Consolidated Financial Results for the Fiscal Year ended March 31, 2014 (Japanese Accounting Standards)

May 1, 2014

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
Contact: Kunihiko Yaita, General Manager, General Accounting & Financial Control Department
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Scheduled date of Annual General Meeting of Shareholders: June 18, 2014
Scheduled date of dividend payment: June 19, 2014
Scheduled date to submit the annual securities report *(Yukashoken Hokokusho)*: June 19, 2014
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, 2014 (April 1, 2013 – March 31, 2014)

(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 3/14	349,454	8.4	23,481	-13.6	23,997	-12.2	14,096	-12.0
Year ended 3/13	322,475	8.3	27,187	9.6	27,340	9.6	16,025	20.2

(Note) Comprehensive income (million yen): Year ended 3/14: 15,138 (-13.0%) Year ended 3/13: 17,391 (28.1%)

	Earnings per share	Earnings per share/ diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended 3/14	237.84	–	8.5	8.7	6.7
Year ended 3/13	268.53	–	9.9	10.5	8.4

(Reference) Share of profit (loss) of entities accounted for using equity method (million yen):
Year ended 3/14: 177 Year ended 3/13: 21

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
Year ended 3/14	282,229	170,909	59.7	2,862.48
Year ended 3/13	270,025	165,980	61.0	2,766.93

(Reference) Shareholders' equity (million yen): Year ended 3/14: 168,509 Year ended 3/13: 164,641

(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 3/14	6,414	-8,024	-9,509	55,083
Year ended 3/13	9,691	-10,321	-11,114	66,133

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 3/13	–	50.00	–	55.00	105.00	6,247	39.1	3.9
Year ended 3/14	–	55.00	–	55.00	110.00	6,510	46.2	3.9
Year ending 3/15 (forecast)	–	57.50	–	57.50	115.00		41.0	

3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2015 (April 1, 2014 – March 31, 2015)

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

	Net sales		Operating income		Pre-tax income		Net income		Net income attributable to owners of the parent company		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	365,000	–	27,000	–	26,800	–	16,800	–	16,500	–	280.29

(Notes) 1. The above "Forecast for Consolidated Business Results" is calculated under the International Financial Reporting Standards ("IFRS"), as the Company decided to voluntarily adopt IFRS from April 1, 2014. Consequently, percentage changes compared with results for the fiscal year ended March 31, 2014 under Japan GAAP are omitted. For further details on the forecast for consolidated business results, 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.

2. The Company does not disclose a consolidated business results forecast for the first six months, as the Company's business plan is managed on a full-year basis.

* 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:	Not applicable
(iv)	Restatement:	Not applicable

For further details, please refer to the section "4. Consolidated Financial Statements (5) Notes to consolidated financial statements (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)

(i) Number of shares outstanding at the end of period (including treasury shares):
Year ended 3/14: 60,000,000 shares Year ended 3/13: 62,500,000 shares

(ii) Number of treasury shares at the end of period:
Year ended 3/14: 1,131,626 shares Year ended 3/13: 2,996,613 shares

(iii) Average number of shares during the period:
Year ended 3/14: 59,269,845 shares Year ended 3/13: 59,676,586 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(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 3/14	305,276	1.8	12,777	-23.5	18,489	-15.8	12,570	-11.8
Year ended 3/13	299,866	8.5	16,710	14.3	21,953	11.2	14,259	19.0

	Earnings per share	Earnings per share/ diluted
	Yen	Yen
Year ended 3/14	212.08	–
Year ended 3/13	238.95	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
Year ended 3/14	266,696	147,996	55.5	2,514.02
Year ended 3/13	256,612	144,946	56.5	2,435.94

(Reference) Shareholders' equity (million yen): Year ended 3/14: 147,996 Year ended 3/13: 144,946

* 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, 2014. 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 Japanese economy was on a modest recovery path, as corporate earnings improved on the back of government economic policy and monetary policy, and capital spending also showed signs of strengthening.

In the information services industry, the overall business environment improved moderately, with signs of a scaling back of IT investment in some parts of the telecom industry offset by increasing willingness to invest in certain quarters of the distribution and manufacturing industries in addition to the financial sector.

In this environment, the CTC Group implemented strategies to improve profitability and initiatives for medium-to-long term growth, positioning the fiscal year ended March 31, 2014 as "a year in which we strengthen our business base to raise it to the next higher level and achieve sustainable growth."

