

**Summary of Consolidated Financial Results**  
**for the Third Quarter of Fiscal Year Ending March 31, 2017**  
**(Nine Months Ended December 31, 2016)**

[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		
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Scheduled date of filing of Quarterly Report:			February 7, 2017
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 6, 2017 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, 2016**  
**(April 1, 2016 – December 31, 2016)**

(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, 2016	9,574	19.4	(38)	-	10	-	(28)	-
Nine months ended Dec. 31, 2015	8,016	0.2	(117)	-	(90)	-	(79)	-

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2016: (30) (- %)  
 Nine months ended Dec. 31, 2015: (121) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2016	(5.50)	-
Nine months ended Dec. 31, 2015	(15.06)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2016	9,397	5,280	55.7	998.03
As of Mar. 31, 2016	9,019	5,448	59.8	1,028.31

Reference: Shareholders' equity (million yen) As of Dec. 31, 2016: 5,237 As of Mar. 31, 2016: 5,396

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2016	-	0.00	-	25.00	25.00
Fiscal year ending Mar. 31, 2017	-	0.00	-		
Fiscal year ending Mar. 31, 2017 (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, 2017 (April 1, 2016 – March 31, 2017)**

(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	13,120	11.0	600	49.4	610	38.3	355	21.6	67.64

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 Dec. 31, 2016:	5,612,230 shares	As of Mar. 31, 2016:	5,612,230 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2016:	364,210 shares	As of Mar. 31, 2016:	364,210 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2016:	5,248,020 shares	Nine months ended Dec. 31, 2015:	5,248,020 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 9,574 million yen (up 19.4% from the same period of the previous fiscal year), operating loss of 38 million yen (vs. operating loss of 117 million yen in the same period of the previous fiscal year), ordinary income of 10 million yen (vs. ordinary loss of 90 million yen in the same period of the previous fiscal year), and loss attributable to owners of parent of 28 million yen (vs. loss attributable to owners of parent of 79 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 and profits increased. Sales remained strong because orders from the service/retail industry, the finance/insurance/brokerage industry, the public sector, and the telecommunications industry increased while there was a decrease in orders from the manufacturing industry and medical institutions. As a result, net sales in this business totaled 7,114 million yen (up 24.5% from the same period of the previous fiscal year) and operating income was 100 million yen (vs. operating loss of 71 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 declined. The IT equipment sales and operation/maintenance services increased, but there was a decline in sales of highly profitable items including end user computing (EUC: contracted development of package-related systems) sales, implementation support and program product (PP) sales to universities. Net sales in this business totaled 1,300 million yen (down 4.1% from the same period of the previous fiscal year) and operating loss was 43 million yen (vs. operating income of 50 million yen in the same period of the previous fiscal year).

In the system sales business (IT equipment sales and IT/telecom infrastructure construction), sales from system integration (SI) projects for public sectors increased, while equipment sales to universities declined. As a result, sales totaled 655 million yen (up 14.5% from the same period of the previous fiscal year), and there was an operating loss of 25 million yen (vs. operating loss of 48 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 504 million yen (up 35.6 % from the same period of the previous fiscal year), and operating loss totaled 64 million yen (vs. operating loss of 48 million yen in the same period of the previous fiscal year). Sales remained strong due to the expansion of cloud services for checking service providers, services for data analysis and notification of the cost of medical care, and support services for data health plans and other services in addition to automated inspection services for health insurance claims. However, there was an increase in up-front costs involving enhancement of organization for future growth.

#### 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 6,889 million yen, up 291 million yen from the end of the previous fiscal year. This was mainly due to the collection of accounts receivable-trade and increases in advances received, cash and deposits caused by short-term loans payable, and work in process. The balance of non-current assets was 2,508 million yen at the end of the third quarter, up 85 million yen from the end of the previous fiscal year. This was mainly due to the introduction of new equipment for improving internal systems and network environment.

