

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



February 3, 2020

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2020 <under Japanese GAAP>

Company name: **DTS Corporation**
 Stock listing: Tokyo Stock Exchange, First Section
 Stock code: 9682
 URL: <https://www.dts.co.jp/>
 Representative: Koichi Nishida, Representative Director and President
 Inquiries: Takeo Haruki, General Manager, Accounting Department
 TEL: +81-3-3948-5488

Scheduled date to file quarterly securities report: February 10, 2020
 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 nine months of the fiscal year ending March 31, 2020 (from April 1, 2019 to December 31, 2019)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2019	69,802	11.1	7,517	7.5	7,670	7.9	5,246	8.3
December 31, 2018	62,805	3.7	6,990	20.7	7,109	21.9	4,846	25.4

Note: Comprehensive income
 Nine months ended December 31, 2019: ¥5,201 million [10.6%]
 Nine months ended December 31, 2018: ¥4,703 million [4.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2019	113.26	–
December 31, 2018	103.83	–

Note: The Company conducted a 1:2 stock split for common stock with an effective date of July 1, 2019. The stated basic earnings per share has been calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
December 31, 2019	67,646	53,438	79.0
March 31, 2019	66,982	51,353	76.7

Reference: Equity
 As of December 31, 2019: ¥53,432 million As of March 31, 2019: ¥51,353 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, 2019 (before stock split) (Reference)	–	35.00	–	60.00	95.00
Fiscal year ended March 31, 2019 (after stock split)	–	17.50	–	30.00	47.50
Fiscal year ending March 31, 2020	–	20.00	–		
Fiscal year ending March 31, 2020 (Forecasts)				30.00	50.00

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

Note: The Company conducted a 1:2 stock split for common stock with an effective date of July 1, 2019. The stated annual dividend per share (forecast) for the fiscal year ending March 31, 2020 takes the said stock split into account.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2020	93,500	7.8	10,000	2.1	10,150	2.2	6,900	1.2	148.99

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

Note: The Company conducted a 1:2 stock split for common stock with an effective date of July 1, 2019. The stated basic earnings per share for the consolidated earnings forecasts for the fiscal year ending March 31, 2020 takes the said stock split into account.

* Notes

(1) Changes in significant subsidiaries during the nine 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 ‘(Application of specific accounting for preparing quarterly consolidated financial statements) in (4) Notes to quarterly consolidated financial statements in 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto’ on page 11 of the attached materials.

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

- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common stock)

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

As of December 31, 2019	50,444,532 shares
As of March 31, 2019	50,444,532 shares

- Number of treasury shares at the end of the period

As of December 31, 2019	4,183,214 shares
As of March 31, 2019	3,827,842 shares

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

Nine months ended December 31, 2019	46,327,516 shares
Nine months ended December 31, 2018	46,678,543 shares

Note: The Company conducted a 1:2 stock split for common stock with an effective date of July 1, 2019. The stated total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of outstanding shares during the period have been calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

* **Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

* **Proper use of earnings forecasts, and other special matters**

The 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 '(2) Information regarding consolidated earnings forecasts and other forward-looking statements' in '1. Qualitative Information Regarding Settlement of Accounts for the First Nine Months,' on page 5 of the attached materials.

Attached Materials

Contents

1. Qualitative Information Regarding Settlement of Accounts for the First Nine Months	2
(1) Information regarding consolidated operating results.....	2
(2) Information regarding consolidated earnings forecasts and other forward-looking statements.....	5
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto	6
(1) Consolidated balance sheets.....	6
(2) Consolidated statements of income and consolidated statements of comprehensive income.....	8
Consolidated statements of income (cumulative)	8
Consolidated statements of comprehensive income (cumulative).....	9
(3) Consolidated statements of cash flows	10
(4) Notes to quarterly consolidated financial statements.....	11
(Notes on premise of going concern).....	11
(Notes on substantial changes in the amount of shareholders' equity).....	11
(Application of specific accounting for preparing quarterly consolidated financial statements)...	11
3. Others	12
Results of production, orders and sales.....	12

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

(1) Information regarding consolidated operating results

In the nine months under review, amid ongoing improvements in the employment and income environments, weaknesses were observed, particularly in exports. In addition, the outlook has remained unclear due mainly to uncertainty regarding trends and policies in overseas economies, caused by protectionist policies of the U.S. and geopolitical risk in the East Asia and Middle East, along with the impact of fluctuations in financial and capital markets as well as trends in consumer sentiment after the consumption tax rate hike, requiring a more cautious approach from corporate management.

