May 14, 2015

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2015

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd. Listing: Tokyo Stock Exchange, Second Section
Stock code: 4323 URL: http://www.jast.jp
Representative: Takeaki Hirabayashi, President and CEO
Contact: Noriaki Okado, Director and CFO Tel: +81-6-4560-1000

Scheduled date of Annual General Meeting of Shareholders: June 19, 2015
Scheduled date of payment of dividend: June 5, 2015
Scheduled date of filing of Annual Security Report: June 22, 2015
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on May 14, 2015 at 17:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Consolidated results of operations (Percentages for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2015	11,505	6.2	363	(15.0)	435	(8.0)	228	(18.0)
Fiscal year ended Mar. 31, 2014	10,828	6.8	427	36.1	474	33.2	278	65.2

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2015: 314 (up 0.9%)
Fiscal year ended Mar. 31, 2014: 311 (up 60.9%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2015	43.56	-	4.4	5.0	3.2
Fiscal year ended Mar. 31, 2014	57.03	56.20	5.9	5.6	3.9

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2015: - Fiscal year ended Mar. 31, 2014: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2015	8,717	5,433	61.4	1,020.03
As of Mar. 31, 2014	8,817	5,066	56.6	954.53

Reference: Shareholders' equity (million yen) As of Mar. 31, 2015: 5,353 As of Mar. 31, 2014: 4,992

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2015	(204)	(281)	(102)	1,559
Fiscal year ended Mar. 31, 2014	393	(13)	149	2,144

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2014	-	0.00	-	25.00	25.00	130	43.8	2.7
Fiscal year ended Mar. 31, 2015	-	0.00	-	25.00	25.00	131	57.4	2.5
Fiscal year ending Mar. 31, 2016 (forecasts)	-	0.00	-	25.00	25.00		44.9	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	5,500	1.4	(8)	-	14	(87.8)	2	(96.7)	0.38
Full year	12,200	6.0	560	54.0	620	42.2	292	27.7	55.64

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Please refer to "Significant Accounting Policies in the Preparation of Consolidated Financial Statements" for further information.

(3) Number of outstanding shares (common stock)

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

As of Mar. 31, 2015: 5,612,230 shares As of Mar. 31, 2014: 5,594,230 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2015: 364,210 shares As of Mar. 31, 2014: 364,210 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2015: 5,247,753 shares Fiscal year ended Mar. 31, 2014: 4,890,856 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2015	9,682	12.1	374	(7.2)	428	(5.0)	223	(23.7)
Fiscal year ended Mar. 31, 2014	8,640	8.6	403	81.5	450	80.6	292	153.6

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2015	42.54	-
Fiscal year ended Mar. 31, 2014	59.84	58.96

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2015	8,314	5,503	66.2	1,048.61
As of Mar. 31, 2014	8,406	5,215	62.0	997.09

Reference: Shareholders' equity (million yen) As of Mar. 31, 2015: 5,503 As of Mar. 31, 2014: 5,214

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	4,700	1.8	6	(94.6)	30	(81.9)	15	(86.1)	2.86
Full year	10,300	6.4	520	39.0	580	35.5	290	29.9	55.26

Note 1: Information regarding the implementation of audit procedure

The current financial statements are exempted from audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the audit procedure for these consolidated statements has not been completed.

Note 2: Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts. Please refer to "1. Analysis of Results of Operations and Financial Position, (1) Analysis of Results of Operations" on page 2 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

1) Summary of the fiscal year

In the current fiscal year, consolidated results of the Japan System Techniques Group (Japan System Techniques Co., Ltd. (JAST) and its consolidated subsidiaries, hereafter "the Group") showed higher sales and lower profits as follows: net sales of 11,505 million yen (up 6.2% year on year), operating income of 363 million yen (down 15.0% year on year), ordinary income of 435 million yen (down 8.0% year on year), and net income of 228 million yen (down 18.0% year on year). Results by segment were as follows.

In the software business (individualized contracted software development), net sales increased but profits decreased. Sales remained strong because orders from the service/retail industry, the finance/insurance/brokerage industry, the telecommunications industry, and the manufacturing industry increased while there was a decrease in orders from the public sector and medical institutions. General and administrative expenses increased due to higher costs associated with the expansion of the Tokyo Head Office and the rebuilding of internal systems. As a result, net sales in this business totaled 7,823 million yen (up 10.0% year on year) and operating income totaled 204 million yen (down 26.6% year on year).

In the package business (sale and related services of operational reform packages for schools), net sales increased but profits declined. End user computing (EUC: individualized contracted development of related systems), IT equipment sales, program product (PP) sales to universities increased year on year, but operation services and implementation support declined. Net sales in this business totaled 2,131 million yen (up 9.3% year on year), but due to an increase in research and development expenses for product development, operating income totaled 271 million yen (down 8.5% year on year).

In the system sales business (IT equipment sales and IT/telecom infrastructure construction), net sales and profits decreased. Orders from system integration (SI) projects for public sectors, and equipment sales to universities declined. As a result, net sales in this business totaled 1,131 million yen (down 26.2% year on year), and operating loss totaled 28 million yen (vs. operating income of 41 million yen in the previous fiscal year).

Lastly, in the medical big data business (inspection, analysis and related services of medical information), net sales totaled 419 million yen (up 78.1% year on year), and operating loss totaled 84 million yen (vs. operating loss of 194 million yen in the previous fiscal year). This was due to the expansion of notification and data analysis services, and cloud services for checking service providers in addition to automated inspection services for health insurance claims.

2) Forecasts for the new fiscal year

In the fiscal year under review, the overall Japanese economy continued to recover. Economic stimulus measures by the government and the Bank of Japan's monetary policy were partly responsible for this trend, leading to yen depreciation and rising stock prices. Although the consumption tax rise affected personal consumption to some extent, there are expectations for an increase in employment supported by the improved corporate earnings and rises in capital investment. However, a risk of economic stagnation or a downturn remains because of uncertainties on both the political and economic fronts, such as slowing growth in China and other major emerging countries, and uncertainty surrounding the debt crisis in Europe.

In the IT industry in Japan, according to the latest statistics in the "Survey of Selected Service Industries" by the Ministry of Economy, Trade and Industry (the final February figures), net sales rose 3.0% year on year in 2014 (compared with 1.7% annual growth in 2013), pointing to a recovery trend. The monthly figures for February 2015 showed year-on-year growth of only 0.7%, however, suggesting that the strength of recovery remains weak.

Against this backdrop, the Group will be guided by the new fiscal year's slogan of "go beyond the border." Each and every employee will leverage the strengths that JAST has cultivated to date, making a strong commitment in new areas (internally: achieve unprecedented levels of quality, acquire skills, boost productivity, etc.; externally: achieve unprecedented business success, attain high prices, earn a positive reputation, develop business in new regions, etc.). As a result, we aim to boost orders volume and enhance profitability in the contracted development business, as well as to achieve sustained growth by further expanding JAST-driven business centering on proprietary brand products.

Based on the above, we expect increases in sales and profits for the fiscal year ending March 31, 2016; net sales of 12,200 million yen (up 6.0% year on year), operating income of 560 million yen (up 54.0% year on year), ordinary income of 620 million yen (up 42.2% year on year), and net income of 292 million yen (up 27.7% year on year).

(2) Analysis of Financial Position

1) Balance sheet position

The balance of current assets at the end of the current fiscal year was 6,200 million yen, down 5.5% over the end of the previous fiscal year. This was mainly due to increases in notes and accounts receivable-trade from higher sales at the end of fiscal year, and work in process, and a decrease in cash and deposits. The balance of non-current assets was 2,516 million yen at the end of the current fiscal year, up 11.7% over the end of the previous fiscal year. This was mainly due to an increase in net defined benefit asset, an increase from purchase of investment securities, a decrease in deferred tax assets, and cancellation of long-term time deposits.

The balance of current liabilities at the end of the current fiscal year was 2,026 million yen, down 14.3% over the end of the previous fiscal year. This was mainly due to decreases in income taxes payable, and notes and accounts payable-trade. The balance of non-current liabilities was 1,258 million yen at the end of the current fiscal year, down 9.2% over the end of the previous fiscal year. This was mainly due to decreases in net defined benefit liability and provision for directors' retirement benefits following the retirement of directors.

The balance of net assets was 5,433 million yen at the end of the current fiscal year, up 7.2% over the end of the previous fiscal year. This was mainly due to increases in retained earnings and remeasurements of defined benefit plans.

2) Cash flows

Cash and cash equivalents decreased 584 million yen from 2,144 million yen at the start of the current fiscal year to 1,559 million yen at the end of the current fiscal year.

Cash flows by category were as follows.

Cash flows used in operating activities totaled 204 million yen, compared with 393 million yen provided in the previous fiscal year. This difference was mainly due to increases in outlays for inventories and notes and accounts payable-trade, and a decrease in provision for bonuses, while there was an increase in income from notes and accounts receivable-trade.

Cash flows used in investing activities totaled 281 million yen, compared with 13 million yen used in the previous fiscal year. This difference was mainly due to a decrease in proceeds from the collection of guarantee deposits, and increases in outlays for the purchases of property, plant and equipment and investment securities, while there was an increase in income from withdrawal of time deposits.

Cash flows used in financing activities totaled 102 million yen, compared with 149 million yen provided in the previous fiscal year. The main difference factor was a decrease in proceeds from issuance of common shares.

Reference: Cash flow indicators

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Equity ratio (%)	55.2	59.2	55.0	56.6	61.4
Equity ratio based on market value (%)	33.3	38.7	38.2	39.0	50.0
Interest-bearing debt to cash flow ratio (years)	-	0.0	0.1	0.0	-
Interest coverage ratio (times)	-	178.8	89.1	228.6	-

Notes: 1. The above figures are calculated as follows.

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

* Interest-bearing debt is calculated using total loans-payable on the consolidated balance sheet.

* Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

2. There are no average debt repayment period and interest coverage ratio figures for FY3/11 and FY3/15 because the Company had negative operating cash flows.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The Company's basic policy for dividends is the same as that for earnings: long-term stable growth. It will examine specific policies and amounts, in light of the trend in earnings, its financial condition, and various business environments, while taking into consideration the payout ratio. The Company will make effective use of retained earnings to invest in the training of professional human resources, the creation of new businesses, the promotion of various alliances, and R&D for new products.

The Group will pay a dividend of 25 yen for each common share, in accordance with initial plans, for the fiscal year ended March 31, 2015, in response to support from shareholders and investors.

