

# Consolidated Financial Results Summary (Japanese Accounting Standards) for the Fiscal Year ended December 31, 2016

February 14 ,2017

Company name MarkLines Co., Ltd. Listed on The Tokyo Stock Exchange (JASDAQ Standard)

Code Number 3901 URL https://www.marklines.com

Representative Makoto Sakai, President

Contact Person Masami Uchida, General Manager, Administration Dept. (TEL) +81-3-5785-1380

Scheduled date of general shareholder's meeting: March 29, 2017 Scheduled date of annual security report filing: March 29, 2017 Schedule date of commencement of dividend payment: March 30, 2017

Supplementary documents for annual results : No

Financial results briefing : Yes (For institutional investors and analysts )

(Amounts of less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended December 31, 2016 (January 1, 2016 – December 31, 2016)

(1) Consolidated results of operation

(Percentage figures compare current results with those of the same period of the previous year)

	Not Solos		Net Sales Operating income		Ordinary income		Profit attribu	table to
	Net Sai	Net Sales Operating income		owners of p			parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2016	1,432	16.2	518	24.5	510	20.5	358	26.4
Fiscal year ended December 31, 2015	1,232	17.0	416	25.0	423	23.0	283	28.8

(Note) Comprehensive income: 342million yen(23.9%) for the fiscal year ended December 31, 2016 276million yen(19.2%) for the fiscal year ended December 31, 2015

	Basic income per share	Diluted income per share	Rate of return on equity	Rate of ordinary income on total assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2016	111.99	109.39	27.1	26.2	36.2
Fiscal year ended December 31, 2015	89.79	86.33	26.4	25.9	33.8

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2016	2,117	1,470	69.4	450.87
As of December 31, 2015	1,775	1,178	66.4	370.47

(Reference) Shareholder's Equity: As of December 31, 2016 1,470Million yen As of December 31, 2015 1,178Million yen

#### (3) Consolidated cash flow

b) consolitation than no in						
	Net cash provided by	Net cash provided by	Net cash provided by	Cash and		
		(used in) investing	(used in) financing	cash equivalents		
	operating activities	activities	activities	at year-end		
	Million yen	Million yen	Million yen	Million yen		
Fiscal year ended	435	33	(50)	1,738		
December 31, 2016	433	33	(30)	1,730		
Fiscal year ended	364	(182)	(68)	1,359		
December 31, 2015	304	(162)	(00)	1,339		

#### 2. Dividends

		Div	idend per sl			Ratio of		
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual	Total dividends	Payout ratio (consolidated)	dividends to net assets (consolidated)
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2015	-	0.00	-	35.00		•	39.0	10.3
Fiscal year ended December 31, 2016	-	0.00	-	42.00	42.00	136	37.5	10.2
Year ending December 31, 2017 (forecast)	-	0.00	-	50.00	50.00		38.4	

3. Consolidated forecasts for the fiscal year ending December 31, 2017 (January 1,2017-December 31,2017)

(Percentage figures compare current results with those of the same period of the previous year)

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	Net Sales		Net Sales Operating income		Ordina	Ordinary		butable to	Basic income
	Net Sa	168	Operating income		incor	ne	owners of parent		per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending June 30,2017	794	17.0	278	18.9	282	37.4	195	39.4	58.80
Year ending December 31,2017	1,673	16.8	620	19.5	620	21.4	430	19.9	129.98

\* Note

(1) Change of material subsidiaries during the period

: None

Yes

(2) Changes in accounting policies, changes in accounting estimates and restatements

(a) Changes in accounting policies in accordance with changes in accounting standards, etc. :

(b) Voluntary changes in accounting policies : None

(c) Changes in accounting estimates : None

(d) Restatement : None

(3) Number of issued shares (common stock)

(a) Number of issued shares (including treasury shares):

