

BUSINESS RESULTS BRIEFING FOR FY2018 (ENDED DECEMBER 31, 2018)

February 8, 2019

Information Services International-Dentsu, Ltd.

Note: This English translation is solely for reference purposes and not a legally definitive translation of the original Japanese text.
In the event a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.

AGENDA

Section 1

Outline of FY2018 business results, forecast for FY2019 and review of the previous medium-term management plan (FY2016–FY2018)

Nobuo Uehara
Senior Managing Director

Section 2

Concerning the new medium-term management plan (FY2019–FY2021)

Ryoichi Nawa
President, CEO & COO

1. Consolidated Results for FY2018

ISID achieved record highs in net sales, operating income, ordinary income and net income attributable to owners of parent.

Year on year

Increase in net sales and profit primarily due to expansion in Financial Solutions, Engineering Solutions and Communication IT

Vs. initial forecast

Sales growth in Engineering Solutions and Communication IT that exceeded forecasts primarily contributed to increased net sales and profit (revisions to forecasts were announced on January 22, 2019)

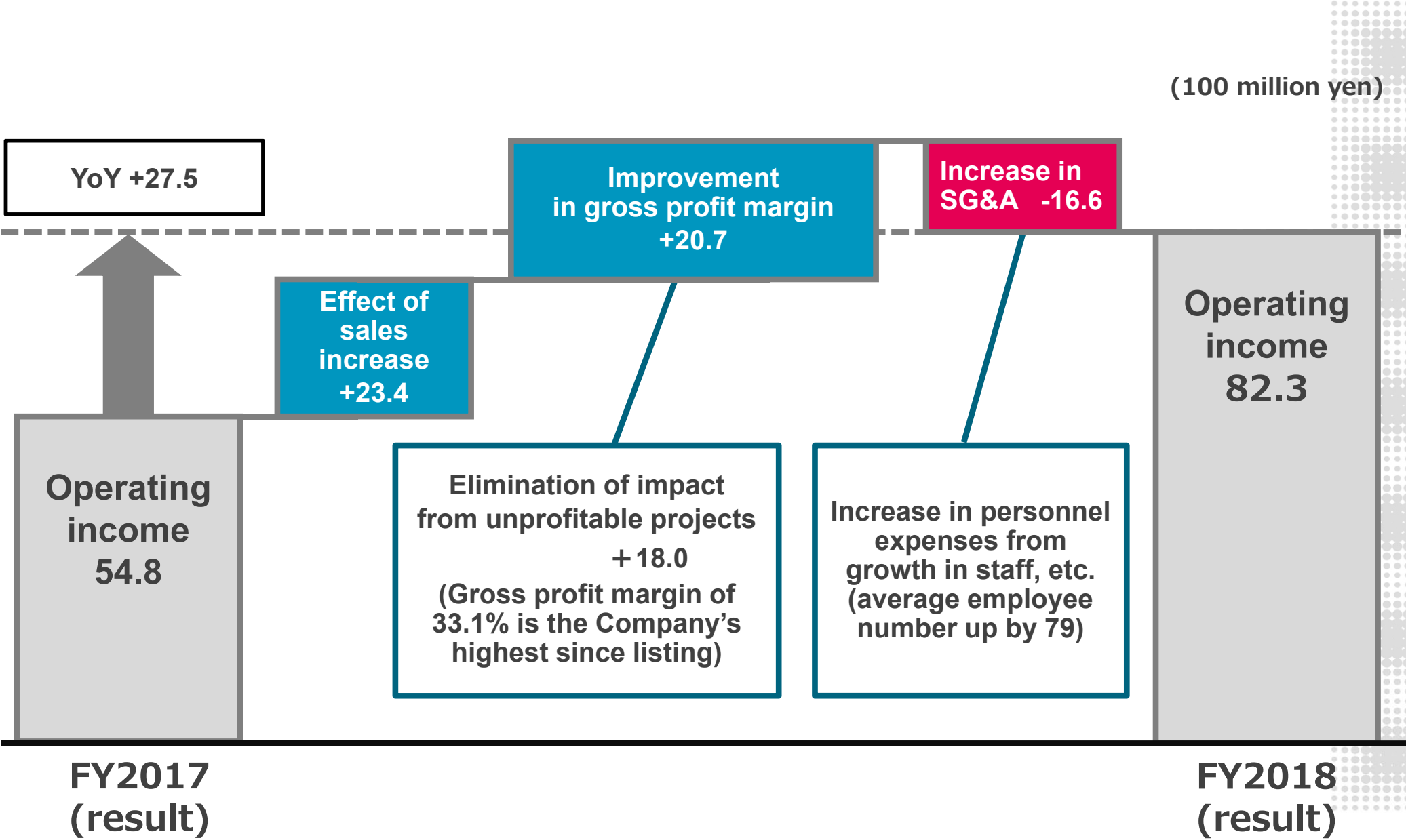
Year-end dividend

ISID plans to issue a year-end dividend of ¥35 per share, up ¥7 from forecast (total of ¥63 per share in FY2018 dividends, marking an increase in dividends for the sixth consecutive accounting period; payout ratio of 39.6%)

