

# Financial Results Briefing for FY2023

Uchida Yoko Co., Ltd.  
Tokyo Stock Exchange Prime  
Securities code: 8057

## Business Results for FY2023 (Consolidated)

(Unit: Million yen)

	FY2022	FY2023	Increase / Decrease	
Sales	246,549	277,940	+31,391	+12.7%
Gross Profit	44,606	47,734	+3,128	+7.0%
SG & A	36,169	38,389	+2,219	+6.1%
Operating Income	8,436	9,345	+909	+10.8%
Ordinary Income	9,161	10,135	+975	+10.6%
Current Net Income	6,366	6,996	+630	+9.9%

Sales, operating income, and ordinary income were at the same level as in 2021, when GIGA was still in existence.  
Achieved record-high gross profit and current net income.

## Key Points of Financial Results for FY2022

Steadily responded to the expansion of private sector demand,  
and public sector projects generally performed as planned

### ● Significant increase in revenue and profits

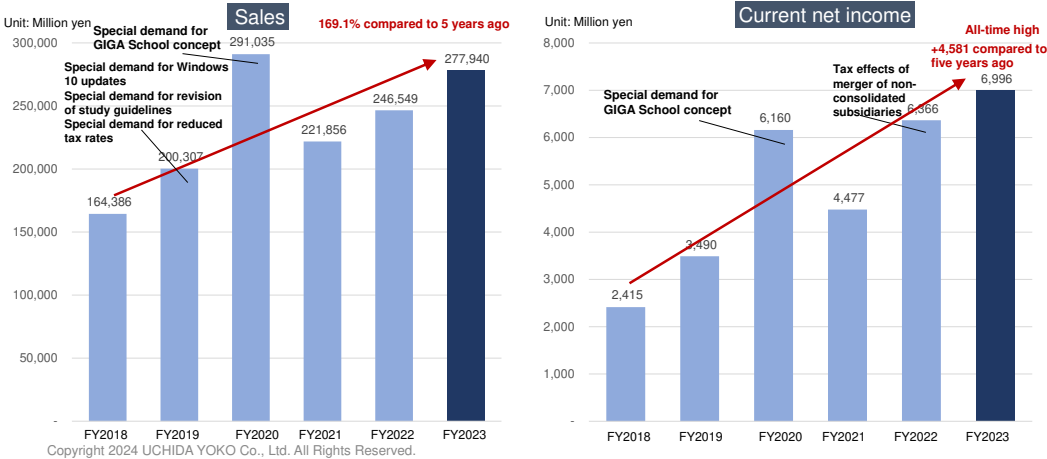
✓ Net sales, operating income, and ordinary income were the highest levels since GIGA (FY2020).

### ● Record-high gross profit and current net income

### ● Strengthened investment for the future (increase in SG&A expenses)

## Company-wide: Sales / Current Net Income

Sales reached the highest level since FY2020, when the Japanese government had a huge supplementary budget.  
Current net income reached an all-time high.



## Increase in Investment Intended Expenses (Increase in SG&A)

Stepped up investment activities

SG&A expenses: 106.1% YoY, an increase of 2,219 million yen YoY

Human Investment	Marketing Activity Expenses	Capital Investment, Testing and Research, etc.
<ul style="list-style-type: none"> <li>Wage base increase, etc.</li> <li>Base increase (from April 2023)</li> <li>In FY2024, implement at a level higher than the previous year (from April 2024)</li> <li>Other improvements in treatment, etc.</li> <li>Bonuses for continuing employees (from April 2024)</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced customer contact                             <ul style="list-style-type: none"> <li>Measures to improve awareness</li> <li>Sales promotion events</li> <li>Increase in sales volume</li> </ul> </li> <li>Advertising                             <ul style="list-style-type: none"> <li>Station signs, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a common sales management system for the entire group                             <ul style="list-style-type: none"> <li>*Group 2 in operation</li> </ul> </li> <li>Renovation work at Shinkawa HQ</li> <li>CBT Platform                             <ul style="list-style-type: none"> <li>*Related to Open Assessment Technologies S.A.</li> </ul> </li> </ul>

CBT: Computer Based Testing

## Business Overview: Key Points

### Private sector market businesses steadily responded to expanding demand

- ✓ The number of large-scale license agreements with major private companies continued to increase.
- ✓ There was also been an increase in office renovation projects aimed at improving the working environment.
- ✓ Steadily acquired projects for medium-sized and small enterprises to adapt their information systems to Japan's new qualified invoice system.

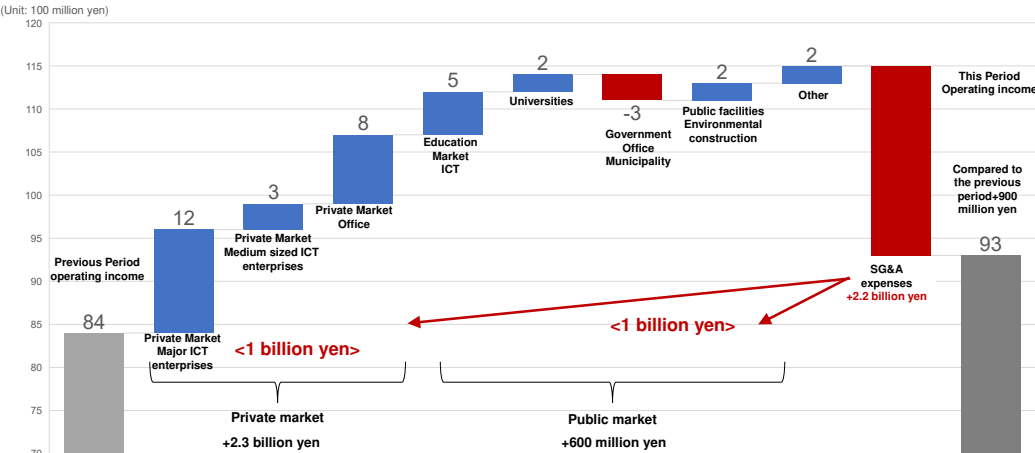
### Public sector market-related projects generally progressed as planned

- ✓ While there was a decrease in reaction to last year's results in the local government sector, there was growth in the acquisition of projects in the university sector, etc.
- ✓ Large-scale projects in the field of educational ICT also made a contribution, even though the demand for educational ICT in the public sector market was in a period of low demand.

