

2020

Apr. 1, 2019 – Mar. 31, 2020

FY3/20

Financial Results

 Ad-Sol Nissin Corp.

Tomizo Ueda, President and CEO

May 26, 2020

Summary of FY3/20 Results

Business Forecasts for FY3/21

◆ Profit increased for 10 consecutive years!

Sales

13.315 billion yen • YoY + **9.2%**

**Operating
income**

1.213 billion yen • YoY + **19.9%**

Dividends

32 yen • YoY + **5** yen

<Impact of COVID-19 on our performance>

- **No impact on results**
- COVID-19 Countermeasures Headquarters (established in January 2020)
- ICT Investment (teleworking, etc.)

◆ Record-high sales and profit (for 10 consecutive years)!!

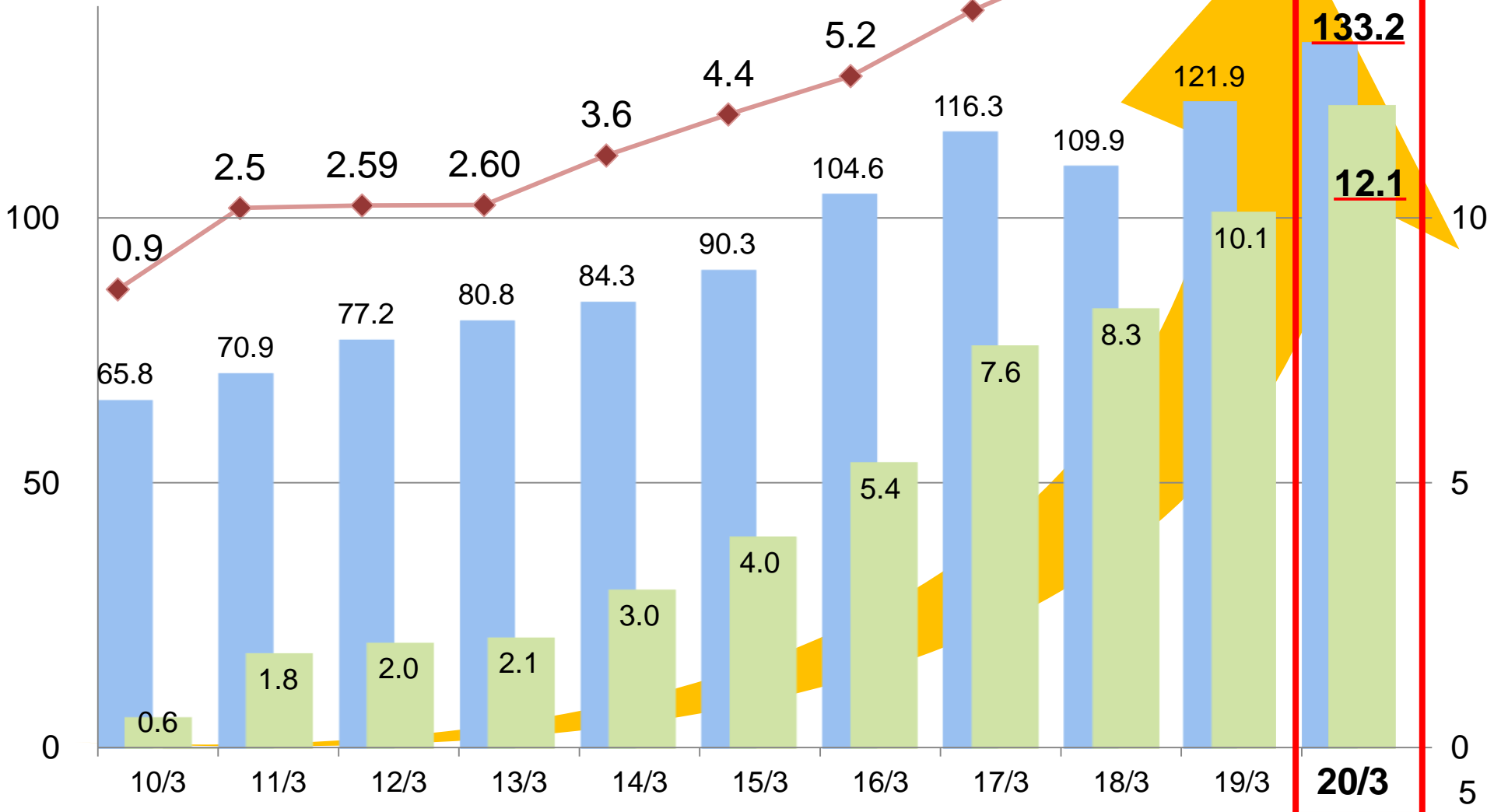
(Unit: million yen)

| | FY3/19 | | FY3/20 | | YoY | |
|--------------------------------|--------|------------------|---------------|------------------|-------------------|-------------|
| | Result | Ratio to sales % | Result | Ratio to sales % | Increase/decrease | Pct. change |
| Sales | 12,194 | - | 13,315 | - | 1,120 | 9.2 |
| Social Infrastructure Business | 7,435 | 61.0 | 8,862 | 66.6 | 1,427 | 19.2 |
| Advanced Industry Business | 4,758 | 39.0 | 4,452 | 33.4 | △306 | △6.4 |
| Gross profit | 2,820 | 23.1 | 3,284 | 24.7 | 463 | 16.4 |
| SG&A expenses | 1,808 | 14.8 | 2,070 | 15.5 | 262 | 14.5 |
| Operating income | 1,012 | 8.3 | 1,213 | 9.1 | 201 | 19.9 |
| Ordinary income | 1,012 | 8.3 | 1,236 | 9.3 | 224 | 22.2 |
| Net income | 687 | 5.6 | 824 | 6.2 | 136 | 19.9 |
| Orders received | 12,382 | - | 14,259 | - | 1,876 | 15.2 |
| Order backlog | 2,223 | - | 3,167 | - | 943 | 42.5 |

Profitability improvement

◆ Profits and profit margin Increased for 10 consecutive years

■ Sales (left axis: billion yen) ■ Operating income (right axis: billion yen)
■ Operating profit margin(line chart: %)



Sales by Segment

- ◆ **Social Infrastructure Business** : Energy (electricity and gas)
- ◆ **Advanced Industry Business** : Base systems (payment and data services),
Control (medical, next-Generation Automobiles)
- ◆ **Comprehensive loX Engineering Business**: IoT security , GIS (Geographical Information System)

(Unit: million yen)

| | FY3/19 | | FY3/20 | | YoY | |
|---|--------|------------------|---------------|------------------|-------------------|-------------|
| | Result | Ratio to sales % | Result | Ratio to sales % | Increase/decrease | Pct. change |
| Sales | 12,194 | - | 13,315 | - | 1,120 | 9.2 |
| Social Infrastructure Business | 7,435 | 61.0 | 8,862 | 66.6 | 1,427 | 19.2 |
| Energy | 5,680 | 46.6 | 6,863 | 51.5 | 1,182 | 20.8 |
| Transportation | 935 | 7.7 | 1,317 | 9.9 | 382 | 40.9 |
| Public works | 198 | 1.6 | 160 | 1.2 | △38 | △19.2 |
| Communication Network | 621 | 5.1 | 521 | 3.9 | △99 | △16.0 |
| Advanced Industry Business | 4,758 | 39.0 | 4,452 | 33.4 | △306 | △6.4 |
| Control system | 2,047 | 16.8 | 1,943 | 14.6 | △103 | △5.1 |
| Foundation system | 1,939 | 15.9 | 1,958 | 14.7 | 19 | 1.0 |
| Solution | 772 | 6.3 | 549 | 4.1 | △222 | △28.8 |
| (Comprehensive loX Engineering Business) | 3,917 | 32.1 | 3,421 | 25.7 | △495 | △12.6 |

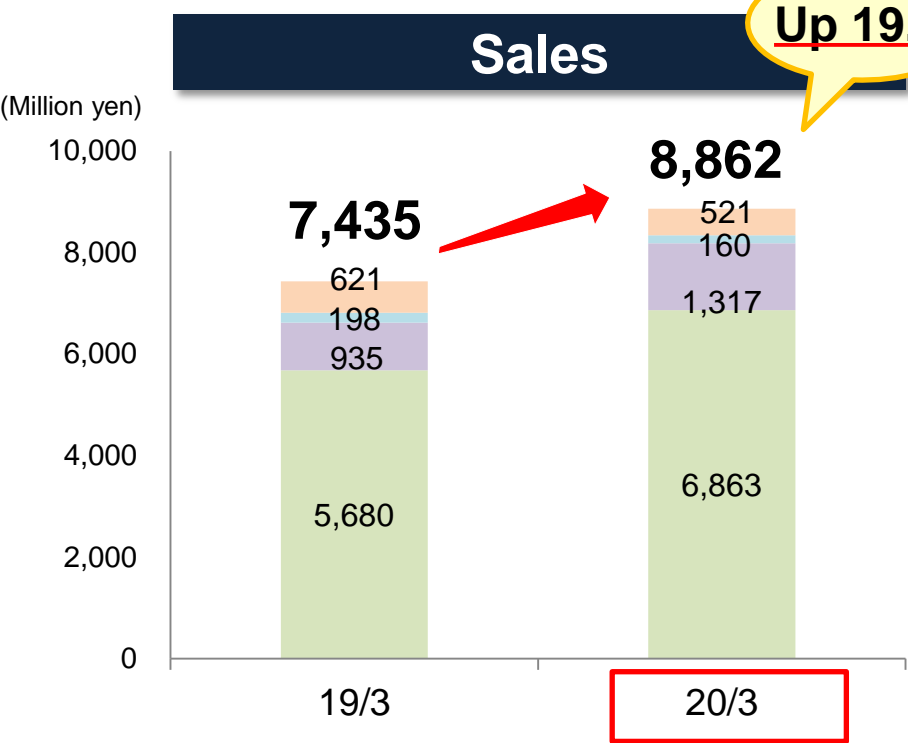
Orders

■ Energy

■ Traffic/Transportation

■ Communications/
network

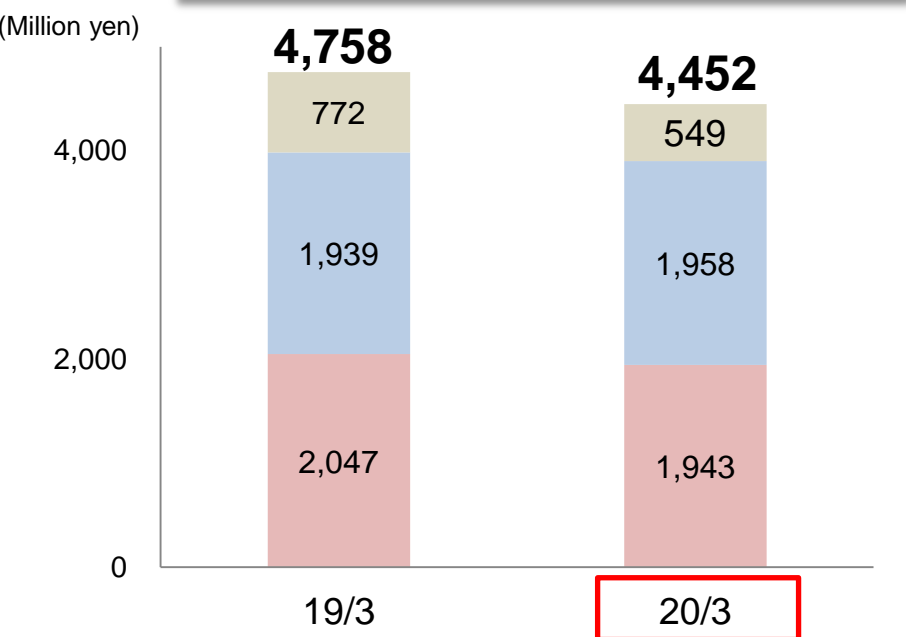
- Energy : Spin-off, base systems, new business domains
- Gas : Spin-off, base systems, IoT/DX (cloud, agile, IoT, etc.)
- Travel-related business expanded (projects for new services, system renewal projects, etc.)
- Space-related business progressed as planned.
- Next-generation communications (5G) remained firm.



