



Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending August 31, 2025
(Three Months Ended November 30, 2024)

[Japanese GAAP]

January 14, 2025

Company name: SERAKU Co., Ltd.

Listing: Tokyo Stock Exchange (Standard Market)

Stock code: 6199

URL: <http://www.seraku.co.jp>

Representative: Tatsumi Miyazaki, Representative Director

Contact: Tomoharu Kozeki, Executive Director, Executive Officer,
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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter Ended November 30, 2024 (Sep. 1, 2024 to Nov. 30, 2024)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Nov. 30, 2024	6,200	15.6	768	46.4	775	46.4	481	60.0
Three months ended Nov. 30, 2023	5,364	6.6	525	6.2	529	(16.7)	300	(25.8)

Note: Comprehensive income (millions of yen) Three months ended Nov. 30, 2024: 480 (up 60.3%)
 Three months ended Nov. 30, 2023: 299 (down 25.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Nov. 30, 2024	35.61	35.55
Three months ended Nov. 30, 2023	21.53	21.50

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Nov. 30, 2024	12,993	8,049	61.7
As of Aug. 31, 2024	12,052	7,762	64.2

Reference: Shareholders' equity (millions of yen) As of Nov. 30, 2024: 8,015 As of Aug. 31, 2024: 7,731

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2024	-	0.00	-	13.00	13.00
Fiscal year ending August 31, 2025	-	-	-	-	-
Fiscal year ending Aug. 31, 2025 (forecast)	-	0.00	-	13.20	13.20

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2025 (Sep. 1, 2024 to Aug. 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	11,700	8.1	1,130	1.0	1,130	0.4	770	-	56.96
Full year	24,500	10.3	2,550	12.1	2,550	10.0	1,720	9.2	127.24

Note: Revisions to the most recently announced consolidated earnings forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued as of the end of the period (including treasury shares)

As of Nov. 30, 2024:	13,833,300 shares	As of Aug. 31, 2024:	13,833,300 shares
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2) Number of treasury shares as of the end of the period

As of Nov. 30, 2024:	331,670 shares	As of Aug. 31, 2024:	315,770 shares
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3) Average number of shares during the period

Three months ended Nov. 30, 2024:	13,515,783 shares	Three months ended Nov. 30, 2023	13,968,651 shares
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Note: The number of treasury shares deducted to calculate the number of treasury shares as of the end of the period and the average number of shares during the period includes treasury shares held by the Employee Stock Ownership Plan (ESOP) trust account.

* A review by certified public accountants or an auditing firm of the quarterly consolidated financial statements under review to be attached: None

* Explanation of appropriate use of earnings forecasts and other special items

Forecasts of future performance in these materials are based on assumptions judged to be reasonable and information available to the management of Seraku at the time these materials were prepared, and they do not represent guarantees of future performance. Actual results may differ materially from these forecasts for various reasons. For a discussion of the assumptions and other factors considered by Seraku in preparing the above projections, please refer to page 3 of Attachments, "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Additional Information	8
Significant Changes in Shareholders' Equity	10
Quarterly Consolidated Statement of Cash Flows	11
Segment and Other Information	11
3. Additional Information	12

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first quarter of the fiscal year ending August 31, 2025, the Japanese economy has slowly recovered as employment and income environments improved thanks to the effects of various policies. However, the economic outlook remains uncertain due to rising prices, prospective policy trends in the US, the situation in the Middle East, the impact of fluctuations in financial markets, etc.

In Japan's IT sector, which is the primary business field where the Group provides its services, IT/DX-related demand grew in line with the progress and broader use of digital technologies in every business field, reflecting the purpose of improving productivity and strengthening competitiveness. Consequently, demand for investment in IT-related technologies, such as system integration and the operation and maintenance of systems with the use of the cloud, remained solid. As indicated by the important role that an optimal IT infrastructure plays in supporting companies' business strategies, for example, demand for IT services and IT personnel continued to rise. However, addressing the lack of IT personnel and improving IT skills remained significant issues. The Seraku Group sought to recruit and develop highly qualified engineers while simultaneously providing a range of IT services by facilitating the use of business partners.