(b) Number of treasury shares

(c) Average outstanding shares

As of December 31,2016	3,260,600shares	As of December 31,2015	3,181,800shares
As of December 31,2016	48shares	As of December 31,2015	27shares
Fiscal year ended December 31,2016	3,201,013shares	Fiscal year ended December 31,2015	3,159,047shares

(Reference) Summary of financial information on a non-consolidated basis

1. Non-consolidated financial results ( January 1, 2016 – December 31, 2016 )

(1) Results of operation

(Percentage figures compare current results with those of the same period of the previous year)

	Net Sal	es	Operating is	ncome	Ordinary ir	ncome	Net inco	me
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2016	1,341	16.4	474	23.8	480	16.2	340	21.6
Fiscal year ended December 31, 2015	1,152	18.9	383	27.6	413	31.7	279	40.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended December 31, 2016	106.28	103.81
Fiscal year ended December 31, 2015	88.56	85.15

(2) Financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2016	1,979	1,405	71.0	430.94
As of December 31, 2015	1,655	1,124	67.9	353.44

(Reference) Shareholder's Equity: As of December 31, 2016 1,405Million yen As of December 31, 2015 1,124 Million yen

This report are outside the scope of audit procedures based on the Financial Instruments and Exchange Law, and audit procedure for consolidated financial statements and financial statements has not been completed as of the date of disclosure of this report.

The earnings forecasts are based on certain assumptions that the Company deemed reasonable by the information currently available. Actual results may differ significantly due to a wide range of factors.

This report is an English translation of a statement written initially in Japanese for reference purpose only. In the event of any discrepancy between English version and the Japanese original, the original shall prevail.

<sup>\*</sup>Implementation status of audit procedure

<sup>\*</sup>Explanation regarding the appropriate use of forecasts, and other special note

## 1 【Consolidated financial statements】

## (1) 【Consolidated balance sheet】

		(Unit: thousand yen)
	FY2015 As of Dec.31, 2015	FY2016 As of Dec.31, 2016
Assets		
Current asset		
Cash and deposits	1,359,336	1,738,766
Accounts receivable-trade	25,670	55,129
Work in process	3,275	54
Prepaid expenses	11,136	10,744
Deferred tax assets	8,471	8,606
Other	2,349	1,820
Allowance for doubtful accounts	(621)	(1,709)
Total current assets	1,409,619	1,813,412
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	40,725	40,727
Accumulated depreciation	(11,205)	(13,033)
Buildings and structures, net	29,519	27,694
Land	5,634	5,634
Construction in progress	-	232
Other	21,887	26,366
Accumulated depreciation	(17,340)	(19,845)
Other, net	4,547	6,521
Total property, plant and equipment	39,701	40,082
Intangible assets		
Software	4,294	70,046
Software in progress	35,532	-
Total intangible asset	39,826	70,046
Investments and other assets		
Investment securities	253,290	161,818
Lease deposits	32,799	31,145
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,183	1,081
Deferred tax assets	-	1,177
Long-term prepaid expenses	87	-
Allowance for doubtful accounts	(1,183)	(952)
Investments and other assets total	286,177	194,269
Total noncurrent assets	365,705	304,398
Total assets	1,775,325	2,117,811

(Unit	•	thousand	ven)	١

	FY2015 As of Dec.31, 2015	FY2016 As of Dec.31, 2016
Liabilities		
Current liabilities		
Accounts payable-trade	2,017	4,564
Accounts payable-other	13,604	20,897
Accrued expenses	22,499	25,792
Income taxes payable	78,225	78,930
Accrued consumption taxes	24,205	17,145
Advances received	428,670	476,944
Deposits received	8,720	10,305
Provision for bonuses	6,853	7,752
Accounts payable-facilities	9,720	5,400
Total current liabilities	594,516	647,732
Noncurrent liabilities		
Deferred tax liabilities	2,042	-
Total noncurrent liabilities	2,042	-
Total liabilities	596,559	647,732
Net assets		
Shareholders' equity		
Capital stock	323,864	354,071
Capital surplus	241,670	271,878
Retained earnings	598,343	845,471
Treasury shares	(74)	(138)
Total shareholders' equity	1,163,804	1,471,283
Accumulated other comprehensive income  Valuation difference on available-for-sale securities	3,039	(5,630)
Foreign currency translation adjustment	11,921	4,426
Total accumulated other comprehensive income	14,961	(1,204)
Total net assets	1,178,766	1,470,078
Total liabilities and net assets	1,775,325	2,117,811

