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Consolidated Summary Report under Japanese GAAP for the third quarter of the fiscal year ending June 30, 2021

May 7, 2021

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 Code Number: 3836
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Securities report issue date: May 13, 2021
 Supplementary information for financial statements: Available
 Explanatory meeting to be held: No

Dividend payment date: -

1. Consolidated results for the third quarter of the fiscal year ending June 30, 2021

(Millions of yen, rounded down to the nearest unit)
 (Percentages indicate year-on-year changes)

(1) Consolidated results of operations

	Net sales		EBITDA		Operating income		Ordinary income		Profit attributable to shareholders of parent company	
		%		%		%		%		%
Third quarter of the fiscal year ending June 30, 2021	11,909	1.1	2,343	27.6	2,167	28.4	2,185	29.1	1,371	34.7
ended June 30, 2020	11,784	11.5	1,837	6.5	1,687	5.0	1,692	5.3	1,018	(1.2)

Comprehensive income (loss) for the 3Q of the fiscal year ending June 30, 2021 1,407 million yen (37.4%) for the 3Q of the fiscal year ended June 2020 1,024 million yen (-1.8%)

	Net profit per share	Diluted net profit per share
Third quarter of the fiscal year ending June 30, 2021	yen 36.48	yen -
ended June 30, 2020	27.09	-

(Notes) EBITDA is derived by adding depreciation and amortization of goodwill to operating income.

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 condition

	Total Assets	Net Assets	Equity Ratios
As of	Unit: million yen	Unit: million yen	%
March 31, 2021	12,331	8,280	67.1
June 30, 2020	11,780	7,194	61.1

(Reference) Net assets attributable to the company's shareholders As of March 31, 2021 8,280 million yen As of June 30, 2020 7,194 million yen

2. Dividends on common stock

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal Year Ended	yen	yen	yen	yen	yen
June 30, 2020	-	0.00	-	9.00	9.00
June 30, 2021	-	0.00	-	-	-
June 30, 2021 (Forecast)	-	-	-	10.00	10.00

Revisions to the most recently announced dividend forecast: No

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2021

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent company		Net profit per share
	Unit: million yen	%	Unit: million yen	%	Unit: million yen	%	Unit: million yen	%	yen
Fiscal Year ending June 30, 2021	16,110	2.7	2,520	10.6	2,505	9.8	1,628	5.9	43.30

(Note) Revisions to the most recently announced earnings forecast: Yes

Notes

(1) Changes in significant subsidiaries during the period (changes in “Specified Subsidiaries” (Tokutei Kogaisha) accompanying changes in scope of consolidation): No

Newly added to the scope of consolidation: nil

Newly deleted from the scope of consolidation: nil

(2) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements: none

(3) Changes in accounting policies, accounting estimates and correction of past errors:

(i) Changes in accounting policies due to revision of accounting standards: No

(ii) Changes in accounting policies due to reasons other than item (i) above: No

(iii) Changes in accounting estimates: No

(iv) Correction of past errors: No

(4) Number of shares outstanding (common stock)

(i) Total shares outstanding including treasury stock

(ii) Shares of treasury stock held

(iii) Average outstanding shares

As of March 31, 2021	37,603,203 shares	As of June 30, 2020	37,586,982 shares
As of March 31, 2021	2,911 shares	As of June 30, 2020	2,911 shares
Third quarter of the fiscal year ending June 30, 2021	37,593,957 shares	Third quarter of the fiscal year ended June 30, 2020	37,577,532 shares

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

*This report is exempt from the audits of CPAs or Audit firms.

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 promised by the Company regarding future performance. Actual results may differ materially from the forecast depended on a range of factors. Please refer to "Earnings Forecasts" on page 8 for the assumptions for earnings forecasts and notes for using earnings forecasts.

On October 16, 2020, the Company issued new shares as stock-based compensation with restrictions on transfer. Net income per share (forecast) is calculated based on the average number of shares outstanding during the period, which reflects the issuance of new shares.

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1. Qualitative Information on Financial Results for the Current Quarter

(1) Management's Discussion on Business Operations

Consolidated financial results for the third quarter of the current fiscal year are as follows.

