

Securities code: 4012
Tokyo Stock Exchange Standard Market

Axis Co., Ltd.

Financial Results for FY12/25

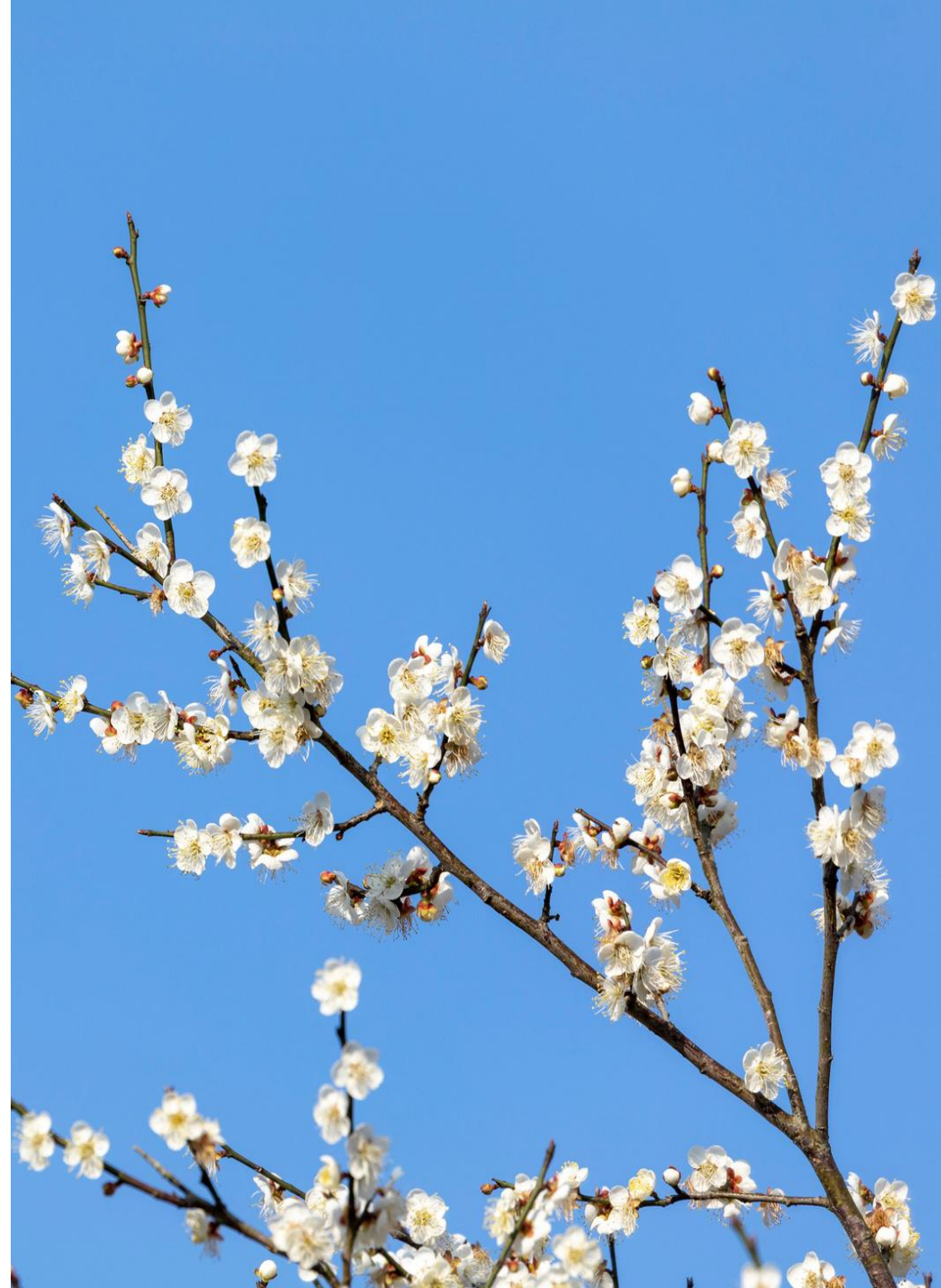
February 5, 2026

Contribute to Society Digitally



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1

Financial Results for FY12/25

Financial Summary

Net sales

8,134 million yen
(+9.4% YoY)

Operating profit

888 million yen
(+12.4% YoY)

Operating profit margin

10.9%
(+0.3ppt. YoY)

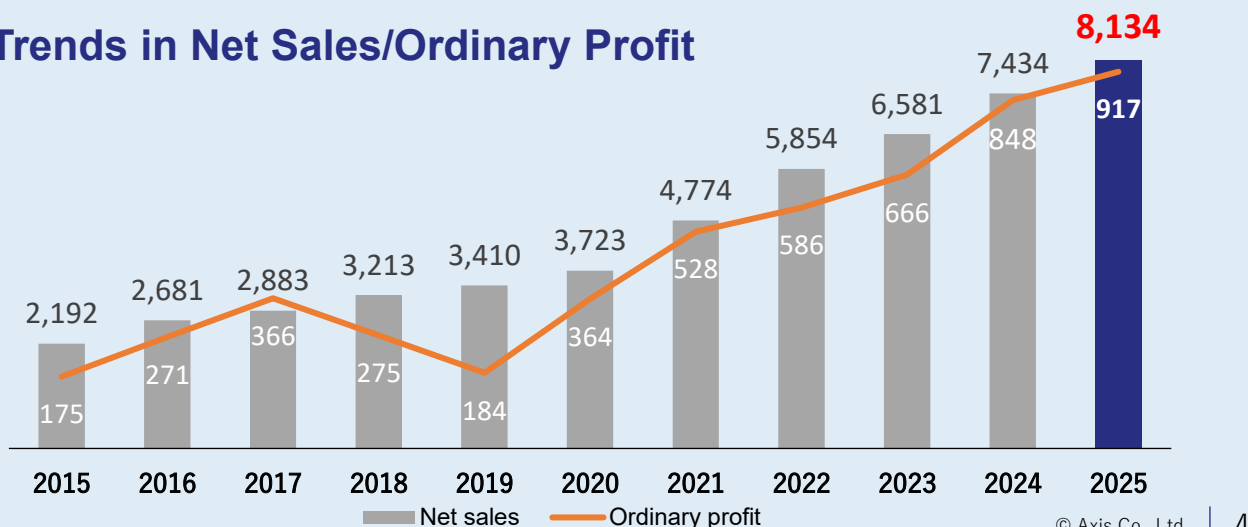
Dividend (forecast increase)

46 yen per share
(Dividend payout ratio 30.5%)
Dividend increased by 1 yen compared with the initial forecast.

Key Points

- Net sales increased **9.4%** YoY, while operating profit rose **12.4%** YoY, reflecting strong performance. We achieved our sixth consecutive year of sales and profit growth since listing, reaching record-high results.
- Operating profit margin remained at a high level of **10.9%**, up **0.3** percentage points YoY.
- The dividend payout ratio was increased by more than **5 percentage points** from the previous fiscal year to **30.5%** (The annual dividend was raised by 1 yen from the initial forecast to 46 yen per share.)

Trends in Net Sales/Ordinary Profit



Summary of Profit-and-Loss Statement

Point 1

- Strengthening of the organizational structure contributed to capturing solid IT investment demand, including the acquisition of large-scale public infrastructure projects in the second half, resulting in YoY increases in both sales and profit. Both net sales and operating profit reached record highs.

Point 2

- Operating profit margin improved to 10.9% (+0.3 percentage points YoY), driven by a shift toward higher-margin projects.

	FY12/24	FY12/25	YoY	
			Change	Pct. change
Net sales Point 1	7,434	8,134	+699	9.4%
Gross profit	1,848	2,037	+189	10.2%
Operating profit Point 1	790	888	+98	12.4%
Ordinary profit	848	917	+69	8.2%
Profit	597	642	+45	7.5%
Earnings per share (yen)	141.84	151.03	+9.19	6.5%
Gross profit margin	24.9%	25.1%		+0.2p
Operating profit margin Point 2	10.6%	10.9%		+0.3p
Ordinary profit margin	11.4%	11.3%		-0.1p
ROE	18.2%	16.8%		-1.4p

Analysis of Factors Behind Changes in Operating Profit

Point 1

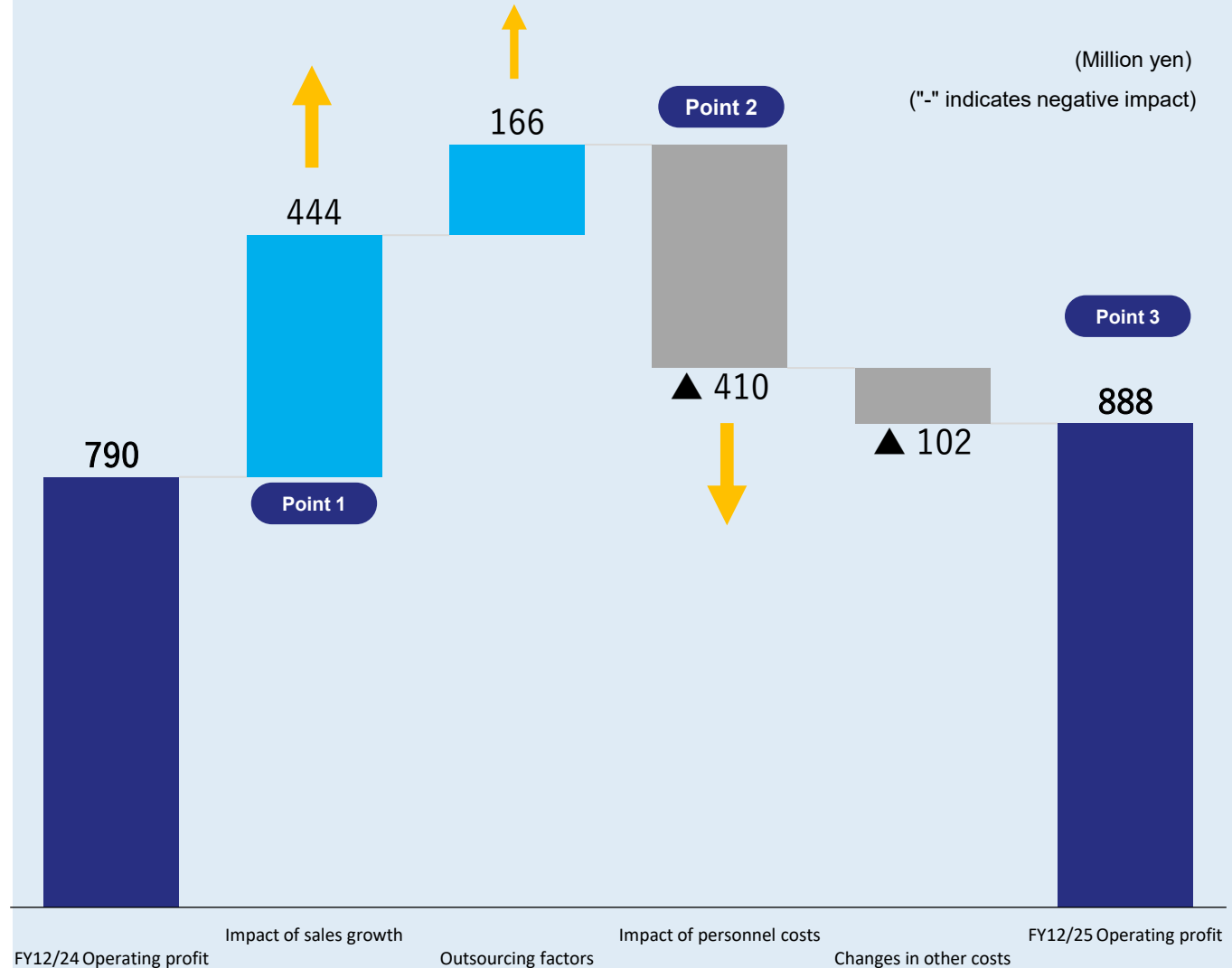
- Operating profit increased by 444 million yen YoY owing to higher net sales.

Point 2

- Personnel costs decreased profit by 410 million yen, mainly due to engineer hiring, recruitment of highly skilled talent for future projects, and reinforcement of the sales structure.

