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Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

November 11, 2022

Listing: Tokyo Stock Exchange

Company name: IPS, Inc.
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 Scheduled date to file quarterly securities report: November 11, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of quarterly financial results briefing: Yes (For institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	5,783	41.9	1,636	97.5	2,372	189.2	1,660	220.2
Six months ended September 30, 2021	4,076	20.9	828	32.7	820	43.9	518	32.1

(Note) Comprehensive income: Six months ended September 30, 2022 2,618Millions of yen (202.7%) Six months ended September 30, 2021 865Millions of yen (140.0%)

	Profit per share	Diluted Profit per share
	Yen	Yen
Six months ended September 30, 2022	133.71	127.23
Six months ended September 30, 2021	41.87	39.72

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	22,376	11,712	42.2
As of March 31, 2022	18,420	9,136	39.7

(Reference) Equity: As of September 30, 2022 9,447Millions of yen As of March 31, 2022 7,309Millions of yen

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Term end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	0.00	-	25.00	25.00
Fiscal year ended March 31, 2023	-	17.50	-	-	-
Fiscal year ending March 31, 2023 (Forecast)	-	-	-	17.50	35.00

(Note) Revisions to the forecast of cash dividends most recently announced: Non

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)
(Percentage figures show year-on-year increase or decrease.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	12,000	11.9	3,300	34.4	3,900	34.6	2,700	43.0	217.30

(Note) Revisions to the consolidated earnings forecasts most recently announced: Yes

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: Two Companies (Company name) IPSPPro, Inc., Shinagawa Healthcare Solutions Corporation

Excluded: - (Company name) -

(Note) For details, refer to the attachment P.12 “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to quarterly consolidated financial statements (Changes in significant consolidated subsidiaries during the period under review)”.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(Note) For details, refer to the attachment P.12 “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to quarterly consolidated financial statements (Application of special accounting for preparing quarterly consolidated financial statements)”.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) For details, refer to the attachment P.12 “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to consolidated financial statements (Changes in accounting policies)”.

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	12,434,500 shares	As of March 31, 2022	12,410,500 shares
As of September 30, 2022	395 shares	As of March 31, 2022	395 shares
Six months ended September 30, 2022	12,416,263 shares	Six months ended September 30, 2021	12,383,306 shares

2) Number of treasury shares at the end of the period

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

(Notes on description about the future, etc.)

Descriptions about the future such as earnings outlook, which are included in these materials, are based on the information currently available to the Company and on certain conditions that the Company deems reasonable, and it does not mean that the Company promises to realize them. Also, there is a possibility that the actual earnings, etc., may differ significantly due to various factors. For matters related to earnings forecasts, refer to Attachment P.6 “1. Qualitative Information on Financial Results for the Quarter (3) Explanation of forward-looking information such as consolidated earnings forecasts”.

The Company is scheduled to hold a financial results briefing for institutional investors and analysts on Tuesday, November 15, 2022.

The explanatory material for the day is going to be disclosed on TDnet and posted on our website on the same day.

○ Table of Contents of Attachments

1. Qualitative Information on Financial Results for the six months ended September 30, 2022	4
(1) Explanation of operating result	4
(2) Explanation of financial position	5
(3) Explanation of forward-looking information such as consolidated earnings forecasts	6
2. Quarterly Consolidated Financial Statements and Key Notes	7
(1) Quarterly consolidated balance sheet.....	7
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income	9
(Quarterly consolidated statement of income).....	9
(Quarterly consolidated statement of comprehensive income)	10
(3) Quarterly Consolidated statement of cash flows.....	11
(4) Notes to quarterly consolidated financial statements	12
(Notes to assumptions for ongoing concerns).....	12
(Note when there is a significant change in the amount of shareholders' equity)	12
(Changes in significant consolidated subsidiaries during the period under review)	12
(Application of special accounting for preparing quarterly consolidated financial statements).....	12
(Changes in accounting policies).....	12
(Segment information, etc.)	12
(Revenue recognition)	14

1. Qualitative Information on Financial Results for the six months ended September 30, 2022

(1) Explanation of operating result

Forward-looking statements in the text are based on the judgment of our group (the Company and its consolidated subsidiaries) as of the end of the current quarter.

