509 million yen, 32 million yen lower than their level at the end of the previous year, due to a decrease in minority interests in association with the additional acquisition of shares in subsidiaries.

[2] State of cash flows

Cash and cash equivalents during the current consolidated fiscal year increased 187 million yen compared to the end of the previous year to finish at 5,972 million yen (5,784 million yen at the end of the previous year).

The state of cash flows and the factors related to them during the current consolidated fiscal year were as follows.

Cash flows from operating activities ended with incomings of 2,941 million yen (incomings of 454 million yen during the previous year). Incomings increased compared to the previous term due to an increase in trade payables, etc.

Cash flows from investing activities ended with outgoings of 991 million yen (outgoings of 872 million yen during the previous year). Outgoings increased compared to the previous year because expenditures due to loans exceeded incomings from collection, etc.

Cash flows from financing activities ended with outgoings of 1,769 million yen (outgoings of 1,838 million yen during the previous year). Expenditures decreased compared to the previous year due to a decrease in the increase in treasury stock, etc.

Cash flow indices for the Group are shown below.

	Year ended March 2009	Year ended March 2010	Year ended March 2011	Year ended March 2012
Capital-to-asset ratio (%)	36.5	38.0	37.9	37.2
Capital-to-asset ratio on market value basis (%)	16.0	17.3	19.3	16.9
Cash flow-to-interest-bearing debt ratio (year)	3.7	2.6	23.9	3.4
Interest coverage ratio	15.2	21.9	2.2	16.5

Note: Capital-to-asset ratio: Shareholders' equity/Total assets

Capital-to-asset ratio on market value basis: Market capitalization for stock/Total assets

Cash flow-to-interest-bearing debt ratio: Interest-bearing debts/Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest payment

1. Each of the indices above was calculated based on the financial data on a consolidated basis.

2. Market capitalization for stock was calculated as follows: Term-end closing price for shares × Term-end number of shares outstanding (after deduction for treasury stock).

3. For the Cash flows from operating activities, the data for cash flows from operating activities as stated in the Consolidated statements of cash flows was used. Interest bearing debt covers all types of debt with interest payment among the debt stated in the Consolidated balance sheet. For interest payments, the data for interest paid as shown in the Consolidated statements of cash flows was used.

(3) Basic policy regarding dividend payment, and dividend payments for the current term and next term

With respect to dividend payments, TOLI understands that returning profits to its shareholders is an important mission, and its basic policy is to continue paying dividends using a stable approach. To this end, we believe that we need to bolster and stabilize our operating foundations over the long term. The Company decides the amounts and frequency of its dividend payments by taking into consideration the overall management environment with a medium- and long-term outlook, as well as considering the Company's financial situation for each fiscal term. Decision-making bodies for the Company with respect to term-end dividends and interim dividends are the general meetings of shareholders and the Board of Directors, respectively.

For the fiscal year under review, we plan to pay a year-end dividend of 5 yen per share. In regard to the dividend for the next term, we plan to pay the same year end dividend of 5 yen per share.

2. The TOLI Group

The TOLI Group is comprised of 20 companies: the Company, 17 subsidiaries and 2 affiliates, and conducts business in two segments, Product business including the manufacture of interior products centered on interior decoration materials and other related operations, and Interior wholesaling and installation business including the purchase and sale of interior related materials and interior decoration work, etc.

The positioning of the Company and its related companies, and relations with segments are as follows. The Group's business categories are the same classifications as the segments.

