

Note: This is an English translation of the Quarterly Financial Summary in Japanese and is for reference purposes only. In the event of any discrepancy between the translation and the original Japanese text, the latter will prevail.



## Consolidated Financial Results for the Six Months Ended September 30, 2021 (IFRS)

November 12, 2021

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 Scheduled date of payment of cash dividends: —  
 Supplemental materials prepared for financial results: Yes  
 Earnings briefing for financial results: Yes (for institutional and individual investors)

(Figures are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Three Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

#### (1) Consolidated Operating Results

(Millions of yen, % indicate year-on-year changes)

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Comprehensive net income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
Six Months ended September 30, 2021	1,368	2.1%	862	155.6%	889	172.5%	616	160.6%	559	134.7%	712	218.3%
Six Months ended September 30, 2020	1,340	2.1%	337	—	326	966.9%	237	—	238	—	224	—

(yen)

	Basic earnings per share	Diluted earnings per share
Six Months ended September 30, 2021	33.93	33.93
Six Months ended September 30, 2020	14.46	14.46

Note: Basic earnings per share and diluted earnings per share based on net income attributable to owners of the parent.

#### (2) Consolidated Financial Position

(Millions of yen)

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent
As of September 30, 2021	9,077	6,355	6,117	67.4%
As of March 31, 2021	7,907	5,721	5,544	70.1%

### 2. Dividends

(Yen)

	Annual dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
Fiscal Year Ended March 31, 2021	—	0.00	—	4.50	4.50
Fiscal Year Ending March 31, 2022	—	0.00	—	—	—
Fiscal Year Ending March 31, 2022 (forecast)	—	—	—	—	—

Note: Revisions to the forecast of dividends since the last announcement: None

Year-end dividend for the fiscal year ending March 31, 2022 currently undetermined.

### 3. Forecast of Consolidated Results for Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicate year-on-year changes)

	Net sales		Operating income		Income before income tax		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Yen
Full year	2,900	7.9	1,000	22.0	1,000	-2.6	850	5.3	51.61

Note: Revisions to the forecast of consolidated results most recently announced: None

\* Notes

(1) Changes in significant subsidiaries during the fiscal period

(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

(2) Changes in accounting policies/changes in accounting estimation

a) Changes in accounting policies due to IFRS requirements: None

b) Changes in accounting policies other than (2) a) above: Yes

c) Changes in accounting estimation: Yes

(3) Number of issued shares (Common Stock)

a) Total number of issued shares at the end of the period (including treasury stock)	As of September 30, 2021	17,491,265 shares	As of March 31, 2021	17,491,265 shares
b) Number of shares of treasury stock at the end of the period	As of September 30, 2021	705,208 shares	As of March 31, 2021	704,611 shares
c) Average number of shares during the period	Six Months ended September 30, 2021	16,468,734 shares	Six Months ended September 30, 2020	16,464,308 shares

\* This release is outside the scope of the quarterly review by certified public accountants and audit firms.

\* Cautionary statement on appropriate use of business results forecasts and other matters.

(Note on forward-looking statements)

This report contains forward-looking statements on future performance and other matters that are based on information currently available to the company and certain reasonable assumptions. These forward-looking statements are not guarantees of future performance. A variety of factors may cause actual performance to be materially different from that expressed or implied by these forward-looking statements. For notes on the assumptions used in business forecasts and use of these forecasts, please refer to "1. Qualitative Information for Business Results, (3) Outlook for consolidated business results, etc."

(Access to supplementary materials for results and content from the results briefing)

The company plans to hold an online result briefing from 6 p.m. (JST) on Friday, November 12, 2021. The materials used in the briefing will be posted on our official website, and the briefing video itself will be streamed live on YouTube Live and will also be available on our website at a later date.

○ Index of attached materials

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## 1. Qualitative Information for Business Results

### (1) Explanation of Business Results

Consolidated results for the six months ended September 30, 2021 (April 1, 2021 - September 30, 2021, hereinafter Q2 FY2021) saw year-over-year (hereinafter YoY) 2.1% increase in net sales, 155.6% increase in operating income, 172.5% increase in income before income tax and 134.7% increase in net income attributable to owners of the parent.