## Operating Income: YoY Breakdown

\*The breakdown of each business does not include changes in SG&A expenses.

Steadily responded to the expansion of overall private sector demand, while the public sector progressed as planned.



## Segment Performance

(Unit: Million yen)

Upper: Sales Lower: Operating Income	FY2022	FY2023	Year-on-year change
Government and Education Business	80,708 3,426	80,949 3,022	+0.3% -404
Office Business	51,092 1,071	56,306 1,620	+10.2% +549
Information Business	113,721 3,649	139,657 4,405	+22.8% +756

## Government and Education Business Segment Performance

(Unit: Million yen)

	FY2022	FY2023	Difference from previous year	YoY
Sales	80,708	80,949	+241	+0.3%
Operating Income	3,426	3,022	-404	-11.8%

### Educational ICT field Acquisition of large-scale projects, etc.

- In the educational ICT field, even though we were in the off-season for GIGA School, we were able to demonstrate our strengths in network construction projects to deal with the large number of terminals being prepared, and we also won large projects for the ICT-ization of classroom environments.

### University field Significant increase in the number of projects acquired

- In the university market, we were successful in acquiring consulting projects for the establishment of new faculties, projects for new buildings, and large-scale projects for the ICT-ization of classroom environments, etc.

### Municipality field Downturn from last year

- There was a downturn in the municipal and public office market following the large projects of the previous year.

### Increased SG&A expenses for investment purposes

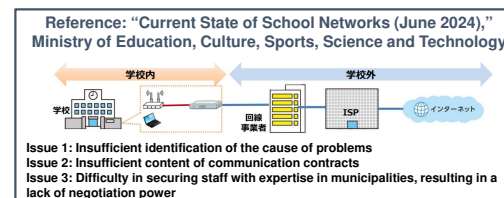
- With the increase in investment across the company, there was an increased burden on the government and education business field, which has a high composition ratio.
- We started investing in research and development at OAT, a company which develops computer-based testing (CBT) platforms that we acquired as a subsidiary in the previous fiscal year.

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## Government and Education Business - Elementary, Middle, and High School ICT Field -

Steady performance, even during the off-season for GIGA School



### Number of computers in schools 10 million more computers in GIGA School budget

Networks cannot cope with the sudden increase of 10 million terminals. This is a major obstacle to the effective use of terminals.



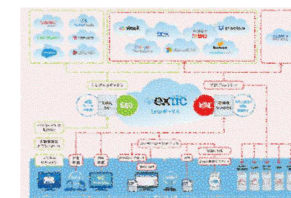
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### Actual case 1: Strengthening of network infrastructure, City M, Tokyo



- At the model city:
- Connection between student terminals and teacher PCs and learning and school administration systems and administrative networks
  - Meet high standards for network quality and security requirements

### Actual case 2: Construction of cloud infrastructure, Prefecture M



- Construction of a cloud-based system for approximately 120,000 teachers, students, etc. at schools in the prefecture's 24 cities, towns and prefectural schools
- Consideration of operational aspects such as efficiency and operability in addition to high security requirements

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## Office Solutions Segment Performance

(Unit: Million yen)

	FY2022	FY2023	Difference from previous year	YoY
Sales	51,092	56,306	+5,214	+10.2%
Operating Income	1,071	1,620	+549	+51.2%

### Expansion of office renovation projects

- Against the backdrop of robust corporate performance, we are more aware than ever before of the need to invest in securing human resources. There was a steady increase in office expansion and large-scale relocation projects, as well as office renovation projects from head office departments, such as R&D, to peripheral departments.

### Adapting to hybrid work styles

- New demand for hybrid work styles steadily increased, centered on the Tokyo-Nagoya-Osaka area.

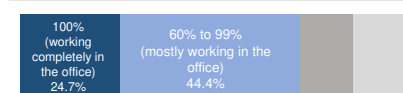
### Steady sales of hobby and craft-related products in the overseas business, centered on the United States

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## Office Solutions

### 70% of companies return to pre-COVID-19 pandemic levels



Working completely in the office/mostly working in the office

Source: "Survey of Office Demand in Major Metropolitan Areas 2024 Spring," XYMAX REAL ESTATE INSTITUTE Corporation

### Uchida Yoko's concept of a hybrid workplace Announced at our office fair in November 2023

- A comfortable space that makes you want to come to the office

We design spaces and furniture that are comfortable to work in for various office scenarios in a hybrid workplace.



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### Changes in the office environment at R&D facilities

In addition to an environment that allows employees to focus fully on their work, there is a need for communication that promotes innovation.



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## UCHIDA Information Systems Segment Performance

(Unit: Million yen)

	FY2022	FY2023	Difference from previous year	YoY
Sales	113,721	139,657	+25,936	+22.8%
Operating Income	3,649	4,405	+756	+20.7%

### Enjoyed continued high growth in the software license business for major private corporations

- We saw an increase in large contracts for cloud-based subscription licenses at major private corporations.
- There was also an increase in business negotiations related to cloud-based infrastructure construction services and generative AI.

### Synergy with office-related business fields expanded

- As major companies move towards a system where employees are free to sit where they like, we introduced a system that visualizes data on employee locations and office buildings to promote communication.
- Our conference room operation support service saw strong growth.

### ICT business for medium-sized and small enterprises steadily progressed

- In the food industry, where we have a strong presence, demand for program modifications to business systems to comply with Japan's new qualified invoice system, which began on October 1, 2023, expanded greatly, and is progressing smoothly.

### IT services in the private sector expanded

- At Uchida Esco, which has become a wholly owned subsidiary, IT services for the private sector, such as kitting services, expanded.

