

# Summary of Consolidated Financial Results for the First Half of Fiscal Year ending March 31, 2013 (Japanese Accounting Standards)



November 6, 2012

Listed Company Name:  **富士ソフト株式会社** Listing Exchanges: Tokyo Stock Exchange

Securities Code: 9749 URL <http://www.fsi.co.jp/>  
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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): November 8, 2012  
Scheduled date of dividend payment: December 10, 2012  
Supplementary documents for quarterly results: Yes  
Quarterly results briefing: Yes

(Figures less than one million yen are omitted)

## 1. Consolidated Business Results for the Six Months Ended September 30, 2012 (April 1, 2012 – September 30, 2012)

(1) Consolidated operating results (cumulative total) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended 9/12	70,304	6.9	4,007	90.6	3,740	141.3	1,468	454.3
Six months ended 9/11	65,788	-1.6	2,102	37.8	1,550	-1.6	264	-79.5

(Note) Comprehensive income: Six months ended September 30, 2012: 1,236 million yen (168.6%)  
Six months ended September 30, 2011: 460 million yen (-47.5%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Six months ended 9/12	46.78	—
Six months ended 9/11	8.31	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended 9/12	149,151	85,484	50.6
Year ended 3/12	155,744	85,188	48.0

Reference: Shareholders' equity (million yen) Six months ended 9/12: 75,398 Year ended 3/12: 74,690

## 2. Dividends

	Dividend per share				
	End of first quarter	End of interim period	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 3/12	—	10.00	—	10.00	20.00
Year ending 3/13	—	11.00	—	—	—
Year ending 3/13 (forecast)	—	—	—	11.00	22.00

(Note) Revisions to dividend forecasts published most recently: No

## 3. Forecast for Consolidated Business Results for the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	137,600	2.8	7,300	46.0	7,050	54.7	3,200	87.8	101.96

(Note) Revisions to dividend forecasts published most recently: No

\* Notes

(1) Important changes in subsidiaries during this quarter (changes in specified subsidiaries resulting in change in scope of consolidation):  
Not applicable

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles and changes or restatement of accounting estimates  
 (i) Changes in accounting principles due to amendment of accounting standards, etc.: Not applicable  
 (ii) Changes in accounting principles other than (i): Not applicable  
 (iii) Changes in accounting estimates: Not applicable  
 (iv) Restatement: Not applicable

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period  
(including treasury stock):

9/12:	34,746,000 shares	Year ended 3/12:	34,746,000shares
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2) Number of treasury stock at the end of period

9/12:	3,361,463 shares	Year ended 3/12:	3,361,324 shares
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3) Average number of shares during the period  
(quarterly consolidated cumulative period)

9/12:	31,384,631 shares	9/11:	31,885,026 shares
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\* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

\* Cautionary statement with respect to forward-looking statements

The above forecast has been prepared based on data available on the announcement date. Since the data contains uncertainties, actual results may differ materially from the projections above due to changes in business performance and other factors.

For assumptions concerning financial forecasts, please refer to 1. Qualitative Information on Consolidated Results for the First Half Ended September 30, 2012, (3) Qualitative information on the consolidated financial forecasts on page 3 of the accompanying materials.

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## 1. Qualitative Information on Consolidated Results for the First Half Ended September 30, 2012

### (1) Qualitative information on consolidated results

During the first half of the consolidated fiscal year under review, the Japanese staged a gradual recovery, given demand from reconstruction projects in areas affected by the 2011 disaster. However, the outlook remained uncertain, mainly reflecting the sluggish global economy, which was grappling with the debt crisis in Europe, and the emergence of business risks in China.

In the IT industry, IT investments remained steady, as investments that had been held back due to a prolonged recession began to return and demand emerged from companies seeking to streamline and strengthen the management system to meet the growing globalization.

Under its medium-term target, “creating a high value-added structure,” the FUJISOFT Group aims to become an innovative corporate group that links ICT development to greater value for customers, and it has been taking a range of initiatives in all its business segments with the key words, “cloud” (including internet-related businesses), “robot technologies,” and “mobile” (including various internet connection devices).

Specifically, the Group has been improving its operations by strengthening the high value-added ICT technologies business in which the Group excels, such as mobile and cloud computing, and actively allocating its management resources to high-growth businesses and businesses that have strong market needs, such as the internet business sectors, where customers operate strategically, and the telecommunication infrastructure business, which requires improvements to respond to faster networks. The Group has also been taking steps to bolster the prime business, chiefly by strengthening its capabilities to respond to customers’ requirements, to manage sales and control projects.

