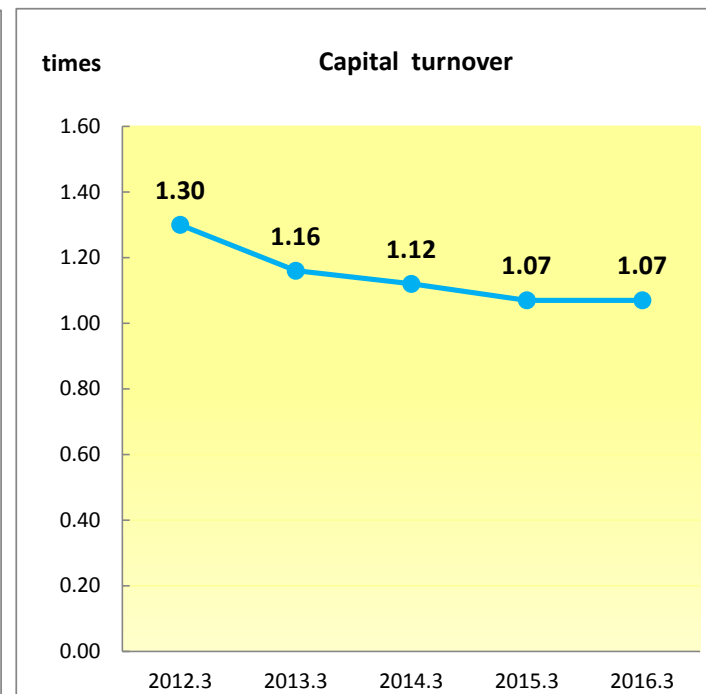
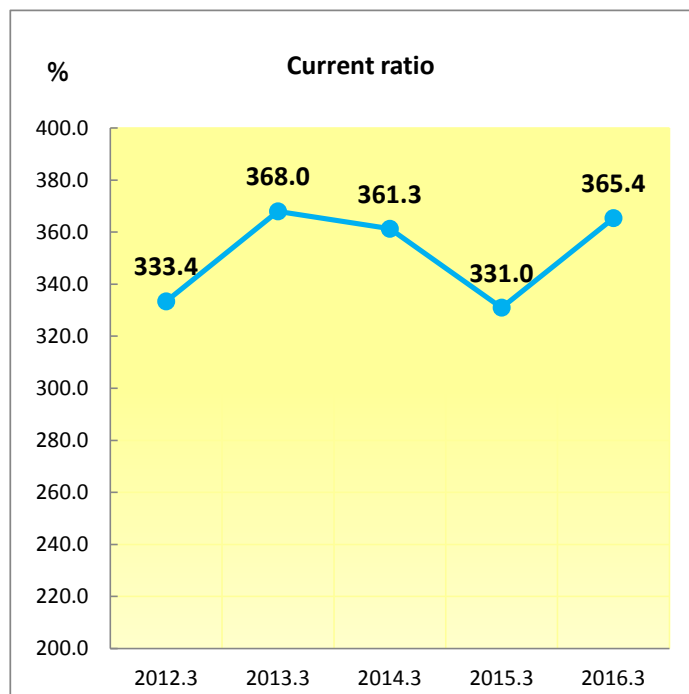
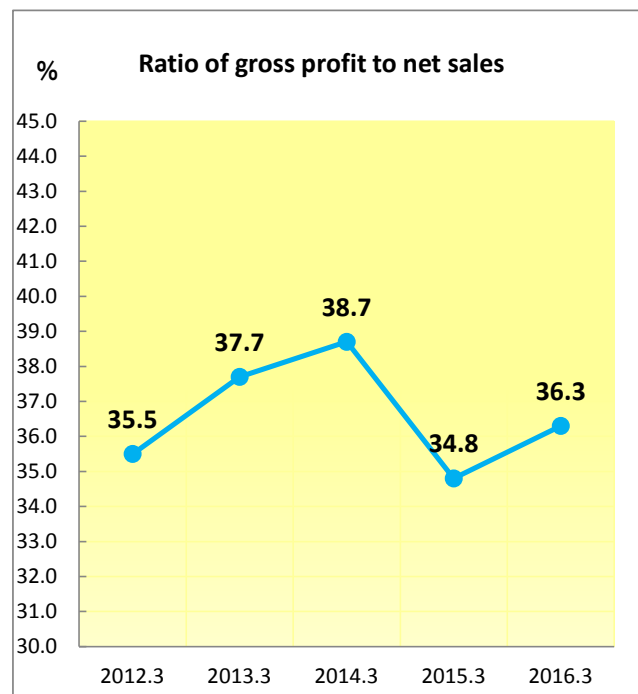