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

	Fiscal Year ended June 30, 2020 Third quarter	Fiscal Year ending June 30, 2021 Third quarter	Year on Year Change	
			Amount	%
Net sales	11,784	11,909	124	1.1
Operating income	1,687	2,167	479	28.4
Ordinary income	1,692	2,185	493	29.1
Profit attributable to owners of parent company	1,018	1,371	353	34.7

At the end of the previous fiscal year, domestic companies began to postpone IT investment (frozen in some industries which underwent significant impacts) due to the spread of the new corona viral infectious diseases (COVID-19), and that began to affect orders received for the Group. As a result, we had a cautious outlook for the results particularly during the third half of the fiscal year under review.

The environment surrounding our Group was initially within the scope of this outlook, but on the other hand, various changes in society are stimulating the need for "management and decision-making based on data." Needs for the Group products and services, while transforming into more sophisticated ones, are on a recovery trend.

While sales in Consolidated Accounting related Business decreased due in part to the impact of large-scale projects that had been the mainstay of the business until the previous fiscal year having passed their peak, the Business Intelligence Business has expanded its sales growth since the second quarter, and the Outsourcing Business continues to achieve double-digit growth. As a result of these factors, consolidated net sales have increased, albeit slightly to 11,909 million yen (up 1.1% from the same quarter of the previous year).

With regard to the recurring sales ratio (such as software maintenance fees, etc., which are continuously generated), which is one of the management targets in the Medium-Term Management Plan, it increased to 36.2%, up 3.4 percentage points from the same quarter of the previous fiscal year. This was due to the growth in the Outsourcing Business, which has consistently maintained a recurring sales ratio of around 90%, as well as the improvement in the ratio in the Consolidated Accounting related Business and the Business Intelligence Business due to the increase in cloud sales, etc. The total amount of recurring sales also increased by 14.1%.

With regard to profits, operating income was 2,167 million yen (up 28.4% from the same quarter of the previous year), ordinary income was 2,185 million yen (up 29.1%), and profit attributable to owners of parent was 1,371 million yen (up 34.7%), all of which were higher than the same quarter of the previous year, due to the effects of the improvement in profitability of projects through the increase in the ratio of in-house production and the reduction of non-urgent and non-urgent expenses that have been promoted since the spread of COVID-19, and through controlling some expenses such as transportation and utilities as we changed work styles.

The status of each reportable segment is as follows.

(i) Net sales

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

	Fiscal Year ended June 30, 2020 Third quarter	Fiscal Year ending June 30, 2021 Third quarter	Year on Year Change	
			Amount	%
Consolidated Accounting-related Businesses	6,330	5,937	(393)	(6.2)
Business Intelligence Business	4,381	4,613	231	5.3
Outsourcing Business	1,535	1,841	306	20.0
Elimination of inter-segment transactions	(462)	(482)	(20)	—
Consolidated net sales	11,784	11,909	124	1.1

(ii) Operating income

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

	Fiscal Year ended June 30, 2020 Third quarter	Fiscal Year ending June 30, 2021 Third quarter	Year on Year Change	
			Amount	%
Consolidated Accounting-related Businesses	1,088	1,374	286	26.3
Business Intelligence Business	561	660	99	17.8
Outsourcing Business	368	460	91	24.9
Corporate Expenses and Elimination of inter-segment transactions	(330)	(328)	1	—
Consolidated operating income	1,687	2,167	479	28.4

The Consolidated Accounting related Business was affected by the slowdown of IT investments by customers due to the spread of COVID-19 and the stagnation of economic activities due to the declaration of a state of emergency, especially in the first half of the fiscal year under review, as well as the impact of large-scale projects having passed their peak. As a result, net sales decreased to 5,937 million yen (down 6.2% from the same period of the previous year). On the other hand, operating income increased to 1,374 million yen (up 26.3% from the same quarter of the previous year) and the operating margin improved by 5.9 percentage points from the same quarter of the previous year as a result of efforts to improve the profitability of projects by increasing the ratio of in-house production and other measures, as well as promoting unnecessary cost reductions. In addition, due to an increase in cloud sales and maintenance support options, the recurring sales ratio has improved markedly from the previous consolidated fiscal year.

