To Our Shareholders:

Disclosure on the Internet in conformity with Laws and Regulations and the Articles of Incorporations

Notes to Consolidated Financial Statements
Notes to Non-Consolidated Financial Statements

For the 31st Fiscal Year
April 1, 2017 to March 31, 2018

Net One Systems Co., Ltd.

The Company provides “Notes to Consolidated Financial Statements” and “Notes to Non-Consolidated Financial Statements” to its shareholders by posting them on its website (https://www.netone.co.jp/) in accordance with the provisions of laws and regulations and the Articles of Incorporation.
Notes to consolidated financial statements

I. Significant matters related to the basis of preparation of consolidated financial statements

1. Matters related to the scope of consolidation

   (1) Number of consolidated subsidiaries
   
   Names of consolidated subsidiaries
   Net One Partners Co., Ltd.
   Xseed Co., Ltd.

   (2) Names, etc. of non-consolidated subsidiaries
   
   Names of non-consolidated subsidiaries
   Net One Connect G.K.
   Net One Systems USA, Inc.
   Net One Systems Singapore Pte. Ltd.

   (Reason for excluding from the consolidation)
   Those non-consolidated subsidiaries are small in size and their total assets, revenue, the profit
   or loss for the Company’s equity interest, and retained earnings for the Company’s equity
   interest do not have a significant effect on the consolidated financial statements.

2. Matters related to application of equity method

   (1) Number of associates accounted for using equity method
   None

   (2) Non-consolidated subsidiaries (Net One Connect G.K., Net One Systems USA, Inc. and Net One
   Systems Singapore Pte. Ltd.) and affiliates (Asiasoft Solutions Pte. Ltd.) are excluded from the
   scope of application of the equity method, as their profit or loss for the Company’s equity
   interest and retained earnings for the Company’s equity interest do not have a significant effect
   on the consolidated financial statements and their impact are immaterial as a whole.

3. Matters related to accounting period of consolidated subsidiaries

   As of FY2017, Xseed Co., Ltd., a consolidated subsidiary, has changed its closing date of the fiscal
   year from December 31 to March 31.
   As a result of this change in fiscal year-end, the 15 months from January 1, 2017 to March 31, 2018
   were consolidated in FY2017.
   This change had an immaterial impact on the consolidated financial statements for FY2017.
4. Matters related to accounting policies

(1) Basis and method of valuation for significant assets

I. Securities

Available-for-sale securities

Securities with market value Stated at market value based upon market value on the closing date
(Net unrealized holding gains or losses, net of the applicable income taxes, are directly included in a component of net assets. The cost of securities sold is measured by the moving average method.)

Securities without market value Stated at cost based upon the moving average method, or at cost amortized or accumulated over the maturity based upon the straight-line method

II. Derivatives

Stated at market value

III. Inventories

Merchandise Stated at cost based upon the moving average method (The balance sheet amount is adjusted by writing down the book value where the profitability declines.)

Costs on uncompleted construction contracts Stated at cost based upon the specific identification method (The balance sheet amount is adjusted by writing down the book value where the profitability declines.)

(2) Depreciation method for significant depreciable assets

I. Property, plant and equipment (excluding lease assets)

Declining balance method is applied for the Company and its consolidated subsidiaries in Japan.

The major useful lives of assets are:

- Buildings 3-23 years
- Tools, furniture and fixtures 2-20 years

II. Intangible assets (excluding lease assets)

Straight line method is applied for the Company and its consolidated subsidiaries in Japan.

The major useful lives of assets are:

- Software for own use 5 years
- Software for sale 3 years
III. Lease assets

Lease assets in finance leases that transfer ownership to the lessee
Lease assets are depreciated using the same manner to the accounting for the noncurrent assets owned by the Company.

Lease assets in finance leases that do not transfer ownership to the lessee
Lease assets are depreciated using the straight line method over the corresponding lease terms as useful lives with their residual values to be zero.

(3) Basis for significant reserves
I. Allowance for doubtful accounts
Allowance for doubtful accounts is recorded to provide reserve for possible losses on receivables based on the historical uncollectible rate for ordinary receivables and on an estimate of individual collectability of specific doubtful receivables from debtors in financial difficulties.

