February 9, 2015

Summary of Consolidated Financial Results
for the Third Quarter of Fiscal Year Ending March 31, 2015
(Nine Months Ended December 31, 2014)

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd. Listing: Tokyo Stock Exchange, Second Section
Stock code: 4323 URL: http://www.jast.jp
Representative: Takeaki Hirabayashi, President and CEO
Contact: Noriaki Okado, Director and CFO Tel: +81-6-4560-1000
Scheduled date of filing of Quarterly Report: February 10, 2015
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: None
Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on February 9, 2015 at 16:00 (GMT +9).

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

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2014 (April 1, 2014 – December 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2014	7,999	12.4	(93)	-	(41)	-	(57)	-
Nine months ended Dec. 31, 2013	7,116	8.4	(57)	-	(19)	-	(50)	-

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2014: (75) (- %)
Nine months ended Dec. 31, 2013: (22) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2014	(11.04)	-
Nine months ended Dec. 31, 2013	(10.46)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2014	8,419	5,042	59.0	946.55
As of Mar. 31, 2014	8,817	5,066	56.6	954.53

Reference: Shareholders' equity (million yen) As of Dec. 31, 2014: 4,967 As of Mar. 31, 2014: 4,992

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2014	-	0.00	-	25.00	25.00
Fiscal year ending Mar. 31, 2015	-	0.00	-		
Fiscal year ending Mar. 31, 2015 (forecasts)				25.00	25.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	11,900	9.9	525	22.8	555	17.1	290	4.0	55.26

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

*** Notes**

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

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others:	Yes
2) Changes in accounting policies other than 1) above:	None
3) Changes in accounting-based estimates:	None
4) Restatements:	None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of period (including treasury shares)			
As of Dec. 31, 2014:	5,612,230 shares	As of Mar. 31, 2014:	5,594,230 shares
2) Number of treasury shares at the end of period			
As of Dec. 31, 2014:	364,210 shares	As of Mar. 31, 2014:	364,210 shares
3) Average number of shares outstanding during the period			
Nine months ended Dec. 31, 2014:	5,247,666 shares	Nine months ended Dec. 31, 2013:	4,809,941 shares

Note 1: Information regarding the implementation of quarterly review procedures

The current quarterly summary report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly financial statements have been completed.

Note 2: Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company’s management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements” on page 3 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first nine months of the current fiscal year, consolidated results of the Japan System Techniques Group (Japan System Techniques Co., Ltd. and its consolidated subsidiaries, hereafter "the Group") showed higher sales and lower profits as follows: net sales of 7,999 million yen (up 12.4% from the same period of the previous fiscal year), operating loss of 93 million yen (vs. operating loss of 57 million yen in the same period of the previous fiscal year), ordinary loss of 41 million yen (vs. operating loss of 19 million yen in the same period of the previous fiscal year), and net loss of 57 million yen (vs. net loss of 50 million yen in the same period of the previous fiscal year). Results by segment were as follows.

In the software business (individualized contracted software development), net sales increased but profits decreased. Sales remained strong because orders from the service/retail industry, the finance/insurance/brokerage industry, and the telecommunications industry increased while there was a decrease in orders from medical institutions. General and administrative expenses increased due to higher costs associated with the expansion of the Tokyo Head Office and the rebuilding of internal systems. As a result, net sales in this business totaled 5,743 million yen (up 19.1% from the same period of the previous fiscal year) and operating income totaled 34 million yen (down 43.0% from the same period of the previous fiscal year).

In the package business (development, sale and related services of operational reform packages for schools), net sales and profits increased. Operation services and implementation support decreased, but end user computing (EUC: contracted development of package-related systems) and IT equipment sales increased. Net sales in this business totaled 1,323 million yen (up 24.7% from the same period of the previous fiscal year) and operating income totaled 45 million yen (vs. operating loss of 1 million yen in the same period of the previous fiscal year).

In the system sales business (IT equipment sales and IT/telecom infrastructure construction), net sales and profits decreased. Orders from system integration (SI) projects for public sectors, and equipment sales to universities declined. As a result, net sales in this business totaled 692 million yen (down 35.5% from the same period of the previous fiscal year), and operating loss totaled 58 million yen (vs. operating income of 16 million yen in the same period of the previous fiscal year).

