

Summary of Consolidated Financial Results for the Second 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
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Scheduled date of submission of quarterly securities report: November 6, 2015
Scheduled commencement of dividend payment: November 30, 2015
Quarterly Results Supplemental Materials: Yes
Quarterly Results Presentation Meeting: Yes

1. Consolidated results for the second quarter of the fiscal year ending March 2016 (from April 1, 2015 to September 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	%
Second quarter of fiscal 2016	18,047	9.4	1,538	56.5	1,670	31.2	966	—
Second quarter of fiscal 2015	16,503	1.1	983	1.8	1,273	6.7	(96)	—

Note : Comprehensive Income

Second quarter of fiscal 2016: ¥909 million (269.7%)

Second quarter of fiscal 2015: ¥245 million ((62.4)%)

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Second quarter of fiscal 2016	80.18	79.85
Second quarter of fiscal 2015	(8.01)	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
Second quarter of fiscal 2016	31,400	19,402	61.7
Fiscal 2015	31,714	18,859	59.4

Reference: Shareholders' equity

Second quarter of fiscal 2016: ¥19,372 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	—	25.00			
Fiscal 2016(forecast)			—	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)

	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	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)

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

Fiscal 2015: 15,240,000 shares

2. Number of treasury stock

Second quarter of fiscal 2016: 3,154,645 shares

Fiscal 2015: 3,205,445 shares

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

Second quarter of fiscal 2016: 12,049,069 shares

First quarter of fiscal 2015: 11,999,102 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 earnings 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 Second-Quarter Consolidated Business Results

(1) Explanation Concerning Business Results

During the second quarter of the fiscal year (April 1, 2015 to September 30, 2015), the Japanese economy continued a moderate recovery underpinned by brisk personal consumption, a visible pickup in capital investment and an improvement in corporate earnings.

In the information services industry, despite an increase in IT investments, mainly in the manufacturing industries, and banking 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 Strategy 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 seek to enhance corporate and shareholder value, promote earnings structure reform and establish a high-income model, while working to further enhance shareholder returns. Accordingly, we will implement the following measures under the Medium-Term Management Strategy. (For a summary of the Medium-Term Management Strategy, please refer to:

<http://www.sra-hd.co.jp/Portals/0/ir/index-en.html>)

1) Improving profitability in existing operations

- Further raise the gross profit margin

We worked to 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. As a result, the gross profit margin rose 1.0 percentage point to 18.4% compared with the same period of the previous fiscal year.

- Improve selling, general and administrative (SGA) expense ratio

We strived 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. As a result, the SGA expense ratio improved to 9.8%.

- Expand orders and sales volume

A priority measure will be to increase customer share of wallet by deeply cultivating existing customers, and in doing so, we worked to expand orders and sales. As a result, domestic Group companies, beginning with Software Research Associates, Inc., (SRA, Inc.) generally achieved increases in revenues.

2) Transforming the SRA business model

- We made Group-wide efforts to target higher added value in existing operations. For example, with the expanding use of open source software year after year as well as the trend toward its use even in large systems, SRA OSS, Inc., which is developing business specializing in open source software, has expanded its target software to 33 types centering on PostgreSQL and is providing support services such as consulting and training for realizing “support services” that will become “recurring revenue-based operations” with high profitability and replacement rates.

- To “develop new business models,” we are promoting discussions at each Group company.

3) Strengthening links between SRA’s proprietary IP product business and overseas operations

- Under the previous Medium-Term Management Strategy, we promoted “links between SRA’s proprietary IP product

business and overseas operations” (undertaking the IP product business that offers high gross profit margins in 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, Cavirin Systems, Inc., Practechs, Inc. and Shenzhen xin gold sea electronic co., LTD (Kingnet), while making Kingnet an affiliated company accounted for by the equity method.

Meanwhile, Cavirin Systems’ main product “cavirin” (a solution for cloud computing that responds to high market needs for “security” and “compliance management”) is earning high acclaim for its technological superiority such as by being selected for a top rank in a ranking of noteworthy companies in the cyber security industry carried out by a prominent U.S. research company. Along with this, the name recognition of “cavirin” has risen and this product is being steadily introduced by major companies.

Due to the above initiatives, our consolidated business results for the second 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 ¥18,047 million, a 9.4% 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 SG&A expenses, operating income rose 56.5% from the same period of the previous fiscal year to ¥1,538 million while ordinary profit increased 31.2% from the same period of the previous fiscal year to ¥1,670 million and profit attributable to owners of the parent amounted to ¥966 million (compared with a net loss of ¥96 million in the same period of the previous fiscal year).

