

# Consolidated Financial Results for the Fiscal Year ended March 31, 2021 (IFRS)

April 28, 2021

Listed Company Name: ITOCHU Techno-Solutions Corporation

Listing Exchanges: Tokyo Stock Exchange

Securities Code: 4739

URL: <https://www.ctc-g.co.jp/en/index.html>

Representative: Ichiro Tsuge, President & CEO

Contact: Yasuo Tode, General Manager, General Accounting & Financial Control Department

Phone: +81-3-6203-5000

Scheduled date to Annual General Meeting of Shareholders:

June 17, 2021

Scheduled date of dividend payment:

June 18, 2021

Scheduled date to submit the annual securities report (*Yukashoken Hokokusho*):

June 18, 2021

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, 2021 (April 1, 2020 –March 31, 2021)

### (1) Consolidated operating results

(Percentages represent year-on-year changes)

1) Consolidated operating results

(Percentages represent year-on-year change)

	Revenue		Operating income		Profit before tax		Net Profit		Net profit attributable to CTC's shareholders		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/21	479,878	(1.5)	43,625	4.7	43,952	5.8	30,843	8.4	30,486	7.2	36,942	34.0
Year ended 3/20	487,018	7.8	41,667	16.1	41,541	14.5	28,461	14.4	28,451	15.6	27,572	8.7

	Basic earnings per share attributable to CTC's shareholders		Diluted earnings per share attributable to CTC's shareholders		Ratio of Net profit attributable to CTC's shareholders to shareholder's equity		Ratio of profit before tax to total assets		Ratio of operating income to revenue	
	Yen		Yen		%		%		%	
Year ended 3/21	131.95		131.94		12.5		9.8		9.1	
Year ended 3/20	123.15		123.15		12.6		10.2		8.6	

(Reference) Share of profit of associates accounted for using the equity method: Year ended 21/3: 409 millions of yen    Year ended 20/3: 146 millions of yen

### (2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	shareholders' equity per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
Year ended 3/21	462,748	262,609	254,799	55.1	1,102.79
Year ended 3/20	438,816	238,564	231,672	52.8	1,002.76

### (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 the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 3/21	37,266	(10,120)	(21,062)	80,944
Year ended 3/20	50,103	(17,188)	(17,123)	74,615

## 2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended 3/20	—	27.50	—	30.50	58.00	13,411	47.1	5.9
Year ended 3/21	—	31.50	—	32.50	64.00	14,798	48.5	6.1
Year ended 3/22 (forecast)	—	35.00	—	35.00	70.00		49.0	

### 3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2022 (April 1, 2021 – March 31, 2022)

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

	Revenue		Operating income		Profit before tax		Net Profit		Net profit attributable to CTC's shareholders		Basic earnings per share attributable to CTC's shareholders
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	520,000	8.4	48,500	11.2	49,000	11.5	33,500	8.6	33,000	8.2	142.83

#### \* Notes

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

(2) Changes in accounting principles and changes of accounting estimates

- |  |                |
|--|----------------|
| (i) Changes in accounting principles required by IFRS: | Not applicable |
| (ii) Changes in accounting principles other than (i):  | Not applicable |
| (iii) Changes in accounting estimates:                 | Not applicable |

(3) Number of outstanding shares (common shares)

- |  |                    |                  |                    |
|--|--------------------|------------------|--------------------|
| (i) Number of shares outstanding at the end of period (including treasury shares): |                    |                  |                    |
| Year ended 3/21:   | 240,000,000 shares | Year ended 3/20: | 240,000,000 shares |
| (ii) Number of treasury shares at the end of period:                               |                    |                  |                    |
| Year ended 3/21:   | 8,950,202 shares   | Year ended 3/20: | 8,966,282 shares   |
| (iii) Average number of shares during the period:                                  |                    |                  |                    |
| Year ended 3/21:   | 231,044,766 shares | Year ended 3/20: | 231,032,318 shares |

#### (Reference) Summary of Non-Consolidated Financial Results

##### 1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Non-consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/21	423,319	(0.3)	23,087	0.3	34,211	7.1	26,795	13.8
Year ended 3/20	424,723	5.8	23,020	0.6	31,930	18.2	23,549	22.1

	Earnings per share	Earnings per share/ diluted
	Yen	Yen
Year ended 3/21	115.98	—
Year ended 3/20	101.93	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Millions of yen	Millions of yen	%	Yen
Year ended 3/21	413,299	231,592	56.0	1,002.35
Year ended 3/20	383,736	216,492	56.4	937.06

(Reference) Shareholders' equity (Millions of yen): Year ended 3/21: 231,592 Year ended 3/20: 216,492

(Note) The financial figures presented in the Summary of Non-Consolidated Financial Results are prepared in accordance with the Japan GAAP.

\* 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 financial results report is not subject to review procedures by independent auditors under the Financial Institutions and Exchange Act. At the time of disclosure of this report, review procedures for financial statements had not been completed.

#### \* 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 promised by the Company regarding future performance. Actual results may differ materially from forecasts due to a variety of factors.

\* "CTC" is the abbreviation for ITOCHU Techno-Solutions Corporation.

○Accompanying Materials –Contents

1. Analysis of Operating Results and Financial Condition .....	P.1
(1) Analysis of operating results .....	P.1
(2) Analysis of financial condition .....	P.8
(3) Analysis of cash flows .....	P.8
(4) Outlook for the fiscal year ended March 31, 2022 .....	P.9
2. Basic Policy for the Selection of Accounting Standards .....	P.10
3. Consolidated Financial Statements and Notes .....	P.11
(1) Consolidated statement of financial position .....	P.11
(2) Consolidated income statement and consolidated statements of comprehensive income .....	P.13
(3) Consolidated statement of changes in equity .....	P.15
(4) Consolidated cash flow statement .....	P.17
(5) Notes to the consolidated financial statements .....	P.19
(Notes on going concern assumption) .....	P.19
(Segment information) .....	P.19
(Earnings per share) .....	P.23
(Material subsequent events) .....	P.23

## 1. Analysis of Operating Results and Financial Condition

### (1) Analysis of operating results

In the fiscal year ended March 31, 2021, the Japanese economy still faced a severe situation, with downward pressure from the impact of COVID-19, but signs of recovery could also be seen, partly due to the effects of a variety of government policies and improvement of overseas economies.

In the information service industry, the expansion of demand for working from home amid the effects of the COVID-19 pandemic and investment based on a look at how things would be in response to the launch of commercial 5G services by telecom carriers acted as tailwinds. Meanwhile, movements to limit certain business activities, to curb or to postpone the investment were observed among corporate customers centered on those whose results were affected significantly.

