

October 31, 2016

## Outline of business results

### Consolidated Net sales and Profits

(Millions of yen)

	2014 Jan. - Sep.	2015 Jan. - Sep.				2016 Jan. - Sep.				
	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year	Consolidated to non-consolidated ratio
Net sales	463,210	453,637	100.0%	-9,573	-2.1%	482,744	100.0%	+29,106	+6.4%	1.10
Gross profit	99,633	100,411	22.1%	+777	+0.8%	104,536	21.7%	+4,125	+4.1%	1.08
Operating income	28,567	27,900	6.2%	-666	-2.3%	29,398	6.1%	+1,497	+5.4%	1.10
Ordinary income	29,326	28,597	6.3%	-728	-2.5%	30,245	6.3%	+1,647	+5.8%	1.08
Net income*	17,454	17,728	3.9%	+274	+1.6%	19,713	4.1%	+1,984	+11.2%	1.07

\*Profit attributable to owners of parent

### Non-consolidated Net sales and Profits

(Millions of yen)

	2014 Jan. - Sep.	2015 Jan. - Sep.				2016 Jan. - Sep.			
	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
Net sales	427,952	416,737	100.0%	-11,214	-2.6%	440,288	100.0%	+23,551	+5.7%
Gross profit	91,549	92,198	22.1%	+648	+0.7%	96,527	21.9%	+4,328	+4.7%
Operating income	25,534	24,969	6.0%	-565	-2.2%	26,844	6.1%	+1,875	+7.5%
Ordinary income	26,409	25,920	6.2%	-488	-1.8%	28,018	6.4%	+2,097	+8.1%
Net income	15,912	16,137	3.9%	+225	+1.4%	18,488	4.2%	+2,351	+14.6%

### Quarterly change of consolidated Net sales

(Millions of yen)

	FY 2014	FY 2015			FY 2016		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	176,894	159,411	-17,483	-9.9%	171,130	+11,719	+7.4%
2Q (Apr. - Jun.)	155,516	158,522	+3,005	+1.9%	167,379	+8,857	+5.6%
3Q (Jul. - Sept.)	130,799	135,704	+4,904	+3.7%	144,234	+8,529	+6.3%
4Q (Oct. - Dec.)	142,555	155,408	+12,852	+9.0%	-	-	-

### Quarterly change of consolidated Ordinary income

(Millions of yen)

	FY 2014	FY 2015			FY 2016		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	12,468	9,502	-2,966	-23.8%	10,360	+858	+9.0%
2Q (Apr. - Jun.)	12,328	14,194	+1,866	+15.1%	14,207	+12	+0.1%
3Q (Jul. - Sept.)	4,529	4,900	+371	+8.2%	5,677	+776	+15.8%
4Q (Oct. - Dec.)	8,818	9,642	+824	+9.3%	-	-	-

### Consolidated Net sales by segments

(Millions of yen)

	2014 Jan. - Sep.	2015 Jan. - Sep.				2016 Jan. - Sep.			
	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
System Integration business	282,086	264,076	58.2%	-18,009	-6.4%	283,922	58.8%	+19,845	+7.5%
Service and Support business	180,838	189,288	41.7%	+8,449	+4.7%	198,523	41.1%	+9,234	+4.9%
Other business	286	272	0.1%	-13	-4.8%	298	0.1%	+26	+9.6%

### Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		2014 Jan. - Sep.	2015 Jan. - Sep.				2016 Jan. - Sep.			
		Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
Net sales	System Integration	249,648	229,779	55.1%	-19,868	-8.0%	244,041	55.4%	+14,261	+6.2%
	Service and Support	178,303	186,957	44.9%	+8,654	+4.9%	196,247	44.6%	+9,290	+5.0%
Gross profit	System Integration	47,961	46,824	50.8%	-1,136	-2.4%	49,030	50.8%	+2,205	+4.7%
	Service and Support	43,588	45,374	49.2%	+1,785	+4.1%	47,496	49.2%	+2,122	+4.7%

