Translation

May 1, 2015

Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 <under Japanese GAAP>

Company name: **PRONEXUS Inc.**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 7893
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Scheduled date of ordinary general meeting of shareholders: June 25, 2015
Scheduled date to commence dividend payments: June 4, 2015
Scheduled date to file Securities Report: June 26, 2015
Preparation of supplementary material on earnings: Yes
Holding of earnings performance review: Yes (for analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2015	21,119	6.2	1,991	(5.5)	2,036	(9.3)	1,358	(4.1)
March 31, 2014	19,882	10.3	2,107	15.4	2,246	23.3	1,417	21.5

Note: Comprehensive income For the fiscal year ended March 31, 2015 1,562 million yen [2.6%]
For the fiscal year ended March 31, 2014 1,522 million yen [11.8%]

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2015	43.72	–	6.4	7.4	9.4
March 31, 2014	43.63	–	6.5	8.1	10.6

Reference: Equity in earnings (losses) of affiliates
For the fiscal year ended March 31, 2015: (22) million yen
For the fiscal year ended March 31, 2014: 9 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2015	27,478	20,934	75.6	693.30
March 31, 2014	27,890	21,819	77.8	668.41

Reference: Equity
As of March 31, 2015: 20,760 million yen
As of March 31, 2014: 21,685 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2015	3,038	(1,061)	(2,895)	10,642
March 31, 2014	1,969	(798)	(1,749)	11,566

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2014	–	9.00	–	11.00	20.00	648	45.8	3.0
Fiscal year ended March 31, 2015	–	9.00	–	9.00	18.00	552	41.2	2.6
Fiscal year ending March 31, 2016 (Forecast)	–	9.00	–	9.00	18.00		40.8	

3. Consolidated earnings forecasts for the fiscal year 2015 (from April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2015	11,600	(4.7)	2,100	2.1	2,100	2.9	1,400	11.7	45.05
Fiscal year ending March 31, 2016	20,000	(5.3)	2,000	0.4	2,050	0.7	1,370	0.8	44.08

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement
   a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
   b. Changes in accounting policies due to other reasons: None
   c. Changes in accounting estimates: None
   d. Restatement: None

Note: For details, please refer to the section of "(1) Changes in accounting policies" of "6. Notes to consolidated financial statements" on page 20 of the attached material.

(3) Number of issued shares (common shares)
   a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2015	36,327,700 shares
As of March 31, 2014	36,327,700 shares

   b. Number of shares of treasury shares at the end of the period

As of March 31, 2015	6,383,249 shares
As of March 31, 2014	3,883,585 shares

   c. Average number of shares during the period

For the fiscal year ended March 31, 2015	31,077,955 shares
For the fiscal year ended March 31, 2014	32,485,647 shares

[Attached Material]

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1. Analysis of operating results and financial position

(1) Analysis of operating results

A. Condition of Japanese economy

In the Japanese economy during the fiscal year ended March 31, 2015 (the fiscal year under review), rapid yen depreciation ensuing since last year provided a tailwind for export industries while acting as a headwind with respect to import industries, amid somewhat of a delay in recovery from the fall in consumer spending in the wake of Japan's consumption tax hike. This was underpinned by factors such as the government's economic policy measures and additional monetary easing by the Bank of Japan, thereby fueling improvement in the overall employment and income environment, which in turn prompted moderate recovery in the Japanese economy. In the securities markets of Japan, to which the business of PRONEXUS Inc. (hereinafter "the Company") is closely linked, positive changes with respect to the Company occurred, with the Nikkei Stock Average climbing from the 14,000-yen level in April 2014 to slightly less than the 20,000-yen level, and an upturn in the number of listed companies, which had previously been experiencing ongoing decline.

B. Review of performance

1) Sales performance

Net sales in the fiscal year under review increased by 6.2% year on year to 21,119 million yen in part due to expansion of new businesses by the Company's consolidated subsidiary, our introduction of services relating to the Financial Services Agency's new EDINET system and expansion of markets related to investment trusts. This performance exceeded the Company's earnings forecast for the fiscal year under review of 20,000 million yen. An overview of sales performance by business is as follows.

<Listed companies disclosure-related business>

Sales of services related to accounts settlement increased largely due to companies that close their books in March, which account for some 70% of our listed company clients, opting for disclosure practices compatible with the new EDINET system beginning in the fiscal year under review. Nevertheless, sales of services related to equity finance decreased amid a downturn in the number of such deals, despite increases in the Nikkei Stock Average as the stock market remained buoyant. As a result, net sales of the listed companies disclosure-related business were 8,769 million yen, an increase of 3.1% year on year.

The number of domestic IPOs increased to 86 this fiscal year, from 53 in the previous fiscal year (on the basis of an April–March fiscal year), while the number of domestic listed companies as of March 31, 2015, was about 3,580, which was an increase for the first time in about seven years (an increase of approximately 50 companies year on year).

<Listed companies IR-related, etc. business>

There was a surge in sales of call center services, one of the new businesses of the Company's consolidated subsidiary, a2media corporation. Sales of English-language IR services increased against a backdrop of companies fortifying corporate governance practices and increasing numbers of overseas investors, while sales of website-related online services such as IR website development also increased. As a result, net sales of the listed companies IR-related, etc. business were 5,881 million yen, an increase of 11.2% year on year.

<Financial instruments disclosure-related business>

In the investment trusts and other financial instruments-related field, there was a decrease in sales involving investment trust reports beginning in the month of January associated with revisions to related regulations. However, various services such as those having to do with systems that support disclosure operations of customers, as well as planning and proposal, did well, thereby bringing about an increase in sales of related services such as those involving prospectuses, sales materials and website creation. In the J-REIT market, deals involving IPOs and financing continued at high levels as in the previous fiscal year, causing an increase in sales related to such activity. As a result, net sales of the financial instruments disclosure-related business were 6,005 million yen, an increase of 7.1% year on year.

<Database-related business>
Net sales of our mainstay services increased only slightly as a result of our having focused efforts on providing customer support such as developing functions for the new EDINET system and developing new menus tailored to customer needs. However, net sales of the database-related business were 462 million yen, a decrease of 3.3% year on year, in reaction to a pullback in sales following a surge in spot sales in the previous fiscal year.

