Consolidated Financial Results for the Fiscal Year endedMarch 31, 2013 (Japanese Accounting Standards)

May 1, 2013

Listed Company Name: ITOCHU Techno-Solutions Corporation
Listing Exchanges: Tokyo Stock Exchange
Securities Code: 4739
URL: http://www.ctc-g.co.jp/en/index.html
Representative: Satoshi Kikuchi, President & CEO
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Scheduled date of Annual General Meeting of Shareholders: June 20, 2013
Scheduled date of dividend payment: June 21, 2013
Scheduled date to submit the annual securities report *(Yukashoken Hokokusho)*: June 21, 2013
Supplementary documents for financial results: Yes
Financial results briefing: Yes (for institutional investors and analysts)

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Fiscal Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended 3/13	322,475	8.3	27,187	9.6	27,340	9.6	16,025	20.2
Year ended 3/12	297,748	5.2	24,798	16.3	24,954	15.7	13,327	16.4

(Note) Comprehensive income (million yen): Year ended 3/13: 17,391 (28.1%) Year ended 3/12: 13,575 (17.0%)

	Earnings per share	Earnings per share/ diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended 3/13	268.53	–	9.9	10.5	8.4
Year ended 3/12	217.08	–	8.5	10.2	8.3

(Reference) Share of profit (loss) of entities accounted for using equity method (million yen):
Year ended 3/13: 21 Year ended 3/12: 137

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
Year ended 3/13	270,025	165,980	61.0	2,766.93
Year ended 3/12	252,701	158,823	62.7	2,604.78

(Reference) Shareholders' equity (million yen): Year ended 3/13: 164,641 Year ended 3/12: 158,363

(3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended 3/13	9,691	-10,321	-11,114	66,133
Year ended 3/12	21,252	-2,785	-8,914	77,852

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends/ net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended 3/12	–	45.00	–	50.00	95.00	5,775	43.8	3.7
Year ended 3/13	–	50.00	–	55.00	105.00	6,247	39.1	3.9
Year ending 3/14 (forecast)	–	55.00	–	55.00	110.00		39.7	

3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2014 (April 1, 2013 – March 31, 2014)

(Percentages represent changes from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	155,000	5.9	10,100	0.5	10,100	0.6	5,600	1.0	94.11
Full year	345,000	7.0	28,000	3.0	28,000	2.4	16,500	3.0	277.30

* Notes
(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting principles and changes or restatement of accounting estimates
- (i) Changes in accounting principles due to amendment of accounting standards, etc.: Not applicable
- (ii) Changes in accounting principles other than (i): Yes
- (iii) Changes in accounting estimates: Yes
- (iv) Restatement: Not applicable

For further details, please refer to the section "4. Consolidated Financial Statements (7) Changes in basis of presenting consolidated financial statements" of this Summary of Consolidated Financial Results in the Accompanying Materials section on page 19.

(3) Number of outstanding shares (common shares)

	Year ended 3/13	Year ended 3/12
(i) Number of shares outstanding at the end of period (including treasury shares)	62,500,000 shares	62,500,000 shares
(ii) Number of treasury shares at the end of period	2,996,613 shares	1,702,628 shares
(iii) Average number of shares during the period	59,676,586 shares	61,395,148 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended 3/13	299,866	8.5	16,710	14.3	21,953	11.2	14,259	19.0
Year ended 3/12	276,468	5.5	14,625	24.8	19,744	13.5	11,983	10.2

	Earnings per share	Earnings per share/ diluted
	Yen	Yen
Year ended 3/13	238.95	–
Year ended 3/12	195.18	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
Year ended 3/13	256,612	144,946	56.5	2,435.94
Year ended 3/12	244,419	140,546	57.5	2,311.72

(Reference) Shareholders' equity (million yen): Year ended 3/13: 144,946 Year ended 3/12: 140,546

* This document is an English translation of a statement written initially in Japanese as a guide for non-Japanese investors. The Japanese original document should be considered as the primary version.

* Disclosure regarding audit procedures

This summary of consolidated financial results does not constitute the audited financial statements under the Financial Instruments and Exchange Act. As of the date of disclosure of this summary of consolidated financial results, an audit of the financial statements had not been carried out in accordance with the Financial Instruments and Exchange Act.

* Cautionary statement with respect to forward-looking statements

- These materials contain forward-looking statements and statements of this nature based on assumptions judged to be valid and information available to the Company as of the announcement date of the summary. These statements are not promises by the Company regarding future performance. Actual results may differ materially from forecasts due to a variety of factors. With respect to the conditions that underpin earnings forecasts as well as cautionary statements regarding the proper use of earnings forecasts, please refer to the section "1. Analysis of Operating Results and Financial Condition, (1) Analysis of operating results (Forecast for the next consolidated fiscal year)" of this Summary of Consolidated Financial Results in the Accompanying Materials section on page 3.
- The Company plans to hold an IR presentation for institutional investors and analysts on May 1, 2013. Materials distributed during the IR presentation will be posted on the Company's website.

Accompanying Materials – Contents

1. Analysis of Operating Results and Financial Condition

(1) Analysis of operating results

1) Operating results for the fiscal year under review

In the fiscal year under review, the outlook for the Japanese economy remained uncertain due to the effect of downside risks such as the global economic slowdown and the deterioration in relations with neighboring countries. However, there was growing optimism about Japan's economic recovery, stoked by a correction of the strong yen and revitalization of the stock market on expectations of economic policies from the new government inaugurated at the end of last year, as well as signs of improvement in the export environment and business sentiment.

In the information services industry, the number of order receiving continued to improve with firm demand for the reconstruction of backbone systems and production management systems and aggressive investment in telecommunication networks associated with increasingly fast mobile communications and the spread of smart devices offsetting firms' cautious attitudes toward investment in IT.

In this environment, the CTC Group focused on the core measures of strengthening the cloud and infrastructure businesses to expand earnings and strategic investment aimed at realizing medium-to-long term growth. Specifically, the Group promoted the creation of a common infrastructure utilizing server and storage virtualization technologies in transportation, financial, manufacturing and a wide variety of other industries. In the cloud services sector, the Group began sales of cloudageElasticCUVIC, which provides a combination of IT infrastructure environment services and system operations and management services. The Group also participated in a joint venture with Thai IT firm Netband Consulting Co., Ltd. to strengthen business development in Southeast Asia where future growth is forecast. The Group made aggressive anticipatory investments, including the purchase and subsidiary acquisition of CSC Automated PTE. LTD. (Singapore) and CSC ESI SDN. BHD. (Malaysia), which had previously been under parent company Computer Sciences Corporation, a major IT service provider in the United States.

