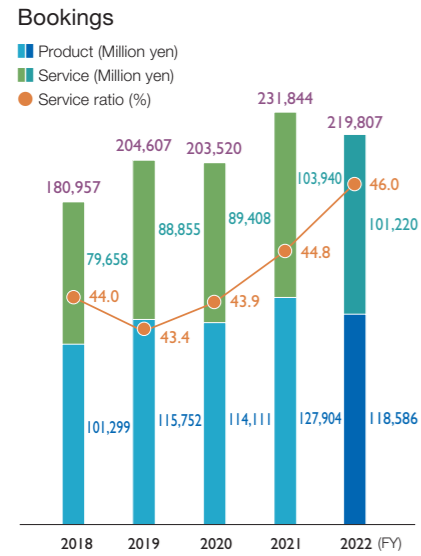
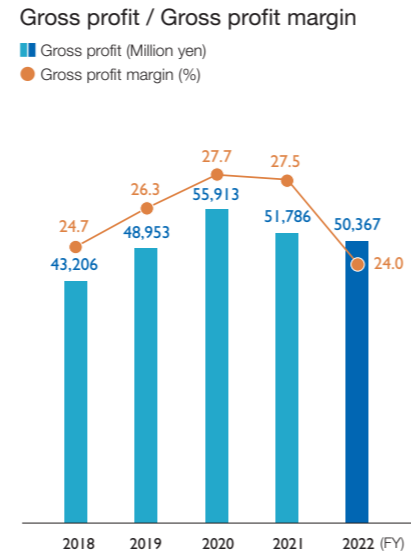
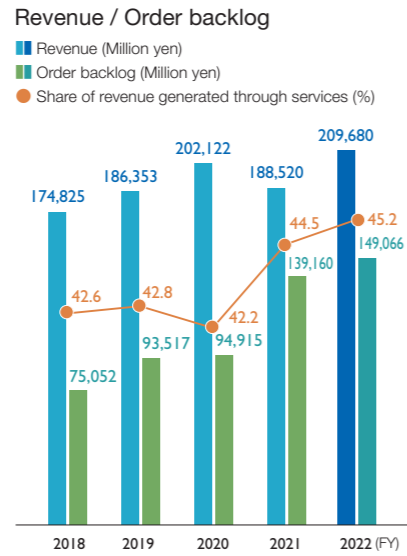


