

August 4, 2015

Summary of Consolidated Financial Results
for the First Quarter of Fiscal Year Ending March 31, 2016
(Three Months Ended June 30, 2015)

[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: | August 5, 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 August 4, 2015 at 16:00 (GMT +9).

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

1. Consolidated Financial Results for the First Quarter Ended June 30, 2015 (April 1, 2015 – June 30, 2015)

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

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|----------------------------------|-------------|-------|------------------|---|-----------------|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended Jun. 30, 2015 | 2,528 | (5.6) | (76) | - | (68) | - | (39) | - |
| Three months ended Jun. 30, 2014 | 2,678 | 5.2 | (11) | - | 18 | - | (4) | - |

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2015: (54) (n.a.)

Three months ended Jun. 30, 2014: (16) (n.a.)

| | Net income per share | Diluted net income per share |
|----------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Three months ended Jun. 30, 2015 | (7.58) | - |
| Three months ended Jun. 30, 2014 | (0.81) | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of Jun. 30, 2015 | 9,544 | 5,244 | 54.3 | 987.36 |
| As of Mar. 31, 2015 | 8,717 | 5,433 | 61.4 | 1,020.03 |

Reference: Shareholders' equity (million yen) As of Jun. 30, 2015: 5,181 As of Mar. 31, 2015: 5,353

2. Dividends

| | Dividend per share | | | | |
|--|--------------------|--------|--------|----------|-------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended Mar. 31, 2015 | - | 0.00 | - | 25.00 | 25.00 |
| Fiscal year ending Mar. 31, 2016 | - | - | - | - | - |
| Fiscal year ending Mar. 31, 2016 (forecasts) | - | 0.00 | - | 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, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Net income per share |
|------------|-------------|-----|------------------|------|-----------------|--------|---|--------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 5,500 | 1.4 | (8) | - | 14 | (87.8) | 2 | (96.7) | 0.38 |
| Full year | 12,200 | 6.0 | 560 | 54.0 | 620 | 42.2 | 292 | 27.7 | 55.64 |

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 shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

| | | | |
|----------------------|------------------|----------------------|------------------|
| As of Jun. 30, 2015: | 5,612,230 shares | As of Mar. 31, 2015: | 5,612,230 shares |
|----------------------|------------------|----------------------|------------------|

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

| | | | |
|----------------------|----------------|----------------------|----------------|
| As of Jun. 30, 2015: | 364,210 shares | As of Mar. 31, 2015: | 364,210 shares |
|----------------------|----------------|----------------------|----------------|

3) Average number of shares outstanding during the period

| | | | |
|-----------------------------------|------------------|-----------------------------------|------------------|
| Three months ended Jun. 30, 2015: | 5,248,020 shares | Three months ended Jun. 30, 2014: | 5,246,951 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.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter 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”) were as follows: net sales of 2,528 million yen (down 5.6% from the same period of the previous fiscal year), operating loss of 76 million yen (vs. operating loss of 11 million yen in the same period of the previous fiscal year), ordinary loss of 68 million yen (vs. ordinary income of 18 million yen in the same period of the previous fiscal year), and loss attributable to owners of parent of 39 million yen (vs. loss attributable to owners of parent of 4 million yen in the same period of the previous fiscal year). Net sales and profits decreased, which trended generally in line with plans. Results by segment were as follows.

In the software business (individualized contracted software development), net sales and profits decreased. Although orders from the service/retail industry increased, the finance/insurance/brokerage industry, the public sector, the telecommunications industry, and the manufacturing industry declined. As a result, net sales in this business totaled 1,804 million yen (down 9.5% from the same period of the previous fiscal year) and there was an operating loss of 65 million yen (vs. operating income of 112 million yen in 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. As program product (PP) sales to universities, implementation support and IT equipment sales increased, net sales in this business totaled 490 million yen (up 33.8% from the same period of the previous fiscal year) and operating income totaled 58 million yen (vs. operating loss of 40 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 as equipment sales to universities declined. Net sales in this business totaled 134 million yen (down 45.9% from the same period of the previous fiscal year), and operating loss totaled 37 million yen (vs. operating loss of 35 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 99 million yen (up 41.5% from the same period of the previous fiscal year), and operating loss totaled 31 million yen (vs. operating loss of 49 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 quarter of the current fiscal year was 7,045 million yen, up 844 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits caused by a short-term loans payable and an increase in advances received. The balance of non-current assets was 2,498 million yen at the end of the first quarter, down 18 million yen from the end of the previous fiscal year.

The balance of current liabilities at the end of the first quarter was 3,035 million yen, up 1,008 million yen from the end of the previous fiscal year. This was mainly due to a short-term loans payable and an increase in advances received. The balance of non-current liabilities was 1,264 million yen at the end of the first quarter, up 5 million

yen from the end of the previous fiscal year.

