

Digital Information Technologies Corporation

**Financial Results for the Second Quarter of
the Fiscal Year Ending June 2023**
(TSE Prime: 3916)

February 2023





1. Financial Results for FY6/2023 Q2

**2. FY6/2023 Business Forecasts
Business Status and Initiatives for H2 by
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Financial Results for FY6/2023 Q2



FY6/2023 Q2 Overview of Financial Results (Performance)

- Major KPIs significantly increased as we captured strong demand and improved profitability.
- Record-high first half performance.

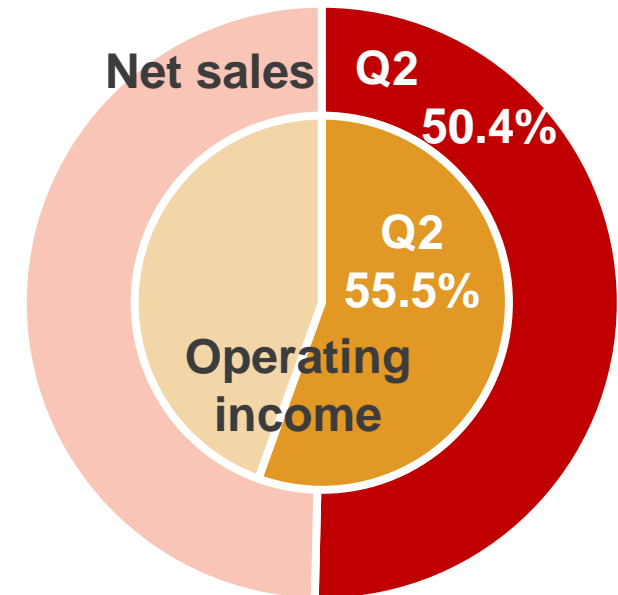
Major KPIs

Net sales: 9,068 million yen
(+18.0% YoY)

Operating income: 1,249 million yen
(+28.4% YoY)

Operating income margin: 13.8%
(+1.1 ppt. YoY)

Progress rate to the full-year forecasts



Net sales (Est.): 18,000 million yen
Operating income (Est.): 2,250 million yen

FY6/2023 Q2 Overview of Financial Results (by Business)

■ **Solid performance in all businesses. In particular, the Embedded Solutions Unit, which aggressively respond to corporate investments in R&D for connected cars and autonomous driving, grew significantly.**

■ Software Development Business (+18.3% YoY)

- **In the Business Solutions Unit (+15.2% YoY)**, sales and profits increased YoY due to steady capture of strong demand. In business systems development, although sales of the mainstay financial sector projects remained flat, sales of projects related to public sector, telecommunications, manufacturing, and ERP were strong. However, profits increased only slightly due to the reassessment of large-scale pharmaceutical contract projects at the time of process transition. In operational support, in addition to expanding businesses for large customers, Simplism, which joined the Group, also contributed to a significant increase in sales and profits.
- **In the Embedded Solutions Unit (+26.4% YoY)**, automotive and semiconductor markets recovered. Significant YoY growth in both sales and profits due to vigorous corporate R&D investment and successful collaboration among group companies. In embedded systems development, automotive-related projects, including semiconductors, recovered in earnest, and IoT related projects also grew significantly. In embedded system verification, sales and profits both increased substantially, with significant growth in automotive systems and growth in 5G, energy/pharmaceutical-related projects.
- **In the Original Product Unit (+3.0% YoY)**, both sales and profits increased YoY due to the accumulation of licensing sales, with WebARGUS steadily building up licencing contracts and the release of a ransomware-compatible version in November last year. XoBlos is making progress in horizontal development of new customer base from existing customers, but delays in launching the RPA integration platform version impacted new customer acquisition. New products such as DD-CONNECT also began to contribute to performance.

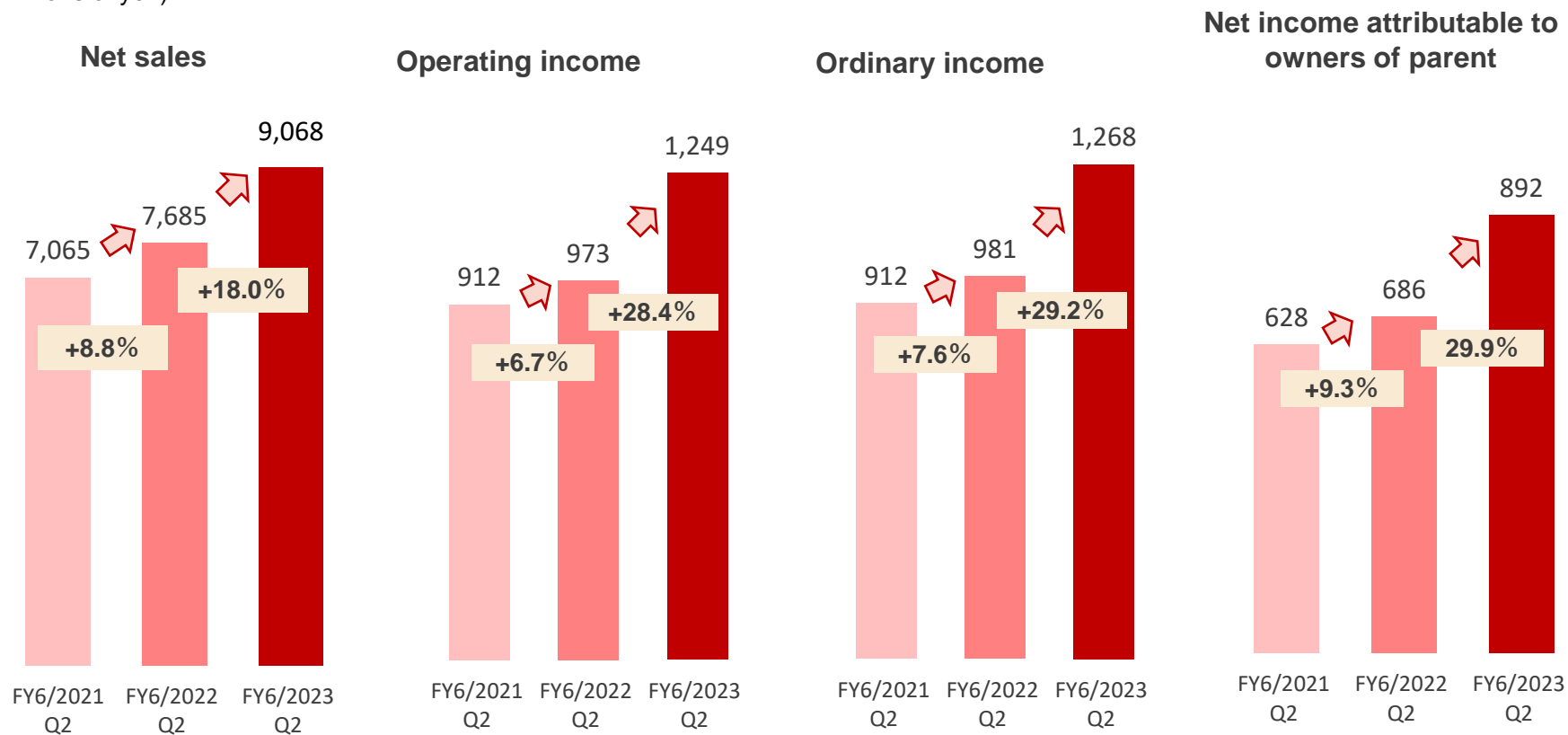
■ Systems Sales Business (+11.2% YoY)

Sales and profits increased YoY due to a recovery trend in the current fiscal year reflecting the easing of the restrictions on sales during the COVID-19 crisis.

FY6/2023 Q2 Financial Highlights

Sales and each profit significantly increased, reaching new highs.

(Millions of yen)



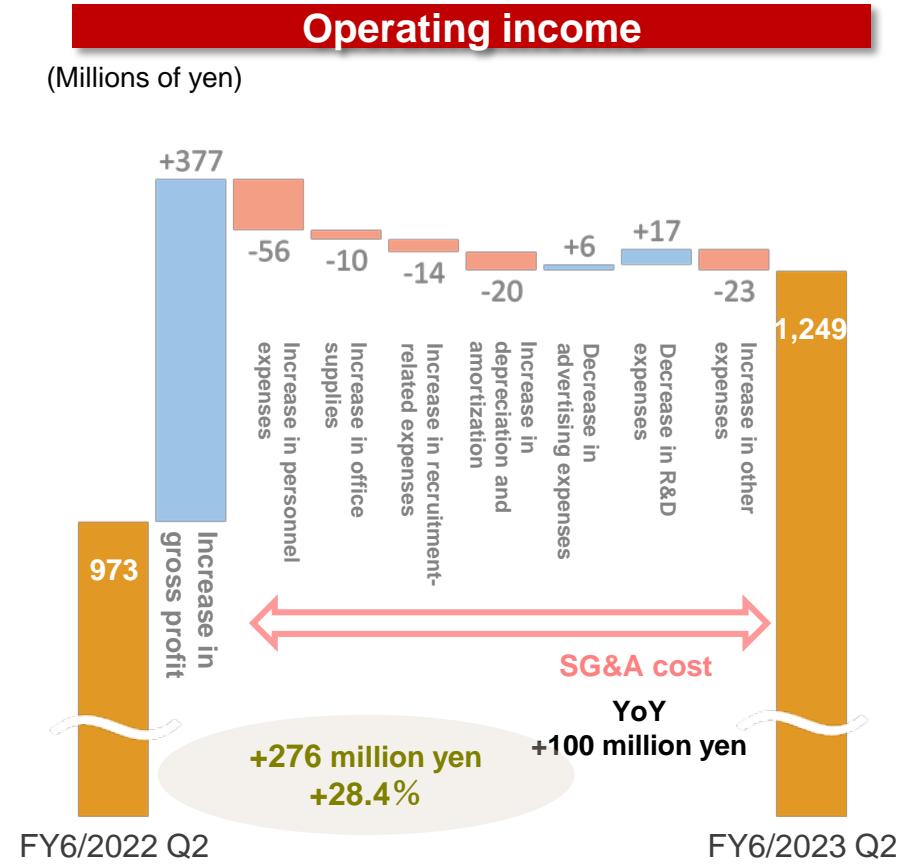
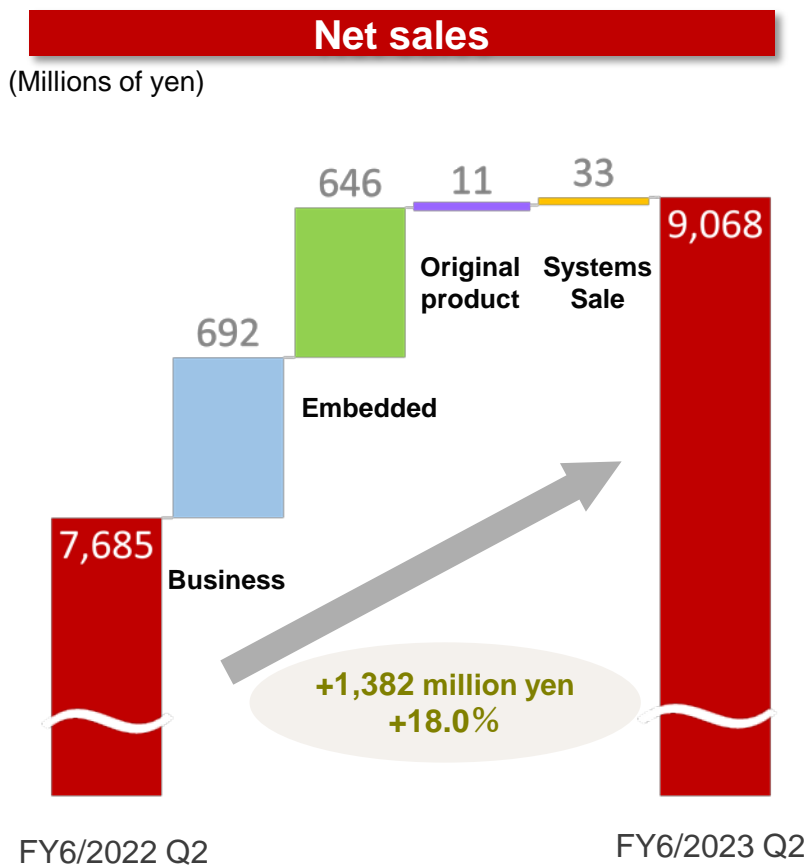
FY6/2023 Q2 Summary of Financial Results

- Gross margin increased by 0.4 ppt.
- Operating income margin rose 1.1 ppt. due to control of SG&A expenses ratio.

