



Financial Results

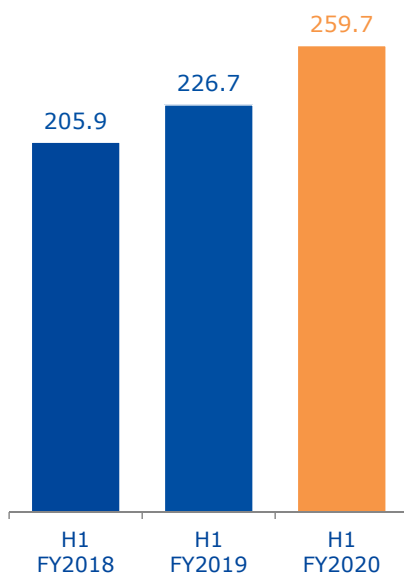
For the six months ended September 30, 2019

November 13, 2019

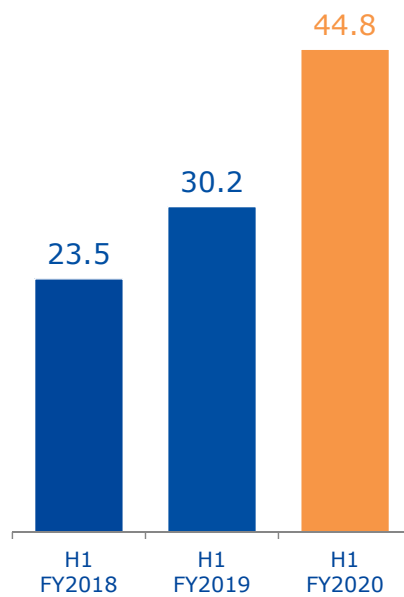
Steady Performance

1) Revenue

(Billions JPY)

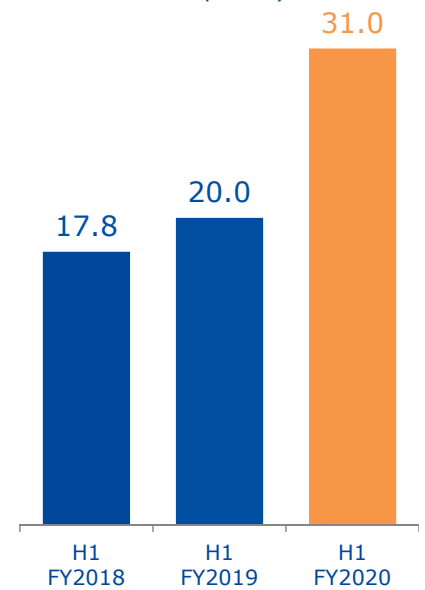


2) Operating Profit

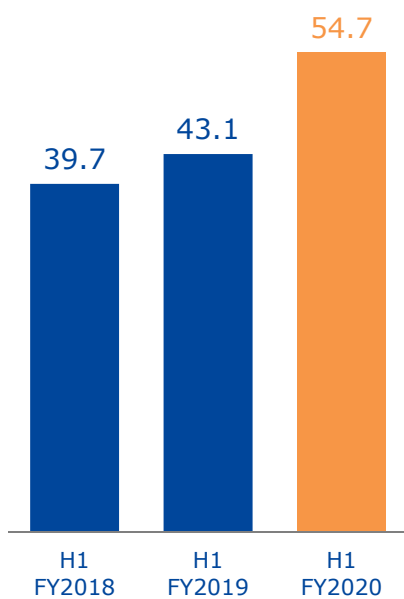


3) Quarterly Net Income

(Quarterly net income attributable to owners of parent)



4) Recurring Profit



5) In-House Product Acquisition Cost



6) Number of In-House Products Acquired

(Thousand Units)



Profit increased due to an increase in recurring profit which is a long-term, stable revenue.

