

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 - June 30, 2022) [IFRS]

July 29, 2022

Company Name: SCSK Corporation
Securities Code: 9719
Stock Exchange Listing: Tokyo Stock Exchange
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Scheduled date of filing quarterly securities reports: August 10, 2022
Scheduled date for dividend payment: -
Preparation of supplementary information material on financial results (yes/no): Yes
Financial results conference for institutional investors and analysts (yes/no): Yes

(Amounts of less than ¥1 million are truncated)

1. Consolidated Business Results for the First Quarter ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results

(Millions of yen unless otherwise stated)

(Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	%		%		%		%		%		%	
Three months ended June. 30, 2022	104,417	5.2	9,937	-8.7	10,100	-9.2	7,009	-9.2	7,006	-9.1	7,271	-11.8
Three months ended June. 30, 2021	99,210	5.1	10,887	5.9	11,130	6.3	7,716	6.0	7,703	6.1	8,244	8.7
			Basic earnings per share		Diluted earnings per share							
			Yen		Yen							
Three months ended June. 30, 2022			22.44		22.44							
Three months ended June. 30, 2021			24.67		24.67							

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Basic earnings per share and Diluted earnings per share have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

(Millions of yen unless otherwise stated)

	Total assets		Total equity		Equity attributable to owners of parent		Ratio of equity attributable to owners of parent to total assets	
							%	
As of June. 30, 2022	398,480		247,579		247,059		62.0	
As of March 31, 2022	407,609		247,363		246,921		60.6	

2. Dividends

	Dividends per share (Yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY2021	—	70.00	—	23.34	—
FY2022	—	—	—	—	—
FY2022 (Forecasts)	—	26.00	—	26.00	52.00

Notes: 1. Revisions during this quarter of dividends forecasts for Fiscal Year 2022: None

2. The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. The second quarter-end dividends per share of FY2021 is presented the amount prior to the stock split. The annual dividends per share of FY2021 is not presented because the amounts cannot be simply combined due to the implementation of the stock split.

3. Consolidated Financial Forecasts for Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

(Millions of yen unless otherwise stated)

(Percentage figures are changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share	
	%		%		%		%		Yen	
Full Year	450,000	8.7	54,000	13.6	54,700	13.2	38,000	13.5	121.71	

Notes: Revisions during this quarter of consolidated earnings forecasts for Fiscal Year 2022: None

※Notes

- (1) Changes in significant subsidiaries during the period : None
- (2) Changes in accounting policies and changes in accounting estimates
- 1) Changes in accounting policies as required by IFRS standards: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None

(3) Number of shares issued (Common stock)

- 1) The number of shares issued as of the period-end (including treasury stock)

As of June 30, 2022	312,545,409 shares
As of March 31, 2022	312,545,409 shares

- 2) The number of shares of treasury stock as of the period-end

As of June 30, 2022	325,876 shares
As of March 31, 2022	325,537 shares

- 3) The average number of shares during the period

As of June 30, 2022	312,219,619 shares
As of June 30, 2021	312,223,035 shares

Notes: The company implemented a stock split by a ratio of three shares per share with an effective date of October 1, 2021. Number of shares issued (Common stock) has been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

- ※ Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.
- ※ Proper use of earnings forecasts, and other special matters
- The financial forecasts contained in this document are based on the information currently available and certain assumptions deemed reasonable. Actual results may vary from these forecasts for various reasons. With regard to the assumptions on which financial forecasts are based and other explanatory notes in connection with the use of financial forecasts, please refer to “Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023” on page 3.
 - The Company will hold a results briefing for institutional investors and analysts on July 29, 2022. Materials used in the briefing, a transcript of the main questions and answers, and other related information will be published on the Company’s website promptly thereafter.