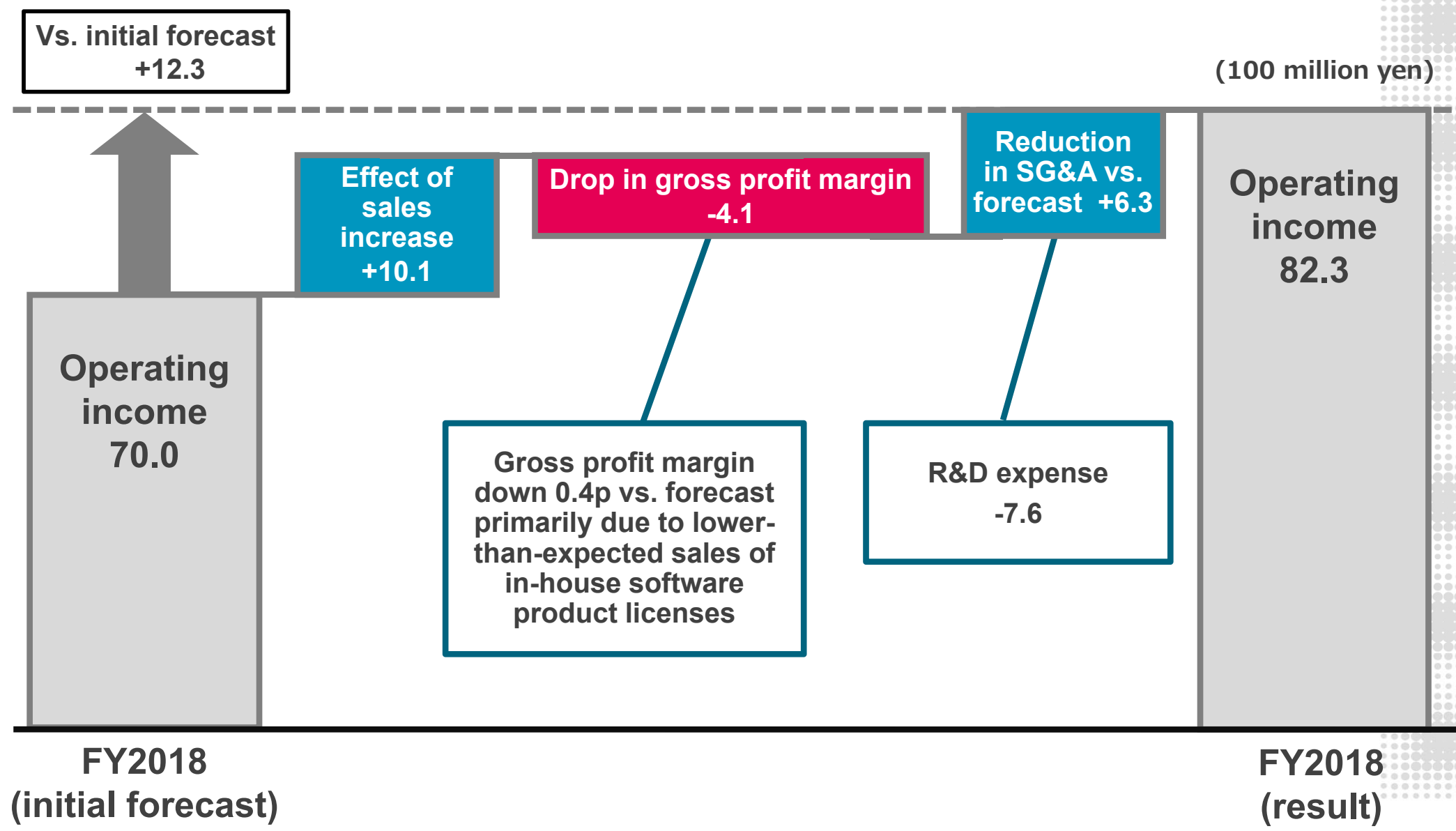
(Million yen)

| | FY2018 | YonY | | | Vs. initial forecast (announced on February 9, 2018) | | |
|--|--------|--------|----------|----------|---|----------|----------|
| | | FY2017 | Variance | % change | Forecast | Variance | % change |
| Net sales | 91,024 | 83,423 | +7,601 | +9.1 | 88,000 | +3,024 | +3.4 |
| Gross profit | 30,123 | 25,708 | +4,415 | +17.2 | 29,517 | +606 | +2.1 |
| Profit margin | 33.1% | 30.8% | +2.3p | — | 33.5% | -0.4p | — |
| Selling, general and administrative expenses | 21,884 | 20,219 | +1,665 | +8.2 | 22,517 | -633 | -2.8 |
| Operating income | 8,239 | 5,489 | +2,750 | +50.1 | 7,000 | +1,239 | +17.7 |
| Operating margin | 9.1% | 6.6% | +2.5p | — | 8.0% | +1.1p | — |
| Ordinary income | 8,197 | 5,642 | +2,555 | +45.3 | 7,034 | +1,163 | +16.5 |
| Net income attributable to owners of parent | 5,187 | 4,438 | +749 | +16.9 | 4,807 | +380 | +7.9 |
| ROE | 10.5% | 9.6% | +0.9p | — | 9.8% | +0.7p | — |

2-1. Factors for Increase/Decrease in Operating Income (YoY)



2-2. Factors for Increase/Decrease in Operating Income (vs. initial forecast)



3. Net Sales and Operating Income by Business Segment

(Million yen)

| Business segments | | FY2018 | YoY | | | Vs. initial forecast | |
|-----------------------|------------------|--------|----------|----------|---|----------------------|----------|
| | | | Variance | % change | Overview | Variance | % change |
| Financial Solutions | Net sale | 23,242 | + 1,829 | +8.5 | Net sales rose as sales from major clients expanded, and the Company received new projects from government-affiliated financial institutions and business companies, bolstering sales for system development. The sales ratio of highly profitable software products declined, resulting in level profit, year on year. | -158 | -0.7 |
| | Operating income | 1,794 | -27 | -1.5 | | -704 | -28.2 |
| | % | 7.7% | -0.8p | — | | -3.0p | — |
| Business Solutions | Net sale | 16,810 | -223 | -1.3 | Sales of software products such as human resources management solution POSITIVE and consolidated accounting solution STRAVIS remained firm, but a reactionary drop in sales caused by the end of large-scale projects brought segment sales down overall. However, profit rose thanks to the elimination of negative impact from unprofitable projects in the previous fiscal year. | -790 | -4.5 |
| | Operating income | 701 | + 870 | — | | -116 | -14.2 |
| | % | 4.2% | + 5.2p | — | | -0.4p | — |
| Engineering Solutions | Net sale | 29,252 | + 3,722 | +14.6 | Sales of software products, primarily NX 3D CAD system and product lifecycle management (PLM) solution Teamcenter, expanded mainly in the appliance and precision industries. In addition, the expansion of smart factory domain solutions in the automotive industry was favorable, causing both sales and profit to increase. | +1,252 | +4.5 |
| | Operating income | 2,228 | + 869 | +63.9 | | +811 | +57.2 |
| | % | 7.6% | + 2.3p | — | | +2.5p | — |
| Communication IT | Net sale | 21,718 | + 2,273 | +11.7 | Sales and profit both increased thanks to expansion in the development of various systems supporting work environment reforms promoted by the Dentsu Group and in digital marketing related to business collaborations with the Dentsu Group | +2,718 | +14.3 |
| | Operating income | 3,515 | + 1,038 | +41.9 | | +1,249 | +55.1 |
| | % | 16.2% | + 3.5p | — | | +4.3p | — |