Meanwhile, the environment in which the information services industry operates is projected to remain robust, with investment in information technology expanding in areas related to productivity improvements and work-style reforms to deal with labor shortages, and growth in digital business utilizing so-called CAMBRIC technology, a general term for Cloud Computing, AI, Mobility, Big Data, Robotics, IoT and Cybersecurity.

In this environment, the DTS Group has established a vision for its medium-term management plan (April 2019 to March 2022) of becoming a “Next Value Creator, providing new value to the society of tomorrow,” and has set financial targets of consolidated net sales of ¥100.0 billion or higher, overseas net sales of ¥5.0 billion or higher, a consolidated operating margin of 10% or higher, ROE of 12% or higher, and a total return ratio of 45% or higher.

In order to achieve the above targets, we have drawn up the three basic policies of “realization of a sustainable society,” “evolution into a new system integrator,” and “transformation into self-driven employees,” and have begun related initiatives. The Group has been promoting the five key activities of “strengthening marketing capability and SI capability,” “creating new business,” “strengthening the Group’s management foundation,” “innovating in-house information systems and administrative processes,” and “carrying out work-style reforms.”

In addition, during the fiscal year under review, the Group has performed steadily as it aims for net sales to grow by 7.8% year on year to ¥93.5 billion, operating profit to reach the long-term management target of ¥10.0 billion two years ahead of schedule, and operating margin to exceed 10% for the fourth consecutive year.

■ Strengthening marketing capability and SI capability

In order to enhance the value that we propose the customers, we have begun initiatives aimed at a systematic strengthening of the sales activities. Specifically, because we intend to propose wide-ranging solutions for issues faced by customers, we have enhanced the solutions marketing function of the Sales Sector. In addition, in order to carry out proposal activities that utilize new technologies such as CAMBRIC, a DX Promotion Office has been set up in the Sales Sector.

Also, we have been promoting active use of our offshore bases such as Dalian SuperElectronics Co., Ltd. and DTS SOFTWARE VIETNAM CO., LTD., as well as developing and starting to place orders with an Indian partner company for SAP development projects to strengthen the foundations of our IT employees, and enhance our SI competitiveness.

The Group is working on agile development and the utilization of the “GeneXus”^(Note 1) automated application generation tool in order to further expand the digital business and the SoE business, and as a result, development times have shortened and quality has improved. Going forward we will proactively utilize the newest technologies and focus on providing IT services that capture customer needs.

■ Carrying out initiatives for new business

In preparation for reinforcing our initiatives for digital business that makes use of new technologies such as CAMBRIC, we have launched a group-wide working group, centered on the DX Promotion Office. This is drawing up the DTS Group’s DX strategy, and driving the creation of new business by sorting out common issues and examining initiatives to solve them. Furthermore, as we perceive the training of DX employees to a higher level to be an urgent issue, we are advancing our plan to

train employees, which was set by each organization, and we are facilitating a change in attitudes through managers training in order to promote proposals that utilize AI.

<Finance and Society segment>

As for the AI platform “DAVinCI LABS,” we registered an increase in adoptions and inquiries for the prediction of rate of automobile insurance contract renewal, and we will continue to forge ahead in making proposals that match the needs of customers.

<Corporate Solutions segment>

In April 2019 we began collaborating with a leading manufacturer of automotive components on initiatives for smart factory solutions. We have provided “GalleriaSolo,” our BI dashboard, which is a function that increases the visibility of data, sensors with data collection functions, and transmitters, in addition to participating in the development of a system that manages the operation of factory equipment, output, and workers.

<Operational Infrastructure BPO segment>

In December 2019, we launched “ReSM plus,” which is based on “ServiceNow”^(Note 2), as a service to support internal help desk operations through digital technology. We provide a support portal for all employees of our customer companies and support them in quickly resolving issues on internal work.

<Regional, Overseas, Etc. segment>

In October 2019, we introduced a multilingual AI chatbot service^(Note 3), “kotosora for LGWAN,” that can be used on the LGWAN (Local Government Wide Area Network). We will continue to work on this project actively with a view to expanding sales.

■ Strengthening the Group’s management foundation

In terms of ESG initiatives, the ESG Promotion Office, which has been set up within the General Affairs Department, surveys SDGs for all of the Company’s projects and exchanges opinions with other companies in the same industry.

