



President Satoshi Ichikawa

Digital Information Technologies Corporation (3916)



Company Information

| | |
|------------|---|
| Exchange | TSE Prime Market |
| Industry | Information and Communications |
| President | Satoshi Ichikawa |
| HQ Address | FORECAST Sakurabashi, 4-5-4 Hatchobori, Chuo-ku, Tokyo |
| Year-end | End of June |
| Homepage | https://www.ditgroup.jp/english/ |

Stock Information

| Share Price | Number of shares issued | | Total Market Cap | ROE (Actual) | Trading Unit |
|-------------|-------------------------|------------|------------------|--------------|--------------|
| ¥1,030 | 31,003,640 shares | | ¥31,933 million | 29.0% | 100 shares |
| DPS (Est.) | Dividend Yield (Est.) | EPS (Est.) | PER (Est.) | BPS (Actual) | PBR (Times) |
| ¥75.00 | 3.6% | ¥149.40 | 13.8 x | ¥548.77 | 3.8 x |

*The share price is the closing price on March 10. The figures were taken from the brief report on financial results in the second quarter of the fiscal year ending June 2026. ROE and BPS are the results in the previous fiscal year. A 1-for-2 stock split was implemented on January 1, 2026. DPS represents the total annual dividend amount without considering the stock split, and EPS was calculated without taking the stock split into account.

Consolidated Earnings

| Fiscal Year | Net Sales | Operating Income | Ordinary Income | Net Income | EPS (yen) | DPS (yen) |
|----------------------|-----------|------------------|-----------------|------------|-----------|-----------|
| Jun. 2022 (Actual) | 16,156 | 2,004 | 2,004 | 1,439 | 94.38 | 40.00 |
| Jun. 2023 (Actual) | 18,149 | 2,039 | 2,059 | 1,447 | 95.18 | 36.00 |
| Jun. 2024 (Actual) | 19,888 | 2,424 | 2,409 | 1,686 | 112.83 | 46.00 |
| Jun. 2025 (Actual) | 24,159 | 3,013 | 3,027 | 2,178 | 147.38 | 72.00 |
| Jun. 2026 (Forecast) | 26,000 | 3,050 | 3,050 | 2,200 | 149.40 | 75.00 |

*Unit: million yen. The forecast is from the company. Net income is net income attributable to shareholders of the parent company. Hereinafter the same will apply. Dividends for fiscal year ended June 2022 include a commemorative dividend of 8.00 yen/share. A 1-for-2 stock split was implemented on January 1, 2026. EPS was calculated without considering the stock split. DPS is the total annual dividend in which the stock split was not taken into account.

This Bridge Report introduces the earnings results for the second quarter of the fiscal year ending June 2026, the earnings forecasts for the fiscal year ending June 2026, and other information of Digital Information Technologies Corporation.

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Key Points

- In the first half of the fiscal year ending June 2026, sales increased 8.0% year on year to 12,753 million yen. While the Business Solutions Unit, Embedded Solutions Unit and the System Sales Business saw a revenue growth, the Product Solutions Unit experienced a decline in sales, partly due to the discontinuation of sales of software for producing New Year's cards. Operating income decreased 1.9% year on year to 1,570 million yen. Although gross profit increased 3.5% year on year in parallel with the revenue growth, the increase in SG&A expenses due to strategic investments prevented operating income from growing, resulting in a slight decline. Despite the uncertain business environment, both sales and profit exceeded initial forecasts. Net sales reached a record high for both the first half and the quarterly basis.
- There are no changes to the earnings forecast. Sales are projected to increase 7.6% year on year to 26.0 billion yen, and operating income is expected to rise 1.2% to 3.05 billion yen. The company anticipates its 16th consecutive year of growth in both sales and profit. The company expects corporate IT investment to remain strong this fiscal year. However, due to budget adjustments at some of its major automotive clients resulting from U.S. tariff policies, the outlook remains cautious. Regarding profits, while gross profit is expected to increase moderately due to higher unit prices and contributions from the company's own solutions, net profit is projected to rise only slightly due to upfront investments. Although the company initially anticipated a recovery in profits starting in the second half of the fiscal year, profits in the first half exceeded expectations despite a year-on-year decline. Due to the uncertain business environment, particularly in the automotive industry, the full-year forecast remains unchanged; consequently, profit is projected to decline in the second half from the first half. They plan to pay a dividend of 75.00 yen per share, up 3.00 yen per share from the previous fiscal year (before taking the stock split into account). The expected dividend payout ratio is 50.5%.
- Due to the "Anthropic Shock," stock prices of many related companies have fallen, and this company's shares are no exception. We asked President Ichikawa for his comments on this situation. "It is certainly understandable that by utilizing AI agents, companies can perform their own operations without having to outsource system development to external firms or purchase packaged software. It seems only natural that processes which were simply developed based on customer orders and requests will become more efficient. Therefore, if there are 10 jobs today, there will likely be only 7 in 10 years, and it is inevitable that some companies will be forced out of business. In this environment, one type of company likely to survive is one with many customer touchpoints. Furthermore, building a trust with customers will be an important factor. In our case, we have approximately 2,900 business partners, many of whom have been with us for over 20 years. By building on these relationships of trust and leveraging AI tools to pursue short-leadtime, low-cost service delivery, we believe we can secure a strong market position. Although the uncertain business environment is expected to continue, this provides our group, which prides itself on its ability to adapt to changes, with an opportunity to enhance our presence more than ever before, as outlined in our 'Vision for 2030.' We intend to survive the competition by transforming into an organization better equipped to adapt to changes, while staying close to our customers and focusing on enhancing their value."

- **Although enterprises are eager to invest in IT, they remain cautious about actually making investments due to the challenging environment surrounding their main customers, that is, automotive-related companies, which are affected by U.S. tariff policies, the situation in Iran, and trends in EV demand. On the other hand, the Business Solutions Unit is securing new projects in the telecommunications sector and other areas, while the Embedded Solutions Unit is recovering as its business expands beyond the automotive sector. The progress rate in the first half of the fiscal year stands at 49.1% for sales and 51.5% for operating income. These figures are comparable to those in the previous years, and attention will be focused on how much sales and profits can be accumulated in the third and fourth quarters, with the Business Solutions Unit serving as the driving force.**

1. Company Overview

Digital Information Technologies Corporation is an independent information service company. Its sales are mostly from the undertaking of the development of business systems, embedded devices, etc. for clients mainly in the fields of finance, communications, etc. The company concentrates on the expansion of its products based on its original technologies, including "WebARGUS," a website security solution, and "xoBlos," an Excel work innovation platform. The company has a variety of characteristics, such as "multifaceted, diverse information technologies" and "organizational strategies of partial and total optimizations."

1-1 Corporate History

The late Norikazu Ichikawa (former Director and Chairperson), who obtained programming qualifications while he was working at Nippon Telegraph and Telephone Public Corporation, discovered a new world of computers and was attracted to its future potential. He awakened his spirit of challenge, decided to leave the company, and become independent.

In 1996, he was appointed president of Toyo Computer System, Inc. as the successor to one of his acquaintances. He expanded its business area starting from business system development, and then computer sales business (current: system sales business), embedded product development validation business and operation support businesses turning Toyo Computer System Inc. into a multifaceted and diverse IT company. In 2002, he established Toyo IT Holdings Corporation, which is the predecessor of current Digital Information Technologies Corporation, by separating several companies under the same group and establishing subsidiaries with 100% ownership. In 2006, he integrated four subsidiaries into one company and renamed it to the current company name. In addition, in January 2011, he established DIT America, LLC in Kansas, U.S.A. Digital Information Technologies Corporation was listed on JASDAQ of Tokyo Stock Exchange (TSE) in June 2015, listed on the second section of TSE in May 2016 and listed on the first section of TSE in March 2017. In July 2018, Mr. Satoshi Ichikawa, who used to be Representative Director and Senior Managing Officer, took up the office of Representative Director and President to rejuvenate the management structure under the business environment where change is accelerating and make a system to enable prompt decision-making.

In April 2022, the company was listed on the Prime Market of TSE, through the restructuring of the stock market.

1-2 Corporate Philosophy, etc.



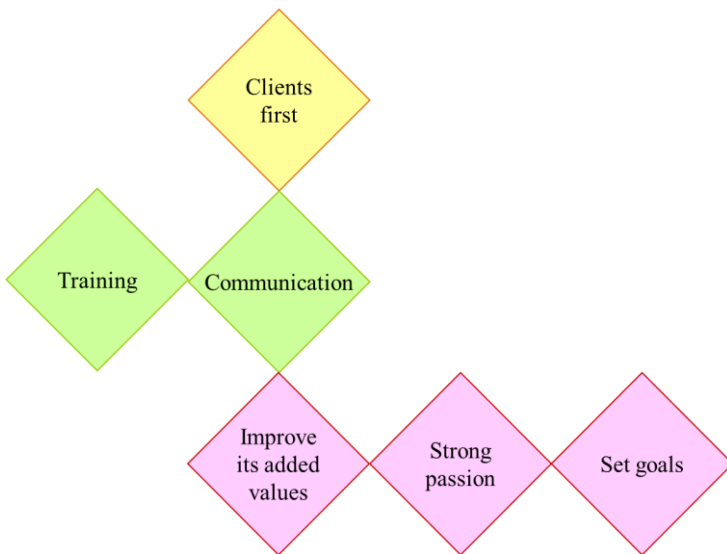
Our logo is a collection of cubes with an infinite number of stairs.

This collection is our company itself, and each cube represents each employee.

The 6 facets of the cubes represent six values which all employees share and consider valuable.

Our corporate identity represents these values in three tiers; clients, company and employees.

(From the company's website)



(From the company's website)

The above diagram is the unfoldment of the cube. According to the president Ichikawa, it emphasizes “clients first; this is where it all starts.” Furthermore, the logo represents “training employees” and “communication with clients and among employees.” These are important values to the company. Additionally, we implore employees to “improve its added values,” “have passion” and “have a sense of purpose.”

Employees are to uphold this company policy as their creed and follow these principles at all times.

In August 2024, they set a new “purpose,” which indicates the linkage between corporate ethos and the meanings of existence, when formulating a new medium-term management plan.



(Taken from the reference materials of Digital Information Technologies Corporation)

Recognizing the risk that the company will be left behind the times soon unless they take measures in response to changes in the world, they consider that it is not good to maintain the status quo and defined “responsiveness” as taking on challenges constantly, while positioning it as an important concept.

They believe that their company’s mission is to contribute to society by offering value tailored to changes in the times and achieving continuous growth and enrich the lives of various stakeholders.

1-3 Market environment

The outlines of the market environment and growth potential of each business unit of the company mentioned in Section 1-4 “Business Description” are as follows.

(1) Business Solutions Unit

IT solutions that contribute to labor elimination and operational efficiency improvement, especially DX, are becoming increasingly important issues for companies, and according to a survey by Fuji Chimera Research Institute, Inc., active investment is being made in DX in every industry. The domestic DX market in 2030 is expected to expand to 5.2 trillion yen, 3.8 times the amount in fiscal year 2020.

■ Domestic Market Size of DX (Size of Investment)

| | FY2020 | FY2030 Est. | Compared with FY2020 |
|---|--------------------------------------|--------------------------------------|----------------------|
| Manufacturing | 1,620 ^{100million yen} | 5,450 ^{100million yen} | 3.4 times |
| Distribution/Retail | 441 ^{100million yen} | 2,455 ^{100million yen} | 5.6 times |
| Finance | 1,887 ^{100million yen} | 6,211 ^{100million yen} | 3.3 times |
| Medical care/nursing care | 731 ^{100million yen} | 2,115 ^{100million yen} | 2.9 times |
| Transportation | 2,780 ^{100million yen} | 1.2740 ^{trillion yen} | 4.6 times |
| Real Estate | 220 ^{100million yen} | 970 ^{100million yen} | 4.4 times |
| Local Government | 409 ^{100million yen} | 4,900 ^{100million yen} | 12.0 times |
| Social Infrastructure/Construction/Other Industries | 499 ^{100million yen} | 2,078 ^{100million yen} | 4.2 times |
| Sales & Marketing | 1,564 ^{100million yen} | 4,500 ^{100million yen} | 2.9 times |
| Customer Service | 410 ^{100million yen} | 802 ^{100million yen} | 195.6% |
| Communications | 760 ^{100million yen} | 2,290 ^{100million yen} | 3.0 times |
| Strategy/Foundation | 2,500 ^{100million yen} | 7,446 ^{100million yen} | 3.0 times |
| Total | 1.3821^{trillion yen} | 5.1957^{trillion yen} | 3.8 times |

(Source: Fuji Chimera Research Institute Inc. "The Future Prospects for Digital Transformation Market in 2022- Market Edition/Vendor Strategy Edition")

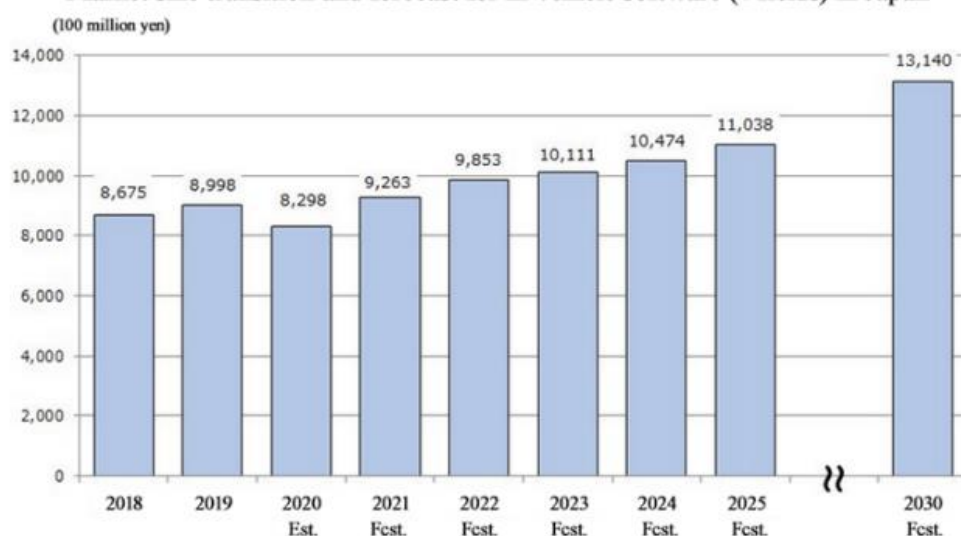
*This material was provided by Digital Information Technologies Corporation and published by Investment Bridge Co., Ltd.

(2) Embedded Solutions Unit

According to the Yano Research Institute Ltd., the market for domestic in-vehicle software continued to expand until 2019, but new car sales decreased in 2020 due to COVID-19.

However, after that, capital investment and R&D investment, especially for CASE (Connected, Autonomous/Automated, Shared & Service, and Electric), are expected to continue to expand, and this growth is expected to continue at an upward trend until 2030. The in-vehicle software (in the four fields) market is predicted to reach 1,103.8 billion yen in 2025 and 1,314 billion yen in 2030.

Market size transition and forecast for in-vehicle software (4 fields) in Japan



※1. Estimates for 2020, forecasts for 2021-2025 and 2030

※2. (1) OEMs' capital investment and R&D investment costs related to in-vehicle software

(2) OEM and Tier 1 in-vehicle software development costs (including labor costs)

(3) Sales of in-vehicle software development tool vendors (in addition to tools, including contracted services such as development, coding, testing, etc.)

(4) Market size was calculated based on CAD/CAM/CAE/PLM vendor sales to the automotive industry.

Surveyed by Yano Research Institute Ltd.

(Source "In-Vehicle Software Market Research 2020," Yano Research Institute Ltd.)

*This material was provided by Digital Information Technologies Corporation and published by Investment Bridge Co., Ltd.

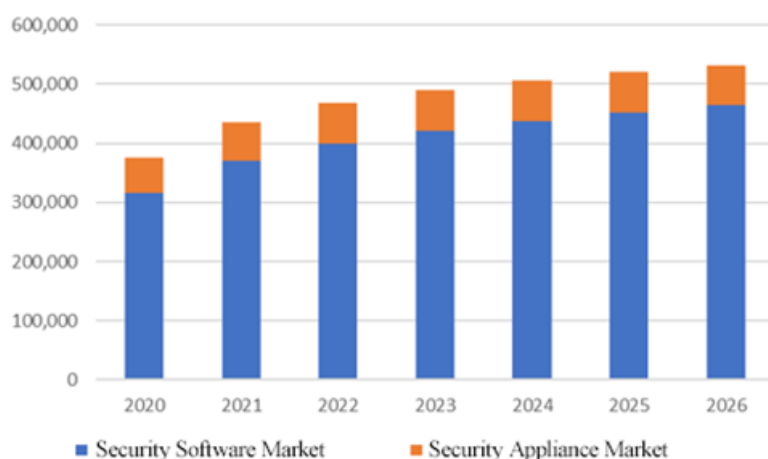
(3) Product Solutions Unit (former Original Product Unit)

① Market of information security products

Due to the spread of COVID-19, corporate work styles have shifted from office work to remote working, and activities in the digital space have increased, resulting in the increase of security risks such as phishing attacks, malware infections, security breaches of corporate systems, and unauthorized ID use. International Data Corporation Japan, which specializes in IT research, estimates that the domestic security software market in 2021 was 370.3 billion yen (based on sales), up 17.2% from the previous fiscal year, and is expected to expand to 463.7 billion yen by 2026.