(Millions of yen)	FY6/2022 Q2 Result	Composition %	FY6/2023 Q2 Result	Composition %	FY6/2022 Plan	Progress rate %
Net sales	7,685	100.0%	9,068	100.0%	18,000	50.4%
Gross profit	1,931	25.1%	2,308	25.5%	-	-
SG&A	958	12.5%	1,058	11.7%	-	-
Operating income	973	12.7%	1,249	13.8%	2,250	55.5%
Ordinary income	981	12.8%	1,268	14.0%	2,250	56.4%
Net income attributable To owners of parent	686	8.9%	892	9.8%	1,561	57.1%

Factors behind Changes in Net Sales and Operating Income (YoY)

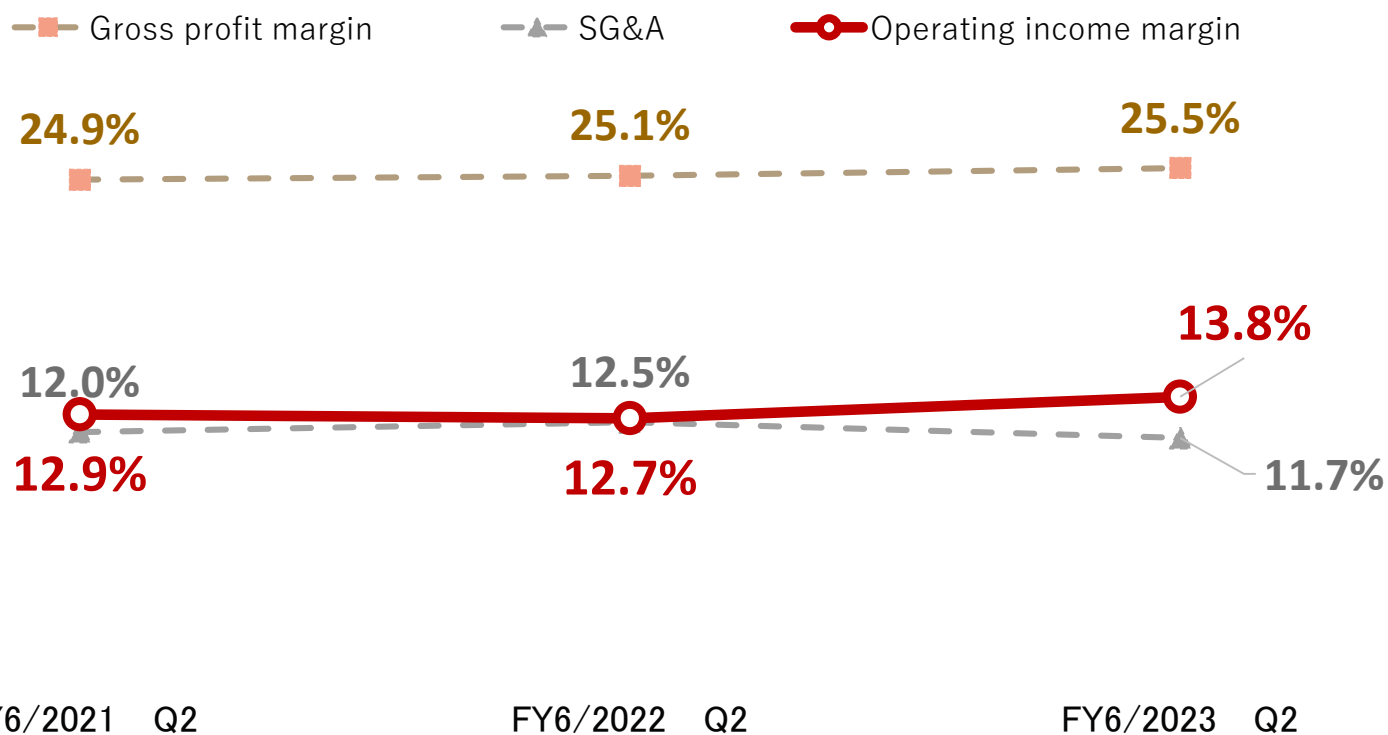
- Net sales grew in all businesses, including significant growth in the two core businesses.
- Operating income increased significantly, as growth in gross profit absorbed higher personnel and recruitment costs associated with business expansion and amortization (depreciation) of goodwill associated with M&A.



Changes in Operating Income Margin

- Operating income margin reached a record high level due to an increase in the gross profit margin and a decrease in the SG&A expenses ratio.

Ratio of each profit and SG&A to sales



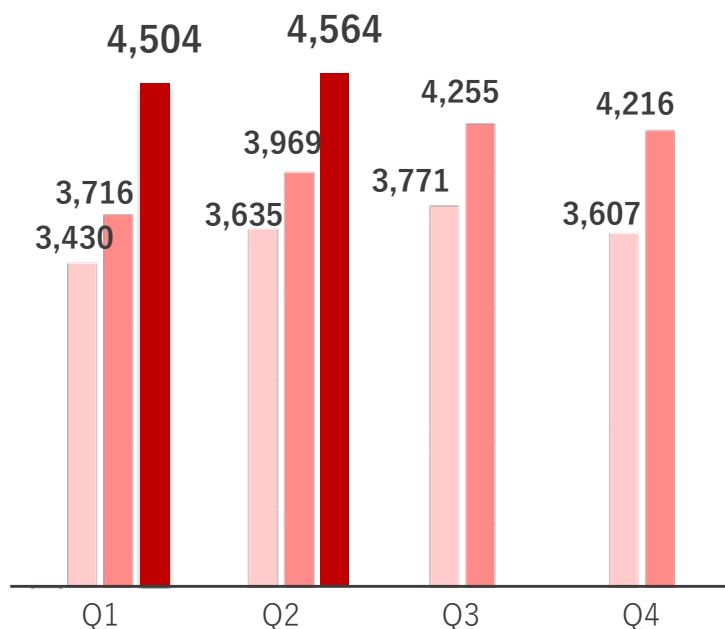
Quarterly Net Sales & Operating Income

- Record-high net sales and operating income for the Q2.
- Record-high sales on a quarterly basis.

Net sales

(Millions of yen)

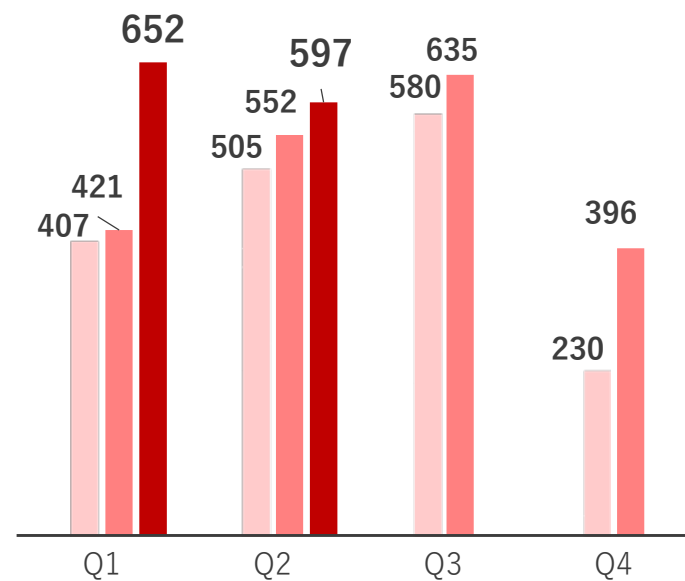
■ FY6/2021 ■ FY6/2022 ■ FY6/2023



Operating income

(Millions of yen)

■ FY6/2021 ■ FY6/2022 ■ FY6/2023



*There is a seasonality in operating income that declines in Q4 due to factors such as the acceptance of new employees and year-end allowances. From the previous fiscal year, however, we have been working to reduce the extent of the decline by raising the salary and the bonus payment rate.

Business Domains: Positioning of Each Business



Business Segment and Composition of Sales

- The ratio of embedded solutions sales grew in line with the full-fledged recovery in automotive-related sales.
- Sales of original products (growth fields) grew, but did not reach the growth of the core earnings base business, and its sales ratio decreased.

Businesses segment	Classification	FY6/2021 Q2 Net sales Composition	FY6/2022 Q2 Net sales Composition	FY6/2023 Q2 Net sales Composition
Software Development Business		95.5%	96.2%	96.4%
Business Solutions Unit	Business Bases	58.9%	59.3%	57.9%
Business System Development		57.6%	59.3%	56.5%
Operational Support		42.4%	40.7%	43.5%
Embedded Solutions Unit	Business Bases	31.7%	31.8%	34.1%
Embedded Product Development		78.9%	75.9%	72.8%
Embedded Product Verification		21.1%	24.1%	27.2%
Original Product Unit	Growth Field	4.9%	5.1%	4.4%
Systems Sales Business	Business Bases	4.5%	3.8%	3.6%

Sales by Business Segment

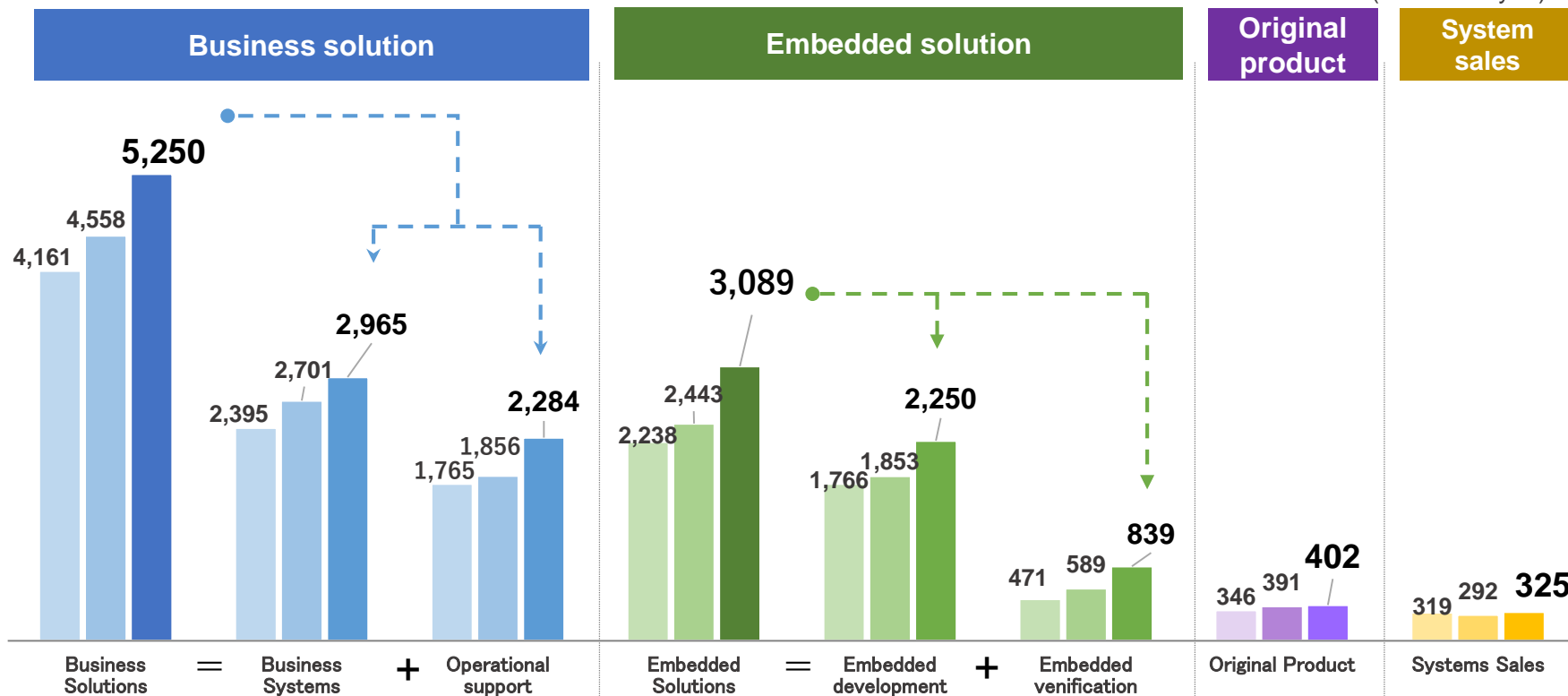
■ Growth in all segments.

Significant YoY growth in embedded system verification, operational support, embedded system development.

