ANNUAL REPORT 2013

UNY Group Holdings Co., Ltd.

FOR THE FISCAL YEAR ENDED FEBRUARY 20, 2013

Everyday especially for you.

UGHD

The UNY Group welcomed the next 100 years by renewing the UNY Group's mission statement and our vision, and by setting out five shared values as our code of conduct. Based on this new philosophy, the UNY Group is working to come close to customers and moving ahead as a retail conglomerate together with its various local communities.

Our Mission

We in the UNY Group will deliver the greatest satisfaction each day to our customers.

Our Vision

We in the UNY Group will aim to be a close and trusted partner through planning, developing and providing products and services that exceed the expectations of our customers and communities.

Five Shared Values

The values we seek in ourselves to realize our mission and vision

Unique

Proactive

Honest

Basic

Diverse

Contents

Disclaimer

This annual report includes forward-looking statements that do not relate to historical or current facts and reflect the forecasts, projections and plans of the UNY Group (UNY Holdings and affiliates). These forecasts, projections and plans are based on the information currently available to and announced by the UNY Group. Changes in this data may cause the results of the UNY Group's future activities to differ from the forecasts, projections and plans described in this annual report. Therefore, please understand that the UNY Group does not guarantee the accuracy of the business forecasts and other forward-looking statements described in this annual report. Moreover, the UNY Group and other concerned parties shall not be responsible in the case that any future results differ from the forecasts, projections and plans in this annual report.

TO OUR SHAREHOLDERS AND INVESTORS

With a view to strengthening Group operations and achieving further growth in scale, the UNY Group moved to a holding company system on February 21, 2013, thereby taking the first step toward a new era of expansion. Product development forms the cornerstone of our growth strategy. Lines between differing retail formats have become increasingly blurred since the 2011 Great East Japan Earthquake, and we think competition within the sector will only intensify going forward. We believe, however, that this offers an opportunity for the UNY Group to leverage its strength as a multi-channel retailer engaged mostly in the operation of general merchandise stores and convenience stores, but also in running food supermarkets, home centers, shopping centers, specialty apparel stores, and even online shopping. Through the shift to a holding company system, we seek to improve our capacity for product development by harnessing the benefits of having both general merchandise stores and convenience stores in our portfolio. We also aim to further rein in costs associated with commercial distribution and logistics, all in a bid to offer customers the added value and convenience that can only be realized by a retail conglomerate such as ours.

"Everyday especially for you." That is our new corporate message, indicative of a firm intention to involve every member of the Group's retail network in ensuring that customers are satisfied with the value, pricing, and supply of merchandise. We believe the UNY Group is capable of sustained growth, providing we can continue delivering innovation from the customer's perspective, as this is after all the basic principle of retail.

We look forward to the ongoing support and understanding of shareholders and investors in these endeavors.

July 2013

Tetsuro Maemura
Chairman and Chief Executive Officer
(CEO)

T. Maemura.

Motohiko Nakamura
President and Chief Operating Officer
(COO)

Motohiko. Nakamura

GROUP BUSINESS OVERVIEW

(As of February 2013)

General Merchandise Store Operations

Operating Revenue ¥791,750 million

This segment is made up of three companies: UNY CO., LTD., 99 ICHIBA Co., Ltd., and UNY (HK) CO., LIMITED. UNY operates three store formats: Apita superstores that handle apparel, household goods, and food; Piago food supermarkets; and U-Home home centers. 99 ICHIBA runs Mini Piago mini supermarkets for small retail catchments. Meanwhile, UNY (HK) is developing business in Hong Kong.

UNY CO., LTD.

This company operates 96 Apita stores, 121 Piago stores, and 10 U-Home stores, principally in the Tokai area of Japan covering Aichi, Gifu, Mie and Shizuoka prefectures.

99 ICHIBA Co., Ltd.

99 ICHIBA operates 65 Mini Piago stores in the Tokyo metropolitan area.

UNY (HK) CO., LIMITED

UNY (HK) operates 3 stores in Hong Kong.

Convenience Store Operations

Operating Revenue ¥154,423 million

Number of Stores in Japan 6,242 stores

In this segment, Circle K Sunkus Co., Ltd. operates a convenience store franchise business.

Circle K Sunkus Co., Ltd.

Circle K Sunkus develops convenience stores under two brands: Circle K and Sunkus.

Consolidated subsidiaries

In the fiscal year ended February 28, 2013, Circle K Sunkus had seven consolidated subsidiaries. The main business activities of consolidated subsidiaries are as follows:

Sunkus Nishi-Saitama Co., Ltd.
SUNKUS KITAKANTO Co., Ltd.
Sunkus Nishi-Shikoku Co., Ltd.
Sunkus Hokuria Co., Ltd.
Sunkus Higashi-Saitama Co., Ltd.
Area franchisers (operation of franchised convenience stores and store management)

ZERO NETWORKS Co., Ltd.
Contracted to conduct original ATM operations

Retail Staff Co., Ltd.
Staffing services and convenience store management

Specialty Store Operations

Operating Revenue ¥68,983 million

Number of Stores 1,188 stores

This segment is made up of three companies offering kimonos, women's fashion apparel, and casual wear for women.

SAGAMI Co., Ltd.

SAGAMI operates a chain of 270 stores specializing in Japanese kimonos.



PALEMO CO., LTD.

PALEMO operates 786 specialty stores, including women's fashion.



MOLIE Co., Ltd.

MOLIE operates 132 specialty stores handling fashion apparel for middle-aged and elderly women.

Financial Service Operations

Operating Revenue ¥16,725 million

Number of Members 3,145,000 members

In this segment, UCS CO., LTD. operates four businesses: credit card, insurance agency, leasing, and travel agency.

Other

This segment comprises three companies: U-LIFE CO., LTD., which operates a real estate rental business; SUN REFORM Co., Ltd., which runs a remodeling business; and other businesses; and Sun Sougou Maintenance Co., Ltd., which operates a general maintenance business.

U-LIFE CO., LTD.

SUN REFORM Co., Ltd.

Sun Sougou Maintenance Co., Ltd.

GROUP HISTORY

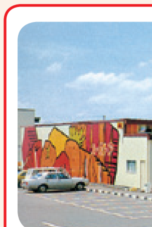
In 2011, the UNY Group achieved the milestone of its 100th anniversary, underpinned by the cheers and support of its customers. Then, on February 21, 2013, the UNY Group welcomed the next 100 years by moving to a holding company framework.

1912
Nishikawaya, a footwear shop and the precursor of the UNY Group, is founded.

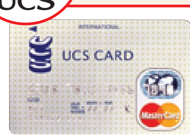
1927
HOTEIYA, which will later merge with Nishikawaya, is founded as a clothing store.

1971
HOTEIYA and Nishikawaya merge to form UNY CO., LTD.

1974
SAGAMI Co., Ltd. is established as a chain specializing in kimono clothing.



1985
UNY (HK) CO., LIMITED is established in Hong Kong as a general retailer.

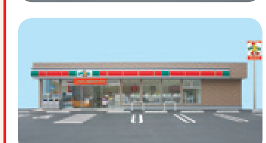


1991
UNY Card Service Co., Ltd., later to become UCS CO., LTD. is established.

1995
UNY opens its first full-fledged “U-Home” home center.

1998
CIRCLE K JAPAN Co., Ltd. and SUNKUS & ASSOCIATES INC. form a capital business alliance.

2001
CIRCLE K JAPAN Co., Ltd. makes SUNKUS & ASSOCIATES INC. a wholly owned subsidiary by a stock swap, and changes the latter’s name to C&S Co., Ltd.



2004
C&S Co., Ltd., CIRCLE K JAPAN Co., Ltd. and SUNKUS & ASSOCIATES INC. merge to form Circle K Sunkus Co., Ltd.

1977
U-STORE Co., Ltd., a chain of mini supermarkets, is established.

1980
The first Circle K store opens, and in 1984 CIRCLE K JAPAN Co., Ltd. is established. In 1979, UNY tied up with Circle K in the U.S. and established the Circle K Business Division inside UNY.

1980
Sunkus Co., Ltd. is established. (In 1991, its name is changed to SUNKUS & ASSOCIATES INC.) The first Sunkus store opens.

1983
UNY uses the name "Apita" for the first time.

1984
PALEMO CO., LTD., a company of specialty stores handling apparel and sundry merchandise, and MOLIE Co., Ltd., a company of specialty stores handling fashion apparel for middle-aged and elderly women, are established.

2007
UNY opens its first mall-type shopping center.

2009
UNY CO., LTD. absorbs U-STORE Co., Ltd. by an absorption-type merger. As a result, stores with the food supermarket business format standardize their names as Piago.

2010
Established the joint venture UNY (SHANGHAI) TRADING Co., Ltd. with the Ting Hsin International Group, a major Chinese food manufacturer, to open stores in Shanghai.

2012
Ahead of moving to a holding company framework, UNY CO., LTD. carries out a public tender for Circle K Sunkus Co., Ltd. with the goal of creating a wholly owned subsidiary.

2013
To the Next 100 Years
The UNY Group, comprising 30 subsidiaries and 12 affiliates centered on the retail business, moves to a holding company framework around UNY Group Holdings Co., Ltd.

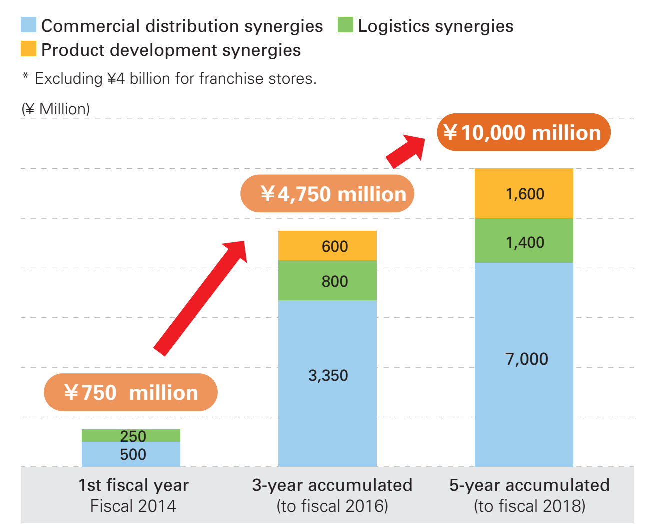
GROUP BUSINESS STRATEGY

Making the maximum use of Group synergies, we will enhance profitability at each Group company while striving to win in an industry where competition is escalating.

Five-year Plan for Group Synergies

Over the five years from fiscal 2014 (ending February 28, 2014) through fiscal 2018 (ending February 28, 2018), superstore operator UNY and convenience store operator Circle K Sunkus seek to generate synergistic benefits worth ¥10 billion, by promoting collaboration throughout the Group in such areas as private brand (PB) development, procurement of merchandise and raw materials, and commercial distribution and logistics.

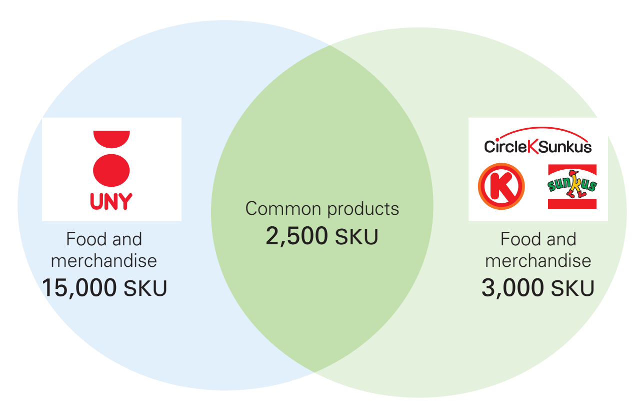
The target of this five-year plan for Group synergies breaks down as ¥7 billion for synergies in commercial distribution, ¥1.4 billion for synergies in logistics, and ¥1.6 billion for synergies in product development. In value terms, we anticipate a ¥2.5 billion improvement in profit at UNY, and a ¥7.5 billion improvement at Circle K Sunkus (including ¥4 billion for franchise stores).



Group Synergy 1: Commercial distribution

By harnessing the benefits of scale afforded by operating as a group, we are working to lower procurement costs, which are our heaviest cost consideration.

In commercial distribution we are targeting a ¥7 billion improvement in profit; this is the largest item in our five-year plan for Group synergies. Within this category we expect our vendor strategy to deliver the greatest benefits. Over three years we intend to settle on a single wholesale vendor for each manufacturer's product nationwide, rather than using different vendors in each region as hitherto. We will also use the same wholesale vendors for both UNY and Circle K Sunkus. By putting more business in the hands of fewer vendors, we aim to maximize economies of scale. Furthermore, we are seeking to enhance gross profit by comparing procurement costs at UNY and Circle K Sunkus, and going with the terms offering greatest advantage.



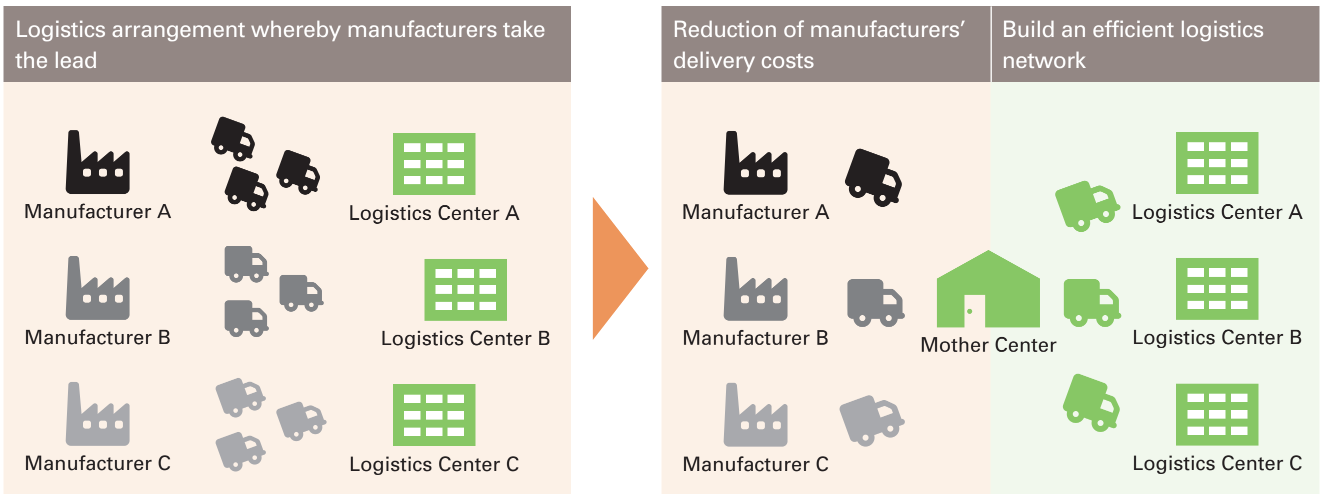
We will work to revise differing procurement costs for more than 2,000 of the 2,500 common products in the food and daily merchandise categories.

Group Synergy 2: Logistics

The UNY Group is reviewing its current arrangements for logistics and inventory management whereby manufacturers take the lead.

A key plank of our logistics strategy is the construction of a single "mother center" that will receive goods from all our manufacturers. By having manufacturers ship all goods to this mother center, rather than making separate deliveries to individual logistics centers, we aim to lessen suppliers' logistics costs and make the terms of trade more favorable for us. In addition, we plan to reduce our own inventory management and delivery costs by consolidating distribution centers in areas where UNY and Circle K Sunkus have duplicate facilities.

Constructing the Mother Center



Group Synergy 3: Product Development

The UNY Group has identified the private brands Style ONE and Prime ONE as strategically important, and to that end is working to strengthen product development.

The development of the Style ONE brand is not limited to the UNY Group; we are also collaborating with Izumiya Co., Ltd. and FUJI CO., LTD. on the joint development of new products. In creating new private brand merchandise we are therefore able to draw on the combined selling power of UNY, Circle K Sunkus, Izumiya and FUJI—which together generate sales exceeding ¥2,400 billion. To make full use of this combined selling power we have established a development department within our holding company, UNY Group Holdings Co., Ltd., that is devoted solely to our private brands. This kind of collective effort by a retailing conglomerate is something that is setting us apart from rivals.

