

For the Six Months ended February 28, 2011

Annual Select[®] 2011

**1st
half**

Watts Co., Ltd.

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Corporate Profile

The Watts Group (the Group) is comprised of the following: Watts Co., Ltd. (Watts), four sales companies (three consolidated subsidiaries and one equity-method affiliate) and two import/purchasing companies (consolidated subsidiaries). The Group's primary business is the sale of daily-use items through 100-Yen shops that are either directly managed or franchised. While the Group's main business operations in the "100-Yen-Shop Business Division," is the operation of a chain of "100-Yen shops"—mostly operating under the Group's own names of "meets." and "Silk"—that sell all retail items (mostly practical-use household items including stationary, kitchen items, and sanitary items) at a fixed price of 100 yen, it also sells wholesale to other companies that operate chains. The 100-Yen shops operated by the "100-Yen-Shop Business Division" consist of directly managed shops and franchise shops. The Group's 100-Yen shops as of February 28, 2011 stood at 799 shops. While some of the shops are stand-alone road-side shops, many are tenant shops in mass-retail facilities such as shopping centers, supermarkets, and department stores.

The 100-Yen shop industry grew rapidly in the mid-nineties against a backdrop of a deflationary economy. However, the market has been in a state of saturation for the past several years. In this market, Watts currently ranks fourth after successfully conducting M&A to expand its scale of operations. While on one hand consumers are increasingly inclined towards lower-priced items, the cost competitiveness of 100-yen items has weakened in comparison to the past. In order to differentiate itself from other companies, Watts is therefore providing best value-for-money practical-use household items (provide products worth more than 100 yen, mostly kitchen, cleaning, sanitary and leisure items; Watts aims to develop 100 items in this category by the end of August 2011). By speedily opening and closing shops, Watts has maintained a strong profit-making position, and it has achieved a growth in operating income for five consecutive years. Watts is now strategically preparing for future growth by developing shop network overseas and forming collaboration with a food supermarket. In Bangkok, Thailand, the first shop was opened in June 2009 and six shops were operating as of the end of February 2011; and a distribution warehouse was established in February 2010 and the foundation is now laid for an expansive shop network. Shop networks are also being planned for other countries. In domestic area, Watts is collaborating with Daikokuten Bussan Company to operate a food supermarket 100-Yen shop: a discount food shop and 100-Yen shop collaboration. The aim is to develop this collaboration into an expansive shop network. Watts is in charge of daily-use variety items that are handled by 100-Yen shops and Daikokuten Bussan is in charge of food items with strong cost competitiveness obtained by using private-brand products.

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I. Summary of Selected Financial Data (Consolidated)

	First six months of 16th term	First six months of 17th term	Second quarter of 16th term	Second quarter of 17th term	16th term
	From September 1, 2009 to February 28, 2010	From September 1, 2010 to February 28, 2011	From December 1, 2009 to February 28, 2010	From December 1, 2010 to February 28, 2011	From September 1, 2009 to August 31, 2010
Net sales (Thousands of yen)	17,073,420	18,408,324	8,683,930	9,594,261	34,634,784
Ordinary income (Thousands of yen)	811,879	950,989	472,392	509,518	1,542,635
Net income (Thousands of yen)	397,717	471,937	227,389	270,310	726,873
Net assets (Thousands of yen)	–	–	3,583,796	4,230,363	3,916,924
Total assets (Thousands of yen)	–	–	12,821,990	12,836,103	11,962,809
Net assets per share (Yen)	–	–	576.37	680.85	629.43
Net income per share (Yen)	64.15	75.93	36.68	43.37	117.25
Diluted net income per share (Yen)	62.89	74.72	35.93	42.80	114.81
Equity ratio (%)	–	–	27.9	32.9	32.6
Net cash provided by (used in) operating activities (Thousands of yen)	1,526,776	642,483	–	–	1,471,023
Net cash provided by (used in) investing activities (Thousands of yen)	(233,275)	(416,648)	–	–	(418,848)
Net cash provided by (used in) financing activities (Thousands of yen)	181,838	302,203	–	–	(348,380)
Cash and cash equivalents at end of period (Thousands of yen)	–	–	2,809,801	2,565,037	2,037,909
Number of employees (Persons)	–	–	225	307	254

- Notes: 1. Because Watts Co., Ltd. prepares quarterly consolidated financial statements, non-consolidated summary of selected financial data are omitted.
2. Net sales do not include consumption taxes.
3. A share split of 200-for-1 was conducted on January 1, 2010.

