Financial Results for the Fiscal Year Ended March31, 2024

Pro-Ship Incorporated (SIC 3763, TSE Prime Market)
July 3, 2024

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Financial Highlights for FY2024

Pro-Ship
Speciality for Customer

- The business performance of the 1st quarter ended March 2024 deteriorated due to fixing problems with a large project.
- Net sales and operating profit in the year increased by recovering activities from the 2nd quarter, but it was lower than the initial forecast.
- Selling, general and administrative expenses increased due to rising labor cost and R&D acceleration.

	FY2023/3	FY2024/3	YoY
Net sales	¥6,600m	**¥6,812m**	+3.2%
Operating profit	¥1,630m	**¥1,632m**	+0.1%
Ordinary profit	¥1,831m	**¥1,877m**	+2.5%
Ordinary profit margin	27.7%	**27.6%**	—
Profit attributable to owners of the parent	¥1,299m	**¥1,349m**	+3.8%

Financial Highlights for FY2024

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		FY2023/3	FY2024/3	YoY
Q1	Net sales	¥1,498m	**¥1,296m**	△13.5%
	Operating profit	¥251m	**¥23m**	△90.7%
	Ordinary profit	¥274m	**¥39m**	△85.6%
	Ordinary profit margin	18.3%	**3.1%**	—
Q2 to Q4	Net sales	¥5,101m	**¥5,516m**	+8.1%
	Operating profit	¥1,379m	**¥1,609m**	+16.7%
	Ordinary profit	¥1,556m	**¥1,838m**	+18.1%
	Ordinary profit margin	30.5%	**33.3%**	—

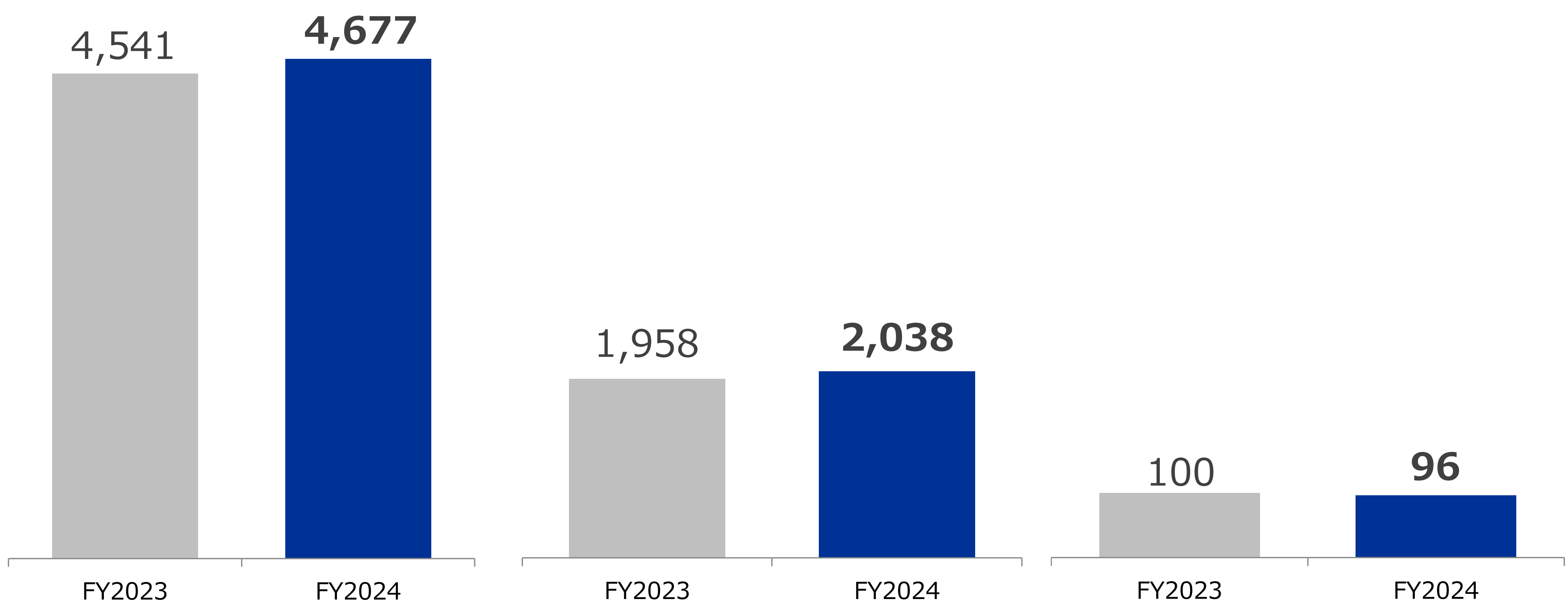
Breakdown of net sales

- Packages : Revenue increased due to upgrade of existing customers, acceleration of large projects, etc.
- Maintenance : Revenue increased due to a growth in the number of users, etc.

(Millions of yen)

Packages* +3.0% YoY	Maintenance +4.1% YoY	Others -4.0% YoY

*Sales of ProPlus licenses and implementation services.



