Securities code: 4012
Tokyo Stock Exchange Standard Market

Axis Co., Ltd.

Financial Results for FY12/24

February 20, 2025

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1

Financial Results for FY12/24

Financial Summary

Net sales

7,434 million yen
(+13.0% YoY)

Operating profit

790 million yen
(+21.1% YoY)

Operating profit margin

10.6%
(+0.7ppt. YoY)

Dividend (Increase Forecast)

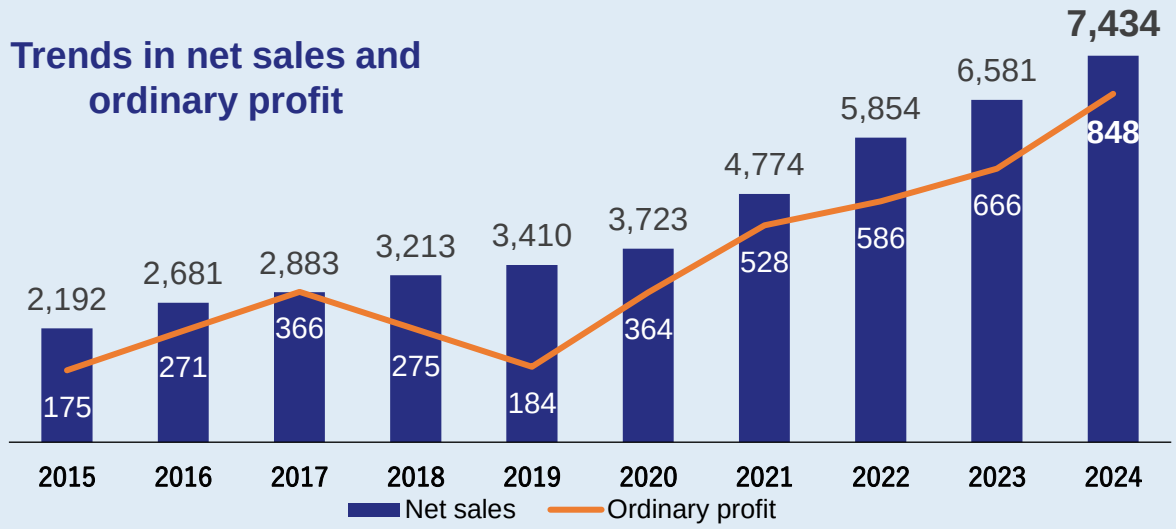
36 yen per share
(Dividend payout ratio: 25.4%)
Increase by 11 yen from the initial forecast

Key points

- Net sales increased by +13.0% YoY, and operating profit increased by +21.1%, showing a favorable performance. Continued YoY sales and profit growth since listing.
- Operating profit margin remained at a high level of 10.6%. +0.7ppt. YoY.
- The dividend payout ratio was raised by approximately 10% from the previous fiscal year, brought forward by one year from the medium-term management plan schedule, and increased to approximately 25%.

(Million yen)

Trends in net sales and ordinary profit



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Summary of the Profit-and-Loss Statement

Point 1

- **Achieved significant YoY increases in sales and profits by steadily capturing robust demand for IT, including DX-related products. Net sales and each profit achieved record highs.**

Point 2

- **Promoted a shift toward high-margin projects, resulting in a 21.1% YoY increase in operating profit.**

Point 3

- **Due to temporary factors such as dividend income from subsidiaries, the ordinary profit margin increased by 1.3ppt. YoY.**

(Million yen)

	FY12/23	FY12/24	YoY		FY12/24 Full-year forecasts	Vs. forecasts	
			Change	Pct. change		Change	Pct. change
Net sales	6,581	**7,434**	+853	**13.0%**	7,504	-69	-0.9%
Gross profit	1,624	**1,848**	+223	**13.7%**	1,944	-95	-4.9%
Operating Profit	652	**790**	+137	**21.1%**	752	+38	5.1%
Ordinary profit	666	**848**	+182	**27.3%**	765	+83	10.9%
Profit	462	**597**	+135	**29.3%**	526	+71	13.6%
Basic earnings per share (yen)	113.13	**141.84**	+28.72	**25.4%**	125.11	+16.73	13.4%
Gross profit margin	24.7%	**24.9%**		**+0.2p**	25.9%		-1.0p
Operating profit margin	9.9%	**10.6%**		**+0.7p**	10.0%		+0.6p
Ordinary profit margin	10.1%	**11.4%**		**+1.3p**	10.2%		+1.2p
ROE	**16.7%**	**18.2%**		**+1.5p**	16.6%		+1.6p

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Analysis of Factors Behind Changes in Operating Profit

Point 1

- Sales growth led to an effect of +552 million yen YoY.

Point 2

- The negative impact of -91 million yen from outsourcing costs due to an increase in the partner ratio.

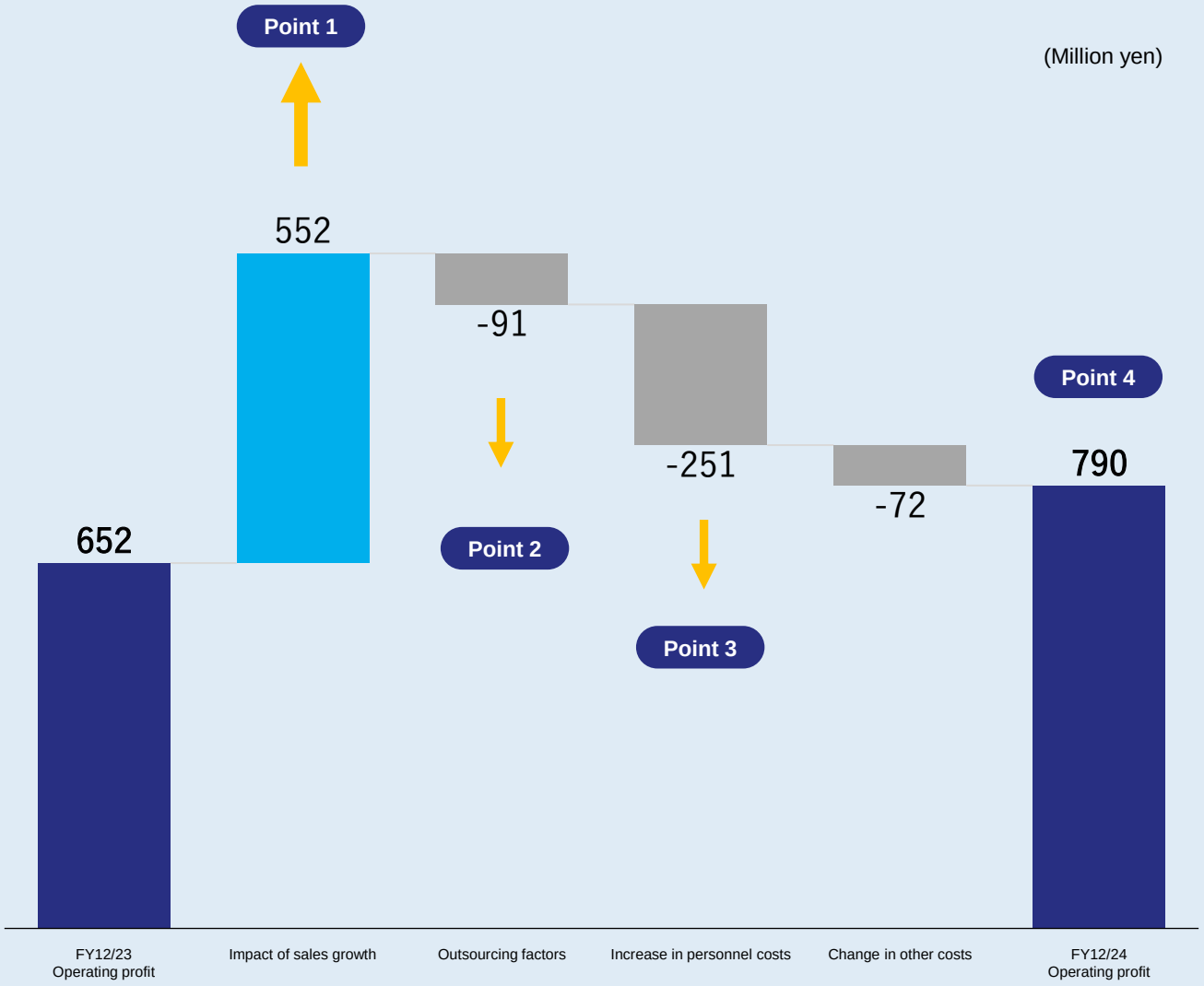
Point 3

- The negative impact of -251 million yen from personnel costs due to strengthening of the sales structure and an increase in engineers.

Point 4

- As the sales growth effect absorbed the cost increases, operating profit for FY12/24 increased by 138 million yen to 790 million yen.