II. Message From Management

おかげさまで

With a Spirit of Appreciation



Fumio Hiraoka
President and CEO

Management Philosophy

It is thanks to everyone that we succeed in our work.

We place importance on the spirit of appreciation. Aiming to grow together with everyone, our mission is to contribute to society and help everyone who has helped us.

For the continuous satisfaction of our customers

At Watts, we are doubling our efforts towards “the creation of a system to sell good products at cheaper prices.” To continue offering practical-use household items worth more than 100 yen at a price of 100 yen, we find all possible ways to reduce the expenses related to shop operations; we secure profits by opening a large number of shops that can make a profit even on small sales, and we invest to strengthen our power to create new products and expand the Group’s scale.

“Firstly, invest in the development of with best value-for-money products that meet customers’ satisfaction. Then by selling such products, raise attractiveness of shops. With this enhanced attractiveness, increase the number of shops and generate new M&A opportunities, increasing the Group’s scale. Take advantage of this merit of scale as a purchaser to strengthen profitability. Use this profit to make further investment.”

At Watts, we believe that if we continue to repeat the above cycle, we shall achieve “the creation of a system to sell good products at cheaper prices,” and we are working daily at this task.

III. Operating Results

(1) Analysis of operating results

In the six months ended February 28, 2011, the Japanese economy was initially clouded by future uncertainty fueled by the strong yen and the contraction of the Government's personal consumption stimulation measures, but in the latter half of the six month period, led by overseas demand, the economy had clearly begun to move out of economic stagnation. However, the soaring crude oil prices resulting from the growing political tensions in the Middle East and North Africa along with the rising cost of other raw materials could have a disrupting effect on the future of the economy. Looking at the trend of consumption in Japan, although retail sales fell from the previous fiscal year, which was a correction that we were expecting, in the latter half of the six month period, there were signs of a gradual recovery. On the other hand, there is a fear that concerns regarding the future of the economy that are accompanying the global rise in food and crude oil prices will dampen consumer sentiment. Operating in this environment, Watts has continued to deploy its product policy, which involves developing groups of products that offer clear value-for-money, and its shop policy, which involves low-cost opening and closing of shops and low-cost operations.

In the six months ended February 28, 2011, the number of 100-Yen shops opened included 52 directly managed shops and 3 franchise/other shops, while the number of 100-Yen shops closed included 26 directly managed shops and 28 franchise/other shops. As of the end of the six month period, the number of shops belonging to the Watts Group was 823, which includes shops other than 100-Yen shops. As a result, net sales for the six month period was 18,408 million yen (up 7.8% year on year), operating income was 775 million yen (up 9.6% year on year), ordinary income was 950 million yen (up 17.1% year on year) and net income was 471 million yen (up 18.7% year on year).

- Net sales increased 7.8% year on year as a result of strong performance from both existing shops and newly opened shops.
- Gross profit to sales ratio rose 0.6 points year on year as a result of a lower wholesale to net sales ratio and reduced product loss ratio.
- Ordinary income increased by a considerable 17.1% year on year due to the inclusion of special factors.
- Net income has surpassed 60% with respect to the rate of progress towards achieving the full year target.

(Millions of yen)

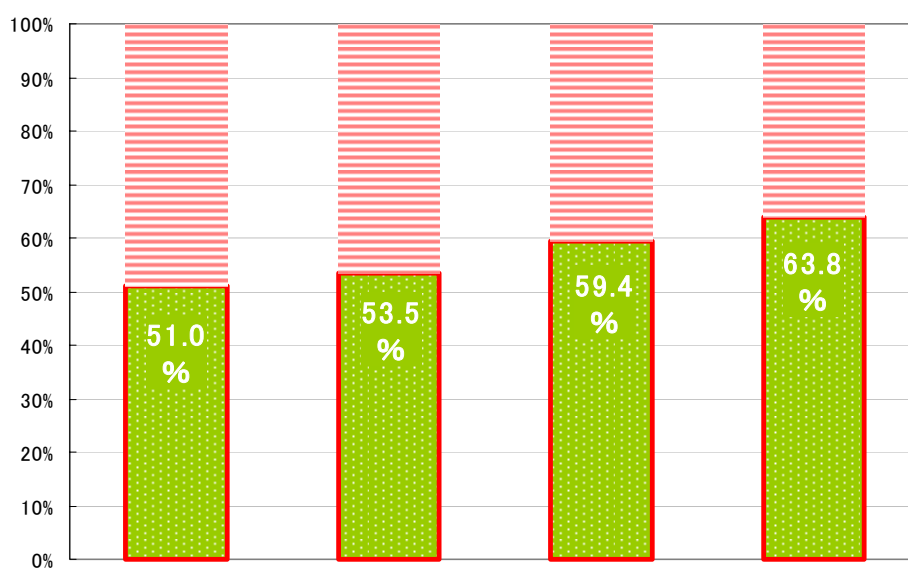
	2Q ended February 28, 2010		2Q ended February 28, 2011		Year-on- year change	2Q Forecast	
		Ratio to net sales		Ratio to net sales			Change from forecast
Net sales	17,073	100.0%	18,408	100.0%	7.8%	17,600	808
Gross profit	6,359	37.2%	6,967	37.8%	9.6%	—	—
Selling, general and administrative expenses	5,651	33.1%	6,191	33.6%	9.6%	—	—
Operating income	707	4.1%	775	4.2%	9.6%	710	65
Ordinary income	811	4.8%	950	5.2%	17.1%	850	100
Net income	397	2.3%	471	2.6%	18.7%	405	66
Net income per share (Yen)	64.15		75.93		—	—	—

