

(English Translation)

This English translation is an abridged version of the original document in Japanese. In the event of any discrepancy, the Japanese version prevails.

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 [Japanese GAAP]

April 25, 2019

Listed company name: Infocom Corporation
Securities code: 4348
Representative: (Position) President and CEO
Contact: (Position) Head of Corporate Communications Office
Scheduled date of Annual General Shareholders' Meeting: June 13, 2019
Scheduled date to file Securities Report: June 14, 2019
Preparation of supplementary materials on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

Listed on: Tokyo Stock Exchange
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Scheduled date to commence dividend payments: June 17, 2019

(Amounts less than one million yen are rounded down.)

1. Consolidated Business Results for FY2018 (April 1, 2018 to March 31, 2019)

(1) Consolidated operating results (Percentages indicate year-on-year increases.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2018	51,728	13.0	6,889	18.2	6,875	14.9	4,783	3.1
FY2017	45,774	9.6	5,829	22.0	5,982	23.2	4,640	42.3

(Note) Comprehensive income: FY2018: ¥5,360 million (0.2%) ; FY2017: ¥5,350 million (57.6%)

	Earnings per share	Diluted earnings per share	Return on shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2018	87.46	87.07	15.7	16.8	13.3
FY2017	84.85	84.50	17.9	16.9	12.7

(Reference) Equity in earnings (losses) of affiliates: FY2018: ¥2 million; FY2017: ¥10 million

(Note) The company performed a two-for-one split of common stock on March 1, 2019. Beginning balances for net income per share and diluted net income per share in the previous consolidated fiscal year have been adjusted assuming this stock split.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2018	43,649	32,707	74.6	595.05
FY2017	38,237	28,360	73.8	516.08

(Reference) Shareholders' equity: FY2018: ¥32,547 million; FY2017: ¥28,227 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal year
	Million yen	Million yen	Million yen	Million yen
FY2018	5,671	(1,024)	(1,105)	20,177
FY2017	5,680	(686)	(747)	16,630

2. Dividends

	Dividends per share					Total dividends paid (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	Q1	Q3	Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2017	-	10.00	-	28.00	38.00	1,039	22.4	4.0
FY2018	-	10.00	-	17.00	-	1,203	25.2	4.0
FY2019(forecasts)	-	10.00	-	19.00	29.00		30.5	

3. Forecasts of Consolidated Business Results for FY2019 (April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year increases.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	26,000	12.4	2,900	11.7	2,900	10.8	1,950	3.9	35.65
Full-year	57,000	10.2	7,800	13.2	7,800	13.5	5,200	8.7	95.07

* Explanation regarding the appropriate use of financial forecasts and other special remarks

(Cautions concerning forward-looking statements)

Forward-looking statements, including forecasts of business results, are based on the information currently available and certain assumptions judged to be rational. Actual business results may differ substantially due to various factors. For the matters to be noted when using the financial forecasts and the assumptions behind these forecasts, please refer to “1. Analysis of Business Results, 4) Outlook for the Next Fiscal Year,” on page 4 of the attached materials.

1. Analysis of Business Results

1) Overview of Business Results during the Year under Review

Despite steady improvement in corporate earnings, payrolls, and an associated uptick in consumer sentiment, the Japanese economy demonstrated greater uncertainty throughout the current consolidated fiscal year. This uncertainty was mainly driven by concerns regarding the increasing U.S.–China trade frictions and a slowing global economy.

Overall IT-related market demand was robust throughout the period. Factors included the rising use of cloud services via smartphones, tablets, and other mobile devices; expanding business applications for the internet of things (IoT), artificial intelligence (AI), and other technologies; and the use of robotic process automation (RPA) to achieve work-style reforms.

The e-book market continued to grow, demonstrating the waning impact of pirate sites, which had risen sharply since August 2017.

In this operating environment, the Infocom Group has been executing a medium-term management plan (April 2017 to March 2020) emphasizing two fundamental policies: (1) pursue growth and (2) continue strengthening our management foundation to support growth. To this end, we have identified e-comics and healthcare as priority businesses. In these areas, we pursued M&A opportunities actively while also developing businesses that leverage AI and IoT.

As a result, the Infocom Group generated net sales of ¥51,728 million for current consolidated fiscal year, up 13.0% compared to the previous fiscal year. Operating profit rose 18.2% to ¥6,889 million and ordinary profit rose 14.9% to ¥6,875 million. Profit attributable to owners of the parent increased 3.1% to ¥4,783 million.