The increase in consolidated net sales was due to the growth of Software business (The main product being ASTERIA Warp), while the net sales of the Design business decreased as the COVID-19 pandemic lingers on in the West, especially the United States and the United Kingdom, where it operates.

The increase in consolidated net income is due to income from Investment business while selling, general and administrative expenses increased in the Software business due to the expansion of hiring and marketing activities in line with the Mid-term Management Plan "STAR".

#### <Group business initiatives>

The Group continues to proactively implement measures to prevent the spread of COVID-19. At all our offices except those in China, we continue company-wide teleworking in line with conditions in each operating region and promote diversification of work style to ensure both the smooth running of the business and the safety of our employees.

In addition, we have moved all of our events and seminars for our products and services online to prevent the spread of the virus at client companies, while implementing initiatives for individual products and services to support these companies in cloud migration, automation, and remoteization.

Consolidated results for Q2 FY2021 were as follows:

(Millions of yen)

	Q2 FY2020	Q2 FY2021	YoY growth
Net sales	1,339.8	1,368.5	2.1%
Operating income	337.2	862.0	155.6%
Income before income tax	326.3	889.4	172.5%
Net income attributable to owners of parent	238.1	558.8	134.7%

<<Reportable segments>>

For the purposes of deciding the allocation of Group resources and appraising performance, the Group split its businesses into two reportable segments: the “Software Business segment” and the “Investment Business segment”. The “Software Business segment” is made up of the corporate software product businesses the Group has been developing since its establishment as well as the design services business provided by This Place, which was acquired in 2017. The “Investment Business segment” is focused on corporate investments via AVF-1, which was launched in 2019.

<<Software Business segment>>

Software Business segment consists of two businesses, and the net sales of each were as follows:

<Software> (Millions of yen)

	Q2 FY2020	Q2 FY2021	YoY growth
Net sales	1,070.2	1,197.0	11.9%

Sales of “ASTERIA Warp” were strong in all series due to continued expansion of new data coordination needs such as the construction of an in-house system compatible with telework.

Especially, sales of its licensed version, our flagship product, increased by over 20% YoY, leading overall the software business.

AI equipped IoT integration edgware “Gravio” has been adopted in various industries due to the increasing demands for devices and software that help avoid 3Cs (Closed spaces, Crowded places and Close-contact settings), and the expansion of sales partners.

Mobile app building tool “Platio” is attracting attention as a non-code apps development tool that helps promote on-site digital transformation (DX) and in-house production of various apps. Inquiries from industries and companies that are highly motivated to improve operations through DX, such as tourism and retail, were strong. In addition, as a result of conducting sales promotion activities with sales partners of ASTERIA Warp, covering local areas, Platio sales roughly doubled YoY.

Handbook performed steadily due to growing needs for paperless internal operations, expanded use by existing customers, and new inquiries regarding usage in online meetings, among other purposes.

<Design> (Millions of yen)

	Q2 FY2020	Q2 FY2021	YoY growth
Net sales	269.6	171.5	-36.4%

The impact of COVID-19 forced a reassessment of clients’ projects in retail industries. Although we were able to win additional orders from existing customers, mainly in the United Kingdom and the United States, and reinforced our efforts to acquire new customers, we could not make up for a slump due to the reassessment. Consequently, net sales decreased YoY.

<<Investment Business segment>>

The Investment Business segment includes corporate investments via AVF-1 (in the U.S.), which was established in 2019. AVF-1 invests based on a “4D strategy” (Data, Device, Decentralized, Design), and the results of its operations on investment valuation change is booked in accordance with IFRS.

(Millions of yen)

	Q2 FY2020	Q2 FY2021	YoY growth
Investment valuation change	—	655.7	—

As a result of an increase in the valuation of Gorilla (Taiwan) and a decrease in the valuation of Image Intelligent Material (Australia), the valuation of investment held by AVF-1 increased by 655.7 millions of yen.

“Investment valuation change” is included in “Other Income” in the Condensed Quarterly Consolidated Statement of Profit or Loss.

