

Summary of Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2016

Company name: SRA Holdings, Inc.
 (URL: <http://www.sra-hd.co.jp/>)
Stock listing: Tokyo Stock Exchange
Code number: 3817
President: Toru Kashima
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Scheduled date of submission of quarterly securities report: August 7, 2015
Scheduled commencement of dividend payment: —
Quarterly Results Supplemental Materials Yes
Quarterly Results Presentation Meeting No

1. Consolidated results for the first quarter of the fiscal year ending March 2016 (from April 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results (cumulative total)

(All amounts rounded down, % change YoY)

| | Net Sales | | Operating Income | | Ordinary Profit | | Profit attributable to owners of the parent | |
|------------------------------|-----------------|-----|------------------|------|-----------------|------|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| First quarter of fiscal 2016 | 8,641 | 9.3 | 549 | 25.8 | 691 | 39.1 | 406 | — |
| First quarter of fiscal 2015 | 7,909 | 3.7 | 436 | 77.1 | 497 | 14.3 | (554) | — |

Note : Comprehensive Income

First quarter of fiscal 2016 ¥443 million(-%)

First quarter of fiscal 2015 (¥176) million(-%)

| | Net Income per Share | Net Income per Share after Dilution |
|------------------------------|----------------------|-------------------------------------|
| | Yen | Yen |
| First quarter of fiscal 2016 | 33.74 | 33.68 |
| First quarter of fiscal 2015 | (46.32) | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio |
|------------------------------|-----------------|-----------------|----------------------------|
| | Millions of yen | Millions of yen | % |
| First quarter of fiscal 2016 | 31,397 | 18,853 | 59.9 |
| Fiscal 2015 | 31,714 | 18,859 | 59.4 |

Reference: Shareholders' equity

First quarter of fiscal 2016: ¥18,820 million

Fiscal 2015 : ¥18,834 million

2. Dividends

| | Dividend per Share | | | | |
|-----------------------|----------------------|-----------------------|----------------------|----------|--------------|
| | End of First Quarter | End of Second Quarter | End of Third Quarter | Year-end | For the Year |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal 2015 | — | 17.00 | — | 38.00 | 55.00 |
| Fiscal 2016 | — | | | | |
| Fiscal 2016(forecast) | | 25.00 | — | 40.00 | 65.00 |

Note: Revision of dividend forecast in this quarter: No

3. Consolidated Earnings Forecast for Fiscal 2016 (from April 1, 2015 to March 31, 2016)

(% of change from FY2015 First Half or FY2015)

| | Net Sales | | Operating Income | | Ordinary Profit | | Profit attributable to owners of the parent | | Net Income per Share |
|--|-----------------|-----|------------------|------|-----------------|-------|---|------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| FY2016 First Half (for the six months ending September 30, 2015) | 16,860 | 2.2 | 1,125 | 14.4 | 1,170 | (8.1) | 770 | — | 63.98 |
| FY2016 | 37,300 | 2.1 | 3,360 | 10.2 | 3,450 | (9.5) | 2,260 | 37.9 | 187.79 |

Note: Revision of consolidated results forecast in this quarter: No

4. Others

(1) Changes to significant subsidiaries during the current period : No

(2) Application of simplified accounting and application of special accounting : No

(3) Changes in accounting principles and procedures, presentation, etc.

1. Changes caused by revision of accounting standards, etc. : Yes

2. Changes other than 1. above: No

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)

First quarter of fiscal 2016: 15,240,000 shares

Fiscal 2015: 15,240,000 shares

2. Number of treasury stock

First quarter of fiscal 2016: 3,205,445 shares

Fiscal 2015: 3,205,445 shares

3. Average number of shares over period (consolidated total for quarter)

First quarter of fiscal 2016: 12,034,555 shares

First quarter of fiscal 2015: 11,963,315 shares

*Indication of quarterly review procedure implementation status

This earnings release is not subject to the quarterly review process as required by the Financial Instruments and Exchange Act of Japan. As of the date when this earning release was issued, the review process on quarterly financial statements as required by the Financial Instruments and Exchange Act had been finished.

*Explanation relating to the appropriate use of results forecasts, and other noteworthy items

Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available and the certain assumptions that we regard as reasonable and therefore actual results may differ materially from those contained in or suggested by any forward-looking statements.

