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May 15, 2025

Summary of Business Results for the Third Quarter Ended March 31, 2025 [Japan GAAP] (Consolidated)

Company name: Digital Information Technologies Corporation
Listing: Tokyo Stock Exchange
Securities code: 3916
URL: <http://www.ditgroup.jp/>
Representative: Satoshi Ichikawa, President and Representative Director
Inquiries: Hiroyuki Komatsu, Vice President, Division Manager of Corporate Planning Division
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended March 31, 2025 (from July 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	18,149	23.2	2,519	34.1	2,523	36.4	1,670	34.7
March 31, 2024	14,736	8.9	1,878	22.2	1,849	19.2	1,240	13.9

Note: Comprehensive income For the nine months ended March 31, 2025: ¥1,742 million [34.2%]
For the nine months ended March 31, 2024: ¥1,297 million [20.0%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2025	112.85	-
March 31, 2024	82.96	-

Note: Diluted earnings per share is not presented because there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	10,779	7,534	68.9
June 30, 2024	10,217	7,058	68.1

Reference: Equity
As of March 31, 2025: ¥7,427 million
As of June 30, 2024: ¥6,958 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2024	-	23.00	-	23.00	46.00
Fiscal year ending June 30, 2025	-	30.00	-		
Fiscal year ending June 30, 2025 (Forecast)				36.00	66.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	24,000	20.7	2,900	19.6	2,900	20.4	1,943	15.2	131.45

Note: Revisions to the forecast of financial results most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	15,501,820 shares
As of June 30, 2024	15,501,820 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	791,142 shares
As of June 30, 2024	553,580 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2025	14,804,484 shares
Nine months ended March 31, 2024	14,952,752 shares

Note: The number of treasury stock to be deducted from the calculation of the number of treasury stock at the end of the period and the number of treasury stock during the period includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust E-Account) as trust assets under the Employees' Benefit Trust (J-ESOP) Plan.

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

- * Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

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1. Qualitative Information Regarding Consolidated Quarterly Business Results

(1) Explanation of Business Results

As for the business environment during the nine months of the current fiscal year (July 1, 2024 to March 31, 2025), the economy maintained a moderate recovery trend, bolstered by various policies, such as strengthening the tax system to encourage wage increases. However, the outlook became increasingly uncertain due to concerns over consumer sentiment, driven by continued rising prices and energy prices, and heightened uncertainties such as the economic downturn associated with trends in U.S. trade policy and their effects on financial markets.

In the information services industry to which we belong, the software investment plan (total for all industries and enterprises of all sizes) for fiscal 2025, according to the Bank of Japan Tankan survey (March) announced on April 1, 2025, increased by 4.3% compared to fiscal 2024, indicating that steady software investment continues.

For our group as well, the progress in fields such as Artificial Intelligence (AI) to accelerate the realization of DX, Internet of Things (IoT), the transition of existing systems to cloud systems, and progress in low-code development to accelerate system development have led to increased opportunities to enter new businesses and the expansion of business scope.

In response to the escalating cybersecurity problem, the Ministry of Economy, Trade and Industry released "Strategy for Vitalization of the Cybersecurity Industry" on March 5, 2025. There is a growing need for the entire society to strengthen cybersecurity measures. Additionally, the rise in personnel costs due to increasing prices has intensified the need for operational efficiency, which continues to benefit our group as we provide effective solutions to these challenges.

Under such conditions, the DIT Group formulated the following five business strategies and continues to take proactive measures to achieve them.

- Renovation (Expand and stabilize business foundation through reform of existing businesses)
- Innovation (Create new value centered on in-house products)
- Shift from competition to collaboration (Expand business through cooperative efforts)
- Shift from development to services (Expand business from service-oriented perspective)
- Secure and develop human assets (Hire and train personnel)

Furthermore, on August 9, 2024, we announced our new medium-term management plan (fiscal 2024 to fiscal 2026).

In the new medium-term management plan, we express “Supporting the ever-evolving digital society with the power of IT –Digital Information Technology enriches people's lives.” about the Purpose of the link between our business philosophy and the meaning of existence, and we set out to grow together as one company.

Philosophy, Purpose, and Vision for 2030

Purpose

Our company will grow as one team by expressing the linkage between our corporate philosophy and the reason for our existence in the purpose in the New Medium-term Management Plan.

