



August 13<sup>th</sup>, 2021

## Summary of Consolidated Financial Results (IFRS) for the Third Quarter of the Fiscal Year Ending September 30, 2021

Listed company name: CHANGE Inc.  
 Listed share exchange: Tokyo Stock Exchange Securities Code: 3962  
 URL: <https://www.change-jp.com/>  
 Representative: Hiroshi Fukudome, President  
 For Inquiry: Yutaka Yamada, CFO  
 TEL: 03-6435-7347  
 Scheduled filing date of quarterly report: August 13, 2021  
 Scheduled commencement date of dividend payments: None  
 Preparation of explanatory materials for financial results: Yes  
 Holding of a briefing on financial results: Yes (For institutional investors and analysts)

(Amounts less than one million are rounded down.)

### 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending September 30, 2021 (October 1, 2020 to June 30, 2021)

#### (1) Consolidated Operating Results (Cumulative Period)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before taxes		Quarterly profit		Quarterly profit attributable to owners of the parent		Total quarterly comprehensive income	
	¥Mil	%	¥Mil	%	¥Mil	%	¥Mil	%	¥ Mil	%	¥ Mil	%
3rd Quarter of FY 2021	12,874	59.9	5,811	61.4	5,748	61.1	3,756	61.2	3,768	122.9	3,756	61.2
3rd Quarter of FY 2020	8,051	-	3,599	-	3,569	-	2,329	-	1,690	-	2,329	-

	Basic per share quarterly profit	Diluted per share quarterly profit
	Yen	Yen
3rd Quarter of FY2021	54.66	55.34
3rd Quarter of FY 2020	26.85	26.17

(Note) The Company conducted a 2-for-1 share split of its ordinary shares on September 1, 2020, and a 2-for-1 share split of its ordinary shares on January 1, 2021. The above basic per share quarterly profit and diluted per share quarterly profit were calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended September 30, 2020.

#### (2) Consolidated Financial Position

	Total assets	Total shareholders' equity	Quarterly profit attributable to owners of parent	Percentage of interests attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
3rd Quarter of the Fiscal Year Ending September 2021	39,273	33,443	31,523	80.3
Fiscal year ended September 2020	17,093	9,406	7,959	46.6

### 2. Dividend Status

	Annual dividends				
	End of first Quarter	End of second quarter	End of third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 2020	-	0.00	-	0.00	0.00
Fiscal year ended September 2021	-	0.00			
FY2021/9 (Forecast)			-	0.00	0.00

(Note) Revisions to the most recently announced dividend forecasts: None

**[Notes of caution] This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.**

### 3. Forecasts for the Fiscal Year Ending September 30, 2021 (October 1, 2020 to September 30, 2021)

(Percentages indicate year-on-year changes for the full year and year-on-year changes for the quarter.)

	Revenue		Operating profit		Profit before taxes		Net profit		Quarterly profit attributable to owners of parent		Basic Net Profit Per share
	¥Mil	%	¥Mil	%	¥Mil	%	¥Mil	%	¥Mil	%	Yen
Full year	15,500	47.0	5,812	38.3	5,749	38.2	3,757	35.6	3,769	83.9	53.93

- (Note) 1. Any change or adjustment of figures compared with the most recently announced one: No  
 2. Forecasts for the fiscal year ended September, 2021 are disclosed in a certain range.  
 3. The Company conducted a 2-for-1 share split of its ordinary shares on January 1, 2021. The figures hereof were calculated on the assumption that the share split was conducted at the beginning of the fiscal year ending September 30, 2021.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New company (company name) None. Excluded company (company name) None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: No  
 (ii) Changes in accounting policies other than (i): No  
 (iii) Changes in accounting estimates: No

(3) Number of shares outstanding (ordinary shares)

(i) Number of shares outstanding at the end of the period (including treasury share)	FY2021 3Q	72,679,562 shares	FY2020 3Q	63,105,600 shares
(ii) Number of treasury shares at the end of the period	FY/2021 3Q	435 shares	FY2020 3Q	392 shares
(iii) Average number of shares during the period (cumulative quarterly period)	FY/2021 3Q	68,940,794 shares	FY2020 3Q	62,968,143 shares

(Note) The Company conducted a 2-for-1 share split of its ordinary shares on September 1, 2020, and a 2-for-1 share split of its ordinary shares on January 1, 2021. The figures hereof were calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended September 30, 2020.

