Summary of Non-consolidated Financial Results

for the first half of Fiscal Year Ending June 2023 (Japanese GAAP)

February 1, 2023

1. Financial results for this term (July 1, 2022 to December 31, 2022)

(Percentage represents year-on-year change) (Rounded down to the nearest million yen)

(1) Results of operations (cumulative)

(1) House of operations (carried to)								
	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1 st half, June 2023	6,789	38.9	803	67.8	824	64.9	558	65.1
1 st half, June 2022	4,887	(6.9)	478	18.0	499	18.7	337	18.3

	EPS	Fully diluted EPS
	Yen	Yen
1 st half, June 2023	21.23	_
1 st half, June 2022	12.85	_

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
1st half, June 2023	12,582	8,156	64.8
FY ended June 2022	12,740	8,039	63.1

(Reference) Shareholders' equity: As of 1st half, June 2023 ¥8,156 million. As of June 2022 ¥8,039 million.

2. Dividends

		Dividend per share					
	Q1-end	Q1-end Q2-end Q3-end Year-end Annual					
	Yen	Yen	Yen	Yen	Yen		
Year ended June 30, 2022	_	0.00	_	17.00	17.00		
Year ending June 30, 2023	_	0.00					
Year ending June 30, 2023 (Forecast)			_	20.00	20.00		

(Note) Revision of forecasts on the dividends: No

3. Forecast of financial results for the fiscal year ending June 30, 2023 (July 1, 2022 to June 30, 2023)

	Net sa	ales	Operating	income	Ordinary	income	Net inc	ome	EPS
	Million ven	%	Million ven	%	Million ven	%	Million ven	%	Yen
Full year	13,500	17.5	1,800	18.4	1,840	18.2	1,280	21.2	48.70

(Note) Revision of forecast on the financial results: No

Notes

(1) Adaption of unique accounting method for quarterly financial statements: No

(2) Changes in Accounting Policies and Accounting Estimates / Restatements

(a) Changes in accounting policies due to revisions of accounting standards, etc.: No

(ii) Changes in accounting policies other than (i) above: No

(iii) Changes in accounting estimates: No

(iv) Restatements: No

(3) Number of shares issued

- (i) Number of shares issued (including treasury stock)
- (ii) Number of shares of treasury stock
- (iii) Average number of shares

As of December 31, 2022	26,340,000	As of June 30, 2022	26,340,000
As of December 31, 2022	60,051	As of June 30, 2022	56,851
As of December 31, 2022	26,281,264	As of December 31,2021	26,288,149

* Summary of financial results are not subject to audit by a certified public accountant or audit corporations.

Explanation on the proper use of financial forecasts

The forward-looking statements and other forward-looking statements contained in this material are based on currently available information and uncertainty. Actual results may differ from forecast figures due to changes in business conditions.

Please refer to "(3) Statement for the Future Forecast such as Business Forecast" on page 5 of the accompanying materials for the assumptions underlying the performance and notes to the use of earnings forecasts.

The company is going to hold financial results briefing for institutional investors and securities analysts on February 3, 2023. The materials of the presentation are being uploaded to the company's website soon after the event.

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1. Overview of Operating Results

(1) Report of Operating Results

In the first half of the FY06/2023, the Japanese economy showed a gentle recovery, although corporate earnings and business sentiment were partially weak.

In the credit card industry, where our company operate our core business, the volume of transactions of credit card companies increased from the previous year thanks to the recovery of consumer spending.

In this business environment, our company promotes the medium-term business plan for the three-year period that will end in the fiscal year ending June 30, 2025. We are working to reinforce and expand our business foundation by reforming our business structure and expanding our business domains and establish the foundation for human resources and co-creation for our sustainable growth.

In reinforcing and expanding our business foundation, in addition to strengthening the system development business related to the payment business domain, which is our strength, we are expanding our "stock-type "* business through the growth of the cloud service, expanding new areas of the payment business domain, and expanding our business domain beyond the payment and financial industry.