# FACT BOOK 2016.03

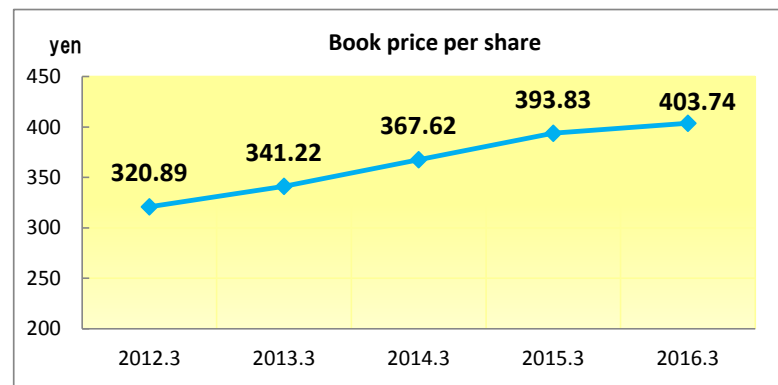
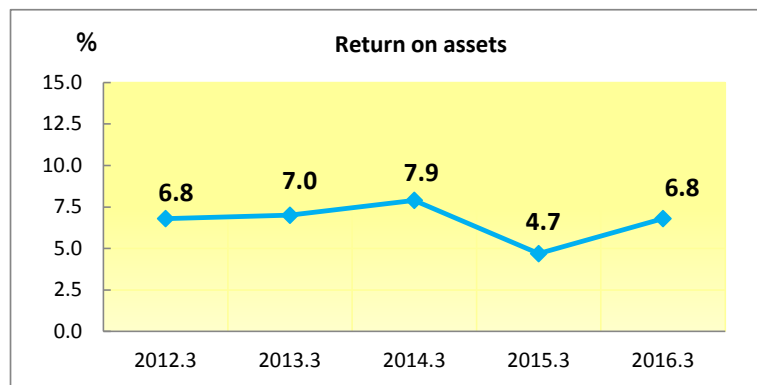
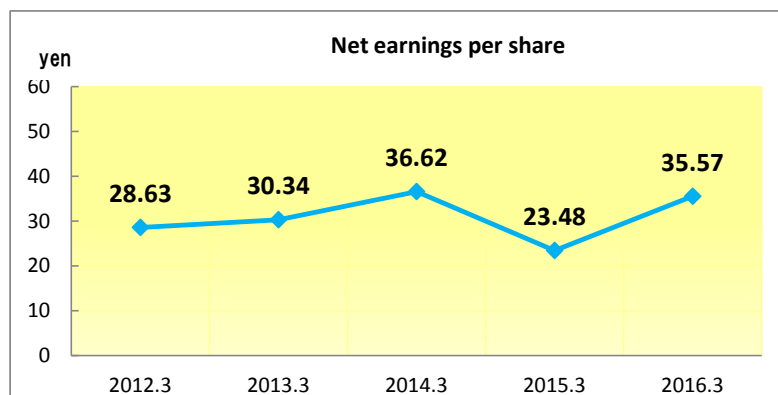
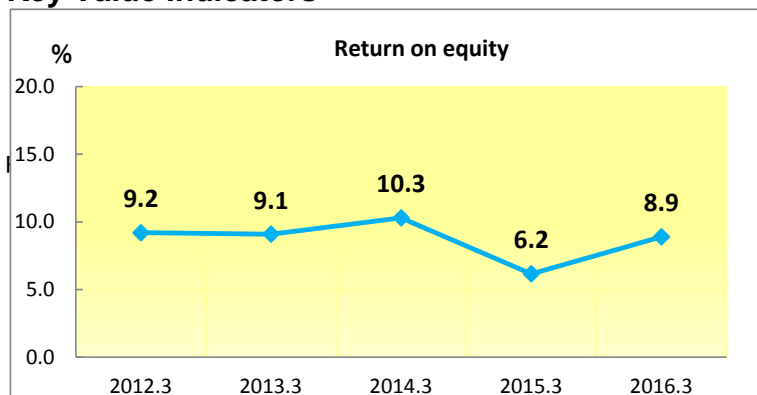


