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Consolidated Summary Report under Japanese GAAP
For the Second Quarter of the Fiscal Year ending June 30, 2020

January 31, 2020

Name of listed company	AVANT CORPORATION	Listed stock exchanges	Tokyo
Stock code	3836	URL	http://www.avantcorp.com/
Representative (Title)	President and Group CEO	(Name)	Tetsuji Morikawa
Contact (Title)	Director and Group CFO	(Name)	Naoyoshi Kasuga (TEL) 03-6388-6739
Scheduled date to file Quarterly Securities Report:	February 13, 2020	Scheduled date of commencement of dividend payment	-
Supplementary materials for quarterly financial results: Yes			
Quarterly results briefing: Yes (for analysts)			

(Millions of yen, rounded down to the nearest unit)

1. Consolidated results for the second quarter of Fiscal Year ending June 30, 2020

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Revenue		EBITDA※		Operating income		Ordinary income		Net profit attributable to owners of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second quarter of Fiscal Year ending June 30, 2020	7,734	11.6	1,178	8.0	1,089	7.3	1,093	7.9	673	5.0
Second quarter of Fiscal Year ended June 30, 2019	6,933	21.9	1,091	48.0	1,015	53.8	1,014	52.7	641	48.4

(Notes) Comprehensive income: Second quarter of Fiscal Year ending June 30, 2020 718 millions of yen (13.7%) Second quarter of Fiscal Year ended June 30, 2019 631 millions of yen (45.6%)

	Net Income per Share ^(Note)	Diluted Net Income per share
Second quarter of Fiscal Year ending June 30, 2020	17.91	-
Second quarter of Fiscal Year ended June 30, 2019	17.07	-

※ EBITDA (operating income + depreciation and amortization + amortization of goodwill)

(NOTE) The Company conducted a 2-for-1 common stock split on December 1, 2019. Net income per share is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Second quarter of Fiscal Year ending June 30, 2020	9,940	6,350	63.9
Fiscal year ended June 30, 2019	10,415	5,898	56.6

(Reference) Shareholders' equity: Second quarter of Fiscal Year ending June 30, 2020 6,350 millions of yen Fiscal Year Ended June 30, 2019 5,898 millions of yen

2. Dividends on Common Stock

	Dividend per share				
	End of first quarter	End of second quarter	End of the third quarter	Fiscal Year end	Total
Fiscal Year Ended June 30, 2019	—	0.00	—	15.00	15.00
Fiscal year ending June 30, 2020	—	0.00	—	—	—
Fiscal Year ending June 30, 2020 (Forecast)	—	—	—	9.00	9.00

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

The Company conducted a 2-for-1 common stock split on December 1, 2019. For the year ended June 30, 2019, the actual amount of dividends prior to the stock split is stated.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending June 30, 2020

(Percentages indicate year-on-year changes)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal Year	15,480	10.0	2,165	10.1	2,165	9.8	1,353	2.7	36.00

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

The Company conducted a 2-for-1 common stock split on December 1, 2019. Net income per share is calculated by considering the stock split.

Notes

(1) Changes of important subsidiaries during the period : None

(Changes in specified subsidiaries accompanied by changes in the scope of consolidation)

Newly added - cos (Name) / Excluded - cos (Name)

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies caused by revision of accounting standards : None

(ii) Changes in accounting policies other than (i) : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding including treasury stock

As of December 31, 2019	37,586,982 shares	As of June 30, 2019	37,570,188 shares
As of December 31, 2019	2,842 shares	As of June 30, 2019	2,842 shares
Second quarter of Fiscal Year ending June 30, 2020	37,574,282 shares	Second quarter of Fiscal Year ended June 30, 2019	37,556,560 shares

(ii) Number of treasury stock

(iii) Average number of shares

(Note) Effective December 1, 2019, the Company conducted a 2-for-1 common stock split. The number of shares outstanding (common stock) is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

※ This quarterly financial results report is not subject to quarterly review by certified public accountants or auditing firms.