Quarterly Sales by Business

(Graphs from left to right: FY6/2021 Q2, FY6/2022 Q2, FY6/2023 Q2)

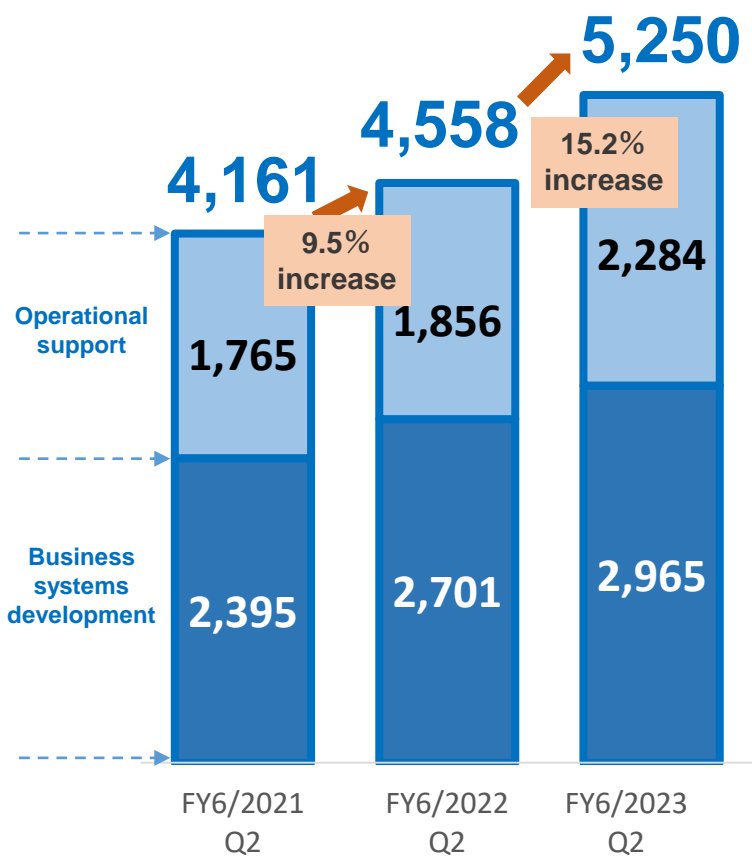
(Millions of yen)



Net Sales by Segment: Business Solutions Unit

Net sales : 5,250 million yen
YoY change : +15.2%

(Millions of yen)



<Entire business>

Both sales and profits increased due to strong demand and expansion of project scale. In particular, net sales increased significantly by more than double digits.

■ Business system development

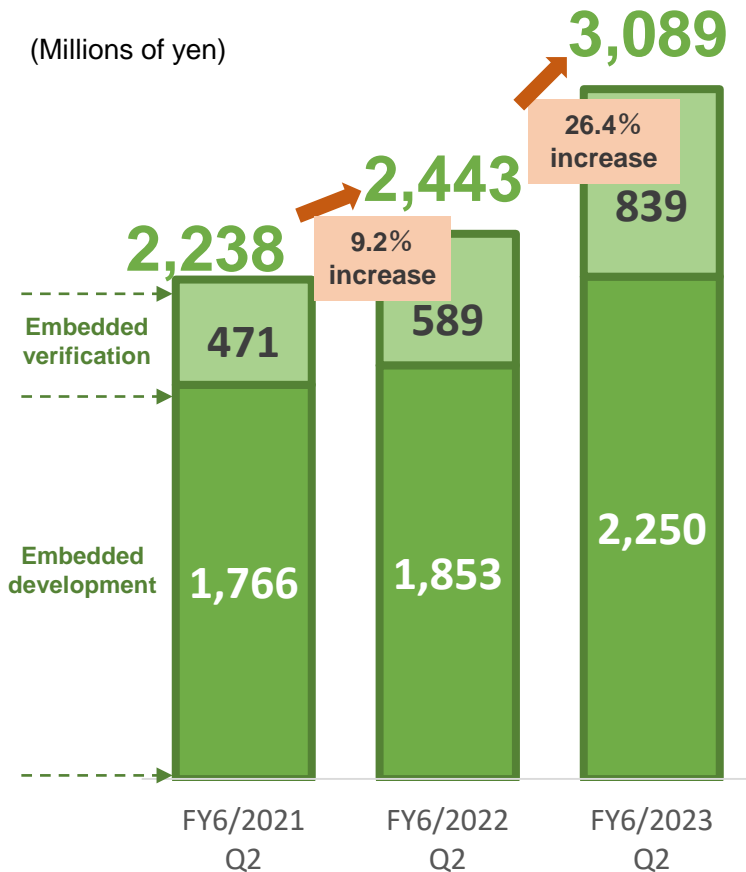
Sales of mainstay financial projects were flat due to the shift of personnel to highly profitable fields. However, it was steady in acquiring projects related to public works, communications, manufacturing, and ERP (SAP). Profit increased slightly due to reassessment of large-scale medical-related contract projects at the time of process transition.

■ Operational support

The volume and scope of projects have expanded as the business reforms of key customers have settled down. Sales and profits increased significantly with the addition of 270 million yen in sales from the acquired Simplism.

Net Sales by Segment: Embedded Solutions Unit

Net sales : 3,089 million yen
YoY change : +26.4%



<Entire business>

In automotive and semiconductor-related projects, both sales and profits increased substantially, reflecting increased R&D investment in connected cars and autonomous driving. Inter-company collaboration succeeded, and profitability also improved due to an increase in orders for packaged deals with embedded development and verification.

■ Embedded development

Sales increased by 21.4%. In addition to favorable automotive-related sales, for which R&D spending is robust, projects related to IoT such as mobile-related and consumer electronics also grew steadily, resulting in significant increases in both sales and profits.

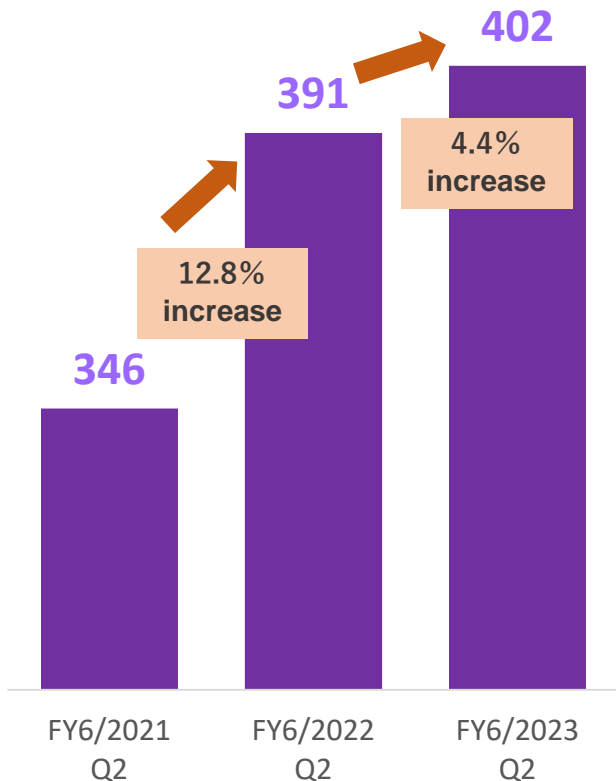
■ Embedded system verification

Sales increased by 42.2%. Significant growth in sales and profits due to large growth in automotive projects and growth in 5G, energy, and medical-related projects.

Net Sales : 402 million yen

YoY change : +4.4%

(Millions of yen)



<Entire business>

Sales and profits grew steadily due to the accumulation of licensing sales for the subscription model.

■ [WebARGUS: Cybersecurity product]

Both sales and profits were solid due to the accumulation of licensing sales. In November 2022, we released a new version compatible with ransomware.

■ [xoBlos: Operational efficiency products]

Horizontal customer expansion within existing customers remained firm, but new customer acquisition did not progress due to delays in launching platforms linked to RPA, etc., resulting in YoY declines in both sales and profits

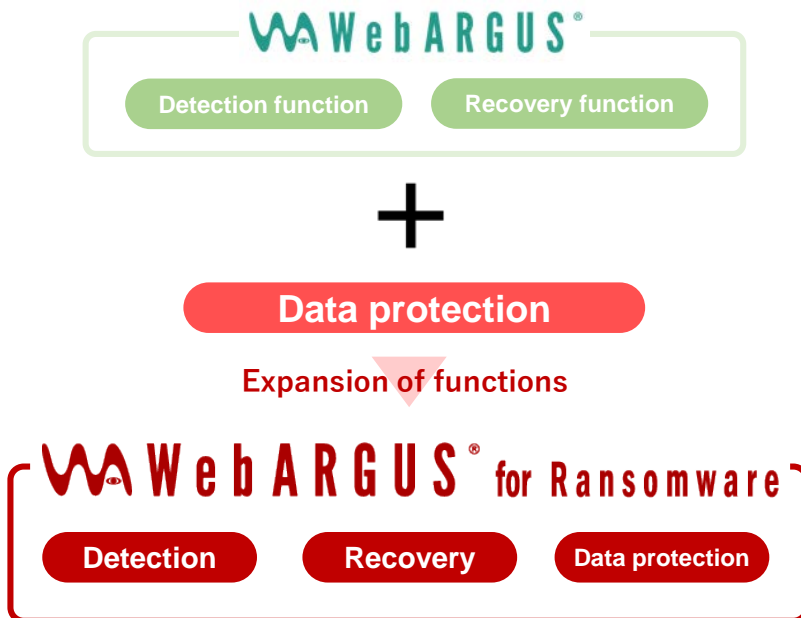
■ [Other new products]

Orders for DD-CONNECT, an electronic contract service, increase and begin to contribute to sales and profits.

WebARGUS: Launch a version compatible with ransomware

- In November 2022, we launched a ransomware-compatible version of WebARGUS, a security product, with data protection function. In January this year, The scope of support was expanded to include ARM64 processors in addition to the Intel64 processors that make up Linux server CPUs.
- Contributing to sustainable socioeconomic activities by responding to ransomware, the serious threat of cyberspace.
- Upselling to existing customers. Expect to acquire a wide range of new customers.

Expansion of product support areas



Features and sales strategy

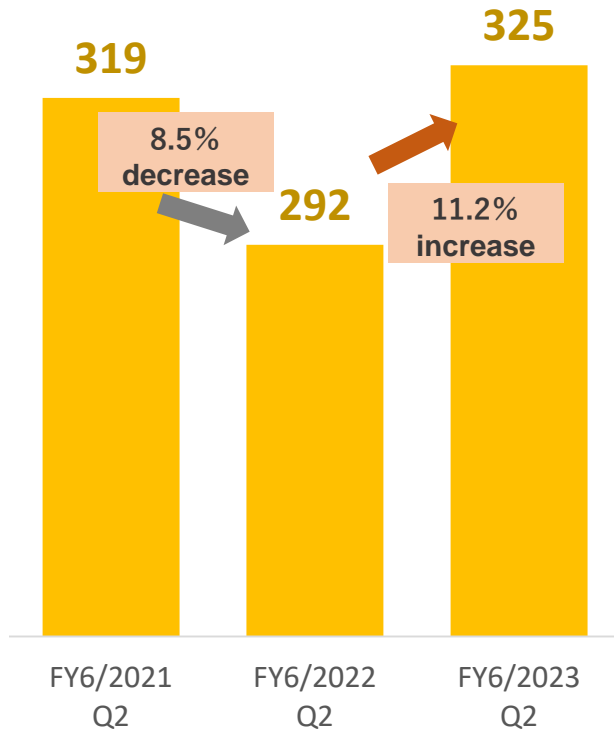
- ✓ **Data protection (protection) functionality has been added to the existing WebARGUS**, which only detects and recovers data, increasing the value of the product.
- ✓ Real-time monitoring, which is different from the competitive periodic monitoring type, **provides both high recoverability and reduced system load.**
- ✓ **The sales target is a cumulative license amount of 150 million yen by June 2024.** We are working for upselling to existing customers and also acquiring new customer bases.

Net Sales by Segment: Systems Sales Business



Net Sales : 325 million yen
YoY change : +11.2%

(Millions of yen)



<Entire business>

The rebound from two years of special demand for reduced tax rates has slowed, and the impact of the COVID-19 has subsided, indicating a recovery trend.

- Sales and profits increased YoY due to gradual easing of face-to-face sales constraints in recent years due to COVID-19.
- The effect of opening a new sales office in the Chubu region (Shizuoka) is apparent.

*The Systems Sales business mainly sells Rakuichi, which is a core system for providing operational support and management support to small-and medium-sized enterprises created by Casio Computer Co., Ltd.