For the first half of the FY06/2023, we recorded net sales of 6,789 million yen (up 38.9% year on year) because of the increase in hardware sales due to FEP system* upgrades for existing customers, an increase in the number of users of the cloud service, and large projects of system development for credit card company. Operating income stood at 803 million yen (up 67.8% year on year) because of an increase in hardware sales and system development sales. As a result, we recorded an ordinary income of 824 million yen (up 64.9% year on year) and a net income of 558 million yen (up 65.1% year on year).

In the cloud service, we recorded net sales of 881 million yen (up 78.7% year on year), and a gross profit of 25 million yen (up 108.3% year on year). Net sales grew, as the number of orders received increased significantly in the previous term. On the other hand, profits increased year-on-year, but fell short of initial forecasts due to an increase in expenses to strengthen the operational systems in line with an increase in the number of users for some service. From now on, we will reform our operational systems drastically, to improve revenues as soon as possible.

In the payment business domain, our company is mainly developing front end processing (FEP) systems and fraud detection system for credit card companies. Systems are composed of mainly our original products, such as NET+1 and ACEPlus. For example, in the development of FEP systems, we record sales of in-house products, system development sales customized to meet the client's functional requirements, and hardware sales with the developed software, respectively.

Moreover, in the security business domain, we develop and market in-house products to prevent internal information leakage in business organizations, as well as third-party products for cybersecurity measures.

- *1 "Stock" type: projects and contracts that can generate a certain amount of sales on a regular basis
- *2 FEP(Front End Processing) system: Hardware and software with network connectivity, card usage authentication, and other functions required for credit card payment processing

(2) Report of Financial Position (Assets)

The balance of assets at the end of the first half of this fiscal year decreased by 158 million yen from the end of the previous fiscal year to 12,582 million yen. Current assets decreased by 680 million yen from the end of the previous fiscal year to 7,594 million yen. This was mainly due to the increase of 404 million yen in cash and deposits and the decrease of 1,028 million yen in notes and accounts receivable and contract assets.

Non-current assets increased 522 million yen from the end of the previous fiscal year to 4,988 million yen. This was mainly due to the increase of 166 million yen in property, plant and equipment and the increase of 325 million yen in intangible assets.

(Liabilities)

The balance of liabilities at the end of the first half of this fiscal year decreased by 275 million yen from the end of the previous fiscal year to 4,425 million yen. This was mainly due to the increase of 79 million yen in consumption tax payable, 48 million yen in accrued expenses, and 54 million yen in advances received and the decrease of 524 million yen in notes and accounts payable.

(Net Assets)

The balance of net assets at the end of the first half of this fiscal year increased 117 million yen from the end of the previous fiscal year to 8,156 million yen. This was mainly due to the increase of 111 million yen in retained earnings.

(Report of Cash Flows)

The balance of cash and deposits at the end of first half of the current fiscal year was ended in 4,336 million yen (3,610 million yen at the same period of the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities in the first half of the current fiscal year amounted to 1,717 million yen (297 million yen in the same period of previous fiscal year). This was mainly attributable to the fact that income before taxes amounted to 824 million yen and depreciation amounted to 447 million yen, and notes and accounts receivable decreased 1,082 million yen, and notes and accounts payable decreased 568 million yen.

(Cash flows from investing activities)

Net cash used in investing activities in the first half of the current fiscal year was 864 million yen (649 million yen used in the same period of the previous fiscal year). This was mainly due to 660 million yen used for the purchase of intangible fixed assets by the development works of software for sales purposes and the internal use.

(Cash flows from financing activities)

Net cash used in financing activities in the first half of the current fiscal year was 447 million yen (345 million yen used in the same period of the previous fiscal year). This was mainly due to cash dividends paid of 445 million yen.

(3) Statement for the Future Forecast such as Business Forecast

There is no revision to the business forecast announced on August 3, 2022, "Summary of Non-consolidated Financial Results for the Fiscal Year Ended June 2022".

