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August 12, 2022

Consolidated Financial Results Announcement for the First Half of the Fiscal Year Ending December 31, 2022 [Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.
 Stock exchange listing: TSE Prime Market
 Stock code: 4848
 URL: <https://www.fullcastholdings.co.jp>
 Representative: Kazuki Sakamaki, President, Representative Director and CEO
 Contact: Yasuomi Tomotake, General Manager of the IR and Finance Department
 Telephone: +81-3-4530-4830
 Date of submission of quarterly report (Planned): August 12, 2022
 Date of commencements of dividend payments (Planned): September 5, 2022
 Preparation of supplementary references regarding financial results: Yes (shown on our website)
 Briefing for quarterly results: Yes (for institutional investors and analysts)

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending December 31, 2022 (January 1 to June 30, 2022)

(1) Consolidated Business Results

(% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1H FY12/22 (June 30, 2022)	30,802	29.9	4,838	35.5	4,903	36.8	3,319	40.7
1H FY12/21 (June 30, 2021)	23,717	10.6	3,570	8.8	3,585	8.5	2,359	4.6

(Note) Comprehensive income: 3,499 million yen (36.2%) as of June 30, 2022 2,569 million yen (34.6%) as of June 30, 2021

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1H FY12/22 (June 30, 2022)	91.61	91.13
1H FY12/21 (June 30, 2021)	64.59	64.22

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
1H FY12/22 End (June 30, 2022)	30,103	22,350	70.5
FY12/21 End	29,484	20,579	66.2

(Reference) Equity: 21,237 million yen as of June 30, 2022 19,526 million yen as of December 31, 2021

2. Dividend Status

	Dividend per share (Yen)				
	1Q End	1H End	3Q End	FY End	Annual
FY12/21	Yen -	Yen 21.00	Yen -	Yen 23.00	Yen 44.00
FY12/22	-	23.00	-	-	-
FY12/22 Forecast	-	-	-	32.00	55.00

(Note) Revision of dividends forecast during the current first half: Yes

3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2022 (January 1 to December 31, 2022)

(% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	61,000	16.5	9,200	21.2	9,260	21.5	6,173	23.2	170.70

(Note) Revision of consolidated business forecasts in the current first half: Yes

* Notes

(1) Important changes of subsidiaries during the current first half: None

(Changes in specific subsidiaries involving changes in the scope of consolidation)

(2) Application of special accounting treatment in the production of quarterly consolidated financial statements: None

(3) Changes in accounting principles, accounting estimates, and re-presentation of changes

1) Changes in accounting policies associated with revisions of accounting principles and others: Yes

2) Changes in accounting policies other than those mentioned in 1) above: None

3) Changes in accounting estimates: None

4) Re-presentation of changes: None

(4) Number of issued shares (Ordinary shares)

1) Number of issued shares at the term end (Including treasury shares)

2) Number of treasury shares at the term end

3) Average number of shares outstanding during the current term

2Q FY12/22	37,486,400	FY12/21	37,486,400
2Q FY12/22	1,392,307	FY12/21	1,015,666
2Q FY12/22	36,225,861	2Q FY12/21	36,523,277

* Quarterly financial results are not subject to quarterly review by a certified public accountant or auditing firm.

* Explanation of the proper use of financial and business forecasts and other important notes.

Of all plans, business forecasts, strategies and other information provided within this document, those which are not historical facts are future outlooks based upon certain conditions and our management's judgments based upon currently available data. Therefore, we warn against relying solely upon these outlooks in assessing our business results, corporate value and other factors. Please also be informed that actual financial results may vary widely from our business forecasts due to various factors. Important factors that may have an impact upon our actual financial results include: (1) economic and financial conditions surrounding our Company and changes in the employment situation, (2) damages to infrastructure arising from disasters including earthquakes, and (3) changes in the relevant laws, including the Labor Standards Act and the Worker Dispatching Act, and in interpretations of these Acts. However, factors that affect our financial results are not limited to only these. Furthermore, please note that we may choose not to reexamine our business forecasts in response to new data, future events or other factors. For assumptions underlying our business forecasts and related issues, please refer to page 4 "1-(3) Explanation of Consolidated Business Forecasts" of the "Appendix".

