



# Results of Operations for FY2023

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February 14, 2024

FUJI SOFT INCORPORATED



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# 1. Consolidated Financial Highlights-1 (4Q Results Jan-Dec)

Net sales and profit increased due to strong results in the system construction business.

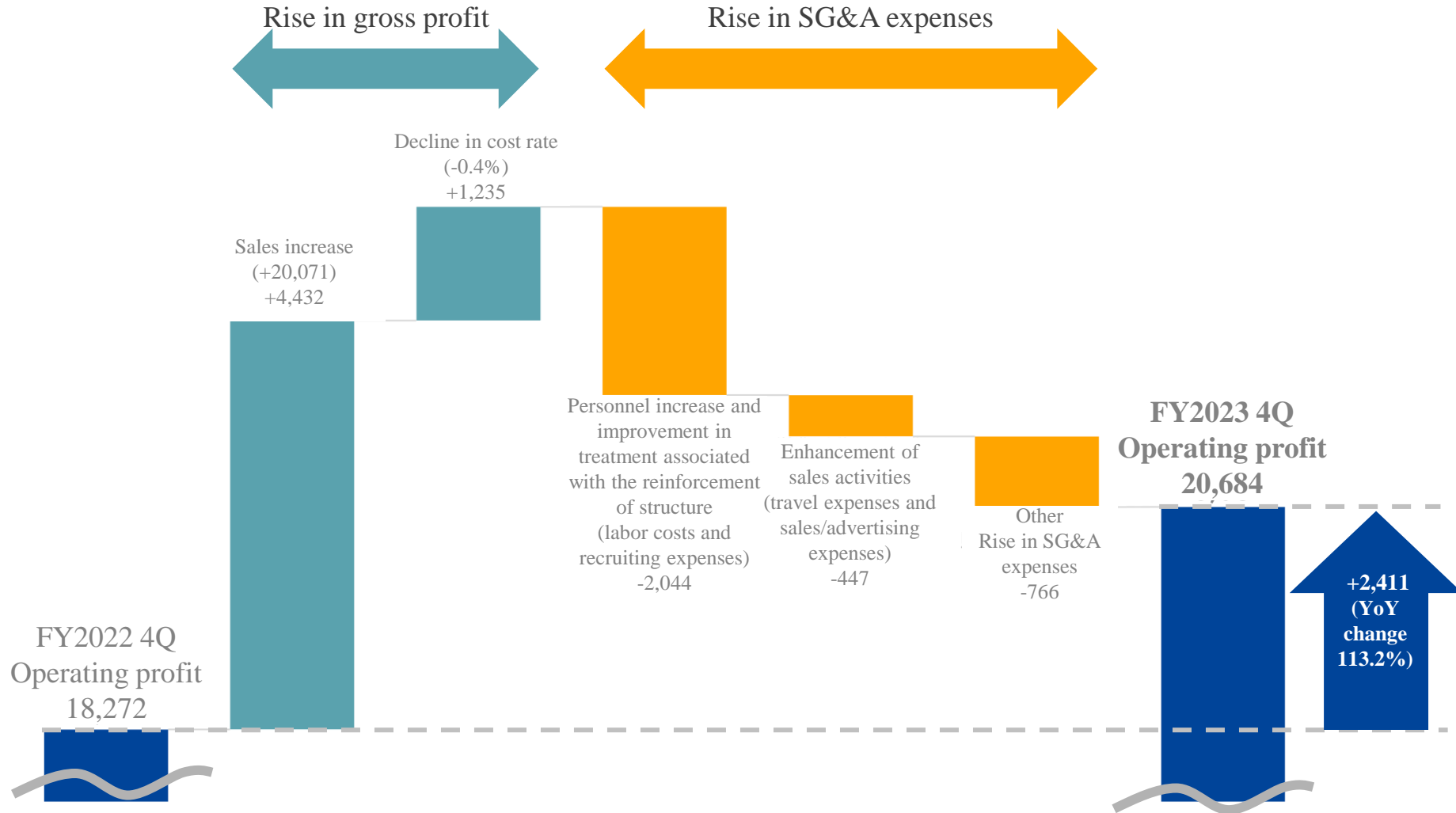
- ◇ Net sales rose 7.2% year on year, due primarily to the strong results of infrastructure construction and backbone system development projects in operation software, mainly for the manufacturing and financial services sectors, of development projects on automotive systems in the field of EVs and advanced technologies in embedded software, and of development projects on machine control systems for the industrial field.
- ◇ Operating profit increased 13.2% year on year, mainly reflecting higher net sales and the improvement of productivity, although there was an increase in labor costs and other expenses to improve the treatment of employees and reinforcement of structure and an increase in research expenses related to AI and other new technologies.
- ◇ Ordinary profit rose 2.4% year on year as a result of the growth of net sales despite an increase in advisory expenses and other expenses in association with the tender offer for four subsidiaries listed on stock markets.

