

Summary of Business Results for the Year Ended March 31, 2015

[Japan GAAP] (Consolidated)

May 12, 2015

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Expected date of annual shareholders' meeting: June 26, 2015
 Expected date of filing of annual securities report: June 29, 2015
 Preparation of supplementary financial document: Yes
 Results briefing: Yes (for analysts)

Expected starting date of dividend payment: June 29, 2015

(Rounded down to million yen)

1. Consolidated business results for the year ended March 2015 (April 1, 2014 through March 31, 2015)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 2015	22,383	1.4	2,524	5.6	2,587	6.8	1,757	26.5
Year ended Mar. 2014	22,077	5.5	2,390	5.1	2,422	6.0	1,389	16.9

(Note) Comprehensive income:

Year ended March 2015: 988 million yen (-69.1%)

Year ended March 2014: 3,197 million yen (151.1%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Mar. 2015	55.76	52.58	13.7	13.2	11.3
Year ended Mar. 2014	45.29	42.65	12.7	13.7	10.8

(Reference) Investment earnings/loss on equity-method:

Year ended March 2015: -0 million yen

Year ended March 2014: 9 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 2015	19,671	13,346	67.8	411.46
As of Mar. 2014	19,384	12,385	63.6	402.29

(Reference) Shareholders' equity:

As of March 2015: 13,329 million yen

As of March 2014: 12,337 million yen

(3) Consolidated results 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 period
	Million yen	Million yen	Million yen	Million yen
Year ended Mar. 2015	2,707	-1,024	-586	5,679
Year ended Mar. 2014	3,179	-399	-1,253	4,582

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Mar. 2014	—	0.00	—	15.00	15.00	460	33.1	4.2
Year ended Mar. 2015	—	0.00	—	15.00	15.00	485	26.9	3.7
Year ending Mar. 2016 (forecast)	—	0.00	—	15.00	15.00		26.1	

3. Forecast of consolidated business results for the year ending March 2016

(April 1, 2015 through March 31, 2016)

(% change 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
For the six months ending Sept. 30, 2015	11,680	3.7	1,340	2.8	1,360	1.5	820	0.8	26.01
Year ending Mar. 2016	23,600	5.4	3,000	18.8	3,000	16.0	1,810	3.0	57.42

※Notes

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

(2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards: : None
 ② Changes in accounting policies other than ① : None
 ③ Changes in accounting estimates : None
 ④ Restatement : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of March 2015 34,806,286 shares

As of March 2014 34,806,286 shares

② Treasury stock at the end of period:

As of March 2015 2,410,403 shares

As of March 2014 4,137,269 shares

③ Average number of stock during period

Year ended March 2015 31,522,871 shares

Year ended March 2014 30,669,795 shares

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the year ended March 2015 (April 1, 2014 through March 31, 2015)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 2015	21,147	1.9	2,331	8.1	2,419	9.6	1,649	31.5
Year ended Mar. 2014	20,748	4.8	2,157	5.1	2,208	6.9	1,253	19.4

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Mar. 2015	52.31	49.33
Year ended Mar. 2014	40.89	38.50

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 2015	18,837	12,719	67.4	392.08
As of Mar. 2014	18,676	11,867	63.3	385.39

(Reference) Shareholders' equity:

As of March 2015: 12,701 million yen

As of March 2014: 11,819 million yen

2. Forecast of non-consolidated business results for the year ending March 2016

(April 1, 2015 through March 31, 2016)

(% change from the previous corresponding period)

	Net sales		Operating income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Sept. 30, 2015	10,910	1.8	1,290	2.3	790	2.4	25.06
Year ending Mar. 2016	22,000	4.0	2,810	16.2	1,710	3.7	54.25

※Implementation status of auditing procedures

This financial summary is not subject to auditing procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this report, the auditing procedures of financial statements are being conducted.

※ Explanation regarding appropriate use of business forecasts and other special instructions

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

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1. Results of operations

(1) Analysis of results of operations

① Results of operations

In the fiscal year ended in March 2015, the Japanese economy saw weak consumer spending due to declines in real income, as commodity prices rose in the wake of the consumption tax increase, but corporate earnings and employment continued to improve, and the overall trend was one of gradual recovery.

In the software and information service industries, there are expectations for increases in capital investment, including IT related investment, backed by improving corporate earnings, and the business environment is in improvement mode.

In this management environment the Company's Group began its third medium term management plan (from fiscal year 2014 to fiscal year 2016). The plan's theme is "Challenging new value creation," in which the management vision is "Strengthen competitiveness in existing businesses (software), pursue new business opportunities to create original value, thereby seeking ongoing and rapid corporate value improvement."

In existing businesses, stress will be on comprehensive improvement in sales power and product and service capabilities, and service income increases from new customer driven customer base growth, thereby further reinforcing the earnings foundation.

In the sales aspect, the guest researchers at the MJS Zeikei System Research Institute, the Company's think tank, worked as lecturers in a variety of tax system reform study sessions, hosted "seminars and fairs for thoroughgoing efficiency in accounting work," conducted by-industry seminars for medical institutions, held nationwide seminars on the "My Number" system that is of great concern for customers, and provided specialized information to a wide range of customer categories, aggressively developing sales promotion activity. Further, in order to strengthen the capability to propose solutions to customers, the Group stressed personnel training and promoted new customer cultivation. Concurrently, TV commercials employing new image characters were begun, as the Group strove to improve the appeal to customers and bolster its brand power.

