DTS (TSE Code: 9682)

Uncovering True Earnings Potential Hidden By Conservative Guidance and Generative AI-driven Opportunities to Rerate Corporate Value

GIR View

Executive Summary

DTS CORPORATION (hereinafter "DTS") demonstrated in its financial results for the second quarter of the fiscal year ending March 31, 2026 that it is transforming from a traditional system integrator (SIer) into a high-value-added, highly profitable digital transformation (DX) partner at a pace exceeding market expectations. The fact that operating profit grew significantly by 25.2% year-on-year, compared to year-on-year net sales growth of 11.8%, is evidence that this is not a temporary upturn but rather a structural improvement in profitability that is taking hold.

The rationale behind evaluating DTS as an attractive investment opportunity can be summarized in four points.

1. **High Mix of High-Margin Projects Achieves Medium-term Management Plan Targets Ahead of Schedule:** The net sales ratio of focus businesses, a key growth driver, reached 62.2% as of the second quarter of the fiscal year ending March 31, 2026. This means the target of 57% set for the final year of the medium-term management plan (2025-2027), ending March 31, 2028, has already been significantly exceeded in the first half of the plan's initial year. DTS's "transformation towards high-value-added business" is accelerating at a pace exceeding the plans of top management, directly contributing to improved operating profit margins.

2. **Upside Potential Suggested by Conservative Full-Year Guidance**: Despite the sharp growth in operating profit (up 25.2% year-on-year) in the first half, DTS kept its full-year operating profit forecast for the fiscal year ending March 31, 2026 at 15.5 billion yen. This forecast implies that the second half should see a decline

KEY STATISTICS

Key Stock Statistics	
Recent Price (12/01/2025)	¥1,201
52-week High/Low	¥1,362/¥851
Shares Outstanding	163,954,928 shares
Market Cap	¥193,395 million
PER	16.3 times
PSR	1.54 times
Dividend (Dividend Yield)	¥140.00 (2.93%) *Before share split

Sector Overview	
Sector	Information and Communications

Financials (FY 03/2026 CE)	
Sales	¥135,000 million
Operating Profit Margin (%)	7.0%
EBITDA Margin (%)	N/A

Management	
President & CEO	Tomoaki Kitamura
URL	https://www.dts.co.jp/en/

in operating profit of approximately 7.6% year-on-year. DTS attributes this profit decline scenario to planned **growth investments carried over from the first half** and employee compensation (bonuses, etc.) adjusted for inflation in the second half. However, considering the strong momentum in the first half and the solid order backlog (up 8.0% year-on-year), the full-year forecast appears incredibly conservative even after accounting for these planned costs. This strongly suggests a high likelihood of an upward revision to the earnings forecast during the fiscal year, which could serve as a catalyst for boosting the share price.

3. **Rapid Implementation and Monetization of the Generative AI Strategy**: The establishment of the Generative AI Business Promotion Office (April 2025) and collaboration with OpenAI Japan LLC (September 2025) go beyond mere research and development. DTS has already recorded 2 billion yen in sales in the first half within the AI/generative AI field, which it positions as a forward-looking investment area. This represents a solid step towards its long-term target of 10 billion yen in net sales by fiscal year 2030.

4. **Strong Commitment to Shareholder Returns and Capital Efficiency**: The completion of 2.5 billion yen in treasury share acquisitions and the subsequent cancellation of all acquired shares demonstrate the top management's strong commitment to capital efficiency and EPS growth. The 4-for-1 share split to enhance liquidity, coupled with an expected high total return ratio of 73.9%, represents measures directly linked to boosting shareholder value.

Overall, DTS's current share price likely does not yet fully reflect its rapid transformation into a structurally high-growth, high-profit company, its true earnings potential, which remains hidden behind conservative guidance, and the future value the company's AI strategy is poised to deliver. Against the backdrop of accelerated achievement of its medium-term management plan and robust shareholder return initiatives, the company is ripe for a **rerating** opportunity from the market, presenting an attractive investment opportunity from a medium- to long-term perspective.