Style ONE

Prime ONE

Working to acquire new types of customers

As a corporate group, we are striving to broaden our customer base by reflecting the changes in Japanese society in our product development and merchandise lineup.

In the last few years, the market size of Japan's entire retail business has roughly remained unchanged. In these circumstances , the convenience store industry market grew to approximately ¥9.5 trillion in fiscal 2012. In the background to this growth were various drastic changes in the social structure. In Japan, by 2030 it is expected that 1 in 3 people will be over 65, and the country will become an unprecedented super-aging society. At the same time, the increasing proportion of elderly and unmarried people will lead to an increase in single-person households. Amid these significant changes in demographics and the social environment, consumers will increasingly gravitate toward doing their daily shopping more efficiently in nearby locations. Also, there will be an increasing need for precooked home meal replacements and for fresh food to be supplied in small packages. Understanding these consumer trends, convenience stores have boosted their merchandise lineups accordingly and thus increased their market share in the retail industry. Triggered by the Great East Japan Earthquake, convenience stores with their networks of about 50,000 stores in Japan have been increasing their presence as part of the social infrastructure.

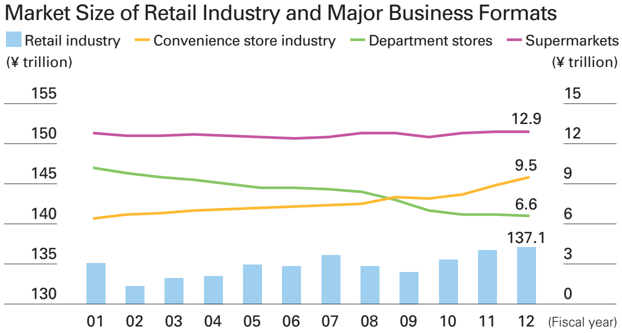
In this situation, at Circle K Sunkus we think it imperative to attract more female customers, who currently account for just 20% of total patronage. As regards meeting the growing demand for precooked home meal replacements, from the second half of fiscal 2013 through fiscal 2015, we will spend approximately ¥8 billion on new equipment and facilities designed to meet this demand. We will install display cases for either or both frozen and chilled food in 2,000 stores, thereby setting aside more space for such items. We will also equip 4,000 stores with fryers, allowing us to put the final cooking touches on delicatessen items and countertop fast foods. In addition, to further strengthen countertop fast foods that are markedly growing in popularity, we will renovate 1,000 stores to expand the countertop sales spaces. Moreover, we completed installing machines supplying freshly brewed coffee in all stores by the previous fiscal year, putting us

Flatbed frozen foods case

Island-type chilled case

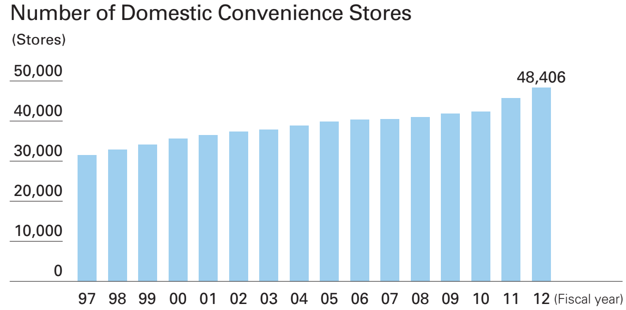
Fresh coffee

Market Size of Retail Industry and Major Business Formats



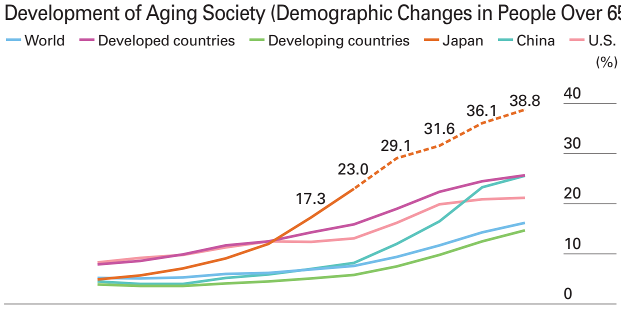
Source: Statistical Survey of Trade Trends by the Ministry of Economy, Trade and Industry

Number of Domestic Convenience Stores



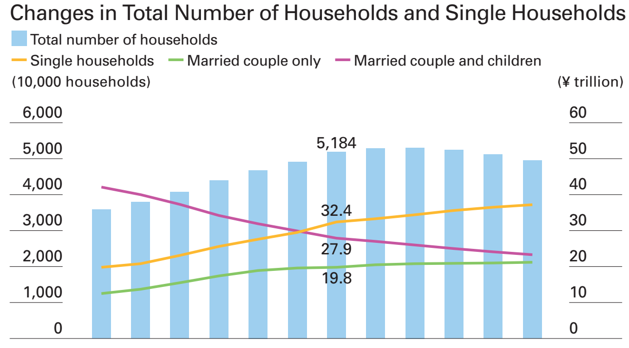
Source: Statistical Survey of Trade Trends by the Ministry of Economy, Trade and Industry

Development of Aging Society (Demographic Changes in People Over 65)



Source: World Population and Demographic Changes in the Elderly, by the Bureau of Statistics, Ministry of Internal Affairs and Communications

Changes in Total Number of Households and Single Households



Source: National Institute of Population and Social Security Research in the vanguard of the convenience store industry. By proactively expanding sales of brewed coffee that reflect individual preferences, we are generating customer loyalty that will lead to an increase in customers visiting our stores. In parallel with this progress in installing equipment in stores to strengthen physical aspects, we are leveraging our "non-physical" aspects through an infusion of UNY's strengths back into product development and procurement capabilities, including for fresh packaged foods, fresh foods and frozen foods. We will increase our average daily sales by introducing the UNY Group private brand products Style ONE and other unrivalled competitive products into Circle K Sunkus stores.

At UNY's Apita and Piago superstores, our aim is to boost store profitability by reviewing the layout of floor space and attracting powerful tenants. We believe this transformation of shops into shopping centers will not only contribute to increasing tenant income, but also aid in attracting new types of customers, including nuclear families and the elderly. We also expect this will have the result of sending customers to our directly managed departments.

The Group's area-dominance strategy

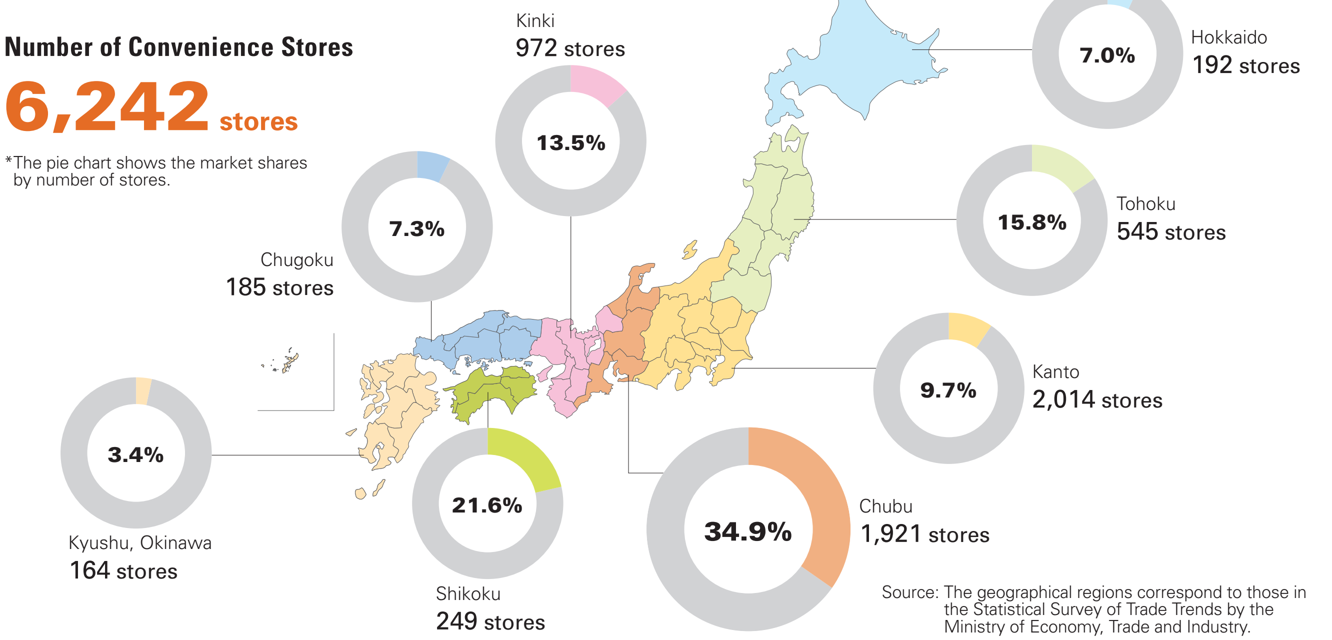
Our plan is to pursue an area-dominance strategy, concentrating store openings in designated areas starting with the Chubu region. In this manner we seek to grow market share for the Group as a whole.

The Chubu region is the UNY Group's greatest area of dominance, accounting for 65% of UNY stores and 31% of Circle K Sunkus stores. With a view to further expanding our market share in this lucrative area, we are taking a proactive approach to store investment in both the superstore and convenience store segments.

This is particularly true for Circle K Sunkus, the group's main growth driver. Here, we plan to open 1,800 new stores over the three years from fiscal 2014, for a net increase of 1,000 outlets. Over 60% of these stores will be concentrated in the Chubu region and in Greater Tokyo, where growth is anticipated. Our aim is to build a dominant presence in these areas, as we think this will constitute a competitive advantage.

In Greater Tokyo, where it can be difficult to secure sites of suitable size, we will expand the store network mostly by Mini Piago small-sized supermarkets, with limited catchment areas. By opening new stores in a manner designed to augment supermarket offerings and make convenience stores even more convenient, we aim to better meet the needs of customers wishing to complete their shopping without straying too far from home or work.

Store Development Area



Source: The geographical regions correspond to those in the Statistical Survey of Trade Trends by the Ministry of Economy, Trade and Industry.

Inroads overseas

We are making further inroads into the growing Asian market, with a view to making our overseas operations the second pillar of earnings after Japan.

Although the retail market in Japan is tending to contract due to the declining population and the aging society, the markets of Asian countries continue to expand yearly, underpinned by their increasing populations. In order to achieve sustained growth in the future, the UNY Group must implement initiatives to open up overseas markets in parallel with initiatives to establish its base and improve results in Japan.

Against this backdrop, in the superstore business we have three outlets in Hong Kong, operated by group company UNY (HK) CO., LIMITED. On the Chinese mainland, we have a joint venture with Ting Hsin International Group, the parent company of a local food maker. At the end of 2013, UNY (SHANGHAI) TRADING Co., Ltd. plans to open the provisionally named Apita Jin Hong Qiao Store as the Group's first Shanghai outlet. This store will lease out approximately half of its first and second basement floors to core tenants as a commercial facility of 85,000 m^2, and an underground passageway will connect the store to an adjacent and new office building in which about 7,000 people work. Moreover, the store will not only be favorably located at the junction of two subway lines, it will also serve a permanent population of over 450,000 people in a trading zone with a 2 km radius, and an office area containing more than 70,000 workers.

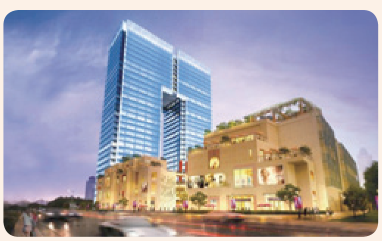


Image of completed Apita Jin Hong Qiao Store

For its part, Circle K Sunkus has ventured into Malaysia as the first step in its overseas business development. Malaysia was one of the first members of the Association of Southeast Asian Nations (ASEAN) and not only is its rate of economic growth high among Asian countries, it also represents a promising market for the expansion of the convenience store business because about 60% of its population is aged under 30, an age group that provides the main patronage of convenience stores. Accordingly, in February 2013 Circle K Sunkus established the joint venture Circle K (Malaysia) Sdn Bhd with the Mofaz Group, which runs a wide range of businesses in Malaysia. Looking ahead, the first store is scheduled to open in the fall of 2013, with a further 300 planned over the next three years. Moreover, in order to rapidly expand its store network in Asia, Circle K Sunkus also has a business partnership with U.S.-based Circle K Stores, Inc., which is deploying the Circle K brand and others across 17 countries and regions.

In May 2013 the two established the joint venture Circle K Asia Société à responsabilité limitée. with the aim of overseeing the Circle K operation in Asia. The combined expertise of Circle K Sunkus and Circle K Stores will be harnessed to provide the latter's existing licensees (who are operating Circle K stores in Indonesia, Guam, Vietnam, Malaysia, and the Philippines) with various consulting services. The two companies will also work side by side to sign up new licensees in Asia, adding impetus to the expansion of the Circle K footprint.

Circle K and Sunkus Stores in Asia

(As of March 31, 2013)

Vietnam	25 stores
Indonesia	415 stores
Guam	13 stores
China (South area), Hong Kong, Macau	451 stores
Malaysia	Scheduled to open stores in 2013

(As of February 28, 2013)

Japan	**6,242** stores
Circle K	3,273 stores
Sunkus	2,969 stores

4,177
Circle K stores in Asia

7,146
Stores including Sunkus stores

CORPORATE GOVERNANCE

Basic Policy

The UNY Group's mission statement is as follows: "We in the UNY Group will deliver the greatest satisfaction each day to our customers." Our vision is "We in the UNY Group will aim to be a close and trusted partner through planning, developing, and providing products and services that exceed the expectations of our customers and communities." In order to realize these mission and vision statements, we have set out five shared values as our code of conduct: Unique, Proactive, Honest, Basic, and Diverse.

Based on this basic philosophy, UNY Group Holdings Co., Ltd. oversees operating companies, mainly in the retail industry, as a pure holding company. Our aim is to achieve long-term and stable development by seeking to capture maximum Group synergies in order to answer the remit of shareholders. Furthermore, to ensure that we are an attractive corporate group for all stakeholders, including customers, shareholders, regional communities, and employees, we believe we must continuously raise our corporate value. To achieve these goals, we will strengthen corporate governance across the entire Group as we work to raise management efficiency and ensure management transparency and soundness.

Corporate Governance System

As a pure holding company, UNY Group Holdings oversees two core operating companies (UNY CO., LTD. and Circle K Sunkus Co., Ltd.), three listed companies, and multiple other operating companies that independently operate retail businesses. In this capacity, the Company formulates Group strategy, appropriately allocates management resources, supervises business execution, and carries out other functions.

The Company works to strengthen corporate governance with a Board of Directors and a Board of Corporate Auditors. The Company also holds monthly Management Meetings, which comprise directors and corporate auditors, as an organizational body for making accurate and flexible decisions on business execution. These meetings report and discuss Group-wide business strategy, management issues, important financial matters, and other important matters concerning business execution.

The Company's Board of Directors has nine members, and meets in principle once a month. The Board of Directors decides on important matters concerning business execution, and important regulations, thereby functioning to ensure business is carried out appropriately and efficiently. The term of office for directors is set at one year in order to ensure a flexible management structure and clarify the responsibilities of directors. Furthermore, to ensure accurate and flexible management decision-making, in addition to the Board of Directors' meetings, the Company holds Management Meetings once a month to report and discuss important matters concerning business execution. Management Meetings are made up of directors, excluding external directors and part-time directors, and corporate auditors.

