Results for Q4 FY18
Ended March 31, 2019
 Agenda

- FY18 Results  
  P. 2-13

- FY19-21 Medium-Term Business Plan  
  P. 14-26

- FY19 Outlook  
  P. 27-30
FY18 Results
Profits increased as a result of revenue growth and continuous efforts to reduce costs, expand services, and increase productivity. Bookings increased mainly in Public sector.
Key factor in profit growth

Continuous efforts to reduce costs, expand service business, and improve productivity

YoY

Revenue +12.9%
Gross profit margin 23.5% → 24.4%
SGA ratio 18.4% → 17.2%

Operating income +57.9%

Reduce costs / Expand service business / Improve productivity
Performance by market sector

**Enterprise**
- Business of security, cloud infrastructure, work style innovation, and IIoT performed well.

**Telecom Carrier**
- Service infrastructure business performed well.

**Public**
- Security and cloud infrastructure business were strong.

**Partner**
- Focused on profitability and provided value-added solutions.
Performance by product category

■ Bookings

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>98,555</td>
<td>107,936</td>
<td>+9.5%</td>
</tr>
<tr>
<td>71,609</td>
<td>80,396</td>
<td>+12.3%</td>
</tr>
</tbody>
</table>

Proportion of services: 42.1% FY17, 42.7% FY18

■ Revenue

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>97,320</td>
<td>107,045</td>
<td>+10.0%</td>
</tr>
<tr>
<td>63,787</td>
<td>74,890</td>
<td>+17.4%</td>
</tr>
</tbody>
</table>

Proportion of services: 39.6% FY17, 41.2% FY18

■ Backlog

<table>
<thead>
<tr>
<th>End of FY17</th>
<th>End of FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>51,900</td>
<td>57,406</td>
</tr>
<tr>
<td>17,221</td>
<td>18,112</td>
</tr>
</tbody>
</table>

Proportion of services: 75.1% End of FY17, 76.0% End of FY18

Products

Security and cloud infrastructure business performed well.
The acceleration of the “Integrated services business” contributed the expansion of services and products.
Revenue trend by market sector and product category

Revenue by market sector

- Telecom
- Carrier
- Public
- Enterprise
- Partner

Revenue by product category

- Products
- Services
# Revenue and P/L by reportable segment

## (JPYmn)

<table>
<thead>
<tr>
<th></th>
<th>Enterprise</th>
<th>Telecom Carrier</th>
<th>Public</th>
<th>Partner</th>
<th>Sub-total</th>
<th>Other</th>
<th>Total</th>
<th>Adjustment</th>
<th>Amount recorded in consolidated income statements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>182,048</td>
<td>(112)</td>
<td>181,935</td>
</tr>
<tr>
<td><strong>Segment income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13,677</td>
<td>(665)</td>
<td>13,012</td>
</tr>
<tr>
<td><strong>Segment income margin</strong></td>
<td>6.2%</td>
<td>9.7%</td>
<td>7.4%</td>
<td>7.1%</td>
<td></td>
<td></td>
<td></td>
<td>7.2%</td>
<td></td>
</tr>
</tbody>
</table>

## FY17 (Previous)

<table>
<thead>
<tr>
<th></th>
<th>Enterprise</th>
<th>Telecom Carrier</th>
<th>Public</th>
<th>Partner</th>
<th>Sub-total</th>
<th>Other</th>
<th>Total</th>
<th>Adjustment</th>
<th>Amount recorded in consolidated income statements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>49,685</td>
<td>30,846</td>
<td>48,751</td>
<td>30,985</td>
<td>160,268</td>
<td>1,883</td>
<td>162,151</td>
<td>(1,044)</td>
<td>161,107</td>
</tr>
<tr>
<td><strong>Segment income</strong></td>
<td>3,145</td>
<td>2,101</td>
<td>2,152</td>
<td>1,426</td>
<td>8,825</td>
<td>5</td>
<td>8,831</td>
<td>(590)</td>
<td>8,241</td>
</tr>
<tr>
<td><strong>Segment income margin</strong></td>
<td>6.3%</td>
<td>6.8%</td>
<td>4.4%</td>
<td>4.6%</td>
<td></td>
<td></td>
<td></td>
<td>5.1%</td>
<td></td>
</tr>
</tbody>
</table>