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1. Qualitative Information Regarding Operating Results for the Three-month Period Ended June 30, 2022

(1) Analysis of Operating Results

In the three-month period ended June 30, 2022, the global economy was impacted by the rising resource prices resulted from the situation in Ukraine as well as by the pressure on production activities from supply limitations. Meanwhile, economic activity in Japan picked up as the impacts of the COVID-19 pandemic subsided, resulting in improvements in corporate business sentiment and otherwise contributing to a gradual recovery in the domestic economy.

The Japanese economy is anticipated to show a recovery trend amid ongoing support from fiscal and financial measures as economic and social activities return to normal. However, COVID-19 case numbers are once again on the rise, and there is concern for the potential prolongation of the situation in Ukraine as well as for delays in the recovery of economic activities in China. These factors are contributing to an environment wrought with the threat of economic recession due to supply restrictions stemming from rising raw material prices and supply chain disruptions and large interest rate hikes instituted overseas for combatting inflation as well as of rapid yen depreciation, and the potential economic ramifications of these factors are making for an opaque outlook.

In this economic environment, the IT services market continues to enjoy an upward trend in IT investment. Ongoing growth in demand for IT investment is expected amid uncertain outlooks for performance due to global rises in commodity prices and protracted supply chain disruptions. This demand will be driven by a strong appetite for IT investment for growing businesses and bolstering competitiveness seen among a wide range of industries. Targets of this demand will include transitioning from existing systems to cloud systems to accommodate the increasingly digital society.

Demand for IT investment is increasing among customers in the manufacturing industry. Outlets for this investment demand included digitalization as well as strategic investments and the redevelopment of core systems for strengthening operating foundations. In the financial industry, demand was firm for IT investment for the purpose of digitalizing the international systems of banks. As for the communications industry, IT investment demand was up for network augmentation applications.

In addition, consistent demand is being seen for cloud IT services amid investment demand for redeveloping core systems to address the ends of software service periods. Other factors driving this trend include shortages of IT personnel and a robust appetite for improvements in operational efficiency and productivity among corporate management. This situation is expected to generate ongoing demand for systems redevelopment and strategic IT investment demand prefaced on digital transformation.

In the three-month period ended June 30, 2022, net sales increased 5.2%, to ¥104,417 million, as a result of higher sales in the Systems Development, System Maintenance and Operation / Services, and Packaged Software / Hardware Sales segments. This sales growth was driven by systems development demand from the manufacturing industry and higher sales of network equipment to the communications industry.

Despite the benefits of the rise in net sales, operating profit declined 8.7%, to ¥9,937 million, and profit attributable to owners of the parent similarly decreased 9.1%, to ¥7,006 million. This was due to higher expenses associated with business investments conducted based on the core strategies of the mid-term management plan including depreciation of newly established data centers and amortization of in-house developed ERP package ProActive C4 released last year, and expenses related to television commercial broadcasting aimed at enhancing corporate brand value, as well as an increase in sales activity expenses such as traveling expenses, associated with the return of operating activities from COVID-19 pandemic amid normalization of economic and social activities.

In the pursuit of further growth, the SCSK Group will be promoting sustainability management as a growth

strategy. Positioning its corporate philosophy and materiality items as the Group's purpose, the SCSK Group will pursue its vision of becoming a co-creative IT company in 2030 with the goal of achieving sustainable development together with society. In its new medium-term management plan, the Group has defined three core strategies—core business innovation, commercialization of DX (digital transformations), and investment in people—and three managerial foundation reinforcement measures—augmentation of comprehensive Group capabilities, promotion of management that fully exercises our employees' potential, and fostering of co-creation-oriented corporate culture. These core strategies and managerial foundation reinforcement measures will be advanced to grow the Group's business on a global scale and move it toward the realization of its vision.

(2) Summary of Financial Position

Cash and cash equivalents ("cash") as of June 30, 2022, increased ¥4,024 million compared to March 31, 2022, to ¥125,276 million. The changes in each type of cash flow and the main factors for such changes are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was ¥14,757 million (decreased ¥11,820 million in comparison to the same period of the previous fiscal year).

