

# Consolidated Financial Statements

## Consolidated Balance Sheet (As of March 31, 2016)

\$1 = ¥ 112.68

¥ ( thousands )

\$ ( thousands )

	2015	2016	2016
<b>ASSETS</b>			
<b>Current Assets :</b>			
Cash and deposits	¥ 7,416,046	¥ 9,990,817	\$ 88,665
Accounts receivable – trade	3,521,010	3,584,792	31,813
Prepaid expenses	132,534	138,762	1,231
Deferred tax assets	151,054	165,900	1,472
Designated assets for clearing funds	38,949,709	38,543,855	342,064
Others	4,202	1,947	17
Allowance for doubtful accounts	( 6,868 )	( 695 )	( 6 )
<b>Total Current Assets</b>	<b>50,167,688</b>	<b>52,425,380</b>	<b>465,258</b>
<b>Non-current Assets :</b>			
Property and Equipment :			
Buildings and accompanying facilities	845,681	863,656	7,664
Accumulated depreciation	( 471,276 )	( 503,436 )	( 4,467 )
Buildings and accompanying facilities, net	374,404	360,220	3,196
Tools and furniture	3,677,415	3,663,272	32,510
Accumulated depreciation	( 1,963,595 )	( 2,517,625 )	( 22,343 )
Tools and furniture, net	1,713,819	1,145,647	10,167
Total Property and Equipment	2,088,224	1,505,867	13,364
Intangible Assets :			
Software	18,596,720	15,812,040	140,326
Software in progress	1,825,420	142,023	1,260
Others	17,462	17,347	153
Total Intangible Assets	20,439,604	15,971,410	141,741
Investments and Other Assets :			
Investment securities	501,957	–	–
Long-term prepaid expenses	100,096	90,936	807
Deferred tax assets	255,892	267,225	2,371
Long-term refundable lease deposits	402,737	443,791	3,938
Claims provable in bankruptcy, rehabilitation and other	17,603	15,341	136
Others	1,000	1,000	8
Allowance for doubtful accounts	( 11,930 )	( 9,848 )	( 87 )
Total Investment and Other Assets	1,267,358	808,446	7,174
<b>Total Non-current Assets</b>	<b>23,795,186</b>	<b>18,285,724</b>	<b>162,280</b>
<b>Total Assets</b>	<b>¥ 73,962,874</b>	<b>¥ 70,711,104</b>	<b>\$ 627,539</b>

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.

	¥ ( thousands )		\$ ( thousands )
	2015	2016	2016
<b>LIABILITIES</b>			
<b>Current Liabilities :</b>			
Accounts payable – trade	¥ 895,554	¥ 1,003,327	\$ 8,904
Lease obligations	812	–	–
Accounts payable – other	248,983	40,812	362
Consumption taxes payable	759,343	363,950	3,229
Income taxes payable	732,686	841,302	7,466
Allowance for employees' bonuses	238,456	230,135	2,042
Allowance for executives' bonuses	22,000	22,000	195
Deposits received for clearing funds	38,949,709	38,543,855	342,064
Others	75,365	80,123	711
<b>Total Current Liabilities</b>	<b>41,922,911</b>	<b>41,125,508</b>	<b>364,976</b>
<b>Non-current Liabilities :</b>			
Long-term loans payable	5,000,000	–	–
Liability for retirement benefits	582,597	657,324	5,833
Others	–	27,168	241
<b>Total Non-current Liabilities</b>	<b>5,582,597</b>	<b>684,493</b>	<b>6,074</b>
<b>Total Liabilities</b>	<b>47,505,509</b>	<b>41,810,001</b>	<b>371,050</b>
<b>NET ASSETS</b>			
<b>Shareholders' Equity :</b>			
Common stock	4,250,000	4,250,000	37,717
Capital surplus	4,250,000	4,250,000	37,717
Retained earnings	17,957,365	20,401,102	181,053
<b>Total Shareholders' Equity</b>	<b>26,457,365</b>	<b>28,901,102</b>	<b>256,488</b>
<b>Total Net Assets</b>	<b>26,457,365</b>	<b>28,901,102</b>	<b>256,488</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 73,962,874</b>	<b>¥ 70,711,104</b>	<b>\$ 627,539</b>