As detailed above regarding consolidated results for the second quarter, net sales and profits increased from same period of the previous fiscal year while net sales, operating income, ordinary profit and profit attributable to owners of the parent all exceeded our forecast.

Additionally, profit attributable to owners of the parent reached an all-time high for the second quarter.

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

1) Systems Development

The Systems Development business recorded increases in sales to manufacturing industries, banks and electric power companies. As a result, net sales increased 9.7% from the previous fiscal year to ¥9,590 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 1.9% from the previous fiscal year to ¥1,951 million.

3) Product Sales

Although sales by SRA Inc. declined, Advanced Integration Technology, Inc. (AIT) posted a sharp increase in device sales. As a result, net sales of the Product Sales business rose 11.3% from the previous fiscal year to ¥6,506 million.

(2) Explanation Concerning Financial Condition

Total assets at the end of the second quarter amounted to ¥31,400 million, a decrease of 1.0% from the end of the previous fiscal year. Total liabilities decreased 6.7% from the end of the previous fiscal year to ¥11,998 million and net assets increased 2.9% to ¥19,402 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)

Investment securities increased ¥537 million to ¥4,714 million due to the purchase of shares of an affiliated company. On the other hand, notes and accounts receivable—trade decreased ¥708 million to ¥5,515 million due to the collection of trade receivables.

(Total Liabilities)

Provision for bonuses increased ¥77 million to ¥646 million. On the other hand, accrued consumption taxes decreased ¥353 million to ¥268 million due to the payment of consumption taxes. Income taxes payable decreased ¥293 million to ¥586 million owing to the payment of corporate income taxes. Provision for loss on construction contracts decreased ¥230 million to ¥431 million.

(Total Net Assets)

Retained earnings increased ¥508 million to ¥15,797 million. On the other hand, valuation difference on available-for-sale securities decreased ¥61 million to ¥532 million due to changes in the market prices of marketable and investment securities.

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

Taking into consideration circumstances up to the second quarter, the Company revised upward its forecast of second-quarter consolidated financial results in the Consolidated Earnings Forecast for Fiscal 2016 released on May 14, 2015. Our previous full-year forecast of financial results remains unchanged due to uncertainties in economic trends overseas, including China.

2. Summary Information (Notes)

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

There were no significant changes to specified subsidiaries. However, during the second quarter, Kingnet was included as an affiliated company accounted for by the equity method because SRA Inc., a subsidiary of the Company, acquired a partial equity interest in Kingnet and underwrote a capital increase in Kingnet.

(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 second 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 second 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 second quarter of the previous consolidated fiscal year and the previous consolidated fiscal year were revised.

In the consolidated statements of cash flows for the second quarter, the Company shifted to a method whereby cash flows related to the acquisition or sale of shares in a subsidiary not involving changes in the scope of consolidation are listed under cash flows from financing activities while cash flows concerning expenses related to the acquisition of shares in a subsidiary involving changes in the scope of consolidation as well as expenses incurred in the acquisition or sale of shares in a subsidiary not involving changes in the scope of consolidation are listed cash flows from operating activities.

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 had no material effect on the quarterly consolidated financial statements in the second quarter.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	FY2015 (as of March 31, 2015)	End of second quarter of FY2016 (as of September 30, 2015)
ASSETS		
Current assets:		
Cash and deposits	8,672	8,500
Notes and accounts receivable—trade	6,223	5,515
Short-term investment securities	3,392	593
Merchandise and finished goods	784	1,192
Work in process	1,677	1,727
Short-term loans receivable	1,767	1,068
Deferred tax assets	658	550
Other	977	3,388
Allowance for doubtful accounts	(27)	(31)
Total current assets	24,126	22,506
Noncurrent assets:		
Property, plant and equipment		
Buildings	317	321
Accumulated depreciation	(231)	(239)
Buildings, net	85	82
Machinery, equipment and vehicles	566	551
Accumulated depreciation	(510)	(504)
Machinery, equipment and vehicles, net	55	46
Other	113	113
Accumulated depreciation	(78)	(80)
Other, net	35	32
Total property, plant and equipment	175	161
Intangible assets		
Other	520	482
Total intangible assets	520	482
Investments and other assets		
Investment securities	4,177	4,714
Long-term loans receivable	1,060	1,799
Deferred tax assets	1,243	1,313
Guarantee deposits	324	333
Net defined benefit asset	44	46
Other	171	175
Allowance for doubtful accounts	(12)	(12)
Allowance for investment loss	(118)	(120)
Total investments and other assets	6,891	8,250
Total noncurrent assets	7,588	8,894
Total assets	31,714	31,400

