



# Financial Results for the Three Months Ended December 31, 2024

**PCI Holdings, INC.**  
(TSE Standard Market: 3918)

February 12, 2025

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# Major News Releases



Release Date	Classification	Description
October 9, 2024	Others	Notice : PCI Solutions, Inc. holds a seminar with SoftRoad Co., Ltd. on the theme of “Introduction to Migration Services and the Dangers of JaBOL”.
October 11	Others	Notice : SORD Corporation plans to exhibit at the 7th Nagoya Robodex Robot Development and Utilization Exhibition
November 12	Others	Notice : PRIVATECH Inc. plans to exhibit at the “Mounting and Assembly Process Technology Exhibition 2024 Kumamoto”.
November 14	Timely Disclosure	Consolidated financial results for the fiscal year ended September 30, 2024
November 14	Timely Disclosure	Briefing materials of financial results for the fiscal year ended September 30, 2024
November 14	Timely Disclosure	Notice : Changes of president and officers / Dividend from retained earnings / Change of fiscal year-end
November 28	Shareholders' MTG	Notice : The 20th Ordinary General Meeting of Shareholders
December 9	Others	Notice : SESSA Partners has issued a sponsored research follow up report on PCI Holdings, INC.
December 20	Timely Disclosure	Notice : New executive structure
December 23	Timely Disclosure	Notice : About controlling shareholders
December 23	Shareholder Report	20th Business Report
December 23	Annual. Sec. Report	Annual Securities Report for the FY9/2024

# Q1 FY3/2025 Financial Results

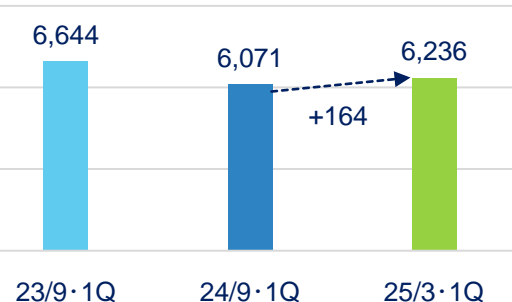


# Consolidated Financial Results for Q1 FY3/2025

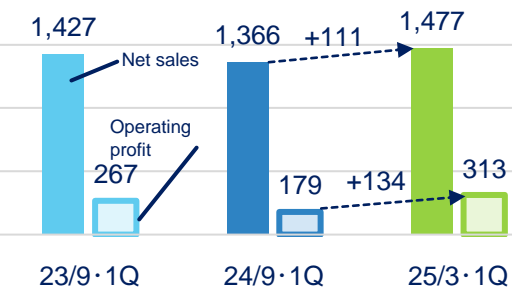
- Net sales and profits at each stage increased YoY. Progress on the plan for FY3/2025 was less than 50% for net sales and gross profit, but operating income and below exceeded the plan.
- Each stage of profit has recovered to the level of Q1 FY9/2023, before the subsidiary left the group.

(Unit: millions of yen)	FY9/2024 Q1	FY3/2025 Q1	Amount of Increase/ Decrease	% of Increase/ Decrease	% of Plan Progress
<b>Net sales</b>	6,071	6,236	+164	+2.7%	49.1%
<b>Gross profit</b>	1,366	1,477	+111	+8.2%	48.1%
Gross profit margin	22.5%	23.7%	+1.2p	—	—
<b>SG&amp;A expenses</b>	1,186	1,163	-22	-1.9%	46.9%
<b>Operating profit</b>	179	313	+134	+75.0%	53.1%
Operating profit margin	3.0%	5.0%	+2.1p	—	—
<b>Ordinary income</b>	208	348	+139	+67.0%	59.0%
Quarterly net income attributable to owners of the parent	115	258	+142	+123.1%	70.7%
<b>EBITDA</b>	262	395	+133	+50.9%	—

