



# **FYE June 2023 (65th Term) Financial Results**

2023.09.15

- 1. Overview of Financial Results**
- 2. Overview of Results by Segment**
- 3. To Continue to Provide Value That Is Useful to Society**
- 4. Forecast for Fiscal Year Ending June 30, 2024 (66th term)**

Note pertaining to this data:

- In principle, monetary amounts included in this document are rounded down to the nearest million yen.
- The forward-looking statements included in this document are based on information currently available to the Company and on certain preconditions that the Company deems reasonable. The Company provides no guarantee that what is stated will actually be realized.
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# 1

## Overview of Financial Results

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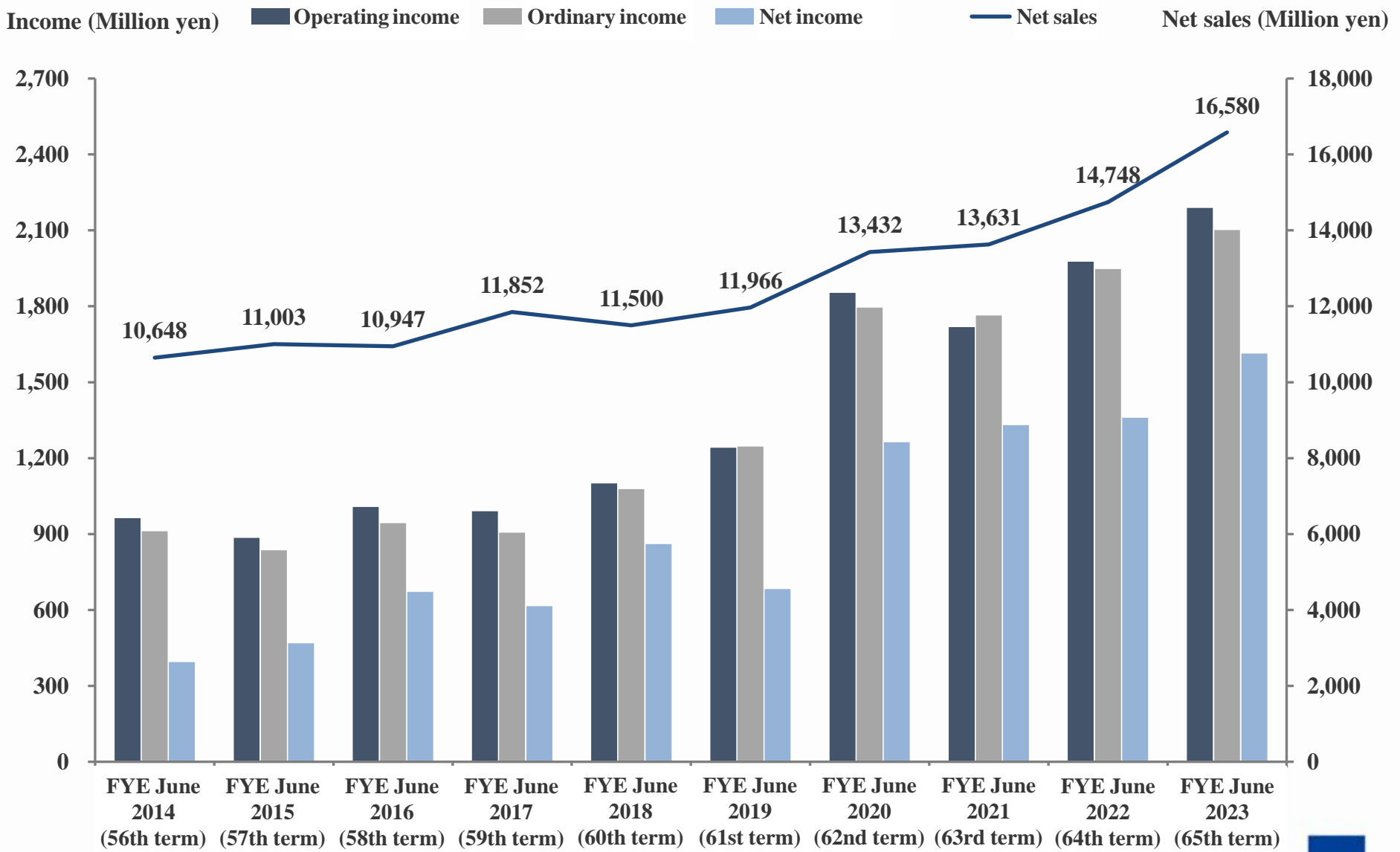


# Income Statement

(Million yen)

	FYE June 2022 (64th term)	FYE June 2023 (65th term)	Change from previous FY	Rate of change from previous FY
<b>Net sales</b>	14,748	<b>16,580</b>	1,832	12.4%
Cost of sales	7,025	<b>8,048</b>	1,022	14.6%
<b>Gross profit</b>	7,723	<b>8,532</b>	809	10.5%
(Gross margin)	(52.4%)	(51.5%)		
SGA expenses	5,746	<b>6,342</b>	596	10.4%
<b>Operating income</b>	1,976	<b>2,189</b>	212	10.8%
(Operating margin)	(13.4%)	(13.2%)		
Non-operating profit & loss	-29	<b>-88</b>	-59	—
<b>Ordinary income</b>	1,947	<b>2,101</b>	153	7.9%
(Ordinary margin)	(13.2%)	(12.7%)		
Extraordinary profit & loss	-80	<b>-25</b>	55	—
<b>Net income before taxes</b>	1,866	<b>2,075</b>	208	11.2%
Income taxes	507	<b>462</b>	-44	-8.8%
<b>Net income</b>	1,359	<b>1,613</b>	253	18.7%
(Net margin)	(9.2%)	(9.7%)		

# Trends in Results



# Balance Sheet

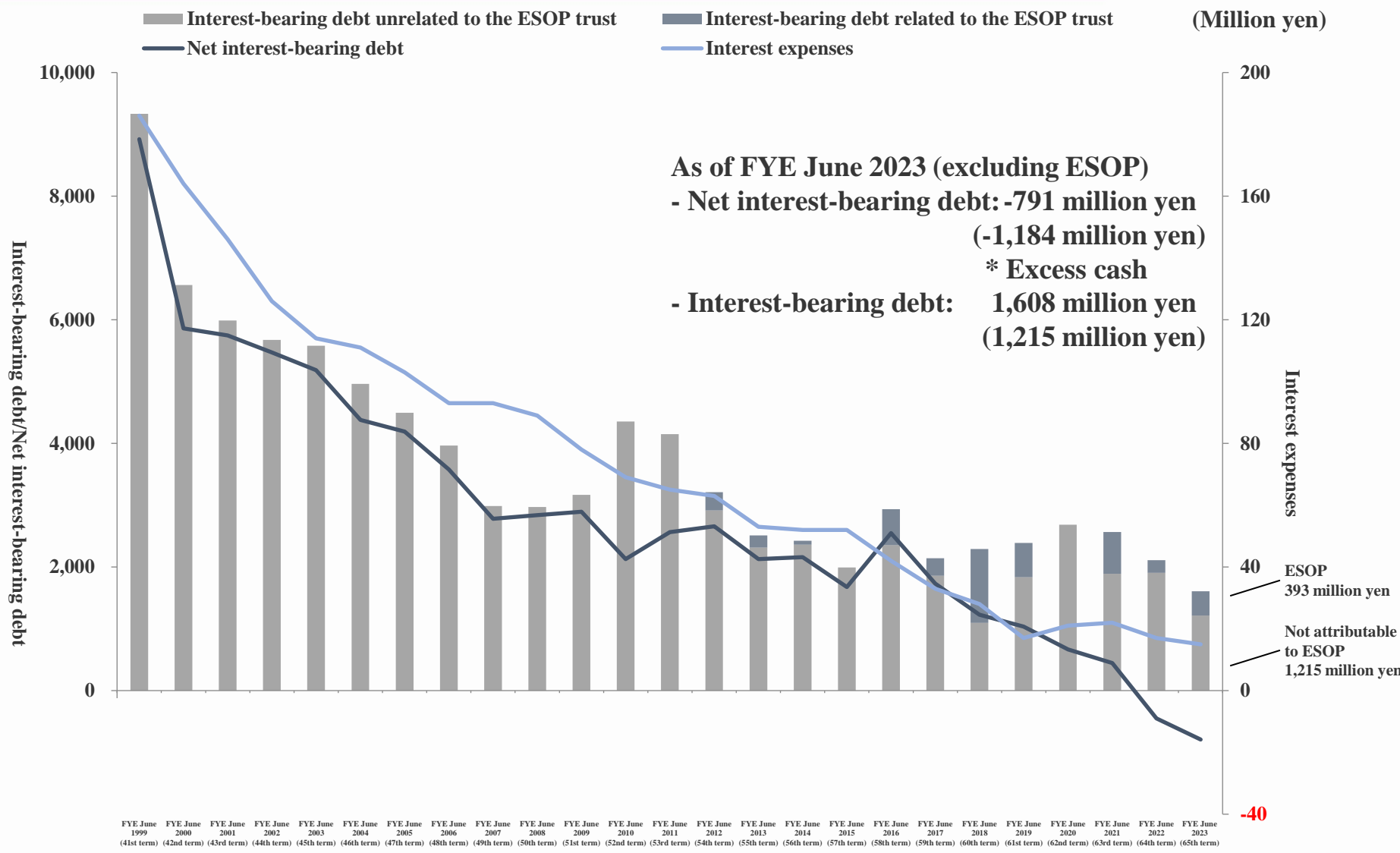
(Million yen)

Item	FYE June 2022 (64th term)	FYE June 2023 (65th term)	Change	Item	FYE June 2022 (64th term)	FYE June 2023 (65th term)	Change
Cash and deposits	2,560	2,399	-160	Short-term borrowings	—	—	—
Notes / accounts receivable - trade and contract assets	2,689	2,780	90	Current portion of long-term borrowings / corporate bonds	896	958	61
Work in process	22	22	0	Advances received	1,056	1,197	140
Other	1,486	1,751	264	Accounts payable - accrued expenses	1,434	1,750	316
				Other	2,047	1,791	-255
<b>[Current assets]</b>	<b>6,759</b>	<b>6,954</b>	<b>195</b>	<b>[Current liabilities]</b>	<b>5,434</b>	<b>5,697</b>	<b>262</b>
Property, plant and equipment	5,538	5,427	-111	Long-term borrowings / corporate bonds	1,215	650	-565
Intangible assets	361	378	16	Provision for retirement benefits	2,252	2,316	64
Investments and other assets	4,562	5,547	984	Other	289	342	52
Investment securities	2,097	2,777	680	<b>[Long-term liabilities]</b>	<b>3,756</b>	<b>3,308</b>	<b>-447</b>
Shares of subsidiaries and associates	836	1,109	273	<b>[Liabilities]</b>	<b>9,191</b>	<b>9,006</b>	<b>-185</b>
Investments in capital of subsidiaries and associates	55	56	0	Capital stock	1,010	1,010	—
Deferred tax assets	1,156	1,177	21	Capital surplus	1,325	1,353	27
Other	416	425	8	Retained earnings	6,154	7,121	966
<b>[Fixed assets]</b>	<b>10,462</b>	<b>11,353</b>	<b>890</b>	Treasury shares	-623	-613	10
				Other securities			
				Valuation difference on available-for-sale securities	164	430	266
				<b>[Net assets]</b>	<b>8,030</b>	<b>9,301</b>	<b>1,271</b>
<b>[Assets]</b>	<b>17,221</b>	<b>18,307</b>	<b>1,086</b>	<b>[Liabilities and net assets]</b>	<b>17,221</b>	<b>18,307</b>	<b>1,086</b>

\* Impact of introducing ESOP: FYE June 2022: 83 million yen is included in Other of current assets, 203 million yen in treasury shares, and 206 million yen in current portion of long-term borrowings.  
FYE June 2023: 38 million yen is included in Other of current assets, 410 million yen in treasury shares, and 393 million yen in current portion of long-term borrowings.

\* Capital ratio FYE June 2022: 46.6%; FYE June 2023: 50.8%

# [Reference] Changes in Net Interest-Bearing Debt



# Cash Flow Statement Highlights

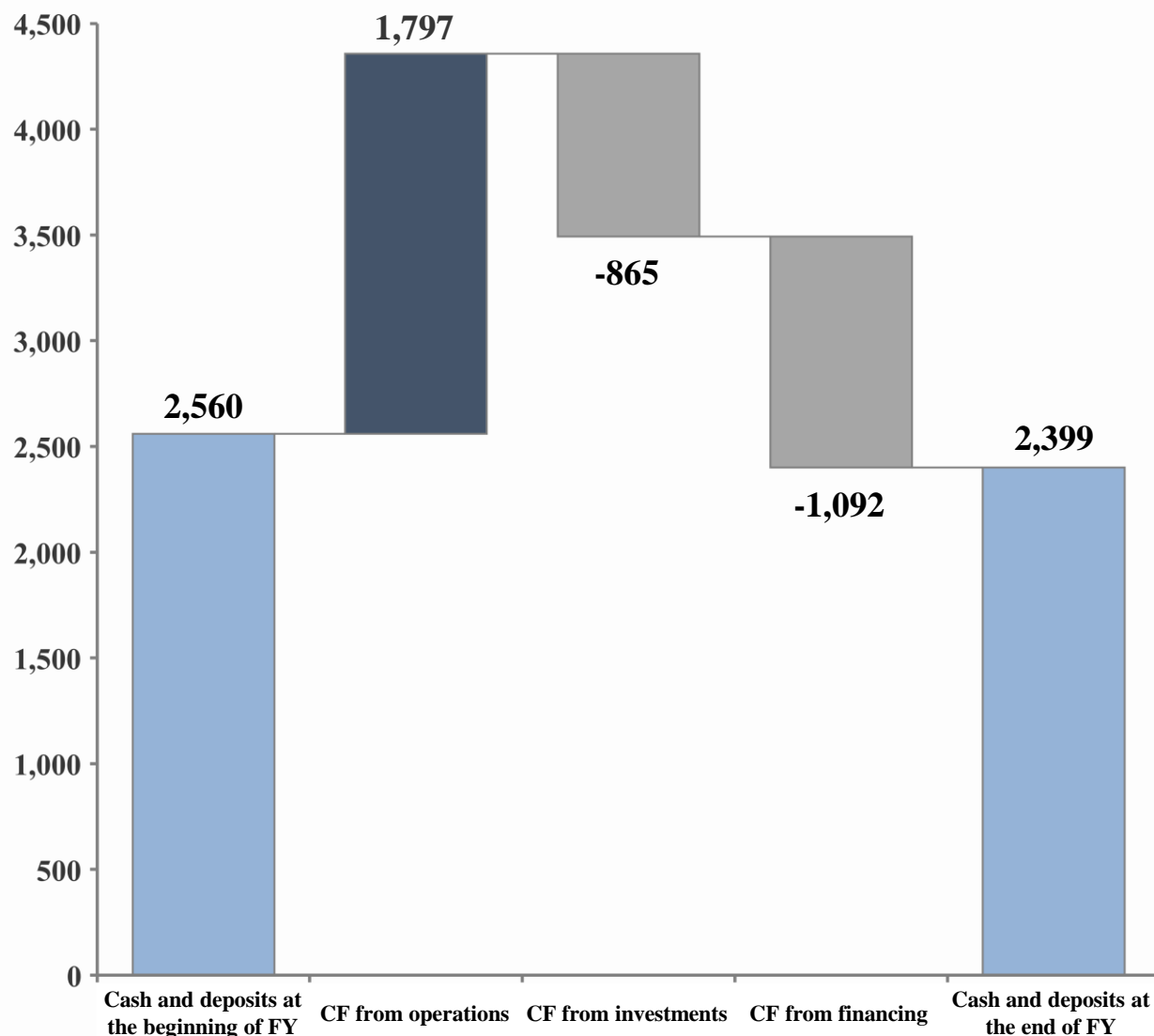
(Million yen)

	FYE June 2022 (64th term)	FYE June 2023 (65th term)	Change
Balance at the beginning of FY	2,120	2,560	440
CF from operations	2,105	1,797	-308
CF from investments	-700	-865	-164
Free CF	1,404	932	-472
CF from financing	-964	-1,092	-128
Balance at the end of FY	2,560	2,399	-160



# Cash Flow Statement Highlights

(Million yen)



## Breakdown of CF from operations

- Net income before taxes	2,075
- Depreciation	298
- Increase in provision for share-based	55
- Increase in provision for retirement benefits	64
- Increase in accounts receivable-trade	-90
- Increase in inventories	-53
- Increase in accrued expenses	316
- Decrease in accounts payable - other	-123
- Income taxes paid	-907