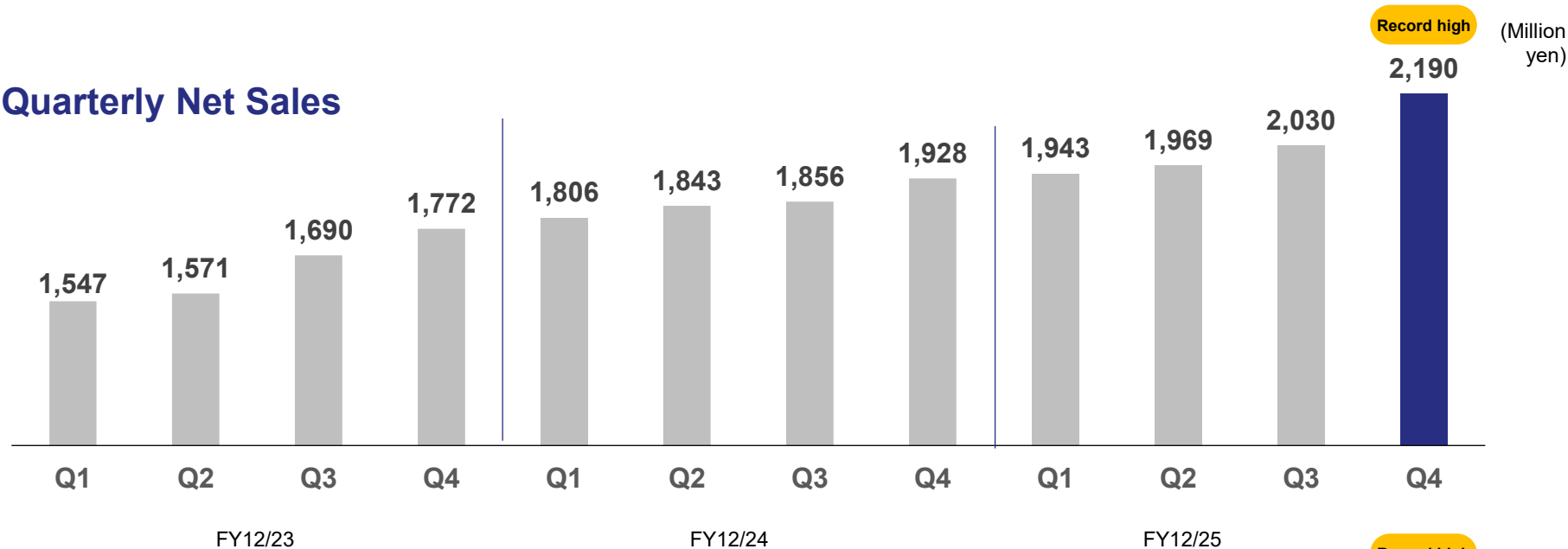
Point 3

- Despite increased personnel and other costs, operating profit increased by 98 million yen YoY, supported by higher sales and increased outsourcing.



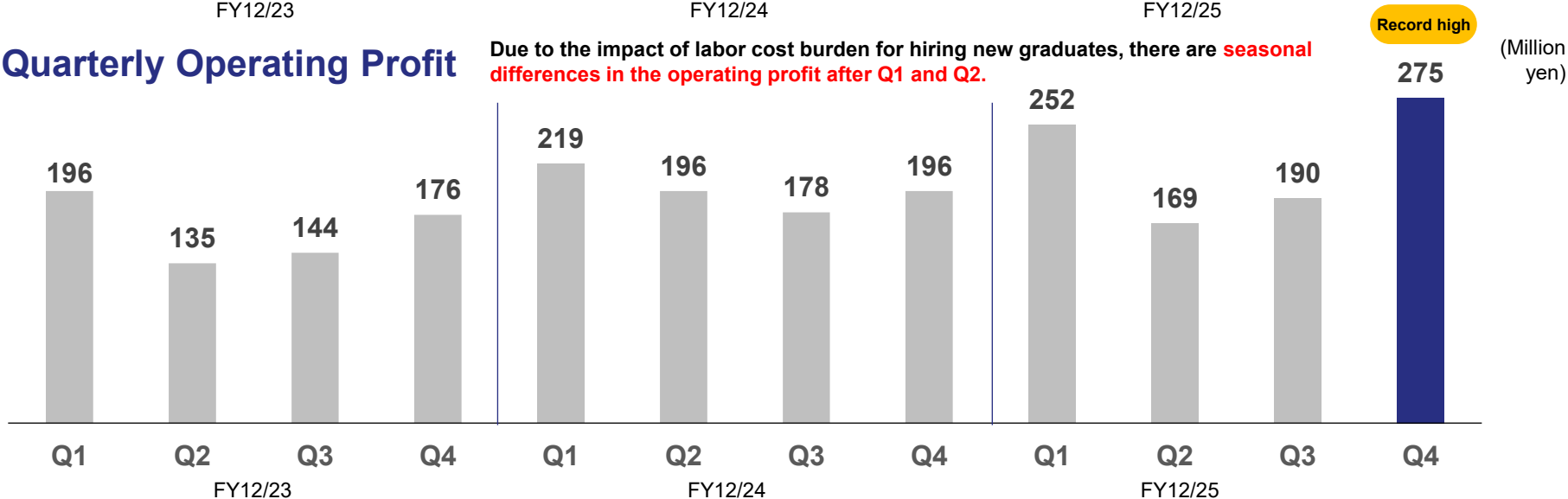
Trends in Quarterly Performance

Quarterly Net Sales



Quarterly Operating Profit

Due to the impact of labor cost burden for hiring new graduates, there are **seasonal differences in the operating profit after Q1 and Q2.**



Sales by Business and Major KPIs

(Million yen)

	FY12/24	FY12/25	YoY	
			Change	Pct. change

Net Sales by Business

Point 1

System Services business (SS)	7,025	7,698	+673	9.6%
IT Services business (IT)	409	435	+25	6.3%
Total (net sales)	7,434	8,134	+699	9.4%

Major KPIs

Point 2

SS	Order backlog (million yen)	1,595	1,918	+323	20.3%
SS	Net sales per employee (thousand yen)	15,406	15,155	-251	-1.6%
IT	No. of “KITARO” subscriptions (units)	9,019	9,738	+719	8.0%

Point 1

- Both the System Services Business and IT Services Business remained solid.

Point 2

- Order backlog increased significantly by 20.3% YoY.
- The number of contracted units for “KITARO” increased steadily by 719 YoY.

Operating Results by Business System Services Business

Point 1

- Strengthening of the organizational structure contributed to capturing robust IT investment demand, including large-scale public infrastructure projects in the second half, resulting in record-high net sales.

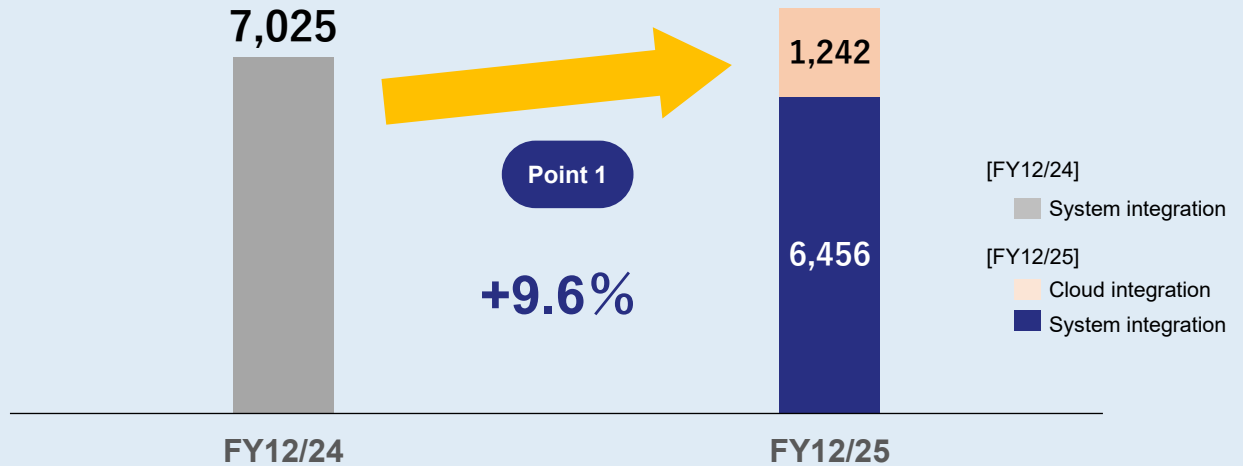
Point 2

- Order backlog has been on an upward trend since bottoming out in the second quarter, supported by new contracts and renewals.

System Services Business: Net Sales

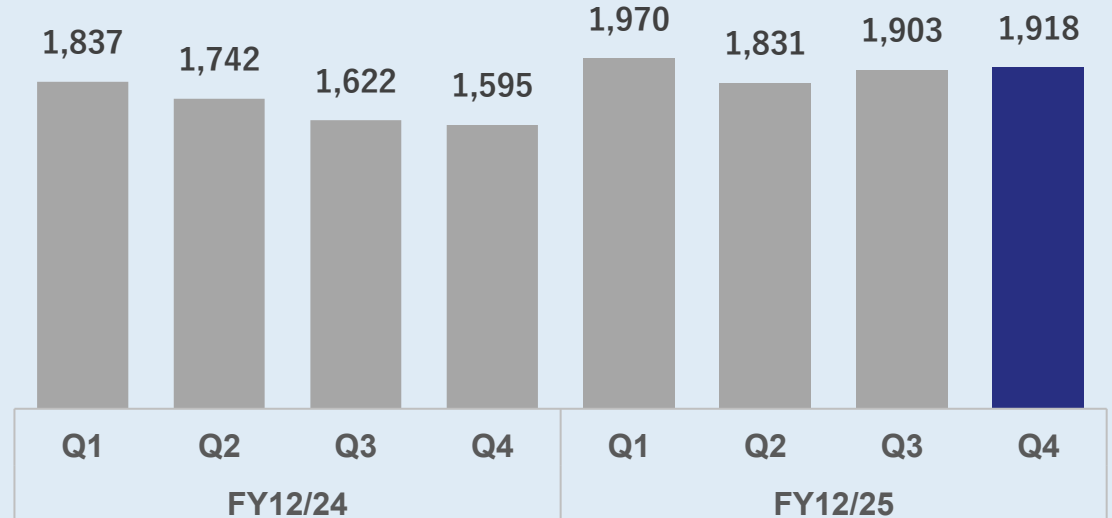
Record high

(Million yen)



Quarterly Trends in Order Backlog

(Million yen)



Point 2

	2024	2025	Change	Pct. change
Number of projects	303	347	+44	14.5%
Average sales per project	23,185	22,186	-999	-4.3%

*Project volume continues to increase steadily

Operating Results by Business System Services Business

Point 1

- Increase in headcount due to personnel transfers from other businesses to the System Services Business following organizational restructuring.

Point 2

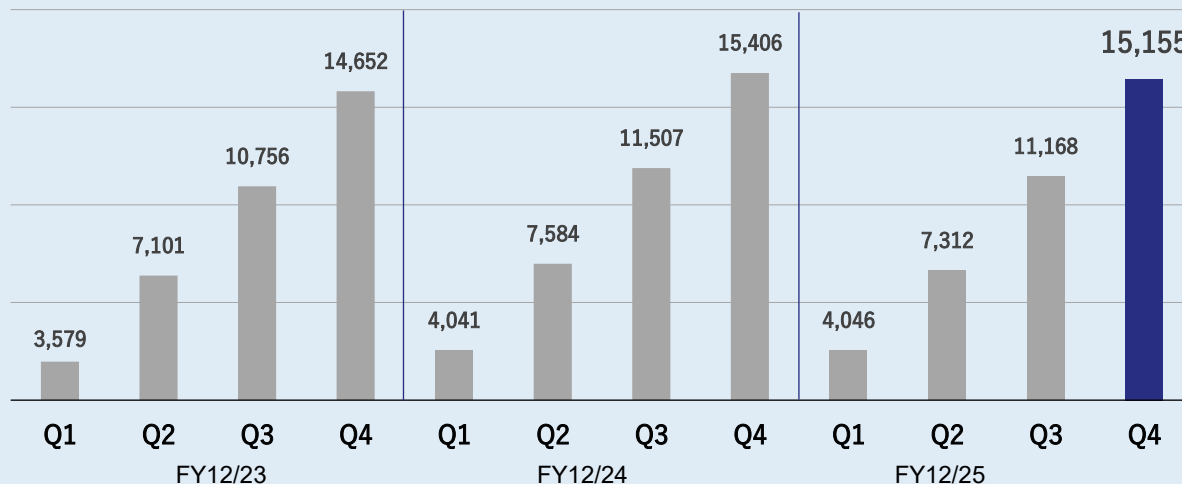
- By industry, net sales in the banking sector continued to grow steadily, increasing by 2.0% YoY.

Point 3

- In focus areas, sales from public and social infrastructure industry increased significantly from the second half, rising 11.0% YoY. Sales from ICT sector also remained strong, with orders continuing to increase, resulting in 13.8% YoY growth.

