

Consolidated Financial Results for the Fiscal Year ended March 31, 2023 (IFRS)

April 28, 2023

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, 2023

Scheduled date of dividend payment:

June 19, 2023

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

June 16, 2023

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, 2023 (April 1, 2022 – March 31, 2023)

(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 3/23	570,934	9.3	46,473	(7.9)	46,924	(9.5)	33,769	(2.0)	34,208	(3.3)	38,311	(6.4)
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
	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 3/23	148.04		148.03		11.8		9.1		8.1			
Year ended 3/22	153.08		153.08		13.2		10.7		9.7			

(Reference) Share of profit of associates accounted for using the equity method: Year ended 23/3: 682 millions of yen Year ended 22/3: 568 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 3/23	528,045	305,600	298,651	56.6	1,292.40
Year ended 3/22	507,721	288,484	281,142	55.4	1,216.67

(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 3/23	31,791	(5,881)	(27,891)	92,530
Year ended 3/22	36,061	3,462	(27,413)	94,078

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 3/22	—	35.00	—	50.00	85.00	19,654	55.5	7.3
Year ended 3/23	—	40.50	—	40.50	81.00	18,729	54.7	6.5
Year ended 3/24 (forecast)	—	43.00	—	43.00	86.00		49.7	

(Reference) Detail of annual dividends for the fiscal year ended 3/22: Ordinary dividend: 75.00 yen Commemorative dividend: 10.00 yen

3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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
	625,000	9.5	58,000	24.8	58,500	24.7	40,500	19.9	40,000	16.9	173.10

* 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

[1] Changes in accounting principles required by IFRS:	Not applicable
[2] Changes in accounting principles other than [1]:	Not applicable
[3] Changes in accounting estimates:	Not applicable

(3) Number of outstanding shares (common shares)

[1] Number of shares outstanding at the end of period (including treasury shares):	
Year ended 3/23:	240,000,000 shares
Year ended 3/22:	240,000,000 shares
[2] Number of treasury shares at the end of period:	
Year ended 3/23:	8,917,686 shares
Year ended 3/22:	8,925,738 shares
[3] Average number of shares during the period:	
Year ended 3/23:	231,079,792 shares
Year ended 3/22:	231,066,831 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(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 3/23	488,785	6.6	29,357	6.2	46,540	7.3	32,867	(6.5)
Year ended 3/22	458,656	8.3	27,654	19.8	43,373	26.8	35,147	31.2
	Earnings per share		Diluted earnings per share					
	Yen		Yen					
Year ended 3/23	142.23		—					
Year ended 3/22	152.11		—					

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Millions of yen	Millions of yen	%	Yen
Year ended 3/23	447,066	270,527	60.5	1,170.70
Year ended 3/22	430,122	255,389	59.4	1,105.23

(Reference) Shareholders' equity (Millions of yen): Year ended 3/23: 270,527 Year ended 3/22: 255,389

(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.

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

* Regarding Financial Results Briefing

- ITOCHU Techno-Solutions Corporation will hold its web-based financial results briefing for institutional investors and analysts on April 28, 2023. (Japanese only)

This consolidated financial results will be disclosed on TDnet, and this document, the financial results presentation materials and the consolidated financial summary will be posted on our website on the same day.

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1. Analysis of Operating Results and Financial Condition

(1) Analysis of operating results

In the fiscal year ended March 31, 2023, the Japanese economy showed signs of a gradual recovery, despite some weakness, in our pursuit of “living with COVID-19”, where containing an increase in new cases and having pre-pandemic level socio-economic activities are “well balanced”, due in part to a recovery in domestic demand and also in consumption by inbound tourists thanks to easing of the border control measures by the Japanese government and the impact of weakening yen.

In the information service industry, companies remained highly motivated to invest in IT and there was an increase in demand from customers for DX-related investments for purposes including modernization of core systems and responses to growth areas and climate change.

In this environment, CTC and its consolidated subsidiaries (collectively, the “CTC Group”) have been working to achieve its Medium-Term Management Plan (for three years from April 2021 to March 2024) entitled “Beyond the Horizons - To the Future Ahead -”, which is aimed at realizing our corporate philosophy, Mission: “Leveraging IT’s potential to change future for the Global Good”. We will steadily implement the following three basic policies, aiming to achieve the Medium-Term Plan goals by the end of fiscal year ending March 31, 2024, while contributing to solving social issues:

“Accelerate: Create future wealth”

“Expand: Expand current wealth”

“Upgrade: Increase feasibility”.

Our specific initiatives in each segment were as follows.