## Breakdown of CF from investments

- Purchase of property, plant and equipment	-80
- Purchase of intangible assets	-134
- Purchase of investment securities	-448
- Purchase of shares of subsidiaries and associates	-181
- Payments of loan receivables	-14

## Breakdown of CF from financing

- Net decrease in long-term borrowings	-403
- Acquisition of treasury shares	-910
- Disposal of treasury shares	972
- Dividend payments	-647

# 2 Overview of Results by Segment

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## ■ Structural design and structural analysis consulting

Structural design of high-rise buildings and structural analysis of large buildings

## ■ Environment assessment and disaster risk reduction consulting

Ground motion assessment, wind condition analysis and disaster risk assessment

## ■ IT system development for housing and construction

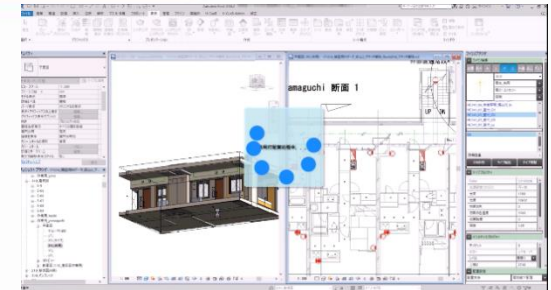
System development including CAD, BIM and structural calculation

## ■ Decision-making support consulting

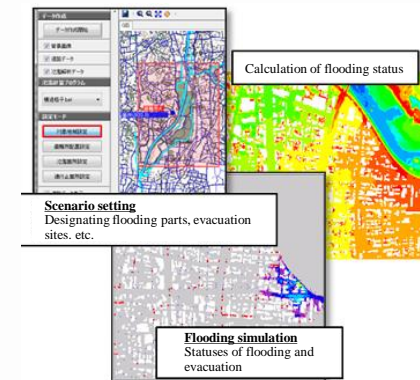
Social simulation and optimization

## ■ Information and communication technology consulting

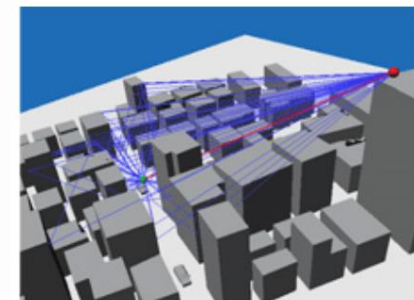
Communication network, radio wave propagation, and electromagnetic field simulation



Automation of design (automatic disposition)



Evacuation simulation



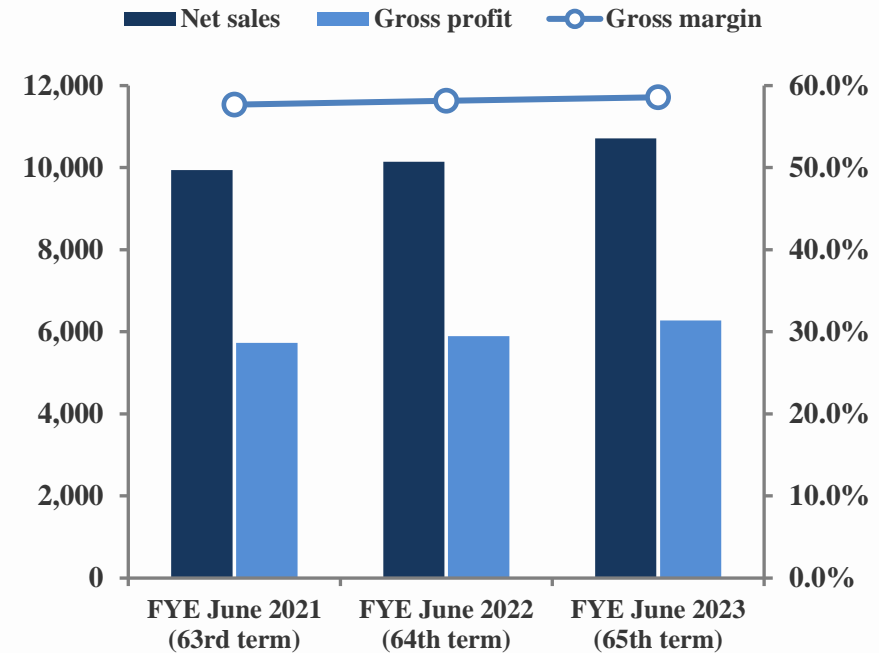
Radio propagation analysis

# Overview by Segment

## (Engineering Consulting: Changes over the past two terms)



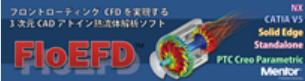













(Million yen)

	FYE June 2021 (63rd term)	FYE June 2022 (64th term)	FYE June 2023 (65th term)	Year-on-year Change
Orders	10,254	10,315	10,772	457
Net sales	9,937	10,141	10,714	573
Gross profit	5,730	5,893	6,273	379
(Gross margin)	(57.7%)	(58.1%)	(58.5%)	
Backlog of orders	5,624	5,212	5,269	57



### Analysis

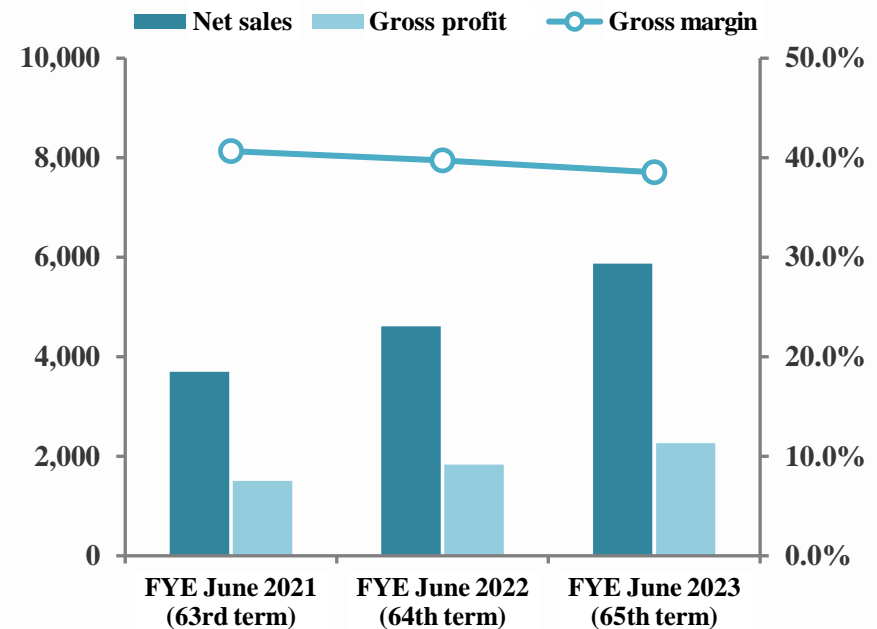
- Steady implementation of projects carried over from the end of the previous fiscal year and new orders received during the term under review
- The use of a wealth of empirical knowledge that has been accumulated led to a steady improvement in added value with high profitability.

Market segment	Examples of package-sales type	Examples of cloud service-provision type
<b>Manufacturing-related markets</b>  CAE, thermal flow analysis, particle-based simulation, granular simulation, sales support solutions, etc.	     	
<b>Architecture- and civil-engineering-related markets</b>  Architectural building analysis, ground analysis, etc.	 	
<b>Telecommunication-related markets</b>  Radio propagation analysis	  	
<b>Others/Cross-industrial markets</b>  Social simulation, risk assessment, cloud-based entry/exit control platform, and others	  	 

# Overview by Segment

## (Product Service: Changes over the Past Two Terms)

	(Million yen)			
	FYE June 2021 (63rd term)	FYE June 2022 (64th term)	FYE June 2023 (65th term)	Year-on-year Change
Orders	3,796	5,044	6,132	1,087
Net sales	3,694	4,607	5,866	1,258
Gross profit	1,501	1,829	2,259	430
(Gross margin)	(40.7%)	(39.7%)	(38.5%)	
Backlog of orders	1,222	1,659	1,926	266



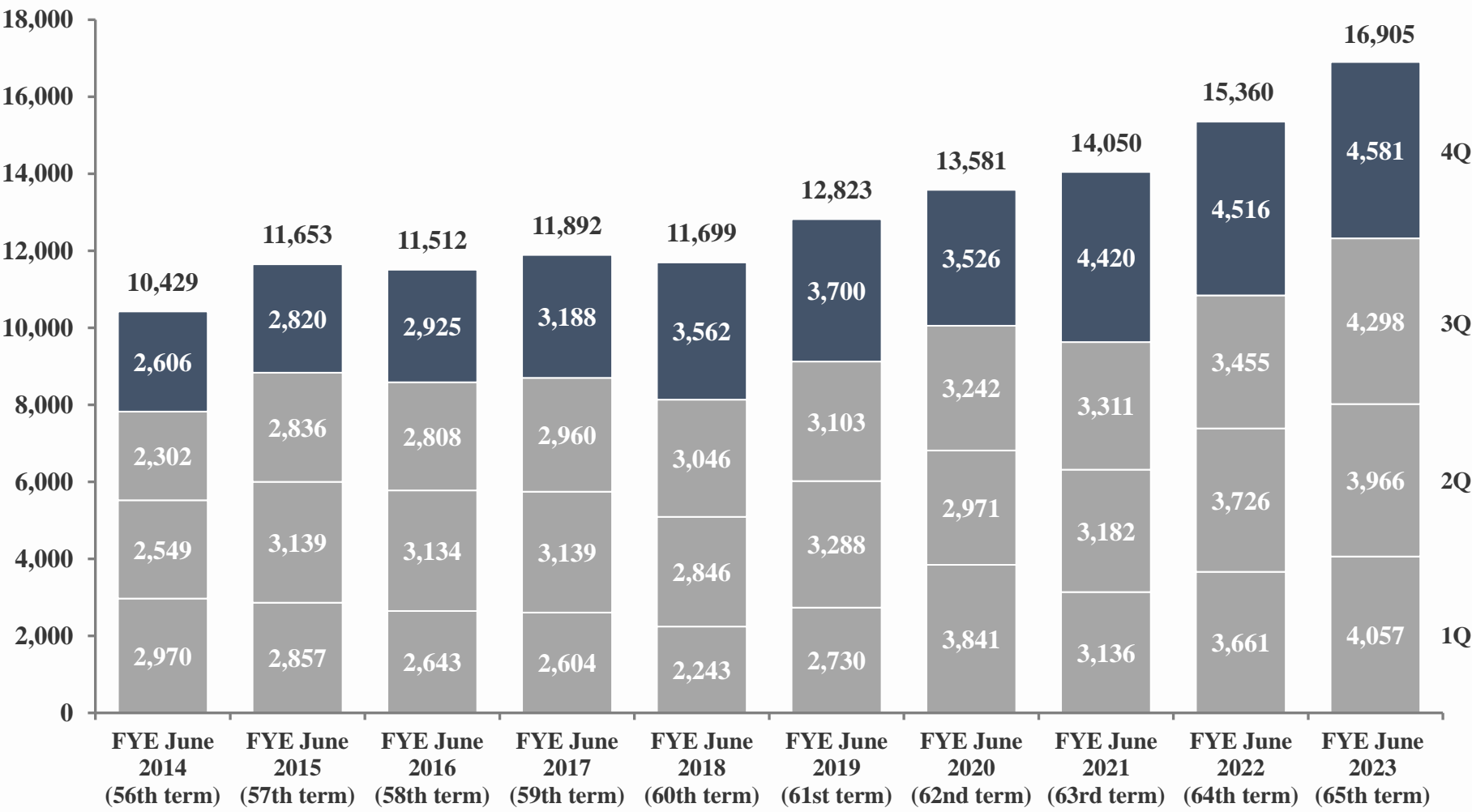
### Analysis

- Three cloud service-provision-type businesses -- a cloud-based e-mail delivery service (Twilio SendGrid), a cloud-based entry/exit control system (RemoteLOCK), and a 3D site data platform (NavVis) -- grew more than 50% year on year, accounting for roughly 70% of the increase in sales from Product Service.
- Continued proactive investment in business expansion, including an increase in the number of collaborative professionals and additional platform development, in expectation of further growth.

# Changes in Orders by Quarter

Orders by quarter

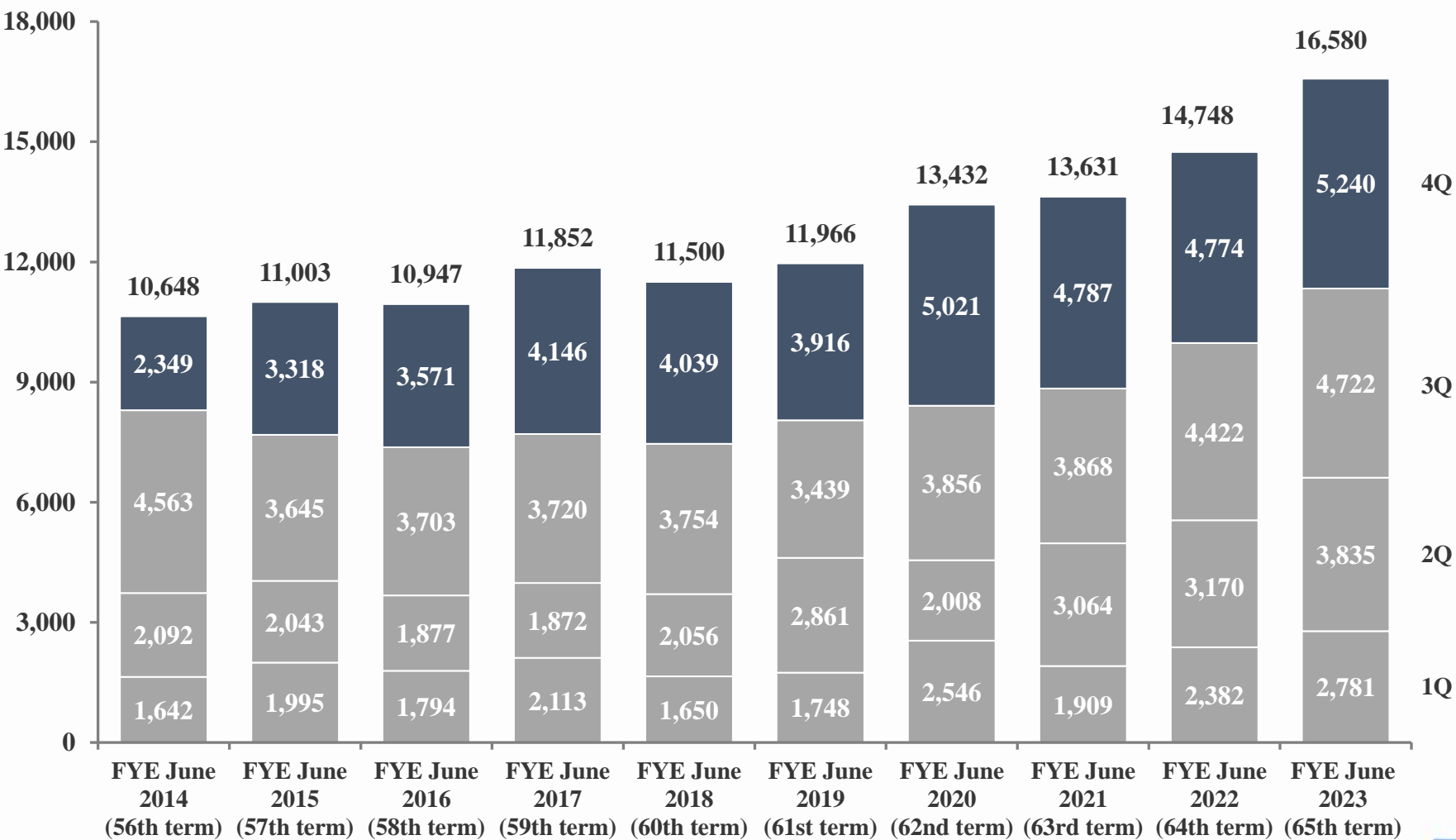
(Million yen)