Domestic Information Security Products Market Forecast, 2020-2026

(Unit: million yen, sales value)



(Source "Latest Domestic Information Security Market Forecast, May 2022," IDC Japan K.K.)

*This material was provided by Digital Information Technologies Corporation and published by Investment Bridge Co., Ltd.

Additionally, as cybersecurity risks increase, damage caused by ransomware is rapidly rising.

Ransomware, a word coined by combining Ransom and Software, is malware that infects a computer with a virus and makes it unusable by locking it or encrypting its files and then demands a ransom in exchange for restoring the computer.

Every year, the Information-technology Promotion Agency, Japan (IPA) selects threat candidates from information security incidents that occurred in the previous year and are considered to have had a large impact on society and forms the "Top 10 Threats Selection Committee," consisting of approximately 250 members including information security field researchers and business executives, which deliberates and votes on threat candidates, and then determines and announces the "Top 10 Information Security Threats." In the "Top 10 Information Security Threats 2026," based on the threats that occurred in 2025, "damage caused by ransomware" was ranked first in the organizational field for the sixth consecutive year from 2021. Thus, it is a major threat to society. In addition, "cyber risks associated with the use of AI" ranked third for the first time. The need to constantly update information security systems is also increasing.

▲ Top 10 Information Security Threats 2026 [Organizations]

| Rank | Treats for Organizations | Year of first appearance | Chosen as one of ten major threats (since 2016) |
|------|---|--------------------------|---|
| 1 | Damage by a ransomware attacks | 2016 | 11th consecutive, 11th time |
| 2 | Attacks against the supply chain and outsourcees | 2019 | 8th consecutive, 8th time |
| 3 | Cyber risks associated with the use of AI | 2026 | First appearance |
| 4 | Attacks exploiting the vulnerability of systems | 2016 | 6th consecutive, 9th time |
| 5 | Attacks targeted at confidential information | 2016 | 11th consecutive, 11th time |
| 6 | Cyber attacks arising out of geopolitical risks, including information wars | 2025 | 2nd consecutive, 2nd time |
| 7 | Information leakage due to internal fraud, etc. | 2016 | 11th consecutive, 11th time |
| 8 | Attacks against the environment and systems for remote work, etc. | 2021 | 6th consecutive, 6th time |
| 9 | DDoS (distributed denial of services) | 2016 | 2nd consecutive, 7th time |
| 10 | Business email fraud | 2018 | 9th consecutive, 9th time |

(From the website of the Information-technology Promotion Agency, Japan (IPA): <https://www.ipa.go.jp/security/10threats/10threats2026.html>)

② Market of products for streamlining business operations

RPA (Robotic Process Automation), which is a system for supporting the significant streamlining of business operations, is attracting attention.

RPA means the automation of processes using robots. By using technologies, such as artificial intelligence (AI) and machine learning, in which AI learns things through repetition, white-collar tasks, especially back-office ones, are handled. Just by registering procedures of human tasks on an operation screen, it is possible for them to handle the tasks using various apps, including software, browsers, and cloud. It is expected to spread rapidly, as one mean for reforming the ways of working, which is an issue to be overcome by Japanese enterprises.

According to “Survey on the trend of utilization of RPA in Japan in 2024” conducted by MM Research Institute, Ltd. (as of March 2024), 15% of SMEs with annual sales of less than 5 billion yen adopted RPA. This percentage is up 3 points from the previous year. The ratio of such SMEs has been increasing, and 23% of enterprises are making preparations or thinking of adopting RPA. Accordingly, it is expected that “the growth will continue.”

Among medium-sized and leading enterprises with annual sales of 5 billion yen or over, 44% adopted RPA. This percentage is down 1 point from the previous survey, showing sluggish growth. Since it exceeded 40% in FY 2021, it has been flat. The ratio of enterprises that are thinking of adopting RPA was 18%, showing no significant change, but over half of medium-sized and leading enterprises are trying to actualize company-wide automation by utilizing all kinds of tools, including RPA. As part of such efforts, some enterprises that have adopted RPA are combining generative AI and RPA to automate a wider range of operations. The ratio of enterprises that started utilizing RPA on a full-scale basis is still as low as 10%, but 21% of enterprises have conducted tentative operation or partially started RPA, and 53% are making preparations or having discussions on RPA. Accordingly, there are significant expectations.

Like this, RPA has been adopted by all sorts of enterprises, including SMEs, and it is expected that the scope of application will expand when combined with generative AI.

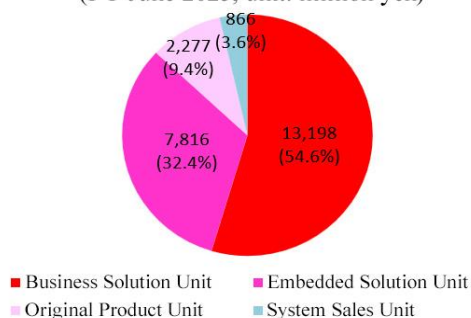
1-4 Business Description

1. Segments

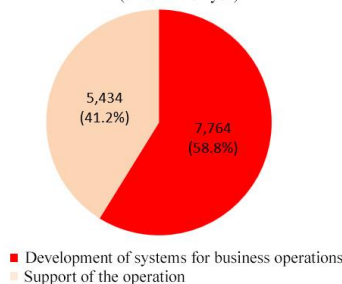
There are two segments: software development business and system sales business. The software development business consists of 3 business units: Business Solutions Unit, Embedded Solutions Unit and the Product Solutions Unit (former Original Product Unit).

The Business Solutions Unit develops systems for business operations and supports the operation of such systems, while the Embedded Solutions Unit develops and inspects embedded systems.

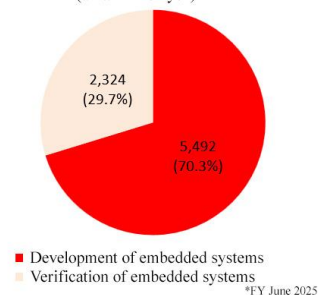
Sales by Business Unit
(FY June 2025, unit: million yen)



The breakdown of the Business Solutions Unit by field
(unit: million yen)



The breakdown of the Embedded Solutions Unit by field
(unit: million yen)



(1) Software Development Business

① Business Solutions Unit

(Business system development unit)

The sales for this business unit is mostly from custom development for end-users and information systems companies which are clients' subsidiaries in a wide variety of industries including finance, medicine/pharmacy, communications, distribution and transportation as well as for leading SI vendors.

Specifically, development for websites and key systems, front and back office operations, new system development and maintenance development with technologies developed in each area. The company has developed trustworthy relationships with leading companies in each area which enables them to secure stable orders.

(Operation support unit)

Main clients include communications carriers, total human service corporations and information system companies which are airlines subsidiaries.

This "business unit to support clients' daily operations through IT" has stable revenue as it is an ongoing business in line with the business website domains of leading companies.

Specific business includes:

- *Support desk operation for end-users who use various business systems.
- *Build and maintain infrastructure (servers and networks).
- *Efficient system operations in line with the latest technology trends.

② Embedded Solutions Unit

(Embedded product development unit)

This business unit is trusted by leading manufacturers to directly develop custom software for in-vehicle devices, mobile devices, information home appliances and communication devices.

For in-vehicle devices, mobile devices and information home appliances, the unit develops custom software for overall systems including firmware, device business unit controls and applications.

It focuses on Auto-Drive related field with new technology, as well as infotainment for in-vehicle devices as the demand for this market is expected to grow. In addition, it undertakes software development for wireless base stations and communication module devices for communication devices.

(Embedded product verification unit)

This business unit verifies and makes suggestions to improve qualities and functions of products through its verification service.

It provides verification services domestically and internationally (North America, Asia, Europe, etc.) including laboratory tests using specialized devices to verify product operation and function, field tests to verify products in the actual environments, as well as overall system tests conducted as the final quality verification from the perspectives of the third party.

Some of the overseas field tests are designated to its subsidiary, DIT America, LLC, which provides fast service with verification of product usability from the perspective of local staff.

The range of products for verification includes in-vehicle devices, medical devices, communication devices and mobiles.

③ **Product Solutions Unit (former Original Product Unit)**

As a growth field, the business develops and sells products with unique technologies. It also handles products with high social needs through its alliances.

Currently, the company strongly focuses on the sales of two products, “WebARGUS,” a system security solution, which detects tampered website simultaneously as it occurs and instantly restores the original normal condition, “xoBlos,” an Excel work innovation platform, which features data decomposition and restoration as well as meeting various forms of data business processing needs, “DD-CONNECT,” electronic contract outsourcing service, etc.

There are other products such as “RezOT,” a security solution for embedded devices, “APMG (Anti Phishing Mail Gateway),” a solution to prevent damages from phishing and illegal use of brands by automatically adding electronic signatures on e-mails, and “Shield CMS” a CMS (content management system), which enables editing and updating websites easily.

(2) **System Sales Business**

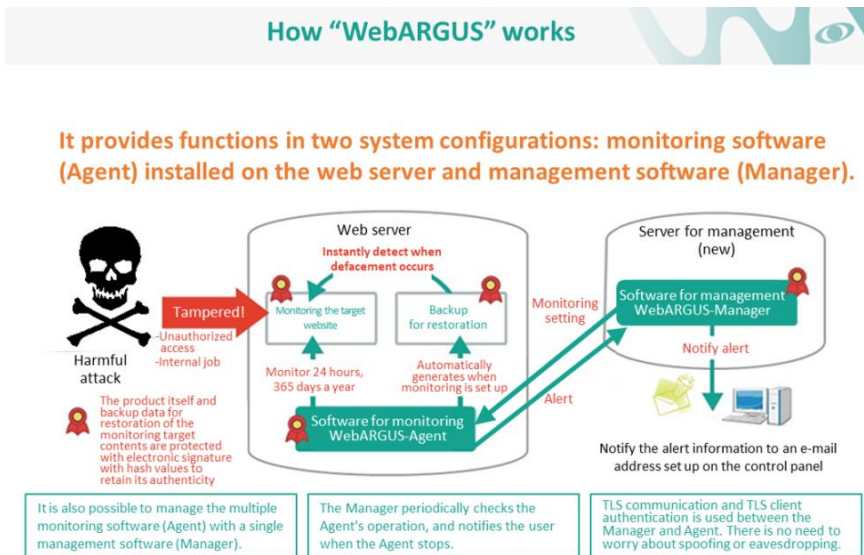
The company and its subsidiary, DIT Marketing Service Co., Ltd., sell “Rakuichi,” a business support mission-critical system, for small and medium enterprises, manufactured by Casio Computer Co., Ltd.

The sales area is started at Kanagawa first and expanded to Tokyo, Chiba, Gunma, Ehime, and Shizuoka successively. The Company provides substantial support for their users to increase the client retention rate. In addition, they set up a call center to attract and build a new client base. The number of sales for “Rakuichi” has been recorded to be the highest across all agencies for 20 consecutive years.

2. **Main Strategic Products**

(1) **“WebARGUS,” a server security solution**

WebARGUS is a new security solution which detects tampered system instantaneously and immediately restores it to its original state. By detecting and restoring immediately when incident occurs, WebARGUS protects various corporate servers from damage caused by malicious and unknown cyber-attacks and simultaneously prevents the escalation of the damage from viruses spreading via the tampered server.



(Taken from the reference materials of Digital Information Technologies Corporation)

◎ **Increasing tampering of websites**

According to the incident report published by “JPCERT Coordination Center (*),” about 100 cases are reported every month, and websites including the ones of government agencies are constantly exposed to threats, whether the case is major or minor.

“JPCERT Coordination Center” (*): This center receives reports concerning computer security incidents including hacking via internet and service disturbance in Japan. It also supports measures, grasps how the problems are generated, analyzes the methods, investigates and advises on measures to prevent recurrences from a technical point of view.

◎ The background of the development of "WebARGUS"

Under these circumstances, the company, which had already released a solution called "APMG" to prevent damage from phishing and illegal use of brand by automatically adding electronic signature in e-mails, started developing "WebARGUS," based on a core security technology in the spring of 2013, after 2 years of research. Then in July 2014, it released "WebARGUS."

The major characteristic and strength of the company is that it has a variety of rich IT related technologies and has a highly standardized core security technology. This is because its engineers have a mindset to embrace challenges and are not afraid to take risks. Thus, they are not satisfied with just developing custom products. This is strongly influenced by the company's organization strategy represented by its corporate culture and in-house company system which will be explained later in this report.

◎ The features and overview of the product

| |
|---|
| Instant detection and restoration for minimizing tampered system to nearly zero |
| Provide protection from tampering by a fake identity posing as a registered member, internal attack and new methods which can be difficult to protect from. |
| It detects with high accuracy and uses "electronic signature" technology which protects from even 1 bit of tampering. |
| Protects from high level attacks aimed at applications and settings files. |
| The CPU load (usage rate) on a server is less than 1% while it is monitoring on a regular mode. |
| Equipped with preservation of evidence function which stores the tampered files as evidence. |

When a website has been tampered with, it can take an average of one month to restore. This is because the restoration process includes disabling the website, identifying the damaged files, strengthening protection, website restoration and re-enabling the website. For an e-commerce related website, the damage can be serious, including a drop-in sales, time and effort to announce the re-enabling of the website and the difficulties in re-attracting clients who left the website.

On the other hand, if "WebARGUS" is installed, because it instantly detects and restores websites when tampered with, the condition of a system can be maintained in the normal state. Thus, the website does not need to be disabled in a rush when the application detects a threat. Companies can concentrate on pursuing the cause and strengthening protection while its website is kept open to public.

Most of the detection software detects tampered website with a periodic monitoring on pre-configured, specified timing or intervals. With this method, there will be a time lag between when the website is tampered with and when it was detected, so it is inevitable for the website to be tampered. In addition, if the interval is shortened to reduce the time lag, there are other challenges such as increasing CPU load.

On the other hand, when some kind of event occurs (such as data deletion or addition excluding browsing), "WebARGUS" conducts real time scanning to detect the event. Therefore, such problems do not occur.

The major feature of this product is that it is also equipped with an instant restoring function which enables restoration to the original state in less than 0.1 seconds after the detection (average time under the demo environment: 0.03 seconds per file). This instant restoration is its unique technology.

The annual license fee of "WebARGUS" is JPY528,000 (incl. tax) per OS with support.

This also includes free update modules for minor version updates.

◎ Introduction and sales

When WebARGUS was released, the sales growth was rather slow because general understanding of website security was mainly about protection against hacking into a computer system and awareness about "tampering" was limited. However, the acknowledgment that "software for detection is needed as well as for protection" is growing rapidly due to the more frequent mentioning of the independent administrative agency, "IPA (Information Processing Association)," taking measures to prevent defacement. This agency is established to support the IT national strategy from a technical and personnel aspect perspective and is supervised by the Ministry of Economy, Trade and Industry.

In addition, the Ministry of Economy, Trade and Industry added "establishing mechanisms to respond to cybersecurity risks related to 'detection of attacks' and 'recovery'" as new important items in the revised points of the "Cybersecurity Management Guidelines"

announced on November 16, 2017. Furthermore, there is a strong demand for stable operation of servers that support core business and business infrastructure in BCP (Business Continuity Planning) and BCRP (Business Continuity and Resiliency Planning) in recent years, and as a result, business inquiries about such mechanisms have increased even further.

Under these circumstances, the company has carried out promotion and marketing including organizing seminars for target users who recognize the necessity for a higher level of security, and participation in exhibitions.

It focuses on agency sales to strengthening marketability.

They have been actively involved in development collaborations with data centers and cloud service corporations. Furthermore, the company is expected to expand its business overseas as well as product sales in Japan. The company is preparing to provide support for the tampering of systems across the globe.

◎ Strengthening the feature of merchandise

Initially, WebARGUS was only available for Linux, but a Windows version was released in April 2016, and the enterprise edition, which was targeted at large-scale companies in September 2017. In February 2018, the company began offering a next-generation cloud WAF (WebARGUS Fortify), which dramatically strengthens the functionality of comprehensive web security. In particular, because of the release of the enterprise edition, which was targeted at large-scale companies, an increasing number of large companies (mainly listed companies) adopt WebARGUS.

The company also began offering “SaaS” in May 2018 to enhance user convenience and further popularize the products, and collaborated in full scale with With-Secure Corporation, a Finnish cyber security company, in June 2018. The company established a total security provision system using the complementary relationship between With-Secure’s “F-Secure RADAR,” a vulnerability scanning tool for IT system, and DIT’s “WebARGUS.”

It began collaboration with Secure Age, a cyber security company based in Singapore, on information leakage measures (encryption technology) in December 2019 and with SSH Communication Security, a cyber security company based in Finland, on access route optimization in January 2020. The company will continue to establish such alliances actively.

The company enhanced the varieties of the security solution products through various measures including the above alliance, and it is also considering expanding the range of applications of products in anticipation of needs for security measures for the IoT generation, including WebARGUS for embedded products.

For example, the spread and penetration of automatic driving have made the securement of safety an important mission for the companies providing automatic driving systems, and it is expected that the field where they work actively will grow further.