Balance Sheet

■ Maintained a high equity ratio of 73.1%

(Millions of yen)

	End-Jun. 2022	End-Dec. 2022	Change
Cash and deposits	3,843	4,194	350
Accounts receivable and contract assets	2,841	2,980	139
Work in progress	90	117	27
Others	141	185	44
Total current assets	6,917	7,477	560
Property, plant and equipment	144	147	3
Intangible fixed assets	210	188	-21
Investments and other assets	409	460	51
Total fixed assets	764	797	33
Total assets	7,681	8,275	593

*Amounts less than one million yen are rounded down

	End-Jun. 2022	End-Dec. 2022	Change
Notes and accounts payable - trade	592	628	36
Short-term borrowings	353	440	87
Other	1,014	972	-42
Total current liabilities	1,960	2,041	80
Long-term debt	111	125	13
Others	57	56	-1
Total fixed liabilities	168	181	12
Total liabilities	2,129	2,222	93
Capital stock	453	453	-
Capital surplus	459	459	-
Retained earnings	4,639	5,139	500
Total net assets	5,552	6,052	500
Total liabilities and net assets	7,681	8,275	593

Cash Flow

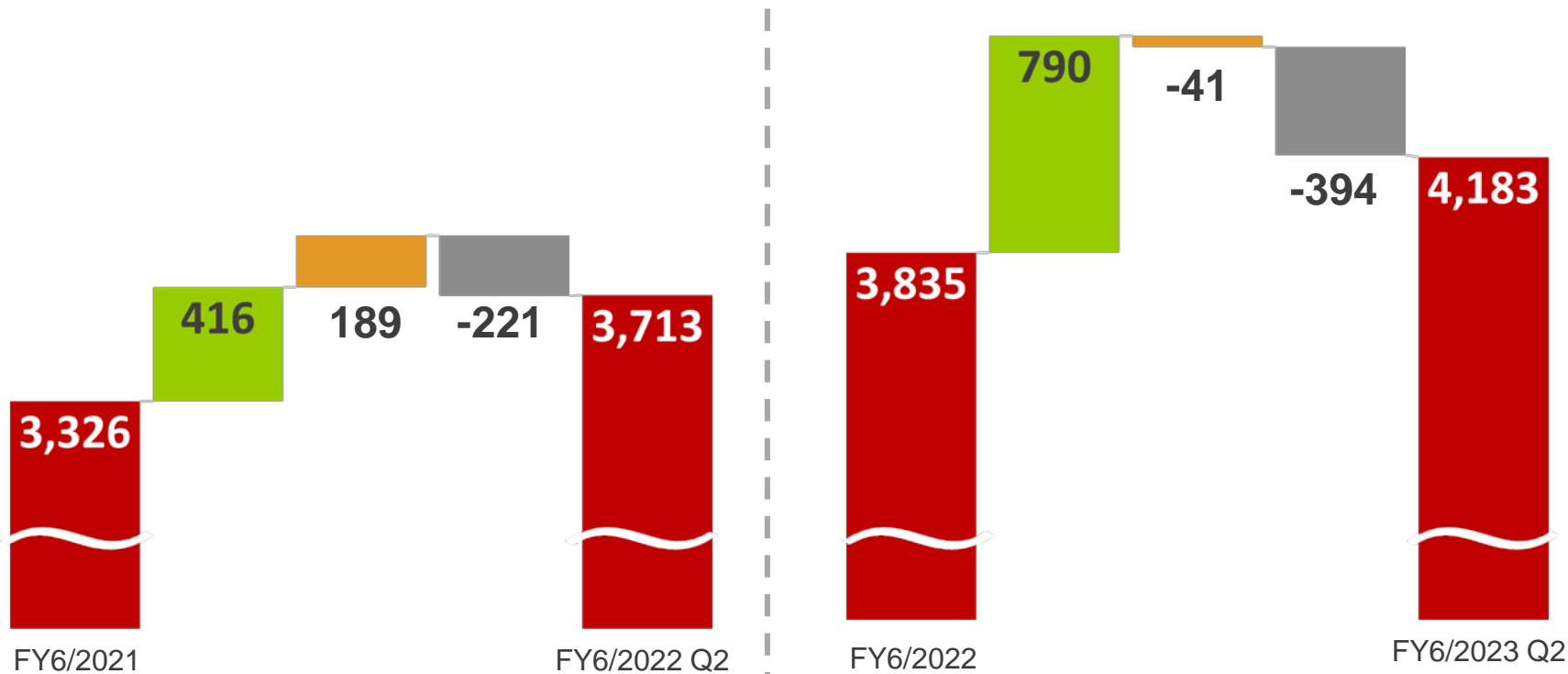
■ Operating CF increased in line with profit growth, and cash steadily increased.

(Million yen)

- Operating CF
- Investing CF
- Financing CF
- Cash & equivalents at end of year

FY6/2022 Q2

FY6/2023 Q2





2. FY6/2023 Business Forecasts Business Status and Initiatives for H2 by Segments

Business Forecasts for FY6/2023

- Aim to accomplish 2 consecutive years of double digit growth and 13 consecutive years of increase in sale and profits based on two pillars of "stabilizing the business" and "strengthening growth factors" as stated in medium term management plan.
- Progress rate at the end of Q2 was steady. Overall full-year forecasts remain unchanged from the initial forecasts, but in light of recent demand trends, some of the forecasts by segment have been revised (see next page).

	FY6/2022 Result	Compositi on %	FY6/2023 Forecast	Compositi on %	YoY %	Progress rate at end-Q2 %
(Millions of yen)						
Net sales	16,156	100.0%	18,000	100.0%	+11.4%	50.4%
Operating income	2,004	12.4%	2,250	12.5%	+12.2%	55.5%
Ordinary income	2,004	12.4%	2,250	12.5%	+12.3%	56.4%
Net income attributable to owners of parent	1,439	8.9%	1,561	8.7%	+8.5%	57.1%

Forecast of Business Results by Segment

- Revised the breakdown of forecasts for the Software Development Business in light of recent changes in demand trends. Significantly increased the figures for the Embedded Solutions Unit from initial figures, while figures for the Business Solutions Unit and the Original Product Unit were reviewed.
- The plan for the Software Development Business as a whole to achieve double-digit growth of 11.8% YoY remains unchanged

(Millions of yen)

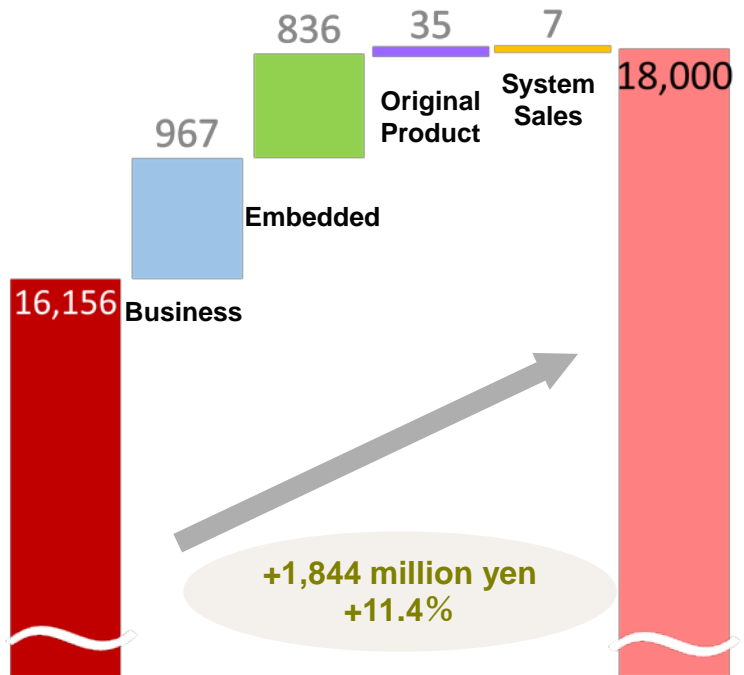
Business Segment	FY6/2022 Net sales	FY6/2023 Revised forecast	YoY Change (%)	Composition	FY6/2023 Initial forecast	Pct. change vs. initial forecast (%)
Software Development Business	15,562	17,400	11.8%	96.7%	17,400	-%
Business Solutions Unit	9,553	10,520	10.1%	58.4%	10,900	-3.5%
Embedded Solutions Unit	5,164	6,000	16.2%	33.3%	5,500	9.1%
Original Product Unit	845	880	4.1%	4.9%	1,000	-12.0%
System Sales Business	593	600	1.2%	3.3%	600	-%
Total	16,156	18,000	11.4%		18,000	-%

Key KPIs (Net sales, Operating Income / Operating Income Margin)

- The Embedded Solutions Unit grew more than expected, and sales for the full year are expected to be in line with forecasts.

Net sales

(Millions of yen)



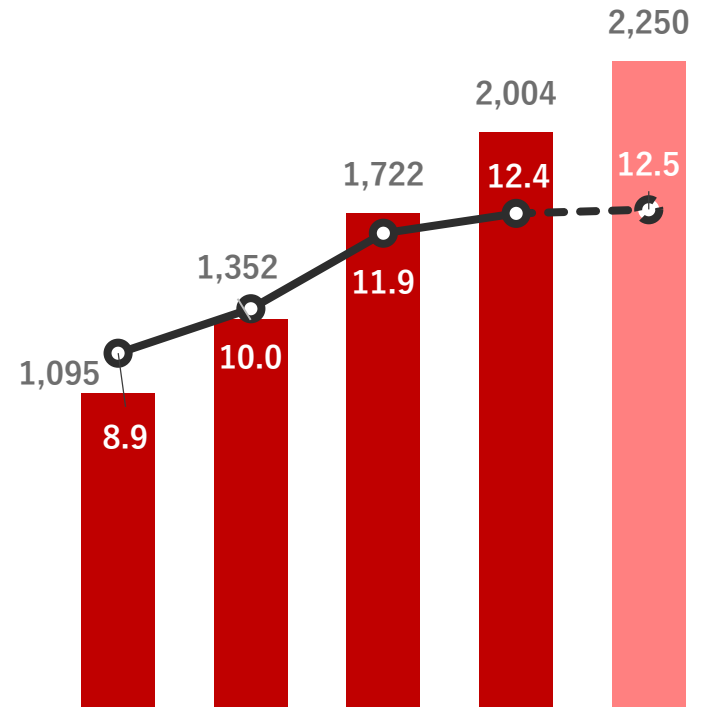
FY6/2022

FY6/2023
(Forecast)

Operating Income / Operating Income Margin

(Millions of yen)

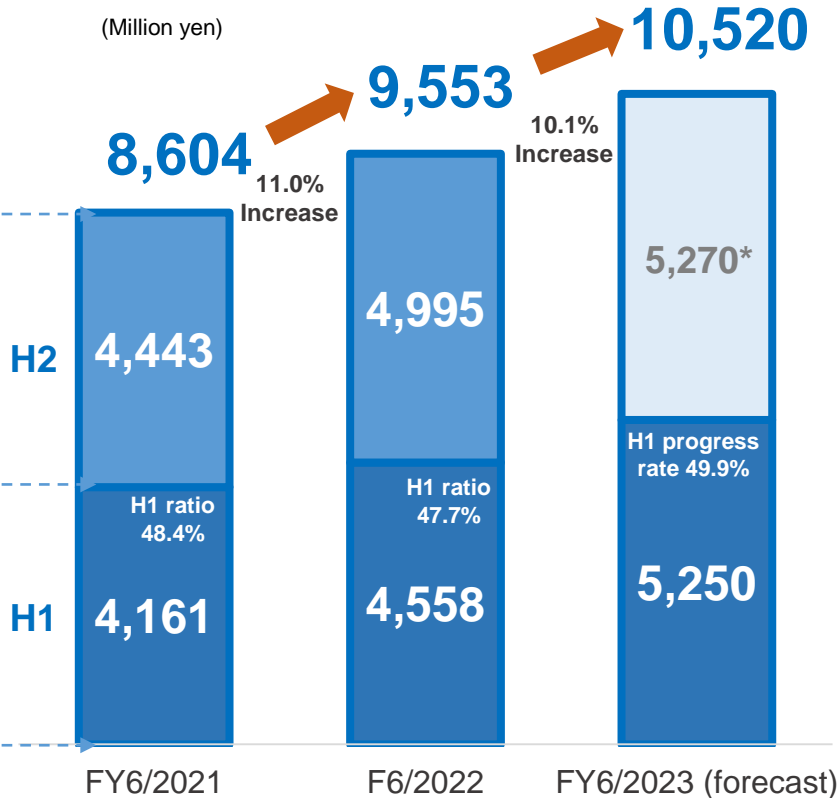
(Unit : %)



FY6/2019 FY6/2020 FY6/2021 FY6/2022 FY6/2023
(forecast)

Outlook by Segment: Business Solutions Unit

Net sales: 10,520 million yen
YoY change: +10.1%



<Entire Business: Initial Initiative Policy>

Accurately respond to robust demand, expand market share among existing customers and develop new customers.

- In business system development, we will steadily capture the growing demand for DX in various industries, while aiming to continue to improve profitability by expanding and steadily executing contracted projects.
- In operational support, we aim to return to a growth path by expanding the scope of support and utilizing the personnel of Simplism, which became a subsidiary (Simplism's contribution to net sales is approximately 500 million yen).

