

[Notes]

- (1) Application of special accounting methods for the preparation of quarterly financial statements : None
- (2) Changes in significant accounting policies, changes in accounting estimates and restatements
- 1) Changes in accounting policies due to revisions of accounting standards, etc. : Yes
- 2) Changes in accounting policies due to other reasons than above 1) : None
- 3) Changes in accounting estimates : None
- 4) Restatements : None

(3) Number of shares outstanding (common stock)

| | | | | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| 1) Number of shares outstanding at the end of fiscal term (including treasury stocks) | As of June 30, 2016 | 33,328,400 shares | As of March 31, 2016 | 31,807,700 shares |
| 2) Number of treasury stocks at the end of fiscal term | As of June 30, 2016 | — shares | As of March 31, 2016 | — shares |
| 3) Average number of shares during the fiscal term (cumulative from beginning of quarter) | Three months ended June 30, 2016 | 31,998,537 shares | Three months ended June 30, 2015 | 25,307,700 shares |

(Notes) Due to a 100-for-1 stock split which was conducted with an effective date of July 31, 2015, the number of shares is calculated as if such stock split was implemented at the beginning of the previous fiscal year.

* Disclosure on the status of the quarterly review procedures.

Although this quarterly financial report is not subject to the requirement of the quarterly review procedures under the Financial Instruments and Exchange Act, the quarterly review procedures for the quarterly financial statements have been completed at the time of disclosure of the quarterly financial report.

* Explanations regarding appropriate use of forecasts and projections of financial results, and other specific notes.

All forecasts and projections contained in this presentation are based on the information currently available to the management and they are not intended to represent our promise to attain them as a goal. Furthermore, due to various reasons, actual results may differ substantially.

Financial statements for the quarter

(1) Balance sheets for the quarter

(Thousands of yen)

| | As of March 31, 2016 | As of June 30, 2016 |
|---------------------------------------|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,555,458 | 3,504,036 |
| Accounts receivable - trade | 106,749 | 127,676 |
| Merchandise and finished goods | 12,666 | 11,786 |
| Raw materials and supplies | 23,573 | 23,573 |
| Advance payments - trade | 8,061 | 3,852 |
| Advance payments - other | 63,031 | 117,506 |
| Accounts receivable - other | 9,338 | 9,718 |
| Consumption taxes receivable | 2,074 | 4,181 |
| Other | 10,404 | 9,671 |
| Total current assets | 2,791,358 | 3,812,004 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Facilities attached to buildings, net | 12,424 | 11,969 |
| Machinery and equipment, net | 737 | 680 |
| Tools, furniture and fixtures, net | 35,359 | 32,778 |
| Construction in progress | — | 10,773 |
| Total property, plant and equipment | 48,521 | 56,201 |
| Intangible assets | | |
| Software | 1,903 | 14,999 |
| Software in progress | 9,352 | — |
| Total intangible assets | 11,256 | 14,999 |
| Investments and other assets | | |
| Guarantee deposits | 24,073 | 38,068 |
| Long-term prepaid expenses | 2,041 | 1,437 |
| Total investments and other assets | 26,115 | 39,506 |
| Total non-current assets | 85,893 | 110,707 |
| Total assets | 2,877,251 | 3,922,711 |

(Thousands of yen)

| | As of March 31, 2016 | As of June 30, 2016 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 66,308 | 44,490 |
| Accounts payable - other | 29,922 | 60,952 |
| Accrued expenses | 2,988 | 4,586 |
| Income taxes payable | 10,487 | 5,137 |
| Advances received | 16,361 | 3,852 |
| Deposits received | 2,828 | 4,701 |
| Total current liabilities | 128,897 | 123,721 |
| Non-current liabilities | | |
| Provision for retirement benefits | 18,520 | 21,259 |
| Deferred tax liabilities | 1,715 | 1,657 |
| Asset retirement obligations | 7,455 | 7,477 |
| Total non-current liabilities | 27,690 | 30,393 |
| Total liabilities | 156,588 | 154,114 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,988,085 | 2,591,107 |
| Capital surplus | 1,971,670 | 2,574,692 |
| Retained earnings | -1,239,092 | -1,430,016 |
| Total shareholders' equity | 2,720,663 | 3,735,783 |
| Subscription rights to shares | — | 32,812 |
| Total net assets | 2,720,663 | 3,768,596 |
| Total liabilities and net assets | 2,877,251 | 3,922,711 |

(2) Statements of operations for the quarter

For the first three months (ended June 30, 2016)

(Thousands of yen)

| | Three months ended June 30, 2015 | Three months ended June 30, 2016 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 206,312 | 193,142 |
| Cost of sales | 192,938 | 191,418 |
| Gross profit | 13,374 | 1,724 |
| Selling, general and administrative expenses | 303,794 | 189,680 |
| Operating loss | -290,419 | -187,956 |
| Non-operating income | | |
| Subsidy income | 12,789 | — |
| Foreign exchange gains | — | 2,201 |
| Other | 67 | 8 |
| Total non-operating income | 12,856 | 2,209 |
| Non-operating expenses | | |
| Foreign exchange losses | 276 | — |
| Issuance expenses of subscription rights to shares | — | 502 |
| Stock issuance expenses | — | 4,250 |
| Total non-operating expenses | 276 | 4,752 |
| Ordinary loss | -277,839 | -190,499 |
| Loss before income taxes | -277,839 | -190,499 |
| Income taxes - current | 382 | 481 |
| Income taxes - deferred | -70 | -57 |
| Total income taxes | 312 | 424 |
| Loss | -278,151 | -190,923 |