



# Consolidated Financial Results for the Fiscal Year Ended October 31, 2014 (Japanese GAAP)



December 12, 2014

Listed on: First Section of the Tokyo Stock Exchange

Name of Listed Company: IKK Inc.

Securities code: 2198

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Scheduled date of start dividends distribution: January 30, 2015

Scheduled date of filing securities report: January 29, 2015

Supplementary materials prepared: Yes (available only in Japanese language)

Results information meeting held: Yes (for securities analysts and institutional investors)

(Figures shown are rounded down to the nearest million yen.)

## 1. Consolidated financial results for the FY ended October 31, 2014 (Nov. 1, 2013-Oct. 31, 2014)

### (1) Consolidated operating results

(Percentage figures for sales and incomes show changes from the previous year.)

|                        | Net Sales       |     | Operating Income |     | Ordinary Income |     | Net Income      |        |
|------------------------|-----------------|-----|------------------|-----|-----------------|-----|-----------------|--------|
|                        | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %   | Millions of yen | %      |
| FY ended Oct. 31, 2014 | 15,346          | 5.8 | 2,003            | 2.8 | 1,983           | 3.5 | 1,184           | (14.7) |
| FY ended Oct. 31, 2013 | 14,510          | 6.7 | 1,948            | 1.4 | 1,916           | 3.9 | 1,388           | 49.3   |

Note: Comprehensive income: FY ended Oct. 31, 2014: 1,184 million yen (down 14.7%); FY ended Oct. 31, 2013: 1,388 million yen (up 49.3%)

|                        | Net Income per Share | Diluted Net Income per Share | ROE  | Ordinary Income to Total Assets | Operating Income to Net Sales |
|------------------------|----------------------|------------------------------|------|---------------------------------|-------------------------------|
|                        | Yen                  | Yen                          | %    | %                               | %                             |
| FY ended Oct. 31, 2014 | 82.00                | 81.86                        | 15.3 | 13.1                            | 13.1                          |
| FY ended Oct. 31, 2013 | 97.41                | 96.99                        | 21.3 | 14.1                            | 13.4                          |

Reference: Equity in earnings of affiliated companies: FY ended Oct. 31, 2014: - million yen; FY ended Oct. 31, 2013: - million yen

Note: On April 1, 2013, the Company's common stock was split 2-for-1. However, net income/diluted net income per share was calculated assuming stock split at the beginning of the previous consolidated fiscal year.

### (2) Consolidated financial position

|                        | Total Assets    | Net Assets      | Equity Ratio | Net Assets per Share |
|------------------------|-----------------|-----------------|--------------|----------------------|
|                        | Millions of yen | Millions of yen | %            | Yen                  |
| FY ended Oct. 31, 2014 | 15,862          | 8,216           | 51.8         | 565.83               |
| FY ended Oct. 31, 2013 | 14,375          | 7,213           | 50.2         | 502.38               |

Reference: Equity capital: FY ended Oct. 31, 2014: 8,216 million yen; FY ended Oct. 31, 2013: 7,213 million yen

Note: On April 1, 2013, the Company's common stock was split 2-for-1. However, net assets per share was calculated assuming stock split at the beginning of the previous consolidated fiscal year.

### (3) Consolidated cash flows

|                        | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at the End of the Year |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                        | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                                  |
| FY ended Oct. 31, 2014 | 1,982                                | (3,089)                              | 868                                  | 2,788  |
| FY ended Oct. 31, 2013 | 2,549                                | (1,239)                              | (914)                                | 3,026  |

## 2. Dividends

|                                    | Yearly Dividends |        |        |        |        | Total Amount of Cash Dividends | Dividends Payout Ratio (Consolidated) | Dividends on Net Assets (Consolidated) |
|------------------------------------|------------------|--------|--------|--------|--------|--------------------------------|---------------------------------------|--|
|                                    | 1Q End           | 2Q End | 3Q End | FY End | Annual |                                |                                       |  |
|                                    | Yen              | Yen    | Yen    | Yen    | Yen    | Millions of yen                | %                                     | %                                      |
| FY ended Oct. 31, 2013             | -                | 0.00   | -      | 20.00  | 20.00  | 298                            | 20.5                                  | 4.4                                    |
| FY ended Oct. 31, 2014             | -                | 0.00   | -      | 20.00  | 20.00  | 299                            | 24.4                                  | 3.7                                    |
| FY ending Oct. 31, 2015 (forecast) | -                | 0.00   | -      | 20.00  | 20.00  |                                | 22.9                                  |  |

Notes: 1. On April 1, 2013, the Company's common stock was split 2-for-1.

2. Breakdown of the FY ended October 31, 2013 dividends: Ordinary dividends: 10.00 yen; Commemorative dividends: 10.00 yen

## 3. Consolidated financial forecast for the FY ending October 31, 2015 (Nov. 1, 2014-Oct. 31, 2015)

(Percentage figures show changes from the previous year.)

|                 | Net Sales       |     | Operating Income |        | Ordinary Income |        | Net Income      |        | Net Income per Share |
|-----------------|-----------------|-----|------------------|--------|-----------------|--------|-----------------|--------|----------------------|
|                 | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      | Yen                  |
| 2Q (cumulative) | 7,380           | 0.2 | 505              | (49.4) | 485             | (50.9) | 290             | (47.9) | 19.92                |
| Full year       | 16,720          | 9.0 | 2,080            | 3.8    | 2,040           | 2.9    | 1,275           | 7.7    | 87.38                |

**\*Notes**

(1) Significant changes to subsidiaries during the term (transfer of specific subsidiaries accompanying changes in scope of consolidation): Yes

Newly added: - Company name: - Excluded: 1 Company name: Suite Villa Garden Inc.

