

# Summary of Consolidated Financial Results for the First Half of Fiscal Year ending December 31, 2020 (Japanese Accounting Standards)



August 13, 2020

Listed Company Name: FUJI SOFT INCORPORATED	Listing Exchanges: Tokyo Stock Exchange
Securities Code: 9749	URL: <a href="http://www.fsi.co.jp/">http://www.fsi.co.jp/</a>
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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho):	August 14, 2020
Scheduled date of dividend payment:	September 10, 2020
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 June 30, 2020 (January 1, 2020 – June 30, 2020)

(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	%
Six months ended 6/20	122,568	7.9	8,446	26.2	8,677	27.1	3,868	3.5
Six months ended 6/19	113,556	12.8	6,693	26.7	6,825	19.5	3,736	12.6

(Note) Comprehensive income (million yen) Six months ended 6/20: 4,398 (6.8%) Six months ended 6/19: 4,116 (4.2%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Six months ended 6/20	123.61	—
Six months ended 6/19	119.40	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended 6/20	222,928	130,166	51.4
Year ended 12/19	207,618	126,820	54.1

Reference: Shareholders' equity (million yen) Six months ended 6/20: 114,615 Year ended 12/19: 112,258

## 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 12/19	—	20.00	—	22.00	42.00
Year ending 12/20	—	28.00	—	—	—
Year ending 12/20 (forecast)	—	—	—	23.00	51.00

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

## 3. Forecast for Consolidated Business Results for the Fiscal Year Ending December 31, 2020 (Jan. 1, 2020 – Dec. 31, 2020)

(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	238,000	3.0	13,600	2.5	13,850	0.7	8,000	2.1	255.64

(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  
 (Note) For details, please refer to “2. Consolidated Financial Statements and Key Notes (4) Notes to consolidated financial statements” on page 11 of the accompanying materials.

(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 (4) Notes to consolidated financial statements” on page 11 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 (4) Notes to consolidated financial statements” on page 11 of the accompanying materials.

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury shares):	6/20:	33,700,000 shares	Year ended 12/19:	33,700,000 shares
2) Number of treasury shares at the end of period	6/20:	2,406,177 shares	Year ended 12/19:	2,406,447 shares
3) Average number of shares during the period (quarterly consolidated cumulative period)	6/20:	31,293,789 shares	6/19:	31,294,066 shares

\* Summaries of quarterly consolidated financial results are not subject to a quarterly review by a certified public accountant or an audit corporation.

\* 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 June 30, 2020, (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 Half Ended June 30, 2020

## (1) Details of consolidated results

During the consolidated first half under review (from January 1, 2020 to June 30, 2020), the Japanese economy shifted from a moderate upward trend to a sharp slowdown amid the impact of the coronavirus disease (COVID-19) in addition to U.S.-China trade friction. The world economy was facing very harsh circumstances as a result of the global spread of COVID-19. The end of the pandemic is not yet in sight, and economic activities in Japan and beyond have stalled. The economic outlook is consequently uncertain.

In the information services industry, there were ongoing moves toward the creation of new digital businesses and innovation based on digital transformation (DX), including artificial intelligence (AI), Internet of things (IoT), robotic process automation (RPA), cloud services and virtualization technologies. However, business confidence deteriorated with the escalating uncertainty. Companies took cautious stances on investments in systems.

In this business environment, the FUJISOFT Group worked to expand its business by concentrating its resources on domains with high demand such as system infrastructure construction based on cloud services and virtualization technologies as well as fundamental technologies that support driving automation and electric power, while quickly responding to changes in the business environment, and focused on the training of specialists in cutting-edge technologies. In addition, the Group stepped up the measures for working from home that it had implemented to ensure productivity and quality in system development. It thus continued to offer its services as usual even under the COVID-19 pandemic.

In operation system development in the System Construction segment, the Group expanded business in the domain of online business, where demand continued to be robust in the reconstruction of e-commerce sites and digital content, as well as in the domain of system infrastructure construction, where the system integration business using cloud services and virtualization technologies of global vendors was strong. It had been combining its expertise with services from different vendors to offer solutions that best responded to the diverse needs of customers. In recognition of these activities, it was certified as a Principal Partner by VMware, Inc. during the consolidated first half under review. In addition, it won a VMware Global Partner of the Year Award in the region of Asia-Pacific and Japan, and it became the 10<sup>th</sup> Japanese company to be certified as APN Premier Consulting Partner by Amazon Web Service, Inc. This status is at the higher position in the AWS Partner Network (APN).