More specifically, the Group opened a new data center building on the premises of the Yokohama Computer Center in April 2013, strengthening its ability to provide data center services and cloud services. The Group also implemented initiatives to further expand the services business, including improving and expanding the menu of services of CTC's proprietary TechnoCUVIC cloud service and its cloudage ElasticCUVIC cloud service, which offers everything from IT infrastructure building to operation and maintenance. In the big data area where future growth is expected, the Group also focused on business development, including improving and expanding the Big Data Processing Lab for verifying the efficacy of high speed data processing, and offering a solution for analyzing the operation status of vast quantities of IT devices and databases owned by companies to ensure stable system operation. CTC also participated in Open Compute Project ("OCP") advocated by Facebook with the aim of designing and building standardized hardware for data centers, and signed the first solution provider agreement in Japan to become an officially certified partner of OCP. The Group also focused on initiatives for next-generation products and technologies, including signing a re-seller agreement with Cumulus Networks, which utilizes SDN technology that allows a network to be centrally controlled and managed by software, and a cloud native application that automatically expands and deletes IT resources according to the process. In initiatives related to overseas expansion, the Group focused its efforts on CTC GLOBAL SDN. BHD. (Malaysia) and CTC GLOBAL PTE. LTD. (Singapore), which it made into subsidiaries at the end of the previous fiscal year with the aim of accelerating business expansion in the ASEAN region, changing their trade names to integrate them into the CTC brand and developing their office environments and information systems to firmly establish them as the CTC Group's business bases in the ASEAN region. In addition to exchanging human resources and technical information, the Group also implemented initiatives to generate synergistic effects through collaboration between Malaysia, Singapore and Japan over demonstration experiments and joint proposals to Japanese companies.

In terms of sales activities, projects to augment networks for mobile carriers decreased in the Telecommunications Business, but development and service projects for megabanks and credit card companies increased in the Financial & Public Business. In the Enterprise Business, projects to upgrade and increase the efficiency of systems increased, especially in the manufacturing sector. In the Distribution Business, development projects for convenience stores and food wholesale companies increased. In the ASEAN region, the products business was strong, especially in the financial sector.

On the HR development front, the Group established the Advanced Technology Lab, where engineers can improve their skills, catch up with advanced technologies and share and acquire expertise. The Group also organized activities in anticipation of future global expansion, such as language training, and short-term study abroad and internships with overseas vendors for selected members. The Group also implemented initiatives to promote a change in the employee mindset toward working styles, including promoting employees' healthy lifestyles and mental and physical fulfillment and starting to recommend morning-focused working style to improve work concentration and efficiency.

As a result, consolidated sales for the fiscal year under review were 349,454 million yen (up 8.4% from the previous fiscal year), reflecting increased sales in the SI development business and service business, and the contributions of overseas subsidiaries acquired at the end of the previous fiscal year. Because of a decline in the gross profit margin, consolidated operating income was 23,481 million yen (down 13.6%), consolidated ordinary income was 23,997 million yen (down 12.2%), and consolidated net income amounted to 14,096 million yen (down 12.0%).

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 fell 4.0% year on year, to 123,105 million yen on fewer projects to augment networks for mobile carriers. Operating income decreased 23.9%, to 10,081 million yen due to decline in the gross profit margin.

(ii) Finance & Public

Net sales rose 3.2%, to 55,065 million yen mainly on growth in projects for megabanks and credit card companies. Operating income dropped 45.7%, to 3,289 million yen due to decline in the gross profit margin and higher SG&A expenses.

(iii) Enterprise

Net sales climbed 8.4%, to 79,646 million yen, primarily reflecting growth in projects for the manufacturing sector. Operating income was up 3.7%, to 3,626 million yen.。

(vi) Distribution

Net sale increased 3.0%, to 54,724 million yen chiefly on expansion in projects for beverages, convenience stores and food wholesale companies. Operating income rose 50.4%, to 5,658 million yen owing to improvement in the gross profit margin.

(v) Cloud Platform

In this segment, which supports company-wide horizontally deployed cloud-related businesses, including data centers, net sales climbed 3.2%, to 33,243 million yen, and operating income slipped 17.5%, to 1,833 million yen.

(vi) Support & Service

In this segment, which supports company-wide horizontally deployed service businesses focused on IT support, net sales edged up 3.2%, to 64,506 million yen, and operating income dipped 2.1%, to 10,652 million yen.

(vii) Other

Net sales in the Other segment increased 158.6%, to 34,680 million yen, and operating income rose 38.0%, to 1,389 million yen, reflecting the conversion of two overseas companies into consolidated subsidiaries.

(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 fiscal year

The Japanese economy is on a modest recovery path thanks to the recovery in the US and other advanced economies and improvement in corporate earnings on the back of a weaker yen and rising stock prices, despite concerns about slowing growth in emerging markets.

In the information services industry, developments such as moves to reduce capital spending in the telecommunications industry and the general trend towards fiercer competition give cause for concern. However, expansion of IT investment in the financial and manufacturing industries and the public sector is expected.

In this environment, the Group plans to further strengthen its capacities to offer comprehensive IT service, which is its core, and to implement measures aimed at improving profitability, positioning the fiscal year ending March 31, 2015 as the year in which it aims to get back on a growth track.

More specifically, the Group intends to strengthen its system construction capacities through the speedy development of advanced technologies and as a comprehensive IT company to offer total solutions including everything from consulting to system planning and design, construction and development, operation and maintenance support and outsourcing services including cloud services, and aims to expand business in growth areas especially the public sector and overseas. In addition, the Group will strive to improve profitability mainly by reviewing its costs structure and tightening up project management. It will also seek to steadily implement key strategies under the medium term management plan announced in May 2013.