In the development aspect, in the mainstay systems the Group continuously reinforced functions answering to diversified customer needs and strengthening links with external systems. In line with changes in customer management environments and work systems, and to provide optimum management systems taking account of future IT directions, the Group conducted a wide range of investigation and research, led by cloud computing and multi-device responses. As part of this, in October last year the Group entered into capital tieups with Korean IT companies engaged in finance and asset management services, and took other measures for development of new products and services.

The basic policy of the third medium term management plan incorporates "Establishing new earnings foundation driven by new business." As one of its measures, the Group established in September last year the wholly owned subsidiary "KK MJS M&A Partners," with the objective of supporting the business succession and revival of small/mid-sized companies. Going forward, with the cooperation of nationwide accounting office accountants, the policy is to promote this business aggressively, and the Group is moving to prepare systems to that end. The aims are to provide customers with optimum, high quality management and information systems, maintain and expand its customer base, and establish a new earnings foundation driven by new business, generating further profits and increasing the corporate value.

By activities like this, net sales in the consolidated fiscal year under review posted a record high, with income levels also posting record highs for the fourth straight term. Consolidated net sales were 22,383 million yen (up

1.4% from one year earlier), operating income was 2,524 million yen (up 5.6% from one year earlier), ordinary income was 2,587 million yen (up 6.8% from one year earlier) and net income was 1,757 million yen (up 26.5% from one year earlier). Moreover, the Group posted the 291 million yen of extraordinary income on sales of securities, etc.

Results of operations in product categories were as follows.

(System installation contract sales)

Hardware sales were 2,639 million yen, down 2.9% from one year earlier. Software sales were 8,954 million yen, down 2.4% from one year earlier. Useware sales were 2,635 million yen, down 0.4% from one year earlier.

As a result, total system installation contract sales were 14,229 million yen, down 2.1% from one year earlier because sales of products for tax accountant and CPA firms decreased due to effect of lifecycle of main products.

※“System installation contract sales” are the total of sales recorded when a system is newly installed. These sales consist of hardware, software and useware (system installation support services, etc.) sales.

(Service revenues)

Sales from the Total Value Service (TVS), which is a comprehensive maintenance service for tax accountant and CPA firms, increased 2.1% from one year earlier to 1,817 million yen. Software utilization revenues increased 18.9% from one year earlier to 848 million yen due to growth in utilization revenues for low-priced software used by tax accountant and CPA firms. Corporate software operations support service revenues increased 10.9% from one year earlier to 3,275 million yen because the number of contracts increased resulting from developing new clients. Hardware and network maintenance service revenues increased 5.3% from one year earlier to 1,130 million yen and sales from supplies and office products decreased 7.9% from one year earlier to 599 million yen.

As a result, service revenues increased 6.9% from one year earlier to 7,671 million yen.

※“Service revenues” are consistent revenues received primarily from fees for the continuous provision of services. These revenues consist of software maintenance services, hardware and network maintenance services, software utilization fees, and sales of supplies and office products.

YoY sales

(Million yen, %)

		Previous fiscal year (From April 1, 2013 to March 31, 2014)		Current fiscal year (From April 1, 2014 to March 31, 2015)		YoY	
		Sales	Pct.	Sales	Pct.	Change	YoY
	Hardware	2,717	12.3	2,639	11.8	-78	-2.9
	Software	9,176	41.6	8,954	40.0	-222	-2.4
	Useware	2,646	12.0	2,635	11.8	-11	-0.4
	System introduction contract sales	14,541	65.9	14,229	63.6	-311	-2.1
	TVS	1,779	8.1	1,817	8.1	37	2.1
	Software updating fees	2	0.0	0	0.0	-1	-76.5
	Software utilization fees	713	3.2	848	3.8	134	18.9
	Software operational support services	2,953	13.4	3,275	14.6	322	10.9
	HW · NW maintenance services	1,073	4.9	1,130	5.0	56	5.3
	Supplies and office products	650	2.9	599	2.7	-51	-7.9
	Service revenues	7,173	32.5	7,671	34.3	498	6.9
	Others	362	1.6	483	2.2	120	33.1
	Total	22,077	100.0	22,383	100.0	306	1.4

② Outlook for fiscal year ending March 2016

Looking ahead, further improvement in the corporate earnings and employment environment is foreseen, as Japan's economy continues its recovery tone driven by the government's economic stimulation and financial reconstruction.

In the software and information service industries, there are expectations for steady expansion in IT investment demand in conjunction with corporate earnings improvement. The Group faces the second year of the three-year medium term management plan (from fiscal year 2014 to fiscal year 2016). With a view to expansion of the existing software business, the Group will stress further new customer expansion and earnings foundation reinforcement. Using Internet technology, the Group will provide cloud service and multi-device responses to start providing new products and services to accommodate diversifying customer needs. Further, we will aggressively promote business succession and revival support services for medium/small enterprises and other new businesses, continuously working to improve our corporate value.