The main cash inflow factors were profit before tax of ¥10,100 million, depreciation and amortization of ¥5,142 million, a decrease in trade and other receivables of ¥20,124 million, and an increase in contract liabilities of ¥6,361 million. The main cash outflow factors were a decrease in trade and other payables of ¥3,623 million, a decrease in employee benefits of ¥4,338 million, and payment for income taxes of ¥10,794 million.

(Cash flow from investing activities)

Net cash used in investing activities was ¥6,946 million (decreased ¥3,157 million in comparison to the same period of the previous fiscal year).

The main cash outflow factors were payment for purchase of property, plant and equipment of ¥6,003 million, and purchase of intangible assets of ¥1,120 million.

(Cash flow from financing activities)

Net cash used in financing activities was ¥4,270 million (increased ¥400 million in comparison to the same period of the previous fiscal year).

The main cash inflow factor was proceeds from long-term debt of ¥5,250 million. The main cash outflow factors were repayments of lease liabilities of ¥2,308 million, dividend payments of ¥7,286 million (¥23.34 per share) for the year-end dividend of the fiscal year ended March 31, 2022.

(3) Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023

Performance in the three-month period ended June 30, 2022, was within the scope of the Company's initial forecast. Accordingly, the Company has chosen not to revise the full-year consolidated financial results forecasts for the fiscal year ending March 31, 2023, announced on April 28, 2022.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of Yen)

	As of Mar. 31, 2022	As of June. 30, 2022
Assets		
Current assets		
Cash and cash equivalents	121,251	125,276
Trade and other receivables	74,259	54,433
Contract assets	10,104	13,818
Inventories	9,125	7,332
Other financial assets	1,082	781
Income taxes receivable	0	223
Other current assets	14,231	19,173
Total current assets	230,055	221,039
Non-current assets		
Property, plant and equipment	71,853	74,668
Right-of-use assets	41,434	40,758
Goodwill and intangible assets	26,495	26,581
Investments accounted for using equity method	10,177	10,516
Other receivables	8,012	7,837
Other financial assets	8,280	7,770
Deferred tax assets	3,249	852
Other non-current assets	8,050	8,454
Total non-current assets	177,553	177,440
Total assets	407,609	398,480

(Millions of Yen)

	As of Mar. 31, 2022	As of June. 30, 2022
Liabilities		
Current liabilities		
Trade and other payables	32,628	28,332
Contract liabilities	14,037	20,401
Liabilities for employee benefits	10,540	6,291
Bonds and borrowings	16,996	16,999
Lease liabilities	9,164	9,813
Other financial liabilities	297	215
Income taxes payable	10,917	361
Provisions	278	176
Other current liabilities	6,313	5,368
Total current liabilities	101,175	87,958
Non-current liabilities		
Bonds and borrowings	19,462	24,716
Lease liabilities	33,348	31,887
Other payables	169	166
Liabilities for employee benefits	1,956	1,999
Provisions	4,061	4,100
Other non-current liabilities	70	70
Total non-current liabilities	59,069	62,941
Total liabilities	160,245	150,900
Equity		
Share capital	21,152	21,152
Retained earnings	223,300	223,020
Treasury shares	-293	-294
Other components of equity	2,761	3,180
Total equity attributable to owners of parent	246,921	247,059
Non-controlling interests	442	520
Total equity	247,363	247,579
Total liabilities and equity	407,609	398,480

(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income

Condensed Quarterly Consolidated Statements of Income

Three-month period ended June 30, 2021 and 2022

(Millions of Yen)