The balance of current liabilities at the end of the third quarter was 2,679 million yen, up 414 million yen from the end of the previous fiscal year. This was mainly due to an increase in advances received, short-term loans payable and a decrease in provision for bonuses. The balance of non-current liabilities was 1,436 million yen at the end of the third quarter, up 130 million yen from the end of the previous fiscal year. This was mainly due to increases in net defined benefit liability and provision for directors' retirement benefits, and long-term loans payable.

The balance of net assets was 5,280 million yen at the end of the third quarter, down 167 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 427 million yen from 1,447 million yen at the beginning of the current fiscal year to 1,875 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 292 million yen, an increase of 29 million yen from 262 million yen provided in the same period of the previous fiscal year. This increase was mainly due to a decrease in proceeds from collection of notes and accounts receivable-trade while there was a decrease in outlays for notes and accounts payable-trade.

Cash flows provided by investing activities totaled 29 million yen, a decrease of 28 million yen from 58 million yen provided in the same period of the previous fiscal year. This decrease was mainly due to an increase in outlays for the purchase of property, plant and equipment.

Cash flows provided by financing activities totaled 108 million yen, a decrease of 42 million yen from 151 million yen provided in the same period of the previous fiscal year. This decrease was mainly due to a decrease in short-term loans payable.

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

In the first nine months of the current fiscal year, the overall Japanese economy continued to recover at a moderate pace. The recovery is backed by the benefits of economic initiatives along with ongoing improvements in the number of jobs and personal income. However, the outlook remained unclear mainly because of concerns over increased uncertainty about overseas economies, such as policy changes of the new US government, slowing economic growth in China and other emerging countries in Asia, and the U.K. leaving the EU.

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), net sales rose 1.5% year on year in Fiscal 2015 (compared with 3.0% annual growth in Fiscal 2014), keeping a positive trend. The monthly sales figures increased year on year for four straight months since August 2016, indicating that the IT industry as a whole is on a moderate growth path.

The Group's slogan for the fiscal year ending March 31, 2017 is "make a commitment to reaching targets your customary thoughts and actions." We will go back to the basics for development operations, sales techniques, internal administrative procedures and all other aspects of our operations. To achieve the goals of every department and person in our Group, we will make "thinking and translating thoughts into actions" the basis for everything we do. 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 12, 2016 forecasts for the fiscal year ending March 31, 2017, in which we expect increases in sales and profits: net sales of 13,120 million yen (up 11.0% year on year), operating income of 600 million yen (up 49.4% year on year), ordinary income of 610 million yen (up 38.3% year on year), and profit attributable to owners of parent of 355 million yen (up 21.6% year on year).

## **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 ISR Co.,Ltd. in the scope of consolidation due to acquisition of this company's shares in the first quarter of the current fiscal year.

### **(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 Practical Solution on a Change in Depreciation Method due to Tax Reform 2016

Following the revision of the Corporation Tax Act, the Company has applied the "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the first quarter of the current fiscal year, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

This change has no effect on profit or loss in the first nine months of the current fiscal year.

### **(4) Additional Information**

Application of Implementation Guidance on Recoverability of Deferred Tax Assets

Effective from the first quarter of the current fiscal year, the Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016).

## **3. Important Information about Going Concern Assumption**

Not applicable.

**4. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/16 (As of Mar. 31, 2016)	Third quarter of FY3/17 (As of Dec. 31, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	2,436,624	2,840,588
Notes and accounts receivable-trade	3,436,003	2,967,688
Merchandise and finished goods	78,434	70,652
Work in process	326,978	706,841
Raw materials and supplies	2,692	1,900
Deferred tax assets	191,764	173,686
Other	129,132	129,647
Allowance for doubtful accounts	(4,139)	(1,948)
Total current assets	6,597,491	6,889,057
Non-current assets		
Property, plant and equipment		
Buildings and structures	616,203	667,697
Accumulated depreciation	(310,047)	(344,543)
Buildings and structures, net	306,156	323,154
Land	142,361	142,361
Other	284,375	372,225
Accumulated depreciation	(208,302)	(224,125)
Other, net	76,072	148,099
Total property, plant and equipment	524,591	613,615
Intangible assets		
Goodwill	10,001	44,756
Software	120,195	95,005
Other	7,189	7,626
Total intangible assets	137,385	147,388
Investments and other assets		
Investment securities	564,136	612,520
Net defined benefit asset	447,426	460,006
Deferred tax assets	65,580	82,250
Guarantee deposits	376,493	376,087
Other	351,708	261,381
Allowance for doubtful accounts	(45,119)	(45,119)
Total investments and other assets	1,760,225	1,747,127
Total non-current assets	2,422,202	2,508,131
Total assets	9,019,694	9,397,188