## Key Financial Indicators



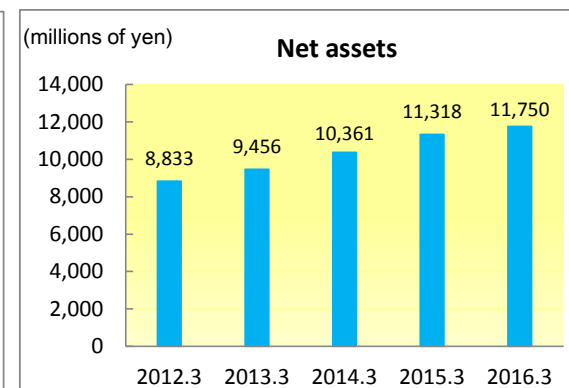
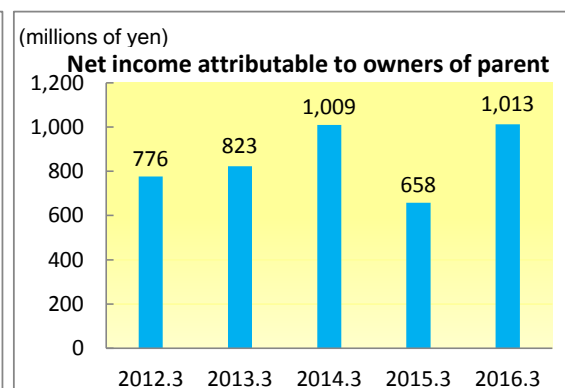
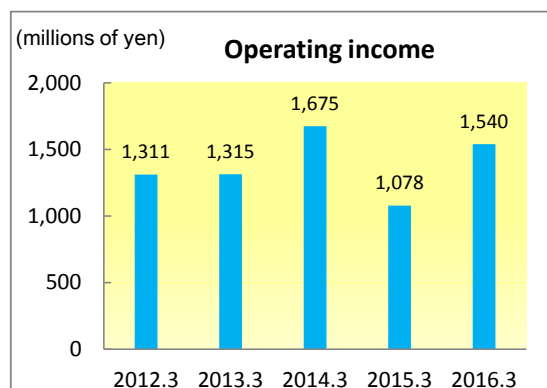
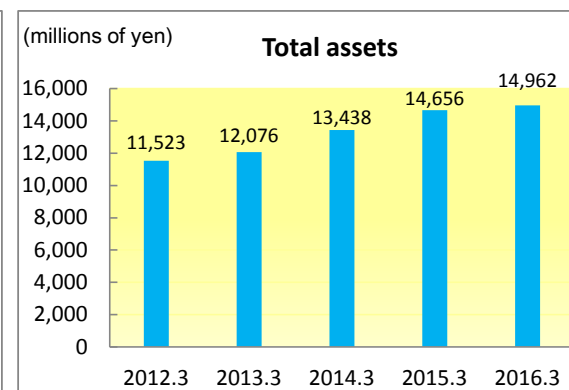
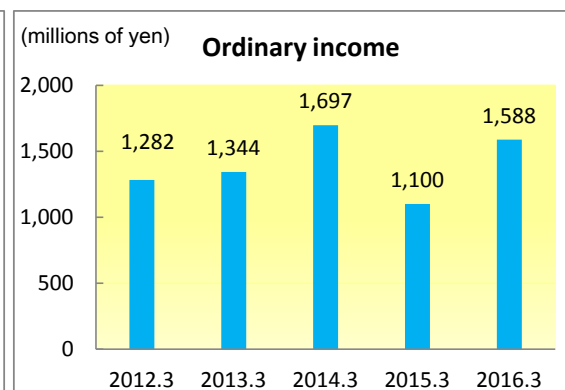
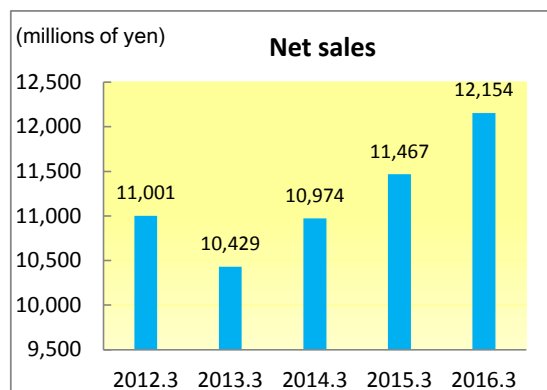
	2012.3	2013.3	2014.3	2015.3	<b>2016.3</b>
Ratio of gross profit to net sales(%)	35.5	37.7	38.7	34.8	<b>36.3</b>
Ratio of ordinary income to net sales(%)	11.7	12.9	15.5	9.6	<b>13.1</b>
Total assets turnover(times)	0.96	0.88	0.86	0.82	<b>0.82</b>
Capital turnover(times)	1.30	1.16	1.12	1.07	<b>1.07</b>
Capital ratio(%)	75.5	77.1	76.0	75.9	<b>77.5</b>
Current ratio(%)	333.4	368.0	361.3	331.0	<b>365.4</b>