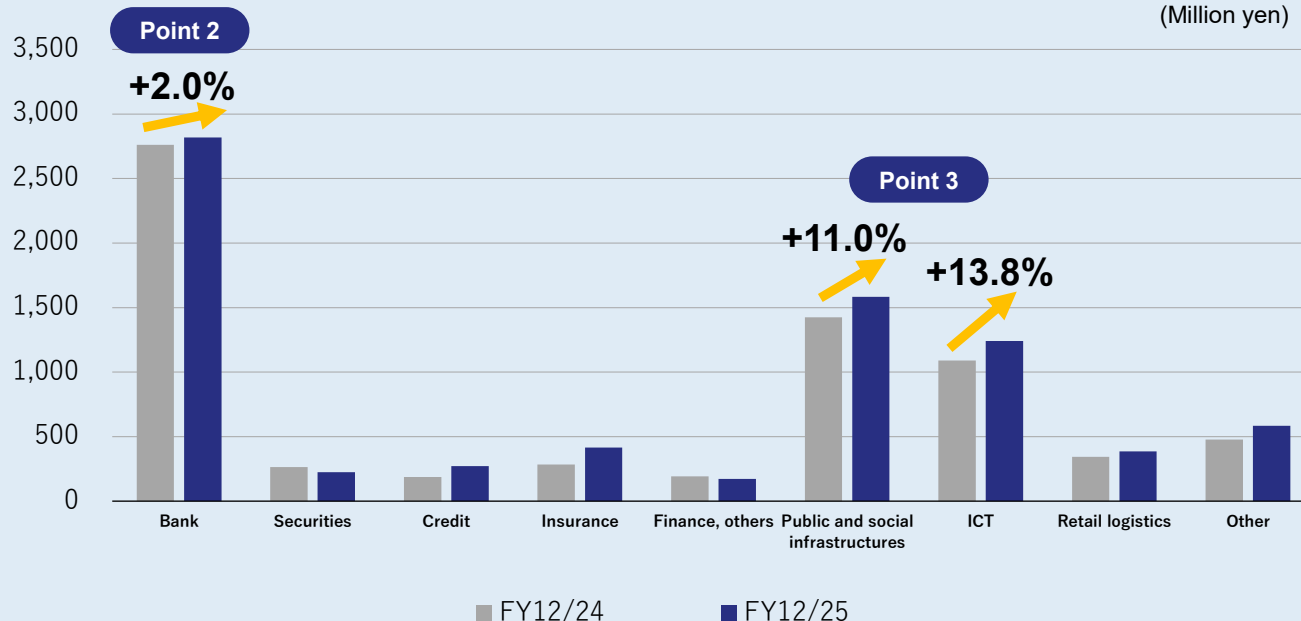
(Thousand yen) **Point 1**

Net Sales per Employee (System Services Business)



Net Sales by Industry

(Million yen)



Operating Results by Business IT Services Business

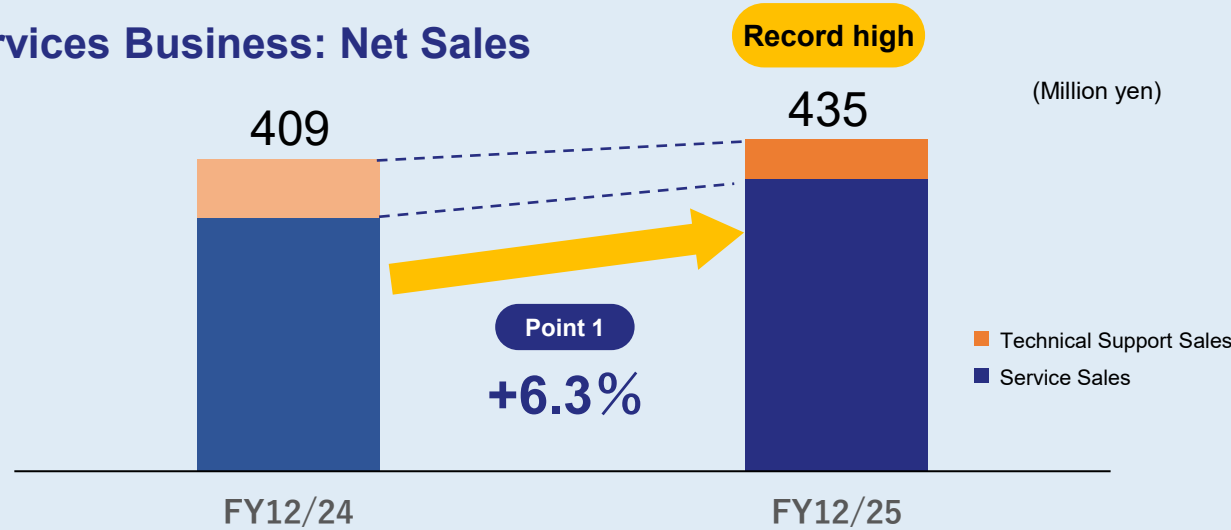
Point 1

- Despite a reactionary decline following the completion of development support projects for third-party services, service sales increased 6.3% YoY, supported by growth in the number of contracted units.

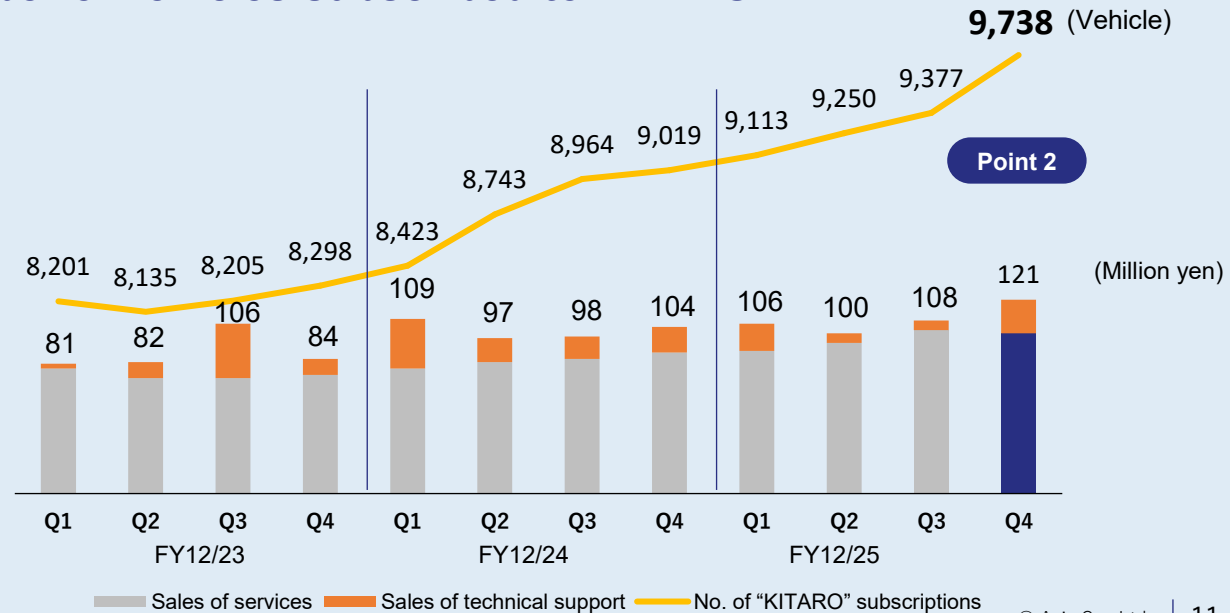
Point 2

- As for the cloud-based fleet management service “KITARO”, the number of vehicles subscribed to the service steadily increased to 9,738 as of the end of 2025.
- While multiple large-scale deals are currently under negotiation, contract acquisition has been delayed compared with initial expectations.





IT Services Business: Net Sales







Trends in Quarterly Net Sales/ Number of vehicles subscribed to KITARO



FY2025 Key Initiatives Review: System Services Business

Priority Measures		FY2025 Results	
Shift to IT Consulting Services	<ul style="list-style-type: none"> ✓ Collaborate with consulting firms, etc. to gain expertise in consulting services. ✓ Expand orders for consulting and upstream SI processes by reskilling existing personnel and recruiting highly skilled professionals. 		<p>We promoted expansion of collaborative projects with consulting firms, steadily accumulating orders while broadening the scope of services available for collaboration.</p> <p>We also systematically promoted acquisition of consulting-related certifications in line with the annual plan.</p>
Expansion into High-Growth Areas	<ul style="list-style-type: none"> ✓ Expand System Integration (SI) services based on platforms such as Salesforce. ✓ Actively conduct research and development on generative AI and promote AI applications in the System Services business. 		<p>We promoted projects leveraging platforms such as Salesforce. From the second half of the fiscal year, we advanced the development of subject-matter experts through initiatives aimed at expanding our service offerings beyond Salesforce to include Power Platform, SAP, and other technologies.</p> <p>In addition, we entered into an exclusive agreement for software leveraging AI technology from Jetrun Technologies Inc., and promoted its application in new services.</p>
Growth in Existing Areas	<ul style="list-style-type: none"> ✓ Increase direct orders from end-users and shift toward high-profit customers to improve profit margins. ✓ Enhance management capabilities and expand workforce capacity to handle larger-scale projects. 		<p>Orders from end users, particularly in non-financial sectors, expanded steadily.</p> <p>We promoted further order acquisition in these sectors while systematically implementing initiatives to increase project size and improve profitability.</p>
Expansion of Cloud Business	<ul style="list-style-type: none"> ✓ Promote the Cloud business including cloud-native development and cloud infrastructure construction. ✓ Focus on securing comprehensive outsourcing contracts for cloud operations and maintenance. ✓ Expand into new areas such as network infrastructure construction, which the Company has not previously engaged in. 		<p>With a view to securing projects such as cloud-native development, we continued its business development activities, including strengthening relationships with cloud providers and collaborating with major SIs.</p> <p>In the network domain, sales activities to develop new projects were reinforced, resulting in a steady expansion of order intake.</p>

FY2025 Key Initiatives Review: IT Services Business

Priority Measures		FY2025 Results	
<p>KITARO Service</p>	<ul style="list-style-type: none"> ✓ Actively utilize digital marketing to enhance brand awareness of KITARO services. ✓ Promote service usage among existing customers to prevent early cancellations. ✓ Strengthen sales efforts toward major customers to further increase the number of subscriptions. ✓ Target figures: 10,000 subscriptions by the end of FY12/25. 		<p>As a result of initiatives such as brand awareness campaigns and customer referral programs, acquisition of new subscriptions progressed as planned, reaching 9,738 contracts. On the other hand, although inquiries from large-scale clients increased amid intensifying market competition, sales fell short of target levels. We will continue to promote initiatives to acquire new contracts going forward.</p>
<p>Service Development Support</p>	<ul style="list-style-type: none"> ✓ Expand support for customer service development by leveraging KITARO service technology. 		<p>Service development support for other companies underperformed, with new project acquisition falling short of expectations. We will continue to focus on sales activities to identify and secure new projects.</p>
<p>Provision of New Services</p>	<ul style="list-style-type: none"> ✓ Actively develop new services based on expertise in location-based services. 		<p>We launched a new service “Route Label” and steadily expanded its user base. In parallel, planning and development of additional new services continued.</p>
<p>DX Consulting</p>	<ul style="list-style-type: none"> ✓ Collaborate with regional financial institutions to actively promote DX consulting sales aiming to secure digital transformation support projects that enhance productivity and profitability for small and mid-sized companies. ✓ Promote Business Process Outsourcing (BPO) of the IT department and small-scale development project contracts alongside the provision of “Marutto Axis” service. 		<p>We continued proactive sales activities aimed at promoting DX initiatives by local governments and collaboration with regional financial institutions. In addition, it advanced project acquisition for “Marutto Axis” and fully launched the “IT Support” service. Going forward, we will continue to promote BPO projects for in-house IT functions targeting SMEs.</p>

***Marutto Axis" is a DX support service designed to help small and mid-sized companies solve various business challenges at a low fixed monthly cost.

Balance Sheet

Point 1

- The increased cash and deposits will be strategically utilized for growth investments that contribute to sustainable corporate value enhancement, such as executing M&A, developing new services including AI-related ones, and acquiring and fostering excellent human resources to support business expansion.

Point 2

- Net assets steadily increased due to rising profits.

Point 3

- The equity ratio increased by 0.7 percentage points to 75.4%, maintaining a high level of financial stability.