Lastly, in the medical big data business (inspection, analysis and related services of medical information), net sales totaled 239 million yen (up 52.1% from the same period of the previous fiscal year), and operating loss totaled 114 million yen (vs. operating loss of 131 million yen in the same period of the previous fiscal year). This was due to the expansion of notification and data analysis services, and cloud services for checking service providers in addition to automated inspection services for health insurance claims.

Features of the Group's quarterly results

A feature of the Group's software, package and systems sales businesses is that the delivery inspection period of most customers concentrates in March, the last month of the fiscal year for most companies, and then in September, the last month of the second quarter. This means that the Group's earnings in the first and third quarters tend to be much smaller than in the second and fourth quarters.

(2) Explanation of Financial Position

1) Balance sheet position

The balance of current assets at the end of the first nine months of the current fiscal year was 6,278 million yen, down 284 million yen from the end of the previous fiscal year. This was mainly due to an increase in work in process and a decrease in accounts receivable-trade. The balance of non-current assets was 2,141 million yen at the end of the first nine months, down 112 million yen from the end of the previous fiscal year. This was mainly due to an increase in net defined benefit asset, a decrease in deferred tax assets and cancellation of long-term time deposits.

The balance of current liabilities at the end of the first nine months was 2,171 million yen, down 193 million yen from the end of the previous fiscal year. This was mainly due to increases in short-term loans payable and advances received, and decreases due to notes and accounts payable-trade and payments for income taxes payable. The balance of non-current liabilities was 1,206 million yen at the end of the first nine months, down 180 million yen from the end of the previous fiscal year. This was mainly due to decreases in net defined benefit liability and provision for directors' retirement benefits following the retirement of directors.

The balance of net assets was 5,042 million yen at the end of the first nine months, down 23 million yen from the end of the previous fiscal year. This was mainly due to decreases in remeasurements of defined benefit plans and retained earnings.

2) Cash flows

Cash and cash equivalents decreased 269 million yen from 2,144 million yen at the start of the current fiscal year to 1,874 million yen at the end of the first nine months of the current fiscal year.

Cash flows by category were as follows.

Cash flows used in operating activities totaled 436 million yen, a decrease of 704 million yen from 267 million yen provided in the same period of the previous fiscal year. This was mainly due to a decrease in income from notes and accounts receivable-trade and an increase in outlays for inventories, while at the same time there is a decrease in outlays for notes and accounts payable-trade and an increase in income from advances received.

Cash flows provided by investing activities totaled 4 million yen, an increase of 27 million yen from 22 million yen used in the same period of the previous fiscal year. This was mainly due to an increase in income from withdrawal of time deposits, while there was a decrease in proceeds from the collection of guarantee deposits.

Cash flows provided by financing activities totaled 161 million yen, a decrease of 90 million yen from 251 million yen provided in the same period of the previous fiscal year. This was mainly due to a decrease in proceeds from issuance of common shares.

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

In the first nine months of the current fiscal year, the Japanese economy remained on a gradual recovery path because of the falling crude oil prices and the benefits of measures of the Japanese government. However, a risk of economic stagnation or a downturn remains because of the weakness in consumer sentiment and downturn in global economies.

In the IT industry in Japan, according to latest statistics in "Survey of Selected Service Industries" by the Ministry of Economy, Trade and Industry (the final November figures), net sales began to rise on a year-on-year basis from October 2011 after declining for many years. Since then, net sales have continued to climb as the IT industry as a whole stages a recovery. However, the recovery is still weak.

The Group will be guided by the fiscal year's slogan of "act with thought and speed." Everyone at the Group has a strong commitment to adapt swiftly to changes involving clients, technologies and markets. The objective is to achieve consistent growth in association with the shift from the previous business model centered on contracted development activities. The Group is establishing a business model in which we take our own initiatives with a central focus on proprietary brand products.

Structural reforms have established a framework where executive officers oversee each business unit and where the newly established Management Planning Department oversees implementation of group business strategies. In addition, a global management executive has been appointed to take the lead in the full-scale expansion of activity by the Group companies and the start of operations in China and other countries. Strategies in each business unit are as follows.

In the software business, a regional-based business structure has been established with the head offices in Tokyo and Osaka. There are three business divisions in the Tokyo head office: the division of contracted development operations that has been reorganized into three units, each specializing in a particular field; the convergence business division which is an independent division as in the previous fiscal year; and the sales division. At the Osaka head office, operations have been realigned into three business divisions, each specializing in a particular field. To build new profit centers, the BankNeo business has become a separate business division of the financial-related business and has been realigned into two business divisions with the Financial Business Department, which consists of three regional–based departments. The aim of this reorganization is to support consistent growth in earnings.

