Walden Research Japan

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Startia Holdings (3393)

Consolidated Fiscal Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
FY03/2019		11,907	517	573	323	32.15	9.00	473.95
FY03/2020		12,778	732	771	219	22.45	9.00	478.24
FY03/2021CoE		13,000	(200)	(200)	(372)	(37.97)	10.00	
FY03/2020	YoY	7.3%	41.6%	34.5%	(32.0%)	-	-	-
FY03/2021CoE	YoY	1.7%	-	-	-	-	-	-
Consolidated Half Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
Q1 to Q2 FY03/2020		6,240	320	335	180	-	-	-
Q3 to Q4 FY03/2020		6,538	412	435	39	-	-	-
Q1 to Q2 FY03/2021CoE		6,000	(340)	(340)	(441)	-	-	-
Q3 to Q4 FY03/2021CoE		7,000	140	140	69	-	-	-
Q1 to Q2 FY03/2021CoE	YoY	(3.8%)	-	-	-	-	-	-
Q3 to Q4 FY03/2021CoE	YoY	7.1%	(66.1%)	(67.9%)	73.2%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (19 May 2020)

Thorough Switchover to Subscription

On 15 May 2020, Startia Holdings, focusing on digital marketing, released its FY03/2020 results. It has been revealed that initial Company forecasts are far exceeded for earnings. At the same time, the Company has announced its midterm management plan "NEXT'S 2025" (FY03/2021 to FY03/2025). For FY03/2025 or the last year of the plan, the Company is calling for prospective sales of \(\frac{\frac{1}}{3}}\) 3,000m, operating profit of \(\frac{\frac{1}}{3}}\) 3,000m and operating profit margin of 10.6%. Based on the FY03/2020 results, sales are to increase by 19.4% on a CAGR basis during the period and by 35.1% for earnings, while operating profit margin to rise by 4.9% points. On the IT Infrastructure Business side, where the Company builds IT infrastructure for smaller business, sales and earnings are to see steady increases during the period. Meanwhile, on the Digital Marketing Business side, where the Company optimizes information held by its customers through own IT services and supports them in making money, prospective segment profit in FY03/2025 is to exceed that of IT Infrastructure Business, after making loss for some time until the Company sets up foundation for earnings thoroughly based on business model of subscription (to bill on a duration basis). We are to take part in the Company's financial results briefing (online) scheduled on Friday, 29 May, while interviewing with management afterwards through web-conferencing service, so that we should be able to update Startia Holdings (3393) Critical Point (17 March 2020) and release anew.

IR Representative: Takao Uematsu, director (+81 3 5339 2109/tk.uematsu@startiaholdings.com)

2.0 Company Profile

IT Infrastructure to Digital Marketing

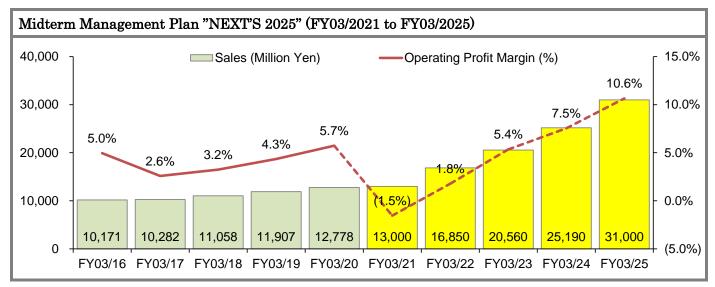
Startia Holdings, Inc.
Company Website
IR Information Startia holdings
Share Price (Japanese)
21 February 1996
28 February 2014: Tokyo Stock Exchange 1st section (ticker: 3393)
20 December 2005: Tokyo Stock Exchange Mothers section
¥824m (as of the end of March 2020)
10,240,400 shares, including 11 treasury shares (as of the end of March 2020)
Focus on digital marketing to see high growth
Thorough switchover to business model of subscription (to bill on a duration
basis)
Long-term growth also for operations to build IT infrastructure for smaller
business
I . Digital Marketing Business
II . IT Infrastructure Business
III. CVC Business
IV. Overseas Business
President & CEO: Hideyuki Hongo
Hideyuki Hongo 40.3%, Hikari Tsushin 9.3%, Akira Saiga 4.8% (as of the end of
March 2020)
Shinjuku-ku, Tokyo, JAPAN
Consolidated: 668, Unconsolidated: 51 (as of the end of December 2019)