In addition, Nelito Systems Limited was made a consolidated subsidiary in order to expand the global aspect of the DTS Group’s financial industry business. We are working to expand our operations in India, and push for growth in markets in Southeast Asia.

Furthermore, we have started consolidating the Shiba Development Center and the Daimon Development Center with the aim of strengthening links between organizations and improving productivity.

Moreover, after the 47th Annual General Meeting of Shareholders, Independent Officers accounted for a majority of seven out of 13 Directors. Additionally, the effectiveness of the Board of Directors was analyzed and assessed in July to August 2019, which received positive evaluations from all Directors. We will continue our efforts to ensure the effectiveness of corporate governance.

■ Innovating in-house information systems and administrative processes

In preparation for work-style reforms and improvements to business efficiency, we have started rationalization through the reviewing of work processes, as well as the rebuilding of in-house systems.

We have also worked to replace the Company’s PCs with thin client devices and begun the introduction, with the aim of putting in place infrastructure for a variety of work styles, strengthening security, and reducing the amount of administrative work.

Additionally, with respect to internal systems, we have relocated our data center and enhanced our server performance with the aim of increasing business continuity.

■ Work-style reforms

In terms of health management, with the aim of realizing balance between work and private life, we hold regular seminars to support raising next-generation using a combination of occupational doctors

and those with experience in this matter, the idea being to promote greater participation by women in the workplace, and greater participation by men in childcare.

In October 2019, we were awarded the second highest level (Class 2) “Eruboshi” certification based on the “Act on Promotion of Female Participation and Career Advancement in the Workplace.” We will continue to create an environment where diverse human resources can fulfill their potential and play active roles.

Moreover, in order to promote the transformation into self-driven employees and cultivate a company culture where employees can proactively take on new challenges, we are continually working on a personnel system reform that values challenges and reforms.

■ Other, including shareholder returns

In May 2019, we acquired 177,600 treasury shares in order to improve capital efficiency and to further improve returns for our shareholders.

In addition, we conducted a 1:2 stock split for common stock with an effective date of July 1, 2019. The purpose of the stock split was not only to reduce the price per investment unit of the Company’s stock, creating a more investment-friendly environment, but also to improve the liquidity of shares and broaden the investor base.

Note 1: “GeneXus” is a development tool that creates business systems automatically, based on the description of a set of business requirements.

Note 2: ServiceNow is a service management platform that supports inquiries and workflows.

Note 3: AI chatbot service is a service for FAQs that uses an AI chat engine to enable natural conversations feel like those of a real person.

As a result of the above, the Group reported net sales of ¥69,802 million for the nine months under review, an increase of 11.1% year on year. This was due to good progress in development projects such as the renewal of a securities company’s intranet, the renewal of the core system of a governmental financial institution and a residential housing-related project. With respect to the net sales for this third quarter, the Group reported ¥22,411 million, an increase of 5.5% year on year, due to such factors as the peak out of some of the large projects mentioned above.

Gross profit rose by 6.9% year on year to ¥13,619 million. The increase resulted from an increase in net sales and a decrease in unprofitable projects. Selling, general and administrative expenses rose by 6.2% year on year to ¥6,102 million, due to such factors as the consolidation of Nelito Systems Limited. Consequently, operating profit was ¥7,517 million, up 7.5% year on year, and ordinary profit was ¥7,670 million, up 7.9% year on year. Profit attributable to owners of parent was ¥5,246 million, up 8.3% year on year, due mainly to an increase in operating profit.

(Million yen)

	Consolidated	Year-on-year change (%)	Non-consolidated (Reference)	
				Year-on-year change (%)
Net sales	69,802	11.1	49,975	14.2
Operating profit	7,517	7.5	6,289	18.2
Ordinary profit	7,670	7.9	6,871	20.0
Profit attributable to owners of parent	5,246	8.3	–	–
Profit (Non-consolidated)	–	–	4,868	17.6

<Breakdown of net sales>

(Million yen)

	Consolidated	Year-on-year change
		(%)
Finance and Society	23,123	7.9
Corporate Solutions	19,890	9.6
Operational Infrastructure BPO	18,882	12.1
Regional, Overseas, Etc.	7,904	23.8
Total	69,802	11.1

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

Effective from the first quarter ended June 30, 2019, the Group changed the classification of its reporting segments. Consequently, in year-on-year comparisons the figures for the same quarter of the previous fiscal year have been restated into the figures for the classifications after the change.