In the package business, the Group established business divisions in the greater Kanto and greater Kansai to localize operations and firmly expand its market share in each region. Also, the Group plans to develop next-generation mainstay products, enter the education market and grow faster in China. Furthermore, we will continue to work on making the school operations reform package GAKUEN the dominant brand in the education market in Japan and other countries.

In the system sales business, the Group will focus on expanding business from core clients and acquiring new clients in high-margin SE services, and new solutions utilizing security technology to build a new business platform and maintain earnings expansion.

Lastly, in the medical big data business, the Group will work to expand cloud services for claims checking service providers, and also strengthen the sales and service organizations in the Tokyo and Osaka regions in order to capture more orders and improve productivity.

Based on the above, we expect increases in sales and profits for the fiscal year ending March 31, 2015; net sales of 11,900 million yen (up 9.9% from the previous fiscal year), operating income of 525 million yen (up 22.8% from the previous fiscal year), ordinary income of 555 million yen (up 17.1% from the previous fiscal year), and net income of 290 million yen (up 4.0% from the previous fiscal year).

2. Matters Related to Summary Information (Notes)

(1) Changes in Consolidated Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in Accounting Policies

Application of the accounting standard for retirement benefits

The Company has applied the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)” and the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)” from the first quarter of the current fiscal year, for provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the approximate number of years of expected average length of the remaining service period of employees to the method using a single weighted average discount rate.

For the application of these accounting standards, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the first nine months of the current fiscal year.

The result was decreases of 97,473 thousand yen in deferred tax assets and 169,824 thousand yen in net defined benefit liability, and increases of 103,978 thousand yen in net defined benefit asset and 176,328 thousand yen in retained earnings at the beginning of the first nine months of the current fiscal year.

The effect of this change was to decrease operating loss, ordinary loss and loss before income taxes and minority interests by 4,410 thousand yen each in the first nine months of the current fiscal year.

3. Important Information about Going Concern Assumption

Not applicable.

4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	Third quarter of FY3/15 (As of Dec. 31, 2014)
Assets		
Current assets		
Cash and deposits	3,319,585	3,070,818
Notes and accounts receivable-trade	2,607,749	2,350,814
Merchandise and finished goods	97,394	116,046
Work in process	167,776	337,758
Raw materials and supplies	2,347	4,264
Deferred tax assets	259,362	303,938
Other	112,940	97,440
Allowance for doubtful accounts	(3,863)	(2,626)
Total current assets	6,563,292	6,278,456
Non-current assets		
Property, plant and equipment		
Buildings and structures	551,886	612,788
Accumulated depreciation	(270,155)	(260,445)
Buildings and structures, net	281,730	352,342
Land	142,361	142,361
Other	252,174	279,252
Accumulated depreciation	(171,771)	(180,007)
Other, net	80,402	99,245
Total property, plant and equipment	504,495	593,949
Intangible assets		
Goodwill	27,023	20,002
Software	96,422	88,597
Other	7,189	7,189
Total intangible assets	130,635	115,789
Investments and other assets		
Investment securities	362,629	348,011
Net defined benefit asset	257,001	371,838
Deferred tax assets	234,645	104,757
Guarantee deposits	299,440	342,320
Other	519,352	319,160
Allowance for doubtful accounts	(54,288)	(54,288)
Total investments and other assets	1,618,782	1,431,799
Total non-current assets	2,253,912	2,141,538
Total assets	8,817,204	8,419,995

(Thousands of yen)