As for the embedded edition, the company started up an official project and is continuously carrying out discussions and technical investigation of concrete business plans for its commercialization. Although commercialization will take time, the company aims to realize it earlier through the accumulation of its steady business accomplishments.

◎ Expansion of the security domain: WebARGUS for Ransomware

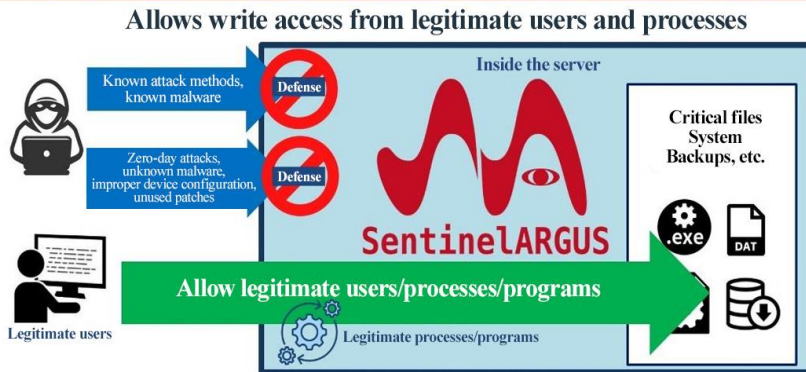
A rapidly increasing number of people suffer from ransomware.

In this situation, the company released the Intel 64 version of "WebARGUS for Ransomware," in November 2022, followed by the ARM64 version in January 2023 which is equipped with the function to block the malicious programs to change or delete important data on a real-time basis and protect important data from various risks (such as cyberattacks, inside jobs, and encryption of data by ransomware), in addition to “WebARGUS,” which detects website falsification and repair the websites instantly.

As there are many command patterns of ransomware, “WebARGUS for Ransomware” can block about 30 command patterns. The company believes that there is no other product of its kind with such a wide range of control patterns. By combining it with the conventional "WebARGUS," it is possible to establish stronger server-side security.

First, the company announced to existing "WebARGUS" users, especially the current enterprise version users, that the data protection function has been added to the product, and the introduction of the product as a replacement for the existing "WebARGUS" has begun. In July 2025, the company has begun full-scale operation of "Sentinel ARGUS," which is mounted with the functions to prevent the augmentation of damage by ransomware and block unauthorized access to important data, as a new product for meeting the needs in the market of security products. They plan to actively develop new services, to enhance their services in the domain of cyber security, which is increasingly demanded as part of the national policy.

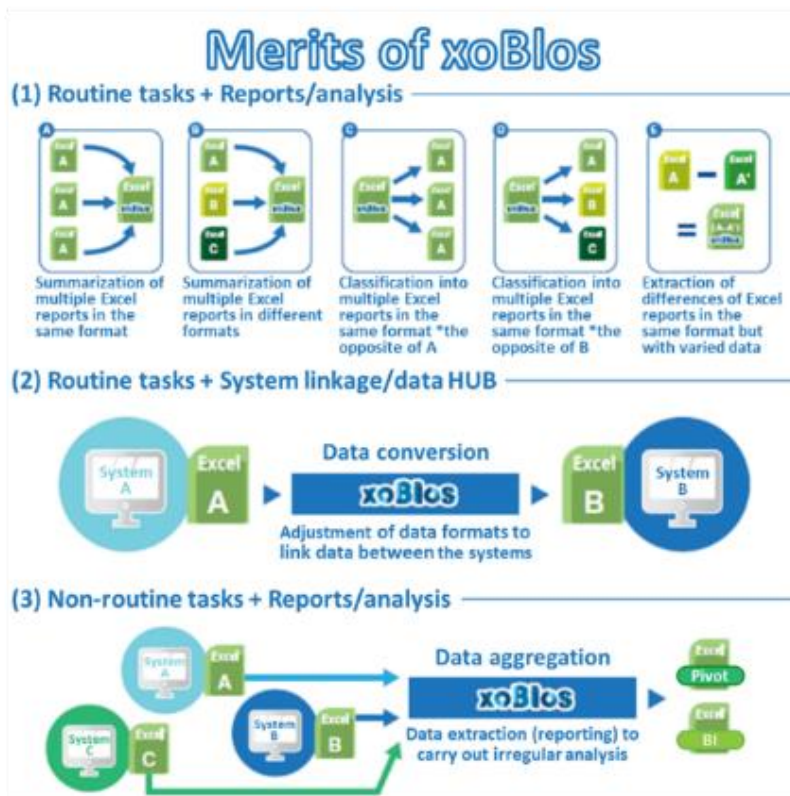
How SentinelARGUS Defends



(Taken from the reference materials of Digital Information Technologies Corporation)

(2) “xoBlos,” an Excel® work innovation platform

Even in advanced corporations with a high level of IT, there are numerous Excel®-based tasks including manual operations in the office. Most non-routine tasks consist of repetitive manual operations such as processing Excel® reports by manually inputting data from paper reports, aggregating totals from multiple Excel® sheets and visualizing and analyzing CSV data extracted from packaged system. The company's original-brand, "xoBlos," entirely automates these inefficient Excel®-based tasks and provides drastic improvements to workflow.



(From the company's website)

◎ Background of development

Many corporations use Excel®, the major spreadsheet software, for generating quotations and invoices. However, in cases where they generate these documents in different formats for each client according to the clients’ requirements, manual input is mandatory because it is difficult to tally, sort and analyze in a systematic way. For this, the company developed “xoBlos,” an Excel® work innovation platform, to automate tasks and significantly improve workflow efficiency.

◎ Product feature, overview and an example of introduction

- Enables management of different data formats for tallying and processing
- Enables increased efficiency with current Excel® spreadsheets.
- Process up to dozens of times faster than using macros.
- Can be embedded into other packaged products as an engine to output Excel® spreadsheets.

xoBlos was released about ten years ago with the aim of drastically improving the efficiency of work using Excel®. It is now receiving considerably more attention due to its efficiency “to create a company-wide platform which covers everything from improving work efficiency to providing information useful in managerial decisions, while diverting workflow from areas currently using Excel®,” in addition to the convenience and relatively cheap introduction cost, because work-style reform trends centered on revising long work hours grow stronger. Indeed, the times have caught up with xoBlos and the company.

For further enhancement of product competitiveness, the company strengthened the automatic processing of Excel® work by providing a function linked with RPA* products and other systems in February 2018. This function can be operated on a PC client as well as a Web Server, leading to improvements in convenience for wider users.

The domestic RPA market is projected to double to 80,000 million yen in the next few years, and RPA-related services, which occupy 80% of the market, are expected to have a higher growth rate than RPA tool products, which occupy only 20%. Based on this, xoBlos, which can be considered as an RPA-related service, is anticipated to have high growth potential.

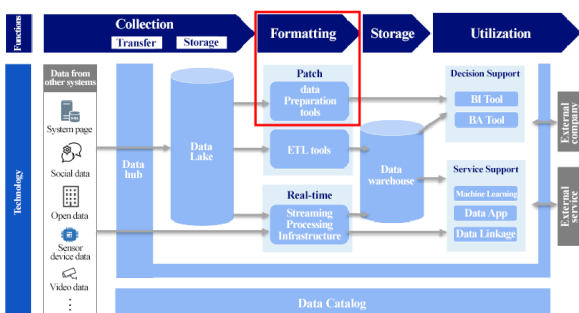
In addition, the company has recently clearly introduced the concept of an “Excel®-type data preparation tool.”

“Data Preparation Tool” is a tool that enables both IT department and business department users to easily and quickly confirm and format data. While about 70% of companies in the U.S. have adopted this tool, only 20% of companies in Japan have done so.

To effectively utilize collected data in the field, it is necessary to process and format data neatly for analysis and system integration. However, in reality, there are discrepancies in expression, erroneous conversions, missing values, and format differences scattered throughout the data, and 50-80% of the work is spent on correcting them. Some of these tasks have been streamlined through the use of macros and VBA, but since the settings depend on individuals, there is a possibility that ongoing work cannot be continued when there are personnel changes.

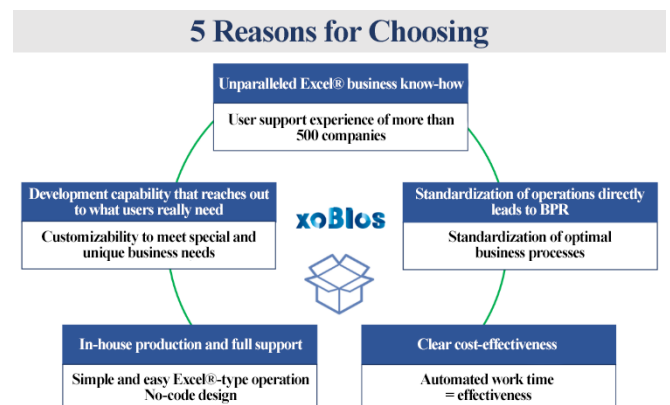
On the other hand, xoBlos, an “Excel®-type data preparation tool,” can clean and format data that have different formats and styles automatically, allowing for output in the desired format. Additionally, since it is possible to design without code, it can prevent the drawbacks of personalization.

The company aims to promote the value of xoBlos as a “data preparation tool” in order to further increase the number of installations.



IPA (Information-technology Promotion Agency, Japan): "DX White Paper 2021," Figure 42-6 "Overall picture of data utilization infrastructure"

70.4% of U.S. companies have adopted "Data Preparation Tool" *based on an IPA survey (21.1% of Japanese companies have done so)



(Taken from the reference materials of Digital Information Technologies Corporation)

◎ Toward further value improvement of the platform “xoBlos Plus-One Concept”

“xoBlos” is already highly rated as a work innovation platform that supports in bringing significant operational efficiency by fully automatizing the inefficient work based on Excel®, but the company started taking initiatives to make it a platform that offers more high-added value to clients to respond to the changing times and customer needs.

“xoBlos Plus-One Concept” is the result of the above initiatives.

The main concept of “xoBlos Plus-One Concept” is “improvement of data value.”

Companies carry out various activities, and they have different systems for the management of each activity.

For example, a company has a system for ERP, which drafts a plan for the appropriate distribution of resources including personnel, things, capital and information, and their effective utilization, at the top, and other systems for CRM for customer management, inventory management, management of acceptance & placement of orders, attendance data, personnel, and accounts.

A large amount of data is extracted from each system, and in recent years, there has been a skyrocketing need for enhancement of operational efficiency and visualization of a company’s own state by integrating and combining the data, instead of handling them individually.

However, realization of the above is not easy for a company as it requires a large number of work hours and involves huge costs.

In such a situation, clients who installed xoBlos, which processes data efficiently at high speed, achieved efficiency in reporting and are able to utilize the data of by integrating and combining the data easily at a reasonable cost.

Also, it is one of the major features of “xoBlos Plus-One Concept” that it allows the use of data in a desired format of each division and department, from the upstream management team to downstream departments of production, sales, general affairs and administration.

It plans to link various systems on xoBlos through tie-ups with manufacturers and propose a concrete image of “xoBlos Plus-One Concept” to its client companies.

Many companies, including the following case studies, have achieved significant improvements in operational efficiency.

* Prepared by Investment Bridge Co., Ltd. based on materials provided by the company and interviews.

*Case of adoption: JCB Co., Ltd. — Addressing In-House System Development Needs with xoBlos

(Background behind considering the adoption of xoBlos)

At JCB Co., Ltd. (hereinafter “JCB”), a credit card company, a significant portion of operations involved individual employees manually aggregating and verifying data output from various systems using Excel®. To improve operational efficiency, JCB had been using a macro developed by an external vendor; however, issues such as a lack of flexibility during operational changes and rising costs emerged. Considering the need for sustainability and long-term operability, JCB sought an in-house solution. Upon learning about xoBlos, which allows users to build a company-wide platform while utilizing existing Excel®-based workflows, JCB recognized its efficiency, user-friendliness, and relatively low implementation cost, and contacted DIT for consultation.

(Status of xoBlos implementation)

Until recently, xoBlos had mainly been used as a tool for centralized management of forms/ledgers across departments, with DIT handling customization and delivery on a contract basis.

However, in recent years, reflecting the growing trend toward low-code and no-code applications, demand for in-house system development has been increasing. As corporate IT literacy improves, the understanding has spread that if users are capable of using basic Excel® functions, they can also easily operate xoBlos. Consequently, xoBlos adoption has been steadily expanding.

On the other hand, when automation and efficiency are prioritized above all else, leading to outsourcing development to external vendors or relying on in-house employees to develop macros, there is a significant risk that business continuity will be compromised. This occurs as “each system becomes a black box,” where only the external vendor or the employee who developed the system possesses detailed knowledge.

Recognizing this issue, more companies are adopting the idea of independently organizing their business processes while operating systems that are sustainable and adaptable. JCB, likewise, has adopted xoBlos as an in-house development tool, installing it on individual employees’ terminals for use.

JCB has entered its third year since adopting xoBlos. In the first year, the implementation began as a PoC (Proof of Concept) within two small departments. While conducting verifications with a limited number of users, DIT concurrently developed and provided user manuals and samples essential for individual in-house development, responding to specific customer needs over the course of a year.

At the time of initial introduction, there were around 10 accounts. However, as JCB realized the effectiveness of xoBlos, the number of departments utilizing it expanded, and currently, the number of accounts is approximately 50.

* A PoC (Proof of Concept) is a test or experiment conducted to demonstrate the feasibility of a new idea, technology, or concept before proceeding to full-scale development.

The increasing need for in-house development, as illustrated above, has contributed to the expansion of xoBlos adoption.

At JCB, to further promote internal development, new members are recruited every six months for comprehensive training sessions. Employees who participate in these programs work on developing xoBlos applications for actual business operations.

As a result, as of May 2025, the number of business processes developed using xoBlos was 85, and 53 employees acquired xoBlos development skills, indicating rapid progress in the company's in-house development initiatives.

(Diversification of Business Models)

In JCB's case, customized manuals and samples were provided free of charge, as the company viewed this as an opportunity to thoroughly gather customer needs and feedback. However, DIT plans to leverage this experience to enhance profitability through value-added services, such as paid educational packages designed to help clients effectively utilize xoBlos.

◎ Customers and Sales Methods

Currently, the company promotes the value of xoBlos as a "data preparation tool" as previously mentioned to make xoBlos a more marketable product and is working on various sales initiatives.

*Target customer

Initially, the company was mainly making introductions to medium-sized companies, but as the need for efficiency in on-site work has increased, there have also been more introductions to large companies. Currently, about 70% of newly introduced companies are large companies. At present, the company made introductions to over 560 companies. In terms of new installations, the company is focusing not only on increasing the number of corporate customers, but also on introducing xoBlos to major companies where significant license increases can be expected internally.

In August 2020, it began using a subscription mode to expand sales stably and improve profitability.

Particularly, they are actively promoting the adoption of xoBlos, targeting mainly the industries of architecture, real estate, local government, and retail, which are facing challenges in DX while needing to improve efficiency and conduct work-style reform.

*OEM

The company is also focusing on OEM providing the powerful features of xoBlos as an option for project management tools and RPA products handled by other companies.

In December 2022, a new optional OEM service called "xoBlos for OBPM" was launched, which allows project management data accumulated in the integrated project management tool "OBPM Neo" developed and provided by System Integrator Co., Ltd. (TSE Standard, 3826) to be processed and formatted into Excel® reports.

"OBPM Neo" is a project management tool that can comprehensively manage project-related data, including costs and profits, progress, personnel, risks, obstacles, and issues. Although it has screens and functions that enable various analyses, customers faced the challenge of having to spend additional time aggregating and processing data and creating reports, especially for custom reports required for meetings. To address this issue, both companies conducted discussions and decided to offer "xoBlos for OBPM" as a new optional OEM service for OBPM Neo.

By using "xoBlos for OBPM," the manual collection and processing work can be automated, resulting in up to 90% reduction in work hours. Standard templates for frequently used reports (such as budget vs. actual analysis, quality analysis, and operational status) are prepared for OBPM Neo data, and additional templates will be added regularly.

Additionally, by using the xoBlos client, users can edit templates and create custom report templates that meet their specific information and formatting needs.

Moreover, several other projects, including RPA, are currently underway.

***Agencies**

Regarding sales activities, the company is marketing products by utilizing a wide range of customers, bases, and sales capabilities of Dai-ko Electronic Communication Co., Ltd. (8023, TSE Standard), one of its main agencies, through joint seminars and other events. The company has built a network of about 30 agencies, including Dai-ko Electronic Communication.

The company plans to continue strengthening its agency network but will also aim to clarify its target audience for agency selection, focusing on agencies that have expertise in approaching local governments, experience with IT subsidy introduction, and have their own products that are easy to coordinate with xoBlos.

***Advertising and Promotion for Increased Awareness**

In addition to conventional outbound sales, the company is also working to strengthen inbound sales, which increase customer inquiries while enhancing information dissemination.

As part of its information dissemination efforts, the company is conducting webinars and advertising and promotional activities, including the use of social media in conjunction with company's other products such as WebARGUS and shield cms.

Regarding advertising and promotion, the planning and sales department, which is newly established in FY 6/23 under the Product Solutions Division, which is responsible for the company's products, including xoBlos, is working to optimize marketing and advertising activities.