II. Provision for bonuses
Provision for bonuses is recorded to accrue the amount for bonuses to employees of the Company for the fiscal year.

III. Provision for directors’ bonuses
Provision for directors’ bonuses is recorded to accrue the amount for bonuses to Directors and Audit & Supervisory Board Members of the Company for the fiscal year.

(4) Other significant matters related to the basis of preparation of consolidated financial statements
I. Bases for translation of significant foreign currency denominated assets and liabilities into Japanese yen
Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rate on the closing date of the accounting period, with translation difference charged to profit or loss.

II. Significant hedge accounting method
   a. Hedge accounting method
      Deferral hedge accounting is applied. However, monetary claims and liabilities denominated in foreign currencies subject to forward foreign exchange contracts are translated at the foreign exchange rates stipulated in the contract if the forward foreign exchange contract satisfies the requirements for this treatment. (”Furiate-shori”)
   b. Hedging instruments and hedged items
      Hedging instruments: Forward exchange contract
      Hedged item: Planned transactions denominated in foreign currencies
c. Hedging policy
The Company employs hedging instruments to manage risk exposure to fluctuations in foreign currency exchange rates for foreign currency denominated payables in connection with the purchase of operating assets in the future pursuant to the internal management regulations which define the transaction limit amount and the transaction authority.

d. Assessment of hedge effectiveness
Assessment of hedge effectiveness is omitted for foreign currency forward exchange contracts since their hedge relationship is deemed highly effective.

III. Method and term of amortization of goodwill
Depending on the source of occurrence, the amortization of goodwill is carried out within a five year period using the straight line method.

IV. Accounting for consumption taxes
Transactions subject to national consumption tax and local consumption tax are recorded at amounts exclusive of consumption taxes, and national and local consumption taxes unqualified for deduction are recorded as expenses for FY2017.

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

II. Note to consolidated balance sheet
Total accumulated depreciation of property, plant and equipment  21,830 million yen
III. Notes to consolidated statement of changes in net assets

1. Class and number of issued shares as of March 31, 2018

<table>
<thead>
<tr>
<th>Class of shares</th>
<th>Number of shares as of March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>86,000,000</td>
</tr>
</tbody>
</table>

2. Items regarding dividends from surplus during FY2017

<table>
<thead>
<tr>
<th>Date of resolution</th>
<th>Class of shares</th>
<th>Total cash dividends (million yen)</th>
<th>Cash dividend per share (yen)</th>
<th>Record Date</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 15, 2017</td>
<td>Common stock</td>
<td>1,268</td>
<td>15.00</td>
<td>March 31, 2017</td>
<td>June 16, 2017</td>
</tr>
<tr>
<td>Annual Shareholders Meeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October 30, 2017</td>
<td>Common stock</td>
<td>1,269</td>
<td>15.00</td>
<td>September 30, 2017</td>
<td>November 22, 2017</td>
</tr>
<tr>
<td>Board of Directors Meeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Among the dividends whose record date is within FY2017, those having effective date in FY2018

To be placed on the agenda of the Annual Shareholders Meeting scheduled for June 14, 2018.

<table>
<thead>
<tr>
<th>Date of declaration</th>
<th>Class of shares</th>
<th>Total cash dividends (million yen)</th>
<th>Dividend resource</th>
<th>Cash dividend per share (yen)</th>
<th>Record Date</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 14, 2018</td>
<td>Common stock</td>
<td>1,269</td>
<td>Retained earnings</td>
<td>15.00</td>
<td>March 31, 2018</td>
<td>June 15, 2018</td>
</tr>
<tr>
<td>Annual Shareholders Meeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Class and number of shares to be issued upon the exercise of share acquisition rights (excluding those whose exercise period has not yet commenced) as of March 31, 2018

<table>
<thead>
<tr>
<th>Class of shares</th>
<th>Number of shares as of March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>232,500</td>
</tr>
</tbody>
</table>
IV. Financial instruments

1. Status of financial instruments

(1) Policy on treating financial instruments

With regard to the fund management, the Net One Systems Group (the Group) utilizes highly
secure financial assets for temporary surplus funds. Also it is the Group’s policy to utilize
derivatives to avoid foreign exchange fluctuation risks pertaining to operating debt
denominated in foreign currencies and not to use derivatives for speculation.