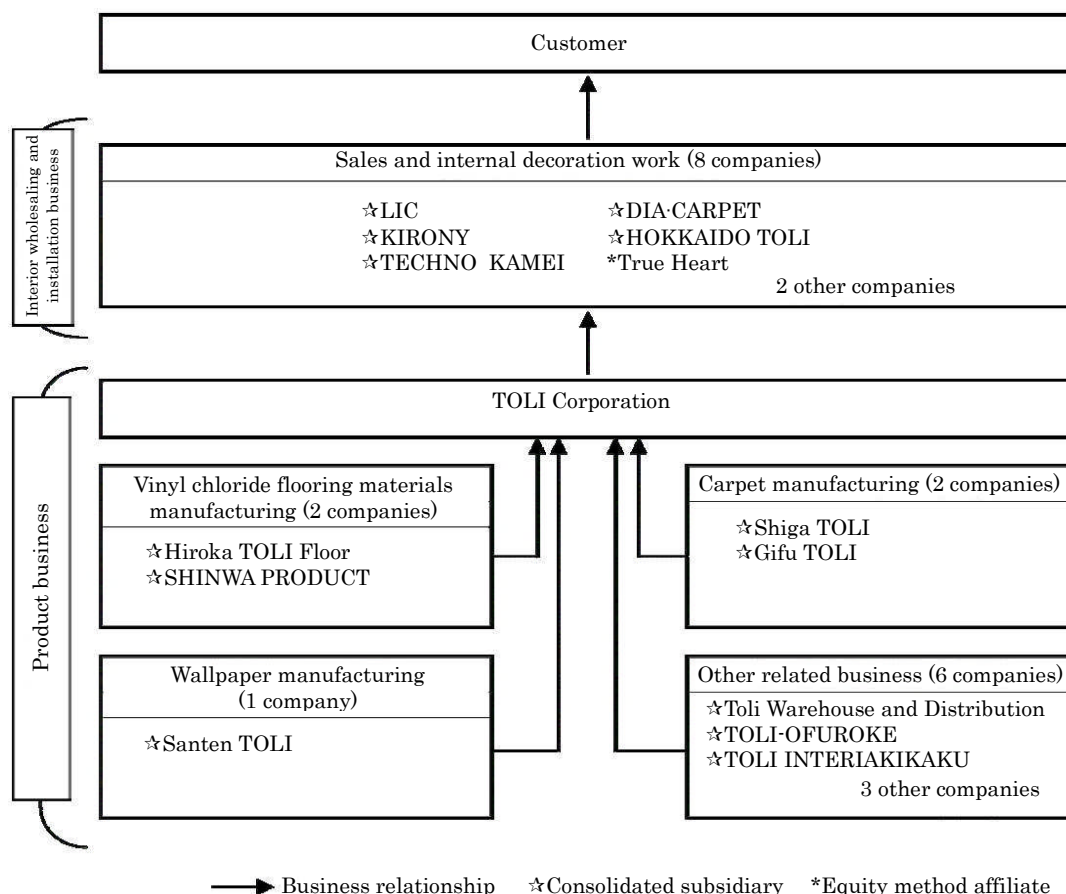
< Product business >

The Company, Hiroka TOLI Floor Co., Ltd. and SHINWA PRODUCT CO., LTD. manufacture vinyl chloride tiles and vinyl chloride sheets, Shiga TOLI Co., Ltd., and Gifu TOLI Co., Ltd. manufacture carpets, and Santen TOLI Co., Ltd. manufactures wallpaper under the control of the Company's Operations Division. In addition, companies including TOLI INTERIAKIKAKU Corporation, etc., carry out curtain planning and sewing production, and TOLI-OFUROKE Corporation carries out maintenance of interior decorating materials as other related business. Toli Warehouse and Distribution Company, Limited carries out product inventory management and distribution work for the TOLI Group.

< Interior wholesaling and installation business >

Various sales companies such as LIC CO., LTD, KIRONY Co., Ltd., TECHNO KAMEI CORPORATION., DIA CARPET CO., LTD., HOKKAIDO TOLI Corporation and True Heart Co., Ltd, etc., purchase and sell interior-related materials and carry out interior decoration work, etc.

The main roles and business relationships of each of the group companies listed above is as shown in the illustration below.



Note: GRACE CARPET LIMITED, which was a consolidated subsidiary, ceased to exist due to an absorption-type merger making the Company the surviving company on March 31, 2012.

3. Management policy

(1) Basic management policy

The TOLI Group operates based on the following three management principles: “We will contribute to improving lifestyles and culture through our interior decoration business;” “Customer-first thinking is our code of conduct;” and “We seek to become the leader in the total interior business.” With “Everything is for the customer” as our action guideline, we aim to provide products and services that can bring quality to every kind of residential, commercial and other space that people encounter in their daily lives, including houses and residential buildings, office buildings, schools, medical and welfare facilities and commercial facilities. Through these activities, we seek to continually raise our corporate value. We will strictly observe all laws and ordinances, and we will always conduct ourselves as a good corporate citizen, fulfilling our responsibility toward society, for example by preserving the global environment. Our goal is to be a corporate group that society will trust, with great expectations.

(2) Operating targets

The management goal for the TOLI Group is to be a true leader in the interior decoration industry, and to earn the trust and support of our customers. To achieve this goal, we will improve operational efficiency throughout the Group, bolster our earnings foundation and increase asset efficiency in order to achieve steady profits and maximize the share price.

The Company has set the target management indicators for the final year of the medium term management plan "Innovation and Growth 2014", which starts in fiscal year 2012, of net sales of 90,000 million yen, ordinary profit of 2,500 million yen and an ROA (return on total assets) of at least 4%.