	FY3/14 (As of Mar. 31, 2014)	Third quarter of FY3/15 (As of Dec. 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	906,653	558,594
Short-term loans payable	-	286,867
Current portion of long-term loans payable	2,400	2,400
Income taxes payable	293,658	5,803
Provision for bonuses	531,526	285,901
Provision for directors' bonuses	28,477	17,011
Other	601,663	1,014,518
Total current liabilities	2,364,379	2,171,096
Non-current liabilities		
Long-term loans payable	1,800	-
Provision for directors' retirement benefits	422,029	344,975
Net defined benefit liability	903,730	766,079
Other	58,856	95,350
Total non-current liabilities	1,386,415	1,206,405
Total liabilities	3,750,795	3,377,502
Net assets		
Shareholders' equity		
Capital stock	1,071,446	1,076,669
Capital surplus	1,033,084	1,038,308
Retained earnings	3,025,811	3,013,438
Treasury shares	(266,539)	(266,539)
Total shareholders' equity	4,863,803	4,861,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,191	41,521
Foreign currency translation adjustment	(14,936)	(12,936)
Remeasurements of defined benefit plans	91,150	77,068
Total accumulated other comprehensive income	128,405	105,652
Subscription rights to shares	514	-
Minority interests	73,686	74,964
Total net assets	5,066,409	5,042,493
Total liabilities and net assets	8,817,204	8,419,995

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income
(For the Nine-month Period)

(Thousands of yen)

	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)
Net sales	7,116,854	7,999,035
Cost of sales	5,855,410	6,564,529
Gross profit	1,261,443	1,434,505
Selling, general and administrative expenses	1,318,450	1,527,706
Operating loss	(57,007)	(93,200)
Non-operating income		
Interest income	9,785	8,311
Dividend income	5,371	6,175
Rent income	10,982	11,649
Subsidy income	19,766	19,913
Other	11,038	15,108
Total non-operating income	56,943	61,158
Non-operating expenses		
Interest expenses	3,469	1,088
Rent expenses	14,524	7,541
Other	1,620	1,296
Total non-operating expenses	19,614	9,926
Ordinary loss	(19,678)	(41,969)
loss before income taxes and minority interests	(19,678)	(41,969)
Income taxes	28,834	14,054
loss before minority interests	(48,512)	(56,023)
Minority interests in income	1,795	1,927
Net loss	(50,307)	(57,951)

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

(Thousands of yen)

	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)
loss before minority interests	(48,512)	(56,023)
Other comprehensive income		
Valuation difference on available-for-sale securities	24,461	(10,670)
Foreign currency translation adjustment	1,361	4,836
Remeasurements of defined benefit plans, net of tax	-	(14,082)
Total other comprehensive income	25,822	(19,917)
Comprehensive income	(22,689)	(75,940)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(29,578)	(80,704)
Comprehensive income attributable to minority interests	6,888	4,763

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)
Cash flows from operating activities		
loss before income taxes and minority interests	(19,678)	(41,969)
Depreciation	54,986	71,339
Amortization of software	9,122	18,392
Amortization of goodwill	6,236	6,236
Increase (decrease) in provision for bonuses	(120,035)	(245,648)
Increase (decrease) in provision for retirement benefits	14,209	-
Decrease (increase) in prepaid pension costs	(11,794)	-
Increase (decrease) in net defined benefit liability	-	31,736
Decrease (increase) in net defined benefit asset	-	(10,858)
Interest and dividend income	(15,156)	(14,486)
Interest expenses	3,469	1,088
Decrease (increase) in notes and accounts receivable-trade	958,800	256,313
Increase (decrease) in advances received	102,064	169,524
Decrease (increase) in inventories	(24,049)	(192,976)
Increase (decrease) in notes and accounts payable-trade	(537,995)	(348,094)
Other, net	(17,050)	139,751
Subtotal	403,128	(159,650)
Interest and dividend income received	15,828	16,225
Interest expenses paid	(3,564)	(1,050)
Income taxes paid	(147,632)	(292,452)
Net cash provided by (used in) operating activities	267,759	(436,928)
Cash flows from investing activities		
Decrease (increase) in time deposits	(6,653)	182,707
Purchase of property, plant and equipment	(15,605)	(120,497)
Purchase of software	(44,161)	(10,567)
Purchase of investment securities	(101,602)	(1,950)
Proceeds from cancellation of insurance funds	8,642	-
Payments for guarantee deposits	(1,186)	(46,067)
Proceeds from collection of guarantee deposits	138,420	2,403
Other, net	(705)	(1,596)
Net cash provided by (used in) investing activities	(22,852)	4,431
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	243,031	286,867
Repayments of long-term loans payable	(1,800)	(1,800)
Proceeds from issuance of common shares	131,437	9,932
Purchase of treasury shares	(44)	-
Cash dividends paid	(119,104)	(130,750)
Cash dividends paid to minority shareholders	(1,283)	(2,435)
Other, net	(388)	(134)
Net cash provided by (used in) financing activities	251,847	161,679
Effect of exchange rate change on cash and cash equivalents	2,758	1,646
Net increase (decrease) in cash and cash equivalents	499,514	(269,170)
Cash and cash equivalents at beginning of period	1,609,962	2,144,070
Cash and cash equivalents at end of period	2,109,476	1,874,900