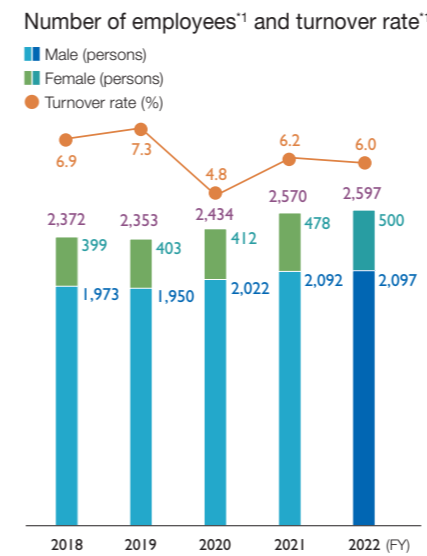
Financial Highlights



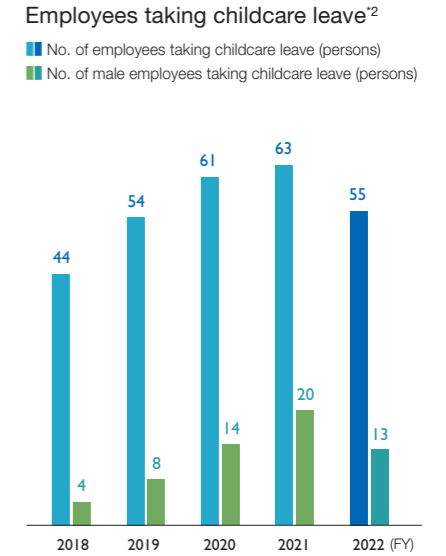
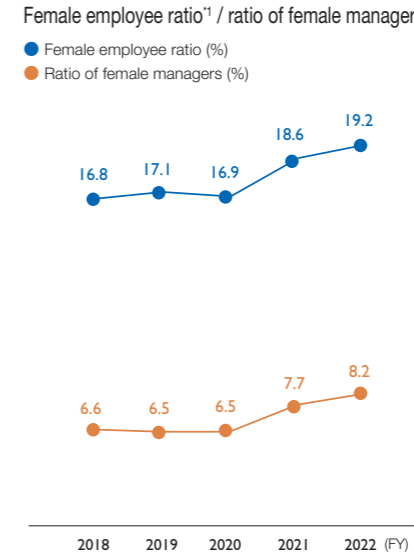
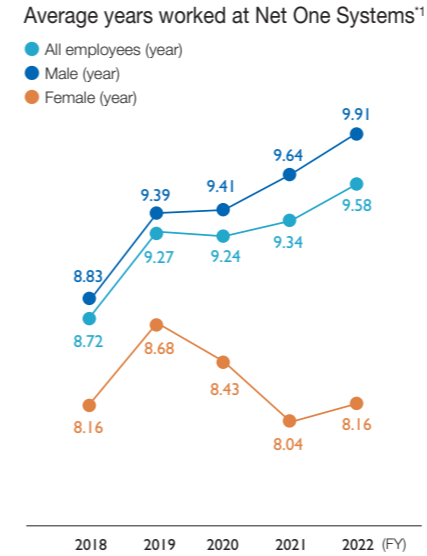
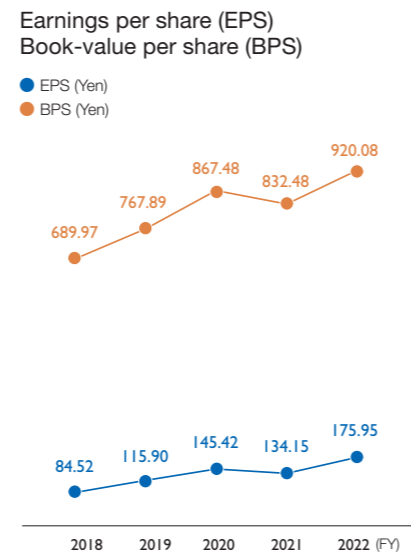
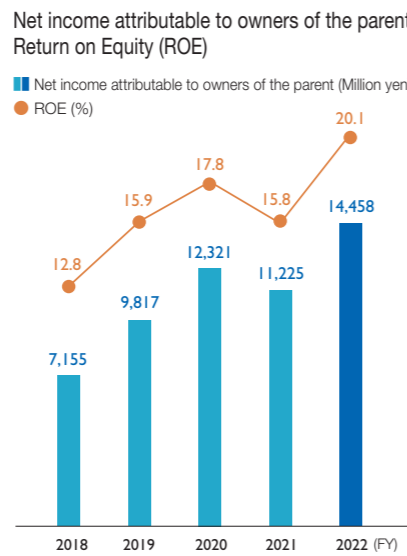
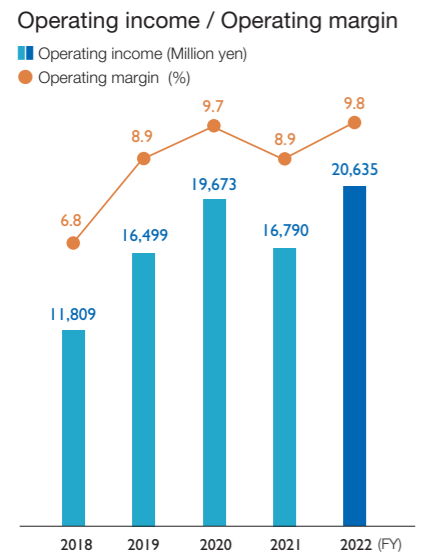
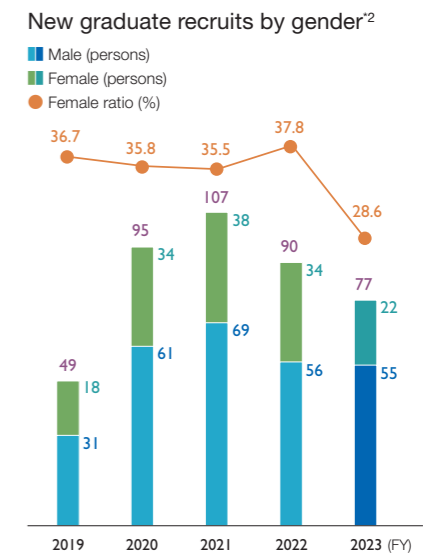
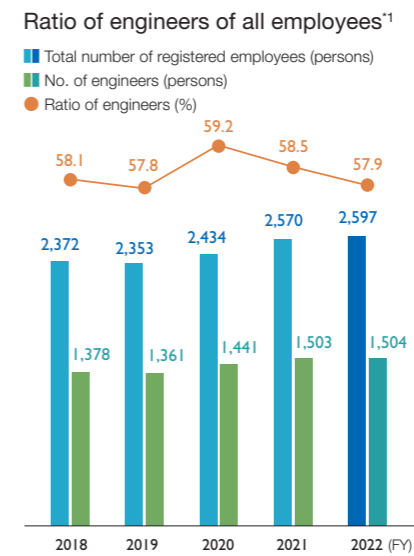
* Effective from fiscal 2022, we have begun recording a portion of labor costs and other expenses incurred through our engineering division (responsible for the rendering of services) as costs of revenue. These same labor costs and other expenses were previously booked as SG&A expenses.



