



Briefing on Results for the 1st quarter FY2024

– January to March 2024 –



CAC Holdings Corporation



Agenda

1. Overview of Financial Results for the 1st quarter FY2024
2. Consolidated Forecasts for FY2024
3. Progress of Medium-Term Management Plan
4. Reference



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Overview of Financial Results for the 1st quarter FY2024



Overview of Consolidated Results

(JPY mil)	1st quarter FY2023	1st quarter FY2024	YoY change	
			Amount	%
Net sales	12,441	12,855	+413	+3.3%
Gross profit	3,040	3,263	+223	+7.4%
(Profit margin)	24.4%	25.4%	+1.0pt	
SG & A	2,120	2,325	+205	+9.7%
Operating profit	920	938	+18	+2.0%
(Profit margin)	7.4%	7.3%	-0.1pt	
Ordinary profit	708	874	+166	+23.4%
(Profit margin)	5.7%	6.8%	+1.1pt	
Extraordinary income	31	0	-31	-98.0%
Extraordinary losses	—	37	+37	—
Total extraordinary income & losses	31	-36	-68	—
Profit^{*1}	463	509	+45	+9.9%
(Profit margin)	3.7%	4.0%	+0.2pt	
Adjusted EBITDA^{*2}	1,127	1,144	+17	+1.5%
Orders received	17,615	16,894	-721	- 4.1%
Order backlog	17,851	20,878	+3,027	+17.0%

Overview of profit and loss

- Net sales increased slightly due to the increase in sales of domestic core subsidiaries and the effect of the depreciation of the yen, despite the impact of the deconsolidation.
- Operating profit also increased slightly due to the promotion of management efficiency, despite the deconsolidation and increase in SG & A expenses including growth investment.
- Ordinary profit increased year-on-year mainly due to the impact of foreign exchange gains.

Overview of adjusted EBITDA

- Almost the same as the overview of operating profit described above.

Overview of orders received and order backlog

- Orders received decreased mainly due to Overseas IT.
- Order backlog increased mainly due to Domestic IT.

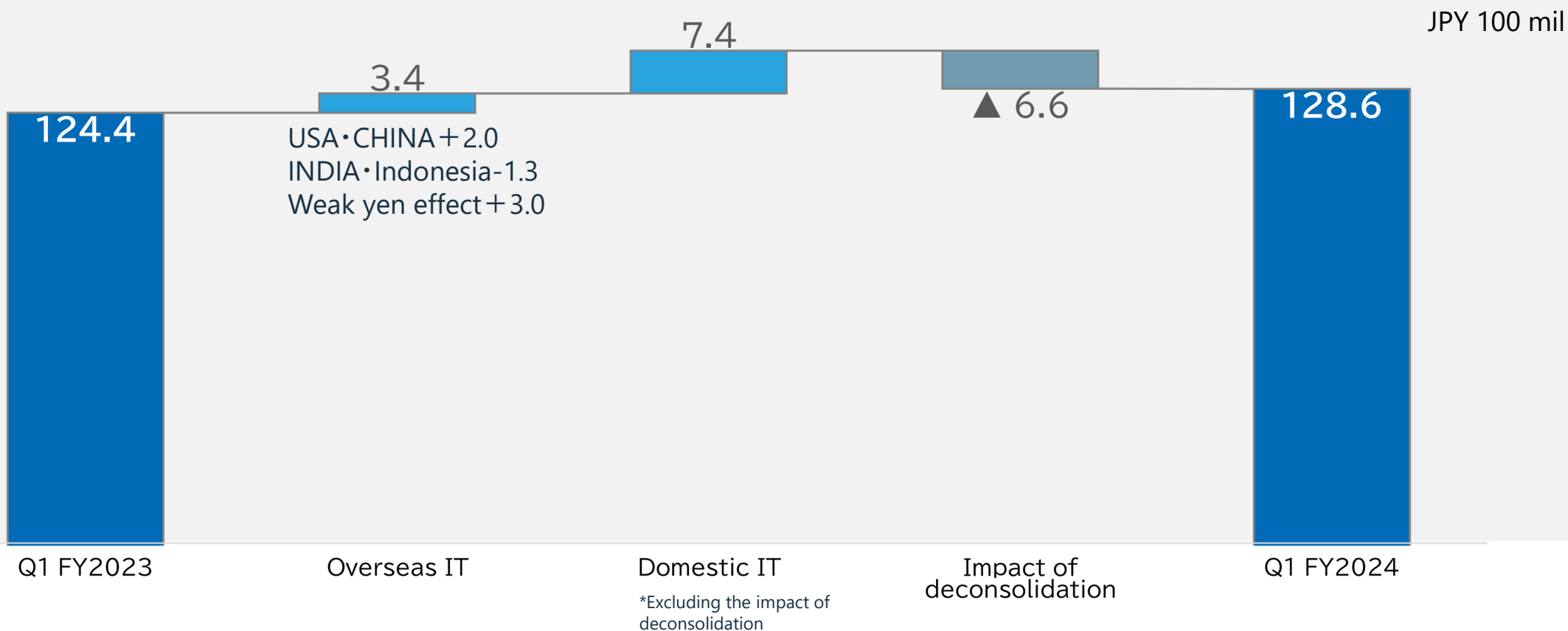
*1 Profit attributable to owners of parent *2 Adjusted EBITDA= Operating profit + Depreciation + Goodwill amortization + Share-based payment expenses





