

# Summary of Consolidated Financial Results for the First Three Quarters of Fiscal Year ending December 31, 2018 (Japanese Accounting Standards)



November 8, 2018

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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): November 9, 2018  
 Scheduled date of dividend payment: –  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Figures less than one million yen are omitted)

## 1. Consolidated Business Results for the Nine Months Ended September 30, 2018 (January 1, 2018 – September 30, 2018)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended 9/18	152,783	13.3	8,660	27.6	9,315	30.6	4,597	17.4
Nine months ended 9/17	134,809	10.1	6,785	5.9	7,133	9.9	3,916	8.7

(Note) Comprehensive income (million yen) Nine months ended 9/18: 4,217 (-22.3%)  
 Nine months ended 9/17: 5,428 (147.6%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Nine months ended 9/18	146.90	146.36
Nine months ended 9/17	125.21	125.03

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Nine months ended 9/18	194,547	121,143	55.2
Year ended 12/17	174,568	118,411	59.9

Reference: Shareholders' equity (million yen) Nine months ended 9/18: 107,418 Year ended 12/17: 104,535

## 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 12/17	–	15.00	–	18.00	33.00
Year ending 12/18	–	18.00	–	–	–
Year ending 12/18 (forecast)	–	–	–	18.00	36.00

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

## 3. Forecast for Consolidated Business Results for the Fiscal Year Ending December 31, 2018

(Jan. 1, 2018 – Dec. 31, 2018) (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	187,000	3.4	10,000	3.0	10,300	0.4	5,900	1.8	188.53

(Note) Revisions to forecast for consolidated business results 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  
(Note) For details, please refer to “2. Consolidated Financial Statements and Key Notes (3) Notes to consolidated financial statements” on page 9 of the accompanying materials.

(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  
 (Note) For details, please refer to “2. Consolidated Financial Statements and Key Notes (3) Notes to consolidated financial statements” on page 9 of the accompanying materials.

(4) Number of outstanding shares (common shares)  
 1) Number of shares outstanding at the end of period (including treasury shares):  
 2) Number of treasury shares at the end of period  
 3) Average number of shares during the period (quarterly consolidated cumulative period)

9/18:	33,700,000 shares	Year ended 12/17:	33,700,000 shares
9/18:	2,405,697 shares	Year ended 12/17:	2,405,296 shares
9/18:	31,294,481 shares	9/17:	31,278,151 shares

\* This financial summary does not need to undergo a quarterly review by certified public accountants or audit corporations.

\* 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 Three Quarters Ended September 30, 2018, (3) Information on the future outlook, including forecast for consolidated business results on page 4 of the accompanying materials.

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## 1. Qualitative Information on Consolidated Results for the First Three Quarters Ended September 30, 2018

### (1) Details of consolidated results

During the consolidated first three quarters under review (from January 1, 2018 to September 30, 2018), the Japanese economy continued to expand, driven mainly by improving corporate earnings and employment and income conditions, despite concerns over the direction of U.S. trade policy and the impact of a series of natural disasters such as earthquakes and heavy rainfall.

In the information services industry, new services and products utilizing advanced technologies such as artificial intelligence (AI), the Internet of Things (IoT) and robotics started to appear in efforts to achieve Society 5.0 (\*1) through Investments for the Future Strategy 2018 (\*2), a concept advocated by the Japanese government, among other initiatives. Meanwhile, given that the shortage of ICT engineers to respond to the sophistication and diversification of these new technologies and measures to strengthen cyber security to counter increasingly sophisticated and complex cyberattacks have become challenges, demand for ICT services is expected to increase.

In this business environment, the FUJISOFT Group focused on the more active hiring of human resources and training of engineers and developed systems including those for strengthening cooperation with its business partners. In the area of the latest technologies, regarding AIS CRM (\*3) as a priority technical field, the Group worked on technical research, product development and the cultivation of professional engineers (Registered Information Security Specialists (RISS) and the Japan Deep Learning Association, JDLA Deep Learning for GENERAL) to create new businesses. The Group also aimed to achieve its medium-term goal of becoming an innovative corporate group that links ICT development to greater value for customers through its efforts to improve productivity and enhance corporate value.