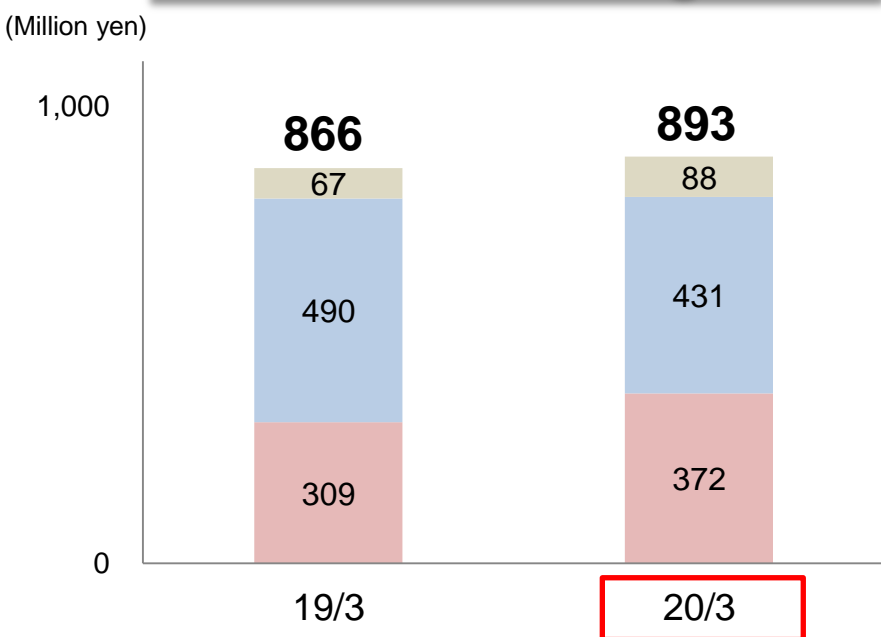
Orders

| | |
|-------------------|---|
| Control system | <ul style="list-style-type: none">Medical: Promoted multi-site and distributed R&DOrders for <u>next-generation vehicles</u>, IoT base, office equipment, etc. progressed as planned |
| Foundation system | <ul style="list-style-type: none">Expanded domains of <u>settlement base system and data services-related.</u> |
| Solution | <ul style="list-style-type: none">Continued to adopt <u>LynxSECURE</u> (Medical Information Network System)<u>GIS</u>(Geographic information system) : Strengthen and expand the Solutions BusinessClosure of security consulting |

Sales

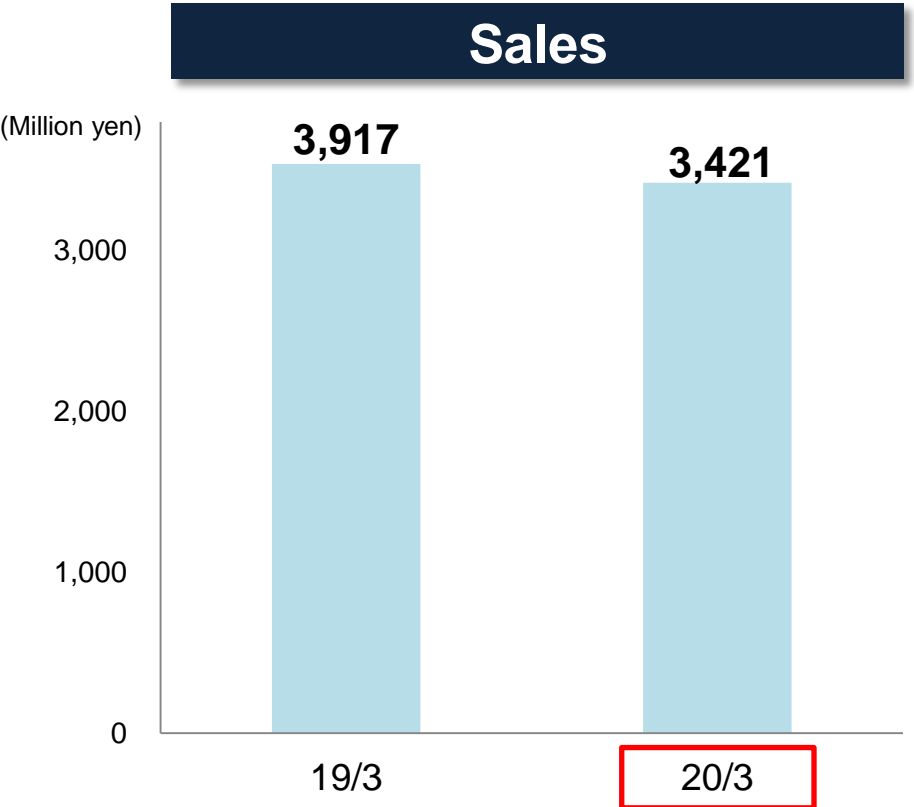


Order Backlog

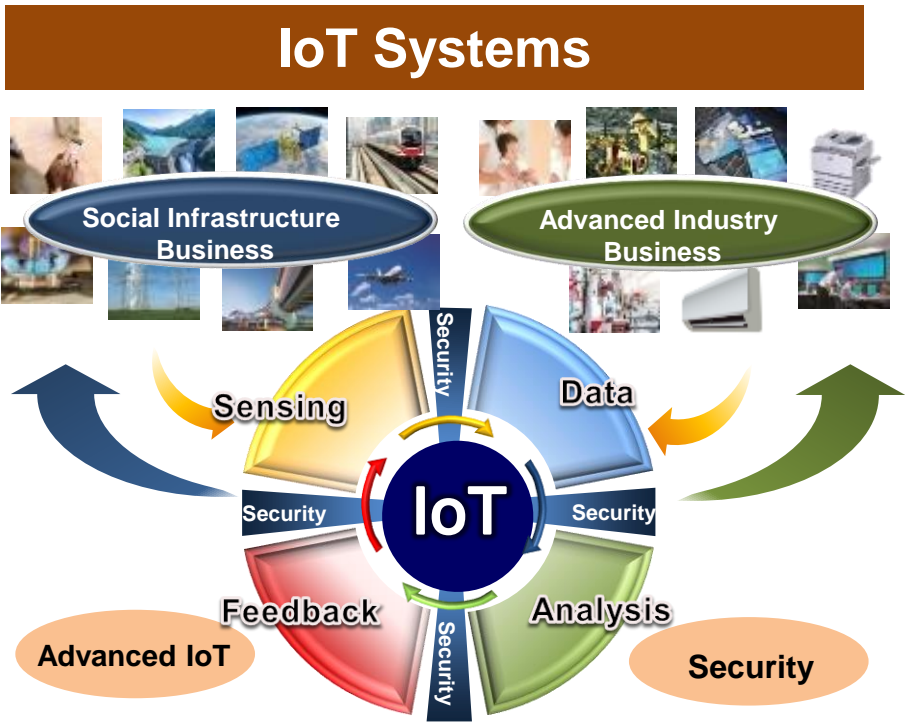


Orders

- Advanced IoT device control-related (next-generation automobiles, etc.)
IoT Platform-related, GIS (Geographic Information System)
- Security solutions remained firm LynxSECURE
- Closure of security consulting



■ Comprehensive IoX Engineering Business

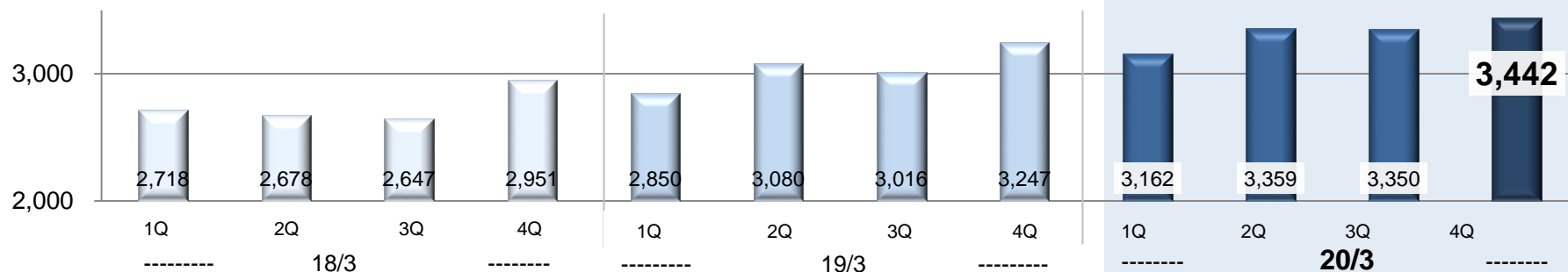


Realize “Society5.0” !