Given this environment, the Seraku Group sought to increase the value of services mainly through the development of highly qualified engineers and deployment of internal engineers to DX-related projects while simultaneously developing a business foundation to undertake, as a Digital Integrator, the social implementation and operation of digital technologies and services in the IT and DX fields, including leveraging the resources of business partners.

Net sales at the Group increased 15.6% year on year to 6,200,156 thousand yen, operating profit rose 46.4% year on year to 768,978 thousand yen, and ordinary profit climbed 46.4% year on year to 775,341 thousand yen. Profit attributable to owners of parent increased 60.0% year on year to 481,273 thousand yen.

Results by business segment were as follows.

1) Digital Integration

In the Digital Integration business, we undertake the construction, operation, and maintenance of IT systems in the SI (System Integration) domain. In the DX (Digital Transformation) domain, we provide cloud infrastructure and IoT service operations on a 24x7 basis at the Cloud Support Center. We help companies introduce, operate, and fully deploy cloud systems centered around Salesforce, a customer and sales management system, and COMPANY, an integrated personnel affairs system. We also provide NewtonX, a business support service for corporate clients to introduce and utilize ChatGPT.

In the first quarter of the fiscal year ending August 31, 2025, we sought to expand our services and increase added value by developing engineers in the SI domain with stable demand for investments in IT. In the DX domain, we did well in providing support to operate and fully deploy cloud systems centering around Salesforce and COMPANY.

Net sales in this segment came to 5,984,595 thousand yen, up 16.4% year on year. Segment profit was 787,124 thousand yen, up 48.0% year on year.

2) Midori Cloud

The Midori Cloud business provides a platform service, including Midori Cloud and Farm Cloud, to support the DX of the agriculture, livestock, and fisheries sectors using IT and a solution service to solve individual issues, particularly those faced in primary industries.

In the first quarter of the fiscal year under review, the Group focused on expansive sales of Midori Cloud Rakuraku Shukka to introduce digital technologies based on barcode and cloud systems to the fruit and vegetable distribution scene, resulting in its trial implementation at multiple JAs.

As a result, net sales in this segment amounted to 56,705 thousand yen, down 20.9% year on year. The segment loss was 24,484 thousand yen (segment loss of 18,185 thousand yen in the previous year).

3) Mechanical Design and Engineering

In the Mechanical Design and Engineering business, SERAKU Business Solutions, a consolidated subsidiary, provides 3D CAD technologies and technologies for the quality control of experiments and performance tests, as well as those for communications system

construction and telecommunications.

In the first quarter of the fiscal year under review, the Group focused on the recruitment and development of engineers for the prospective expansion of its organization while maintaining an engineer utilization rate at a high level.

As a result, net sales in this segment amounted to 188,142 thousand yen, up 10.4% year on year. Segment profit was 5,785 thousand yen, down 30.4% year on year.

(2) Explanation of Financial Position

Assets

Total net assets increased by 941,785 thousand yen from the end of the previous fiscal year to 12,993,907 thousand yen. This was mainly due to increases of 613,061 thousand yen in land, 297,664 thousand yen in cash and deposits, and 162,869 thousand yen in deferred tax assets, partially offset by a decrease of 181,576 thousand yen in work in process.

Liabilities

Total liabilities increased by 654,527 thousand yen from the end of the previous fiscal year to 4,944,035 thousand yen. This was attributable largely to increases of 1,316,194 thousand yen in accounts payable - other, 110,070 thousand yen in accrued consumption taxes, and 38,668 thousand yen in income taxes payable, partially offset by decreases of 627,459 thousand yen in provision for bonuses and 147,897 thousand yen in current liabilities.