Note: Forecast figures are from the forecasts for the fiscal year ending August 31, 2011 that was announced on October 12, 2010.

(2) Forecasts for the Full Year

So far this fiscal year, operating results have continued at a satisfactory level on account of the factors described below. However, there is now a need to carefully consider the possible impact on current operations from the Great East Japan Earthquake that occurred on March 11, 2011. If it becomes necessary to revise the forecasts from the amounts forecasted for the full year announced near the beginning of the fiscal year (October 12, 2010), we will promptly disclose this information.




Looking at the operating results up until the end of the six month period, net sales has been strong as a result of sales growth from existing shops and the opening of new shops. Sales from existing shops grew 101.1%, year on year. The forecast assumed a sales growth of 100.0%. This result clearly shows that we achieved beneficial results from our efforts beginning in the second half of the previous fiscal year of introducing our own private-brand, best value-for-money products. With respect to new shop openings, we were able to open shops at a significantly accelerated pace to what was planned for September and October, which contributed to an accumulation of net sales. With respect to profit, although the expense ratio rose, this was offset by a rise in the gross profit to sales ratio, resulting in operating income and ordinary income both exceeding the plan.



(Millions of yen)	Net sales	Operating income	Ordinary income	Net income
Fiscal year ending August 31, 2011 (Forecast)	36,100	1,450	1,600	740
Result for the six months ended February 28, 2011	18,408	775	950	471
Rate of progress	51.0%	53.5%	59.4%	63.8%

IV. Medium-Term Management Plan

Basic Strategy

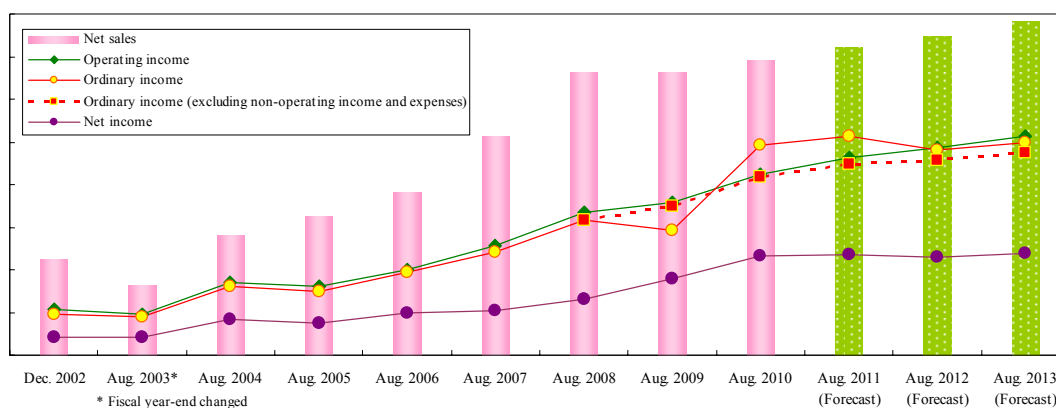
 Product strategy	Product line-up centering on best value-for-money practical-use household items
 Shop-opening strategy	Low-cost opening (closing) of shops
 Operational strategy	Low-cost operation

Growth Strategy

- **Ongoing shop opening of existing-format shops**
→ Existing shop growth is currently about 3%.
- **Development of private-brand products that differentiate us from competitors**
→ Increase private-brand product items (mostly kitchen, cleaning and leisure items).
- **Establish overseas shop operations**
→ Complete business format in Bangkok, Thailand.
- **Development of new business**
→ Venture into new business formats (retail shops (4 formats), restaurants).

