

# Consolidated Financial Results for the Fiscal Year ended March 31, 2022 (IFRS)

April 28, 2022

Listed Company Name: ITOCHU Techno-Solutions Corporation

Listing Exchanges: Tokyo Stock Exchange

Securities Code: 4739

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

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Scheduled date to Annual General Meeting of Shareholders:

June 16, 2022

Scheduled date of dividend payment:

June 17, 2022

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

June 17, 2022

Supplementary documents for financial results:

Yes

Financial results briefing:

Yes (for institutional investors and analysts)

(Rounded to the nearest million yen)

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

### (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 3/22	522,356	8.9	50,482	15.7	51,875	18.0	34,466	11.7	35,373	16.0	40,942	10.8	
Year ended 3/21	479,879	(1.5)	43,625	4.7	43,952	5.8	30,844	8.4	30,486	7.2	36,943	34.0	

	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 3/22	153.08		153.08		13.2		10.7		9.7	
Year ended 3/21	131.95		131.94		12.5		9.8		9.1	

(Reference) Share of profit of associates accounted for using the equity method: Year ended 22/3: 568 millions of yen Year ended 21/3: 409 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 3/22	507,721	288,484	281,142	55.4	1,216.67
Year ended 3/21	462,749	262,609	254,800	55.1	1,102.79

### (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 3/22	36,061	3,462	(27,413)	94,078
Year ended 3/21	37,266	(10,121)	(21,062)	80,945

## 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 3/21	—	31.50	—	32.50	64.00	14,799	48.5	6.1
Year ended 3/22	—	35.00	—	50.00	85.00	19,654	55.5	7.3
Year ended 3/23 (forecast)	—	40.50	—	40.50	81.00		49.3	

(Reference) Detail of dividends in year ended 3/22: Ordinary dividend: 40.00 yen Commemorative dividend: 10.00 yen

### 3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(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
	553,000	5.9	55,500	9.9	56,000	8.0	38,500	11.7	38,000	7.4	164.45

#### \* 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 3/22:   | 240,000,000 shares | Year ended 3/21: | 240,000,000 shares |
| (ii) Number of treasury shares at the end of period:                               |                    |                  |                    |
| Year ended 3/22:   | 8,925,738 shares   | Year ended 3/21: | 8,950,202 shares   |
| (iii) Average number of shares during the period:                                  |                    |                  |                    |
| Year ended 3/22:   | 231,066,831 shares | Year ended 3/21: | 231,044,766 shares |

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

##### 1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(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 3/22	458,656	8.3	27,654	19.8	43,373	26.8	35,147	31.2
Year ended 3/21	423,320	(0.3)	23,087	0.3	34,212	7.1	26,796	13.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended 3/22	152.11	—
Year ended 3/21	115.98	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Millions of yen	Millions of yen	%	Yen
Year ended 3/22	430,122	255,389	59.4	1,105.23
Year ended 3/21	413,300	231,593	56.0	1,002.35

(Reference) Shareholders' equity (Millions of yen): Year ended 3/22: 255,389 Year ended 3/21: 231,593

(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 audit procedures by independent auditors under the Financial Institutions and Exchange Act. At the time of disclosure of this report, audit 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.

\* Rounding change

- Amounts are rounded to the nearest million yen from "Consolidated Financial Results for the First Quarter of the Fiscal Year ending March 31, 2022 (IFRS)". They were rounded down to the nearest million yen previously. The comparison information is also rounded off due to this change.

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

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## 1. Analysis of Operating Results and Financial Condition

### (1) Analysis of operating results

In the fiscal year ended March 31, 2022, the Japanese economy continued to recover amid the effects of a variety of government policies and improvements in overseas economies despite adverse conditions due to COVID-19. At the same time, the Japanese economy did show signs of weakness.

In the information service industry, investment in DX-related technologies increased in response to growth areas along with mobile carriers' continued investment in 5G commercial services, despite uncertainty regarding the impact of semiconductor shortages on supply.

Regarding ITOCHU Techno-Solutions Corporation ("CTC") and its consolidated subsidiaries (collectively, "the CTC Group"), delayed deliveries due to the semiconductor shortage had some impact on some projects, such as the revision of IT investments and the shift of orders and sales to the following consolidated fiscal year. However, their impact on financial results was minor.

In this environment, CTC and CTC Group lay out its Medium-Term Management Plan, Beyond the Horizons –To the Future Ahead–, which addresses the three year-period from April 2021 to March 2024 with an eye toward the achievement of its corporate philosophy of "contributing to the realization of an affluent society with dreams by challenging the possibilities of IT to change tomorrow." CTC Group will steadily implement the basic policies under the plan:

"Accelerate": Create affluence for the future,

"Expand": Build on current affluence

"Upgrade": Improve potential to realize projects

aiming to achieve the targets for the fiscal year ending March 31, 2024 and also contributing to the resolution of social issues.

Specific initiatives in each segment are as follows.