As for the promotion of productization and services, the Group strengthened and reviewed the existing products, such as FSDTV and FSmobile, to expand its global operations and increase sales. It also launched sales of moreNOTE file storage services for smart devices, as a new strategic product. The Group has also been taking steps to develop new business opportunities for PALRO, a humanoid robot, by introducing it to the nursing care sector and other approaches.

In the global business, the Company established a Seoul Branch. Moreover, Cybernet Systems Co., Ltd., the consolidated subsidiary of the Company, established a subsidiary in South Korea, while Vinculum Japan Corporation, another consolidated subsidiary, set up a subsidiary in Malaysia. These subsidiaries started their operations in July 2012 to further explore business opportunities.

With respect to the other Group’s strategic activities, to optimize its management resources, the Group sold all shares in FUJISOFT KCS Co., Ltd. on July 31, 2012, while it initiated the merger of FUJISOFT SERVICE BUREAU INCORPORATED and FUJISOFT SSS, INC. on October 1, 2012.

As a result, net sales for the first half under review stood at 70,304 million yen, up 6.9% year on year. Selling, general, and administrative expenses were reduced 3.3% year on year, to 12,724 million yen, mainly attributable to cost cutting. With these factors, operating income and ordinary income amounted to 4,007 million yen (up 90.6% year on year) and 3,740 million yen (rising 141.3%) respectively.

Net income came to 1,468 million yen, up 454.3% from the previous fiscal year, reflecting the recording of extraordinary income as a result of sales of the subsidiary.

Results by business segment were as follows:

#### (i) SI (system integration) business

In the SI business, sales of embedded software related to automobiles, smartphones, and base stations remained steady. Meanwhile, sales of operation software increased, reflecting the strong performance associated with social infrastructure and the internet business, as well as the effects of the acquisition of projects related to the integration of financial institutions. In the outsourcing business, sales declined, as a result of sales of FUJISOFT KCS Co., Ltd. on July 31, 2012. In the other SI business, sales from renewals of maintenance contracts in CAE products at Cybernet Systems Co., Ltd. and the building of networks and servers at CYBER COM Co., Ltd. increased. As a result, net sales stood at 66,078 million yen, up 7.1% year on year. Operating income was 3,551 million yen, rising 112.5%.

The following table shows a breakdown of net sales in the SI business.

(Thousand yen)

	Net sales	YoY change (%)
SI business total	66,078,169	107.1
Embedded Software Development	19,916,465	112.7
Operating Software Development	26,868,117	109.9
Outsourcing Business	6,771,037	95.8
Other business (including sales of products and hardware)	12,522,548	100.3

#### (ii) Facility business

Sales were 954 million yen, down 2.0% year on year, reflecting rent income from office buildings owned by the Company and certain consolidated subsidiaries. Operating income declined 16.9% year on year, to 339 million yen partly because of the effect of the

replacement of tenants.

(iii) Other businesses

Sales were 3,272 million yen, up 4.2% year on year, reflecting revenues in the data entry business and contact center business. Other businesses produced operating income of 114 million yen, up 402.8% year on year.

(2) Qualitative information on the consolidated financial position

(Total assets)

Total assets stood at 149,151 million yen at the end of the first half under review, down 6,593 million yen from the end of the preceding consolidated fiscal year. Current assets were 47,073 million yen (down 1,946 million yen from the end of the previous fiscal year), and noncurrent assets were 102,077 million yen (falling 4,647 million yen).

Important factors in the change in current assets included notes and accounts receivable-trade of 26,349 million yen, a decline of 2,015 million yen.

The main factors of the change in noncurrent assets included investment securities of 14,267 million yen, falling 1,087 million yen, of investments and other assets.

(Liabilities)

At the end of the first half under review, total liabilities amounted to 63,666 million yen, down 6,889 million yen from the end of the previous fiscal year. Current liabilities were 37,084 million yen (falling 3,258 million yen from the end of the previous fiscal year), and noncurrent liabilities were 26,581 million yen (declining 3,630 million yen).

Primary factors in the change in current liabilities included short-term loans of 5,500 million yen, down 3,368 million yen.

The decrease in noncurrent liabilities was mainly because of long-term loans payable of 19,033 million yen, falling 2,795 million yen.

(Net assets)

Net assets increased 296 million yen from the end of the preceding fiscal year, to 85,484 million yen at the end of the first half under review. The equity ratio rose to 50.6%, up from 48.0% at the end of the previous fiscal year.