In this environment, ITOCHU Techno-Solutions Corporation (“CTC”) and its consolidated subsidiaries (collectively, the “CTC Group”), with a motto of playing a leading role in contributing to the evolution of the IT industry, continued to focus on the following four “Horizons”: “Go upwards: Challenge business transformation,” “Go forwards: Sharpening our advantages,” “Go outwards: New coverage, new region in globe” and “Consolidate footholds: Stabilize management infrastructure” to achieve the Medium-Term Management Plan subtitled “Opening New Horizons” that covers the period of three years from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021. In addition, amid changes in work-styles and lifestyles prompted by the COVID-19 pandemic, the CTC Group is pursuing new initiatives in line with the Medium-Term Management Plan in order to support efforts to deal with those changes. Specific initiatives in each segment are as follows.

#### 【Enterprise】

< Initiatives related to “Go upwards: Challenge business transformation” >

- CTC started offering SpreadJS for OutSystems, a software product developed by GrapeCity Inc., to add spreadsheet functions on the OutSystems low-code development platform\*1. The product is a software module that realizes external appearances and operability on par with ordinary spreadsheet software. The module links with OutSystems seamlessly. CTC started providing OutSystems in 2015. CTC is actively working on agile development and DevOps\*2. Moving forward, CTC will continue working to enhance agile development services and options, helping customers improve the efficiency of their business operations and implement digital transformation (DX).

\*1: Low-code development: A software development platform under which almost no programming languages are required. Low-code development can shorten the time needed for developing software.

\*2: DevOps: A software development method whose name was coined by combining abbreviations for Development and Operations. DevOps enables flexible and speedy software development by making engineers in charge of development and operations work in close cooperation.

< Initiatives related to “Go forwards: Sharpening our advantages” >

- CTC has begun providing AI-powered supply chain optimization solutions to meet diverse optimization needs including optimization of the location of logistics centers and reduction of waste loss. The solutions provided by CTC combine simulation and mathematical optimization technologies with AI-powered demand forecasting to identify supply chain issues in terms of purchasing quantities, inventory levels, production volumes, delivery, location of logistics centers and waste levels, and translate this information into continuous improvement in line with business objectives.

As simulation software, CTC uses WITNESS developed by Lanner Group Ltd. which visualizes various processes including production lines, distribution, transportation and administrative operations and enables quantitative evaluation of plans.

CTC plans to expand the functions of these solutions with a view to integration with the IoT-based digital solutions it already offers, with the aim of helping customers to utilize data and achieve DX.

< Initiatives related to “Go outwards: New coverage, new region in globe” >

- CTC, NEC Corporation, OBAYASHI CORPORATION, Japan Industrial Partners, Inc., Japan Investment Adviser Co., Ltd. and IPC Fund 1 operated by UTokyo Innovation Platform Co., Ltd., established BIRD

INITIATIVE, Inc. ("BIRD") for developing new businesses. BIRD expands a new research and development framework called "Co-creative R&D," in which issues and technologies are brought together from industry, government and academia, and will focus on creating new businesses through research and development, contract research, consulting, and investment in startups.

## 【Distribution】

< Initiatives related to "Go upwards: Challenge business transformation" >

- CTC provided Asahi Group Holdings, Ltd ("Asahi GH") with VividPlatform, a cloud 3D visualization platform developed by VividWorks Ltd. ("VividWorks"), an IT service company in Finland equipped with high technological capabilities in the fields of 3D simulation, virtual reality (VR) and augmented reality (AR). Asahi GH's VR product package development support system adopts this visualization platform for virtual 3D store shelves. The platform enable users to reproduce stores and their shelves virtually and change product designs, the layout of store shelves, the composition and arrangement with simple operations. CTC and VividWorks will continue contributing to DX in product development, sales and marketing by customers using VR and AR technologies.
- CTC provided ITOCHU International Inc. ("III"), the North American flagship company of ITOCHU Corporation, with the next-generation ERP business suite SAP S/4HANA® Cloud. Going forward, it will gradually introduce the system to approximately 50 local subsidiaries operating in countries in the world. The SAP S/4HANA Cloud is a SaaS-type cloud ERP service provided by SAP. With multilingual support and compliance with the accounting standards of different countries, it features the smooth implementation of introduction processes overseas. Because it is a SaaS-based application, the user can use the service without owning assets and benefits from upgrades in their ERP systems, which is another feature. Based on expertise accumulated through the provision of the SAP S/4HANA, CTC will contribute to further improvements in customer services by leveraging a comprehensive solution that includes pre-introduction study, system migration through the adoption of the latest technologies, peripheral system construction and operation services.

< Initiatives related to "Go outwards: New coverage, new region in globe" >

- CTC contributed capital to Idein Inc. ("Idein"), a company with high technological capabilities in the acceleration of deep learning and formed a business alliance with Idein in the fields of developing and providing AI/IoT systems. Through the alliance, CTC and Idein will co-develop AI/IoT solutions that support the DX of companies in fields centered on distribution, retailing, manufacturing, social infrastructure and healthcare, combining Idein's Actcast edge computing platform using technologies for accelerating deep learning with CTC's technologies for collecting and analyzing data.

## 【Telecommunication】

< Initiatives related to "Go forwards: Sharpening our advantages" >

- CTC continuously received orders for projects to build networks for 5G services from telecom carriers. In addition, CTC was able to acquire certain projects in new fields by applying cloud native technologies expected to realize O-RAN\*1 and operational automation in the RAN\*2 field it had positioned as an area for making challenges, in addition to the backhauls and fronthauls\*3 it had worked on. From early on, CTC has trained personnel for network virtualization technologies and has conducted joint verification with customers and vendors. Those initiatives have led to continuous project acquisition and field expansion. CTC will continue supporting telecom carriers in their efforts to develop 5G services.

\*1 RAN: An abbreviation for radio access network Radio access networks

\*2 O-RAN: Internode interface specifications

\*3 Fronthauls: Networks connecting base station nodes

- CTC won the global "APJC Partner of the Year Award" at Cisco Partner Summit Digital 2020. This was the first time a Japanese enterprise had won the award. The APJC Partner of the Year Award is awarded to the partner which makes the biggest contribution to Cisco's

business in terms of sales of Cisco products and the development of solutions incorporating Cisco products across the Asia Pacific region. CTC won the award in recognition of CTC's business growth and creation of new business value for customers in Cisco-related business through the provision of solutions and system construction utilizing various Cisco products.