Contributing factors of increase in operating profit

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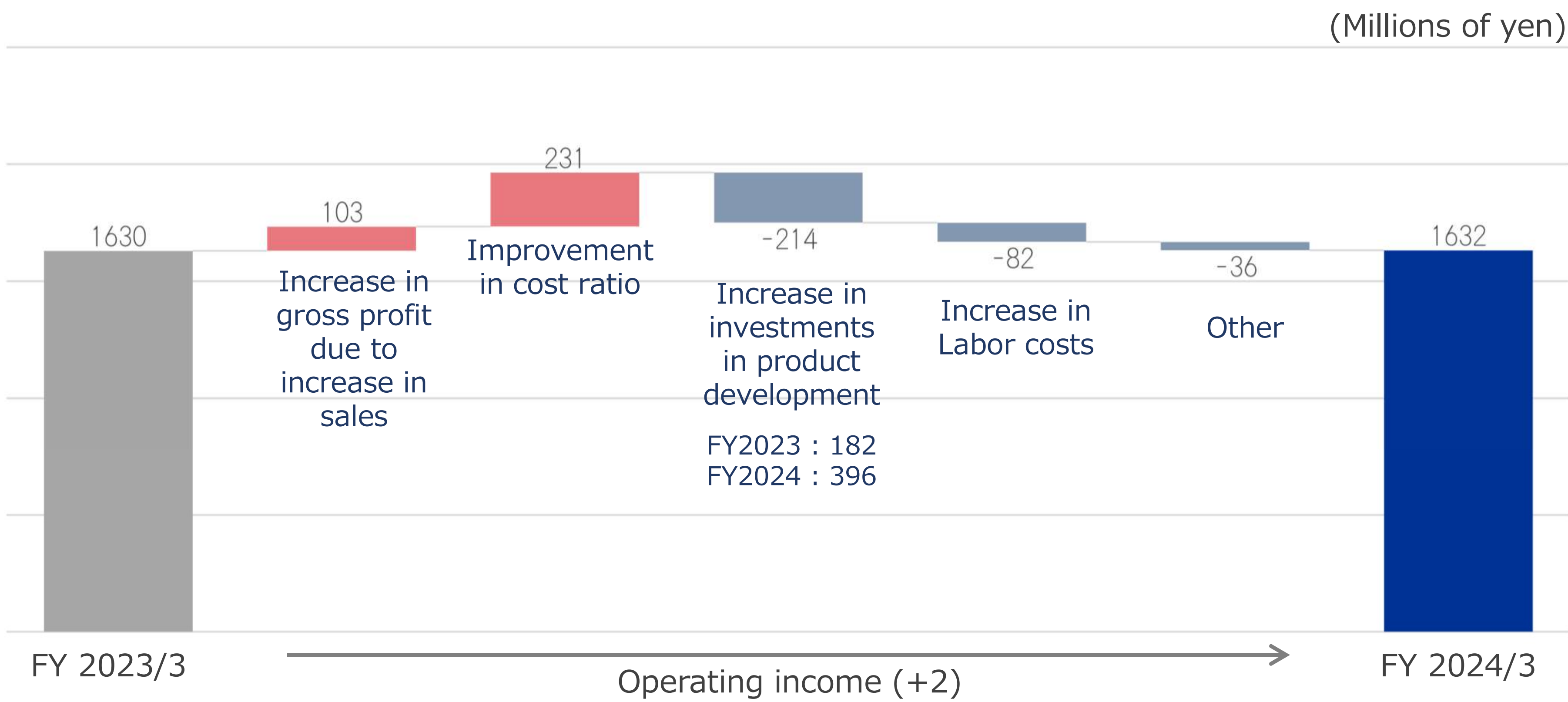
Operating profit increased by ¥2m year on year. Below is the contributing factors:

- Increase in total gross profit on sales due to increase in sales (+¥103 YoY)
- Increase in total gross profit on sales due to improvement in cost ratio (+¥231m YoY)
- Increase in investment in product development (SG&A expenses) (+¥214m YoY)
- Increase in labor costs (SG&A expenses) (+¥82m YoY)



Orders received and order backlog

- Packages : Order amount decreased due to prioritize upgrades for existing customers.
  Order backlogs decreased due to factors such as bringing forward the acceptance inspections.
- Maintenance : Both orders and backlogs increased due to a growth in the number of new users.

FY2024/3				
Item	**Orders received**	**YoY**	**Order backlog**	**YoY**
Packages	¥4,572m	△5.4%	¥2,325m	△4.3%
Maintenance	¥2,480m	+19.4%	¥2,721m	+19.4%
Others	¥102m	△3.1%	¥47m	+13.9%
Total	¥7,156m	+1.9%	¥5,094m	+7.2%

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Forecast of results for FY2025 (ending March 31)

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- The previous fiscal year's increase in revenue is expected to continue. Factors for this increase include the handling of existing customers' upgrades to new versions of software and sales activities to develop new customers, particularly in the infrastructure industry.
- Profits are expected to increase despite proactive investments such as the development of new products to meet changes in accounting standards for leases, the acquisition of excellent workforces and preparations for the opening of the SAGA office.

