

Digital Information Technologies Corporation

Financial Results for the Fiscal Year Ended June 2023

(TSE Prime: 3916)

August 2023



1. Financial Results for FY6/2023

**2. Key Measures and Business
Forecasts for FY6/2024**

**3. DIT Group's Vision for 2030 and
Upward Revision of Mid-term
Management Plan**

4. Reference Material





1. Financial Results for FY6/2023

FY6/2023 Overview of Financial Results (Performance)

- Sales and profits increased by 13 consecutive years despite the occurrence of an unprofitable project.
- Successful Group-wide efforts to recover by proactively responding to demand in a favorable business environment.
- Operating income margin declined temporarily due to the impact of the unprofitable project, but remained above 10%.

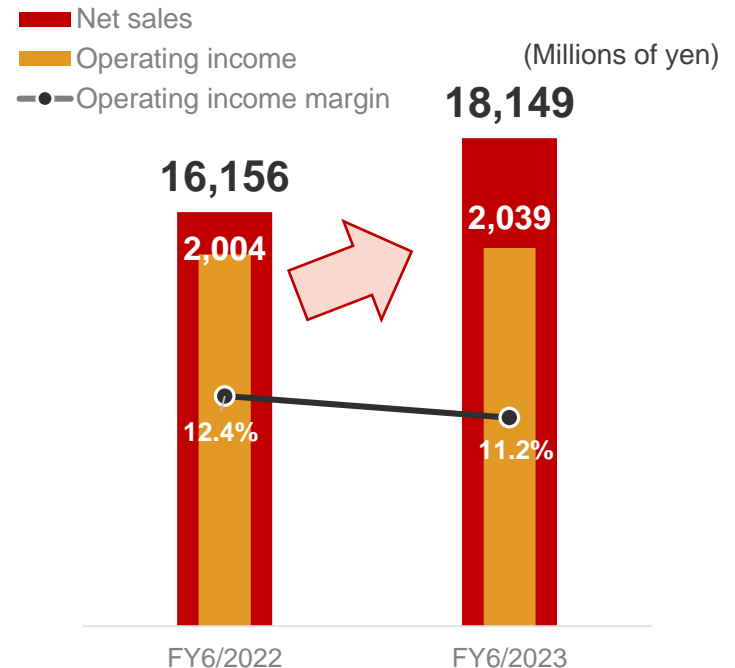
Major KPIs

Net sales : 18,149 million yen
(+12.3% YoY)

Operating income : 2,039 million yen
(+1.8% YoY)

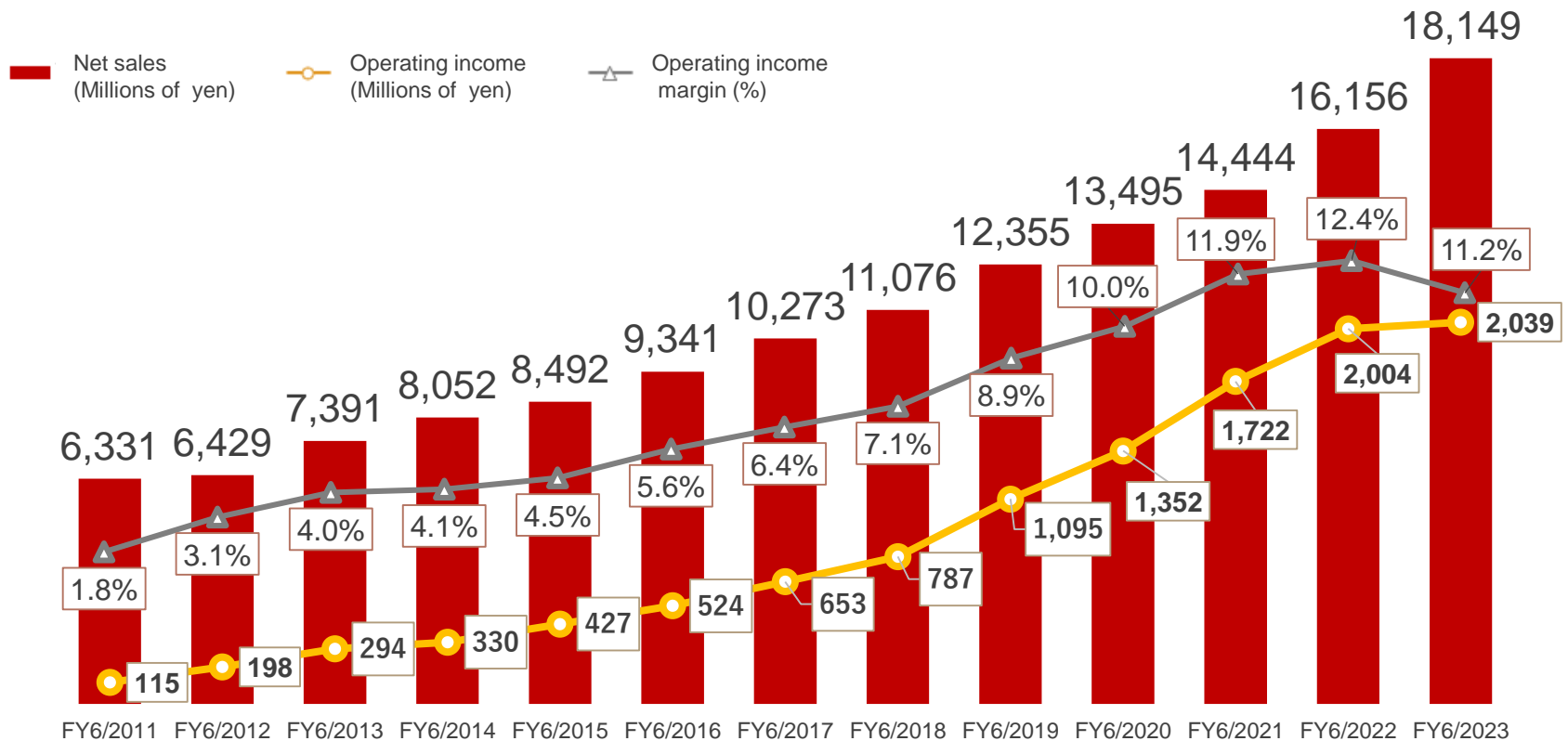
Operating income margin : 11.2%
(-1.2 ppt. YoY)

Changes in results



Trends of Business Results

- Sales and profits grew for 13 consecutive years.
- Operating income margin declined temporarily due to the impact of the unprofitable project, but sales and operating income continue to rise.



FY6/2023 Overview of Financial Results (by Business)

Despite the unprofitable project in the Business Solutions Unit, sales increased in all businesses, including the said business unit. The Embedded Solutions Unit, which performed particularly well, led the overall performance.

■ Software Development Business (Net sales +12.2% YoY)

- In **Business Solutions Unit (+8.3% YoY)**, sales increased from the previous fiscal year due to the steady capture of robust demand, but profits declined due to the unprofitable project. In business systems development, projects related to public works, communications, manufacturing, and ERP were strong. In operational support, both sales and profits increased substantially, supported by an increase in orders from major customers and an expansion in the scope of operations, as well as contributions from Simplism, which joined the Group.
- In **Embedded Solutions Unit (+21.1% YoY)**, the automotive and semiconductor-market recovered in earnest. Significant increases in sales and profits due to vigorous business development investment and successful collaboration among in-house companies. In embedded systems development, sales and profits increased significantly due to a full-fledged recovery in automotive-related projects including semiconductors and steady growth in IoT-related projects such as mobile systems and home appliances.
- In **Original Product Unit (+1.4% YoY)**, licensing sales steadily accumulated, while sales from installation support services declined, and net sales increased slightly from the previous fiscal year. Profits significantly exceeded the previous fiscal year as high-margin license sales drove overall growth. Although the launch of the xoBlos RPA integration platform has been delayed, product enhancements are progressing, including the release of a ransomware-compliant version of WebARGUS.

- ## ■ Systems Sales Business(Net sales +16.0% YoY)
- saw an increase in demand due to the easing of sales restrictions under the COVID-19 pandemic, as well as compliance with the Qualified Invoice System. Sales and profits significantly increased from the previous fiscal year.

Summary of Consolidated Financial Results for FY6/2023

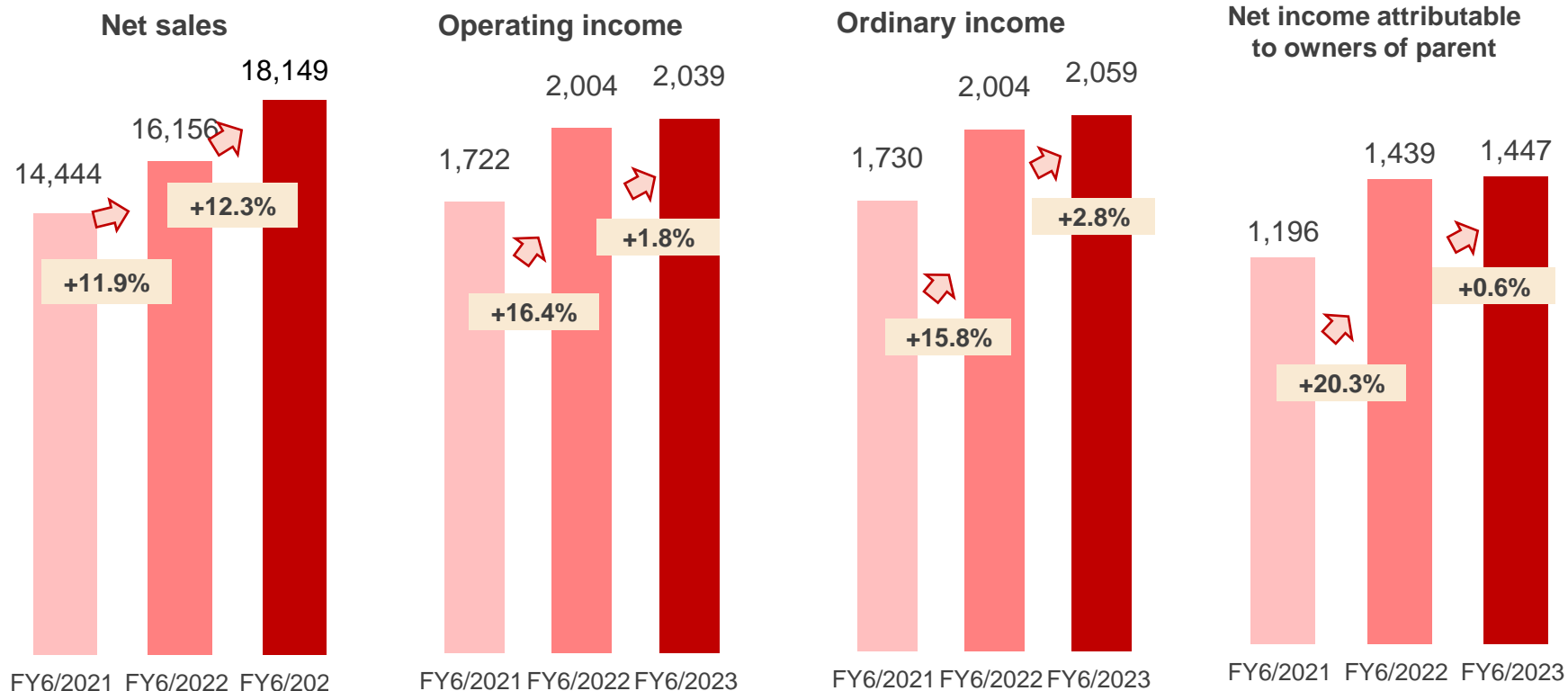
- Although we decided to make downward revisions to its business forecasts during the period, we steadily captured robust demand, and both sales and profits increased year on year. The performance exceeded the revised forecasts, resulting in record highs.