(3) The Company's medium-term business management strategy

The TOLI Group has promoted the medium term business plan for fiscal year 2009 to fiscal year 2011, “Change & Challenge 2011.” With regard to the priority themes raised in the plan, the Company has strengthened products targeting the residential market such as tile carpets for residential use and flooring materials for home refurbishments, etc., expanded products that contribute to the conservation of the global environment such as printed tiles made using recycled materials and non-wax flooring materials, and worked on research and development in new areas such as flooring materials that generate electricity and solar battery roll screens, etc. However, in addition to raw material prices hovering at high levels, the Company did not manage to achieve its operating targets because domestic economic conditions have been sluggish since the global economic crisis of 2008.

The TOLI Group has drawn up the medium term management plan "Innovation and Growth 2014", which will run from fiscal year 2012 thru fiscal year 2014. Under this plan, the TOLI Group will work on the 2 priority strategies below aimed at the construction of a business framework that allows us to increase stable earnings even in a difficult environment.

1. The strengthening of our operating base through structural reform

We will promote the structural reform of our vinyl chloride flooring material business and our carpet business, the core elements of the TOLI Group, keep an eye on their adjustment to globalization and increase our market competitiveness in terms of quality, functionality and design. In addition, we will strengthen undertakings that contribute to the conservation of the global environment and play a role that leads the interior industry.

2. The capture of growth areas

The TOLI Group will focus on business expansion overseas, including Asia, and make efforts to capture the domestic interior reform market and product sales channels. In addition, we will continue challenging in new areas and strive to expand our business areas through new research and development such as solar-battery related products, etc.

(4) Challenges that the Company should address

The TOLI Group is conscious of its social mission as the total interior manufacturer that leads the industry, and will make efforts in detailed product development and the positive promotion of sales in order to propose comfortable lifestyles for customers. We think that our important management issues are to promote undertakings towards the achievement of the priority strategy targets of the medium term business plan "Innovation and Growth 2014", to overcome the challenges that stem from uncertainties in the business environment including the rising costs of key materials associated with fluctuations in crude oil prices and intensifying competition, to establish a more powerful and resilient operating base and to accelerate the pace of growth.

We are well aware that as a manufacturer, efforts towards environmental protection and the quality of safety are among the most pressing issues we face. We have expressed our desire to be a corporate group that is friendly towards people and the earth as our TOLI ECO SPIRIT philosophy, and we will work earnestly to alleviate environmental problems from a variety of perspectives, including the promotion of a low-carbon society. By striving towards the research and development of products that are friendly to people and the earth and by supplying such products to people while using limited resources effectively, we will fulfill our responsibilities as a corporate citizen and make efforts so that we can continue being a corporate group that is trusted and counted on around the world.

The TOLI Group recognizes that the achievement and maintenance of adequacy in all operations including accounting is another important management issue. The TOLI Group has built and operates an evaluation and management system for internal controls to handle the internal controls reporting system, and by further developing this system we plan to streamline and clarify corporate management and strengthen governance.

(5) Other important matters for corporate management

No corresponding item exists.

4. Consolidated financial statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous consolidated fiscal year (March 31, 2011)	Current consolidated fiscal year (March 31, 2012)
Assets		
Current assets		
Cash and deposits	5,132	5,319
Notes and accounts receivable	24,838	26,114
Securities	714	715
Goods and products	5,946	6,589
Work-in-progress	808	819
Raw materials and stored goods	1,249	1,273
Deferred tax assets	490	409
Others	861	987
Allowance for doubtful receivables	(283)	(368)
Total current assets	39,759	41,860
Fixed assets		
Tangible fixed assets		
Buildings and structures	18,920	18,701
Cumulative depreciation	(13,241)	(13,438)
Accumulated impairment losses	(79)	(6)
Buildings and structures (Net amount)	5,599	5,256
Machinery and vehicles	22,196	21,476
Cumulative depreciation	(20,361)	(19,887)
Machinery and vehicles (Net amount)	1,835	1,588
Equipment	2,233	2,196
Cumulative depreciation	(2,074)	(2,054)
Accumulated impairment losses	(0)	-
Equipment (Net amount)	158	142
Land	8,672	8,672
Lease assets	213	229
Cumulative depreciation	(75)	(119)
Lease assets (net)	137	110
Construction in progress	102	122
Total tangible fixed assets	16,506	15,892
Intangible assets		
Goodwill	78	33
Software	470	383
Lease assets	165	113
Others	78	75
Total intangible assets	792	605
Investments and other assets		
Investment securities	3,332	3,616
Long-term loans receivable	174	132
Deferred tax assets	1,824	1,548
Others	2,092	2,067
Allowance for doubtful receivables	(331)	(349)
Total investments and other assets	7,093	7,014
Total fixed assets	24,393	23,513
Total assets	64,152	65,373

(Unit: million yen)