The forecast for consolidated performance in the fiscal year ending in March 2016 is as follows.

	1 st half	Full year
Net sales	11,680 million yen	23,600 million yen
Operating income	1,340 million yen	3,000 million yen
Ordinary income	1,360 million yen	3,000 million yen
Net income	820 million yen	1,810 million yen

(2) Analysis of financial position

① Assets, liabilities and net assets

Total assets were 19,671 million yen at the end of March 2015, up 287 million yen from one year earlier. In current assets, there were increases of 1,498 million yen in cash and deposits there were decrease in 399 million yen in short-term investment securities and 135 million yen in finished products. In noncurrent assets, there were decrease of 646 million yen in investment securities and 304 million yen in software and software development in progress.

Liabilities decreased 673 million yen to 6,324 million yen. There were increases of 62 million yen in accrued amount payable, 366 million yen in accrued consumption tax. There were decrease of 54 million yen in reserve for bonus and 503 million yen in deferred taxes payable, 495 million yen in short and long-term debts, and 30 million yen in bonds.

Net assets increased 961 million yen to 13,346 million yen and the equity ratio was 67.8%.

② Cash flows

There was a net increase of 1,096 million yen in cash and cash equivalents from the end of the previous fiscal year to 5,679 million yen.

(Operating activities)

Net cash provided by operating activities was 2,707 million yen (compared with 3,179 million yen one year earlier). The decrease was mainly due to net income before income taxes of 2,876 million yen, depreciation and amortization of 547 million yen, and a reduction of 320 million yen in inventory assets and increase of 366 million yen in accrued consumption tax resulting in cash flow income, and payment of corporate tax etc. of 1,163 million yen and gain on sales of investment securities of 291 million yen resulted in cash outflows.

(Investing activities)

Net cash used in investing activities was 1,024 million yen (compared with 399 million yen one year earlier). This was mainly due to payments for time deposits of 228 million yen and sales of investment securities of 400 million yen resulting in cash flow income, proceed from short term debt of 430 million yen, acquisition of investment securities of 824 million yen, acquisition of tangible fixed assets of 190 million yen, and acquisition of intangible fixed assets of 264 million yen resulted in cash outflows.

(Financing activities)

Net cash used in financing activities was 586 million yen (compared with 1,253 million yen one year earlier). The decrease was mainly due to exercise of stock option of 428 million yen resulting in cash flow income, and Repayment of long-term debts of 545 million yen, repayments for the redemption of bonds of 30 million yen, and the payment of 459 million yen in dividends to shareholders resulted in cash outflows.

(Reference) Cash flow-related indicators

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Shareholders' equity ratio	52.7%	55.8%	59.9%	63.6%	67.8%
Shareholders' equity ratio on a market value basis	45.3%	53.5%	70.4%	65.7%	113.1%
Years of debt redemption	3.6 years	1.2 year	6.9 years	0.6 years	0.5 years
Instant coverage ratio	13.6	36.4	7.0	76.5	131.2

(Notes) Equity ratio: Equity/Total assets

Equity ratio on a market value basis: Total market capitalization/Total assets

Years of debt redemption: Interest-bearing debt/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest expenses paid

1. All indicators are calculated using consolidated financial results.
2. Total market capitalization is calculated by multiplying the final share price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (excluding treasury stock).
3. Cash flows from operating activities refer to net cash provided by (used in) operating activities on the Consolidated Statements of Cash Flows. Interest-bearing debt refers to all liabilities on the Consolidated Balance Sheets for which interest is paid. Interest expenses paid refer to interest expenses paid on the Consolidated Statements of Cash Flows.

(3) Basic policy concerning the distribution of profits, and dividend distributions for the current and the following fiscal years

① Policy concerning the determination of dividends from surplus, etc.

Miroku Jyoho Service is dedicated to the stable, long-term distribution of earnings to shareholders. Building a more powerful base of operations and financial position is essential to maintaining the ability to make stable, long-term earnings distributions. Consequently, the fundamental policy for dividends is to make appropriate earnings distributions while taking into account the need to retain earnings.

As stipulated in Article 459, Paragraph 1 of the Company Law, the Articles of Incorporation provide for the payment of an interim dividend with a record date of September 30 based on resolutions of the Board of Directors.

②Dividends from surplus

For the fiscal year that ended in March 2015, Miroku Jyoho service plans to pay a dividend of 15 yen per share. This dividend will require the approval of a resolution at the annual shareholders meeting on June 26, 2015. At this time, the company plans to pay a dividend of 15 yen per share as well for the fiscal year ending in March 2016.

(Resolution)	Total amount of dividend (Thousand yen)	Dividends per share (Yen)	Record date	Effective date
June 26, 2015 Annual shareholders meeting	485,938	15	March 31, 2015	June 29, 2015

(4) Business risks

①Risks involving market conditions

The Miroku Jyoho Service Group develops and sells finance and accounting systems for tax accountant and CPA firms in Japan and provides management information services. The number of tax accountant and CPA firms in Japan is decreasing because of the increasing number of tax accounting companies and shortage of accountants to take over the offices of retiring accountants. As a result, this market may become smaller. Furthermore, there may be price and other forms of competition in the business software industry that are more intense than expected due mainly to the innovation of computer technology and change in business model. Either of these events may have an effect on the Group's performance.

