Financial Results
for the Fiscal Year Ended June 30, 2015
[Japanese GAAP]
(Non-consolidated)

August 7, 2015

Company name: WELLNET CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 2428
URL: http://www.well-net.jp/
Representative: Kazuhiro Miyazawa, President and Representative Director
Contact: Toshiya Ikai, Director, General Manager of Administrative Division
Phone: +81-3-3580-0199
Scheduled date of annual general shareholders' meeting: September 28, 2015
Scheduled date of commencing dividend payments: September 29, 2015
Scheduled date of filing securities report: September 29, 2015
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Yes (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Fiscal Year Ended June 30, 2015 (July 1, 2014 to June 30, 2015)

(1) Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2015	8,888	16.9	1,637	11.1	1,520	2.1	938	2.7
June 30, 2014	7,600	10.7	1,473	5.8	1,488	4.8	913	20.3

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2015	96.74	96.34	11.5	7.4	18.4
June 30, 2014	92.52	89.75	11.3	7.1	19.4

(Reference) Equity in earnings/loss of affiliates: Fiscal year ended June 30, 2015: ¥- million
Fiscal year ended June 30, 2014: ¥- million

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2015	19,667	8,218	41.6	856.21
As of June 30, 2014	21,360	8,194	38.2	838.43

(Reference) Equity: As of June 30, 2015: ¥8,178 million
As of June 30, 2014: ¥8,156 million

(3) Status of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
	Million yen	Million yen	Million yen	Million yen
As of June 30, 2015	(712)	(762)	(933)	13,293
As of June 30, 2014	2,236	(1,341)	(753)	15,702

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividend to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended June 30, 2014	-	0.00	-	47.00	47.00	457	50.8	5.8
Fiscal year ended June 30, 2015	-	0.00	-	50.00	50.00	477	51.7	5.9
Fiscal year ending June 30, 2016 (Forecast)	-	0.00	-	66.00	66.00		50.0	

3. Financial Results Forecast for the Fiscal Year Ending June 30, 2016 (July 1, 2015 to June 30, 2016)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,600	8.3	950	4.0	930	1.5	610	3.8	64.19
Full year	9,600	8.0	2,000	22.1	1,920	26.3	1,260	34.3	133.30

*** Notes:**

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(2) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2015: 9,800,000 shares
June 30, 2014: 10,100,000 shares

2) Total number of treasury shares at the end of the period:
June 30, 2015: 247,654 shares
June 30, 2014: 372,154 shares

3) Average number of shares during the period:
Fiscal year ended June 30, 2015: 9,697,449 shares
Fiscal year ended June 30, 2014: 9,869,791 shares

* Presentation regarding the implementation status of the audit process

These financial results are outside the scope of audit process procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, audit process procedures for the financial statements under the Financial Instruments and Exchange Act have not been completed.

* Explanation of the proper use of financial results forecast and other notes

Financial results forecast presented herein is based on the information available as at the date of the announcement of this material, and involves considerable uncertainties. Actual results may differ from the forecast due to changes in business conditions.

Table of Contents

1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

The Japanese economy during the fiscal year ended June 30, 2015 has witnessed signs of recovery in personal consumption after the decrease in consumer confidence caused by the consumption tax hike. However, the pace of recovery has been slow due to the impact of decreased virtual income caused by rising prices. Under these circumstances, in order to achieve the goals stated in the "Medium Term Three-Year Management Plan (July 2013 - June 2016)" announced in August 2013, the Company has promoted and executed various policies with the awareness that this, the second year of the Medium Term Management Plan, will play an extremely important role.

The core of our Medium Term Three-Year Management Plan is formed by two wheels: the establishment of a business scheme responsible for the next generation, and "*kaizen*" (expanding functions, stable system operation and cost performance improvement). In terms of establishing business schemes, on December 19 last year, we launched an innovative direct sales model for buses, "Bus Mori! NAVI" (a smartphone route search application for consumers), a bus promotion solution, and "Bus Mori! MONTA" (a real-time management service of express bus reservation status for bus companies), on the Shinjuku - Matsumoto line. We are proceeding with research and development of applications for consumers as an essential part of Wellnet's future.

As for "*kaizen*," we completed the transfer of our data center in July this year. In the future, with the aim of improving cost performance and the introduction speed of new services through automating operations, promoting standardization, and raising the ratio of in-house system development, we are making preparations by aggressively hiring new engineers. In our existing services, we have started offering wire transfer service by Amazon Gift Cards as a way of expanding variation of our wire transfer (and repayment) services.

On December 19 last year, the Company's stock was assigned as the First Section stock from the Second Section of the Tokyo Stock Exchange, Inc. We intend to continue working towards further expansion of our business and improving our corporate value.

The status of each service is as follows.

1) In our Multiple Payment Services, in addition to increased handling of existing contracted business operators due to sustainable expansion of the EC market, we also actively promoted the cultivation of new business operators. As a result, Multiple Payment Services recorded net sales of ¥8,442 million (up 19.7% year-on-year), and gross profit of ¥2,349 million (up 11.0% year-on-year).
2) In our Online Services Business, although net sales of our Prepaid Gift Card Sales Service increased, the decreasing trend continued in handling of conventional PIN Online Sales Services. As a result, Online Services Business recorded net sales of ¥400 million (down 20.0% year-on-year), and gross profit of ¥326 million (down 19.3% year-on-year).
3) As for our Electronic Authentication Services, we have positioned it as a peripheral business of our core business, the Multiple Payment Services, and are testing out various possibilities.

   As a result, Electronic Authentication Services recorded net sales of ¥45 million (up 3.6% year-on-year), and gross profit of ¥13 million (up 9.7% year-on-year).

As a result, for the fiscal year ended June 30, 2015, the Company recorded net sales of ¥8,888 million (up 16.9% year-on-year), and operating income of ¥1,637 million (up 11.1% year-on-year). Due to the posting of the litigation expenses and consumption taxes for prior periods as non-operating expenses, ordinary income was ¥1,520 million (up 2.1% year-on-year), and net income was ¥938 million (up 2.7% year-on-year).

(Outlook for the next fiscal year)

The next fiscal year will be the final year of the "Medium Term Three-Year Management Plan (July 2013 - June 2016)," announced in August 2013, and we aim to steadily execute our stated policies while realizing sustainable growth, in order to achieve our numerical target of ¥2.0 billion in operating income.

Our outlook for the next fiscal year is as follows.

The EC (and non-face-to-face payment other than EC) market will continue to grow, and with the transition to paperless invoices, the shift towards electronic payment is expected to gain momentum. We will strive to increase performance by introducing solutions that can accurately respond to the expansion of the paperless transition market.

In addition, PIN Online Sales and Prepaid Gift Card Sales Service that effectively use payment infrastructure are expected to continue its overall downward trend.

It is also expected that the need for conventional peripheral services for payment such as "electronic authentication" will increase, and we will continue with various experiments to increase "payment revenue" by expanding these services.