Quarterly Trends

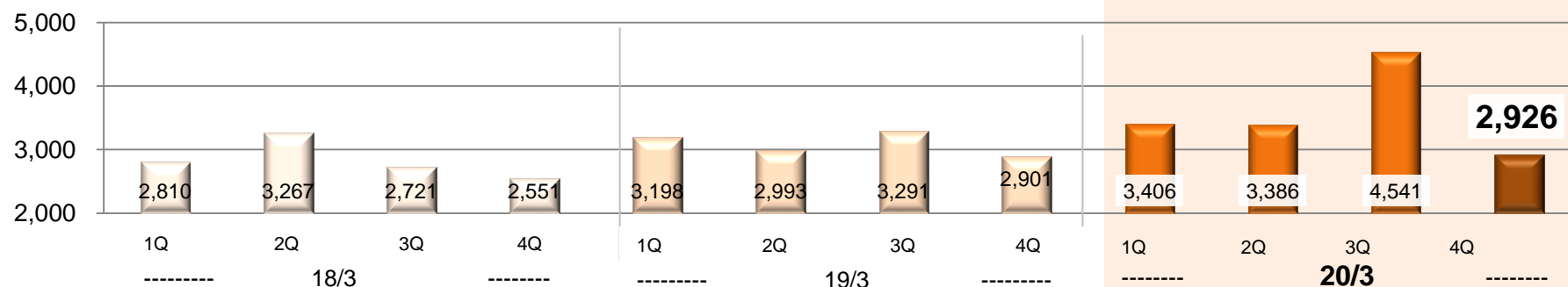
Sales

● Record high sales for all quarters!!



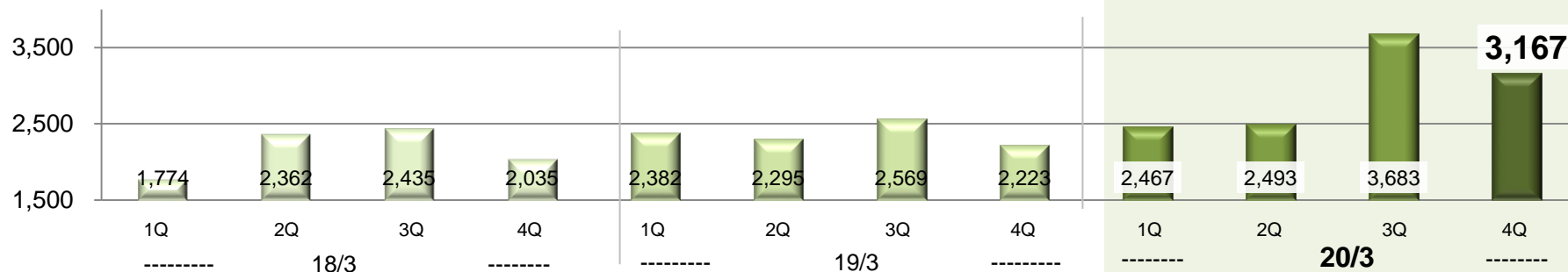
Orders received

● Record high order backlog in 4Q!!

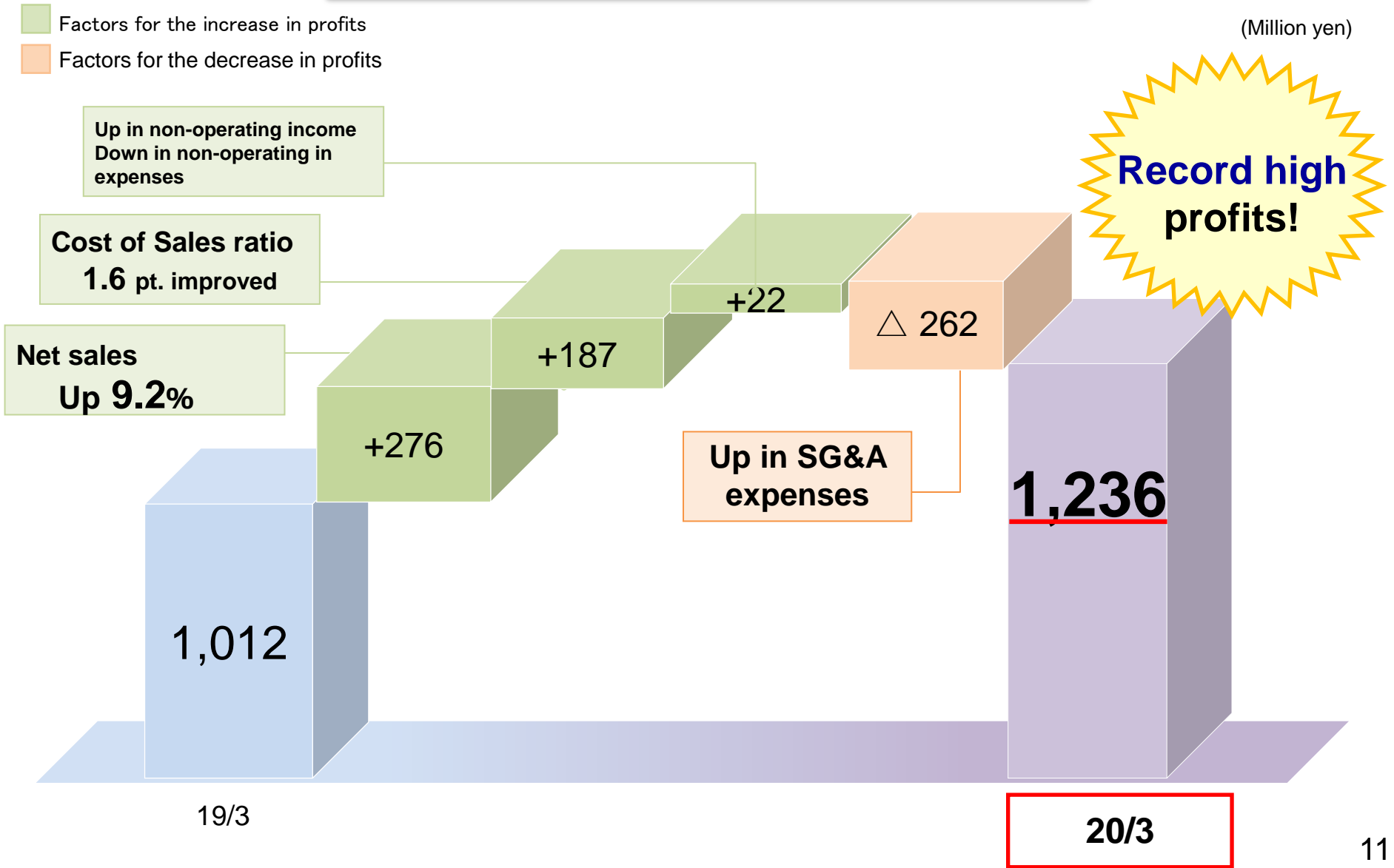


Order Backlog

● 3.16 billion yen (+940 million yen YoY)



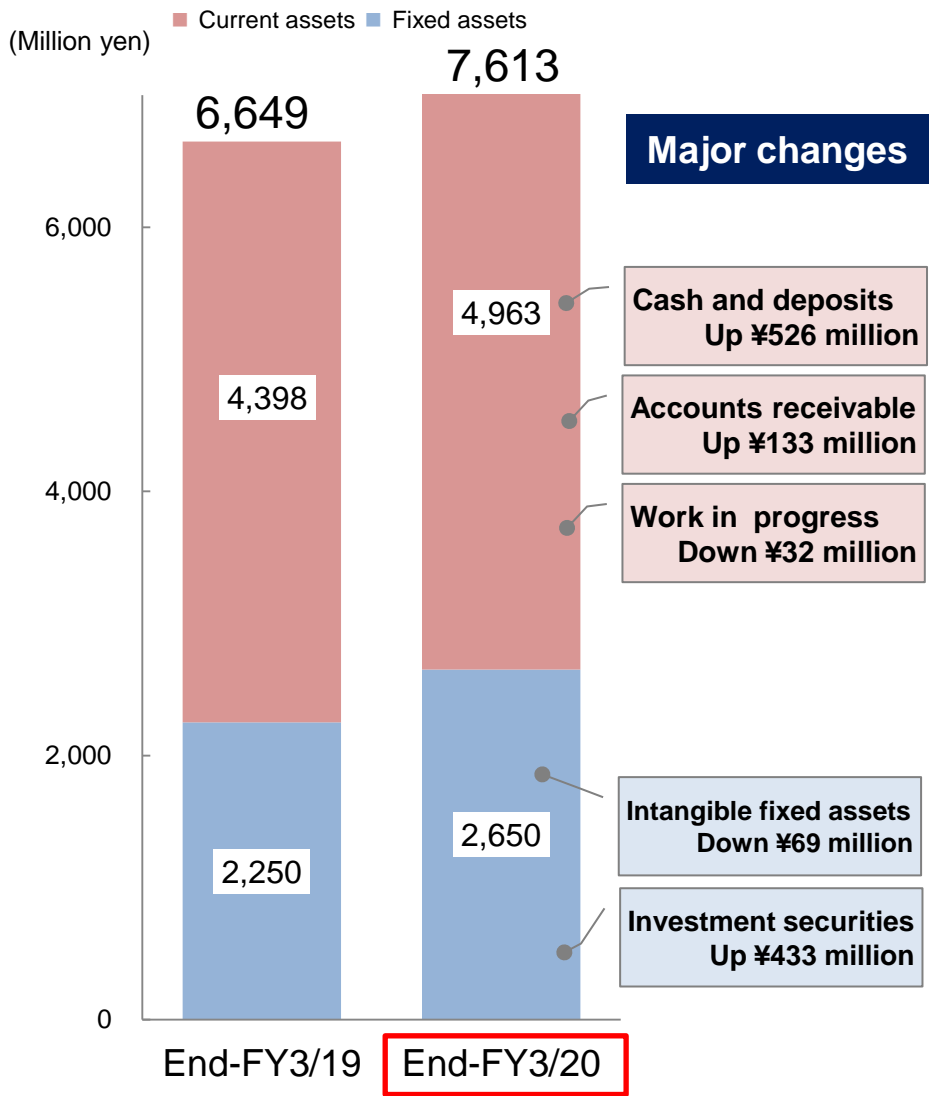
Main driving factors in YoY change



Balance Sheet (YoY)

