May 1, 2015

This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.

ITOCHU Corporation
(Code No. 8001, Tokyo Stock Exchange, 1st Section)
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Notice Regarding the Announcement of Our Subsidiary (ITOCHU Techno-Solutions Corporation) about Difference between Non-Consolidated Actual results for Fiscal Year Ended March 31, 2014 and Fiscal Year Ended March 31, 2015

ITOCHU Corporation announced today that our subsidiary (ITOCHU Techno-Solutions Corporation) provided information on difference between non-consolidated actual results for fiscal year ended March 31, 2014 and fiscal year ended March 31, 2015.

(Attachment)
Disclosed material of ITOCHU Techno-Solutions Corporation

Consolidated Financial Results for the Fiscal Year ended March 31, 2015 (IFRS)

May 1, 2015

Listed Company Name:	ITOCHU Techno-Solutions Corporation	Listing Exchanges:	Tokyo Stock Exchange
Securities Code:	4739	URL:	http://www.ctc-g.co.jp/en/index.html
Representative:	Satoshi Kikuchi, President & CEO		
Contact:	Kunihiko Yaita, General Manager, General Accounting & Financial Control Department Phone: +81-3-6203-5000		

Scheduled date of Annual General Meeting of Shareholders:	June 23, 2015
Scheduled date of dividend payment:	June 24, 2015
Scheduled date to submit the annual securities report *(Yukashoken Hokokusho)*:	June 24, 2015
Supplementary documents for financial results:	Yes
Financial results briefing:	Yes (for institutional investors and analysts)

(Figures less than one Millions of yen are omitted)

1. Consolidated Business Results for the Fiscal Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Revenue		Operating income		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/15	381,939	8.9	29,339	23.2	29,494	22.8	17,650	22.2	17,406	22.4
Year ended 3/14	350,567	–	23,814	–	24,025	–	14,440	–	14,225	–

	Total comprehensive income for the year		Basic earnings per share for the year	Diluted earnings per share for the year	Ratio of profit to equity attributable to owners of the Company	Ratio of profit before tax to total assets	Ratio of operating income to revenue
	Millions of yen	%	Yen	Yen	%	%	%
Year ended 3/15	17,917	19.8	148.79	–	10.5	10.1	7.7
Year ended 3/14	14,952	–	120.00	–	8.9	8.6	6.8

(Reference) Share of profit (loss) of entities accounted for using equity method (Millions of yen): Year ended 3/15: 66 Year ended 3/14: 177

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of "Basic earnings per share" is calculated on the assumption that the stock split had been carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of company	Ratio of equity attributable to owners of the company to total assets	Equity attributable to owners of the company per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
Year ended 3/15	302,734	172,907	168,876	55.8	1,460.66
Year ended 3/14	282,650	166,700	162,967	57.7	1,384.17

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of "Equity attributable to owners of the company per share" is calculated on the assumption that the stock split had been carried out at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 3/15	25,830	(17,342)	(13,594)	50,146
Year ended 3/14	6,414	(8,024)	(9,509)	55,083

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the company (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended 3/14	–	55.00	–	55.00	110.00	6,510	45.8	4.1
Year ended 3/15	–	57.50	–	62.50	120.00	6,997	40.3	4.2
Year ending 3/16 (forecast)	–	32.50	–	32.50	65.00		41.7	

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. For the fiscal years ended March 2014 and March 2015, the amounts of dividends before the stock split are recorded. For the second quarter and year-end dividends in the fiscal year ending March 2016 (forecast), the amounts of dividends are recorded in consideration of the effects after the stock split.

3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent changes from the same period of previous fiscal year)

	Revenue		Operating income		Profit before tax		Profit for the year		Profit for the year attributable to owners of the company		Basic earnings per share (forecast)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	390,000	2.1	29,500	0.5	29,400	(0.3)	18,300	3.7	18,000	3.4	155.69

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. “Basic earnings per share (forecast)” in the Forecast for Consolidated Business Results is calculated based on the number of outstanding shares after the stock split (excluding the number of treasury shares).

* Notes

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting principles and changes of accounting estimates

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

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(3) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury shares):
Year ended 3/15: 120,000,000 shares Year ended 3/14: 120,000,000 shares

(ii) Number of treasury shares at the end of period:
Year ended 3/15: 4,383,546 shares Year ended 3/14: 2,263,252 shares

(iii) Average number of shares during the period:
Year ended 3/15: 116,989,442 shares Year ended 3/14: 118,539,690 shares

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. "Number of shares outstanding at the end of period (including treasury shares)," "Number of treasury shares at the end of period" and "Average number of shares during the period" are calculated on the assumption that the stock split had been carried out at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/15	336,487	10.2	16,705	30.7	24,568	32.9	22,064	75.5
Year ended 3/14	305,276	1.8	12,777	(23.5)	18,489	(15.8)	12,570	(11.8)