4. Consolidated Net Sales by Service Category

(Million yen)

| Service categories | FY2018 | YoY | | | Vs. initial forecast | |
|---|--------|----------|----------|--|----------------------|----------|
| | | Variance | % change | Overview | Variance | % change |
| Consulting Services | 6,818 | +1,303 | +23.6 | Digital marketing, design and manufacturing domains sales significant growth | +1,140 | +20.1 |
| Custom System Development | 24,188 | +1,715 | +7.6 | Transportation industry projects peaked out but sales grew elsewhere, primarily in projects with the Dentsu Group and for financial institutions | +314 | +1.3 |
| In-house Software | 15,070 | +318 | +2.2 | Sales expanded for POSITIVE, STRAVIS and iQUAVIS | -1,171 | -7.2 |
| Third-party Software | 27,261 | +2,184 | +8.7 | Sales expended for NX, Teamcenter and Salesforce | +309 | +1.1 |
| Outsourcing, Operation and Maintenance Services | 9,555 | +968 | +11.3 | Expansion was achieved in sales to the Dentsu Group | +1,346 | +16.4 |
| IT Equipment Sales and Others | 8,130 | +1,113 | +15.9 | Sales to the Dentsu Group, the automotive industry and financial institutions all increased | +1,086 | +15.4 |

5. Consolidated Balance Sheets

(Million yen)

| | As of December 31, 2018 | As of December 31, 2017 | Variance | Main Factors for Increase/Decrease |
|----------------------------------|----------------------------|----------------------------|----------|---|
| Total current Assets | 66,085 | 59,311 | + 6,774 | increases in Deposits paid (+3,778) increases in Advance payments (+1,532) increases in Accounts receivable–trade (+1,252) |
| Total non-Current Assets | 14,187 | 12,692 | + 1,495 | increases in Property, plant and equipment (+930) increases in Investment securities (+274) increases in Software (+188) |
| Total assets | 80,273 | 72,003 | + 8,270 | |
| Total current liabilities | 26,578 | 21,950 | + 4,628 | increases in Accrued expenses (+1,447) increases in Income taxes payable (+988) increases in Advances received (+945) increases in Accounts payable – trade (+753) |
| Total non-current liabilities | 2,729 | 2,252 | + 477 | increases in Lease obligations (+449) |
| Total liabilities | 29,307 | 24,203 | + 5,104 | |
| Total net assets | 50,966 | 47,800 | + 3,165 | increases in Retained earnings (+3,395) |
| Total liabilities and net assets | 80,273 | 72,003 | + 8,270 | |

6. Consolidated Statements of Cash Flows

(Million yen)

| | FY2018 | Main Factors | YoY | |
|---|--------|---|--------|----------|
| | | | FY2017 | Variance |
| Cash flows from operating activities | 9,319 | Net income before income taxes (7,748) Depreciation (2,262) Increase in accrued expenses (1,461) Increase in advance payments (-1,541) Increase in notes and accounts receivable-trade (-1,300) | 4,265 | 5,054 |
| Cash flows from investing activities | -3,353 | Purchases of investment securities (-827) Purchases of intangible assets (-1,565) Purchase of property, plant and equipment (-651) | -1,855 | -1,498 |
| Cash flows from financing activities | -2,564 | Cash dividends paid (-1,792) Repayments of lease obligations (-760) | -2,363 | -201 |
| Effect of exchange rate change on cash and cash equivalents | -134 | | 57 | -191 |
| Net increase (decrease) in cash and cash equivalents | 3,266 | | 105 | + 3,161 |
| Cash and cash equivalents at the beginning of period | 30,353 | | 30,248 | + 105 |
| Cash and cash equivalents at the end of period | 33,620 | | 30,353 | + 3,266 |

7. Orders received and Order backlog

- Both orders received and order backlog increased greatly in the Financial Solutions segment in the second quarter, thanks in part to large project orders from government-affiliated financial institutions (¥6.5 billion).

(Million yen)

| | | Orders received | | Order backlog | |
|--------------------|---|-----------------|---------|---------------|---------|
| | | FY2018 | YoY (%) | FY2018 | YoY (%) |
| Business Segments | Financial Solutions | 30,210 | +40.7 | 12,182 | +133.6 |
| | Business Solutions | 17,216 | +3.6 | 6,401 | +6.8 |
| | Engineering Solutions | 31,999 | +19.1 | 11,183 | +32.6 |
| | Communication IT | 22,979 | +9.1 | 5,743 | +28.1 |
| Service Categories | Consulting Services | 7,236 | +35.9 | 987 | +73.5 |
| | Custom System Development | 31,926 | +45.6 | 11,761 | +192.3 |
| | In-house Software | 14,932 | -2.3 | 5,150 | -2.6 |
| | Third-party Software | 29,748 | +12.3 | 11,681 | +27.1 |
| | Outsourcing, Operation and Maintenance Services | 9,129 | -6.7 | 2,042 | -17.3 |
| | IT Equipment Sales and Others | 9,434 | +30.8 | 3,887 | +50.5 |
| Total | | 102,407 | +19.1 | 35,511 | +47.2 |

FY2019 Forecast

Note: The Engineering Solutions Segment was changed to the Manufacturing Solutions Segment on January 1, 2019.

1. Forecast for FY2019

Main measures

Net sales

Aim to cover for the reactionary decline in sales to the Dentsu Group and increase net sales

Operating income

Strive to maintain operating margin and increase profit while investing ¥600 million in workstyle innovation