Our Group’s sales and profit tend to be relatively low in the first and third quarters of the fiscal year and concentrated generally in the fourth quarter. This trend stems from the concentration of deliveries of products and services for companies and hospitals in March, at fiscal year-end.

(i) Business Solution Group

Our Business Solution Group recorded sales of ¥24,235 million (1.0% decrease compared to the previous fiscal year). Despite lower performance in our services for pharmaceutical companies, the segment recorded strong sales in services for hospitals for the period. Operating profit improved 1.1% to ¥2,487 million as sales of services for hospitals compensated for lower profits due to certain unprofitable projects.

Our Health IT subsegment reported improved performance in response to stepped up sales promotions on existing services for hospitals and pharmaceutical companies. At the same time, the subsegment experienced strong sales of clinical information management systems in connection with medical treatment fee revisions. Sales of employment management systems (for tracking employee work hours effectively) were strong as hospitals and other healthcare organizations began implementing work-style reforms. In the community-based comprehensive care field, we redesigned and upgraded the functionality of our *Carestyle* service (career change support service specializing in care workers), allowing job seekers the ability to apply and submit inquiries to companies.

In corporate IT services, we introduced a new version of the company's integrated business management software package, GRANDIT3.0, an optional RPA Solution product for GRANDIT, and a license subscription service*.

We began offering two new AI and IoT businesses during the year. The first is *at score*, an AI-based deferred payment service for

the online shopping industry. The second is a food temperature management IoT service that improves the efficiency of food hygiene management. Our company also began sales of *Visual IVR*, an automated response system for call centers combining voice and video.

*Subscription: Regular payment schedule for the access to services.

(ii) Digital Entertainment Group

Segment sales were ¥27,492 million (+29.2% year on year), while operating profit for the segment was ¥4,391 million (+30.7%). These results were mainly due to the positive impact of data analysis in our e-comics distribution business and initial exclusive distribution, as well as contributions from stepped-up promotions during the third quarter.

Throughout the year, we took opportunities to strengthen collaborations with publishers in our e-comics distribution business. These include a bimonthly publication of *Grand Jump Meccha*, a crossover publication with Shueisha, Inc., sales of *Meccha Comics fufu* with Futabasha Publishers Ltd., and special editions of *Harlequin* under an alliance with HarperCollins Japan. We also operated *Meccha Bookstore*, a venture to introduce popular Meccha Comics products for sale at physical bookstores. We ran television advertising for the first time in Q3 and displayed the Meccha Comics official character Meccha Dog throughout the Christmas period

In combination with these measures, we also engaged in more sophisticated data analysis to improve the effectiveness of our advertising, resulting in record highs for net sales and operating profit.

In an effort to combat pirate sites and promote a healthy market, our consolidated subsidiary Amutus Corporation entered an alliance with four e-bookstores in April to establish the Japan E-Bookstore Federation. In August 2018, this organization received certification under the White Mark System and launched the Stop Piracy Campaign.

On November 28, 2018, Infocom Corporation changed our stock listing from the JASDAQ (standard) market of the Tokyo Stock Exchange to the First Section.

2) Overview of Financial Position for the Current Fiscal Year

Total assets increased ¥5,412 million compared with the end of the previous fiscal year, amounting to ¥43,649 million. This result was due to an increase in cash and deposits. Total liabilities rose ¥1,065 million to ¥10,941 million due to an increase in accounts payable. Net assets grew ¥4,346 million year on year to ¥32,707 million.

3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents as of March 31, 2019, amounted to ¥20,177 million, up ¥3,547 million from one year earlier.

[Cash flows from operating activities]

Net cash provided by operating activities amounted to ¥5,671 million (¥5,680 million in the previous fiscal year). Principal factors behind this result included profit before income taxes of ¥6,799 million (¥6,980 million) and depreciation of ¥1,118 million (¥1,154 million). Major uses of cash were income taxes paid of ¥2,307 million (¥1,528 million).

[Cash flows from investing activities]

Net cash used in investing activities amounted to ¥1,024 million (¥686 million in the previous fiscal year). Primary uses of cash included ¥496 million (¥2,199 million) in the purchase of investment securities and ¥615 million (¥806 million) for the purchase of intangible assets, including software.

[Cash flows from financing activities]

Net cash used in financing activities amounted to ¥1,105 million (¥747 million in the previous fiscal year), mainly due to cash dividends paid of ¥1,039 million (¥683 million).