*** Provision of the xoBlos Starter Kit**

The company offers the xoBlos Starter Kit for promoting xoBlos.

Most clients want to solve trouble, but don't know concrete measures for solving trouble.

Accordingly, the company designs and execute the procedures for initial setting and automation within the price range (up to 3 million yen) of the xoBlos Starter Kit. Clients can use them as they are, and if they want more systems, the company undertakes the development of them or gives instructions to them for solving issues.

Like this, the company can promote the adoption of xoBlos by selling the introductory package at the price 3 million yen, which is relatively affordable for clients and worth taking some man-hours for the company.

The company is actively proceeding with business negotiations by utilizing the xoBlos Starter Kit, and discussing new solutions combining xoBlos and AI technologies.

(3) Electronic Contract Outsourcing Service, DD-CONNECT

In September 2020, the company signed a partnership agreement with NS Solutions Corporation to sell the electronic contract cloud CONTRACTHUB @absonne, which has had the largest share of sales in the electronic contract service market for six consecutive years. In October 2020, the company started selling DD-CONNECT, an outsourcing system that handles a series of services from the introduction to operation and maintenance of CONTRACTHUB on behalf of customers.

(Overview of CONTRACTHUB and DD-CONNECT)

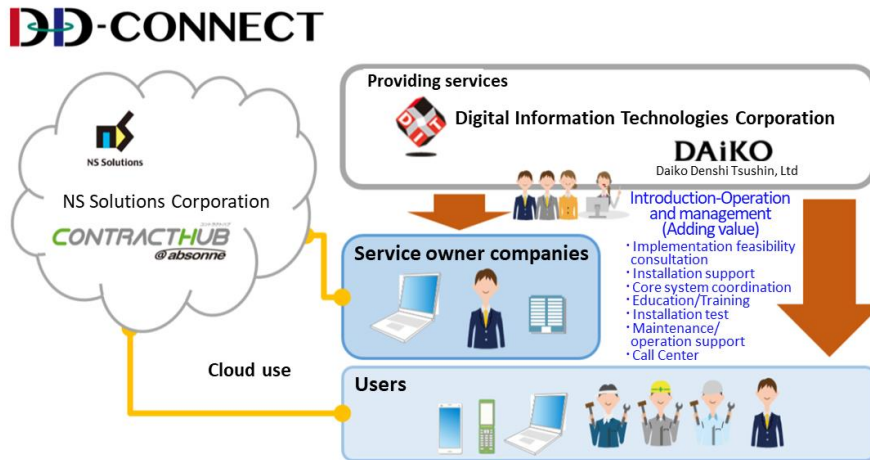
CONTRACTHUB has been deployed mainly by large companies in various industries since the service started in 2013 and is now a pioneer of electronic contract services used by more than 130,000 users.

Since it can be flexibly linked with ERP and sales systems, it can improve the productivity of various operations related to contracts, and both the vendor and the customer can review the electronic contract history, including its conclusion and revisions, on the cloud. Thus, it can improve the efficiency of contract management tasks.

DIT's DD-CONNECT is a series of services that offer testing support related to the introduction of CONTRACTHUB, operation support, and maintenance support. Since DD-CONNECT provides the necessary services collectively, it is easier to introduce than an electronic contract system software package alone. Therefore DD-CONNECT is expected to contribute to further cost reduction and labor-saving.

By regularly sharing human resources and knowledge with NS Solutions, the company provides a wide range of higher value-added electronic contract services, such as measures to improve the efficiency of domestic companies' contract operations and the promotion of going paperless and Hanko (Japanese stamp)-less.

(Image of) Providing services



(Taken from the reference materials of Digital Information Technologies Corporation)

(Strengths and Features)

"DD-CONNECT" can be easily and seamlessly linked with other systems for order receipt/placement and billing. This feature sets it apart from other electronic contract systems and is one of its forte.

(Successful Implementations)

Currently, the product is mainly used by major housing equipment manufacturers, construction, and real estate-related companies. The company's main target industries and customers include those with high potential for DX and digitalization, including local governments. As the electronic contract system is suitable for construction contracts, the company has steadily met the needs for complying with the Electronic Books Maintenance Act.

The company offers its customers added value in terms of support for the installation, operation and management of its cloud system, CONTRACTHUB, and this is highly valued by its customers.

Furthermore, product development, including functional improvements, is carried out by NS Solutions, which means that the company has a significant advantage as it requires little investment.

Initially, the company and its partner, Daiko Electronics Communication Inc. (TSE Standard, 8023), each conducted their own sales activities, but in order to better utilize each other's strengths, the company clarified the division of roles: Daiko Electronics Communication is responsible for sales, while the company is responsible for installation and maintenance operations, which require technical support.

Sales and profit grew considerably, as their efforts for not only introducing "DD-CONNECT," but also developing peripheral systems to be linked with the existing mission-critical systems of client companies paid off.

(4) Highly Secure Website Creation Platform, "shield cms"

In September 2021, the company released shield cms, a website creation platform equipped with a cyber security function that instantly detects website tampering and restores the website in less than 0.1 seconds.

*CMS: Contents Management System. It is a broad term for a system that integrates and systematically manages digital content such as text and images that make up web content and performs necessary processing such as distribution.

(Background of the release)

Many website creation platforms are based on open-source models that can be used free of charge or their modified ones. Although they are easy to use and convenient, they are easily targeted by cyber-attacks because their mechanism is well known. Moreover, as cyber-attacks are becoming more diverse and complex, the needs for products that can automatically prevent them are increasing.

(The product's features)

shield cms incorporates the company's security product WebARGUS as the standard equipment. It detects tampering simultaneously as it occurs and instantly restores the original condition. It also alerts the system administrator the occurrence of website tampering. The time from tampering to the recovery/alert notification is less than 0.1 seconds, and the actual damage can be reduced to zero.

In addition, as a CMS function, even beginners can easily create a website with the "Edit as you exactly see it" function that combines and arranges various design parts on the screen, and you can also add HTML input, CSS, and JavaScript so that you can create your own original design.

1-5 Characteristics and strengths

(1) Multifaceted and diverse IT company

The company has expanded its business areas by flexibly responding to the progress of information technology, from business system development business to computer sales (current: system sales), embedded product development and verification business, and operational support business as well as working on its original products based on its technical strengths which have been developed during the process of business expansion.

One of the major characteristics of the company is that it is a multifaceted and diverse IT company and has a wide range of business activities and provides own-brand product with originality.

In order to improve the strengths and characteristics of the company, it is essential to acquire new technology and improve the on-site capabilities.

The company has been providing training and education to the employees; however, it is establishing a stronger education system, as it is important to have the latest knowledge ahead of customers in times of rapid changes.

From the perspective of diversity, the company is also working to create an environment in which female employees can easily demonstrate their abilities.

It is making efforts to provide not only on the job training, but also training on managerial skills to promote female employees from mid-level positions to managerial positions including executive positions.

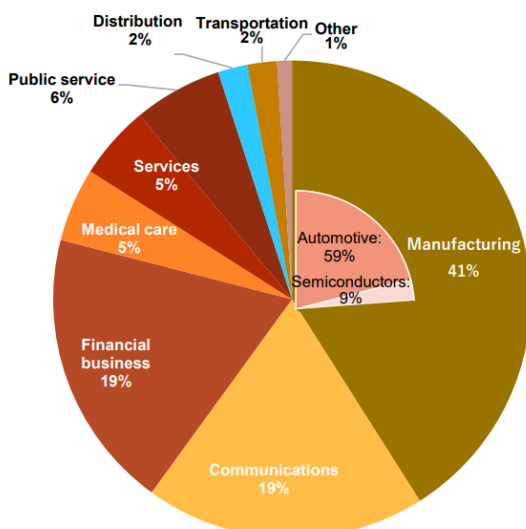
(2) A wide range of customer base

There are about 2,900 client companies. Main clients for the software development business are listed companies and their affiliates, while main clients for the system sales business are small and medium-sized enterprises. Since the business categories of clients are diverse as shown below and stable long-term business is mainly operated, its business base is stable.

The ratio of sales of end users, including information system subsidiaries, is about 80%.

Another characteristic of the company is that the sales in the in-vehicle system domain, which is expected to grow significantly thanks to autonomous driving, EVs, etc., in the manufacturing field account for over 50%.

Sales Composition by Industry



(From the company's FY6/25 financial results presentation)

(3) Organizational strategies of partial and total optimization

Another significant characteristic of the company is that it has an organizational strategy with two opposite factors, partial and total optimization in a well-balanced manner.

For partial optimization, the company has specialized companies under an in-house company system which aim to be the best in each field. It also provides training and produces entrepreneurs with innovative spirits.

For total optimization, the company pursues synergy between companies while respecting independence of each in-house company; through scrap and build done by the divisions, collaboration between each in-house company and development of new business areas.

(Outlines of in-house companies and each divisions)

| Division | In-house company | Overview |
|--|------------------------------------|---|
| Client Service (CS) Division | Business Solution Company | This company develops a proposal style SI business to provide solutions for clients. Especially in the fields of finance, communications and distribution, based on the business knowledge and technical foundations cultivated over many years, this company undertakes design and development of a wide range of software such as general-purpose systems, website systems, mission-critical systems and information systems for leading companies in each industry. It also provides a new business area, ASP business for "Insurance Pharmacy Integrated Management System (Phant's)." |
| | e-business Services Company | This company provides website system architecture and maintenance for e-commerce websites and service websites for clients mainly for finance and major retail industries for many years. It provides a service to suit clients' requirements with technologies which it has developed through experience. |
| | Support Business Company | This company's engineers have a wide range of knowledge enabling it to provide one stop optimal IT environment (service) to suit clients' requirements including support for introducing systems, infrastructure-building, network operation management and middleware development. |
| Technology Solution (TS) Division | Embedded Solution Company | This company specializes in control system development focused on embedded systems for in-vehicle devices, communication devices, industrial equipment and digital home appliances. It has many engineers with highly specialized skills for embedded system development. Because of the physical conditions of hardware, embedded systems development can be very restrictive, and requires a meticulous level of problem-solving that differs from general application development. |
| | Quality Engineering Company | This company has a wide range of software validation and verification businesses from in-vehicle devices such as car navigation systems to medical devices, communication infrastructure and mobile terminals. It gives priority to improving the quality of products and provides total service from planning, designing, implementing, operating, and analyzing tests to consulting. It has collaborated with DIT America, LLC, a local subsidiary in the U.S.A. since 2011. It also provides verification services overseas. |
| Western Japan Business Division | Western Japan Company | Activities are based west of Nagoya, with a focus on Osaka. DIT takes part in three businesses: business system development and operational support, mobile and web application development, and embedded systems development (in-vehicle devices and security-related matters). Recently, the company is aiming to expand into the IoT and Web service businesses, taking advantage of multi-skilling. |
| | Ehime Regional Company | This company is located in Ehime and provides a high added-value one stop service for product development to meet the regionally specific requirements for a variety of industries and businesses as well as sales of software and system |

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| | | |
|---------------------------------------|---|---|
| | | devices, operation and system support, and contributes to local revitalization. It also employs engineers locally at a multi-purpose IT development center to tackle the engineer shortage in the other companies, which enables nearshore development. |
| Product Solution (PS) Division | Composed of IT Security Business Department, xoBlos Business Department, and DX Business Department. | |
| Corporate Planning Division | Composed of Corporate Planning Department, Corporate Promotion Department, IR Department, Group Control Department, and R&D Department. | |
| Administration Division | Human Resources Planning Department, General Affairs Department, Accounting Department, and Partner Promotion Department. | |

(4) Development and sales of original own-brand products

The company has developed a variety of original own-brand products like “xoBlos” and “WebARGUS” with its unique technologies cultivated over many years. The company has a rich lineup, including the electronic contract outsourcing service “DD-CONNECT” based on partnership contracts. The ratio of sales of the Product Solutions Unit, which has a high profit margin, has increased to around 10%. They are making efforts to increase it further as a primary revenue source.

2. The First Half of Fiscal Year Ending June 2026 Earnings Results

2-1 Consolidated business results

| | FY 6/25 1H | Ratio to sales | FY 6/26 1H | Ratio to sales | YoY | Ratio to forecast |
|--------------------|------------|----------------|------------|----------------|-------|-------------------|
| Sales | 11,807 | 100.0% | 12,753 | 100.0% | +8.0% | +2.0% |
| Gross Profit | 3,029 | 25.7% | 3,134 | 24.6% | +3.5% | - |
| SG&A | 1,429 | 12.1% | 1,564 | 12.3% | +9.5% | - |
| Operating Income | 1,600 | 13.6% | 1,570 | 12.3% | -1.9% | +12.1% |
| Ordinary Income | 1,606 | 13.6% | 1,592 | 12.5% | -0.8% | +13.7% |
| Interim Net Income | 1,072 | 9.1% | 1,068 | 8.4% | -0.4% | +6.8% |

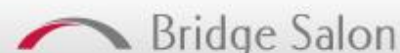
*Unit: million yen. Interim net income is interim net income attributable to shareholders of the parent company. Hereinafter the same will apply.

Sales grew, but profit decreased. Sales reached a record high for the first half of the fiscal year, both sales and profit exceeded the initial forecast.

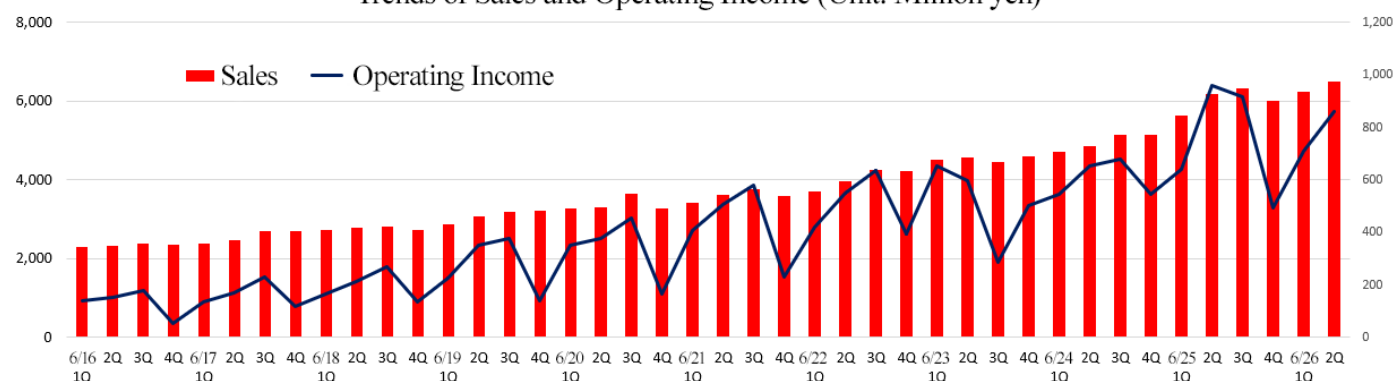
Sales increased 8.0% year on year to 12,753 million yen. While the Business Solutions Unit, Embedded Solutions Unit and the System Sales Business saw a revenue growth, the Product Solutions Unit experienced a decline in sales, partly due to the discontinuation of sales of software for producing New Year’s cards.

Operating income decreased 1.9% year on year to 1,570 million yen. Although gross profit increased 3.5% year on year in parallel with the revenue growth, the increase in SG&A expenses due to strategic investments prevented operating income from growing, resulting in a slight decline. Despite the uncertain business environment, both sales and profit exceeded initial forecasts. Net sales reached a record high for both the first half and the quarterly basis.

BRIDGE REPORT



Trends of Sales and Operating Income (Unit: Million yen)



2-2 Trends by segment

| | FY 6/25 1H | Composition ratio | FY 6/26 1H | Composition ratio | YoY |
|-------------------------------|---------------|----------------------|---------------|----------------------|--------------|
| Software Development Business | 11,419 | 96.7% | 12,253 | 96.1% | +7.3% |
| System Sales Business | 387 | 3.3% | 499 | 3.9% | +28.9% |
| Total sales | 11,807 | 100.0% | 12,753 | 100.0% | +8.0% |
| Software Development Business | 1,572 | 13.8% | 1,488 | 12.1% | -5.4% |
| System Sales Business | 27 | 7.1% | 81 | 16.3% | +196.7% |
| Adjustment | - | - | 0 | 0.0% | - |
| Total operating income | 1,600 | 13.6% | 1,570 | 12.3% | -1.9% |

*Unit: million yen. Sales mean sales to external clients. The composition ratio of operating income means the ratio of operating income to sales.