1. Qualitative Information Concerning First-Quarter Consolidated Business Results

(1) Explanation Concerning Business Results

During the first quarter of the fiscal year (April 1, 2015 to June 30, 2015), the Japanese economy continued a moderate recovery amid a visible pickup in personal consumption and capital investment and an overall improvement in corporate earnings.

In the information services industry, despite a modest increase in IT investments, mainly in the manufacturing industries, and banking and securities industries, the environment for securing orders remained severe due to intensifying competition.

Within this business environment, the SRA Holdings Group formulated a Medium-Term Management Plan that covers the three-year period from fiscal 2016 through fiscal 2018 (from the fiscal year ending March 2016 to the fiscal year ending March 2018). Under this plan, we will target enhanced corporate and shareholder value, promote earnings structure reform and establish a high-revenue model, while working to achieve further expansion of shareholder returns. (For a summary of the Medium-Term Management Plan, please refer to: <http://www.sra-hd.co.jp/ir/others/20150624.pdf> (Japanese only))

We will implement the following measures under the Medium-Term Management Plan.

1) Improving profitability in existing operations

•Further raise the gross profit margin

We will raise profitability by enhancing and strengthening project management, continuously reduce production overhead costs, further expand offshore order placements and promote the appropriate level of production staff.

•Improve SG&A expenses-to-sales ratio

We will strive to raise operation efficiency by introducing an account manager system while working to reduce operational costs of Head Office staff departments and SRA Professional Service, Co., Ltd., which handles a shared service.

•Expand orders and sales

A priority measure will be to increase customer share of wallet by deeply cultivating existing customers, and in doing so, we will work to expand orders and sales.

2) Transforming the SRA business model

•We aim to target higher added value in existing operations through the utilization of proprietary IP products that offer high gross profit margins (expansion of recurring revenue-based operations, etc.).

•Software Research Associates, Inc. (SRA) will leverage its high technological capabilities and solid track record in manufacturing/embedding development, cloud computing and open source software, and will combine these areas to develop new business in the Internet of Things (IoT) field (in-vehicle software, smartphones, etc.).

3) Strengthening linkages between SRA's proprietary IP product business and overseas operations

•Under the previous Medium-Term Management Plan, we promoted "linkages between SRA's proprietary IP product business and overseas operations," which involves undertaking the IP product business that offers high gross profit margins targeting emerging markets overseas. To further contribute to the Group's earnings by strengthening these

activities and expanding business, we plan to make additional business investments in Proxim Wireless Corporation and Cavin Systems, Inc. and also progressed with procedures for making Shenzhen xin gold sea electronic co., LTD (Kingnet) an affiliated company accounted for by the equity method.

Due to the above initiatives, our consolidated business results for the first quarter of the fiscal year were as follows.

Sales of the Systems Development business, the System Operations and Infrastructure Development business and the Product Sales business all increased. As a result, consolidated net sales amounted to ¥8,641 million, a 9.3% increase from the same period of the previous fiscal year.

At the profit level, due to an increase in gross profit accompanying growth in sales and a streamlining of selling, general and administrative (SG&A) expenses, operating income rose 25.8% from the same period of the previous fiscal year to ¥549 million while ordinary profit increased 39.1% from the same period of the previous fiscal year to ¥691 million and profit attributable to owners of the parent amounted to ¥406 million (compared with a net loss of ¥554 million in the same period of the previous fiscal year).

As detailed above regarding consolidated results for the first quarter, net sales and profits increased from same period of the previous fiscal year and moved virtually in line with our forecast.

Ordinary profit and profit attributable to owners of the parent reached all-time highs for the first quarter.

A summary of consolidated business results for the first quarter by business segment is shown below.

1) Systems Development

The Systems Development business recorded increases in sales to manufacturing industries and banks. As a result, net sales increased 7.6% from the previous fiscal year to ¥4,219 million.

2) System Operations and Infrastructure Development

Although university-related orders were flat, there was an increase in orders from companies. As a result, net sales of the System Operations and Infrastructure Development business increased 3.2% from the previous fiscal year to ¥963 million.

3) Product Sales

Although sales by SRA declined, Advanced Integration Technology, Inc. (AIT) posted a sharp increase in device sales. As a result, net sales of the Product Sales business rose 13.2% from the previous fiscal year to ¥3,458 million.

