

Digital Information Technologies Corporation

**Financial Results for the Second Quarter
Ended June 2021
(TSE1: 3916)**

February 2021





1. Financial Results for FY06/21 2Q

2. Business Forecasts for FY06/21

3. FY06/21 2H Initiatives for Priority Measures

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Financial Results for FY06/21 2Q



FY06/21 2Q Overview of Financial Results (Upward Revision to Business Forecasts)

- Achieved higher sales and profits despite the absence of special demand due to COVID-19.
- Operating margin increased by 1.8 percentage points to 12.9%.

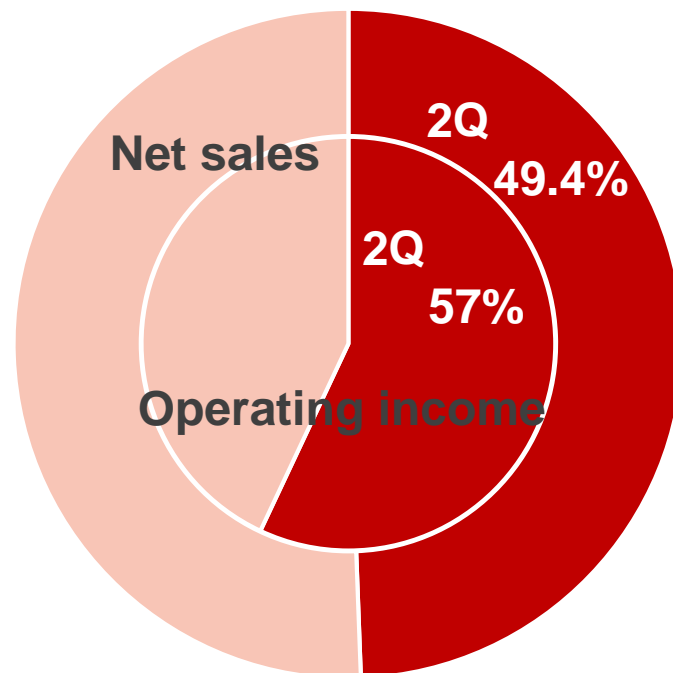
**Net sales : 7,065 million yen
(+7.6% YoY)**

**Operating income : 912 million yen
(+24.5% YoY)**

**Operating income margin : 12.9%
(+1.8Point YoY)**

Progress rate to the revised full-year forecasts (%)

Net sales (forecast): ¥14,300 million
Operating income (forecast): ¥1,600 million



Upward Revision to Business Forecasts for FY06/21

(Announced on January 26, 2021)

- It was difficult to identify the impact of the coronavirus crisis at the beginning of the term. Accordingly, we forecast figures similar to the previous term. However, we disclosed an upward adjustment on January 26 due to a steady expansion in size and an increase in profit.
- We plan to increase the dividend by 2 yen to 22 yen for the full-year (interim dividend: 10 yen/year-end dividend: 12 yen (+2 yen)).

(Millions of yen)	FY06/20 Result	Composition %	FY06/21 Initial forecast	FY06/21 Revised forecasts	Composition %	YoY %
Net sales	13,495	100.0%	13,580	14,300	100.0%	+5.9%
Operating income	1,352	10.0%	1,358	1,600	11.2%	+18.3%
Ordinary income	1,357	10.1%	1,358	1,600	11.2%	+17.9%
Net income attributable to owners of parent	978	7.2%	942	1,088	7.6%	+11.2%

FY06/21 2Q Overview of Financial Results (Business)

The Software Development Business - our core business - grew. The Business Solutions Unit, which accounts for approx. 60% of the total sales, drove good results in particular.

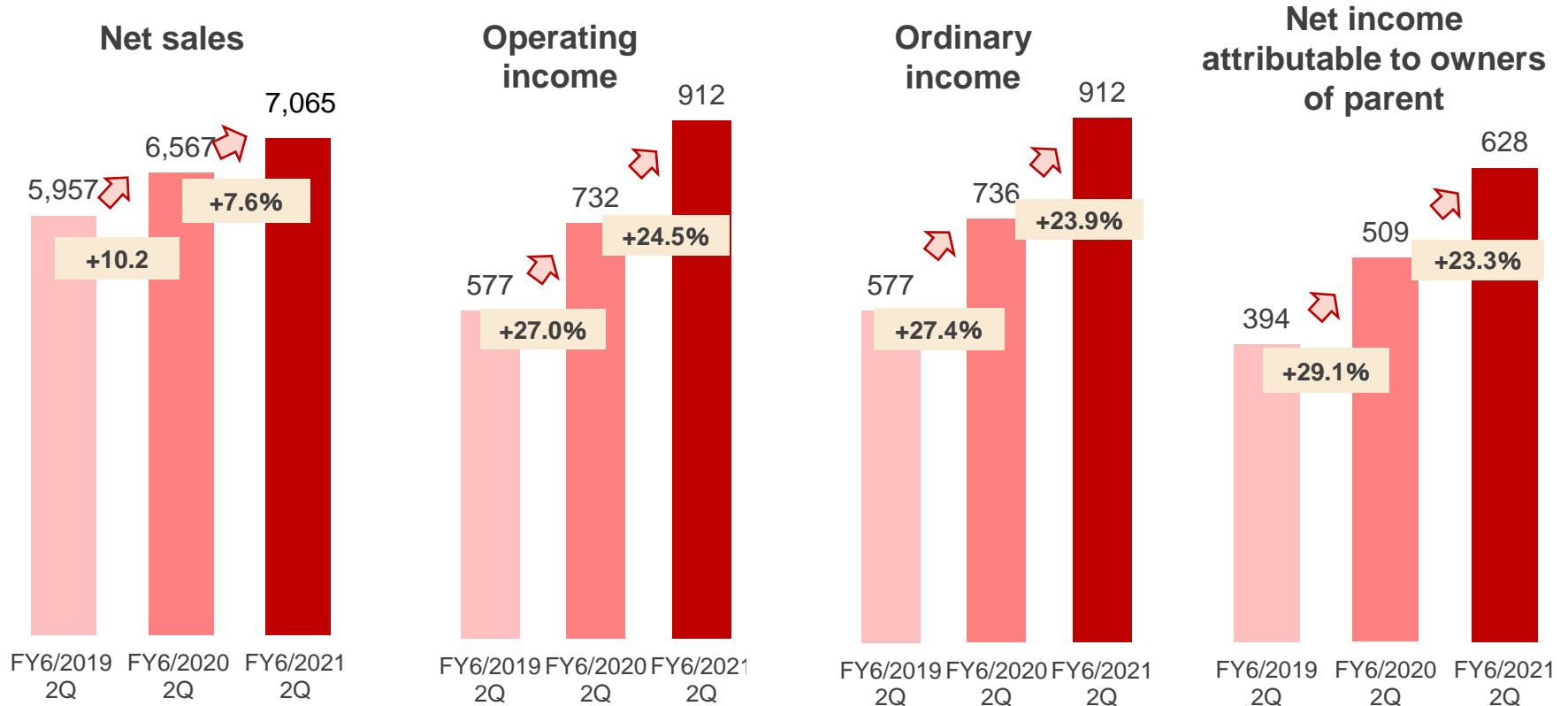
■ Software Development Business

- **In the Business Solutions Unit (+12.6% year-on-year)**, orders increased mainly from existing customers. Therefore, revenue and profit increased. In addition to growth in public and medical systems, the performance of ERP-related system grew and greatly contributed in business system development. The sales of operational support also grew strongly with little impact from the coronavirus crisis.
 - **In the Embedded Solutions Unit (+3.2% year-on-year)**, we steadily took measures assuming the impact of the coronavirus crisis on the automobile-related business. As a result, revenue and profit increased. The sales from the embedded product development for semiconductors, communications and IoT grew, leading to an increase in revenue and profit. Although the sales from the embedded product verification for cell phones grew, overall sales remained almost at the same level as last year.
 - **In the Original Product Unit (+20.9% year-on-year)**, despite restrictions in terms of business discussions during the coronavirus crisis, the sales of xoBlos grew steadily. WebARGUS grew greater than ever before in particular. We are also in talks with multiple companies regarding the DD-CONNECT, a cloud service for electronic contracts we launched in 2Q.
- **In the Systems Sales Business (-22.9% year-on-year)**, we promoted sales by utilizing the subsidy for installing IT. Nevertheless, special demand dealing with the reduced tax rate in the previous term waned. This meant both sales and profit significantly decreased.

FY06/21 2Q Financial Highlights

Both sales and profits showed record-highs.

(Millions of yen)



Summary of Consolidated Financial Results for 2Q FY06/21

- Achieved growth in gross profit and reduction in SG&A expenses by focusing on profit amid the COVID-19 crisis.

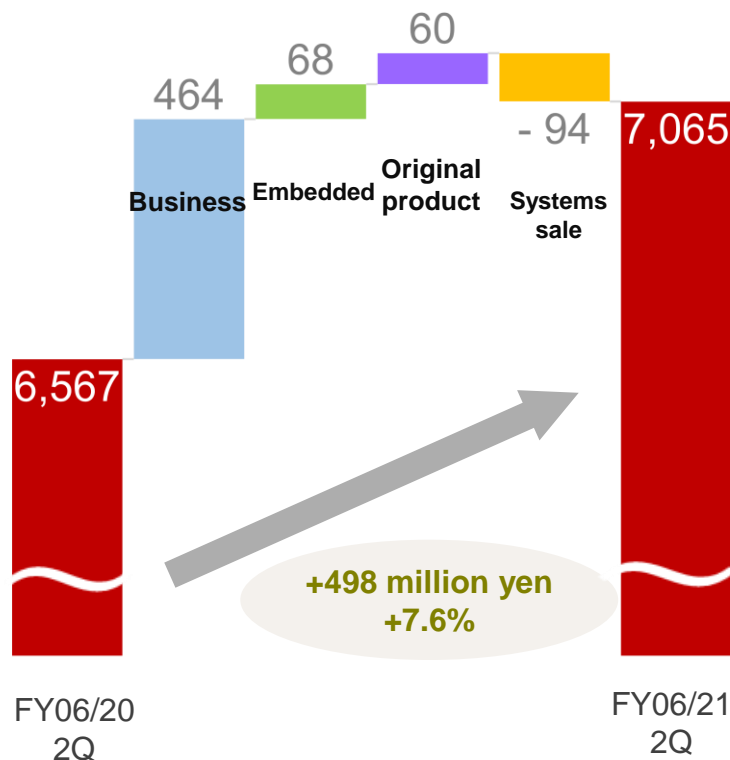
(Millions of yen)	FY06/20 2Q Result	Composition %	FY06/21 2Q Result	Composition %	FY06/21 Full-year revised forecasts	YoY %
Net sales	6,567	100.0%	7,065	100.0%	14,300	49.4%
Gross profit	1,662	25.3%	1,758	24.9%	-	-
SG&A	930	14.2%	846	12.0%	-	-
Operating income	732	11.1%	912	12.9%	1,600	57.0%
Ordinary income	736	11.2%	912	12.9%	1,600	57.0%
Net income attributable to owners of parent	509	7.8%	628	8.8%	1,088	57.7%

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

- Sales were healthy in the Business Solutions Unit, and have grown steadily also in the Original Product Unit.
- Operating income steadily increased. This was due to an increase in gross profit and a reduction in SG&A.

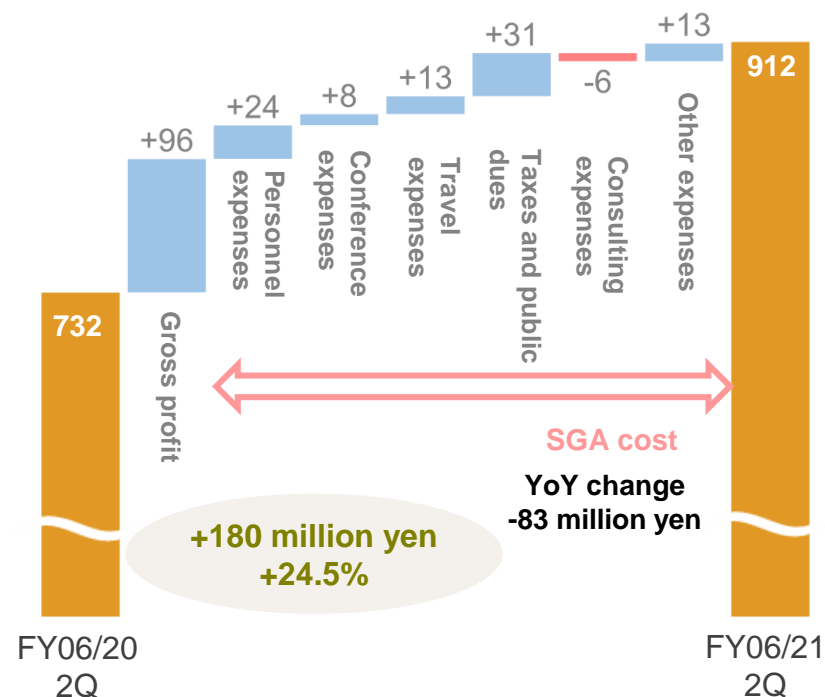
Net sales

(Millions of yen)



