

Fiscal Year Ended March 31, 2024 Financial Results Briefing

May 24, 2024

TDC SOFT Inc.



Agenda

1 Overview of Consolidated Financial Results for Fiscal Year Ended March 31, 2024

2 Status of Key Measures for Fiscal Year Ended March 31, 2024

3 Outlook for the Fiscal Year Ending March 31, 2025

Hiroyoshi Kobayashi, President and Representative Director

4 Details of Financial Results for Fiscal Year Ended March 31, 2024

Tsuyoshi Ogaki, Director and Executive Officer in charge of Administration



Overview of Consolidated Financial Results for Fiscal Year Ended March 31, 2024

Overview of Consolidated Financial Results for Fiscal Year Ended March 31, 2024

(Millions of Yen)	FY Ended March 2024	Profit Margin	YOY	FY Ended March 2023
Net sales	39,698	-	12.6%	35,242
Gross profit	8,112	20.4%	8.5%	7,479
Operating profit	3,807	9.6%	10.1%	3,458
Ordinary profit	4,253	10.7%	14.5%	3,714
Net income	3,089	7.8%	24.1%	2,490
ROE	17.7%	-	12.6%	15.7%
Dividends	48 yen	-	6.7%	45 yen

* The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024.

For the fiscal years ended March 31, 2023 and 2024, the indicated dividend amounts are from before the stock split.

Highlights

- During the fiscal year under review, strategic IT investment demand remained active, and we made solid progress in all business fields starting from the beginning of the year.
- Based on our “SmartWork Concept,” we actively promoted investment aimed at future business expansion, including head office relocation, and, although our costs increased, increased earnings still resulted in increased operating profit.
- Due to our gain on sales of investment securities as well as reduced taxes resulting from the application of the Wage Increase Promotion Tax System, our net profit margin increased even more.

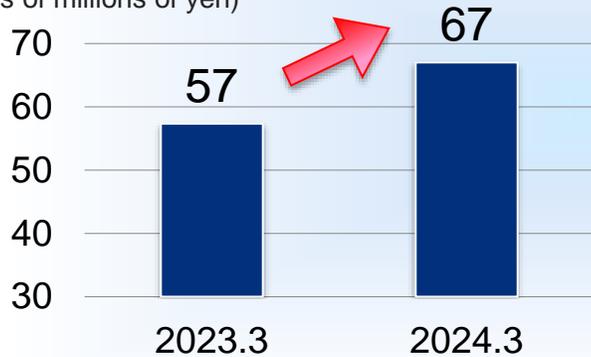


Highlights of Each Field

IT Consulting & Services Field

+18.0% YOY

(Hundreds of millions of yen)

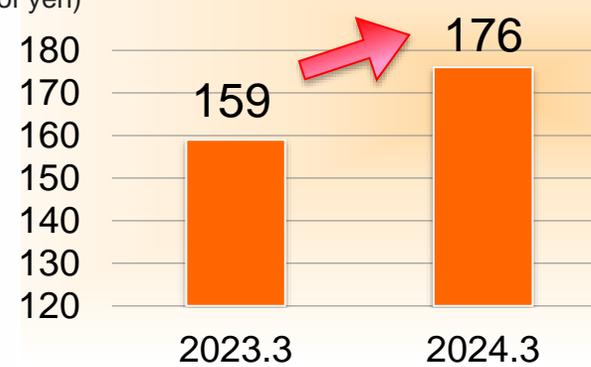


Solid progress on SaaS solution projects

IT Solutions for Financial Services Field

+10.8% YOY

(Hundreds of millions of yen)



Strong progress on development projects for banking systems in particular

IT Solutions for Public Corporations Field

+11.8% YOY

(Hundreds of millions of yen)

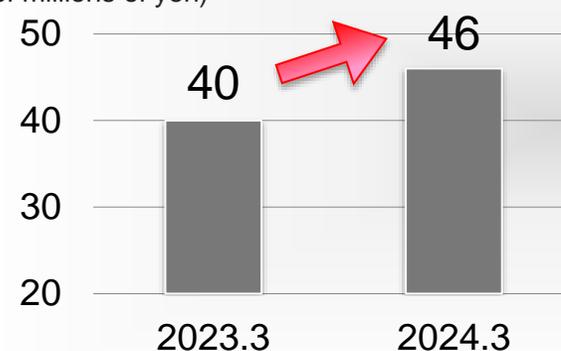


Solid progress on development projects for public agencies and the transportation sector

