

August 7, 2020

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

(Millions of yen)

	2018 Jan. - Jun.	2019 Jan. - Jun.				2020 Jan. - Jun.						
	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	Consolidated to non-consolidated ratio
Net sales	389,863	450,154	100.0%	+60,290	+15.5%	432,943	100.0%	452,000	95.8%	-17,210	-3.8%	1.12
Gross profit	81,951	90,882	20.2%	+8,931	+10.9%	88,648	20.5%	-	-	-2,234	-2.5%	1.09
Operating profit	27,178	33,880	7.5%	+6,701	+24.7%	30,310	7.0%	36,000	84.2%	-3,569	-10.5%	1.13
Ordinary profit	27,868	34,710	7.7%	+6,842	+24.6%	30,963	7.2%	36,520	84.8%	-3,747	-10.8%	1.09
Profit*	18,791	23,522	5.2%	+4,731	+25.2%	20,789	4.8%	24,530	84.8%	-2,732	-11.6%	1.05

*Profit attributable to owners of parent

Non-consolidated Net sales and Profits

(Millions of yen)

	2018 Jan. - Jun.	2019 Jan. - Jun.				2020 Jan. - Jun.					
	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	353,172	407,372	100.0%	+54,199	+15.3%	385,699	100.0%	408,400	94.4%	-21,672	-5.3%
Gross profit	74,827	83,610	20.5%	+8,782	+11.7%	81,183	21.0%	-	-	-2,426	-2.9%
Operating profit	24,054	30,412	7.5%	+6,357	+26.4%	26,791	6.9%	32,000	83.7%	-3,620	-11.9%
Ordinary profit	25,386	31,949	7.8%	+6,563	+25.9%	28,528	7.4%	33,660	84.8%	-3,421	-10.7%
Profit	17,543	22,141	5.4%	+4,597	+26.2%	19,784	5.1%	23,290	84.9%	-2,357	-10.6%

Quarterly change of consolidated Net sales

(Millions of yen)

	FY 2018	FY 2019		FY 2020			
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	191,225	218,681	+27,455	+14.4%	224,329	+5,647	+2.6%
2Q (Apr. - Jun.)	198,637	231,472	+32,834	+16.5%	208,614	-22,858	-9.9%
3Q (Jul. - Sep.)	176,262	216,944	+40,682	+23.1%	-	-	-
4Q (Oct. - Dec.)	193,745	219,437	+25,692	+13.3%	-	-	-

Quarterly change of consolidated Ordinary profit

(Millions of yen)

	FY 2018	FY 2019		FY 2020			
	Amount	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
1Q (Jan. - Mar.)	12,222	15,087	+2,864	+23.4%	16,484	+1,397	+9.3%
2Q (Apr. - Jun.)	15,645	19,623	+3,978	+25.4%	14,478	-5,144	-26.2%
3Q (Jul. - Sep.)	7,167	12,677	+5,510	+76.9%	-	-	-
4Q (Oct. - Dec.)	14,250	16,318	+2,068	+14.5%	-	-	-

Consolidated Net sales by segments

(Millions of yen)

	2018 Jan. - Jun.	2019 Jan. - Jun.				2020 Jan. - Jun.			
	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	241,981	297,956	66.2%	+55,974	+23.1%	281,755	65.1%	-16,200	-5.4%
Service and Support business	147,881	152,198	33.8%	+4,316	+2.9%	151,187	34.9%	-1,010	-0.7%

Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		2018 Jan. - Jun.	2019 Jan. - Jun.				2020 Jan. - Jun.			
		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	206,664	256,506	63.0%	+49,841	+24.1%	235,717	61.1%	-20,788	-8.1%
	Service and Support	146,508	150,865	37.0%	+4,357	+3.0%	149,981	38.9%	-884	-0.6%
Gross profit	System Integration	39,206	46,598	55.7%	+7,392	+18.9%	44,797	55.2%	-1,801	-3.9%
	Service and Support	35,621	37,011	44.3%	+1,390	+3.9%	36,386	44.8%	-625	-1.7%

Non-consolidated Net sales by 4 segments

(Millions of yen)

		2018 Jan. - Jun.	2019 Jan. - Jun.				2020 Jan. - Jun.			
		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	183,330	229,274	56.3%	+45,943	+25.1%	208,872	54.2%	-20,401	-8.9%
	Custom-made software etc.	23,334	27,231	6.7%	+3,897	+16.7%	26,845	7.0%	-386	-1.4%
Service and Support business	Supplies	75,196	77,291	19.0%	+2,094	+2.8%	75,373	19.5%	-1,917	-2.5%
	Maintenance, etc.	71,311	73,574	18.1%	+2,262	+3.2%	74,608	19.3%	+1,033	+1.4%

Consolidated Cash flows (Millions of yen)

	2018	2019	2020
	Jan. - Jun.	Jan. - Jun.	Jan. - Jun.
C/F from operating	36,465	35,233	40,362
C/F from investing	-4,685	-3,429	-4,319
C/F from financing	-13,468	-16,217	-20,481
Cash and cash equivalents at end of period	155,823	167,178	191,758

Consolidated Equity and Interest-bearing debt

	2018	2019	2020
	Jun. 30	Jun. 30	Jun. 30
Equity	217,416	239,123	258,111
Interest-bearing debt	8,565	9,031	9,120
Total assets	414,536	455,615	462,027
Equity ratio	52.4%	52.5%	55.9%
Interest-bearing debt ratio	2.1%	2.0%	2.0%

Non-consolidated Key strategic business

(Millions of yen)

	2018	2019 Jan. - Jun.		2020 Jan. - Jun.			
	Jan. - Jun.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	80,298	82,726	+2,428	+3.0%	79,617	-3,108	-3.8%
SMILE	6,458	7,141	+683	+10.6%	5,849	-1,292	-18.1%
ODS	31,479	31,325	-153	-0.5%	27,460	-3,865	-12.3%
OSM	36,842	39,025	+2,182	+5.9%	40,382	+1,357	+3.5%

<As reference: Number of Sales>

(Units)

Copier	23,274	22,128	-1,146	-4.9%	19,000	-3,128	-14.1%
(of which color copier)	22,553	21,458	-1,095	-4.9%	18,475	-2,983	-13.9%
Server	16,428	16,734	+306	+1.9%	13,531	-3,203	-19.1%
PC	561,599	871,683	+310,084	+55.2%	644,871	-266,812	-26.0%
Client Total	584,637	894,730	+310,093	+53.0%	668,661	-226,069	-25.3%

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

(Millions of yen)

	FY 2018	FY 2019		FY 2020	
	(Result)	(Result)	(Result)	(Plan)	(Plan)
	Amount	Amount	Change to Last year	Amount	Change to Last year
Net sales	759,871	886,536	+16.7%	839,000	-5.4%
Operating profit	48,058	62,192	+29.4%	63,700	+2.4%
Ordinary profit	49,285	63,706	+29.3%	64,600	+1.4%
Profit*	33,601	43,497	+29.4%	43,530	+0.1%

*Profit attributable to owners of parent

According to plan revised on August 7, 2020

Plans of consolidated Net sales by segments

(Millions of yen)

	FY 2018	FY 2019		FY 2020	
	(Result)	(Result)	(Result)	(Plan)	(Plan)
	Amount	Amount	Change to Last year	Amount	Change to Last year
System Integration	463,293	578,698	+24.9%	530,550	-8.3%
Service and Support	296,577	307,837	+3.8%	308,450	+0.2%

According to plan revised on August 7, 2020