(Millions of yen)	FY6/2022 Result	Composition %	FY6/2023 Revised plan	Composition %	FY6/2023 Result	Composition %	YoY %
Net sales	16,156	100.0%	18,000	100.0%	18,149	100.0%	+12.3%
Gross profit	4,082	25.3%	-	-	4,318	23.8%	+5.8%
SG&A	2,078	12.9%	-	-	2,279	12.6%	+9.7%
Operating Income	2,004	12.4%	1,900	10.6%	2,039	11.2%	+1.8%
Ordinary income	2,004	12.4%	1,915	10.6%	2,059	11.3%	+2.8%
Net income attributable to owners of parent	1,439	8.9%	1,331	7.4%	1,447	8.0%	+0.6%

FY6/2023 Financial Highlights

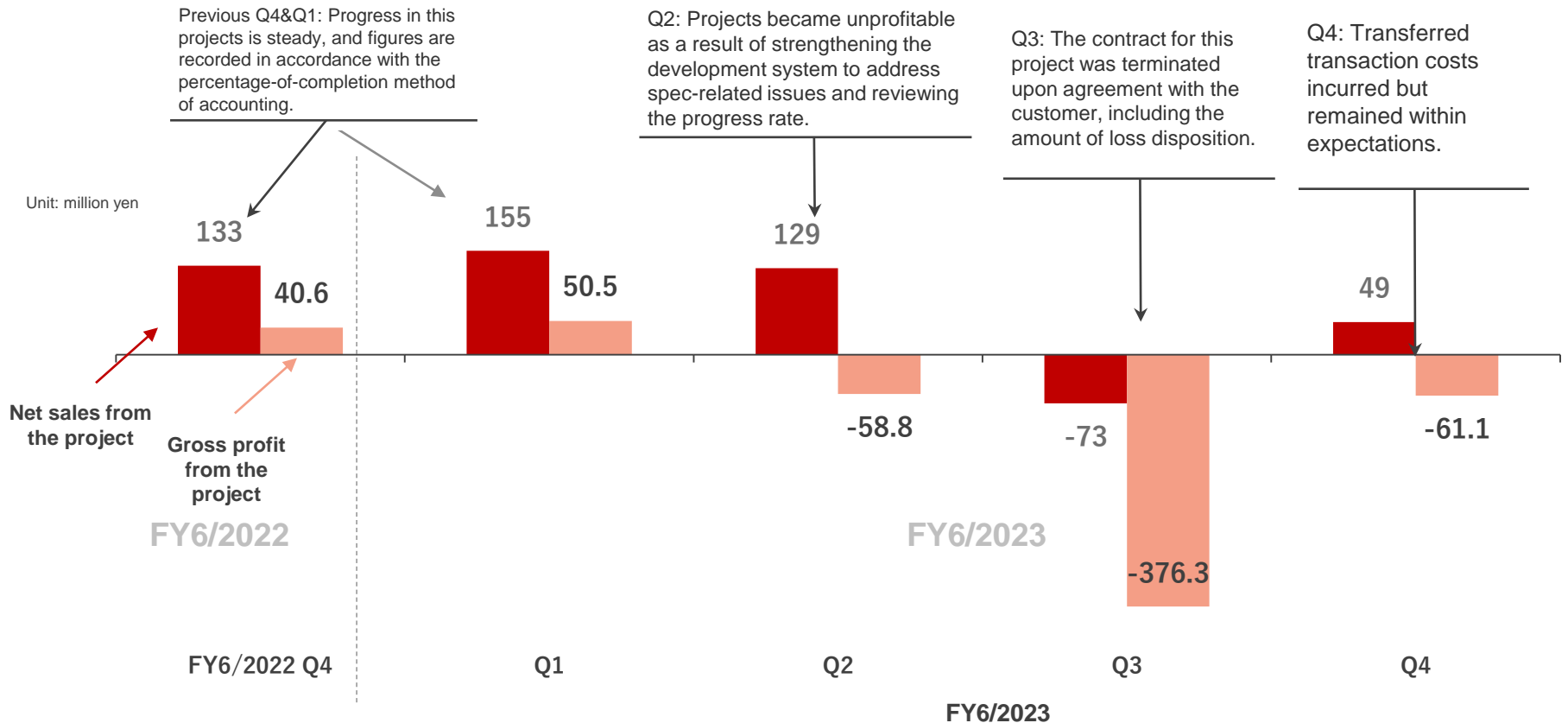
Net sales and each profit achieved record highs.

(Millions of yen)



Impact of the Unprofitable Project in FY6/2023

- The results of this unprofitable project are as follows. In FY6/23, gross profit was negative by a total of 440 million yen, but it generally converged during the fiscal year. The impact on FY6/24 is expected to be minimal.

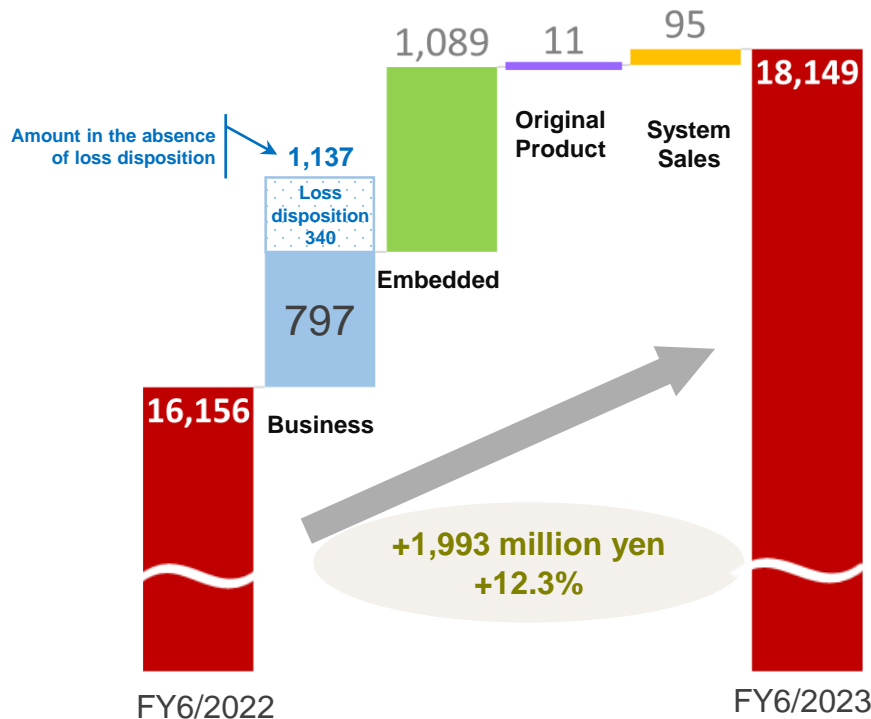


Factors behind Changes in Net Sales and Operation Income (YoY)

- Sales increased in all businesses, particularly in Embedded Solutions Unit.
- Gross profit growth absorbed higher SG&A costs associated with business expansion.

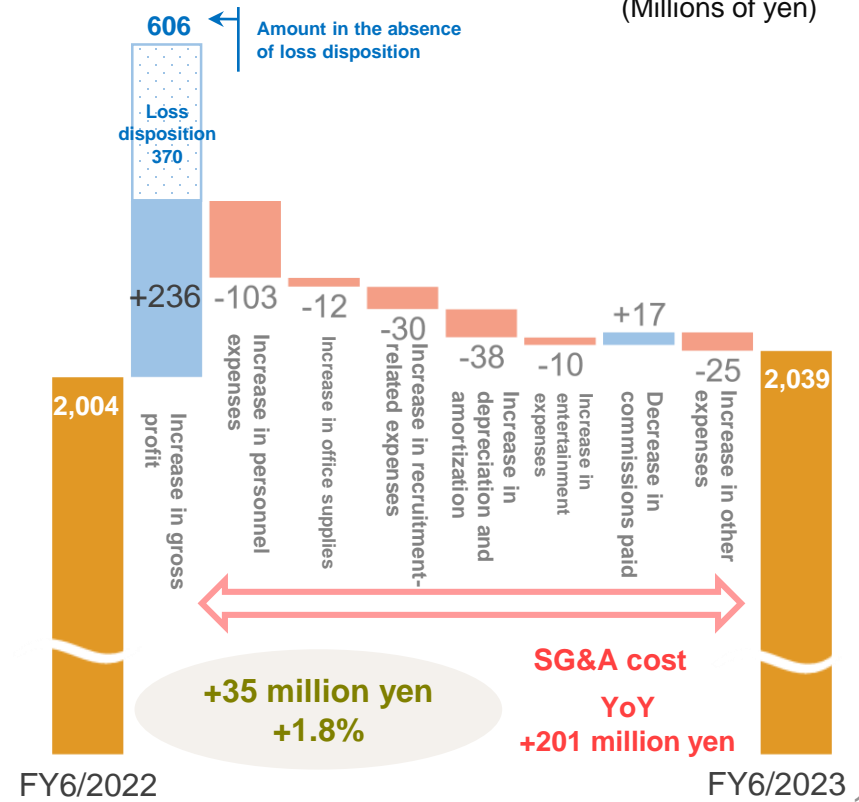
Net sales

(Millions of yen)



Operating income

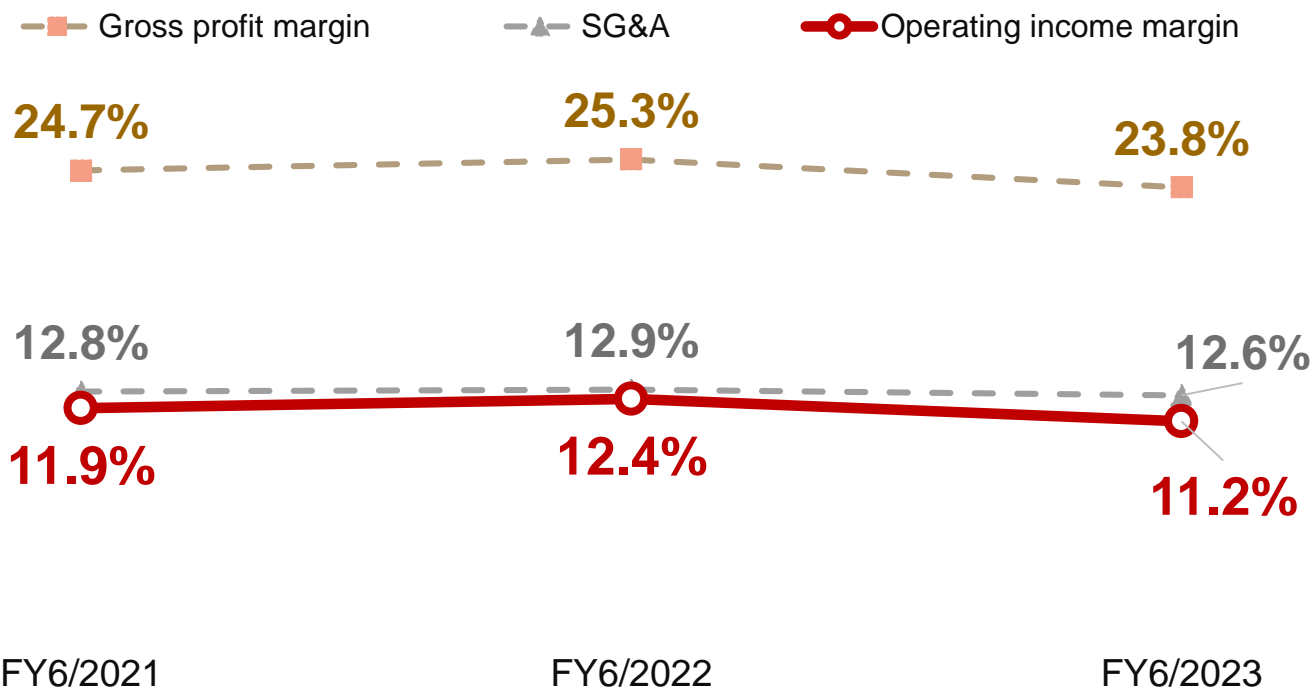
(Millions of yen)



Changes in Operating Income Margin

- Gross profit margin decreased year on year due to loss disposition of the unprofitable project.
- The SG&A ratio tends to be restrained, and the business structure is capable of absorbing the increased costs associated with business expansion, but the operating income margin also decreased year on year due to the impact of loss disposition.

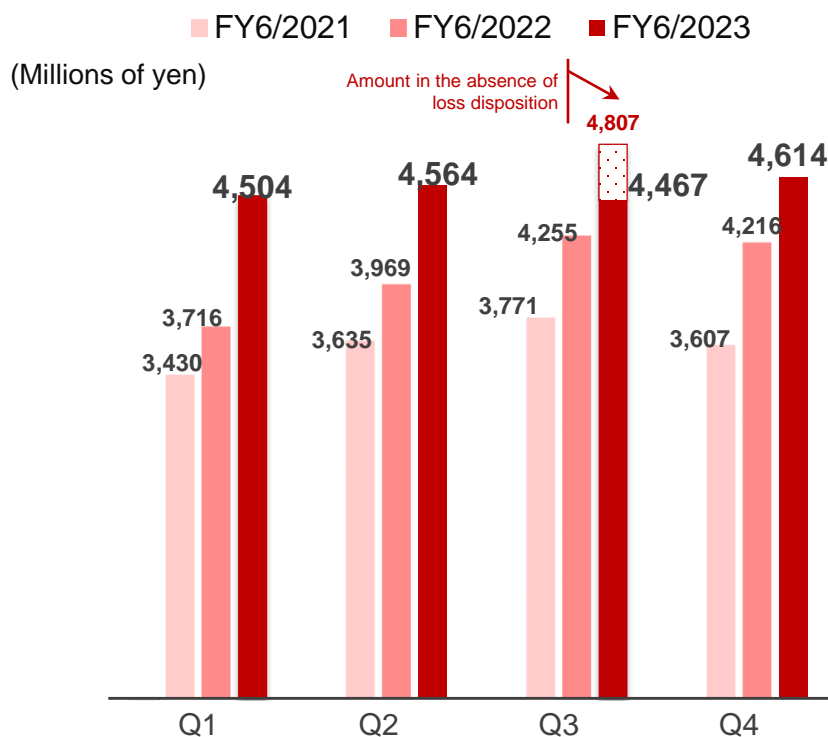
Ratio of each profit and SG&A to sales



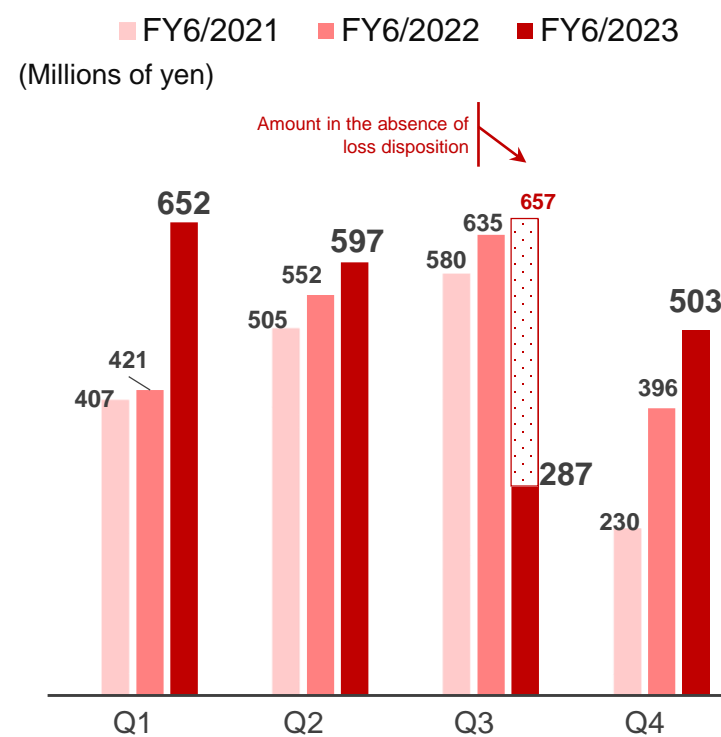
Quarterly Net Sales & Operating Income

- Net sales set a record high for all quarterly periods.
- Operating income reached a record high except for Q3 when a significant loss was recorded.