## Key Value Indicators



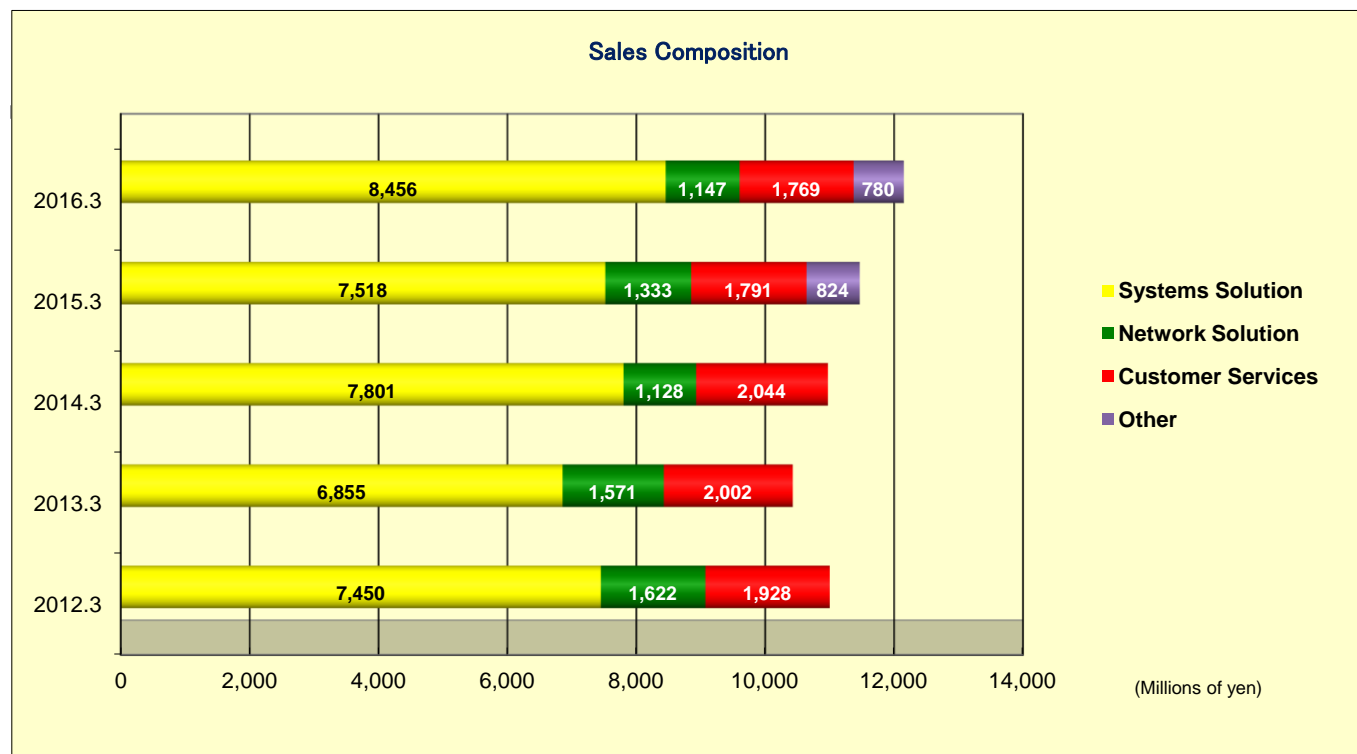
	2012.3	2013.3	2014.3	2015.3	2016.3
Return on equity(%)	9.2	9.1	10.3	6.2	<b>8.9</b>
Return on assets(%)	6.8	7.0	7.9	4.7	<b>6.8</b>
Book price per share(yen)	320.89	341.22	367.62	393.83	<b>403.74</b>
Net earnings per share(yen)	28.63	30.34	36.62	23.48	<b>35.57</b>
Dividend per share(yen)	15.0	15.0	15.0	15.0	<b>17.0</b>
payout ratio(%)	52.4	49.4	41.0	63.9	<b>47.8</b>
Price earnings ratio(times)	10.7	12.5	12.6	19.8	<b>13.7</b>
Price book-value ratio(times)	1.0	1.1	1.3	1.2	<b>1.2</b>