## (2) Explanation of financial position

### [1] Explanation of Financial Position

#### (Assets)

Total assets as of September 30, 2021 were Yen 9,077.2mn, up Yen 1,169.7mn compared to March 31, 2021. This owed mainly to decrease of Yen 400.5mn in cash and cash equivalents against increase of Yen 1,111.6mn in other financial assets and Yen 301.6mn in property, plant, and equipment (mainly right-of-use assets).

#### (Liabilities)

Total liabilities as of September 30, 2021 were Yen 2,722.5mn, up Yen 536.4mn compared to March 31, 2021. This owed mainly to increases of Yen 208.1mn in deferred tax liabilities, Yen 121.3mn in trade and other payables and Yen 160.4mn in other financial liabilities (mainly lease liabilities).

#### (Equity)

Total equity as of September 30, 2021 was Yen 6,354.7mn, up Yen 633.4mn compared to March 31, 2021. This owed mainly to increase of Yen 111.7mn in other equity components and Yen 464.8mn in retained earnings.

### [2] Explanation of cash flows

The balance of cash and cash equivalents (hereafter "cash") as of September 30, 2021 was Yen 2,051.0mn, down Yen 400.5mn compared to March 31, 2021.

Change in each cash flow item during the period and the reasons for the changes were as follows.

#### (Cash flow from operating activities)

As a result of operating activities, cash of Yen 196.1mn was created (compared to cash created of Yen 495.5mn in the same period in FY2020). This owed mainly to the booking of Yen 889.4mn in income before income tax and increase of Yen 688.3mn in other income (mainly investment valuation change) and Yen 91.3mn in operating receivables and other claims.

#### (Cash flow from investment activities)

As a result of investment activities, cash of Yen 374.6mn was used (compared to cash used of Yen 122.9mn in the same period in FY2020). This owed mainly to Yen 333.4mn used for payments for loan receivables.

#### (Cash flow from financial activities)

As a result of financial activities, cash of Yen 209.8mn was used (compared to cash used of Yen 203.7mn in the same period in FY2020). This owed mainly to Yen 75.2mn used for payment of dividends and Yen 107.3mn used for repayment of long-term borrowings.

## (3) Outlook for consolidated business results, etc.

The forecast of consolidated results for the fiscal year ending March 31, 2022 remain unchanged from the forecast that was announced on September 30, 2021.

## 2. Condensed Quarterly Consolidated Financial Statements and Main Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	2,451,427	2,050,969
Trade and other receivables	256,185	347,604
Inventories	—	1,599
Other financial assets	—	335,850
Other current assets	79,766	143,373
Total current assets	<u>2,787,378</u>	<u>2,879,395</u>
Non-current assets		
Property, plant and equipment	180,934	482,538
Goodwill	1,014,556	1,003,287
Intangible assets	69,088	77,568
Investments accounted for using the equity method	332,498	330,374
Other financial assets	3,380,190	4,155,969
Other non-current assets	142,800	148,051
Total non-current assets	<u>5,120,065</u>	<u>6,197,787</u>
Total assets	<u><u>7,907,443</u></u>	<u><u>9,077,182</u></u>

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	242,800	242,800
Trade and other payables	182,417	303,699
Income taxes payable	99,305	104,575
Other financial liabilities	64,400	36,931
Other current liabilities	624,462	743,561
<b>Total current liabilities</b>	<b>1,213,385</b>	<b>1,431,567</b>
<b>Non-current liabilities</b>		
Provisions	16,500	9,338
Borrowings	643,000	571,600
Deferred tax liabilities	101,370	309,472
Other financial liabilities	210,165	398,075
Other non-current liabilities	1,737	2,459
<b>Total non-current liabilities</b>	<b>972,773</b>	<b>1,290,944</b>
<b>Total liabilities</b>	<b>2,186,157</b>	<b>2,722,511</b>
<b>Equity</b>		
Common stock	2,275,343	2,275,343
Capital surplus	2,452,226	2,453,700
Treasury stock	-532,437	-537,409
Other equity components	-138,219	-26,529
Retained earnings	1,486,814	1,951,651
<b>Total equity attributable to owners of the parent</b>	<b>5,543,727</b>	<b>6,116,757</b>
Non-controlling interests	177,559	237,914
<b>Total equity</b>	<b>5,721,286</b>	<b>6,354,671</b>
<b>Total liabilities and equity</b>	<b>7,907,443</b>	<b>9,077,182</b>