(Sales trends by business unit)

| | FY 6/25 1H | Composition ratio | FY 6/26 1H | Composition ratio | YoY |
|------------------------------|---------------|----------------------|---------------|----------------------|--------------|
| Sales | | | | | |
| Business Solutions | 6,455 | 54.7% | 6,872 | 53.9% | +6.5% |
| Business System Development | 3,817 | 32.3% | 4,006 | 31.4% | +5.0% |
| Operational Support | 2,637 | 22.3% | 2,865 | 22.5% | +8.6% |
| Embedded Solutions | 3,807 | 32.2% | 4,241 | 33.3% | +11.4% |
| Embedded System Development | 2,715 | 23.0% | 3,000 | 23.5% | +10.5% |
| Embedded System Verification | 1,092 | 9.2% | 1,241 | 9.7% | +13.6% |
| Product Solutions | 1,157 | 9.8% | 1,139 | 8.9% | -1.6% |
| System Sales Business | 387 | 3.3% | 499 | 3.9% | +28.9% |
| Total | 11,807 | 100.0% | 12,753 | 100.0% | +8.0% |
| Gross Profit | | | | | |
| Business Solutions | 1,612 | 25.0% | 1,752 | 25.5% | +8.7% |
| Business System Development | 1,007 | 26.4% | 1,028 | 25.7% | +2.1% |
| Operational Support | 605 | 22.9% | 723 | 25.2% | +19.5% |
| Embedded Solutions | 1,216 | 31.9% | 1,290 | 30.4% | +6.1% |

BRIDGE REPORT



| | | | | | |
|------------------------------|-------|-------|-------|-------|--------|
| Embedded System Development | 888 | 32.7% | 914 | 30.5% | +2.9% |
| Embedded System Verification | 327 | 29.9% | 375 | 30.2% | +14.7% |
| Product Solutions | 526 | 45.5% | 446 | 39.2% | -15.2% |
| System Sales Business | 133 | 34.4% | 177 | 35.5% | +33.1% |
| Total | 3,029 | 25.7% | 3,134 | 24.6% | +3.5% |

*Unit: million yen. The composition ratio of sales is the ratio to total sales. The composition ratio of gross profit means the ratio of gross profit to sales for each business segment.

◎ Software Development Business

Sales grew but profit decreased.

*Business Solutions Unit

In addition to strong demand, the expansion of high value-added services in operational support has contributed to increased revenue and profits across the entire business and in each division.

•Business System Development

Although the special demand from public sector projects in the previous period subsided, the recovery in telecommunications, pharmaceuticals, and ERP-related businesses outweighed this decline, resulting in a slight increase in both sales and profit. The telecommunications project is part of an initiative to strengthen peripheral operations in line with the complete replacement of the core system, and is expected to be an ongoing project spanning several years. The company has accumulated a track record of utilizing generative AI and has begun sharing this expertise internally.

•Operational Support

The company has gotten back on a growth track, driven by an expansion of its market share among key customers and the expansion of high value-added services such as data analysis utilizing its know-how and tools resulting in increased sales and profit. Profitability is improving.

* Embedded Solutions Unit

Although the automotive segment was affected by U.S. trade policies, revenue and profit exceeded projections due to the receipt of orders for projects from a diverse range of industries outside the automotive sector and contributions from embedded system verification.

•Embedded System Development

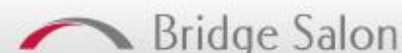
Although gross profit margin declined due to reduced IT investments from major customers involved in high-margin automotive and semiconductor projects, sales maintained double-digit growth thanks to the receipt of orders for projects from other customers and sectors. In particular, security projects for the compliance with European CRA (*) increased, with a primary focus on starting with consulting services to resolve customer-specific challenges.

*European Cyber Resilience Act (CRA): A European regulation designed to protect consumers of products containing digital components and to obligate manufacturers to ensure the cybersecurity of their products. Provisions regarding vulnerability and incident reporting obligations will take effect on September 11, 2026, and the CRA will be fully applied on December 11, 2027. CRA integrates compliance status for covered products into the CE marking for management purposes; products without the CE marking will no longer be permitted for sale on the European market.

•Embedded System Verification

In Japan, despite the impact of the earlier-than-expected completion of an in-vehicle infotainment (IVI) project, the expansion of in-vehicle verification services for Japanese automakers in the U.S. led to double-digit growth in both revenue and gross profit. The company is currently preparing to launch automated services for the testing process utilizing AI.

BRIDGE REPORT

***Product Solutions Unit**

Despite steady growth in license sales and development related to electronic contract services, revenue and profit declined due to the planned discontinuation of software for producing New Year's cards.

“WebARGUS”

The number of licenses is steadily increasing. The vulnerability scanning service is gaining recognition and expanding steadily. The company developed “RezOT” (see “Topics” below), a security solution for embedded devices.

“xoBlos”

The acquisition of prospective customers at trade shows and other events is progressing smoothly. A new product specifically designed for extracting data from Excel reports using certain features of xoBlos is currently under development.

“Other”

The electronic contract service “DD-CONNECT” continued to expand, primarily in the residential construction sector, including system integration development. Jungle, Inc. saw significant growth in its corporate-oriented products, but revenue and profit declined due to the discontinuation of the software for producing New Year's cards.

◎ Systems Sales Business

Both sales and profit increased.

Sales and profit both increased significantly, due to the factors such as the inclusion of revenue from the Hokuriku regional sales office which was acquired in the second half of the previous fiscal year and the satisfaction of PC demand through support for Windows 11.

2-3 Financial condition and cash flow**◎Main BS**

| | End of June 2025 | End of December 2025 | Increase/ Decrease | | End of June 2025 | End of December 2025 | Increase/ Decrease |
|------------------------------|---------------------|----------------------------|-----------------------|-------------------------------|---------------------|----------------------------|-----------------------|
| Current assets | 9,474 | 10,069 | +594 | Current liabilities | 2,791 | 2,900 | +109 |
| Cash and deposits | 5,354 | 5,619 | +265 | Accounts payable | 857 | 848 | -8 |
| Trade receivables | 3,736 | 3,941 | +205 | Fixed liabilities | 297 | 278 | -18 |
| Noncurrent assets | 1,797 | 1,828 | +31 | Total liabilities | 3,088 | 3,179 | +90 |
| Tangible fixed assets | 188 | 191 | +3 | Net assets | 8,182 | 8,718 | +536 |
| Intangible fixed assets | 691 | 603 | -88 | Retained earnings | 8,170 | 8,633 | +462 |
| Investments and other assets | 916 | 1,034 | +117 | Treasury stock | -1,315 | -1,415 | -99 |
| Total assets | 11,271 | 11,897 | +626 | Total liabilities, net assets | 11,271 | 11,897 | +626 |

*Unit: Million yen. Trade receivables include contract asset.

Total assets increased 626 million yen from the end of the previous fiscal year to 11,897 million yen, mainly due to an increase in cash and deposits and accounts receivable. Total liabilities augmented 90 million yen from the end of the previous fiscal year to 3,179 million yen. Net assets grew 536 million yen from the end of the previous fiscal year to 8,718 million yen, mainly due to an increase in retained earnings.

As a result, equity ratio rose 0.7 points from the end of the previous fiscal year, remaining at a high level of 72.3%.

◎ Cash Flow

| | FY 6/25 1H | FY 6/26 1H | Increase/Decrease |
|----------------------------|------------|------------|-------------------|
| Operating Cash Flow | 1,112 | 1,027 | -85 |
| Investing Cash Flow | 30 | -117 | -147 |
| Free Cash Flow | 1,143 | 909 | -233 |
| Financing Cash Flow | -999 | -653 | +346 |
| Cash, Equivalents | 4,647 | 5,608 | +960 |

*Unit: Million yen

Investment cash flow turned negative due to increased expenditures related to the acquisition of investment securities, among other factors, and the surplus of free cash flow decreased.

Cash position increased.

2-4 Topics

(1) Development of a security solution for embedded devices (RezOT)

In September 2025, the company announced that it had developed a security solution for embedded devices (RezOT).

This falls under the Product Solutions Unit.

(Background of Development)

With the number of embedded devices connected to networks growing rapidly, cyberattacks targeting IoT-enabled embedded devices are increasing. In response to the threat of network-based cyberattacks, the concept of “security by design” is becoming increasingly important as a design methodology that eliminates vulnerabilities in embedded devices and systems from the design and manufacturing stages and enhances overall security.

When addressing cybersecurity, measures taken solely at the design phase are insufficient; designs must also incorporate considerations for the operational phase, including the detection of damage caused by cyberattacks and rapid response. However, it is difficult to predict when vulnerabilities will arise, and the reality is that detecting damage from cyberattacks and responding swiftly remain extremely challenging.

In this context, countermeasures against cyberattacks are an urgent priority. As advocated by the NIST CSF (Cybersecurity Framework), it is critically important to implement security measures that not only identify and defend against threats, but also enable detection, response, and recovery.

As an independent system integrator specializing in business and embedded system development, the company has been operating its security business based on its own products for over 20 years. It actively promotes security products such as “WebARGUS,” based on independently developed technology to instantly detect and recover from system tampering, and has a proven track record of numerous successful implementations.

While receiving diverse advice from partner companies with extensive knowledge, experience, and a proven track record in the industrial sector, DIT developed a security solution for embedded devices (RezOT) using the independently developed technology and the Rust programming language, which offers excellent memory safety and is increasingly being adopted in IoT devices to enable the detection, response, and recovery capabilities advocated by the NIST Cybersecurity Framework (CSF).

*NIST CSF: Cybersecurity Framework. A framework developed by the National Institute of Standards and Technology (NIST) to improve cybersecurity measures for critical infrastructure. In Japan, many companies and organizations refer to it as a guideline for enhancing their cybersecurity measures.

(Future Initiatives)

Currently, based on the collaboration with microcontroller and chip manufacturers, the company is advancing optimization between target IoT devices and “RezOT,” while promoting early market deployment and establishing a sales expansion framework. The company is working to develop a business model that generates growing revenue as the number of IoT devices incorporating “RezOT” increases, while considering the provision of customized “RezOT” implementation services by leveraging its embedded software development expertise.

② Standardizing Quality Assurance Services Using AI

The company has developed a service that leverages AI for the QA (Quality Assurance) process, which is prone to becoming highly dependent on individual expertise in IT development.

* By training the AI on the company's standardized development know-how and specifications, the AI devises the ideal testing process for each project.

* By having engineers perform quality verification based on automatically generated test cases, it is possible to standardize the quality assurance domain which is prone to becoming dependent on individual expertise into a highly reproducible process.

* The number of inquiries is already increasing, and the company plans to build a high-security QA platform capable of handling even more sensitive information in the future, with the aim of rolling it out as a standard QA infrastructure for manufacturers and other companies handling sensitive data.

3. Fiscal Year Ending June 2026 Earnings Forecasts

3-1 Full-year earnings forecast

| | FY 6/25 | Ratio to sales | FY 6/26 (Est.) | Ratio to sales | YoY | Rate of progress |
|------------------|---------|----------------|----------------|----------------|-------|------------------|
| Sales | 24,159 | 100.0% | 26,000 | 100.0% | +7.6% | 49.1% |
| Operating Income | 3,013 | 12.5% | 3,050 | 11.7% | +1.2% | 51.5% |
| Ordinary Income | 3,027 | 12.5% | 3,050 | 11.7% | +0.7% | 52.2% |
| Net Income | 2,178 | 9.0% | 2,200 | 8.5% | +1.0% | 48.6% |

*Unit: Million yen. The estimated values are from the company.

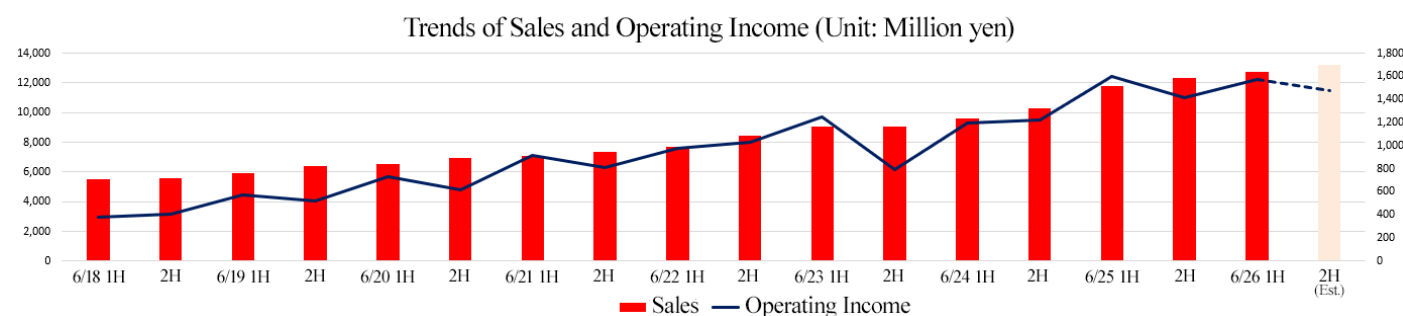
There are no changes to the earnings forecast. Sales and profit are expected to rise for the 16th consecutive fiscal year.

There are no changes to the earnings forecast. Sales are projected to increase 7.6% year on year to 26.0 billion yen, and operating income is expected to rise 1.2% to 3.0 billion yen. The company anticipates its 16th consecutive year of growth in both sales and profit. The company expects corporate IT investment to remain strong this fiscal year. However, due to budget adjustments at some of its major automotive clients resulting from U.S. tariff policies, the outlook remains cautious.

Regarding profits, while gross profit is expected to increase moderately due to higher unit prices and contributions from the company's own solutions, net profit is projected to rise only slightly due to upfront investments.

Although the company initially anticipated a recovery in profits starting in the second half of the fiscal year, profits in the first half exceeded expectations despite a year-on-year decline. Due to the uncertain business environment, particularly in the automotive industry, the full-year forecast remains unchanged; consequently, profit is projected to decline in the second half from the first half.

They plan to pay a dividend of 75.00 yen per share, up 3.00 yen per share from the previous fiscal year (before taking the stock split into account). The expected dividend payout ratio is 50.5%.



3-2 Trend of each business unit and initiatives for this fiscal year

(Trend of sales)

| | FY 6/25 | Composition ratio | FY 6/26 (Est.) | Composition ratio | YoY | Rate of progress |
|-------------------------------|---------------|-------------------|----------------|-------------------|--------------|------------------|
| Software Development Business | 23,292 | 96.4% | 25,100 | 96.5% | +7.8% | 48.8% |
| Business Solutions Unit | 13,198 | 54.6% | 14,400 | 55.4% | +9.1% | 47.7% |
| Business System Development | 7,764 | 32.1% | 8,600 | 33.1% | +10.8% | 46.6% |
| Operational Support | 5,434 | 22.5% | 5,800 | 22.3% | +6.7% | 49.4% |
| Embedded Solutions | 7,816 | 32.4% | 8,400 | 32.3% | +7.5% | 50.5% |
| Embedded System Development | 5,492 | 22.7% | 6,000 | 23.1% | +9.2% | 50.0% |
| Embedded System Verification | 2,324 | 9.6% | 2,400 | 9.2% | +3.3% | 51.7% |
| Product Solutions Unit | 2,277 | 9.4% | 2,300 | 8.8% | +1.0% | 49.5% |
| System Sales Business | 866 | 3.6% | 900 | 3.5% | +3.9% | 55.4% |
| Total | 24,159 | 100.0% | 26,000 | 100.0% | +7.6% | 49.1% |

*Unit: Million yen

(1) Business Solutions Unit

Investment in information technology is expected to increase continuously, so DIT forecasts that it will deliver record-high earnings results if it accurately deals with market changes and customer needs.

■ Business System Development

As the evolution of the generative AI technology is bringing about changes in the market, DIT will aim to boost its profitability by breaking into the fields for which market needs are strong while focusing on a proposal-based business model that enables the company to work side by side with clients.

■ Operational Support

DIT will strive to expand the business by developing services and solutions based on its strengths, as well as increasing its market share among the existing clients.

| Priority measures | H1 Results | Initiatives in H2 |
|--|---|---|
| Focus on rebalancing the business model (side-by-side consulting, AI consulting, low-code development, agile development, etc.) to deliver new value to customers. | Generative AI guidelines were formalized based on implementation results across multiple projects. Agile development was expanded to existing customers. AI initiatives have also been highly evaluated by customers, progressing from the proof-of-concept stage to full-scale operational deployment. | Strengthen the promotion of "co-creator"-based value delivery for both existing and new customers. Expand the provision of integrated offering services(*) that comprehensively cover all phases from upstream processes onward. * A service model that provides consulting, development, and operations in an integrated manner, starting from solving customer challenges. |
| Establish a team of professionals specializing in financial business operations, one of the Company's strong fields. | In financial-sector projects, actual activities were limited as project launches were delayed due to changes in customer-side planning. | Rebuild the organizational structure through appropriate personnel allocation in anticipation of multiple financial projects commencing. Ensure smooth project execution. |
| In operational support, provide DX promotion support and solution services that help customers improve operational efficiency and enhance added value. | At major customers, DX-related support—including data analytics and cybersecurity—was highly evaluated, leading to expansion of high-value, high-price services. | Continued efforts to expand high-value-added services. |
| Expand development and operational structures for a major telecommunications group, which are key customers. | In operational support, steadily expanded the organizational structure. In system development, leveraged increasing project opportunities and deepening customer relationships to participate more actively in upstream processes. | Continue expanding the structure in operational support while enhancing system, accompaniment-type services in system development to increase order opportunities. |
| Build cooperative structures with Group subsidiaries in both system development and operational support, and maximize synergies. | In operational support, collaboration with Simplism Co. progressed in system development, partial collaboration with System Products Co., Ltd. commenced. | Continue strengthening partnerships in operational support. Expand collaboration with System Products Co., Ltd. in the system development domain. |
| Improve estimation accuracy and strengthen project management capabilities. | Improvements progressed across QCD (Quality, Cost, Delivery), resulting in enhanced profitability across contract-based projects. | Further enhance estimation accuracy and project management capabilities. Accelerate the development of PM (Project Manager) talent. |
| Utilize regional bases as "Advanced Nearshore Development Centers" and expand orders from local companies. | The Matsuyama base, now in its 13th year, expanded its organizational structure. The Hakodate and Hokuto bases, in their second year, began operations as AI, Agile, and DX service hubs. | Continue strengthening functions as advanced nearshore development centers leveraging cutting-edge technologies, while promoting the utilization of local talent. |

(From the company's financial results presentation)

Financial projects include Cloud Lift (*) and AML (*). The company is expecting the launch of several financial projects. In addition to the regular financial projects, the company will undertake these projects, in which it has expertise.