②Risks involving software development

The Miroku Jyoho Service Group has a quality management system that complies with ISO 9001:2008. However, if there is a problem involving a system, there may be an effect on the Group's performance. If there is a rapid change in market conditions in the IT services industry and the Group is unable to keep up with the pace of technological innovation, or if the Group is unable to adapt quickly to revisions to laws and regulations, there may be an effect on the Group's performance. Furthermore, if there is litigation demanding the payment of damages for the alleged infringement on third-party rights of software or other products developed and sold by the Group, there may be an effect on the Group's performance and financial condition.

③Risks involving human resources

People are the most valuable asset in the software industry and the information services industry. As a result, the Group must recruit and train people with outstanding skills in order to retain and expand its customer base. In these two industries, employees tend to change jobs frequently. This is particularly true of younger employees. The Group is taking many actions to hire people by using both periodic recruiting and recruiting people from other companies. If these recruiting activities fail to secure the necessary human resources, there may be an effect on the Group's performance.

④Risks involving information security

The Group holds the information assets of customers in some cases as part of the process of building information systems. To prevent leaks of customer and other information, the Group has received Information Security Management System (ISMS) and Privacy Mark certification. In the event that an information leak occurs, demands for the payment of damages by customers, damage to the Group's reliability as an IT services company and other events may have an effect on the Group's performance and financial condition.

⑤Risks involving natural disasters, etc.

The Group has a nationwide network of sales and support offices in Japan. A major natural disaster that occurs at any of these offices may have an effect on the Group's performance. In addition, most of the Group's product

development, procurement, shipping, call center and other operations are located in the Tokyo area. Consequently, a major natural disaster in the Tokyo area may have an effect on the Group's performance and financial condition.

2. Corporate group

The Miroku Jyoho Service Group (Miroku Jyoho Service and its affiliates) consists of the company (Miroku Jyoho Service Co., Ltd.) and four subsidiaries and two affiliated companies. These companies are engaged primarily in business activities associated with software. The Group's customers are small/mid-sized companies, primarily tax accountant and CPA firms and their client companies. The Group develops and sells business application software, sells general-purpose servers and PCs, sells supplies, and provides maintenance, management information, employee training and consulting services. Through these activities, the Group assists customers with management reforms and improving their business processes.

The Group is a single software-related business segment.

The software-related business involves the provision of the following products and services.

<Major products and services in the software-related business>

Items		Description of products or services	Major companies
System installation contract sales	Hardware	Sale of computer hardware (servers, PCs, peripherals, etc.)	Miroku Jyoho Service NTC Co., Ltd.
	Software	Development and sale of business application software, primarily for accounting, tax accounting, sales, payroll and personnel management systems; contracted IT system development	Miroku Jyoho Service NTC Co., Ltd. MSI Co., Ltd. Lead Co., Ltd. Primal Inc.
	Useware	Support for the installation of business process application software	Miroku Jyoho Service NTC Co., Ltd. MSI Co., Ltd. Lead Co., Ltd. Primal Inc.
Service revenues	TVS (total value service for tax accountant and CPA firm)	Comprehensive maintenance service for tax accountant and CPA firm (program updating service, telephone support service, information provision service, and others)	Miroku Jyoho Service
	Software updating fees	Development and sale of software for updates (update programs)	Miroku Jyoho Service
	Software utilization fees (Software rental service)	Rental of business application software to small companies	Miroku Jyoho Service
	Software operational support service	Comprehensive maintenance service for small/mid-sized companies (program updating service, telephone support service, various information services, and others)	Miroku Jyoho Service NTC Co., Ltd. MSI Co., Ltd. Lead Co., Ltd. Primal Inc.
	HW/NW maintenance service	Maintenance service for computer hardware and networks	Miroku Jyoho Service
	Supplies and office products	Sale of supplies and office products	Miroku Jyoho Service
	Other		MJS M&A Partners Co., Ltd. Miroku Webcash International Co., Ltd.

<The Markets of the Miroku Jyoho Group>

The Miroku Jyoho Service Group is engaged in business activities involving software and serves primarily tax accountant and CPA firms and small/mid-sized companies, most of which are the customers of these tax accountant and CPA firms. The Group has a nationwide network of 30 sales and support bases in Japan. The Group is a one-stop source of high-quality services by conducting direct sales and support for customers centered on products and services developed by the Group.

①Tax accountant and CPA firms and their client companies

Since its inception, the Group has been dedicated to the mission of “contributing along with tax accountant and CPA firms to the growth of small/mid-sized companies.” Group companies extend assistance for management reforms and business process improvements at tax accountant and CPA firms. By using solid partnerships with these offices, the Group also helps the small/mid-sized companies that are the clients of these offices to use IT for improving their business operations.

The Group provides products for tax accountant and CPA firms to perform rational and efficient services to their client companies and creates the optimum service environment at tax accountant and CPA firms. For after-sales services, the Group uses its 30-location nationwide network to extend support that is closely linked to regional markets. This extensive support infrastructure includes a 24-hour call center that never closes. To further improve customer satisfaction, the Group supplies a broad range of management information services involving taxes, business laws, accounting and management.