#### 【Enterprise】

- CTC began sales of a solution enabling multiple users to jointly edit and simulate 3D data in real time for the efficient development and utilization of virtual spaces and the Digital Twin Solution for simulations close to reality. After recent progress in 5G and IoT technologies, an increasing number of businesses are working to increase communication between employees in offices, factories and other facilities in virtual spaces and working to optimize entire manufacturing processes using digital twin technologies. CTC will continue to explore 3D content creation, the use of virtual spaces for business purposes and collaboration leveraging an array of systems to help customers increase productivity and implement DX.

《Accelerate》

#### 【Distribution】

- CTC released Figes solutions for optimizing systems for their operations without modifying mission-critical systems. These are services that open the way for collaboration involving mission-critical systems centered on SAP S/4HANA® Cloud ERP solutions and other systems for efficient operational management. In the future, CTC will offer Figes solutions to customers already using or considering the introduction of SAP® ERP solutions so that they can actively use the standard functions of mission-critical systems through their Figes. In so doing, CTC will help customers streamline their operations and carry out DX.

《Accelerate》

## 【Telecommunication】

- For the primary purposes of marketing, people flow analysis, and monitoring, CTC has started preparing to provide IoT camera solutions in cooperation with NTT DOCOMO, INC. (“DOCOMO”) and MOYAI Co. (“MOYAI”). In a platform service that enables the real-time viewing and AI analysis of video collected through networks in a short-period of time by embedding SIM cards for Docomo’s 4G network lines into MOYAI’s high-functioning network sensors with built-in LEDs<sup>1</sup>, CTC will be responsible for data storage, device management, the development of viewing interfaces, and service operations. The three companies will further improve the functions using IoT sensor technology and contribute to the digital transformation of corporations.

《Accelerate》

<sup>1</sup> A sensor using a highly functional camera with integrated LED lights. The inside of stores, vehicles, and other locations can be photographed simply by replacing existing fluorescent lights, eliminating the cost of electric wiring construction and allowing easy installation without changing decorations or layout.

- CTC launched the 5G network development support service for virtual wireless access networks (vRAN)<sup>1</sup> to be provided to telecom carriers. The virtualization of wireless access facilities to separate software from hardware is drawing attention due to the increased penetration of 5G in many industries. Regarding a wireless access network based on stand-alone 5G (5GSA) which creates high-speed, low-latency networks, this service uses environment consisted of the O-RAN Alliance-compliant central units (CU<sup>3</sup>), distributed units (DU<sup>3</sup>), and radio units (RU<sup>3</sup>) in order to realize operational verification of combinations of products from various vendors. CTC will continue to contribute to the 5G business through the sale of 5G-related products, system development, and operational support.

《Expand》

<sup>1</sup>vRAN : virtual Radio Access Network

<sup>2</sup> O-RAN Alliance: a standardization body established to create open access to wireless access networks and develop network intelligence.

<sup>3</sup>CU : Central Unit、 DU : Distributed Unit、 RU : Radio Unit

- CTC set up a dedicated space for the verification of local 5G technologies at its Heiwajima Logistics Center in Ota-ku, Tokyo. It is fully equipped with a communication environment consisting of the core equipment for a wireless system that would be necessary for introduction, network equipment, mobile terminals, security devices and other equipment. This makes it possible to quickly build proof of concept (PoC) environments. Thus, CTC will broaden its array of new solutions and services related to local 5G technologies to help customers implement their DX. This includes the development of new businesses using large-capacity data communication, remote work assistance using AI and augmented reality (AR) technologies and the automation of tasks in factories using autonomous mobile robots (AMR).

《Expand》

## 【Financial Services】

- CTC and CTC Hinari Corporation (“CTC Hinari”), a special subsidiary of the Group that promotes the employment of people with disabilities, began providing the Data Preparation (“DP”) service exclusively for the preparation of AI data analyses. DP tasks to fix any spelling errors and typos is critical for accurate predictions and decisions. DP is said to account for 80% of the work on an AI project and there are also issues such as a shortage of data engineers. At CTC Hinari, employees with mainly intellectual disabilities and a support manager form a team and carry out DP operations. The CTC Group aims to help clients utilize AI by working on DP for them as specialists, which removes one of the obstacles to AI use and also intends to develop a new profession for persons with disabilities in the IT sector including AI.

《Upgrade/Accelerate》

## 【IT Services】

- CTC will strengthen its strategic partnership with IBM Japan, Ltd. for the expansion of a range of services in cloud computing and the growth of business. More companies have recently been moving to hybrid cloud environments to increase competitiveness through the digitalization of corporate activities. Considering the speed of technical innovation and the broad range of services, it has been increasingly difficult for a single company to fulfill every demand and respond to every issue encountered by customers as demands and issues are increasingly diverse, and it is important to establish alliances with companies with different strengths. The CTC Group operates and promotes a group of services to continuously optimize and provide hybrid cloud environments under the OneCUVIC brand name. Through the recent expansion of this partnership, the CTC Group will enhance its services for lifting and shifting to cloud-native environments with a focus on containerization.

《Expand》

- CTC acquired a 49% stake in MEGAZONE Corporation ("Megazone"). It is a company in the Megazone Group, an Amazon Web Services (AWS) Premier Tier Services Partner, that operates in the Japanese market. The goal of this move is to expand the AWS business within the CTC Group and to meet increasing expectations in Japan for more sophisticated and diverse hybrid cloud services. CTC will promote its group's cloud services including the AWS business and OneCUVIC managed services with a view towards achieving annual sales of 65 billion yen by 2025.