**Net sales** (Unit: millions of yen)



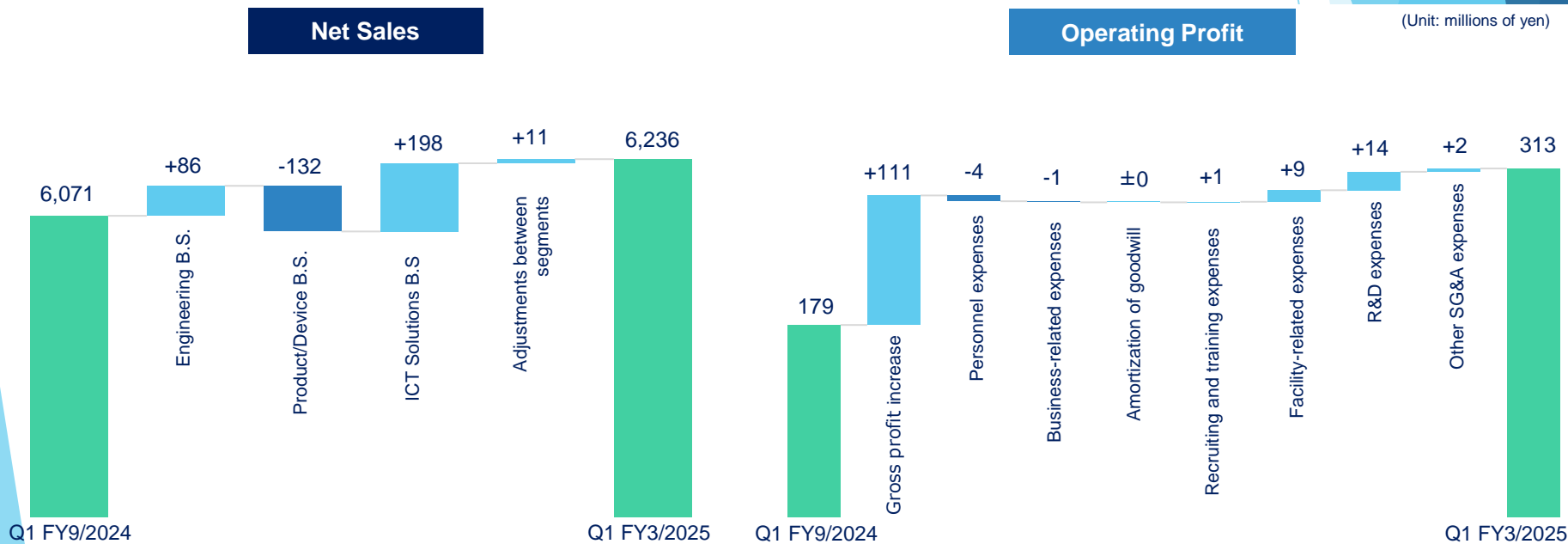
**Quarterly net income attributable to owners of the parent**



# Factors Contributing to Changes in Net Sales and Operating Profit



- While the Engineering B.S. and ICT Solutions B.S. secured sales growth of +86 million yen and +198 million yen, respectively, the Product/Device B.S. suffered a decline of -132 million yen due to the impact of production and inventory adjustments by customers in the previous fiscal year.
- Operating profit increased by +134 million yen, thanks to a +111 million yen increase in Gross profit and a decrease in SG&A expenses.
- SG&A expenses decreased by -22 million yen, despite continued increases in Personnel expenses, due to decreases in Facility-related expenses and R&D expenses compared to the same period of the previous year.



# Financial Results by Business Segments

- Engineering B.S. : In embedded systems, mobility related was growing strongly. Control systems and telecommunication systems were also steady. In general systems, the number of government projects was increasing.
- Product/Device B.S. : Although the impact of customers' production/inventory adjustment remained on embedded PC and semiconductor businesses, sales of embedded PC recovered with other medical-related.
- ICT Solution B.S. : IoT projects such as construction equipment and semiconductor inspection were growing, and system development projects using cloud services were expanding.