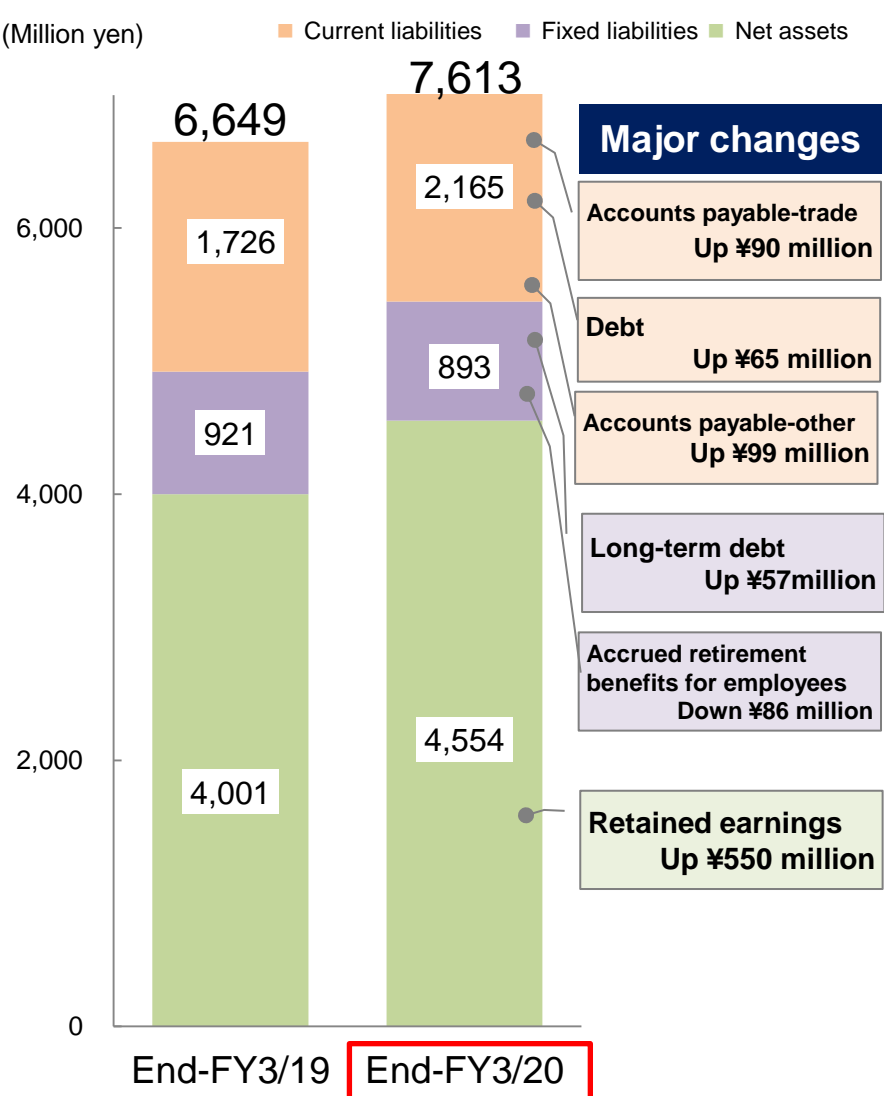
Assets

● Total assets: 7.6 billion yen (Up 960 million yen)



Liabilities and net assets

● Equity ratio : 58.3 %



Outline

| (Million yen) | 19/3 | 20/3 | Change factors | |
|---|-------|-------|---|-------|
| Operating activity | 436 | 1,208 | • Income before income taxes | 1,235 |
| | | | • Depreciation and amortization | 95 |
| | | | • Decrease in liability for employee benefits | △86 |
| | | | • Increase in trade payables | 90 |
| | | | • Increase in accounts payable-other | 86 |
| | | | • Income and enterprise taxes paid | △350 |
| Investing activities | △611 | △596 | • Purchase of property, plant and equipment | △50 |
| | | | • Purchase of intangible assets | △364 |
| | | | • Purchase of shares of subsidiaries and affiliates | △150 |
| Financing activities | △245 | △85 | • Decrease in short-term bank loans | △100 |
| | | | • Proceeds from long-term loans payable | 350 |
| | | | • Repayment of long-term loans payable | △127 |
| | | | • Cash dividends paid | △273 |
| Cash and cash equivalents Ending balance | 1,372 | 1,899 | *Free cash flow … 612 million yen | |

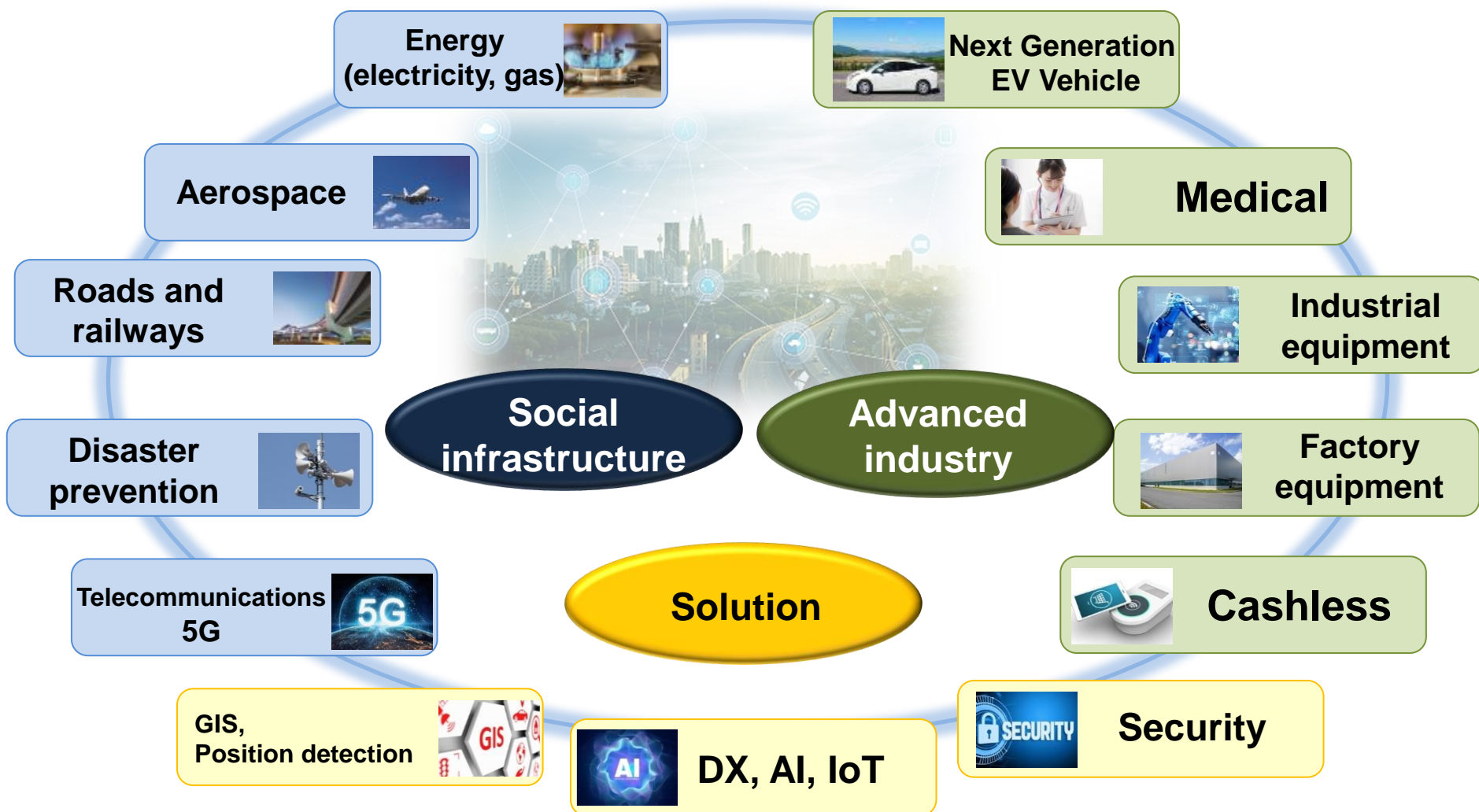
Summary of FY3/20 Results

Business Forecasts for **FY3/21**

◆ FY3/21 (Outlook)

- **Firm ICT demand**
 - **Social Infrastructure Business**
“Energy (electricity, gas)” “Roads and Railways and Aviation”
“Public / Disaster prevention” “Space” “Telecommunications: 5G”
 - **Advanced Industry Business**
“Automotive (Next Generation EV Vehicle, automated driving)”
“Medical (Medical, Nursing care)” “Industrial equipment”
- **Rich development themes**
 - “DX ”, “IoT”
“Cyber security”, “Data protection”
- **Reduce the impact on development projects**
 - Teleworking (for safety of development engineers)
 - Concerns about extension, reduction, or cancellation of development schedules

Pioneering the future with digital innovation



Firm demand for ICT investment

Social Infrastructure Business

◆ Further strengthening the business foundation

Energy (electricity and gas) : "liberalization, Spin-off" "Stable supply", "Enhancement of services", "Energy efficiency", "Environmental impact problems"

◆ Expansion of service domains and creation of new services

"Roads and Railways and Aviation" "Public / Disaster prevention" "Space", "Telecommunications:5G"

Advanced Industry Business

◆ Japanese manufacturing DX · IoT

- Automotive : Advanced studies such as "automated driving" and "Next Generation EV Vehicle"
- Medical : "Medical Equipment", "Medical information system", "Nursing care related system", etc.

Solution

◆ Digital Innovation

- Deployment of "ICT Service", "Solution": "GIS (Geographical Information System)"
"Short-range wireless communications"

◆ Security Solution

- "'Safety and Security" for facilities, equipment and digital data: "LynxSECURE"

FY3/21 Full-year Business Forecasts

◆ Profits to grow for 11 consecutive years!

(Unit: million yen)

| | FY3/20 | | FY3/21(Plan) | | YoY | |
|---------------------------------------|--------|------------------|---------------|------------------|------------------|-------------|
| | Result | Ratio to sales % | Forecast | Ratio to sales % | Ratio to sales % | Pct. change |
| Sales | 13,315 | - | 13,500 | - | 184 | 1.4 |
| Social Infrastructure Business | 8,070 | 60.6 | 8,598 | 63.7 | 529 | 6.6 |
| Advanced Industry Business | 5,246 | 39.4 | 4,902 | 36.3 | △119 | △6.6 |
| Gross profit | 3,284 | 24.7 | 3,375 | 25.0 | 90 | 2.7 |
| Operating income | 1,213 | 9.1 | 1,220 | 9.0 | 6 | 0.5 |
| Ordinary income | 1,236 | 9.3 | 1,244 | 9.2 | 7 | 0.6 |
| Net income | 824 | 6.2 | 826 | 6.1 | 2 | 0.2 |

* From FY3/21, "Travel-related " has been changed to the "Advanced Industry Business".

◆ Expansion of the Social Infrastructure Business (Energy, Aerospace etc.)