(2) Changes in accounting policies, accounting estimates and restatement

1) Changes in accounting policies due to revision of accounting standards, etc.: Yes

2) Changes in accounting polices other than 1): No

3) Changes in accounting estimates: No

4) Restatement: No

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of period (including treasury shares)

|                        |                   |                        |                   |
|------------------------|-------------------|------------------------|-------------------|
| FY ended Oct. 31, 2014 | 14,959,600 shares | FY ended Oct. 31, 2013 | 14,939,200 shares |
|------------------------|-------------------|------------------------|-------------------|

2) Number of treasury shares at the end of period

|                        |                |                        |                |
|------------------------|----------------|------------------------|----------------|
| FY ended Oct. 31, 2014 | 438,372 shares | FY ended Oct. 31, 2013 | 579,772 shares |
|------------------------|----------------|------------------------|----------------|

3) Average number of shares outstanding during the period

|                        |                   |                        |                   |
|------------------------|-------------------|------------------------|-------------------|
| FY ended Oct. 31, 2014 | 14,439,071 shares | FY ended Oct. 31, 2013 | 14,251,219 shares |
|------------------------|-------------------|------------------------|-------------------|

Note: On April 1, 2013, the Company's common stock was split 2-for-1. However, number of shares issued as of end of term, number of treasury shares as of end of term and average number of shares over period were calculated assuming stock split at the beginning of the previous consolidated fiscal year. Furthermore, figures for treasury shares include 437,500 shares held in employee stock holdings trust at the end of the current consolidated fiscal year.

**\* Presentation of implementation status for audit procedures**

The audit procedure based on the Financial Instruments and Exchange Act does not apply to this report. At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

**\* Explanation of appropriate use of financial forecasts, other special remarks**

Forecasts and other forward-looking statements included in this document are based on currently available information and assumptions deemed rational, and do not serve as a guarantee of results on the part of the company. Actual results may vary substantially due to a variety of reasons. For notes and other cautionary statements related to assumptions behind and use of forecasted results, please see "1. Analysis of Operating Results and Financial Position: (1) Analysis of Operating Results" (attachments, page 2).

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## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

#### 1) Operating Results for the Consolidated Fiscal Year Ended October 31, 2014 (FY2014)

In the consolidated fiscal year under review (November 1, 2013 to October 31, 2014), there was a gradual recovery of the Japanese economy. Capital expenditures increased and unemployment declined as corporate earnings improved due to the benefits of actions by the Japanese government and Bank of Japan. However, there are concerns about a downturn in overseas economies because of the downsizing of U.S. monetary easing, slower growth in China and other events. Furthermore, the Japanese economy is held back by sluggish domestic demand following the consumption tax hike and the rising cost of raw materials caused by the yen's rapid depreciation. As a result, the economic outlook is still unclear.

In Japan's wedding industry, the number of weddings in 2013 remained largely unchanged from the previous year at 663,000 (Ministry of Health, Labour and Welfare, 2013 Annual Estimate of Vital Statistics), and demand for guesthouse-style weddings was stable. On the other hand, competition within the industry remains fierce because of wedding hall and hotel renovations, more intense price competition, the diversification of customer needs, and other reasons.

To provide memorable weddings in line with the IKK Group's management philosophy "to touch our customers' hearts," the Group is taking a number of actions. These measures include internal and external training programs to upgrade customer services, the analysis of operating data, and various initiatives to increase the number of customers. By taking these actions in order to meet the increasingly diverse needs of customers, the Group is aiming to increase sales and earnings.

As a result, sales increased 5.8% from one year earlier to 15,346 million yen, operating income increased 2.8% to 2,003 million yen, ordinary income increased 3.5% to 1,983 million yen, and net income decreased 14.7% to 1,184 million yen.

Results by business segment are as follows:

#### a) Wedding Operations

Sales and earnings in this segment benefited from the first full-year contribution of Harbor Terrace Sasebo Geihinkan (the Sasebo Branch), which opened in November 2013, the start of operations in September 2014 of the additional floors at La La Chance Hakata no Mori (the Fukuoka Branch). Segment performance also reflected the effective use of business database, renovations and other measures. Sales increased 5.0% from one year earlier to 14,868 million yen and operating income increased 5.2% to 2,088 million yen.

#### b) Funeral Operations

Sales increased 0.6% from one year earlier to 350 million yen, and operating income increased 21.7% to 39 million yen.

#### c) Nursing-care Operations

The Imari Branch opened in September 2013. Sales were 127 million yen compared with 1 million yen one year earlier, but there was an operating loss of 126 million yen compared with a 71 million yen loss one year earlier due to opening expenses for the Saga Branch, which started operations in June 2014.

#### 2) Forecast for the Consolidated Fiscal Year Ending October 31, 2015

In the consolidated fiscal year ending on October 31, 2015, sales are expected to increase due to the full-year contribution of the Fukuoka Branch, which expanded floors in September 2014, and the opening of the Hiroshima Branch, which is scheduled for the fiscal year's second quarter. Expenses are planned for opening the Hiroshima Branch, renovating existing locations and for other activities. As a result, we forecast sales of 16,720 million yen (an increase of 9.0% year on year), operating income of 2,080 million yen (an increase of 3.8%), ordinary income of 2,040 million yen (an increase of 2.9%) and net income of 1,275 million yen (an increase of 7.7%).

Note that these forecasts are based on currently available information and actual results may vary substantially due to various factors.

## (2) Analysis of Financial Position

## 1) Assets, Liabilities and Net Assets

## a) Assets

Current assets were 3,488 million yen at the end of the current consolidated fiscal year, 242 million yen less than at the end of the previous consolidated fiscal year. This was mainly attributable to a 238 million yen decrease in cash and deposits.

Non-current assets increased 1,729 million yen to 12,374 million yen. This was mainly attributable to an increase in property, plant and equipment of 1,600 million yen due to the expansion of the Fukuoka Branch, renovations of existing branches and other measures.

## b) Liabilities

Current liabilities decreased 478 million yen to 3,693 million yen. This was mainly attributable to a 223 million yen decrease in income taxes payable.

Non-current liabilities increased 963 million yen to 3,952 million yen. This was mainly attributable to an 885 million yen increase in long-term loans payable.

## c) Net assets

Net assets increased 1,002 million yen to 8,216 million yen. The main causes were an increase due to net income of 1,184 million yen and a decrease due to dividends of surplus of 287 million yen. As a result, compared to the end of the previous consolidated fiscal year, equity ratio rose by 1.6 points to 51.8%.