Operating income

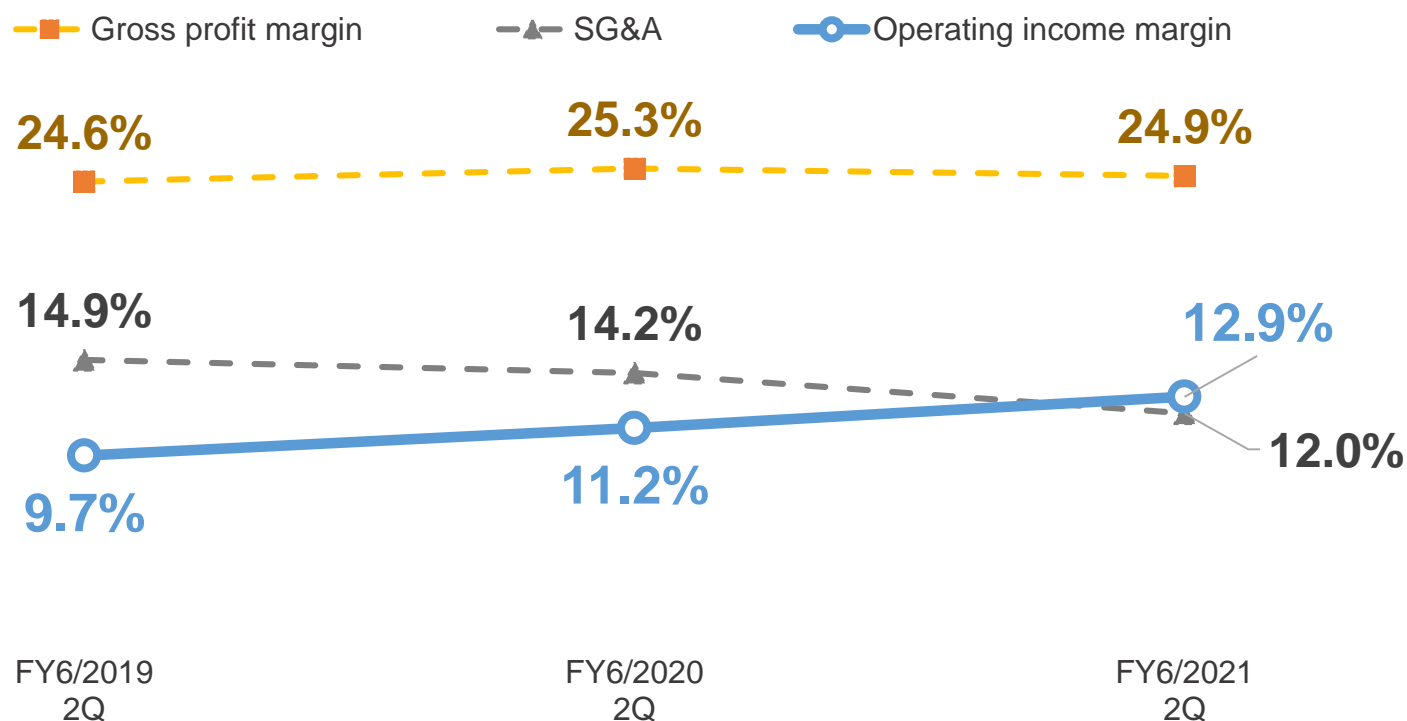
(Millions of yen)



Changes in Operating Income Margin

- The operating income margin steadily rose. This was due to a reduction in SG&A.
- The gross profit margin fell. This was due to a slump in sales of Rakuichi (see P18) with its high profit margin.

Ratio of each profit and R&D expenses to sales



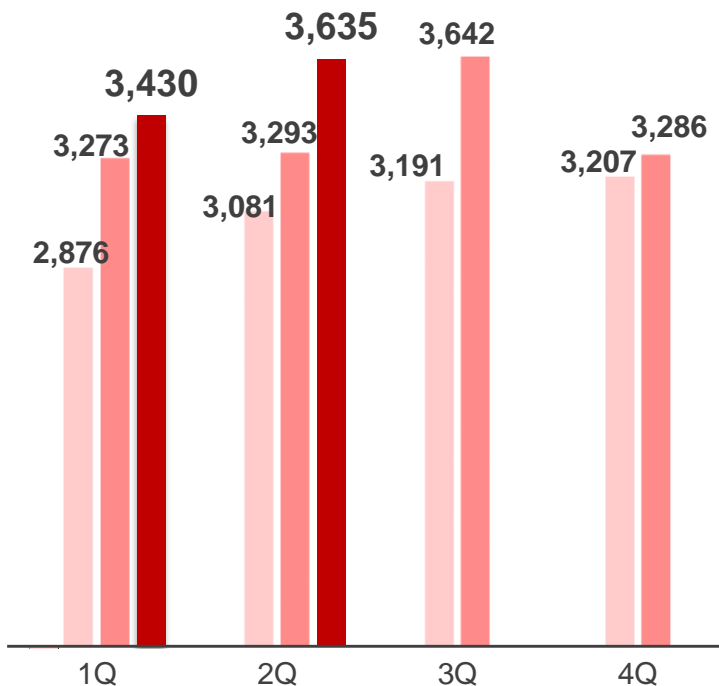
Quarterly Net Sales & Operating Income

- For 2Q, net sales and operating income showed record-highs.
- We recorded our highest-ever quarterly profit in 2Q.

Net sales

(Millions of yen)

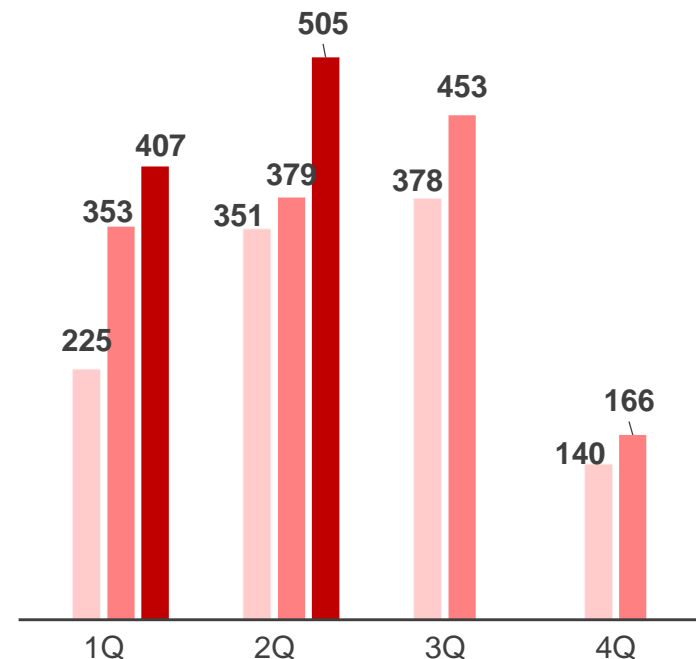
■ FY6/2019 ■ FY6/2020 ■ FY6/2021



Operating income

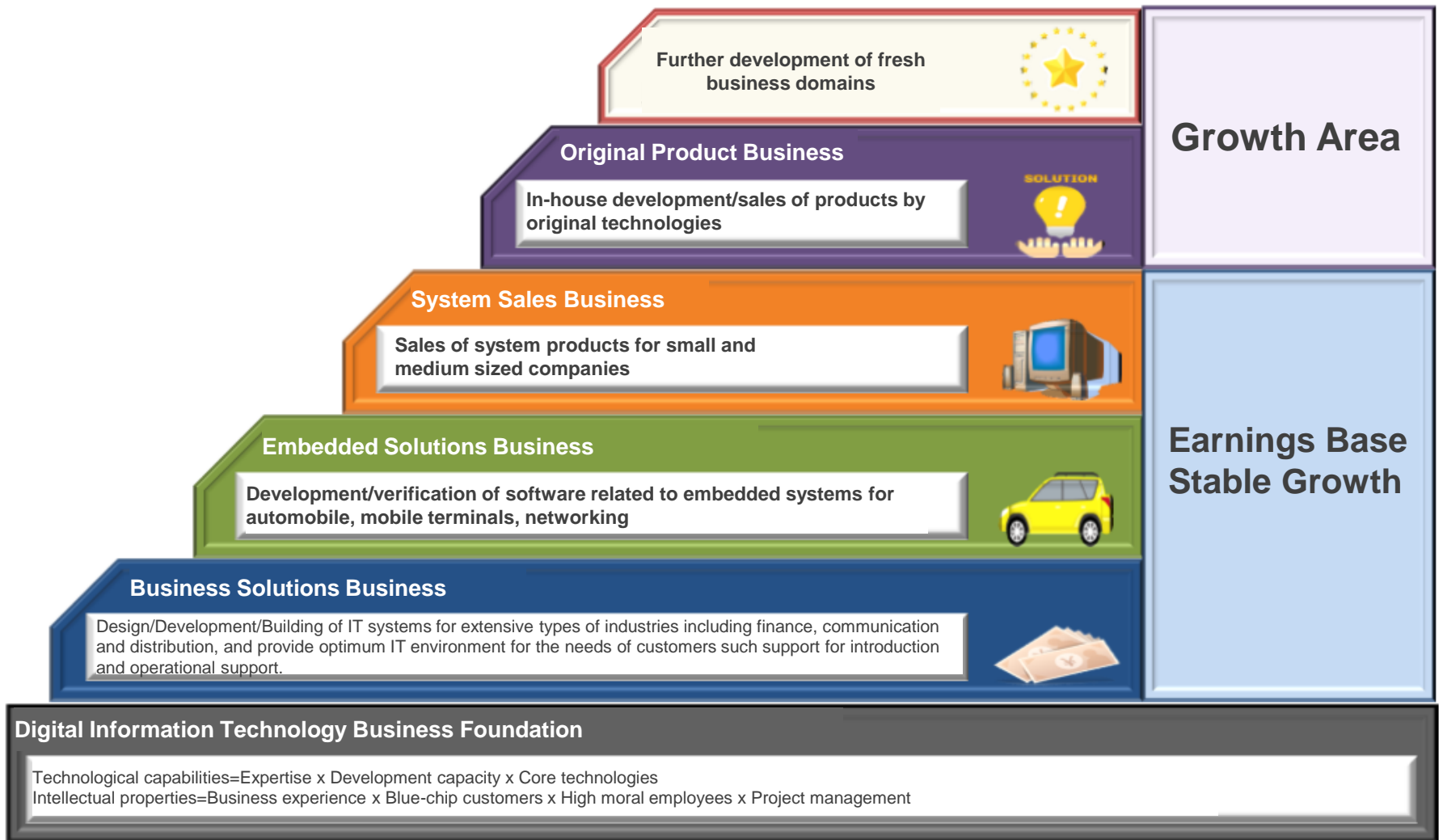
(Millions of yen)

■ FY6/2019 ■ FY6/2020 ■ FY6/2021



* Operating income has seasonal factors to decline in 4Q mainly due to acceptance of new employees and year-end allowances

Business Domains: Positioning of Each Business



Business Segment and Composition of Sales

- The Business Solutions Unit (particularly operational support) and the Original Product Unit grew.

Businesses segment	Classification	FY06/19 2Q Net sales Composition	FY06/20 2Q Net sales Composition	FY06/21 2Q Net sales Composition
Software development Business		94.3%	93.7%	95.5%
Business Solutions Unit	Business Bases	58.4%	56.3%	58.9%
Business System Development		64.2%	59.6%	57.6%
Operational Support		35.8%	40.4%	42.4%
Embedded Solutions Unit	Business Bases	32.3%	33.0%	31.7%
Embedded Product Development		76.8%	77.9%	78.9%
Embedded Product Verification		23.2%	22.1%	21.1%
Original Product Unit	Growth Field	3.6%	4.4%	4.9%
Systems Sales Business	Business Bases	5.7%	6.3%	4.5%