Source: Company Data

3.0 Recent Trading and Prospects

FY03/2020 Results

In FY03/2020, sales came in at ¥12,778m (up 7.3% YoY), operating profit ¥732m (up 41.6%), recurring profit ¥771m (up 34.5%) and profit attributable to owners of parent ¥219m (down 32.0%), while operating profit margin 5.7% (up 1.4% points). Compared with initial Company forecasts, sales are worse by ¥44m (0.3%), but operating profit was better by ¥226m (44.7%) and recurring profit better by ¥267m (53.0%). According to the Company, sales are almost in line, while productivity improvements, cost savings and undigested expenses are occurring. For example, personnel-related expenses have been reduced. Meanwhile, profit attributable to owners of parent is worse by ¥71m (24.5%).



Source: Company Data, WRJ Calculation

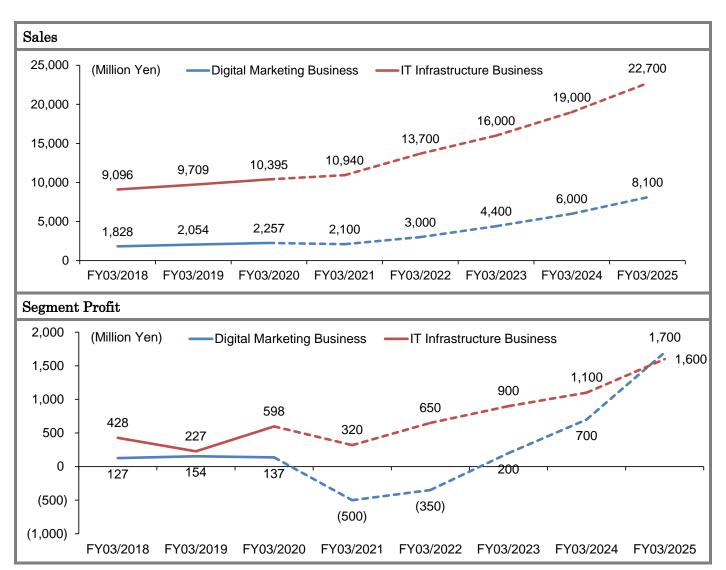
On the Digital Marketing Business side, sales came in at \(\frac{\pmathbf{\frac{2}}}{257m}\) (up 9.9%), segment profit \(\frac{\pmathbf{\frac{1}}}{137m}\) (down 1.1%) and segment profit margin 6.1% (down 1.4% points). Meanwhile, on the IT Infrastructure Business side, sales came in at \(\frac{\pmathbf{1}}{10,395m}\) (up 7.1%), segment profit \(\frac{\pmathbf{5}}{598m}\) (up 163.4%) and segment profit margin 5.8% (up 3.4% points).

On the Digital Marketing Business side, sales associated with business model of subscription (to bill on a duration basis) came in at \(\frac{\pmathbf{X}}{1,394m}\) (up 16.3%) and sales associated with business model of flow (outright sales) came in at \(\frac{\pmathbf{X}}{863m}\) (up 0.9%), implying that the latter is stagnating. In the fist place, the Company has been keen on sales promotions both for subscription and flow, but it appears that the needs of customers are rapidly shifting to subscription.

Presumably in response to this, the Company has decided to specialize in business model of subscription (to bill on a duration basis), starting in FY03/2021. In other words, the Company "implements thorough switchover" to "billing on a duration basis" from "outright sales". Compared with the situations so far, sales are inevitably delayed and thus short-term earnings to deteriorate, having resulted in booking of impairment loss. More importantly, however, sales promotions for business model of subscription (to bill on a duration basis) has an aspect to accumulate stock to consistently generate stable earnings, implying a high potential to maximize earnings in a long-term view.

FY03/2021 Company Forecasts

FY03/2021 Company forecasts are going for prospective sales of \$13,000m (up 1.7% YoY), operating profit of minus \$200m (versus \$732m in the previous year), recurring profit of minus \$200m (\$771m) and profit attributable to owners of parent of minus \$372m (\$219m), while operating profit margin of minus 1.5% (down 7.3% points). At the same time, Company forecasts are going for prospective annual dividend of \$10.00 per share.