Meanwhile, to respond to a large number of requests from customers for teleworking measures, the Group organized webinars\*<sup>1</sup> on teleworking and DX management for business executives on the subject of Work Style Reform and Beyond. This was intended to provide help with work styles and utilization of information and communication technologies (ICT) in the new era. It presented the Group's actions of having all its employees work from home, holding an online general meeting of shareholders, and online sales activities in the situation where face-to-face sales approaches cannot be taken, to provide support for customers' business continuation and the provision of new extra value.

In embedded/control system development, the automotive sector continued to experience brisk demand in the domain of next-generation technologies, such as driving automation and electric power. In the domain of connected, autonomous, shared and electric (CASE) mobility, the development of automotive control software made good progress. In the field of machine control, the Group mainly work to develop line control systems for factory automation regarding machine tools and equivalents. However, the overall manufacturing industry faced a worldwide decline in demand due to trade friction and the COVID-19 pandemic. Manufacturers may avoid actively investing in ICT in the future. That is expected to have some impact on the Group.

In the Products and Services segment, demand for the development of a teleworking environment expanded due to the impact of COVID-19, and the +F FS030 Wi-Fi router for consumers and the +F FS040U data communication terminal for corporations attained strong sales. The Group worked intensively to capture demand for Wi-Fi routers chiefly for teleworking due to the COVID-19 pandemic for the project of supporting equipment with communication devices for home learning under the GIGA School Program\*<sup>2</sup>.

The Group also carried out activities aimed at further expand transactions of its products effective to actions against the COVID-19, including moreReception and moreNOTE. Especially for the purposes of preventing the spread of infections and helping customers working on business continuity, the Group offered moreNote for free of charge.

As a result of these initiatives, in the first half under review, net sales stood at 122,568 million yen, up 7.9% year on year, thanks to the strong performance of the System Integration business. Selling, general and administrative expenses decreased 2.9% year on year, to 19,742 million yen, following shrinkage in activities for recruiting new graduates and mid-career job seekers, a decrease in training sessions involving overnight stays and people's avoidance of movements because of the

COVID-19 pandemic. Operating income stood at 8,446 million yen, up 26.2% year on year, ordinary income at 8,677 million yen, up 27.1% year on year, and profit attributable to owners of parent at 3,868 million yen, up 3.5% year on year.

\*1: Webinar

A word coined by blending “web” with “seminar” to refer to a seminar held on the Internet with the use of video and others.

\*2: GIGA School Program

A program of the Japanese national government to provide every child subject to compulsory education with a learning terminal and to construct an education ICT environment including high-speed and high-capacity communication networks

Results by business segment were as follows:

(i) SI (system integration) business

In the SI business, sales of embedded/control software increased, reflecting the strong performance of automotive systems and social infrastructure systems, and income rose chiefly due to an improvement in the cost-of-sales ratio of automotive systems. In operation software, sales and income increased because of the bullish results of systems, mainly for distributors, service operators and manufacturers. In Products and Services, sales and income rose thanks to strong sales of licenses and the Group companies' products. In the outsourcing business, sales decreased due mainly to a drop in sales to the distribution and services sector. Meanwhile, income rose after the percentage of operation and maintenance projects with high profit rates increased.

As a result, net sales stood at 115,936 million yen, up 10.0% year on year. Operating income amounted to 7,788 million yen, up 40.6%.

\* 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	115,936	110.0	7,796	140.7
System construction	67,133	103.6	4,052	133.4
Embedded/control software	33,077	104.3	2,387	138.9
Operation software	34,056	103.0	1,664	126.3
Products and services	48,803	120.2	3,743	149.6
Products and services	41,683	125.0	3,254	157.4
Outsourcing	7,119	98.1	489	112.5

(Note) Operating income includes the elimination of intersegment transactions of 7 million yen.

(ii) Facility business

Net sales stood at 1,327 million yen, down 9.0% year on year, mainly due to a fall in rental income from office buildings owned by the Company and certain consolidated subsidiaries. Operating income decreased 27.4% year on year, to 459 million yen.