The Group is engaged in various businesses in order to create business opportunities, develop businesses, change the industrial structure, and realize the ideal society ahead of anyone else in areas closely related to daily life, beyond barriers that no one has been able to break through, under the corporate philosophy of “Open Door”. In particular, we are expanding our business in the Philippines to contribute to the development of the Philippine economy by providing a telecommunications environment that utilizes new IT technologies.

In the first half of the consolidated fiscal year under review, economic activities in countries around the world normalized due to a decrease in the number of cases of new coronavirus infection. However, monetary tightening measures have been strengthened to reduce inflation in order to cope with rising prices worldwide, except in Japan. In addition, Russia's prolonged invasion of Ukraine has heightened the sense of uncertainty about the economic outlook. In Japan, the government lifted its priority measures to prevent the spread of COVID-19 in late March, and the economy showed signs of a gradual recovery. On the other hand, the situation remains uncertain due to the rapid depreciation of the yen and the sharp rise in energy and raw material prices.

In the Philippines, one of the Group's major markets, the number of new coronavirus cases peaked in January and has been declining and economic activity is recovering with GDP growth rates of 8.2% in the first quarter and 7.4% in the second quarter of 2022. In the Philippines, monetary policy is being tightened to cope with soaring prices. Society is rapidly changing, such as new lifestyles and a shift to new workstyles on the premise of remote work due to the impact of COVID-19, and the importance of communication via communication lines is further increasing. The development and expansion of telecommunication lines as a life infrastructure supporting society is a pressing issue in Japan, the Philippines, and all over the world. We will continue to aggressively expand our business in this area.

The Group has been granted the right to use a portion of the submarine cable connecting the Philippines to Singapore and Hong Kong in 2020 and 2021, respectively (City-to-City Cable System, hereinafter referred to as "C2C cable system"). City-to-City Cable System ("C2C lines") connecting the Philippines and Singapore/Hong Kong in 2020 and 2021, respectively, and an international telecommunications network consisting of land lines in each country ("International Telecommunications Network"). The company has also established a position as a carrier's carrier (wholesaler for telecommunications carriers), and is expanding its telecommunications business. The Company will also establish a position as a carrier's carrier (wholesaler for telecommunications carriers) to meet the growing demand for telecommunications and to expand the Philippines' domestic backbone circuits. In addition, the Company is striving to expand its business, including the commencement of joint construction of submarine cables in the Philippines in July 2022, in order to expand backbone lines in the Philippines.

In Japan, we are expanding the provision of services optimized for each customer, mainly for call center operators whose communication traffic demand is increasing.

Shinagawa Lasik & Aesthetics Center Corporation (hereinafter referred to as “SLACC”), which operates clinics in the Manila metropolitan area, has been taking thorough measures to prevent COVID-19 infection so that customers can visit its clinics with peace of mind, and the number of LASIK cases increased significantly compared to the same period last year.

As a result of the above, net sales for the first half of the current fiscal year were 5,783 million yen (up 41.9% year on year), and operating income was 1,636 million yen (up 97.5% year on year). As a foreign exchange gain of 740 million yen was recorded in association with the depreciation of the yen, ordinary profit was 2,372 million yen (up 189.2% year on year) and profit attributable to owners of parent was 1,660 million yen (up 220.2% year on year).

The financial results by segment are as follows:

(Global telecommunications business)

In the Global telecommunications business for the first half of the current fiscal year, we continued to strengthen sales of C2C lines, an international telecommunications network for which the Group holds usage rights, to expand the stock business. The provision of lines has progressed steadily, and in the second quarter of the fiscal year, sales were also recorded due to the payment of IRU provision projects for C2C lines, resulting in a significant increase in both revenue and profit, exceeding the plan.

As a result, net sales were 2,368 million yen (up 149.1% year-on-year) and segment income was 786 million yen (up 328.0% year-on-year).

(Note) IRU stands for Indefeasible Right of Use and refers to a long-term stable communication line usage right that cannot be cancelled or terminated without agreement between the parties. The Company has concluded mainly a 15-year IRU contract to purchase and sell the right to use international communication lines.

(Philippines telecommunications business)

In the Philippines telecommunications business for the first half of the current fiscal year, the number of commuters has been increasing due to the relaxation of travel restrictions in Metro Manila and other areas in March 2022. In response, InfiniVAN, Inc. aggressively increased its sales force and took other measures to strengthen sales of its Internet access service for corporate customers in Metro Manila, the main earnings driver for the company.