(Million yen)

	FY2022 4Q Results	FY2023 4Q Results	YoY change (Amount)	YoY change (%)	FY2023 Plan	FY2023 Comparison with the plan
<b>Net sales</b>	278,783	298,855	+20,071	107.2%	300,000	99.6%
<b>Operating profit</b>	18,272	20,684	+2,411	113.2%	20,000	103.4%
Operating profit margin	6.6%	6.9%			6.7%	
<b>Ordinary profit</b>	19,205	19,675	+469	102.4%	20,300	96.9%
Ordinary profit margin	6.9%	6.6%			6.8%	
<b>Profit attributable to owners of parent</b>	11,379	11,849	+469	104.1%	12,300	96.3%
Profit margin attributable to owners of parent	4.1%	4.0%			4.1%	
<b>ROIC</b>	8.1%	8.3%	+0.2pt	—	8.5%	-0.2pt
<b>ROE</b>	8.8%	9.2%	+0.4pt	—	9.0%	+0.2pt
<b>EBITDA margin</b>	8.0%	8.3%	+0.3pt	—	8.5%	-0.2pt



# Trends in Consolidated Operating Profit (Jan-Dec)





# 1. Consolidated Financial Highlights-2 (Q4 Results Oct-Dec)

Net sales rose 8.8% year on year.

The cost of sales margin declined to 76.9% (improved).

- ◇ The cost of sales margin decreased (improved) 0.5 percentage points from the pervious year, reflecting the expansion of the system construction business and improvement of its productivity. (Year-ago level: 77.4%)

SG&A expenses increased 885 million yen year on year.

- ◇ SG&A expenses increased 885 million yen year on year due to an increase in personnel expenses resulting from compensation improvements and system reinforcement, as well as an increase in research and studies related to new technologies such as AI.
- ◇ Operating profit rose 19.2% year on year, to 5,177 million yen.

	FY2022 3Q Results	YoY change (Amount)	YoY change (%)	FY2023 Q4 Results	YoY change (Amount)	YoY change (%)
<b>Net sales</b>	223,668	+14,008	106.7%	75,186	+6,062	108.8%
<b>Cost of sales</b>	173,809	+10,060	106.1%	57,810	+4,342	108.1%
Cost of sales margin	77.7%			76.9%		
<b>Gross profit</b>	49,859	+3,948	108.6%	17,376	+1,720	111.0%
<b>SG&amp;A expenses</b>	34,353	+2,371	107.4%	12,198	+885	107.8%
<b>Operating profit</b>	15,506	+1,576	111.3%	5,177	+834	119.2%
Operating profit margin	6.9%			6.9%		

(Million yen)