	Previous consolidated fiscal year (March 31, 2011)	Current consolidated fiscal year (March 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable	20,660	22,734
Short-term borrowings	3,317	3,209
Lease liabilities	68	71
Accrued corporation taxes	302	296
Accrued expenses	1,326	1,485
Reserve for bonus payable	499	479
Reserve for disaster losses	13	-
Others	1,064	1,257
Total current liabilities	27,252	29,534
Fixed liabilities		
Long-term borrowings	5,800	5,010
Lease liabilities	135	79
Reserve for retirement allowance	4,052	4,089
Asset retirement obligations	89	90
Long-term guarantee deposits	1,683	1,673
Others	596	386
Total fixed liabilities	12,357	11,329
Total liabilities	39,610	40,864
Net assets		
Shareholders' equity		
Capital	6,855	6,855
Capital surplus	6,423	6,423
Earned surplus	11,738	11,710
Treasury stock	(1,015)	(1,016)
Total shareholders' equity	24,001	23,972
Accumulated other comprehensive income		
Unrealized gain (loss) on securities	298	338
Total accumulated other comprehensive income	298	338
Minority interests	242	198
Total net assets	24,542	24,509
Total liabilities and net assets	64,152	65,373

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated Statements of Income)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)	Current consolidated fiscal year (April 1, 2011 - March 31, 2012)
Net sales	79,614	80,875
Cost of sales	57,761	59,252
Gross profit	21,853	21,622
Selling and general administrative expenses	20,933	20,461
Operating profit	919	1,161
Non-operating income		
Interest income	11	13
Dividends income	62	63
Purchase discount	70	75
Investment gain on equity method	-	8
Real estate rental charges	52	49
Insurance dividends	33	24
Others	102	137
Total non-operating income	332	371
Non-operating expenses		
Interest expense	202	174
Sales discounts	104	111
Loss on equity method investment	1	-
Provision for allowance for doubtful receivables	-	95
Others	75	114
Total non-operating expense	384	495
Ordinary profit	867	1,037
Extraordinary income		
Gain on sale of investment securities	11	-
Adjustment for allowance for doubtful receivables	41	-
Income generated from negative goodwill	-	9
Total extraordinary income	52	9
Extraordinary loss		
Loss on disposal of fixed assets	56	22
Losses due to disaster	103	*17
Impairment losses	21	7
Effect of application of Accounting Standard for Asset Retirement Obligations	82	-
Write-down of memberships	-	30
Others	1	2
Total extraordinary loss	265	80
Net profit before taxes and other adjustments	655	966
Corporation tax, local inhabitants taxes, and enterprise taxes	263	293
Deferred corporation tax	114	376
Total corporation and other taxes	378	670
Net profit before minority interests	276	296
Minority interests	2	13
Current term net profit	274	283

(Consolidated statement of comprehensive income)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)	Current consolidated fiscal year (April 1, 2011 - March 31, 2012)
Net profit before minority interests	276	296
Other comprehensive income		
Unrealized gain (loss) on securities	(180)	40
Total other comprehensive income	(180)	40
Total comprehensive income	96	336
(Breakdown)		
Comprehensive income related to shareholders of the parent company	93	323
Comprehensive income related to minority shareholders	2	13

(3) Consolidated Statement of Changes in Shareholders' Equity, etc.

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)	Current consolidated fiscal year (April 1, 2011 - March 31, 2012)
Shareholders' equity		
Capital		
Balance at start of current term	6,855	6,855
Change during current term		
Total change during current term	-	-
Balance at end of current term	6,855	6,855
Capital surplus		
Balance at start of current term	6,423	6,423
Change during current term		
Total change during current term	-	-
Balance at end of current term	6,423	6,423
Earned surplus		
Balance at start of current term	11,780	11,738
Change during current term		
Distribution of surplus	(316)	(311)
Current term net profit	274	283
Total change during current term	(42)	(27)
Balance at end of current term	11,738	11,710
Treasury stock		
Balance at start of current term	(853)	(1,015)
Change during current term		
Acquisition of treasury stock	(162)	(0)
Total change during current term	(162)	(0)
Balance at end of current term	(1,015)	(1,016)
Total shareholders' equity		
Balance at start of current term	24,205	24,001
Change during current term		
Distribution of surplus	(316)	(311)
Current term net profit	274	283
Acquisition of treasury stock	(162)	(0)
Total change during current term	(204)	(28)
Balance at end of current term	24,001	23,972