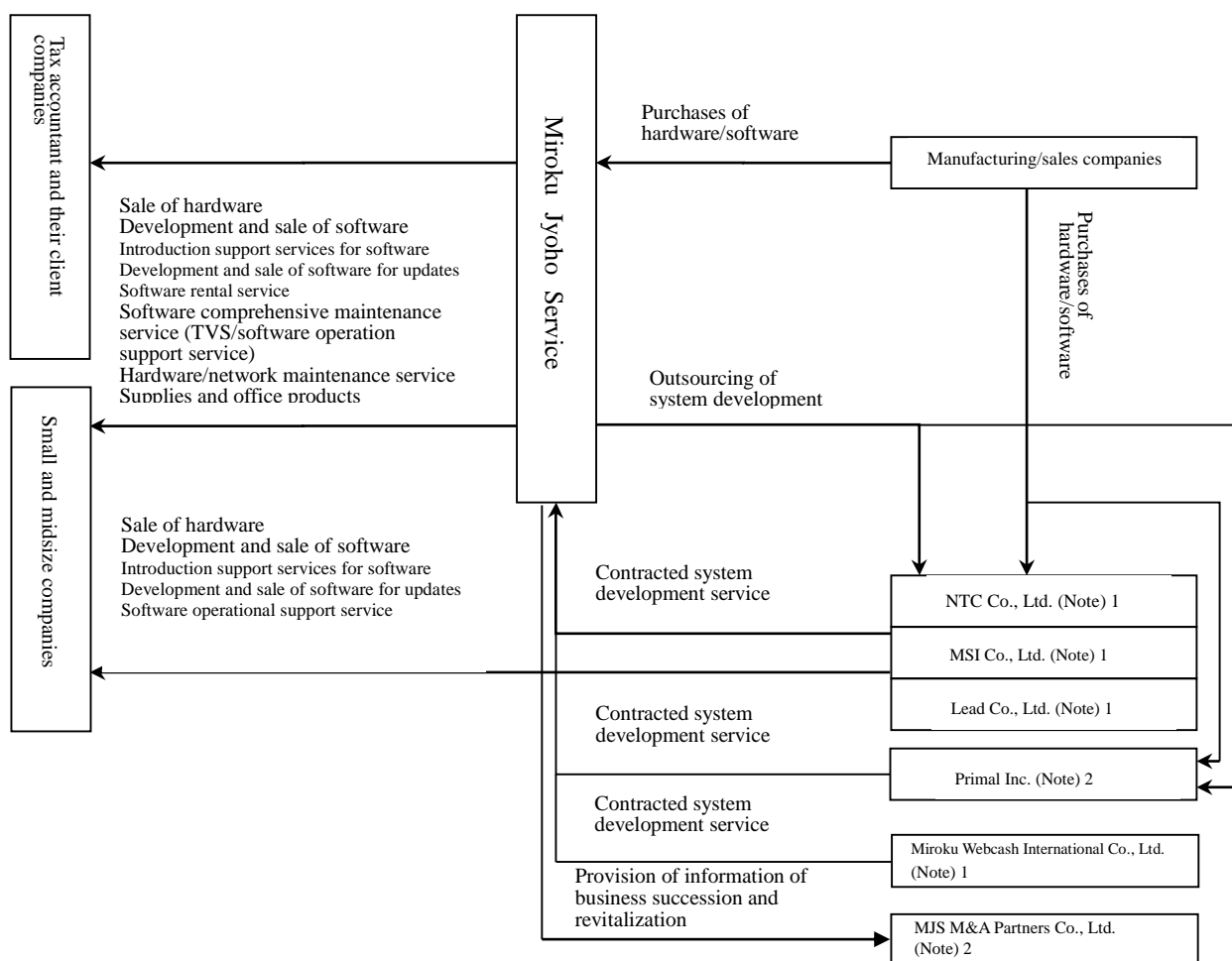
For the client companies of tax accountant and CPA firms, the Group supplies finance and accounting systems that have data sharing compatibility with products sold to tax accountant and CPA firms. There are also many other business systems along with maintenance services for these client companies.

②Small/mid-sized companies

For small/mid-sized companies, the Group conducts a solutions business that utilizes ERP systems centered on finance and accounting systems.

These solutions support rapid decision-making by optimizing the overall use of a company’s resources and facilitating the visualization of management information. These solutions also target a diverse array of customer needs. Examples include compatibility with IFRS (International Financial Reporting Standards), actions to strengthen internal controls and information security measures. Activities encompass consulting to solve customers’ management issues, the selection of hardware, the installment of ERP systems, construction of networks and data infrastructures, and follow-up services after a system’s installation. Overall, these capabilities make the Group a one-stop source of services that precisely meet the requirements of every customer.

The following diagram shows how the Miroku Jyoho Service Group conducts its business activities.



(Notes) 1. Consolidated subsidiaries.