In terms of operating activities, in the telecommunications sector, the Group promoted connection management system construction projects, and network equipment enhancement projects associated with increasingly faster mobile communications and the spread of smart devices. In the financial sector, the Group focused on market and information construction projects for banks. Efforts were concentrated on infrastructure construction projects for postal service companies in the commerce and transport sector, and in the public sector, the Group promoted contact center construction projects and network construction projects for government ministries. In the manufacturing sector, the Group targeted disaster recovery environment construction projects for electronics manufacturers and storage integration projects for automobile manufacturers.

With regard to human resource development, the Group promoted in-house training programs to create human resources knowledgeable about cloud computing, big data and other technology areas and project management. The Group also selected employees for short-term study abroad and internships with overseas vendors and conducted language training focused on future global developments.

As a result of these activities, consolidated net sales in the fiscal year under review grew 8.3% compared to the previous fiscal year, to 322,475 million yen, on increases in the products and services businesses, despite a slight decline in the development business. In terms of profits, although the gross profit ratio declined and personnel costs increased, gross profits grew as a result of increased sales. Consequently, consolidated operating income increased 9.6%, to 27,187million yen, consolidated ordinary income rose 9.6%, to 27,340 million yen, and consolidated net income jumped 20.2% year on year, to 16,025 million yen.

Segment results by business were as follows.

Effective from the fiscal year under review, the Company revised its reportable segment structure. Year-on-year comparisons and analyses presented below have been adjusted to reflect the revised segments.

(i) Telecommunications

Net sales rose 26.4%, to 143,258 million yen and operating income increased 20.2%, to 16,119 million yen on growth in equipment enhancement projects for mobile carriers and infrastructure construction projects for postal service companies.

(ii) Finance

Although net sales declined 6.0%, to 23,801 million yen on fewer credit card company projects, an improved gross profit ratio and other factors resulted in operating income soaring 40.8%, to 2,366 million yen.

(iii) Enterprise

Net sales remained on the same level as the previous fiscal year, rising 0.5%, to 99,314 million yen, but higher selling, general and administrative expenses caused operating income to dip 5.7%, to 5,018 million yen.

(vi) Distribution

Net sales declined 4.1%, to 39,886 million yen on fewer projects for trading companies. Operating income dropped 23.1%, to 3,061 million yen on a lower gross profit ratio and increased selling, general and administrative expenses.

(v) Cloud Platform

In this segment, which supports company-wide horizontally deployed cloud-related businesses, including data centers, net sales were up 6.2%, to 28,383 million yen and operating income decreased 5.2%, to 1,732 million yen.

(vi) Support & Service

In this segment, which supports company-wide horizontally deployed service businesses focused on IT support, net sales were down 0.6%, to 64,709 million yen, and operating income increased 0.2%, to 11,369 million yen.

(vii) Other

Net sales decreased 2.2%, to 13,410 million yen, while operating income grew 9.1%, to 1,007 million yen.

(Note) The net sales and operating income for the segments shown above are those before the elimination of inter-segment sales.

2) Forecast for the next consolidated fiscal year

The global economic outlook remains uncertain due to concerns over the European sovereign debt crisis and other factors. However, there is a growing optimism about Japan's economic recovery stoked by a depreciation of the yen engineered by the new government's economic policies and rising stock prices. In the information services industry, IT investment is expected to pick up among financial institutions especially banks and securities firms and in the manufacturing industry.

In this environment, the Group plans to implement strategies to improve profitability and make investment for medium-to-long term growth, positioning the fiscal year ending March 31, 2014 as "a year in which it strengthens its business base to raise it to the next higher level and achieves sustainable growth."

Specifically, the Group will reinforce the infrastructure business in the telecommunications segment, which drove operating results in the last fiscal year, and will focus on harnessing its strength in the infrastructure business to develop promising growth markets. It will also accurately grasp demand for system integration in the financial segment and demand for reconstruction of existing systems in the enterprise segment to expand earnings and will also utilize the new data center building opened on the premises of the Yokohama Computer Center in April 2013 to further expand the services business. In initiatives for medium-to-long-term growth, the Group will concentrate on developing businesses related to new technologies and solutions such as Big Data, which is starting to draw attention from companies, and SDI (Software Defined Infrastructure), as well as on promoting global expansion focusing on ASEAN. The Group will also seek to further strengthen profitability by tightening project management and increasing cost structure competitiveness in the services business.

As a result of the above, the Company's forecast for the next consolidated fiscal year is net sales of 345,000 million yen, operating income of 28,000 million yen, ordinary income of 28,000 million yen, and net income of 16,500 million yen.

(2) Analysis of financial position

Consolidated assets at the end of the fiscal year under review amounted to 270,025 million yen, up 17,324 million yen from the end of the previous fiscal year. This was mainly due to increases of 7,668 million yen in prepaid expenses, 6,679 million yen in notes and accounts receivable-trade, and 4,129 million yen in goodwill.

Consolidated liabilities rose 10,167 million yen from the end of the previous fiscal year, to 104,045 million yen. This was primarily due to increases of 2,750 million yen in unearned revenue, 2,309 million yen in notes and accounts payable-trade, and 1,222 million yen in lease obligations.

Consolidated net assets reached 165,980 million yen, up 7,156 million yen from the end of the previous fiscal year. This chiefly reflects an increase of 16,025 million yen due to net income, offsetting a decrease of 6,015 million yen due to the payment of cash dividends and a decrease of 5,000 million yen due to the acquisition of the Company's own shares.

Cash flows

Cash and cash equivalents (hereinafter called "cash") at the end of the fiscal year under review fell 11,718 million yen from the end of the previous fiscal year, to 66,133 million yen.

The status and major components of each cash flow in the consolidated fiscal year under review are shown below.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 9,691 million yen. Principal cash outflows were income taxes paid of 10,941 million yen and a 4,134 million yen increase in notes and accounts receivable - trade. Major cash inflows were income before income taxes and minority interests of 26,766 million yen and depreciation of 6,013 million yen.

Compared to the previous fiscal year, net cash provided by operating activities decreased 11,561 million yen. This was mainly due to a 4,345 million yen increase in notes and accounts receivable - trade and a 1,337 million yen increase in cash used for income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 10,321 million yen. This was mainly due to outlays of 5,371 million yen for the purchase of shares of subsidiaries resulting in change in scope of consolidation, 2,827 million yen for the purchase of tangible fixed assets, and 1,589 million yen for the purchase of intangible fixed assets.