Platform Solutions Field

+14.1% YOY

(Hundreds of millions of yen)



Solid progress on projects to build infrastructure for the banking sector



2

Status of Key Measures for Fiscal Year Ended March 31, 2024



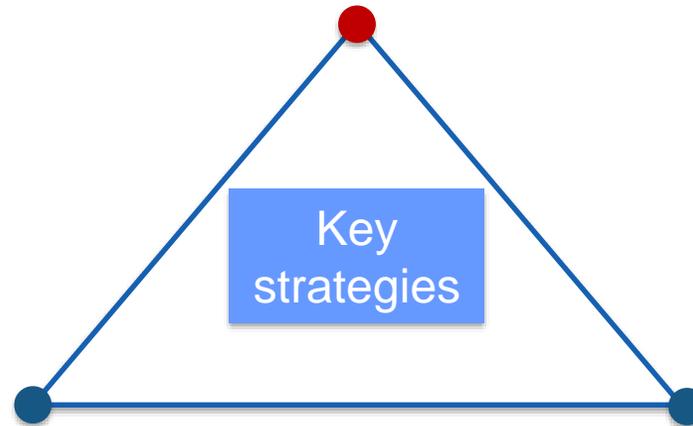
Medium-Term Management Plan “ Shift to the **Smart SI-Plus** ”

We will expand our business into new domains based around our existing SI business and acquire the capabilities needed for new business models in an aim to become a new type of next-generation system integrator.

plus! Expand our business domain

We will tap into the latest elemental technologies to expand our high-value-added integration services based on the potential needs of society and our customers.

Create high-value-added SI services



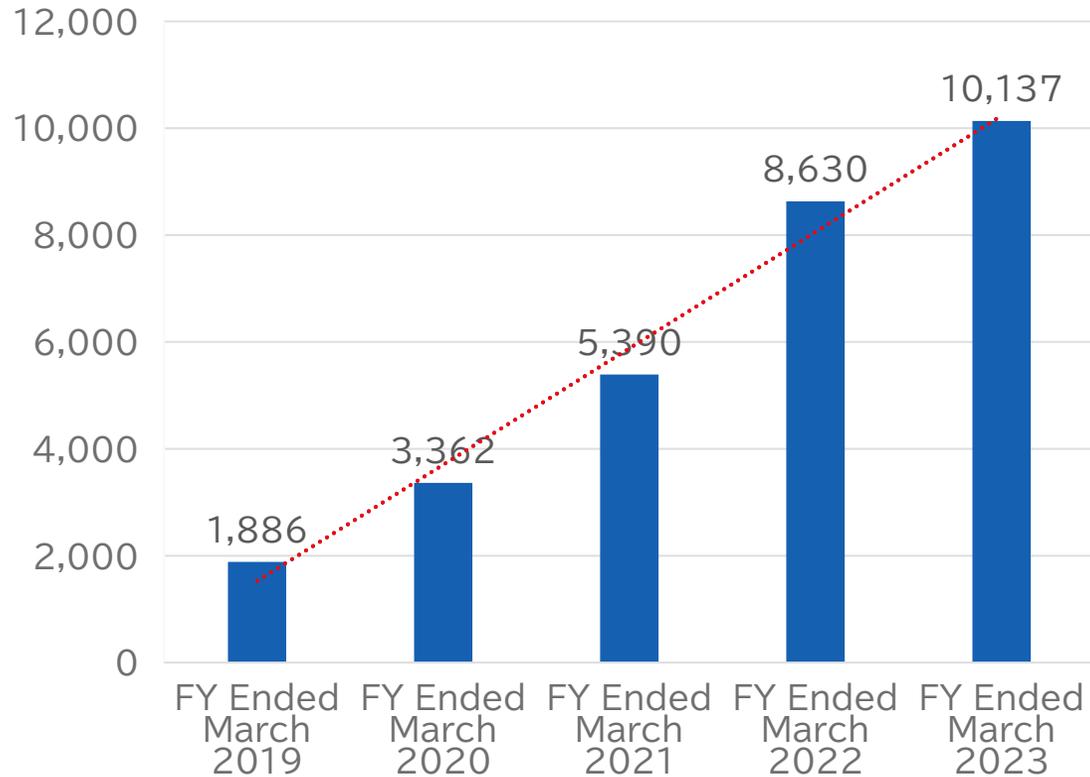
We will use innovative approaches to develop an SI process designed to ensure high productivity and high quality.