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

Forward-looking statements in this report, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements are not promises by the Company regarding future performance. Actual results may differ materially from the forecast depending on a range of factors. Please refer to "Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements" on page 8 for the assumptions for earnings forecasts and notes for using earnings forecasts.

On October 17, 2019, the Company issued new shares as restricted stock compensation. Net income per share (forecast) is calculated based on the average number of shares outstanding during the period after reflecting the issuance of new shares.

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1. Qualitative Information on Current Quarterly Results

(1) Management's Discussion on Operations

The consolidated results for the current second quarter cumulative period (hereinafter referred to as "the second quarter") are as follows.

(Millions of yen, rounded down to the nearest unit)

	Fiscal Year ended June 30, 2019 Second Quarter	Fiscal Year ending June 30, 2020 Second Quarter	Year on Year Change	
			Amount	%
Revenue	6,933	7,734	801	11.6
Operating income	1,015	1,089	73	7.3
Ordinary income	1,014	1,093	79	7.9
Net Profit attributable to owners of parent company	641	673	32	5.0

Consolidated revenue was 7,734 million yen (up 11.6% year on year), achieving double-digit growth. This was mainly due to substantial growth in the Business Intelligence and Outsourcing businesses, as well as continued contribution from large-scale projects that were scheduled to level off in the fiscal year under review, accompanied by additional sales.

In the mid-term management plan announced in September 2018, one of the management targets was to increase the ratio of recurring revenue (e.g. software maintenance fees, among other continuously generated revenue). While some of the results have begun to emerge, such as an increase in cloud sales in the Consolidated Accounting-related business, there was also a favorable impact from non-recurring revenue, mainly in the Business Intelligence business. As a result, the total amount of recurring revenue increased 16.1% year on year, but the ratio of recurrent revenue to total revenue remained almost unchanged at 31.9%.

In terms of profit, while there was an upward trend in costs associated with the increase in the level of employee compensation to improve competitiveness and the opening and expansion of offices, we continued our focus on accumulating new orders for highly profitable projects and our efforts to improve quality and productivity of existing projects. Thus we achieved an increase in operating income to 1,089 million (up 7.3% from the same period of the previous year) and ordinary income of 1,093 million (up 7.9% from the same period of the previous year) and the net profit attributable to the parent company's shareholder was 673 million (up 5.0% from the same period of the previous year).

The status of each reportable segment is as follows.

(i) Revenue for the quarter

(Millions of yen, rounded down to the nearest million yen)

	Fiscal Year ended June 30, 2019 Second Quarter	Fiscal Year ending June 30, 2020 Second Quarter	Year on Year Change	
			Amount	%
Consolidated Accounting	4,008	4,165	156	3.9
Business Intelligence	2,430	2,870	440	18.1
Outsourcing	783	993	210	26.9
Elimination of inter-segment transactions	(288)	(294)	(6)	—
Consolidated net sales	6,933	7,734	801	11.6

(ii) Operating Income

(Millions of yen, rounded down to the nearest million yen)

	Fiscal Year ended June 30, 2019 Second Quarter	Fiscal year ending June 30, 2020 Second Quarter	Year on Year Change	
			Amount	%
Consolidated Accounting	607	709	102	16.9
Business Intelligence	313	352	38	12.5
Outsourcing	202	234	32	16.1
Corporate Expenses and Elimination of inter-company transaction	(107)	(207)	(100)	—
Consolidated operating income	1,015	1,089	73	7.3

