



## Consolidated Financial Report for the Fiscal Year Ended March 31, 2023 [IFRS]

April 28, 2023

### BIPROGY Inc.

Stock Listing:	Tokyo Stock Exchange, Prime Market
Stock Code:	8056
URL:	<a href="https://www.biprogy.com/e/">https://www.biprogy.com/e/</a>
Representative:	Akiyoshi Hiraoka, Representative Director, President & CEO
Scheduled Date for Ordinary General Meeting of Shareholders:	Jun 28, 2023
Scheduled Starting Date for Dividend Payment:	Jun 29, 2023
Scheduled Submission Date for Securities Report:	Jun 29, 2023
Earnings Supplementary Explanatory Documents:	yes
Earnings Results Briefing:	yes (for institutional investors, analysts and the press)

(Amounts are rounded down to the nearest million yen.)

### 1. Consolidated Financial Results for FY2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated Results of Operations

(Percentage below represents increase (decrease) from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
<b>FY2023</b>	339,898	7.0	29,673	8.2	30,001	1.4	20,203	(1.4)	20,082	(15.6)
<b>FY2022</b>	317,600	3.0	27,425	11.4	29,575	19.6	20,490	23.1	23,780	40.2

(Note) Adjusted operating profit FY2023 : 29,394 Million Yen (10.2%) FY2022 : 26,671 Million Yen (5.9%)

Adjusted operating profit is the result obtained after deducting cost of sales and selling, general and administrative expenses from revenue.

	Basic earnings per share	Diluted earnings per share	Return on Equity attributable to owners of parent	Profit before tax to total assets	Operating Profit to net sales
	Yen	Yen	%	%	%
<b>FY2023</b>	201.06	200.48	15.0	10.9	8.7
<b>FY2022</b>	204.04	203.38	17.0	11.3	8.6

(Reference) Share of Profit of Entities Accounted for Using Equity Method FY2023: 666 Million Yen FY2022: 915 Million Yen

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Ratio of equity attributable to owners of parent to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
<b>FY2023</b>	280,396	141,597	139,887	49.9%	1,391.89
<b>FY2022</b>	268,647	130,674	128,917	48.0%	1,283.45

#### (3) Consolidated Cash Flow Status

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
<b>FY2023</b>	28,419	(15,537)	(18,043)	43,645
<b>FY2022</b>	29,435	(10,957)	(16,118)	48,703

### 2. Dividends

	Dividends Per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
<b>FY2022</b>	—	35.00	—	50.00	85.00	8,537	41.7	7.1
<b>FY2023</b>	—	40.00	—	40.00	80.00	8,039	39.8	11.5
<b>FY2024 (Forecast)</b>	—	45.00	—	45.00	90.00		41.1	

### 3. Consolidated Earnings Forecast for FY2024 (from April 1, 2023 to March 31, 2024)

(Percentage below represents increase (decrease) from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
<b>FY2024</b>	350,000	3.0	32,500	9.5	32,500	8.3	22,000	8.9	218.95

(Note1) Adjusted operating profit (Full Year) 32,000 Million Yen (8.9%)

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatement of corrections

1. Changes in accounting policies as required by IFRS : No

2. Other changes in accounting policies: No

3. Changes in accounting estimates: No

(3) Number of shares outstanding (common stock) (shares)

1. Number of shares outstanding (including treasury shares)

FY2023	109,663,524	FY2022	109,663,524
FY2023	9,161,560	FY2022	9,218,006
FY2023	100,480,688	FY2022	100,423,103

2. Number of shares of treasury stock

3. Average number of shares outstanding (during the period)

\* This Consolidated Financial Report is not subject to audit procedures.

\* Comments regarding appropriate usage of earnings forecast, and other special notes

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

(Appendix)

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## 1. 【Results of Business Operations and Financial Conditions】

### (1) Summary of Business Operations

The Japanese economy remained uncertain about its future status, affected by the slowdown of overseas economies and soaring prices of energy and raw materials, although inbound demand and personal consumption showed signs of a gradual recovery.

We have seen good appetite for digital transformation (DX) investment in the domestic information services market. However, the outlook for the domestic economy is uncertain. We need to remain watchful about the situations.