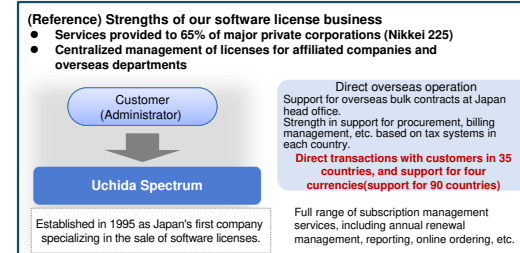
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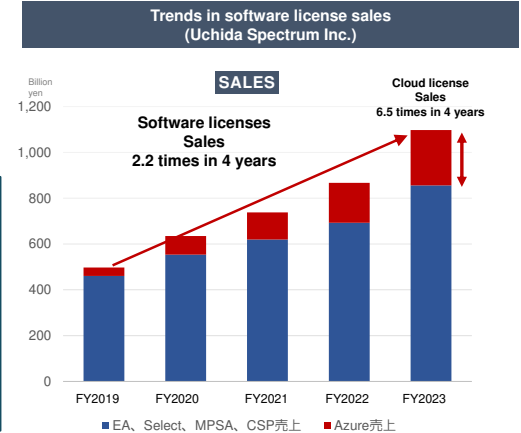
## UCHIDA Information Business - Major Corporate ICT Business -

Enjoyed continued high growth in the software license business for major private corporations

Contracts for subscription-based software licenses continued to grow at major private corporations. In particular, there was an increase in cloud license purchases. In recent years, there has also been a rapid increase in licenses related to generative AI.



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## UCHIDA Information Business - Major Corporate ICT Business -

Synergy with office-related business fields expanded

### Digital mechanisms at workplaces that support a mix of online and in-person work (announced at our office fair in November 2023)



The use of ICT systems enables workers to check the situation in the office and the whereabouts of their colleagues, whether they are inside or outside the company, and to choose the most appropriate course of action.

As major companies move towards a system where employees are free to sit where they like, we are seeing an increase in the acquisition of cloud services that utilize data, such as systems that visualize data on the location of employees and office buildings to promote communication.

### Number of contracts for the meeting room operation support service SmartRooms®



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## UCHIDA Information Business - ICT Business for Medium-sized and Small Enterprises -

Expansion in demand for business system upgrades from users in the food, chemical, and construction industries, sectors in which we have a strong presence

There was a significant increase in demand for program modifications to business systems to comply with the new qualified invoice system.

- System support for the new qualified invoice system that began in October 2023 commenced and continued until October (concentrated in 1Q).



Expansion in digital support for invoices

Number of SI projects expected to increase in the future

### Reference: IT spending forecast for medium-sized and small enterprises

From IDC's "Forecast of the Japanese IT Market by Industry, Employee Size, and Annual Sales, 2024-2028"

#### Approach to digital transformation

Although digital transformation was centered on large companies, there has been an increase in the number of medium-sized and small companies starting to work on it.



- Due to the issue of a shortage of human resources, medium-sized and small-to-medium-sized companies are increasing their IT spending with the aim of improving productivity, etc.

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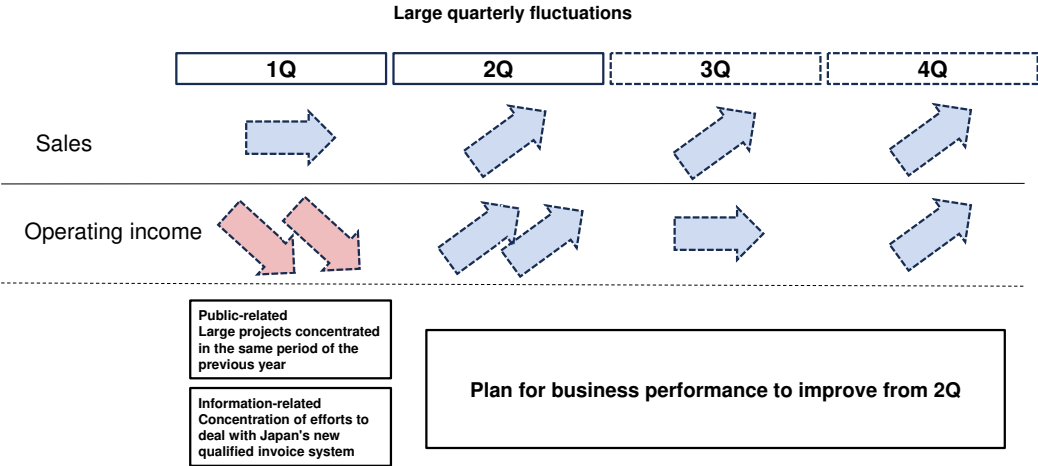
# Consolidated Earning Forecast for FY2024

We expect to see an increase in revenue and profits

Unit: Million yen

	FY2023	FY2024 Plan	Increase / Decrease	
Sales	277,940	300,000	+22,060	+7.9%
Operating Income	9,345	10,000	+655	+7.0%
Ordinary Income	10,135	10,800	+665	+6.6%
Current Net Income	6,996	7,200	+204	+2.9%

# Consolidated Financial Outlook: YoY Trends



# FY2024 Plan by Segment

We expect to see an increase in revenue and profits in all segments.

(Unit: Million yen)

Upper: Sales Lower: Operating Income	FY2022	FY2023 Plan	Increase / Decrease
Government and Education Business	80,949 3,022	83,700 3,150	+3.4% +128
Office Business	56,306 1,620	60,300 1,900	+7.1% +280
Information Business	139,657 4,405	155,000 4,700	+11.1% +295

# 17th Midterm Management Plan



## Origin of our company

**Innovation in ways of working and places to work and ways of learning and places to learn to support those who are driving change**

## How can Japan respond to changes in its social structure caused by a declining birthrate?

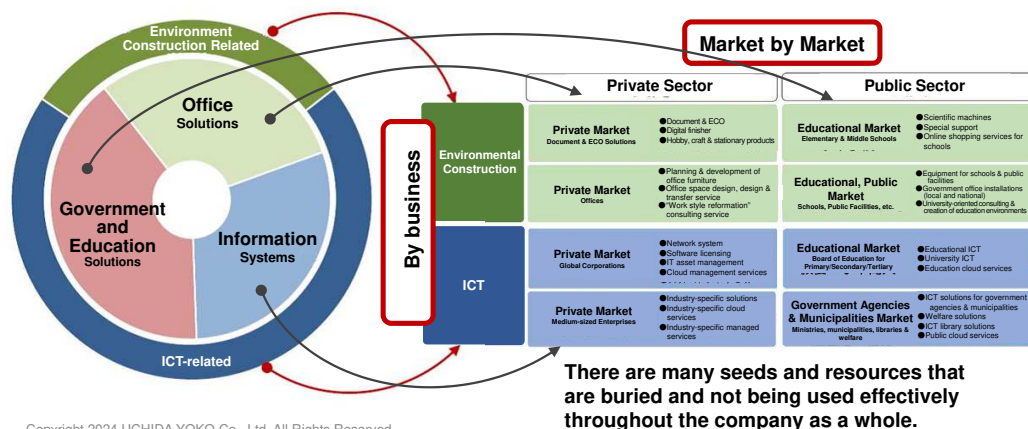


“What to do with people?” and “Utilization of ICT” are mutual issues

**Contribute to Solving the Depopulating Society by Realizing “Society 5.0”**

## Visualizing Business Structures Using Market/Business Matrices

We have reviewed the small business units (SBU) inherent in the three segments from a bird's eye perspective, and plotted them in a matrix.