Figure 1: Consolidated Financial Highlights

Indicator	FY 03/2026 Q2 (Billions of Yen)	FY 03/2025 Q2 (Billions of Yen)	Year-on-year	Full-year Forecast Progress Rate
Consolidated net sales	66.93	59.85	+11.8%	49.6%
Gross profit	14.79	13.22	+11.9%	48.6%
Operating profit	8.08	6.45	+25.2%	52.1%
Ordinary profit	8.23	6.62	+24.3%	51.9%
Profit attributable to owners of parent	5.52	4.47	+24.6%	50.6%
EBITDA	8.50	6.78	+25.3%	50.9%

Source: Prepared by Global IR, Inc. based on financial results briefing materials and financial results summaries.

Record-breaking First-Half Performance

Consolidated results for the second quarter (cumulative first half) of the fiscal year ending March 31, 2026 achieved record-high net sales and operating profit, delivering exceptionally strong results. Net sales reached 66.92 billion yen (up 11.8%, or 7.07 billion yen, year-on-year), while operating profit reached 8.08 billion yen (up 25.2%, or 1.62 billion yen). Notably, the growth rate of operating profit more than doubled that of net sales.

Consequently, the operating profit margin improved by 1.3 percentage points, rising from 10.8% (6.45 billion yen / 59.85 billion yen) in the same period last year to 12.1% (8.08 billion yen / 66.92 billion yen). This clearly demonstrates a structural improvement in profitability (i.e., increased added value), reflecting the quality of the business alongside its expansion. Ordinary profit reached 8.23 billion yen (up 24.3% year-on-year), and profit attributable to owners of parent for the interim period was 5.46 billion yen (up 22.6% year-on-year), achieving robust growth in both the quality and quantity of profits.

Structural Margin Improvement: High Value-Added Growth Across All Segments

The 1.62 billion yen increase in operating profit achieved in the second quarter of the fiscal year ending March 31, 2026, when examined in detail, confirms the structural transformation of DTS.

(+) **Increase in operating profit from higher net sales (1.16 billion yen)**: This demonstrates that business scale expansion is the foundation for profit growth.

(+) **Improved profit margins (760 million yen)**: This is the core of DTS's transformation. This 760 million yen represents a pure improvement in profit margins, independent of net sales growth, driven by a higher proportion of high-margin projects (i.e., focus business). It reflects DTS's deliberate shift towards a more profitable business rather than merely pursuing scale.

(-) **Growth investments (R&D-related expenses: 150 million yen; increased talent investment: 140 million yen)**: These are strategic investments for future growth. Notably, the increased investment in human resources (140 million yen) signifies DTS's proactive spending on recruitment, talent development, and retention in response to potential talent shortages—the greatest IT industry-wide risk. This represents concrete execution of investment in human capital, a pillar of DTS's medium-term management plan, and can be evaluated favorably as a positive activity towards securing a long-term competitive advantage.

These investments (totaling 290 million yen) were absorbed, and further profit margin improvement (up 760 million yen) was achieved, resulting in robust operating profit growth of 25.2%. The increased added value of the projects driving profit margin improvement is further verified by examining segment-specific results.

Operation and Solutions Segment:

- Net sales: 26.68 billion yen (up 5.4%); operating profit: 3.56 billion yen (**up 19.9%**)
- Core system redesign (modernization) projects for insurance companies and local governments performed solidly. While first-half order volumes declined due to the reversal of last year's special demand from financial institutions driven by rising interest rates, medium- to long-term trends are expected to remain favorable. High-margin proprietary solutions (AMLion, fire service systems, etc.) drove profit growth (up 19.9%).

Technology and Solutions Segment:

