

February 5, 2016

Summary of Consolidated Financial Results
for the Third Quarter of Fiscal Year Ending March 31, 2016
(Nine Months Ended December 31, 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:	February 8, 2016
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 5, 2016 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, 2015
(April 1, 2015 – December 31, 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	%
Nine months ended Dec. 31, 2015	8,016	0.2	(117)	-	(90)	-	(79)	-
Nine months ended Dec. 31, 2014	7,999	12.4	(93)	-	(41)	-	(57)	-

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2015: (121) (- %)
 Nine months ended Dec. 31, 2014: (75) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2015	(15.06)	-
Nine months ended Dec. 31, 2014	(11.04)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2015	8,689	5,134	58.5	969.21
As of Mar. 31, 2015	8,717	5,433	61.4	1,020.03

Reference: Shareholders' equity (million yen) As of Dec. 31, 2015: 5,086 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	-	0.00	-		
Fiscal year ending Mar. 31, 2016 (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, 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
Full year	11,982	4.1	485	33.4	510	17.0	234	2.4	44.59

Note: Revisions to the most recently announced consolidated earnings forecasts: Yes

*** 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 Dec. 31, 2015:	5,612,230 shares	As of Mar. 31, 2015:	5,612,230 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2015:	364,210 shares	As of Mar. 31, 2015:	364,210 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	5,248,020 shares	Nine months ended Dec. 31, 2014:	5,247,666 shares
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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 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”) were as follows: net sales of 8,016 million yen (up 0.2% from the same period of the previous fiscal year), operating loss of 117 million yen (vs. operating loss of 93 million yen in the same period of the previous fiscal year), ordinary loss of 90 million yen (vs. ordinary loss of 41 million yen in the same period of the previous fiscal year), and loss attributable to owners of parent of 79 million yen (vs. loss attributable to owners of parent of 57 million yen in the same period of the previous fiscal year). Consequently, net sales were up and profits were down from the same period of the previous fiscal year. Results by segment were as follows.

In the software business (individualized contracted software development), both net sales and profits decreased due to a decrease in orders from the public sector, manufacturing industry, educational institutions and service/retail industries and occurrence of some unprofitable projects as well, which could not fully be offset by an increase in orders from the telecommunications and finance/insurance/brokerage industry. As a result, net sales in this business totaled 5,716 million yen (down 0.5% from the same period of the previous fiscal year), and there was an operating loss of 71 million yen (vs. operating income of 34 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), both net sales and profits increased due to an increase in revenue from sales of, as well as implementation support and operation/maintenance services for, program products (PP) to universities, which could more than cover a decrease in sales of end user computing (EUC: contracted development of package-related systems) and IT equipments. As a result, net sales in this business totaled 1,355 million yen (up 2.4% from the same period of the previous fiscal year) and operating income totaled 50 million yen (up 12.8% from the same period of the previous fiscal year).

In the system sales business (IT equipment sales and IT/telecom infrastructure construction), orders from system integration (SI) projects for public sectors increased while equipment sales to universities declined. As a result, sales totaled 572 million yen (down 17.3% from the same period of the previous fiscal year), and there was an operating loss of 48 million yen (vs. operating loss of 58 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 372 million yen (up 55.2% from the same period of the previous fiscal year), and operating loss totaled 48 million yen (vs. operating loss of 114 million yen in the same period of the previous fiscal year). This was due to the expansion of services for data analysis and notification of the cost of medical care, cloud services for checking service providers, and support services for data health plans and other services 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 third quarter of the current fiscal year was 6,208 million yen, up 7 million yen from the end of the previous fiscal year. The balance of non-current assets was 2,480 million yen at

the end of the third quarter, down 35 million yen from the end of the previous fiscal year.

The balance of current liabilities at the end of the third quarter was 2,239 million yen, up 213 million yen from the end of the previous fiscal year. This was mainly due to increases in short-term loans payable and advances received, which were partially offset by a decrease in notes and accounts payable-trade. The balance of non-current liabilities was 1,314 million yen at the end of the third quarter, up 56 million yen from the end of the previous fiscal year. This was mainly due to an increase in net defined benefit liability.

The balance of net assets was 5,134 million yen at the end of the third quarter, down 298 million yen from the end of the previous fiscal year. The main factor of the change was the payment of dividends.

2) Cash flows

Cash and cash equivalents increased 470 million yen from 1,559 million yen at the beginning of the current fiscal year to 2,029 million yen at the end of the first nine months of the current fiscal year.

Cash flows by category were as follows.

Cash flows provided by operating activities totaled 262 million yen, an increase of 699 million yen from 436 million yen used in the same period of the previous fiscal year. This increase was mainly due to an increase in proceeds from collection of notes and accounts receivable-trade and an increase in advances received.