(2) Details of financial instruments, and risks and risk management system thereof

Notes and accounts receivable-trade, which are operating receivables, are exposed to customer
credit risks. To manage these risks, the status of collection of these receivables from
counterparties is periodically monitored and the due dates and balances are managed for each
counterparty pursuant to the internal management regulations: and efforts trying to identify at
an early stage and reduce losses from doubtful accounts caused by their worsened financial
positions are made.

Short-term investment securities are commercial papers and exposed to security issuer credit
risks. There are, however, few credit risks because the Group only invests, pursuant to the
internal management regulations, in securities issued by entities with high ratings.

Investment securities, mainly consisted of stocks issued by companies with business relations,
are exposed to risks of the stock issuers’ financial positions. The Group periodically examines
the issuers’ financial positions and continuously reviews the stock holdings in consideration of
relationships with the issuers. In addition to the aforementioned risks, foreign stocks are also
exposed to foreign exchange fluctuation risks.

Default risk of accounts payable-trade, which are operating debt and whose due dates are
within one year, on due dates, are managed by a timely fund management. Some of accounts
payable-trade are denominated in foreign currencies and exposed to foreign exchange
fluctuation risks, but these risks are hedged by forward exchange contracts.

Derivatives adopted are forward exchange contracts used for the purpose of hedging foreign
exchange fluctuation risks arising from operating debt denominated in foreign currencies. The
basic policy on derivatives is determined by the Board of Directors, and the Finance Department
executes and manages derivative transactions pursuant to the internal management
regulations which define the transaction limit amount and the transaction authority. Regarding
hedging instruments and hedged items, hedging policy and method of assessing hedge
effectiveness in hedge accounting, please refer to the aforementioned (4) II. “Significant hedge
accounting method” in “I. Significant matters related to the basis of preparation of consolidated
financial statements, 4. Matters related to accounting policies.”

(3) Supplementary explanation to matters regarding fair values of financial instruments

The contracted amounts related to derivatives, mentioned in “2. Matters regarding fair values of
financial instruments,” in themselves, should not be considered indicative of the market risks
associated with the derivatives.
2. Matters regarding fair values of financial instruments

Consolidated balance sheet amounts and fair values as of March 31, 2018, and their variances, of financial instruments, are as follows. However, financial instruments whose fair values are deemed to be extremely difficult to measure are not included (Note 2).

([unit: million yen])

<table>
<thead>
<tr>
<th>(1) Cash and deposits</th>
<th>21,953</th>
<th>21,953</th>
<th>–</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) Notes and accounts receivable-trade</td>
<td>41,755</td>
<td>41,755</td>
<td>–</td>
</tr>
<tr>
<td>(3) Short-term investment securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for sale securities</td>
<td>1,999</td>
<td>1,999</td>
<td>–</td>
</tr>
<tr>
<td>(4) Accounts payable-trade</td>
<td>(17,551)</td>
<td>(17,551)</td>
<td>–</td>
</tr>
<tr>
<td>(5) Lease obligations</td>
<td>(7,306)</td>
<td>(7,046)</td>
<td>259</td>
</tr>
<tr>
<td>(6) Derivatives</td>
<td>(243)</td>
<td>(243)</td>
<td>–</td>
</tr>
</tbody>
</table>

(*) The figures in parentheses indicate those posted in liabilities.

(Note) 1. Method of fair value measurement of financial instruments and matters regarding securities and derivatives

(1) Cash and deposits, and (2) Notes and accounts receivable-trade

Since these accounts are settled in a short period of time, their fair values are nearly equal to their book values. Therefore, their book values are deemed as their fair values.

(3) Short-term investment securities

Fair values of commercial papers whose maturities are within three months from the acquisition are nearly equal to their book values. Therefore, their book values are deemed as their fair values.