※ Quarterly results are not subject to quarterly review by certified accountants or audit corporations.

※ Explanations and other special notes concerning the appropriate use of business performance forecast

The earnings forecasts and other forward-looking statements contained in this report are prepared based on information currently available to the Company and on certain assumptions deemed to be reasonable, but they are not promised by the Company regarding future performance. Actual results may differ significantly from these forecasts due to various factors. For future forecasts and assumptions, please refer to "'1. Qualitative information on financial results for this quarter of the fiscal year (iii) Forecasts for the next fiscal year" on page 3 of the attached materials.

## Accompanying Materials

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## 1. Qualitative information on financial results for this quarter of the fiscal year

### (1) Overview of Operating Results

In the future, it is predicted that about 1 out of 2.5 citizens will be older than 65 in 2060, resulting in a world of super-aged society. In recent years, as a result of the spread of new corona viruses, it was found that Japanese digital transformation (hereinafter, "DX") is becoming increasingly behind the world. Therefore, in the stock market, there is a clear bipolarization between companies adaptive and evolving to DX and other companies. As a result, it is urgently necessary for surviving companies to respond to, transform, and invest in DX. In addition, it is also inevitable for local governments who are facing with the challenge of severe financial conditions and population decline and whose workloads are increasing despite the declining number of employees to improve operational efficiency through DX.

Under such circumstances, the Group (or simply, "we") has been developing businesses such as digitization of business models and business processes and support for the development of digital human resources in order to dramatically improve Japanese productivity with "People multiplied by Technology" and to make Japan a sustainable society with a decreasing population under the vision of "Change Productivity" under the mission of "Change People, Change Business, Change Japan". Since its inception, we have provided solutions to the digitization needs of many customers. We have been achieving steady growth in sales and profit every year since the listing of our shares in September 2016. Specifically, we are developing and expanding our business in three areas: NEW-IT Transformation Business, which supports the development of digital human resources, innovations in business processes, and digitization; Investment Business, which is investing in businesses that are synergistic with NEW-IT Transformation Business, to be responsible for creating new businesses and building business models; and the Publitech Business, which is committed to promoting DX-based regional creation.

### Operating results for the third quarter cumulative consolidated period of the current fiscal year are as follows.

In NEW-IT Transformation Business, we are pushing ahead with digitization projects for large corporations and government agencies. At the same time, we are accelerating digital human resource development-related projects since the commencement of operations of Digital Growth Academia INC which we established as a joint venture with KDDI Corporation in April 2021 and the performance of beacapp Inc. which we acquired in March 2021 also began to contribute to the Group result.

In the Publitech Business, revenues increased significantly due to factors, such as an increase in the commission rate of the hometown tax payment platform business from April 2020. In addition, in April 2021 we began offering LoGo chat and LoGo forms, SaaS business for local governments, and they have been steadily expanding with strong reputation among customers as they moved to paid services from April 2021.

In the Investment Business, although stock prices of listed companies which we invested were firm in the second quarter cumulative consolidated accounting period (October 1, 2020 to March 31, 2021), some of them, mainly growth stocks, have been weak since the third quarter consolidated accounting period (April 1, 2021 to June 30, 2021).

As a result, in the third quarter cumulative consolidated accounting period of the current fiscal year, revenue was 12,874 million yen (up 59.9% year on year), operating profit was 5,811 million (up 61.4% year on year), profit before taxes was 5,748 million yen (up 61.1% year on year), and profit attributable to owners of parent was 3,768 million yen (up 122.9% year on year).

### Segment operating results are as follows:

#### (I) NEW-IT Transformation Business

In NEW-IT Transformation Business, we are pushing ahead with digitization projects for large corporations and government agencies. At the same time, we are accelerating digital human resource development-related projects since the commencement of operations of Digital Growth Academia INC which we established as a joint venture with KDDI Corporation in April 2021 and the performance of beacapp Inc. which we acquired in March 2021 also began to contribute to the Group result.

As a result, in the third quarter cumulative period of the current fiscal year, revenue in the NEW-IT Transformation Business was 2,109 million yen (up 22.8% year on year) and segment profit was 763 million yen (up 70.6% year on year).