Long-Term Growth Strategy

- **Differentiate, and strengthen customer attraction through private-brand products**
→ Demonstrate brand power with line-up of private-brand products.
- **Expand areas of overseas shop-opening and increase number of overseas shops**
→ Expand to the second country, then the third...
- **Conduct M&A**
→ Actively consider M&A candidates that will expand business operation and strengthen the revenue platform.



(Millions of yen)

	Fiscal year ended August 31, 2010			Fiscal year ending August 31, 2011 (Forecast)			Fiscal year ending August 31, 2012 (Forecast)			Fiscal year ending August 31, 2013 (Forecast)		
		Ratio to net sales	Year-on-year change		Ratio to net sales	Year-on-year change		Ratio to net sales	Year-on-year change		Ratio to net sales	Year-on-year change
Net sales	34,634	100.0%	4.7%	36,100	100.0%	4.2%	37,500	100.0%	3.9%	39,100	100.0%	4.3%
Operating income	1,325	3.8%	18.7%	1,450	4.0%	9.4%	1,520	4.1%	4.8%	1,600	4.1%	5.3%
Ordinary income	1,542	4.5%	69.2%	1,600	4.4%	3.7%	1,500	4.0%	-6.3%	1,560	4.0%	4.0%
(Ordinary income excluding special factors)	1,306	3.8%	19.8%	1,398	3.7%	7.0%	1,425	3.8%	1.9%	1,480	3.8%	3.9%
Net income	726	2.1%	28.7%	740	2.0%	1.8%	720	1.9%	-2.7%	750	1.9%	4.2%
Plan assumptions												
100-Yen shop total at year-end (shops)	791	24		844	53		894	50		944	50	
100-Yen shop existing-shop growth rate	99.2%	0.5%		100.0%	0.8%		99.0%	-1.0%		100.0%	1.0%	
New business total at year-end (shops)	31	10		28	-3		31	3		35	4	
New business sales share	3.5%	0.6%		3.8%	0.3%		3.9%	0.1%		4.1%	0.2%	

Note: Plan assumptions do not consider a dramatic increase in the number of overseas shops, an expansion of overseas shop-opening areas, or the occurrence of any M&A events. If any of these circumstances arise, they would cause upward revision to the above plan targets.

V. Examples of Products

value that satisfies you

WATTS
SELECT



Plastic wrap

22cm×60m, 30cm×60m

Increased length by 40m (normally 30m at competing 100-Yen shops)



Aluminum foil

25cm×20m

Increased length by 4m (normally 18m at competing 100-Yen shops). The foil cutter is made from paper, so the package can be directly recycled without separating the cutter.



Side-dish cups (three types)

The cups are microwave oven friendly. Now with about 50% extra volume for extra bargain. New design for greater enjoyment when making lunch boxes.



Food packs (L, M, S, SS)

Made exclusively in Japan. Packs come in four sizes to suit various different uses.



Wet tissues

(pack of 120) (refill pack of 160)

The wet-tissue's material has reduced lint and it is a non-alcohol, kinder-on-the-skin type. The refill pack contains 160 sheets for extra bargain.



Flushable pocket tissues

(pack of 16)

Made from recycled milk cartons, these tissues are a flushable, environmentally friendly product.



Flushable toilet cleaner sheets (pack of 45)

Increased alcohol content by 3%, boosting anti-bacterial action. The sheet's size (16cm x 25cm) means one sheet can be used to clean around toilet.

Kitchen cleaner sheets for oily grime (pack of 45)

Increased alcohol content by 3%, boosting anti-bacterial action. Now better bargain with three extra sheets.

Multi-purpose cleaner sheets (pack of 12)

Just one thick-and-large sheet (20cm x 30cm) can be used to wipe furniture to floors. Now better bargain with two extra sheets.



Wax sheets for floor cleaning

(pack of 12)

Dry sheets for floor cleaning

(pack of 40)

Wet sheets for floor cleaning

(pack of 30)

Contain Ag (silver ions). Effective wiping function due to large, mesh-type sheet (20cm x 30cm). The wet and wax sheets contain Ag (silver ions), which have an anti-bacterial anti-microbial effect. The dry sheets contain an absorptive agent making them effective for collecting dust off floors. Now better bargain with two extra sheets.