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)	Current consolidated fiscal year (April 1, 2011 - March 31, 2012)
Accumulated other comprehensive income		
Unrealized gain (loss) on securities		
Balance at start of current term	478	298
Change during current term		
Change during current term in items other than shareholders' equity (net)	(180)	40
Total change during current term	(180)	40
Balance at end of current term	298	338
Total accumulated other comprehensive income		
Balance at start of current term	478	298
Change during current term		
Change during current term in items other than shareholders' equity (net)	(180)	40
Total change during current term	(180)	40
Balance at end of current term	298	338
Minority interests		
Balance at start of current term	246	242
Change during current term		
Change during current term in items other than shareholders' equity (net)	(4)	(44)
Total change during current term	(4)	(44)
Balance at end of current term	242	198
Total net assets		
Balance at start of current term	24,930	24,542
Change during current term		
Distribution of surplus	(316)	(311)
Current term net profit	274	283
Acquisition of treasury stock	(162)	(0)
Change during current term in items other than shareholders' equity (net)	(184)	(4)
Total change during current term	(388)	(32)
Balance at end of current term	24,542	24,509

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)	Current consolidated fiscal year (April 1, 2011 - March 31, 2012)
Cash flows from operating activities		
Net profit before taxes and other adjustments	655	966
Depreciation	1,561	1,389
Impairment losses	97	7
Goodwill amortization	71	44
Long-term prepaid expenses depreciation	512	539
Loss on disposal of fixed assets	58	22
Gain or loss on sale of investment securities (brackets denote a gain)	(11)	-
Change in allowance for doubtful receivables (brackets denote a decrease)	(54)	102
Change in reserve for retirement allowance (brackets denote a decrease)	(14)	37
Equity in earnings or loss of subsidiary or affiliated company (brackets denote a gain)	1	(8)
Interest and dividend income	(73)	(76)
Interest expense	202	174
Foreign currency translation gain or loss (brackets denote a gain)	-	(6)
Change in trade receivables (brackets denote an increase)	(2,276)	(1,301)
Change in value of inventory assets (brackets denote an increase)	(303)	(677)
Change in trade payables (brackets denote a decrease)	144	2,038
Others	92	72
Sub total	663	3,326
Interest and dividend received	69	85
Interest paid	(202)	(178)
Payment or refund of company tax, etc (brackets denote a payment)	(75)	(292)
Cash flows from operating activities	454	2,941
Cash flows from investing activities		
Payments into time deposits	(62)	(162)
Income from time deposits	62	162
Expenditure on the acquisition of securities	(99)	-
Income from the redemption of securities	100	-
Expenditure on the acquisition of tangible fixed assets	(451)	(501)
Income from the sale of tangible fixed assets	0	-
Expenditure on the acquisition of intangible fixed assets	(89)	(82)
Expenditure on the acquisition of investment securities	(479)	(273)
Income from the sale of investment securities	41	-
Expenditure due to acquisition of shares in subsidiaries	-	(45)
Expenditure on loans	(67)	(1,037)
Income from the return of loans receivable	104	943
Others	68	6
Cash flows from investing activities	(872)	(991)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)	Current consolidated fiscal year (April 1, 2011 - March 31, 2012)
Cash flows from financing activities		
Net repayment in short-term borrowings (brackets denote a decrease)	(32)	(7)
Extension of long-term borrowings	1,300	2,110
Repayment of long-term borrowings	(2,100)	(3,000)
Expenditures due to repayment of lease liabilities	(67)	(69)
Expenditures due to repayment of accrued liabilities	(456)	(486)
Payments for acquisition of treasury stock	(162)	(0)
Dividends paid	(316)	(311)
Dividends paid to minority shareholders	(3)	(3)
Cash flows from financing activities	(1,838)	(1,769)
Effect of exchange rate changes on cash and cash equivalents	-	6
Change in cash and cash equivalents (brackets denote a decrease)	(2,256)	187
Cash and cash equivalents at beginning of year	8,041	5,784
Cash and cash equivalents at end of year	5,784	5,972

- (5) Notes on the assumption of the company as a going concern
No corresponding item exists.

- (6) Basis of presenting consolidated financial statements
Matters concerning the scope of consolidation

The Company has 13 consolidated subsidiaries.

(Refer to "2. The TOLI Group" for the names of the consolidated subsidiaries.)

Because GRACE CARPET LIMITED ceased to exist due to an absorption-type merger conducted on March 31, 2012, said company has been excluded from the scope of consolidation from the current consolidated fiscal year.

Matters other than the one above are omitted as there have been so significant changes from the matters included in the most recent securities report (submitted on June 24, 2011).

Additional information

(Application of the Accounting Standard for Accounting Changes and Error Corrections, etc.)

The Company is applying 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) for accounting changes carried out since the start of the consolidated accounting term under review and the correction of past errors.

- (7) Notes on consolidated financial statements
(Notes on the consolidated statement of income)

* Losses due to disaster

These are expenses related to the restoration of assets damaged by the Great East Japan Earthquake, etc.