The balance of net assets was 5,244 million yen at the end of the first quarter, down 188 million yen from the end of the previous fiscal year. The main factor was the payment of dividends.

2) Cash flows

Cash and cash equivalents increased 1,500 million yen from 1,559 million yen at the start of the current fiscal year to 3,060 million yen at the end of the first quarter.

Cash flows by category were as follows.

Cash flows provided by operating activities totaled 1,082 million yen, an increase of 678 million yen from 404 million yen provided in the same period of the previous fiscal year. This was mainly due to a decrease in income from an increase in inventories, while at the same time there was an increase in income from advances received and notes and accounts receivable-trade.

Cash flows used in investing activities totaled 17 million yen, a decrease of 13 million yen in outlays from 31 million yen used in the same period of the previous fiscal year.

Cash flows provided by financing activities totaled 436 million yen, an increase of 559 million yen from 123 million yen provided in the same period of the previous fiscal year. This was mainly due to the short-term loans payable.

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

In the first quarter of the current fiscal year, the recovery of the Japanese economy continued at a moderate pace. The recovery is backed by the benefits of government economic initiatives along with growth in capital expenditures due to higher corporate earnings and improvements in the number of jobs and personal income. However, economic growth is slowing in China and other major emerging countries and there is a possibility of a downturn in overseas economies. As a result, there is still a risk of economic stagnation or a decline.

In the IT industry in Japan, according to the latest statistics in the “Survey of Selected Service Industries” by the Ministry of Economy, Trade and Industry (the final May figures), monthly net sales have been consistently higher than one year earlier since August 2013. But sales in May 2015 were only 0.7% higher than one year earlier, indicating that the IT industry is growing slowly along with some instability.

Against this backdrop, the Group will be guided by the new fiscal year’s slogan of “go beyond the border.” Each and every employee will leverage the strengths that JAST has cultivated to date, making a strong commitment in new areas (internally: achieve unprecedented levels of quality, acquire skills, boost productivity, etc.; externally: achieve unprecedented business success, attain high prices, earn a positive reputation, develop business in new regions, etc.). As a result, we aim to boost orders volume and enhance profitability in the contracted development business, as well as to achieve sustained growth by further expanding JAST-driven business centering on proprietary brand products.

Based on the above, we maintain the May 14, 2015 forecasts for the fiscal year ending March 31, 2016 which we expect increases in sales and profits: net sales of 12,200 million yen (up 6.0% from the previous fiscal year), operating income of 560 million yen (up 54.0% from the previous fiscal year), ordinary income of 620 million yen (up 42.2% from the previous fiscal year), and profit attributable to owners of parent of 292 million yen (up 27.7% 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 Business Combinations, etc.

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. from the first quarter of the current fiscal year. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first quarter of the previous fiscal year and the previous fiscal year have been revised.

In the quarterly consolidated statement of cash flows of the first quarter of the current fiscal year, cash flows associated with purchase or sales of shares of subsidiary not resulting in changes in the scope of consolidation are included in cash flows from financing activities. On the other hand, cash flows associated with purchase or sales of shares of subsidiary resulting in changes in the scope of consolidation or expenses associated with purchase or sales of shares of subsidiary not resulting in changes in the scope of consolidation are included in cash flows from operating activities.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

There is no impact on the quarterly consolidated financial statements for the first quarter 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) | |
|-------------------------------------|---------------------------------|--|
| | FY3/15 (As of Mar. 31, 2015) | First quarter of FY3/16 (As of Jun. 30, 2015) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,762,276 | 4,259,913 |
| Notes and accounts receivable-trade | 2,783,536 | 1,821,960 |
| Merchandise and finished goods | 59,362 | 115,047 |
| Work in process | 278,704 | 453,291 |
| Raw materials and supplies | 3,066 | 2,916 |
| Deferred tax assets | 202,070 | 291,850 |
| Other | 116,390 | 102,427 |
| Allowance for doubtful accounts | (4,519) | (1,893) |
| Total current assets | 6,200,887 | 7,045,515 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 612,788 | 612,788 |
| Accumulated depreciation | (271,071) | (280,702) |
| Buildings and structures, net | 341,716 | 332,086 |
| Land | 142,361 | 142,361 |
| Other | 288,023 | 290,074 |
| Accumulated depreciation | (189,891) | (198,225) |
| Other, net | 98,131 | 91,848 |
| Total property, plant and equipment | 582,210 | 566,295 |
| Intangible assets | | |
| Goodwill | 18,001 | 16,001 |
| Software | 149,314 | 139,918 |
| Other | 7,189 | 7,189 |
| Total intangible assets | 174,505 | 163,110 |
| Investments and other assets | | |
| Investment securities | 580,032 | 589,252 |
| Net defined benefit asset | 481,576 | 485,933 |
| Deferred tax assets | 57,219 | 52,329 |
| Guarantee deposits | 342,917 | 343,580 |
| Other | 352,690 | 352,419 |
| Allowance for doubtful accounts | (54,288) | (54,288) |
| Total investments and other assets | 1,760,149 | 1,769,227 |
| Total non-current assets | 2,516,865 | 2,498,633 |
| Total assets | 8,717,753 | 9,544,148 |