In this environment, the Nihon Unisys changed its trade name to BIPROGY Inc. in April 2022 with the vision of transforming into a company that creates social value. The Company has worked on initiatives as indicated in the Management Policies (2021-2023). The Management Policies were established by the Group with an eye towards a new stage where the Group will enable a sustained growth of the entire corporate value through creating social value pursuant to the “Purpose <sup>Note 1</sup>” and the “Vision 2030 <sup>Note 2</sup>”.

Aiming for mid- to long-term growth, the Company has developed its efforts toward ‘For Society’, the promotion of social DX to solve social issues together with customers and partners in various industries and sectors, based on the extensive knowledge gained through ‘For Customer’, the promotion of customer DX that contributes to sustainable growth of customers.

In the financial sector, the adoption of full banking systems for regional financial institutions using open technology is expanding. The OptBAE®, joint-use core-banking service, has been in operation at 11 banks to date, and new adopters have been selected. BankVision®, which is in being used at 10 major regional financial institutions, is also preparing to go live at two more banks. From now on, we will leverage our track record of operating in open environments, including cloud computing, and expand as a financial services platform. In addition to providing services such as AI and data utilization, we will collaborate with other industry services and SaaS to promote efforts to revitalize regional economies.

In distribution sectors, AI-Order Foresight®, an AI automated ordering service, is in operation at multiple food supermarket customers. Those stores that have introduced the system have been able to reduce the time required to place orders by 50%, and have also been able to reduce shortages and waste, contributing to solving social issues such as labor shortages and waste. Also, the recovery of inbound demand is expected to lead to an expansion of QR code payments, which the Company has been working on.

In the manufacturing sector, in March 2023, we will launch the offering of DigiD Prism®, which strengthens the relationship with homeowners and optimizes the living environment, based on the know-how we have accumulated over the past 40 years of providing domestically produced home design CAD<sup>Note 3</sup> systems mainly to major housebuilders, with multiple manufacturers in the process of applying the system. In the midst of a growing shortage of engineers, in addition to strengthening the functionality of the CAD system, it has evolved into a platform for integrated management of the home design cycle from business negotiations to after-sales service, including improved efficiency of collaboration with external providers. Going forward, we will develop this as a social DX service focused on the housing industry by linking data among companies involved in the housing industry and utilizing the latest technologies such as AI.

In the public sector, leveraging our knowledge and experience from initiatives such as ensuring the reliability of non-fossil certificates, in November 2022 we began offering Re:lvis™, an environmental value management service that reduces the burden of operations related to carbon offsetting<sup>Note 4</sup>, which is expected to increase the volume of transactions. We will continue to leverage the power of digital technology to contribute to achieving carbon neutrality, with a view to reducing greenhouse gas emissions by 50% by 2030 and achieving zero emissions by 2050.

The Company Group has designated “Develop and strengthen human resources to create a new future and promote diversity and inclusion” as one of its materiality issues <sup>Note 5</sup>, and is striving to create an environment in which diverse human resources can demonstrate their abilities. To further accelerate these efforts, the Human Capital Management was newly established in April 2023.

Also, in February 2023, the Company was selected as a “Sustainability Yearbook Member<sup>Note 6</sup>” by S&P Global as a company within the top 15% of the industry in terms of evaluation score in “The Sustainability Yearbook 2023,” which lists companies that excel in sustainability.

The Company Group as a whole has been working in unison to achieving its goals set forth in the Management Policies (2021-2023) for the realization of Vision 2030. We aim to continue communications with various stakeholders, continuously increase our corporate value and promote business with sustainability kept in mind.

(Notes)

1. For more information on Purpose, please refer to the Company's web page below.  
[https://www.biprogy.com/e/about/purpose\\_principles.html](https://www.biprogy.com/e/about/purpose_principles.html)
2. For more information on Vision 2030, please refer to the Company's web page below.  
[https://www.biprogy.com/e/about/management\\_policy.html](https://www.biprogy.com/e/about/management_policy.html)
3. CAD: An acronym for Computer Aided Design, which refers to computer-aided design and manufacturing.
4. Carbon offsetting: compensating for generated greenhouse gases by non-fossil certificates and other environmental values.
5. For more information on materiality issues, please refer to the Company's web page below.  
<https://www.biprogy.com/sustainability/>
6. For more information on Sustainability Yearbook Member, please refer to the Company's web page below.  
<https://biprogy.disclosure.site/ja/themes/99>
7. Names of companies or products herein described are trademarks or registered trademarks of their respective organizations.

