

Supplementary Information for Financial Results of the First Quarter ended June 30, 2016



Friday, July 29, 2016

1. Consolidated Statement of Income

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Both net sales and operating income increased steadily.
On the other hand, ordinary loss and net loss were recorded,
due to the significant exchange rate-related loss caused by
the appreciation of the yen.

Unit: Billion Yen

Consolidated	FY March 2016/1Q	FY March 2017/1Q		FY March 2017
	Actual	Actual	YoY Change	Plan
Net Sales	34.04	37.19	9.2%	140.00
Cost of Sales	14.56	16.18	11.1%	61.60
Selling, General & Administrative Expenses	17.63	18.60	5.5%	67.40
Operating Income	1.85	2.41	30.6%	11.00
Non-operating Income and Expenses	0.52	-3.79	—	0.00
(Exchange rate-related gains and losses)	(0.42)	(-4.10)	—	—
Ordinary income/ loss	2.37	-1.38	—	11.00
Net income/ loss	1.57	-1.08	—	7.00

2. Profitability by segment

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Net sales: Sales increased in all businesses other than the Property Business

Operating income: Operating income increased in all businesses other than the Retail Store Sales Business and Other Business.

- The General Mail Order Business and Solution Business remained especially strong.
- Operating income in the Retail Store Sales Business declined, mainly due to seasonal factors related to the newly acquired Maimu Co., Ltd.

Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

	FY March 2017/1Q								Total
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	
Net Sales	20.44	9.84	3.08	1.48	0.75	0.75	1.08	-0.23	37.19
YoY Change (%)	+0.6%	+22.6%	+27.3%	+29.2%	+7.9%	-0.2%	+24.6%	+27.6%	+9.2%
Operating Income	1.35	0.29	-0.10	0.74	0.20	0.05	-0.03	-0.09	2.41
YoY Change (billion yen)	0.27	0.11	-0.13	0.31	0.04	0.02	-0.04	-0.01	0.57
Operating Income Ratio	6.6%	3.0%	-3.3%	49.8%	26.2%	6.4%	-2.6%	—	6.5%

