

October 31, 2019

## Outline of business results

### Consolidated Net sales and Profits

(Millions of yen)

	2017	2018 Jan. - Sep.				2019 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	Consolidated to non-consolidated ratio
Net sales	516,528	566,125	100.0%	+49,596	+9.6%	<b>667,098</b>	<b>100.0%</b>	<b>+100,973</b>	<b>+17.8%</b>		<b>1.11</b>
Gross profit	111,978	116,137	20.5%	+4,158	+3.7%	<b>133,246</b>	<b>20.0%</b>	<b>+17,109</b>	<b>+14.7%</b>		<b>1.09</b>
Operating income	33,200	34,091	6.0%	+891	+2.7%	<b>46,227</b>	<b>6.9%</b>	<b>+12,135</b>	<b>+35.6%</b>		<b>1.12</b>
Ordinary income	34,055	35,035	6.2%	+979	+2.9%	<b>47,387</b>	<b>7.1%</b>	<b>+12,352</b>	<b>+35.3%</b>		<b>1.10</b>
Net income*	23,410	23,835	4.2%	+424	+1.8%	<b>32,239</b>	<b>4.8%</b>	<b>+8,404</b>	<b>+35.3%</b>		<b>1.08</b>

\*Profit attributable to owners of parent

### Non-consolidated Net sales and Profits

(Millions of yen)

	2017	2018 Jan. - Sep.				2019 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	467,964	510,587	100.0%	+42,622	+9.1%	<b>602,111</b>	<b>100.0%</b>	<b>+91,524</b>	<b>+17.9%</b>	
Gross profit	102,503	105,891	20.7%	+3,387	+3.3%	<b>122,497</b>	<b>20.3%</b>	<b>+16,606</b>	<b>+15.7%</b>	
Operating income	29,950	29,984	5.9%	+34	+0.1%	<b>41,276</b>	<b>6.9%</b>	<b>+11,291</b>	<b>+37.7%</b>	
Ordinary income	31,180	31,495	6.2%	+315	+1.0%	<b>43,031</b>	<b>7.1%</b>	<b>+11,536</b>	<b>+36.6%</b>	
Net income	21,730	21,904	4.3%	+173	+0.8%	<b>29,856</b>	<b>5.0%</b>	<b>+7,952</b>	<b>+36.3%</b>	

### 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%	<b>218,681</b>	<b>+27,455</b>	<b>+14.4%</b>
2Q (Apr. - Jun.)	177,307	198,637	+21,330	+12.0%	<b>231,472</b>	<b>+32,834</b>	<b>+16.5%</b>
3Q (Jul. - Sep.)	158,943	176,262	+17,318	+10.9%	<b>216,944</b>	<b>+40,682</b>	<b>+23.1%</b>
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%	<b>15,087</b>	<b>+2,864</b>	<b>+23.4%</b>
2Q (Apr. - Jun.)	15,255	15,645	+389	+2.6%	<b>19,623</b>	<b>+3,978</b>	<b>+25.4%</b>
3Q (Jul. - Sep.)	6,667	7,167	+499	+7.5%	<b>12,677</b>	<b>+5,510</b>	<b>+76.9%</b>
4Q (Oct. - Dec.)	11,404	14,250	+2,845	+24.9%	-	-	-

### Consolidated Net sales by segments

(Millions of yen)

	2017	2018 Jan. - Sep.				2019 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
System Integration business	306,921	346,213	61.2%	+39,291	+12.8%	<b>437,284</b>	<b>65.6%</b>	<b>+91,071</b>	<b>+26.3%</b>	
Service and Support business	209,329	219,912	38.8%	+10,582	+5.1%	<b>229,814</b>	<b>34.4%</b>	<b>+9,901</b>	<b>+4.5%</b>	
Other business	277	-	-	-	-	-	-	-	-	

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

(Millions of yen)