(Millions of Yen)

	FY2015 (as of March 31, 2015)	End of second quarter of FY2016 (as of September 30, 2015)
LIABILITIES		
Current liabilities:		
Accounts payable—trade	3,465	3,384
Short-term loans payable	1,179	1,179
Accrued expenses	593	499
Income taxes payable	880	586
Accrued consumption taxes	621	268
Provision for bonuses	568	646
Provision for directors' bonuses	53	31
Provision for loss on construction contracts	662	431
Other	714	814
Total current liabilities	8,739	7,840
Noncurrent liabilities:		
Deferred tax liabilities	2	—
Net defined benefit liability	3,957	4,009
Provision for directors' retirement benefits	140	148
Other	15	—
Total noncurrent liabilities	4,116	4,158
Total liabilities	12,855	11,998
NET ASSETS		
Shareholders' equity		
Capital stock	1,000	1,000
Capital surplus	4,468	4,499
Retained earnings	15,288	15,797
Treasury stock	(2,727)	(2,672)
Total shareholders' equity	18,030	18,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	594	532
Foreign currency translation adjustments	585	584
Remeasurements of defined benefit plans	(375)	(370)
Total accumulated other comprehensive income	804	747
Subscription rights to shares	25	30
Total net assets	18,859	19,402
Total liabilities and net assets	31,714	31,400

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

(Millions of Yen)

	Consolidated cumulative total for second quarter of fiscal 2015 (from April 1, 2014 to September 30, 2014)	Consolidated cumulative total for second quarter of fiscal 2016 (from April 1, 2015 to September 30, 2015)
Net sales	16,503	18,047
Cost of sales	13,631	14,735
Gross profit	2,872	3,312
Selling, general and administrative expenses	1,888	1,773
Operating income	983	1,538
Non-operating income		
Interest received	93	103
Dividends received	13	27
Foreign exchange gains	119	—
Guarantee commission received	60	6
Other	36	26
Total non-operating income	323	164
Non-operating expenses		
Interest expenses	13	12
Foreign exchange losses	—	8
Stock transfer agency service fee	12	9
Other	7	0
Total non-operating expenses	33	31
Ordinary profit	1,273	1,670
Extraordinary income		
Gain on sales of investment securities	—	1
Gain on reversal of subscription rights to shares	21	—
Total extraordinary income	21	1
Extraordinary loss		
Loss on retirement of noncurrent assets	14	0
Loss on valuation of investment securities	866	93
Other	20	—
Total extraordinary loss	901	93
Income before income taxes and minority interests	393	1,579
Income taxes-current	527	550
Income taxes-deferred	(37)	62
Total income taxes	489	612
Net income (loss)	(96)	966
Profit (loss) attributable to owners of the parent	(96)	966

(Quarterly Consolidated Statements of Comprehensive Income)

(Consolidated Cumulative Total for Second Quarter)

(Millions of Yen)