## 2. Results by Group Company

	FY2023 Net sales				FY2023 Operating profit		
	Full-year results	Component ratio	Cost rate	SG&A rate	Full-year results	Component ratio	Operating profit margin
<b>Consolidated</b>	<b>298,855</b>	<b>100.0%</b>	<b>77.5%</b>	<b>15.6%</b>	<b>20,684</b>	<b>100.0%</b>	<b>6.9%</b>
<b>FUJI SOFT INCORPORATED</b>	206,984 (+7.7%)	69.3%	78.5%	14.7%	14,085 (+22.7%)	68.1%	6.8%
<p>Net sales increased due primarily to the strong results of infrastructure construction and backbone system development projects in operation software, mainly for the manufacturing and financial services sectors, of development projects in the fields of EVs and advanced technologies for automotive systems in embedded software, and of development projects for machine control systems in the industrial field. Operating profit increased thanks to higher sales and productivity improvement.</p>							
<b>CYBERNET SYSTEMS Co., Ltd.</b>	21,546 (+8.1%)	7.2%	61.5%	31.3%	1,556 (-11.4%)	7.5%	7.2%
<p>Net sales increased, mainly reflecting the renewal of maintenance contracts in Japan in the solution simulation service business and the strong performance of the IT solution service business. Operating profit decreased due in part to an increase in the cost of goods sold resulting mainly from a change in the sales mix, and an increase in labor costs associated with human capital investment. The decline also reflected an increase in travel expenses linked to the increase in the volume of sales activities.</p>							
<b>VINX CORP.</b>	33,683 (+6.1%)	11.3%	76.5%	13.3%	3,427 (+10.6%)	16.6%	10.2%
<p>Net sales increased chiefly due to growing needs for DX in the retail industry in Japan and the deepening of relationships with existing customers. Operating profit increased due to higher sales.</p>							
<b>CYBER COM Co., Ltd.</b>	17,625 (+6.0%)	5.9%	81.0%	12.2%	1,201 (+13.9%)	5.8%	6.8%
<p>Net sales increased thanks to the strong performance of operation system development projects, mainly including finance systems, and control and system development projects, mainly including automotive systems, in the software development business. Operating profit rose thanks to higher sales and the improved cost of sales margin.</p>							
<b>FUJI SOFT SERVICE BUREAU INCORPORATED</b>	12,196 (+3.4%)	4.1%	81.7%	12.6%	691 (+3.4%)	3.3%	5.7%
<p>Net sales grew due to strong pension-related operations in both call center services and BPO services. Operating profit increased after a decrease in SG&amp;A expenses although unprofitable projects negatively impacted operating profit during the first six months of the fiscal year.</p>							
<b>Other subsidiaries and consolidation adjustments</b>	6,821	2.3%	86.1%	17.9%	-277	-1.3%	-4.1%



### 3. Consolidated Sales/Operating Profit by Segment

(Million yen)

	FY2023 Net sales		YoY change (Amount)	YoY change (%)	FY2023 Operating profit		YoY change (Amount)	YoY change (%)
	4Q Results	Component ratio			4Q Results	Operating profit margin		
<b>Consolidated total</b>	298,855	100.0%	+20,071	107.2%	20,684	6.9%	+2,411	113.2%
<b>SI Business</b>	282,418	94.5%	+19,274	107.3%	18,904	6.7%	+2,130	112.7%
<b>System Construction</b>	181,728	60.8%	+17,144	110.4%	13,406	7.4%	+2,276	120.5%
Embedded/Control Software	78,553	26.3%	+4,062	105.5%	6,695	8.5%	+720	112.1%
Operation Software	103,174	34.5%	+13,082	114.5%	6,710	6.5%	+1,555	130.2%
<b>Products and Services</b>	100,690	33.7%	+2,129	102.2%	5,498	5.5%	-146	97.4%
Products and Services	86,546	29.0%	+2,643	103.2%	4,806	5.6%	+189	104.1%
Outsourcing	14,144	4.7%	-513	96.5%	691	4.9%	-336	67.3%
<b>Facility Business</b>	2,906	1.0%	+251	109.5%	1,010	34.8%	+195	123.9%
<b>Other Businesses</b>	13,530	4.5%	+545	104.2%	768	5.7%	+86	112.6%

#### Highlights of Sales by Segment

##### ● Embedded/Control Software

Net sales were up 5.5% year on year, following the buoyant performance of development projects in the fields of EV and advanced technologies for automotive systems and in the industrial field for machine control systems despite the decline in mobile systems and social infrastructure systems.

Operating profit also rose 12.1% year on year following sales growth.

##### ● Operation Software

Net sales increased 14.5% year on year thanks to the strong results of infrastructure construction and backbone system development projects in a number of fields, such as manufacturing and financial services.

Operating profit rose 30.2% year on year mainly due to the sales increase and productivity improvement.

##### ● Products and Services

Net sales increased 3.2% year on year thanks mainly to the strong performance of sales of licenses from other companies and FUJISOFT products.

Operating profit also rose 4.1% year on year following sales growth.

##### ● Outsourcing

Net sales decreased 3.5% year on year, because of a decrease in IT services for overseas retailers.

Operating profit decreased 32.7% year on year due to a sales decrease and the impact of the rising electricity price on data center services.