(Thousands of yen)

	FY3/16 (As of Mar. 31, 2016)	Third quarter of FY3/17 (As of Dec. 31, 2016)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	907,911	894,180
Short-term loans payable	-	254,863
Current portion of long-term loans payable	-	8,400
Income taxes payable	104,706	554
Provision for bonuses	419,637	295,345
Provision for directors' bonuses	20,935	20,353
Provision for loss on construction contracts	6,079	53,657
Other	805,784	1,152,378
<b>Total current liabilities</b>	<b>2,265,055</b>	<b>2,679,732</b>
<b>Non-current liabilities</b>		
Long-term loans payable	-	30,800
Provision for directors' retirement benefits	372,585	405,118
Net defined benefit liability	800,914	850,886
Other	132,686	149,678
<b>Total non-current liabilities</b>	<b>1,306,186</b>	<b>1,436,483</b>
<b>Total liabilities</b>	<b>3,571,242</b>	<b>4,116,216</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,076,669	1,076,669
Capital surplus	998,790	994,621
Retained earnings	3,460,641	3,300,555
Treasury shares	(266,539)	(266,539)
<b>Total shareholders' equity</b>	<b>5,269,562</b>	<b>5,105,307</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	50,966	76,589
Foreign currency translation adjustment	(14,352)	(20,626)
Remeasurements of defined benefit plans	90,400	76,433
<b>Total accumulated other comprehensive income</b>	<b>127,013</b>	<b>132,396</b>
<b>Non-controlling interests</b>	<b>51,875</b>	<b>43,268</b>
<b>Total net assets</b>	<b>5,448,452</b>	<b>5,280,971</b>
<b>Total liabilities and net assets</b>	<b>9,019,694</b>	<b>9,397,188</b>

**(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 FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)	First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)
Net sales	8,016,741	9,574,776
Cost of sales	6,493,312	7,909,908
Gross profit	1,523,429	1,664,867
Selling, general and administrative expenses	1,640,523	1,703,538
Operating loss	(117,094)	(38,670)
Non-operating income		
Interest income	6,915	6,065
Dividend income	6,097	5,894
Rent income	10,873	10,406
Compensation income	-	15,107
Subsidy income	4,056	11,264
Other	8,415	12,544
Total non-operating income	36,358	61,283
Non-operating expenses		
Interest expenses	1,434	1,028
Rent expenses	6,154	9,931
Other	2,088	1,469
Total non-operating expenses	9,677	12,429
Ordinary income (loss)	(90,413)	10,183
Profit (loss) before income taxes	(90,413)	10,183
Income taxes	10,432	39,221
Loss	(100,845)	(29,038)
Loss attributable to non-controlling interests	(21,789)	(153)
Loss attributable to owners of parent	(79,055)	(28,885)

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

(Thousands of yen)

	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)	First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)
Loss	(100,845)	(29,038)
Other comprehensive income		
Valuation difference on available-for-sale securities	10,805	25,623
Foreign currency translation adjustment	(8,248)	(12,655)
Remeasurements of defined benefit plans, net of tax	(23,655)	(13,966)
Total other comprehensive income	(21,098)	(999)
Comprehensive income	(121,944)	(30,037)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(95,988)	(23,502)
Comprehensive income attributable to non-controlling interests	(25,955)	(6,534)

