

# Consolidated Balance Sheets

At 31 March 2015 and 2014	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
<b>ASSETS</b>			
Current assets:			
Cash and time deposits	¥31,880	¥30,521	\$ 265,077
Securities	100	-	832
Notes and accounts receivable :			
Third parties	31,669	31,690	263,317
Unconsolidated subsidiaries and affiliates	20	3	174
	<b>31,690</b>	31,694	<b>263,491</b>
Less: allowance for doubtful accounts	(342)	(300)	(2,845)
	<b>31,347</b>	31,393	<b>260,646</b>
Merchandise and finished goods	182	79	1,515
Work and software in progress and merchandise	898	674	7,473
Supplies	32	33	274
Deferred tax assets	1,843	1,778	15,324
Other current assets	2,984	2,445	24,812
Total current assets	<b>69,269</b>	66,926	<b>575,953</b>
Investments and advances:			
Investments in securities	4,272	2,494	35,524
Investments in and advances to unconsolidated subsidiaries and affiliates	9,545	5,113	79,366
Investments in other securities of unconsolidated subsidiaries and affiliates	-	76	-
Investments in affiliates	2,256	2,260	18,759
Long-term loans receivable	729	434	6,067
Other investments	401	314	3,340
Less: allowance for doubtful accounts	(332)	(256)	(2,767)
Total investments and advances	<b>16,872</b>	10,437	<b>140,289</b>
Property and equipment, at cost less accumulated depreciation			
	7,914	7,714	65,803
Leasehold deposits	5,533	5,159	46,008
Software	1,448	1,178	12,044
Software in progress	55	145	461
Intangibles and others	319	324	2,660
Deferred tax assets	62	133	517
Goodwill	75	151	631
<b>Total assets</b>	<b>¥101,551</b>	¥92,173	<b>\$ 844,366</b>

At 31 March 2015 and 2014	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities:			
Short-term debt	¥-	¥366	\$ -
Current portion of bonds	-	20	-
Current portion of long-term debt	90	1,668	756
Accounts payable:			
Third parties	12,143	11,589	100,966
Unconsolidated subsidiaries and affiliates	194	166	1,616
	<b>12,337</b>	11,755	<b>102,582</b>
Accrued expenses	7,668	7,106	63,764
Income taxes payable	2,631	2,258	21,883
Advances received from customers	706	765	5,876
Accrued bonuses for employees	3,633	3,541	30,213
Other current liabilities	6,124	3,027	50,924
<b>Total current liabilities</b>	<b>33,194</b>	30,511	<b>275,998</b>
Non-current liabilities:			
Long-term debt	165	352	1,376
Reserve for retirement benefits	19	172	160
Security deposits received	28	33	240
Other non-current liabilities	747	294	6,218
<b>Total non-current liabilities</b>	<b>961</b>	851	<b>7,994</b>
Commitments and contingent liabilities			
Net assets :			
Stockholders' equity:			
Common stock :			
Authorized: 150,000,000 shares at 31 March 2015 and 2014			
Issued: 48,794,046 shares at 31 March 2015 and 2014	29,065	29,065	241,673
Capital surplus	20,510	20,510	170,536
Retained earnings	27,476	22,105	228,457
Treasury stock, at cost:			
7,654,751 and 7,653,376 shares at 31 March 2015 and 2014, respectively	(15,932)	(15,929)	(132,470)
<b>Total stockholders' equity</b>	<b>61,120</b>	55,753	<b>508,196</b>
Valuation and translation adjustments:			
Unrealized gains on marketable securities and investments in securities	1,199	611	9,977
Foreign currency translation adjustments	2,716	989	22,589
<b>Total valuation and translation adjustments</b>	<b>3,916</b>	1,600	<b>32,567</b>
Minority interests	2,358	3,455	19,611
<b>Total net assets</b>	<b>67,396</b>	60,809	<b>560,374</b>
<b>Total liabilities and net assets</b>	<b>¥101,551</b>	¥92,173	<b>\$ 844,366</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Statements of Income