- At Dell Technologies' Virtual Partner Summit 2020, CTC won the "APJ Go Big-Win Big Services Award" awarded to the partner which made the biggest contribution to the sales and services of Dell Technologies across the Asia Pacific region. CTC also came away from the event with the "Japan Go Big-Win Big Storage Award" in recognition of its solution development and system construction related to Dell Technologies storage in the Japanese market.

< Initiatives related to “Go outwards: New coverage, new region in globe” >

- CTC and ITOCHU Techno-Solutions America, Inc. (“CTC America”) built a large-scale AI/big data platform for a data center to operate at Actapio, Inc., a U.S. subsidiary of Yahoo Japan Corporation (“Yahoo”), based on Open Compute Project\*1 (“OCP”) specifications high in energy consumption and operational efficiency. Yahoo has enhanced the platform’s efficiency since 2015 when it adopted OCP specifications for it. For the most recent platform expansion, CTC America supplied about 3,000 servers, including those equipped with the U.S. NVIDIA V100 GPU, for accelerating AI. The CTC Group will continue contributing to improving service quality and adding service value using its collective strength to address a variety of issues as a partner for the two companies.

\*1: Open Compute Project: A project for designing optimal data center hardware by incorporating requirements from a user perspective, where companies making practical use of IT on a large scale, such as Facebook, form the core CTC concluded a certified solution provider agreement with the Open Compute Project Foundation, the project operating body, in 2013 as the first provider in Japan.

## 【Regional & Social Infrastructure】

< Initiatives related to “Go upwards: Challenge business transformation” >

- Keio University Information Technology Center and the Blockchain Laboratory of the Keio Research Institute at SFC commenced a demonstration experiment for a next-generation digital identification platform issuing certificates, such as certificates of student status and certificates of expected graduation, to Keio University students via smartphone applications in October 2020. The experiment is being conducted with five companies; CTC, Japan Digital Design, Inc., JCB Co., Ltd., Nippon Telegraph and Telephone West Corporation and BlockBase, Inc. The purpose of this demonstration experiment is to verify the functionality and standardization of the digital identity platform, which will enable students to obtain a variety of certificates online without having to present their IDs or complete written procedures at the university's academic affairs office. This platform uses Verifiable Credentials, a generalized digital certificate technology, and Decentralized Identifiers (DIDs), a new, digital and persistent decentralized identifier model independent of any particular company or organization, to ensure the online verification of graduation certificates and other types of certifying data, in addition to attributes, such as names, addresses, and ages.

< Initiatives related to “Go outwards: New coverage, new region in globe” >

- CTC provided the Bank of Okinawa, Ltd. (“Bank of Okinawa”) and Okigin SPO Co., Ltd. with SmartRobot, an AI chatbot developed by Intumit Inc. in Taiwan. The Bank of Okinawa introduced an automatic answering system using SmartRobot to address customer inquiries in the Okigin e-partner Internet banking service. The partial automation of counter-service operations improved the level of customer satisfaction and service quality, in addition to reducing operator burdens. CTC increased capital contributions to Intumit Inc. in December 2020, following investment in the company in April 2019. CTC will continue contributing to customer service enhancement by advancing collaborations with Intumit Inc.

## 【Financial Services】

< Initiatives related to “Go forwards: Sharpening our advantages” >

- CTC provided Government Pension Investment Fund (“GPIF”) with a cloud platform that gathers and analyzes index information, which is a benchmark for asset management. GPIF launched the Index Posting System, an

initiative for gathering a variety of index information including Smart Beta indices and ESG indices proposed by companies that provide indices. The provision of this cloud platform by CTC made it possible for GPIF to accept proposals from companies that provide indices at any time, free from previous time constraints. The platform enabled GPIF to collect and accumulate a wide range of index information more efficiently. Thanks to the high-level data analysis function embedded in the cloud platform, GPIF can analyze corporate financial information reflected in indices and non-financial information including ESG information, resulting in the implementation of more advanced management.

## 【IT Services】

< Initiatives related to “Go upwards: Challenge business transformation” >

- CTC collaborated with Goodpatch Inc., which specializes in the design of UI/UX for products and services, in a project to encourage businesses to embrace DX which involves the utilization of IT to develop new services and reform business processes, and began providing "Transfer Starter," a program which promotes social understanding of DX and supports the development of prototypes. From January 2021, CTC launched "build service" for the development of prototypes for DX alongside the transfer of knowhow to customers. Moving forward, CTC will continue cooperating with the business of Goodpatch, which excels in UI/UX design and the startup of new businesses, to help customers push ahead and realize DX.

< Initiatives related to “Go forwards: Sharpening our advantages” >

- To help customers use cloud computing, CTC formed a capital alliance and business alliance with Megazone Corporation, the U.S. subsidiary of Megazone Corporation Group, a leading Korean IT company, and began offering solutions for more efficient use of multiple clouds. CTC plans to continue collaborating with Megazone Corporation Group over the use of new technologies and the development of new services and to help customers all over the world, especially in Japan and Asia, use cloud computing to optimize costs and reduce operation load, among other benefits.

## 【Others】

< Initiatives related to “Go upwards: Challenge business transformation” >

- CTC started to promote the Celonis Intelligent Business Cloud, a process mining solution that Germany-based Celonis SE is offering. The solution enables a user to analyze data and logs produced in daily corporate operations using AI and to identify bottlenecks and matters that should be improved in operation processes. The user can execute the OODA loop\*1, which is necessary for improving processes, within the framework of a tool in real time. In addition to providing solutions, CTC will offer services such as data design, consulting, setting, alignment with existing systems, operation and training as a total package, thereby helping customers implement digital transformation (DX). In addition, CTC participated in the Association of Process Mining Japan (APMJ) established in June 2020 as a special member. CTC will also focus on raising awareness about process mining technology and developing human resources in this field.

\*1: The OODA loop: A method for solving problems by repeating observation, orientation, decision and action

< Initiatives related to “Go outwards: New coverage, new region in globe” >

- CTC established TriValue Co., Ltd. (“TriValue”), a logistics joint venture that delivers large interior goods, with TAKADA Transport Service Co., Ltd. TriValue will provide furniture manufacturers and retailing customers with logistics services, including delivery and warehousing services as an original contractor for large furniture delivery. Using an integrated logistics platform for shippers, consumers and delivery firms, TriValue will visualize available delivery dates and delivery status in real time and optimize delivery routes and loads to improve the efficiency of customer operations and improve consumer convenience. CTC has been providing the Mobile Asset Management Service, a cloud service for optimizing transportation and delivery, since 2011. Using the service, TriValue will practice DX for achieving efficient joint delivery.