# Changes in Sales by Quarter

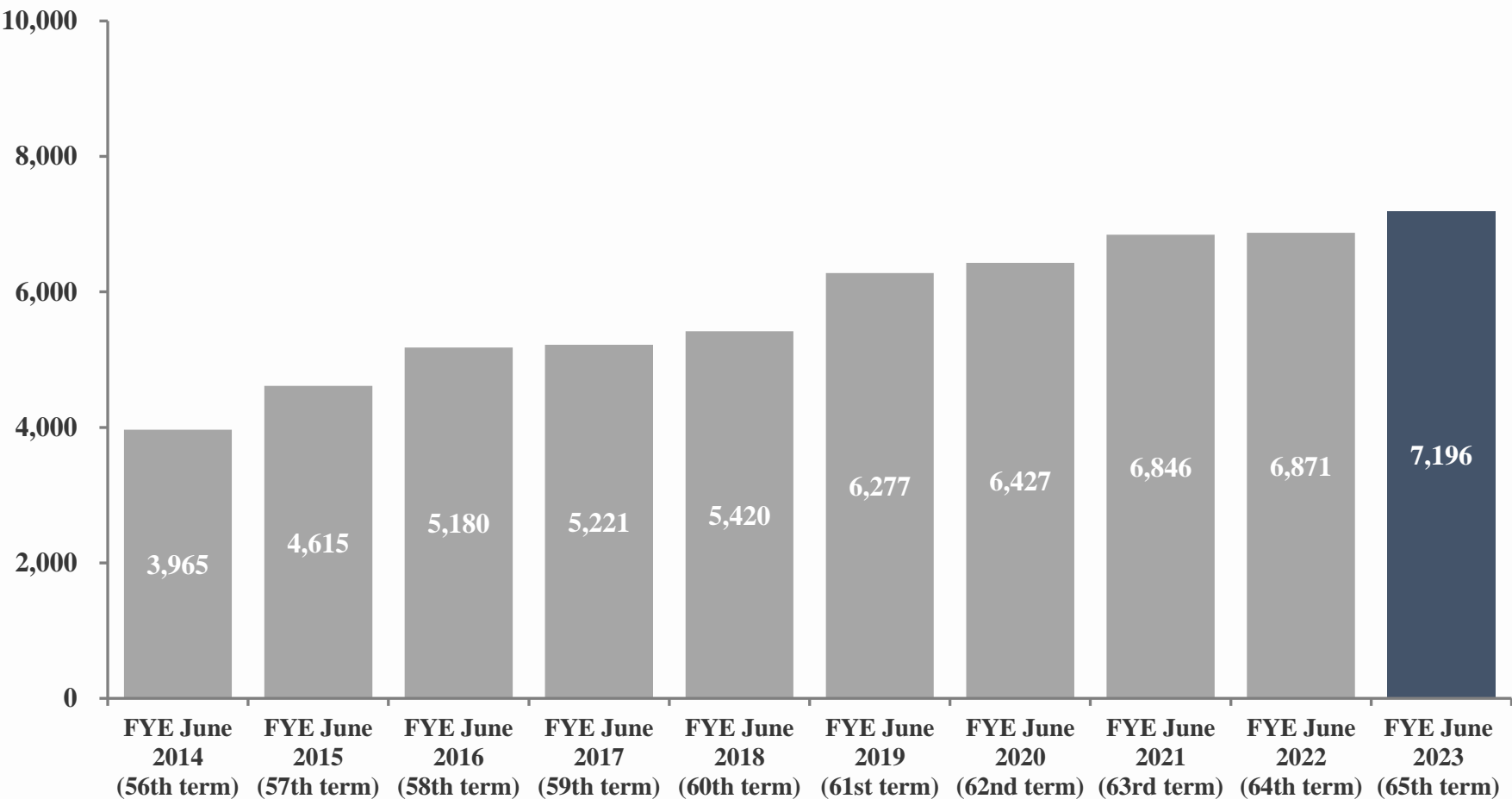
Net sales by quarter

(Million yen)





Backlog of orders (Million yen)



	<b>Decided amount</b>
<b>Record date</b>	June 30, 2023
<b>Dividends per share</b>	Year-end dividend: 60 yen Special dividend: 20 yen Total: 80 yen
<b>Total dividends</b>	436 million yen
<b>Effective date</b>	September 8, 2023
<b>Source of dividends</b>	Retained earnings
<b>Dividend payout ratio</b>	45.6%

# 3

**To Continue to Provide Value  
That Is Useful to Society**

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## *Innovating for a Wise Future*

“We want to create **a wise future society** with our stakeholders by disseminating useful technologies based on our engineering knowledge.”



A wise future society, where humans are proactive in consideration and co-creation, is what **KKE believes to be a sustainable society.**

## *Innovating for a Wise Future*

**“We want to create a wise future society with our stakeholders by disseminating useful technologies based on our **engineering knowledge**.”**



**It is the efforts of collaborative professionals who create knowledge that serve as the source of the sustainability of society and KKE.**

## *Innovating for a* **Wise Future**



Our vision

**A knowledge-intensive company that represents Japan in the 21st century**

**Participation of diverse collaborative professionals and their growth**

# Towards Sustainable Businesses Growth

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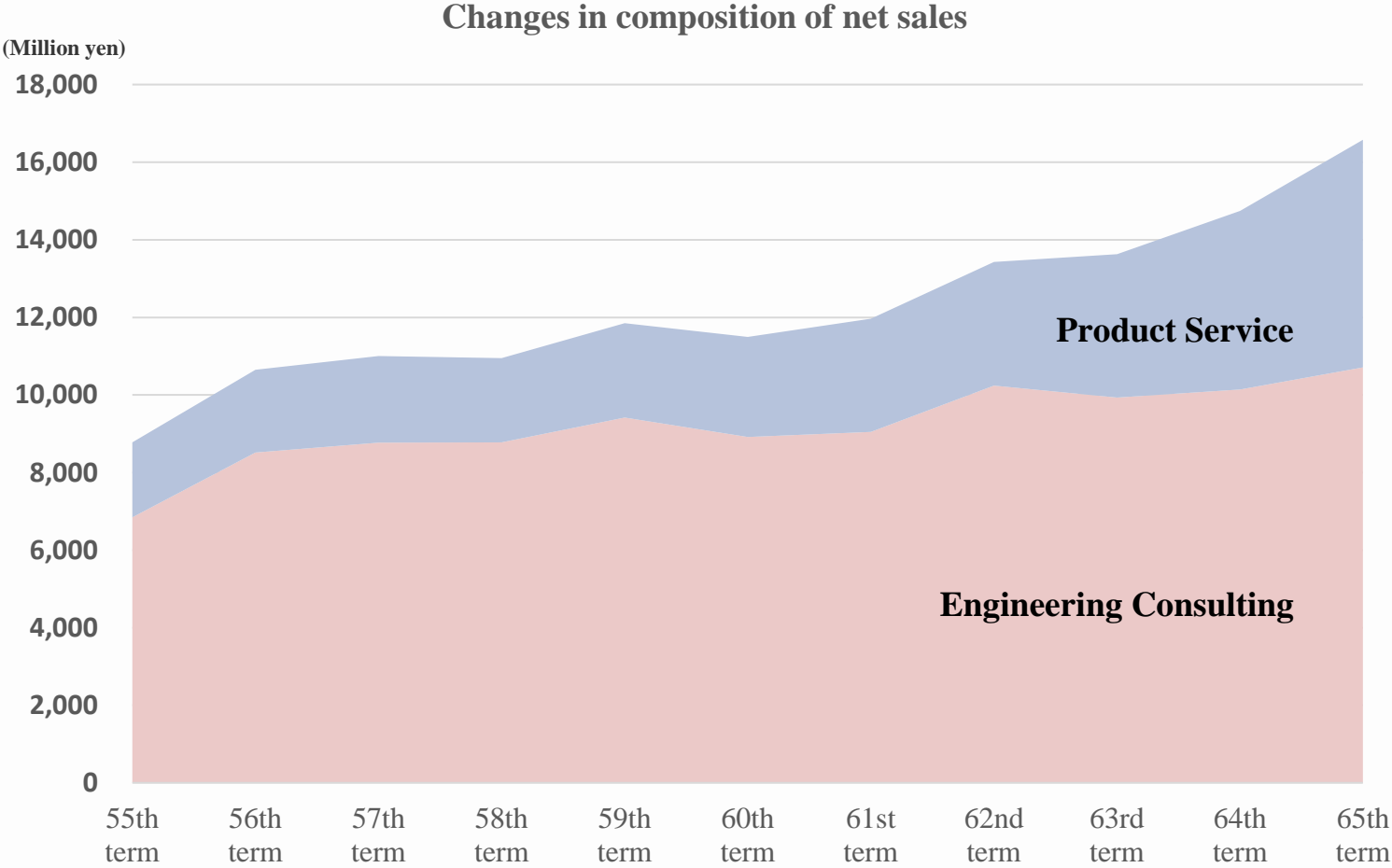


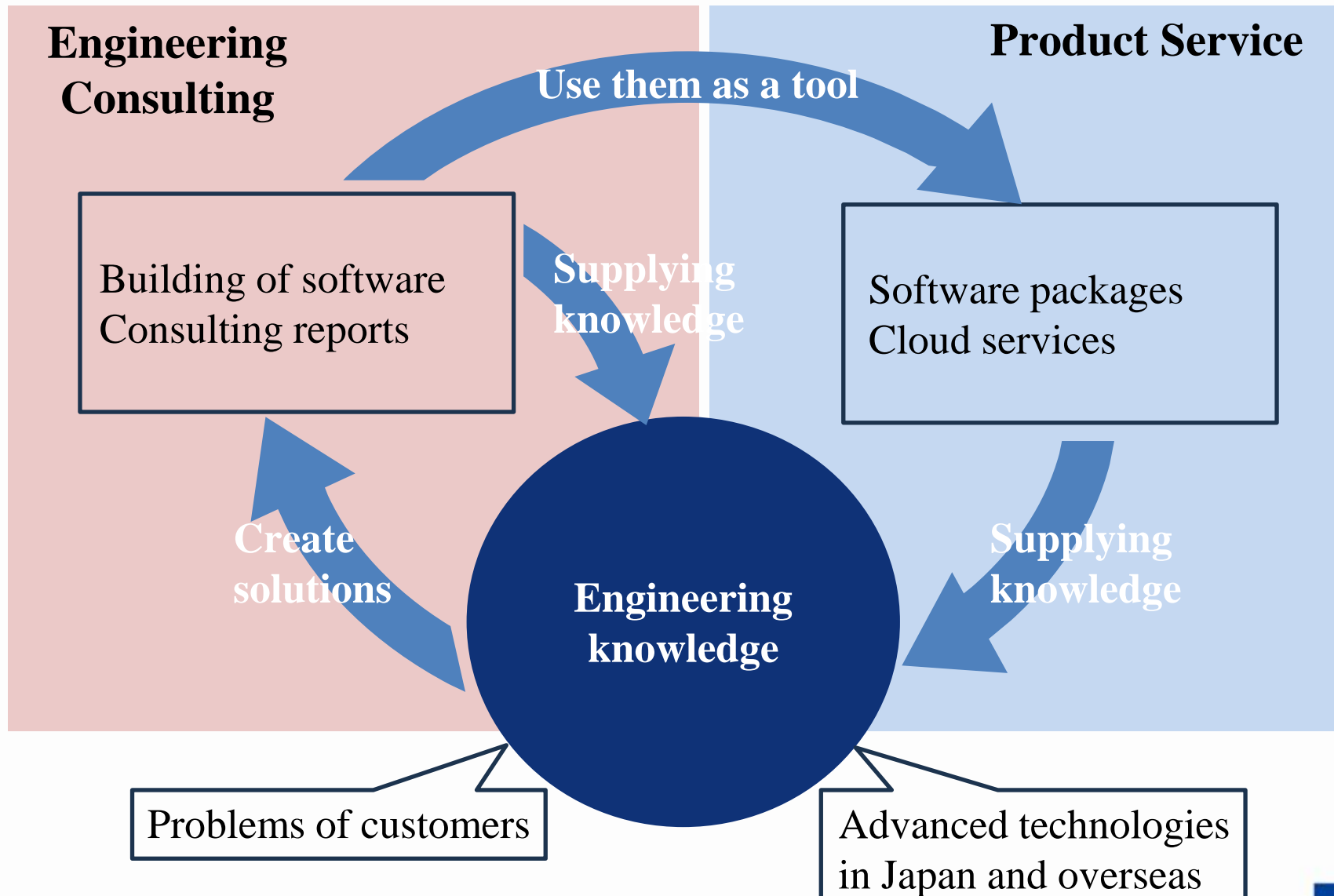


**Invest in business to continue to take on new challenges looking five to ten years into the future by leveraging steady income from existing businesses and the major growth of new businesses**



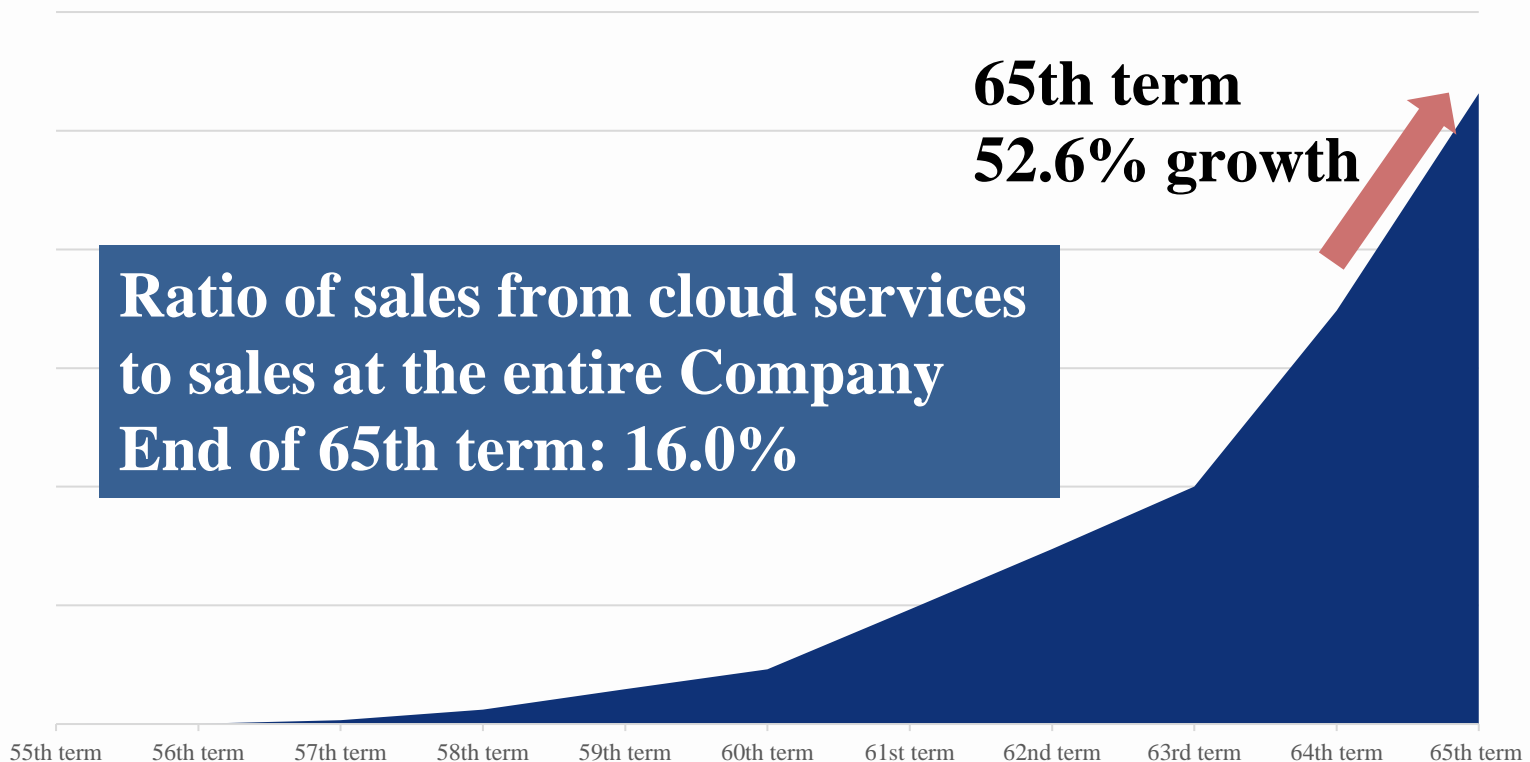
With Engineering Consulting at the base, Product Service has also been growing.

