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May 29, 2026

Company Name: CTS Co., Ltd.
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(Code number: 4345, TSE Prime Market)
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Notice of Release of Transcript of Financial Results Briefing for the Fiscal Year Ending March 31, 2026

We are pleased to announce that we have published a transcript of the "Fiscal Year Ending March 2026 Financial Results Briefing" for institutional investors and analysts held on May 15, 2026.

We hope that this information will help investors deepen their understanding of our Group and our business.

Transcript of financial results presentation (including Q&A)

Please refer to the attached document.

End



CTS Co., Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2026

May 15, 2026

Event Summary

[Company Name]	CTS Co., Ltd.	
[Company ID]	4345-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Results Briefing for the Fiscal Year Ended March 2026	
[Fiscal Period]	FY2026 Annual	
[Date]	May 15, 2026	
[Number of Pages]	49	
[Time]	11:00 – 12:03 (Total: 63 minutes, Presentation: 57 minutes, Q&A: 6 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	5	
	Ren Yokoshima	President and CEO
	Hideki Akiyama	Senior Managing Executive Officer, Head of the Sales Division
	Kazutoshi Kanai	Senior Executive Officer, DDS Sales Promotion General Manager
	Makio Kitahara	Senior Executive Officer, Head of the Management Division
	Takuya Kitamura	Management Division, Accounting Department General Manager

Presentation

Nagai: It is now 11:00 AM, and we will begin the FY2026 financial results briefing of CTS Co., Ltd. Thank you very much for joining our financial results briefing today despite your busy schedules.

My name is Nagai from the Accounting Department, and I will serve as moderator today. Thank you in advance for your participation.

First, I would like to explain today's agenda and the Q&A session. To begin, President and CEO Ren Yokoshima will deliver opening remarks. Next, Senior Executive Officer, General Manager, Management Planning Division, Makio Kitahara will explain the business overview and the FY2026 financial results. Following that, President and CEO Ren Yokoshima will explain the medium-term management plan; then Senior Executive Officer, DDS Sales Promotion Manager Kazutoshi Kanai will explain our main products and services, and Senior Managing Executive Officer and General Manager of the Sales Division Hideki Akiyama will explain the business activity policy. Finally, President and CEO Ren Yokoshima will explain the FY2027 earnings forecast.

After all presentations are completed, we will open the floor for questions and answers.

Please note that we are unable to accept questions via the chat function. Please use the Zoom Webinar Q&A function and submit your questions at any time. We will answer as many submitted questions as time permits. Please also note that your questions will be displayed under the name entered when registering for the webinar. Lastly, today's briefing is scheduled to conclude at 12:00 PM.

Now, we would like to begin the FY2026 financial results briefing. President and Executive Officer Ren Yokoshima will deliver the opening remarks.

Yokoshima: My name is Ren Yokoshima, and I assumed the position of president and CEO on April 1, 2026. I look forward to working with you all.

At the outset, I would like to explain the organizational changes implemented in April 2026. The background to these changes is the rapidly advancing environment surrounding information technology, digitalization, and AI utilization. Within the construction industry as well, the Ministry of Land, Infrastructure, Transport and Tourism is promoting i-Construction 2.0, while companies across the industry are undertaking various initiatives amid labor shortages and other challenges.

Looking back at our company, we have also been pursuing a transformation centered on data and information-related services and SAP under our medium-term management plan. As both the external and internal environments continue to change dramatically and rapidly, we recognize that we are approaching a turning point.

Under these circumstances, we determined that CTS needed to rejuvenate the organization and transition to a more flexible and agile management structure, which led to these organizational changes. We have restructured both the management structure and the execution structure.

経営・執行体制

〔全社〕		
【主要関係先統轄】	会長執行役員	横島 泰蔵
【全社/人材・DX統轄】	社長執行役員	横島 連
【収益拡大統轄】	専務執行役員	秋山 秀樹

〔営業本部〕		
本部長	専務執行役員	秋山 秀樹 (兼務)
副本部長 (北陸・近畿・中・四国担当)	上席執行役員	原 雅典
DDS営業推進部長	上席執行役員	金井 一智
SMS営業推進部長	執行役員	中山 俊彦
SH営業推進部長	㈱のたけ社長	入江 弘樹 (兼務)
広域営業推進部長	執行役員	椎名 勲

北海営業部長	執行役員	庄子 信行
東北営業部長	執行役員	木田 一平
関東営業部長	執行役員	古澤 新一
北陸営業部長	上席執行役員	原 雅典 (兼務)
信越営業部長	執行役員	中山 俊彦 (兼務)
甲信営業部長	執行役員	宮澤 豊
東海営業部長	専務執行役員	秋山 秀樹 (兼務)
近畿営業部長	上席執行役員	原 雅典 (兼務)
中国・四国営業部長	上席執行役員	原 雅典 (兼務)
九州・沖縄営業部長	執行役員	木村 淳司

〔品質物流管理本部〕		
本部長	上席執行役員	久 清隆
DDS 品質管理部長	上席執行役員	久 清隆 (兼務)
SMS 品質管理部長	執行役員	大内 忠仁

〔業務プロセス管理本部〕		
本部長	上席執行役員	高橋 慎伍
営業事務管理部長	上席執行役員	高橋 慎伍 (兼務)
品質事務管理部長代理	—	霜田 治芳
DX推進子一ム部長	—	堀 陽一

〔経営管理本部〕		
本部長	上席執行役員	北原 巻雄
経理部長	—	北村 卓也
財務子一ム部長	上席執行役員	北原 巻雄 (兼務)

〔経営戦略本部〕		
本部長	社長執行役員	横島 連 (兼務)
人事部長	執行役員	鈴木 俊介
総務部長	—	佐藤 真一

監査室長	—	若林 靖之
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First, regarding the management structure, as shown at the top of this slide, it is centered around three individuals. Following shareholder approval in June 2025, we transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee. Along with strengthening governance functions, substantial authority was delegated from the Board of Directors to executive directors.

As a result, the importance of organizational structure has significantly increased. Leveraging this framework, we established a management structure centered on three individuals: Taizo Yokoshima, Representative Director and Chairman as well as Executive Director; myself, Ren Yokoshima, President and CEO; and Hideki Akiyama, Senior Managing Executive Officer.

At the same time, as shown here, the execution structure has been organized into five major divisions by function: sales division, quality and logistics management division, business process management division, corporate management division, and corporate strategy division, each with designated executives responsible for execution.

By establishing a management and operational execution structure in which the core management functions are positioned close to the execution structure, including [inaudible], we believe we can achieve more flexible and agile operations. Under this new structure, we will strive to achieve our new medium-term management plan, and we sincerely appreciate your continued guidance and support. This concludes my opening remarks.

Nagai: Next, Senior Executive Officer, General Manager, Management Planning Division, Makio Kitahara will explain section 2, business overview, followed by section 3, FY2026 financial results overview.

事業概要

▶ デジタルデータサービス事業を主力事業として全国展開

DDS	<h4>「SAP^(※)」の提案</h4> <ul style="list-style-type: none">● 遠隔地からの現場支援に必要な現場情報関連コンテンツを提供するプラットフォーム「サイトアシストダッシュボード」（以下SAダッシュボード）の提供● クラウドストレージサービス・クラウド映像サービス等、「SAダッシュボード」と連携し、プラットフォームを充実する現場情報関連コンテンツの提供● 「SAダッシュボード」・コンテンツとともに現場支援室の設置・導入支援等
SMS	<h4>測量計測システム等の提案</h4> <ul style="list-style-type: none">● MDTs・GNSS等生産性向上につながるワンマン測量システムをレンタルで提供● 地上型3Dレーザースキャナー等の3D計測機器およびICT施工システムの提供● 業界最高水準の設備と経験豊富なメーカー認定検査員が点検・調整を行い品質と精度を提供
その他 (地域限定)	<ul style="list-style-type: none">● IT環境を含めた建設現場向けユニットハウス「スマートハウス」をレンタルで提供● 道路の標識・白線設置などの専門工事

※SAP（略称：サップ）サイトアシストパッケージ

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Kitahara: I am Makio Kitahara, Senior Executive Officer, General Manager, Management Planning Division. Thank you very much. First, I will explain our business overview.

