



Financial Announcement for Year Ended March 31, 2013 [Japan standard] (Consolidated)

May 9, 2013

Company name TOLI Corporation

Stock Exchanges Tokyo Stock Exchange and Osaka Securities Exchange

Code number 7971 URL <http://www.toli.co.jp>

Representative (Position) President and Representative Director

(Name) Motohiro Nagashima

Official responsible for inquiries (Position) General Manager, Accounting and Finance Department

(Name) Yoza Araki

TEL 06-6494-6691

Scheduled date for Ordinary General Meeting of Shareholders

June 26, 2013

Scheduled date for start of dividend payments

June 27, 2013

Scheduled date for submission of financial statements

June 26, 2013

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 2013 (April 1, 2012 - March 31, 2013)

(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 ending March 2013	84,912	5.0	1,931	66.3	1,923	85.4	1,038	266.9
Year ended March 2012	80,875	1.6	1,161	26.3	1,037	19.6	283	3.3

(Note) Comprehensive income Year ended March 2013 1,379 million yen (309.6%) Year ended March 2012 336 million yen (248.4%)

	Net income per share	Diluted net income per share	Return on equity	Return on total asset	Operating profit on sales
	yen	yen	%	%	%
Year ending March 2013	16.70	-	4.2	2.9	2.3
Year ended March 2012	4.55	-	1.2	1.6	1.4

(For reference) Investment gain or loss under equity method Year ended March 2013 18 million yen Year ended March 2012 8 million yen

(2) Consolidated assets

	Total assets	Net assets	Capital-to-asset ratio	Net asset per share
	million yen	million yen	%	yen
Year ending March 2013	66,947	25,575	37.9	407.77
Year ended March 2012	65,373	24,509	37.2	390.72

(For reference) Shareholders' equity Year ended March 2013 25,369 million yen Year ended March 2012 24,311 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 ending March 2013	1,740	(701)	(812)	6,218
Year ended March 2012	2,941	(991)	(1,769)	5,972

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 2012	-	0.00	-	5.00	5.00	311	109.9	1.3
Year ending March 2013	-	0.00	-	5.00	5.00	311	29.9	1.3
Year ended March 2014 (projection)	-	0.00	-	5.00	5.00		31.1	

3. Consolidated forecasts for year ending March 2014 (April 1, 2013 - March 31, 2014)

(% 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)	40,200	1.5	100	(68.3)	100	(69.0)	30	(57.5)	0.48
Full term	87,000	2.5	1,800	(6.8)	1,800	(6.4)	1,000	(3.7)	16.07

* 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: Yes

[2] Changes other than [1]: None

[3] Changes in accounting estimates: Yes

[4] Representation of amendments: None

(Note) Please refer to "4. Consolidated financial statements (6) Changes in accounting policies, changes in accounting estimates, representation of amendments" on page 14 of the attached document for details.

(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 ending March 2013	66,829,249 shares	Year ended March 2012	66,829,249 shares
Year ending March 2013	4,613,800 shares	Year ended March 2012	4,607,412 shares
Year ending March 2013	62,218,549 shares	Year ended March 2012	62,223,754 shares

(For reference) Outline of Company-specific business performance

Company-specific business performance for year ended March 2013 (April 1, 2012 - March 31, 2013)

(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 ending March 2013	51,585	4.6	882	65.3	1,003	108.5	569	228.5
Year ended March 2012	49,336	0.8	533	32.0	481	8.2	173	32.6

	Net income per share		Diluted net income per share	
	yen		yen	
Year ending March 2013	9.15		-	
Year ended March 2012	2.79		-	

(2) Company-specific financial state

	Total assets		Net assets		Capital-to-asset ratio		Net asset per share	
	million yen		million yen		%		yen	
Year ending March 2013	56,051		20,249		36.1		325.48	
Year ended March 2012	55,355		19,695		35.6		316.53	

(For reference) Shareholders' equity Year ending March 2013 20,249 million yen Year ending March 2012 19,695 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. Discussion and analysis of the management performance / the financial situation (1) Discussion and analysis of the management performance" on page 2.