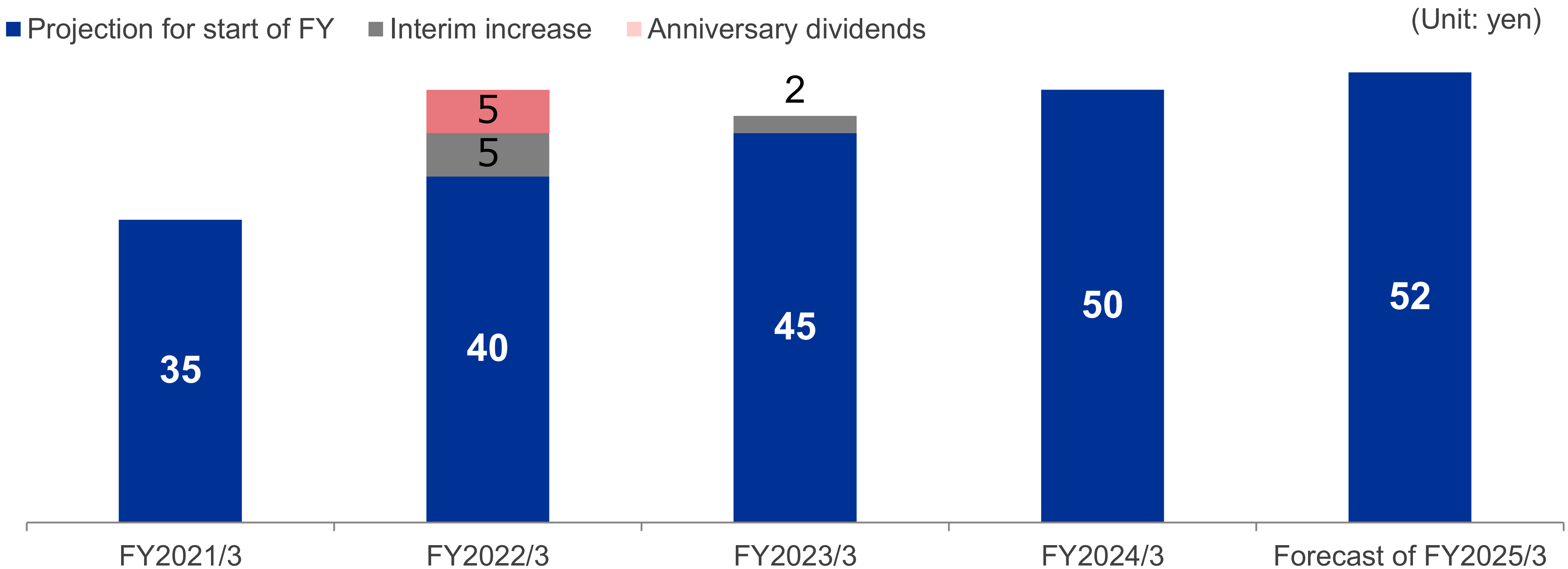
	Results FY2024 (ended March 31)	Forecast FY2025 (ending March 31)	YoY
Net sales	¥6,812m	**¥7,300m**	+7.1%
Operating profit	¥1,632m	**¥1,900m**	+16.4%
Ordinary profit	¥1,877m	**¥2,000m**	+6.5%
Ordinary profit margin	27.6%	**27.4%**	–
Profit attributable to owners of the parent	¥1,349m	**¥1,400m**	+3.7%

Forecast dividends per share for FY2025 (ending in March)

■ Dividend policy

We will strive to enhance equity capital and profitability.
At the same time, we will proactively return profits to shareholders in anticipation of future business development and growth.

(Unit: yen)



	FY2021/3	FY2022/3	FY2023/3	FY2024/3	Forecast of FY2025/3
Dividends	¥35	¥50	¥47	¥50	¥52
Payout ratio	44.9%	48.4%	48.7%	45.6%	45.7%

*The anniversary dividends paid in FY2022/3 is, respectively, dividends celebrating 5,000 companies using ProPlus.
*The projected payout ratio for FY2025/3 was calculated according to the number of shares at the end of FY2024/3.

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Focus Areas and Growth Strategies

Philosophy

Speciality for Customer

We develop our strongest specialties as professionals in specific areas of information systems and services in the global market. We contribute to the improvement of the corporate strength and competitiveness of more customers, participate in the spread and development of a global advanced information society, and fulfill our corporate social responsibility. As an organization, we have high levels of transparency, rules, and governance, and our activities are always based on thorough fundamentals, be creative, be self-reliant, be quick, and contribute to the self-realization of participants.

Vision / Purpose

Providing the world's best fixed asset management solutions

Company profile (as of April 1, 2024)

Trade name	Pro-Ship Incorporated
Established	April 1969
Capital	¥722m
Representative directors	Motoshi Suzuki, President
Number of employees	276
Address of head office	Sumitomo Fudosan Iidabashi Ekimae Bldg. 3-8-5 Iidabashi, Chiyoda-ku, Tokyo POST CODE 102-0072
Phone	050-1791-3000
Website	https://www.proship.co.jp
Nature of business	Development, sale, introduction and maintenance services for package solutions
Affiliated companies	Pro-Ship Frontier Proship Information System (Dalian)

History

Apr. 1969	Established (primary business: system consultation)
Jun. 1978	Developed and released ASPAC-I, an accounting system package
Mar. 1980	Developed and released FASPAC-I, a general fixed asset management system package
Jul. 1994	Developed and released ProPlus, a general information system package
Apr 2004	Opened Kansai Office in Chuo-ku, Osaka
Mar. 2005	Listed on JASDAQ Securities Exchange
Feb. 2007	Developed and released Ver. 5 of ProPlus fixed asset system
Aug. 2013	Developed and released SaaS-based spot goods control solution
Oct. 2013	Developed and released Ver. 2 of ProPlus lease management system
Jan. 2015	Total number of companies that have introduced ProPlus reached 4,000
Jun. 2016	Developed and released Ver. 6 of ProPlus fixed asset system
Oct. 2016	Listed in the Second Section of the Tokyo Stock Exchange
Sep. 2017	Listed in the First Section of the Tokyo Stock Exchange
Oct. 2017	Won 2017 Porter Prize
Aug. 2021	Total number of companies that have introduced ProPlus reached 5,000
Apr. 2022	Listed in the Prime Market of the Tokyo Stock Exchange
Apr 2024	Developed and officially released Solution for Pro-Plus for the electric power industry.