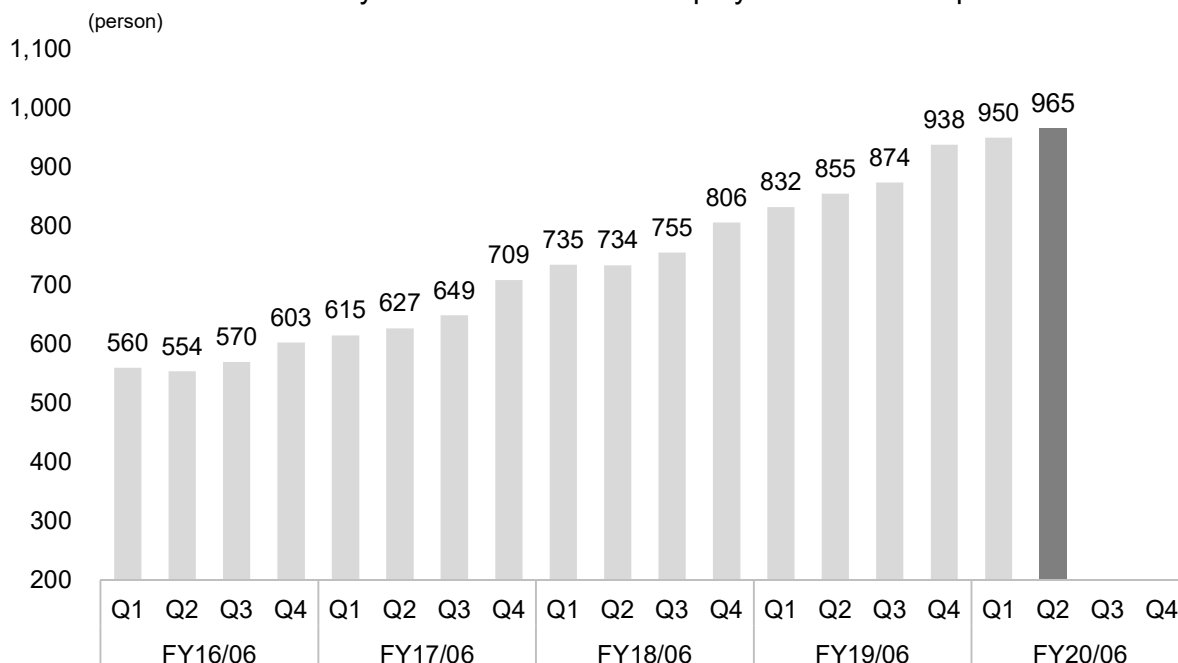
In the Consolidated Accounting-related business, at the beginning of the fiscal year, we anticipated that the large-scale projects that had contributed greatly to revenue up to the previous fiscal year would level off. However, during the quarter under review, we continue to receive additional sales from this client. At the same time, we saw solid new sales in areas other than large-scale projects, and segment revenue increased 3.9% year on year to 4,165 million yen. Personnel expenses rose due to an increase in the number of employees, and expenses rose due to the renovation of an existing office and opening of a new office. Despite these increases in expenses, we were able to improve overall profitability as a result of our efforts to improve project quality and productivity. Operating income increased 16.9% year on year to 709 million yen. Accrued bonuses for employees' performance-linked compensation, which were not recorded in the first quarter, are recorded in the second quarter of the fiscal year under review.

In the Business Intelligence business, we continue to observe favorable market environment where corporations invest heavily in visualizing corporate management information as part of their efforts to promote digital transformation. As a result, segment revenue increased significantly to 2,870 million yen (+18.1% YoY). Operating income rose 12.5% year on year to 352 million yen, despite a slight decline in profitability due to increased personnel costs associated with an increase in personnel with higher compensation levels, and increased costs associated with the opening of a new office.

In the Outsourcing business, demand continued to be strong as enterprise clients continue strengthen and examine the group governance system and review the roles of the accounting department in their organization. In addition, sales in the non-consolidated accounting and disclosure fields such as treasury management solutions increased, and segment revenue increased 26.9% year on year to 993 million yen. In terms of profitability, despite a decline in margins because of an increase in office flooring due to an increase in personnel, operating profit increased 16.1% year on year to 234 million yen.

The number of employees on a consolidated basis was 965 at the end of the second quarter, an increase of 27 from the beginning of the fiscal year.