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1. Discussion and analysis of the management performance / the financial situation

(1) Discussion and analysis of the management performance

Although the Japanese economy continued to grow weaker during the current consolidated fiscal year due to the downturn and deceleration of overseas economies, etc., there were visible signs of recovery in factors such as personal consumption against the backdrop of the shift to a weaker yen and higher share prices since the change of government in December 2012. In the interior industry, while the cost of manufacturing raw materials, etc., increased on the one hand, the upward momentum in construction starts continued and demand for interior materials trended steadily.

In such circumstances, the TOLI Group focused on the creation of demand through the development of unique products and positive proposal-type sales, and made efforts to improve profitability by promoting reductions in costs. As a result, net sales in the current consolidated fiscal year were 84,912 million yen (5.0% increase compared to the previous term), operating profit was 1,931 million yen (66.3% increase compared to the previous term), ordinary profit was 1,923 million yen (85.4% increase compared to the previous term), and current term net profit was 1,038 million yen (266.9% increase compared to the previous term).

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

< Product business >

In the area of vinyl flooring, "NS800" slip-resistant vinyl sheets performed steadily due to the underlying strength of demand in newly constructed apartment buildings combined with the new product effect, having received the fiscal year 2012 GOOD DESIGN AWARD because of its stylish design. Apart from this, vinyl sheets for health and welfare facilities also achieved sales above those for last year. In the carpet area, the recovery of office demand led to increased sales of the "GX Series" of medium to high-grade carpet tiles and apart from this, the well-designed universal grade "GA-100W" performed strongly due to the effect of inputting new patterns. As a result, net sales in product business were 51,771 million yen (increase of 4.6% compared to the previous term) and segment profit was 1,008 million yen (increase of 102.9% compared to the previous term).

< Interior wholesaling and installation business >

Sales of the company's products including vinyl flooring and carpets at the sales subsidiary continued strongly and construction material and equipment-related stock sales performed well. In addition, with the construction market on the track to recovery, installation sales also grew and net sales in interior wholesaling and installation business finished at 56,757 million yen (increase of 4.4% compared to the previous term), while segment profit was 946 million yen (increase of 68.5% compared to the previous term).

(Outlook for the next term)

With regard to the outlook for the next term, although there is a sense of uncertainty over overseas economies, the domestic market is expected to head towards recovery. In the interior industry, things like increased demand for post-earthquake reconstruction in the Tohoku area and special last minute rush demand ahead of the increase in consumption tax are projected. However, the outlook for raw material costs is to increase due to increased crude oil prices and the progress of yen depreciation, so the difficult earnings environment will continue. In such circumstances, the TOLI Group will work on the construction of a business framework that allows us to increase stable earnings based on the medium term business plan "Innovation and Growth 2014."

Taking the above factors into consideration, we expect consolidated net sales of 87,000 million yen, consolidated operating income of 1,800 million yen, consolidated ordinary income of 1,800 million yen and consolidated net income of 1,000 million yen for the fiscal year ending March 31, 2014 (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 1,573 million yen compared to the end of the previous term to finish at 66,947 million yen due to factors such as increases in inventories, etc.

Liabilities increased 507 million yen compared to the end of the previous term to finish at 41,372 million yen due to factors such as increases in accrued corporation taxes, etc.

Net assets increased 1,065 million yen compared to the end of the previous term to finish at 25,575 million yen due to factors such as increases in the earned surplus and other available-for-sale securities, etc.

[2] State of cash flows

Cash and cash equivalents during the current consolidated fiscal year increased 246 million yen compared to the end of the previous year to finish at 6,218 million yen (5,972 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 1,740 million yen (incomings of 2,941 million yen during the previous year). Expenditures decreased compared to the previous year due to a decrease in the increase in trade payables, etc.

