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August 5, 2016

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2017 <under Japanese GAAP>

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Stock listing: Tokyo Stock Exchange, First Section
Stock code: 9682
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Scheduled date to file quarterly securities report: August 10, 2016
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Million yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2017 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2016	19,020	(2.9)	1,506	(6.5)	1,552	(5.3)	1,104	(23.0)
June 30, 2015	19,591	13.3	1,611	80.0	1,639	76.4	1,433	166.9

Note: Comprehensive income
Three months ended June 30, 2016: ¥1,135 million [(26.0)%]
Three months ended June 30, 2015: ¥1,534 million [155.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2016	47.69	–
June 30, 2015	61.35	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2016	52,338	39,983	73.4
March 31, 2016	55,131	40,355	70.4

Reference: Equity
As of June 30, 2016: ¥38,399 million As of March 31, 2016: ¥38,814 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2016	–	20.00	–	40.00	60.00
Fiscal year ending March 31, 2017	–				
Fiscal year ending March 31, 2017 (Forecasts)		25.00	–	35.00	60.00

Note: Revisions to the forecasts of dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2017	78,000	(5.5)	7,000	(7.9)	7,100	(7.9)	4,500	3.6	194.35

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the three months under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of specific accounting for preparing quarterly consolidated financial statements: Yes

Note: For the details, please refer to '(1) Application of specific accounting for preparing quarterly consolidated financial statements in 2. Matters Regarding Summary Information (Notes)' on page 5 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
b. Changes in accounting policies due to other reasons: None
c. Changes in accounting estimates: None
d. Restatement of prior period financial statements after error corrections: None

Note: For the details, please refer to '(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections in 2. Matters Regarding Summary Information (Notes)' on page 5 of the attached materials.

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2016	25,222,266 shares
As of March 31, 2016	25,222,266 shares

b. Number of treasury shares at the end of the period

As of June 30, 2016	2,246,793 shares
As of March 31, 2016	1,997,593 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	23,153,873 shares
Three months ended June 30, 2015	23,363,278 shares

* **Indication regarding execution of quarterly review procedures**
  The completion of quarterly review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

* **Proper use of earnings forecasts, and other special matters**
  The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.
  For matters regarding the above earnings forecasts, please refer to '(3) Information regarding consolidated earnings forecasts and other forward-looking statements' in '1. Qualitative Information Regarding Settlement of Accounts for the First Three Months,' on page 4 of the attached materials.

Attached Materials

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1. Qualitative Information Regarding Settlement of Accounts for the First Three Months

(1) Information regarding consolidated operating results

In the three months under review, the Japanese economy showed signs of recovery in corporate capital investment and the employment environment. However, the outlook remained uncertain due mainly to concerns of a slowdown amid rising uncertainty in overseas economies, such as the UK's decision to leave the EU, and fluctuations in financial and capital markets.

With regard to the environment surrounding the information services industry, investment in information technology increased at a moderate pace, supported by improving corporate earnings. Investment is projected to remain firm going forward.

Amid this environment, the DTS Group is working toward achieving three "Changes": Management innovation, Business reform and Marketing reform, guided by the vision of "Creating New Value Change! for the Next" under the medium-term management plan (April 2016 to March 2019). Specifically, through executing the corresponding key activities of "introducing segment-specific growth strategies," "implementing corporate reorganization" and "accelerating management activities," the Group is focusing on strengthening marketing capability and SI capability, carrying out initiatives for new business, enhancing the management foundation, and strengthening the overall capabilities of all group companies.

The Group forecasts a decline in sales year on year for the fiscal year under review due to the impacts of the end of the peak of large-scale system integration projects for banks and transfer of part of the staffing services business of DATALINKS CORPORATION, but will work to drive further sustained growth in order to achieve the plan's final year financial targets of net sales of ¥90.0 billion or higher and an operating margin of 9% or higher.

In the fiscal year under review, the first year of the medium-term management plan, as part of its focus on strengthening its marketing capability, the Company established the Sales Sector in April 2016 to change the Company's sales structure from one based on individual business sectors to a company-wide cross-sectional sales structure and took steps to enhance marketing resources and strengthen account marketing and solution marketing. Through such changes the Company is proceeding to expand its business so that in addition to its existing contracted-out business model it will also operate business centered on an SI solutions service model.