<Overall Business: Initiatives for the H2>

- Sales in H1 were basically in line with expectations. Considering trends that should be watched closely, such as an increase in the number of employees invested in medical-related contract projects, we will strive to capture steady DX demand in the H2 of the fiscal year.

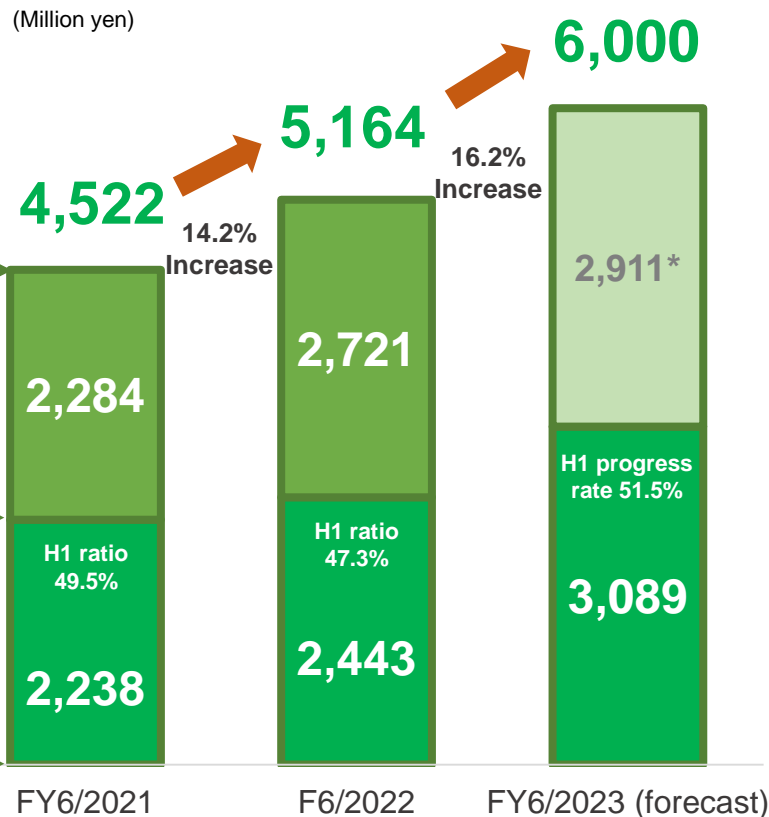
*Figures for the H2 of the current fiscal year forecasts are simply subtracting the first-half results from the full-year forecasts.

Key Strategies by Segment: Business Solutions Unit

Priority Measures	H1 results	Initiatives for H2
1. Steadily promote large-scale medical-related contract projects	As we move from the basic design process to the detailed design process, we conducted a reassessment in accordance with the Project Management Regulations to strengthen the development system.	Prioritize quality and delivery, and work toward completion
2. Expand ERP (SAP, etc.) projects, and expansion of R&D and operation projects in line with the reorganization of telecommunications companies	ERP (SAP) expanded steadily. Telecoms carrier restructuring settled down and operational support projects expanded more than before.	Work toward further expansion
3. Increase orders for technical projects that promote DX utilizing cloud, AI, robotics, etc.	Steady growth in cloud projects: in addition to AWS (Amazon) and Azure (Microsoft), GCP (Google) projects have also been won.	Cloud projects are expected to increase. Aiming to expand DX projects such as AI
4. Expand direct-to-end-user contracts and promotion of service proposal-based businesses	Steady expansion of direct-to-end-user contracts	Complete large-scale projects for pharmaceutical end users and promotion of service proposal-based businesses
5. Increase the ratio of contracted projects and ensuring thorough project management	The number of contracted projects and contract amount both increased regardless of the business segment.	Further promote standardization of project management to prevent the occurrence of unprofitable projects
6. Collaboration with subsidiary Simplism in the operational support business	Monthly meetings between DIT and Simplism were held to share cooperation projects, and participation in some actual projects was achieved.	Expand of the number of collaborative projects
7. Expand business by utilizing regional bases as "advanced near shore development centers"	Ehime Company, the main regional base, is steadily expanding its business, and the East Japan Center in Sendai is also gradually growing.	Promote initiatives that leverage the characteristics of local regions

Outlook by Segment: Embedded Solutions Unit

Net sales: 6,000 million yen
YoY change: +16.2%



<Entire Business: Initial Initiative Policy>

Increase the share of sales from existing excellent customers, such as manufacturers of completed vehicles, and promote horizontal deployment of holding technologies.

■ In embedded systems development, we aim to grow sales by increasing its share of sales with outstanding automotive and semiconductor-related customers and expanding its IoT and industrial equipment businesses.

■ In embedded systems verification, we aim to accelerate the pace of growth by broadening the scope of customers for automotive, medical-equipment, and 5G related projects.

<Overall Business: Initiatives for the H2>

■ Strong demand for automotive-related investment led to higher-than-expected progress in H1 in both sales and profits. Collaboration between development and verification companies has been more successful than anticipated, and we will continue to work to capture robust demand in the H2, and expect significant growth.

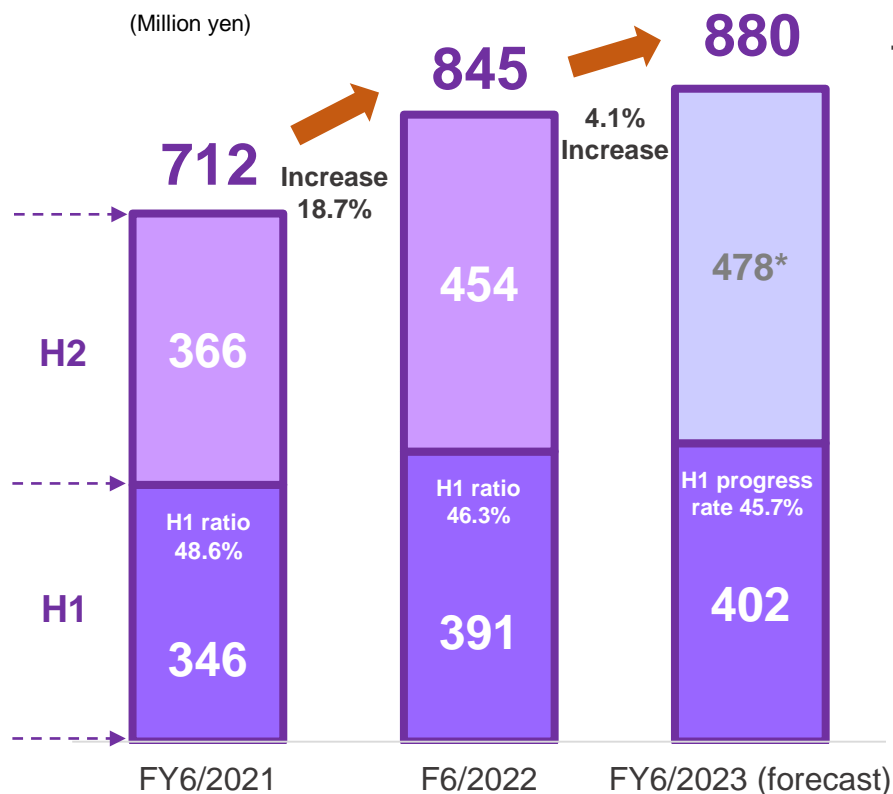
*Figures for the H2 of the current fiscal year forecasts are simply subtracting the first-half results from the full-year forecasts.

Key Strategies by Segment: Embedded Solutions Unit

Priority Measures	H1 results	Initiatives for H2
1. Maintain and expand (horizontally expand and deepen) the automotive-related field (automated driving, automotive communications equipment, safety standards) centered on existing customers	Steadily expand the automotive R&D investment field	Continue to focus on and aim for expansion in the fields of autonomous driving, automotive communications equipment, and safety standards
2. Develop IoT beyond the boundaries of industries such as vehicles (developing communication modules) and consumer electronics	Steadily expand sales from IoT field in all industries (automotive, consumer electronics, electric appliances, and gases)	Acquire IoT cases in various industries and aim for expansion in this field
3. Develop new customers, mainly in the Chubu region	The number of members participating in projects for the largest car manufacturers is gradually increasing. Also, key personnel recruited for the establishment of a base in the Chubu region.	Consider the establishment of a base in the Chubu region in conjunction with an increase in the number of participating members to the largest automobile manufacturer
4. Improve quality and expand scale of orders through standardization of verification operations	Progress in standardization of verification and confirmation of effects through trial operation	Aim to expand the scale of orders by leveraging proprietary methodology to improve quality
5. Improve cloud-related know-how and expand the scope of verification operations to business systems	Cloud-based verification orders received, expanding the scope of verification work	Consider initiatives to expand into business-related systems by leveraging cloud-related know-how

Net sales: 880 million yen

YoY change: +4.1%



<Entire Business: Initial Initiative Policy>

The product range, including new products, can be effective in the new normal society in the COVID-19 crisis and continues to aim for significant growth. In addition to previous initiatives, we will focus on the following initiatives.

- In cyber security, release anti-ransomware products by the end of the year to capture further demand
- Projects in the electronic contract outsourcing service DD-CONNECT are expected to expand, and licensing sales will increase.

<Overall Business: Initiatives for the H2>

The progress rate in H1 is slightly lower than expected due to delays in the introduction of new products at xoBlos. Recently, we have been strengthening our sales activities to steadily capture demand, including the increase in inquiries related to DD-CONNECT and for ransomware versions.

*Figures for the H2 of the current fiscal year forecasts are simply subtracting the first-half results from the full-year forecasts.

Key Strategies by Segment: Original Product Unit

Priority Measures	H1 results	Initiatives for the H2
1. Aggressively approach large-scale users, mainly financial institutions, based on the results of introduction	Inquiries from large-scale users continue. Steady progress in expanding the installed scale of existing customers for small starts	Proactively pursue approaches toward new customer acquisition and promote expansion of the scale of introductions by existing customers
2. Providing total security services under the DIT Security brand. <ul style="list-style-type: none"> • Further activation of service development by strengthening cooperation with partner companies • Strengthening the range of cyber security products 	As part of our total security services, we have consistently succeeded in introducing products from other companies in collaboration.	Strengthen the lineup of products with other companies through collaboration, invigorate sales activities, and quickly respond to customers' security needs
3. Launch of WebARGUS for Ransomware Protection (provisional) by the end of the year	Released WebARGUS for Ransomware in November of last year, featuring a data protection function that securely protects critical data.	Promote sales expansion by conducting activities to raise awareness
4. Develop strategies to increase awareness (and establish the brand as a brand) and implement the strategies through commercials and various other forms of advertising	Continued web advertising and increase awareness	Prioritize activities to raise awareness of Ransomware version
5. Introduce IoT version WebARGUS based on the system resilience (self-detection and self-repair) concept	Significant progress has not yet been achieved	Continue to explore industry trends

Key Strategies by Segment: Original Product Unit



Priority Measures	H1 results	Initiatives for H2
1. More than 550 companies have installed the system, further strengthening sales to large-scale users	Projects are becoming larger, taking longer than ever before, and the cumulative number of companies introducing the system is around 560	Case orders are increasing, and we aim to have 580 suppliers by the end of this fiscal year
2. Acquire projects in the previous fiscal year that have been delayed due to COVID-19	As mentioned above, the project carried over from the previous fiscal year is taking time to close, but new projects are steadily accumulating at the beginning of this fiscal year	Work to win orders
3. Strengthen user support and increase licenses from existing customers	Steady progress in licensing from existing customers	Continue to strengthen support activities for existing customers and aim to increase licenses
4. Actively promote collaboration with other systems such as RPA and ERP based on xoBlos to expand sales opportunities.	Continued to receive inquiries for collaboration with ERP	Mainly promote sales activities, aiming at cooperation with ERP products and other products that have a proven track record
5. Strengthen support for sales agents and acquire new licenses via agents	Concluded agency agreements with 5 companies as new distributors	Work together with distributors to acquire new licenses
6. Develop a new OEM licensing business by providing OEMs to alliance partners.	In November last year, it was announced that xoBlos would be offered on an OEM basis as an optional service for integrated project management tools	Strengthen templates to expand sales. Aim to provide OEM for multi-tenant /RPA management portals on a cloud infrastructure