The Group plans a dividend of 25 yen for each common share in the fiscal year ending March 31, 2016 in light of the outlook for stable earnings growth.

(4) Business Risks

Listed below are the risk factors that may affect operating results and financial position as well as the stock price and other performance indices of the Group. Forward-looking statements are based on the judgment of the Group as of the date of the release of these materials.

1) Risks related to defects in products and services

Information systems development within the IT industry, including the Company, has become increasingly complex due to the growing sophistication of hardware and networking technologies, advances in operating systems, middleware and development languages, and the rapid spread and transition in recent years to cloud and other new information-processing technologies. Meanwhile, the demands of clients regarding quality have become stricter as society shows increased interest in quality and defect issues related to IT products and services given the growing impact of such defects on society. Against this backdrop, the Group is very careful in thoroughly educating employees about improving and stabilizing software quality, strengthening screening functions during the quote and order process, improving quote technology, and enhancing project management. Nevertheless, the Group cannot rule out the possibility of defects which could cause major projects to become unprofitable due to client indemnities and product repairs, and together with credit deterioration, result in a material impact on the Group's business performance.

2) Risks related to information management, misuse, and negligence, etc.

To prevent the leak of confidential or personal information relating to clients or employees, as well as accidents due to negligence of all kinds, and misuse, the Group has formulated internal guidelines, trained employees, and holds regular inspections conducted by professional organizations. Still, these efforts cannot completely eliminate risk, and the materialization of such risk could lower the Group’s creditworthiness, require indemnities, and have a material impact on the Group’s business performance.

3) Risks associated with overreliance on major clients

The Group’s top clients account for a comparatively high proportion of its overall sales. Its top three clients accounted for approximately 19% of consolidated net sales in the fiscal year under review, and its top five clients approximately 25%. Although the Group’s overreliance on these particular major clients has eased somewhat over the past few years, a change in orders from major clients or in the industry environment for major clients could cause significant fluctuations in the Group’s business performance.

4) Risks associated with the concentration of earnings towards the fiscal yearend

A unique feature of the Group’s contracted software development, package, and systems equipment sales businesses is that product inspections tend to concentrate in March which is the last month of the fiscal year for most clients. Delays in the recognition of revenue due to clients’ postponement of development processes, budget executions, or product inspections could cause fluctuations in the Group’s business performance.

5) Risks associated with the valuation of assets

The Group owns marketable securities, real estate for rent, and other investment assets. The balance of these assets is considerably smaller than its current assets which can be easily converted to cash. Still, unpredictable or rapid changes in market prices or the bankruptcy of issuers, while difficult to forecast, could reduce the value of these assets, impacting the Group’s business performance.

6) Risks related to large natural disasters

The outbreak of a large earthquake or other natural disaster could inflict devastating damage on the Group's mainstay offices and injure many employees requiring expensive repairs and impacting the Group's business performance.

2. Corporate Group

The Group is comprised of Japan System Techniques Co., Ltd. and its six consolidated subsidiaries. It operates four businesses including 1) the software business which develops software on contract to meet the specific needs of clients, 2) the package business which develops and sells operations packages mainly for educational institutions, 3) the system sales business which sells hardware and software, and 4) the medical big data business, which includes a full line of services including automated inspection services for health insurance claims, data analysis and notification of the cost of medical care.

The table below shows the content of each of the Group's businesses.

The business classification below is the same as in "5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Segment and Other Information)" on page 32.

<table>
<tr><th>Business segment</th><th>Field</th><th>Content</th><th>Company name</th></tr>
<tr><td rowspan="3">Software business</td><td>Business applications (office work processing system)</td><td>- Systems for the manufacturing industry including production management, logistics management, and order management
- Systems for the retail and service industries including store information, procurement, shipment management, virtual shopping malls, and shopping mileage services
- Systems for financial institutions including accounts, information, global operations, business administration, and card loans
- Systems for the securities industry including equity trading, investment trusts, dealing, and Internet securities trading
- Systems for the insurance industry including contract management and non-life new reserves
- Systems for the public sector including phone billing, tax revenue management, resident information, postal accounts, and highway ETC (electronic toll collection)
- Systems for schools and students including entrance examinations, student registries, teaching, and job search support
- Systems for website production, smartphone app development, and related network businesses
- Accounting, personnel, ERP package introduction support, customer relations management (CRM) systems, data warehousing construction, biometric identification security systems, and other office work processing systems
- Vehicle dispatch and sales support systems for transport companies
- Development, sales, maintenance, and introduction support for "BankNeo," a data integration package for financial institutions, and contracted development of related systems</td><td rowspan="3">Japan System Techniques Co., Ltd.

JAST TECHNIQUES PTE. LTD.

JASTEC (THAILAND) CO., LTD.

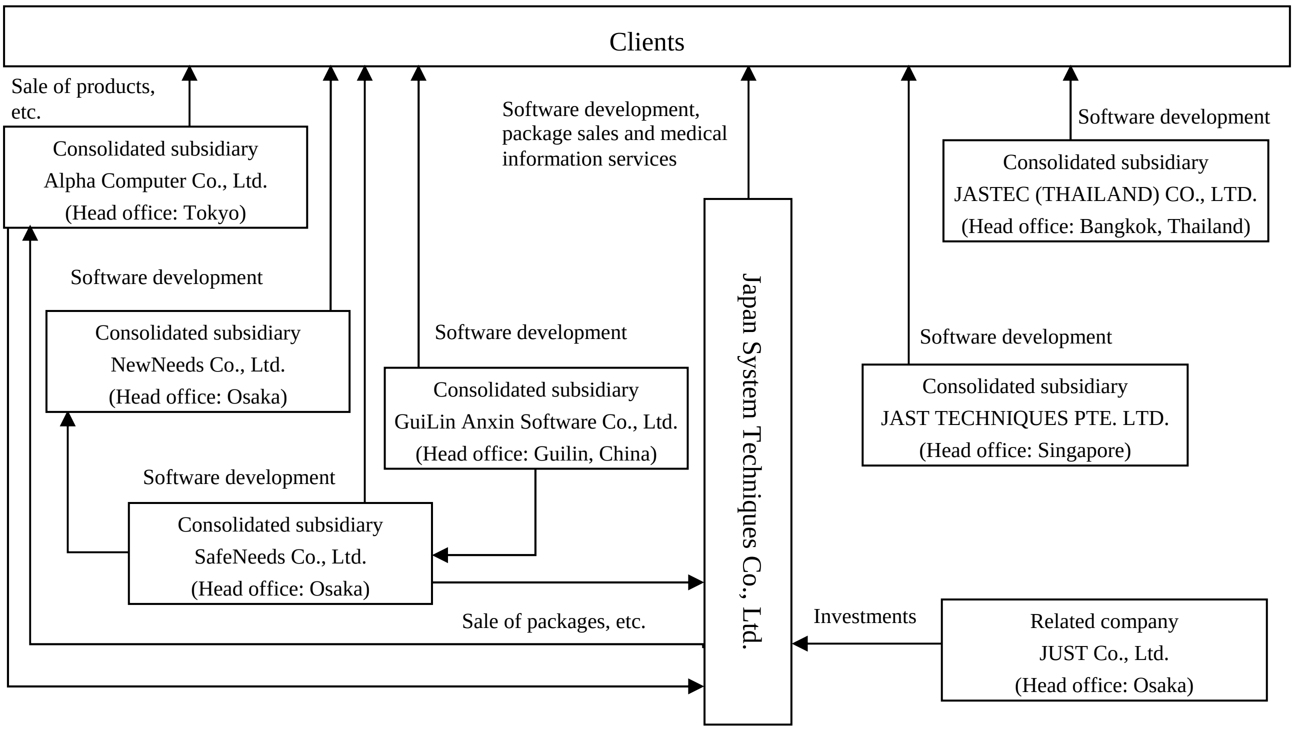
NewNeeds Co., Ltd.

SafeNeeds Co., Ltd.

GuiLin Anxin Software Co., Ltd.</td></tr>
<tr><td>Engineering applications (communications, control, technology systems)</td><td>- Embedded software for cell phones, digital audio-visual equipment, and car mounted systems; IT/telecom systems for terrestrial digital broadcasts, mobile communications, car navigation, and simulators</td></tr>
<tr><td>Event applications (sports and cultural event systems)</td><td>- Sporting and cultural event management systems, such as for ballet and other competitions</td></tr>
</table>

Business segment	Field	Content	Company name
Package business	Strategic university management system	- Large-scale university-edition ERP "GAKUEN REVOLUTION EX" series development, sales, maintenance, introduction support, and contract development of related systems - School office work support integrated system "GAKUEN EX" series development, sales, maintenance, introduction support, and contract development of related systems - University integrated web service system "GAKUEN UNIVERSAL PASSPORT EX" development, sales, maintenance, introduction support, and contract development of related systems - School operations system consultation, end-user computing (EUC) support, and business process reengineering (BPR) support and operation services - Development, sales, maintenance, and introduction support for "GAKUEN EduTrack," an online educational support system, and contracted development of related systems	Japan System Techniques Co., Ltd. Alpha Computer Co., Ltd.
System sales business	Information system equipment sales	- Sale and maintenance of computers, network equipment, and software packages - Provision of system solutions for universities and public bodies - Information communications network construction -Construction of security systems	Alpha Computer Co., Ltd.
Medical big data business	Inspection, analysis and related services of medical information	- Automated inspection services for health insurance claims "JMICS"(JAST Medical Insurance Checking System) - Systems for medical information services sector including medical expense notices - Cloud services for checking service providers - Support services for the preparation of data health plans	Japan System Techniques Co., Ltd.

The diagram below provides a visual representation of the positioning and relationships of businesses within the Group.



* Since the executives of SafeNeeds own all shares of GuiLin Anxin Software Co., Ltd. and constitute a majority of the number of the Board of Representatives, GuiLin Anxin Software is effectively under the control of the Company and included in consolidation.

3. Management Policies

(1) Basic Management Policy

Japan System Techniques, since its founding, has maintained its complete independence, unaffiliated with any group, based on the motto of “creating and providing information technology to contribute to society.” While challenging the frontiers of the latest technologies, the Company has worked on systems development independent of any specific industry, technology field, or manufacturer. As a comprehensive information services provider, this independence has allowed it to meet an extremely wide variety of needs as the description in “2. Corporate Group” on page 6 shows. This is a major strength of the Company and has contributed significantly to its stable earnings growth. It is the passion of each and every employee towards information systems development, and sincerity in dealing with clients, that drives this growth. As such, the Company believes in “developing human resources” based on the management philosophy that the most important management priority is for each and every employee to polish his or herself.

