

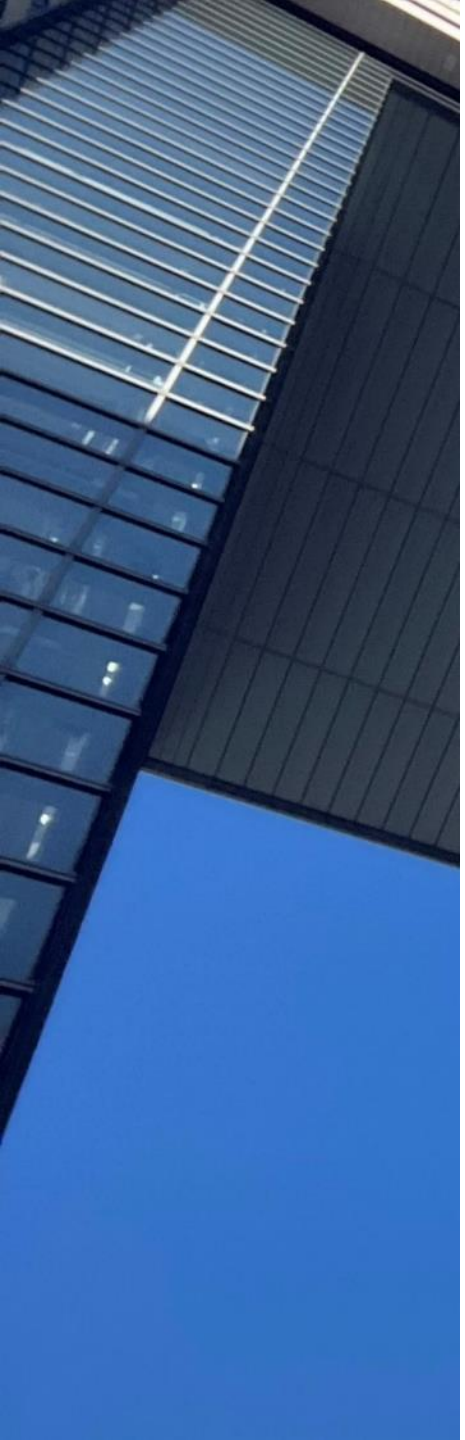
TSE Prime 3837

Ad-Sol Nissin

FY’25/3 Q2 (First Half)

Financial Results

November 7, 2024



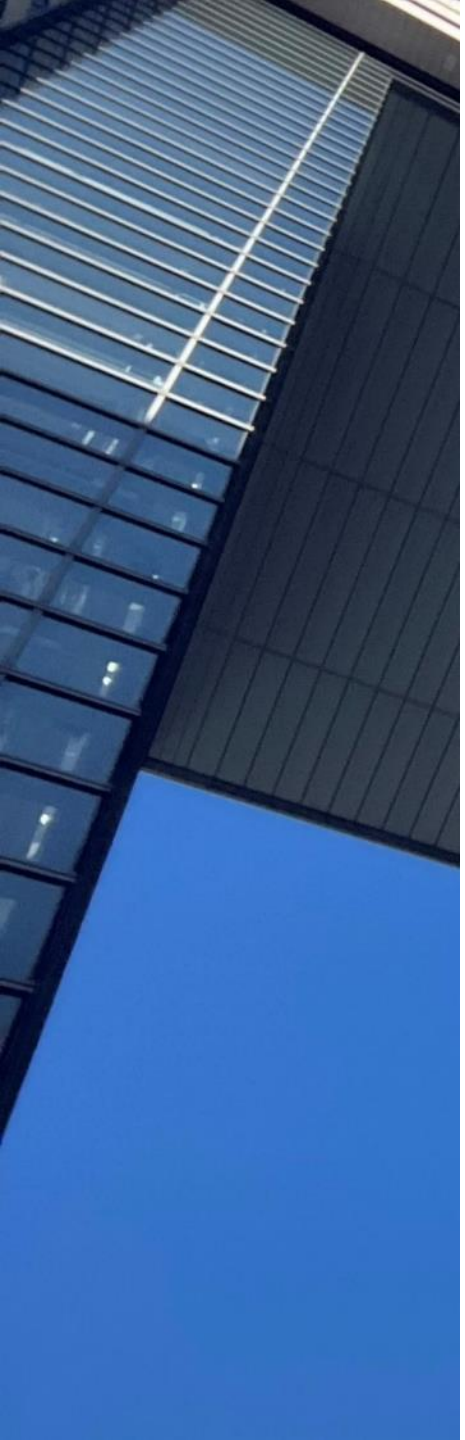
01 Performance Highlights

02 FY’25/3 Q2 (First Half) Financial Results

03 FY’25/3 Full-year Operating Forecast

04 Shareholders Return

05 Progress of Medium-term Management Plan

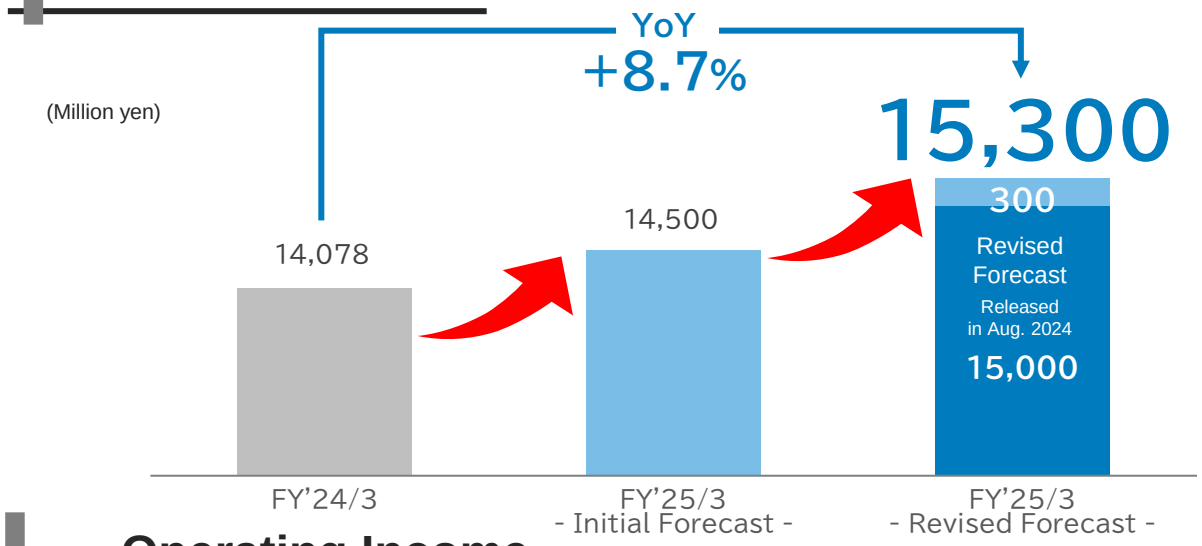


01 Performance Highlights

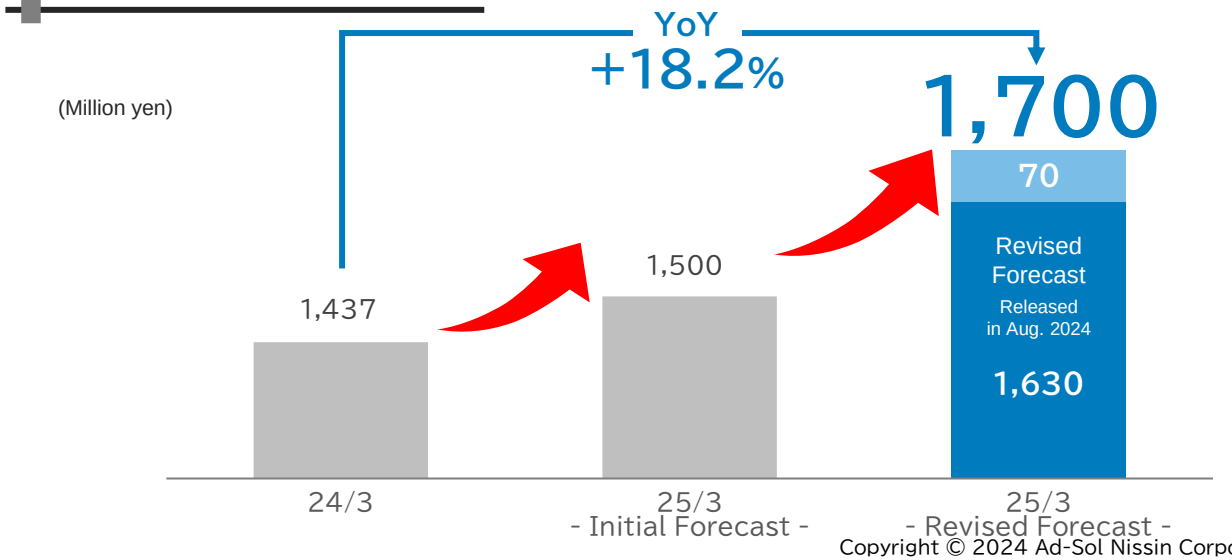
- Upward Revision of FY’25/3 Full-year Forecasts
- Key Points of FY’25/3 Q2 (First Half)

Upward Revision of FY’25/3 Full-year Forecasts

Net Sales



Operating Income



Upward revision of full-year forecasts

- Full-year forecasts were revised upward due to the favorable business environment

→ Further expansion is expected in the energy, public works, and services (payment and credit card) sectors.

- The improvement in gross margin exceeded the increase in SG&A expenses due to strategic investments, etc.

→ Strengthen consultant training, agile development skills, and marketing for commercialization of AI services

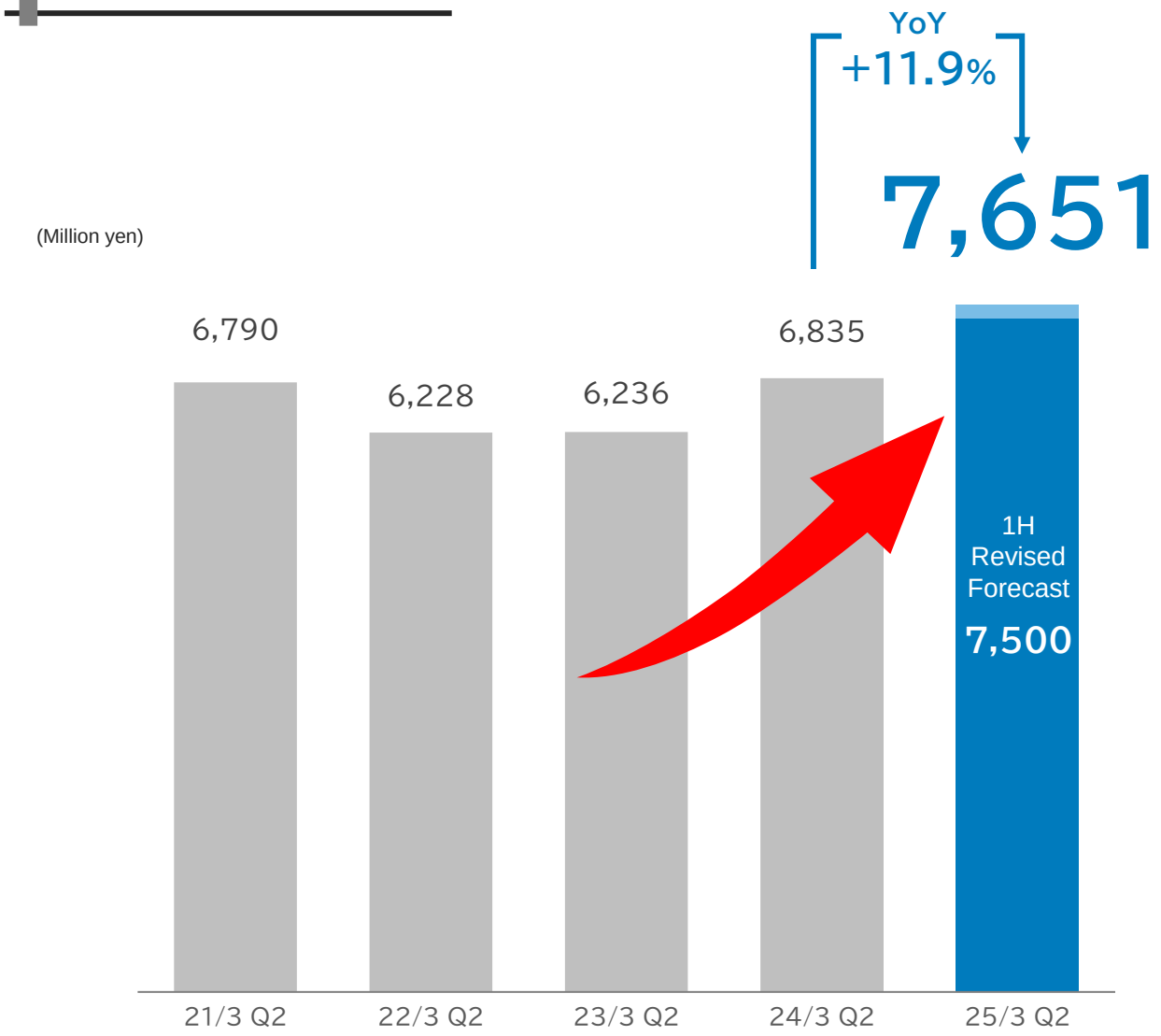
We expect to achieve the net sales and operating income targets in the medium-term management plan one year ahead of schedule