Major Figures in B/S

(Million yen)

	FY12/24	FY12/25	YoY
Current assets	4,225	4,804	+578
Cash and deposits	3,023	3,430	+407
Accounts receivable and contract assets	1,069	1,258	+189
Inventory assets	58	32	-26
Non-current assets	546	599	+52
Goodwill	185	155	-29
Total assets	4,772	5,404	+631
Liabilities	1,208	1,327	+118
Accounts payable	294	296	+2
Interest-bearing liabilities	—	—	—
Provision for retirement benefits	296	342	+45
Net assets	3,563	4,076	+512
Total liabilities and net assets	4,772	5,404	+631
Capital-to-asset ratio	74.7%	75.4%	+0.7p

Major Cash Flows

(Million yen)



2

Topics

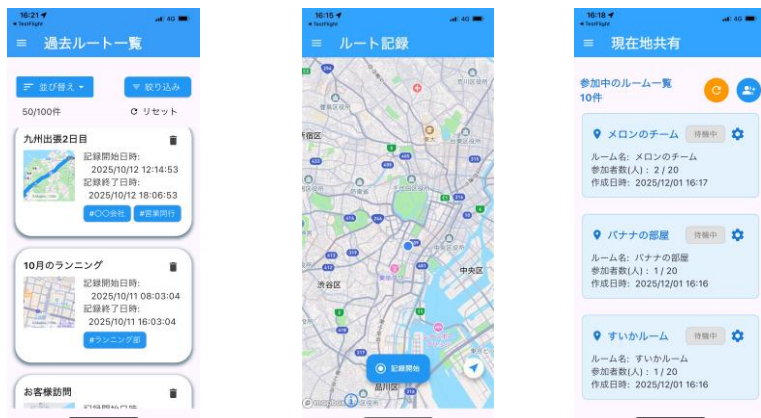
Release of location history and location-sharing app "Route Label"

We launched "Route Label," a new location-history and location-sharing app that allows users to record their daily travel routes and share their real-time location with friends and family, starting December 2025.

■ Features of Route Label

This app is designed for users who want to record their daily and hobby-related movements.

With two main functions, "Route Recording/Viewing" and "Location Sharing," it supports daily commutes, recording hobby activities, and coordinating travel and meetups with family and friends.



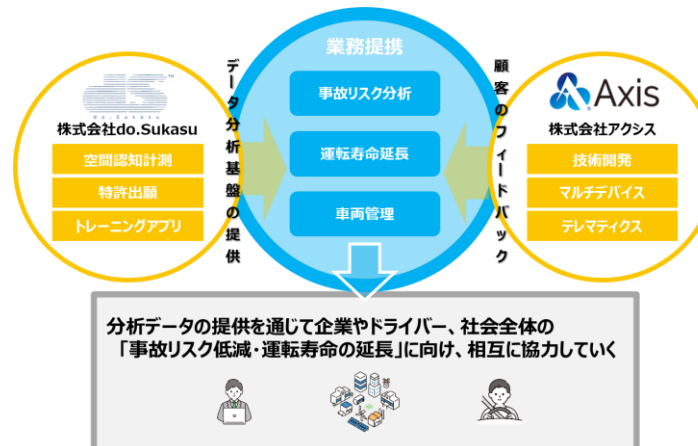
Axis will continue to enhance the convenience of Route Label by adding useful features based on user feedback.

Axis and do.Sukasu formed a strategic business alliance leveraging KITARO.

[Background and Purpose of Collaboration]

In recent years, increasing driving risks in an aging society and the growing demand for safe driving support utilizing cutting-edge technologies such as AI have become significant social issues.

To address these challenges, Axis will collaborate with do.Sukasu, which possesses advanced spatial cognitive ability assessment and training technologies based on its unique patented technology, and Axis, which specializes in collecting and analyzing driving data and system development through its real-time vehicle operation management system "KITARO."



By integrating the expertise of both companies and providing analytical data combining driving data with spatial cognitive ability assessment results to companies and drivers, we aim to realize a mobile society that simultaneously reduces traffic accident risks and extends the "safe driving lifespan," allowing individuals to continue driving safely.

Supporting the activities of Sports Hinomaru Kids since 2014

In 2025, we sponsored nine tournaments and events. At judo tournaments, we presented sports towels as the “Axis Award” to volunteer staff who supported the events.



We support Sports Hinomaru Kids's activities to deepen the bond between parents and children, and have been a co-sponsor since 2014. We will continue to work for a society in which children can enjoy a bright life.

Message of appreciation from Social Welfare Corporation Youth Welfare Center

The Youth Welfare Center operates Japan's only residential care facility exclusively for children attending junior high and high school, providing individualized support for independence tailored to each child. In addition, the Center operates “self-reliance support homes” officially recognized by local authorities, where residents aged 15 to 20 live with staff while preparing to become independent members of society.



We support these activities by participating in charity bazaars and making donations. Encouraged by the letter of appreciation we received, we remain committed to supporting as many children as possible in achieving independence and building a brighter future. We will continue to support the Youth Welfare Center in its efforts.

Presented at IR Briefing Hosted by Shonan Investment Study Group

On November 30, 2025, we presented at a company briefing for individual investors hosted by the 75th Shonan Investment Study Group in Ginza, Tokyo.

Over 120 investors attended, and we provided an overview of our business, recent performance trends, and future initiatives.



<https://www.youtube.com/watch?v=6HB2OCKoxpc&t=3894s>

During the Q&A session, we received numerous questions regarding our business policies and investment plans, which provided an opportunity to deepen understanding of our company through dialogue.

We will continue to strive for clear information disclosure and constructive dialogue to enhance corporate value and enrich our IR activities.

Exhibited at Sainokuni Business Arena

Our Digital Consulting Division exhibited its service "IT Support" at the "Sainokuni Business Arena," hosted by the Saitama Industrial Promotion Public Corporation, for two days starting November 18, 2025.

There were 480 exhibitors and a total of 15,000 visitors over the two days. Our booth received 74 visitors, resulting in 24 business negotiations.



<https://saitama-bizmatch.jp/>

"IT Support"... An IT-related outsourcing service (system operation, IT equipment introduction, PC setup, etc.) for small and medium-sized enterprises that do not have an information systems department or dedicated IT personnel.

3

Full-year Business Forecasts for FY12/26

FY12/26

Summary of Full-year Business Forecasts

Net sales

9,444 million yen
(+16.1% YoY)

Operating profit

1,000 million yen
(+12.6% YoY)

Operating profit margin

10.6%
(-0.3ppt. YoY)

Dividend (forecast)

57 yen per share
(Dividend payout ratio: **35.1%**)

Performance

- Forecast **16.1%** increase in sales and **12.6%** increase in operating profit YoY, marking the seventh consecutive year of sales and profit growth, and a new record high.
- While strengthening profitability through a shift toward high-margin business areas, we will continue upfront investments in human capital and other growth initiatives. As a result, the operating profit margin is expected to remain at **10.6%**, in line with FY2025.

Dividend

- In line with the Medium-term Management Plan, we plan to increase the dividend by **11 yen** per share to **57 yen**, achieving a dividend payout ratio of 35.1% in FY2026 (**target: 35% or higher**).

Priority Measures in the FY12/26 Business Plan

System Services Business

Priority Measures

System integration

[Shift to IT Consulting Services]

- ✓ Collaborate with consulting firms to gain expertise in consulting services.
- ✓ Expand orders for consulting and upstream SI processes by reskilling existing personnel and recruiting highly skilled professionals.

[Expansion into High-Growth Areas]

- ✓ Expand services utilizing platforms such as Salesforce, ServiceNow, and mcframe.
- ✓ Launch AI-related services based on AI Communication Insight.

[Growth in Existing Areas]

- ✓ Improve profitability by expanding direct contracts with end users and shifting toward high-margin customers.
- ✓ Pursue larger-scale projects by strengthening the sales structure and procurement functions.
- ✓ Target Figures: Average project sales: 24 million yen
Partner ratio: Over 50% by the end of FY12/26

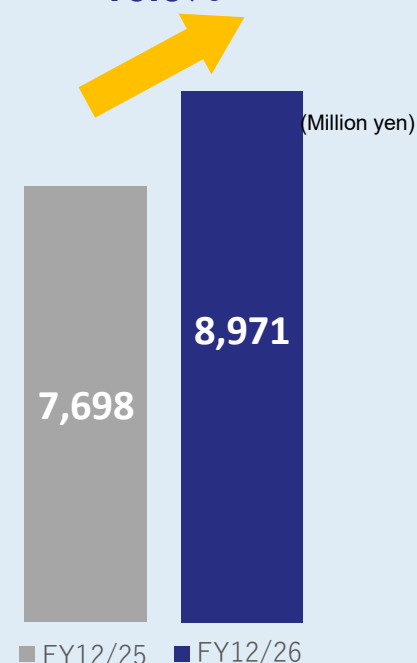
Cloud integration

[Expansion of Cloud Business]

- ✓ Focus on acquiring end-to-end outsourcing contracts for operation and maintenance in clients' cloud environments.
- ✓ Evolve into a value-added network business, providing security solutions in addition to core capabilities in network design and construction.

Net sales in the System Services Business

+16.5%



Priority Measures

[KITARO Services]

- ✓ Actively utilize digital marketing to enhance brand awareness of KITARO services.
- ✓ Promote service usage among existing customers to prevent early cancellations.
- ✓ Strengthen sales to industry-specific customers to further increase the number of subscriptions.
- ✓ Target Figures: 10,800 subscriptions by the end of FY12/26.

[Service Development Support]

- ✓ Expand support for customer service development by leveraging KITARO service technology.

[New Service Development]

- ✓ Actively develop new services based on expertise in AWS-based development.

[DX Consulting]

- ✓ Collaborate with regional financial institutions to actively promote DX consulting sales, aiming to secure digital transformation support projects that enhance productivity and profitability for small and mid-sized companies.
- ✓ Promote IT department BPO (Business Process Outsourcing) services and small-scale development project contracts alongside the "Marutto Axis"* service.

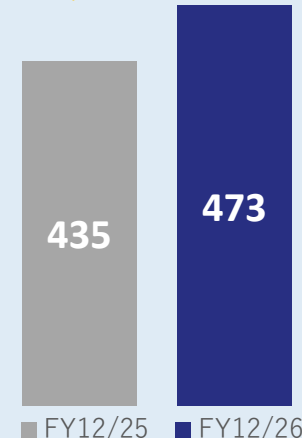
*"Marutto Axis" is a DX support service designed to help small and mid-sized companies solve various business challenges at a low fixed monthly cost.

IT Services Business
Net sales

+8.7%



(Million yen)



Shareholder Return

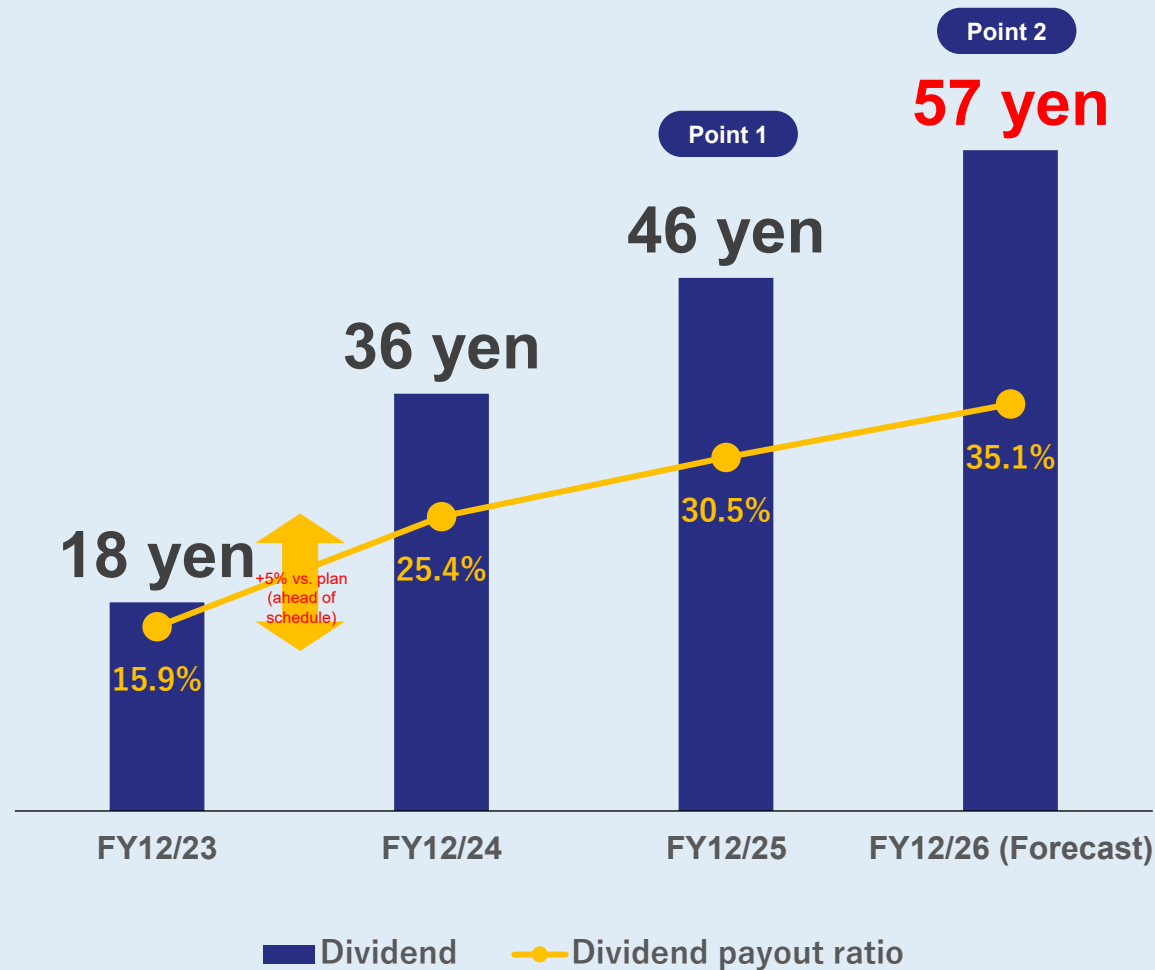
Annual dividend increased by
11 yen per share to a total of 57 yen

Point 1

- The dividend payout ratio for FY12/25 is expected to increase by approximately **5 percentage points** from the previous fiscal year.

