



**Consolidated Financial Results [Japanese GAAP]
for the Three Months Ended March 31, 2023**

May 11, 2023

Listed company: **FINDEX Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange
 Stock code: 3649
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 Scheduled date to submit statutory quarterly financial report: May 11, 2023
 Scheduled date to commence dividend payment: N/A
 Availability of supplementary materials on financial results: Yes
 Availability of quarterly results briefing: No

**1. Consolidated Financial Results for the Three Months ended March 31, 2023
(From January 1, 2023, to March 31, 2023)**

**Figures are rounded down to the nearest million yen, except share and per share data*

**“%” indicates year-on-year changes from the previous corresponding period*

(1) Consolidated Operating Results (Cumulative)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of the parent	
	(JPY MM)	%	(JPY MM)	%	(JPY MM)	%	(JPY MM)	%
Three months ended March 31, 2023	1,251	(1.0)	288	(22.2)	292	(23.4)	199	(22.9)
March 31, 2022	1,264	(13.5)	370	(17.9)	381	(15.8)	258	(17.7)

(Note) Comprehensive income: Q1 FY2023: 203 million yen [(22.0%)], Q1 FY2022: 261 million yen [(16.9 %)]

	Basic earnings per share	Diluted earnings per share
Three months ended	(JPY)	(JPY)
March 31, 2023	7.78	-
March 31, 2022	10.10	-

(Notes) 1. No statement is indicated above for the number of diluted EPS for Q1 FY2022 because there were no issuable shares with dilutive effects.

2. No statement is indicated above for the number of diluted EPS for Q1 FY2023 because there were no issuable shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(JPY MM)	(JPY MM)	%	(JPY)
March 31, 2023	4,933	4,080	82.5	158.92
December 31, 2022	4,980	4,042	81.1	157.63

(Ref.) Equity amount: Q1 FY2023: 4,072 million yen, Q4 FY2022: 4,038 million yen

2. Dividends

	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
	(JPY)	(JPY)	(JPY)	(JPY)	(JPY)
Year ended December 31, 2022	-	3.00	-	6.50	9.50
Year ending December 31, 2023	-	-	-	-	-
Year ending December 31, 2023 (Forecast)	-	4.00	-	7.00	11.00

(Note) Revisions to the dividends forecast since the latest announcement: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending December 31, 2023 (From Jan. 1, 2023, to Dec.31, 2023)

* Figures are rounded down to the nearest million yen, except share and per share data

* “%” indicates year-on-year changes from the previous corresponding period

	Net sales		Operating profit		Recurring profit		Net income attributable to owners of the parent		Basic earnings per share
	(JPY MM)	%	(JPY MM)	%	(JPY MM)	%	(JPY MM)	%	(JPY)
Six months ending June 30, 2023	2,145	(4.0)	322	(29.3)	329	(31.6)	228	(28.7)	8.90
Fiscal year ending December 31, 2023	5,065	11.5	1,313	27.7	1,330	26.0	923	27.7	36.03

(Note) Revisions to the forecast since the latest announcement: None

*Notes:

(1) Changes in Significant Subsidiaries during the Current Quarter

Changes in specified subsidiaries that caused a change in the scope of consolidation: None

Newly included companies: None, Newly excluded companies: None

(2) Application of Specific Accounting for Preparing the Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement

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

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For more detailed illustration, please refer to “2. Quarterly Consolidated Financial Statements and Significant Notes Thereto (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 11 of the attached document.

(4) Number of Shares Outstanding (Common Shares)

	As of March 31, 2023	As of December 31, 2022
Number of shares outstanding at the end of the period (treasury shares included)	26,608,800	26,608,800
Number of treasury shares at the end of the period	985,575	987,475
	Three months ended March 31 2023	Three months ended March 31 2022
Average number of shares during the period (cumulative from the beginning of the fiscal year)	25,622,619	25,614,142

(Note) The number of treasury shares at the end of the period includes our shares held by Custody Bank of Japan, Ltd. (Trust Account E) (159,200 shares for Q1 FY2023, 161,100 shares for FY2022). Our shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury stock deducted in the calculation of the average number of shares during the period (159,806 shares for Q1 FY2023, 168,283 shares for Q1 FY2022).

* This quarterly financial results report is out scope of the quarterly review by a certified public accountant nor audit firm.

* Explanation on appropriate use of performance forecasts and other special notes:

The performance forecast described in this report are based on information that is available to the Group, as well as certain assumptions and estimates that are deemed to be reasonable, and we make no assurance that such descriptions prove to be correct. Actual figures may significantly differ due to various factors.