Net Sales Analysis

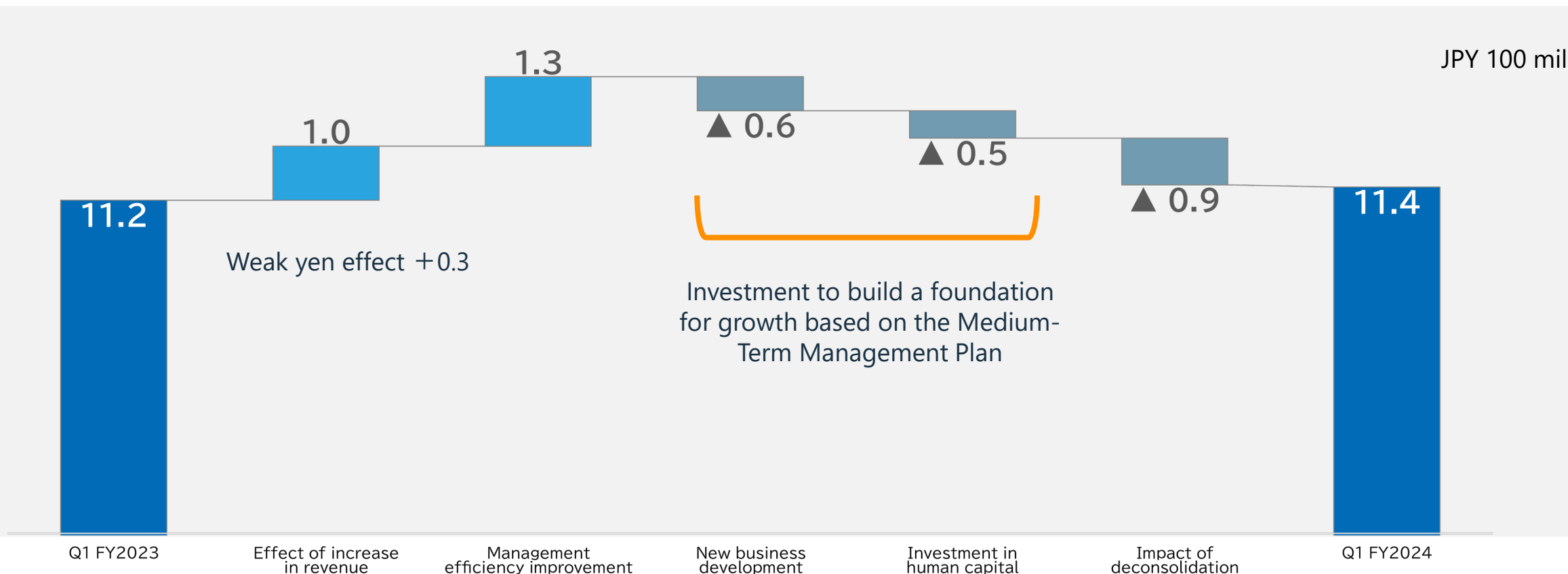
- Despite the impact of the deconsolidation (exclusion of one subsidiary in Domestic IT business from consolidation), net sales increased slightly year-on-year due to the growth of core subsidiaries and the weak yen.