(Notes) 1. The adjustment in segment income included corporate expenses not attributable to any reportable segment.
2. The “Other” segment is not included as a reportable segment. It contains the server service business and other businesses. Corporate expenses are mainly related to general administrative expenses not attributable to reportable segment.
# Consolidated balance sheets

<table>
<thead>
<tr>
<th>(JPYmn)</th>
<th>Mar 31, 2018 Results</th>
<th>Mar 31, 2019 Results</th>
<th>Change Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>106,827</td>
<td>125,498</td>
<td>18,670</td>
<td>+ 17.5%</td>
</tr>
<tr>
<td>Current assets</td>
<td>95,164</td>
<td>113,410</td>
<td>18,245</td>
<td>+ 19.2%</td>
</tr>
<tr>
<td>Cash and deposits + CD·CP</td>
<td>23,953</td>
<td>25,305</td>
<td>1,352</td>
<td>+ 5.6%</td>
</tr>
<tr>
<td>Notes and accounts receivable-trade</td>
<td>41,755</td>
<td>43,464</td>
<td>1,709</td>
<td>+ 4.1%</td>
</tr>
<tr>
<td>Inventory assets</td>
<td>13,136</td>
<td>14,287</td>
<td>1,151</td>
<td>+ 8.8%</td>
</tr>
<tr>
<td>Other</td>
<td>16,319</td>
<td>30,352</td>
<td>14,032</td>
<td>+ 86.0%</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>11,662</td>
<td>12,087</td>
<td>425</td>
<td>+ 3.6%</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5,125</td>
<td>5,240</td>
<td>114</td>
<td>+ 2.2%</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,801</td>
<td>1,434</td>
<td>(366)</td>
<td>- 20.3%</td>
</tr>
<tr>
<td>Investment etc.</td>
<td>4,735</td>
<td>5,412</td>
<td>677</td>
<td>+ 14.3%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>46,464</td>
<td>58,640</td>
<td>12,175</td>
<td>+ 26.2%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>41,544</td>
<td>49,846</td>
<td>8,302</td>
<td>+ 20.0%</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>4,919</td>
<td>8,793</td>
<td>3,873</td>
<td>+ 78.7%</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>60,363</td>
<td>66,858</td>
<td>6,495</td>
<td>+ 10.8%</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>60,369</td>
<td>66,631</td>
<td>6,261</td>
<td>+ 10.4%</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>(167)</td>
<td>62</td>
<td>230</td>
<td></td>
</tr>
<tr>
<td>Subscription rights to shares</td>
<td>160</td>
<td>163</td>
<td>3</td>
<td>+ 2.0%</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>106,827</td>
<td>125,498</td>
<td>18,670</td>
<td>+ 17.5%</td>
</tr>
</tbody>
</table>

*1,2,3: The main factors are explained on page 10.
# Main factors for changes in assets and liabilities

## *1: Current Assets, Other

<table>
<thead>
<tr>
<th></th>
<th>Mar 31, 2018 Results</th>
<th>Mar 31, 2019 Results</th>
<th>YoY</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in leases</td>
<td>4,139</td>
<td>8,723</td>
<td>+4,584</td>
<td>+110.8% Increased in capital service</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>8,642</td>
<td>13,109</td>
<td>+4,467</td>
<td>+51.7% Increased in maintenance service</td>
</tr>
<tr>
<td>Advances paid</td>
<td>3,036</td>
<td>7,775</td>
<td>+4,739</td>
<td>+156.1% Increase in net transactions such as software licenses</td>
</tr>
</tbody>
</table>