Net sales



Operating income

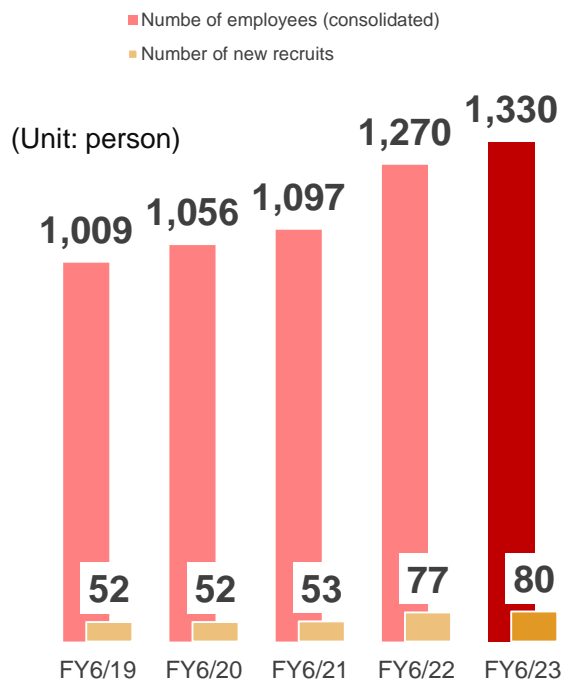


*Operating income is seasonally lower in 4Q due to new hires and year-end allowances, but we are working to reduce the decline by increasing the salary and bonus payment rate starting the previous fiscal year.

Investment and Measures for Human Capital

- Promoting investment in human capital to achieve the Medium-to Long-Term Vision.
- The number of new graduates hired increases every fiscal year. We will continue to actively hire diverse human resources.

Consolidated number of employee



Initiatives to Strengthen Human Capital

Ongoing Initiatives

- ✓ Training by year and position (various training by length of service, position, etc.)
- ✓ Enhance 1.5-year educational program for new graduate recruits, including the regular term
- ✓ Create a comfortable working environment by preventing mental health care and harassment
- ✓ Strengthen incentives through the Employee Stock Ownership Plan and the Incentive Plan through the Stock Benefit Trust
- ✓ Increase in the number of mid-career hires due to the introduction of the Referral Recruitment System
- ✓ Visualization of individual employees' skills through talent management
- ✓ Foster engagement in a small organizational structure that leverages the strengths of the in-house company system

Future Initiatives

- ✓ Medium-term target for the number of new graduate recruits to be more than 100
- ✓ Review the salary system including starting salary
- ✓ Utilize visualization of skills to realize accurate training follow-up and work assignments
- ✓ Expansion of near-shore bases to major regional cities

Business Domains: Positioning of Each Business



Business Segment and Composition of Sales

The Embedded Solutions Unit grew. The Original Product Unit sales grew, but share of its sales shrank.

Businesses segment	Classification	FY6/2021 Sales composition	FY6/2022 Sales composition	FY6/2023 Sales composition
Software Development Business		95.8%	96.3%	96.2%
Business Solutions Unit	Business Bases	59.6%	59.1%	57.0%
Business System Development		56.8%	60.1%	55.3%
Operational Support		43.2%	39.9%	44.7%
Embedded Solutions Unit	Business Bases	31.3%	32.0%	34.5%
Embedded Product Development		77.8%	75.3%	73.4%
Embedded Product Verification		22.2%	24.7%	26.6%
Original Product Unit	Growth Field	4.9%	5.2%	4.7%
System Sales Business	Business Bases	4.2%	3.7%	3.8%

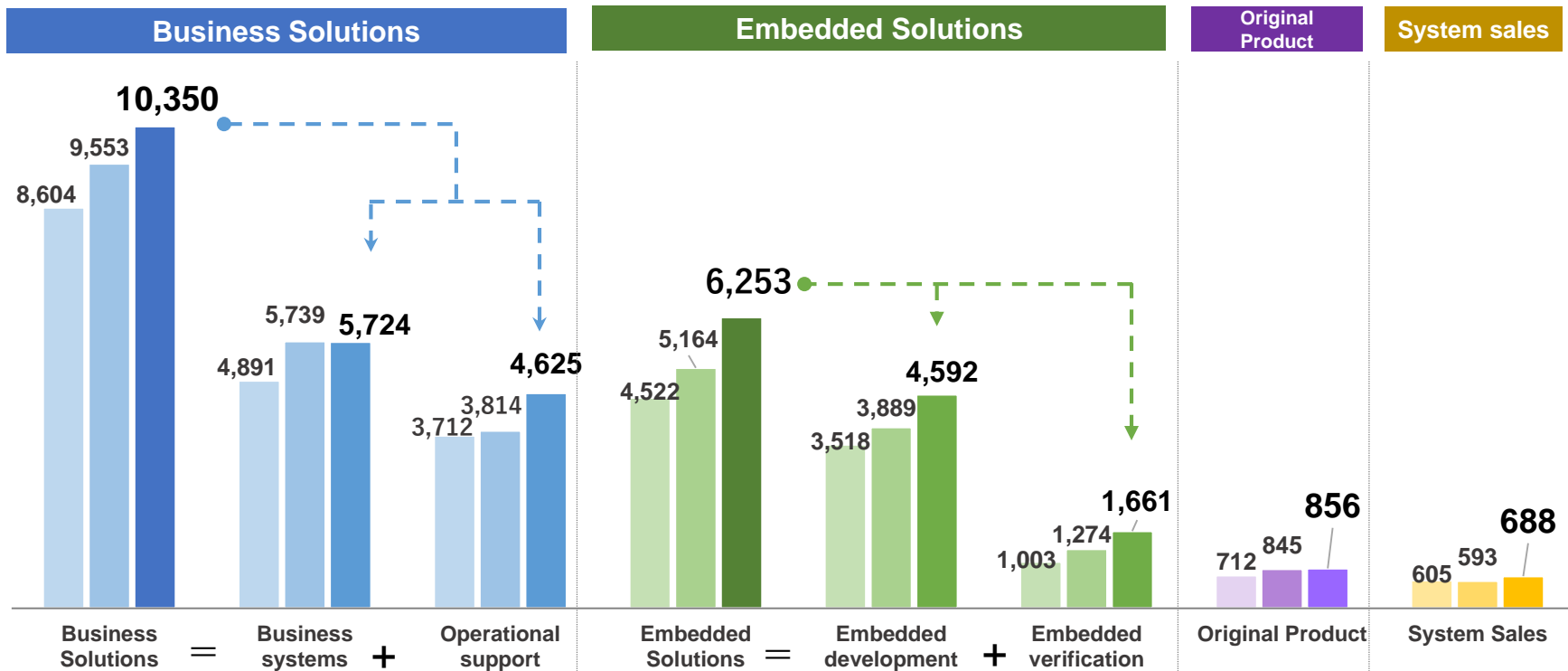
Sales by Business Segment

- Sales increased in all businesses other than business system development where the unprofitable project occurred.
- In particular, the Embedded Solutions Unit achieved sales growth of 20% or more for the entire business.

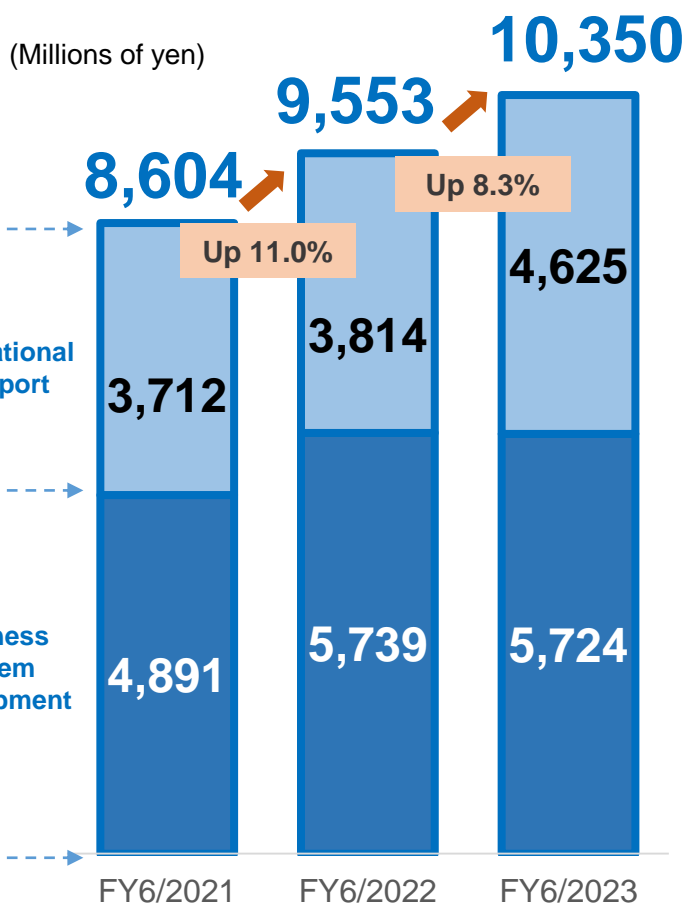
Net Sales by Business

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

(Millions of yen)



Net Sales by Segment: Business Solutions Unit



Net sales : 10,350 million yen
YoY change : +8.3%

<Entire business>

Sales hit a record high due to strong demand, sales exceeded 10 billion yen, but profit fell sharply due to the response to the unprofitable project.

■ Business System Development

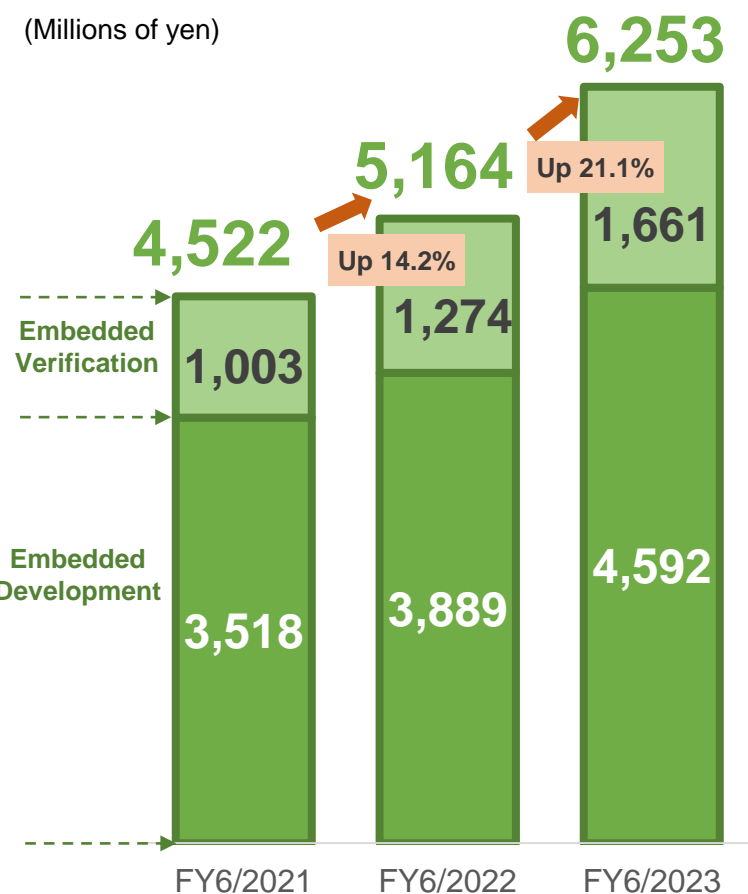
Demand was strong, and the acquisition of projects related to the public sector, telecommunications, manufacturing, and ERP (SAP) was steady. However, the unprofitable projects had an impact on performance, resulting in a slight decrease in sales and a significant decrease in profits.

