

August 1, 2018

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

(Millions of yen)

	2016	2017 Jan. - Jun.				2018 Jan. - Jun.						Consolidated to non-consolidated ratio
	Jan. - Jun.	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Plan	Ratio to Plan	Difference to Last year	Change to Last year	
Net sales	338,509	357,585	100.0%	+19,075	+5.6%	389,863	100.0%	372,350	104.7%	+32,278	+9.0%	1.10
Gross profit	73,919	79,416	22.2%	+5,496	+7.4%	81,951	21.0%	-	-	+2,535	+3.2%	1.10
Operating income	23,944	26,827	7.5%	+2,882	+12.0%	27,178	7.0%	28,120	96.7%	+351	+1.3%	1.13
Ordinary income	24,568	27,387	7.7%	+2,819	+11.5%	27,868	7.1%	28,474	97.9%	+480	+1.8%	1.10
Net income*	15,959	18,541	5.2%	+2,581	+16.2%	18,791	4.8%	18,844	99.7%	+249	+1.3%	1.07

*Profit attributable to owners of parent

Non-consolidated Net sales and Profits

(Millions of yen)

	2016	2017 Jan. - Jun.				2018 Jan. - Jun.					
	Jan. - Jun.	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Plan	Ratio to Plan	Difference to Last year	Change to Last year
Net sales	310,573	324,765	100.0%	+14,191	+4.6%	353,172	100.0%	339,050	104.2%	+28,407	+8.7%
Gross profit	68,606	72,841	22.4%	+4,235	+6.2%	74,827	21.2%	-	-	+1,986	+2.7%
Operating income	22,222	24,386	7.5%	+2,164	+9.7%	24,054	6.8%	25,630	93.9%	-331	-1.4%
Ordinary income	23,177	25,368	7.8%	+2,191	+9.5%	25,386	7.2%	26,804	94.7%	+17	+0.1%
Net income	15,256	17,477	5.4%	+2,221	+14.6%	17,543	5.0%	18,234	96.2%	+65	+0.4%

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%	198,637	+21,330	+12.0%
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%	15,645	+389	+2.6%
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)

	2016	2017 Jan. - Jun.				2018 Jan. - Jun.			
	Jan. - Jun.	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	203,919	216,604	60.6%	+12,684	+6.2%	241,981	62.1%	+25,377	+11.7%
Service and Support business	134,387	140,789	39.4%	+6,401	+4.8%	147,881	37.9%	+7,092	+5.0%
Other business	202	191	0.1%	-10	-5.2%	-	-	-	-

Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		2016	2017 Jan. - Jun.				2018 Jan. - Jun.			
		Jan. - Jun.	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	177,706	185,477	57.1%	+7,771	+4.4%	206,664	58.5%	+21,187	+11.4%
	Service and Support	132,867	139,288	42.9%	+6,420	+4.8%	146,508	41.5%	+7,220	+5.2%
Gross profit	System Integration	36,445	38,704	53.1%	+2,258	+6.2%	39,206	52.4%	+502	+1.3%
	Service and Support	32,160	34,137	46.9%	+1,976	+6.1%	35,621	47.6%	+1,483	+4.3%

Non-consolidated Net sales by 4 segments

(Millions of yen)

		2016	2017 Jan. - Jun.				2018 Jan. - Jun.			
		Jan. - Jun.	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	157,166	163,766	50.4%	+6,599	+4.2%	183,330	51.9%	+19,564	+11.9%
	Custom-made software etc.	20,539	21,710	6.7%	+1,171	+5.7%	23,334	6.6%	+1,623	+7.5%
Service and Support business	Supplies	69,457	72,095	22.2%	+2,637	+3.8%	75,196	21.3%	+3,101	+4.3%
	Maintenance, etc.	63,409	67,192	20.7%	+3,782	+6.0%	71,311	20.2%	+4,119	+6.1%

Consolidated Cash flows

(Millions of yen)

	2016	2017	2018
	Jan. - Jun.	Jan. - Jun.	Jan. - Jun.
C/F from operating	28,000	40,332	36,465
C/F from investing	-3,346	-2,934	-4,685
C/F from financing	-9,533	-11,425	-13,468
Cash and cash equivalents at end of period	124,708	144,135	155,823

Consolidated Equity and Interest-bearing debt

(Millions of yen)

	2016	2017	2018
	Jun. 30	Jun. 30	Jun. 30
Equity	179,053	197,877	217,416
Interest-bearing debt	9,111	8,933	8,565
Total assets	349,795	383,116	414,536
Equity ratio	51.2%	51.6%	52.4%
Interest-bearing debt ratio	2.6%	2.3%	2.1%

Non-consolidated Key strategic business

(Millions of yen)

	2016	2017 Jan. - Jun.		2018 Jan. - Jun.			
	Jan. - Jun.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	74,913	77,480	+2,566	+3.4%	80,298	+2,818	+3.6%
SMILE	5,295	5,950	+655	+12.4%	6,458	+507	+8.5%
ODS	28,620	32,083	+3,462	+12.1%	31,479	-604	-1.9%
OSM	36,222	34,748	-1,473	-4.1%	36,842	+2,094	+6.0%
<As reference: Number of Sales>							
Copier	24,007	25,440	+1,433	+6.0%	23,274	-2,166	-8.5%
(of which color copier)	22,446	24,270	+1,824	+8.1%	22,553	-1,717	-7.1%
Server	18,425	16,021	-2,404	-13.0%	16,428	+407	+2.5%
PC	475,781	435,431	-40,350	-8.5%	561,599	+126,168	+29.0%
Client Total	507,800	453,087	-54,713	-10.8%	584,637	+131,550	+29.0%

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

(Millions of yen)

	FY 2016	FY 2017		FY 2018	
	(Result)	(Result)	Change to Last year	(Plan)	Change to Last year
Net sales	643,417	691,166	+7.4%	720,000	+4.2%
Operating income	39,684	44,386	+11.9%	47,300	+6.6%
Ordinary income	40,780	45,460	+11.5%	48,000	+5.6%
Net income*	26,675	31,560	+18.3%	31,880	+1.0%

*Profit attributable to owners of parent

Plans of consolidated Net sales by segments

(Millions of yen)

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