

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements expressed in Japanese yen are the translation of those issued domestically. The amounts expressed in U.S. dollars are not included in the original audited consolidated financial statements. Such U.S. dollar amounts are presented herein solely for the convenience of readers outside Japan, and are not subject to audit.

Consolidated Balance Sheet (As of March 31, 2015)

	¥ (thousands)		\$1=¥120.17
	2014	2015	\$ (thousands)
ASSETS			
Current Assets:			
Cash and deposits	¥ 6,262,876	¥ 7,416,046	\$ 61,712
Accounts receivable—trade	3,160,922	3,521,010	29,300
Prepaid expenses	126,624	132,534	1,102
Consumption taxes receivable	166,976	—	—
Deferred tax assets	169,855	151,054	1,257
Designated assets for clearing funds	30,819,217	38,949,709	324,121
Others	7,867	4,202	34
Allowance for doubtful accounts	(6,765)	(6,868)	(57)
Total Current Assets	40,707,573	50,167,688	417,472
Non-current Assets:			
Property and Equipment:			
Buildings and accompanying facilities	832,971	845,681	7,037
Accumulated depreciation	(442,192)	(471,276)	(3,921)
Buildings and accompanying facilities, net	390,779	374,404	3,115
Tools and furniture	5,159,436	3,677,415	30,601
Accumulated depreciation	(3,433,798)	(1,963,595)	(16,340)
Tools and furniture, net	1,725,638	1,713,819	14,261
Total Property and Equipment	2,116,417	2,088,224	17,377
Intangible Assets:			
Software	23,203,230	18,596,720	154,753
Software in progress	418,564	1,825,420	15,190
Others	17,577	17,462	145
Total Intangible Assets	23,639,373	20,439,604	170,089
Investment and Other Assets:			
Investment securities	427,474	501,957	4,177
Long-term prepaid expenses	129,805	100,096	832
Deferred tax assets	257,824	255,892	2,129
Long-term refundable lease deposits	497,970	402,737	3,351
Claims provable in bankruptcy, rehabilitation and other	27,747	17,603	146
Others	1,000	1,000	8
Allowance for doubtful accounts	(22,021)	(11,930)	(99)
Total Investment and Other Assets	1,319,801	1,267,358	10,546
Total Non-current Assets	27,075,591	23,795,186	198,012
Total Assets	¥ 67,783,165	¥ 73,962,874	\$ 615,485

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	¥ (thousands)		\$ (thousands)
	2014	2015	2015
LIABILITIES			
Current Liabilities:			
Accounts payable—trade	¥ 1,011,031	¥ 895,554	\$ 7,452
Lease obligations	5,880	812	6
Accounts payable—other	72,360	248,983	2,071
Consumption taxes payable	9,856	759,343	6,318
Income taxes payable	572,372	732,686	6,097
Allowance for employees' bonuses	209,106	238,456	1,984
Allowance for executives' bonuses	23,000	22,000	183
Deposits received for clearing funds	30,819,217	38,949,709	324,121
Allowance for asset removal	84,083	—	—
Others	70,186	75,365	627
Total Current Liabilities	32,877,095	41,922,911	348,863
Non-current Liabilities:			
Long-term loans payable	9,400,000	5,000,000	41,607
Lease obligations	812	—	—
Liability for retirement benefits	510,867	582,597	4,848
Allowance for executives' retirement benefits	30,000	—	—
Long-term guarantee deposits received	62,694	—	—
Total Non-current Liabilities	10,004,375	5,582,597	46,455
Total Liabilities	42,881,470	47,505,509	395,319
NET ASSETS			
Shareholders' Equity:			
Common stock	4,250,000	4,250,000	35,366
Capital surplus	4,250,000	4,250,000	35,366
Retained earnings	16,401,694	17,957,365	149,433
Total Shareholders' Equity	24,901,694	26,457,365	220,166
Total Net Assets	24,901,694	26,457,365	220,166
Total Liabilities and Net Assets	¥ 67,783,165	¥ 73,962,874	\$ 615,485

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Consolidated Statement of Income and Comprehensive Income (For the year ended March 31, 2015)

	¥ (thousands)		\$ (thousands)
	2014	2015	2015
Operating Revenue	¥ 17,998,860	¥ 19,967,287	\$ 166,158
Operating Expenses:			
Executives' compensation	196,952	190,854	1,588
Salaries	1,657,727	2,027,032	16,868
Allowance for employees' bonuses	209,106	238,456	1,984
Allowance for executives' bonuses	21,800	22,000	183
Retirement benefit expenses	127,053	136,157	1,133
Maintenance of systems	5,440,639	5,983,330	49,790
Depreciation and amortization	4,877,326	5,834,273	48,550
Rent	552,123	552,926	4,601
Allowance for asset removal	30,666	—	—
Others	1,866,049	1,742,622	14,501
Total Operating Expenses	14,979,445	16,727,654	139,199
Operating Income	3,019,414	3,239,632	26,958
Non-operating Income:			
Interest income	5	4	0
Operational revenue on designated assets for clearing funds	9,294	5,977	49
Equity in earnings of an affiliate	2,036	88,163	733
Registered members' information disclosure claim charges	11,920	18,930	157
Others	11,178	11,165	92
Total Non-operating Income	34,435	124,240	1,033
Non-operating Expenses:			
Interest expenses	57,872	77,803	647
Commitment fees	48,205	44,999	374
Fees for fund operation of designated assets for clearing fund	7,580	7,889	65
Others	530	697	5
Total Non-operating Expenses	114,189	131,390	1,093
Ordinary Income	2,939,660	3,232,482	26,899
Extraordinary Losses:			
Loss on disposal of non-current assets	2,350	—	—
Total Extraordinary Losses	2,350	—	—
Income before Income Taxes and Minority Interests	2,937,310	3,232,482	26,899
Income taxes—current	926,346	1,146,079	9,537
Income taxes—deferred	226,871	20,732	172
Total Income Taxes	1,153,217	1,166,812	9,709
Income before Minority Interests	1,784,092	2,065,670	17,189
Net Income	1,784,092	2,065,670	17,189
Income before Minority Interests	1,784,092	2,065,670	17,189
Comprehensive Income	¥ 1,784,092	¥ 2,065,670	\$ 17,189
(Details of Comprehensive Income)			
Comprehensive income attributable to shareholders of the parent company	¥ 1,784,092	¥ 2,065,670	\$ 17,189
Comprehensive income attributable to minority interests	—	—	—