## (2) Condensed Quarterly Consolidated Statement of Profit or Loss

(Thousands of yen)

	Six Months ended September 30, 2020	Six Months ended September 30, 2021
Net sales	1,339,799	1,368,473
Cost of goods sales	<u>250,927</u>	<u>225,879</u>
Gross income	1,088,872	1,142,594
Selling, general and administrative expenses	796,410	965,398
Other income	45,212	688,275
Other expenses	<u>493</u>	<u>3,477</u>
Operating income	337,181	861,995
Finance income	26,937	35,601
Finance costs	35,929	4,327
Equity in earnings of affiliates (Figures in negative represent loss)	-1,877	-3,907
Income before income tax	<u>326,312</u>	<u>889,361</u>
Income tax expense	<u>89,763</u>	<u>272,886</u>
Net income	<u><u>236,549</u></u>	<u><u>616,475</u></u>
Attributable net income		
Net income attributable to owners of the parent	238,105	558,825
Attributable to non-controlling interests	<u>-1,556</u>	<u>57,650</u>
Net income	<u><u>236,549</u></u>	<u><u>616,475</u></u>
Earnings per share		
Basic earnings per share (Yen)	14.46	33.93
Diluted earnings per share (Yen)	14.46	33.93

## (3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six Months ended September 30, 2020	Six Months ended September 30, 2021
Net income	236,549	616,475
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets assessed by fair value from other comprehensive income	-22,078	98,631
Total items not transferrable to net income	-22,078	98,631
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	9,278	-2,875
Total items transferrable to net income	9,278	-2,875
Total other comprehensive income	-12,800	95,756
Net comprehensive income	223,750	712,232
Attributable comprehensive net income		
Attributable to owners of the parent	228,999	651,877
Attributable to non-controlling interests	-5,250	60,355
Net comprehensive income	223,750	712,232

(4) Condensed Quarterly Consolidated Statement of Changes in Equity

Attributable to owners of the parent

	Attributable to owners of the parent					Total
	Capital stock	Capital surplus	Treasury stock	Other equity components		
				Translation difference for overseas business units	Financial assets assessed by fair value from other comprehensive income	
Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	
Balance as of April 1, 2020	2,275,343	2,474,701	-537,645	-70,536	-179,778	-250,314
Net income	—	—	—	—	—	—
Other comprehensive income	—	—	—	12,972	-22,078	-9,105
Total net comprehensive income	—	—	—	12,972	-22,078	-9,105
Dividends paid	—	—	—	—	—	—
Purchase of treasury stock	—	—	-6,032	—	—	—
Disposal of treasury stock	—	-3,443	12,857	—	—	—
Share-based payment transactions	—	-201	—	—	—	—
Transactions with non-controlling interests	—	-12,219	—	—	—	—
Change from transactions with owners	—	-15,863	—	—	—	—
Balance as of September 30, 2020	<u>2,275,343</u>	<u>2,458,837</u>	<u>-530,821</u>	<u>-57,563</u>	<u>-201,856</u>	<u>-259,419</u>

	Attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
	Thousands of yen	Thousands of yen		
Balance as of April 1, 2020	758,336	4,720,420	151,115	4,871,535
Net income	238,105	238,105	-1,556	236,549
Other comprehensive income	—	-9,105	-3,694	-12,800
Total net comprehensive income	238,105	228,999	-5,250	223,750
Dividends paid	-67,166	-67,166	—	-67,166
Purchase of treasury stock	—	-6,032	—	-6,032
Disposal of treasury stock	—	9,413	—	9,413
Share-based payment transactions	—	-201	—	-201
Transactions with non-controlling interests	-11,704	-23,923	-3,142	-27,065
Change from transactions with owners	<u>-78,870</u>	<u>-87,909</u>	<u>-3,142</u>	<u>-91,051</u>
Balance as of September 30, 2020	<u>917,571</u>	<u>4,861,511</u>	<u>142,723</u>	<u>5,004,233</u>