(Cash flows)

Consolidated cash and cash equivalents (“cash”) at the end of the first half under review were 13,192 million yen, a decrease of 87 million yen from the end of the previous fiscal year.

Cash flows by activity were as follows:

(i) Cash flows from operating activities

Net cash provided by operating activities stood at 6,708 million yen, a rise of 508 million yen in the inflow compared with a year ago.

The principal factors included income before income taxes of 4,023 million yen (increasing 2,663 million yen in the inflow year on year), depreciation of 3,313 million yen (a rise of 229 million yen), a decline in notes and accounts receivable-trade of 1,493 million yen (declining 1,129 million yen in the inflow from a year earlier), and a decrease in notes and accounts payable-trade of 369 million yen (an increase of 796 million yen in the outflow year on year).

(ii) Cash flows from investing activities

Net cash used in investing activities was 860 million yen, a decrease of 128 million yen in the outflow from a year ago.

The principal factors were payments of 1,404 million yen for the purchase of property, plant and equipment and intangible assets (a decrease of 303 million yen in the outflow recorded in the previous year), proceeds of 118 million yen from sales of investment securities (down 1,005 million yen in the inflow year on year), and proceeds of 784 million from sales of investments in subsidiaries resulting in change in scope of consolidation.

(iii) Cash flows from financing activities

Net cash used in financing activities was 6,040 million yen, a decrease of 3,492 million yen in the outflow from the previous fiscal year.

Principal factors included the proceeds of 7,915 million yen from short-term loans (down 10,315 million yen in the inflow), repayments of 11,283 million yen for short-term loans (down 11,599 million yen in the outflow), the proceeds of 2,599 million yen from long-term loans (up 2,549 million yen in the inflow), and repayments of 4,562 million yen for long-term loans (up 375 million yen in the outflow).

(3) Qualitative information on the consolidated financial forecasts

The full-year results forecasts for the fiscal year ending March 2013 as announced in the “Notice of Revisions to Results and Dividend Forecasts” on October 23, 2012 remain unchanged.

2. Matters Relating to Summary Information (Notes)

(1) Important changes in subsidiaries during this quarter (changes in specified subsidiaries resulting in change in scope of consolidation)  
Not applicable.

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements

(Calculation of tax expense)

Certain consolidated subsidiaries make a reasonable estimate of the effective tax rate after the application of tax effect accounting to income before income taxes for the current fiscal year and multiply quarterly income before income taxes by the estimated effective tax rate.

(3) Changes in accounting principles and changes or restatement of accounting estimates

Not applicable.

## 3. Consolidated Financial Statements

## (1) Consolidated balance sheet

	(Thousand yen)	
	FY2011 (As of March 31, 2012)	H1 FY2012 (As of September 30, 2012)
Assets		
Current assets		
Cash and deposits	13,420,233	13,174,019
Notes and accounts receivable-trade	28,364,690	26,349,652
Short-term investment securities	162,451	215,269
Merchandise	340,712	229,304
Work in process	1,662,709	2,183,746
Raw materials and supplies	31,801	28,660
Other	5,085,336	4,944,467
Allowance for doubtful accounts	-48,067	-51,393
Total current assets	49,019,867	47,073,726
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	57,073,078	56,627,847
Accumulated depreciation	-19,463,874	-19,708,839
Buildings and structures, net	37,609,203	36,919,008
Land	30,415,744	30,415,744
Construction in progress	234,769	42,169
Other	16,873,661	16,259,000
Accumulated depreciation	-10,793,169	-10,785,029
Other, net	6,080,492	5,473,970
Total property, plant and equipment	74,340,210	72,850,892
Intangible assets		
Goodwill	3,240,007	3,095,522
Software	5,871,387	5,041,976
Other	223,543	227,276
Total intangible assets	9,334,938	8,364,776
Investments and other assets		
Investment securities	15,355,586	14,267,942
Other	7,747,228	6,646,211
Allowance for doubtful accounts	-53,547	-52,422
Total investments and other assets	23,049,268	20,861,730
Total noncurrent assets	106,724,416	102,077,399
Total assets	155,744,284	149,151,126

