

April 27, 2018

**Outline of business results****Consolidated Net sales and Profits**

(Millions of yen)

	1Q 2016	1Q 2017				1Q 2018				Consolidated to non-consolidated ratio
	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	171,130	180,278	100.0%	+9,147	+5.3%	191,225	100.0%	+10,947	+6.1%	1.11
Gross profit	34,939	37,940	21.0%	+3,001	+8.6%	38,998	20.4%	+1,058	+2.8%	1.10
Operating income	10,031	11,744	6.5%	+1,713	+17.1%	11,851	6.2%	+106	+0.9%	1.17
Ordinary income	10,360	12,131	6.7%	+1,770	+17.1%	12,222	6.4%	+91	+0.8%	1.09
Net income*	6,496	8,045	4.5%	+1,549	+23.8%	8,064	4.2%	+18	+0.2%	1.04

\*Profit attributable to owners of parent

**Non-consolidated Net sales and Profits**

(Millions of yen)

	1Q 2016	1Q 2017				1Q 2018			
	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	155,591	161,528	100.0%	+5,936	+3.8%	171,847	100.0%	+10,319	+6.4%
Gross profit	32,202	34,431	21.3%	+2,229	+6.9%	35,327	20.6%	+895	+2.6%
Operating income	9,074	10,205	6.3%	+1,131	+12.5%	10,095	5.9%	-110	-1.1%
Ordinary income	9,814	11,010	6.8%	+1,196	+12.2%	11,205	6.5%	+194	+1.8%
Net income	6,335	7,562	4.7%	+1,226	+19.4%	7,744	4.5%	+181	+2.4%

**Quarterly change of consolidated Net sales**

(Millions of yen)

	FY 2016	FY 2017			FY 2018		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	171,130	180,278	+9,147	+5.3%	191,225	+10,947	+6.1%
2Q (Apr. - Jun.)	167,379	177,307	+9,927	+5.9%	-	-	-
3Q (Jul. - Sep.)	144,234	158,943	+14,709	+10.2%	-	-	-
4Q (Oct. - Dec.)	160,673	174,637	+13,964	+8.7%	-	-	-

**Quarterly change of consolidated Ordinary income**

(Millions of yen)

	FY 2016	FY 2017			FY 2018		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	10,360	12,131	+1,770	+17.1%	12,222	+91	+0.8%
2Q (Apr. - Jun.)	14,207	15,255	+1,048	+7.4%	-	-	-
3Q (Jul. - Sep.)	5,677	6,667	+990	+17.5%	-	-	-
4Q (Oct. - Dec.)	10,535	11,404	+869	+8.3%	-	-	-

**Consolidated Net sales by segments**

(Millions of yen)

	1Q 2016	1Q 2017				1Q 2018			
	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	103,079	109,387	60.7%	+6,308	+6.1%	117,273	61.3%	+7,886	+7.2%
Service and Support business	67,950	70,795	39.3%	+2,844	+4.2%	73,952	38.7%	+3,156	+4.5%
Other business	100	95	0.1%	-4	-4.9%	-	-	-	-

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

(Millions of yen)

		1Q 2016	1Q 2017				1Q 2018			
		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	88,427	91,495	56.6%	+3,068	+3.5%	98,646	57.4%	+7,150	+7.8%
	Service and Support	67,163	70,032	43.4%	+2,868	+4.3%	73,201	42.6%	+3,168	+4.5%
Gross profit	System Integration	16,310	17,691	51.4%	+1,380	+8.5%	17,831	50.5%	+140	+0.8%
	Service and Support	15,891	16,740	48.6%	+848	+5.3%	17,496	49.5%	+755	+4.5%

**Non-consolidated Net sales by 4 segments**

(Millions of yen)

		1Q 2016	1Q 2017				1Q 2018			
		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	78,310	80,843	50.0%	+2,532	+3.2%	87,186	50.7%	+6,343	+7.8%
	Custom-made software etc.	10,117	10,652	6.6%	+535	+5.3%	11,459	6.7%	+806	+7.6%
Service and Support business	Supplies	35,471	36,820	22.8%	+1,348	+3.8%	37,677	21.9%	+857	+2.3%
	Maintenance, etc.	31,691	33,212	20.6%	+1,520	+4.8%	35,523	20.7%	+2,311	+7.0%

**Consolidated Cash flows** (Millions of yen)

	1Q 2016	1Q 2017	1Q 2018
C/F from operating	6,110	14,396	<b>10,729</b>
C/F from investing	-1,210	-1,343	<b>-2,800</b>
C/F from financing	-8,965	-11,436	<b>-13,376</b>
Cash and cash equivalents at end of period	105,521	119,777	<b>132,064</b>

**Consolidated Equity and Interest-bearing debt**

	2016 Mar. 31	2017 Mar. 31	2018 Mar. 31
Equity	169,523	187,019	<b>207,707</b>
Interest-bearing debt	9,824	9,416	<b>8,865</b>
Total assets	338,554	361,730	<b>396,672</b>
Equity ratio	50.1%	51.7%	<b>52.4%</b>
Interest-bearing debt ratio	2.9%	2.6%	<b>2.2%</b>

**Non-consolidated Key strategic business**

(Millions of yen)

	1Q 2016	1Q 2017		1Q 2018			
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	38,366	39,485	+1,118	+2.9%	<b>40,350</b>	<b>+864</b>	<b>+2.2%</b>
SMILE	2,197	2,543	+345	+15.7%	<b>2,664</b>	<b>+120</b>	<b>+4.8%</b>
ODS21	12,032	14,519	+2,487	+20.7%	<b>14,446</b>	<b>-72</b>	<b>-0.5%</b>
OSM	17,983	17,924	-59	-0.3%	<b>17,860</b>	<b>-64</b>	<b>-0.4%</b>
<As reference: Number of Sales> (Units)							
Copier	10,990	11,975	+985	+9.0%	<b>11,020</b>	<b>-955</b>	<b>-8.0%</b>
(of which color copier)	10,139	11,343	+1,204	+11.9%	<b>10,659</b>	<b>-684</b>	<b>-6.0%</b>
Server	10,295	7,896	-2,399	-23.3%	<b>8,681</b>	<b>+785</b>	<b>+9.9%</b>
PC	285,920	246,735	-39,185	-13.7%	<b>298,409</b>	<b>+51,674</b>	<b>+20.9%</b>
Client Total	304,747	254,853	-49,894	-16.4%	<b>311,450</b>	<b>+56,597</b>	<b>+22.2%</b>

**Future Plans****Plans of consolidated Net sales and profits**

(Millions of yen)

	1Q 2018 (Result)	1H 2018 (Plan)	FY 2018 (Plan)
Net sales	191,225	<b>372,350</b>	<b>720,000</b>
Operating income	11,851	<b>28,120</b>	<b>47,300</b>
Ordinary income	12,222	<b>28,474</b>	<b>48,000</b>
Net income*	8,064	<b>18,844</b>	<b>31,880</b>

\*Profit attributable to owners of parent

**Plans of consolidated Net sales by segments**

(Millions of yen)

	FY 2016 (Result)	FY 2017 (Result)		FY 2018 (Plan)	
	Amount	Amount	Change to Last year	Amount	Change to Last year
System Integration	376,391	408,718	+8.6%	<b>426,420</b>	<b>+4.3%</b>
Service and Support	266,625	282,064	+5.8%	<b>293,580</b>	<b>+4.1%</b>
Others	400	383	-4.4%	-	-