

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 6, 2015

Company name: MOSHIMOSHI HOTLINE, INC.
 Stock exchange listing: Tokyo
 Stock code: 4708 URL <http://www.moshimoshi.co.jp/>
 Representative: President JUN NAKAGOME
 Inquiries: General Manager MASAHIKO TADA TEL 03-5351-7200
 Scheduled date to file Quarterly Securities Report: February 10, 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 nine months ended December 31, 2014 (from April 1, 2014 to December 31, 2014)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2014	55,220	(9.3)	2,765	(40.4)	2,881	(38.9)	1,854	(35.8)
Nine months ended December 31, 2013	60,910	(22.3)	4,640	(59.6)	4,715	(59.3)	2,886	(57.3)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2014	26.90		–	
Nine months ended December 31, 2013	41.88		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of December 31, 2014	52,015		42,080		80.8		609.83	
As of March 31, 2014	50,510		42,043		83.1		608.77	

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, 2014	–	14.00	–	15.00	29.00
Year ending March 31, 2015	–	14.00	–		
Year ending March 31, 2015 (Forecast)				15.00	29.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	75,000	(5.3)	3,860	(29.2)	3,920	(30.1)	2,500	(27.6)	36.27

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2014
(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 December 31, 2014	69,503,040 shares	As of March 31, 2014	69,503,040 shares
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Number of treasury shares at the end of the period

As of December 31, 2014	582,036 shares	As of March 31, 2014	582,036 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2014	68,921,004 shares	Nine months ended December 31, 2013	68,921,004 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	10,861,064	10,756,222
Notes and accounts receivable - trade	9,218,998	9,894,245
Work in process	1,228,094	1,868,160
Supplies	16,562	17,499
Deposits paid	16,000,000	18,000,000
Other	2,544,711	1,201,504
Allowance for doubtful accounts	(11,307)	(11,423)
Total current assets	39,858,124	41,726,208
Non-current assets		
Property, plant and equipment	2,018,289	1,695,027
Intangible assets		
Goodwill	91,857	62,828
Other	701,014	630,601
Total intangible assets	792,872	693,430
Investments and other assets	7,840,826	7,900,667
Total non-current assets	10,651,987	10,289,125
Total assets	50,510,112	52,015,333
Liabilities		
Current liabilities		
Accounts payable - trade	1,513,662	1,517,082
Accounts payable - other	4,858,384	4,379,455
Income taxes payable	123,209	578,375
Provision for bonuses	488,953	318,777
Provision for directors' bonuses	34,000	17,500
Asset retirement obligations	19,132	4,945
Other	561,357	2,255,192
Total current liabilities	7,598,700	9,071,329
Non-current liabilities		
Provision for directors' retirement benefits	26,720	20,290
Net defined benefit liability	219,172	226,924
Asset retirement obligations	622,462	616,671
Total non-current liabilities	868,355	863,886
Total liabilities	8,467,055	9,935,216

(Thousands of yen)

	As of March 31, 2014	As of December 31, 2014
Net assets		
Shareholders' equity		
Capital stock	998,256	998,256
Capital surplus	1,202,750	1,202,750
Retained earnings	40,397,812	40,407,065
Treasury shares	(592,315)	(592,315)
Total shareholders' equity	42,006,503	42,015,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(10,595)	45,003
Foreign currency translation adjustment	(54)	1,050
Remeasurements of defined benefit plans	(39,018)	(31,530)
Total accumulated other comprehensive income	(49,667)	14,523
Minority interests	86,221	49,836
Total net assets	42,043,057	42,080,117
Total liabilities and net assets	50,510,112	52,015,333

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	60,910,055	55,220,809
Cost of sales	50,732,780	47,165,228
Gross profit	10,177,275	8,055,580
Selling, general and administrative expenses	5,537,014	5,290,371
Operating income	4,640,260	2,765,209
Non-operating income		
Dividend income	23,516	29,227
Interest on refund	2,438	24,933
Interest income	22,735	19,377
Other	43,685	48,297
Total non-operating income	92,375	121,835
Non-operating expenses		
Foreign exchange losses	4,972	5,096
Share of loss of entities accounted for using equity method	8,749	-
Other	3,101	81
Total non-operating expenses	16,823	5,178
Ordinary income	4,715,813	2,881,866
Extraordinary income		
Gain on sales of investment securities	-	13,920
Surrender value of insurance	35,407	10,239
Other	1,823	-
Total extraordinary income	37,230	24,159
Income before income taxes and minority interests	4,753,043	2,906,026
Income taxes - current	1,104,079	1,130,797
Income taxes - deferred	806,159	(45,509)
Total income taxes	1,910,238	1,085,287
Income before minority interests	2,842,804	1,820,738
Minority interests in loss	(43,913)	(33,368)
Net income	2,886,718	1,854,107

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	2,842,804	1,820,738
Other comprehensive income		
Valuation difference on available-for-sale securities	62,508	55,598
Remeasurements of defined benefit plans, net of tax	–	7,488
Share of other comprehensive income of entities accounted for using equity method	1,828	1,104
Total other comprehensive income	64,337	64,191
Comprehensive income	2,907,142	1,884,930
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,951,056	1,918,298
Comprehensive income attributable to minority interests	(43,913)	(33,368)