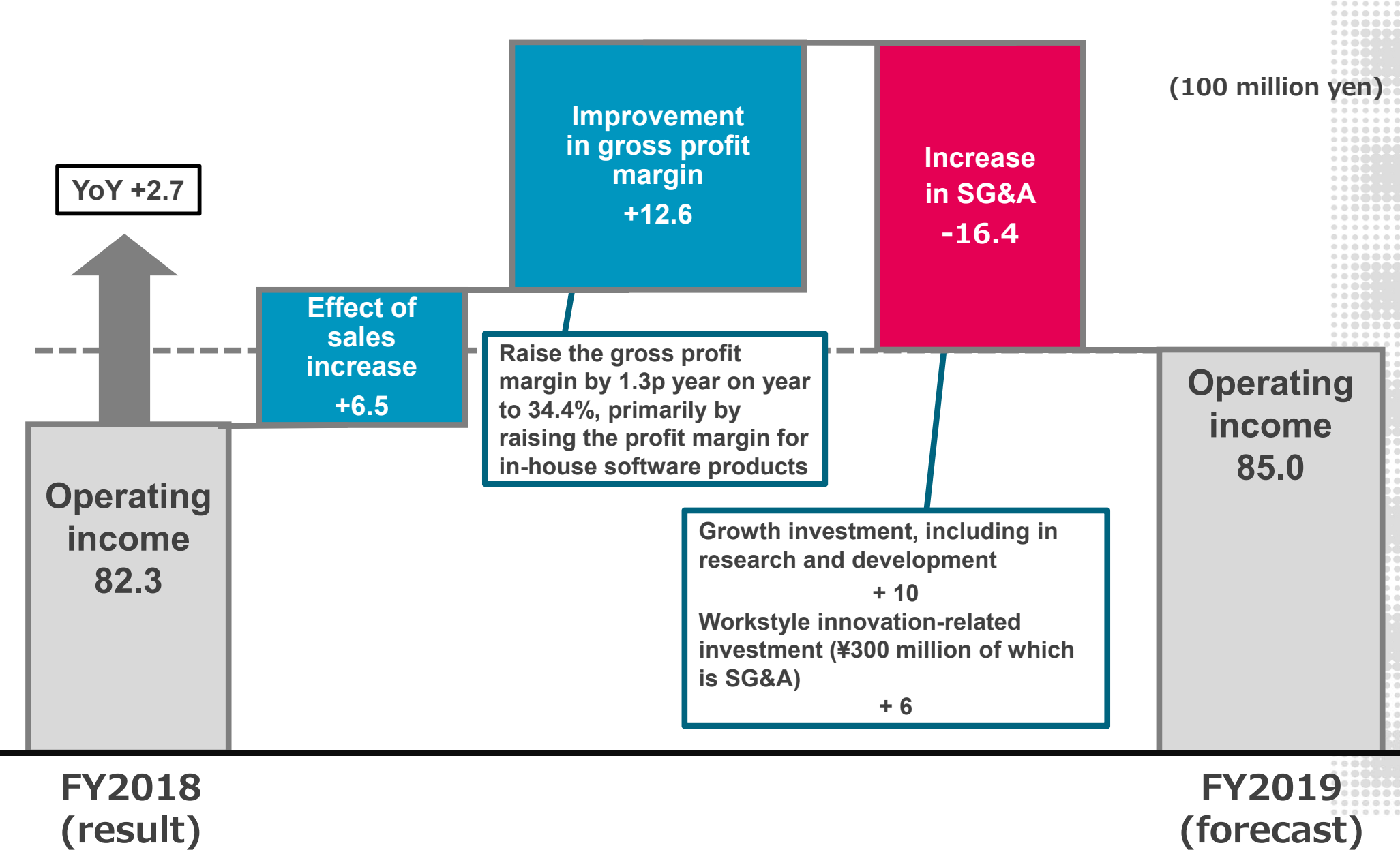
Increase growth investment, including investment in research and development, in addition to workstyle investment

Target dividends of ¥70 per share (mid-term and year-end dividends of ¥35 per share each) and a seventh consecutive year of dividend increase

(Million yen)

| | FY2019 | YoY | | |
|---|--------|--------|----------|--------------------|
| | | FY2018 | Variance | % change |
| Net sales | 93,000 | 91,024 | +1,976 | +2.2 |
| Operating income | 8,500 | 8,239 | +261 | +3.2 |
| Profit margin | 9.1% | 9.1% | — | — |
| Ordinary income | 8,408 | 8,197 | +211 | +2.6 |
| Net income attributable to owners of parent | 5,683 | 5,187 | +496 | +9.6 |
| Annual dividend per share | 70 yen | 63 yen | +7 yen | Payout ratio 40.1% |

2. Factors for Increase/Decrease in Operating Income



3. Net Sales Forecast by Business Segment

(Million yen)

| Business segment | FY2019 | YoY | | | Main measures |
|--------------------------|--------|--------|----------|----------|---|
| | | FY2018 | Variance | % change | |
| Financial Solutions | 23,790 | 23,242 | +548 | +2.4 | <ul style="list-style-type: none"> • System development for major financial institutions • BANK R and lease and finance solution Lamp, financial operations support services for non-financial companies • FinTech initiatives |
| Business Solutions | 17,630 | 16,810 | +820 | +4.9 | <ul style="list-style-type: none"> • POSITIVE and STRAVIS • New enterprise application Ci*X |
| Manufacturing Solutions* | 30,648 | 29,252 | +1,396 | +4.8 | <ul style="list-style-type: none"> • CAD/CAE/PLM • iQUAVIS-centered MBD Solutions • Sales related to predictive maintenance, smart factory and the IoT |
| Communication IT | 20,833 | 21,718 | -885 | -4.1 | <ul style="list-style-type: none"> • Core systems sales to the Dentsu Group • Business collaboration with Dentsu (digital marketing and public works) |

* Formerly Engineering Solutions

4. Net Sales Forecast by Service Category

(Million yen)

| Service categories | FY2019 | YoY | | |
|---|--------|--------|----------|----------|
| | | FY2018 | Variance | % change |
| Consulting Services | 6,333 | 6,818 | -485 | -7.1 |
| Custom System Development | 25,269 | 24,188 | +1,081 | +4.5 |
| In-house Software | 15,763 | 15,070 | +693 | +4.6 |
| Third-party Software | 29,189 | 27,261 | +1,928 | +7.1 |
| Outsourcing, Operation and Maintenance Services | 8,945 | 9,555 | -610 | -6.4 |
| IT Equipment Sales and Others | 7,498 | 8,130 | -632 | -7.8 |

5. Earnings Forecast for the First Half of FY2019

(Million yen)

| | First half of FY2019 (Jan. – Jun.) | YoY | | | Ratio to full year |
|--|--|-------------------------|----------|----------|--------------------|
| | | First half of FY2018 | Variance | % change | |
| Net sales | 46,264 | 43,086 | +3,178 | +7.4 | 49.7% |
| Operating income | 3,960 | 3,801 | +159 | +4.2 | 46.6% |
| Operating margin | 8.6% | 8.8% | -0.2p | — | — |
| Ordinary income | 3,930 | 3,860 | +70 | +1.8 | 46.7% |
| Net income attributable to owners of parent | 2,678 | 2,641 | +37 | +1.4 | 47.1% |

6. Net Sales Forecast for the First Half of FY2019

■ Net sales by business segment

(Million yen)

| Business segments | First half of FY2019 (Jan. – Jun.) | YoY | | |
|-------------------------|---------------------------------------|----------------------|----------|----------|
| | | First half of FY2018 | Variance | % change |
| Financial Solutions | 11,695 | 10,599 | +1,096 | +10.3 |
| Business Solutions | 8,802 | 7,933 | +869 | +11.0 |
| Manufacturing Solutions | 15,218 | 14,579 | +639 | +4.4 |
| Communication IT | 10,547 | 9,974 | +573 | +5.7 |

■ Net sales by service category

(Million yen)

| Service categories | First half of FY2019 (Jan. – Jun.) | YoY | | |
|---|---------------------------------------|----------------------|----------|----------|
| | | First half of FY2018 | Variance | % change |
| Consulting Services | 3,178 | 3,220 | -42 | -1.3 |
| Custom System Development | 12,276 | 10,848 | +1,428 | +13.2 |
| In-house Software | 7,599 | 7,557 | +42 | +0.6 |
| Third-party Software | 14,682 | 13,404 | +1,278 | +9.5 |
| Outsourcing, Operation and Maintenance Services | 4,488 | 4,358 | +130 | +3.0 |
| IT Equipment Sales and Others | 4,039 | 3,697 | +342 | +9.3 |

