

October 31, 2017

## Outline of business results

### Consolidated Net sales and Profits

(Millions of yen)

	2015	2016 Jan. - Sep.				2017 Jan. - Sep.				
	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	453,637	482,744	100.0%	+29,106	+6.4%	<b>516,528</b>	<b>100.0%</b>	<b>+33,784</b>	<b>+7.0%</b>	<b>1.10</b>
Gross profit	100,411	104,536	21.7%	+4,125	+4.1%	<b>111,978</b>	<b>21.7%</b>	<b>+7,441</b>	<b>+7.1%</b>	<b>1.09</b>
Operating income	27,900	29,398	6.1%	+1,497	+5.4%	<b>33,200</b>	<b>6.4%</b>	<b>+3,802</b>	<b>+12.9%</b>	<b>1.11</b>
Ordinary income	28,597	30,245	6.3%	+1,647	+5.8%	<b>34,055</b>	<b>6.6%</b>	<b>+3,810</b>	<b>+12.6%</b>	<b>1.09</b>
Net income*	17,728	19,713	4.1%	+1,984	+11.2%	<b>23,410</b>	<b>4.5%</b>	<b>+3,697</b>	<b>+18.8%</b>	<b>1.08</b>

\*Profit attributable to owners of parent

### Non-consolidated Net sales and Profits

(Millions of yen)

	2015	2016 Jan. - Sep.				2017 Jan. - Sep.			
	Jan. - Sep.	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year
Net sales	416,737	440,288	100.0%	+23,551	+5.7%	<b>467,964</b>	<b>100.0%</b>	<b>+27,675</b>	<b>+6.3%</b>
Gross profit	92,198	96,527	21.9%	+4,328	+4.7%	<b>102,503</b>	<b>21.9%</b>	<b>+5,976</b>	<b>+6.2%</b>
Operating income	24,969	26,844	6.1%	+1,875	+7.5%	<b>29,950</b>	<b>6.4%</b>	<b>+3,105</b>	<b>+11.6%</b>
Ordinary income	25,920	28,018	6.4%	+2,097	+8.1%	<b>31,180</b>	<b>6.7%</b>	<b>+3,162</b>	<b>+11.3%</b>
Net income	16,137	18,488	4.2%	+2,351	+14.6%	<b>21,730</b>	<b>4.6%</b>	<b>+3,242</b>	<b>+17.5%</b>

### Quarterly change of consolidated Net sales

(Millions of yen)

	FY 2015	FY 2016			FY 2017		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	159,411	171,130	+11,719	+7.4%	<b>180,278</b>	<b>+9,147</b>	<b>+5.3%</b>
2Q (Apr. - Jun.)	158,522	167,379	+8,857	+5.6%	<b>177,307</b>	<b>+9,927</b>	<b>+5.9%</b>
3Q (Jul. - Sep.)	135,704	144,234	+8,529	+6.3%	<b>158,943</b>	<b>+14,709</b>	<b>+10.2%</b>
4Q (Oct. - Dec.)	155,408	160,673	+5,265	+3.4%	-	-	-

### Quarterly change of consolidated Ordinary income

(Millions of yen)

	FY 2015	FY 2016			FY 2017		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	9,502	10,360	+858	+9.0%	<b>12,131</b>	<b>+1,770</b>	<b>+17.1%</b>
2Q (Apr. - Jun.)	14,194	14,207	+12	+0.1%	<b>15,255</b>	<b>+1,048</b>	<b>+7.4%</b>
3Q (Jul. - Sep.)	4,900	5,677	+776	+15.8%	<b>6,667</b>	<b>+990</b>	<b>+17.5%</b>
4Q (Oct. - Dec.)	9,642	10,535	+893	+9.3%	-	-	-

### Consolidated Net sales by segments

(Millions of yen)

	2015	2016 Jan. - Sep.				2017 Jan. - Sep.			
	Jan. - Sep.	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year
System Integration business	264,076	283,922	58.8%	+19,845	+7.5%	<b>306,921</b>	<b>59.4%</b>	<b>+22,999</b>	<b>+8.1%</b>
Service and Support business	189,288	198,523	41.1%	+9,234	+4.9%	<b>209,329</b>	<b>40.5%</b>	<b>+10,806</b>	<b>+5.4%</b>
Other business	272	298	0.1%	+26	+9.6%	<b>277</b>	<b>0.1%</b>	<b>-20</b>	<b>-6.9%</b>

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

(Millions of yen)