In addition, in order to build the major infrastructure necessary for the expansion of the Philippine telecommunications business and Global telecommunications business, we are preparing for the joint construction of a submarine cable system in the Philippines connecting Luzon, Visayas, and Mindanao. Construction has started in July 2022.

As a result, net sales were 431 million yen (down 23.4% year-on-year) and segment income was 108 million yen (up 17.2% year-on-year).

(Domestic telecommunications business)

In the Domestic telecommunications business for the first half of the current fiscal year, we purchased a large amount of incoming call billing services (toll-free) provided by major telecommunications carriers for the call center system "AmeyoJ" developed by Drishti-soft Solutions Pvt. Ltd. of India, for which we have the sales agency rights in Japan. Sales of solutions for call centers in combination with second-based billing services to be sold by the second to call center operators continued to increase steadily.

Also, the domestic telecommunications business was spun off as a separate company through a corporate split in order to further expand the business, and IPS Pro Inc. was established on July 1, 2022.

As a result, net sales were 2,117 million yen (up 4.6% year on year), and segment profit substantially increased to 431 million yen (up 18.0% year on year).

(Medical & healthcare business)

In the Medical & healthcare business for the first half of the current fiscal year, at SLACC, the number of LASIK cases, its mainstay service, increased significantly compared to the same period last year.

In addition, Shinagawa Healthcare Solutions Corporation, a subsidiary that operates a high-quality physical checkup/health checkup center that employs Japan's specialized technologies, such as diagnostic imaging, which was decided on last November, was established in June 2022 and is preparing to open for business in the first quarter of 2023.

In addition, Shinagawa Healthcare Solutions Corporation, a subsidiary that will operate a high-quality physical checkup/health screening center that will introduce diagnostic imaging and other technologies in which Japan excels, will be established in June 2022, and preparations are underway for its opening in the first quarter of 2023. Preparations are underway to open the center in the first quarter of 2023.

We are promoting business development in consideration of SDGs, including the introduction of the first helium-free MRI by Philips in the Philippines.

As a result, net sales were 849 million yen (up 62.8% year on year), and segment profit was 340 million yen (up 118.0% year on year).

(Other)

Promotion of use of international remittance services for foreign residents, which are provided by overseas remittance operators, is the main service.

Net sales were 16 million yen (up 0.9% year on year), and segment loss was 11 million yen (a loss of 7 million yen in the same period of the previous year).

(2) Explanation of financial position

① Status of Assets, Liabilities and Net Assets

(Status of Assets)

Current assets at the end of the first half of the consolidated fiscal year ending March 31, 2023, were 14,464 million yen, an

increase of 2,440 million yen from the end of the previous consolidated fiscal year. This was mainly caused by an increase of 590 million yen in accounts receivable – trade, 201 million yen in investments in leases, and 1,401 million yen in cash and deposits. Also, noncurrent assets were 7,912million yen, an increase of 1,514 million yen from the end of the previous consolidated fiscal year. This was mainly caused by an increase of 1,171 million yen in property, plant and equipment, as a result of capital investment.

As a result, total assets were 22,376million yen, an increase of 3.955 million yen from the end of the previous consolidated fiscal year.

(Status of liabilities)

Current liabilities at the end of the first half of the consolidated fiscal year ending March 31, 2023, were 9,468 million yen, an increase of 1,603 million yen from the end of the previous consolidated fiscal year. This was mainly caused by an increase of 1,348 million yen in short-term borrowings. Also, non-current liabilities were 1,194 million yen, a decrease of 224 million yen from the end of the previous consolidated fiscal year. This was mainly caused by a decrease of 226 million yen in long-term borrowings.

As a result, total liabilities were 10,663 million yen, an increase of 1,379 million yen from the end of the previous consolidated fiscal year.

(Status of net assets)

Net assets including non-controlling interests at the end of the first half of the consolidated fiscal year ending March 31, 2023, were 11,712 million yen, an increase of 2,575 million yen from the end of the previous consolidated fiscal year. This was mainly due to the recording of 1,660 million yen in profit attributable to owners of parent and an increase of 444 million yen in non-controlling interests.

As a result, the equity ratio became 42.2% (39.7% at the end of the previous consolidated fiscal year).

② Status of Cash flows

Cash and cash equivalents at the end of the consolidated fiscal year under review was 5,778 million yen.