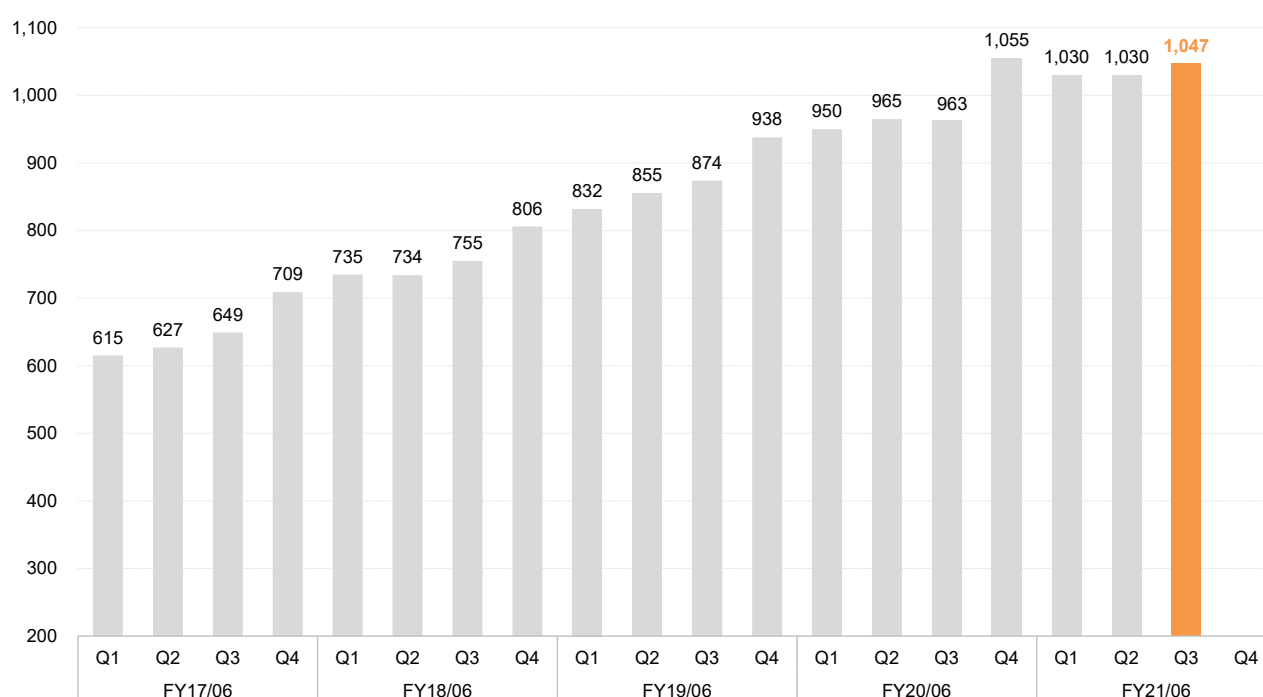
As for the Business Intelligence Business, we believe that the needs for this business will increase over the medium term, as it can make a particular contribution to the promotion of digital transformation in the management of domestic companies. This trend has already been seen in the third quarter of the fiscal year under review, with net sales of 4,613 million yen (up 5.3% year on year), accelerating the pace of increase from the second quarter. Operating income also increased to 660 million yen (up 17.8% from the same quarter of the previous year), despite the burden of fixed costs such as office-related expenses that we opened in the previous consolidated fiscal year, due to the impact of the increase in sales and the decrease in transportation costs caused by the change in work style under COVID-19.

In the Outsourcing Business, the market situation does not allow for optimism, as uncertainty due to the impact of the new coronavirus infection has led to a trend of greater caution in final decision making than in the past. However, as a result of our creative sales and proposal activities, we achieved double-digit increases in both sales and profit, with net sales of 1,841 million yen (up 20.0% year on year) and operating income of 460 million yen (up 24.9% year on year).

The number of employees on a consolidated basis was 1,047 at the end of the third quarter, down 8 from the end of the previous fiscal year.

Quarterly trends of number of employees of the Group

(person)



The status of orders received and sales by segment in the third quarter of the fiscal year under review is as follows.

(i) Orders Received

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

	Fiscal Year ended June 30, 2020		Fiscal Year ending June 30, 2021		Year on Year Change	
	Third quarter		Third quarter		Amount	
	Orders Received	Outstanding Orders	Orders Received	Outstanding Orders	Orders Received	Outstanding Orders
Consolidated Accounting-related Business	5,846	1,689	5,579	1,642	(267)	(47)
Business Intelligence Business	4,103	926	5,112	1,354	1,009	427
Outsourcing Business	1,573	891	2,003	1,112	429	220
Elimination of inter-segment transactions	(368)	(209)	(574)	(300)	(205)	(90)
Total	11,155	3,298	12,121	3,807	966	509

(ii) Net sales

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

	Fiscal Year ended June 30, 2020		Fiscal Year ending June 30, 2021		Year on Year Change	
	Third quarter		Third quarter		Amount	%
Consolidated Accounting-related Businesses		6,330		5,937	(393)	(6.2)
Business Intelligence Business		4,381		4,613	231	5.3
Outsourcing Business		1,535		1,841	306	20.0
Elimination of inter-segment transactions		(462)		(482)	(20)	—
Total		11,784		11,909	124	1.1

(Note) Consumption taxes are not included in the amounts shown in the tables in (i) and (ii) above.