## 4. Consolidated Income Statement

(Million yen)

	FY2022 4Q Results	FY2023 4Q Results	YoY change (Amount)	YoY change (%)	FY2023 4Q Plan	FY2023 Comparison with the plan
Net sales	278,783	298,855	+20,071	107.2%	300,000	99.6%
Cost of sales	217,216	231,619	+14,403	106.6%	—	—
Cost of sales margin	77.9%	77.5%	(1)			
Gross profit	61,567	67,236	+5,668	109.2%	—	—
Gross profit margin	22.1%	22.5%				
SG&A expenses	43,294	46,552	+3,257	107.5%	—	—
SG&A expense ratio	15.5%	15.6%				
Operating profit	18,272	20,684	+2,411	113.2%	20,000	103.4%
Operating profit margin	6.6%	6.9%			6.7%	
Non-operating income	1,220	1,025	-194	84.0%	—	—
Non-operating expenses	323	1,908	(2) +1,584	—	—	—
Share of (profit) loss of entities accounted for using equity method	35	-126	-162	—	—	—
Ordinary profit	19,205	19,675	+469	102.4%	20,300	96.9%
Ordinary profit margin	6.9%	6.6%			6.8%	
Extraordinary income	190	973	(3) +782	—	—	—
Extraordinary losses	1,111	209	-901	18.9%	—	—
Profit before income taxes	18,284	20,439	+2,154	111.8%	—	—
Total income taxes	4,896	6,747	+1,850	137.8%	—	—
Profit	13,388	13,691	+303	102.3%	—	—
Profit attributable to non- controlling interests	2,009	1,842	-166	91.7%	—	—
Profit attributable to owners of parent	11,379	11,849	+469	104.1%	12,300	96.3%
Profit margin attributable to owners of parent	4.1%	4.0%			4.1%	

### Points of Income Statement

#### (1) Cost of sales margin (-0.4pt)

The cost of sales margin improved by boosting FUJI SOFT's productivity despite the unprofitability of large group company projects.

#### (2) Non-operating expenses (+1,584 million yen)

Advisory expenses concerning tender offer for four listed companies and other expenses increased.

#### (3) Extraordinary income (+782 million yen)

This increase is due to the sale of investment securities and property, plant and equipment.





## 5. Consolidated Balance Sheet

	(Million yen)		
	End of FY2022	End of FY2023	Change (Amount)
<b>Current assets</b>	112,730	123,153	+10,422
Cash and deposits	32,736	35,324	+2,588
Notes and accounts receivable - trade	56,634	62,696	+6,061
Securities	8,500	8,100	-400
Inventories	5,552	5,919	+367
Other	9,307	11,112	+1,805
<b>Non-current assets</b>	128,104	134,443	+6,338
Property, plant and equipment	99,160	104,163 (1)	+5,003
Intangible assets	5,426	5,544	+118
Investments and other assets	23,518	24,734	+1,216
<b>Total assets</b>	240,835	257,596	+16,761
<b>Current liabilities</b>	71,945	112,740	+40,794
Notes and accounts payable - trade	14,083	13,664	-419
Short-term borrowings	17,855	47,504 (2)	+29,648
Accrued expenses / provision for bonuses	12,974	17,114	+4,140
Income taxes payable	2,828	5,789	+2,960
Provision for loss on construction contracts	421	345	-75
Other	23,782	28,321	+4,539
<b>Non-current liabilities</b>	16,145	15,934	-210
Long-term borrowings	8,783	8,524	-259
Other	7,362	7,410	+48
<b>Total liabilities</b>	88,091	128,674	+40,583
<b>Total net assets</b>	152,744	128,921 (3)	-23,822
<b>Total liabilities and net assets</b>	240,835	257,596	+16,761

### Points of the Balance Sheet

#### (1) Property, plant and equipment (+5,003 million yen)

Real-estate property to be used by the Company that is under construction increased.

#### (2) Short-term borrowings (+29,648 million yen)

Borrowings increased for the tender offer for four listed companies.

#### (3) Total net assets (-23,822 million yen)

Non-controlling interests and capital surplus decreased in connection with the tender offer for four listed companies.

\* The decrease in capital surplus is the difference between the acquisition value and the non-controlling interests.



## 6. Consolidated Cash Flow Statement

(Million yen)

	FY2022	FY2023	YoY change (Amount)
	4Q Results	4Q Results	
<b>Cash flows from operating activities</b>	13,519	16,151	+2,632
<b>Cash flows from investing activities</b>	-15,522	-9,209	+6,312
<b>Cash flows from financing activities</b>	-5,911	-5,447	+463
Effect of exchange rate change on cash and cash equivalents	123	204	
Net increase (decrease) in cash and cash equivalents	-7,789	1,698	
Cash and cash equivalents at beginning of period	40,876	33,086	
<b>Cash and cash equivalents at end of period</b>	33,086	34,785	

### Highlights of Cash Flows

- **Cash flows from operating activities**

Net cash provided by operating activities stood at 16,151 million yen due to an increase in money received, attributable to higher sales and profits. The amount increased 2,632 million yen year on year due in part to an increase in the payment of income taxes associated with the sales of securities in the previous fiscal year and to a rise in labor costs payable following a change in the performance evaluation period.