【All companies】

< Initiatives related to “Consolidate footholds: Stabilize management infrastructure” >

- To create an environment and corporate culture that enable diverse employees to provide remarkable service, CTC has been working on initiatives including work-style reforms, health management, aid for promoting successful female, senior and disabled employees, and support for balancing work with childcare and nursing care. Taking an additional step, CTC formulated the Basic Policy on Diversity to include LGBT\*1 individuals and SOGI\*2 in its diversity. CTC established a desk for consultations related to LGBT and SOGI, and offered internal training to facilitate employees’ understanding based on this policy. CTC received the top Gold rank in the PRIDE Index 2020, an index for evaluating LGBT initiatives from a private organization called Work with Pride, for its initiatives. CTC believes it is a working environment where employees with diverse personalities can take on challenges and be fulfilled by working enthusiastically to produce new solutions and good services. CTC will promote diversity by respecting all employees, irrespective of age, sex, gender identity, sexual orientation, nationality, and the presence or absence of disabilities.

\*1: LGBT stands for lesbian, gay, bisexual and transgender. It is a collective term for sexual minorities.

\*2: SOGI stands for sexual orientation and gender identity.

- Amid the ongoing COVID-19 pandemic, all CTC Group managers and staff members are working from home, in principle. CTC has developed systems for maintaining and improving productivity with the transition to working from home by preparing an environment for working remotely, introducing a chat tool and paperless tasks. CTC employees have been able to work flexibly by making the most of those systems. CTC will seek better ways to work amid the pandemic based on the implementation of measures for preventing the spread of COVID-19 infection, recognizing the effectiveness of offices as places for communication to produce innovative ideas, activities for fostering a sense of unity and for exercising moderate control.
- The Ministry of Internal Affairs and Communications selected CTC as one of the top 100 telework pioneers, a program for announcing companies with a competent track record in introducing and utilizing remote work aimed at promoting the adoption of this working style. CTC has expanded choices over working hours and locations, accelerating work-style reforms for greater employee job satisfaction. CTC will continue this expansion. At the same time, it will work to prepare the conditions and systems needed to allow creative individuals able to enjoy changes and to transform diversity into values to continue their growth and challenges.
- To provide greater freedom in terms of workplace and working hours depending on the nature and environment of business operations, promote autonomy and creativity on the part of employees, and encourage them to connect with each other and take on new challenges, and also to strengthen group-wide collaboration aiming for further enhancement of corporate value, CTC has decided to relocate and integrate the head office functions of CTC and CTC Group companies, which are currently decentralized. The CTC Group plans to gradually relocate the functions to Kamiyacho Trust Tower for integration from June 2021, aiming to complete relocation around September 2021.



In its sales activities, the CTC Group focused on infrastructure projects and maintenance and operation projects for the energy sector and government and municipal offices.

Operating results of the Group for the fiscal year under review are as follows.

(Monetary unit is million yen. Percentages show the rate of year-on-year change)

	Revenue		Gross profit		Other income and expenses		Operating income		Profit before tax		Net profit attributable to CTC's shareholders	
Year ended 3/21	479,878	(1.5%)	121,465	2.9%	(77,840)	1.9%	43,625	4.7%	43,952	5.8%	30,486	7.2%
Year ended 3/20	487,018	7.8%	118,051	9.6%	(76,383)	(6.4%)	41,667	16.1%	41,541	14.5%	28,451	15.6%
Year ended 3/19	451,957	5.2%	107,709	6.0%	(71,810)	(4.1%)	35,898	10.0%	36,286	7.6%	24,616	4.4%

#### (Revenue)

Revenue decreased by 7,139 million yen, or 1.5% year on year, to 479,878 million yen in the fiscal year under review due to lower revenue from projects for the distribution and manufacturing sectors and operating companies in Japan and overseas, offsetting higher revenue from projects for the telecommunications sector, government and municipal offices and the financial sector.

#### (Gross profit)

Gross profit increased by 3,414 million yen, or 2.9% year on year, to 121,465 million yen in the fiscal year under review due to an improved gross margin.

The gross profit margin rose 1.1 percentage point from 24.2% in the previous fiscal year, to 25.3% due mainly to the improved profitability of product sales.

#### (Other income and expenses)

Other income and expenses increased by 1,456 million yen, or 1.9% year on year, to 77,840 million yen in the fiscal year under review due mainly to a rise in personnel expenses.

#### (Operating income)

Operating income increased by 1,957 million yen, or 4.7% year on year, to 43,625 million yen. In addition, the ratio of operating income to revenue rose 0.5 percentage point from 8.6% in the previous fiscal year, to 9.1%.

#### (Profit before tax)

Profit before tax increased by 2,411 million yen, or 5.8% year on year, to 43,952 million yen

#### (Net profit attributable to CTC's shareholders)

Income taxes increased by 28 million yen year on year, to 13,108 million yen, and net profit attributable to non-controlling interests increased by 347 million yen year on year, to 357 million yen.

As a result, net profit attributable to CTC's shareholders increased by 2,034 million yen, or 7.2% year on year, to 30,486 million yen.

Operating results in each segment are as follows.

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

(Monetary unit is million yen. Percentages show the rate of year-on-year change)

	Enterprise		Distribution		Telecommunication		Regional Business & Social Infrastructure		Finance		IT Services		Others	
Revenue	126,571	(3.7)%	52,250	(14.0)%	187,275	3.5%	62,234	1.9%	24,666	2.5%	115,672	2.9%	38,781	(6.4)%
Profit before tax	8,509	(5.9)%	1,245	(77.5)%	18,327	7.6%	4,680	92.6%	2,276	71.5%	12,735	12.6%	2,422	366.6%

(i) Enterprise

Revenue decreased by 3.7% year on year, to 126,571 million yen, due mainly to extended reduction in investment and utilization among customers due to the COVID-19 pandemic. Profit before tax fell by 5.9% year on year, to 8,509 million yen, due lower revenue.

(ii) Distribution

Revenue dropped by 14.0%, to 52,250 million yen, due mainly to a slowdown in new contracts during the fiscal year due to COVID-19. Profit before tax was down by 77.5% year on year, to 1,245 million yen.

(iii) Telecommunication

Revenue increased by 3.5%, to 187,275 million yen, due mainly to an increase in infrastructure projects for telecommunications carriers. Profit before tax climbed by 7.6% year on year, to 18,327 million yen, due chiefly to the improved gross margin, in addition to increased revenue.

(iv) Regional Business & Social Infrastructure

Revenue rose by 1.9%, to 62,234 million yen, due mainly to an increase in infrastructure projects for central government ministries and agencies, and the public interest and manufacturing sectors. Profit before tax increased by 92.6% year on year, to 4,680 million yen, due chiefly to a rise in gross profit on the back of higher revenue.