(Segment Information)

a. Segment Information

1. Outline of reporting segments

The Company's reporting segments are those of the TOLI Group's constituent units for which segregated financial information can be obtained and are subject to the Board of Directors conducting regular investigations in order to determine the allocation of management resources and evaluate performance.

The TOLI Group manufactures, purchases and sells interior products centered on interior decoration materials, and also performs interior-related decoration work, and has 2 reporting segments: "Product business" and "Interior wholesaling and installation business."

In regard to "Product business," apart from the Company, related companies under the control of the Company's Operations Division manufacture interior products such as vinyl chloride floor materials and carpets, etc., and carry out services related to that such as interior decoration material maintenance, product warehouse management and distribution, etc.

In regard to "Interior wholesaling and installation business," related companies that manage sales and marketing operations purchase and sell interior-related materials, and carry out interior decoration-related work, etc.

2. Information on net sales, profit or loss, assets, liabilities and other values for each reporting segment

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

(Unit: million yen)

	Reporting segment			Adjustment (Note) 1	Value posted in the consolidated financial statements (Note) 2
	Product business	Interior wholesaling and installation business	Total		
Net sales					
Sales to external customers	26,355	53,259	79,614	-	79,614
Internal sales or transfers among segments	22,719	403	23,122	(23,122)	-
Total	49,074	53,662	102,737	(23,122)	79,614
Segment profit	590	286	877	(9)	867
Segment assets	54,730	23,349	78,079	(13,927)	64,152
Other items					
Depreciation	1,490	71	1,561	-	1,561
Goodwill amortization	57	19	77	(6)	71
Interest income	11	19	31	(20)	11
Interest expense	215	7	222	(20)	202
Investment losses on equity in affiliates	1	-	1	-	1
Value of investment in equity method affiliates	166	-	166	-	166
Total tangible fixed assets and Increase in intangible fixed assets	479	64	543	-	543

Note: 1 The adjustment of segment income of -9 million yen and the adjustment of segment assets of -13,927 million yen are due to the elimination of transactions between segments.

2 Segment income has been adjusted with ordinary income in the consolidated statement of profit and loss.

Current consolidated fiscal year (April 1, 2011 - March 31, 2012)

(Unit: million yen)

	Reporting segment			Adjustment (Note) 1	Value posted in the consolidated financial statements (Note) 2
	Product business	Interior wholesaling and installation business	Total		
Net sales					
Sales to external customers	26,871	54,004	80,875	-	80,875
Internal sales or transfers among segments	22,616	339	22,955	(22,955)	-
Total	49,487	54,343	103,831	(22,955)	80,875
Segment profit	497	561	1,058	(21)	1,037
Segment assets	56,091	24,749	80,841	(15,467)	65,373
Other items					
Depreciation	1,328	61	1,389	-	1,389
Goodwill amortization	35	14	50	(5)	44
Interest income	13	22	36	(23)	13
Interest expense	190	7	198	(23)	174
Equity in earnings of affiliates	7	-	7	1	8
Value of investment in equity method affiliates	173	-	173	(6)	167
Total tangible fixed assets and Increase in intangible fixed assets	647	13	661	-	661

Note: 1 The adjustment of segment income of -21 million yen and the adjustment of segment assets of -15,467 million yen are due to the elimination of transactions between segments.

2 Segment income has been adjusted with ordinary income in the consolidated statement of profit and loss.

b. Information on the impairment losses on fixed assets for each segment

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

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and installation business	Total		
Impairment losses	75	21	97	-	97

Current consolidated fiscal year (April 1, 2011 - March 31, 2012)

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and installation business	Total		
Impairment losses	-	7	7	-	7

c. Information on the amortization and un-amortized balance of goodwill for each segment

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

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and installation business	Total		
Term-end un-amortized balance	53	36	90	(11)	78

Note: Because the same information on the amortization of goodwill has been presented in "a. Segment information", it has been omitted here.

Current consolidated fiscal year (April 1, 2011 - March 31, 2012)

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and installation business	Total		
Term-end un-amortized balance	18	22	40	(6)	33

Note: Because the same information on the amortization of goodwill has been presented in "a. Segment information", it has been omitted here.

d. Information on the profit generated by goodwill for each segment

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

No corresponding item exists.

Current consolidated fiscal year (April 1, 2011 - March 31, 2012)

Profits generated by negative goodwill of 9 million yen have been posted under Product business in the current consolidated fiscal year. This is due to the Company's additional acquisition of shares in GRACE CARPET LIMITED, a consolidated subsidiary.

(Per share information)

Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)		Current consolidated fiscal year (April 1, 2011 - March 31, 2012)	
Value of net assets per share	390.51 yen	Value of net assets per share	390.72 yen
Value of net income per share	4.34 yen	Value of net income per share	4.55 yen

Note: 1 Diluted net income per share is omitted because there was no potential dilution.

