

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (Based on Japanese GAAP)

July 31, 2015

Company name: MOSHIMOSHI HOTLINE, INC.
 Stock exchange listing: Tokyo
 Stock code: 4708 URL <http://www.moshimoshi.co.jp/>
 Representative: President JUN NAKAGOME
 Inquiries: Manager KENICHIRO IWAMOTO TEL 03-5351-7200
 Scheduled date to file Quarterly Securities Report: August 7, 2015
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	18,368	1.8	722	11.4	740	7.6	471	8.6
Three months ended June 30, 2014	18,036	(22.0)	648	(80.1)	687	(79.2)	434	(78.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2015	6.84		–	
Three months ended June 30, 2014	6.30		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2015	51,557	42,169	81.7	611.39
As of March 31, 2015	53,320	42,697	80.0	618.93

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	–	14.00	–	15.00	29.00
Year ending March 31, 2016	–	–	–	–	–
Year ending March 31, 2016 (Forecast)	–	14.00	–	15.00	29.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	37,450	2.7	1,670	9.0	1,670	3.4	1,130	9.6	16.40
Full year	81,000	9.1	4,560	24.3	4,600	19.1	3,050	23.0	44.25

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2015
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2015	69,503,040 shares	As of March 31, 2015	69,503,040 shares
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Number of treasury shares at the end of the period

As of June 30, 2015	582,080 shares	As of March 31, 2015	582,036 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2015	68,920,963 shares	Three months ended June 30, 2014	68,921,004 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	19,184,364	17,465,580
Notes and accounts receivable - trade	9,491,234	9,298,013
Work in process	1,182,913	1,243,534
Supplies	8,564	11,234
Deposits paid	12,000,000	12,000,000
Other	1,173,267	1,077,021
Allowance for doubtful accounts	(9,441)	(9,354)
Total current assets	43,030,904	41,086,029
Non-current assets		
Property, plant and equipment	1,590,040	1,641,197
Intangible assets		
Goodwill	50,242	37,655
Other	596,122	575,636
Total intangible assets	646,364	613,292
Investments and other assets	8,053,561	8,216,608
Total non-current assets	10,289,966	10,471,097
Total assets	53,320,871	51,557,126
Liabilities		
Current liabilities		
Accounts payable - trade	1,645,701	1,532,876
Accounts payable - other	4,406,293	4,396,679
Income taxes payable	1,047,515	302,224
Provision for bonuses	570,920	815,776
Provision for directors' bonuses	25,000	5,650
Asset retirement obligations	5,184	19,768
Other	2,056,807	1,432,505
Total current liabilities	9,757,422	8,505,479
Non-current liabilities		
Provision for directors' retirement benefits	20,290	20,290
Net defined benefit liability	231,252	233,422
Asset retirement obligations	614,050	617,682
Other	–	11,237
Total non-current liabilities	865,594	882,632
Total liabilities	10,623,017	9,388,112

(Thousands of yen)

	As of March 31, 2015	As of June 30, 2015
Net assets		
Shareholders' equity		
Capital stock	998,256	998,256
Capital surplus	1,202,750	1,202,750
Retained earnings	41,032,300	40,470,145
Treasury shares	(592,315)	(592,375)
Total shareholders' equity	42,640,991	42,078,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	124,965	166,489
Foreign currency translation adjustment	3,402	3,467
Remeasurements of defined benefit plans	(112,085)	(111,178)
Total accumulated other comprehensive income	16,282	58,778
Non-controlling interests	40,580	31,459
Total net assets	42,697,853	42,169,014
Total liabilities and net assets	53,320,871	51,557,126

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	18,036,085	18,368,277
Cost of sales	15,599,775	15,797,686
Gross profit	2,436,309	2,570,590
Selling, general and administrative expenses	1,787,440	1,847,673
Operating income	648,868	722,917
Non-operating income		
Dividend income	18,473	14,820
Other	21,253	13,645
Total non-operating income	39,726	28,465
Non-operating expenses		
Share of loss of entities accounted for using equity method	172	10,009
Other	681	1,111
Total non-operating expenses	854	11,121
Ordinary income	687,741	740,261
Extraordinary income		
Surrender value of insurance	6,690	–
Total extraordinary income	6,690	–
Income before income taxes and minority interests	694,431	740,261
Income taxes - current	384,022	249,442
Income taxes - deferred	(112,101)	28,279
Total income taxes	271,920	277,721
Profit	422,510	462,540
Loss attributable to non-controlling interests	(11,747)	(9,120)
Profit attributable to owners of parent	434,257	471,660

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit	422,510	462,540
Other comprehensive income		
Valuation difference on available-for-sale securities	52,803	41,523
Remeasurements of defined benefit plans, net of tax	2,587	907
Share of other comprehensive income of entities accounted for using equity method	(439)	65
Total other comprehensive income	54,951	42,495
Comprehensive income	477,462	505,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	489,209	514,156
Comprehensive income attributable to non-controlling interests	(11,747)	(9,120)