Our company operates the digital data service business, hereafter referred to as the DDS business, nationwide, with the construction industry and construction sites as our primary customers. Traditionally, the DDS business has focused on supporting productivity improvements at construction sites through ICT utilization. Under the current medium-term management plan, we are primarily promoting SAP proposals. Details will be explained later in the medium-term management plan section.

The surveying and measurement system business, hereafter referred to as the SMS business, mainly provides rental services for surveying and measurement systems used at construction sites.

Other businesses include unit house rentals for construction sites, smart house solutions, and specialized construction work such as installation of road signs and markings, though these are operated only in limited areas.

CTSの果たす役割と強み

▶ CTSの使命：全国の建設業・建設現場を支援

全国の建設業・建設現場

- 建設業は日本を支える地場産業
- 建設業の活性化は、道路をはじめとした社会インフラ等の維持・発展と一体

建設現場の課題

- 少子高齢化などにより労働力不足が深刻
- 有期で毎回異なる仕事環境から、生産性を高める業務環境を構築しにくい

CTSはICTで建設現場の課題を解決

CTSの強み

- ① 建設業・建設現場に特化したICT支援で現場の生産性を向上
- ② レンタル利用で導入コストが低い/短期現場でも使いやすい/資源消費の省力化に貢献
- ③ 全国ネットワークで全国の建設現場を個別・トータルでサポート/全国で安定した品質

建設業の支援を通じて、持続可能な社会基盤の構築に貢献

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Next, I would like to explain the role and strengths of CTS. Our mission is to support construction companies and construction sites throughout Japan. We view the construction industry and construction sites as local industries that support Japan and are integral to the maintenance and development of social infrastructure, such as roads.

As described in the middle section of the slide, the construction industry currently faces serious challenges, including labor shortages caused by the declining birthrate and aging population, as well as the so-called “2024 problem,” including regulations imposing caps on overtime work with penalties effective April 1, 2024. In addition, due to the unique nature of the industry, where work environments differ from project to project and contracts are temporary, it is difficult to establish work environments that improve productivity.

We contribute to solving these challenges at construction sites through ICT. Our strengths are the three points listed at the bottom of the slide. First, we provide ICT support specialized for the construction industry and construction sites. Second, we are able to offer rental-based proposals. Third, we possess a nationwide network that enables us to provide stable-quality support to construction sites across Japan on an individual basis. Leveraging these strengths, we will contribute to building sustainable social infrastructure through support for the construction industry.

全国ネットワーク

▶ 現在全国に32支店を展開

▶ デジタル機器/測量機器 管理センターにより全国でのレンタル提案を支援

北海エリア	札幌支店	旭川支店	帯広支店	
東北エリア	盛岡支店	仙台支店	山形支店	郡山支店
関東エリア	水戸支店	宇都宮支店	前橋支店(※)	埼玉支店
	千葉支店	東京支店		
北陸エリア	新潟支店(※)	富山支店	金沢支店	
甲信エリア	甲府支店(※)	長野支店(※)	松本支店(※)	
東海エリア	岐阜支店	浜松支店	名古屋支店	津支店
近畿エリア	京都支店	大阪支店	神戸支店	
中国・四国エリア	広島支店	高松支店		
九州・沖縄エリア	福岡支店	熊本支店	鹿児島支店	那覇支店

※ SH取扱い支店



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Next is the status of our nationwide network.

We currently operate 32 branches, covering areas from Hokkaido in the north to Okinawa in the south.

In addition, near our headquarters, we have established management centers for digital equipment and surveying equipment, where rental equipment provided through these nationwide locations is centrally managed.

全社損益概要

単位：百万円

	2025/3期 通期	2026/3期 通期	前期対比		
			増減額	前期比	コメント
売上高	11,821	12,747	925	107.8%	・DDS事業の営業に注力した結果、既存顧客を中心に受注が増加
売上総利益	6,076	6,548	472	107.8%	・付加価値の高いDDS事業のSAPを主としたレンタル・サブスクリプションサービスの売上高の増加が寄与
(売上総利益率)	51.4%	51.4%	0.0pt	—	
販管費	2,998	3,179	180	106.0%	・給与体系の変更を含む処遇改善等による人件費の増加に加え、マーケティング活動を含む営業活動費用等が増加
営業利益	3,077	3,369	291	109.5%	
(営業利益率)	26.0%	26.4%	0.4pt	—	
経常利益	3,162	3,734	572	118.1%	・純投資による投資有価証券の受取配当金が増加 ・ファイルフォース株式会社の黒字化により、持分法投資利益を計上
親会社株主に帰属する 当期純利益	2,190	2,686	496	122.7%	

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Now I will explain the FY2026 financial results overview.

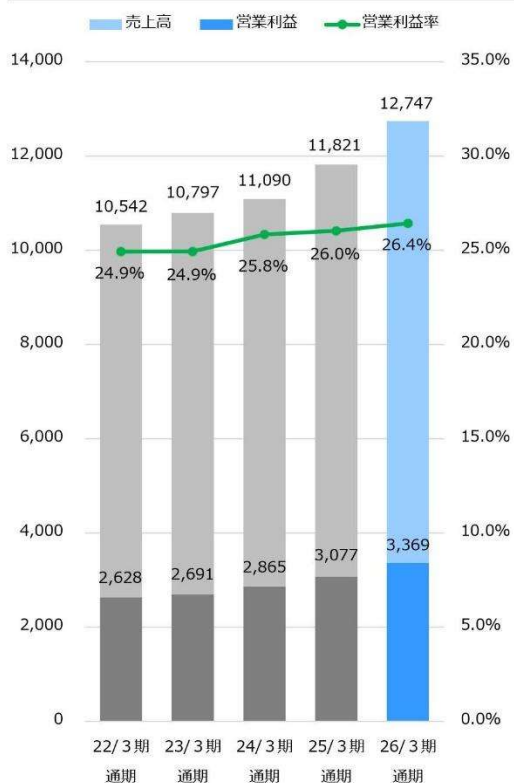
Net sales were JPY12.747 billion, up 107.8% YoY. Gross profit was JPY6.548 billion, up 107.8% YoY. Gross profit margin was unchanged at 51.4%. This increase in net sales and gross profit was mainly due to increased orders for products and services in our core DDS business from existing customers.

Meanwhile, SG&A expenses were JPY3.179 billion, up 106% YoY. This was primarily due to increased personnel expenses from improved employee benefits and higher sales activity expenses, including marketing activities. As a result, operating profit was JPY3.369 billion, up 109.5% YoY. Operating margin improved 0.4 point to 26.4%.

At the ordinary profit level, increases in dividend income from pure investments and equity-method investment gains associated with improved performance at Fileforce Co., Ltd., a strategic investee, resulted in ordinary profit of JPY3.734 billion, up 118.1% YoY. Consequently, profit attributable to owners of parent increased to JPY2.686 billion, up 122.7% YoY.

All major profit items exceeded the previous fiscal year.

