

Financial Results

For the Fiscal Year 2014 ending January 31, 2014

March 14, 2014

Balance Sheets

	Thousands of Yen	
	FY2014	FY2013
Assets		
Current assets:		
Cash & Cash equivalents	2,519,028	2,192,244
Accounts receivable	53,597	42,362
Prepaid expenses	7,372	5,570
Deferred tax assets	25,579	9,472
Other	153	291
Total current assets	2,605,731	2,249,941
Noncurrent assets:		
Tangible fixed assets		
Buildings (net)	18,512	3,663
Tools, furniture and fixture (net)	6,752	8,092
Total tangible fixed assets	25,265	11,756
Intangible fixed assets		
Software	5,964	11,176
Other	18	18
Total intangible assets	5,983	11,194
Investments and other assets		
Investment securities	181,615	-
Stocks of subsidiaries and affiliates	123,097	103,128
Deferred tax assets	-	749
Leasehold and guarantee deposits	24,835	9,861
Total investments and other assets	329,548	113,738
Total noncurrent assets	360,797	136,689
Total assets	2,966,529	2,386,630
Liabilities		
Current liabilities:		
Accounts payable	33,310	31,694
Accrued expenses	5,534	1,050
Income tax payable	294,130	106,303
Accrued consumption taxes	28,556	35,011
Deposits received	705,341	892,703
Provision for point card certificates	3,918	3,444
Other	-	10
Total current liabilities	1,070,791	1,070,277
Noncurrent liabilities:		
Long-term accounts payable	43	2,700
Deferred tax liabilities	1,913	-
Total noncurrent liabilities	1,956	2,700
Total liabilities	1,072,748	1,072,977

	Thousands of Yen	
	FY2014	FY2013
Net assets		
Shareholders' equity:		
Capital stock	363,154	337,329
Capital surplus		
Legal capital surplus	302,354	276,529
Other capital surplus	70,371	70,371
Total capital surplus	372,725	346,900
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,153,202	629,423
Total retained earnings	1,153,202	629,423
Total shareholders' equity	1,889,081	1,313,653
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	4,440	-
Total Valuation and translation adjustments	4,440	-
Subscription rights to shares	258	-
Total net assets	1,893,781	1,313,653
Total liabilities and net assets	2,966,529	2,386,630

Statements of Income

	Thousands of Yen	
	FY 2014	FY2013
Revenue	1,823,538	1,439,710
Cost of revenue	360,691	309,716
Gross profit	1,462,847	1,129,993
Selling, general and administrative expenses	610,764	532,026
Operating profit	852,082	597,966
Non-operating revenues:		
Interest income	1,634	181
Foreign exchange gains	1,430	2,715
Lecture and manuscript fee	178	330
Gain on sales of scraps	122	149
Compensation income	-	1,000
Gain on forgiveness of debts	-	995
Other	165	200
Total non-operating revenues	3,530	5,574
Non-operating expenses:		
Stock issuance costs	-	2,366
Going public expenses	-	8,772
Other	-	267
Total non-operating expenses	-	11,405
Ordinary profit	855,613	592,134
Extraordinary income:		
Gain on sales of noncurrent assets	1	-
Gain on reversal of subscription rights to shares	9	-
Total extraordinary income	10	-
Extraordinary losses:		
Impairment losses	3,947	-
Head office transfer costs	2,266	-
Other	19	-
Total extraordinary losses	6,233	-
Net profit before taxes	849,390	592,134
Income tax, inhabitants tax and enterprise tax	341,515	102,217
Income tax adjustments	(15,903)	112,535
Total corporate taxes	325,611	214,752
Net profit	523,778	377,382

Statements of Cash Flows

	Thousands of Yen	
	FY2014	FY2013
Cash flows from operating activities		
Net profit before taxes	849,390	592,134
Depreciation and amortization	9,896	11,826
Impairment losses	3,947	-
Increase (decrease) in provision for point card certificates	473	2,240
Interest and dividend income	(1,634)	(181)
Loss (gain) in foreign exchange	(1,886)	(2,920)
Stock issuance cost	-	2,366
Loss on disposal of fixed assets	19	82
Head office transfer costs	2,266	-
Decrease (increase) in notes and accounts receivable-trade	(11,234)	(15,703)
Increase (decrease) in notes and accounts payable-trade	-	(1,086)
Increase (decrease) in accrued payments	3,148	928
Increase (decrease) in deposits received	(187,361)	456,876
Increase (decrease) in consumption tax payable	(6,454)	20,660
Decrease (increase) in other current assets	(1,664)	(4,325)
Increase (decrease) in other current liabilities	4,329	758
Other	(150)	82
Sub total	<u>663,085</u>	<u>1,063,740</u>
Interest and dividends received	1,634	181
Head office transfer costs	(2,266)	-
Income taxes paid	<u>(153,603)</u>	<u>(305)</u>
Net cash provided by (used in) operating activities	<u>508,849</u>	<u>1,063,616</u>
Cash flows from investing activities		
Payments into time deposits	(900,000)	(600,000)
Proceeds from withdrawal of time deposits	1,000,000	-
Purchase of property, plant and equipment	(23,476)	(7,386)
Proceeds from sales of property, plant and equipment	1	-
Purchase of intangible assets	-	(783)
Purchase of investment securities	(174,575)	-
Payments for investments in capital of subsidiaries and affiliates	(19,969)	(103,128)
Payments for leasehold and guarantee deposits	(16,011)	(509)
Proceeds from collection of leasehold and guarantee deposits	1,037	-
Other	-	(149)
Net cash provided by (used in) investing activities	<u>(132,994)</u>	<u>(711,957)</u>
Cash flows from financing activities		
Repayments of lease obligations	-	(1,281)
Repayments of installment payables	(2,874)	(2,874)
Proceeds from issuance of common stock	51,650	302,651
Proceeds from issuance of subscription rights to shares	267	-
Net cash provided by (used in) financing activities	<u>49,042</u>	<u>298,495</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,886</u>	<u>2,920</u>
Net increase (decrease) in cash and cash equivalents	<u>426,783</u>	<u>653,075</u>
Cash and cash equivalents at the beginning of the period	<u>1,592,244</u>	<u>939,169</u>
Cash and cash equivalents at the end of the period	<u>2,019,028</u>	<u>1,592,244</u>