

Financial Results for the Six Months Ended September 30, 2013

【2nd Quarter for the fiscal year ending March 31, 2014】 (Japan GAAP)

Consolidated quarterly balance sheets		(Thousands of Yen)	
	March 31, 2013	September 30, 2013	
Assets			
Current assets			
Cash and deposits	3,209,527	1,921,650	
Accounts receivable-trade	1,407,157	1,288,051	
Securities	3,500,797	4,901,293	
Other	108,623	93,449	
Allowance for doubtful accounts	△ 6,820	△ 7,708	
Total current assets	8,219,285	8,196,736	
Noncurrent assets			
Property, plant and equipment	165,226	238,154	
Intangible assets	208,011	353,257	
Investments and other assets			
Investment securities	1,573,464	1,355,219	
Deferred tax assets	131,270	229,766	
Other	371,034	473,934	
Allowance for doubtful accounts	△ 42	△ 46	
Total investments and other assets	2,075,727	2,058,874	
Total noncurrent assets	2,448,965	2,650,287	
Total assets	10,668,250	10,847,023	
Liabilities			
Current liabilities			
Accounts payable-trade	304,126	279,120	
Accounts payable-other	410,972	337,735	
Income taxes payable	318,300	364,429	
Allowance for head office transfer cost	7,131	7,131	
Other	64,207	215,301	
Total current liabilities	1,104,738	1,203,717	
Noncurrent liabilities	3,701	5,256	
Total liabilities	1,108,439	1,208,974	
Net assets			
Shareholders' equity			
Capital stock	630,480	630,480	
Capital surplus	780,808	780,808	
Retained earnings	7,567,952	7,820,158	
Treasury stock	△ 170,131	△ 170,327	
Total shareholders' equity	8,809,110	9,061,120	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	754,563	566,924	
Foreign currency translation adjustment	△ 3,862	10,004	
Total accumulated other comprehensive income	750,700	576,928	
Total net assets	9,559,811	9,638,048	
Total liabilities and net assets	10,668,250	10,847,023	

Consolidated quarterly statements of (comprehensive) income

(Thousands of Yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	3,557,642	3,743,843
Cost of sales	1,839,853	2,004,272
Gross profit	1,717,788	1,739,571
Selling, general and administrative expenses	989,528	850,919
Operating income	728,259	888,651
Non-operating income		
Interest income	4,613	4,244
Dividends income	1,102	2,105
Real estate rent	-	2,184
Other	653	930
Total non-operating income	6,369	9,464
Non-operating expenses		
Equity in losses of affiliates	-	16,344
Rent expenses on real estates	-	741
Other	-	535
Total non-operating expenses	-	17,621
Ordinary income	734,629	880,494
Extraordinary loss		
Loss on retirement of noncurrent assets	4,847	-
Loss on closing of stores	-	11,817
Total extraordinary losses	4,847	11,817
Income before income taxes and minority interests	729,781	868,677
Income taxes	289,766	361,415
Income before minority interests	440,015	507,261
Net income	440,015	507,261

Consolidated quarterly statements of comprehensive income
(Thousands of Yen)

	Six months ended September 30, 2012	Six months ended June 30, 2013
Consolidated quarterly statements of comprehensive income		
Income before minority interests	440,015	507,261
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 237,259	△ 187,639
Foreign currency translation adjustment	△ 3,990	13,921
Share of other comprehensive income of associates accounted for using equity method	-	△ 54
Total other comprehensive income	△ 241,249	△ 173,772
Comprehensive income	198,765	333,489
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	198,765	333,489

Consolidated quarterly statements of cash flows

(Thousands of Yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	729,781	868,677
Depreciation and amortization	39,389	60,682
Amortization of goodwill	-	5,631
Increase (decrease) in allowance for doubtful accounts	833	893
Interest and dividends income	△5,715	△6,349
Foreign exchange losses (gains)	△510	535
Equity in (earnings) losses of affiliates	-	16,344
Loss on retirement of noncurrent assets	4,847	-
Decrease (increase) in notes and accounts receivable-trade	99,786	119,041
Decrease (increase) in inventories	△1,680	△1,808
Increase (decrease) in notes and accounts payable-trade	△87,668	△92,611
Other, net	20,260	89,050
Subtotal	799,323	1,060,088
Interest and dividends income received	5,633	6,984
Income taxes paid	△372,636	△312,181
Income taxes refund	6,206	-
Net cash provided by (used in) operating activities	438,528	754,891
Net cash provided by (used in) investing activities		
Payments into time deposits	△1,400,000	△300,000
Proceeds from withdrawal of time deposits	200,000	1,500,000
Purchase of securities	△2,400,000	△1,200,000
Proceeds from redemption of securities	2,400,000	2,200,000
Purchase of property, plant and equipment	△234,565	△73,393
Purchase of intangible assets	△54,878	△33,070
Payments for transfer of business	-	△195,980
Purchase of investment securities	△40,003	-
Purchase of stocks of subsidiaries and affiliates	△480,240	-
Other, net	△4,914	△98,897
Net cash provided by (used in) investing activities	△2,014,601	1,798,657
Net cash provided by (used in) financing activities		
Purchase of treasury stock	△202	△196
Cash dividends paid	△239,063	△254,757
Net cash provided by (used in) financing activities	△239,266	△254,954
Effect of exchange rate change on cash and cash equivalents	△3,407	14,023
Net increase (decrease) in cash and cash equivalents	△1,818,747	2,312,618
Cash and cash equivalents at beginning of period	4,560,447	3,010,325
Cash and cash equivalents at end of period	2,741,699	5,322,943