2. Financial Statements

(1) Balance Sheet

		Thousands of yen
	Previous term end	Current term end
	(as of June 30,2022)	(as of December 31,2022)
Assets		
Current assets		
Cash and deposits	3,932,647	4,336,685
Notes and accounts receivable - trade,		
and contract assets	2,723,400	1,694,930
Securities	300,381	300,084
Inventories	313,359	354,403
Other	1,004,436	907,953
Total current assets	8,274,224	7,594,057
Non-current assets		
Property, plant and equipment	706,395	872,649
Intangible assets		
Software	1,640,255	1,859,529
Other	409,584	515,519
Total intangible assets	2,049,839	2,375,048
Investments and other assets		
Investment securities	916,484	927,768
Other	793,824	813,101
Total investments and other assets	1,710,309	1,740,869
Total non-current assets	4,466,543	4,988,568
Total assets	12,740,768	12,582,625
Liabilities		
Current liabilities		
Notes and accounts payable - trade	940,780	415,805
Income taxes payable	331,611	353,200
Advances received	1,885,029	1,939,496
Provision for bonuses	289,341	281,798
Provision for bonuses for directors	45,885	30,293
Other	543,134	727,141
Total current liabilities	4,035,783	3,747,737
Non-current liabilities		
Provision for retirement benefits	552,279	576,724
Provision for retirement benefits for		
directors	22,565	10,945
Asset retirement obligations	87,554	87,588
Other	3,421	2,817
Total non-current liabilities	665,820	678,075
Total liabilities	4,701,603	4,425,813

		Thousands of yen
	Previous term end	Current term end
	(as of June 30,2022)	(as of December 31,2022)
Net assets		
Shareholders' equity		
Capital stock	843,750	843,750
Capital surplus	573,099	573,099
Retained earnings	6,199,843	6,311,039
Treasury shares	(26,712)	(26,712)
Total shareholders' equity	7,589,980	7,701,176
Valuation and translation adjustments		
Valuation difference on available-for-sale		
securities	449,184	455,635
Total valuation and translation		
adjustments	449,184	455,635
Total net assets	8,039,164	8,156,812
Total liabilities and net assets	12,740,768	12,582,625

		Thousands of yen
	Previous term	Current term
	(from July 1,2021	(from July 1,2022
	to December 31,2021	to December 31,2022
Net sales	4,887,281	6,789,862
Cost of sales	3,390,064	4,669,260
Gross profit	1,497,217	2,120,602
Selling, general and administrative expenses	1,018,496	1,317,122
Operating income	478,720	803,479
Non-operating income	_	
Interest income	360	340
Dividend income	23,107	24,344
Other	3,302	5,257
Total non-operating income	26,770	29,943
Non-operating expenses		
Commitment fees	2,939	2,765
Foreign exchange losses	927	5,220
Other	1,848	1,247
Total non-operating expenses	5,716	9,234
Ordinary income	499,774	824,189
Extraordinary income	_	_
Extraordinary losses	_	_
income before income taxes	499,774	824,189
Income taxes - current	50,207	320,523
Income taxes - deferred	111,641	(54,343)
Total income taxes	161,848	266,179
Net income	337,925	558,009