(2) Performance Targets

The Company understands the importance of achieving the sales and profit targets it discloses every fiscal year.

From the standpoint of improving enterprise value by seeking returns on shareholders’ equity, the Company’s basic dividend policy is to aim for stable, long-term growth in line with operating performance, taking the payout ratio into consideration. The Company also aims to further improve the ratio of net income to shareholders’ equity, or ROE, which was 4.4% on a consolidated basis in the fiscal year under review.

(3) Medium- and Long-term Business Strategy

A key strength of the Company is that, through a business strategy of covering a wide variety of fields while also focusing deeply on each and staying ahead of the latest technologies, it can maintain stable earnings, unaffected by business environment changes such as the boom-bust cycles of specific industries or changes in technology trends, while at the same time aiming for long-term growth.

However, in the uncertain economy of late, and particularly in the IT industry where the environment is extremely volatile, the Company understands that it will be difficult to achieve growth into the future if it remains overly dependent on contract development, the IT industry’s mainstay source of earnings to date.

Based on this understanding, the Group has formulated the “JAST Vision 2020” as its basic medium- to long-term management policy. Specifically, in the contracted development business this policy calls for the Company to reinforce solution sales, with a focus on expanding direct agreements with end users. At the same time, we will strive to strengthen management capabilities for production process, lower the cost of production through measures such as promoting offshore development, and enhance our systems in the Tokyo metropolitan area—Japan’s largest market. We intend to enhance the overall profitability of this business by increasing our volume of orders in this area. In addition, to create new customers and demand by expanding our proprietary brand business, we will further expand our product and service offerings around our existing brands: GAKUEN, JMICS and BankNeo. Meanwhile, we will persist with R&D to ensure the continuous launch of new brands. In addition to these initiatives, we will pursue globalization and the expansion of alliances, including through M&A, in the aim of boosting our proprietary brand business to around 50% of net sales. Also, to further strengthen the growth base, it will continue to improve project management technologies, increase added value by enriching the solutions menu, and introduce intensive training and personnel systems capable of nurturing top-class talent.

(4) Challenges

Please see “1. Analysis of Results of Operations and Financial Position, (1) Analysis of Results of Operations, 2) Forecasts for the new fiscal year” on page 2 for a description of current conditions and challenges in the IT industry and the Group. Based on these understandings, each and every employee has a strong commitment to go beyond borders in order to boost orders volume and enhance profitability in the contracted development business, as well as to achieve sustained growth by further expanding JAST-driven business centering on proprietary brand products. Activities for the fiscal year ending March 31, 2016 will be guided by the fiscal year slogan “go beyond the border.” In addition, we have established the following nine key challenges.

1) To achieve the objectives of the JAST Vision 2020, have all employees take innovative action with spirit of challenge, without fearing risks
2) Further strengthen the structure under which the operation of businesses is headed by executive officers with a companywide perspective
3) Work consistently to acquire capabilities to win out, both in reality and in name, over the industry’s most prominent manufacturers and vendors
4) Strengthen the next-generation GAKUEN package and other educational solutions, establishing leadership in the Japanese market and increasing sales in the Chinese and ASEAN markets
5) Increase the contribution to companywide profits of the proprietary brand JMICS and BankNeo businesses, and further cultivate new businesses
6) In global operations, expand sales and profits in China and the ASEAN region and reinforce alliances both within and outside the Group
7) Instill and enhance the proprietary brand through independent management that leverages the strengths of individual Group companies
8) Vigorously take on challenges in new operational domains by boldly promoting middle management
9) Promote corporate reforms to optimize the internal environment by moving forward with personnel system transformations and enhancements, and through the stable operation and ongoing improvement of internal systems

4. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Assets		
Current assets		
Cash and deposits	3,319,585	2,762,276
Notes and accounts receivable-trade	2,607,749	2,783,536
Merchandise and finished goods	97,394	59,362
Work in process	167,776	278,704
Raw materials and supplies	2,347	3,066
Deferred tax assets	259,362	202,070
Other	112,940	116,390
Allowance for doubtful accounts	(3,863)	(4,519)
Total current assets	6,563,292	6,200,887
Non-current assets		
Property, plant and equipment		
Buildings and structures	551,886	612,788
Accumulated depreciation	(270,155)	(271,071)
Buildings and structures, net	*2 281,730	*2 341,716
Land	*2 142,361	*2 142,361
Other	252,174	288,023
Accumulated depreciation	(171,771)	(189,891)
Other, net	80,402	98,131
Total property, plant and equipment	504,495	582,210
Intangible assets		
Goodwill	27,023	18,001
Software	96,422	149,314
Other	7,189	7,189
Total intangible assets	130,635	174,505
Investments and other assets		
Investment securities	362,629	580,032
Net defined benefit asset	257,001	481,576
Deferred tax assets	234,645	57,219
Guarantee deposits	299,440	342,917
Other	*1,*2 519,352	*1,*2 352,690
Allowance for doubtful accounts	(54,288)	(54,288)
Total investments and other assets	1,618,782	1,760,149
Total non-current assets	2,253,912	2,516,865
Total assets	8,817,204	8,717,753

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	906,653	751,992
Short-term loans payable	-	23,367
Current portion of long-term loans payable	2,400	1,800
Income taxes payable	293,658	84,486
Provision for bonuses	531,526	446,267
Provision for directors' bonuses	28,477	20,624
Other	601,663	697,818
Total current liabilities	2,364,379	2,026,357
Non-current liabilities		
Long-term loans payable	1,800	-
Provision for directors' retirement benefits	422,029	350,248
Net defined benefit liability	903,730	772,160
Other	58,856	135,979
Total non-current liabilities	1,386,415	1,258,387
Total liabilities	3,750,795	3,284,745
Net assets		
Shareholders' equity		
Capital stock	1,071,446	1,076,669
Capital surplus	1,033,084	1,038,308
Retained earnings	3,025,811	3,299,968
Treasury shares	(266,539)	(266,539)
Total shareholders' equity	4,863,803	5,148,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,191	61,263
Foreign currency translation adjustment	(14,936)	(9,647)
Remeasurements of defined benefit plans	91,150	153,109
Total accumulated other comprehensive income	128,405	204,724
Subscription rights to shares	514	-
Minority interests	73,686	79,875
Total net assets	5,066,409	5,433,007
Total liabilities and net assets	8,817,204	8,717,753

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net sales	10,828,399	11,505,104
Cost of sales	8,649,893	9,148,950
Gross profit	2,178,505	2,356,154
Selling, general and administrative expenses	*1,*2 1,750,890	*1,*2 1,992,473
Operating income	427,615	363,681
Non-operating income		
Interest income	10,176	10,041
Dividend income	5,411	6,219
Foreign exchange gains	7,997	1,303
Rent income	14,569	15,564
Commission fee	1,864	1,804
Subsidy income	19,779	35,313
Other	9,526	13,875
Total non-operating income	69,324	84,123
Non-operating expenses		
Interest expenses	1,673	1,610
Rent expenses	15,845	8,886
Other	5,341	1,347
Total non-operating expenses	22,861	11,844
Ordinary income	474,078	435,961
Income before income taxes and minority interests	474,078	435,961
Income taxes-current	304,470	93,387
Income taxes-deferred	(116,444)	113,050
Total income taxes	188,025	206,437
Income before minority interests	286,052	229,523
Minority interests in income	7,129	944
Net income	278,922	228,579

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Income before minority interests	286,052	229,523
Other comprehensive income		
Valuation difference on available-for-sale securities	17,776	9,071
Foreign currency translation adjustment	7,909	14,073
Remeasurements of defined benefit plans, net of tax	-	61,958
Total other comprehensive income	25,685	85,103
Comprehensive income	311,738	314,626
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	296,482	304,898
Comprehensive income attributable to minority interests	15,255	9,728

(3) Consolidated Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	924,223	885,862	2,865,993	(266,494)	4,409,584
Cumulative effects of changes in accounting policies					
Restated balance	924,223	885,862	2,865,993	(266,494)	4,409,584
Changes of items during period					
Issuance of new shares-exercise of subscription rights to shares	147,222	147,222			294,445
Dividends of surplus			(119,104)		(119,104)
Net income			278,922		278,922
Purchase of treasury shares				(44)	(44)
Net changes of items other than shareholders' equity					
Total changes of items during period	147,222	147,222	159,817	(44)	454,218
Balance at end of current period	1,071,446	1,033,084	3,025,811	(266,539)	4,863,803

	Accumulated other comprehensive income				Subscription rights to shares	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	34,414	(14,720)	-	19,694	984	59,275	4,489,539
Cumulative effects of changes in accounting policies							
Restated balance	34,414	(14,720)	-	19,694	984	59,275	4,489,539
Changes of items during period							
Issuance of new shares-exercise of subscription rights to shares							294,445
Dividends of surplus							(119,104)
Net income							278,922
Purchase of treasury shares							(44)
Net changes of items other than shareholders' equity	17,776	(216)	91,150	108,711	(470)	14,411	122,651
Total changes of items during period	17,776	(216)	91,150	108,711	(470)	14,411	576,870
Balance at end of current period	52,191	(14,936)	91,150	128,405	514	73,686	5,066,409

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,071,446	1,033,084	3,025,811	(266,539)	4,863,803
Cumulative effects of changes in accounting policies			176,328		176,328
Restated balance	1,071,446	1,033,084	3,202,140	(266,539)	5,040,131
Changes of items during period					
Issuance of new shares-exercise of subscription rights to shares	5,223	5,223			10,446
Dividends of surplus			(130,750)		(130,750)
Net income			228,579		228,579
Purchase of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	5,223	5,223	97,828		108,275
Balance at end of current period	1,076,669	1,038,308	3,299,968	(266,539)	5,148,407

	Accumulated other comprehensive income				Subscription rights to shares	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	52,191	(14,936)	91,150	128,405	514	73,686	5,066,409
Cumulative effects of changes in accounting policies							176,328
Restated balance	52,191	(14,936)	91,150	128,405	514	73,686	5,242,738
Changes of items during period							
Issuance of new shares-exercise of subscription rights to shares							10,446
Dividends of surplus							(130,750)
Net income							228,579
Purchase of treasury shares							
Net changes of items other than shareholders' equity	9,071	5,288	61,958	76,318	(514)	6,189	81,993
Total changes of items during period	9,071	5,288	61,958	76,318	(514)	6,189	190,269
Balance at end of current period	61,263	(9,647)	153,109	204,724	-	79,875	5,433,007