Quarterly trends of number of employees of the Group



Orders and sales by segment for the second quarter are as follows;

(i) New Orders and Outstanding Orders for the quarter

(Millions of yen, rounded down to the nearest unit)

	Fiscal Year ended June 30, 2019 Second Quarter		Fiscal Year ending June 30, 2020 Second Quarter		YoY	
	New Orders	Outstanding Orders	New Orders	Outstanding Orders	Increase (decrease)	
					New Orders	Outstanding Orders
Consolidated Accounting	3,501	1,927	3,901	1,910	399	(17)
Business Intelligence	2,459	958	2,912	1,245	452	286
Outsourcing	758	650	1,068	928	309	277
Elimination of inter-segment transactions	(317)	(232)	(304)	(312)	12	(80)
Total	6,403	3,304	7,578	3,771	1,175	467

(ii) Sales Results

(Millions of yen, rounded down to the nearest unit)

	Fiscal Year Ended June 30, 2019 Second Quarter	Fiscal Year ending June 30, 2020 Second Quarter	YoY	
			Increase (decrease)	Rate of change (%)
Consolidated Accounting	4,008	4,165	156	3.9
Business Intelligence	2,430	2,870	440	18.1
Outsourcing	783	993	210	26.9
Elimination of inter-segment transactions	(288)	(294)	(6)	—
Total	6,933	7,734	801	11.6

(Note) The amounts in (i) and (ii) above do not include consumption taxes.

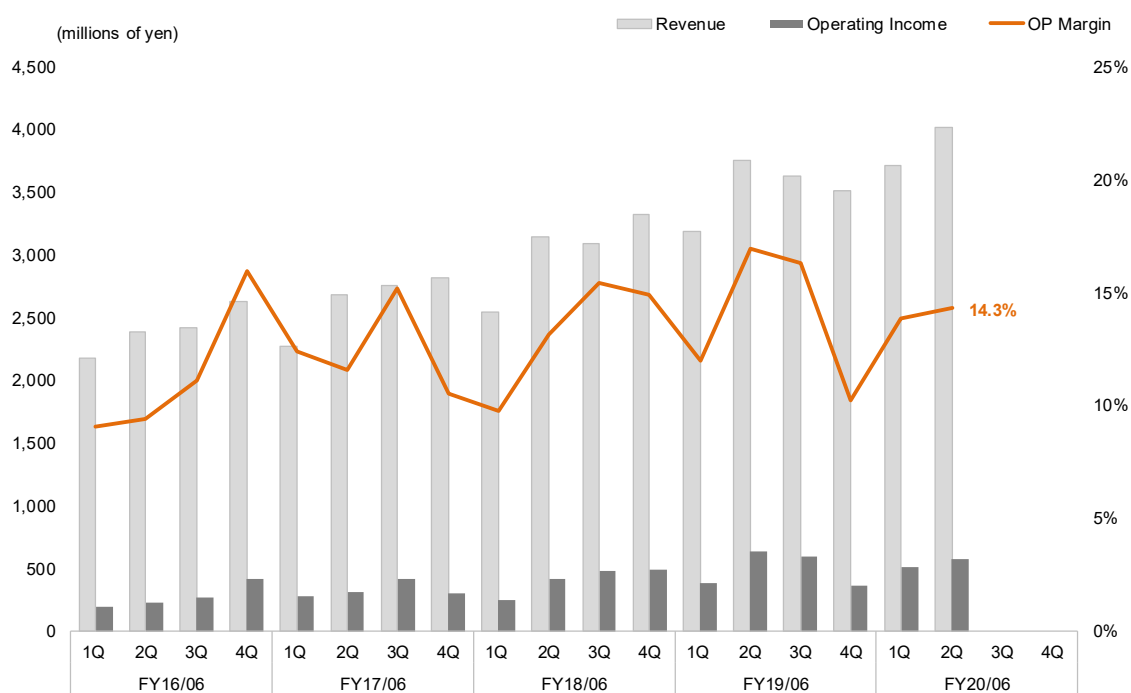
Revenue and Operating Income by quarter are as follows.

Revenue and Operating Income for the last four quarters

(Millions of yen, rounded down to the nearest unit)

	Fiscal Year ended June 30, 2019		Fiscal Year ending June 30, 2020	
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
Revenue	3,631	3,512	3,714	4,019
Operating income	592	358	514	574
Operating profit margins (%)	16.3	10.2	13.8	14.3

Quarterly trends of revenue, operating income and operating margins



(2) Discussion on Financial Condition

(i) Financial position

Total assets as of September 30, 2016 were 9,940 million yen, a decrease of 474 million yen from June 30, 2019. This was mainly attributable to a 618 million yen decrease in current assets, mainly due to a 513 million yen decrease in cash and deposits, which was mainly attributable to the payment of bonuses and the payment of income taxes.