【Enterprise】

- In recent years, it has been required to provide IT services quickly in response to rapidly changing business environments, for which a flexible modern application development mechanism is needed for functionality additions and modifications to be implemented at the appropriate time.
 - Support for overall system construction, including API design, development, linkage with various systems and operation management
 - Support for verification and commercial environment construction by checking the environments of existing systems and linked systems, designing and implementing connectors and confirming their operation.Through the expansion of these design and development services, we will contribute to our customers' business expansion and DX promotion.

《Accelerate》

【Distribution】

- CTC started offering “D-Native”, our support service for building a data utilization platform that collects and analyzes a variety of internal and external data to be used for business decision. The new offering is a package of Cloud-native services for each of the following phases necessary for data utilization: “collection and maintenance,” “processing, analysis, and AI development,” “storage and processing,” and “operation and monitoring”. In addition, the service includes templated best practices of machine learning and data analysis useful for organizing business issues. We will contribute to our customers' DX by supporting data-driven management, etc., centered on D-Native. Furthermore, we also started providing “D-Native on AWS”, our data utilization platform service of “D-Native” on Amazon Web Services (AWS), which allows us to offer the service as an entry model to meet the needs of customers mainly in the manufacturing and distribution sectors who want to start using the data utilization platform for their various data more easily with a small investment.

《Accelerate》

【Telecommunication】

- CTC began offering “Omniverse on MEC”, which enables collaborative development by multiple users in a metaverse (virtual space) in a low latency communication environment using 5G network. The service is offered by combining “docomo MEC™”, a low-latency, high-security communication network service provided in collaboration by NTT DOCOMO, INC. and NTT Communications Corporation, with “NVIDIA Omniverse™ Enterprise”, a metaverse development platform. Along with faster network and improving device performance, more and more industries and fields, including the manufacturing, logistics, medical and smart cities, have started using metaverse. Efficiently constructing a practical metaverse environment needs collaboration in development among multiple engineers and a low-latency communication environment is required for them to efficiently work together from different locations. Based on the expertise gained from IT system implementations so far, we will provide comprehensive support, covering metaverse-powered business improvement proposal, system construction, user training, operation and maintenance.

《Accelerate》

【Regional & Social Infrastructure】

- CTC has taken on the task to upgrade the Ministry of the Environment's network system used by its officials for information sharing and administrative work. The upgraded system allows all the officials to work remotely, provides an IT infrastructure that leads to more efficient administrative operations with strengthened information security. For the upgrading, CTC provided a hybrid Cloud system that combines on-premise and Cloud computing, and handled everything from system design including DR (disaster recovery) measures, construction and migration to maintenance and operation. We will continue to contribute to our customers' efforts to improve operational efficiency and promote new ways of working by expanding our services for working securely in remote work environments.

《Accelerate》

【Financial Services】

- CTC provided Asset Management One Co., Ltd. with support for its DX promotion including designing its internal system that will lead to business transformation, constructing its data management platform to underpin efficiency improvement, enhancement and growth of its business and providing DX human resource development services. We will continue to support the realization of data-driven management that creates new business models, which is one of the company's goals, by building an environment that enables the rapid and secure utilization of internal and external data.

《Accelerate》

【IT Services】

- CTC has undertaken various initiatives to expand the service of “OneCUVIC”, our hybrid Cloud support service.

In the Cloud-native area, we have enhanced “C-Native”, our technical support service for Cloud nativization, by adding the following three new functions: “automatic construction of container environments”, “secret management for multi-Cloud environments”, and “AI-powered observability”. “C-Native” is our technical support service for Cloud nativization centered on “Red Hat OpenShift”, the container management platform from Red Hat, Inc. Expectations for sophistication and diversification of hybrid Cloud services have been increasing in Japan and the service function has been enhanced to respond to these expectations.

In the security area, we have expanded the services of “CTC Managed Security Service (CTC-MSS)”, our cyber security operation service to serve as a countermeasure against increasingly sophisticated cyber-attacks. Specifically, we have expanded CTC-MSS functions by launching new services including “CTC-MDR (Managed Detection and Response)”, which monitors “Cybereason EDR,” Cybereason G.K.'s cyber-attack prevention platform deployed on customers' endpoints, “Threat Intelligence Monitoring Service,” which monitors cyber threats related to customers, and “Private SOC Establishment Support Service,” which supports our Security Operation Center (SOC) customers in establishing and operating their own security operation centers. In addition, we launched “MSP for Open Hybrid Network,” which provides the optimal connection environment and operation services for system environments consisting of multiple Clouds, in accordance with purposes and usages such as closed networks and SD-WAN. By combining this service with CTC-MSS, we can provide our customers with more flexible and secure access.

Through these services, we will enable our customers to safely operate their systems and enhance security.