## *2: Current liabilities

<table>
<thead>
<tr>
<th></th>
<th>Mar 31, 2018 Results</th>
<th>Mar 31, 2019 Results</th>
<th>YoY</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease obligations</td>
<td>2,767</td>
<td>4,051</td>
<td>+1,284</td>
<td>+46.4% Increased in capital service</td>
</tr>
<tr>
<td>Advances received</td>
<td>12,477</td>
<td>15,015</td>
<td>+2,538</td>
<td>+20.3% Increased in maintenance service</td>
</tr>
</tbody>
</table>

## *3: Non-current liabilities

<table>
<thead>
<tr>
<th></th>
<th>Mar 31, 2018 Results</th>
<th>Mar 31, 2019 Results</th>
<th>YoY</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease obligations</td>
<td>4,539</td>
<td>8,391</td>
<td>+3,852</td>
<td>+84.9% Increased in capital service</td>
</tr>
</tbody>
</table>
# Exchange rate, EPS, Employees

<table>
<thead>
<tr>
<th></th>
<th>FY17 Q1-4</th>
<th>FY18 Q1-4</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Exchange rate ($JPY)</td>
<td>111.04</td>
<td>110.15</td>
<td>(0.89)</td>
</tr>
<tr>
<td>Earnings per share (JPY)</td>
<td>67.16</td>
<td>105.28</td>
<td>+38.12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>End of FY17</th>
<th>End of FY18</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>2,295</td>
<td>2,277</td>
<td>(18)</td>
</tr>
</tbody>
</table>

**(Notes)**

1. On November 16, 2018, an interim dividend of 17.00 yen per share was paid to shareholders of record as of September 30, 2018. The interim dividend consists of an ordinary dividend of 15.00 yen and a commemorative dividend of 2.00 yen for the 30 year anniversary of the Company's founding.

2. The Company is planning to increase the year-end dividend payment by 3.00 yen per share from 17.00 yen to 20.00 yen per share. (announced on April 25, 2019) The year-end dividend consists of an ordinary dividend of 18.00 yen and a commemorative dividend of 2.00 yen for the 30 year anniversary of the Company's founding.
Review of medium-term business plan (FY16-18): Growth strategy

Development of new market

- IIoT: Started implementation at production environment
- Corporate: Grew with managed services
- Global: Strengthened alliance for ASEAN business

驾驶服务业务

- 提供“功能”
- 开始“综合服务业务”
- 扩大资本服务

扩展安装基底

- 云系统带安全
- 成为核心业务并显著贡献利润增长

保持安装基底

- 成长网络升级业务
- 为云利用做出了贡献
Review of medium-term business plan (FY16-18): Target

- **Revenue**
  - JPY145bn
  - **JPY157bn**
    - 1st year FY16
  - **JPY161bn**
    - 2nd year FY17
  - JPY170bn

- **Operating margin**
  - 1.7%
  - 3.7%
  - **5.1%**
  - **7.2%**

- **Operating income**
  - JPY2.4bn
  - JPY5.7bn
  - **JPY8.2bn**
  - JPY13.0bn

- **Achieved**
  - Corporate market Target: JPY4.0bn
  - IIoT market Target: JPY4.0bn
  - Cloud system with security Target: JPY10.0bn
  - Global market Target: JPY4.0bn

- **Achieved**
  - JPY157bn
  - JPY155bn
  - JPY13.0bn
  - JPY11.0bn

- **Target**
  - JPY161bn

- **Result**
  - JPY170bn

- **Plan vs. Result**
  - Dotted line: Original Plan
  - FY15
  - 1st year FY16
  - 2nd year FY17
  - 3rd year FY18

- **Operating income**
  - JPY2.4bn
  - JPY5.7bn
  - JPY8.2bn
  - JPY13.0bn

- **Operating margin**
  - 1.7%
  - 3.7%
  - 5.1%
  - 7.2%

- **Revenue**
  - JPY145bn
  - JPY157bn
  - JPY161bn
  - JPY170bn
FY19-21 Medium-Term Business Plan
The ICT market is changing dramatically

- Rapid growth of U.S. cloud service providers
- Software shift in ICT Vendors
- ICT becomes the core of business transformation