Point 2

- For FY12/26, we forecast a dividend payout ratio of **35.1%**, with an increase of 11 yen per share to **57 yen**.
- In accordance with the dividend policy, we have introduced a **progressive dividend policy** to ensure stable and continuous shareholder returns, without being affected by temporary fluctuations in earnings.



Contribute to Society Digitally



Medium-term Management Plan

FY12/26-FY12/29

Go Beyond

Beyond SI, Evolving into a Value Co-Creation
Partner



February 24, 2026

“Contribute to Society Digitally”

Achieve both material and spiritual well-being for all employees

Make decisions with fairness and integrity, and act with sincerity and full commitment

Strive for all employees to share a common direction

Contribute to society and humanity through our business activities



Toward Becoming a “Value Co-Creation Partner” for Companies and Society

Since the formulation of the Medium-term Management Plan Vision 2027, rapid advancements in technologies such as generative AI and the widespread adoption of SaaS-based business platforms enabling low-code development have accelerated digitalization in customers' operations. At the same time, customer needs have expanded and become increasingly sophisticated.

Since our founding, we have consistently provided services that accurately capture customer needs. However, in order to respond to these changes, we have formulated a new Medium-term Management Plan, “Go Beyond,” which builds on and goes beyond Vision 2027. In addition, we will partially revise our executive structure to ensure the steady execution of this plan.

Under the new Medium-term Management Plan “Go Beyond,” we will position the enhancement of customer value, corporate value, and social value as our core management policy, and aim to become a “value co-creation partner” needed by both our customers and society.

In the System Services Business, we have expanded our business primarily in the fields of finance, public and social infrastructure, and information and communications. Going forward, we will further deepen these areas while also entering new industries to expand our market. In addition, we will focus on high-growth technology domains such as AI and SaaS, while shifting our business portfolio toward higher-value-added areas, including upstream SI processes, digital platforms, and network design and construction.

In the IT Services Business, we will provide services centered on mobility-related cloud services and BPO for IT departments, addressing customer needs such as: “convenient and helpful”, “making work easier”, “safe and reliable to use”.

We also aim to expand services based on our AI platform (Communication Insight) powered by generative AI.

Through our medium-term strategies of “strengthening the management foundation” and “investment strategy,” we aim to evolve into a company capable of achieving sustained high growth and high profitability.

Previous Medium-term Management Plan Vision2027

Previous Medium-term Management Plan: Vision 2027

System Services Business: Net sales increased steadily toward the 10 billion yen target, and the development of human resources in IT consulting and high-growth technology domains progressed as planned.

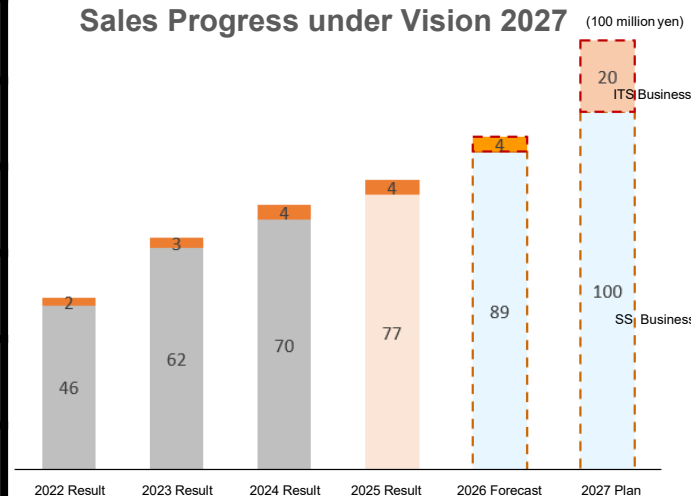
IT Services Business: Service sales increased steadily; however, growth in technical support services slowed, and the development of cloud services contributing to sales was delayed.

Continued to steadily implement management foundation strengthening and growth investments, which will serve as the foundation for future growth. While no M&A transactions were completed, initiatives were continuously pursued.

Human capital investment was carried out largely as planned, with the number of employees increasing steadily from 430 at the end of 2022 to 545 at the end of 2025.

	2022 Results	2025 Results	2026 Forecasts	Vision2027
Net sales	¥5.85 billion	¥8.13 billion	¥9.44 billion	¥12.0 billion or over
Operating profit	¥0.57 billion	¥0.88 billion	¥1.0 billion	¥1.5 billion or over
Operating profit margin	9.8%	10.9%	10.6%	12.5% or over
ROE	15.3%	16.8%	16.1%	15% or over
Dividend payout ratio	10.3%	30.5%	35.1%	35% or over

Sales Progress under Vision 2027 (100 million yen)



	Project Management / Vendor Management Consulting Certifications	Business Applications Consulting Certifications	Infrastructure Consulting Certifications	AI-related Certifications	Business Applications Certifications	Infrastructure Certifications
2025 Results	11 employees	18 employees	20 employees	15 employees	44 employees	128 employees
Vision2027	30 employees or over	30 employees or over	30 employees or over	50 employees or over	100 employees or over	120 employees or over

Medium-term Management Plan

Go Beyond

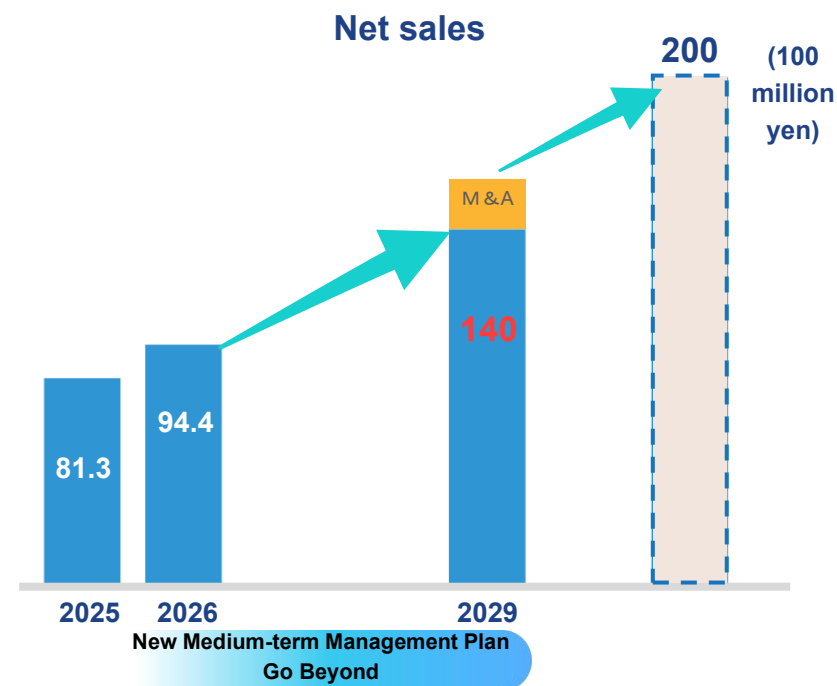
Beyond SI, Evolving into a Value Co-Creation Partner

Go Beyond (Key Management Indicator 1)

Continue growth with a focus on the Prime Market, aiming to become a 20 billion yen sales company

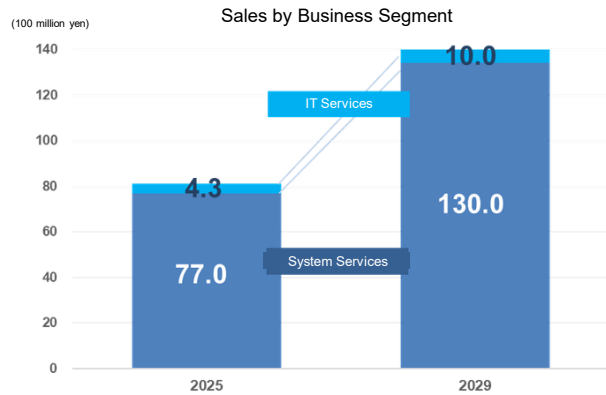
	FY12/25	FY12/26	FY12/29
Net sales	¥8.13 billion	¥9.44 billion	¥14.0 billion or over
Operating profit	¥0.88 billion	¥1.0 billion	¥1.6 billion or over
Operating profit margin	10.9%	10.6%	12% or over
ROE	16.8%	16.1%	18% or over
Dividend payout ratio	30.5%	35.1%	40% or over

(Introduction of a progressive

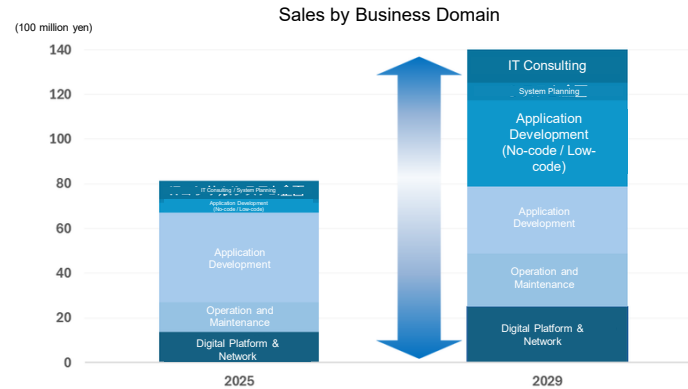


Go Beyond (Key Management Indicator 2)

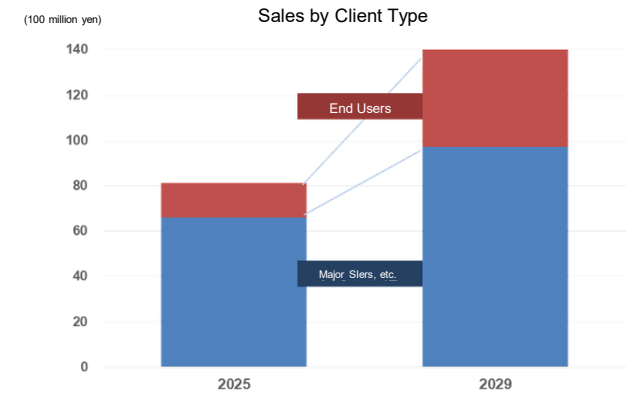
Maintain high growth with a CAGR of 14.5%



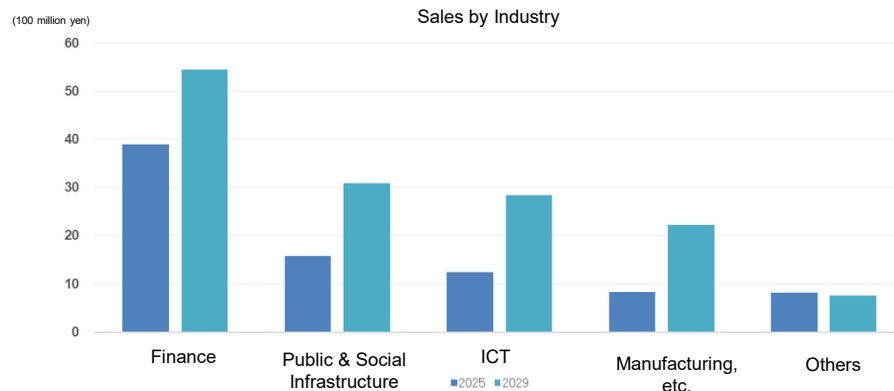
Expand high-value-added domains to over 50%



Increase the ratio of high-margin end-user transactions to over 30%, while steadily expanding Sler transactions



Expand primarily in core SI industries (finance, public/social infrastructure, and information & communications), while also focusing on other industries such as manufacturing