Net assets

Total net assets increased by 287,257 thousand yen from the end of the previous fiscal year to 8,049,871 thousand yen. This increase was attributable chiefly to increases of 305,545 thousand yen in retained earnings and 45,524 thousand yen in treasury shares.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

There are no revisions to the first-half and full-year earnings forecasts for the fiscal year ending August 31, 2025, which were announced on October 15, 2024, in the Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY8/24 (As of Aug. 31, 2024)	First Quarter of FY8/25 (As of Nov. 30, 2024)
Assets		
Current assets		
Cash and deposits	6,896,690	7,194,354
Accounts receivable - trade and contract assets	2,740,887	2,790,549
Work in process	219,097	37,520
Raw materials	47,055	48,827
Other	183,469	243,118
Allowance for doubtful accounts	(1,856)	(1,965)
Total current assets	10,085,344	10,312,405
Non-current assets		
Property, plant and equipment		
Buildings, net	195,904	239,599
Tools, furniture and fixtures, net	55,356	53,058
Land	-	613,061
Other	133,636	3,231
Total property, plant and equipment	384,897	908,951
Intangible assets		
Software	435	345
Goodwill	124,827	118,396
Other	1,807	1,807
Total intangible assets	127,070	120,549
Investments and other assets		
Investment securities	3,496	3,496
Deferred tax assets	532,306	695,176
Leasehold and guarantee deposits	332,158	340,171
Insurance funds	465,282	492,183
Other	121,565	125,095
Allowance for doubtful accounts	-	(4,122)
Total investments and other assets	1,454,809	1,652,000
Total non-current assets	1,966,777	2,681,501
Total assets	12,052,121	12,993,907
Liabilities		
Current liabilities		
Accounts payable - trade	262,363	266,820
Current portion of long-term borrowings	39,204	33,324
Accounts payable - other	1,461,721	2,777,915
Income taxes payable	441,369	480,037
Accrued consumption taxes	385,225	495,295
Provision for bonuses	1,215,100	587,640
Provision for loss on order received	468	2,103
Other	318,650	170,753
Total current liabilities	4,124,102	4,813,889
Non-current liabilities		
Long-term borrowings	45,698	19,467
Retirement benefit liability	91,382	89,845
Other	28,325	20,833
Total non-current liabilities	165,405	130,145
Total liabilities	4,289,507	4,944,035

(Thousands of yen)

	FY8/24 (As of Aug. 31, 2024)	First Quarter of FY8/25 (As of Nov. 30, 2024)
Net assets		
Shareholders' equity		
Share capital	311,269	311,269
Capital surplus	309,835	333,535
Retained earnings	7,482,934	7,788,479
Treasury shares	(374,518)	(420,043)
Total shareholders' equity	7,729,520	8,013,241
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	2,474	1,855
Total accumulated other comprehensive income	2,474	1,855
Share acquisition rights	30,619	34,775
Total net assets	7,762,614	8,049,871
Total liabilities and net assets	12,052,121	12,993,907

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(First three-month period)

(Thousands of yen)

	First three months of FY8/24 (Sep. 1, 2023 - Nov. 30, 2023)	First three months of FY8/25 (Sep. 1, 2024 - Nov. 30, 2024)
Net sales	5,364,245	6,200,156
Cost of sales	4,054,148	4,487,162
Gross profit	1,310,097	1,712,993
Selling, general and administrative expenses	784,971	944,014
Operating profit	525,126	768,978
Non-operating income		
Interest and dividend income	393	9
Grant income	3,820	-
Rental income from real estate	-	1,349
Surrender value of insurance policies	-	5,216
Other	819	67
Total non-operating income	5,033	6,644
Non-operating expenses		
Interest expenses	225	176
Commission fee	-	97
Other	181	7
Total non-operating expenses	407	281
Ordinary profit	529,752	775,341
Extraordinary income		
Gain on reversal of share acquisition rights	98	19
Total extraordinary income	98	19
Extraordinary losses		
Loss on valuation of investment securities	3,339	-
Total extraordinary losses	3,339	-
Profit before income taxes	526,511	775,360
Income taxes-current	376,659	456,684
Income taxes-deferred	(150,940)	(162,596)
Total income taxes	225,719	294,087
Profit	300,792	481,273
Profit attributable to owners of parent	300,792	481,273