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1. Qualitative Information Concerning Performance for the Current Quarter

(1) Explanation of Consolidated Operating Results

During the first half of the current fiscal year, Japan's economy continued to undergo a recovery trend due to an overall improvement in corporate earnings despite weaknesses in some industries and a recovery in personal consumption and capital investments. However, there was also weakness in some areas of the economy on account of, among other things, a stalled recovery in production and business sentiment. Economic conditions are expected to continue to recover given the effects of various government policies and as socioeconomic activities, return to normal due to exhaustive efforts to stop the spread of COVID-19. However, the economic horizon remains clouded due to a number of uncertainties including rising raw material prices, supply-side constraints amid concerns about the prolonged situation in Ukraine, and the impact of restraints on economic activity in China. At the same time, there is a need to closely monitor the potential of negative risks arising from fluctuations in financial and capital markets.

As for the current operating environment surrounding the staffing service industry, the employment situation is showing signs of a recovery. This is indicated by the continuing decline in the number of unemployed and the improvement in the number of new job offers and the jobs offers-to-applicants ratio. Also, the current forecasts call for the operating environment will continue to recover.

Against this backdrop, in the first half of the current fiscal year, the Fullcast Group implemented group management activities to achieve our goal of "Under a client first approach, aim for greater business growth and expansion of peripheral services." Our Group also carried out marketing activities focused on boosting overall profitability of the Fullcast Group, particularly in the mainstay "Placement" (Note 1) and "BPO" (Note 2) services. In addition, our Company worked to further expand its business while maximizing profits by continuing to increase productivity and promote operational efficiencies across the entire Group.

Even as the COVID-19 pandemic raged on, consolidated net sales increased by 30,802 million yen (29.9% year-on-year) during the first half of the fiscal year. This was mainly due to growth of the "Short-Term Operational Support Business", which was supported by a number of factors including the acquisition of projects in excess of pre-COVID-19 pandemic short-term staffing demand levels, as well as the continued acquisition of public sector projects related to COVID-19-related operations.

In terms of profits, consolidated operating profit increased by 35.5% year-on-year to 4,838 million yen, with consolidated ordinary profit rising by 36.8% year-on-year to 4,903 million yen, driven mainly by the ongoing recovery in client demand and increased sales of the "Short-Term Operational Support Business."

Profit attributable to owners of parent for the first half of the current fiscal year increased by 40.7% year-on-year to 3,319 million yen, on the back of the 69 million yen in gain on sale of investment securities booked as an extraordinary income following the divestment of investment securities held.

Furthermore, our Company applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the first quarter of the current fiscal year. Although the application of the Accounting Standard for Revenue Recognition is subject to the transitional handling stipulated in the proviso to Paragraph 84 of the Accounting Standard for Revenue Recognition, there is no impact on the balance of retained earnings at the beginning of period nor on profit and loss for the first half of the current fiscal year.

Furthermore, our Group acquired shares of Hayfield inc. on May 31, 2022, making it a consolidated subsidiary. As such, it has been included in the scope of consolidation from the second quarter of the current fiscal year.

- Notes:
1. The mainstay "Part-Time Worker Placement" service and Hayfield inc. staffing service specializing in the real estate industry services are referred to as "Placement."
 2. The mainstay "Part-Time Work Payroll Management" services, as well as other personnel and labor-related business process outsourcing (BPO) services such as the "My Number Management" service, and the back office BPO services of BOD Group are referred to as "BPO."

The results for each of our operating business segments are as follows.

1) Short-Term Operational Support Business

Even as the COVID-19 pandemic raged on, net sales increased by 36.9% year-on-year to 28,133 million yen during the first half of the fiscal year. This was due to factors including the acquisition of projects in excess of pre-COVID-19 pandemic short-term staffing demand levels, as well the continued acquisition of public sector projects related to COVID-19-related operations.