全社損益概要



	2025/3期	2026/3期	前期対比	
	通期	通期	増減額	前期比
売上高	11,821	12,747	925	107.8%
営業利益	3,077	3,369	291	109.5%
営業利益率	26.0%	26.4%	0.4pt	—

▶ 売上高は、17期連続で増収
営業利益は、15期連続で増益

▶ 売上高・営業利益・営業利益率ともに
過去最高

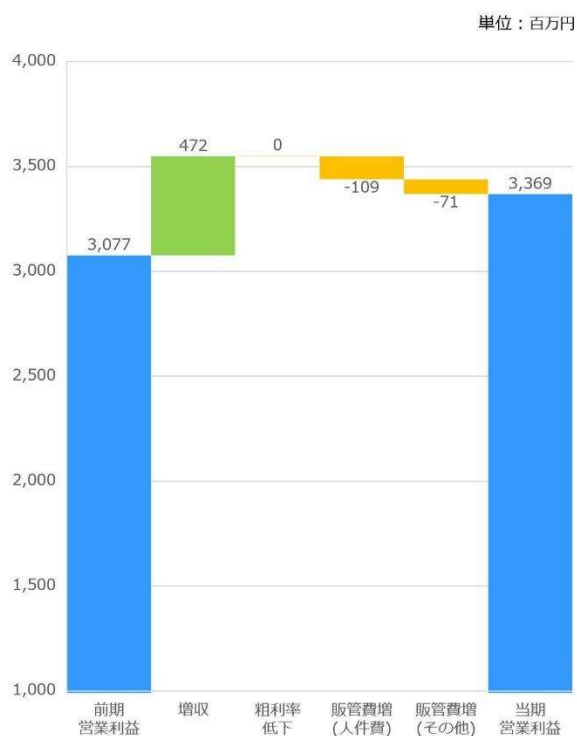
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Next, consolidated profit and loss.

In terms of net sales and operating profit, this marks the 17th consecutive year of sales growth and the 15th consecutive year of operating profit growth, both record highs.

全社損益概要

■ 営業利益の増加要因（グループ全体）



▶ 増収

DDS事業の営業に注力した結果、既存顧客を中心に受注が堅調に推移したことによるもの

▶ 販管費増加

給与体系の変更を含む処遇改善等による人件費の増加に加え、マーケティング活動を含む営業活動費用等が増加したことによるもの

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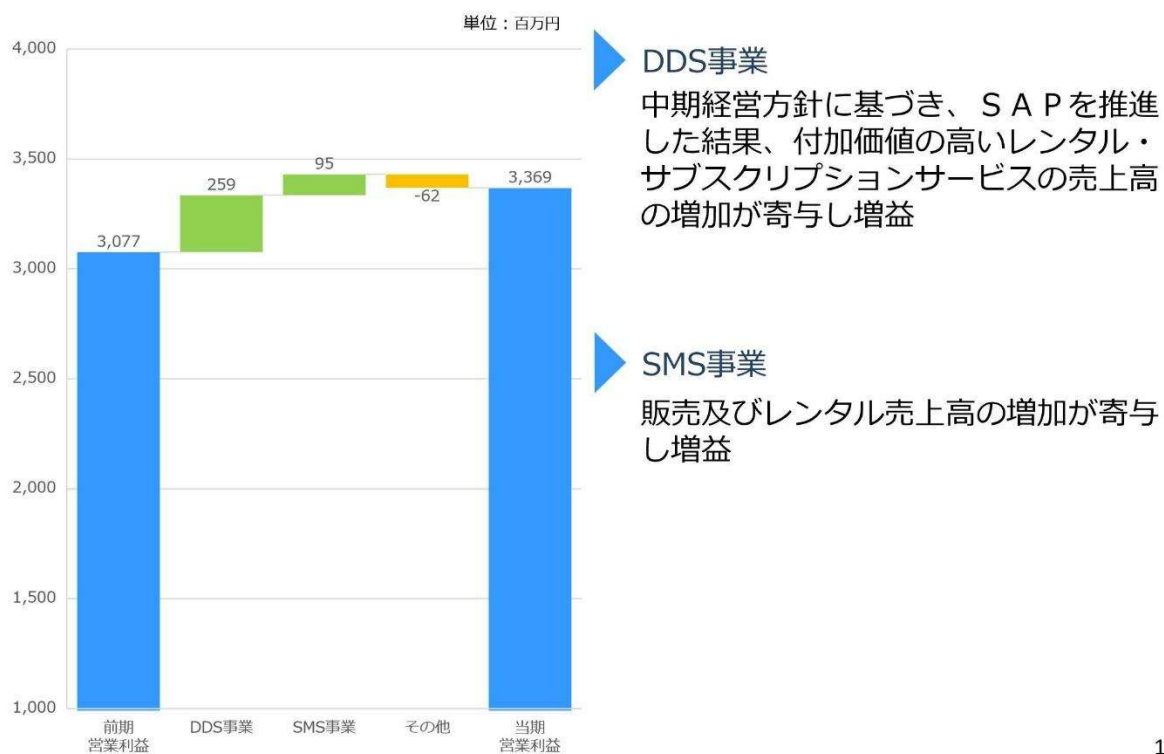
This graph analyzes the factors behind changes in operating profit.

As shown here, the largest factor was increased sales, which contributed JPY472 million.

On the other hand, SG&A expenses increased by JPY109 million in personnel expenses and JPY71 million in other expenses, but the increase in gross profit more than offset these increases.

全社損益概要

■ 営業利益の増加要因（セグメント別）



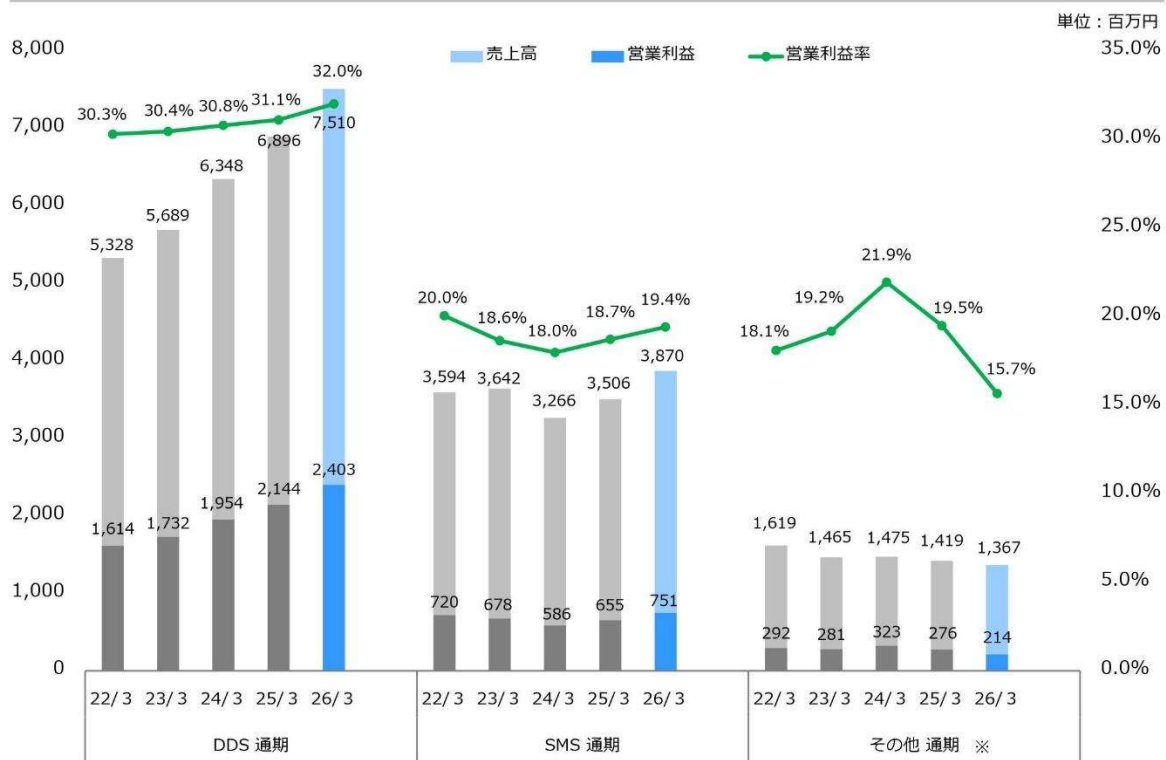
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The next graph breaks down results by segment.