In the area of managed services, CTC launched “CTC Open Hybrid Control Center (CTC-OHCC)”, our managed service that supports the overall optimization of hybrid Cloud environments. CTC-OHCC optimizes and streamlines the overall operations in increasingly complicated hybrid Cloud environments, leading to stable system operations.

Going forward, CTC will continue to undertake more initiatives under the brand name of OneCUVIC to transform increasingly complicated hybrid Cloud environments into open, simple, and secure DX infrastructures without being limited to specific products or services.

《Expand》

【Others】

- CTC started offering “DX Pit-In”, an assessment and planning service to support restarting of DX for the purpose of business model transformation and service sophistication. The service was developed jointly with ProjectCompany, Inc. (hereinafter “ProjectCompany”), a company specializing in DX support, and proposes highly feasible business strategies based on our expertise gained from IT solution provision through the identification of issues in the promotion of DX. “DX Pit-In” is an assessment and planning service for companies that are to reconsider their current DX initiatives or restart new DX initiatives. The service process takes 4 to 6 weeks and includes asking customer companies about their initiatives and issues, interviews, reporting, and proposals. In accordance with each business area where DX initiatives are to be introduced, we identify business issues that should be prioritized by customer companies in terms of “DX initiative”, “business status” and “IT system” and propose feasible solutions. Going forward, CTC and ProjectCompany will support our customers’ measures that lead to further added value increase, including the development of new businesses after the strategy proposal, platform construction for AI/IoT utilization and data analysis, by making progress in our efforts so that we can contribute to our customers' DX.

《Accelerate》

【Company-wide Initiative】

- With the aim of promoting the growth of employees, who are the source of our competitiveness, and attracting excellent human resources, the personnel system concerning the grading system, compensation system, and starting salaries for new graduates was revised and kicked in April 2023. The CTC Group has set “Cultivate Human Capital to Support the Future” as one of the Group’s materiality (material issues) themes, and is committed to human resource management that emphasizes diversity and human resource development. In our Medium-Term Management Plan (for three years from FY2021 to FY2023) entitled “Beyond the Horizons - To the Future Ahead -”, we also stipulate the development of human resources and the strengthening of our management foundation as our basic policies, and we will continue to promote human capital management to enhance our corporate value.

《Upgrade》

- CTC HINARI Corporation acquired the “MONISU Certification” from the Ministry of Health, Labor and Welfare as an employer with excellent efforts to promote and secure employment of people with disabilities. In addition to operating the “HINARI CAFE” in the Kamiyacho office of the CTC Group, the company provides other services including administrative services, data preparation services for AI analysis for the CTC Group companies and services as part of agriculture-welfare cooperation initiatives in Hamamatsu city, Shizuoka prefecture, and is working on expanding job opportunities for employees with disabilities and fostering a workplace with their sense of job satisfaction and self-fulfillment.

《Upgrade》

- CTC participated in the “Scholarship Partner” program to provide free tuition for “Kamiyama Marugoto College of Design, Engineering and Entrepreneurship”, a private technical college that opened in Tokushima Prefecture’s town of Kamiyama in April 2023, and contributed 1 billion yen to the scholarship fund. In the program, each contributor company will award a scholarship bearing their company name to four students in each grade, and will also support the students through collaborations with them in joint research and new business creation initiatives.

《Upgrade》

- The CTC Group has formulated “the AI Ethical Principles”, which summarize our corporate stance on the use of AI, with the aim of providing fair, transparent, and reliable AI systems based on our mission of “Leveraging IT’s potential to change future for the Global Good”. In light of changes in the social environment, The CTC Group is committed to ensure that each and every one of us will conduct our activities in accordance with internal and external laws, regulations, rules, and social norms with a high sense of ethics, and strive to contribute to our customers’ business, enhance their corporate value, and realize a sustainable society.

《Upgrade》

- CTC has updated “2050 CTC Environmental Declaration,” its medium- to long-term environmental targets established in 2019, and formulated “2050 CTC Group-wide Environmental Declaration” in order to further contribute to the fight against global warming. We have expanded the entity scope and drew up the short-term and long-term greenhouse gas (GHG) emissions reduction targets by Scope (Scope 1,2,3) for the entire CTC Group as follows. Short-term targets: Reduce Scope 1 and 2 emissions by 50% and Scope 3 emissions by 22.5% from FY2021 levels by FY2030. Long-term targets: Reduce Scope 1 and 2 emissions to achieve net zero GHG emissions by FY2040 and reduce Scope 3 emissions to achieve the same target by FY2050.

In addition, CTC submitted a commitment letter to the “Science Based Targets initiative (SBTi)”, which certifies that our targets are consistent with the standards required by the Paris Agreement and are scientifically based, to acquire the SBT certification. The CTC Group has set “Contribute to climate change countermeasures” as one of its materiality initiatives under its mission of “Leveraging IT’s potential to change future for the Global Good” and will continue to contribute to the fight against global warming.