In terms of profits, segment profit (operating profit) increased by 38.3% year-on-year to 5,199 million yen driven mainly by the ongoing recovery in client demand and increased sales.

2) Sales Support Business

Net sales of the “Sales Support Business” declined by 24.1% year-on-year to 1,540 million yen due to the downturn in sales of telecommunications products in the sale of Internet access, which is a mainstay business.

In terms of profits, segment profit (operating profit) declined by 49.8% year-on-year to 43 million yen due primarily to the decline in net sales.

3) Security, Other Businesses

Net sales of “Security, Other Businesses” declined 0.5% year-on-year to 1,129 million yen, nearly the same level as the previous first half, due to a slowdown in the number of new temporary and permanent security projects.

In terms of profits, segment profit (operating profit) declined by 15.6% year-on-year to 126 million yen, due to the decline in net sales.

(2) Explanation of Consolidated Financial Position

1) Assets, Liabilities and Net Assets

At the end of the first half, total assets increased by 619 million yen from the end of the previous fiscal year to 30,103 million yen. Equity increased by 1,711 to 21,237 million yen (equity-to-asset ratio of 70.5%), and net assets grew by 1,772 to 22,350 million yen.

Details of major changes in assets and liabilities are described as follows.

With regards to assets, current assets decreased by 230 million yen from the end of the previous fiscal year to 24,585 million yen. This decrease is attributed mainly to a decline in cash and deposits by 1,049 to 16,361 million yen while notes and accounts receivable rose by 766 to 7,856 million yen.

Non-current assets increased by 849 million yen from the end of the previous fiscal year to 5,518 million yen. This increase is attributed mainly to an increase in goodwill of 790 to 1,397 million yen and an increase in investment securities of 79 to 2,093 million yen.

With regard to liabilities, current liabilities decreased by 1,201 million yen from the end of the previous fiscal year to 6,760 million yen. This decrease is attributed mainly to a decrease in accrued consumption taxes of 585 to 1,157 million yen as well as a decrease in income taxes payable of 477 to 929 million yen.

Non-current liabilities increased by 48 million yen from the end of the previous fiscal year to 993 million yen. This increase is attributed mainly to an increase in long-term borrowings of 35 to 35 million yen and a rise in retirement benefit liability of 23 to 770 million yen.

2) Cash Flows

Outstanding cash and cash equivalents (Hereinafter referred to as “funds”) at the end of the first half decreased by 1,049 million yen from the end of the previous fiscal year to 16,361 million yen (compared with an increase of 96 million yen in the previous fiscal year).

(Cash Flows from Operating Activities)

Funds provided by operating activities were 1,452 million yen (compared with 1,527 million yen provided in the first half of the previous fiscal year) due to profit before income taxes of 4,947 million yen, which covered income taxes paid of 2,135 million yen and an increase in trade receivables of 636 million yen, which helped to offset a decrease in accrued consumption taxes of 611 million yen.

(Cash Flows from Investing Activities)

Funds used in investing activities were 754 million yen (compared with 29 million yen provided in the first half of the previous fiscal year) due to 186 million yen in proceeds from sale of investment securities, which were offset by purchase of shares of subsidiaries resulting in change in scope of consolidation of 844 million yen and purchase of intangible assets of 63 million yen.

(Cash Flows from Financing Activities)

Funds used in financing activities were 1,747 million yen (compared with 1,403 million yen used in the first half of the previous fiscal year) due to purchase of treasury shares of 907 million yen and dividends paid of 838 million yen.

(3) Explanation of Consolidated Business Forecasts

On August 12, 2022, we issued a “Announcement on Difference between Business Forecast and Financial Results, Revision to Full-Year Consolidated Business Forecast, Dividend of Surplus (Interim Dividend), and Revision to Year-end Dividend Forecast.” As disclosed in the notice, our consolidated business results exceeded each of the forecasts in the consolidated business forecast for the first half of the fiscal year ending December 31, 2022. This was primarily on account of a stronger-than-expected acquisition of demand for staffing due to a continued recovery in client demand for the mainstay “Short-Term Operational Support Business”, as well as acquisition of public sector projects related to COVID-19-related operations. Therefore, we have revised upward our full-year consolidated business forecast for the fiscal year ending December 31, 2022, which was originally announced on February 10, 2022.