As a result of the above, the Company's forecast for the next consolidated fiscal year is net sales of 365,000 million yen, operating income of 27,000 million yen, pre-tax income of 26,800 million yen, net income of 16,800 million yen and net income attributable to owners of the parent company of 16,500 million yen.

The Group decided to adopt the International Financial Reporting Standards ("IFRS") for consolidated financial statements from the fiscal year ending March 31, 2015, in place of the Japan GAAP previously used, and the forecast for the next consolidated fiscal year presented was prepared in accordance with IFRS.

(2) Analysis of financial position

Consolidated assets at the end of the fiscal year under review amounted to 282,229 million yen, up 12,203 million yen from the end of the previous fiscal year. This was mainly due to increases of 6,854 million yen in cash and deposits, 14,406 million yen in notes and accounts receivable-trade and 5,441 million yen in prepaid expenses, offsetting a decrease of 17,999 million yen in securities.

Consolidated liabilities rose 7,274 million yen from the end of the previous fiscal year, to 111, 320 million yen. This was primarily due to an increase of 9,010 million yen in notes and accounts payable-trade.

Consolidated net assets reached 170,909 million yen, up 4,929 million yen from the end of the previous fiscal year. This chiefly reflects an increase of 14,096 million yen due to net income, offsetting a decrease of 6,545 million yen due to the payment of cash dividends and a decrease of 2,502 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 11,049 million yen from the end of the previous fiscal year to 55,083 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 6,414 million yen. Principal cash outflows were a 14,238 million increase in notes and accounts receivable—trade, a 3,997 million yen increase in inventories and income taxes paid of 9,788 million yen. Major cash inflows were income before income taxes and minority interests of 23,681 million yen and a 8,902 million increase in notes and accounts payable-trade.

Compared to the previous fiscal year, net cash provided by operating activities decreased 3,276 million yen. This was mainly due to a 3,085 million yen decrease in income before income taxes and minority interests and a 10,103 million yen increase in notes and accounts receivable-trade, which offset a 8,854 million yen increase in notes and accounts payable -trade.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 8,024 million yen. This was mainly due to outlays of 6,540 million yen for the purchase of tangible fixed assets, and 1,644 million yen for the purchase of intangible fixed assets.

Compared to the previous fiscal year, net cash used in investing activities decreased 2,297 million yen. This is largely attributable to 471 million yen in proceeds from sales of investment securities and a 464 million yen net increase in deposits and a 4,326 million yen decrease in expenditure for the purchase of shares of subsidiaries resulting in a change in the scope of consolidation, which offset a 3,712 million yen increase in expenditure for the purchase of tangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 9,509 million yen. Major factors were 2,505 million yen in payments for the acquisition of treasury stock, 2,415 million yen in repayments of finance lease obligations and 6,545 million yen in dividends paid, offsetting 1,600 million yen in proceeds from sales and leasebacks.

Compared to the previous fiscal year, net cash used in financing activities decreased 1,605 million yen. This result chiefly reflects a 2,497 million yen decrease in payments for acquisition of treasury stock, which offset increases of 422 million yen in repayments of finance lease obligations and 530 million yen in dividends paid.

(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 aims for a consolidated payout ratio of around 40%. 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 110 yen per share (of which 55 yen was paid out as an interim dividend). As a result, the consolidated payout ratio for the fiscal year under review will be 46.2%.

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 57.50 yen for both the interim dividend and the year-end dividend, which will bring the total annual dividend to 115 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, commissioned 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.