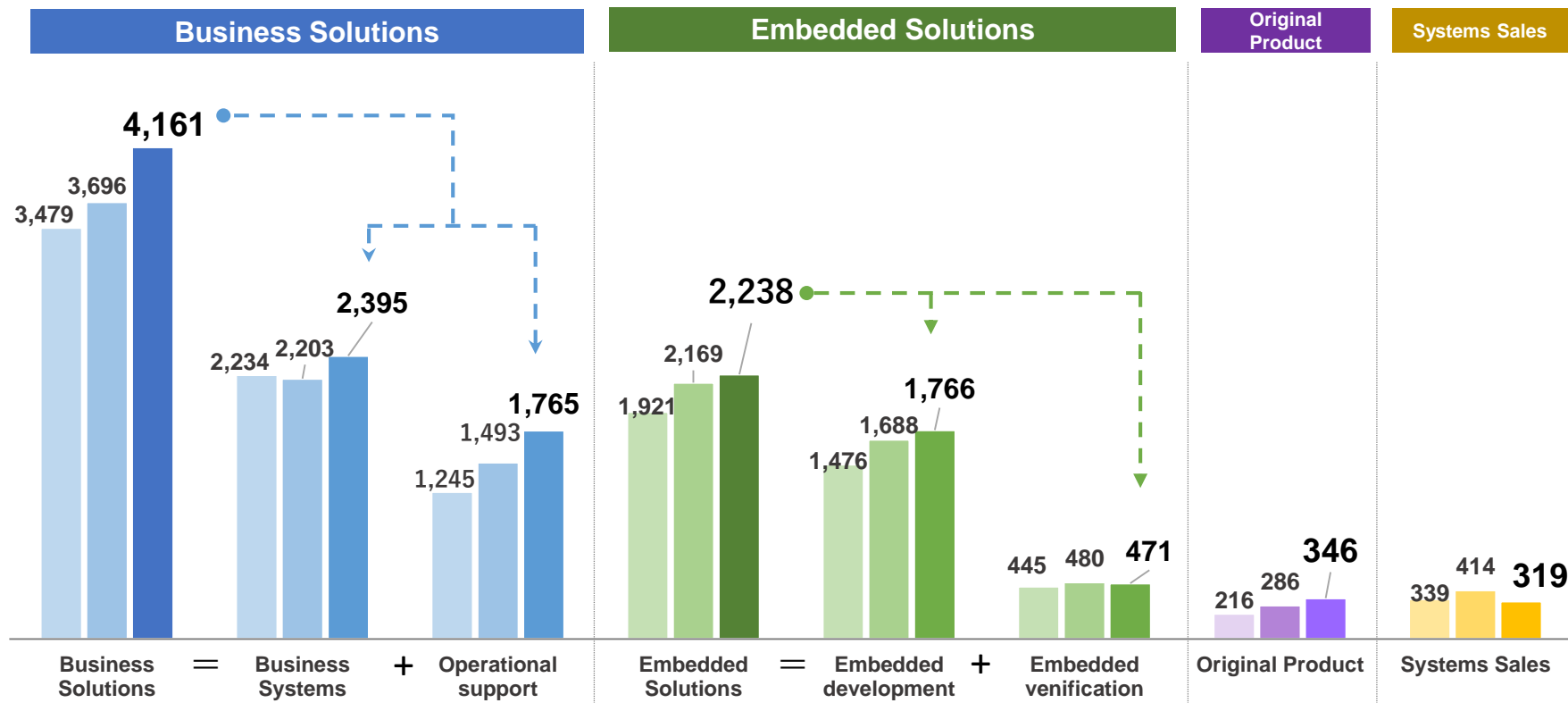
Sales by Business Segment

- We thrust aside the impact of the coronavirus crisis to surpass the results recorded in the previous year in the Embedded Solutions Unit.
- The sales of the Systems Sales Business dropped considerably due to the absence in special demand.

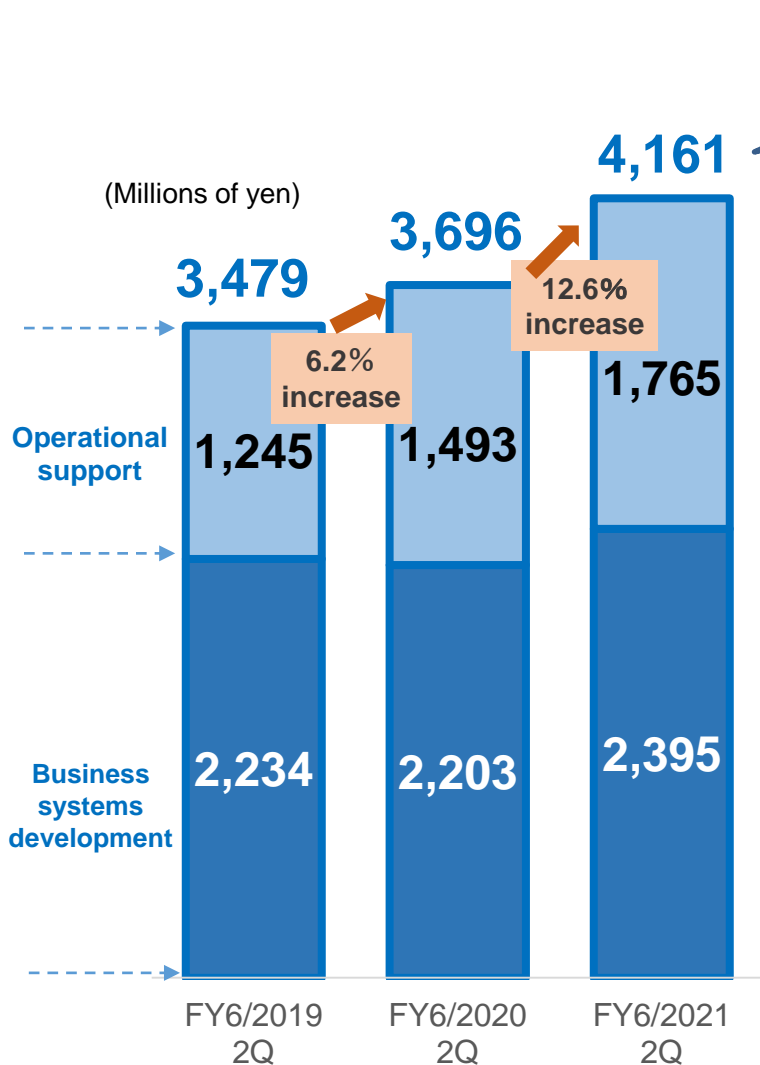
Quarterly Sales by Business

(Graphs from left to right: FY06/19 2Q, FY06/20 2Q, FY06/21 2Q)

(Millions of yen)



Net Sales by Segment: Business Solutions Unit

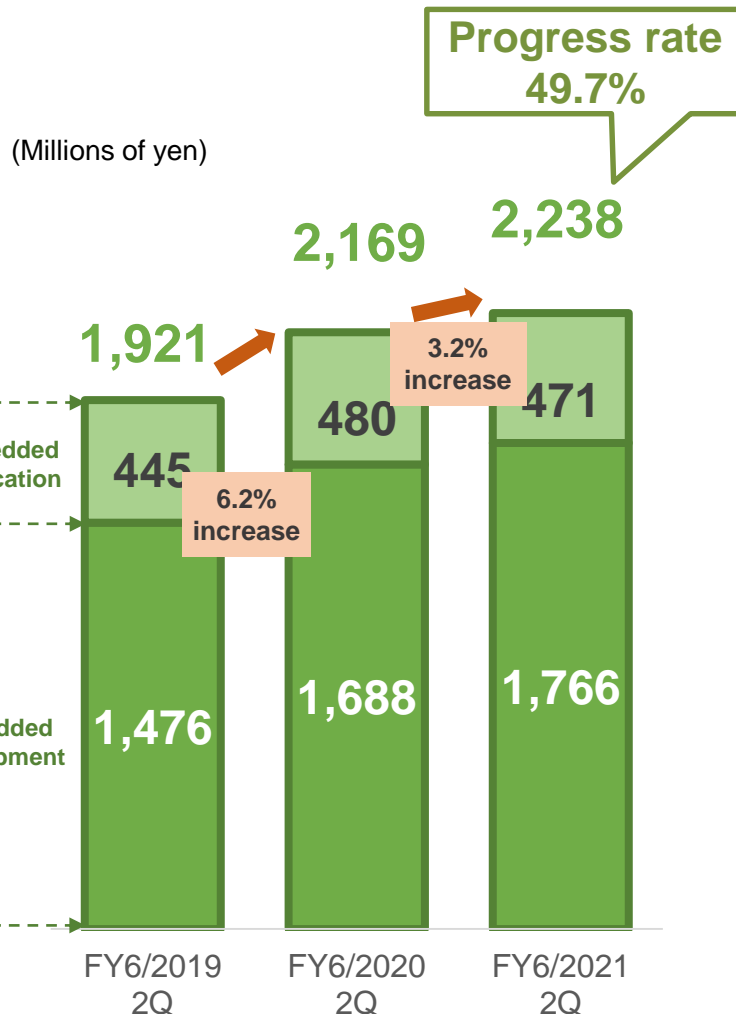


Net sales : 4,161 million yen
YoY change : +12.6%

The business as a whole continues to be healthy, especially from existing customers.

- In business system development, in addition to the strong performance of the mainstay financial systems, ERP-related (especially SAP), medical, and public systems grew steadily. We also started dealings with several new prominent customers in the Kansai area.
- In operational support, the impact of the coronavirus crisis was minor. Accordingly, we increased the volume of our transactions with new customers we have cultivated over the past year or two in addition to existing major customers. Therefore, both sales and profit grew significantly.

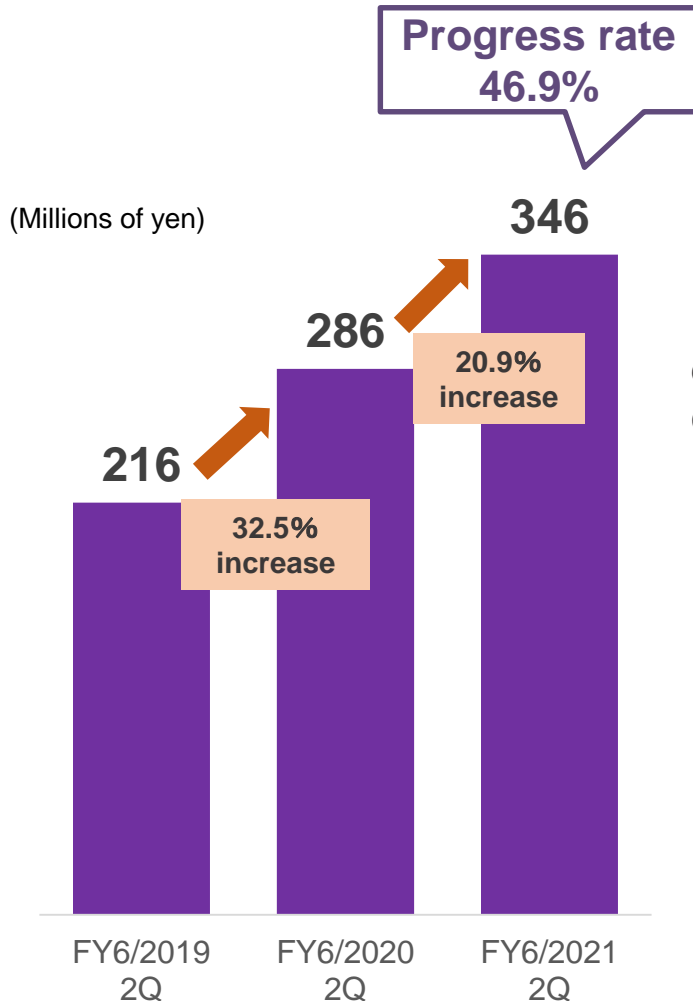
Net Sales by Segment: Embedded Solutions Unit



Net sales : 2,238 million yen
YoY change : +3.2%

In the entire business, we took measures assuming the impact of the coronavirus crisis on the automobile-related business, thanks to which results surpassed the previous year.

- In embedded product development, both sales and profit surpassed the previous year. This was as a result of our strong performance in semiconductor and communications systems. It was also because we expanded new services (especially consumer electronics) with the IoT. Although in-vehicle systems grew only slightly, it returned to a recovery track.
- In embedded verification, we compensated for a decrease in in-vehicle systems with mobile ones. However, both sales and profit were almost the same as the previous year.



Net sales : 346 million yen
YoY change : +20.9%

In the entire business, results surpassed the previous year despite restrictions on face-to-face sales due to the coronavirus crisis.

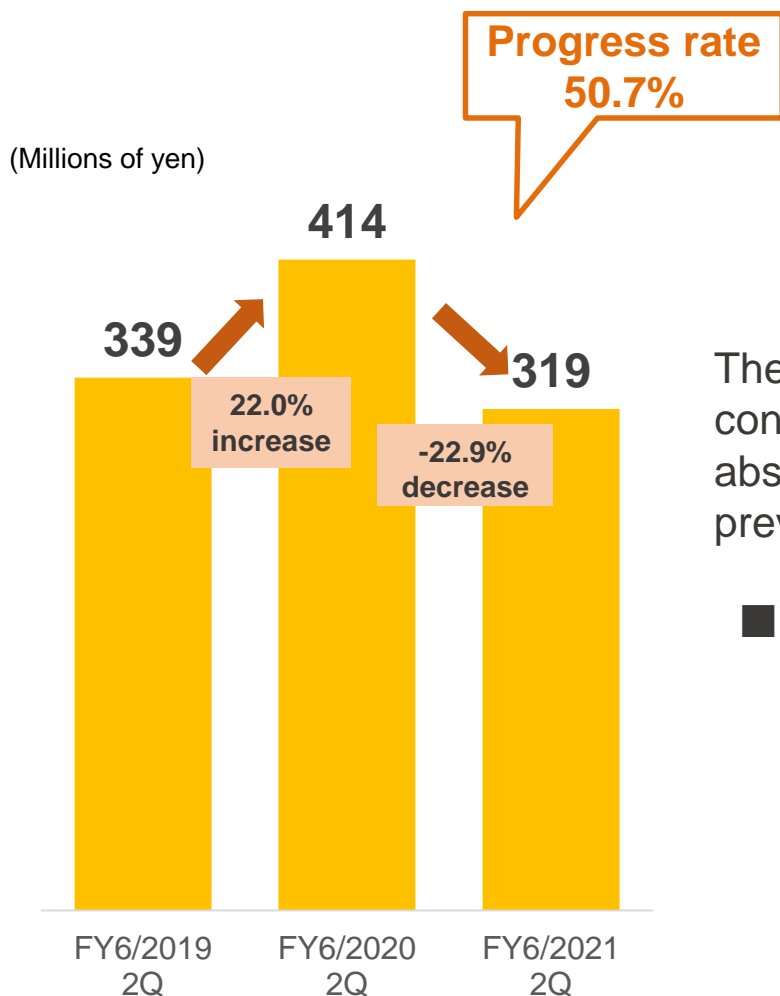
■ [WebARGUS: CyberSecurity Products]

Large-scale customers started full-scale operation, and the collaboration with external security firms continued for enriching the lineup of comprehensive security services, so sales grew more.