(Unit: millions of yen)	Net Sales		Gross Profit		Segment Profit		
	Q1 FY3/2025	YoY Change	(Profit Margin)	YoY Change	(Profit Margin)	YoY Change	
Engineering Business Segment	3,514	+86 (+2.5%)	809 (23.0%)	+57 (+7.6%)	313 (8.9%)	+25 (+8.9%)	Stable Core Businesses
Product/Device Business Segment	2,003	-132 (-6.2%)	449 (22.4%)	-5 (-1.1%)	120 (6.0%)	+54 (+80.9%)	
ICT Solutions Business Segment	732	+198 (+37.2%)	232 (31.7%)	+60 (+35.3%)	85 (11.7%)	+70 (+451.4%)	Growth Drivers
Consolidated Financial Results	6,236	+164 (+2.7%)	1,477 (23.7%)	+111 (+8.2%)	313 (5.0%)	+134 (+75.0%)	

# (Reference) Consolidated Balance Sheet

- Total assets amounted to 15,478 million yen, down 24 million yen from September 30, 2024. Inventory increased, but depreciation and amortization of goodwill progressed.
- Liabilities totaled 6,272 million yen, up 20 million yen YoY. While repayment of borrowings proceeded, trade payables of SORD Corporation increased.
- Net assets decreased 45 million yen YoY to 9,205 million yen. As a result, the equity ratio declined 0.1 percentage point to 56.5%.

(Unit: millions of yen)		FY9/2024	Q1 FY3/2025
Current assets		11,667	11,791
	Cash and deposits	3,966	3,817
	Trade receivables	5,650	5,689
	Other	2,051	2,285
Non-current assets		3,834	3,686
	Property, plant and equipment	853	828
	Goodwill	1,598	1,553
	Other	1,383	1,305
Total assets		15,503	15,478

(Unit: millions of yen)		FY9/2024	Q1 FY3/2025
Current liabilities		5,095	5,231
	Trade payables	2,188	2,600
	Borrowings and bonds payable	389	292
	Other	2,518	2,339
Non-current liabilities		1,156	1,041
	Borrowings and bonds payable	366	333
	Retirement benefit liabilities	157	142
	Other	633	566
Total liabilities		6,251	6,272
Total net assets		9,251	9,205
Total liabilities and net assets		15,503	15,478



# Working with the Restar Group



# Working with the Restar Group

1) Each item of the capital and business alliance is in progress.

2) New business units are established.