Compared to the previous fiscal year, net cash used in investing activities increased 7,535 million yen. This is largely attributable to a 5,046 million yen increase in expenditure for the purchase of shares of subsidiaries resulting in change in scope of consolidation and a 1,062 million yen decline in proceeds due to a net decrease in deposits.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 11,114 million yen. Major factors were 6,014 million yen in dividends paid, an outlay of 5,003 million yen for acquisition of the Company's own shares, and repayments of finance lease obligations of 1,993 million yen, offsetting 1,967 million yen in proceeds from sales and leasebacks.

Compared to the previous fiscal year, net cash used in financing activities increased 2,200 million yen. This result chiefly reflects a 3,085 million yen decrease in proceeds from sales and leasebacks, which offset a 1,350 million yen decrease in repayments of finance lease obligations.

(3) Basic profit allocation policy, and dividends for the current and new fiscal year

The Group recognizes the return of profits to shareholders as an important management issue. In line with its principle of increasing dividend levels, the Group works to secure stable dividend payments and stresses the return of profits in line with business performance, while carefully considering the balance of internal reserves and the actual amount distributed to shareholders. The Group pays out interim and year-end dividends every year. Year-end dividends are subject to resolutions made by the General Meeting of Shareholders, while interim dividends are subject to resolutions made by the Board of Directors.

For the fiscal year under review, in line with this policy and in view of the consolidated financial position and other factors, the Group plans to pay an annual dividend of 105 yen per share (of which 50 yen was paid out as an interim dividend. As a result, the consolidated payout ratio for the fiscal year under review will be around 39.1%. Going forward, we target our consolidated payout ratio to be 40.0%.

Regarding dividends for the new fiscal year, the Group will continue to pay dividends twice a year, with September 30 and March 31 as the record dates, and plans to pay a dividend of 55 yen for both the interim dividend and the year-end dividend, which will bring the total annual dividend to 110 yen.

2. Outline of the Corporate Group

The Group, which consists of the Company, the Company's parent company, 13 consolidated subsidiaries and 5 equity-method affiliates, is involved mainly in sales and maintenance of computers and network systems, customize software development, data center services, and support.

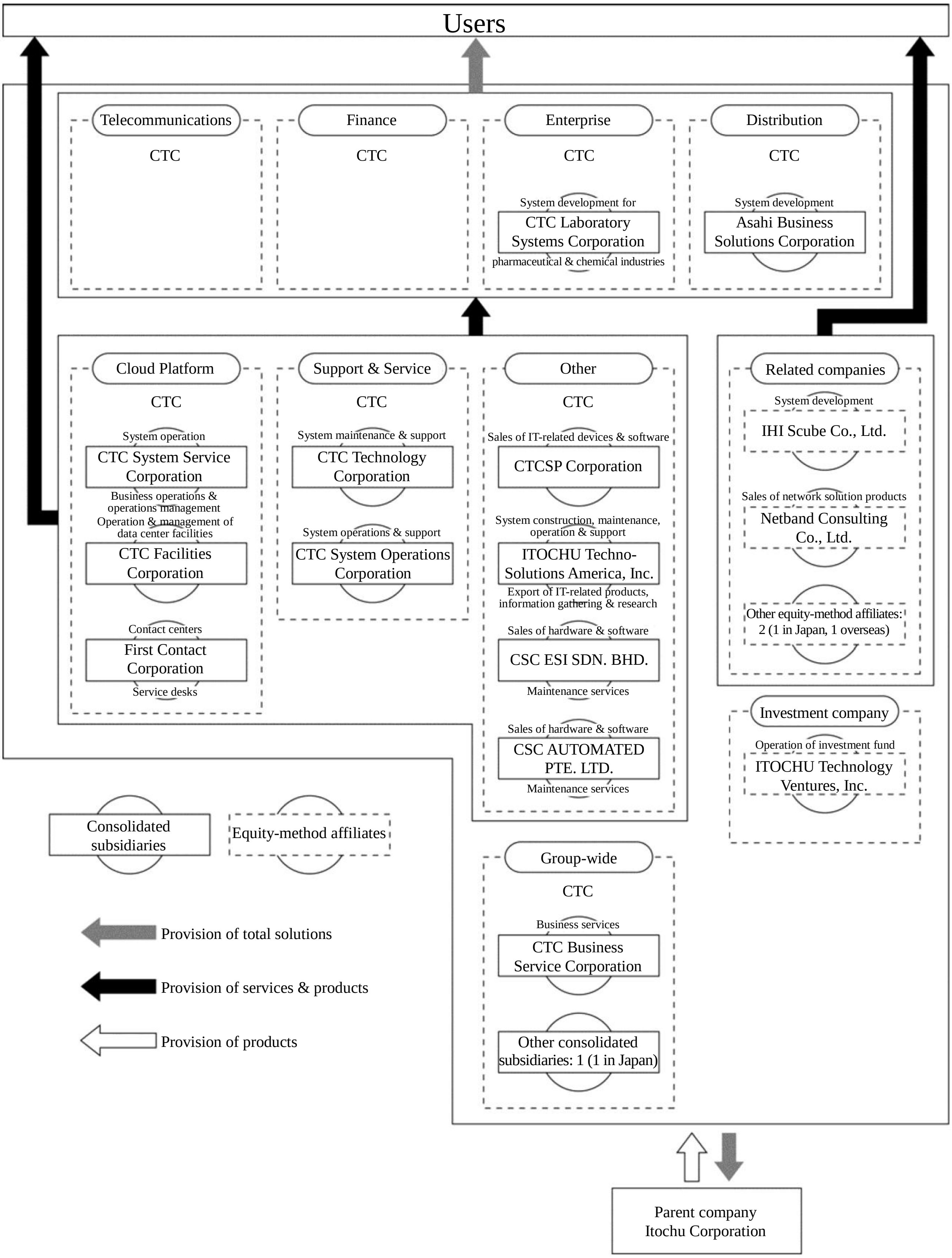
Each consolidated subsidiary specializes in a specific function or industry to constantly offer new solutions and services to users with positivity and speed. The Company also adopts a policy of expanding and strengthening groups of professionals for each function and sector through active capital participation in existing companies with high levels of expertise in sectors closely connected with the Company's business.

The following shows the positioning of each company in relation to the Group's business and an operational diagram.

Business category	Business description	Major related companies
Telecommunications	Segment structure that allows optimum response to customer needs; each business segment conducts comprehensive proposal and sales activities covering everything from consulting to system design and development and maintenance and operation services.	–
Finance		–
Enterprise		CTC Laboratory Systems Corporation
Distribution		Asahi Business Solutions Corporation
Cloud Platform	This segment collaborates with the above four business segments over proposals and procurement in the services business, focusing on IT infrastructure outsourcing services.	CTC System Service Corporation CTC Facilities Corporation First Contact Corporation
Support & Service	This segment collaborates with the above four business segments over proposals and procurement in the services business, focusing on maintenance and operation services.	CTC Technology Corporation CTC System Operations Corporation
Other	Businesses that are not included in the above; these include subsidiaries involved in activities such as product procurement.	CTCSP Corporation ITOCHU Techno-Solutions America, Inc. CSC ESI SDN. BHD. CSC AUTOMATED PTE. LTD.