(v) Finance

Revenue climbed by 2.5%, to 24,666 million yen, due mainly to an increase in infrastructure projects for major banks and government-affiliated financial institutions. Profit before tax was up by 71.5% year on year, to 2,276 million yen, due chiefly to a rise in gross profit margin and a decrease in selling, general and administrative expenses, in addition to higher revenue.

(vi) IT Services

Revenue rose by 2.9%, to 115,672 million yen due to growth in cloud-related business, and profit before tax increased by 12.6%, to 12,735 million yen.

(vii) Others

Revenue fell by 6.4%, to 38,781 million yen, mainly due to reduced investment by customers at overseas subsidiaries. However, profit before tax increased by 366.6%, to 2,422 million yen, reflecting the absence of goodwill impairment recognized the previous fiscal year.

(Note) The revenue and profit before tax for the segments shown above are those before the elimination of intersegment sales.

Progress against targets under the Medium-Term Management Plan is as follows.

	The targets for the fiscal year ending March 31, 2021	The results for the Fiscal Year ended March 31, 2021
Strengthen profitability	Net profit attributable to CTC's shareholders 30 billion yen	30.5 billion yen
Growth in focused businesses	Cloud and IT outsourcing business 60 billion yen	71.6 billion yen
	Global business 60 billion yen	61.7 billion yen
Improve capital efficiency	ROE 12%+	12.5%

## (2) Analysis of financial condition

Assets at the end of the consolidated fiscal year under review amounted to 462,748 million yen, up 23,931 million yen from the end of the previous consolidated fiscal year. This mainly reflected increases of 6,329 million yen in cash and cash equivalents, 2,434 million yen in trade and other receivables, 12,153 million yen in inventories, 4,520 million yen in other current financial assets, 3,328 million yen in other current assets and 2,657 million yen in other non-current financial assets, which offset a decrease of 10,372 million yen in property, plant and equipment mainly due to the shortening of lease terms of rental properties as a result of contract cancellation for office relocation and integration.

Total liabilities stood at 200,139 million yen, a decrease of 113 million yen from the end of the previous consolidated fiscal year. The principal contributing factors included a decrease of 9,052 million yen in non-current financial liabilities mainly due to the shortening of lease terms of rental properties as a result of contract cancellation for office relocation and integration, which offset an increase of 8,978 million yen in other current financial liabilities.

Total equity was 262,609 million yen, a rise of 24,044 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to increases of 30,843 million yen in net profit and 6,099 million yen in other comprehensive income, which offset a decrease of 14,451 million yen due to the payment of dividends of surplus.

## (3) Analysis of cash flows

Cash and cash equivalents (hereinafter called “cash”) at the end of the fiscal year under review rose 6,329 million yen from the end of the previous fiscal year, to 80,944 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 37,266 million yen. This reflected 43,952 million yen in profit before tax, 19,664 million yen in depreciation and amortization expenses, as well as an increase of 11,965 million yen in inventories and 15,290 million yen in income taxes paid.

Compared to the previous consolidated fiscal year, net cash provided by operating activities decreased by 12,837 million yen. This was mainly due to increased cash outflows reflecting changes in working capital, which offset increases in profit before tax and non-capital-expenditures.

(Cash flows from investing activities)

Net cash used in investing activities totaled 10,120 million yen. This was due to 3,878 million yen in payments for purchases of property, plant and equipment mainly for facility expansion at existing data centers, 1,818 million yen in payments for purchases of intangible assets, and 3,774 million yen in payments for leasehold and guarantee deposits mainly for the conclusion of new office lease agreements, as well as 1,018 million yen in payments for purchases of shares of associates due mainly to investment in an IT company in Malaysia.

Compared with the previous consolidated fiscal year, net cash used in investing activities decreased 7,067 million yen. This was mainly due to the absence of outflows seen the previous fiscal year such as investment in two IT companies in Indonesia and investment in affiliates of digital transformation business.

(Cash flows from financing activities)

Net cash used in financing activities totaled 21,062 million yen. Major factors were 11,373 million yen in repayments for lease obligations and 14,339 million yen in dividends paid to CTC's shareholders, which offset 4,909 million yen in proceeds from sales and leaseback.

Compared to the previous consolidated fiscal year, net cash used in financing activities increased 3,938 million yen. This was mainly due to a decrease in proceeds from sales and leaseback and an increase in dividends paid to CTC's shareholders.

#### (4) Outlook for the fiscal year ending March 31, 2022

As measures to prevent the spread of COVID-19 are implemented and social and economic activity picks up pace, the Japanese economy is expected to recover, bolstered by various government measures and improvement in overseas economies.

In the information service industry, we expect continued firm growth in IT investment by companies. However, the outlook remains uncertain with developments in the COVID situation affecting both the domestic and foreign economies.

Under these circumstances, based on the corporate philosophy of "contributing to the realization of an affluent society with dreams by challenging the possibilities of IT to change tomorrow," the CTC Group formulated its new Medium-term Management Plan: "Beyond the Horizons ~Looking Further into the Future~," covering the three years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024. More specifically, the Group aims to achieve the quantitative targets for the fiscal year ending March 31, 2024 by steadily implementing the following three basic policies.

#### ◆Medium-term Management Plan "Beyond the Horizons ~Looking Further into the Future~"

##### <Basic Policies>

##### 1. "Accelerate": Create affluence for the future

~Acceleration of new initiatives to support customer transformation ~

[Priority scenarios]

- DX in customer business, customer projects and consumers' daily lives
- Formation of communities and expansion of collaborative creation business
- Provision of high value-added services and cutting-edge technologies

##### 2. "Expand": Build on current affluence

~Further exploration and market expansion in areas of strength~

[Priority scenarios]

- Expansion of 5G business based on power to "create"
- Strengthening of XaaS business
- Global rollout of domestic business model

### 3. "Upgrade": Improve potential to realize projects

～Demonstration of self-transformation for the future～

[Priority scenarios]

- Strengthening of comprehensive capabilities through a combination of individual growth and "right people, right place"
- Transformation of management base to keep up with changes in the environment
- Coexistence with diverse stakeholders

#### <Quantitative targets>

The targets for the fiscal year ending March 31, 2024, which is the final year of the new Medium-Term Management Plan are as follows:

- Operating profit margin: 10%
- Profit attributable to CTC's shareholders: 40 billion yen
- ROE: 13%+

As a result, for the fiscal year ending March 31, 2022, the Company forecasts revenue of 520,000 million yen, operating income of 48,500 million yen, profit before tax of 49,000 million yen, net profit for the year of 33,500 million yen, and profit attributable to CTC's shareholders of 33,000 million yen on a consolidated basis.