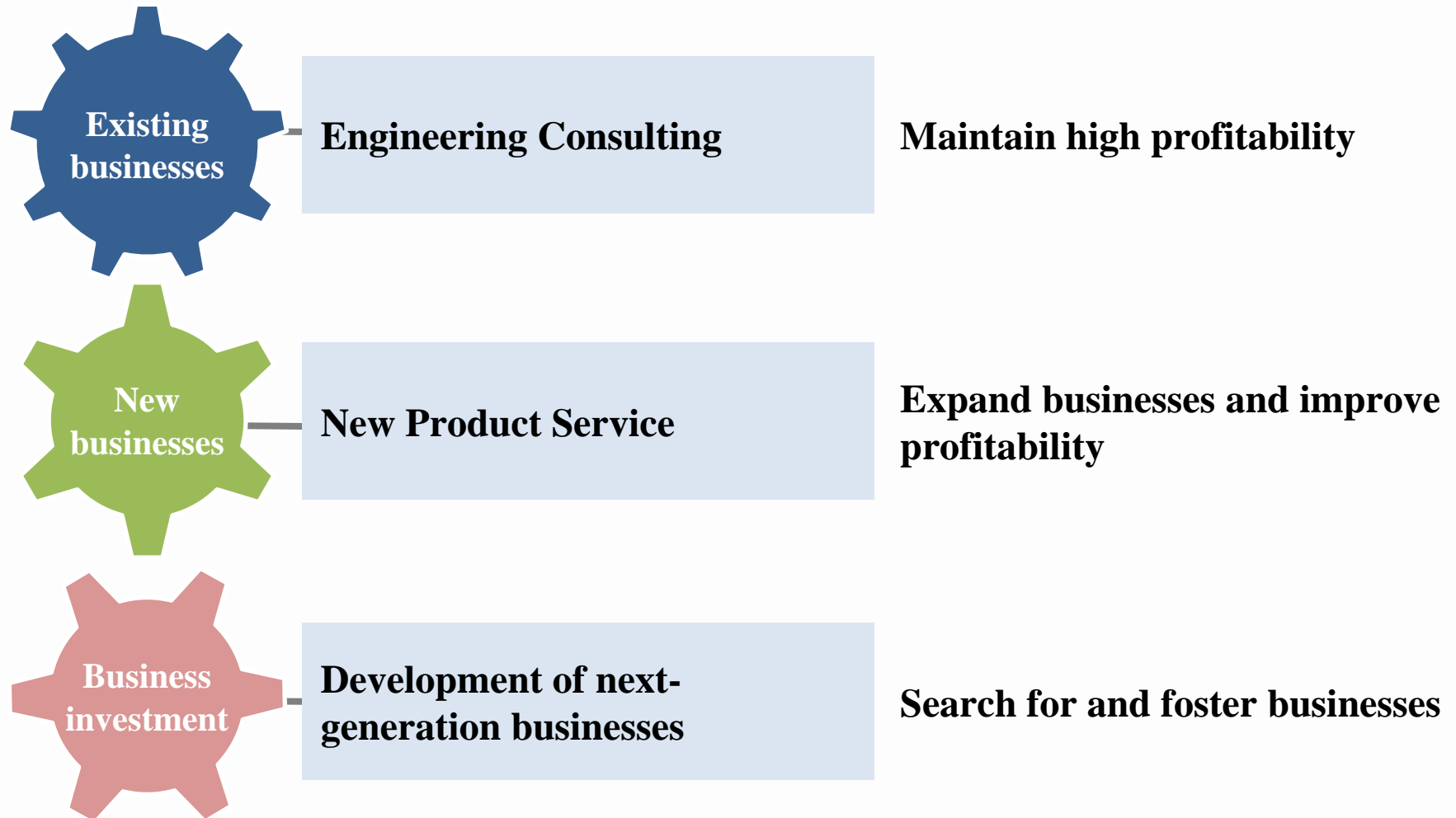


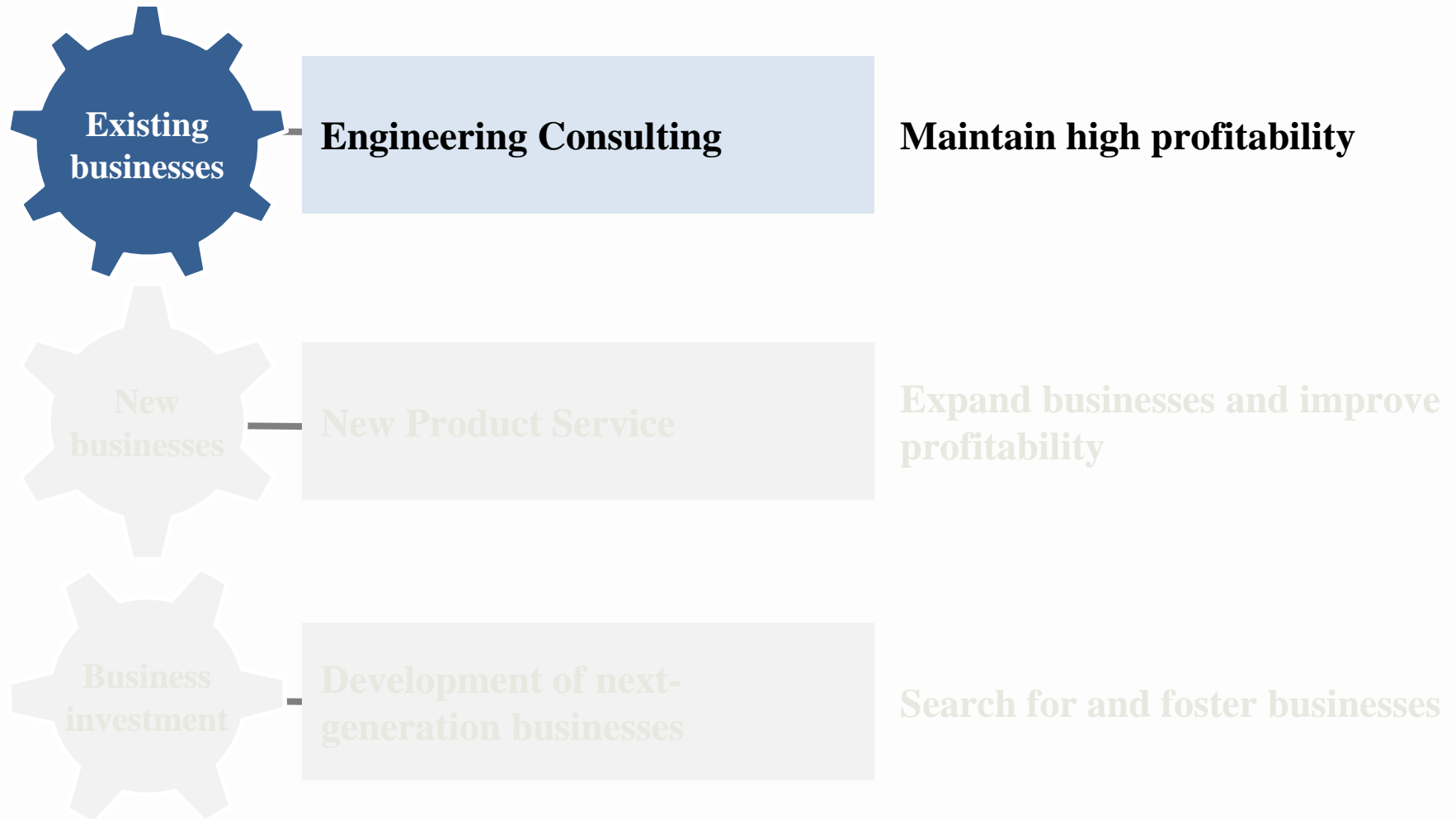


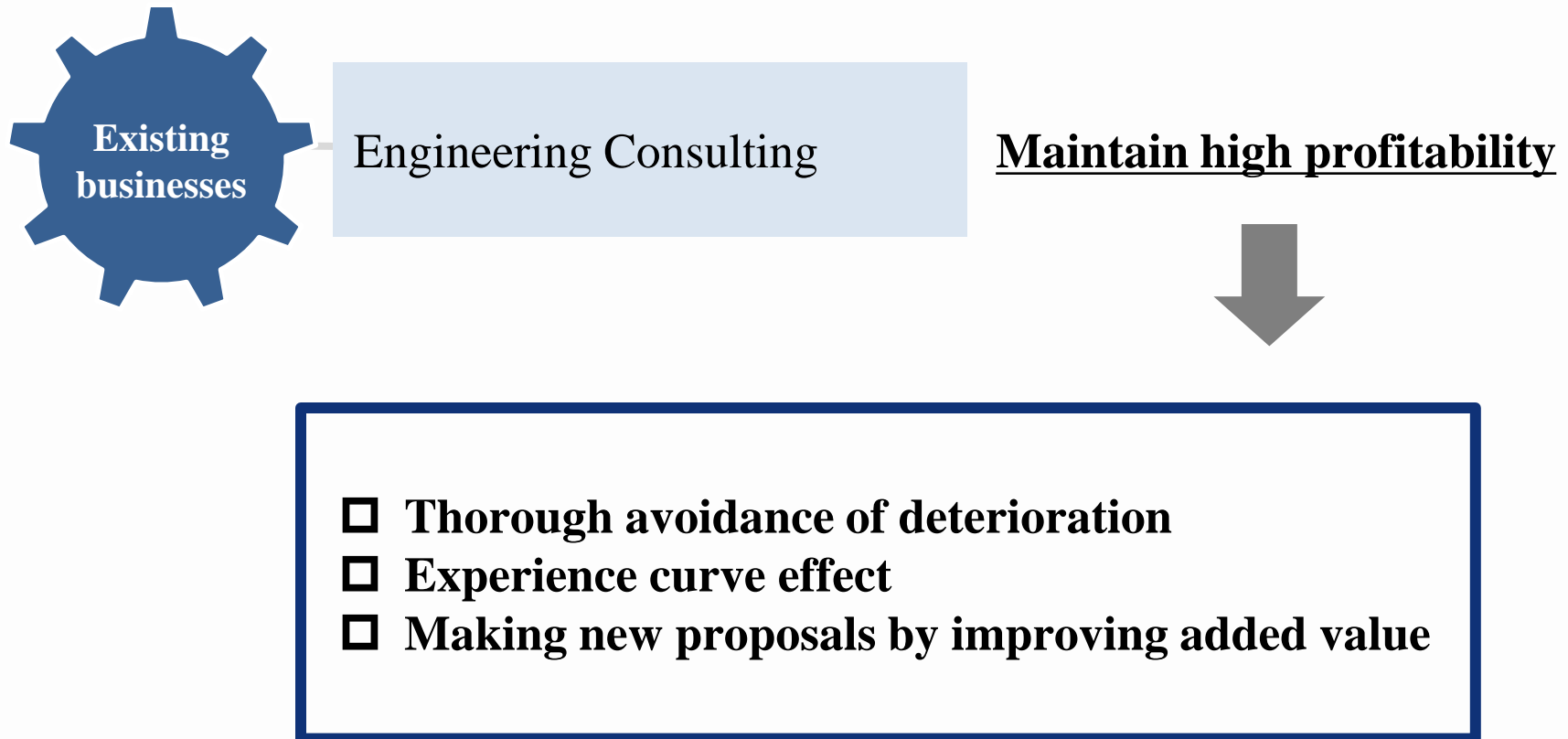
**Growth of Product Service is driven by three new businesses:  
SendGrid, RemoteLOCK, and NavVis**

Changes in sales from cloud services









Engineering Consulting

Main services: • System development  
• Structural design services  
• Consulting services  
Orders for many of them are received under a service contract.



**Deficiencies in contract details and project management**

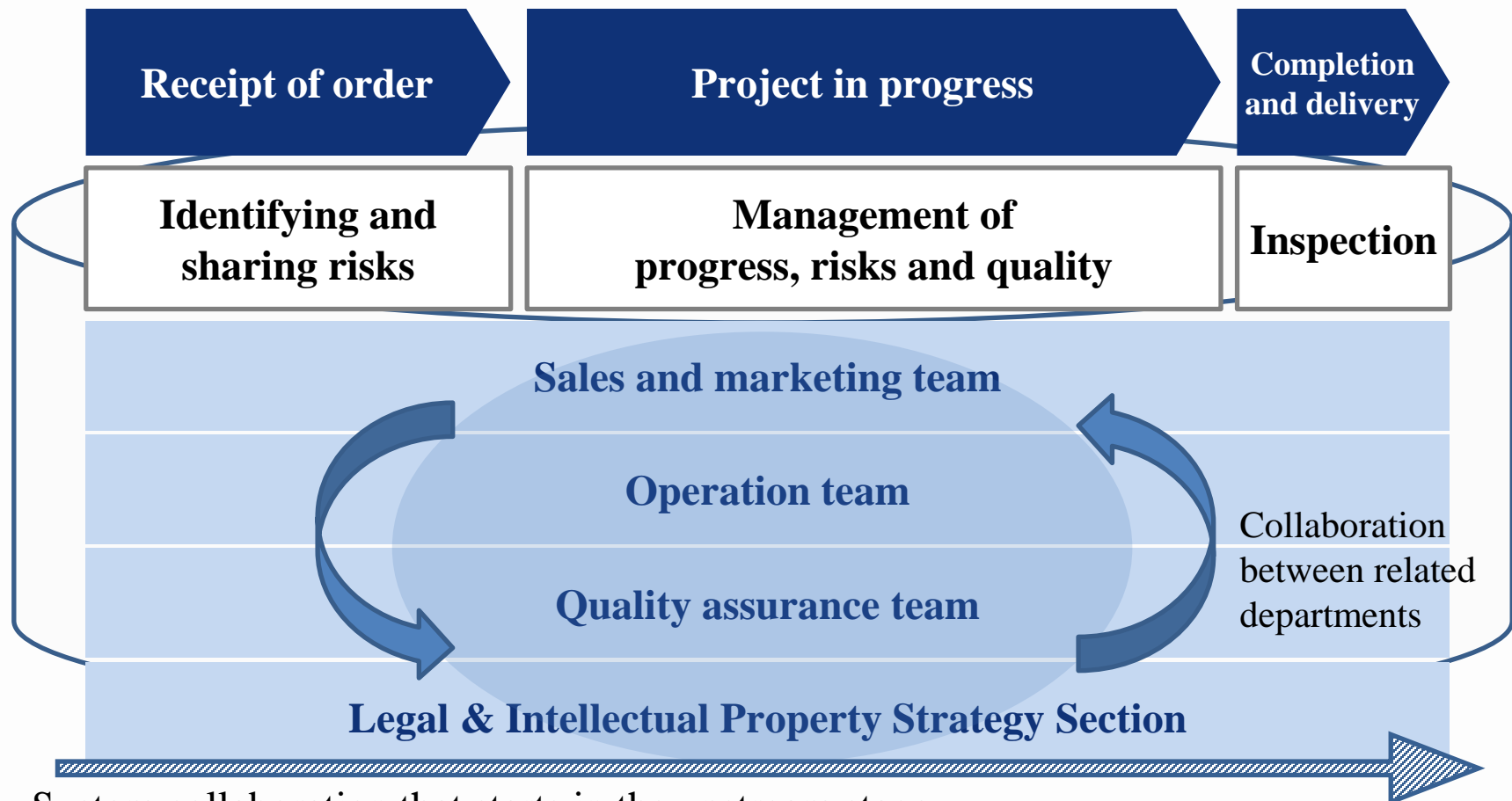


**In the case of an increase in person-hours and  
the deterioration of quality of deliverables**



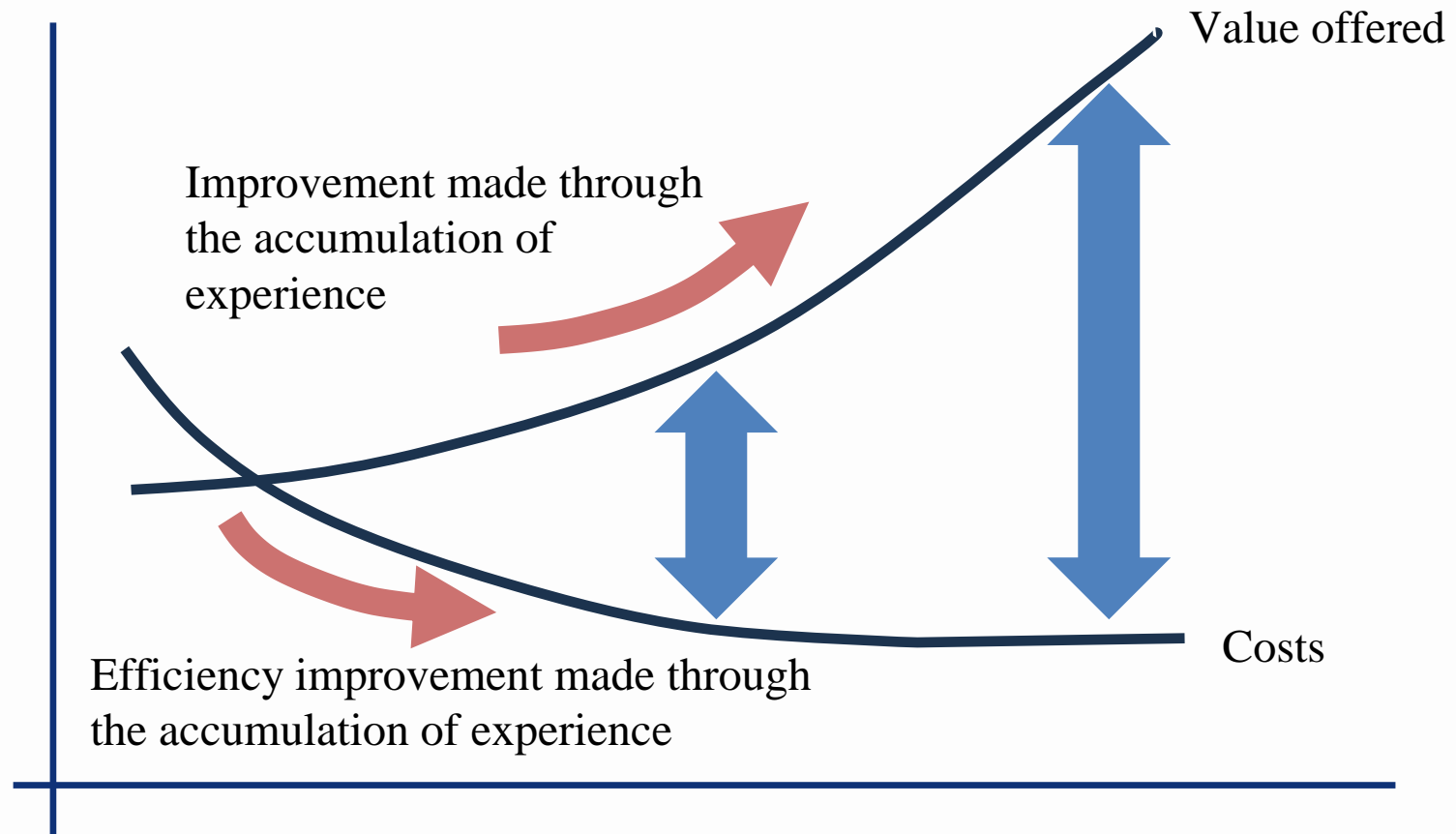
**Significant decrease in profitability**

We will prevent the occurrence of issues by identifying and sharing risks and countermeasures through company-wide collaboration on a process-by-process basis.