The operational diagram

Below is an operational diagram illustrating the matters described above.



The description of "Status of related companies" has been omitted, since there has been no major change in the status of related companies form those disclosed in the most recent Securities Report filed on June 25, 2012.

3. Management Policies

(1) Basic management policies

Today, information systems play an important role as the bedrock of corporate management, and their role will become increasingly important for everything from information processing to the formulation of management strategy and the creation of business models. The CTC Group is committed to making society a better place through its business activities, by continuing to rise to the challenge of being a company that responds quickly to the constantly changing IT needs of its customers and achieves customer satisfaction, in line with the Group's guiding principles of "Challenging Tomorrow's Changes," which is also the origin of CTC name.

<The Group's Philosophy>

Value

We at CTC generate a unique creativity, and we do this through energetic actions that are underpinned both by our sense of moral value and our ethics.

Mission

Our aim is to make society a better place, ensuring quality of life for everyone, and creating value for our customers and other stakeholders.

Vision

We will continue to grow as an appealing company grounded in high-quality technological power, changing our own business models thanks to an accurate grasp of the ever-evolving management environment.

(2) Management target

The Group aims to develop a high profit company structure that combines both growth potential and stability through management focused on business expansion and higher operating margins.

(3) Medium and long-term management strategies

The Group aims to "take responsibility for the evolution of the IT industry, as the industry's leading company" and plans to achieve sustainable growth by implementing strategies in accordance with the following Basic Management Policy:

1) "Reinforce our strengths," and "enter growth areas."

Continue to reinforce strengths in specific business domains and establish new core business domains through horizontal deployment into domains with strong growth potential, to achieve stable earnings and sustainable growth.

2) "Develop state-of-the-art and optimal technologies," and "roll out our in-house technologies in Asia."

Offer advanced technologies that meet customer needs through partnerships with leading IT vendors, and roll out the services and business models created based on accumulated expertise in Asia, focusing on the ASEAN region.

3) "Aggressively address our earnings model transformation," and "solidify our position."

Increase competitive edge in the IT industry by focusing on expanding earnings in the operations and services business and increasing cost competitiveness through optimization of the service provision structure and tighter project management.

(4) Future challenges

The environment surrounding the IT industry is changing dramatically, with the acceleration of overseas expansion, industrial restructuring through the vertical integration of IT vendors and growing bipolarization, the widespread adoption and expansion of cloud computing, and the use of Big Data, which is a new focus of attention, and IT companies are required to respond more quickly and flexibly to these environmental changes. The CTC Group will make strategic investments for the medium- and long-term expansion of earnings, including expanding and improving cloud services, responding to new business domains such as Big Data, and promoting global strategy. The Group will also continue to focus on strengthening its earnings base by continually reviewing its cost structure.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2012)	Consolidated fiscal year under review (As of March 31, 2013)
Assets		
Current assets		
Cash and deposits	32,855	31,914
Notes and accounts receivable	60,203	66,882
Lease investment assets	11,821	12,909
Securities	44,996	33,997
Merchandise	11,708	13,427
Work in process	5,224	5,347
Maintenance parts and materials	6,742	6,588
Prepaid expenses	14,649	22,317
Deferred tax assets	8,499	8,857
Other	3,453	3,766
Allowance for doubtful accounts	-6	-94
Total current assets	200,148	205,917
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	16,859	20,598
Tools, furniture and fixtures, net	1,928	3,537
Land	6,230	6,230
Leased assets, net	3,806	4,352
Total tangible fixed assets	28,824	34,719
Intangible fixed assets		
Goodwill	–	4,129
Software	5,073	4,731
Leased assets	2,536	2,222
Other	96	99
Total intangible fixed assets	7,706	11,182
Investments and other assets		
Investment securities	4,334	5,999
Prepaid pension cost	2,636	3,187
Deferred tax assets	927	597
Other	8,196	8,486
Allowance for doubtful accounts	-73	-63
Total investments and other assets	16,022	18,207
Total fixed assets	52,553	64,108
Total assets	252,701	270,025

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2012)	Consolidated fiscal year under review (As of March 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable	24,174	26,484
Lease obligations	3,764	4,537
Income taxes payable	8,274	7,803
Unearned income	17,518	20,269
Provision for bonuses	7,300	7,566
Provision for directors' bonuses	144	190
Provision for loss on order received	934	308
Provision for after service cost	354	368
Other	15,450	19,099
Total current liabilities	77,917	86,627
Long-term liabilities		
Lease obligations	13,561	14,010
Deferred tax liabilities	135	1,069
Provision for retirement benefits	535	575
Asset retirement obligations	1,239	1,448
Other	489	314
Total long-term liabilities	15,961	17,418
Total liabilities	93,878	104,045
Net assets		
Shareholders' equity		
Capital stock	21,763	21,763
Capital surplus	33,076	33,076
Retained earnings	108,496	118,506
Treasury stock	-5,370	-10,370
Total shareholders' equity	157,966	162,975
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	448	1,610
Deferred gains or losses on hedges	-30	-2
Foreign currency translation adjustment	-20	58
Total accumulated other comprehensive income	397	1,666
Minority interests	459	1,338
Total net assets	158,823	165,980
Total liabilities and net assets	252,701	270,025

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

Consolidated income statement

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)	Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)
Net sales	297,748	322,475
Cost of sales	218,132	239,189
Gross profit	79,615	83,285
Selling, general and administrative expenses	54,817	56,097
Operating income	24,798	27,187
Non-operating income		
Interest income	58	50
Dividend income	54	67
Equity in gains of associated companies	137	21
Dividend income of insurance	54	66
Other	205	227
Total non-operating income	509	434
Non-operating expenses		
Interest expenses	201	163
Loss from investments in partnership	76	30
Other	75	86
Total non-operating expenses	353	281
Ordinary income	24,954	27,340
Extraordinary gains		
Gain on sales of fixed assets	19	10
Gains on sales of investment securities	162	56
Compensation received	–	82
Total extraordinary gains	182	148
Extraordinary losses		
Loss on sales of fixed assets	–	61
Loss on disposal of fixed assets	374	141
Impairment loss	121	124
Loss on sales of investment securities	15	–
Loss on valuation of investment securities	19	–
Loss on sales of membership	10	–
Loss on valuation of membership	44	–
Loss on non-cancelable lease contracts	136	231
Reversal of foreign currency translation adjustments	78	–
Compensation for damage	–	25
Loss on litigation	–	138
Total extraordinary losses	800	722
Income before income taxes	24,336	26,766
Income taxes-current	10,652	10,442
Income taxes-deferred	267	201
Total income taxes	10,919	10,643
Income before minority interests	13,416	16,123
Minority interests in income	89	98
Net income	13,327	16,025