Business Areas

Segments	Main Business	Conceptual Image	Target	Marketing Method
Corporate Services (In-house products for companies)	Internet connection line		SMEs	Door-to-door sales, TMS, etc.
	Contents			
	Industry-specific IT Solutions	EPARK		
	Electricity			
Individual Customer Service (In-house products for individuals)	Internet connection line		Individuals	Website, TMS, etc.
	Contents			
	Water delivery			
Commission-based Sales (Third-party products)	Internet connection line		SMEs Individuals	Shop, TMS, etc.
	Mobile phones			
	OA equipment			
	Sales of insurance by agent			

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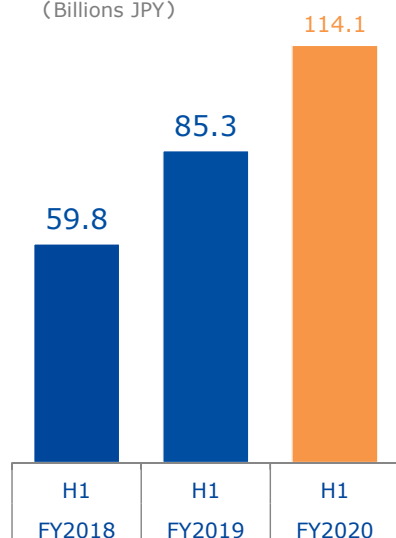
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Corporate Service

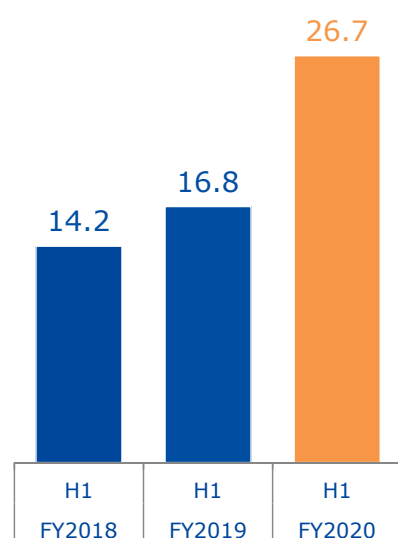
Main business: Internet communication line, content, electricity, industry-specific IT solutions, etc.

1) Revenue

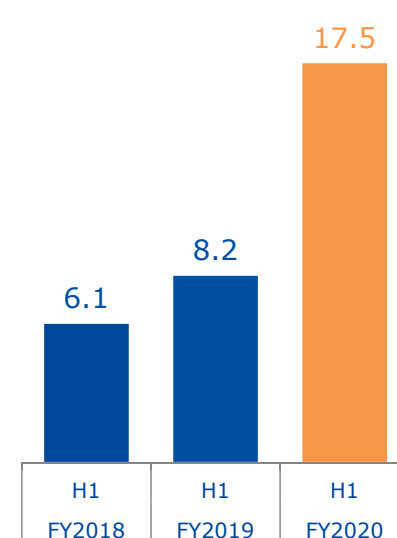
(Billions JPY)



2) Recurring Profit



3) Operating Profit



Both revenue and profit increased for each business.

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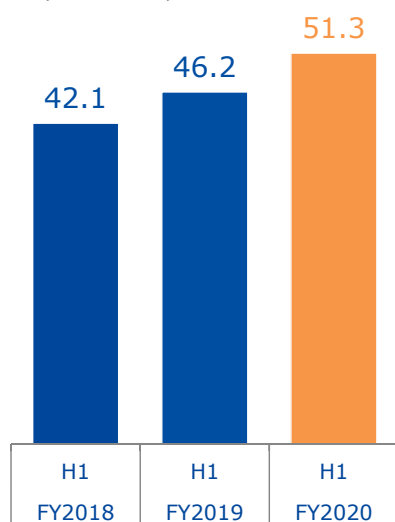
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Individual Customer Service

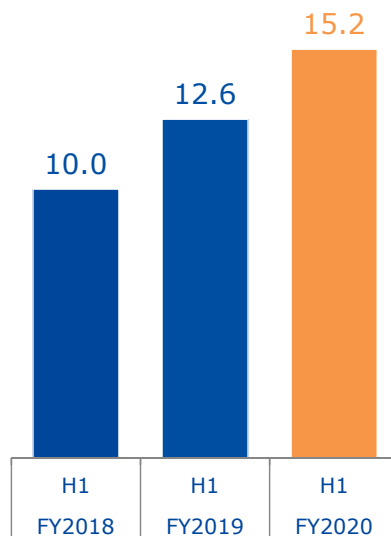
Main business: Internet communication line, content, water delivery, etc.