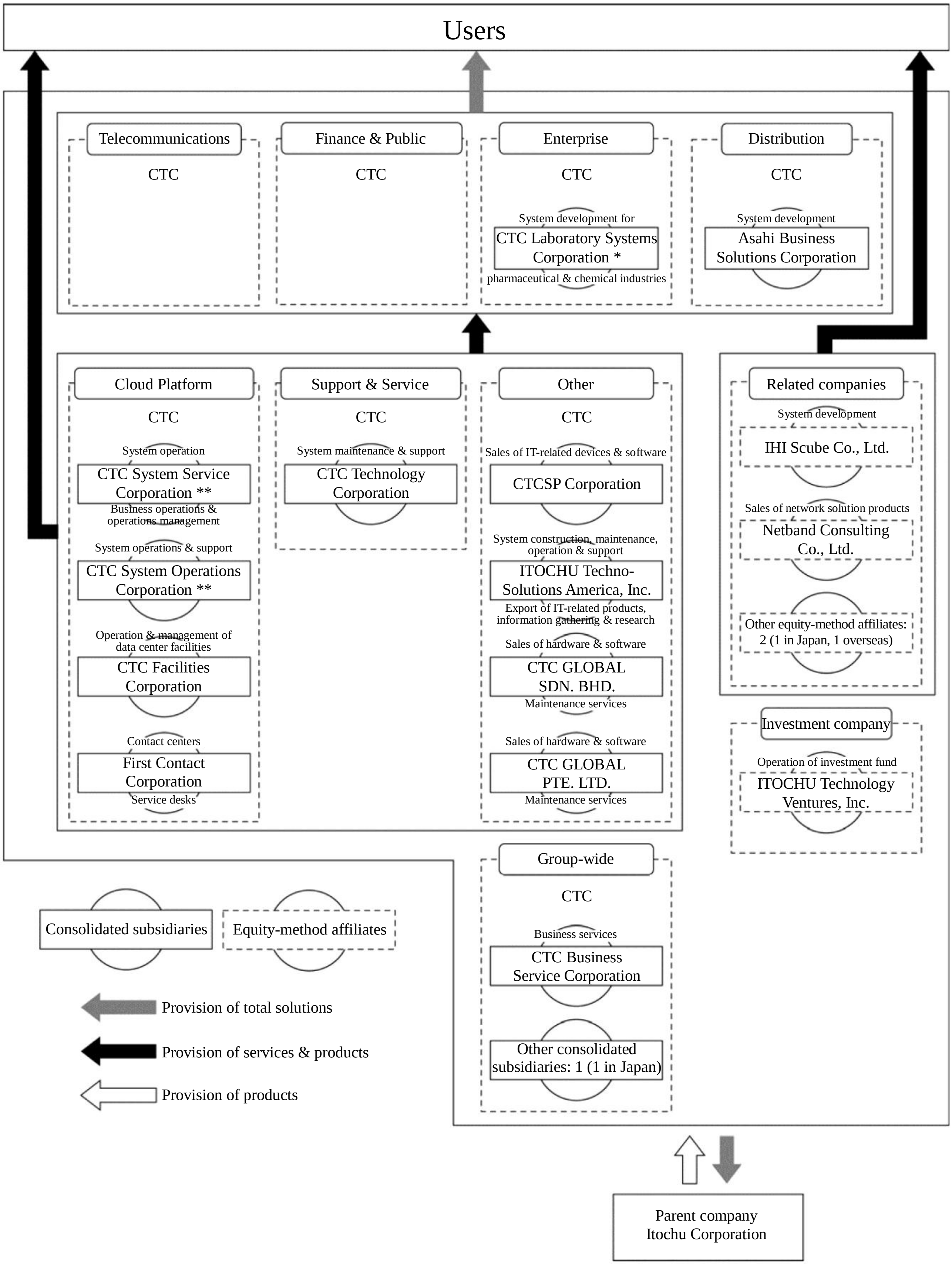
The following shows the positioning of each company in relation to the Group's business and an operational diagram.

<table>
<tr><th>Business category</th><th>Business description</th><th>Major related companies</th></tr>
<tr><td>Telecommunications</td><td rowspan="4">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 construction and maintenance and operation services.</td><td>–</td></tr>
<tr><td>Finance & Public</td><td>–</td></tr>
<tr><td>Enterprise</td><td>CTC Laboratory Systems Corporation (Note 1)</td></tr>
<tr><td>Distribution</td><td>Asahi Business Solutions Corporation</td></tr>
<tr><td>Cloud Platform</td><td>This segment collaborates with the above four business segments over proposals and procurement in the services business, focusing on IT infrastructure outsourcing services.</td><td>CTC System Service Corporation (Note 2)
CTC System Operations Corporation (Note 2)
CTC Facilities Corporation
First Contact Corporation</td></tr>
<tr><td>Support & Service</td><td>This segment collaborates with the above four business segments over proposals and procurement in the services business, focusing on maintenance and operation services.</td><td>CTC Technology Corporation</td></tr>
<tr><td>Other</td><td>Businesses that are not included in the above; these include subsidiaries involved in activities such as product procurement.</td><td>CTCSP Corporation
ITOCHU Techno-Solutions America, Inc.
CTC GLOBAL SDN. BHD.
CTC GLOBAL PTE. LTD.</td></tr>
</table>

(Notes)
1. Effective from April 1, 2014, CTC Laboratory Systems Corporation changed its trade name to CTC Life Science Corporation.
2. Effective from April 1, 2014, CTC System Operations Corporation (surviving company) and CTC System Service Corporation merged to form CTC System Management Corporation.

The operational diagram

Below is an operational diagram illustrating the matters described above.



* Effective from April 1, 2014, CTC Laboratory Systems Corporation changed its trade name to CTC Life Science Corporation.

** Effective from April 1, 2014, CTC System Operations Corporation (surviving company) and CTC System Service Corporation merged to form CTC System Management Corporation.

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 21, 2013.