(The operating income margin target had already been achieved in FY’24/3)

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Key Points of FY'25/3 Q2 (First Half) (Net Sales)

Net Sales



Record-high sales

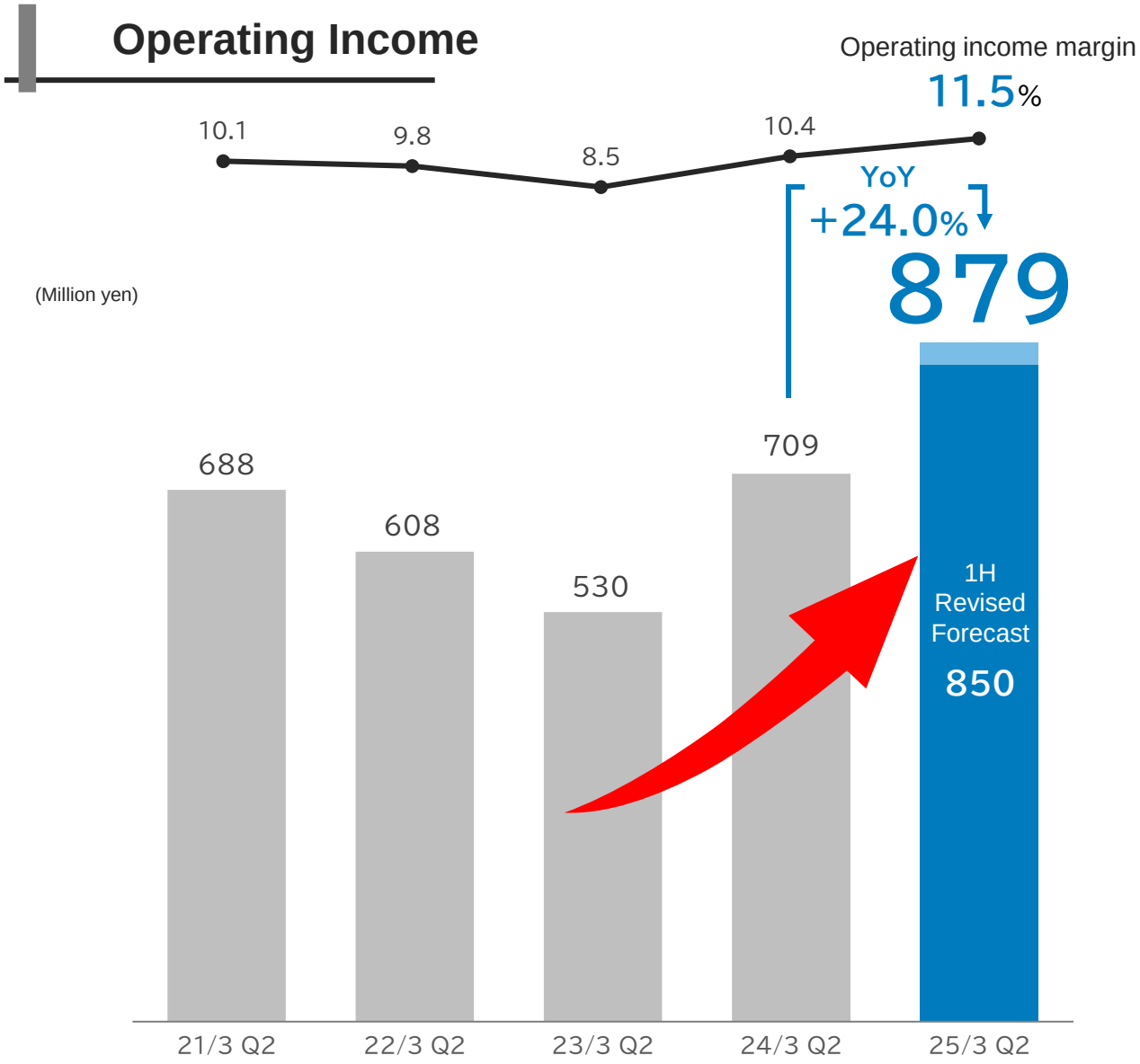
[Social Infrastructure Business]
- Energy (electric power and gas) performed well.
- Public (national security systems and disaster prevention) was increasing significantly.

[Advanced Industry Business]
- Services (payment and credit card) continued to perform well.

Further exceeded the previous forecast (upwardly revised)

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Key Points of FY’25/3 Q2 (First Half) (Operating Income)

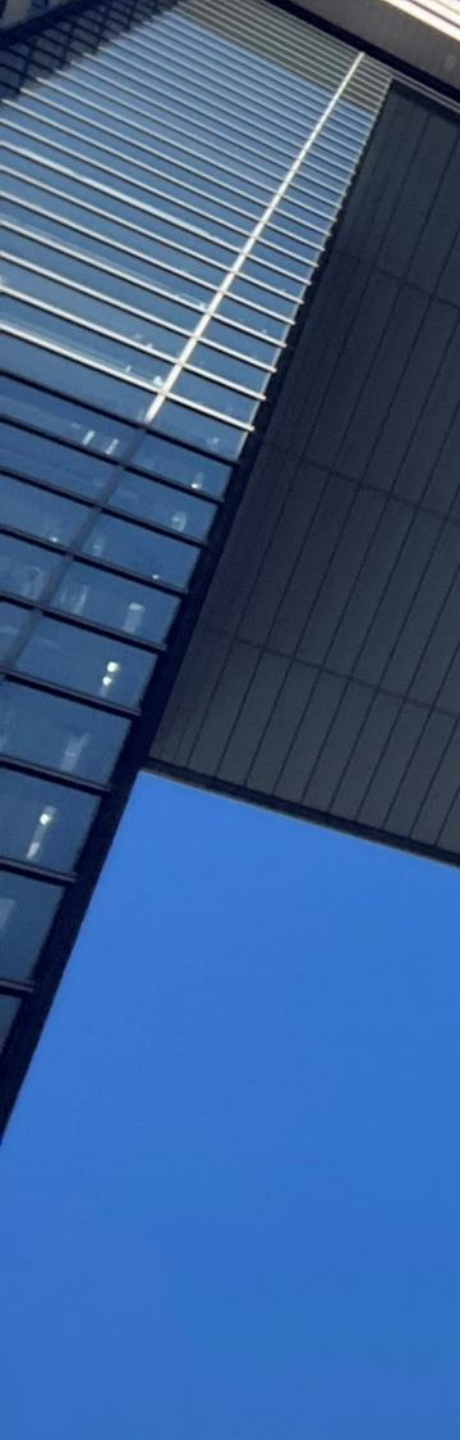


Record high in both operating income / OP margin

- Continued strategic investments for sustainable growth, including relocation and renewal of the Kyushu branch and investment in human resources.
- The improvement in gross margin (FY’24/3 Q2 27.6% to FY’25/3 Q2 28.8%) exceeded the increase in SG&A expenses due to strategic investments.

Further exceeded the previous forecast (upwardly revised)

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02 FY’25/3 Q2 (First Half) Financial Results

- Consolidated Statement of Income
- Performance by Segment
- Quarterly Trends
- Ordinary Income
- Balance Sheet
- Cash Flows

FY’25/3 Q2 (First Half) Consolidated Statement of Income

(Million yen)	FY’24/3 Q2 Results	FY’25/3 Q2 Results	Increase /decrease	Ratio of change %
Net Sales	6,835	7,651	815	11.9
Social Infrastructure Business	3,955	4,839	884	22.4
Advanced Industry Business	2,880	2,811	(69)	(2.4)
Solution Business	488	622	133	27.4
Gross Profit	1,885	2,201	315	16.7
Gross Profit Margin (%)	27.6	28.8	-	-
SG&A Expenses	1,176	1,321	145	12.4
SG&A Ratio (%)	17.2	17.3	-	-
Operating Income	709	879	170	24.0
Operating Income Margin (%)	10.4	11.5	-	-
Ordinary Income	739	906	166	22.6
Ordinary Income Margin (%)	10.8	11.8	-	-
Net Income Attributable to Owners of Parent	481	596	115	23.9
Net Income Margin (%)	7.0	7.8	-	-

POINT

Net Sales

Record-high sales

Growth driven by energy, public works, and services (payment and credit card) against a growing backdrop of ICT investment by clients.

Gross Profit Margin

Gross profit margin continued to improve

In addition to reviewing contract terms, the shift to consulting, strengthening quality control, and the expansion of global development were successful.

Operating Income

Record high in both operating income / OP margin

Measures to improve gross margin exceeded the increase in SG&A expenses due to strategic investments including relocation and renewal of the Kyushu branch and investment in human resources.

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FY’25/3 Q2 (First Half) Performance by Segment (Net Sales)

(Million yen)	FY’24/3 Q2 Results	FY’24/3 Q2 Ratio to sales %	FY’25/3 Q2 Results	FY’25/3 Q2 Ratio to sales %	FY’25/3 Q2 Increase /decrease	FY’25/3 Q2 Ratio of change %
Entire company	6,835	-	7,651	-	815	11.9
Social Infrastructure Business	3,955	57.9	4,839	63.3	884	22.4
Energy	3,091	45.2	3,747	49.0	655	21.2
Transportation	492	7.2	367	4.8	(124)	(25.3)
Public works	194	2.8	482	6.3	288	148.3
Communication / Network	177	2.6	242	3.2	65	36.7
Advanced Industry Business	2,880	42.1	2,811	36.7	(69)	(2.4)
Manufacturing	832	12.2	787	10.3	(45)	(5.5)
Service	1,323	19.4	1,477	19.3	153	11.6
Enterprise	723	10.6	546	7.1	(177)	(24.5)
Solution Business	488	7.2	622	8.1	133	27.4

POINT

Social Infrastructure Business

Expansion of digital transformation (DX) and modernization projects

[Energy]
- Electric power: Continued to handle the large projects
- Gas: Expansion of DX/ Cloud migration projects

[Transportation]
- Road: Expanded highway-related systems
- Railway: Expanded

[Public Works]
- Increased national security system projects in addition to disaster prevention

Advanced Industry Business

Aggressive expansion of digital transformation and data utilization

[Service]
- Payment and credit card:
Continued to respond to DX and digitalization, and expanded projects for data utilization and data infrastructure construction.

