

Financial Results

For the Fiscal Year 2016 ending January 31, 2016

March 16, 2016

Balance Sheets	(Consolidated)	Thousands of Yen
		<u>31 Jan., 2016</u>
Assets		
Current assets:		
Cash & Cash equivalents		1,984,469
Accounts receivable		124,457
Income taxes receivable		168,179
Consumption taxes receivable		176,640
Deferred tax assets		54,116
Other		247,261
Allowance for doubtful accounts		(33,285)
Total current assets		<u>2,721,840</u>
Noncurrent assets:		
Tangible fixed assets		
Buildings (net)		24,734
Tools, furniture and fixture (net)		24,706
Total tangible fixed assets		<u>49,441</u>
Intangible fixed assets		
Goodwill		486,637
Other		13,449
Total intangible assets		<u>500,087</u>
Investments and other assets		
Deferred tax assets		9,462
Other		34,084
Total investments and other assets		<u>43,546</u>
Total noncurrent assets		<u>593,075</u>
Total assets		<u>3,314,915</u>
Liabilities		
Current liabilities:		
Accounts payable		238,384
Deposits received		980,156
Provision for point card certificates		23,255
Other		24,818
Total current liabilities		<u>1,266,614</u>
Noncurrent liabilities:		
Total noncurrent liabilities		<u>0</u>
Total liabilities		<u>1,266,614</u>

Net assets	
Shareholders' equity:	
Capital stock	381,903
Capital surplus	391,474
Retained earnings	1,686,846
Treasury stock	<u>(415,380)</u>
Total shareholders' equity	<u>2,044,843</u>
Accumulated other comprehensive income:	
Deferred gains or losses on hedges	<u>3,131</u>
Total Accumulated other comprehensive income	<u>3,131</u>
Subscription rights to shares	<u>326</u>
Total net assets	<u>2,048,301</u>
Total liabilities and net assets	<u>3,314,915</u>

Statements of Income (Consolidated)

 Thousands of Yen
FY 2016

Revenue	2,858,336
Cost of revenue	490,055
Gross profit	<u>2,368,281</u>
Selling, general and administrative expenses	<u>2,148,610</u>
Operating profit	<u>219,670</u>
Non-operating revenues:	
Interest income	2,039
Foreign exchange gains	455
Other	351
Total non-operating revenues	<u>2,846</u>
Non-operating expenses:	
Equity in losses of affiliates	5,320
Other	207
Total non-operating expenses	<u>5,528</u>
Ordinary profit	<u>216,988</u>
Extraordinary income:	
Refunded consumption taxes	93,993
Total extraordinary income	<u>93,993</u>
Extraordinary losses:	
Loss on retirement of noncurrent assets	937
Impairment loss	2,179
Loss on valuation of investment securities	453,417
Provision of allowance for doubtful accounts	33,285
Total extraordinary losses	<u>489,819</u>
Net profit (loss) before taxes	<u>(178,837)</u>
Income tax, inhabitants tax and enterprise tax	948
Income taxes for prior periods	38,086
Income tax adjustments	<u>(37,445)</u>
Total corporate taxes	<u>1,589</u>
Income before minority interests	<u>(180,426)</u>
Net profit (loss)	<u>(180,426)</u>

Statements of Comprehensive Income

	Thousands of Yen
	<u>FY 2016</u>
Income before minority interests	(180,426)
Other comprehensive income:	
Valuation difference on available-for-sale securities	(43,379)
Deferred gains or losses on hedges	3,019
Foreign currency translation adjustment	(188)
Other comprehensive income	<u>(40,548)</u>
Comprehensive income	<u>(220,975)</u>
Comprehensive income attributable to	
Comprehensive income attributable to owners of the parent	(220,975)
Comprehensive income attributable to minority interests	—

Statements of Cash Flows

Thousands of Yen

	<u>FY 2016</u>
Cash flows from operating activities	
Net profit before taxes	(178,837)
Depreciation and amortization	12,702
Impairment losses	2,179
Amortization of goodwill	25,612
Increase (decrease) in allowance for doubtful accounts	33,285
Increase (decrease) in provision for point card certificates	17,447
Interest and dividend income	(2,039)
Loss (gain) on valuation of securities	453,417
Loss (gain) in foreign exchange	(680)
Equity in (earnings) losses of affiliates	5,320
Loss on disposal of fixed assets	937
Decrease (increase) in notes and accounts receivable-trade	(49,812)
Increase (decrease) in accounts payable-other	171,586
Decrease (increase) in inventories	(968)
Increase (decrease) in deposits received	(62,130)
Other	(445,835)
Sub total	<u>(17,816)</u>
Interest and dividends received	2,039
Income taxes paid	(517,048)
Net cash provided by (used in) operating activities	<u>(532,824)</u>
Cash flows from investing activities	
Payments into time deposits	(900,000)
Proceeds from withdrawal of time deposits	1,200,000
Purchase of property, plant and equipment	(37,314)
Purchase of investment securities	(44,160)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(513,701)
Other	(6,405)
Net cash provided by (used in) investing activities	<u>(301,582)</u>
Cash flows from financing activities	
Proceeds from issuance of subscription rights to shares	75
Purchase of treasury stock	(415,604)
Other	(43)
Net cash provided by (used in) financing activities	<u>(415,573)</u>
Effect of exchange rate changes on cash and cash equivalents	680
Net increase (decrease) in cash and cash equivalents	(1,249,299)
Cash and cash equivalents at the beginning of the period	2,933,769
Cash and cash equivalents at the end of the period	1,684,469