Products in the ProPlus series

■ Fixed Asset Management Solution
The leading fixed asset management solution for enterprises in Japan. We have been specializing these solutions for long time.

■ Lease Asset Management Solution
Improves efficiency of lease asset management and covers various aspects from contracts to generating accounting information.

■ CIP Accounts Subsystem
Improves the efficiency of complicated work of construction in progress accounts. Links seamlessly with our fixed asset solution.

■ Physical Checking Subsystem
Enables total management of physical checking of assets from planning to execution.

■ Lease/Rental Contract Management System
Offers efficient lease contract management for retail businesses and other multi-location operations.

■ Land Information Management Subsystem
This subsystem helps managing land information, utilized by industries such as railway companies that manage a significant amount of land.

■ Construction Settlement Solution : Smart
Uses OCR and AI technology to efficiently process large volumes of invoices generated from construction activities, significantly streamlining accounting data input.

■ Asset Inventory Management Solution (SaaS)
This provides efficient fixed asset inventory using mobile devices and cloud technology.

■ Solution for New Lease Accounting Standards
The first solution in the market for the upcoming changes in lease accounting standards of Japan. It calculates the accounting impact of the changes.

■ ProPlus for Electric Power Company New!!
Fixed asset management solution compliant with electricity business accounting regulations for the electricity industry.

Who's using the ProPlus series: Targeting

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Market share among top-selling companies in each industry

Industry	Companies using ProPlus
Construction	5 of 10 companies
Foods	8 of 10 companies
Textiles & Apparel	6 of 10 companies
Chemicals	4 of 10 companies
Pharmaceutical	3 of 10 companies
Oil & Coal Products	3 of 5 companies
Rubber Products	4 of 10 companies
Glass & Ceramics Products	3 of 10 companies
Iron & Steel	4 of 10 companies
Nonferrous Metals	6 of 10 companies
Metal Products	3 of 10 companies
Machinery	3 of 10 companies
Electric Appliances	5 of 10 companies
Transportation Equipment	6 of 10 companies
Precision Instruments	4 of 10 companies
Retail Trade	6 of 10 companies
Banks	3 of 5 companies
Securities & Commodity Futures	2 of 5 companies
Insurance	3 of 5 companies
Real Estate	7 of 10 companies
Marine Transportation	3 of 5 companies
Warehousing & Harbor Transportation Services	8 of 10 companies
Communications	6 of 10 companies
Electric Power & Gas	3 of 10 companies

Specialist products and services for enterprises or listed companies

Corporate groups using the ProPlus series

Over 5,300

Market share among top-selling companies in each industry

Over 50%

ProPlus is used in **all 33** of the industries designated by the stock exchange.

Used by leading companies in every industry

Pro-Ship Speciality for Customer

OKI Open up your dreams
AsahiKASEI
Takashimaya
ニチレイ
MOS BURGER.