*Cloud Lift

A method of migrating systems and applications from an on-premises environment to the cloud without making significant changes to their configuration or specifications. This approach is gaining attention as a way to migrate to the cloud in a short period of time and at low cost while leveraging the assets of existing systems.

*AML

Anti-Money Laundering measures

(2) Embedded Solutions Unit

The earnings forecasts are conservative because in-vehicle systems and devices, and semiconductors, which have been the growth driver, are projected to be on a plateau. However, DIT expects further increases in both sales and profit by conducting its operations with increasing sophistication and providing comprehensive services that include development and verification.

■ Embedded system development

While endeavoring to maintain the existing business, DIT aims at a steady business growth through such efforts as participation in projects for evaluating the functional safety of its in-vehicle systems and devices, expansion of the security field relating to IoT devices, and expansion of other fields than in-vehicle systems and devices.

■ Embedded system verification

DIT strives to expand the business with the aim of evolving it into a business that provides quality services consistently from the upstream market through the downstream market, as well as taking the verification business a step further and breaking into such new fields as Dev/Ops (*).

Because the company is building up know-how of verification automation, it will branch out into the field targeted at industrial equipment manufacturers so that it will be less dependent on in-vehicle systems and devices and enrich its customer portfolio.

*Dev/Ops (Development & Operations): a technique of conducting necessary tasks ranging from software development to software operation in an integrated manner, which enables swift development and provision of services

FY6/26 Business Forecasts

Priority Measures by Segment : Embedded Solutions Unit

| Priority measures | H1 Results | Initiatives in H2 |
|---|---|---|
| Pursue expansion and stabilization in the automotive, IoT, and semiconductor fields through integrated proposals that combine both development and verification. | Integration between embedded development and verification organizations progressed, with integrated "development + verification" orders becoming the mainstream. We promoted integrated development projects for mid-sized projects in the control equipment field for measurement and instrumentation. | Promote the integrated "development + verification" proposal as a core strength of the Company and pursue sustainable business expansion. |
| In the automotive domain, in addition to infotainment (IVI, CDC-related) and ECU aim to participate in new areas such as SDV (Software-Defined Vehicles) and functional safety. | In addition to IVI, the meter domain expanded. In the ECU domain, projects related to two-wheeler ECUs and electric power steering progressed. Entered into a capital and business alliance with Micware Co., Ltd. | Continue expanding the automotive domain, which is our area of strength. Leverage the capital and business alliance with Micware to expand development and verification capabilities in the IVI domain. |
| Build track records by addressing domestic and overseas security regulations, such as CRA for Europe and JC-STAR for Japan. | Preventive security projects involving encryption and authentication in the embedded domain progressed, with net sales exceeding the previous fiscal year. Initiated R&D for a security update tool to support compliance with Europe's Cyber Resilience Act (CRA). | Continue focusing on the security domain as a key strength. Build the foundation for expanding regulation-compliance projects and promote sales activities in anticipation of tool completion. |
| Expand business in the Chubu region, targeting automakers (OEMs) and major Tier 1 suppliers. | Amid changes in development and procurement environments surrounding OEMs and Tier 1 suppliers, new project expansion was limited, and the Chubu region structure remained largely unchanged. | Closely monitor customer trends, including development and procurement environments, and explore business opportunities in the Chubu region. |
| Establish a scheme to build quality in the upstream phase and verify quality in the downstream phase, and work to build track records in secured projects. | Applied the DIT standardized verification process to contracted projects. | Continue applying the standardized process to ongoing projects while updating the standard framework through feedback and accumulating implementation track records. |
| Promote standardization of verification operations and automation utilizing AI and RPA, while also expanding into new verification domains such as business systems and industrial equipment. | Conducted a proof-of-concept (PoC) for AI utilization in the testing process with a manufacturing customer. Verified effectiveness and received high evaluation from the client. | Expand the highly evaluated AI-based testing approach horizontally as a new service offering. Further expand into business application verification domains. |
| In North America, where automotive-related business is steadily expanding, broaden the scope from IVI to ADAS to drive further growth. | Despite the significant impact of U.S. policy changes, business scale expanded steadily, particularly in the IVI domain. | Although future visibility remains limited as Japanese OEM customers adjust their U.S. development strategies, we will strengthen the organizational structure during this period to prepare for future growth. |

FY6/26 Business Forecasts

Priority Measures by Segment : Embedded Solutions Unit

| Glossary | |
|--|---|
| IVI (In-Vehicle Infotainment) | An integrated information and entertainment system that combines navigation, audio, smartphone connectivity, and internet access within the vehicle. Provides entertainment and information functions to improve convenience and comfort while driving. |
| CDC (Cockpit Domain Controller) | A central control unit that integrates and manages in-vehicle infotainment systems, driver assistance functions, and safety features around the driver's seat. Traditionally, multiple ECUs (Electronic Control Units) existed separately; the CDC consolidates these into a single platform, improving system efficiency, reducing costs, and enhancing the in-vehicle experience. |
| SDV (Software Defined Vehicle) | A next-generation concept of vehicles in which functions and performance can be modified or added through software. Unlike traditional hardware-defined functions, software updates via OTA (Over-The-Air) communication allow vehicles to evolve into "drivable smart devices." |
| ECU (Electronic Control Unit) | An onboard electronic control unit that manages various functions such as engine, braking, and power steering. |
| CRA (EU Cyber Resilience Act) | A regulation established by the European Union (EU) concerning cybersecurity, requiring hardware and software products to comply with security requirements throughout their entire lifecycle, from design to disposal. |
| JC-STAR (Japan Cyber-Security Technical Assessment Requirements) | A certification and labeling system in Japan based on technical cybersecurity requirements for IoT devices. A third party evaluates and certifies that a product meets certain security standards, and a label (mark) is granted to indicate the product is "secure." |
| ADAS (Advanced Driver Assistance Systems) | A collective term for technologies and functions aimed at improving vehicle safety and driver support. By using cameras and sensors, ADAS enables functions such as collision avoidance assistance, lane-keeping support, and traffic sign recognition, thereby reducing driver workload and preventing accidents. |

(From the company's financial results presentation)

Micware Co., Ltd., a company with a proven track record as a Tier 1 software supplier in the automotive industry, has entered into a capital and business alliance in October 2025 to meet the rapidly growing demand for automotive software development and verification services in fields such as IVI and ECU. Although the two companies have been engaged in strategic collaboration for about two years, they have formalized their partnership through this capital and business alliance to fully commit to the initiative. It is believed this will contribute to business expansion with multiple complete vehicle manufacturers.

(3) Product Solutions Unit

Although seasonal factors related to Jungle, Inc.'s New Year's card software sales are expected to subside, the company aims to achieve overall sales exceeding those in the first half of the year.

*** “WebARGUS”**

The company aims to enhance brand awareness among mid-sized companies through web marketing, etc., attract new customers, and boost sales from subscription licenses. The company plans to release new products that are aligned with the market needs for security solutions.

FY6/26 Business Forecasts

Priority Measures by Segment : Product Solutions Unit

WebARGUS

| Priority measures | H1 Results | Initiatives in H2 |
|--|--|--|
| In addition to large projects that require long lead times to contract, the Company is actively deploying the DSP (DIT Security Platform) for SMEs launched in FY2024, steadily building recurring revenue. | Through initiatives to raise awareness of DSP, the number of companies expressing interest has gradually increased. | Strengthen advertising and promotional activities, including web-based initiatives, to further enhance recognition and expand orders. |
| Alongside the expansion of proprietary security services, the Company will focus on increasing sales of its highly regarded vulnerability assessment service. | Obtained certification of compliance with the "Information Security Service Standards." The number of engagements has increased steadily. | Further enhance the quality and delivery framework of the highly rated vulnerability assessment services to drive order expansion. |
| Through the expansion of "Sentinel WebARGUS," a product launched in earnest in July that blocks file tampering in real time, the Company will help reduce damages from ransomware attacks. | Web initiatives, including a corporate website renewal, contributed to a steady increase in customer inquiries. | Against the backdrop of increasing ransomware incidents, position our offerings as essential ransomware countermeasure products through strengthened sales initiatives and aim to expand orders. |
| Against the backdrop of trends in the European CRA and Japan's JC-STAR, demand for the IoT version of WebARGUS—based on the concept of system resilience (self-detection and self-repair)—is rising. The Company is actively investing toward its commercialization and market launch. | In September, we announced "RezOT," a security solution for embedded devices, and commenced customization development for implementation in IoT devices. | Through collaboration with partners, we are validating the operational performance of RezOT while advancing preparations for market launch. |

(From the company's financial results presentation)

*** “xoBlos”**

The company is actively pursuing business negotiations utilizing the “xoBlos Implementation Pack” while exploring new solutions that combine xoBlos with AI technology.

FY6/26 Business Forecasts

Priority Measures by Segment : Product Solutions Unit

xoBlos

| Priority measures | H1 Results | Initiatives in H2 |
|---|---|---|
| Expand the number of customers through the introduction of low-priced starter packs, followed by upselling to increase licenses and revenues. | By introducing low-priced starter packs that standardizes initial costs, barriers to adoption were reduced. As a result, the number of implementations increased, while upselling and horizontal expansion progressed through greater recognition of the product's value. | Focus on upselling and horizontal expansion among customers that have already adopted the package. Aim to secure large-scale projects and expand the number of licenses. |
| Provide training and technical support to existing customers and drive upselling to expand sales and profits. | Upselling progressed through regular follow-ups with existing customers and the development of paid training and technical support programs. | Continue regular engagement with existing customers. Enhance and strengthen training and technical support programs to further expand upselling opportunities. |
| Build expertise in side-by-side support for new customers, promoting continued use and horizontal expansion. | Accompaniment-style support has been highly evaluated, particularly by new customers pursuing in-house development, contributing to increased adoption. | Further strengthen accompaniment-style support. Promote horizontal expansion among existing customers with in-house development orientation and accelerate adoption by new customers. |
| Prepare to launch new solutions, such as automation models incorporating AI technology, SaaS models for SMEs, and models for municipalities. | Confirmed the feasibility of various solutions and developed "xFormly," a SaaS product for SMEs that automatically converts Excel data into CSV format, as the first initiative. | Launch xFormly by February and commence sales under a SaaS model. As part of group synergy initiatives, leverage Jungle Inc.'s e-commerce platform to support sales expansion. |

(From the company's financial results presentation)

*** Other new products**

DD-CONNECT, an electronic contract service is aimed at expanding recurring revenue by winning large-scale projects, primarily in the construction and real estate industries. The company is also seriously engaging in businesses that utilize AI and drones. Regarding Jungle, Inc., they receive a healthy number of business inquiries about B2B products that are expected to generate stable revenue, and the company aims to increase revenue by focusing primarily on these products. These products include Data Migration Box (DMB), a tool for high-speed data migration from on-premise equipment to a cloud system or from a cloud system to another cloud system, for which DIT possesses exclusive dealership, and PDF-Xchange Editor, general multifunctional PDF software for editing PDF files freely, which is sold as “Platinum Reseller.”

FY6/26 Business Forecasts

Priority Measures by Segment : Product Solutions Unit



DD-CONNECT, DX Business, and Jungle Inc.

| Priority measures | H1 Results | Initiatives in H2 |
|---|---|---|
| Expand subscription licenses and SI services through large-scale orders for DD-CONNECT. | Secured orders from major housing and construction companies. Both SI services and subscription license sales increased steadily. | Continue targeting the housing, construction, and real estate sectors. Promote proposals including SI services and aim to secure large-scale orders. |
| Leverage expertise accumulated in agile × low-code development to strengthen organizational capabilities and increase orders. | Have secured multiple large-scale projects and are advancing development. However, challenges have arisen due to a shortage of personnel. | Strengthen the development structure to resolve challenges and ensure stable project execution. |
| Make customer proposals and conduct PoCs related to AI development and drone autonomous operation, while strengthening the development framework. | Advanced efforts toward practical application of drone technologies, including proposals to large-scale amusement facilities utilizing 3D spatial projection technology. Proposed automated pesticide spraying and bear monitoring solutions in the southern Hokkaido region. | Leverage increasing requests from local governments to advance commercialization of drone technologies. |
| In southern Hokkaido, launch region-specific services that address local needs, such as AI-based diagnostics for aging water pipes, thereby contributing both to regional revitalization and social contribution. | Conducted a field test in December in Hokuto City for water pipe deterioration diagnostics, confirming its effectiveness, and entered into a comprehensive partnership agreement with Ricoh Japan and Money Forward to promote DX in the southern Hokkaido region. | Expand the water pipe deterioration diagnostics service to other municipalities and promote commercialization. Utilize the comprehensive partnership agreement to propose new DX-related initiatives and strengthen sales activities. |
| While the termination of New Year's card software sales by Jungle Inc., a product sales subsidiary, will have some impact on sales, the effect on profits is expected to be offset. By strengthening the product lineup for corporate clients, the Company aims to secure profits at a level comparable to the previous year. | Although a decline in profit due to the discontinuation of New Year greeting card software was anticipated, strong performance in corporate products significantly mitigated the impact. As a result, profit declined YoY but remained within the scope of the plan. | Despite the impact from the discontinuation of New Year greeting card software, aim to secure profit levels exceeding the previous fiscal year, supported by the high profitability of corporate products. |


(From the company's financial results presentation)

(4) System Sales Business

The company aims to increase both sales and profit by utilizing its strengthened sales system and new regions. The company will continue to give more proposals to small and medium-sized enterprises that have been slow to adopt the invoice system and comply with the Electronic Books Maintenance Act, while striving to secure revenue by providing after-sales support services to companies that have already implemented these systems. The company will also strengthen its support for the new Hokuriku region to make it a sustainable profit base.

FY6/26 Business Forecasts

Priority Measures by Segment : Systems Sales Business



| Priority measures | H1 Results | Initiatives in H2 |
|--|--|---|
| At the Hokuriku offices, prioritize replacement sales to inherited customers. | At the Hokuriku sales offices (Kanazawa and Toyama), established in December 2024, we introduced the sales and proposal methodologies proven at our subsidiary DMS. This facilitated DX promotion among previously untapped customers, resulting in steady progress. | Continue customer follow-ups while initiating new market development. Strengthen sales activities and further contribute to the regional economy. |
| Strengthen cross-selling of products and services such as multifunction devices, UTM, "Rakuraku Page," and business phones, according to customers' business environments. | Against the backdrop of favorable market trends driven by the widespread adoption of Windows 11 and related upgrades, PC sales and UTM (Unified Threat Management) security products exceeded the plan. | Continue expanding cross-selling of security products, network equipment, and related solutions through ongoing customer follow-up activities. |
| Reinforce the sales structure to develop new customers, focusing on recurring revenue cloud systems, and implement proposal-based sales to capture whitespace opportunities among customers. | While leads have been secured primarily through outbound sales activities (visits, phone outreach, etc.), the current framework has not yet reached a level sufficient to transform the business model. | Strengthen the sales organization and proactively approach customers' untapped areas ("white spaces"). Aim to transform the business model with a focus on expanding stock-type (recurring) products. |

(From the company's financial results presentation)

4. Message from President Ichikawa

Anthropic, an American artificial intelligence startup founded in 2021 by former employees of OpenAI, released its latest AI model at the end of January 2026. This has sparked widespread concerns that “Will AI make SaaS obsolete?” causing stock prices of many related companies, regardless of their size, to fall, and the company’s stock is no exception. We asked President Ichikawa for his comments on this situation.

“It is certainly understandable that by utilizing AI agents, companies can perform their own operations without having to outsource system development to external firms or purchase packaged software. However, I think that it is difficult for some enterprises and clients to do so.

On the other hand, it seems only natural that processes which were simply developed based on customer orders and requests will become more efficient. Therefore, if there are 10 jobs today, there will likely be only 7 in 10 years, and it is inevitable that some companies will be forced out of business.