Finance and Society Segment

Due to the good progress in development projects such as the renewal of the core system of a governmental financial institution, the renewal of a securities company's intranet and OA project for other financial institution, net sales came to ¥23,123 million, up 7.9% year on year.

Corporate Solutions Segment

Due to strong performance in a development project related to residential housing and a development project utilizing SAP, amongst other factors, net sales rose by 9.6% year on year to ¥19,890 million.

Operational Infrastructure BPO Segment

With operational design, maintenance and management of wholesale and retail systems performing strongly, due to the impact of the change in the fiscal year-end date for DIGITAL TECHNOLOGIES CORPORATION, net sales were ¥18,882 million, up 12.1% year on year.

Regional, Overseas, Etc. Segment

As a result of favorable conditions for development projects in the regional segment, and the consolidation of Nelito Systems Limited, net sales rose 23.8% year on year to ¥7,904 million.

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

With respect to the full-year consolidated earnings forecasts, there is no change from the earnings forecasts announced on April 26, 2019.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheets

(Thousand yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	35,290,727	36,225,488
Notes and accounts receivable - trade	15,720,207	13,870,892
Securities	-	35,122
Merchandise and finished goods	1,041,972	497,431
Work in process	679,425	1,660,518
Raw materials and supplies	27,343	24,182
Other	603,491	1,125,409
Allowance for doubtful accounts	(3,204)	(15,068)
Total current assets	53,359,963	53,423,976
Non-current assets		
Property, plant and equipment	3,558,191	3,908,022
Intangible assets		
Goodwill	169,381	287,735
Other	630,177	855,696
Total intangible assets	799,558	1,143,432
Investments and other assets		
Other	9,272,044	9,178,120
Allowance for doubtful accounts	(6,918)	(6,817)
Total investments and other assets	9,265,126	9,171,302
Total non-current assets	13,622,876	14,222,757
Total assets	66,982,839	67,646,733

(Thousand yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	5,286,484	5,536,277
Income taxes payable	2,234,550	1,143,821
Provision for bonuses	3,422,569	1,492,914
Provision for bonuses for directors (and other officers)	57,820	42,360
Provision for loss on order received	198,797	58,360
Other	3,532,402	4,756,869
Total current liabilities	14,732,625	13,030,602
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	35,461	700
Retirement benefit liability	743,572	848,965
Other	117,761	327,636
Total non-current liabilities	896,796	1,177,301
Total liabilities	15,629,421	14,207,904
Net assets		
Shareholders' equity		
Share capital	6,113,000	6,113,000
Capital surplus	6,215,781	6,215,781
Retained earnings	41,342,281	44,265,441
Treasury shares	(3,385,247)	(4,185,444)
Total shareholders' equity	50,285,815	52,408,779
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,019,142	1,024,061
Foreign currency translation adjustment	27,365	(18,220)
Remeasurements of defined benefit plans	21,095	17,837
Total accumulated other comprehensive income	1,067,603	1,023,678
Non-controlling interests	–	6,371
Total net assets	51,353,418	53,438,829
Total liabilities and net assets	66,982,839	67,646,733

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

(Thousand yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	62,805,327	69,802,089
Cost of sales	50,070,104	56,182,263
Gross profit	12,735,223	13,619,826
Selling, general and administrative expenses	5,744,551	6,102,740
Operating profit	6,990,672	7,517,086
Non-operating income		
Interest income	11,832	16,611
Dividend income	63,920	77,776
Gain on investments in investment partnerships	–	23,581
Other	56,218	59,640
Total non-operating income	131,971	177,610
Non-operating expenses		
Interest expenses	20	20,782
Loss on investments in investment partnerships	4,124	–
Foreign exchange losses	2,500	1,198
Commission expenses	4,807	–
Other	1,792	2,493
Total non-operating expenses	13,245	24,474
Ordinary profit	7,109,398	7,670,222
Extraordinary income		
Gain on step acquisitions	–	66,731
Total extraordinary income	–	66,731
Extraordinary losses		
Loss on retirement of non-current assets	71	559
Loss on valuation of golf club membership	5,104	8,320
Loss on sales of golf club memberships	1,925	–
Total extraordinary losses	7,101	8,880
Profit before income taxes	7,102,296	7,728,073
Income taxes	2,255,687	2,482,356
Profit	4,846,609	5,245,717
Loss attributable to non-controlling interests	–	(1,169)
Profit attributable to owners of parent	4,846,609	5,246,887

Consolidated statements of comprehensive income (cumulative)