Factors Behind Changes in Operating Profit
("-" indicates negative impact)



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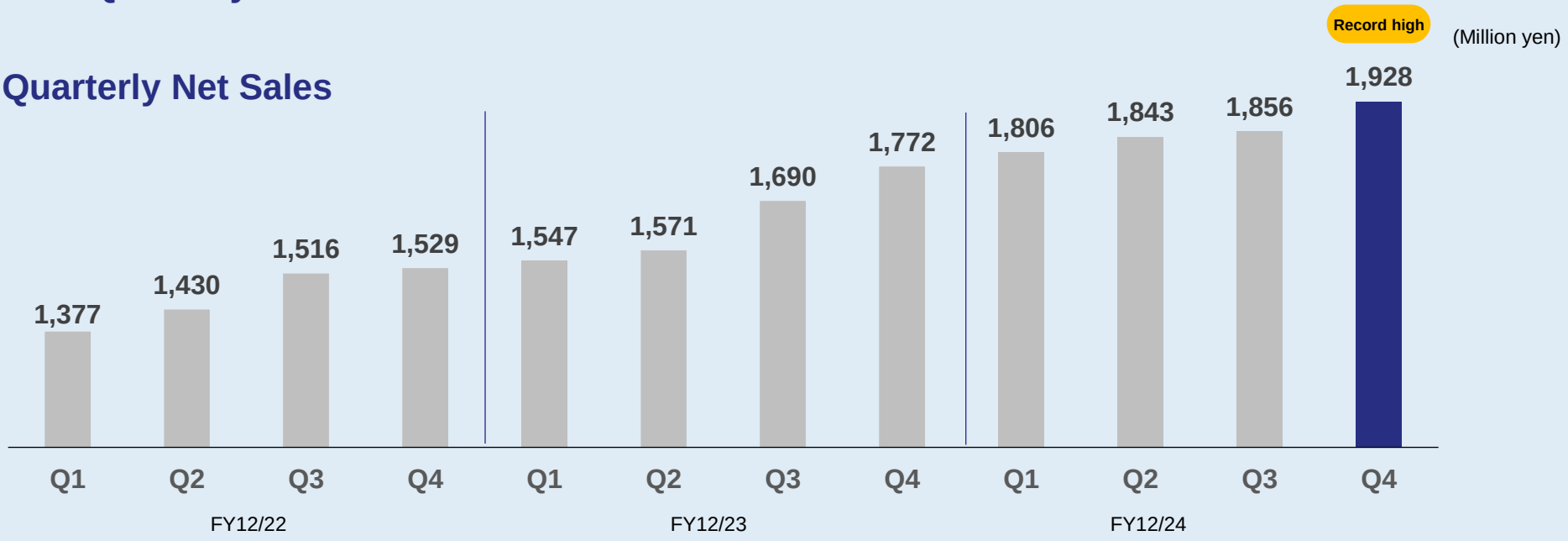
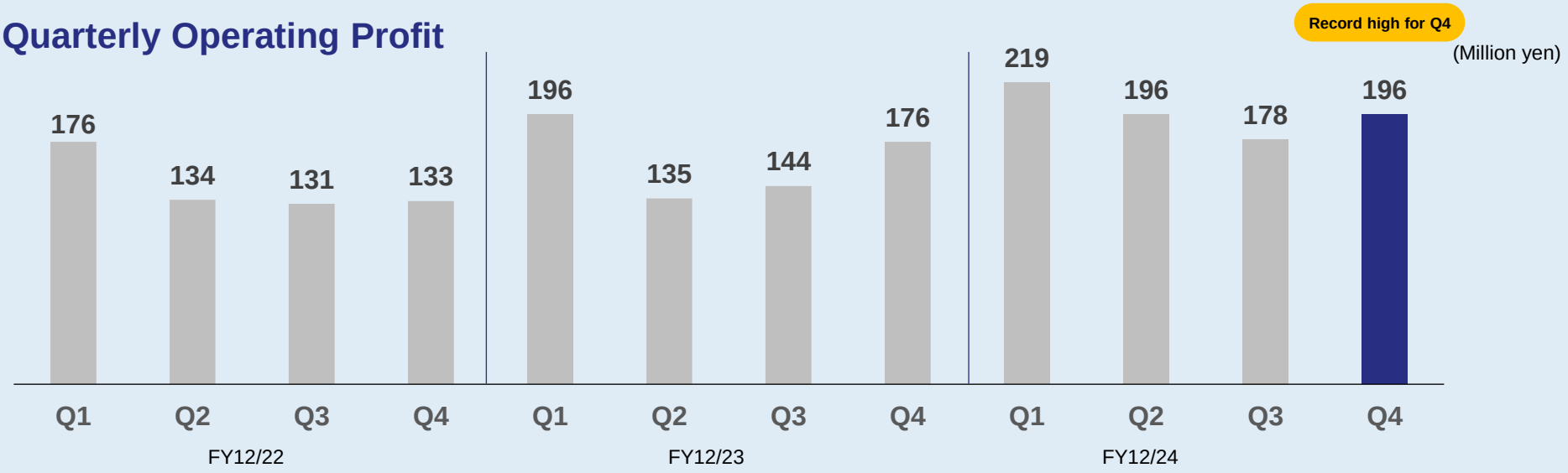
Trends in Quarterly Performance

Quarterly Net Sales



Quarterly Operating Profit



*Due to the impact of personnel expenses for hiring new graduates, there is a seasonality change in the operating profit between Q1 and Q2.

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Sales by Business:

System Integration Business

Point 1

- **Sales continued to perform well by steadily capturing strong demand for system investments, particularly from banks.**
- **In addition to sustained demand for large-scale projects throughout the fiscal year, sales increased by 12.8% YoY.**

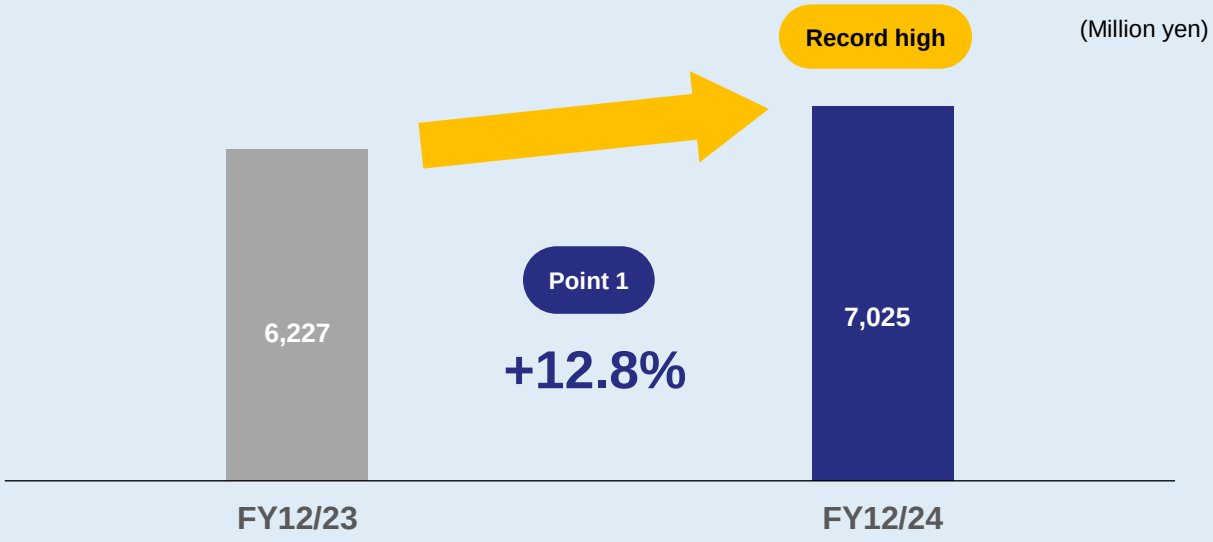
Point 2

- **The backlog of orders remained at a healthy level, although it slightly weakened in the second half due to the impact of large project acquisitions in the first half. However, the acquisition of new contracts and expansion of existing contracts continued to progress steadily.**

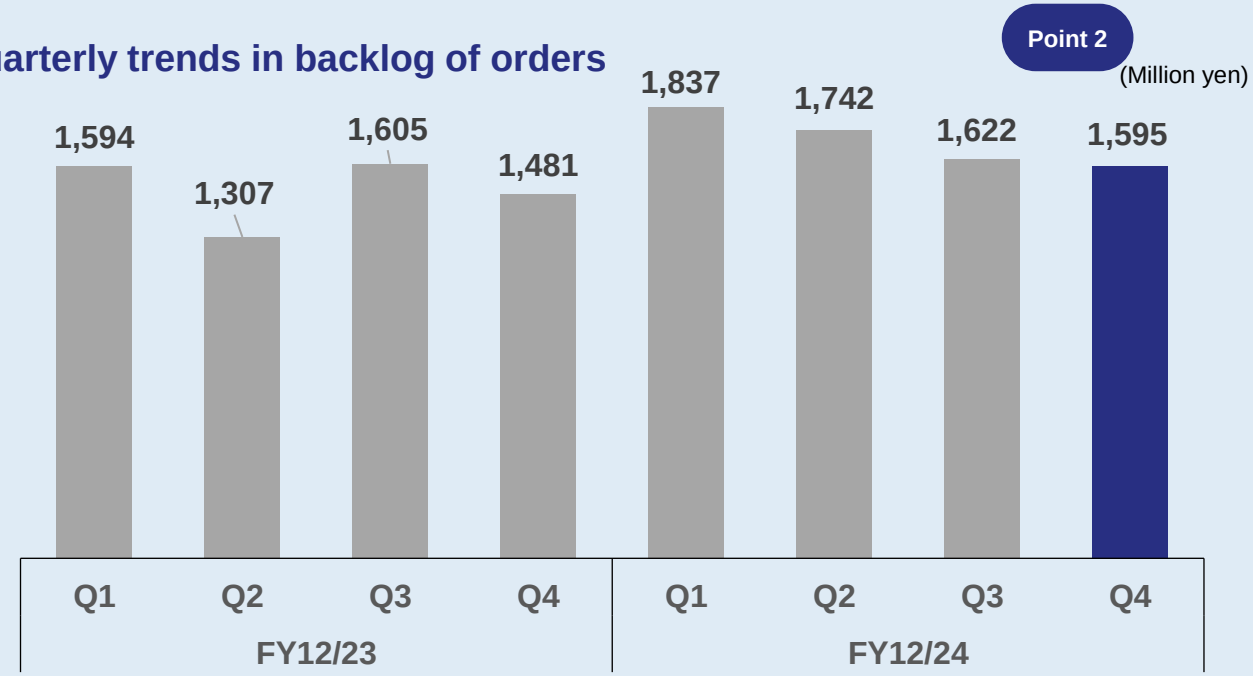
	2023	2024	Change	Pct. change
Number of projects	311	303	-8	-2.6%
Average project orders	20,023	23,185	+3,161	15.8%

*** The trend toward larger-scale projects led to an increase in average project orders.**

SI Business: Net Sales



Quarterly trends in backlog of orders



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Sales by Business:
System Integration Business

Point 1

- Sales per employee remained strong in line with sales growth, increasing by 5.1% YoY.

