



**Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending August 31, 2023
(Six Months Ended February 28, 2023)**

[Japanese GAAP]

April 14, 2023

Company name: SERAKU Co., Ltd.

Listing: Tokyo Stock Exchange (Prime Market)

Stock code: 6199

URL: <http://www.seraku.co.jp>

Representative: Tatsumi Miyazaki, Representative Director

Contact: Tomoharu Kozeki, Executive Director, Executive Officer,
General Manager of Corporate Management Division

Tel: +81-(0)3-3227-2321

Scheduled date of filing of Quarterly Report: April 14, 2023

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter Ended February 28, 2023
(Sep. 1, 2022 to Feb. 28, 2023)**

(1) Consolidated results of operations (Percentages represent year on year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------------------|-----------------|------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended Feb. 28, 2023 | 10,160 | 19.7 | 1,091 | 178.5 | 1,283 | 84.7 | 855 | 86.7 |
| Six months ended Feb. 28, 2022 | 8,485 | 16.7 | 391 | (45.3) | 694 | (37.5) | 457 | (34.9) |

Note: Comprehensive income (millions of yen) Six months ended Feb. 28, 2023: 853 (up 86.6%)
Six months ended Feb. 28, 2022: 457 (down 34.8%)

| | Net income per share | Diluted net income per share |
|--------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Six months ended Feb. 28, 2023 | 61.24 | - |
| Six months ended Feb. 28, 2022 | 32.91 | 32.71 |

Note: Diluted net income per share for the six months ended Feb. 28, 2023 is not stated because there is no residual share with a dilution effect.

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of Feb. 28, 2023 | 10,570 | 6,253 | 59.1 |
| As of Aug. 31, 2022 | 9,620 | 5,519 | 57.3 |

Reference: Shareholders' equity (millions of yen) As of Feb. 28, 2023: 6,249 As of Aug. 31, 2022: 5,514

2. Dividends

| | Dividend per share | | | | |
|---|--------------------|--------|--------|----------|-------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended Aug. 31, 2022 | - | 0.00 | - | 8.60 | 8.60 |
| Fiscal year ending Aug. 31, 2023 | - | 0.00 | - | - | - |
| Fiscal year ending Aug. 31, 2023 (forecast) | - | - | - | 8.60 | 8.60 |

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending August 31, 2023 (Sep. 1, 2022 to Aug. 31, 2023)

(Percentages represent year on year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Net income per share |
|-----------|-----------------|------|------------------|------|-----------------|------|---|-----|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 20,700 | 15.9 | 1,420 | 60.2 | 1,600 | 11.6 | 1,040 | 7.6 | 74.53 |

Note: Revisions to the most recently announced consolidated earnings forecast: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements:
None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued as of the end of the period (including treasury shares)

| | | | |
|----------------------|-------------------|----------------------|-------------------|
| As of Feb. 28, 2023: | 13,988,400 shares | As of Aug. 31, 2022: | 13,954,000 shares |
|----------------------|-------------------|----------------------|-------------------|

2) Number of treasury shares as of the end of the period

| | | | |
|----------------------|------------|----------------------|------------|
| As of Feb. 28, 2023: | 130 shares | As of Aug. 31, 2022: | 130 shares |
|----------------------|------------|----------------------|------------|

3) Average number of shares during the period

| | | | |
|---------------------------------|-------------------|---------------------------------|-------------------|
| Six months ended Feb. 28, 2023: | 13,966,034 shares | Six months ended Feb. 28, 2022: | 13,915,448 shares |
|---------------------------------|-------------------|---------------------------------|-------------------|

* The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts and other special items

Forecasts of future performance in these materials are based on assumptions judged to be reasonable and information available to the management of Seraku at the time these materials were prepared and do not represent guarantees of future performance. Actual results may differ materially from these forecasts for various reasons. For discussion of the assumptions and other factors considered by Seraku in preparing the above projections, please refer to page 4 of the attachments 1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first half under review, economic activity in Japan recovered somewhat as movements towards a stabilization of COVID-19 infections accelerated. However, there were heightened inflationary concerns due mainly to surges in energy and raw material prices caused by the prolonged Russian invasion of Ukraine. As a consequence, the future of the Japanese economy remained uncertain.

In Japan's IT sector, which is the primary business field where the Group provides its services, corporate IT investment demand is expected to remain solid as illustrated in their enhanced efforts towards digital transformation (DX) on the back of the popular use of AI, IoT, and other state-of-the-art technologies and cloud shift. An optimal IT infrastructure plays an important role in supporting companies' business strategies, and the need for recruiting and cultivating high-quality IT engineers to respond to corporate demand is continuing to increase.