■ [xoBlos: Operational Efficiency Products]

The sales system we operate jointly with the subsidiary DIT Marketing Service was strengthened, and we proceeded with the xoBlos Plus one concept linked with other products, such as RPA and ERP. Then, sales expanded steadily.

Net Sales by Segment: Systems Sales Business



Net sales : 319 million yen
YoY change : -22.9%

The sales of the Systems Sales Business dropped considerably from the previous year, due to the absence of special demand, which was observed in the previous year.

- We conducted sales promotion by utilizing the subsidy for installing IT, but sales and profit dropped considerably, due to the recoil from the special demand for dealing with the reduced tax rate at the time of the consumption tax hike in the previous year.

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

Balance Sheet

■ Debt-free management with 70.9% equity ratio

(Millions of yen)

	End-FY06/20	End-FY06/21 2Q	Change
Cash and deposits	2,399	2,767	368
Accounts receivable	1,905	2,002	97
Work in progress	208	149	- 59
Others	76	133	57
Total current assets	4,590	5,053	463
Property, plant and equipment	120	112	- 8
Intangible fixed assets	23	19	- 4
Investments and other assets	630	606	- 23
Total fixed assets	774	738	- 35
Total assets	5,364	5,792	428

	End-FY06/20	End-FY06/21 2Q	Change
Notes and accounts payable - trade	417	440	23
Short-term borrowings	—	—	—
Other	1,217	1,169	- 48
Total current liabilities	1,634	1,609	- 25
Long-term debt	—	—	—
Others	68	76	8
Total fixed liabilities	68	76	8
Total liabilities	1,703	1,686	- 17
Capital stock	453	453	0
Capital surplus	459	459	0
Retained earnings	2,748	3,194	446
Total net assets	3,660	4,106	446
Total liabilities and net assets	5,364	5,792	428

Cash Flows

■ Cash increased steadily due to an increase in the Operating CF.

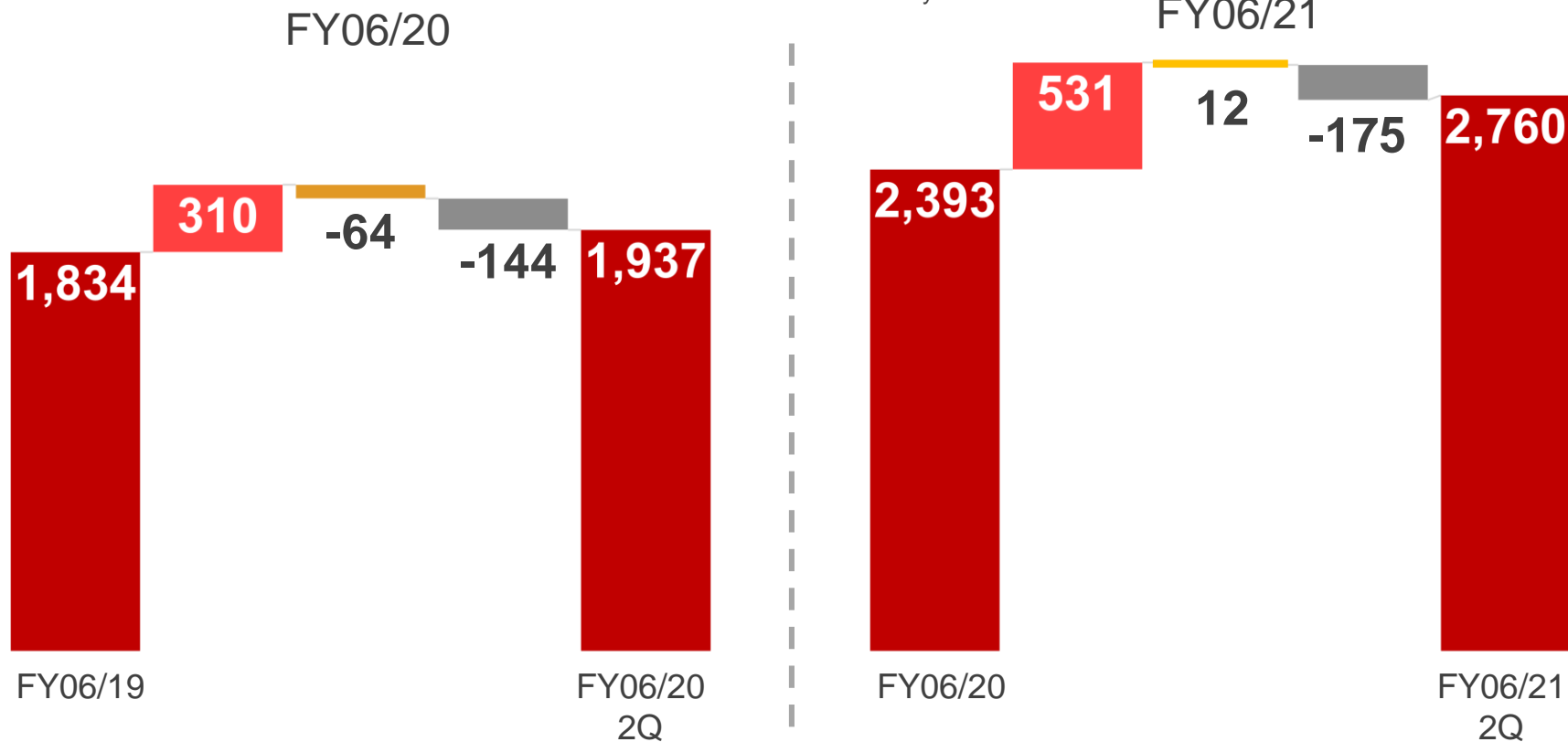
(Millions of yen)

■ Operating CF

■ Finance CF

■ Investment CF

■ Cash & cash equivalents at end of year



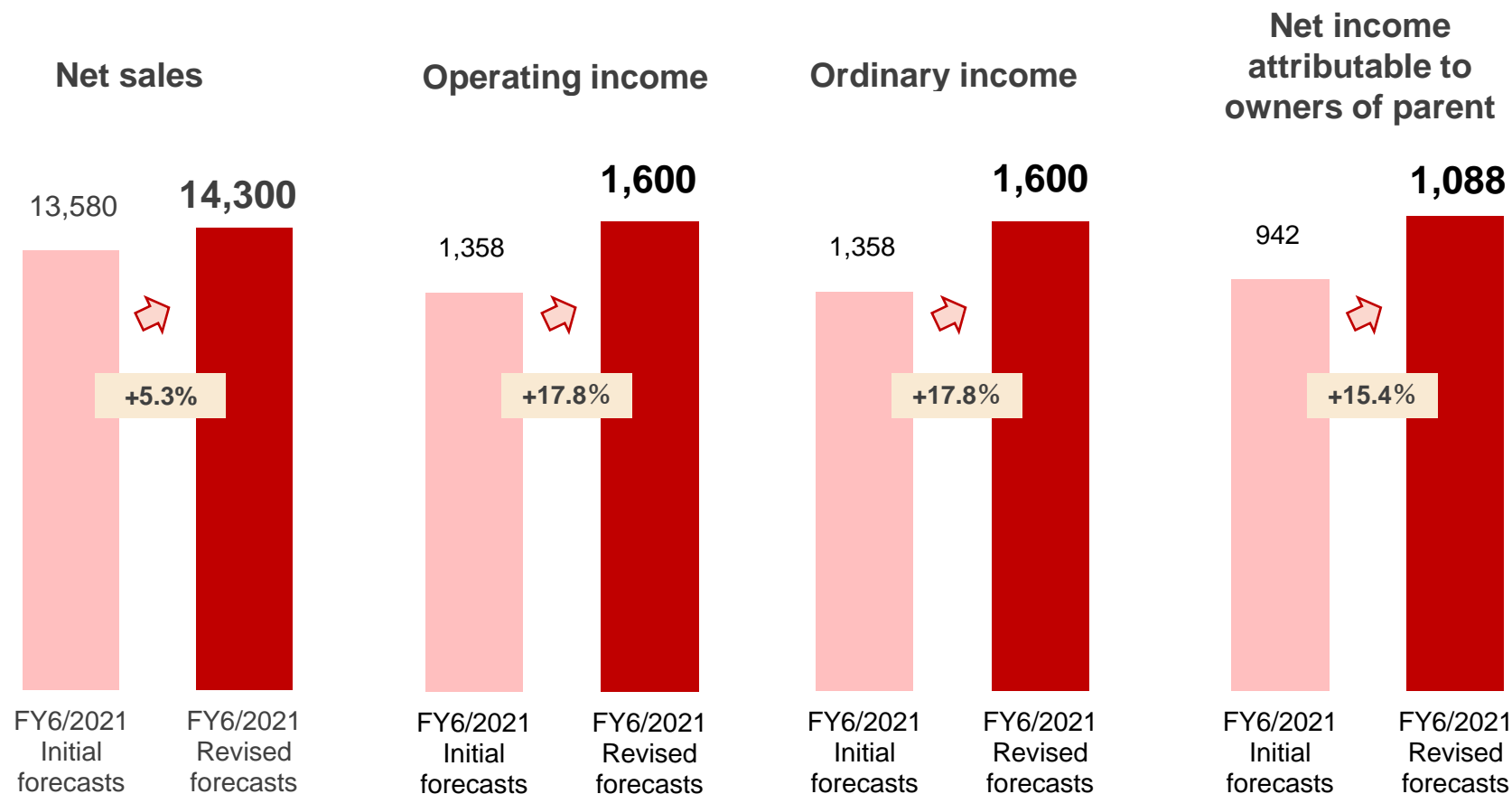
Business Forecasts for FY06/21



Revision of Business Forecasts for FY06/21

- We released our revised business forecast on January 26, 2021.

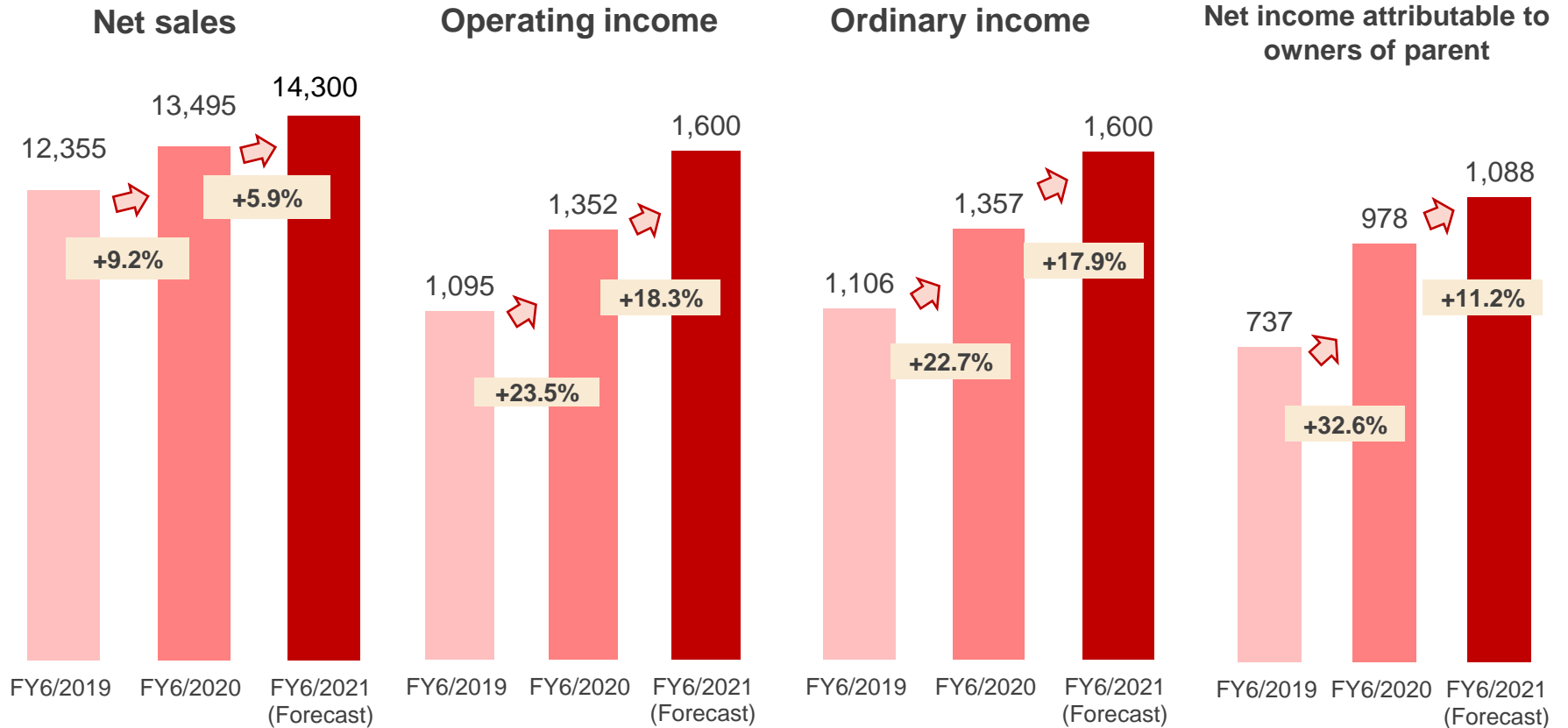
(Millions of yen)



Business Forecasts for FY06/21

■ We plan to increase revenue and profit for the 11th consecutive term.