4.0 Financial Statements

Income Statement (Cumulative/Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
meente etatement	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	Net Chg.
Sales	2,782	5,731	8,624	11,907	2,873	6,240	9,240	12,778	+871
Cost of Sales	1,582	3,145	4,760	6,582	1,641	3,469	5,168	7,062	+480
Gross Profit	1,199	2,585	3,864	5,325	1,232	2,770	4,071	5,715	+390
SG&A Expenses	1,162	2,290	3,485	4,807	1,235	2,450	3,716	4,982	+175
Operating Profit	37	294	378	517	(2)	320	355	732	+215
Non Operating Balance	12	35	36	55	(9)	15	27	38	(17)
Recurring Profit	49	330	415	573	(12)	335	383	771	+197
Extraordinary Balance	18	23	23	25	0	2	2	(111)	(136)
Profit before Income Taxes	67	353	438	598	(12)	338	385	659	+61
Total Income Taxes	13	135	186	289	20	159	193	441	+152
NP Belonging to Non-Controlling SHs	(8)	(9)	(12)	(13)	(1)	(1)	(1)	(1)	+12
Profit Attributable to Owners of Parent	62	228	264	323	(31)	180	193	219	(103)
Sales YoY	+6.2%	+6.7%	+6.6%	+7.7%	+3.3%	+8.9%	+7.1%	+7.3%	-
Operating Profit YoY	-	+33.0%	+34.7%	+44.4%	-	+8.6%	(6.0%)	+41.6%	-
Recurring Profit YoY	-	+40.6%	+41.6%	+52.3%	-	+1.5%	(7.7%)	+34.5%	-
Profit Attributable to Owners of Parent YoY	+52.8%	+8.6%	(45.1%)	(47.3%)	-	(21.1%)	(26.9%)	(32.0%)	-
Gross Profit Margin	43.1%	45.1%	44.8%	44.7%	42.9%	44.4%	44.1%	44.7%	+0.0%
Sales to SG&A Expenses Ratio	41.8%	40.0%	40.4%	40.4%	43.0%	39.3%	40.2%	39.0%	(1.4%)
Operating Profit Margin	1.3%	5.1%	4.4%	4.3%	(0.1%)	5.1%	3.8%	5.7%	+1.4%
Recurring Profit Margin	1.8%	5.8%	4.8%	4.8%	(0.4%)	5.4%	4.1%	6.0%	+1.2%
Profit Attributable to Owners of Parent Margin	2.2%	4.0%	3.1%	2.7%	(1.1%)	2.9%	2.1%	1.7%	(1.0%)
Total Income Taxes / Profit before Income Taxes	20.3%	38.2%	42.6%	48.3%	(166.6%)	47.3%	50.3%	66.9%	+18.6%
				10.070	(,				
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Income Statement									YoY
Income Statement (Million Yen)	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
(Million Yen)	Cons.Act Q1 03/2019	Cons.Act Q2 03/2019	Cons.Act Q3 03/2019	Cons.Act Q4 03/2019	Cons.Act Q1 03/2020	Cons.Act Q2 03/2020	Cons.Act Q3 03/2020	Cons.Act Q4 03/2020	YoY Net Chg.
(Million Yen) Sales	Cons.Act Q1 03/2019 2,782	Cons.Act Q2 03/2019 2,948	Cons.Act Q3 03/2019 2,893	Cons.Act Q4 03/2019 3,283	Cons.Act Q1 03/2020 2,873	Q2 03/2020 3,366	Q3 03/2020 3,000	Cons.Act Q4 03/2020 3,538	YoY Net Chg. +255
(Million Yen) Sales Cost of Sales	Cons.Act Q1 03/2019 2,782 1,582	Q2 03/2019 2,948 1,562	Q3 03/2019 2,893 1,614	Q4 03/2019 3,283 1,821	Cons.Act Q1 03/2020 2,873 1,641	Q2 03/2020 3,366 1,828	Q3 03/2020 3,000 1,698	Q4 03/2020 3,538 1,894	YoY Net Chg. +255 +72
(Million Yen) Sales Cost of Sales Gross Profit	Cons.Act Q1 03/2019 2,782 1,582 1,199	Cons.Act Q2 03/2019 2,948 1,562 1,385	Cons.Act Q3 03/2019 2,893 1,614 1,278	Cons.Act Q4 03/2019 3,283 1,821 1,461	Cons.Act Q1 03/2020 2,873 1,641 1,232	Cons.Act Q2 03/2020 3,366 1,828 1,538	Q3 03/2020 3,000 1,698 1,301	Q4 03/2020 3,538 1,894 1,643	YoY Net Chg. +255 +72 +182
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23	Cons.Act Q3 03/2019 2,893 1,614 1,278 1,195	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266	YoY Net Chg. +255 +72 +182 (55)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37	Cons.Act Q2 03/2019 2,948 1,562 1,385 1,128 257	Q3 03/2019 2,893 1,614 1,278 1,195 83	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347	Q3 03/2020 3,000 1,698 1,301 1,266 35	Q4 03/2020 3,538 1,894 1,643 1,266 377	YoY Net Chg. +255 +72 +182 (55) +238
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23	Cons.Act Q3 03/2019 2,893 1,614 1,278 1,195 83	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377	YoY Net Chg. +255 +72 +182 (55) +238 (8)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281	Cons.Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5	Cons.Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67	Cons.Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8)	Cons.Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1)	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3)	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0)	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (1)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales Yoy Operating Profit Yoy	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0%	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36 +6.4% +41.2%	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2%	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (1) (31)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7% (57.7%)	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9%	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2%	Cons.Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1%	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6%	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (1) (31)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7%	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9% +145.2%	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% +52.8%	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%)	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36 +6.4% +41.2% +45.7% (86.6%)	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%)	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (1) (31) +3.3%	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%)	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9% +145.2% (54.9%)	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0 (32)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% - +52.8%	Cons.Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7%	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36 +6.4% +41.2% (86.6%)	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5%	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (11) (31) +3.3% 42.9%	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0% 45.7%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%) 43.4%	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9% +145.2% (54.9%) 46.5%	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0
Cost of Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% +52.8% 43.1% 41.8%	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%) 47.0% 38.3%	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36 +6.4% +41.2% (86.6%) 44.2% 41.3%	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5% 40.3%	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (1) (31) +3.3% 42.9% 43.0%	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +27.0% 45.7% 36.1%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%) 43.4% 42.2%	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9% +145.2% (54.9%) 46.5% 35.8%	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0 (32)
Cost of Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% +52.8% 43.1% 41.8% 1.3%	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%) 47.0% 38.3% 8.7%	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36 +6.4% +41.2% (86.6%) 44.2% 41.3% 2.9%	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5% 40.3% 4.2%	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (11) (31) +3.3% 42.9%	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0% 45.7%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%) 43.4% 42.2% 1.2%	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9% +145.2% (54.9%) 46.5% 35.8% 10.7%	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0 (32) +2.0%
Cost of Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin Recurring Profit Margin	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% +52.8% 43.1% 41.8% 1.3% 1.8%	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%) 47.0% 38.3% 8.7% 9.5%	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36 +6.4% +41.2% 41.3% 2.9% 2.9%	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5% 40.3% 4.2% 4.8%	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (1) (31) +3.3% 42.9% 43.0% (0.1%) (0.4%)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +27.0% 45.7% 36.1% 9.6% 10.3%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%) 43.4% 42.2% 1.2% 1.6%	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9% +145.2% (54.9%) 46.5% 35.8% 10.7% 11.0%	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0 (32) +2.0% (4.5%) +6.4% +6.2%
Cost of Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin	Cons.Act Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% +52.8% 43.1% 41.8% 1.3%	Cons. Act Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%) 47.0% 38.3% 8.7%	Cons. Act Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 0 84 51 (3) 36 +6.4% +41.2% (86.6%) 44.2% 41.3% 2.9%	Cons.Act Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5% 40.3% 4.2%	Cons.Act Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) 0 (12) 20 (1) (31) +3.3% 42.9% 43.0% (0.1%)	Cons.Act Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +27.0% 45.7% 36.1% 9.6%	Cons.Act Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 0 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%) 43.4% 42.2% 1.2%	Cons.Act Q4 03/2020 3,538 1,894 1,643 1,266 377 11 388 (114) 273 247 0 26 +7.8% +170.9% +145.2% (54.9%) 46.5% 35.8% 10.7%	YoY Net Chg. +255 +72 +182 (55) +238 (8) +229 (116) +113 +145 +0 (32) +2.0% (4.5%) +6.4%