■ Operational Support

Significant increases in sales and profits due to an increase in orders from major customers and expansion of response domains, as well as an expansion of the demand response system with the addition of Simplism, which joined the Group. (Simplism's sales were 560 million yen)

Net Sales by Segment: Embedded Solutions Unit

(Millions of yen)



Net sales : 6,253 million yen

YoY change : +21.1%

<Entire business>

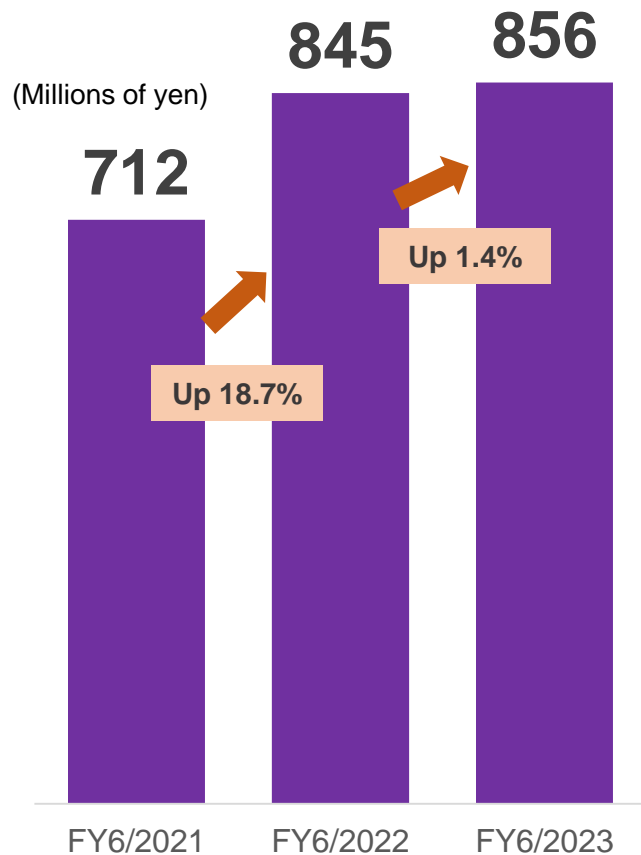
Responding to strong demand in Corporate R&D investment in connected cars and autonomous driving expanded, and automotive and semiconductor, sales and gross profit for the entire business both increased significantly by more than 20%. Collaboration among in-house companies has resulted in an increase in combined orders for embedded development and verification and improved profitability.

■ Embedded Development

Sales increased by 18.1% YoY. Sales and profits significantly increased thanks to the full-fledged recovery in demand for automotive-related projects and steady growth in IoT-related projects such as mobile-related and consumer electronics., including mainstay semiconductors.

■ Embedded System Verification

Sales increased by 30.3% YoY. Significant growth in sales and profits due to strong growth in automotive systems and growth in sales of 5G (mobile devices and base stations) and pharmaceutical-related products. DIT America, LLC has also demonstrated the ability to accommodate multiple languages, contributing to the growth of automotive systems.



Net sales : 856 million yen

YoY change : +1.4%

<Entire business>

Although net sales increased only slightly YoY due to the impact of the decline in human support services, profits increased significantly due to steady growth in licensing sales of subscription models.

■ 【 WebARGUS: Cybersecurity product 】

Sales and profits continue to be robust due to the accumulation of license sales. Increase in inquiries on versions compatible with ransomware.

■ 【 xoBlos: Operational efficiency products 】

Horizontal expansion within existing customers remained firm, but delays in releasing platform-based versions in collaboration with RPA, resulting in slower acquisition of new customers, resulting in lower sales and profits than in the previous fiscal year.

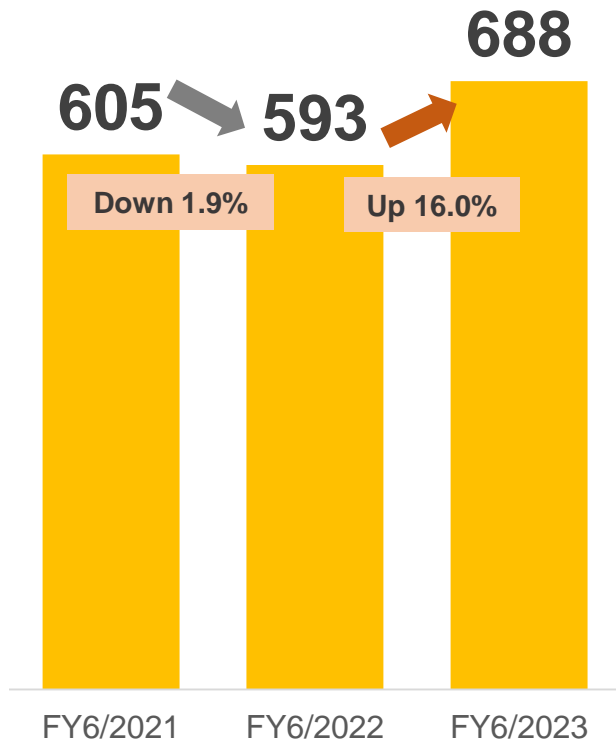
■ 【 Other new products 】

DD-CONNECT, an electronic contracting service, steadily contributed to sales and profits as its orders increased.

Net Sales by Segment: System Sales Business



(Millions of yen)



Net sales : 688 million yen

YoY change : +16.0%

<Entire business>

Showing a recovery trend as the restrictions on face-to-face sales due to the COVID-19 disaster gradually dissipated.

- Significant increases in sales and profits by effectively utilizing IT introduction subsidies in addition to increased demand for the introduction of the invoicing system.
- Newly opened sales bases in the Chubu region (Shizuoka) also steadily contributed to the performance.

*The System 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 capital adequacy ratio of 73.5%

(Millions of yen)

	End-Jun. 2022	End-Jun. 2023	Change
Cash and deposits	3,843	4,185	341
Accounts receivable and contract assets	2,841	2,953	111
Work in progress	90	108	18
Others	141	131	-10
Total current assets	6,917	7,378	460
Property, plant and equipment	144	138	-5
Intangible fixed assets	210	172	-38
Investments and other assets	409	487	78
Total fixed assets	764	798	34
Total assets	7,681	8,176	495

*Amounts less than one million yen are rounded down

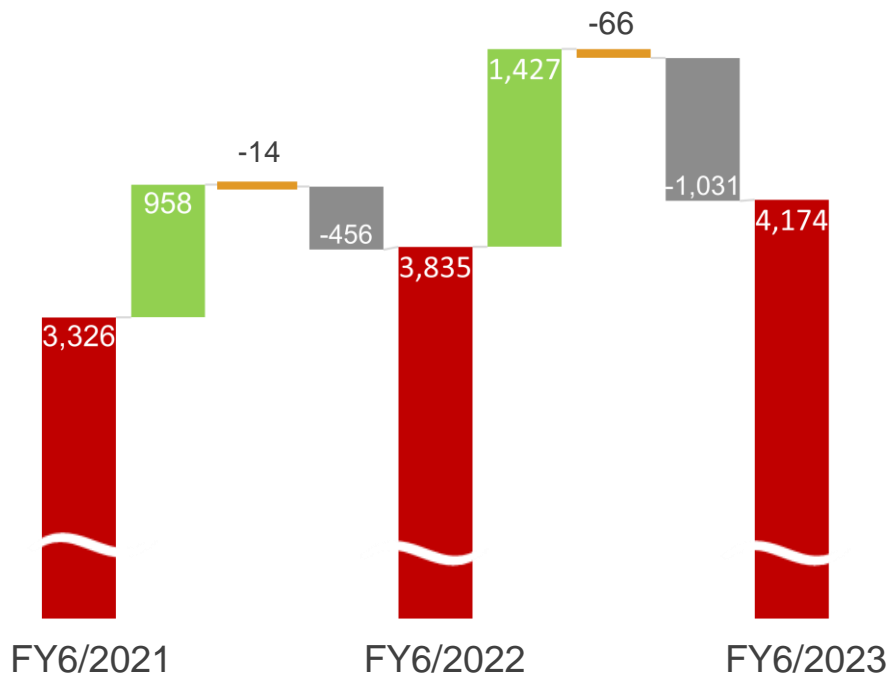
	End-Jun. 2022	End-Jun. 2023	Change
Accounts payable-trade	592	615	22
Income taxes payable	353	407	54
Others	1,014	957	-56
Total current liabilities	1,960	1,980	19
Provision for share-based remuneration	111	142	31
Others	57	47	-9
Total fixed liabilities	168	190	21
Total liabilities	2,129	2,170	41
Capital stock	453	453	—
Capital surplus	459	459	—
Retained earnings	4,639	5,094	454
Total net assets	5,552	6,006	454
Total liabilities and net assets	7,681	8,176	495

Cash Flows

■ Operating CF significantly increased due to higher sales and profits, and significant increase in cash.

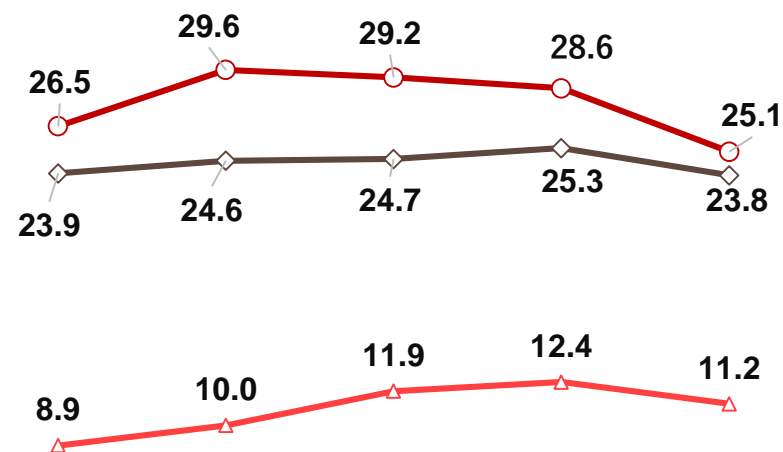
(Millions of yen)

- Operating CF
- Investment CF
- Finance CF
- Cash & cash equivalents at end of year



Gross profit margin / Operating profit margin / ROE(%)

◆ Gross profit margin ▲ Operating income margin ○ ROE



FY6/2019 FY6/2020 FY6/2021 FY6/2022 FY6/2023



2. Key Measures and Business Forecasts for FY6/2024

FY6/2024 Full-year Business Forecasts

- Aiming for 14 consecutive years of sales and profit growth in the final year of the medium-term management plan, based on the 2 axes of "stabilizing the business foundation" and "strengthening growth factors" set out in the medium-term management plan.

(Millions of yen)	FY6/2023 Result	Composition %	FY6/2024 Forecast	Composition %	YoY %
Net sales	18,149	100.0%	19,500	100.0%	+7.4%
Operating income	2,039	11.2%	2,500	12.8%	+22.6%
Ordinary income	2,059	11.3%	2,500	12.8%	+21.4%
Net income attributable to owners of parent	1,447	8.0%	1,734	8.9%	+19.8%

FY6/2024 H1 Business Forecasts

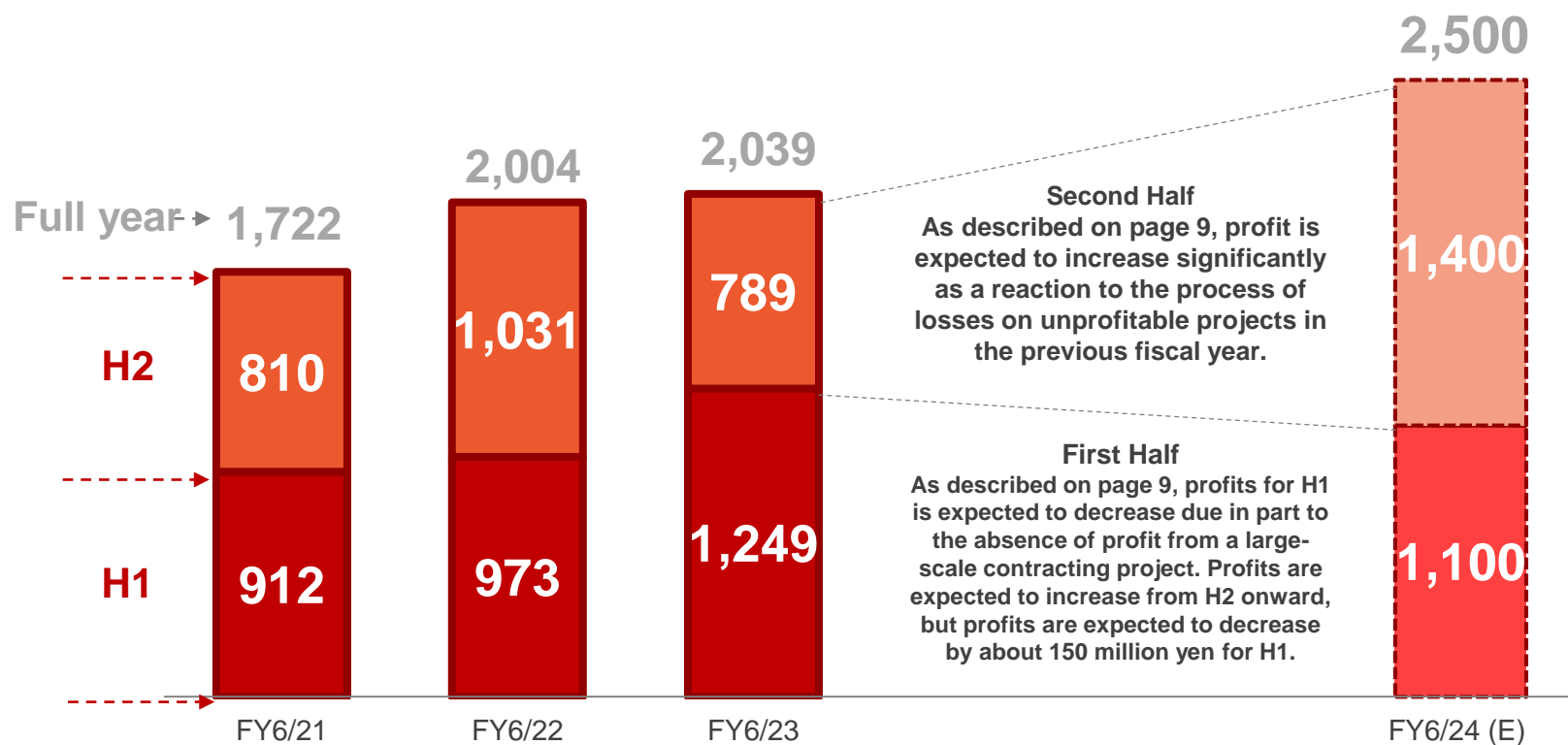
- For FY6/2024, we forecast higher sales and profits for the full year, but expects higher sales and lower profit for the first half period; therefore, we disclose a half-year forecast.