(Unit: million yen)

| | FY3/20 2Q | | FY3/21 2Q(Plan) | | YoY | |
|---------------------------------------|-----------|------------------|-----------------|------------------|------------------|-------------|
| | Result | Ratio to sales % | Forecast | Ratio to sales % | Ratio to sales % | Pct. change |
| Sales | 6,522 | - | 6,680 | - | 158 | 2.4 |
| Social Infrastructure Business | 3,918 | 60.1 | 4,207 | 63.0 | 289 | 7.4 |
| Advanced Industry Business | 2,605 | 39.9 | 2,473 | 37.0 | △131 | △5.0 |
| Gross profit | 1,649 | 25.3 | 1,670 | 25.0 | 20 | 1.3 |
| Operating income | 622 | 9.5 | 571 | 8.6 | △51 | △8.3 |
| Ordinary income | 636 | 9.8 | 585 | 8.8 | △51 | △8.1 |
| Net income | 439 | 6.7 | 412 | 6.2 | △26 | △6.2 |

Shareholder Returns -Dividends-

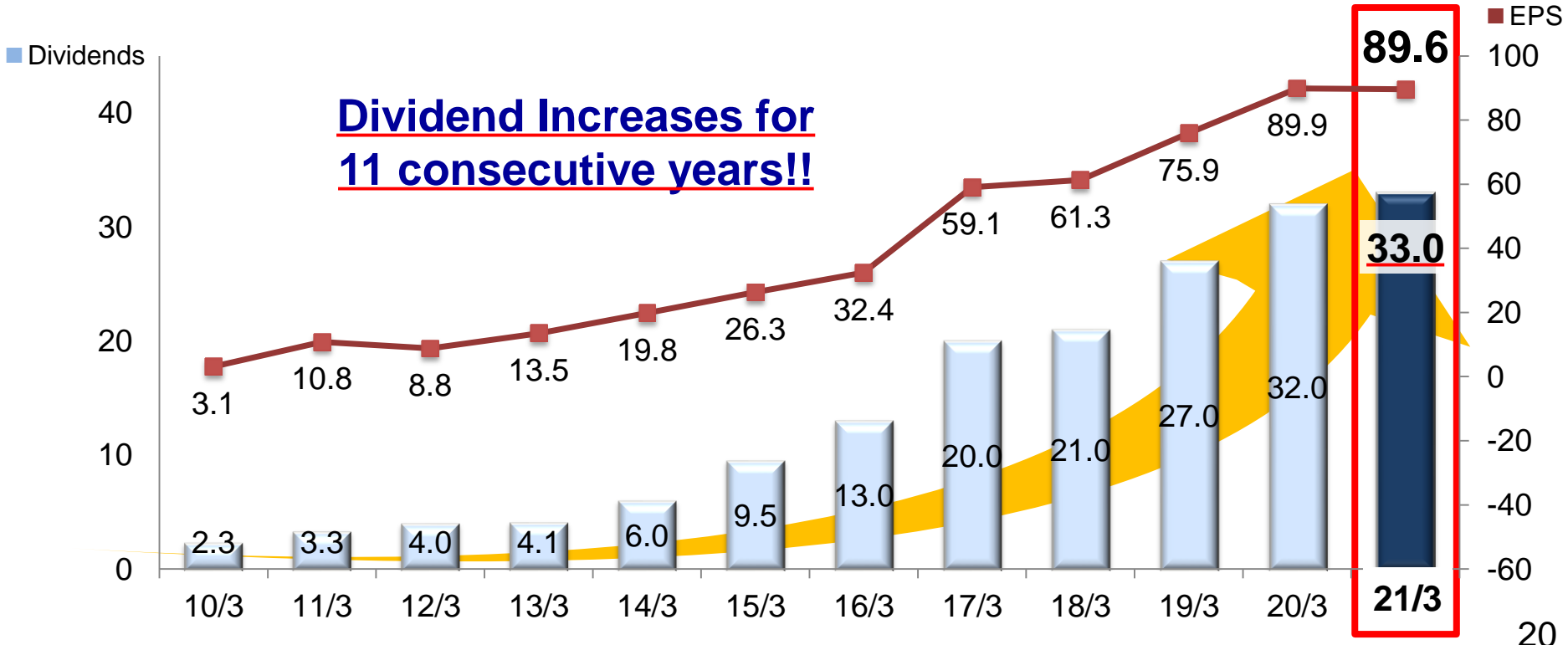
◆ Dividend Policy

- Dividend payout ratio: **35%** or more
- **Consecutive dividend increases**
- Dividend plan **twice** a year (interim and year-end)

◆ Dividend Forecast

| (Unit: Yen) | FY3/20 | | FY3/21 | |
|-------------|----------|----|--------|--|
| | Interim | 14 | 16 | |
| | Year-end | 18 | 17 | |
| | Annual | 32 | 33 | |

◆ Dividend Change





Initiatives in FY3/20



アドソル日進

Initiatives of Ad-Sol Nissin

1. Security Initiatives

- 1) IoT/Cyber Security
- 2) Security Forum in the IoT Era 2019
- 3) Exhibiting at DESI Japan 2019

2. Alliance activities

- 1) Industry-academia collaboration
- 2) Global expansion
- 3) Business collaboration

3. Ad-Sol brand strategy

- 1) Promotional activities
- 2) Quality Initiatives

4. Reference



Priority measures

Business area expansion

Social Infrastructure Business

- Enhancement of business foundation
 - ⇒ • **Electricity-related** (spin-off, separation of power generation and transmission)
 - **Gas-related** (spin-off, pipeline separation)
- Exploration and expansion of new areas
 - ⇒ "Space" "Logistics" "5G (Next-Generation Communications)"

Advanced Industry Business

- IoT for manufacturing
 - ⇒ "Next-Generation EV Vehicles" "Automatic driving" "Industrial equipment" etc.
- Cashless ⇒ "Next-Generation Payment and Card"
- Expansion of New Domains ⇒ Use of advanced technologies: "Big Data", "AI"

Creating and providing new value

Comprehensive IoX Engineering Business

- Differentiation Technology ⇒ "IoT Cyber Security Solution"
"AI" "Big Data" "GIS" and "Wireless"

Demonstrating competitive advantage

- Enhance solutions ⇒ **AI-IoT platforms** (cloud-based)
- Industry-university collaboration, Collaborative research ⇒ IoT Security, GIS, Multicore

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1-1. IoT/Cyber Security

"Quarantined" "Shutdown" "Data Protection"

IoT devices

- IoT Security Solutions: LynxSECURE
- Protecting Old-OS: SECURE RESCUE
- Development and deployment of **original products**

Secure  Secure



Consulting

- Design of security governance
- Support for design, construction, operation, and introduction of secure systems
- Vulnerability diagnosis

Control system

- "SECURE FACTORY"
 - "Network Separation"
 - "Safe data communication"
 - "Preventing System Down"
 - "Internal Infection Prevention"

Network

- Critical infrastructure areas
- Facilities (factories, hospitals, nursing care, etc.)

Secure  Adapter Secure  Gateway

Secure  Laptop



Human resource development

- Development of security personnel
(Cyber security, IoT security)

Non-contact!

Patented!

Access security

- Touch Tag
(Electric Field Communication)
- Entrance monitoring
- Food Defense



1-2. Security Forum for the IoT Era


Security Forum for the IoT Era 2019 5th consecutive year!

400 participants

- Protect key infrastructure! Security Required for IoT-



Overview

- ◆ Date and time: **October 11, 2019** 12:00-18:00
- ◆ Place: **Grand Prince Hotel Takanawa**
- ◆ Sponsored by:  **Ad-Sol Nissin Corp.**
- ◆ Sponsorship:

LYNX
SOFTWARE TECHNOLOGIES


KONICA MINOLTA

SIEMENS

 **株式会社 たいびし**

 **TREND MICRO**

VALUE HR

RYOYO

Program

■ Keynote speech

arm

aingura
IoT

simultaneous
interpretation

■ Panel discussion

R **RITSUMEIKAN**

Faculty of Science and Information Engineering
Professor Tetsutaro Uehara

Deloitte Tohmatsu Cyber LLC
Trend Micro Incorporated
Ad-Sol Nissin

■ Individual sessions

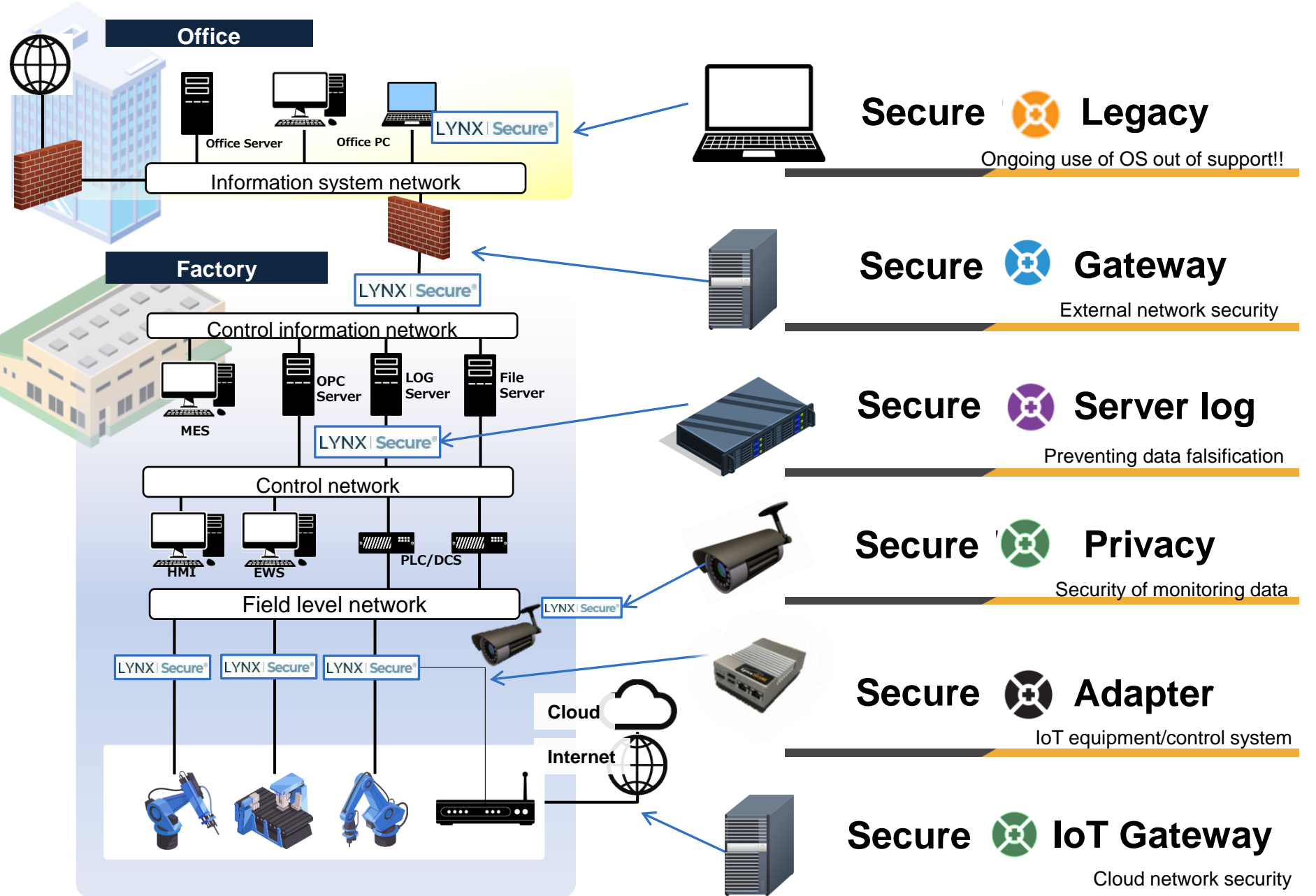
Deloitte Tohmatsu Cyber LLC
Trend Micro Incorporated
Ryoyo Electro Corporation, Ad-Sol Nissin

Exhibition



Lynx Software Technologies, Inc., Konica Minolta, Inc.,
Trend Micro Incorporated, Value HR Co., Ltd., Takebishi Co., Ltd., Siemens,
Ryoyo Electro Corporation, MACNICA, Inc., and Ritsumeikan University
GKI CO., LTD, Top Out Human Capital, Inc., Ad-Sol Nissin

1-3. Security Line-up



1-4. Joint Development with U.S. Lynx

Space and security fields

“Japan-U.S. Joint Development”



Ad-Sol Nissin Corp.