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 constantly changing, with the acceleration of overseas expansion, the widespread adoption and expansion of cloud computing, the use of Big Data, which is attracting increasing attention, and expansion of IT investment in the public sector as a result of initiatives such as the "My Number system," and IT companies are required to respond more quickly and flexibly to these changes. The CTC Group will make strategic investments for the medium- and long-term expansion of earnings, including expanding and improving cloud services, strengthening its response to new business domains such as Big Data and SDI (Software Defined Infrastructure), and further promoting global strategy. The Group will also focus on strengthening and expanding its earnings base to realize sustainable growth through expansion of business with the public sector utilizing infrastructure construction capabilities developed in the telecommunications sector, and a review of HR development and cost structure.

4. Consolidated Financial Statements
(1) Consolidated balance sheet

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2013)	Consolidated fiscal year under review (As of March 31, 2014)
Assets		
Current assets		
Cash and deposits	31,914	38,769
Notes and accounts receivable	66,882	81,288
Lease investment assets	12,909	12,615
Securities	33,997	15,998
Merchandise	13,427	16,948
Work in process	5,347	6,712
Maintenance parts and materials	6,588	5,804
Prepaid expenses	22,317	27,758
Deferred tax assets	8,857	8,284
Other	3,766	2,914
Allowance for doubtful accounts	-94	-9
Total current assets	205,917	217,085
Fixed assets		
Tangible fixed assets		
Buildings and structures	30,624	33,404
Accumulated depreciation	-10,026	-11,520
Buildings and structures, net	20,598	21,883
Tools, furniture and fixtures	10,048	10,356
Accumulated depreciation	-6,510	-6,299
Tools, furniture and fixtures, net	3,537	4,057
Land	6,230	6,230
Leased assets	6,919	7,570
Accumulated depreciation	-2,566	-3,669
Leased assets, net	4,352	3,900
Total tangible fixed assets	34,719	36,072
Intangible fixed assets		
Goodwill	4,129	2,945
Software	4,731	4,507
Leased assets	2,222	2,007
Other	99	3,446
Total intangible fixed assets	11,182	12,906
Investments and other assets		
Investment securities	5,999	4,984
Prepaid pension cost	3,187	–
Net defined benefit asset	–	1,950
Deferred tax assets	597	424
Other	8,486	8,832
Allowance for doubtful accounts	-63	-26
Total investments and other assets	18,207	16,165
Total fixed assets	64,108	65,144
Total assets	270,025	282,229

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2013)	Consolidated fiscal year under review (As of March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable	26,484	35,494
Short-term loans payable	–	450
Lease obligations	4,537	4,901
Income taxes payable	7,803	6,560
Unearned income	20,269	22,736
Provision for bonuses	7,566	6,497
Provision for directors' bonuses	190	127
Provision for loss on order received	308	765
Provision for after service cost	368	459
Other	19,099	17,349
Total current liabilities	86,627	95,342
Long-term liabilities		
Lease obligations	14,010	12,571
Deferred tax liabilities	1,069	1,088
Provision for retirement benefits	575	–
Net defined benefit liability	–	490
Asset retirement obligations	1,448	1,649
Other	314	178
Total long-term liabilities	17,418	15,978
Total liabilities	104,045	111,320
Net assets		
Shareholders' equity		
Capital stock	21,763	21,763
Capital surplus	33,076	33,076
Retained earnings	118,506	117,408
Treasury stock	-10,370	-4,223
Total shareholders' equity	162,975	168,024
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,610	1,095
Deferred gains or losses on hedges	-2	4
Foreign currency translation adjustment	58	504
Remeasurements of defined benefit plans	–	-1,118
Total accumulated other comprehensive income	1,666	485
Minority interests	1,338	2,400
Total net assets	165,980	170,909
Total liabilities and net assets	270,025	282,229

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

Consolidated income statement

(Million yen)

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)
Net sales	322,475	349,454
Cost of sales	239,189	265,934
Gross profit	83,285	83,519
Selling, general and administrative expenses	56,097	60,038
Operating income	27,187	23,481
Non-operating income		
Interest income	50	40
Dividend income	67	69
Equity in gains of associated companies	21	177
Gain from investments in partnership	–	88
Dividend income of insurance	66	55
Other	227	275
Total non-operating income	434	708
Non-operating expenses		
Interest expenses	163	150
Loss from investments in partnership	30	–
Other	86	41
Total non-operating expenses	281	192
Ordinary income	27,340	23,997
Extraordinary gains		
Gain on sales of fixed assets	10	–
Gains on sales of investment securities	56	338
Compensation received	82	–
Total extraordinary gains	148	338
Extraordinary losses		
Loss on sales of fixed assets	61	–
Loss on disposal of fixed assets	141	–
Impairment loss	124	–
Loss on valuation of investment securities	–	7
Loss on non-cancelable lease contracts	231	–
Compensation for damage	25	–
Loss on litigation	138	646
Total extraordinary losses	722	654
Income before income taxes	26,766	23,681
Income taxes-current	10,442	8,519
Income taxes-deferred	201	848
Total income taxes	10,643	9,368
Income before minority interests	16,123	14,313
Minority interests in income	98	216
Net income	16,025	14,096