- **Cash flows from investing activities**

Net cash used in investing activities stood at 9,209 million yen, chiefly reflecting payment of expenses for construction of the Company's office that had been planned earlier.

The amount increased 6,312 million yen year on year due in part to a rise in gain on sales of investment securities and of property, plant and equipment.

- **Cash flows from financing activities**

Net cash used in financing activities stood at 5,447 million yen, mainly reflecting the acquisition of subsidiaries' stock and the payment of dividends. The amount increased 463 million yen year on year.



## 7. Orders and Order Backlogs for the Consolidated SI Business

(Million yen)

	FY2023 4Q Results							
	Order backlog at beginning of term	YoY change (%)	Orders	YoY change (%)	Net sales	YoY change (%)	Order backlog at end of term	YoY change (%)
<b>SI Business total</b>	72,963	125.1%	284,230	103.5%	282,418	107.3%	74,775	102.5%
<b>System Construction</b>	46,427	121.3%	183,199	106.1%	181,728	110.4%	47,898	103.2%
Embedded/Control Software	14,884	110.2%	79,821	105.2%	78,553	105.5%	16,152	108.5%
Operation Software	31,542	127.4%	103,378	106.7%	103,174	114.5%	31,746	100.6%
<b>Products and Services</b>	26,536	132.3%	101,030	99.2%	100,690	102.2%	26,876	101.3%
Products and Services	24,717	135.7%	87,170	99.9%	86,546	103.2%	25,341	102.5%
Outsourcing	1,818	98.2%	13,860	94.8%	14,144	96.5%	1,535	84.4%

### Highlights of Orders and Order Backlogs

#### ● Highlights in System Construction

##### - Embedded/Control Software

Orders received rose 5.2% year on year due in part to an increase in automotive and machine control systems.  
The order backlog at the end of the term increased 8.5% year on year.

##### - Operation Software

Orders received, increased 6.7% year on year with growth in development projects for the manufacturing and financial services industries.  
The order backlog at the end of the term increased 0.6% year on year.

#### ● Highlights in Products and Services

##### - Products and Services

Orders decreased 0.1% year on year due to a decline in sales of products from other companies despite brisk sales of FUJI SOFT products.  
The order backlog at the end of the term increased 2.5% year on year.

##### - Outsourcing

Orders received decreased 5.2% year on year due to a decline in orders received for IT services intended for overseas retailers.  
The order backlog at the end of the term decreased 15.6% year on year.



## 8. Dividend

### The year-end dividend for FY2023

The year-end dividend is confirmed to be 34.5 yen per share as forecast.

- \* On July 1, 2023, the Company conducted a two-for-one split of its common stock. The confirmed amount of the year-end dividend stated is the value adjusted for the stock split.

#### ■ Dividend per share (Consolidated)

	End of interim period	Most recent year-end dividend forecast	Determined amount of year-end dividend	Annual dividend
<b>Dividend per share (FY2023)</b>	68.00 yen	34.50 yen	<b>34.50 yen</b>	—

(Yen)

	FY2023 Year end
<b>Dividend payout ratio</b>	<b>36.3%</b>

- \* The year-end dividend per share for the fiscal year ended December 31, 2023 converted based on the number of shares before the stock split is 69 yen, and the annual dividend is 137 yen.



# Business Conditions in the Fiscal Year Ended December 31, 2023

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# Business Trends in FY2023 (Trends in Major Consolidated Segments)

Customers' Business	Major Consolidated Segments					
	System Construction		Products and Services			Other
	Operation Software	Embedded/ Control Software	FUJI SOFT products		Other companies' products	
<b>Machinery Manufacturing</b> FA, medical care, mobile devices, home appliances, electronics and other businesses	<b>Strong</b>	<b>Steady</b>	<b>More NOTE</b>	<b>CAE systems</b>	<b>CAE systems</b>	
<b>Automotive</b>	<b>Strong</b>					
<b>Social Infrastructure Systems</b> Communication, transportation, energy and other businesses		<b>Weak</b>	<b>FAM series</b>		<b>Licenses for other companies</b>	<b>Product sales systems (PCs, servers, tablets, etc.)</b>
<b>Financial Sector</b> Life insurance, non-life insurance, credit card, bank, securities and other businesses	<b>Strong</b>				<b>Securities system solutions</b>	<b>(MS, VMware, AWS, Salesforce, etc.)</b>
<b>Distribution Sector</b> Retailing, wholesale, e-commerce and other businesses	<b>Steady</b>		<b>Desktop Full Service</b>	<b>Distribution system solutions</b>		
<b>Public Sector</b> Public offices, education, medical care and other businesses	<b>Strong</b>			<b>Mirai Series</b>		<b>BPO, call center</b>
<b>Other</b> Telecommunication, other services, general consumer businesses and other businesses				<b>Wi-Fi router</b>		