Internal Audits, Audits by Corporate Auditors, and Accounting Audit

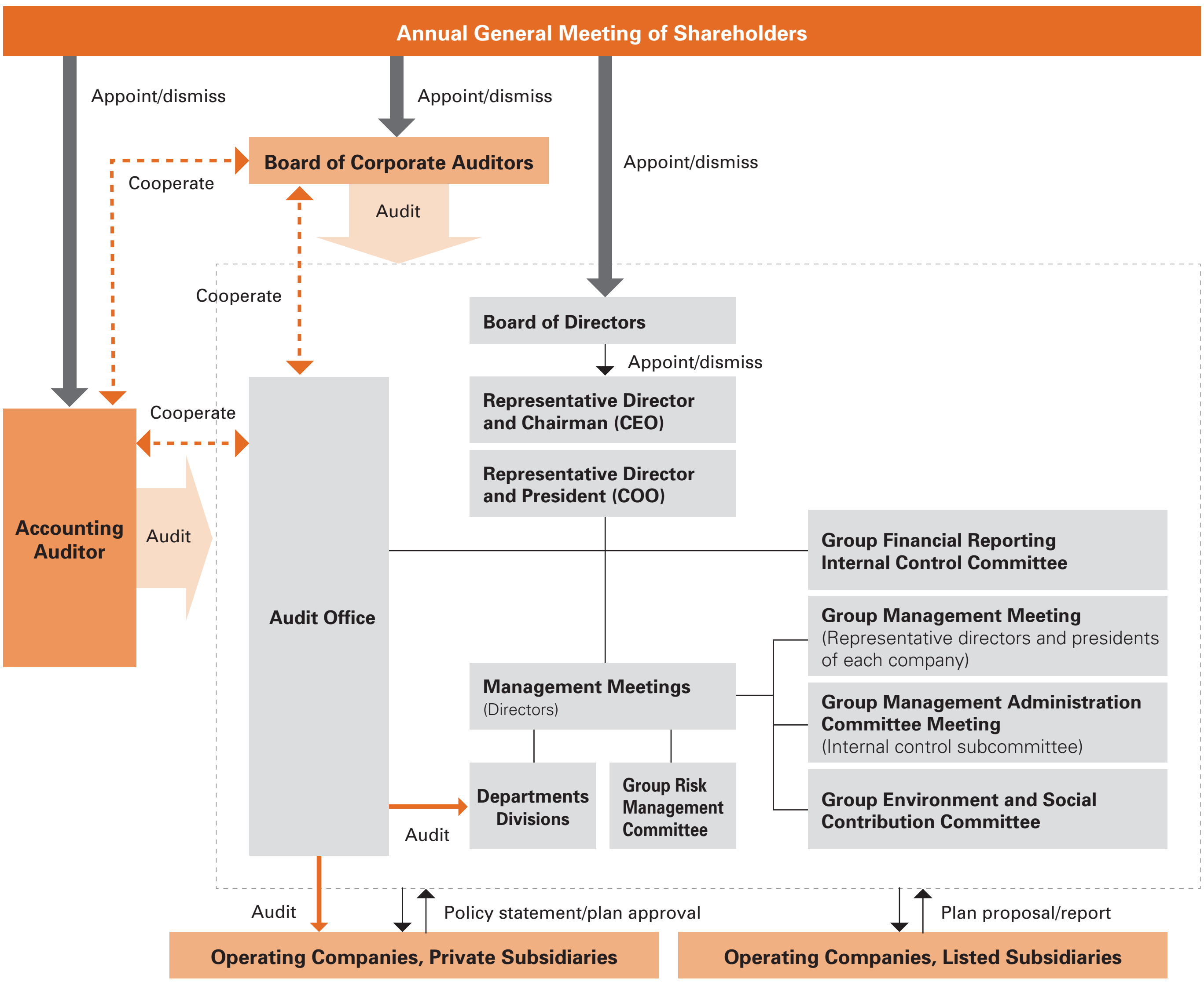
The Company has appointed four corporate auditors, including two external corporate auditors. The corporate auditors attend Board of Directors' meetings, Management Meetings and other meetings of importance. Corporate auditors also receive reports on Company operations from directors and others, review important decisions, and provide management supervision of the Company and Group companies in collaboration with the Audit Office. The Audit Office convenes once a quarter to discuss the audit system, audit plans, audit methods, audit results, and other audit-related matters. The Board of Corporate Auditors confirms audit plans with the Accounting Auditor, and receives the audit results of the Company, consolidated subsidiaries and other entities every quarterly reporting period. In addition, the corporate auditors, Accounting Auditor and the Audit Office hold meetings to disclose and share their annual audit policies.

External Director and External Corporate Auditor

The Company has appointed one external director and two external corporate auditors. All three individuals are designated as independent in accordance with the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and thus carry out supervision and audits with independence.

Committees

The Company has established a number of committees for strengthening Group-wide corporate governance: the Group Risk Management Committee, the Group Financial Reporting Internal Control Committee, the Group Management Meeting, the Group Management Administration Committee Meeting, and the Group Environment and Social Contribution Committee. These committees seek to ensure business operations are executed transparently and soundly.



SELECTED FINANCIAL DATA

UNY Group Holdings Co., Ltd. and Consolidated Subsidiaries
Years Ended February 20, 2013, 2012, 2011, 2010 and 2009

	Millions of yen					Thousands of U.S. dollars*
	2013	2012	2011	2010	2009	**2013**
For the Year						
Operating revenue	**¥1,030,259**	¥1,079,151	¥1,112,781	¥1,134,427	¥1,190,248	**$10,960,202**
Net sales	**858,916**	907,615	946,914	970,924	1,017,609	**9,137,404**
Cost of goods sold	**630,646**	664,302	697,168	718,376	740,251	**6,709,000**
Selling, general and administrative expenses	**364,593**	370,847	380,511	394,956	409,840	**3,878,649**
Interest expenses	**3,443**	3,914	4,329	4,278	4,218	**36,628**
Income before income taxes and minority interests	**43,501**	25,858	20,374	627	23,317	**462,777**
Net income (loss)	**30,471**	8,324	6,046	(4,995)	5,345	**324,160**
Purchases of property and equipment	**32,783**	27,425	31,573	53,089	46,132	**348,755**
Lease deposits made	**3,364**	2,321	2,573	3,159	8,931	**35,787**
Per share data (in Yen and U.S. dollars):						
Net income (loss)	**140.64**	42.14	30.61	(25.28)	27.66	**1.50**
Cash dividends	**24.00**	19.00	19.00	18.00	18.00	**0.26**
Number of common shares issued (in Thousands)	**234,101**	198,566	198,566	198,566	198,566	**—**
At Year-End						
Merchandise inventories	**45,858**	45,802	45,942	48,217	57,672	**487,851**
Property and equipment (book value)	**450,387**	442,801	434,457	432,429	421,798	**4,791,351**
Total assets	**832,322**	964,595	940,078	943,381	960,602	**8,854,489**
Long-term debt, less current portion	**150,509**	201,330	223,504	255,451	231,727	**1,601,160**
Total net assets	**304,355**	347,499	341,141	336,405	344,870	**3,237,819**
Profitability						
(Net sales – cost of goods sold)/Net sales (%)	**26.6**	26.8	26.4	26.0	27.3	**—**
Income before income taxes/ Operating revenue (%)	**4.2**	2.4	1.8	0.1	2.0	**—**
Net income (loss)/Operating revenue (%)	**3.0**	0.8	0.5	(0.4)	0.4	**—**
Net income (loss)/Total assets (%)	**3.7**	0.9	0.6	(0.5)	0.6	**—**
Net income (loss)/Equity [Total net assets – minority interests] (%)	**10.3**	3.4	2.5	(2.1)	2.2	**—**
Financial Structure Analysis						
Equity [Total net assets – minority interests]/ Total assets (%)	**35.4**	25.2	25.4	25.0	25.5	**—**
Long-term debt/Equity [Total net assets – minority interests] (Times)	**0.5**	0.8	0.9	1.1	0.9	**—**
Income before income taxes and interest expenses/interest expenses (Times)	**13.6**	7.6	5.7	1.1	6.5	**—**
Turnover Analysis						
Net sales/Merchandise inventories (Times)	**18.7**	19.8	20.6	20.1	17.6	**—**
Operating revenue/Total assets (Times)	**1.2**	1.1	1.2	1.2	1.2	**—**

*See Note 1 of Notes to Consolidated Financial Statements.

CONSOLIDATED FINANCIAL OVERVIEW AND FORECAST

Fiscal 2013 Consolidated Results

In fiscal 2013, ended February 20, 2013, UNY Group recorded a 4.5% decline in operating revenue from the previous fiscal year to ¥1,030,259 million. This reflected lower year-on-year operating revenue in both the mainstay general merchandise stores and convenience stores segments. Meanwhile, selling, general and administrative expenses decreased 1.7% year on year to ¥364,593 million, thanks to rigorous low-cost management. As a result of the above and other factors, operating income declined 20.4% to ¥35,020 million and ordinary income dropped 21.2% to ¥33,423 million. However, net income rose 266.1% year on year to ¥30,471 million, reflecting an extraordinary gain in the form of a gain on negative goodwill of ¥18,075 million stemming from the tender offer of Circle K Sunkus Co., Ltd.

Segment Results

Segment Operating Revenue

Millions of yen

Years ended February 20	2013	2013 Y-o-Y	2012
General Merchandise Stores	**791,750**	**98.7%**	802,562
Convenience Stores	**154,423**	**82.2%**	187,799
Specialty Stores	**68,983**	**93.2%**	74,006
Financial Services	**16,725**	**101.9%**	16,411
Other	**19,826**	**101.4%**	19,545
Adjustment	**(21,448)**	**—**	(21,172)
Total	**1,030,259**	**95.5%**	1,079,151

Segment Operating Income

Millions of yen

Years ended February 20	2013	2013 Y-o-Y	2012
General Merchandise Stores	**14,250**	**78.5%**	18,142
Convenience Stores	**16,750**	**82.4%**	20,328
Specialty Stores	**(24)**	**—**	745
Financial Services	**3,233**	**76.3%**	4,240
Other	**810**	**142.9%**	567
Adjustment	**1**	**—**	(20)
Total	**35,020**	**79.6%**	44,002

General Merchandise Stores

Segment operating revenue declined 1.3% to ¥791,750 million, and operating income dropped 21.5% to ¥14,250 million.

In fiscal 2013, the segment worked to expand sales, which included running a sales promotion to commemorate the 30th anniversary of Apita superstores operated by UNY CO., LTD. Despite these efforts, same-store sales declined 2.8% year on year, reflecting the absence of demand related to recovery and stockpiling after the March 2011 Great East Japan Earthquake, depressing sales of household goods and foods. Unseasonal weather in the summer of 2012 also had an impact. Furthermore, the gross profit margin slipped 0.3 of a percentage point to 24.3%, partly reflecting price-based competition stoked by consumers' increasing price consciousness. These and other factors dragged down segment operating revenue and operating income year on year.

UNY CO., LTD.
(for the fiscal year ended February 20, 2013)

Operating Revenues*	¥768,941 million
Operating Income*	¥ 14,831 million
Capital Expenditures	¥ 16,517 million
Number of Stores	227 stores
Existing Stores Sales Increase	–2.8%
Merchandise Gross Profit Margin	24.3% (down 0.3 percentage points)

* Internal transactions are not adjusted for revenues and income in the table above.

UNY (HK) CO., LIMITED.
(for the fiscal year ended November 31, 2013)

Operating Revenues*	¥14,787 million
Operating Income*	¥ 124 million
Capital Expenditures	¥ 103 million
Number of Stores	3 stores
Existing Stores Sales Increase	+1.7%

* Internal transactions are not adjusted for revenues and income in the table above.

Convenience Stores

Operating revenue in the convenience stores segment declined 17.8% to ¥154,423 million, and operating income declined 17.6% to ¥16,750 million.

Circle K Sunkus Co., Ltd. worked to innovate in terms of its product lineup and product development in order to stay in step with changes in society, namely increases in single-person households and working women as well as population aging in Japan. The company revamped its past homogeneous product lineup, categorized all stores into six types, and endeavored to create product lineups suited to the local area needs of individual stores. And with the aim of capturing demand for ready-made meals, Circle K Sunkus introduced more *Gochiso Delica* delicatessen items, which are freshly prepared in-store. It also introduced coffee machines in all stores for dispensing freshly brewed coffee. Nevertheless, operating revenue declined as a result of lower sales from directly operated stores, in turn caused by Circle K Sunkus pushing ahead with planned steps to reduce the number of these stores.

Circle K Sunkus Co., Ltd. and its consolidated subsidiaries
(for the fiscal year ended February 28, 2013)

Operating Revenues*	¥154,423 million
Operating Income*	¥ 18,245 million
Capital Expenditures	¥ 27,769 million
Existing Stores Sales Increase	–4.8%
Merchandise Gross Profit Margin	27.27% (up 0.13 percentage points)
Number of Stores (Group Total)	6,242 stores

* Internal transactions are not adjusted for revenues and income in the table above.

Specialty Stores

Operating revenue declined 6.8% to ¥68,983 million, and the segment recorded an operating loss of ¥24 million, compared with operating income of ¥745 million in the previous fiscal year.

SAGAMI Co., Ltd. executed various plans in terms of cleaning, alterations, remaking and other areas in the Japanese kimono retailing business. Coupled with the contribution from products made from functional materials, the number of customers increased year on year at stores. Despite this, sales dropped from fiscal 2012 on account of limited success with a program to attract more customers, whereby the company asked existing customers to introduce people. The home fashion business also struggled in the absence of demand related to the recovery from the Great East Japan Earthquake recorded in the previous fiscal year and a drop-off in strong demand for power-saving goods also related to the natural disaster. Consequently, same-store sales declined 2.5% year on year.

PALEMO CO., LTD. worked to strengthen its business base by merging on February 21, 2012 with Suzutan Co., Ltd., which similarly ran specialty clothing stores in the UNY Group. However, same-store sales dipped 4.4% year on year, as consumers increasingly gravitated toward lower-priced products.

Same-store sales at MOLIE Co., Ltd. declined a slight 0.6% year on year, despite initiatives to strengthen single items by focusing on the development of high-quality advanced-function products, and to uncovering new demand by increasing the lineup of large-size merchandise.

These and other factors resulted in the year-on-year decline in segment operating revenue.

SAGAMI Co., Ltd. and its consolidated subsidiary
(for the fiscal year ended February 20, 2013)

Operating Revenues*	¥23,970 million
Operating Income*	¥ (573) million
Capital Expenditures	¥ 146 million
Existing Stores Sales Increase	–2.5%
Number of Stores	270 stores

* Internal transactions are not adjusted for revenues and income in the table above.

PALEMO CO., LTD.
(for the fiscal year ended February 20, 2013)

Operating Revenues	¥39,653 million
Operating Income	¥ 420 million
Capital Expenditures	¥ 728 million
Existing Stores Sales Increase	–4.4%
Number of Stores	786 stores

* Internal transactions are not adjusted for revenues and income in the table above.

MOLIE Co., Ltd.
(for the fiscal year ended February 20, 2013)

Operating Revenues	¥5,359 million
Operating Income	¥ 159 million
Capital Expenditures	¥ 24 million
Existing Stores Sales Increase	–0.6%
Number of Stores	132 stores

* Internal transactions are not adjusted for revenues and income in the table above.

Financial Services

Operating revenue in the financial services segment rose 1.9% to ¥16,725 million, while operating income dropped 23.7% to ¥3,233 million.

UCS CO., LTD. saw operating revenue rise year on year on the back of robust shopping transaction volume in credit card operations resulting from a bargain sale and new bonus points program. However, segment operating income declined from the previous fiscal year because of higher selling, general and administrative expenses, which reflected increased point program expenses and a provision for loss on interest repayment.

UCS CO., LTD.
(for the fiscal year ended February 20, 2013)

Operating Revenues	¥16,725 million
Operating Income	¥ 2,571 million
Number of members	3,145,000

* Internal transactions are not adjusted for revenues and income in the table above.

Outlook for Fiscal 2014

In the fiscal year ending February 28, 2014, expectations for economic recovery are increasing, supported by higher share prices and the yen's correction resulting from quantitative easing and other factors since the change of Japanese government in late 2012. However, rising raw materials prices and the expected negative impact on consumer spending of the April 2014 planned consumption tax rate hike, as well as other developments, must be addressed.

Against this economic and social backdrop, the UNY Group aims to strengthen Group operations and achieve further growth in scale, having moved to a holding company system on February 21, 2013. As one initiative to capture maximum Group synergies, the UNY Group will step up development of StyleONE private-brand products as it believes these can differentiate it in the general merchandise store and convenience store sectors. Furthermore, the UNY Group will capitalize fully on economies of scale as a retail conglomerate to pursue cost advantages in commercial distribution and logistics.

For fiscal 2014, the UNY Group is forecasting consolidated operating revenue of ¥1,029.8 billion, largely unchanged from fiscal 2013, and a 3.9% increase in operating income to ¥36.4 billion.