Consolidated statements of comprehensive income

(Million yen)

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)
Income before minority interests	16,123	14,313
Other comprehensive income		
Valuation difference on available-for-sale securities	1,160	-515
Deferred gains or losses on hedges	27	7
Foreign currency translation adjustment	55	510
Remeasurements of defined benefit plans, net of tax	–	796
Share of other comprehensive income of entities accounted for using equity method	24	25
Total other comprehensive income	1,268	824
Comprehensive income	17,391	15,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,293	14,831
Comprehensive income attributable to minority interests	98	306

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	21,763	33,076	108,496	-5,370	157,966
Changes of items during period					
Dividends of surplus			-6,015		-6,015
Net income			16,025		16,025
Purchase of treasury stock				-5,000	-5,000
Disposal of treasury stock		0		0	0
Retirement of treasury stock					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	0	10,010	-5,000	5,009
Balance at the end of current period	21,763	33,076	118,506	-10,370	162,975

(Million yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	448	-30	-20	–	397	459	158,823
Changes of items during period							
Dividends of surplus							-6,015
Net income							16,025
Purchase of treasury stock							-5,000
Disposal of treasury stock							0
Retirement of treasury stock							–
Net changes of items other than shareholders' equity	1,161	27	79	–	1,268	878	2,147
Total changes of items during period	1,161	27	79	–	1,268	878	7,156
Balance at the end of current period	1,610	-2	58	–	1,666	1,338	165,980

Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	21,763	33,076	118,506	-10,370	162,975
Cumulative effects of changes in accounting policies					–
Restated balance at the beginning of current period	21,763	33,076	118,506	-10,370	162,975
Changes of items during period					
Dividends of surplus			-6,545		-6,545
Net income			14,096		14,096
Purchase of treasury stock				-2,502	-2,502
Disposal of treasury stock					–
Retirement of treasury stock		-0	-8,649	8,650	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	-0	-1,098	6,147	5,048
Balance at the end of current period	21,763	33,076	117,408	-4,223	168,024

(Million yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,610	-2	58	–	1,666	1,338	165,980
Cumulative effects of changes in accounting policies				-1,915	-1,915		-1,915
Restated balance at the beginning of current period	1,610	-2	58	-1,915	-249	1,338	164,064
Changes of items during period							
Dividends of surplus							-6,545
Net income							14,096
Purchase of treasury stock							-2,502
Disposal of treasury stock							–
Retirement of treasury stock							–
Net changes of items other than shareholders' equity	-514	7	445	796	734	1,061	1,796
Total changes of items during period	-514	7	445	796	734	1,061	6,844
Balance at the end of current period	1,095	4	504	-1,118	485	2,400	170,909

(4) Consolidated cash flow statement

(Million yen)

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	26,766	23,681
Depreciation	6,013	7,091
Impairment loss	124	–
Amortization of goodwill	–	321
Increase (decrease) in allowance for doubtful accounts	-8	-125
Increase (decrease) in provision for bonuses	261	-1,072
Increase (decrease) in provision for directors' bonuses	45	-63
Increase (decrease) in provision for loss on order received	-626	457
Increase (decrease) in provision for after service cost	14	90
Increase (decrease) in provision for retirement benefits	40	-575
Increase (decrease) in net defined benefit liability	–	661
Interest and dividend income	-118	-110
Interest expenses	163	150
Share of (profit) loss of entities accounted for using equity method	-21	-177
Loss (gain) on investments in partnership	30	-88
Loss (gain) on sales of investment securities	-56	-338
Loss (gain) on sales of fixed assets	51	–
Loss on retirement of fixed assets	141	–
Loss (gain) on valuation of investment securities	–	7
Loss on non-cancelable lease contracts	231	–
Decrease (increase) in notes and accounts receivable - trade	-4,134	-14,238
Decrease (increase) in inventories	402	-3,997
Increase (decrease) in notes and accounts payable - trade	48	8,902
Increase (decrease) in accrued consumption taxes	-134	-415
Other	-8,598	-3,954
Subtotal	20,637	16,207
Interest and dividend income received	159	141
Interest expenses paid	-163	-145
Income taxes paid	-10,941	-9,788
Net cash provided by (used in) operating activities	9,691	6,414

(Million yen)

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)
Cash flows from investing activities		
Purchase of tangible fixed assets	-2,827	-6,540
Payments for retirement of tangible fixed assets	-142	-134
Proceeds from sales of tangible fixed assets	6	166
Purchase of intangible fixed assets	-1,589	-1,644
Proceeds from sales of intangible fixed assets	–	2
Purchase of investment securities	-170	-3
Proceeds from sales of investment securities	241	713
Proceeds from distribution of investment in partnerships	88	312
Net decrease (increase) in deposits	-310	153
Payments for transfer of business	-248	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-5,371	-1,044
Other	2	-5
Net cash provided by (used in) investing activities	-10,321	-8,024
Cash flows from financing activities		
Increase in short-term loans payable	–	437
Payments for acquisition of treasury stock	-5,003	-2,505
Proceeds from sales and leasebacks	1,967	1,600
Repayments of finance lease obligations	-1,993	-2,415
Dividends paid	-6,014	-6,545
Dividends paid to minority shareholders	-71	-80
Other	0	–
Net cash used in financing activities	-11,114	-9,509
Effect of exchange rate change on cash and cash equivalents	26	68
Net increase (decrease) in cash and cash equivalents	-11,718	-11,049
Cash and cash equivalents at beginning of period	77,852	66,133
Cash and cash equivalents at end of period	66,133	55,083

(5) Notes to consolidated financial statements

(Note on going concern assumptions)

Not applicable.