Actual results may fluctuate significantly due to the spread of COVID-19 in the months ahead. If it becomes necessary to revise our forecast for operating results, we will promptly disclose it.

## 2. Basic Policy for the Selection of Accounting Standards

As part of its efforts to promote global business expansion, the Group adopts International Financial Reporting Standards, which are global accounting standards, with the aim of enhancing convenience to Japanese and overseas shareholders and investors by facilitating the international comparability of our financial information in capital markets.

## 3. Consolidated Financial Statements

(1) Consolidated statement of financial position

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year (As of March 31, 2021)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Assets)		
Current assets		
Cash and cash equivalents	74,615	80,944
Trade and other receivables	137,736	140,171
Inventories	29,044	41,197
Current tax assets	76	249
Other current financial assets	20,301	24,822
Other current assets	62,963	66,291
Total current assets	324,736	353,677
Non-current assets		
Property, plant and equipment	55,382	45,009
Goodwill	10,406	11,702
Intangible assets	8,477	7,319
Investments accounted for using the equity method	5,035	6,377
Other non-current financial assets	18,721	21,379
Deferred tax assets	13,910	13,777
Other non-current assets	2,145	3,506
Total non-current assets	114,080	109,071
Total assets	438,816	462,748

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year (As of March 31, 2021)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Liabilities and Equity)		
Current liabilities		
Trade and other payables	56,788	55,983
Other current financial liabilities	14,818	12,859
Income taxes payable	11,696	11,295
Liabilities for employee benefits	21,761	22,305
Provisions	995	4,837
Other current liabilities	56,545	65,523
Total current liabilities	162,604	172,804
Non-current liabilities		
Non-current financial liabilities	31,222	22,169
Liabilities for employee benefits	3,839	3,793
Provisions	2,198	993
Deferred tax liabilities	387	378
Total non-current liabilities	37,647	27,334
Total liabilities	200,252	200,139
Equity		
Common stock	21,763	21,763
Capital surplus	30,526	32,048
Treasury stock	(9,613)	(9,582)
Retained earnings	188,149	205,402
Other components of equity	846	5,167
Total shareholders' equity	231,672	254,799
Non-controlling interests	6,892	7,809
Total equity	238,564	262,609
Total liabilities and equity	438,816	462,748

(2) Consolidated income statement and consolidated comprehensive income statement

Consolidated income statement

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Revenue	487,018	479,878
Cost of sales	(368,967)	(358,412)
Gross profit	118,051	121,465
Other income and expenses		
Selling, general and administrative expenses	(75,474)	(79,329)
Other income	849	1,844
Other expenses	(1,758)	(356)
Total other income and expenses	(76,383)	(77,840)
Operating income	41,667	43,625
Financial income	343	567
Financial costs	(616)	(690)
Share of profit of associates accounted for using the equity method	146	409
Gains on disposal and remeasurement of investments in subsidiaries and associates	—	41
Profit before tax	41,541	43,952
Income tax expense	(13,080)	(13,108)
Net profit	28,461	30,843
Profit attributable to:		
CTC's shareholders	28,451	30,486
Non-controlling interests	9	357
Earnings per share (Attribution to CTC's shareholders):	(Yen)	(Yen)
Basic earnings per share	123.15	131.95
Diluted earnings per share	123.15	131.94



# Consolidated comprehensive income

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Profit	28,461	30,843
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss:		
Changes in net fair value of financial assets measured through other comprehensive income	1,367	2,556
Remeasurement of defined benefit plans	(236)	1,098
Share of other comprehensive income of associates accounted for using the equity method	0	9
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	(1,977)	2,206
Cash flow hedges	(32)	201
Share of other comprehensive income of associates accounted for using the equity method	(9)	27
Total other comprehensive income, net of tax effect	(888)	6,099
Total comprehensive income	27,572	36,942
Total comprehensive income attributable to:		
CTC's shareholders	28,151	35,909
Non-controlling interests	(578)	1,032

### (3) Consolidated statement of changes in equity

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

Items	Attributable to the owners of the Company						
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity		
					Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2019 (as previously reported)	21,763	33,193	(9,622)	174,460	(256)	1,160	1
Effect of accounting change	—	—	—	(2,151)	—	—	—
April 1, 2019 (as restated)	21,763	33,193	(9,622)	172,309	(256)	1,160	1
Profit	—	—	—	28,451	—	—	—
Other comprehensive income	—	—	—	—	(1,399)	1,367	(32)
Total comprehensive income	—	—	—	28,451	(1,399)	1,367	(32)
Payment of dividends	—	—	—	(12,370)	—	—	—
Purchase of treasury stock	—	—	(0)	—	—	—	—
Disposal of treasury stock	—	—	8	—	—	—	—
Share-based payment transactions	—	60	—	—	—	—	—
Changes in purchase of shares of subsidiaries	—	—	—	—	—	—	—
Put options held by non-controlling shareholders	—	(2,727)	—	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	(240)	—	4	—
Total transactions with owners	—	(2,667)	8	(12,611)	—	4	—
March 31, 2020	21,763	30,526	(9,613)	188,149	(1,655)	2,532	(31)

Items	Shareholders' equity		Non-controlling interests	Total equity
	Other components of equity	Total shareholders' equity		
	Remeasurement of defined benefit plans			
April 1, 2019 (as previously reported)	—	220,701	4,404	225,105
Effect of accounting change	—	(2,151)	(4)	(2,155)
April 1, 2019 (as restated)	—	218,550	4,399	222,949
Profit	—	28,451	9	28,461
Other comprehensive income	(236)	(300)	(588)	(888)
Total comprehensive income	(236)	28,151	(578)	27,572
Payment of dividends	—	(12,370)	(82)	(12,453)
Purchase of treasury stock	—	(0)	—	(0)
Disposal of treasury stock	—	8	—	8
Share-based payment transactions	—	60	—	60
Changes in purchase of shares of subsidiaries	—	—	3,154	3,154
Put options held by non-controlling Shareholders	—	(2,727)	—	(2,727)
Transfer to retained earnings from other components of equity	236	—	—	—
Total transactions with owners	236	(15,029)	3,071	(11,957)
March 31, 2020	—	231,672	6,892	238,564

Consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)

(Millions of yen)