1) Revenue

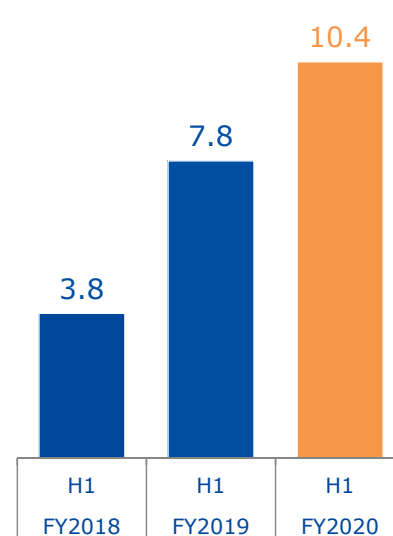
(Billions JPY)



2) Recurring Profit



3) Operating Profit



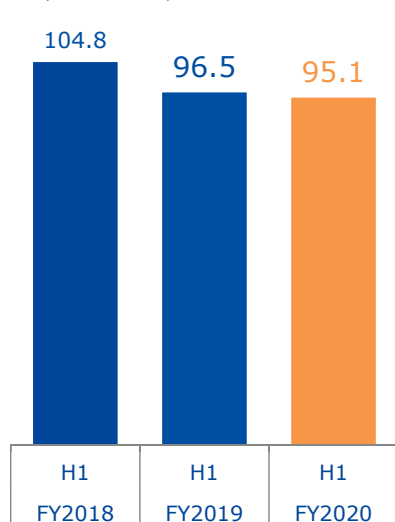
Revenue and profit increased mainly in the water delivery business.

Commission-based Sales

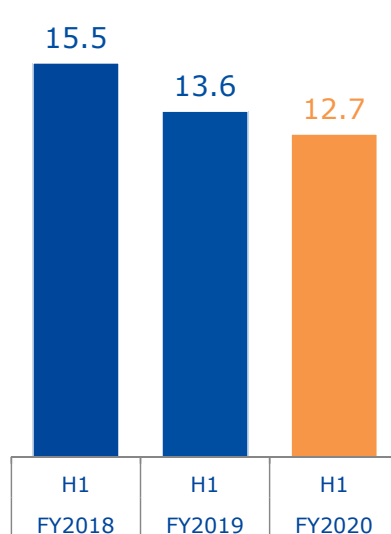
Main business: Commission-based sales for mobile phones, OA equipment, insurance, etc.

1) Revenue

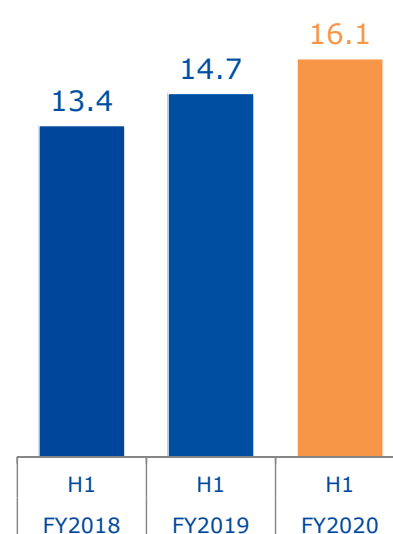
(Billions JPY)



2) Recurring Profit



3) Operating Profit



Revenue and profit tend to decrease due to change in external environment. Profit increased, however, through efforts to improve productivity such as by sales of business assets.