	Earnings per share	Earnings per share/ diluted
	Yen	Yen
Year ended 3/15	188.60	–
Year ended 3/14	106.04	–

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of "Earnings per share" is calculated on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Millions of yen	Millions of yen	%	Yen
Year ended 3/15	278,475	157,657	56.6	1,363.63
Year ended 3/14	266,696	147,996	55.5	1,257.01

(Reference) Shareholders' equity (Millions of yen): Year ended 3/15: 157,657 Year ended 3/14: 147,996

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of "Book-value per share" is calculated on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

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* Disclosure regarding audit procedures
This summary of consolidated financial results does not constitute the audited financial statements under the Financial Instruments and Exchange Act. As of the date of disclosure of this summary of consolidated financial results, an audit of the financial statements had not been carried out in accordance with the Financial Instruments and Exchange Act.

* Cautionary statement with respect to forward-looking statements

- Effective from the fiscal year ended March 31, 2015, CTC started to apply the International Financial Reporting Standards (IFRS), and the figures for the fiscal year ended March 31, 2014 have been converted into IFRS-based figures. The financial figures presented in the Summary of Non-Consolidated Financial Results are prepared in accordance with the Japan GAAP, as before.
- These materials contain forward-looking statements and statements of this nature based on assumptions judged to be valid and information available to the Company as of the announcement date of the summary. These statements are not promises by the Company regarding future performance. Actual results may differ materially from forecasts due to a variety of factors. With respect to the conditions that underpin earnings forecasts as well as cautionary statements regarding the proper use of earnings forecasts, please refer to the section "1. Analysis of Operating Results and Financial Condition, (1) Analysis of operating results (Forecast for the next consolidated fiscal year)" of this Summary of Consolidated Financial Results in the Accompanying Materials section on page 3.
- The Company plans to hold an IR presentation for institutional investors and analysts on May 1, 2015. Materials distributed during the IR presentation will be posted on the Company's website.

Accompanying Materials – Contents

1. Analysis of Operating Results and Financial Condition

(1) Analysis of operating results

1) Operating results for the fiscal year under review

In the fiscal year under review, the Japanese economy, notwithstanding a partial impact from the higher consumption tax rate, was on a modest recovery path, as corporate earnings improved in the context of government economic and monetary policies.

In the information services industry, the overall business environment improved moderately, as the motivation to invest in the financial sector and part of the distribution and manufacturing sectors gradually increased, although there were cautious attitudes toward IT investment in some parts of the telecom industry.

In this environment, the CTC Group positioned the fiscal year ended March 31, 2015 as the “year in which it aims to get back on a growth track” to further strengthen its capacity to offer comprehensive IT services, which are the Group’s core strength, and implement measures aimed at improving profitability. More specifically, in the cloud service sector where future growth is expected, the Company formed a business alliance with Virtustream, Inc. from the U.S., a cloud solutions provider known for its high reliability and performance, to begin the development and examination of services designed for mission-critical systems. We also advanced the Software Defined Infrastructure (SDI) technology, which centrally controls infrastructure such as servers, storage and networks, more flexibly and rapidly, resulting in the expansion of the range of related products we handle. In the security field, in the context of the intensified threat from cyber-attacks, we opened the CTC Security Operation Center to monitor the status of customers’ assorted security equipment from a remote location 24 hours a day. We then started to provide CTC Managed Security Services, whereby we deal centrally with emergency and setting changes and the operation of equipment. We also strengthened our global support system by starting with CTC GLOBAL SDN. BHD., a Group associate in Malaysia, to provide customers in the ASEAN region seeking IT governance at the same level as in Japan with the CTC Proactive Service to monitor systems by using automated technology to prevent obstacles. In order to improve profitability, we continued to review our project management method to restrict unprofitable projects, and reinforced hedging measures against foreign exchange risk.

In terms of sales activities, we moved ahead with projects to augment networks for mobile carriers in the telecommunications business, developed systems for megabanks in the financial & public business, and focused on projects to enhance the facilities of electric power-affiliated communications companies and the establishment of infrastructure for postal companies. We also pursued cloud projects for transportation in the enterprise business, and focused on projects such as the establishment of mission-critical systems for retail and food wholesale companies in the distribution business.

With regard to human resources development, we implemented our own training program for engineers to acquire next-generation cloud technology, the development technology of the related application and infrastructure technology, prior to the establishment of an organization for the R&D of the future cloud infrastructure. Looking ahead to further global expansion, we also adopted initiatives such as language training and a short-term study abroad program, and the dispatch of employees on internships with overseas companies. In addition, with the aim of further improving service quality and customer satisfaction, we implemented initiatives designed to change the mindset of employees towards their working styles. Such measures include the full-scale introduction of a policy to encourage employees to adopt a morning-focused working style in order to improve their concentration and efficiency while working.