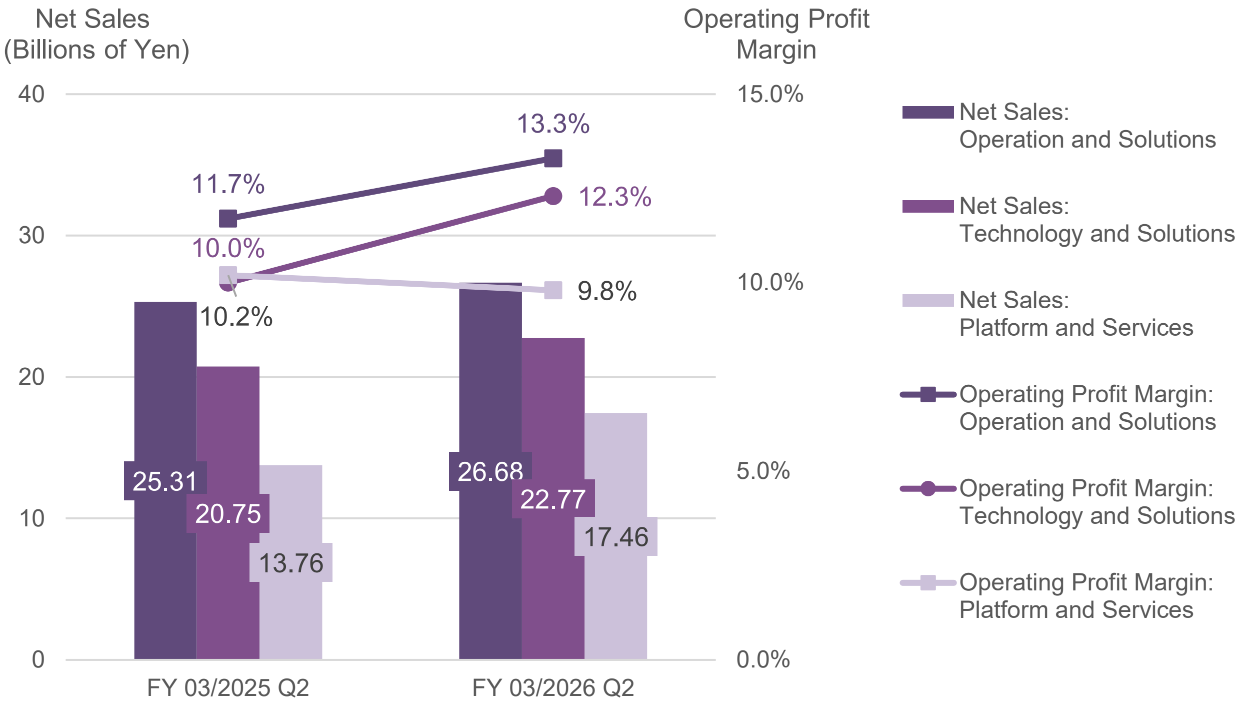
- Net sales: 22.77 billion yen (up 9.7%); operating profit: 2.79 billion yen (**up 34.9%**)
- Continues to be the segment with the most significant profit growth. In addition to high-value-added projects, such as cloud infrastructure upgrades and cybersecurity measures for securities firms, the enterprise application services domain—including ServiceNow, intra-mart, and mcframe—expanded rapidly, substantially boosting profit margins.

Platform and Services Segment:

- Net sales: 17.46 billion yen (up 26.8%); operating profit: 1.71 billion yen (**up 22.3%**)
- Major projects, including generative AI infrastructure construction for data centers and lifecycle management services for financial institutions, drove net sales growth. While net sales surged (up 26.8%), profit growth was limited to 22.3% due to an increase in lifecycle management projects, which have relatively lower profit margins.

These figures indicate that the shift towards high-value-added focus business is progressing successfully across all segments.

Figure 2: Segment Performance



Source: Prepared by Global IR, Inc. based on financial results briefing materials and financial results summaries.

Full-Year Earnings Forecast: Conservative Guidance Indicates Upside Potential

DTS announced strong results for the second quarter of the fiscal year ending March 31, 2026 while maintaining its full-year consolidated earnings forecast for the same period. The full-year forecast projects net sales of 135 billion yen (up 7.2% year-on-year) and operating profit of 15.5 billion yen (up 7.0% year-on-year).

First-half results were 66.92 billion yen in net sales and 8.08 billion yen in operating profit. This brings the progress rate against the full-year forecast at the end of the first half to **49.6% for net sales and 52.1% for operating profit**, indicating particularly strong progress exceeding the plan on the profit side. It is important to note that despite the strong 52.1% progress rate in the first half, the full-year forecast remains unchanged. Decoding the background of this unchanged forecast reveals how conservative DTS's guidance is and how significant the upside potential for performance truly is.