(2) Explanation Concerning Financial Condition

Total assets at the end of the first quarter amounted to ¥31,397 million, a decrease of 1.0% from the end of the previous fiscal year. Total liabilities decreased 2.4% from the end of the previous fiscal year to ¥12,543 million and net assets decreased 0.3% to ¥18,853 million from the end of the previous fiscal year. Details of the principal increases and decreases from the end of the previous fiscal year are as follows.

(Total Assets)

Work in process increased ¥561 million to ¥2,238 million due to such factors as a rise in contracted development projects and deferred tax assets rose ¥174 million to ¥833 million. On the other hand, notes and accounts receivable—trade decreased ¥1,203 million to ¥5,019 million due to the collection of trade receivables.

(Total Liabilities)

Provision for bonuses increased ¥314 million to ¥882 million. Provision for loss on construction contracts increased ¥118 million to ¥781 million. On the other hand, accrued consumption taxes decreased ¥390 million to ¥231 million due to the payment of consumption taxes. Income taxes payable decreased ¥382 million to ¥497 million owing to the payment of corporate income taxes.

(Total Net Assets)

Valuation difference on available-for-sale securities increased ¥63 million to ¥658 million due to changes in the market prices of marketable and investment securities. On the other hand, retained earnings decreased ¥51 million to ¥15,237 million. Foreign currency translation adjustments when converting the impact of exchange rates on overseas subsidiaries decreased ¥29 million to ¥555 million.

(3) Explanation Concerning Consolidated Results Forecast and Other Future Projections

No revision has been made to forecasts in Summary of Consolidated Financial Results for the Year Ended March 31, 2015 released on May 14, 2015.

2. Summary Information (Notes)

(1) Significant changes involving subsidiaries during the period: None

(2) Application of simplified accounting methods and accounting methods specific to the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting principles, changes in accounting estimates and restatements

(Application of Accounting Standard for Business Combinations and other accounting standards)

In the first quarter of the current consolidated fiscal year under review, we began applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21 of September 13, 2013 (hereinafter referred to as the Business Combinations Accounting Standard)), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of September 13, 2013) (hereinafter referred to as the Consolidated Accounting Standard)), and Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13, 2013) (hereinafter referred to as the Business Divestitures Accounting Standard)). According to the application of these and other accounting standards, differences caused by the change in the equity of our subsidiaries that we have control over were recorded as capital surplus. Acquisition costs were recorded as costs in the consolidated fiscal year when the acquisition costs were incurred. For the business combinations that will be conducted after the beginning of the first quarter of the current consolidated fiscal year under review, when provisional accounting treatments are confirmed, the acquisition cost allocations will be revised in the Quarterly Consolidated Financial Statements to which the dates of the business combinations belong. In addition, we changed how we record quarterly net income and other items, and minority interests were recorded as non-controlling interests. In order to reflect these changes in the records, the Quarterly Consolidated Financial Statements and the Consolidated Financial Statements for the first quarter of the previous consolidated fiscal year and the previous consolidated fiscal year were revised.

For the application of the Business Combinations Accounting Standard and other accounting standards, we follow the transitional arrangements stipulated in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidated Accounting Standard and Paragraph 57-4 (4) of the Business

Divestitures Accounting Standard and have been applying these since the beginning of the first quarter of the current consolidated fiscal year under review.

These changes did not have a material effect on profits.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

| | FY2015 (as of March 31, 2015) | End of first quarter of FY2016 (as of June 30, 2015) |
|--|----------------------------------|---|
| ASSETS | | |
| Current assets: | | |
| Cash and deposits | 8,672 | 8,477 |
| Notes and accounts receivable—trade | 6,223 | 5,019 |
| Short-term investment securities | 3,392 | 982 |
| Merchandise and finished goods | 784 | 842 |
| Work in process | 1,677 | 2,238 |
| Short-term loans receivable | 1,767 | 1,857 |
| Deferred tax assets | 658 | 833 |
| Other | 977 | 3,498 |
| Allowance for doubtful accounts | (27) | (31) |
| Total current assets | 24,126 | 23,717 |
| Noncurrent assets: | | |
| Property, plant and equipment | | |
| Buildings | 317 | 318 |
| Accumulated depreciation | (231) | (235) |
| Buildings, net | 85 | 82 |
| Machinery, equipment and vehicles | 566 | 565 |
| Accumulated depreciation | (510) | (514) |
| Machinery, equipment and vehicles, net | 55 | 50 |
| Other | 113 | 112 |
| Accumulated depreciation | (78) | (79) |
| Other, net | 35 | 33 |
| Total property, plant and equipment | 175 | 166 |
| Intangible assets | | |
| Other | 520 | 510 |
| Total intangible assets | 520 | 510 |
| Investments and other assets | | |
| Investment securities | 4,177 | 4,175 |
| Long-term loans receivable | 1,060 | 1,212 |
| Deferred tax assets | 1,243 | 1,194 |
| Guarantee deposits | 324 | 329 |
| Net defined benefit asset | 44 | 45 |
| Other | 171 | 175 |
| Allowance for doubtful accounts | (12) | (12) |
| Allowance for investment loss | (118) | (118) |
| Total investments and other assets | 6,891 | 7,003 |
| Total noncurrent assets | 7,588 | 7,679 |
| Total assets | 31,714 | 31,397 |