《Upgrade》

CTC focused its efforts on sales activities in a wide range of areas and produced tangible results in projects for manufacturing, information service, transportation, pharmaceutical and entertainment companies, public sector, automobile and social infrastructure companies, local governments and financial institutions.

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

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

	Year ended 3/21	Year ended 3/22	Year ended 3/23
Revenue	479,879 (1.5%)	522,356 8.9%	570,934 9.3%
Gross profit	121,466 2.9%	134,678 10.9%	139,077 3.3%
Other income and expenses	(77,841) (1.9%)	(84,196) (8.2%)	(92,604) (10.0%)
Operating income	43,625 4.7%	50,482 15.7%	46,473 (7.9%)
Profit before tax	43,952 5.8%	51,875 18.0%	46,924 (9.5%)
Net profit attributable to CTC's shareholders	30,486 7.2%	35,373 16.0%	34,208 (3.3%)

(Revenue)

Revenue increased 48,578 million yen, or 9.3% year on year, to 570,934 million yen in the fiscal year under review. This was due mainly to an increase in revenue from various sectors including the manufacturing, information service, transportation, pharmaceutical, entertainment, public sector, automobile, social infrastructure, local government and financial institutions, as well as the growth of revenue from our domestic and overseas consolidated subsidiaries.

(Gross profit)

Gross profit increased by 4,399 million yen, or 3.3% year on year, to 139,077 million yen in the fiscal year under review mainly due to the revenue growth.

Gross profit margin fell 1.4 percentage points from 25.8% for the previous fiscal year to 24.4%. By business model, this mainly reflects the decline of gross profit margin in Products business despite the improvement in SI Development business.

(Other income and expenses)

Other income and expenses increased 8,408 million yen, or 10.0% year on year, to 92,604 million yen to drag down profit in the fiscal year under review due mainly to a rise in personnel expenses and absence of one-off gain from sale of data center assets recorded in the previous fiscal year.

(Operating income)

Operating income decreased by 4,009 million yen, or 7.9% year on year, to 46,473 million yen. In addition, the ratio of operating income to revenue declined 1.6 percentage point from 9.7% in the previous fiscal year, to 8.1%.

(Profit before tax)

Profit before tax decreased by 4,951 million yen, or 9.5% year on year, to 46,924 million yen.

(Net profit attributable to CTC's shareholders)

Income taxes decreased by 4,254 million yen year on year, to 13,155 million yen, and net profit attributable to non-controlling interests increased by 467 million yen year on year, to 439 million yen to drag down net profit.

As a result, net profit attributable to CTC's shareholders decreased by 1,164 million yen, or 3.3% year on year, to 34,208 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	128,530 19.9%	64,874 10.4%	194,254 (5.2%)	104,181 16.7%	49,961 25.1%	129,721 5.8%	61,551 35.1%
Profit before tax	9,483 38.0%	6,034 54.7%	11,280 (41.3%)	9,211 45.5%	5,348 62.6%	13,757 (24.0%)	(1,480) —

[1] Enterprise

Revenue increased 19.9% year on year to 128,530 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 38.0% year on year, to 9,483 million yen, due chiefly to a rise in revenue.

[2] Distribution

Revenue rose by 10.4%, to 64,874 million yen, due mainly to an increase in development projects for the distribution sector and an increase in infrastructure projects for the entertainment sector. Profit before tax increased by 54.7% year on year, to 6,034 million yen, due chiefly to the improved gross profit margin, in addition to increased revenue.

[3] Telecommunication

Revenue decreased by 5.2%, to 194,254 million yen, due mainly to a decrease in infrastructure projects for telecommunications carriers. Profit before tax decreased by 41.3% year on year, to 11,280 million yen, due chiefly to the lower gross margin, in addition to the revenue decline.

[4] Regional & Social Infrastructure

Revenue rose by 16.7%, to 104,181 million yen, due mainly to an increase in infrastructure projects for utilities. Profit before tax increased by 45.5% year on year, to 9,211 million yen, due chiefly to the improved gross profit margin, in addition to increased revenue.

[5] Financial Services

Revenue climbed 25.1% year on year to 49,961 million yen, due mainly to an increase in infrastructure and application development projects for major banks, government-affiliated financial institutions and cooperative financial institutions. Profit before tax increased by 62.6% year on year, to 5,348 million yen, due chiefly to the improved gross profit margin, in addition to increased revenue.

[6] IT Services

Revenue rose by 5.8%, to 129,721 million yen due to growth in Cloud-related and security-related businesses. Profit before tax decreased by 24.0% year on year to 13,757 million yen, chiefly due to absence of one-off gain from sale of data center assets recorded in the previous fiscal year.