(iii) Other businesses

Net sales from other businesses amounted to 5,304 million yen, down 21.2% year on year, due to a fall in sales in the data entry business and the contact center business. Operating income decreased 63.4% year on year, to 190 million yen.

## (2) Details of financial position

## Total assets

Total assets stood at 222,928 million yen at the end of the consolidated first half under review, up 15,310 million yen from the end of the preceding consolidated fiscal year. Current assets were 97,746 million yen (up 9,737 million yen from the end of the previous fiscal year), and non-current assets were 125,181 million yen (up 5,572 million yen).

The main factors for the change in current assets were an increase in cash and deposits by 8,551 million yen from the end of the previous fiscal year, to 30,830 million yen, an increase in notes and accounts receivable-trade by 38 million yen, to 49,608 million yen, and an increase in short-term investment securities by 500 million yen, to 7,500 million yen.

## Liabilities

At the end of the consolidated first half under review, total liabilities amounted to 92,762 million yen, up 11,964 million yen from the end of the previous fiscal year. Current liabilities were 60,516 million yen (up 12,409 million yen from the end of the previous fiscal year), and non-current liabilities were 32,246 million yen (down 445 million yen).

Primary factors in the change of current liabilities included a decrease in notes and accounts payable-trade by 267 million yen from the end of the previous fiscal year, to 13,094 million yen and an increase in short-term loans payable, commercial paper and current portion of long-term loans payable by 15,135 million yen from the end of the previous fiscal year, to 22,295 million yen.

The main factors in the change in non-current liabilities included 345 million yen decrease in long-term loans payable from the end of the previous fiscal year, to 22,272 million yen.

## Net assets

Net assets rose 3,345 million yen from the end of the preceding fiscal year, to 130,166 million yen at the end of the consolidated first half under review. As a result, the equity ratio fell to 51.4% from 54.1% at the end of the previous fiscal year.

## Cash flows

Consolidated cash and cash equivalents (“cash”) at the end of the cumulative first half of the fiscal year under review were 35,079 million yen, an increase of 8,921 million yen from the end of the previous fiscal year.

Cash flows in the cumulative first half of the fiscal year under review were as follows.

## (Cash flows from operating activities)

Net cash provided by operating activities in the cumulative first half of the fiscal year under review stood at 5,235 million yen.

This is was mainly due to increased sales.

## (Cash flows from investment activities)

Net cash used in investing activities in the cumulative first half of the fiscal year under review came to 10,032 million yen.

This was primarily due to the acquisition of noncurrent assets associated with investment in equipment.

## (Cash flows from financing activities)

Net cash provided by financing activities in the cumulative first half of the fiscal year under review was 13,733 million yen.

This was mainly due to proceeds from short-term loans payable.

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

The full-year results forecasts remain unchanged from those announced in the financial results for the fiscal year ended December 31, 2019 announced on February 13, 2020.

The impact of COVID-19 on business results is not reflected in our forecast for consolidated business results, because it is currently difficult to determine. If a revision becomes necessary in the months ahead, we will promptly disclose it.

## 2. Consolidated Financial Statements and Key Notes

## (1) Consolidated balance sheet

(Million yen)

	FY2019 (As of December 31, 2019)	Q2 FY2020 (As of June 30, 2020)
Assets		
Current assets		
Cash and deposits	22,278	30,830
Notes and accounts receivable - trade	49,570	49,608
Short-term investment securities	7,000	7,500
Merchandise	2,190	2,199
Work in process	3,680	3,891
Raw materials and supplies	59	46
Other	3,311	3,753
Allowance for doubtful accounts	-82	-83
Total current assets	88,009	97,746
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,356	58,449
Accumulated depreciation	-28,623	-29,276
Buildings and structures, net	29,732	29,173
Land	53,135	53,135
Construction in progress	221	4,454
Other	13,479	13,556
Accumulated depreciation	-10,234	-10,532
Other, net	3,244	3,024
Total property, plant and equipment	86,334	89,787
Intangible assets		
Goodwill	275	474
Software	3,704	3,950
Other	63	60
Total intangible assets	4,043	4,485
Investments and other assets		
Investment securities	17,445	18,251
Net defined benefit asset	4,837	5,198
Deferred tax assets	3,085	2,774
Other	4,037	4,827
Allowance for doubtful accounts	-174	-142
Total investments and other assets	29,231	30,909
Total non-current assets	119,609	125,181
Total assets	207,618	222,928