Key Strategies by Segment: Original Product Unit

New Product/DX

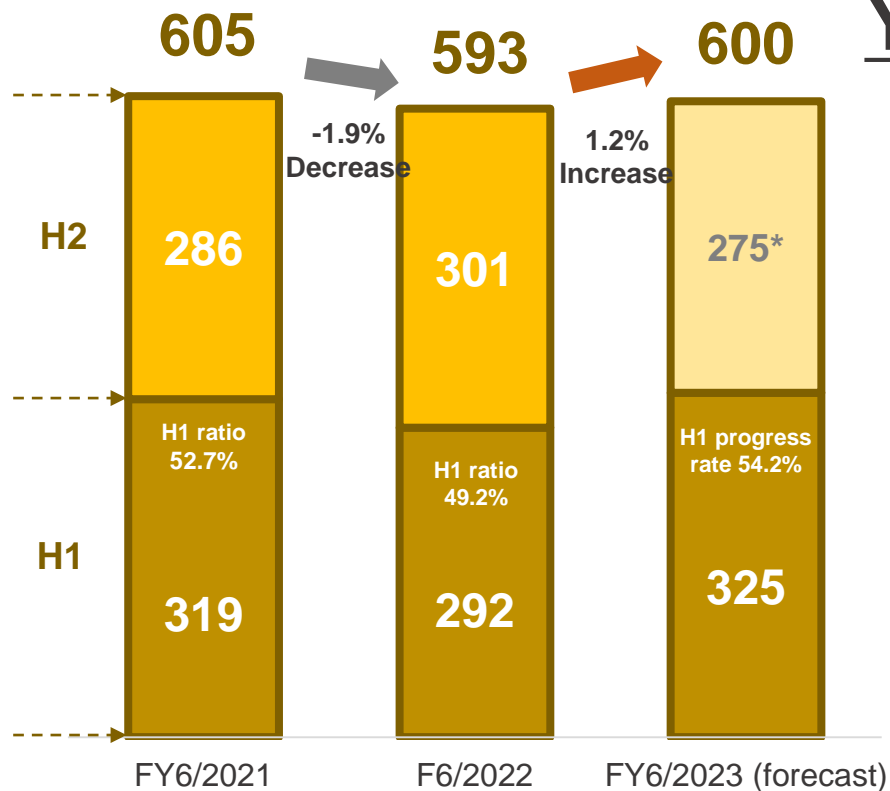
Priority Measures	H1 results	Initiatives for H2
1. Promote the receipt of large-scale DD-CONNECT orders as the first stage of subscription services	DD-CONNECT increased steadily in both resale and direct sales. In addition, several orders were received for large-scale SI development as the first stage (mainly agile development through low cords).	Work to further expand DD-CONNECT business. It also builds up its track record of low-code development.
2. Strengthen sales by developing shield cms distributors and transitioning from other companies' CMS	To develop the market, improved the website, promoted awareness activities and developed distributors. Also, strengthened support for customers who have introduced the system.	Diversify shield cms sales methods (CMS/CMS+detection/CMS+detection+restoration) to expand sales.
3. Launch new services to provide DX related services (AI, RPA, voice-recognition, etc.)	Research and development was carried out to provide new services, and an AI PoC proposal was implemented for painting services in the residential construction industry	Continue R&D to commercialize DX related services

*CMS: Contents Management System General term for systems that manage digital content such as text and images that make up web content in an integrated and systematic manner and perform necessary processing such as distribution.

Outlook by Segment: System Sales Business



(Million yen)



Net sales: 600 million yen
YoY change: +1.2%

<Entire Business: Initial Initiative Policy>
 Aim to increase sales by strengthening proposal activities on the opportunity of system changes related to sales management

- Strengthen proposals for the introduction of an invoice system and mandatory storage of transaction data
- Effective use of IT introduction subsidies to propose measures to promote DX at SMEs

<Overall Business: Initiatives for the H2>

Progress in H1 was mostly in line with expectations. Work to steadily capture increased demand associated with future system revisions, such as the invoicing system

*Figures for the H2 of the current fiscal year forecasts are simply subtracting the first-half results from the full-year forecasts.

**"Rakuichi" is Casio Computer Co., Ltd.'s business and management support system for SMEs

Key Strategies by Segment: System Sales Business

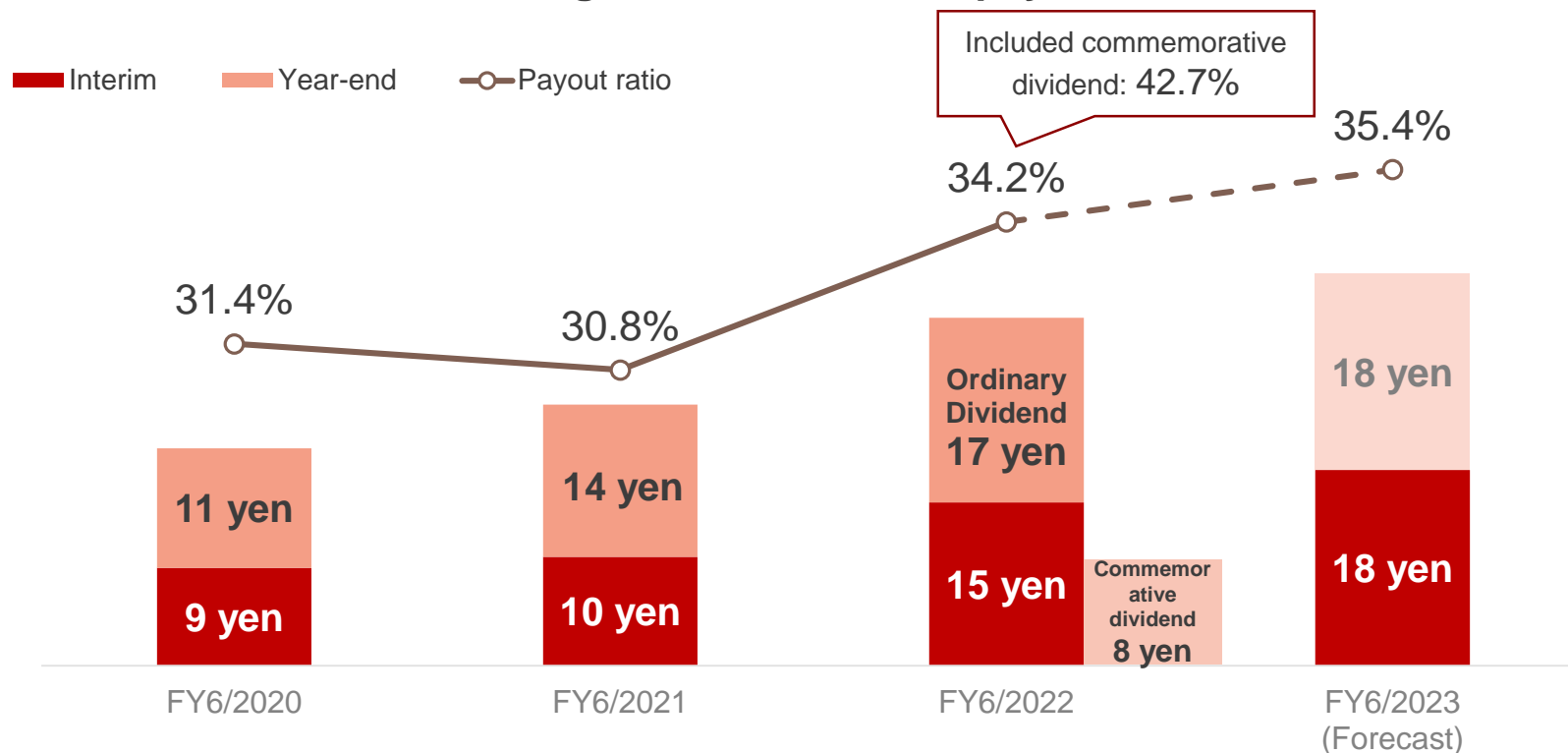
Priority Measures	H1 results	Initiatives for H2
<p>1. Strengthen sales of Rakuichi in response to the Qualified Invoice-based Method (invoice system), which will be introduced on October 1, 2023, and electronic data transaction data storage in line with the revision of the Electronic Bookkeeping Law, which will become mandatory in January 2024.</p>	<p>Proposals were made to existing users to replace their invoices in line with the introduction of the invoice system, and invoice support was also introduced to customer suppliers through referral activities.</p>	<p>Accurately capture demand for invoicing system responses in both new and replacement activities</p>
<p>2. Propose IT tools that promote the medium-term DX of SMEs by effectively utilizing the government's IT tool introduction support measure for SMEs, the IT introduction subsidy</p>	<p>IT implementation subsidies were used to prepare for the replacement and new introduction of Rakuichi in connection with the introduction of the invoice system.</p>	<p>Promote delivery of IT Introduction subsidies to recipients in FY2022</p>
<p>3. Strengthen proposals for various services required by customers, such as networks and security products</p>	<p>Mainly promoted sales of network equipment</p>	<p>Work to propose UTM (*), a security-company product, to combat malware associated with the promotion of DX adoption by SMEs</p>

*Integrated UTM: Unified Threat Management threat-management that integrates a variety of security functions such as firewalls, antiviruses, antispams, and Web(URL) filtering, IDS(Intrusion Detection System/ tampering detection systems, and IPS(Intrusion Prevention System/ tampering prevention systems into 1

Return to Shareholders(Dividend Forecasts)

- Based on the target dividend payout ratio of 35% or more in the medium-term management plan, an annual dividend for FY6/2023 is forecasted to be 36 yen per share.

Changes in dividend and payout ratio



• Payout ratio = Total amount of dividend payment ÷ Net income attributable to owners of parent

DIT Group's Vision for 2030 and New Mid-term Management Plan (FY6/2022-FY6/2024)

(Excerpted from explanatory materials disclosed on Aug. 19, 2022)