As a consequence of the above, for the consolidated results for the fiscal year under review, all the businesses including products, development and services improved, and revenue reached 381,939 million yen (up 8.9% from the previous fiscal year). In terms of profit, gross profit increased due to higher sales, despite an increase in personnel expenses. As a result, we achieved operating income of 29,339 million yen (up 23.2%), profit before taxes of 29,494 million yen (up 22.8%), profit for the year of 17,650 million yen (up 22.2%), and profit for the year attributable to owners of the Company of 17,406 million yen (up 22.4%).

Non-consolidated net sales for the fiscal year under review reached 336,487 million yen (up 10.2% from the previous fiscal year). In terms of profit, operating income amounted to 16,705 million yen (up 30.7%), and ordinary income accounted for 24,568 million yen (up 32.9%). Net income reached 22,064 million yen (up 75.5%) due to the contributions of the gain on sales of shares of the associates.

Effective from the fiscal year ended March 31, 2015, we started to apply the International Financial Reporting Standards (IFRS) in place of the Japan GAAP that was previously used, and the figures for the previous consolidated fiscal year have been converted from the Japan GAAP figures, as previously announced, into IFRS-based figures.

Segment results by business were as follows.
Effective from the fiscal year under review, the Company revised its reportable segment structure. Year-on-year comparisons and analyses presented below have been adjusted to reflect the revised segments.

(i) Telecommunications

Net sales increased by 7.7% year on year, to 133,301 million yen, due mainly to the increase in projects for mobile carriers. Pre-tax income rose by 59.2%, to 9,744 million yen.

(ii) Finance & Public

Net sales rose by 25.5%, to 72,254 million yen, and pre-tax income increased by 412.9%, to 6,001 million yen, due to the solid increase in projects for postal companies, electric power-affiliated communications companies, and megabanks.

(iii) Enterprise

Net sales and pre-tax income decreased by 5.2% and 52.0% respectively, to 79,175 million yen and 409 million yen.

(vi) Distribution

Net sales and pre-tax income increased by 15.2% and 42.1% respectively, to 62,700 million yen and 4,342 million yen, due to the increase in projects for retail and food wholesale companies.

(v) IT Service

In this segment, all the companies in the Group offer comprehensive services that focus on the cloud-related business and maintenance and operation. Net sales rose by 7.0%, to 102,025 million yen, while pre-tax income fell by 24.6%, to 8,565 million yen.

(vi) Others

This segment includes the overseas subsidiaries, science businesses and others. Net sales and pre-tax income increased by 10.4% and 8.7% respectively, to 30,642 million yen and 1,743 million yen.

(Note) The net sales and pre-tax income for the segments shown above are those before the elimination of inter-segment sales.

2) Forecast for the next consolidated fiscal year

Although the economic situation in the euro zone and China will continue to require close monitoring, the Japanese economy is expected to recover gradually thanks to positive factors including the economic growth seen mainly in the U.S. and ASEAN, as well as the economic and monetary policies of the government, a weak yen and strong stock prices.

In the information services industry, despite concerns about negative factors such as moves to reduce capital investment in the information telecommunication area, investment in the IT sector is expected to expand, particularly in the financial, public, public interest and manufacturing sectors.

Under these circumstances, we will pursue dramatic growth towards the year ending March 31, 2018 under the three-year mid-term business plan that we have just developed by expanding service-oriented businesses, strengthening the customer base through our comprehensive strength, and investing actively in growing areas.

More specifically, we will use the Cloud Innovation Center, which we opened in April 2015, to create new competitive services and expand the business. In addition, we will leverage our comprehensive strength by mutually using the strengths of each organization to make upfront investments towards growth in the future, including increasing transactions for important customers, strengthening our ability to deal with large-scale projects, focusing on local businesses on a full scale, and advancing global development, mainly in ASEAN.

As a result of the above, the Company’s forecast for the next consolidated fiscal year is revenue of 390,000 million yen, operating income of 29,500 million yen, profit before tax of 29,400 million yen, profit for the year of 18,300 million yen and profit for the year attributable to owners of the company of 18,000 million yen.

(2) Analysis of financial condition

Assets at the end of the consolidated fiscal year under review amounted to 302,734 million yen, up 20,084 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 8,038 million yen in trade and other receivables and 14,511 million yen in other financial assets (current assets), in spite of the decrease of 4,937 million yen in cash and cash equivalents.

Liabilities rose by 13,877 million yen from the end of the previous consolidated fiscal year, to 129,827 million yen, due primarily to increases of 5,200 million yen in trade and other payable, 2,043 million yen in current taxes payable, and 2,893 million yen in employee benefits (current liabilities).