Basic Earnings Distribution Policy

The Company's dividend policy sets the annual cash dividend at ¥24 per share, while the Company aims to achieve a consolidated payout ratio of 30%. With this policy, the Company strives to ensure efficient fund distribution to further strengthen its financial soundness and performance.

CONSOLIDATED BALANCE SHEETS

UNY Group Holdings Co., Ltd. and Consolidated Subsidiaries
February 20, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
ASSETS			
Current assets:			
Cash and cash equivalents (Note 3)	¥ 7,076	¥ 140,358	$ 75,277
Short-term investments (Notes 3 and 4)	1,682	2,310	17,894
Receivables:			
Trade notes (Note 3)	2	44	21
Trade accounts (Note 3)	78,687	62,082	837,096
Short-term loans (Note 3)	17,341	20,475	184,479
Other (Notes 3 and 6)	22,711	31,719	241,606
Allowance for doubtful accounts	(3,011)	(3,670)	(32,032)
	115,730	110,650	1,231,170
Merchandise inventories	45,858	45,802	487,851
Deferred tax assets (Note 12)	2,974	5,849	31,638
Other current assets	27,343	24,768	290,883
Total current assets	200,663	329,737	2,134,713
Property and equipment (Note 7)**:**			
Land (Note 13)	195,653	195,191	2,081,415
Buildings and structures (Note 13)	499,827	491,726	5,317,309
Equipment and fixtures	72,097	70,975	766,989
Leased assets (Note 6)	43,048	33,583	457,957
Construction in progress	3,506	1,921	37,298
Total property and equipment	814,131	793,396	8,660,968
Accumulated depreciation	(363,744)	(350,595)	(3,869,617)
Net property and equipment	450,387	442,801	4,791,351
Investments and other assets:			
Lease deposits (Notes 3 and 6)	101,379	107,865	1,078,500
Investments in and long-term loans to unconsolidated subsidiaries and affiliates (Note 4)	8,372	7,917	89,064
Investment securities (Notes 3 and 4)	11,715	9,764	124,628
Deferred tax assets (Note 12)	15,423	17,102	164,074
Goodwill	9,075	12,784	96,543
Other	36,766	38,578	391,127
Allowance for doubtful accounts	(1,458)	(1,953)	(15,511)
Total investments and other assets	181,272	192,057	1,928,425
	¥ 832,322	¥ 964,595	$ 8,854,489

See accompanying Notes to Consolidated Financial Statements.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term borrowings (Notes 3 and 7)	**¥ 40,452**	¥ 64,891	**$ 430,340**
Current portion of long-term debt (Notes 3 and 7)	**68,628**	69,483	**730,085**
Notes and accounts payable:			
Trade notes (Note 3)	**7,162**	7,495	**76,191**
Trade accounts (Note 3)	**78,023**	81,692	**830,032**
Other	**40,587**	40,034	**431,777**
	125,772	129,221	**1,338,000**
Accrued expenses	**14,800**	18,296	**157,447**
Income taxes payable	**4,925**	8,849	**52,394**
Other current liabilities (Note 12)	**49,773**	50,306	**529,500**
Total current liabilities	**304,350**	341,046	**3,237,766**
Long-term liabilities:			
Long-term debt, less current portion (Notes 3 and 7)	**150,509**	201,330	**1,601,160**
Guarantee deposits from tenants (Note 3)	**52,051**	52,807	**553,734**
Employee retirement benefit liability (Note 8)	**1,260**	1,469	**13,404**
Asset retirement obligations (Note 9)	**13,452**	12,983	**143,106**
Other long-term liabilities (Note 12)	**6,345**	7,461	**67,500**
Total long-term liabilities	**223,617**	276,050	**2,378,904**
Commitments and contingent liabilities (Note 11)			
Net assets (Note 10)**:**			
Shareholders' equity			
Common stock;			
Authorized: 600,000,000 shares			
Issued: 234,100,821 shares in 2013 and 198,565,821 shares in 2012	**22,188**	10,129	**236,043**
Capital surplus	**70,883**	58,825	**754,074**
Retained earnings	**201,069**	175,221	**2,139,032**
Less treasury stock at cost: 1,043,598 shares in 2013 and 1,019,378 shares in 2012	**(1,258)**	(1,208)	**(13,383)**
Total shareholders' equity	**292,882**	242,967	**3,115,766**
Accumulated other comprehensive income (loss)	**1,850**	(67)	**19,681**
Minority interests	**9,623**	104,599	**102,372**
Total net assets	**304,355**	347,499	**3,237,819**
	¥832,322	¥964,595	**$8,854,489**

CONSOLIDATED STATEMENTS OF INCOME

UNY Group Holdings Co., Ltd. and Consolidated Subsidiaries
For the Years Ended February 20, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Operating revenue (Note 18):			
Net sales	**¥ 858,916**	¥ 907,615	**$ 9,137,404**
Other	**171,343**	171,536	**1,822,798**
	1,030,259	1,079,151	**10,960,202**
Operating costs and expenses (Notes 6 and 8):			
Cost of goods sold	**630,646**	664,302	**6,709,000**
Selling, general and administrative expenses	**364,593**	370,847	**3,878,649**
	995,239	1,035,149	**10,587,649**
Operating income (Note 18)	**35,020**	44,002	**372,553**
Other income (expenses):			
Interest and dividend income	**1,220**	1,171	**12,979**
Interest expenses	**(3,443)**	(3,914)	**(36,628)**
Equity in net earnings of affiliates	**177**	311	**1,883**
Loss on sales or disposal of property and equipment	**(1,315)**	(994)	**(13,989)**
Loss on cancellation of lease contracts	**(739)**	(1,006)	**(7,862)**
Impairment loss on fixed assets (Note 2(h))	**(8,139)**	(6,179)	**(86,585)**
Gain on negative goodwill	**18,075**	—	**192,287**
Loss on disaster	**(12)**	(2,431)	**(127)**
Settlement package received	**1,440**	1,532	**15,319**
Cumulative effect of adoption of accounting standard for asset retirement obligations (Notes 2(n) and 9)	**—**	(8,481)	**—**
Miscellaneous, net	**1,217**	1,847	**12,947**
	8,481	(18,144)	**90,224**
Income before income taxes and minority interests	**43,501**	25,858	**462,777**
Income taxes (Note 12):			
Current	**8,739**	12,259	**92,968**
Deferred	**3,920**	1,242	**41,703**
	12,659	13,501	**134,671**
Income before minority interests	**30,842**	12,357	**328,106**
Minority interests in net income of consolidated subsidiaries	**371**	4,033	**3,946**
Net income	**¥ 30,471**	¥ 8,324	**$ 324,160**

	Yen		U.S. dollars
Per share (in yen and U.S. dollars):			
Net income	**¥140.64**	¥42.14	**$1.50**
Cash dividends	**24.00**	19.00	**0.26**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

UNY Group Holdings Co., Ltd. and Consolidated Subsidiaries
For the Years Ended February 20, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Income before minority interests:	**¥30,842**	¥12,357	**$328,106**
Other comprehensive income (loss) (Note 14)**:**			
Net changes in unrealized gains on available-for-sale securities	**1,460**	(287)	**15,532**
Net changes in deferred gains on hedging instruments	**223**	76	**2,372**
Net changes in land revaluation decrement	**—**	11	**—**
Net changes in foreign currency translation adjustments	**165**	(230)	**1,756**
Share of other comprehensive income of affiliates accounted for using equity method	**(58)**	12	**(617)**
Total other comprehensive income (loss)	**1,790**	(418)	**19,043**
Comprehensive income	**32,632**	11,939	**347,149**
Comprehensive income attributable to:			
Owners of the parent	**¥32,273**	¥ 7,892	**$343,330**
Minority interests	**359**	4,047	**3,819**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

UNY Group Holdings Co., Ltd. and Consolidated Subsidiaries
For the Years Ended February 20, 2013 and 2012

		Millions of yen		
		Shareholders' Equity		
	Number of common shares issued	Common stock	Capital surplus	Retained earnings
Balance at February 21, 2011	198,565,821	¥10,129	¥58,825	¥170,655
Net income	—	—	—	8,324
Cash dividends	—	—	—	(3,758)
Fractional shares acquired, net	—	—	—	—
Net changes other than shareholders' equity for the year	—	—	—	—
Balance at February 20, 2012	198,565,821	10,129	58,825	175,221
Issuance of new common shares	**35,535,000**	**12,059**	**12,059**	**—**
Net income	**—**	**—**	**—**	**30,471**
Cash dividends	**—**	**—**	**—**	**(4,544)**
Reversal of land revaluation decrement	**—**	**—**	**—**	**(115)**
Change in equity share portion of affiliates accounted for by equity method	**—**	**—**	**—**	**—**
Fractional shares acquired, net	**—**	**—**	**(1)**	**—**
Adjustment for retained earnings for changes in scope of consolidation	**—**	**—**	**—**	**36**
Net changes other than shareholders' equity for the year	**—**	**—**	**—**	**—**
Balance at February 20, 2013	**234,100,821**	**¥22,188**	**¥70,883**	**¥201,069**

	Thousands of U.S. dollars		
Balance at February 20, 2012	$107,756	$625,798	$1,864,053
Issuance of new common shares	**128,287**	**128,287**	**—**
Net income	**—**	**—**	**324,160**
Cash dividends	**—**	**—**	**(48,341)**
Reversal of land revaluation decrement	**—**	**—**	**(1,223)**
Change in equity share portion of affiliates accounted for by equity method	**—**	**—**	**—**
Fractional shares acquired, net	**—**	**(11)**	**—**
Adjustment for retained earnings for changes in scope of consolidation	**—**	**—**	**383**
Net changes other than shareholders' equity for the year	**—**	**—**	**—**
Balance at February 20, 2013	**$236,043**	**$754,074**	**$2,139,032**

See accompanying Notes to Consolidated Financial Statements.

Millions of yen

Shareholders' Equity		Accumulated Other Comprehensive Income (Loss)						
Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Net deferred gains on hedging instruments	Land revaluation decrement	Foreign currency translation adjustments	Total accumulated other comprehensive income (loss)	Minority interests	Total net assets
¥(1,204)	¥238,405	¥2,109	¥ 4	¥(425)	¥(1,323)	¥ 365	¥102,371	¥341,141
—	8,324	—	—	—	—	—	—	8,324
—	(3,758)	—	—	—	—	—	—	(3,758)
(4)	(4)	—	—	—	—	—	—	(4)
—	—	(285)	77	5	(229)	(432)	2,228	1,796
(1,208)	242,967	1,824	81	(420)	(1,552)	(67)	104,599	347,499
—	**24,118**	**—**	**—**	**—**	**—**	**—**	**—**	**24,118**
—	**30,471**	**—**	**—**	**—**	**—**	**—**	**—**	**30,471**
—	**(4,544)**	**—**	**—**	**—**	**—**	**—**	**—**	**(4,544)**
—	**(115)**	**—**	**—**	**—**	**—**	**—**	**—**	**(115)**
(49)	**(49)**	**—**	**—**	**—**	**—**	**—**	**—**	**(49)**
(1)	**(2)**	**—**	**—**	**—**	**—**	**—**	**—**	**(2)**
—	**36**	**—**	**—**	**—**	**—**	**—**	**—**	**36**
—	**—**	**1,414**	**223**	**115**	**165**	**1,917**	**(94,976)**	**(93,059)**
¥(1,258)	**¥292,882**	**¥3,238**	**¥304**	**¥(305)**	**¥(1,387)**	**¥1,850**	**¥ 9,623**	**¥304,355**

Thousands of U.S. dollars

Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Net deferred gains on hedging instruments	Land revaluation decrement	Foreign currency translation adjustments	Total accumulated other comprehensive income (loss)	Minority interests	Total net assets
$(12,851)	$2,584,756	$19,404	$ 862	$(4,468)	$(16,511)	$ (713)	$ 1,112,755	$3,696,798
—	**256,574**	**—**	**—**	**—**	**—**	**—**	**—**	**256,574**
—	**324,160**	**—**	**—**	**—**	**—**	**—**	**—**	**324,160**
—	**(48,341)**	**—**	**—**	**—**	**—**	**—**	**—**	**(48,341)**
—	**(1,223)**	**—**	**—**	**—**	**—**	**—**	**—**	**(1,223)**
(521)	**(521)**	**—**	**—**	**—**	**—**	**—**	**—**	**(521)**
(11)	**(22)**	**—**	**—**	**—**	**—**	**—**	**—**	**(22)**
—	**383**	**—**	**—**	**—**	**—**	**—**	**—**	**383**
—	**—**	**15,043**	**2,372**	**1,223**	**1,756**	**20,394**	**(1,010,383)**	**(989,989)**
$(13,383)	**$3,115,766**	**$34,447**	**$3,234**	**$(3,245)**	**$(14,755)**	**$19,681**	**$ 102,372**	**$3,237,819**

CONSOLIDATED STATEMENTS OF CASH FLOWS

UNY Group Holdings Co., Ltd. and Consolidated Subsidiaries
For the Years Ended February 20, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Cash flows from operating activities:			
Income before income taxes and minority interests	**¥ 43,501**	¥ 25,858	**$ 462,777**
Adjustments for:			
Depreciation	**33,134**	31,825	**352,489**
Impairment loss on fixed assets	**8,139**	6,179	**86,585**
Loss on sales or disposal of property and equipment	**1,315**	994	**13,989**
Net decrease in employee retirement benefit liability	**(169)**	(128)	**(1,798)**
Gain on negative goodwill	**(18,075)**	—	**(192,287)**
Changes in operating assets and liabilities:			
Trade receivables	**(16,620)**	(4,819)	**(176,809)**
Inventories	**(240)**	251	**(2,553)**
Trade payables	**(3,824)**	(20,448)	**(40,681)**
Other, net	**4,914**	14,995	**52,277**
Subtotal	**52,075**	54,707	**553,989**
Interest and dividends received	**996**	957	**10,596**
Interest paid	**(3,446)**	(4,285)	**(36,660)**
Income taxes paid	**(12,592)**	(9,220)	**(133,957)**
Net cash provided by operating activities	**37,033**	42,159	**393,968**
Cash flows from investing activities:			
Property and equipment:			
Purchases	**(32,783)**	(27,425)	**(348,755)**
Proceeds from sales	**862**	556	**9,170**
Lease deposits made	**(3,364)**	(2,321)	**(35,787)**
Lease deposits repaid	**5,691**	6,481	**60,542**
Purchases of additional investments in subsidiaries	**(77,582)**	(280)	**(825,340)**
Net decrease (increase) in short-term investments and investment securities	**746**	(783)	**7,936**
Other, net	**(912)**	3,120	**(9,702)**
Net cash used in investing activities	**(107,342)**	(20,652)	**(1,141,936)**
Cash flows from financing activities:			
Increase in long-term debt	**12,050**	40,900	**128,191**
Repayment of long-term debt	**(65,908)**	(49,679)	**(701,149)**
(Decrease) increase in short-term borrowings	**(24,439)**	30,897	**(259,989)**
Net decrease in guarantee deposits from tenants	**(152)**	(2,024)	**(1,617)**
Dividends paid to shareholders	**(4,544)**	(3,758)	**(48,340)**
Dividends paid to minority shareholders	**(91)**	(1,807)	**(968)**
Issuance of new common shares	**23,981**	—	**255,117**
Other, net	**(3,953)**	(3,117)	**(42,053)**
Net cash (used in) provided by financing activities	**(63,056)**	11,412	**(670,808)**
Effect of exchange rate changes on cash and cash equivalents	**165**	(230)	**1,755**
Net (decrease) increase in cash and cash equivalents	**(133,200)**	32,689	**(1,417,021)**
Cash and cash equivalents at beginning of year	**140,358**	107,669	**1,493,170**
Decrease in cash and cash equivalents upon exclusion of subsidiary from consolidation	**(82)**	—	**(872)**
Cash and cash equivalents at end of year	**¥ 7,076**	¥140,358	**$ 75,277**

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

UNY Group Holdings Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of UNY Group Holdings Co., Ltd. (formerly UNY CO., LTD., see also Note 17(a), hereinafter the "Company") and its consolidated subsidiaries (together with the Company, the "UNY Group") have been prepared in accordance with the provisions set forth in the Financial Instrument and Exchange Law of Japan and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards (IFRS). As discussed in Note 2(a), the accounts of the consolidated overseas subsidiary have been prepared in accordance with IFRS, with adjustments for the specified six items as applicable. The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instrument and Exchange Law of Japan. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing approximate exchange rate at February 20, 2013, which was ¥94 to U.S. $1.00. The translation should not be construed as a representation that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

In preparing these consolidated financial statements, certain reclassifications were made to the original Japanese consolidated financial statements in order to present them in a form that would be more familiar to readers outside Japan. In addition, certain comparative figures have been reclassified to conform to the current year's presentation.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. Investments in certain unconsolidated subsidiaries and significant affiliates are accounted for by the equity method. Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost. The difference between the acquisition cost of investments in subsidiaries and the underlying equity in the net assets, adjusted based on the fair value at the time of acquisition, is principally deferred as goodwill and amortized on a straight-line basis over a period from five years to twenty years. The negative goodwill resulting from the acquisition, measured by the excess of the underlying equity in the net assets over the acquisition cost, is credited to income, except for that resulting from acquisitions incurred before April 1, 2010, which is amortized over five years. The negative goodwill incurred before April 1, 2010 of ¥449 million ($4,777 thousand) and ¥1,233 million at February 20, 2013 and 2012, respectively, was included in other long-term liabilities in the accompanying consolidated balance sheets. All significant intercompany accounts and transactions have been eliminated on consolidation.