Review of Previous Medium-term Management Plan (FY2016–FY2018)

Outline of Previous Medium-term Management Plan

ISiD Open Innovation 2018 “Joint Value Creation”

Help resolve the issues our customers and society face by generating new, forward-looking value through collaboration with a wide range of partners

Basic Policies

- 1) Pursue Competitive Advantages
- 2) Develop New Business Fields
- 3) Enhance Human Resources

Quantitative Goals (consolidated)

| | CY2015 (from January 1, 2015 to December 31, 2015) | FY2018 | Compound annual growth rate(CAGR) |
|--------------------------------------|--|--------|--------------------------------------|
| Net sales (billion yen) | 81.2 | 100.0 | 7.2% |
| Operating income (billion yen) | 5.5 | 8.0 | 13.3% |
| Operating margin | 6.8% | 8.0% | |

Capital Policies

| | |
|------------------------------|-------------------------------------|
| ROE | 10.0% or more |
| Consolidated payout ratio | 35–40% |
| M&A Investment budget | ¥10.0 billion (three-year total) |

Strategic Domains

「Global」 「IoT/Big Data」 「2020 & Beyond」

Summary 1. Performance Evaluation

- Net sales target not achieved. Main factors were inability to achieve inorganic growth and changes in the Financial Solutions business environment.
- At the same time, profitability increased, with all profit target items achieved.

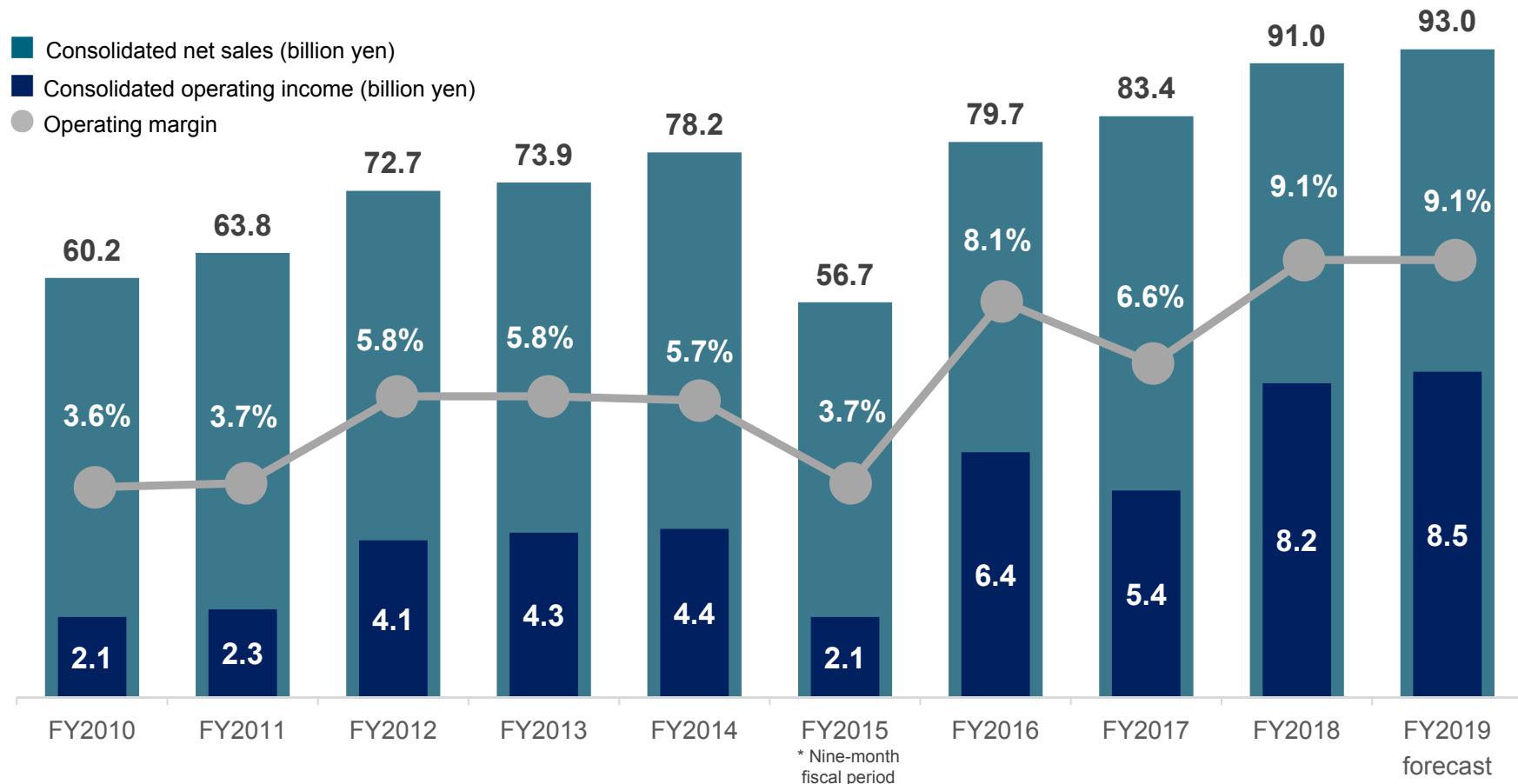
| | Plan targets | FY2018 actual | Difference | Evaluation |
|-----------------------------------|--------------|---------------|------------|------------|
| Net sales (billion yen) | 100.0 | 91.0 | -9.0 | × |
| Operating income (billion yen) | 8.0 | 8.2 | +0.2 | ○ |
| Operating margin | 8.0% | 9.1% | +1.1p | ○ |
| ROE | 10.0% | 10.5% | +0.5p | ○ |