Cash and cash equivalents (hereinafter referred to as "funds") increased by 1,401 million yen from the end of the previous fiscal year to 7,180 million yen at the end of the first half of the current fiscal year.

The status of each cash flow and their factors at the end of the first half of the consolidated fiscal year ending March 31, 2023, are as follows:

(Cash flows from operating activities)

The funds acquired in operating activities were 1,856 million yen, an increase of 1,271 million yen from the same period last year. This was mainly due to a decrease of 1,356 million yen in accounts payable-other and an increase of 359 million yen in notes and accounts receivable-trade, despite increases of 2,369 million yen in income before income taxes and 839 million yen in notes and accounts payable-trade, respectively.

(Cash flows from investing activities)

The funds used in investing activities were 2,658 million yen, an increase of 737 million yen from the same period last year. This was mainly due to purchase of property, plant and equipment of 1,645 million yen and payments for Payments of guarantee deposits of 51 million yen.

(Cash flows from financing activities)

The funds acquired in financing activities were 669 million yen, an increase of 682 million yen from the same period last year. This was mainly due to a 1,078 million yen increase in short-term loans payable, while cash dividends paid totaled 307 million yen and repayment of long-term loans payable totaled 262 million yen.

(3) Explanation of forward-looking information such as consolidated earnings forecasts

In light of recent business trends, the Company has revised its full-year earnings forecast announced on May 13, 2022. Please refer to the "Notice of Revision of Full-Year Earnings Forecasts" released today (November 11, 2022) for details regarding the differences from the previous forecasts and other items related to the earnings forecasts.

The Group intends to expand its business through aggressive capital investment and other measures to improve profitability.

The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from these forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Unit: million yen)

	FY2021 (As of March 31, 2022)	2 Q FY2022 (As of September 30, 2022)
Assets		
Current assets		
Cash and deposits	5,778	7,180
Accounts receivable - trade	2,069	2,659
Investments in leases	3,340	3,542
Merchandise	49	78
Supplies	62	97
Other	831	1,091
Allowance for doubtful accounts	(108)	(185)
Total current assets	12,023	14,464
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles	2,501	3,002
Accumulated depreciation	(1,306)	(1,558)
Machinery, equipment and vehicles, net	1,195	1,444
Construction in progress	2,429	3,171
Other	150	331
Total property, plant and equipment	3,776	4,947
Intangible assets		
The right to use communication lines	1,609	1,809
Goodwill	43	55
Other	68	70
Total intangible assets	1,721	1,936
Investments and other assets		
Long-term prepaid expenses	266	250
Deferred tax assets	165	213
Other	468	569
Allowance for doubtful accounts	(0)	(4)
Total investments and other assets	899	1,028
Total non-current assets	6,397	7,912
Total assets	18,420	22,376

(Unit: million yen)

	FY2021 (As of March 31, 2022)	2 Q FY2022 (As of September 30, 2022)
Liabilities		
Current liabilities		
Accounts payable - trade	1,032	2,034
Short-term borrowings	1,344	2,692
Current portion of long-term borrowings	501	465
Lease obligations	2	0
Accounts payable	1,447	109
Income taxes payable	558	930
Deferred payment profit	2,246	2,168
Provision for bonuses	16	23
Other	716	1,044
Total current liabilities	7,865	9,468
Non-current liabilities		
Long-term borrowings	1,203	977
Retirement benefit liability	50	46
Provision for retirement benefits for directors (and other officers)	136	137
Asset retirement obligations	4	4
Other	23	28
Total non-current liabilities	1,418	1,194
Total liabilities	9,283	10,663
Net assets		
Shareholders' equity		
Share capital	1,084	1,104
Capital surplus	1,020	1,040
Retained earnings	5,026	6,383
Treasury shares	(0)	(0)
Total shareholders' equity	7,131	8,527
Accumulated other comprehensive income		
Foreign currency translation adjustment	178	918
Re-measurements of defined benefit plans	0	0
Total accumulated other comprehensive income	178	919
Share acquisition rights	191	185
Non-controlling interests	1,635	2,079
Total net assets	9,136	11,712
Total liabilities and net assets	18,420	22,376

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
(Quarterly consolidated statement of income)
(Six months ended September 30)

(Unit: million yen)