(Millions of Yen)

| | FY2015 (as of March 31, 2015) | End of first quarter of FY2016 (as of June 30, 2015) |
|---|----------------------------------|---|
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable—trade | 3,465 | 3,114 |
| Short-term loans payable | 1,179 | 1,179 |
| Accrued expenses | 593 | 689 |
| Income taxes payable | 880 | 497 |
| Accrued consumption taxes | 621 | 231 |
| Provision for bonuses | 568 | 882 |
| Provision for directors' bonuses | 53 | 3 |
| Provision for loss on construction contracts | 662 | 781 |
| Other | 714 | 1,013 |
| Total current liabilities | 8,739 | 8,392 |
| Noncurrent liabilities: | | |
| Deferred tax liabilities | 2 | 0 |
| Net defined benefit liability | 3,957 | 4,005 |
| Provision for directors' retirement benefits | 140 | 144 |
| Other | 15 | — |
| Total noncurrent liabilities | 4,116 | 4,151 |
| Total liabilities | 12,855 | 12,543 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital stock | 1,000 | 1,000 |
| Capital surplus | 4,468 | 4,468 |
| Retained earnings | 15,288 | 15,237 |
| Treasury stock | (2,727) | (2,727) |
| Total shareholders' equity | 18,030 | 17,979 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 594 | 658 |
| Foreign currency translation adjustments | 585 | 555 |
| Remeasurements of defined benefit plans | (375) | (372) |
| Total accumulated other comprehensive income | 804 | 841 |
| Subscription rights to shares | 25 | 33 |
| Total net assets | 18,859 | 18,853 |
| Total liabilities and net assets | 31,714 | 31,397 |

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
 (Quarterly Consolidated Statements of Income)
 (Consolidated Cumulative Total for First Quarter)

(Millions of Yen)

| | Consolidated cumulative total for first quarter of fiscal 2015 (from April 1, 2014 to June 30, 2014) | Consolidated cumulative total for first quarter of fiscal 2016 (from April 1, 2015 to June 30, 2015) |
|---|--|--|
| Net sales | 7,909 | 8,641 |
| Cost of sales | 6,523 | 7,185 |
| Gross profit | 1,386 | 1,455 |
| Selling, general and administrative expenses | 950 | 906 |
| Operating income | 436 | 549 |
| Non-operating income | | |
| Interest received | 47 | 59 |
| Dividends received | 12 | 18 |
| Foreign exchange gains | — | 52 |
| Guarantee commission received | 29 | 6 |
| Other | 21 | 14 |
| Total non-operating income | 110 | 152 |
| Non-operating expenses | | |
| Interest expenses | 6 | 6 |
| Foreign exchange losses | 37 | — |
| Stock transfer agency service fee | 5 | 3 |
| Other | 0 | 0 |
| Total non-operating expenses | 50 | 10 |
| Ordinary profit | 497 | 691 |
| Extraordinary income | | |
| Gain on reversal of subscription rights to shares | 21 | — |
| Total extraordinary income | 21 | — |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 0 | — |
| Loss on valuation of investment securities | 886 | — |
| Total extraordinary loss | 886 | — |
| Income (loss) before income taxes and minority interests | (367) | 691 |
| Income taxes-current | 317 | 443 |
| Income taxes-deferred | (130) | (158) |
| Total income taxes | 186 | 285 |
| Net income (loss) | (554) | 406 |
| Profit (loss) attributable to owners of the parent | (554) | 406 |