(Sales by product areas)

(Thousands of yen, with fractional amounts discarded)

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015		Change	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	(%)
Listed companies disclosure-related business	8,506,238	42.8	8,769,739	41.5	263,501	3.1
Listed companies IR-related, etc. business	5,287,061	26.6	5,881,125	27.9	594,063	11.2
Financial instruments disclosure-related business	5,610,330	28.2	6,005,889	28.4	395,558	7.1
Database-related business	478,656	2.4	462,646	2.2	(16,010)	(3.3)
Total	19,882,287	100.0	21,119,401	100.0	1,237,113	6.2

Notes: 1. Amounts are based on sales prices.
2. Consumption taxes are excluded from the above amounts.

2) Earnings summary
In the fiscal year under review, net sales surpassed the forecast at the beginning of the fiscal year, with operating income also consequently exceeding the initial forecast of 1,800 million yen, albeit below the previous year-level. Major factors attributable to these results included increases in costs for systems compatible with the new EDINET system and one-off initial costs, as well as increases in labor costs and subcontract processing costs associated with significant gains in net sales outside the Company, such as those for call center services and website-related online services at consolidated subsidiary a2media. As a consequence, the cost-to-sales ratio rose by 3.6 percentage points year on year to 64.4%, from 60.8% of the previous fiscal year, and gross profit was 7,512 million yen (down 278 million yen, or 3.6%, year on year). Net of 5,520 million yen in selling, general and administrative expenses (down 163 million yen, or 2.9%), operating income was 1,991 million yen (down 115 million yen, or 5.5%).
Non-operating income was 113 million yen (down 50 million yen year on year), while non-operating expenses were 69 million yen (up 43 million yen), largely reflecting the posting of a loss on investments in partnership for the fiscal year against a gain for the previous fiscal year, and also the posting of a loss on investments in associates accounted for by the equity method. As a result, ordinary income was 2,036 million yen (down 209 million, or 9.3%).
Income before income taxes and minority interests was 2,073 million yen (down 274 million yen, or 11.7%), after adding extraordinary income of 36 million yen (down 64 million yen) due to gain on sales of investment securities. Net income was 1,358 million yen (down 58 million yen, or 4.1%). The decrease in the effective corporate tax rate due to tax revision has helped narrow the extent of decrease in net income.

C. Consolidated forecasts for the next fiscal year

(Percentages indicate year-on-year changes.)

Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
20,000	(5.3)	2,000	0.4	2,050	0.7	1,370	0.8	44.08

1) Background and factors in fluctuations of sales projection

Next fiscal year, consolidated net sales are expected to be 20,000 million yen, a decrease of 1,119 million yen year on year. The decrease is mainly attributable factoring in the expectation of changes in the scope of consolidation whereby consolidated subsidiary a2media Group becomes an associate accounted for by the equity method, which means that sales of the a2media Group outside those to the Company will be excluded from consolidated net sales. Although orders involving English-language IR, Website-IR and various other IR products are expected to increase, the aforementioned change in the scope of consolidation is likely to result in a significant decrease in net sales from the listed companies IR-related, etc. business, given that the impact of the change will be concentrated on net sales in that field of business. Meanwhile, order volume of investment trust reports is decreasing due to regulatory revisions relating to those reports. Accordingly, a decline in net sales which began in January 2015 is likely to persist throughout the year. As such, the estimated effect of this situation has been reflected in the net sales forecast of the financial instruments disclosure-related business.

(Thousands of yen, with fractional amounts discarded)

	Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016		Change	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	(%)
Listed companies disclosure-related business	8,769,739	41.5	9,000,000	45.0	230,260	2.6
Listed companies IR-related, etc. business	5,881,125	27.9	4,630,000	23.2	(1,251,125)	(21.3)
Financial instruments disclosure-related business	6,005,889	28.4	5,900,000	29.5	(105,889)	(1.8)
Database-related business	462,646	2.2	470,000	2.3	7,353	1.6
Total	21,119,401	100.0	20,000,000	100.0	(1,119,401)	(5.3)

2) Background and factors in fluctuations of profits projection

With respect to costs, the cost-to-sales ratio is expected to decline due to factors that include a significant decrease in costs related to the a2media Group amid the anticipated impact of the aforementioned change in the scope of consolidation, no more one-off costs associated with introduction of the new EDINET system, as well as improvements in internal productivity in line with moves to strengthen the production framework. Operating income is expected to be 2,000 million yen, a slight increase year on year, assuming that increases in personnel expenses to be used in strengthening the sales structure will be absorbed due to the effect of cost cutting. Although the forecast for non-operating profit or loss factors in the amount of a2media Group net income proportional to the Company's share of ownership in that entity, amounts of extraordinary profit and loss will not be recorded because we do not expect any changes of special note for disclosure. Accordingly, the forecast projects ordinary income of 2,050 million yen and profit attributable to owners of parent of 1,370 million yen, with both figures constituting moderate increases paralleling gains forecast in operating income.

3) Association with medium-term management plan

At this point, there are no targets to be announced given that management is still in the process of developing the Group's medium-term management plan. However, details on the Group's medium-term priority issues and other elements of our management strategy are detailed in section "3. Management policies," on page 10.

(2) Analysis of financial position

A. Position of assets, liabilities, and net assets

At the end of the fiscal year under review, total assets decreased by 412 million yen from the previous fiscal year-end to 27,478 million yen.

Current assets decreased by 818 million yen to 13,908 million yen. The main components included an increase of 233 million yen in notes and accounts receivable - trade, a decrease of 525 million yen in cash and deposits, a decrease of 398 million yen in securities, and a decrease of 167 million yen in work in process. Property, plant and equipment amounted to 6,019 million yen, a decrease of 12 million yen. This was mainly because recorded depreciation exceeded new acquisitions. Intangible assets amounted to 2,650 million yen, an increase of 193 million yen. Investments and other assets increased by 225 million yen to 4,899 million yen. The main components included an increase of 141 million yen in investment securities, and an increase of 40 million yen in deferred tax assets.

At the end of the fiscal year under review, total liabilities increased by 473 million yen from the previous fiscal year-end to 6,544 million yen.

Current liabilities increased by 331 million yen to 3,751 million yen. The main components included an increase of 446 million yen in accrued consumption taxes ("other" in current liabilities), an increase of 344 million yen in accounts payable - other ("other" in current liabilities), and a decrease of 375 million yen in current portion of long-term loans payable. Non-current liabilities increased by 142 million yen to 2,792 million yen. The main components included an increase of 150 million yen in net defined benefit liability.