Cash flows from investing activities ended with outgoings of 701 million yen (outgoings of 991 million yen during the previous year). Expenditures decreased compared to the previous year due to an increase in income from the redemption of investment securities, etc.

Cash flows from financing activities ended with outgoings of 812 million yen (outgoings of 1,769 million yen during the previous year). Outgoings of long-term borrowings exceeded income in the previous term, but outgoings for the current term decreased compared to the previous term due to outgoings and income of long-term borrowings being the same value, etc.

Cash flow indices for the Group are shown below.

	Year ended March 2010	Year ended March 2011	Year ended March 2012	Year ended March 2013
Capital-to-asset ratio (%)	38.0	37.9	37.2	37.9
Capital-to-asset ratio on market value basis (%)	17.3	19.3	16.9	20.1
Cash flow-to-interest-bearing debt ratio (year)	2.6	23.9	3.4	5.7
Interest coverage ratio	21.9	2.2	16.5	11.9

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 indexes 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 x 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 term-end dividend of 5 yen per share. In regard to the dividend for the next term, we plan to pay a similar term 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.

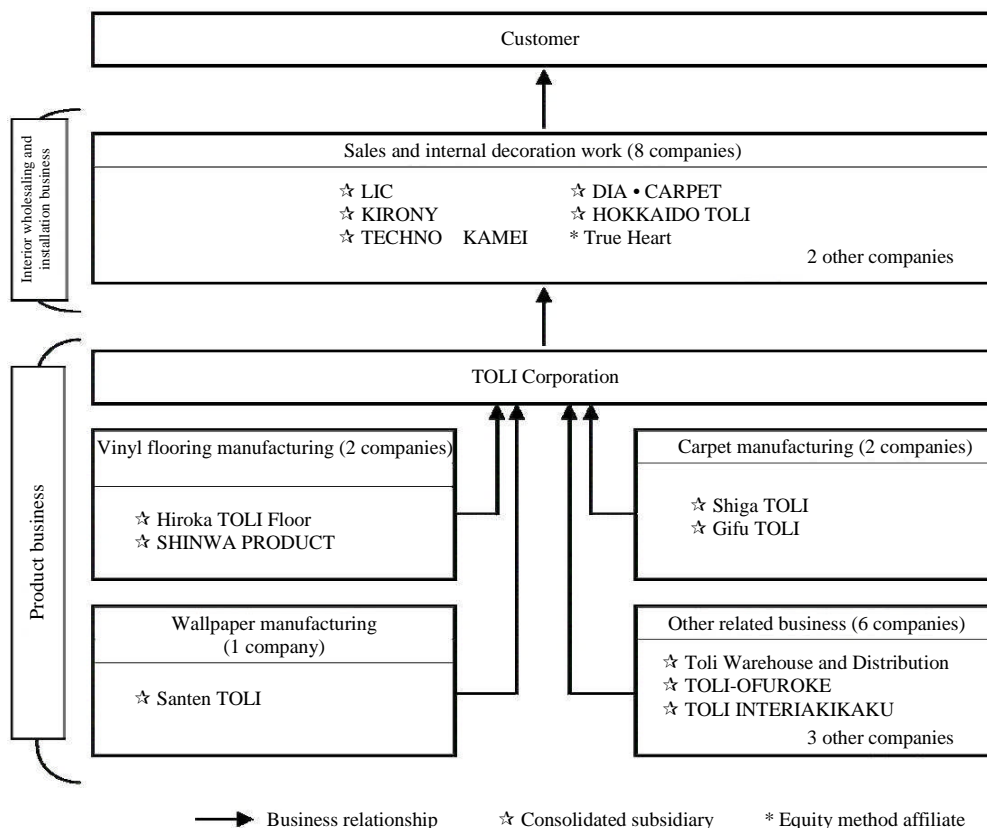
< Product business >

The Company, Hiroka TOLI Floor Co., Ltd. and SHINWA PRODUCT CO., LTD. manufacture vinyl tiles and vinyl 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 Manufacturing Headquarters. 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.