The CTC Group had acquired a 19% stake in Megazone in 2019 to verify the effectiveness of the joint venture. Since it was confirmed that results were greater than the goals that had been set, CTC decided to approve the recent capital increase. In the future, CTC will endeavor to be one of Japan's largest cloud managed services providers. In addition, it will collaborate with its group companies operating in the ASEAN region to form one of the largest alliances of cloud integration and managed services providers in Asia.

《Expand》

## 【Others】

- CTC began offering its Digital Platform Construction Service for Microsoft Azure. It helps businesses with their implementation of DX. This service is designed to construct digital platforms based on the Microsoft Azure cloud platform provided by Microsoft. The platforms will serve as a foundation for the use of data in edge computing and IoT systems. It will connect customers' existing systems to smart devices, AI cameras and many other devices. Specific services that CTC will provide include object detection solutions and human flow analysis solutions connected to the Actcast edge AI platform provided by Idein Inc. and the Raspberry Pi multipurpose device incorporating AI algorithms. The service requires no large-scale installation work. After setting up a small device, it detects baggage, valuables and other items that are left behind, analyzes shoppers' attributes, and counts people for the visualization of the flow of humans.

The CTC Group will provide solutions connected to smart glasses, AI cameras and other devices on the digital platform in order to help customers with DX implementation.

《Accelerate》

【All companies】

- The CTC Group has formulated a basic policy for its sustainability efforts to enhance its corporate value over the medium-to-long term. The CTC Group will continue to implement initiatives related to its materialities (material issues) under the sustainability policy and contribute to the establishment of a sustainable society through its business.

<Sustainability Policy>

“Technology and Waza (Unique Skillset) for the Future”

The CTC Group will fulfill its mission, "leveraging IT's potential to change future for the Global Good," and aim to achieve a sustainable society. The Group will undertake the creation of a society in which many people can benefit from digital technology and waza (unique skillset) that will be used to take advantage of them.

What is more, by expanding the possibilities of IT, the Group will contribute to the resolution of the challenges in the global environment and in society. The CTC Group will continue to implement initiatives related to its materialities (material issues) under the sustainability policy and contribute to the establishment of a sustainable society through its business.

《Upgrade》

- CTC Group relocated its head office in June 2021 to facilitate the adoption of new workstyles and to advance workplace reforms with a view toward operating in the new normal created by the COVID-19 pandemic. It completed the transfer of the head office functions of CTC Technology Corporation, CTC System Management Corporation, CTCSP Corporation, CTC Business Service, CTC Business Expert and CTC HINARI Corporation to the new office to increase collaboration within the Group. In September 2021, CTC opened a coffee lounge, co-working space, library and an event space to provide the employees of Group companies with a place to interact, gather information, and co-create. Through new workstyles, CTC will continue to increase operational efficiency and promote the improvement of employee job satisfaction and the skills of its employees.

《Upgrade》

- As part of "management infrastructure reform to adapt to changes in the environment," effective October 1, 2021, CTC established the Business Transformation Division as an organization which reports directly to the President & CEO. The division will formulate policies for the re-engineering of business processes across the CTC Group, cooperate with each Group organization and coordinate group-wide action to eliminate waste, stress and wastefulness from business processes and improve productivity. At the same time, it will also promote DX as the starting point for the transformation of existing business models. The division will also look to build a corporate culture or ethos, creating opportunities for the Group to take on even more challenges for the creation of new businesses.

《Upgrade》

- CTC became a Nadeshiko Brand in a program jointly run by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange that selects listed companies that are outstanding in terms of their encouragement of women's success in the workplace. The CTC Group believes that creation of new value requires an environment where personnel with different personalities work together in diverse workstyles to try new things and achieve self-actualization. CTC is therefore pushing ahead with diversity and inclusion to respect differences in gender, age, sexual orientation, gender identity, nationality, disability and past experience. In addition, CTC addressed the strengthening of its sustainability disclosures, such as disclosures regarding its ensuring diversity and its human capital. It published Human Resources Strategy: Detailed Report as an appendix to the Integrated Report in October 2021. The goal of the basic concept of the CTC Group's human resources strategy, Developing Personnel Who Create New Value: One Version UP!, is to increase overall strength combining the growth of our employees with the assignment of the right people to the right positions. To help individual employees grow, CTC will accelerate the development of an environment that supports the four aspects of people, systems, organizational culture and workstyles to ensure that everyone can work energetically and display their strengths.

《Upgrade》

CTC focused its efforts on sales activities in different areas to achieve good results, including projects for network construction, the operation and maintenance of government offices, cloud projects for public interest organizations, development projects for communication, transport, distribution and research institutions and infrastructure projects for manufacturers.