Operating profit increased by JPY291 million in total. Of this, approximately 90%, or JPY259 million, came from the DDS business.

The SMS business increased by JPY95 million, while the “other” business decreased by JPY62 million.

セグメント別損益概要



※「その他」には「建設現場向けユニットハウス等のレンタル及び販売、道路標示及び標識の工事等」が含まれております。

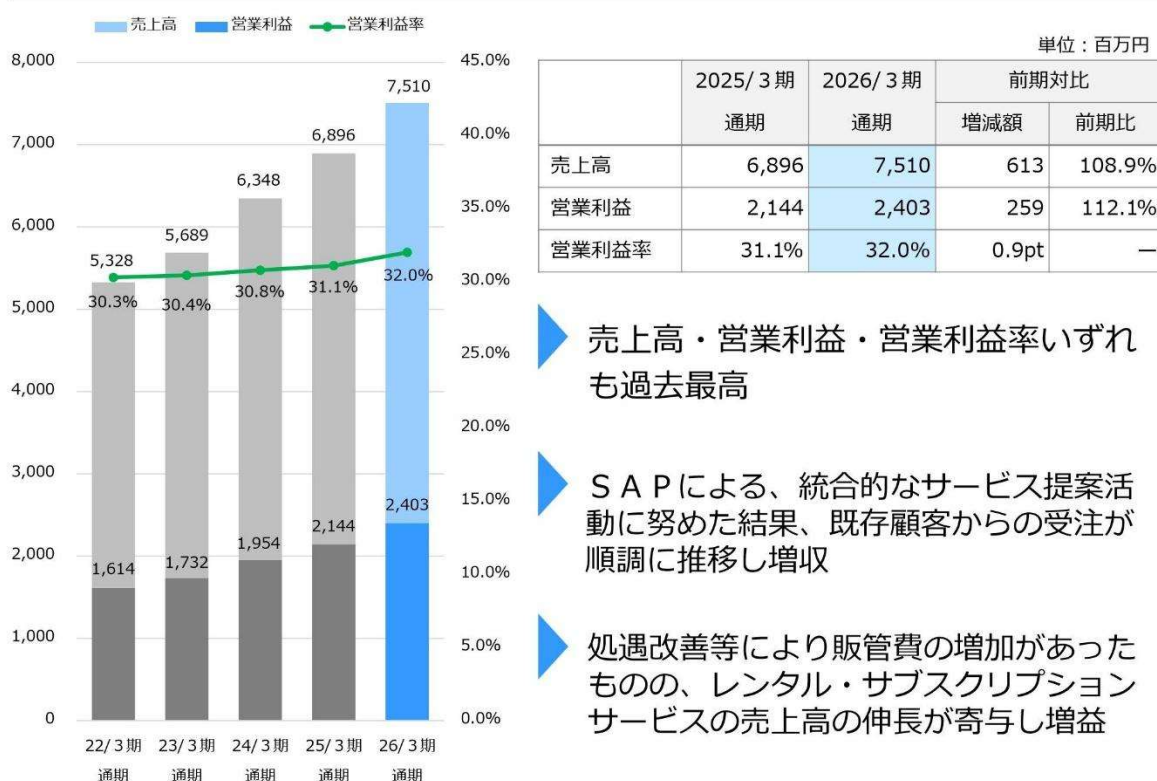
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Next, I will explain the segment overview. This slide compares our three business segments on the same scale.

The DDS business is the largest, while the SMS business sales are approximately half that size, and the other business is roughly half the size of SMS.

While DDS continues to steadily increase both sales and operating profit, SMS and other businesses remain mostly flat. This aligns with our medium-term management policy, under which the DDS business serves as the growth driver.

デジタルデータサービス事業の損益概要



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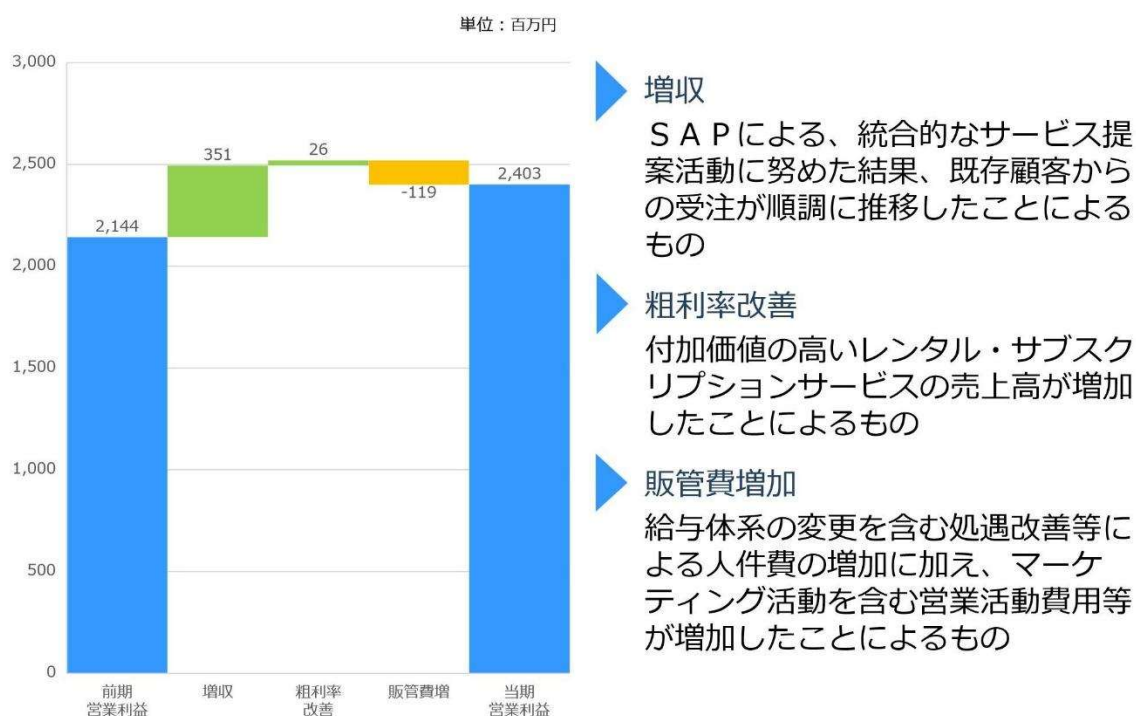
Now I will explain the status of each business individually.

In the DDS business, net sales were JPY7.510 billion, up 108.9% YoY, and operating profit was JPY2.403 billion, up 112.1% YoY. Operating margin improved 0.9 point to 32%.

Sales increased for the 17th consecutive year, and operating profit increased for the 12th consecutive year, both record highs.