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	474,078	435,961
Depreciation	75,537	93,930
Amortization of software	14,165	25,888
Amortization of goodwill	8,314	8,236
Increase (decrease) in provision for bonuses	148,160	(85,321)
Decrease (increase) in net defined benefit asset	(15,640)	(14,344)
Increase (decrease) in net defined benefit liability	30,161	44,784
Interest and dividend income	(15,587)	(16,260)
Interest expenses	1,673	1,610
Decrease (increase) in notes and accounts receivable-trade	(266,261)	(173,400)
Decrease (increase) in inventories	173,816	(75,918)
Increase (decrease) in notes and accounts payable-trade	4,745	(154,760)
Other, net	(85,198)	(9,285)
Subtotal	547,965	81,120
Interest and dividend income received	15,222	17,118
Interest expenses paid	(1,720)	(1,561)
Income taxes paid	(168,049)	(301,019)
Net cash provided by (used in) operating activities	393,417	(204,341)
Cash flows from investing activities		
Decrease (increase) in time deposits	59,057	181,033
Purchase of property, plant and equipment	(18,670)	(133,643)
Proceeds from reversal of insurance funds	8,642	-
Purchase of software	(92,324)	(17,322)
Purchase of investment securities	(102,054)	(208,061)
Payments for guarantee deposits	(1,429)	(47,514)
Proceeds from collection of guarantee deposits	138,420	3,499
Payments for assets retirement	-	(27,864)
Other, net	(5,130)	(32,111)
Net cash provided by (used in) investing activities	(13,489)	(281,985)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(20,312)	23,367
Repayments of long-term loans payable	(2,400)	(2,400)
Proceeds from issuance of common shares	293,974	9,932
Cash dividends paid	(119,104)	(130,750)
Cash dividends paid to minority shareholders	(1,283)	(2,435)
Other, net	(1,097)	(134)
Net cash provided by (used in) financing activities	149,776	(102,420)
Effect of exchange rate change on cash and cash equivalents	4,403	4,419
Net increase (decrease) in cash and cash equivalents	534,108	(584,327)
Cash and cash equivalents at beginning of period	1,609,962	2,144,070
Cash and cash equivalents at end of period	*1 2,144,070	*1 1,559,743

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries: 6

Names of consolidated subsidiaries:

JAST TECHNIQUES PTE. LTD.
JASTEC (THAILAND) CO., LTD.
Alpha Computer Co., Ltd.
NewNeeds Co., Ltd.
SafeNeeds Co., Ltd.
GuiLin Anxin Software Co., Ltd.

Since the executives of SafeNeeds own all shares of GuiLin Anxin Software Co., Ltd. and constitute a majority of the number of the Board of Representatives, GuiLin Anxin Software is effectively under the control of the Company and included in consolidation.

2. Application of equity method

The Company has no subsidiaries and affiliates accounted for by the equity method.

3. Fiscal year of consolidated subsidiaries

At the three overseas consolidated subsidiaries, the fiscal year under review ended on December 31, 2014. The consolidated financial statements include the financial statements of these consolidated subsidiaries as of December 31, 2014. Necessary adjustments have been made for the consolidation concerning material transactions arising between January 1, 2015 and March 31, 2015.

The fiscal year of the three consolidated subsidiaries in Japan ends on the closing date of consolidated financial statements.

4. Accounting standards

(1) Valuation standards and methods for principal assets

1) Marketable securities

a. Held-to-maturity debt securities

Stated at cost determined by the amortized cost method (straight-line method).

b. Available-for-sale securities

Securities with market quotations

Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)

Securities without market quotations

Stated at cost determined by the moving-average method.

2) Inventories

a. Merchandise

Stated at cost determined by the specific identification method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

b. Finished goods

Stated at cost determined by the periodic average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

c. Work in process

Stated at cost determined by the specific identification method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

d. Supplies

Valued by the last purchased price method.

(2) Depreciation and amortization of significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment at the Company and its consolidated subsidiaries in Japan is calculated by the declining-balance method, and at the overseas consolidated subsidiaries by the straight-line method.

Useful life of principle assets is as follows:

Buildings and structures:	10-35 years
Other:	4-10 years

2) Intangible assets (excluding leased assets)

Amortization of intangible assets is calculated by the straight-line method.

Software is amortized over an expected internal useful life of 3-5 years by the straight-line method.

3) Leased assets

a. Lease assets associated with finance lease transactions where there is transfer of ownership

Depreciated by the same method as depreciation method used for non-current assets held by the Company.

b. Lease assets associated with finance lease transactions where there is no transfer of ownership

Depreciated by the straight-line method, assuming the lease period to be the useful life and a residual value of zero.

4) Investments and other assets (other)

Declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method.

Useful life of investments and other assets (other) is 47 years (buildings).

(3) Recognition of significant allowances

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.

2) Provision for bonuses

To provide for employee bonus obligation, the Company and its certain consolidated subsidiaries provide an allowance equal to the estimated bonus obligations.

3) Provision for directors’ retirement benefits

To provide for directors’ retirement benefits, the Company and its certain consolidated subsidiaries in Japan provide an allowance for the aggregate amount payable at the end of the current fiscal year pursuant to the Company’s rules on directors’ retirement benefits.

4) Provision for directors’ bonuses

To provide for directors’ bonuses, the Company and its certain consolidated subsidiaries provide an allowance equal to the estimated bonus obligations in the current fiscal year.

(4) Accounting method for retirement benefits

1) Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the benefit formula standard as the method for attributing estimated retirement benefit obligations to periods.

2) Amortization of actuarial differences and prior service costs

Prior service cost is amortized by the declining-balance method over a certain period (10 years) within estimated average remaining years of service of the eligible employees.

Actuarial differences are amortized and charged to expense in the year following the fiscal year in which such gain or loss is recognized by the declining-balance method over a certain period (10 years) which is within the estimated average remaining years of service of the eligible employees.

3) Accounting method for unrecognized actuarial gains and losses and unrecognized past service costs

Unrecognized actuarial gains and losses and unrecognized past service costs would be recorded as “Remeasurements of defined benefit plans” under “Accumulated other comprehensive income” in the net asset section after adjusting for tax effects.

(5) Recognition of significant revenues and expenses

Recognition criteria for revenues and cost of sales for contracted software production

1) Contracts of which the outcome can be reliably estimated

The percentage-of-completion standard (with the percentage of completion estimated on the cost-to-cost basis).

2) Other contracted work

The completed-contract standard.

(6) Method and period of goodwill amortization

Goodwill is amortized over 5 years by the straight-line method.

(7) Scope of cash and cash equivalents on consolidated statement of cash flows

Cash and cash equivalents consist of vault cash, deposits that can be withdrawn on demand, and time deposit with maturities less than 3 months.

(8) Other significant accounting policies in the preparation of consolidated financial statements

Accounting for consumption taxes

National and local consumption taxes are accounted by the tax-exclusion method. Non-deductible national and local consumption taxes are charged to expenses in the current fiscal year.

Changes in Accounting Policies

Application of the accounting standard for retirement benefits

The Company has applied the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)” and the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015)” from the current fiscal year, for provisions set forth in 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. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the approximate number of years of expected average length of the remaining service period of employees to the method using a single weighted average discount rate.

For the application of these accounting standards, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the current fiscal year.

The result was decreases of 97,473 thousand yen in deferred tax assets and 169,824 thousand yen in net defined benefit liability, and increases of 103,978 thousand yen in net defined benefit asset and 176,328 thousand yen in retained earnings at the beginning of the current fiscal year. The effect of this change was to increase operating income, ordinary income and income before income taxes and minority interests by 5,881 thousand yen each in the current fiscal year.

Net assets per share and net income per share increased 33.60 yen and 0.72 yen, respectively.

Accounting Standards, Others That Have Not Yet Been Applied

Not applicable.

Reclassifications

Retirement Benefits

In line with revisions to the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015),” we have revised the disclosure method of notes related to retirement benefits based on a multi-employer plan and have reclassified the consolidated financial statements for the previous fiscal year.

The content of consolidated financial statement reclassifications and amounts pertaining to major line items in the consolidated financial statements for the previous consolidated fiscal year are shown in the appropriate locations.

Changes in Accounting-based Estimates

Not applicable.

Additional Information

Not applicable.

Notes to Consolidated Balance Sheet

*1. Accumulated depreciation on investments and other assets (other)

(Thousands of yen)

FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
188,964	192,058

*2. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Buildings and structures, net	57,751	54,221
Land	142,361	142,361
Investments and other assets (other)	130,553	131,359
Total	330,666	327,942

Liabilities with collateral

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Short-term loans payable	-	-
Long-term loans payable	-	-
Total	-	-

3. The Company has commitment line agreements with 4 banks, in order to raise funds efficiently. The balances of credit available as of the balance sheet date were as follows.

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Commitment line	500,000	500,000
Credit used	-	-
Credit available	500,000	500,000

Notes to Consolidated Statement of Income

*1. Major items of selling, general and administrative expenses

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Directors' compensations	158,732	136,122
Wages, salaries and other allowances	726,462	787,436
Provision for bonuses	89,627	80,889
Provision for directors' bonuses	26,805	18,940
Provision for directors' retirement benefits	24,332	22,778
Retirement benefit expenses	32,164	32,779
Research and development expenses	156,706	269,095

*2. Total amount of research and development expenses included in general and administrative expenses

(Thousands of yen)

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
156,706	269,095

Notes to Consolidated Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

1. Type of share and the number of outstanding shares and treasury shares (Shares)

	Number of shares as of Apr. 1, 2013	Increase	Decrease	Number of shares as of Mar. 31, 2014
Outstanding shares				
Common stock (Note 1)	5,128,330	465,900	-	5,594,230
Total	5,128,330	465,900	-	5,594,230
Treasury shares				
Common stock (Note 2)	364,140	70	-	364,210
Total	364,140	70	-	364,210

Notes: 1. Number of outstanding shares of common stock increased 465,900 shares due to exercise of subscription rights to shares.
2. Number of treasury shares of common stock increased 70 shares due to acquisition of odd-lot shares.