	From Apr. 1, 2021 to June. 30, 2021	From Apr. 1, 2022 to June. 30, 2022
Net sales	99,210	104,417
Cost of sales	-73,781	-78,428
Gross profit	25,428	25,989
Selling, general and administrative expenses	-14,592	-16,053
Other income	92	50
Other expenses	-41	-49
Operating profit	10,887	9,937
Finance income	48	75
Finance costs	-131	-135
Share of profit (loss) of investments accounted for using equity method	326	224
Profit before tax	11,130	10,100
Income tax expense	-3,413	-3,091
Profit	7,716	7,009
Profit attributable to		
Owners of parent	7,703	7,006
Non-controlling interests	12	2
Earnings per share		
Basic earnings per share (Yen)	24.67	22.44
Diluted earnings per share (Yen)	24.67	22.44

Condensed Quarterly Consolidated Statements of Comprehensive Income
Three-month period ended June 30, 2021 and 2022

(Millions of Yen)

	From Apr. 1, 2021 to June. 30, 2021	From Apr. 1, 2022 to June. 30, 2022
Profit	7,716	7,009
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	120	-501
Share of other comprehensive income of investments accounted for using equity method	31	132
Total of items that will not be reclassified to profit or loss	151	-368
Items that may be reclassified to profit or loss		
Cash flow hedges	56	-98
Exchange differences on translation of foreign operations	309	704
Share of other comprehensive income of investments accounted for using equity method	10	24
Total of items that may be reclassified to profit or loss	375	630
Total other comprehensive income, net of tax	527	262
Comprehensive income	8,244	7,271
Comprehensive income attributable to		
Owners of parent	8,231	7,268
Non-controlling interests	12	2

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three-month period ended June 30, 2021 (April 1, 2021 - June 30, 2021)

(Millions of Yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2021	21,152	—	203,893	-285	2,114	226,874	464	227,338
Profit	—	—	7,703	—	—	7,703	12	7,716
Other comprehensive income	—	—	—	—	527	527	—	527
Comprehensive income	—	—	7,703	—	527	8,231	12	8,244
Dividends of surplus	—	—	-7,283	—	—	-7,283	—	-7,283
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-4	—	-4	—	-4
Disposal of treasury shares	—	—	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Transfer to non-financial assets	—	—	—	—	-73	-73	—	-73
Total transactions with owners	—	—	-7,283	-4	-73	-7,361	—	-7,361
Balance at June 30, 2021	21,152	—	204,313	-290	2,569	227,744	476	228,221

Three-month period ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(Millions of Yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at April 1, 2022	21,152	—	223,300	-293	2,761	246,921	442	247,363
Profit	—	—	7,006	—	—	7,006	2	7,009
Other comprehensive income	—	—	—	—	262	262	—	262
Comprehensive income	—	—	7,006	—	262	7,268	2	7,271
Dividends of surplus	—	—	-7,286	—	—	-7,286	—	-7,286
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	75	75
Purchase of treasury shares	—	—	—	-0	—	-0	—	-0
Disposal of treasury shares	—	0	—	0	—	0	—	0
Transfer from retained earnings to capital surplus	—	-0	0	—	—	—	—	—
Transfer to non-financial assets	—	—	—	—	156	156	—	156
Total transactions with owners	—	—	-7,285	-0	156	-7,130	75	-7,055
Balance at June 30, 2022	21,152	—	223,020	-294	3,180	247,059	520	247,579