FOOD & LIFE COMPANIES
SHIMIZU CORPORATION 清水建設
AJINOMOTO.
亀田製菓株式会社

KOBELCO
YAHOO! JAPAN

SUBARU
KFC
Pizza Hut
Canon
NISSAY
J.FRONT RETAILING

ISUZU
odakyu
松屋
EPSON EXCEED YOUR VISION
三菱地所
TDK

SAPPORO
TOKIO MARINE NICHIDO 東京海上日動
おいしさを笑顔に KIRIN
YONEX
HULIC

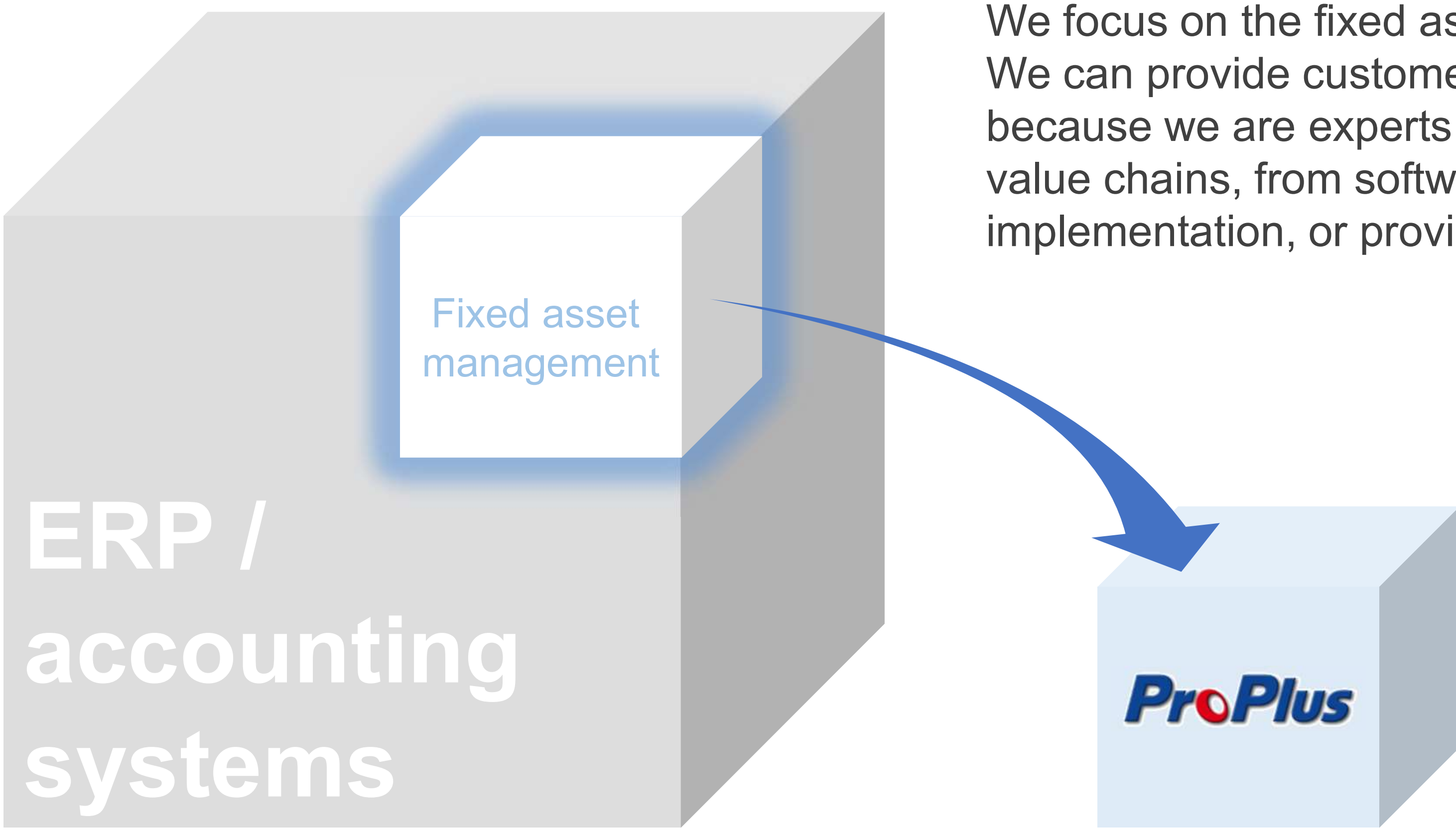
STARBUCKS
立ちどまらない保険。 MS&AD
フジテレビ
DeNA
大東建託
NISSIN HOLDINGS
ライフ

“Best of Breed” : Unique Positioning

Not ERP.
Not an accounting system.

Specialized solutions
for fix asset management.

We focus on the fixed asset management.
We can provide customers with high quality solution because we are experts and we cover all business value chains, from software development to system implementation, or providing support.



To maximize efficiency in fixed asset management, customers use our solution with their ERP.

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Focus Areas and Growth Strategies

Social infrastructure industry

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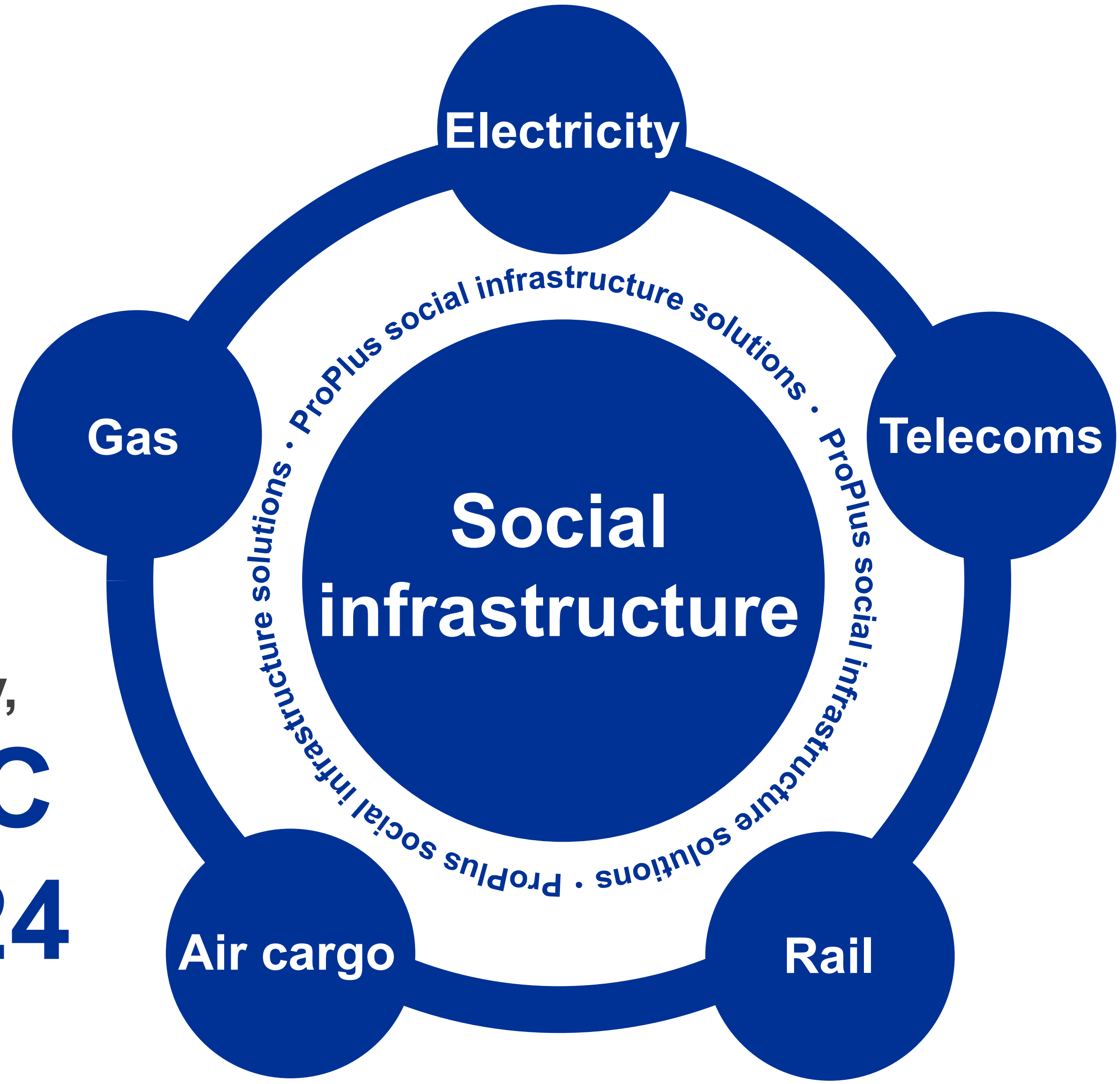
We provide standard-setting solutions for the social infrastructure industry, which owns large numbers of fixed assets and unique requirements.