(Million yen)

	FY2019 (As of December 31, 2019)	Q2 FY2020 (As of June 30, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	13,361	13,094
Short-term loans payable	3,193	21,455
Commercial paper	3,000	-
Current portion of long-term loans payable	965	840
Accrued expenses	4,562	4,213
Income taxes payable	3,534	2,734
Provision for bonuses	5,913	5,452
Provision for directors' bonuses	261	154
Provision for loss on construction contracts	194	177
Provision for loss on withdrawal from business	-	120
Other	13,118	12,274
<b>Total current liabilities</b>	<b>48,106</b>	<b>60,516</b>
<b>Non-current liabilities</b>		
Long-term loans payable	22,618	22,272
Deferred tax liabilities	1,592	1,500
Provision for directors' retirement benefits	482	478
Net defined benefit liability	5,780	5,797
Other	2,217	2,196
<b>Total non-current liabilities</b>	<b>32,691</b>	<b>32,246</b>
<b>Total liabilities</b>	<b>80,797</b>	<b>92,762</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	26,200	26,200
Capital surplus	28,807	28,814
Retained earnings	68,040	71,038
Treasury shares	-4,867	-4,867
<b>Total shareholders' equity</b>	<b>118,180</b>	<b>121,185</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,939	3,315
Deferred gains or losses on hedges	0	-0
Revaluation reserve for land	-8,047	-8,047
Foreign currency translation adjustment	-17	-92
Remeasurements of defined benefit plans	-1,796	-1,745
<b>Total accumulated other comprehensive income</b>	<b>-5,922</b>	<b>-6,569</b>
Subscription rights to shares	234	403
Non-controlling interests	14,327	15,147
<b>Total net assets</b>	<b>126,820</b>	<b>130,166</b>
<b>Total liabilities and net assets</b>	<b>207,618</b>	<b>222,928</b>



## (2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

Consolidated first half results

(Million yen)

	H1 FY2019 (From January 1, 2019 to June 30, 2019)	H1 FY2020 (From January 1, 2020 to June 30, 2020)
Net sales	113,556	122,568
Cost of sales	86,529	94,380
Gross profit	27,027	28,188
Selling, general and administrative expenses	20,334	19,742
Operating income	6,693	8,446
Non-operating income		
Interest income	48	43
Dividends income	112	128
Share of profit of entities accounted for using equity method	60	107
Subsidy income	34	35
Other	73	102
Total non-operating income	328	416
Non-operating expenses		
Interest expenses	51	31
Foreign exchange losses	80	3
Compensation loss	—	30
Loss on retirement of non-current assets	9	13
Expenses for dealing with system failure	25	14
Loss on subsidy repayment	—	74
Other	28	17
Total non-operating expenses	196	185
Ordinary income	6,825	8,677
Extraordinary income		
Gain on reversal of share acquisition rights	86	—
Compensation for forced relocation	—	224
Total extraordinary income	86	224
Extraordinary loss		
Impairment loss	3	—
Loss on valuation of investment securities	53	696
Loss on business withdrawal	—	209
Office transfer expenses	26	—
Expenses for measures against infectious diseases	—	159
Total extraordinary loss	83	1,064
Income before income taxes	6,829	7,836
Income taxes-current	2,056	2,324
Income taxes-deferred	-37	436
Total income taxes	2,019	2,760
Net income	4,809	5,076
Profit attributable to non-controlling interests	1,072	1,208
Profit attributable to owners of parent	3,736	3,868

Consolidated statements of comprehensive income  
 Consolidated first half results

(Million yen)

	H1 FY2019 (From January 1, 2019 to June 30, 2019)	H1 FY2020 (From January 1, 2020 to June 30, 2020)
Net income	4,809	5,076
Other comprehensive income		
Valuation difference on available-for-sale securities	-673	-597
Deferred gains or losses on hedges	—	-0
Foreign currency translation adjustment	-109	-123
Remeasurements of defined benefit plans, net of tax	104	124
Share of other comprehensive income of entities accounted for using equity method	-13	-81
Total other comprehensive income	-692	-677
Comprehensive income	4,116	4,398
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,079	3,220
Comprehensive income attributable to non-controlling interests	1,037	1,177