Under the accounting standard for consolidation, a subsidiary is defined as an enterprise which is controlled by another enterprise and is a majority (more than 50%) owned enterprise or a 40% to 50% owned enterprise that meets certain criteria. An affiliated company is defined as an enterprise over which the investor has significant influence and is an enterprise other than a subsidiary that is a 20% or more owned enterprise or 15% to 19% owned enterprise that meets certain criteria. For the years ended February 20, 2013 and 2012, the number of companies that were not more than 50% owned enterprises, but were nevertheless classified as consolidated subsidiaries based on the judgment of the Company in accordance with the accounting standard was none and nine, respectively.

The number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates for the years ended February 20, 2013 and 2012 was as follows:

	2013	2012
Consolidated subsidiaries:		
Domestic	**17**	21
Overseas	**1**	1
Unconsolidated subsidiaries and affiliates, accounted for by the equity method	**1**	1
Unconsolidated subsidiaries, stated at cost	**12**	12
Affiliates, stated at cost	**11**	10

The Company has adopted the Accounting Standards Board of Japan ("ASBJ") issued Practical Issues Task Force No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ("PITF No. 18"), from the year ended February 20, 2010. PITF No. 18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare its consolidated financial statements using the overseas subsidiaries' financial statements prepared in accordance with either IFRS or U.S. generally accepted accounting principles ("U.S. GAAP"). In this case, adjustments for the following six items are required in the consolidation process so that the impact on net income is accounted for in accordance with Japanese GAAP unless the impact is not material.

(a) Goodwill not subject to amortization
(b) Actuarial gains and losses of defined-benefit retirement plans recognized outside profit or loss
(c) Capitalized expenditures for research and development activities
(d) Fair value measurements of investment properties and revaluation of property, plant and equipment and intangible assets
(e) Retrospective treatment of a change in accounting policies
(f) Accounting for net income attributable to minority interests

Although the fiscal year-end of certain consolidated subsidiaries differs from the consolidated fiscal year-end of the Company, the Company has consolidated their accounts as of their year-end because the difference was not more than three months. Significant transactions for the period between the subsidiaries' year-end and the Company's year-end have been adjusted on consolidation.

(b) Cash equivalents

The UNY Group considers cash equivalents to be highly liquid debt instruments purchased with an original maturity of three months or less.

(c) Investments and marketable securities

Debt securities for which the UNY Group has both the positive intention and the ability to hold to maturity are classified as held-to-maturity securities and are stated at amortized cost. Marketable securities with market quotations for available-for-sale securities are stated at fair value, and net unrealized gains or losses on these securities, net of applicable income taxes, are reported as other comprehensive income. Gains and losses on the disposition of investment securities are computed by the moving average method. Nonmarketable securities without available market quotations for available-for-sale securities are carried at cost, determined by the moving average method. Adjustments in carrying values of individual investment securities are charged to income through write-downs when a decline in value is deemed other than temporary.

(d) Accounting for derivatives

Certain transactions classified as hedging transactions are accounted for under a deferral method. According to the special treatment permitted by the accounting standard for financial instruments, hedging interest rate swap contracts are accounted for on an accrual basis and recorded net of interest expenses generated from borrowings, if certain conditions are met. Foreign currency exchange forward contracts and currency swaps are accounted for to translate foreign currency denominated assets and liabilities at such contract rates as an interim measure if certain hedging criteria are met.

(e) Inventories
Inventories are stated at the lower of cost, determined principally by the retail method, or the net realizable value. Fresh foods are stated at cost, determined by the last purchase price.

(f) Property and equipment and depreciation
Property and equipment, including significant renewals and additions, are stated at cost and are depreciated principally by the straight-line method for the overseas consolidated subsidiary and by the declining balance method for the Company and its domestic consolidated subsidiaries at rates based on the estimated useful life of the asset, except as mentioned below.

The buildings of the Company and its domestic consolidated subsidiaries acquired on and after April 1, 1998 are depreciated by the straight-line method. The Company and its domestic consolidated subsidiaries capitalize property and equipment with a cost of ¥100,000 or more and depreciate property and equipment that is more than ¥100,000 but less than ¥200,000 over three years on a straight-line basis.

(g) Leases
Effective from the year ended February 20, 2010, the Company and its domestic consolidated subsidiaries have adopted ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions. The revised accounting standard requires that all finance lease transactions be accounted for in a manner similar to that used for ordinary sale and purchase transactions. Prior to February 21, 2009, the Company and its domestic consolidated subsidiaries had accounted for finance leases that did not transfer ownership of the leased property to the lessee with accounting treatment similar to that used for operating lease transactions, with the disclosure of certain "as if capitalized" information as permitted by the previous account standard.

(Accounting for leases as lessee)
Effective from the year ended February 20, 2010, the Company and its domestic consolidated subsidiaries capitalize the assets used under finance leases that commenced on and after February 21, 2009, except for certain immaterial or short-term finance leases which are accounted for as operating leases in accordance with the revised standard. Depreciation of leased assets capitalized in finance lease transactions is computed by the straight-line method over the lease term as the useful life with the assumption of no residual value. As permitted, finance leases which commenced prior to February 21, 2009 and have been accounted for with accounting treatment similar to that used for operating leases continue to be accounted for with accounting treatment similar to that used for operating leases with the disclosure of certain "as if capitalized" information.

(Accounting for leases as lessor)
Effective from the year ended February 20, 2010, a certain consolidated subsidiary engaged primarily in leasing operations as lessor recognizes "lease investments assets" for finance leases that do not transfer ownership of the leased assets to the lessee in a manner similar to the accounting treatment for ordinary sale transactions. The "lease investments assets" account was presented as current assets in the accompanying consolidated balance sheets. The total amount equivalent to interest is allocated over the lease term and the consolidated subsidiary recognizes it as income at the due date of each lease payment as permitted by the revised standard. With respect to finance leases which commenced prior to February 21, 2009, the appropriate book value of fixed assets, net of accumulated depreciation, as of February 20, 2009, was recognized as the value of the lease investment assets at the beginning of the year ended February 20, 2010. Interest revenue from these finance lease contracts is calculated by the straight-line method over the remaining lease period, instead of using the interest method as the principal method of the revised accounting standard. Prior to February 21, 2009, the consolidated subsidiary accounted for all lease contracts with accounting treatment similar to that used for operating leases as permitted by the previous accounting standard, and, as lessor, the leased assets were recorded at cost and depreciated by the straight-line method over the term of the lease to the amount equivalent to the estimated disposal value at the lease termination date.

(h) Accounting standard for impairment of fixed assets
The Company and its domestic consolidated subsidiaries have adopted the "Accounting Standard for Impairment of Fixed Assets" and the related practical guidance. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. According to the standard, an impairment loss shall be recognized in the income statement by reducing the carrying amount of the impaired asset or a group of assets to the recoverable amount, which is to be measured as the higher of the asset's net selling price or value in use. Fixed assets include land, buildings and structures and equipment and fixtures, as well as intangible assets, and are to be grouped at the lowest levels for which there are identifiable cash flows from other groups of assets.

For the purpose of recognition and measurement of an impairment loss, fixed assets of the UNY Group are principally grouped into cash generating units, such as stores, other than idle or unused property. The UNY Group determines whether an asset is impaired by comparing the undiscounted expected cash flow to the carrying amount in the accounting records. An impairment loss is recognized if the undiscounted expected cash flow is less than the carrying amount of the asset. The recoverable amount of an asset is measured based on the net selling price primarily from appraisal valuation or operating cash flow discounted by the applicable interest rate. The discount rates for the years ended February 20, 2013 and 2012 ranged from 2.1% to 2.9% and from 2.1% to 3.6%, respectively.

For the years ended February 20, 2013 and 2012, the UNY Group recognized impairment losses on fixed assets as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Property for general merchandise stores, convenience stores, specialty stores and other property	**¥6,027**	¥6,157	**$64,117**
Goodwill	**2,041**	—	**21,713**
Idle property	**71**	22	**755**
Total	**¥8,139**	¥6,179	**$86,585**

(i) Revaluation of land
In accordance with the Law Concerning Revaluation of Land in Japan, one of the consolidated subsidiaries elected the one-time revaluation to restate the cost of land used for business at a value rationally reassessed effective February 20, 2002, reflecting appropriate adjustments for land shape and other factors and based on appraisal values issued by the Japanese National Tax Agency or municipal property tax bases. According to the law, an amount equivalent to the tax effect on the difference between the original book value and sound reassessed value is recorded as deferred tax liability for revaluation account. The rest of the difference, net of the tax effect and minority interests portion, is recorded as land revaluation decrement account in other comprehensive income in the accompanying consolidated balance sheets. At February 20, 2013 and 2012, the difference between the carrying value of land used for business after reassessment over the market value of the land at the respective fiscal year-end amounted to zero and ¥551 million, respectively.

(j) Allowance for doubtful accounts
An allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss based on the individual financial review approach for doubtful or troubled receivables and a general reserve for other receivables based on the historical loss experience for a certain past period.

(k) Employee retirement benefits
Employees who terminate their service with the UNY Group are entitled to retirement benefits determined generally by the basic rate of pay at the time of termination, length of service and conditions under which the termination occurs. Such retirement and severance benefits to

employees are principally covered by a non-contributory pension plan (the "plan") such as corporate pension fund plans funded in outside insurance companies and trust banks.

The UNY Group principally recognizes retirement benefits for employees, including pension cost and related liability, based on the actuarial present value of the projected benefit obligation, using the actuarial appraisal approach and the value of pension plan assets available for benefits at the fiscal year-end. Unrecognized actuarial differences arising from changes in the projected benefit obligation or the value of pension plan assets resulting from the actuality being different from what was assumed or from changes in the assumptions themselves, are amortized on a straight-line basis over five to ten years, a period within the remaining service years of employees from the year following the year in which they arise. Past service costs are amortized on a straight-line basis over five to ten years, a period within the remaining service years of employees.

(l) Accounting for allowance for loss on interest repayments

An allowance for loss on interest repayments is provided by one of the consolidated subsidiaries engaged in financial services based on anticipated losses taking into consideration the historical repayment of claims of customers seeking the refund of interest that exceeded the upper limit for interest rates prescribed under the Interest Rate Restriction Law of Japan. The consolidated subsidiary adopted the "Application of Auditing for Provision of Allowance for Loss for Reclaimed Refund of Interest in the Accounting of Consumer Finance Companies" (Audit Practice Committee Report No. 37, issued by the Japanese Institute of Certified Public Accountants on October 13, 2006) to clarify the guidelines for calculating the allowance for loss on interest repayments and a reasonable period for estimation. Allowances of ¥2,179 million ($23,181 thousand) and ¥2,217 million at February 20, 2013 and 2012, respectively, were included in other long-term liabilities in the accompanying consolidated balance sheets.

(m) Allowance for sales promotion

Certain consolidated subsidiaries grant points to customers as member cardholders in a "Point card system" on purchases of merchandise. These points are awarded in proportion to purchase amounts and may be redeemed for future merchandise. For the years ended February 20, 2013 and 2012, two consolidated subsidiaries have provided an allowance for sales promotions based on the estimates at the fiscal year-end under the point card system. Allowances of ¥1,238 million ($13,170 thousand) and ¥1,085 million at February 20, 2013 and 2012, respectively, were included in other current liabilities in the accompanying consolidated balance sheets.

(n) Accounting changes

(Adoption of accounting standards for asset retirement obligations)

Effective from the fiscal year ended February 20, 2012, the Company and its domestic consolidated subsidiaries have adopted ASBJ Statement No. 18, "Accounting Standards for Asset Retirement Obligations," and "Guidance on Accounting Standards for Assets Retirement Obligations." As a result of the adoption of these standards, operating income and income before income taxes and minority interests were ¥537 million and ¥8,717 million less, respectively, for the year ended February 20, 2012 than the amounts that would have been recorded without the change. The cumulative effect at the beginning of the year ended February 20, 2012 of ¥8,481 million was recorded as other expenses in the accompanying consolidated statements of income, and the balance of the asset retirement obligations at the beginning of the year ended February 20, 2012 amounted to ¥13,087 million.

(Accounting standards for accounting changes and error corrections)

The Company and its consolidated domestic subsidiaries have adopted "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24 issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors which are made from the fiscal year beginning on February 21, 2012.

(o) Translation of foreign currency accounts

Receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end. Transactions in foreign currencies are recorded based on the prevailing exchange rates on the transaction dates. Resulting translation gains or losses are included in current earnings.

For the financial statement items of an overseas consolidated subsidiary, all asset and liability accounts are translated into Japanese yen by applying the exchange rates in effect at the subsidiary's fiscal year-end. All income and expense accounts are translated at the average rates of exchange prevailing during the fiscal year. Translation differences are reported as foreign currency translation adjustments in other comprehensive income in the accompanying consolidated balance sheets.

(p) Income taxes

Income taxes are accounted for by the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the promulgation date.

(q) Enterprise taxes

With the implementation of the "Revision of the Local Tax Law," issued on March 31, 2003, a local corporate enterprise tax base such as "added value amount" and "capital amount" has been adopted. Enterprise taxes based on "added value amount" and "capital amount" are included in selling, general and administrative expenses pursuant to "Practical Treatment for Presentation of Sized-Based Corporate Enterprise Taxes in the Statement of Income" (ASBJ Report of Practical Issues No. 12).

(r) New share issue expenses

New share issue expenses are charged to income as incurred.

(s) Appropriation of retained earnings

Cash dividends are recorded in the fiscal year when a proposed appropriation of retained earnings is approved by the Board of Directors and/or the shareholders.

(t) Per share data

Net income per share is computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the respective year. Diluted net income per share is not disclosed because the UNY Group had no diluted common shares for the years ended February 20, 2013 and 2012. Cash dividends per share shown for each fiscal year in the accompanying consolidated statements of operations represent dividends declared as applicable to the respective year.

(u) Comprehensive income

Effective from the year ended February 20, 2012, the Company has adopted ASBJ Statement No. 25 "Accounting Standard for Presentation of Comprehensive Income." As a result of the adoption of this standard, the Company has presented the consolidated statement of comprehensive income in the consolidated financial statements for the fiscal years ended February 20, 2013 and 2012.

(v) Accounting standards issued but not yet adopted

The following standards and guidance have been issued but not yet adopted and have not been early adopted in these consolidated financial statements.

ASBJ issued ASBJ statement No. 26, "Accounting Standard for Retirement Benefits," and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," issued on May 17, 2012, which replaces the current standards and the other practical guidance. The revised standards amend the treatment of actuarial gains or losses and past service costs, the determination of retirement benefit obligations and current service costs and enhancement of disclosures from the viewpoint of improvements to financial reporting and international convergence. These standards are partly effective for the end of the fiscal year beginning March 1, 2014. The Company is currently in the process of assessing the impact of these standards on the consolidated financial statements.

3. Financial Instruments

Information on financial instruments for the years ended February 20, 2013 and 2012 is set forth below.

