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November 4, 2016

Consolidated Financial Results for the First Six 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: November 9, 2016
Scheduled date to commence dividend payments: November 28, 2016
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 six months of the fiscal year ending March 31, 2017 (from April 1, 2016 to September 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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2016	38,206	(4.9)	3,539	(6.2)	3,609	(5.2)	2,432	(12.6)
September 30, 2015	40,181	14.4	3,774	41.4	3,809	40.2	2,783	85.4

Note: Comprehensive income
Six months ended September 30, 2016: ¥2,602 million [(4.0)%]
Six months ended September 30, 2015: ¥2,711 million [72.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2016	105.48	–
September 30, 2015	119.51	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2016	53,826	41,450	74.0
March 31, 2016	55,131	40,355	70.4

Reference: Equity
As of September 30, 2016: ¥39,834 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	–	25.00			
Fiscal year ending March 31, 2017 (Forecasts)			–	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	195.10

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

* Notes

(1) Changes in significant subsidiaries during the six 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 September 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 September 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)

Six months ended September 30, 2016	23,064,185 shares
Six months ended September 30, 2015	23,293,657 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 Six Months,' on page 4 of the attached materials.

Attached Materials

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

(1) Information regarding consolidated operating results

In the six 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. Although there are slowdown concerns, 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 industry called Walk in home 16, and a BI dashboard* called GalleriaSolo were launched. DTS WEST CORPORATION is focusing on developing new solutions that are tailored to customers’ needs, such as by developing and distributing medical applications for smartphones in collaboration with hospitals and local governments, etc. In relation to FinTech, the Company is preparing for demonstration experiments of regional virtual currency in collaboration with regional financial institutions and other companies. Furthermore, in relation to IoT and AI, the Company is preparing for demonstration experiments of predictive maintenance of equipment, such as prediction of equipment failure, in collaboration with industrial equipment-related companies and others. In 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,” 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. Furthermore, the Group has been focusing on improving business processes for the purpose of enhancing management efficiency and speeding up management decision-making. In addition, the Company is preparing to relocate headquarters and consolidate operating bases in order to improve productivity by enhancing links between organizations, etc. In October 2016, amid a dramatically changing pension system environment, the Company commenced operation of its own new corporate pension scheme as part of its policy to be a corporation that provides job satisfaction to its employees.

With regard to “strengthening the overall capabilities of all group companies,” the Company has been preparing for the merger of YOKOGAWA DIGITAL COMPUTER CORPORATION and ART System Co., Ltd., which is scheduled in April 2017, with the aim of strengthening our embedding business. Through this merger, the Company is working towards further business expansion, with the aim of building efficient operating framework, expanding the customer base in the medical- and automobile-related markets, and enhancing competitiveness.

As a result of the above, the Group reported net sales of ¥38,206 million for the six months under review, a decrease of 4.9% 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 1.0% year on year to ¥7,472 million. This mainly reflected the improvement in the cost ratios by reinforcing project management.

Selling, general and administrative expenses increased by 8.5% year on year to ¥3,933 million, mainly reflecting strengthening sales structure.

Consequently, operating income was ¥3,539 million, down 6.2% year on year, ordinary income was ¥3,609 million, down 5.2% year on year, and profit attributable to owners of parent was ¥2,432 million, down 12.6% 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	38,206	(4.9)	27,071	(0.9)
Operating income	3,539	(6.2)	3,252	2.2
Ordinary income	3,609	(5.2)	3,442	5.3
Profit attributable to owners of parent	2,432	(12.6)	–	–
Profit (Non-consolidated)	–	–	2,470	(5.1)

<Breakdown of net sales>

(Million yen)

	Consolidated	Ratio (%)
Finance and Public Sector	14,245	37.3
Corporate, Communications and Solutions	9,328	24.4
Operation BPO	6,014	15.7
Regional, Overseas, Etc.	8,617	22.6
Total	38,206	100.0

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

Finance and Public Sector Segment
Although there were impacts of the end of the peak of large-scale system integration projects for banks, development projects for the financial industry such as life insurance companies and trust banks and for local governments were firm. As a result, sales in this segment totaled ¥14,245 million.

Corporate, Communications and Solutions Segment
Although performance was poor in terms of securing development projects for the telecommunications and manufacturing industries, etc., projects were steady in the ERP solution introduction support field and the in-vehicle and broadcast equipment embedding field. As a result, sales in this segment totaled ¥9,328 million.

Operation BPO Segment
System operation and maintenance services and infrastructure architecture projects were firm in industries such as information and telecommunications. As a result, sales in this segment totaled ¥6,014 million.

Regional, Overseas, Etc. Segment
Sales of equipment and related infrastructure architecture projects were firm. However, as a result of the poor performance in securing new regional and overseas projects and the transfer of part of the staffing services business of DATALINKS CORPORATION, sales in this segment totaled ¥8,617 million.