(Millions of yen)



Business Forecasts by Segment

- In the Software Development Business, the Company plans to increase sales by 7.2% YoY, while the Original Product Unit aims to significantly increase sales by 21.5%.

(Millions of yen)

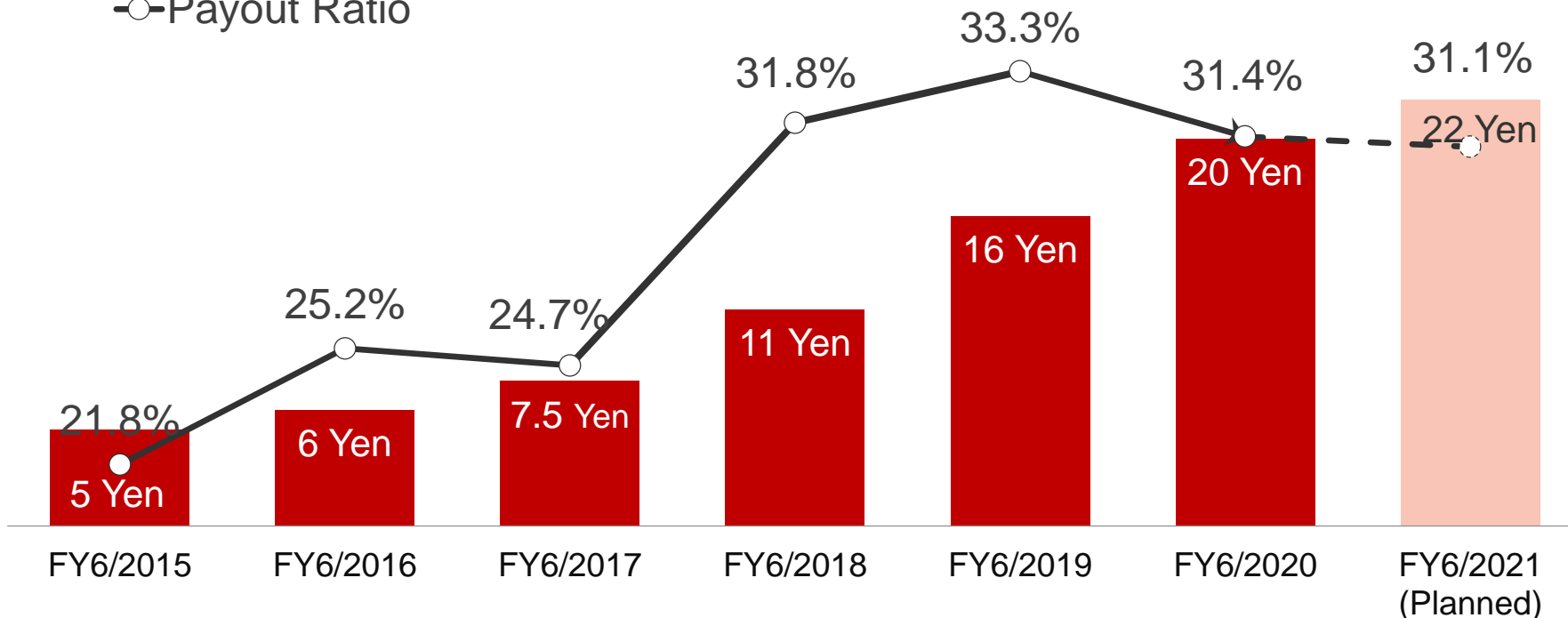
Business Segment	FY6/2020 Net sales	FY6/2021 Net sales Forecast	Change	% Change	Composition
Software Development Business	12,756	13,670	914	7.2%	95.6%
Business Solutions Unit	7,838	8,430	592	7.6%	59.0%
Embedded Solutions Unit	4,308	4,500	192	4.5%	31.5%
Original Product Unit	609	740	131	21.5%	5.2%
System Sales Business	739	630	-109	-14.7%	4.4%
Total	13,495	14,300	805	6.0%	

Return to Shareholders (Dividends + Purchase of Treasury Stocks)

- Target payout ratio of 30% or more
- We plan to increase the dividend by 2 yen to 22 yen for the full-year (interim dividend: 10 yen/year-end dividend: 12 yen (+2 yen)).
- The dividend for FY06/21 is to be revised again, according to the progress of our performance.

■ Ordinary Divident(yen)

○ Payout Ratio



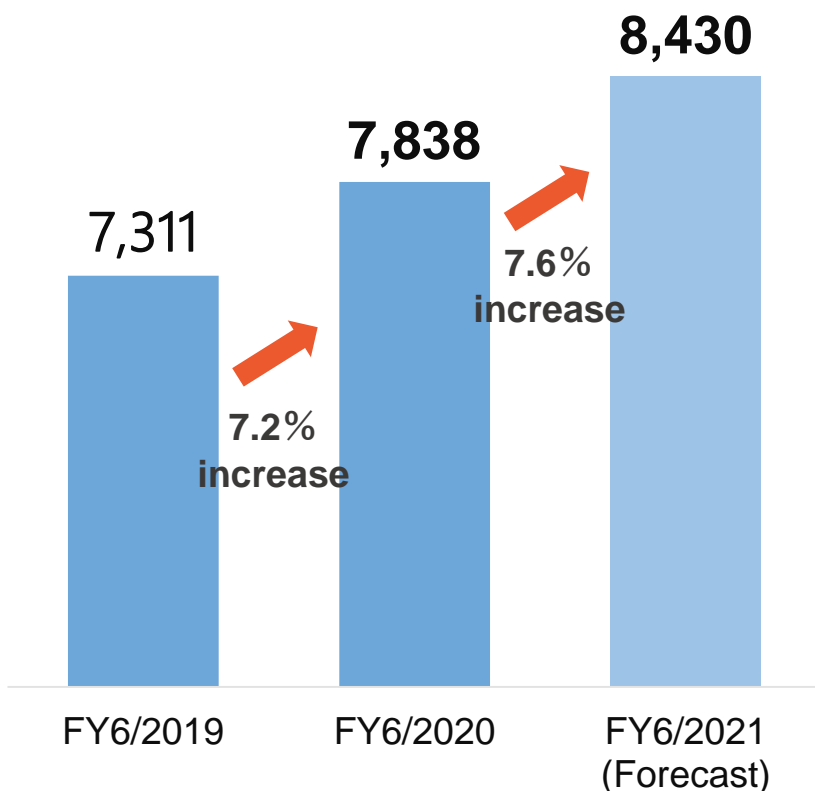
- Payout ratio = Total amount of dividend payment ÷ Net income attributable to owners of parent
- In 2016 and 2018, implemented 1:2 stock split, and indicated annual dividend per share after split.
- In 6/18, implemented purchase of treasury stocks of 136 million yen (overall payout ratio: 57.5%).

FY06/21 2H Initiatives for Priority Measures



Forecast by Segment: Business Solutions Unit

(Millions of yen)



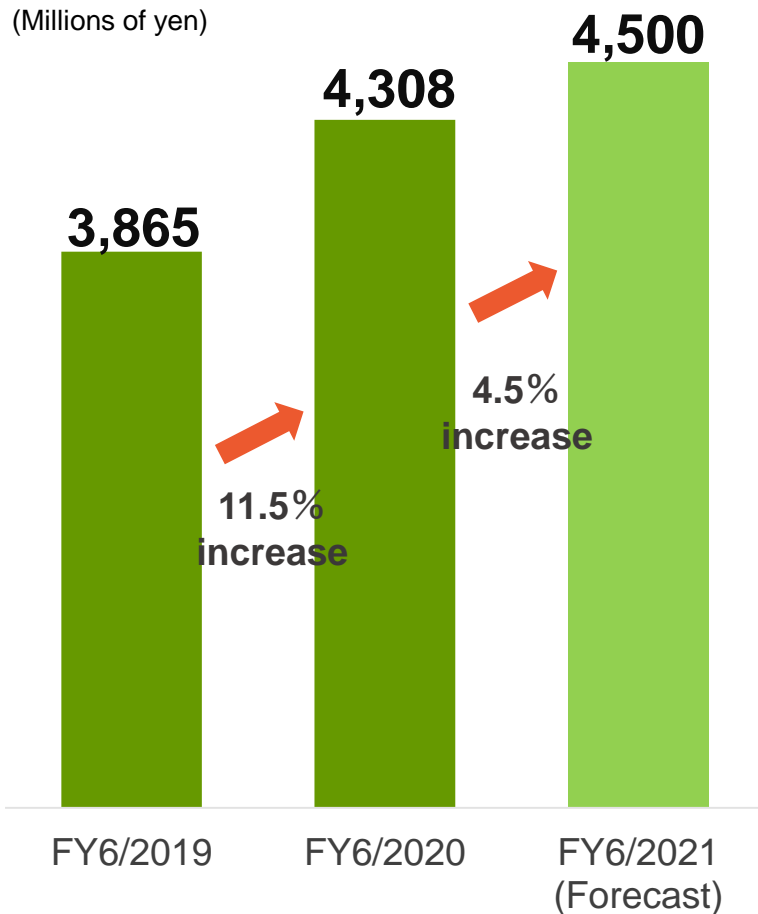
Net sales 8,430 million yen
YoY +7.6%

- We will aim for further growth by accurately responding to strong demand.

Priority Measures by Segment: Business Solutions Unit

Priority Measures	Results in the First Half	Efforts in the Second Half
1. Expand public (e.g., disaster prevention systems) and ERP (e.g., SAP) systems in addition to strong financial ones.	Financial systems were strong. Public and ERP (SAP) systems expanded steadily.	Aim to rise up from a plateau in financial systems. Also aim to expand medical systems in addition to public and ERP (SAP) ones.
2. Acquire technical projects promoting the cloud, AI and other DX.	Cloud conversion (AWS and Azure) orders steadily increased. Participated in a call center DX conversion project with AI.	Aim to accurately respond to DX conversion needs and receive more orders than in the first half.
3. Expand end-user direct contract projects and promote service proposal based business.	End-user ratio improved. Operating income margin showed signs of improvement.	Propose extra added value and trendy services to improve trust.
4. Improve the contract project ratio and implement thorough project management.	Steadily increased the contract project ratio. Even so, no major troubles have occurred.	Further strengthen project risk management.
5. Expand business by utilizing local bases as “advanced near shore development centers.”	Made steady progress qualitatively and quantitatively. Business performance also improved.	Work the same as in the first half.

Forecast by Segment: Embedded Solutions Unit



Net sales 4,500 million yen
YoY change +4.5%

- Aiming for growth by capturing the recovery trend in the automotive sector

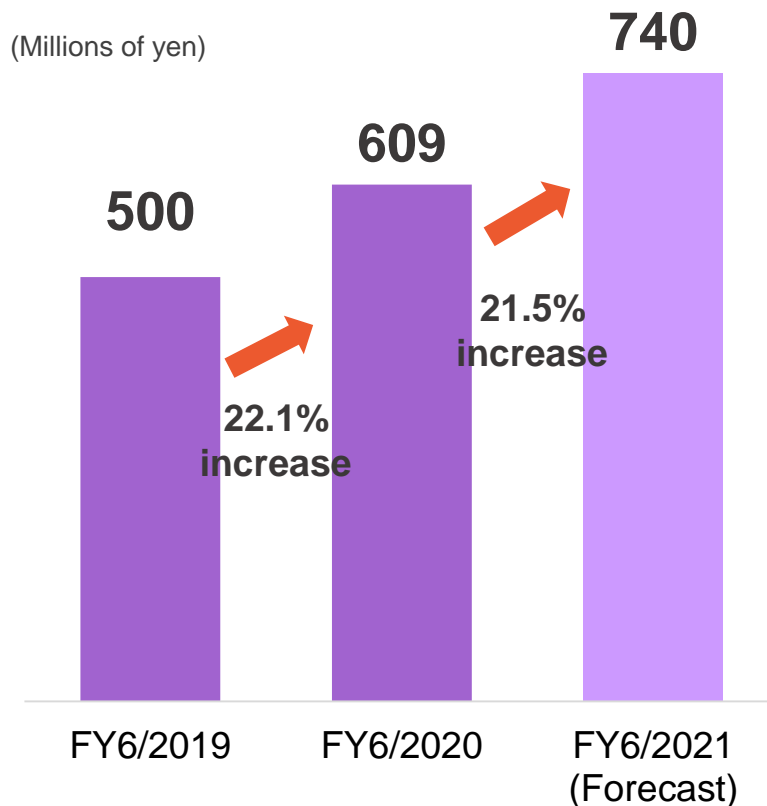
Priority Measures by Segment: Embedded Solutions Unit

Priority Measures	Results in the First Half	Efforts in the Second Half
1. Maintain/expand automobile-related business (autonomous driving, in-vehicle communication equipment and safety standards) and expand the industrial equipment business.	Automobile-related business improved in 2Q compared to 1Q. Steadily expanded direct transactions with major automobile manufacturers. Also industrial equipment business grew and semiconductor business greatly expanded.	Accurately deal with needs in line with the recovery in automobile-related business. Also deal with an expansion in semiconductor business.
2. Expand IoT beyond the boundaries of industry (e.g., cars (communication modules development) and consumer electronics (kitchen consumer electronic IoT service platform development and service expansion)).	Our results were highly rated. IoT service compatible equipment increased horizontally among major consumer electronic manufacturers.	Aim to develop IoT services regardless of industry or equipment.
3. Increase MaaS* related business orders through partnerships with companies developing car-related services.	Received orders for a small-scale MaaS related business (autonomous driving ride sharing service).	Aim to receive full-scale MaaS related business orders.
4. Expand the size and areas of verification projects.	Covered for a decrease in automobile-related orders with mobile ones in terms of verification operations.	Aim for an increase in orders in communication (5G related)- and automobile-related business. At the same time, work to strengthen verification operations.

