

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2015
(Based on Japanese GAAP)**

May 8, 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 of ordinary general meeting of shareholders: June 23, 2015
 Scheduled date to file Securities Report: June 24, 2015
 Scheduled date to commence dividend payments: June 24, 2015
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

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	%
Year ended March 31, 2015	74,235	(6.3)	3,669	(32.7)	3,862	(31.1)	2,479	(28.2)
Year ended March 31, 2014	79,209	(21.2)	5,448	(58.9)	5,605	(58.1)	3,452	(56.1)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	35.97	–	5.8	7.4	4.9
Year ended March 31, 2014	50.09	–	8.3	10.5	6.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	53,320	42,697	80.0	618.93
As of March 31, 2014	50,510	42,043	83.1	608.77

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	6,714	1,109	(1,999)	21,184
Year ended March 31, 2014	(1,605)	(2,678)	(3,065)	15,361

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	–	14.00	–	15.00	29.00	1,998	57.9	4.8
Year ended March 31, 2015	–	14.00	–	15.00	29.00	1,998	80.6	4.7
Year ending March 31, 2016 (Forecast)	–	14.00	–	15.00	29.00		65.5	

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		Net income 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 year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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 after error corrections: No

(3) Number of issued shares (common shares)

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

As of March 31, 2015	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 March 31, 2015	582,036 shares	As of March 31, 2014	582,036 shares
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Average number of shares during the period

Year ended March 31, 2015	68,921,004 shares	Year ended March 31, 2014	68,921,004 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	10,861,064	19,184,364
Notes and accounts receivable - trade	9,218,998	9,491,234
Work in process	1,228,094	1,182,913
Supplies	16,562	8,564
Income taxes receivable	1,574,613	–
Deferred tax assets	281,578	394,845
Deposits paid	16,000,000	12,000,000
Other	688,519	778,422
Allowance for doubtful accounts	(11,307)	(9,441)
Total current assets	39,858,124	43,030,904
Non-current assets		
Property, plant and equipment		
Buildings	2,491,535	2,469,197
Accumulated depreciation	(1,320,637)	(1,457,632)
Buildings, net	1,170,898	1,011,564
Tools, furniture and fixtures	3,283,358	2,983,408
Accumulated depreciation	(2,463,221)	(2,432,187)
Tools, furniture and fixtures, net	820,136	551,221
Land	27,254	27,254
Total property, plant and equipment	2,018,289	1,590,040
Intangible assets		
Goodwill	91,857	50,242
Software	651,307	544,272
Other	49,706	51,849
Total intangible assets	792,872	646,364
Investments and other assets		
Investment securities	1,694,176	2,064,017
Deferred tax assets	247,440	112,508
Lease and guarantee deposits	2,446,210	2,328,614
Long-term time deposits	2,400,000	2,300,000
Net defined benefit asset	109,847	254,764
Other	944,234	994,400
Allowance for doubtful accounts	(1,082)	(744)
Total investments and other assets	7,840,826	8,053,561
Total non-current assets	10,651,987	10,289,966
Total assets	50,510,112	53,320,871

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	1,513,662	1,645,701
Accounts payable - other	4,858,384	4,406,293
Income taxes payable	123,209	1,047,515
Provision for bonuses	488,953	570,920
Provision for directors' bonuses	34,000	25,000
Asset retirement obligations	19,132	5,184
Other	561,357	2,056,807
Total current liabilities	7,598,700	9,757,422
Non-current liabilities		
Provision for directors' retirement benefits	26,720	20,290
Net defined benefit liability	219,172	231,252
Asset retirement obligations	622,462	614,050
Total non-current liabilities	868,355	865,594
Total liabilities	8,467,055	10,623,017
Net assets		
Shareholders' equity		
Capital stock	998,256	998,256
Capital surplus	1,202,750	1,202,750
Retained earnings	40,397,812	41,032,300
Treasury shares	(592,315)	(592,315)
Total shareholders' equity	42,006,503	42,640,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(10,595)	124,965
Foreign currency translation adjustment	(54)	3,402
Remeasurements of defined benefit plans	(39,018)	(112,085)
Total accumulated other comprehensive income	(49,667)	16,282
Minority interests	86,221	40,580
Total net assets	42,043,057	42,697,853
Total liabilities and net assets	50,510,112	53,320,871

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	79,209,402	74,235,068
Cost of sales	66,507,470	63,593,588
Gross profit	12,701,932	10,641,479
Selling, general and administrative expenses	7,253,463	6,972,242
Operating income	5,448,469	3,669,237
Non-operating income		
Subsidy income	53,987	48,673
Dividend income	23,776	29,551
Interest income	31,077	25,233
Interest on refund	2,438	24,976
Other	62,066	72,279
Total non-operating income	173,346	200,714
Non-operating expenses		
Foreign exchange losses	4,974	7,089
Share of loss of entities accounted for using equity method	8,581	–
Other	2,730	81
Total non-operating expenses	16,286	7,171
Ordinary income	5,605,529	3,862,780
Extraordinary income		
Gain on sales of investment securities	–	15,089
Surrender value of insurance	33,783	10,239
Other	1,945	458
Total extraordinary income	35,729	25,788
Extraordinary losses		
Impairment loss	52,874	–
Loss on valuation of golf club membership	7,586	–
Total extraordinary losses	60,460	–
Income before income taxes and minority interests	5,580,798	3,888,569
Income taxes - current	1,494,163	1,549,016
Income taxes - deferred	685,077	(97,164)
Total income taxes	2,179,241	1,451,851
Income before minority interests	3,401,557	2,436,717
Minority interests in loss	(50,955)	(42,624)
Net income	3,452,512	2,479,342