(4) Accounts payable-trade

Since the account is settled in a short period of time, the fair value is nearly equal to the book value. Therefore, the book value is deemed as the fair value.

(5) Lease obligations

The total amount of lease obligations (liabilities–current) and lease obligations (liabilities–non current) is presented.

The fair value is the discounted present value of total principal and interest using an assumed interest rate on equivalent new lease transactions.

(6) Derivatives

I. Derivatives to which hedge accounting is not applied: None.

II. Derivatives to which hedge accounting is applied: Contracted amounts or notional amounts defined in contracts as of consolidated balance sheet date for each hedge accounting method are as follows:
### Hedge Accounting Method

<table>
<thead>
<tr>
<th>Type of Derivatives</th>
<th>Major Hedged Items</th>
<th>Contracted Amounts</th>
<th>Of the Contracted Amounts, Those Over 1 Year</th>
<th>Fair Value</th>
<th>Fair Value Measurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferral Hedge Accounting Method</strong></td>
<td>Purchased forward exchange contracts—U.S. dollar</td>
<td>Accounts payable-trade</td>
<td>16,280</td>
<td>–</td>
<td>(243)</td>
</tr>
<tr>
<td><strong>“Furiate-shori” Method</strong></td>
<td>Purchased forward exchange contracts—U.S. dollar</td>
<td>Accounts payable-trade</td>
<td>5,801</td>
<td>–</td>
<td>(*)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>22,081</td>
<td>–</td>
<td>(243)</td>
</tr>
</tbody>
</table>

(*) Forward exchange contracts under designated hedge accounting ("Furiate-shori") method are accounted for together with accounts payable-trade designated as a hedged item, their fair values are included in the corresponding amount of accounts payable-trade.

(Note) 2. Financial instruments whose fair values are deemed to be extremely difficult to measure

<table>
<thead>
<tr>
<th>Classification</th>
<th>Consolidated Balance Sheet Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlisted equity securities (*)</td>
<td>427</td>
</tr>
</tbody>
</table>

(*) The fair value of unlisted equity securities is not disclosed because their market price is not available and the Company deems it extremely difficult to measure their fair value.

(Note) 3. Scheduled redemption amounts of monetary claims or short-term investment securities with maturity after the consolidated balance sheet date

<table>
<thead>
<tr>
<th>Classification</th>
<th>Within 1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits</td>
<td>21,953</td>
</tr>
<tr>
<td>Notes and accounts receivable-trade</td>
<td>41,755</td>
</tr>
<tr>
<td>Short-term investment securities</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65,708</strong></td>
</tr>
</tbody>
</table>

V. Note Regarding Per Share Information

Net assets per share 711.48 yen
Profit per share 67.16 yen

VI. Note Regarding Significant Subsequent Events

Not applicable.
Notes to non-consolidated financial statements

I. Significant accounting policies

1. Basis and method of valuation for assets

   (1) Securities

      I. Subsidiaries
      Stated at cost based upon the moving average method

      II. Available-for-sale securities

         Securities with market value
         Stated at market value based upon market value on the closing date
         (Net unrealized holding gains or losses, net of the applicable income taxes, are directly included in a component of net assets. The cost of securities sold is measured by the moving average method.)

         Securities without market value
         Stated at cost based upon the moving average method, or at cost amortized or accumulated over the maturity based upon the straight-line method

   (2) Derivatives

      Stated at market value

   (3) Inventories

      I. Merchandise
      Stated at cost based upon the moving average method (The balance sheet amount is adjusted by writing down the book value where the profitability declines.)

      II. Costs for uncompleted construction contracts
      Stated at cost based upon the specific identification method (The balance sheet amount is adjusted by writing down the book value where the profitability declines.)