(Millions of yen)	(Ref.) FY6/2022 Q2 Result	FY6/2023 Q2 Result	Composition %	FY6/2024 Q2 Forecast	Composition %	YoY %
Net sales	7,685	9,068	100.0%	9,500	100.0%	+4.8%
Operating income	973	1,249	13.8%	1,100	11.6%	-12.0%
Ordinary income	981	1,268	14.0%	1,100	11.6%	-13.3%
Net income attributable to owners of parent	686	892	9.8%	763	8.0%	-14.5%

FY6/2024 H1 and H2 Profit Forecasts

- Operating profit for FY6/2024 is expected to decline by 12% in the H1 of the year and a significant 77% increase in the H2.

Operating Income for H1 and H2

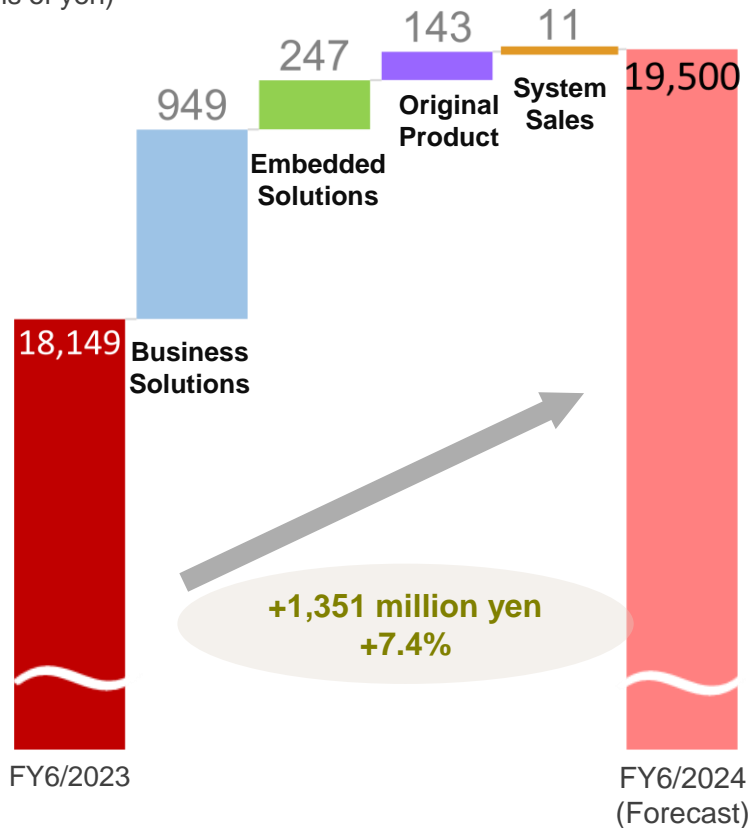


Key KPIs (Net sales, Operating Income / Operating Income Margin)

■ Forecast higher sales and profits in all businesses, led by Business Solutions Unit.

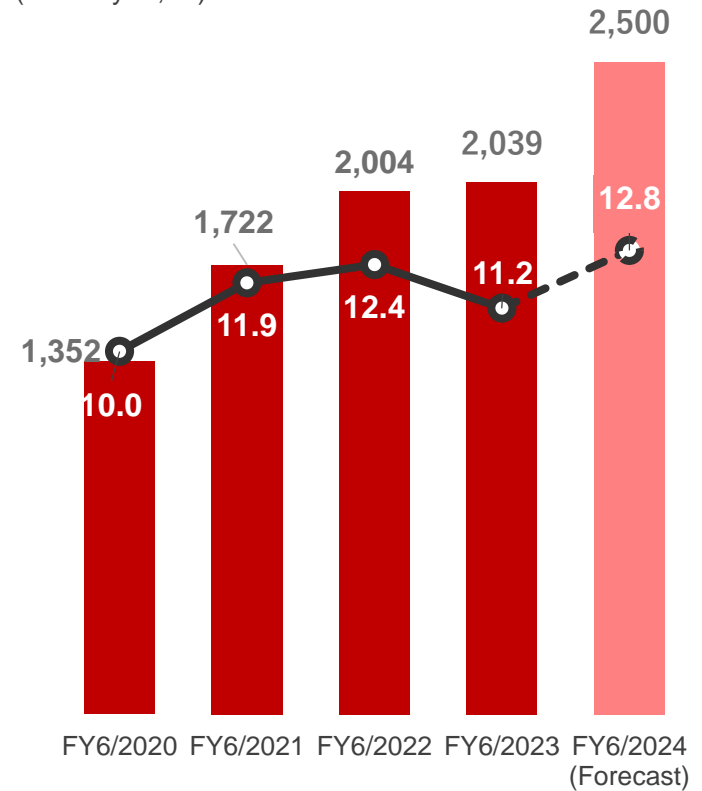
Net sales

(Millions of yen)



Operating Income / Operating Income Margin

(million yen, %)



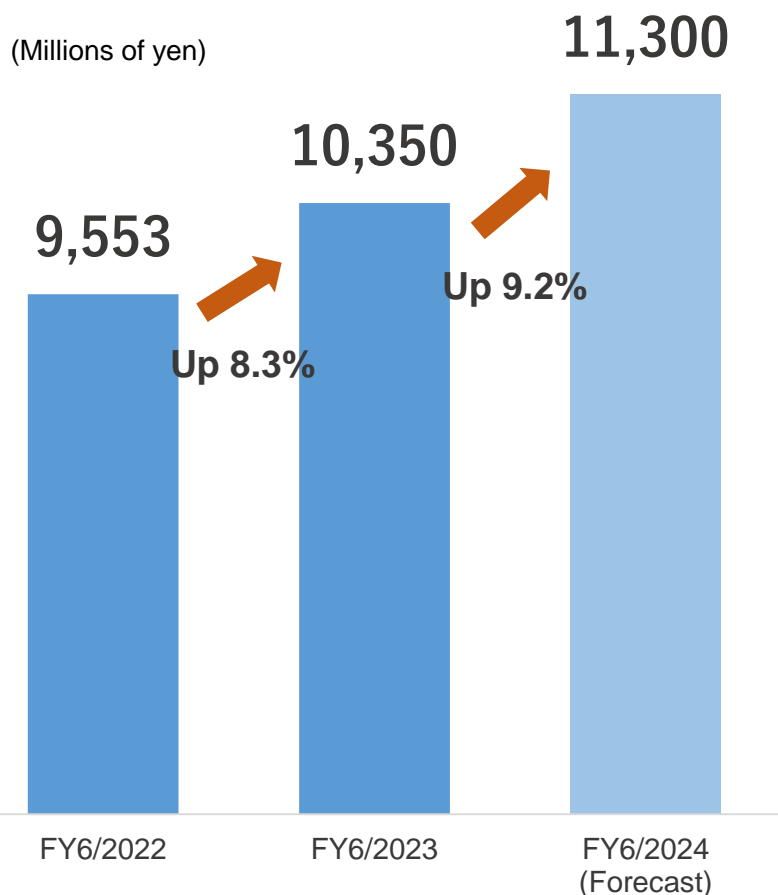
Business Forecasts by Segment

- In the Software Development Business, we plan to increase sales by 7.7% YoY.
- Original Product Unit targets strong growth of 16.7%.

(Millions of yen)

Business Segment	FY6/2023 Net sales	FY6/2024 Net sale Forecast	Change	Change %	Composition
Software Development Business	17,460	18,800	1,340	7.7%	96.6%
Business Solutions Unit	10,350	11,300	950	9.2%	57.9%
Embedded Solutions Unit	6,253	6,500	247	3.9%	33.6%
Original Product Unit	856	1,000	144	16.7%	5.1%
System Sales Business	688	700	12	1.6%	3.4%
Total	18,149	19,500	1,351	7.4%	

Forecast by Segment: Business Solutions Unit



Net sales : 11,300 million yen

YoY change : +9.2%

<Entire business>

Accurately respond to strong demand accompanying the progress of DX, expand market share among existing customers and cultivate new customers.

- Business system development is expected to return to a recovery trend by quickly eliminating the impact of unprofitable projects and responding to a favorable order environment. Aim to improve profitability by strengthening project management and winning orders for subcontracting projects of appropriate scale.
- Operational support aims to grow further by expanding the scope of support, expanding the scope of collaboration with Simplism, and strengthening the capacity to respond to demands.

*SAP is an ERP product offered by SAP

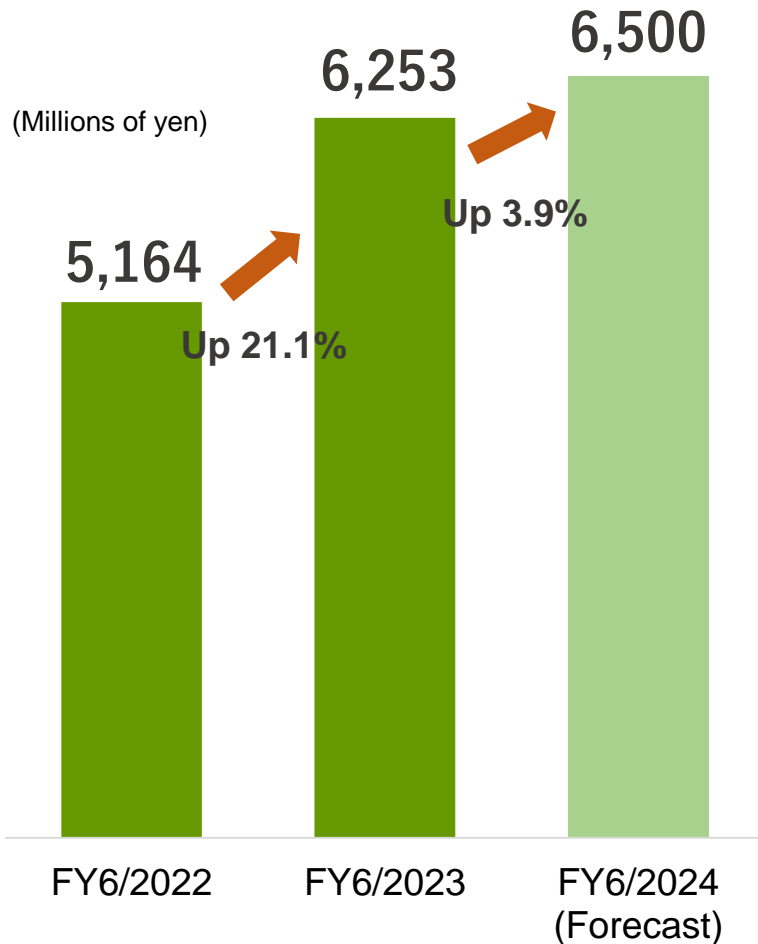
Priority Measures by Segment: Business Solutions Unit

Aim for growth by recovering by expanding existing businesses and taking on challenges in new service domains.

Priority Measures

1.	Prioritize early closing of large-scale pharmaceutical contract projects.
2.	Acquire projects for the development and operation of core systems by major telecommunications companies, which are prime customers.
3.	Acquire projects from major companies using low-code development (OutSystems, etc.), a trending technology for high-speed development.
4.	Collaboration with Simplism Co., Ltd. to expand the operation support business
5.	Promote service proposal-based business by expanding operational support areas
6.	Steady implement measures to prevent recurrence of unprofitable projects
7.	Utilize regional bases as "advanced near shore development centers" and expand orders from local companies

Forecast by Segment : Embedded Solutions Unit



Net sales : 6,500 million yen
YoY change : +3.9%

<Entire business>

Demand remains strong, but there is a possibility that there will be projects in the trough of the order cycle in the current fiscal year, and at this time, conservative figures are disclosed.

Cultivate new customers by deepening relationships with existing excellent customers, such as manufacturers of completed vehicles, and leveraging our proprietary technologies.

- Embedded product development aims to grow by expanding its market shares with excellent automotive and semiconductor-related customers, developing mass production of automotive products, and expanding sales of IoT and industrial equipment.
- Embedded product verification aims to further expand business by refining standardization methods and improving productivity and quality while expanding the robust automotive, medical, and 5G related fields.