We have created new values in cloud infrastructure and security. We will continue to transform ourselves to co-create new values with customers.
Growth Strategy

Management Philosophy
Contribute to innovation in society by utilizing ICT

Three basic strategies: Focus on creating high added value

- Implementation of DX - Increasing productivity -
- Driving "Integrated Service Business" - Expansion of service business -
- Expanding focus markets and new models - Extending market coverage -

Growth of Customer/Partner - Value co-creation -

Three growth steps
Making an attractive company providing new value

Growth of employees - Initiative -

Growth of the company - Uniqueness -
## Targets

<table>
<thead>
<tr>
<th></th>
<th>FY18 result</th>
<th>FY21 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin</td>
<td>7.2%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Proportion of services</td>
<td>41.2%</td>
<td>50%</td>
</tr>
<tr>
<td>ROE</td>
<td>14.0%</td>
<td>16.8%</td>
</tr>
</tbody>
</table>

### Business model transformation

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>JPY 142.4bn</td>
<td>144.1</td>
<td>145.1</td>
<td>157.2</td>
<td>161.1</td>
<td>181.9</td>
<td>187.5</td>
<td>200.0</td>
<td>220.0</td>
</tr>
<tr>
<td>Operating margin</td>
<td>2.2%</td>
<td>2.9%</td>
<td>1.7%</td>
<td>3.7%</td>
<td>5.1%</td>
<td>7.2%</td>
<td>8.0%</td>
<td>8.5%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Operating income</td>
<td>JPY 3.1bn</td>
<td>4.2</td>
<td>2.4</td>
<td>5.7</td>
<td>8.2</td>
<td>13.0</td>
<td>15.0</td>
<td>17.0</td>
<td>21.0</td>
</tr>
</tbody>
</table>

### Continuous growth (Cloud/Security)

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>14.0%</td>
<td>16.8%</td>
<td>17.0%</td>
<td>17.5%</td>
<td>18.0%</td>
<td>18.5%</td>
<td>19.0%</td>
<td>19.5%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

### Transformation for the next generation (Service business)
Basic strategy 1: Expanding focus markets & new models

Focus on markets and customers that accept our added value, especially large enterprises and organizations

Focus markets / New models
JPY25bn increase in revenue for 3 years

Focus markets
- Healthcare
- Education
- Smart factory

New models
- MSP (Managed service provider)
- Refurbishment

Existing markets
Continuous increase in revenue for 3 years

- Core solutions -
  Multi-cloud, security, work style reform

Customer

Solution

Development
Existing
New
Focus markets

Target the three markets where ICT is expected to advance

**Healthcare**
- **Target**
  - Large hospitals
- **Current demand**
  - Consolidate ICT-infra of medical systems
  - Protect medical information
  - Reform the work-style of health care workers
- **Future demand**
  - Use cloud services for medical systems
  - Protect Medical ID/Social Security Number
  - Optimize inter-hospital ICT infrastructure

**Education**
- **Target**
  - K-12(Large municipalities)
- **Current demand**
  - Protect students’ information
  - Reform the work-style of faculty members
  - Consolidate ICT-infra of education systems
- **Future demand**
  - Use Edtech(Cloud Services)
  - Teach/Interact between distant schools
  - Solve the shortage of ICT engineer

**Smart factory**
- **Target**
  - Large manufacturers
- **Current/Future demand**
  - Improve production efficiency
    - preventive maintenance
    - traceability
    - production automation
  - Develop IoT infrastructure
    - data collection, formatting, and analysis
    - federation with cloud services
    - security/operation include OT systems
New models

Enhance the two models to meet utilization of ICT functions

**MSP (Managed service provider)**

- Provide solutions to support MSP services
- Efficient and indirect approach to new customers

**Refurbishment**

- Provide refurbishment products and third-party maintenance service from new subsidiary
- Cost differentiation and high profitability

Managed services (Function of network, security, and cloud)

- for SMB
- for large enterprise

New/Refurbishment products

- Focus on functions and deliver at optimal cost
- Provide long-term support
- for every customers
Basic strategy 2: Driving “Integrated Service Business”