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Consolidated Statement of Changes in Net Assets (For the year ended March 31, 2015)

For the year ended March 31, 2014

¥ (thousands)

	Shareholders' Equity				Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity	
Balance at the beginning of period	¥ 4,250,000	¥ 4,250,000	¥ 14,957,602	¥ 23,457,602	¥ 23,457,602
Change during the period:					
Dividends from surplus	—	—	(340,000)	(340,000)	(340,000)
Net income	—	—	1,784,092	1,784,092	1,784,092
Total change during the period	—	—	1,444,092	1,444,092	1,444,092
Balance at the end of period	¥ 4,250,000	¥ 4,250,000	¥ 16,401,694	¥ 24,901,694	¥ 24,901,694

For the year ended March 31, 2015

¥ (thousands)

	Shareholders' Equity				Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity	
Balance at the beginning of period	¥ 4,250,000	¥ 4,250,000	¥ 16,401,694	¥ 24,901,694	¥ 24,901,694
Change during the period:					
Dividends from surplus	—	—	(510,000)	(510,000)	(510,000)
Net income	—	—	2,065,670	2,065,670	2,065,670
Total change during the period	—	—	1,555,670	1,555,670	1,555,670
Balance at the end of period	¥ 4,250,000	¥ 4,250,000	¥ 17,957,365	¥ 26,457,365	¥ 26,457,365

\$ (thousands)

	Shareholders' Equity				Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity	
Balance at the beginning of period	\$ 35,366	\$ 35,366	\$ 136,487	\$ 207,220	\$ 207,220
Change during the period:					
Dividends from surplus	—	—	(4,243)	(4,243)	(4,243)
Net income	—	—	17,189	17,189	17,189
Total change during the period	—	—	12,945	12,945	12,945
Balance at the end of period	\$ 35,366	\$ 35,366	\$ 149,433	\$ 220,166	\$ 220,166

Consolidated Statement of Cash Flows (For the year ended March 31, 2015)

	¥ (thousands)		\$ (thousands)
	2014	2015	2015
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 2,937,310	¥ 3,232,482	\$ 26,899
Depreciation and amortization	4,877,326	5,834,273	48,550
(Decrease) increase in allowance for doubtful accounts	(4,298)	(9,988)	(83)
Increase (decrease) in allowance for employees' bonuses	(10,191)	29,350	244
(Decrease) increase in allowance for executives' bonuses	1,200	(1,000)	(8)
(Decrease) increase in allowance for employees' retirement benefits	(442,447)	—	—
(Decrease) increase in allowance for executives' retirement benefits	—	(30,000)	(249)
(Decrease) increase in allowance for asset removal	(40,501)	(84,083)	(699)
Increase (decrease) in liability for retirement benefits	510,867	71,729	596
Interest income	(5)	(4)	0
Interest expenses	57,872	77,803	647
Equity in (earnings) loss of affiliates	(2,036)	(88,163)	(733)
Foreign exchange (gains) losses	(1,588)	(1,028)	(8)
Loss on disposal of property and equipment	2,156	—	—
Loss on disposal of intangible assets	193	—	—
(Increase) decrease in accounts receivable—trade	(9,753)	(349,943)	(2,912)
(Decrease) increase in accounts payable—trade	145,719	(115,476)	(960)
Decrease/increase in consumption taxes receivable/payable	82,931	916,463	7,626
Others	4,685	(11,593)	(96)
Sub-total	8,109,440	9,470,821	78,811
Interest and dividends received	2,805	13,684	113
Interest paid	(57,872)	(77,803)	(647)
Income taxes paid	(567,912)	(988,646)	(8,227)
Net Cash Provided by Operating Activities	7,486,460	8,418,055	70,051
Cash Flows from Investing Activities:			
Payments for purchase of property and equipment	(191,579)	(693,285)	(5,769)
Payments for purchase of intangible assets	(13,512,223)	(1,694,749)	(14,102)
Proceeds from refund of refundable lease deposits	100	100,696	837
Payments for refund of guarantee deposits received	(4,426)	(62,694)	(521)
Net Cash Used in Investing Activities	(13,708,129)	(2,350,033)	(19,555)
Cash Flows from Financing Activities:			
Proceeds from long-term loans payable	7,400,000	—	—
Repayment of long-term loans payable	—	(4,400,000)	(36,614)
Repayment of lease obligations	(10,462)	(5,880)	(48)
Cash dividends paid	(340,000)	(510,000)	(4,243)
Net Cash Used in Financing Activities	7,049,537	(4,915,880)	(40,907)
Effect of exchange rate changes on cash and cash equivalents	1,588	1,028	8
Increase (Decrease) in Cash and Cash Equivalents	829,457	1,153,169	9,596
Cash and Cash Equivalents, Beginning of Year	5,433,419	6,262,876	52,116
Cash and Cash Equivalents, End of Year	¥ 6,262,876	¥ 7,416,046	\$ 61,712