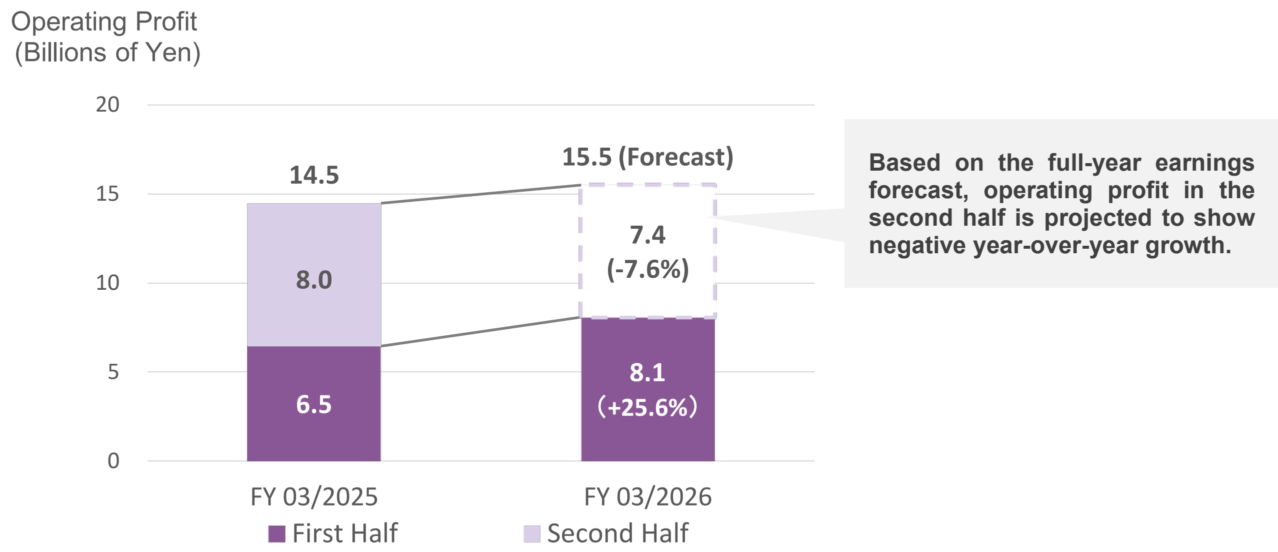
- **First Half (Actual):** Operating profit reached 8.08 billion yen, achieving robust growth of 25.2% year-on-year.
- **Full Year (Company Forecast)**: Operating profit is forecast at 15.5 billion yen (up 7.0% year-on-year).
- Second Half (Implied from Full-Year Forecast): Operating profit 15.5 billion yen (full-year forecast) - 8.08 billion yen (first-half actual) = 7.42 billion yen

- Prior Year (Reference): Operating profit 14.48 billion yen (fiscal year ended March 31, 2025 full-year actual) - 6.45 billion yen (fiscal year ended March 31, 2025 first-half actual) = 8.03 billion yen
- **Conclusion**: The operating profit required in the second half to achieve the company's forecast (7.42 billion yen) represents a 7.6% decrease compared to the second half of the previous year (8.03 billion yen).

The company attributes the sudden shift from a 25.2% growth in the first half to a 7.6% decline in profits in the second half primarily to "the partial deferral of growth investments planned for the first half to the second half" and "consideration of employee compensation (such as bonuses), factoring in inflation and other factors." It also cites the peaking of bank-related large-scale projects as an influencing factor.

While the concentration of expense recognition in the second half is a reasonable explanation, Global IR believes this second-half profit decline scenario (down 7.6%) is indeed a conservative one, even after factoring in planned cost increases. This assessment is based on the strong business momentum demonstrated by first-half results (operating profit target progress rate of 52.1%) and the robust order backlog (up 8.0% year-on-year). Therefore, for investors, this indicates that **the likelihood of upward revisions to full-year earnings forecasts during the interim period (Q3 or Q4 earnings announcements) is remarkably high**, and it is expected to serve as a powerful positive catalyst for the share price.