Non-Operating Profit

(Billions JPY)

	FY2018	FY2019	FY2020
	H1	H1	H1
Operating Profit	23.5	30.2	44.8
Financial revenue + Financial expenses	0.9	2.2	▲0.3
Share of loss (profit) of entities accounted for using equity method	▲0.2	▲0.6	1.5
Other non-operating expenses (income)	5.8	0.1	0.8
Quarterly profit (loss) before income taxes	30.0	32.5	46.8
Corporate income tax expenses	▲11.0	▲10.7	▲14.1
Non-controlling interests	▲1.1	▲1.7	▲1.7
Quarterly net income attributable to owners of parent	17.8	20.0	31.0

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Performance forecast : Steady progress

(Billions JPY)

	FY2020 H1	FY2020(E)	
	Actual Results	Forecast	Progress Rate
Revenue	259.7	530.0	49%
Operating Profit	44.8	70.0	64%
Quarterly net income and net income attributable to owners of parent	31.0	46.0	67%

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Consolidated Cash Flow

(Billions JPY)

	FY2018	FY2019	FY2020
	H1	H1	H1
Cash Flow from Operating Activities	+9.5	+25.0	+43.2
Cash Flow from Investing Activities	(7.6)	(35.1)	(39.0)
Free Cash Flow	+1.8	(10.1)	+4.1
Cash Flow from Financial Activities	+48.1	+20.5	+40.9

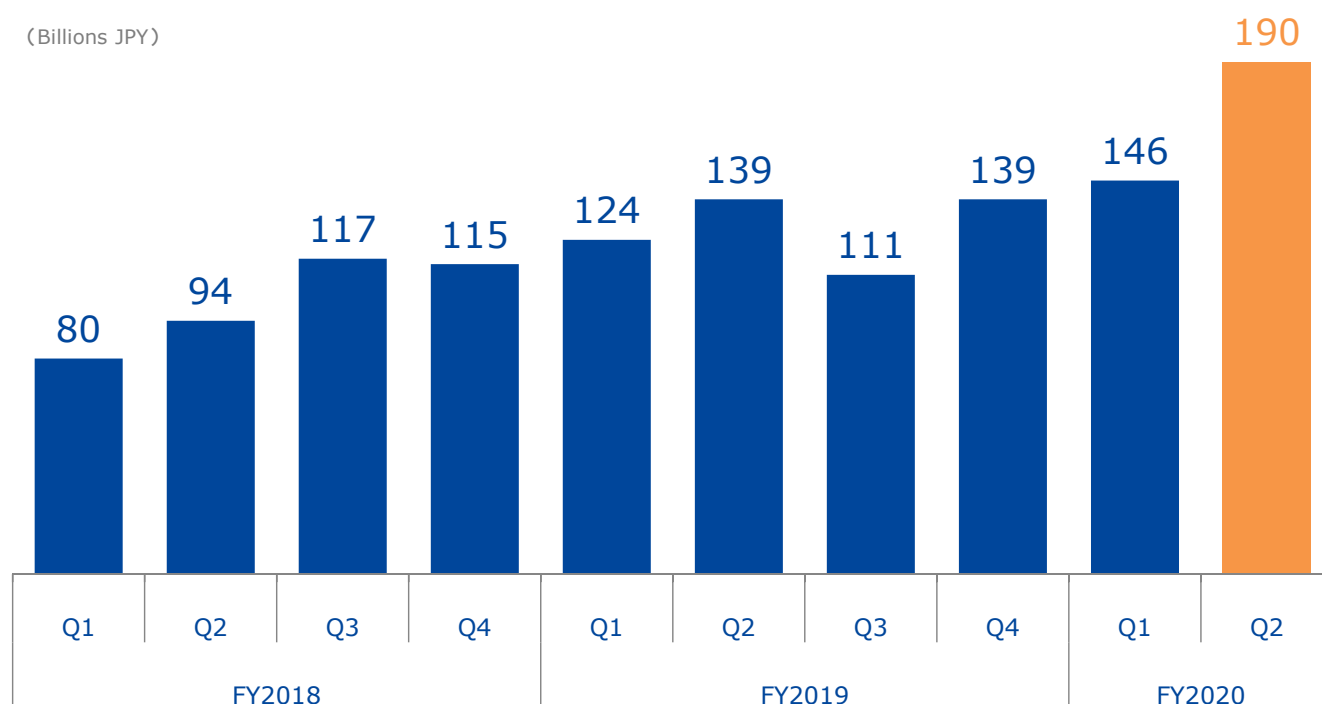
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Net Cash Assets