Our first solution for the social infrastructure industry. For the electric power industry,

ProPlus for EPC released in 2024

Changes in lease accounting standards

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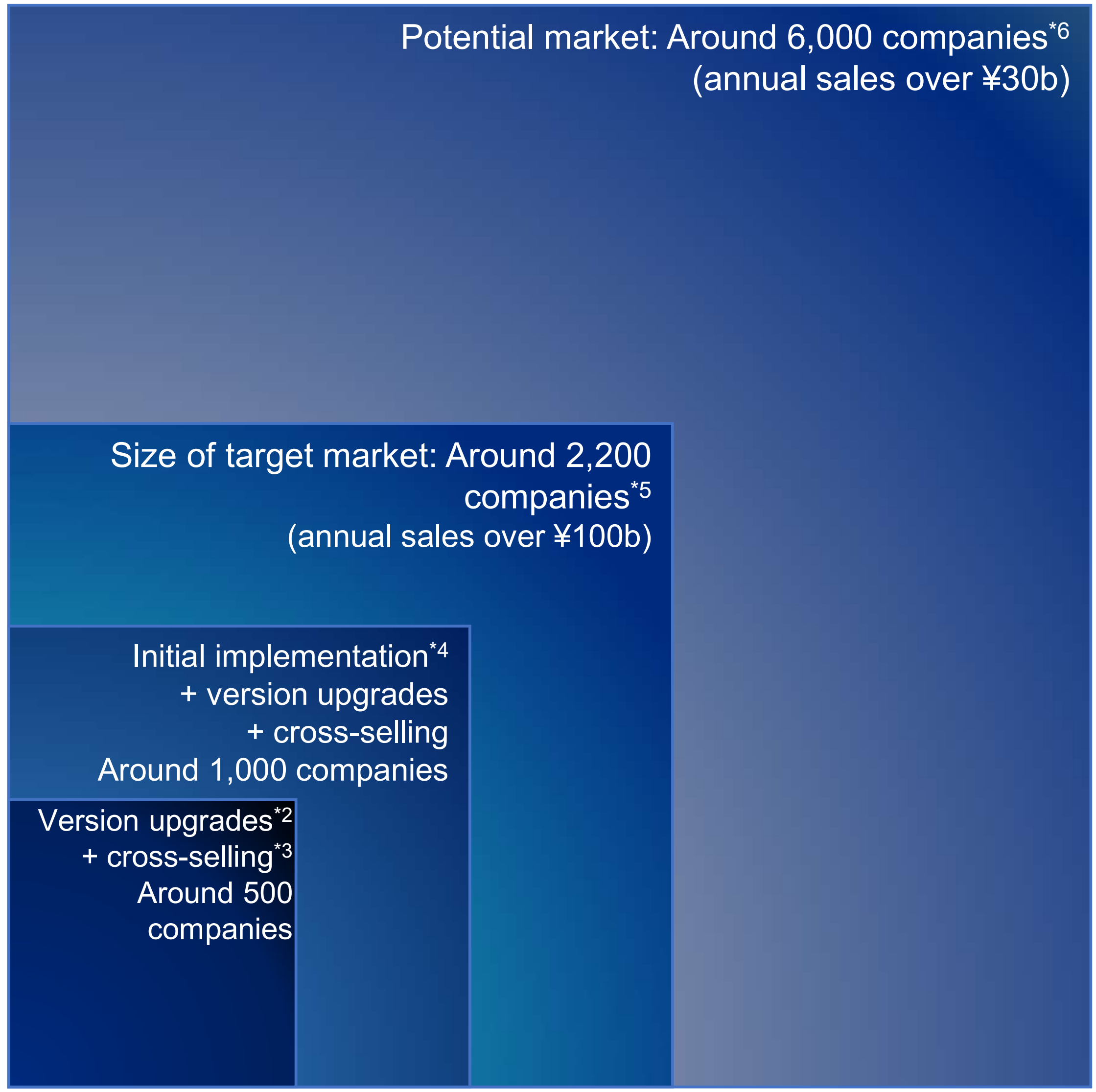
New Accounting Standard for Lease Transactions will be enforced from the business year starting April 2027.
We are going to meet the market's needs by our specialized solution, such as the solution for calculations of financial impact released in May 2023!