## 2) Cash Flows

Cash and cash equivalents (hereinafter, "cash") at the end of the current consolidated fiscal year were 2,788 million yen, a decrease of 238 million yen (7.9%) from the previous consolidated fiscal year.

The following are cash flow conditions and factors for the consolidated fiscal year under review.

## a) Cash flows from operating activities

Cash generated from operating activities was 1,982 million yen (a decrease of 22.3% year on year). Main cash inflows include income before income taxes and minority interests of 2,107 million yen and depreciation of 939 million yen, and outflows include income taxes paid of 1,147 million yen.

## b) Cash flows from investing activities

Cash used by investing activities was 3,089 million yen (an increase of 149.2% year on year), mainly attributable to the outlays of 2,893 million yen for the purchase of property, plant and equipment associated with the expansion of the Fukuoka Branch, renovations of existing branches and other measures.

## c) Cash flows from financing activities

Cash generated from financing activities was 868 million yen (compared with 914 million yen used in the previous consolidated fiscal year). Main cash inflows include 1,950 million yen in proceeds from long-term loans payable for the new construction of the Sasebo Branch and the expansion of the Fukuoka Branch, and outlays include 914 million yen in repayments of long-term loans payable and 286 million yen in cash dividends paid.

## (Reference) Cash flow indicator trends

|   | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---|--------|--------|--------|--------|--------|
| Equity ratio (%)                                    | 37.1   | 42.3   | 45.3   | 50.2   | 51.8   |
| Equity ratio at market value (%)                    | 24.1   | 24.1   | 39.9   | 77.9   | 82.2   |
| Ratio of interest-bearing debt to cash flows (year) | 2.1    | 4.9    | 1.5    | 1.1    | 1.9    |
| Interest coverage ratio (times)                     | 33.4   | 14.7   | 57.3   | 81.5   | 66.9   |

Equity ratio: (Net assets – Minority interests) / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest expense

- Notes:
1. The consolidated financial figures constitute the basis for calculating these indicators.
  2. Market capitalization is calculated based on the number of shares outstanding after the deduction of treasury shares.
  3. The basis for calculating ratio of interest-bearing debt to cash flows is from operating activities in the consolidated statement of cash flows.
  4. Interest-bearing debt includes all debts recorded on the consolidated balance sheet on which interest is paid.
  5. The basis for interest expense is the amount of interest paid recorded in the consolidated statement of cash flows.

(3) Basic Policy Regarding Distributions of Surplus and Dividends for the Current and Next Fiscal Periods

Distributing earnings to shareholders is one of our highest priorities. Consequently, our policy is to pay dividends that reflect operating results while retaining earnings needed for expanding and strengthening our operations.

The dividend for the consolidated fiscal year was 20 yen per share (ordinary dividend) and we plan to pay 20 yen per share again for the next consolidated fiscal year ending on October 31, 2015.

(4) Risks Associated with Business, etc.

This section presents risk factors and other potential sources of changes that may affect results of operations, the financial condition and other items concerning the IKK Group. We are aware of these risks and will continue to do everything possible to minimize the effects if any of these events occur.

1) The Business of the Company

a) Our market

The market in Japan for wedding ceremonies and receptions may become smaller. One reason is that Japan's population in the prime marriage age segment will continue to decline, according to statistics published by the National Institute of Population and Social Security Research. Furthermore, there are changes in customer preferences, such as couples choosing not to hold a ceremony or reception, and an increasing tendency to marry later in life. We are striving to further enhance our ability to serve customers and propose plans as well as provide memorable ceremonies and receptions. However, if the market contracts faster than estimated and the number of orders do not reach our targets, our results of operations may be negatively affected.

b) Our competition

In the wedding industry, which is the core business of the IKK Group, growth in demand for guesthouse-style weddings is leading to the transformation of ceremonial halls into guesthouse formats. In addition, there are hotel refurbishments and intensifying price competition, among other events that are making the operating environment more challenging every year. This trend will likely continue and, if major competitors open multiple locations in areas where we have a presence, competition will further intensify and negatively affect orders, possibility having a detrimental effect on results of operations.

c) Wedding styles

In response to the changing preferences in Japan's wedding market, we started the guesthouse-style wedding business in Tosu City, Saga Prefecture in September 2000. Since then, we have steadily increased the number of locations. We will continue to monitor social trends and shifts in the needs of people holding weddings. We expect changes in preferences and tastes with regard to wedding styles in age groups centered on people in their 20s and 30s that will result in a new wedding style replacing guesthouse-style weddings as the mainstream format. Any delay in our response to such changes in wedding styles may negatively affect results of operations.

d) Recruiting and training human resources

We are aware that recruiting and training talented human resources is an important factor to differentiate ourselves from other companies. We therefore have extensive training programs as well as new graduate and mid-career recruiting activities. We are placing particular emphasis on upgrading employee development by giving employees systematic training based on our management principles. Our goal is to use these activities

to hire talented people and strengthen programs to develop their skills. If our recruiting and training activities do not progress as planned, we may become less competitive and our ability to grow may be restricted, which may have a negative effect on our business and results of operations.

e) New branch openings

We open new locations only after performing a comprehensive study of the characteristics of candidate locations and the markets they serve, competitors, regional characteristics, profitability, capital investments, and other factors. However, if we fail to find properties that are suitable for new wedding facilities, we may be unable to open new facilities as planned, leading to possible negative effects on results of operations. Moreover, up-front expenses are incurred when opening new locations. Consequently, in the event that multiple branches are developed at the same time, there may be a short-term impact on results of operations. Furthermore, if there is a significant decline in profitability at a new location and impairment losses are recognized, there may be a negative effect on the financial position, results of operations and other aspects of operations.

f) Nursing-care business

We began the nursing-care business with the establishment of a subsidiary as part of our growth strategy. However, this sector is subject to the Act on Social Welfare for the Elderly, the Long-Term Care Insurance Act and other regulations. Any revisions in these laws and regulations may result in changes in systems or basic nursing-care compensation rates. Depending on the nature of these revisions in a system or fee structure, there may be a negative effect on results of operations. Moreover, because the nursing-care business targets the elderly, any deterioration in brand image resulting from accidents, a contagious disease or other problem at our facilities that lead to a decrease in users may negatively affect results of operations.