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 2014, the final year of the medium term management plan "Innovation and Growth 2014" that started 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 is currently promoting the medium term business plan for fiscal 2012 to fiscal 2014, “Innovation and Growth 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 flooring 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 retail sales channels. In addition, we will make efforts to expand business into areas peripheral to our existing areas based on the strengthening of our technological development capabilities.

(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, 2012)	Current consolidated fiscal year (March 31, 2013)
Assets		
Current assets		
Cash and deposits	5,319	5,565
Notes and accounts receivable	26,114	26,134
Securities	715	715
Goods and products	6,589	7,154
Work-in-progress	819	1,196
Raw materials and stored goods	1,273	1,528
Deferred tax assets	409	491
Others	987	992
Allowance for doubtful receivables	(368)	(353)
Total current assets	41,860	43,424
Fixed assets		
Tangible fixed assets		
Buildings and structures	18,701	18,745
Cumulative depreciation	(13,438)	(13,757)
Accumulated impairment losses	(6)	(3)
Buildings and structures (Net amount)	5,256	4,985
Machinery and vehicles	21,476	22,015
Cumulative depreciation	(19,887)	(20,298)
Machinery and vehicles (Net amount)	1,588	1,717
Equipment	2,196	2,197
Cumulative depreciation	(2,054)	(1,991)
Equipment (Net amount)	142	205
Land	8,672	8,625
Lease assets	229	249
Cumulative depreciation	(119)	(166)
Lease assets (net)	110	83
Construction in progress	122	225
Total tangible fixed assets	15,892	15,841
Intangible assets		
Goodwill	33	18
Software	383	325
Lease assets	113	60
Others	75	178
Total intangible assets	605	582
Investments and other assets		
Investment securities	3,616	3,746
Long-term loans receivable	132	146
Deferred tax assets	1,548	1,077
Others	2,067	2,459
Allowance for doubtful receivables	(349)	(331)
Total investments and other assets	7,014	7,098
Total fixed assets	23,513	23,523
Total assets	65,373	66,947

(Unit: million yen)

	Previous consolidated fiscal year (March 31, 2012)	Current consolidated fiscal year (March 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable	22,734	22,680
Short-term borrowings	3,209	1,610
Lease liabilities	71	59
Accrued corporation taxes	296	546
Accrued expenses	1,485	1,498
Reserve for bonus payable	479	583
Others	1,257	1,462
Total current liabilities	29,534	28,439
Fixed liabilities		
Long-term borrowings	5,010	6,610
Lease liabilities	79	38
Reserve for retirement allowance	4,089	4,002
Asset retirement obligations	90	97
Long-term guarantee deposits	1,673	1,725
Others	386	459
Total fixed liabilities	11,329	12,932
Total liabilities	40,864	41,372
Net assets		
Shareholders' equity		
Capital	6,855	6,855
Capital surplus	6,423	6,423
Earned surplus	11,710	12,437
Treasury stock	(1,016)	(1,017)
Total shareholders' equity	23,972	24,699
Accumulated other comprehensive income		
Unrealized gain (loss) on securities	338	670
Total accumulated other comprehensive income	338	670
Minority interests	198	205
Total net assets	24,509	25,575
Total liabilities and net assets	65,373	66,947

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

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)	Current consolidated fiscal year (April 1, 2012 - March 31, 2013)
Net sales	80,875	84,912
Cost of sales	59,252	61,889
Gross profit	21,622	23,023
Selling and general administrative expenses	20,461	21,092
Operating profit	1,161	1,931
Non-operating income		
Interest income	13	11
Dividends income	63	75
Purchase discount	75	75
Investment gain on equity method	8	18
Real estate rental charges	49	53
Insurance dividends	24	27
Others	137	84
Total non-operating income	371	346
Non-operating expenses		
Interest expense	174	144
Sales discounts	111	118
Provision for allowance for doubtful receivables	95	-
Others	114	90
Total non-operating expense	495	353
Ordinary profit	1,037	1,923
Extraordinary income		
Gain on sale of fixed assets	-	1
Income generated from negative goodwill	9	-
Total extraordinary income	9	1
Extraordinary loss		
Loss on disposal of fixed assets	22	23
Losses due to disaster	17	-
Impairment losses	7	3
Others	32	6
Total extraordinary loss	80	32
Net profit before taxes and other adjustments	966	1,892
Corporation tax, local inhabitants taxes, and enterprise taxes	293	637
Deferred corporation tax	376	207
Total corporation and other taxes	670	844
Net profit before minority interests	296	1,048
Minority interests	13	9
Current term net profit	283	1,038