2. Equity-method affiliated company

3. Management policies

(1) Fundamental management policy

The Miroku Jyoho Service Group develops the best possible management systems and management know-how for tax accountant and certified public accountant offices and their client companies and promotes the use of these systems and know-how (consulting sales). Group companies also provide management information services. The fundamental management policy is to use these activities to contribute to the advancement of management at tax accountant and certified public accountant offices and their client companies. Furthermore, the Group is dedicated to using these activities to help enhance the social standing of accountants and increase the prosperity of small/mid-sized companies, chiefly the client companies of these accountants, thereby ultimately playing a role in the advancement of the Japanese economy.

(2) Targeted performance indicators

Based on the medium-term management vision covering the six-year from fiscal year 2014 through 2016, the goal for the final year of this six-year period is raising ordinary income to 15% of net sales.

In the third medium-term management plan (fiscal 2014 – fiscal 2016) announced on May 19, 2015, the Group established and is promoting following three central policies with “Challenging new value creation” as the theme.

<Medium-to long-term Management Vision>

The Miroku Jyoho Service Group promotes management innovation for its customers by adapting to technical innovation on the internet and evolving to deal with a changing business environment and adopting the customers' viewpoint to provide them with new value (in management systems, management know-how, and management information services) to satisfy them.

~Supporting IT transformation, and promoting growth at SMEs~

<Basic policies on 3rd medium-term management plan (fiscal 2014 – fiscal 2016)>

1	Reinforcing sales ability and expanding sales route to bolster the customer base
2	Developing and providing new products and services to create new customers
3	Establishing a new earnings foundation driven by new businesses

<Basic policies on 3rd medium-term management plan (fiscal 2014 – fiscal 2016)>

Net sales	26 billion yen
Ordinary income	4 billion yen
Ordinary income ratio	15%

<Issues to be worked on as priority issues>

In promoting its third medium term management plan, the Group recognizes the following as the principal issues to be dealt with.

(1) Reinforcing sales ability and expanding sales route to bolster the customer base

- ① Promoting proposal format sales model to demonstrate maximization of professionalism
- ② Strengthening sales and support personnel and making optimization of resource allocation to match market potential
- ③ Increasing indirect sales on radical reform of partner business system
- ④ Improving customer satisfaction by filling out customer support systems and management information services
- ⑤ Building the MJS brand by aggressive advertising and publicity activities

(2) Developing and providing new products and services to create new customers

- ① Developing cloud services corresponding to multi-devices
- ② Strengthening investigation and research activities for customer expansion and new market cultivation
- ③ Promoting aggressive joint development with Group companies and cooperating companies
- ④ Effective use of development resources by consolidating existing products and improving development efficiency
- ⑤ Developing investment planning based on management strategies and monitoring of their results

(3) Establishing a new earnings foundation driven by new businesses

- ① Redesigning the business portfolio to improve margins
- ② Bringing in support services for small/mid-sized companies business revival
- ③ Aggressive promotion of the Net business
- ④ Building a foundation for overseas business deployment using cloud technology

By implementing these policies, the Miroku Jyoho Service Group aims to achieve new management target, and thereby meet the expectations of all its stakeholders. To accomplish its aim, the Group will strive to increase its corporate value.

4. Basic concepts related to selection of accounting standards

To secure inter-company and year-to-year comparability, the Group prepares the Company's consolidated financial statements based on "Regulations related to consolidated financial statement terminology, stock and preparation methods (excluding Chapters 7 and 8" (Finance Ministry Ordinance 28, 1976).

As for application of international accounting standards, the policy is appropriate response taking account of the domestic and overseas situations.

5. Consolidated financial statements

(1) Consolidated balance sheet

(Thousand yen)

	Previous fiscal year (March 31, 2014)	Current fiscal year (March 31, 2015)
Assets		
Current assets		
Cash and deposits	4,311,247	5,809,480
Notes and accounts receivable-trade	2,989,914	2,998,810
Securities	600,000	200,710
Merchandise	434,410	298,543
Work in process	108,339	149,659
Supplies	46,938	34,956
Prepaid expenses	280,468	355,159
Deferred tax assets	330,510	282,113
Others	204,644	112,411
Allowance for doubtful accounts	-7,459	-6,635
Total current assets	9,299,014	10,231,210
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,546,723	2,591,630
Accumulated depreciation	-1,537,920	-1,596,153
Buildings and structures (net amount)	1,008,803	995,476
Land	2,728,341	2,728,197
Lease asset	98,188	98,967
Accumulated depreciation	-55,097	-22,966
Lease asset (net amount)	43,091	76,000
Others	1,077,269	1,088,785
Accumulated depreciation	-840,446	-836,944
Others (net amount)	236,822	251,841
Total tangible fixed assets	4,017,057	4,051,515
Intangible fixed assets		
Software	1,359,804	1,069,768
Software development in progress	139,928	125,080
Others	16,859	17,038
Total intangible fixed assets	1,516,593	1,211,886
Investments and other assets		
Investment securities	3,765,705	3,119,091
Long-term prepaid expenses	131,749	144,127
Deferred tax assets	19,159	29,412
Others	641,256	887,985
Allowance for doubtful accounts	-6,404	-3,725
Total investments and other assets	4,551,466	4,176,891
Total fixed assets	10,085,117	9,440,293
Total assets	19,384,131	19,761,504