Adjusted EBITDA Analysis

- Although there was a decrease in profit due to active investment for growth foundation (for example, investment in new business development and human capital) and the deconsolidation, there was a slight increase due to the effect of increase in revenue and cost reduction through management efficiency improvement.





Net Sales / Adjusted EBITDA by Segment

Net Sales

For details, please refer to Overview by Segment.

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	9,310	74.8%	9,388	73.0%	+77	+0.8%
Overseas IT	3,130	25.2%	3,466	27.0%	+336	+10.7%
Total	12,441	100.0%	12,855	100.0%	+413	+3.3%

Adjusted EBITDA

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	1,081	11.6%	1,130	12.0%	+48	+4.4%
Overseas IT	379	12.1%	367	10.6%	-12	- 3.3%
Adjustment	-334	—	-352	—	-18	—
Total	1,127	9.1%	1,144	8.9%	+17	+1.5%

* The Company has changed a method for calculating segment profit from FY2023. Consequently, the amounts of adjustment reflect corporate expenses that are not allocated to individual reportable segments.





(Reference) Net Sales / Operating Profit by Segment

Net sales

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	9,310	74.8%	9,388	73.0%	+77	+0.8%
Overseas IT	3,130	25.2%	3,466	27.0%	+336	+10.7%
Total	12,441	100.0%	12,855	100.0%	+413	+3.3%

Operating profit

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	1,015	10.9%	1,067	11.4%	+51	+5.1%
Overseas IT	267	8.6%	257	7.4%	-10	-4.1%
Adjustment	-363	—	-385	—	-22	—
Total	920	7.4%	938	7.3%	+18	+2.0%

* The Company has changed a method for calculating segment profit from FY2023. Consequently, the amounts of adjustment reflect corporate expenses that are not allocated to individual reportable segments.





Orders Received / Order Backlog by Segment

Orders Received

For details, please refer to Overview by Segment.

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	11,458	65.0%	11,438	67.7%	-19	- 0.2%
Overseas IT	6,157	35.0%	5,455	32.3%	-701	- 11.4%
Total	17,615	100.0%	16,894	100.0%	-721	- 4.1%

Order Backlog

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Domestic IT	10,988	61.6%	12,569	60.2%	+1,581	+14.4%
Overseas IT	6,862	38.4%	8,308	39.8%	+1,446	+21.1%
Total	17,851	100.0%	20,878	100.0%	+3,027	+17.0%





Overview by Segment: Domestic IT

(JPY mil)	1st quarter FY2023	1st quarter FY2024	YoY change	
Orders received	11,458	11,438	-19	-0.2%
Net sales	9,310	9,388	+77	+0.8%
Adjusted EBITDA	1,081	1,130	+48	+4.4%
Profit margin	11.6%	12.0%	—	+0.4pt
Order backlog	10,988	12,569	+1,581	+14.4%

Summary

- Orders received and net sales were unchanged from the same period of the previous fiscal year due to the increase in sales of core subsidiaries, despite the impact of deconsolidation.
- Adjusted EBITDA was unchanged from the same period of the previous fiscal year due to the promotion of management efficiency, despite the impact of increase in SG & A expenses including investment for growth and deconsolidation.
- Order backlog increased mainly driven by major customers.





Overview by Segment: Overseas IT

(JPY mil)	1st quarter FY2023	1st quarter FY2024	YoY change	
Orders received	6,157	5,455	-701	-11.4%
Net sales	3,130	3,466	+336	+10.7%
Adjusted EBITDA	379	367	-12	-3.3%
Profit margin	12.1%	10.6%	—	-1.5pt
Order backlog	6,862	8,308	+1,446	+21.1%

Reference: Performance excluding the effect of the yen depreciation (estimate)

	Q1 FY2024	YoY	
Orders Received	4,975	-1,181	-19.2%
Net sales	3,156	+25	+0.8%
Adjusted EBITDA	338	-41	-10.8%
Order Backlog	7,554	+691	+10.1%

Summary

- Orders received decreased mainly due to the significant decrease in projects in financial services and information & communications, despite the increase due to the weaker yen.
- Net sales increased mainly due to the effects of the weaker yen and the increase in projects in the U.S. and China, while projects in Financial services in India decreased.
- Adjusted EBITDA decreased mainly due to the increase in personnel expenses in Indonesia.
- Order backlog increased due to the increase in India and the effect of the depreciation of the yen.