2 The basis for calculation of net income per share is as follows.

	Previous consolidated fiscal year (April 1, 2010 - March 31, 2011)	Current consolidated fiscal year (April 1, 2011 - March 31, 2012)
Value of net income per share		
Net income as stated in the Consolidated Statements of Income (million yen)	274	283
Net income pertaining to common stock (million yen)	274	283
Amount not belonging to common stockholders (million yen)	-	-
Average number of common stock shares during the period (thousands of shares)	63,125	62,223

(Important post-balance sheet events)

No corresponding item exists.

5. Company-specific financial statements

(1) Balance Sheets

(Unit: million yen)

	Previous fiscal year (March 31, 2011)	Current fiscal year (March 31, 2012)
Assets		
Current assets		
Cash and deposits	3,663	3,986
Notes receivable	4,994	5,796
Accounts receivable	13,776	14,074
Securities	714	715
Goods and products	5,906	6,548
Work-in-progress	195	207
Raw materials and stored goods	787	791
Advance payments	0	6
Prepaid expenses	406	325
Deferred tax assets	255	205
Short-term loans	1,874	891
Accounts receivable	2,240	3,095
Others	52	47
Allowance for doubtful receivables	(73)	(172)
Total current assets	34,796	36,519
Fixed assets		
Tangible fixed assets		
Buildings (net)	4,235	4,074
Structures (net)	236	237
Machinery and equipment (net)	1,174	881
Motor vehicles and transport equipment (net)	8	15
Equipment (Net amount)	122	105
Land	6,032	6,032
Lease assets (net)	94	63
Construction in progress	41	78
Total tangible fixed assets	11,945	11,488
Intangible assets		
Goodwill	53	18
Software	431	352
Lease assets	144	97
Others	35	40
Total intangible assets	665	509

(Unit: million yen)

	Previous fiscal year (March 31, 2011)	Current fiscal year (March 31, 2012)
Investments and other assets		
Investment securities	2,882	3,154
Shares in affiliated companies	1,364	1,162
Investments	19	19
Long-term loans to employees	131	113
Long-term loans to affiliated company	151	131
Bankruptcy rehabilitation claims, etc.	13	4
Long-term advance charges	301	125
Deferred tax assets	1,427	1,151
Others	861	996
Allowance for doubtful receivables	(31)	(20)
Total investments and other assets	7,121	6,838
Total fixed assets	19,733	18,836
Total assets	54,529	55,355
Liabilities		
Current liabilities		
Notes payable	1,794	2,750
Accounts payable	12,669	12,458
Short-term borrowings	300	300
Current portion of long-term borrowings	3,000	2,900
Lease liabilities	51	51
Arrears	632	636
Accrued expenses	1,126	1,279
Accrued corporation taxes	67	67
Advance receipts	3	1
Deposits	3,833	5,079
Advance received profit	2	6
Reserve for bonus payable	266	244
Reserve for disaster losses	13	-
Others	1	1
Total current liabilities	23,762	25,776
Fixed liabilities		
Long-term borrowings	5,800	5,010
Lease liabilities	89	37
Reserve for retirement allowance	3,008	2,982
Asset retirement obligations	51	52
Long-term guarantee deposits	1,596	1,572
Others	419	228
Total fixed liabilities	10,966	9,883
Total liabilities	34,728	35,660

(Unit: million yen)

	Previous fiscal year (March 31, 2011)	Current fiscal year (March 31, 2012)
Net assets		
Shareholders' equity		
Capital	6,855	6,855
Capital surplus		
Capital reserve	1,789	1,789
Other capital surplus	4,633	4,633
Total capital surplus	6,423	6,423
Earned surplus		
Other earned surplus		
Special reserves	5,000	5,000
Earned surplus carried forward	2,254	2,116
Total earned surplus	7,254	7,116
Treasury stock	(1,015)	(1,016)
Total shareholders' equity	19,517	19,379
Unrealized gain (loss) and equity adjustment from currency translation		
Unrealized gain (loss) on securities	283	315
Total unrealized gain (loss) and equity adjustment from foreign currency translation	283	315
Total net assets	19,800	19,695
Total liabilities and net assets	54,529	55,355

(2) Statements of Income

(Unit: million yen)