For the period of the fiscal year ending March 2023, we posted revenue of ¥339,898 million, up by ¥22,297 million or 7.0% compared with the previous fiscal year. The increase is attributable to a continued strength of system services.

Gross profit was pushed up by the enhanced revenue and profitability of system services. This compensated for impacts of an increase in selling, general and administrative costs spent for investing in own-company mechanization efforts of renewing our internal core systems. As a result, operating profit was ¥29,673 million, an increase of ¥2,248 million (up by 8.2%) in comparison with the same period of the previous fiscal year.

Profit attributable to owners of parent was ¥20,203 million down by ¥287 million or 1.4 % on a year-over-year basis. This was attributable to a decrease in finance income mainly due to posting a decrease in the gains on valuation of investments in funds.

Adjusted operating profit that is used by the Company group as an index for managing performance was ¥29,394 million, up by ¥ 2,722 million or 10.2% on a year-over-year basis.

## (2) Summary of Financial Condition

In the period of the fiscal year under review, due to an increase in Trade and other receivables and contract assets as well as intangible assets, total assets were ¥ 280,396 million, an increase of ¥ 11,749 million compared with the end of the previous fiscal year.

Liabilities were ¥ 138,798 million, a ¥825 million increase from the end of the previous fiscal year, due to an increase in contract liabilities despite a decrease in lease liabilities.

Equity was ¥ 141,597 million. Ratio of equity attributable to owners of parent to total assets was 49.9%, up by 1.9 pts. from the end of the previous fiscal year.

### (3) Summary of Cash Flows

Cash and cash equivalents at the end of the period of the fiscal year under review were ¥43,645 million, a decrease of ¥5,058 million compared with the end of the previous fiscal year. The cash flow situations and relevant factors are stated below.

#### (Cash flows from operating activities)

Net cash provided by operating activities totaled ¥28,419 million (a decrease of ¥1,015 million in proceeds compared with the same period of the previous fiscal year).

This reflects proceeds of ¥30,001 million in profit before income taxes, the elements of increasing the proceeds and the elements of decreasing the proceeds.

The factors increasing proceeds include ¥16,227 million in depreciation and amortization, non-cash expenses, as well as an increase of ¥4,393 million in trade and other receivables.

The factors decreasing the proceeds include an increase of ¥5,275 million in contract assets.

#### (Cash flows from investing activities)

Net cash spent in investing activities was ¥15,537 million (an increase of ¥4,579 million in expenditures compared with the same period of the previous period).

This includes: expenditures of ¥2,733 million as a result of purchasing property, plant and equipment such as computers for business activities; expenditures of ¥11,875 million due to the acquisitions of intangible assets such as the investments in software for outsourcing; and, expenditures of ¥2,793 million by making investments in funds as well as acquiring investment securities mainly for the purpose of operating a CVC (corporate venture capital) fund through our subsidiary.

#### (Cash flows from financing activities)

Net cash spent in the financing activities was ¥18,043 million (an increase of ¥1,925 million in expenditures from the same period of the previous fiscal year). This expenditure includes ¥8,603 million repayments of lease liabilities and dividends payment of ¥9,039 million.

#### (Reference) Changes in the Equity attributable to owners of parent ratios and the indicators related to cash flows

	Fiscal Year ending March 2023	Fiscal Year ending March 2022
Equity attributable to owners of parent ratio (%)	49.9	48.0
Equity attributable to owners of parent ratio (Market cap.) (%)	116.5	116.5
Ratio of cash flow to interest-bearing debts (years)	1.3	1.4
Interest coverage ratio (times)	192.0	183.1

#### (Notes)

Equity attributable to owners of parent ratio:  $\text{Equity attributable to owners of parent} / \text{Total assets}$

Equity attributable to owners of parent ratio (Market cap.):  $\text{Market capitalization} / \text{Total assets}$

Ratio of cash flow to interest-bearing debt:  $\text{Interest-bearing debt} / \text{Cash flow}$

Interest coverage ratio:  $\text{Cash flow} / \text{Interest payments}$

\* 1. All of the above indicators are calculated using financial figures on a consolidated basis.