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FY’25/3 Q2 (First Half) Performance by Segment (Orders Received / Order Backlog)

Orders Received

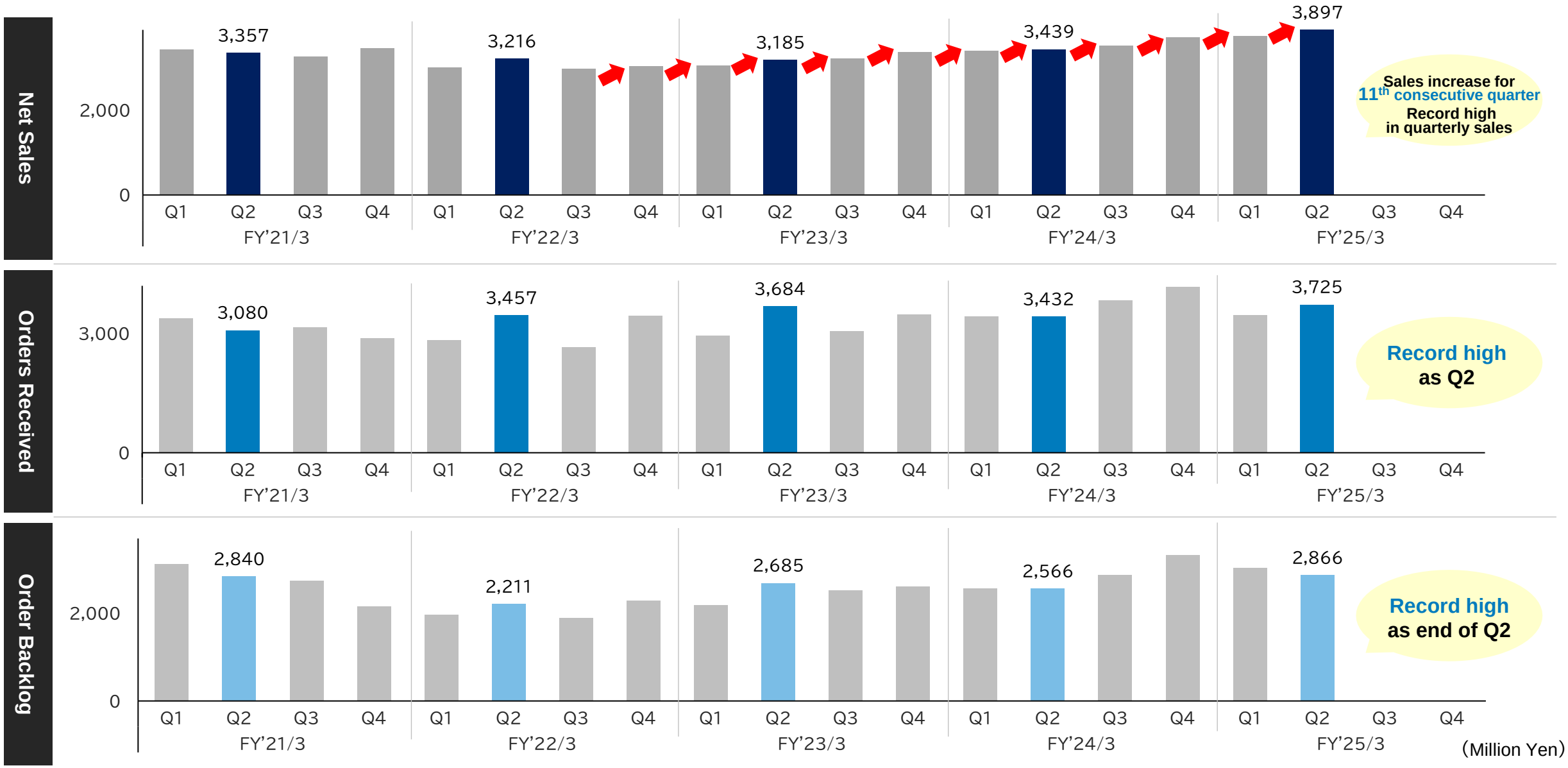
(Million yen)	FY’24/3 Q2 Results	FY’25/3 Q2 Results	Increase /decrease	Ratio of change %
Entire company	6,869	7,183	313	4.6
Social Infrastructure Business	3,886	4,388	501	12.9
Energy	3,048	3,378	330	10.8
Transportation	479	379	(99)	(20.7)
Public Works	184	433	248	134.7
Communication / Network	174	196	21	12.4
Advanced Industry Business	2,983	2,795	(187)	(6.3)
Manufacturing	857	760	(97)	(11.4)
Service	1,395	1,508	112	8.1
Enterprise	729	526	(202)	(27.8)

Order Backlog

FY’24/3 Q2 Results	FY’25/3 Q2 Results	Increase /decrease	Ratio of Change %
2,566	2,866	300	11.7
1,400	1,763	362	25.9
1,125	1,434	308	27.4
92	107	14	15.4
67	178	111	165.6
114	42	(71)	(62.6)
1,165	1,103	(62)	(5.3)
302	253	(48)	(16.0)
724	730	6	0.9
139	119	(20)	(14.4)

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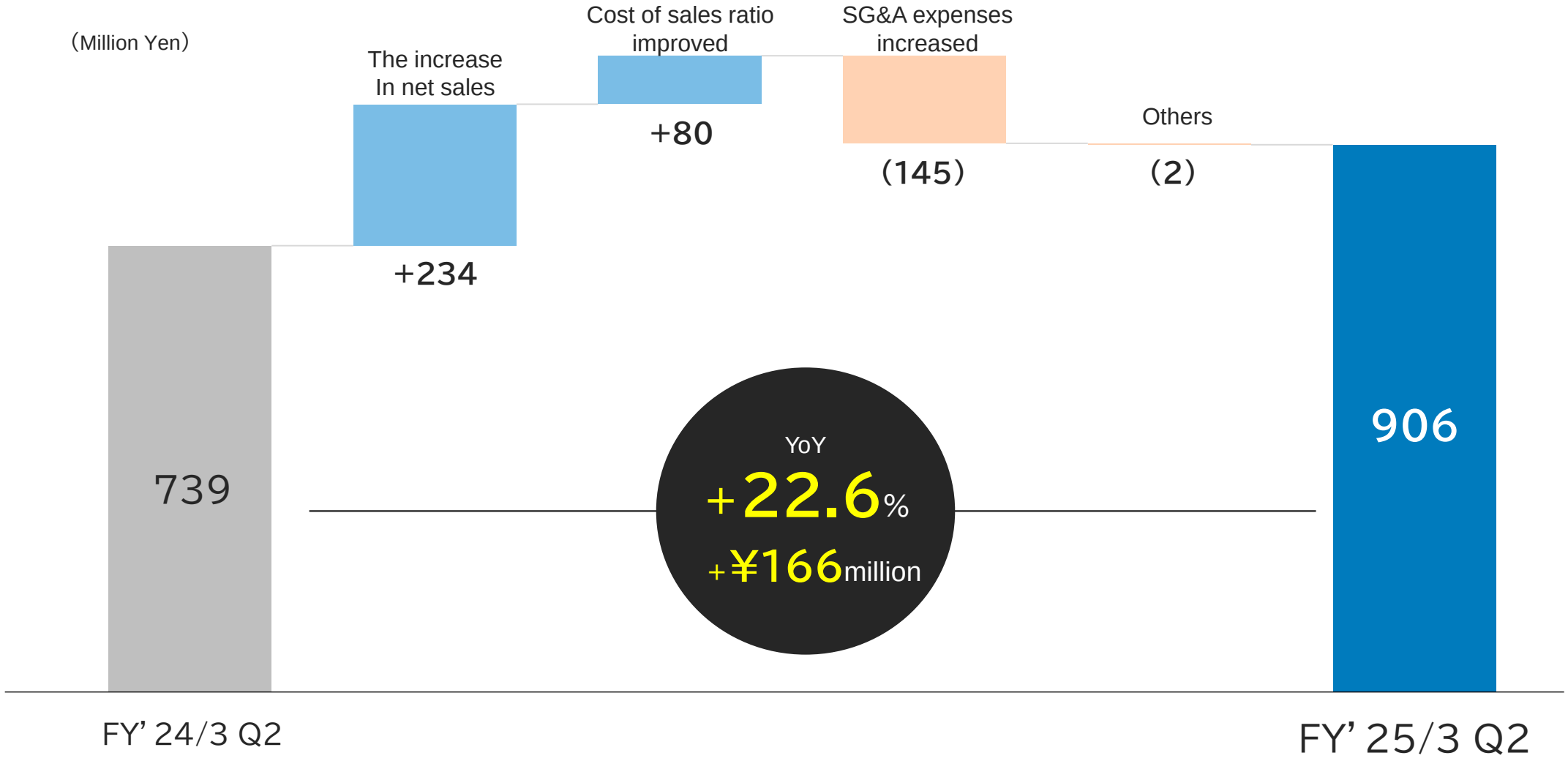
Quarterly Trends (Net Sales / Orders Received / Order Backlog)



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FY’25/3 Q2 (First Half) Ordinary Income

- The increase in net sales and the improvement of the cost of sales ratio took into account the increase in SG&A expenses (personnel expenses, office renewal, etc.), resulting in an increase in ordinary income.