Consolidated statements of comprehensive income

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)	Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)
Income before minority interests	13,416	16,123
Other comprehensive income		
Valuation difference on available-for-sale securities	143	1,160
Deferred gains or losses on hedges	-25	27
Foreign currency translation adjustment	42	55
Share of other comprehensive income of entities accounted for using equity method	-1	24
Total other comprehensive income	158	1,268
Comprehensive income	13,575	17,391
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,485	17,293
Comprehensive income attributable to minority interests	89	98

(3) Consolidated statements of changes in net assets

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)	Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	21,763	21,763
Changes of items during period		
Total changes of items during period	–	–
Balance at the end of current period	21,763	21,763
Capital surplus		
Balance at the beginning of current period	33,076	33,076
Changes of items during period		
Disposal of treasury stock	–	0
Total changes of items during period	–	0
Balance at the end of current period	33,076	33,076
Retained earnings		
Balance at the beginning of current period	106,729	108,496
Changes of items during period		
Dividends of surplus	-5,541	-6,015
Net income	13,327	16,025
Retirement of treasury stock	-6,018	–
Total changes of items during period	1,767	10,010
Balance at the end of current period	108,496	118,506
Treasury stock		
Balance at the beginning of current period	-6,387	-5,370
Changes of items during period		
Purchase of treasury stock	-5,000	-5,000
Disposal of treasury stock	–	0
Retirement of treasury stock	6,018	–
Total changes of items during period	1,017	-5,000
Balance at the end of current period	-5,370	-10,370
Total shareholders' equity		
Balance at the beginning of current period	155,181	157,966
Changes of items during period		
Dividends of surplus	-5,541	-6,015
Net income	13,327	16,025
Purchase of treasury stock	-5,000	-5,000
Disposal of treasury stock	–	0
Retirement of treasury stock	–	–
Total changes of items during period	2,785	5,009
Balance at the end of current period	157,966	162,975

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)	Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	306	448
Changes of items during period		
Net changes of items other than shareholders' equity	142	1,161
Total changes of items during period	142	1,161
Balance at the end of current period	448	1,610
Deferred gains or losses on hedges		
Balance at the beginning of current period	-4	-30
Changes of items during period		
Net changes of items other than shareholders' equity	-25	27
Total changes of items during period	-25	27
Balance at the end of current period	-30	-2
Foreign currency translation adjustment		
Balance at the beginning of current period	-62	-20
Changes of items during period		
Net changes of items other than shareholders' equity	41	79
Total changes of items during period	41	79
Balance at the end of current period	-20	58
Total accumulated other comprehensive income		
Balance at the beginning of current period	239	397
Changes of items during period		
Net changes of items other than shareholders' equity	158	1,268
Total changes of items during period	158	1,268
Balance at the end of current period	397	1,666
Minority interests		
Balance at the beginning of current period	446	459
Changes of items during period		
Net changes of items other than shareholders' equity	12	878
Total changes of items during period	12	878
Balance at the end of current period	459	1,338
Total net assets		
Balance at the beginning of current period	155,867	158,823
Changes of items during period		
Dividends of surplus	-5,541	-6,015
Net income	13,327	16,025
Purchase of treasury stock	-5,000	-5,000
Disposal of treasury stock	–	0
Net changes of items other than shareholders' equity	170	2,147
Total changes of items during period	2,955	7,156
Balance at the end of current period	158,823	165,980

(4) Consolidated cash flow statement

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)	Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	24,336	26,766
Depreciation	7,596	6,013
Impairment loss	121	124
Increase (decrease) in allowance for doubtful accounts	4	-8
Increase (decrease) in provision for bonuses	1,730	261
Increase (decrease) in provision for directors' bonuses	35	45
Increase (decrease) in provision for loss on order received	684	-626
Increase (decrease) in provision for after service cost	-8	14
Increase (decrease) in provision for retirement benefits	93	40
Interest and dividend income	-112	-118
Interest expenses	201	163
Share of (profit) loss of entities accounted for using equity method	-137	-21
Loss (gain) on investments in partnership	76	30
Loss (gain) on sales of investment securities	-147	-56
Loss (gain) on sales of fixed assets	-19	51
Loss on retirement of fixed assets	374	141
Loss (gain) on valuation of investment securities	19	–
Loss on valuation of membership	44	–
Loss on non-cancelable lease contracts	136	231
Reversal of foreign currency translation adjustments	78	–
Decrease (increase) in notes and accounts receivable - trade	210	-4,134
Decrease (increase) in inventories	-1,631	402
Increase (decrease) in notes and accounts payable - trade	-28	48
Increase (decrease) in accrued consumption taxes	816	-134
Other	-3,565	-8,598
Subtotal	30,911	20,637
Interest and dividend income received	146	159
Interest expenses paid	-201	-163
Income taxes paid	-9,603	-10,941
Net cash provided by (used in) operating activities	21,252	9,691

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)	Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	106	–
Purchase of tangible fixed assets	-2,120	-2,827
Payments for retirement of tangible fixed assets	-128	-142
Proceeds from sales of tangible fixed assets	187	6
Purchase of intangible fixed assets	-1,582	-1,589
Purchase of investment securities	-1	-170
Proceeds from sales of investment securities	245	241
Proceeds from distribution of investment in partnerships	80	88
Net decrease (increase) in deposits	751	-310
Payments for transfer of business	–	-248
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-325	-5,371
Other	0	2
Net cash provided by (used in) investing activities	-2,785	-10,321
Cash flows from financing activities		
Payments for acquisition of treasury stock	-5,003	-5,003
Proceeds from sales and leasebacks	5,053	1,967
Repayments of finance lease obligations	-3,343	-1,993
Dividends paid	-5,543	-6,014
Dividends paid to minority shareholders	-76	-71
Other	–	0
Net cash used in financing activities	-8,914	-11,114
Effect of exchange rate change on cash and cash equivalents	-37	26
Net increase (decrease) in cash and cash equivalents	9,515	-11,718
Cash and cash equivalents at beginning of period	68,337	77,852
Cash and cash equivalents at end of period	77,852	66,133

(5) Note on going concern assumptions

Not applicable.

