

Highlights of Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

■ **Net sales, operating profit, and ordinary profit all increased.**
 ■ **NIHON ACCESS CO., LTD. and GLOBAL SECURITY EXPERTS Inc. were incorporated into the scope of consolidation during the current 3Q.**

(% indicates change from the previous corresponding period)

◇ Net sales	57,182 million yen	20.5 %
◇ Operating profit	8,940 million yen	18.9 %
◇ Ordinary profit	8,969 million yen	18.3 %
◇ Profit attributable to owners of parent	5,886 million yen	14.5 %

Status of Income						
(Million yen)	FY Mar 2023 3Q	FY Mar 2022 3Q	Year-on-year change	Percentage change (%)	FY Mar 2023 full-year forecast	Progress (%)
	Net sales	57,182	47,447	9,734	20.5	77,000
Gross profit	16,268	14,325	1,943	13.6	-	-
Selling, general and administrative expenses	(7,327)	(6,808)	(519)	7.6	-	-
Operating profit	8,940	7,516	1,423	18.9	13,400	66.7
Non-operating income	51	64	(13)	(20.6)	-	-
Non-operating expenses	(22)	(1)	(21)	-	-	-
Ordinary profit	8,969	7,579	1,389	18.3	13,500	66.4
Extraordinary income	1	5	(4)	(79.5)	-	-
Extraordinary loss	(183)	(4)	(179)	-	-	-
Profit before income taxes	8,787	7,581	1,205	15.9	-	-
Income taxes	(2,901)	(2,448)	(453)	18.5	-	-
Profit	5,885	5,133	752	14.7	-	-
Profit attributable to owners of parent	5,886	5,141	745	14.5	9,100	64.7

■ **Net sales**
 Net sales increased by ¥9,734 million year on year to ¥57,182 million (up 20.5% year on year) as the Group saw robust performance in the construction of environments for virtual desktop infrastructure (VDI) as part of workstyle reform and COVID-19 countermeasures and in security solutions in line with the era of zero trust networks. At the same time, the Group further expanded sales of its businesses offering our unique “as a Service.”

■ **Profit**
 Operating profit increased by ¥1,423 million year on year to ¥8,940 million (up 18.9% year on year). Ordinary profit increased by ¥1,389 million year on year to ¥8,969 million (up 18.3% year on year). Profit attributable to owners of parent increased by ¥745 million year on year to ¥5,886 million (up 14.5% year on year).

Basic earnings per share (yen)	205.71	179.72	25.99	14.5
--------------------------------	--------	--------	-------	------

Segment Information						
(Million yen)	Net sales			Segment profit		
	FY Mar 2023 3Q	FY Mar 2022 3Q	Year-on-year change	FY Mar 2023 3Q	FY Mar 2022 3Q	Year-on-year change
IT Systems Business	42,054	32,795	9,259	6,092	4,626	1,466
Services and Support Business	15,431	14,986	445	2,749	2,795	(46)
Total	57,485	47,781	9,704	8,842	7,422	1,420
Other (including adjustments)	(303)	(333)	30	98	94	3
Total	57,182	47,447	9,734	8,940	7,516	1,423

■ **IT Systems Business**
 Net sales increased ¥9,259 million year on year, mainly due to strong performance in the server-related business for the manufacturing industry.

■ **Services and Support Business**
 Net sales increased ¥445 million year on year, mainly due to an increase in sales related to cloud services for the manufacturing industry.