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Forecasts for FY2024



Forecasts for FY2024

- As the progress has been largely in line with expectations, the full-year earnings forecast remains unchanged.
- The annual dividend forecast remains unchanged.

(JPY mil)	FY2024			FY2023
	1st quarter Results	Forecast	%	Results
Net sales	12,855	51,500	+25.0%	50,539
Adjusted EBITDA*	1,144	4,500	+25.4%	4,143
(as % of sales)	8.9%	8.7%	-	8.2%
ROE	-	8.3%	-	8.2%
Equity spread	-	1.3%	-	1.2%
Annual dividend	-	¥80	-	¥80
DOE	-	4.7%	-	4.6%

※ Adjusted EBITDA= Operating profit + Depreciation + Goodwill amortization + Share-based payment expenses





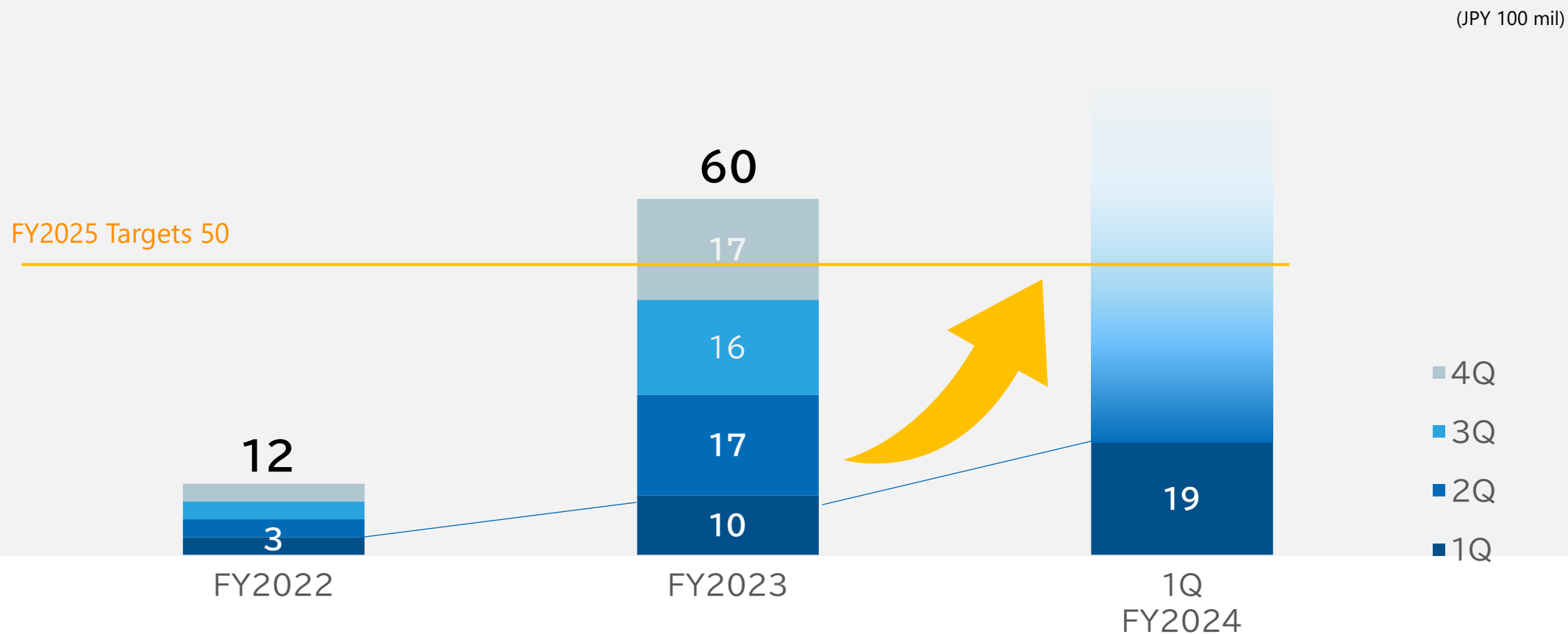
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Progress of Medium-Term Management Plan