(6) Basis of presenting consolidated financial statements

1. Scope of consolidation

Number of consolidated subsidiaries	13
Names of principal subsidiaries	CTC Technology Corporation
	CTC Laboratory Systems Corporation
	CTC System Service Corporation
	CTCSP Corporation
	CTC System Operations Corporation
	CTC Facilities Corporation
	CTC Business Service Corporation
	First Contact Corporation
	Asahi Business Solutions Corporation
	ITOCHU Techno-Solutions America, Inc.
	CSC ESI SDN. BHD.
	CSC AUTOMATED PTE. LTD.
Newly consolidated subsidiaries:	2
Names of companies:	CSC ESI SDN. BHD.
	CSC AUTOMATED PTE. LTD.

The Company purchased the shares of CSC ESI SDN. BHD. and CSC AUTOMATED PTE. LTD. on March 14, 2013, and included them in the scope of consolidation starting from the fiscal year under review.

2. Application of equity method

(i) Number of non-consolidated subsidiaries to which the equity method is applied

	5
Names of principal subsidiaries	ITOCHU Technology Ventures, Inc.
	IHI Scube Co., Ltd.
	Netband Consulting Co., Ltd.

Newly included affiliates accounted for by the equity method:

	1
Name of company:	Netband Consulting Co., Ltd.

The Company purchased the shares of Netband Consulting Co., Ltd. on July 16, 2012 and included it in the scope of affiliates accounted for by the equity method.

(ii) Accudata Research Institute Inc., which is a related company to which the equity method is not applied, is excluded from the scope of application of the equity method because its net income (corresponding to the equity ratio owned by the Company) and retained earnings (corresponding to the equity ratio owned by the Company) have no significant impact on the consolidated financial statements and their impact is immaterial as a whole.

(iii) In the case of equity-method affiliates which have a fiscal year end that is different from the consolidated closing date, the financial statements of each company as of and for their respective fiscal year-ends are used to prepare the consolidated financial statements.

3. Fiscal year of consolidated subsidiaries

The fiscal years of all consolidated subsidiaries end on the closing date of the consolidated financial statements.

4. Significant accounting policies

(i) Valuation of major assets

(a) Securities

Available-for-sale securities

(For those with market value)

Stated at market value based on market prices, etc., as of the period-end. (Unrealized valuation gains or losses are reported in the shareholders' equity, and sales costs are determined by the moving average method.)

(For those without market value)

Stated at cost as determined by the moving average method. (Equity method is used for partnership interests.)

(b) Derivatives

Stated at market value, in principle.

(c) Inventories

Inventories held for sale in the ordinary course of business

Merchandise:

Stated at cost as determined with the moving average method. (Balance sheet amounts are determined by the method of writing down to reflect a decline in the profitability)

Work in process:

Stated at cost on a specific identification method.

Maintenance parts and materials:

Declining balance method over useful life (5 years)

(ii) Depreciation of major depreciable assets

(a) Tangible fixed assets (except leased assets)

Tangible fixed assets are depreciated on the straight-line method.

The useful life of major assets:

Buildings and structures:	15 to 50 years
Tools, furniture and fixtures:	5 to 15 years

(b) Intangible fixed assets (except leased assets)

Software for the Company's own use:

Amortized on a straight-line method over an estimated useful life (5 years) in the Company.

Software for sale on the market:

Amortized based on estimated sales volume (or equally allocated amount over 3 years, whichever is larger)

(c) Leased assets

Lease assets associated with finance leases other than those for which the ownership rights of the leased property are deemed to transfer to the lessee are amortized using the straight line method, with the lease period being the useful life and the residual value being zero.

Finances lease transactions where the ownership is not transferred and where the lease transactions commenced on or before March 31, 2008 are accounted for in accordance with the method applicable to regular lease transactions.

(iii) Standards for major allowances

(a) Allowance for doubtful accounts

To provide for possible bad debt losses on accounts receivable, the Company records an allowance based on historical percentage for ordinary receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

(b) Provision for bonuses

To provide for the future payment of employee bonuses, the anticipated amount of total bonus payments attributable to the current consolidated fiscal year is reported.

(c) Provision for directors' bonuses

To provide for the future payment of directors' bonuses, the anticipated amount of total bonus payments attributable to the current consolidated fiscal year is reported.

(d) Provision for loss on order received

To provide for the future loss on order received, the anticipated amount of loss on order received attributable to the current consolidated fiscal year is reported.

(e) Provision for after service cost

To provide for future after service cost pertaining to system development contracts, etc., the anticipated amount to be incurred in the future based on the historical rate and the necessary amount pertaining to individual contracts are recorded.

(f) Provision for retirement benefits

In provision for future employees' retirement benefits, an amount based on the estimated amount of projected benefit obligations and pension assets as of the fiscal year end is recorded.

Actuarial gain or loss is amortized by the straight line method over a defined period, not exceeding the average remaining service period of the employees (10 Years) from the next fiscal year after the incurrence.

Prior service cost is amortized by the straight-line method over a defined period, not exceeding the average remaining service period of the employees (10 Years).

(iv) Standards for recording important revenues and costs

(a) Standards for recording revenues relating to made-to-order software

The Company applied the percentage-of-completion method (the construction-cost-percentage method for estimating the degree of completion of construction) for contracts whose outcome at the end of the consolidate fiscal year under review was deemed certain.

The Company applied the completed contract method to contracts other than the above.

(b) Recognition of revenue from finance lease transactions

Revenues and cost of sales are recognized on the date the lease transaction commences.

Recognition of income is postponed on a straight-line basis over the lease term.

(v) Standards for coversion of important foreign currency assets or liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are converted into yen based on the spot exchange rate on the consolidated closing date. Differences arising from such translation are stated as profits or losses.

Assets and liabilities of overseas subsidiaries are converted into yen based on the spot exchange rate on the fiscal year end of the overseas subsidiaries, etc., and their revenue and expenses are converted into yen based on the average exchange rate during the fiscal year. The resulting differences are recorded as Foreign currency conversionadjustment account and Minority interests under net assets.

(vi) Hedge accounting

(a) Hedge accounting

Designation accounting is used in case of hedges against foreign exchange risk.

(b) Hedging instruments and hedged items

Hedging instruments:

Forward foreign exchange transactions

Hedged items:

Foreign currency denominated receivables and payables and forecast foreign currency transactions

(c) Hedging policy

The Company uses foreign exchange contracts with the same value dates and denominated in the same currencies, in principle, in accordance with internal rules, to hedge against the risk of fluctuation in foreign exchange rates.