# Consolidated Financial Statements

## Consolidated Statement of Income and Comprehensive Income

( For the year ended March 31, 2016 )

	¥ ( thousands )		\$ ( thousands )
	2015	2016	2016
<b>Operating Revenue</b>	<b>¥ 19,967,287</b>	<b>¥ 20,945,566</b>	<b>\$ 185,885</b>
Operating Expenses :			
Executives' compensation	190,854	198,927	1,765
Salaries	2,027,032	2,011,642	17,852
Allowance for employees' bonuses	238,456	230,135	2,042
Allowance for executives' bonuses	22,000	22,000	195
Retirement benefit expenses	136,157	141,828	1,258
Maintenance of systems	6,261,277	6,171,744	54,772
Depreciation and amortization	5,834,273	5,960,019	52,893
Rent	552,926	541,285	4,803
Others	1,464,675	1,437,720	12,759
Total Operating Expenses	16,727,654	16,715,302	148,343
Operating Income	3,239,632	4,230,263	37,542
Non-operating Income :			
Interest income	4	1	0
Operational revenue on designated assets for clearing funds	5,977	3,502	31
Equity in earnings of an affiliate	88,163	226,493	2,010
Registered members' information disclosure claim charges	18,930	15,814	140
System-related income	-	3,159	28
Others	11,165	10,672	94
Total Non-operating Income	124,240	259,645	2,304
Non-operating Expenses :			
Interest expenses	77,803	23,003	204
Commitment fees	44,999	45,123	400
Fees for fund operation of designated assets for clearing fund	7,889	8,414	74
Others	697	158	1
Total Non-operating Expenses	131,390	76,699	680
Ordinary Income	3,232,482	4,413,208	39,165
Extraordinary Losses :			
Loss on sale of investment securities	-	13,955	123
Total Extraordinary Losses	-	13,955	123
Income before Income Taxes and Minority Interests	3,232,482	4,399,252	39,041
Income taxes – current	1,146,079	1,471,693	13,060
Income taxes – deferred	20,732	( 26,178 )	( 232 )
Total Income Taxes	1,166,812	1,445,515	12,828
Net Income	2,065,670	2,953,737	26,213
( Details of Net Income )			
Net Income attributable to shareholders of the parent company	2,065,670	2,953,737	26,213
Net Income attributable to non-controlling interests	-	-	-
<b>Comprehensive Income</b>	<b>¥ 2,065,670</b>	<b>¥ 2,953,737</b>	<b>\$ 26,213</b>
( Details of Comprehensive Income )			
Comprehensive income attributable to shareholders of the parent company	¥ 2,065,670	¥ 2,953,737	\$ 26,213
Comprehensive income attributable to non-controlling interests	-	-	-

## Consolidated Statement of Changes in Net Assets ( For the year ended March 31, 2016 )

¥ ( thousands )

For the year ended March 31, 2015	Shareholders' Equity				Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity	
<b>Balance at the beginning of the period</b>	¥ 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 attributable to shareholders of the parent company	–	–	2,065,670	2,065,670	2,065,670
Total change during the period	–	–	1,555,670	1,555,670	1,555,670
<b>Balance at the end of the period</b>	¥ 4,250,000	¥ 4,250,000	¥ 17,957,365	¥ 26,457,365	¥ 26,457,365

¥ ( thousands )

For the year ended March 31, 2016	Shareholders' Equity				Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity	
<b>Balance at the beginning of the period</b>	¥ 4,250,000	¥ 4,250,000	¥ 17,957,365	¥ 26,457,365	¥ 26,457,365
Change during the period :					
Dividends from surplus	–	–	( 510,000 )	( 510,000 )	( 510,000 )
Net income attributable to shareholders of the parent company	–	–	2,953,737	2,953,737	2,953,737
Total change during the period	–	–	2,443,737	2,443,737	2,443,737
<b>Balance at the end of the period</b>	¥ 4,250,000	¥ 4,250,000	¥ 20,401,102	¥ 28,901,102	¥ 28,901,102

\$ ( thousands )