\* 2. Cash flows indicated above mean cash flows from operating activities.

#### (4) Prospects for the Next Fiscal Year

The Company plans to post revenue of ¥350,000 million, an increase of 3.0% as it projects for the next fiscal year on a consolidated basis. We plan to post operating income of ¥32,500 million, up by 9.5%, income before tax of ¥32,500 million, up by 8.3% and profit attributable to owners of parent of 22,000 million, up by 8.9%. Adjusted operating income is projected to be ¥32,000 million, up by 8.9%.

#### Forecast of the consolidated performance for FY2024

(Billions of Yen)			
	Fiscal Year ending March 2024	Fiscal Year ending March 2023	Changes
Revenue	350.0	339.9	3.0%
Operating Income	32.5	29.7	9.5%
Income before Tax	32.5	30.0	8.3%
Profit Attributable to Owners of Parent	22.0	20.2	8.9%
Adjusted Operating Income	32.0	29.4	8.9%

#### (5) Basic Policy on Distribution of Profits

The Company seeks to achieve a stable and continuous distribution of profits in line with a policy of paying dividends in accordance with our performance. The specific amount of dividends will be determined by taking into consideration the need to secure internal reserves for business development, and also comprehensively considering the business environment and other factors.

For the fiscal year under review, we will pay a ¥ 80.0 annual dividend per share (¥ 40.0 for the mid-term dividend and ¥40.0 for the term-end dividend).

For the fiscal year ending March 2024, we forecast an increase in operating income. Thus, we plan an annual dividend of ¥90.0 per share (¥45.0 for the mid-term dividend and ¥45.0 for the term-end dividend), up by ¥10.0 per share compared with this period.

## 2. 【Basic Concept on the Selection of Accounting Standards】

We have applied IFRS (International Financial Reporting Standards) in the first quarter of the fiscal year ending March 2022 and thereafter, in order to prepare our consolidated financial statements including the Consolidated Balance Sheets and Consolidated Statements of Income, in light of improving global comparability of financial information in the capital market.

## 2. Consolidated Financial Statements and Significant Notes

### (1) Consolidated Statements of Financial Position

	(Millions of Yen)	
	FY2022	FY2023
	(As of March 31, 2022)	(As of March 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	48,703	43,645
Trade and other receivables	80,249	84,695
Contract assets	6,467	11,742
Inventories	9,550	10,166
Other financial assets	666	587
Other current assets	12,419	13,813
<b>Total current assets</b>	<b>158,056</b>	<b>164,650</b>
<b>Non-current assets</b>		
Property, plant and equipment	11,479	12,663
Right-of-use assets	19,888	16,110
Goodwill	1,589	1,906
Intangible assets	21,722	27,256
Investments accounted for using equity method	2,855	4,281
Other financial assets	42,293	43,385
Deferred tax assets	3,222	2,011
Retirement benefit asset	1,623	1,748
Other non-current assets	5,916	6,383
<b>Total non-current assets</b>	<b>110,590</b>	<b>115,745</b>
<b>Total assets</b>	<b>268,647</b>	<b>280,396</b>



(Millions of Yen)

	FY2022	FY2023
	(As of March 31, 2022)	(As of March 31, 2023)
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	29,771	30,962
Contract liabilities	19,959	22,041
Borrowings	6,275	2,400
Lease liabilities	8,033	8,153
Other financial liabilities	2,203	2,264
Income taxes payable	6,039	5,731
Provisions	161	76
Other current liabilities	25,704	27,309
<b>Total current liabilities</b>	<b>98,148</b>	<b>98,940</b>
<b>Non-current liabilities</b>		
Borrowings	14,575	18,325
Lease liabilities	12,967	9,126
Other financial liabilities	389	265
Retirement benefit liability	9,945	8,398
Provisions	1,652	3,048
Deferred tax liabilities	262	679
Other non-current liabilities	30	15
<b>Total non-current liabilities</b>	<b>39,823</b>	<b>39,858</b>
<b>Total liabilities</b>	<b>137,972</b>	<b>138,798</b>
<b>Equity</b>		
Share capital	5,483	5,483
Capital surplus	14,944	14,955
Treasury shares	(13,400)	(13,315)
Other components of equity	8,290	8,302
Retained earnings	113,599	124,460
<b>Total equity attributable to owners of parent</b>	<b>128,917</b>	<b>139,887</b>
<b>Non-controlling interests</b>	<b>1,757</b>	<b>1,710</b>
<b>Total equity</b>	<b>130,674</b>	<b>141,597</b>
<b>Total liabilities and equity</b>	<b>268,647</b>	<b>280,396</b>