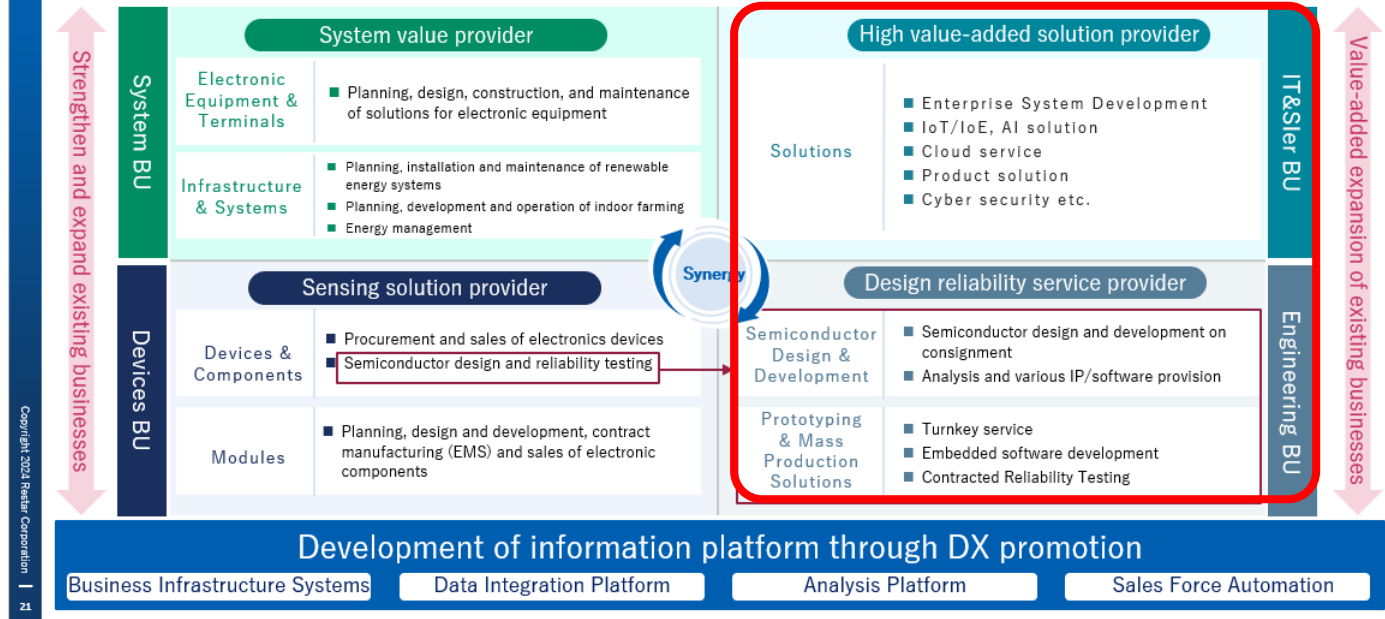
- Restar's new business units (IT&Sler, Engineering) are being set up.
- PCI Group plays a core role in the IT&Sler BU.
- A new business style that effectively uses engineers belonging to the PCI Group is under consideration, centered on the CTO Committee established last October.

- Create a future roadmap for technology and skills
- Leveraging the roadmap to advance the training plan of engineers at both Restar and PCI

## 4 BU of the Restar Group (Documentation by Restar Corporation)

### 2. ③ Four aimed business in the Medium-term management plan

- Transform into a platformer that solves all issues for customers and suppliers by converting information into value.
- Transformed from a semiconductor trading company to a provider of services combining hardware and software



# Working with the Restar Group

## 1) Leveraging PCI's proprietary technology to provide added value to Restar's customers

- Cultivate the ability to identify the real issues faced by customers
- Strengthen sales of “values” rather than “goods”

- Leveraging PCI's technological capabilities as a source of added value for Restar's customers
- The followings are effective hook products or lead magnet
  - Restar's engineering services
  - AI, e.g. image analysis, generative
  - Security, e.g. risk diagnostics, surveys and consulting

## Use of PCI Group Engineers (Documentation by Restar Corporation)

### Leverage our customer base

- Our customer base comprises : 7,000 companies
- Expand our target Customer Division through the IT & SIer BU

### Break through

	Product Portfolio		Market	Target Customer Division								Value	Business Scale	Profit Margin
				Executives	Sales	G&A	DX	Facilities	Prod Tech	R&D	Procurement			
Products	Device BU	Sensors, MCUs, Connectors, Switches, Electronic Components, Chemical Materials	Manufacturing Automotive FA	-	-	-	-	-	○	○	◎	Product Assortment, Delivery		
	Engineering BU	Semiconductor design & development, Contract reliability testing services		-	○	-	-	-	○	◎	○	Technical Expertise, Trunking		
	System BU	Electronic Equipment Solar Panels Construction, and Maintenance Services	Local Governments Broadcasting Telecommunications	○	○	○	○	◎	-	-	-	Custom, Combination		
	IT & SIer BU	AI, Security, IoT, Cloud SaaS, Consulting, Engineer Dispatch Services	All Industries	◎	◎	◎	◎	○	○	○	○	Solution, Consulting		

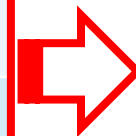
# The Mid-term Management Plan



# The Mid-term Management Plan

- The Mid-term Management Plan “PCI-VISION 2026” plan is currently being examined for its feasibility by estimating and taking into account synergies with the Restar Group.
- In principle, the current plan should be achieved and exceeded by the fiscal year ending March 31, 2027. Details will be explained at the announcement of financial results for the fiscal year ending March 31, 2025.