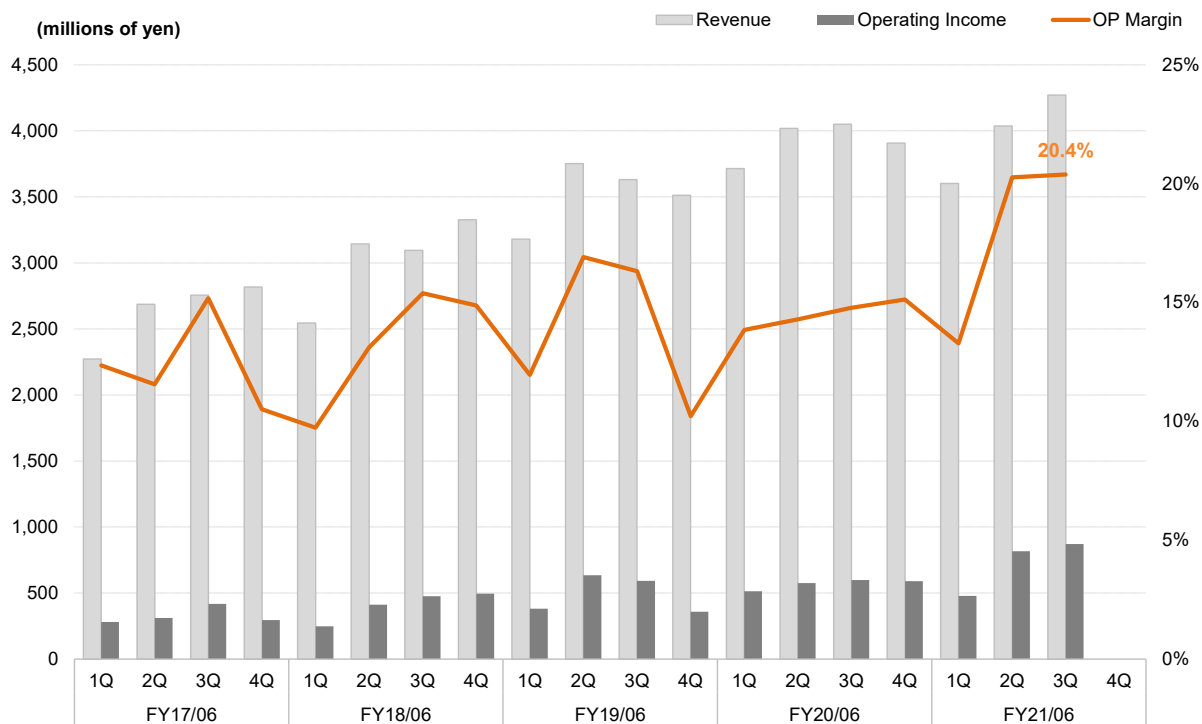
Quarterly trends in net sales and operating income are as follows:

Net sales and Operating Income for the Last four quarters

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

	Fiscal Year ended June 30, 2020	Fiscal Year ending June 30, 2021		
	Fourth quarter	First quarter	Second quarter	Third quarter
Net sales	3,906	3,601	4,036	4,271
Operating income	591	478	817	871
Operating income margin (%)	15.1	13.3	20.3	20.4

Quarterly trends of net sales, operating income and operating margins



(2) Discussion on Financial Condition

(i) Financial position

Total assets at the end of the third quarter amounted to 12,331 million yen (up 550 million yen from the end of the previous fiscal year). This was mainly due to an increase of 20 million yen in current assets resulting from a decrease of cash and deposits of 425 million yen and an increase of 489 million yen in securities. Intangible assets increased by 289 million yen due to the development of the IT infrastructure environment, while shares of subsidiaries and associates increased by 276 million yen due to investments in equity-method affiliates through the conclusion of capital and business alliance agreements and the acquisition of shares, and security deposits decreased by 37 million yen due to the closure of offices, resulting in an increase in fixed assets of 529 million yen.