VI. Overview of Shops

A wide variety of new businesses managed by Watts



Both shops have an extensive product line-up for every-day living convenience. We aim for “at-home” community-based atmosphere akin to traditional shopping arcades.



Aiming to “offer fun lifestyles with comfortable-to-use quality Japanese items to people in Asian countries,” the shop’s line-up are entirely items produced by Japanese, mostly with a Japanese flavor.



Buona Vita is Italian for “good life.” The shop provides a product line-up with the theme “healing space” for spending a comfortable time.



A food discounter/100-yen shop collaboration. The small-scale (about 825m²) supermarkets sell competitively priced food at variable prices and practical-use household items at a fixed 100-yen price.



Joined the Watts Group on December 2, 2010.

AMANO’s mission is to deliver in a timely fashion a diverse range of lifestyle goods that truly satisfy our customers’ contemporary needs such as the provision of affluence and comfort, naturalness and person friendliness along with “dreaming heart.”

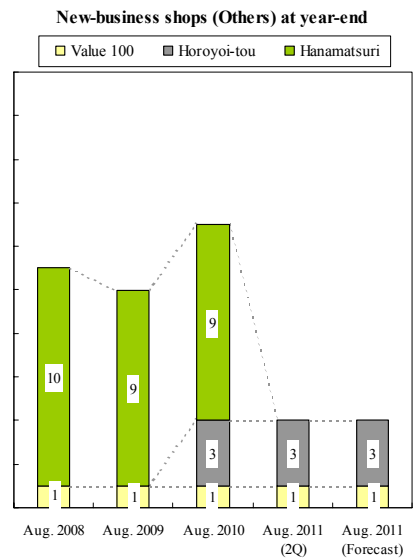
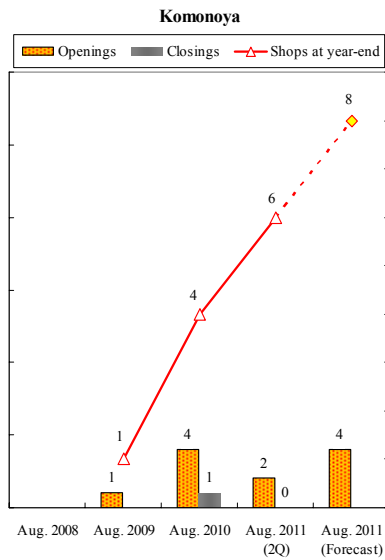
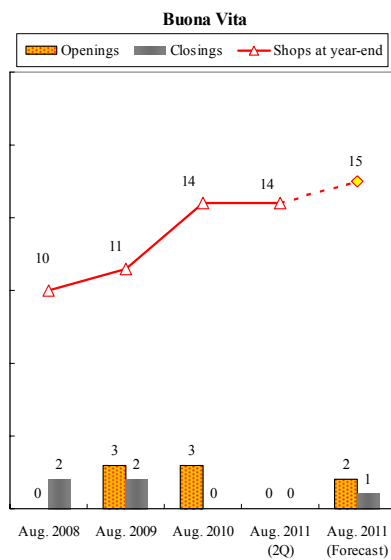
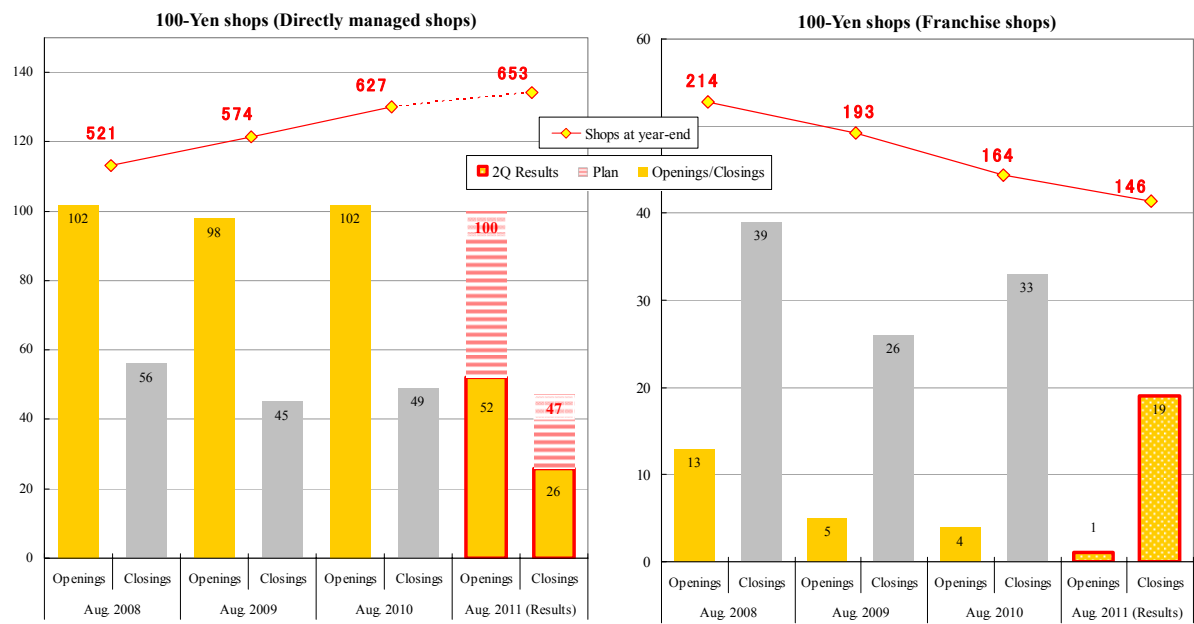
We quickly catch the latest trends, and manufacture, import, and sell attractive new products or private-brand products perfectly suited for today’s lifestyles.



