

Summary of Business Results for the Second Quarter Ended December 31, 2022 [IFRS] (Consolidated)

February 10, 2023

Company **Open Up Group Inc.**

Listed on the TSE

Stock Code 2154 URL <https://www.openupgroup.co.jp/>

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Preparation of quarterly supplementary financial document: Yes

Quarterly results briefing: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the six months ended December 2022

(July 1, 2022 through December 31, 2022)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Dec. 2022	80,343	7.9	6,957	31.2	7,642	20.3	7,607	19.6	5,290	24.0	5,264	25.2
Six months ended Dec. 2021	74,470	—	5,301	—	6,350	—	6,360	—	4,267	—	4,205	—

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Yen	Yen
Six months ended Dec. 2022	5,348	34.0	59.75	59.52
Six months ended Dec. 2021	3,992	—	46.81	46.62

(Note) Business profit is the Company's own profit indicator which is "gross profit" minus "selling, general and administrative expenses" and which excludes the impact of extraordinary items (Employment adjustment subsidy, Impairment loss, etc.) recorded under "Other income" and "Other expenses."

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of Dec. 2022	98,276	63,564	63,504	64.6
As of Jun. 2022	96,521	63,345	63,309	65.6

2. Dividends

	Annual dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Jun. 2022	-	17.00	-	28.00	45.00
Year ending Jun. 2023	-	17.00			
Year ending Jun. 2023 (forecast)			-	30.00	47.00

(Note) Revisions to dividend forecast for the current quarter: None

**3. Forecast of consolidated business results for the fiscal year ending June 2023
(July 1, 2022 through June 30, 2023)**

(% change from the previous corresponding period)

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Jun. 2023	164,000	10.4	11,300	18.3	11,600	14.8	11,600	13.3	7,900	13.3	89.39

(Note) 1. Revisions to business forecast for the current quarter: None

2. Business profit is the Company's own profit indicator which is "gross profit" minus "selling, general and administrative expenses" and which excludes the impact of extraordinary items (Employment adjustment subsidy, Impairment loss, etc.) recorded under "Other income" and "Other expenses."

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

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

As of December 2022 91,376,394 shares

As of June 2022 91,280,119 shares

(ii) Number of treasury shares at the end of the period

As of December 2022 4,326,240 shares

As of June 2022 2,898,753 shares

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

Six months ended December 2022 88,114,660 shares

Six months ended December 2021 89,839,720 shares

***Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

(Supplementary material for the quarterly financial results)

The Company is scheduled to hold a financial results briefing for institutional investors and analysts on Friday, February 10, 2023. The materials for the financial results briefing to be used on that day will be posted on the Company's website immediately after the briefing.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Summary of Operating Results

Revenue for the first six months of the consolidated fiscal year under review increased 7.9% year on year, to 80,343 million yen. This increase in revenue is largely attributable to growth in the number of employees in the Machinery, Electronics and IT Software, Construction, and Manufacturing Segments combined with consistently high utilization rates. On the profit front, profit improved overall in the absence of one-off costs such as PPA amortization of intangible assets in the previous fiscal year in addition to improvement in hourly rates and higher utilization rates, all of which offset higher recruiting expenses. As a result, business profit was 6,957 million yen (up 31.2% year on year), operating profit was 7,642 million yen (up 20.3% year on year), and profit attributable to owners of parent was 5,264 million yen (up 25.2% year on year).

*Business profit is the Company's own profit indicator which is "gross profit" minus "selling, general and administrative expenses" and which excludes the impact of extraordinary items (Employment adjustment subsidy, Impairment loss, etc.) recorded under "Other income" and "Other expenses."

A summary of the results of each segment is as follows. The revenue of each segment is revenue from sales to external customers.

[Machinery, Electronics and IT Software Segment] (Temporary staffing, contracting and consigning business for the development, design, operation and maintenance sectors of the IT software, machinery and electronics domain)

During the first six months of the consolidated fiscal year under review, the number of employees grew steadily and the utilization rate was also stable, mostly exceeding 95%, due to aggressive investment in recruitment from the second half of the previous consolidated fiscal year, recovery of business confidence in a wide range of sectors, and growth in demand for human resources. In terms of profit, significantly higher recruitment expenses were offset by improvement in hourly rates through a shift towards mid-career professionals and a slight rise in the utilization rate, and profit margins improved slightly.

As a result, revenue and segment profit increased 13.3% and 20.6% year on year, to 38,947 million yen and 4,590 million yen, respectively, in the first six months under review.