Items	Shareholder's equity						
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity		
					Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2020	21,763	30,526	(9,613)	188,149	(1,655)	2,532	(31)
Profit	—	—	—	30,486	—	—	—
Other comprehensive income	—	—	—	—	1,557	2,566	201
Total comprehensive income	—	—	—	30,486	1,557	2,566	201
Payment of dividends	—	—	—	(14,336)	—	—	—
Purchase of treasury stock	—	—	(0)	—	—	—	—
Disposal of treasury stock	—	0	31	—	—	—	—
Share-based payment transactions	—	45	—	—	—	—	—
Changes in purchase of shares of subsidiaries	—	—	—	—	—	—	—
Put options held by non-controlling shareholders	—	1,477	—	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	1,102	—	△4	—
Total transactions with owners	—	1,522	31	(13,233)	—	(4)	—
March 31, 2021	21,763	32,048	(9,582)	205,402	△97	5,094	169

Items	Shareholders' equity		Non-controlling interests	Total equity
	Other components of equity	Total shareholders' equity		
	Remeasurement of defined benefit plans			
April 1, 2020	—	231,672	6,892	238,564
Profit	—	30,486	357	30,843
Other comprehensive income	1,098	5,423	675	6,099
Total comprehensive income	1,098	35,909	1,032	36,942
Payment of dividends	—	(14,336)	(115)	(14,451)
Purchase of treasury stock	—	(0)	—	(0)
Disposal of treasury stock	—	31	—	31
Share-based payment transactions	—	45	—	45
Changes in purchase of shares of subsidiaries	—	—	—	—
Put options held by non-controlling shareholders	—	1,477	—	1,477
Transfer to retained earnings from other components of equity	(1,098)	—	—	—
Total transactions with owners	(1,098)	(12,782)	(115)	(12,897)
March 31, 2021	—	254,799	7,809	262,609

(4) Consolidated cash flow statement

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from operating activities		
Profit before tax	41,541	43,952
Adjustments for:		
Depreciation and amortization expense	16,240	19,664
Impairment losses	1,124	94
Interest and dividend income	(342)	(422)
Interest expenses	567	581
Share of profit of associates accounted for using the equity method	(146)	(409)
Gains on disposal and remeasurement of investments in subsidiaries and associates	—	△41
Increase in trade and other receivables	(11,771)	(6,640)
(Increase) decrease in inventories	1,648	(11,965)
Increase (decrease) in trade and other payables	831	(1,252)
Others - net	12,579	8,855
Subtotal	62,273	52,416
Interest and dividends received	693	554
Interest paid	(413)	(415)
Income taxes paid	(12,450)	(15,290)
Net cash provided by operating activities	50,103	37,266
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,921)	(3,878)
Payments for retirement of property, plant and equipment	(26)	(17)
Proceeds from sales of property, plant and equipment	23	68
Purchases of intangible assets	(2,056)	(1,818)
Proceeds from sales of intangible assets	3	8
Payments for leasehold and guarantee deposits	—	(3,774)
Proceeds from refund of leasehold and guarantee deposits	—	273
Purchases of investment securities	(381)	(603)
Proceeds from sales of investment securities	307	597
Purchases of shares of subsidiaries	(6,872)	—
Purchases of shares of associates	(3,684)	(1,018)
Proceeds from dividend of investment partnership	64	95
Proceeds from Government grants	42	42
Others – net	314	(95)
Net cash used in investing activities	(17,188)	(10,120)

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(53)	(142)
Purchase of treasury stock	(0)	(0)
Proceeds from sale of treasury stock	—	0
Proceeds from sales and leaseback	7,337	4,909
Repayments of lease obligations	(11,961)	(11,373)
Dividends paid to CTC's shareholders	(12,363)	(14,339)
Dividend paid to non-controlling interests	(82)	(115)
Net cash used in financing activities	(17,123)	(21,062)
Effects of exchange rate changes on cash and cash equivalents	(55)	246
Net increase (decrease) in cash and cash equivalents	15,736	6,329
Cash and cash equivalents at the beginning of the year	58,878	74,615
Cash and cash equivalents at the end of the year	74,615	80,944

(5) Notes to the summary of quarterly consolidated financial statement

(Notes on going concern assumptions)

None

(Segment information)

(i) Summary of reportable segments

The Group's reporting segments are components of the Group's organizational structure, and the Group has six reportable segments: Enterprise, Distribution, Telecommunication, Regional Business & Social Infrastructure, Finance, and IT Services.

The Enterprise, Distribution, Telecommunication, Regional Business & Social Infrastructure, and Finance Business Groups are classed as organizations that can provide optimum solutions to meet customer needs, and each of these segments conduct comprehensive proposal and sales activities ranging from consulting to system design, construction, maintenance and operation services.

The IT Services Business Group's role is to collaborate with the abovementioned five reportable segments over proposals and procurement in the service-type business which consists mainly in IT infrastructure outsourcing and maintenance and operations.

Because the Group conducted organizational restructuring on April 1, 2020, for the purpose of achieving the medium-term business plan and expanding business in the future, the reportable segment "Distribution & Enterprise Business" has been reclassified into the Enterprise Business and the Distribution Business.

The segment information for the previous fiscal year has been prepared based on the reportable segment classifications after the change.

The segments reported below are business units of the Group that have separate financial information available and that are subject to periodical examinations by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

(ii) Information about reportable segment revenue, profit or loss

The accounting policies and procedures used for the reportable segments are the same as those used for the consolidated financial statements. Intersegment transactions are based on actual market prices.

The Group's reportable segment information is as follows.

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable Segment							Other (Note1)	Total	Reconciliations (Note2)	Consolidated
	Enterprise	Distribution	Telecommunication	Regional Business & Social Infrastructure	Finance	IT Services	Subtotal				
Revenue											
Revenue from external customers	117,640	59,650	173,480	60,738	24,041	11,010	446,561	40,456	487,018	—	487,018
Inter-segment revenue or transfers	13,757	1,139	7,465	307	29	101,398	124,096	988	125,085	(125,085)	—
Total	131,397	60,789	180,945	61,046	24,070	112,408	570,658	41,445	612,104	(125,085)	487,018
Profit before tax (Segment profit)	9,041	5,541	17,025	2,430	1,327	11,305	46,671	519	47,190	(5,649)	41,541
Segment assets	59,576	22,044	90,677	24,755	7,461	79,102	283,617	45,774	329,392	109,424	438,816
Other items											
Financial income	33	33	67	24	18	5	183	126	309	33	343
Financial costs	(16)	(16)	(27)	(7)	(2)	(149)	(219)	(124)	(344)	(271)	(616)
Share of profit of associates accounted for using the equity method	85	34	5	—	—	—	126	19	146	—	146
Depreciation and amortization expense (Note 3)	(847)	(684)	(843)	(318)	(38)	(5,005)	(7,738)	(3,273)	(11,011)	(5,228)	(16,240)
Impairment losses	—	—	—	—	—	(122)	(122)	(999)	(1,122)	(2)	(1,124)
Investments accounted for using the equity method	585	3,733	65	—	—	—	4,384	651	5,035	—	5,035
Capital expenditures (Note 3)	810	545	777	666	139	3,715	6,655	2,870	9,526	6,639	16,165

(Notes) 1. “Other”, which is not included in the reportable segments, consists of foreign subsidiaries and the Service Design Group, etc.