Equity reached 172,907 million yen, up 6,206 million yen from the end of the previous consolidated fiscal year. This mostly reflected an increase of 17,650 million yen in profit for the year, despite decreases of 6,622 million yen in dividends paid by the company and 5,002 million yen in the purchase of treasury stock.

Cash flows

Cash and cash equivalents (hereinafter called “cash”) at the end of the fiscal year under review fell 4,937 million yen from the end of the previous fiscal year to 50,146 million yen.

The status and major components of each cash flow in the consolidated fiscal year under review are shown below.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 25,830 million yen. This reflected 29,494 million yen in profit before income taxes; with income of 8,202 million yen in depreciation and amortization expense, 2,685 million yen in decrease (increase) in inventories, and 4,596 million yen in increase (decrease) in trade and other payables; and outlays of 9,466 million yen in decrease (increase) in trade and other receivables and 9,722 million yen in income taxes paid.

Compared to the previous consolidated fiscal year, net cash provided by operating activities increased by 19,415 million yen due to the increase of 5,468 million yen in profit before income taxes, 6,079 million yen in decrease (increase) in trade and other receivables, and 6,116 million yen in decrease (increase) in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 17,342 million yen. This was due to 2,650 million yen for payments for acquisition of property, plant and equipment and 14,415 million yen in net decrease (increase) in deposits.

Compared to the previous consolidated fiscal year, net cash used in investing activities increased by 9,318 million yen. This was attributable to an increase of 14,569 million yen in net decrease (increase) in deposits, despite decreases of 3,890 million yen in payments for acquisition of property, plant and equipment and 1,044 million yen in acquisitions of newly consolidated subsidiaries, net of cash acquired.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 13,594 million yen. Major factors were 5,004 million yen in payments for the purchase of treasury share, 2,982 million yen in repayments of finance lease obligations and 6,623 million yen in dividends paid, offsetting 1,569 million yen in proceeds from sales and leasebacks.

Compared to the previous consolidated fiscal year, net cash used in financing activities increased by 4,085 million yen. This result reflected increases of 2,499 million yen in purchase of treasury share and 566 million yen in repayments of finance lease obligations; and 870 million yen in repayments of short-term borrowings.

The trends of the Group’s cash flow indicators are as follows:

	Year ended 3/14	Year ended 3/15
Ratio of equity attributable to owners of the company to total assets (%)	57.7	55.8
Ratio of equity attributable to owners of the company to total assets at prevailing prices (%)	90.7	95.3
Debt repayment term (year)	2.8	0.7
Interest Coverage Ratio	44.1	195.8

* Equity ratio attributable to owners of parent at prevailing prices: Market capitalization/Total assets
Debt repayment term: Interest-bearing debts/Operating cash flow
Interest Coverage Ratio: Operating cash flow/Interest payment

1. Each index is calculated based on the consolidated financial figures.
2. Market capitalization is calculated by multiplying the stock price at the end of the period by the number of shares outstanding at the end of the period (excluding treasury stock).
3. The figure in operating cash flow is taken from cash flow from operating activities in the consolidated cash flow statement. Interest-bearing debts combine all debts recorded in the consolidated financial statements on which interest is paid.

(3) Basic profit allocation policy, and dividends for the current and new fiscal year

The Group recognizes the return of profits to shareholders as an important management issue. In line with its principle of increasing dividend levels, the Group works to secure stable dividend payments and stresses the return of profits in line with business performance, while carefully considering the balance of internal reserves and the actual amount distributed to shareholders. The Group aims for a consolidated payout ratio of around 40%. The Group pays out interim and year-end dividends every year. Year-end dividends are subject to resolutions made by the General Meeting of Shareholders, while interim dividends are subject to resolutions made by the Board of Directors.

For the fiscal year under review, in line with this policy and in view of the consolidated financial position and other factors, the Group plans to pay an annual dividend of 120 yen per share (of which 57.50 yen was paid out as an interim dividend). As a result, the consolidated payout ratio for the fiscal year under review will be 40.3%.

The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of dividends indicated above assumes the amount before the stock split.

Regarding dividends for the new fiscal year, the Group will continue to pay dividends twice a year, with September 30 and March 31 as the record dates, and plans to pay 32.50 yen per share after the stock split for both the interim dividend and the year-end dividend, which will bring the total annual dividend to 65 yen.

2. Outline of the Corporate Group

The Group, which consists of the Company, the Company's parent company, 12 subsidiaries and 5 affiliates, is involved mainly in sales and maintenance of computers and network systems, commissioned software development, data center services, and support. Each consolidated subsidiary specializes in a specific function or industry to constantly offer new solutions and services to users with positivity and speed. The Company also adopts a policy of expanding and strengthening groups of professionals for each function and sector through active capital participation in existing companies with high levels of expertise in sectors closely connected with the Company's business.