*Cash and deposits + listed investment securities
(not including listed subsidiaries) – interest-bearing liabilities

(Billions JPY)



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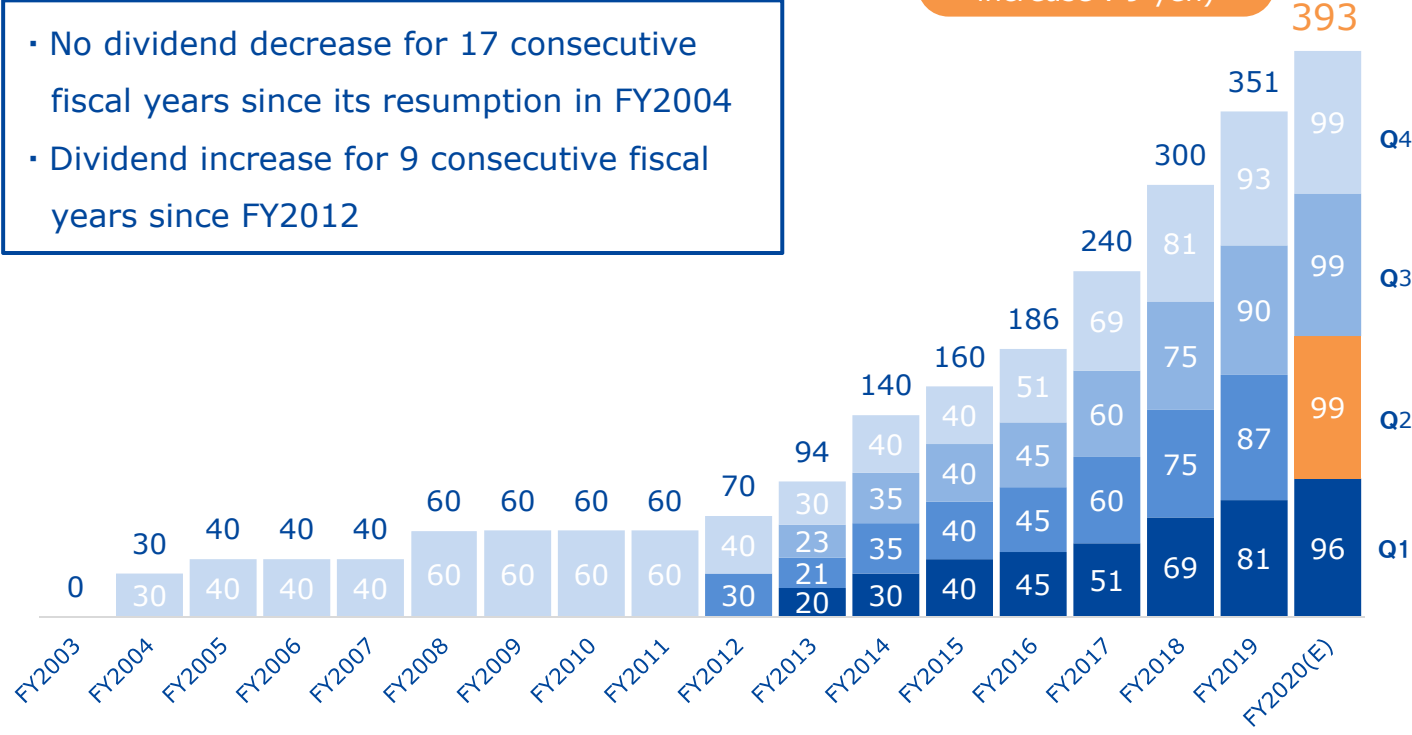
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Dividends per share