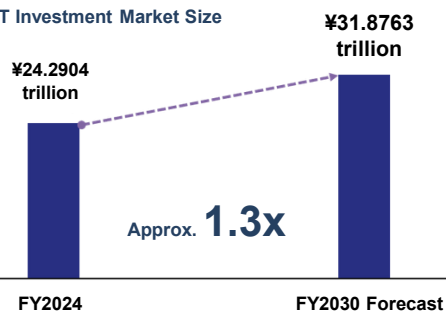


Human Capital Enhancement

Certifications	Target Number of Certified Personnel
PM / Consulting Certifications, Business Domain Certifications, Infrastructure Certifications	120+
High-Growth Technology Domains Business Domain Certifications Infrastructure Certifications	350+
AI-related Certifications	100+

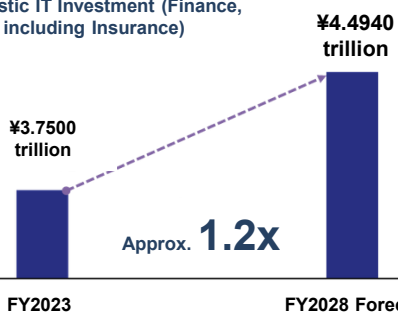
Market Environment Surrounding the Company

Domestic IT Investment Market Size



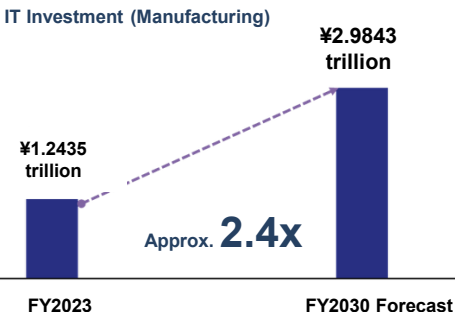
Source: Fuji Chimera Research Institute, "IT Investment Trends by Industry / Outlook for the DX Market"

Domestic IT Investment (Finance, including Insurance)



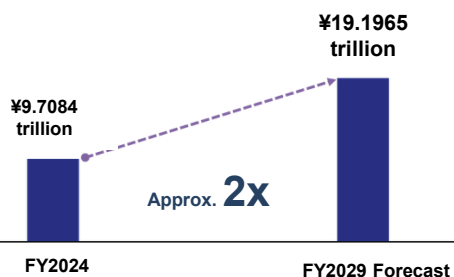
Source: Fuji Chimera Research Institute, "IT Investment by Industry / Digital Solutions Market 2024 Edition"

Domestic IT Investment (Manufacturing)



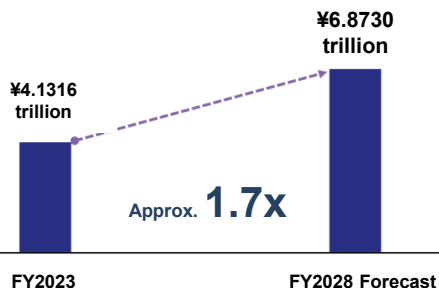
Source: Fuji Chimera Research Institute, "2025 Outlook for the Digital Transformation Market (Market Edition)" (Press release No. 25043, April 24, 2025)

Domestic Cloud Market



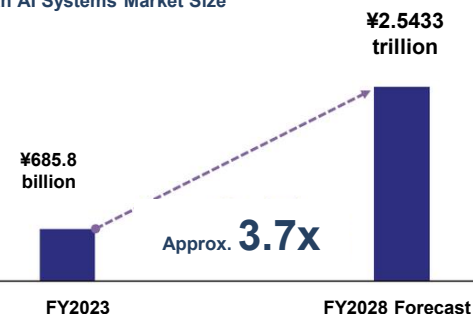
Source: IDC, "Domestic Cloud Market Reached 9.7 trillion yen in 2024 and is projected to reach 19.1 trillion yen in 2029"

Domestic DX Market



Source: Fuji Chimera Research Institute, "IT Investment by Industry / Digital Solutions Market 2024 Edition"

Japan AI Systems Market Size



Source: IDC, "Japan AI Systems Market Forecast 2024" (April 25, 2024)

Medium-Term Management Policy

Enhancement of Customer Value



Provide services that meet evolving needs through reliable and advanced technological capabilities

Enhancement of Corporate Value



Increase high-value-added, high-margin services to enhance corporate value

Enhancement of Social Value



Become a company with strong social relevance by addressing social issues and contributing to society

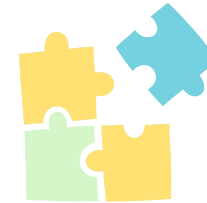
Go Beyond



Management Strategy

1

- Deepening Core SI Industries and Expanding into New Industries
- Expansion of High-Growth Technology Domains and Services
- Enhancing Business Sophistication Through AI



2

- Strengthen the human capital base
- Strengthen the business infrastructure
- Promote workstyle reform



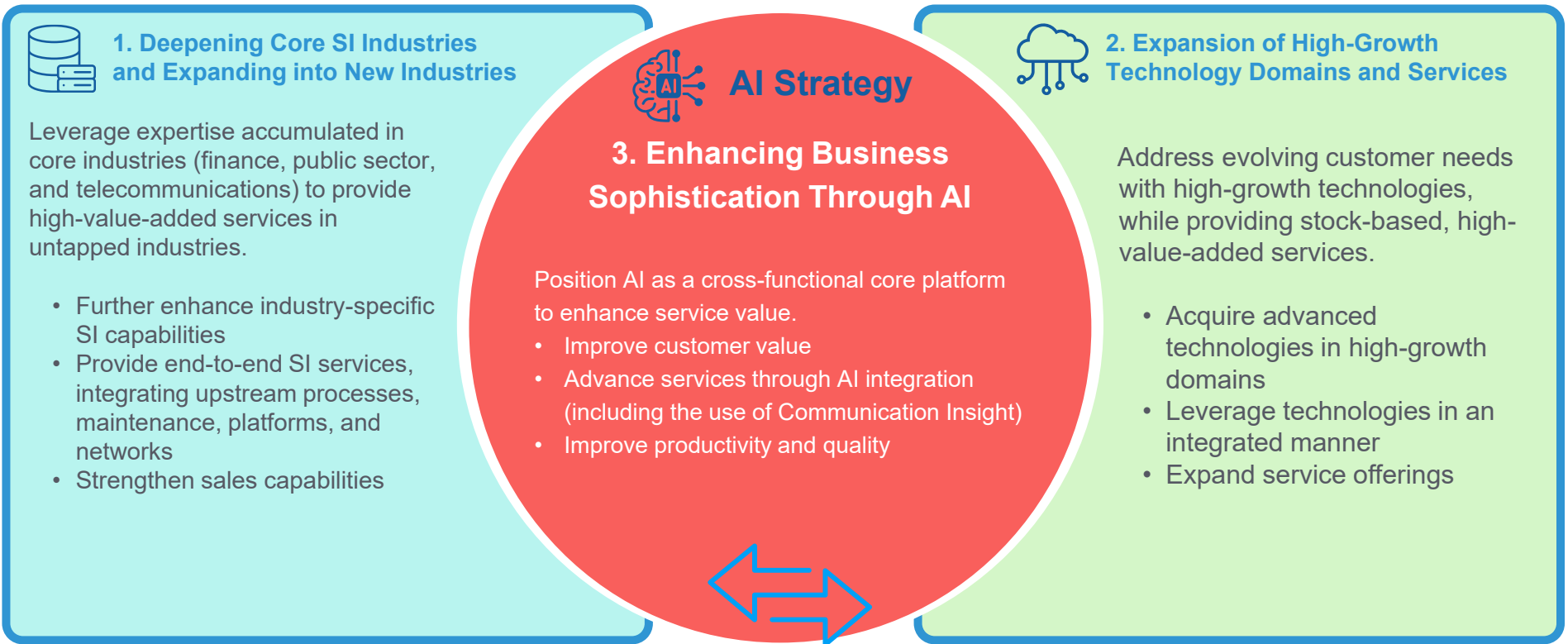
3

- M&A
- Human capital investment
- Service development and capital expenditure



Business Strategy

By ensuring that “**expansion of customer domains,**” “**expansion of technology domains,**” and “**AI strategy**” are mutually reinforcing, we aim to achieve sales growth and margin improvement, leading to sustained growth and enhanced corporate value.






Note: Communication Insight: Software utilizing proprietary AI technology for which the Company holds exclusive usage rights

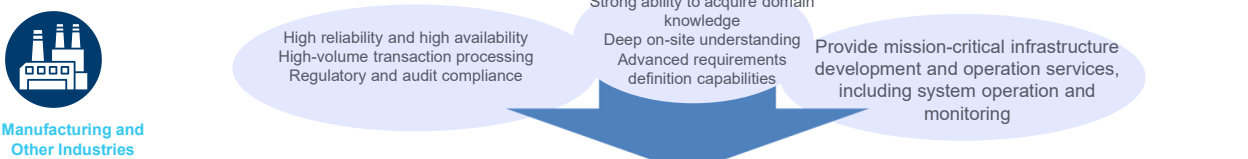
Business Strategy: 1. Deepening Core SI Industries and Expanding into New Industries

Enhancing Industry-Specific SI Capabilities

Leverage deep domain expertise and on-site execution capabilities in finance, public/social infrastructure, and information & communications, to further strengthen core industries and expand into new sectors.

Market × Expansion Strategy

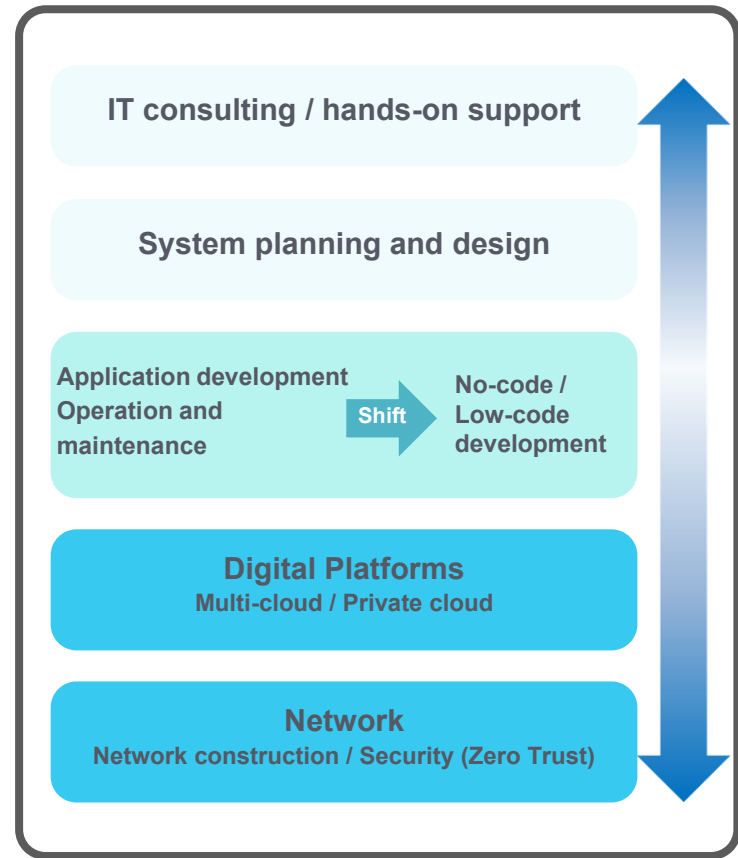
 Finance	Core Domains <ul style="list-style-type: none"> Capital markets Payments Information systems 	Expansion Domains <ul style="list-style-type: none"> Banking (core systems) Non-banking sectors (securities, insurance, credit) 	Sales Channel <ul style="list-style-type: none"> Expansion of direct transactions with clients
 Public & Social Infrastructure	Core Domains <ul style="list-style-type: none"> Central government Local governments Public enterprises 	Expansion Domains <ul style="list-style-type: none"> Horizontal expansion across government and local authorities Expansion into independent administrative institutions and affiliated organizations 	Sales Channel <ul style="list-style-type: none"> Large-scale projects (subcontracting) Small- to mid-scale projects (direct transactions)
 ICT	Core Domains <ul style="list-style-type: none"> ICT / telecommunications infrastructure Networks Operation and monitoring 	Expansion Domains <ul style="list-style-type: none"> Network and monitoring services Managed services 24/365 services 	Sales Channel <ul style="list-style-type: none"> Expansion through major telecommunications carriers