## Management Reforms in the 14th and 15th Midterm Plans

Measures to ensure consistency with market and promote functional integration

The former 3-headquarter system by segment was dismantled, and staff functions were shared (from August 2015)

**Dissolution of the 3-headquarter system**  
Dismantle the management system based on the framework of public, office, and information

**Sharing of staff**  
Promote the sharing of staff functions across business fields

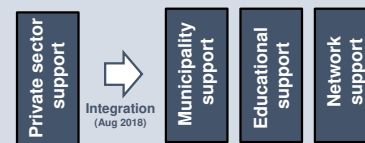
Growth businesses were promoted as independent segments (from August 2015).

**Promotion of network business**  
Build communication infrastructure for major companies

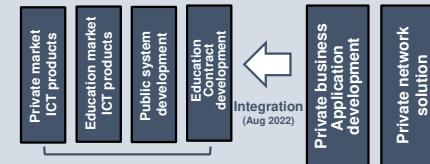
**Promotion of government business**  
Construct environmental systems for government offices and municipalities

**Documents & ECO**  
Promote sales of multifunction printer, toner, LED lighting, etc.

Integration of SE Organization Dispersed by Market and Business (From August 2018)

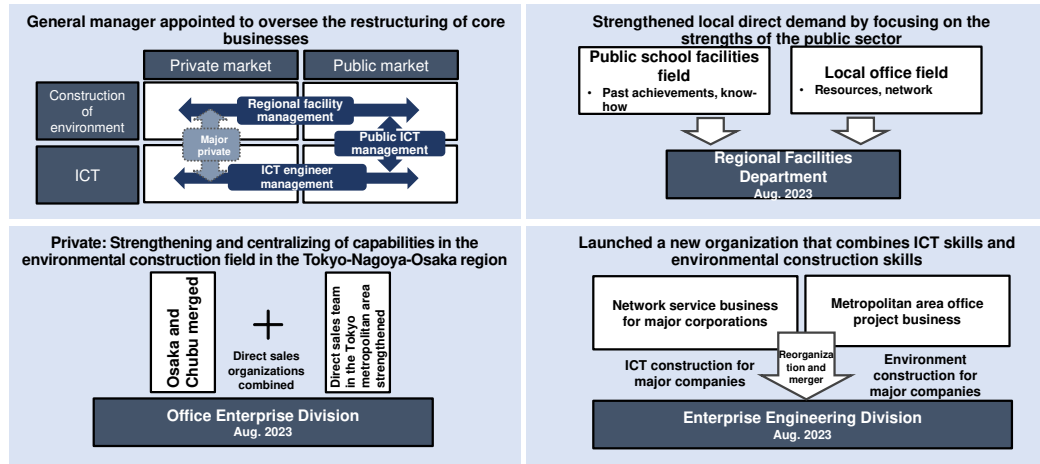


Integration of ICT Related R&D Departments and Development Functions for Each Business Segment (From August 2022)



## UCHIDA Management Reforms in the 16th Midterm Plan

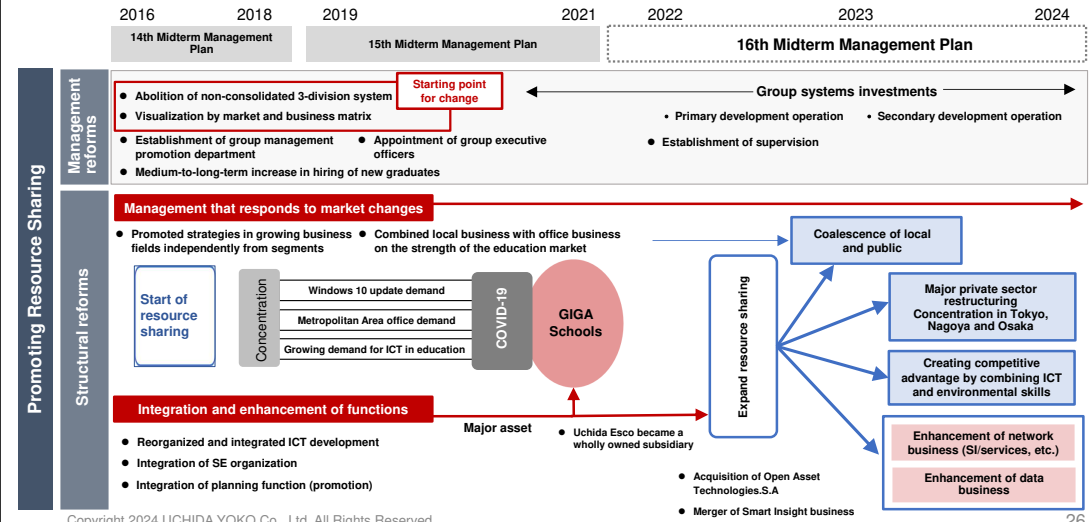
Measures to ensure consistency with market and promote functional integration



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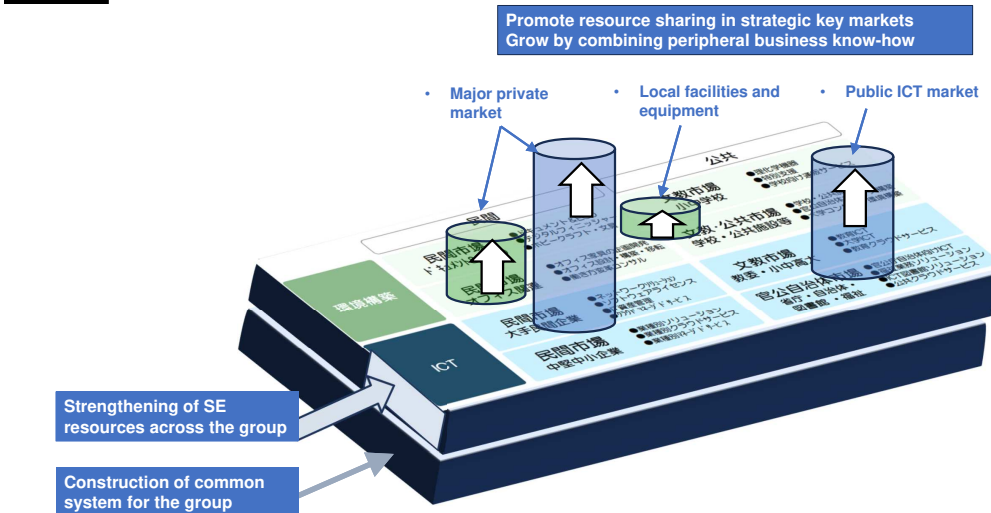
## UCHIDA Progress in Resource Sharing Leading to Baseline Improvements