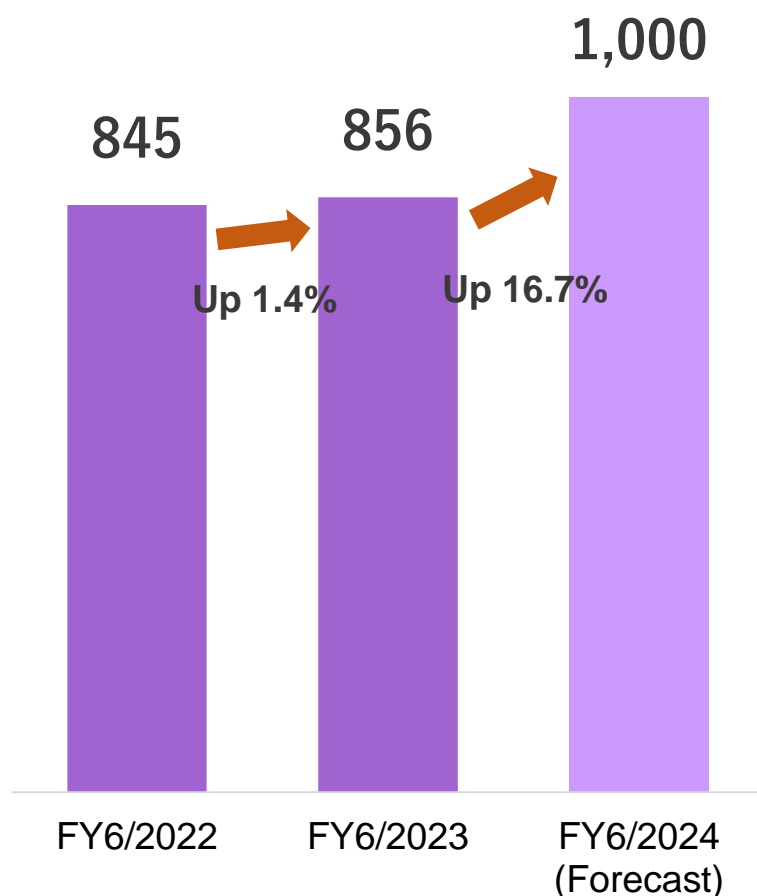
Priority Measures by Segment: Embedded Solutions Unit

Respond to the needs to form an advanced society and aim for growth through the following measures.

Priority Measures	
1.	Maintain and expand (laterally and in depth) existing customers in automotive-related fields (automated driving, automotive communication devices, safety standards)
2.	Outside of the automotive field, we have expanded our IoT beyond the boundaries of consumer electronics and other industries
3.	Expand existing customers and cultivate new customers in the Chubu region in preparation for the establishment of the Chubu base
4.	Improve quality and expand the scale of orders by refining methods for standardizing verification operations
5.	Expand white box verification area based on development technology capabilities
6.	Further expansion of automobile-related verification operations at a steadily growing U.S. subsidiary

Net sales : 1,000 million yen
YoY change : +16.7%

(Millions of yen)



<Entire business>

This is a product group that has high needs and can demonstrate effects in the digital society. We aim for significant growth by strengthening its distributor network and sales structure.

Focus on the following initiatives in addition to previous initiatives

- For WebARGUS cybersecurity products, aim to increase licensing by up-selling and acquiring new large-scale customers, and expand sales of products compatible with ransomware.
- In the business efficiency-oriented product xoBlos, we aim to grow again by acquiring early orders from lead customers which are steadily increasing, and releasing product such as RPA collaboration and multi-task (parallel processing) products.

The superiority of the product is increasing, and the growth is expected through the following measures.

Priority Measures : WebARGU

1.	Proactively approach to large scale users, mainly financial institutions, based on our introduction results. Focus on upselling existing customers
2.	Provide total security services under DIT Security Brand <ul style="list-style-type: none">▪ Promote activities through joint seminars with partner companies▪ Strengthen lineup of cyber security products
3.	Expand sales of WebARGUS for Ransomware, which was launched in November last year Based on the premise of malicious intrusion, the system protects critical data from various risks (cyber-attacks, internal crimes, data encryption by ransomware, etc.) by incorporating a function that blocks changes and deletions to critical data in real time.
4.	Set and execute strategies to increase brand awareness via various advertisements
5.	Introduce IoT-version WebARGUS based on the concept of system resilience (self-detection and self-restoration)

Priority Measures by Segment: Original Product Unit



Move away from the landing and back on the growth track through the following measures.

Priority Measures : xoBlos

- | | |
|----|--|
| 1. | As cumulative number of users exceeded 560 companies, further strengthen sales to large-scale users |
| 2. | Early acquisition of orders from high-certainty lead customers, which are steadily increasing |
| 3. | Strengthen user support and increase subscription license fees from existing customers |
| 4. | Achieve RPA collaboration and multi-tasking (parallel processing) to promote continued use and new contracts |
| 5. | Combine xoBlos and AI techniques to achieve semi-automation of control seats to lower barriers to implementation |
| 6. | Strengthen support for sales agents and acquire new licenses via agents |
| 7. | Develop new OEM license business by providing OEM to alliance partners |

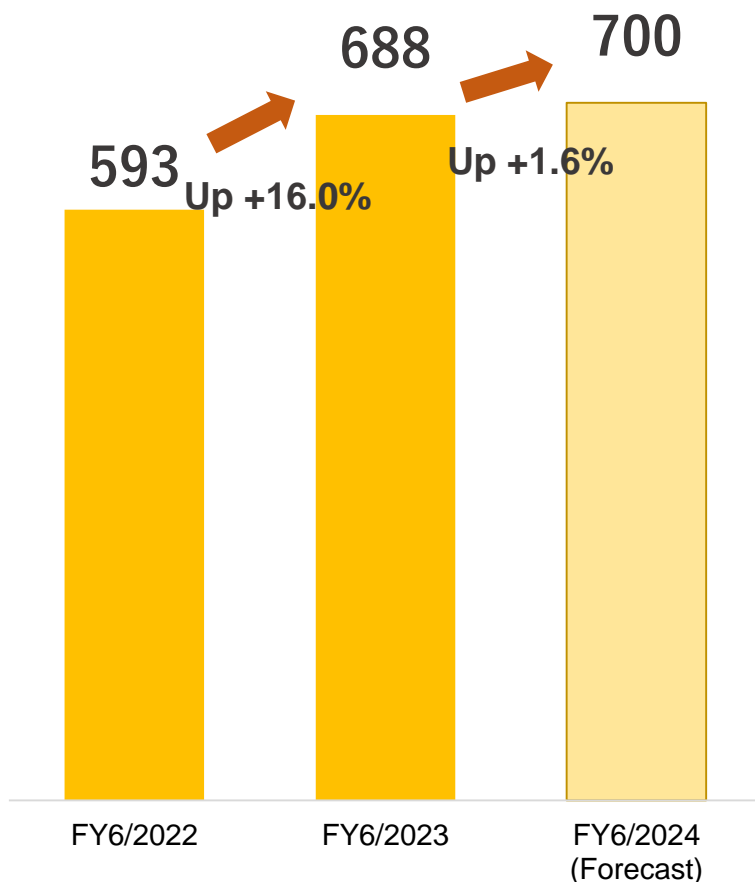
Implement the following measures to expand new business areas.

Priority Measures : New Product / DX

1.	Expand subscription licenses by receiving large-scale DD-CONNECT orders
2.	Aim to expand sales by targeting shield cms *CMS: Contents Management System. A generic term for a system that manages digital content such as text and images that make up web content in an integrated and systematic manner and performs necessary processing such as distribution.
3.	Begin proposing new DX related services such as AI, RPA, BPM (PoC(Proof of Concept) and aim for full-scale introduction
4.	Examine the significant progressing generation AI and consider new services to increase the value of customers
5.	Launch a new co-creation business that leverages strengths and weaknesses of both companies by leveraging strengths and domains of expertise with management consulting companies, etc.

Forecast by Segment : Systems Sales Business

(Millions of yen)



Net sales : 700 million yen

YoY change : +1.6%

<Entire business>

Strengthen proposal activities in response to changes in sales management systems to increase sales

- Demand associated with the introduction of the invoicing system is expected to continue until 1Q. Strengthen proposals to make it mandatory to store transaction data. Demand associated with the introduction of the invoicing system is expected to continue until 1Q.
- Contribute to the promotion of DX among SMEs by effectively utilizing "IT introduction subsidies"

* Rakuichi is a business and management support system for SMEs manufactured by Casio Computer Co., Ltd.

Priority Measures by Segment: System Sales Business

We aim to secure more sales than planned through the following measures.

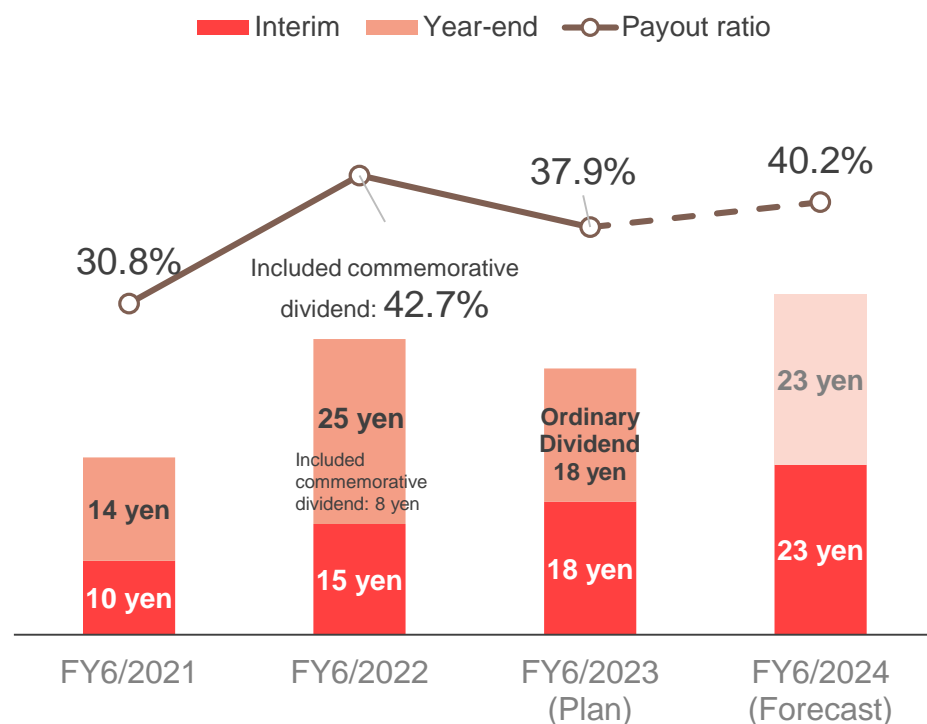
Priority Measures

1.	Strengthen Rakuichi sales through Q1 to respond to the "Qualified Invoice System" to be introduced on October 1, 2023, then follow-up and "electronic transaction data storage in accordance with the revision of the "Electric Book Storage Act" to be made mandatory from January 2024".
2.	Propose IT tools to promote medium-term DX of SMEs by effectively utilizing "IT introduction subsidy."
3.	Strengthen proposals for multifunction devices, PC, and other services required by customers, centered on security products (UTM (integrated threat management) and end point security).

Return to Shareholders (Dividend Forecasts)

- Announced 2 times of share repurchase in FY6/23 with an annual dividend of 36 yen per share.
- Focusing on shareholder returns, the target dividend payout ratio of 35% or more in the medium-term management plan was changed from FY6/24 to 40% or more. For FY6/24, the annual dividend per share is 46 yen, and the dividend payout ratio is expected to be 40.2%

Changes in dividend and payout ratio



Details of current share repurchase

First round (completed)	
Acquisition date	March 14, 2023
Method	Purchase through ToSTNET-3**
Total number of shares acquired	100 thousand shares
Acquisition price	165 million yen
Second round (announced on May 15)	
Acquisition period	May 16, 2023-July 31, 2023
Method	Purchase on the market
Total number of shares to be acquired	200 thousand shares (upper limit)
Acquisition price	400 million yen (upper limit)
Current situation (completed on July 31)	Number of shares acquired: 200 thousand shares Acquisition price: 319 million yen

3. DIT Group's Vision for 2030 and Upward Revision of Mid-term Management Plan (Excerpted from explanatory materials disclosed on Aug. 20, 2021)



Upward revision of medium-term management plan targets

- The performance for FY6/23 exceeded the target disclosed.
- Net sales target for FY6/24 revised upward in line with strong business trends.