(1) Qualitative information on financial instruments

(a) Policy for financial instruments

The UNY Group has a policy of raising funds primarily through borrowings, commercial paper, bonds and securitized receivables from banks and other financial institutions and to invest its cash surplus, if any, in low-risk, highly liquid financial instruments. Derivative transactions are used for the purpose of hedging against the risk of future fluctuations in trade accounts payable denominated in foreign currencies and fluctuations in interest rates on borrowings. The UNY Group does not hold any derivative transactions for speculative purposes.

(b) Financial instruments and risk management

The UNY Group is exposed to credit risk principally with respect to receivables. In order to reduce the credit risk associated with these receivables, the UNY Group assesses prospective debtors' creditworthiness and performs credit management based on internal rules. The UNY Group holds the securities of certain entities with which the companies do business, and this exposes them to the risk of market price fluctuation. The UNY Group regularly monitors the financial status of the issuers and the fair value of the instruments in order to mitigate the risk.

The leases to which companies are lessees generally require deposits that expose them to loss if the lessor defaults. In order to reduce the risk of default, payment dates and deposit balances are strictly managed and the financial condition of the lessor is monitored.

Payables such as trade notes and accounts payable are generally due within one year. A portion of the trade accounts is denominated in foreign currencies and exposed to the risk of fluctuations in the value of currencies. To reduce the risk, foreign exchange forward contracts are entered into.

Short-term borrowings are used mainly to finance operating activities, and long-term debt is used for capital investment. Borrowings with variable interest rates expose the UNY Group to the risks associated with the fluctuation in the interest rates. In connection with some of these borrowings, interest rate swap contracts are entered into with the object of controlling the risk of interest rate fluctuation. A subsidiary providing financial services manages its liquidity risk by employing a number of procurement methods, securing commitment lines from multiple financial institutions and maintaining a balance of short-term and long-term financing that is adjusted to reflect the market environment.

Guarantee deposits from tenants are related mainly to store lease agreements with tenants and are paid back in installments or in a one-time payment for the store lease agreements period.

(c) Supplemental information on fair value

The fair value of financial instruments includes values based on market prices as well as reasonable estimates when market prices are not available. Since certain assumptions are used in the computation of the reasonable estimates, the result may be different if alternative assumptions are used.

(2) Fair values of financial instruments

The fair and carrying values of the financial instruments included in the consolidated balance sheets at February 20, 2013 and 2012, other than those for which the fair value was extremely difficult to determine, are set forth in the table below.

	Millions of yen		
	Carrying value	Fair value	Difference
At February 20, 2013:			
Financial assets:			
(1) Cash and cash equivalents	**¥ 7,076**	**¥ 7,076**	**¥ —**
(2) Trade notes and accounts receivable	**78,689**		
Less allowance for doubtful accounts *1	**(2,255)**		
Less deferred installment income	**(90)**		
	76,344	**76,388**	**44**
(3) Short-term investments	**1,682**	**1,682**	**—**
(4) Short-term loans	**17,341**		
Less allowance for doubtful accounts *1	**(492)**		
	16,849	**16,881**	**32**
(5) Investment securities			
Listed affiliate's stocks	**6,654**	**7,563**	**909**
Available-for-sale securities	**10,975**	**10,975**	**—**
(6) Lease deposits, including current portion	**71,875**		
Less allowance for doubtful accounts	**(407)**		
	71,468	**71,154**	**(314)**
Total	**¥191,048**	**¥191,719**	**¥ 671**
Financial liabilities:			
(1) Trade notes and accounts payable	**¥ 85,185**	**¥ 85,185**	**¥ —**
(2) Short-term borrowings	**4,452**	**4,452**	**—**
(3) Commercial paper	**36,000**	**36,000**	**—**
(4) Bank loans, including current portion	**201,359**	**202,470**	**1,111**
(5) Guarantee deposits from tenants, including current portion	**15,130**	**14,964**	**(166)**
Total	**¥342,126**	**¥343,071**	**¥ 945**
Derivative transactions	**¥ 487**	**¥ 487**	**¥ —**

	Carrying value	Fair value	Difference
			Millions of yen
At February 20, 2012:			
Financial assets:			
(1) Cash and cash equivalents	¥140,358	¥140,358	¥ —
(2) Trade notes and accounts receivable	62,126		
Less allowance for doubtful accounts *1	(3,251)		
Less deferred installment income	(96)		
	58,779	58,837	58
(3) Short-term investments	2,310	2,310	—
(4) Short-term loans	20,475		
Less allowance for doubtful accounts *1	(179)		
	20,296	20,355	59
(5) Investment securities			
Listed affiliate's stocks	6,817	6,948	131
Available-for-sale securities	8,998	8,998	—
(6) Lease deposits, including current portion	78,852		
Less allowance for doubtful accounts	(431)		
	78,421	76,042	(2,379)
Total	¥315,979	¥313,848	¥(2,131)
Financial liabilities:			
(1) Trade notes and accounts payable	¥ 89,187	¥ 89,187	¥ —
(2) Short-term borrowings	5,391	5,391	—
(3) Commercial paper	59,500	59,500	—
(4) Bank loans, including current portion	255,217	259,490	4,273
(5) Guarantee deposits from tenants, including current portion	15,377	15,018	(359)
Total	¥424,672	¥428,586	¥ 3,914
Derivative transactions	¥ 136	¥ 136	¥ —

	Carrying value	Fair value	Difference
			Thousands of U.S. dollars
At February 20, 2013:			
Financial assets:			
(1) Cash and cash equivalents	**$ 75,277**	**$ 75,277**	**$ —**
(2) Trade notes and accounts receivable	**837,117**		
Less allowance for doubtful accounts *1	**(23,989)**		
Less deferred installment income	**(958)**		
	812,170	**812,638**	**468**
(3) Short-term investments	**17,894**	**17,894**	**—**
(4) Short-term loans	**184,479**		
Less allowance for doubtful accounts *1	**(5,234)**		
	179,245	**179,585**	**340**
(5) Investment securities			
Listed affiliate's stocks	**70,787**	**80,457**	**9,670**
Available-for-sale securities	**116,755**	**116,755**	**—**
(6) Lease deposits, including current portion	**764,628**		
Less allowance for doubtful accounts	**(4,330)**		
	760,298	**756,958**	**(3,340)**
Total	**$2,032,426**	**$2,039,564**	**$ 7,138**
Financial liabilities:			
(1) Trade notes and accounts payable	**$ 906,223**	**$ 906,223**	**$ —**
(2) Short-term borrowings	**47,361**	**47,361**	**—**
(3) Commercial paper	**382,979**	**382,979**	**—**
(4) Bank loans, including current portion	**2,142,117**	**2,153,936**	**11,819**
(5) Guarantee deposits from tenants, including current portion	**160,958**	**159,192**	**(1,766)**
Total	**$3,639,638**	**$3,649,691**	**$10,053**
Derivative transactions	**$ 5,181**	**$ 5,181**	**$ —**

*1 Allowance for doubtful accounts earmarked for trade notes, trade accounts and short-term loans is deducted from the carrying amount.

Notes

(a) The calculation methods for fair value of financial instruments, securities and derivative transactions are summarized as follows:

Assets:

(1) Cash and cash equivalents and (3) Short-term investments

The carrying value is deemed to approximate the fair value since such instruments are scheduled to be settled in a short period of time. The fair value of certain financial instruments is determined by the quoted price obtained from the relevant financial institution.

(2) Trade notes and accounts receivable and (4) Short-term loans

The fair value of trade notes and accounts receivable with short-term settlements and those associated with entities going bankrupt or potentially bankrupt are determined by deducting the relevant estimated credit loss from the carrying value, which is deemed to approximate the fair value. The fair value of trade accounts relating to the financial services business is calculated by discounting the sum of future interest and principal using the rates that would apply to similar new contracts at the balance sheet date.

(5) Investment securities

The fair value of stocks and bonds is based on prices listed on stock exchanges or prices presented by the counterparty financial institutions.

(6) Lease deposits, including current portion

The fair value of a lease deposit is the present value calculated by discounting the future collectable cash flow, using the risk-free rate based on treasury bonds.

Liabilities:

(1) Trade notes and accounts payable, (2) Short-term borrowings and (3) Commercial paper

The carrying value is deemed to approximate the fair value since such instruments are scheduled to be settled in a short period of time.

(4) Bank loans, including the current portion

The fair value of a bank loan is calculated by discounting the sum of principal and interest by the rate which would be expected to be used if a new loan were borrowed under similar circumstances. The fair value of a bank loan with a variable interest rate subject to special treatment for interest rate swaps is calculated by discounting the sum of the principal amount together with the corresponding interest rate swap contract by a reasonably estimated rate.

(5) Guarantee deposits from tenants, including the current portion

The fair value of guarantee deposits is calculated by discounting the sum of the principal and interest by the risk-free rate based on treasury bonds.

Derivatives:

See Note 5, "Derivative Financial Instruments."

(b) The following were not included in the table above because the fair value was extremely difficult to determine:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Unlisted stocks	**¥ 677**	¥ 696	**$ 7,202**
Unconsolidated subsidiaries' and affiliates' stocks	**1,152**	621	**12,256**
Lease deposits	**38,719**	39,263	**411,904**
Guarantee deposits from tenants	**37,920**	38,483	**403,404**

These items were not included in the table above because it was impractical to determine the fair value as they had no quoted market price and the future cash flow could not be estimated.

(c) The redemption schedule for financial assets at February 20, 2013 and 2012 is as follows:

	Millions of yen		
	Due within one year	Due after one year through five years	Due after five years
At February 20, 2013:			
Cash and deposits	**¥ 7,076**	**¥ —**	**¥ —**
Trade notes and accounts receivable *1	**63,565**	**9,859**	**1,135**
Short-term loans *1	**8,806**	**8,087**	**442**
Investment securities			
Held-to-maturity bonds	**—**	**505**	**50**
Lease deposits	**10,402**	**33,167**	**28,306**
Total	**¥89,849**	**¥51,618**	**¥29,933**

	Millions of yen		
	Due within one year	Due after one year through five years	Due after five years
At February 20, 2012:			
Cash and deposits	¥127,659	¥ —	¥ —
Trade notes and accounts receivable *1	46,349	9,326	1,005
Short-term loans *1	9,293	10,470	705
Investment securities			
Held-to-maturity bonds	—	495	50
Lease deposits	11,210	35,245	32,397
Total	¥194,511	¥55,536	¥34,157

	Thousands of U.S. dollars		
	Due within one year	Due after one year through five years	Due after five years
At February 20, 2013:			
Cash and deposits	**$ 75,277**	**$ —**	**$ —**
Trade notes and accounts receivable *1	**676,223**	**104,883**	**12,074**
Short-term loans *1	**93,680**	**86,032**	**4,702**
Investment securities			
Held-to-maturity bonds	**—**	**5,373**	**532**
Lease deposits	**110,660**	**352,840**	**301,128**
Total	**$955,840**	**$549,128**	**$318,436**

*1 Trade notes and accounts receivable and short-term loans whose redemption schedules can not be reasonably estimated are excluded.

(d) The redemption schedules for bank loans at February 20, 2013 and 2012 are as follows:

	Millions of yen					
	Due within one year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Long-term debt:						
As of February 20, 2013	**¥63,938**	**¥72,228**	**¥19,591**	**¥29,502**	**¥11,100**	**¥5,000**
As of February 20, 2012	65,908	63,938	72,228	15,654	29,489	8,000
	Thousands of U.S. dollars					
Long-term debt:						
As of February 20, 2013	**$680,191**	**$768,383**	**$208,415**	**$313,851**	**$118,085**	**$53,192**

4. Investments

At February 20, 2013 and 2012, short-term investments consisted of time deposits with an original maturity of more than three months.

At February 20, 2013 and 2012, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Marketable securities:			
Equity securities	**¥10,370**	¥8,418	**$110,319**
Bonds	**549**	534	**5,840**
Others	**56**	46	**596**
	10,975	8,998	**116,755**
Other nonmarketable securities	**740**	766	**7,873**
	¥11,715	¥9,764	**$124,628**

Marketable securities are classified as available-for-sale and are stated at fair value with unrealized gains and losses excluded from current earnings and reported as a net amount within the net assets account until realized. Gross unrealized gains and losses for marketable securities at February 20, 2013 and 2012 are summarized as follows:

	Millions of yen			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
At February 20, 2013:				
Marketable securities:				
Equity securities	**¥5,612**	**¥4,879**	**¥(121)**	**¥10,370**
Bonds	**550**	**5**	**(6)**	**549**
Others	**49**	**7**	**—**	**56**
	¥6,211	**¥4,891**	**¥(127)**	**¥10,975**
At February 20, 2012:				
Marketable securities:				
Equity securities	¥5,719	¥3,128	¥(429)	¥ 8,418
Bonds	550	—	(16)	534
Others	49	—	(3)	46
	¥6,318	¥3,128	¥(448)	¥ 8,998

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Thousands of U.S. dollars			
At February 20, 2013:				
Marketable securities:				
Equity securities	**$59,702**	**$51,904**	**$(1,287)**	**$110,319**
Bonds	**5,851**	**53**	**(64)**	**5,840**
Others	**521**	**75**	**—**	**596**
	$66,074	**$52,032**	**$(1,351)**	**$116,755**

During the years ended February 20, 2013 and 2012, the UNY Group recorded a loss on the write-down of available-for-sale securities due to other-than-temporary impairment in value amounting to ¥36 million ($383 thousand) and ¥37 million, respectively, as other expenses in the accompanying consolidated statements of income.

At February 20, 2013 and 2012, investments in and long-term loans to unconsolidated subsidiaries and affiliates consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Investments accounted for by the equity method for one significant affiliate and at cost for others	**¥7,806**	¥7,438	**$83,043**
Interest bearing long-term loans	**566**	479	**6,021**
	¥8,372	¥7,917	**$89,064**

5. Derivative Financial Instruments

The UNY Group is a party to derivative financial instruments such as foreign currency exchange forward contracts and interest rate swap contracts in the normal course of business. The UNY Group enters into these instruments to reduce its own exposure to fluctuations in exchange rates and interest rates for hedging purposes. In connection with these instruments, the UNY Group is exposed to the risk of credit loss in the event of nonperformance by a counterparty. However, the UNY Group does not expect nonperformance by the counterparties to the derivative transactions because the UNY Group's use of counterparties is limited to major banks with relatively high credit ratings. At February 20, 2013 and 2012, all outstanding derivative financial instruments were accounted for by hedge accounting.

Derivative transactions to which hedge accounting was applied at February 20, 2013 and 2012 were as follows:

(1) Currency related transactions

	Contract amount		
	Total	Due after one year	Fair value*1
	Millions of yen		
At March 31, 2013:			
Derivatives accounted for by deferral hedge accounting:			
Forward contracts to buy US dollars	**¥ 4,379**	**¥ —**	**¥487**
Derivatives, accounted for by method translating to assign to the related liabilities:			
Forward contracts to buy US dollars	**77**	**—**	*2
Currency swaps—receipt: US dollars/payment: Japanese yen	**25,000**	**25, 000**	*2
At March 31, 2012:			
Derivatives accounted for by deferral hedge accounting:			
Forward contracts to buy US dollars	¥ 3,284	¥ —	¥131
Currency options to sell US dollars	344	—	—
Currency options to buy US dollars	344	—	5
Derivatives, accounted for by method translating to assign to the related liabilities:			
Forward contracts to buy US dollars	19	—	*2
Currency swaps—receipt: US dollars/payment: Japanese yen	23,000	23,000	*2

	Contract amount		
	Total	Due after one year	Fair value
	Thousands of U.S. dollars		
At March 31, 2013:			
Derivatives accounted for by deferral hedge accounting:			
Forward contracts to buy US dollars	**$ 46,585**	**$ —**	**$5,181**
Derivatives, accounted for by method translating to assign to the related liabilities:			
Forward contracts to buy US dollars	**819**	**—**	*2
Currency swaps—receipt: US dollars/payment: Japanese yen	**265,957**	**265,957**	*2

*1 The fair value is measured at the price obtained from the corresponding financial institution.
*2 Derivative instruments, such as forward contracts or currency interest rate swap contracts, are accounted for by hedge accounting such that the derivative instruments are not separated from the hedged trade accounts or bank loans. Therefore, the fair value of such derivative instruments is reflected in the calculation of the related trade accounts or bank loans.