With respect to "strengthening SI capability," the Group has reorganized business units into segments that take into account the synergies of businesses, technologies and human resources in order to respond rapidly to changes in the market environment. The Group is now reinforcing group management in order to fully utilize its strengths in each segment, such as new business creation tailored to their specific characteristics. Moreover, as part of reforming the business model, the Company has established a development system that is able to serve as a one-stop service provider for all services ranging from application development to system infrastructure architecture by assigning system infrastructure engineers to the Financial Sector and the Enterprise and Communication Sector. Furthermore, as part of efforts to enhance cost competitiveness, the Company is promoting cooperation with DTS SOFTWARE VIETNAM CO., LTD in an effort to increase its utilization of off-shore resources for the Company's solutions development and other operations.

With respect to "carrying out initiatives for new business," the Company newly established the Solution Sector to enhance solution and service provision-based businesses in April 2016 and strengthened planning and development system for new solutions. Sales of a new hybrid-type sales management solution called Xsi:d+, a 3D presentation system for the construction sector called Walk in home 16, and a BI dashboard* called GalleriaSolo were launched. As part of such new initiatives, at YOKOGAWA DIGITAL COMPUTER CORPORATION, the Group is focusing on developing new solutions designed for customers' needs through such initiatives as beginning cooperation with third parties in the measurement and conformance development support tools in the automobile manufacturing sector. In addition, in promising new business fields such as FinTech, IoT, AI and big data utilization, the Group continues to invest strategically and conducts research and development.

Note: BI dashboards are used to quickly communicate complex information by gathering data from various sources and presenting it in graphical form such as charts, maps and graphs for analysis.

With regard to “enhancing the management foundation,” and “strengthening the overall capabilities of all group companies,” the Company has newly established the Service Management Department, and it continues to develop the internal management structure in order to ensure smooth responses to changes to the business environment such as revisions to the Worker Dispatching Act. In addition, the Company has established a company-wide cross-sectional project team to enhance management efficiency and speed up decision-making. The project team is currently making preparations, such as relocation of headquarters for consolidating operating bases and introducing a group-shared platform. Furthermore, amid a dramatically changing pension system environment, the Company is making efforts to establish its own new corporate pension scheme in the second half of the fiscal year as part of its policy to be a corporation that provides job satisfaction to its employees.

As a result of the above, the Group reported net sales of ¥19,020 million for the three months under review, a decrease of 2.9% year on year. The decrease in sales mainly reflected the impacts of the end of the peak of large-scale system integration projects for banks and sales of part of the staffing services business.

Gross profit rose by 0.6% year on year to ¥3,535 million. This mainly reflected the improvement in the cost ratios by reinforcing project management.

Selling, general and administrative expenses increased by 6.7% year on year to ¥2,029 million, mainly reflecting strengthening sales structure.

Consequently, operating income was ¥1,506 million, down 6.5% year on year, ordinary income was ¥1,552 million, down 5.3% year on year, and profit attributable to owners of parent was ¥1,104 million, down 23.0% year on year, mainly reflecting gain on the transfer of part of the staffing services business and the booking of gain on the sale of land and buildings in the same period of the previous fiscal year.

(Million yen)

	Consolidated	Year-on-year change (%)	Non-consolidated (Reference)	Year-on-year change (%)
Net sales	19,020	(2.9)	13,254	1.0
Operating income	1,506	(6.5)	1,437	(2.0)
Ordinary income	1,552	(5.3)	1,626	5.1
Profit attributable to owners of parent	1,104	(23.0)	–	–
Profit (Non-consolidated)	–	–	1,224	(16.2)

<Breakdown of net sales>

(Million yen)

	Consolidated	Ratio (%)
Finance and Public Sector	6,975	36.7
Corporate, Communications and Solutions	4,381	23.0
Operation BPO	2,968	15.6
Regional, Overseas, Etc.	4,695	24.7
Total	19,020	100.0

Summaries of the operational conditions of each segment are as follows.

Finance and Public Sector Segment
Development projects for the financial sector such as life insurance companies and trust banks and for local governments were firm, however there was a peak out in large-scale system integration projects for banks that have been ongoing for some time. As a result, sales in this segment totaled ¥6,975 million.

Corporate, Communications and Solutions Segment
Projects for the manufacturing sector and broadcasting sector, among others were firm in the ERP solution introduction support and embedding field. As a result, sales in this segment totaled ¥4,381 million.

Operation BPO Segment
System operation and maintenance services and infrastructure architecture projects were firm in sectors such as information and telecommunications. As a result, sales in this segment totaled ¥2,968 million.