Quarterly Consolidated Statement of Comprehensive Income

(First three-month period)

(Thousands of yen)

	First three months of FY8/24 (Sep. 1, 2023 - Nov. 30, 2023)	First three months of FY8/25 (Sep. 1, 2024 - Nov. 30, 2024)
Profit	300,792	481,273
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(914)	(618)
Total other comprehensive income	(914)	(618)
Comprehensive income	299,878	480,654
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	299,878	480,654

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Additional Information

Acquisition of Treasury Shares

The Company is in the process of repurchasing treasury shares following the resolution concerning the acquisition thereof, which the Board of Directors passed at a meeting held on August 8, 2024, based on the provisions of Article 156 of the Companies Act applied under the provisions of Article 165, Paragraph 3 of the Act.

1. Reason for the acquisition of treasury shares

The Company has decided to acquire shares of its own stock to implement flexible capital policy measures in response to changes in the management environment and to use these shares for M&A activities, incentive plans, and/or returns to shareholders.

2. Details of matters concerning the acquisition

- | | |
|--|--|
| (1) Class of shares to be acquired: | Common shares of the Company |
| (2) Total purchase value of shares: | 400,000 shares (maximum)
[Percentage to the total number of outstanding shares (excluding treasury shares): 2.92%] |
| (3) Total acquisition value of shares: | 400,000,000 yen (maximum) |
| (4) Acquisition period: | August 9, 2024 to July 31, 2025 |
| (5) Acquisition method: | (i) Purchase through the Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3)
(ii) Purchase on the market of the Tokyo Stock Exchange |

3. Matters concerning transactions with controlling shareholder

- (1) Applicability to transactions with controlling shareholders and compliance with the policy on measures for the protection of minority shareholders

Regarding this acquisition of treasury shares, the acquisition through acquisition method (i) is a transaction with Representative Director Tatsumi Miyazaki, the controlling shareholder of the Company, and Mr. Hiromi Miyazaki, his close relative who is a Senior Executive Director, planning to participate as the seller. Therefore, the acquisition is considered to be a transaction with controlling shareholders.

The following is the policy on measures for the protection of minority shareholders when conducting transactions with controlling shareholders in the Corporate Governance Report which the Company disclosed on November 26, 2024.

“The basic policy for transactions with controlling shareholders is to conduct transactions under the proper conditions as in other general transactions, taking market prices and other factors into account. With this in mind, the Company takes appropriate measures to ensure that minority shareholders are not disadvantaged. In addition, based on laws and regulations and internal rules, it engages in these transactions after the Special Committee reports on the transaction and the Board of Directors approves it while simultaneously monitoring the transactions through audits by Auditing Officers to ensure they are being carried out properly”.

The details of this acquisition of treasury shares were determined according to the above policy.

- (2) Matters regarding measures to ensure fairness and avoid the conflict of interest

As measures to ensure fairness, the Company uses the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) to acquire treasury shares at the closing price of the Company’s common stock a day before the acquisition date.

Regarding the measures to avoid the conflict of interest, the discussions and decisions of the Board of Directors regarding the acquisition of treasury shares involve only three Directors (including two Outside Directors), excluding Mr. Tatsumi Miyazaki and Mr. Hiromi Miyazaki, who are Directors with an interest in the Company.