## Financial Highlights



	2012.3	2013.3	2014.3	2015.3	2016.3
Net sales(Millions of yen)	11,001	10,429	10,974	11,467	<b>12,154</b>
Operating income(Millions of yen)	1,311	1,315	1,675	1,078	<b>1,540</b>
Ordinary income(Millions of yen)	1,282	1,344	1,697	1,100	<b>1,588</b>
Net income attributable to owners of parent(Millions of yen)	776	823	1,009	658	<b>1,013</b>
Total assets(Millions of yen)	11,523	12,076	13,438	14,656	<b>14,962</b>
Net assets(Millions of yen)	8,833	9,456	10,361	11,318	<b>11,750</b>
Total number of issued shares	29,430,000	29,430,000	29,430,000	29,430,000	<b>29,430,000</b>
Number of employees(persons)	415	409	404	537	<b>558</b>

## Sales Composition



	2012.3 (Millions of yen)		2013.3 (Millions of yen)		2014.3 (Millions of yen)		2015.3 (Millions of yen)		2016.3 (Millions of yen)	
Systems Solution	7,450	67.7%	6,855	65.7%	7,801	71.1%	7,518	65.6%	<b>8,456</b>	<b>69.9%</b>
Network Solution	1,622	14.8%	1,571	15.2%	1,128	10.3%	1,333	11.6%	<b>1,147</b>	<b>9.4%</b>
Customer Services	1,928	17.5%	2,002	19.2%	2,044	18.6%	1,791	15.6%	<b>1,769</b>	<b>14.6%</b>
Other	-	-	-	-	-	-	824	7.2%	<b>780</b>	<b>6.4%</b>
Total	11,001	100.0%	10,429	100.0%	10,974	100.0%	11,467	100.0%	<b>12,154</b>	<b>100.0%</b>