	Shareholders' Equity				Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity	
<b>Balance at the beginning of the period</b>	\$ 37,717	\$ 37,717	\$ 159,366	\$ 234,800	\$ 234,800
Change during the period :					
Dividends from surplus	–	–	( 4,526 )	( 4,526 )	( 4,526 )
Net income attributable to shareholders of the parent company	–	–	26,213	26,213	26,213
Total change during the period	–	–	21,687	21,687	21,687
<b>Balance at the end of the period</b>	\$ 37,717	\$ 37,717	\$ 181,053	\$ 256,488	\$ 256,488

# Consolidated Financial Statements

## Consolidated Statement of Cash Flows ( For the year ended March 31, 2016 )

	¥ ( thousands )		\$ ( thousands )
	2015	2016	2016
<b>Cash Flows from Operating Activities :</b>			
Income before income taxes and minority interests	¥ 3,232,482	¥ 4,399,252	\$ 39,041
Depreciation and amortization	5,834,273	5,960,019	52,893
( Decrease ) increase in allowance for doubtful accounts	( 9,988 )	( 8,254 )	( 73 )
( Decrease ) increase in allowance for employees' bonuses	29,350	( 8,321 )	( 73 )
( Decrease ) increase in allowance for executives' bonuses	( 1,000 )	–	–
( Decrease ) increase in allowance for executives' retirement benefits	( 30,000 )	–	–
( Decrease ) increase in allowance for asset removal	( 84,083 )	–	–
Increase ( decrease ) in liability for retirement benefits	71,729	74,727	663
Interest income	( 4 )	( 1 )	( 0 )
Interest expenses	77,803	23,003	204
Equity in ( earnings ) loss of affiliates	( 88,163 )	( 226,493 )	( 2,010 )
Foreign exchange losses ( gains )	( 1,028 )	141	1
Loss on sale of investment securities	–	13,955	123
( Increase ) decrease in accounts receivable – trade	( 349,943 )	( 61,519 )	( 545 )
Increase ( decrease ) in accounts payable – trade	( 115,476 )	107,773	956
Decrease / increase in consumption taxes receivable / payable	916,463	( 395,392 )	( 3,508 )
Others	( 11,593 )	16,761	148
Sub-total	9,470,821	9,895,650	87,820
Interest and dividends received	13,684	11,481	101
Interest paid	( 77,803 )	( 23,003 )	( 204 )
Income taxes paid	( 988,646 )	( 1,387,291 )	( 12,311 )
<b>Net Cash Provided by Operating Activities</b>	<b>8,418,055</b>	<b>8,496,836</b>	<b>75,406</b>
<b>Cash Flows from Investing Activities :</b>			
Payments for purchase of property and equipment	( 693,285 )	( 41,111 )	( 364 )
Payments for purchase of intangible assets	( 1,694,749 )	( 1,031,961 )	( 9,158 )
Proceeds from sale of investment securities	–	703,015	6,239
Proceeds from refund of refundable lease deposits	100,696	–	–
Payments for refundable lease deposits	–	( 41,054 )	( 364 )
Payments for refund of guarantee deposits received	( 62,694 )	–	–
<b>Net Cash Used in Investing Activities</b>	<b>( 2,350,033 )</b>	<b>( 411,111 )</b>	<b>( 3,648 )</b>
<b>Cash Flows from Financing Activities :</b>			
Repayments of long-term loans payable	( 4,400,000 )	( 5,000,000 )	( 44,373 )
Repayments of lease obligations	( 5,880 )	( 812 )	( 7 )
Cash dividends paid	( 510,000 )	( 510,000 )	( 4,526 )
<b>Net Cash Used in Financing Activities</b>	<b>( 4,915,880 )</b>	<b>( 5,510,812 )</b>	<b>( 48,906 )</b>
Effect of exchange rate changes on cash and cash equivalents	1,028	( 141 )	( 1 )
<b>Increase ( Decrease ) in Cash and Cash Equivalents</b>	<b>1,153,169</b>	<b>2,574,770</b>	<b>22,850</b>
Cash and Cash Equivalents, Beginning of Year	6,262,876	7,416,046	65,815
<b>Cash and Cash Equivalents, End of Year</b>	<b>¥ 7,416,046</b>	<b>¥ 9,990,817</b>	<b>\$ 88,665</b>