- (3) Outline of an opinion obtained from persons who have no interest in the controlling shareholders regarding that the transaction

will not damage the interests of its minority shareholders

In conjunction with the resolution made by the Board of Directors regarding the subject acquisition of treasury shares, the Company requested the Special Committee to prepare an opinion letter and two independent executive officers, Mrs. Koji Nishimura and Shuntaro Serizawa, both of whom had no special interest in the controlling shareholders gave their opinion as of this date that the acquisition of treasury shares was not disadvantageous to minority shareholders; for it took measures for ensuring fairness and avoiding the conflict of interest as described below.

- (i) In light of the timing and method of the acquisition and other factors, the acquisition of treasury shares enables the Company to implement flexible capital policy measures in response to changes in the management environment and to use the acquired shares for M&A activities, incentive plans and/or returns to shareholders, and the intent of its implementation is not to disadvantage minority shareholders.
- (ii) Decisions regarding this acquisition of treasury shares are to be made only by the directors after the exclusion of Mr. Tatsumi Miyazaki and Mr. Hiromi Miyazaki, who are the interested parties. Thus, measures have been taken to ensure fairness in the decision-making process and avoid conflict of interest.
- (iii) The Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) is used to ensure the fairness of the price and to provide an equal chance for other shareholders to engage in transactions, thus ensuring fairness in trading conditions.

4. Status of acquisition

- | | |
|---------------------------------------|--|
| (1) Class of shares acquired | Common shares of the Company |
| (2) Total number of shares acquired | 191,000 shares
[Percentage to the total number of outstanding shares (excluding treasury shares): 1.41%] |
| (3) Total acquisition value of shares | 221,789,000 yen |
| (4) Date of acquisition | August 9, 2024 - November 30, 2024
(The treasury shares mentioned above were all acquired by November 30, 2024). |
| (5) Acquisition method | (i) Purchase through the Off-Auction Treasury Share Repurchase Trading System of the Tokyo Stock Exchange (ToSTNeT-3)
(ii) Purchase on the market of the Tokyo Stock Exchange |

5. Other

The Company is in the process of repurchasing market purchases on the Tokyo Stock Exchange on the condition that the maximum number and value of shares to be purchased shall be calculated by deducting the total number and value of shares acquired through the Tokyo Stock Exchange Trading Network Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) from the maximum number and value of shares purchasable decided at a meeting of the Board of Directors held on August 8, 2024.

[Introduction of a Japanese version of Employee Stock Ownership Plan (J-ESOP)]

In order to increase the alignment between its share price/performance and the treatment of its employees and motivate them further to raise its share price and improve its performance by sharing economic effects with its shareholders, on October 15, 2024, the Company's Board of Directors resolved to introduce an Employee Stock Ownership Plan (J-ESOP) (hereafter, "the Plan" and a trust account set based on a trust agreement on this Plan with Mizuho Trust & Banking Co., Ltd will be referred to as "the Trust"), or an incentive plan in which its shares are provided to the Company's and its Group companies' employees who meet certain requirements (hereafter, "the Employee").

1. Outline of the Plan

The Plan is a trust-type scheme that references the US Employee Stock Ownership Plan (ESOP). Based on the share ownership rules predefined by the Company, this scheme provides its shares to employees who meet certain requirements. The Company endows a point to employees according to the degree of their contribution. When they acquire the right to own shares under certain conditions, they can own the Company's shares equivalent to the endowed points. Shares to be provided to employees shall be acquired with money set up in trust in advance, including those required in the future, and shall be separately managed as trust assets.

The introduction of the Plan is expected to raise employees' interest in the Company's share price and business performance and contribute to making them even more motivated to work.

2. Matters regarding treasury shares held by the Trust

The Company reports the book value of treasury shares remaining in the Trust (excluding the amount of incidental expenses) as

treasury shares in net assets. The book value of the treasury shares is 142,300 thousand yen and the number of the shares is 100,000 as of the end of the first quarter of the fiscal year under review.