On the other hand, total liabilities amounted to 4,050 million yen (down 535 million yen from the end of the previous consolidated fiscal year). This was mainly due to an increase of 252 million yen in accounts payable-other and accrued expenses, a decrease of 536 million yen in unearned revenue, and a decrease of 252 million yen in provision for bonuses.

Total net assets amounted to 8,280 million yen (up 1,085 million yen from the end of the previous fiscal year), mainly due to the recording of 1,371 million yen in net income attributable to owners of the parent and the payment of 338 million yen in dividends from retained earnings. As a result, the equity ratio improved by 6.0 percentage points from the previous fiscal year to 67.1% (61.1% at the end of the previous fiscal year), and we believe that we have maintained a highly stable financial balance with little interest-bearing debt.

(ii) Cash Flow

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the third quarter of the current fiscal year increased by 86 million yen from the end of the previous fiscal year to 6,457 million yen. The status of each cash flow and their factors are as follows.

<Cash flows from operating activities>

Net cash provided by operating activities amounted to 958 million yen (467 million yen for the same quarter of the previous year).

The main reasons for the increase were income before income taxes and minority interests of 2,186 million yen, an increase in notes and accounts payable-trade of 85 million yen, and an increase in accounts payable-other and accrued expenses of 101 million yen, while the main reasons for the decrease were a decrease in provision for bonuses of 252 million yen, a decrease in unearned revenue of 536 million yen, and income taxes paid of 649 million yen.

<Cash flows from investing activities>

Net cash used in investing activities was 519 million yen (258 million yen for the same quarter of the previous year). Major outflows included 53 million yen for the purchase of property, plant and equipment, 234 million yen for the purchase of intangible assets, and 269 million yen for investments in equity method affiliates due to the conclusion of capital and business alliance agreements and the acquisition of shares, while major inflows included 107 million yen for the collection of lease and guarantee deposits.

<Cash flows from financing activities>

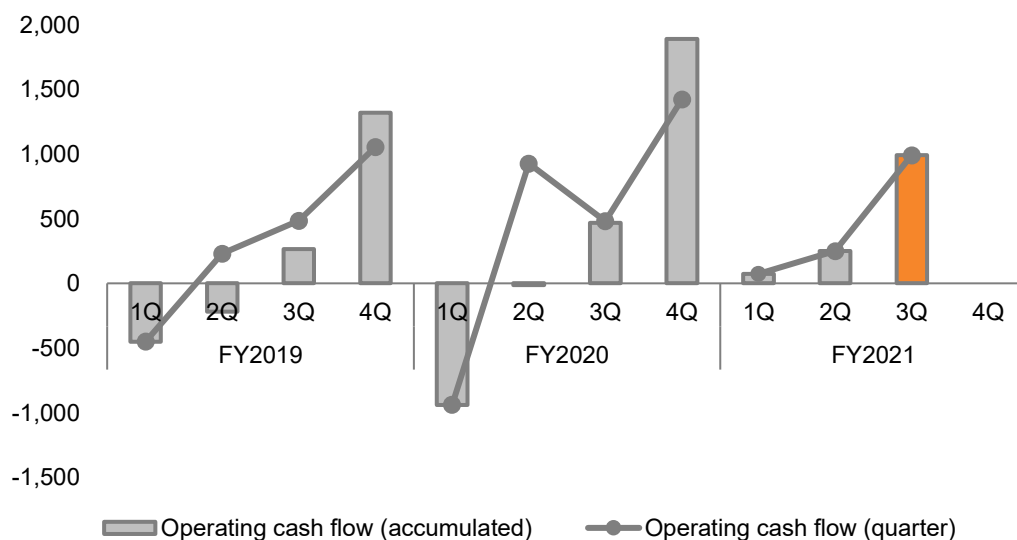
Net cash used in financing activities was 354 million yen (289 million yen for the same quarter of the previous year).

The main components of cash outflow were cash dividends paid of 338 million yen.

In our group, cash flow from operating activities in the third quarter was at a low level due to the payment of income taxes and the payment of performance-based bonuses to officers and employees, and it gradually increases from the third quarter onward, and is typically positive for the full fiscal year.

Maintenance fees and commissions paid for the outsourcing business in the consolidated accounting-related business are prepaid for the year in advance of the provision of services. As a result, the business model has almost no need for working capital than the original. In the business intelligence business, on the other hand, as outsourcing costs and other expenses are paid in advance, working capital demand will increase as sales grow. However, by concentrating the excess funds of the Group as a whole in the holding company, the Group is able to smoothly extend funds across the Group. In addition to the total amount of cash held, the Group has established a commitment line totaling 3.5 billion yen with each bank with which it does business. Accordingly, at present there are no concerns about funding, and rather, we intend to use the excess funds for strategic investment in the future.

