

August 1, 2019

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

(Millions of yen)

	2017	2018 Jan. - Jun.				2019 Jan. - Jun.						
	Jan. - Jun.	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Plan (Note)	Ratio to Plan(Note)	Difference to Last year	Change to Last year	Consolidated to non-consolidated ratio
Net sales	357,585	389,863	100.0%	+32,278	+9.0%	450,154	100.0%	413,500	108.9%	+60,290	+15.5%	1.11
Gross profit	79,416	81,951	21.0%	+2,535	+3.2%	90,882	20.2%	-	-	+8,931	+10.9%	1.09
Operating income	26,827	27,178	7.0%	+351	+1.3%	33,880	7.5%	28,500	118.9%	+6,701	+24.7%	1.11
Ordinary income	27,387	27,868	7.1%	+480	+1.8%	34,710	7.7%	28,940	119.9%	+6,842	+24.6%	1.09
Net income*	18,541	18,791	4.8%	+249	+1.3%	23,522	5.2%	19,280	122.0%	+4,731	+25.2%	1.06

\*Profit attributable to owners of parent

(Note)Plan announced on February 1, 2019 at the beginning of the term.

**Non-consolidated Net sales and Profits**

(Millions of yen)

	2017	2018 Jan. - Jun.				2019 Jan. - Jun.					
	Jan. - Jun.	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Plan (Note)	Ratio to Plan(Note)	Difference to Last year	Change to Last year
Net sales	324,765	353,172	100.0%	+28,407	+8.7%	407,372	100.0%	374,800	108.7%	+54,199	+15.3%
Gross profit	72,841	74,827	21.2%	+1,986	+2.7%	83,610	20.5%	-	-	+8,782	+11.7%
Operating income	24,386	24,054	6.8%	-331	-1.4%	30,412	7.5%	25,450	119.5%	+6,357	+26.4%
Ordinary income	25,368	25,386	7.2%	+17	+0.1%	31,949	7.8%	26,876	118.9%	+6,563	+25.9%
Net income	17,477	17,543	5.0%	+65	+0.4%	22,141	5.4%	18,446	120.0%	+4,597	+26.2%

(Note)Plan announced on February 1, 2019 at the beginning of the term.

**Quarterly change of consolidated Net sales**

(Millions of yen)

	FY 2017	FY 2018			FY 2019		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	180,278	191,225	+10,947	+6.1%	218,681	+27,455	+14.4%
2Q (Apr. - Jun.)	177,307	198,637	+21,330	+12.0%	231,472	+32,834	+16.5%
3Q (Jul. - Sep.)	158,943	176,262	+17,318	+10.9%	-	-	-
4Q (Oct. - Dec.)	174,637	193,745	+19,107	+10.9%	-	-	-

**Quarterly change of consolidated Ordinary income**

(Millions of yen)

	FY 2017	FY 2018			FY 2019		
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	12,131	12,222	+91	+0.8%	15,087	+2,864	+23.4%
2Q (Apr. - Jun.)	15,255	15,645	+389	+2.6%	19,623	+3,978	+25.4%
3Q (Jul. - Sep.)	6,667	7,167	+499	+7.5%	-	-	-
4Q (Oct. - Dec.)	11,404	14,250	+2,845	+24.9%	-	-	-

**Consolidated Net sales by segments**

(Millions of yen)

	2017	2018 Jan. - Jun.				2019 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	216,604	241,981	62.1%	+25,377	+11.7%	297,956	66.2%	+55,974	+23.1%
Service and Support business	140,789	147,881	37.9%	+7,092	+5.0%	152,198	33.8%	+4,316	+2.9%
Other business	191	-	-	-	-	-	-	-	-

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

(Millions of yen)

		2017	2018 Jan. - Jun.				2019 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	185,477	206,664	58.5%	+21,187	+11.4%	256,506	63.0%	+49,841	+24.1%
	Service and Support	139,288	146,508	41.5%	+7,220	+5.2%	150,865	37.0%	+4,357	+3.0%
Gross profit	System Integration	38,704	39,206	52.4%	+502	+1.3%	46,598	55.7%	+7,392	+18.9%
	Service and Support	34,137	35,621	47.6%	+1,483	+4.3%	37,011	44.3%	+1,390	+3.9%

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

(Millions of yen)

