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July 29, 2019

## Consolidated Financial Results for the First Three 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  
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Scheduled date to file quarterly securities report: August 1, 2019  
 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, 2020 (from April 1, 2019 to June 30, 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	%
Three months ended								
June 30, 2019	23,557	16.0	2,365	25.3	2,420	24.9	1,688	28.5
June 30, 2018	20,311	0.6	1,887	21.1	1,937	22.8	1,313	28.9

Note: Comprehensive income  
 Three months ended June 30, 2019: ¥1,475 million [7.5%]  
 Three months ended June 30, 2018: ¥1,372 million [14.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2019	36.33	–
June 30, 2018	28.07	–

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	%
June 30, 2019	65,161	50,814	77.7
March 31, 2019	66,982	51,353	76.7

Reference: Equity  
 As of June 30, 2019: ¥50,634 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	–				
Fiscal year ending March 31, 2020 (Forecasts)		20.00	–	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 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 ‘(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

a. Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

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

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

As of June 30, 2019	4,183,178 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)

Three months ended June 30, 2019	46,461,365 shares
Three months ended June 30, 2018	46,803,142 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 Three Months,' on page 5 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, in spite of weaknesses being observed in some areas of export and production, it is judged that the Japanese economy recovered at a modest pace due to ongoing improvements in the employment and income environments. However, 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, 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. Specifically, the Group will promote 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 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, with the aim of promoting active use of our offshore bases such as Dalian Super Electronics Co., Ltd and DTS SOFTWARE VIETNAM CO., LTD., we are considering a system of ongoing order placements. Through these initiatives, we will work to strengthen the foundations of our IT employees, and enhance our SI competitiveness.

#### ■ 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 will draw up the DTS Group’s DX strategy, and drive the creation of new business. Furthermore, as we perceive the training of DX employees to a higher level to be an urgent issue, we implemented a review of the qualification system, and set employee training targets by organization.

<Finance and Society segment>

By using the “GeneXus”<sup>(Note 1)</sup> automated application generation tool, development times are shortened and quality is improved. Going forward the Company will proactively utilize the newest technologies and focus on providing IT services that capture customer needs.

<Corporate Solutions segment>

Leveraging the brand and operational know-how, etc. that we have built up through our living space 3D presentation CAD software “Walk in home,” we are developing solutions for the residential core systems market.

<Operational Infrastructure BPO segment>

In our “ReSM” full management service centered on a 24/365 remotely managed monitoring center, we are promoting the automation of monitoring operations to improve efficiency and task quality, and a prototype is under development.

<Regional, Overseas, Etc. segment>

The “kotosora” AI FAQ solution<sup>(Note 2)</sup>, which uses natural language processing, was exhibited in June 2019 at Smart Factory Japan 2019. 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 Administration Department, surveys all of the Company’s projects for their contribution to SDGs. Going forward, the results of these surveys will be analyzed, and used to strengthen the activities of each organization.

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. In the future, we will expand our operations in India, and push for growth in markets in America and Southeast Asia.

Moreover, after the 47th Annual General Meeting of Shareholders, Independent Officers accounted for a majority of seven out of 13 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 are also replacing the Company’s PCs with thin client devices, with the aim of putting in place infrastructure for a variety of work styles, strengthening security, and reducing the amount of administrative work.

■ 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.

Furthermore, as a measure for dealing with mental health issues, we have improved the employee questionnaires related to stress, and are analyzing the situation in order to grasp the extent of presenteeism<sup>(Note 3)</sup>. Going forward, based on the outcome of this analysis, the Health Promotion Office and each division will work together to promote measures for improvement, seeking to reduce the number of highly stressed individuals. Based on the philosophy that health is an important foundation for active participation by employees, we will continue to work on maintaining and improving health.

■ 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: "kotosora" is a software solution for FAQs that uses an AI chat engine to enable natural conversations feel like those of a real person.

Note 3: "Presenteeism" describes a state in which an employee's performance declines due to physical or mental health problems despite the employee continuing to attend work.

As a result of the above, the Group reported net sales of ¥23,557 million for the three months under review, an increase of 16.0% year on year. This was due to good progress in development projects such as the renewal of a securities company's intranet, and a residential housing-related project, as well as the impact of the change in the fiscal year-end date for DIGITAL TECHNOLOGIES CORPORATION, and of the consolidation of Nelito Systems Limited.