#### (II) Investment Business

In the Investment Business, although stock prices of listed companies which we invested were firm in the second quarter cumulative consolidated accounting period (October 1, 2020 to March 31, 2021), some of them, mainly growth stocks, have been weak since the third quarter consolidated accounting period (April 1, 2021 to June 30, 2021).

As a result, in the third quarter cumulative period of the current fiscal year, revenue in the Investment Business was 108 million yen (up 393.1% year on year) and segment profit was 92 million yen (compared with a segment profit of 6 million yen in the same period of the previous fiscal year).

#### (III) Publitech Business

In the Publitech Business, revenues increased significantly due to factors such as an increase in the commission rate in the hometown tax payment platform business from April 2020. In addition, LoGo Chat and LoGo Form, which are SaaS businesses for local governments, have been steadily expanding with strong reputation among customers as they moved to paid services from April 2021.

As a result, revenue in the Publitech Business for the third quarter cumulative consolidated accounting period of the current fiscal year was 10,660 million yen (up 68.8% year on year), and segment profit was 6,066 million yen (up 54.8% year on year).

## (2) Financial Position

### (i) Assets, Liabilities, and Shareholder Equity

#### (Assets)

Current assets at the end of the third quarter consolidated accounting period of the current fiscal year were 32,943 million yen, an increase of 21,637 million yen from the end of the previous fiscal year. This was mainly due to an increase of 20,902 million yen in cash and cash equivalents. Non-current assets were 6,329 million yen, an increase of 542 million yen from the end of the previous fiscal year. This was primarily due to an increase of 650 million in goodwill due to the acquisition of beacapp Inc.

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As a result, total assets were 39,273 million yen, an increase of 22,179 million yen compared to the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the third quarter consolidated accounting period of the current fiscal year were 4,515 million yen, a decrease of 639 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 529 million yen in trade and other payables. Non-current liabilities were 1,315 million yen, a decrease of 1,217 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 1,182 million yen in bonds and borrowings.

As a result of the above, total liabilities decreased by 1,857 million yen from the end of the previous fiscal year to 5,830 million yen.

(Equity)

Equity at the end of the third quarter consolidated accounting period of the current fiscal year was 33,443 million yen, an increase of 24,036 million yen from the end of the previous fiscal year. This was mainly due to the exchange of shares and issuance of new shares in connection with the conversion of TrustBank, Inc. into a wholly owned subsidiary and an increase in share capital of 8,263 million yen and capital surplus of 11,532 million yen resulting from the increase of share capital of Digital Growth Academia through the third party allotment.

(ii) Cash Flows

Cash and cash equivalents at the end of the third quarter consolidated accounting period of the current fiscal year increased by 20,902 million yen from the end of the previous fiscal year to 28,502 million yen at the end of the current fiscal year.

The status of each cash flow and major factors are as follows.

(Cash flows from operating activities)

The increase in funds from operating activities during the current fiscal year was 3,147 million yen (3,600 million yen for the same period last year). This was mainly due to quarterly profit before tax of 5,748 million yen.

(Cash flows from investing activities)

Net cash provided by (used in) investing activities in the current fiscal year was  $\Delta$ 918 million yen ( $\Delta$ 202 million for the same period last year). This was mainly due to purchase of a subsidiary of 660 million yen.

(Cash flows from financing activities)

Net cash provided by (used in) financing activities in the current fiscal year was 18,674 million yen ( $\Delta$ 414 million yen for the same period last year). This was primarily due to the issuance of shares of 16,415 million yen.

**(3) Consolidated Earnings Forecasts and Other Forward-Looking Information**

Regarding earnings forecasts, there are no changes to the full-year financial forecast that was announced on August 10 in the "Announcement of full year consolidated earnings forecasts for the fiscal year ending September 30, 2021."