Purpose

Enrich people's lives by supporting the digitized society (changes) that continues to "evolve" with the power of IT (responsiveness).

Mindset that DIT values

Provide value that can adapt to changes of the times

- Enhance Customer Value !

We value the responsiveness to changes.

Responsiveness to changes means that we will not be content with the status quo, but always take on challenges because of a sense of urgency that we will easily get left behind the times if we do not take measures to adapt to changes as the world keeps changing.

We will engage in businesses and provide services that can adapt to changes in the current of the times and the trend in technology.

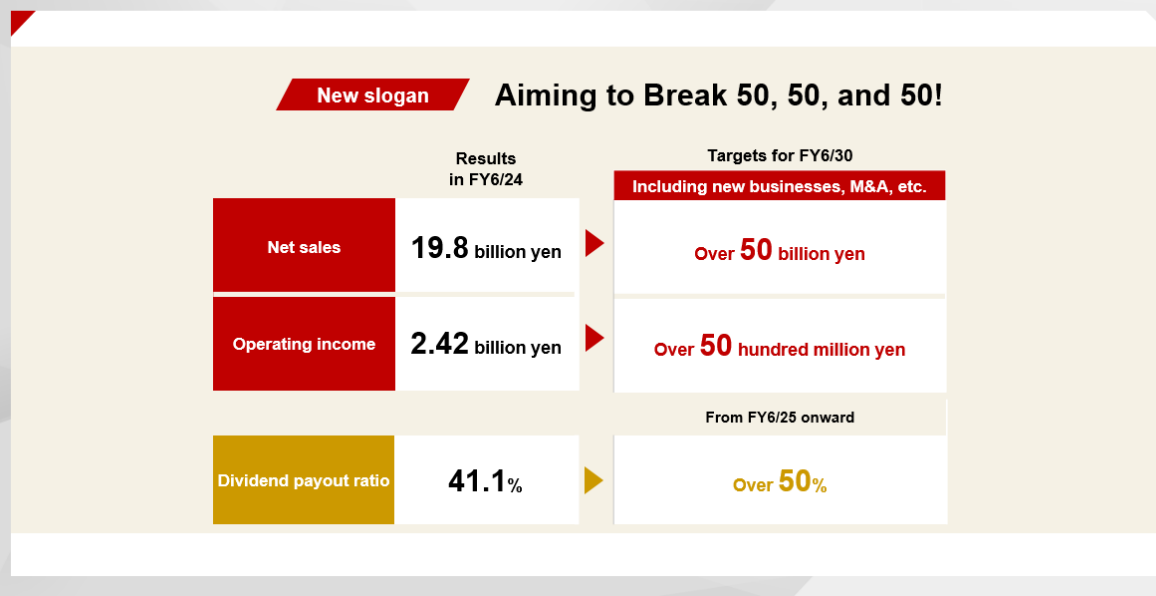
As the immediate step, we will clarify the direction that we will move in by developing a long-term vision that can accommodate changes, such as development of innovative technology including generative AI, the aging society with a declining birthrate and a decrease in the working population, and work style reforms and diversifying lifestyles, and strive for continuous growth.

We believe that our mission is to contribute to society and enrich the lives of our stakeholders from all walks of life by achieving the aforementioned.

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In addition, we will continue to build “Trusted and Chosen DIT Brand” as our 2030 vision and take on the challenge of achieving goals under the new slogan “Aiming to Break 50, 50, and 50!” which states that more than 50 billion yen of net sales, 50 hundred million yen of operating profit, and 50% of dividend payout ratio, respectively.