Attached Material

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation on Operating Results

Momentum is growing in the healthcare industry for improved operations and changes to how information is handled. Changes to the systems for reimbursing medical treatment fees, nursing care fees, and disability welfare service fees are slated to take effect from April 2024 in what is known as the “triple” amendments. Ahead of these amendments, we think discussions in 2023 will gain considerable momentum around the creation of a nationwide medical information platform, the standardization of information in electronic health records, and the digital transformation (DX) of medical fee reimbursements. DX measures have become indispensable to collaborating with each medical institution, care facility, and community, and to improving operational efficiency. Steps are also being taken to make medical practice operations more efficient, and at the same time, ensure that patients can benefit from higher quality healthcare services.

We also recognize that the business environment has changed significantly following the COVID-19 pandemic. The way organizations view investments in systems in the medical field has changed. In addition to investments in systems for improving the working styles of physicians and medical professionals, there appears to be an increase in investments in operation systems designed to coordinate patient traffic. And there is an increasingly stronger investment appetite for diagnostic support systems equipped with more advanced technology.

The Group is continuing to expand sales of existing products and is actively working to develop and roll out new cloud-based services.

The consolidated financial results for the three months ended March 31, 2023 are as follows.

	Three months ended March 31, 2022	Three months ended March 31, 2023	Change (amount)	Change (%)
Net sales	1,264,576	1,251,802	(12,773)	(1.0%)
Operating profit	370,449	288,325	(82,124)	(22.2%)
Recurring profit	381,314	292,219	(89,094)	(23.4%)
Profit attributable to owners of the parent	258,717	199,428	(59,289)	(22.9%)

(JPY in thousands)

In the first three months of the fiscal year ending December 31, 2023 (January 1, 2023 to March 31, 2023), consolidated net sales were ¥1,251,802 thousand (-1.0% YoY), operating profit was ¥288,325 thousand (-22.2%), recurring profit was ¥292,219 thousand (-23.4%), and profit attributable to owners of the parent was ¥199,428 thousand (-22.9%).

In the first quarter of the current fiscal year, net sales were more or less flat year on year, and profit on all levels decreased. This is mainly due to a shift in the timing of sales recognition for the application of the Accounting Standard for Revenue Recognition from the fiscal year ended December 31, 2022.

Due to the accounting standard change, ¥35 million of sales and ¥29 million of operating profit in the first quarter of the fiscal year ended December 31, 2022 were booked as net sales and operating profit in the previous quarter. On the other hand, ¥251 million of sales and ¥210 million of operating profit in the first quarter of the fiscal year ending December 31, 2023 were booked as net sales and operating profit in the previous quarter.

Considering the impact of the above and the status of orders received, earnings are essentially in good shape. Sales growth and profitability are being maintained and we believe we are on track to achieving our full-year targets.

In terms of progress, net sales are at 24.7% of the full-year target, operating profit is at 22.0%, recurring profit is at 22.0%, and profit attributable to owners of the parent is at 21.6%.

Consolidated results by segment for the first three months of the current fiscal year are as follows.

From the first quarter of the fiscal year we reorganized our reportable segments into the following three segments: Medical Business, Public Sector Business, and the Health Tech Business. To enable year-on-year comparisons, results from the first quarter of the fiscal year ended December 31, 2022 have been restated under the new segments.

《Medical Business》

(JPY in thousands)

	Three months ended March 31, 2022	Three months ended March 31, 2023	Change (amount)	Change (%)
Net sales	1,195,549	1,179,454	(16,095)	(1.3%)
Operating profit	426,374	297,732	(128,642)	(30.2%)

Mainstay products in the Medical Business segment include the data management software *Claio*, the progress note system *C-Note*, and the document management software *DocuMaker*. These flagship products are rated highly in large hospitals that provide sophisticated healthcare services and therefore command a stable share of the market. As core hospital systems, they play integral roles essential to the delivery of medical care.

In the first quarter we focused on sales of packaged products to both existing and new customers in Japan. As a result, 19 hospitals and 22 clinics newly installed, added on, or updated our systems.

In the first three months of the current fiscal year, consolidated net sales in this segment were ¥1,179,454 thousand (-1.3% YoY) and operating profit was ¥297,732 thousand (-30.2%). The decline in sales and profit owes to the aforementioned change in accounting standard and we believe earnings to be solid with no major changes in net sales and profit trends.