(Consolidated statement of comprehensive income)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)	Current consolidated fiscal year (April 1, 2012 - March 31, 2013)
Net profit before minority interests	296	1,048
Other comprehensive income		
Unrealized gain (loss) on securities	40	331
Total other comprehensive income	40	331
Comprehensive income	336	1,379
(Breakdown)		
Comprehensive income related to shareholders of the parent company	323	1,370
Comprehensive income related to minority shareholders	13	9

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

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)	Current consolidated fiscal year (April 1, 2012 - March 31, 2013)
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	11,738	11,710
Change during current term		
Distribution of surplus	(311)	(311)
Current term net profit	283	1,038
Total change during current term	(27)	727
Balance at end of current term	11,710	12,437
Treasury stock		
Balance at start of current term	(1,015)	(1,016)
Change during current term		
Acquisition of treasury stock	(0)	(1)
Total change during current term	(0)	(1)
Balance at end of current term	(1,016)	(1,017)
Total shareholders' equity		
Balance at start of current term	24,001	23,972
Change during current term		
Distribution of surplus	(311)	(311)
Current term net profit	283	1,038
Acquisition of treasury stock	(0)	(1)
Total change during current term	(28)	726
Balance at end of current term	23,972	24,699

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)	Current consolidated fiscal year (April 1, 2012 - March 31, 2013)
Accumulated other comprehensive income		
Unrealized gain (loss) on securities		
Balance at start of current term	298	338
Change during current term		
Change during current term in items other than shareholders' equity (net)	40	331
Total change during current term	40	331
Balance at end of current term	338	670
Total accumulated other comprehensive income		
Balance at start of current term	298	338
Change during current term		
Change during current term in items other than shareholders' equity (net)	40	331
Total change during current term	40	331
Balance at end of current term	338	670
Minority interests		
Balance at start of current term	242	198
Change during current term		
Change during current term in items other than shareholders' equity (net)	(44)	7
Total change during current term	(44)	7
Balance at end of current term	198	205
Total net assets		
Balance at start of current term	24,542	24,509
Change during current term		
Distribution of surplus	(311)	(311)
Current term net profit	283	1,038
Acquisition of treasury stock	(0)	(1)
Change during current term in items other than shareholders' equity (net)	(4)	339
Total change during current term	(32)	1,065
Balance at end of current term	24,509	25,575