Regional, Overseas, Etc. Segment
Sales of equipment and related infrastructure architecture projects were steady. However, the Group sold part of the staffing services business of DATALINKS CORPORATION. As a result, sales in this segment totaled ¥4,695 million.

(2) Information regarding consolidated financial position

Total assets as of June 30, 2016 were ¥52,338 million, a decrease of ¥2,793 million from the previous fiscal year-end. The main factors for this were an increase of ¥608 million in work in process on one hand, and decreases of ¥3,172 million in notes and accounts receivable - trade and ¥233 million in cash and deposits on the other hand, respectively.

Liabilities were ¥12,355 million, a decrease of ¥2,420 million from the previous fiscal year-end. The main factors for this were increases of ¥686 million in deposits received and ¥360 million in accrued expenses, which were included in other under current liabilities, and decreases of ¥1,794 million in provision for bonuses, ¥1,142 million in income taxes payable, and ¥552 million in accounts payable - trade.

Net assets were ¥39,983 million, a decrease of ¥372 million from the previous fiscal year-end. Although there was an increase of ¥1,104 million in retained earnings due to profit attributable to owners of parent, this was offset by a decrease of ¥928 million due to dividends of surplus and an increase of ¥549 million in treasury shares.

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

With respect to the future outlook, the recovery trend in the economy is expected to continue. However, there are concerns of a slowdown due to rising uncertainties in overseas economies and developments in financial and capital markets. As a result, the outlook is unclear for investment in information technology by customer companies.

In accordance with the above, there is no change from the earnings forecasts announced on May 12, 2016.

2. Matters Regarding Summary Information (Notes)

(1) Application of specific accounting for preparing quarterly consolidated financial statements

Taxes are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the first quarter under review, and next by multiplying the quarterly profit before income taxes by such estimated effective tax rate.

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

Changes in accounting policies

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

Following the revision to the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) from the first quarter ended June 30, 2016, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

This has immaterial effect on profit or loss.

3. Quarterly Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousand yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	30,491,032	30,257,870
Notes and accounts receivable - trade	13,576,801	10,404,252
Merchandise and finished goods	200,470	170,124
Work in process	516,097	1,124,695
Raw materials and supplies	33,385	75,598
Other	2,283,953	2,311,491
Allowance for doubtful accounts	(8,693)	(5,843)
Total current assets	47,093,046	44,338,188
Non-current assets		
Property, plant and equipment	3,264,763	3,240,976
Intangible assets		
Goodwill	868,051	744,030
Other	607,390	602,476
Total intangible assets	1,475,441	1,346,506
Investments and other assets		
Other	3,303,262	3,417,625
Allowance for doubtful accounts	(4,647)	(4,647)
Total investments and other assets	3,298,615	3,412,977
Total non-current assets	8,038,820	8,000,460
Total assets	55,131,867	52,338,649
Liabilities		
Current liabilities		
Accounts payable - trade	4,781,841	4,229,164
Income taxes payable	1,802,067	659,287
Provision for bonuses	3,166,222	1,371,578
Provision for directors' bonuses	67,642	14,809
Provision for loss on order received	24,280	9,358
Allowance for loss on employees' pension fund withdrawal	1,231,962	1,231,962
Other	3,040,132	4,168,925
Total current liabilities	14,114,148	11,685,087
Non-current liabilities		
Provision for directors' retirement benefits	57,818	60,807
Net defined benefit liability	433,969	443,192
Other	169,933	166,224
Total non-current liabilities	661,721	670,224
Total liabilities	14,775,869	12,355,312

(Thousand yen)

	As of March 31, 2016	As of June 30, 2016
Net assets		
Shareholders' equity		
Capital stock	6,113,000	6,113,000
Capital surplus	6,190,917	6,190,917
Retained earnings	28,865,886	29,041,052
Treasury shares	(2,649,308)	(3,199,118)
Total shareholders' equity	38,520,495	38,145,852
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	297,200	274,713
Foreign currency translation adjustment	68,207	47,459
Remeasurements of defined benefit plans	(71,168)	(68,963)
Total accumulated other comprehensive income	294,239	253,209
Non-controlling interests	1,541,262	1,584,274
Total net assets	40,355,997	39,983,336
Total liabilities and net assets	55,131,867	52,338,649

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

Consolidated statements of income (cumulative)