2) Legal Restrictions

a) Hygiene management

Our operations are subject to restrictions in the Food Sanitation Act because we serve food and beverages at wedding ceremonies and receptions. We have a systematic hygiene management program that covers all our operations. Activities include monitoring the health of employees, managing food preparation processes, conducting periodic intestinal bacteria and norovirus inspections for all employees, including temporary employees, and using external companies to perform periodic disinfections and inspections. Our Fukuoka Branch acquired the international food safety management system standard ISO22000 accreditation in August 2009 and we have implemented the company-wide, cross-sectional establishment of this hygiene management system. Meals are also served in the nursing-care business, so the same hygiene management system is in place to prevent food accidents.

We regard safe and secure food preparation as one of our highest priorities and have many measures aimed at preventing food problems. However, if food poisoning or any other food-related problem occurs, we may lose our business license or be ordered to suspend operations, suffer a deterioration in our credibility or become the target of litigation for the payment of damages. Any of these events may negatively impact results of operations.

b) Personal information management

We handle the personal information of grooms, brides, their family members and guests, mourners at funerals and their family members as well as residents of nursing-care facilities and their family members. With the aim of protecting this confidential information, we established our Personal Information Management Rules to ensure that all precautions are made when storing and handling personal information. If there is a leak of personal information, not only will our reputation suffer but, depending on the nature of the leak, we may be subject to a citation, order or penalty from the authorities. If this happens, there may be a negative effect on results of operations due to the loss of public trust, claims for the payment of damages, or other outcomes.

### 3) Others

#### a) Infectious diseases

In addition to seasonal influenza outbreaks, there is a possibility of an outbreak of new types of influenza viruses and other infectious diseases in Japan. Because a large numbers of people visit our facilities, we urge employees to use mouthwash, wash their hands, receive inoculations and stay home if they are ill. At nursing-care facilities, employees are required to adhere strictly to the work manual because they serve older people. In addition, we urge customers who visit us to exercise care, such as by using the alcohol disinfectant and germicidal dispensers at our facilities. Overall, we have many activities aimed at preventing the spread of infectious diseases. However, our performance may be negatively affected if our operations are suspended due to a major outbreak of a serious infectious disease in Japan or at a nursing-care facility.

#### b) Natural disasters

Our business activities are located in 13 cities and their environs in Japan. A natural disaster such as an earthquake or flood in any area where we operate would not only affect our facilities but also force us to suspend operations. This may have a negative effect on our financial position and results of operations. Moreover, although we are insured against damages from natural disasters, if the amount of damages exceeds the insurance benefits, our financial position and results of operations may be negatively affected.

## 2. Management Policy

### (1) Basic Management Policy

Based on our mission statement of “Contributing to Society by Touching Our Customers’ Hearts,” we are guided by the following management philosophy including the credo and four points.

Credo: To touch our customers’ hearts

-Sincerity, Trust, Reliance

-To touch our customers’ hearts, we will create personalized weddings that warm people’s hearts

- To touch our customers’ hearts, we will do our best immediately in a sincere spirit of collaboration

-We will be the talented personnel regardless of its nationality, gender, age or experience and will challenge to create the wonderful future

To touch the hearts of our customers, we place sincerity, trust and reliability at the core of our corporate philosophy. We are dedicated to managing operations with the aims of creating cherished memories for customers and developing the skills of our employees. To become “a company that creates emotion,” we are guided by the basic policy of contributing to society by touching the hearts of customers as we manage operations in accordance with our corporate philosophy.

By adhering to this basic policy, we are determined to achieve the continuous development and enhancement of the corporate value of each group company. We aim to further improve employee training programs and meet the diversifying needs of customers to meet the high expectations of our customers, shareholders and all other stakeholders.

### (2) Targeted Performance Indicators

Our goal is continuous growth. To achieve this, it is essential to improve profit margins by effectively allocating resources and building a solid financial foundation. Consequentially, the primary performance indicators are the return on assets, as a measure of profitability and investment efficiency, and the capital adequacy ratio, as a measure of financial balance. We will strive to improve these indicators.

### (3) Medium to Long Term Management Strategy

We provide wedding ceremonies and receptions according to the preferences of each customer while responding to changes in the wedding industry and analyzing the diversifying needs of customers. Going forward,



we will strive to attract more customers by formulating and executing a strategy based on our corporate philosophy. Over the medium to long term, we plan to move into fields either in Japan or overseas where we can leverage our strengths as a group centered on the wedding business.

Regarding administrative activities, we will further broaden and strengthen the corporate governance framework and internal control system. We want to preserve our reputation in financial markets as a sound company with a high level of transparency.

#### (4) Important Issues

##### 1) Current Market Conditions

In the Japanese wedding industry, the number of ceremonies and receptions is expected to continue to decline slowly mainly because the population of the prime marriage age segment is decreasing and people are marrying later in life. However, thanks to growing interest in original ceremonies and receptions that move away from tradition and formalities, the guesthouse-style wedding market has steadily expanded. Many wedding ceremony halls are switching to the guesthouse-style wedding format and hotels are remodeling wedding facilities and are offering very competitive prices. Competition has become intense as a result. In the nursing-care industry, there is demand for services that meet the lifestyles and needs of the aged and many new players are entering the market from various sectors.

Our objective is to contribute to society by touching the hearts of our customers. We will accomplish this by being a source of sincere services that create lasting memories. Our operations will fully reflect shifts in customers' preferences as well as changes in our industry and the actions of competitors. As a result, there are seven important issues: a) recruiting and training talented human resources; b) strengthening information collection and analysis capabilities; c) strengthening customer safety measures; d) maintaining and upgrading the quality of existing branches; e) further improving customer service and the ability to offer new ideas; f) prudent network expansion; and g) strengthening corporate governance.

##### 2) Initiatives

###### a) Recruiting and training talented human resources

The entire Group, based on the concept that people are valuable assets, employs the term "human resources" rather than the common term "personnel."