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)	Current consolidated fiscal year (April 1, 2012 - March 31, 2013)
Cash flows from operating activities		
Net profit before taxes and other adjustments	966	1,892
Depreciation	1,389	1,235
Impairment losses	7	3
Goodwill amortization	44	15
Long-term prepaid expenses depreciation	539	480
Loss on disposal of fixed assets	22	23
Change in allowance for doubtful receivables (brackets denote a decrease)	102	(34)
Change in reserve for retirement allowance (brackets denote a decrease)	37	(87)
Equity in earnings or loss of subsidiary or affiliated company (brackets denote a gain)	(8)	(18)
Interest and dividend income	(76)	(86)
Interest expense	174	144
Foreign currency translation gain or loss (brackets denote a gain)	(6)	(20)
Change in trade receivables (brackets denote an increase)	(1,301)	41
Change in value of inventory assets (brackets denote an increase)	(677)	(1,196)
Change in trade payables (brackets denote a decrease)	2,038	(73)
Others	72	(152)
Sub total	3,326	2,167
Interest and dividend received	85	91
Interest paid	(178)	(146)
Payment or refund of company tax, etc. (brackets denote a payment)	(292)	(373)
Cash flows from operating activities	2,941	1,740
Cash flows from investing activities		
Payments into time deposits	(162)	(162)
Income from time deposits	162	162
Expenditure on the acquisition of tangible fixed assets	(501)	(874)
Income from the sale of tangible fixed assets	-	50
Expenditure on the acquisition of intangible fixed assets	(82)	(93)
Expenditure on the acquisition of investment securities	(273)	(3)
Income from the redemption of investment securities	-	400
Expenditure due to acquisition of shares in subsidiaries	(45)	-
Expenditure on loans	(1,037)	(1,502)
Income from the return of loans receivable	943	1,490
Others	6	(167)
Cash flows from investing activities	(991)	(701)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)	Current consolidated fiscal year (April 1, 2012 - March 31, 2013)
Cash flows from financing activities		
Net repayment in short-term borrowings (brackets denote a decrease)	(7)	0
Extension of long-term borrowings	2,110	2,900
Repayment of long-term borrowings	(3,000)	(2,900)
Expenditures due to repayment of lease liabilities	(69)	(73)
Expenditures due to repayment of accrued liabilities	(486)	(425)
Payments for acquisition of treasury stock	(0)	(1)
Dividends paid	(311)	(311)
Dividends paid to minority shareholders	(3)	(1)
Cash flows from financing activities	(1,769)	(812)
Effect of exchange rate changes on cash and cash equivalents	6	20
Change in cash and cash equivalents (brackets denote a decrease)	187	246
Cash and cash equivalents at beginning of year	5,784	5,972
Cash and cash equivalents at end of year	5,972	6,218

(5) Notes on the assumption of the company as a going concern

No corresponding item exists.

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

(Changes of accounting policies that are difficult to distinguish from changes in accounting estimates)

In accordance with the amendment of the Corporation Tax Act, the company and its consolidated subsidiaries have changed to the depreciation method based on the amended Corporation Tax Act with regard to tangible fixed assets acquired from April 1, 2012 or after. Doing so has increased operating profit, ordinary profit and net profit before taxes and other adjustments by 27 million yen each.

(7) Notes on consolidated financial statements

(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 Manufacturing Headquarters 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, 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 construction 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
Investment profit on equity method	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	638	23	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.

Current consolidated fiscal year (April 1, 2012 - March 31, 2013)

(Unit: million yen)

	Reporting segment			Adjustment Note 1:	Value posted in the consolidated financial statements Note 2:
	Product business	Interior wholesaling and construction business	Total		
Net sales					
Sales to external customers	28,562	56,350	84,912	-	84,912
Internal sales or transfers among segments	23,209	407	23,616	(23,616)	-
Total	51,771	56,757	108,529	(23,616)	84,912
Segment profit	1,008	946	1,954	(30)	1,923
Segment assets	57,498	24,769	82,268	(15,320)	66,947
Other items					
Depreciation	1,164	71	1,235	-	1,235
Goodwill amortization	9	10	19	(4)	15
Interest income	11	28	40	(28)	11
Interest expense	166	7	173	(28)	144
Investment profit on equity method	16	-	16	1	18
Value of investment in equity method affiliates	189	-	189	(4)	184
Total tangible fixed assets and increase in intangible fixed assets	1,187	58	1,245	-	1,245

Note 1: The adjustment of segment income of -30 million yen and the adjustment of segment assets of -15,320 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, 2011 - March 31, 2012)

(Unit: million yen)

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

Current consolidated fiscal year (April 1, 2012 - March 31, 2013)

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and construction business	Total		
Impairment losses	-	3	3	-	3

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

Previous 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 construction 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.

Current consolidated fiscal year (April 1, 2012 - March 31, 2013)

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and construction business	Total		
Term-end un-amortized balance	8	12	20	(2)	18

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, 2011 - March 31, 2012)

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

Current consolidated fiscal year (April 1, 2012 - March 31, 2013)

No corresponding item exists.