Net assets totaled 20,934 million yen at the end of the fiscal year under review, a decrease of 885 million yen from the previous fiscal year-end. The main components included an increase due to the recording of 1,358 million yen in net income, decreases due to dividends of surplus of 639 million yen and the purchase of treasury shares of 1,875 million yen, as well as an increase of 252 million yen in valuation difference on available-for-sale securities.

B. Cash flow position

The balance of cash and cash equivalents (hereinafter "cash") as of March 31, 2015 amounted to 10,642 million yen, down 924 million yen (down 8.0% year on year) compared with the previous fiscal year-end.

The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities was 3,038 million yen (1,969 million yen was provided in the previous fiscal year). As a main breakdown of cash provided, income before income taxes and minority interests was 2,073 million yen, while income from operations after adjustment for non-cash items was 4,127 million yen and interest and dividend income received was 30 million yen. As a main breakdown of cash used, income taxes paid totaled 1,112 million yen.

Cash flows from investing activities

Net cash used in investing activities was 1,061 million yen (798 million yen was used in the previous fiscal year). As a main breakdown of cash provided, proceeds from sales of investment securities was 137 million yen. As a main breakdown of cash used, purchase of property, plant and equipment was 239 million yen and purchase of intangible assets was 996 million yen.

Cash flows from financing activities

Net cash used in financing activities was 2,895 million yen (1,749 million yen was used in the previous fiscal year). As a main breakdown of cash provided, the increase in short-term loans payable was 460 million yen. As a main breakdown of cash used, decrease in short-term loans payable was 835 million yen, purchase of treasury shares was 1,875 million yen and cash dividends paid amounted to 639 million yen.

Trends in company cash flow indicators are as shown below.

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Equity ratio (%)	78.1	79.1	77.8	77.8	75.6
Market value equity ratio (%)	53.5	55.8	82.1	88.6	88.8
Interest-bearing debt to cash flow ratio (years)	–	0.4	0.3	0.2	0.0
Interest coverage ratio (factor)	–	116.6	127.2	140.6	404.5

Equity ratio: equity / total assets
Market value equity ratio: market capitalization / total assets
Interest-bearing debt to cash flow ratio: interest-bearing debt / cash flow
Interest coverage ratio: cash flow / paid interest

* All indicators are calculated using consolidated-based financial indicators.
* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares as of the end of the period (excluding treasury shares).
* The figure used for cash flow is "net cash provided by (used in) operating activities" on the consolidated statement of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet on which we paid interest. Furthermore, regarding the paid interest, we use the interest expenses paid recorded on the consolidated statement of cash flows.
* The interest-bearing debt to cash flow ratio and the interest coverage ratio are not shown for the fiscal year ended March 31, 2011 because cash flows from operating activities was a minus value.

(3) Basic policy on profit distribution and dividends for fiscal 2014 and fiscal 2015

A. Dividends

The Company believes that returning profits to shareholders is a vital issue facing company management, and is taking a series of measures corresponding to our belief. The Company's basic dividend policy is to conduct the stable, continuous payment of dividends, taking a comprehensive evaluation of business performance and the business environment into account, and the basic dividend payout ratio is set at 30% or more.

The Company forecasts annual dividends of 18 yen per share for the fiscal year under review. In addition to midterm dividends of 9 yen already paid, this includes the payment of year-end dividends of 9 yen, with a planned dividend payout ratio of 41.2%. Regarding the dividends for the next fiscal year, as shown in "(1) Analysis of operating results, C. Consolidated forecasts for the next fiscal year," the Company expects a slight increase in profit attributable to owners of parent in comparison with the fiscal year under review. In light of this expectation, the Company forecasts midterm and year-end dividends of 9 yen each, with an annual dividend of 18 yen. This is expected to result in a dividend payout ratio of 40.8%

B. Share buyback for treasury

The Company places importance on share buyback for treasury in consideration that it will contribute to returning profits to shareholders and improving capital efficiency. During the fiscal year under review, the Company purchased approximately 1 million shares of common shares based on a resolution of the Board of Directors dated May 7, 2014, and purchased an additional 1.5 million shares of common shares based on a resolution of the Board of Directors dated November 12, 2014, and therefore purchased a total of approximately 2.5 million shares for the fiscal year. Combining the dividends and the share buyback for treasury, this maintained the total shareholder return ratio at a high level, with a ratio of 185.1% in the fiscal year under review.

C. Shareholders benefit program

The Company also operates a shareholders benefit program using QUO prepaid card. In order to encourage individual investors to hold the share of the Company for longer periods, the Company has given the program a more attractive framework effective from the fiscal year ended March 31, 2014. The current benefit criteria are based on number of shares owned, but this framework has been expanded to include criteria under which the values of benefits awarded increase in accordance with the number of years shares are owned.

Number of shares owned	Number of years owned		
	Less than 1 year	1 or more years but less than 3 years	3 years or more
100 or more but less than 1,000 shares	¥500	¥1,000	¥1,500
1,000 shares or more	¥1,000	¥3,000	¥5,000

(4) Business risk factors

Risks and fluctuations that may possibly affect the Group's performance and financial status as well as other significant related matters are noted below. The Group will work with sufficient awareness of these risks and avoid them as much as possible, and we will also maintain efforts to appropriately respond to such incidents should they occur.

A. Management of confidential information

As the Group companies have access to confidential client company information prior to disclosure, we give the highest priority to the retention of confidentiality. The Group has acquired ISO 27001 certification (for all of its offices), which is the international standard for Information Security Management Systems, and developed and strengthened the information management system within the Group focusing on both system and control. Regarding the handling of insider information, the Group has established and operates the across-the-Group management system, promotes employee education and executes auditing activities. There is nevertheless a risk that information could be leaked or otherwise become outside of the Company's control, which could affect the Group's business performance.

B. Impact of relevant legal and regulatory changes on volume of orders

The Group's principal business is the provision of support services related to the production of legal disclosure documentation and the compilation of relevant data and printing for corporations. Many of these disclosure documents are specified in the Companies Act and the Financial Instruments and Exchange Act. Thus, revisions to the laws and relevant regulations could alter the demand for such products and services, as well as their specifications and content. If this resulted in an increase in the page volume required for legal documentation or the introduction of new services, it could have a positive effect on sales of the Group, but, on the contrary, if it resulted in a reduction in the total page volume or a drop in orders for a specific product, it could have a negative impact.