*MaaS: Mobility as a Service (The concept of using information and communication technology to lead to seamless movement for modes of transport other than private cars.)

Forecast by Segment: Original Product Unit

Net sales 740 million yen
YoY change +21.5%



- Accelerating growth through responding to the needs of New Normal society

Priority Measures by Segment: Original Product Unit



Priority Measures	Results in the First Half	Efforts in the Second Half
1. Actively approach large users focused on financial institutions based on introduction results.	Full-scale operation began for large financial users. Engaged in business negotiations with new large users.	Receive orders from new large users with the aim of introduction by the end of the fiscal year.
2. Expand provision of the SaaS model WebARGUS focused on cloud operators.	Gradually introduced the SaaS model.	Further support dealers to promote introduction.
3. Provide a total security service as DIT Security. <ul style="list-style-type: none"> Stimulate activities through joint seminars with partner companies. Enrich lineup of cyber security products. 	Awareness of DIT Security rose. Inquiries and orders increased.	Promote collaboration with other security firms to enhance the benefits of DIT Security. Also support dealers which handle DIT Security.
4. Strengthen engagement with customers through Web ads, webinars and direct e-mails.	Strengthened engagement with various methods with the aim of improving the efficiency of sales activities during the coronavirus crisis.	Continue to conduct various activities while checking the cost effectiveness.
5. Realize the introduction of the IoT version of WebARGUS based on the system resilience (self-detection and self-repair) concept.	Conducted a demonstration experiment with a research institute and reconfirmed the effects.	Work toward commercialization.

Priority Measures by Segment: Original Product Unit



Priority Measures	Results in the First Half	Efforts in the Second Half
1. Introduced in a total of more than 450 companies and further strengthen sales to large users.	Growth in the number of new customers was slow due to restrictions on face-to-face sales. However, introduced to more than 490 companies.	Aim to increase the introduction at multiple large users in order to expand our business scale.
2. Promote sales in collaboration with DIT Marketing Services - a system sales subsidiary.	Second year of joint sales. Worked by sharing targets as one team.	Work to achieve results.
3. Actively promote the Plus one concept (linkage with RPA, ERP and other systems) to expand sales opportunities.	Added mid-sized ERP products in addition to adding BizRobo! (RPA Technologies, Inc.), ZAC (oRo Co., Ltd.) and JP1 (Hitachi, Ltd.) as partner products.	The needs for core system linkage with ERP are rising in particular. Aim to accept more orders in response to those needs. Aim to increase partner products.
4. Sell as a solution that automates a series of operations (e.g., core system linkage, timer activation and e-mail delivery) in addition to Excel operations.	xoBlos operated as a controller that automates a series of operations among some large users.	There are similar needs from multiple large users. Therefore, aim to expand its usage.
5. Commercialize and provide services of RPA operation portal based on xoBlos.	Commercialization of a RPA operation portal in progress.	The need for portal conversion has already been confirmed. Work to become one of the leading solutions for DX conversion.

Priority Measures by Segment: Original Product Unit

Priority Measures	Results in the First Half	Efforts in the Second Half
<p>1. Develop new products Develop competitive new products that combine our areas of expertise in terms of CMS* and security technologies.</p>	<p>Developed a beta version of CMS that enables flexible usability and requested evaluations from homepage sales companies as phase 1.</p>	<p>Develop the security enhancement (linkage with WebARGUS) part and aim to sell it by the end of the fiscal year as phase 2. It is a CMS that brings together the expertise of the Company. Work to ensure it becomes a long-selling product.</p>
<p>2. Provide DX-related services Provide new services for the “new lifestyles” during the coronavirus crisis and SDG’s*</p>	<p>Started sales of the electronic contract outsourcing service (DD-CONNECT) from October as support for the coronavirus crisis and made progress on business negotiations with multiple companies.</p>	<p>Aim for large orders of DD-CONNECT while supporting customers.</p>

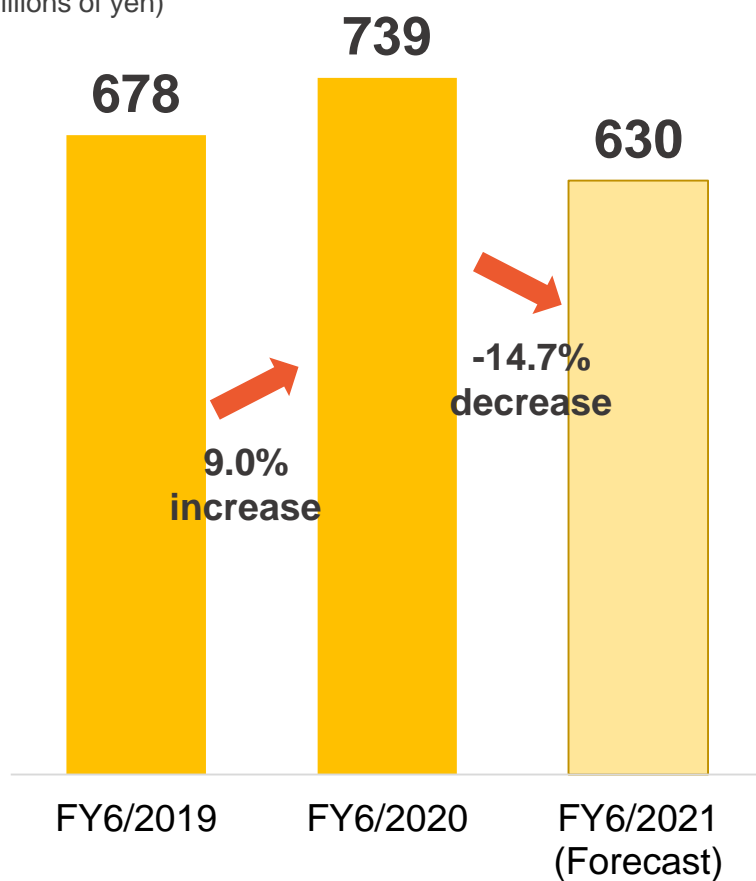
*CMS: Contents Management System (This is the general term for systems that manage the digital content of text and images that constitute web content on an integrated and systematic basis and perform the necessary processing such as distribution.)

*SDGs: Sustainable Development Goals (These are the United Nations’ international goals for sustainable development. They consist of 17 global goals and 169 targets.)

Forecast by Segment: Systems Sales Business



(Millions of yen)



Net sales 630 million yen
YoY change -14.7%

- Expanding the scope of support for small and medium-sized companies to increase sales

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

Priority Measures by Segment: Systems Sales Business

Priority Measures	Results in the First Half	Efforts in the Second Half
1. Support the creation of management analysis materials that customers need by utilizing the standard functions of Rakuichi.	Prioritized order acceptance activities by utilizing the subsidy for installing IT during the coronavirus crisis.	Enhance customer support by providing management analysis materials in parallel with order acceptance activities by utilizing the subsidy for installing IT.
2. Strengthen proposals for various services required by customers (e.g., printers, networks and security products).	Actively captured needs other than for Rakuichi and increased orders.	Work in the same way as in the first half.
3. Cultivate new customers by proposing exclusive business packages to companies whose business scale is larger than those of existing customers.	Investigated business packages applicable to target industries and customer size.	Set specific targets/packages by the end of the fiscal year and work to be able to start sales activities.

Mid-Term Management Plan

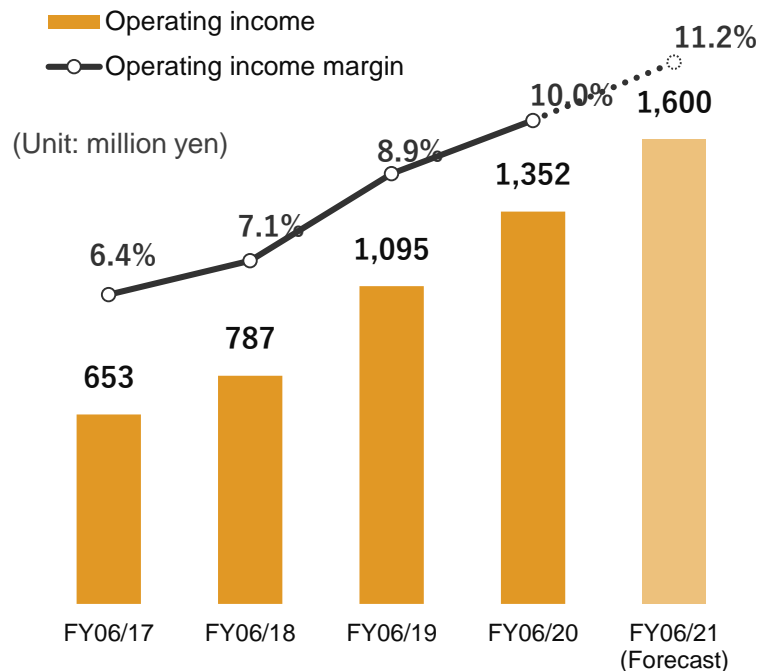
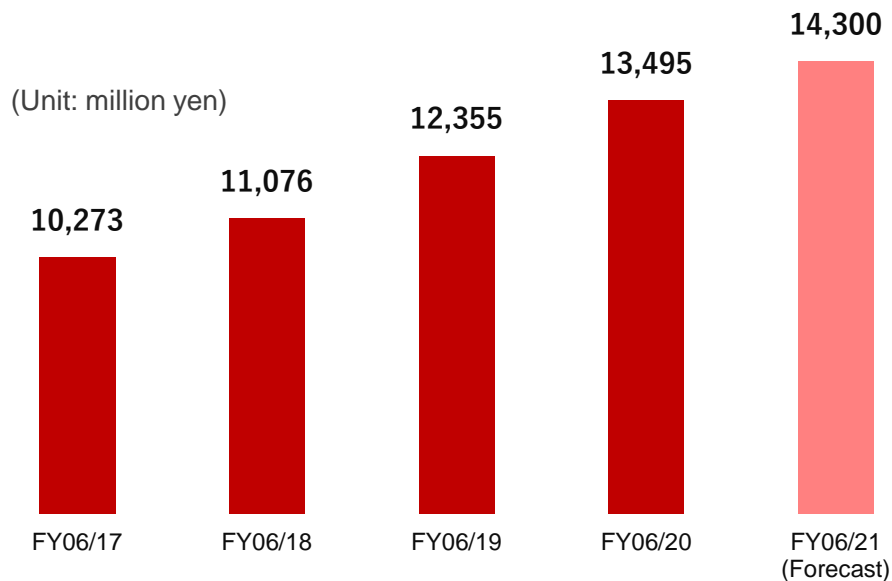


Mid-Term Management Targets : Achievement of “Triple 10”

■ Mid-Term Management Targets Started in FY06/2017: **Achieve Triple 10 within 5 years!**

Mid-term Management Targets Aim at triple-10 within 5 years	Net sales	10 billion yen (FY06/2017) <Achieved !>
	Operating income	1 billion yen (FY06/19) <Achieved !>
	Operating profit margin	10% (FY06/21) <Achieved in advance!>

Net sales



New long-term vision is being formulated

We are currently formulating a long-term vision to respond to internal and external changes, such as the achievement of our medium-term management targets ahead of schedule, the acceleration of DX, the cliff in 2025, and the arrival of the New Normal society due to COVID-19.

We will set our direction to grow continuously.