Support SI model reforms



Key Strategy (1): Create high-value-added SI services

(Millions of yen) **Net sales increased by 5.3 times over five years**



Steady expansion of next-generation SI business

Our net sales have increased by 5.3 times in the last five years, driven by agile development and the cloud field, which have expanded to account for 25.5% of our consolidated net sales.

Next-generation SI business

By identifying the latent needs of our customers and employing the latest elemental technologies in areas such as agile development and security, we provide high-value-added services that also reduce user costs, including time and effort, through our integration services

Key Strategy (2): Support SI Model Reforms

Eradication of troubled projects

[We have introduced a system for visualizing project performance evaluations](#) and update its features as appropriate.

We also constantly strive to increase efficiency.

Project performance evaluation

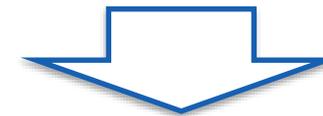
Our system enables project performance evaluation by visualizing the skill elements and systems (personnel composition) necessary to promote each project.



* Provided for illustrative purposes

Relocation of the headquarters as part of the "SmartWork Concept"

In line with our "Re:Place" concept, we have minimized walls and set up multifunction zones for our new office. By ensuring a comfortable workspace, we are achieving [more efficient work and effectively encouraging communication](#).

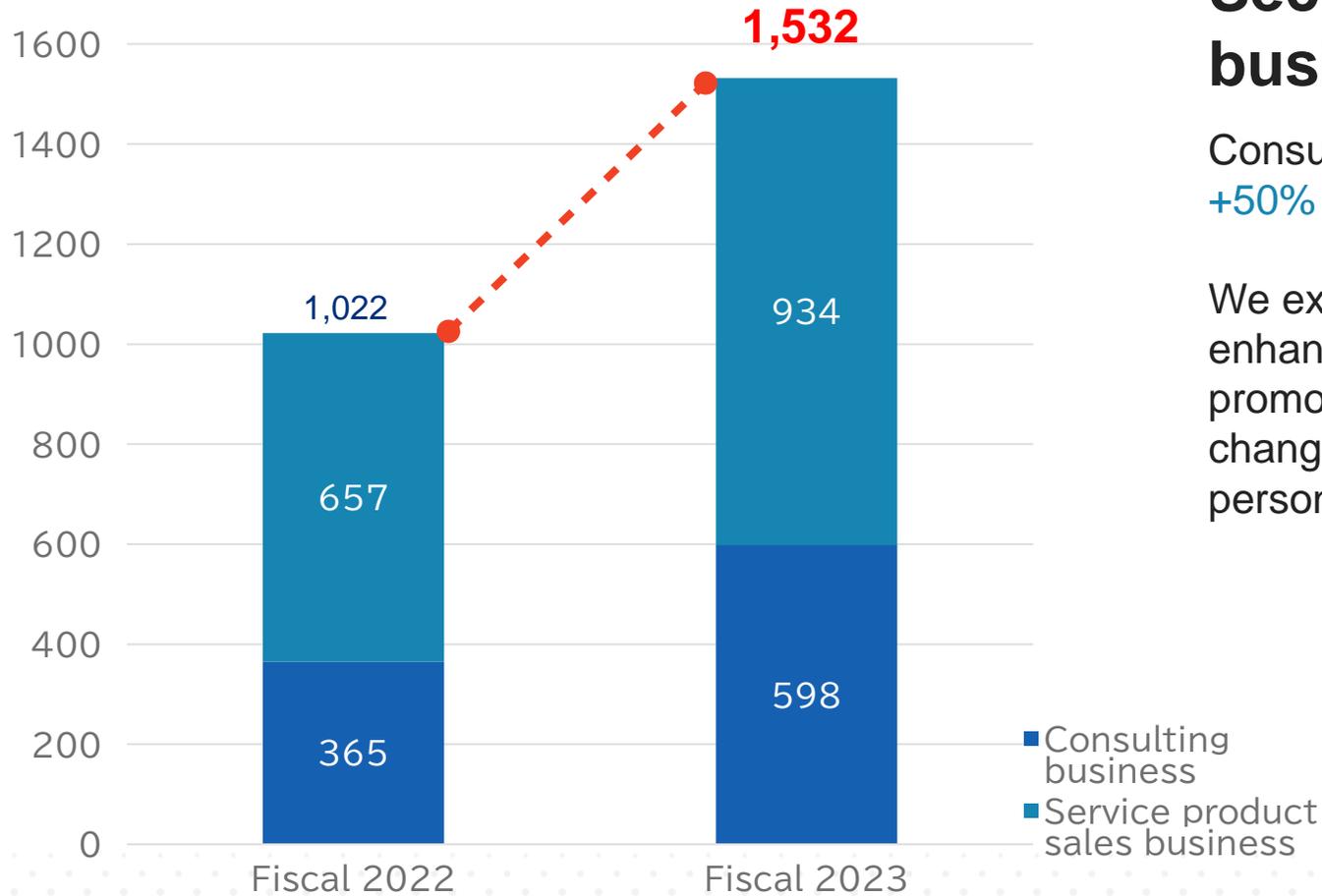


Our aim is to improve both productivity and engineers' engagement.



Key Strategy (3) Expand Our Business Domain

(Millions of yen)



Securing capabilities to expand our business domain

Consulting business and service product sales business
+50% year on year

We expanded our service product sales business by enhancing our marketing and product sales functions, and we promoted efforts to expand our consulting business by changing our expertise into assets and using them to train personnel.



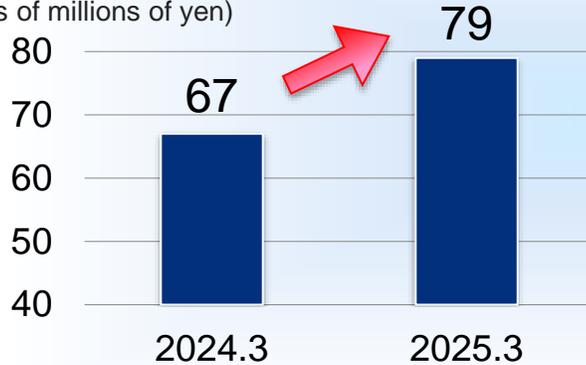
Outlook for the Fiscal Year Ending March 31, 2025