## (2) Condolidated Statements of Profit or Loss and Comprehensive Income

(Consolidated Statements of Profit or Loss)

(Millions of Yen)

	FY2022 (Fiscal year ended March 31, 2022)	FY2023 (Fiscal year ended March 31, 2023)
<b>Revenue</b>	<b>317,600</b>	<b>339,898</b>
<b>Cost of sales</b>	<b>234,462</b>	<b>250,547</b>
<b>Gross profit</b>	<b>83,138</b>	<b>89,350</b>
<b>Selling, general and administrative expenses</b>	<b>56,466</b>	<b>59,955</b>
<b>Share of profit (loss) of investments accounted for using equity method</b>	<b>915</b>	<b>666</b>
<b>Other income</b>	<b>251</b>	<b>180</b>
<b>Other expenses</b>	<b>413</b>	<b>567</b>
<b>Operating profit</b>	<b>27,425</b>	<b>29,673</b>
<b>Finance income</b>	<b>2,324</b>	<b>529</b>
<b>Finance costs</b>	<b>173</b>	<b>201</b>
<b>Profit before tax</b>	<b>29,575</b>	<b>30,001</b>
<b>Income tax expense</b>	<b>8,915</b>	<b>9,661</b>
<b>Profit</b>	<b>20,660</b>	<b>20,340</b>
<b>Profit attributable to</b>		
Owners of parent	20,490	20,203
Non-controlling interests	169	137
Profit	20,660	20,340
<b>Earnings per share</b>		
Basic earnings per share (Yen)	204.04	201.06
Diluted earnings per share (Yen)	203.38	200.48

## (Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2022 (Fiscal year ended March 31, 2022)	FY2023 (Fiscal year ended March 31, 2023)
<b>Profit</b>	<b>20,660</b>	<b>20,340</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	1,968	535
Remeasurements of defined benefit plans	1,003	(1,088)
Share of other comprehensive income of investments accounted for using equity method	2	—
Total of items that will not be reclassified to profit or loss	2,975	(553)
<b>Items that may be reclassified to profit or loss</b>		
Exchange differences on translation of foreign operations	145	280
Share of other comprehensive income of investments accounted for using equity method	—	15
Total of items that may be reclassified to profit or loss	145	295
Other comprehensive income, net of tax	3,120	(257)
<b>Comprehensive income</b>	<b>23,780</b>	<b>20,082</b>
<b>Comprehensive income attributable to</b>		
Owners of parent	23,595	19,941
Non-controlling interests	185	140
Comprehensive income	23,780	20,082

(3) Consolidated Statements of Changes in Equity  
FY2022 (Fiscal year ended March 31, 2022)

(Millions of Yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			Share of other comprehensive income of investments accounted for using equity method
				Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Share acquisition rights	
<b>As of April 1, 2021</b>	<b>5,483</b>	<b>14,901</b>	<b>(13,475)</b>	<b>6,132</b>	<b>—</b>	<b>518</b>	<b>0</b>
Profit							
Other comprehensive income				1,968	994		2
<b>Comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,968</b>	<b>994</b>	<b>—</b>	<b>2</b>
Dividends of surplus							
Purchase of treasury shares			(0)				
Disposal of treasury shares		(3)	38			(33)	
Share-based payment transactions		50	37				
Loss of control of subsidiaries							
Changes in ownership interest in subsidiaries		(3)					
Transfer from other components of equity to retained earnings				(403)	(994)		(0)
Other			(0)				
<b>Total transactions with owners</b>	<b>—</b>	<b>43</b>	<b>74</b>	<b>(403)</b>	<b>(994)</b>	<b>(33)</b>	<b>(0)</b>
<b>As of March 31, 2022</b>	<b>5,483</b>	<b>14,944</b>	<b>(13,400)</b>	<b>7,698</b>	<b>—</b>	<b>485</b>	<b>3</b>