	(Thousand yen)	
	FY2011 (As of March 31, 2012)	H1 FY2012 (As of September 30, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	7,902,452	7,374,753
Short-term loans payable	8,869,200	5,500,220
Current portion of bonds	10,000	10,000
Current portion of long-term loans payable	8,762,860	9,595,294
Accrued expenses	7,281,840	7,550,660
Income taxes payable	1,275,506	1,921,315
Provision for directors' bonuses	193,032	68,620
Provision for loss on construction contracts	53,258	31,555
Other	5,995,448	5,032,334
<b>Total current liabilities</b>	<b>40,343,599</b>	<b>37,084,753</b>
<b>Noncurrent liabilities</b>		
Bonds payable	5,000	-
Long-term loans payable	21,829,430	19,033,868
Provision for retirement benefits	5,118,621	4,666,255
Provision for directors' retirement benefits	395,628	286,199
Other	2,863,697	2,595,351
<b>Total noncurrent liabilities</b>	<b>30,212,378</b>	<b>26,581,674</b>
<b>Total liabilities</b>	<b>70,555,978</b>	<b>63,666,428</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	26,200,289	26,200,289
Capital surplus	28,438,965	28,438,965
Retained earnings	35,421,262	36,579,947
Treasury stock	-6,669,954	-6,670,131
<b>Total shareholders' equity</b>	<b>83,390,562</b>	<b>84,549,071</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	588,796	152,087
Deferred gains or losses on hedges	24,294	-2,471
Revaluation reserve for land	-9,051,088	-9,051,088
Foreign currency translation adjustment	-261,647	-248,699
<b>Total accumulated other comprehensive income</b>	<b>-8,699,644</b>	<b>-9,150,172</b>
Subscription rights to shares	95,620	94,922
Minority interests	10,401,767	9,990,876
<b>Total net assets</b>	<b>85,188,306</b>	<b>85,484,697</b>
<b>Total liabilities and net assets</b>	<b>155,744,284</b>	<b>149,151,126</b>

(2) Consolidated statements of income and consolidated statements of comprehensive income  
 Consolidated statements of income  
 Consolidated first half results

(Thousand yen)

	H1 FY2011 (From April 1, 2011 to September 30, 2011)	H1 FY2012 (From April 1, 2012 to September 30, 2012)
Net sales	65,788,767	70,304,990
Cost of sales	50,526,438	53,573,107
Gross profit	15,262,328	16,731,883
Selling, general and administrative expenses	13,159,732	12,724,368
Operating income	2,102,596	4,007,515
Non-operating income		
Interest income	4,622	5,573
Dividends income	34,682	63,263
Cancellation income for system services	—	57,167
Subsidy income	104,823	33,080
Other	144,099	59,605
Total non-operating income	288,227	218,690
Non-operating expenses		
Interest expenses	358,104	237,938
Equity in losses of affiliates	363,267	179,154
Foreign exchange losses	101,926	19,847
Other	16,957	48,425
Total non-operating expenses	840,256	485,365
Ordinary income	1,550,567	3,740,839
Extraordinary income		
Gain on sales of investment securities	41,257	5,036
Gain on sales of subsidiaries and affiliates' stocks	—	284,266
Gain on reversal of loss on the closure of offices	—	10,492
Total extraordinary income	41,257	299,795
Extraordinary loss		
Loss on valuation of investment securities	89,415	—
Office transfer expenses	—	17,451
Loss on closing of office	142,773	—
Total extraordinary loss	232,189	17,451
Income before income taxes	1,359,635	4,023,183
Income taxes-current	536,553	1,925,753
Income taxes-deferred	320,238	393,028
Total income taxes	856,791	2,318,781
Income before minority interests	502,843	1,704,401
Minority interests in income	237,975	236,251
Net income	264,867	1,468,149

Consolidated statements of comprehensive income  
Consolidated first half results

(Thousand yen)

	H1 FY2011 (From April 1, 2011 to September 30, 2011)	H1 FY2012 (From April 1, 2012 to September 30, 2012)
Income before minority interests	502,843	1,704,401
Other comprehensive income		
Valuation difference on available-for-sale securities	-66,733	-385,523
Deferred gains or losses on hedges	-50,889	-49,621
Foreign currency translation adjustment	83,050	26,544
Share of other comprehensive income of associates accounted for using equity method	-7,988	-59,650
Total other comprehensive income	-42,561	-468,251
Comprehensive income	460,281	1,236,150
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	248,683	1,017,622
Comprehensive income attributable to minority interests	211,598	218,528