For the years ended 31 March 2015, 2014 and 2013	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
Net sales	¥199,178	¥186,503	¥166,335	\$ 1,656,093
Cost of sales	162,490	151,100	137,667	1,351,047
Gross profit	36,687	35,403	28,668	305,046
Selling, general and administrative expenses	27,521	25,861	21,415	228,828
Operating income	9,166	9,541	7,253	76,218
Non-operating income (expenses):				
Interest income	102	55	82	855
Interest expense	(23)	(85)	(226)	(198)
Dividend income	23	31	26	199
Equity in gain/ loss of unconsolidated subsidiaries and affiliates	246	15	539	2,049
Foreign exchange gains	361	261	368	3,007
Gain on subsidy accounts	115	167	175	956
Provision of allowance for doubtful accounts	(98)	(108)	-	(817)
Loss on impairment of fixed assets	(406)	(156)	(141)	(3,378)
Gain on sale/disposal of investments in securities	-	234	196	-
Write-downs of marketable securities and investments in securities	(740)	(1,123)	(757)	(6,152)
Gain on sale/disposal of investments in affiliates	1,841	33	1,078	15,310
Loss on sale/disposal of investments in affiliates	-	-	(182)	-
Write-downs of investments in affiliates	(999)	(115)	-	8,307
Gains on change in equity	1,331	36	-	11,073
Reversal of provision for loss on litigation	-	1,064	-	-
Loss on litigation	-	(406)	-	-
Loss on transition of retirement benefit plan	-	-	(162)	-
Other income	597	562	472	4,966
Other expenses	(638)	(232)	(172)	(5,307)
Total non-operating income (expenses)	1,714	234	1,296	14,256
Income before income taxes and minority interests	10,881	9,776	8,549	90,474
Income taxes:				
Current	3,440	2,617	1,525	28,607
Deferred	(193)	285	1,806	(1,608)
	7,634	6,872	5,217	63,475
Minority interests in net income (loss) of consolidated subsidiaries	284	583	297	2,364
Net income	¥7,349	¥6,289	¥4,919	\$ 61,111

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Net Assets

For the year ended 31 March 2015 and 2014

Millions of yen

	Number of shares of common stock in issue	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on marketable securities and investments in securities	Foreign currency translation adjustments	Minority interests	Total net assets
<b>Balance at 31 March 2013</b>	<b>48,794,046</b>	<b>¥ 29,065</b>	<b>¥ 20,510</b>	<b>¥ 17,297</b>	<b>¥ (15,924)</b>	<b>¥ 248</b>	<b>¥ (1,314)</b>	<b>¥ 3,417</b>	<b>¥ 53,301</b>
Cash dividends	-	-	-	(1,481)	-	-	-	-	(1,481)
Changes by share exchanges	-	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2014	-	-	-	6,289	-	-	-	-	6,289
Change of scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	-	(4)	-	-	-	(4)
Disposal of treasury stock	-	-	-	-	-	-	-	-	-
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	362	2,303	38	2,704
<b>Balance at 31 March 2014</b>	<b>48,794,046</b>	<b>¥ 29,065</b>	<b>¥ 20,510</b>	<b>¥ 22,105</b>	<b>¥ (15,929)</b>	<b>¥ 611</b>	<b>¥ 989</b>	<b>¥ 3,455</b>	<b>¥ 60,809</b>
Cash dividends	-	-	-	(1,892)	-	-	-	-	(1,892)
Changes by share exchanges	-	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2015	-	-	-	7,349	-	-	-	-	7,349
Change of scope of consolidation	-	-	-	-	-	-	-	-	-
Change of scope of equity method	-	-	-	(86)	-	-	-	-	(86)
Acquisition of treasury stock	-	-	-	-	(3)	-	-	-	(3)
Disposal of treasury stock	-	-	(0)	-	0	-	-	-	0
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	588	1,727	(1,097)	1,219
<b>Balance at 31 March 2015</b>	<b>48,794,046</b>	<b>¥ 29,065</b>	<b>¥ 20,510</b>	<b>¥ 27,476</b>	<b>¥ (15,932)</b>	<b>¥ 1,199</b>	<b>¥ 2,716</b>	<b>¥ 2,358</b>	<b>¥ 67,396</b>

	Thousands of U.S. dollars							
<b>Balance at 31 March 2013</b>	<b>\$ 241,673</b>	<b>\$ 170,536</b>	<b>\$143,824</b>	<b>\$ (132,406)</b>	<b>\$ 2,066</b>	<b>\$ (10,926)</b>	<b>\$ 28,417</b>	<b>\$ 443,184</b>
Cash dividends	-	-	(12,315)	-	-	-	-	(12,315)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2014	-	-	52,293	-	-	-	-	52,293
Change of scope of consolidation	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	(39)	-	-	-	(39)
Disposal of treasury stock	-	-	-	-	-	-	-	-
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	3,017	19,150	316	22,484
<b>Balance at 31 March 2014</b>	<b>\$ 241,673</b>	<b>\$ 170,536</b>	<b>\$183,802</b>	<b>\$ (132,445)</b>	<b>\$ 5,083</b>	<b>\$ 8,224</b>	<b>\$ 28,733</b>	<b>\$ 505,607</b>
Cash dividends	-	-	(15,735)	-	-	-	-	(15,735)
Changes by share exchanges	-	-	-	-	-	-	-	-
Changes by merger	-	-	-	-	-	-	-	-
Net income for the year ended 31 March 2015	-	-	61,111	-	-	-	-	61,111
Change of scope of consolidation	-	-	-	-	-	-	-	-
Change of scope of equity method	-	-	(721)	-	-	-	-	(721)
Acquisition of treasury stock	-	-	-	(26)	-	-	-	(26)
Disposal of treasury stock	-	(0)	-	1	-	-	-	1
Adjustments due to changes in fiscal periods of consolidated subsidiaries	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	4,894	14,365	(9,121)	10,137
<b>Balance at 31 March 2015</b>	<b>\$ 241,673</b>	<b>\$ 170,536</b>	<b>\$ 228,457</b>	<b>\$ (132,470)</b>	<b>\$ 9,977</b>	<b>\$ 22,589</b>	<b>\$19,612</b>	<b>\$560,374</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Statements of Cash Flows