	Previous fiscal year (April 1, 2010 - March 31, 2011)	Current fiscal year (April 1, 2011 - March 31, 2012)
Net sales		
Product sales	14,680	15,455
Goods sales	34,257	33,881
Total sales	48,938	49,336
Cost of sales		
Product inventories at start of term	1,556	1,592
Current term product manufacturing costs	9,449	10,179
Total	11,006	11,772
Product inventories at end of term	1,592	1,886
Product transfers to other accounts	193	146
Cost variance	(422)	(278)
Product sales costs	8,797	9,461
Goods inventories at start of term	3,959	4,313
Current term goods purchased	25,801	25,787
Total	29,760	30,100
Goods inventories at end of term	4,313	4,661
Goods transfers to other accounts	277	252
Goods sales costs	25,170	25,186
Total sales costs	33,968	34,648
Gross profit	14,970	14,687
Selling and general administrative expenses	14,566	14,153
Operating profit	404	533
Non-operating income		
Interest income	35	30
Interest on securities	3	4
Dividends income	74	78
Real estate rental charges	154	145
Insurance dividends	30	22
Others	123	139
Total non-operating income	422	421
Non-operating expenses		
Interest expense	215	191
Sales discounts	126	130
Provision for allowance for doubtful receivables	-	95
Others	40	57
Total non-operating expense	381	474
Ordinary profit	444	481

(Unit: million yen)

	Previous fiscal year (April 1, 2010 - March 31, 2011)	Current fiscal year (April 1, 2011 - March 31, 2012)
Extraordinary income		
Gain on sale of investment securities	8	-
Adjustment for allowance for doubtful receivables	67	-
Gains on extinguishment of tie-in shares	-	115
Total extraordinary income	75	115
Extraordinary loss		
Loss on disposal of fixed assets	21	10
Losses due to disaster	103	17
Effect of application of Accounting Standard for Asset Retirement Obligations	46	-
Write-down of stocks of subsidiaries and affiliates	9	-
Others	-	2
Total extraordinary loss	180	31
Net profit before taxes and other adjustments	340	565
Corporation tax, local inhabitants taxes, and enterprise taxes	42	41
Deferred corporation tax	167	350
Total corporation and other taxes	209	391
Current term net profit	130	173

(3) Statement of Changes in Shareholders' Equity, etc.

(Unit: million yen)

	Previous fiscal year (April 1, 2010 - March 31, 2011)	Current fiscal year (April 1, 2011 - March 31, 2012)
Shareholders' equity		
Capital		
Balance at start of current term	6,855	6,855
Change during current term		
Total change during current term	-	-
Balance at end of current term	6,855	6,855
Capital surplus		
Capital reserve		
Balance at start of current term	1,789	1,789
Change during current term		
Total change during current term	-	-
Balance at end of current term	1,789	1,789
Other capital surplus		
Balance at start of current term	4,633	4,633
Change during current term		
Total change during current term	-	-
Balance at end of current term	4,633	4,633
Earned surplus		
Other earned surplus		
Special reserves		
Balance at start of current term	5,000	5,000
Change during current term		
Total change during current term	-	-
Balance at end of current term	5,000	5,000
Earned surplus carried forward		
Balance at start of current term	2,439	2,254
Change during current term		
Distribution of surplus	(316)	(311)
Current term net profit	130	173
Total change during current term	(185)	(137)
Balance at end of current term	2,254	2,116
Treasury stock		
Balance at start of current term	(853)	(1,015)
Change during current term		
Acquisition of treasury stock	(162)	(0)
Total change during current term	(162)	(0)
Balance at end of current term	(1,015)	(1,016)
Total shareholders' equity		
Balance at start of current term	19,864	19,517
Change during current term		
Distribution of surplus	(316)	(311)
Current term net profit	130	173
Acquisition of treasury stock	(162)	(0)
Total change during current term	(347)	(138)
Balance at end of current term	19,517	19,379

(Unit: million yen)

	Previous fiscal year (April 1, 2010 - March 31, 2011)	Current fiscal year (April 1, 2011 - March 31, 2012)
Unrealized gain (loss) and equity adjustment from currency translation		
Unrealized gain (loss) on securities		
Balance at start of current term	450	283
Change during current term		
Change during current term in items other than shareholders' equity (net)	(167)	32
Total change during current term	(167)	32
Balance at end of current term	283	315
Total unrealized gain (loss) and equity adjustment from foreign currency translation		
Balance at start of current term	450	283
Change during current term		
Change during current term in items other than shareholders' equity (net)	(167)	32
Total change during current term	(167)	32
Balance at end of current term	283	315
Total net assets		
Balance at start of current term	20,315	19,800
Change during current term		
Distribution of surplus	(316)	(311)
Current term net profit	130	173
Acquisition of treasury stock	(162)	(0)
Change during current term in items other than shareholders' equity (net)	(167)	32
Total change during current term	(515)	(105)
Balance at end of current term	19,800	19,695

(4) Notes on the assumption of the company as a going concern
No corresponding item exists.

6. Others

(1) Transfers of directors
No corresponding item exists.

(2) Others
No corresponding item exists.