As one example of this, our "Bus IT Promotion Solution" finally commenced in December of 2014. As a predecessor, we have steadily accumulated our know-hows through trial and error, and we will continue to work together with bus operators to create new value and to make ideas into businesses.

As a result, forecast for the year ending June 30, 2016 estimates net sales of ¥9,600 million (up 8.0% year-on-year), operating income of ¥2,000 million (up 22.1% year-on-year), ordinary income of ¥1,920 million (up 26.3% year-on-year) and net income of ¥1,260 million (up 34.3% year-on-year).

From the next fiscal year, we will change our conventional disclosure grouped by type of service to "Payment and Accompanying Services." The reason is as follows.

1) With payment as our core business, we are striving to expand its peripheral services. However, compensations are collected almost entirely as "payment commissions," making the distinction between "payment" and "peripheral" difficult, and as the distinction may vary depending on interpretation, it was determined that making disclosure by service is not appropriate.
2) After termination of our large-scale authentication service, the amount of our pure electronic authentication services decreased substantially, and as payments are always involved, we are virtually earning compensations as payment commissions.
3) As our Online Services Business originally makes use of our payment infrastructure with convenience stores, making distinction of assets difficult, and we can position these as "Payment and Accompanying Services."

(2) Analysis of Financial Position

1) Status of assets, liabilities, and net assets

(Assets)

Current assets as of June 30, 2015 stood at ¥17,990 million. This mainly comprises cash and deposits of ¥13,293 million, securities of ¥2,999 million and operating accounts receivable of ¥725 million (receivables associated with the face value of PIN, in the PIN Online Sales Services). Cash and deposits include ¥8,732 million of receiving agency deposit in money collection business, which is the money kept temporarily by the Company up to the predetermined date of transfer to operators in the following month. Meanwhile, non-current assets amounted to ¥1,676 million. This mainly comprises tools, furniture and fixtures of ¥145 million, software of ¥432 million, and investment securities of ¥509 million. As a result, total assets amounted to ¥19,667 million.

(Liabilities)

Current liabilities as of June 30, 2015 stood at ¥11,285 million. This mainly comprises operating accounts payable of ¥1,356 million (receivables associated with the face value of PIN, in the PIN Online Sales Services) and receiving agency deposit of ¥8,732 million. Meanwhile, non-current liabilities amounted to ¥164 million. As a result, total liabilities amounted to ¥11,449 million.

(Net assets)

Net assets as of June 30, 2015 stood at ¥8,218 million. This mainly comprises shareholders' equity of ¥8,178 million.

2) Status of cash flows

Cash and cash equivalents (the "funds") as of June 30, 2015 stood at ¥13,293 million.

The status of cash flows as of June 30, 2015 and their contributing factors are as follows.

(Cash flows from operating activities)

Funds used in operating activities for the fiscal year ended June 30, 2015 amounted to ¥712 million. The main factor for the increase is income before income taxes of ¥1,520 million, while main factors for the decrease are ¥1,704 million decrease in receiving agency deposit and ¥258 million decrease in operating accounts payable.

(Cash flows from investing activities)

Funds used in investing activities for the fiscal year ended June 30, 2015 amounted to ¥762 million. The main factors for the increase are proceeds from redemption of securities of ¥3,400 million and proceeds from withdrawal of time deposits of ¥1,100 million, while main factors for the decrease are purchase of securities of ¥4,298 million and payments into time deposits of ¥1,100 million.

(Cash flows from financing activities)

Funds used in financing activities for the fiscal year ended June 30, 2015 amounted to ¥933 million. The main factors for the decrease are purchase of treasury shares of ¥464 million and cash dividends paid of ¥457 million.

(3) Basic Policy for Profit Sharing and Dividends for the Fiscal Year under Review and the Next Fiscal Year

We aim to pay a stable, high dividend to all of our shareholders in accordance with the policy to "return 100% of profit earned during the Medium Term Management Plan to shareholders" which was determined as our numerical target in the "Medium Term Three-Year Management Plan (July 2013 - June 2016)" announced in August 2013. Specifically, our policy is to return 100% of profit to shareholders by raising the dividend payout ratio during the Medium Term Management Plan to 50% (excluding extraordinary factors), and from income after income taxes, appropriate the entire balance after the dividend for purchase and retirement of treasury shares.

Regarding the dividend for the fiscal year ended June 30, 2015, as a result of taking into account the target dividend payout ratio of 50% stated in the Medium Term Management Plan based on non-consolidated net income, the year-end dividend was set at ¥50 per share. Treasury shares acquired during the fiscal year ended June 30, 2015 (July 2014 to June 2015) were 181,900 shares or ¥464 million, and the total return was ¥942 million, or 100.5%.

With regard to the dividend for the next fiscal year, in accordance with the policy determined as our numerical target in the "Medium Term Three-Year Management Plan (July 2013 - June 2016)," we will continue with the dividend payout ratio during the Medium Term Management Plan of 50% (excluding extraordinary factors), and from income after income taxes, appropriate the entire balance after the dividend for purchase and retirement of treasury shares, in order to return 100% of profit to shareholders. (Treasury shares currently held will be retired excluding treasury shares to respond to demand for sale of shares and for Board Benefit Trust (J-ESOP), and the use of newly purchased treasury shares shall be limited to those for stock options, etc. for achieving targets, with the remaining shares to be retired.)

On the basis of the net income forecast for the next fiscal year and by taking into account the stated target dividend payout ratio of 50%, we are planning to pay ¥66 per share.

(4) Risks of Business

Among matters listed in the financial statements relating to 1. Business Results, 3. Management Policy, and 4. Non-consolidated Financial Statements, the following matters could potentially have a significant impact on the decisions of the investors.

Forward-looking statements within the text are those identified by the company as of the date of announcement of the Financial Statement (August 7, 2015), and there is a possibly that our business performance and financial condition may be affected by the occurrence of events other than those listed below that are unforeseeable at this time.

1) Receiving agency deposit

The Multiple Payment Services provided by the Company transfers money to the customer business operator on a given date after temporarily storing the payment on behalf of the customer in a savings account managed separately under the Company's name. The money temporarily stored by the Company as a receiving agency is recognized on the balance sheet as both "cash and deposits" (assets) and "receiving agency deposits" (liabilities).

The payment stored in the receiving agency is managed separately from the Company's settlement funds in a checkable deposit account of a financial institution in order to protect the assets of the customers. To mitigate the risk of bad debt, the Company adopts a scheme to offset the fees (sales of the Company) when sending payment to the customer based on the contract. However, if financial administration polices related to pay off or the like are changed making the account no longer subject to deposit protection, there is a possibility that our business operations and performance will be affected by the changes to the storage methods of receiving agency payment or changes to the collection methods of our accounts receivable - trade.