2. Depreciation method for noncurrent assets

   (1) Property, plant and equipment (excluding lease assets)

      Declining balance method is applied.
      The major useful lives of assets are:
      Buildings 3-23 years
      Tools, furniture and fixtures 2-20 years

   (2) Intangible assets (excluding lease assets)

      Straight line method is applied.
      The major useful-lives of assets are:
      Software for own use 5 years
      Software for sale 3 years
(3) Lease assets
   I. Lease assets in finance leases that transfer ownership to the lessee
      Lease assets are depreciated using the same manner to the accounting for the noncurrent
      assets owned by the Company.
   II. Lease assets in finance leases that do not transfer ownership to the lessee
      Lease assets are depreciated using the straight line method over the corresponding lease
      terms as useful lives with their residual values to be zero.

3. Basis for reserves
   (1) Allowance for doubtful accounts
      Allowance for doubtful accounts is recorded to provide reserve for possible losses on receivables
      based on the historical uncollectible rate for ordinary receivables and on an estimate of
      individual collectability of specific doubtful receivables from debtors in financial difficulties.
   (2) Provision for bonuses
      Provision for bonuses is recorded to accrue the amount for bonuses to employees of the Company
      for the fiscal year.
   (3) Provision for directors’ bonuses
      Provision for directors’ bonuses is recorded to accrue the amount for bonuses to Directors and
      Audit & Supervisory Board Members of the Company for the fiscal year.

4. Other significant matters related to the basis of preparation of non-consolidated financial
   statements
   (1) Bases for translation of foreign currency denominated assets and liabilities into Japanese yen
      Monetary assets and liabilities denominated in foreign currencies are translated into Japanese
      yen at the spot exchange rate on the closing date of the accounting period, with translation
      difference charged to profit or loss.
   (2) Hedge accounting method
      I. Hedge accounting method
         Deferral hedge accounting is applied. However, monetary claims and liabilities
         denominated in foreign currencies subject to forward foreign exchange contracts are
         translated at the foreign exchange rates stipulated in the contract if the forward foreign
         exchange contract satisfies the requirements for this treatment.
         (“Furiate-shori”)
      II. Hedging instruments and hedged items
         Hedging instruments: Forward exchange contract
         Hedged item: Planned transactions denominated in foreign currencies
      III. Hedging policy
         The Company employs hedging instruments to manage risk exposure to fluctuations in
         foreign currency exchange rates for foreign currency denominated payables in connection
         with the purchase of operating assets in the future pursuant to the internal management
         regulations which define the transaction limit amount and the transaction authority.
IV. Assessment of hedge effectiveness

Assessment of hedge effectiveness is omitted for foreign currency forward exchange contracts since their hedge relationship is deemed highly effective.

(3) Accounting for consumption taxes

Transactions subject to national consumption tax and local consumption tax are recorded at amounts exclusive of consumption taxes, and national and local consumption taxes unqualified for deduction are recorded as expenses for FY2017.

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

II. Notes to non-consolidated balance sheet

1. Total accumulated depreciation of property, plant and equipment

21,472 million yen

2. Monetary claims and liabilities to subsidiaries and associates

- Short term monetary claims 4,365 million yen
- Short term monetary liabilities 2,139 million yen

3. Guarantee of obligations of subsidiaries and associates

A guarantee is offered for the following subsidiary’s obligation to its specified supplier.

Net One Partners Co., Ltd. 1,715 million yen

III. Note to non-consolidated statement of income

Transactions with subsidiaries and associates

Transactions relating to the Company's operation

- Revenue 1,473 million yen
- Purchase 9,542 million yen
- Selling, general and administrative expenses 1,670 million yen

Transactions not relating to the Company's operation 1,485 million yen

IV. Note to non-consolidated statement of changes in net assets

Class and number of treasury stock shares as of March 31, 2018

<table>
<thead>
<tr>
<th>Class of shares</th>
<th>Number of shares as of March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>1,384,268</td>
</tr>
</tbody>
</table>
V. Notes regarding tax effect accounting