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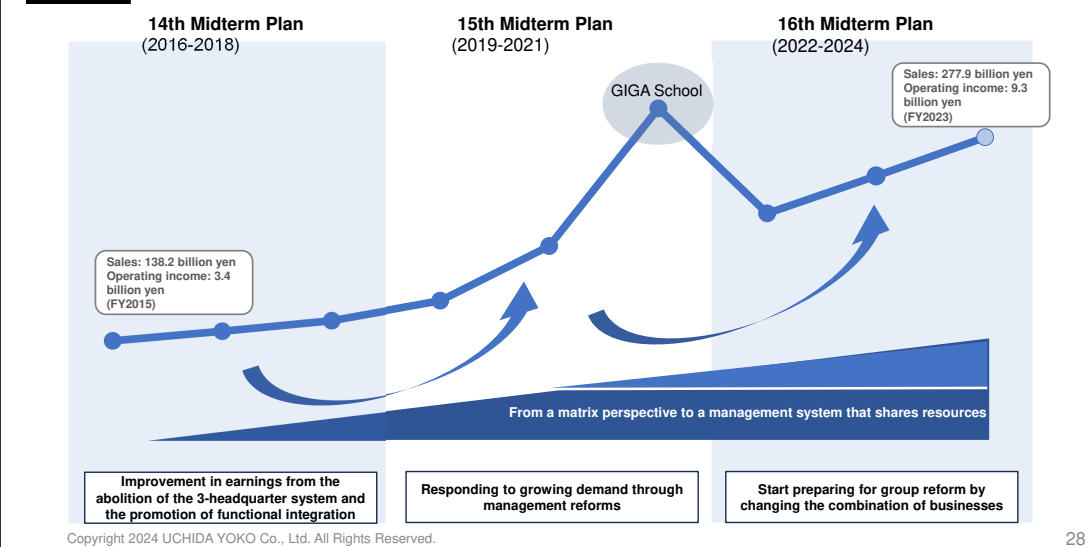
## UCHIDA Raising the Baseline: Overview



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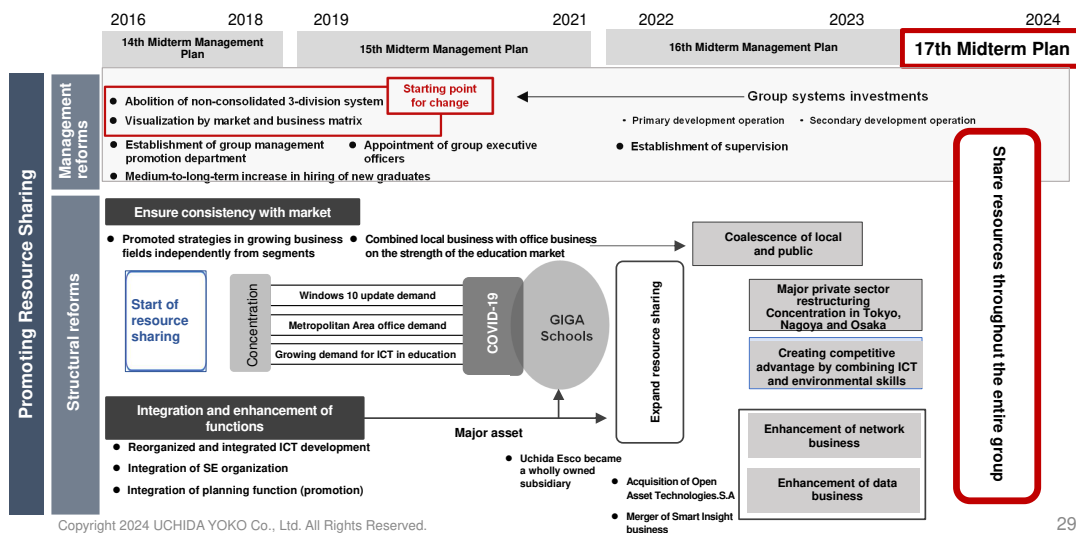
## UCHIDA Raising the Baseline through Management Reforms



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## Progress in Resource Sharing Leading to Baseline Improvements



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## 17th Midterm Plan: Basic Policies

### Expand management reforms throughout the group

We will expand the scale of management reforms across the entire group and broaden the scope of resource sharing with the goal of further raising the baseline.

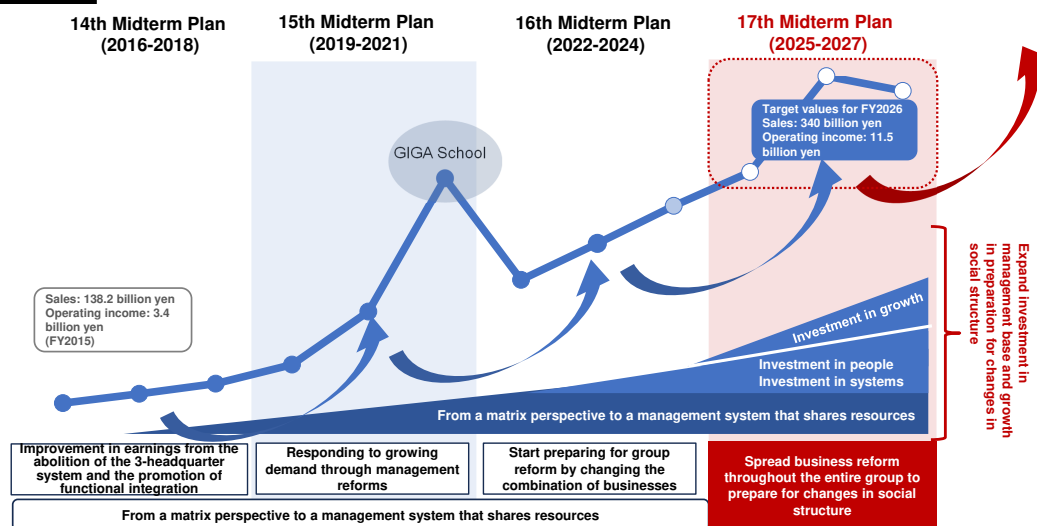
### Invest in the group's management foundation with an eye to the next ten years

We will respond to changes in the social structure with an eye to the next ten years, investing in future growth and in our management foundations to ensure long-term business stability.