**Aim for a business model for acquiring appropriate compensation by applying engineering knowledge with added value.**



## Founding period

### Structural calculations



Reconstruction of the main  
keep of Kumamoto Castle



### Computers



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

- Started as a structural design office

- The Company introduced the first digital computer in Japan's construction and architectural design industry.

1985-

Development of  
systems for housing  
manufacturers

Accumulation through experience

➔ Increase in value to provide

➔ Lower costs

Engineering  
knowledge

×

Industry  
knowledge

Winning more  
customers

Understanding  
common issues

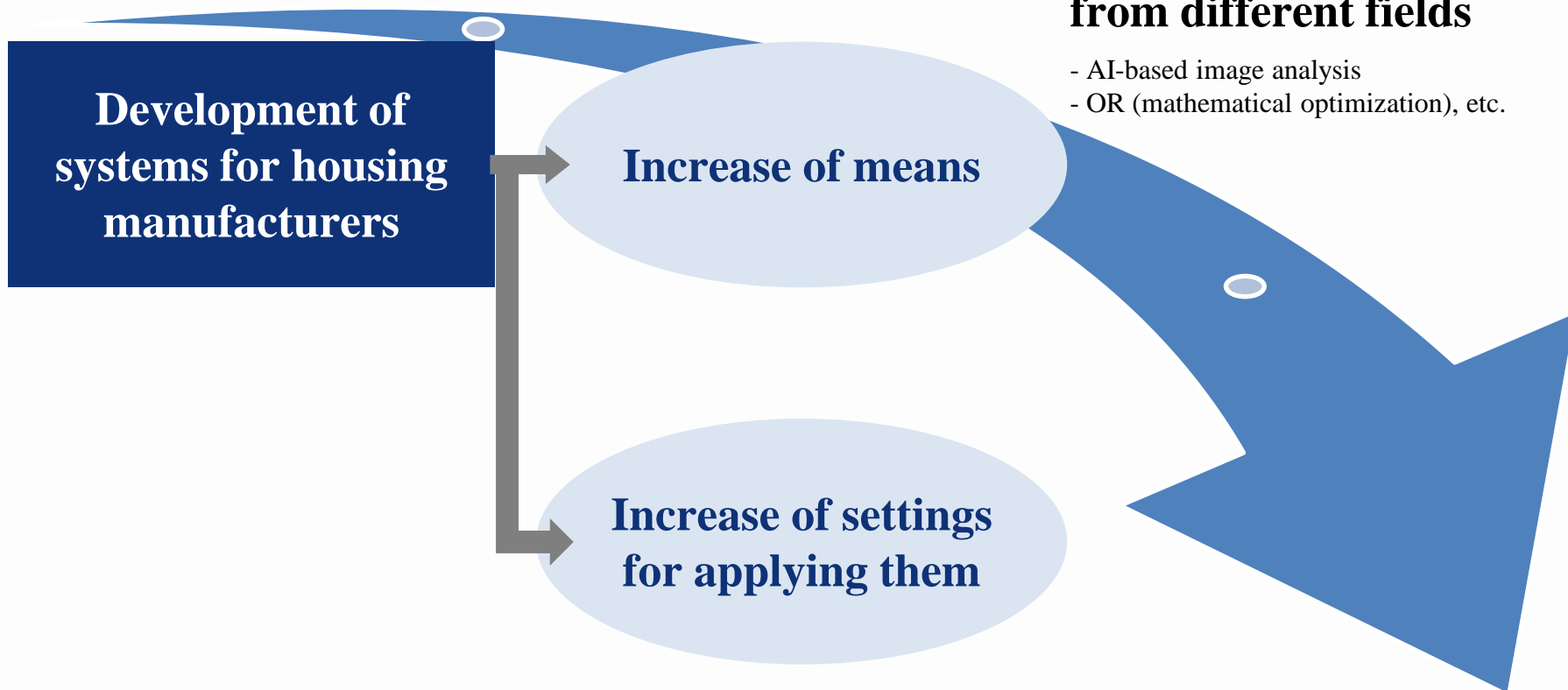
Providing solutions

IT-based  
solutions

Share the  
solutions

Building trust

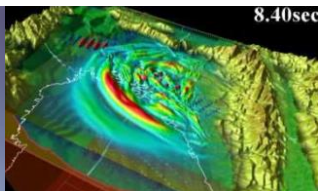
## At present



**Develop and expand new solutions with high added value through combination with the existing empirical knowledge.**

## Founding period -

A wealth of experience  
in the design of  
superhigh-rise buildings  
and buildings with  
seismic isolation and  
damping systems



○ 2008

Initiatives on onshore  
wind power generation

Launch of  
fundamental design  
services for wind  
power generation



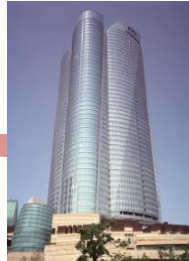
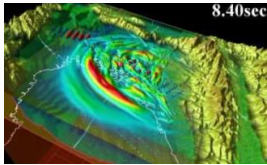
○ 2014

Shift to a new system

Safety assessments of  
supporters for wind power  
generators began to be  
made exclusively by METI.

Entrusted with  
support for  
institutional design  
by METI

Founding period -



Initiatives on  
onshore wind  
power generation



Entrusted with support  
for institutional design

Accumulation through experience

➔ Value provision in new fields

Technologies and  
organizational strength enabling  
to be entrusted with operations  
from analysis to design in an all-  
inclusive manner

Expertise in safety assessment  
and response to committees



Organizational  
diversity

Active participation of  
many non-Japanese  
KKE members



Relationship built with  
overseas wind turbine  
manufacturers

Application to  
offshore wind power  
generation



## Excellent work and excellent engineer awards granted for the Considerations for Ensuring High Equipment Design Quality Using AI. etc. for Government Facilities in FY2022

### Content of implementation

- Consideration of details and verification of effects towards introduction of AI and other tools
- Organization of tasks and consideration of roadmap towards introduction of AI, etc.
- Assistance in running expert review meetings, etc.



### Winner of the excellent engineer award

Manager, IoE Business Dept. (As of the time when the award was granted)

Akio Ino

Awards ceremony

(July 18, 2023, at Ministry of Land, Infrastructure, Transport and Tourism)



## Development of a new method using compressed sensing, which permits low-cost, easy, high-precision measurement of fast vibration of structures

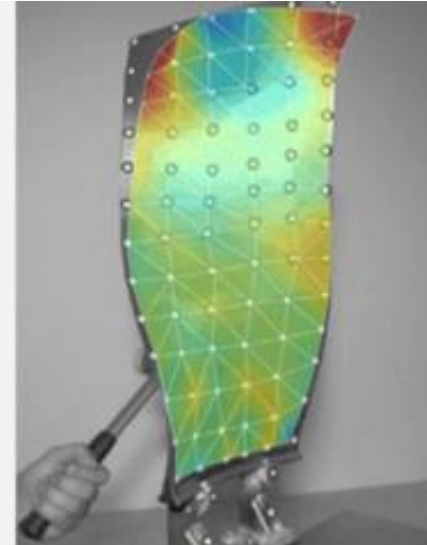
Simplify vibration analysts with a camera

### Compressed Sensing DIC

No need to use an expensive high-speed camera or a special dedicated camera

⇒ A solution that enables analysis of fast vibration phenomenon simply by attaching an affordable control circuit and commercially available strobe to an off-the-shelf camera

Providing low-cost, easy, high-precision vibration analysis

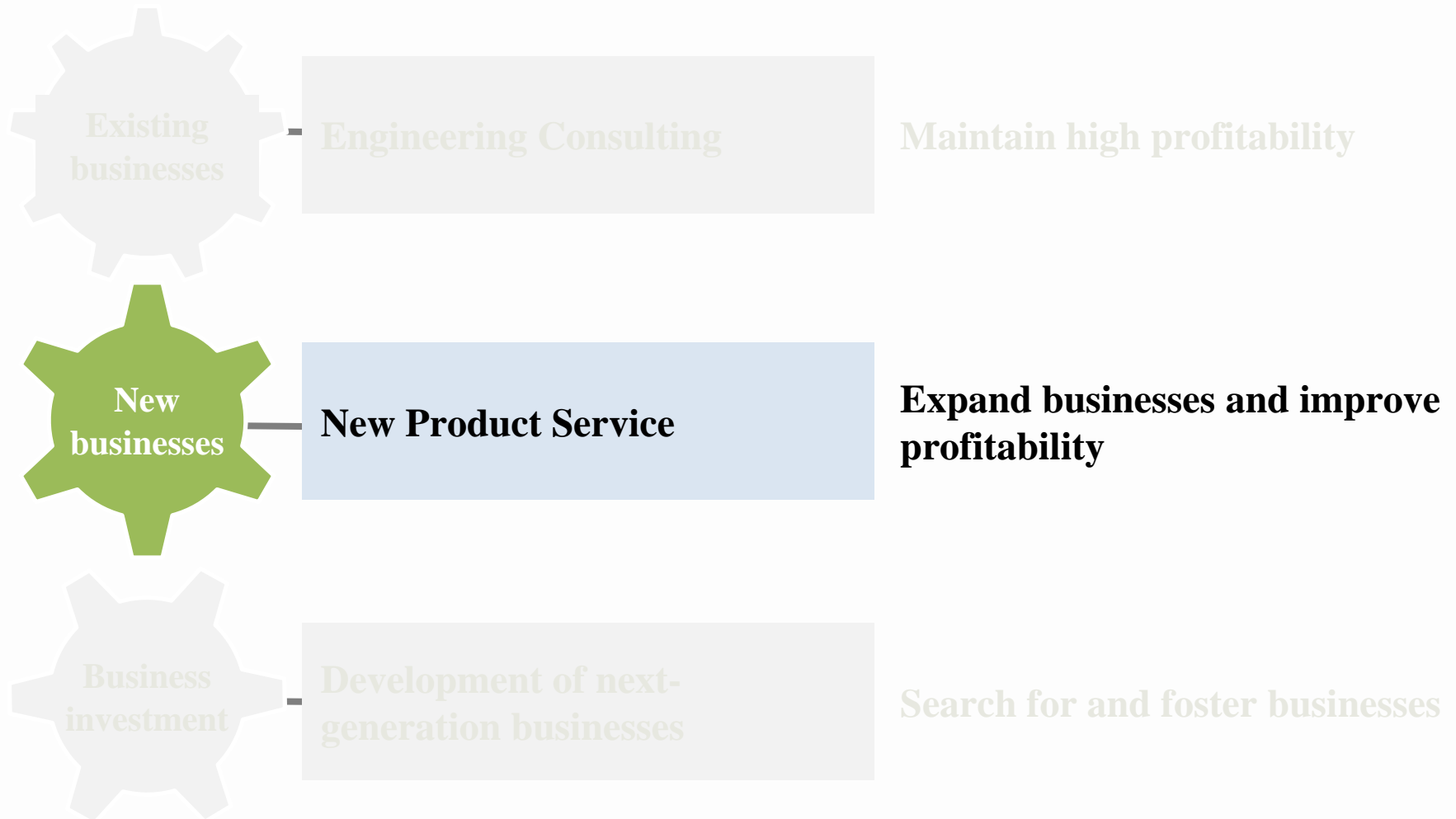


Patent application  
filed in May 2022

- Published in a renowned journal, *Mechanical System and Signal Processing*, as an achievement from joint research with the National Institute of Technology (KOSEN), Hiroshima College
- Granted the Audience Award by the Japanese Society of Mechanical Engineers

Moving forward, we will assume expansion to other industries with a view to practical application in the automotive industry (improvement of quality and riding comfort, noise control, etc.).







**New Product Service**

**Business expansion and  
profitability improvement**



- ☐ **Introducing useful overseas services in Japan**
- ☐ **Forming a capital alliance where appropriate**
- ☐ **Subscription model**
- ☐ **Continuing investment for business expansion**

Introduce useful overseas services in Japan. Form a capital alliance where appropriate.

Twilio  
SendGrid

Cloud-based e-mail delivery service

RemoteLOCK

Cloud-based entry/exit control system

NavVis

3D site data platform

Capital  
relationship

Capital  
relationship

KKE provides unique services with added value intended for the Japanese market. High growth is achieved through synergy between KKE's impressive ability to provide value and subscription model.



(Background)

Commitment to winning the highest-level customer satisfaction as professionals, which has been cultivated at KKE

## Collaborative creation with many different partners through open innovation.

### Any Brands, Any credential, Any Software

#### Hardware collaboration

- Our lock system
- Other companies' lock systems
- Gate into the facility
- Gate into the parking place
- Lockers, etc.