デジタルデータサービス事業の損益概要

■ 営業利益の増加要因(デジタルデータサービス事業)

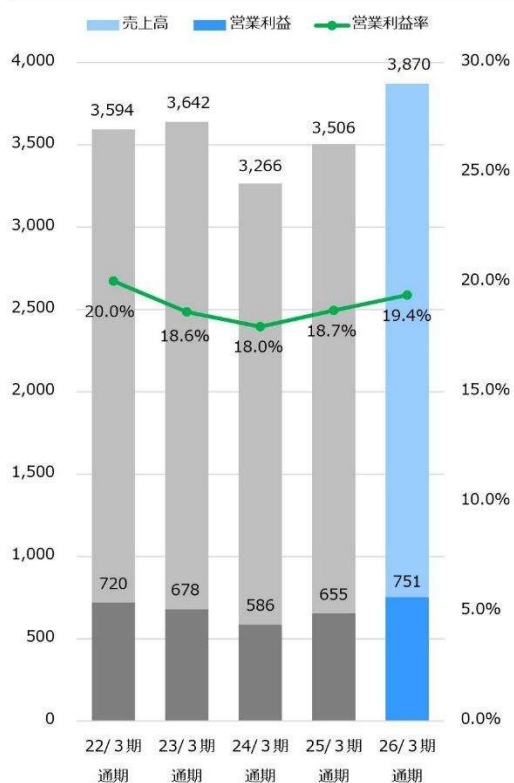


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Regarding factors affecting operating profit in the DDS business, increased sales contributed JPY351 million and accounted for the majority of the improvement.

SG&A expenses increased due to higher sales activity expenses and increased personnel costs associated with the strengthening of the digital equipment management center, but we successfully absorbed these costs and achieved higher sales and profits.

測量計測システム事業の損益概要



	2025/3期	2026/3期	前期対比	
	通期	通期	増減額	前期比
売上高	3,506	3,870	363	110.4%
営業利益	655	751	95	114.5%
営業利益率	18.7%	19.4%	0.7pt	—

- ▶ 売上高・営業利益ともに過去最高
- ▶ 中小企業省力化投資補助金の影響により販売案件の増加、レンタルも堅調に推移し増収
- ▶ 処遇改善等により販管費の増加があったものの、販売及びレンタルの売上高の増加が寄与し増益

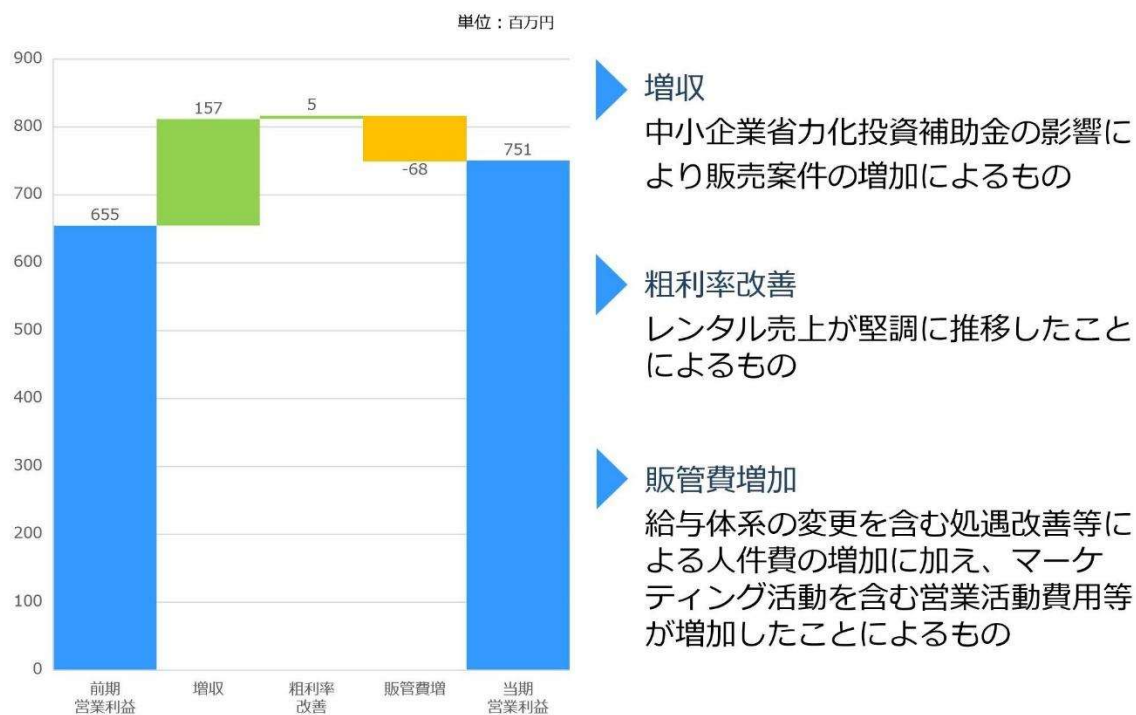
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In the SMS business, net sales were JPY3.870 billion, up 110.4% YoY, and operating profit was JPY751 million, up 114.5% YoY. Operating margin improved 0.7 point to 19.4%.

Both net sales and operating profit reached record highs.

測量計測システム事業の損益概要

■ 営業利益の増加要因(測量計測システム事業)



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This page indicates that higher sales was the primary factor behind the increase in operating profit in the SMS business.

貸借対照表概要

単位：百万円

	2025/3期 3月末	2026/3期 3月末	増減額	主な増減内容
流動資産	7,002	6,823	△ 179	・現金及び預金：△358百万円 ・棚卸資産：+92百万円 ・その他流動資産：+55百万円
固定資産	10,078	13,784	3,706	・その他（純額）：+152百万円 ・投資有価証券：+3,421百万円
資産合計	17,080	20,607	3,527	
流動負債	2,393	2,417	23	・未払法人税等：+59百万円
固定負債	1,814	2,484	669	・リース債務：+81百万円 ・繰延税金負債：+579百万円
負債合計	4,208	4,901	693	
株主資本	11,611	13,157	1,545	・当期純利益計上：2,686百万円 ・配当金支払：△1,094百万円
その他の包括利益累計額	1,260	2,548	1,288	・その他有価証券評価差額金：+1,288百万円
純資産合計	12,872	15,706	2,834	
負債・純資産合計	17,080	20,607	3,527	
自己資本比率	75.4%	76.2%	0.8pt	

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Next, I will explain the financial statements.

First, the balance sheet overview. Total assets amounted to JPY20.607 billion, an increase of JPY3.527 billion YoY. This was primarily due to a JPY3.421 billion increase in investment securities resulting from acquisitions and valuation gains.

Total liabilities and net assets are shown on the slide. Although net assets decreased due to dividend payments, they increased significantly due to the recording of net income and valuation gains on investment securities. As a result, the equity ratio rose 0.8 point to 76.2%.

キャッシュ・フロー計算書概要

単位：百万円

	2025/3期 通期	2026/3期 通期	2026/3期 通期の主な内容
営業活動による キャッシュ・フロー	2,842	3,339	<ul style="list-style-type: none"> ・税引前当期純利益：3,763百万円 ・減価償却費：957百万円 ・持分法による投資損益（△は益）：△180百万円 ・売上債権の増減額（△は増加）：△31百万円 ・棚卸資産の増減額（△は増加）：△92百万円 ・仕入債務の増減額（△は減少）：26百万円 ・法人税等の支払額：△1,025百万円
投資活動による キャッシュ・フロー	△ 2,447	△ 1,771	<ul style="list-style-type: none"> ・有形固定資産の取得による支出：△284百万円 ・無形固定資産の取得による支出：△148百万円 ・投資有価証券の取得による支出：△366百万円 ・関係会社株式の取得による支出：△1,007百万円
財務活動による キャッシュ・フロー	△ 2,816	△ 1,926	<ul style="list-style-type: none"> ・自己株式の取得による支出：△46百万円 ・リース債務の返済による支出：△784百万円 ・配当金の支払額：△1,095百万円
現金及び 現金同等物の期末残高	4,529	4,171	

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Next is the cash flow statement overview.

