

## Financial Results

For the Second Quarter of the Fiscal Year 2015 ending January 31, 2015

September 12, 2014

### Balance Sheets

	Thousands of Yen	
	31st Jul., 2014	31st Jan., 2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash & Cash equivalents	2,712,445	2,519,028
Accounts receivable	52,114	53,597
Advance Payments	62,806	
Prepaid expenses	6,548	7,372
Deferred tax assets	18,958	25,579
Other	41	153
<b>Total current assets</b>	<b>2,852,915</b>	<b>2,605,731</b>
<b>Noncurrent assets:</b>		
Tangible fixed assets		
Buildings (net)	17,806	18,512
Tools, furniture and fixture (net)	7,563	6,752
<b>Total tangible fixed assets</b>	<b>25,369</b>	<b>25,265</b>
Intangible fixed assets		
Software	4,812	5,964
Other	18	18
<b>Total intangible assets</b>	<b>4,831</b>	<b>5,983</b>
Investments and other assets		
Investment securities	265,515	181,615
Stocks of subsidiaries and affiliates	123,097	123,097
Leasehold and guarantee deposits	24,835	24,835
<b>Total investments and other assets</b>	<b>413,448</b>	<b>329,548</b>
<b>Total noncurrent assets</b>	<b>443,649</b>	<b>360,797</b>
<b>Total assets</b>	<b>3,296,565</b>	<b>2,966,529</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	35,841	33,310
Accrued expenses	5,209	5,534
Income tax payable	217,177	294,130
Accrued consumption taxes	32,774	28,556
Deposits received	717,232	705,341
Provision for point card certificates	1,976	3,918
Other	544	-
<b>Total current liabilities</b>	<b>1,010,757</b>	<b>1,070,791</b>
<b>Noncurrent liabilities:</b>		
Long-term accounts payable	-	43
Deferred tax liabilities	2,059	1,913
<b>Total noncurrent liabilities</b>	<b>2,059</b>	<b>1,956</b>
<b>Total liabilities</b>	<b>1,012,816</b>	<b>1,072,748</b>

	Thousands of Yen	
	<u>31st Jul., 2014</u>	<u>31st Jan., 2014</u>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	381,504	363,154
Capital surplus	391,075	372,725
Retained earnings	1,504,317	1,153,202
<b>Total shareholders' equity</b>	<u>2,276,896</u>	<u>1,889,081</u>
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	6,592	4,440
<b>Total Valuation and translation adjustments</b>	<u>6,592</u>	<u>4,440</u>
<b>Subscription rights to shares</b>	<u>258</u>	<u>258</u>
<b>Total net assets</b>	<u>2,283,748</u>	<u>1,893,781</u>
<b>Total liabilities and net assets</b>	<u>3,296,565</u>	<u>2,966,529</u>

**Statements of Income**

	Thousands of Yen	
	<u>Feb.- Jul. 2014</u>	<u>Feb.- Jul. 2013</u>
Revenue	1,103,688	806,307
Cost of revenue	<u>195,225</u>	<u>165,480</u>
Gross profit	<u>908,462</u>	<u>640,826</u>
Selling, general and administrative expenses	<u>339,628</u>	<u>291,236</u>
Operating profit	<u>568,834</u>	<u>349,590</u>
Non-operating revenues:		
Interest income	858	958
Foreign exchange gains	-	675
Lecture and manuscript fee	120	105
Other	<u>20</u>	<u>139</u>
Total non-operating revenues	<u>999</u>	<u>1,879</u>
Non-operating expenses:		
Foreign exchange losses	<u>110</u>	-
Total non-operating expenses	<u>110</u>	-
Ordinary profit	<u>569,723</u>	<u>351,469</u>
Extraordinary losses:		
Impairment losses	-	3,947
Head office transfer costs	-	2,100
Other	<u>-</u>	<u>8</u>
Total extraordinary losses	<u>-</u>	<u>6,056</u>
Net profit before taxes	<u>569,723</u>	<u>345,413</u>
Income tax, inhabitants tax and enterprise tax	<u>213,298</u>	<u>136,682</u>
Income tax adjustments	<u>5,309</u>	<u>(3,864)</u>
Total corporate taxes	<u>218,608</u>	<u>132,817</u>
Net profit	<u>351,115</u>	<u>212,595</u>

## Statements of Cash Flows

	Thousands of Yen	
	Feb.- Jul. 2014	Feb.- Jul. 2013
<b>Cash flows from operating activities:</b>		
Net profit before taxes	569,723	345,413
Depreciation and amortization	4,991	4,572
Impairment losses	(1,941)	(1,928)
Increase (decrease) in provision for point card certificates	-	2,100
Increase (decrease) in provision for loss on transfer	(858)	(958)
Interest and dividend income	1	(1,159)
Loss on disposal of fixed assets	-	3,947
Head office transfer costs	-	8
Decrease (increase) in advanced payamnts	1,482	6,358
Increase (decrease) in notes and accounts payable-trade	(62,086)	
Increase (decrease) in accrued payments	3,925	6,379
Increase (decrease) in deposits received	11,891	(293,875)
Increase (decrease) in consumption tax payable	4,218	(17,305)
Decrease (increase) in other current assets	935	720
Increase (decrease) in other current liabilities	234	5,729
Other	-	(139)
<b>Sub total</b>	<b>531,797</b>	<b>59,863</b>
Interest and dividends received	858	958
Income taxes paid	(290,266)	(106,558)
<b>Net cash provided by (used in) operating activities</b>	<b>242,389</b>	<b>(45,736)</b>
<b>Cash flows from investing activities:</b>		
Payments into time deposits	(600,000)	(300,000)
Proceeds from withdrawal of time deposits	500,000	600,000
Purchase of property, plant and equipment	(2,600)	(1,623)
Purchase of intangible assets	(1,343)	-
Purchase of investment securities	(80,290)	(114,575)
Payments for leasehold and guarantee deposits	-	(16,011)
Proceeds from collection of leasehold and guarantee deposits	-	46
<b>Net cash provided by (used in) investing activities</b>	<b>(184,233)</b>	<b>167,836</b>
<b>Cash flows from financing activities:</b>		
Repayments of installment payables	(1,437)	(1,437)
Proceeds from issuance of common stock	36,700	51,362
Proceeds from issuance of subscription rights to shares	-	267
<b>Net cash provided by (used in) financing activities</b>	<b>35,262</b>	<b>50,192</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1)</b>	<b>1,159</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>93,417</b>	<b>173,451</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,019,028</b>	<b>1,592,244</b>
<b>Cash f Cash and cash equivalents at the end of the period</b>	<b>2,112,445</b>	<b>1,765,695</b>