# FUJI SOFT non-consolidated: Overview of Results by Segment

(Million yen)	FY2023 Net sales		YoY change (%)	Cost rate	SG&A rate	FY2023 Operating profit		YoY change (%)	Operating profit margin
	4Q Results	Component ratio				4Q Results	Operating profit margin		
<b>Consolidated total</b>	206,984	100.0%	107.7%	78.5%	14.7%	14,085	6.8%	122.7%	+0.8pt
<b>SI Business</b>	203,454	98.3%	107.7%	79.0%	14.6%	13,070	6.4%	122.6%	+0.8pt
<b>System Construction</b>	146,161	70.6%	111.5%	7034.8%	17.4%	11,338	7.8%	126.5%	+0.9pt
Embedded/Control Software	72,418	35.0%	106.9%	74.2%	16.9%	6,444	8.9%	115.1%	+0.6pt
Operation Software	73,742	35.6%	116.4%	75.4%	17.9%	4,893	6.6%	145.7%	+1.3pt
<b>Products and Services</b>	57,293	27.7%	99.1%	89.5%	7.5%	1,731	3.0%	101.8%	+0.1pt
Other companies' products	48,526	23.4%	99.0%	91.5%	5.3%	1,535	3.2%	128.6%	+0.7pt
FUJI SOFT products	2,861	1.4%	104.6%	69.3%	22.9%	224	7.8%	75.1%	-3.1pt
Outsourcing	5,905	2.9%	97.1%	83.0%	17.4%	-28	—	—	—
<b>Facility Business</b>	3,430	1.7%	107.9%	51.5%	18.7%	1,022	29.8%	123.4%	+3.7pt
<b>Other Businesses</b>	99	0.0%	55.0%	48.6%	58.6%	-7	—	—	—

## Status in FY2023

System Construction	- Invested approx. 2.0 billion yen in human resources (recruitment training and education) as a growth investment to strengthen the system construction field.
Embedded/Control Software	- Demand from Customers' related to IT investments in the automotive systems sector and the machine control systems sector continue to grow (It remains on trend toward a recovery from the COVID-19 pandemic). - Profit grew due to the improvement of productivity mainly in the areas of automotive systems and machine control systems although profit decreased in the areas of mobile systems and social infrastructure systems.
Operation Software	- There is a lot of momentum in the utilization of IT reflecting DX, with growth drivers being backbone system development and infrastructure construction projects mainly for the financial services and manufacturing sectors. - Profit surged following the improvement of productivity in each area. The profit margin jumped a large amount.
Other companies' products	(Overview) Sales of licenses from other companies and hardware-related products (including sales of products from other companies used in commissioned development projects (sales of services incidental to development)) - Although the profit margin is low, the products will continue to be maintained and promoted to a certain degree as tools for creating contact points for obtaining new customers.
FUJI SOFT products	(Overview) Manufacturing and sales of products developed in-house (SW/HW) applying expertise in system construction technologies such as communication, cloud computing and robot technologies - In the area of mainstay products, performance increased, but there was a reactionary decrease due to a large project in the previous year. The Company will respond to new demand in the market, aiming to expand its scale.
Outsourcing	(Overview) This business is promoted as a part of comprehensive services, including operation and maintenance services in system development projects and the data center business operated using the Company's own real-estate properties. - There was a temporary decline in profit attributed to an increase in costs in the data center business, reflecting the rising electricity prices.