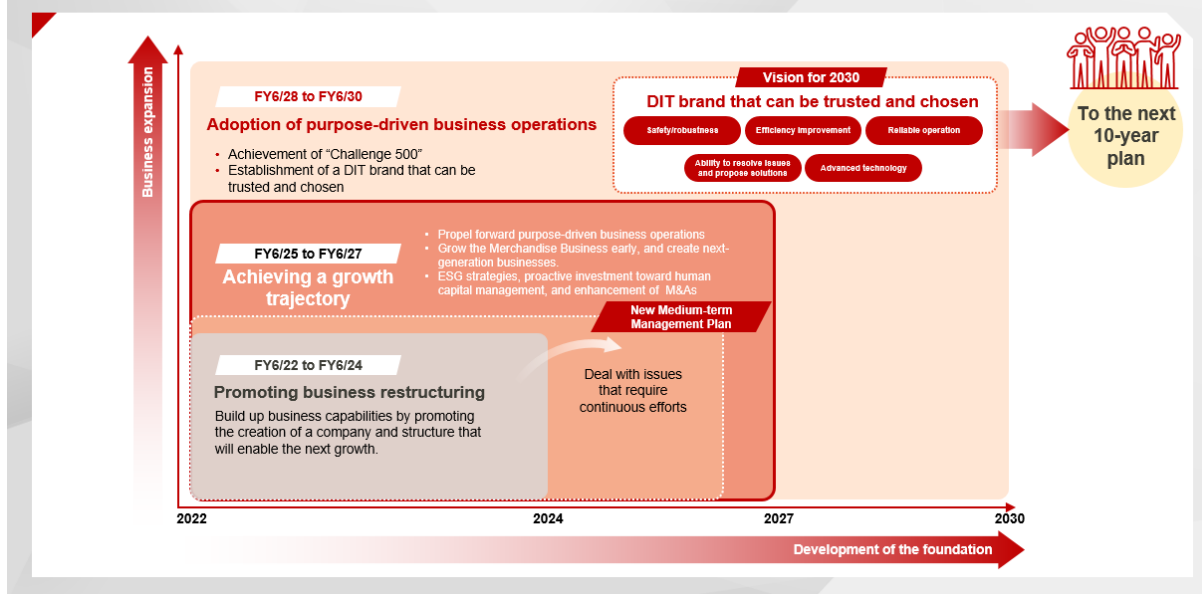
Management targets



As a step toward realizing our Vision for 2030, we have designated the period from FY6/25 through FY6/27 as a phase of “Achieving a Growth Trajectory,” during which we will address the challenges newly recognized through the promotion of business structure reform, promote purpose-driven management, and solidify our business style to place all business activities on a growth track.

Furthermore, the period from FY6/28 through FY6/30 is positioned as the phase of “Establishing the DIT Brand,” during which we aim to firmly embed our purpose and become a trusted and chosen company by all stakeholders.

Growth steps toward 2030



■ Summary of Business Results for the Third Quarter of the Fiscal Year Ending June 30, 2025

During the nine months of the current fiscal year, costs increased significantly due to improvements in employee compensation (an average salary increase of 9%), the amortization of goodwill associated with M&A, and an increase in the unit price of partner companies. However, due to sufficiently strong demand and the effects of M&A, we managed to absorb these increases, achieving significant increases in both sales and profits, and further strengthening our earnings base.

In particular, profits began to increase from the second quarter of the previous fiscal year, and profits steadily accumulated through the third quarter of the current fiscal year, despite the impact of the resolution of an unprofitable project, which occurred the year before last, in the first quarter of the previous fiscal year.

As a result, net sales in the subject third quarter cumulative period amounted to 18,149,052 thousand yen (up 23.2% year on year), with operating profit of 2,519,650 thousand yen (up 34.1%), ordinary profit of 2,523,648 thousand yen (up 36.4%), and profit attributable to owners of parent of 1,670,635 thousand yen (up 34.7%).

Results by segment are as follows.

Of note, figures for sales by segment and segment profit (operating profit) are presented before the elimination of intra-company transactions.

① Software Development Business

In the Business Solutions Unit (business system development and operation support), the impact of the handover of an unprofitable project which had been carried out in the first quarter of the previous fiscal year had run its course. As a result, sales and profits grew significantly from the previous fiscal year.

In business system development, our strategy of returning to finance-related projects has paid off, and public works, communications, and manufacturing projects have also grown. In addition, sales of System Products Co., Ltd., which joined our group through an M&A in February 2024, were added to sales in this category. As a result, we achieved significant increases in both sales and profits. In particular, in terms of profits, high-priced public-sector projects, which continued until the third quarter of the current fiscal year, contributed significantly.

In operation support, although we are steadily expanding our business domains, such as growth in the area of cloud-related infrastructure construction, the development of new services such as Salesforce has been delayed. As a result, although we were able to increase sales, we recorded only a slight increase in profits.

In the Embedded Solutions Unit (embedded system development and embedded system verification), the automotive-related business continued favorably, resulting in significant growth in sales and profits.