Quarterly trends of operating cash flow (millions of yen)



Accumulated cash flow from operation for the third quarter of fiscal year ending June 30, 2020 was use of 13 million yen.
 Accumulated cash flow from operation for the third quarter of fiscal year ending June 30, 2021 was 72 million yen.

(3) Earnings Forecasts

With regard to the full-year business performance, we have revised the consolidated financial forecast announced on August 3, 2021. For details, please refer to the "Notice of Revision of Earnings Forecast" announced today.

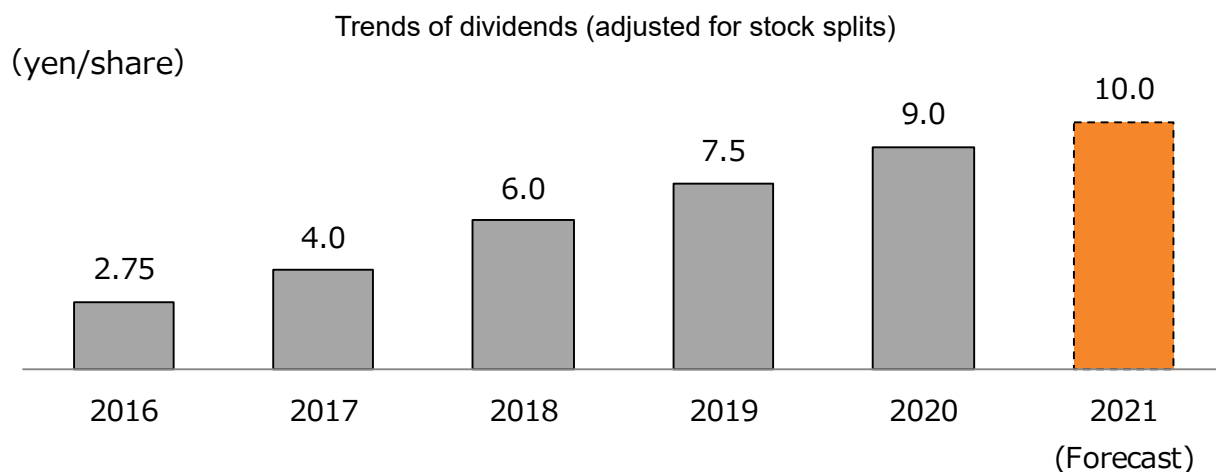
In September 2018, we announced our new medium-term management plan, a five-year plan for the year ending June 2023. In Fiscal Year ending June 2021, the third year of the plan, we plan to sustainably grow our three existing businesses while also promoting a variety of activities aimed at dramatically improving recurring sales ratio, which is one of the key goals of our medium-term management plan.

Due to the spread of COVID-19, we had a cautious outlook, especially for the first half of the fiscal year under review, as domestic companies temporarily postponed their IT investments or decreased their investments. On the other hand, various social changes triggered by COVID-19 have aroused the need for Digital Transformation, such as "data-based management and decision-making," and the needs for the Group's products and services are on the rise, transforming into more advanced ones.

In terms of expenses, in addition to striving to reduce outsourcing costs by increasing the ratio of in-house production, the search for an appropriate work style at Corona Risks has enabled the Group to significantly curtail certain expenses such as transportation and utilities costs, which has led to an improvement in profitability that exceeded our expectations at the beginning of the current fiscal year.

As a result, we expect to achieve net sales of 16,110 million yen (up 2.7% from the previous fiscal year) and operating income of 2,520 million yen (up 10.6%) for the current fiscal year.

In accordance with the Company's existing dividend policy, we will raise the ratio of dividends to net assets while keeping in mind that the ratio should always be higher than the average of all listed companies, and at the same time, we will try to pay stable dividends (in principle, dividends per share should not fall below the level of the previous fiscal year). In accordance with this policy, we are forecasting a dividend of 10 yen per share for the current fiscal year under review.