Summary 2. Performance Evaluation by Business Segment

| | (billion yen) | Plan targets | FY2018 actual | Difference | Reasons for difference |
|--|----------------------|--------------|---------------|------------|---|
| Financial Solutions | Net sales | 27.7 | 23.2 | -4.5 | <ul style="list-style-type: none"> ● Unachieved due to impact from restrained investment among financial institutions amid negative interest rate environment. ● At the same time, new projects were acquired in the government and financial institution sectors, providing traction for recovery. Business also grew in the FinTech domain. |
| | Operating income | 3.0 | 1.7 | -1.3 | |
| | Operating margin (%) | 10.8 | 7.7 | -3.0p | |
| Business Solutions | Net sales | 17.4 | 16.8 | -0.6 | <ul style="list-style-type: none"> ● Proprietary products POSITIVE and STRAVIS performed well, however, we fell slightly short of targets due to fewer SI projects. ● Expanded proprietary product lineup through promotion of R&D. |
| | Operating income | 0.9 | 0.7 | -0.2 | |
| | Operating margin (%) | 5.2 | 4.2 | -1.0p | |
| Manufacturing Solutions (Formerly Engineering) | Net sales | 29.0 | 29.2 | +0.2 | <ul style="list-style-type: none"> ● Seized upon massive IT investment appetite in the manufacturing industry, achieving sales and profit targets. ● In addition to expansion in the design domain centered on CAD/PLM, the MBD/MBSE business domain also expanded. IoT, Smart Factory and other businesses also grew. |
| | Operating income | 1.4 | 2.2 | +0.8 | |
| | Operating margin (%) | 4.8 | 7.6 | +2.8p | |
| Communication IT | Net sales | 20.0 | 21.7 | +1.7 | <ul style="list-style-type: none"> ● Substantially surpassed targets through support for work environment reforms of Dentsu and expanded collaboration with the Dentsu Group. ● Expanded RPA business started first for the Dentsu Group into the financial and manufacturing industries. |
| | Operating income | 2.1 | 3.5 | +1.4 | |
| | Operating margin (%) | 10.5 | 16.2 | +5.7p | |
| Inorganic (M&A) | Net sales | 6.0 | 0.0 | -6.0 | <ul style="list-style-type: none"> ● Invested a total of ¥3.3 billion over three years in startups and funds with advanced technologies and unique solutions. ● However, these investments only acquired minority stakes, thus inorganic growth remained unrealized. |
| | Operating income | 0.5 | 0.0 | -0.5 | |
| | Operating margin (%) | — | — | — | |

For the New Medium-term Management Plan

- Realized stable growth since the fiscal year ended March 2011.
- Aiming for the next stage of growth, we are bringing in a new generation of management and plan to make further leaps forward.



| | | | | | | | | | | |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Dividend per share | 20 yen | 20 yen | 20 yen | 22 yen | 26 yen | 32 yen | 50 yen | 52 yen | 63 yen | 70 yen |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

New Medium-term Management Plan (FY2019–FY2021)

Business Environment Awareness

1

Although we have grown steadily through the past three medium-term plans, **the business environment is changing rapidly** amid the advance of technology.

2

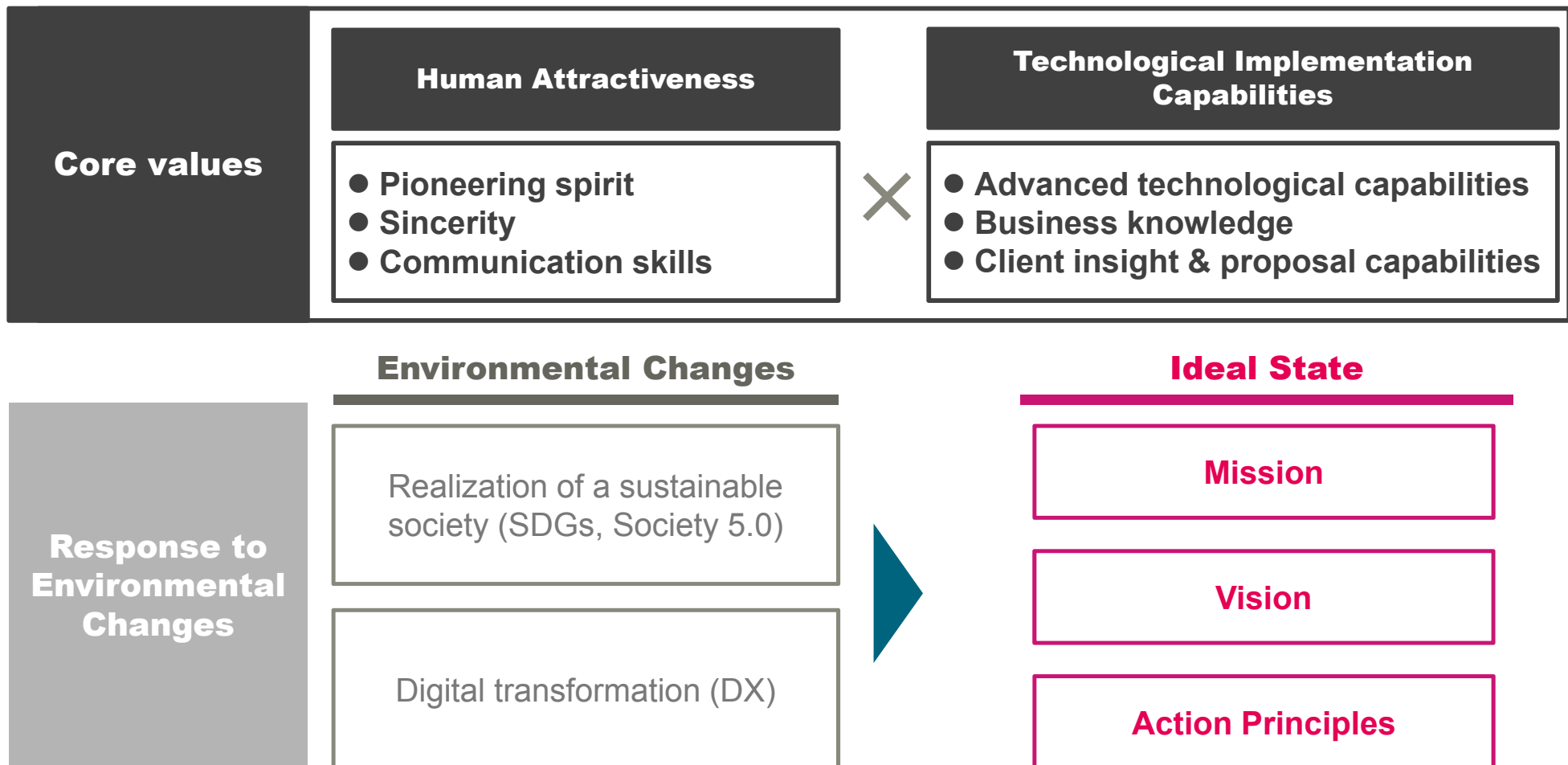
To sustain and increase growth, we ourselves must change to **accelerate opportunities through the start of innovation** on the back of solid performance.

3

Create a new growth scenario based on **our updated corporate philosophy** to share the right direction and our values.