Total liabilities were 3,690 million yen (down 926 million yen from the end of the previous fiscal year). This was mainly due to a decrease of 296 million yen in income taxes payable, a decrease of 292 million yen in unearned revenue, a decrease of 254 million yen in provision for bonuses, and a decrease of 79 million yen in provision for directors' bonuses.

Net assets totaled 6,350 million yen (up 452 million yen from the end of the previous fiscal year), reflecting 673 million yen in profit attributable to owners of parent company and 281 million yen in dividends of surplus. As a result, the equity ratio was 63.9% (56.6% at the end of the previous fiscal year), an increase of 7.3% points compared to the previous fiscal year, and we believe that we are maintaining a stable financial balance with no interest-bearing debt.

(ii) Cash Flow

Cash and cash equivalents (hereinafter, "cash") at the end of the second quarter of the current fiscal year decreased by 512 million yen from the end of the previous fiscal year to 4,682 million yen. Cash flows from each activity and the factors behind them are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 13 million yen. (use of 219 million yen in the same period of the previous fiscal year)

The main components of the increase were 1,093 million yen in profit before income taxes and 124 million yen in notes and accounts receivable - trade. The main components of the decrease were a 254 million yen decrease in provision for bonuses, a 292 million yen decrease in unearned income, and 623 million yen in income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities was 214 million yen. (86 million yen used in the same period of the previous fiscal year)

This was mainly attributable to the purchase of property, plant and equipment of 132 million yen due to office floor space expansion and the purchase of intangible assets of 38 million yen due to an increase in software.

(Cash flows from financing activities)

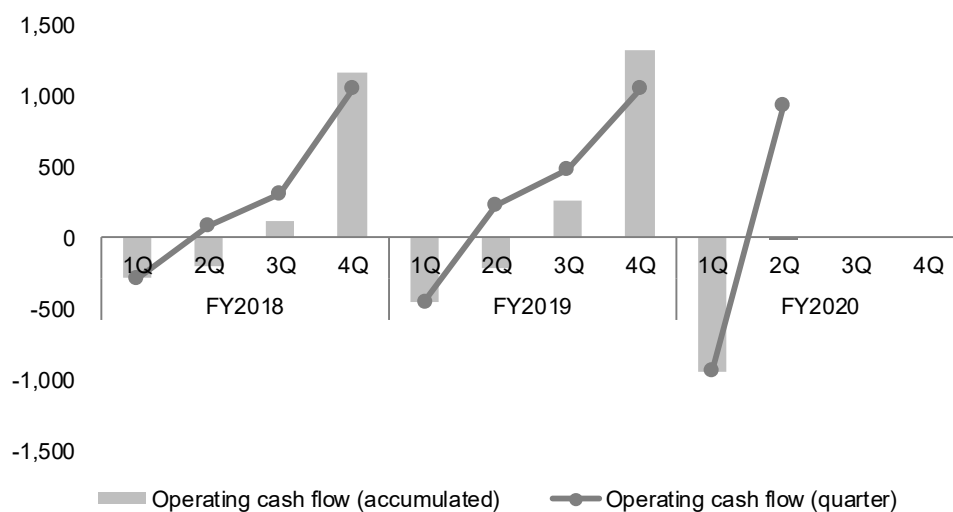
Net cash used in financing activities was 287 million yen. (use of 229 million yen in the same period of the previous fiscal year)

This was mainly due to cash dividends paid of 281 million yen.

Cash flows from operating activities are negative, but in our group, cash flows from operating activities in the first quarter are low due to income taxes paid and the payment of performance-linked bonuses to officers and employees. Cash flows from operating activities have been gradually increasing since the second quarter and are generally positive for the full year.