All activities of the NetOne Group are defined as “Integrated Services Business”
Focus on customer success to create added value

Provide high added value to customers

Subscription payment model

Optimization
Plan
Consulting
Proposal
Design/Build
Build
Operation
Project management
Maintenance
Consulting
Proposal
Design/Build
Build
Operation
Optimization

ICT infrastructure
enabling secure use of multiple clouds
Basic strategy 3: Implementation of DX (digital transformation)

Review of all operations and IT systemization to improve productivity
Introduce success/failure experiences to customers as added value

Customers: Dramatically reduce the time of system deployment

[netone on netone]
Provide ICT infrastructure for DX based on NetOne experience

NetOne: Dramatically improve speed, accuracy, and quality of operations

DX
IT systemize of all operations, minimize the amount of work
Re-create of process  Re-create of IT system  People development

Work-style innovation
Anytime, anywhere, anyone and any-device
Advanced ICT tools  Flexible HR system  Office environment
Improving operating margin

Focus on creating high added value

Three basic strategies

- Expanding focus markets & new models
- Driving “Integrated Service Business”
- Implementation of DX

Growth to FY21

- Increasing revenue +20.9%
- Increasing gross profit margin 24.4%→26.4%
- Reducing SG&A ratio 17.2%→16.9%

FY21 OPM 9.5%
# NetOne group (FY18 consolidated)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net One Partners Co., Ltd.</td>
<td>Partner business</td>
</tr>
<tr>
<td>Net One Next Co., Ltd.</td>
<td>Refurbishment business</td>
</tr>
<tr>
<td>Net One Connect G.K.</td>
<td>Multi-cloud software development</td>
</tr>
<tr>
<td>Net One Business Operations G.K.</td>
<td>Administrative services</td>
</tr>
<tr>
<td>eXtreak, Inc.</td>
<td>Facility engineering</td>
</tr>
<tr>
<td>Net One Asia Pte. Ltd.</td>
<td>ASEAN business</td>
</tr>
<tr>
<td>Net One Systems USA, Inc.</td>
<td>Market research</td>
</tr>
<tr>
<td>Net One Systems Singapore Pte. Ltd.</td>
<td>Singapore office</td>
</tr>
</tbody>
</table>

**Consolidated**

- **Net One Systems Co., Ltd.**

**Non-consolidated**

- **Net One Partners Co., Ltd.**
- **Net One Next Co., Ltd.**
- **Net One Connect G.K.**
- **Net One Business Operations G.K.**
- **eXtreak, Inc.**
- **Net One Asia Pte. Ltd.**
- **Net One Systems USA, Inc.**
- **Net One Systems Singapore Pte. Ltd.**
NetOne group (FY19 consolidated)

- Net One Systems Co., Ltd.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner business</td>
<td>Refurbishment business</td>
<td>Multi-cloud software development</td>
<td>Administrative services</td>
</tr>
</tbody>
</table>

- eXtreak, Inc.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility engineering</td>
<td>ASEAN business</td>
<td>Administrative services</td>
</tr>
<tr>
<td>Market research</td>
<td>Singapore office</td>
<td></td>
</tr>
</tbody>
</table>
FY22 plan: Next generation office

Reorganizing Tokyo offices into 2 locations in FY22 as an example of DX

**Up to FY21**

1. Head office
   Sales division

2. Tennoz office
   Engineering/Administrative divisions

3. Technical Center
   Technical verification

4. Quality Assurance & Management Center
   Product receiving, shipping, inspection

**FY22 plan**

1. Head office
   Sales division (no change)

2. New office
   Integration of functions

   - Engineering/Administrative divisions
   - Technical verification
   - Product receiving, shipping, inspection
FY19 Outlook
## FY19 outlook