Given this environment, the Group sought to increase the value of services, mainly through the development of highly qualified engineers and the deployment of internal engineers to DX-related projects, and enhanced initiatives, including the use of business partners' resources, to establish a system which allows the Group to meet diverse needs of its customers.

As a result, the Seraku Group's net sales increased 19.7% year on year, to 10,160,241 thousand yen, operating profit increased 178.5% year on year, to 1,091,223 thousand yen, and ordinary profit rose 84.7% year on year, to 1,283,129 thousand yen. Profit attributable to owners of parent increased 86.7% year on year, to 855,227 thousand yen.

Results by business segment were as follows.

1) System Integration

In the system Integration segment, we are promoting support for IT technologies in the existing technical domain, while providing a broad array of services, including IT infrastructure and cloud technologies, business domains with long-term stability, digital creative services, web operations, web system development.

During the first half of the fiscal year under review, we continued to recruit and train engineers for growth fields, such as the design, construction and operation of IT infrastructure and the development and operation of systems. We also focused on increasing the number of active engineers and developing new customers by strengthening and expanding our sales network. Moreover, we continued to actively promote external resource utilization by fostering greater collaboration with business partners.

Net sales in this segment stood at 7,203,923 thousand yen, up 16.9% year on year. Segment profit was 588,509 thousand yen, up 115.3% year on year.

2) Digital Transformation

We are leveraging advanced technologies in the Digital Transformation business to offer a range of services such as the construction and operation of cloud systems and the deployment of cyber security solutions to protect corporate information assets, in addition to the promotion of the customer success solution business mainly through the provision of support for the widespread use of Salesforce.

During the first half of the fiscal year under review, we took initiatives in the customer success solution business to develop new customers and bolster the added value of engineers. Specifically, we facilitated the deployment of internal engineers to DX-related projects while recruiting and nurturing people to work as dedicated Salesforce engineers and people who can handle multiple products connected with Salesforce, such as marketing automation and business intelligence tools. In the cloud & solution business, we took steps to expand transactions in cloud platform adoption and 24x7 managed services in response to solid IT investment demand.

Net sales in this segment came to 2,532,851 thousand yen, up 34.0% year on year. Segment profit was 479,726 thousand yen, up 196.3% year on year.

3) Midori Cloud

The Midori Cloud business provides a platform service, including Midori Cloud and Farm Cloud, to support the DX of the agriculture, livestock, and fisheries sectors using IT and a solution service to solve individual issues, particularly those faced in primary industries.

In the first half of the fiscal year under review, the Group continued to strive to increase orders for solution services and developed and proposed DX solutions in the food value chain.

Net sales in this segment amounted to 203,310 thousand yen, up 20.1% year on year. The segment loss was 7,737 thousand yen (segment loss of 24,616 thousand yen in the same period of the previous year).

4) Mechanical Design and Engineering

In the Mechanical Design and Engineering business, SERAKU Business Solutions, a consolidated subsidiary, provides 3D CAD technologies and technologies for the quality control of experiments and performance tests as well as those for communications system construction and telecommunications.

During the first half of the fiscal year under review, we sought to recruit and develop CAD engineers. Sales were strong, attributable to stable utilization rates and efforts to win projects in new technological fields. As we anticipate the further acquisition of projects in each field, we will strive to increase engineers' added value through training that aims at business scale and geographic expansion.

Net sales in the Mechanical Design and Engineering segment were 305,466 thousand yen, up 11.6% year on year. Segment profit was 32,029 thousand yen (segment loss of 16,591 thousand yen in the same period of the previous year).

5) Others

In this segment, consolidated subsidiary Seraku ECA (the trade name changed to Seraku CCC on August 26, 2022) was primarily engaged in paid job placement and temporary staffing services and services for training IT engineers. It was decided in August that the customer success solution business, which mainly provides support for the widespread use of Salesforce, would be spun off (Date of resolution: August 26, 2022, Effective date: December 1, 2022) and transferred to the consolidated subsidiary Seraku CCC. Regarding Seraku CCC, profit and loss for the period after December 1, 2022 will be recognized under the digital transformation business segment.

This resulted in zero net sales in this segment (zero net sales in the same period of the previous fiscal year). Segment loss was 1,304 thousand yen (segment loss in the same period of the previous year was 2,123 thousand yen.)