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	3,401,557	2,436,717
Other comprehensive income		
Valuation difference on available-for-sale securities	105,337	135,560
Remeasurements of defined benefit plans, net of tax	–	(73,067)
Share of other comprehensive income of entities accounted for using equity method	3,777	3,456
Total other comprehensive income	109,114	65,949
Comprehensive income	3,510,671	2,502,667
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,561,627	2,545,291
Comprehensive income attributable to minority interests	(50,955)	(42,624)

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	998,256	1,202,750	39,977,823	(592,315)	41,586,514
Cumulative effects of changes in accounting policies					–
Restated balance	998,256	1,202,750	39,977,823	(592,315)	41,586,514
Changes of items during period					
Dividends of surplus			(3,032,524)		(3,032,524)
Net income			3,452,512		3,452,512
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	419,988	–	419,988
Balance at end of current period	998,256	1,202,750	40,397,812	(592,315)	42,006,503

	Accumulated other comprehensive income				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	(115,932)	(3,831)	–	(119,764)	104,419	41,571,169
Cumulative effects of changes in accounting policies						–
Restated balance	(115,932)	(3,831)	–	(119,764)	104,419	41,571,169
Changes of items during period						
Dividends of surplus						(3,032,524)
Net income						3,452,512
Net changes of items other than shareholders' equity	105,337	3,777	(39,018)	70,096	(18,197)	51,898
Total changes of items during period	105,337	3,777	(39,018)	70,096	(18,197)	471,887
Balance at end of current period	(10,595)	(54)	(39,018)	(49,667)	86,221	42,043,057

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	998,256	1,202,750	40,397,812	(592,315)	42,006,503
Cumulative effects of changes in accounting policies			153,855		153,855
Restated balance	998,256	1,202,750	40,551,667	(592,315)	42,160,358
Changes of items during period					
Dividends of surplus			(1,998,709)		(1,998,709)
Net income			2,479,342		2,479,342
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	480,632	-	480,632
Balance at end of current period	998,256	1,202,750	41,032,300	(592,315)	42,640,991

	Accumulated other comprehensive income				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	(10,595)	(54)	(39,018)	(49,667)	86,221	42,043,057
Cumulative effects of changes in accounting policies						153,855
Restated balance	(10,595)	(54)	(39,018)	(49,667)	86,221	42,196,912
Changes of items during period						
Dividends of surplus						(1,998,709)
Net income						2,479,342
Net changes of items other than shareholders' equity	135,560	3,456	(73,067)	65,949	(45,641)	20,308
Total changes of items during period	135,560	3,456	(73,067)	65,949	(45,641)	500,941
Balance at end of current period	124,965	3,402	(112,085)	16,282	40,580	42,697,853

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	5,580,798	3,888,569
Depreciation	984,660	814,299
Impairment loss	52,874	–
Amortization of goodwill	98,693	48,598
Loss (gain) on sales of investment securities	–	(15,089)
Increase (decrease) in provision	(358,460)	64,333
Interest and dividend income	(54,853)	(54,785)
Interest expenses	809	–
Share of (profit) loss of entities accounted for using equity method	8,581	(7,017)
Decrease (increase) in notes and accounts receivable - trade	(238,100)	(354,753)
Decrease (increase) in inventories	227,954	53,178
Increase (decrease) in notes and accounts payable - trade	(223,429)	132,039
Increase (decrease) in accounts payable - other	(419,251)	(333,492)
Other, net	(692,257)	1,538,297
Subtotal	4,968,018	5,774,178
Interest and dividend income received	58,535	58,819
Interest expenses paid	(809)	–
Income taxes (paid) refund	(6,631,124)	881,100
Net cash provided by (used in) operating activities	(1,605,379)	6,714,098
Cash flows from investing activities		
Purchase of property, plant and equipment	(631,018)	(242,381)
Purchase of intangible assets	(443,235)	(147,640)
Purchase of investment securities	(500,000)	(200,000)
Proceeds from sales of investment securities	–	25,649
Payments for asset retirement obligations	(363,221)	(40,831)
Payments for lease and guarantee deposits	(201,809)	(29,753)
Proceeds from collection of lease and guarantee deposits	1,443,334	167,531
Payments into time deposits	(1,000,000)	(1,200,000)
Proceeds from withdrawal of time deposits	900,000	500,000
Net decrease (increase) in deposits paid	(2,000,000)	2,300,000
Other, net	116,987	(23,564)
Net cash provided by (used in) investing activities	(2,678,963)	1,109,008
Cash flows from financing activities		
Cash dividends paid	(3,031,777)	(1,999,807)
Other, net	(34,136)	–
Net cash provided by (used in) financing activities	(3,065,913)	(1,999,807)
Net increase (decrease) in cash and cash equivalents	(7,350,256)	5,823,300
Cash and cash equivalents at beginning of period	22,711,320	15,361,064
Cash and cash equivalents at end of period	15,361,064	21,184,364