Cash and cash equivalents at the end of the fiscal year totaled JPY4.171 billion, representing a decrease of approximately JPY358 million over the year. Factors related to operating, investing, and financing activities are shown on the slide.

Cash flow from operating activities totaled JPY3.339 billion, demonstrating our ability to steadily generate cash.

Cash flow used in investing activities totaled JPY1.771 billion, primarily due to the acquisition of shares in affiliates amounting to JPY1.007 billion. Cash flow used in financing activities totaled JPY1.926 billion, mainly due to dividend payments.

その他経営指標

	2024/3期	2025/3期	2026/3期
ROA（総資産経常利益率）	17.7%	18.7%	19.8%
ROE（自己資本純利益率）	16.3%	17.5%	18.8%
1株当たり当期純利益金額	43.86円	52.46円	65.06円
1株当たり純資産額	288.61円	311.58円	380.62円

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Next are other management indicators. I will explain the important management indicators ROA and ROE.

ROA was 19.8%, and ROE was 18.8%, both improvements over the previous fiscal year.

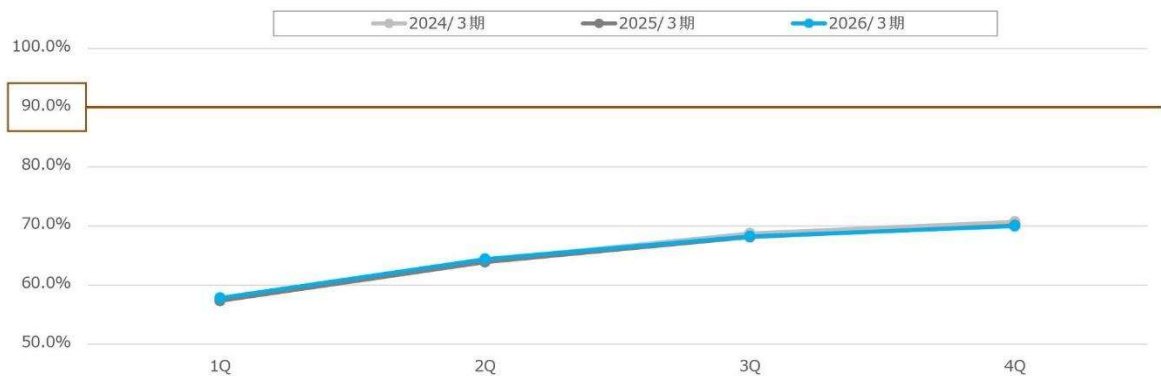
In addition to profit growth from core operations, improved performance at Fileforce Co., Ltd., our strategic investee, also contributed to these increases.

リピート率の状況

	1Q	2Q	3Q	4Q
2026/3期	57.8%	64.4%	68.2%	70.0%
2025/3期	57.3%	63.9%	68.1%	70.1%
2024/3期	57.7%	64.3%	68.7%	70.7%

※リピート率 = 前期取引があり、かつ当期取引があった現場代理人数 ÷ 前期取引があった現場代理人数

※リピート率の計算に関して、分子である「前期取引があり、かつ当期取引があった現場代理人数」につきましては当期累計実績を参照しているのに対して、分母である「前期取引があった現場代理人数」につきましては、前年通期の実績を参照しておりますので、リピート率は経過とともに高まっていく見込みです。



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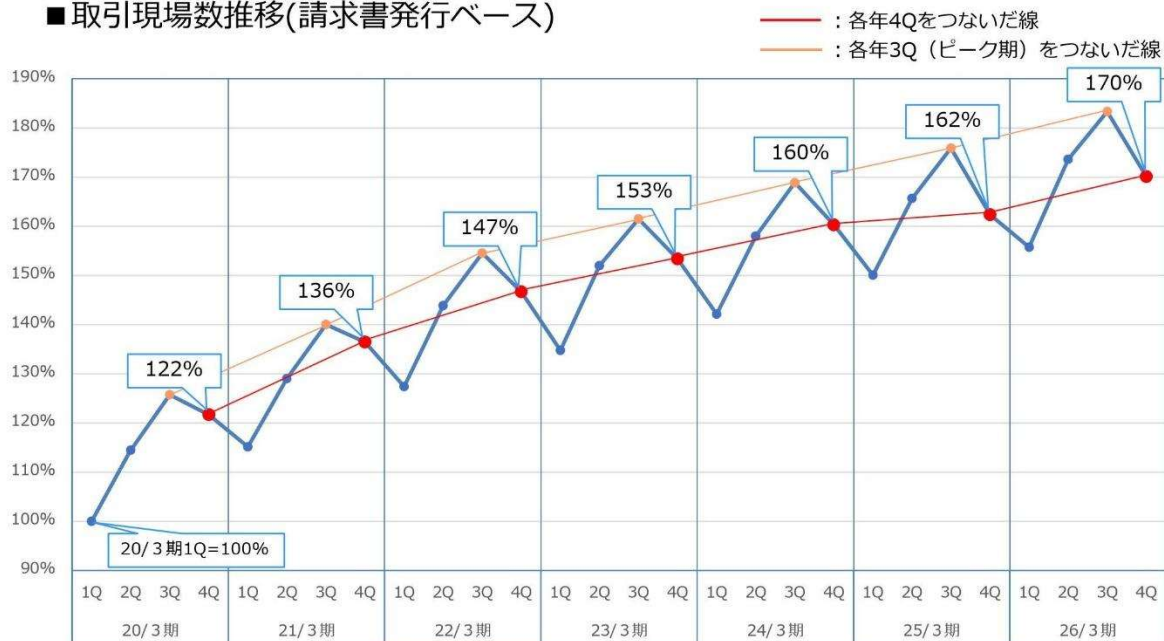
Next is the repeat rate.

The FY2026 result was 70%, down 0.1 point YoY. This was mainly due to sluggish trends in the number of public works projects, which did not lead to repeat usage.

取引現場数推移

▶ DDS商品・サービスの営業に注力した結果、取引現場数も堅調に推移

■ 取引現場数推移(請求書発行ベース)



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Next is the trend in the number of active project sites. The number of project sites is shown as an index, with FY2020 Q1-end results set at 100%.

By the end of FY2026, the figure had increased to 170%, representing a 70% increase. While fluctuations can be seen in the graph, these reflect seasonal trends characteristic of both the industry and our business model. Accordingly, comparisons should be made at the same time, with the red dots representing Q4 and the orange dots representing Q3.

As shown here, we view the decline in Q4 as temporary compared with normal years, while the orange Q3 data shows that the number of active project sites has remained steady.

This concludes my presentation. Thank you very much.

Nagai: Next, President and CEO Ren Yokoshima will explain section 4, the medium-term management plan.

前中期経営計画 振り返り (2024年3月期～2026年3月期)

	2023/3期 実績	2026/3期 目標	2026/3期 実績	評価	達成率
売上高 (百万円)	10,797	12,885	12,747	×	98.9%
DDS事業	5,689	7,900	7,510	×	98.1%
SMS事業	3,642	3,585	3,870	○	108.0%
その他	1,465	1,400	1,367	×	97.7%
営業利益 (百万円)	2,691	3,353	3,369	○	100.5%
営業利益率	24.9%	25.0%	26.4%	○	1.4pt
リピート率	69.9%	90.0%	70.0%	×	△20.0pt
ROE	17.3%	20.0%	18.8%	×	△1.2pt

総評

- ・結果としてSAPを主とした事業体への変身は至らず
- ・一方で、SAPへの注力がBtoB取引拡大等の成果に表れ、方針の正しさに確信を得ることができた

売上高

- ・SMS事業が目標を上回り堅調に推移
- ・DDS事業はSAPを中心に伸ばしたものの想定を下回り、売上高全体としては目標に未達

営業利益・営業利益率

- ・SAPの統合提案が評価されBtoB取引が拡大し営業生産性が向上
- ・BtoB取引による営業生産性向上がSMS事業の収益性向上にも寄与し、利益・利益率ともに目標を達成

リピート率

- ・SAPの展開に伴い、新規顧客の開拓が進み、顧客母数(分母)が拡大したこと等から、率としては目標に未達

ROE

- ・利益の蓄積に加え、保有する有価証券評価額の上昇等により、純資産(分母)が想定を上回って増加したことから、財務基盤は強化されたものの、ROEは目標に未達

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Yokoshima: I would like to explain the medium-term management plan.