[Construction Segment](Temporary staffing business supplying construction managers and CAD operators to the construction industry)

During the first six months of the consolidated fiscal year under review, the number of employees increased thanks to measures to improve and strengthen recruitment channels and retain employees initiated the previous consolidated fiscal year, and the utilization rate also remained at a high level due to robust demand for human resources in the construction sector. Additionally, profit improved in the absence of amortization of intangible assets through PPAs and share-based payment expenses recorded the previous consolidated fiscal year.

As a result, revenue and segment profit increased 7.0% and 30.0% year on year, to 19,714 million yen and 3,394 million yen, respectively, in the first six months under review.

[Manufacturing Segment] (Contracting, consigning and temporary staffing business for the manufacturing processes, etc. of clients)

During the first six months of the consolidated fiscal year under review, the Company continued to develop demand for human resources in its sales area across a broad spectrum, without bias towards certain sectors or large customers, increasing the number of temporary staff at work, while also seeking to maintain and improve profitability through the negotiation of hourly rates and other measures. As a result, the number of staff at work especially in the materials, electric machinery and precision machinery and warehousing and logistics sectors increased and the cost ratio for both temporary and contract staff improved.

As a result, revenue and segment profit increased 14.9% and 13.6% year on year, to 5,391 million yen and 319 million yen, respectively, in the first six months under review.

[Overseas Segment] (Temporary staffing and contracting for engineering and manufacturing sectors and human resource services, such as paid job introduction, outside of Japan)

During the first six months of the consolidated fiscal year under review, demand for human resources in the UK appeared to recover temporarily in the summer; however, toward the end of the year, inflation and interest rate hikes caused economic activity to slow and revenue from temporary staffing for the busy pre-Christmas season was weak. As a result, segment revenue declined despite the boost to revenue on a yen basis due to a weak yen. On the profit front, improvement in the profit margin of the business itself due to a strong performance in the highly profitable job introduction business, reflecting increasing need to hire staff directly at a time when demand for human resources is recovering, was offset by the absence of the gain on sale of shares of subsidiaries related to MTrec recorded the previous consolidated fiscal year.

As a result, revenue and segment profit decreased 3.8% and 13.2% year on year, to 15,681 million yen and 566 million yen, respectively, in the first six months under review.

[Others]

As domains not included in the reportable segments, SAMURAI, Inc., provides an online programming learning service, whilst BeNEXT With Inc., a special subsidiary of the Group, employs persons with disabilities to provide various types of services within the Group.

During the first six months of the consolidated fiscal year under review, the online programming learning service began focusing on profitability, resulting in a decline in revenue; however, various types of services provided within the Group were less affected by the COVID crisis and appeared to recover to some extent.

As a result, in the first six months of the consolidated fiscal year under review, revenue, including internal transactions increased 9.9% year on year, to 934 million yen and segment profit came to 89 million yen (compared with a segment loss of 21 million yen in the same period of the previous fiscal year).

(2) Summary of Financial Position

(Assets)

Assets totaled 98,276 million yen at the end of the first six months under review, increasing 1,754 million yen (1.8%) from the end of the previous fiscal year. This change was largely attributable to an increase of 1,494 million yen in other financial assets under current assets, an increase of 993 million yen in other current assets, an increase of 661 million yen in trade and other receivables, an increase of 640 million yen in cash and cash equivalents, a decrease of 837 million yen in deferred tax assets, a decrease of 548 million yen in right-of-use assets, and a decrease of 525 million yen in other financial assets under noncurrent assets.

(Liabilities)

Liabilities at the end of the first six months under review totaled 34,711 million yen, an increase of 1,534 million yen (4.6%) from the end of the previous fiscal year. This change is mainly attributable to an increase of 1,960 million yen in bonds and borrowings under current liabilities, an increase of 615 million yen in trade and other payables, and a decrease of 505 million yen in other financial liabilities under non-current liabilities.

(Equity)

Equity at the end of the first six months under review totaled 63,564 million yen, an increase of 219 million yen (0.3%) from the end of the previous fiscal year. This change was largely attributable to the recording of profit attributable to owners of parent of 5,264 million yen and an increase of 2,784 million yen in retained earnings due to dividends paid of 2,481 million yen, and an increase of 2,706 million yen in treasury shares.

(3) Summary of Cash Flows

At the end of the first six months under review, cash and cash equivalents ("Cash") increased 640 million yen from the end of the previous fiscal year, to 13,045 million yen. The primary factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 7,667 million yen (compared with net cash provided of 7,507 million yen in the same period of the previous year). This was primarily because inflows from operating activities such as 7,607 million yen due to the recording of profit before income taxes and 1,153 million yen for depreciation and amortization, which are a non-cash expense, exceeded outflows such as income taxes paid of 2,244 million yen.