Significant Changes in Shareholders' Equity

The details are described in “2. Quarterly Consolidated Financial Statements and Notes (3) Notes to Quarterly Consolidated Financial Statements (Additional Information)” on page 8 of the attached document.

Quarterly Consolidated Statement of Cash Flows

The Company has not prepared the quarterly consolidated statement of cash flows for the first quarter of the fiscal year under review. Depreciation (including depreciation of intangible assets) in the first three months of the fiscal year under review is as follows.

	First three months of FY8/24 (Sep. 1, 2023 - Nov. 30, 2023)	First three months of FY8/25 (Sep. 1, 2024 - Nov. 30, 2024)
Depreciation	10,195 thousand yen	12,565 thousand yen
Amortization of goodwill	-	6,430 thousand yen

Segment and Other Information

Segment information

First three months of FY8/24 (Sep. 1, 2023 - Nov. 30, 2023)

1. Information related to net sales and profit/loss in reportable segments

(Thousands of yen)

	Reportable segment				Adjustment (Notes 1 and 2)	Amount in the Quarterly Consolidated Statement of Income (Note 3)
	Digital Integration	Midori Cloud	Mechanical Design and Engineering	Total		
Net sales						
Sales to external customers	5,141,159	71,716	151,369	5,364,245	-	5,364,245
Inter-segment sales and transfers	-	-	19,001	19,001	(19,001)	-
Total	5,141,159	71,716	170,371	5,383,247	(19,001)	5,364,245
Segment profit (loss)	531,700	(18,185)	8,310	521,826	3,300	525,126

- Notes:
- The adjustment to segment profit (loss) includes corporate costs that are not allocated to any of the reportable segments. Corporate costs mainly include general and administrative expenses that cannot be attributed to any of the reportable segments. The adjustment to segment profit (loss) includes inter-segment transaction elimination of 19,001 thousand yen.
 - The adjustment to segment profit (loss) of 3,300 thousand yen is a difference in the elimination of sales expenses and non-operating income borne by each segment, among other factors.
 - Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.

First three months of FY8/25 (Sep. 1, 2024 - Nov. 30, 2024)

1. Information related to net sales and profit/loss in reportable segments

(Thousands of yen)

	Reportable segment				Adjustment (Notes 1 and 2)	Amount in the Quarterly Consolidated Statement of Income (Note 3)
	Digital Integration	Midori Cloud	Mechanical Design and Engineering	Total		
Net sales						
Sales to external customers	5,984,453	56,705	158,997	6,200,156	-	6,200,156
Inter-segment sales and transfers	142	-	29,145	29,287	(29,287)	-
Total	5,984,595	56,705	188,142	6,229,443	(29,287)	6,200,156
Segment profit (loss)	787,124	(24,484)	5,785	768,425	553	768,978

- Notes:
- The adjustment to segment profit (loss) includes corporate costs that are not allocated to any of the reportable segments. Corporate costs mainly include general and administrative expenses that cannot be attributed to any of the reportable segments. The segment profit (loss) includes inter-segment transaction elimination of 29,287 thousand yen.
 - The adjustment to segment profit (loss) of 553 thousand yen is a difference in the elimination of sales expenses and non-operating income borne by each segment, among other factors.
 - Segment profit (loss) is adjusted with operating profit shown on the consolidated statement of income.

3. Additional Information

Sales results

(Thousands of yen)					
	First three-month period of the previous fiscal year		First three-month period of the fiscal year under review		Year-on-year change (%)
	Net sales	Ratio to net sales (%)	Net sales	Ratio to net sales (%)	
System Integration	3,530,982	65.8	4,056,243	65.4	14.9
Digital Transformation	1,610,177	30.0	1,928,209	31.1	19.8
Midori Cloud	71,716	1.3	56,705	0.9	(20.9)
Mechanical Design and Engineering	151,369	2.8	158,997	2.6	5.0
Total	5,364,245	100.0	6,200,156	100.0	15.6