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**2. Condensed Quarterly Consolidated Financial Statements and Major Notes**  
**(1) Condensed Quarterly Consolidated Statement of Financial Position**

(Millions of yen)

	Previous consolidated fiscal year (As of September 30, 2020)	End of 3rd quarter of the current consolidated fiscal year (As of June 30, 2021)
Assets		
Current assets		
Cash and cash equivalents	7,599	28,502
Trade and other receivables	2,921	2,760
Inventories	10	18
Investment securities held as part of operations	541	1,291
Other financial assets	30	30
Other current assets	202	340
Total current assets	11,306	32,943
Non-current assets		
Property, plant and equipment	189	85
Right-of-use assets	85	241
Goodwill	3,759	4,409
Intangible assets	1,499	1,382
Other financial assets	218	160
Deferred tax assets	35	50
Total non-current assets	5,787	6,329
Total assets	17,093	39,273

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(Millions of yen)

	Previous consolidated fiscal year (As of September 30, 2020)	End of 3rd quarter of the current consolidated fiscal year (As of June 30, 2021)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	2,494	1,964
Short-term borrowings	356	220
Lease liabilities	66	115
Other financial liabilities	24	70
Income taxes payable	1,424	1,289
Provisions	70	2
Other current liabilities	718	852
Total current liabilities	5,154	4,515
Non-current liabilities		
Bonds and borrowings	2,286	1,103
Lease liabilities	3	115
Provisions	53	53
Deferred tax liabilities	46	11
Other non-current liabilities	143	31
Total non-current liabilities	2,532	1,315
Total liabilities	7,687	5,830
<b>Equity</b>		
Share capital	2,397	10,660
Capital surplus	1,892	13,424
Retained earnings	3,669	7,438
Treasury shares	△0	△0
Total equity attributable to owners of parent (total)	7,959	31,523
Non-controlling interests	1,447	1,919
Total equity	9,406	33,443
Total liabilities and equity	17,093	39,273

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**(2) Condensed Quarterly Consolidated Statements of Income and Summary Quarterly Consolidated Statements of Comprehensive Income**

[Condensed Quarterly Consolidated Statements of Income]

Nine-month period from October 1, 2020 to June 30, 2021

(Millions of yen)

	Nine-month period of the previous consolidated fiscal year (From October 1, 2019 To June 30, 2020)	Nine-month period of the current consolidated fiscal year (From October 1, 2020 To June 30, 2021)
Revenue from contracts with customers	8,030	12,766
Revenue from investment securities held as part of operations	21	108
Total revenue	8,051	12,874
Cost of sales	1,874	2,930
Gross profit	6,177	9,944
Selling, general and administrative expenses	2,602	4,128
Other income	24	10
Other costs	0	14
Operating profit	3,599	5,811
Financial income	0	0
Financial costs	30	62
Profit before taxes	3,569	5,748
Income tax expense	1,239	1,992
Net profit	2,329	3,756
Profit attributable to:		
Owners of the parent	1,690	3,768
Non-controlling interests	639	△11
Net profit	2,329	3,756
Earnings per share		
Basic earnings per share (yen)	26.85	54.66
Diluted earnings per share (yen)	26.17	53.34



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[Condensed Quarterly Consolidated Statements of Comprehensive Income]

	(Millions of yen)	
	Nine-month period of the previous consolidated fiscal year (From October 1, 2019 to June 30, 2020)	Nine-month period of the current consolidated fiscal year (From October 1, 2020 To June 30, 2021)
Net profit	2,329	3,756
Other comprehensive income		
Other comprehensive income (loss), net of tax	-	-
Comprehensive income	<u>2,329</u>	<u>3,756</u>
Comprehensive income attributable to:		
Owners of parent	1,690	3,768
Non-controlling interests	639	△11
Comprehensive income	<u>2,329</u>	<u>3,756</u>

**(3) Condensed Quarterly Consolidated Statements of Changes in Equity**

Nine-month period of the previous fiscal year (From October 1, 2019 to June 30, 2020)

(Millions of yen)

	Equity attributable to owners of parent			
	Share Capital	Capital surplus	Retained earnings	Treasury share
Balance on October 1, 2019	2,374	1,859	1,620	△0
Net profit			1,690	
Other comprehensive income				
Total comprehensive income	-	-	1,690	-
Issuance of shares	16	16		
Purchase of treasury shares				△0
Non-controlling interests for acquiring subsidiaries				
Increase (decrease) in share-based payment transactions		10		
Total transactions with owners	16	26	-	△0
Balance on June 30, 2020	2,390	1,886	3,311	△0