### Non-consolidated Net sales by 4 segments

(Millions of yen)

		2014 Jan. - Sep.	2015 Jan. - Sep.				2016 Jan. - Sep.			
		Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	Change to Last year
System Integration business	SI related products	220,010	201,737	48.4%	-18,272	-8.3%	215,519	48.9%	+13,781	+6.8%
	Custom-made software etc.	29,638	28,042	6.7%	-1,596	-5.4%	28,521	6.5%	+479	+1.7%
Service and Support business	Supplies	89,809	95,875	23.0%	+6,066	+6.8%	101,303	23.0%	+5,427	+5.7%
	Maintenance, etc.	88,493	91,081	21.9%	+2,587	+2.9%	94,944	21.6%	+3,862	+4.2%

**Consolidated Cash flows**

(Millions of yen)

	2014	2015	2016
	Jan. - Sep.	Jan. - Sep.	Jan. - Sep.
C/F from operating	26,143	23,324	<b>19,972</b>
C/F from investing	-4,785	-6,195	<b>-4,563</b>
C/F from financing	-7,480	-8,591	<b>-9,531</b>
Cash and cash equivalents at end of period	90,681	106,482	<b>115,465</b>

**Consolidated Equity and Interest-bearing debt**

(Millions of yen)

	2014	2015	2016
	Sep. 30	Sep. 30	Sep. 30
Equity	154,395	167,274	<b>182,850</b>
Interest-bearing debt	9,678	9,527	<b>9,127</b>
Total assets	286,431	304,694	<b>327,069</b>
Equity ratio	53.9%	54.9%	<b>55.9%</b>
Interest-bearing debt ratio	3.4%	3.1%	<b>2.8%</b>

**Non-consolidated Key strategic business**

(Millions of yen)

	2014	2015 Jan. - Sep.			2016 Jan. - Sep.		
	Jan. - Sep.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	95,110	102,438	+7,327	+7.7%	<b>108,934</b>	<b>+6,496</b>	<b>+6.3%</b>
SMILE	8,739	7,695	-1,044	-12.0%	<b>7,024</b>	<b>-670</b>	<b>-8.7%</b>
ODS21	33,101	34,543	+1,441	+4.4%	<b>38,279</b>	<b>+3,736</b>	<b>+10.8%</b>
OSM	38,735	44,064	+5,328	+13.8%	<b>51,119</b>	<b>+7,054</b>	<b>+16.0%</b>
<As reference: Number of Sales> (Units)							
Copier	27,639	29,635	+1,996	+7.2%	<b>33,428</b>	<b>+3,793</b>	<b>+12.8%</b>
(of which color copier)	24,830	27,405	+2,575	+10.4%	<b>31,357</b>	<b>+3,952</b>	<b>+14.4%</b>
Server	29,929	29,753	-176	-0.6%	<b>25,481</b>	<b>-4,272</b>	<b>-14.4%</b>
PC	781,725	585,963	-195,762	-25.0%	<b>647,963</b>	<b>+62,000</b>	<b>+10.6%</b>
Client Total		621,990	-182,031	-22.6%	<b>692,445</b>	<b>+70,455</b>	<b>+11.3%</b>

**Future Plans**

**Plans of consolidated Net sales and profits**

(Millions of yen)

	FY 2014	FY 2015		FY 2016	
	(Result)	(Result)	(Result)	(Plan)	(Plan)
	Amount	Amount	Change to Last year	Amount	Change to Last year
Net sales	605,766	609,045	+0.5%	<b>639,000</b>	<b>+4.9%</b>
Operating income	37,097	37,311	+0.6%	<b>40,000</b>	<b>+7.2%</b>
Ordinary income	38,144	38,240	+0.3%	<b>40,500</b>	<b>+5.9%</b>
Net income*	23,455	23,705	+1.1%	<b>25,180</b>	<b>+6.2%</b>

\*Profit attributable to owners of parent