1. Breakdown of major reason for deferred tax assets and deferred tax liabilities (as of March 31, 2018) (unit: million yen)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets–current</td>
<td></td>
</tr>
<tr>
<td>Accrued enterprise tax</td>
<td>92</td>
</tr>
<tr>
<td>Provision for bonuses</td>
<td>800</td>
</tr>
<tr>
<td>Deferred gains or losses on hedges</td>
<td>37</td>
</tr>
<tr>
<td>Other</td>
<td>268</td>
</tr>
<tr>
<td><strong>Total deferred tax assets–current</strong></td>
<td><strong>1,199</strong></td>
</tr>
<tr>
<td><strong>Net deferred tax assets–current</strong></td>
<td><strong>1,199</strong></td>
</tr>
<tr>
<td>Deferred tax assets–non-current</td>
<td></td>
</tr>
<tr>
<td>Depreciation for tools, furniture and fixtures</td>
<td>887</td>
</tr>
<tr>
<td>Software</td>
<td>124</td>
</tr>
<tr>
<td>Loss on valuation of investment securities</td>
<td>16</td>
</tr>
<tr>
<td>Long-term accounts receivable–other</td>
<td>211</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>116</td>
</tr>
<tr>
<td>Other</td>
<td>67</td>
</tr>
<tr>
<td><strong>Sub-total net deferred tax assets–non-current</strong></td>
<td><strong>1,422</strong></td>
</tr>
<tr>
<td>Valuation allowance</td>
<td>(408)</td>
</tr>
<tr>
<td><strong>Total net deferred tax assets–non-current</strong></td>
<td><strong>1,014</strong></td>
</tr>
<tr>
<td>Deferred tax liabilities–non-current</td>
<td></td>
</tr>
<tr>
<td>Asset retirement cost</td>
<td>(74)</td>
</tr>
<tr>
<td>Valuation difference on available-for-sale securities</td>
<td>(0)</td>
</tr>
<tr>
<td><strong>Total deferred tax liabilities–non-current</strong></td>
<td><strong>(75)</strong></td>
</tr>
<tr>
<td><strong>Net deferred tax assets–non-current</strong></td>
<td><strong>939</strong></td>
</tr>
</tbody>
</table>

2. Breakdown of significant items that lead to a significant difference between statutory tax rate and effective tax rate after adoption of tax effect accounting.

This note has been omitted as the difference between the statutory tax rate and the effective tax rate after adoption of tax effect accounting is 5% or less of the statutory tax rate.
VI. Notes regarding transactions with related parties

Subsidiaries

<table>
<thead>
<tr>
<th>Classification</th>
<th>Company name</th>
<th>Percentage of voting rights holding (held)</th>
<th>Relationship</th>
<th>Transaction</th>
<th>Amount of transaction</th>
<th>Account</th>
<th>As of March 31, 2018</th>
</tr>
</thead>
</table>
| Subsidiary     | Net One Partners Co., Ltd. | Holding directly 100.0% | • Purchase of products  
• Partial outsourcing of back-office operations  
• Loan transactions  
• Guarantee of obligations  
• 1 dispatched executives | Purchase of products (Note 1) | 8,857 | Accounts payable-trade | 1,610 |
|                |              |                                            |              | Partial outsourcing of back-office operations (Note 2) | 1,274 | Other current assets | 115 |
|                |              |                                            |              | Loan transactions (Note 3) | 2,825 | Short-term loans receivable | 3,500 |
|                |              |                                            |              | Interest income (Note 3) | 13 | – | – |
|                |              |                                            |              | Guarantee of obligations (Note 4) | 1,715 | – | – |

Terms and conditions of transactions and the policy of determining the terms and conditions of the transactions:

(Notes) 1. Prices are determined by reference to market prices.
2. Terms and conditions are determined considering the details and descriptions of outsourcing deals and contracts.
3. Interest rates applied to the loan transactions are determined by taking into account the market interest rates. Since loan and collection transactions are repeatedly conducted, the average balance during the fiscal year is given in the amount of transaction section.
4. Guarantee of obligations is provided for the obligations of specific suppliers. The guarantee fees are not collected.
5. The above indicated amount of transaction is exclusive of consumption taxes.

VII. Note regarding per share information

- Net assets per share: 660.02 yen
- Profit per share: 53.18 yen

VIII. Note regarding significant subsequent events

Not applicable.