Non-financial Highlights

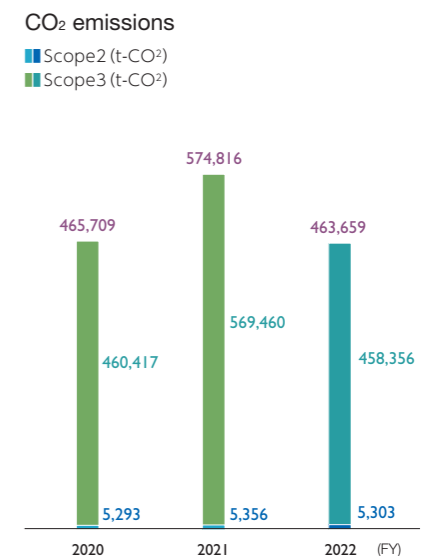
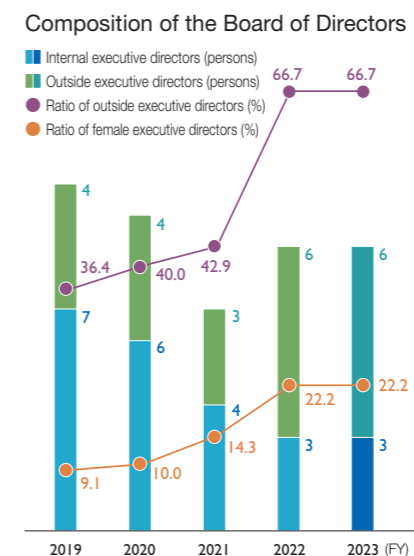
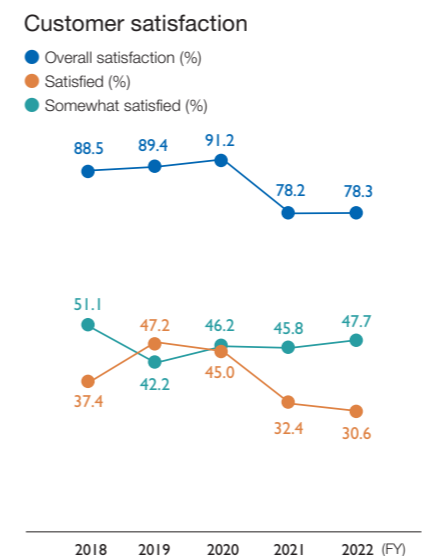
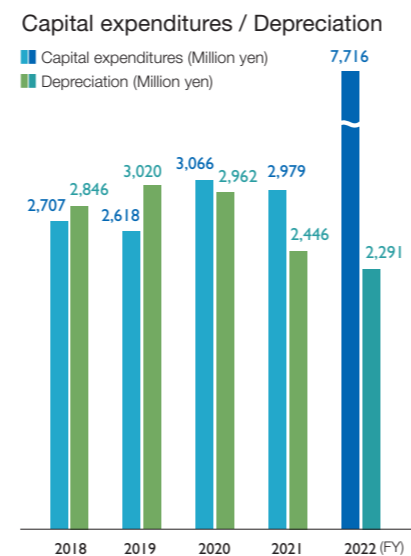
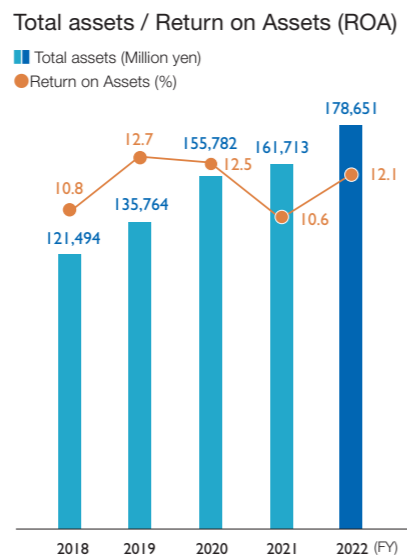
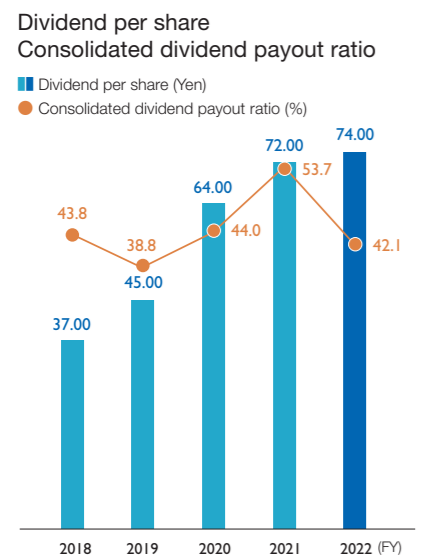