(Thousand yen)

	Previous fiscal year (March 31, 2014)	Current fiscal year (March 31, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	753,285	662,197
Short-term debt	600,000	650,000
Current portion of bonds	30,000	-
Current portion of Long-term debt	545,000	522,400
Lease obligation	10,365	19,498
Accrued amount payable	514,767	577,120
Accrued expenses	328,647	343,794
Accrued income taxes	727,999	651,382
Income in advance	822,478	848,431
Reserve for bonuses	510,031	455,051
Reserve for returned goods unsold	64,313	72,759
Others	253,761	687,012
Total current liabilities	5,160,650	5,489,648
Fixed liabilities		
Long-term debt	820,400	298,000
Lease obligation	37,342	66,350
Deferred tax liability	897,453	394,231
Liabilities related to retirement benefits	21,751	20,670
Asset retirement obligation	17,716	18,124
Others	43,438	37,793
Total fixed liabilities	1,838,102	835,169
Total liabilities	6,998,753	6,324,817
Net assets		
Shareholders' equity		
Capital	3,198,380	3,198,380
Capital surplus	3,013,389	3,013,389
Retained earnings	5,491,174	6,765,171
Treasury stock	-1,165,792	-679,223
Total shareholders' equity	10,537,151	12,297,717
Accumulated other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	1,807,580	1,035,588
Unrealized holding gain (loss) on hedges	-6,899	-3,766
Total accumulated other comprehensive income	1,800,681	1,031,821
Stock acquisition rights	47,545	17,147
Total net assets	12,385,378	13,346,686
Total liabilities and net assets	19,384,131	19,671,504

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

(Consolidated statement of income)

(Thousand yen)

	Previous fiscal year (from April 1, 2013 to March 31, 2014)	Current fiscal year (from April 1, 2014 to March 31, 2015)
Net sales	22,077,622	22,383,954
Cost of sales	8,318,622	8,050,681
Gross profit	13,758,999	14,333,273
Provision of reserve for returned goods unsold	19,793	64,313
Reversal of reserve for returned goods unsold	64,313	72,759
Gross profit-net	13,714,479	14,324,827
Selling, general and administrative expenses		
Sales promotional expenses	951,802	1,197,068
Provision of allowance for doubtful accounts	-4,946	-515
Salaries and allowances	4,256,777	4,358,060
Provision of reserve for bonuses for employees	399,138	361,330
Retirement benefit expenses	448,585	461,739
Others	527,295	5,442,506
Total selling, general and administrative expenses	11,324,314	11,800,190
Operating income	2,390,165	2,524,637
Non-operating revenues		
Interest income	4,729	5,938
Dividend income	14,447	17,902
Insurance bonus	25,310	17,734
Rent income	5,145	5,540
Investment gain on equity method	9,843	-
Foreign exchange gain	-	14,689
Others	16,773	25,348
Total non-operating revenues	76,250	87,154
Non-operating expenses		
Interest expenses	40,871	20,324
Investment loss on equity method	-	563
Payment commissions	2,500	2,500
Others	284	1,222
Total non-operating expenses	43,655	24,610
Ordinary income	2,422,760	2,587,181
Extraordinary profit		
Gain on sale of investment securities	934	291,046
Gain on sale of membership rights	1,390	28
Other	-	408
Total extraordinary profit	2,324	291,483
Extraordinary loss		
Loss on disposal of fixed assets	3,218	1,536
Impairment loss	218	291
Loss on sale of membership rights	1,413	-
Total extraordinary loss	4,850	1,827
Net income before income taxes and minority interests	2,420,234	2,876,837
Income taxes-current	968,803	1,082,871
Income taxes-deferred	62,305	36,131
Total income taxes	1,031,108	1,119,002
Income (loss) before minority interests	1,389,126	1,757,834
Net income	1,389,126	1,757,834

(Consolidated statement of comprehensive income)

(Thousand yen)

	Previous fiscal year (from April 1, 2013 to March 31, 2014)	Current fiscal year (from April 1, 2014 to March 31, 2015)
Net income before income taxes and minority interests	1,389,126	1,757,834
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	1,802,663	-771,992
Unrealized holding gain (loss) on hedges	5,400	3,132
Other comprehensive income total	1,808,064	-768,859
Comprehensive income	3,197,190	988,975
(Breakdown)		
Comprehensive income attributable to parent company shareholders	3,197,190	988,975
Comprehensive income attributable to minority shareholders	-	--

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (from April 1, 2013 to March 31, 2014)

(Thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	3,198,380	3,013,389	4,470,093	-1,165,238	9,516,625
Changes in current fiscal year					
Dividends from surplus			-368,045		-368,045
Net income			1,389,126		1,389,126
Acquisition of treasury stock				-554	-554
Disposition of treasury stock					
Changes in items other than shareholders' equity (net amount)					
Total changes in current fiscal year	-	-	1,021,080	-554	1,020,526
Balance at end of current fiscal year	3,198,380	3,013,389	5,491,174	-1,165,792	10,537,151