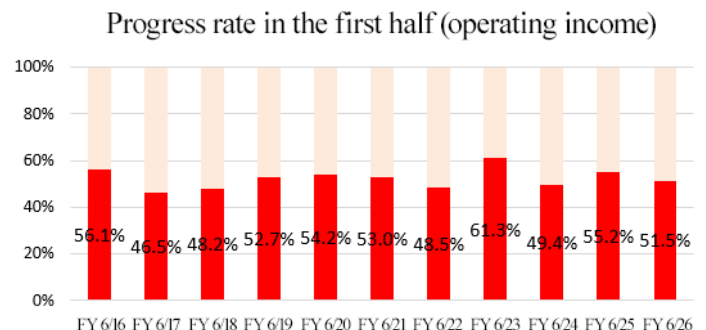
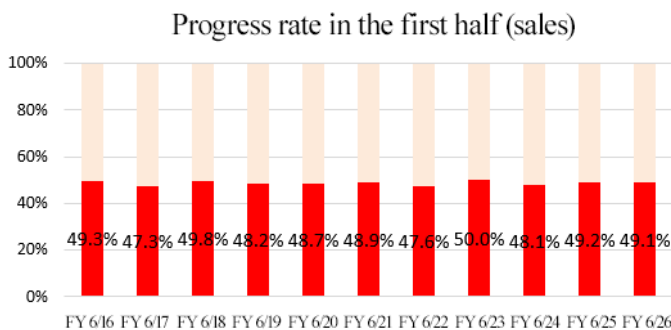
In this environment, one type of company likely to survive is one with many customer touchpoints. Furthermore, building a trust with customers will be an important factor. In our case, we have approximately 2,900 business partners, many of whom have been with us for over 20 years. By building on these relationships of trust and leveraging AI tools to pursue short-leadtime, low-cost service delivery, we believe we can secure a strong market position.

Although the uncertain business environment is expected to continue, this provides our group, which prides itself on its ability to adapt to changes, with an opportunity to enhance our presence more than ever before, as outlined in our ‘Vision for 2030.’ We intend to survive the competition by transforming into an organization better equipped to adapt to changes, while staying close to our customers and focusing on enhancing their value.

5. Conclusions

Although enterprises are eager to invest in IT, they remain cautious about actually making investments due to the challenging environment surrounding their main customers, that is, automotive-related companies, which are affected by U.S. tariff policies, the situation in Iran, and trends in EV demand. On the other hand, the Business Solutions Unit is securing new projects in the telecommunications sector and other areas, while the Embedded Solutions Unit is recovering as its business expands beyond the automotive sector.

The progress rate in the first half of the fiscal year stands at 49.1% for sales and 51.5% for operating income. These figures are comparable to those in the previous years, and attention will be focused on how much sales and profits can be accumulated in the third and fourth quarters, with the Business Solutions Unit serving as the driving force.



*Figures from FY 6/16 to FY 6/25 are the ratios of first-half results to full-year results.

<Reference 1: Vision for 2030>

In August 2021, the company announced its long-term vision “Vision for 2030.”

(DIT Group's Vision for 2030)

DIT Group's vision for 2030 is to build a trusted and selected DIT brand.

To this end, as professionals, the company will provide a higher level of value in terms of services: safety and robustness, efficiency improvement, safe operation, problem-solving and proposal capabilities, high quality, and advanced technology.

(Business environment)

With the full-scale arrival of the digital society, the DIT Group recognizes that it will enter an era of shakeout in which only the companies that can respond to changes such as the acceleration of DX, the shortage of IT human resources, threats to cyber security, and the increasing needs for societal issues such as the reformation of work styles will survive.

These changes that the IT industry is facing are an opportunity for the DIT Group that excels at responding to change, to make its presence known more than ever. The DIT Group will transform itself further to be even more responsive to changes, and focus on staying close to customers and increasing their value.

(New slogan)

In the vision for 2030, they uphold the new slogan “**Endeavor to exceed 50, 50, and 50,**” that is, sales of 50 billion yen, an operating income of 50 hundred million yen, and a payout ratio of 50%.

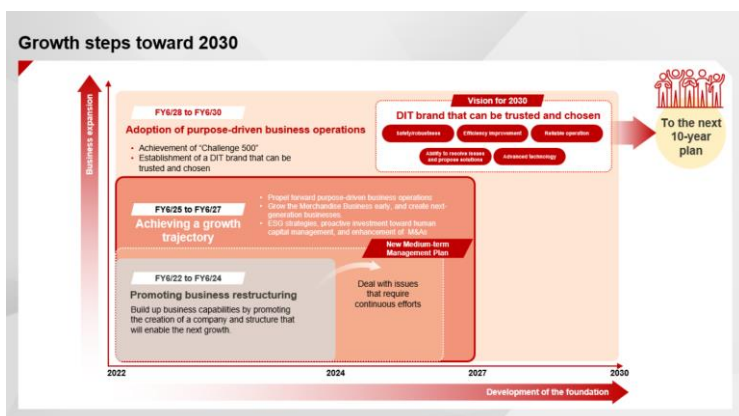
| | FY 6/24 | FY 6/30 (including new businesses and M&A) |
|------------------|------------------|---|
| Sales | 19.8 billion yen | 50 billion yen or larger (+16.7%) |
| Operating Income | 2.42 billion yen | 5 billion yen or larger (+12.9%) |
| Payout ratio | 41.1% | 50% or higher (since FY 6/30) |

*The parenthesis indicates CAGR, which was calculated by Investment Bridge.

(Growth steps toward the year 2030)

They will actualize “DIT Vision for 2030” through the following three steps.

| | | |
|--------------------|--|--|
| FY 6/22 to FY 6/24 | Promotion of business structure reform | To build up business capabilities by promoting the creation of a company and structure that will enable the next stage of growth. |
| FY 6/25 to FY 6/27 | Realization of growth track | <ul style="list-style-type: none"> ▪ Promotion of purpose-based business administration ▪ Acceleration of the product business and creation of next-generation business ▪ ESG strategies, active investment in business administration based on human capital, and enhancement of M&A |
| FY 6/28 to FY 6/30 | Mastering of purpose-based business administration | <ul style="list-style-type: none"> ▪ To overcome “Challenge 500” ▪ To establish a DIT brand that is trusted and selected by all stakeholders. |



(Medium to long-term growth model)

The company will further strengthen its business promotion based on two major activities that has supported corporate growth to date. In terms of the business base, they will further expand and stabilize it by continuously investing management resources in areas with growth potential and further expanding the business domain through comprehensive capability. In terms of growth factors, they will provide new value and services through business expansion based on original products, expansion of business domains through the application of new technologies, and the expansion of new service-type businesses through collaboration and co-creation.

(SDGs: Contributing to the realization of a sustainable society)

They will strive to contribute to a sustainable society through appropriate corporate management and the introduction of their original products to customers etc. In terms of corporate management, they will contribute to a sustainable society through appropriately prioritizing the enhancement of employee benefits, promoting diversity by appointing women to managerial positions, updating governance style, etc. As for contributions via the introduction of original products, they will contribute to the establishment of a safe and secure Internet society and the improvement of social productivity through the introduction of their security product (WebARGUS) and products related to the reformation of work styles (xoBlos, DD-CONNECT).

<Reference 2: Medium-term Management Plan>

[1 Review of the previous medium-term management plan]

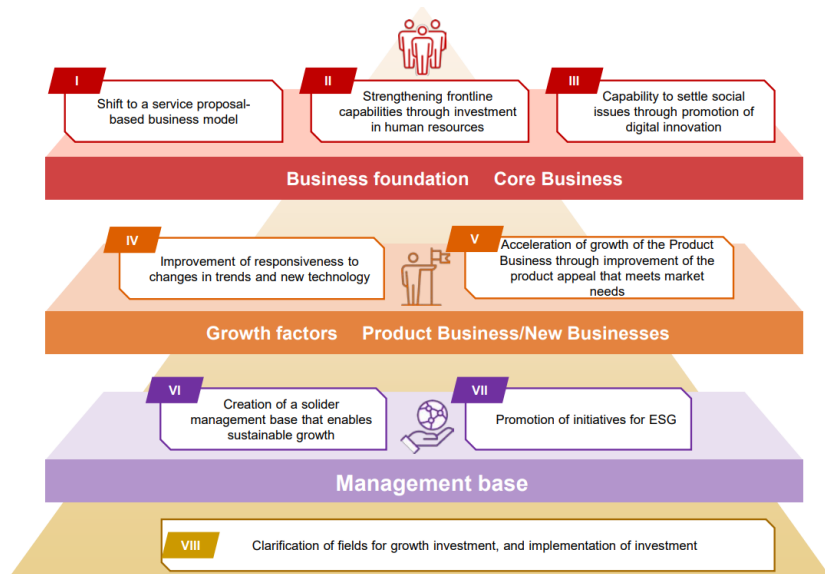
The average annual growth rate in the period of the previous medium-term management plan (from FY 6/22 to FY 6/24) was 11.2% for sales and 12.1% for operating income, achieving double-digit growth in both, while sales and profit increased for the 14th consecutive fiscal year. While they aimed to achieve "19 billion yen in sales and 2.5 billion yen in operating income," sales were 19.8 billion yen, achieving the target, and operating income was 2.42 billion yen, slightly falling below the target, due to the emergence of unprofitable projects in FY 6/23 and increased costs from aggressive investment in M&A.

Progress on the basic strategy was as follows.

| | |
|---|--|
| <p>Core business: strengthening on-site capabilities</p> | <p>◎ Achievements</p> <p>“Strengthened the project review function, completed verification methodology,” “Acquired skills and built up a track record in low-code development, agile development, etc.,” “Steady growth in all four segments, with sales and profit increasing for 14 consecutive fiscal years,” “Established Hakodate branch office,” etc.</p> <p>◎ Challenges</p> <p>Unprofitable projects have arisen and strengthening on-site capabilities needs to be addressed as an ongoing challenge.</p> <p>The shift to the type of proposing services to increase the value of each client’s business is progressing, but it needs to be strengthened in the future.</p> |
|---|--|

| | |
|--|---|
| <p>Product Business: Strengthening Product Competitiveness</p> | <p>◎ Achievements “Released the anti-ransomware version of WebARGUS,” “Contribution to sales and profit through full-scale promotion of DD-CONNECT,” “Expanded e-contract services specializing in the construction and financial industries,” “Organized an in-house contest for new products and new business ideas,” etc.</p> <p>◎ Challenges Although security products targeted large-scale customers, the increase of licenses remained modest, and a mental health business in collaboration with another company aiming for revenue sharing was withdrawn. Product development is ongoing, including a service platform scheme involving the automatic generation of control sheets in xoBlos and the launch of a co-creation business between the company’s products and customers.</p> |
| <p>Strengthening the management base: creating a structure and an environment</p> | <p>◎ Achievements “Promoted telework during the COVID-19 pandemic, and work style reforms advanced,” “Increased use of paid leave through the establishment of paid leave promotion days (from 62.4% in FY 6/21 to 74.5% in FY 6/24),” “Continued active recruitment of both new graduates and mid-career workers, and the number of employees increased,” “Revision of qualification acquisition incentives has increased the number of qualifications acquired,” etc.</p> <p>◎ Challenges The process of judging whether or not to receive an order has been strengthened as a measure to prevent the recurrence of unprofitable projects, but operational issues remain. Progress has been made in the development of the internal infrastructure environment through the installation of MicroSoft365, but overall optimization has not been achieved yet. Preventing employee turnover and dealing with the increase of employees on mental leave are ongoing issues.</p> |

Considering the progress of these basic policies, they have classified issues that need to be strengthened into 8 categories. The company will promote and strengthen its efforts to address each issue in the new medium-term management plan.



(Taken from the reference materials of Digital Information Technologies Corporation)

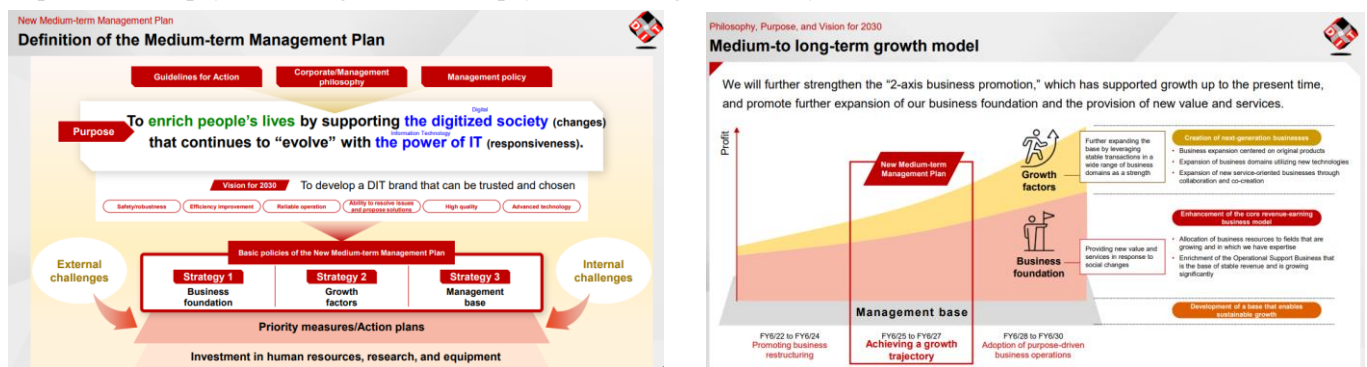
[2 Medium-term management plan (FY 6/25 - FY 6/27)]

(1) Positioning

In its “Vision for 2030” (see Reference 1), which aims to build a trusted and chosen DIT brand for 2030, the company has defined its medium/long-term growth model as strengthening its “two-pronged business promotion,” comprising “further expansion of the business base” and “provision of new value and services as growth factors,” which have supported the company's growth to date. The company aims to expand its business foundation further and promote the provision of new value and services.

The theme of the new medium-term management plan (FY 6/25 - FY 6/27), which is the second step in the process, is “realizing a growth path.”

The entire company will pursue growth by promoting three strategies, under the newly adopted purpose “Enrich people's lives by supporting a digital society (change) that continues to “progress” with the power of IT (adaptability)” in addition to “Guiding Principles,” “Corporate Philosophy and Management Philosophy” and “Management Policy.”



(Taken from the reference materials of Digital Information Technologies Corporation)

(2) Three basic strategies

① Business foundation

To strengthen the base revenue business model by further improving the capability of co-creation of value and market competitiveness. Recognizing the challenges from the previous medium-term plan as “shifting to a business model based on service proposals,” “strengthening on-site capabilities through human investment” and “the ability to solve social issues by promoting digital transformation,” the company is working on “project management capabilities,” “providing the latest methods and technologies,” “building a value delivery system,” “consulting and proposal-based marketing,” “promoting DX and developing high-level IT human resources.”

② Growth factors

To accelerate product businesses that are sensitive to the ever-evolving digital society and work to create next-generation businesses. Recognizing the challenges from the previous medium-term plan as “improving the ability to respond to changes in trends and new technologies” and “accelerating the product business by strengthening product competitiveness to meet market needs,” the company will work on “pursuing added value through generative AI,” “expanding DX business areas,” “expanding security areas” and “next-generation business through new technologies and services.”

③ Management foundation

To establish a management foundation that enables sustainable growth in response to all kinds of changes in the business environment. Recognizing the challenges from the previous medium-term plan as “further strengthening the management foundation to enable sustainable growth,” “promoting ESG initiatives” and “clarifying growth investment areas and executing investments,” the company will set up group-wide committees such as “Human Value Enhancement” Committee, “Sustainable Management Review” Committee, “New Technology R&D” Committee, “Project Quality Management Enhancement” Committee and “Internal Environmental DX Review” Committee, to work on these issues with a higher priority.

[3 Goals and initiatives in each segment]

(1) Software Development Business

① Business Solutions Unit

The aim is to receive orders after consulting and giving proposals in a one-stop manner, a step forward from the previous approach.

To prepare account plans tailored to each client's characteristics and steadily implement them to meet customer needs.

To demonstrate synergies through cooperation with subsidiaries.

◎ Business system development

The company will invest its human resources in the financial sector, where it has a wealth of experience and achievements, and will also focus on the development of securities-related projects, an area in which System Products Co., Ltd., which became a subsidiary in February 2024, specializes.

In addition to investing resources in areas such as low-code development, where growth is expected, the company aims to provide highly productive, high-quality systems by utilizing generative AI and frameworks, and to establish a standard model of DIT using the low-code approach for agile development.

◎ Operational support services

To meet strong demand, DX solutions are effectively utilized to provide various services required by customers. In addition, to meet the demand for cloud computing, a group of cloud architects has been established to develop services. Furthermore, the company will create a specialized strength in the implementation and operation services of systems that centrally manage customer data, such as Salesforce, and build a system that can capture demand regardless of any industry.

Regarding Salesforce, it provides a more effective usage environment by adding new functions to existing functions used by corporate users and providing support on its usage. Know-how is steadily accumulating and further expansion is expected.

② Embedded Solutions Unit

The company aims to increase transactions with existing high-quality customers, such as automobile manufacturers, major automotive parts manufacturers (Tier 1) and semiconductor manufacturers, by offering a set of development and verification services. They will strive to expand the business in the Chubu region.

Based on the technology developed in the automotive field, the company believes that it is possible to develop its business not only in the embedded field, but also in a wider range of areas related to "cars."

◎ Embedded system development

The aim is to expand by concentrating resources in the growing areas of advanced technology, such as the automotive infotainment sector, ADAS and ECUs.

The company will also focus on the area of server-side development, using its knowledge of connected cars, which is one of its strengths. In the IoT field, the business domain will be expanded with a focus on home appliances, and the company will further master its own technologies and work on the development of next-generation IoT using AI and data science tools.

◎ Embedded system verification

The company will expand its business using standardized methods to improve quality. It is considering full-scale development of automation of verification operations using generative AI and RPA, as well as new entry into the business system verification operations.

③ Product Solutions Unit

◎ Cyber security business

The aim is to expand business and strengthen profitability by providing comprehensive security services based on WebARGUS, and establish the DIT Security brand. The company will start developing its own services for platform and vulnerability diagnostics, which are particularly in high demand.