(Per-share data)

Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)		Current consolidated fiscal year (April 1, 2012 - March 31, 2013)	
Net assets per share	390.72 yen	Net assets per share	407.77 yen
Net income per share	4.55 yen	Net income per share	16.70 yen

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

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

	Previous consolidated fiscal year (April 1, 2011 - March 31, 2012)	Current consolidated fiscal year (April 1, 2012 - March 31, 2013)
Net income per share		
Net income as stated in the Consolidated Statements of Income (million yen)	283	1,038
Amount not belonging to common stockholders (million yen)	-	-
Net income pertaining to common stock (million yen)	283	1,038
Average number of common stock shares during the period (thousands of shares)	62,223	62,218

(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, 2012)	Current fiscal year (March 31, 2013)
Assets		
Current assets		
Cash and deposits	3,986	4,366
Notes receivable	5,796	6,198
Accounts receivable	14,074	13,612
Securities	715	715
Goods and products	6,548	7,130
Work-in-progress	207	236
Raw materials and stored goods	791	1,042
Advance payments	6	6
Prepaid expenses	325	279
Deferred tax assets	205	203
Short-term loans	891	1,141
Accounts receivable	3,095	1,340
Others	47	44
Allowance for doubtful receivables	(172)	(158)
Total current assets	36,519	36,159
Fixed assets		
Tangible fixed assets		
Buildings (net)	4,074	3,877
Structures (net)	237	211
Machinery and equipment (net)	881	1,050
Motor vehicles and transport equipment (net)	15	16
Equipment (Net amount)	105	151
Land	6,032	5,986
Lease assets (net)	63	42
Construction in progress	78	173
Total tangible fixed assets	11,488	11,510
Intangible assets		
Goodwill	18	8
Software	352	299
Lease assets	97	51
Others	40	146
Total intangible assets	509	505

(Unit: million yen)

	Previous fiscal year (March 31, 2012)	Current fiscal year (March 31, 2013)
Investments and other assets		
Investment securities	3,154	3,215
Shares in affiliated companies	1,162	1,162
Investments	19	19
Long-term loans receivable	-	33
Long-term loans to employees	113	96
Long-term loans to affiliated company	131	1,016
Long-term advance charges	125	238
Deferred tax assets	1,151	781
Others	1,000	1,356
Allowance for doubtful receivables	(20)	(43)
Total investments and other assets	6,838	7,875
Total fixed assets	18,836	19,891
Total assets	55,355	56,051
Liabilities		
Current liabilities		
Notes payable	2,750	3,212
Accounts payable	12,458	11,153
Short-term borrowings	300	300
Current portion of long-term borrowings	2,900	1,300
Lease liabilities	51	38
Arrears	636	902
Accrued expenses	1,279	1,243
Accrued corporation taxes	67	221
Deposits	5,079	5,534
Advance received profit	6	3
Reserve for bonus payable	244	291
Others	2	2
Total current liabilities	25,776	24,204
Fixed liabilities		
Long-term borrowings	5,010	6,610
Lease liabilities	37	7
Reserve for retirement allowance	2,982	2,943
Asset retirement obligations	52	53
Long-term guarantee deposits	1,572	1,622
Others	228	359
Total fixed liabilities	9,883	11,597
Total liabilities	35,660	35,801

(Unit: million yen)

	Previous fiscal year (March 31, 2012)	Current fiscal year (March 31, 2013)
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	2,116	2,374
Total earned surplus	7,116	7,374
Treasury stock	(1,016)	(1,017)
Total shareholders' equity	19,379	19,636
Unrealized gain (loss) and equity adjustment from currency translation		
Unrealized gain (loss) on securities	315	613
Total unrealized gain (loss) and equity adjustment from foreign currency translation	315	613
Total net assets	19,695	20,249
Total liabilities and net assets	55,355	56,051

(2) Statements of Income

(Unit: million yen)