  

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total				
<b>As of April 1, 2021</b>	<b>(34)</b>	<b>6,618</b>	<b>98,744</b>	<b>112,271</b>	<b>1,715</b>	<b>113,986</b>
Profit			20,490	20,490	169	20,660
Other comprehensive income	138	3,105		3,105	15	3,120
<b>Comprehensive income</b>	<b>138</b>	<b>3,105</b>	<b>20,490</b>	<b>23,595</b>	<b>185</b>	<b>23,780</b>
Dividends of surplus			(7,028)	(7,028)	(110)	(7,139)
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares		(33)		1		1
Share-based payment transactions				88		88
Loss of control of subsidiaries					(166)	(166)
Changes in ownership interest in subsidiaries				(3)	133	130
Transfer from other components of equity to retained earnings		(1,398)	1,398			—
Other			(5)	(6)		(6)
<b>Total transactions with owners</b>	<b>—</b>	<b>(1,432)</b>	<b>(5,635)</b>	<b>(6,950)</b>	<b>(142)</b>	<b>(7,093)</b>
<b>As of March 31, 2022</b>	<b>104</b>	<b>8,290</b>	<b>113,599</b>	<b>128,917</b>	<b>1,757</b>	<b>130,674</b>

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			
				Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Share acquisition rights	Share of other comprehensive income of investments accounted for using equity method
<b>As of April 1, 2022</b>	<b>5,483</b>	<b>14,944</b>	<b>(13,400)</b>	<b>7,698</b>	<b>—</b>	<b>485</b>	<b>3</b>
Profit							
Other comprehensive income				535	(1,088)		15
<b>Comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>535</b>	<b>(1,088)</b>	<b>—</b>	<b>15</b>
Dividends of surplus							
Purchase of treasury shares			(1)				
Disposal of treasury shares		(16)	46			(29)	
Share-based payment transactions		37	40				
Changes in ownership interest in subsidiaries		(9)					
Transfer from other components of equity to retained earnings				(785)	1,088		
Other							
<b>Total transactions with owners</b>	<b>—</b>	<b>10</b>	<b>85</b>	<b>(785)</b>	<b>1,088</b>	<b>(29)</b>	<b>—</b>
<b>As of March 31, 2023</b>	<b>5,483</b>	<b>14,955</b>	<b>(13,315)</b>	<b>7,447</b>	<b>—</b>	<b>456</b>	<b>18</b>

	Equity attributable to owners of parent					
	Other components of equity					
	Exchange differences on translation of foreign operations	Total	Retained earnings	Total	Non-controlling interests	Total equity
As of April 1, 2022	104	8,290	113,599	128,917	1,757	130,674
Profit			20,203	20,203	137	20,340
Other comprehensive income	276	(261)		(261)	3	(257)
Comprehensive income	276	(261)	20,203	19,941	140	20,082
Dividends of surplus			(9,041)	(9,041)	(145)	(9,187)
Purchase of treasury shares				(1)		(1)
Disposal of treasury shares		(29)		0		0
Share-based payment transactions				78		78
Changes in ownership interest in subsidiaries				(9)	(42)	(52)
Transfer from other components of equity to retained earnings		302	(302)			—
Other			3	3		3
Total transactions with owners	—	273	(9,341)	(8,971)	(187)	(9,159)
As of March 31, 2023	381	8,302	124,460	139,887	1,710	141,597