(Reference) Changes in cash flow indicators

	FY2014	FY2015	FY2016	FY2017	FY2018
Equity ratio (%)	73.0	66.5	72.2	73.8	74.6
Equity ratio based on market value (%)	100.0	135.8	161.4	158.1	230.7
Interest-bearing debt to cash flow ratio (year)	—	—	—	—	—
Interest coverage ratio	1,637.8	3,545.3	1,643.9	3,239.6	3,390.9

(Notes) Equity ratio: Equity / total assets

Equity ratio based on market value: Total market capitalization / total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest payments

Indicators are calculated based on consolidated financial figures.

Stock market capitalization is calculated by multiplying the closing stock price by the total number of issued shares at the end of the fiscal year (excluding treasury shares).

Operating cash flow uses cash flows from operating activities in the consolidated statements of cash flows.

Interest-bearing debt includes all interest-bearing liabilities recorded on the consolidated balance sheet. Interest payments refers to the amount of interest paid per the consolidated statement of cash flows.

4) Outlook for the Next Fiscal Year

Despite steady improvement in consumer sentiment, the Japanese economy is demonstrating a greater uncertainty caused by concerns about trade frictions.

We expect the IT-related market to be robust throughout the year. Factors include the rising use of cloud services via smartphones, tablets, and other mobile devices; expanding business applications for the internet of things (IoT), artificial intelligence (AI), and other technologies; and the use of robotic process automation (RPA) to achieve work-style reforms. We also believe the market for e-books will continue to grow as the use of e-books on smartphones is widespread and the base of users is expanding.

In this environment, we will pursue the fundamental policies of the Infocom Group's medium-term management plan (April 2016 to March 2020): pursue growth and continue strengthening the management foundation to support growth, setting e-comics and healthcare as our priority businesses and pursuing key measures.

For the fiscal year ending March 31, 2019, we anticipate net sales of ¥57,000 million (up 10.2% year on year), operating profit of ¥7,800 million (up 13.2%), ordinary profit of ¥7,800 million (up 13.4%), and net income attributable to owners of parent of ¥5,200 million (down 8.8%).

The above-stated performance forecasts are based on information as of the date these materials were released. Accordingly, actual results may differ materially from these forecasts, due to a variety of future factors.

5) Basic Policy on Distribution of Profit and Dividends for the Fiscal Years to March 31, 2018 and 2019

We consider the stable return of profits an important management priority for raising shareholder value. Balancing demands for cash, we strive to maintain a sound financial structure and prioritize investments to expand the business over the medium to long term. At the same time, we aim to provide stable dividends and aim for a dividend payout ratio of 30%, raising dividends in line with increases in operating performance.

For the fiscal year ended March 31, 2019, we plan to propose a dividend of ¥17 (Regular dividend 15 yen, commemorative dividend 2 yen for the market change) per share at the 37th Ordinary General Meeting of Shareholders.

For the fiscal year ending March 31, 2020, we plan to pay an annual dividend of ¥29 per share, comprising ¥10 per share at the end of the second quarter and ¥19 per share at the end of the fiscal year.

2. Basic Perspective on Selection of Accounting Standards

Our company applies Japanese standards.

We are preparing for the application of IFRS, and to this end we are developing a Group settlement system and in-house manual.

We are also considering the timing for the application of IFRS.

3. Consolidated Financial Statements and Major Notes

1) Consolidated Balance Sheet

(Unit: million yen)

	FY2017 As of March 31, 2018	FY2018 As of March 31, 2019
Assets		
Current assets		
Cash and deposits	16,625	20,173
Notes and accounts receivable-trade	9,707	10,576
Inventories	270	558
Other	1,033	1,142
Allowance for doubtful accounts	(0)	(4)
Total current assets	27,636	32,445
Non-current assets		
Property, plant and equipment		
Buildings and structures	640	645
Accumulated depreciation	(369)	(393)
Buildings and structures, net	271	252
Machinery, equipment and vehicles	14	10
Accumulated depreciation	(7)	(9)
Machinery, equipment and vehicles, net	7	1
Tools, furniture and fixtures	1,165	1,249
Accumulated depreciation	(673)	(797)
Tools, furniture and fixtures, net	491	451
Leased asset	389	401
Accumulated depreciation	(166)	(219)
Leased asset (net)	222	182
Construction in progress	10	5
Total tangible fixed assets	1,004	892
Intangible assets		
Software	1,968	1,700
Other	42	38
Total intangible assets	2,010	1,738
Investment and other assets		
Investment securities	6,135	7,034
Shares of subsidiaries and associates	215	230
Deferred tax assets	413	520
Other	929	912
Allowance for doubtful accounts	(107)	(124)
Total investment and other assets	7,586	8,573
Total non-current assets	10,601	11,204
Total assets	38,237	43,649