In embedded system development, sales and profits increased from the previous fiscal year. While there was only a slight rise in sales in the semiconductor sector due to a temporary adjustment phase, the performance remained strong in IoT-related sectors, such as R&D for automotive and home appliances.

In embedded system verification, sales and profits increased significantly from the previous fiscal year, as we expanded our business scope by receiving an order for an automotive IVI project from a major component manufacturer and planning a PoC (proof of concept) test utilizing AI with a major manufacturing company.

In the Product Solutions Unit, sales and profits grew steadily due to the accumulation of subscription licenses, an increase in sales of peripheral development related to electronic contract services, and the consolidation of Jungle, Inc., which joined our group through M&A in February 2024.

In the cyber security business, sales and profits increased from the previous fiscal year due to a steady increase in licensing sales from existing customers in WebARGUS (*1). We launched our own vulnerability diagnostics service, and released a new version of “WebARGUS for Ransomware” security that reliably protects critical data from ransomware attacks and other attacks, the biggest threat to information security. In addition, we enhanced our product lineup by launching a new service that automatically includes cyber security insurance in security offerings for mid-sized companies, at no additional cost.

In the operational efficiency business, sales and profits increased from the previous fiscal year due to progress in capturing lead customers of xoBlos (*2), which had been accumulated from the previous fiscal year.

In the post-COVID era, DD-CONNECT, an outsourcing service for electronic contracts, has seen increased demand due to the proliferation of remote work, boosting sales, especially in SI development within the residential construction industry.

Jungle, Inc. develops and sells the following products that have strong market needs. In particular, in the third quarter of the current fiscal year, sales of “Fude-gurume” contributed greatly to special seasonal demand despite a decline in sending New Year's cards.

- “Data Migration Box” is a high-speed data migration tool for corporate, from on-premises to cloud and from cloud to other cloud. Jungle, Inc. holds exclusive sales rights.

- “DiskDeleter” is a USB memory-type data-deleting software. It is copyrighted by Jungle, Inc., and has been installed by more than 10,000 companies.
- “PDF –Xchange Editor” is a multi-functional PDF software with versatile editing features. Jungle, Inc. sells it as a “Platinum Reseller.”
- “Fude-gurume” is New Year’s cards and postcard creation software, which FUJI SOFT INCORPORATED develops and sells. It can be purchased at mass merchandisers nationwide and at Fude-gurume official store operated by Jungle, Inc.

As a result, net sales in the Software Development Business amounted to 17,531,024 thousand yen (up 23.6% year-on-year), with segment profit (operating profit) of 2,458,453 thousand yen (up 34.9%).

(*1) WebARGUS is a new type of website security solution that detects the tampering of websites as it occurs, and immediately restores the site to its original state. Instant detection and restoration protect corporate and other websites from malicious, unknown cyber-attacks, while at the same time prevents the escalation of the damage, such viruses spreading via the tampered website.

(*2) xoBlos is an innovation platform for Excel to automate inefficient Excel-based tasks. (Excel® is a registered trademark in the U.S. and other countries by the U.S. Microsoft Corporation)

② System Sales Business

In the System Sales segment, which is centered on “Rakuichi,” an operations and management support system for small and medium-sized enterprises manufactured by Casio Computer Co., Ltd., we took over the business from a new Rakuichi sales agent based in the Hokuriku region during the second quarter, in anticipation of a decline in demand following the previous fiscal year’s “Qualified Invoice System” and the “Mandatory the Electronic Book Retention Law.” The success of this initiative led to year-on-year increases in sales and profits.

As a result, net sales in the System Sales Business amounted to 643,873 thousand yen (up 14.5% year on year), with segment profit (operating profit) of 61,197 thousand yen (up 10.2%).

(2) Explanation of Financial Position

Assets, Liabilities and Net Assets

The analysis of the financial position at the end of the subject third quarter cumulative period is as follows.

(Current Assets)

Current assets amounted to 9,045,563 thousand yen at the end of the third quarter, an increase of 509,120 thousand yen compared to the end of the previous fiscal year. This was due mainly to decreases of 180,400 thousand yen in cash and deposits; and increases of 640,325 thousand yen in accounts receivable - trade, and contract assets.