(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

I. First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)

1. Information related to net sales and profit or loss for each reportable segment (Thousands of yen)

	Software business	Package business	System sales business	Medical big data business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales							
1. External sales	4,823,994	1,061,795	1,073,361	157,702	7,116,854	-	7,116,854
2. Inter-segment sales and transfers	16,765	-	28,085	-	44,850	(44,850)	-
Total	4,840,759	1,061,795	1,101,446	157,702	7,161,704	(44,850)	7,116,854
Segment profit (loss)	60,182	(1,863)	16,329	(131,655)	(57,007)	-	(57,007)

Notes: 1. There is no adjustment to segment profit or loss because all of the operating expenses are allocated to each reportable segment.
2. Segment loss is consistent with operating loss shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

II. First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)

1. Information related to net sales and profit or loss for each reportable segment (Thousands of yen)

	Software business	Package business	System sales business	Medical big data business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales							
1. External sales	5,743,091	1,323,881	692,269	239,793	7,999,035	-	7,999,035
2. Inter-segment sales and transfers	46,837	-	28,555	-	75,392	(75,392)	-
Total	5,789,929	1,323,881	720,824	239,793	8,074,428	(75,392)	7,999,035
Segment profit (loss)	34,295	45,073	(58,271)	(114,298)	(93,200)	-	(93,200)

Notes: 1. There is no adjustment to segment profit or loss because all of the operating expenses are allocated to each reportable segment.
2. Segment loss is consistent with operating loss shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

3. Information related to revisions for reportable segments

Application of the accounting standard for retirement benefits

The Company has applied the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012)” and the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)” from the first quarter of the current fiscal year, for provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the approximate number of years of expected average length of remaining service period of employees to the method using a single weighted average discount rate. The effect of this change on segment profit is insignificant.

5. Supplementary Information

Goods Manufactured, Orders Received and Sales

(1) Goods Manufactured

Goods manufactured in the period under review are broken down by segment as follows. (Thousands of yen)

Operating segment	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	Year-on-year (%)
Software business	4,916,486	122.6
Package business	813,418	112.5
System sales business	585,624	63.8
Medical big data business	249,000	122.3
Total	6,564,529	112.1

Notes: 1. The above amounts are based on cost of sales; inter-segment transactions have been eliminated.
2. The above amounts do not include consumption taxes.

(2) Orders Received

Orders received in the period under review are broken down by segment as follows. (Thousands of yen)

Operating segment	Orders received	Year-on-year (%)	Order backlog	Year-on-year (%)
Software business	6,310,525	130.8	1,614,291	120.1
Package business	1,916,171	131.4	990,901	122.4
System sales business	775,649	61.8	238,282	74.4
Medical big data business	194,971	230.1	157,972	78.3
Total	9,197,316	120.6	3,001,447	112.2

Notes: 1. The above amounts are based on selling prices; inter-segment transactions have been eliminated.
2. The above amounts do not include consumption taxes.

(3) Sales

Sales in the period under review are broken down by segment as follows. (Thousands of yen)

Operating segment	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	Year-on-year (%)
Software business	5,743,091	119.1
Package business	1,323,881	124.7
System sales business	692,269	64.5
Medical big data business	239,793	152.1
Total	7,999,035	112.4

Notes: 1. Inter-segment transactions have been eliminated.
2. The following table indicates sales amounts to major customers and their ratios to total sales amount.

(Thousands of yen)

Customers	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)		First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	
	Amount	%	Amount	%
NTT COMWARE CORPORATION (Note 4)	529,853	7.4	774,273	9.7
DUSKIN CO., LTD.	531,628	7.5	488,426	6.1
TIS Inc.	328,329	4.6	391,473	4.9

3. The above amounts do not include consumption taxes.
4. On July 1, 2014, NTT COMWARE CORPORATION merged its five regional group companies including NTT COMWARE WEST CORPORATION. Accordingly, total sales amount of NTT COMWARE CORPORATION includes results of NTT COMWARE WEST CORPORATION.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.