Excel Innovation

Automation of Excel operation to shorten times and reduce costs

**POINT**

- Make procedures with non-programming system
- Controls the Excel operation by granting access rights according to the roles of business processes and staff in charge of each business.

"xoBlos" and Hitachi’s "JP1" work together to automate back-office operations

We will cooperate with "JP1/CPA", a client-business automation product of Hitachi, Ltd.'s JP1 client-business automation product, in our Excel business-efficiency solution "xoBlos," which is our growing area, to automate complex Excel operations, thereby speeding up, streamlining, and reducing costs.

**IR Topics**

**President Ichikawa appeared on "Stock Voice TV"**

On August 27, 2019, our president Ichikawa appeared on Tokyo MarketWatch, a TV program by Stock Voice.

In the program, we introduced our company such as profile, domestic and overseas development bases, history, medium-term growth model, details of each business, and our original products.

**Company Profile**

- **Digital Information Technologies Corporation**
  
  **Abbreviations:** DIT
  
  **Location:** 4-5-4, FORECAST Sakurabashi 5F, Hatchobori, Chuo-ku, Tokyo
  
  **TSI:** 03-6311-6520 (main)/FAX: 03-6311-6521
  
  **Established:** 4-Jul-02
  
  **Capital:** 453,156 thousand yen (As of the end of June 2019)
  
  **Fiscal Year-End:** June
  
  **Number of Employees:** 1,009 (Consolidated) (As of the end of June 2019)

**Stock Information** (As of the end of June 2019)

- Number of Authorized Shares: 24,800,000
- Number of Issued Shares: 15,501,820
- Number of Shareholders: 2,865

**To Our Shareholders**

We aim for stable performance and further growth through improving added value and responding to change

We would like to explain our activities for the fiscal year ending June 30, 2019 (from July 1, 2018 to June 30, 2019) with delivering the DIT Report.

In the information services industry, IT investments are expanding rapidly in line with growth in new fields such as artificial intelligence (AI), Internet of Things (IoT), robotic process automation (RPA), and financial technology (FinTech), which are accelerating the realization of digital transformation (DX).

This environment has led to an increase in business opportunities and business expansion for the Group, which is pursuing stable performance and growth by pursuing added value and responding to change.

Since our founding in 1982, we have been committed to providing cutting-edge technologies and services as the best partner of our customers and contributing to the creation of an emerging society by leveraging the advanced knowledge and broad perspectives that we have cultivated as an independent system integrator.

We look forward to the continued support and guidance of our shareholders.

**Higher sales and profits for the 9th consecutive year, reached record-high results**

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**IR Topics**

**Report on IR Activities**

**Shareholder Returns**

**Target Payout Ratio of 30% or more**

- Ordinary Dividends Ratio (%)
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**Excel Innovation Platform to Revolutionary Improve Data Utilization Businesses**

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Pursuing enhancement of corporate value
by building a stable business foundation
and strengthening growth factors

Satoshi Ichikawa, Representative Director and President

Q: Please tell us about your business results for the fiscal year ended June 30, 2019.