(JPY)

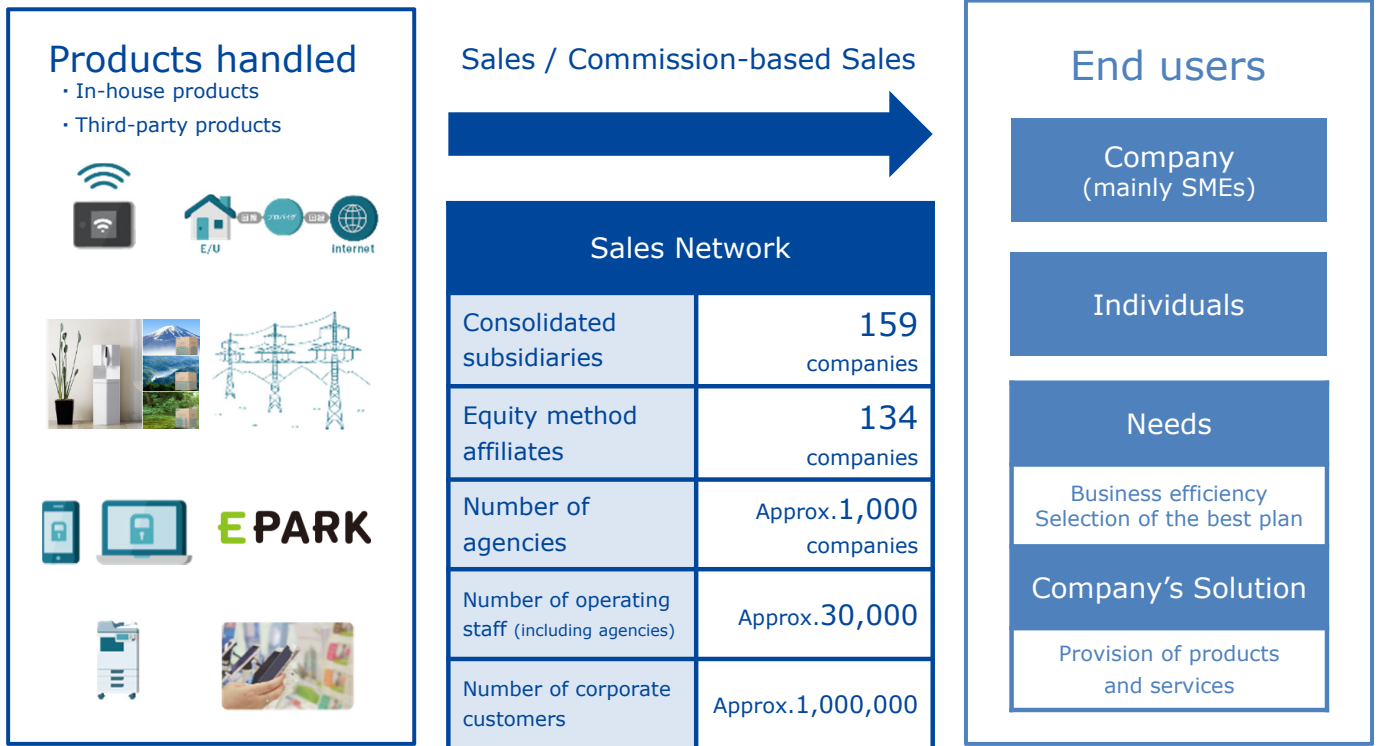
Dividend forecast for FY2020 Q2 Increase by 3 yen from 96 yen (Annual dividend increase : 9 yen)

- No dividend decrease for 17 consecutive fiscal years since its resumption in FY2004
- Dividend increase for 9 consecutive fiscal years since FY2012