	2Q FY2021 (For the six months ended September 30, 2021)	2Q FY2022 (For the six months ended September 30, 2022)
Net sales	4,076	5,783
Cost of sales	2,499	3,049
Gross profit	1,577	2,734
Selling, general and administrative expenses	748	1,097
Operating profit	828	1,636
Non-operating income		
Interest and dividend income	12	35
Foreign exchange gains	-	740
Other	3	2
Total non-operating income	15	778
Non-operating expenses		
Interest expenses	12	29
Foreign exchange loss	9	-
Other	2	13
Total non-operating expenses	24	43
Ordinary profit	820	2,372
Extraordinary income		
Gain on reversal of share acquisition rights	-	1
Total extraordinary income	-	1
Extraordinary losses		
Loss on retirement of non-current assets	0	3
Total extraordinary losses	0	3
Profit before income taxes	820	2,369
Income taxes	200	615
Profit	619	1,753
Profit attributable to non-controlling interests	101	93
Profit attributable to owners of parent	518	1,660

(Quarterly consolidated statement of comprehensive income)
(Six months ended September 30)

(Unit: million yen)

	2Q FY2021 (For the six months ended September 30, 2021)	2Q FY2022 (For the six months ended September 30, 2022)
Profit	619	1,753
Other comprehensive income		
Foreign currency translation adjustment	245	863
Re-measurements of defined benefit plans, net of tax	0	1
Total other comprehensive income	245	864
Comprehensive income	865	2,618
Comprehensive income attributable to		
Owners of parent	684	2,311
Non-controlling interests	180	306

(3) Quarterly Consolidated statement of cash flows

(Unit: million yen)

	2Q FY2021 (For the six months ended September 30, 2021)	2Q FY2022 (For the six months ended September 30, 2022)
Cash flows from operating activities		
Profit before income taxes	820	2,369
Depreciation	214	236
Gain on reversal of share acquisition rights	-	(1)
Foreign exchange losses (gains)	5	104
Increase (decrease) in allowance for doubtful accounts	9	69
Increase (decrease) in provision for bonuses	4	6
Increase (decrease) in retirement benefit liability	3	(6)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(5)	0
Interest and dividend income	(12)	(35)
Interest expenses	12	29
Loss on retirement of non-current assets	-	3
Decrease (increase) in trade receivables	(174)	(359)
Decrease (increase) in investments in leases	(366)	281
Decrease (increase) in inventories	2	(50)
Increase (decrease) in trade payables	(202)	839
Increase (decrease) in accounts payable - other	210	(1,356)
Increase (decrease) in deferred payment profit	412	(77)
Increase (decrease) in advances received	86	131
Other	9	14
Subtotal	1,029	2,201
Interest and dividends received	12	19
Interest paid	(12)	(17)
Income tax paid	(444)	(347)
Net cash provided by (used in) operating activities	584	1,856
Cash flows from investing activities		
Purchase of property, plant and equipment	(650)	(1,645)
Purchase of intangible assets	(307)	(28)
Payments of guarantee deposits	(9)	(51)
Proceeds from refund of guarantee deposits	6	5
Purchase of long-term prepaid expenses	(3)	(27)
Proceeds from withdrawal of time deposits	18	-
Other	(68)	(3)
Net cash provided by (used in) investing activities	(1,013)	(1,750)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	1,078
Proceeds from long-term borrowings	400	-
Repayments of long-term borrowings	(290)	(262)
Proceeds from issuance of shares	8	27
Proceeds from share issuance to non-controlling shareholders	-	144
Repayments of long-term accounts payable - other	(0)	(0)
Repayments of lease obligations	(6)	(9)
Purchase of treasury shares	(0)	-
Payment of dividends	(123)	(307)
Cash flows from financing activities	(13)	669
Effect of exchange rate change on cash and cash equivalents	68	626
Net increase (decrease) in cash and cash equivalents	(373)	1,401
Cash and cash equivalents at beginning of period	3,589	5,788
Cash and cash equivalents at end of period	3,216	7,180

(4) Notes to quarterly consolidated financial statements

(Notes to assumptions for ongoing concerns)

Not applicable.