Depreciation 402,295 447,207 Share-based payment expenses 22,605 16,880 Increase (decrease) in provision for bonuses for directors (and other officers) (25,382) (15,591) Increase (decrease) in provision for retirement benefits 6,811 24,445 Increase (decrease) in provision for retirement benefits for directors (and other officers) (2,197) (11,620) Interest and dividend income (23,467) (24,685) Commitment fee 2,939 2,765 Decrease (increase) in notes and accounts receivable – trade and contract assets (142,606) 1,082,937 Decrease (increase) in inventories (124,367) (41,043) Increase (decrease) in notes and accounts payable - trade 47,441 (568,927) Other, net (110,593) 266,588 Subtotal 467,120 1,995,603 Interest and dividends received 23,463 24,680 Commitment fee paid (2,565) (2,393) Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 Cash			Thousands of yen
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Cash flows from operating activities income before income taxes 499,774 824,189 Depreciation 402,295 447,207 544,189 Share-based payment expenses 22,605 16,880 16,591 16,591 16,591 16,591 16,591 16,591 16,591 16,591 16,445 16,641 24,445 16,641 24,445 16,645 16,645 24,445 16,625 16,623 27,65 26,289 27,655 26,268 27,655 26,268 27,655 26,268 27,655 26,289 27,655		Previous term	(from July 1,2022
Cash flows from operating activities 499,774 824,189 Income before income taxes 499,774 824,189 Depreciation 402,295 447,207 Share-based payment expenses 22,605 16,880 Increase (decrease) in provision for bonuses for directors (and other officers) (25,382) (15,591) Increase (decrease) in provision for retirement benefits (activate) in provision for retirement benefits for directors (and other officers) 6,811 24,445 Increase (decrease) in provision for retirement benefits for directors (and other officers) (2,197) (11,620) Interest and dividend income (23,467) (24,685) Commitment fee 2,939 2,765 Decrease (increase) in notes and accounts receivable – trade and contract assets (142,606) 10,293 Increase (decrease) in notes and accounts payable – trade 47,441 (568,927) Decrease (increase) in inventories (124,367) (41,043) Increase (decrease) in notes and accounts payable – trade 47,441 (568,927) Decrease (increase) in inventories (123,467) (26,658) Subtotal 467,120 1,995,603		(from July 1,2021	to December
Income before income taxes 499,774 824,189 Depreciation 402,295 447,207 Share-based payment expenses 22,605 61,880 Increase (decrease) in provision for bonuses (86,133) (7,542) Increase (decrease) in provision for bonuses (25,382) (15,591) Increase (decrease) in provision for bonuses for directors (and other officers) (25,382) (15,591) Increase (decrease) in provision for retirement benefits (21,977) (11,620) Interest and dividend income (23,467) (24,685		to December 31,2021)	31,2022)
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Increase (decrease) in provision for bonuses for directors (and other officers)	Depreciation	402,295	447,207
Increase (decrease) in provision for bonuses for directors (and other officers) (25,382) (15,591) Increase (decrease) in provision for retirement benefits (1,000) Increase (decrease) in provision for retirement benefits for directors (and other officers) (2,197) (11,620) Interest and dividend income (23,467) (24,685) Commitment fee (2,939) (2,765) Decrease (increase) in notes and accounts receivable – trade and contract assets (142,606) (1,082,937) Decrease (increase) in inventories (124,367) (41,043) Increase (decrease) in inventories (102,367) (41,043) Increase (decrease) in notes and accounts payable - trade and contract assets (110,093) (266,588) Subtotal (110,093) (266,588) (23,363) (23,630) Interest and dividends received (23,463) (25,655) (23,331) Income taxes paid (2,565) (23,331) Income taxes paid (100,497) (300,579) Purchase of investing activities (10,2727) (216,601) Purchase of intangible assets (561,807) (660,842) Purchase of intangible assets (561,807) (660,842) Purchase of intensentment securities (1,173) (1,984) Proceeds from collection of loans receivable (1,080) (80) Proceeds from cancellation of insurance funds (1,480) (1,4	Share-based payment expenses	22,605	16,880
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Increase (decrease) in provision for retirement benefits	Increase (decrease) in provision for bonuses for		
Denefits	directors (and other officers)	(25,382)	(15,591)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	Increase (decrease) in provision for retirement		
benefits for directors (and other officers) (2,197) (11,620) Interest and dividend income (23,467) (24,685) Commitment fee 2,939 2,765 Decrease (increase) in notes and accounts receivable – trade and contract assets (142,606) 1,082,937 Decrease (increase) in inventories in notes and accounts payable - trade (124,367) (41,043) Increase (decrease) in notes and accounts payable - trade 47,441 (568,927) Other, net (110,593) 266,588 Subtotal 467,120 1,995,603 Interest and dividends received 23,463 24,680 Commitment fee paid (2,565) (2,393) Income taxes paid (2,565) (2,393) Income taxes paid (190,497) (300,579) Activities 297,521 1,717,311 Cash flows from investing activities 297,521 1,717,311 Purchase of investing activities (102,727) (216,601) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80	benefits	6,811	24,445
Interest and dividend income	Increase (decrease) in provision for retirement		
Commitment fee 2,939 2,765 Decrease (increase) in notes and accounts receivable – trade and contract assets (142,606) 1,082,937 Decrease (increase) in inventories (124,367) (41,043) Increase (decrease) in notes and accounts payable – trade 47,441 (568,927) Other, net (110,593) 266,588 Subtotal 467,120 1,995,603 Interest and dividends received 23,463 24,680 Commitment fee paid (2,565) (2,393) Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 Cash flows from investing activities 297,521 1,717,311 Purchase of investment securities (102,727) (216,601) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds 14,808 14,808 Other, net (21) (60) Net cash provided by (used in) investing activities (649,842) (864,568)<	benefits for directors (and other officers)	(2,197)	(11,620)