Cash flows provided by investing activities totaled 58 million yen, an increase of 53 million yen from 4 million yen provided by the same period of the previous fiscal year. This increase was mainly due to a fact that the amount of a decrease in purchase of property, plant and equipment significantly exceeds the amount of a decrease in proceeds from withdrawal of time deposits.

Cash flows provided by financing activities totaled 151 million yen, a decrease of 10 million yen from 161 million yen provided in the same period of the previous fiscal year.

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

In the first nine months 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 higher corporate earnings and improvements in the number of jobs and personal income. However, economic growth is slowing in China and other emerging countries in Asia and there is a possibility of a downturn in overseas economies. As such, 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 November figures), monthly net sales have been consistently higher than one year earlier since August 2013, indicating that the IT industry as a whole is on a moderate growth path.

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 earnings results for the first nine months of the current fiscal year, we have revised the May 14, 2015 consolidated full-year earnings forecasts for the fiscal year ending March 31, 2016 together with the non-consolidated full-year earnings forecasts for the same period.

For matters pertaining to revision to the forecast figures, please refer to “Notice of Revision to Earnings Forecast (Japanese version only)” that is released today on February 5, 2016.

2. Matters Related to Summary Information (Notes)

(1) Changes in Consolidated Subsidiaries during the Period

Not applicable.

While it is not subject to the disclosure requirement regarding changes in specified subsidiaries, the Company newly included Shanghai Jiafeng Information Technology Co., Ltd. in the scope of consolidation during the first half of the period under review, in which the Company completed the payment for the investments in capital and a series of proceedings to be registered as a foreign invested enterprise in China.

(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 acquisition-related 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 nine months of the previous fiscal year and the previous fiscal year have been revised.

In the quarterly consolidated statement of cash flows for the first nine months 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 acquisition-related costs for purchase of shares of subsidiary resulting in changes in the scope of consolidation or costs in connection 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.

Consequently, the balance of capital surplus at the end of the third quarter of the current fiscal year decreased by 39,517 thousand yen.

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)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	2,762,276	3,117,847
Notes and accounts receivable-trade	2,783,536	2,130,498
Merchandise and finished goods	59,362	86,036
Work in process	278,704	537,730
Raw materials and supplies	3,066	2,859
Deferred tax assets	202,070	214,501
Other	116,390	120,635
Allowance for doubtful accounts	(4,519)	(1,684)
Total current assets	6,200,887	6,208,425
Non-current assets		
Property, plant and equipment		
Buildings and structures	612,788	616,203
Accumulated depreciation	(271,071)	(300,232)
Buildings and structures, net	341,716	315,971
Land	142,361	142,361
Other	288,023	289,458
Accumulated depreciation	(189,891)	(205,927)
Other, net	98,131	83,531
Total property, plant and equipment	582,210	541,864
Intangible assets		
Goodwill	18,001	12,001
Software	149,314	128,121
Other	7,189	7,189
Total intangible assets	174,505	147,312
Investments and other assets		
Investment securities	580,032	597,346
Net defined benefit asset	481,576	494,914
Deferred tax assets	57,219	52,366
Guarantee deposits	342,917	343,791
Other	352,690	357,678
Allowance for doubtful accounts	(54,288)	(54,288)
Total investments and other assets	1,760,149	1,791,807
Total non-current assets	2,516,865	2,480,983
Total assets	8,717,753	8,689,409

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	751,992	524,211
Short-term loans payable	23,367	367,730
Current portion of long-term loans payable	1,800	-
Income taxes payable	84,486	8,291
Provision for bonuses	446,267	294,344
Provision for directors' bonuses	20,624	18,634
Other	697,818	1,026,674
Total current liabilities	2,026,357	2,239,886
Non-current liabilities		
Provision for directors' retirement benefits	350,248	367,367
Net defined benefit liability	772,160	814,968
Other	135,979	132,461
Total non-current liabilities	1,258,387	1,314,796
Total liabilities	3,284,745	3,554,682
Net assets		
Shareholders' equity		
Capital stock	1,076,669	1,076,669
Capital surplus	1,038,308	998,790
Retained earnings	3,299,968	3,089,712
Treasury shares	(266,539)	(266,539)
Total shareholders' equity	5,148,407	4,898,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	61,263	72,068
Foreign currency translation adjustment	(9,647)	(13,730)
Remeasurements of defined benefit plans	153,109	129,453
Total accumulated other comprehensive income	204,724	187,791
Non-controlling interests	79,875	48,300
Total net assets	5,433,007	5,134,726
Total liabilities and net assets	8,717,753	8,689,409