## (3) Consolidated cash flow statement

	(Thousand yen)	
	H1 FY2011 (From April 1, 2011 to September 30, 2011)	H1 FY2012 (From April 1, 2012 to September 30, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	1,359,635	4,023,183
Depreciation	3,084,393	3,313,543
Amortization of goodwill	577,173	164,482
Increase (decrease) in provision for retirement benefits	-9,057	85,627
Loss on closing of office	142,773	-
Interest expenses	358,104	237,938
Loss (gain) on sales of investment securities	-41,257	-5,036
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	-284,266
Equity in (earnings) losses of affiliates	363,267	179,154
Loss (gain) on valuation of investment securities	89,415	2,683
Decrease (increase) in notes and accounts receivable-trade	2,622,830	1,493,801
Decrease (increase) in inventories	-590,253	-472,528
Increase (decrease) in notes and accounts payable-trade	426,743	-369,782
Increase (decrease) in accounts payable-labor cost	259,968	441,722
Increase (decrease) in accrued consumption taxes	-585,660	-607,871
Increase (decrease) in accounts payable-other	-895,422	-396,824
Decrease (increase) in long-term prepaid expenses	-114,649	-126,958
Increase (decrease) in provision for loss on construction contracts	-237,396	-21,703
Other	243,732	364,395
Subtotal	7,054,341	8,021,561
Interest and dividends income received	105,822	70,011
Interest expenses paid	-350,915	-226,064
Income taxes paid	-610,028	-1,157,459
Net cash provided by (used in) operating activities	6,199,219	6,708,048
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-462,274	-206,885
Purchase of intangible assets	-1,245,312	-1,197,680
Purchase of investment securities	-435,837	-42,553
Proceeds from sales of investment securities	1,123,901	118,376
Purchase of investments in subsidiaries	-8,673	-459,896
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	784,234
Other	39,012	144,114
Net cash provided by (used in) investing activities	-989,182	-860,290

(Thousand yen)

	H1 FY2011 (From April 1, 2011 to September 30, 2011)	H1 FY2012 (From April 1, 2012 to September 30, 2012)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	18,230,000	7,915,000
Decrease in short-term loans payable	-22,883,900	-11,283,980
Proceeds from long-term loans payable	50,000	2,599,002
Repayment of long-term loans payable	-4,187,084	-4,562,130
Cash dividends paid	-318,195	-314,245
Cash dividends paid to minority shareholders	-168,682	-138,722
Repayments of lease obligations	-230,470	-249,825
Other	-24,382	-5,175
Net cash provided by (used in) financing activities	-9,532,715	-6,040,077
Effect of exchange rate change on cash and cash equivalents	-60,221	-5,462
Net increase (decrease) in cash and cash equivalents	-4,382,900	-197,782
Cash and cash equivalents at beginning of period	22,044,626	13,279,487
Increase in cash and cash equivalents from newly consolidated subsidiary	-	110,564
Cash and cash equivalents at end of period	17,661,726	13,192,269

## (4) Note on going concern assumptions

Not applicable.

## (5) Segment Information

[Segment Information]

## I. H1 FY2011 (From April 1, 2011 to September 30, 2011)

## 1. Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-half consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	61,674,440	974,555	62,648,995	3,139,771	65,788,767	–	65,788,767
Inter-segment sales or transfers	14,080	376,012	390,093	482,505	872,598	(872,598)	–
Total	61,688,521	1,350,568	63,039,089	3,622,277	66,661,366	(872,598)	65,788,767
Segment profit	1,671,189	408,881	2,080,070	22,755	2,102,825	(229)	2,102,596

## Notes:

- “Others” is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
- An adjustment of segment profit of minus 229,000 yen includes an elimination of inter-segment transactions of minus 229,000 yen.
- The segment profit has been adjusted to the operating income stated in the consolidated income statement.
- Change in depreciation method  
Starting the first quarter of this fiscal year, the Company is applying the straight-line method for the depreciation of property, plant, and equipment instead of the declining balance method. As a result, segment profit increased 240,079,000 yen in the SI business, 116,673,000 yen in the Facility business, and 1,426,000 yen in Others compared with the segment profit calculated by the declining balance method.

## 2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment

Not applicable.

## II. H1 FY2012 (From April 1, 2012 to September 30, 2012)

## 1. Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-half consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	66,078,169	954,642	67,032,811	3,272,179	70,304,990	–	70,304,990
Inter-segment sales or transfers	21,937	364,689	386,627	431,927	818,554	(818,554)	–
Total	66,100,107	1,319,331	67,419,438	3,704,106	71,123,545	(818,554)	70,304,990
Segment profit	3,551,922	339,844	3,891,767	114,412	4,006,180	1,334	4,007,515

## Notes:

- “Others” is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
- An adjustment of segment profit of 1,334,000 yen includes an elimination of inter-segment transactions of 1,334,000 yen.
- The segment profit has been adjusted to the operating income stated in the consolidated income statement.

## 2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment

Not applicable.

## (6) Note when there is a considerable change in the amount of shareholders' equity

Not applicable.