(Unit: million yen)

	FY2017 As of March 31, 2018	FY2018 As of March 31, 2019
Liabilities		
Current liabilities		
Accounts payable-trade	3,457	4,159
Lease obligations	64	66
Accounts payable - other	1,396	1,345
Income taxes payable	1,539	1,472
Accrued consumption taxes	564	716
Advances received	700	693
Provision for bonuses	1,211	1,222
Provision for loss on order received	—	158
Other	734	811
Total current liabilities	9,667	10,645
Non-current liabilities		
Lease obligations	182	135
Deferred tax liabilities	—	135
Other	26	26
Total non-current liabilities	209	296
Total liabilities	9,876	10,941
Net assets		
Shareholders' equity		
Share capital	1,590	1,590
Capital surplus	1,449	1,447
Retained earnings	25,089	28,833
Treasury shares	(816)	(816)
Total shareholders' equity	27,312	31,054
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	964	1,549
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	(49)	(58)
Total accumulated other comprehensive income	915	1,492
Share acquisition rights	128	157
Non-controlling interests	4	2
Total net assets	28,360	32,707
Total liabilities and net assets	38,237	43,649

2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Unit: million yen)

	FY2017 (from April 1, 2017 to March 31, 2018)	FY2018 (from April 1, 2018 to March 31, 2019)
Net Sales	45,774	51,728
Cost of sales	24,168	27,121
Gross profit	21,605	24,606
Selling, general and administrative expenses	15,776	17,717
Operating profit	5,829	6,889
Non-operating income		
Interest and dividend income	113	85
Share of profit of entities accounted for using equity method	10	2
Foreign exchange gains	3	—
Partnership gain	24	—
Other	2	2
Total non-operating income	155	90
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	—	0
Partnership losses	—	101
Other	0	0
Total non-operating expenses	1	103
Ordinary profit	5,982	6,875
Extraordinary income		
Gain on sales of non-current assets	1,138	—
Gain on sales of investment securities	62	171
Reversal of provision for restructuring charges	48	—
Total extraordinary income	1,249	171
Extraordinary losses		
Impairment loss	23	55
Loss on retirement of non-current assets	9	5
Loss on valuation of shares of subsidiaries and associates	—	45
Loss on valuation of investment securities	96	106
Provision of allowance for doubtful accounts	107	18
Other	15	15
Total extraordinary losses	251	247
Profit before income taxes	6,980	6,799
Income taxes - current	2,138	2,246
Income taxes - deferred	203	(230)
Total income tax	2,341	2,016
Profit	4,639	4,783
Loss attributable to non-controlling interests	(1)	(0)
Profit attributable to owners of parent	4,640	4,783

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	FY2017 (from April 1, 2017 to March 31, 2018)	FY2018 (from April 1, 2018 to March 31, 2019)
Profit	4,639	4,783
Other comprehensive income		
Valuation difference on available-for-sale securities	765	584
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	(55)	(8)
Total other comprehensive income	710	577
Comprehensive income	5,350	5,360
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,351	5,361
Comprehensive income attributable to non-controlling interests	(1)	(0)

3) Consolidated statement of changes in equity
 FY2017 (from April 1, 2017 to March 31, 2018)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,590	1,448	21,132	(819)	23,351
Changes in items during period					
Dividends of surplus			(683)		(683)
Profit attributable to owners of parent			4,640		4,640
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		3	4
Net changes in items other than shareholders' equity					
Total changes in items during period	—	0	3,957	2	3,960
Balance at end of period	1,590	1,449	25,089	(816)	27,312

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	198	(0)	5	204	98	11	23,665
Changes in items during period							
Dividends of surplus							(683)
Profit attributable to owners of parent							4,640
Purchase of treasury shares							(0)
Disposal of treasury shares							4
Net changes in items other than shareholders' equity	765	0	(55)	710	30	(6)	734
Total changes in items during period	765	0	(55)	710	30	(6)	4,695
Balance at end of period	964	0	(49)	915	128	4	28,360