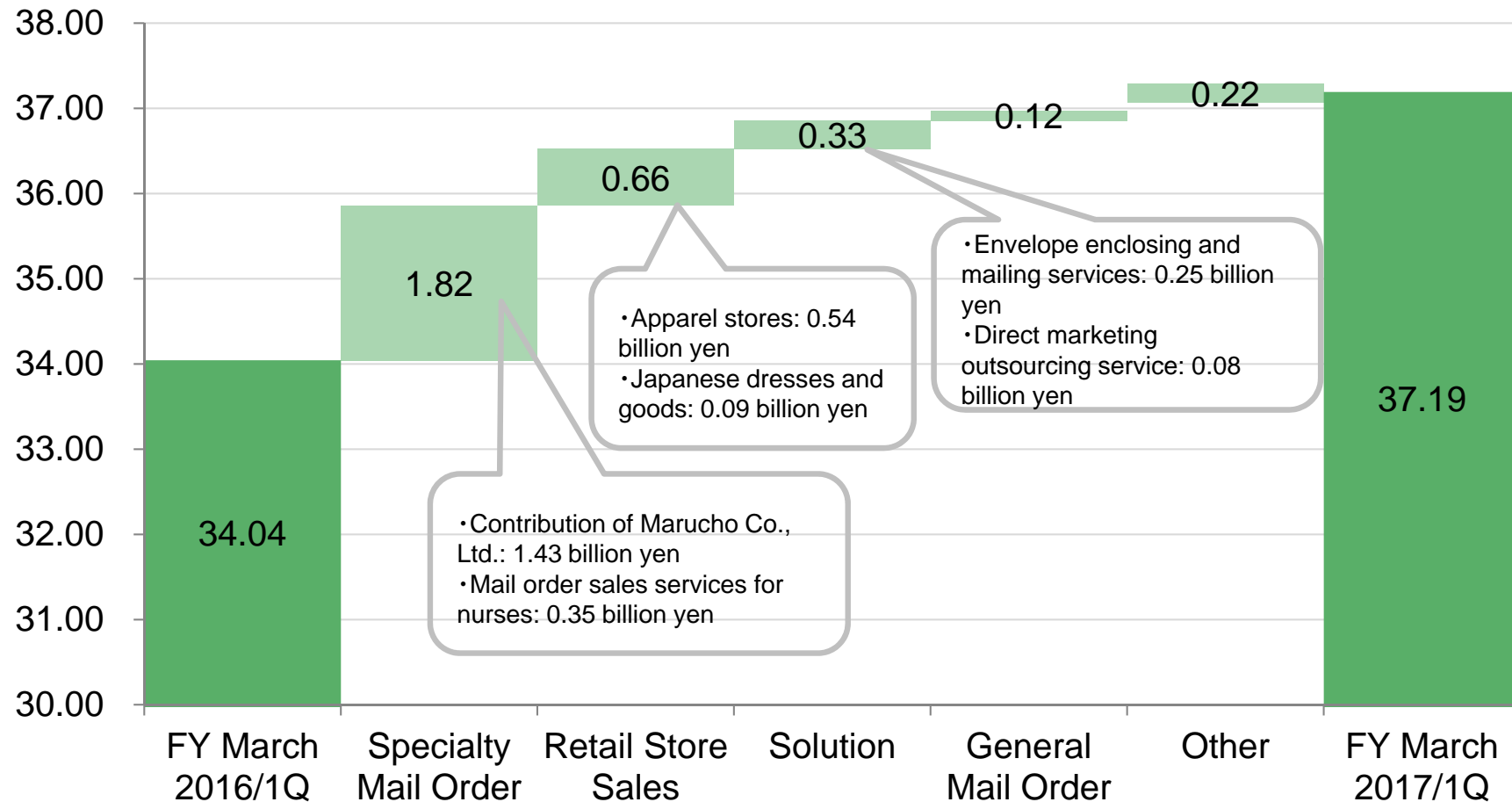
3. Analysis of increases and decreases in sales

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The increase in net sales was driven by the Specialty Mail Order Business, Retail Store Sales Business, and the Solution Business. Although net sales in the General Mail Order Business rose slightly, compared to a year ago orders increased 8.1% in June.