Outlook for the Fiscal Year Ending March 31, 2025 (By Field)

IT Consulting & Services Field

+17.9% YOY

(Hundreds of millions of yen)



Our SaaS, iPaaS, and other cloud solutions are solid. We will further expand high-profitability Prime projects.

IT Solutions for Financial Services Field

+5.1% YOY

(Hundreds of millions of yen)



Due to the good progress of cloud migration and modernization demand, we will expand mainly in the credit and banking fields.

IT Solutions for Public Corporations Field

+11.3% YOY

(Hundreds of millions of yen)

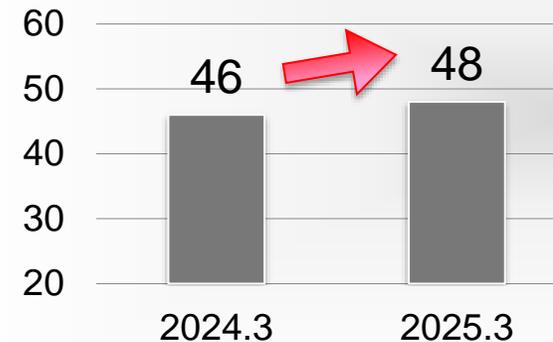


This field is being driven by large-scale public projects and transportation system demand. We will continue striving to expand our business by providing support starting with our customers' IT planning as their strategic partner.

Platform Solutions Field

+4.3% YOY

(Hundreds of millions of yen)



Our business is expected to steadily expand due to ongoing cloud needs.

Outlook for the Fiscal Year Ending March 31, 2025

Final Results Forecast and Dividend Forecast

(Millions of Yen)	Net sales	Operating profit	Ordinary profit	Net income	EPS (yen)	Dividend Forecast (yen)
Second Quarter (Cumulative)	20,460 (+8.5%)	1,950 (+4.9%)	2,050 (+6.2%)	1,377 (+5.1%)	28.93	—
Full Fiscal Year	43,000 (+8.3%)	4,300 (+12.9%)	4,600 (+8.1%)	3,090 (+0.0%)	64.91	24

* The Company conducted a 2-for-1 share split of common stock, effective April 1, 2024.

Regarding the dividend forecast for the fiscal year ended March 31, 2025, the indicated figures are from after the stock split.

- The business environment is projected to remain robust, and we have therefore increased our Medium-Term Management Plan performance target by 7.5%, from net sales of ¥40 billion to ¥43 billion.
- We will maintain an operating profit margin of 10% as we continue to actively invest in future business expansion, including acquiring advanced elemental technologies and securing and training human resources.
- Although our ordinary profit is expected to increase due to increased earnings, our net profit is expected to stay about the same as last year due to the loss of tax decrease effects.