2) Dependence on the infrastructure of the convenience store industry

In the Multiple Payment Services, the installation of kiosk terminals or POS registers that can support our Multiple Payment Services at a convenience store is a prerequisite for payment in convenience stores. Should convenience stores companies that have installed kiosk terminals change their methods for providing service, such as by changing terminals during the same period as other convenience store companies, there is a possibility that this will have an impact on our performance including incurring of cost to respond to such changes by the Company.

3) System failure and administrative risk

Because system shut down would be a grave problem for the Company, we take various measures, such as support for the system shut down, including duplexing of server equipment and communication line and securing emergency power supply, and having maintenance personnel present 24 hours a day.

However, if unexpected matters including natural disaster or accident occur, misconduct is perpetrated by unforeseen external intruders, or there is faulty operation by an employee, it may lead to reduced functionality, malfunction, or failure, which may affect our performance.

As our business is an important service which handles money including receipt of payments, management is strictly carried out to avoid administrative risk.

However, if an executive or employee of the Company were to make an error regardless of this strict management system, it could affect its performance by compromising trust in the Company.

4) The external environment

a. Intensifying competition

In the EC payment service market, competition is intensifying against the background of future growth expectations. Generally, intensified competition may have a negative impact on revenue. The Company is striving to ensure superiority by improving added value, but if this differentiation strategy of the Company cannot achieve results as planned, it may affect our performance.

b. Support for new payment services

In payment services, we intend to maintain our superiority by speedily developing and providing new products and services that matches the customer needs. However, when a completely new payment service emerges, or if we lag behind in developing or providing new services, it may affect our performance.

c. The e-commerce market

Our Multiple Payment Services plays an important role as a means of payment that enhances the customer's convenience in the EC business. Recently the EC market has been expanding continuously, and we predict that the e-commerce market using the Internet in particular will continue to expand. However, the history of the market is still short, and if unexpected events such as enhancement of legal rules concerning its use were to occur, it may lead to a decrease in number of users of our system, and may affect our performance in some ways.

d. Investment in origination and development of new businesses

For the Company to maintain the growth speed of its business revenue, it must originate and develop new businesses, and establish a new revenue base. We are planning to conduct active capital investment and research and development investment for this purpose, but if this service does not progress in accordance with our plan and if we cannot achieve adequate results from our investments, it may affect our performance.

e. Dependence on specific customers

Under the risk awareness of the external environment detailed above, we are working on origination of new services and new businesses, and expansion of new customers. Yet at present, the majority of our overall sales are derived from our top three user customers. Therefore, if the sales of our major customers fall due to the sales trend of the major customers or for any other reasons, it may affect our performance.

f. Intellectual property rights

As it is difficult to grasp the status of intellectual property rights in its business field in a timely and complete manner, there is a possibility that the Company will infringe upon the intellectual property rights of a third party and be subject to claims for damages or injunction.

5) Management of personal information

When carrying out its businesses, the Company sometimes retains customer's personal information. We expect that we will handle more personal information as our business continues to expand. We have acquired the PrivacyMark and Information Security Management System (ISMS) for handling of personal information, and pursuant to these, we have established an internal management system and heightened our awareness of information management.

Although the possibility that personal information will be leaked is considered extremely low due to these measures, if there was external leakage of information due to any cause in the future, we may be subject to claims for damages, and it may affect our performance due to losses of social trust.

6) Trend of the performance in prior years

a. Inconsistency in the business results disclosure due to corporate restructuring

In June 2009, the Company made Ichitaka Takahashi Corporation into its wholly-owned subsidiary through share exchange. Since year-end date served as the deemed acquisition date in this transaction, consolidated statements of income were not prepared for the fiscal year ended June 30, 2009. As the Company has been preparing consolidated statements of income from the fiscal year ended June 30, 2010, shares in Ichitaka Takahashi Corporation were wholly transferred as of the end of June, 2010. Furthermore, in July 2011, the Company made NANO Media Inc. into its subsidiary through tender offer, and started to prepare consolidated statements of income on this basis from the fiscal year ended June 30, 2012. However, since NANO Media Inc. ceased to be a consolidated subsidiary during the fiscal year ended June 30, 2013, the Company has not prepared consolidated statements of income since the fiscal year ended June 30, 2013.

As described above, profit/loss was presented on a consolidated basis for the fiscal year ended June 30, 2010 and the fiscal year ended June 30, 2012, posing a special circumstance of inconsistency in the business results disclosure.

b. Inconsistency in the business results disclosure due to changes in presentation of net sales to net amount

From the fiscal year ended June 30, 2011, the method for presenting net sales has been changed from gross amount presentation to net amount presentation, for PIN Online Sales Services (Note 1) in the Online Services Business, and those of 95bus.com service (Note 2) in the Electronic Authentication Business. Furthermore, from the fiscal year ended June 30, 2012, the method for presenting net sales has been changed from gross amount presentation to net amount presentation, for PIN Online Sales Services as well as various application services based on receiving agency agreements. Both of these changes refer to change in the accounting procedure for net amount presentation after offsetting net sales by purchase cost, with no effect at gross profit stage, but causing a decrease in net sales. For the purpose of comparing the business results in prior years excluding effects of the aforementioned two inconsistencies, the following table illustrates the trend of net sales and gross profit of the Company on a non-consolidated basis based on the net amount presentation.

(Reference) Net sales and cost of sales in the past five years on a non-consolidated basis based on the net amount presentation

(Million yen)

	Fiscal year ended June 2011 Actual	Fiscal year ended June 2012 Actual	Fiscal year ended June 2013 Actual	Fiscal year ended June 2014 Actual	Fiscal year ended June 2015 Actual
Net sales	5,343	6,254	6,866	7,600	8,888
Cost of sales	3,571	4,070	4,505	5,068	6,200
Gross profit	1,772	2,184	2,361	2,532	2,688
(Amounts offset)	(31,959)	(41,396)	(34,751)	(24,430)	(17,855)

Note 1. PIN Online Sales Services uses a two-way communication system between our servers and POS registers/kiosk terminals installed in convenience stores to sell prepaid cards for mobile phones, international calls and electronic money online.