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	From Apr. 1, 2021 to June. 30, 2021	From Apr. 1, 2022 to June. 30, 2022
Cash flows from operating activities		
Profit before tax	11,130	10,100
Depreciation and amortization	5,005	5,142
Finance income	-48	-75
Finance costs	131	135
Share of loss (profit) of investments accounted for using equity method	-326	-224
Decrease (increase) in trade and other receivables	17,617	20,124
Decrease (increase) in contract assets	646	-3,696
Decrease (increase) in inventories	68	1,792
Increase (decrease) in trade and other payables	-1,522	-3,623
Increase (decrease) in contract liabilities	5,669	6,361
Increase (decrease) in employee benefits	-5,554	-4,338
Increase (decrease) in provisions	-28	-89
Other	-3,087	-6,136
Subtotal	29,701	25,473
Interest and dividends received	186	210
Interest paid	-145	-132
Income taxes refund (paid)	-3,164	-10,794
Net cash provided by (used in) operating activities	26,577	14,757
Cash flows from investing activities		
Purchase of property, plant and equipment	-2,325	-6,003
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	-1,027	-1,120
Purchase of other financial assets	-46	-85
Proceeds from sales and redemptions of other financial assets	1	300
Other	-391	-36
Net cash provided by (used in) investing activities	-3,789	-6,946
Cash flows from financing activities		
Repayments of loans and redemption of bonds	-100	—
Proceeds from long-term debt	—	5,250
Proceeds from issuance of bonds	4,972	—
Repayments of lease liabilities	-2,264	-2,308
Capital contribution from non-controlling interests	—	75
Dividends paid	-7,283	-7,286
Other	6	-0
Net cash provided by (used in) financing activities	-4,670	-4,270
Effect of exchange rate changes on cash and cash equivalents	276	483
Net increase (decrease) in cash and cash equivalents	18,394	4,024
Cash and cash equivalents at beginning of period	108,768	121,251
Cash and cash equivalents at end of period	127,163	125,276

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

No applicable items.

(Notes Concerning the Significant Changes in Shareholder's Equity)

No applicable items.

(Segment Information)

1. Summary of reportable segments

The Group's operating segments are the components of the Group for which discrete financial information is available and which are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance. The Company formulates comprehensive domestic and overseas strategies pertaining to the products and services it offers according to the characteristics of client industries and IT service business areas, and develops businesses in accordance with these strategies.

Based on these business activities, the Company has defined the following six reportable segments: Industrial IT Business, Financial IT Business, IT Business Solutions, IT Platform Solutions, IT Management Service, and Others.

The Company determines its reportable segments by aggregating multiple operating segments into a single operating segment in cases in which the applicable operating segments share similarities with regard to each of the following economic characteristics: (a) the nature of the products and services, (b) the nature of the production processes, (c) the type or class of customer for their products and services, (d) the methods used to distribute their products or provide their services; and if applicable, (e) the nature of the regulatory environment. The business activities of the Company's reportable segments are as follows:

(1) Industrial IT Business

This segment provides various IT solutions through systems development and maintenance and operation services for core systems, manufacturing management systems, information management systems, supply chain management (SCM) systems, customer relationship management (CRM) systems and other systems. This segment's services leverage the experience and knowhow that we have cultivated over many years. The clients of this segment are primarily companies in the manufacturing, communications, energy, distribution, service, and media industries.

Moreover, this reportable segment supplies the automotive industry with a wide range of solutions for automobile electronic control units on a global basis. These solutions include the development of embedded software through a model-based development approach, proprietary SCSK middleware (QINeS-BSW), software assessments, and process improvement measures.

(2) Financial IT Business

This segment engages in systems development, maintenance, and operation services for financial institutions. As professionals that understand financial operations and possess a strong track record of creating sophisticated financial systems, members of this segment's staff support secure and efficient management and help clients implement their financial business strategies. The segment provides these services primarily to financial institutions, such as banks and trust banks as well as insurance, securities, lease, and credit companies.

(3) IT Business Solutions

This segment provides a wide range of IT solutions. These solutions include e-commerce (EC) services, contact center services as well as application management outsourcing (AMO) services that cover the entire system lifecycle, from development and installation to maintenance and operation services, for enterprise resources planning (ERP) and CRM products, such as the segment's internally developed ProActive ERP package, SAP, and Oracle offerings as well as Salesforce. In addition, this segment offers the type of business process outsourcing (BPO) services that only an IT company can provide. These services merge support performed by human hands with IT.

(4) IT Platform Solutions

This segment draws on solid technical capabilities and knowhow to leverage computer-aided design (CAD), computer aided engineering (CAE), and other advanced technologies in the fields of IT infrastructure

and manufacturing. In this way, the IT Platform Solutions provides services and products that accurately address the needs of clients and offers flexible support for a wide range of client businesses.