Aware that recruiting and training talented human resources is an important factor in differentiating ourselves from our rivals, we have been diligently focused on these activities. For recruiting, we have been conducting new-graduate hiring activities throughout Japan as well as mid-career hiring activities where our branches are located. We utilize human resources with the potential and aptitudes that we require. Our training activities are based on a composite program consisting of lessons to instill our corporate philosophy, task-specific practical training aimed at increasing customer satisfaction, stratified training to enhance task knowledge and management skills, and other forms of training for achieving growth. We will continue to concentrate on recruiting and training talented people by expanding and fortifying our hiring activities and performing training activities internally and externally based on our corporate philosophy.

###### b) Strengthening information collection and analysis capabilities

Strengthening information collection and analysis capabilities is an important issue because responding to changes in our operating environment is vital to our survival. This is why we emphasize the sharing of information within the parent organization as well as among group companies in parallel with efforts to expand information collection channels.

We are determined to increase our corporate value by fortifying information collection and analysis capabilities and making swift business decisions in order to ensure that we properly respond to the changing needs of our customers.

###### c) Strengthening customer safety measures

To strengthen safety measures for customers in our wedding ceremony business, our Fukuoka Branch

received ISO22000 accreditation in August 2009, which is an international food safety management system standard. We use this same hygiene management system throughout our group. Furthermore, we reinforced our hygiene management activities by starting to use hypochlorous acid ultrasonic mist equipment in October 2014 for the purpose of preventing problems caused by the norovirus. In the nursing-care business, we strengthened our compliance program because this business serves older people. Employees receive extensive training based on job manuals.

We will revise regulations and manuals, strengthen internal control systems and reinforce safety measures through partnerships with external specialists and government regulators in order to meet the expectations of our customers.

d) Maintaining and upgrading the quality of existing branches

Maintaining and enhancing the quality of existing locations is vital to achieving our objective of long-term and stable operations. For this reason, we maintained and enhanced quality both tangibly, with maintenance and renewal efforts, and intangibly, through alliances with famous chefs and pastry chefs as well as internal and external training, among other measures. We will continue to maintain and enhance the quality of our facilities through constant maintenance and renovations that reflect customer needs. In addition, we will use customer comments, feedback from our wedding and nursing-care facilities, and results of internal and external training to improve the quality of our wedding ceremonies and receptions, nursing-care services, and other activities.

e) Further improving customer service and the ability to offer new ideas

We have a strong commitment to assisting customers create lasting memories. We have consistently worked on preserving and enhancing the overall quality of our operations by using internal and external training based on our management principles to make our workforce more powerful, using outstanding front line operations to enhance hospitality, and sharing information.

We will continue to enhance our ability to serve customers and offer new ideas in order to increase customer satisfaction as “a company that creates emotion” and build a leading brand that enjoys the most support from customers in every area where we have a presence.

f) Prudent network expansion

Over the years, we have enlarged our network in a prudent manner by opening branches mainly in regional urban areas based on the recognition of the importance of long-term, stable branch operations with deep roots in each area served. We plan to add more locations, with some possibly in the Tokyo area. Our basic policy is to continue opening branches at the same pace as in prior years while maintaining the proper balance with employee training activities. From a longer term perspective, we plan to enter new business fields in Japan and other countries where we can leverage our strengths as an organization centered on the wedding ceremony business.

g) Strengthening corporate governance

We have earned the trust of stakeholders by establishing as our basic governance policy the improvement of our corporate value through the strengthening of management oversight and internal control functions and the implementation of rigorous compliance programs. Based on this policy, we will focus on heightening the effectiveness and transparency of our management, maximizing our corporate value and achieving consistent growth and development.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Thousands of yen)

|  | Previous Consolidated FY<br>(Oct. 31, 2013) | Current Consolidated FY<br>(Oct. 31, 2014) |
|--|---|--|
| <b>Assets</b>                                |   |  |
| Current assets                               |   |  |
| Cash and deposits                            | 3,026,544                                   | 2,788,419                                  |
| Accounts receivable-trade                    | 236,553                                     | 220,639                                    |
| Merchandise                                  | 113,928                                     | 132,191                                    |
| Raw materials and supplies                   | 101,448                                     | 110,635                                    |
| Deferred tax assets                          | 140,760                                     | 107,672                                    |
| Other  | 114,876                                     | 134,025                                    |
| Allowance for doubtful accounts              | (3,291)                                     | (5,263)                                    |
| Total current assets                         | 3,730,820                                   | 3,488,319                                  |
| Non-current assets                           |   |  |
| Property, plant and equipment                |   |  |
| Buildings and structures                     | 12,038,031                                  | 13,325,801                                 |
| Accumulated depreciation and impairment loss | (4,978,522)                                 | (5,583,101)                                |
| Buildings and structures, net                | 7,059,509                                   | 7,742,699                                  |
| Machinery, equipment and vehicles            | 315,561                                     | 453,024                                    |
| Accumulated depreciation                     | (213,142)                                   | (258,883)                                  |
| Machinery, equipment and vehicles, net       | 102,419                                     | 194,140                                    |
| Land   | 1,792,965                                   | 1,864,602                                  |
| Construction in progress                     | 243,658                                     | 959,665                                    |
| Other  | 1,605,689                                   | 1,787,528                                  |
| Accumulated depreciation                     | (1,331,213)                                 | (1,474,803)                                |
| Other, net                                   | 274,476                                     | 312,724                                    |
| Total property, plant and equipment          | 9,473,028                                   | 11,073,833                                 |
| Intangible assets                            | 79,071                                      | 114,570                                    |
| Investments and other assets                 |   |  |
| Deferred tax assets                          | 586,247                                     | 633,892                                    |
| Other  | 513,897                                     | 563,315                                    |
| Allowance for doubtful accounts              | (7,945)                                     | (11,316)                                   |
| Total investments and other assets           | 1,092,199                                   | 1,185,891                                  |
| Total non-current assets                     | 10,644,299                                  | 12,374,294                                 |
| Total assets                                 | 14,375,119                                  | 15,862,613                                 |