First, I would like to begin with a review of the previous medium-term management plan. In the previous mid-term plan, we aimed to transform ourselves into a business centered on data and information-related services, namely SAP, and pursued the five goals listed here.

As a result, the achievement status for each target was as stated. Net sales, repeat rate, and ROE fell short of targets. On the other hand, we achieved our targets for operating profit and operating profit margin. Taking into account both the achievement of our policies and the overall results, we must conclude that we were unable to transform into a business entity centered on SAP.

Therefore, the plan as a whole was ultimately not achieved. However, our focus on SAP led to results such as the expansion of BtoB transactions, which gave us confidence that the direction itself was correct. We believe this was one significant achievement.

Now, I would like to revisit the achievement status of the individual targets. First, net sales fell short of target, and we believe the biggest issue was that sales in the DDS business, including SAP, did not reach target levels.

We believe there were two major internal factors behind this. The first was that it took time to establish SAP as a product and service. Although SAP was positioned as a key policy in the previous medium-term management plan, we were not able to begin with a completed product from the outset. Through repeated trial and error, it was only around the midpoint of the plan period that the current, more refined form finally took shape.

The second point was that it also took time to firmly establish the appropriate approach to sales activities. SAP differs from our conventional BtoC rental-centered business conducted on a site-by-site basis. It requires BtoB transactions focused on improving productivity across the customer's entire organization, along with proposals tailored to that objective. Naturally, this meant that not only the content of our proposals but also the customer contacts we needed to approach should have changed. However, our understanding of this shift, the corresponding sales activities, and the necessary training did not progress quickly enough.

As a result, it was only around the midpoint of the previous medium-term management plan that we were able to establish a sufficient framework to fully provide SAP services. We recognize this as a major cause and issue.

On the other hand, we achieved our targets for operating profit and operating profit margin. From the latter half of the plan period onward, integrated SAP proposals gradually gained recognition, and BtoB transactions expanded, leading to improved productivity. In fact, during the previous medium-term management plan period, we intended to strengthen our organizational structure, including securing sales personnel, but we were unable to fully meet staffing requirements. Even so, with the expansion of BtoB transactions, net sales per salesperson steadily increased.

As a result, although we did not achieve the overall net sales target under the medium-term management plan, we were able to achieve our operating profit and profit margin targets. We succeeded in significantly improving productivity. We believe this was evidence that the direction we pursued in the previous medium-term management plan was the right one.

Regarding the repeat rate, transactions with new distributors increased as SAP deployment progressed. In addition, although BtoB transactions strengthened our relationships with customers, ordering trends varied from customer to customer each fiscal year, and we were unable to consistently improve the repeat rate.

As for ROE, despite a strengthened financial base due to accumulated profits and rising valuations of marketable securities held, we ultimately failed to achieve the target. Based on this review of the previous medium-term management plan, I would now like to explain the new medium-term management plan.

▶ 全体方針（前中計踏襲）

『ハードを主体としたITインフラのレンタル企業』から、
『データ・情報関連サービスを統合的に提供し（SAP）、建設
現場の業務を支援する建設ICTの専門企業』へ変身する

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In this new plan, we will continue the policy of the previous plan and pursue our overall direction of transforming from an IT infrastructure rental company centered on hardware into a specialized construction ICT company that integrally provides data and information-related services to support operations at construction sites.

As I mentioned in the review, although we were unable to achieve the targets under the previous medium-term management plan, we are convinced that the direction itself was correct. Therefore, we will continue along the same path and aim to finally achieve this transformation during the current medium-term management plan period.

In doing so, we have established both business activity policies and financial activity policies within the overall strategy. The business activity policies are also generally in line with those of the previous medium-term management plan.

▶ 事業活動方針（前中計踏襲）

■ 建設市場開拓

□ 何を

- ① SAPの普及（建設市場）
- ② FFCへのAI実装（SAP+AI）

□ どこへ

- ③ 全国の地場ゼネコン 約2,600社
※年間の最低元請施工現場数で10現場以上を見込める企業が対象
- ④ 全国の広域ゼネコン 約100社

□ どのように

- ⑤ 営業部長による、顧客キーマンへの定期訪問による顧客基盤の構築推進（BtoB）
- ⑥ 支店営業による、現場キーマンへの水平展開による効率的な顧客開拓（BtoC）
- ⑦ マーケティング・インサイドセールス・カスタマーサクセス機能の強化

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First, regarding the development of the construction market, we will focus all our efforts on promoting SAP. As a newly added item, we have included AI implementation for FFC. In today's world, where AI is becoming commonplace, we also want to provide customers with AI functions and AI-driven value.

Specifically, Fileforce, the provider of the cloud storage service we offer to customers under FFC, is currently developing and implementing AI functions. We intend to further deepen our business collaboration and alliance with Fileforce and develop AI functions and AI tools specifically tailored to the construction industry, which we aim to provide during this medium-term management plan period.

While this is a policy for the full three years of the plan, we intend to release these functions beginning in the first year, this fiscal year, and gradually enhance and expand their capabilities.

As for where we approach this, in terms of target markets, we will focus on approximately 2,600 regional general contractors nationwide and around 100 nationwide general contractors.

As for how we will approach this, sales managers will promote the development of customer foundations through regular visits to key customer personnel as part of efforts to expand BtoB transactions, while branch sales staff will efficiently develop customers through horizontal deployment to key personnel at construction sites as part of BtoC activities. Each role will have clearly defined responsibilities.

In particular, regarding the expansion of BtoB transactions, this is not simply about changing transaction formats to improve productivity. At the same time, we also want to build new types of customer relationships that allow us to provide new value to customers.

In addition, we will continue strengthening our marketing, inside sales, and customer success functions. We are already reinforcing functions such as the sales promotion team and SAP promotion team, which provide sales support and follow-up specifically for SAP. We will continue expanding these capabilities and work company-wide to promote SAP adoption.

中期経営計画 中期経営方針（事業活動方針）

▶ 事業活動方針（前中計踏襲）

■ 新市場開発

□ どこへ

① 官公庁市場の開拓

□ 何を

② クラウド映像サービス一式
（ネットワークカメラ、通信・ネットワーク、クラウド録画）

□ どのように

③ 簡易型河川監視カメラの入替・増設
④ 河川管理部署から道路・観光等への水平展開

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Regarding the development of new markets, we will also continue the policies of the previous medium-term management plan by working to develop the government sector market.

Through our cloud video service package, beginning with simplified river monitoring cameras, we intend to continue broadening the scope of applications.

▶ 財務活動方針（新設）

1. 安定した事業運営と機動的な投資を支える強固な財務基盤の確保
2. SAP（コンテンツ）の進化を加速させる戦略的投資の推進
3. 持続的な利益成長に応じた「累進配当」の継続

32

We have also newly established financial activity policies, consisting of three items.

First, we will secure a strong financial base that supports stable business operations and agile investment. As we continue transforming into a business centered on SAP and data and information-related services, our transactions still fundamentally revolve around construction sites, which are the most important area for our customers. It is impossible to operate solely through data and information. Hardware will always move together with these services, and in that sense, hardware will become even more important going forward.