		2017	2018 Jan. - Sep.				2019 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	260,897	292,689	57.3%	+31,792	+12.2%	<b>374,292</b>	<b>62.2%</b>	<b>+81,603</b>	<b>+27.9%</b>
	Service and Support	207,067	217,897	42.7%	+10,830	+5.2%	<b>227,819</b>	<b>37.8%</b>	<b>+9,921</b>	<b>+4.6%</b>
Gross profit	System Integration	51,979	53,113	50.2%	+1,134	+2.2%	<b>67,201</b>	<b>54.9%</b>	<b>+14,088</b>	<b>+26.5%</b>
	Service and Support	50,524	52,777	49.8%	+2,253	+4.5%	<b>55,296</b>	<b>45.1%</b>	<b>+2,518</b>	<b>+4.8%</b>

### Non-consolidated Net sales by 4 segments

(Millions of yen)

		2017	2018 Jan. - Sep.				2019 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	230,755	259,792	50.9%	+29,037	+12.6%	<b>334,326</b>	<b>55.5%</b>	<b>+74,534</b>	<b>+28.7%</b>
	Custom-made software etc.	30,141	32,896	6.4%	+2,755	+9.1%	<b>39,965</b>	<b>6.6%</b>	<b>+7,068</b>	<b>+21.5%</b>
Service and Support business	Supplies	106,143	110,923	21.7%	+4,780	+4.5%	<b>117,021</b>	<b>19.4%</b>	<b>+6,098</b>	<b>+5.5%</b>
	Maintenance, etc.	100,924	106,974	21.0%	+6,050	+6.0%	<b>110,797</b>	<b>18.4%</b>	<b>+3,823</b>	<b>+3.6%</b>

**Consolidated Cash flows**

(Millions of yen)

	2017	2018	2019
	Jan. - Sep.	Jan. - Sep.	Jan. - Sep.
C/F from operating	32,304	33,083	<b>33,375</b>
C/F from investing	-3,643	-9,676	<b>-5,789</b>
C/F from financing	-11,427	-13,470	<b>-16,220</b>
Cash and cash equivalents at end of period	135,397	147,449	<b>162,957</b>

**Consolidated Equity and Interest-bearing debt**

(Millions of yen)

	2017	2018	2019
	Sep. 30	Sep. 30	Sep. 30
Equity	204,012	222,923	<b>246,951</b>
Interest-bearing debt	9,001	8,447	<b>8,953</b>
Total assets	362,053	392,839	<b>446,593</b>
Equity ratio	56.3%	56.7%	<b>55.3%</b>
Interest-bearing debt ratio	2.5%	2.2%	<b>2.0%</b>

**Non-consolidated Key strategic business**

(Millions of yen)

	2017	2018 Jan. - Sep.			2019 Jan. - Sep.		
	Jan. - Sep.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	113,498	117,950	+4,452	+3.9%	<b>125,044</b>	<b>+7,093</b>	<b>+6.0%</b>
SMILE	7,742	8,701	+959	+12.4%	<b>9,893</b>	<b>+1,191</b>	<b>+13.7%</b>
ODS	41,938	41,940	+2	+0.0%	<b>42,260</b>	<b>+319</b>	<b>+0.8%</b>
OSM	50,230	53,512	+3,282	+6.5%	<b>58,390</b>	<b>+4,877</b>	<b>+9.1%</b>
<As reference: Number of Sales> (Units)							
Copier	32,562	30,726	-1,836	-5.6%	<b>29,063</b>	<b>-1,663</b>	<b>-5.4%</b>
(of which color copier)	31,109	29,782	-1,327	-4.3%	<b>28,119</b>	<b>-1,663</b>	<b>-5.6%</b>
Server	24,333	23,999	-334	-1.4%	<b>24,351</b>	<b>+352</b>	<b>+1.5%</b>
PC	649,056	837,046	+187,990	+29.0%	<b>1,321,613</b>	<b>+484,567</b>	<b>+57.9%</b>
Client Total	677,355	874,997	+197,642	+29.2%	<b>1,352,496</b>	<b>+477,499</b>	<b>+54.6%</b>

**Future Plans**

**Plans of consolidated Net sales and profits**

(Millions of yen)

	FY 2017	FY 2018		FY 2019	
	(Result)	(Result)		(Plan)	
	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