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)

	Year ended 3/20	Year ended 3/21	Year ended 3/22
Revenue	487,019 7.8%	479,879 (1.5%)	522,356 8.9%
Gross profit	118,052 9.6%	121,466 2.9%	134,678 10.9%
Other income and expenses	(76,384) (6.4%)	(77,841) (1.9%)	(84,196) (8.2%)
Operating income	41,668 16.1%	43,625 4.7%	50,482 15.7%
Profit before tax	41,541 14.5%	43,952 5.8%	51,875 18.0%
Net profit attributable to CTC's shareholders	28,452 15.6%	30,486 7.2%	35,373 16.0%

#### (Revenue)

Revenue increased 42,477 million yen or 8.9% year on year to 522,356 million yen in the fiscal year under review. This was due mainly to an increase in revenue from various sectors including government offices, communication, manufacturing, automobiles, transport, distribution, research institutions, finance and social infrastructure as well as the growth of revenue from overseas operating companies.

#### (Gross profit)

Gross profit increased by 13,212 million yen, or 10.9% year on year, to 134,678 million yen in the fiscal year under review due to an improved gross margin.

Gross profit margin rose 0.5 percentage points from 25.3% for the previous fiscal year to 25.8%. This mainly reflects the improvement of the profitability of services and the control of unprofitable development projects.

#### (Other income and expenses)

Other income and expenses decreased 6,355 million yen, or 8.2% year on year, to -84,196 million yen in the fiscal year under review due mainly to an impairment of goodwill loss and an increase in personnel expenses despite a gain on sales of data center assets.

#### (Operating income)

Operating income increased by 6,857 million yen, or 15.7% year on year, to 50,482 million yen. In addition, the ratio of operating income to revenue rose 0.6 percentage point from 9.1% in the previous fiscal year, to 9.7%.

#### (Profit before tax)

Profit before tax increased by 7,923 million yen, or 18.0% year on year, to 51,875 million yen.



(Net profit attributable to CTC's shareholders)

Income taxes increased by 4,300 million yen year on year, to 17,409 million yen, and net profit attributable to non-controlling interests decreased by 1,263 million yen year on year, to 906 million yen in losses.

As a result, net profit attributable to CTC's shareholders increased by 4,886 million yen, or 16.0% year on year, to 35,373 million yen.

Operating results 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 & Social Infrastructure	Financial Services	IT Services	Others
Revenue	138,392 9.4%	53,964 3.1%	204,828 9.3%	70,413 13.0%	28,288 15.2%	118,589 2.7%	45,469 17.1%
Profit before tax	9,198 6.2%	3,619 145.2%	18,833 2.7%	4,984 6.6%	2,462 8.8%	18,650 43.1%	(3,010) —

(i) Enterprise

Revenue increased 9.4% year on year to 138,392 million yen, following the growth of digital shift projects amid the improvement of customers' business environments and the advancement of DX. Profit before tax increased by 6.2% year on year, to 9,198 million yen, due chiefly to a rise in revenue.

(ii) Distribution

Revenue rose by 3.1%, to 53,964 million yen, due mainly to an increase in development projects for the distribution sector. Profit before tax increased by 145.2% year on year, to 3,619 million yen, due chiefly to the improved gross margin, in addition to increased revenue.

(iii) Telecommunication

Revenue increased by 9.3%, to 204,828 million yen, due mainly to an increase in infrastructure projects for telecommunications carriers. Profit before tax increased by 2.7% year on year, to 18,833 million yen, due chiefly to a rise in revenue.

(iv) Regional & Social Infrastructure

Revenue rose by 13.0%, to 70,413 million yen, due mainly to an increase in infrastructure projects for the public interest. Profit before tax increased by 6.6% year on year, to 4,984 million yen, due chiefly to a rise in gross profit derived from increased revenue.

(v) Financial Services

Revenue climbed 15.2% year on year to 28,288 million yen, due mainly to an increase in infrastructure projects for major banks, online financial institutions and cooperative financial institutions. Profit before tax increased by 8.8% year on year, to 2,462 million yen, due chiefly to a rise in gross profit derived from increased revenue.

(vi) IT Services

Revenue rose by 2.7%, to 118,589 million yen due to growth in cloud-related business. Profit before tax increased by 43.1% year on year to 18,650 million yen, chiefly following a gain on sales of data center assets.

(vii) Others

Revenue grew 17.1% year on year to 45,469 million yen, mainly reflecting a turnaround in customers' investments that had been restrained by the pandemic. Loss before tax stood at 3,010 million yen, compared with profit before tax of 1,592 million yen which was recorded in the previous fiscal year. This is a result mainly of the recognition of the loss from the impairment of goodwill.

(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.

	Year ending 3/24 Targets	Year ended 3/22 Results
Operating income ratio	10%	9.7%
Net profit attributable to CTC's shareholders	40.0 billion yen	35.4 billion yen
ROE	13% or above	13.2%

## (2) Analysis of financial condition

(Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2021)	Consolidated fiscal year under review (As of March 31, 2022)	Change
Assets	462,749	507,721	44,972
Liabilities	200,139	219,237	19,097
Equity	262,609	288,484	25,875

Assets at the end of the consolidated fiscal year under review amounted to 507,721 million yen, up 44,972 million yen from the end of the previous consolidated fiscal year. This mainly reflected increases of 13,133 million yen in cash and cash equivalents, 10,721 million yen in trade and other receivables, 6,983 million yen in property, plant and equipment and 18,418 million yen in other non-current financial assets although an impairment loss of overseas subsidiaries' goodwill among other factors led to a 3,892 million yen decrease in goodwill. The rise in property, plant and equipment is explained by the right-of-use asset arising from leasing for the Kamiyacho Office despite a decrease due chiefly to transfer of data center assets.