## (2) Consolidated statement of income and consolidated statement of comprehensive income

#### 【Consolidated statement of income】

For the fiscal year ended December 31, 2015 and 2016

Bread to December 31, 2015 prominant 10 Personal 2015 prominant 2015 pro			(Unit: thousand yen)
Net sales         1,23,2449         1,432,149           Cost of sales         346,518         404,652           Gross profit         885,930         1,027,496           Selling, general and administrative expenses			Fiscal year ended
Net sales         1,232,449         1,432,149           Cost of sales         346,518         404,652           Gross profit         885,930         1,027,496           Selling, general and administrative expenses         885,930         1,027,496           Promotion expenses         6,321         7,141           Sales commission         17,162         4,815           Advertising expenses         8,700         7,207           Director's compensations         40,935         44,079           Salaries and allowances         213,754         226,997           Provision for bonuses         3,031         3,930           Retirement benefit expenses         30,901         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         499,316         508,803           Operating income         1,404         962           Gain on sales of investment securities         -         12,484			
Cost of sales         346,518         404,652           Gross profit         885,930         1,027,466           Selling, general and administrative expenses	Net cales		
Gross profit         885,930         1,027,496           Selling, general and administrative expenses			
Selling, general and administrative expenses         6,321         7,141           Sales commission         17,162         4,815           Advertising expenses         8,700         7,207           Director's compensations         40,935         44,079           Salaries and allowances         213,754         236,997           Provision for bonuses         3,451         4,439           Retirement benefit expenses         3,091         3,930           Legal welfare expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         1,404         962           Non-operating income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating expenses         3,037         30,202           Commissi			<u> </u>
Promotion expenses         6,321         7,141           Sales commission         17,162         4,815           Advertising expenses         8,700         7,20           Directors' compensations         40,935         44,079           Salaries and allowances         213,754         236,997           Provision for bonuses         3,451         4,439           Retirement benefit expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,202           Commission fee         <	-	663,730	1,027,470
Sales commission         17,162         4,815           Advertising expenses         8,700         7,207           Directors' compensations         40,935         44,079           Salaries and allowances         213,754         236,997           Provision for bonuses         3,451         4,439           Retirement benefit expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,888           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,083           Operating income         416,613         518,692           Non-operating income         1,404         962           Gain on sales of investment securities         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         88           Total non-operating expenses         3,037         30,202           Foreign exchange loss		6 321	7 141
Advertising expenses         8,700         7,207           Directors' compensations         40,935         44,079           Salaries and allowances         213,754         236,997           Provision for bonuses         3,451         4,439           Retirement benefit expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         1,404         962           Obividend income         1,404         962           Dividend income         1,730         7,802           Other         1,029         88           Total non-operating income         3,037         30,020           Commission fee         -         245           Other         -         2,45           Other         -         2,45			
Directors' compensations         40,935         44,079           Salaries and allowances         213,754         236,997           Provision for bonuses         3,451         4,439           Retirement benefit expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         469,316         508,803           Oberating income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         245           Other         -         245           Other         -         245 <td< td=""><td><del></del></td><td></td><td></td></td<>	<del></del>		
Salaries and allowances         213,754         236,997           Provision for bonuses         3,451         4,439           Retirement benefit expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,03           Operating income         416,613         518,692           Non-operating income         1,404         962           Gain on sales of investment securities         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740			
Provision for bonuses         3,451         4,439           Retirement benefit expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         5,94         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         245           Other         3,037         30,270           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income taxes - current         140,796         151,494 </td <td></td> <td></td> <td></td>			