2. Items related to subscription rights to shares and treasury subscription rights to shares

Item	Subscription rights to shares (itemized)	Type of shares under subscription rights to shares	Number of shares under subscription rights to shares (Shares)				Balance as of Mar. 31, 2014 (Thousands of yen)
			As of Apr. 1, 2013	Increase	Decrease	As of Mar. 31, 2014	
Reporting company	Subscription rights to shares (2011)	Common stock	974,900	-	465,900	509,000	514
Total		-	974,900	-	465,900	509,000	514

Notes: 1. Number of shares under subscription rights to shares is the number of shares assuming that all subscription rights have been exercised.
2. Number of subscription rights to shares (2011) decreased due to the exercise of subscription rights to shares.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on May 10, 2013	Common stock	119,104	25	March 31, 2013	June 6, 2013

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on May 12, 2014	Common stock	130,750	Retained earnings	25	March 31, 2014	June 6, 2014

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Type of share and the number of outstanding shares and treasury shares (Shares)

	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Outstanding shares				
Common stock (Note)	5,594,230	18,000	-	5,612,230
Total	5,594,230	18,000	-	5,612,230
Treasury shares				
Common stock	364,210	-	-	364,210
Total	364,210	-	-	364,210

Note: Number of outstanding shares of common stock increased 18,000 shares due to exercise of subscription rights to shares.

2. Items related to subscription rights to shares and treasury subscription rights to shares

Item	Subscription rights to shares (itemized)	Type of shares under subscription rights to shares	Number of shares under subscription rights to shares (Shares)				Balance as of Mar. 31, 2015 (Thousands of yen)
			As of Apr. 1, 2014	Increase	Decrease	As of Mar. 31, 2015	
Reporting company	Subscription rights to shares (2011)	Common stock	509,000	-	509,000	-	-
Total		-	509,000	-	509,000	-	-

Notes: 1. Number of shares under subscription rights to shares is the number of shares assuming that all subscription rights have been exercised.
2. Subscription rights to shares (2011) were extinguished, as the April 11, 2014 deadline for the exercise period has passed.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on May 12, 2014	Common stock	130,750	25	March 31, 2014	June 6, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total dividends (Thousands of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting on May 14, 2015	Common stock	131,200	Retained earnings	25	March 31, 2015	June 5, 2015

Notes to Consolidated Statement of Cash Flows

*1. Reconciliation of cash and cash equivalents at the end of the fiscal year and amount of balance sheet is made as follows.

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Cash and deposits	3,319,585	2,762,276
Time deposit with maturities over 3 months	(1,175,514)	(1,202,532)
Cash and cash equivalents	2,144,070	1,559,743

Marketable Securities

1. Held-to-maturity debt securities

FY3/14 (As of Mar. 31, 2014)

(Thousands of yen)

	Type	Carrying value	Fair value	Unrealized gain (loss)
Securities with fair value exceeding carrying value	Corporate bonds	-	-	-
	Others	-	-	-
	Subtotal	-	-	-
Securities with fair value not exceeding carrying value	Corporate bonds	-	-	-
	Others	-	-	-
	Subtotal	-	-	-
Total		-	-	-

FY3/15 (As of Mar. 31, 2015)

(Thousands of yen)

	Type	Carrying value	Fair value	Unrealized gain (loss)
Securities with fair value exceeding carrying value	Corporate bonds	-	-	-
	Others	-	-	-
	Subtotal	-	-	-
Securities with fair value not exceeding carrying value	Corporate bonds	205,502	203,200	(2,302)
	Others	-	-	-
	Subtotal	205,502	203,200	(2,302)
Total		205,502	203,200	(2,302)

2. Available-for-sale securities

FY3/14 (As of Mar. 31, 2014)

(Thousands of yen)

	Type	Carrying value	Acquisition costs	Unrealized gain (loss)
Securities with carrying value exceeding acquisition costs	Shares	262,709	200,260	62,449
	Bonds	99,920	81,327	18,593
	Subtotal	362,629	281,587	81,042
Securities with carrying value not exceeding acquisition costs	Shares	-	-	-
	Bonds	-	-	-
	Subtotal	-	-	-
Total		362,629	281,587	81,042

FY3/15 (As of Mar. 31, 2015)

(Thousands of yen)

	Type	Carrying value	Acquisition costs	Unrealized gain (loss)
Securities with carrying value exceeding acquisition costs	Shares	176,501	102,647	73,854
	Bonds	104,850	81,327	23,523
	Subtotal	281,351	183,974	97,377
Securities with carrying value not exceeding acquisition costs	Shares	93,179	100,010	(6,831)
	Bonds	-	-	-
	Subtotal	93,179	100,010	(6,831)
Total		374,530	283,984	90,545

3. Sales of other securities

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014) (Thousands of yen)

Type	Sales amount	Aggregate gain	Aggregate loss
Shares	-	-	-
Bonds	1,005	306	-
Others	-	-	-
Total	1,005	306	-

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015) (Thousands of yen)

Type	Sales amount	Aggregate gain	Aggregate loss
Shares	-	-	-
Bonds	-	-	-
Others	-	-	-
Total	-	-	-

4. Other securities written down due to impairment

Not applicable in FY3/14 and FY3/15.

Impairment loss is recognized for other securities in the case where the fair value at the end of each quarterly period is at the level of 50% or less of the acquisition cost or the fair value at the end of half period is at the level of more than 50% but not more than 70% of the acquisition cost for two consecutive periods, the whole difference is impaired.

Derivative Transactions

Not applicable because the Group had no derivative transactions.

Retirement Benefits

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

1. Retirement benefit plans

The Company has adopted defined benefit plans, which are a lump-sum retirement benefit payment plan in line with the Company's regulation, and a defined benefit pension plan as well as a defined contribution pension plan. The Company participates in the Japan Computer Information Service Employee's Pension Fund, and this welfare pension fund is applied by the exceptional treatment as stipulated by Clause 33 of the Practical Guidance for Accounting for Retirement Benefits. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 29,547 thousand yen in the consolidated financial statements for FY3/14.

Alpha Computer Co., Ltd. has adopted a lump-sum retirement benefit payment plan as defined benefit plan, and participates in the Kanto IT Software Welfare Pension Fund. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 1,392 thousand yen in the consolidated financial statements for FY3/14.

NewNeeds Co., Ltd. participates in the Small Enterprise Retirement Allowance Mutual Aid Fund for retirement fund. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 2,040 thousand yen in the consolidated financial statements for FY3/14.

An overseas consolidated subsidiary has a retirement benefit plan based on its local program.

Following is the information regarding the multi-employer pension plan under which the amount to be contributed to plan assets is accounted for as retirement benefit expenses.

Japan Computer Information Service Employees' Pension Fund

(1) Information regarding funding status of the plan as a whole (as of March 31, 2013)

	(Thousands of yen)
Amount of plan assets	553,988,242
Total of actuarial obligations based on pension finance accounting and the minimum actuarial reserve	581,269,229
Difference	(27,280,986)

(2) The percentage of contribution by the Company out of the total contribution to the plan

0.41% (From April 1, 2012 to March 31, 2013)

Kanto IT Software Welfare Pension Fund

(1) Information regarding funding status of the plan as a whole (as of March 31, 2013)

	(Thousands of yen)
Amount of plan assets	222,956,639
Total of actuarial obligations based on pension finance accounting and the minimum actuarial reserve	206,135,147
Difference	16,821,492

(2) The percentage of contribution by the consolidated subsidiaries out of the total contribution to the plan

0.04% (From April 1, 2012 to March 31, 2013)

2. Defined benefit plans

(1) Reconciliation of beginning and ending balances of retirement benefit obligation

	(Thousands of yen)
Retirement benefit obligations at beginning of period	1,592,443
Service cost	111,779
Interest cost	25,111
Actuarial differences	7,693
Payment of retirement benefit	(66,749)
Others	999
Retirement benefit obligations at end of period	1,671,278

(2) Reconciliation of beginning and ending balances of plan assets

	(Thousands of yen)
Plan assets at beginning of period	896,224
Expected return on plan assets	22,405
Actuarial differences	88,468
Contributions by the employer	44,052
Payment of retirement benefit	(26,535)
Plan assets at end of period	1,024,615

(3) Reconciliation of ending balances of retirement benefit obligation and plan assets against net defined benefit liability and net defined benefit asset recognized in the consolidated balance sheet

	(Thousands of yen)
Retirement benefit obligation of contributory plan	767,614
Plan assets	(1,024,615)
	(257,001)
Retirement benefit obligation of non-contributory plan	903,730
Net liability / asset recognized in the consolidated balance sheet	646,729
Net defined benefit liability	903,730
Net liability / asset recognized in the consolidated balance sheet	646,729

(4) Components of retirement benefit expenses

	(Thousands of yen)
Service cost	111,779
Interest cost	25,111
Expected return on plan assets	(22,405)
Amortization of actuarial differences	(15,276)
Amortization of prior service cost	(488)
Retirement benefit expenses for defined benefit plan	98,720

(5) Remeasurements of defined benefit plans

Components of remeasurements of defined benefit plans

	(Thousands of yen)
Unrecognized prior service costs	1,881
Unrecognized actuarial differences	139,656
Total	141,538

(6) Relevant information on plan assets

1) Major breakdown of plan assets

The allocation percentage by major investment category to the total amount of plan assets is presented as follows.

	(%)
Bonds	50
Shares	47
Cash and deposits	3
Total	100

2) Method of determining expected long-term return on assets

The expected long-term return on plan assets is determined by considering the current and expected portfolio structure of the plan assets as well as the current and expected future long-term rate of return on various investments that comprise the plan assets.

(7) Relevant information on assumptions for actuarial calculation

Principal assumptions for actuarial calculation at the end of the fiscal year under review (presented by the weighted average).

Discount rate: 1.6%

Expected long-term return on assets: 2.5%

3. Defined contribution plan

The amount to be contributed to the defined contribution plan for the Company and its consolidated subsidiaries was 67,256 thousand yen.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Retirement benefit plans

The Company has adopted defined benefit plans, which are a lump-sum retirement benefit payment plan in line with the Company's regulation, and a defined benefit pension plan as well as a defined contribution pension plan. The Company participates in the Japan Computer Information Service Employee's Pension Fund, and this welfare pension fund is applied by the exceptional treatment as stipulated by Clause 33 of the Accounting Standard for Retirement Benefits. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 30,349 thousand yen in the consolidated financial statements for FY3/15.

Alpha Computer Co., Ltd. has adopted a lump-sum retirement benefit payment plan as defined benefit plan, and participates in the Kanto IT Software Welfare Pension Fund. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 1,540 thousand yen in the consolidated financial statements for FY3/15.