The full-year revised consolidated business forecast for the fiscal year ending December 31, 2022 takes into consideration the consolidated business results, in excess of pre-COVID-19 pandemic levels even if COVID-19-related operations are excluded, for the first half of the fiscal year ending December 31, 2022. It also makes two assumptions regarding our Group’s performance in the second half of the fiscal year. First, it assumes that demand from client companies will grow towards the final month of this fiscal year. Second, it assumes staffing demand for the “Short-Term Operational Support Business”, especially that related to public sector projects mainly COVID-19-related operations, will shrink after the second half of the fiscal year.

Our Group does not assume that Japan will declare another state of emergency or again implement quasi-emergency measures in the second half of the fiscal year ending December 31, 2022. Note that actual earnings could differ largely from forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	FY12/21 End (December 31, 2021)	1H FY12/22 End (June 30, 2022)
ASSETS		
Current assets		
Cash and deposits	17,410	16,361
Notes and accounts receivable - trade	7,090	7,856
Merchandise	19	41
Supplies	13	21
Other	303	326
Allowance for doubtful accounts	(20)	(20)
Total current assets	24,815	24,585
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	296	274
Tools, furniture and fixtures, net	150	138
Land	184	184
Other, net	2	2
Total property, plant and equipment	632	598
Intangible assets		
Goodwill	607	1,397
Other	333	370
Total intangible assets	940	1,767
Investments and other assets		
Investment securities	2,014	2,093
Other	1,087	1,062
Allowance for doubtful accounts	(5)	(2)
Total investments and other assets	3,096	3,153
Total non-current assets	4,669	5,518
Total assets	29,484	30,103

(Million yen)

	FY12/21 End (December 31, 2021)	1H FY12/22 End (June 30, 2022)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	22	102
Short-term borrowings	1,000	1,000
Accounts payable - other	1,553	1,606
Accrued expenses	1,531	1,395
Income taxes payable	1,407	929
Accrued consumption taxes	1,742	1,157
Provision for bonuses	161	237
Allowance for subscription cancellations	36	-
Other	510	333
Total current liabilities	7,961	6,760
Non-current liabilities		
Long-term borrowings	-	35
Retirement benefit liability	747	770
Other	198	188
Total non-current liabilities	945	993
Total liabilities	8,905	7,753
NET ASSETS		
Shareholders' equity		
Share capital	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	16,369	18,831
Treasury shares	(1,821)	(2,693)
Total shareholders' equity	19,334	20,924
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	152	142
Foreign currency translation adjustment	41	172
Total accumulated other comprehensive income	193	314
Share acquisition rights	133	135
Non-controlling interests	919	978
Total net assets	20,579	22,350
Total liabilities and net assets	29,484	30,103

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

Quarterly Consolidated Statement of Income

[First Half of the Current Fiscal Year]

(Million yen)

	1H FY12/21 (January 1 to June 30, 2021)	1H FY12/22 (January 1 to June 30, 2022)
Net sales	23,717	30,802
Cost of sales	15,248	20,321
Gross profit	8,469	10,480
Selling, general and administrative expenses	4,898	5,642
Operating profit	3,570	4,838
Non-operating income		
Dividend income	2	2
Share of profit of entities accounted for using equity method	24	73
Revenue - advertising	17	26
Other	27	22
Total non-operating income	70	122
Non-operating expenses		
Interest expenses	3	3
Settlement payments	30	33
Other	22	21
Total non-operating expenses	55	57
Ordinary profit	3,585	4,903
Extraordinary income		
Gain on sale of investment securities	20	69
Other	2	13
Total extraordinary income	22	81
Extraordinary losses		
Loss on retirement of non-current assets	12	22
Loss on COVID-19	16	16
Other	0	-
Total extraordinary losses	28	38
Profit before income taxes	3,579	4,947
Income taxes - current	1,163	1,602
Income taxes - deferred	10	(29)
Total income taxes	1,173	1,572
Profit	2,406	3,374
Profit attributable to non-controlling interests	48	56
Profit attributable to owners of parent	2,359	3,319