(Noncurrent Assets)

Noncurrent assets amounted to 1,733,901 thousand yen at the end of the third quarter, an increase of 53,056 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 122,706 thousand yen in goodwill, plant and equipment and an increase of 190,166 thousand yen in investments and other assets.

(Current Liabilities)

Current liabilities amounted to 2,902,528 thousand yen at the end of the third quarter, an increase of 228,577 thousand yen compared to the end of the previous fiscal year. This was mainly due to increases of 259,130 thousand yen in accounts payable - trade, 52,581 thousand yen in income taxes payable, and 227,580 thousand yen in provision for bonuses, and decreases of 311,205 thousand yen in others.

(Noncurrent Liabilities)

Noncurrent liabilities amounted to 342,513 thousand yen at the end of the third quarter, a decrease of 142,512 thousand yen compared to the end of the previous fiscal year. This was due mainly to a decrease of 131,070 thousand yen in long-term borrowings.

(Net Assets)

Net assets amounted to 7,534,422 thousand yen at the end of the third quarter, an increase of 476,111 thousand yen compared to the end of the previous fiscal year. This was mainly due to increases of 887,075 thousand yen in retained earnings and 484,019 thousand yen in treasury shares.

(3) Explanation of Results Forecasts and Other Future Predictions

We have not made any changes to the consolidated full-year business forecasts, which were revised upward on February 14, 2025, due to the significant cost increases typically seen in the fourth quarter and the uncertainty over future order trends influenced by U.S. trade policy and other factors. We will disclose changes to our forecasts as necessary in light of future social conditions.

2. Consolidated Quarterly Financial Statements and Major Notes

(1) Consolidated Quarterly Balance Sheets

(Thousand yen)

	FY6/24 (June 30, 2024)	Q3 FY6/25 (March 31, 2025)
Assets		
Current assets		
Cash and deposits	4,615,790	4,435,390
Accounts receivable - trade, and contract assets	3,579,997	4,220,323
Merchandise	49,459	99,916
Work in process	120,543	108,073
Raw materials and supplies	5,281	6,264
Other	165,434	175,765
Allowance for doubtful accounts	-64	-169
Total current assets	8,536,443	9,045,563
Noncurrent assets		
Property, plant and equipment	207,234	193,086
Intangible assets		
Goodwill	810,685	687,979
Other	52,127	51,794
Total intangible assets	862,813	739,773
Investments and other assets		
Other	643,248	833,414
Allowance for doubtful accounts	-32,451	-32,373
Total investments and other assets	610,796	801,040
Total noncurrent assets	1,680,844	1,733,901
Total assets	10,217,287	10,779,464

(Thousand yen)

	FY6/24 (June 30, 2024)	Q3 FY6/25 (March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	733,257	992,387
Current portion of long-term borrowings	22,260	14,760
Current portion of bonds payable	16,600	16,600
Income taxes payable	495,189	547,771
Provision for bonuses	36,985	264,565
Provision for loss on orders received	84	8,075
Other	1,369,574	1,058,368
Total current liabilities	2,673,950	2,902,528
Noncurrent liabilities		
Long-term borrowings	179,580	48,510
Bonds payable	25,100	8,500
Retirement benefit liability	10,829	11,012
Provision for share awards	175,766	196,669
Other	93,749	77,821
Total noncurrent liabilities	485,026	342,513
Total liabilities	3,158,977	3,245,042
Net assets		
Shareholders' equity		
Share capital	453,156	453,156
Capital surplus	459,214	460,618
Retained earnings	6,783,090	7,670,166
Treasury shares	-831,646	-1,315,666
Total shareholders' equity	6,863,813	7,268,274
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,807	118,511
Foreign currency translation adjustment	59,920	41,166
Total accumulated other comprehensive income	94,728	159,678
Non-controlling interests	99,768	106,469
Total net assets	7,058,310	7,534,422
Total liabilities and net assets	10,217,287	10,779,464

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Quarterly Statements of Income)
(Third Quarter Cumulative)

(Thousand yen)