In July 2025, the company has begun full-scale operation of SentinelARGUS, which is mounted with the functions to prevent spread of damage caused by ransomware and block unauthorized access to important data, as a new product that satisfies the needs in the security products market. Furthermore, the company is propelling forward research and development of solutions for comprehensively protecting the container operation environment.

◎ **Business for streamlining operations**

For xoBlos, they aim to increase the number of corporate users, particularly large companies, and to expand subscription license fees. The business will expand by upselling to existing customers and strengthening alliances with other companies to enhance OEM and other services.

◎ **Electronic contract service business**

DD-CONNECT aims to win large SI projects, mainly in the construction and real estate industries, where it has a proven track record, and to achieve significant growth in the stock of subscription licenses, while approaching local governments.

In addition to striving to expand sales of BtoB products owned by the subsidiary Jungle, Inc., the company aims to increase sales related to its own products by applying Jungle's marketing and sales expertise to its existing own products.

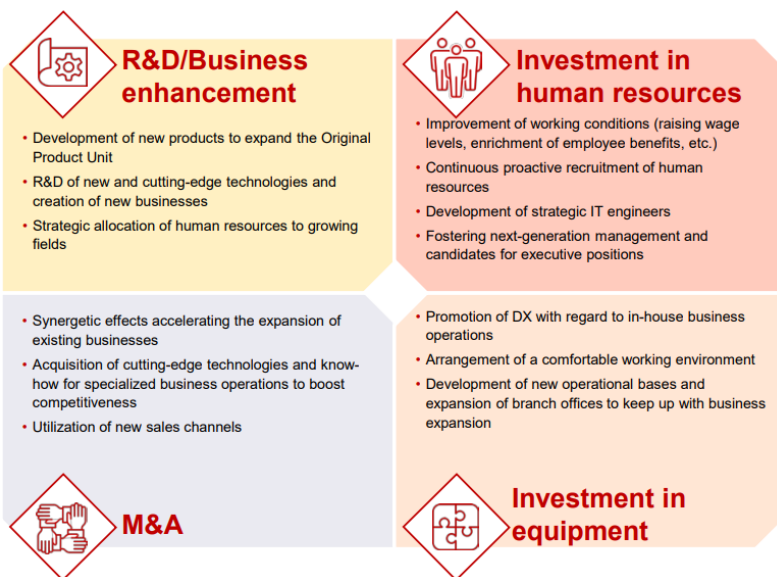
(2) Systems Sales Business

The company will continue to strengthen proposals to small and medium-sized companies, which have delayed the installation of “Qualified Invoice Preservation System (invoice system)” and electronic data transaction data storage in accordance with the “Revision of the Electronic Books Maintenance Act,” and will also focus on after-sales service for companies that have already adopted the system.

[4 Investment for growth]

To pursue growth, the company will implement four investments - “R&D and business enhancement,” “investment in human resources,” “M&A” and “capital investment,” to establish a foundation for sustainable growth over the medium/long term.

Among these, the focus will be on R&D for the creation of new businesses, investment in the expansion of growing areas, and investment in human resources to increase human value.



(Taken from the reference materials of Digital Information Technologies Corporation)

Regarding R&D, in addition to utilizing existing employees, a new department was established with around 10 people, hiring experienced external personnel. The department will focus on exploring and creating next-generation businesses, with a focus on the utilization of generated AI.

Regarding M&A, the company sees it as an important means of further strengthening the “business base,” “growth factors,” and “management base.”

The number of proposals to the company from financial institutions and M&A intermediaries has increased rapidly as the company's achievements over the past few years have been recognized. The company is currently examining the project with the primary premise that it will be a "win-win" relationship, particularly those related to embedded systems, which it has not previously dealt with. The company is actively working toward achieving the targets set in Challenge 500, which are sales of at least 50 billion yen and an operating income of at least 5 billion yen for the fiscal year ending June 2030.

Regarding investment in human capital, the aim is to recruit around 100 new graduates every year, improve salary levels and enhance employee benefits.

In addition to recruiting personnel using regional bases in Ehime and Hakodate, the adoption of a workcation system is being planned.

[5 Shareholder returns]

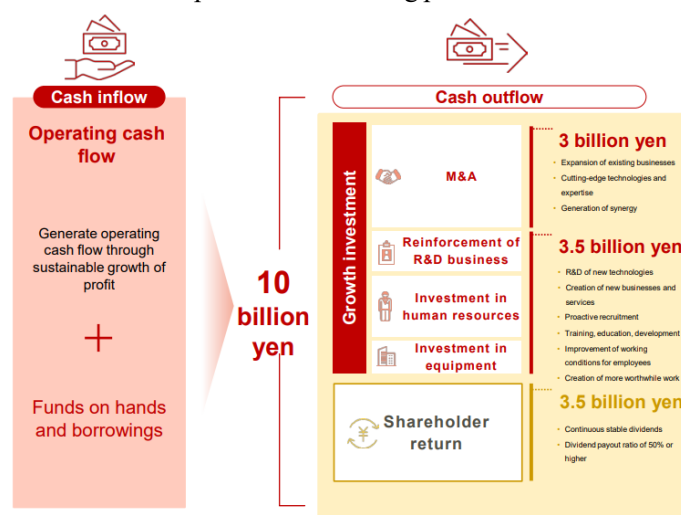
The company continues to consider the return of profits to shareholders as one of its key management measures and will pay stable and continuous profit dividends.

The basic policy on dividend payout ratio was changed from “40% or higher” to “50% or higher.”

The company acquired treasury stocks in the first half and intends to consider and implement further share repurchases as needed, taking into account market conditions and other factors.

[6 Cash allocation]

The company will actively execute growth investments from a medium- to long-term perspective to continuously increase its value, and will also be more proactive in returning profits to shareholders.



(Taken from the reference materials of Digital Information Technologies Corporation)

[7 Management targets]

Considering the powerful business performance, DIT has upwardly revised the forecasts for the fiscal year ending June 2026. The forecasts for the fiscal year ending June 2027 remain unchanged because the company takes into account the uncertainty in the demand trends, such as how impactful the tariff policy enacted by the U.S. government can be. No changes have been made to the non-financial indicators.

© Financial indicators

| | FY 6/25 (results) | FY 6/26 | FY 6/27 | CAGR |
|-------------------------|----------------------|------------------------------|---------|--------|
| Net sales | 241 | 242 → 260 | 267 | +10.3% |
| Operating income | 30.1 | 28.7 → 30.5 | 32.0 | +9.7% |
| Operating income margin | 12.5% | 11.9% → 11.7% | 12.0% | - |
| ROE | 29.0% | To maintain a minimum of 25% | | |
| Dividend payout ratio | 49.0% | 50% or higher | | |

*Unit: 100 million yen; The figures for the fiscal years ending 6/26 and 6/27 mean the targets. CAGR stands for compound annual growth rate for the period from FY 6/24 to FY 6/27.

BRIDGE REPORT



© Non-financial indicators

| | FY 6/27 (target) |
|---|------------------|
| Percentage of female managers | 20% or higher |
| Number of employees who have obtained an advanced IT qualification | 2x |
| Percentage of employees who have attended the purpose-related training. | 100% |

*It also aims to increase “triple A” personnel through the use of talent management tools.

- * Profit margin The operating income profit margin in the fiscal year ending June 2027 is projected to be 12% at the moment. Meanwhile, there is ample room for profitability improvement because the precision of project management can be increased and AI can be used in projects that DIT undertakes in the Business Solutions Unit, in addition to further growth of the Product Solutions Unit whose sales account for 10% of the total sales.

- * Recruitment DIT aim to recruit about 100 new graduates each year. The company is raising its pay level and enriching employee benefits, which allows it to have an employee turnover rate that is far below the industry average.

The company believes that what is behind the low turnover rate is the in-house company system that it has adopted.

In the in-house company system in which small organizations think and take action independently, employees are more likely to be able to bring their opinions and ideas to life and have the senses of participation and ownership, which they may not be able to experience in larger companies. This is one of the distinctive characteristics of DIT.

<Reference 3: Regarding Corporate Governance>

◎ Organization type, and the composition of directors and auditors

| | |
|-------------------|---|
| Organization type | Company with auditors |
| Directors | 7 directors, including 4 external ones (including 4 independent ones) |
| Auditors | 3 auditors, including 2 external ones (including 2 independent ones) |

Corporate Governance Report

Last Update: October 14, 2025

<Basic principle>

The company recognizes that compliance with laws and regulations, maintaining transparency in management, and improving the soundness and sustainability of its corporate value are the most important management issues.

To tackle these issues and to fulfill social responsibilities to shareholders and other stakeholders, the company has established the following corporate governance system. The company considers it important to further strengthen this system, verify its functions on a regular basis, and implement necessary measures.

<Reason for not Following the Principles of the Corporate Governance Code (Excerpts)>

| Principles | Reasons for not implementing the principles |
|----------------------------------|--|
| < Supplementary principle 3-1-3> | <p>(1) Sustainability initiatives The DIT Group Code of Conduct requires business and individual activities to be environmentally conscious. Based on this, we strive to tackle environmental issues earnestly and gain a public understanding of the business activities. As stated in the Medium-term Management Plan, we will enhance employees' welfare, promote diversity by recruiting women for managerial positions, and carry out appropriate business management with an emphasis on governance. We also aim to promote a convenient and safe Internet society, improve the productivity of the society, and contribute to the environment, the society, and the corporate growth through our products and services, such as security products and work style reform-related products.</p> <p>(2) Investment in human capital and intellectual property</p> <p>① Investment in human capital In the Medium-term Management Plan, we have formulated a basic strategy of establishing a business administration base that enables us to grow sustainably, and one of the major policies is to generate human capital, which is aimed at increasing and developing employees who are the assets of our company. We will promote the proactive recruitment of new graduates and mid-career employees, the expansion and systematization of education and training systems, and the improvement of a program that provides personnel with the fees needed to acquire qualifications.</p> <p>② Investment in intellectual property Based on our basic strategy of "accelerating the growth of the product business and creating next-generation business" in the Medium-term Management Plan, we will continue to work on product development that meets the needs of the times and promote investment in intellectual property such as research and development and patents.</p> |

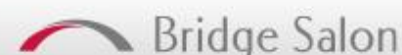
| | |
|--|--|
| | <p>(3) The impact of risks and business opportunities related to climate change on our business activities and profits, etc.</p> <p>Our company propels forward information disclosure in accordance with the TCFD Recommendations concerning the impacts that climate change-related risks and revenue opportunities would have on our business activities, revenue, and the like.</p> <p>We, however, have not yet calculated or disclosed any concrete amount of financial impact that climate change could have on our business and finance at the moment. We will develop and analyze data and hold discussion with the aim of making quantitative assessment and disclosure.</p> |
|--|--|

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

| Principles | Disclosure contents |
|---------------------------------|--|
| <Principle 1-4> | <p><Policy and principle related to reduction in strategically-held shares></p> <p>In case the company expects synergy effects with its important stakeholders such as business partners, it will strategically hold the shares of the concerned companies, based on its basic principles to enhance corporate value in the mid/long term and ensure sustainable growth while promoting co-existence and co-prosperity with all the stakeholders.</p> <p>The company will clarify the objective when acquiring new shares and verify the trading activity periodically after the acquisition. If the company finds no mid/long term prospect of enhancing its corporate value, it will reduce the number of shares through sale or any other means.</p> <p><Verification details to determine the appropriateness of holding strategically-held shares></p> <p>The appropriateness of possessing strategically-held shares is verified periodically. Once a year, the Board of Directors reviews the appropriateness of holding policy shareholdings by examining their contribution to improving corporate value over the medium to long term and confirming the appropriateness of continued ownership.</p> <p><Standards for exercising voting rights concerning strategically-held shares></p> <p>The company will decide whether to give approval for exercising the voting rights of strategically-held shares after a careful individual examination to confirm that there is no possibility of damaging our corporate value.</p> |
| <Supplementary Principle 2-4-1> | <p>1. Regarding ensuring diversity in recruiting the core human resources, the DIT Group Code of Conduct stipulates that we should not discriminate in recruiting based on gender, age, place of origin, nationality, race, ethnicity, etc., and that the human rights should be respected.</p> <p>The status and future goals for ensuring diversity in recruiting core human resources are as follows.</p> <p>① Recruitment of women: As of the end of June 2025, we have 9 female managers, accounting for 7.8% of all managers.</p> <p>Going forward, we will continue to actively hire talented women for managerial positions, aiming to increase the ratio of female managers to 20%.</p> |

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| | <p>② Recruitment of mid-career personnel for managerial positions: We have many mid-career hires, and the ratio of mid-career hires to managerial positions already exceeded 70%, so we have not set any future goals.</p> <p>③ Recruitment of foreigners: We mainly hire foreigners as new graduates, and as of the end of June 2025, the company has 10 foreigners, accounting for less than 1%. We will continue to actively hire talented human resources, whether they are new graduates or mid-career.</p> <p>2. The policy for ensuring diversity was also stated in the Medium-term Management Plan. As part of the company's measures to strengthen the management base for improving corporate value over the medium to long term, we will endeavor to establish a system for the company that includes organizations and policies, to create an environment that provides employees with job satisfaction, and to increase human resources, which are considered assets for the company, and train them.</p> |
| <p><Principle 3-1></p> | <p>(i) Our management philosophy, business strategies, and business plans are disclosed at financial results briefings and on our webpage (at the following URL). Information for financial results briefings https://www.ditgroup.jp/ir/kessan.html</p> <p>(ii) Our actions concerning corporate governance are published on our webpage (at the following URL). Corporate Governance https://www.ditgroup.jp/ir/governance.html</p> <p>(iii) Regarding the remuneration of directors, the board of directors will consult with the nomination and remuneration committee, which is an arbitrary advisory body of the board of directors, and determine the remunerations of directors based on their opinions within the limits of total remuneration determined at a general shareholders' meeting.</p> <p>(iv) Regarding the appointment of directors, the board of directors will consult with the nomination and remuneration committee and submit a proposal for appointment of directors to a general meeting of shareholders based on the advice from the nomination and remuneration committee. Regarding a proposal for dismissal of directors, the board of directors will consult with the nomination and remuneration committee and then make a decision based on their advice, in accordance with the regulations for the board of directors. Regarding the appointment of auditors, we formulated regulations for appointment, in which the representative director and president will propose the appointment of candidate auditors while comprehensively considering their track records, knowledge, experience, etc. and the board of auditors will deliberate, make a resolution, and then submit their proposal to the board of directors, after which the board of directors will make a resolution and submit their proposal to a general meeting of shareholders. A proposal for dismissal of auditors will be made by the board of auditors in accordance with the regulations for the board of auditors.</p> |

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| | <p>(v) The reasons for nomination and appointment of each director or auditor are described in the notice of general shareholders' meeting. We will also describe the reasons for dismissal, in case of any.</p> |
| <Supplementary Principle 4-11-1> | <p>Our company select candidate directors from personnel who can exert their management abilities in each domain, personnel who are adequate for business administration, and other intelligent personnel. Outside directors are selected from those who possess plenty of experience and profound technical knowledge as employers, to develop a structure oriented toward the balance and diversity of the board of directors and secure the effectiveness of the board of directors.</p> <p>In addition, the board of auditors of our company is composed of 1 full-time auditor and 2 independent outside auditors. Those who possess advanced technical knowledge of legal affairs and accounting are selected as auditors, to secure the effectiveness of the board of auditors. Furthermore, by cementing the cooperation with comptrollers, they can conduct an audit to a sufficient degree. We regularly analyze and evaluate the effectiveness of the board of directors while enlisting support from external specialized institutions and strive to improve its function.</p> <p>*The skill matrix is shown on page 9 of the convocation notice of our company.</p> |
| <Principle 5-1> | <p>Our company is making efforts in collaboration with relevant departments, led by the President, to achieve constructive dialogue with shareholders.</p> <p>As an action to enrich dialogue methods other than individual meetings, the company hosts financial settlement briefings every half-period for the analysts and institutional investors. The IR Department also proactively receives IR interviews through meetings and phone calls from investors. Furthermore, our company strives to foster their understanding of our company's business and business administration policies by holding information sessions for individual investors several times.</p> <p>As a measure to provide shareholders' opinions and concerns appropriately and effectively to the executives and board directors, the company regularly reports the questions raised at the financial settlement briefings and opinions from shareholders and investors to the management executives.</p> <p>The company also ensures appropriate management of insider information during dialogues with shareholders and investors in accordance with the internal regulations.</p> |
| <Measures for realizing business administration conscious of capital cost and share price> | <p>What is described: Disclosure of initiatives (first time)</p> <p>Whether or not disclosure is made in English: No</p> <p>Our company is making efforts to secure profitability exceeding capital cost in order to attain the managerial goal of achieving an ROE of 25% or higher in the period of the Medium-term Management Plan (FY 6/25 to FY 6/27).</p> <p>In addition, we have secured transparency by disclosing appropriate information while trying to realize sustainable growth and improve capital efficiency by disclosing information on cash allocation in order to improve shareholder value. We will consider using loans, mergers and acquisitions, and other relevant measures as necessary so that we can grow sustainably while further increasing the capital efficiency.</p> |

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