Gross profit rose by 14.6% year on year to ¥4,509 million. The increase resulted from an increase in net sales and decreases in unprofitable projects. Selling, general and administrative expenses rose by 4.8% year on year to ¥2,144 million, due to such factors as the consolidation of Nelito Systems Limited. Consequently, operating profit was ¥2,365 million, up 25.3% year on year, and ordinary profit was ¥2,420 million, up 24.9% year on year. Profit attributable to owners of parent was ¥1,688 million, up 28.5% 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	23,557	16.0	15,954	20.1
Operating profit	2,365	25.3	1,888	44.5
Ordinary profit	2,420	24.9	2,355	43.2
Profit attributable to owners of parent	1,688	28.5	–	–
Profit (Non-consolidated)	–	–	1,754	43.4

<Breakdown of net sales>

(Million yen)

	Consolidated	Year-on-year change
		(%)
Finance and Society	7,439	11.3
Corporate Solutions	6,164	9.2
Operational Infrastructure BPO	7,410	23.1
Regional, Overseas, Etc.	2,542	29.4
Total	23,557	16.0

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 good progress made in the development of projects such as the renewal of a securities company's intranet, net sales came to ¥7,439 million, up 11.3% year on year.

**Corporate Solutions Segment**

Due to strong performance in a development project related to residential housing, amongst other factors, net sales rose by 9.2% year on year to ¥6,164 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 ¥7,410 million, up 23.1% 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 29.4% year on year to ¥2,542 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 June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	35,290,727	33,137,404
Notes and accounts receivable - trade	15,720,207	14,995,372
Securities	–	84,072
Merchandise and finished goods	1,041,972	904,422
Work in process	679,425	1,369,836
Raw materials and supplies	27,343	26,142
Other	603,491	887,214
Allowance for doubtful accounts	(3,204)	(6,378)
Total current assets	53,359,963	51,398,086
Non-current assets		
Property, plant and equipment	3,558,191	3,800,660
Intangible assets		
Goodwill	169,381	295,491
Other	630,177	834,535
Total intangible assets	799,558	1,130,026
Investments and other assets		
Other	9,272,044	8,839,792
Allowance for doubtful accounts	(6,918)	(6,817)
Total investments and other assets	9,265,126	8,832,974
Total non-current assets	13,622,876	13,763,661
<b>Total assets</b>	<b>66,982,839</b>	<b>65,161,748</b>

(Thousand yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,286,484	5,537,773
Income taxes payable	2,234,550	854,021
Provision for bonuses	3,422,569	1,512,205
Provision for bonuses for directors (and other officers)	57,820	15,434
Provision for loss on order received	198,797	59,655
Other	3,532,402	5,294,945
Total current liabilities	14,732,625	13,274,035
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	35,461	640
Retirement benefit liability	743,572	779,212
Other	117,761	293,185
Total non-current liabilities	896,796	1,073,038
Total liabilities	15,629,421	14,347,074
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,113,000	6,113,000
Capital surplus	6,215,781	6,215,781
Retained earnings	41,342,281	41,631,918
Treasury shares	(3,385,247)	(4,185,360)
Total shareholders' equity	50,285,815	49,775,339
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,019,142	822,088
Foreign currency translation adjustment	27,365	16,583
Remeasurements of defined benefit plans	21,095	20,667
Total accumulated other comprehensive income	1,067,603	859,339
Non-controlling interests	–	179,994
Total net assets	51,353,418	50,814,673
Total liabilities and net assets	66,982,839	65,161,748

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

(Thousand yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	20,311,702	23,557,456
Cost of sales	16,378,537	19,048,183
Gross profit	3,933,165	4,509,272
Selling, general and administrative expenses	2,045,597	2,144,017
Operating profit	1,887,568	2,365,255
Non-operating income		
Interest income	3,381	5,077
Dividend income	26,911	39,687
Other	22,474	19,394
Total non-operating income	52,768	64,159
Non-operating expenses		
Interest expenses	–	4,749
Foreign exchange losses	1,255	2,179
Other	1,423	1,946
Total non-operating expenses	2,679	8,876
Ordinary profit	1,937,656	2,420,538
Extraordinary income		
Gain on step acquisitions	–	66,731
Total extraordinary income	–	66,731
Extraordinary losses		
Loss on valuation of golf club membership	–	2,808
Loss on sales of golf club memberships	1,925	–
Total extraordinary losses	1,925	2,808
Profit before income taxes	1,935,730	2,484,461
Income taxes	621,876	794,829
Profit	1,313,854	1,689,632
Profit attributable to non-controlling interests	–	1,494
Profit attributable to owners of parent	1,313,854	1,688,137

**Consolidated statements of comprehensive income (cumulative)**

(Thousand yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,313,854	1,689,632
Other comprehensive income		
Valuation difference on available-for-sale securities	68,569	(197,054)
Foreign currency translation adjustment	(10,969)	(16,531)
Remeasurements of defined benefit plans, net of tax	806	(715)
Total other comprehensive income	58,406	(214,301)
Comprehensive income	1,372,260	1,475,330
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,372,260	1,479,873
Comprehensive income attributable to non-controlling interests	—	(4,543)