C. Impact of changes in securities market conditions affecting volume of orders

Volume of products and services of which the Group receives orders, such as IPOs (Initial Public Offerings) and financing and prospectuses and other sales materials associated with investment trusts, are influenced by securities market conditions. In order to reduce these risks, the Group endeavors to increase orders for disclosure documents that clients require on a recurring basis, such as shareholders' meeting convocation notices, securities reports and quarterly securities reports, and other products that are not easily affected by the securities market conditions such as system services that help to increase operational efficiency and accuracy for customers and IR-related products and services. Despite these efforts, however, securities market fluctuations could affect the performance of the Group.

D. Seasonal factors affecting business

The Group owes approximately 70% of its net sales to Japanese listed companies. Because roughly 70% of these companies close their books in March, orders for products related to account settlements and shareholders' meetings peak in the first quarter. Consequently, sales during the first quarter are more than those of others as shown below.

(Fiscal year ended March 31, 2015)

	Q1 (Apr.–Jun.)	Q2 (Jul.–Sep.)	Q3 (Oct.–Dec.)	Q4 (Jan.–Mar.)	Year total
Net sales (Millions of yen)	8,305	3,862	4,726	4,224	21,119
Composition ratio (%)	39.3	18.3	22.4	20.0	100.0

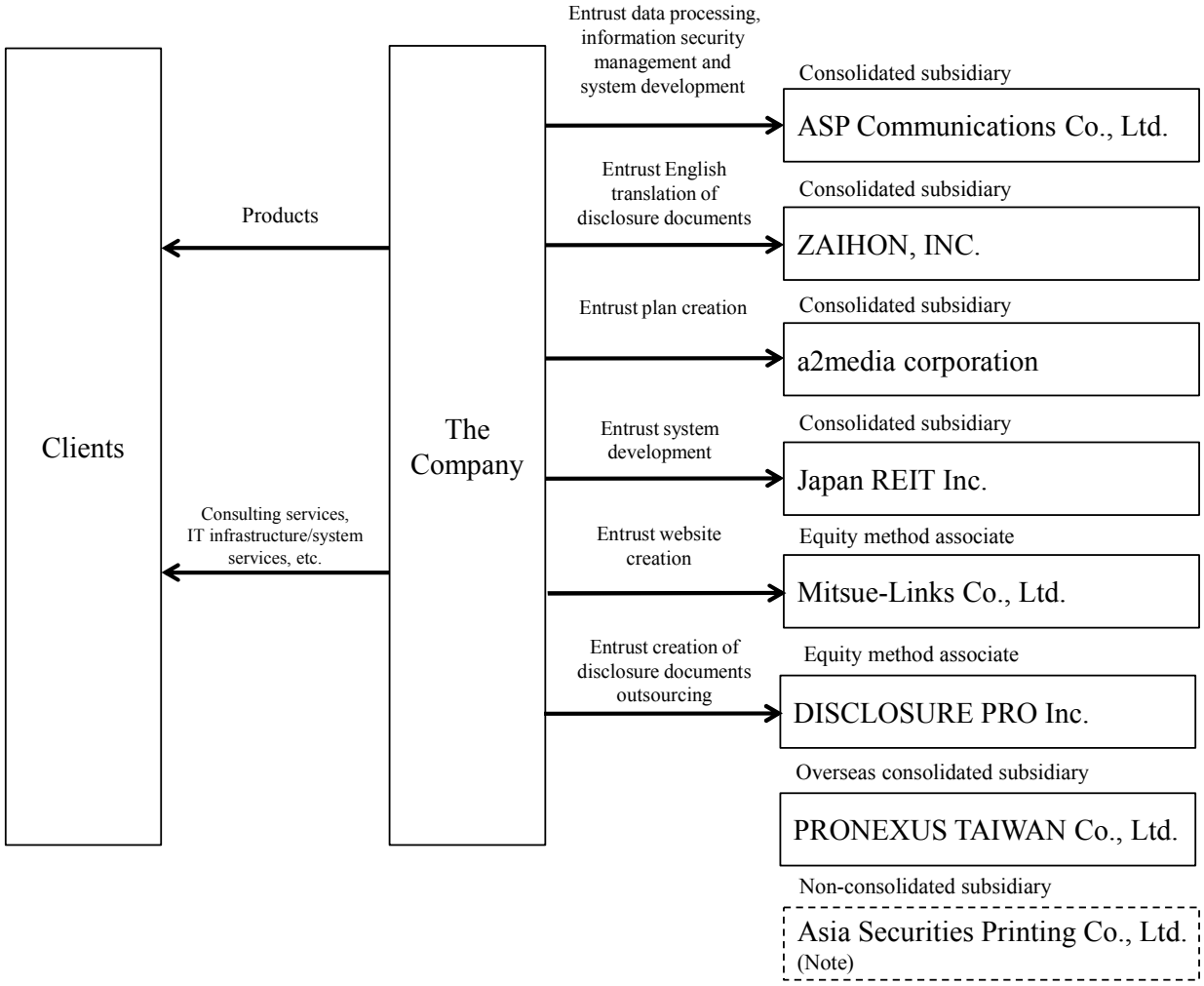
2. Status of corporate group

The Company's corporate group is composed of the Company, six subsidiaries and two associates. As a group of companies specializing in the provision of support for corporate disclosure and IR-related operations, the corporate group serves a customer base primarily composed of listed companies. The Group is engaged in the production of disclosure documents pursuant to the Companies Act and the Financial Instruments and Exchange Act and various IR tools. It also provides production support services including consulting and system services, and securities printing services.

In the Company's corporate group, five companies are subsidiaries in the scope of consolidation: ASP Communications Co., Ltd., which carries out data processing, information security management and system development operations in relation to the Company's business operations; ZAIHON, INC., which provides English translation services for disclosure documents; a2media corporation, which creates plans for IR products; and Japan REIT Inc., which develops systems for REITs; PRONEXUS TAIWAN Co., Ltd. (made a consolidated subsidiary on August 1, 2014), which provides BPO services to Japanese companies in Taiwan.

Note that the Company acquired 35% of the total issued shares of DISCLOSURE PRO Inc. a company specializing in disclosure BPO services that was established as a joint-venture company on March 5, 2015, making that company an associate accounted for by the equity method.

The following is a diagram showing the business activities of the corporate group.