Quarterly Consolidated Statement of Comprehensive Income
 [First Half of the Current Fiscal Year]

(Million yen)

	1H FY12/21 (January 1 to June 30, 2021)	1H FY12/22 (January 1 to June 30, 2022)
Profit	2,406	3,374
Other comprehensive income		
Valuation difference on available-for-sale securities	117	(6)
Foreign currency translation adjustment	46	130
Total other comprehensive income	162	124
Comprehensive income	2,569	3,499
(Comprehensive income attributable to)		
Owners of parent	2,517	3,440
Non-controlling interests	51	59

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	1H FY12/21 (January 1 to June 30, 2021)	1H FY12/22 (January 1 to June 30, 2022)
Cash flows from operating activities		
Profit before income taxes	3,579	4,947
Depreciation	109	106
Amortization of goodwill	102	71
Increase (decrease) in allowance for doubtful accounts	(15)	(3)
Increase (decrease) in provision for bonuses	1	76
Increase (decrease) in allowance for subscription cancellations	(8)	-
Interest and dividend income	(2)	(2)
Interest expenses	3	3
Share of loss (profit) of entities accounted for using equity method	(24)	(73)
Loss on retirement of non-current assets	12	22
Loss (gain) on sale of investment securities	(20)	(69)
Loss (gain) on valuation of investment securities	0	-
Loss on COVID-19	16	16
Decrease (increase) in trade receivables	(1,021)	(636)
Decrease (increase) in inventories	(14)	(30)
Decrease (increase) in accounts receivable - other	65	13
Increase (decrease) in trade payables	305	76
Increase (decrease) in accrued expenses	(91)	(149)
Increase (decrease) in accrued consumption taxes	(398)	(611)
Increase (decrease) in retirement benefit liability	25	23
Other, net	(95)	(179)
Subtotal	2,528	3,602
Interest and dividends received	44	2
Interest paid	(4)	(3)
Payment of loss on COVID-19	(13)	(15)
Income taxes paid	(1,036)	(2,135)
Income taxes refund	7	1
Net cash provided by (used in) operating activities	1,527	1,452
Cash flows from Investing activities		
Purchase of property, plant and equipment	(17)	(25)
Purchase of intangible assets	(62)	(63)
Proceeds from sale of investment securities	20	186
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(844)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	24	-
Proceeds from collection of loans receivable	9	3
Other, net	(3)	(12)
Net cash provided by (used in) investing activities	(29)	(754)

(Million yen)

	1H FY12/21 (January 1 to June 30, 2021)	1H FY12/22 (January 1 to June 30, 2022)
Cash flows from financing activities		
Repayments of short-term borrowings	(80)	-
Repayments of long-term borrowings	-	(1)
Purchase of treasury shares	(554)	(907)
Dividends paid	(807)	(838)
Other, net	38	(1)
Net cash provided by (used in) financing activities	(1,403)	(1,747)
Effect of exchange rate change on cash and cash equivalents	-	0
Net increase (decrease) in cash and cash equivalents	96	(1,049)
Cash and cash equivalents at beginning of period	13,309	17,410
Cash and cash equivalents at end of period	13,405	16,361

(4) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no relevant matters.

(Notes on Significant Change of Shareholders' Equity)

There are no relevant matters.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

Our Company applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the current fiscal year. As a result, Our Company recognizes earnings at the amount expected to be received in exchange for goods or services when the control of the promised goods or services is transferred to the customer.

Although the application of the "Accounting Standard for Revenue Recognition" is subject to the transitional handling stipulated in the proviso to Paragraph 84 of the "Accounting Standard for Revenue Recognition", there is no impact on the balance of retained earnings at the beginning of the period nor on profit and loss for the first half of the current fiscal year.

