

Financial Results

For the Fiscal Year 2015 ending January 31, 2015

March 17, 2015

Balance Sheets

	Thousands of Yen	
	FY2015	FY2014
Assets		
Current assets:		
Cash & Cash equivalents	3,533,769	2,519,028
Accounts receivable	60,352	53,597
Advance payments	27,172	-
Prepaid expenses	4,793	7,372
Deferred tax assets	24,318	25,579
Other	9,318	153
Total current assets	3,659,725	2,605,731
Noncurrent assets:		
Tangible fixed assets		
Buildings (net)	17,099	18,512
Tools, furniture and fixture (net)	5,873	6,752
Total tangible fixed assets	22,972	25,265
Intangible fixed assets		
Software	3,815	5,964
Other	18	18
Total intangible assets	3,833	5,983
Investments and other assets		
Investment securities	307,620	181,615
Stocks of subsidiaries and affiliates	123,097	123,097
Lease and guarantee deposits	24,835	24,835
Total investments and other assets	455,553	329,548
Total noncurrent assets	482,360	360,797
Total assets	4,142,085	2,966,529
Liabilities		
Current liabilities:		
Accounts payable	51,198	33,310
Accrued expenses	8,696	5,534
Income tax payable	307,750	294,130
Accrued consumption taxes	72,242	28,556
Deposits received	1,041,522	705,341
Provision for point card certificates	5,808	3,918
Other	1,013	-
Total current liabilities	1,488,231	1,070,791
Noncurrent liabilities:		
Long-term accounts payable	-	43
Deferred tax liabilities	4,348	1,913
Total noncurrent liabilities	4,348	1,956
Total liabilities	1,492,580	1,072,748

	Thousands of Yen	
	<u>FY2015</u>	<u>FY2014</u>
Net assets		
Shareholders' equity:		
Capital stock	381,504	363,154
Deposit for subscriptions to shares	798	-
Capital surplus		
Legal capital surplus	320,704	302,354
Other capital surplus	70,371	70,371
Total capital surplus	<u>391,075</u>	<u>372,725</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,861,952	1,153,202
Total retained earnings	<u>1,861,952</u>	<u>1,153,202</u>
Total shareholders' equity	<u>2,635,330</u>	<u>1,889,081</u>
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	13,811	4,440
Deferred gains or losses on hedges	111	-
Total Valuation and translation adjustments	<u>13,922</u>	<u>4,440</u>
Subscription rights to shares	<u>251</u>	<u>258</u>
Total net assets	<u>2,649,505</u>	<u>1,893,781</u>
Total liabilities and net assets	<u>4,142,085</u>	<u>2,966,529</u>

Statements of Income

	Thousands of Yen	
	FY 2015	FY2014
Revenue	2,285,971	1,823,538
Cost of revenue	400,593	360,691
Gross profit	1,885,377	1,462,847
Selling, general and administrative expenses	689,299	610,764
Operating profit	1,196,078	852,082
Non-operating revenues:		
Interest income	2,013	1,634
Foreign exchange gains	1,861	1,430
Lecture and manuscript fee	135	178
Gain on sales of scraps	-	122
Other	37	165
Total non-operating revenues	4,048	3,530
Ordinary profit	1,200,126	855,613
Extraordinary income:		
Gain on sales of noncurrent assets	-	1
Gain on reversal of subscription rights to shares	6	9
Total extraordinary income	6	10
Extraordinary losses:		
Impairment losses	-	3,947
Loss on revaluation of investments in securities	29,999	-
Head office transfer costs	-	2,266
Other	-	19
Total extraordinary losses	29,999	6,233
Net profit before taxes	1,170,133	849,390
Income tax, inhabitants tax and enterprise tax	462,937	341,515
Income tax adjustments	(1,554)	(15,903)
Total corporate taxes	461,382	325,611
Net profit	708,750	523,778

Statements of Cash Flows

	Thousands of Yen	
	FY2015	FY2014
Cash flows from operating activities		
Net profit before taxes	1,170,133	849,390
Depreciation and amortization	9,762	9,896
Impairment losses	-	3,947
Increase (decrease) in provision for point card certificates	1,889	473
Interest and dividend income	(2,013)	(1,634)
Loss (gain) on valuation of securities	29,999	-
Loss (gain) in foreign exchange	(1,076)	(1,886)
Loss on disposal of fixed assets	-	19
Head office transfer costs	-	2,266
Decrease (increase) in notes and accounts receivable-trade	(6,755)	(11,234)
Decrease (increase) in advance payments	(27,172)	-
Increase (decrease) in accrued payments	20,139	3,148
Increase (decrease) in deposits received	336,180	(187,361)
Increase (decrease) in consumption tax payable	43,686	(6,454)
Decrease (increase) in other current assets	(6,412)	(1,664)
Increase (decrease) in other current liabilities	4,282	4,329
Other	(6)	(150)
Sub total	<u>1,572,637</u>	<u>663,085</u>
Interest and dividends received	2,013	1,634
Head office transfer costs	-	(2,266)
Income taxes paid	<u>(450,466)</u>	<u>(153,603)</u>
Net cash provided by (used in) operating activities	<u>1,124,184</u>	<u>508,849</u>
Cash flows from investing activities		
Payments into time deposits	(1,200,000)	(900,000)
Proceeds from withdrawal of time deposits	1,100,000	1,000,000
Purchase of property, plant and equipment	(2,573)	(23,476)
Proceeds from sales of property, plant and equipment	-	1
Purchase of intangible assets	(1,343)	-
Purchase of investment securities	(141,445)	(174,575)
Payments for investments in capital of subsidiaries and affiliates	-	(19,969)
Payments for lease and guarantee deposits	-	(16,011)
Proceeds from collection of lease and guarantee deposits	-	1,037
Net cash provided by (used in) investing activities	<u>(245,361)</u>	<u>(132,994)</u>
Cash flows from financing activities		
Repayments of lease obligations	(2,656)	(2,874)
Proceeds from issuance of common stock	36,700	51,650
Proceeds from deposit for subscriptions to shares	798	-
Proceeds from issuance of subscription rights to shares	-	267
Net cash provided by (used in) financing activities	<u>34,841</u>	<u>49,042</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,076</u>	<u>1,886</u>
Net increase (decrease) in cash and cash equivalents	<u>914,740</u>	<u>426,783</u>
Cash and cash equivalents at the beginning of the period	<u>2,019,028</u>	<u>1,592,244</u>
Cash and cash equivalents at the end of the period	<u>2,933,769</u>	<u>2,019,028</u>