

November 10, 2020

Outline of business results

Consolidated Net sales and Profits

(Millions of yen)

	2018	2019 Jan. - Sep.				2020 Jan. - Sep.				Consolidated to non-consolidated ratio
	Jan. - Sep.	Amount	Amount	Composition Ratio	Difference to Last year	Change to Last year	Amount	Composition Ratio	Difference to Last year	
Net sales	566,125	667,098	100.0%	+100,973	+17.8%	621,217	100.0%	-45,880	-6.9%	1.12
Gross profit	116,137	133,246	20.0%	+17,109	+14.7%	128,820	20.7%	-4,426	-3.3%	1.09
Operating profit	34,091	46,227	6.9%	+12,135	+35.6%	41,314	6.7%	-4,912	-10.6%	1.14
Ordinary profit	35,035	47,387	7.1%	+12,352	+35.3%	42,212	6.8%	-5,175	-10.9%	1.10
Profit*	23,835	32,239	4.8%	+8,404	+35.3%	28,472	4.6%	-3,767	-11.7%	1.07

*Profit attributable to owners of parent

Non-consolidated Net sales and Profits

(Millions of yen)

	2018	2019 Jan. - Sep.				2020 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	510,587	602,111	100.0%	+91,524	+17.9%	554,519	100.0%	-47,592	-7.9%
Gross profit	105,891	122,497	20.3%	+16,606	+15.7%	117,942	21.3%	-4,555	-3.7%
Operating profit	29,984	41,276	6.9%	+11,291	+37.7%	36,376	6.6%	-4,899	-11.9%
Ordinary profit	31,495	43,031	7.1%	+11,536	+36.6%	38,371	6.9%	-4,660	-10.8%
Profit	21,904	29,856	5.0%	+7,952	+36.3%	26,619	4.8%	-3,237	-10.8%

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%	188,274	-28,670	-13.2%
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%	11,249	-1,428	-11.3%
4Q (Oct. - Dec.)	14,250	16,318	+2,068	+14.5%	-	-	-

Consolidated Net sales by segments

(Millions of yen)

	2018	2019 Jan. - Sep.				2020 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	346,213	437,284	65.6%	+91,071	+26.3%	393,182	63.3%	-44,102	-10.1%
Service and Support business	219,912	229,814	34.4%	+9,901	+4.5%	228,035	36.7%	-1,778	-0.8%

Non-consolidated Net sales and Gross profit by segments

(Millions of yen)

		2018	2019 Jan. - Sep.				2020 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	292,689	374,292	62.2%	+81,603	+27.9%	328,462	59.2%	-45,830	-12.2%
	Service and Support	217,897	227,819	37.8%	+9,921	+4.6%	226,057	40.8%	-1,761	-0.8%
Gross profit	System Integration	53,113	67,201	54.9%	+14,088	+26.5%	63,406	53.8%	-3,795	-5.6%
	Service and Support	52,777	55,296	45.1%	+2,518	+4.8%	54,536	46.2%	-759	-1.4%

Non-consolidated Net sales by 4 segments

(Millions of yen)

		2018	2019 Jan. - Sep.				2020 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	259,792	334,326	55.5%	+74,534	+28.7%	290,924	52.5%	-43,402	-13.0%
	Custom-made software etc.	32,896	39,965	6.6%	+7,068	+21.5%	37,538	6.8%	-2,427	-6.1%
Service and Support business	Supplies	110,923	117,021	19.4%	+6,098	+5.5%	113,124	20.4%	-3,897	-3.3%
	Maintenance, etc.	106,974	110,797	18.4%	+3,823	+3.6%	112,933	20.4%	+2,135	+1.9%

Consolidated Cash flows

(Millions of yen)

	2018	2019	2020
	Jan. - Sep.	Jan. - Sep.	Jan. - Sep.
C/F from operating	33,083	33,375	29,665
C/F from investing	-9,676	-5,789	-7,028
C/F from financing	-13,470	-16,220	-20,986
Cash and cash equivalents at end of period	147,449	162,957	177,848

Consolidated Equity and Interest-bearing debt

(Millions of yen)

	2018	2019	2020
	Sep. 30	Sep. 30	Sep. 30
Equity	222,923	246,951	266,263
Interest-bearing debt	8,447	8,953	8,949
Total assets	392,839	446,593	448,309
Equity ratio	56.7%	55.3%	59.4%
Interest-bearing debt ratio	2.2%	2.0%	2.0%

Non-consolidated Key strategic business

(Millions of yen)

	2018	2019 Jan. - Sep.		2020 Jan. - Sep.			
	Jan. - Sep.	Amount	Difference to Last year	Change to Last year	Amount	Difference to Last year	Change to Last year
"tanomail"	117,950	125,044	+7,093	+6.0%	119,649	-5,395	-4.3%
SMILE	8,701	9,893	+1,191	+13.7%	8,395	-1,497	-15.1%
ODS	41,940	42,260	+319	+0.8%	38,870	-3,389	-8.0%
OSM	53,512	58,390	+4,877	+9.1%	60,761	+2,371	+4.1%

<As reference: Number of Sales>

(Units)

Copier	30,726	29,063	-1,663	-5.4%	26,610	-2,453	-8.4%
(of which color copier)	29,782	28,119	-1,663	-5.6%	25,913	-2,206	-7.8%
Server	23,999	24,351	+352	+1.5%	19,475	-4,876	-20.0%
PC	837,046	1,321,613	+484,567	+57.9%	910,972	-410,641	-31.1%
Client Total	874,997	1,352,496	+477,499	+54.6%	943,381	-409,115	-30.2%

Future Plans

Plans of consolidated Net sales and profits

(Millions of yen)

	FY 2018	FY 2019		FY 2020	
	(Result)	(Result)	Change to Last year	(Plan)	Change to Last year
Net sales	759,871	886,536	+16.7%	830,000	-6.4%
Operating profit	48,058	62,192	+29.4%	57,300	-7.9%
Ordinary profit	49,285	63,706	+29.3%	58,400	-8.3%
Profit*	33,601	43,497	+29.4%	39,380	-9.5%

*Profit attributable to owners of parent

According to plan revised on November 10, 2020