[7] Others

Revenue grew 35.1% year on year to 61,551 million yen, mainly reflecting revenue growth posted by our overseas consolidated subsidiaries. Loss before tax stood at 1,480 million yen in contrast with the loss before tax of 2,995 million yen recorded in the previous fiscal year. This is a result mainly from the impairment loss recognized on goodwill.

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

(2) Analysis of financial condition

(Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2022)	Consolidated fiscal year under review (As of March 31, 2023)	Change
Assets	507,721	528,045	20,324
Liabilities	219,237	222,446	3,209
Equity	288,484	305,600	17,115

Assets at the end of the consolidated fiscal year under review amounted to 528,045 million yen, up 20,324 million yen from the end of the previous consolidated fiscal year. This mainly reflected an increase of 7,303 million yen in trade and other receivables, an increase of 12,247 million yen in inventories, and an increase of 6,587 million yen in other current assets due to order and revenue growth despite a decrease of 4,737 million yen in property, plant and equipment mainly from a decrease in the right-of-use asset arising from leasing for the Kamiyacho Office due to depreciation, and a decrease of 2,854 million yen in goodwill from an impairment loss on one of our overseas consolidated subsidiaries' goodwill.

Liabilities rose by 3,209 million yen from the end of the previous consolidated fiscal year, to 222,446 million yen. This mainly reflected an increase of 8,716 million yen in trade and other payables and an increase of 3,047 million yen in other current liabilities, despite a decrease of 6,294 million yen in non-current financial liabilities.

Total equity was 305,600 million yen, a rise of 17,115 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to increases of 33,769 million yen in net profit and 4,542 million yen in other comprehensive income, net of tax effect, which offset a decrease of 21,322 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, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Cash flows from operating activities	36,061	31,791
Cash flows from investing activities	3,462	(5,881)
Cash flows from financing activities	(27,413)	(27,891)
Cash and cash equivalents at the end of the fiscal year	94,078	92,530

Cash and cash equivalents (hereinafter called “cash”) at the end of the fiscal year under review decreased 1,548 million yen from the end of the previous fiscal year, to 92,530 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 generated from operating activities was 31,791 million yen. This reflected an increase of 46,924 million yen in profit before tax, 15,637 million yen in depreciation and amortization expenses, as well as an increase of 7,940 million yen in trade and other payables, while also reflecting an increase of 12,127 million yen in trade and other receivables, an increase of 12,038 million yen in inventories and the amount of income taxes paid of 16,280 million yen.

Net cash generated from operating activities totaled 36,061 million yen in the previous consolidated fiscal year. Compared to the previous year, there was an increase in cash outflows due to the increase in inventories and an increase in cash inflows due to the increase in trade and other payables.

(Cash flows from investing activities)

Net cash spend in investing activities was 5,881 million yen. This was due to spending of 4,007 million yen to purchase property, plant and equipment for sales activities of one of our overseas consolidated subsidiaries and spending of 1,751 million yen to purchase investment securities and other as a contribution to the scholarship fund for Kamiyama Marugoto College of Design, Engineering and Entrepreneurship.

In the preceding consolidated fiscal year, net cash of 3,462 million yen was generated from investing activities. The difference from the previous year was attributable to absence of proceeds from sales of property, plant and equipment of data center assets.

(Cash flows from financing activities)

Net cash spend in financing activities was 27,891 million yen. The net outflow was attributable to repayment of lease obligations of 12,393 million yen and dividends paid to CTC's shareholders of 20,920 million yen, which was partly offset by proceeds from sales and leaseback of 5,908 million yen.

In the preceding consolidated fiscal year, net cash spend was 27,413 million yen. The difference from the previous year was attributable to the cash inflow increase from an increase in proceeds from sales and leaseback and a decrease in repayments of lease obligations and the cash outflow increase from an increase in dividends paid to CTC's shareholders.

(4) Outlook for the fiscal year ending March 31, 2024

In our pursuit of “living with COVID-19”, our socio-economic activities have been returning to the pre-pandemic level and the Japanese economy is expected to recover going forward, supported by the positive impacts of various government policies. On the other hand, the economic outlook remains uncertain due to downward risks of rising prices, supply constraints, and fluctuations in financial and capital markets amid continued global monetary tightening and other factors.

In the information service industry, companies remained highly motivated to invest in IT and the investment is expected to continue to grow steadily. The product delivery delay due to the semiconductor shortage has been also improving and is expected to be resolved.

Under these circumstances, based on the corporate philosophy of “Leveraging IT’s potential to change future for the Global Good”, the CTC Group formulated its Medium-term Management Plan: “Beyond the Horizons - To the Future Ahead -”, 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 steadily implement the following three basic policies.