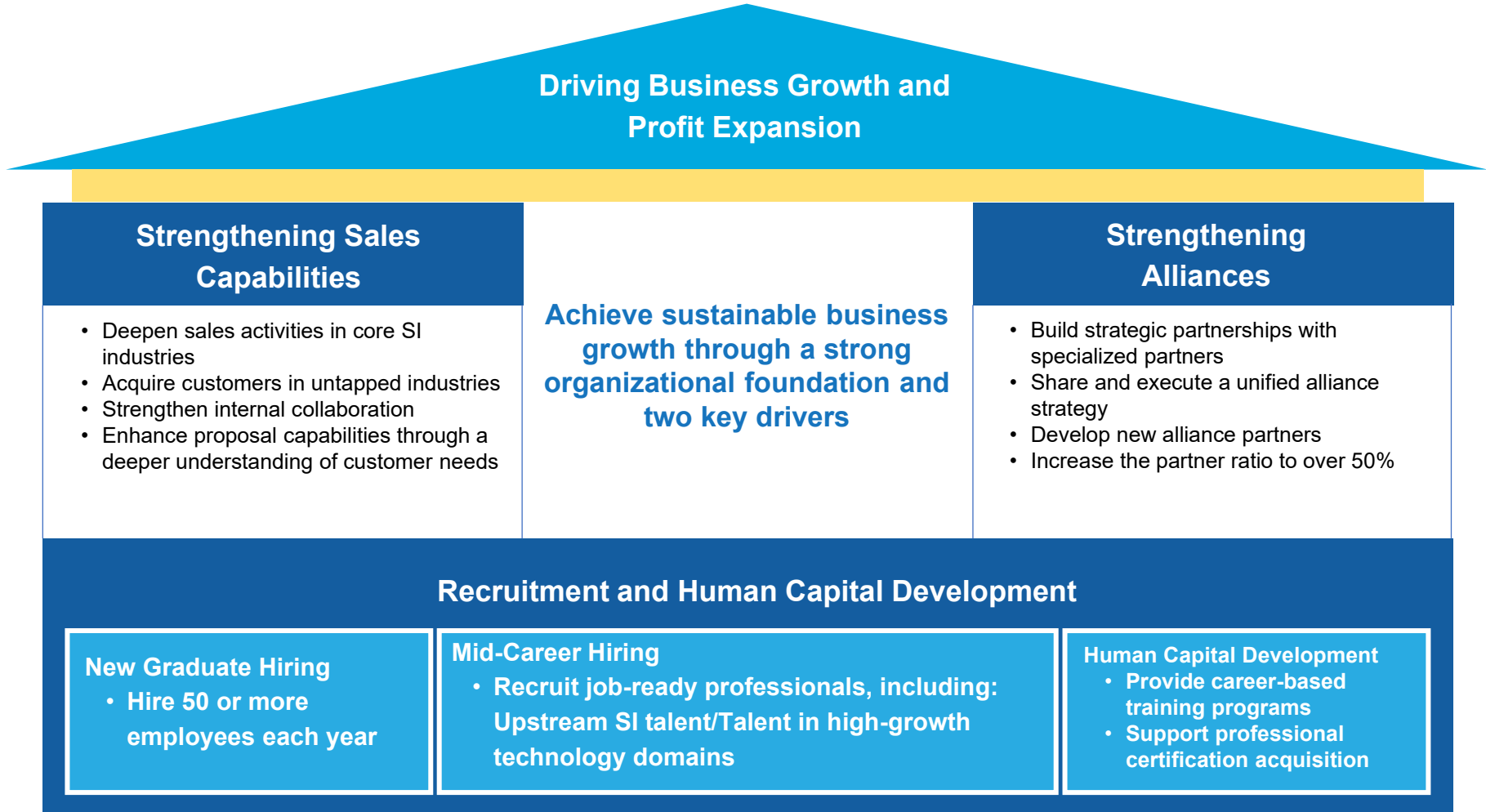
Expansion into Untapped Industries

Achieving Total SI

Shift the business portfolio toward higher-value-added upstream and infrastructure domains, including IT consulting and platform/network development.



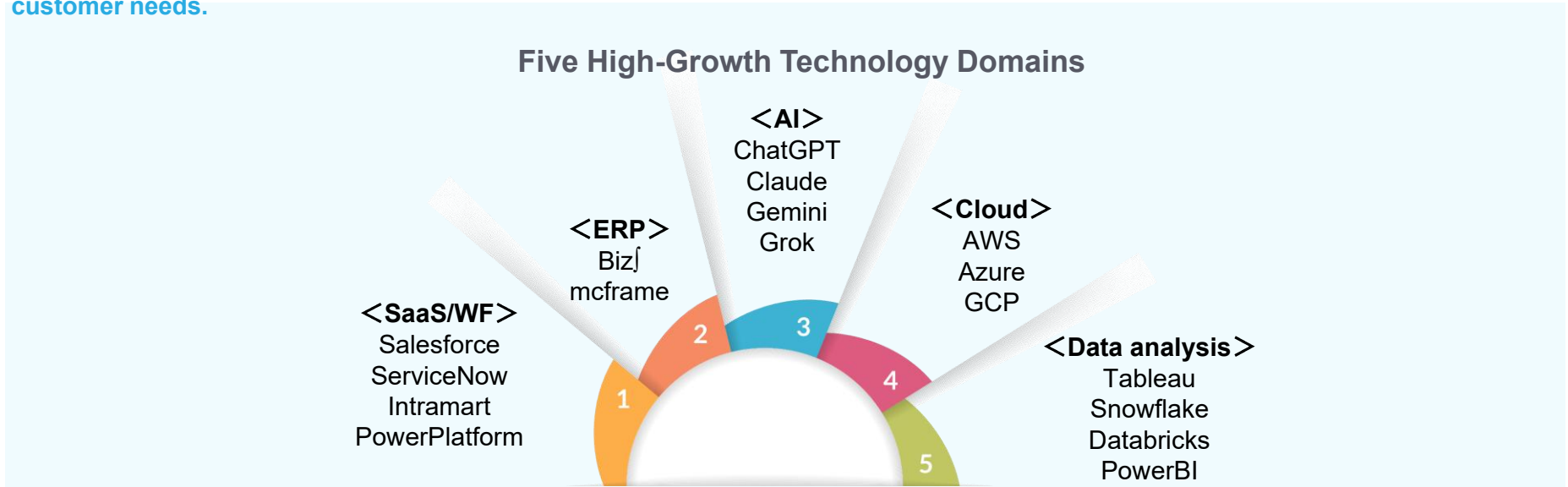
Business Strategy: 1. Deepening Core SI Industries and Expanding into New Industries



Definition of Alliances: Alliances refer to a procurement-driven sales function that secures the technical resources required for projects through relationship building and contract negotiations with partner companies.

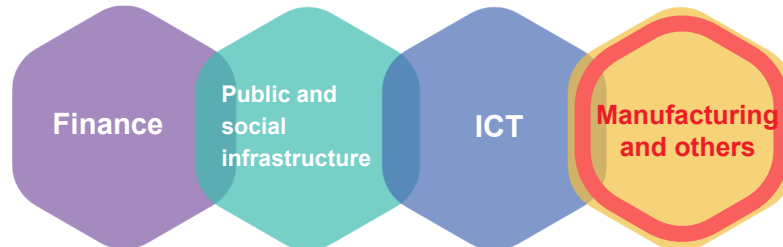
Business Strategy: 2. Expansion of High-Growth Technology Domains and Services

Strengthen organizational capabilities by acquiring high-growth technologies, thereby enhancing the ability to respond to evolving customer needs.



Cross-selling originating from DX consulting **X** Collaboration with Slers and consulting firms

Expand into multiple industries, including: Finance/Public and social infrastructure/ICT



Business Strategy: 2. Expansion of High-Growth Technology Domains and Services

Enhance upstream and consulting talent through reskilling, while upgrading the overall skill set of IT engineers.

Target Talent Profiles	Certifications	KPI
		2025 → 2029
IT consultants / Project managers (PMs)	PM / vendor-related consulting certifications Business domain consulting certifications Infrastructure consulting certifications	49 employees → 120+ employees
Full-stack engineers*	Business domain certifications Infrastructure certifications	172 employees → 350+ employees
AI utilization (AI specialists) AI utilization (Company-wide enhancement of AI literacy)	AI-related certifications AI training programs	15 employees → 100 + employees

Note: Full-stack engineers are engineers capable of handling the entire development process independently, from front-end (user interface) to back-end (servers and databases), as well as infrastructure development.

Business Strategy: 2. Expansion of High-Growth Technology Domains and Services

Expansion of Cloud Services

Toward a Business Platform Integrating “Mobility × Data Utilization × AI”

<p>Mobility Services</p>	<ul style="list-style-type: none"> • Expand functionalities to meet customer needs (e.g., safe driving management, environmental compliance, regulatory compliance) • Promote development of industry-specific solutions (e.g., driver dispatch and vehicle transportation services) • Develop services for non-automotive mobility (e.g., vessels, bicycles) and conduct related R&D • Strengthen data utilization and visualization capabilities, and commercialize these functions
<p>Other Initiatives</p>	<ul style="list-style-type: none"> • Plan and launch solutions addressing social challenges • Expand functionalities of various services, including location-based services for individuals

Strengthening DX Consulting

Provide field-driven DX consulting services, leveraging deep operational insights through bottom-up approach: understanding on-site operations → identifying operational issues → providing hands-on support

<p>DX Support (Business Support Services)</p>	<ul style="list-style-type: none"> • Expand contracts for IT department BPO services (e.g., “Marutto Axis,” IT support services)
<p>DX Consulting</p>	<ul style="list-style-type: none"> • Strengthen cross-selling with the System Services Business • Develop high-quality consulting talent

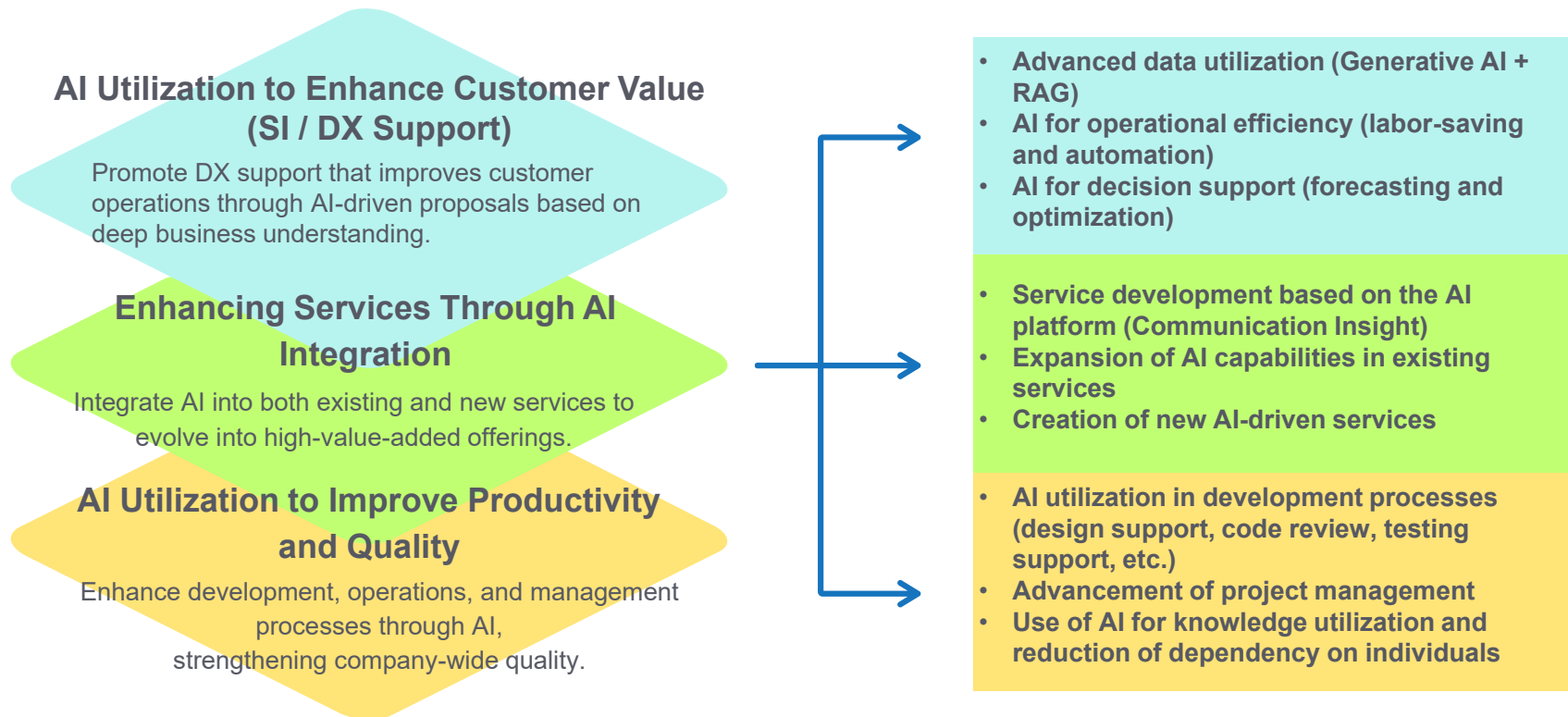
Provision of services utilizing the AI platform (Communication Insight)