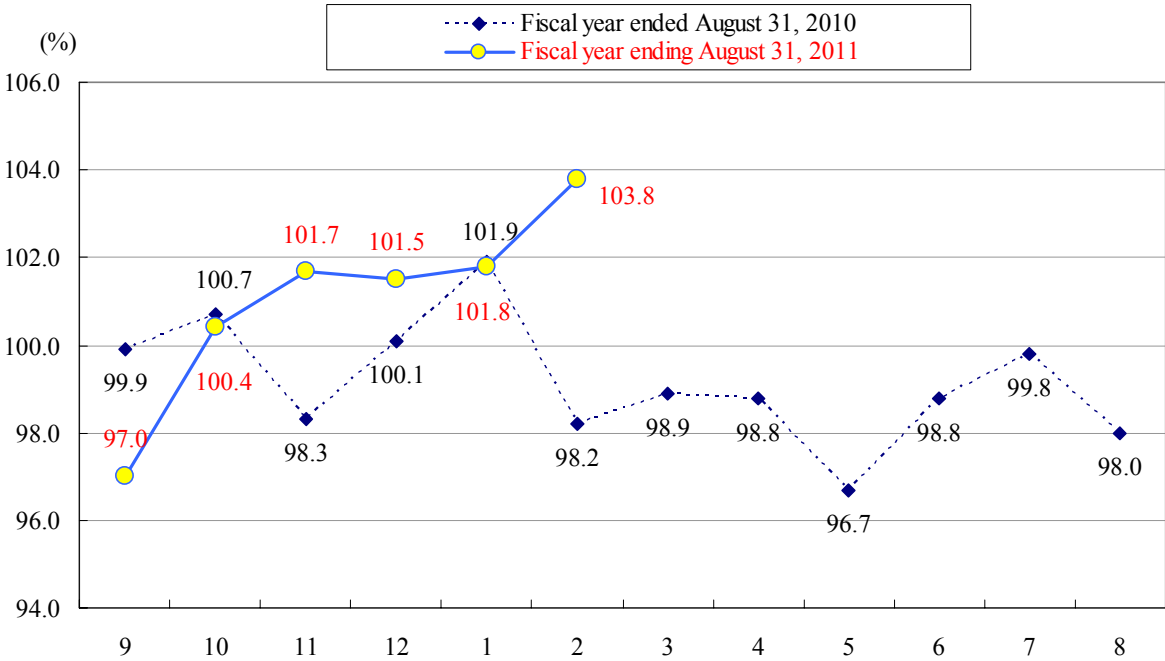
The bar, opened under the concept “a standing bar for drinkers, by drinkers, for drinking,” has easy-on-your-wallet low prices, friendly service and lively atmosphere.