**Managing at least  
100,000 entries per day**

**Expansion  
of domain**



[Examples]  
- SADIOT ROOM



#### System collaboration with different types of services

- Reservation system
  - Settlement system
  - Hotel system, etc.
- In collaboration  
with more than  
50 open services**



#### Customers

[Examples]  
- Midoriya Ryokan (inn) of the Jinya Group  
- FAV Hotel of Kasumigaseki Capital

[Examples]  
- Kobe City, Hyogo

**Accommodation  
facilities**

**Local governments**  
(Adopted by more than  
60 local governments)

**Stores etc.**

## Example of hardware collaboration

### SADIOT ROOM



## Examples from local governments

### Kobe City, Hyogo

#### Junior high schools

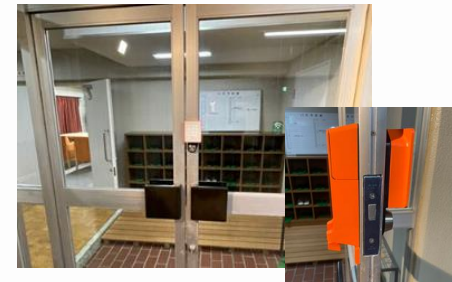
FY2022

Installed and operated at 50 schools

FY2023

To be installed at remaining 32 junior high schools

#### Meeting place of municipal housing



## Examples from accommodation facilities

### Midoriya Ryokan of the Jinya Group



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

### FAV Hotel of Kasumigaseki Capital



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## Expansion in the use of NavVis VLX, a measurement device for acquiring 3D data, and NavVis IVION, a 3D data web viewer

### NavVis VLX



Quickly capturing  
3D data of large and  
complex locations

**A mobile measurement device that  
enables to acquire 3D data of sites  
quickly with high quality**

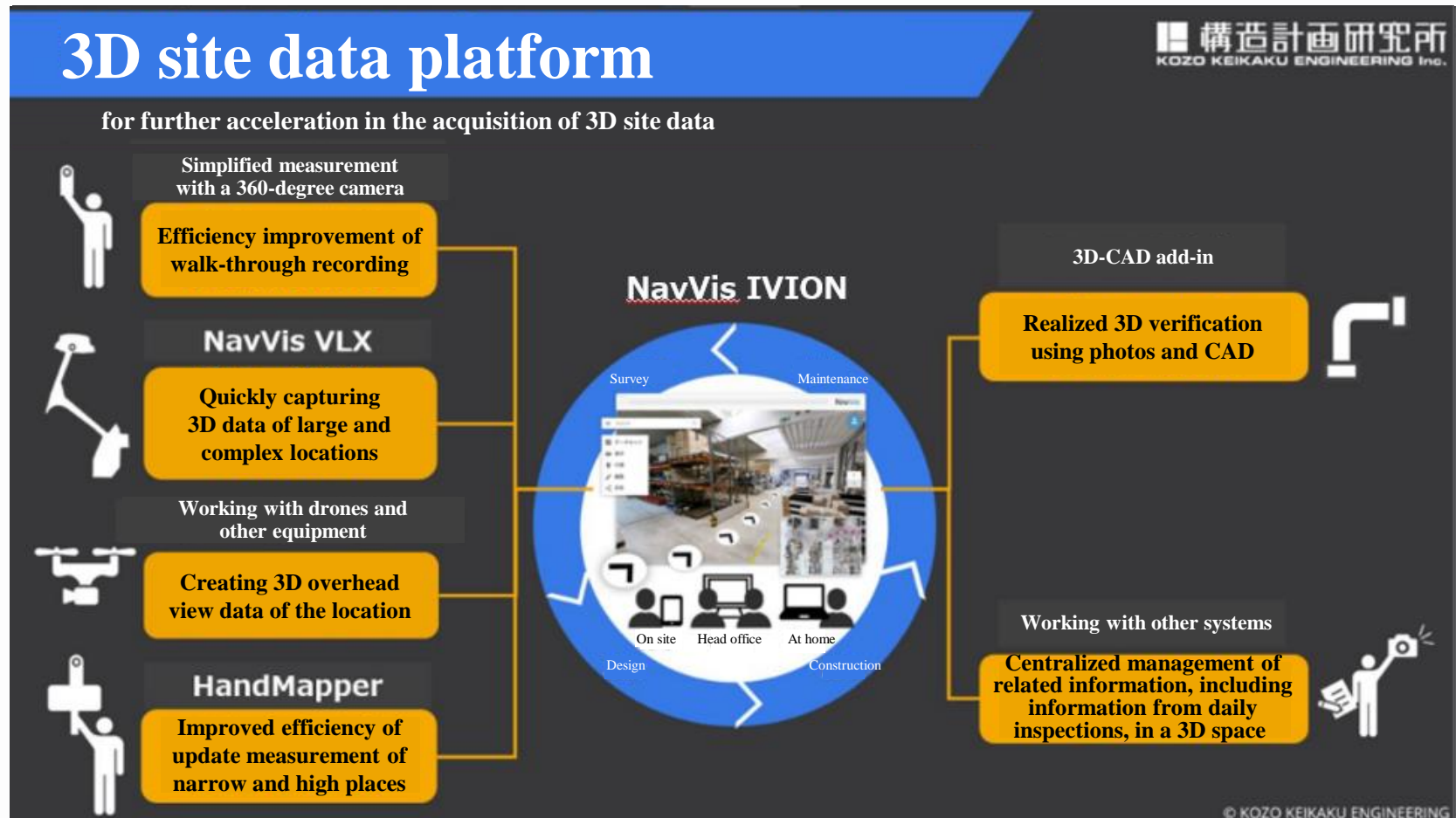
### NavVis IVION



**A 3D data web viewer for getting  
the picture of and inspecting sites**



## Providing unique value of KKE with steady progress in the development of technology to improve convenience and expand applications

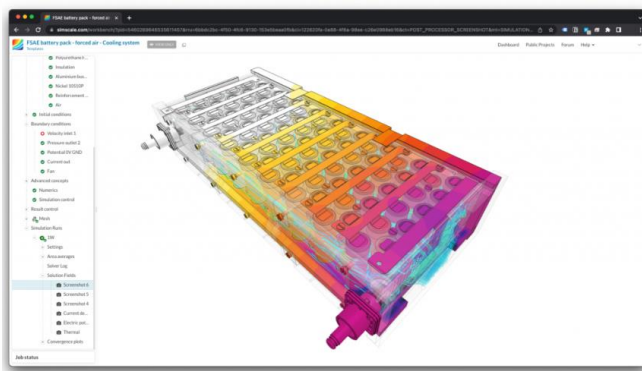




## Began to offer the industry's first full-cloud CAE platform, which was developed by SimScale of Germany, as the first authorized distributor in Japan

\* CAE: Computer Aided Engineering

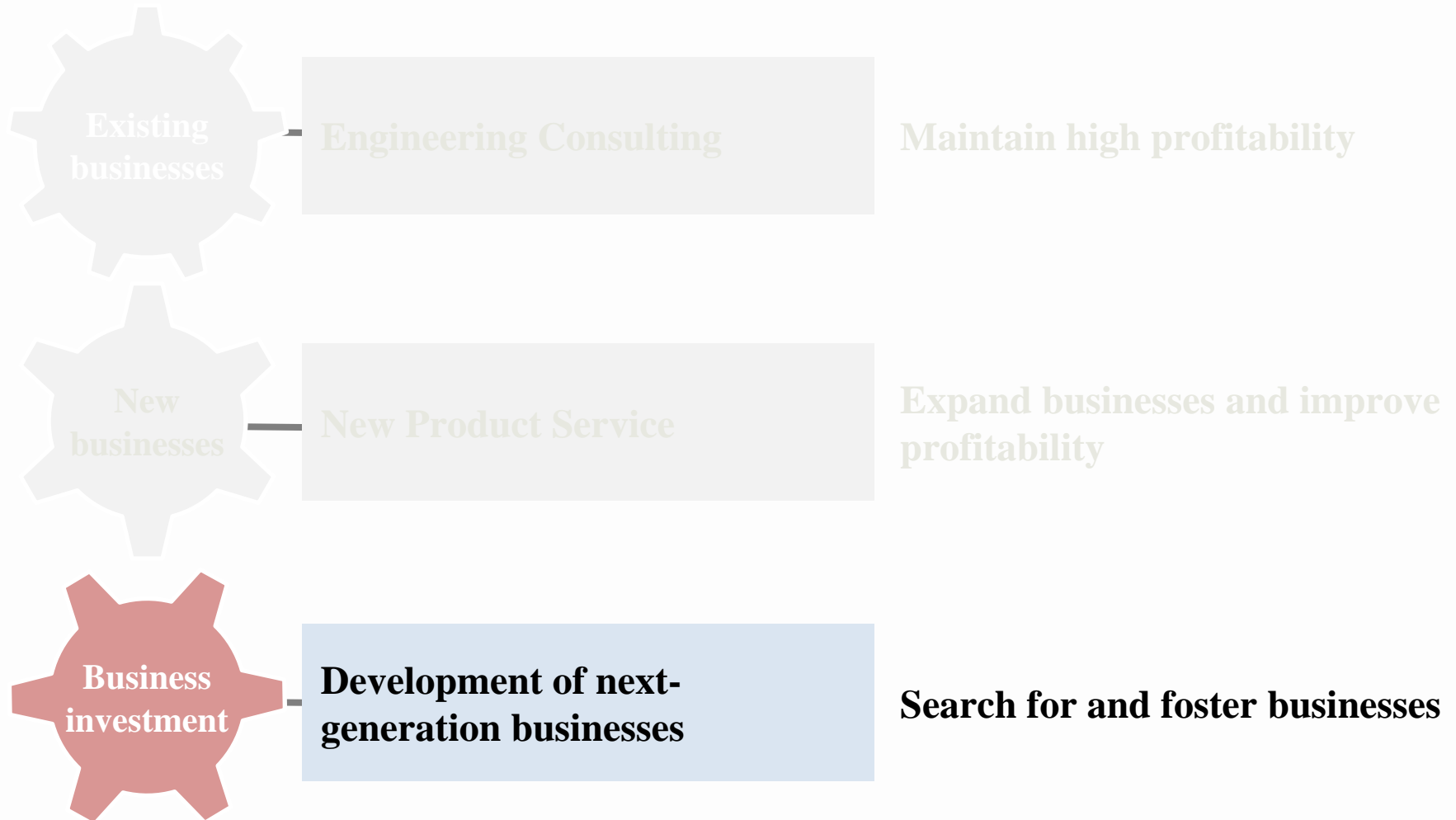
- The platform does not require the use of hardware, permitting design and development on web browser, from anywhere.
- It can be used for a wide range of phenomena, including structure analysis, thermal flow analysis, and analysis of wind conditions.



Example of analysis with SimScale



We held a service launch seminar in July 2023, with the participation of more than 80 people.



## **Business competition**

Opportunities to propose ideas on new businesses

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## **External activities with universities and other organizations**

Participating in committees and study groups, implementing activities as lecturers, etc., presenting academic papers, and publishing books

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## **KKE Best Project**

Opportunity to honor excellent projects and share them in a company-wide manner

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## **Shadow work**

Activities that help develop engineers' skills are actively implemented

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# Sowing Seeds for Developing Next-Generation Businesses

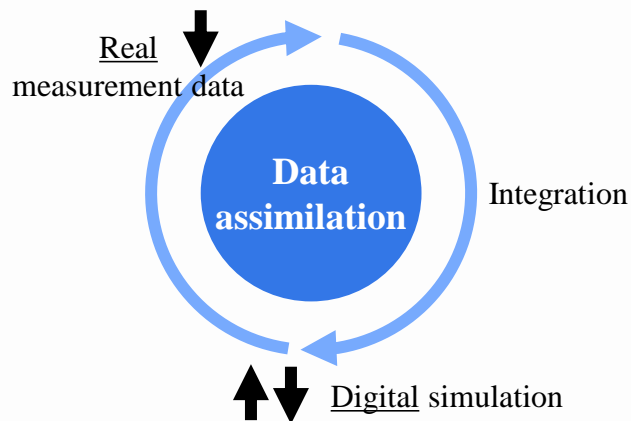
Work to cultivate the seeds of new businesses looking five to ten years into the future

Seeds

Startup

Early

## Initiative using data assimilation



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

## 3MA



## RiverCast

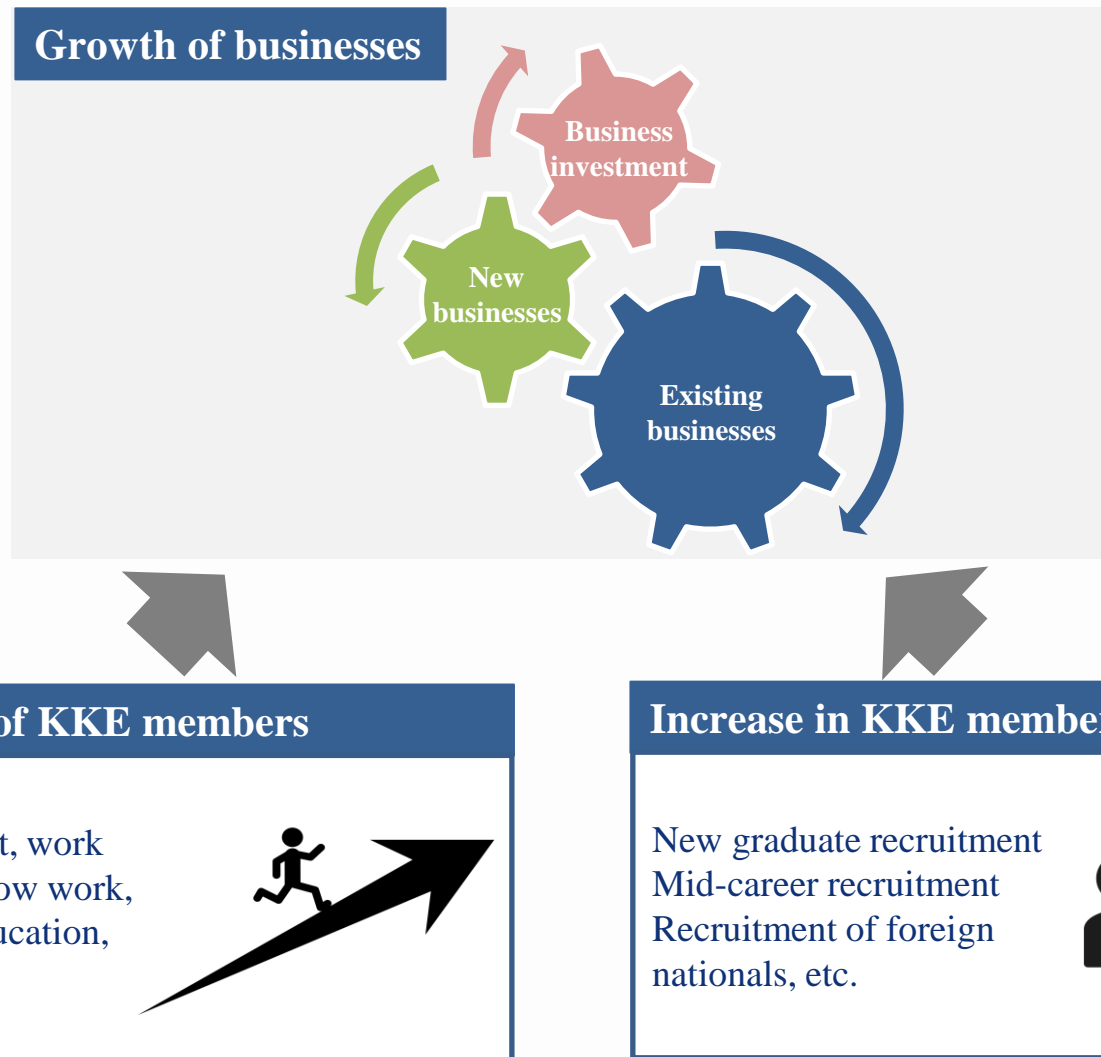


# Collaborative Professionals as the Source of Sustainable Growth

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# Participation and Growth of Collaborative Professionals



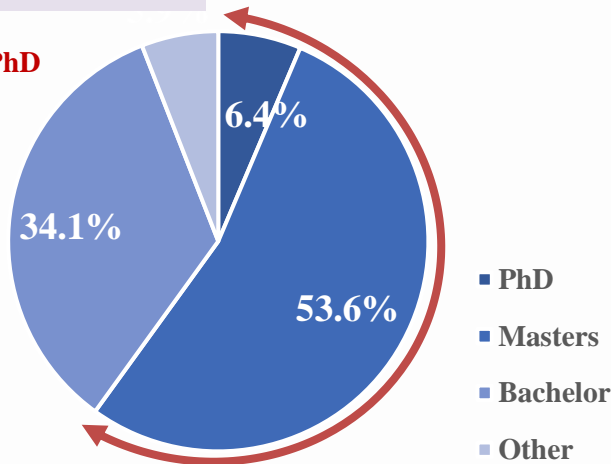
# Diverse Collaborative Professionals Supporting Diverse Business Domains

Value the diversity of collaborative professionals to secure the capabilities to address any problem in society