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## Continuation of Reforms in the Midterm Plan to Raise the Baseline



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Growth scenario and management reforms to respond to market changes

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## Create our own unique competitive advantage in the marketplace

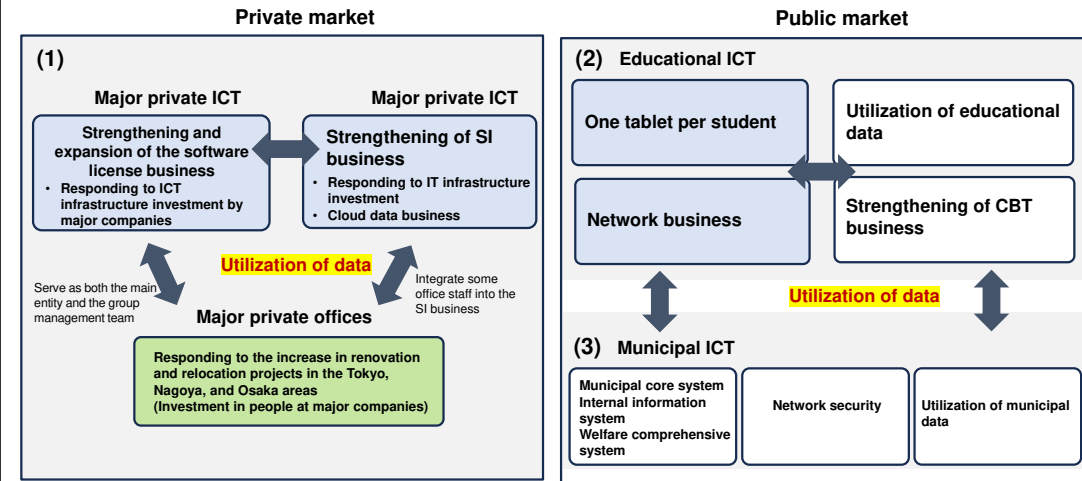
We will take on the challenge of creating our own unique competitive advantage by combining ICT and our know-how in environmental construction for strategic key markets, utilizing the resources of the entire group, and mobilizing resources across segments.

## Strengthen the data utilization business for future growth

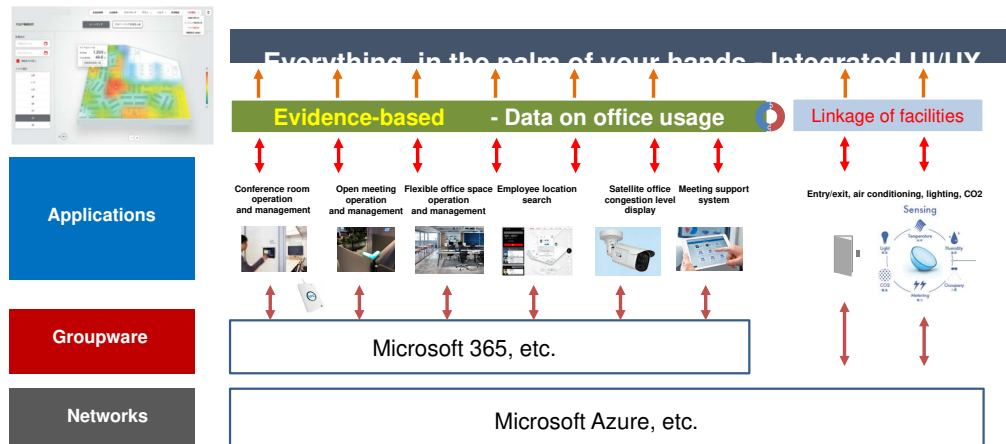
With the recognition that the key to digital transformation lies in the effective use of data, we will work to utilize data in each ICT field, contribute to our customers, and develop a future revenue model for our company.