LYNX
SOFTWARE TECHNOLOGIES



Social infrastructure

Advanced industry

"Energy (electricity and gas)," "Roads and railways," "Aerospace," "Public and disaster prevention," "Telecommunications network," etc.



IoT/Cyber Security

New Fields!!



Japan-U.S. Joint Business Development in the Space and Security Fields!

Comprehensive Exhibition on Defense and Security

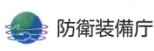
Joint with Japan
and the U.S.!

"Security" "Disaster Countermeasures" "IoT"

Overview

- ◆ Date and time: November 18-20, 2019
- ◆ Venue: Makuhari Messe 7th and 8th Hall
- ◆ Participating organizations: Major and leading-edge manufacturers in Japan and overseas, etc.

Supported by



<https://www.dsei-japan.com/jp>

Exhibition Overview



Security Solutions



- ◆ Secure Laptop
 - Complete network separation
- ◆ Real-time operating system: **LynxOS 178**
 - Federal Aviation Administration (DO178B/C) standards
- ◆ Ad-Sol brand
 - Collaboration with Lynx (over 2030 years!)
 - Expansion into the security field
 - Social Infrastructure Mission Critical



Initiatives of Ad-Sol Nissin

1. Security Initiatives

- 1) IoT/Cyber Security
- 2) Security Forum in the IoT Era 2019
- 3) Joint Business Development in the Space and Security Field with U.S. Lynx
- 4) Exhibiting at DESI Japan 2019

2. Alliance activities

- 1) Industry-academia collaboration
- 2) Global expansion
- 3) Business collaboration

3. Ad-Sol brand strategy

- 1) Promotional activities
- 2) Quality Initiatives

4. Reference



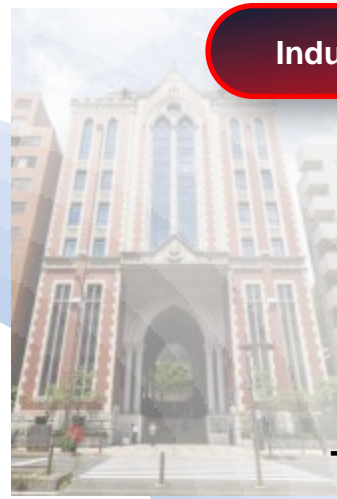
2. Alliances and Collaboration (Security and IoT Market)

“Consulting”, “Security”, “Global” and “IoT”

Alliances



Industry-academia collaboration



- Nagoya Institute of Technology
- Waseda University
- Keio University
- Ritsumeikan University
- Shizuoka University
- Chiba University
- Tokyo University of Health



Global



Research organizations



“Creating Markets” and “Developing New Technologies” through Industry-Academia Collaboration!

Nagoya Institute of Technology

- **Countermeasures against Cyber-Attacks of Control Systems**
 - ◆ Participation in the Tsurumai Project
Research on defense technology and technology to secure control products in cyber-attacks targeting control systems in factories and plants



Nagoya Institute of Technology



Simulated plant

Waseda University

- **EMS Shinjuku Demonstration Center**
 - ◆ Japan's first attempt by the Advanced Grid Technology Research Institute of Waseda University and the Ministry of Economy
 - ◆ Participation 26 companies such as electric and gas utilities, telecommunications carriers, house manufacturers, car manufacturers, manufacturers of energy, home appliances, and telecommunications equipments
 - ◆ Coordination of low-voltage equipment with multiple different manufacturers using communication standards



Waseda University EMS Shinjuku Demonstration Center

Ritsumeikan University

- **"IoT Security/Embedded Multi-Core"**
 - ◆ **Industry-academia collaboration agreement**
 - : Development of science technology mainly in the IoT Security Field
 - Research on the latest security-related technologies
 - Consider and verification of IoT Security Guidelines
 - Establishment of IoT security research center and consortium
 - Developing human resources of IoT security
 - ◆ **Joint research for next-generation IoT equipment**
 - Built-in "multi-core control system"



Agreement signing ceremony



Joint research with the Mori Laboratory

Keio university

- **"Integration of GIS and IoT" / GIS x IoT platform**
 - Response to "i-Construction", (initiatives for production reforms at construction sites, promoted by the Ministry of Land, Infrastructure, Transport and Tourism)
 - Presentation of results at the Geographic Information Systems Society
 - Participation in the Belmont International Joint Study



Joint research with a rigorous laboratory

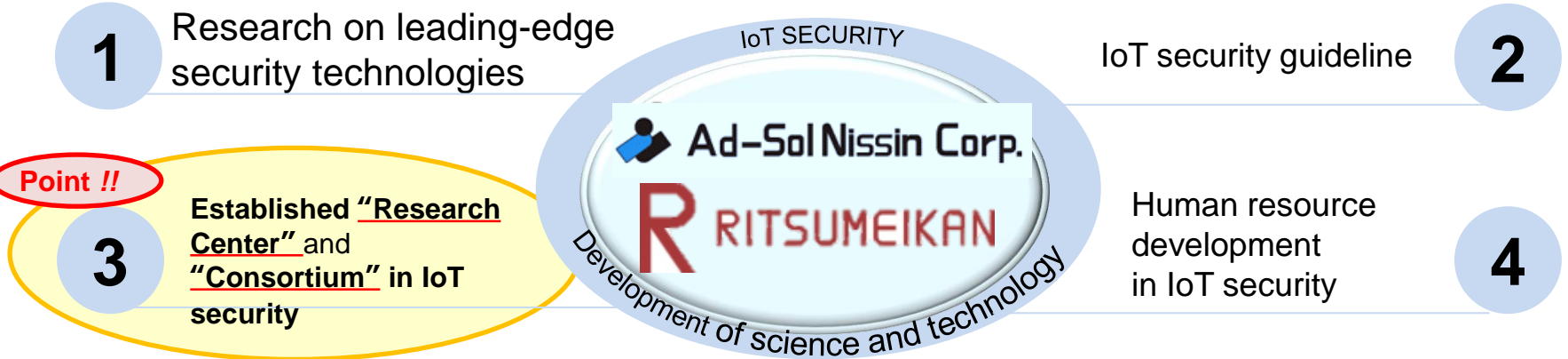


27th Scientific Research Presentation Meeting



**“Concluded an industry-academia collaboration agreement”
with Ritsumeikan University**

- Development of science and technology in the IoT Security Field



Kusatsu Campus, Ritsumeikan University

Ceremony for signing agreements for industry-academia collaboration

Holding of agreement signing ceremony and joint press conference



(April 2019: at Ritsumeikan University's Tokyo Campus)

2-2. Global Development①

“Advanced R&D: **U.S.**” “Global development: 2 bases in **China** and 3 bases in **Vietnam**”

Dalian, China

Beijing, China

Hanoi, Vietnam

Danang

Ho Chi Minh

San Jose R&D Center

Advanced security technology

San Jose R&D Center (wholly owned subsidiary)

Da Nang, Vietnam

New Company “Ad-Sol Asia Corporation!!”

overseas
5 bases

- ◆ Company name : Ad-Sol Asia Corporation.
- ◆ Headquarter : 4-1-8 Konan Minato-ku, Tokyo
 - Overseas bases : 2 bases in China, 3 bases in Vietnam
 - Overseas Partners : 10 Companies
- ◆ Business overview : Development of ICT systems and provision of services in Asia and the ASEAN region

Dalian



Beijing

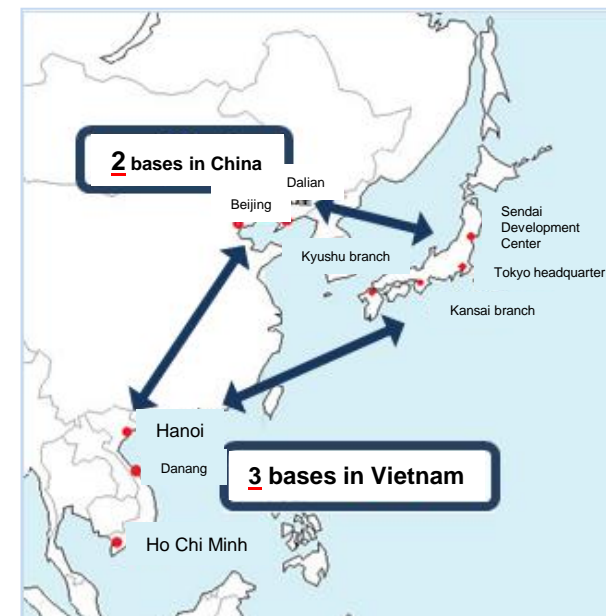
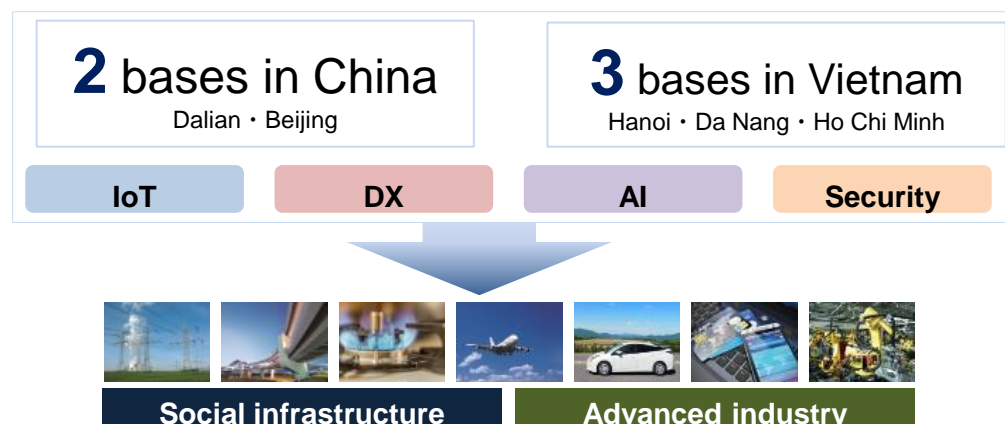


Da Nang



Global Development of ICT Systems!!