(Thousand yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	19,591,897	19,020,441
Cost of sales	16,078,549	15,484,856
Gross profit	3,513,348	3,535,585
Selling, general and administrative expenses	1,902,340	2,029,023
Operating income	1,611,007	1,506,562
Non-operating income		
Interest income	3,443	2,330
Dividend income	20,182	23,022
Foreign exchange gains	–	11,512
Other	7,280	18,672
Total non-operating income	30,905	55,538
Non-operating expenses		
Interest expenses	306	614
Loss on insurance cancellation	–	2,530
Foreign exchange losses	2,096	–
Other	197	5,998
Total non-operating expenses	2,600	9,142
Ordinary income	1,639,312	1,552,957
Extraordinary income		
Gain on sales of non-current assets	1,160,924	–
Gain on transfer of business	–	161,287
Other	23,780	–
Total extraordinary income	1,184,705	161,287
Extraordinary losses		
Loss on sales of non-current assets	558,157	–
Loss on retirement of non-current assets	8,356	588
Total extraordinary losses	566,513	588
Profit before income taxes	2,257,504	1,713,656
Income taxes	808,521	535,537
Profit	1,448,982	1,178,119
Profit attributable to non-controlling interests	15,735	73,965
Profit attributable to owners of parent	1,433,247	1,104,153

Consolidated statements of comprehensive income (cumulative)

(Thousand yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	1,448,982	1,178,119
Other comprehensive income		
Valuation difference on available-for-sale securities	82,738	(24,337)
Foreign currency translation adjustment	520	(20,748)
Remeasurements of defined benefit plans, net of tax	1,782	2,234
Total other comprehensive income	85,042	(42,851)
Comprehensive income	1,534,024	1,135,267
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,517,410	1,063,123
Comprehensive income attributable to non-controlling interests	16,614	72,144

(3) Consolidated statements of cash flows

(Thousand yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Cash flows from operating activities		
Profit before income taxes	2,257,504	1,713,656
Depreciation	131,257	108,035
Amortization of goodwill	124,020	124,020
Increase (decrease) in provision for bonuses	(1,633,640)	(1,794,092)
Increase (decrease) in provision for directors' bonuses	(52,291)	(52,832)
Increase (decrease) in provision for loss on order received	–	(14,921)
Increase (decrease) in provision for directors' retirement benefits	(85)	2,989
Increase (decrease) in net defined benefit liability	11,607	12,454
Loss on sales of non-current assets	558,157	–
Gain on sales of non-current assets	(1,160,924)	–
Decrease (increase) in notes and accounts receivable - trade	1,504,277	3,169,062
Decrease (increase) in inventories	(657,459)	(620,505)
Increase (decrease) in notes and accounts payable - trade	(29,921)	(553,988)
Other, net	103,630	691,402
Subtotal	1,156,133	2,785,280
Interest and dividend income received	23,167	24,252
Interest expenses paid	(610)	–
Income taxes paid	(1,615,559)	(1,638,700)
Net cash provided by (used in) operating activities	(436,868)	1,170,833
Cash flows from investing activities		
Purchase of property, plant and equipment	(65,134)	(31,961)
Proceeds from sales of property, plant and equipment	6,069,605	–
Purchase of intangible assets	(38,118)	(67,212)
Purchase of investment securities	(585)	(648)
Proceeds from sales of investment securities	74,114	–
Payments into time deposits	–	(100,000)
Proceeds from withdrawal of time deposits	–	100,000
Proceeds from transfer of business	–	161,287
Other, net	360	(325)
Net cash provided by (used in) investing activities	6,040,239	61,140
Cash flows from financing activities		
Cash dividends paid	(775,624)	(882,172)
Dividends paid to non-controlling interests	(20,292)	(26,283)
Purchase of treasury shares	(726,192)	(550,909)
Other, net	(118)	–
Net cash provided by (used in) financing activities	(1,522,228)	(1,459,364)
Effect of exchange rate change on cash and cash equivalents	1,090	(5,770)
Net increase (decrease) in cash and cash equivalents	4,082,233	(233,161)
Cash and cash equivalents at beginning of period	21,728,531	30,120,850
Cash and cash equivalents at end of period	25,810,764	29,887,688

(4) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on substantial changes in the amount of shareholders' equity)

No items to report.

4. Supplementary Information

Production, orders and sales

(1) Production

Production in the three months under review is as follows.

Segment	Production (Thousand yen)	Year-on-year change (%)
Finance and Public Sector	6,975,021	–
Corporate, Communications and Solutions	4,381,475	–
Operation BPO	2,968,354	–
Regional, Overseas, Etc.	4,695,590	–
Total	19,020,441	–

Notes: 1. The amounts presented above are selling prices, and do not include consumption taxes. Inter-segment transactions have been eliminated.