Fitting Cloud Inc., a subsidiary mainly engaged in the provision of cloud solutions, endeavored to bring online and stabilize operations of a cloud platform for *Medical Avenue*, a next-generation patient guidance app for use at general hospitals that it launched in earnest in January 2023. Also, in March 2023 it started providing a cloud platform for the electronic tracing report service *AAE-Report*.

《Public Sector Business》

(JPY in thousands)

	Three months ended March 31, 2022	Three months ended March 31, 2023	Change (amount)	Change (%)
Net sales	26,371	35,616	9,244	35.1%
Operating profit or loss	(12,479)	3,908	16,387	-

The Public Sector Business segment was established this fiscal year, having been carved out from a department within the Medical Business segment.

In this segment, we mainly sell *DocuMaker Office*, an archive management and digital approval system, to mostly government ministries and agencies, local governments, public corporations and medical institution that can leverage its powerful features. The adoption of e-approval and document management systems is accelerating on the back of the government's push for DX, which in turn is leading to a rise in enquiries about, and negotiations for, the installation of packages for government offices and also medical institutions.

Regarding packages sold to local governments, during the first quarter we completed an installation and replacement project for an extra-governmental organization affiliated with the Tokyo Metropolitan Government. That brought the cumulative number of package installations to 24. As for packages for medical institutions to be used by medical administration departments, we have continued to expand sales in earnest from FY2022, targeting mainly large and mid-sized hospitals, our existing user base. Cumulative installations through to the first quarter now total five.

As a result of the above, in the first three months of the current fiscal year, consolidated net sales in this segment were ¥35,616 thousand (+35.1% YoY) and operating profit was ¥3,908 thousand (a return to profitability from the year-earlier operating loss of ¥12,479 thousand). In this segment we have launched a SaaS (software-as-a-service) business. We therefore anticipate profit growth generated by the buildup of monthly service fees as the number of existing users increases in the future.

For local government packages, we are currently focusing our sales activities on large projects and emphasizing project scale rather than simply increasing the number of projects, as a way to build a track record with a view to expanding sales up ahead. In addition, in order to considerably increase the number of projects at local governments throughout Japan from next fiscal year onwards, we are focusing on strengthening the sales capabilities of distributors and signing up new ones. Considering that our high-level consulting skills and user-oriented, user-friendly solutions have a strong reputation, we hope to gain many more contracts going forward.

For medical institution packages, spurred by the government's promotion of DX, we have fielded a large

number of enquiries from medical institutions that are considering the adoption of a document management system centering on the management of hospital rules and various manuals in order to comply with Japan's hospital function evaluation system. The adoption of our solutions not only improves the cumbersome management of hospital documents, but it also means we can propose ways for it to be used based on actual circumstances. Moreover, we can contribute to more efficient administration by providing thoroughgoing support after installation.

«Health Tech Business»

(JPY in thousands)

	Three months ended March 31, 2022	Three months ended March 31, 2023	Change (amount)	Change (%)
Net sales	43,397	36,731	(6,665)	(15.4%)
Operating loss	(43,446)	(13,315)	30,130	-

In the Health Tech Business segment, we are ramping up sales, in Japan and overseas, of our gaze analyzing perimeter, or *GAP* for short. The *GAP* is an affordable, groundbreaking wearable device that enhances availability by measuring a patient's visual field with a completely different approach to that of conventional examination methods. It can also contribute to the early detection of retinal diseases, such as glaucoma and other conditions that lack obvious symptoms in the early stages. Unlike a conventional visual field examination, the product does not require the use of a dark room, thus shortening the examination time and alleviating the burden on the patient. Moreover, by promoting the use of the *GAP* at facilities that conduct medical exams and health checkups, early-stage retinal disease patient data can be shared with R&D centers in Japan and overseas with the potential for it to contribute to the innovation of technology and solutions in numerous fields, including pharmaceuticals and life insurance. We are stepping up sales of *GAP-screener* to nationwide health checkup facilities in collaboration with Toyota Tsusho Corporation (headquartered in Aichi Prefecture). There were 11 domestic shipments of this product in the first quarter of the current fiscal year.

As a result of the above, in the first three months of the current fiscal year, consolidated net sales in this segment were ¥36,731 thousand (-15.4% YoY). We recorded an operating loss of ¥13,315 thousand, versus the year-earlier operating loss of ¥43,446 thousand. Net sales decreased year on year due to the impact of EMC Healthcare Co., Ltd. (headquartered in Tokyo) being removed from the scope of consolidation. On the other side, our operating loss decreased for the same reason, resulting in a smaller loss.