NewNeeds Co., Ltd. participates in the Small Enterprise Retirement Allowance Mutual Aid Fund for retirement fund. The amount to be contributed to plan assets accounted for as retirement benefit expenses was 1,908 thousand yen in the consolidated financial statements for FY3/15.

An overseas consolidated subsidiary has a retirement benefit plan based on its local program.

Following is the information regarding the multi-employer pension plan under which the amount to be contributed to plan assets is accounted for as retirement benefit expenses.

Japan Computer Information Service Employees' Pension Fund

(1) Information regarding funding status of the plan as a whole (as of March 31, 2014)

	(Thousands of yen)
Amount of plan assets	636,261,314
Total of actuarial obligations based on pension finance accounting and the minimum actuarial reserve (Note)	648,005,851
Difference	(11,744,536)

Note: In the previous fiscal year, this item was shown as "amount of actuarially computed benefit obligation."

(2) The percentage of contribution by the Company out of the total contribution to the plan

0.42% (From April 1, 2013 to March 31, 2014)

Kanto IT Software Welfare Pension Fund

(1) Information regarding funding status of the plan as a whole (as of March 31, 2014)

	(Thousands of yen)
Amount of plan assets	252,293,875
Total of actuarial obligations based on pension finance accounting and the minimum actuarial reserve (Note)	227,330,857
Difference	24,963,018

Note: In the previous fiscal year, this item was shown as "amount of actuarially computed benefit obligation."

(2) The percentage of contribution by the consolidated subsidiaries out of the total contribution to the plan

0.05% (From April 1, 2013 to March 31, 2014)

2. Defined benefit plans

(1) Reconciliation of beginning and ending balances of retirement benefit obligation

	(Thousands of yen)
Retirement benefit obligations at beginning of period	1,671,278
Cumulative effects of changes in accounting policies	(273,802)
Restated balance	1,397,476
Service cost	121,808
Interest cost	14,634
Actuarial differences	(6,274)
Payment of retirement benefit	(60,688)
Others	1,193
Retirement benefit obligations at end of period	1,468,150

(2) Reconciliation of beginning and ending balances of plan assets

	(Thousands of yen)
Plan assets at beginning of period	1,024,615
Expected return on plan assets	25,615
Actuarial differences	107,636
Contributions by the employer	45,210
Payment of retirement benefit	(25,511)
Plan assets at end of period	1,177,566

(3) Reconciliation of ending balances of retirement benefit obligation and plan assets against net defined benefit liability and net defined benefit asset recognized in the consolidated balance sheet

	(Thousands of yen)
Retirement benefit obligation of contributory plan	695,989
Plan assets	(1,177,566)
	(481,576)
Retirement benefit obligation of non-contributory plan	772,160
Net liability / asset recognized in the consolidated balance sheet	290,583
Net defined benefit liability	772,160
Net defined benefit asset	(481,576)
Net liability / asset recognized in the consolidated balance sheet	290,583

(4) Components of retirement benefit expenses

	(Thousands of yen)
Service cost	121,808
Interest cost	14,634
Expected return on plan assets	(25,615)
Amortization of actuarial differences	(28,769)
Amortization of prior service cost	(387)
Retirement benefit expenses for defined benefit plan	81,670

(5) Remeasurements of defined benefit plans, net of tax

Components of remeasurements of defined benefit plans, net of tax

	(Thousands of yen)
Prior service costs	(387)
Actuarial differences	85,140
Total	84,753

(6) Remeasurements of defined benefit plans, cumulative

Components of remeasurements of defined benefit plans

	(Thousands of yen)
Unrecognized prior service costs	1,494
Unrecognized actuarial differences	224,797
Total	226,291

(7) Relevant information on plan assets

1) Major breakdown of plan assets

The allocation percentage by major investment category to the total amount of plan assets is presented as follows.

	(%)
Bonds	53
Shares	44
Cash and deposits	3
Total	100

2) Method of determining expected long-term return on assets

The expected long-term return on plan assets is determined by considering the current and expected portfolio structure of the plan assets as well as the current and expected future long-term rate of return on various investments that comprise the plan assets.

(8) Relevant information on assumptions for actuarial calculation

Principal assumptions for actuarial calculation at the end of the fiscal year under review (presented by the weighted average).

Discount rate: 1.07%

Expected long-term return on assets: 2.5%

3. Defined contribution plan

The amount to be contributed to the defined contribution plan for the Company and its consolidated subsidiaries was 68,913 thousand yen.

Stock Options

Not applicable.

Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Deferred tax assets (current)		
Provision for bonuses	189,435	146,758
Accrued expenses	27,694	21,642
Accounts payable-other	6,943	17,455
Accrued business office taxes	23,683	9,489
Other	11,606	6,724
Total	259,362	202,070
Deferred tax assets (non-current)		
Provision for directors' retirement benefits	150,935	114,389
Net defined benefit liability	227,634	91,742
Allowance for doubtful accounts	19,326	17,556
Real estate for rent (land)	20,181	18,333
Asset retirement obligations	18,414	28,492
Accounts payable-other	16,002	14,623
Other	17,085	39,166
Subtotal deferred tax assets	469,580	324,304
Valuation allowance	(187,305)	(212,730)
Total	282,274	111,573
Deferred tax liabilities (non-current)		
Valuation difference on available-for-sale securities	28,851	29,282
Other	18,777	25,071
Total	47,628	54,354
Net deferred tax assets	234,645	57,219

2. Significant sources of differences between the statutory tax and effective tax rate

(%)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Statutory tax rate	-	35.6
Adjustments		
Permanent difference of entertainment expenses and other items	-	1.9
Residential tax for the period	-	1.2
Increase in valuation allowance	-	6.6
Adjustment due to tax rate change	-	7.1
Tax credit	-	(5.6)
Others	-	0.6
Effective tax rate	-	47.4

Note: Difference between statutory and effective tax rate after tax effect accounting is not presented because the difference is less than 5% of statutory effective tax in FY3/14.

3. Revised amount of deferred tax assets and deferred tax liabilities following the change in the corporate tax rate, etc.

Following the promulgation on March 31, 2015 of the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 9 of 2015), and "Act for Partial Revision of the Local Tax Act, etc." (Act No. 2 of 2015), corporate tax rate, etc. have been revised for the fiscal years beginning on or after April 1, 2015. Consequently, the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities will be lowered from 35.6% to 33.1% for temporary differences that are expected to be used in the fiscal year beginning April 1, 2015. The rate will be lowered further, to 32.3%, for temporary differences that are expected to be used in the fiscal year beginning April 1, 2016.

Due to this change in tax rates, there were a decrease of 20,411 thousand yen in deferred tax assets (after deducting deferred tax liabilities) and increases of 30,740 thousand yen in income taxes-deferred, 2,951 thousand yen in valuation difference on available-for-sale securities, and 7,377 thousand yen in remeasurements of defined benefit plans.

Business Combinations

Not applicable.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Company and subsidiaries' constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group has four reportable business segments: software business, package business, system sales business and medical big data business each of which conducts its business in line with the comprehensive strategy it has devised for products and services in both domestic and overseas markets.

The software business handles the contracted software development. The package business is engaged in development, sale, and provision of related services of operational reform packages for schools. The system sales business conducts IT equipment sales, IT/telecom infrastructure construction. The medical big data business, which includes a full line of services including automated inspection services for health insurance claims, data analysis and notification of the cost of medical care.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the methods listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable business segments are operating income figures.

Inter-segment sales and transfers are based on market prices.

Application of the accounting standard for retirement benefits

The Company has applied the "Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)" and the "Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015)" from the current fiscal year, for provisions set forth in 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. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the approximate number of years of expected average length of remaining service period of employees to the method using a single weighted average discount rate. The effect of this change on segment profit is insignificant.

3. Information related to net sales, profit or loss, assets, liabilities, and other items for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014) (Thousands of yen)

	Software business	Package business	System sales business	Medical big data business	Total	Adjustment (Note 1) (Note 2)	Amounts shown on consolidated financial statements
Net sales							
1. External sales	7,110,634	1,949,373	1,533,039	235,351	10,828,399	-	10,828,399
2. Inter-segment sales and transfers	17,690	-	55,478	-	73,169	(73,169)	-
Total	7,128,325	1,949,373	1,588,517	235,351	10,901,568	(73,169)	10,828,399
Segment profit (loss)	278,545	296,960	41,219	(194,966)	421,759	5,855	427,615
Segment assets	4,582,224	1,304,269	934,698	339,573	7,160,766	1,656,438	8,817,204
Other items							
Depreciation	50,146	21,780	1,844	12,710	86,482	-	86,482
Increase in property, plant and equipment and intangible assets	4,838	1,270	986	16,129	23,224	87,168	110,392

Notes: 1. Segment profit (loss) represents eliminations for inter-segment transactions.
2. Segment assets in the above adjustment consist mainly of corporate assets that cannot be attributed to any of the reportable segments.
3. Segment profit (loss) is adjusted with operating income shown on the consolidated statement of income.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015) (Thousands of yen)

	Software business	Package business	System sales business	Medical big data business	Total	Adjustment (Note 1) (Note 2)	Amounts shown on consolidated financial statements
Net sales							
1. External sales	7,823,402	2,131,478	1,131,123	419,100	11,505,104	-	11,505,104
2. Inter-segment sales and transfers	67,233	-	33,694	-	100,928	(100,928)	-
Total	7,890,636	2,131,478	1,164,817	419,100	11,606,033	(100,928)	11,505,104
Segment profit (loss)	204,479	271,659	(28,990)	(84,030)	363,118	563	363,681
Segment assets	4,434,169	1,393,463	825,288	355,084	7,008,006	1,709,746	8,717,753
Other items							
Depreciation	78,847	21,199	2,416	14,260	116,724	-	116,724
Increase in property, plant and equipment and intangible assets	5,684	4,612	9,339	5,319	24,956	122,109	147,066

Notes: 1. Segment profit (loss) represents eliminations for inter-segment transactions.
2. Segment assets in the above adjustment consist mainly of corporate assets that cannot be attributed to any of the reportable segments.
3. Segment profit (loss) is adjusted with operating income shown on the consolidated statement of income.

Related information

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales

Geographical information concerning sales to external customers in Japan is not presented since sales to external customers exceeded 90% of net sales shown on the consolidated statement of income.