(Thousand yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	4,846,609	5,245,717
Other comprehensive income		
Valuation difference on available-for-sale securities	(137,676)	4,919
Foreign currency translation adjustment	(8,104)	(45,930)
Remeasurements of defined benefit plans, net of tax	2,418	(3,309)
Total other comprehensive income	(143,361)	(44,320)
Comprehensive income	4,703,247	5,201,397
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,703,247	5,202,962
Comprehensive income attributable to non-controlling interests	—	(1,565)

(3) Consolidated statements of cash flows

(Thousand yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Cash flows from operating activities		
Profit before income taxes	7,102,296	7,728,073
Depreciation	308,069	319,590
Amortization of goodwill	98,226	82,121
Increase (decrease) in provision for bonuses	(1,629,844)	(1,946,340)
Increase (decrease) in provision for bonuses for directors (and other officers)	(29,895)	(15,460)
Increase (decrease) in provision for loss on order received	113,454	(140,437)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	90	(34,761)
Increase (decrease) in retirement benefit liability	62,631	100,669
Decrease (increase) in trade receivables	1,937,400	2,465,185
Decrease (increase) in inventories	(1,785,915)	(433,497)
Increase (decrease) in trade payables	522,570	127,463
Other, net	316,727	386,283
Subtotal	7,015,814	8,638,892
Interest and dividends received	79,090	98,973
Interest paid	(20)	(7,928)
Income taxes paid	(2,957,200)	(3,721,445)
Net cash provided by (used in) operating activities	4,137,684	5,008,492
Cash flows from investing activities		
Purchase of property, plant and equipment	(77,050)	(289,152)
Purchase of intangible assets	(310,835)	(343,760)
Purchase of investment securities	(1,005,367)	(408,120)
Proceeds from redemption of investment securities	200,000	400,000
Payments for investments in capital of subsidiaries and associates	(15,897)	(68,959)
Payments into time deposits	(170,222)	(212,921)
Proceeds from withdrawal of time deposits	170,217	196,576
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(456,070)
Other, net	2,322	72,041
Net cash provided by (used in) investing activities	(1,206,833)	(1,110,365)
Cash flows from financing activities		
Dividends paid	(1,864,916)	(2,319,246)
Dividends paid to non-controlling interests	(18)	(94)
Purchase of treasury shares	(602,479)	(801,796)
Other, net	–	83,132
Net cash provided by (used in) financing activities	(2,467,415)	(3,038,004)
Effect of exchange rate change on cash and cash equivalents	(7,193)	(9,553)
Net increase (decrease) in cash and cash equivalents	456,241	850,569
Cash and cash equivalents at beginning of period	32,454,447	35,140,658
Cash and cash equivalents at end of period	32,910,689	35,991,227

(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.

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

(Calculation of taxes)

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 third quarter under review, and next by multiplying the quarterly profit before income taxes by such estimated effective tax rate.

3. Others

Results of production, orders and sales

In the nine months under review, order backlog in the Regional, Overseas, Etc. business has significantly increased year on year. This was due to Nelito Systems Limited being included in the scope of consolidation as a result of purchasing additional shares from the first quarter ended June 30, 2019.

Effective from the first quarter ended June 30, 2019, the Company partially changed the classification of its reportable segments. Consequently, the percentage of year-on-year change utilizes figures for the same period of the previous fiscal year that were created based on the new reportable segment classifications.

(1) Production

Production in the nine months under review is as follows.

Segment	Production (Thousand yen)	Year-on-year change (%)
Finance and Society	23,123,698	7.9
Corporate Solutions	19,890,922	9.6
Operational Infrastructure BPO	18,882,700	12.1
Regional, Overseas, Etc.	7,904,768	23.8
Total	69,802,089	11.1

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 nine 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 Society	14,779,946	(3.6)	7,078,974	(17.9)
Corporate Solutions	19,107,218	9.4	6,513,074	11.7
Operational Infrastructure BPO	10,532,405	15.4	4,946,290	7.5
Regional, Overseas, Etc.	8,178,674	26.0	3,403,226	76.4
Total	52,598,244	8.6	21,941,565	4.6

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 nine months under review are as follows.

Segment	Sales (Thousand yen)	Year-on-year change (%)
Finance and Society	23,123,698	7.9
Corporate Solutions	19,890,922	9.6
Operational Infrastructure BPO	18,882,700	12.1
Regional, Overseas, Etc.	7,904,768	23.8
Total	69,802,089	11.1

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