| | (Thousands of yen) | |
|---|---------------------------------|--|
| | FY3/15 (As of Mar. 31, 2015) | First quarter of FY3/16 (As of Jun. 30, 2015) |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 751,992 | 581,909 |
| Short-term loans payable | 23,367 | 603,450 |
| Current portion of long-term loans payable | 1,800 | 1,200 |
| Income taxes payable | 84,486 | 82,866 |
| Provision for bonuses | 446,267 | 238,079 |
| Provision for directors' bonuses | 20,624 | 7,504 |
| Other | 697,818 | 1,520,208 |
| Total current liabilities | 2,026,357 | 3,035,218 |
| Non-current liabilities | | |
| Provision for directors' retirement benefits | 350,248 | 355,906 |
| Net defined benefit liability | 772,160 | 782,569 |
| Other | 135,979 | 125,634 |
| Total non-current liabilities | 1,258,387 | 1,264,109 |
| Total liabilities | 3,284,745 | 4,299,328 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,076,669 | 1,076,669 |
| Capital surplus | 1,038,308 | 1,038,308 |
| Retained earnings | 3,299,968 | 3,128,993 |
| Treasury shares | (266,539) | (266,539) |
| Total shareholders' equity | 5,148,407 | 4,977,432 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 61,263 | 67,361 |
| Foreign currency translation adjustment | (9,647) | (8,345) |
| Remeasurements of defined benefit plans | 153,109 | 145,224 |
| Total accumulated other comprehensive income | 204,724 | 204,239 |
| Non-controlling interests | 79,875 | 63,147 |
| Total net assets | 5,433,007 | 5,244,819 |
| Total liabilities and net assets | 8,717,753 | 9,544,148 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Three-month Period)**

| | (Thousands of yen) | |
|--|--|--|
| | First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014) | First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015) |
| Net sales | 2,678,014 | 2,528,227 |
| Cost of sales | 2,163,128 | 2,029,815 |
| Gross profit | 514,886 | 498,412 |
| Selling, general and administrative expenses | 526,867 | 574,461 |
| Operating loss | (11,981) | (76,049) |
| Non-operating income | | |
| Interest income | 3,401 | 2,550 |
| Dividend income | 2,717 | 2,747 |
| Rent income | 3,886 | 3,646 |
| Subsidy income | 14,986 | - |
| Other | 7,378 | 8,707 |
| Total non-operating income | 32,371 | 17,652 |
| Non-operating expenses | | |
| Interest expenses | 21 | 67 |
| Foreign exchange losses | - | 7,774 |
| Rent expenses | 1,965 | 2,098 |
| Other | 399 | 332 |
| Total non-operating expenses | 2,386 | 10,272 |
| Ordinary income (loss) | 18,003 | (68,669) |
| Income (loss) before income taxes and minority interests | 18,003 | (68,669) |
| Income taxes | 28,162 | (13,990) |
| Loss | (10,159) | (54,678) |
| Loss attributable to non-controlling interests | (5,905) | (14,903) |
| Loss attributable to owners of parent | (4,254) | (39,774) |

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

| | (Thousands of yen) | |
|--|--|--|
| | First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014) | First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015) |
| Loss | (10,159) | (54,678) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 955 | 6,098 |
| Foreign currency translation adjustment | (2,460) | 1,802 |
| Remeasurements of defined benefit plans, net of tax | (4,694) | (7,885) |
| Total other comprehensive income | (6,198) | 15 |
| Comprehensive income | (16,357) | (54,662) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (8,656) | (40,258) |
| Comprehensive income attributable to non-controlling interests | (7,701) | (14,403) |