(Quarterly Consolidated Statements of Comprehensive Income)
(Consolidated Cumulative Total for First Quarter)

(Millions of Yen)

| | Consolidated cumulative total for first quarter of fiscal 2015 (from April 1, 2014 to June 30, 2014) | Consolidated cumulative total for first quarter of fiscal 2016 (from April 1, 2015 to June 30, 2015) |
|--|--|--|
| Net income (loss) | (554) | 406 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 431 | 63 |
| Foreign currency translation adjustments | (56) | (29) |
| Remeasurements of defined benefit plans, net of tax | 3 | 2 |
| Total other comprehensive income | 377 | 37 |
| Comprehensive income | (176) | 443 |
| (breakdown) | | |
| Comprehensive income attributable to owners of the parent | (176) | 443 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Notes Concerning Consolidated Financial Statements for the First Quarter

(Notes Concerning Premise of Going Concern)

None

(Notes on Significant Changes in Shareholders' Equity)

None

(Segment Information and others)

[Segment Information]

I. Consolidated cumulative total for first quarter of fiscal 2015 (from April 1, 2014 to June 30, 2014)

1. Information Concerning Net Sales and Income or Losses for each Reporting Segment

(Millions of Yen)

| | Systems Development | System Operations and Infrastructure Development | Product Sales | Total | Adjustment amount ^{*1} | Amount recorded on the quarterly consolidated statements of income ^{*2} |
|---|------------------------|--|------------------|-------|------------------------------------|---|
| Sales | | | | | | |
| (1) Sales to Customers | 3,921 | 933 | 3,055 | 7,909 | — | 7,909 |
| (2) Intersegment sales or transfers | 1 | 78 | 120 | 199 | (199) | — |
| Total sales | 3,922 | 1,011 | 3,175 | 8,109 | (199) | 7,909 |
| Segment income | 286 | 210 | 243 | 740 | (303) | 436 |

Notes:

1. The segment income adjustment of minus ¥303 million is a company-wide expense not apportioned to any reporting segment. Company-wide expenses are general and administrative expenses and R&D expenses not attributed to any reporting segment.
2. Segment income is adjusted in operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss on fixed assets or goodwill for each reporting segment

None

II. Consolidated cumulative total for first quarter of fiscal 2016 (from April 1, 2015 to June 30, 2015)

1. Information Concerning Net Sales and Income or Losses for each Reporting Segment

(Millions of Yen)

| | Systems Development | System Operations and Infrastructure Development | Product Sales | Total | Adjustment amount ^{*1} | Amount recorded on the quarterly consolidated statements of income ^{*2} |
|---|------------------------|--|------------------|-------|------------------------------------|---|
| Sales | | | | | | |
| (1) Sales to Customers | 4,219 | 963 | 3,458 | 8,641 | — | 8,641 |
| (2) Intersegment sales or transfers | 2 | 65 | 83 | 151 | (151) | — |
| Total sales | 4,222 | 1,028 | 3,541 | 8,792 | (151) | 8,641 |
| Segment income | 331 | 213 | 303 | 848 | (298) | 549 |

Notes:

1. The segment income adjustment of minus ¥298 million is a company-wide expense not apportioned to any reporting segment. Company-wide expenses are general and administrative expenses and R&D expenses not attributed to any reporting segment.
2. Segment income is adjusted in operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss on fixed assets or goodwill for each reporting segment

None

(Significant subsequent events)

On July 1, 2015, Software Research Associates, Inc. (SRA), a subsidiary of the Company, acquired an equity interest in Shenzhen xin gold sea electronic co., LTD (Kingnet, headquartered in Shenzhen, China) and on August 5, 2015 underwrote a capital increase in Kingnet. As a result, Kingnet became an affiliate accounted for by the equity method.

1. Purpose of stock acquisition

Kingnet engages in the manufacture and sales of IT-related devices such as wireless devices and switching equipment in China. From December 2011, with a view toward making an investment, SRA provided Kingnet with a loan as a business investment. SRA recently collected a portion of the loan and acquired an equity interest and underwrote a capital increase and now holds a 27.5% equity interest in Kingnet. In the future, the Company will make Kingnet an affiliate accounted for by the equity method and will include Kingnet's results in its own business results.