Scope: Existing KKE members at the end of the 65th term

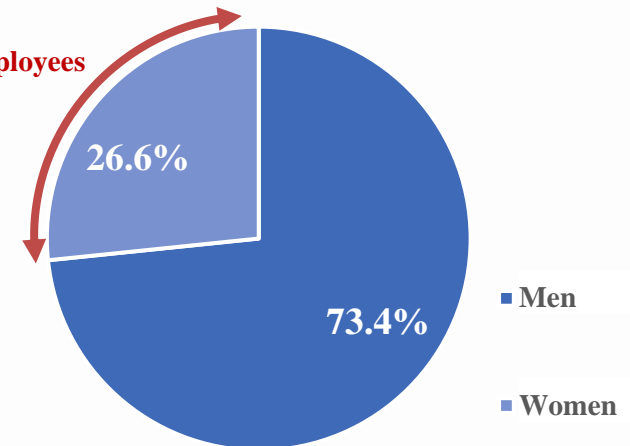
## Academic background

Masters and PhD  
Approx. 60%



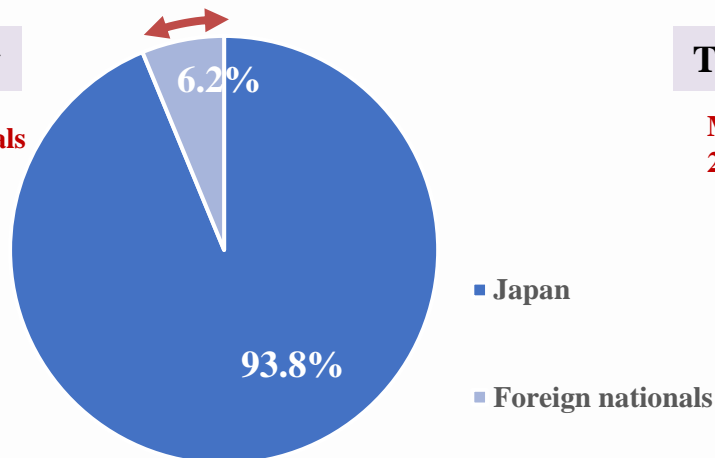
## Sex

Percentage of employees  
that are women  
26.6%



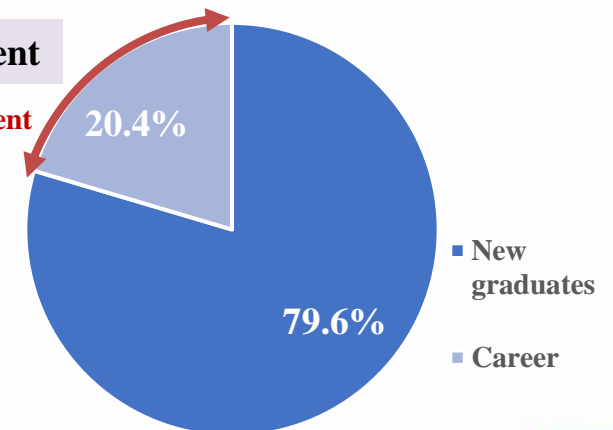
## Nationality

Foreign nationals  
6.2%



## Type of recruitment

Mid-career recruitment  
20.4%



# Enhancing Opportunities for Active Participation of Diverse Collaborative Professionals

## Meaningful utilization of human capital through collaboration with group companies

### KKE Smile Support Inc.



- Established in August 2022
- Number of employees: 31 (as of September 1, 2023)
- An alternative place for KKE members who desire to choose workstyles with more freedom



Acquired worker dispatch business license  
Began dispatching workers to companies  
other than KKE

### PARA-SOL, Inc.



- Made into a subsidiary in April 2023
- Number of employees: 52 (as of September 1, 2023)
- A business partner that has been supporting multiple departments of KKE as a partner company



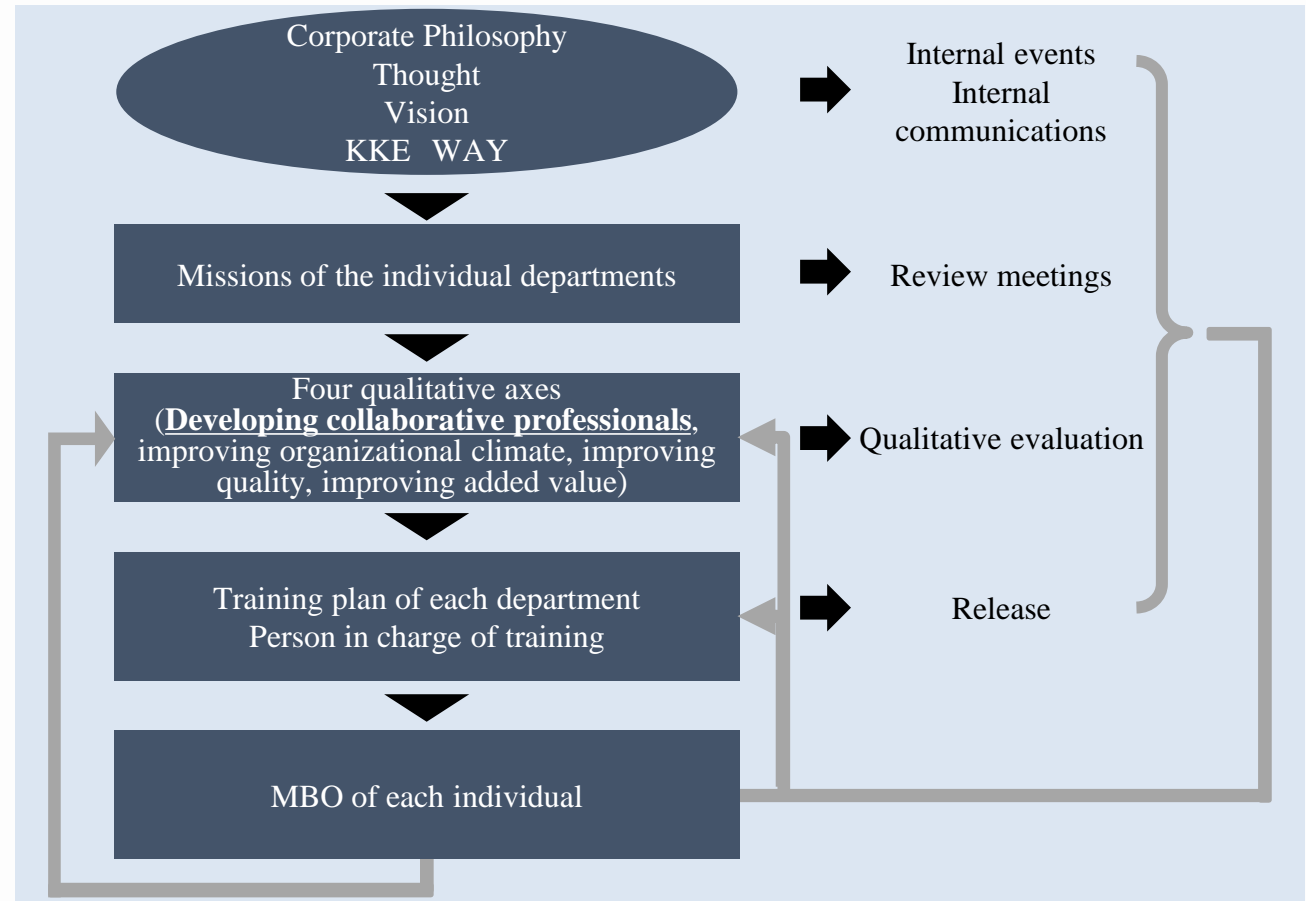
Strengthening the cooperative  
relationship further



# Human Resource Development Policy for Achieving Both Distinctive Quality and Self-Initiative

## Distinctive quality of KKE: Availability of environment and systems that link Corporate Philosophy with the self-actualization target of each individual

1. Delivery of messages from the management, inclusion in DNA
2. Determination and announcement of missions at each department
3. Determination and announcement of qualitative targets and initiatives at each department
4. Formulation of a training plan by the person in charge of training at each department
5. Each individual sets targets and formulates a training plan for achieving the targets.



# Human Resource Development Policy for Achieving Both Distinctive Quality and Self-Initiative

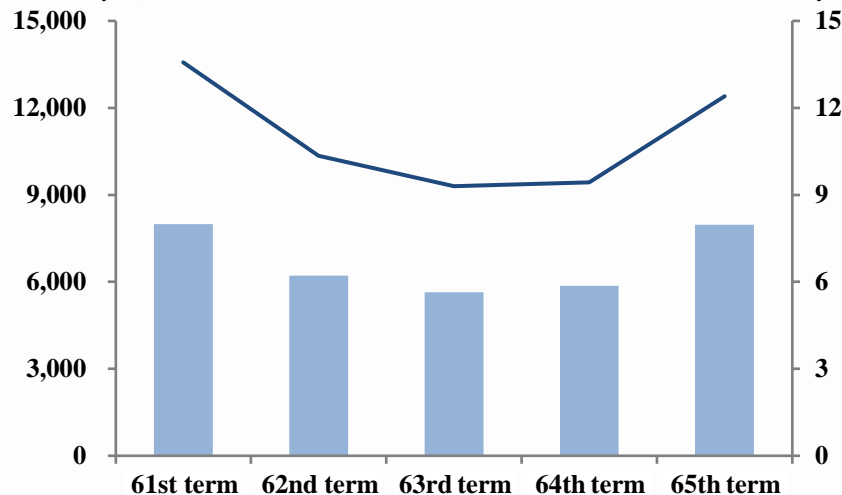
## Self-initiative: Human resource development policy focusing on individual discretion

- Personal development which is not related directly to work can be set as an MBO target at the desire of individuals.
- Costs of training needed for the development of each KKE member are borne by the Company.

### Changes in company-wide costs related to support for growth and human resource development

- Costs (including training, book budget, and activities in academic societies)
- Per-capita amount of investment in collaborative professionals

(Expenses for training, etc.: 10 thousand yen) (Per-capita investment amount: 10 thousand yen)

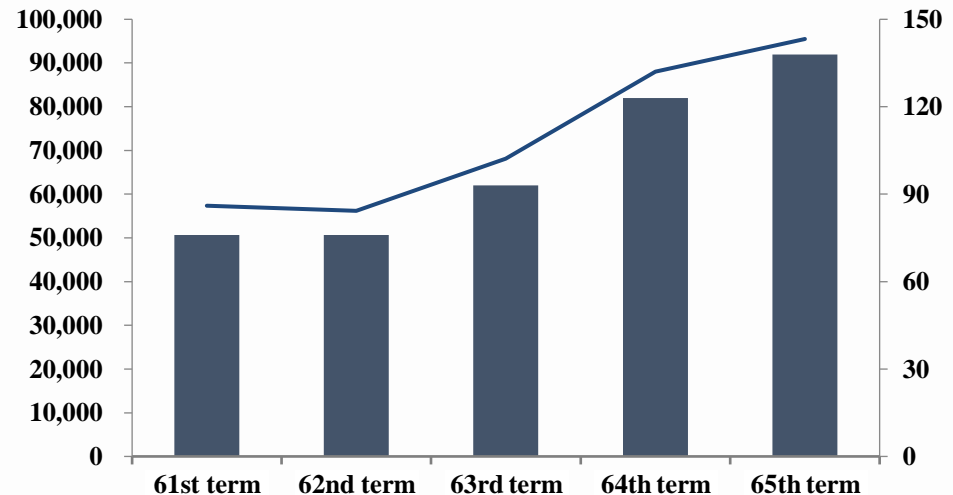


\* Cost of external training, etc. declined due to COVID-19 but recovered.

### Changes in amount of time related to support for growth and human resource development

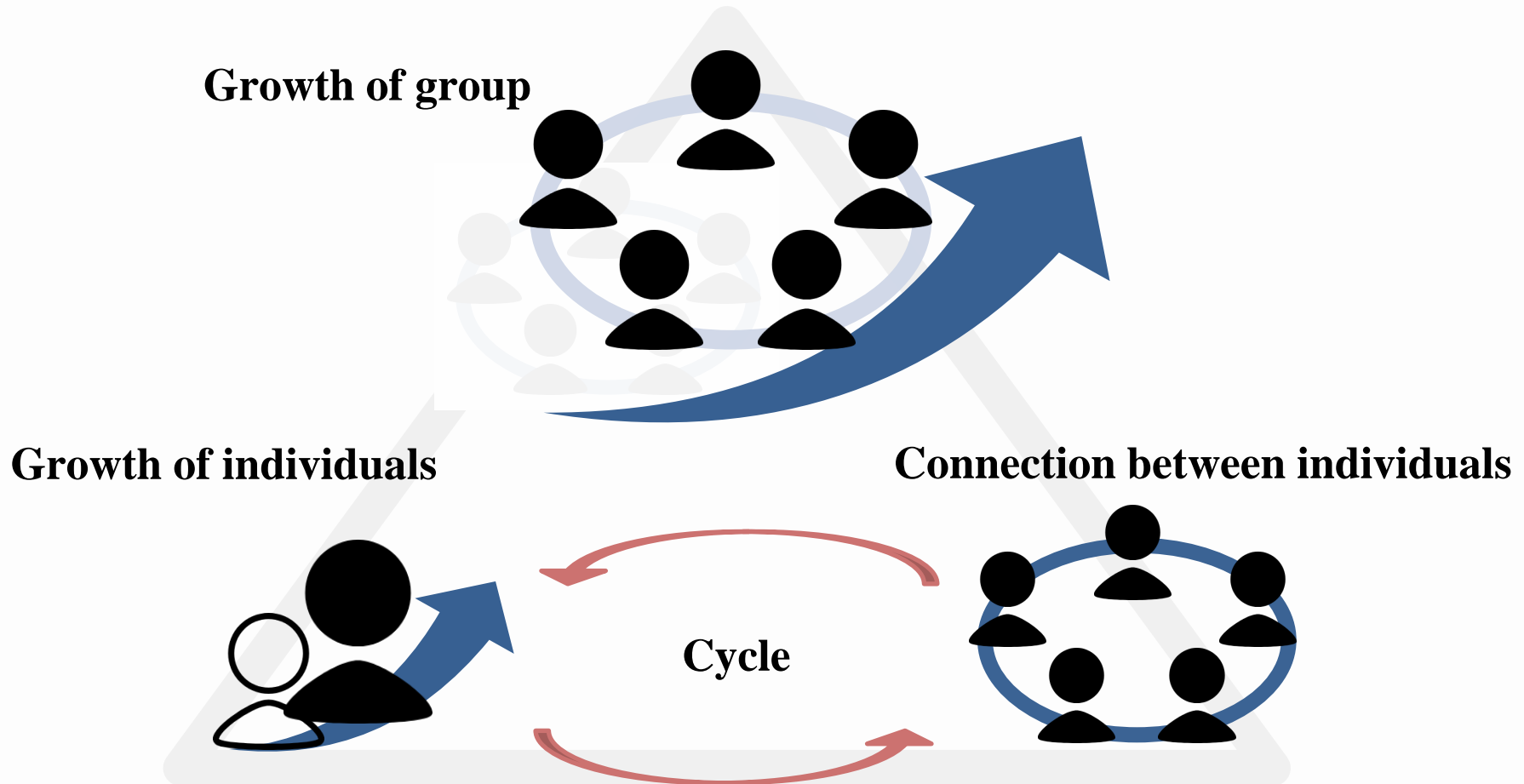
- Time (including training and activities in academic societies)
- Per-capita amount of time invested in collaborative professionals

(Hours spent on training, etc.: hours) (Per-capita investment amount: hours)



# Creating Opportunities for the Growth of Each KKE Member

Opportunities to achieve growth by stimulating each other are created, and individuals keep developing, inspired by the opportunities.



# Creating Opportunities for the Growth of Each KKE Member

## Example initiatives

### Growth of individuals



- Training programs focusing on individual discretion
- Development through collaborations with universities, research institutions, and partners
- Appraisal system (MBO, MVA)
- Promotion exam,

etc.

### Connection between individuals



- A large number of company-wide events
- KKE Best Project
- Issuing internal newsletters
- en cafe (in- house cafe),

etc.

# Creating Opportunities for the Growth of Each KKE Member

## Providing self-development opportunities for supporting the growth of collaborative professionals

- Establishment of Social Cooperation Programs

Period	Name
February 2016 to March 2020	Mathematical Engineering for Complex Social Systems in the Future
April 2020 to March 2023	Cyber-Physical Architecture for the Sustainable Built Environment

構造計画研究所  
KOZO KEIKAKU ENGINEERING Inc.

Symposium of Social Cooperation Programs  
Mitigation of and adaptation to climate change led by data integration and organization  
~Engineering knowledge shared with universities~

Thursday, June 15, 2023  
Ito International Research Center,  
University of Tokyo



Reserve in advance  
Free admission

- Dispatch KKE members to domestic and overseas locations



Overseas	Barcelona	Temporary assignment to an overseas office
	Munich	Temporary assignment to NavVis
	Denver	Temporary assignment to RemoteLOCK
Domestic	Japan	Public-private exchange (with the Japan Fair Trade Commission)
		Kyushu TLO Company, Limited

# Creating Opportunities for the Growth of Each KKE Member

## Highly convincing and transparent evaluation system

### Management By Objectives and Self-Control (MBO): Evaluation of KKE members for creating autonomous collaborative professionals

- Setting targets **based on one's own thinking**
- Targets are classified into business targets, behavioral targets, and skill targets.
- **Skill targets are linked to the training plan of each department.**
- **Personal growth** achieved through MBO initiatives and dialogues with managers

### MVA (Mission, Vision, and Action): Evaluation of managers

- Targets: Officers including Representative Executive Officers, department managers, and senior engineers
- **MVA** of individuals **are disclosed to all KKE members** at the beginning of each fiscal year.
- **A review meeting, which is open to all KKE members,** is held at the end of each fiscal year.
- At the review meeting, evaluations are made by officers in consideration of activities and level of achievement of individuals.