Liabilities rose by 19,097 million yen from the end of the previous consolidated fiscal year, to 219,237 million yen. This mainly reflected a 1,237 million yen increase in other current financial liabilities due to the lease liabilities concerned with the leasing for the Kamiyacho Office and a 16,697 million yen increase in non-current financial liabilities.

Total equity was 288,484 million yen, a rise of 25,875 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to increases of 34,466 million yen in net profit and 6,475 million yen in other comprehensive income, which offset a decrease of 15,795 million yen due to the payment of dividends of surplus.

## (3) Analysis of cash flows

(Millions of yen)

	Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (from April 1, 2021 to March 31, 2022)
Cash flows from operating activities	37,266	36,061
Cash flows from investing activities	(10,121)	3,462
Cash flows from financing activities	(21,062)	(27,413)
Cash and cash equivalents at the end of the fiscal year	80,945	94,078

Cash and cash equivalents (hereinafter called “cash”) at the end of the fiscal year under review rose 13,133 million yen from the end of the previous fiscal year, to 94,078 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 36,061 million yen. This reflected 51,875 million yen in profit before tax, 18,432 million yen in depreciation and amortization expenses, as well as an increase of 12,198 million yen in trade and other receivables and 16,171 million yen in income taxes paid.

Compared to the previous consolidated fiscal year, net cash provided by operating activities decreased by 1,205 million yen. This was mainly due to increased cash outflows reflecting changes in working capital, which offset increases in profit before tax.

(Cash flows from investing activities)

Net cash provided by investing activities totaled 3,462 million yen. This was due to 8,832 million yen in purchases of property, plant and equipment mainly for the relocation and integration of offices, 10,376 million yen in proceeds from sales of property, plant and equipment following transfer of data center assets and 4,543 million yen in proceeds from refund of leasehold and guarantee deposits for a leased property canceled due to the office relocation and integration.

For the preceding consolidated fiscal year, net cash of 10,121 million yen was used in investing activities. In a year-on-year comparison, purchases of property, plant and equipment increased while proceeds from sales of property, plant and equipment and proceeds from refund of leasehold and guarantee deposits both increased.

(Cash flows from financing activities)

Net cash used in financing activities totaled 27,413 million yen. Major factors were 13,852 million yen in repayments for lease obligations and 15,604 million yen in dividends paid to CTC's shareholders.

Compared to the previous consolidated fiscal year, net cash used in financing activities increased 6,351 million yen. This resulted chiefly from a decrease in proceeds from sales and leaseback and an increase in repayments of lease obligations.

#### (4) Outlook for the fiscal year ending March 31, 2023

As measures to control COVID-19 infections will be fully implemented and social and economic activities will be going back to normal, the economy is expected to recover in the future, supported by the impact of a variety of government measures and the improvement of overseas economies. On the other hand, there is uncertainty in the economic outlook regarding downward risks arising from soaring material prices, fluctuations in the financial capital market, supply constraints and similar events amid the crisis in Ukraine and other circumstances.

In the information service industry, corporate IT investment is expected to continue to grow firmly on the whole. However, the outlook remains uncertain due mainly to the impact of the pandemic and the Ukrainian situation on the Japanese and other 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 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, 2023, the Company forecasts revenue of 553,000 million yen,

operating income of 55,500 million yen, profit before tax of 56,000 million yen, net profit for the year of 38,500 million yen, and profit attributable to CTC's shareholders of 38,000 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, 2021)	Consolidated fiscal year (As of March 31, 2022)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Assets)		
Current assets		
Cash and cash equivalents	80,945	94,078
Trade and other receivables	140,171	150,892
Inventories	41,198	43,437
Current tax assets	250	197
Other current financial assets	24,822	22,425
Other current assets	66,292	70,071
Total current assets	353,678	381,100
Non-current assets		
Property, plant and equipment	45,009	51,992
Goodwill	11,702	7,810
Intangible assets	7,319	5,702
Investments accounted for using the equity method	6,378	7,940
Other non-current financial assets	21,379	39,797
Deferred tax assets	13,777	10,170
Other non-current assets	3,507	3,210
Total non-current assets	109,071	126,621
Total assets	462,749	507,721

	Previous consolidated fiscal year (As of March 31, 2021)	Consolidated fiscal year (As of March 31, 2022)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Liabilities and Equity)		
Current liabilities		
Trade and other payables	55,983	57,972
Other current financial liabilities	12,859	14,097
Income taxes payable	11,296	10,878
Liabilities for employee benefits	22,305	26,653
Provisions	4,837	962
Other current liabilities	65,524	63,115
Total current liabilities	172,805	173,677
Non-current liabilities		
Non-current financial liabilities	22,169	38,866
Liabilities for employee benefits	3,794	3,755
Provisions	993	2,547
Deferred tax liabilities	378	392
Total non-current liabilities	27,335	45,560
Total liabilities	200,139	219,237
Equity		
Common stock	21,764	21,764
Capital surplus	32,048	32,701
Treasury stock	(9,582)	(9,535)
Retained earnings	205,403	225,273
Other components of equity	5,167	10,939
Total shareholders' equity	254,800	281,142
Non-controlling interests	7,810	7,342
Total equity	262,609	288,484
Total liabilities and equity	462,749	507,721