(Millions of yen)	PCI-VISION 2026			Challenging Targets
	FY9/2024	FY9/2024 (results)	FY9/2026	FY9/2026
Net sales	26,300	25,084	30,500	35,000
Operating profit	1,510	1,054	2,750	—
Operating profit margin	5.7%	4.2%	9.0%	—
Net profit attributable to shareholders of the parent company for the current period	880	817	1,500	—
EBITDA	1,850	1,383	3,050	3,500
ROE	10.1%	9.4%	≥15%	≥15%
Total payout ratio	≥60%	79.0%	≥50%	≥50%
PBR	—	1.18x	≥2x	≥2x



**Aim to achieve excess in the fiscal year ending March 31, 2027**

# FY3/2025 Financial Forecast



# Consolidated Financial Forecast for FY3/2025

## (Six-month Accounting Period)



- Forecast of Consolidated Business Results for the Year Ending March 31, 2025 :
  - Net sales are expected to reach 13,000 million yen.
  - Profits at each stage are also expected to exceed the initial plan.

### Net Sales Forecast

#### ➤ Engineering Business Segment:

Embedded systems, such as mobility, communication control, and camera systems, are growing steady, and we will respond by expanding resources. We are expecting expansion of orders by cross-selling of general systems with embedded systems, and new orders in SCM and ERP related.

#### ➤ Product/Device Business Segment:

In embedded PCs, we expect expansion due to new models of medical diagnostic imaging equipment (e.g. MRI), etc. In semiconductors, the market will be driven by generative AI systems, but other products are expected to face a severe business environment, and the impact of adjustments by large customers is expected to remain.

#### ➤ ICT Solutions Business Segment:

Promoted client expansion and larger projects through collaboration with AWS or no-code DB, etc. Mainframe migration also remained strong, and orders for AI image analysis also accumulated.

(Unit: millions of yen)	FY9/2024 1 <sup>st</sup> Half	FY3/2025 (Initial Plan)	FY3/2025 1 <sup>st</sup> Quarter	% of Plan Progress
<b>Net sales</b>	12,616	12,700	6,236	49.1%
<b>Gross profit</b>	2,923	3,070	1,477	48.1%
Gross profit margin	23.2%	24.2%	23.7%	—
<b>SG&amp;A expenses</b>	2,339	2,480	1,163	46.9%
<b>Operating profit</b>	583	590	313	53.1%
Operating profit margin	4.6%	4.6%	5.0%	—
<b>Ordinary income</b>	607	590	348	59.0%
Quarterly net profit attributable to owners of the parent	330	365	258	70.7%

# Thoughts as New President





# Thoughts as New President

- From the standpoint of having spent more than 40 years in the ICT world, I recognize that the mobility field of the Engineering Business Segment and the ICT Solutions Business Segment, especially the fields related to AI and security, have great potential for future growth as a market.
- The PCI Group aims to expand its business in these markets by making maximum use of its accumulated technological capabilities and knowledge in software, hardware, and semiconductors. In addition, we will accelerate our business growth by actively collaborating with leading external partners.