Vision for 2030

Toward a Trusted and Selected DIT Brand

DIT Brand

- Enhance Customer Value! -

DIT Services Providing a higher level of value

+ DIT Spirits

DIT
Security



Safety and
robustness

DIT
Efficiency



Efficiency
improvement

DIT
Support



Reliable operation

DIT
Consulting



Ability to
resolve issues
and propose
solutions

DIT
Quality



High quality

DIT
Technologie



Advanced
technology

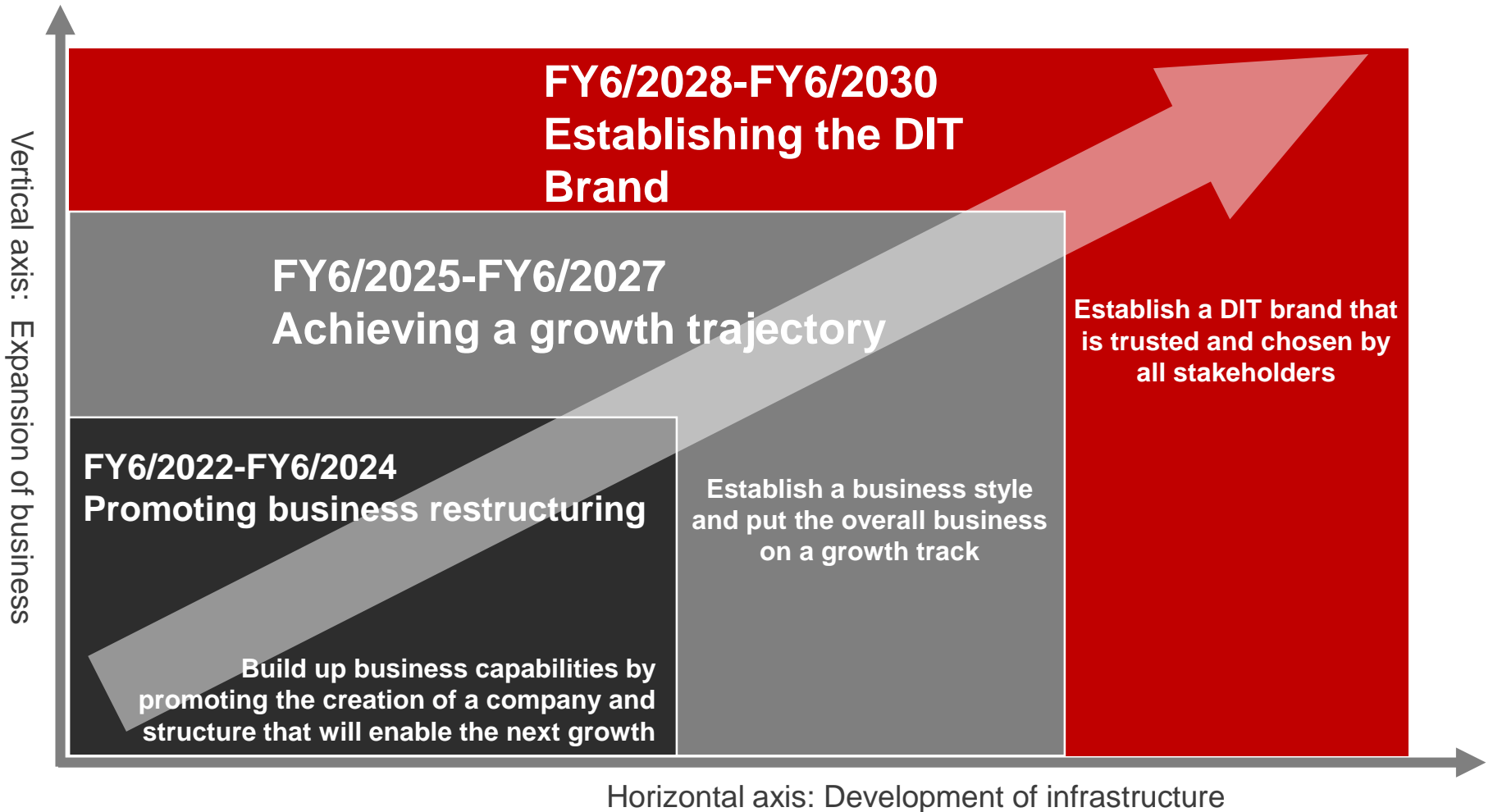


Professional group

Steps to Realize the 2030 Vision



DIT 2030 Vision

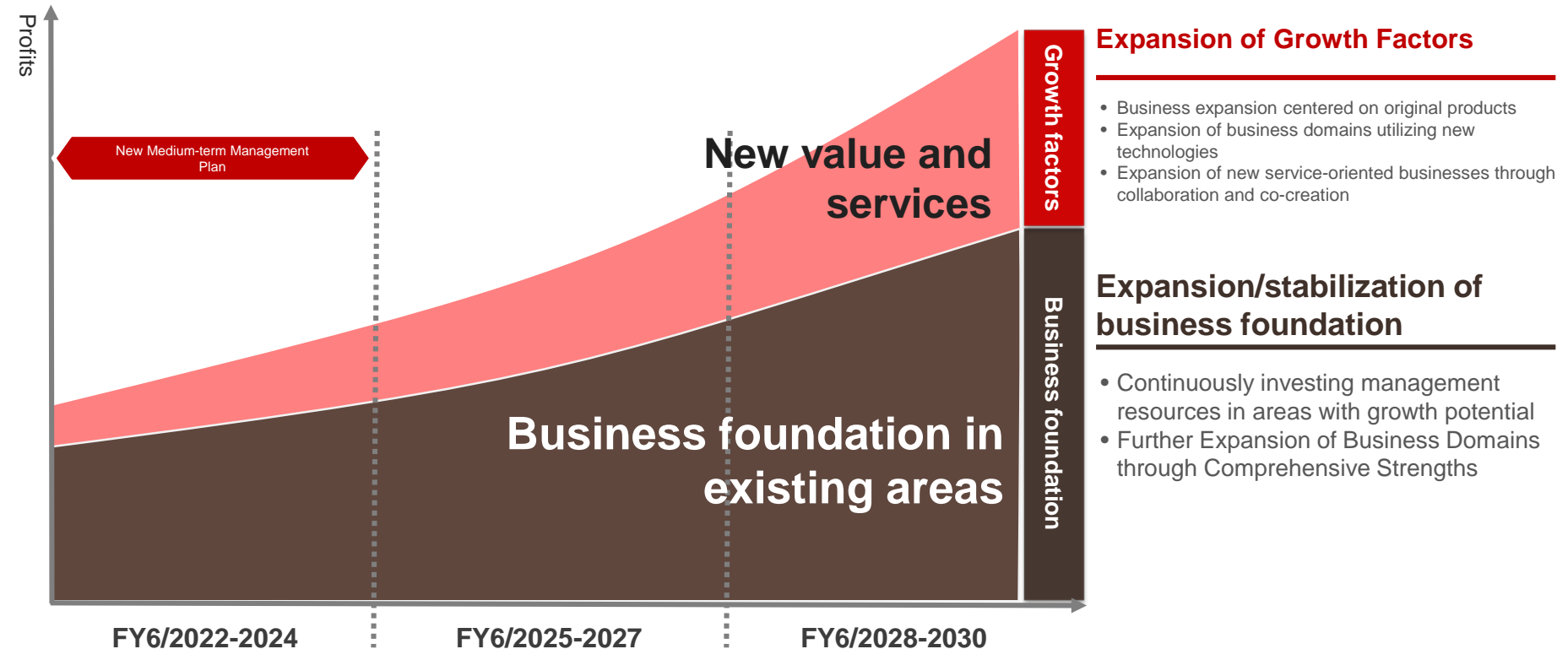


Mid-term Growth Model

■ We will further strengthen the "2-axis business promotion," which has supported growth up to the present time, and promote further expansion of our business foundation and the provision of new value and services.

1	Business foundation
2	Growth factors

- • • Further expanding the base by leveraging stable exchanges in a wide range of business domains as a strength
- • • Providing New Value and Services in Response to Social Change



Management Targets

Challenge to sales of 50 billion yen ! <Challenge 500>

FY6/2022 Results

FY6/2030 Target

Net sales
Operating income

16.1 billion yen

2.0 billion yen

Organic growth

+New business · M&A, etc.

30 billion yen or more

50 billion yen or more

4 billion yen or more

5 billion yen or more

FY6/2022-FY6/2030

Dividend payout ratio

35% or more

35% or more

Management Targets in the Medium-Term Management Plan

- Full-year forecasts for FY6/2023 remain unchanged.
- Targets for FY6/2024 remain unchanged as we are still examining them.

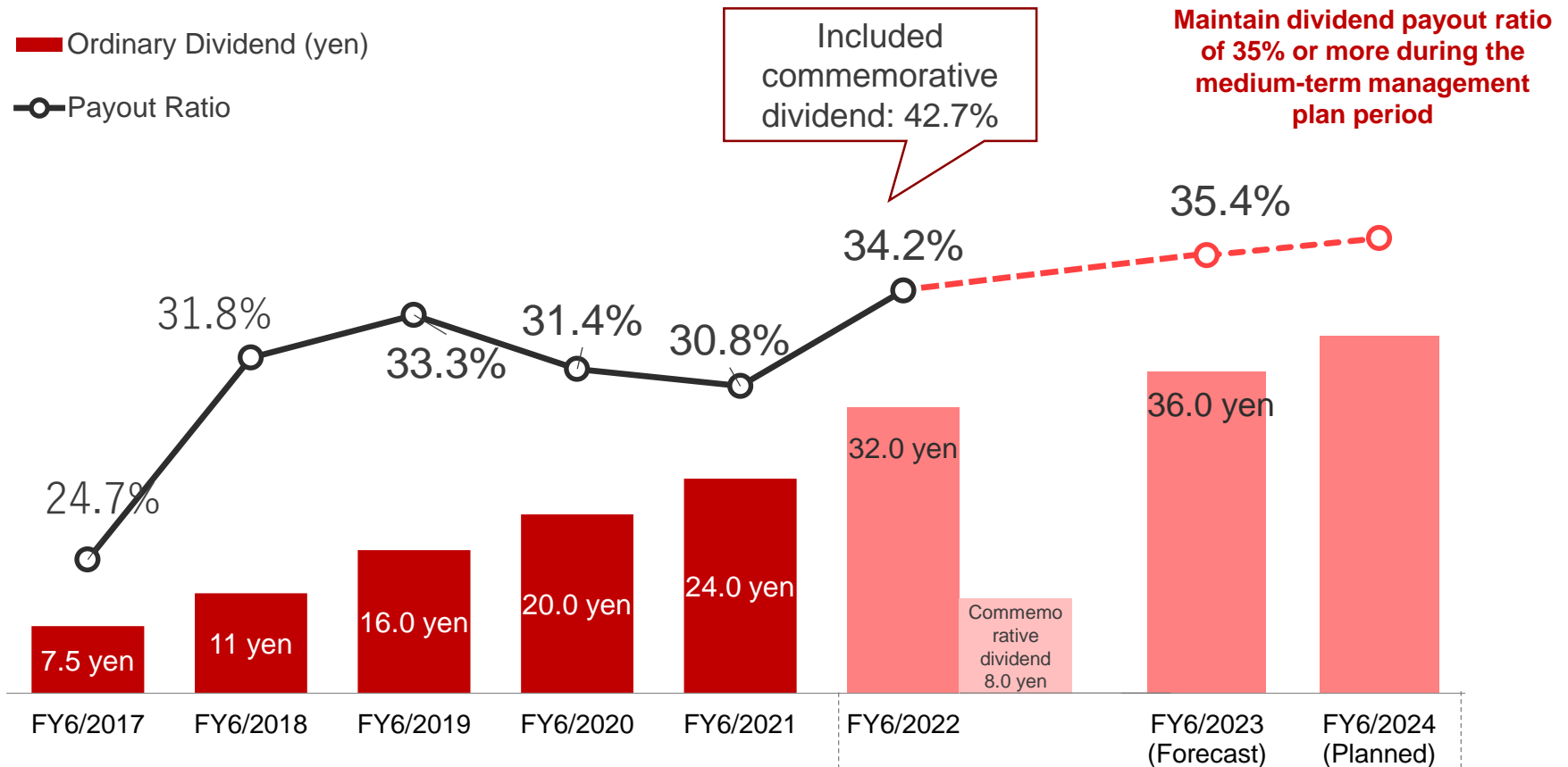
	FY6/2021 (Results)	FY6/2022 (Results)	FY6/2023 (Forecast)	FY6/2024 (Planned)
Net sales	14.4 billion yen	16.1 billion yen	18.0 billion yen (↑ 16.8 billion yen)	18.5 billion yen
Operating income	1.72 billion yen	2 billion yen	2.25 billion yen (↑ 2.15 billion yen)	2.50 billion yen
Ordinary income	11.9%	12.4%	12.5%	13.5%
ROE	29.2%	28.6%	Maintain 20% or more	
Dividend payout ratio	30% or more	42.7% (Commemorative dividend paid)	35.4%	35% or more

■ Dividend Forecast

Annual dividend per share	24.0 yen (Ordinary dividend)	40.0 yen (Ordinary dividend: 32 yen, Commemorative dividend: 8 yen)	36.0 yen (Ordinary dividend)
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Management Targets of the Medium-Term Management Plan (Dividend Payout Ratio)

- Target dividend payout ratio of 35% or more to be maintained from FY6/2022
- Dividend payout ratio to be 42.7% in FY6/2022, including commemorative dividend



• Payout ratio = Total amount of dividend payment ÷ Net income attributable to owners of parent

New Medium-term Management Plan



Reference materials

Corporate Data

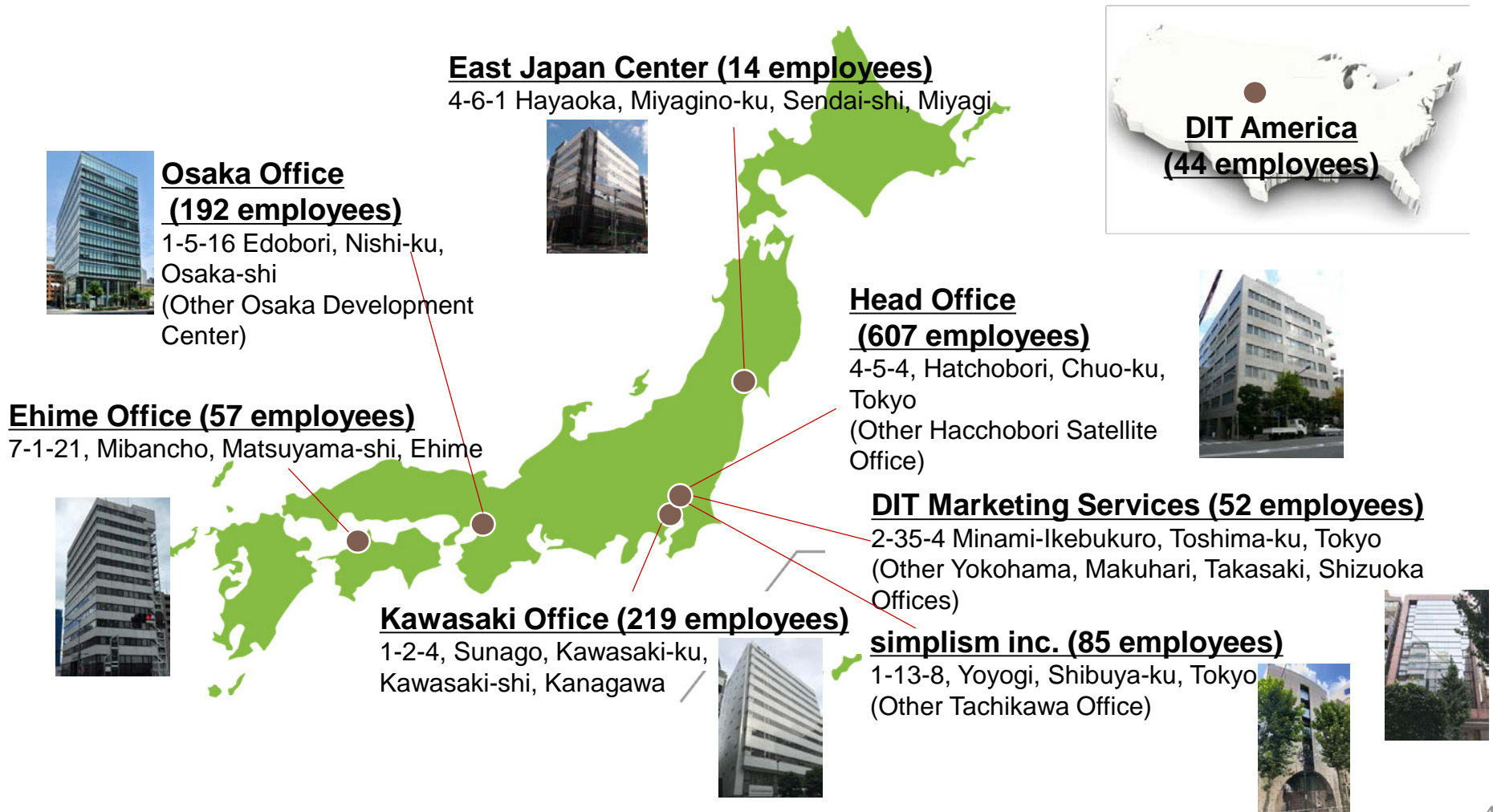
Trade name	Digital Information Technologies Corporation
Establishment	January 4, 2002
Contents of business	Development of business systems, development and verification of embedded systems, system operation services, sales of in-house developed software, and system sales business
Location of head office	5F, FORECAST Sakurabashi, 4-5-4 Hacchobori, Chuo-ku, Tokyo
Capital stock :	453,156 thousand yen (As of the end of June 2022)
Fiscal year end :	June 30
Number of the employees	1,270 (1,089 on a non-consolidated basis) (As of the end of June 2022)
Officer	Satoshi Ichikawa, Representative Director and President 6 other internal directors and 4 outside directors 1 full-time auditor and 2 outside auditors (As of the end of June 2022)
Group Companies :	DIT Marketing Service Co., Ltd., DIT America, LLC., simprism inc.