(2) Information regarding consolidated financial position

Total assets as of September 30, 2016 were ¥53,826 million, a decrease of ¥1,305 million from the previous fiscal year-end. The main factors for this were increases of ¥526 million in work in process and ¥461 million in cash and deposits on one hand, and a decrease of ¥2,208 million in notes and accounts receivable - trade on the other hand.

Liabilities were ¥12,376 million, a decrease of ¥2,399 million from the previous fiscal year-end. The main factors for this were an increase of ¥930 million in accounts payable - other, which is included in other under current liabilities, and decreases of ¥1,231 million in allowance for loss on employees' pension fund withdrawal, ¥1,168 million in accounts payable - trade, ¥397 million in provision for bonuses, and ¥377 million in income taxes payable.

Net assets were ¥41,450 million, an increase of ¥1,094 million from the previous fiscal year-end. Although there was an increase of ¥549 million in treasury shares, this was offset by an increase in retained earnings due to ¥2,432 million in profit attributable to owners of parent, despite a decrease of ¥928 million of dividends of surplus.

(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 second 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 September 30, 2016
Assets		
Current assets		
Cash and deposits	30,491,032	30,952,588
Notes and accounts receivable - trade	13,576,801	11,368,474
Merchandise and finished goods	200,470	156,307
Work in process	516,097	1,042,671
Raw materials and supplies	33,385	36,011
Other	2,283,953	2,327,968
Allowance for doubtful accounts	(8,693)	(6,501)
Total current assets	47,093,046	45,877,520
Non-current assets		
Property, plant and equipment	3,264,763	3,222,650
Intangible assets		
Goodwill	868,051	620,009
Other	607,390	562,581
Total intangible assets	1,475,441	1,182,590
Investments and other assets		
Other	3,303,262	3,545,883
Allowance for doubtful accounts	(4,647)	(1,897)
Total investments and other assets	3,298,615	3,543,986
Total non-current assets	8,038,820	7,949,227
Total assets	55,131,867	53,826,748

(Thousand yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	4,781,841	3,613,266
Income taxes payable	1,802,067	1,425,061
Provision for bonuses	3,166,222	2,769,092
Provision for directors’ bonuses	67,642	33,297
Provision for loss on order received	24,280	5,022
Allowance for loss on employees’ pension fund withdrawal	1,231,962	–
Other	3,040,132	3,891,041
Total current liabilities	14,114,148	11,736,781
Non-current liabilities		
Provision for directors’ retirement benefits	57,818	63,803
Net defined benefit liability	433,969	372,273
Other	169,933	203,782
Total non-current liabilities	661,721	639,859
Total liabilities	14,775,869	12,376,640
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	30,369,776
Treasury shares	(2,649,308)	(3,199,118)
Total shareholders’ equity	38,520,495	39,474,576
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	297,200	366,100
Foreign currency translation adjustment	68,207	8,664
Remeasurements of defined benefit plans	(71,168)	(15,146)
Total accumulated other comprehensive income	294,239	359,618
Non-controlling interests	1,541,262	1,615,912
Total net assets	40,355,997	41,450,107
Total liabilities and net assets	55,131,867	53,826,748

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

Consolidated statements of income (cumulative)

(Thousand yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	40,181,640	38,206,504
Cost of sales	32,781,280	30,733,868
Gross profit	7,400,360	7,472,635
Selling, general and administrative expenses	3,625,481	3,933,515
Operating income	3,774,878	3,539,119
Non-operating income		
Interest income	7,520	4,679
Dividend income	20,182	23,022
Foreign exchange gains	–	31,988
Other	17,627	29,501
Total non-operating income	45,330	89,191
Non-operating expenses		
Interest expenses	483	1,253
Loss on investments in partnership	–	7,982
Foreign exchange losses	10,009	–
Other	417	9,225
Total non-operating expenses	10,909	18,461
Ordinary income	3,809,298	3,609,849
Extraordinary income		
Gain on sales of non-current assets	1,160,924	–
Gain on transfer of business	–	161,287
Other	23,775	97
Total extraordinary income	1,184,699	161,385
Extraordinary losses		
Loss on sales of non-current assets	558,160	32
Loss on retirement of non-current assets	8,895	685
Loss on valuation of golf club membership	–	650
Office transfer expenses	244	–
Other	–	86
Total extraordinary losses	567,300	1,454
Profit before income taxes	4,426,698	3,769,780
Income taxes	1,591,219	1,232,540
Profit	2,835,478	2,537,239
Profit attributable to non-controlling interests	51,715	104,361
Profit attributable to owners of parent	2,783,762	2,432,877

Consolidated statements of comprehensive income (cumulative)