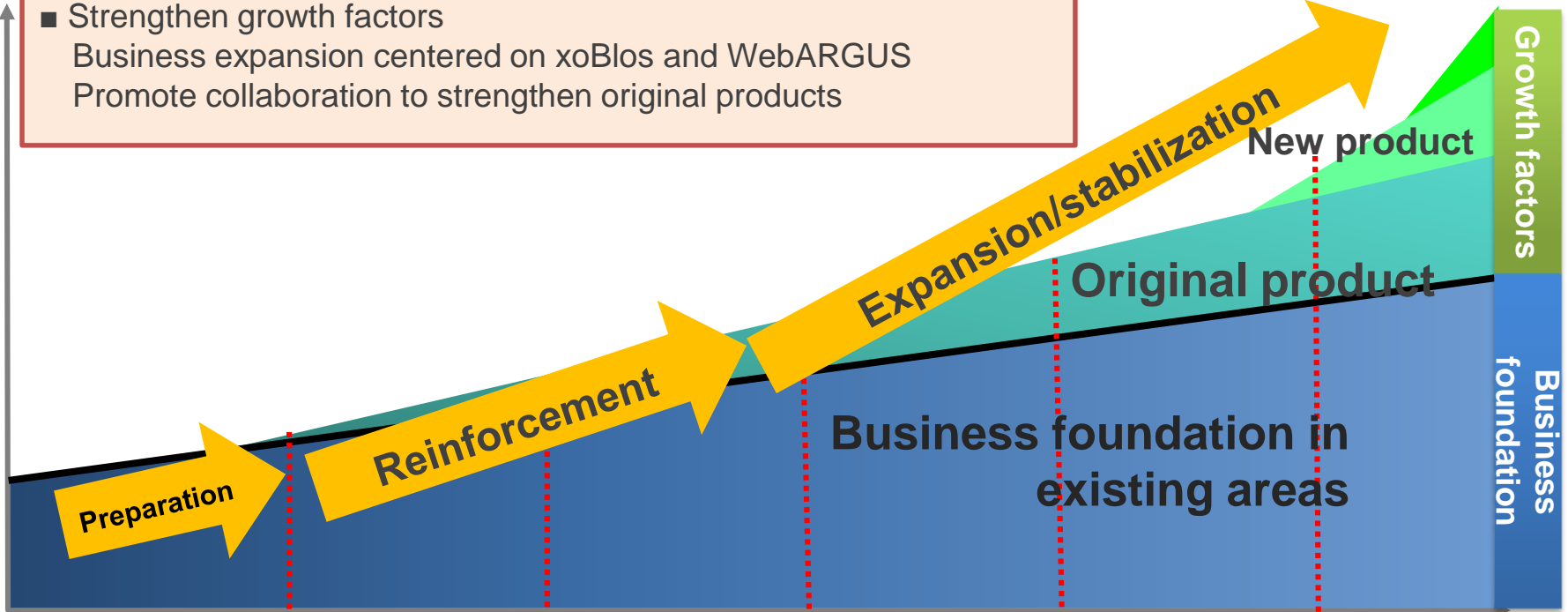


Mid-term Growth Model

Two Pronged Business Strategy	Business foundation	Generate stable earnings in a wide variety of business areas
	Growth factors	Providing new value w/ original products at the core

- Expansion/stabilization of business foundation
Concentrate management resources in areas with growth potential
- Strengthen growth factors
Business expansion centered on xoBlos and WebARGUS
Promote collaboration to strengthen original products

Profits



FY06/2016

FY06/2017

FY06/2018

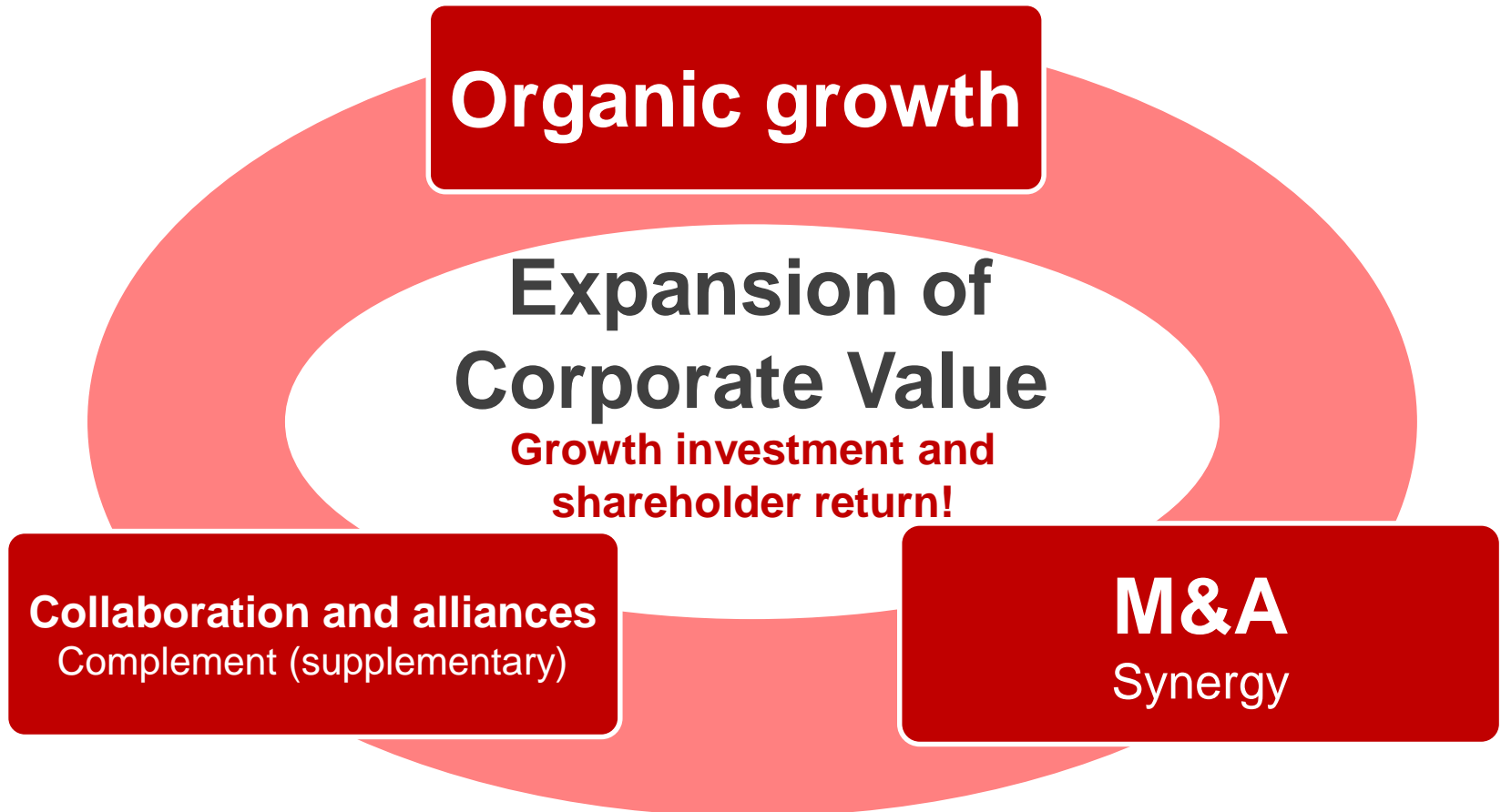
FY06/2019

FY06/2020

FY06/2021

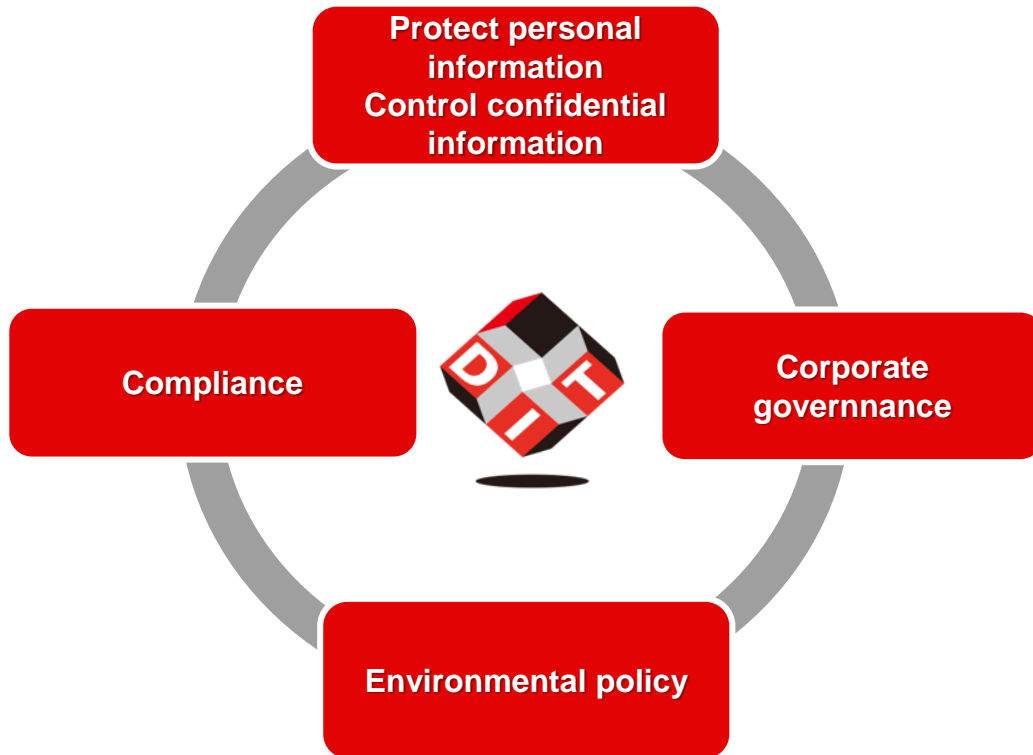
Towards expansion of corporate value

- We aim at expansion of Corporate Value through the three-in-one concept !



Our Commitment to CSR

- We will build a DIT brand that is trusted and chosen by stakeholders.



Yuichi Narita, an executive officer of the Company, was appointed as an Evangelist officially recognized by the RPA Association. DIT is working to improve productivity in Japan.



Appendix

Corporate Data

Trade name	Digital Information Technologies Corporation
Establishment	January 4, 2002
Contents of business	Development of business systems, development and verification of embedded systems, system operation services, sales of in-house developed software, and system sales business
Location of head office	5F, FORECAST Sakurabashi, 4-5-4 Hacchobori, Chuo-ku, Tokyo
Capital stock :	453,156 thousand yen (As of the end of June 2020)
Fiscal year end :	June 30
Number of the employees	1,056 (982 on a non-consolidated basis) (As of the end of June 2020)
Officer	Norikazu Ichikawa, Representative Director and Chairman Satoshi Ichikawa, Representative Director and President 4 other internal directors and 3 outside directors 1 full-time auditor and 2 outside auditors
Group Companies :	DIT Marketing Service Co., Ltd., DIT America, LLC.



Satoshi Ichikawa, Representative Director and President

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

Domestic and overseas development bases and the number of employees



Corporate Philosophy

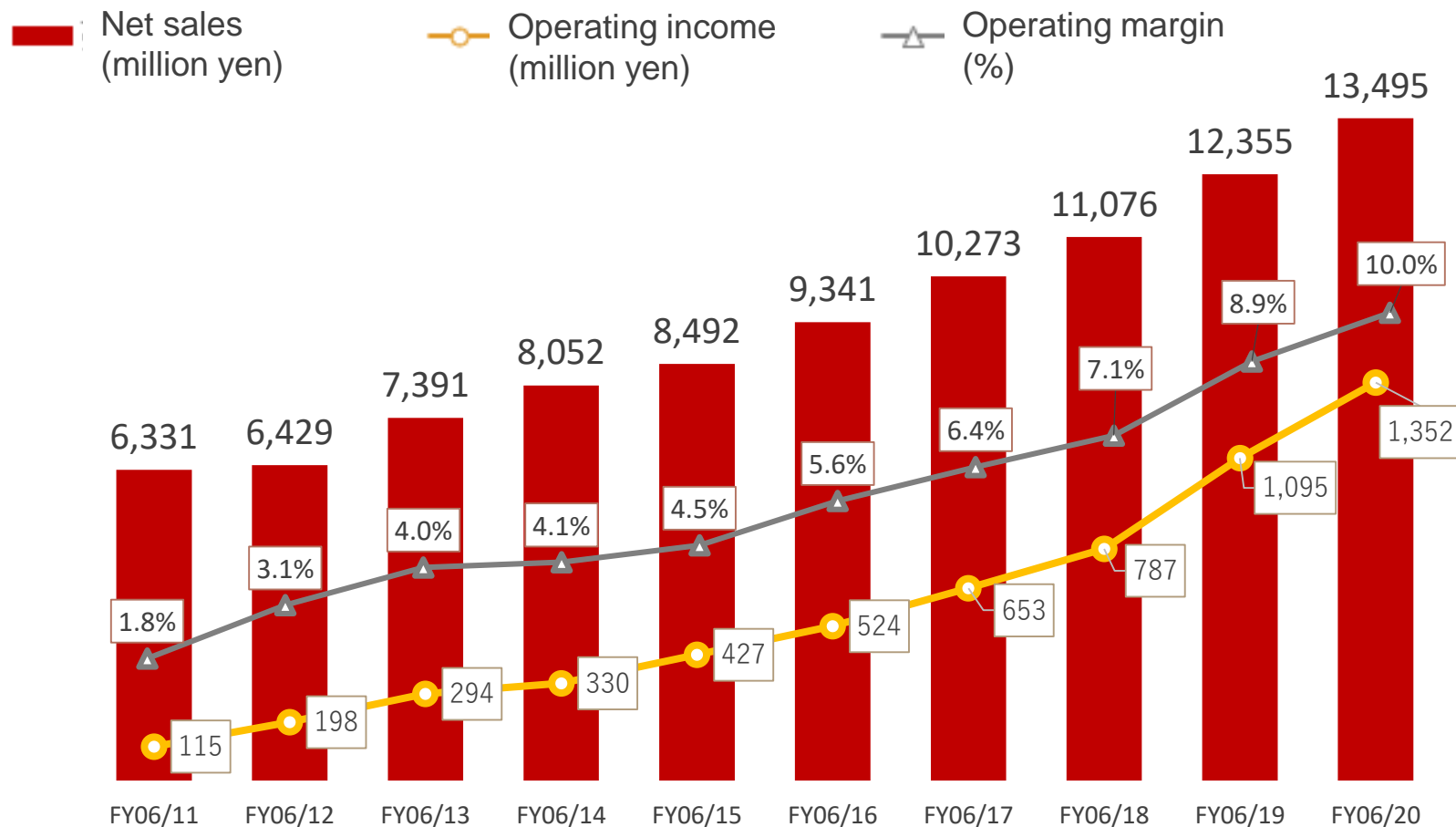
Corporate philosophy	Over-all	Client-driven	Management philosophy	Guarantee our employees' livelihood while contributing to society
	Company	Employee training/growth, Communication		
	Individuals	Increase in value added, Sense of objective / target, Passion and dedication		