VII. Trend of Shop Numbers



VIII. Year-on-Year Trend of Net Sales of Existing Shops



	First half	Second half	Full year
Fiscal year ended August 31, 2009	98.0%	99.4%	98.7%
Fiscal year ended August 31, 2010	99.9%	98.5%	99.2%
Fiscal year ending August 31, 2011	101.1%	—	—

IX. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Thousands of yen)	
	As of February 28, 2011	As of August 31, 2010 (Summary)
Assets		
Current assets		
Cash and deposits	2,565,037	2,037,909
Notes and accounts receivable-trade	1,754,961	1,694,143
Merchandise and finished goods	4,266,467	4,032,362
Raw materials and supplies	7,190	9,222
Deferred tax assets	242,213	347,539
Other	390,652	330,867
Allowance for doubtful accounts	(20,049)	(25,094)
Total current assets	9,206,473	8,426,950
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	719,619	682,676
Accumulated depreciation and impairment loss	(474,399)	(478,417)
Buildings and structures, net	245,220	204,258
Vehicles	13,151	6,427
Accumulated depreciation and impairment loss	(10,661)	(3,812)
Vehicles, net	2,490	2,615
Tools, furniture and fixtures	1,996,143	1,865,610
Accumulated depreciation and impairment loss	(1,516,896)	(1,408,557)
Tools, furniture and fixtures, net	479,246	457,052
Land	80,600	80,600
Total property, plant and equipment	807,557	744,527
Intangible assets		
Goodwill	156,105	234,157
Other	29,973	29,033
Total intangible assets	186,078	263,190
Investments and other assets		
Investment securities	74,934	65,128
Deferred tax assets	40,032	22,047
Guarantee deposits	2,447,353	2,366,007
Other	106,117	104,809
Allowance for doubtful accounts	(32,443)	(29,851)
Total investments and other assets	2,635,993	2,528,141
Total noncurrent assets	3,629,630	3,535,859
Total assets	12,836,103	11,962,809

(Thousands of yen)

	As of February 28, 2011	As of August 31, 2010 (Summary)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,094,704	3,870,641
Short-term loans payable	140,000	140,000
Current portion of bonds	40,000	180,000
Current portion of long-term loans payable	1,416,359	1,160,189
Income taxes payable	406,769	759,187
Accrued consumption taxes	23,524	25,834
Provision for bonuses	138,123	108,950
Other	526,455	581,686
Total current liabilities	6,785,937	6,826,489
Noncurrent liabilities		
Long-term loans payable	1,379,893	873,739
Provision for retirement benefits	80,964	74,546
Provision for directors' retirement benefits	83,382	68,553
Asset retirement obligations	78,580	—
Other	196,981	202,556
Total noncurrent liabilities	1,819,802	1,219,394
Total liabilities	8,605,739	8,045,884
Net assets		
Shareholders' equity		
Capital stock	440,297	440,297
Capital surplus	876,066	876,066
Retained earnings	3,223,570	2,879,995
Treasury stock	(318,138)	(291,374)
Total shareholders' equity	4,221,796	3,904,985
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	418	(4,907)
Foreign currency translation adjustment	596	1,932
Total valuation and translation adjustments	1,015	(2,975)
Subscription rights to shares	7,552	14,914
Total net assets	4,230,363	3,916,924
Total liabilities and net assets	12,836,103	11,962,809

(2) Consolidated Statements of Income

(Thousands of yen)

	Six months ended February 28, 2010	Six months ended February 28, 2011
Net sales	17,073,420	18,408,324
Cost of sales	10,714,005	11,441,188
Gross profit	6,359,415	6,967,136
Selling, general and administrative expenses	5,651,614	6,191,738
Operating income	707,800	775,397
Non-operating income		
Rent income	14,546	10,131
Gain on consumption taxes exemption	110,020	–
Refunded consumption taxes	–	201,013
Other	24,190	5,092
Total non-operating income	148,756	216,237
Non-operating expenses		
Interest expenses	18,351	14,730
Early-withdrawal penalty	14,645	4,133
Equity in losses of affiliates	–	13,215
Other	11,680	8,565
Total non-operating expenses	44,677	40,645
Ordinary income	811,879	950,989
Extraordinary income		
Gain on sales of investment securities	–	8,243
Reversal of allowance for doubtful accounts	1,535	6,747
Other	273	7,586
Total extraordinary income	1,809	22,577
Extraordinary loss		
Loss on retirement of noncurrent assets	2,108	871
Loss on sales of noncurrent assets	1,209	–
Impairment loss	27,075	6,933
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	46,994
Other	–	312
Total extraordinary losses	30,393	55,111
Income before income taxes and minority interests	783,296	918,455
Income taxes-current	512,926	362,257
Income taxes-deferred	(127,347)	84,260
Total income taxes	385,578	446,517
Income before minority interests	–	471,937
Net income	397,717	471,937