## State of the AIS-CRM Key Technology Strategy (non-consolidated)

	2022 112.6 billion	YoY change (%) +11.8%	2023 125.9 billion
<b>A</b> I	A focus on development <u>3.0 billion yen</u>	+46.6%	A focus on development <u>4.4 billion yen</u>
<b>I</b> oT	A focus on development <u>3.4 billion yen</u>	-6.9%	A focus on development <u>3.1 billion yen</u>
<b>S</b> ecurity	Development and licensing <u>13.8 billion yen</u>	+18.7%	Development and licensing <u>16.4 billion yen</u>
<b>C</b> loud	Licensing, SI, system infrastructure, online businesses, etc. <u>59.4 billion yen</u>	+13.0%	Licensing, SI, system infrastructure, online businesses, etc. <u>67.1 billion yen</u>
<b>R</b> obot	A focus on development + PALRO, robot SI, etc. <u>5.0 billion yen</u>	+2.8%	A focus on development + PALRO, robot SI, etc. <u>5.2 billion yen</u>
<b>M</b> obile	Development, products, etc. <u>8.3 billion yen</u>	-17.8%	Development, products, etc. <u>6.9 billion yen</u>
Auto <b>M</b> otive	A focus on development <u>19.7 billion yen</u>	+16.3%	A focus on development <u>22.9 billion yen</u>



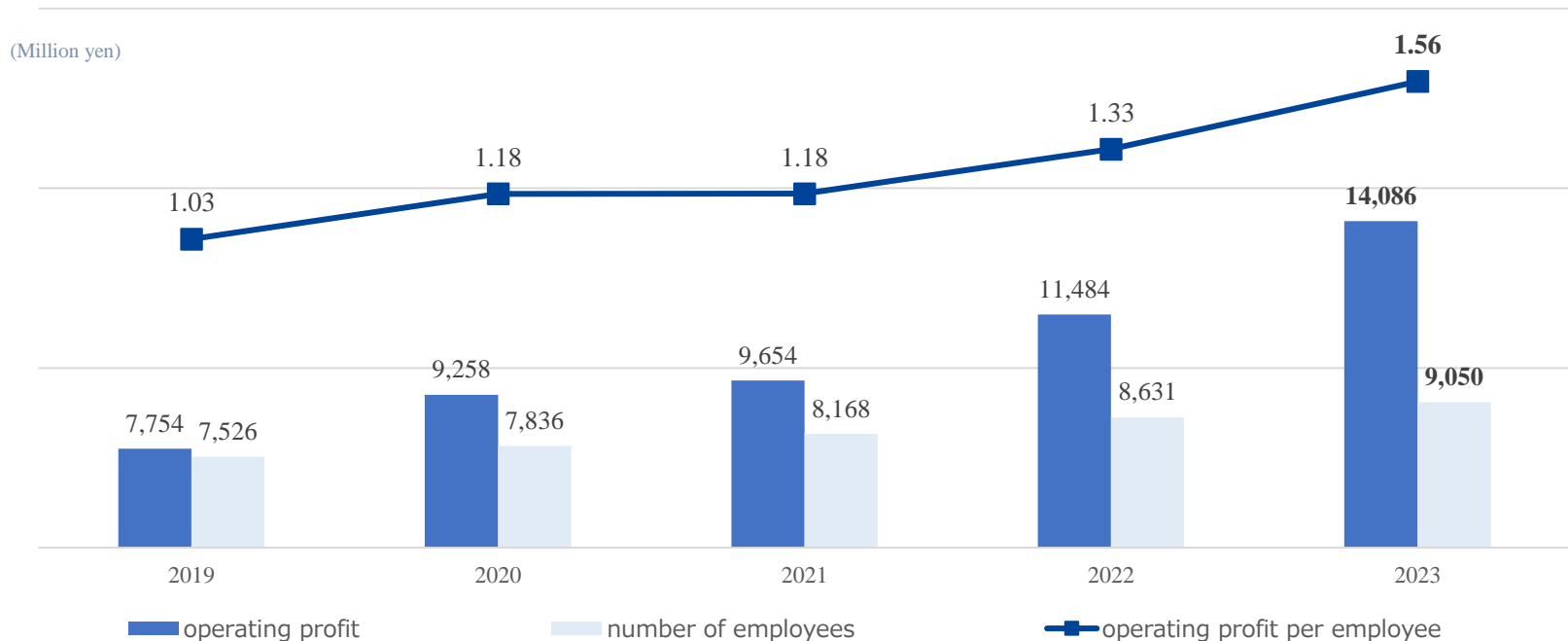


## Production Capacity Expansion and Productivity Improvement (Non-consolidated)

Productivity was improved and production capacity was expanded (recruitment) to increase the operating profit per employee.