	Previous fiscal year (April 1, 2011 - March 31, 2012)	Current fiscal year (April 1, 2012 - March 31, 2013)
Net sales		
Product sales	15,455	16,729
Goods sales	33,881	34,856
Total sales	49,336	51,585
Cost of sales		
Product inventories at start of term	1,592	1,886
Current term product manufacturing costs	10,179	10,990
Total	11,772	12,876
Product inventories at end of term	1,886	2,095
Product transfers to other accounts	146	249
Cost variance	(278)	(496)
Product sales costs	9,461	10,034
Goods inventories at start of term	4,313	4,661
Current term goods purchased	25,787	26,797
Total	30,100	31,459
Goods inventories at end of term	4,661	5,034
Goods transfers to other accounts	252	489
Goods sales costs	25,186	25,935
Total sales costs	34,648	35,969
Gross profit	14,687	15,616
Selling and general administrative expenses	14,153	14,734
Operating profit	533	882
Non-operating income		
Interest income	30	29
Interest on securities	4	2
Dividends income	78	160
Real estate rental charges	145	133
Insurance dividends	22	25
Others	139	111
Total non-operating income	421	463
Non-operating expenses		
Interest expense	191	166
Sales discounts	130	134
Provision for allowance for doubtful receivables	95	-
Others	57	41
Total non-operating expense	474	342
Ordinary profit	481	1,003

(Unit: million yen)

	Previous fiscal year (April 1, 2011 - March 31, 2012)	Current fiscal year (April 1, 2012 - March 31, 2013)
Extraordinary income		
Gain on sale of fixed assets	-	1
Gains on extinguishment of tie-in shares	115	-
Total extraordinary income	115	1
Extraordinary loss		
Loss on disposal of fixed assets	10	13
Losses due to disaster	17	-
Others	2	-
Total extraordinary loss	31	13
Net profit before taxes and other adjustments	565	991
Corporation tax, local inhabitants taxes, and enterprise taxes	41	213
Deferred corporation tax	350	208
Total corporation and other taxes	391	421
Current term net profit	173	569

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

(Unit: million yen)

	Previous fiscal year (April 1, 2011 - March 31, 2012)	Current fiscal year (April 1, 2012 - March 31, 2013)
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	2,254	2,116
Change during current term		
Distribution of surplus	(311)	(311)
Current term net profit	173	569
Total change during current term	(137)	258
Balance at end of current term	2,116	2,374
Treasury stock		
Balance at start of current term	(1,015)	(1,016)
Change during current term		
Acquisition of treasury stock	(0)	(1)
Total change during current term	(0)	(1)
Balance at end of current term	(1,016)	(1,017)
Total shareholders' equity		
Balance at start of current term	19,517	19,379
Change during current term		
Distribution of surplus	(311)	(311)
Current term net profit	173	569
Acquisition of treasury stock	(0)	(1)
Total change during current term	(138)	257
Balance at end of current term	19,379	19,636

(Unit: million yen)

	Previous fiscal year (April 1, 2011 - March 31, 2012)	Current fiscal year (April 1, 2012 - March 31, 2013)
Unrealized gain (loss) and equity adjustment from currency translation		
Unrealized gain (loss) on securities		
Balance at start of current term	283	315
Change during current term		
Change during current term in items other than shareholders' equity (net)	32	297
Total change during current term	32	297
Balance at end of current term	315	613
Total unrealized gain (loss) and equity adjustment from foreign currency translation		
Balance at start of current term	283	315
Change during current term		
Change during current term in items other than shareholders' equity (net)	32	297
Total change during current term	32	297
Balance at end of current term	315	613
Total net assets		
Balance at start of current term	19,800	19,695
Change during current term		
Distribution of surplus	(311)	(311)
Current term net profit	173	569
Acquisition of treasury stock	(0)	(1)
Change during current term in items other than shareholders' equity (net)	32	297
Total change during current term	(105)	554
Balance at end of current term	19,695	20,249

(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.