Figure 3: Full-Year Earnings Forecast and First-Half Progress Rate (Operating Profit Analysis)



Source: Prepared by Global IR, Inc. based on financial results briefing materials and financial results summaries.

Focus Business: Accelerating Transformation Beyond the Medium-term Management Plan

The engine driving DTS's profitability improvement and growth is the shift towards focus business (high-value-added DX-related areas). The results for the second quarter of the fiscal year ending March 31, 2026 revealed that this transformation is progressing at a pace far exceeding market and top management expectations. DTS had set a target in its medium-term management plan (2025-2027) to raise the net sales ratio of focus business to **57%** by the end of the final year of the plan ending March 31, 2028. However, actual results for the second quarter of the fiscal year ending March 31, 2026 showed focus business net sales reaching 41.62 billion yen (a 33.0% increase from 31.3 billion yen in the same period last year), representing a **62.2%** share of total net sales of 66.92 billion yen.

In other words, the **final-year target (57%) of the medium-term management plan has already been exceeded by 5.2 percentage points during the first half of the plan's initial year (fiscal year ending March 31, 2026)**. DTS's transformation towards high-value-added business is accelerating at an overwhelming pace, advancing the plan by over two years. The breakdown of the 41.62 billion yen achieved in the focus business during the first half demonstrates that DTS's strengths align with market demand.

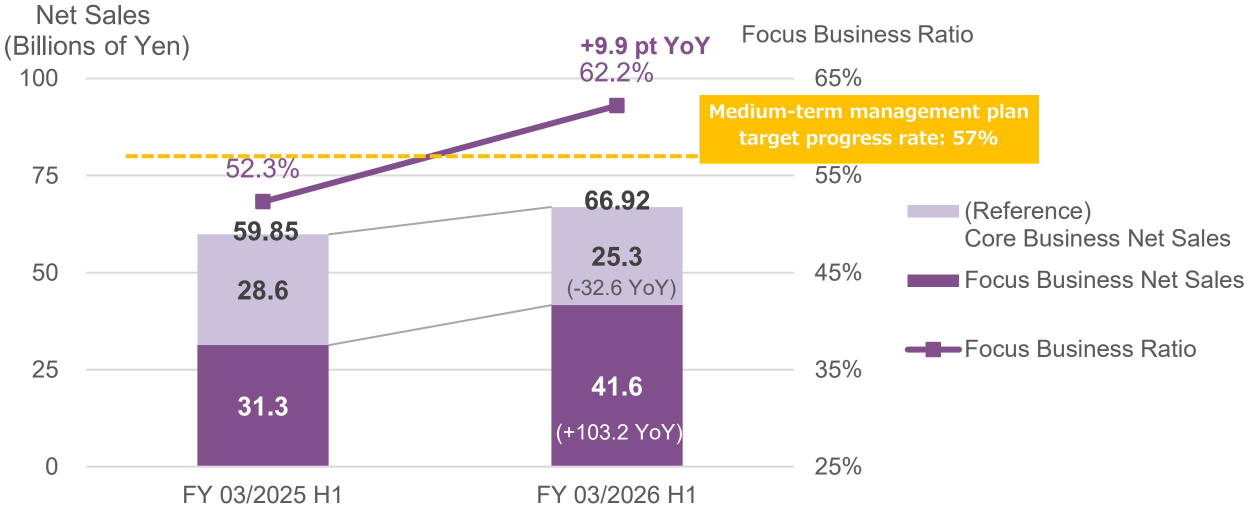
(1) **Cloud Computing & Modernization (13.9 billion yen)**: This core DTS domain saw steady progress on large-scale, ongoing projects such as core system redesign for insurance companies.

(2) **Enterprise Application Services (7.0 billion yen)**: Strong performance from ServiceNow, SAP, intra-mart, and proprietary solutions (HOUSING CORE, FireWeb, etc.). The ServiceNow market is particularly booming globally, and DTS is effectively capturing this demand, directly contributing to the high profitability of the Technology and Solutions segment.

(3) **IoT & Edge Technologies (5.2 billion yen)**: This segment provides stable net sales streams, including embedded software development for automakers and RFID solutions.