¹ Employees (registered at Net One Systems) includes staff seconded from external partners, excludes employees seconded to outside the Net One Group and employees on short- to long-term leave
² Figures exclude certain overseas subsidiaries and certain domestic subsidiaries of the Net One Group



*ROE: Net income attributable to owners of the parent / average equity during the period × 100

* Female employee ratio current as of March 31 of each year
 * Ratio of female managers current as of April 1 of each year



*Overall satisfaction: Satisfied + Somewhat satisfied
 *Survey methodology changed from FY2021

*Transition to a company with an Audit & Supervisory Committee from a company with an Audit & Supervisory Board in FY2022

*Scope 1: N/A

	unit	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Bookings	million yen	160,667	154,582	146,216	144,684	138,103	158,181	163,843	180,957	204,607	203,520	231,844	219,807
Service business	million yen	50,706	53,147	57,490	57,935	56,291	63,736	71,220	79,658	88,855	89,408	103,940	101,220
Year over year	%	4.9	4.8	8.2	0.8	(2.8)	13.2	11.7	11.8	11.5	0.6	16.3	(2.6)
Composition ratio	%	31.6	34.4	39.3	40.0	40.8	40.3	43.5	44.0	43.4	43.9	44.8	46.0
Order backlog	million yen	51,602	51,316	55,104	58,259	56,192	58,423	68,920	75,052	93,517	94,915	139,160	149,066
Revenue	million yen	157,633	154,869	142,427	141,529	140,170	153,124	153,346	174,825	186,353	202,122	188,520	209,680
Year over year	%	20.5	(1.8)	(8.0)	(0.6)	(1.0)	9.2	0.1	14.0	6.6	8.5	(6.7)	11.2
CAGR (three years)	%	6.3	7.6	2.9	(3.5)	(3.3)	2.4	2.7	7.6	6.8	9.6	2.5	4.0
Service business	million yen	48,616	50,350	53,763	54,545	56,139	59,611	63,237	74,416	79,768	85,293	83,908	94,776
Year-on-year change	%	8.2	3.6	6.8	1.5	2.9	6.2	6.1	17.7	7.2	6.9	(1.6)	13.0
Share of total	%	30.8	32.5	37.7	38.5	40.1	38.9	41.2	42.6	42.8	42.2	44.5	45.2
Gross profit	million yen	42,302	36,266	31,699	31,916	29,015	34,843	36,515	43,206	48,953	55,913	51,786	50,367
Gross profit margin	%	26.8	23.4	22.3	22.6	20.7	22.8	23.8	24.7	26.3	27.7	27.5	24.0
Selling, general and administrative expenses	million yen	27,073	27,814	28,556	28,157	27,391	29,475	29,590	31,397	32,453	36,239	34,995	29,731
SGA ratio	%	17.2	18.0	20.0	19.9	19.5	19.2	19.3	18.0	17.4	17.9	18.6	14.2
Operating income	million yen	15,229	8,451	3,142	3,759	1,623	5,368	6,925	11,809	16,499	19,673	16,790	20,635
Year over year	%	167.3	(44.5)	(62.8)	19.6	(56.8)	230.6	29.0	70.5	39.7	19.2	(14.7)	22.9
CAGR (three years)	%	19.7	19.1	(18.0)	(37.3)	(42.3)	19.5	22.6	93.8	45.4	41.6	12.4	7.7