Aims of Updated Corporate Philosophy

- To head in the right direction (toward our idea state) and **share our values (strengths, core values)**.
- Based on this new Corporate Philosophy, **respond to environmental changes** and accelerate innovations to achieve further growth.



New Corporate Philosophy

Mission

Acting with sincerity, we contribute to progress and harmony among our customers, consumers, and society by exploring the unlimited potential of technology.

Vision

Humanology for the future

Bringing people and technology together to shape the future.

Understanding human trends, anticipating society’s evolution and exploring the full potential of technology, ISID Group is creating a better tomorrow through harmony between people and technology.

Action Principles

AHEAD

Be a pioneer.

| Agile | Humor | Explore | Ambitious | Dialogue |
|---------------|--------------------------|---------------------------|---------------|-------------------------------|
| Try it first. | Win through personality. | Venture into the unknown. | Have a dream. | Communicate ideas thoroughly. |

New Medium-term Management Plan (FY2019–FY2021)

ISiD X(Cross) Innovation 2021

Aim to create new value through collaboration with a wide range of partners and realize our corporate philosophy through the promotion of “X Innovation” going beyond technologies, industries, companies, organizations and regions.

Basic
Policies

1. Core business evolution

2. New business creation

3. Business foundation innovations

Strengthen human
resources

Accelerate advanced
technological initiatives

Improve added value
capabilities of business
support departments

Key Measures by Business Segment 1

Financial Solutions

Core business evolution:

- Maintain and expand businesses for core clients.
- Drive new clients in the life and non-life insurance, securities, leasing business and other industries.
- Enhance and expand proprietary software products such as BANK・R and Lamp.

New business creation:

- Provide services supporting financial institution structural reforms.
- Cross border business in different industries, such as enterprises aiming to enter financial services.
- Creating new value with “Financial x ○○” leading integration of financial domain with different fields.

Business Solutions

Core business evolution:

- Expand functionality of proprietary products (POSITIVE, STRAVIS).
- Strengthen ERP, Group management administration solutions.

New business creation:

- Deploy enterprise application Ci*X.
- Launch BPO business in the Human Capital Management (HCM) sector.

Key Measures by Business Segment 2

Manufacturing Solutions

Core business evolution:

- Expand and link digital solutions supporting the manufacturing industry value chain.
- Promote and establish Model Based Systems Engineering (MBSE) through the strengthening and global deployment of iQUAVIS.

New business creation:

- Support digital transformation in the manufacturing industry.
- Promote the “kotozukuri(value creation/story creation)” (as a Service) through the expansion of solutions in the Connected, Autonomous, Shared and Electric (CASE) domain.

Communication IT

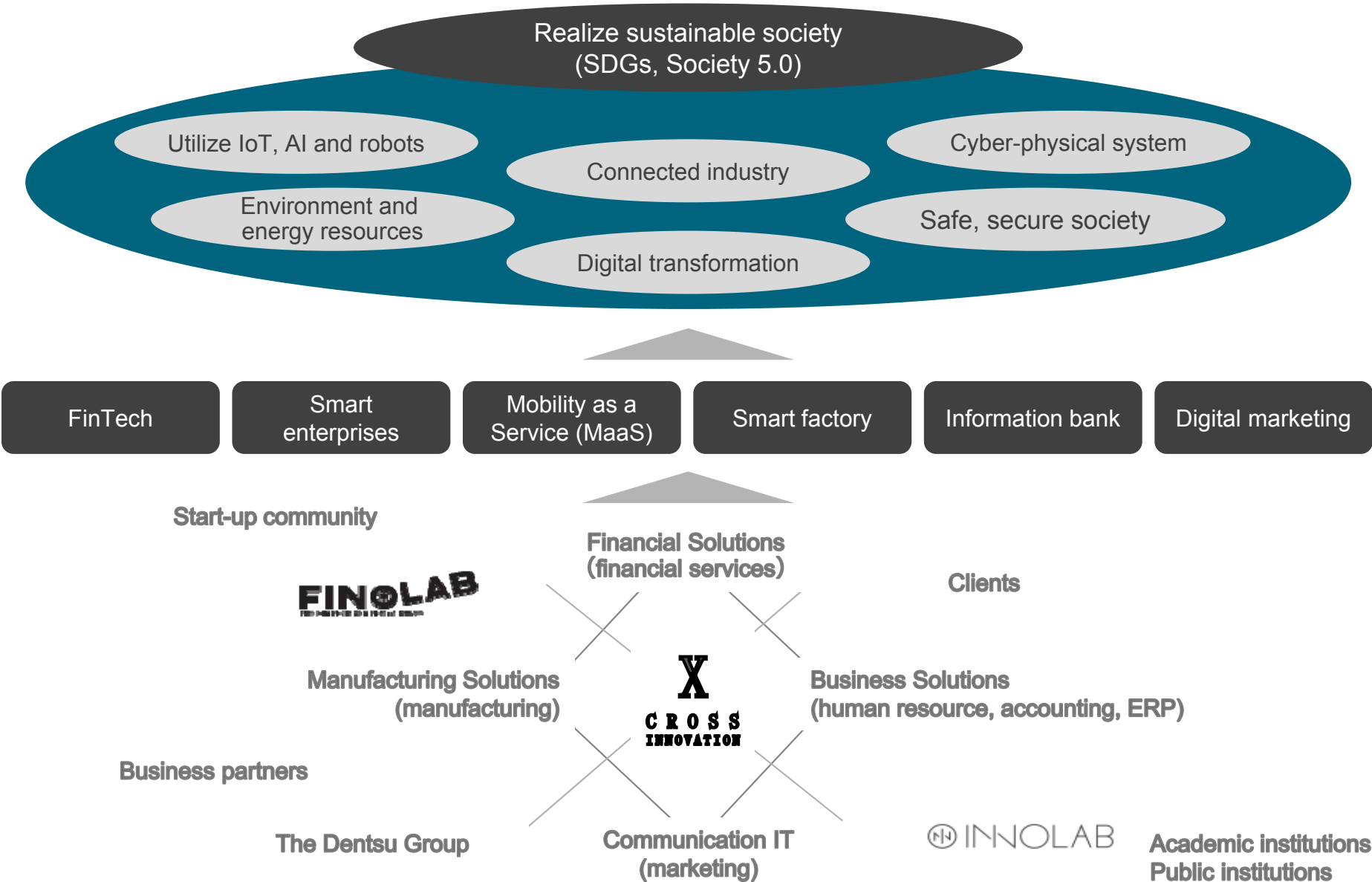
Core business evolution:

- Support the advance of the Dentsu Group IT platforms.
- Accelerate collaborations within the Dentsu Group.

New business creation:

- Develop business using marketing technologies.
- Create new businesses for the post-2020, including regional revitalization, sports technology and tourism.

