

Operating Activities in FY2013

1. Sales and Ordinary profit

The total sales in FY2013 reached to 7,559 mil. JPY, increased by 2.45 mil. JPY from the previous year, because the growth of new credit applications due to a last-minute rise in demand for credit transactions before an increase of consumption tax and the economic recovery, and the increase of credit information inquiries for discretionary account management purposes due to a buildup of the customer management by the member credit companies, compensated for the decreasing sales of the FINE(Financial Information NEtwork) inquiry.

In contrast, the ordinary profit turned to 826 mil. JPY, decreased from the previous year, due to the increased software amortization expense by the operation of the new credit information database, and the increased operation cost of the computer system by a buildup measure of the nighttime operation of the system center.

2. Credit Information held by CIC

The amount of credit information held by CIC reached, at the end of FY2013 (as of March 20, 2014), to 650.63 mil. records increased by 36.82 mil. records (+5.9% from the previous year).

In this database, the amount of the Credit Information was 605.97 mil. records (+5.9%) 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 14.61 mil. records (+3.1%) and accounts for 2.4% of the Credit Information.

3. Number of Credit Information Inquiries

The number of credit information inquiries (the Basic Service) by the member companies was 186.98 mil., increased by 9.99 mil. (+5.6% from the previous year).

In contrast, the number of the FINE inquiry through the credit information exchange network between the designated credit information agencies, and the number of 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)

	FY2010	FY2011	FY2012	FY2013
Sales	7,821	7,721	7,557	7,559
Ordinary profit	663	855	1,019	826
Net profit	355	433	629	494
Total assets	11,056	11,192	11,554	10,911
Equity	8,076	8,342	8,833	8,792

Note: The total assets and the equity of FY2013 include the treasury stock (- 333.23 mil. JPY) acquired during the period.

2. Summary of Balance Sheet

March 31, 2014

(In millions of JPY)

Assets			Liabilities	
Current assets		4,750	Current liabilities	1,187
Tangible fixed assets	2,838		Fixed liabilities	931
Intangible fixed assets	2,845			
Investments and Other assets	477		Total liabilities	2,119
Fixed assets		6,161	Equity	
			Capital	500
			Retained earnings	8,625
			Treasury stock	△ 333
			Total equity	8,792
Total Assets		10,911	Total Liabilities and Equity	10,911

3. Summary of Income Statement

Fiscal year ended March 31, 2014

(In millions of JPY)

Net sales	7,559
Operating expenses	6,761
Operating income	798
Ordinary profit	826
Net profit	494

Results of Business

1. Credit Information held by CIC

(In millions)

	FY2010	FY2011	FY2012	FY2013	Growth rate
Credit information	506.96	545.27	571.74	605.97	5.9%
Delinquent information	10.38	14.01	14.16	14.61	3.1%
Application information	33.29	38.80	42.05	44.64	6.1%
Reference material	0.02	0.01	0.01	0.01	Δ2.5%
Total	540.22	584.09	613.81	650.63	5.9%

2. Number of Credit Information Inquiries

(In millions)

	FY2010	FY2011	FY2012	FY2013	Growth rate
Basic Services (Credit inquiry)	152.86	168.90	176.99	186.98	5.6%
Other services	21.16	15.81	14.95	13.85	Δ7.3%
FINE (*1)	31.24	34.96	33.59	31.71	Δ5.6%
CRIN (*2)	10.87	9.59	7.97	7.40	Δ7.1%
Total	216.14	229.27	233.52	239.95	2.7%

*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).