Decrease (increase) in notes and accounts receivable – trade and contract assets (142,606) 1,082,937 Decrease (increase) in inventories (124,367) (41,043) Increase (decrease) in notes and accounts payable - trade 47,441 (568,927) Other, net (110,593) 266,588 Subtotal 467,120 1,995,603 Interest and dividends received 23,463 24,680 (2,565) (2,393) Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 (216,601) Purchase of intangible assets (561,807) (660,842) Purchase of intangible assets (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds Other, net (21) (60)	Interest and dividend income	(23,467)	(24,685)
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Decrease (increase) in inventories (124,367) (41,043) Increase (decrease) in notes and accounts payable - trade 47,441 (568,927) (266,588	Decrease (increase) in notes and accounts		
Increase (decrease) in notes and accounts payable - trade	receivable – trade and contract assets	(142,606)	1,082,937
payable - trade 47,441 (568,927) Other, net (110,593) 266,588 Subtotal 467,120 1,995,603 Interest and dividends received 23,463 24,680 Commitment fee paid (2,565) (2,393) Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 Cash flows from investing activities (102,727) (216,601) Purchase of property, plant and equipment (102,727) (216,601) Purchase of intangible assets (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds (21) (60) Other, net (21) (60) Net cash provided by (used in) investing (4,893) (2,033) Activities (4,893) (2,033) Net cash provided by (used in) financing (340,543) (445,736) Net cash provided by (used in) financing (Decrease (increase) in inventories	(124,367)	(41,043)
Other, net (110,593) 266,588 Subtotal 467,120 1,995,603 Interest and dividends received 23,463 24,680 Commitment fee paid (2,565) (2,393) Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 Cash flows from investing activities 297,521 1,717,311 Purchase of property, plant and equipment (102,727) (216,601) Purchase of intengible assets (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds 14,808 14,840 Other, net (21) (60) Net cash provided by (used in) investing (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Repayments of lease liabilities (4,893) (2,033) Dividends paid (340,543) (445,736) Net cash provided by (used in) financi	Increase (decrease) in notes and accounts		
Subtotal 467,120 1,995,603 Interest and dividends received 23,463 24,680 Commitment fee paid (2,565) (2,393) Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 Cash flows from investing activities (102,727) (216,601) Purchase of property, plant and equipment (102,727) (216,601) Purchase of intengible assets (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds 14,808 14,840 Other, net (21) (60) Net cash provided by (used in) investing (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Net cash provided by (used in) financing (340,543) (445,736) Net cash provided by (used in) financing (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents (696,715)	payable - trade	47,441	(568,927)
Interest and dividends received	Other, net	(110,593)	266,588
Commitment fee paid Income taxes part Income taxes part Income taxes provided activities Income taxes provided by (used in) investing activities Income taxes provided by (used in) investing Income taxes provided by (used in) investing Income taxes paid Income	Subtotal	467,120	1,995,603
Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 Cash flows from investing activities Variance of property, plant and equipment purchase of property, plant and equipment purchase of intensible assets (102,727) (216,601) Purchase of investment securities (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable Proceeds from cancellation of insurance funds Other, net 1,080 80 Proceeds from cancellation of insurance funds Other, net (21) (60) Net cash provided by (used in) investing activities (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Net cash provided by (used in) financing activities (4,893) (2,033) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	Interest and dividends received	23,463	24,680
Income taxes paid (190,497) (300,579) Net cash provided by (used in) operating activities 297,521 1,717,311 Cash flows from investing activities Variance of property, plant and equipment purchase of property, plant and equipment purchase of intensible assets (102,727) (216,601) Purchase of investment securities (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable Proceeds from cancellation of insurance funds Other, net 1,080 80 Proceeds from cancellation of insurance funds Other, net (21) (60) Net cash provided by (used in) investing activities (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Net cash provided by (used in) financing activities (4,893) (2,033) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	Commitment fee paid	(2,565)	(2,393)
activities 297,521 1,717,311 Cash flows from investing activities (102,727) (216,601) Purchase of property, plant and equipment (561,807) (660,842) Purchase of intengible assets (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds 14,808 14,840 Other, net (21) (60) Net cash provided by (used in) investing (649,842) (864,568) Cash flows from financing activities (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Net cash provided by (used in) financing activities (340,543) (445,736) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	·	(190,497)	(300,579)