(5) IT Management Service

This segment develops solutions-oriented netXDC data centers, which boast robust facilities and high-level security, to provide clients with proposal-based outsourcing services that address their management issues pertaining to operating cost reductions, infrastructure integration and optimization, governance enhancement, and business risk mitigation. The segment also supplies cloud infrastructure and offers its on-site SE support management services 24 hours a day, 365 days a year.

(6) Others

This segment performs remote development (nearshore development) and provides other services out of Group companies that leverage the characteristics of its regional bases and the software development, system operation and management, system equipment sales, and consulting services it provides for a wide range of industries and business models.

The Others businesses did not meet the quantitative thresholds for reportable segments both in the fiscal year ended March 31, 2022 and the fiscal year ended March 31, 2023.

2. Reorganization of reportable segments, etc.

In conjunction with the partial revision of the internal organization, the method for classifying reportable segments has been revised.

In addition, SCSK NEC Data Center Management, Ltd. was established on April 1, 2022, and has been included in the scope of consolidation and classified into the IT Management Service segment.

Segment information for the three-month period ended June 30, 2021, has been restated to reflect this change in reportable segments.

3. Profits, Losses, and Other Information Pertaining to Reportable Segments

Three-month period ended June 30, 2021 (April 1, 2021 - June 30, 2021)

(Millions of Yen)

	Reportable Segment							Adjustments (Note2)	Amount recorded in consolidated financial statements
	Industrial IT Business	Financial IT Business	IT Business Solutions	IT Platform Solutions	IT Management Service	Others	Total		
Net sales									
Sales to external customers	31,381	14,208	15,667	18,781	13,836	5,402	99,278	-67	99,210
Inter segment sales (Note1)	2,606	141	1,430	1,636	4,418	2,506	12,739	-12,739	—
Total	33,987	14,350	17,098	20,418	18,254	7,908	112,017	-12,807	99,210
Operating profit (loss)	3,709	1,958	1,513	2,323	1,654	255	11,414	-527	10,887
							Finance income		48
							Finance costs		-131
							Share of profit (loss) of investments accounted for using equity method		326
							Profit before tax		11,130

Notes: 1. Amounts for inter-segment transactions are decided based on price negotiations made with reference to market prices.

2. The amount of ¥67 million reduction for sales to external customers includes adjustment to reflect net sales to be conformity with IFRS. The ¥527 million reduction to operating profit is comprised of ¥750 million in general corporate expenses that have not been allocated to the reportable segments and a ¥223 million adjustment to reflect net sales as defined by IFRS.

Three-month period ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(Millions of Yen)

	Reportable Segment							Adjustments (Note2)	Amount recorded in consolidated financial statements
	Industrial IT Business	Financial IT Business	IT Business Solutions	IT Platform Solutions	IT Management Service	Others	Total		
Net Sales									
Sales to external customers	33,701	14,242	16,144	20,938	13,862	5,407	104,297	119	104,417
Inter segment sales (Note1)	3,343	150	1,452	1,527	4,923	2,963	14,360	-14,360	—
Total	37,045	14,393	17,596	22,466	18,786	8,370	118,658	-14,241	104,417
Operating profit (loss)	3,521	1,883	1,394	2,814	1,056	-8	10,660	-723	9,937
							Finance income		75
							Finance costs		-135
							Share of profit (loss) of investments accounted for using equity method		224
							Profit before tax		10,100

Notes: 1. Amounts for inter-segment transactions are decided based on price negotiations made with reference to market prices.

2. The amount of ¥119 million for sales to external customers includes adjustment to reflect net sales to be conformity with IFRS. The ¥723 million reduction to operating profit is comprised of ¥830 million in general corporate expenses that have not been allocated to the reportable segments and a ¥107 million adjustment to reflect net sales as defined by IFRS.

(Significant Subsequent Events)

No applicable items.