◆Medium-term Management Plan “Beyond the Horizons - To the Future Ahead - ”

< Basic Policies >

1. “Accelerate”: Create future wealth

～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”: Expand current wealth

～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”: Increase feasibility

～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

As a result, for the fiscal year ending March 31, 2024, the Company forecasts revenue of 625,000 million yen, operating income of 58,000 million yen, profit before tax of 58,500 million yen, net profit for the year of 40,500 million yen, and profit attributable to CTC’s shareholders of 40,000 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.

In light of the current situation, we have revised the initial targets set forth in the Medium-Term Management Plan entitled “Beyond the Horizons - To the Future Ahead -” as follows.

	Year ended 3/22 Actual	Year ended 3/23 Actual	Year ending 3/24 Targets	Initial target for Year ending 3/24
Operating income margin	9.7%	8.1%	9.3%	10%
Net profit attributable to CTC's shareholders	35.4 billion yen	34.2 billion yen	40.0 billion yen	40.0 billion yen
ROE	13.2%	11.8%	13.0%	13% or above

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, 2022)	Consolidated fiscal year (As of March 31, 2023)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Assets)		
Current assets		
Cash and cash equivalents	94,078	92,530
Trade and other receivables	150,892	158,195
Inventories	43,437	55,683
Current tax assets	197	146
Other current financial assets	22,425	21,848
Other current assets	70,071	76,658
Total current assets	381,100	405,060
Non-current assets		
Property, plant and equipment	51,992	47,255
Goodwill	7,810	4,956
Intangible assets	5,702	5,498
Investments accounted for using the equity method	7,940	8,413
Other non-current financial assets	39,797	45,029
Deferred tax assets	10,170	9,079
Other non-current assets	3,210	2,756
Total non-current assets	126,621	122,985
Total assets	507,721	528,045

	Previous consolidated fiscal year (As of March 31, 2022)	Consolidated fiscal year (As of March 31, 2023)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Liabilities and Equity)		
Current liabilities		
Trade and other payables	57,972	66,688
Other current financial liabilities	14,097	14,990
Income taxes payable	10,878	7,845
Liabilities for employee benefits	26,653	25,965
Provisions	962	1,364
Other current liabilities	63,115	66,162
Total current liabilities	173,677	183,015
Non-current liabilities		
Non-current financial liabilities	38,866	32,573
Liabilities for employee benefits	3,755	3,717
Provisions	2,547	2,706
Deferred tax liabilities	392	435
Total non-current liabilities	45,560	39,431
Total liabilities	219,237	222,446
Equity		
Common stock	21,764	21,764
Capital surplus	32,701	32,812
Treasury stock	(9,535)	(9,519)
Retained earnings	225,273	238,326
Other components of equity	10,939	15,269
Total shareholders' equity	281,142	298,651
Non-controlling interests	7,342	6,949
Total equity	288,484	305,600
Total liabilities and equity	507,721	528,045

(2) Consolidated income statement and consolidated comprehensive income statement

Consolidated income statement

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Revenue	522,356	570,934
Cost of sales	(387,678)	(431,857)
Gross profit	134,678	139,077
Other income and expenses		
Selling, general and administrative expenses	(84,525)	(91,021)
Other income	5,441	2,088
Other expenses	(5,112)	(3,671)
Total other income and expenses	(84,196)	(92,604)
Operating income	50,482	46,473
Financial income	1,378	997
Financial costs	(553)	(1,228)
Share of profit of associates accounted for using the equity method	568	682
Profit before tax	51,875	46,924
Income tax expense	(17,409)	(13,155)
Net profit	34,466	33,769
Profit attributable to:		
CTC's shareholders	35,373	34,208
Non-controlling interests	(906)	(439)
Earnings per share (Attribution to CTC's shareholders):	(Yen)	(Yen)
Basic earnings per share	153.08	148.04
Diluted earnings per share	153.08	148.03

Consolidated comprehensive income statement

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Net Profit	34,466	33,769
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	3,899	3,684
Re-measurement of defined benefit plans	106	(228)
Share of other comprehensive income of associates accounted for using the equity method	10	49
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	2,022	1,568
Cash flow hedges	302	(687)
Share of other comprehensive income of associates accounted for using the equity method	136	157
Total other comprehensive income, net of tax effect	6,475	4,542
Total comprehensive income	40,942	38,311
Total comprehensive income attributable to:		
CTC's shareholders	41,250	38,308
Non-controlling interests	(308)	3

(3) Consolidated statement of changes in equity

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

(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, 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

Consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(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, 2022	21,764	32,701	(9,535)	225,273	1,462	9,006	472
Net Profit	—	—	—	34,208	—	—	—
Other comprehensive income, net of tax effect	—	—	—	—	1,283	3,732	(687)
Total comprehensive income	—	—	—	34,208	1,283	3,732	(687)
Payment of dividends	—	—	—	(20,926)	—	—	—
Purchase of treasury stock	—	—	(0)	—	—	—	—
Disposal of treasury stock	—	—	16	—	—	—	—
Share-based payment transactions	—	27	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—
Put options held by non-controlling shareholders	—	84	—	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	(229)	—	1	—
Total transactions with owners	—	111	16	(21,155)	—	1	—
March 31, 2023	21,764	32,812	(9,519)	238,326	2,745	12,738	(215)

Items	Shareholders' equity		Non-controlling interests	Total equity
	Other components of equity	Total shareholders' equity		
	Re-measurement of defined benefit plans			
April 1, 2022	—	281,142	7,342	288,484
Net Profit	—	34,208	(439)	33,769
Other comprehensive income, net of tax effect	(228)	4,100	442	4,542
Total comprehensive income	(228)	38,308	3	38,311
Payment of dividends	—	(20,926)	(396)	(21,322)
Purchase of treasury stock	—	(0)	—	(0)
Disposal of treasury stock	—	16	—	16
Share-based payment transactions	—	27	—	27
Changes in ownership interest in subsidiaries	—	—	—	—
Put options held by non-controlling shareholders	—	84	—	84
Transfer to retained earnings from other components of equity	228	—	—	—
Total transactions with owners	228	(20,800)	(396)	(21,196)
March 31, 2023	—	298,651	6,949	305,600

(4) Consolidated cash flow statement

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from operating activities		
Profit before tax	51,875	46,924
Adjustments for:		
Depreciation and amortization expense	18,432	15,637
Impairment losses	4,677	3,296
Loss (gain) on sale and retirement of fixed assets	(4,202)	9
Interest and dividend income	(516)	(902)
Interest expenses	493	667
Share of profit of associates accounted for using the equity method	(568)	(682)
Increase in trade and other receivables	(12,198)	(12,127)
Decrease (increase) in inventories	(1,901)	(12,038)
Increase (decrease) in trade and other payables	1,517	7,940
Others - net	(5,770)	(1,293)
Subtotal	51,839	47,431
Interest and dividends received	760	1,202
Interest paid	(367)	(562)
Income taxes paid	(16,171)	(16,280)
Net cash provided by operating activities	36,061	31,791
Cash flows from investing activities		
Purchases of property, plant and equipment	(8,832)	(4,007)
Proceeds from sales of property, plant and equipment	10,376	24
Purchases of intangible assets	(1,476)	(1,568)
Proceeds from sales of intangible assets	9	0
Payments for leasehold and guarantee deposits	(138)	(137)
Proceeds from refund of leasehold and guarantee deposits	4,543	161
Purchases of investment securities and other	(759)	(1,751)
Proceeds from sales of investment securities and other	0	9
Purchases of shares of associates	(1,097)	—
Proceeds from dividend of investment partnership	202	33
Proceeds from collection of long-term accounts receivable-other	500	1,322
Others – net	134	31
Net cash provided by (used in) investing activities	3,462	(5,881)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(738)	(90)
Purchase of treasury stock	(0)	(0)
Capital contribution from non-controlling interests	72	—
Proceeds from sales and leaseback	2,896	5,908
Repayments of lease obligations	(13,852)	(12,393)
Dividends paid to CTC's shareholders	(15,604)	(20,920)
Dividend paid to non-controlling interests	(187)	(396)
Net cash used in financing activities	(27,413)	(27,891)
Effects of exchange rate changes on cash and cash equivalents	1,023	434
Net increase (decrease) in cash and cash equivalents	13,133	(1,548)
Cash and cash equivalents at the beginning of the year	80,945	94,078
Cash and cash equivalents at the end of the year	94,078	92,530

(5) Notes on the consolidated financial statements

(Notes on going concern assumptions)

None

(Segment information)

[1] 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 Services, 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, 2022, the Group conducted an organizational restructuring for the purpose of achieving the Medium-Term Management Plan and expanding business in the future. Specifically, some of the business for non-manufacturing sectors such as retail and all business for automotive industry that were previously included in "Enterprise Segment" has been transferred to "Distribution Segment" and "Regional & Social Infrastructure Segment", respectively. In addition, some of the business for financial services companies that were previously included in the "Distribution Segment" have been transferred to the "Finance Services 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.

