

Operating Activities in FY2014

1. Sales and Ordinary profit

The total sales in FY2014 reached to 7,360 mil. JPY, dropped below the previous year level, because, after five years from the amendments of both the Money Lending Business Act and the Installment Sales Act, the number of credit inquiry remained a small increase, backed by an improvement of credit quality, but the average price of credit information per inquiry was lowered.

And the ordinary profit also decreased, from the previous year, to 714 mil. JPY, because a large decrease of sales, general and administrative expenses due to cut down on the business outsourcing expenses, but due to the increase of system operating costs by preparing the documents of the computer systems

2. Credit Information held by CIC

The amount of credit information held by CIC reached, at the end of FY2014 (as of March 20, 2015), to 682.09 mil. records increased by 31.46 mil. records (+4.8% from the previous year).

In this database, the amount of the Credit Information was 635.35 mil. records (+4.8%) and continues to increase due to the mandatory reporting of credit information prescribed by the amended Money Lending Business Act and the amended Installment Sales Act.

The amount of the Delinquent Information was 14.68 mil. records (+0.4%) and accounts for 2.3% of the Credit Information.

3. Number of Credit Information Inquiries

The number of credit information inquiries (the Basic Service) by the member companies was 190.39 mil., increased by 3.40 mil. (+1.8% from the previous year).

In addition, the use of monitoring services turned out favorably and the number of inquiries for those services was 19.48 mil., increased by 5.62 mil. (+40.6% from the previous year).

In contrast, the number of the FINE(Financial Information NETwork) inquiry through the credit information exchange network between the designated credit information agencies, and the number of the CRIN(CRedit Information Network) inquiry through the credit information exchange network among other credit information agencies, decreased from the previous year.

Financial Conditions

1. Change in Business Results and Assets

(In millions of JPY)

| | FY2011 | FY2012 | FY2013 | FY2014 |
|-----------------|--------|--------|--------|--------|
| Sales | 7,721 | 7,557 | 7,559 | 7,360 |
| Ordinary profit | 855 | 1,019 | 826 | 714 |
| Net profit | 433 | 629 | 494 | 423 |
| Total assets | 11,192 | 11,554 | 10,911 | 10,648 |
| Equity | 8,342 | 8,833 | 8,792 | 8,533 |

Note: The total assets and the equity of FY2014 include the treasury stock (- 653.42 mil. JPY).

2. Summary of Balance Sheet

March 31, 2015

(In millions of JPY)

| Assets | | | Liabilities | |
|------------------------------|-------|--------|------------------------------|--------|
| Current assets | | 5,271 | Current liabilities | 1,148 |
| Tangible fixed assets | 2,528 | | Fixed liabilities | 966 |
| Intangible fixed assets | 2,384 | | | |
| Investments and Other assets | 464 | | Total liabilities | 2,115 |
| Fixed assets | | 5,377 | Equity | |
| | | | Capital | 500 |
| | | | Capital surplus | 4 |
| | | | Retained earnings | 8,681 |
| | | | Treasury stock | △ 653 |
| | | | Total equity | 8,533 |
| Total Assets | | 10,648 | Total Liabilities and Equity | 10,648 |

3. Summary of Income Statement

Fiscal year ended March 31, 2015

(In millions of JPY)

| | |
|--------------------|-------|
| Net sales | 7,360 |
| Operating expenses | 6,681 |
| Operating income | 679 |
| Ordinary profit | 714 |
| Net profit | 423 |

Results of Business

1. Credit Information held by CIC

(In millions)

| | FY2011 | FY2012 | FY2013 | FY2014 | Growth rate |
|-------------------------|--------|--------|--------|--------|-------------|
| Credit information | 545.27 | 571.74 | 605.97 | 635.35 | 4.8% |
| Delinquent information | 14.01 | 14.16 | 14.61 | 14.68 | 0.4% |
| Application information | 38.80 | 42.05 | 44.64 | 46.72 | 4.6% |
| Reference material | 0.01 | 0.01 | 0.01 | 0.01 | 2.4% |
| Total | 584.09 | 613.81 | 650.63 | 682.09 | 4.8% |

2. Number of Credit Information Inquiries

(In millions)

| | FY2011 | FY2012 | FY2013 | FY2014 | Growth rate |
|------------------------------------|--------|--------|--------|--------|-------------|
| Basic Services (Credit inquiry) | 168.90 | 176.99 | 186.98 | 190.39 | 1.8% |
| Other services | 15.81 | 14.95 | 13.85 | 19.48 | 40.6% |
| FINE (*1) | 34.96 | 33.59 | 31.71 | 30.67 | Δ3.2% |
| CRIN (*2) | 9.59 | 7.97 | 7.40 | 6.43 | Δ13.0% |
| Total | 229.27 | 233.52 | 239.95 | 246.98 | 2.9% |

*1 : CIC exchanges the personal credit information such as outstanding balances with Japan Credit Information Reference Center Corp. (JICC), prescribed by the Money Lending Business Act.

*2 : CIC exchanges the derogatory (delinquent) information with the Personal Credit Information Center of Japanese Bankers Association and Japan Credit Information Reference Center Corp. (JICC).