	Consolidated cumulative total for second quarter of fiscal 2015 (from April 1, 2014 to September 30, 2014)	Consolidated cumulative total for second quarter of fiscal 2016 (from April 1, 2015 to September 30, 2015)
Net income (loss)	(96)	966
Other comprehensive income		
Valuation difference on available-for-sale securities	351	(61)
Foreign currency translation adjustments	(15)	(0)
Remeasurements of defined benefit plans, net of tax	6	5
Total other comprehensive income	342	(57)
Comprehensive income	245	909
(breakdown)		
Comprehensive income attributable to owners of the parent	245	909
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Consolidated cumulative total for second quarter of fiscal 2015 (from April 1, 2014 to September 30, 2014)	Consolidated cumulative total for second quarter of fiscal 2016 (from April 1, 2015 to September 30, 2015)
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	393	1,579
Depreciation and amortization	205	133
Increase (decrease) in net defined benefit liability	61	51
Increase (decrease) in provision for directors' retirement benefits	(31)	8
Increase (decrease) in provision for bonuses	89	77
Increase (decrease) in provision for directors' bonuses	(24)	(22)
Increase (decrease) in allowance for doubtful accounts	8	3
Increase (decrease) in allowance for investment loss	0	0
Increase (decrease) in provision for loss on construction contracts	69	(230)
Interest and dividend income	(106)	(130)
Interest expenses	13	12
Loss (gain) on valuation of investment securities	866	93
Loss (gain) on sales of investment securities	—	(1)
Loss on retirement of noncurrent assets	14	0
Decrease (increase) in notes and accounts receivable—trade	1,538	710
Decrease (increase) in inventories	(1,172)	(458)
Increase (decrease) in notes and accounts payable—trade	45	(82)
Increase (decrease) in other liabilities	(231)	64
Increase (decrease) in accrued consumption taxes	18	(353)
Other, net	(149)	(19)
Subtotal	1,609	1,435
Interest and dividends income received	75	66
Interest expenses paid	(13)	(12)
Income taxes paid	(668)	(736)
Net cash provided by operating activities	1,003	752
Net cash provided by (used in) investing activities:		
Purchase of short-term investment securities	(300)	—
Proceeds from sales of short-term investment securities	—	300
Purchase of property, plant and equipment	(43)	(8)
Purchase of intangible assets	(73)	(71)
Purchase of investment securities	(0)	(91)
Proceeds from sales of investment securities	100	120
Purchase of stocks of subsidiaries and affiliates	—	(383)
Payments of loans receivable	(363)	(408)
Collection of loans receivable	314	10
Payments into time deposits	(0)	(0)

Payments for guarantee deposits	(0)	(0)
Proceeds from collection of guarantee deposited	30	0
Other, net	(0)	(1)
Net cash used in investing activities	(337)	(533)
Net cash provided by (used in) financing activities:		
Repayment of long-term loans payable	(300)	–
Purchase of treasury stock	(0)	–
Cash dividends paid	(477)	(457)
Proceeds from exercise of stock option	80	79
Other	(0)	(0)
Net cash used in financing activities	(697)	(378)
Effect of exchange rate changes on cash and cash equivalents	(44)	(12)
Net increase (decrease) in cash and cash equivalents	(76)	(172)
Cash and cash equivalents at beginning of period	7,909	8,792
Cash and cash equivalents at the end of period	7,832	8,620

(4) Notes Concerning Consolidated Financial Statements for the Second 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 second quarter of fiscal 2015 (from April 1, 2014 to September 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	8,744	1,915	5,843	16,503	—	16,503
(2) Intersegment sales or transfers	4	149	294	449	(449)	—
Total sales	8,749	2,065	6,138	16,953	(449)	16,503
Segment income	752	423	430	1,606	(622)	983

Notes:

- The segment income adjustment of minus ¥622 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.
- 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 second quarter of fiscal 2016 (from April 1, 2015 to September 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	9,590	1,951	6,506	18,047	—	18,047
(2) Intersegment sales or transfers	10	136	171	317	(317)	—
Total sales	9,600	2,087	6,677	18,365	(317)	18,047
Segment income	1,075	438	615	2,129	(590)	1,538

Notes:

1. The segment income adjustment of minus ¥590 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)

None

4. Other Information

1. Status of Production, Orders and Sales

● Production amounts

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

Segment information by type of business	Consolidated cumulative total for second quarter of fiscal 2016 (from April 1, 2015 to September 30, 2015)	% change YoY
Systems Development (Millions of Yen)	9,871	108.4
System Operations and Infrastructure Development (Millions of Yen)	1,964	101.4
Total (Millions of Yen)	11,836	107.2

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 second quarter of the fiscal year ending March 31, 2016 are as follows.

Segment information by type of business	Consolidated cumulative total for second quarter of fiscal 2016 (from April 1, 2015 to September 30, 2015)	% change YoY
Product Sales (Millions of Yen)	4,091	96.9
Total (Millions of Yen)	4,091	96.9

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 second 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	10,155	108.8	4,978	99.5
System Operations and Infrastructure Development	1,601	101.5	1,258	97.9
Product Sales	6,936	103.6	4,811	134.4
Total	18,693	106.2	11,048	112.0

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 second quarter of the fiscal year ending March 31, 2016 are as follows.

Segment information by type of business	Consolidated cumulative total for second quarter of fiscal 2016 (from April 1, 2015 to September 30, 2015)	% change YoY
Systems Development (Millions of Yen)	9,590	109.7
System Operations and Infrastructure Development (Millions of Yen)	1,951	101.9
Product Sales (Millions of Yen)	6,506	111.3
Total (Millions of Yen)	18,047	109.4

Notes:

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