Maintenance fees in the Consolidated Accounting-related business and commissions expenses in the Outsourcing business are paid in advance for the year prior to the provision of services, and these business models require little working capital. On the other hand, in the Business Intelligence business, outsourcing costs and other expenses are paid in advance, so demand for working capital will increase as sales increase. However, there are no concerns about the Group's cash holdings as well as the total amount of committed lines of credit of 3.5 billion yen with banking relationships

Quarterly Trends of Operating Cash Flow (millions of yen)

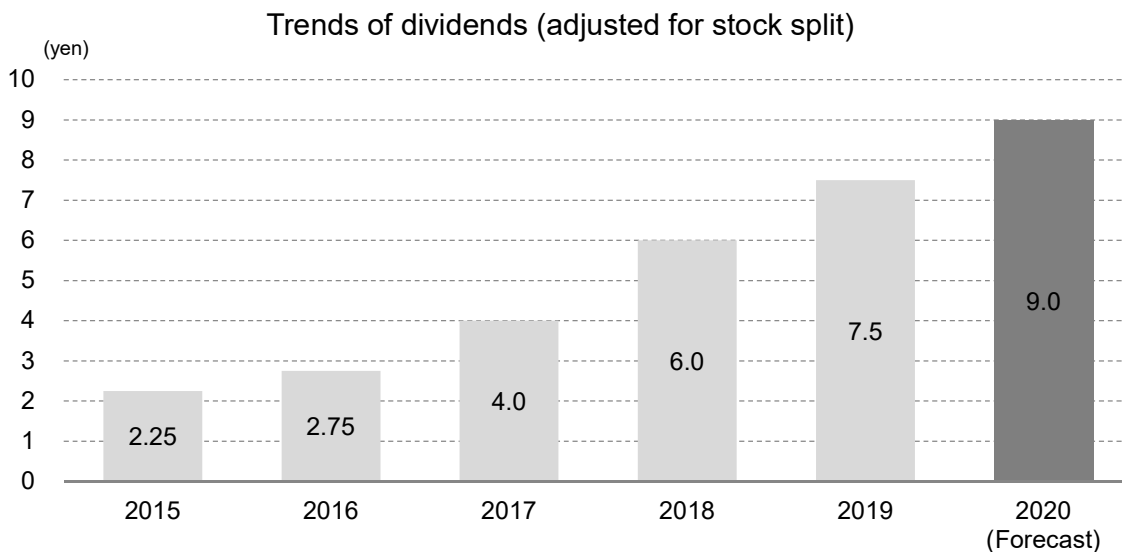


※ accumulated cash flow from operation for the second quarter of Fiscal Year ending June 30, 2020 was use of 13 million

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

In September 2018, we announced a 5-year plan (5-year target) to be achieved by the fiscal year ending June 30, 2023 as part of our medium-term management plan. In the fiscal year ending June 30, 2020, the second year of the plan, the Group will continue to grow its three existing businesses while promoting various activities aimed at dramatically increasing the ratio of recurring revenue, which is an important goal of the current medium-term management plan. As a result, we expect to achieve net sales of 15,480 million yen (up 10.0% year on year) and operating income of 2,165 million yen (up 10.1%).

With regard to dividends, we will adhere to the previous policy and raise the dividend on net assets ratio while keeping in mind that it will consistently exceed the average for all listed companies. At the same time, we will strive to pay stable dividends (in principle, dividends per share will not fall below the level of the previous fiscal year). In accordance with this policy, the Company forecasts a dividend of 9 yen per share (adjusted for the stock split on December 1, 2019).



2. Unaudited Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(thousands of yen)	
	End of previous fiscal year (As of June 30, 2019)	End of second quarter of the fiscal year under review (As of December 31, 2019)
Assets		
Current assets		
Cash and deposits	5,160,507	4,647,368
Notes and accounts receivable - trade	2,525,653	2,401,113
Work in process	178,271	157,698
Raw materials and supplies	16,584	9,129
Others	522,747	571,116
Allowance for doubtful accounts	(5,296)	(6,260)
Total current assets	8,398,467	7,780,165
Non-current assets		
Property, plant and equipment	277,096	445,134
Intangible assets		
Software	164,304	158,104
Others	782	763
Total intangible assets	165,087	158,868
Investments and other assets		
Investment securities	397,868	472,498
Leasehold and guarantee deposits	687,567	722,854
Deferred tax assets	392,827	247,083
Others	105,906	104,285
Allowance for doubtful accounts	(9,591)	—
Total investments and other assets	1,574,578	1,546,721
Total non-current assets	2,016,762	2,160,724
Total assets	10,415,229	9,940,890