## 17th Midterm Plan: Growth Scenario

Strategic focus areas during the 17th Midterm Plan period

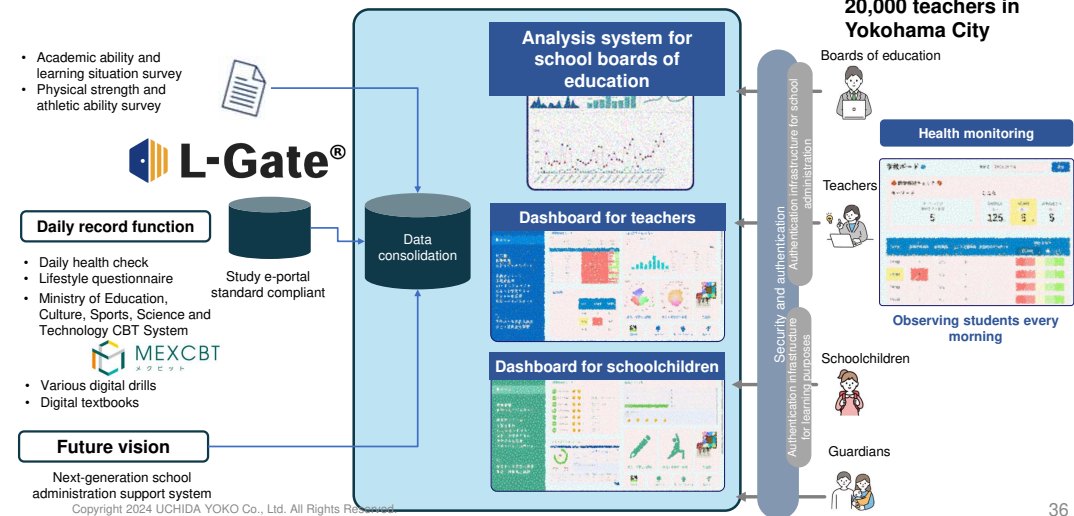


## (Reference) All the Data in the Office in the Palm of Your Hand



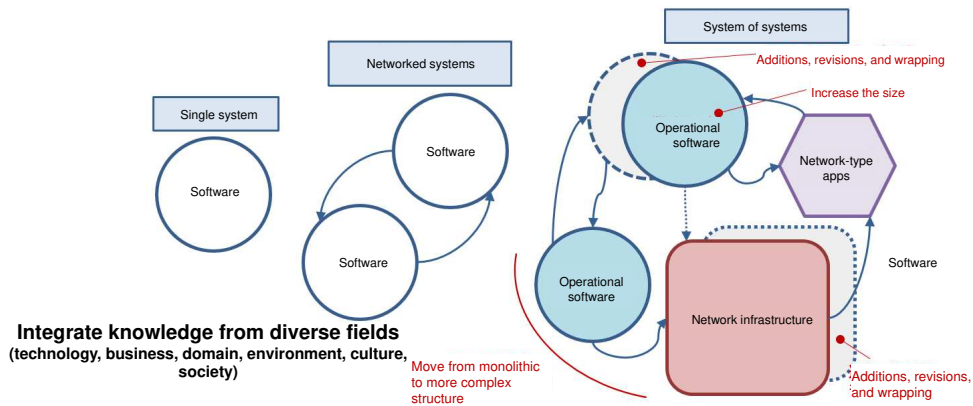
## (Reference) Yokohama City Learning Support System

Used by 497 schools, 260,000 students, and 20,000 teachers in Yokohama City



## Promotion of Systems Engineering

Approach to achieving overall optimization while taking into account the diverse values that span multiple specialized fields

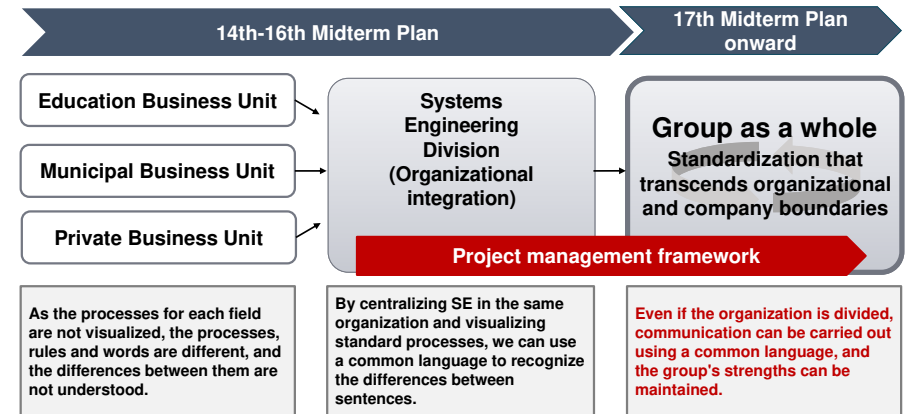


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## Efforts to Maximize Group SE Capabilities

Reorganization of the organization and standardization of support processes

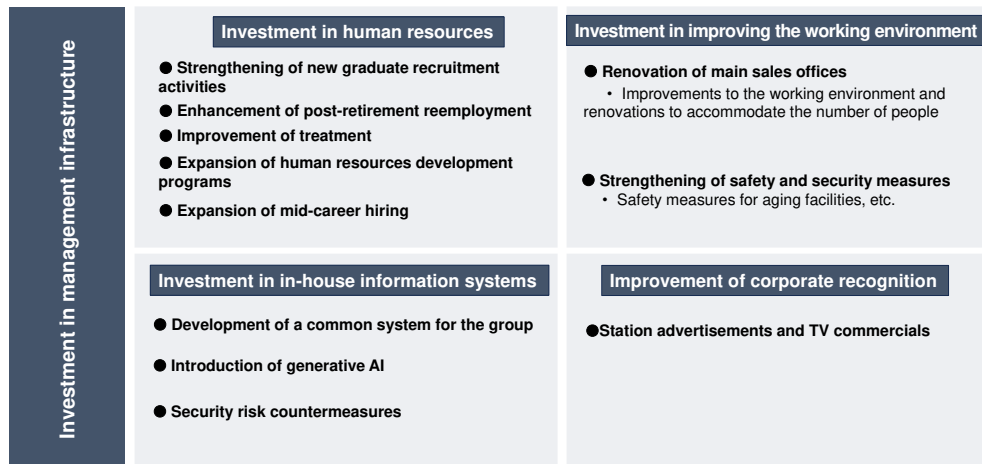


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## 17th Midterm Plan: Main Investment Plan Items

Development of infrastructure for sustainable growth with an eye to the future

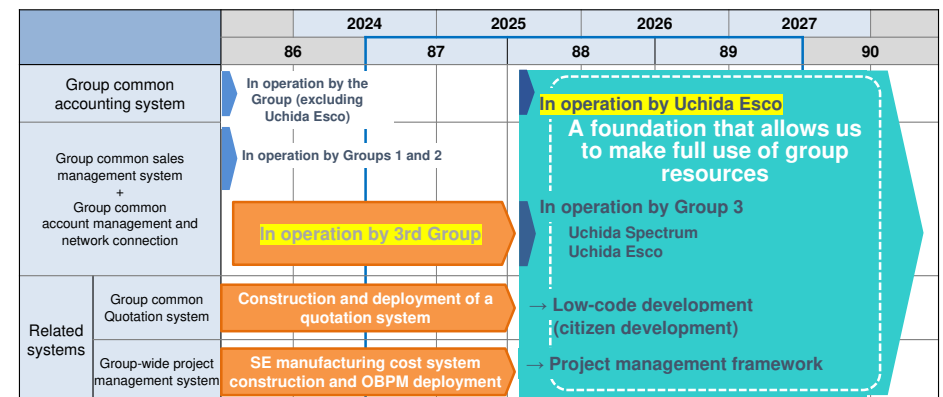


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## System Investment to Restructure Entire Group

17th Midterm Plan and the realization of a common group infrastructure



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# Double Posts for Strengthening Connections with the Group



Strengthen connections by placing management in double posts

- Uchida Spectrum
- Uchida Yoko IT Solutions
- Uchida Human Development Co., Ltd.
- Uchida Yoko Business Expert