In System Construction, the development of in-vehicle control software such as advanced driver-assistance systems (ADAS) and software related to electric vehicle continued to perform well in auto-related projects that attract attention with key words such as “automated driving,” “electronic operation” and “connectivity” (\*4). In addition, official sales of the onboard software platform Julinar SPF, which conforms to the AUTOSAR (\*6) specifications, will start from October 2018. It has been developed jointly with APTJ Co., Ltd. (\*5), with a considerable investment of time. In factory automation for machine control systems, development demand has remained robust, and the development of control software continues to be strong. The Group also worked actively on the industrial robot SI business, a new growth area. In operation system development, the Group expanded orders on the back of rising needs for system renewal and greater operational efficiency by utilizing RPA (Robotics Process Automation) (\*8) in the financial sector, against the backdrop of digital transformation and fintech. In addition, system development and in the Internet-related sectors including e-commerce and public offices also remained strong. In the cloud SI business, the Group provided high value-added services utilizing the products of global vendors such as Amazon.com, Inc., Microsoft Corporation and Salesforce.com.

In the Product and Service sector, sales continued to be solid in the license business, among others. With regard to PALRO, a communication robot, the Group has been taking steps to expand business fields, for instance with the release of the first consumer series products directed at individual customers, reflecting the growing focus on communication robots. This trend is exemplified by the fact that the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare have selected “monitoring and communication systems” as one of the priority areas to which robot technology is to be introduced in nursing care.

As part of its efforts in advanced technologies, the Group has proceeded with training AI engineers, collaborating with AI venture businesses, offering AI services which use various kinds of platforms, and other activities. The Group also proposed solutions for the introduction of IoT in the manufacturing industry.

To expand and strengthen new technologies and development fields, among other objectives, the Group has established additional offices in a number of locations in Japan (Sapporo, Hokkaido, Sumida-ku, Tokyo, Yokohama-shi, Kanagawa, Kariya-shi, Aichi, Fukuoka-shi, Fukuoka and Osaka-shi, Osaka) and acquired a planned construction site for a building in Shiodome (Minato-ku, Tokyo). The Group has also established a local subsidiary in the distribution and services sectors in Thailand to further expand operations in the rapidly growing ASEAN region.

In the regenerative medicine sector, the Group received a certificate of success in “implant type regenerate cartilage,” research on which began in 2005, from the Japan Agency for Medical Research and Development (AMED) and proceeded with commercialization targeting manufacture and sales in 2019.

To enable diverse work styles in accordance with the work-style reform promoted by the Japanese government, the Group worked on the telework/satellite office working systems, which utilize ICT, and the Ultraflex System, among other systems. In addition, the Group used the paperless system moreNOTE (\*9), which can flexibly realize a mobile work style irrespective of time and place. With this approach, the Group has established systems to support work-style reforms from multiple aspects and proceeded with proposals in business.

As a result of these initiatives, in the first three quarters under review, net sales stood at 152,783 million yen, up 13.3% year on year, thanks to the strong performance of the System Integration business. SG&A expenses came to 27,008 million yen, up 11.6% year on year, due in part to the increase in labor costs that resulted from the enhancement of structure and expenses associated with establishment of new offices. However, operating income rose 27.6% year on year, to 8,660 million yen, thanks to the increase of net sales. Ordinary income climbed 30.6%, to 9,315 million yen, mainly due to an improvement in the share of profit of entities accounted for using the equity method related to a securities-related affiliate. Profit attributable to owners of parent was 4,597 million yen, up 17.4% year on year due to a gain on sales of investment securities, gain on transfer of business, impairment loss of goodwill, etc. and other extraordinary profit and loss items.

- \*1: Society 5.0  
A super smart society, the fifth new society using AI and IoT, etc., following “hunting and gathering society, “agrarian society,” “industrial society” and “information society.”
- \*2: Investments for the Future Strategy 2018  
An economic policy package adopted at a Cabinet meeting in 2017, which contains government measures to work on bold reforms including tax, budget, and regulatory reforms by positioning the three years until 2020 as a period for productivity revolution and concentrated investment
- \*3: AIS-CRM (A: AI; I: IoT; S: Security; C: Cloud; R: Robot; M: Mobile & AutoMotive)  
New technology which the Group positions as a priority technology
- \*4: Connectivity  
Connecting a car with various items via the Internet
- \*5: Automotive Platform Technology Japan  
Established as the campus venture company launched at Nagoya University in 2015. Engaging in development of SPF for automated driving system and dealing with IoT and other technologies with enhanced security measures. Aiming at global top-class software in SPF for onboard control systems in the future.
- \*6: AUTOSAR (AUTomotive Open System ARchitecture)  
The organization founded for standardization of onboard software in Europe in 2003 and the general term for the standard specifications which the organization formulates.
- \*7: Julinar SPF (Joint development program by Users, Licensors, and Integrators for AUTOSAR-based software platforms)  
SPF compliant with the AUTOSAR specifications which APTJ develops and the general term for the services thereof
- \*8: RPA (Robotic Process Automation)  
Automation of operations utilizing AI and Robot technologies, which replace human workers
- \*9: moreNOTE  
Paperless system with the largest share in the industry in the mobile content management market, which provides services for sharing, viewing, and editing documents, videos and images easily using tablets, smartphones, and personal computers