(Note) Because Asia Securities Printing Co., Ltd. stopped operating as a company and was transferred to the Company's securities printing business on April 1, 2010, it is excluded from the scope of consolidation due to immateriality.

3. Management policies

(1) Fundamental management policies

The Company specializes in disclosure and IR-related information processing services of business corporations and investment management companies. We work to provide a total range of services for the fine disclosure of information of our client companies to their investors, including printing and distribution, while focusing on consulting services which are founded on professionalism, and proprietary system services that support proper and prompt corporate disclosure. Through our operation, our corporate social mission is to promote proper corporate value assessments and investing activities of investors as well as to support the fund raising and growth strategies for the progress of our client companies. Furthermore, we strive to contribute to the healthy growth of capital markets, and through these endeavors, the development of our economy and society.

To practically implement our social mission, we strive to grow our business and increase shareholders' profit while following the five maxims that form our management philosophy.

i. We aspire to be a professional group.
ii. We aspire to be trusted partners of our clients.
iii. We pursue legal compliance and information security.
iv. We continue to create proper services from a global perspective.
v. We aspire for progressive growth while considering our social responsibility as corporate citizens.

In addition to the above management philosophy that incorporates a social mission, we have established two codes of conduct, one for society and the environment as a corporate citizen, and one for business as a business corporation and we are working towards the adoption of this management philosophy by the entire Group.

(2) Target operational markers

The Company is working to enhance profitability and capital efficiency as a way of achieving continual improvement of corporate value. From this point of view, the Company set two important management challenges: to achieve an operating margin ratio of 10% or higher, and to secure return on equity (ROE) of 8%. In the fiscal year under review, the Company did not realize either target, having an operating income ratio of 9.4%, and a return on equity (ROE) of 6.4%.
The Company has once again highlighted these goals as part of the Group's medium-term management plan, which is to be formulated in the fiscal year ending March 31, 2016. The Company will promote Group-wide efforts to achieve these goals.

(3) Medium- to long-term corporate management strategies

While executing the following management strategies to realize medium- to long-term growth and boost corporate value, the Company promotes the maintenance of a corporate governance system.

a. Thorough adherence to compliance and enhancement of information security system
b. Development of system services capable of delivering a high level of customer satisfaction by incorporating advanced specialization and original technology
c. Provision of business support services capable of delivering a high level of customer satisfaction by responding to changes in the regulatory environment and capital market
d. Strengthening of infrastructural services and reinforcing of profitability for all processes from sales to production.
e. Expansion of service fields and development of new markets utilizing the Company's internal and third-party resources.
f. Execution of financial strategies, capital policy and shareholder return policies to improve management efficiency and boost corporate value.

(4) Tasks facing the Company

The Company will provide highly differentiated services that accommodate market changes and customer needs and improve cost competitiveness amid a growing competitive market to pursue growth and profitability.

a. Development and provision of disclosure and IR support services that meet changes in the disclosure related regulatory environment.
b. Development and provision of system and consulting services that meet customers' needs for greater business efficiency.
c. Construction of new service systems that meet diversification and expansion of the financial instruments market
d. Construction and strengthening of English disclosure and IR service systems that meet the growth of foreign investors and the globalization of capital markets.
e. Construction and strengthening of planning and production systems that capitalize on the advancement of digital operations.
f. Construction and strengthening of support service systems for Japanese companies in the Asian market.
g. Improvement of cost competitiveness and service capabilities by making order taking and production processes more streamlined and efficient.
h. Further improvement of internal productivity and stable operation by introducing new printing equipment.

(5) Other significant matters concerning management

The Company decided to continue its "Countermeasures to Large-Scale Acquisitions of PRONEXUS Shares" (hereinafter the "Plan") based on a resolution at the meeting of the Board of Directors held on May 7, 2014 concerning "Countermeasures to Large-Scale Acquisitions of PRONEXUS Shares," which was introduced at the meeting of the Board of Directors held on April 30, 2008 and approved most recently at the Company's ordinary general meeting of shareholders held on June 28, 2011. This was proposed and approved at the Company's ordinary general meeting of shareholders held on June 27, 2014.

At the aforementioned meeting of the Board of Directors in which the Plan was resolved, all four Audit & Supervisory Board Members of the Company, three of whom are Outside Audit & Supervisory Board Members, attended and expressed the opinion that the Plan is judged as suitable as countermeasures to large-scale acquisitions of the Company's shares.

For details, please refer to the disclosure material dated May 7, 2014 that can be accessed from the URL below.
(The Company's website) http://www.pronexus.co.jp/home/english/news/releases.html

4. Basic Concept Regarding Selection of Accounting Standards

The Group prepares the Company's consolidated financial statements in accordance with the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapters 7 and 8)" (Ordinance of the Ministry of Finance No. 28 of 1976) in order to secure comparability between companies and past fiscal years.

Concerning the application of International Financial Reporting Standards (IFRS), it is the Group's policy to respond to this issue appropriately while giving consideration to various circumstances in Japan and overseas.

5. Consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	7,377,009	6,851,632
Notes and accounts receivable - trade	1,949,139	2,182,938
Securities	4,489,378	4,090,425
Work in process	481,459	314,220
Raw materials and supplies	5,282	4,897
Deferred tax assets	260,797	236,200
Other	167,138	231,991
Allowance for doubtful accounts	(2,550)	(3,486)
Total current assets	14,727,655	13,908,820
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,891,338	2,928,110
Accumulated depreciation	(1,327,323)	(1,449,430)
Buildings and structures, net	1,564,015	1,478,680
Machinery, equipment and vehicles	1,468,086	1,484,228
Accumulated depreciation	(1,046,143)	(1,121,656)
Machinery, equipment and vehicles, net	421,943	362,572
Land	*2 3,887,672	*2 3,887,672
Other	966,509	1,025,244
Accumulated depreciation	(808,326)	(734,925)
Other, net	158,183	290,319
Total property, plant and equipment	6,031,814	6,019,245
Intangible assets	2,457,380	2,650,477
Investments and other assets		
Investment securities	*1 3,537,318	*1 3,678,566
Deferred tax assets	229,606	269,848
Other	933,261	975,332
Allowance for doubtful accounts	(26,276)	(23,861)
Total investments and other assets	4,673,910	4,899,886
Total non-current assets	13,163,105	13,569,608
Total assets	27,890,760	27,478,429