Retirement benefit expenses         3,091         3,930           Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         88           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         3,037         30,020           Other         -         245           Other         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - deferred         (699)         57     <			
Legal welfare expenses         37,338         36,644           Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,609           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         245           Other         -         3,037         30,202           Commission fee         -         245           Other         -         245           Other         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxe			
Depreciation         5,088         5,555           Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         3,037         30,020           Non-operating expenses         3,037         30,020           Foreign exchange losses         3,037         30,200           Commission fee         -         245           Other         -         2           Total non-operating expenses         3,037         30,200           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         699)         5			
Provision of allowance for doubtful accounts         594         1,555           Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Foreign exchange losses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,200           Commission fee         -         245           Other         -         3           Total non-perating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income taxes - current         140,796         151,494			,
Rent expenses         37,531         30,388           Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489	•	- ,	
Other         95,346         126,049           Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			
Total selling, general and administrative expenses         469,316         508,803           Operating income         416,613         518,692           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			
Operating income         416,613         518,692           Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			
Non-operating income         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         -         245           Foreign exchange losses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			
Gain on sales of investment securities         -         12,484           Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489		410,013	318,092
Interest income         1,404         962           Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3         3037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			12.494
Dividend income         7,730         7,802           Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489		- 1 404	,
Other         1,029         888           Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			
Total non-operating income         10,164         22,139           Non-operating expenses         3,037         30,020           Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			
Non-operating expenses         Foreign exchange losses       3,037       30,020         Commission fee       -       245         Other       -       3         Total non-operating expenses       3,037       30,270         Ordinary income       423,740       510,561         Income before income taxes       423,740       510,561         Income taxes - current       140,796       151,494         Income taxes - deferred       (699)       577         Total income taxes       140,097       152,072         Profit       283,643       358,489			
Foreign exchange losses       3,037       30,020         Commission fee       -       245         Other       -       3         Total non-operating expenses       3,037       30,270         Ordinary income       423,740       510,561         Income before income taxes       423,740       510,561         Income taxes - current       140,796       151,494         Income taxes - deferred       (699)       577         Total income taxes       140,097       152,072         Profit       283,643       358,489		10,164	22,139
Commission fee         -         245           Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489		2.025	20.020
Other         -         3           Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489		3,037	,
Total non-operating expenses         3,037         30,270           Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489	• • • • • • • • • • • • • • • • • • • •	-	
Ordinary income         423,740         510,561           Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489		-	
Income before income taxes         423,740         510,561           Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489		·	
Income taxes - current         140,796         151,494           Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489			
Income taxes - deferred         (699)         577           Total income taxes         140,097         152,072           Profit         283,643         358,489	Income before income taxes		
Total income taxes         140,097         152,072           Profit         283,643         358,489			
Profit 283,643 358,489	Income taxes - deferred		577
	Total income taxes	140,097	152,072
Profit attribute to owners of parent 283,643 358,489	Profit	283,643	
	Profit attribute to owners of parent	283,643	358,489

