

February 1, 2019

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

(Millions of yen)

	FY 2016	FY 2017				FY 2018						Consolidated to non-consolidated ratio
	Amount	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	643,417	691,166	100.0%	+47,748	+7.4%	759,871	100.0%	720,000	105.5%	+68,704	+9.9%	1.11
Gross profit	140,034	149,827	21.7%	+9,792	+7.0%	157,817	20.8%	-	-	+7,989	+5.3%	1.09
Operating income	39,684	44,386	6.4%	+4,702	+11.9%	48,058	6.3%	47,300	101.6%	+3,671	+8.3%	1.13
Ordinary income	40,780	45,460	6.6%	+4,679	+11.5%	49,285	6.5%	48,000	102.7%	+3,825	+8.4%	1.11
Net income*	26,675	31,560	4.6%	+4,885	+18.3%	33,601	4.4%	31,880	105.4%	+2,041	+6.5%	1.10

*Profit attributable to owners of parent

Non-consolidated Net sales and Profits

(Millions of yen)

	FY 2016	FY 2017				FY 2018					
	Amount	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	584,138	624,694	100.0%	+40,555	+6.9%	684,912	100.0%	652,000	105.0%	+60,218	+9.6%
Gross profit	129,008	136,961	21.9%	+7,952	+6.2%	144,261	21.1%	-	-	+7,300	+5.3%
Operating income	36,109	39,776	6.4%	+3,667	+10.2%	42,535	6.2%	42,400	100.3%	+2,758	+6.9%
Ordinary income	37,411	41,162	6.6%	+3,751	+10.0%	44,254	6.5%	43,900	100.8%	+3,091	+7.5%
Net income	24,776	28,899	4.6%	+4,122	+16.6%	30,686	4.5%	29,800	103.0%	+1,787	+6.2%

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%	193,745	+19,107	+10.9%

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%	14,250	+2,845	+24.9%

Consolidated Net sales by segments

(Millions of yen)

	FY 2016	FY 2017				FY 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	376,391	408,718	59.1%	+32,327	+8.6%	463,293	61.0%	+54,574	+13.4%
Service and Support business	266,625	282,064	40.8%	+15,439	+5.8%	296,577	39.0%	+14,513	+5.1%
Other business	400	383	0.1%	-17	-4.4%	-	-	-	-

Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		FY 2016	FY 2017				FY 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	320,621	345,573	55.3%	+24,952	+7.8%	391,027	57.1%	+45,454	+13.2%
	Service and Support	263,517	279,120	44.7%	+15,603	+5.9%	293,884	42.9%	+14,763	+5.3%
Gross profit	System Integration	65,120	69,045	50.4%	+3,925	+6.0%	73,408	50.9%	+4,362	+6.3%
	Service and Support	63,888	67,915	49.6%	+4,027	+6.3%	70,853	49.1%	+2,938	+4.3%

Non-consolidated Net sales by 4 segments

(Millions of yen)

		FY 2016	FY 2017				FY 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	282,400	304,890	48.8%	+22,490	+8.0%	346,267	50.6%	+41,377	+13.6%
	Custom-made software etc.	38,221	40,683	6.5%	+2,462	+6.4%	44,760	6.5%	+4,077	+10.0%
Service and Support business	Supplies	135,841	143,593	23.0%	+7,751	+5.7%	150,438	22.0%	+6,844	+4.8%
	Maintenance, etc.	127,675	135,527	21.7%	+7,851	+6.1%	143,446	20.9%	+7,918	+5.8%

Consolidated Cash flows

(Millions of yen)

	FY 2016	FY 2017	FY 2018
C/F from operating	23,932	36,153	38,646
C/F from investing	-5,823	-5,243	-11,096
C/F from financing	-9,532	-11,528	-13,470
Cash and cash equivalents at end of period	118,183	137,545	151,585

Consolidated Equity, Interest-bearing debt, ROE and ROA

(Millions of yen)

	FY 2016	FY 2017	FY 2018
Equity	189,851	212,897	229,726
Interest-bearing debt	9,008	8,873	8,256
Total assets	343,821	380,317	406,732
Equity ratio	55.2%	56.0%	56.5%
Interest-bearing debt ratio	2.6%	2.3%	2.0%
ROE	14.69%	15.67%	15.18%
ROA	12.02%	12.37%	12.32%

Non-consolidated Key strategic business

(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
"tanomail"	146,046	153,500	+7,453	+5.1%	159,932	+6,431	+4.2%
SMILE	9,774	10,817	+1,043	+10.7%	11,715	+897	+8.3%
ODS	51,746	55,997	+4,251	+8.2%	55,715	-281	-0.5%
OSM	67,937	67,514	-423	-0.6%	71,662	+4,148	+6.1%
<As reference: Number of Sales>							
							(Units)
Copier	44,583	43,807	-776	-1.7%	41,046	-2,761	-6.3%
(of which color copier)	42,060	41,942	-118	-0.3%	39,825	-2,117	-5.0%
Server	32,917	31,232	-1,685	-5.1%	32,000	+768	+2.5%
PC	854,876	887,640	+32,764	+3.8%	1,178,899	+291,259	+32.8%
Client Total	904,393	927,835	+23,442	+2.6%	1,222,643	+294,808	+31.8%

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

(Millions of yen)

	FY 2017 (Result)	FY 2018 (Result)		FY 2019 (Plan)	
	Amount	Amount	Change to Last year	Amount	Change to Last year
Net sales	691,166	759,871	+9.9%	803,000	+5.7%
Operating income	44,386	48,058	+8.3%	50,400	+4.9%
Ordinary income	45,460	49,285	+8.4%	51,200	+3.9%
Net income*	31,560	33,601	+6.5%	34,210	+1.8%

*Profit attributable to owners of parent

Plans of consolidated Net sales by segments

(Millions of yen)

	FY 2017 (Result)	FY 2018 (Result)		FY 2019 (Plan)	
	Amount	Amount	Change to Last year	Amount	Change to Last year
System Integration	408,718	463,293	+13.4%	491,150	+6.0%
Service and Support	282,064	296,577	+5.1%	311,850	+5.1%
Others	383	-	-	-	-