2. Effective from the first quarter under review, the Group has reclassified its reportable segments due to the reorganization of the Group. The previous two reportable segments, "Information Service" and "Human Resource Service" have been reclassified as four reportable segments, "Finance and Public Sector," "Corporate, Communications and Solutions," "Operation BPO," and "Regional, Overseas, Etc."

   Year-on-year change in production for the reportable segments has been omitted due to practical difficulties in preparing adjusted figures for the three months ended June 30, 2015 based on the new classifications.

3. Production based on the previous reportable segment classification is shown below. As the scope of aggregation for production has changed along with the changes in the reportable segments, the total production below does not match the total based on the reportable segment classification for the three month under review.

Segment and services		Production (Thousand yen)	Year-on-year change (%)
Information Service	System Engineering Services	13,356,764	(2.7)
	Operation Engineering Services	3,543,185	6.1
Total		16,899,949	(1.0)

Note: The amounts presented above are selling prices, and do not include consumption taxes. Inter-segment transactions have been eliminated.

(2) Orders

Orders in the three months under review are as follows.

Segment	Order volume (Thousand yen)	Year-on-year change (%)	Order backlog (Thousand yen)	Year-on-year change (%)
Finance and Public Sector	7,056,283	–	12,715,355	–
Corporate, Communications and Solutions	3,694,044	–	4,620,642	–
Operation BPO	1,232,059	–	7,530,621	–
Regional, Overseas, Etc.	4,647,335	–	3,135,436	–
Total	16,629,723	–	28,002,055	–

Notes: 1. The amounts presented above are selling prices, and do not include consumption taxes. Inter-segment transactions have been eliminated.

2. Effective from the first quarter under review, the Group has reclassified its reportable segments due to the reorganization of the Group. The previous two reportable segments, "Information Service" and "Human Resource Service" have been reclassified as four reportable segments, "Finance and Public Sector," "Corporate, Communications and Solutions," "Operation BPO," and "Regional, Overseas, Etc."

   Year-on-year changes in order volume and order backlog for the reportable segments has been omitted due to practical difficulties in preparing adjusted figures for the three months ended June 30, 2015 based on the new classifications.

3. Orders based on the previous reportable segment classifications are shown below. As the scopes of aggregation for order volume and order backlog have changed along with the changes in the reportable segments, the total order volume and total order backlog below do not match the totals based on the reportable segment classification for the three month under review.

Segment and services		Order volume (Thousand yen)	Year-on-year change (%)	Order backlog (Thousand yen)	Year-on-year change (%)
Information Service	System Engineering Services	12,968,472	0.3	19,532,702	6.7
	Operation Engineering Services	1,681,344	46.4	7,776,903	10.5
Total		14,649,816	4.0	27,309,606	7.8

Note: The amounts presented above are selling prices, and do not include consumption taxes. Inter-segment transactions have been eliminated.

(3) Sales

Sales in the three months under review are as follows.

Segment	Sales (Thousand yen)	Year-on-year change (%)
Finance and Public Sector	6,975,021	–
Corporate, Communications and Solutions	4,381,475	–
Operation BPO	2,968,354	–
Regional, Overseas, Etc.	4,695,590	–
Total	19,020,441	–

Notes: 1. The amounts presented above are selling prices, and do not include consumption taxes. Inter-segment transactions have been eliminated.

2. Effective from the first quarter under review, the Group has reclassified its reportable segments due to the reorganization of the Group. The previous two reportable segments, "Information Service" and "Human Resource Service" have been reclassified as four reportable segments, "Finance and Public Sector," "Corporate, Communications and Solutions," "Operation BPO," and "Regional, Overseas, Etc."

Year-on-year change in sales for the reportable segments has been omitted due to practical difficulties in preparing adjusted figures for the three months ended June 30, 2015 based on the new classifications.

3. Sales based on the previous reportable segment classifications are shown below.

Segment and services		Sales (Thousand yen)	Year-on-year change (%)
Information Service	System Engineering Services	13,356,764	(2.7)
	Operation Engineering Services	3,543,185	6.1
	Product Services and Others	1,816,234	8.3
	Subtotal	18,716,184	(0.1)
Human Resource Service	Staffing Services and Others	304,257	(64.2)
	Subtotal	304,257	(64.2)
Total		19,020,441	(2.9)

Note: The amounts presented above are selling prices, and do not include consumption taxes. Inter-segment transactions have been eliminated.