## 【Consolidated statement of comprehensive income】

For the fiscal year ended December 31, 2015 and 2016

		(Unit: thousand yen)
	For the fiscal year ended December 31,2015 From Jan. 1 to Dec. 31, 2015	For the fiscal year ended December 31,2016 From Jan. 1 to Dec. 31, 2016
Profit	283,643	358,489
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,389)	(8,670)
Foreign currency translation adjustment	(1,927)	(7,495)
Total other comprehensive income	(7,316)	(16,165)
Total comprehensive income	276,326	342,324
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent Comprehensive income attributable to non-controlling interests	276,326	342,324

## (3) Consolidated statement of change in equity

For the fiscal year ended December 31, 2015 and 2016

The previous fiscal year (From January 1 to December 31, 2015)

(unit: thousand yen)

	Shareholders' equity				Accumulated other comprehensive income				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity total	Valuation difference on available-for- sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Total net assets
Balance at beginning of current period	314,301	232,108	402,530	-	948,940	8,428	13,849	22,278	971,219
changes of items during period									
Issuance of new shares	9,562	9,562			19,125				19,125
Dividends of surplus			(87,830)		(87,830)				(87,830)
Profit attribute to owners of parent			283,643		283,643				283,643
Purchase of treasury shares				(74)	(74)				(74)
Net changes of items other than shareholders' equity						(5,389)	(1,927)	(7,316)	(7,316)
Total changes of items during period	9,562	9,562	195,812	(74)	214,863	(5,389)	(1,927)	(7,316)	207,547
Balance at end of current period	323,864	241,670	598,343	(74)	1,163,804	3,039	11,921	14,961	1,178,766

#### The current fiscal year (From January 1 to December 31, 2016)

(unit: thousand yen)

							, , , , , , , , , , , , , , , , , , ,		
	Shareholders' equity			Accumulated other comprehensive income					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity	Valuation difference on available-for- sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Total net assets
Balance at beginning of current period	323,864	241,670	598,343	(74)	1,163,804	3,039	11,921	14,961	1,178,766
changes of items during period									
Issuance of new shares	30,207	30,207			60,415				60,415
Dividends of surplus			(111,362)		(111,362)				(111,362)
Profit attribute to owners of parent			358,489		358,489				358,489
Purchase of treasury shares				(64)	(64)				(64)
Net changes of items other than shareholders' equity						(8,670)	(7,495)	(16,165)	(16,165)
Total changes of items during period	30,207	30,207	247,127	(64)	307,478	(8,670)	(7,495)	(16,165)	291,312
Balance at end of current period	354,071	271,878	845,471	(138)	1,471,283	(5,630)	4,426	(1,204)	1,470,078

### (4) Consolidated statement of cash flows

### 【Consolidated statement of cash flows】

For the fiscal year ended December 31, 2015 and 2016

	Fiscal year ended	(Unit: thousand yen) Fiscal year ended
	December 31, 2015	December 31, 2016
	From Jan.1 to Dec. 31,2015	From Jan.1 to Dec. 31,2016
Cash flows from operating activities		
Income before income taxes	423,740	510,561
Depreciation	13,382	15,500
Increase (decrease) in allowance for doubtful accounts	416	857
Increase (decrease) in provision for bonuses	744	899
Interest and dividend income	(9,134)	(8,765)
Foreign exchange losses (gains)	1,663	26,005
Decrease (increase) in notes and accounts receivable - trade	(4,844)	(29,911)
Loss (gain) on sales of short-term and long-term investment securities	-	(12,484)
Increase (decrease) in accounts payable - other	(15,670)	12,675
Increase (decrease) in accrued consumption taxes	10,064	(7,176)
Increase (decrease) in advances received	75,291	53,759
Other, net	2,826	19,047
Subtotal	498,480	580,968
Interest and dividend income received	7,621	8,720
Income taxes paid	(141,246)	(153,787)
Net cash provided by (used in) operating activities	364,855	435,901
Cash flows from investing activities		
Payments into time deposits	(100,000)	-
Proceeds from withdrawal of time deposits	100,000	-
Proceeds from sales of investment securities	-	112,453
Purchase of property, plant and equipment	(6,276)	(5,280
Purchase of intangible assets	(25,845)	(52,676
Purchase of long-term investment securities	(148,833)	(21,100
Payments for lease deposits	(1,395)	-
Collection of lease deposits	63	244
Net cash provided by (used in) investing activities	(182,287)	33,642
Cash flows from financing activities		
Proceeds from issuance of common shares	19,125	60,415
Purchase of treasury shares	(74)	(64
Cash dividends paid	(87,422)	(111,237
Net cash provided by (used in) financing activities	(68,371)	(50,886
Effect of exchange rate change on cash and cash equivalents	(5,123)	(39,227
Net increase (decrease) in cash and cash equivalents	109,072	379,429
Cash and cash equivalents at the beginning of the year	1,250,263	1,359,336
Cash and cash equivalents at the end of the year	1,359,336	1,738,766