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	626,586	637,903
Short-term loans payable	110,000	110,000
Current portion of long-term loans payable	375,000	–
Income taxes payable	672,017	412,944
Provision for bonuses	466,609	492,146
Other	1,170,396	2,098,835
Total current liabilities	3,420,610	3,751,830
Non-current liabilities		
Deferred tax liabilities	1,073,910	1,058,117
Provision for directors' retirement benefits	32,992	32,892
Net defined benefit liability	1,217,808	1,368,430
Other	325,561	333,060
Total non-current liabilities	2,650,272	2,792,500
Total liabilities	6,070,882	6,544,331
Net assets		
Shareholders' equity		
Capital stock	3,058,650	3,058,650
Capital surplus	4,683,596	4,683,596
Retained earnings	16,330,954	17,084,798
Treasury shares	(2,623,265)	(4,498,785)
Total shareholders' equity	21,449,936	20,328,259
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	376,797	628,946
Foreign currency translation adjustment	–	4,687
Remeasurements of defined benefit plans	(140,754)	(201,546)
Total accumulated other comprehensive income	236,043	432,086
Minority interests	133,898	173,751
Total net assets	21,819,877	20,934,098
Total liabilities and net assets	27,890,760	27,478,429

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	19,882,287	21,119,401
Cost of sales	12,090,643	13,606,659
Gross profit	7,791,644	7,512,741
Selling, general and administrative expenses		
Salaries and allowances	2,345,187	2,359,828
Provision for bonuses	212,558	230,579
Retirement benefit expenses	174,101	137,124
Provision for directors' retirement benefits	6,300	6,300
Welfare expenses	563,038	551,564
Rent expenses	604,795	599,912
Other	1,778,078	1,635,481
Total selling, general and administrative expenses	5,684,060	5,520,791
Operating income	2,107,584	1,991,949
Non-operating income		
Interest income	6,882	4,252
Dividend income	15,205	17,026
Share of profit of entities accounted for using equity method	9,830	–
Foreign exchange gains	925	12,162
Gain on investments in partnership	55,353	–
Rent income on facilities	36,134	36,596
Gain on sales of scraps	13,494	18,801
Other	26,410	24,939
Total non-operating income	164,236	113,778
Non-operating expenses		
Interest expenses	12,014	5,477
Share of loss of entities accounted for using equity method	–	22,403
Loss on investments in partnership	–	21,695
Rent expenses on facilities	7,699	7,723
Other	6,072	12,153
Total non-operating expenses	25,785	69,452
Ordinary income	2,246,034	2,036,275
Extraordinary income		
Gain on sales of investment securities	47,806	36,817
Gain on step acquisitions	54,000	–
Total extraordinary income	101,806	36,817
Income before income taxes and minority interests	2,347,841	2,073,093
Income taxes - current	1,000,856	838,998
Income taxes - deferred	(79,730)	(132,567)
Total income taxes	921,126	706,431
Income before minority interests	1,426,715	1,366,661
Minority interests in income	9,380	7,967
Net income	1,417,335	1,358,694

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	1,426,715	1,366,661
Other comprehensive income		
Valuation difference on available-for-sale securities	95,858	252,148
Foreign currency translation adjustment	–	4,687
Remeasurements of defined benefit plans, net of tax	–	(60,792)
Total other comprehensive income	* 95,858	* 196,043
Comprehensive income	1,522,573	1,562,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,513,193	1,554,738
Comprehensive income attributable to minority interests	9,380	7,967

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2014

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,058,650	4,683,596	16,159,098	(2,548,792)	21,352,552
Cumulative effects of changes in accounting policies					–
Restated balance	3,058,650	4,683,596	16,159,098	(2,548,792)	21,352,552
Changes of items during period					
Dividends of surplus			(592,972)		(592,972)
Net income			1,417,335		1,417,335
Purchase of treasury shares				(749,948)	(749,948)
Retirement of treasury shares			(675,475)	675,475	–
Change of scope of consolidation			22,968		22,968
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	171,856	(74,473)	97,383
Balance at end of current period	3,058,650	4,683,596	16,330,954	(2,623,265)	21,449,936

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	280,939	–	–	280,939	124,518	21,758,010
Cumulative effects of changes in accounting policies						–
Restated balance	280,939	–	–	280,939	124,518	21,758,010
Changes of items during period						
Dividends of surplus						(592,972)
Net income						1,417,335
Purchase of treasury shares						(749,948)
Retirement of treasury shares						–
Change of scope of consolidation						22,968
Net changes of items other than shareholders' equity	95,858		(140,754)	(44,896)	9,380	(35,516)
Total changes of items during period	95,858	–	(140,754)	(44,896)	9,380	61,866
Balance at end of current period	376,797	–	(140,754)	236,043	133,898	21,819,877

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,058,650	4,683,596	16,330,954	(2,623,265)	21,449,936
Cumulative effects of changes in accounting policies			35,035		35,035
Restated balance	3,058,650	4,683,596	16,365,989	(2,623,265)	21,484,971
Changes of items during period					
Dividends of surplus			(639,885)		(639,885)
Net income			1,358,694		1,358,694
Purchase of treasury shares				(1,875,520)	(1,875,520)
Retirement of treasury shares					
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	718,808	(1,875,520)	(1,156,711)
Balance at end of current period	3,058,650	4,683,596	17,084,798	(4,498,785)	20,328,259

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	376,797	–	(140,754)	236,043	133,898	21,819,877
Cumulative effects of changes in accounting policies						35,035
Restated balance	376,797	–	(140,754)	236,043	133,898	21,854,912
Changes of items during period						
Dividends of surplus						(639,885)
Net income						1,358,694
Purchase of treasury shares						(1,875,520)
Retirement of treasury shares						
Change of scope of consolidation						
Net changes of items other than shareholders' equity	252,148	4,687	(60,792)	196,043	39,853	235,897
Total changes of items during period	252,148	4,687	(60,792)	196,043	39,853	(920,814)
Balance at end of current period	628,946	4,687	(201,546)	432,086	173,751	20,934,098