Management Policy	Deliver on our commitment to value generation and adaptability to change, while aiming to realize stable growth for the company
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Business strategy	<h3>5 Basic Business Strategies</h3> <ol style="list-style-type: none"> (Strengthen our business foundation through the renovation of existing businesses) (Create new value centered around original products) (Expand our business through partnerships) (Expand our business through the perspective of services) Hire personnel and aid employee growth 	Organizational strategy	Organizational strategy involving dispersion (sub-optimization) and concentration (total optimization)																																							
			<table border="1"> <tr> <td rowspan="10" style="writing-mode: vertical-rl; transform: rotate(180deg);">Dispersion (sub-optimization) Adaptability to change / Specialization / Development of Managerial talent</td> <td>BS Company</td> <td rowspan="3">CS Division</td> <td rowspan="3">TS Division</td> <td rowspan="3">PS Division</td> <td rowspan="10">DIT America, LLC</td> <td rowspan="10">DIT Marketing Service Co., Ltd.</td> </tr> <tr> <td>eB company</td> </tr> <tr> <td>SB Company</td> </tr> <tr> <td>ES Company</td> <td colspan="3">Administration division</td> </tr> <tr> <td>NN Company</td> <td colspan="3">Corporate Planning Division</td> </tr> <tr> <td>QE Company</td> <td colspan="3">Concentration (total optimization) Control / Unification / Collaboration</td> </tr> <tr> <td>EM Company</td> <td colspan="3"></td> </tr> <tr> <td>Xobios Division</td> <td colspan="3"></td> </tr> <tr> <td>Business Division IT Security</td> <td colspan="3"></td> </tr> <tr> <td>Laboratory DX Business</td> <td colspan="3"></td> </tr> <tr> <td>New Product Development Office</td> <td colspan="3"></td> </tr> </table>	Dispersion (sub-optimization) Adaptability to change / Specialization / Development of Managerial talent	BS Company	CS Division	TS Division	PS Division	DIT America, LLC	DIT Marketing Service Co., Ltd.	eB company	SB Company	ES Company	Administration division			NN Company	Corporate Planning Division			QE Company	Concentration (total optimization) Control / Unification / Collaboration			EM Company				Xobios Division				Business Division IT Security				Laboratory DX Business				New Product Development Office	
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Changes in Performance

Increase in sales and profits for 10 consecutive years



Our strengths and basic strategies

Our Strengths

- We have diverse business domains including development and operation of business systems, and development and verification of embedded systems.
- We have professional expertise, technological capabilities and price competitiveness that are highly appraised by blue-chip customers.
- Our businesses are mainly long-term stable businesses based on trustworthy relationships with customers, and our business foundation is stable.
- We have our original products which are unique and promising to expand the market.



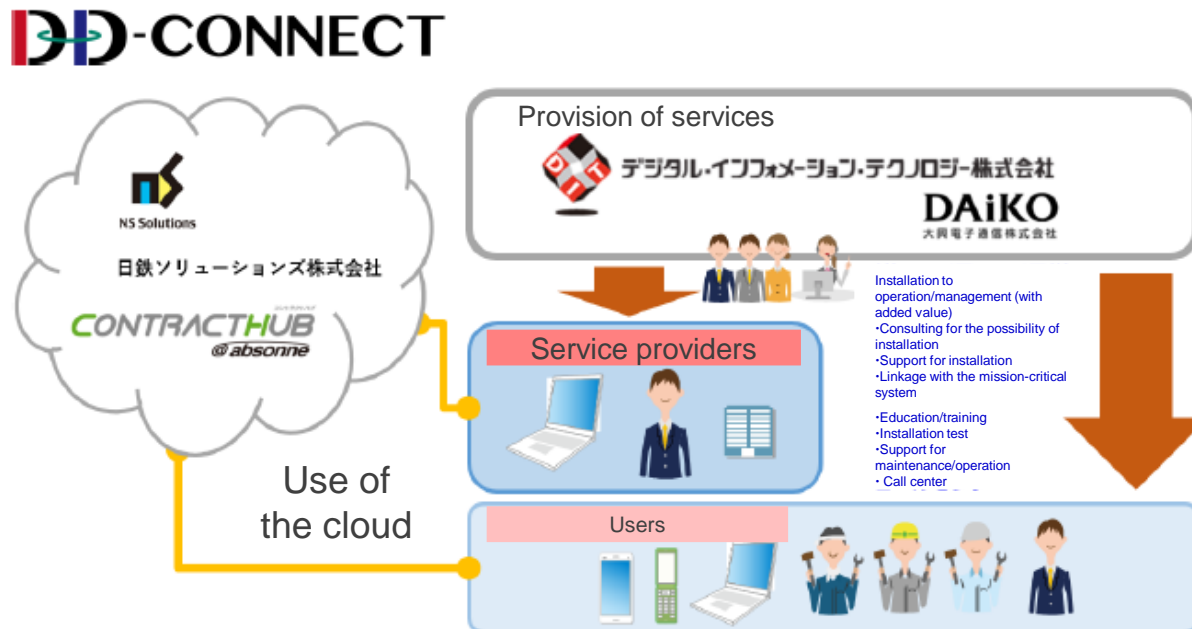
Basic Strategy

- Growth Strategy: Continue to grow through two pronged business strategy (expand and stabilize business foundations through reform of existing businesses and strengthen our original product business which is a component of our growth)
- Enhance overall corporate strengths: Push up overall strengths including technological capabilities and added value, and elevate profit per capita.

Original Product Unit: Release of DD-CONNECT

Release of DD-CONNECT, an outsourcing service for electronic contracts, for responding to the progress of DX and the development of a new normal society

Our company (DIT) and Daiko Denshi Tsushin, Ltd. (DAIKO) released DD-CONNECT, an outsourcing service of CONTRACTHUB @absonne, which is an electronic contract service of NS Solutions Corporation (NSSOL), in Oct. 2020. DIT, DAIKO, and NSSOL offer a wide array of electronic contract services with high added value, with the aim of having 100 companies adopt this service in 3 years.



Selected as "JPX-Nikkei Mid and Small Cap Index"

Selected as one of stocks used by Tokyo Stock Exchange, Inc. and Nikkei Inc. for calculating "JPX-Nikkei Mid and Small Cap Index" in fiscal 2020*



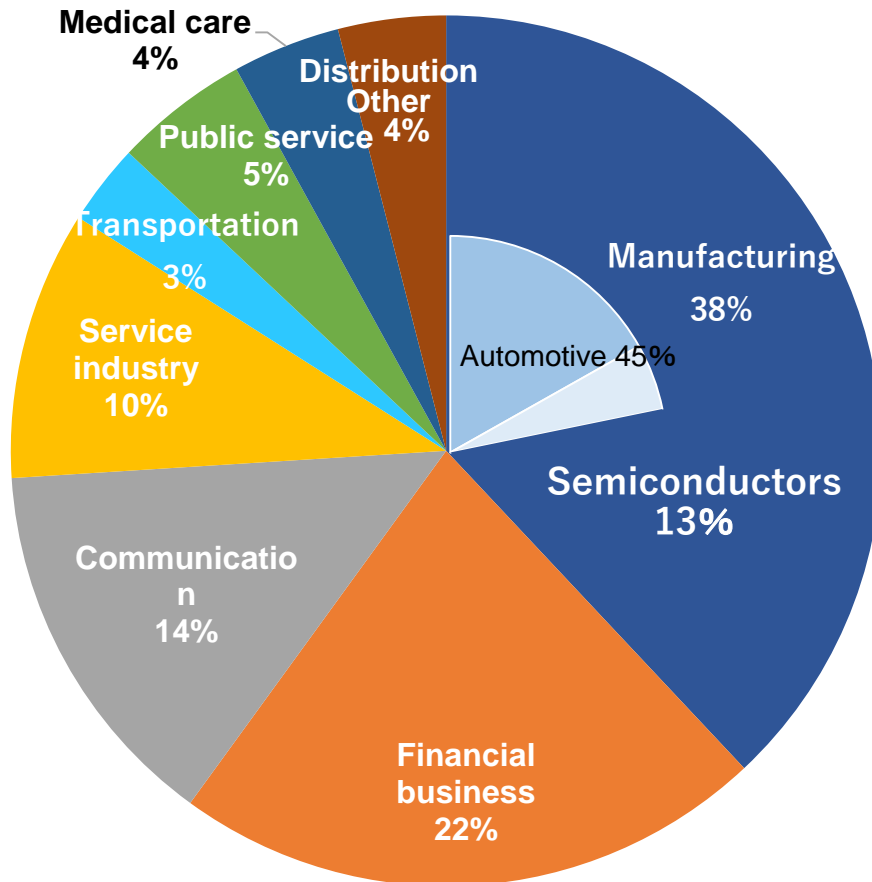
JPX-NIKKEI Mid Small

To meet the expectations of our stakeholders, we will continue to strive for sustainable enhancement of corporate value and shareholder-oriented corporate management in accordance with the intent and purpose of the selection.

*The index is applied from November 30, 2020 to August 30, 2021.

Customer Base

Sales Composition by Industry



■ Customers of the DIT Group are Approx. 2,700 companies

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

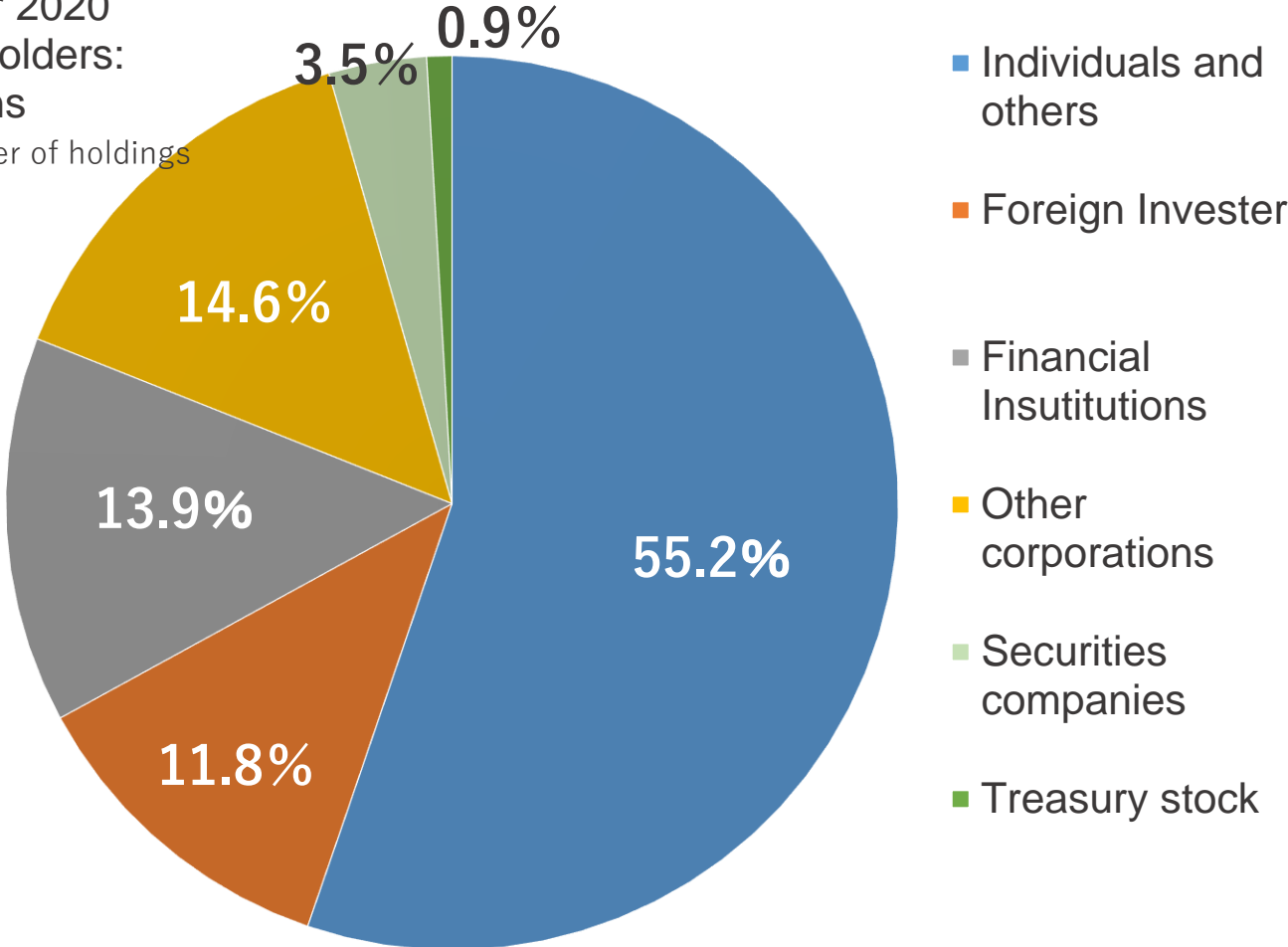
■ Sales Composition by Industry of Software Development Business (Left chart)

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

Composition of Shareholders

End of December 2020
Number of shareholders:
5,877 persons

*The graph based on number of holdings





Contact information :

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<https://www.ditgroup.jp>

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