Due to the application of the "Accounting Standard for Revenue Recognition", the "Allowance for subscription cancellations" presented in "Current liabilities" in the consolidated balance sheet for the previous fiscal year will be included in "Other" of "Current liabilities" from the first quarter of the current fiscal year. In accordance with the transitional handling stipulated in Paragraph 89-2 of the "Accounting Standard for Revenue Recognition", our Company has not restated the previous consolidated fiscal year using the new presentation method. In addition, following the transitional handling stipulated in Section 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), our Company does not include information that breaks down earnings arising from contracts with customers for the first half of the previous fiscal year.

(Application of Accounting Standard for Fair Value Measurement)

Our Company applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) from the beginning of the first quarter of the current fiscal year. In accordance with the transitional handling stipulated in Paragraph 19 of the "Accounting Standard for Fair Value Measurement" and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), our Company has decided to apply the new accounting policy established by the "Accounting Standard for Fair Value Measurement" into the future. This will have no impact on the quarterly consolidated financial statements.

(Additional Information)

(Accounting Estimates Associated with the COVID-19 Pandemic)

While there are concerns about changes in the economic situation and business environment due to the worldwide spread of COVID-19, our Group has thus conducted accounting estimates assuming that there are no material impacts from COVID-19 during the current consolidated fiscal year because it is difficult to predict when the COVID-19 pandemic will end. However, there is a possibility that material impacts will occur on the consolidated financial statements in subsequent fiscal years, if we review our judgments according to changes in the future situation.

(Treatment of Application of Tax Effect Accounting Related to the Transition from the Consolidated Taxation System to the Group Tax Sharing System)

Regarding the transition to a Group Tax Sharing System newly established under the "Act Partially Amending the Income Tax Act and Other Acts" (No. 8 of 2020), and the reviewed matters of the Non-Consolidated

Taxation System when transitioning to a Group Tax Sharing System, Fullcast Holding and some of its subsidiaries have not applied the provisions of paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018) due to the treatment stipulated in paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, March 31, 2020). The amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax law prior to amendment.

(Segment Information and Others)

[Segment information]

First Half of the Previous Fiscal Year (January 1 to June 30, 2021)

Information Concerning Net Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting segment			Total	Adjustment amount (Note 1)	Quarterly consolidated statement of Income amount (Note 2)
	Short-Term Operational Support Business	Sales Support Business	Security, Other Businesses			
Net sales						
Sales to external customers	20,552	2,030	1,135	23,717	-	23,717
Inter-segment sales or transfers	9	6	4	19	(19)	-
Total	20,561	2,036	1,138	23,736	(19)	23,717
Segment profit	3,760	85	149	3,994	(423)	3,570

Notes: 1. (5) million yen in inter-segment eliminations and (418) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (423) million yen segment profit adjustment amount. Company-wide expenses are mainly general and administrative expenses that do not belong to any specific reporting segments.

2. Segment profit is adjusted with operating profit as listed in quarterly consolidated statement of income.

First Half of the Current Fiscal Year (January 1 to June 30, 2022)

Information Concerning Net Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting segment			Total	Adjustment amount (Note 1)	Quarterly consolidated statement of Income amount (Note 2)
	Short-Term Operational Support Business	Sales Support Business	Security, Other Businesses			
Net sales						
Sales to external customers	28,133	1,540	1,129	30,802	-	30,802
Inter-segment sales or transfers	6	6	4	15	(15)	-
Total	28,139	1,546	1,132	30,817	(15)	30,802
Segment profit	5,199	43	126	5,368	(530)	4,838

Notes: 1. (3) million yen in inter-segment eliminations and (527) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (530) million yen segment profit adjustment amount. Company-wide expenses are mainly general and administrative expenses that do not belong to any specific reporting segments.

2. Segment profit is adjusted with operating profit as listed in quarterly consolidated statement of income.