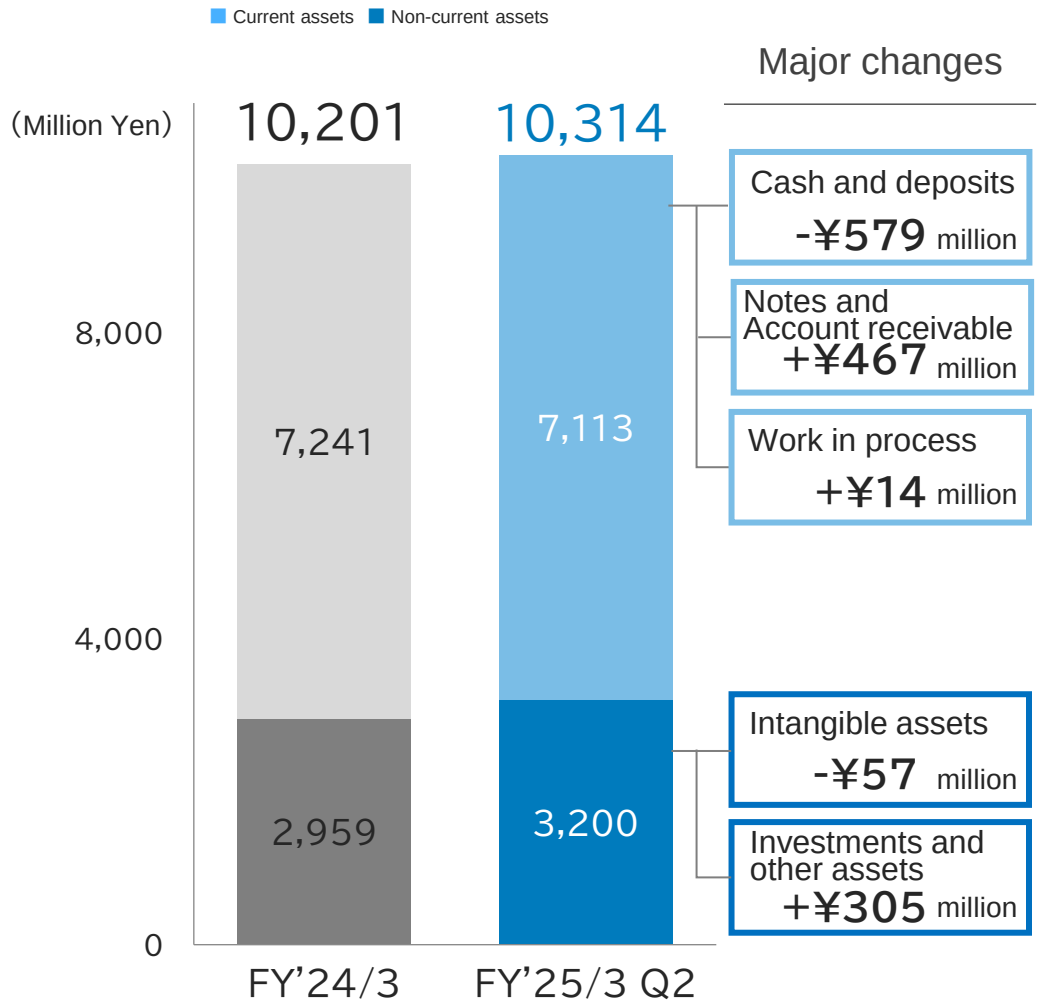


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FY’25/3 Q2 Balance Sheet

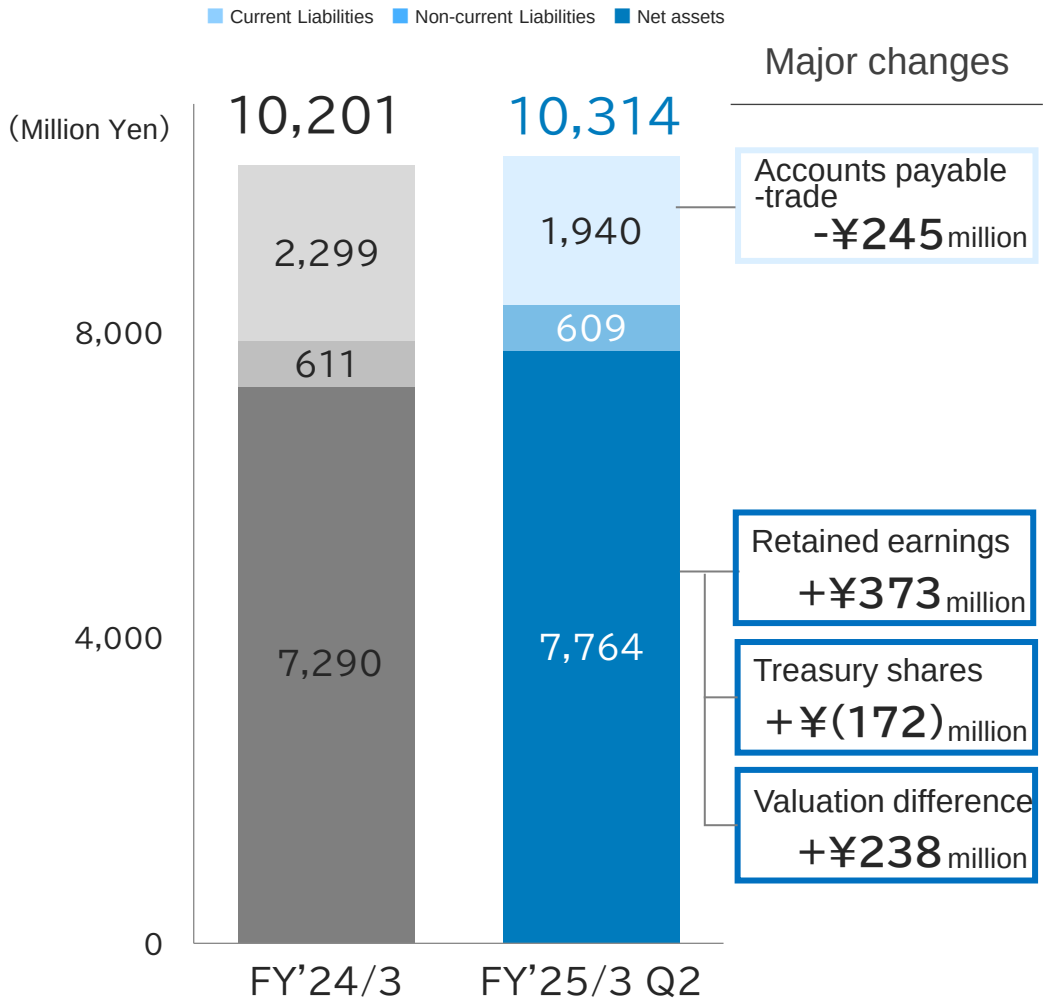
Asset

- Total Assets **10.3** billion yen



Liabilities and Net Assets

- Equity Ratio **73.6%**

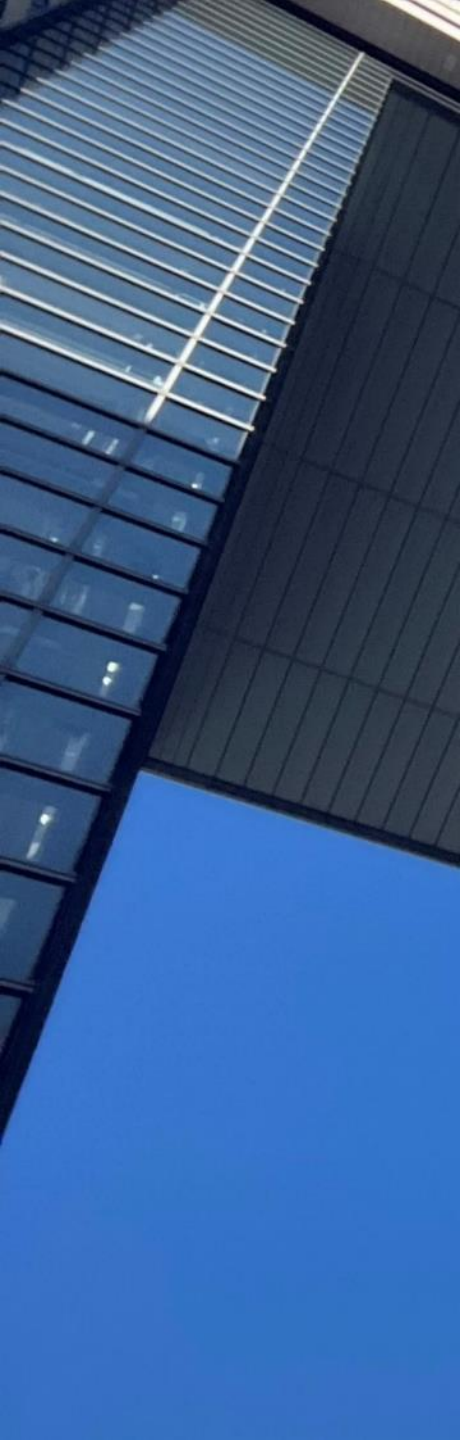


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Cash Flows

(Million Yen)	FY' 24/3 Q2	FY' 25/3 Q2	Key points	
Operating activities	392	(72)	Net income before income taxes	913
			Depreciation	71
			Increase (decrease) in provision for bonuses	(78)
			Decrease (increase) in trade receivables	(446)
			Increase (decrease) in accounts payable - other	(215)
Investing activities	(34)	(103)	Payments of leasehold and guarantee deposits	(72)
Financing activities	(187)	(404)	Dividends paid	(223)
			Purchase of treasury shares	(178)
Cash and cash equivalents at end of period	3,562	3,180		

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03 FY’25/3 Full-year Operating Forecast

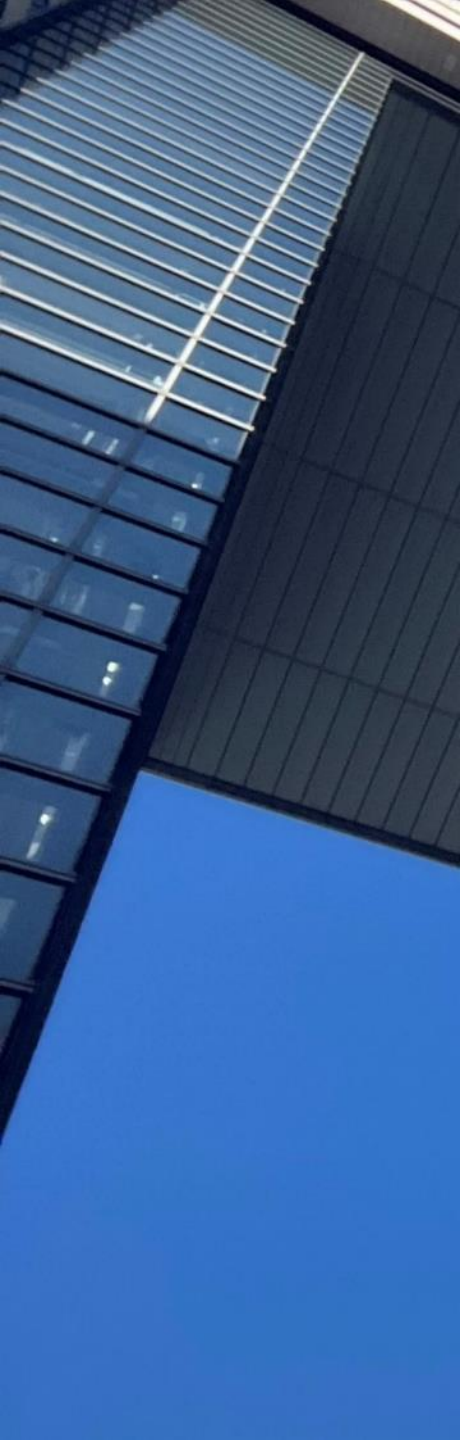
Upward Revision of FY'25/3 Full-year Forecasts

Upward revision of full-year forecasts / Achieve consecutive record-high sales and profits

- Net Sales: Further expansion is expected in the energy, public works, and services (payment and credit card) sectors.
- Profits : Absorb cost increase due to strategic investments (relocation of Kyushu branch, etc.)
  Strengthen consultant training, agile development skills, and marketing for commercialization of AI services

(Million Yen)	FY'24/3 Results	Initial Forecast (Released in May 2024)	Previous Forecast (Released in Aug. 2024)	Revised Forecast (Released in Aug. 2024)	Increase /decrease	Ratio of change %
Net sales	14,078	14,500	15,000	15,300	300	2.0
Operating income	1,437	1,500	1,630	1,700	70	4.3
Operating income margin (%)	10.2	10.3	10.9	11.1	0.2P	
Ordinary income	1,485	1,540	1,675	1,745	70	4.2
Ordinary income margin (%)	10.5	10.6	11.2	11.4	0.2P	
Net income attributable to owners of parent	979	1,010	1,090	1,130	40	3.7
Net income margin (%)	7.0	7.0	7.3	7.4	0.1P	

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04 Shareholders Return

- FY’25/3 Dividend Forecast
- Trends in Dividends per Share
- Shareholder Benefit

(Re-post) FY’25/3 Dividend Forecast

Revision of Dividend Policy to strengthen shareholder returns / **Increase dividend for 15 consecutive terms**

New Dividend Policy

Progressive & consecutive dividend increases
(dividend increases of 1 yen or more)

Dividend payout ratio
of 40% or more

Twice a year
(Interim and year-end)

High Dividend Growth

Annual **50** yen

(Interim：25yen / Year-end：25yen)