activities 297,521 1,717,311 Cash flows from investing activities (102,727) (216,601) Purchase of property, plant and equipment (561,807) (660,842) Purchase of intengible assets (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds 14,808 14,840 Other, net (21) (60) Net cash provided by (used in) investing (649,842) (864,568) Cash flows from financing activities (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Net cash provided by (used in) financing activities (340,543) (445,736) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	Net cash provided by (used in) operating		
Cash flows from investing activities Purchase of property, plant and equipment Purchase of intangible assets Purchase of investment securities Proceeds from collection of loans receivable Proceeds from cancellation of insurance funds Other, net Proceeds from calletion of insurance funds Other, net Proceeds from ca		297,521	1,717,311
Purchase of property, plant and equipment (102,727) (216,601) Purchase of intangible assets (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds 14,808 14,840 Other, net (21) (60) Net cash provided by (used in) investing (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Repayments of lease liabilities (4,893) (2,033) Dividends paid (340,543) (445,736) Net cash provided by (used in) financing (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	Cash flows from investing activities	,	, ,
Purchase of intangible assets (561,807) (660,842) Purchase of investment securities (1,173) (1,984) Proceeds from collection of loans receivable 1,080 80 Proceeds from cancellation of insurance funds 14,808 14,840 Other, net (21) (60) Net cash provided by (used in) investing (649,842) (864,568) Cash flows from financing activities (4,893) (2,033) Repayments of lease liabilities (340,543) (445,736) Dividends paid (340,543) (447,770) Refect of exchange rate change on cash and cash equivalents (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	_	(102.727)	(216.601)
Purchase of investment securities Proceeds from collection of loans receivable Proceeds from cancellation of insurance funds Other, net Net cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease liabilities Dividends paid Net cash provided by (used in) financing activities Refect of exchange rate change on cash and cash equivalents Retincted as a cash equivalents at beginning of period (1,173) (1,984) (1,984) (1,180) (80) (80) (61) (64),842) (864,568) (649,842) (844,5736) (844,770) (847,77			
Proceeds from collection of loans receivable Proceeds from cancellation of insurance funds Other, net Other, net Net cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease liabilities Dividends paid Net cash provided by (used in) financing activities Refect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 1,080 80 14,808 14,808 14,840 (669,769) 864,568) (6864,568) (696,769) 80 (696,769) 80 (696,769) 80 (696,769) 80 (696,769) 80 (696,769) 80 (696,760) 80	5		, , ,
Proceeds from cancellation of insurance funds Other, net Other, net Net cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease liabilities Dividends paid Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period 14,808 14,840 (660) (67) (60) (684,568) (649,842) (864,568) (7,033) (7,03) (80
Other, net Net cash provided by (used in) investing activities Cash flows from financing activities Repayments of lease liabilities Dividends paid Net cash provided by (used in) financing activities Reffect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period (21) (60) (649,842) (864,568) (4,893) (2,033) (445,736) (345,437) (447,770) (447,770) (933) (696,715) (696,715) (696,715) (694,038) (696,715) (696,715) (70) (70) (70) (70) (70) (70) (70) (70	Proceeds from cancellation of insurance funds	•	14.840
Net cash provided by (used in) investing activities (649,842) (864,568) Cash flows from financing activities Repayments of lease liabilities (4,893) (2,033) Dividends paid (340,543) (445,736) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647			(60)
activities (649,842) (864,568) Cash flows from financing activities Repayments of lease liabilities (4,893) (2,033) Dividends paid (340,543) (445,736) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647			,
Cash flows from financing activities Repayments of lease liabilities Dividends paid Net cash provided by (used in) financing activities Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period (4,893) (340,543) (445,736) (345,437) (447,770) (447,770) (933) (696,715) (696,715) (696,715) (696,715) (696,715) (7,003		(649.842)	(864,568)
Repayments of lease liabilities (4,893) (2,033) Dividends paid (340,543) (445,736) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647		(,-,-)	(2
Dividends paid (340,543) (445,736) Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	_	(4.893)	(2.033)
Net cash provided by (used in) financing activities (345,437) (447,770) Effect of exchange rate change on cash and cash equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647			
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Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period (933) 4,307,699 3,932,647		(215 127)	(447 770)
equivalents 1,041 (933) Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647		(343,431)	(447,770)
Net increase (decrease) in cash and cash equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647		1 0.41	(022)
equivalents (696,715) 404,038 Cash and cash equivalents at beginning of period 4,307,699 3,932,647	· · · · · · · · · · · · · · · · · · ·	1,041	(333)
Cash and cash equivalents at beginning of period 4,307,699 3,932,647		(000 745)	404.020
	•		
Cash and cash equivalents at end of period 3,610,983 4,336,685			
	Cash and cash equivalents at end of period	3,610,983	4,336,685