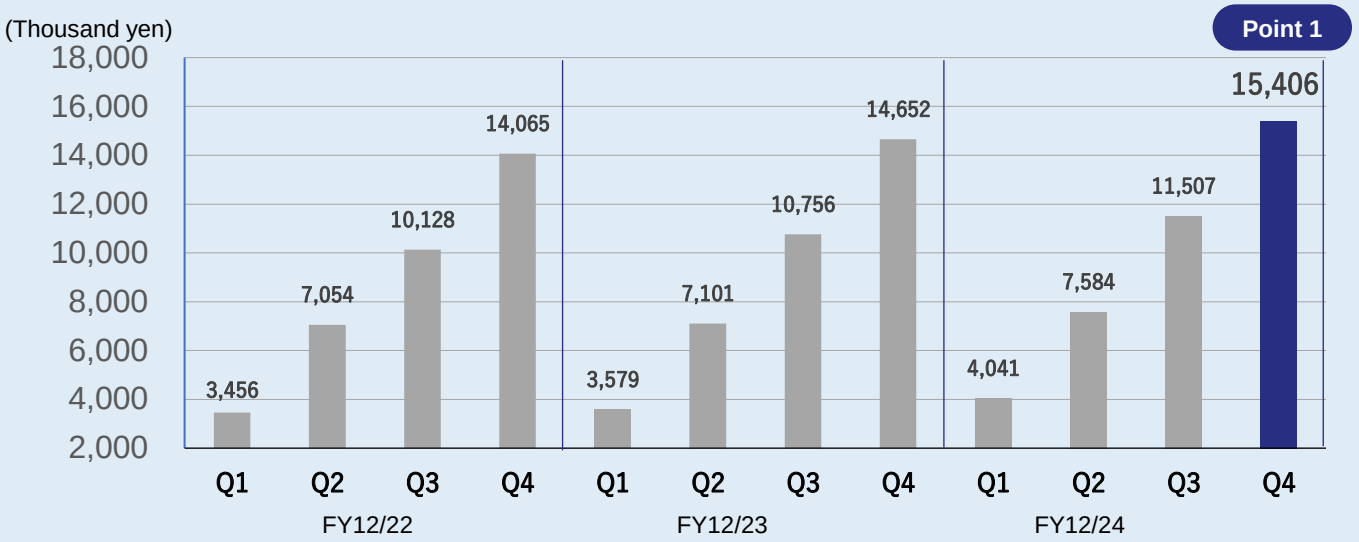
Point 2

- In sales by industry, the bank sector saw a YoY increase of 35.6%, driven by progress in acquiring upstream IT consulting projects, as well as an increase in large-scale regulatory compliance projects (SWIFT), cloud lift, and modernization-related projects.

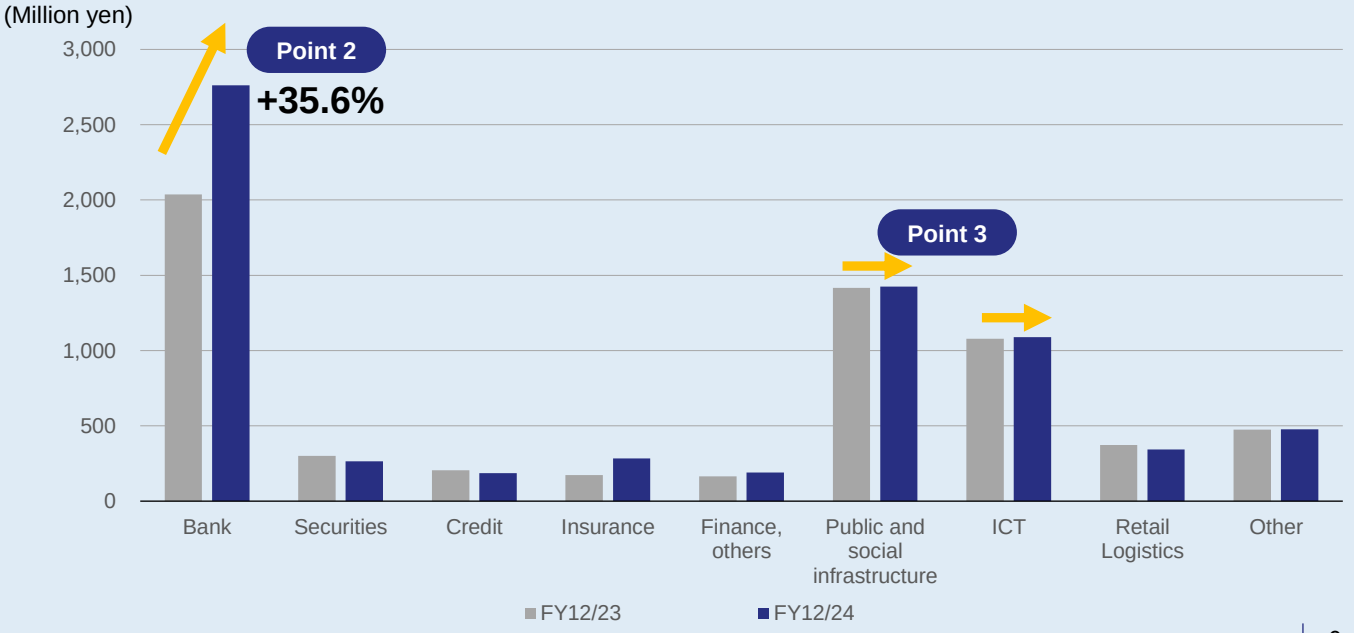
Point 3

- In the public infrastructure sector, although transportation-related projects declined, government projects increased.
- In the information and telecommunications sector, we focused on acquiring new projects.

Sales per employee



Net sales by industry



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Sales by Business:

IT Services Business

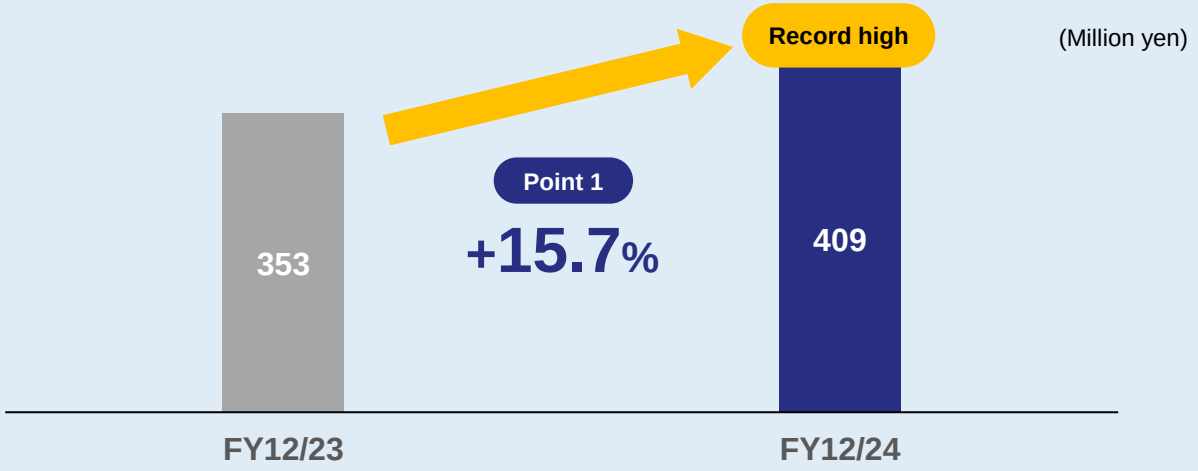
Point 1

- **Sales increased by 15.7% YoY, driven by the successful acquisition of new contracts for the cloud service "KITARO" and technical support for other companies' services.**