Business Strategy: 3. Enhancing Business Sophistication Through AI

Position AI as a cross-functional core platform, and enhance business across three areas:

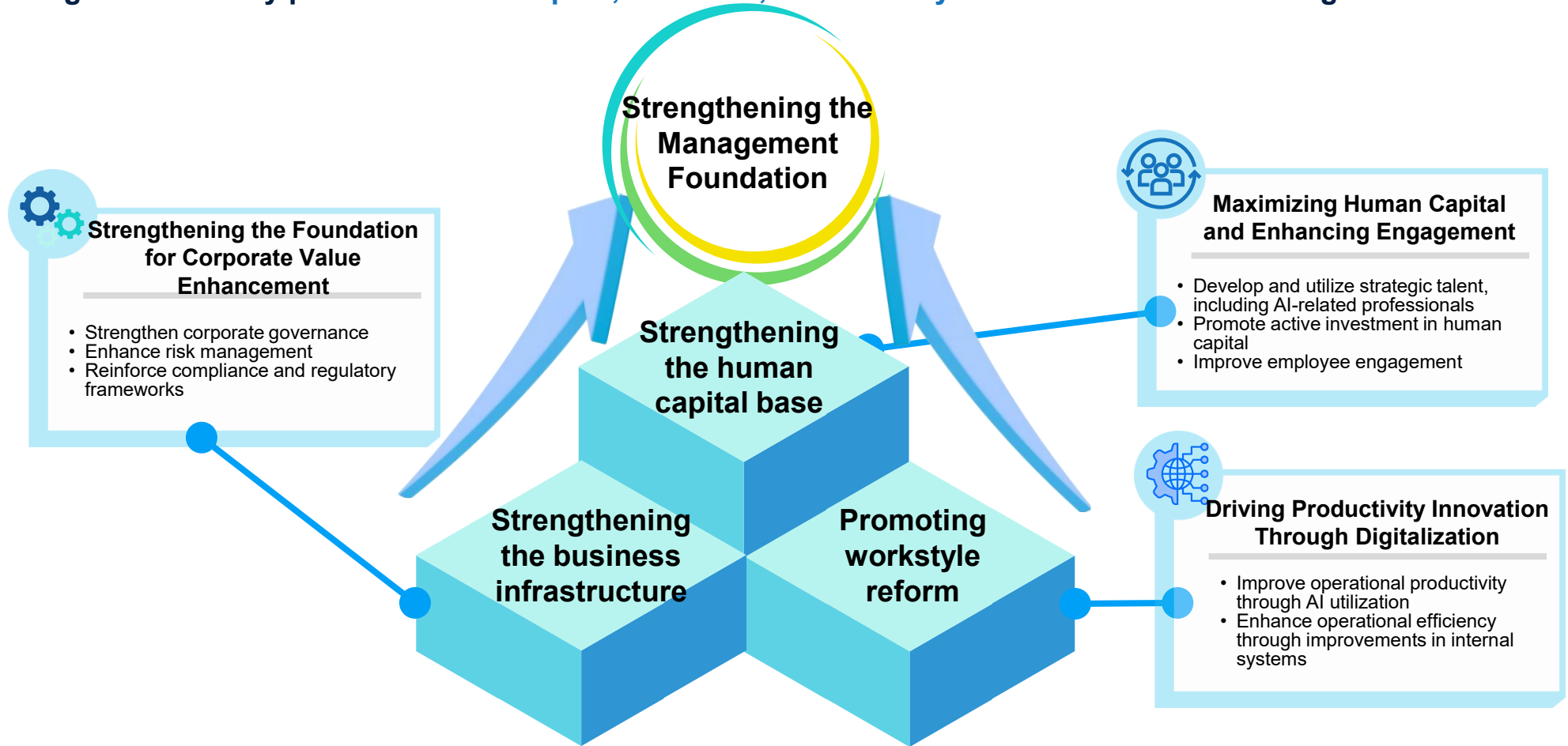
(1) Enhancement of customer value (SI / DX support); (2) Service advancement through AI integration; (3) Improvement of productivity and quality.

By advancing these initiatives in an integrated manner—from new service creation to internal standardization—we aim to enhance both value-added and profitability.



Strengthening the Management Foundation

Strengthen three key pillars—Human Capital, Business, and Workstyle—to build a robust management foundation.

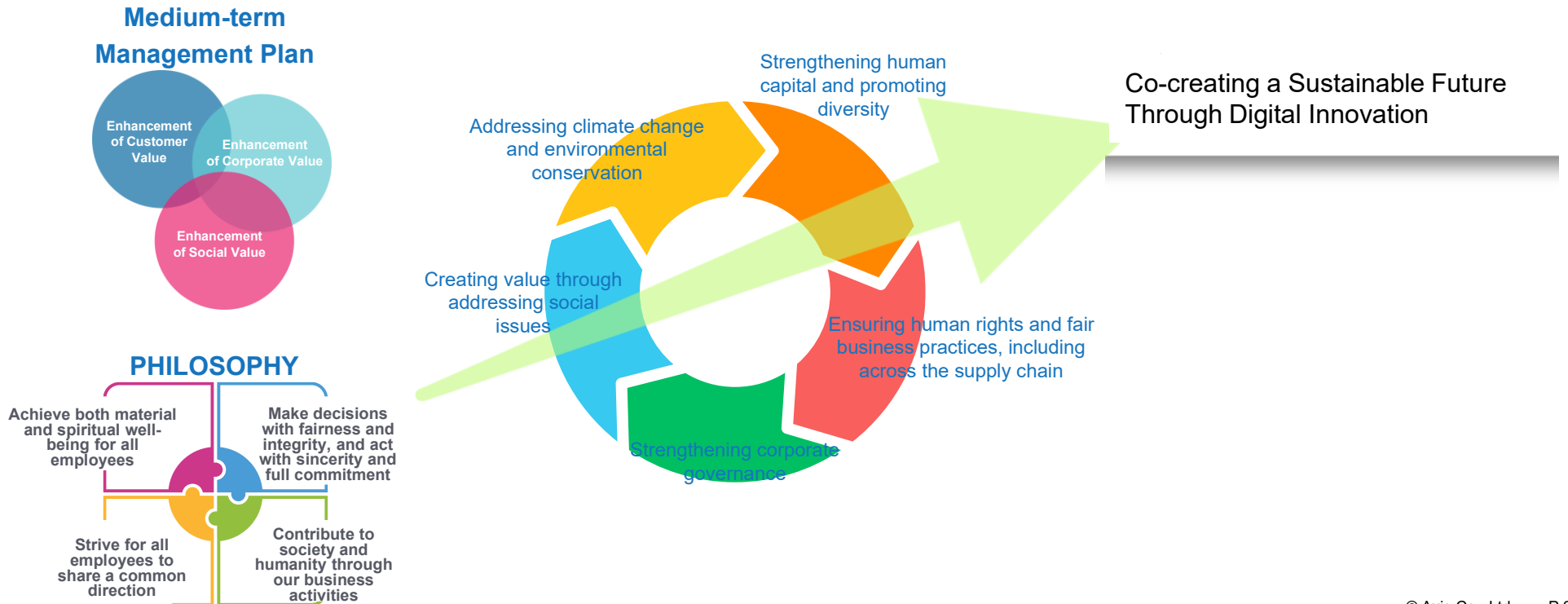


Sustainability

Initiatives Toward a Sustainable Society

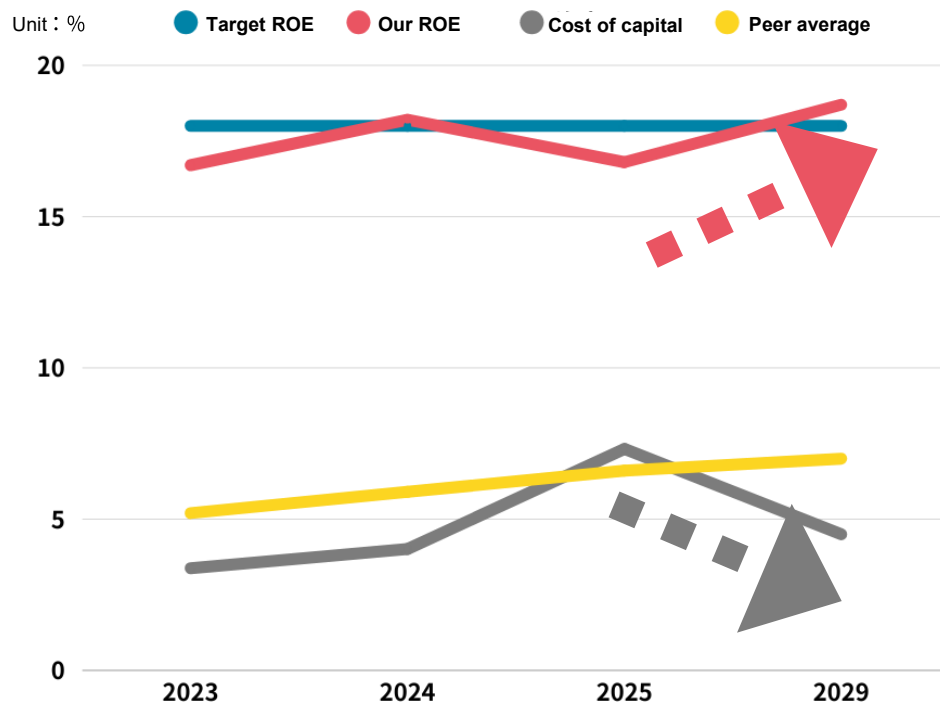
[Basic Policy]

Guided by our four [PHILOSOPHIES](#), our group will continue its corporate activities in line with the three policies set forth in the [Medium-term Management Plan](#), thereby enhancing corporate value while contributing to the realization of a sustainable society.



Financial Targets (ROE and Cost of Capital)

Financial Targets under the Medium-term Management Plan Target ROE: 18.0% or higher



Investment Policy

Improve ROE

💡 Increase Profit

- ✓ Expand high-value-added businesses
- ✓ Enter high-margin businesses through M&A

💡 Improving Financial Leverage

- ✓ Enhance shareholder returns
- ✓ Utilize interest-bearing debt, including for M&A

Reducing Cost of Capital

💡 Mitigate business risks

- ✓ Comprehensive risk management (including business, disaster, and legal risks)

💡 Enhancing IR Activities

- ✓ Provide appropriate and transparent disclosures and offer information to help investors assess the Company's company-specific risks (unsystematic risk)

💡 Strengthening Governance

- ✓ Improve management transparency

Capital Policy (Dividend Policy)

Accelerate business growth to achieve mid- to long-term share price appreciation and dividend growth driven by earnings expansion.

Maintain stable and continuous dividends as a basic policy, while providing returns to shareholders.

We have consistently increased dividends in the past and will continue to balance: stable dividend payments, dividend growth in line with earnings growth, and investment for future growth.



Dividend payout ratio: 40% or over



Adopt a progressive dividend policy (no reduction in dividends from the forecasted dividend per share for each fiscal year)



Increase dividends in line with annual earnings growth

Dividend Outlook



Cash Allocation

Financial Policy

Maintain disciplined capital management to achieve sustainable corporate value enhancement

Growth Investment

- M&A
- Human capital investment
- Service development investment
- Strengthening the management foundation

Shareholder Returns

- Target dividend payout ratio: 40% or higher
- Progressive dividend policy
- Dividend growth in line with business expansion

Utilize borrowings, taking into account progress of M&A execution and financial soundness

Borrowings

Operating CF:
Cumulative total of
over 7.0 billion yen
from FY12/26 to
FY12/29*

Cash on hand:
3.4 billion yen
(as of December 31, 2025)

Growth investment:
Over 8.0 billion yen

Shareholder returns
(dividends):
Over 1.5 billion yen

Working capital

Cumulative Investment Plan through FY12/29



M&A:
Over 4.0 billion yen

- High-value-added businesses
- Advanced technologies
- New services



Human Capital
Investment:
Over 3.0 billion yen

- Improvement of compensation
- Enhancement of employee benefits
- Education and training
- New graduate and mid-career hiring



Service Development
and Capital
Expenditure:
Over 1.0 billion yen

- Strengthening R&D activities
- Investment in new business development
- Promotion of internal DX for management infrastructure
- Development of a comfortable working environment

Note: Operating cash inflow before growth investment deductions

Disclaimer

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The information contained in this material includes forward-looking statements based on information available to the Company at the time of preparation and on assumptions and judgments deemed reasonable by the Company.

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