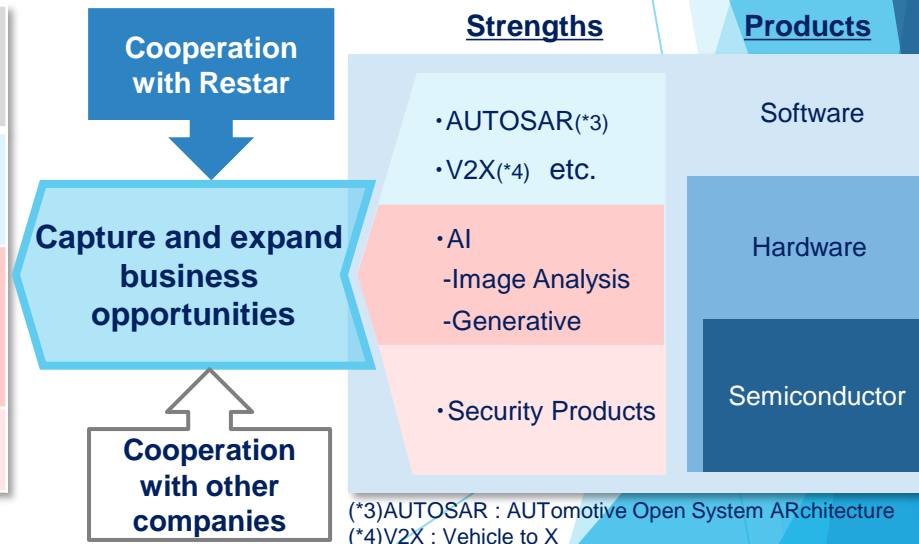
## Markets with growth potential

Business Segments of the PCI Group	Business Markets	Direction of Market Growth
Engineering B.S.	Mobility	•SDV(*1)
ICT Solutions B.S.	AI	•Astonishing evolution within a few years •AGI~ASI(*2)
	Security	•Enhancements to keep pace with the evolution of AI

(\*1)SDV : Software Defined Vehicle

(\*2)AGI : Artificial General Intelligence, ASI : Artificial Superintelligence

## Strengths of the PCI Group



# Company Profile



## Corporate Philosophy

We pursue the happiness of all our employees through customer satisfaction, and contribution to the development of society.

The meaning of PCI  
Positively, Change,  
Innovate

<b>Corporate Name</b>	PCI Holdings, Inc.	<b>Capital</b>	2,091.89 million yen (As of December 31, 2024)
<b>Established</b>	April 2005	<b>Net sales (Consolidated)</b>	25,084 million yen (FY9/2024 results) 12,700 million yen (FY3/2025 forecast)
<b>Listing</b>	Tokyo Stock Exchange Standard Market (Securities code: 3918)	<b>Operating profit (Consolidated)</b>	1,054 million yen (FY9/2024 results) 590 million yen (FY3/2025 forecast)
<b>Location</b>	1-21-19 Toranomon, Minato-ku, Tokyo, 105-0001	<b>No. of employees (Consolidated)</b>	1,660 (As of September 30, 2024)
<b>Representatives</b>	Masato Tozawa, President	<b>Consolidated subsidiaries</b>	PCI Solutions INC. SORD CORPORATION PRIVATECH Inc.

# Composition of the PCI Group



51.14%

Restar Corporation

(TSE Prime Market:3156)

## PCI Holdings



Representatives: Masato Tozawa

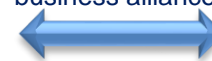
Established: April 2005

Capital: 2,091 million yen

<https://www.pci-h.co.jp/>

- Group company integration
- Corporate action planning and promotion
- Internal control and internal auditing of the entire group
- Centralized management of finance, accounting, procurement of funds, etc.

Capital and  
business alliances



100%

## PCI Solutions



<https://www.pci-sol.com/>

Representatives: Masaaki Numata  
Established: September 2012  
Capital: 360 million yen

Embedded development,  
financial systems, IoT solutions,  
IT infrastructure building,  
sales and maintenance of mainframe

### Institute of PCI Solutions

<https://www.pci-sri.co.jp/>

Research on Information  
Technology

### PJS

<https://www.pjs.co.jp/>

Software development  
System integration

### NSR

<http://nihonsystemresearch.co.jp>

Software development

100%

## SORD



<https://www.sord.co.jp/>

Representative: Yuji Sudo  
Established: April 1970  
Capital: 499 million yen

Embedded PC sales, design,  
manufacturing, and maintenance  
services

100%(plan)