**(3) Consolidated statements of cash flows**

(Thousand yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,935,730	2,484,461
Depreciation	93,099	103,834
Amortization of goodwill	32,742	23,172
Increase (decrease) in provision for bonuses	(1,591,194)	(1,927,593)
Increase (decrease) in provision for bonuses for directors (and other officers)	(52,247)	(42,385)
Increase (decrease) in provision for loss on order received	60,364	(139,142)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	40	(34,821)
Increase (decrease) in retirement benefit liability	24,754	29,790
Decrease (increase) in trade receivables	2,386,187	1,350,959
Decrease (increase) in inventories	(695,292)	(551,629)
Increase (decrease) in trade payables	592,172	126,499
Other, net	864,577	1,091,349
Subtotal	3,650,935	2,514,495
Interest and dividends received	31,197	45,626
Interest paid	-	(1,402)
Income taxes paid	(1,797,839)	(2,171,154)
Net cash provided by (used in) operating activities	1,884,293	387,565
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,803)	(75,254)
Purchase of intangible assets	(63,094)	(172,552)
Purchase of investment securities	(400,017)	-
Proceeds from redemption of investment securities	200,000	-
Payments for investments in capital of subsidiaries and associates	-	(70,648)
Payments into time deposits	(100,000)	(107,900)
Proceeds from withdrawal of time deposits	100,000	123,699
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(229,069)
Other, net	1,919	9,747
Net cash provided by (used in) investing activities	(270,996)	(521,977)
<b>Cash flows from financing activities</b>		
Dividends paid	(1,013,965)	(1,350,947)
Dividends paid to non-controlling interests	(18)	-
Purchase of treasury shares	(602,094)	(801,711)
Other, net	-	74,182
Net cash provided by (used in) financing activities	(1,616,079)	(2,078,477)
Effect of exchange rate change on cash and cash equivalents	(11,170)	4,958
Net increase (decrease) in cash and cash equivalents	(13,952)	(2,207,930)
Cash and cash equivalents at beginning of period	32,454,447	35,140,658
Cash and cash equivalents at end of period	32,440,495	32,932,727

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

(Significant subsequent events)

Stock split

By the resolution of the Board of Directors' meeting held on April 26, 2019, the Company conducted a stock split with an effective date of July 1, 2019.

(1) Purpose of the stock split

The share split is for the purpose of reducing the price per investment unit of the Company's stock, creating a more investment-friendly environment for shareholders, improving the liquidity of shares, and broadening the investor base.

(2) Outline of the stock split

1) Method of the stock split

With a record date of Sunday, June 30, 2019 (as this is not a business day for the shareholders register administrator, the substantial record date is Friday, June 28, 2019), a 1:2 stock split of common stock held by shareholders who are listed or recorded in the shareholder register as of the end of the record date was conducted.

2) Share increase due to the split

Total number of issued shares and outstanding before the split	25,222,266 shares
Share increase due to the split	25,222,266 shares
Total number of issued shares and outstanding after the split	50,444,532 shares
Total number of shares authorized to be issued after the split	100,000,000 shares (no change)

3) Date of the split

Effective date July 1, 2019 (Monday)

4) Effect on per-share information

Per-share information on the premise that the stock split was conducted at the beginning of the previous fiscal year is as follows.

	(Yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Basic earnings per share	28.07	36.33

(Note) Diluted earnings per share is not presented since no potential shares exist.

(3) Others

There is no change to the Company's Articles of Incorporation or capital as a result of this stock split.

### 3. Others

#### Results of production, orders and sales

In the three months under review, order volume in the Operational Infrastructure BPO business and order backlog in the Regional, Overseas, Etc. business have significantly increased year on year. The main factor for the increased order volume in the Operational Infrastructure BPO business was that the six months from January 1, 2019 to June 30, 2019 were consolidated following the Company's consolidated subsidiary, DIGITAL TECHNOLOGIES CORPORATION, changing their balance sheet date from December 31 to March 31 from the first quarter ended June 30, 2019. In addition, the main factor for the increased order backlog in the Regional, Overseas, Etc. business 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 three months under review, 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 three months under review is as follows.

Segment	Production (Thousand yen)	Year-on-year change (%)
Finance and Society	7,439,310	11.3
Corporate Solutions	6,164,925	9.2
Operational Infrastructure BPO	7,410,611	23.1
Regional, Overseas, Etc.	2,542,608	29.4
Total	23,557,456	16.0

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 Society	4,227,378	28.8	12,210,793	8.0
Corporate Solutions	5,851,849	9.8	6,983,703	12.5
Operational Infrastructure BPO	4,607,093	36.0	10,493,066	8.3
Regional, Overseas, Etc.	2,644,048	22.8	3,230,761	60.7
Total	17,330,370	22.4	32,918,324	12.7

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 Society	7,439,310	11.3
Corporate Solutions	6,164,925	9.2
Operational Infrastructure BPO	7,410,611	23.1
Regional, Overseas, Etc.	2,542,608	29.4
Total	23,557,456	16.0

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