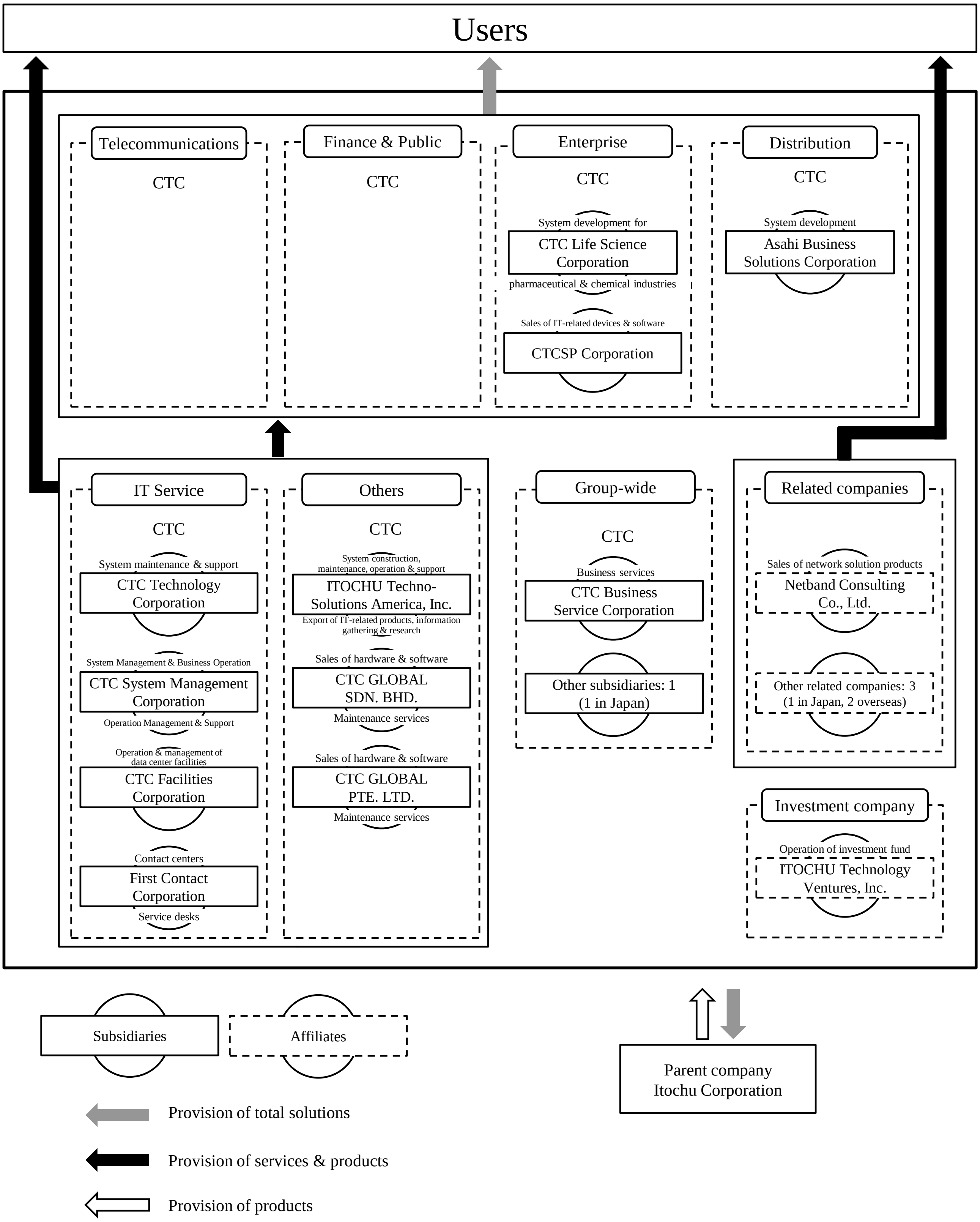
The following shows the positioning of each company in relation to the Group's business and an operational diagram.

Effective from the fiscal year ended March 31, 2015, the Company changed its reportable segment categories. For more information, refer to "5. Consolidated Financial Statements (6) Notes to consolidated financial statements."

Business category	Business description	Major related companies
Telecommunications	Segment structure that allows optimum response to customer needs; each business segment conducts comprehensive proposal and sales activities covering everything from consulting to system design and construction and maintenance and operation services.	–
Finance & Public		–
Enterprise		CTC Life Science Corporation CTCSP Corporation
Distribution		Asahi Business Solutions Corporation
IT Service	This segment collaborates with the above four business segments over proposals and procurement in the services business, focusing on IT infrastructure outsourcing, maintenance and operation services.	CTC Technology Corporation CTC System Management Corporation CTC Facilities Corporation First Contact Corporation
Others	Businesses that are not included in the above; these include subsidiaries involved in activities such as product procurement.	ITOCHU Techno-Solutions America, Inc. CTC GLOBAL SDN. BHD. CTC GLOBAL PTE. LTD.