(Thousands of yen)

|  | Previous Consolidated FY<br>(Oct. 31, 2013) | Current Consolidated FY<br>(Oct. 31, 2014) |
|--|---|--|
| <b>Liabilities</b>                           |   |  |
| Current liabilities                          |   |  |
| Accounts payable-trade                       | 721,102                                     | 826,610                                    |
| Current portion of long-term loans payable   | 788,472                                     | 937,683                                    |
| Income taxes payable                         | 652,248                                     | 428,568                                    |
| Provision for bonuses                        | 207,105                                     | 214,483                                    |
| Other  | 1,802,952                                   | 1,285,980                                  |
| Total current liabilities                    | 4,171,880                                   | 3,693,326                                  |
| Non-current liabilities                      |   |  |
| Long-term loans payable                      | 2,022,866                                   | 2,908,763                                  |
| Deferred tax liabilities                     | -   | 4,120                                      |
| Provision for retirement benefits            | 85,989                                      | -  |
| Net defined benefit liability                | -   | 120,464                                    |
| Provision for directors' retirement benefits | 264,490                                     | 267,393                                    |
| Provision for point card certificates        | 57,260                                      | 65,227                                     |
| Asset retirement obligations                 | 344,584                                     | 362,521                                    |
| Other  | 214,096                                     | 224,219                                    |
| Total non-current liabilities                | 2,989,286                                   | 3,952,708                                  |
| Total liabilities                            | 7,161,166                                   | 7,646,034                                  |
| Net assets                                   |   |  |
| Shareholders' equity                         |   |  |
| Capital stock                                | 347,635                                     | 349,748                                    |
| Capital surplus                              | 412,786                                     | 497,891                                    |
| Retained earnings                            | 6,591,644                                   | 7,488,489                                  |
| Treasury shares                              | (138,112)                                   | (104,428)                                  |
| Total shareholders' equity                   | 7,213,953                                   | 8,231,701                                  |
| Accumulated other comprehensive income       |   |  |
| Remeasurements of defined benefit plans      | -   | (15,122)                                   |
| Total accumulated other comprehensive income | -   | (15,122)                                   |
| Total net assets                             | 7,213,953                                   | 8,216,579                                  |
| Total liabilities and net assets             | 14,375,119                                  | 15,862,613                                 |

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statement of Income)

(Thousands of yen)

|   | Previous Consolidated FY<br>(Nov. 1, 2012-Oct. 31, 2013) | Current Consolidated FY<br>(Nov. 1, 2013-Oct. 31, 2014) |
|---|--|---|
| Net sales   | 14,510,044   | 15,346,410  |
| Cost of sales                                     | 6,418,591  | 6,876,175   |
| Gross profit                                      | 8,091,453  | 8,470,234   |
| Selling, general and administrative expenses      | 6,142,974  | 6,467,142   |
| Operating income                                  | 1,948,478  | 2,003,092   |
| Non-operating income                              |  |   |
| Interest income                                   | 520  | 2,727   |
| Commission fee                                    | 5,184  | 5,958   |
| Insurance income                                  | 752  | 2,941   |
| Subsidy income                                    | -  | 1,815   |
| Other   | 2,001  | 2,094   |
| Total non-operating income                        | 8,459  | 15,536  |
| Non-operating expenses                            |  |   |
| Interest expenses                                 | 30,981   | 27,846  |
| Commission fee                                    | 4,209  | 4,408   |
| Other   | 5,107  | 3,058   |
| Total non-operating expenses                      | 40,299   | 35,313  |
| Ordinary income                                   | 1,916,639  | 1,983,315   |
| Extraordinary income                              |  |   |
| Compensation income                               | 527,854  | 134,729   |
| Total extraordinary income                        | 527,854  | 134,729   |
| Extraordinary losses                              |  |   |
| Loss on retirement of non-current assets          | 17,363   | 10,235  |
| Total extraordinary losses                        | 17,363   | 10,235  |
| Income before income taxes and minority interests | 2,427,130  | 2,107,809   |
| Income taxes-current                              | 1,083,195  | 925,932   |
| Income taxes-deferred                             | (44,342)   | (2,156)   |
| Total income taxes                                | 1,038,852  | 923,775   |
| Income before minority interests                  | 1,388,277  | 1,184,033   |
| Net income  | 1,388,277  | 1,184,033   |

## (Consolidated Statement of Comprehensive Income)

(Thousands of yen)

|   | Previous Consolidated FY<br>(Nov. 1, 2012-Oct. 31, 2013) | Current Consolidated FY<br>(Nov. 1, 2013-Oct. 31, 2014) |
|---|--|---|
| Income before minority interests                        | 1,388,277  | 1,184,033   |
| Other comprehensive income                              |  |   |
| Total other comprehensive income                        | -  | -   |
| Comprehensive income                                    | 1,388,277  | 1,184,033   |
| (Comprehensive income attributable to)                  |  |   |
| Comprehensive income attributable to owners of parent   | 1,388,277  | 1,184,033   |
| Comprehensive income attributable to minority interests | -  | -   |

(3) Consolidated Statement of Changes in Equity  
 Previous Consolidated FY (Nov. 1, 2012 - Oct. 31, 2013)

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | 342,342              | 354,909         | 5,309,674         | (166,675)       | 5,840,250                  |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 5,293                | 5,293           |                   |                 | 10,586                     |
| Dividends of surplus                                 |                      |                 | (106,307)         |                 | (106,307)                  |
| Net income   |                      |                 | 1,388,277         |                 | 1,388,277                  |
| Disposal of treasury shares                          |                      | 52,583          |                   | 28,562          | 81,146                     |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | 5,293                | 57,876          | 1,281,970         | 28,562          | 1,373,702                  |
| Balance at end of current period                     | 347,635              | 412,786         | 6,591,644         | (138,112)       | 7,213,953                  |

|  | Accumulated other comprehensive income  |  | Total net assets |
|--|---|--|------------------|
|  | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                  |
| Balance at beginning of current period               | -                                       | -  | 5,840,250        |
| Changes of items during period                       |   |  |                  |
| Issuance of new shares                               |   |  | 10,586           |
| Dividends of surplus                                 |   |  | (106,307)        |
| Net income   |   |  | 1,388,277        |
| Disposal of treasury shares                          |   |  | 81,146           |
| Net changes of items other than shareholders' equity | -                                       | -  | -                |
| Total changes of items during period                 | -                                       | -  | 1,373,702        |
| Balance at end of current period                     | -                                       | -  | 7,213,953        |