(thousands of yen)

	End of previous fiscal year (As of June 30, 2019)	End of second quarter of the fiscal year under review (As of December 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	511,503	562,681
Lease obligations	3,515	4,933
Accounts payable - other and accrued expenses	377,355	350,258
Income taxes payable	296,693	—
Deferred revenues	1,857,288	1,564,892
Provision for bonuses	723,591	468,946
Provision for directors' bonuses (and other officers)	138,778	59,376
Provision for loss on order received	60,058	613
Others	379,272	356,824
Total current liabilities	4,348,056	3,368,527
Non-current liabilities		
Lease obligations	6,862	11,623
Asset retirement obligations	162,262	210,687
Total non-current liabilities	169,124	222,311
Total liabilities	4,517,181	3,590,838
Net assets		
Shareholders' equity		
Share capital	295,525	303,271
Capital surplus	232,325	240,071
Retained earnings	5,362,527	5,753,912
Treasury shares	(404)	(404)
Total shareholders' equity	5,889,973	6,296,851
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,067	54,103
Deferred gains or losses on hedges	3	18
Foreign currency translation adjustments	(2,995)	(922)
Total accumulated other comprehensive income	8,075	53,199
Total net assets	5,898,048	6,350,051
Total liabilities and net assets	10,415,229	9,940,890

(2) Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Consolidated income statement

(Thousands of yen)

	First six-month period of previous fiscal year (From July 1, 2018 to December 31, 2018)	First six-month period of fiscal year under review (From July 1, 2019 to December 31, 2019)
Net sales	6,933,351	7,734,551
Cost of sales	3,701,558	4,355,103
Gross profit	3,231,792	3,379,448
Selling, general and administrative expenses	2,216,697	2,290,405
Operating income	1,015,094	1,089,042
Non-operating income		
Interest income	341	211
Dividends income	1,342	3,017
Gain on investments in partnerships	—	1,554
Foreign exchange gains	700	152
Compensation for transfer	—	1,890
Others	407	195
Total non-operating income	2,791	7,020
Non-operating expenses		
Interest expenses	78	243
Loss on investments in partnerships	1,345	—
Commission expenses	1,336	1,557
Stock issuance	942	413
Others	120	—
Total non-operating expenses	3,823	2,214
Ordinary income	1,014,063	1,093,848
Profit before income taxes	1,014,063	1,093,848
Income taxes - current	374,614	293,805
Income taxes - deferred	(1,676)	126,902
Total income taxes	372,937	420,708
Profit	641,125	673,140
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent company	641,125	673,140