# 17th Midterm Plan (FY2026) Targets

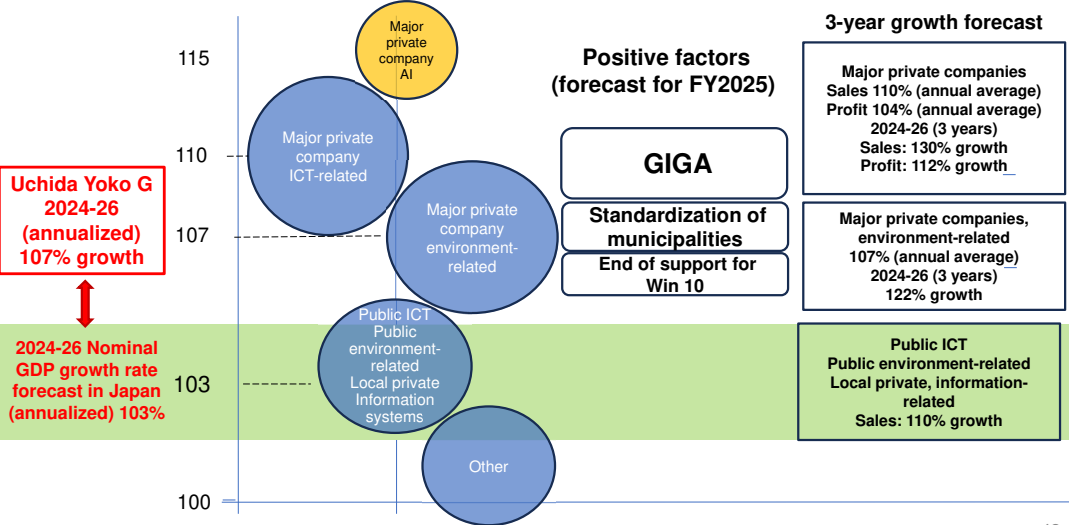
Continue to break records for highest profits ever

	Results for FY2023	17th Midterm Plan (FY2026) targets	Compared to 2023
Sales	277.9 billion yen	340 billion yen	122%
Operating income	9.3 billion yen	11.5 billion yen	124%

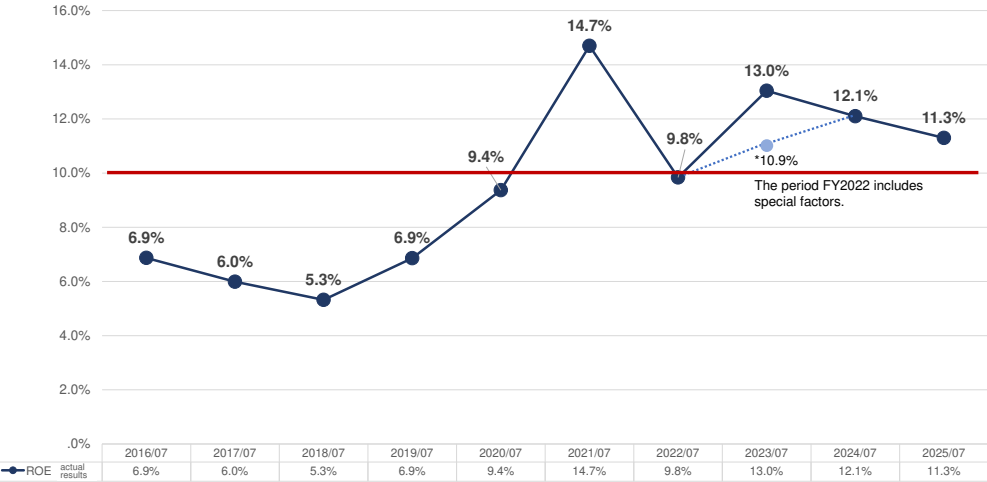
Aim to establish a management base that can stably achieve a ROE of around 10%

We aim to achieve sales of over 340 billion yen and operating income of over 11.5 billion yen.  
Furthermore, we will promote growth measures and investments for the future, aiming for the next level.

# SBU Market Sector Growth Outlook



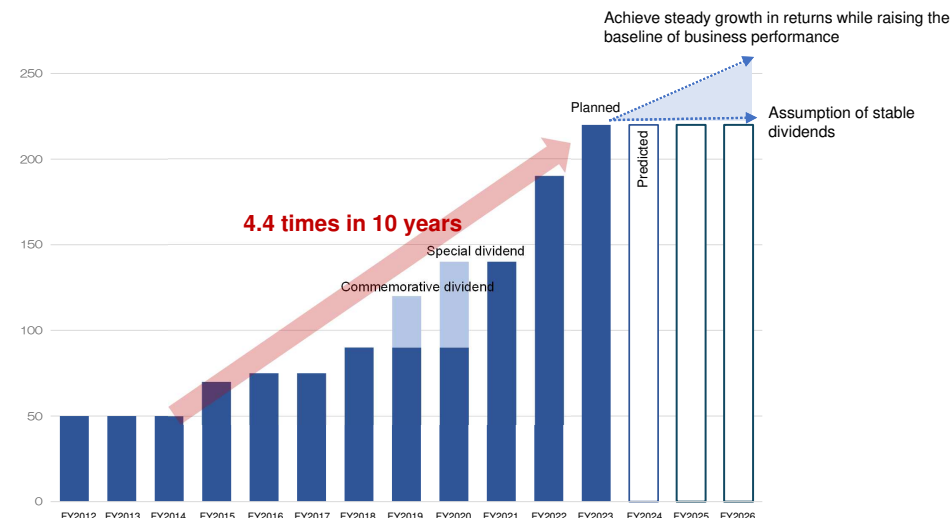
# Trends in Return on Equity (ROE)



## Approach to Shareholder Returns

Our basic policy is to maintain a balance between enhancing our financial base and investing in the realization of our medium-to-long-term management strategy **while maintaining stable dividends,** and to aim for further **expansion and enhancement.**

**We will steadily increase returns based on an increase in the performance baseline.**



## Corporate Vision

**“Creating Value from Data and Collaborating in the Design of Knowledge”**

## Please note the following with regard to this document

Of the business result outlooks, strategies, plans and other such items described in this document, those that are not historical facts are assumed to be related to future business results. These are decisions made by the management based on various information, such as future trends available at this time, and include uncertainties.

Therefore, please understand that the actual business results may differ from forecasts due to various internal and external factors.

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