## (4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2022 (Fiscal year ended March 31, 2022)	FY2023 (Fiscal year ended March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before tax	29,575	30,001
Depreciation and amortization	16,692	16,227
Impairment losses	324	264
Interest and dividend income	(348)	(411)
Interest expenses	160	146
Share of loss (profit) of investments accounted for using equity method	(915)	(666)
Decrease (increase) in trade and other receivables	(7,303)	(4,393)
Decrease (increase) in contract assets	(1,914)	(5,275)
Decrease (increase) in inventories	(2,459)	(614)
Increase (decrease) in trade and other payables	1,946	1,135
Increase (decrease) in contract liabilities	1,927	2,061
Increase or decrease in retirement benefit asset or liability	(1,022)	(1,028)
Other	(69)	1,010
<b>Subtotal</b>	<b>36,593</b>	<b>38,461</b>
Interest and dividends received	350	413
Interest paid	(160)	(148)
Income taxes paid	(7,348)	(10,307)
<b>Net cash provided by (used in) operating activities</b>	<b>29,435</b>	<b>28,419</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,624)	(2,733)
Proceeds from sale of property, plant and equipment	0	1
Purchase of intangible assets	(7,441)	(11,875)
Purchase of investment securities	(3,866)	(2,793)
Proceeds from sale of investment securities	1,308	2,280
Decrease of change in the scope of consolidation	(480)	—
Purchase of investments accounted for using equity method	—	(668)
Other	1,146	251
<b>Net cash provided by (used in) investing activities</b>	<b>(10,957)</b>	<b>(15,537)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	—	100
Proceeds from long-term borrowings	3,837	5,700
Repayments of long-term borrowings	(4,317)	(5,925)
Repayments of lease liabilities	(8,800)	(8,603)
Dividends paid	(7,026)	(9,039)
Dividends paid to non-controlling interests	(110)	(145)
Other	299	(129)
<b>Net cash provided by (used in) financing activities</b>	<b>(16,118)</b>	<b>(18,043)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>62</b>	<b>103</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,421</b>	<b>(5,058)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>46,281</b>	<b>48,703</b>
<b>Cash and cash equivalents at end of period</b>	<b>48,703</b>	<b>43,645</b>

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

None applicable

(Segment Information and Others)

(1) Overview of reportable segments

The reportable segments of the Company are those among the constituent units of the Company for which separate financial statements can be obtained and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

By fully harnessing the collective capabilities of the Group, the Company provides comprehensive IT solution services, from identifying customers' management issues to providing solutions to them.

The Company's operations therefore consist of segments composed of products and services that constitute our IT solution services.

We have five reportable segments: System Services, Support Services, Outsourcing, Software, and Hardware.

Details of the reportable segments are as follows:

- System Services: Software contract development business, system engineer services, and consulting
- Support Services: Software and hardware maintenance, installation support and related services
- Outsourcing: System operation by contract, and related services
- Software: Provision of software based on software license agreements
- Hardware: Provision of hardware partly based on equipment sales agreements

(2) Information about performance by reportable segment

FY2022 (from April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Reportable segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated financial statements
	System Services	Support Services	Out sourcing	Software	Hardware	Total				
Revenue	103,101	51,537	63,647	34,089	55,158	307,325	10,275	317,600	—	317,600
Segment profits (Note 4)	32,629	16,218	17,298	5,255	9,476	80,879	2,258	83,138	(56,466)	26,671
Share of profit (loss) of investments accounted for using equity method										915
Other income										251
Other expense										413
Operating profit										27,425
Finance income										2,324
Finance costs										173
Profit before tax										29,575

(Millions of Yen)

	Reportable Segments						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated financial statements
	System Services	Support Services	Out sourcing	Software	Hardware	Total				
Segment assets	1,160	1,350	22,557	5,863	5,569	36,501	89	36,590	232,056	268,647
Other items										
Depreciation and amortization	234	126	5,959	1,350	221	7,893	26	7,919	8,772	16,692
Impairment loss	—	—	314	10	—	324	—	324	—	324
Investments accounted for using equity method	—	—	—	—	—	—	—	—	2,855	2,855
Capital expenditures (Note 3)	265	140	7,350	1,333	82	9,172	5	9,177	2,572	11,749

(Note)

- The Other category is a business segment that is not included in the reportable segments. It includes network services and installation.
- The contents of adjustment are described below.
  - The adjustment to segment profits represents selling, general and administrative expenses that have not been distributed to each segment.
  - The adjustment to segment assets represents the corporate assets that have not been distributed to each reportable segment.
  - The adjustment to depreciation and amortization represents the depreciation and amortization of the corporate assets that have not been distributed to each reportable segment.
  - The adjustment to investments accounted for using equity method represents the investments accounted for using equity method that have not been distributed to each reportable segment.
  - The adjustment to capital expenditures represents an increase in the corporate assets that have not been distributed to each reportable segment.
- Capital expenditures include amounts that are related to right-of-use assets and goodwill.
- Segment profits are represented by adjusted operating income which is the result of deducting cost of sales and selling, general and administrative expenses from revenue.