■ **Business opportunities in the lease accounting area**



Pro-Ship products increased share due to the enforcement of IFRS16 in 2019.

Companies implement our products due to IFRS: around 100[*1]

*1 IFRS-compliant Japanese companies and overseas subsidiaries that introduced our products. *2 Companies purchasing a new version of Pro-Ship products that they have purchased in the past. *3 Companies purchasing a different Pro-Ship product from one that they have purchased in the past. *4 According to our in-house database. *5 According to our in-house database and our own calculations, based on the Japan Company Handbook. *6 According to our in-house database and our own calculations, based on the Japan Company Handbook.

lease accounting standards

To meet customer's expectation, we establish the hybrid business model by adding subscription model(SaaS) to conventional license model.

Conventional On-premise and SI Model (License business)	SaaS Model (Subscription business)

Global expansion

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China
Tiwan
South Korea
Thailand
Singapore
Indonesia
Philippines
Malaysia
Vietnam
India
UAE

USA
Canada
Mexico
Brazil
England
Germany
France
Australia
Panama
Czech
Italy
Portugal

Switzerland
Finland
Denmark
Spain

■ Tax-compliant
■ Not compatible with tax system

Used in 222 companies and in 28 countries and regions

(as of March2024)

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TEAM

Total **E**nterprise **A**sset **M**anagement
We are making greater contributions in fixed asset management and related operations.

Be Hybrid 2028

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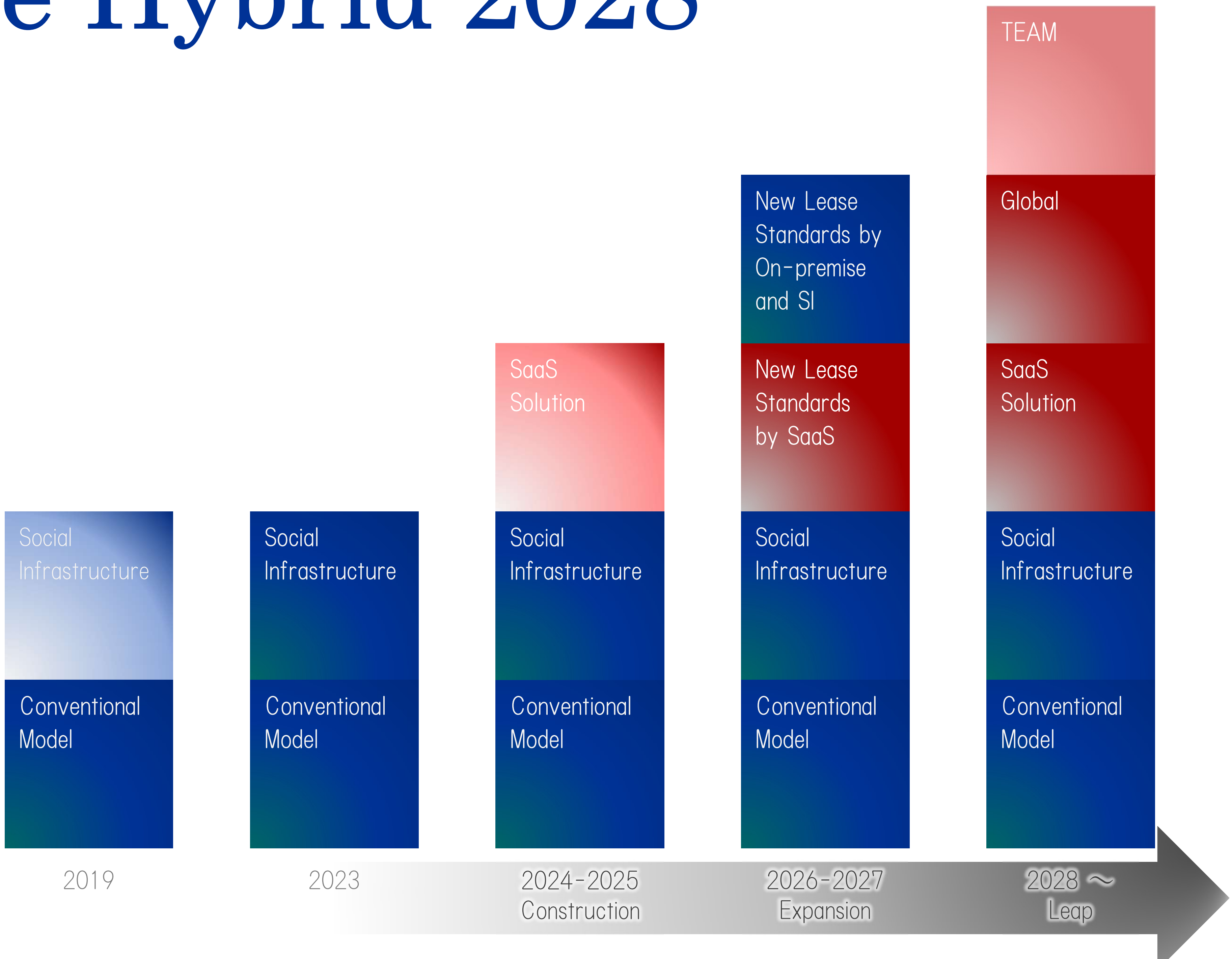