A: Our business is divided into two main business segments: Software Development Business and System Sales Business, and the Software Development Business is further divided into three business segments: Business Solutions Unit, Embedded Solutions Unit, and Original Product Unit. The Business Solutions Unit engages in business system development and operation support centered on financial accounts, and accounts for approximately 60% of total sales. During the fiscal year under review, we succeeded in acquiring large-scale lump-sum projects, mainly in the distribution service, and sales grew significantly. The Embedded Solutions Business comprises the development and verification of embedded systems, centered on automotive applications, and accounts for approximately 30% of sales. During the fiscal year under review, the expansion of verification orders by quality customers resulted in a significant improvement in profits. As for the Original Product Unit, we have been introducing WebARGUS, a security products, to large-scale users and have expanded sales opportunities through collaboration with external security companies. With respect to Collins, a product that streamlines operations, recognition of the product has increased as an effective tool for working style reforms, and the number of projects has increased significantly through collaboration with other companies' products. Six years ago, we established a near-shore base in Matsuyama City, Ehime Prefecture, which contributed to earnings by promoting the development of staffs. On the other hand, in the Systems Sales Business, which is centered on sales of the Rakuchii operational and management support system for small and medium-sized companies made by Casio Computer, sales of Rakuchii were firm due to an increase in demand associated with the reduced tax rate following the consumption tax revision in October of this year. As a result of the efforts described above, both net sales and profits increased significantly by double digits compared with the previous fiscal year. Net sales were ¥13,355 million (up 11.5% year on year), operating income was ¥1,095 million (up 39.0%), ordinary income was ¥1,106 million (up 39.9%), and net income attributable to owners of parent was ¥737 million (up 38.8%), increases in both sales and profits for nine consecutive years.

Q: Please tell us about your growth strategy and progress under the Medium-Term Management Plan.

A: We are currently implementing our three-year medium-term management plan from the fiscal year ended June 30, 2019. In the medium-term plan, we are engaged in the five business strategies: "Renovation (strengthening and stabilizing the business foundation through reform of existing businesses)", "Innovation (creating new value based on our original products)", and "Shifting from competition to collaboration (expanding business through collaboration)". "Shifting from development to services (business expansion from a service perspective)" and "Human resource procurement and development (employment and development)". In the "Renovation" plan, we are continuing to invest in IT at financial institutions and responding to increased capital investment in the automotive industry. In the "Innovation" plan, we are focusing on enhancing the product lineup and strengthening sales of our own products using our proprietary technologies. In addition, we are continuing to promote our two-pronged business strategy of "stabilizing our business foundation" and "strengthening growth factors," and are working to provide new value centered on stable transactions and proprietary products in a wide range of business domains. We aim to achieve our Mid-Term Management Target of "Triple 10" by the fiscal year ending June 30, 2021. We already achieved net sales of ¥10 billion in the fiscal year ended June 30, 2017, and operating income of ¥1 billion in the fiscal year under review. We will strive to improve profitability by further strengthening our own products, etc., and work to achieve an operating income margin of 10% in the fiscal year ending June 30, 2021, the final year of this medium-term management plan.

Q: Is there any other messages to shareholders?

A: Our strengths lie in: 1) our broad scope of business, including the development and operation of business systems and the development and verification of embedded systems; 2) our customer’s reputation for operational knowledge, technological capabilities, and price competitiveness; 3) our stable, long-term business foundation based on relationships of trust with customers, and our stable business foundation; and 4) our original products that are unique and promising for market expansion. We will strive to achieve self-sustained growth by leveraging these strengths, pursue synergies through collaboration and alliances with other companies and through M&A, and work to expand corporate value through the creation of new businesses. Finally, with regard to returning profits to shareholders, we will pay stable and continuous dividends while taking into account the balance with retained earnings needed to expand our business. Our target for the dividend payout ratio is 30% or more, and we will pay an annual dividend of ¥16 yen per share for the fiscal year under review. For the next fiscal year, we plan to increase the dividend by ¥2 to ¥18. We look forward to the continued support and encouragement of our shareholders.

Increase in sales and profits for 9 consecutive years

Sales by Business Segment

Support Ehime FC and Ehime FC Ladies with Ehime Company

We are committed to contributing to local communities. In April 2013, we launched Ehime Company and recruited 20 local employees in response to the invitation from Ehime Prefecture and Matsuyama City, based on the relationship that our founder, Chairman Norkau Ichikawa, originated in Ehime Prefecture. Today, it has grown to have nearly 60 employees, contributing to the promotion of IT as a near-shore location and by local companies. We support local soccer teams Ehime FC and Ehime FC Ladies. When playing at Ehime FC’s home, we display our signboard on the pitch. We also hire two members of Ehime FC Ladies as employees.

Top interview