(2) Interests rate related transactions

	Contract amount		
	Total	Due after one year	Fair value
	Millions of yen		
At March 31, 2013:			
Derivatives, accounted for by special treatment of interest rate swap contracts:			
Interest rate swaps—receive floating/pay fixed	**¥52,100**	**¥29,500**	*1
At March 31, 2012:			
Derivatives, accounted for by special treatment of interest rate swap contracts:			
Interest rate swaps—receive floating/ pay fixed	¥74,050	¥50,600	*1
	Thousands of U.S. dollars		
At March 31, 2013:			
Derivatives, accounted for by special treatment of interest rate swap contracts:			
Interest rate swaps—receive floating/pay fixed	**$554,255**	**$313,830**	*1

*1 Derivative instruments such as interest rate swap contracts are accounted for by hedge accounting such that the derivative instruments are not separated from the hedged bank loans. Therefore, the fair value of such derivative instruments is reflected in the calculation of the related bank loans.

6. Lease Commitments

(a) Lessee

The UNY Group leases stores and office buildings that are generally under long-term noncancelable lease agreements. These leases are normally for a term of 20 years, with annual rental charges negotiated every two or three years. Under such lease agreements, lease deposits are required and generally bear no interest for the first 10 years after the original agreement date. A major portion of the deposits is refundable over the succeeding 10 years in equal installments with nominal interest. The remaining portion is refundable upon termination of the lease and is non-interest bearing.

The Company and certain domestic consolidated subsidiaries also lease computer equipment, store fixtures, private power generation equipment and vehicles under three-to twenty-year noncancelable lease agreements. As disclosed in Note 2(g), as lessee, finance lease transactions which did not transfer ownership of the leased assets to the lessee and which commenced prior to February 21, 2009 were accounted for by accounting treatment similar to that used for operating leases. If the leased property of the UNY Group had been capitalized for such finance lease contracts, the related accounts would have been increased/(decreased) at February 20, 2013 and 2012 as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Property and equipment, net of accumulated depreciation *1	**¥5,243**	¥ 9,673	**$55,777**
Lease obligations as liabilities *2	**6,317**	11,458	**67,202**
Allowance for impairment loss on leased property	**(430)**	(891)	**(4,574)**
Net effect on retained earnings at year-end	**¥ (644)**	¥ (894)	**$ (6,851)**

*1 Pro forma depreciation of the leased property is computed by the straight-line method over the term of the lease, assuming the leased property had been capitalized.
*2 Pro forma interest on lease obligations for financing leases is computed by the interest method over the term of the lease.

The aggregate future minimum payments for noncancelable operating leases and financing leases not capitalized, excluding the imputed interest portion, at February 20, 2013 and 2012, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Financing leases as lessee:			
Due within one year	**¥ 3,624**	¥ 5,151	**$ 38,553**
Due after one year	**2,693**	6,307	**28,649**
	¥ 6,317	¥ 11,458	**$ 67,202**
Operating leases as lessee:			
Due within one year	**¥14,816**	¥ 14,067	**$157,617**
Due after one year	**75,110**	86,707	**799,043**
	¥89,926	¥100,774	**$956,660**

Gross rental and lease expense, consisting of minimum rental payments for all operating leases and financing leases, for the years ended February 20, 2013 and 2012 was ¥92,736 million ($986,553 thousand) and ¥95,854 million, respectively.

(b) Lessor

The UNY Group leases portions of its floor space to tenants under sublease agreements that are generally cancelable upon six months' advance notice. Rental payments are based upon minimum payments plus a percentage of the tenant's sales. Other operating revenue in the accompanying consolidated statements of income includes such sublease rentals received from tenants.

A certain consolidated subsidiary engaged in leasing operations as lessor enters into various lease agreements with third parties principally for the lease of vehicles. These lease investment assets at February 20, 2013 and 2012 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Future lease receivables	**¥1,633**	¥293	**$17,372**
Estimated residual values	**60**	32	**638**
Unearned imputed interest income	**(626)**	(61)	**(6,659)**
Lease investment assets included in other receivables	**¥1,067**	¥264	**$11,351**

The aggregate annual maturities of these lease receivables as of February 20, 2013 were as follows:

Years ending February 20,	Millions of yen	Thousands of U.S. dollars
2014	¥ 304	$ 3,234
2015	278	2,957
2016	255	2,713
2017	217	2,309
2018	198	2,106
Thereafter	381	4,053
	¥1,633	$17,372

The aggregate future minimum lease commitments to be received for non-cancelable operating lease agreements at February 20, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Operating leases as lessor:			
Due within one year	**¥270**	¥186	**$2,872**
Due after one year	**503**	289	**5,351**
	¥773	¥475	**$8,223**

7. Short-term Borrowings and Long-term Debt

Short-term borrowings at February 20, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Short-term unsecured bank loans with interest rates ranging from 0.13% to 0.33% per annum at February 20, 2013	**¥ 4,452**	¥ 5,391	**$ 47,361**
Commercial paper at interest rates ranging from 0.108% to 0.113% per annum at February 20, 2013	**36,000**	59,500	**382,979**
	¥40,452	¥64,891	**$430,340**

At February 20, 2013 and 2012, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Loans principally from banks and insurance companies due through 2019 at interest rates ranging from 0.425% to 2.9% per annum at February 20, 2013:			
Collateralized	**¥ 564**	¥ 882	**$ 6,000**
Unsecured	**200,795**	254,335	**2,136,117**
Capitalized lease obligations	**17,778**	15,596	**189,128**
	219,137	270,813	**2,331,245**
Less current maturities	**(68,628)**	(69,483)	**(730,085)**
	¥150,509	¥201,330	**$1,601,160**

The aggregate annual maturities of long-term debt at February 20, 2013 are summarized as follows:

Years ending February 20,	Millions of yen	Thousands of U.S. dollars
2014	¥ 68,628	$ 730,085
2015	76,946	818,575
2016	23,264	247,489
2017	31,917	339,543
2018	12,474	132,702
Thereafter	5,908	62,851
	¥219,137	$2,331,245

Certain assets of the UNY Group that were pledged as collateral for long-term debt at February 20, 2013 and 2012 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Buildings and structures	**¥1,690**	¥3,343	**$17,979**

As is customary in Japan, substantially all bank borrowings are subject to general agreements which provide, among other things, that the banks may, under certain circumstances, request additional security for these loans and may treat any security so furnished to the banks, as well as cash deposited with them, as security for all present and future indebtedness. The banks have never requested the UNY Group to submit such additional security. Also, as is customary in Japan, the Company and certain of its subsidiaries have time deposits with the banks from which they have short-term and long-term borrowings. However, there are no agreements with any banks which would require maintaining such deposits.

8. Employee Retirement Benefits

The UNY Group principally has a non-contributory defined benefit pension plan and a lump-sum retirement benefit plan that substantially cover all full-time employees.

The following table reconciles the benefit liability and net periodic retirement benefit expense as of and for the years ended February 20, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Projected benefit obligation	**¥ 84,340**	¥ 77,368	**$ 897,234**
Fair value of pension plan assets at end of year	**(76,075)**	(67,641)	**(809,308)**
Projected benefit obligation in excess of pension plan assets	**8,265**	9,727	**87,926**
Less unrecognized transitional provision	**(50)**	(67)	**(532)**
Less unrecognized actuarial differences (loss)	**(13,081)**	(13,704)	**(139,160)**
Unrecognized past service costs	**2,491**	3,314	**26,500**
	(2,375)	(730)	**(25,266)**
Prepaid pension cost	**3,635**	2,199	**38,670**
Net amounts of employee retirement benefit liability recognized on the consolidated balance sheets	**¥ 1,260**	¥ 1,469	**$ 13,404**

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Components of net periodic retirement benefit expense:			
Service cost	**¥ 3,065**	¥ 3,143	**$ 32,606**
Interest cost	**1,518**	1,530	**16,149**
Expected return on pension plan assets	**(2,009)**	(2,346)	**(21,372)**
Transitional provision	**17**	17	**181**
Amortization of actuarial differences	**3,164**	3,971	**33,660**
Amortization of past service costs	**(822)**	(1,270)	**(8,745)**
Net periodic retirement benefit expense	**¥ 4,933**	¥ 5,045	**$ 52,479**

Major assumptions used in the calculation of the above information for the years ended February 20, 2013 and 2012 were as follows:

	2013	2012
Method attributing the projected benefits to periods of services	**Straight-line method**	Straight-line method
Discount rate	**0.5%~1.5%**	0.5%~2.0%
Expected rate of return on pension plan assets	**2.0%~3.0%**	2.0%~3.5%
Amortization period of past service costs	**5 to 10 year**	5 to 10 year
Amortization period of actuarial differences	**5 to 10 year**	5 to 10 year
Amortization period of transitional provision	**15 years for one subsidiary**	15 years for one subsidiary

9. Asset Retirement Obligations

As described in Note 2(n), effective from the fiscal year ended February 20, 2012, the Company and its domestic consolidated subsidiaries have adopted ASBJ Statement No. 18, "Accounting Standards for Asset Retirement Obligations," and its related guidance. The asset retirement obligations are based upon estimated future restoration obligations pursuant to the real estate lease contracts for stores and other facilities as lessees and calculated based on the estimated store operational periods ranging from two to fifty years following each of the lease contracts and discounted by discount rates of 0.2% to 2.2%. The activities of asset retirement obligations accounted for the years ended February 20, 2013 and 2012 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
At the beginning of year *1	**¥13,190**	¥13,087	**$140,319**
New additions	**984**	532	**10,468**
Changes in estimated obligations and accretion	**213**	216	**2,266**
Settlement payments	**(490)**	(512)	**(5,213)**
Other	**(276)**	(133)	**(2,936)**
At the end of year *2	**¥13,621**	¥13,190	**$144,904**

*1 The balance of asset retirement obligations at the beginning of the year ended February 20, 2012 was calculated based on the retroactive adoption of the new accounting standard.

*2 Regarding some stores and offices under the real estate leasing agreements, the Company and its domestic consolidated subsidiaries have obligations related to the cost of restoring the property to its original state at the time of moving out. However, since some lease properties have leases with terms that are uncertain and there are no plans to move out at this time, it is impossible to reasonably estimate the amount of asset retirement obligation. Therefore, no asset retirement obligation has been recorded for such obligations.

10. Net Assets

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under Japanese Corporate Law ("the Law"), in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Law, legal earnings reserve and additional paid-in capital can be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. All additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

At February 20, 2013 and 2012, respectively, capital surplus consisted principally of additional paid-in capital. In addition, retained earnings included legal earnings reserve of the Company in the amount of ¥2,532 million ($26,936 thousand) at both February 20, 2013 and 2012.

The maximum amount that the Company can distribute as dividends is calculated based on the non -consolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on May 16, 2013, the shareholders approved cash dividends amounting to ¥3,033 million ($32,266 thousand). The appropriation had not been accrued in the consolidated financial statements as of February 20, 2013, as such appropriations are recognized in the period in which they are approved by the shareholders.

11. Commitments and Contingent Liabilities

(a) Loan commitments

A certain consolidated subsidiary engaged in providing financial services to customers has entered into card cashing agreements that permit customers to extend their loans up to designated amounts. The outstanding balance of unexercised commitments relating to the above agreements as of February 20, 2013 and 2012 amounted to ¥723,533 million ($7,697,160 thousand) and ¥802,327 million, respectively. As most of these agreements are entered into with credit card members without exceptions, the unused amount does not necessarily represent actual future cash flow requirements.

(b) Contingent liabilities

At February 20, 2013 and 2012, the UNY Group was contingently liable for guarantees of the indebtedness of affiliates, franchisees and others in the amount of ¥3,767 million ($40,074 thousand) and ¥3,813 million, respectively.

12. Income Taxes

The tax effects of temporary differences that gave rise to a significant portion of deferred tax assets and liabilities at February 20, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Deferred tax assets—current:			
Accrued bonuses	**¥ 1,441**	¥ 2,566	**$ 15,329**
Accrued enterprise taxes	**494**	749	**5,255**
Allowance for doubtful accounts	**17**	431	**181**
Other	**2,165**	2,618	**23,032**
Less valuation allowance	**(348)**	(460)	**(3,702)**
	3,769	5,904	**40,095**
Net of deferred tax liabilities—current	**(795)**	(55)	**(8,457)**
Deferred tax assets—current portion	**¥ 2,974**	¥ 5,849	**$ 31,638**
Deferred tax liabilities—current:			
Deferred gains on hedges and other	**795**	59	**8,457**
Net of deferred tax assets—current	**(795)**	(55)	**(8,457)**
Deferred tax liabilities—current portion	**¥ —**	¥ 4	**$ —**

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Deferred tax assets—noncurrent:			
Impairment loss on fixed assets	**¥ 21,365**	¥ 22,281	**$ 227,287**
Operating loss carryforwards	**9,485**	9,182	**100,904**
Asset retirement obligations	**4,776**	4,640	**50,809**
Loss on write-down of securities	**1,333**	1,061	**14,181**
Allowance for doubtful accounts	**791**	1,058	**8,415**
Allowance for losses for interest payments	**820**	867	**8,723**
Other	**3,421**	3,579	**36,394**
Less valuation allowance	**(19,619)**	(20,146)	**(208,713)**
	22,372	22,522	**238,000**
Net of deferred tax liabilities—noncurrent	**(6,949)**	(5,420)	**(73,926)**
Deferred tax assets—noncurrent portion	**¥ 15,423**	¥ 17,102	**$ 164,074**
Deferred tax liabilities—noncurrent:			
Gain on sale of property	**¥ 2,223**	¥ 2,255	**$ 23,649**
Capitalized dismantling and restoration cost of leased property	**1,528**	1,548	**16,255**
Unrealized gains on available-for-sale securities	**1,528**	903	**16,255**
Other	**2,492**	1,414	**26,511**
	7,771	6,120	**82,670**
Net of deferred tax assets—noncurrent	**(6,949)**	(5,420)	**(73,926)**
Deferred tax liabilities—noncurrent portion included in other long-term liabilities	**¥ 822**	¥ 700	**$ 8,744**
Deferred tax liabilities for revaluation (see Note 2(i)) included in other long-term liabilities	**¥ 75**	¥ 75	**$ 798**

In assessing the realizability of deferred tax assets, management of the UNY Group considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. At February 20, 2013 and 2012, a valuation allowance was established to reduce the deferred tax assets to the amount that management of the UNY Group believed the deferred tax assets were expected to be realizable.

The reconciliation of the difference between the Japanese statutory tax rate and the effective income tax rate on pre-tax income reflected in the accompanying consolidated statements of income for the years ended February 20, 2013 and 2012 was as follows:

	Percentage of pre-tax income	
	2013	2012
Statutory tax rate	**40.3 %**	40.3 %
Increase (decrease) due to:		
Local minimum taxes—per capita levy	**2.3**	4.2
Amortization of goodwill	**1.7**	3.0
Change in valuation allowance	**(1.7)**	0.8
Gain on negative goodwill	**(16.6)**	—
Impairment loss on goodwill	**1.9**	—
Effect of income tax rate changes	**—**	6.4
Other	**1.2**	(2.5)
Effective income tax rate	**29.1 %**	52.2 %

On December 2, 2011, the "Act for Partial Amendment of the Income Taxes Act, etc., for the Purpose of Creating a Tax System Responding to Changes in Economic and Social Structures" (Act No. 114, 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake" (Act No. 117, 2011) were promulgated. Accordingly, the corporate income tax rate has been lowered and a special restoration surtax has been imposed from the fiscal years beginning on and after April 1, 2012. As a result of these changes in tax rates, net deferred tax assets decreased by ¥1,524 million and net unrealized gains on available-for-sale securities increased by ¥128 million as of February 20, 2012. Deferred income tax expense increased by ¥1,652 million for the year ended February 20, 2012.

13. Fair Value of Rental Property

At February 20, 2013 and 2012, the UNY Group owned commercial facilities and rental property, including land, for leases in Aichi Prefecture and other areas. For the years ended February 20, 2013 and 2012, the UNY Group recorded net rental income from rental property in the amount of ¥7,830 million ($83,298 thousand) and ¥6,077 million, respectively, in the accompanying consolidated statements of income, while the UNY Group recorded impairment loss of ¥198 million ($2,106 thousand) and ¥629 million, respectively.

