

Q&A at 26th Annual General Meeting of Shareholders (Summary)

The following is a summary of the question and answer session at the shareholders meeting that was held in June 2014. Some answers include additional information to provide a better understanding of our activities and goals. (All replies are from the chairman of the shareholders meeting unless a different name is shown.)

Q1. Please provide information about how you plan to achieve your net income goal of 1,000 million yen in the current fiscal year that ending in March 2015.

Net income was 630 million yen in the fiscal year that ended in March 2014. Please explain how you plan to increase net income by about 400 million yen amid the changes that are taking place in the ECBPO business environment.

A1. Net income was 1,040 million yen in the fiscal year that ended in March 2013 and then decreased about 400 million yen to 630 million yen in the fiscal year that ended in March 2014. The downturn was caused by two one-time events. First was dividend income of about 180 million yen in the fiscal year that ended in March 2013 that we received in association with the sale of stock of an equity-method affiliate. Second was an extraordinary loss of about 130 million yen in the fiscal year that ended in March 2014 because of the head office relocation. Without these two factors, net income would have been down slightly less than 100 million yen.

In the fiscal year ending in March 2015, our net income goal is 1,000 million yen, which is based on ordinary income of 1,700 million yen and income taxes and other deductions. We do not expect any non-operating or extraordinary items that will significantly affect net income. As a result, we will work on achieving the net income goal as we take the actions needed to reach our operating income target.

As we explained today, in the fiscal year that ended in March 2014, sales in the Solutions segment increased 30.8% and operating income increased 18.8%. Furthermore, there were actions to turn around the eBusiness Services segment, including measures to add new customers. By continuing to take these actions steadily, we believe that we can reach our operating income target of 1,700 million yen in the fiscal year ending in March 2015.