(4) Notes

(Notes on the Going Concern Assumption)

Not applicable.

(Significant Changes in the Amount of Shareholders' Equity)

For the first half of the current fiscal year (July 1, 2022 to December 31, 2022),

Not applicable.

(Adaption of unique accounting method for quarterly financial statements)

For the first half of the current fiscal year (July 1, 2022 to December 31, 2022),

Not applicable.

(Additional information)

There has been no significant change in the assumptions, including the future spread of the new coronavirus infection and the timing of its containment, described in the section (Additional information) of the Annual Securities Report for the previous fiscal year.

(Business Segment)

The Business Segment information is omitted because the reportable segment is the single one.

(Revenue recognition)

Categorized information on revenue from contracts with customers

(Thousands of yen)

	1st half of FY06/22 (cumulative)	1st half of FY06/23 (cumulative)
	(from July 1, 2021	(from July 1, 2022
	to December 30, 2021)	to December 30, 2022)
Net sales		
Software Development	1,978,839	2,346,664
In-house products	285,280	110,590
System Service	16,300	15,407
Third-party products	157,483	1,220,623
Maintenance	1,278,296	1,496,994
Maintenance of	307,416	251 550
third-party products	307,410	351,550
Own services	624,718	997,765
Other services	238,947	250,265
Total	4,887,281	6,789,862
Timing of revenue recognition		
Goods and services transferred at a	1 202 514	2 420 745
point in time	1,393,514	2,420,745
Goods and services transferred	3,493,767	4,369,117
over a period of time	3,433,707	4,303,117
Total	4,887,281	6,789,862