(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.
	CTC GLOBAL SDN. BHD.
	CTC GLOBAL PTE. LTD.

Effective from April 1, 2014, CTC Laboratory Systems Corporation changed its trade name to CTC Life Science Corporation.

Effective from April 1, 2014, CTC System Operations Corporation (surviving company) and CTC System Service Corporation merged to form CTC System Management Corporation.

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.

(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.

(iv) Accounting for retirement benefits

(a) Method of recording expected retirement benefits in proper terms

In calculating retirement benefit obligations, the method of attributing expected benefit to the fiscal year is the straight-line basis.

(b) Accounting for actuarial difference and prior service costs

An actuarial difference is primarily expensed equally from the fiscal year following its accrual over a certain period within the average remaining service period (10 years) of employees at the time of the accrual each consolidated fiscal year.

Prior service costs are expensed for a certain period within the average remaining service period (10 years) of employees at the time of the accrual using the straight-line method.

(v) 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.

(vi) Standards for conversion 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 conversion 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 translation adjustment account and Minority interests under net assets.

(vii) 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.

(viii) Amortization of goodwill

Goodwill is amortized by the straight line method over the period for which it is deemed to have effect (10 years). Immaterial amounts are amortized in a lump sum in the fiscal year when incurred.

(ix) 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.

(x) 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.

(Changes in basis of presenting consolidated financial statements)

Changes in accounting principles

From the fiscal year under review, the Group has applied the "Accounting Standard for Retirement Benefits" Accounting Standards Board of Japan Statement No. 26, May 17, 2012; hereinafter the "Accounting Standard for Retirement Benefits") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012; hereinafter the "Guidance on Retirement Benefits") (except for the provisions set forth in Clause 35 of the Accounting Standard for Retirement Benefits and in Clause 67 of the Guidance on Retirement Benefits), which became applicable from the beginning of fiscal years starting on or after April 1, 2013**.** Under these accounting standards, liability for retirement benefit is recognized as the net amount of retirement benefit obligations minus pension assets, and unrecognized actuarial gains and losses and unrecognized prior service costs are recorded as liability for retirement benefit. The Group has more than one retirement benefit plan and, since in the case of the main defined benefit company pension plans (under joint sponsorship contract executed by the Company and three domestic consolidated subsidiaries) pension assets exceed retirement benefit obligations, this excess amount is recorded as asset for retirement benefit.

The application of the Accounting Standard for Retirement Benefits and the Guidance on Retirement Benefits is subject to the transitional accounting treatment set forth in Clause 37 of the Accounting Standard for Retirement Benefits. At the beginning of the fiscal year under review, the Company has added the effect of the change in the accounting principle to the accumulated adjustment associated with retirement benefits in accumulated other comprehensive income.

As a result, at the end of the fiscal year under review, asset for retirement of 1,950 million yen was recognized. Accumulated other comprehensive income" also decreased by 1,118 million yen.

The effect on per share information is recorded in the relevant section.

(Segment information)

[Segment information]

1. Overview of reported segments

The Group's six reported segments are "Telecommunications"、 "Finance & Public", "Enterprise", "Distribution", "Cloud Platform", and "Support & Service".

The Group' operations are segmented into the "Telecommunications", "Finance & Public", "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 & construction 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.

From the fiscal year under review, business for the broadcasting sector and for ISPs, which was previously included in the "Enterprise", was transferred to the "Telecommunications", and business for the distribution sector was transferred to the "Distribution"; also, business for the public sector, which was previously included in the "Enterprise" and the "Telecommunications", was transferred to the "Finance" and the name of this segment was changed from the "Finance" to the "Finance & Public".

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.

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

Previous consolidated fiscal year (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)
	Telecommu-nications	Finance & Public	Enterprise	Distribution	Cloud Platform	Support & Service	Total				
Net sales											
Sales to outside customers	127,036	52,738	70,895	52,954	7,782	2,225	313,633	8,841	322,475	–	322,475
Inter-segment sales or transfers	1,236	616	2,565	163	24,415	60,276	89,274	4,569	93,843	-93,843	–
Total	128,273	53,355	73,460	53,118	32,197	62,502	402,907	13,410	416,318	-93,843	322,475
Segment profit	13,250	6,055	3,498	3,761	2,223	10,878	39,668	1,007	40,675	-13,487	27,187
Segment assets	39,299	18,824	23,243	27,917	33,107	26,491	168,884	17,031	185,916	84,109	270,025
Other items											
Depreciation (Note 4)	365	506	630	490	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)	805	207	150	597	6,578	210	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 84,109 million yen includes corporate assets of 92,596 million yen and elimination of inter-segment receivables and payables of 7,745 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.

Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014) (Million yen)

	Reported segments							Others (Note 1)	Total	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	Telecommu-nications	Finance & Public	Enterprise	Distribution	Cloud Platform	Support & Service	Total				
Net sales											
Sales to outside customers	121,551	54,809	78,154	54,477	8,278	2,195	319,466	29,987	349,454	–	349,454
Inter-segment sales or transfers	1,553	255	1,492	246	24,964	62,311	90,824	4,692	95,517	-95,517	–
Total	123,105	55,065	79,646	54,724	33,243	64,506	410,291	34,680	444,971	-95,517	349,454
Segment profit	10,081	3,289	3,626	5,658	1,833	10,652	35,141	1,389	36,531	-13,049	23,481
Segment assets	45,013	23,366	27,512	30,229	34,706	30,679	191,507	22,255	213,763	68,466	282,229
Other items											
Depreciation (Note 4)	307	574	547	736	2,331	226	4,723	895	5,618	1,472	7,091
Amortization of goodwill	–	–	–	–	–	–	–	321	321	–	321
Investment in equity-method affiliates	–	–	–	1,195	–	–	1,195	182	1,377	111	1,489
Increase in tangible fixed assets and intangible fixed assets (Note 4)	348	348	362	241	3,327	221	4,849	764	5,614	1,354	6,968

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

2. Adjustments are as follows:

(1) Adjustment of segment profit of -13,049 million yen includes corporate expenses of 14,374 million yen and elimination of inter-segment transactions of 1,181 million yen. The corporate expenses, which do not belong to any reported segment, mainly consist of administrative expenses.

(2) Adjustment of segment assets of 68,466 million yen includes corporate assets of 78,114 million yen and elimination of inter-segment receivables and payables of 8,525 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 1,472 million yen includes depreciation in relation to corporate assets of 1,613 million yen and elimination of unrealized profits of 141 million yen. Adjustment of investment in equity-method affiliates of 111 million yen is investment in equity-method affiliates managed by administrative departments. Adjustment of increase in tangible fixed assets and intangible fixed assets of 1,354 million yen includes increase in relation to corporate assets of 1,441 million yen and elimination of unrealized profits of 86 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, 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.

Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)

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

	Services	SI Development	Products	Total
Sales to outside customers	144,407	72,287	132,759	349,454

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, 2012 to March 31, 2013) (Million yen)

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

Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)

Not applicable.

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

Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013) (Million yen)

	Telecommu-nications	Finance & Public	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

Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014) (Million yen)

	Telecommu-nications	Finance & Public	Enterprise	Distribution	Cloud Platform	Support & Service	Others	Eliminations or Corporate	Total
Amortization during the fiscal year under review	–	–	–	–	–	–	321	–	321
Outstanding balance as at the end of the fiscal year under review	–	–	–	–	–	–	2,945	–	2,945

Others: Goodwill associated with acquiring CTC Global Sdn. Bhd. and CTC Global Pte. Ltd. has been revised in this consolidated fiscal year by completing the allocation of acquisition cost

Information gain on gains on negative goodwill by reported segment

Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)

Not applicable.

Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)

Not applicable.

(Per-share information)

(Yen)

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)
Book-value per share	2,766.93	2,862.48
Earnings per share	268.53	237.84

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

	Previous consolidated fiscal year (As of March 31, 2013)	Consolidated fiscal year under review (As of March 31, 2014)
Total net assets (million yen)	165,980	170,909
Amount to be subtracted from total net assets (million yen)	1,338	2,400
Minority interests (million yen)	1,338	2,400
Net assets pertaining to common shares at the year end (million yen)	164,641	168,509
Number of common shares at the year end used in calculation of book-value per share (thousand shares)	59,503	58,868

2. As described in “Change in accounting policies,” the Company adopted the Accounting Standard for Retirement Benefits, etc. and followed the transition measures prescribed in Article 37 of the standard. As a result, book-value per share in the fiscal year under review decreased by 19.01 yen.
3. There is no diluted earnings per share as there are no shares with dilutive effect.
4. The calculation basis of earnings per share is as follows:

	Previous consolidated fiscal year (From April 1, 2012 to March 31, 2013)	Consolidated fiscal year under review (From April 1, 2013 to March 31, 2014)
Net income (million yen)	16,025	14,096
Amounts which do not belong to ordinary shareholders (million yen)	–	–
Net income on common shares (million yen)	16,025	14,096
Average number of common shares during the fiscal year (thousand shares)	59,676	59,269

(Post-balance sheet events)

Not applicable.