2. Reconciliations are as follows:

- (1) Reconciliations of segment loss of (5,649) million yen include primarily administrative expenses and investments that are not allocated to business segments of (4,677) million yen.
- (2) Reconciliations of segment assets of 109,424 million yen include corporate assets of 123,035 million yen and intersegmental elimination of receivables and payables of (13,478) million yen. Corporate assets consist of primarily cash and cash equivalents that are not allocated to business segments and assets related to the administrative department.
- (3) Reconciliations of financial income in other items of 33 million yen include 32 million yen of gains related to the administrative department that are not allocated to business segments.  
Reconciliations of financial costs of (271) million yen include (258) million yen of losses related to the administrative department that are not allocated to business segments.  
Reconciliations of depreciation and amortization expense of (5,228) million yen include depreciation and amortization on corporate assets of (5,437) million yen and elimination of unrealized gains of 208 million yen.  
Reconciliations of impairment losses of (2) million yen are impairment losses related to corporate assets.  
Reconciliations of capital expenditures of 6,639 million yen include an increase in corporate assets of 6,802 million yen and elimination of unrealized gains of (163) million yen.

3. Depreciation and amortization and capital expenditure under other items include amounts associated with long-term prepaid expenses.

Consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable Segment							Other (Note1)	Total	Reconciliations (Note2)	Consolidated
	Enterprise	Distribution	Telecommunication	Regional Business & Social Infrastructure	Finance	IT Services	Subtotal				
Revenue											
Revenue from external customers	115,125	51,430	178,636	62,100	24,574	10,043	441,909	37,968	479,878	—	479,878
Inter-segment revenue or transfers	11,446	820	8,639	134	92	105,629	126,762	812	127,575	(127,575)	—
Total	126,571	52,250	187,275	62,234	24,666	115,672	568,672	38,781	607,454	(127,575)	479,878
Profit before tax (Segment profit)	8,509	1,245	18,327	4,680	2,276	12,735	47,775	2,422	50,197	(6,245)	43,952
Segment assets	60,600	20,935	101,492	29,450	8,288	78,589	299,356	49,596	348,952	113,796	462,748
Other items											
Financial income	20	43	81	26	2	5	180	350	530	36	567
Financial costs	(116)	(11)	(29)	(7)	(2)	(124)	(291)	(178)	(470)	(220)	(690)
Share of profit of associates accounted for using the equity method	120	108	9	—	—	—	238	171	409	—	409
Depreciation and amortization expense (Note 3)	(721)	(376)	(792)	(378)	(67)	(5,277)	(7,613)	(3,794)	(11,407)	(8,257)	(19,664)
Impairment losses	—	—	—	—	—	(94)	(94)	—	(94)	(0)	(94)
Investments accounted for using the equity method	635	3,847	75	—	—	—	4,558	1,818	6,377	—	6,377
Capital expenditures (Note 3)	527	460	658	522	68	3,524	5,761	2,949	8,710	5,925	14,635

(Notes) 1. “Other”, which is not included in the reportable segments, consists of foreign subsidiaries and the Service Design Group, etc.

2. Reconciliations are as follows:

- (1) Reconciliations of segment loss of (6,245) million yen include primarily administrative expenses and investments that are not allocated to business segments of (5,144) million yen.
- (2) Reconciliations of segment assets of 113,796 million yen include corporate assets of 127,970 million yen and intersegmental elimination of receivables and payables of (14,083) million yen. Corporate assets consist of primarily cash and cash equivalents that are not allocated to business segments and assets related to the administrative department.
- (3) Reconciliations of financial income in other items of 36 million yen include 10 million yen of gains related to the administrative department that are not allocated to business segments.  
Reconciliations of financial costs of (220) million yen include (209) million yen of losses related to the administrative department that are not allocated to business segments.  
Reconciliations of depreciation and amortization expense of (8,257) million yen include depreciation and amortization on corporate assets of (8,452) million yen and elimination of unrealized gains of 195 million yen.  
Reconciliations of impairment losses of (0) million yen are impairment losses related to corporate assets.  
Reconciliations of capital expenditures of 5,925 million yen include an increase in corporate assets of 6,075 million yen and elimination of unrealized gains of (150) million yen.

3. Depreciation and amortization and capital expenditure under other items include amounts associated with long-term prepaid expenses.



(iii) Information on products and services

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Services	SI development	Products	Total
Revenue from external customers	192,485	105,029	189,502	487,018

Consolidated fiscal year under review (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Services	SI development	Products	Total
Revenue from external customers	195,409	103,307	181,161	479,878

(iv) Information about geographical areas

(a) Revenue from external customers

Information about geographical areas is omitted as revenue from external customers in Japan makes up most of revenue recorded in the consolidated statement of income.

(b) Noncurrent assets

A breakdown of the carrying value of noncurrent assets (excluding financial instruments, deferred tax assets and postemployment benefit assets) by location is as follows.

(Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year under review (As of March 31, 2021)
Japan	58,876	47,579
Asia	15,793	16,933
Others	106	88
Total	74,776	64,602

(v) Information on major customers

Major external customers contributing to the revenue recorded in the consolidated statement of income are as follows.

(Millions of yen)

	Main related reportable segment	Previous consolidated fiscal year (from April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (from April 1, 2020 to March 31, 2021)
NTT Group	Telecommunication	72,671	79,683
SoftBank Group	Telecommunication	46,420	48,774

(Earnings per share)

(1) Basic and diluted earnings per share

	Previous consolidated fiscal year (from April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (from April 1, 2020 to March 31, 2021)
Basic earnings per share attributable to CTC's shareholders (yen)	123.15	131.95
diluted earnings per share attributable to CTC's shareholders (yen)	123.15	131.94

(2) Basic and basis for calculating earnings per share after dilution

	Previous consolidated fiscal year (from April 1, 2019 to March 31, 2020)	Consolidated fiscal year under review (from April 1, 2020 to March 31, 2021)
Profit attributable to CTC's shareholders (millions of yen)	28,451	30,486
Weighted average number of common shares (thousand shares)	231,032	231,044
Impact of potential common stock with diluting effect		
Stock compensation (thousand shares)	9	13
Weighted average number of common shares after dilution (thousand shares)	231,041	231,057

(Material subsequent events)

None