(Cash flows from investing activities)

Net cash provided by investing activities was 18 million yen (compared with net cash used of 1,219 million yen in the same period of the previous year). This mainly reflects other income of 390 million yen in cash flow from investing activities, 218 million yen in purchase of property, plant and equipment, and 147 million yen in purchase of intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities was 6,993 million yen (compared with net cash used of 10,661 million yen in the same period of the previous year). This is primarily attributable to purchases of treasury stock of 2,782 million yen, cash dividends paid of 2,496 million yen, repayments of lease liabilities of 2,173 million yen, and a net increase in short-term loans payable of 2,055 million yen.

(4) Summary of Information on Future Forecasts, including the Forecast of Consolidated Results

The Company has made no change to the consolidated business forecasts announced on August 5, 2022.

2. Condensed Quarterly Consolidated Financial Statements and Notes on Important Matters

Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	Previous fiscal year (June 30, 2022)	Current Second Quarter (December 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	12,404	13,045
Trade and other receivables	20,108	20,769
Other current financial assets	1,239	2,734
Other current assets	2,856	3,850
Total current assets	36,609	40,399
Non-current assets		
Property, plant and equipment	1,624	1,645
Right-of-use assets	3,304	2,756
Goodwill	45,362	45,353
Intangible assets	1,630	1,545
Investments accounted for using equity method	661	707
Other non-current financial assets	4,002	3,477
Deferred tax assets	2,789	1,952
Other non-current assets	536	438
Total non-current assets	59,912	57,876
Total assets	96,521	98,276

(Millions of yen)

	Previous fiscal year (June 30, 2022)	Current Second Quarter (December 31, 2022)
Liabilities and equities		
Liabilities		
Current liabilities		
Trade and other payables	2,617	3,232
Bonds and borrowings	1,257	3,218
Income taxes payable	1,774	1,623
Other current financial liabilities	4,490	4,488
Current provisions	68	1
Other current liabilities	17,585	17,600
Total current liabilities	27,793	30,165
Non-current liabilities		
Bonds and borrowings	591	248
Other non-current financial liabilities	2,805	2,300
Deferred tax liabilities	26	50
Non-current provisions	436	491
Other non-current liabilities	1,523	1,455
Total non-current liabilities	5,382	4,545
Total liabilities	33,176	34,711
Equity		
Capital	4,561	4,592
Share premium	82,394	82,411
Retained earnings	-19,933	-17,149
Treasury shares	-4,306	-7,012
Other components of equity	594	662
Total equity attributable to owners of parent	63,309	63,504
Non- controlling interests	35	60
Total equity	63,345	63,564
Total liabilities and equity	96,521	98,276

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Comprehensive Income
 (Condensed quarterly consolidated statement of profit or loss)

(Millions of yen)

	Previous Second Quarter (July 1, 2021 - December 31, 2021)	Current First Quarter (July 1, 2022 - December 31, 2022)
Revenue	74,470	80,343
Cost of sales	57,346	60,935
Gross profit	17,123	19,408
Selling, general and administrative expense	11,822	12,450
Other income	1,082	712
Other expense	33	28
Operating profit	6,350	7,642
Finance income	31	31
Finance costs	76	149
Share of profit of investments accounted for using equity method	55	83
Profit before tax	6,360	7,607
Income tax expense	2,092	2,316
Profit	4,267	5,290
Profit attributable to		
Owners of parent	4,205	5,264
Non- controlling interests	62	25
Profit	4,267	5,290
Profit per share		
Basic profit per share (Yen)	46.81	59.75
Diluted profit per share (Yen)	46.62	59.52

(Condensed quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Previous Second Quarter (July 1, 2021 - December 31, 2021)	Current Second Quarter (July 1, 2022 - December 31, 2022)
Profit	4,267	5,290
Other comprehensive income		
Balances related to items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	-27	123
Remeasurements of defined benefit plans	-3	0
Items that will not be reclassified to profit or loss	-31	123
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-261	-27
Share of other comprehensive income of investments accounted for using equity method	17	-37
Total of items that may be reclassified to profit or loss	-244	-64
Total other comprehensive income, net of tax	-275	58
Comprehensive income	3,992	5,348
Profit attributable to		
Owners of parent	3,928	5,324
Non- controlling interests	63	24
Comprehensive income	3,992	5,348

(3) Condensed quarterly statement of changes in equity
Previous Second Quarter (July 1, 2021-December 31, 2021)

(Millions of yen)