(4) **AI/Generative AI (2.0 billion yen)**: Positioned as a forward-looking investment area, the company has already recorded 2 billion yen in sales during the first half. Specific projects, such as infrastructure construction for data centers, have entered the monetization phase.

Figure 4: Trends in Focus Business Net Sales and Composition Ratio



* "Core business" is a category introduced in the current medium-term management plan; therefore, FY 03/2025 results are calculated as the residual between total net sales and focus business net sales.
Source: Prepared by Global IR, Inc. based on financial results briefing materials and financial results summaries.

As shown in Figure 4, DTS's growth stems from the rapid expansion of its focus business by 10.32 billion yen, while its core business (traditional legacy SI) contracted by 3.26 billion yen. This demonstrates DTS's deliberate execution of selection and concentration, shifting resources and project portfolios from core business to focus business. This strategic portfolio shift is the driving force behind the dramatic improvement in profit margins, with operating profit increased by 25.2% against net sales growth of 11.8%.

Figure 5: Focus Business Segment Performance (FY 03/2026 Q2)

Area Category	Area	FY 03/2026 H1 Actual Net Sales (billions of yen)	Major Project Examples
Concentrated investment	Cloud computing & modernization	13.9	Core system redesign for insurance companies, hybrid cloud environment construction
Concentrated investment	Data utilization	1.2	Data integration platform development for mobility operators
Concentrated investment	Security & managed services	3.4	AMLion implementation for online banks, zero trust implementation support
Concentrated investment	Enterprise application services	7.0	SAP, ServiceNow, intra-mart, proprietary solutions (e.g., FireWeb)
Concentrated investment	IoT & edge technologies	5.2	Embedded development for automobile manufacturers, RFID solutions
Forward-looking investment	**AI & generative AI**	**2.0**	**Generative AI infrastructure construction for data centers, code auto-generation**
Forward-looking investment	CX (customer experience value)	1.4	Digital marketing support, CRM system development (Salesforce)
Other	-	7.1	Lifecycle management services for financial institutions

Source: Prepared by Global IR, Inc. based on financial results briefing materials and financial results summaries.

Strategic Move: Commercializing AI and Generative AI

The most noteworthy strategic area for creating future value at DTS is AI and generative AI. The company's efforts go beyond merely following technological trends; through rapid organizational framework development and concrete alliances, it is transitioning into the monetization phase.

In April 2025, DTS established the Generative AI Business Promotion Office. This office is a specialized organization dedicated to supporting generative AI adoption, providing AI-native solutions, and driving customer operational transformation, demonstrating the company's strategic focus. Furthermore, in the second quarter, as part of its strategic alliances, DTS began collaboration with OpenAI Japan LLC in September 2025. This partnership reflects that DTS's AI strategy is a comprehensive initiative that covers three aspects.

1. **Customer Business Transformation (SI)**: Leverage comprehensive capabilities as a total SIer to embed OpenAI technology into customers' existing systems and achieve business transformation.

2. **Enhancing Added Value (Proprietary Solutions)**: Develop AI-native proprietary solutions to elevate DTS's unique added value.

3. **Improving Productivity (Internally)**: Utilize code generation support (Coding Agent) and other tools to drive efficiency and productivity improvements in internal system development and various operational tasks.

The company explains that while progress in AI adoption is **rapid in areas such as CX (customer experience)**, it is **slower in core systems**, indicating a disparity in pace across different domains. This suggests the company is advancing its strategy based on a realistic understanding of the challenges.

While its application to enhance internal productivity is still in its early stages, this forward-looking investment area has already generated 2 billion yen in sales during the first half of the fiscal year through projects such as building infrastructure for data centers. This lends strong credibility to the long-term target of **10 billion yen in net sales related to AI and generative AI by the end of fiscal year 2030**.

Capital Efficiency and Human Capital: Value Return to Investors and Employees

As often highlighted in past reports, DTS demonstrates a strong commitment not only to reinvesting generated cash into business growth but also to enhancing shareholder value and improving capital efficiency—a trend that continues.

Dividend: The annual dividend forecast remains at 140 yen (adjusted for share split), maintaining a stable and high payout ratio of 51.1% for the fiscal year ending March 31, 2026 (forecast).