(2) Explanation of Financial Position

1) Assets, Liabilities and Net Assets

Assets

Total assets increased 950,565 thousand yen from the end of the previous fiscal year to 10,570,993 thousand yen as of the end of the second quarter of the fiscal year under review. This was a result primarily of increases of 639,427 thousand yen in cash and deposits, 159,233 thousand yen in accounts receivable-trade and contract assets, 82,650 thousand yen in insurance reserve funds, 42,782 thousand yen in other current assets, 31,673 thousand yen in work in process and 22,974 thousand yen in leasehold and guarantee deposits.

Liabilities

Total liabilities increased 215,937 thousand yen from the end of the previous fiscal year to 4,317,213 thousand yen as of the end of the second quarter of the fiscal year under review. This was largely due to increases of 201,220 thousand yen in income taxes payable and 84,140 thousand yen in provision for bonuses, which more than offset decreases of 37,169 thousand yen in accounts payable - trade and 25,066 thousand yen in accrued consumption taxes.

Net assets

Total net assets increased 734,627 thousand yen from the end of the previous fiscal year to 6,253,780 thousand yen as of the end of the second quarter of the fiscal year under review. This increase was attributable chiefly to an increase of 735,224 thousand yen in retained earnings.

2) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) as of the end of the first half under review amounted to 6,246,386 thousand yen.

Cash flows in the first half under review and major contributing factors are as follows.

Cash flows from operating activities

Net cash provided by operating activities totaled 883,012 thousand yen (compared with 107,269 thousand yen provided in the same period of the previous fiscal year).

This was a result primarily of increases of 1,279,615 thousand yen in profit before income taxes and 84,140 thousand yen in provision for bonuses, which more than offset payment of corporate taxes of 218,299 thousand yen, increases of 159,233 thousand yen in notes and accounts receivable – trade and 38,069 thousand yen in prepaid expenses, and decreases of 37,169 thousand yen in notes and accounts payable – trade, 30,834 thousand yen in inventories and 25,066 thousand yen in accrued consumption taxes.

Cash flows from investing activities

Net cash used in investing activities totaled 125,680 thousand yen (compared with 113,143 thousand yen used in the same period of the previous fiscal year).

Cash was used for the purchase of insurance funds of 82,650 thousand yen, and payments of leasehold and guarantee deposits of 26,878 thousand yen.

Cash flows from financing activities

Net cash used in financing activities totaled 119,105 thousand yen (compared with 109,187 thousand yen used in the same period of the previous fiscal year).

Cash was used mainly for payments of dividends of 119,534 thousand yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

There are no revisions to the full year earnings forecasts for the fiscal year ending August 31, 2023, which were announced on October 14, 2022, in “Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2022.”

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

| | (Thousands of yen) | |
|---|---------------------------------|---|
| | FY8/22 (As of Aug. 31, 2022) | Second Quarter of FY8/23 (As of Feb. 28, 2023) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,658,860 | 6,298,287 |
| Accounts receivable - trade and contract assets | 2,336,637 | 2,495,871 |
| Work in process | 29,306 | 60,979 |
| Raw materials | 56,714 | 55,875 |
| Other | 180,212 | 222,995 |
| Allowance for doubtful accounts | (1,655) | (1,049) |
| Total current assets | 8,260,076 | 9,132,959 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 158,670 | 159,536 |
| Tools, furniture and fixtures, net | 40,058 | 38,355 |
| Other | 8,590 | 7,168 |
| Total property, plant and equipment | 207,318 | 205,061 |
| Intangible assets | | |
| Goodwill | 6,843 | 2,281 |
| Software | 1,279 | 1,041 |
| Other | 1,662 | 1,662 |
| Total intangible assets | 9,785 | 4,985 |
| Investments and other assets | | |
| Investment securities | 118,340 | 114,613 |
| Deferred tax assets | 449,378 | 439,370 |
| Leasehold and guarantee deposits | 241,783 | 264,757 |
| Insurance funds | 292,290 | 374,941 |
| Other | 41,454 | 34,304 |
| Total investments and other assets | 1,143,248 | 1,227,987 |
| Total non-current assets | 1,360,352 | 1,438,033 |
| Total assets | 9,620,428 | 10,570,993 |