	Interests attributable to owners of parent				Other components of equity	
	Capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of July 1, 2021	4,436	82,779	-22,646	-329	88	714
Profit			4,205			
Other comprehensive income						-245
Total comprehensive income	—	—	4,205	—	—	-245
Issuance of new shares	3	3			-0	
Dividends of surplus			-2,456			
Purchase of treasury shares		-16		-3,621		
Disposal of treasury shares		—		79		
Change in scope of consolidation			—			
Share-based payment transactions		-33			180	
Forfeiture of share acquisition		1			-1	
Changes in written put option liabilities related to non-controlling interests, etc.		0	-280			
Purchase of shares of consolidated subsidiaries		-568				
Transfer from other components of equity to retained earnings		29	-23			
Total transactions with owners	3	-584	-2,761	-3,542	178	—
Total changes	3	-584	1,444	-3,542	178	-245
Balance as of December 31, 2021	4,439	82,195	-21,202	-3,871	266	468

	Interests attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Financial assets at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance as of July 1, 2021	-99	—	703	64,943	-222	64,720
Profit				4,205	62	4,267
Other comprehensive income	-27	-3	-276	-276	1	-275
Total comprehensive income	-27	-3	-276	3,928	63	3,992
Issuance of new shares			-0	6		6
Dividends of surplus			—	-2,456		-2,456
Purchase of treasury shares			—	-3,638		-3,638
Disposal of treasury shares			—	79		79
Change in scope of consolidation			—	—	-75	-75
Share-based payment transactions			180	147		147
Forfeiture of share acquisition			-1	—		—
Changes in written put option liabilities related to non-controlling interests, etc.			—	-280		-280
Purchase of shares of consolidated subsidiaries			—	-568	262	-305
Transfer from other components of equity to retained earnings	-8	3	-5	—		—
Total transactions with owners	-8	3	172	-6,711	187	-6,524
Total changes	-36	—	-103	-2,782	251	-2,531
Balance as of December 31, 2021	-135	—	600	62,160	28	62,189

	Interests attributable to owners of parent					
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of July 1, 2022	4,561	82,394	-19,933	-4,306	213	596
Profit			5,264			
Other comprehensive income						-63
Total comprehensive income	—	—	5,264	—	—	-63
Issuance of new shares	31	31			-1	
Dividends of surplus			-2,481			
Purchase of treasury shares		-11		-2,782		
Disposal of treasury shares		2		75		
Change in scope of consolidation			—			
Share-based payment transactions		-18			25	
Forfeiture of share acquisition		13			-13	
Transfer from other components of equity to retained earnings		—	1			
Total transactions with owners	31	17	-2,480	-2,706	9	—
Total changes	31	17	2,784	-2,706	9	-63
Balance as of December 31, 2022	4,592	82,411	-17,149	-7,012	223	532

	Interests attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Financial assets at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance as of July 1, 2022	-215	—	594	63,309	35	63,345
Profit				5,264	25	5,290
Other comprehensive income	123	0	59	59	-1	58
Total comprehensive income	123	0	59	5,324	24	5,348
Issuance of new shares			-1	61		61
Dividends of surplus			—	-2,481		-2,481
Purchase of treasury shares			—	-2,793		-2,793
Disposal of treasury shares			—	78		78
Change in scope of consolidation			—	—	0	0
Share-based payment transactions			25	6		6
Forfeiture of share acquisition			-13	—		—
Transfer from other components of equity to retained earnings	-1	-0	-1	—		—
Total transactions with owners	-1	-0	8	-5,130	0	-5,129
Total changes	122	—	67	194	25	219
Balance as of December 31, 2022	-93	—	662	63,504	60	63,564

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Previous Second Quarter (July 1, 2021 - December 31, 2021)	Current Second Quarter (July 1, 2022 - December 31, 2022)
Cash flows from operating activities		
Profit before tax	6,360	7,607
Depreciation and amortization expense	1,600	1,153
Interest and dividend income	-20	-27
Interest expenses	73	63
Share of profit (loss) of investments accounted for using equity method	-55	-83
Loss on retirement of fixed assets	11	2
Decrease (increase) in trade and other receivables	90	-837
Increase (decrease) in trade and other payables	-366	635
Others	-122	1,424
Subtotal	7,570	9,937
Interest and dividends received	18	29
Interest paid	-71	-56
Income taxes paid	-10	-2,244
Cash flows from operating activities	7,507	7,667
Cash flows from investing activities		
Purchase of property, plant and equipment	-133	-218
Purchase of intangible assets	-102	-147
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-483	—
Payment of contingent consideration for shares of subsidiaries	-365	—
Purchase of investment securities	-53	-6
Others	-81	390
Cash flows from investing activities	-1,219	18
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,465	2,055
Repayments of long-term borrowings	-3,152	-307
Redemption of bonds	-133	-103
Repayments of lease liabilities	-1,843	-2,173
Dividends paid	-2,460	-2,496
Payments for purchase of treasury shares	-3,621	-2,782
Purchase of investments in subsidiaries not resulting in change in scope of consolidation	-508	—
Others	-407	-1,186
Cash flows from financing activities	-10,661	-6,993
Effect of exchange rate changes on cash and cash equivalents	28	-51
Net increase (decrease) in cash and cash equivalents	-4,345	640
Cash and cash equivalents at beginning of period	21,138	12,404
Cash and cash equivalents at end of period	16,792	13,045

(5) Notes on Condensed Quarterly Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

Not applicable.