(2) Consolidated income statement and consolidated comprehensive income statement

Consolidated income statement

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Revenue	479,879	522,356
Cost of sales	(358,413)	(387,678)
Gross profit	121,466	134,678
Other income and expenses		
Selling, general and administrative expenses	(79,329)	(84,525)
Other income	1,845	5,441
Other expenses	(356)	(5,112)
Total other income and expenses	(77,841)	(84,196)
Operating income	43,625	50,482
Financial income	567	1,378
Financial costs	(691)	(553)
Share of profit of associates accounted for using the equity method	409	568
Gains on disposal and re-measurement of investments in subsidiaries and associates	42	—
Profit before tax	43,952	51,875
Income tax expense	(13,109)	(17,409)
Net profit	30,844	34,466
Profit attributable to:		
CTC's shareholders	30,486	35,373
Non-controlling interests	357	(906)
Earnings per share (Attribution to CTC's shareholders):	(Yen)	(Yen)
Basic earnings per share	131.95	153.08
Diluted earnings per share	131.94	153.08

# Consolidated comprehensive income statement

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Net Profit	30,844	34,466
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	2,556	3,899
Re-measurement of defined benefit plans	1,099	106
Share of other comprehensive income of associates accounted for using the equity method	9	10
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	2,207	2,022
Cash flow hedges	201	302
Share of other comprehensive income of associates accounted for using the equity method	27	136
Total other comprehensive income, net of tax effect	6,099	6,475
Total comprehensive income	36,943	40,942
Total comprehensive income attributable to:		
CTC's shareholders	35,910	41,250
Non-controlling interests	1,033	(308)

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

Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

Items	Shareholders' 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	21,764	30,526	(9,614)	188,150	(1,655)	2,533	(31)
Net Profit	—	—	—	30,486	—	—	—
Other comprehensive income, net of tax effect	—	—	—	—	1,558	2,566	201
Total comprehensive income	—	—	—	30,486	1,558	2,566	201
Payment of dividends	—	—	—	(14,336)	—	—	—
Purchase of treasury stock	—	—	(1)	—	—	—	—
Disposal of treasury stock	—	0	32	—	—	—	—
Share-based payment transactions	—	45	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—
Put options held by non-controlling shareholders	—	1,477	—	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	1,103	—	(4)	—
Total transactions with owners	—	1,522	31	(13,233)	—	(4)	—
March 31, 2021	21,764	32,048	(9,582)	205,403	(98)	5,095	170

Items	Shareholders' equity		Non-controlling interests	Total equity
	Other components of equity	Total shareholders' equity		
	Re-measurement of defined benefit plans			
April 1, 2020	—	231,672	6,892	238,565
Net Profit	—	30,486	357	30,844
Other comprehensive income, net of tax effect	1,099	5,424	676	6,099
Total comprehensive income	1,099	35,910	1,033	36,943
Payment of dividends	—	(14,336)	(116)	(14,452)
Purchase of treasury stock	—	(1)	—	(1)
Disposal of treasury stock	—	32	—	32
Share-based payment transactions	—	45	—	45
Changes in ownership interest in subsidiaries	—	—	—	—
Put options held by non-controlling Shareholders	—	1,477	—	1,477
Transfer to retained earnings from other components of equity	(1,099)	—	—	—
Total transactions with owners	(1,099)	(12,782)	(116)	(12,898)
March 31, 2021	—	254,800	7,810	262,609

Consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(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, 2021	21,764	32,048	(9,582)	205,403	(98)	5,095	170
Net Profit	—	—	—	35,373	—	—	—
Other comprehensive income, net of tax effect	—	—	—	—	1,559	3,911	302
Total comprehensive income	—	—	—	35,373	1,559	3,911	302
Payment of dividends	—	—	—	(15,608)	—	—	—
Purchase of treasury stock	—	—	(0)	—	—	—	—
Disposal of treasury stock	—	—	48	—	—	—	—
Share-based payment transactions	—	2	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	27	—	—	—	—	—
Put options held by non-controlling shareholders	—	623	—	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	106	—	—	—
Total transactions with owners	—	652	48	(15,502)	—	—	—
March 31, 2022	21,764	32,701	(9,535)	225,273	1,462	9,006	472

Items	Shareholders' equity		Non-controlling interests	Total equity
	Other components of equity	Total shareholders' equity		
	Re-measurement of defined benefit plans			
April 1, 2021	—	254,800	7,810	262,609
Net Profit	—	35,373	(906)	34,466
Other comprehensive income, net of tax effect	106	5,878	598	6,475
Total comprehensive income	106	41,250	(308)	40,942
Payment of dividends	—	(15,608)	(187)	(15,795)
Purchase of treasury stock	—	(0)	—	(0)
Disposal of treasury stock	—	48	—	48
Share-based payment transactions	—	2	—	2
Changes in ownership interest in subsidiaries	—	27	28	55
Put options held by non-controlling shareholders	—	623	—	623
Transfer to retained earnings from other components of equity	(106)	—	—	—
Total transactions with owners	(106)	(14,908)	(159)	(15,067)
March 31, 2022	—	281,142	7,342	288,484