We also continue to undertake initiatives with a view to expanding overseas. Through one of our sales distributors Rexam Co., Ltd. (headquartered in Osaka), we exhibited the *GAP* at the MIDO Eyewear Show in Italy and at the APAO® 2023 Congress held in Malaysia. Even though the response from healthcare professionals attending these events was positive, we are aiming to ship products in earnest only after we have improved the interface so as to ensure examinations can be conducted smoothly in countries with different healthcare systems. We are also working to acquire pharmaceutical regulatory approval in India.

In addition, because the product can be used to detect not only visual field abnormality, but also MCI (mild cognitive impairment), it was adopted by the Japan Agency for Medical Research and Development (AMED) for the R&D of a screening program for slight cognitive dysfunctions, utilizing digital phenotyping of gaze point response and eyeball movements, as part of its 2021 research project for medical-engineering collaboration and implementation of artificial intelligence. We continue to pursue R&D together with Kyoto University. Over the next few years, we expect new medical devices will be introduced to the medical frontline.

(Note 1) Gaze Analyzing Perimeter, *GAP* (Notification No. of medical device manufacturing and sales 38B2X10003000002)

(Note 2) Gaze Analyzing Perimeter, *GAP-screener* (Notification No. of medical device manufacturing and sales 38B2X10003000003)

(Note 3) Abbreviation for Mild Cognitive Impairment. A stage of symptoms between those of healthy individuals and those with dementia, which has not yet progressed to dementia. Also called mild cognitive impairment.

(2) Explanation on the Financial Position
Status of Assets, Liabilities, and Net assets

(JPY in Thousands)

	As of December 31, 2022	As of March 31, 2023	Change in Amount
Assets	4,980,780	4,933,646	(47,133)
Liabilities	937,842	852,882	(84,960)
Net Assets	4,042,937	4,080,764	37,827

Total assets at the end of the first quarter amounted to ¥4,933,646 thousand, a decrease of ¥47,133 thousand from the end of the previous fiscal year. This was mainly due to a decrease of ¥38,575 thousand in current assets, primarily owing to a decrease of ¥100,100 thousand in notes and accounts receivable—trade, and contract assets, which outweighed an increase of ¥55,268 thousand in cash and deposits.

Liabilities amounted to ¥852,882 thousand, a decrease of ¥84,960 thousand from the end of the previous fiscal year. This was primarily attributable to a decrease of ¥82,582 thousand in current liabilities, mainly due to a decrease of ¥141,970 thousand in income taxes payable, which outweighed increases of ¥4,528 thousand in accounts payable and ¥33,100 thousand in accrued expenses.

Net assets amounted to ¥4,080,764 thousand, an increase of ¥37,827 thousand from the end of the previous fiscal year. This was mainly due to an increase in shareholders' equity of ¥33,308 thousand by virtue of an increase in retained earnings.

(3) Explanation on Consolidated Financial Forecasts and Other Forward-looking Statements

Our consolidated results forecasts for the first six months of the fiscal year ending December 31, 2023, along with our full-year forecasts, remain unchanged (previously announced in FY2022 consolidated financial results on February 13, 2023).

Even though the Group currently does not meet the Prime Market's continued listing criteria of a tradable share market capitalization of more than ¥10 billion, in order to deepen understanding about our growth strategy and earnings, from this fiscal year we will endeavor to further strengthen investor relations mainly by presenting results briefing materials particularly to individual investors. Further, we will aim to improve our corporate value by disclosing information in an appropriate and timely manner.

At the same time, we are beefing up our sustainability initiatives. We became a member of the Japan Climate Initiative (JCI), and as we did last year, we intend to submit a response to the Carbon Disclosure Project (CDP). In April we shortened our scheduled working hours and took steps to improve the quality of life of employees by establishing a workplace environment with more options for employees, such as fully remote employment for workers living in remote regions of Japan or overseas. In addition, we are pressing ahead with initiatives in line with the action plan we formulated based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We announced our support of the "My Declaration of Human Rights" campaign set up by the Ministry of Justice, and we are also actively responding to initiatives in Japan and overseas concerning the protection of human rights and environmental conservation, including our support of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(JPY in Thousands)