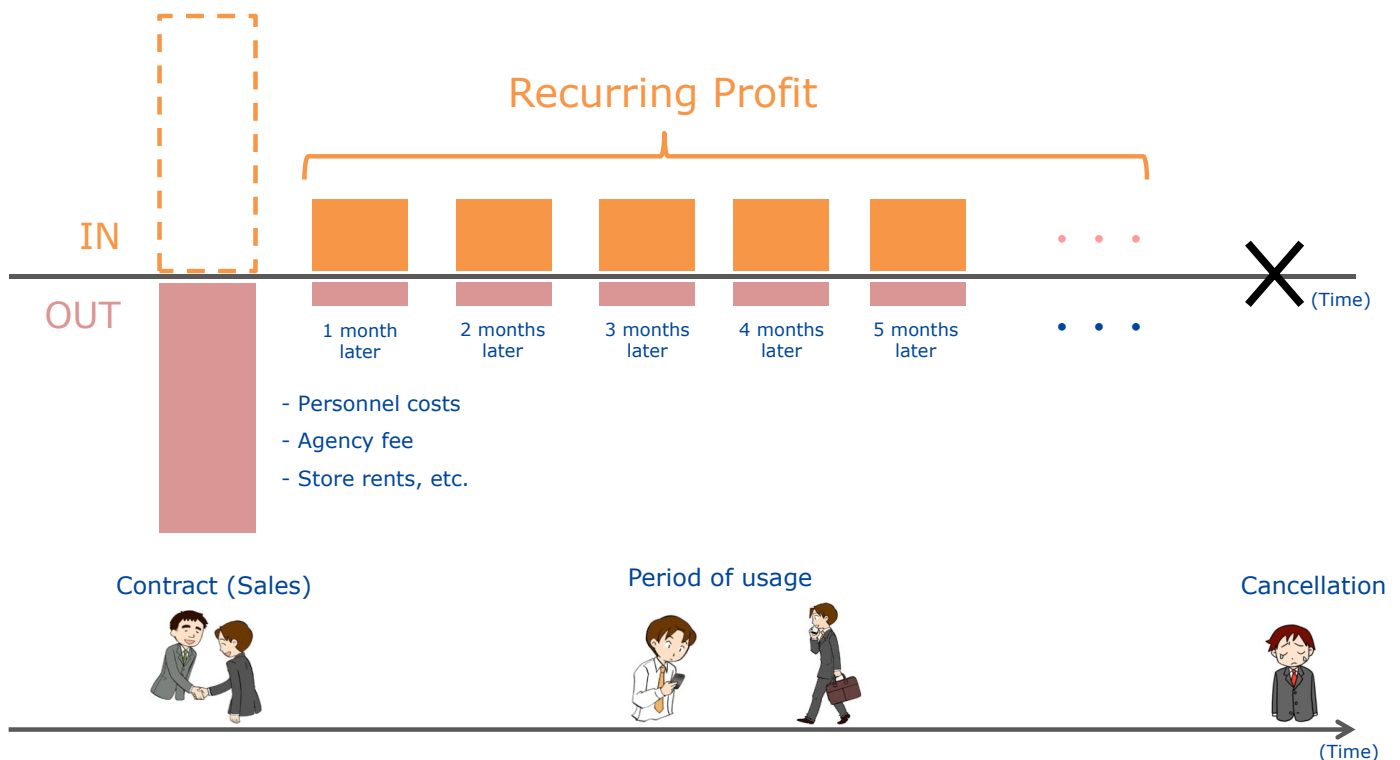
Basic Information

Business Overview



Representative Earnings Model

(conceptual image of earnings per deal)