Operating margin	%	9.7	5.5	2.2	2.7	1.2	3.5	4.5	6.8	8.9	9.7	8.9	9.8
Net income attributable to owners of the parent	million yen	8,520	4,324	983	1,453	(124)	1,075	4,551	7,155	9,817	12,321	11,225	14,458
Total assets	million yen	100,002	92,924	90,624	103,013	99,266	102,038	102,502	121,494	135,764	155,782	161,713	178,651
Cash and deposits	million yen	19,233	18,580	18,184	19,374	20,668	16,236	21,953	23,305	31,473	32,429	20,281	35,509
Interest bearing liabilities (mainly lease obligations)	million yen	1,843	1,882	2,173	4,700	5,832	6,994	7,306	12,442	16,109	21,498	41,069	36,552
Net assets	million yen	63,508	61,387	57,263	56,109	52,896	51,943	53,847	58,584	65,337	73,795	68,547	75,764
Equity	million yen	63,368	61,190	57,196	56,014	52,777	51,815	53,686	58,420	65,053	73,513	68,363	75,620
Equity ratio	%	63.4	65.8	63.1	54.4	53.2	50.8	52.4	48.1	47.9	47.2	42.3	42.3
D/E ratio	times	0.03	0.03	0.04	0.08	0.11	0.13	0.14	0.21	0.25	0.29	0.60	0.48
Net D/E ratio	times	(0.27)	(0.27)	(0.28)	(0.26)	(0.28)	(0.18)	(0.27)	(0.19)	(0.24)	(0.15)	0.30	0.01
Return on Equity	%	14.3	6.9	1.7	2.6	(0.2)	2.1	8.6	12.8	15.9	17.8	15.8	20.1
Return on Assets	%	16.9	9.0	3.9	3.9	1.7	5.3	6.9	10.8	12.7	12.5	10.6	12.1
Book-value per share	yen	703.25	699.63	676.65	662.62	624.24	612.64	634.47	689.97	767.89	867.48	832.48	920.08
Dividend per share	yen	6,200	34.00	34.00	30.00	30.00	30.00	30.00	37.00	45.00	64.00	72.00	74.00
Earnings per share	yen	94.56	48.89	11.40	17.20	(1.47)	12.72	53.79	84.52	115.90	145.42	134.15	175.95
Diluted earnings per share	yen	—	48.89	11.39	17.17	—	12.69	53.65	84.30	115.63	145.09	133.98	175.76
Cash flows from operating activities	million yen	19,313	3,932	1,016	5,291	5,877	259	11,569	6,682	12,281	9,800	(10,874)	34,183
Cash flows from investing activities	million yen	(1,572)	(3,416)	(3,823)	(1,610)	(2,235)	(1,127)	(1,264)	(1,424)	(1,194)	(3,336)	(1,515)	(1,654)
Cash flows from financing activities	million yen	(1,765)	(7,167)	(5,589)	(3,490)	(3,329)	(3,564)	(3,588)	(3,905)	(5,131)	(5,505)	233	(17,332)
Cash and cash equivalents at end of period	million yen	36,231	29,580	21,183	21,374	21,668	17,236	23,953	25,305	31,473	32,429	20,281	35,509
Total employees	person	2,023	2,210	2,422	2,374	2,252	2,284	2,317	2,294	2,431	2,560	2,703	2,548
Bookings per employee	million yen	79	70	60	61	61	69	71	79	84	80	86	86
Revenue per employee	million yen	78	70	59	60	62	67	66	76	77	79	70	82
Gross profit per employee	million yen	21	16	13	13	13	15	16	19	20	22	19	20
Operating income per employee	million yen	8	4	1	2	1	2	3	5	7	8	6	8