# Creating Opportunities for the Growth of Each KKE Member

## A large number of company-wide events

- **Fostering shared values among diverse collaborative professionals by delivering messages from senior management**
- **Activating interactions between KKE members by intentionally creating opportunities for all of them to gather**

### ▼ Company-wide events held in the 65th term

Month	Events
July	Qualitative evaluation meeting
July	In-house briefing session
August	In-house briefing session
October	Review meetings
November	KKE Best Project
December	In-house briefing session
December	Year-end party

Month	Events
January	New Year's message (First business day of the year)
January	Review meetings
January	Hattori Award
March	In-house briefing session
April	Welcome ceremony
April	Review meetings



New Year's message in January 2023

# 4

## FYE June 2024 (66th Term) Forecasts

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For the company's continuous growth, it is vital to gather and develop competent collaborative professionals.

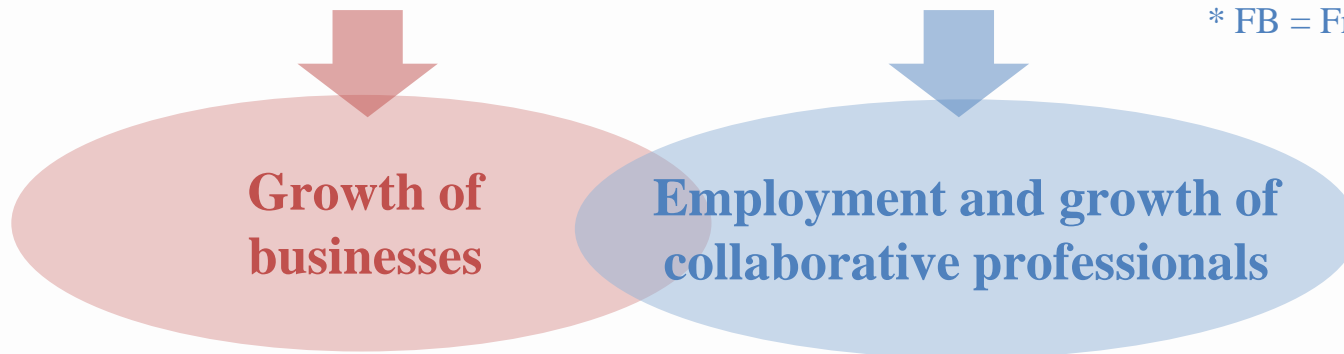


## Our management indicators

Total added value =

**Operating income** + **Personnel expenses** + **Fringe benefits (FB\*)**

\* FB = Fringe benefits



We have adopted a management goal of achieving annual growth of 5% to 7% on a medium- to long-term basis.

## Strengthening businesses for manufacturing industry

### Sales Unit

#### Objective

Increasing the appeal of businesses for manufacturing industry for external parties

Construction DX Marketing Dept.

Manufacturing DX  
marketing function

Independent

Manufacturing DX Marketing Dept.

### Business Unit

#### Objective

Activating expansion of businesses for manufacturing industry

- Structural Design Group
- Analysis Group
- Housing & Construction Group
- Telecommunication Technology Group
- Decision Making Group
- Manufacturing Group

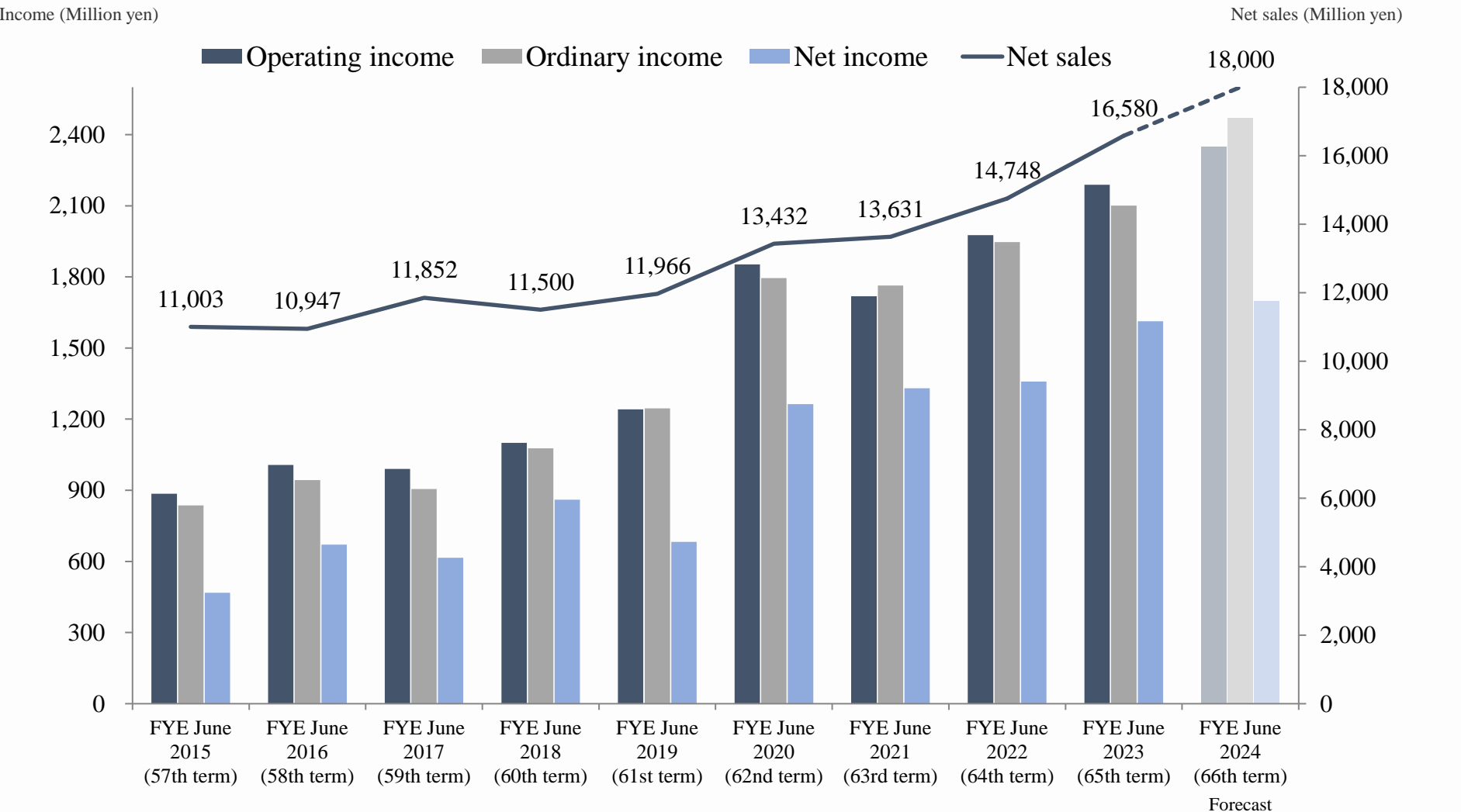
Newly  
established

# Forecasts for FYE June 2024 (66th Term)

(Million yen)

	FYE June 2023 (65th term)	FYE June 2024 (66th term) Forecast	Change from previous FY	Rate of change from previous FY
Net sales	16,580	18,000	1,419	8.6%
Operating income	2,189	2,350	160	7.3%
Ordinary income	2,101	2,470	368	17.5%
Net income	1,613	1,700	86	5.4%

# Trends in Results and Results Forecasts



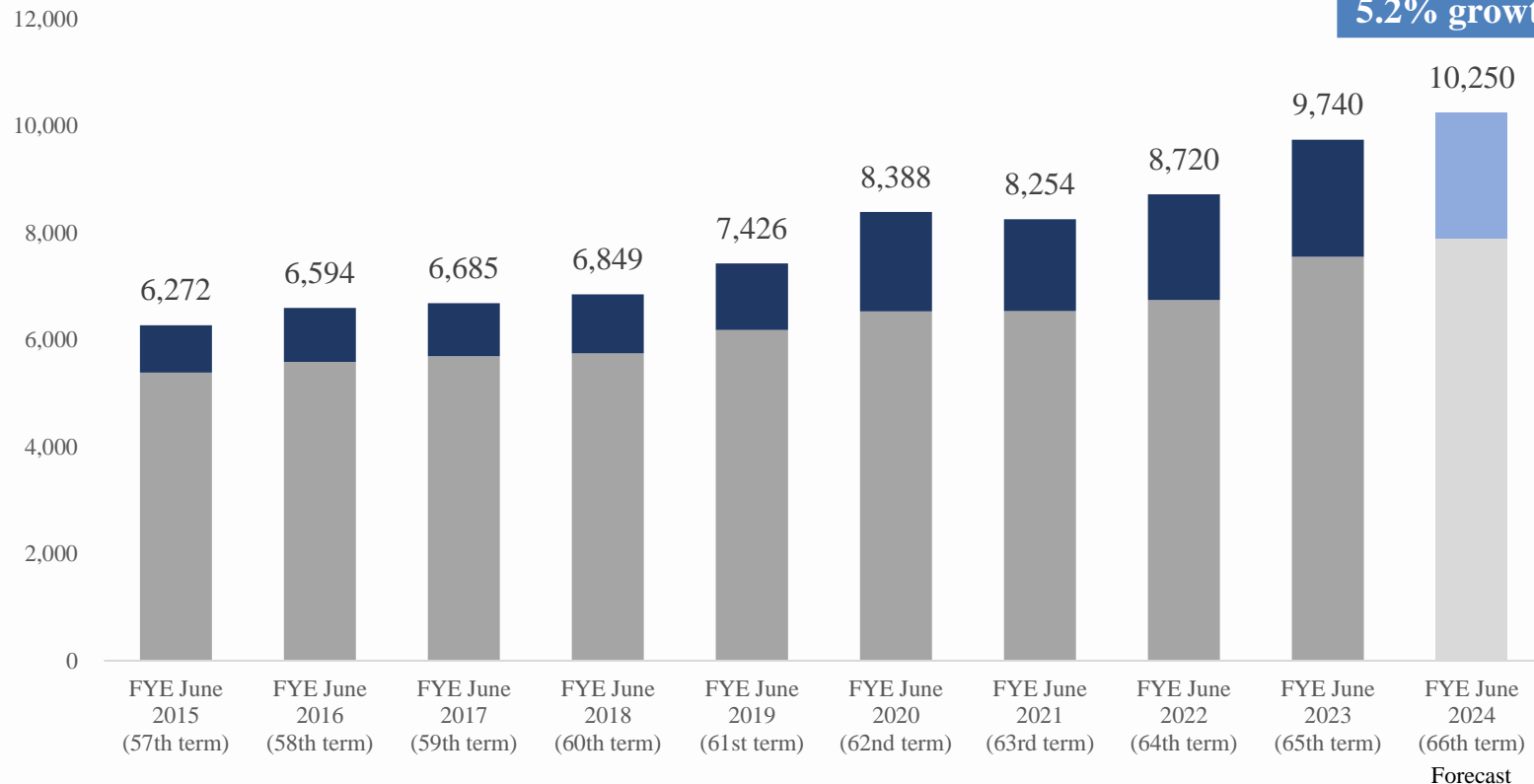
# Changes in the Total Added Value over the Past 10 Years

■ Personnel expenses + Welfare expenses  
= Securing and growth of  
collaborative professionals

■ Operating income  
= Growth in business

Plan for FYE  
June 2024  
5.2% growth

Million yen



## Basic Policy on Profit Distribution

- Paying continuous and stable dividends while taking into account the needs for internal reserves for the strengthening of management base and future business development

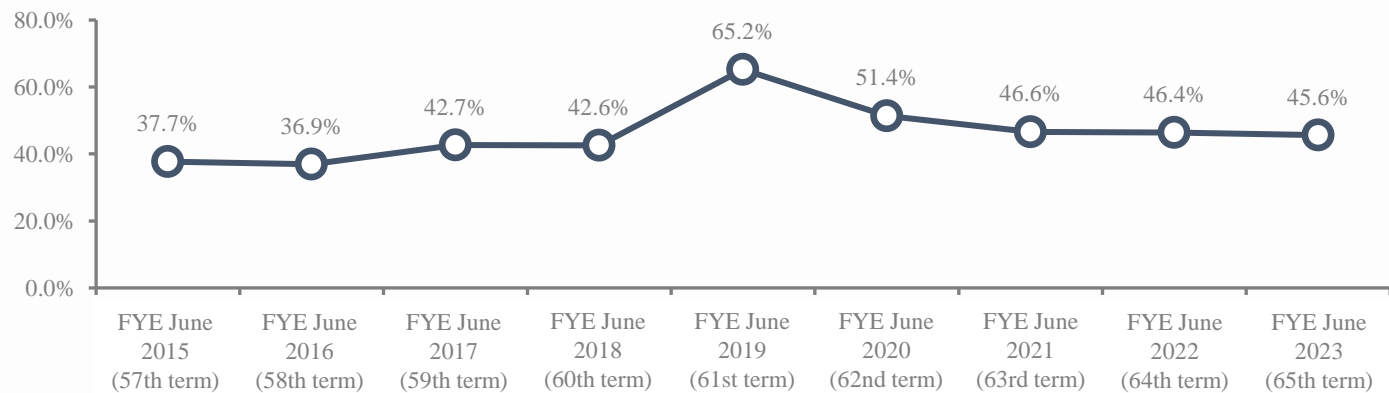
Rough targets	Dividend payout ratio	50%	
	DOE (dividends on equity ratio)	8%	New

Formula:  $\text{DOE} = \text{Dividend per share} \div \text{net assets per share}$

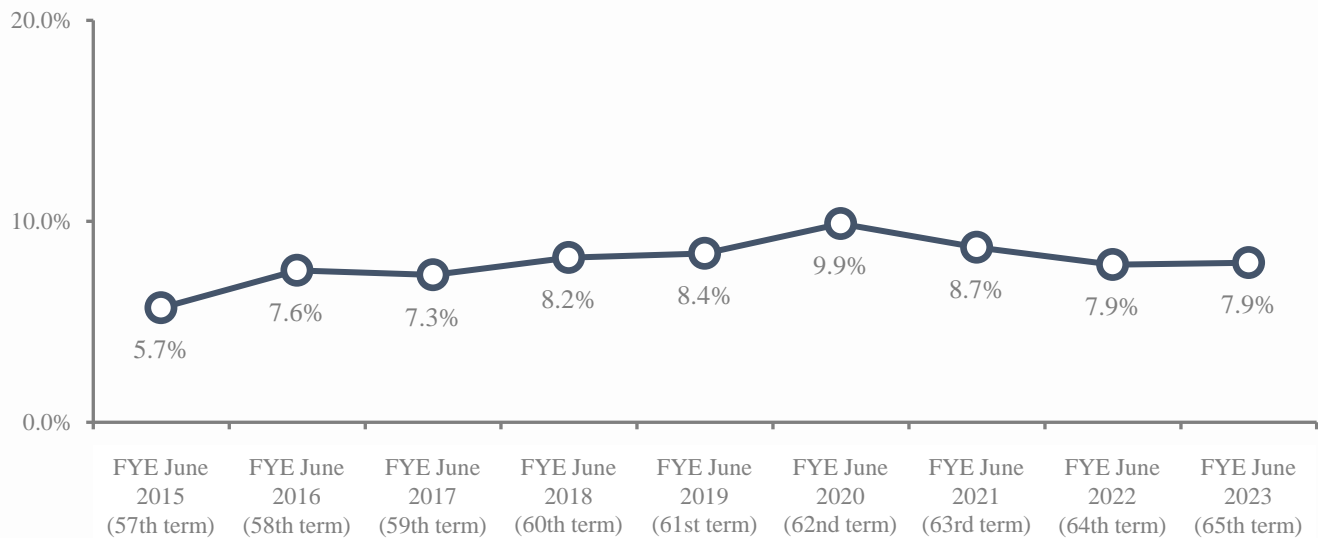
Dividend forecast  
for the current FY

140 yen

## Dividend payout ratio



## DOE



To aim for sustainable growth towards the 100th anniversary of our founding in 2056

- Autonomous, agile decision-making and business operation, which are aligned with diversification of businesses
- Appropriate distribution of management resources focused on human resources



**Start considering transition to holding company system**



## *Innovating for a Wise Future*

***Wise Future***: With the aim of creating a future society full of human wisdom

***Innovating***: We will keep innovating to provide value to society in a sustainable way.

“We want to create a wise future society with our stakeholders by disseminating useful technologies based on our engineering knowledge.”

**Contact:**

**Investor Relations Section**

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**Website: <https://www.kke.co.jp>**

*Innovating for a **Wise Future***