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	2,347,841	2,073,093
Depreciation	862,875	1,020,858
Amortization of goodwill	29,205	38,946
Increase (decrease) in provision	26,121	26,248
Increase (decrease) in net defined benefit liability	82,459	125,915
Interest and dividend income	(22,087)	(21,278)
Interest expenses	12,014	5,477
Share of (profit) loss of entities accounted for using equity method	(9,830)	22,403
Decrease (increase) in notes and accounts receivable - trade	(231,302)	(137,233)
Decrease (increase) in inventories	(247,455)	167,552
Increase (decrease) in notes and accounts payable - trade	213,283	12,796
Increase (decrease) in accrued consumption taxes	(50,248)	446,094
Other, net	35,353	346,273
Subtotal	3,048,228	4,127,148
Interest and dividend income received	27,174	30,889
Interest expenses paid	(14,001)	(7,510)
Income taxes paid	(1,092,279)	(1,112,092)
Net cash provided by (used in) operating activities	1,969,122	3,038,433
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	700,000	–
Proceeds from sales of securities	400,000	–
Purchase of property, plant and equipment	(79,477)	(239,014)
Purchase of intangible assets	(1,066,992)	(996,060)
Purchase of investment securities	(889,746)	(92,351)
Proceeds from sales of investment securities	61,713	137,717
Payments for investments in partnership	(50,900)	(65,190)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(88,439)	–
Other, net	215,018	193,839
Net cash provided by (used in) investing activities	(798,822)	(1,061,059)
Cash flows from financing activities		
Increase in short-term loans payable	160,000	460,000
Decrease in short-term loans payable	(160,000)	(835,000)
Repayments of long-term loans payable	(375,000)	–
Purchase of treasury shares	(749,948)	(1,875,520)
Cash dividends paid	(592,204)	(639,402)
Other, net	(32,328)	(5,888)
Net cash provided by (used in) financing activities	(1,749,482)	(2,895,812)
Effect of exchange rate change on cash and cash equivalents	–	(5,893)
Net increase (decrease) in cash and cash equivalents	(579,182)	(924,330)
Cash and cash equivalents at beginning of period	12,145,571	11,566,388
Cash and cash equivalents at end of period	* 11,566,388	* 10,642,058

6. Notes to consolidated financial statements

(1) Changes in accounting policies

Application of the Accounting Standard for Retirement Benefits, etc.

Regarding the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), effective from the fiscal year ended March 31, 2015, the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits and reviewed its calculation method for retirement benefit obligations and service costs. Accordingly, the Company changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis and the method for determining the discount rate from one that uses a discount rate based on a period approximate to the expected average remaining working lives of employees to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

Application of the Accounting Standard for Retirement Benefits and the Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the change to the calculation method for retirement benefit obligations and service costs has been added to or deducted from retained earnings as of April 1, 2014.

The effect of this application on net defined benefit liability and retained earnings as of April 1, 2014 and on operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2015 are immaterial.

In addition, the effects on net assets per share, net income per share for the fiscal year ended March 31, 2015 are immaterial.

(2) Accounting standards yet to be applied

- "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013)
- "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013)
- "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013)
- "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, September 13, 2013)
- "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, September 13, 2013)
- "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, September 13, 2013)

(1) Outline
The Accounting Standards and relevant regulations were revised on the treatment of changes to a parent company's ownership of a subsidiary if control is maintained in the acquisition of additional shares of the subsidiary, etc., the treatment of acquisition-related costs, the presentation of net income and change from minority interests to non-controlling interests, and the handling of finalization of tentative accounting treatment, etc.

(2) Application schedule
These revisions will be applied from the beginning of the fiscal year ending March 31, 2016. The handling of finalization of tentative accounting treatment is to be applied to business combinations carried out at or after the beginning of the fiscal year ending March 31, 2016.

(3) Effects of application of accounting standards, etc.
The amount of the effect on the consolidated financial statements from the revisions of the "Accounting Standard for Business Combinations" and the others is currently under assessment.

(3) Changes in presentation

Consolidated statement of income

"Foreign exchange gains" and "Gain on sales of scraps," which were included in "Other" under "Non-operating income" in the previous fiscal year, are reported as separate items under "Non-operating income" from the fiscal year under review, because their materiality has increased. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, 40,830 thousand yen presented in "Other" under "Non-operating income" in the consolidated balance sheet of the previous fiscal year has been reclassified as 925 thousand yen in "Foreign exchange gains," 13,494 thousand yen in "Gain on sales of scraps" and 26,410 thousand yen in "Other" under "Non-operating income."

"Loss on disposal of non-current assets," which was presented separately under "Non-operating expenses" in the previous fiscal year, is included in "Other" under "Non-operating expenses" for the fiscal year under review, because the amount became immaterial. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, 2,922 thousand yen that was presented as "Loss on disposal of non-current assets" under "Non-operating expenses" in the consolidated statement of income of the previous fiscal year has been reclassified as "Other" under "Non-operating expenses."

Consolidated statement of cash flows

"Increase (decrease) in accrued consumption taxes," which was included in "Other, net" under "Cash flows from operating activities" in the previous fiscal year, are reported as separate items under "Cash flows from operating activities" from the fiscal year under review, because its materiality has increased. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, a minus figure of 14,895 thousand yen presented in "Other, net" under "Cash flows from operating activities" in the consolidated statement of cash flows of the previous fiscal year has been reclassified as a minus figure of 50,248 thousand yen in "Increase (decrease) in accrued consumption taxes", 35,353 thousand yen in "Other, net" under "Cash flows from operating activities".

(4) Notes to consolidated balance sheet

*1. The amount of investment securities invested in non-consolidated subsidiaries and associates is as follows.

	As of March 31, 2014	As of March 31, 2015
	Thousands of yen	Thousands of yen
Investment securities (stocks)	642,517	615,543

*2. Reduction entry of acquired land due to application of state subsidy is as follows.

	As of March 31, 2014	As of March 31, 2015
	Thousands of yen	Thousands of yen
Land	105,760	105,760

(5) Notes to consolidated statement of comprehensive income

* Reclassification adjustments and tax effects relating to other comprehensive income

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Thousands of yen	Thousands of yen
Valuation difference on available-for-sale securities		
Gain (loss) arising during the period	188,081	390,849
Reclassification adjustments	(47,806)	(36,817)
Other comprehensive income before tax effects	140,275	354,031
Tax effects	(44,417)	(101,882)
Valuation difference on available-for-sale securities	95,858	252,148
Foreign currency translation adjustment		
Gain (loss) arising during the period	–	4,687
Remeasurements of defined benefit plans, net of tax		
Gain (loss) arising during the period	–	(125,047)
Reclassification adjustments	–	45,904
Other comprehensive income before tax effects	–	(79,143)
Tax effects	–	18,350
Remeasurements of defined benefit plans, net of tax	–	(60,792)
Total other comprehensive income	95,858	196,043

(6) Consolidated statement of changes in equity

Fiscal year ended March 31, 2014

1. Matters related to class and number of issued shares and treasury shares

(Shares)

	Number of shares as of April 1, 2013	Increase	Decrease	Number of shares as of March 31, 2014
Issued shares				
Common shares (Note 1)	37,327,700	–	1,000,000	36,327,700
Total	37,327,700	–	1,000,000	36,327,700
Treasury shares				
Common shares (Note 1, 2)	3,886,061	997,524	1,000,000	3,883,585
Total	3,886,061	997,524	1,000,000	3,883,585

Notes: 1. The decreases of 1,000,000 shares of common shares both in treasury shares and issued shares are due to the cancellation of treasury shares.
2. The increase of 997,524 shares of common shares in treasury shares is due to market purchases of 997,500 shares and purchases of 24 shares less than one unit.