(Segment Information)

(1) Overview of reportable segments

The business segments of the Group are the units for which separate financial information can be obtained among the constituent units of the Group and for which the Board of Directors regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Group is expanding a full line-up of services including its staffing service and contracting business mainly for the technology and manufacturing fields in Japan and internationally, and the operating segments of the Group, without any integration, are its reportable segments.

Details of each segment are as follows.

Machinery, Electronics and IT Software Segment ...Development and design technician and other worker temporary staffing, contracting and consigning business

Construction Segment... Construction manager engineer temporary staffing business and CAD operator temporary staffing business for customers in the construction industry

Manufacturing Segment...Manufacturing site contracting, consigning and temporary staffing business for customers in the manufacturing industry

Overseas Segment....Temporary staffing, contracting and placement business for the engineering and manufacturing sectors internationally

(2) Information regarding reportable segments

Accounting policies for reportable segments are generally the same as those stated in “Accounting policies in preparing the condensed consolidated financial statements.”

Segment profit as reported in this section is based on operating profit. Also, inter-segment sales and transfers are valued at market prices.

First six months ended December 31, 2021 (July 1, 2021 – December 31, 2021)

(Unit: Million yen)

	Reportable Segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Machinery, Electronics and IT Software Segment	Construction Segment	Manufacturi ng Segment	Overseas Segment	Total				
Revenue									
Revenue from external customers	34,371	18,418	4,692	16,296	73,779	690	74,470	—	74,470
Intersegment revenue	53	0	—	72	126	159	286	-286	—
Total	34,425	18,419	4,692	16,368	73,905	850	74,756	-286	74,470
Segment profit or loss (Note 3)	3,806	2,612	281	653	7,353	-21	7,331	-981	6,350
Finance income	—	—	—	—	—	—	—	—	31
Finance costs	—	—	—	—	—	—	—	—	76
Share of profit of investments accounted for using equity method	—	—	—	—	—	—	—	—	55
Profit before tax	—	—	—	—	—	—	—	—	6,360

(Note) 1. "Other" is a segment which is not included in the reportable segment and it includes the business of promoting employment of persons with disabilities and the online programming learning service business.

2. The adjustment of -981 million yen for segment profit (loss) includes corporate expenses that are not allocated to any reportable segments of 1,235 million yen and an inter-segment elimination of -253 million yen. Corporate expenses are primarily the Company's operating expenses that are not attributable to specific reporting segments.

3. The total amount of segment profit matches the operating profit in the condensed quarterly consolidated statement of profit or loss.

Six months ended December 31, 2022 (July 1, 2022 to December 31, 2022)

(Unit: Million yen)

	Reportable Segments					Other (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Machinery, Electronics and IT Software Segment	Construction Segment	Manufacturi ng Segment	Overseas Segment	Total				
Revenue									
Revenue from external customers	38,947	19,714	5,391	15,681	79,734	609	80,343	—	80,343
Intersegment revenue	28	0	2	62	93	325	419	-419	—
Total	38,975	19,715	5,393	15,744	79,828	934	80,762	-419	80,343
Segment profit (Note 3)	4,590	3,394	319	566	8,871	89	8,961	-1,318	7,642
Finance income	—	—	—	—	—	—	—	—	31
Finance costs	—	—	—	—	—	—	—	—	149
Share of profit of investments accounted for using equity method	—	—	—	—	—	—	—	—	83
Profit before tax	—	—	—	—	—	—	—	—	7,607

(Note) 1. "Other" is a segment which is not included in the reportable segment and it includes the business of promoting employment of persons with disabilities and the online programming learning service business.

2. The adjustment of -1,318 million yen for segment profit includes corporate expenses that are not allocated to any reportable segments of 1,422 million yen and an inter-segment elimination of -103 million yen. Corporate expenses are primarily the Company's operating expenses that are not attributable to specific reporting segments.

3. The total amount of segment profit matches the operating profit in the condensed quarterly consolidated statement of profit or loss.