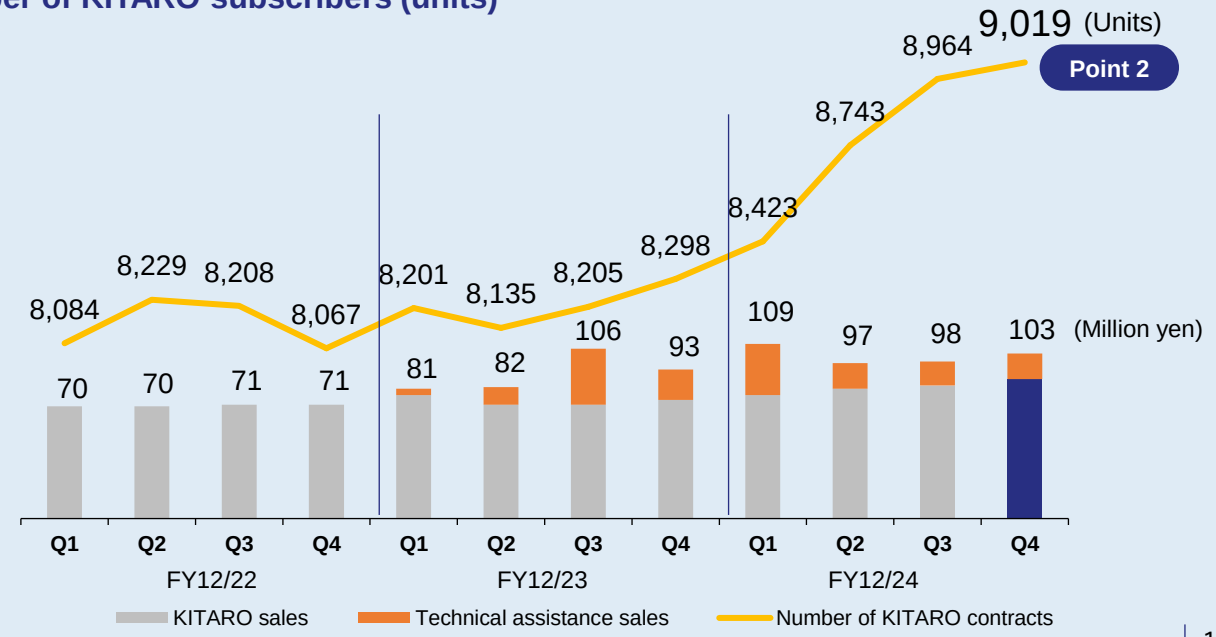
Point 2

- **The cloud service "KITARO" steadily secured new contracts while successfully implementing cancellation prevention measures, surpassing 9,000 subscribers by the end of FY12/24.**

IT Services Business: Net Sales



Trends in quarterly sales/ Number of KITARO subscribers (units)



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Summary of Priority Measures in the FY12/24 Business Plan: System Integration Business

Priority Measures		Summary of Initiatives in FY12/24	
Shift towards high-margin projects	Focus on growth areas such as cloud adoption support and direct user project acquisitions		Achieved planned targets by focusing on cloud adoption support, acquiring FinTech-related projects, and securing direct user contracts without intermediaries (SIers).
	Further increase in core strengths, particularly in the financial sector and public/social infrastructure sector		In the financial sector, sales in bank-related projects increased by 35.6% YoY, with strong growth in upstream IT consulting projects. In the public social infrastructure sector, although transportation-related projects declined, government projects increased. In the information and telecommunications sector, we made efforts for acquiring new projects.
Expansion of order-taking capacity	Target a partner ratio of 45% or higher		Actively utilized partners for projects received during the year, resulting in a cumulative partner ratio of 44.4% in FY12/24.
	Foster a collaborative mindset with partners and establish strong business relationships		Strengthened the sales force by increasing sales personnel during FY12/24, aiming to acquire new customers and reinforce relationships with partners. Further enhancement of the sales structure is planned for FY12/25.
Strengthening workforce and IT consulting sales	Strengthen sales collaboration with consulting firms		Strategically promoted the shift towards IT consulting, a key goal of the medium-term management plan, by initiating collaboration with consulting firms on a trial basis. This initiative aims not only to acquire knowledge but also to strengthen sales collaboration, with ongoing evaluation of additional measures.
	Transition existing personnel to IT consulting roles		Certification acquisition required for consulting roles progressed smoothly according to the FY12/24 plan. As a result, orders for system consulting, project management (PM), and project management office (PMO) services also increased.

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Summary of Priority Measures in the FY12/24 Business Plan: IT Services Business

Priority Measures		Summary of Initiatives in FY12/24	
Cloud services	Actively conducted advertising and promotional campaigns for "KITARO", with a planned end-of-term contract volume of 8,615 units (+317 units).		In addition to advertising, we actively pursued business partnerships and collaboration projects with other companies. Further, successful follow-up efforts with existing contract holders contributed to cancellation prevention measures, leading to **9,019** subscribers by the end of December 2024, significantly exceeding initial expectations.
	Plan to launch a new cloud-based service aimed at solving social issues.		We continued to develop new services throughout FY12/24, but failed to release them to the market, and will continue to develop services that apply location information and other new technologies in FY12/25 and beyond, with the aim of providing services as soon as possible.
Digital consulting services/ Security services	Focus on improving the efficiency of back-office operations for small and medium-sized enterprises (SMEs).		We have continued to be proactive in its efforts to promote DX of SMEs by local governments and in cooperation with regional financial institutions. We have been accumulating achievements for future business development, such as outsourcing IT departments of SMEs on consignment.
	Expand and enhance digital support services and products to meet diverse DX needs. Sales of security products such as endpoint solutions.		The lineup of solutions introduced in “Marutto Axis” is steadily expanding, and sales of security solutions are also expanding.

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Balance Sheet

Point 1

- **Net assets continued to increase steadily, driven by profit growth.**

Point 2

- **Capital-to-asset ratio rose by 0.8ppt. to 74.7%, maintaining a high-level of financial stability.**

Point 3

- **The increase in cash and deposits will be utilized for growth investments aimed at enhancing corporate value, including investments in human resources such as recruitment.**

- **Although we continue to actively consider M&A, we were not able to acquire quality projects in FY12/24, and cash and deposits increased by 556 million yen YoY.**

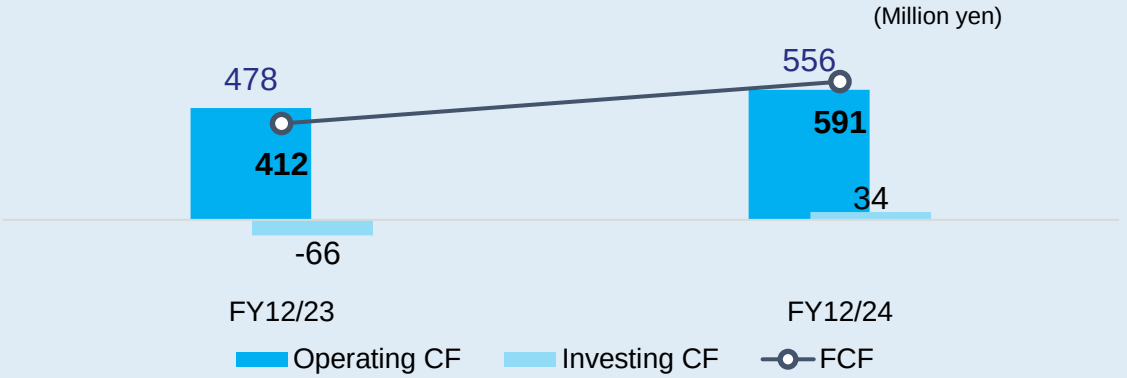
Major figures in B/S

(Million yen)

	FY12/23	FY12/24	YoY
Current assets	3,482	**4,225**	+743
Cash and deposits **Point 3**	2,466	**3,023**	+556
Accounts receivable and contract assets	941	**1,069**	+127
Inventory assets	27	**58**	+30
Non-current assets	582	**546**	-35
Goodwill	215	**185**	-29
Total assets	4,064	**4,772**	+708
Liabilities	1,061	**1,208**	+147
Accounts payable	269	**294**	+25
Interest-bearing liabilities	—	**—**	—
Provision for retirement benefits	260	**296**	+36
Net assets **Point 1**	3,003	**3,563**	+560
Total liabilities and net assets	4,064	**4,772**	+708
Capital-to-asset ratio **Point 2**	73.9%	**74.7%**	+0.8p

Major Cash Flows

(Million yen)



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2

Topics

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Topics -1

Our CFO, Mr. Kosuge, speaks at “ACTION! Health Management” (hosted by Nikkei Inc.)

Our CFO, Mr. Kosuge, was featured as a panelist in the Nihon Keizai Shimbun's “ACTION! Health Management”



ケーススタディ

「健康経営度調査」を活用

榎戸　健康経営を始めて今、どんな段階にあるか、どのように会社が変わってきたか。

小菅　当社はシステム開発やIT（情報技術）コンサルティングの会社だ。2021年に健康企業宣言を行い、22年に健保連東京連合会から「コラボヘルス認定」を受けた。そこから健康経営優良法人認定に向けた活動を始め、24年に認定を受けた。認定の取得はゴールではない。健康経営を始めてから健康診断の結果を意識し、行動変容を促す取り組みを拡充している。経済産業省が関わる健康経営度調査は必要な施策のよいヒントになる。

矢矧　社会福祉法人として特別養護老人ホームやデイサービスなどを展開している。社会の高齢化に伴うマーケットの広がりや業務の多様化を背景に、人材確保が急務となっている。そうした中でひろしま企業健康宣言を行い22年に健康経営優良法人の中小規模法人部門、24年に大規模法人部門で認定を受けた。職員との毎月の面談で健康状態を把握し、人事考課に反映している。ワーク・エンゲイジメント調査や受診料の補助など、様々な施策を実施している。

鎌田　当社はビル空調や産業空調を中心に事業を展開している。建設業特有の課題（長時間労働）がある環境下でも、21年から4年連続で健康経営優良法人（ホワイト500）の認定を受けた。具体的な取り組みとして、健康診断の2次検査（初診）を就業時間として認める制度や、記名式調査でのメンタル不調者の早期受診支援などがある。会社の健康施策に共感する従業員が増え、健康習慣の定着やエンゲイジメントの向上といったポジティブな効果が表れ始めている。

仁科　2001年、労働安全衛生基本方針の制定に併せて中期の健康管理施策を策定。15年から健康経営度調査への回答を始めた。調査は自社の立ち位置を知り、今後の施策検討の参考になる。現在は25年までの中期健康管理施策に基づいて、従業員一人ひとりの自律的な健康づくりと、チームでいきいきと働ける職場風土の醸成に取り組んでいる。健康経営により経営層とのコミュニケーションが増え、これまで以上に従業員の健康課題に関心を持ってもらえるようになった。従業員も経営の思いを感じているようだ。

榎戸　健康経営は試行錯誤の連続だ。壁にぶつかったときは先輩企業や保険者などに頼ることも大切だと感じた。

写真右から：アクシス 取締役 常務執行役員 管理本部長　小菅 直哉氏
社会福祉法人正仁会 事務長　矢矧 秀樹氏
大気社 管理本部人材開発部長　鎌田 哲夫氏
セイコーエプソン 人的資本・健康経営本部 健康経営推進部 課長　仁科 かおり氏
司会：キャスター　榎戸 教子氏

■ Featured Media:
Nikkei Newspaper (Published on January 31, 2025)

"KITARO x DoraReco” adopts Dynabook's ADAS and DMS function drive recorder

“KITARO x DoraReco” automatically transmits 15-second video clips to KITARO before and after detecting near-miss information (sudden acceleration, sudden steering, sudden braking) that occurs during driving, and can also check the vehicle's driving position and speed in real time.