Number of Employees

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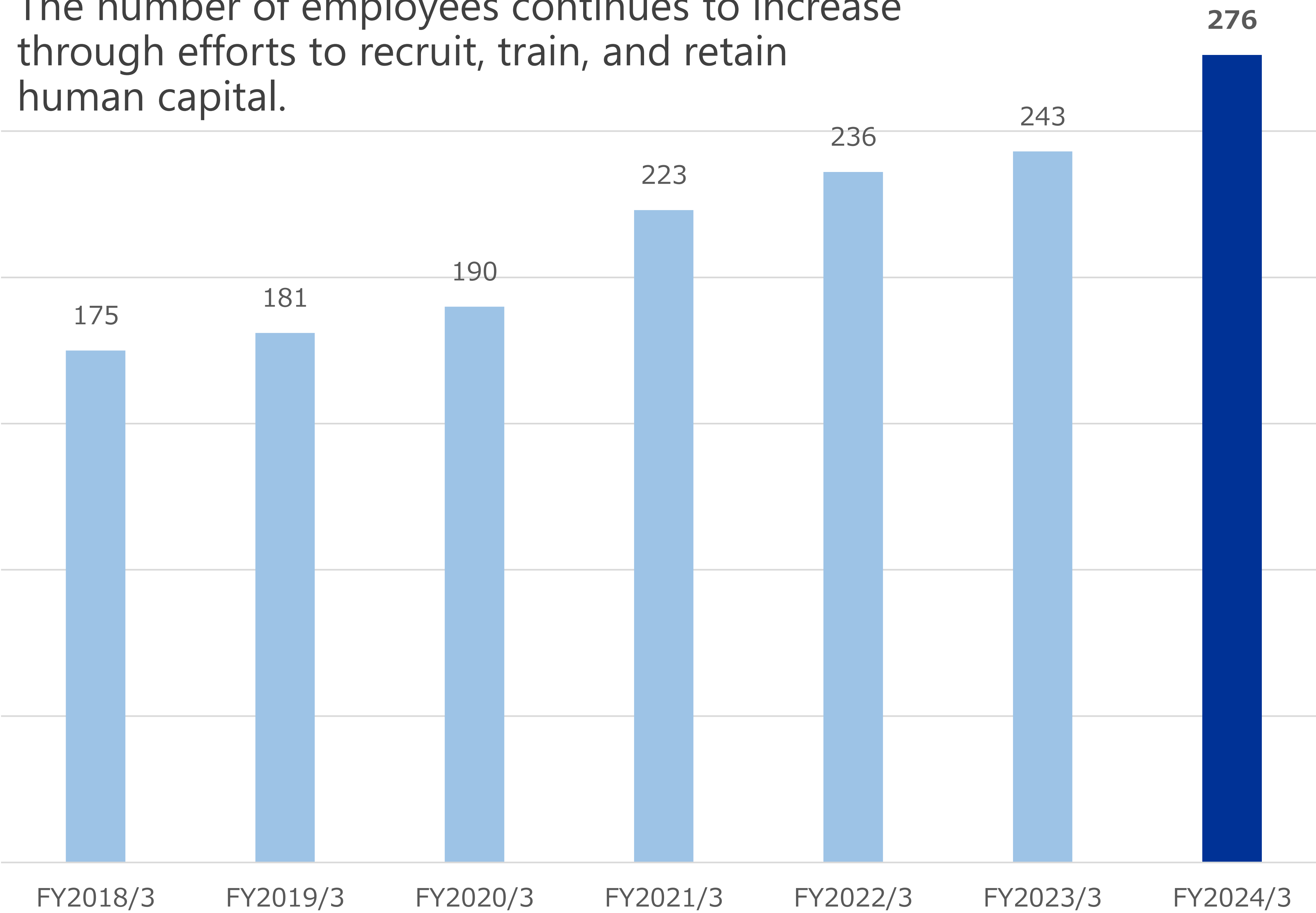
The number of employees continues to increase through efforts to recruit, train, and retain human capital.



Pro-Ship's human resources strategy

We have a unique framework to equip our employee who sympathize with our philosophy with the specialist skills, regardless of their knowledge, experience, education, gender or nationality.
It's not about just competing for personnel but about taking the initiative to develop personnel and contributing to the society.

On April 2025
New office open in SAGA

佐賀市
Saga City
× Pro-Ship

Open the 3rd domestic office in Saga City, Saga Prefecture in Kyushu following Tokyo and Osaka.

People will join in the office to realize our vision “Providing the world's best fixed asset management solutions”.

Pro-Ship Incorporated (SIC 3763)

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