In conjunction, the SRA Group will collaborate with Kingnet, which possesses a sales network in China, and vigorously strengthen "linkages between SRA's proprietary IP product business and overseas operations" (a priority measure under the Medium-Term Management Plan) in the large market of China.

Kingnet has commenced sales of wireless devices of U.S.-based Proxim Wireless Corporation (with which the SRA Holdings Group has business and capital alliances) to China's major telecommunications equipment and telecommunications device manufacturers.

2. Name of counterparty company in stock acquisition

Mega Power Electronic Co., Ltd.

3. Acquired company name, business content, and size

(1) Name: Shenzhen xin gold sea electronic co., LTD (Kingnet)

(2) Scope of business: Manufacture, sale, import, export and other transactions for wireless devices, switching equipment, routers, modems, data facilities, PC peripheral facilities, network cards and other products

Size: Capitalized at RMB 5,500 thousand

4. Date of stock acquisition and underwriting of capital increase

Stock acquisition: July 1, 2015

Underwriting of capital increase: August 5, 2015

5. Acquired equity interest, amount of acquisition and percentage of equity interest after acquisition

(1) Registered equity interest after acquisition: RMB 1,760 thousand of RMB 6,400 thousand in equity

(2) Amount of acquisition: USD 6 million

(3) Percentage of equity interest after acquisition: 27.5%

For the fiscal year ending December 2015, Kingnet is forecast to record net sales of RMB 150,000 thousand (¥2,959 million) and net income of RMB 16,000 thousand (¥315 million). (Conversion rate at the end of June 2015)

4. Other Information

1. Status of Production, Orders and Sales

- Production amounts

Production by segment in the first quarter of the fiscal year ending March 31, 2016 is as follows.

| Segment information by type of business | Consolidated cumulative total for first quarter of fiscal 2016 (from April 1, 2015 to June 30, 2015) | % change YoY |
|--|--|--------------|
| Systems Development (Millions of Yen) | 4,765 | 106.5 |
| System Operations and Infrastructure Development (Millions of Yen) | 968 | 100.7 |
| Total (Millions of Yen) | 5,733 | 105.5 |

Notes:

1. Amounts are based on sales price.
2. The amounts above do not include consumption tax.
3. Intersegment transactions are offset.

- Purchase amounts

Purchases by segment in the first quarter of the fiscal year ending March 31, 2016 are as follows.

| Segment information by type of business | Consolidated cumulative total for first quarter of fiscal 2016 (from April 1, 2015 to June 30, 2015) | % change YoY |
|---|--|--------------|
| Product Sales (Millions of Yen) | 2,190 | 102.9 |
| Total (Millions of Yen) | 2,190 | 102.9 |

Notes:

1. Amounts are based on purchase price.
2. The amounts above do not include consumption tax.
3. Intersegment transactions are offset.

● Status of orders

Status of orders by segment in the first quarter of the fiscal year ending March 31, 2016 is as follows.

| Segment information by type of business | Orders received (Millions of Yen) | % change YoY | Order backlog (Millions of Yen) | % change YoY |
|--|--------------------------------------|--------------|------------------------------------|--------------|
| Systems Development | 5,049 | 110.5 | 5,242 | 103.7 |
| System Operations and Infrastructure Development | 633 | 100.1 | 1,278 | 96.7 |
| Product Sales | 3,387 | 96.8 | 4,310 | 136.0 |
| Total | 9,070 | 104.3 | 10,832 | 113.4 |

Notes:

1. Amounts are based on sales price.
2. The amounts above do not include consumption tax.
3. Intersegment transactions are offset.

● Sales amounts

Sales by segment in the first quarter of the fiscal year ending March 31, 2016 are as follows.

| Segment information by type of business | Consolidated cumulative total for first quarter of fiscal 2016 (from April 1, 2015 to June 30, 2015) | % change YoY |
|--|--|--------------|
| Systems Development (Millions of Yen) | 4,219 | 107.6 |
| System Operations and Infrastructure Development (Millions of Yen) | 963 | 103.2 |
| Product Sales (Millions of Yen) | 3,458 | 113.2 |
| Total (Millions of Yen) | 8,641 | 109.3 |

Notes:

1. Amounts are based on sales price.
2. The amounts above do not include consumption tax.
3. Intersegment transactions are offset.