The newly adopted Dynabook communication-type drive recorder enables the sub-camera and rear camera to check clear video as well as the front camera.



The three-camera system, which was not possible with the previous “KITARO x Dora Recco,” has evolved to enable detailed analysis of images from various angles during hazardous driving.

As a provider of vehicle operation management services, KITARO will continue to expand and improve its services to help realize a safe and secure automotive society.

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Topics -2

Supporting the activities of Sports Hinomaru Kids since 2014

In 2024, we sponsored 9 conventions and events. At the Judo Tournament, we presented sports towels to the volunteer staff who supported the tournament as the "Axis Award".





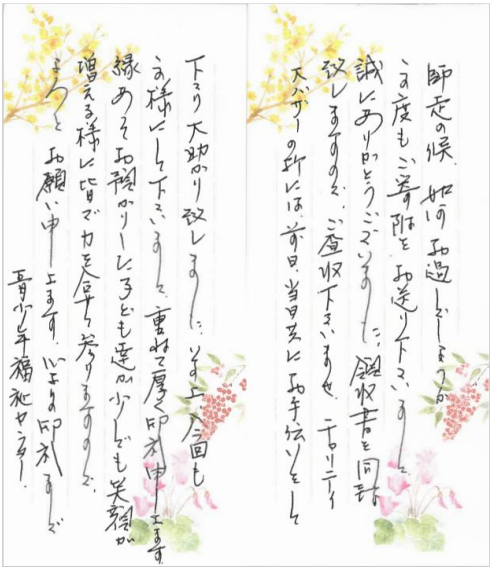




We support Sports Hinomaru Kids's activities to deepen the bond between parents and children, and have been a co-sponsor since 2014. We will continue to work for a society in which children can enjoy a bright life.

Thank you letter from Youth Welfare Center, a social welfare corporation

The children's home at the Youth Welfare Center is the only facility in Japan exclusively for children attending junior high and secondary schools, and provides individualized support for each child. They also operate a "self-reliance support", which is recognized by the government, where residents between the ages of 15 and 20 years old live together with the staff and prepare themselves for life in society.



We support these activities, so we continue to participate in charity bazaars and make donations. Encouraged by the thank you letter, We will continue to support the Youth Welfare Center to help as many children as possible to become independent and to connect them to a brighter future.

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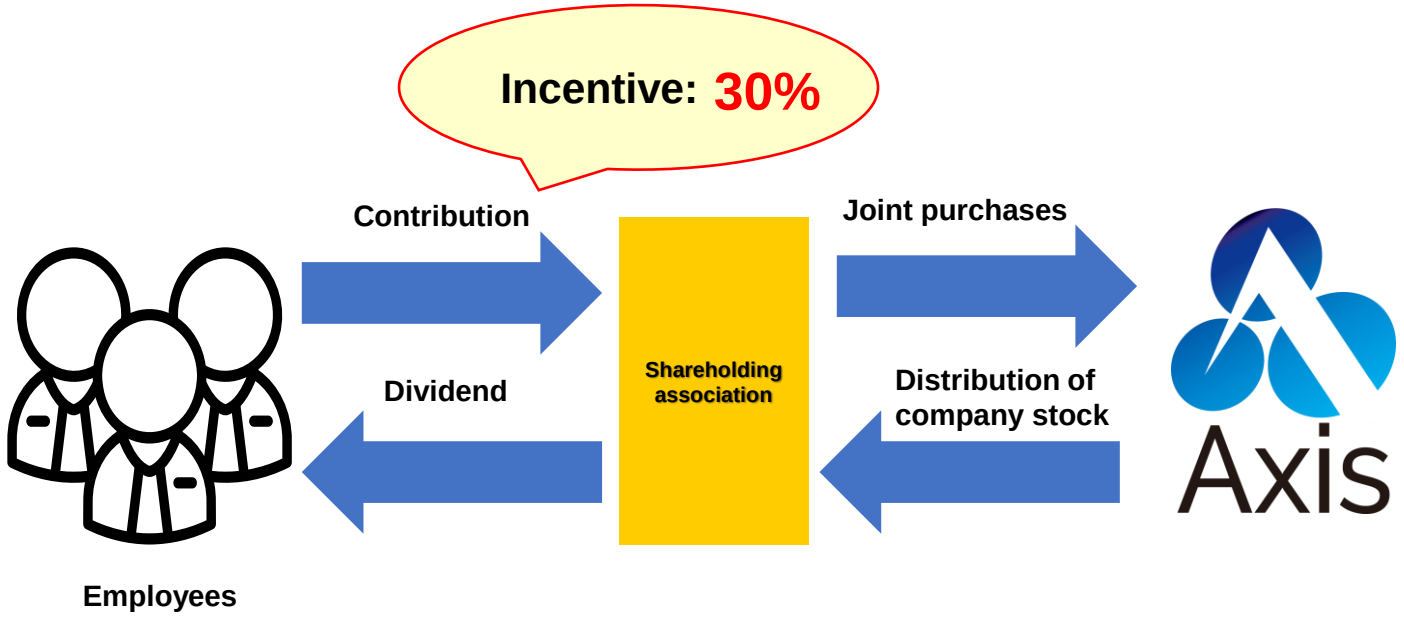
Topics -3

Promoting Employee Stock Ownership Plan

We encourage participation in the Employee Stock Ownership Plan not only to secure stable shareholders, but also to motivate employees and assist in asset building, thereby fostering a sense of mutual growth for both the company and employees.



We have traditionally had an employee stock ownership plan, but in order to encourage more active participation, we are implementing a measure that will significantly increase the incentive for employee stock ownership to 30% from November 2024.

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Topics -4

Sponsorship Agreement Concluded with e-Sports Team VARREL



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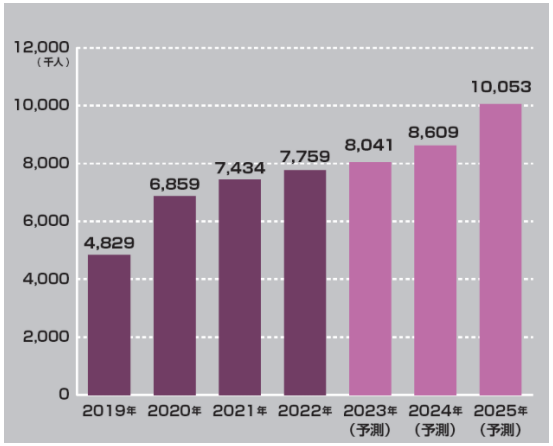
Topics

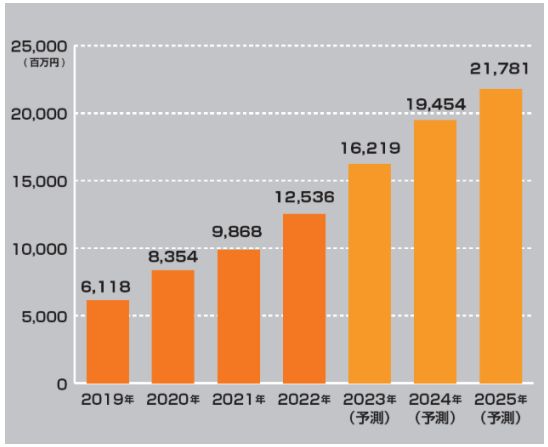
Sponsorship Agreement Concluded with VARREL

With the e-sports Olympics expected to be held in 2025 and the development of the e-sports industry as a whole, e-sports is increasingly positioned as a growth industry.

Number of e-sports fans from 2019 to 2025



e-sports market size from 2019 to 2025



Source: Based on “About the eSports Market” by the Japan eSports Union (https://jesu.or.jp/contents/about_esports/) Created by Axis Co., Ltd.

The e-sports population continues to grow and is expanding, especially among young people. We will utilize the sponsorship of e-sports, which has a high affinity with IT engineers, in our recruiting activities. We also believe that actively engaging in PR with the team will contribute to raising the Company's brand awareness.

VARREL × Axis

Comment from Mr. Mago, a member of the team



●Basic Information●
He has been active as a professional gamer since 2011. He has established popularity as “Mago-san” and “2DGOD” in the international fighting game community. He is known for his world-class ability and unique performance, and his game commentary is easy to understand based on his knowledge and experience.