YoY ＋**7** yen

Dividend payout ratio **41.0**%

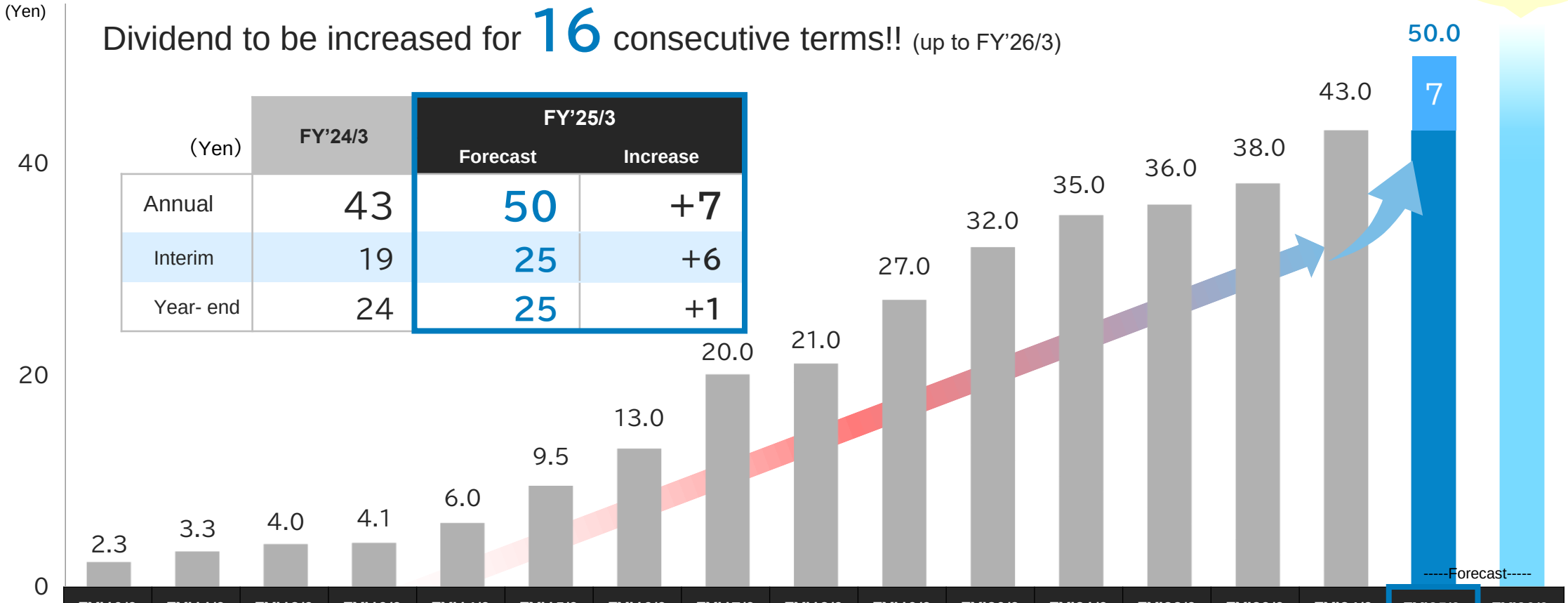
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(Re-post) Trends in Dividends per Share

50th Anniversary

Dividend to be increased for 16 consecutive terms!! (up to FY'26/3)

(Yen)	FY'24/3	FY'25/3 Forecast	FY'25/3 Increase
Annual	43	50	+7
Interim	19	25	+6
Year- end	24	25	+1



	FY'10/3	FY'11/3	FY'12/3	FY'13/3	FY'14/3	FY'15/3	FY'16/3	FY'17/3	FY'18/3	FY'19/3	FY'20/3	FY'21/3	FY'22/3	FY'23/3	FY'24/3	FY'25/3	FY'26/3
Net income per share(yen)	3.12	10.81	8.82	13.60	19.90	26.35	32.51	59.18	61.31	75.90	89.98	97.31	84.61	90.41	105.09	121.97	
Dividend per share(yen)*1	2.3	3.3	4.0	4.1	6.0	9.5	13.0	20.0	21.0	27.0	32.0	35.0	36.0	38.0	43.0	50.0	
Dividend payout ratio	1.6%	5.5%	4.4%	6.3%	8.8%	10.4%	11.5%	18.8%	17.2%	18.9%	19.8%	17.2%	14.2%	13.6%	14.3%	Increase from FY'24/3	
ROE	74.7%	30.9%	45.4%	30.7%	30.2%	36.1%	40.0%	33.8%	34.3%	35.6%	35.6%	36.0%	42.5%	42.0%	40.9%	41.0%	
DOE *2	1.2%	1.7%	2.0%	1.9%	2.7%	3.8%	4.6%	6.4%	5.9%	6.7%	7.0%	6.2%	6.0%	5.7%	5.8%	Increase from FY'24/3	

*1 Net income per share and dividends per share for FY'10/3 to FY'17/3 are shown after taking into account stock splits (2-for-1 stock split on October 1, 2016 and 3-for-1 stock split on January 1, 2014).
*2 DOE (Dividend on equity ratio) = Dividend payout ratio * ROE

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Shareholder Benefit

We offer a shareholder benefit twice a year for shareholders who hold our shares at the end of March and August

Details of shareholder benefits per semiannual period

200 - 4,000 shares

・QUO Card with Green Fundraising

- Timing of the benefits: Dec. / Jun.

200 - 1,000 shares	500 yen
1,000 - 2,000 shares	1,000 yen
2,000 - 4,000 shares	1,500 yen



Benefit for long-term holding

One additional QUO card (worth 500 yen)
presented semiannually to shareholders
who have held our shares more than one year.

* Shareholders who hold 200 - 4,000 shares are eligible.

More than 4,000 shares

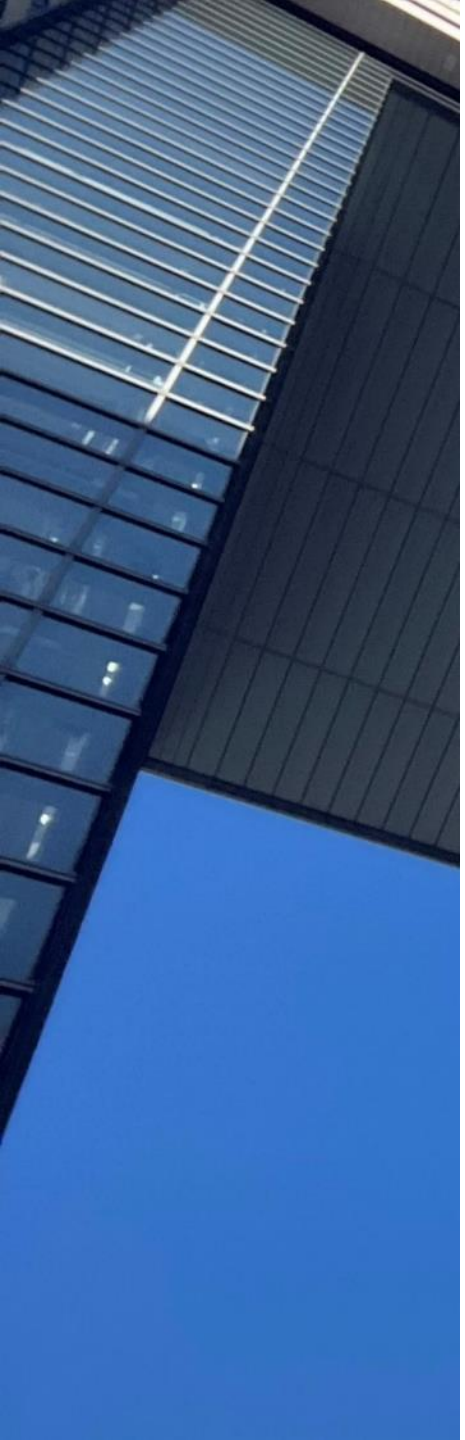
・Original catalog gift (worth 3,000 yen)

- QUO Card / Kishu Ume, Mikan juice, Mikan jelly, Rice etc.,
- Timing of the benefits: May / Nov.



(Note) Product image for illustration purposes only. Actual product may vary.

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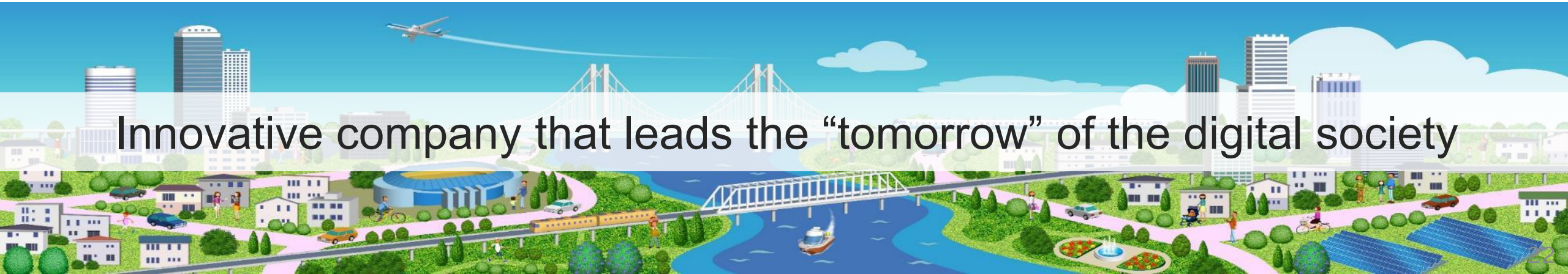


05 Progress of Medium-term Management Plan

- Points of Medium-term Management Plan
- Framework for the Medium-term Business Strategy
- Growth Points in FY’25/3
  1. Shift to Growth Business
  2. Strengthen Base Load Business
  3. Business Model Transformation
  4. Expand Global Development
  5. Toward Sustainable Growth

(Re-post) Points of Medium-term Management Plan

Theme/ Course of action	Targets / Measures
Performance Targets **- To keep breaking a record**	**FY'26/3** Net sales **15** billion yen Operating income **1.5** billion yen or higher Operating income margin **10** % or higher Expected to be achieved in FY'25/3
Shareholders Return **- Continuous dividend increase!** **- To raise dividend payout ratio!**	Dividends increase **16** consecutive terms Dividends payout ratio **40** % or higher
Business Strategy **- Contributing to sustainability (ESG/SDGs)**	**Growing business 1 : Next-generation Energy** **Growing business 2 : Smart infrastructure / Life** **Base road : Enterprise DX / Modernization**
Corporate Strategy **- Enhancement of corporate value and shareholder value**	**- Investment, human capital, global, R&D, sustainability** **- Formulation and implementation of measures to realize management that considers the cost of capital and stock price**



Innovative company that leads the "tomorrow" of the digital society

(Re-post) Framework for the Medium-term Business Strategy

(Evolution and Expansion of Business Areas, and Expansion and Enhancement of DX Solutions)

Information that will be utilized in the future
(Alternative Data)

- Space and satellite data, weather information
- Traffic and human flow data
- Equipment operation data (IoT data), etc.

Green growth strategy



SUSTAINABLE DEVELOPMENT GOALS



Digital growth strategy

Market growth potential/needs

Growing businesses (1)

[Next-generation Energy]

Contributing to a new value chain, stable supply, and resilient society through next-generation digital energy systems

AI, Data Analysis, GIS, Edge computing, IoT, Digital twin

Growing businesses (2)

[Smart Infrastructure / Life]

Digitization of the city (urban OS)
Connecting and expanding lifestyles with digital data
Contribution to communication

Edge computing, GIS, Data Analysis, AI, Business intelligence, Digital twin

Conventional information
(Traditional data)

- Financial data
- Stock data
- Statistical data (national and municipal)
- News reports, corporate disclosure, etc.