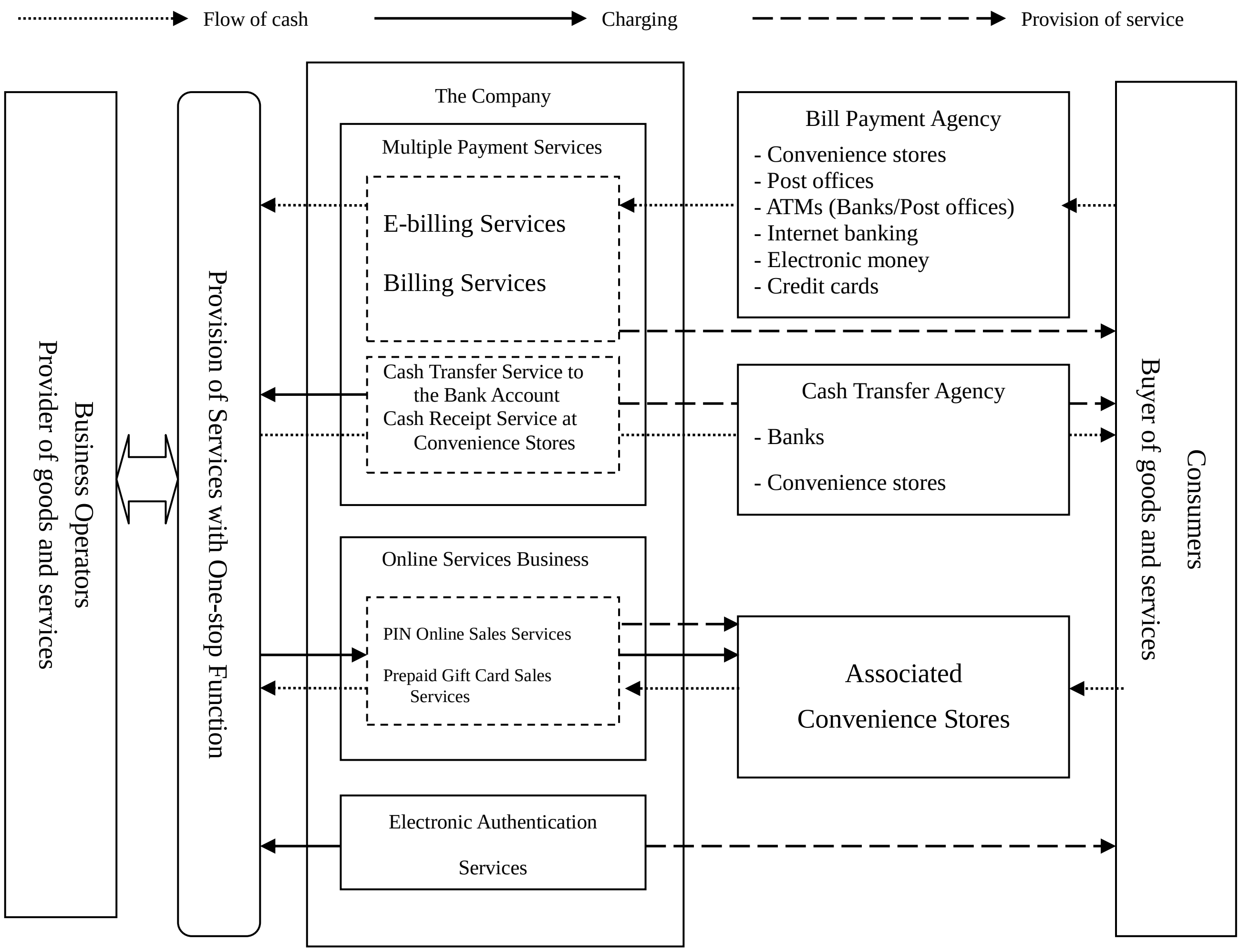
Note 2. 95bus.com is a service that offers one-stop access to authentication for ticket reservations, payment, ticketing and boarding of airport busses.

2. Corporate Group Overview

The Company conducts businesses centered on provision of payment and authentication services that connects business operators and consumers.

[Operations Diagram]

Operations diagram of the Company is as follows.



3. Management Policy

(1) Basic Policies on the Management of the Company

Action policies of the Company are as follows.

- Contribute to society by continuously making “systems that would be handy to have.”
- Proposing and spreading such “systems” to the whole world.
- Distributing the income gained from this to employees, shareholders and our next investment.

Taking full advantage of our management resources, we will continue to develop and propose new value, and work on improving our stable and sustainable corporate value and contribution to society without changing this basic stance.

(2) Target Management Index

We have set the numerical targets stated in the “Medium Term Three-Year Management Plan (July 2013 - June 2016)” announced in August 2013, as our management index.

1) Target operating income for the fiscal year ending June 30, 2016: ¥2.0 billion

In the final year of the Medium Term Management Plan, fiscal year ending June 30, 2016, we will unite and aim to reach an operating income of ¥2.0 billion (143% compared to the fiscal year ended June 30, 2013). We will continue to establish the foundation for further profit growth in the future.

As we do not have specific plans regarding M&As, it is excluded from our numerical target, but if there is an opportunity that we can expect the benefit of synergy, we will actively engage in it.

2) Returning 100% of profit to our shareholders during the Medium Term Management Plan

The payment business, where financial soundness is extremely important, is the core of the Company. We will maintain sufficient cash on hand as funds for maintaining our creditworthiness, expanding our core business and developing new business. Meanwhile, as we have already determined our financial soundness to be fully adequate as it is, we will make returns to all of our shareholders more dynamically.

A) Excluding extraordinary factors, we aim to raise the dividend payout ratio during the Medium Term Management Plan from the previous 33.3% to 50%, and return a stable, high yield to all of our shareholders.

B) We will return 100% of profit to shareholders by appropriating the entire balance after the dividend payment from income after income taxes for purchase and retirement of treasury shares. (Treasury shares currently held will be retired excluding treasury shares to respond to demand for sale of shares and for Board Benefit Trust (J-ESOP), and the use of newly purchased treasury shares shall be limited to those for stock options, etc. for achieving targets, with the remaining shares to be retired.)

3) Target ROE for the fiscal year ending June 30, 2016: 15%

While steadily promoting our growth strategy and further enhancing profitability, by increasing the dividend to shareholders and purchasing and retiring treasury shares, we aim to improve ROE and increase EPS. With these measures, we set our target ROE to 15% or more for the final year of our Medium Term Three-Year Management Plan (fiscal year ending June 30, 2016).

(3) The Company’s Medium to Long Term Management Strategy and Issues to be Addressed

The Company’s business domain is the EC market (and non-face-to-face payment market), which has maintained a soaring growth rate, and we have improved our performance by establishing highly competitive schemes in this market. However, business schemes have their own life cycles, and obsolescence cannot be avoided if we remain complacent, therefore we will continue to pursue further evolution of our current business schemes and work on development of new businesses.

We recognize the essence of IT to be systems that allow value producers to connect directly with end users and sell their products and services beyond the constraints of time and space. We will achieve continuous profit growth by keeping convenient, advanced payment platforms as our core, while expanding peripheral services.

Our two concrete priority measures are "the establishment of business schemes responsible for the next generation" and "*kaizen*" (expanding functions, stable system operation and cost performance improvement, in other words building a muscular corporate structure), and we will continue to concentrate our resources on these two measures.

1) Promoting innovative direct sales model for bus tickets in cooperation with bus operators

In March 2001, the Company put into commercial use for the first time in Japan a service that allowed customers to purchase reserved tickets for inter-city highway buses 24 hours a day at convenience stores. Since then we have made contracts with over 100 different bus operators, and now offer ticketing for several hundred bus routes.