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Financial assets measured at fair value through other comprehensive income	Total			
Balance on October 1, 2019	-	-	5,854	720	6,575
Net Profit		-	1,690	639	2,329
Other comprehensive income		-	-		-
Total comprehensive income	-	-	1,690	639	2,329
Issuance of shares		-	32		32
Purchase of treasury shares		-	△0		△0
Non-controlling interests for acquiring subsidiaries		-	-	4	4
Increase (decrease) in share-based payment transactions		-	10		10
Total transactions with owners	-	-	43	4	47
Balance on June 30, 2020	-	-	7,588	1,364	8,952

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Nine-month period of the current fiscal year (from October 1, 2020 to June 30, 2021)

(Millions of yen)

	Equity attributable to owners of parent			
	Share Capital	Capital surplus	Retained earnings	Treasury share
Balance on October 1, 2020	2,397	1,892	3,669	△0
Net profit			3,768	
Other comprehensive income				
Total comprehensive income	-	-	3,768	-
Issuance of shares	8,263	8,186		
Purchase of treasury shares				△0
Changes in equity due to capital increase of consolidated subsidiaries		1,913		
Changes in ownership interest in subsidiaries		1,433		
Non-controlling interests for acquiring subsidiaries				
Total transactions with owners	8,263	11,532	-	△0
Balance on June 30, 2021	10,660	13,424	7,438	△0

	Equity attributable to owners of parent				
	Other components of equity				
	Financial assets measured at fair value through other comprehensive income	Total	Total	Non-controlling interests	Total
Balance on October 1, 2020	-	-	7,959	1,447	9,406
Net profit		-	3,768	△11	3,756
Other comprehensive income		-	-		-
Total comprehensive income	-	-	3,768	△11	3,756
Issuance of shares		-	16,449		16,449
Purchase of treasury share		-	△0		△0
Changes in equity due to capital increase of consolidated subsidiaries			1,913	1,914	3,828
Changes in ownership interest in subsidiaries		-	1,433	△1,442	△8
Non-controlling interests for acquiring subsidiaries		-	-	11	11
Total transactions with owners	-	-	19,796	483	20,280
Balance on June 30, 2021	-	-	31,523	1,919	33,443

**(4) Condensed Quarterly Consolidated Statements of Cash Flows**

Nine-month period ended June 30, 2021

	(Millions of yen)	
	Nine-month period of the previous consolidated fiscal year (From October 1, 2019 to June 30, 2020)	Nine-month period of the current consolidated fiscal year (From October 1, 2020 To June 30, 2021)
Cash flow from operating activities		
Profit before income taxes	3,569	5,748
Depreciation and amortization	398	562
Share-based payment expenses	10	-
Finance income and finance costs	30	62
Increase (decrease) in inventory (increase in $\Delta$ )	$\Delta$ 1	$\Delta$ 1
Increase (decrease) in trade and other receivables (increase in $\Delta$ )	$\Delta$ 821	215
Increase (decrease) in investment securities held as part of operations (increase in $\Delta$ )	$\Delta$ 224	$\Delta$ 750
Increase (decrease) in trade and other payables (decrease in $\Delta$ )	748	$\Delta$ 558
Other	152	83
Subtotal	3,861	5,360
Interest and dividends received	0	0
Interest paid	$\Delta$ 8	$\Delta$ 9
Income taxes paid	$\Delta$ 252	$\Delta$ 2,203
Net cash provided by (used in) operating activities	3,600	3,147
Cash flow from investing activities		
Purchases of property, plant and equipment	$\Delta$ 17	$\Delta$ 31
Purchase of intangible assets	$\Delta$ 197	$\Delta$ 326
Purchase of subsidiaries	$\Delta$ 36	$\Delta$ 660
Other	49	99
Net cash provided by (used in) investing activities	$\Delta$ 202	$\Delta$ 918
Cash flow from financing activities		
Repayments of long-term borrowings	$\Delta$ 297	$\Delta$ 1,441
Repayments of lease liabilities	$\Delta$ 150	$\Delta$ 114
Proceeds from issuance of shares	32	16,415
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	3,823
Purchase of shares of subsidiaries from non- controlling interests	-	$\Delta$ 8
Purchase of treasury shares	$\Delta$ 0	$\Delta$ 0
Net cash provided by (used in) financing activities	$\Delta$ 414	18,674
Net increase (decrease) in cash and cash equivalents	2,982	20,903
Cash and cash equivalents at beginning of period	3,784	7,599
Effect of exchange rate changes on cash and cash equivalents	0	$\Delta$ 0
Cash and cash equivalents at end of period	6,766	28,502

[Notes of caution]

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(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Segment Information)

(1) Description of reportable segments

The Group's reportable segments are the components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Company's Board of Directors to make decisions about the allocation of management resources to the segments and assess their performance. No operating segments have been aggregated in determining the reportable segments.