## Consolidated Balance Sheets

### Assets

I.Current Assets	2015.3	2016.3
1.Cash and cash equivalents	2,209,867	2,801,199
2.Notes and accounts receivable-trade	2,744,087	2,951,266
3.Marketable securities	4,048,678	4,449,079
4.Inventories	539,718	317,913
5.Deferred tax assets	239,270	160,493
6.Other	104,690	116,121
7.Allowance for bad debts	Δ 42	Δ 49
<b>Total Current Assets</b>	<b>9,886,270</b>	<b>10,796,024</b>

### II.Fixed Assets

1.Tangible fixed assets		
(1)Buildings and structures	318,723	313,783
(2)Machinery and equipment	2,203	779
(3)Land	149,565	149,565
(4)Construction in progress	9,340	16,160
(5)Other	244,988	220,163
<b>Total Tangible Fixed Assets</b>	<b>724,820</b>	<b>700,451</b>
2.Intangible fixed assets		
(1)Goodwill	275,188	245,438
(2)Other	830,051	982,875
<b>Total Intangible Fixed Assets</b>	<b>1,105,240</b>	<b>1,228,314</b>
3.Investments and other assets		
(1)Investment securities	2,169,357	1,686,842
(2)Deferred tax assets	25,538	33,157
(3)Other	745,169	517,781
<b>Total of investments and other assets</b>	<b>2,940,064</b>	<b>2,237,781</b>
<b>Total fixed Assets</b>	<b>4,770,125</b>	<b>4,166,547</b>
<b>Total Assets</b>	<b>14,656,396</b>	<b>14,962,571</b>

### Liabilities

I.Current Liabilities	2015.3	2016.3
1.Accounts payable-trade	1,346,365	1,236,968
2.Accrued income tax	128,993	262,768
3.Accrued bonuses	337,483	320,457
4.Advances received	640,229	593,929
5.Other	533,515	540,437
<b>Total Current Liabilities</b>	<b>2,986,588</b>	<b>2,954,562</b>
<b>II.Long-term Liabilities</b>		
1.Net defined benefit liability	202,029	204,302
2.Reserve for directors' retirement allowance	14,370	15,870
3.Long-term debt	37,417	37,025
4.Deferred tax Liabilities	97,365	-
<b>Total Long-term Liabilities</b>	<b>351,182</b>	<b>257,197</b>
<b>Total Liabilities</b>	<b>3,337,771</b>	<b>3,211,760</b>

### Net Assets

I.Shareholder's equity		
1.Capital stock	1,124,669	1,124,669
2.Capital surplus	1,267,494	1,309,864
3.Retained earnings	8,441,991	9,031,576
4.Treasury stock	Δ 460,631	Δ 274,965
<b>Total Shareholder's equity</b>	<b>10,373,522</b>	<b>11,191,144</b>
<b>II.Accumulated other comprehensive income</b>		
1.Unrealized holding gain on securities	767,137	420,313
2.Deferred gain and loss from hedging	324	Δ 3,289
3.Remeasurements of defined benefit plans	Δ 14,222	Δ 9,879
<b>Total Accumulated other comprehensive income</b>	<b>753,239</b>	<b>407,144</b>
<b>III.Equity warrant</b>	<b>110,905</b>	<b>59,421</b>
<b>IV.Non controlling interest</b>	<b>80,957</b>	<b>93,102</b>
<b>Net Assets</b>	<b>11,318,625</b>	<b>11,750,811</b>
<b>Total Liabilities and Net Assets</b>	<b>14,656,396</b>	<b>14,962,571</b>