In the electronic ticket field, we have accumulated results and knowledge of ticketing and authentication, starting with mobile phone airplane tickets. A large scale integrated model, which could be called the compilation of the acquired knowledge, was developed for inter-city highway buses. This model is an innovative service that can improve convenience for both bus operators and users dramatically, and part of it was released in December 2014. In the future, we will work on developing smartphone apps that can further improve the convenience of consumers. Based on our trust relationship with the bus operators cultivated over many years, we will work to expand applicable routes and popularization of smartphone apps.

2) Developing and providing services for consumers

The core of our payment service is the sales payment collection model for business operators, but by providing a convenient concierge function as a smartphone application in addition to this, we will develop an agency service for consumers, who will be making payments.

3) Expanding functionality of our value transfer platform (expansion of existing services)

In the receiving agency service and payment agency service, which are our core service, by expanding the methods we provide in line with the changing times, we will continue our evolution to be a more convenient platform.

4) Stable system operation and improved cost performance

The amount of data processed by our data centers has increased dramatically over the past few years. As real time processing is a major feature of our services, we recognize stable operation of the system to be extremely important.

We will work on establishing an internal structure and training system to simultaneously realize stable operation and operating cost reduction as priority issues at our Sapporo Office. Specifically, based on the capital investment efficiency and cost measurement for each service visualized in the "cost component analysis system," we will promote automation and efficiency of operations.

(4) Other Important Matters on Management of the Company

There is no relevant information.

4. Basic Principle on the Selection of Accounting Standards

The Company's policy, for the time being, is to prepare the financial statements in accordance with J-GAAP, in consideration of the comparability of financial statements over time as well as between companies.

With respect to the adoption of IFRS, the Company will make decision as appropriate, in view of the circumstances both in Japan and abroad.

5. Financial Statements

(1) Balance Sheet

(Thousand yen)

	As of June 30, 2014	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	13,801,071	13,293,918
Accounts receivable - trade	443,736	464,908
Operating accounts receivable	845,583	725,439
Securities	4,002,615	2,999,733
Merchandise	3,043	2,741
Work in process	666	5,509
Supplies	2,300	1,816
Prepaid expenses	22,298	22,127
Deferred tax assets	23,000	25,664
Other	172,262	449,045
Total current assets	19,316,579	17,990,905
Non-current assets		
Property, plant and equipment		
Buildings	248,866	248,866
Accumulated depreciation	(104,926)	(114,158)
Buildings, net	143,940	134,708
Structures	9,779	9,779
Accumulated depreciation	(8,535)	(8,742)
Structures, net	1,244	1,037
Tools, furniture and fixtures	948,954	654,588
Accumulated depreciation	(785,745)	(509,584)
Tools, furniture and fixtures, net	163,208	145,003
Land	136,266	136,266
Leased assets	8,102	8,102
Accumulated depreciation	(5,666)	(6,840)
Leased assets, net	2,435	1,262
Construction in progress	25,755	19,701
Total property, plant and equipment	472,851	437,979
Intangible assets		
Trademark right	764	1,015
Software	483,602	432,416
Total intangible assets	484,366	433,431
Investments and other assets		
Investment securities	803,112	509,095
Long-term prepaid expenses	63,743	53,179
Guarantee deposits	49,014	49,014
Deferred tax assets	125,732	100,438
Other	44,712	93,342
Total investments and other assets	1,086,314	805,070
Total non-current assets	2,043,532	1,676,481
Total assets	21,360,112	19,667,387

(Thousand yen)

	As of June 30, 2014	As of June 30, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	334,623	434,101
Operating accounts payable	1,615,064	1,356,850
Current portion of long-term loans payable	10,000	–
Lease obligations	1,296	1,365
Accounts payable - other	198,945	185,486
Accrued expenses	15,895	10,928
Income taxes payable	309,560	351,350
Advances received	5,636	3,805
Deposits received	73,425	204,524
Receiving agency deposits	* 10,436,879	* 8,732,688
Other	4,232	3,899
Total current liabilities	13,005,559	11,285,000
Non-current liabilities		
Long-term loans payable	–	–
Lease obligations	1,503	115
Provision for granting of shares	24,481	25,314
Provision for directors' retirement benefits	–	–
Asset retirement obligations	6,647	6,745
Long-term accounts payable - other	119,007	119,007
Other	8,271	12,940
Total non-current liabilities	159,910	164,123
Total liabilities	13,165,469	11,449,123
Net assets		
Shareholders' equity		
Capital stock	667,782	667,782
Capital surplus		
Legal capital surplus	3,509,216	3,509,216
Total capital surplus	3,509,216	3,509,216
Retained earnings		
Legal retained earnings	22,010	22,010
Other retained earnings		
Reserve for special depreciation	7,158	6,117
General reserve	3,160,000	3,160,000
Retained earnings brought forward	1,416,722	1,463,537
Total retained earnings	4,605,891	4,651,664
Treasury shares	(626,753)	(650,078)
Total shareholders' equity	8,156,136	8,178,584
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	–	202
Subscription rights to shares	38,506	39,475
Total net assets	8,194,642	8,218,263
Total liabilities and net assets	21,360,112	19,667,387

(2) Statements of Income

(Thousand yen)

	For the fiscal year ended June 30, 2014	For the fiscal year ended June 30, 2015
Net sales		
Multiple Payment Services sales	7,056,297	8,442,932
Online Services Business sales	500,590	400,523
Electronic Authentication Services sales	43,742	45,312
Total net sales	7,600,629	8,888,769
Cost of sales		
Cost of sales of Multiple Payment Services	4,940,609	6,093,904
Cost of sales of Online Services Business	95,935	73,949
Cost of sales of Electronic Authentication Services	31,837	32,258
Total cost of sales	5,068,383	6,200,113
Gross profit	2,532,246	2,688,656
Selling, general and administrative expenses	1,058,441	1,050,721
Operating income	1,473,805	1,637,934
Non-operating income		
Interest income	2,594	1,685
Interest on securities	28,899	18,088
Dividend income	–	83
Other	4,156	3,633
Total non-operating income	35,650	23,491
Non-operating expenses		
Interest expenses	356	108
Litigation expenses	3,451	25,000
Listing-related expenses	13,000	6,000
Consumption taxes for prior periods	–	109,100
Other	3,709	1,022
Total non-operating expenses	20,517	141,231
Ordinary income	1,488,937	1,520,194
Extraordinary losses		
Impairment loss	22,745	–
Loss on sales of shares of subsidiaries	–	–
Total extraordinary losses	22,745	–
Income before income taxes	1,466,192	1,520,194
Income taxes - current	530,540	595,819
Income taxes for prior periods	–	(36,280)
Income taxes - deferred	22,469	22,534
Total income taxes	553,009	582,073
Net income	913,183	938,121

(3) Statement of Changes in Equity

Fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

(Thousand yen)