## PRIVATECH



<https://privatech.jp>

Representative: Yasuhiro Yamashita  
Established: April 1989  
Capital: 100 million yen

Semiconductor solutions  
Software and hardware development  
FPGA development

# Business Companies and Description of Businesses

## PCI Solutions

- Software engineering company that provides technical capabilities for any industry or field
- Particularly strong in embedded systems development

## SORD

- The first PC manufacturer in Japan
- 50 years in business and highly reliable technology
- Embedded PC manufacturer

## PRIVATECH

- System engineering company with strengths in semiconductor design and testing technologies
- Testing house located near the Tokyo metropolitan area

### Engineering Business

Information technology services that meet customer requirements and specifications in a wide range of industries

- Embedded software development (Manufacturers: mainly for automotive, telecommunications, information appliances, etc.)
- Enterprise software development (System integrators: mainly for finance, distribution, manufacturing, government, etc.)

- Kitting services (System integrators and manufacturers: mainly for medical, retail, etc.)
- Call center services (Manufacturers: PC help desk, etc.)

—

### Product/Device Business

Design, development, and sales of hardware products and devices for specific industries

—

- Development of embedded computers (Manufacturers: for medical equipment, printing machines, etc.)
- Computer development for edge computing (System integrators: for medical, retail, etc.)

- Design and testing of semiconductors (For semiconductor manufacturers)
- LSI turnkey service (For electronic device manufacturers)

### ICT Solutions Business

Problem solving through consulting and services that utilize ICT in a wide range of fields

- Solutions using AI
- Cloud service Integration

—

- ODM services (IoT solutions)
- SI services (Solutions using AI)

Mutual collaboration by topic and by project

# Executive Structure and List of Offices

## Executive Structure

Position	Name	Career, etc.
President & Representative Director	Masato Tozawa	General Manager, Marketing Division, Fujitsu Ltd. Director & General Manager, Fujitsu Business Systems Ltd. President & Representative Director, Tsuzuki Embedded Solutions Ltd. Senior Managing Executive Officer, Restar Corporation
Director	Kensaku Morisita	Division Manager, Integrated Product Strategy Division, Fujitsu Ltd. Executive Officer & Division Manager, Fujitsu Marketing Ltd. President & Representative Director, Fujitsu Coworco Ltd.
Director	Naohiro Iguchi	General Manager, Corporate Planning Office, Profit Cube Inc.
Director	Kazuya Sugazono	General Manager, Finance & Accounting Office, Profit Cube Inc.
Outside Director	Hiroyuki Nakamura	Managing Director, Advanced Technology & Management Japan, Ltd President & Representative Director, ATM Japan Business Services, Ltd. Full-time Auditor, SocioFuture Ltd.
Director (Full-time Member of A&S Committee)	Yuji Ikuta	President & Representative Director, CLC Corporation Full-time Auditor, PCI Solutions INC.
Outside Director (Member of A&S Committee)	Shinnosuke Maki	Representative, Maki Shinnosuke Certified Public Accountant Office President & Representative Director, MSPG Consulting Outside Auditor, EM Systems Co. Ltd. Auditor, Kagoshima Professional Sports Project
Outside Director (Member of A&S Committee)	Yasufumi Sakurai	Partner, Harumi Partners Law Firm Outside Director (Member of A&S Committee), Trils Inc. Representative, Org. for Promotion of Sports & Compliance Education

## List of offices



No information in this material is intended as a solicitation to buy or sell our stock.

The forecasts and other forward-looking statements contained in this material are based on the information available to us at the time the material was prepared and involve potential risks and uncertainties.

Therefore, please be aware that, due to various factors, actual results may differ materially from those projected in the forward-looking statements. In the event that you suffer any loss or damage based on this information, neither our Company nor the information providers shall be liable for any loss or damage.

## Contact information

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*Positively, Change, Innovate*