The reportable segments of the Group are as follows: the "NEW-IT Transformation Business," the "Investment Business," and the "Publitech Business." They are classified by the type of service provided.

The NEW-IT Transformation Business provides services that improve the productivity and added value of Japanese companies by principally innovating business processes, promoting digitization, and training of digital talent.

The Investment Business invests primarily in so-called late-stage companies which are in the process of preparing for an initial public offering (IPO) and already listed companies that are expected to continue a high growth and is responsible for earning capital gains and creating new businesses and building business models.

The Publitech Business focuses on the public sector with a view to promoting the DX of regional economies and mainly provides platform businesses for hometown tax payment and SaaS businesses for government agencies.

(2) Information regarding reportable segments

Revenue and business results by reportable segments of the Group are as follows:

Segment profit in the reportable segments is based on operating profit.

Intersegment revenue is based on prevailing market prices.

Nine-month period ended June 30, 2020 (From October 1, 2019 to June 30, 2020)

(Millions of yen)

	Reportable segments				Adjustment (Note) 1	Consolidated
	NEW-IT Transformation Business	Investment Business	Publitech Business	Total		
Revenue						
Revenue from external customers	1,713	21	6,316	8,051	-	8,051
Intersegment revenue	4	-	-	4	△4	-
Total	1,718	21	6,316	8,056	△4	8,051
Segment profit (Note 2)	447	6	3,920	4,374	△774	3,599
Finance income	-	-	-	-	-	0
Financing cost	-	-	-	-	-	30
Profit before tax	-	-	-	-	-	3,569

(Note) 1. The adjustment amount in segment profit of negative 774 million yen comprises company-wide expenses not allocable to any reportable segment and mostly consists of general and administrative expenses of 774 million yen that are not attributable to the reportable segments.

2. Segment profit reconciles to operating profit in the condensed quarterly consolidated statement of profit or loss when the adjustment described above is applied.

[Notes of caution]

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Nine-month period ended June 30, 2021 (From October 1, 2020 to June 30, 2021)

(Millions of yen)

	Reportable segments				Adjustment (Note)	Consolidated
	NEW-IT Transformation Business	Investment Business	Publitech Business	Total		
Revenue						
Revenue from external customers	2,105	108	10,660	12,874	-	12,874
Intersegment revenue	3	-	-	3	△3	-
Total	2,109	108	10,660	12,878	△3	12,874
Segment profit (Note 2)	763	92	6,066	6,923	△1,111	5,811
Finance income	-	-	-	-	-	0
Financing cost	-	-	-	-	-	62
Quarterly profit before tax	-	-	-	-	-	5,748

(Note) 1. The adjustment amount in segment profit of negative 1,111 million yen comprises company-wide expenses not allocable to any reportable segment and mostly consists of general and administrative expenses of 1,111 million yen that are not attributable to the reportable segments.

2. Segment profit reconciles to operating profit in the condensed quarterly consolidated statement of profit or loss when the adjustment described above is applied.

**(Subsequent Events)**

(Repurchase of our own shares)

1. Reason for the repurchase

To increase returns for shareholders and implement flexible investment strategies and capital policies, such as M&A and alliances, using treasury shares in the future.

2. Details of the repurchase

- |   |  |
|---|--|
| (1) Type of shares:   | Ordinary shares  |
| (2) Total number of shares:   | 622,800 shares (maximum)   |
| (Percentage of the total number of issued shares (excluding treasury shares): | 0.85%  |
| (3) Total purchase price:   | 2 billion yen (maximum)  |
| (4) Repurchase period:  | August 16, 2021 to September 30, 2021  |
| (5) Repurchase method:  | Purchase in the market based on discretionary exchange agreements on the Tokyo Stock Exchange. |

3. Owing Status of Treasury Shares as of June 30, 2021

Total number of issued shares (excluding own shares) 72,679,127 shares

Number of owned treasury shares: 435 shares