4

Details of Financial Results for Fiscal Year Ended March 31, 2024



- **Financial Statements**
- **Net Sales Analysis**
- **Orders Received/Backlog**
- **Operating Profit Analysis**



Financial Statements

Statement of Income

(Millions of Yen)	FY Ended March 2024	FY Ended March 2023	Change
Net sales	39,698	35,242	12.6%
Labor expenses	13,464	12,364	8.9%
Outsourcing expenses	16,938	14,501	16.8%
Other expenses	1,173	922	27.2%
In-process increase/decrease	9	(25)	-137%
Cost of sales	31,585	27,763	13.8%
Gross profit	8,112	7,479	8.5%
Selling, general and administrative expenses	4,304	4,020	7.1%
Operating profit	3,807	3,458	10.1%
Non-operating income/expenses	445	255	74.5%
Ordinary profit	4,253	3,714	14.5%
Profit before income taxes	4,253	3,714	14.5%
Net income	3,089	2,490	24.1%
EPS	64.90 yen	52.17 yen	24.4%

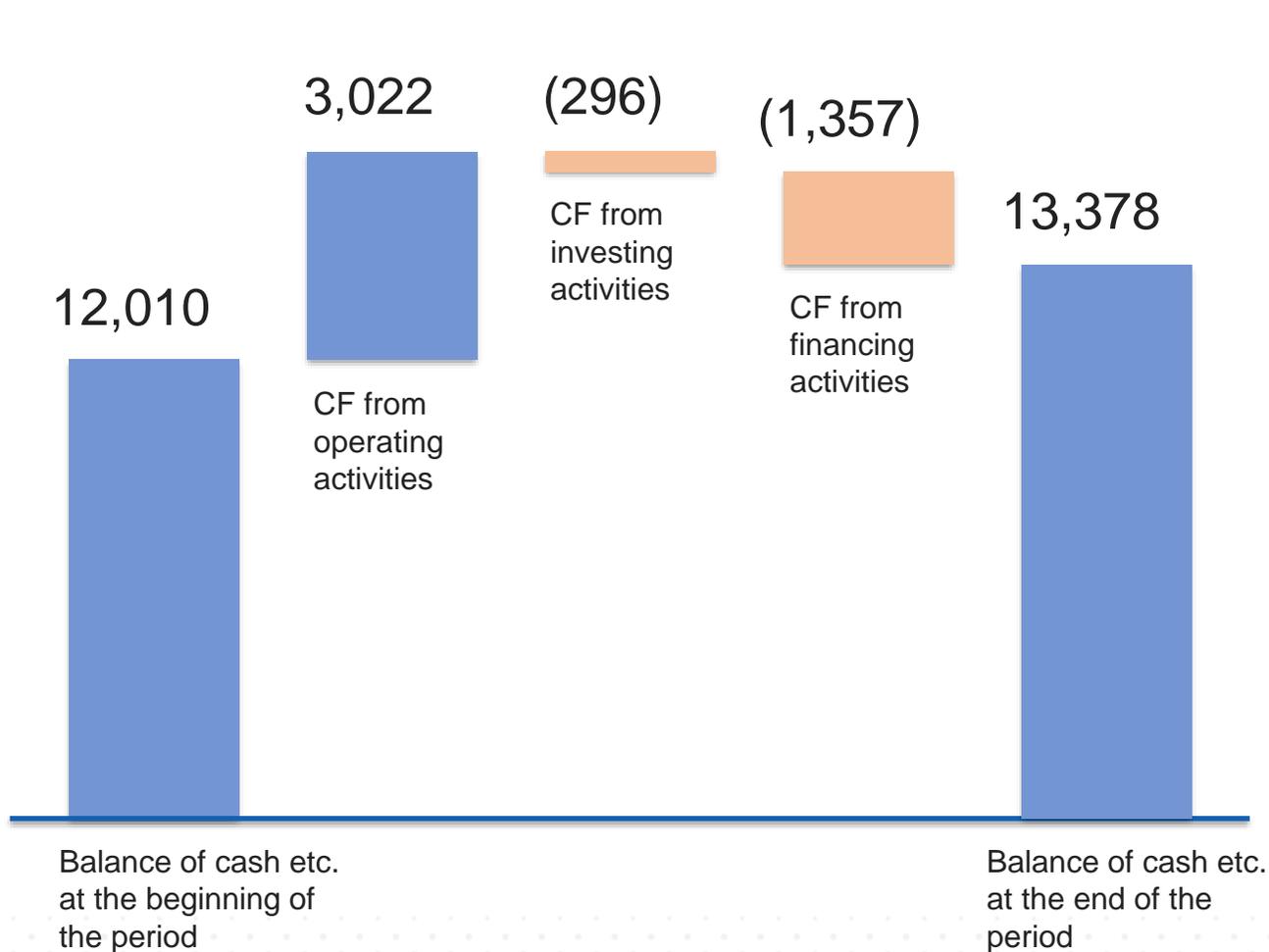
Balance Sheet

(Millions of Yen)	End of FY Ended March 2024	End of FY Ended March 2023	Change
Total assets	25,505	22,771	12.0%
Current assets	20,434	18,827	8.5%
Non-current assets	5,071	3,943	28.6%
Total liabilities	7,028	6,361	10.5%
Current liabilities	6,378	6,045	5.5%
Non-current liabilities	649	316	105.6%
Total net assets	18,477	16,409	12.6%
Total liabilities and net assets	25,505	22,771	12.0%
Owners' equity ratio	72.44%	72.06%	0.5%
Net assets per share	392.16 yen	344.24 yen	13.9%



Financial Statements

Statement of Cash Flows



Balance of cash etc. at the beginning of the period	12,010
Profit before income taxes	4,253
Increase in notes and accounts receivable-trade and contract assets	(725)
Other	871
Income taxes	(1,377)
CF from operating activities	3,022
Purchase of property, plant and equipment	(901)
Proceeds from sales of investment securities	523
Other	82
CF from investing activities	(296)
Purchase of treasury stock	(616)
Dividend payment	(726)
Other	(15)
CF from financing activities	(1,357)
Balance of cash etc. at the end of the period	13,378