Security, Data Protection

Base load

[Enterprise DX/Modernization]

Contribution to corporate operational efficiency and business transformation

Edge computing, IoT, GIS, Business intelligence, Digital twin

Existing domains and technologies
(Social Infrastructure Business/Advanced Industry Business)

Business profitability

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Growth Points in FY’25/3

1. Shift to Growth Business	- Next-generation energy（microgrid, VPP, etc.） - Smart infrastructure/smart life（mobility, resilience, energy）
2. Strengthen Base Load Business	- Expand digital transformation/modernization business - Area strategy（Nagoya, Fukuoka） - Initiatives to strengthen profitability
3. Business Model Transformation	- Expand solution business (GIS: geographic information system and other new solution） - Shift to upstream process (consulting) projects - Expand business through alliances
4. Expand Global Development	- Offshore development（1,000 IT personnel at the Da Nang Development Center） - Development of advanced IT personnel
5. Toward Sustainable Growth	- Initiatives for human capital - AI (artificial Intelligence) initiatives - Sustainability

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(Re-post) 1. Shift to Growth Business "Next-generation Energy"

Challenges in new core businesses

NEW

For consumers: Challenge to new business, co-creation with new players

Micro Grid / Energy Management



Smart city



Mall



Data center



Factory

POINT

Alliance / Consulting

Analysis & Management

Major Energy Companies

Next generation of the existing energy infrastructure

POINT

Next-generation support for wide-area grids

(facilities, inter-regional power sharing, renewable energy management, etc.)

Generation → Transmission and Distribution → Retail → Use

POINT

Data utilization & new services

(SmartMeters, etc.)

The Energy Value Chain

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1. Shift to Growth Business "Next-generation Energy": Energy Management System for Major Consumers

Proposals for "energy saving" and "optimization" for energy utilization

Energy Management System
Visualization and analysis of energy data, equipment control

×

Ad-Sol Nissin's
Technical Capabilities / Business know-how



- Electric power consumption (by area, facility, day of the week, etc.)
- Renewable energy supply
- CO_2 emissions
- Electric power quality



Examples of Utilization Benefits

Reduction of Electricity Costs	Realization of Decarbonization	Stable Electricity Supply	Resilience Enhancement	Reduction of Production Costs
Efficiency of energy usage, e.g., per facility or hourly	Optimal use of renewable energy	Use of storage batteries during peak electric power demand, etc.	Priority of electric power supply to critical facilities in the event of a disaster	Economic benefits from the stabilization of electric power quality

Target Area
Major Consumers


Data center


Factory


Mall


Smart building


Hospital

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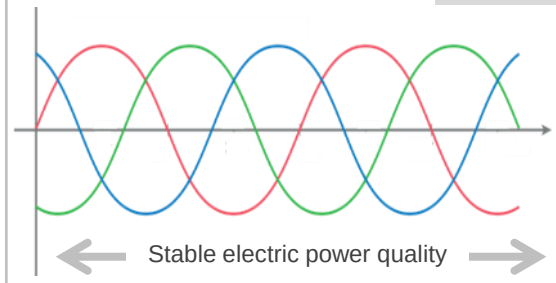
1. Shift to Growth Business "Next-generation Energy": Energy Management System Case Study

Introduced Energy Management System for the manufacturing industry to contribute to digital transformation and green transformation

Stable Electricity Supply / Reduction of Production Costs

Precision instrument manufacturing plant (global company)

Background



Electric power quality (stability) is important for manufacturing processes.

Unstable electric power leads to:
- Damage to manufacturing equipment
- Increase of product rejection rates in precision processes

Ad-Sol's coverage area	Introduced a system to monitor consumption and quality of electric power accurately and in real time.
Goal	Performance improvement through stabilization of electric power quality - Reduction of product defect rate - Equipment maintenance and long-term use

Stable Electricity Supply / Reduction of Production Costs

Major manufacturers



Ad-Sol's coverage area	Built a platform to collect, integrate, and visualize the factory data, including electric power consumption
Goal	Through data analyzation - Cost reduction (product loss reduction / electric power consumption optimization) - Productivity improvement (work efficiency)

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1. Shift to Growth Business: Co-creation with Schneider Electric

Synergy between Schneider's solutions, which are recognized around the world, and Ad-Sol's technology

Schneider Electric

- Global major player in Energy & Automation
- No.1 in "World's Most Sustainable Companies"
  (TIME/Statista World's Most Sustainable Companies 2024)

Co-creation businesses	Results through FY'25/3 Q2	Outlook
Microgrid / VPP / Energy Management Consulting for Energy Companies (Global case study) CO2 reduction and energy-saving measures for buildings and data centers 	- Energy Monitoring System Jointly received more than 10 orders (International data center providers, manufacturing companies, energy companies, etc.) - Over 20 joint proposals underway	Strengthening proposal activities for new data centers Expanding the scope of our services to include "control" in addition to energy "monitoring"
Industry DX Proposal of DX and IoT solutions for manufacturers 	- Jointly received +4 orders (Major manufacturers / Manufacturing industry) - Expanded of the business area of Schneider's IoT solution EcoStruxure	- Accelerating co-creation proposals for IoT Integration Platforms utilizing EcoStruxure - Linking IoT integration platform with Ad-Sol's original solutions (GIS: geographic information system, IoT spatial information)

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(Re-post) 1. Shift to Growth Business: Smart Infrastructure / Life

Concentrating on three themes that support smart city infrastructure

Overall theme of "Smart City" (created by Ad-Sol Nissin) and the themes we are focusing on

Education

Medical / Nursing

Regional Revitalization

Financial

Theme 01 **Smart Resilience**

- City Planning / Facilities
- Resilience
- Administration
- Security

Theme 02 **Smart Mobility**

- Logistics
- Mobility
- Telecommunication

Theme 03 **Smart Energy**

- Environment / Energy

Next-generation Energy

Technology

- Geographic information system
- Space /satellite data
- AI
- IoT

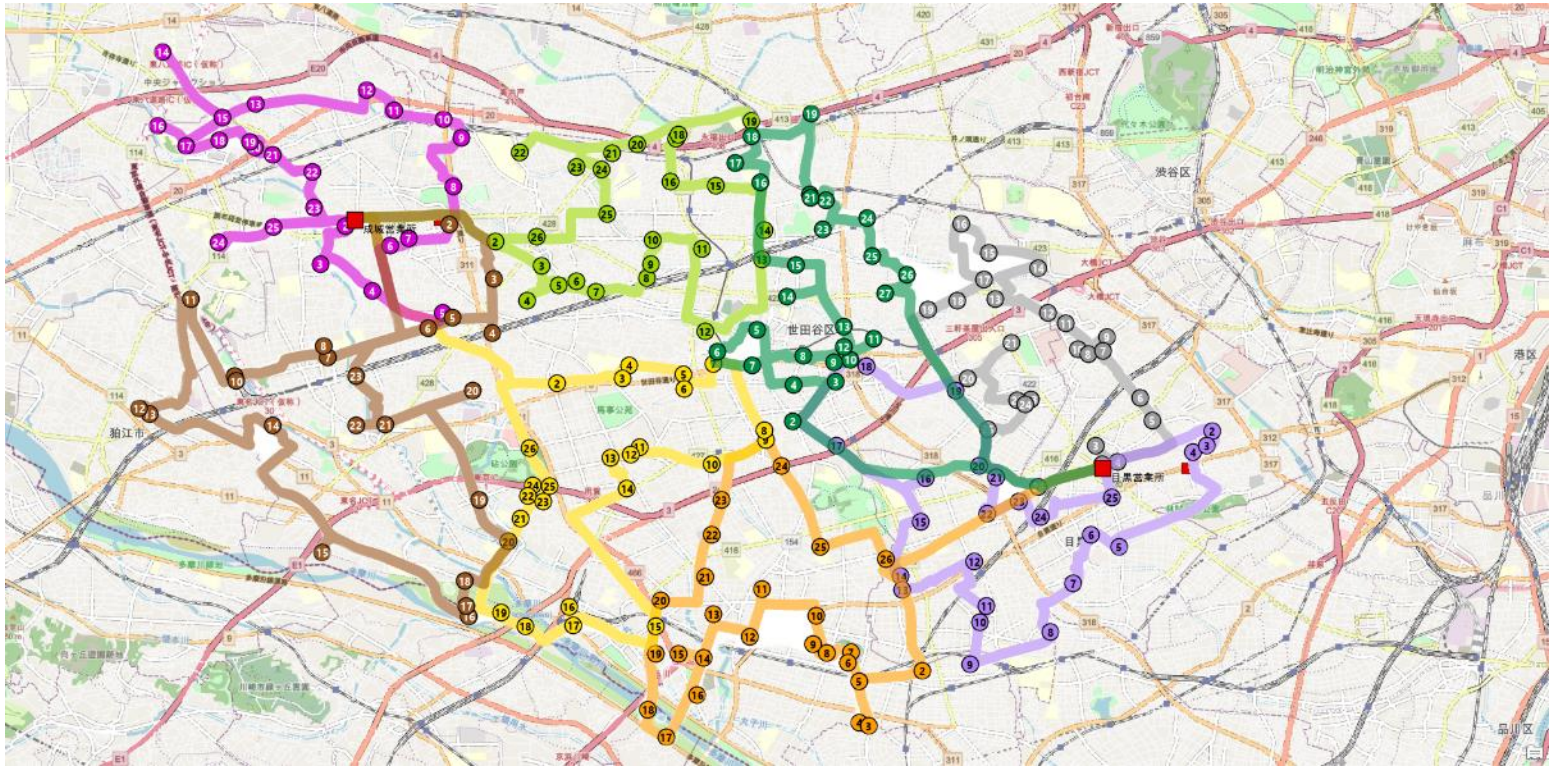


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(Re-post) 1. Shift to Growth Business: Smart Mobility Case Study

Optimization of logistics delivery routes using geographic information systems

Image is for reference only.



Geographic information systems & vehicle routing problems*

The most efficient delivery route for each region is displayed by number, according to distance and time.

Logistics digital transformation by utilizing in-house data

- Optimization of delivery routes
- Standardization of delivery operations

Introduced company

Hakuyosha Co., Ltd.

白洋舎 CLEAN LIVING

* Vehicle Routing Problem (VRP): The problem of finding a route that satisfies the needs and minimizes the costs of multiple vehicles as they travel from the starting point to multiple points until they reach the end point. In other words, it refers to a solution that supports the optimization of delivery routes to multiple destinations by multiple vehicles.

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2. Strengthen Base Load Business: Release of a New Service Specializing in Data Management

Extensive experience and know-how in data management support is now available as a service menu

NEW

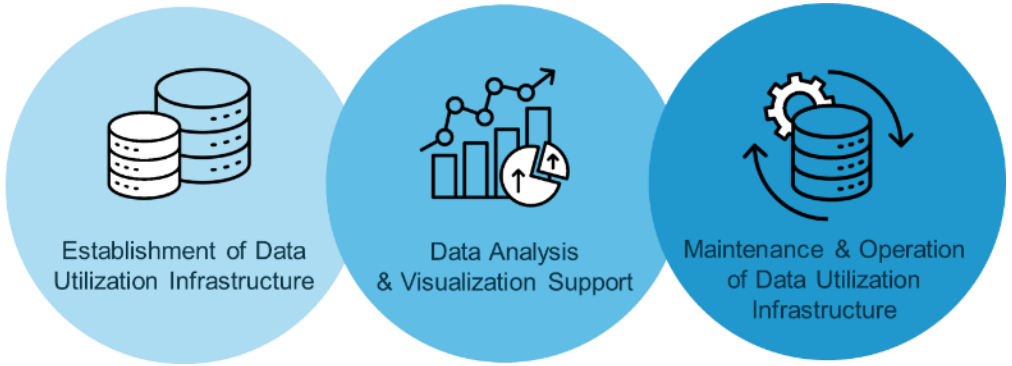
Data Management Service

D×DLeap

Launched in Oct. 2024

Data-driven support of the acceleration and advancement of business transformation

Three service menus to solve data management issues



Total support by a specialized team with a wide range of experience and achievements

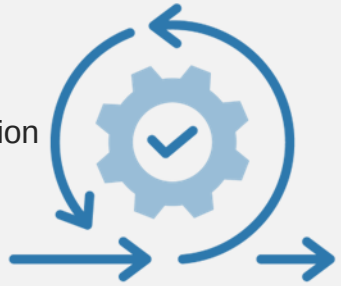
Optimal approach to meet the client's challenges and goals to achieve business transformation through data utilization

Agile Development Specialized Services

Launched in July 2024

AgileLeap

Contribute to business transformation and speedy value proposition through digital transformation



SI Engineering Services Specializing in Cloud Migration

Launched in July 2024

CloudLeap

Solve modernization challenges and build sustainable and efficient IT systems in the cloud



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2. Strengthen Base Load Business: Participated in the Development of "Smart Meter API" for Tokyo Gas Network

Contributing to the creation of a new business that utilizes data from 12 million smart meters

TOKYO GAS NETWORK  Ad-Sol Nissin

Background

Developing new services that would be drivers of new revenues

- Took over the gas pipeline business from Tokyo Gas in April 2022 and started operations
- Decided to establish "API[*1]" as a new service to promote the utilization of smart meter data

Challenges

Waterfall-type development was less applicable

- Rather than building through scratch development, we want to consider cloud services and utilize them as well.
- Since this is a new service, it is better to have a process where we slowly complete it through trial and error, rather than developing it only after deciding on the final form.