Factors for change in net sales

Unit: Billion Yen



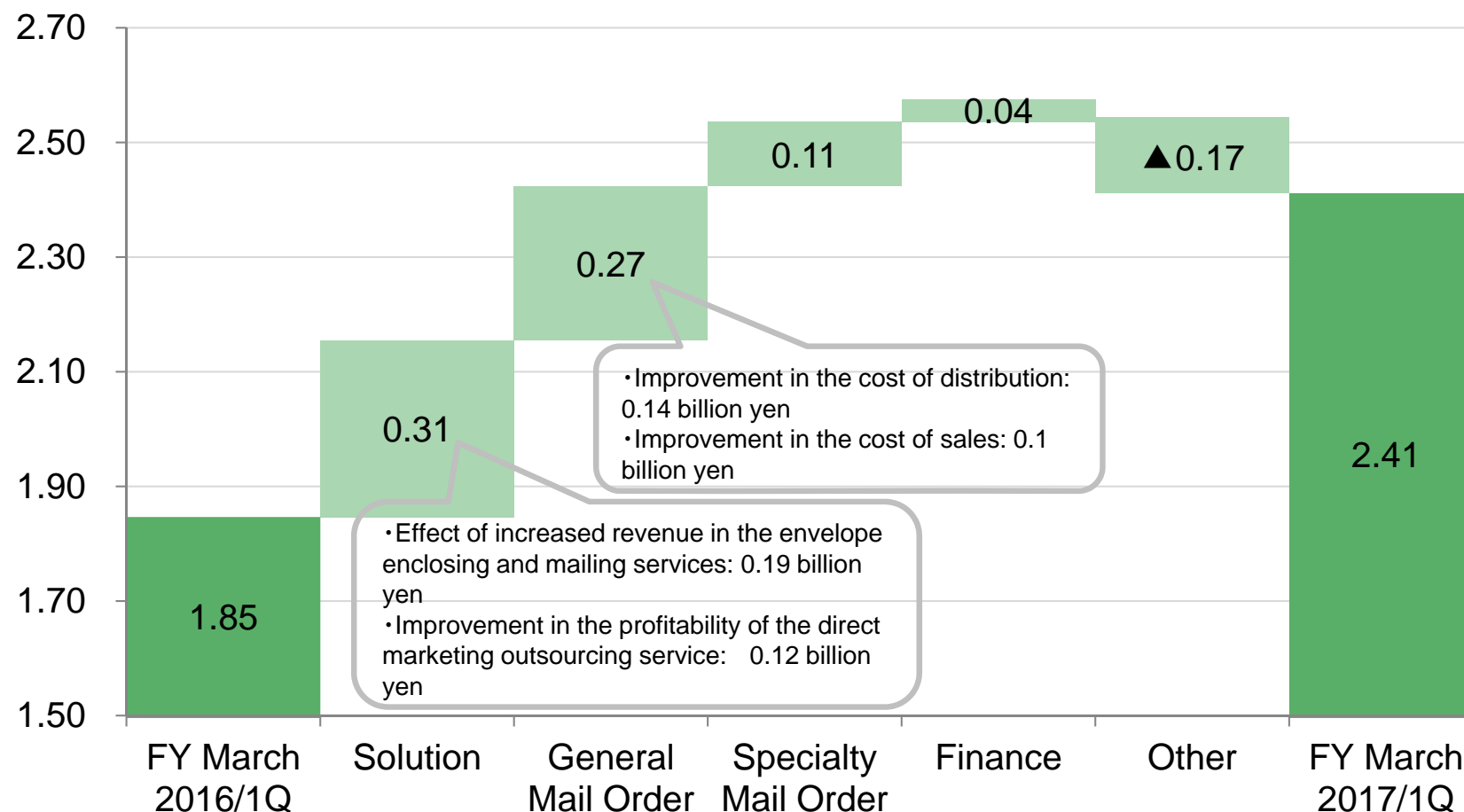
4. Analysis of increases and decreases in operating income

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The Solution Business remained strong due to the effects stemming from increased revenue in the envelope enclosing and mailing services and improved profitability in the direct marketing outsourcing service. The General Mail Order Business also remained strong, thanks to the improved cost of distribution and cost of sales.

Factors for change in operating income

Unit: Billion Yen



5. Consolidated Balance Sheet

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Assets rose, mainly reflecting increases in merchandise and finished goods and real estate for sale in process. On the other hand, liabilities rose, partially due to increased notes and accounts payable - trade and interest bearing liabilities.

Unit: Billion Yen

	FY March 2016	FY March 2017/1Q	Change
Current Assets	74.19	80.36	6.17
Merchandise and finished goods	15.61	17.32	1.71
Real estate for sale in process	4.17	8.97	4.80
Fixed Assets	86.87	87.60	0.74
Tangible fixed assets	59.46	59.43	-0.03
Investments and other assets	19.07	19.95	0.88
Total Assets	161.06	167.96	6.90
Liabilities	80.41	90.11	9.70
Notes and accounts payable - trade	15.63	20.03	4.40
Interest bearing liabilities	46.47	49.04	2.57
Net Assets	80.65	77.85	-2.80
Retained earnings	68.45	66.76	-1.69
[Shareholders' Equity Ratio]	[49.8%]	[46.0%]	[-3.8P]

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the first three months of the fiscal year ending March 31, 2017. Nothing in this document shall be considered to be an offer to sell or a solicitation of an offer to buy securities issued by the Company. It is prepared based on the data available as of July 29, 2016. The opinions and forecasts described in this document reflect the judgments of the Company at the time this document was prepared. The Company neither warrants nor promises the accuracy or completeness of this information. It may be subject to change without prior notice going forward.

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