(Note when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Changes in significant consolidated subsidiaries during the period under review)

Effective from the second quarter of the current consolidated fiscal year, IPSPRO, Inc., which was established through a Corporate Split (a simplified incorporation-type company split), and Shinagawa Healthcare Solutions Corporation, which was established as a subsidiary of Shinagawa Lasik & Aesthetics Center Corporation, a consolidated subsidiary of the Company (a sub-sub-subsidiary of the Company), have been included in the scope of consolidation.

(Application of special accounting for preparing quarterly consolidated financial statements)

(Calculation of taxes)

Income tax expenses are calculated by multiplying net income before income taxes by an estimated effective tax rate, which is a reasonable estimate of the effective tax rate after applying tax effect accounting to net income before income taxes for the fiscal year that includes this first quarter.

However, if the use of this estimated effective tax rate produces significantly unreasonable results, income tax expenses are calculated by using the statutory effective tax rate.

(Changes in accounting policies)

(Implementation Guidance on Accounting Standard for Fair Value Measurement)

"Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) has been applied from the beginning of the period for the three months ended June 30, 2022. In accordance with the transitional measures set forth in Paragraph 27-2 of Guidance on Accounting Standard for Fair Value Measurement, we applied new accounting policies prospectively from the beginning of the period. This change has no impact on quarterly consolidated financial statements.

(Segment information, etc.)

[Segment information]

Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Information on the amount of money of net sales, and profit or loss for each reportable segment and revenue breakdown information

(Unit: million yen)

	Reportable segment					Total	Adjustment amount	Quarterly Consolidated Financial statements Recorded amount (Note 1)
	Global telecommunications business	Philippines Telecommunications Business	Domestic Telecommunications business	Medical & Healthcare Business	Other			
Net sales								
Revenue from contracts with customers	844	494	2,024	522	16	3,902	-	3,902
Other revenue (Note 2)	106	68	-	-	-	174	-	174
Net sales to external customers	950	562	2,024	522	16	4,076	-	4,076
Internal net sales or transfer amount between segments	123	78	-	-	0	202	(202)	-
Total	1,074	641	2,024	522	16	4,278	(202)	4,076
Segment profit or (loss)	183	131	365	156	(7)	828	-	828

- (Notes) 1. The segment profit or loss is consistent with the operating profit in the quarterly consolidated financial statements.
2. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.

2. Information on impairment losses or goodwill, etc. of non-current assets for each reported segment
Not applicable.

Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Information on the amount of money of net sales, and profit or loss for each reportable segment and revenue breakdown information

(Unit: million yen)

	Reportable segment					Total	Adjustment amount	Quarterly Consolidated Financial statements Recorded amount (Note 1)
	Global telecommunications business	Philippines Telecommunications Business	Domestic Telecommunications business	Medical & Healthcare Business	Other			
Net sales								
Revenue from contracts with customers	1,106	427	2,117	849	16	4,518	-	4,518
Other revenue (Note 2)	1,261	3	-	-	-	1,265	-	1,265
Net sales to external customers	2,368	431	2,117	849	16	5,783	-	5,783
Internal net sales or transfer amount between segments	155	331	-	-	0	487	(487)	-
Total	2,523	763	2,117	849	16	6,271	(487)	5,783
Segment profit or (loss)	786	108	431	340	(11)	1,654	(17)	1,636

- (Notes) 1. The segment profit or loss is consistent with the operating profit in the consolidated financial statements.
2. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.
3. The minus 17million yen adjustment to segment profit (loss) is eliminations for inter-segment transactions.

2. Matters related to changes in reportable segments

(Change of name of reportable segment)

Effective from the first quarter of the current consolidated fiscal year, the reportable segments previously referred to as "International telecommunications business" "Telecommunications business in the Philippines" and "Health and wellness business" have been renamed "Global telecommunications business" "Philippine telecommunications business" "Medical & healthcare business". There is no operating impact on segment information due to the change in the name of the reportable segment.

The segment information for the first quarter of the previous fiscal year is also disclosed under the new name.

3. Information on impairment losses or goodwill, etc. of non-current assets for each reported segment

(Unit: million yen)

	Global telecommunications business	Philippines Telecommunications Business	Domestic Telecommunications business	Medical & Healthcare Business	Other	Common/Other	Total
Amortization for the current period	4	-	-	-	-	-	4
Unamortized balance	55	-	-	-	-	-	55

(Revenue recognition)

Information breaking down revenue from contracts with customers is as presented in the attachment P.12 “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to quarterly consolidated financial statements (Segment information, etc.)” .