◇ Since FY2022, the Company has been re-increasing its recruitment of new graduates and mid-career employees after a temporary reduction during the COVID-19 pandemic to continue to expand production capacity. The Company has also been working vigorously to increase the value offered to customers and reduce costs and SG&A expenses. Operating profit per employee is increasing yearly. As a result of its continued efforts to increase production capacity and productivity that are centered on the increase of corporate value to address the growth of the business and the increase of profitability, operating profit per employee increased.

### Operating profit per employee (Non-consolidated)



\* The number of employees : excludes contracted, and temporary employees, and employees on leave of absence.



## Results Forecasts for FY2024

- ◇ In the fiscal year under review, the Group responded to strong IT investment demand and improved productivity to increase both net sales and profit. Thus, the Group roughly fulfilled the management targets set in the three-year plan until FY2024 one year earlier than planned.
- ◇ In FY2024, the Group foresees the shrinkage of the facility business and the expansion of office relocation spending in association with real estate liquidation and it will be investing in new businesses with an eye towards medium- and long-term growth. While these moves will impact the Group, the Group will seek synergy within the Group, offer greater value to customers and properly allocate capital to continue to grow and improve profitability and capital efficiency.
- ◇ Profit attributable to owners of parent in this results forecast include 5.9 billion yen of after-tax gain on sale of eight A-rated properties\*<sup>1</sup> in real estate liquidation. The results forecasts at present do not take into account nine B-rated properties\*<sup>1</sup> that will be liquidated in FY2024 in consideration of the possibility of major fluctuations in property value. Information will be disclosed in a timely manner after the sale value is confirmed.

	FY2023	FY2024	YoY change	YoY change	(Reference)	(Reference)
(Million yen)	Results	Plan	(Amount)	(%)	Impact of real estate liquidation for FY2024	Plan excluding impact of real estate liquidation for FY2024
<b>Net sales</b>	298,855	<b>315,000</b>	+16,144	105.4%	-1,000	316,000
<b>Operating profit</b>	20,684	<b>22,000</b>	+1,315	106.4%	-1,200	23,200
Operating profit margin	6.9%	<b>7.0%</b>			—	—
<b>Ordinary profit</b>	19,675	<b>21,800</b>	+2,125	110.8%	—	—
Ordinary profit margin	6.6%	<b>6.9%</b>			—	—
<b>Profit attributable to owners of parent</b>	11,849	<b>21,000</b>	+9,151	177.2%	+5,100	15,900
Profit margin attributable to owners of parent	4.0%	<b>6.7%</b>				
<b>ROIC</b>	8.3%	<b>8.8%</b>	+0.5pt	+0.5pt	—	—
<b>ROE</b>	9.2%	<b>15.9%</b>	+6.7pt	+6.7pt	+3.6pt	12.3%
<b>EBITDA margin</b>	8.3%	<b>8.3%</b>	+0.0pt	+0.0pt	—	—

\*1. Published in *Explanatory Materials on the Activities of the Corporate Value Committee and Governance Committee* on August 10, 2023



## Trends of Dividends and the Plan for FY2024

Annual dividend of FY2024 is planned to be 84 yen per share.

According to the plan for FY2024, net profit per share will be 333.80 yen, the dividend per share will be 84 yen and the consolidated dividend payout ratio will be 25.2% \*1.

### ■ Trends in net profit per share, dividend and dividend payout ratio (consolidated)

	FY2020	FY2021	FY2022	FY2023	FY2024
	Results	Results	Results	Results	Plan
Net profit per share	273.96	291.47	362.57	376.96	333.80 (Before the stock split: 667.60)
Dividend per share	46	52	127	137	84 (Before the stock split: 168)
Commemorative dividend	5	—	—	—	—
Dividend payout ratio	18.6%	17.8%	35.0%	36.3%	25.2% *1

\*1. If the after-tax gain on sale of owned properties (A-rated properties) is disregarded, the consolidated dividend payout ratio for FY2024 will be 35.1%.

The Group is considering appropriating the gain on sale of properties to the acquisition of treasury shares in accordance with the capital allocation policy under the medium-term Business plan (2024-2028).

\*2. On July 1, 2023, the Company conducted a two-for-one split of its common stock.

From FY2020 to FY2023, net profit per share and dividend per share are the figures before the stock split. The FY2024 Plan figures are after the stock split.



\* This material contains financial forecasts and other information about the future that are deemed reasonable on the basis of currently available information. Please note that actual financial results may differ materially depending on a number of factors, including market trends and economic conditions. Please also note that distribution of this material is not intended for recommending continued ownership or additional purchase of the Company's shares.