2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(thousands of yen)

	End of previous fiscal year (As of June 30, 2020)	End of third quarter of the fiscal year under review (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	6,335,623	5,910,007
Notes and accounts receivable - trade	2,343,601	2,376,897
Securities	10,783	500,000
Work in process	140,960	160,329
Raw materials and supplies	15,587	52,691
Other	664,284	529,350
Allowance for doubtful accounts	(5,610)	(3,417)
Total current assets	9,505,230	9,525,858
Non-current assets		
Property, plant and equipment	469,392	447,922
Intangible assets		
Software	190,781	480,273
Other	744	716
Total intangible assets	191,526	480,989
Investments and other assets		
Investment securities	428,261	507,153
Shares of subsidiaries and associates	—	276,407
Leasehold and guarantee deposits	674,355	637,306
Deferred tax assets	369,737	314,118
Other	142,101	141,317
Total investments and other assets	1,614,455	1,876,303
Total non-current assets	2,275,373	2,805,216
Total assets	11,780,604	12,331,074

	(thousands of yen)	
	End of previous fiscal year (As of June 30, 2020)	End of third quarter of the fiscal year under review (As of March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	428,418	513,660
Lease obligations	14,299	14,147
Accounts payable - other, and accrued expenses	333,436	585,566
Income taxes payable	122,303	236,407
Unearned revenue	2,075,741	1,538,836
Provision for bonuses	719,089	466,320
Provision for bonuses for directors (and other officers)	120,998	103,036
Provision for loss on order received	15,887	-
Asset retirement obligations	-	8,497
Other	483,988	351,416
Total current liabilities	4,314,163	3,817,889
Non-current liabilities		
Lease obligations	45,297	34,330
Asset retirement obligations	226,810	198,763
Total non-current liabilities	272,107	233,093
Total liabilities	4,586,270	4,050,983
Net assets		
Shareholders' equity		
Share capital	303,271	311,568
Capital surplus	240,071	248,368
Retained earnings	6,618,666	7,651,808
Treasury shares	(476)	(476)
Total shareholders' equity	7,161,533	8,211,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,859	68,519
Deferred gains or losses on hedges	6	28
Foreign currency translation adjustment	(3,065)	273
Total accumulated other comprehensive income	32,800	68,821
Total net assets	7,194,333	8,280,090
Total liabilities and net assets	11,780,604	12,331,074

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

Quarterly Consolidated Statements of Income

Third quarter accumulated

	(thousands of yen)	
	Third quarter of previous fiscal year (From July 1, 2019 to March 31, 2020)	Third quarter of fiscal year under review (From July 1, 2020 to March 31, 2021)
Net sales	11,784,699	11,909,637
Cost of sales	6,468,526	6,319,631
Gross profit	5,316,173	5,590,006
Selling, general and administrative expenses	3,628,688	3,422,929
Operating profit	1,687,484	2,167,077
Non-operating income		
Interest income	327	295
Dividend income	3,910	4,052
Gain on investments in investment partnerships	1,557	3,417
Foreign exchange gains	266	6,528
Subsidy income	2,220	6,524
Reversal of allowance for doubtful accounts	-	2,193
Other	329	1,378
Total non-operating income	8,610	24,391
Non-operating expenses		
Interest expenses	452	775
Commission expenses	2,590	4,256
Share issuance costs	413	424
Other	-	71
Total non-operating expenses	3,457	5,527
Ordinary profit	1,692,637	2,185,941
Extraordinary income		
Gain on sales of non-current assets	-	641
Total extraordinary income	-	641
Profit before income taxes	1,692,637	2,186,583
Income taxes - current	630,759	779,716
Income taxes - deferred	43,796	35,467
Total income taxes	674,555	815,184
Profit	1,018,081	1,371,398
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,018,081	1,371,398

Quarterly Consolidated Statements of Comprehensive Income

Third quarter accumulated

		(thousands of yen)
	Third quarter of previous fiscal year (From July 1, 2019 to March 31, 2020)	Third quarter of fiscal year under review (From July 1, 2020 to March 31, 2021)
Profit	1,018,081	1,371,398
Other comprehensive income		
Valuation difference on available-for-sale securities	4,971	32,660
Deferred gains or losses on hedges	9	22
Foreign currency translation adjustment	1,213	3,338
Total other comprehensive income	6,193	36,021
Comprehensive income	1,024,275	1,407,420
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,024,275	1,407,420
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(thousands of yen)