(4) Consolidated cash flow statement

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from operating activities		
Profit before tax	43,952	51,875
Adjustments for:		
Depreciation and amortization expense	19,665	18,432
Impairment losses	95	4,677
Loss (gain) on sale and retirement of fixed assets	(48)	(4,202)
Interest and dividend income	(422)	(516)
Interest expenses	582	493
Share of profit of associates accounted for using the equity method	(409)	(568)
Gains on disposal and re-measurement of investments in subsidiaries and associates	(42)	—
Increase in trade and other receivables	(6,641)	(12,198)
Decrease (increase) in inventories	(11,966)	(1,901)
Increase (decrease) in trade and other payables	(1,253)	1,517
Others - net	8,903	(5,770)
Subtotal	52,417	51,839
Interest and dividends received	555	760
Interest paid	(415)	(367)
Income taxes paid	(15,290)	(16,171)
Net cash provided by operating activities	37,266	36,061
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,878)	(8,832)
Proceeds from sales of property, plant and equipment	68	10,376
Purchases of intangible assets	(1,819)	(1,476)
Proceeds from sales of intangible assets	8	9
Payments for leasehold and guarantee deposits	(3,774)	(138)
Proceeds from refund of leasehold and guarantee deposits	273	4,543
Purchases of investment securities	(604)	(759)
Proceeds from sales of investment securities	597	0
Purchases of shares of associates	(1,018)	(1,097)
Proceeds from dividend of investment partnership	96	202
Proceeds from Government grants	43	—
Proceeds from collection of long-term accounts receivable-other	—	500
Others – net	(113)	134
Net cash provided by (used in) investing activities	(10,121)	3,462

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(143)	(738)
Purchase of treasury stock	(1)	(0)
Proceeds from sale of treasury stock	0	—
Capital contribution from non-controlling interests	—	72
Proceeds from sales and leaseback	4,909	2,896
Repayments of lease obligations	(11,373)	(13,852)
Dividends paid to CTC's shareholders	(14,339)	(15,604)
Dividend paid to non-controlling interests	(116)	(187)
Net cash used in financing activities	(21,062)	(27,413)
Effects of exchange rate changes on cash and cash equivalents	247	1,023
Net increase (decrease) in cash and cash equivalents	6,330	13,133
Cash and cash equivalents at the beginning of the year	74,615	80,945
Cash and cash equivalents at the end of the year	80,945	94,078



(5) Notes on the consolidated financial statements

(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 & Social Infrastructure, Finance, and IT Services.

The Enterprise, Distribution, Telecommunication, Regional & 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.

On April 1, 2021, an independent organization engaging in the creation of new businesses and the implementation of DX was established to expand business in line with the Medium-Term Management Plan. It is included in the Others segment. Accordingly, some organizations that were previously included in the Enterprise Business, the Distribution Business and the IT Services Business have been transferred to the Others segment.

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, assets and others

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, 2020 to March 31, 2021)

(Millions of yen)

	Reportable Segment							Other (Note1)	Total	Reconciliations (Note2)	Consolidated
	Enterprise	Distribution	Telecommunication	Regional & Social Infrastructure	Financial Services	IT Services	Subtotal				
Revenue											
Revenue from external customers	115,124	51,430	178,738	62,100	24,472	10,043	441,909	37,970	479,879	—	479,879
Inter-segment revenue or transfers	11,380	905	8,639	206	92	105,415	126,639	851	127,490	(127,490)	—
Total	126,504	52,336	187,377	62,307	24,565	115,459	568,547	38,821	607,368	(127,490)	479,879
Profit before tax (Segment profit)	8,658	1,476	18,338	4,673	2,263	13,033	48,442	1,592	50,033	(6,081)	43,952
Segment assets	60,040	21,253	101,493	29,457	8,288	78,844	299,375	44,728	344,104	118,645	462,749
Other items											
Financial income	21	44	81	26	3	6	180	350	530	37	567
Financial costs	(116)	(11)	(30)	(8)	(3)	(124)	(292)	(178)	(469)	(221)	(691)
Share of profit of associates accounted for using the equity method	45	183	9	—	—	—	238	171	409	—	409
Depreciation and amortization expense (Note 3)	(722)	(379)	(792)	(378)	(67)	(5,278)	(7,616)	(2,121)	(9,737)	(9,928)	(19,665)
Impairment losses	—	—	—	—	—	(95)	(95)	—	(95)	(0)	(95)
Investments accounted for using the equity method	327	4,157	75	—	—	—	4,559	1,819	6,378	—	6,378
Capital expenditures (Note 3)	528	460	659	522	69	3,544	5,781	1,953	7,733	6,903	14,636

(Notes)1. The Others segment is a segment containing businesses that are not included in the reportable segments. It includes overseas subsidiaries, the creation of new businesses and the implementation of DX.