FY2023 (from April 1, 2022 to March 31, 2023)

(Millions of Yen)

	Reportable segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated financial statements
	System Services	Support Services	Out sourcing	Software	Hardware	Total				
Revenue	115,726	52,401	66,730	37,410	56,665	328,934	10,963	339,898	—	339,898
Segment profits (Note 4)	39,603	16,079	17,039	5,097	9,043	86,864	2,485	89,350	(59,955)	29,394
Share of profit (loss) of investments accounted for using equity method										666
Other income										180
Other expense										567
Operating profit										29,673
Finance income										529
Finance costs										201
Profit before tax										30,001

(Millions of Yen)

	Reportable Segments						Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the consolidated financial statements
	System Services	Support Services	Out sourcing	Software	Hardware	Total				
Segment assets	1,544	1,409	25,203	5,642	7,820	41,620	109	41,730	238,665	280,396
Other items										
Depreciation and amortization	175	89	5,773	1,124	193	7,355	24	7,379	8,847	16,227
Impairment loss	—	—	256	—	—	256	—	256	8	264
Investments accounted for using equity method	—	—	—	—	—	—	—	—	4,281	4,281
Capital expenditures (Note 3)	465	278	9,542	1,560	196	12,042	49	12,091	7,827	19,919

(Note)

- The Other category is a business segment that is not included in the reportable segments. It includes network services and installation.
- The contents of adjustment are described below.
  - The adjustment to segment profits represents selling, general and administrative expenses that have not been distributed to each segment.
  - The adjustment to segment assets represents the corporate assets that have not been distributed to each reportable segment.
  - The adjustment to depreciation and amortization represents the depreciation and amortization of the corporate assets that have not been distributed to each reportable segment.
  - The adjustment to investments accounted for using equity method represents the investments accounted for using equity method that have not been distributed to each reportable segment.
  - The adjustment to capital expenditures represents an increase in the corporate assets that have not been distributed to each reportable segment.
- Capital expenditures include amounts that are related to right-of-use assets and goodwill.
- Segment profits are represented by adjusted operating income which is the result of deducting cost of sales and selling, general and administrative expenses from revenue.

(3) Information by product and service

Information by product and service is not described because the same information is stated as part of segment information.

(4) Information by region

① Revenue from external customers

Revenue by region is not disclosed because the amount of revenue from external customers in Japan accounts for a large portion of the amount of revenue of consolidated statements of income.

② Non-current assets

Non-current assets by region are not disclosed because the amount of non-current assets that are located in Japan accounts for a large portion of the amount of non-current assets of consolidated balance sheets.

(5) Information by major customer

No major customer is stated because no customer accounted for 10% or more of the amount of revenue as stated in the consolidated statements of income.

(Per-Share Information)

(1) Calculation basic data for basic earnings per share

	FY2022 (from April 1, 2021 to March 31, 2022)	FY2023 (from April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (¥ Mil)	20,490	20,203
Profit not attributable to ordinary shareholders of parent (¥ Mil)	—	—
Profit used for calculating basic earnings per share (¥ Mil)	20,490	20,203
Weighted-average number of shares outstanding (thousand shares)	100,423	100,480
Basic earnings per share (¥)	204.04	201.06

(2) Calculation basic data for diluted earnings per share

	FY2022 (from April 1, 2021 to March 31, 2022)	FY2023 (from April 1, 2022 to March 31, 2023)
Profit used for calculating basic earnings per share (¥ Mil)	20,490	20,203
Profit adjustments (¥ Mil)	—	—
Profit used for calculating diluted earnings per share (¥ Mil)	20,490	20,203
Weighted-average number of shares outstanding (thousand shares)	100,423	100,480
Increase in the number of ordinary shares		
Share acquisition rights (thousand shares)	325	291
Weighted-average number of shares outstanding used for calculating diluted earnings per share (thousand shares)	100,748	100,772
Diluted earnings per share (¥)	203.38	200.48
Dilutive shares, which were not included in the calculation of diluted earnings per share, due to lack of dilution effect	—	—

(Significant Subsequent Events)

None