## Consolidated Statements of Income

	2015.3	2016.3
I.Sales	11,467,780	12,154,631
II.Cost of sales	7,478,352	7,743,738
<b>Gross profit on sales</b>	<b>3,989,427</b>	<b>4,410,892</b>
III.Selling,general and administration expenses	2,910,445	2,870,054
<b>Operating Income</b>	<b>1,078,981</b>	<b>1,540,837</b>
IV.Non-operating income		
1.Interest	4,925	4,046
2.Dividends earned	34,064	40,594
3.Investment profit on equity method	-	1,244
4.Other	13,143	14,168
<b>Total non-operating Income</b>	<b>52,134</b>	<b>60,052</b>
V.Non-operating expenses		
1.Interest expenses	1,280	-
2.Payment commission	6,708	5,749
3.Loss on valuation of investment securities	2,711	-
4.Investment loss on equity method	2,009	-
5.Loss on disposal of fixed assets	12,921	5,907
6.Foreign exchange losses	5,354	529
7.Loss on valuation of membership	-	-
8.Other	-	-
<b>Total Non-operating expenses</b>	<b>30,986</b>	<b>12,186</b>
<b>Ordinary Income</b>	<b>1,100,129</b>	<b>1,588,703</b>
VI.Extraordinary Income		
1.Gain on reversal of subscription rights to shares	31,633	21,531
<b>Total Extraordinary Income</b>	<b>31,633</b>	<b>21,531</b>
VII.Extraordinary loss		
<b>Total Extraordinary loss</b>	<b>-</b>	<b>-</b>
<b>Income before income taxes</b>	<b>1,131,762</b>	<b>1,610,235</b>
Corporation,inhabitants and enterprise taxes	480,219	475,118
Income tax adjustments	△ 1,189	109,557
Minority interests in income (loss)	△ 5,684	12,178
<b>Net income attributable to owners of parent(Millions of yen)</b>	<b>658,416</b>	<b>1,013,380</b>

## Consolidated Statements of Cash Flows

	2015.3	2016.3
I.Cash flow from operating activities		
Income before income taxes	1,131,762	1,610,235
Depreciation and amortization	266,953	235,768
Amortization of goodwill	22,312	29,750
Stock based compensation expense	54,397	28,976
Increase/decrease in provision for bonuses	Δ 4,334	Δ 17,026
Increase/decrease in reserve for retirement allowance	-	-
Increase/decrease in net defined benefit liability	10,231	9,037
Increase/Decrease in Reserve for directors' retirement benefits	1,500	1,500
Increase/Decrease in long-term debt	-	-
Increase/Decrease in allowance for doubtful accounts	Δ 1,173	7
Interest and dividends income	Δ 38,990	Δ 44,640
Interest expenses	1,280	-
Foreign exchange losses /gains	-	-
Equity in loss (earnings) of affiliates	2,009	Δ 1,244
Loss on evaluation of investment securities	2,711	-
Loss on disposal of fixed assets	12,921	5,907
Loss on valuation of membership	-	-
Gain on reversal of subscription rights to shares	Δ 31,633	Δ 21,531
Increase/decrease in notes and accounts receivable	457,275	Δ 225,022
Increase/decrease in inventories	Δ 112,646	221,255
Increase/decrease in notes and accounts payable	220,559	Δ 109,396
Other	116,929	69,830
Interest and dividends income received	38,977	44,633
Interest expenses paid	Δ 1,280	-
Income tax paid	Δ 934,085	Δ 373,424
<b>Net cash provided by operating activities</b>	<b>1,215,679</b>	<b>1,464,322</b>
II.Cash flow from investing activities		
Increase in time deposits	Δ 220,000	Δ 50,000
Decrease in time deposits	163,361	-
Net decrease /increase in short-term investment securities	Δ 99,955	299,814
Purchase of fixed assets	Δ 859,708	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	Δ 151,164	-
Purchase of memberships	Δ 15,546	-
Other	Δ 56,566	Δ 7,119
<b>Net cash used in investing activities</b>	<b>Δ 1,239,578</b>	<b>Δ 186,826</b>
III.Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	Δ 263,596	-
Repayments of long-term loans payable	Δ 39,675	-
Purchase of treasury shares of subsidiaries	Δ 12	-
Sales of treasury stock	156,692	169,106
Cash dividends paid	Δ 416,143	Δ 424,992
<b>Net cash used in financing activities</b>	<b>Δ 562,734</b>	
IV.Effect of exchange rate changes on cash and cash equivalents	-	-
V.Increase/decrease in cash and cash equivalents	Δ 586,634	1,021,609
VI.Cash and cash equivalents at beginning of year	5,045,481	4,458,846
VII.Cash and cash equivalents at end of year	4,458,846	5,480,455