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

| | First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014) | First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015) |
|---|--|--|
| Cash flows from operating activities | | |
| Income (loss) before income taxes and minority interests | 18,003 | (68,669) |
| Depreciation | 17,303 | 19,050 |
| Amortization of software | 6,252 | 9,395 |
| Amortization of goodwill | 2,078 | 2,000 |
| Increase (decrease) in provision for bonuses | (293,301) | (208,192) |
| Increase (decrease) in net defined benefit liability | 3,423 | 10,291 |
| Decrease (increase) in net defined benefit asset | (10,092) | (4,356) |
| Interest and dividend income | (6,119) | (5,298) |
| Interest expenses | 21 | 67 |
| Decrease (increase) in notes and accounts receivable-trade | 710,803 | 958,887 |
| Increase (decrease) in advances received | 182,194 | 449,343 |
| Decrease (increase) in inventories | (9,048) | (230,235) |
| Increase (decrease) in notes and accounts payable-trade | (375,216) | (170,039) |
| Other, net | 432,686 | 386,147 |
| Subtotal | 678,988 | 1,148,391 |
| Interest and dividend income received | 7,141 | 6,536 |
| Interest expenses paid | (25) | (129) |
| Income taxes paid | (282,077) | (72,602) |
| Net cash provided by (used in) operating activities | 404,027 | 1,082,196 |
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | (6,345) | 3,664 |
| Purchase of property, plant and equipment | (10,466) | (702) |
| Purchase of software | (2,875) | (19,074) |
| Purchase of investment securities | (448) | (449) |
| Payments for guarantee deposits | (12,185) | (936) |
| Proceeds from collection of guarantee deposits | 992 | 200 |
| Other, net | (435) | (570) |
| Net cash provided by (used in) investing activities | (31,763) | (17,867) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 570 | 581,020 |
| Repayments of lease obligations | - | (10,679) |
| Repayments of long-term loans payable | (600) | (600) |
| Proceeds from issuance of common shares | 9,932 | - |
| Cash dividends paid | (130,750) | (131,200) |
| Dividends paid to non-controlling interests | (2,435) | (2,324) |
| Other, net | (134) | - |
| Net cash provided by (used in) financing activities | (123,417) | 436,215 |
| Effect of exchange rate change on cash and cash equivalents | (1,174) | (174) |
| Net increase (decrease) in cash and cash equivalents | 247,671 | 1,500,369 |
| Cash and cash equivalents at beginning of period | 2,144,070 | 1,559,743 |
| Cash and cash equivalents at end of period | 2,391,742 | 3,060,113 |

(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 three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 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 | 1,993,395 | 366,297 | 248,178 | 70,142 | 2,678,014 | - | 2,678,014 |
| 2. Inter-segment sales and transfers | 3,416 | - | 11,355 | - | 14,771 | (14,771) | - |
| Total | 1,996,812 | 366,297 | 259,533 | 70,142 | 2,692,786 | (14,771) | 2,678,014 |
| Segment profit (loss) | 112,843 | (40,444) | (35,334) | (49,046) | (11,981) | - | (11,981) |

Notes: 1. There is no adjustment to segment profit (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 three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)

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 | 1,804,507 | 490,288 | 134,187 | 99,244 | 2,528,227 | - | 2,528,227 |
| 2. Inter-segment sales and transfers | 16,648 | - | 3,205 | - | 19,853 | (19,853) | - |
| Total | 1,821,155 | 490,288 | 137,393 | 99,244 | 2,548,081 | (19,853) | 2,528,227 |
| Segment profit (loss) | (65,532) | 58,815 | (37,720) | (31,208) | (75,645) | (403) | (76,049) |

Notes: 1. Adjustment to segment profit (loss) represents eliminations for inter-segment transactions.

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.

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 three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015) | Year-on-year (%) |
|---------------------------|--|------------------|
| Software business | 1,564,641 | 98.5 |
| Package business | 280,778 | 103.8 |
| System sales business | 108,757 | 49.2 |
| Medical big data business | 75,637 | 90.8 |
| Total | 2,029,815 | 93.8 |

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 | 2,391,549 | 88.9 | 1,854,987 | 106.3 |
| Package business | 814,620 | 86.0 | 928,832 | 94.8 |
| System sales business | 192,273 | 69.7 | 267,917 | 146.6 |
| Medical big data business | 129,282 | 112.6 | 239,689 | 96.8 |
| Total | 3,527,724 | 87.6 | 3,291,426 | 104.4 |

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 three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015) | Year-on-year (%) |
|---------------------------|--|------------------|
| Software business | 1,804,507 | 90.5 |
| Package business | 490,288 | 133.8 |
| System sales business | 134,187 | 54.1 |
| Medical big data business | 99,244 | 141.5 |
| Total | 2,528,227 | 94.4 |

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 three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014) | | First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015) | |
|-------------------------|--|------|--|------|
| | Amount | % | Amount | % |
| NTT COMWARE CORPORATION | 310,578 | 11.6 | 336,617 | 13.3 |
| OTSUKA CORPORATION | 82,285 | 3.1 | 139,688 | 5.5 |
| DUSKIN CO., LTD. | 187,748 | 7.0 | 127,647 | 5.0 |

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.