	As of Dec. 31, 2021	As of Mar.31,2022
ASSETS		
CURRENT ASSETS:		
Cash and deposits	2,413,747	2,469,015
Notes and accounts receivable -trade, and contract assets	1,361,258	1,261,157
Inventories	165,417	190,088
Work in process	3,975	3,124
Materials and supplies	146,612	145,948
Other current assets	37,291	20,392
Total current assets	4,128,302	4,089,727
NON-CURRENT ASSETS:		
Tangible assets	103,287	105,787
Intangible assets		
Software	251,005	252,156
Others	344	344
Total intangible assets	251,349	252,501
Investments and other assets	497,839	485,631
Total non-current assets	852,477	843,919
TOTAL ASSETS	4,980,780	4,933,646
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	81,209	85,737
Accrued expenses	142,630	175,731
Income taxes payable	227,529	85,558
Other current liabilities	202,633	224,392
Total current liabilities	654,002	571,420
LONG-TERM LIABILITIES:		
Provision for stock-based compensation	186,787	185,603
Other long-term liabilities	97,052	95,858
Total long-term liabilities	283,839	281,461
TOTAL LIABILITIES	937,842	852,882
NET ASSETS		
Shareholders' equity		
Share capital	254,259	254,259
Capital surplus	224,259	224,259
Retained earnings	4,372,694	4,404,537
Treasury shares	(812,506)	(811,040)
Stock acquisition rights	4,038,706	4,072,015
Non-controlling interests	4,230	8,749
TOTAL EQUITY	4,042,937	4,080,764
TOTAL LIABILITIES and NET ASSETS	4,980,780	4,933,646

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statement of Income, Cumulative)

(JPY in Thousands)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Net Sales	1,264,576	1,251,802
Cost of sales	473,564	537,011
Gross profit	791,011	714,790
Selling, general and administrative expenses	420,562	426,465
Operating profit	370,449	288,325
Non-operating profit		
Interest profit	9	22
Foreign exchange gain	7,400	830
Subsidy income	1,743	1,283
Royalty income	1,390	1,660
Miscellaneous income	393	97
Total non-operating profit	10,936	3,894
Non-operating expenses		
Interest expenses	72	-
Total non-operating expenses	72	-
Recurring profit	381,314	292,219
Profit before income taxes	381,314	292,219
Income taxes -current	127,738	79,159
Income taxes -deferred	(7,754)	9,112
Total income taxes	119,984	88,272
Profit	261,330	203,947
Profit attributable to non-controlling interests	2,612	4,518
Profit attributable to owners of the parent	258,717	199,428

(Quarterly Consolidated Statement of Comprehensive Income, Cumulative)

(JPY in Thousands)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Quarterly net income	261,330	203,947
Quarterly comprehensive income	261,330	203,947
(Breakdown)		
attributable to owners of the parent	258,717	199,428
attributable to non-controlling interests	2,612	4,518

(3) Notes to the Quarterly Consolidated Financial Statements

(Note on Going Concern Assumption): N/A

(Note on Significant Change in Equity Capital): N/A

(Changes in Accounting Policies)

(Application of Accounting Standard for Fair Value Measurement)

We have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Accounting Standard Guidance”) from the beginning of the first quarter of the fiscal year. In accordance with the transitional treatment prescribed in paragraph 27-2 of the Fair Value Accounting Standard Guidance, we have decided to apply the new accounting policies prescribed in the Fair Value Accounting Standard Guidance in the future. These changes had no impact on quarterly consolidated financial statements.

【Additional Information】

(Accounting Treatment for Employee Stock Ownership Plan, J-ESOP)

At the Board of Directors meeting held on October 29, 2015, the Company resolved to adopt an employee stock ownership plan (referred to as J-ESOP) as an incentive plan to grant Company shares purchased from the market to employees in order to more closely link the Company’s share price and earnings with employee compensation and to boost the motivation and morale of employees to improve the share price and earnings by sharing the economic benefits with shareholders.

Accordingly, Trust & Custody Services Bank, Ltd. (trust account E) (now Custody Bank of Japan, Ltd. (trust account E)) acquired 194,200 shares of the Company’s stock between November 13, 2015 and November 26, 2015.

Regarding accounting treatment for the J-ESOP, we have applied the gross method to record trust assets and liabilities as corporate assets and liabilities on the consolidated balance sheet in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

The treasury stock held by Custody Bank of Japan, Ltd. (trust account E) is shown as treasury shares in the net assets section of the quarterly consolidated balance sheet. The amount recorded at the end of the previous fiscal year was ¥124,277 thousand and the number of shares was 161,100. The amount recorded at the end of the first quarter of the current fiscal year was ¥122,811 thousand and the number of shares was 159,200.