		2017	2018 Jan. - Jun.				2019 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	163,766	183,330	51.9%	+19,564	+11.9%	229,274	56.3%	+45,943	+25.1%
	Custom-made software etc.	21,710	23,334	6.6%	+1,623	+7.5%	27,231	6.7%	+3,897	+16.7%
Service and Support business	Supplies	72,095	75,196	21.3%	+3,101	+4.3%	77,291	19.0%	+2,094	+2.8%
	Maintenance, etc.	67,192	71,311	20.2%	+4,119	+6.1%	73,574	18.1%	+2,262	+3.2%

**Consolidated Cash flows**

(Millions of yen)

	2017	2018	2019
	Jan. - Jun.	Jan. - Jun.	Jan. - Jun.
C/F from operating	40,332	36,465	<b>35,233</b>
C/F from investing	-2,934	-4,685	<b>-3,429</b>
C/F from financing	-11,425	-13,468	<b>-16,217</b>
Cash and cash equivalents at end of period	144,135	155,823	<b>167,178</b>

**Consolidated Equity and Interest-bearing debt**

(Millions of yen)

	2017	2018	2019
	Jun. 30	Jun. 30	Jun. 30
Equity	197,877	217,416	<b>239,123</b>
Interest-bearing debt	8,933	8,565	<b>9,031</b>
Total assets	383,116	414,536	<b>455,615</b>
Equity ratio	51.6%	52.4%	<b>52.5%</b>
Interest-bearing debt ratio	2.3%	2.1%	<b>2.0%</b>

**Non-consolidated Key strategic business**

(Millions of yen)

	2017	2018 Jan. - Jun.		2019 Jan. - Jun.			
	Jan. - Jun.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	77,480	80,298	+2,818	+3.6%	<b>82,726</b>	<b>+2,428</b>	<b>+3.0%</b>
SMILE	5,950	6,458	+507	+8.5%	<b>7,141</b>	<b>+683</b>	<b>+10.6%</b>
ODS	32,083	31,479	-604	-1.9%	<b>31,325</b>	<b>-153</b>	<b>-0.5%</b>
OSM	34,748	36,842	+2,094	+6.0%	<b>39,025</b>	<b>+2,182</b>	<b>+5.9%</b>

&lt;As reference: Number of Sales&gt;

(Units)

	2017	2018		2019			
	Jan. - Jun.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
Copier	25,440	23,274	-2,166	-8.5%	<b>22,128</b>	<b>-1,146</b>	<b>-4.9%</b>
(of which color copier)	24,270	22,553	-1,717	-7.1%	<b>21,458</b>	<b>-1,095</b>	<b>-4.9%</b>
Server	16,021	16,428	+407	+2.5%	<b>16,734</b>	<b>+306</b>	<b>+1.9%</b>
PC	435,431	561,599	+126,168	+29.0%	<b>871,683</b>	<b>+310,084</b>	<b>+55.2%</b>
Client Total	453,087	584,637	+131,550	+29.0%	<b>894,730</b>	<b>+310,093</b>	<b>+53.0%</b>

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

(Millions of yen)

	FY 2017	FY 2018		FY 2019	
	(Result)	(Result)	Change to Last year	(Plan)	Change to Last year
	Amount	Amount	Change to Last year	Amount	Change to Last year
Net sales	691,166	759,871	+9.9%	<b>840,000</b>	<b>+10.5%</b>
Operating income	44,386	48,058	+8.3%	<b>55,800</b>	<b>+16.1%</b>
Ordinary income	45,460	49,285	+8.4%	<b>57,000</b>	<b>+15.7%</b>
Net income*	31,560	33,601	+6.5%	<b>38,450</b>	<b>+14.4%</b>

\*Profit attributable to owners of parent

According to plan revised on July 29, 2019

**Plans of consolidated Net sales by segments**

(Millions of yen)

	FY 2017	FY 2018		FY 2019	
	(Result)	(Result)	Change to Last year	(Plan)	Change to Last year
	Amount	Amount	Change to Last year	Amount	Change to Last year
System Integration	408,718	463,293	+13.4%	<b>531,580</b>	<b>+14.7%</b>
Service and Support	282,064	296,577	+5.1%	<b>308,420</b>	<b>+4.0%</b>
Others	383	-	-	-	-

According to plan revised on July 29, 2019