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	First six-month period of previous fiscal year (From July 1, 2018 to December 31, 2018)	First six-month period of fiscal year under review (From July 1, 2019 to December 31, 2019)
Profit	641,125	673,140
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,942)	43,036
Deferred gains or losses on hedges	(6)	15
Foreign currency translation adjustments	532	2,073
Total other comprehensive income	(9,416)	45,124
Comprehensive income	631,709	718,265
Comprehensive income attributable to;		
Comprehensive income attributable to owners of parent company	631,709	718,265
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	First six-month period of previous fiscal year (From July 1, 2018 to December 31, 2018)	First six-month period of fiscal year under review (From July 1, 2019 to December 31, 2019)
Cash flows from operating activities		
Profit before income taxes	1,014,063	1,093,848
Depreciation	76,015	89,341
Share-based remuneration expenses	1,187	3,666
Increase (decrease) in allowance for doubtful accounts	(25)	(8,627)
Increase (decrease) in provision for bonuses	71,198	(254,644)
Increase (decrease) in provision for bonuses for directors (and other officers)	(90,268)	(79,402)
Increase (decrease) in provision for loss on order received	(4,310)	(59,445)
Interest and dividend income	(1,684)	(3,229)
Interest expenses	78	243
Commission expenses	1,336	1,557
Share issuance cost	942	413
Loss (gain) on investments in investment partnerships	1,345	(1,554)
Subsidy income	-	(1,890)
Decrease (increase) in trade receivables	(423,357)	124,551
Decrease (increase) in inventories	(103,492)	28,027
Increase (decrease) in trade payables	70,072	51,177
Increase (decrease) in accounts payable - other, and accrued expenses	(43,876)	(58,406)
Increase (decrease) in unearned revenue	(254,633)	(292,395)
Other, net	(23,415)	(27,599)
Subtotal	291,175	605,633
Interest and dividends received	1,774	3,307
Interest paid	(78)	(243)
Proceeds from subsidy income	-	1,890
Income taxes paid	(512,721)	(623,886)
Other, net	(120)	-
Net cash provided by (used in) operating activities	(219,970)	(13,297)
Cash flow from investing activities		
Proceeds from redemption of securities	33,780	-
Purchase of property, plant and equipment	(45,501)	(132,764)
Purchase of intangible assets	(20,586)	(38,239)
Purchase of investment securities	-	(10,850)
Payments for leasehold and guarantee deposits	(56,244)	(35,286)
Proceeds from leasehold and guarantee deposits	138	3,009
Others	1,999	59
Net cash provided by (used in) investing activities	(86,415)	(214,070)
Cash flow from financing activities		
Repayments of finance lease obligations	(1,673)	(2,541)
Payment of commissions	(1,878)	(2,562)
Purchase of treasury stock	(27)	-
Cash dividends paid	(225,295)	(281,755)
Others	(942)	(413)
Net cash provided by (used in) financing activities	(229,817)	(287,272)
Effect of exchange rate change on cash and cash equivalents	(84)	2,427
Net increase (decrease) in cash and cash equivalents	(536,288)	(512,212)
Cash and cash equivalents at beginning of period	4,566,875	5,195,137
Cash and cash equivalents at the end of period	4,030,587	4,682,924

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

First six months of Fiscal Year ended June 2019 (July 1, 2018 to December 31, 2018)

1. Information on net sales and profits or losses by reported segment

(Thousands of yen)

	Reportable segments			Total
	Consolidated accounting	Business Intelligence	Outsourcing	
Revenue				
Sales to customers	3,997,317	2,403,275	532,758	6,933,351
Intersegment sales	11,083	27,020	250,382	288,486
Total	4,008,401	2,430,295	783,140	7,221,837
Segment profit	607,164	313,053	202,144	1,122,362

2. Difference between the total amount of income (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, and the main details of said difference (matters relating to difference reconciliation)

(Thousands of yen)

Profit	Amount
Reportable segments total	1,122,362
Elimination of transactions between the Company and its operating segments	346,799
Corporate expenses ^(Note)	(450,207)
Others	(3,860)
Operating Income in the Quarterly Consolidated Statements of Income	1,015,094

(Note) Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.

First six months of Fiscal Year ending June 2020 (July 1, 2019 to December 31, 2019)

1. Information on net sales and profits or losses by reported segment

(Thousands of yen)

	Reportable segments			Total
	Consolidated Accounting	Business Intelligence	Outsourcing	
Revenue				
Sales to customers	4,155,300	2,857,187	722,063	7,734,551
Intersegment sales	9,906	13,360	271,457	294,725
Total	4,165,206	2,870,548	993,521	8,029,277
Segment profit	709,833	352,042	234,736	1,296,611

2. Difference between the total amount of income (loss) of reportable segments and the amount recorded in the quarterly consolidated statements of income, and the main details of said difference (matters relating to difference reconciliation)

(Thousands of yen)

Profit	Amount
Reportable segments total	1,296,611
Elimination of transactions between the Company and its operating segments	343,119
Corporate expenses ^(Note)	(551,448)
Others	759
Operating Income in the Quarterly Consolidated Statements of Income	1,089,042

(Note) Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.