Our Approach

Agile & Vietnam offshore development

- Key Points -

(1) Participation in the development of various systems for the Tokyo Gas Group

(2) Development methodologies that incorporate the advantages of agile development
(Knowledge through Enterprise Agile Study Group[*2], etc.)

(3) Utilization of offshore development in Vietnam
TechZen, an affiliate company established by our alumni with strengths in agile development

A mixed scrum team consisting of
Tokyo Gas Network, TechZen, and Ad-Sol Nissin

Outcome

Launch of service in May 2024

- Launched on schedule as originally planned
- Built infrastructure on cloud services verified through PoC during development
- Responded to user requests agilely even after launch

*1 API (Application Programming Interface): Interfaces used to exchange information between different software and programs
*2 Enterprise Agile Study Group: Study group co-founded in 2015 with Kobelco Systems and OGIS-RI (https://easg.smartcore.jp/)

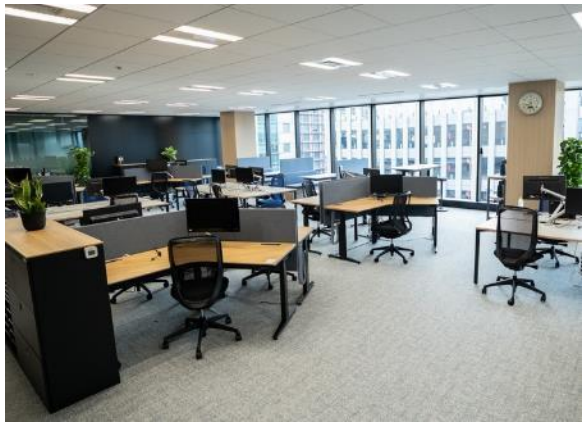
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2. Strengthen Base Load Business: Area Strategy (Relocation and Renewal of the Kyushu Branch)

Aiming to further expand business in the Kyushu area, where ICT investment demand is expected to grow









A place of co-creation and innovation where many people gather

Our New Kyushu Branch

Opening Ceremony (October 2, 2024)







Kyushu Branch	
Location	2-5-7 Hakata-Ekimae, Hakata-ku, Fukuoka
Closest Station	Three-minute walk from Hakata station
Relocation Date	October 7, 2024

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2. Strengthen Base Load Business: Initiatives to Strengthen Profitability

Signed a business alliance agreement with SALTO in in September 2024

Ad-Sol Nissin × SALTO

- Shift to upstream process (consulting)
- Promote co-creation with partner companies that possess high-quality system development know-how

- One of our top partner companies
- Highly skilled engineers on staff



▲ September 30, 2024 Business Alliance Conclusion Ceremony
(From left to right: Mr. Shinozaki, President & COO of Ad-Sol ; Mr. Matsuyama, President of SALTO ; Mr. Ueda, Chairman of Ad-Sol)

Accelerate business shift to upstream processes (consulting)

Strengthen and expand system development capabilities for DX/GX

SALTO Co., Ltd.

Establishment: September 2015
President: Junki Matsuyama
Head Office: Shinjuku Tokyo
Office: Tokyo, Osaka, Fukuoka, Viet Nam
Number of employees: 222 (as of Oct. 2024)

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3. Business Model Transformation: Expand Solution Business

Strengthening proposal and co-creation activities centered on the Digital Innovation Lab and GIS Technical Center

● Number of visitors to the Digital Innovation Lab and GIS Technical Center (cumulative)



Outcome

Receiving Orders	・Energy	4 projects
	・Manufacturing	1 project
Proposal in progress	・Energy	2 projects
	・Construction	2 projects

Next Initiatives

■ Expansion of Seminar Lineup
- Mapbox* certified advanced hands-on seminar

■ Enhancement of Solution Exhibits
- Exhibit of co-creation solutions through alliances
- Exhibit our solutions at other companies' showrooms

* Mapbox: A unicorn company from Washington that provides a digital map development platform called Mapbox. We have a partnership agreement with Mapbox Japan G.K. in 2022.

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3. Business Model Transformation: Shift to Projects for the Upstream Process (Consulting)

Consulting company specializing in social infrastructure, armed with technical capabilities and business know-how

● ICT system life cycle and Ad-Sol Nissin's business areas

ICT system life cycle	Consulting	Analysis / Design	Implementation	Test	Maintenance
	Clarify background, issues, etc., and present solutions	Summarize and design necessary functions	Programming	Test and modify the system to ensure that it works as designed, and deliver the product	Daily operation management, maintenance, etc.
Areas covered by each company	Major SI / Consulting Firm			Medium-sized SI	
	Ad-Sol Nissin's business areas				

Consultant training initiatives

From July 2024

Consultant training began in earnest

The first 50 applicants are participating in face-to-face training and on-the-job training.
Plans to start "Advanced Courses" from January 2025.



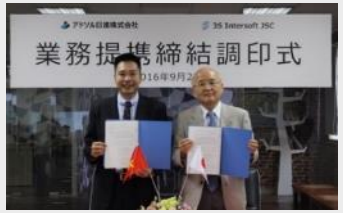


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4. Expand Global Development: Initiatives in Vietnam, a Powerhouse of IT Talent

2010 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024

2016.9 Hanoi
Alliance with 3S Intersoft



2016.9 Da Nang
Alliance with UNITECH



2018.8 Da Nang
Opened Da Nang Development Center



2023.7 Da Nang
Alliance with Techzen



2023.9 Da Nang
Industry-academia collaboration with University of Da Nang



2023.9 Da Nang
Opened IT Training Center in University pf Da Nang



2024.6 Da Nang
Renewal of Da Nang Development Center



Offshore development system

Agile software development

Aiming to build a network of

1,000 IT personnel

at the Da Nang Development Center

Industry-academia collaboration

Integration of metaverse & educational solution

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4. Expand Global Development: Initiatives at the Da Nang Development Center

Measures for developing of advanced IT personnel and reinforcement of offshore development system

Development of Advanced IT Personnel

In collaboration with GKI, we enhance our lineup of content and programs, and we fully launch our education and training services.

1 Plans to provide education and training services for Japanese companies (in Japan and Vietnam) NEW!

2 Launched Techzen Academy for students in Vietnam. NEW!

Free Course : Programming / Agile Development

Selection Course : Paid interns are selected from those with excellent performance in the free course. Those who pass the final exam will join TechZen.

Initial Results in July 2024

- Number of applicants for the free course : 500
- Number of selected applicants for paid internship : 22
- Number of people hired by Techzen : 12

Ad-Sol Nissin
Knowledge on advanced IT human resource development

GKI
Extensive experience and knowledge in educational training content

TECHZEN
Agile development technology and know-how

GKI Co,. Ltd.

Establishment: November 2014
President: Taiichiro Sumi
Number of employees: 18 (as of Sep. 2024)

Reinforcement of offshore development system

Relocation and renewal of Da Nang Development Center
(June 2024)

Strengthening the development system centered on our affiliated company TechZen



▲ Da Nang Development Center

Techzen Co., Ltd.

Establishment: January 2022
President & CEO: Le Duy Linh
Number of employees: 61 (as of Sep. 2024)

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5. Toward Sustainable Growth: Initiatives for Human Capital

Increase in personnel by hiring of new graduates / Initiatives to develop consultants

● Hiring of New Graduates in April 2025

52 new graduates scheduled to join the company in April 2025 participated in a welcome ceremony





▲ October 1, 2024 Welcome Ceremony

List of universities attended by candidates who are to join the company

[National] Iwate, Saitama, Tokyo University of Agriculture and Technology, Yokohama National, Shizuoka, Nagoya, Shiga, Kyoto, Nara Women's University, Wakayama, Shimane, Kagawa, Kyushu Institute of Technology, Saga, Oita, Kagoshima

[Public] Maebashi Institute of Technology, Tokyo Metropolitan, Niigata Prefecture, Osaka Metropolitan, Hyogo, Prefectural University of Kumamoto

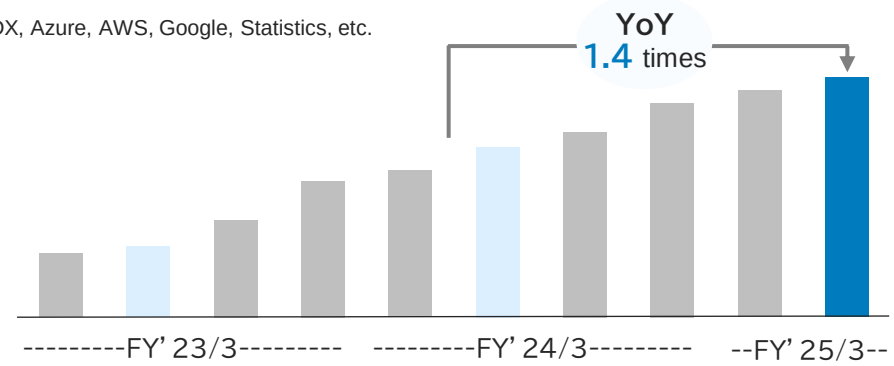
[Private] Kitasato, Keio, Shibaura Institute of Technology, Senshu, Chuo, Tokai, Tokyo Women's University, Tokyo University of Science, Meiji, Waseda, Doshisha, Kansai, Kwansei Gakuin

● DX skilled personnel development

Promote human resource development in AI, DX, and other cutting-edge IT technologies to continue to meet the diverse needs of our clients.

＜ Number of employees acquiring digital-related certifications (cumulative total) ＞

Theme: DX, Azure, AWS, Google, Statistics, etc.



● Compensation Revisions

Implemented compensation revisions for all employees to improve employee engagement

Outline

- All employees: Total 11% (for two consecutive years)
- Starting salary: Increased (260,000 yen)

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5. Toward Sustainable Growth: AI Initiatives - Artificial Intelligence -

Strengthening AI technology and business development, centered on the AI Research Institute

● Industry-academia collaboration

Graduate School of Engineering, The University of Tokyo

Joint Research on **Space/Satellite Data x AI**

- This year's course of "Practical Space Data Application," which we collaborated was started in October 2024.
- Lecture content improved through "PBL: Project Based Learning,"* which encourages participants to think creatively and work on their own initiative, and by providing know-how on utilizing generative AI.