Results by business segment were as follows:

(i) SI (system integration) business

In the SI business, sales of and income from embedded/control software increased, reflecting brisk sales of auto-related and machine control projects. In operation software, both sales and income increased, thanks to strong sales to the telecommunications, financial and manufacturing sectors. In Products and Services, both sales and income increased due to solid sales of the Group's products, other companies' products, and related services, etc. In the outsourcing business, both sales and income increased with the rise in operation and maintenance projects and outsourcing projects and the absence of expenses for data center renovations posted in the previous fiscal year.

As a result, net sales stood at 141,836 million yen, up 13.6% year on year. Operating income amounted to 7,386 million yen, up 32.5%.

\* The following table shows a breakdown of net sales and operating income in the SI business.

(Million yen)				
	Net sales	YoY change (%)	Operating income	YoY change (%)
SI business total	141,836	113.6	7,386	132.5
System construction	84,353	112.1	4,386	123.9
Embedded/control software	43,832	112.2	2,744	131.0
Operation software	40,520	112.0	1,641	113.6
Products and services	57,482	115.8	3,000	147.5
Products and services	46,021	119.9	2,170	140.4
Outsourcing	11,461	101.8	829	169.9

(Note) Operating income includes the elimination of intersegment transactions of ¥550 thousand.

(ii) Facility business

Net sales stood at 2,167 million yen, up 7.6% year on year, while operating income fell 5.5% year on year, to 792 million yen, mainly reflecting an increase in rental income from office buildings owned by the Company and certain consolidated subsidiaries, offsetting repair costs for an office which the Company owns.

(iii) Other businesses

Net sales from other businesses amounted to 8,779 million yen, up 11.2% year on year, and operating income grew 29.3%, to 481 million yen, reflecting strong performances in the data entry business and the contact center business.

(2) Details of financial position

(Total assets)

Total assets stood at 194,547 million yen at the end of the consolidated first three quarters under review, up 19,978 million yen from the end of the preceding consolidated fiscal year. Current assets were 75,956 million yen (up 3,499 million yen from the end of the previous fiscal year), and non-current assets were 118,590 million yen (up 16,479 million yen).

Important factors in the change of current assets included an increase of notes and accounts receivable - trade and merchandise by 2,370 million yen from the end of the previous fiscal year, to 41,979 million yen and 1,486 million yen, respectively, which are associated with the increase in net sales.

The main factors for the change in non-current assets included an increase in land by 17,531 million yen from the end of the previous fiscal year, to 47,863 million yen, mainly due to the acquisition of the Ryogoku Office and a planned construction site for Shiodome Building associated with business expansion.

(Liabilities)

At the end of the consolidated first three quarters under review, total liabilities amounted to 73,403 million yen, up 17,246 million yen from the end of the previous fiscal year. Current liabilities were 57,740 million yen (rising 18,542 million yen from the end of the previous fiscal year), and non-current liabilities were 15,663 million yen (declining 1,295 million yen).

Primary factors in the change of current liabilities included a rise in short-term loans payable and commercial paper of 15,185 million yen from the end of the previous fiscal year, respectively to 16,012 million yen and 5,000 million yen.

The main factor in the change in non-current liabilities included a 1,353 million yen decline in long-term loans payable, to 2,828 million yen.

(Net assets)

Net assets rose 2,732 million yen from the end of the preceding fiscal year, to 121,143 million yen at the end of the consolidated first three quarters under review. As a result, the equity ratio fell to 55.2% from 59.9% at the end of the previous fiscal year.

(3) Information on the future outlook, including forecast for consolidated business results

The results forecasts remain unchanged from those announced in the financial results for the fiscal year ended December 31, 2017 announced on February 15, 2018.