2. Reconciliations are as follows:

(1) Reconciliations of segment loss of (6,081) million yen include primarily administrative expenses and investments that are not allocated to business segments of (3,840) million yen.

(2) Reconciliations of segment assets of 118,645 million yen include corporate assets of 132,806 million yen and intersegmental elimination of receivables and payables of (14,069) 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 37 million yen include 11 million yen of gains related to the administrative department that are not allocated to business segments.

Reconciliations of financial costs of (221) million yen include (211) million yen of losses related to the administrative department that are not allocated to business segments.

Reconciliations of depreciation and amortization expense of (9,928) million yen include depreciation and amortization on corporate assets of (10,124) 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 6,903 million yen include an increase in corporate assets of 7,053 million yen and elimination of unrealized gains of (151) million yen.

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

	Reportable Segment							Other (Note1)	Total	Reconciliations (Note2)	Consolidated
	Enterprise	Distribution	Telecommunication	Regional & Social Infrastructure	Financial Services	IT Services	Subtotal				
Revenue											
Revenue from external customers	127,340	52,922	188,719	70,081	28,240	10,790	478,092	44,264	522,356	—	522,356
Inter-segment revenue or transfers	11,052	1,042	16,109	333	48	107,799	136,383	1,205	137,588	(137,588)	—
Total	138,392	53,964	204,828	70,413	28,288	118,589	614,475	45,469	659,944	(137,588)	522,356
Profit before tax (Segment profit (loss))	9,198	3,619	18,833	4,984	2,462	18,650	57,746	(3,010)	54,736	(2,861)	51,875
Segment assets	66,967	22,403	118,849	29,418	8,544	70,714	316,894	49,014	365,908	141,813	507,721
Other items											
Financial income	22	39	182	35	3	53	333	163	496	881	1,378
Financial costs	(15)	(10)	(27)	(7)	(3)	(99)	(161)	(244)	(405)	(148)	(553)
Share of profit of associates accounted for using the equity method	38	387	11	—	—	—	436	131	568	—	568
Depreciation and amortization expense (Note 3)	(567)	(400)	(671)	(392)	(76)	(4,276)	(6,381)	(2,458)	(8,839)	(9,593)	(18,432)
Impairment losses	—	—	—	—	—	(11)	(11)	(4,655)	(4,666)	(11)	(4,677)
Investments accounted for using the equity method	350	4,462	83	—	—	1,106	6,001	1,939	7,940	—	7,940
Capital expenditures (Note 3)	508	204	747	305	67	4,404	6,235	2,372	8,606	35,464	44,071

(Notes)1. The Others segment is a segment containing businesses that are not included in the reportable segments. It includes overseas subsidiaries, the creation of new businesses and the implementation of DX.

2. Reconciliations are as follows:

(1) Reconciliations of segment loss of (2,861) million yen include primarily administrative expenses and investments that are not allocated to business segments of (3,433) million yen.

(2) Reconciliations of segment assets of 141,813 million yen include corporate assets of 157,611 million yen and intersegmental elimination of receivables and payables of (16,537) 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 881 million yen include 913 million yen of gains related to the administrative department that are not allocated to business segments.

Reconciliations of financial costs of (148) million yen include (175) million yen of losses related to the administrative department that are not allocated to business segments.

Reconciliations of depreciation and amortization expense of (9,593) million yen include depreciation and amortization on corporate assets of (9,795) million yen and elimination of unrealized gains of 202 million yen.

Reconciliations of impairment losses of (11) million yen are impairment losses related to corporate assets.

Reconciliations of capital expenditures of 35,464 million yen include an increase in corporate assets of 35,606 million yen and elimination of unrealized gains of (142) million yen.

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

## (iii) Information on products and services

Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Services	SI development	Products	Total
Revenue from external customers	195,410	103,308	181,161	479,879

Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Services	SI development	Products	Total
Revenue from external customers	209,148	120,064	193,144	522,356

## (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, 2021)	Consolidated fiscal year under review (As of March 31, 2022)
Japan	47,580	52,689
Asia	16,934	13,036
Others	89	207
Total	64,602	65,932

## (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, 2020 to March 31, 2021)	Consolidated fiscal year under review (from April 1, 2021 to March 31, 2022)
NTT Group	Telecommunication	79,683	73,225
SoftBank Group	Telecommunication	48,774	47,184
KDDI Group	Telecommunication	41,040	58,140

(Earnings per share)

(1) Basic and diluted earnings per share

	Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (from April 1, 2021 to March 31, 2022)
Basic earnings per share attributable to CTC's shareholders (yen)	131.95	153.08
diluted earnings per share attributable to CTC's shareholders (yen)	131.94	153.08

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

	Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (from April 1, 2021 to March 31, 2022)
Profit attributable to CTC's shareholders (millions of yen)	30,486	35,373
Weighted average number of common shares (thousand shares)	231,044	231,066
Impact of potential common stock with diluting effect		
Stock compensation (thousand shares)	13	8
Weighted average number of common shares after dilution (thousand shares)	231,057	231,075

(Material subsequent events)

None