		2015	2016 Jan. - Sep.				2017 Jan. - Sep.			
		Jan. - Sep.	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year
Net sales	System Integration	229,779	244,041	55.4%	+14,261	+6.2%	<b>260,897</b>	<b>55.8%</b>	<b>+16,856</b>	<b>+6.9%</b>
	Service and Support	186,957	196,247	44.6%	+9,290	+5.0%	<b>207,067</b>	<b>44.2%</b>	<b>+10,819</b>	<b>+5.5%</b>
Gross profit	System Integration	46,824	49,030	50.8%	+2,205	+4.7%	<b>51,979</b>	<b>50.7%</b>	<b>+2,949</b>	<b>+6.0%</b>
	Service and Support	45,374	47,496	49.2%	+2,122	+4.7%	<b>50,524</b>	<b>49.3%</b>	<b>+3,027</b>	<b>+6.4%</b>

### Non-consolidated Net sales by 4 segments

(Millions of yen)

		2015	2016 Jan. - Sep.				2017 Jan. - Sep.			
		Jan. - Sep.	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year
System Integration business	SI related products	201,737	215,519	48.9%	+13,781	+6.8%	<b>230,755</b>	<b>49.3%</b>	<b>+15,236</b>	<b>+7.1%</b>
	Custom-made software etc.	28,042	28,521	6.5%	+479	+1.7%	<b>30,141</b>	<b>6.4%</b>	<b>+1,619</b>	<b>+5.7%</b>
Service and Support business	Supplies	95,875	101,303	23.0%	+5,427	+5.7%	<b>106,143</b>	<b>22.7%</b>	<b>+4,839</b>	<b>+4.8%</b>
	Maintenance, etc.	91,081	94,944	21.6%	+3,862	+4.2%	<b>100,924</b>	<b>21.6%</b>	<b>+5,979</b>	<b>+6.3%</b>

**Consolidated Cash flows**

(Millions of yen)

	2015	2016	2017
	Jan. - Sep.	Jan. - Sep.	Jan. - Sep.
C/F from operating	23,324	19,972	<b>32,304</b>
C/F from investing	-6,195	-4,563	<b>-3,643</b>
C/F from financing	-8,591	-9,531	<b>-11,427</b>
Cash and cash equivalents at end of period	106,482	115,465	<b>135,397</b>

**Consolidated Equity and Interest-bearing debt**

(Millions of yen)

	2015	2016	2017
	Sep. 30	Sep. 30	Sep. 30
Equity	167,274	182,850	<b>204,012</b>
Interest-bearing debt	9,527	9,127	<b>9,001</b>
Total assets	304,694	327,069	<b>362,053</b>
Equity ratio	54.9%	55.9%	<b>56.3%</b>
Interest-bearing debt ratio	3.1%	2.8%	<b>2.5%</b>

**Non-consolidated Key strategic business**

(Millions of yen)

	2015	2016 Jan. - Sep.			2017 Jan. - Sep.		
	Jan. - Sep.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	102,438	108,934	+6,496	+6.3%	<b>113,498</b>	<b>+4,563</b>	<b>+4.2%</b>
SMILE	7,695	7,024	-670	-8.7%	<b>7,742</b>	<b>+717</b>	<b>+10.2%</b>
ODS21	34,543	38,279	+3,736	+10.8%	<b>41,938</b>	<b>+3,659</b>	<b>+9.6%</b>
OSM	44,064	51,119	+7,054	+16.0%	<b>50,230</b>	<b>-888</b>	<b>-1.7%</b>
<As reference: Number of Sales> (Units)							
Copier	29,635	33,428	+3,793	+12.8%	<b>32,562</b>	<b>-866</b>	<b>-2.6%</b>
(of which color copier)	27,405	31,357	+3,952	+14.4%	<b>31,109</b>	<b>-248</b>	<b>-0.8%</b>
Server	29,753	25,481	-4,272	-14.4%	<b>24,333</b>	<b>-1,148</b>	<b>-4.5%</b>
PC	585,963	647,963	+62,000	+10.6%	<b>649,056</b>	<b>+1,093</b>	<b>+0.2%</b>
Client Total	621,990	692,445	+70,455	+11.3%	<b>677,355</b>	<b>-15,090</b>	<b>-2.2%</b>

**Future Plans**

**Plans of consolidated Net sales and profits**

(Millions of yen)

	FY 2015	FY 2016		FY 2017	
	(Result)	(Result)		(Plan)	
	Amount	Amount	Change to Last year	Amount	Change to Last year
Net sales	609,045	643,417	+5.6%	<b>671,000</b>	<b>+4.3%</b>
Operating income	37,311	39,684	+6.4%	<b>41,000</b>	<b>+3.3%</b>
Ordinary income	38,240	40,780	+6.6%	<b>41,600</b>	<b>+2.0%</b>
Net income*	23,705	26,675	+12.5%	<b>27,280</b>	<b>+2.3%</b>

\*Profit attributable to owners of parent