(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 FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Net sales	7,999,035	8,016,741
Cost of sales	6,564,529	6,493,312
Gross profit	1,434,505	1,523,429
Selling, general and administrative expenses	1,527,706	1,640,523
Operating loss	(93,200)	(117,094)
Non-operating income		
Interest income	8,311	6,915
Dividend income	6,175	6,097
Rent income	11,649	10,873
Subsidy income	19,913	4,056
Other	15,108	8,415
Total non-operating income	61,158	36,358
Non-operating expenses		
Interest expenses	1,088	1,434
Rent expenses	7,541	6,154
Other	1,296	2,088
Total non-operating expenses	9,926	9,677
Ordinary loss	(41,969)	(90,413)
Loss before income taxes and non-controlling interests	(41,969)	(90,413)
Income taxes	14,054	10,432
Loss	(56,023)	(100,845)
Profit (loss) attributable to non-controlling interests	1,927	(21,789)
Loss attributable to owners of parent	(57,951)	(79,055)

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

(Thousands of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Loss	(56,023)	(100,845)
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,670)	10,805
Foreign currency translation adjustment	4,836	(8,248)
Remeasurements of defined benefit plans, net of tax	(14,082)	(23,655)
Total other comprehensive income	(19,917)	(21,098)
Comprehensive income	(75,940)	(121,944)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(80,704)	(95,988)
Comprehensive income attributable to non-controlling interests	4,763	(25,955)

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Cash flows from operating activities		
Loss before income taxes and non-controlling interests	(41,969)	(90,413)
Depreciation	71,339	57,849
Amortization of software	18,392	28,064
Amortization of goodwill	6,236	12,929
Increase (decrease) in provision for bonuses	(245,648)	(151,865)
Increase (decrease) in net defined benefit liability	31,736	43,830
Decrease (increase) in net defined benefit asset	(10,858)	(13,337)
Interest and dividend income	(14,486)	(13,013)
Interest expenses	1,088	1,434
Decrease (increase) in notes and accounts receivable-trade	256,313	648,842
Increase (decrease) in advances received	169,524	306,013
Decrease (increase) in inventories	(192,976)	(285,712)
Increase (decrease) in notes and accounts payable-trade	(348,094)	(227,699)
Other, net	139,751	39,597
Subtotal	(159,650)	356,521
Interest and dividend income received	16,225	14,555
Interest expenses paid	(1,050)	(1,357)
Income taxes paid	(292,452)	(107,004)
Net cash provided by (used in) operating activities	(436,928)	262,714
Cash flows from investing activities		
Decrease (increase) in time deposits	182,707	106,422
Purchase of property, plant and equipment	(120,497)	(15,706)
Purchase of software	(10,567)	(24,712)
Purchase of investment securities	(1,950)	(1,829)
Payments for investments in capital of subsidiaries and associates resulting in change in scope of consolidation	-	(2,007)
Payments for guarantee deposits	(46,067)	(1,500)
Proceeds from collection of guarantee deposits	2,403	387
Other, net	(1,596)	(2,751)
Net cash provided by (used in) investing activities	4,431	58,302
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	286,867	346,147
Repayments of lease obligations	-	(11,634)
Repayments of long-term loans payable	(1,800)	(1,800)
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)
Payments for investments in capital of subsidiaries and associates that do not result in change in scope of consolidation	-	(48,000)
Other, net	(134)	-
Net cash provided by (used in) financing activities	161,679	151,188
Effect of exchange rate change on cash and cash equivalents	1,646	(2,057)
Net increase (decrease) in cash and cash equivalents	(269,170)	470,148
Cash and cash equivalents at beginning of period	2,144,070	1,559,743
Cash and cash equivalents at end of period	1,874,900	2,029,892

(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 FY3/15 (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.

II. First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 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	5,716,318	1,355,852	572,315	372,255	8,016,741	-	8,016,741
2. Inter-segment sales and transfers	91,972	-	11,378	-	103,351	(103,351)	-
Total	5,808,291	1,355,852	583,694	372,255	8,120,093	(103,351)	8,016,741
Segment profit (loss)	(71,225)	50,862	(48,119)	(48,827)	(117,311)	216	(117,094)

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 nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)	Year-on-year (%)
Software business	5,048,038	102.7
Package business	799,685	98.3
System sales business	408,720	69.8
Medical big data business	236,867	95.1
Total	6,493,312	98.9

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	6,138,176	97.3	1,689,803	104.7
Package business	1,469,438	76.7	718,085	72.5
System sales business	740,997	95.5	378,513	158.9
Medical big data business	346,595	177.8	183,991	116.5
Total	8,695,207	94.5	2,970,395	99.0

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 FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)	Year-on-year (%)
Software business	5,716,318	99.5
Package business	1,355,852	102.4
System sales business	572,315	82.7
Medical big data business	372,255	155.2
Total	8,016,741	100.2

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.

Customers	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)				First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)	
	Amount		%		Amount	
	Amount	%	Amount	%	Amount	%
NTT COMWARE CORPORATION (Note 4)	774,273	9.7	984,735	12.3		
DUSKIN CO., LTD.	488,426	6.1	401,296	5.0		
TIS Inc.	391,473	4.9	398,880	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 amount of sales to NTT COMWARE CORPORATION includes sales to 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.