New Business Creation through X Innovation



Business Foundation Innovations

Strengthen human resources

- Strengthen the quality and quantity of our human resource capabilities—the source of our strengths—aiming to **employ more than 300 talents** by 2021.
- Strengthen recruitment and education skills.
- Promote diversity and workstyle innovations.

Accelerate advanced technological initiatives

- Strengthen the collaboration between business segments and R&D divisions.
- Strengthen **advanced technology implementation** capabilities through strategic initiatives in focus areas including AI, IoT, robots and data analysis.

Improve added value capabilities of business support departments

- Establish a **lean, compact** and agile business support structure and management administration system.

Quantitative Goals (consolidated)

| | FY2018 actual | FY2021 targets | Difference | CAGR |
|-----------------------------------|---------------|----------------|------------|-------|
| Net sales (billion yen) | 91.0 | 110.0 | +19.0 | 6.5% |
| Operating income (billion yen) | 8.2 | 11.0 | +2.8 | 10.3% |
| Operating margin | 9.1% | 10.0% | +0.9p | |
| ROE | 10.5% | 12.5% | +2.0p | |

Quantitative Goals: Net sales by Business Segment

- In addition to growth in each segment, create new X Innovation businesses.

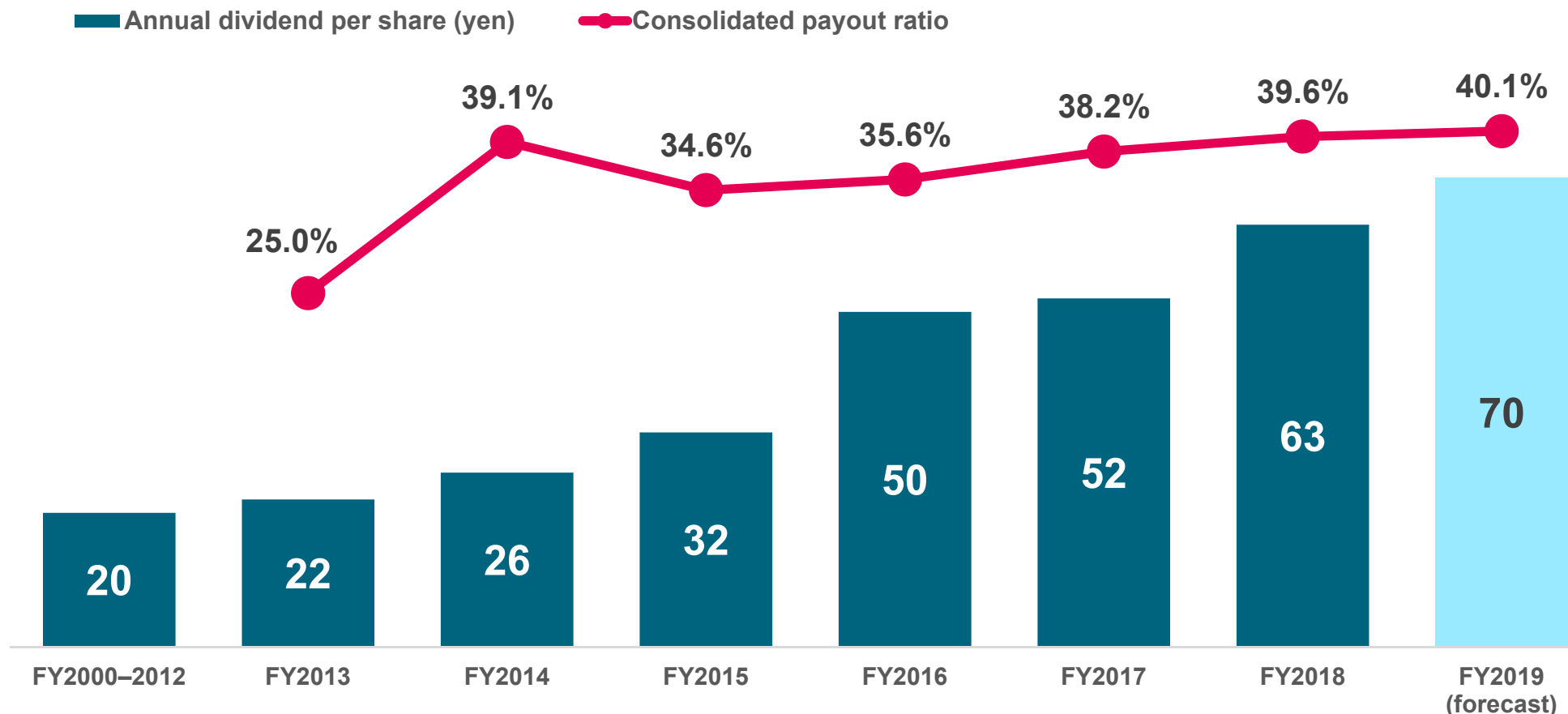
| (Billion yen) | FY2018 actual | FY2021 targets | Difference (CAGR) | | FY2021 X Innovation target | FY2021 target total |
|--|---------------|----------------|-------------------|---|----------------------------|---------------------|
| Financial Solutions | 23.2 | 27.0 | +3.8 (5.1%) | | | |
| Business Solutions | 16.8 | 20.0 | +3.2 (6.0%) | | | |
| Manufacturing Solutions (formerly Engineering) | 29.2 | 34.5 | +5.3 (5.7%) | + | 5.0 | |
| Communication IT | 21.7 | 23.5 | +1.8 (2.7%) | | | |
| <hr/> | | | | | | |
| Total | 91.0 | 105.0 | +14.0 (4.9%) | + | 5.0 | = 110.0 |

Growth Investments

| (Billion yen) | Performance for the three-year period between 2016–2018 | Targets for the three-year period between 2019–2021 | Objective |
|------------------------|---|---|---|
| Human resources | – | +12.0 | <p>Improve human resource capabilities, increase employee numbers.</p> <p>(investment amounts increased for the education, recruiting and remuneration from previous medium-term management plan)</p> |
| R&D | 5.9 | 10.0 | <p>Strengthen and expand solutions, enhance implementation of cutting-edge technologies.</p> <p>(expenses: ¥6.0 billion, assets: ¥4.0 billion)</p> |
| M&A | 3.3 | 10.0 | <p>Expand business domain, increase speed of growth.</p> |

Returning Profits to Shareholders

- To further strengthen the return of profit to shareholders, change the consolidated payout ratio from the “35%–40%” to “40% or more.”
- Going forward, maintain internal reserves for realizing sustainable growth, provide shareholder return under the basic policy of paying appropriate and stable dividends.



Humanology for the future