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended February 28, 2010	Six months ended February 28, 2011
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	783,296	918,455
Depreciation and amortization	98,632	107,760
Impairment loss	27,075	6,933
Amortization of negative goodwill	(3,021)	–
Amortization of goodwill	78,052	104,019
Increase (decrease) in allowance for doubtful accounts	(1,535)	(7,003)
Increase (decrease) in provision for bonuses	(12,237)	8,824
Increase (decrease) in provision for retirement benefits	15,482	6,417
Increase (decrease) in provision for directors' retirement benefits	3,846	329
Interest and dividends income	(2,805)	(1,983)
Interest expenses	18,351	14,730
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	46,994
Loss (gain) on sales of investment securities	–	(8,243)
Loss on retirement of noncurrent assets	2,108	871
Decrease (increase) in notes and accounts receivable-trade	(79,795)	218,283
Decrease (increase) in inventories	(354,746)	(58,396)
Increase (decrease) in notes and accounts payable-trade	1,066,821	202,277
Increase (decrease) in accrued consumption taxes	(55,135)	(81,723)
Other, net	44,798	(68,300)
Subtotal	1,629,188	1,410,248
Interest and dividends income received	2,712	1,695
Interest expenses paid	(19,197)	(15,099)
Income taxes paid	(85,926)	(754,360)
Net cash provided by (used in) operating activities	1,526,776	642,483
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(145,375)	(126,480)
Proceeds from sales of property, plant and equipment	745	13,759
Payments for lease and guarantee deposits	(143,302)	(106,331)
Proceeds from collection of lease and guarantee deposits	62,338	174,341
Purchase of investment securities	(4,500)	–
Proceeds from sales of investment securities	–	11,243
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(381,276)
Other, net	(3,182)	(1,905)
Net cash provided by (used in) investing activities	(233,275)	(416,648)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	–	(150,000)
Proceeds from long-term loans payable	850,000	1,500,000
Repayment of long-term loans payable	(566,168)	(743,178)
Redemption of bonds	(40,000)	(140,000)
Proceeds from sales of treasury stock	–	45,414
Purchase of treasury stock	–	(86,046)
Cash dividends paid	(61,994)	(123,986)
Net cash provided by (used in) financing activities	181,838	302,203
Effect of exchange rate change on cash and cash equivalents	(1,906)	(910)
Net increase (decrease) in cash and cash equivalents	1,473,431	527,127
Cash and cash equivalents at beginning of period	1,336,369	2,037,909
Cash and cash equivalents at end of period	2,809,801	2,565,037

X. Company Information / Stock Information (as of February 28, 2011)

Company Information

Trade name:	Watts Co., Ltd.
Date of establishment:	February 22, 1995
Listing date:	May 24, 2002
Quarterly accounting period:	The second quarter of the 17th term (from December 1, 2010 to February 28, 2011)
Paid-in capital:	440 million yen
Number of employees:	2,260 (including part-time workers) (consolidated)
Head office:	Sumitomo Seimei OBP Plaza Bldg. 4-70, Shiromi 1-chome, Chuo-ku, Osaka-shi, Osaka
Telephone:	+81-6-4792-3280
Group companies:	Watts Ohthree Co., Ltd. CMK Trading Co., Ltd. Watts Planning Co., Ltd. Thai Watts Co., Ltd. AMANO Co., Ltd.

Directors and Auditors

President and CEO	Fumio Hiraoka
Vice-president	Masanao Ochi
Vice-president	Atsuo Kinugasa
Board member	Hiroshi Fukumitsu
Board member	Haruo Kobayashi
Board member	Kiichiro Yamamoto
Standing Corporate Auditor	Eiji Fujita
Auditor	Yoshihiro Sawamura
Auditor	Yoshihiro Sakatani

Stock Status

Total number of authorized shares:	18,000,000 shares
Total number of shares issued:	6,979,400 shares
Number of shareholders:	1,151
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands of shares)	Share-holding ratio (%)
Watts Co., Ltd.	777	11.13
Torio Inc.	627	9.00
Fumio Hiraoka	451	6.46
Mitsuko Hiraoka	385	5.52
Atsuo Kinugasa	369	5.29
Osaka Small and Medium Business Investment & Consultation Co., Ltd.	324	4.64
Akari Inc.	281	4.03
ONTSU Co., Ltd.	275	3.95
Watts Employees Stocks Ownership Plan	223	3.20
Japan Trustee Services Bank, Ltd. (Trust Account)	211	3.03