## 2. Consolidated Financial Statements

## (1) Consolidated balance sheet

	(Thousand yen)	
	FY2017 (As of December 31, 2017)	Q3 FY2018 (As of September 30, 2018)
Assets		
Current assets		
Cash and deposits	18,851,274	20,135,297
Notes and accounts receivable - trade	40,288,285	41,979,289
Short-term investment securities	5,200,000	4,000,000
Merchandise	806,810	1,486,127
Work in process	2,407,425	2,593,718
Raw materials and supplies	33,974	20,495
Other	4,914,386	5,782,266
Allowance for doubtful accounts	-44,242	-40,249
Total current assets	72,457,914	75,956,946
Non-current assets		
Property, plant and equipment		
Buildings and structures	57,774,786	58,386,760
Accumulated depreciation	-26,375,330	-27,427,705
Buildings and structures, net	31,399,455	30,959,055
Land	30,332,356	47,863,518
Construction in progress	344,841	156,870
Other	15,021,663	15,077,909
Accumulated depreciation	-11,878,298	-11,693,235
Other, net	3,143,365	3,384,674
Total property, plant and equipment	65,220,019	82,364,117
Intangible assets		
Goodwill	2,203,635	334,384
Software	4,385,862	4,403,376
Other	232,417	222,144
Total intangible assets	6,821,915	4,959,905
Investments and other assets		
Investment securities	20,325,812	19,896,399
Net defined benefit asset	6,279,744	6,843,776
Other	3,472,364	4,535,183
Allowance for doubtful accounts	-9,002	-9,084
Total investments and other assets	30,068,919	31,266,276
Total non-current assets	102,110,854	118,590,299
Total assets	174,568,768	194,547,245

	(Thousand yen)	
	FY2017 (As of December 31, 2017)	Q3 FY2018 (As of September 30, 2018)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,977,104	10,456,153
Short-term loans payable	4,326,574	16,012,065
Commercial paper	1,500,000	5,000,000
Current portion of long-term loans payable	2,638,280	3,872,412
Accrued expenses	3,836,148	3,776,285
Income taxes payable	2,102,993	2,418,638
Provision for bonuses	3,914,985	6,575,345
Provision for directors' bonuses	188,431	205,588
Provision for loss on construction contracts	173,069	100,584
Other	10,540,209	9,322,993
<b>Total current liabilities</b>	<b>39,197,796</b>	<b>57,740,067</b>
<b>Non-current liabilities</b>		
Long-term loans payable	4,182,408	2,828,920
Deferred tax liabilities	4,332,340	4,370,453
Provision for directors' retirement benefits	453,343	439,663
Net defined benefit liability	5,838,871	5,817,706
Other	2,152,128	2,206,499
<b>Total non-current liabilities</b>	<b>16,959,091</b>	<b>15,663,241</b>
<b>Total liabilities</b>	<b>56,156,888</b>	<b>73,403,309</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	26,200,289	26,200,289
Capital surplus	28,941,843	28,939,792
Retained earnings	56,035,115	59,505,581
Treasury shares	-4,863,528	-4,865,202
<b>Total shareholders' equity</b>	<b>106,313,720</b>	<b>109,780,459</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,172,724	5,633,927
Revaluation reserve for land	-8,228,200	-8,228,200
Foreign currency translation adjustment	194,526	103,972
Remeasurements of defined benefit plans	82,613	127,900
<b>Total accumulated other comprehensive income</b>	<b>-1,778,336</b>	<b>-2,362,400</b>
Subscription rights to shares	53,397	83,774
Non-controlling interests	13,823,098	13,642,103
<b>Total net assets</b>	<b>118,411,880</b>	<b>121,143,936</b>
<b>Total liabilities and net assets</b>	<b>174,568,768</b>	<b>194,547,245</b>