	Shareholders' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for special depreciation	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	667,782	3,509,216	3,509,216	22,010	8,590	4,360,000	760,167	5,150,767
Changes of items during period								
Reversal of reserve for special depreciation					(1,431)		1,431	-
Reversal of general reserve						(1,200,000)	1,200,000	-
Dividends of surplus							(250,953)	(250,953)
Net income							913,183	913,183
Purchase of treasury shares								-
Disposal of treasury shares							(1,207,106)	(1,207,106)
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	(1,431)	(1,200,000)	656,555	(544,876)
Balance at end of current period	667,782	3,509,216	3,509,216	22,010	7,158	3,160,000	1,416,722	4,605,891

	Shareholders' equity		Valuation difference on available-for-sale securities	Subscription rights to shares	Total net assets
	Treasury shares	Total Shareholders' equity			
Balance at beginning of current period	(1,352,865)	7,974,901	-	22,577	7,997,479
Changes of items during period					
Reversal of reserve for special depreciation		-			-
Reversal of general reserve		-			-
Dividends of surplus		(250,953)			(250,953)
Net income		913,183			913,183
Purchase of treasury shares	(481,550)	(481,550)			(481,550)
Disposal of treasury shares	1,207,662	555			555
Net changes of items other than shareholders' equity			-	15,928	15,928
Total changes of items during period	726,111	181,235	-	15,928	197,163
Balance at end of current period	(626,753)	8,156,136	-	38,506	8,194,642

Fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

(Thousand yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings				
					Other retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for special depreciation	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	667,782	3,509,216	3,509,216	22,010	7,158	3,160,000	1,416,722	4,605,891
Changes of items during period								
Reversal of reserve for special depreciation					(1,431)		1,431	-
Increase in reserve for special depreciation from changes in tax rate					390		(390)	-
Reversal of general reserve								-
Dividends of surplus							(457,208)	(457,208)
Net income							938,121	938,121
Purchase of treasury shares								-
Disposal of treasury shares							(4,019)	(4,019)
Retirement of treasury shares							(431,119)	(431,119)
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	(1,041)	-	46,814	45,773
Balance at end of current period	667,782	3,509,216	3,509,216	22,010	6,117	3,160,000	1,463,537	4,651,664

	Shareholders' equity		Valuation difference on available-for-sale securities	Subscription rights to shares	Total net assets
	Treasury shares	Total Shareholders' equity			
Balance at beginning of current period	(626,753)	8,156,136	-	38,506	8,194,642
Changes of items during period					
Reversal of reserve for special depreciation		-			-
Increase in reserve for special depreciation from changes in tax rate		-			-
Reversal of general reserve		-			-
Dividends of surplus		(457,208)			(457,208)
Net income		938,121			938,121
Purchase of treasury shares	(464,938)	(464,938)			(464,938)
Disposal of treasury shares	10,493	6,473			6,473
Retirement of treasury shares	431,119	-			-
Net changes of items other than shareholders' equity			202	969	1,172
Total changes of items during period	(23,324)	22,448	202	969	23,620
Balance at end of current period	(650,078)	8,178,584	202	39,475	8,218,263

(4) Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended June 30, 2014	For the fiscal year ended June 30, 2015
Cash flows from operating activities		
Income before income taxes	1,466,192	1,520,194
Depreciation	219,244	219,325
Impairment loss	22,745	–
Interest and dividend income	(31,494)	(19,857)
Interest expenses	356	108
Increase (decrease) in provision for directors’ retirement benefits	(213,507)	–
Decrease (increase) in operating accounts receivable	410,235	120,144
Decrease (increase) in notes and accounts receivable - trade	(19,813)	(21,171)
Decrease (increase) in inventories	(426)	(4,056)
Increase (decrease) in operating accounts payable	(806,787)	(258,213)
Increase (decrease) in notes and accounts payable - trade	34,753	99,477
Increase (decrease) in receiving agency deposits	1,496,797	(1,704,190)
Other, net	168,265	(178,389)
Subtotal	2,746,561	(226,628)
Interest and dividend income received	28,226	31,564
Interest expenses paid	(374)	(118)
Payments for directors’ retirement benefits	(94,500)	–
Income taxes paid	(443,444)	(517,401)
Net cash provided by (used in) operating activities	2,236,468	(712,583)
Cash flows from investing activities		
Purchase of securities	(1,401,306)	(4,298,587)
Proceeds from redemption of securities	1,000,000	3,400,000
Purchase of property, plant and equipment	(66,912)	(52,156)
Purchase of intangible assets	(273,391)	(105,535)
Payments into time deposits	(1,200,000)	(1,100,000)
Proceeds from withdrawal of time deposits	600,000	1,100,000
Purchase of investment securities	–	(6,106)
Proceeds from redemption of investment securities	–	300,000
Net cash provided by (used in) investing activities	(1,341,609)	(762,386)
Cash flows from financing activities		
Purchase of treasury shares	(481,550)	(464,938)
Repayments of long-term loans payable	(20,000)	(10,000)
Repayments of lease obligations	(1,274)	(1,319)
Cash dividends paid	(250,405)	(457,550)
Net cash provided by (used in) financing activities	(753,229)	(933,808)
Net increase (decrease) in cash and cash equivalents	141,629	(2,408,777)
Cash and cash equivalents at beginning of period	15,560,800	15,702,429
Cash and cash equivalents at end of period	15,702,429	13,293,652

(5) Notes to Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes to accounting policies)
(Adoption of the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts”)

The Company has adopted the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (PITF No. 30; March 26, 2015) from the fiscal year ended June 30, 2015. Since the “Board Benefit Trust (J-ESOP)” adopted by the Company is based on the trust agreement concluded prior to the beginning of the fiscal year ended June 30, 2015, the Company continues adopting the conventional accounting procedure for the Board Benefit Trust. Therefore, there are no effects on the financial statements.

(Significant accounting policies)
1. Valuation standards and valuation methods for securities
(1) Held-to-maturity securities

Amortized cost method (interest method)

(2) Available-for-sale securities

Available-for-sale securities with market value
The market value method is applied, based on the market value as of the fiscal-end. The entire valuation difference from the purchase price is recorded directly as net assets, and the cost of securities sold is calculated using the moving-average method.

2. Valuation standards and valuation methods of inventories
Merchandise
Stated at cost using the moving-average method (balance sheet amount is calculated by writing down the book value of assets which decreased in profitability).
Work in process
Stated at cost using the specific identification method (balance sheet amount is calculated by writing down the book value of assets which decreased in profitability).
Supplies
Stated at cost using the last purchase price method (balance sheet amount is calculated by writing down the book value of assets which decreased in profitability).

3. Depreciation methods of non-current assets
(1) Property, plant and equipment (excluding leased assets)

Declining balance method (however, straight-line method for server equipment providing services on an integrated basis with software, of all the buildings (excluding accessories), and tools, furniture and fixtures acquired on or after April 1, 1998).
The useful lives of the major assets are as follows.

Buildings:	7-39 years
Tools, furniture and fixtures:	3-15 years

(2) Intangible assets (excluding leased assets)

Straight-line depreciation
Software for internal use is amortized based on its internally estimated useful life (5 years).