Our team is very pleased to have signed a sponsorship agreement with Axis.

We are very encouraged to have their great support as a partner to walk with us toward the realization of the world that DONUTS VARREL is aiming for.

The field of e-sports continues to evolve on a daily basis, and with the support of Axis, all of our players will work harder than ever to show you further growth and achievements.

Please look forward to our future matches!

Synergy Effect

Future Planned Activities



■Visit to our company on Nov. 12, 2024
On the left is Mr. Ogura, President of Axis, and on the right is Mr. Mago, a player of VARREL.

With the e-sports industry as a whole expected to grow, including the e-sports Olympics scheduled to be held in 2025, the professional e-sports team VARREL continues to take on challenges as a top team with famous players.

Seven years after its inception, the team is well known and continues to achieve excellent results, especially in fighting e-sports.

Axis sympathizes with this initiative and has concluded an official sponsorship contract with the team. Through this sponsorship agreement, Axis intends to enhance its recruiting capabilities by leveraging the high affinity between IT engineers and e-sports, and to improve its corporate recognition and strengthen the image of the services it provides through PR activities.



■New Uniform
(Our logo in the red circle)

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3

Full-year Business Forecasts for FY12/25

© Axis Co., Ltd.

Summary of Full-year Business Forecasts for FY12/25

Net sales

8,593 million yen
(+15.6% YoY)

Operating profit

919 million yen
(+16.3% YoY)

Operating profit margin

10.7%
(+0.1ppt. YoY)

Dividend (forecast)

45 yen per share
(Dividend payout ratio: 30.2%)

Performance

- **15.6**% YoY net sales growth and **16.3**% YoY operating profit growth, marking the sixth consecutive year of sales and profit growth, with expectations to achieve a new record high.
- While investing in human resources for growth, we aim to strengthen profitability by shifting to high-growth sectors. However, due to upfront investments in human resources and other areas, the operating profit margin for FY12/25 is expected to remain at **10.7**%, the same level as in FY12/24.

Dividend

- We plan to achieve the dividend payout ratio of 35% or higher, as scheduled in the medium-term management plan, one year ahead of schedule, and it is projected at **30.2**%, with a **9-yen** increase in dividends per share to **45 yen**.

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Full-year Business Forecasts

Point 1

- **Expecting continued strong corporate IT investments, including DX.**
- **Sales in the System Services Business is expected to grow by 13.6% YoY, while the IT Services Business is projected to increase by 49.6% YoY.**

Point 2

- **The operating profit margin is expected to see a slight increase, as the shift toward project-based pricing and high-margin projects raises the gross profit margin, despite upfront investments in human resources and other areas.**

(Million yen)

	FY12/24	FY12/25 Full-year forecasts	YoY Change	YoY Pct. change
Net sales	7,434	**8,593**	+1159	15.6%
System Services Business (SS)*1	7,025	**7,980**	+955	13.6%
System Integration (SI)	-	**6,662**	-	-
Cloud Integration (CI)	-	**1,317**	-	-
IT Services (IT)	409	**612**	+203	49.6%
Gross profit	1,848	**2,352**	+504	27.3%
Operating profit	790	**919**	+129	16.3%
Ordinary profit	848	**935**	+87	10.3%
Profit	597	**636**	+39	6.5%
Basic earnings per share (yen)	141.84	**148.99**	+7.15	5.0%
Gross profit margin	24.9%	**27.1%**		+2.2p
Operating profit margin	10.6%	**10.7%**		+0.1p
Ordinary profit margin	11.4%	**10.9%**		-0.2p

Assumptions for the business forecasts

SI	No. of projects [projects]	303	**330**	+27	8.9%
SI	Project-average sales [thousand yen]	23,185	**24,166**	+981	4.2%
SI	Sales per employee [thousand yen]	15,406	**15,760**	+354	2.3%
IT	No. of KITARO Subscribers [units]	9,019	**10,000**	+981	10.8%

*1: From FY12/25, the "System Integration Business" has been renamed to "System Services Business" in response to organizational restructuring associated with service expansion.
The System Services Business consists of:
System Integration, which provides IT consulting, business application development, and other integration services.
Cloud Integration, which provides cloud business services and network-related solutions.

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Priority Measures in the FY12/25 Business Plan

System Services Business

Priority Measures

System Integration

[Shift to IT Consulting Services]

- ✓ Collaborate with consulting firms to gain expertise in consulting services.
- ✓ Expand orders for consulting and upstream SI processes by reskilling existing personnel and recruiting highly skilled professionals.

[Expansion into High-Growth Areas]

- ✓ Expand System Integration (SI) services based on platforms such as Salesforce.
- ✓ Actively conduct research and development on generative AI and promote AI applications in the System Services Business.

[Growth in Existing Areas]

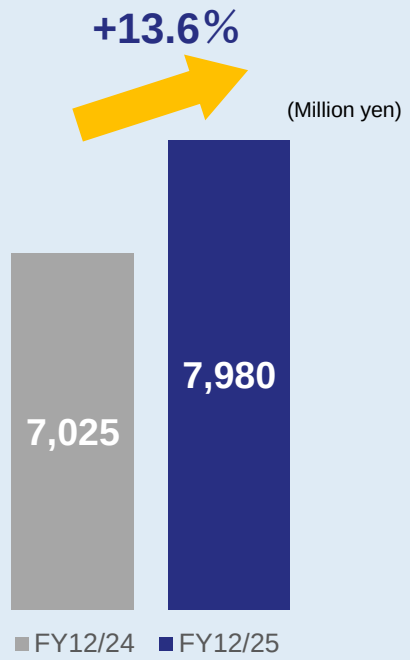
- ✓ Increase direct orders from end-users and shift toward high-profit customers to improve profit margins.
- ✓ Enhance management capabilities and expand workforce capacity to handle larger-scale projects.
- ✓ Target Figures: Average project sales: 24 million yen
  Partner ratio: Over 50% by the end of FY12/25

Cloud Integration

[Expansion of Cloud Business]

- ✓ Promote the Clound Business, with cloud-native development and cloud infrastructure construction.
- ✓ Focus on securing comprehensive outsourcing contracts for cloud operations and maintenance.
- ✓ Expand into new areas such as network infrastructure construction, which the company has not previously engaged in.

Sales in the System Services Business



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Priority Measures in the FY12/25 Business Plan

IT Services Business

Priority Measures

[KITARO Service]

- ✓ Actively utilize digital marketing to enhance brand awareness of KITARO services.
- ✓ Promote service usage among existing customers to prevent early cancellations.
- ✓ Strengthen sales efforts toward large-scale customers to further increase contract volume.
- ✓ Target Figures: 10,000 subscribers by the end of FY12/25.

[Service Development Support]

- ✓ Expand support for customer service development by leveraging KITARO service technology.

[New Service Offerings]

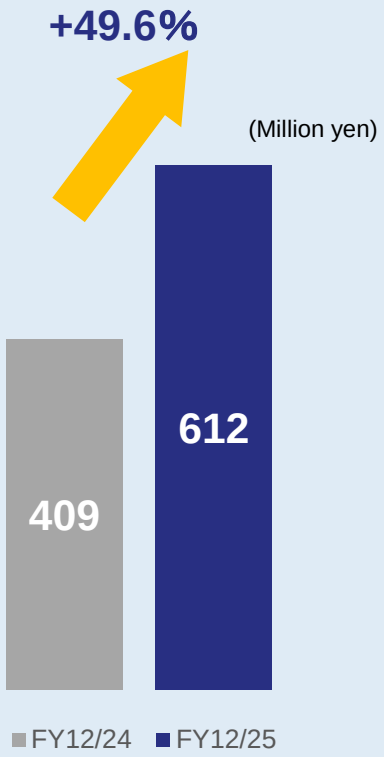
- ✓ Actively develop new services based on expertise in location-based services.

[DX Consulting]

- ✓ Collaborate with regional financial institutions to actively promote DX consulting sales, aiming to secure digital transformation support projects that enhance productivity and profitability for SMEs.
- ✓ Promote IT department BPO (Business Process Outsourcing) services and small-scale development project contracts alongside the "Marutto Axis"* service.

*"Marutto Axis" is a DX support service designed to help SMEs solve various business challenges at a low fixed monthly cost.