## (3) Consolidated cash flow statement

	(Thousand yen)	
	H1 FY2019 (From January 1, 2019 to June 30, 2019)	H1 FY2020 (From January 1, 2020 to June 30, 2020)
Net cash from operating activities		
Income before income taxes	6,829	7,836
Depreciation	2,615	2,891
Impairment loss	3	-
Compensation for forced relocation	-	-224
Loss on withdrawal from business	-	209
Expenses for measures against infectious diseases	-	159
Amortization of goodwill	26	29
Increase (decrease) in provision for loss on construction contracts	-64	-17
Increase (decrease) in net defined benefit liability	-62	-4
Decrease (increase) in net defined benefit asset	-246	-234
Equity in (earnings) losses of affiliates	-60	-107
Interest expenses	51	31
Foreign exchange losses (gains)	92	40
Gain on reversal of share acquisition rights	-86	-
Loss (gain) on valuation of investment securities	53	696
Office transfer expenses	14	-
Decrease (increase) in notes and accounts receivable-trade	-1,091	101
Decrease (increase) in inventories	-1,284	-248
Increase (decrease) in notes and accounts payable - trade	3,158	-277
Increase (decrease) in accounts payable - labor cost	498	-508
Increase (decrease) in accrued consumption taxes	-1,183	-1,450
Increase (decrease) in accounts payable-other	17	459
Decrease (increase) in long-term prepaid expenses	-79	-804
Other	274	-688
Subtotal	9,476	7,893
Interest and dividends income received	230	255
Interest expenses paid	-53	-32
Income taxes paid	-2,106	-3,134
Income taxes refund	92	-
Proceeds from compensation for forced relocation	-	433
Payments for loss on withdrawal from business	-	-19
Expenses for measures against infectious diseases paid	-	-159
Net cash provided by (used in) operating activities	7,639	5,235

(Thousand yen)

	H1 FY2019 (From January 1, 2019 to June 30, 2019)	H1 FY2020 (From January 1, 2020 to June 30, 2020)
Net cash from investing activities		
Payments into time deposits	-2,118	-5,195
Proceeds from withdrawal of time deposits	2,161	4,997
Purchase of property, plant and equipment	-559	-5,032
Purchase of intangible assets	-1,240	-1,960
Purchase of investment securities	-211	-2,596
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-210
Other	-607	-33
Net cash provided by (used in) investing activities	-2,576	-10,032
Net cash from financing activities		
Increase in short-term loans payable	3,354	22,511
Decrease in short-term loans payable	-14,115	-4,249
Proceeds from long-term loans payable	10,767	—
Repayment of long-term loans payable	-251	-483
Net increase (decrease) in commercial papers	—	-3,000
Purchase of treasury stock	-0	—
Cash dividends paid	-594	-687
Dividends paid to non-controlling interests	-244	-344
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-6	-0
Repayments of lease obligations	-26	-23
Other	2	12
Net cash provided by (used in) financing activities	-1,116	13,733
Effect of exchange rate change on cash and cash equivalents	-90	-15
Net increase (decrease) in cash and cash equivalents	3,856	8,921
Cash and cash equivalents at beginning of period	24,587	26,158
Cash and cash equivalents at end of period	28,444	35,079

(4) 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 this quarter)

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. H1 FY2019 (From January 1, 2019 to June 30, 2019)

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

(Million 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	105,367	1,459	106,827	6,728	113,556	–	113,556
Inter-segment sales or transfers	72	311	383	367	750	-750	–
Total	105,440	1,770	107,210	7,096	114,307	-750	113,556
Segment profit	5,540	632	6,172	520	6,693	-0	6,693

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 -0 million yen includes an elimination of inter-segment transactions of -0 million 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

The presentation of information has been omitted due to its lack of material significance.

II. H1 FY2020 (From January 1, 2020 to June 30, 2020)

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

(Million 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	115,936	1,327	117,264	5,304	122,568	–	122,568
Inter-segment sales or transfers	54	343	398	316	714	-714	–
Total	115,991	1,671	117,663	5,620	123,283	-714	122,568
Segment profit	7,788	459	8,247	190	8,438	7	8,446

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 7 million yen includes an elimination of inter-segment transactions of 7 million 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

The presentation of information has been omitted due to its lack of material significance.