	Accumulated other comprehensive income			Stock acquisition rights	Total net assets
	Unrealized gain (loss) on available-for-sale securities	Unrealized holding gain (loss) on hedges	Total accumulated other comprehensive income		
Balance at beginning of current fiscal year	4,916	-12,299	-7,382	29,958	9,539,200
Changes in current fiscal year					
Dividends from surplus					-368,045
Net income					1,389,125
Acquisition of treasury stock					-554
Disposition of treasury stock					
Changes in items other than shareholders' equity (net amount)	1,802,663	5,400	1,808,064	17,587	1,825,651
Total changes in current fiscal year	1,802,663	5,400	1,808,064	17,587	2,846,177
Balance at end of current fiscal year	1,807,580	-6,899	1,800,681	47,545	12,385,378

Consolidated statements of changes in net assets

Current consolidated fiscal year (from April 1, 2014 to March 31, 2015)

(Thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current fiscal year	3,198,380	3,013,389	5,491,174	-1,165,792	10,537,151
Changes in current fiscal year					
Dividends from surplus			-460,035		-460,035
Net income			1,757,834		1,757,834
Acquisition of treasury stock				-69	-69
Disposition of treasury stock			-23,802	486,638	462,836
Changes in items other than shareholders' equity (net amount)					
Total changes in current fiscal year	-	-	1,273,996	486,569	1,760,565
Balance at end of current fiscal year	3,198,380	3,013,389	6,765,171	-679,223	12,297,717

	Accumulated other comprehensive income			Stock acquisition rights	Total net assets
	Unrealized gain (loss) on available-for-sale securities	Unrealized holding gain (loss) on hedges	Total accumulated other comprehensive income		
Balance at beginning of current fiscal year	1,807,580	-6,899	1,800,681	47,545	12,385,378
Changes in current fiscal year					
Dividends from surplus					-460,035
Net income					1,757,834
Acquisition of treasury stock					-69
Disposition of treasury stock					462,836
Changes in items other than shareholders' equity (net amount)	-771,992	3,132	-768,859	-30,398	-799,258
Total changes in current fiscal year	-771,992	3,132	-768,859	-30,398	961,307
Balance at end of current fiscal year	1,035,588	-3,766	1,031,821	17,147	13,346,689

(4) Consolidated statement of cash flow

(Thousand yen)

	Previous fiscal year (from April 1, 2013 to March 31, 2014)	Current fiscal year (from April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Net income before income taxes	2,420,234	2,876,837
Depreciation and amortization	616,930	547,600
Impairment loss	218	291
Stock-based compensation expenses	17,587	2,823
Increase (decrease) in allowance for doubtful accounts	-17,832	-3,503
Increase (decrease) in reserve for bonuses for employees	13,831	-54,980
Increase (decrease) in reserve for returned goods unsold	44,520	8,446
Increase (decrease) in liabilities related to retirement benefits	-2,120	-1,081
Interest income and dividend income	-19,177	-23,841
Interest expenses	40,871	20,324
Foreign exchange loss (gain)	-	-14,689
Increase (decrease) in investment gain on equity method	-9,843	563
Loss (gain) on sale of investment securities	-934	-291,046
Loss (gain) on disposal or sale of fixed assets	3,218	1,536
Decrease (increase) in accounts receivables	625,183	-6,091
Decrease (increase) in inventories	22,324	320,881
Increase (decrease) in accounts payable	28,735	-91,088
Others	-235,377	578,824
Subtotal	3,548,369	3,871,805
Income taxes paid	-369,260	-1,163,865
Cash flows from operating activities	3,179,108	2,707,940
Cash flows from investing activities		
Payments for time deposits	-228,403	-430,060
Proceeds from withdrawal of time deposits	328,397	228,403
Payments for acquisition of tangible fixed assets	-162,573	-190,969
Proceeds from sale of tangible fixed assets	-287,075	-264,579
Payments for acquisition of intangible fixed assets	-92,476	-824,143
Payments for acquisition of investment securities	5,108	400,967
Proceeds from sale of investment securities	-	100,000
Payments for insurance reserve fund	-9,879	-5,366
Proceeds from cancellation of insurance reserve fund	37,473	-
Purchase of long-term prepaid expenses	-12,184	-14,492
Interest and dividends received	19,268	23,508
Others	3,139	-48,130
Cash flows from investing activities	-399,206	-1,024,864

(Thousand yen)

	Previous fiscal year (from April 1, 2013 to March 31, 2014)	Current fiscal year (from April 1, 2014 to March 31, 2015)
Cash flows from financing activities		
Proceeds from short-term debt	2,540,000	2,390,000
Repayment of short-term debt	-2,540,000	-2,340,000
Proceeds from long-term debt	600,000	-
Repayment of long-term debt	-1,053,600	-545,000
Payments for redemption of bonds	-380,000	-30,000
Proceeds from exercise of stock option	-	428,806
Payments for acquisition of treasury stock	-554	-69
Dividends paid	-368,477	459,677
Interest paid	-41,577	-20,632
Others	-9,548	-9,926
Cash flows from financing activities	-1,253,758	-586,499
Increase (decrease) in cash and cash equivalents	1,526,144	1,096,577
Cash and cash equivalents at beginning of year	3,056,698	4,582,843
Cash and cash equivalents at end of year	4,582,843	5,679,420