Segmented Information (Cumulative/Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Segmented information	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	Net Chg.
Digital Marketing Business	482	967	1,482	2,054	465	1,006	1,540	2,257	+202
IT Infrastructure Business	2,273	4,700	7,032	9,709	2,356	5,156	7,595	10,395	+685
CVC Business	_,	-	- ,,,,,,	-	-	-	0	0	+0
Overseas Business	26	62	107	141	48	73	99	121	(20)
Other	-	0	0	1	2	3	3	4	+2
Adjustments	0	0	0	-	_	_	-		_
Sales	2,782	5,731	8,624	11,907	2,873	6,240	9,240	12,778	+871
Digital Marketing Business	14	54	92	154	(50)	(13)	(3)	137	(17)
IT Infrastructure Business	(0)	150	129	241	(1)	291	302	598	+356
CVC Business	(1)	(2)	(3)	(30)	(0)	(0)	(0)	(51)	(21)
Overseas Business	(28)	(38)	(38)	(11)	20	9	7	3	+14
Other	(1)	(3)	(4)	(4)	(7)	(13)	(14)	(14)	(10)
Segment Profit	(16)	161	176	335	(39)	272	290	673	+337
Adjustments	53	133	202	181	36	47	64	59	(122)
Operating Profit	37	294	378	517	(2)	320	355	732	+215
Digital Marketing Business	3.1%	5.7%	6.3%	7.5%	(10.9%)	(1.4%)	(0.2%)	6.1%	(1.4%)
IT Infrastructure Business	(0.0%)	3.2%	1.8%	2.3%	(0.0%)	5.6%	4.0%	5.8%	+3.4%
CVC Business	-	-	-	-	-	-	(178.4%)	-	-
Overseas Business	(110.6%)	(61.6%)	(35.3%)	(8.2%)	41.6%	12.7%	7.5%	2.5%	+10.7%
Other	-	(1,161.3%)	(548.3%)	(291.7%)	(290.4%)	(398.1%)	(396.8%)	(363.0%)	(71.4%)
Adjustments	1.9%	2.3%	2.3%	1.5%	1.3%	0.8%	0.7%	0.5%	(1.1%)
Operating Profit Margin	1.3%	5.1%	4.4%	4.3%	(0.1%)	5.1%	3.8%	5.7%	+1.4%
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Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Q2	Q3	Q4	YoY
Segmented Information (Million Yen)		Q2 03/2019	Q3 03/2019	Q4 03/2019	Cons.Act Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020	YoY Net Chg.
Segmented Information (Million Yen) Digital Marketing Business	Q1 03/2019 482	Q2 03/2019 484	Q3 03/2019 515	Q4 03/2019 572	Cons.Act Q1 03/2020 465	Q2 03/2020 540	Q3 03/2020 534	Q4 03/2020 717	YoY Net Chg. +144
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business	Q1 03/2019	Q2 03/2019	Q3 03/2019	Q4 03/2019	Cons.Act Q1 03/2020	Q2 03/2020	Q3 03/2020 534 2,439	Q4 03/2020	YoY Net Chg.
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business	Q1 03/2019 482 2,273	Q2 03/2019 484 2,427	Q3 03/2019 515 2,331	Q4 03/2019 572 2,676	Cons.Act Q1 03/2020 465 2,356	Q2 03/2020 540 2,799	Q3 03/2020 534 2,439 0	Q4 03/2020 717 2,799	YoY Net Chg. +144 +123
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business	Q1 03/2019 482	Q2 03/2019 484 2,427 - 36	Q3 03/2019 515 2,331 - 45	Q4 03/2019 572 2,676 - 33	Cons.Act Q1 03/2020 465 2,356 - 48	Q2 03/2020 540 2,799 - 25	Q3 03/2020 534 2,439 0 25	Q4 03/2020 717 2,799 - 21	YoY Net Chg. +144 +123 - (12)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other	Q1 03/2019 482 2,273 - 26	Q2 03/2019 484 2,427 - 36 0	Q3 03/2019 515 2,331 - 45 0	Q4 03/2019 572 2,676 - 33 0	Cons.Act Q1 03/2020 465 2,356	Q2 03/2020 540 2,799	Q3 03/2020 534 2,439 0	Q4 03/2020 717 2,799	YoY Net Chg. +144 +123 - (12) (0)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments	Q1 03/2019 482 2,273 - 26 - 0	Q2 03/2019 484 2,427 - 36 0	Q3 03/2019 515 2,331 - 45 0	Q4 03/2019 572 2,676 - 33 0	Cons.Act Q1 03/2020 465 2,356 - 48 2	Q2 03/2020 540 2,799 - 25 1	Q3 03/2020 534 2,439 0 25 0	Q4 03/2020 717 2,799 - 21 0	YoY Net Chg. +144 +123 - (12) (0) +0
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales	Q1 03/2019 482 2,273 - 26 - 0 2,782	Q2 03/2019 484 2,427 - 36 0 0	Q3 03/2019 515 2,331 - 45 0 0	Q4 03/2019 572 2,676 - 33 0 (0) 3,283	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873	Q2 03/2020 540 2,799 - 25 1 -	93 03/2020 534 2,439 0 25 0	Q4 03/2020 717 2,799 - 21 0 - 3,538	YoY Net Chg. +144 +123 - (12) (0) +0 +255
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business	Q1 03/2019 482 2,273 - 26 - 0 2,782	Q2 03/2019 484 2,427 - 36 0 0 2,948	Q3 03/2019 515 2,331 - 45 0 0 2,893	Q4 03/2019 572 2,676 - 33 0 (0) 3,283	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50)	Q2 03/2020 540 2,799 - 25 1 - 3,366	9 03/2020 534 2,439 0 25 0 - 3,000	Q4 03/2020 717 2,799 - 21 0 - 3,538 141	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21)	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112	Cons.Act	22 03/2020 540 2,799 - 25 1 - 3,366 37 292	9 11	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1)	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1)	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27)	Cons.Act	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0)	Q3 03/2020 534 2,439 0 25 0 - 3,000 9 11	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51)	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9)	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1)	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10)	9 11 0 (1)	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4)	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Other	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1)	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0)	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20 (7)	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6)	9 11 03/2020 534 2,439 0 25 0 - 3,000 9 11 0 (1)	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4)	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business CVC Business Overseas Business