(d) Assessment of hedge effectiveness

The Company does not assess hedge effectiveness because it uses only foreign exchange contracts with the same value dates and denominated in the same currencies and correlation with subsequent exchange rate fluctuations is ensured.

(vii) Amortization of goodwill

Goodwill is amortized evenly over an estimated period in which investment effects will be revealed. Immaterial amounts are amortized in a lump sum in the fiscal year when incurred.

(viii) Cash and cash equivalents in the consolidated cash flow statement

Cash on hand, readily available deposits, and short-term liquid investments with maturities not exceeding three months at the time of purchase and with little risk of changing value are considered to be cash and cash equivalents.

(ix) Other important matters for the preparation of consolidated financial statements

Consumption tax

Consumption tax and local consumption taxes are excluded, and non-deductible consumption tax and local consumption taxes are recognized as expenses in the fiscal year when incurred.

(7) Changes in basis of presenting consolidated financial statements

Changes in accounting principles

Change in method of converting income and expenses of overseas subsidiaries into Japanese yen

The Company previously converted the income and expenses of overseas subsidiaries, etc. into Japanese yen based on the spot exchange rate on the date of account settlement of the overseas subsidiaries, etc., but, effective from the fiscal year under review, the Company has adopted the new method of converting the income and expenses of overseas subsidiaries to Japanese yen using the average exchange rate for the period under review. As the Company expands its operations overseas, this change in the method of converting income and expenses arising throughout the consolidated fiscal year was made to properly reflect fluctuation in foreign exchange rates during the consolidated fiscal year and to present a more realistic picture of the status of the Company.

The change in accounting policy has been applied retroactively. The effects of retroactive application to the previous consolidated fiscal year are insignificant.

Change in depreciation and amortization method

The Company and its consolidated domestic subsidiaries previously amortized “non-data center business tangible fixed assets” by the declining balance method but, effective from the fiscal year under review, the Company changed to the straight-line method. This change is based on the judgment that, with the increase in materiality of “non-data center business tangible fixed assets (mainly cloud business assets)” resulting from expansion of service provision-type business such as cloud services, it is appropriate, in view of the usage of such assets, to change the depreciation method to the straight line method.

For the fiscal year under review, this change increased operating income, ordinary income and income before income taxes and minority interests by 550 million yen respectively compared with previous method.

(8) Notes to consolidated financial statements

(Segment information)

[Segment information]

1. Overview of reported segments

Effective from the fiscal year under review, the Company changed the structure of its reportable segments, which previously consisted in two segments (Solution Business Segment and Services Business Segment) to a structure consisting of six segments, "Telecommunications", "Finance", "Enterprise", "Distribution", "Cloud Platform", and "Support & Service".

The Group' operations are segmented into the "Telecommunications", "Finance", "Enterprise" and "Distribution" segments as this structure allows the optimum response to customer needs, and each of these reported segments conducts comprehensive proposal and sales activities covering everything from consulting to system design & development and maintenance and operation services.

The "Cloud Platform" and "Support & Service" segments both collaborate with the aforesaid four reported segments in the services business, focusing on IT infrastructure outsourcing services and maintenance and operation services respectively.

The segments reported below are the Group's structural units, for which separate financial information is available, and whose operating results are regularly reviewed by the Board of Directors to make decisions about managerial resources to be allocated to the segment and assess the business performance.

Prior period segment information has been restated to reflect the change in segments.

2. Calculating of net sales, income, loss, assets and other items by reported segment

The accounting method of the reported business segments is generally the same as the details stated in the "Important basic matters for the preparation of consolidated financial statements." Internal transactions between segments are based on actual market prices.

Change in method of converting income and expenses of overseas subsidiaries into Japanese yen

As stated in "Method of converting income and expenses of overseas subsidiaries into Japanese yen" under "Changes in accounting principles," effective from the fiscal year under review, the Company changed the method of converting income and expenses of overseas subsidiaries into Japanese yen from the method based on the spot exchange rate on the date of account settlement to the method using the average exchange rate for the period under review. The method of calculating business segment income or loss was also changed accordingly.

The change in accounting policy has been applied retroactively. The effects of retroactive application to the previous consolidated fiscal year are insignificant.

Change in depreciation and amortization method

As stated in "Change in depreciation and amortization method" under "Changes in accounting principles," effective from the fiscal year under review, the Company changed the method used to amortize "non-data center business tangible fixed assets" from the declining balance method to the straight-line method. The method of calculating business segment income or loss was also changed accordingly.

For the fiscal year under review, this change in depreciation and amortization method increased segment by 79 million yen in the Telecommunications Business, 0 million yen in the Finance Business, 9 million yen in the Enterprise Business, 35 million yen in the Distribution Business, 9 million yen in the Cloud Platform Business, 82 million yen in the Maintenance and Operation Services Business, and 12 million yen in the Other segment, and increased adjustments by 320 million yen.

3. Information on net sales, income, loss, assets and other items by reported segment

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012) (Million yen)

	Reported segments							Others (Note 1)	Total	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	Telecommu-nications	Finance	Enterprise	Distribution	Cloud Platform	Support & Service	Total				
Net sales											
Sales to outside customers	112,879	25,181	98,184	41,405	6,897	3,034	287,583	10,165	297,748	–	297,748
Inter-segment sales or transfers	445	130	681	204	19,822	62,067	83,352	3,549	86,902	-86,902	–
Total	113,324	25,312	98,865	41,610	26,720	65,102	370,936	13,715	384,651	-86,902	297,748
Segment profit	13,406	1,680	5,321	3,979	1,826	11,345	37,558	922	38,481	-13,683	24,798
Segment assets	36,722	5,190	34,541	24,506	26,649	21,087	148,697	6,225	154,922	97,779	252,701
Other items											
Depreciation (Note 4)	2,023	10	903	498	1,641	272	5,349	76	5,425	2,170	7,596
Investment in equity-method affiliates	–	–	–	997	–	–	997	–	997	97	1,095
Increase in tangible fixed assets and intangible fixed assets (Note 4)	597	70	854	922	2,103	190	4,738	144	4,883	1,377	6,260

(Notes) 1. "Others" is a business segment that is not included in the reported segments and includes Science & Engineering System Division, etc.

2. Adjustments are as follows:

(1) Adjustment of segment profit of -13,683 million yen includes corporate expenses of 15,403 million yen and elimination of inter-segment transactions of 1,466 million yen. The corporate expenses, which do not belong to any reported segment, mainly consist of administrative expenses.

(2) Adjustment of segment assets of 97,779 million yen includes corporate assets of 107,409 million yen and elimination of inter-segment receivables and payables of 6,852 million yen. The corporate assets, which do not belong to any reported segment, mainly consist of cash and deposits and administrative assets.