(2) Property, plant and equipment

Geographical information concerning property, plant and equipment is not presented since property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

Company name	Net sales	Business segment
DUSKIN CO., LTD.	847,635 thousand yen	Software business

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

Company name	Net sales	Business segment
NTT COMWARE CORPORATION	1,021,979 thousand yen	Software business

Information related to impairment of non-current assets for each reportable segment

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014) (Thousands of yen)

	Software business	Package business	System sales business	Medical big data business	Elimination or corporate	Total
Amortization for the period	8,314	-	-	-	-	8,314
Balance at the end of period	27,023	-	-	-	-	27,023

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015) (Thousands of yen)

	Software business	Package business	System sales business	Medical big data business	Elimination or corporate	Total
Amortization for the period	8,236	-	-	-	-	8,236
Balance at the end of period	18,001	-	-	-	-	18,001

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Related Party Information

Not applicable.

Per-share Information

(Yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net assets per share	954.53	1,020.03
Net income per share	57.03	43.56
Diluted net income per share	56.20	-

Notes: 1. Diluted net income per share is not shown for FY3/15 as no potentially dilutive shares exist following the April 11, 2014 conclusion of the exercise period for subscription rights to shares.
2. The basis of calculation is as follows.

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Net assets per share		
Total net assets on balance sheet	5,066,409	5,433,007
Deduction on total net assets	74,200	79,875
[Subscription rights to shares]	[514]	[-]
[Minority interests]	[73,686]	[79,875]
Net assets applicable to common stock	4,992,209	5,353,131
Number of common stock used in calculation of net assets per share	5,230,020 shares	5,248,020 shares

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net income per share		
Net income	278,922	228,579
Amount not available to common shareholders	-	-
Net income applicable to common stock	278,922	228,579
Average number of shares outstanding during period	4,890,856 shares	5,247,753 shares
Diluted net income per share		
Adjusted to net income	-	-
Increase in common stock	72,340 shares	- shares
[Subscription rights to shares]	[72,340 shares]	[- shares]
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	-	-

Note: As noted in the section "Changes in Accounting Policies," the Company has started to apply the Accounting Standard for Retirement Benefits, etc. based on the transitional accounting treatments set forth in Clause 37 of the Accounting Standard for Retirement Benefits.
As a result, net assets per share and net income per share increased 33.60 yen and 0.72 yen, respectively in FY3/15.

Subsequent Events

Not applicable.

Omission of Disclosure

Disclosure of the notes on consolidated statement of comprehensive income, financial instruments, asset retirement obligations and rental and other properties was omitted due to the minor necessity of disclosure.

6. Non-consolidated Financial Statements

(1) Balance Sheet

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Assets		
Current assets		
Cash and deposits	2,605,211	1,943,231
Notes receivable-trade	25,408	52,284
Accounts receivable-trade	*2 2,167,044	*2 2,493,905
Merchandise and finished goods	7,881	14,914
Work in process	97,750	206,588
Raw materials and supplies	2,312	3,007
Prepaid expenses	92,679	96,353
Deferred tax assets	243,183	185,926
Accounts receivable-other	*2 3,246	*2 1,735
Other	11,178	9,877
Allowance for doubtful accounts	(3,466)	(4,268)
Total current assets	5,252,430	5,003,556
Non-current assets		
Property, plant and equipment		
Buildings	*1 275,722	*1 328,275
Structures	*1 93	*1 62
Tools, furniture and fixtures	68,453	85,636
Land	*1 142,361	*1 142,361
Total property, plant and equipment	486,630	556,335
Intangible assets		
Software	101,051	152,810
Telephone subscription right	6,180	6,180
Total intangible assets	107,231	158,990
Investments and other assets		
Investment securities	362,629	580,032
Shares of subsidiaries and associates	1,049,903	997,367
Long-term loans receivable from subsidiaries and associates	-	*2 26,232
Prepaid pension cost	131,510	275,684
Long-term time deposits	300,000	100,000
Deferred tax assets	276,268	121,223
Guarantee deposits	274,784	310,756
Real estate for rent	*1 130,553	*1 131,359
Membership	45,324	45,324
Insurance funds	33,306	65,587
Other	9,738	9,738
Allowance for doubtful accounts	(54,288)	(67,404)
Total investments and other assets	2,559,731	2,595,903
Total non-current assets	3,153,593	3,311,228
Total assets	8,406,023	8,314,784

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	*2 562,378	*2 555,967
Accounts payable-other	*2 160,525	*2 158,282
Accrued expenses	208,650	193,427
Income taxes payable	272,129	67,535
Accrued consumption taxes	80,571	145,043
Advances received	48,468	61,883
Provision for bonuses	493,202	405,302
Provision for directors' bonuses	21,938	13,124
Other	21,353	21,051
Total current liabilities	1,869,218	1,621,619
Non-current liabilities		
Provision for retirement benefits	889,969	756,168
Provision for directors' retirement benefits	376,105	298,432
Provision for loss on guarantees	-	4,896
Other	55,438	130,548
Total non-current liabilities	1,321,513	1,190,044
Total liabilities	3,190,731	2,811,664
Net assets		
Shareholders' equity		
Capital stock	1,071,446	1,076,669
Capital surplus		
Legal capital surplus	1,033,084	1,038,308
Total capital surpluses	1,033,084	1,038,308
Retained earnings		
Legal retained earnings	32,665	32,665
Other retained earnings		
General reserve	2,999,000	3,159,000
Retained earnings brought forward	292,929	401,753
Total retained earnings	3,324,594	3,593,418
Treasury shares	(266,539)	(266,539)
Total shareholders' equity	5,162,586	5,441,856
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	52,191	61,263
Total valuation and translation adjustments	52,191	61,263
Subscription rights to shares	514	-
Total net assets	5,215,292	5,503,120
Total liabilities and net assets	8,406,023	8,314,784

(2) Statement of Income

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net sales	8,640,137	9,682,373
Cost of sales	6,895,403	7,725,869
Gross profit	1,744,734	1,956,504
Selling, general and administrative expenses	*1 1,341,586	*1 1,582,437
Operating income	403,147	374,066
Non-operating income		
Interest and dividend income	41,747	38,094
Rent income	13,696	13,569
Commission fee	1,864	1,804
Interest on securities	2,400	2,793
Subsidy income	19,386	20,637
Other	6,715	6,891
Total non-operating income	85,810	83,791
Non-operating expenses		
Interest expenses	853	1,082
Rent expenses	15,845	8,886
Provision for loss on guarantees	-	4,896
Provision of allowance for doubtful accounts	19,224	13,116
Other	2,333	1,758
Total non-operating expenses	38,256	29,739
Ordinary income	450,701	428,119
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	-	20,535
Total extraordinary losses	-	20,535
Income before income taxes	450,701	407,583
Income taxes-current	269,175	69,941
Income taxes-deferred	(111,126)	114,396
Total income taxes	158,049	184,337
Net income	292,651	223,245

(3) Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Thousands of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of current period	924,223	885,862	885,862	32,665	3,000,000	118,382	3,151,047	(266,494)	4,694,639
Cumulative effects of changes in accounting policies									
Restated balance	924,223	885,862	885,862	32,665	3,000,000	118,382	3,151,047	(266,494)	4,694,639
Changes of items during period									
Issuance of new shares-exercise of subscription rights to shares	147,222	147,222	147,222						294,445
Provision of general reserve					(1,000)	1,000	-		-
Dividends of surplus						(119,104)	(119,104)		(119,104)
Net income						292,651	292,651		292,651
Purchase of treasury shares								(44)	(44)
Net changes of items other than shareholders' equity									
Total changes of items during period	147,222	147,222	147,222	-	(1,000)	174,547	173,547	(44)	467,947
Balance at end of current period	1,071,446	1,033,084	1,033,084	32,665	2,999,000	292,929	3,324,594	(266,539)	5,162,586

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	34,587	34,587	984	4,730,211
Cumulative effects of changes in accounting policies				
Restated balance	34,587	34,587	984	4,730,211
Changes of items during period				
Issuance of new shares-exercise of subscription rights to shares				294,445
Provision of general reserve				-
Dividends of surplus				(119,104)
Net income				292,651
Purchase of treasury shares				(44)
Net changes of items other than shareholders' equity	17,604	17,604	(470)	17,133
Total changes of items during period	17,604	17,604	(470)	485,081
Balance at end of current period	52,191	52,191	514	5,215,292

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Thousands of yen)

	Shareholders' equity								
		Capital surplus		Retained earnings					
					Other retained earnings				
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,071,446	1,033,084	1,033,084	32,665	2,999,000	292,929	3,324,594	(266,539)	5,162,586
Cumulative effects of changes in accounting policies						176,328	176,328		176,328
Restated balance	1,071,446	1,033,084	1,033,084	32,665	2,999,000	469,258	3,500,923	(266,539)	5,338,915
Changes of items during period									
Issuance of new shares-exercise of subscription rights to shares	5,223	5,223	5,223						10,446
Provision of general reserve					160,000	(160,000)	-		-
Dividends of surplus						(130,750)	(130,750)		(130,750)
Net income						223,245	223,245		223,245
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	5,223	5,223	5,223	-	160,000	(67,504)	92,495	-	102,941
Balance at end of current period	1,076,669	1,038,308	1,038,308	32,665	3,159,000	401,753	3,593,418	(266,539)	5,441,856

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	52,191	52,191	514	5,215,292
Cumulative effects of changes in accounting policies				176,328
Restated balance	52,191	52,191	514	5,391,621
Changes of items during period				
Issuance of new shares-exercise of subscription rights to shares				10,446
Provision of general reserve				-
Dividends of surplus				(130,750)
Net income				223,245
Purchase of treasury shares				
Net changes of items other than shareholders' equity	9,071	9,071	(514)	8,557
Total changes of items during period	9,071	9,071	(514)	111,499
Balance at end of current period	61,263	61,263	-	5,503,120

(4) Notes to Non-consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies

1. Valuation standards and methods for assets

(1) Valuation standards and methods for marketable securities

1) Subsidiaries' stocks

Stated at cost determined by the moving-average method.

2) Held-to-maturity debt securities

Stated at cost determined by the amortized cost method (straight-line method).

3) Available-for-sale securities

Securities with market quotations

Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)

Securities without market quotations

Stated at cost determined by the moving-average method.

(2) Valuation standards and methods for inventories

1) Merchandise

Stated at cost determined by the specific identification method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

2) Finished goods

Stated at cost determined by the periodic average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

3) Work in process

Stated at cost determined by the specific identification method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

4) Supplies

Valued by the last purchased price method.

2. Depreciation and amortization of non-current assets

(1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is calculated by the declining-balance method.