[2] 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, 2021 to March 31, 2022)

(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	92,703	57,704	188,719	88,177	39,899	10,790	477,993	44,363	522,356	—	522,356
Inter-segment revenue or transfers	14,469	1,069	16,109	1,125	32	111,778	144,580	1,205	145,785	(145,785)	—
Total	107,172	58,773	204,828	89,302	39,930	122,567	622,573	45,568	668,141	(145,785)	522,356
Profit before tax (Segment profit (loss))	6,871	3,900	19,232	6,332	3,290	18,106	57,731	(2,995)	54,736	(2,861)	51,875
Segment assets	56,220	23,247	118,849	35,829	12,363	70,492	317,000	49,015	366,015	141,705	507,721
Other items											
Financial income	14	43	182	37	5	53	333	163	496	881	1,378
Financial costs	(13)	(9)	(27)	(9)	(4)	(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)	(469)	(370)	(671)	(408)	(188)	(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)	299	315	747	310	160	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 141,705 million yen include corporate assets of 157,508 million yen and intersegmental elimination of receivables and payables of (16,541) 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.

	Reportable Segment							Other (Note1)	Total	Reconciliations (Note2)	Consolidated
	Enterprise	Distribution	Telecommunication	Regional & Social Infrastructure	Financial Services	IT Services	Subtotal				
Revenue											
Revenue from external customers	110,140	63,786	173,346	103,233	49,762	11,738	512,006	58,928	570,934	—	570,934
Inter-segment revenue or transfers	18,390	1,088	20,908	948	199	117,983	159,515	2,623	162,138	(162,138)	—
Total	128,530	64,874	194,254	104,181	49,961	129,721	671,521	61,551	733,072	(162,138)	570,934
Profit before tax (Segment profit (loss))	9,483	6,034	11,280	9,211	5,348	13,757	55,113	(1,480)	53,633	(6,709)	46,924
Segment assets	63,220	25,725	120,782	38,702	18,131	71,578	338,139	53,195	391,334	136,712	528,045
Other items											
Financial income	13	31	230	39	5	133	451	305	756	241	997
Financial costs	(12)	(7)	(22)	(8)	(4)	(82)	(134)	(219)	(354)	(874)	(1,228)
Share of profit of associates accounted for using the equity method	52	524	4	—	—	(58)	523	159	682	—	682
Depreciation and amortization expense (Note 3)	(547)	(573)	(691)	(425)	(213)	(2,655)	(5,104)	(3,028)	(8,133)	(7,504)	(15,637)
Impairment losses	—	—	—	—	—	(0)	(0)	(3,295)	(3,296)	(1)	(3,296)
Investments accounted for using the equity method	385	4,794	87	—	—	1,048	6,315	2,098	8,413	—	8,413
Capital expenditures (Note 3)	226	163	673	237	201	3,264	4,764	3,138	7,902	2,633	10,535

(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 (6,709) million yen include primarily administrative expenses and investments that are not allocated to business segments of (5,851) million yen.

(2) Reconciliations of segment assets of 136,712 million yen include corporate assets of 154,105 million yen and intersegmental elimination of receivables and payables of (18,723) 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 241 million yen include 200 million yen of gains related to the administrative department that are not allocated to business segments.

Reconciliations of financial costs of (874) million yen include (858) million yen of losses related to the administrative department that are not allocated to business segments.

Reconciliations of depreciation and amortization expense of (7,504) million yen include depreciation and amortization on corporate assets of (7,593) million yen and elimination of unrealized gains of 89 million yen.

Reconciliations of impairment losses of (1) million yen are impairment losses related to corporate assets.

Reconciliations of capital expenditures of 2,633 million yen include an increase in corporate assets of 2,782 million yen and elimination of unrealized gains of (149) 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.

[3] Information on products and services

Previous consolidated fiscal year (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

Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Services	SI development	Products	Total
Revenue from external customers	225,859	132,746	212,329	570,934

[4] 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, 2022)	Consolidated fiscal year under review (As of March 31, 2023)
Japan	52,689	47,325
Asia	13,036	10,756
Others	207	219
Total	65,932	58,300

[5] 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, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
NTT Group	Telecommunication	73,225	79,871
KDDI Group	Telecommunication	58,140	45,549

(Earnings per share)

(1) Basic and diluted earnings per share

	Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Basic earnings per share attributable to CTC's shareholders (yen)	153.08	148.04
diluted earnings per share attributable to CTC's shareholders (yen)	153.08	148.03

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

	Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (from April 1, 2022 to March 31, 2023)
Profit attributable to CTC's shareholders (millions of yen)	35,373	34,208
Weighted average number of common shares (thousand shares)	231,066	231,079
Impact of potential common stock with diluting effect		
Stock compensation (thousand shares)	8	6
Weighted average number of common shares after dilution (thousand shares)	231,075	231,086

(Material subsequent events)

None