(3) Adjustment of depreciation under other items of 2,170 million yen includes depreciation in relation to corporate assets of 2,343 million yen and elimination of unrealized profits of 172 million yen. Adjustment of investment in equity-method affiliates of 97 million yen is investment in equity-method affiliates managed by administrative departments. Adjustment of increase in tangible fixed assets and intangible fixed assets of 1,377 million yen includes increase in relation to corporate assets of 1,639 million yen and elimination of unrealized profits of 262 million yen.

3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

4. Depreciation under other items and Increase in tangible and intangible fixed assets include amount relating to long-term prepaid expenses.

Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013) (Million yen)

	Reported segments							Others (Note 1)	Total	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	Telecommunications	Finance	Enterprise	Distribution	Cloud Platform	Support & Service	Total				
Net sales											
Sales to outside customers	142,272	23,685	98,086	39,581	7,031	2,976	313,633	8,841	322,475	–	322,475
Inter-segment sales or transfers	985	116	1,228	305	21,352	61,733	85,721	4,569	90,290	-90,290	–
Total	143,258	23,801	99,314	39,886	28,383	64,709	399,354	13,410	412,765	-90,290	322,475
Segment profit	16,119	2,366	5,018	3,061	1,732	11,369	39,668	1,007	40,675	-13,487	27,187
Segment assets	45,436	6,517	32,465	24,917	32,062	27,050	168,450	17,031	185,482	84,543	270,025
Other items											
Depreciation (Note 4)	424	26	1,057	484	1,814	212	4,019	102	4,121	1,891	6,013
Investment in equity-method affiliates	–	–	–	1,073	–	–	1,073	140	1,214	101	1,315
Increase in tangible fixed assets and intangible fixed assets (Note 4)	942	23	198	596	6,576	211	8,549	120	8,670	1,360	10,030

(Notes) 1. "Others" is a business segment that is not included in the reported segments and includes Science & Engineering System Division, etc.

2. Adjustments are as follows:

(1) Adjustment of segment profit of -13,487 million yen includes corporate expenses of 15,021 million yen and elimination of inter-segment transactions of 1,308 million yen. The corporate expenses, which do not belong to any reported segment, mainly consist of administrative expenses.

(2) Adjustment of segment assets of 84,543 million yen includes corporate assets of 92,193 million yen and elimination of inter-segment receivables and payables of 7,259 million yen. The corporate assets, which do not belong to any reported segment, mainly consist of cash and deposits and administrative assets.

(3) Adjustment of depreciation under other items of 1,891 million yen includes depreciation in relation to corporate assets of 2,043 million yen and elimination of unrealized profits of 151 million yen. Adjustment of investment in equity-method affiliates of 101 million yen is investment in equity-method affiliates managed by administrative departments. Adjustment of increase in tangible fixed assets and intangible fixed assets of 1,360 million yen includes increase in relation to corporate assets of 1,531 million yen and elimination of unrealized profits of 170 million yen.

3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

4. Depreciation under other items and Increase in tangible and intangible fixed assets include amount relating to long-term prepaid expenses.

[Related information]

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

1. Information about each product and service (Million yen)

	Services	SI Development	Products	Total
Sales to outside customers	130,619	67,091	100,038	297,748

2. Information about each region

(1) Net sales

The details of net sales were omitted, because net sales for external customers in Japan exceeded 90% of net sales stated in the consolidated statements of income.

(2) Tangible fixed assets

The details of tangible fixed assets were omitted, because tangible fixed assets in Japan exceeded 90% of those stated in the consolidated balance sheets.

3. Information about each major customer

The details of major customers were omitted, because there were no customers who account for 10% of net sales for external customers stated in the consolidated statements of income.

Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)

1. Information about each product and service (Million yen)

	Services	SI Development	Products	Total
Sales to outside customers	135,090	64,964	122,420	322,475

2. Information about each region

(1) Net sales

The details of net sales were omitted, because net sales for external customers in Japan exceeded 90% of net sales stated in the consolidated statements of income.

(2) Tangible fixed assets

The details of tangible fixed assets were omitted, because tangible fixed assets in Japan exceeded 90% of those stated in the consolidated balance sheets.

3. Information about each major customer

The details of major customers were omitted, because there were no customers who account for 10% of net sales for external customers stated in the consolidated statements of income.

[Information on the impairment loss of fixed assets by reported segment]

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012) (Million yen)

	Telecommu-nications	Finance	Enterprise	Distribution	Cloud Platform	Support & Service	Others	Eliminations or Corporate	Total
Impairment loss	9	–	–	–	–	1	–	111	121

Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)

	Telecommu-nications	Finance	Enterprise	Distribution	Cloud Platform	Support & Service	Others	Eliminations or Corporate	Total
Impairment loss	–	–	–	0	113	2	–	8	124

[Information on the amortization of goodwill and the unamortized amount by reported segment]

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

Not applicable

Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013) (Million yen)

	Telecommu-nications	Finance	Enterprise	Distribution	Cloud Platform	Support & Service	Others	Eliminations or Corporate	Total
Amortization during the fiscal year under review	–	–	–	–	–	–	–	–	–
Outstanding balance as at the end of the fiscal year under review	–	–	–	–	–	–	4,129	–	4,129

Information gain on gains on negative goodwill by reported segment

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)

Not applicable.

Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)

Not applicable.

(Per-share information)

(Yen)

Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)		Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)	
Book-value per share	2,604.78	Book-value per share	2,766.93
Earnings per share	217.08	Earnings per share	268.53

(Note) 1. The calculation basis of book-value per share is as follows:

	Previous consolidated fiscal year (As of March 31, 2012)	Consolidated fiscal year under review (As of March 31, 2013)
Total net assets (million yen)	158,823	165,980
Amount to be subtracted from total net assets (million yen)	459	1,338
Minority interests (million yen)	459	1,338
Net assets pertaining to common shares at the year end (million yen)	158,363	164,641
Number of common shares at the year end used in calculation of book-value per share (thousand shares)	60,797	59,503

2. There is no diluted net income per share as there are no shares with dilutive effect.
3. The calculation basis of earnings per share is as follows:

	Previous consolidated fiscal year (From April 1, 2011 to March 31, 2012)	Consolidated fiscal year under review (From April 1, 2012 to March 31, 2013)
Earnings per share		
Net income (million yen)	13,327	16,025
Amounts which do not belong to ordinary shareholders (million yen)	–	–
Net income on common shares (million yen)	13,327	16,025
Average number of common shares during the fiscal year (thousand shares)	61,395	59,676

(Post-balance sheet events)

Not applicable.