	Third quarter of previous fiscal year (From July 1, 2019 to March 31, 2020)	Third quarter of fiscal year under review (From July 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	1,692,637	2,186,583
Depreciation	149,561	184,960
Share-based remuneration expenses	6,144	10,201
Increase (decrease) in allowance for doubtful accounts	(8,756)	(2,193)
Increase (decrease) in provision for bonuses	(155,611)	(252,768)
Increase (decrease) in provision for bonuses for directors (and other officers)	(1,384)	(17,962)
Increase (decrease) in provision for loss on order received	(60,008)	(15,887)
Interest and dividend income	(4,237)	(4,348)
Interest expenses	452	775
Loss (gain) on sales of property, plant and equipment	—	(641)
Commission expenses	2,590	4,256
Share issuance costs	413	424
Loss (gain) on investments in investment partnerships	(1,557)	(3,417)
Subsidy income	(2,220)	(6,524)
Decrease (increase) in trade receivables	121,423	(33,249)
Decrease (increase) in inventories	5,653	(56,472)
Increase (decrease) in trade payables	(2,807)	85,213
Increase (decrease) in accounts payable - other, and accrued expenses	49,172	101,721
Increase (decrease) in accrued consumption taxes	73,531	(124,822)
Increase (decrease) in unearned revenue	(365,179)	(536,905)
Increase (decrease) in deposits received	(105,126)	(66,871)
Other, net	(6,799)	146,036
Subtotal	1,387,893	1,598,106
Interest and dividends received	4,555	4,760
Interest paid	(452)	(775)
Proceeds from subsidy income	2,220	6,524
Income taxes paid	(926,239)	(649,888)
Net cash provided by (used in) operating activities	467,976	958,728
Cash flows from investing activities		
Proceeds from redemption of securities	—	10,274
Purchase of property, plant and equipment	(157,636)	(53,568)
Proceeds from sales of property, plant and equipment	—	641
Payments for asset retirement obligations	—	(33,143)
Purchase of intangible assets	(53,774)	(234,341)
Purchase of investment securities	(10,870)	(21,094)
Purchase of shares of subsidiaries and associates	—	(269,335)
Payments of leasehold and guarantee deposits	(35,286)	(30,247)
Proceeds from refund of leasehold and guarantee deposits	3,009	107,000
Purchase of insurance funds	(4,459)	(4,459)
Other, net	317	8,317
Net cash provided by (used in) investing activities	(258,699)	(519,955)

	(thousands of yen)	
	Third quarter of previous fiscal year (From July 1, 2019 to March 31, 2020)	Third quarter of fiscal year under review (From July 1, 2020 to March 31, 2021)
Cash flows from financing activities		
Repayments of finance lease obligations	(5,104)	(12,034)
Commission fee paid	(2,562)	(4,109)
Purchase of treasury shares	(71)	—
Dividends paid	(281,755)	(338,256)
Other, net	(413)	(424)
Net cash provided by (used in) financing activities	(289,907)	(354,825)
Effect of exchange rate change on cash and cash equivalents	1,482	2,749
Net increase (decrease) in cash and cash equivalents	(79,148)	86,696
Cash and cash equivalents at beginning of period	5,195,137	6,370,860
Cash and cash equivalents at end of period	5,115,988	6,457,556

(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)

Previous quarter (From July 1, 2019 to March 31, 2020)

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

(thousands of yen)

	Reportable segments			Total
	Consolidated Accounting-related Business	Business Intelligence Business	Outsourcing Business	
Net sales				
Sales to customers	6,316,284	4,361,537	1,106,877	11,784,699
Intersegment sales	14,500	19,745	428,132	462,377
Total	6,330,784	4,381,282	1,535,009	12,247,077
Segment profit	1,088,237	561,198	368,656	2,018,091

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

(thousands of yen)

Profit	Amount
Reportable segments total	2,018,091
Elimination of transactions between the Company and segments	514,752
Corporate expenses (Note)	(846,499)
Others	1,139
Operating income in the quarterly consolidated statements of income	1,687,484

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

Current quarter (From July 1, 2020 to March 31, 2021)

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

(thousands of yen)

	Reportable segments			Total
	Consolidated Accounting-related Business	Business Intelligence Business	Outsourcing Business	
Net sales				
Sales to customers	5,917,426	4,611,111	1,381,099	11,909,637
Intersegment sales	19,913	1,991	460,808	482,713
Or transfer amount				
Total	5,937,339	4,613,103	1,841,907	12,392,350
Segment profit	1,374,306	660,904	460,581	2,495,791

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

(thousands of yen)

Profit	Amount
Reportable segments total	2,495,791
Elimination of transactions between the Company and its segments	556,232
Corporate expenses (Note)	(883,893)
Others	(1,054)
Operating income in the quarterly consolidated statements of income	2,167,077

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