Sales in the IT Services Business



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Shareholder Return

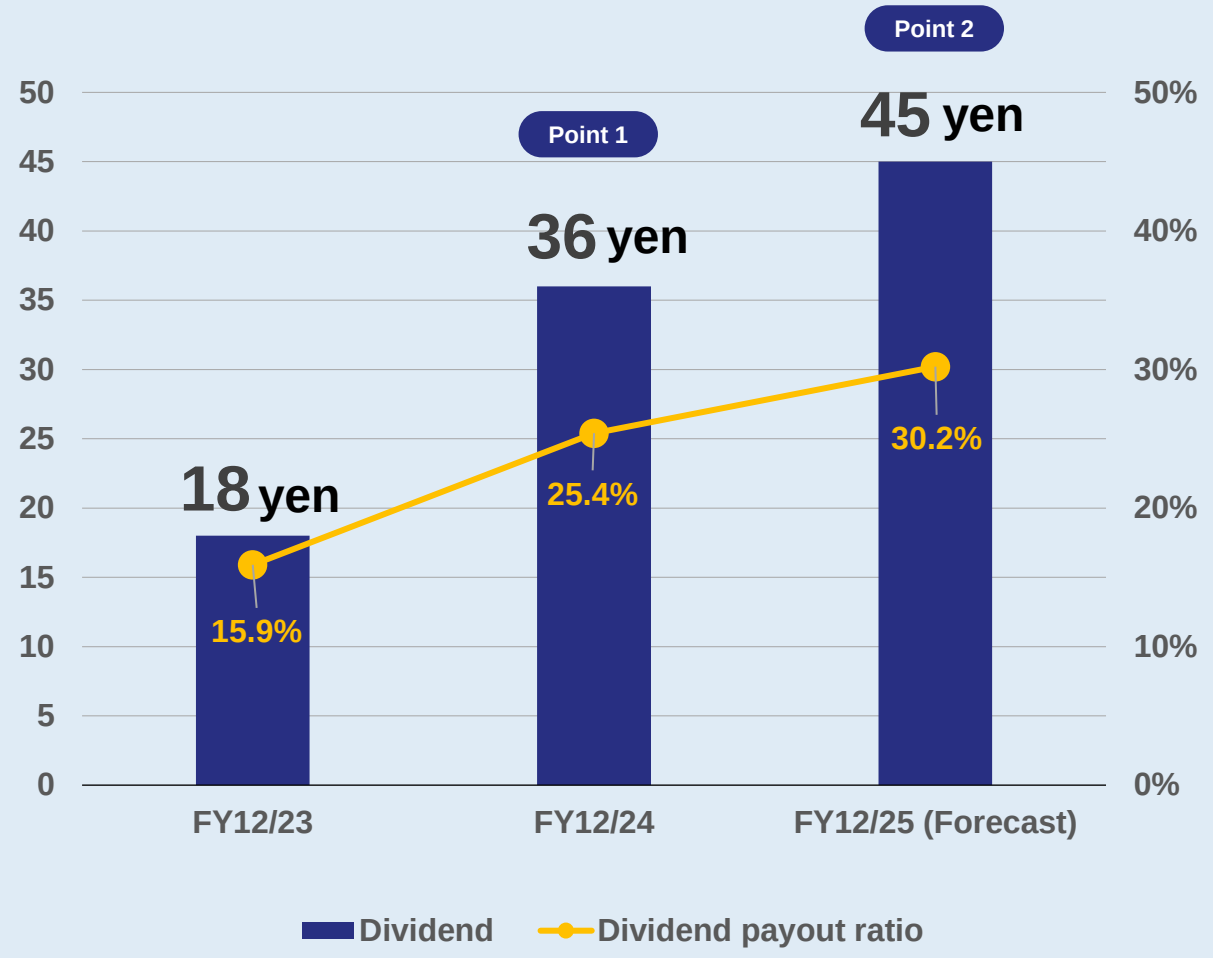
Annual dividend increased by 9 yen per share to a total of 45 yen

Point 1

- As for the dividend payout ratio for FY12/24, we achieved its medium-term target of 35% or more one year ahead of schedule, increasing the ratio by approximately 10% YoY.

Point 2

- For FY12/25, the dividend payout ratio is projected at 30.2%, with an expected 9-yen increase in dividends per share to 45 yen.



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4
Progress of the Medium-term Business Plan “Vision2027”

***The full Medium-term Business Plan can be viewed at the link below.**

https://vspm.irstreet.com/browse/pdf.php?code=caHuKTJqbyLuQ&br=

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Vision for 2027

Vision 2027

2022

IT company centered on the system integration services

2027

Shifting to IT consulting company



Medium-term Business Policy

- **Provide high-growth technologies and services in an evolving digital society**
- **Aiming to be a highly profitable company by building highly productive businesses**
- **Strive to return profits to society and resolve issues, and become a company with a high presence value**

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Medium-term Business Plan (Management Indicators)

Aiming to transfer to the Prime market by achieving both scale and profitability

18 consecutive years	8 consecutive years	7 consecutive years
Increase in sales	Increase in profits	Increase in dividend

	FY12/24 Results	FY12/25 Plan	FY12/27 Plan
Net sales	7.43 billion yen	8.59 billion yen	12.0 billion yen or above
Operating profit	0.79 billion yen	0.91billion yen	1.5 billion yen or above
Operating profit margin	10.6%	10.7%	12.5% or above
ROE	18.2%	16.7%	15% or above
Dividend payout ratio	25.4%	30.2%	35% or above

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Growth Image

Vision 2027

Strategy 1 Business strategy

Strategy 2 Enhancement of management base

Strategy 3 Investment strategy



Shifting to IT consulting company

FY12/27 Plan
12 billion yen or more

FY12/20
3.72 billion yen

Growth areas

New areas

Existing areas

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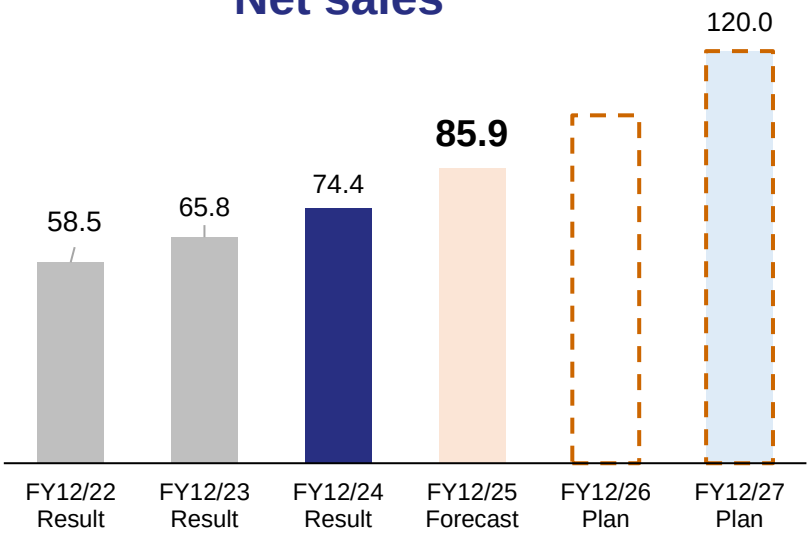
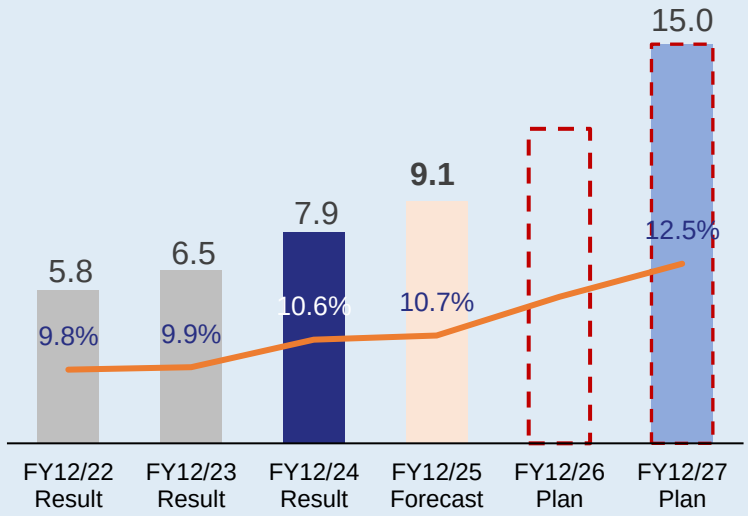
Medium-term Business Plan "Vision 2027" Progress: Key Management Indicators

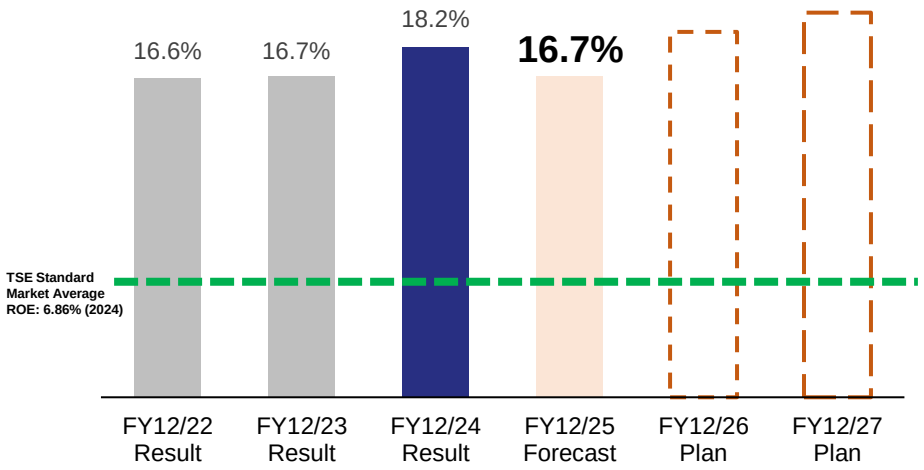
Net sales



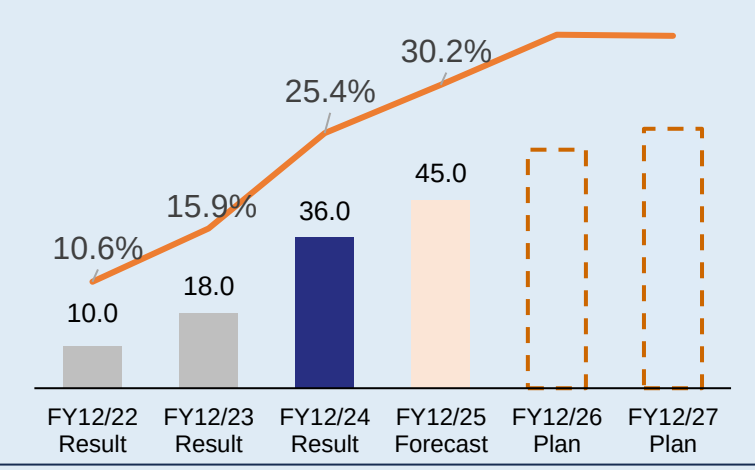
Operating profit/Operating profit margin