Satoshi Ichikawa, Representative Director and President

March 2004 Joined the Company
July 2007 Executive Officer, General Manager, Corporate Planning Division
July 2010 Executive Officer, General Manager of Business Division
September 2012 Director and Executive Director, General Manager of Corporate Planning Department and Product Planning and Development Department
July 2015 Managing Director, General Manager of Business Division
July 2016 Representative Director and Senior Managing Executive Officer
July 2018 Representative Director and President

Domestic and overseas development bases and the number of employees



Corporate Philosophy

Corporate philosophy	Over-all	Client-driven	Management philosophy	Guarantee our employees' livelihood while contributing to society
	Company	Employee training/growth, Communication		
	Individuals	Increase in value added, Sense of objective / target, Passion and dedication		

Management Policy
 Deliver on our commitment to value generation and adaptability to change, while aiming to realize stable growth for the company

Business strategy

5 Basic Business Strategies

- 1. (Strengthen our business foundation through the renovation of existing businesses)**
- 2. (Create new value centered around original products)**
- 3. (Expand our business through partnerships)**
- 4. (Expand our business through the perspective of services)**
- 5. Hire personnel and aid employee growth**

Organizational strategy

Organizational strategy involving dispersion (sub-optimization) and concentration (total optimization)

Dispersion (sub-optimization) Adaptability to change / Specialization / Development of Managerial talent	BS Company	CS Division	TS Division	PS Division	DIT America, LLC	DIT Marketing Service Co., Ltd.
	eB company					
	SB Company					
	ES Company	Administration division				
	NN Company	Corporate Planning Division				
	QE Company	Concentration (total optimization) Control / Unification / Collaboration				
	EM Company					
	Xobios Division					
	Business Division					
	IT Security Laboratory					
Dx Business Development Office						
New Product						

Selected as One of Stocks Constituting JPX-Nikkei Mid and Small Cap Index

We continued to be selected as one of stocks used by Tokyo Stock Exchange, Inc. and Nikkei Inc. for calculating "JPX-Nikkei Mid and Small Cap Index" in fiscal 2022*



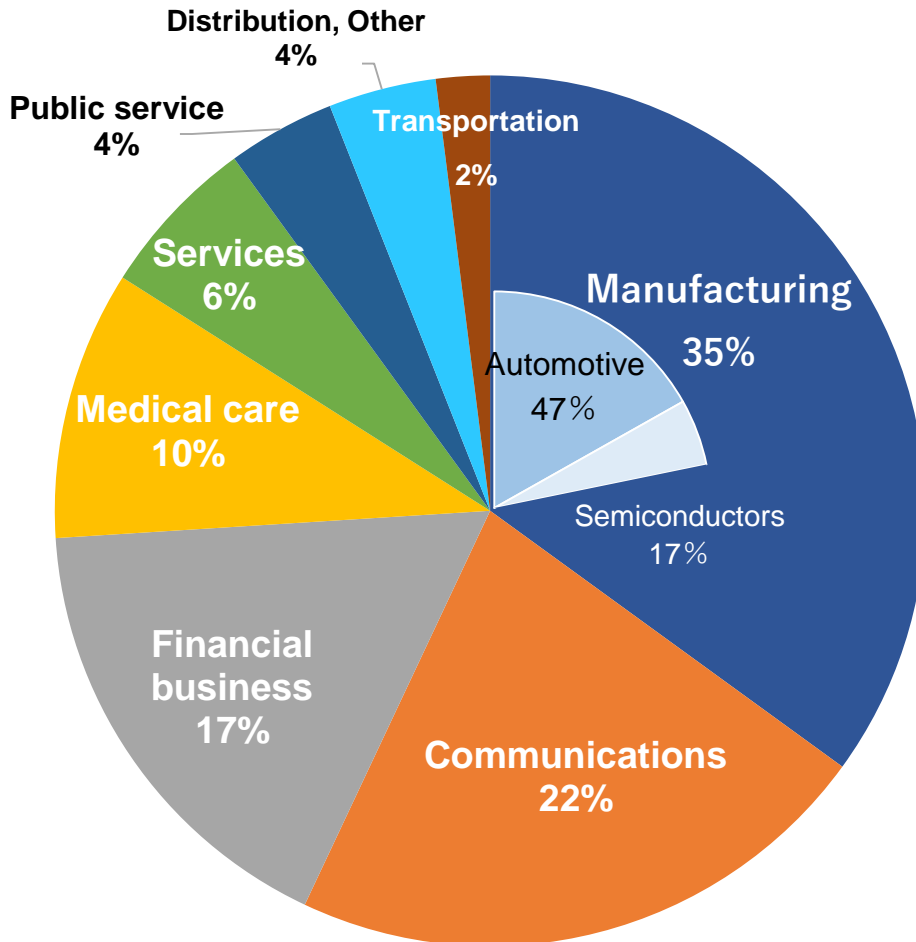
JPX-NIKKEI Mid Small

In order to live up to the expectations of stakeholders, we will strive to improve corporate value sustainably and conduct business administration while caring for shareholders, in accordance with the purpose of the selection.

*This index will be applied from August 31, 2022 to August 30, 2023.

Customer Base

Sales Composition by Industry



■ Customers of the DIT Group are Approx. 2,800 companies

- Software development business mainly attend listed companies and their affiliates, and system sales business mainly attend SMEs.

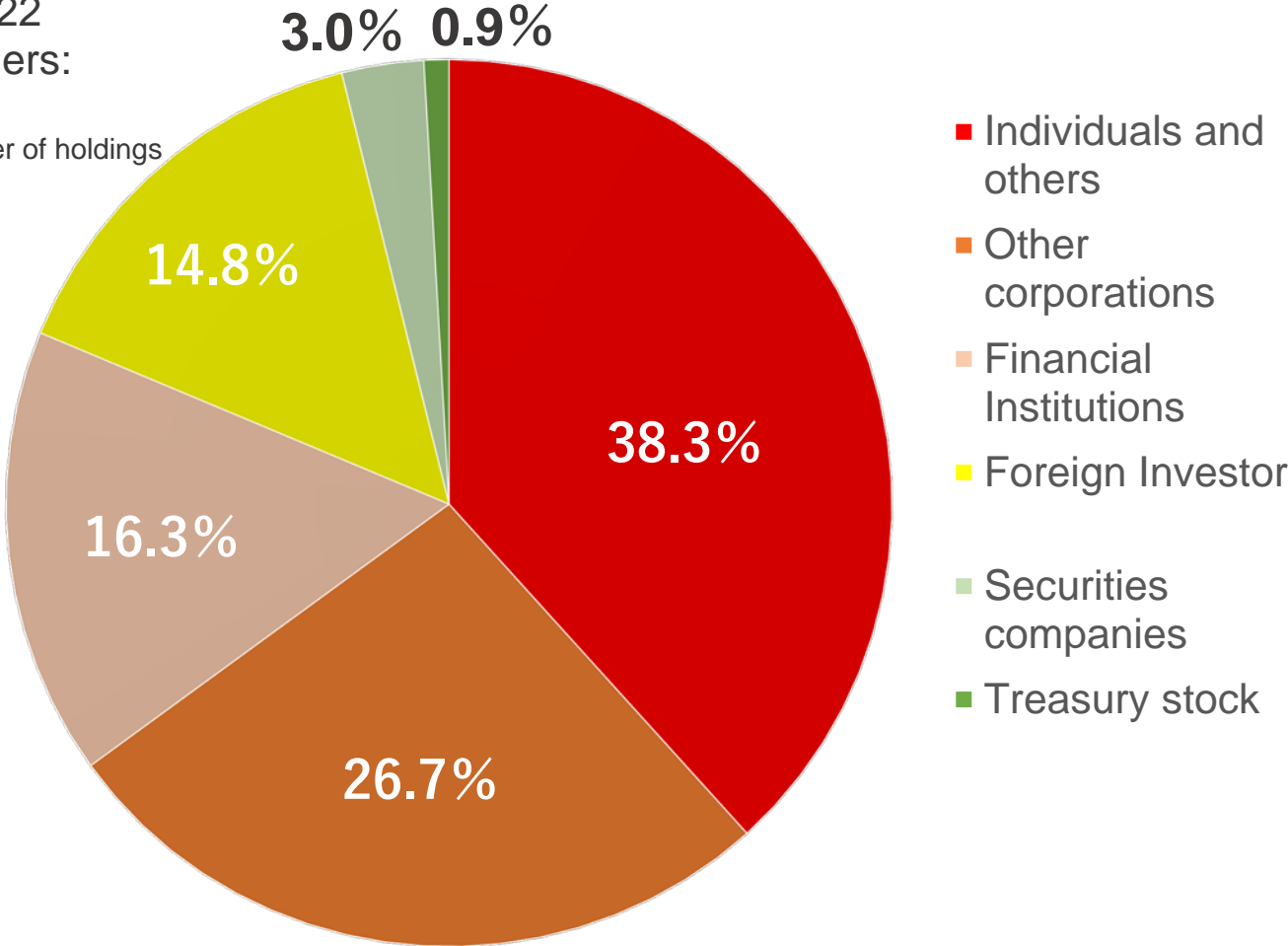
■ Sales Composition by Industry of Software Development Business (Left chart)

- Including information systems subsidiaries, sales for end users accounted for 80% of total sales.

Composition of Shareholders

End of December 2022
Number of shareholders:
5,560 persons

*The graph is based on number of holdings



SDGs: Contributing to the Realization of a Sustainable Society

We will strive to contribute to a sustainable society through appropriate corporate management and the introduction of our own products to customers.

Contribution from corporate management



Contribute to a sustainable society by enhancing employee benefits, promoting diversity through the appointment of women to managerial positions, and appropriate business management with an emphasis on governance, etc.

Relevant SDGs goals



Contribution from introduction of original products, etc.



Contribute to establishing a comfortable and secure Internet-based society and improving social productivity by introducing security products (WebARGUS) and work style reform-related products (xoBlos, DD-CONNECT), etc.

Relevant SDGs goals





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- The content of these materials is based on generally accepted economic and social conditions and certain assumptions that we deem reasonable. However, the content of these materials may change without notice due to changes in the business environment or other factors.
- The information provided in this presentation contains forward-looking statements. These forward-looking statements are based on current expectations, estimates and assumptions that involve risks. These statements are subject to uncertainties that could cause actual results to differ materially from those described in these statements.
- Such risks include, but are not limited to, general domestic and international economic conditions, such as general industry and market conditions, interest rate and currency exchange rate fluctuations.
- We shall not be obligated to update or revise any forward-looking statements contained in this report, even if there is any new information or future events.