2. Matters related to cash dividends

(1) Cash dividend payment

Resolution	Class of shares	Total cash dividends	Dividend per share	Record date	Effective date
		Thousands of yen	Yen		
Meeting of the Board of Directors held on May 17, 2013	Common shares	300,974	9	March 31, 2013	June 5, 2013
Meeting of the Board of Directors held on October 31, 2013	Common shares	291,997	9	September 30, 2013	December 5, 2013

(2) Of the cash dividends with record date during the fiscal year under review, those with effective date in the next fiscal year

Resolution	Class of shares	Total cash dividends	Source of dividends	Dividend per share	Record date	Effective date
		Thousands of yen		Yen		
Meeting of the Board of Directors to be held on May 16, 2014	Common shares	356,885	Retained earnings	11	March 31, 2014	June 6, 2014

Fiscal year ended March 31, 2015

1. Matters related to class and number of issued shares and treasury shares

(Shares)

	Number of shares as of April 1, 2014	Increase	Decrease	Number of shares as of March 31, 2015
Issued shares				
Common shares	36,327,700	–	–	36,327,700
Total	36,327,700	–	–	36,327,700
Treasury shares				
Common shares (Note)	3,883,585	2,499,664	–	6,383,249
Total	3,883,585	2,499,664	–	6,383,249

Note: The increase of 2,499,664 shares of common shares in treasury shares is due to market purchases of 999,600 shares, purchases of 1,500,000 shares through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), and purchases of 64 shares less than one unit .

2. Matters related to cash dividends

(1) Cash dividend payment

Resolution	Class of shares	Total cash dividends	Dividend per share	Record date	Effective date
		Thousands of yen	Yen		
Meeting of the Board of Directors held on May 16, 2014	Common shares	356,885	11	March 31, 2014	June 6, 2014
Meeting of the Board of Directors held on October 31, 2014	Common shares	283,000	9	September 30, 2014	December 5, 2014

(2) Of the cash dividends with record date during the fiscal year under review, those with effective date in the next fiscal year

The cash dividends are planned to be proposed for resolution as follows.

Resolution	Class of shares	Total cash dividends	Source of dividends	Dividend per share	Record date	Effective date
		Thousands of yen		Yen		
Meeting of the Board of Directors to be held on May 15, 2015	Common shares	269,500	Retained earnings	9	March 31, 2015	June 4, 2015

(7) Consolidated statement of cash flows

* Relationship between the balance of cash and cash equivalents at the end of the period and the amounts recorded in the items shown on the consolidated balance sheet

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Thousands of yen	Thousands of yen
Cash and deposits	7,377,009	6,851,632
Securities	4,489,378	4,090,425
Time deposits with maturities over three months	(300,000)	(300,000)
Cash and cash equivalents	11,566,388	10,642,058

(8) Tax effect accounting

Adjustment of deferred tax assets and liabilities for enacted changes in tax laws and rates

Following the promulgation of the "Act on Partial Revision of the Income Tax Act, etc." (Law No. 9 of 2015) and the "Act on Partial Revision of the Local Tax Act, etc." (Law No. 2 of 2015) on March 31, 2015, the income tax rates will be lowered from the fiscal year starting on or after April 1, 2015. In line with these changes, the statutory tax rate used to measure deferred tax assets and liabilities will decrease from 35.6 to 33.1% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2015 and to 32.3% for temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2016.

As result of this change, net deferred tax liabilities (after deducting deferred tax assets) and income taxes - deferred recorded in the fiscal year ended March 31, 2015 decreased by 81,232 thousand yen and 55,272 thousand yen, respectively, while valuation difference on available-for-sale securities increased by 25,960 thousand yen.

(9) Significant subsequent events

Cancellation of treasury shares

The Company decided to cancel a portion of treasury shares held by the Company in accordance with the provisions of Article 178 of the Companies Act, by a resolution at a meeting of the Board of Directors held on May 1, 2015.

(1) Reason for cancellation
The cancellation was executed for the purpose of improving capital efficiency and carrying out flexible capital policy in response to future changes in the business environment.

(2) Class of shares to be cancelled
Common shares of the Company

(3) Number of shares to be cancelled
2,883,249 shares (before cancellation this constituted 7.94% of all issued shares)

(4) Date of cancellation
May 15, 2015

(5) Other
Number of issued shares after the cancellation will be 33,444,451 shares.

7. Others

Changes in Directors and Audit & Supervisory Board Member

The Board of Directors, at a meeting held on May 1, 2015, passed a resolution to make the following changes in Representative Directors and Directors and Audit & Supervisory Board Members.
Note that this matter is planned to be formally decided at the ordinary general meeting of shareholders planned to be held on June 25, 2015 and the meeting of the Board of Directors held afterward.

(1) Changes in Representative Directors

Name	New Title	Current Title
Morio Ueno	Chairman & Director	Chairman & Representative Director

(2) Other changes in Directors and Audit & Supervisory Board Members

(New Director scheduled to be appointed)

Name	New Title	Current Title
Kenji Fujisawa	Director and Managing Executive Officer General Manager, Administration Headquarters and General Manager, Legal & Compliance Office	Assistant General Manager, Administration Headquarters and General Manager, Legal & Compliance Office

(Director scheduled to retire)

Name	New Title	Current Title
Yasuhiro Ogawa	Advisor	Director and Managing Executive Officer General Manager, Administration Headquarters and in charge of Legal & Compliance Office

For further details, please refer to "Notice Concerning Changes of Representative Director and Directors," which was released today (May 1, 2015).