The operational diagram

Below is an operational diagram illustrating the matters described above.



3. Management Policies

(1) Basic management policies

Today, information systems play an important role as the bedrock of corporate management, and their role will become increasingly important for everything from information processing to the formulation of management strategy and the creation of business models. The CTC Group is committed to contributing to the creation of a prosperous society through its business activities, by continuing to rise to the challenge of being a company that responds quickly to the constantly changing IT needs of its customers and achieves customer satisfaction, in line with the Group's guiding slogan of "Challenging Tomorrow's Changes," which is also the origin of CTC name.

< CTC Group Philosophy>

Slogan

Challenging Tomorrow's Changes

Mission

Harnessing IT's potential to change the future, and helping to create an aspirational, enriched society

Values and Action Guidelines

Challenge the Change	Are you tenacious? Are you constantly trying new things without ever giving up?
Challenge the Value	Are you creative? Do you create value that exceeds customers'expectations?
Challenge the Future	Are you free thinking? Do you strive to map out a brighter future?

(2) Management target

The Group aims to develop a high profit company structure that combines both growth potential and stability through management focused on business expansion and higher operating margins. We will also focus on capital efficiency to strive to further enhance shareholder value.

(3) Medium and long-term management strategies

We have developed a three-year mid-term business plan starting in the fiscal year ending March 2016. The Group aims to "take responsibility for the evolution of the IT industry, as the industry's leading company," which continues to serve as an engine of the development of the information society, and plans to achieve sustainable growth by implementing strategies in accordance with the following Basic Management Policy:

1) Shift to "a service-type business"

We aim to improve our profitability by developing and expanding the competitive next-generation cloud services that capture the needs of customers, and further reinforcing the services of each segment to take advantage of our strengths.

2) Shift to "comprehensive" management

We will further wield our comprehensive strength by mutually leveraging the strengths of each organization. We will then establish several business areas that can be our new pillars by expanding the transactions for our important customers, focusing on local businesses on a full scale, further global expansion,4e and developing our global businesses.

3) Shift to growth "investments"

We will enlarge our business scale by investing in advanced technology, including the training of engineers; expanding engineer resources and reinforcing their structure; and proactively forming alliances with domestic and foreign companies for the development of new business.

In addition to the above, we will make efforts to further strengthen our management foundation by implementing measures including the improvement of profitability, the reform of the company to be meaningful and attractive, and a flexible capital policy.

(4) Future challenges

We have been widely contributing to the development of informatization in Japan by capturing the industry trend, quickly entering into partnerships with domestic and foreign IT leading companies with high technology, and offering optimal solutions to customers' needs.

Regarding the recent environments surrounding the Company, the use of Big Data and the IoT (Internet of Things) has been becoming full-fledged, and the main purpose of IT investment by customers has been shifted from cost reduction to the formation of competitiveness. In addition, the options one can take for IT systems to realize those purposes are also increasing as cloud computing spreads. One can own or use services, or a combination of these. The needs for IT services have therefore intensified and diversified, and the related technology has been making rapid progress. Under these circumstances, we need to understand the business characteristics of each customer and continue to offer optimal IT services.

Because we have strengths in particular industries, we tend to be subject to the influence of business trends in those industries. We consider the risk related to changes in sales volume to be our issue. To avoid this risk and realize sustainable growth, we consider that it is important to further strengthen our customer base and advance into markets that are expected to grow.

4. Basic Policy for the Selection of Accounting Standards

The CTC Group, which operates businesses globally, applies the International Financial Reporting Standards (IFRS) with the aim of improving convenience for domestic and international users of financial statements and the comparability of financial information in the international capital markets.

5. Consolidated Financial Statements

(1) Consolidated statement of financial position

	Date of transition (As of April 1, 2013)	Previous consolidated fiscal year (As of March 31, 2014)	Consolidated fiscal year under review (As of March 31, 2015)
Classes	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Assets			
Current assets			
Cash and cash equivalents	66,133	55,083	50,146
Trade and other receivables	87,447	101,530	109,568
Inventories	20,038	23,573	20,973
Current tax assets	–	12	27
Other financial assets	842	689	15,200
Other current assets	22,360	26,249	31,327
Total current assets	196,822	207,139	227,245
Non-current assets			
Property, plant and equipment	34,707	35,596	34,780
Goodwill	4,236	4,467	4,660
Intangible assets	10,727	10,046	10,534
Investments accounted for by the equity method	1,315	1,489	621
Other financial assets	12,225	11,054	10,749
Deferred tax assets	12,681	11,609	12,298
Other non-current assets	1,074	1,246	1,844
Total non-current assets	76,968	75,511	75,489
Total assets	273,791	282,650	302,734