## Current Consolidated FY (Nov. 1, 2013 - Oct. 31, 2014)

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | 347,635              | 412,786         | 6,591,644         | (138,112)       | 7,213,953                  |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 2,112                | 2,112           |                   |                 | 4,225                      |
| Dividends of surplus                                 |                      |                 | (287,188)         |                 | (287,188)                  |
| Net income   |                      |                 | 1,184,033         |                 | 1,184,033                  |
| Disposal of treasury shares                          |                      | 82,992          |                   | 33,684          | 116,676                    |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | 2,112                | 85,105          | 896,845           | 33,684          | 1,017,747                  |
| Balance at end of current period                     | 349,748              | 497,891         | 7,488,489         | (104,428)       | 8,231,701                  |

|  | Accumulated other comprehensive income  |  | Total net assets |
|--|---|--|------------------|
|  | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                  |
| Balance at beginning of current period               | -                                       | -  | 7,213,953        |
| Changes of items during period                       |   |  |                  |
| Issuance of new shares                               |   |  | 4,225            |
| Dividends of surplus                                 |   |  | (287,188)        |
| Net income   |   |  | 1,184,033        |
| Disposal of treasury shares                          |   |  | 116,676          |
| Net changes of items other than shareholders' equity | (15,122)                                | (15,122)                                     | (15,122)         |
| Total changes of items during period                 | (15,122)                                | (15,122)                                     | 1,002,625        |
| Balance at end of current period                     | (15,122)                                | (15,122)                                     | 8,216,579        |



## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

|   | Previous<br>Consolidated FY<br>(Nov. 1, 2012-Oct. 31, 2013) | Current<br>Consolidated FY<br>(Nov. 1, 2013- Oct. 31, 2014) |
|---|---|---|
| <b>Cash flows from operating activities</b>                         |   |   |
| Income before income taxes and minority interests                   | 2,427,130   | 2,107,809   |
| Depreciation  | 851,839   | 939,535   |
| Increase (decrease) in allowance for doubtful accounts              | 3,024   | 6,913   |
| Increase (decrease) in provision for bonuses                        | 33,618  | 7,378   |
| Increase (decrease) in provision for retirement benefits            | 7,974   | (85,989)  |
| Increase (decrease) in net defined benefit liability                | -   | 97,062  |
| Increase (decrease) in provision for directors' retirement benefits | 30,795  | 2,903   |
| Increase (decrease) in provision for point card certificates        | 5,780   | 7,967   |
| Compensation income   | (527,854)   | (134,729)   |
| Loss on retirement of non-current assets                            | 17,363  | 10,235  |
| Interest and dividend income  | (524)   | (2,732)   |
| Interest expenses   | 30,981  | 27,846  |
| Commission for syndicate loan                                       | 1,000   | 1,000   |
| Decrease (increase) in notes and accounts receivable-trade          | (31,553)  | 9,855   |
| Decrease (increase) in inventories                                  | (57,752)  | (27,449)  |
| Increase (decrease) in notes and accounts payable-trade             | 88,190  | 105,508   |
| Increase (decrease) in accounts payable-other                       | 129,805   | (177,261)   |
| Other, net  | 85,153  | 128,968   |
| Subtotal  | 3,094,970   | 3,024,821   |
| Interest and dividend income received                               | 524   | 572   |
| Interest expenses paid  | (31,286)  | (29,629)  |
| Commission for syndicate loan paid                                  | (1,050)   | (1,080)   |
| Proceeds from compensation  | 527,854   | 134,729   |
| Income taxes refund   | 2   | 46  |
| Income taxes paid   | (1,041,151)   | (1,147,371)   |
| Net cash provided by (used in) operating activities                 | 2,549,864   | 1,982,090   |
| <b>Cash flows from investing activities</b>                         |   |   |
| Purchase of property, plant and equipment                           | (1,115,654)   | (2,893,702)   |
| Purchase of intangible assets                                       | (2,579)   | (47,553)  |
| Other, net  | (121,342)   | (147,897)   |
| Net cash provided by (used in) investing activities                 | (1,239,576)   | (3,089,153)   |
| <b>Cash flows from financing activities</b>                         |   |   |
| Proceeds from long-term loans payable                               | 250,000   | 1,950,000   |
| Repayments of long-term loans payable                               | (1,070,165)   | (914,892)   |
| Redemption of bonds   | (80,000)  | -   |
| Proceeds from issuance of common shares                             | 10,586  | 4,225   |
| Proceeds from sales of treasury shares                              | 81,146  | 116,676   |
| Cash dividends paid   | (105,857)   | (286,749)   |
| Other, net  | -   | (322)   |
| Net cash provided by (used in) financing activities                 | (914,289)   | 868,938   |
| Net increase (decrease) in cash and cash equivalents                | 395,998   | (238,124)   |
| Cash and cash equivalents at beginning of period                    | 2,630,545   | 3,026,544   |
| Cash and cash equivalents at end of period                          | 3,026,544   | 2,788,419   |

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No related information.

(Changes in Accounting Policies)

Application of the Accounting Standard for Retirement Benefits

Following the application of the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; excluding the provisions set forth in Clause 35) and “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012; excluding the provisions set forth in Clause 67),” the Company changed its accounting treatment to record the retirement benefit obligations as a net defined benefit liability, and recorded the unrecognized actuarial differences as a net defined benefit liability at the end of the current consolidated fiscal year.

For the application of these accounting standards, etc., in accordance with the transitional accounting treatments set forth in Clause 37 of the Accounting Standard for Retirement Benefits, the monetary effect of these changes has been included in the remeasurements of defined benefit plans of accumulated other comprehensive income at the end of the current consolidated fiscal year.