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)	First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)
Cash flows from operating activities		
Profit (loss) before income taxes	(90,413)	10,183
Depreciation	57,849	59,510
Amortization of software	28,064	29,900
Amortization of goodwill	12,929	10,529
Increase (decrease) in provision for bonuses	(151,865)	(128,388)
Increase (decrease) in net defined benefit liability	43,830	51,532
Decrease (increase) in net defined benefit asset	(13,337)	(12,580)
Interest and dividend income	(13,013)	(11,959)
Compensation income	-	(15,107)
Interest expenses	1,434	1,028
Decrease (increase) in notes and accounts receivable-trade	648,842	501,555
Increase (decrease) in advances received	306,013	318,231
Decrease (increase) in inventories	(285,712)	(369,629)
Increase (decrease) in notes and accounts payable-trade	(227,699)	(41,557)
Other, net	39,597	(1,229)
Subtotal	356,521	402,019
Interest and dividend income received	14,555	12,987
Interest expenses paid	(1,357)	(1,145)
Income taxes paid	(107,004)	(136,350)
Proceeds from compensation	-	15,107
Net cash provided by (used in) operating activities	262,714	292,618
Cash flows from investing activities		
Decrease (increase) in time deposits	106,422	114,230
Purchase of property, plant and equipment	(15,706)	(50,701)
Purchase of software	(24,712)	(4,119)
Purchase of investment securities	(1,829)	(1,440)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(26,827)
Payments for investments in capital of subsidiaries and associates resulting in change in scope of consolidation	(2,007)	-
Payments for guarantee deposits	(1,500)	(564)
Proceeds from collection of guarantee deposits	387	591
Other, net	(2,751)	(1,814)
Net cash provided by (used in) investing activities	58,302	29,354
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	346,147	254,863
Repayments of lease obligations	(11,634)	(10,701)
Proceeds from long-term loans payable	-	42,000
Repayments of long-term loans payable	(1,800)	(45,235)
Cash dividends paid	(131,200)	(131,200)
Dividends paid to non-controlling interests	(2,324)	(1,164)
Payments for investments in capital of subsidiaries and associates that do not result in change in scope of consolidation	(48,000)	-
Net cash provided by (used in) financing activities	151,188	108,562
Effect of exchange rate change on cash and cash equivalents	(2,057)	(2,969)
Net increase (decrease) in cash and cash equivalents	470,148	427,566
Cash and cash equivalents at beginning of period	1,559,743	1,447,493
Cash and cash equivalents at end of period	2,029,892	1,875,059

**(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 FY3/16 (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.

II. First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)

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	7,114,250	1,300,150	655,582	504,792	9,574,776	-	9,574,776
2. Inter-segment sales and transfers	65,023	-	124,982	-	190,005	(190,005)	-
Total	7,179,274	1,300,150	780,564	504,792	9,764,782	(190,005)	9,574,776
Segment profit (loss)	100,698	(43,983)	(25,087)	(64,359)	(32,732)	(5,938)	(38,670)

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

Significant change in goodwill

In the software business, the Company purchased the stock of ISR Co.,Ltd. and made it a consolidated subsidiary in the first three months of FY3/17. Goodwill of 45,284 thousand yen emerged related to the purchases.

## 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 FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)	Year-on-year (%)
Software business	6,206,792	123.0
Package business	807,656	101.0
System sales business	514,223	125.8
Medical big data business	381,236	160.9
Total	7,909,908	121.8

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	7,761,228	126.4	2,192,619	129.8
Package business	1,586,251	108.0	960,726	133.8
System sales business	501,187	67.6	221,646	58.6
Medical big data business	355,493	102.6	534,741	290.6
Total	10,204,161	117.4	3,909,733	131.6

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 FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)	Year-on-year (%)
Software business	7,114,250	124.5
Package business	1,300,150	95.9
System sales business	655,582	114.5
Medical big data business	504,792	135.6
Total	9,574,776	119.4

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 FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)		First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)	
	Amount	%	Amount	%
NTT COMWARE CORPORATION	984,735	12.3	1,051,761	11.0
TIS Inc.	398,880	5.0	631,694	6.6
DUSKIN CO., LTD.	401,296	5.0	523,501	5.5

3. The above amounts do not include consumption taxes.

*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.*