| | (Thousands of yen) | |
|---|---------------------------------|---|
| | FY8/22 (As of Aug. 31, 2022) | Second Quarter of FY8/23 (As of Feb. 28, 2023) |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 159,590 | 122,420 |
| Current portion of long-term borrowings | 600,000 | 600,000 |
| Accounts payable - other | 1,251,202 | 1,268,959 |
| Income taxes payable | 244,557 | 445,778 |
| Accrued consumption taxes | 408,820 | 383,754 |
| Provision for bonuses | 912,916 | 997,057 |
| Provision for loss on order received | 896 | 725 |
| Other | 250,915 | 230,268 |
| Total current liabilities | 3,828,899 | 4,048,963 |
| Non-current liabilities | | |
| Long-term borrowings | 150,000 | 150,000 |
| Retirement benefit liability | 113,074 | 110,066 |
| Other | 9,302 | 8,182 |
| Total non-current liabilities | 272,376 | 268,249 |
| Total liabilities | 4,101,275 | 4,317,213 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 306,232 | 307,006 |
| Capital surplus | 503,982 | 504,756 |
| Retained earnings | 4,700,243 | 5,435,468 |
| Treasury shares | (199) | (199) |
| Total shareholders' equity | 5,510,259 | 6,247,031 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 79 | 27 |
| Remeasurements of defined benefit plans | 3,908 | 1,954 |
| Total accumulated other comprehensive income | 3,987 | 1,981 |
| Share acquisition rights | 4,906 | 4,766 |
| Total net assets | 5,519,152 | 6,253,780 |
| Total liabilities and net assets | 9,620,428 | 10,570,993 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(First Six-month Period)**

| | (Thousands of yen) | |
|--|--|--|
| | First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022) | First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023) |
| Net sales | 8,485,726 | 10,160,241 |
| Cost of sales | 6,594,887 | 7,513,181 |
| Gross profit | 1,890,838 | 2,647,060 |
| Selling, general and administrative expenses | 1,498,981 | 1,555,836 |
| Operating profit | 391,856 | 1,091,223 |
| Non-operating income | | |
| Interest and dividend income | 804 | 807 |
| Subsidy income | 302,594 | 189,200 |
| Other | 1,327 | 3,359 |
| Total non-operating income | 304,725 | 193,367 |
| Non-operating expenses | | |
| Interest expenses | 1,817 | 1,461 |
| Total non-operating expenses | 1,817 | 1,461 |
| Ordinary profit | 694,765 | 1,283,129 |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | – | 139 |
| Total extraordinary income | – | 139 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | – | 3,653 |
| Total extraordinary losses | – | 3,653 |
| Profit before income taxes | 694,765 | 1,279,615 |
| Income taxes-current | 246,132 | 413,494 |
| Income taxes-deferred | (9,357) | 10,893 |
| Total income taxes | 236,775 | 424,387 |
| Profit | 457,989 | 855,227 |
| Profit attributable to owners of parent | 457,989 | 855,227 |

Quarterly Consolidated Statement of Comprehensive Income
(First Six-month Period)

| | (Thousands of yen) | |
|---|--|--|
| | First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022) | First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023) |
| Profit | 457,989 | 855,227 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (741) | (51) |
| Remeasurements of defined benefit plans, net of tax | 81 | (1,954) |
| Total other comprehensive income | (659) | (2,005) |
| Comprehensive income | 457,330 | 853,222 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 457,330 | 853,222 |