- ◆ Asia area : System-development promotion and strengthening system
- ◆ Responding to growing demand for ICT development



Social Infrastructure Company, Manufacturer, IoT Equipment Manufacturer

2-3. Business collaboration①

Medical Information: **Capital and Business Alliance** with Value HR Co., Ltd.



Ad-Sol Nissin Corp.

◆ **Business Alliance:** Develop a highly secure IoT platform that protects data

◆ Health Insurance Association ◆ Medical institution ◆ Important data

◆ **Capital alliance:** 2% (mutually owned)



IoT platform
(Medical data, etc.)

- < Company overview >
- Established: July 4, 2001
 - Representative :
Michio Fujita, President and Representative Director
 - Head Office: Shibuya-ku, Tokyo
 - Tokyo Stock Exchange First Section
 - URL <https://www.valuehr.com/>
 - Business Overview:
Value Cafeteria® System
Insurance business support services
Health management and support services
Health management support services
Support for establishment of health insurance societies



June 27, 2019
at Ad-Sol Nissin

2-3. Business collaboration ②

“Strengthening and Expanding the Development Structure”
with HUMAN TECHNO SYSTEM Group

HTS ヒューマンテクノシステム



 Ad-Sol Nissin Corp.

◆ Collaboration in a wide range of ICT fields!

- ◆ Energy (Electricity and Gas) ◆ Healthcare-related ◆ Embedded Systems-related
- ◆ Automotive ◆ Travel-related ◆ Aircraft-related, etc.



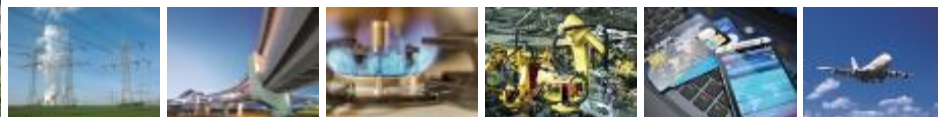
Affiliated companies

Respond to ICT investment from 2020 onwards

Strengthen development
framework

Promote collaborative
business

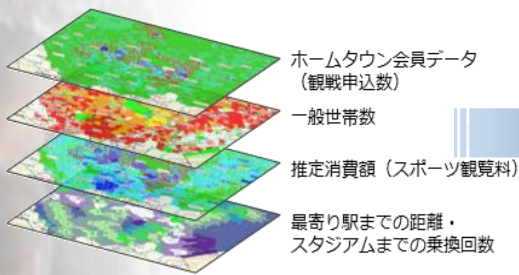
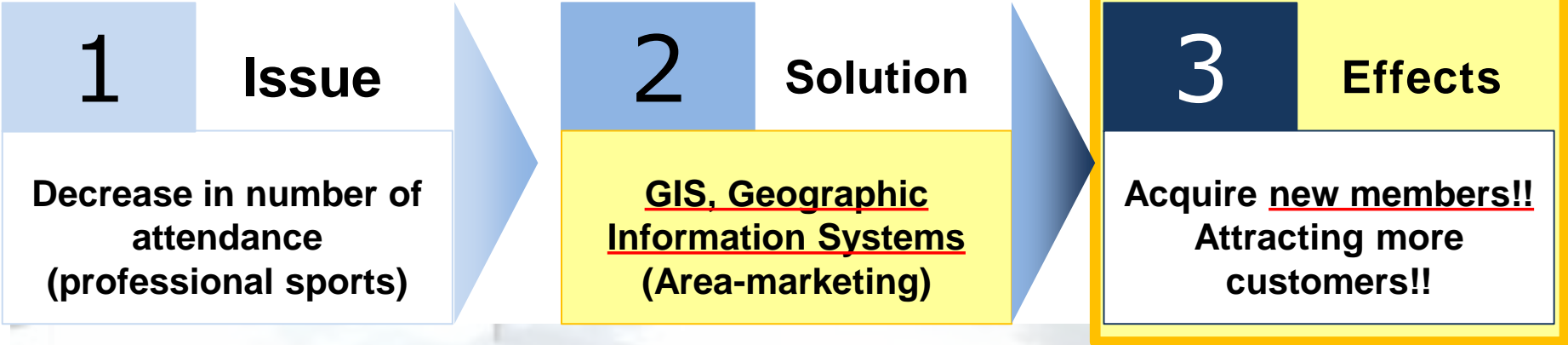
Personnel exchanges
(quality, management skills)



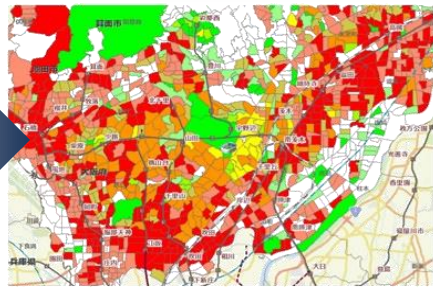
< Company overview >

- Established: Jun. 1997
- Representative :
 - Fumiaki Kikuchi, Chairman and Representative Director
 - Hidetaka Tagami, President and Representative director
- Head Office: Fukuoka-shi, Fukuoka Prefecture
- Bases: Tokyo, Osaka, Aichi, Kumamoto, Kanagawa, Kagoshima
- 5 group company
 - Human Technosystem,
 - Human Technosystem Tsukyo
 - HTS Rise, i-Plaza, and CT
- URL: <http://hits.kkhts.com/>
- Business Overview: Package development and sales, Software development, design and manufacturing, Solution services, System Consulting

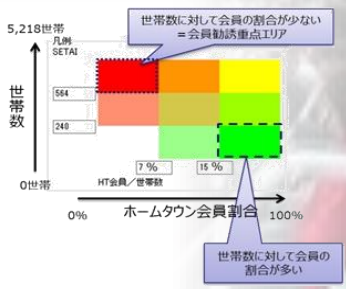
Panasonic Group. “Area marketing” (スポーツ集客)



実証実験のイメージ



分析内容の一部



Initiatives of Ad-Sol Nissin

1. Security Initiatives

- 1) IoT/Cyber Security
- 2) Security Forum in the IoT Era 2019
- 3) Exhibiting at DESI Japan 2019

2. Alliance activities

- 1) Industry-academia collaboration
- 2) Global expansion
- 3) Business collaboration

3. Ad-Sol brand strategy

- 1) Promotional activities
- 2) Quality Initiatives

4. Reference



3-1. Promotional Activities (Forums, Exhibitions, Seminars)

Exhibited at the U.S. RSA Conference 2020 for **the 4th consecutive year**



Overview

- ◆ Date and time: February 24-28, 2020
- ◆ Venue: The Moscone Center (San Francisco, U.S.A.)

- It has been held annually since 1993
- World's largest
- Leading-edge security conferences and exhibitions (IT technology, standards, implementations, legislation, policies, security threats, etc.)

Exhibition Summary



Mini-Seminar



Japan pavilion



Actively participate in **forums, seminars, and exhibitions**

◆ **1st CLINICS EXPO**

(2020/2/26-28 Intex Osaka)

◆ **4th SMART FACTORY EXPO**

(2020/2/12-14 Tokyo Big Sight)

◆ **Tohoku Electric Power Group:TOiNX Work System Reform Fair 2019**

(2019/11/21-22 Higashinibancho Square)

◆ **ET & IoT Technology 2019**

(2019/11/20-22 PACIFICO YOKOHAMA)

◆ **Keio University SFC Open Research Forum 2019**

(2019/11/22-23 Tokyo Midtown)

◆ **28th Scientific Research Presentation Meeting of the Society for Geographical Information Systems**

(2019/10/19-20 The University of Tokushima)

◆ **Yokohama National University 4th IoT Security Forum**

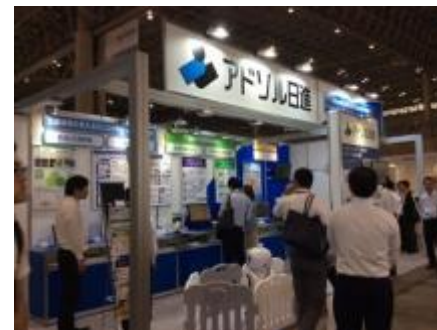
(2019/7/30-31 Gochano Mizu Sola City)

◆ **Interop Tokyo 2019**

(Smart Japan Alliance, 2019/6/5-7, 2019 Tokyo Big Sight)

◆ **15th GIS Community Forum**

(2019/5/23-24 Tokyo Midtown) etc.



3-2. Initiatives for High Quality

High-quality ICT system



Initiatives of Ad-Sol Nissin

1. Security Initiatives

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- 1) Promotional activities
- 2) Quality Initiatives

4. Reference



Infrastructure Business

We are developing system integration services in social infrastructure such as "energy (electricity / gas)" "road / railway" "aerospace" "public / disaster prevention" "communication network".

Energy field

Core systems for electric power companies and gas companies, liberalization systems, etc.

Transportation field

ICT systems related to space, aerospace, rail and road

Public works field

ICT systems for disaster prevention, dams, rivers, and other government agencies, as well as local governments

Communication network field

Communication-related ICT systems, such as next-generation communications (5G)



Advanced industry business

We are promoting IoT for Japanese manufacturing such as "Next Generation EV Vehicle" "Industrial Equipment", "Equipment" and "Medical Equipment" and provide an advanced ICT system related to the next generation payment system.

Control systems field

ICT system to be incorporated into products sold by customers, such as next generation automobiles, car OS, office equipment, medical equipment, equipment

Foundation systems field

Basic ICT systems, such as payment and credit card systems

Solutions field

Providing unique solutions, such as security, short-range wireless communications and GIS (Geographic Information Systems)



Comprehensive IoX Engineering Business

Toward the realization of 'Safe and super smart society (Society 5.0)', with our core IoT cyber security solution as the core, we propose our own solutions such as AI, Big Data, GIS (Geographical Information System), Wireless communication, etc.