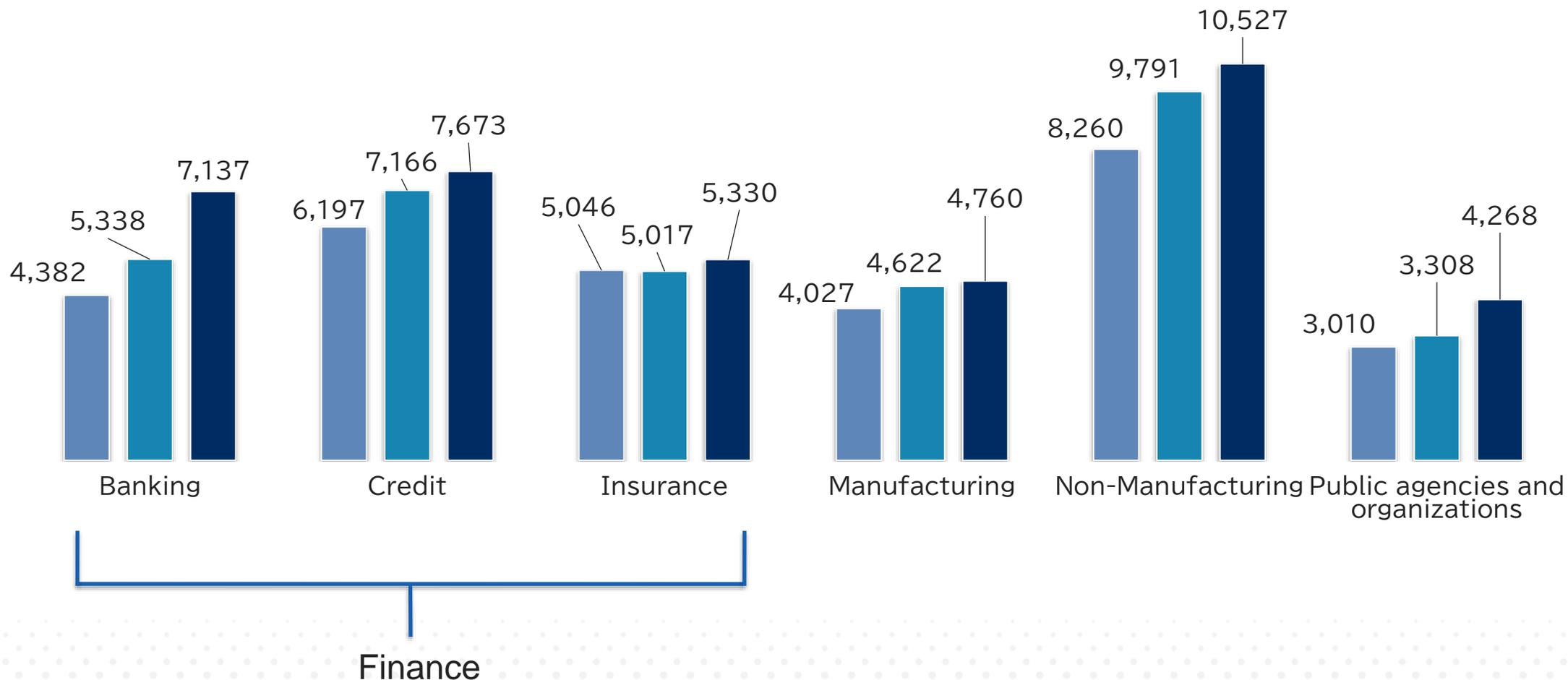
Overview of Sales by Customer Industry

(Millions of yen)