(Thousand yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	2,835,478	2,537,239
Other comprehensive income		
Valuation difference on available-for-sale securities	(135,384)	67,577
Foreign currency translation adjustment	7,676	(59,543)
Remeasurements of defined benefit plans, net of tax	3,565	56,765
Total other comprehensive income	(124,142)	64,799
Comprehensive income	2,711,336	2,602,039
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,657,744	2,498,256
Comprehensive income attributable to non-controlling interests	53,591	103,782

(3) Consolidated statements of cash flows

(Thousand yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	4,426,698	3,769,780
Depreciation	260,217	223,596
Amortization of goodwill	248,041	248,041
Increase (decrease) in provision for bonuses	(229,453)	(396,132)
Increase (decrease) in provision for directors' bonuses	(34,944)	(34,344)
Increase (decrease) in provision for loss on order received	96,924	(19,258)
Increase (decrease) in allowance for loss on employees' pension fund withdrawal	–	(1,231,962)
Increase (decrease) in provision for directors' retirement benefits	2,898	5,984
Increase (decrease) in net defined benefit liability	19,428	20,406
Loss on sales of non-current assets	558,160	32
Gain on sales of non-current assets	(1,160,924)	–
Decrease (increase) in notes and accounts receivable - trade	1,023,147	2,202,907
Decrease (increase) in inventories	(530,273)	(485,177)
Increase (decrease) in notes and accounts payable - trade	(63,154)	(1,165,460)
Other, net	(1,187,681)	571,292
Subtotal	3,429,084	3,709,706
Interest and dividend income received	27,561	26,688
Interest expenses paid	(1,084)	(25)
Income taxes paid	(1,603,273)	(1,650,811)
Net cash provided by (used in) operating activities	1,852,288	2,085,557
Cash flows from investing activities		
Purchase of property, plant and equipment	(82,533)	(66,496)
Proceeds from sales of property, plant and equipment	6,096,690	150
Purchase of intangible assets	(91,643)	(109,241)
Purchase of investment securities	(732)	(75,697)
Proceeds from sales of investment securities	74,114	181
Payments into time deposits	(120,128)	(320,147)
Proceeds from withdrawal of time deposits	20,119	320,137
Proceeds from transfer of business	–	161,287
Other, net	624	(4,000)
Net cash provided by (used in) investing activities	5,896,510	(93,826)
Cash flows from financing activities		
Cash dividends paid	(821,288)	(926,728)
Dividends paid to non-controlling interests	(22,498)	(29,060)
Purchase of treasury shares	(726,373)	(550,909)
Other, net	(30,168)	–
Net cash provided by (used in) financing activities	(1,600,328)	(1,506,697)
Effect of exchange rate change on cash and cash equivalents	13,457	(23,486)
Net increase (decrease) in cash and cash equivalents	6,161,927	461,546
Cash and cash equivalents at beginning of period	21,728,531	30,120,850
Cash and cash equivalents at end of period	27,890,458	30,582,397

(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 six months under review is as follows.

Segment	Production (Thousand yen)	Year-on-year change (%)
Finance and Public Sector	14,245,360	–
Corporate, Communications and Solutions	9,328,409	–
Operation BPO	6,014,785	–
Regional, Overseas, Etc.	8,617,948	–
Total	38,206,504	–

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 ended June 30, 2016, 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 six months ended September 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 six months under review.

Segment and services		Production (Thousand yen)	Year-on-year change (%)
Information Service	System Engineering Services	27,912,774	(3.2)
	Operation Engineering Services	6,961,661	2.1
Total		34,874,436	(2.2)

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 six 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	12,032,230	–	10,420,963	–
Corporate, Communications and Solutions	9,060,137	–	5,039,801	–
Operation BPO	1,964,721	–	5,216,852	–
Regional, Overseas, Etc.	8,503,593	–	3,069,335	–
Total	31,560,682	–	23,746,952	–

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 ended June 30, 2016, 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 have been omitted due to practical difficulties in preparing adjusted figures for the six months ended September 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 six months 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	25,763,082	5.2	17,771,302	19.0
	Operation Engineering Services	2,747,655	4.9	5,424,738	6.9
Total		28,510,738	5.2	23,196,040	16.0

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 six months under review are as follows.

Segment	Sales (Thousand yen)	Year-on-year change (%)
Finance and Public Sector	14,245,360	–
Corporate, Communications and Solutions	9,328,409	–
Operation BPO	6,014,785	–
Regional, Overseas, Etc.	8,617,948	–
Total	38,206,504	–

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 ended June 30, 2016, 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 six months ended September 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	27,912,774	(3.2)
	Operation Engineering Services	6,961,661	2.1
	Product Services and Others	2,751,021	(3.7)
	Subtotal	37,625,457	(2.3)
Human Resource Service	Staffing Services and Others	581,046	(65.1)
	Subtotal	581,046	(65.1)
Total		38,206,504	(4.9)

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