

October 31, 2018

Outline of business results

Consolidated Net sales and Profits

(Millions of yen)

	2016	2017 Jan. - Sep.				2018 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	482,744	516,528	100.0%	+33,784	+7.0%	566,125	100.0%	+49,596	+9.6%	1.11
Gross profit	104,536	111,978	21.7%	+7,441	+7.1%	116,137	20.5%	+4,158	+3.7%	1.10
Operating income	29,398	33,200	6.4%	+3,802	+12.9%	34,091	6.0%	+891	+2.7%	1.14
Ordinary income	30,245	34,055	6.6%	+3,810	+12.6%	35,035	6.2%	+979	+2.9%	1.11
Net income*	19,713	23,410	4.5%	+3,697	+18.8%	23,835	4.2%	+424	+1.8%	1.09

*Profit attributable to owners of parent

Non-consolidated Net sales and Profits

(Millions of yen)

	2016	2017 Jan. - Sep.				2018 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	440,288	467,964	100.0%	+27,675	+6.3%	510,587	100.0%	+42,622	+9.1%
Gross profit	96,527	102,503	21.9%	+5,976	+6.2%	105,891	20.7%	+3,387	+3.3%
Operating income	26,844	29,950	6.4%	+3,105	+11.6%	29,984	5.9%	+34	+0.1%
Ordinary income	28,018	31,180	6.7%	+3,162	+11.3%	31,495	6.2%	+315	+1.0%
Net income	18,488	21,730	4.6%	+3,242	+17.5%	21,904	4.3%	+173	+0.8%

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%	176,262	+17,318	+10.9%
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%	7,167	+499	+7.5%
4Q (Oct. - Dec.)	10,535	11,404	+869	+8.3%	-	-	-

Consolidated Net sales by segments

(Millions of yen)

	2016	2017 Jan. - Sep.				2018 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	283,922	306,921	59.4%	+22,999	+8.1%	346,213	61.2%	+39,291	+12.8%
Service and Support business	198,523	209,329	40.5%	+10,806	+5.4%	219,912	38.8%	+10,582	+5.1%
Other business	298	277	0.1%	-20	-6.9%	-	-	-	-

Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		2016	2017 Jan. - Sep.				2018 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	244,041	260,897	55.8%	+16,856	+6.9%	292,689	57.3%	+31,792	+12.2%
	Service and Support	196,247	207,067	44.2%	+10,819	+5.5%	217,897	42.7%	+10,830	+5.2%
Gross profit	System Integration	49,030	51,979	50.7%	+2,949	+6.0%	53,113	50.2%	+1,134	+2.2%
	Service and Support	47,496	50,524	49.3%	+3,027	+6.4%	52,777	49.8%	+2,253	+4.5%

Non-consolidated Net sales by 4 segments

(Millions of yen)

		2016	2017 Jan. - Sep.				2018 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	215,519	230,755	49.3%	+15,236	+7.1%	259,792	50.9%	+29,037	+12.6%
	Custom-made software etc.	28,521	30,141	6.4%	+1,619	+5.7%	32,896	6.4%	+2,755	+9.1%
Service and Support business	Supplies	101,303	106,143	22.7%	+4,839	+4.8%	110,923	21.7%	+4,780	+4.5%
	Maintenance, etc.	94,944	100,924	21.6%	+5,979	+6.3%	106,974	21.0%	+6,050	+6.0%

Consolidated Cash flows

(Millions of yen)

	2016	2017	2018
	Jan. - Sep.	Jan. - Sep.	Jan. - Sep.
C/F from operating	19,972	32,304	33,083
C/F from investing	-4,563	-3,643	-9,676
C/F from financing	-9,531	-11,427	-13,470
Cash and cash equivalents at end of period	115,465	135,397	147,449

Consolidated Equity and Interest-bearing debt

(Millions of yen)

	2016	2017	2018
	Sep. 30	Sep. 30	Sep. 30
Equity	182,850	204,012	222,923
Interest-bearing debt	9,127	9,001	8,447
Total assets	327,069	362,053	392,839
Equity ratio	55.9%	56.3%	56.7%
Interest-bearing debt ratio	2.8%	2.5%	2.2%

Non-consolidated Key strategic business

(Millions of yen)

	2016	2017 Jan. - Sep.			2018 Jan. - Sep.		
	Jan. - Sep.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	108,934	113,498	+4,563	+4.2%	117,950	+4,452	+3.9%
SMILE	7,024	7,742	+717	+10.2%	8,701	+959	+12.4%
ODS	38,279	41,938	+3,659	+9.6%	41,940	+2	+0.0%
OSM	51,119	50,230	-888	-1.7%	53,512	+3,282	+6.5%
<As reference: Number of Sales> (Units)							
Copier	33,428	32,562	-866	-2.6%	30,726	-1,836	-5.6%
(of which color copier)	31,357	31,109	-248	-0.8%	29,782	-1,327	-4.3%
Server	25,481	24,333	-1,148	-4.5%	23,999	-334	-1.4%
PC	647,963	649,056	+1,093	+0.2%	837,046	+187,990	+29.0%
Client Total	692,445	677,355	-15,090	-2.2%	874,997	+197,642	+29.2%

Future Plans

Plans of consolidated Net sales and profits

(Millions of yen)

	FY 2016	FY 2017		FY 2018	
	(Result)	(Result)		(Plan)	
	Amount	Amount	Change to Last year	Amount	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