Information about the fair value of those properties as of and for the years ended February 20, 2013 and 2012 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Carrying value at the beginning of year	**¥44,889**	¥44,234	**$477,543**
Net changes during the year	**2,598**	655	**27,638**
Carrying value at the end of year	**¥47,487**	¥44,889	**$505,181**
Fair value at the end of year *	**¥45,035**	¥43,476	**$479,096**

* Fair value was measured at reasonable estimated values based principally on real estate appraisal standards by using index and other reconciliations.

14. Other Comprehensive Income

Amounts reclassified to net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and tax effects for each component of other comprehensive income were as follows:

	Millions of yen	Thousands of U.S. dollars
	2013	**2013**
Unrealized gains on available-for-sale securities:		
Increase during the year	**¥2,092**	**$22,255**
Reclassification adjustments	**(8)**	**(85)**
Subtotal, before tax	**2,084**	**22,170**
Tax benefit	**(624)**	**(6,638)**
Subtotal, net of tax	**1,460**	**15,532**
Net deferred gains on hedging instruments:		
Increase during the year	**351**	**3,734**
Tax effect	**(128)**	**(1,362)**
Subtotal, net of tax	**223**	**2,372**
Foreign currency translation adjustments:		
Increase during the year	**165**	**1,756**
Share of other comprehensive income of affiliates accounted for by the equity method		
Decrease during the year	**(58)**	**(617)**
Total other comprehensive income	**¥1,790**	**$19,043**

15. Related Party Transactions

There were no material related party transactions for the year ended February 20, 2012.

Related party transactions for the year ended February 20, 2013 were as follows:

Transactions between consolidated subsidiaries of the Company and related parties

(a) Attribution: Subsidiary
(b) Name: toki-meki.com inc.
(c) Location: Sumida-ku, Tokyo
(d) Capital investment: ¥350 million
(e) Nature of operations: Wholesale
(f) Voting interest: Indirectly: 100.0%
(g) Description of the business relationship:
Interlocking directors, Wholesale

	Millions of yen			Thousands of U.S. dollars	
	Transaction during the year ended February 20, 2013		Resulting account balances	Transaction during the year ended February 20, 2013	Resulting account balances
Detail of transaction	Amount	Accounts	Amount	Amount	Amount
Loan	¥9,700	Short-term loans	¥1,000	$103,191	$10,638

Notes:
1. The Company determines the interest rate based on market interest rates upon loans of funds in a reasonable and appropriate manner. No collateral is provided for this loan.
2. Allowance for doubtful accounts against this loan amounted to ¥449 million. Provision of allowance for doubtful accounts of ¥355 million was recognized for the year ended February 20, 2013.

16. Business Combination

During the year ended February 20, 2013, the Company purchased the additional shares of Circle K Sunkus Co., Ltd. ("CKS"), a consolidated subsidiary which is engaged in the operations of convenience store business as "Circle K" and "Sunkus" brands and associated franchise management, through a tender offer and to make it into a wholly-owned subsidiary of the Company with a view to establishing even closer capital ties with CKS and raising the UNY Group's corporate value further. The tender offer was conducted for the period from February 17, 2012 to April 2, 2012. This tender offer resulted in an increase of the Company's equity shareholding of CKS from 47.2% to 96.4%. As a result of various transactions that followed, as of February 20, 2013, CKS became a wholly-owned subsidiary of the Company.

This transaction was accounted for as business combination under the common control based on the ASBJ Statement No. 21, "Accounting Standards for Business Combination" and the ASBJ Guidance No. 10, "Guidance on Accounting Standard for Business Combination and Accounting Standard for Business Divestitures." The Company's purchase consideration, including the expenditures directly incurred from this transaction of ¥757 million ($8,053 thousand), amounted to ¥77,258 million ($821,894 thousand). The negative goodwill of ¥18,075 million ($192,287 thousand) arose from this transaction for the purchase of additional shares of CKS as the difference between the purchase consideration below the decreased minority interests and was recorded as other income in the accompanying consolidated statements of income for the year ended February 20, 2013.

17. Subsequent Events

(a) Adoption of a holding company system by a company split

On February 21, 2013, in order to adopt a pure holding company system, the Company made a company split into a 100% owned subsidiary to make it succeed the Company's entire business operations, excluding any business pertaining or relating to the control and the management of subsidiaries and affiliates of the Company by way of an absorption type company split based on the resolution at the shareholders' meeting held on May 17, 2012. In addition, on the same date, the Company changed its trade name to "UNY Group Holdings Co., Ltd."

(b) Changes of the Company's fiscal year-end

Based on the resolution at the shareholders' meeting held on May 16, 2013, the Company will change its fiscal year-end from February 20 to the end of February effective from the following fiscal year.

18. Segment Information

(a) General information about reportable segments

The reportable segments of the UNY Group are the business units for which the Company is able to obtain financial information separately in order for the Board of Directors of the Company to conduct periodic investigation to determine the distribution of management resources and evaluate business results. The Company has identified its business units by products and/or services provided to the customers. As a result, the UNY Group categorizes its business into four reportable segments: "General merchandise stores," "Convenience stores," "Specialty stores" and "Financial services."

(b) Basis of measurement about reportable segment profit, segment assets and other material items

The accounting methods used for the reportable segments are consistent with the accounting methods described in Note 2, "Summary of Significant Accounting Policies." Segment income for each reportable segment is presented on an operating income basis, and intersegment profit is accounted for based on prices of ordinary transactions with independent third parties.

(c) Information about segment revenue, segment income, segment assets and other items

Millions of yen

	General merchandise stores	Convenience stores	Specialty stores	Financial services	Other	Total	Adjustment	Consolidated total
For the year 2013:								
Operating revenue:								
External customers	**¥789,521**	**¥154,418**	**¥68,973**	**¥ 13,159**	**¥ 4,188**	**¥1,030,259**	**¥ —**	**¥1,030,259**
Intersegment sales	**2,229**	**5**	**10**	**3,566**	**15,638**	**21,448**	**(21,448)**	**—**
Total	**791,750**	**154,423**	**68,983**	**16,725**	**19,826**	**1,051,707**	**(21,448)**	**1,030,259**
Segment income	**¥ 14,250**	**¥ 16,750**	**¥ (24)**	**¥ 3,233**	**¥ 810**	**¥ 35,019**	**¥ 1**	**¥ 35,020**
Segment assets	**¥557,357**	**¥267,404**	**¥30,414**	**¥104,389**	**¥12,033**	**¥ 971,597**	**¥(139,275)**	**¥ 832,322**
Other items:								
Depreciation	**¥ 15,965**	**¥ 14,909**	**¥ 684**	**¥ 1,258**	**¥ 318**	**¥ 33,134**	**¥ —**	**¥ 33,134**
Investments in affiliated companies accounted for by the equity method	**6,654**	**—**	**—**	**—**	**—**	**6,654**	**—**	**6,654**
Increase in property and equipment and intangible assets	**16,207**	**25,616**	**703**	**1,427**	**1,086**	**45,039**	**—**	**45,039**
For the year 2012:								
Operating revenue:								
External customers	¥800,285	¥187,791	¥74,004	¥ 13,164	¥ 3,907	¥1,079,151	¥ —	¥1,079,151
Intersegment sales	2,277	8	2	3,247	15,638	21,172	(21,172)	—
Total	802,562	187,799	74,006	16,411	19,545	1,100,323	(21,172)	1,079,151
Segment income	¥ 18,142	¥ 20,328	¥ 745	¥ 4,240	¥ 567	¥ 44,022	¥ (20)	¥ 44,002
Segment assets	¥579,607	¥267,545	¥33,284	¥105,053	¥11,319	¥ 996,808	¥ (32,213)	¥ 964,595
Other items:								
Depreciation	¥ 16,081	¥ 13,315	¥ 691	¥ 1,413	¥ 325	¥ 31,825	¥ —	¥ 31,825
Investments in affiliated companies accounted for by the equity method	5,978	840	—	—	—	6,818	—	6,818
Increase in property and equipment and intangible assets	12,684	14,779	782	1,225	1,055	30,525	—	30,525

Thousands of U.S. dollars

	General merchandise stores	Convenience stores	Specialty stores	Financial services	Other	Total	Adjustment	Consolidated total
For the year 2013:								
Operating revenue:								
External customers	**$8,399,160**	**$1,642,745**	**$733,755**	**$ 139,989**	**$ 44,553**	**$10,960,202**	**$ —**	**$10,960,202**
Intersegment sales	**23,712**	**53**	**107**	**37,937**	**166,362**	**228,171**	**(228,171)**	**—**
Total	**8,422,872**	**1,642,798**	**733,862**	**177,926**	**210,915**	**11,188,373**	**(228,171)**	**10,960,202**
Segment income	**$ 151,596**	**$ 178,191**	**$ (255)**	**$ 34,394**	**$ 8,617**	**$ 372,543**	**$ 10**	**$ 372,553**
Segment assets	**$5,929,330**	**$2,844,723**	**$323,553**	**$1,110,521**	**$128,011**	**$10,336,138**	**$(1,481,649)**	**$ 8,854,489**
Other items:								
Depreciation	**$ 169,840**	**$ 158,606**	**$ 7,277**	**$ 13,383**	**$ 3,383**	**$ 352,489**	**$ —**	**$ 352,489**
Investments in affiliated companies accounted for by the equity method	**70,787**	**—**	**—**	**—**	**—**	**70,787**	**—**	**70,787**
Increase in property and equipment and intangible assets	**172,415**	**272,510**	**7,479**	**15,181**	**11,553**	**479,138**	**—**	**479,138**

(d) Enterprise-wide information

Geographic information was not shown because operating revenues to external customers in Japan and property and equipment in Japan accounted for more than 90% of the total related balances.

(e) Information about impairment loss on fixed assets by reported segments

	General merchandise stores	Convenience stores	Specialty stores	Financial services	Other	Total	Adjustment	Consolidated total
								Millions of yen
For the year 2013:								
Impairment loss on fixed assets	**¥2,510**	**¥5,044**	**¥563**	**¥22**	**¥—**	**¥8,139**	**¥—**	**¥8,139**
For the year 2012:								
Impairment loss on fixed assets	¥3,206	¥2,932	¥211	¥—	¥—	¥6,179	¥—	¥6,179
								Thousands of U.S. dollars
For the year 2013:								
Impairment loss on fixed assets	**$26,702**	**$53,660**	**$5,989**	**$234**	**$—**	**$86,585**	**$—**	**$86,585**

(f) Information about amortization and unamortized balances of goodwill by reported segment

	General merchandise stores	Convenience stores	Specialty stores	Financial services	Other	Total	Reconciliation	Consolidated total
								Millions of yen
For the year 2013:								
Amortization of goodwill	**¥ —**	**¥ 1,762**	**¥24**	**¥—**	**¥ 1**	**¥ 1,787**	**¥—**	**¥ 1,787**
Amortization of negative goodwill incurred before April, 2010	**783**	**—**	**—**	**—**	**—**	**783**	**—**	**783**
As of February 20, 2013:								
Balance of goodwill	**—**	**8,979**	**95**	**—**	**1**	**9,075**	**—**	**9,075**
Balance of negative goodwill incurred before April 1, 2010	**449**	**—**	**—**	**—**	**—**	**449**	**—**	**449**
For the year 2012:								
Amortization of goodwill	¥ —	¥ 1,895	¥—	¥—	¥—	¥ 1,895	¥—	¥ 1,895
Amortization of negative goodwill incurred before April, 2010	784	2	1	—	—	787	—	787
As of February 20, 2012:								
Balance of goodwill	—	12,782	—	—	2	12,784	—	12,784
Balance of negative goodwill incurred before April 1, 2010	1,233	—	—	—	—	1,233	—	1,233
								Thousands of U.S. dollars
For the year 2013:								
Amortization of goodwill	**$ —**	**$18,745**	**$ 255**	**$—**	**$11**	**$19,011**	**$—**	**$19,011**
Amortization of negative goodwill incurred before April, 2010	**8,330**	**—**	**—**	**—**	**—**	**8,330**	**—**	**8,330**
As of February 20, 2013:								
Balance of goodwill	**—**	**95,521**	**1,011**	**—**	**11**	**96,543**	**—**	**96,543**
Balance of negative goodwill incurred before April 1, 2010	**4,777**	**—**	**—**	**—**	**—**	**4,777**	**—**	**4,777**

In addition, the Company recorded negative goodwill principally resulting from the tender offer of CKS in the amount of ¥17,995 million ($191,436 thousand) for Convenience stores segment and ¥80 million ($851 thousand) for Financial service segment for the year ended February 20, 2013 (See also Note 16.)

INDEPENDENT AUDITOR'S REPORT

KPMG

Independent Auditor's Report

To the Board of Directors of UNY Group Holdings Co., Ltd.:

We have audited the accompanying consolidated financial statements of UNY Group Holdings Co., Ltd. (formerly UNY CO., LTD., the "Company") and its consolidated subsidiaries (together with the Company, the "UNY Group"), which comprise the consolidated balance sheets as at February 20, 2013 and 2012, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the UNY Group as at February 20, 2013 and 2012, and its financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(n) to the consolidated financial statements, the Company and its domestic consolidated subsidiaries have adopted a new accounting standard for asset retirement obligations effective from the year ended February 20, 2012.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended February 20, 2013 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

June 14, 2013
Nagoya, Japan

CORPORATE DATA

Corporate Data

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1, Amaikegotanda-cho, Inazawa, Aichi 492-8680, Japan
Tel: +81-587-24-8000
URL: http://www.unygroup-hds.com/english/

Data of Establishment
March 13, 1950

Note: This is the date of establishment of UNY CO., LTD., the former name of UNY Group Holdings Co., Ltd.

Number of Employees
36,430 (Consolidated) (As of February 20, 2013)

Capital
¥22,188 million

Number of Common Stock
Issued: 234,100,821 shares

Stock Listing
Tokyo Stock Exchange, Nagoya Stock Exchange

Transfer Agent and Register
Sumitomo Mitsui Trust Bank, Limited

Consolidated Subsidiaries
UNY CO., LTD. (general merchandise stores)
UNY (HK) CO., LIMITED (general merchandise stores)
Circle K Sunkus Co., Ltd. (convenience stores)
SAGAMI Co., Ltd. (kimono retailing)
PALEMO CO., LTD. (young women's apparel and accessories)
MOLIE Co., Ltd. (high-quality women's wear)
UCS CO., LTD. (credit card services)
U-LIFE CO., LTD. (real-estate rental business)
Sun Sougou Maintenance Co., Ltd. (facility management)
SUN REFORM Co., Ltd. (repair and housecleaning)

Note: In addition to the above list, the UNY Group includes one Sagami subsidiary and seven Circle K Sunkus subsidiaries.

Board of Directors and Corporate Auditors

Representative Director and Chairman
Tetsuro Maemura
Chief Executive Officer (CEO)

Representative Director and President
Motohiko Nakamura
Chief Operating Officer (COO)
Director of UNY CO., LTD.

Senior Managing Director
Jiro Koshida
Chief Financial Officer (CFO)
Director of Circle K Sunkus Co., Ltd.
External Director of SAGAMI Co., Ltd.

Managing Director
Katsumi Yamada
Group Business Headquarters Director

Directors
Minoru Umemoto
Group Sales and Planning Headquarters Director; Group Product Planning Department Director

Jun Takahashi
Group Strategy Headquarters Director; Store Development Director

Norio Sako
Representative Director and President of UNY CO., LTD.
External Director of UCS CO., LTD.

Shuichi Takeuchi
Representative Director and President of Circle K Sunkus Co., Ltd.

External Director
Tamotsu Kokado
Advisor of The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Corporate Auditors
Tatsumi Yoshida
Corporate Auditor of UNY CO., LTD.
External Corporate Auditor of SAGAMI Co., Ltd.
External Corporate Auditor of UCS CO., LTD.
External Corporate Auditor of Circle K Sunkus Co., Ltd.
External Corporate Auditor of ENCHO CO., LTD.

Akira Ito
Corporate Auditor of UNY CO., LTD.
External Corporate Auditor of PALEMO CO., LTD.

External Corporate Auditors
Ikuo Tange
External Corporate Auditor of UNY CO., LTD.
External Corporate Auditor of SOTOH CO., LTD.

Naotaka Nanya
External Corporate Auditor of CKD Corporation

(As of May 16, 2013)

UGHD

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