Other Segment Profit	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1)	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0)	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (7) (39)	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311	9 11 0 (1) 18	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business CVC Business Overseas Business Overseas Business Other Segment Profit Adjustments	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20)	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11	9 11 0 (1) 18 17	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5)	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business CVC Business Overseas Business Overseas Business Other Segment Profit Adjustments Operating Profit	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20) 139	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36 (2)	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11	9 11 0 (1) 18 17 35	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5) 377	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14 +238
CVC Business Digital Marketing Business Overseas Business Other Adjustments Sales Digital Marketing Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3%	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20) 139	Cons.Act Q1 03/2020 465 2,356 48 2 2,873 (50) (1) (0) 20 (7) (39) 36 (2) (10.9%)	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9%	9 11 03/2020 534 2,439 0 25 0 - 3,000 9 11 0 (1) (1) 18 17 35	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5) 377	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14 +238 +8.8%
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Overseas Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business IT Infrastructure Business	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20) 139	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36 (2)	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11	9 11 03/2020 534 2,439 0 25 0 - 3,000 9 11 0 (1) (1) 18 17 35	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5) 377	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14 +238
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business CVC Business	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37 3.1% (0.0%)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2%	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%)	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20) 139 10.9% 4.2%	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (77) (39) 36 (2) (10.9%) (0.0%)	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4%	Q3 03/2020 534 2,439 0 25 0 - 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1%	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5) 377 19.7% 10.6%	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14 +238 +8.8% +6.4%
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business Overseas Business Other	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2% - (26.7%)	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%) -	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20) 139 10.9% 4.2% - 78.8%	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (77) (39) 36 (2) (10.9%) (0.0%) - 41.6%	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4% - (43.1%)	Q3 03/2020 534 2,439 0 25 0 - 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1% (7.1%)	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5) 377 19.7% 10.6% - (21.1%)	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14 +238 +8.8% +6.4% - (99.9%)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business Overseas Business Overseas Business Overseas Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Overseas Business	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37 3.1% (0.0%) - (110.6%)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2% - (26.7%) (559.0%)	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%) - 0.9% (184.8%)	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20) 139 10.9% 4.2% - 78.8% (20.9%)	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36 (2) (10.9%) (0.0%) - 41.6% (290.4%)	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4% - (43.1%) (656.6%)	Q3 03/2020 534 2,439 0 25 0 - 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1% (7.1%) (382.4%)	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5) 377 19.7% 10.6% - (21.1%) 77.5%	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14 +238 +8.8% +6.4% - (99.9%) +98.5%
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business Overseas Business Other	Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37 3.1% (0.0%)	Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2% - (26.7%)	Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%) -	Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 159 (20) 139 10.9% 4.2% - 78.8%	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (77) (39) 36 (2) (10.9%) (0.0%) - 41.6%	Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4% - (43.1%)	Q3 03/2020 534 2,439 0 25 0 - 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1% (7.1%)	Q4 03/2020 717 2,799 - 21 0 - 3,538 141 296 (51) (4) 0 382 (5) 377 19.7% 10.6% - (21.1%)	YoY Net Chg. +144 +123 - (12) (0) +0 +255 +79 +183 (23) (30) +0 +223 +14 +238 +8.8% +6.4% - (99.9%)