* Project Based Learning： A learning theory that cultivates problem-solving and practical skills through a process of repeated hypothesis, investigation, and verification, in which participants identify issues on their own.

● Generative AI Initiatives

Promote **company-wide generative AI project**

Released in-house generated AI service AdsolChat 3.0

Improved usability by providing prompts/templates, improved operability and visibility

In addition to improving productivity by increasing operational efficiency, promote initiatives to develop services

AdsolChat

● R&D

Published **Ad-Sol Technical Report**

Special dialogue between two members of Ad-Sol Nissin AI Research Institute who participated in AIST's AI quality project

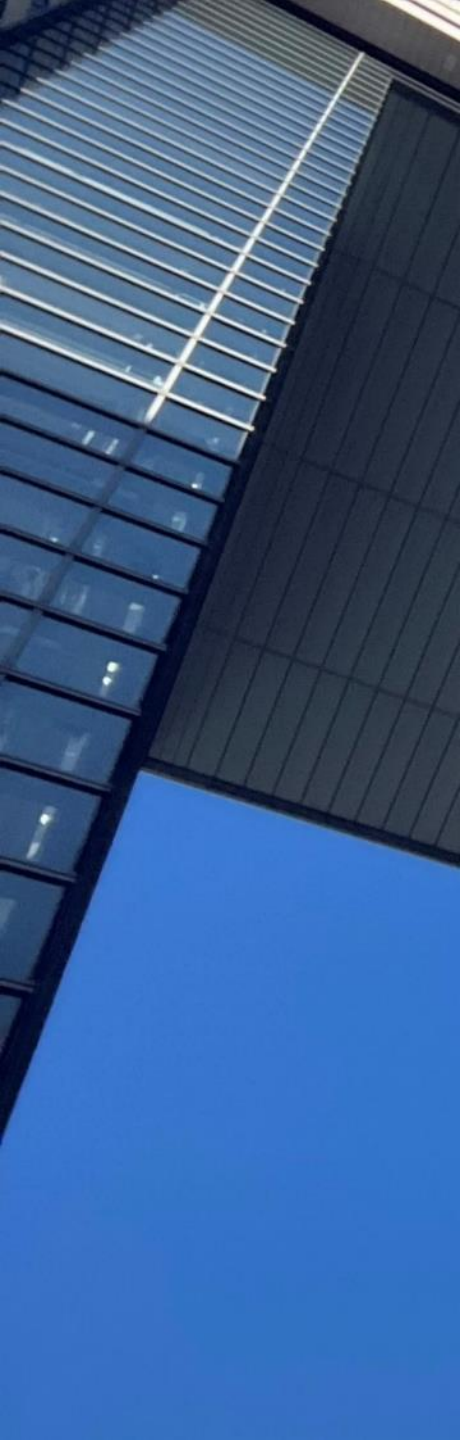
Is it safe to leave that job to AI?
How to make AI a reliable partner
(Japanese Only)

https://adniss.jp/news/2024/10/technicalreport.html



▲ Mr. Iwase from the AI Research Institute received the AIST President Award for the AI Quality Project as an AIST researcher.

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Appendix

Company Profile

Company Profile

Corporate Name	Ad-Sol Nissin Corporation
Head Office	Rivarge Shinagawa 4-1-8 Konan Minato-ku, Tokyo 108-0075
Branch	Osaka, Fukuoka, Nagoya, Sendai, San Jose(USA)
Establishment	March 13, 1976
Representative	Tomizo Ueda, Chairman and CEO Toshiaki Shinozaki, President and COO
Number of employees	Consolidated : 645 (as of April 1, 2024)
Sales	14.07 billion yen (FY'24/3)
Listing Market	Tokyo Stock Exchange Prime Market Stock code: 3837
Shares outstanding	9,394,965 shares (As of September 30, 2024)
Affiliated Company	Domestic Ad-Sol Asia Corporation. (Offshore development base: Vietnam) USA Adsol-Nissin San Jose R&D Center, Inc.

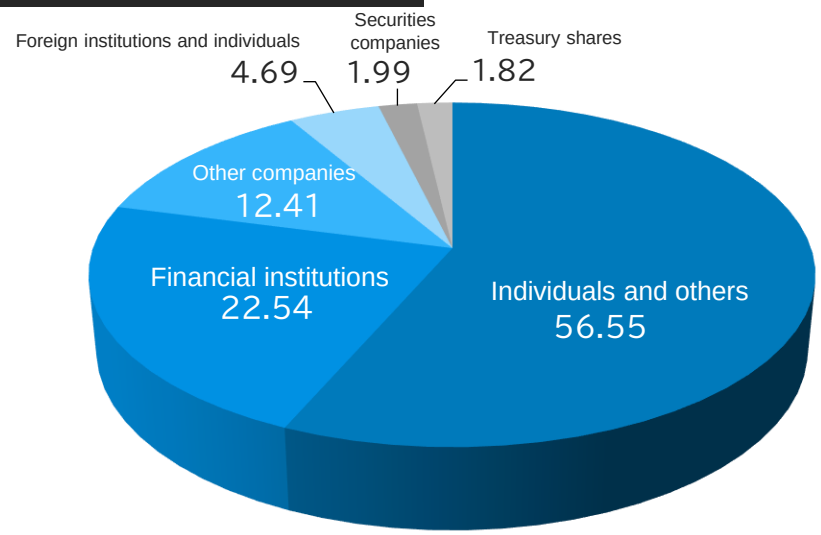
Our Mission

Corporate Philosophy

At Ad-Sol Nissin, by creating and providing high value-added services, we contribute to customer satisfaction and the development of a prosperous society.

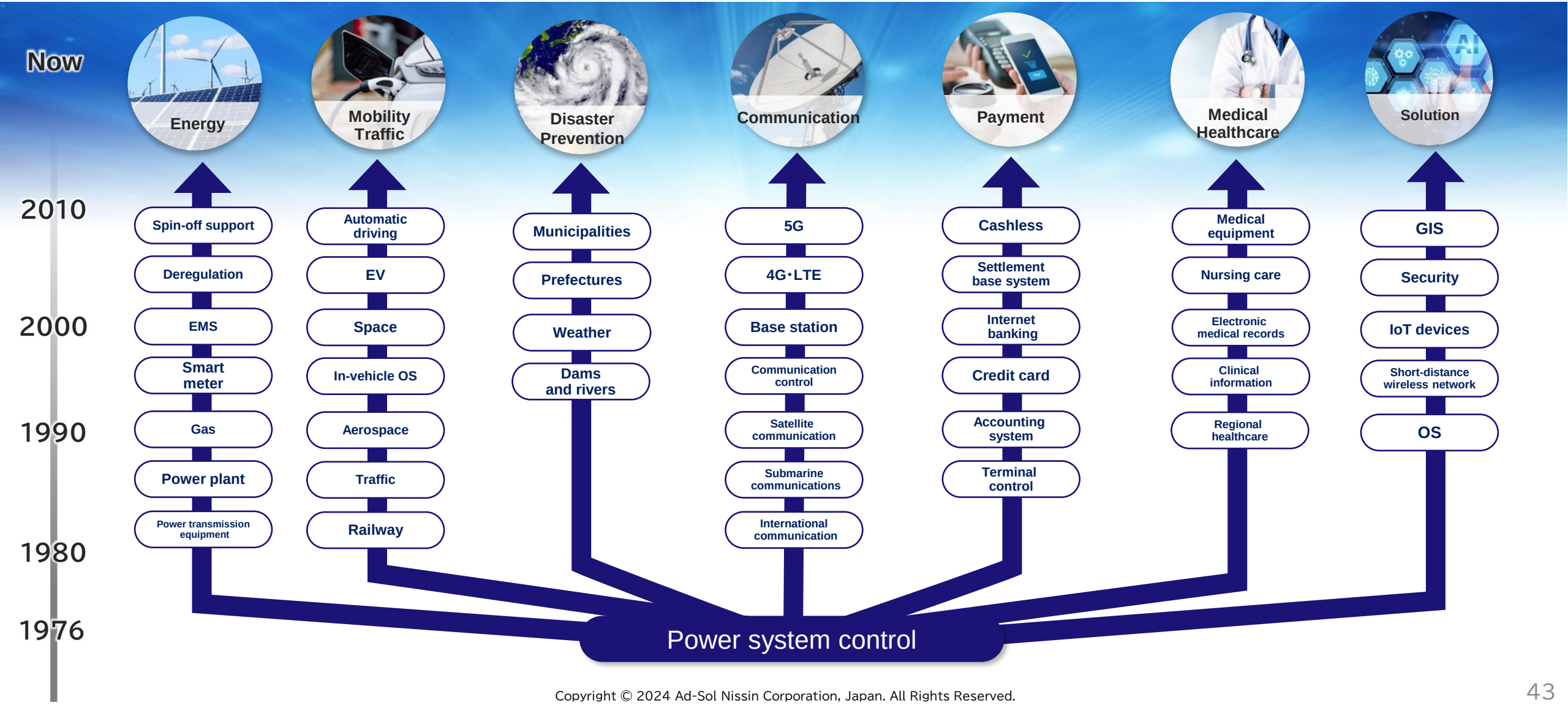
Shareholding ratio (%)

(As of September 30, 2024)



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Expansion and Evolution of Business Domains



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Global Expansion

Provide cutting-edge DX solutions by fully utilizing the global Ad-Sol network.



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R&D

Point 01

San Jose R&D Center



Promoting cutting-edge R&D in Silicon Valley

Our employees and U.S. engineers work together to promote the research and investigation of the latest technologies.

Global HQ for IoT Security

We focus on the research and development of cutting-edge IoT security solutions and on strengthening our technical capabilities. We are providing full deployment support to manufacturers and infrastructure companies in Japan.

Point 02

The AI Research Institute



Leading our DX business through AI technology

The AI Research Institute is focusing on research on advanced AI technology, the construction of AI systems, and the development of AI engineers in order to contribute to our clients' DX and business transformation.

Cutting-edge AI research activities

We are participating in an AI quality improvement project by the National Institute of Advanced Industrial Science and Technology. In addition, we have started joint research with the University of Tokyo related to the utilization of space/satellite data for the purpose of developing space IT personnel and space innovation. As part of this, we are fully supporting the university's new course in the AI/IoT field.

Point 03

Industry-academia collaboration



The creation of innovation and new key technologies

We contribute to the development of a prosperous society through industry-academia collaboration, joint research, and academic activities.

- The University of Tokyo
  (Space and satellite data utilization),
- Waseda University
  (EMS: energy management system),
- Keio University
  (GIS: geographic information system)
- Ritsumeikan University
  (IoT Security)

Point 04

Patents



Promoting patenting of proprietary technologies

In order to strengthen and expand our competitive advantage through the creation of new key technologies, we are actively working on intellectual property relating to our proprietary technologies, including new technologies acquired through research and development activities and our accumulated know-how.

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List of our Solution

GIS (geographic information system)	Combining "maps" and "data" to visualize information assets and accelerate Digital Transformation (DX). Contributing to business expansion and transformation with a wide range of service lineups through global alliances.
COCOYA	Store information mapping service
esri Partner Network Bronze	Advanced analysis and simulation used by governments, universities, research institutes, etc.
mapbox	Development platform for digital maps with excellent visualization
IoT spatial information	Manage the location and status of "people" and "goods" in real time. Providing "location data integration solution" that contribute to productivity improvement and business reform by visualizing the workplace.
uLocation (ユーロケーション)	On-site management of factories and warehouses through the use of digital data
uSIGMA (ユーシグマ)	Seamless visualization of indoor and outdoor location information
Security	From ICT system development to governance establishment. Total support for upgrading security that is indispensable for digital transformation and digitalization.
SECURITY	Security upgrading support services to realize "Safety and Security"

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