Treasury Share Acquisition and Cancellation: Completed 2.5 billion yen (509,300 shares) in treasury share acquisitions between May and July 2025. Furthermore, in August 2025, the company cancelled all shares of the acquired treasury shares.

High Total Return Ratio: The total return ratio for the fiscal year ending March 31, 2026, combining dividends (forecast: 5.5 billion yen) and treasury share acquisitions (actual: 2.5 billion yen), is expected to reach 73.9%. This demonstrates DTS's highly proactive stance towards shareholder returns.

Share Split: A **4-for-1 share split** was implemented effective October 1, 2025. This reduces the investment unit price, expected to broaden the base of individual investors and enhance share liquidity.

Furthermore, there is no neglect in investing in human capital as the foundation for sustainable growth. The IT services industry faces an industry-wide risk symbolized by the 2025 digital cliff, which is a severe shortage of IT talent and soaring labor costs. The foundation for DTS's sustainable growth hinges on securing and developing outstanding engineers.

DTS recognizes this as one of its most critical priorities and has explicitly positioned investment in human capital as a pillar of its medium-term management plan. To reiterate, this policy is concretely reflected in the 140 million yen recorded in the second quarter as increased investment in human resources.

Furthermore, the company mentioned in its full-year outlook that it is considering employee benefits, factoring in inflation during the second half. This is a factor that will pressure second-half profits (as explained by the company), while simultaneously representing proactive investment against the industry's greatest risk: talent shortages. These are not short-term profit detractors but rather strategic expenditures that should be viewed positively. They serve to secure long-term competitive advantages (recruitment strength, technical capabilities, employee engagement) and strengthen the foundation for DTS's sustainable growth.

Investment Evaluation and Risk Factors to Consider

In summary, it is clear that DTS is transforming at a pace exceeding market expectations, evolving from its traditional identity as a stable, low-growth legacy SIer into a high-growth, high-profit DX partner.

The catalysts driving future share price performance can be summarized in three points.

1. **Expectations for Upward Revision of Earnings**: The full-year guidance, which appears conservative even when considering planned investments in the second half (deferred growth investments, employee benefits), strongly suggests a high probability of future upward revisions to earnings.

2. **Monetization of AI Strategy**: The generative AI strategy, including collaboration with OpenAI, has already begun contributing to earnings with 2 billion yen in sales revenue in the first half, heightening market expectations as a new growth driver towards the 10 billion yen target for fiscal 2030.

3. **Exceptional Capital Policy**: A high total payout ratio of 73.9%, a strong commitment to capital efficiency through the full cancellation of treasury shares, and improved liquidity via a 4-for-1 share split function as factors supporting and driving the share price upward.

The current analyst consensus and share price may not yet fully reflect this pace of transformation and the earnings potential that lies hidden behind the conservative guidance. We believe there is significant upside potential for the share price through a rerating as market perceptions catch up with the actual developments. However, when making investment decisions, it is also necessary to consider the risk factors detailed below.

External Risks:

- **IT Talent Shortages and Rising Labor Costs**: This is an industry-wide risk, and cost pressures are likely to persist due to intensifying recruitment competition. DTS is proactively addressing this risk through investment in human capital and consideration of employee benefits in the second half of the year.
- **Macroeconomic Uncertainty**: An economic downturn could dampen corporate IT investment appetite. However, the DX and modernization investments DTS handles are considered essential for maintaining corporate competitiveness and are expected to possess relatively defensive characteristics, meaning they are less susceptible to economic fluctuations.

Internal Risks and Contingent Liabilities:

- **Incident**: Improper payments made in prior years by an overseas subsidiary, which may constitute violations of local anti-corruption laws and regulations, are disclosed as contingent liabilities in the financial results summary.
- **Current Status**: No provision has been recorded for potential future fines or penalties from local authorities, as it is currently difficult to estimate reasonably.
- **Global IR View**: This is a tail risk appropriately disclosed from a transparency perspective. Even if losses were to materialize in the future, given DTS's strong financial base (net assets of 59.77 billion yen and an equity-to-asset ratio of 74.6% as of the second quarter of the fiscal year ending March 31, 2026), the financial impact is currently judged to be limited. However, investors should continue to monitor developments regarding this matter.