(3) Leased assets

The straight-line method, substituting the lease term with the useful life, assuming no residual value.

4. Basis for recording allowances
(1) Allowance for doubtful accounts

To prepare for bad debt losses, the Company records estimated amount of uncollectable receivables, based on loan loss ratio for general receivables, and case-by-case review of collectability for specific receivables such as doubtful accounts receivable. Since actual loan loss until the end of the fiscal year under review was negligible, loan loss ratio for general receivables is assumed as zero.

(2) Provision for bonuses

To prepare for the payment of bonuses for employees, estimated amount of payment of bonuses is recorded.

(3) Provision for retirement benefits

To prepare for the payment of employees' retirement benefits, an amount based on retirement benefit obligations (amount required by simplified method at year-end to pay for voluntary termination) and pension assets as of the end of the fiscal year under review is recorded. Since pension assets exceeded retirement benefit obligations as of the end of the fiscal year under review, such excess has been recorded as prepaid pension cost under "other" in investments and other assets.

(4) Provision for granting of shares

To prepare for the granting of shares to employees in accordance with the Share Granting Rules, estimated amount of share granting obligations as of the end of the fiscal year under review is recorded.

5. The range of cash within the statement of cash flows

Cash within the statement of cash flows include cash at hand, demand deposits and short-term investments that are easily converted into cash, with little risk of fluctuation in value and reach maturity within three months from acquisition.

6. Other significant matters underlying the preparation of financial statements

Accounting of consumption taxes

All transactions are recorded net of consumption taxes and local consumption taxes.

Non-deductible consumption taxes are recorded as periodic expenses for the fiscal year in which they incur. However, non-deductible consumption taxes associated with non-current assets are recorded under "other" in investments and other assets, subject to equal amortization in accordance with the provisions of the Corporation Tax Act.

(Notes to Balance Sheet)

* Receiving agency deposit

Receiving agency deposit is a deposit related to money collection business, and an equivalent amount is included in the deposits.

(Notes to Statements of Income)

*1 Approximate ratio of expenses included in selling expenses was 18% in the previous fiscal year, and 10% in the fiscal year under review. Approximate ratio of expenses included in general and administrative expenses was 82% in the previous fiscal year, and 90% in the fiscal year under review.

The major components and amounts of selling, general and administrative expenses are as follows.

(Thousand yen)

	For the fiscal year ended June 30, 2014	For the fiscal year ended June 30, 2015
Advertising expenses	170,421	83,131
Directors’ compensations	118,158	93,829
Salaries, allowances and bonuses	239,122	224,925
Rent expenses	45,928	45,931
Depreciation	68,746	60,246

*2 Total research and development expenses included in selling, general and administrative expenses

(Thousand yen)

For the fiscal year ended June 30, 2014	For the fiscal year ended June 30, 2015
27,242	14,024

*3 Impairment loss

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

In the fiscal year ended June 30, 2014, the Company recorded impairment loss for the following asset groups.

Location	Use	Category
Sapporo, Hokkaido (the Company)	Business assets	Tools, furniture and fixtures and software

(1) Background of the recognition of the impairment loss

Following a decline in the profitability of business assets, book value of such assets has been reduced down to the recoverable amount, where such reduction has been recorded as impairment loss under extraordinary losses.

(2) Breakdown of the impairment loss

Tools, furniture and fixtures: ¥7 thousand
Software: ¥22,737 thousand

(3) Method of grouping

Grouping is based on the management accounting classification.

(4) Method of calculating the recoverable amount

Recoverable amount is generally measured at use value. However, as there are no prospects of positive cash flows, the recoverable amount is measured at memorandum value in this instance.

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

There is no relevant information.

(Notes to Statement of Changes in Equity)

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

1. Class and total number of issued shares and class and total number of treasury shares

(Shares)

	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common shares (Note 1)	11,501,900	-	1,401,900	10,100,000
Total	11,501,900	-	1,401,900	10,100,000
Treasury shares				
Common shares (Note 2, 3, 4)	1,563,654	310,300	1,402,500	471,454
Total	1,563,654	310,300	1,402,500	471,454

(Notes)

1. The decrease in issued shares by 1,401,900 shares of common shares is due to the retirement of treasury shares carried out on August 30, 2013.
2. Of the increase in treasury shares by 310,300 shares of common shares, 180,000 shares are due to the purchase of treasury shares carried out on September 27, 2013, based on the resolution approving such purchase at the Board of Directors meeting held on September 26, 2013.
3. Of the increase in treasury shares by 310,300 shares of common shares, 130,300 shares are due to the purchase of treasury shares carried out in the period from March 3, 2014 to June 30, 2014, based on the resolution approving such purchase at the Board of Directors meeting held on February 28, 2014.
4. Of the decrease in treasury shares by 1,402,500 shares of common shares, 1,401,900 shares are due to the retirement of treasury shares carried out on August 30, 2013.
5. Following the introduction of the Board Benefit Trust (J-ESOP), Trust & Custody Services Bank, Ltd. (Trust Account E) purchased 1,000 shares of the Company on June 25, 2010. The number of treasury shares stated herein includes 99,300 shares in the Company held by the Trust Account E as of June 30, 2014.

2. Matters related to stock acquisition rights and treasury shares acquisition rights

Type	Schedule of stock acquisition rights	Class of shares for the purpose of stock acquisition rights	Number of shares for the purpose of stock acquisition rights				Balance at the end of period (Thousand yen)
			Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period	
Submitting company	Stock acquisition rights of the 2nd series unsecured bonds with stock acquisition rights	Common shares	300,000	-	300,000	-	-
	1st series stock acquisition rights in the form of stock options as stock-based compensation	-	-	-	-	-	10,952
	2nd series stock acquisition rights in the form of stock options as stock-based compensation	-	-	-	-	-	11,625
	1st series stock acquisition rights in the form of performance-based stock options	-	-	-	-	-	4,199
	3rd series stock acquisition rights in the form of stock options as stock-based compensation	-	-	-	-	-	11,729
Total		-	300,000	-	300,000	-	38,506

(Note) Decrease in the stock acquisition rights of the 2nd series unsecured bonds with stock acquisition rights during the fiscal year under review, is due to the retirement of the stock acquisition rights following the expiration of its exercise period.

3. Dividends

(1) Cash dividends paid

(Resolution)	Class of shares	Total cash dividends (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
September 26, 2013 Annual General Meeting of Shareholders	Common shares	250,953	25	June 30, 2013	September 27, 2013

(Note) Total amount of dividend includes dividend paid to Trust & Custody Services Bank, Ltd. (Trust Account E) based on the Board Benefit Trust (J-ESOP) scheme.

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date fall in the following fiscal year

(Resolution)	Class of shares	Total cash dividends (Thousand yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
September 26, 2014 Annual General Meeting of Shareholders	Common shares	457,208	Retained earnings	47	June 30, 2014	September 29, 2014

(Note) Total amount of dividend includes dividend paid to Trust & Custody Services Bank, Ltd. (Trust Account E) based on the Board Benefit Trust (J-ESOP) scheme.