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

| | First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022) | First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023) |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 694,765 | 1,279,615 |
| Depreciation | 21,528 | 18,683 |
| Amortization of goodwill | 4,562 | 4,562 |
| Gain on reversal of share acquisition rights | – | (139) |
| Loss (gain) on valuation of investment securities | – | 3,653 |
| Increase (decrease) in allowance for doubtful accounts | (741) | (605) |
| Increase (decrease) in provision for bonuses | 60,057 | 84,140 |
| Increase (decrease) in retirement benefit liability | (1,744) | (5,824) |
| Interest and dividend income | (804) | (807) |
| Subsidy income | (302,594) | (189,200) |
| Interest expenses | 1,817 | 1,461 |
| Decrease (increase) in trade receivables | (241,783) | (159,233) |
| Decrease (increase) in inventories | 16,872 | (30,834) |
| Decrease (increase) in prepaid expenses | 13,481 | (38,069) |
| Increase (decrease) in trade payables | 16,011 | (37,169) |
| Increase (decrease) in accounts payable - other | (21,809) | 18,356 |
| Increase (decrease) in accrued consumption taxes | (44,814) | (25,066) |
| Other, net | (42,649) | (10,638) |
| Subtotal | 172,155 | 912,884 |
| Interest and dividends received | 686 | 689 |
| Interest paid | (1,815) | (1,462) |
| Proceeds from subsidy income | 302,594 | 189,200 |
| Income taxes paid | (366,352) | (218,299) |
| Net cash provided by (used in) operating activities | 107,269 | 883,012 |
| Cash flows from investing activities | | |
| Payments into time deposits | (1,200) | (1,200) |
| Purchase of property, plant and equipment | (27,653) | (16,188) |
| Purchase of intangible assets | (602) | – |
| Purchase of insurance funds | (82,650) | (82,650) |
| Payments of leasehold and guarantee deposits | (1,875) | (26,878) |
| Proceeds from refund of leasehold and guarantee deposits | 838 | 1,238 |
| Net cash provided by (used in) investing activities | (113,143) | (125,680) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (33,330) | – |
| Repayments of lease obligations | (415) | (353) |
| Dividends paid | (77,713) | (119,534) |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 2,271 | 1,548 |
| Other, net | – | (766) |
| Net cash provided by (used in) financing activities | (109,187) | (119,105) |
| Net increase (decrease) in cash and cash equivalents | (115,062) | 638,226 |
| Cash and cash equivalents at beginning of period | 5,409,507 | 5,608,159 |
| Cash and cash equivalents at end of period | 5,294,445 | 6,246,386 |

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

First six months of FY8/22 (Sep. 1, 2021 – Feb. 28, 2022)

Information related to net sales and profit/loss in reportable segments

(Thousands of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount in the quarterly consolidated statement of income (Note 3) |
|---|-----------------------|--------------------------------|-----------------|---|-----------|-------------------|-----------|------------------------|--|
| | System Integration | Digital Transfor- mation | Midori Cloud | Mechanical Design and Engineering | Total | | | | |
| Net sales | | | | | | | | | |
| Sales to external customers | 6,160,267 | 1,890,068 | 169,239 | 266,149 | 8,485,726 | – | 8,485,726 | – | 8,485,726 |
| Inter-segment sales and transfers | – | – | – | 7,601 | 7,601 | – | 7,601 | (7,601) | – |
| Total | 6,160,267 | 1,890,068 | 169,239 | 273,751 | 8,493,327 | – | 8,493,327 | (7,601) | 8,485,726 |
| Segment profit (loss) | 273,306 | 161,880 | (24,615) | (16,591) | 393,979 | (2,123) | 391,856 | – | 391,856 |

- Notes: 1. The “Other” business segment consists of activities that are not included in any of the reportable segments, and is primarily engaged in job placement and temporary staffing services and services for training IT engineers.
2. The adjustment to segment profit (loss) includes corporate costs that are not allocated to any of the reportable segments. Corporate costs mainly include general and administrative expense that cannot be attributed to any of the reportable segments. The adjustment to segment profit (loss) includes inter-segment transaction elimination of 7,601 thousand yen.
3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

First six months of FY8/23 (Sep. 1, 2022 – Feb. 28, 2023)

1. Information related to net sales and profit/loss in reportable segments

(Thousands of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount in the quarterly consolidated statement of income (Note 3) |
|---|-----------------------|--------------------------------|-----------------|---|------------|-------------------|------------|------------------------|--|
| | System Integration | Digital Transfor- mation | Midori Cloud | Mechanical Design and Engineering | Total | | | | |
| Net sales | | | | | | | | | |
| Sales to external customers | 7,203,923 | 2,476,188 | 203,310 | 276,818 | 10,160,241 | – | 10,160,241 | – | 10,160,241 |
| Inter-segment sales and transfers | – | 56,662 | – | 28,648 | 85,311 | – | 85,311 | (85,311) | – |
| Total | 7,203,923 | 2,532,851 | 203,310 | 305,466 | 10,245,552 | – | 10,245,552 | (85,311) | 10,160,241 |
| Segment profit (loss) | 588,509 | 479,726 | (7,737) | 32,029 | 1,092,528 | (1,304) | 1,091,223 | – | 1,091,223 |

- Notes: 1. The “Other” business segment consists of activities that are not included in any of the reportable segments, and is primarily engaged in job placement and temporary staffing services and services for training IT engineers.
2. The adjustment to segment profit (loss) includes corporate costs that are not allocated to any of the reportable segments. Corporate costs mainly include general and administrative expense that cannot be attributed to any of the reportable segments. The adjustment to segment profit (loss) includes inter-segment transaction elimination of 85,311 thousand yen.
3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.