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

	(Thousand yen)	
	Q3 FY2017 (From January 1, 2017 to September 30, 2017)	Q3 FY2018 (From January 1, 2018 to September 30, 2018)
Net sales	134,809,650	152,783,312
Cost of sales	103,815,308	117,114,158
Gross profit	30,994,342	35,669,153
Selling, general and administrative expenses	24,209,291	27,008,872
Operating income	6,785,051	8,660,281
Non-operating income		
Interest income	18,224	47,787
Dividends income	86,837	97,667
Share of profit of entities accounted for using equity method	191,692	301,597
Foreign exchange gains	-	73,609
Subsidy income	103,352	101,590
Other	124,928	112,385
Total non-operating income	525,036	734,636
Non-operating expenses		
Interest expenses	67,792	50,269
Foreign exchange losses	35,363	-
Loss on retirement of non-current assets	49,546	17,170
Other	23,973	12,122
Total non-operating expenses	176,675	79,562
Ordinary income	7,133,411	9,315,355
Extraordinary income		
Gain on sales of investment securities	672,036	505,715
Gain on transfer of business	-	498,706
Total extraordinary income	672,036	1,004,421
Extraordinary loss		
Impairment loss	636,419	1,716,793
Loss on retirement of non-current assets	29,130	242,648
Loss on business withdrawal	-	128,676
Office transfer expenses	138,264	20,383
Total extraordinary loss	803,815	2,108,502
Income before income taxes	7,001,632	8,211,274
Income taxes-current	2,929,556	3,541,688
Income taxes-deferred	-706,370	-177,243
Total income taxes	2,223,185	3,364,445
Net income	4,778,447	4,846,829
Profit attributable to non-controlling interests	862,116	249,730
Profit attributable to owners of parent	3,916,331	4,597,098

Consolidated statements of comprehensive income  
 Consolidated first three quarters results

	(Thousand yen)	
	Q3 FY2017 (From January 1, 2017 to September 30, 2017)	Q3 FY2018 (From January 1, 2018 to September 30, 2018)
Net income	4,778,447	4,846,829
Other comprehensive income		
Valuation difference on available-for-sale securities	657,936	-489,794
Foreign currency translation adjustment	185,920	-154,889
Remeasurements of defined benefit plans, net of tax	-298,657	37,151
Share of other comprehensive income of entities accounted for using equity method	104,354	-21,812
Total other comprehensive income	649,553	-629,345
Comprehensive income	5,428,001	4,217,483
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,617,260	4,006,531
Comprehensive income attributable to non-controlling interests	810,740	210,952

## (3) Notes to consolidated financial statements

(Note on going concern assumptions)

Not applicable.

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

Not applicable.

(Important changes in subsidiaries during the first three quarters under review)

Not applicable.

(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 including second quarter under review and multiply quarterly income before income taxes by the estimated effective tax rate.

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

Not applicable.

(Segment information)

[Segment information]

I. Q3 FY2017 (From January 1, 2017 to September 30, 2017)

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

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on third-quarter consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	124,900,239	2,014,267	126,914,506	7,895,144	134,809,650	–	134,809,650
Inter-segment sales or transfers	70,407	461,188	531,596	592,771	1,124,368	-1,124,368	–
Total	124,970,647	2,475,456	127,446,103	8,487,916	135,934,019	-1,124,368	134,809,650
Segment profit	5,573,603	838,708	6,412,312	371,971	6,784,283	767	6,785,051

Notes:

1. "Others" is a business segment that is not included in the reported segments and includes the data entry business, contact center business, and tissue engineering business, etc.
2. An adjustment of segment profit of 767 thousand yen includes an elimination of inter-segment transactions of 767 thousand yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

## 2. Information on Impairment Loss in Non-current Assets and Goodwill by Reported Segment

(Significant impairment loss in non-current assets)

An impairment loss in non-current assets is posted in the SI business. The impairment loss amount posted in the first three quarters under review is 625,000 thousand yen.

## II. Q3 FY2018 (From January 1, 2018 to September 30, 2018)

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

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on third-quarter consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	141,836,018	2,167,316	144,003,334	8,779,977	152,783,312	–	152,783,312
Inter-segment sales or transfers	83,302	466,516	549,819	589,488	1,139,307	-1,139,307	–
Total	141,919,321	2,633,833	144,553,154	9,369,466	153,922,620	-1,139,307	152,783,312
Segment profit	7,386,106	792,516	8,178,623	481,107	8,659,730	550	8,660,281

## Notes:

1. “Others” is a business segment that is not included in the reported segments and includes the data entry business, contact center business, and tissue engineering business, etc.
2. An adjustment of segment profit of 550 thousand yen includes an elimination of inter-segment transactions of 550 thousand yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

## 2. Information on Impairment Loss in Non-current Assets and Goodwill by Reported Segment

(Significant impairment loss in non-current assets)

An impairment loss in non-current assets is posted in the SI business. The impairment loss amount posted in the first three quarters under review is 1,698,449 thousand yen.

(Significant changes in the amount of goodwill)

In the SI business, an impairment loss of goodwill was recorded and consequently the amount of goodwill decreased. The amount of decrease in goodwill due to the impairment loss is 1,534,255 thousand yen for the consolidated first three quarters under review.