ROE



Dividend per share/Payout ratio



(Source: Japan Exchange Group Research Report, FY12/24 March Report)

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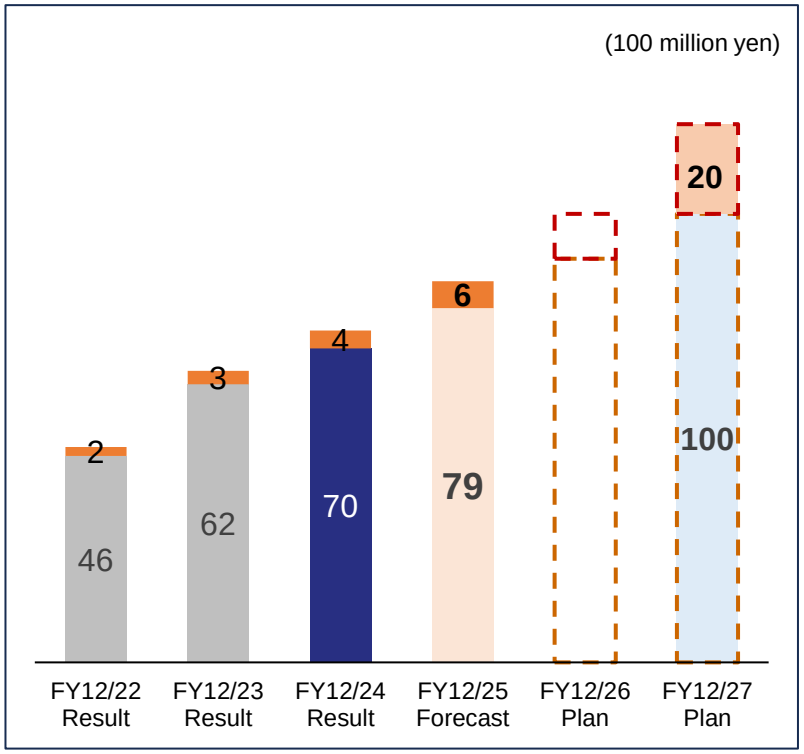
Sales by Segment

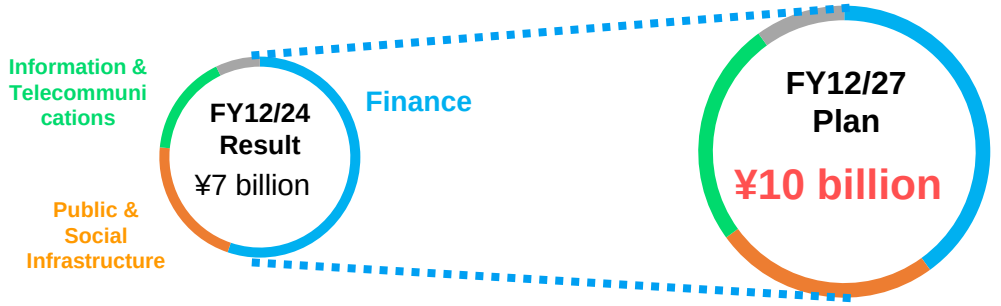
Expand SI business sales to 10 billion yen and IT Services Business sales to 2 billion yen by 2027.



System Services Business：

Focus on Three Key Industries

Expansion centered on Finance, Public & Social Infrastructure, and Information & Telecommunications sectors



- **FY12/24 Result: Strong demand from financial institutions, particularly banks, leading to an increase in sales ratio.**
- **FY12/27 Plan: Aim to increase the sales ratio in the public & social infrastructure and information & telecommunications sectors through active participation in public bidding and expansion of network-related projects.**

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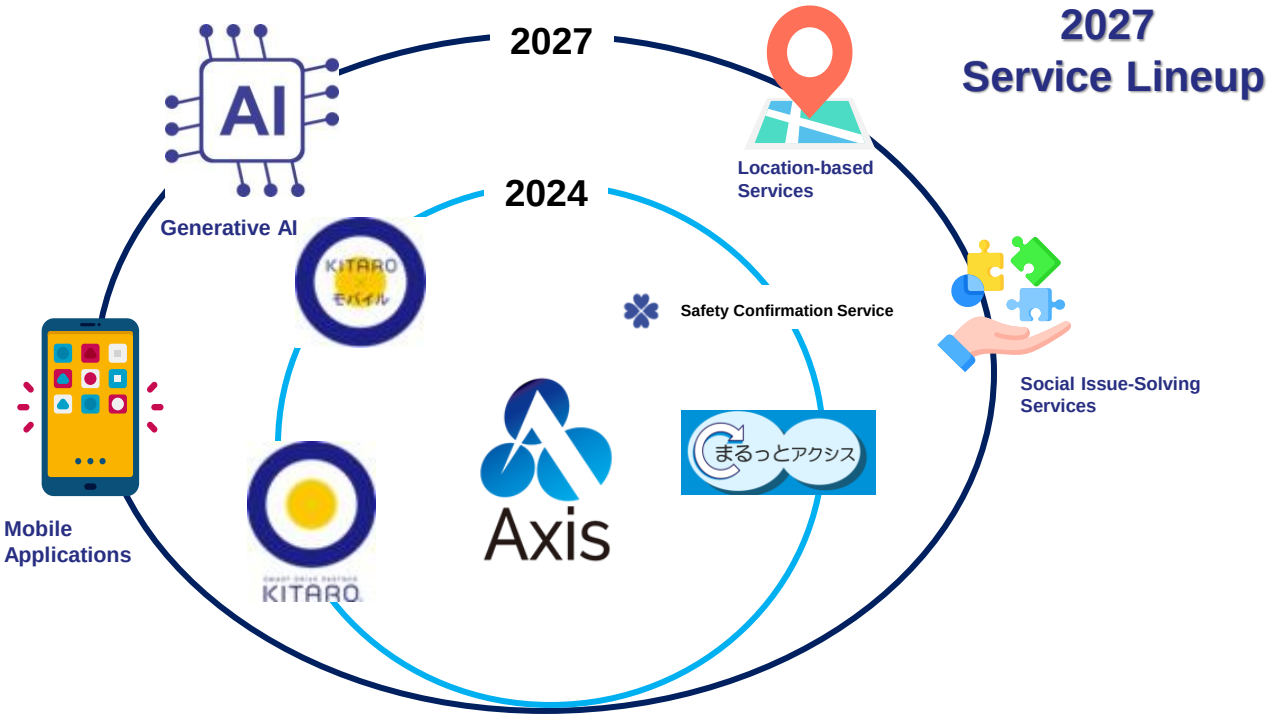
IT Services Business: Focus on expanding KITARO services and new service development



FY12/24: While KITARO service contracts increased steadily, the launch of new services remained sluggish.
FY12/25: Recognizing the urgent need for new service offerings, we plan to accelerate development, explore M&A opportunities, and promote partnerships with other companies.

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Medium-term Business Plan "Vision 2027" Progress: Management Strategy

Priority Measures			Progress as of FY12/24
Business Strategy	Shift to IT consulting		In FY12/24, sales activities were actively promoted to strengthen collaboration with IT consulting firms. For FY12/25, we will further accelerate these efforts, focusing on acquiring upstream process projects, including project management support, while enhancing workforce skills. IT consulting-related certifications: Number of personnel acquired certifications in 2024: 16; Total certified personnel: 39
	Expand high-growth areas		In FY12/24, sales efforts focused on cloud adoption support, acquiring FinTech-related projects, and securing direct user contracts without SIers. For FY12/25, we aim to increase the share of contracted projects while expanding business areas using new solutions.
	Enhance cloud services		The number of contracts for the flagship "KITARO" service has been steadily increasing. In FY12/24, "KITARO × Mobile" was added to the lineup, targeting new customer segments. For FY12/25 and beyond, we plan to strengthen sales to large-scale customers and expand the business further.
Strengthening Management Foundations	Workstyle reform		Recognized as a "Health and Productivity Management Outstanding Organization 2024" and awarded the "Silver Certification" for health-conscious companies for the third consecutive year. Signed a sponsorship agreement with professional eSports team VARREL to enhance employee engagement.
	Human resource development support		Prioritized financial support for obtaining IT consulting-related certifications.
	Operational reforms		New business divisions were established to review the structure of the Sales Division, to strengthen the order-taking structure for the growing System Integration Business, and to promote next-generation SI technologies.
Investment Strategy	Human resource investment		Alongside the shift to IT consulting, we continue to reskilling existing personnel, supporting certification acquisition, and hiring professionals with upstream process skills, including PMO expertise.
	Service development investment		In FY12/24, AI-related services were trialed internally. Going forward, active development investments will continue, particularly in services utilizing new technologies such as location-based solutions.
	M&A		Throughout FY12/24, we engaged in continuous discussions with intermediaries, negotiating multiple M&A opportunities. Aggressive M&A efforts will continue beyond FY12/25.

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Appendix
[Reference] Trends in Trading Volume and Stock Price

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Our Company's Stock Trading Volume and Stock Price Trends

Stock Trading Volume and Stock Price Trends Over the Past Year (February 17, 2024 - February 18, 2025)



Yearly-high	Yearly-low	Cumulative trading volume (shares)	Average daily trading volume (shares)
1,664	1,028	3,002,200	11,500

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