	Date of transition (As of April 1, 2013)	Previous consolidated fiscal year (As of March 31, 2014)	Consolidated fiscal year under review (As of March 31, 2015)
Classes	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
Liabilities and equity			
Current liabilities			
Trade and other payables	40,207	44,491	49,691
Other financial liabilities	5,648	6,064	6,869
Current taxes payable	7,803	6,560	8,604
Employee benefits	13,391	11,892	14,786
Provision	761	1,225	1,100
Other current liabilities	21,736	25,811	29,896
Total current liabilities	89,548	96,045	110,949
Non-current liabilities			
Non-current financial liabilities	14,428	12,748	12,236
Employee benefits	6,590	4,576	4,259
Provision	1,448	1,649	1,646
Deferred tax liabilities	870	887	724
Other non-current liabilities	75	42	11
Total non-current liabilities	23,413	19,904	18,878
Total liabilities	112,961	115,949	129,827
Equity			
Common stock	21,763	21,763	21,763
Capital surplus	33,076	33,076	33,076
Treasury shares	(10,370)	(4,223)	(9,225)
Retained earnings	111,525	111,132	121,530
Other components of equity	1,398	1,219	1,732
Total equity attributable to owners of the Company	157,392	162,967	168,876
Non-controlling interests	3,436	3,732	4,030
Total equity	160,829	166,700	172,907
Total liabilities and equity	273,791	282,650	302,734

(2) Consolidated income statement and consolidated statements of comprehensive income

Consolidated income statement

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (From April 1, 2014 to March 31, 2015)
Classes	Amount (Millions of yen)	Amount (Millions of yen)
Revenue	350,567	381,939
Cost of sales	(266,857)	(290,660)
Gross profit	83,710	91,279
Other income and expenses		
Selling, general and administrative expenses	(59,387)	(62,500)
Other income	331	1,225
Other expenses	(840)	(666)
Total other income and expenses	(59,896)	(61,940)
Operating income	23,814	29,339
Financial income	237	221
Financial costs	(203)	(157)
Share of profit of associated accounted for using the equity method	177	66
Gain on sales of shares of subsidiaries and associates	–	23
Profit before taxes	24,025	29,494
Income tax expense	(9,584)	(11,844)
Profit for the year	14,440	17,650
Profit for the year attributable to :		
Owners of the Company	14,225	17,406
Non-controlling interests	215	243

Earnings per share for the year (Attributable to owners of the Company)	(yen)	(yen)
Basic earnings per share for the year	120.00	148.79
Diluted earnings per share for the year	–	–

Consolidated comprehensive income

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (From April 1, 2014 to March 31, 2015)
Classes	Amount (Millions of yen)	Amount (Millions of yen)
Profit for the year	14,440	17,650
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss:		
Changes in net fair value of financial assets measured through other comprehensive income	(422)	17
Remeasurements of defined benefit plans	369	(363)
Share of other comprehensive income of associates accounted for using the equity method	0	0
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	532	568
Cash flow hedge	7	8
Share of other comprehensive income of associates accounted for using the equity method	25	34
Total other comprehensive income for the year, net of income tax	512	266
Total comprehensive income for the year	14,952	17,917
Total comprehensive income for the year attributable to:		
Owners of the Company	14,622	17,533
Non-controlling interests	329	383

(3) Consolidated statement of changes in equity

(Millions of yen)

Classes	Equity attributable to owners of parent						
					Other components of equity		
	Common stock	Capital surplus	Treasury shares	Retained earnings	Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2013	21,763	33,076	(10,370)	111,525	–	1,401	(2)
Profit for the year	–	–	–	14,225	–	–	–
Other comprehensive income for the year, net of income tax	–	–	–	–	442	(421)z	7
Total comprehensive income for the year	–	–	–	14,225	442	(421)	7
Payment of dividends	–	–	–	(6,545)	–	–	–
Purchase of treasury shares	–	–	(2,502)	–	–	–	–
Retirement of treasury shares	–	(0)	8,650	(8,649)	–	–	–
Movement in other non-controlling interests	–	–	–	–	–	–	–
Transfer to retained earnings from other components of equity	–	–	–	577	–	(207)	–
Total transactions with owners	–	(0)	6,147	(14,618)	–	(207)	–
March 31, 2014	21,763	33,076	(4,223)	111,132	442	771	4

(Millions of yen)

Classes	Equity attributable to owners of parent		Non-controlling interests	Total equity
	Other components of equity	Total equity attributable to owners of the Company		
	Remeasurement of defined benefit obligation			
April 1, 2013	–	157,392	3,436	160,829
Profit for the year	–	14,225	215	14,440
Other comprehensive income for the year, net of income tax	369	397	114	512
Total comprehensive income for the year	369	14,622	329	14,952
Payment of dividends	–	(6,545)	(80)	(6,626)
Purchase of treasury shares	–	(2,502)	–	(2,502)
Retirement of treasury shares	–	–	–	–
Movement in other non-controlling interests	–	–	46	46
Transfer to retained earnings from other components of equity	(369)	–	–	–
Total transactions with owners	(369)	(9,048)	(34)	(9,082)
March 31, 2014	–	162,967	3,732	166,700