FY2018 (from April 1, 2018 to March 31, 2019)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,590	1,449	25,089	(816)	27,312
Changes in items during period					
Dividends of surplus			(1,039)		(1,039)
Profit attributable to owners of parent			4,783		4,783
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes in items during period	–	(2)	3,744	(0)	3,741
Balance at end of period	1,590	1,447	28,833	(816)	31,054

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	964	0	(49)	915	128	4	28,360
Changes in items during period							
Dividends of surplus							(1,039)
Profit attributable to owners of parent							4,783
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							(2)
Net changes in items other than shareholders' equity	584	1	(8)	577	29	(1)	605
Total changes in items during period	584	1	(8)	577	29	(1)	4,346
Balance at end of period	1,549	1	(58)	1,492	157	2	32,707

4) Consolidated Statement of Cash Flows

(Unit: million yen)

	FY2017 (from April 1, 2017 to March 31, 2018)	FY2018 (from April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	6,980	6,799
Depreciation	1,154	1,118
Impairment loss	23	55
Share-based remuneration expenses	34	29
Amortization of goodwill	8	—
Increase (decrease) in allowance for doubtful accounts	69	23
Increase (decrease) in allowance for investment loss	(55)	—
Increase (decrease) in provision for bonuses	34	10
Increase (decrease) in provision for loss on order received	(18)	158
Interest and dividend income	(113)	(85)
Interest expenses	1	1
Share of loss (profit) of entities accounted for using equity method	(10)	(2)
Loss (gain) on sales of investment securities	(62)	(171)
Loss on valuation of shares of subsidiaries and associates	—	45
Loss (gain) on valuation of investment securities	96	106
Loss (gain) on sales of non-current assets	(1,138)	0
Loss on retirement of non-current assets	9	5
Reversal of provision for restructuring charges	(48)	—
Decrease (increase) in trade receivables	(923)	(868)
Decrease (increase) in inventories	95	(287)
Decrease (increase) in other assets	31	(2)
Increase (decrease) in trade payables	394	702
Increase (decrease) in other liabilities	618	252
Subtotal	7,180	7,891
Interest and dividend income received	105	88
Interest paid	(1)	(1)
Payments for business restructuring	(346)	—
Income taxes paid	(1,528)	(2,307)
Income taxes refund	270	—
Net cash provided by operating activities	5,680	5,671
Cash flows from investment activities		
Purchase of property, plant and equipment	(189)	(252)
Purchase of intangible assets	(806)	(615)
Proceeds from sales of property, plant and equipment	2,433	0
Purchase of investment securities	(2,199)	(496)
Proceeds from sales of investment securities	112	313
Payments of guarantee deposits	(49)	(3)
Proceeds from refund of guarantee deposits	10	19
Other, net	2	10
Net cash used in investing activities	(686)	(1,024)

Cash flows from financing activities		
Repayment of lease obligations	(59)	(62)
Dividends paid	(683)	(1,039)
Dividends paid to non-controlling interests	(7)	(3)
Proceeds from share issuance to non-controlling shareholders	2	2
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(2)
Other, net	(0)	(0)
Net cash used in financing activities	(747)	(1,105)
Effect of exchange rate change on cash and cash equivalents	(24)	5
Net increase (decrease) in cash and cash equivalents	4,221	3,547
Cash and cash equivalents at beginning of period	12,408	16,630
Cash and cash equivalents at end of period	16,630	20,177

(5) Notes on the consolidated financial statements

(Note on going concern assumption)

Not applicable

(Segment information)

1. Overview of reportable segments

Infocom Group reportable segments are business units of the group for which discrete financial information is available and whose operating results are regularly reviewed by the board of directors, which makes decisions about resources to be allocated to the segment and assesses segment performance.

The Group has two reportable segments: the Business Solution segment and the Digital Entertainment segment.

The Business Solution segment provides IT services such as planning, development, operation and management of information systems. This segment sells services to companies, pharmaceutical and medical institutions, care providers, public research institutes, and educational research facilities.

The Digital Entertainment segment offers BtoC e-comic distribution services for smartphones and mobile devices.

2. Method of calculating sales, profit or loss, assets, liabilities, and other items by reportable segment

Reportable segment profits are based on operating profit. Intersegment sales or transfers are based on prevailing market prices.