CAGR : compound annual growth rate

Equity = Total net assets - Share acquisition rights - Non-controlling interests

* Diluted earnings per share for fiscal 2015 is not shown because there is a net loss per share although there are residual shares.

* Diluted earnings per share for fiscal 2011 and before is not shown because there are no residual shares.

* Although the Company conducted a 200-for-1 stock split on April 1, 2012, book-value per share and earnings per share have been calculated on the assumption that the stock split was conducted at the beginning of fiscal 2010.

* Effective from fiscal 2022, we have begun recording a portion of labor costs and other expenses incurred through our engineering division (responsible for the rendering of services) as costs of revenue. These same labor costs and other expenses were previously booked as SG&A expenses.

Terminology	Meanings
Customer success	A technical support process that involves working with customers to help them achieve optimum system utilization. Through ongoing monitoring of ICT system usage post-installation, gaps in expected system performance can be identified and rectified. Proposals can also be made to update existing systems in line with advances in technology.
Customer facing	This term describes roles or duties that involve direct interaction with customers. To enrich our relationships with clients and expand our customer base, we must ensure organizational circumstances and work styles that maximize the skills and efficiency of sales and engineering staff.
Smart factories	Smart factories enable the creation of new added value, by acquiring and collecting data regarding all equipment, facilities, and the work of the personnel in the factory using IoT networks, and analyzing and utilizing such data.
Smart manufacturing	Smart manufacturing aims to decarbonize and enhance manufacturing performance, by enhancing efficiency through the use of IoT, big data, AI, etc. This refers to the digitalization of manufacturing, which uses data to connect all corporate activities, including not only factories, but also product design, supply chains, production, distribution, and sales.
Three lines model	A model of an organization's risk management and control activities. Generally, the first line consists of the business department, the second line the management department, and the third line the internal audit department. In the case of the Company, we have established our own 1.5 line to monitor the first line, in order to ensure discipline as well as the establishment of effective business rules.
Zero trust / Zero trust network	A new security measure which replaces the conventional perimeter defense type of security that works to protect the internal network from the outside. This is a mechanism that protects information assets and ICT assets by verifying the reliability of access through appropriate authorization, in an ICT environment where various users and devices are connected, such as cloud use and remote work.
Digital government	A revision by national and local governments of the administrative services they provide through the utilization of digital technology and data, with the aim of transforming the very nature of government itself. Digital government aims to create new value from the perspective of users such as citizens and companies.
Integrated Service Business	This is our unique business model, which builds an engagement model that maximizes value for our customers, along with an expansion of lifecycle services that utilize the intellectual property we have accumulated thus far. We provide new value through co-creation with our customers and business partners by linking a variety of intellectual properties.
2025 Digital Cliff	A term coined in METI's "DX Report" (2018), which refers to the prediction that "there is a possibility that Japan's international digital competitiveness will stagnate after 2025, due to the retirement of IT system personnel who support corporate legacy systems, and the resulting continuation of system black-boxization, as well as a lack of progress in digitalization."
Managed Service Provider (MSP)	A business provider that provides support from line connection to usage. In addition to conducting various analyses that are necessary when introducing ICT systems / equipment, MSPs provide simple usage of equipment similar to home appliances, at a fixed monthly fee.
Lifecycle service	Services that support the development of the ICT infrastructure strategies of customers, by expanding the scope of proposals from traditional services such as design, installation and maintenance to operations, as well as overall system optimization.
Reference	Customers referring to examples from other companies before introducing a new system. In principle, we provide our customers with examples of our internal use and application of systems, as part of our basic proposal activities at the Company.
COPC (Customer Operations® Performance Center) certification	An international standard established to contribute to customers, through high-quality contact center operations. Organizations that consistently produce high-level results in terms of service speed, response quality, operational efficiency, and customer satisfaction are certified.
DX (Digital Transformation)	The utilization of ICT technology to create new revenue models and significantly enhance operational efficiency. At the Company, we are focused on the digitalization of business processes (netone DX) in providing lifecycle services. In order to improve productivity, we are promoting behavioral reforms, including revisions of organizations and personnel systems.
Green transformation (GX)	This term refers to viewing efforts to achieve a decarbonized society as opportunities for economic growth and social change. The Net One Group aims to simultaneously contribute to the achievement of a sustainable society and facilitate sustainable growth through cutting-edge ICT.
Multi-access edge computing (MEC)	This network architecture concept shortens communication delays and reduces network load by placing servers in decentralized locations near IoT devices and mobile devices, thereby achieving high-speed processing.
netone on netone	To support customers by eliminating anxiety when introducing a new system and in deploying effective ICT utilization at an early stage, by actively disseminating our ICT utilization case studies to our customers.
OT security services	Services we provide for comprehensive support to accurately identify ICT assets, visualize vulnerabilities, reduce potential risks, and monitor communications, in an OT (Operational Technology: technology to control and operate production equipment and systems) environment where various devices and mechanisms that are unique to manufacturers are used.
Secure access service edge (SASE)	SASE is a technological concept according to which security and networking functions are integrated and managed using cloud-based technology. SASE technology allows security to be maintained even when accessing cloud-based networks externally.
SOC (Security Operation Center)	Our security monitoring system, which consists of our high-quality security analysis infrastructure and a team of dedicated security analysts.
XOC (Expert Operation Center)	Our operation center, which supports high network availability 24 hours a day, 365 days a year. It is one of the largest integrated operation management services in Japan.

Adoption in ESG indices

JPX-Nikkei Index 400	New JPX Prime 150 Index
FTSE Blossom Japan Sector Relative Index	MSCI Japan Empowering Women Index (WIN)
New iSTOXX MUTB Japan Platinum Career 150 Index	New Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

Work style (work-life balance, empowerment of women)

We have acquired the "Kurumin Mark" from MHLW (certified in 2013) for activities to promote work-life balance, and have also received the "Eruboshi certification (second stage)" for our activities to promote the empowerment of women.



Partners Companies' Awards

The Group has built strong cooperative relationships with a variety of domestic and overseas partner companies. We have received numerous awards in recognition of our achievements in customer success using our partner companies' products and services, and our contributions to the promotion of our partner companies' businesses.

IR Activities

- Selected as a "AAA website" for listing under the All Markets Ranking of Nikko Investor Relations' All Japanese Listed Companies' Website Ranking for fiscal 2022

Website information

IR	https://www.netone.co.jp/english/investor-relations/ We also post IR news as well as IR materials such as financial results briefing materials and Annual Securities Reports.	
Sustainability	https://www.netone.co.jp/sustainability/ (Japanese only) We provide an overview of our basic approach and initiatives regarding aspects of society and the environment.	
Corporate governance	https://www.netone.co.jp/sustainability/esg/governance/corporate/ (Japanese only) In addition to our Corporate Governance Report, we also publish our Corporate Governance Guidelines.	