<table>
<thead>
<tr>
<th></th>
<th>H1</th>
<th>H2</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>(JPYmn, % to revenue)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bookings</td>
<td>91,300</td>
<td>97,700</td>
<td>189,000</td>
</tr>
<tr>
<td>Revenue</td>
<td>81,700</td>
<td>105,800</td>
<td>187,500</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>60,700</td>
<td>79,100</td>
<td>139,800</td>
</tr>
<tr>
<td>Gross profit</td>
<td>21,000</td>
<td>26,700</td>
<td>47,700</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>15,800</td>
<td>16,900</td>
<td>32,700</td>
</tr>
<tr>
<td>Operating income</td>
<td>5,200</td>
<td>9,800</td>
<td>15,000</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>5,200</td>
<td>9,800</td>
<td>15,000</td>
</tr>
<tr>
<td>Net income attributable to owners of the parent</td>
<td>3,500</td>
<td>6,700</td>
<td>10,200</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>21.00 Yen</td>
<td>21.00 Yen</td>
<td>42.00 Yen</td>
</tr>
</tbody>
</table>

| Annual                      |          |          |         |
| Exchange rate               | 110.25 USD/JPY | | Consolidated employees as of April 1, 2019: 2,346 |
## FY19 outlook by market sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Bookings (JPYmn)</th>
<th>Revenue (JPYmn)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019/03</td>
<td>2020/03</td>
</tr>
<tr>
<td>Enterprise</td>
<td>188,332</td>
<td>189,000</td>
</tr>
<tr>
<td></td>
<td>+0.4%</td>
<td>+3.1%</td>
</tr>
<tr>
<td></td>
<td>51,293</td>
<td>56,000</td>
</tr>
<tr>
<td></td>
<td>+9.2%</td>
<td>+4.1%</td>
</tr>
<tr>
<td></td>
<td>35,386</td>
<td>37,500</td>
</tr>
<tr>
<td></td>
<td>+6.0%</td>
<td>- 10.5%</td>
</tr>
<tr>
<td></td>
<td>69,831</td>
<td>59,000</td>
</tr>
<tr>
<td></td>
<td>- 15.5%</td>
<td>+16.6%</td>
</tr>
<tr>
<td></td>
<td>31,607</td>
<td>35,000</td>
</tr>
</tbody>
</table>

### Market Sector Details

**Enterprise**
Continue to expand business of cloud infrastructure, security, and work style innovation. Deliver new solutions for smart factory and MSP.

**Telecom Carrier**
Continue to focus on expanding the service infrastructure business.

**Public**
Major projects in the previous year will fell. Continue to focus on security and cloud infrastructure business. Deliver new solutions for healthcare and education.

**Partner**
Expand solutions business for various partners. Deliver new solutions for MSP.
FY19 outlook by product category

### Bookings

<table>
<thead>
<tr>
<th></th>
<th>2019/03</th>
<th>2020/03</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookings</td>
<td>188,332</td>
<td>189,000</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Revenue out</td>
<td>107,936</td>
<td>107,000</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Products</td>
<td>80,396</td>
<td>82,000</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Service business</td>
<td>107,540</td>
<td>107,500</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

### Revenue

<table>
<thead>
<tr>
<th></th>
<th>2019/03</th>
<th>2020/03</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookings</td>
<td>181,935</td>
<td>187,500</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Revenue out</td>
<td>107,045</td>
<td>107,500</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Products</td>
<td>74,890</td>
<td>80,000</td>
<td>+6.8%</td>
</tr>
<tr>
<td>Service business</td>
<td>107,045</td>
<td>107,500</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

**Products**

Continue to focus on expanding “Integrated services business" in focus markets, new models, and existing markets.

**Proportion of services**

<table>
<thead>
<tr>
<th></th>
<th>2019/03</th>
<th>2020/03</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>42.7%</td>
<td>42.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service business</td>
<td>43.4%</td>
<td>43.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue out</td>
<td>41.2%</td>
<td>41.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Service business</td>
<td>42.7%</td>
<td>42.7%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**Note:**

- The data is in Japanese Yen million (JPYmn).
- The proportion of services remains stable at 42.7% for both periods.
- Revenue growth is targeted at +3.1% for FY19.