■ FY Ended March 2022

■ FY Ended March 2023

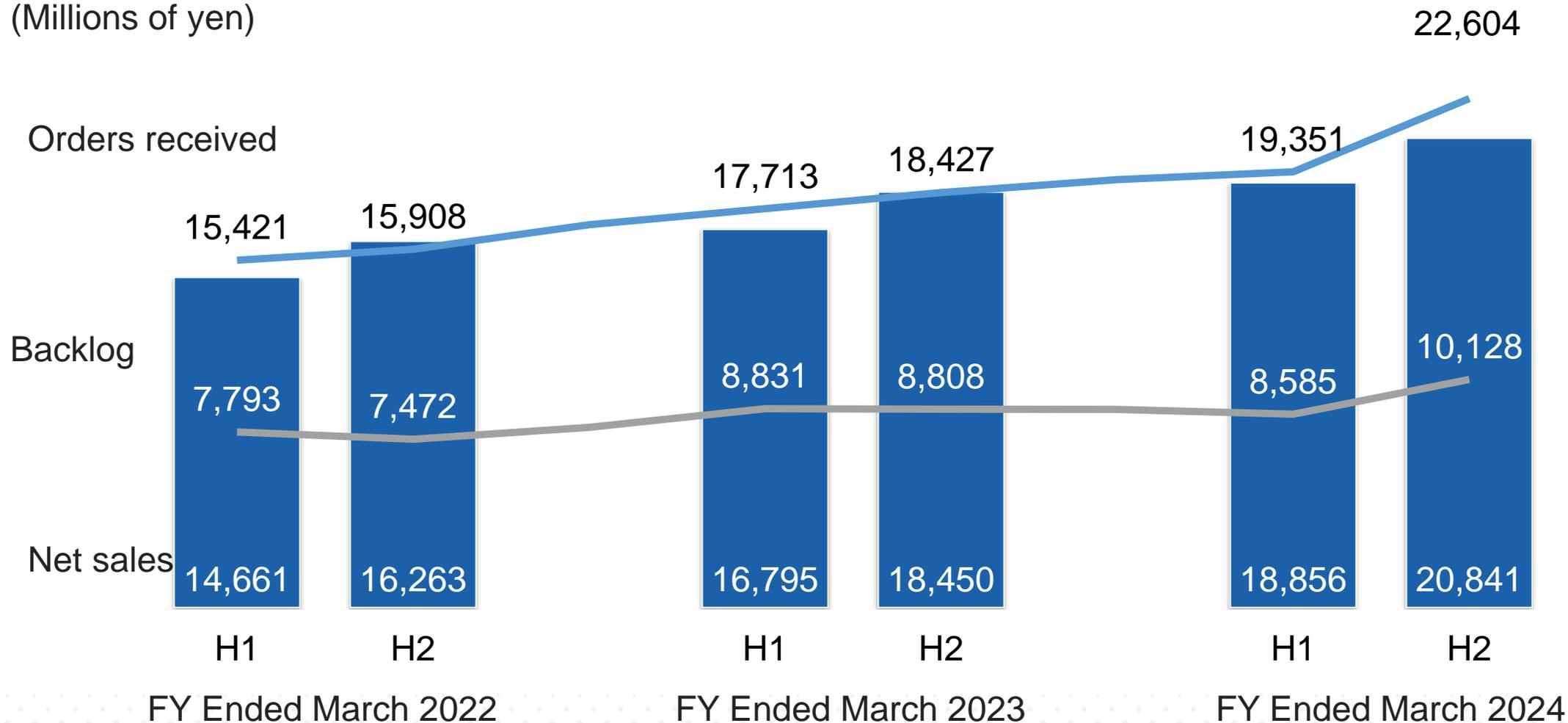
■ FY Ended March 2024





Orders Received/Backlog

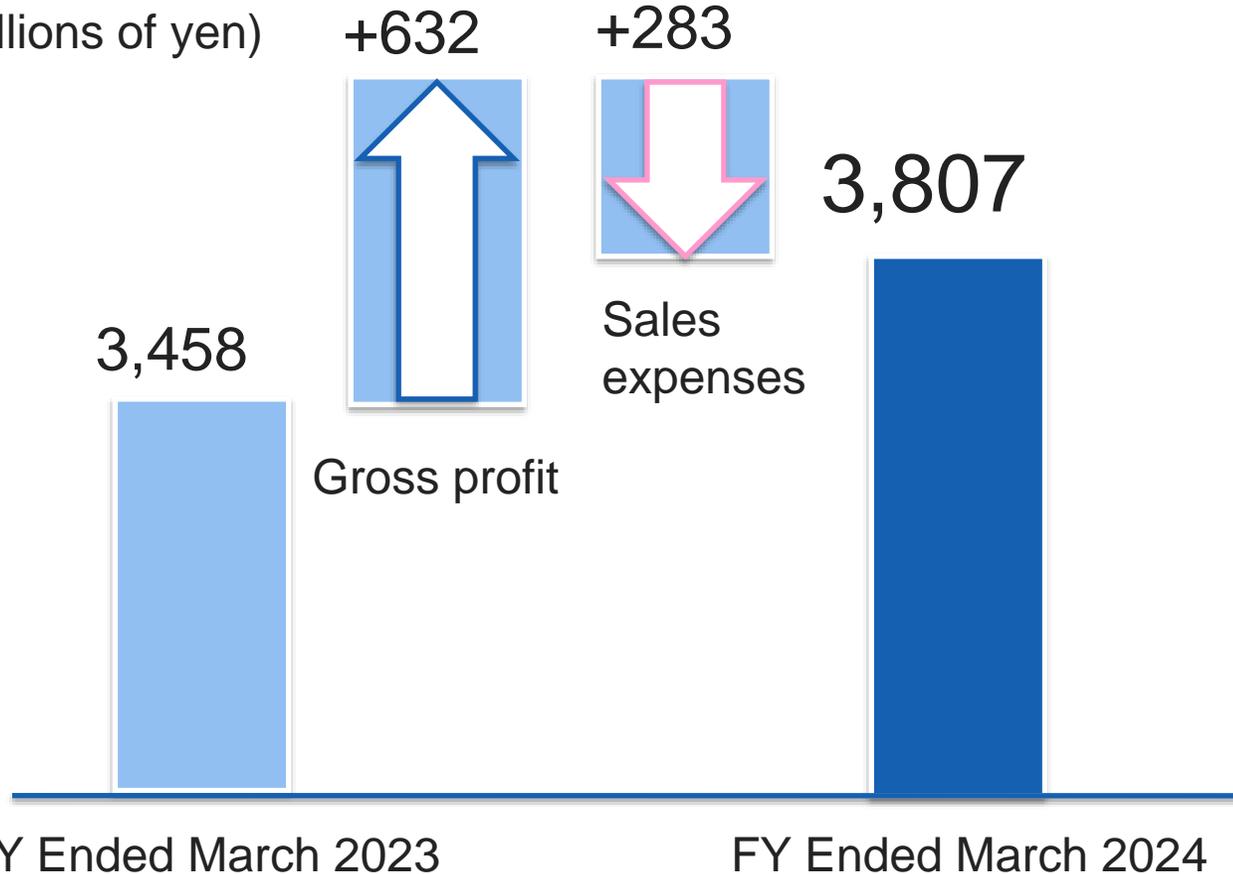
(Millions of yen)





Operating Profit Analysis

(Millions of yen)



<Gross profit>

+ Increase in net sales leading to profit improvement

<SG&A expenses>

+ Expanding the hiring of new graduates
+ Acquiring new technologies for the expansion of next-generation SI business
+ Relocating the headquarters as a part of the "Smart Work Concept"



*Note on this document:

The matters related to the forecasts of the TDC SOFT Group in this document have been determined based on currently available information and may change due to uncertain factors inherent in forecasts and/or changes in the situation surrounding business operation going forward.