Trend in Net Sales of P&S (Products and Services) Business

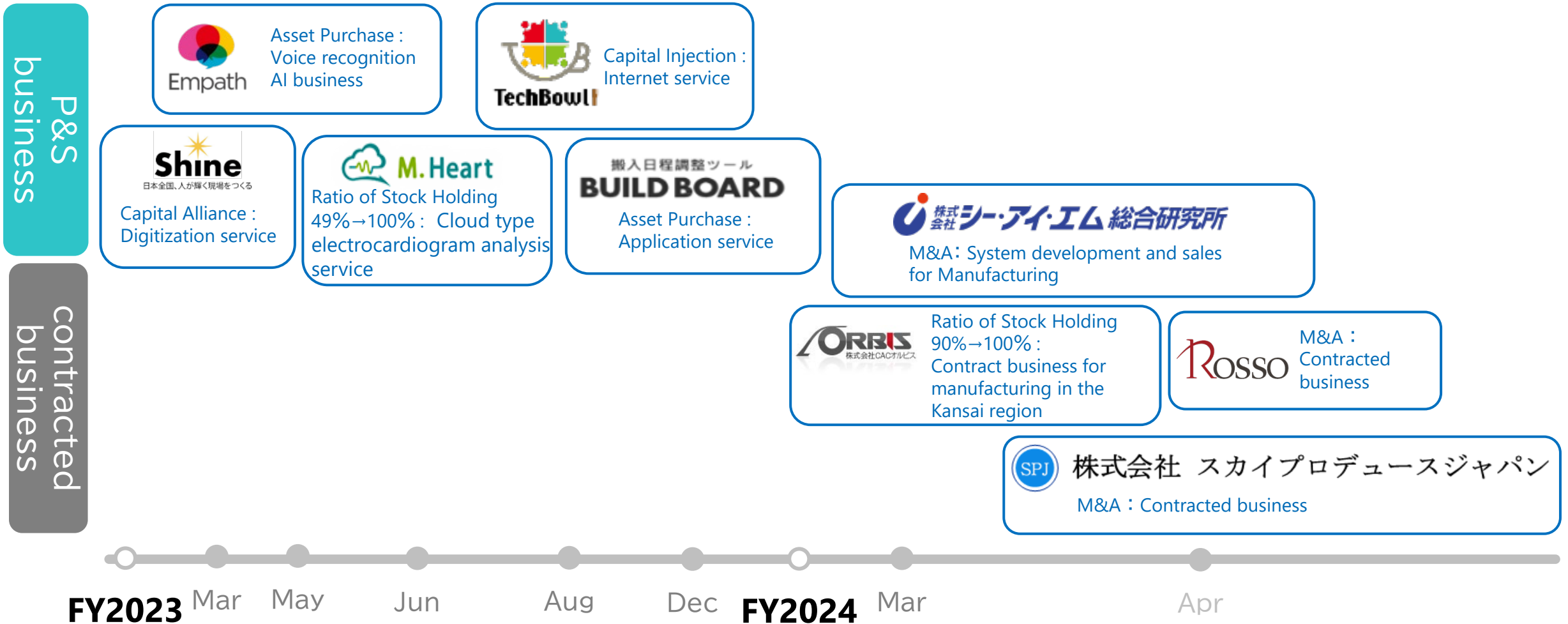
- In the product and service business, sales remained strong.





Business Expansion through M&A and Capital Alliance

- Based on the Medium-Term Management Plan, we implemented M&A and capital alliance with the aim of expanding P&S business and contracted business from 2023.
- 4 M&A were conducted from January 2024 through March 2024. We expect synergies from the second quarter of 2024.