	Q3 FY6/24 (July 1, 2023 to March 31, 2024)	Q3 FY6/25 (July 1, 2024 to March 31, 2025)
Net sales	14,736,252	18,149,052
Cost of sales	11,105,934	13,451,791
Gross profit	3,630,317	4,697,261
Selling, general and administrative expenses	1,751,761	2,177,611
Operating profit	1,878,556	2,519,650
Non-operating income		
Interest income	273	2,277
Commission income	1,500	1,805
Subsidy income	437	19,654
Surrender value of insurance policies	106	957
Gain on forfeiture of unclaimed dividends	817	1,229
Other	475	427
Total non-operating income	3,610	26,352
Non-operating expenses		
Interest expenses	415	1,258
Commission expenses	13,431	12,711
Loss on investments in investment partnerships	2,155	4,205
Foreign exchange losses	1,515	131
Office relocation expenses	13,094	4,037
Other	2,000	10
Total non-operating expenses	32,612	22,354
Ordinary profit	1,849,553	2,523,648
Extraordinary income		
Gain on sale of investment securities	-	80
Total extraordinary income	-	80
Profit before income taxes	1,849,553	2,523,728
Income taxes - current	666,005	913,301
Income taxes - deferred	-56,963	-66,863
Total income taxes	609,041	846,438
Profit	1,240,512	1,677,290
Profit attributable to non-controlling interests	-	6,654
Profit attributable to owners of parent	1,240,512	1,670,635

(Consolidated Quarterly Statements of Comprehensive Income)
(Third Quarter Cumulative)

(Thousand yen)

	Q3 FY6/24 (July 1, 2023 to March 31, 2024)	Q3 FY6/25 (July 1, 2024 to March 31, 2025)
Profit	1,240,512	1,677,290
Other comprehensive income		
Valuation difference on available-for-sale securities	47,968	83,751
Foreign currency translation adjustment	9,326	-18,754
Total other comprehensive income	57,295	64,996
Comprehensive income	1,297,807	1,742,286
Comprehensive income attributable to		
Owners of parent	1,297,807	1,735,585
Non-controlling shareholders	-	6,701

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding Segment Information)

Segment Information

I Q3 FY6/24 (July 1, 2023 to March 31, 2024)

1. Information Relating to the Amounts of Net Sales, Profit, and Loss

(Thousand yen)

	Reporting Segments			Adjustment amount	Amount recorded on consolidated quarterly statements of income (Note)
	Software Development Business	System Sales Business	Total		
Net sales					
Net sales to outside customers	14,179,461	556,790	14,736,252	-	14,736,252
Intersegment net sales and transfers	-	5,561	5,561	-5,561	-
Total	14,179,461	562,352	14,741,814	-5,561	14,736,252
Segment profit	1,823,025	55,531	1,878,556	-	1,878,556

(Note) Segment profit is adjusted with operating profit in the consolidated quarterly statements of profit.

2. Information on impairment loss on noncurrent assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

In the third quarter, the Company acquired shares of Jungle Inc. and System Products Co., Ltd. and newly included them in the scope of consolidation. As a result, goodwill was generated in the “Software Development Business” segment. This increase in goodwill was 710,852 thousand yen for the third quarter of the current fiscal year.

II Q3 FY6/25 (July 1, 2024 to March 31, 2025)

Information Relating to the Amounts of Net Sales, Profit, and Loss

(Thousand yen)

	Reporting Segments			Adjustment amount	Amount recorded on consolidated quarterly statements of income (Note)
	Software Development Business	System Sales Business	Total		
Net sales					
Net sales to outside customers	17,530,082	618,969	18,149,052	-	18,149,052
Intersegment net sales and transfers	941	24,903	25,844	-25,844	-
Total	17,531,024	643,873	18,174,897	-25,844	18,149,052
Segment profit	2,458,453	61,197	2,519,650	-	2,519,650

(Note) Segment profit is adjusted with operating profit in the consolidated quarterly statements of profit.

(Notes Regarding Substantial Changes in Shareholders' Equity)

Not applicable.

(Notes Regarding Going-Concern Assumption)

Not applicable.

(Notes Regarding Consolidated Statements of Cash Flows)

The quarterly consolidated statements of cash flows for the third quarter of the current fiscal year have not been prepared. Depreciation related to the third quarter (including amortization of intangible assets excluding goodwill) and amortization of goodwill are as follows.

	Q3 FY6/24 (July 1, 2023 to March 31, 2024)	Q3 FY6/25 (July 1, 2024 to March 31, 2025)
Depreciation	38,807 thousand yen	64,177 thousand yen
Amortization of goodwill	29,832	122,706