Attributable to owners of the parent

	Other equity components					Total
	Capital stock	Capital surplus	Treasury stock	Translation difference for overseas business units	Financial assets assessed by fair value from other comprehensive income	
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	
Balance as of April 1, 2021	2,275,343	2,452,226	-532,437	119,415	-257,634	-138,219
Net income	—	—	—	—	—	—
Other comprehensive income	—	—	—	-5,580	98,631	93,052
Total net comprehensive income	—	—	—	-5,580	98,631	93,052
Dividends paid	—	—	—	—	—	—
Purchase of treasury stock	—	—	-4,971	—	—	—
Share-based payment transactions	—	1,474	—	—	—	—
Transfer from other equity components to retained earnings	—	—	—	-643	19,281	18,639
Others	—	—	—	—	—	—
Change from transactions with owners	—	1,474	-4,971	-643	19,281	18,639
Balance as of September 30, 2021	<u>2,275,343</u>	<u>2,453,700</u>	<u>-537,409</u>	<u>113,193</u>	<u>-139,722</u>	<u>-26,529</u>

	Attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
	Thousands of yen	Thousands of yen		
Balance as of April 1, 2021	1,486,814	5,543,727	177,559	5,721,286
Net income	558,825	558,825	57,650	616,475
Other comprehensive income	—	93,052	2,705	95,756
Total net comprehensive income	558,825	651,877	60,355	712,232
Dividends paid	-75,639	-75,639	—	-75,639
Purchase of treasury stock	—	-4,971	—	-4,971
Share-based payment transactions	—	1,474	—	1,474
Transfer from other equity components to retained earnings	-18,639	—	—	—
Others	290	290	—	290
Change from transactions with owners	-93,988	-78,846	—	-78,846
Balance as of September 30, 2021	<u>1,951,651</u>	<u>6,116,757</u>	<u>237,914</u>	<u>6,354,671</u>

## (5) Condensed Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Six Months ended September 30, 2020	Six Months ended September 30, 20201
<b>Cash flow from operating activities</b>		
Income before income tax	326,312	889,361
Depreciation and amortization	115,427	100,544
Finance income	-26,937	-35,601
Finance expenses	35,929	4,327
Earnings from equity in affiliates (Figures in negative represent profit)	1,877	3,907
Other income	45,212	-688,275
Change in operating receivables and other claims (Figures in negative represent increase)	29,721	-91,279
Change in operating payables and other payables (Figures in negative represent decrease)	-45,187	-17,806
Others	29,555	120,387
Subtotal	511,909	285,566
Interest and dividends received	12,527	30,671
Interest paid	-3,217	-3,787
Corporate taxes paid	-25,741	-116,301
Cash flow from operating activities	495,478	196,149
<b>Cash flow from investment activities</b>		
Purchase of property, plant and equipment	-8,636	-31,504
Proceeds from property, plant and equipment sales	363	43
Payments for loan receivables	—	-333,390
Purchase of Intangible assets	-1,726	—
Payments for investment purchases	-106,930	-109,810
Proceeds from sales and redemption of investment	—	100,000
Others	-5,934	98
Cash flow from investment activities	-122,863	-374,563
<b>Cash flow from financial activities</b>		
Income from incorporation of non-controlling interests	2,132	—
Repayment of long-term borrowings	-71,400	-107,339
Repayment of lease liabilities	-67,595	-27,301
Dividends paid	-66,811	-75,196
Cash flow from financial activities	-203,673	-209,837
Net change in cash and cash equivalents (Figures in negative represent decrease)	168,942	-388,250
Cash and cash equivalents at beginning of period	2,477,322	2,451,427
Effect of exchange rate changes on cash and cash equivalents	18,884	-12,208
Cash and cash equivalents at end of period	2,665,147	2,050,969

(6) Main Notes to Condensed Quarterly Consolidated Financial Statements

(Going concern assumption)

No matters to report.

(Change in accounting policies)

The material accounting policies applied in the quarterly consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year.