Useful life of principle assets is as follows:

Buildings:	10-35 years
Tools, furniture and fixtures:	4-10 years

(2) Software (excluding leased assets)

Software for internal use is amortized over an expected useful life of 3-5 years by the straight-line method.

(3) Leased assets

1) Lease assets associated with finance lease transactions where there is transfer of ownership

Depreciated by the same method as depreciation method used for non-current assets held by the Company.

2) Lease assets associated with finance lease transactions where there is no transfer of ownership

Depreciated by the straight-line method, assuming the lease period to be the useful life and a residual value of zero.

(4) Real estate for rent

Declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method.

Useful life of principle assets is as follows:

Real estate for rent (building): 47 years

3. Recognition of allowances

(1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.

(2) Provision for bonuses

To provide for employee bonus obligation, an allowance is provided in the amount equal to the estimated bonus obligations.

(3) Provision for retirement benefits

To provide for accrued retirement benefits for employees, an allowance is provided based on projected benefit obligations and plan assets at the end of the current fiscal year.

The actuarial difference is expensed in the following fiscal years using the declining-balance method based on the certain years (10 years) within the average length of remaining service period of employees.

The prior service cost is expensed using the declining-balance method based on a certain years (10 years) within the average length of remaining service period of employees from the year when it is recognized.

(4) Provision for directors' retirement benefits

To provide for directors' retirement benefits, an allowance is provided for the aggregate amount payable at the end of the current fiscal year pursuant to the Company's rules on directors' retirement benefits.

(5) Provision for directors' bonuses

To provide for directors' bonuses, an allowance is provided in the amount equal to the estimated bonus obligations in the current fiscal year.

(6) Provision for loss on guarantees

To prepare for losses associated with debt guarantees extended to related companies, the expected losses are booked in an amount based on the financial condition and other aspects of companies that received these guarantees.

4. Recognition of revenues and expenses

(1) Recognition criteria for revenues and cost of sales for contracted software production

1) Contracts of which the outcome can be reliably estimated

The percentage-of-completion standard (with the percentage of completion estimated on the cost-to-cost basis).

2) Other contracted work

The completed-contract standard.

5. Other significant accounting policies in the preparation of financial statements

(1) Accounting method for retirement benefits

Accounting method for outstanding balance of unrecognized actuarial differences and unrecognized prior service costs related to retirement benefit is different from those for the consolidated financial statements.

(2) Accounting for consumption taxes

National and local consumption taxes are accounted by the tax-exclusion method.

Changes in Accounting Policies

Application of the accounting standard for retirement benefits

The Company has applied the "Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)" and the "Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015)" from the current fiscal year, for provisions set forth in 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. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the approximate number of years of expected average length of the remaining service period of employees to the method using a single weighted average discount rate.

For the application of these accounting standards, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the current fiscal year.

The result was decreases of 97,473 thousand yen in deferred tax assets and 169,824 thousand yen in provision for retirement benefits, and increases of 103,978 thousand yen in prepaid pension cost and 176,328 thousand yen in retained earnings at the beginning of the current fiscal year.

The effect of this change was to increase operating income, ordinary income and income before income taxes and minority interests by 5,881 thousand yen each in the current fiscal year.
Net assets per share and net income per share increased 33.60 yen and 0.72 yen, respectively.

Reclassifications

Not applicable.

Changes in Accounting-based Estimates

Not applicable.

Additional Information

Not applicable.

Notes to Balance Sheet

*1. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Buildings	57,658	54,159
Structures	93	62
Land	142,361	142,361
Real estate for rent	130,553	131,359
Total	330,666	327,942

Liabilities with collateral

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Short-term loans payable	-	-
Long-term loans payable	-	-
Total	-	-

*2. Monetary claim or monetary liabilities to affiliates

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Short-term monetary claims	37,095	52,431
Long-term monetary claims	-	26,232
Short-term monetary liabilities	42,295	68,105

3. Guarantee liabilities

Guarantees for affiliate’s bank loans

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
JAST TECHNIQUES PTE. LTD.	21,299	22,734
SafeNeeds Co., Ltd.	24,200	31,800

Foreign currency-denominated guarantees are translated into yen at the exchange rate in effect on the fiscal year balance sheet date.

4. The Company has commitment line agreements with 4 banks, in order to raise funds efficiently. The balances of credit available as of the balance sheet date were as follows.

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Commitment line	500,000	500,000
Credit used	-	-
Credit available	500,000	500,000

Notes to Statement of Income

*1. Selling expenses represent approximately 23% of the total selling, general and administrative expenses, and general and administrative expenses approximately 77% in FY3/14, and selling expenses represent approximately 24% of the total selling, general and administrative expenses, and general and administrative expenses approximately 76% in FY3/15.

Major items of selling, general and administrative expenses

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Directors’ compensations	128,498	101,031
Wages, sales and other allowances	518,907	569,175
Provision for bonuses	70,365	63,648
Provision for directors’ bonuses	21,938	13,124
Retirement benefit expenses	27,218	25,776
Provision for directors’ retirement benefits	19,700	16,886
Depreciation	24,838	50,724
Research and development expenses	156,706	269,095
Rent expenses	71,962	100,147

2. Transactions with subsidiaries and affiliates

(Thousands of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Amount of business transactions		
Net sales	101,526	110,338
Operating expenses	92,249	235,487
Amount of non-business transactions	28,596	27,568

Marketable Securities

The subsidiary stock (997,367 thousand yen and 1,049,903 thousand yen were booked for subsidiaries on the balance sheet in FY3/15 and FY3/14, respectively) do not have market prices which makes it extremely difficult to ascertain their fair value; this information is therefore omitted.

Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Deferred tax assets (current)		
Provision for bonuses	175,580	134,155
Accrued expenses	25,557	19,746
Accounts payable-other	6,943	17,455
Accrued business office taxes	22,699	8,958
Asset retirement obligations	6,908	-
Other	5,495	5,611
Total	243,183	185,926
Deferred tax assets (non-current)		
Provision for directors’ retirement benefits	133,893	96,512
Provision for retirement benefits	270,011	155,828
Allowance for doubtful accounts	19,326	21,798
Real estate for rent (land)	20,181	18,333
Asset retirement obligations	17,333	26,682
Shares of subsidiaries and associates	25,545	29,847
Accounts payable-other	16,002	14,623
Other	11,148	11,760
Subtotal deferred tax assets	513,442	375,387
Valuation allowance	(190,386)	(201,254)
Total	323,056	174,132
Deferred tax liabilities (non-current)		
Valuation difference on available-for-sale securities	28,851	29,282
Other	17,937	23,626
Total	46,788	52,909
Net deferred tax assets	276,268	121,223

2. Significant sources of differences between the statutory tax and effective tax rate

(%)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Statutory tax rate	38.0	35.6
Adjustments		
Permanent difference of entertainment expenses and other items	0.0	(2.3)
Residential tax for the period	1.1	1.3
Increase (decrease) in valuation allowance	(6.4)	7.6
Tax credit	(2.2)	(4.0)
Reductions of deferred tax assets at year end for adjustment due to tax rate change	4.5	7.0
Others	0.1	-
Effective tax rate	35.1	45.2

3. Revised amount of deferred tax assets and deferred tax liabilities following the change in the corporate tax rate, etc.

Following the promulgation on March 31, 2015 of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015), and “Act for Partial Revision of the Local Tax Act, etc.” (Act No. 2 of 2015), corporate tax rate, etc. have been revised for the fiscal years beginning on or after April 1, 2015. Consequently, the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities will be lowered from 35.6% to 33.1% for temporary differences that are expected to be used in the fiscal year beginning April 1, 2015. The rate will be lowered further, to 32.3%, for temporary differences that are expected to be used in the fiscal year beginning April 1, 2016.

Due to this change in tax rates, there were a decrease of 25,760 thousand yen in deferred tax assets (after deducting deferred tax liabilities) and increases of 28,712 thousand yen in income taxes-deferred, and 2,951 thousand yen in valuation difference on available-for-sale securities.

Subsequent Events

Not applicable.

7. Others

(1) Changes in Directors

1) Changes in representative
Not applicable.

2) Changes in other directors
Candidate for director
Director Shunichi Nakamura
Note: Mr. Shunichi Nakamura is a candidate for an external director.

3) Effective date
June 19, 2015

(2) Goods Manufactured, Orders Received and Sales

1) Goods Manufactured

Goods manufactured in the fiscal year under review are broken down by segment as follows. (Thousands of yen)

Operating segment	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	Year-on-year (%)
Software business	6,576,342	112.9
Package business	1,269,746	106.6
System sales business	941,310	71.4
Medical big data business	361,550	114.7
Total	9,148,950	105.8

Notes: 1. The above amounts are based on cost of sales; inter-segment transactions have been eliminated.
2. The above amounts do not include consumption taxes.

2) Orders Received

Orders received in the fiscal year under review are broken down by segment as follows. (Thousands of yen)

Operating segment	Orders received	Year-on-year (%)	Order backlog	Year-on-year (%)
Software business	8,044,490	118.0	1,267,946	121.1
Package business	2,337,366	120.8	604,499	151.7
System sales business	1,186,053	76.6	209,832	135.5
Medical big data business	425,958	260.5	209,651	103.4
Total	11,993,869	114.6	2,291,929	127.1

Notes: 1. The above amounts are based on selling prices; inter-segment transactions have been eliminated.
2. The above amounts do not include consumption taxes.

3) Sales

Sales in the fiscal year under review are broken down by segment as follows. (Thousands of yen)

Operating segment	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	Year-on-year (%)
Software business	7,823,402	110.0
Package business	2,131,478	109.3
System sales business	1,131,123	73.8
Medical big data business	419,100	178.1
Total	11,505,104	106.2

Notes: 1. Inter-segment transactions have been eliminated.
2. The following table indicates sales amounts to major customers and their ratios to total sales amount.

(Thousands of yen)

Customers	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)		Customers	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	
	Amount	%		Amount	%
NTT COMWARE CORPORATION	748,947	6.9	NTT COMWARE CORPORATION	1,021,979	8.9
DUSKIN CO., LTD.	847,635	7.8	DUSKIN CO., LTD.	649,224	5.6
TIS Inc.	449,359	4.1	TIS Inc.	525,172	4.6

3. The above amounts do not include consumption taxes.
4. On July 1, 2014, NTT COMWARE CORPORATION merged its five regional group companies including NTT COMWARE WEST CORPORATION. Accordingly, total sales amount of NTT COMWARE CORPORATION includes results of NTT COMWARE WEST CORPORATION.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.