The result was a net defined benefit liability of 120,464 thousand yen, and a decrease of 15,122 thousand yen in accumulated other comprehensive income at the end of the current consolidated fiscal year.

Net assets per share decreased 1.04 yen.

(Segment Information, etc.)

(Segment Information)

Previous Consolidated Fiscal Year (Nov. 1, 2012-Oct. 31, 2013) and Current Consolidated Fiscal Year (Nov. 1, 2013-Oct. 31, 2014)

The Group's reporting segments include Wedding, Funeral and Nursing-care Operations. However, as Funeral and Nursing-care Operations constitute a very small proportion of total business segments and their importance in terms of disclosure is limited. Accordingly, listing of segment information is omitted.

(Per share Information)

| Previous Consolidated FY<br>(Nov. 1, 2012-Oct. 31, 2013) |            | Current Consolidated FY<br>(Nov. 1, 2013- Oct. 31, 2014) |            |
|--|------------|--|------------|
| Net assets per share                                     | 502.38 yen | Net assets per share                                     | 565.83 yen |
| Net income per share                                     | 97.41 yen  | Net income per share                                     | 82.00 yen  |
| Diluted net income per share                             | 96.99 yen  | Diluted net income per share                             | 81.86 yen  |

Notes

- On April 1, 2013, the Company's common stock was split 2-for-1. However, net assets per share, net income per share and diluted net income per share was calculated assuming stock split at the beginning of the previous consolidated fiscal year.
- Basis for the calculation of net income per share and diluted net income per share are as follows.

|   | Previous Consolidated FY<br>(Nov. 1, 2012-Oct. 31, 2013) | Current Consolidated FY<br>(Nov. 1, 2013- Oct. 31, 2014) |
|---|--|--|
| Net income per share  |  |  |
| Net income on the statement of income (Thousands of yen)  | 1,388,277  | 1,184,033  |
| Net income associated with common shares (Thousands of yen)   | 1,388,277  | 1,184,033  |
| Amount not attributable to common shareholders (Thousands of yen)   | -  | -  |
| Average number of common shares outstanding during the period (Shares)  | 14,251,219   | 14,439,071   |
| Diluted net income per share  |  |  |
| Adjustments to current net income (Thousands of yen)  | -  | -  |
| Number of additional common shares (Shares)   | 63,005   | 24,998   |
| Summary of latent shares not included In the diluted net income per share since there was no dilutive effect. | -  | -  |

The average number of common shares outstanding during the period excludes the Company's stocks owned by "IKK Employee Stock Ownership Association Exclusive Trust Account."

(Material Subsequent Events)

No related information.

## 4. Additional Information

### Change in Officers

#### (1) Change in Representatives

None

#### (2) Change in Other Officers

Retiring director

Part-time director: Toshiyuki Naritomi

(Note) As of the conclusion of the Annual General Meeting of Stockholders scheduled on January 29, 2015, the term of office will expire.

Retiring auditors

Company Auditor (Full-time): Shuichi Komiya

Company Auditor (Part-time): Hidenori Shiraishi

Company Auditor (Part-time): Nobuo Takeda

Company Auditor (Part-time): Seiji Naoe

(Note) As of the conclusion of the Annual General Meeting of Stockholders scheduled on January 29, 2015, the term of office will expire.

Candidate for director

Part-time director: Shuichi Komiya

(Note) Mr. Shuichi Komiya is a candidate for an external director in accordance with Article 2, Item 15 of the Companies Act.

Candidate for auditors

Company Auditor (Full-time): Jyunji Morodomi

Company Auditor (Part-time): Hiromi Fujita

Company Auditor (Part-time): Noriko Kusunoki

Company Auditor (Part-time): Haruki Ito

(Note) Mr. Jyunji Morodomi, Ms. Hiromi Fujita, Ms. Noriko Kusunoki and Mr. Haruki Ito are candidates for external auditors in accordance with Article 2, Item 16 of the Companies Act.

#### (3) Effective Date

January 29, 2015

#### (4) Profile of Newly Appointed Director

Name: Shuichi Komiya

Date of birth: June 24, 1948

Brief career history

June 1999: Manager of Harachuo Branch, THE NISHI-NIPPON BANK, LTD. (current THE NISHI-NIPPON CITY BANK, LTD.)

October 2000: General Manager of Sales Department, THE NISHI-NIPPON BANK, LTD.

September 2003: Seconded to Nishigin Turnaround Partners Representative Director

June 2006: Managing Director, Nishinippon Fudosan Kaihatsu Co., LTD

June 2009: Advisor, Nishinippon Fudosan Kaihatsu Co., LTD

January 2011: Full-time Company Auditor of the Company (to present)

(5) Profile of newly appointed auditors

Name: Jyunji Morodomi

Date of birth: December 22, 1957

Brief career history

April 1980: Joined THE BANK OF FUKUOKA

October 2004: Manager of Kitano Branch

April 2007: Manager of Satsukibashi Branch

April 2013: Operating officer of Audit Department (to present)

Name: Hiromi Fujita

Date of birth: March 8, 1960

Brief career history

April 1980: Joined Nissho-Iwai Corp. (current Sojitz Corporation)

June 1997: Joined Shiraishi Accounting Firm

November 1999: Registered as a certified tax accountant

September 2000: Opened Hiromi Fujita Tax Accountant Office

Name: Noriko Kusunoki

Date of birth: February 7, 1965

Brief career history

June 1996: Registered as a certified tax accountant

June 1996: Opened Kusunoki Noriko Tax Accountant Office

June 2002: Representative Partner, Sion Tax Accountants Corporation

October 2008: Reopened Kusunoki Noriko Tax Accountant Office

Name: Haruki Ito

Date of birth: September 4, 1977

Brief career history

November 2002: Joined Ernst & Young ShinNihon (current Ernst & Young ShinNihon LLC)

January 2007: Registered as a certified public accountant

July 2013: General Manager of Administration Division, Ito Sangyo (to present)

October 2014: Representative Partner, Food Biz Support (to present)

*\* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*