Status of Investments for Growth

- From FY2022 through the first quarter of 2024, we spent about 4.7 billion yen.
- Investments were made with assets held and borrowings.
- Business investment increased due to M&A, etc.

Investment fund	Main investment purpose	Investment execution amount (Until FY2023)	Investment execution amount (Until 1st quarter FY2024)	Investment execution amount (Until FY2025)
Cash and deposits Investment securities Borrowings	Personnel investment	cumulative total Around ¥1.3 _{bn}	cumulative total Around ¥1.61 _{bn}	cumulative total At least around ¥6.5 _{bn}
	Business investment	cumulative total Around ¥1.17 _{bn}	cumulative total Around ¥3.08 _{bn}	cumulative total At least around ¥10.0 _{bn}





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Reference



Orders Received by Industry

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Financial services	4,903	27.8%	5,077	30.0%	+173	+3.5%
Pharmaceuticals	3,895	22.1%	4,160	24.6%	+265	+6.8%
Manufacturing	2,405	13.7%	2,477	14.7%	+71	+3.0%
Information & communications	3,012	17.1%	1,783	10.6%	-1,228	- 40.8%
Services and others	3,399	19.3%	3,395	20.1%	-3	- 0.1%
Total	17,615	100.0%	16,894	100.0%	-721	- 4.1%



Net Sales by Industry

(JPY mil)	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
Financial services	4,028	32.4%	4,428	34.4%	+400	+9.9%
Pharmaceuticals	2,122	17.1%	2,269	17.7%	+147	+6.9%
Manufacturing	2,092	16.8%	1,825	14.2%	-267	- 12.8%
Information & communications	1,806	14.5%	1,683	13.1%	-122	- 6.8%
Services and others	2,392	19.2%	2,646	20.6%	+254	+10.7%
Total	12,441	100.0%	12,855	100.0%	+413	+3.3%





Orders Received by Segment & Industry

	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
(JPY mil)						
Domestic IT	11,458	65.0%	11,438	67.7%	-19	-0.2%
Financial services	2,585	14.7%	2,891	17.1%	+306	+11.9%
Pharmaceuticals	3,660	20.8%	3,898	23.1%	+238	+6.5%
Manufacturing	1,809	10.3%	1,730	10.2%	-79	-4.4%
Information & communications	820	4.6%	537	3.2%	-282	-34.5%
Services and others	2,583	14.6%	2,380	14.1%	-202	-7.8%
Overseas IT	6,157	35.0%	5,455	32.3%	-701	-11.4%
Financial services	2,318	13.2%	2,185	12.9%	-132	-5.7%
Pharmaceuticals	234	1.3%	261	1.5%	+26	+11.4%
Manufacturing	595	3.4%	747	4.4%	+151	+25.4%
Information & communications	2,192	12.5%	1,246	7.5%	-945	-43.1%
Services and others	815	4.6%	1,014	6.0%	+198	+24.4%
Total	17,615	100.0%	16,894	100.0%	-721	-4.1%





Orders Received by Segment & Industry

	1st quarter FY2023		1st quarter FY2024		YoY change	
	Amount	%	Amount	%	Amount	%
(JPY mil)						
Domestic IT	9,310	74.8%	9,388	73.0%	+77	+0.8%
Financial services	2,815	22.6%	3,214	25.0%	+399	+14.2%
Pharmaceuticals	1,960	15.8%	1,992	15.5%	+31	+1.6%
Manufacturing	1,722	13.8%	1,457	11.3%	-265	-15.4%
Information & communications	870	7.0%	781	6.1%	-89	-10.3%
Services and others	1,942	15.6%	1,942	15.1%	+0	+0.0%
Overseas IT	3,130	25.2%	3,466	27.0%	+336	+10.7%
Financial services	1,212	9.8%	1,214	9.4%	+1	+0.1%
Pharmaceuticals	162	1.3%	277	2.2%	+115	+71.2%
Manufacturing	370	3.0%	368	2.9%	-1	-0.5%
Information & communications	935	7.5%	902	7.0%	-33	-3.6%
Services and others	449	3.6%	704	5.5%	+254	+56.6%
Total	12,441	100.0%	12,855	100.0%	+413	+3.3%



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