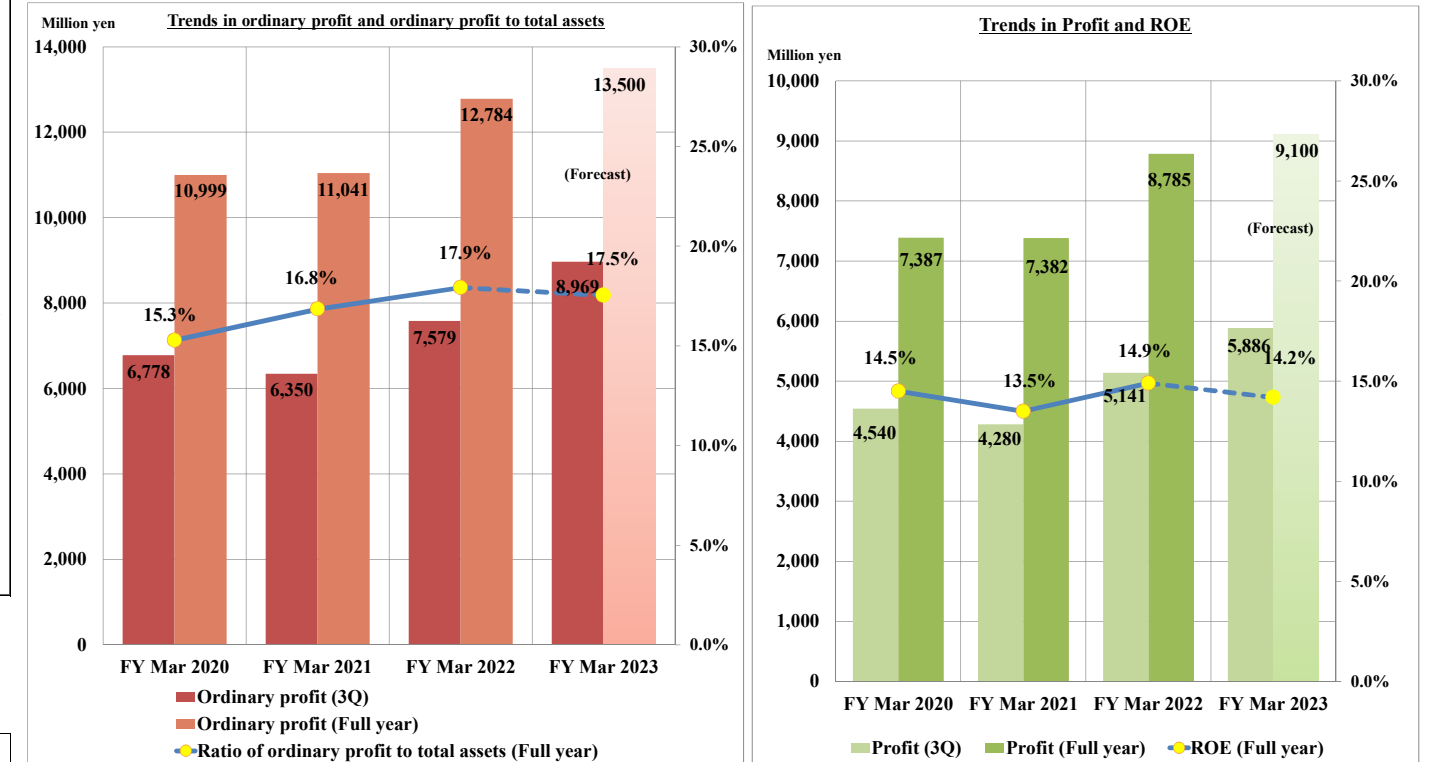
Status of Assets, Liabilities and Net Assets				
(Million yen)	As of December 31, 2022	As of March 31, 2022	Change from end of FY Mar 2022	Percentage change (%)
	Total Assets	80,329	82,446	(2,117)
Current assets	71,075	75,031	(3,956)	(5.3)
Non-current assets	9,254	7,415	1,839	24.8
Liabilities	18,219	20,518	(2,298)	(11.2)
Current liabilities	15,606	17,966	(2,360)	(13.1)
Non-current liabilities	2,613	2,551	61	2.4
Net assets	62,110	61,928	181	0.3
Equity (Note 1)	62,066	61,885	181	0.3
Equity ratio (Note 2)	77.3%	75.1%	Improved 2.2pt	-

■ **Assets**
 Current assets decreased ¥3,956 million (5.3%) from the end of the previous fiscal year, mainly due to a decrease of ¥6,786 million in cash and deposits. Non-current assets increased ¥1,839 million (24.8%) from the end of the previous fiscal year, mainly due to an increase of ¥806 million in goodwill.

■ **Liabilities**
 Current liabilities decreased ¥2,360 million (13.1%) from the end of the previous fiscal year, mainly due to a decrease of ¥2,243 million in income taxes payable. Non-current liabilities increased ¥61 million (2.4%) from the end of the previous fiscal year, mainly due to an increase of ¥32 million in retirement benefit liability.

■ **Net assets**
 Net assets increased ¥181 million (0.3%) from the end of the previous fiscal year, mainly due to an increase from recording ¥5,886 million in profit attributable to owners of parent and a decrease from the payment of ¥4,578 million in dividends. The equity ratio stood at 77.3%, improving 2.2pt from the end of the previous fiscal year.

(Note 1) Equity = "Total shareholders' equity" + "Total accumulated other comprehensive income" of net assets
 (Note 2) Equity ratio = Equity capital / Total assets



Dividends				
	FY March 2023	FY March 2022	FY March 2021	FY March 2020
Interim dividend (Yen)	80.00	75.00	65.00	65.00
Year-end dividend (Yen)	0.00	80.00	70.00	70.00
Annual dividend (Yen)	80.00	155.00	135.00	135.00
Equity (Million yen)	—	61,885	56,361	52,863
Payout ratio (%)	—	50.5	52.3	52.3

*The financial results outlook and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed reasonable, and do not represent a promise by the Company to achieve them. Actual results may differ significantly from these forecasts due to a wide range of factors.