Figure 6: Consolidated Results

Accounting Period	Net Sales (mn)	YoY (%)	Operating Profit (mn)	YoY (%)	Ordinary Profit (mn)	YoY (%)	Profit (mn)	YoY (%)	EPS (Yen)	PER (Times)
FY 03/2016	82,537	110.6	7,599	118.2	7,707	118.2	4,341	117.6	186.6	11.5
FY 03/2017	79,858	96.8	7,986	105.1	8,093	105.0	5,121	118.0	222.4	12.4
FY 03/2018	83,163	104.1	8,523	106.7	8,574	105.9	5,765	112.6	247.9	14.8
FY 03/2019	86,716	104.3	9,789	114.8	9,929	115.8	6,817	118.2	292.2	14.0
FY 03/2020	94,618	109.1	10,674	109.0	10,849	109.3	7,317	107.3	158.0	11.9
FY 03/2021	90,493	95.6	10,817	101.3	11,131	101.3	7,593	103.8	165.4	15.2
FY 03/2022	94,452	104.4	11,196	103.5	11,403	102.4	7,853	103.4	172.7	15.5
FY 03/2023	106,132	112.4	11,694	104.4	11,932	104.6	8,001	101.9	181.4	17.7
FY 03/2024	115,727	109.0	12,508	107.0	12,831	107.5	7,293	91.1	168.5	23.8
FY 03/2025	125,908	108.8	14,489	115.8	15,457	120.5	10,635	145.8	253.8	15.7
FY 03/2026 CE	135,000	107.2	15,500	107.0	15,850	102.5	10,900	102.5	-	-

Source: Prepared by Global IR, Inc. based on company securities reports and company IR materials.
Note: Rounded to the nearest million yen, rounded to one decimal place. CE: "Company Estimate"

Management Indicators

Financial Data (Consolidated: Quarterly) (Millions of Yen)

Accounting Period	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	FY 03/2026			
						Q1	Q2	H1	Full-year (CE)
Operating revenue	90,493	94,452	106,132	115,727	125,908	32,908	34,018	66,926	135,000
YoY (%)	95.6	103.3	110.0	109.0	108.8	113.9	109.9	111.8	107.2
Profit before tax	11,100	11,384	11,637	11,592	15,131	3,946	4,286	8,232	15,850
YoY (%)	103.0	102.6	102.2	99.6	130.5	130.1	119.5	124.6	104.8
Profit before tax margin (%)	12.3	12.1	11.0	10.0	12.0	11.2	12.6	12.3	11.7
Profit attributable to owners of parent	7,630	7,837	8,005	7,293	10,635	2,696	2,770	5,466	10,900
YoY (%)	104.3	102.7	102.1	91.2	145.8	132.1	114.3	122.7	102.5
Profit margin (%)	8.4	8.3	7.5	6.3	8.4	8.2	8.1	8.2	8.1

Per Share Data (Consolidated)

Accounting Period	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025
Total number of shares issued and outstanding (thousand shares)	50,445	49,073	47,591	46,854	41,498
EPS	165.49	172.78	181.41	168.51	253.80
EPS adjusted	-	-	-	-	-
BPS	1,293.61	1,376.05	1,408.81	1,451.61	1,440.87
DPS	60.00	70.00	120.00	103.00	127.00

Cash Flows (Millions of Yen)

Accounting Period	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025
Depreciation and amortization	535	532	608	628	703
Cash flows from operating activities	9,459	7,589	7,642	10,410	9,181
Cash flows from investing activities	(787)	(139)	(931)	(8,516)	(2,322)
Cash flows from financing activities	(3,848)	(5,025)	(9,095)	(7,817)	(16,087)

Financial Data (%)

Accounting Period	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025
Return on assets (ROA)	10.1	9.9	9.9	8.8	13.2
Return on equity (ROE)	13.3	13.0	13.0	11.8	17.7
Equity-to-asset ratio	78.8	78.4	76.1	73.4	72.2

Source: Prepared by Global IR, Inc. based on company securities reports and company IR materials.
Note: Rounded to the nearest million yen, rounded to one decimal place. CE: “Company Estimate”

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