(Millions of yen)

Classes	Equity attributable to owners of parent						
					Other components of equity		
	Common stock	Capital surplus	Treasury shares	Retained earnings	Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2014	21,763	33,076	(4,223)	111,132	442	771	4
Profit for the year	–	–	–	17,406	–	–	–
Other comprehensive income for the year, net of income tax	–	–	–	–	464	17	8
Total comprehensive income for the year	–	–	–	17,406	464	17	8
Payment of dividends	–	–	–	(6,622)	–	–	–
Purchase of treasury shares	–	–	(5,002)	–	–	–	–
Retirement of treasury shares	–	–	–	–	–	–	–
Movement in other non-controlling interests	–	–	–	–	–	–	–
Transfer to retained earnings from other components of equity	–	–	–	(386)	–	22	–
Total transactions with owners	–	–	(5,002)	(7,008)	–	22	–
March 31, 2015	21,763	33,076	(9,225)	121,530	907	812	13

(Millions of yen)

Classes	Equity attributable to owners of parent		Non-controlling interests	Total equity
	Other components of equity	Total equity attributable to owners of the Company		
	Remeasurement of defined benefit obligation			
April 1, 2014	–	162,967	3,732	166,700
Profit for the year	–	17,406	243	17,650
Other comprehensive income for the year, net of income tax	(363)	127	139	266
Total comprehensive income for the year	(363)	17,533	383	17,917
Payment of dividends	–	(6,622)	(85)	(6,708)
Purchase of treasury shares	–	(5,002)	–	(5,002)
Retirement of treasury shares	–	–	–	–
Movement in other non-controlling interests	–	–	–	–
Transfer to retained earnings from other components of equity	363	–	–	–
Total transactions with owners	363	(11,624)	(85)	(11,710)
March 31, 2015	–	168,876	4,030	172,907

(4) Consolidated cash flow statement

Classes	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014) Amount (Millions of yen)	Consolidated fiscal year under review (From April 1, 2014 to March 31, 2015) Amount (Millions of yen)
Cash flows from operating activities		
Profit before tax	24,025	29,494
Adjustments for:		
Depreciation and amortization expense	7,558	8,202
Impairment loss	–	298
Interest and dividends income	(111)	(149)
Interest expenses	203	157
Share of (profit)/loss of associates accounted for using the equity method	(177)	(66)
Loss (gain) on sales of shares of subsidiaries and associates	–	(23)
Decrease/(increase) in trade and other receivables	(15,546)	(9,466)
Decrease (increase) in inventories	(3,430)	2,685
Increase/(decrease) in trade and other payables	6,257	4,596
Others	(2,571)	(238)
Subtotal	16,207	35,489
Interest and dividend income received	141	195
Interest expenses paid	(145)	(131)
Income taxes paid	(9,788)	(9,722)
Net cash generated by operating activities	6,414	25,830
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(6,540)	(2,650)
Payments for retirement of property, plant and equipment	(134)	–
Proceeds from sales of property, plant and equipment	166	36
Payments for acquisition of intangible assets	(1,644)	(1,458)
Proceeds from sales of intangible assets	2	–
Payments for acquisition of investment securities	(3)	(1)
Proceeds from sale of investment securities	713	28
Decrease/(increase) in Proceeds from distribution of investment in partnerships	312	190
Proceeds from sales of shares of subsidiaries and associates	–	925
Decrease/(increase) in deposits other than cash equivalents	153	(14,415)
Acquisitions of newly consolidated subsidiaries, net of cash acquired	(1,044)	–
Others	(5)	3
Net cash (used in)/generated by investing activities	(8,024)	(17,342)

	Previous consolidated fiscal year (From April 1, 2013 to March 31, 2014)	Consolidated fiscal year under review (From April 1, 2014 to March 31, 2015)
Classes	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from financing activities		
Repayments short-term loans borrowings	–	(870)
Proceeds from short-term borrowings	437	402
Purchase of treasury share	(2,505)	(5,004)
Proceeds from sales and leaseback	1,600	1,569
Repayments of finance lease obligations	(2,415)	(2,982)
Dividends paid to owners of the Company	(6,545)	(6,623)
Dividends paid to non-controlling interests	(80)	(85)
Net cash (used in)/generated by financing activities	(9,509)	(13,594)
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	68	168
Net increase/(decrease) in cash and cash equivalents	(11,049)	(4,937)
Cash and cash equivalents at the beginning of the year	66,133	55,083
Cash and cash equivalents at the end of the year	55,083	50,146