3. Information related to sales, profits or losses, assets, liabilities, and other items by reportable segment

FY2017 (from April 1, 2017 to March 31, 2018)

	Business Solution	Digital Entertainment	Total	Adjustments (Note 1)	(Unit: million yen) Amount recorded in the consolidated financial statements (Note 2)
Net sales					
Sales to external customers	24,491	21,283	45,774	—	45,774
Intersegment sales or transfers	596	6	602	(602)	—
Total	25,087	21,289	46,376	(602)	45,774
Segment profit	2,459	3,360	5,820	9	5,829
Segment assets	16,730	13,145	29,876	8,361	38,237
Other items					
Depreciation	1,089	64	1,154	—	1,154
Amortization of goodwill	8	—	8	—	8
Share of profit of entities accounted for using equity method	—	10	10	—	10
Investment in entities accounted for using equity method	—	193	193	—	193
Increase in property, plant and equipment and intangible assets	1,062	29	1,091	—	1,091

(Notes)

1. Adjustment amounts are as follows.

- (1) The segment profit adjustment of ¥9 million is for the elimination of intersegment transactions and corporate expenses.
- (2) The segment asset adjustment of ¥8,361 million includes ¥6,900 million for the elimination of receivables from the headquarters management department and ¥15,261 million corporate assets not allocated to individual reportable segments. Corporate assets are mainly cash and cash equivalents at the Company, and assets related to the administration department.

2. Segment profit is adjusted in operating profit in the consolidated income statement.

FY2018 (from April 1, 2018 to March 31, 2019)

(Unit: million yen)

	Business Solution	Digital Entertainment	Total	Adjustments (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
Net sales					
Sales to external customers	24,235	27,492	51,728	—	51,728
Intersegment sales or transfers	95	6	102	(102)	—
Total	24,331	27,498	51,830	(102)	51,728
Segment profit	2,487	4,391	6,879	9	6,889
Segment assets	17,267	16,835	34,102	9,547	43,649
Other items					
Depreciation	1,075	43	1,118	—	1,118
Share of profit of entities accounted for using equity method	—	2	2	—	2
Investment in entities accounted for using equity method	—	189	189	—	189
Increase in property, plant and equipment and intangible assets	692	80	773	—	773

(Notes)

1. Adjustment amounts are as follows.

(1) The segment profit adjustment of ¥9 million is for the elimination of intersegment transactions and corporate expenses.

(2) The segment asset adjustment of ¥9,547 million includes ¥8,712 million for the elimination of receivables from the headquarters management department and ¥18,260 million corporate assets not allocated to individual reportable segments. Corporate assets are mainly cash and cash equivalents at the Company, and assets related to the administration department.

2. Segment profit is adjusted in operating profit in the consolidated income statement.

(Per share information)

(Unit: yen)

	FY2017 (from April 1, 2017 to March 31, 2018)	FY2018 (from April 1, 2018 to March 31, 2019)
Net assets per share	516.08	595.05
Net income per share	84.85	87.46
Diluted net income per share	84.50	87.07

(Note 1). The basis for calculating net income per share and diluted net income per share is as follows.

(Unit: million yen)

	FY2017 (from April 1, 2017 to March 31, 2018)	FY2018 (from April 1, 2018 to March 31, 2019)
Net income per share		
Net income attributable to owners of parent	4,640	4,783
Net income not attributable to owners of parent	—	—
Net income attributable to owners of parent related to common stock	4,640	4,783
Average number of common shares during the period	54,692,960	54,696,893
Diluted net income per share		
Adjusted net income attributable to owners of parent	—	—
Increase in common stock	225,045	245,213
(Of which, share acquisition rights)	(225,045)	(245,213)
Overview of potential shares not included in the calculation of diluted net income per share as they have no dilutive effect	—	—

(Note 2). The basis for calculating net assets per share is as follows.

(Unit: million yen)

	FY2017 (March 31, 2018)	FY2018 (March 31, 2019)
Total net assets	28,360	32,707
Deductions from total net assets	133	160
(Of which, share acquisition rights)	(128)	(157)
(Of which, non-controlling interests)	(4)	(2)
Net assets at the end of the fiscal year related to ordinary shares	28,227	32,547
Number of common shares at the end of the fiscal year used to calculate net assets per share	54,697,038	54,696,858

(Note 3) The company performed a two-for-one split of common stock on March 1, 2019. Beginning balances for net assets per share, net income per share, and diluted net income per share in the previous consolidated fiscal year have been adjusted assuming this stock split.

(Important subsequent events)

Not applicable