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

1. Class and total number of issued shares and class and total number of treasury shares

(Shares)

	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Issued shares				
Common shares (Note 1)	10,100,000	-	300,000	9,800,000
Total	10,100,000	-	300,000	9,800,000
Treasury shares				
Common shares (Note 2, 3)	471,454	181,900	307,800	345,554
Total	471,454	181,900	307,800	345,554

(Notes)

1. The decrease in issued shares by 300,000 shares of common shares is due to the retirement of treasury shares carried out on August 29, 2014.
2. The increase in treasury shares by 181,900 shares of common shares is due to the purchase of treasury shares carried out in the period from February 9, 2015 to June 10, 2015, based on the resolution approving such purchase at the Board of Directors meeting held on February 6, 2015.
3. Of the decrease of 307,800 shares in the number of treasury shares of common shares, 300,000 shares are due to the retirement of treasury shares carried out on August 29, 2014.
4. Following the introduction of the Board Benefit Trust (J-ESOP), Trust & Custody Services Bank, Ltd. (Trust Account E) acquired 1,000 shares of the Company on June 25, 2010. The number of treasury shares stated herein includes 97,900 shares in the Company held by the Trust Account E as of June 30, 2015.

2. Matters related to stock acquisition rights and treasury shares acquisition rights

Type	Schedule of stock acquisition rights	Class of shares for the purpose of stock acquisition rights	Number of shares for the purpose of stock acquisition rights				Balance at the end of period (Thousand yen)
			Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period	
Submitting company	1st series stock acquisition rights in the form of stock options as stock-based compensation	-	-	-	-	-	9,012
	2nd series stock acquisition rights in the form of stock options as stock-based compensation	-	-	-	-	-	10,050
	1st series stock acquisition rights in the form of performance-based stock options	-	-	-	-	-	3,685
	3rd series stock acquisition rights in the form of stock options as stock-based compensation	-	-	-	-	-	10,073
	4th series stock acquisition rights in the form of stock options as stock-based compensation	-	-	-	-	-	6,654
Total		-	-	-	-	-	39,475

3. Dividends

(1) Cash dividends paid

(Resolution)	Class of shares	Total cash dividends (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
September 26, 2014 Annual General Meeting of Shareholders	Common shares	457,208	47	June 30, 2014	September 29, 2014

(Note) Total amount of dividend includes dividend paid to Trust & Custody Services Bank, Ltd. (Trust Account E) based on the Board Benefit Trust (J-ESOP) scheme.

(2) Dividends for which the record date falls in the fiscal year under review, but the effective date fall in the following fiscal year

(Resolution)	Class of shares	Total cash dividends (Thousand yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
September 28, 2015 Annual General Meeting of Shareholders	Common shares	472,722	Retained earnings	50	June 30, 2015	September 29, 2015

(Note) Total amount of dividend includes dividend paid to Trust & Custody Services Bank, Ltd. (Trust Account E) based on the Board Benefit Trust (J-ESOP) scheme.

(Notes to Statement of Cash Flows)

*Relationship between "Cash and cash equivalents at end of period" and account items listed in the Balance Sheet

(Thousand yen)

	For the fiscal year ended June 30, 2014	For the fiscal year ended June 30, 2015
Cash and deposits	13,801,071	13,293,918
Securities (MMF, etc.)	3,001,358	1,099,735
Time deposits with deposit terms of more than three months	(1,100,000)	(1,100,000)
Cash and cash equivalents	15,702,429	13,293,652

Cash and cash equivalents include ¥8,732,688 thousand commensurate with receiving agency deposit.

(Equity in earnings/loss)

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

There is no relevant information.

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

There is no relevant information.

(Segment information, etc.)
[Segment information]

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

Description is omitted because the Company operates in a single segment of payment and authentication business.

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

Description is omitted because the Company operates in a single segment of payment and authentication business.

[Related information]

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)
1. Information by product and service

Description is omitted because the Company operates in a single segment of payment and authentication business.

2. Information by region
(1) Net sales

(Thousand yen)

Japan	U.S.	Total
4,789,574	2,811,055	7,600,629

(2) Property, plant and equipment

Description is omitted because there are no property, plant and equipment that exist outside Japan.

3. Information by major customer

(Thousand yen)

Customer name	Net sales	Related segment
AMAZON.COM INT'L SALES, INC.	2,811,055	Payment and authentication

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)
1. Information by product and service

Description is omitted because the Company operates in a single segment of payment and authentication business.

2. Information by region
(1) Net sales

(Thousand yen)

Japan	U.S.	Total
5,801,005	3,087,765	8,888,769

(2) Property, plant and equipment

Description is omitted because there are no property, plant and equipment that exist outside Japan.

3. Information by major customer

(Thousand yen)

Customer name	Net sales	Related segment
AMAZON.COM INT’L SALES, INC.	3,087,765	Payment and authentication

[Information on impairment of non-current assets by reported segment]

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

Description is omitted because the Company operates in a single segment of payment and authentication business.

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

Description is omitted because the Company operates in a single segment of payment and authentication business.

[Information on amortization and unamortized balance of goodwill by reported segment]

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

There is no relevant information.

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

There is no relevant information.

[Information on gain on bargain purchase by reported segment]

For the fiscal year ended June 30, 2014 (from July 1, 2013 to June 30, 2014)

There is no relevant information.

For the fiscal year ended June 30, 2015 (from July 1, 2014 to June 30, 2015)

There is no relevant information.

(Per share information)

(Yen)

	For the fiscal year ended June 30, 2014	For the fiscal year ended June 30, 2015
Net assets per share	838.43	856.21
Net income per share	92.52	96.74
Diluted net income per share	89.75	96.34

(Notes) 1. With respect to the number of treasury shares of common shares for the purpose of calculating net assets per share, as well as the average number of treasury shares of common shares during the period for the purpose of calculating net income per share, the number of treasury shares does not include the number of shares of the Company held by Trust & Custody Services Bank, Ltd. (Trust Account E).

2. The basis of calculation of net income per share and diluted net income per share is as follows:

	For the fiscal year ended June 30, 2014	For the fiscal year ended June 30, 2015
Net income per share		
Net income (Thousand yen)	913,183	938,121
Amount not attributable to common shareholders (Thousand yen)	-	-
Net income on common shares (Thousand yen)	913,183	938,121
Average number of shares of common shares during the period (Shares)	9,869,791	9,697,449
Diluted net income per share		
Adjustment of net income (Thousand yen)	-	-
Increase in number of shares of common shares	305,480	40,140
(Stock acquisition rights included in the above)	(305,480)	(40,140)
Overview of residual shares not included in calculation of diluted net income per share due to lack of dilutive effect	-	-

(Significant subsequent events)

There is no relevant information.

6. Others

(1) Changes to Directors and Corporate Auditors

There is no relevant information.

(2) Others

There is no relevant information.