Corporate income tax for the Q2 FY2021 is calculated based on the estimated annual effective tax rate. The Group applied the following standard from the Q1 FY2021.

IFRS		Summary of addition or change
IFRS 16	Leases	Change in account policies for Covid-19-related rent concessions after June 30,2021

This change permits the selection of simplified accounting procedures related to rent concessions provided to lessees as a direct result of the COVID-19 pandemic. The application period has been extended due to the revision in March 2021.

For COVID-19-related rent concessions which meet the prescribed requirements, this change allows for the selection of simplified accounting procedures for practical purposes without the necessity to assess whether this equates to a modification of the terms of the lease as defined by IFRS 16.

The Group has continued to apply this change for rent concessions which meeting the conditions outlined above. The impact of the application of this practical expedient is limited.

(Changes in accounting estimation)

During Q1 FY2021, the Group decided to cancel contracts for some of the offices it leases to reduce office space as it transitions to work styles based around remote work shift patterns.

Owing to changes in the evaluation of future lease fees and the execution of cancellation options resulting from notification of contract cancellations, the Group reassessed its lease liabilities. As a result, there were decreases of Yen 58.0mn in lease liabilities and Yen 33.9mn in right-of-use assets, and an increase of Yen 24.1mn in both operating income and income before income tax.

(Segment Information)

(1) Overview of reportable segments

The Group's organizational structure is split into two basic components "Software Business segment" and "Investment Business segment" as reportable segments.

The "Software Business segment" is made up of the corporate software product businesses the Group has been developing since its establishment as well as the design services business provided by This Place, which was acquired in 2017. The "Investment Business segment" is focused on corporate investments via AVF-1, which was launched in 2019.

(2) Information on net sales, profits and losses, and assets by reportable segment

Q2 FY2020 (April 1, 2020- September 30, 2020)

	Reportable segment			Adjustments* <sup>1</sup>	Consolidated
	Software Business	Investment Business	Total		
	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)
Net sales					
Sales to external customers	1,339,799	—	1,339,799	—	1,339,799
Inter-segment transactions	32	12,831	12,863	-12,863	—
Total	1,339,831	12,831	1,352,662	-12,863	1,339,799
Segment profit (Figures in negative represent loss) * <sup>2</sup>	301,858	-9,664	292,194	268	292,462
Other income and expenses					44,719
Finance income					26,937
Finance expenses					35,929
Equity in earnings of affiliates					-1,877
(Figures in negative represent loss)					
Income before income tax					326,312
Other items					
Depreciation and amortization expenses	115,326	101	115,427	—	115,427

(Notes) \*1 "Adjustments" indicates mainly elimination of inter-segment transactions.

\*2 Segment profit calculated by deducting Cost of goods sales and Sales, general and administrative expenses from Net sales.

Q2 FY2021 (April 1, 2021- September 30, 2021)

	Reportable segment			Adjustments* <sup>1</sup>	Consolidated
	Software Business	Investment Business	Total		
	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)
Net sales					
Sales to external customers	1,368,473	—	1,368,473	—	1,368,473
Inter-segment transactions	33	13,177	13,210	-13,210	—
Total	<u>1,368,506</u>	<u>13,177</u>	<u>1,381,683</u>	<u>-13,210</u>	<u>1,368,473</u>
Segment profit (Figures in negative represent loss) * <sup>2</sup>	<u>192,051</u>	<u>640,684</u>	<u>832,735</u>	<u>210</u>	<u>832,945</u>
Other income and expenses					29,050
Finance income					35,601
Finance expenses					4,327
Equity in earnings of affiliates (Figures in negative represent loss)					-3,907
Income before income tax					<u>889,361</u>
Other items					
Depreciation and amortization expenses	100,370	174	100,544	—	100,544

(Notes) \*1 "Adjustments" indicates mainly elimination of inter-segment transactions.

\*2 Segment profit (figure in negative represent loss) calculated by deducting Cost of goods sales and Sales, general and administrative expenses from Net sales. Of other income and expenses, valuation gains / losses on investments measured at fair value through profits / losses held by AVF-1 are transferred to segment profits of the Investment Business.