	FY6/2021 (Results)	FY6/2022 (Results)	FY6/2023 (Forecast)	FY6/2024 (Planned)
Net sales	14.4 billion yen	16.1 billion yen	18.1 billion yen (Target:1.8 billion yen)	19.5 billion yen (↑1.85 billion yen)
Operating income	1.72 billion yen	2.00 billion yen	2.03 billion yen (Target:1.90 billion yen)	2.50 billion yen
Ordinary income	11.9%	12.4%	11.2% (Target:10.6%)	12.8%
ROE	29.2%	28.6%	25.1%	Maintain 20% or more
Dividend payout ratio	30.8%	42.7% (Commemorative dividend paid)	37.9%	40% 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)	46.0 yen (Ordinary dividend)
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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

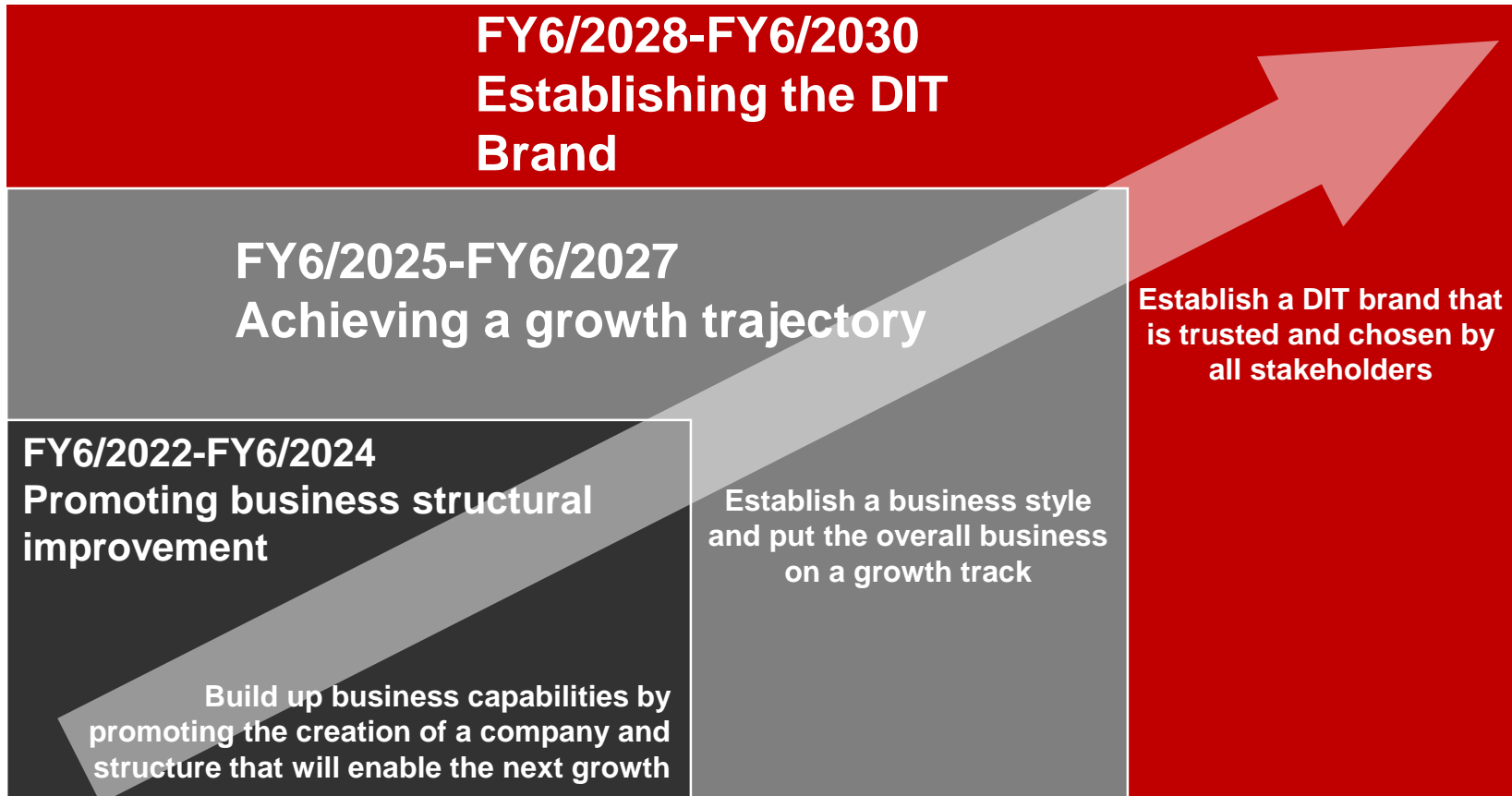
Steps to Realize the 2030 Vision



DIT 2030 Vision



Vertical axis: Expansion of business



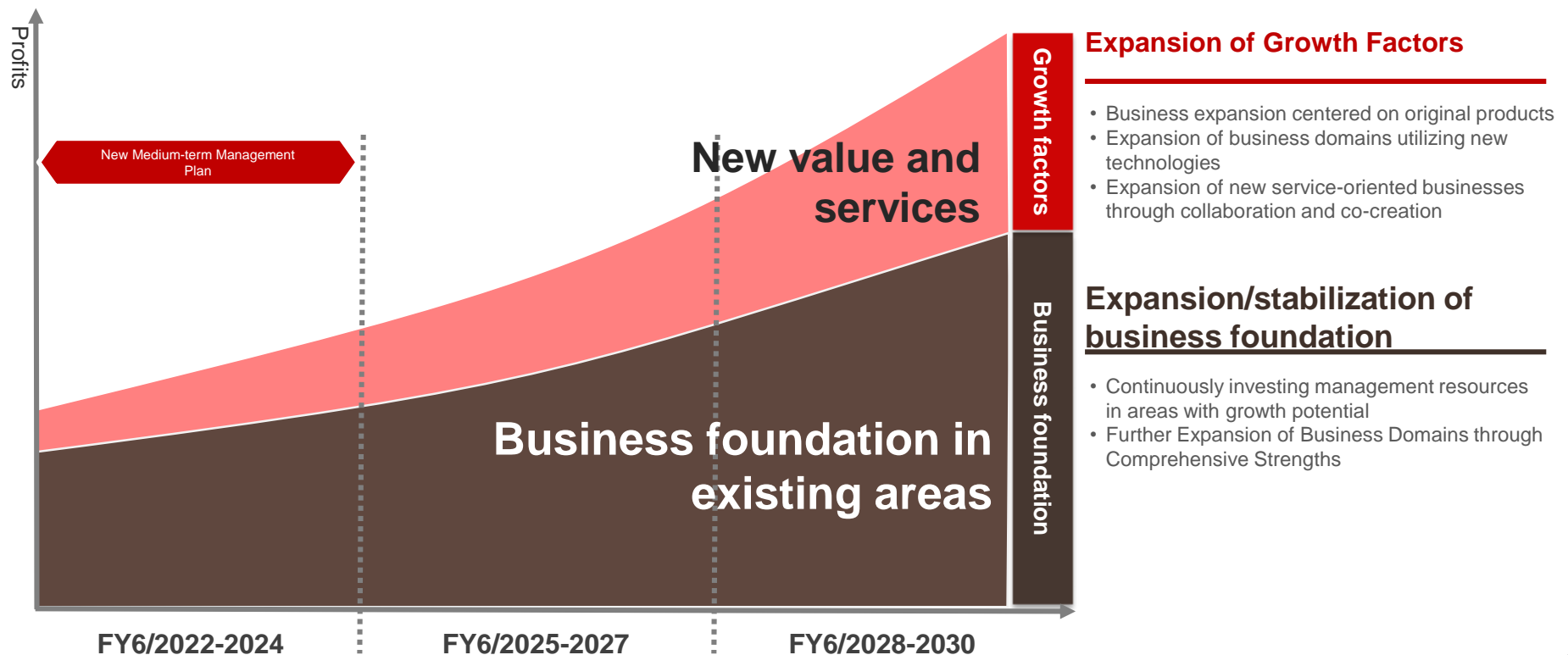
Horizontal axis: Development of infrastructure

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

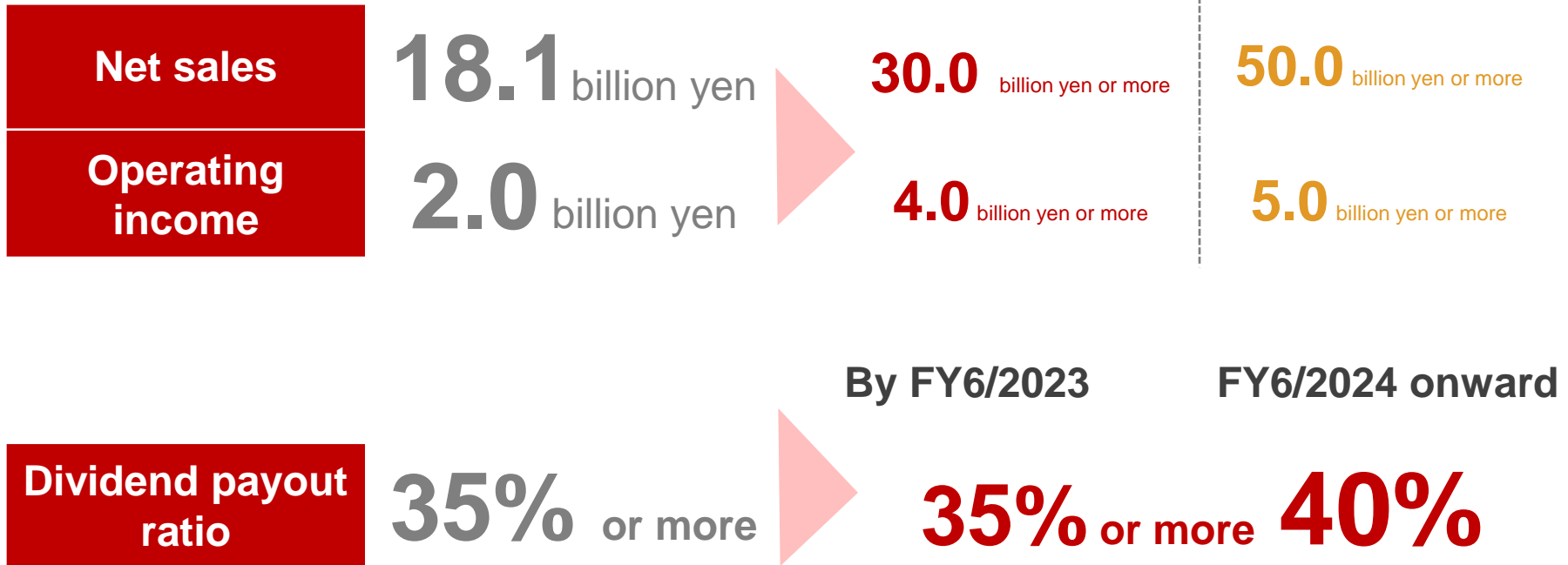


Management Targets

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

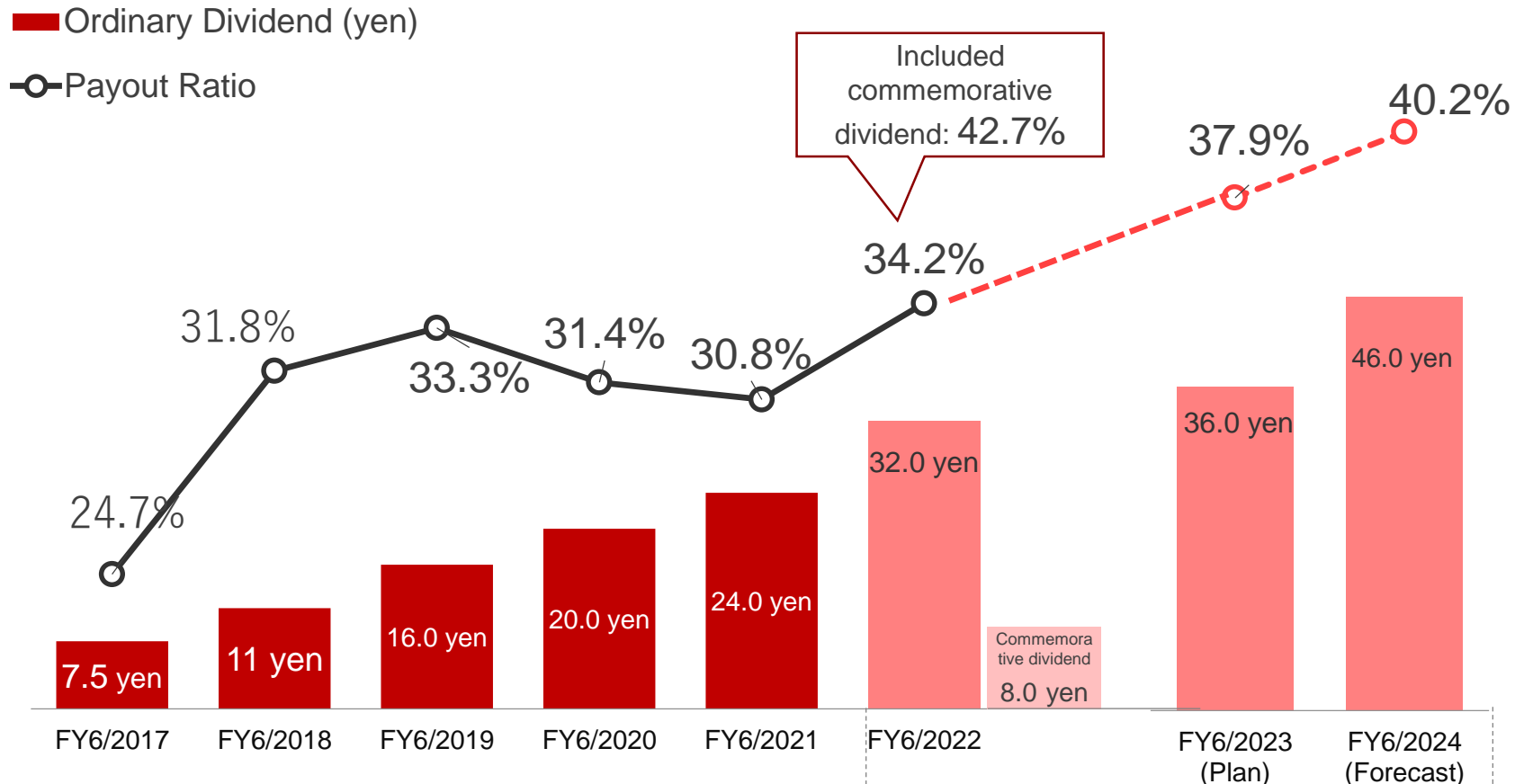
FY6/2023 Results

FY6/2030 Target



Management Targets of the Medium-Term Management Plan (Dividend Payout Ratio)

- The current target for a dividend payout ratio of 35% or more will be changed to 40% or more from FY6/2024.
- Dividend payout ratio for FY6/2024 is expected to be 40.2%.