For the years ended 31 March 2015, 2014 and 2013	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests	¥10,881	¥9,776	¥8,549	\$ 90,474
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation	1,488	1,419	1,374	12,377
Loss on impairment of fixed assets	406	156	141	3,378
Amortization of goodwill	81	74	85	674
Amortization of intangible assets	459	532	521	3,818
Reversal of allowance for doubtful accounts	104	77	(174)	867
Increase / (Decrease) in accrued bonuses for employees	127	451	(156)	1,063
Increase / (Decrease) in reserve for retirement benefits	1	13	967	12
Accrued interest and dividends income	(126)	(87)	(108)	(1,054)
Accrued interest expenses	23	85	226	198
Foreign exchange losses	(361)	(258)	(368)	(3,006)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliate	(246)	(15)	(539)	(2,048)
Loss on disposal of property and equipment	27	58	54	229
Gain on sale/disposal of investments in securities, net	(330)	(234)	(196)	(2,748)
Loss on write-down of investments in securities, net	740	1,123	757	6,152
Loss(Gain) on sale of investments in unconsolidated subsidiaries and affiliates, net	(1,831)	(33)	(895)	(15,226)
Write-down of investments of affiliates	999	115	-	8,307
Gain (Loss) on dilution of equity interest	(1,331)	(36)	6	(11,037)
Decrease/(Increase) in notes and accounts receivable	(1,647)	(5,522)	(713)	(13,695)
Decrease/(Increase) in work and software in progress and merchandise	(330)	(288)	62	(2,747)
Increase / (Decrease) in accounts payable	624	2,653	320	5,193
Other, net	4,941	(163)	(126)	41,083
Subtotal	14,700	9,897	9,789	122,228
Interest and dividends received	212	136	157	1,766
Interest paid	(28)	(97)	(242)	(233)
Litigation settlement received	-	1,150	-	-
Litigation settlement paid	-	(403)	-	-
Income taxes paid	(2,706)	(1,761)	(966)	(22,507)
Net cash provided by operating activities	¥12,177	¥8,921	¥8,737	\$ 101,254

## Consolidated Statements of Cash Flows (continued)

For the years ended 31 March 2015, 2014 and 2013	Millions of yen			Thousands of U.S. dollars
	2015	2014	2013	2015
<b>Cash flows from investing activities:</b>				
Deposit of long-term deposits	¥(452)	¥(195)	¥(472)	\$ (3,765)
Withdrawal of long-term time deposits	380	818	543	3,160
Purchases of property and equipment	(1,566)	(1,339)	(1,065)	(13,022)
Purchases of intangibles	(783)	(784)	(453)	(6,511)
Purchases of investments in securities	(1,443)	(94)	(269)	(11,999)
Proceeds from sale of investments in securities	175	1,243	328	1,463
Purchases of investments in affiliates	(3,662)	(3,271)	(308)	(30,451)
Proceeds from sale of investments in affiliates	39	481	2,124	328
Payments for purchases of stock from minority shareholders	-	(570)	(408)	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	895	35	-	7,441
Payments for guarantee deposits	(773)	(503)	-	(6,431)
Proceeds from collection of guarantee deposits	244	150	-	2,030
Payments of loans receivable	(887)	(314)	-	(7,380)
Collection of loans receivable	200	59	-	1,668
Purchases of other investments and guarantee deposits	(535)	(127)	(721)	(4,453)
Proceeds from sale of other investments and guarantee deposits	106	128	450	886
Net cash used in investing activities	(8,062)	(4,282)	(252)	(67,036)
<b>Cash flows from financing activities:</b>				
Proceeds from short-term bank loans	-	1,700	1,920	-
Repayment of short-term bank loans	-	(1,908)	(2,041)	-
Proceeds from long-term bank loans	30	20	42	249
Repayment of long-term bank loans	(1,759)	(5,879)	(9,112)	(14,630)
Repayment of bonds	-	(570)	(1,070)	-
Proceeds from stock issuance to minority shareholders	83	-	36	697
Cash dividends paid	(1,894)	(1,478)	(1,516)	(15,754)
Dividends paid to minority interests	(17)	(0)	(108)	(147)
Other, net	(211)	(167)	(125)	(1,760)
Net cash (used in) provided by financing activities	(3,769)	(8,284)	(11,977)	(31,345)
Effect of exchange rate changes on cash and cash equivalents	896	653	967	7,454
Net (decrease)/ increase in cash and cash equivalents	1,242	(2,991)	(2,525)	10,327
Cash and cash equivalents at beginning of year	30,452	33,444	35,969	253,202
Cash and cash equivalents at end of year	¥31,694	¥30,452	¥33,444	\$ 263,529

The accompanying notes are an integral part of these consolidated financial statements.