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	Net Chg.
Cash and Deposit	3,164	3,117	3,395	3,293	2,983	2,855	2,976	3,414	+121
Accounts Receivables	1,523	1,605	1,517	1,918	1,615	1,984	1,671	2,079	+160
Inventory	134	131	118	106	131	112	143	203	+96
Other	370	480	598	801	487	523	395	489	(311)
Current Assets	5,192	5,334	5,629	6,119	5,218	5,476	5,186	6,187	+67
Tangible Assets	101	133	124	116	124	118	111	113	(3)
Intangible Assets	388	400	424	499	476	503	502	360	(138)
Investments and Other Assets	1,384	1,276	1,394	1,482	1,437	1,420	1,372	1,249	(232)
Fixed Assets	1,874	1,810	1,942	2,098	2,038	2,043	1,986	1,723	(375)
Total Assets	7,066	7,145	7,572	8,218	7,256	7,519	7,173	7,910	(307)
Accounts Payables	672	669	618	810	685	725	684	763	(47)
Short Term Debt	316	233	466	466	466	466	466	600	+133
Other	740	872	916	1,465	879	999	837	1,281	(184)
Current Liabilities	1,729	1,775	2,002	2,742	2,031	2,191	1,988	2,644	(98)
Long Term Debt	408	350	879	751	626	498	373	512	(239)
Other	131	78	71	93	70	77	83	52	(41)
Fixed Liabilities	539	428	950	845	697	575	457	564	(280)
Total Liabilities	2,268	2,203	2,953	3,588	2,728	2,767	2,445	3,208	(379)
Shareholders' Equity	4,408	4,670	4,428	4,431	4,354	4,578	4,569	4,607	+176
Other	389	270	191	198	173	172	157	93	(104)
Net Assets	4,798	4,941	4,619	4,629	4,528	4,751	4,727	4,701	+71
Total Liabilities and Net Assets	7,066	7,145	7,572	8,218	7,256	7,519	7,173	7,910	(307)
Equity Capital	4,768	4,913	4,595	4,628	4,528	4,751	4,727	4,701	+73
Interest Bearing Debt	725	583	1,346	1,218	1,093	965	840	1,112	(105)
Net Debt	(2,439)	(2,534)	(2,048)	(2,075)	(1,889)	(1,890)	(2,135)	(2,302)	(227)
Equity Ratio	67.5%	68.8%	60.7%	56.3%	62.4%	63.2%	65.9%	59.4%	-
Net Debt Equity Ratio	(51.2%)	(51.6%)	(44.6%)	(44.8%)	(41.7%)	(39.8%)	(45.2%)	(49.0%)	-
ROE (12 months)	14.6%	14.0%	8.5%	6.8%	5.0%	5.7%	5.4%	4.7%	-
ROA (12 months)	6.8%	7.1%	7.0%	7.2%	7.1%	7.9%	7.3%	9.6%	-
Quick Ratio	271%	266%	245%	190%	226%	221%	234%	208%	-
Current Ratio	300%	300%	281%	223%	257%	250%	261%	234%	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act								
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	Net Chg.
Operating Cash Flow	-	(108)	-	194	-	49	-	529	+335
Investing Cash Flow	=	(113)	-	(537)	-	(178)	-	(234)	+302
Operating CF and Investing CF	-	(222)	-	(343)	-	(128)	-	294	+637
Financing Cash Flow	-	(372)	-	(73)	-	(294)	-	(163)	(89)

Disclaimer

Information here is a summary of "IR Information" of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. "IR Information" of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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