Explanation of Recurring Profit and Acquisition Cost

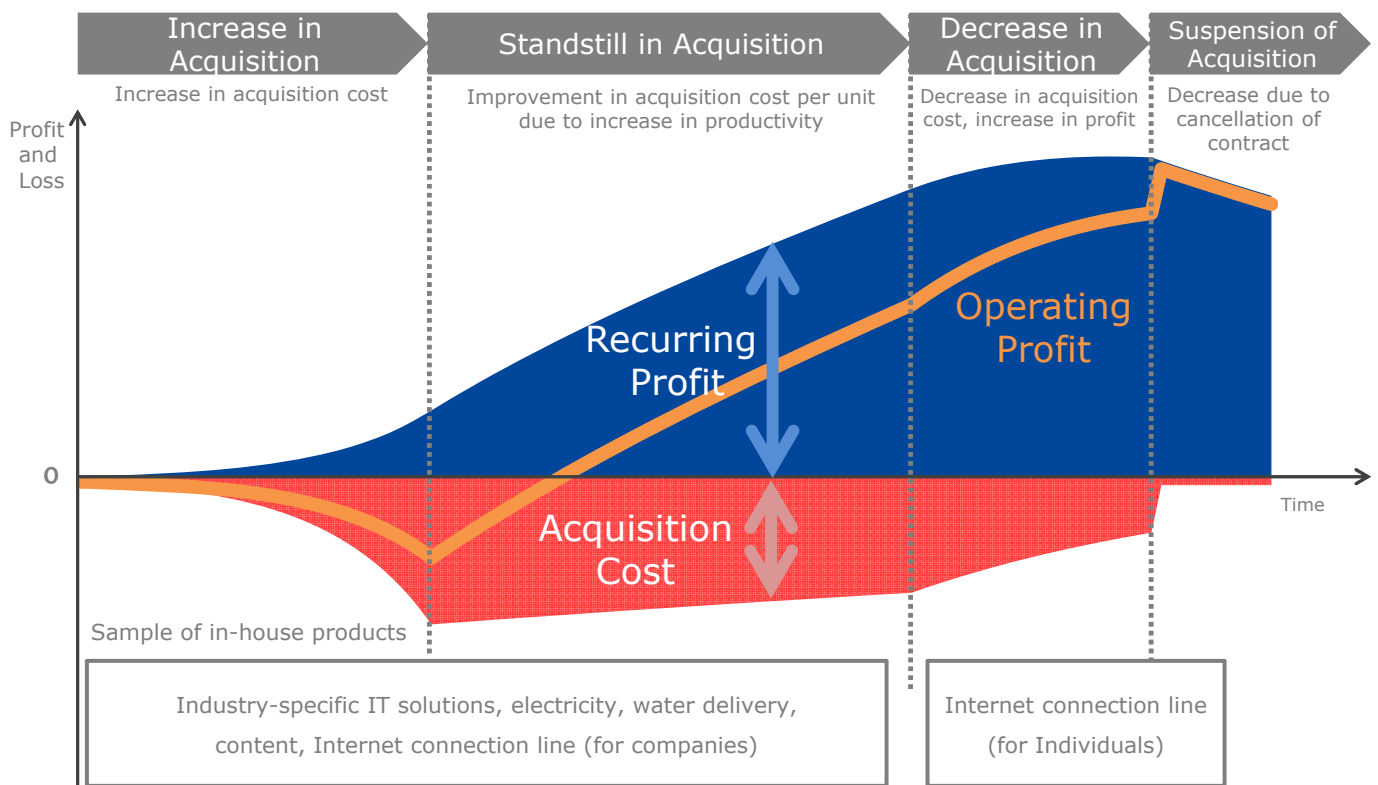
(Billions JPY)

	FY2019				
	Total	Recurring		Lump-sum	
Revenue	484.3	Communication usage fees from Company's customers, commission income from telecommunication carriers and insurance companies	267.1	Initial commission income, hardware sales proceeds of hardware, etc.	217.2
Cost of goods sold + SGA expenses	(420.1)	Cost of service provided, cost of customer retention such as billing costs, etc.	(175.0)	Hardware purchasing cost, personnel expenses for marketing, sales commission to secondary agents, etc.	(245.0)
Operating Profit	64.2	Recurring Profit	92.0	Acquisition Cost	(27.8)

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Conceptual Image of Trend in Operating Profit from In-House Products



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