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

New Medium-term Management Plan

5. 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 2023)

Fiscal year end : June 30

Number of the employees 1,330 (1,139 on a non-consolidated basis) (As of the end of June 2023)

Officer Satoshi Ichikawa, Representative Director and President
5 other internal directors and 4 outside directors
1 full-time auditor and 2 outside auditors
(As of the end of June 2023)

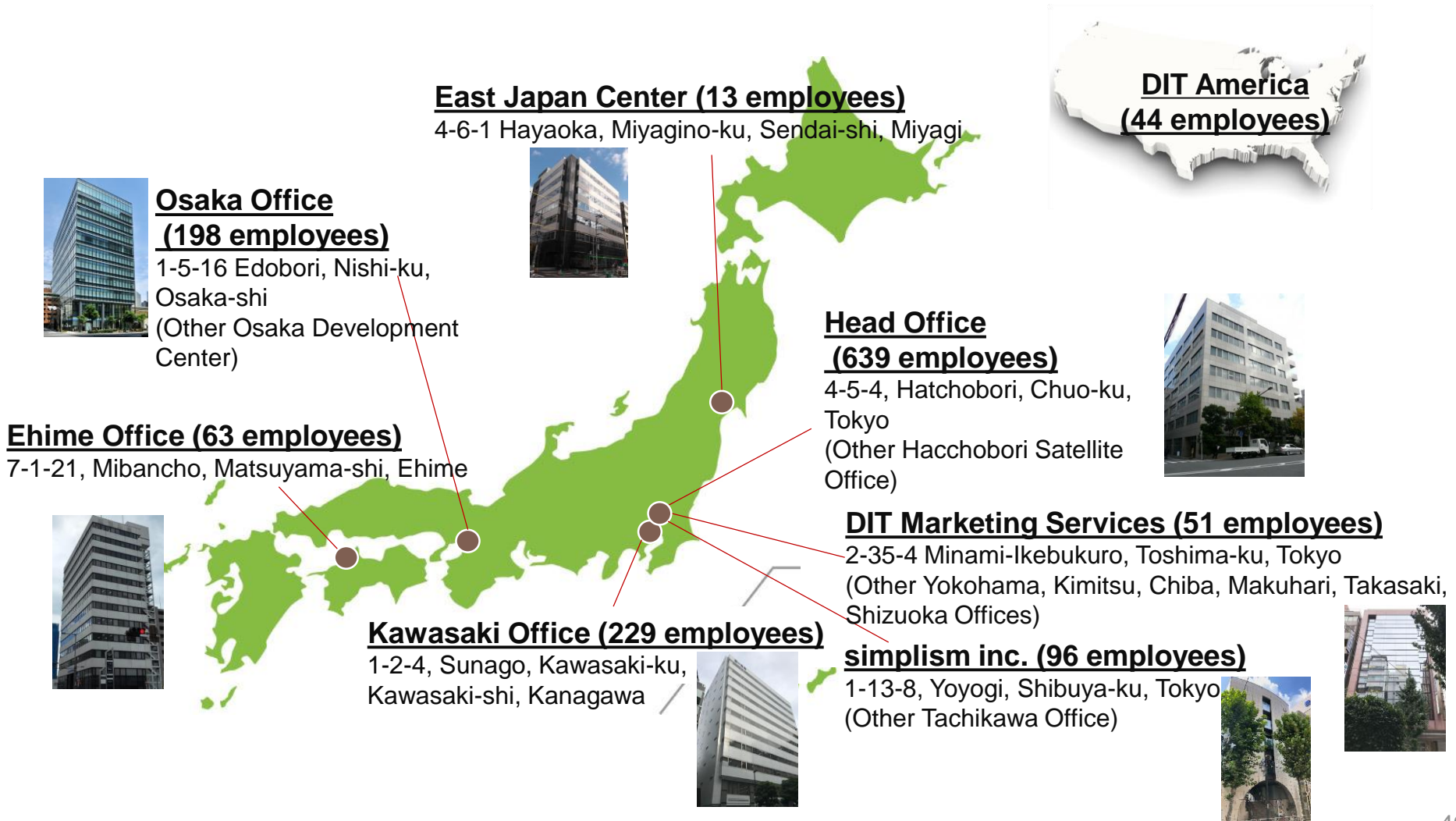
Group Companies : DIT Marketing Service Co., Ltd., DIT America, LLC., simplism inc.



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

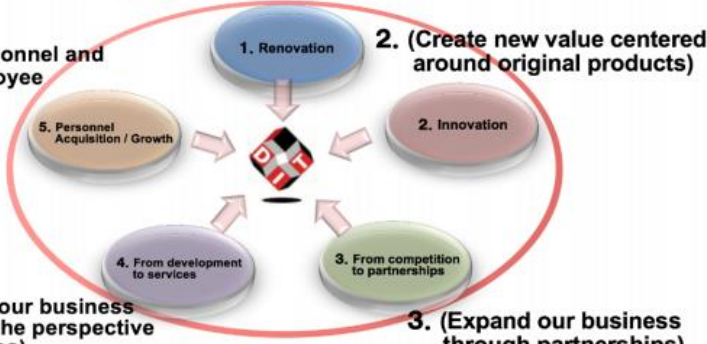
Corporate philosophy	Over-all	Client-driven	Management philosophy	Guarantee our employees' livelihood while contributing to society
	Company	Employee training/growth, Communication		
	Individuals	Increase in value added, Sense of objective / target, Passion and dedication		

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

5 Basic Business Strategies

1. (Strengthen our business foundation through the renovation of existing businesses)

5. Hire personnel and aid employee growth



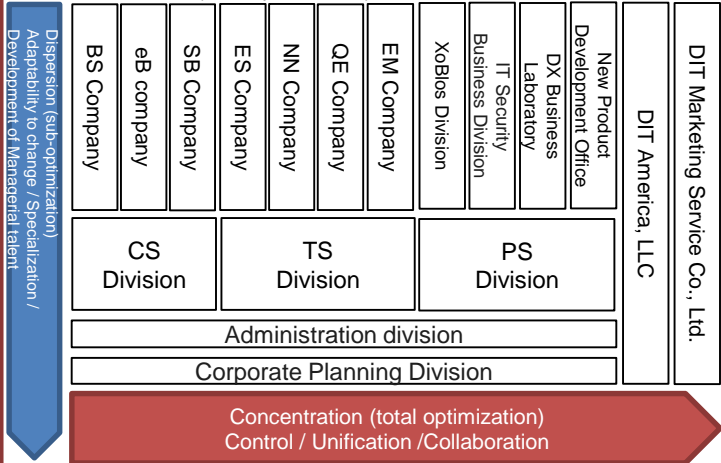
4. (Expand our business through the perspective of services)

3. (Expand our business through partnerships)

Business strategy

Organizational strategy

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



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*



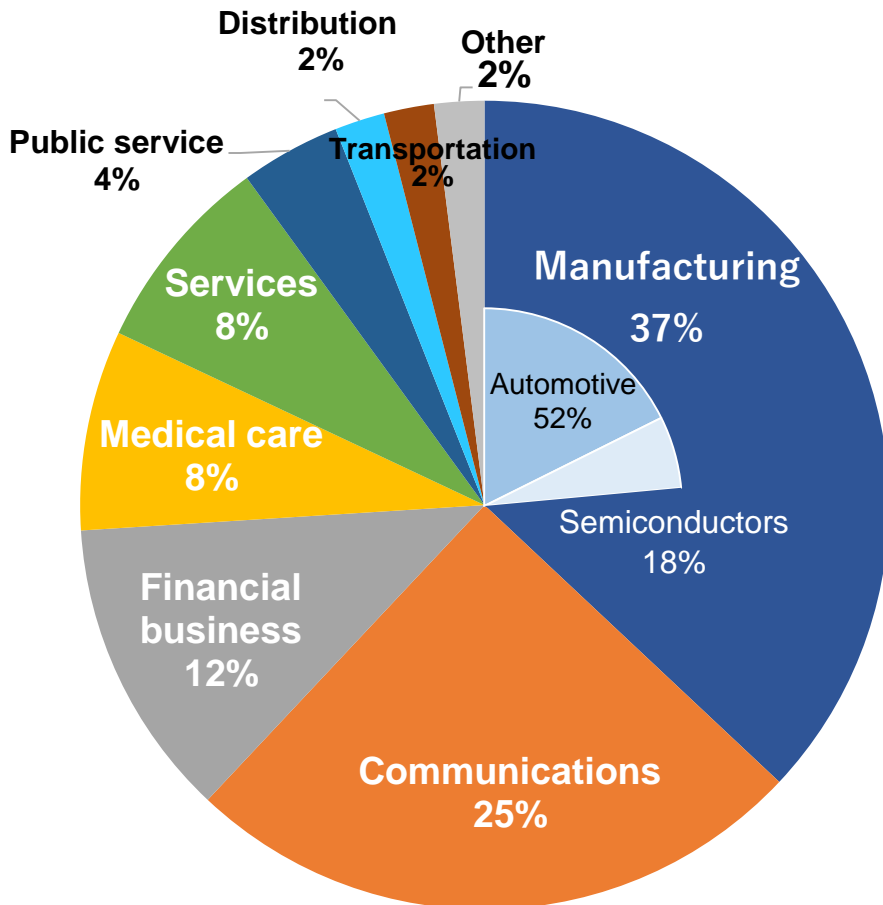
JPX-NIKKEI Mid Small

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, 2023 to August 29, 2024.

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.

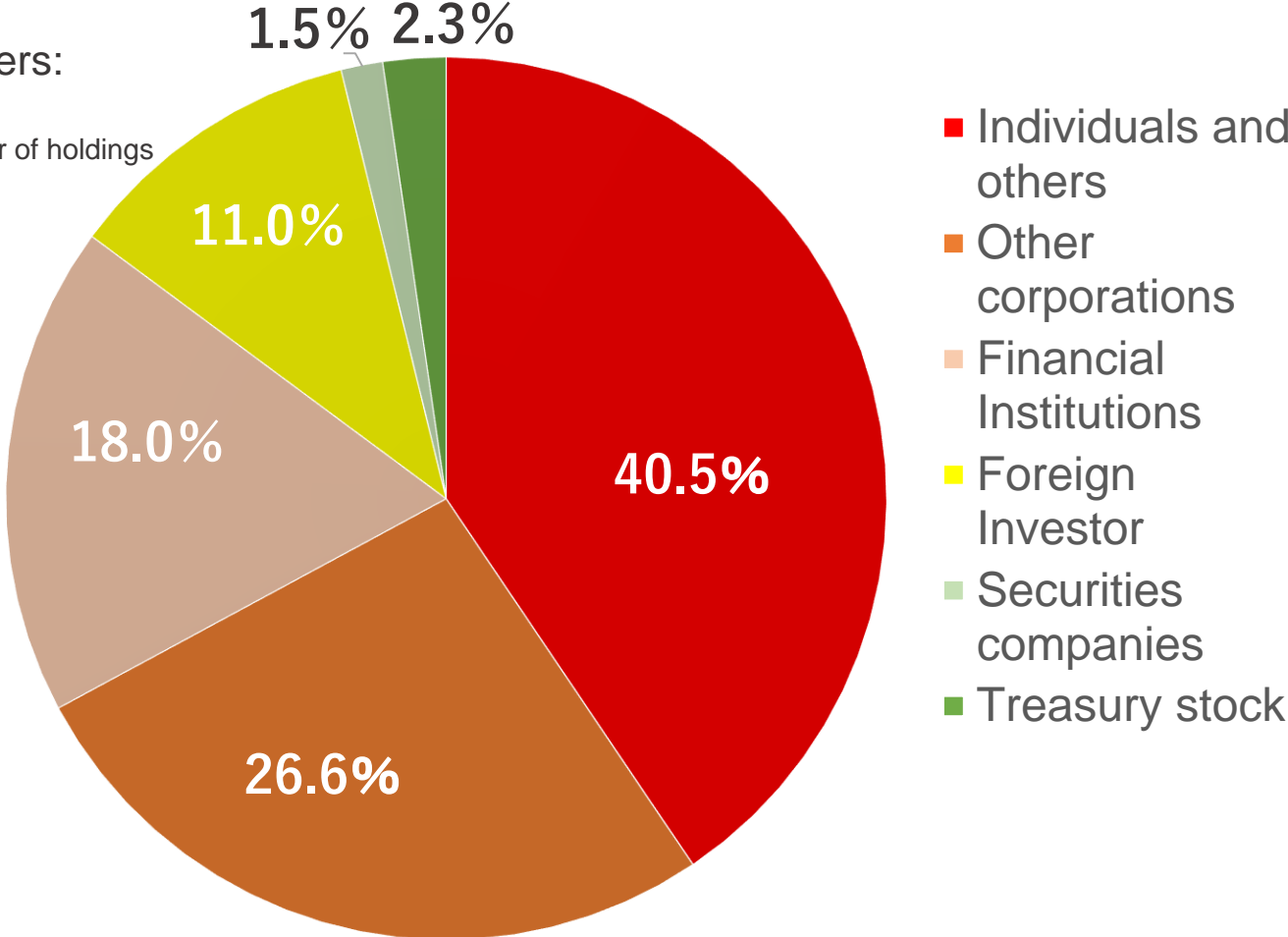
■ Sales Composition by Industry of Software Development Business (Left chart)

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

Composition of Shareholders

End of June 2023
Number of shareholders:
5,753 persons

*The graph is based on number of holdings



SDGs: Contributing to the Realization of a Sustainable Society

We will strive to support a sustainable society through appropriate corporate management and the introduction of our original 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





Contact information :

Manabu Enomoto
IR Division, Corporate Planning Division
TEL: 03-6311-6532 FAX: 03-6311-6521
E-mail: ir_info@ditgroup.jp

- 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.