【SEGMENT INFORMATION, etc.】

(Segment Information)

1. Sales and Income or Loss by Reportable Segment

Q1 FY2022 (From January 1, 2022, to March 31, 2022)

(JPY in thousands)

	Reportable segment				Adjustment (Note1)	Reported amount for consolidated financial statements (Note2)
	Medical Business	Public Sector Business	Health Tech Business	Sub total		
Net sales						
Sales for external customers	1,194,807	26,371	43,397	1,264,576	-	1,264,576
Internal sales or transfers between segments	742	-	-	742	(742)	-
Total	1,195,549	26,371	43,397	1,265,318	(742)	1,264,576
Segment profit or loss	426,374	(12,479)	(43,446)	370,449	-	370,449

(Notes) 1. Adjustments are derived from elimination of intersegment transactions.

2. Aggregated amount of segment income or loss equals amount of recurring profit reported for consolidated financial statements.

Q1 FY2023 (From January 1, 2023, to March 31, 2023)

(JPY in thousands)

	Reportable segment				Adjustment	Reported amount for consolidated financial statements (Note)
	Medical Business	Public Sector Business	Health Tech Business	Sub total		
Net sales						
Sales for external customers	1,179,454	35,616	36,731	1,251,802	-	1,251,802
Internal sales or transfers between segments	-	-	-	-	-	-
Total	1,179,454	35,616	36,731	1,251,802	-	1,251,802
Segment profit or loss	297,732	3,908	(13,315)	288,325	-	288,325

(Note) Aggregated amount of segment income or loss equals amount of recurring profit reported for consolidated financial statements.

2. Matters regarding the change in the reporting segments, etc.

From the first quarter of the current fiscal year, the Company has changed its form of reporting for the "Office System", which was formerly included in the "System Development", as a reportable segment considering its forthcoming quantitative and qualitative importance. The Company has changed the reportable segments from two divisions which were "System Development" and "Health Tech", to three divisions which are "Medical Business", "Public Sector Business", and "Health Tech Business."

The segment information for the first quarter of the previous consolidated fiscal year is disclosed based on the classification of reportable segments of the first quarter of the current consolidated fiscal year.

(Significant subsequent events)

There are no significant subsequent events to be disclosed.

3. Supplementary Information

(1) Transition of Significant Financial Key Performance Indicators

(JPY in thousands, except per share amounts)

	Three months ended March 31, 2022	Three months ended March 31, 2023	Fiscal year ended December 31, 2022
Net sales	1,264,576	1,251,802	4,541,242
Operating profit	370,449	288,325	1,028,522
Recurring profit	381,314	292,219	1,055,708
Profit	261,330	203,947	724,240
Profit attributable to owners of the non-controlling interests	2,612	4,518	1,461
Profit attributable to owners of the parent	258,717	199,428	722,779
Comprehensive income	261,330	203,947	724,240
Net assets	3,642,961	4,080,764	4,042,937
Total assets	4,565,528	4,933,646	4,980,780
Net assets per share	141.83	158.92	157.63
EPS (Earnings Per Share)	10.10	7.78	28.21

(2) Production, Order, Sales

1) Actual Result of Production for Q1 FY2023 (Cumulative Amount)

Business segment	Production (JPY in Thousands)	YoY (%)
Medical Business	404,845	124.8
Public Sector Business	13,536	78.1
Health Tech Business	33,081	65.0
Total	451,463	115.0

(Note) Figures above is calculated by total manufacturing cost for the current quarter.

2) Order Status for Q1 FY2023 (Cumulative Amount)

Business segment	Order received (JPY in Thousands)	YoY (%)	Order backlog (JPY in Thousands)	YoY (%)
Medical Business	782,288	123.0	1,029,093	334.9
Public Sector Business	3,466	9.4	12,290	28.6
Health Tech Business	13,100	86.4	-	-
Total	798,854	116.2	1,041,384	296.2

3) Sales Result for Q1 FY2023 (Cumulative Amount by Segment, Solution, and Channel)

Segment, solution, channel	Sales amount (JPY in Thousands)	Ratio (%)	YoY (%)
Medical Business			
Software (of via distributors)	686,509 (187,695)	54.8	92.0
Hardware (of via distributors)	81,060 (3,974)	6.5	195.3
Support	371,220	29.7	111.0
Others	40,664	3.2	55.7
Public Sector Business	35,616	2.8	135.1
Health Tech Business	36,731	3.0	84.6
Total	1,251,802	100.0	99.0