Security solution

- We provide a total service from consulting to security for IoT equipment.
- **Security Solutions for IoT Equipment: LynxSECURE**
 - Protecting all manufacturing plants: SECURE FACTORY
 - Protecting Offices: SECURE RESCUE for legacies
 - Protecting Construction Sites: SECURE RESCUE for USB
 - Protecting hospitals and nursing care facilities: SECURE RESCUE for ClosedNET
- **Physical Security (Human Communication) and Vulnerability Diagnosis Services**
- **Security Consulting Services (Governance and Compliance)**
- **Network, security, security human resource development, education services, etc.**

Wireless communications solutions

- We provide comprehensive wireless communications essential to the IoT system.
 - uLocation (indoor position detection systems)
 - uStack (Short Radio Communication LPWA, Nb-IoT, Zigbee®, etc.)
 - tACCESS (proprietary, electric field communications systems)
 - uLook (visualization of electricity, etc.), etc.

GIS (Intellectual Information System)

- Provide consulting, system development, PoC, solution, etc. for GIS (geographical information system) on a one-stop basis
- **SUNMAP® Solutions**
 - SUNMAP for Crisis (BCPs and crisis-management support)
 - SUNMAP for VRP (support for delivery route planning)
 - SUNMAP for SER (market area analyses, marketing, field surveys, etc.), etc.



Joined new graduates in April 2020

- ◆ Number of participants: 47
 - Graduate school graduates: 14
 - University: 33
 - Global human resources: 2
(Vietnamese students)



- ◆ Job type : Technical Engineer

New Graduate Recruitment in April 2021

- ◆ Recruitment plan: 50
- ◆ Job type : Technical Engineer





First event in the U.S.!!

Overseas Internships (San Jose, U.S.A.)

Develop high-level human resources: OS and Security

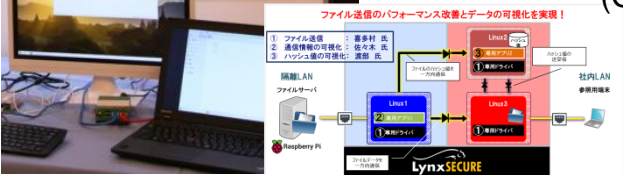


Period: August 26 to September 20, 2019 (**20 days**)
Participants: 3 persons (1 person for 3 regenerations in the faculty and 2 persons for 1 regeneration in the master)



Research and Results Development

- ◆ **Research agenda**
Data References in Network Separated Environments
- ◆ **Results Presentation**
Security Forum for the IoT Era 2019
Presentation of research results at exhibitions
(Oct. 11, 2019)
- ◆ **Briefing session**
Overseas Internship Report Meeting at Ritsumeikan University
(Oct. 30, 2019 at Ritsumeikan University)



Shareholder eligibility and timing

- For shareholders whose names are recorded in the Registry of Shareholders as of every September 30th and March 31st (twice a year)
 - 200 shares or more up to less than 4,000 shares
 - : beneficial goods due to be sent out in December and June
 - 4,000 shares or more
 - : catalogs due to be sent out in November and May

Contents of the gifts

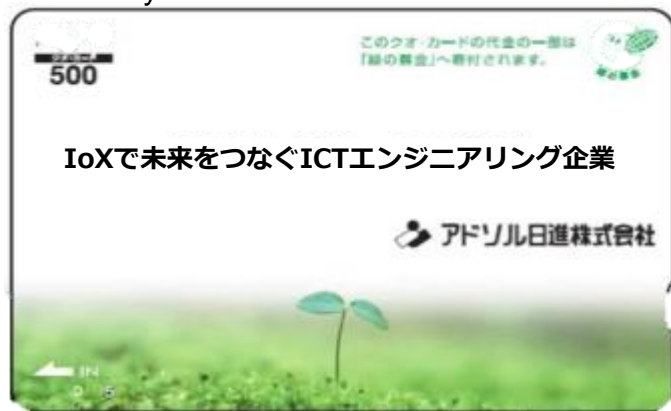
■ 200 shares or more up to less than 4,000 shares:

Present of Quo cards with 'Greenery Fund' attachment

- 200 shares or more up to less than 1,000 shares:
worth 500 yen
- 1,000 shares or more up to less than 2,000 shares:
worth 1,000 yen
- 2,000 shares or more up to less than 4,000 shares:
worth 1,500 yen

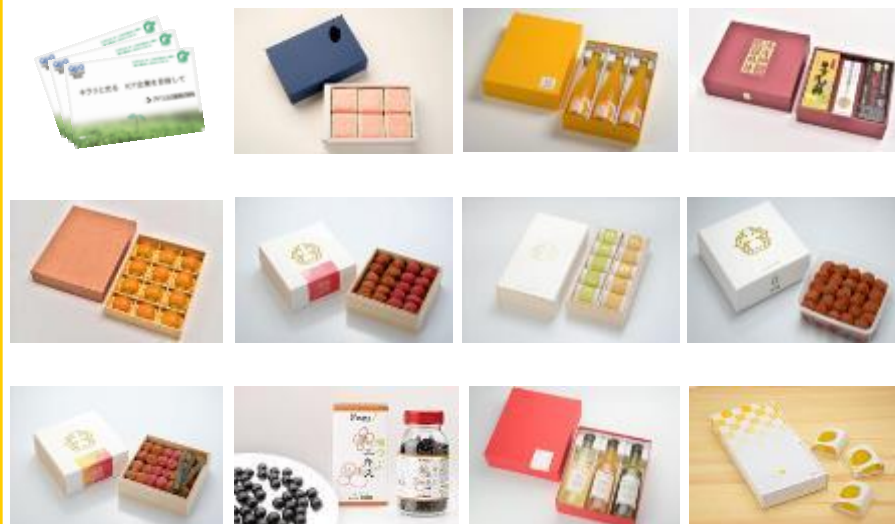
● Special holding period gift

Additional present of one 500 yen Quo card (two a year) for holders of one year or more



■ 4,000 shares or more

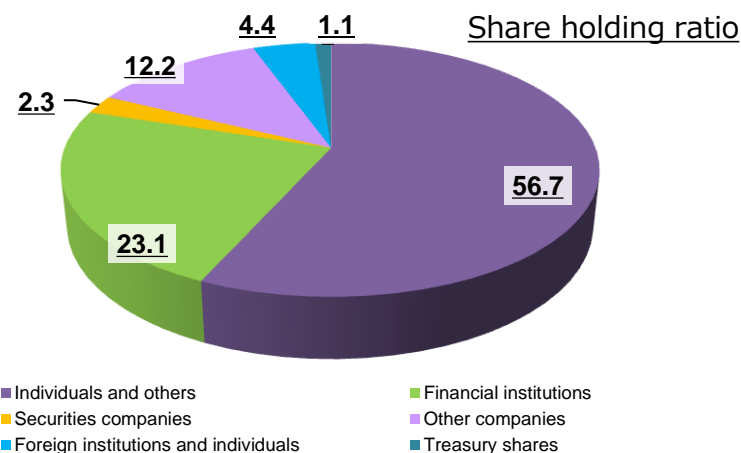
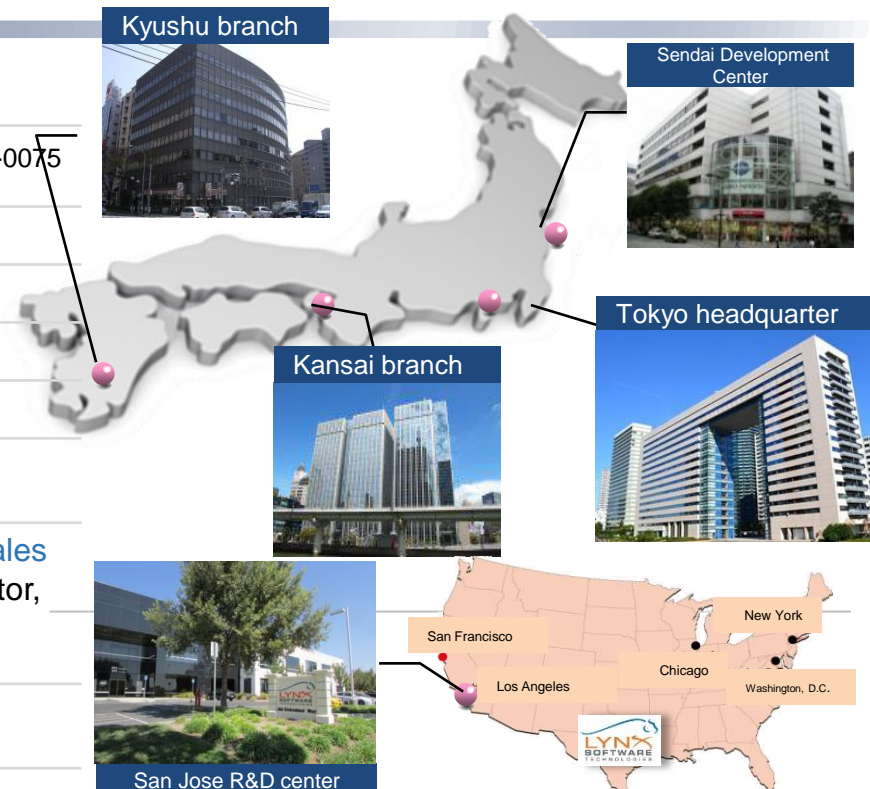
- Quo cards with 'Greenery Fund' attachment (equivalent to ¥3,000) or
- Presentation of the special gift catalog which can select from "Kishu Japanese Plum", "Mikan juice", "Mikan jelly", "Soy sauce" and "rice" etc.
(One item from equivalents to ¥3,000)



Note: Goods shown in photograph may differ from actual items received

Corporate Profile

| | | |
|---------------------|---|--|
| Corporate Name | Ad-Sol Nissin Corporation | |
| Head Office | 9F-10F Rivarge Shinagawa 4-1-8 Konan Minato-ku, Tokyo 108-0075 Tel: +81-3-5796-313 Fax: +81-3-5796-3265 | |
| Branch | Osaka, Fukuoka, Sendai, San Jose(USA) | |
| Establishment | March 13, 1976 | |
| Representative | President and CEO Tomizo Ueda | |
| Capital | 520 million yen | |
| Fiscal Year-end | March | |
| Business overview | Develop, <u>provide solutions, commercialization and sales</u> of information systems for companies and public sector, with a focus on <u>the Social Systems Business</u> , as an independent ICT company | |
| Number of employees | 1,164 (Group total) | |
| Sales | 13.315 billion yen (FY3/20) | |
| Listing Market | Tokyo Stock Exchange First Section Market Stock code: 3837 | |
| Shares outstanding | 9,299,460 shares (As of March 2020) | |
| Affiliated Company | Domestic | Ad-Sol Asia Corporation. |
| | USA | Adsol-Nissin San Jose R&D Center, Inc. |
| Tie-up | USA: Lynx Software Technologies, Inc. China: Weavesoft Ltd. Vietnam: 3S Intersoft JSC United Technologies Corporation Individual Systems | |



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■Contact



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