Under these circumstances, the hardware we provide, particularly network cameras and communication devices, is increasing, while technological innovation is rapidly accelerating obsolescence. To steadily and continuously expand SAP and strengthen these services, we believe it is essential to have a strong financial foundation that supports continued operations, including the hardware aspect. That is why we positioned this as our top priority.

Second, we will promote strategic investments to accelerate the evolution of SAP, particularly its content. Our SAP service is broadly composed of three elements: dashboards, content, and multifunction displays and mobile devices, including the hardware used to operate them. Among these, the content portion has particularly significant potential for future functional enhancement and expansion in response to customer demand and needs. Naturally, we will continue expanding and developing this content during the medium-term management plan period. However, rather than doing everything independently, we intend to actively collaborate with companies that already provide excellent services or possess expertise and know-how in relevant fields in order to accelerate development. Based on this approach, we plan to make bold and strategic investments.

Third, we will continue progressive dividends aligned with sustainable profit growth. As I mentioned earlier, by steadily providing services centered on SAP, we aim to expand our business steadily and continuously. Furthermore, by accelerating the evolution of SAP content, we will further accelerate business growth. Together with this business growth, we will enhance corporate value and achieve sustained profit growth.

In line with this profit growth, we intend to steadily return value through dividends every fiscal year. Accordingly, we will continue our policy of progressive dividends.

中期経営計画 中期経営目標

- ▶ 中期経営方針に基づき、2029年3月期において以下の目標を達成すべく事業を推進



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These are the main policies of the medium-term management plan. Based on them, we have established six targets to be achieved by FY2029.

First is net sales. Company-wide, based on FY2026, we aim to reach JPY16 billion over the next three years, representing growth of 25%. At the same time, DDS business net sales are targeted at JPY10.6 billion, up 41% versus the base year, while SAP is targeted at JPY5.5 billion, up 96%, nearly doubling from the base year level.

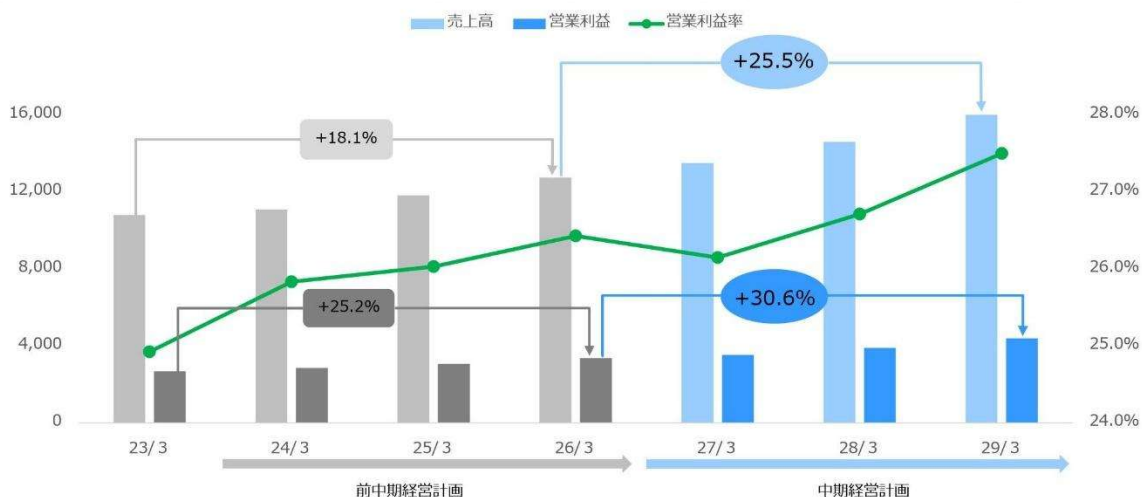
We also aim for an operating profit of JPY4.4 billion company-wide, representing growth of 30% versus the base year. We are targeting an operating profit margin exceeding 25% and ROE exceeding 20%.

中期経営計画 中期経営目標（全社売上目標）

▶ 20期連続増収・18期連続増益を目指し、業績拡大と収益性向上を図る

単位：百万円

	2023/3期		2026/3期		2029/3期		
	実績	実績	2023/3期対比		目標値	2026/3期対比	
			増減額	増減率		増減額	増減率
売上高	10,797	12,747	1,950	18.1%	16,000	3,252	25.5%
営業利益	2,691	3,369	677	25.2%	4,400	1,030	30.6%
営業利益率	24.9%	26.4%	1.5pt	—	27.5%	1.1pt	—



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The figures I just mentioned are also presented in tables and graphs here.

If the medium-term management plan targets are achieved, the operating profit margin is expected to reach 27.5%. We are planning not only the medium-term management plan growth, but also continuous and steady growth every fiscal year.

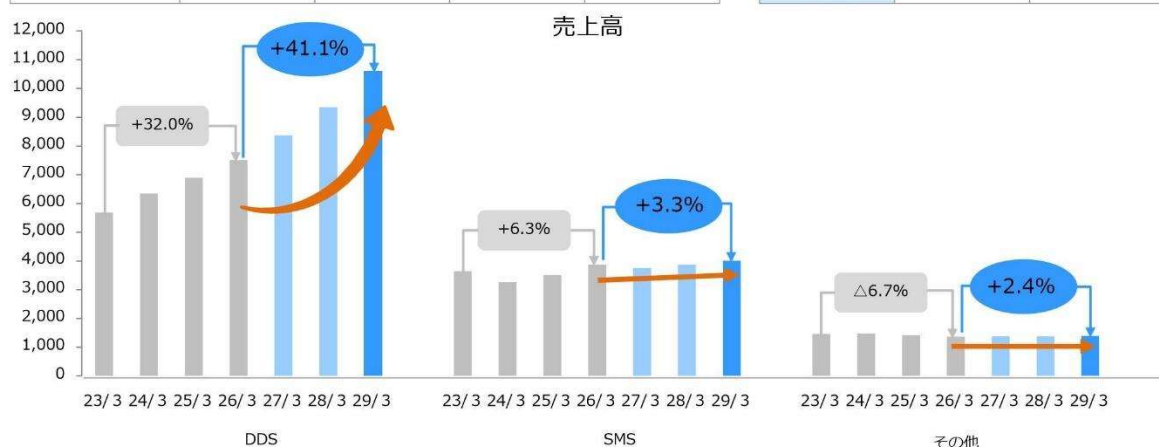
While both net sales and operating profit are expected to exceed the growth achieved under the previous medium-term management plan, the overall growth rate may still appear somewhat insufficient.

中期経営計画 中期経営目標 (セグメント別売上目標)

▶ DDS事業を中心とした業績の拡大を図る

単位：百万円

	2023/3期		2026/3期		2029/3期		
	実績	実績	2023/3期対比		目標値	2026/3期対比	
			増減額	増減率		増減額	増減率
DDS事業	5,689	7,510	1,820	32.0%	10,600	3,089	41.1%
SMS事業	3,642	3,870	228	6.3%	4,000	129	3.3%
その他	1,465	1,367	△98	△6.7%	1,400	32	2.4%
売上高合計	10,797	12,747	1,950	18.1%	16,000	3,252	25.5%



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However, when viewed by segment, the plan calls for JPY10.6 billion in the DDS business, JPY4 billion in SMS, and JPY1.4 billion in others, totaling JPY16 billion.

As you can see, the DDS business is expected to grow by 40%, while SMS and others are expected to grow by less than 5% over the three years. Furthermore, within DDS itself, SAP is expected to double to JPY5.5 billion, while the other DDS category is expected to grow only 8.2% to JPY5.1 billion, remaining below 10% growth.

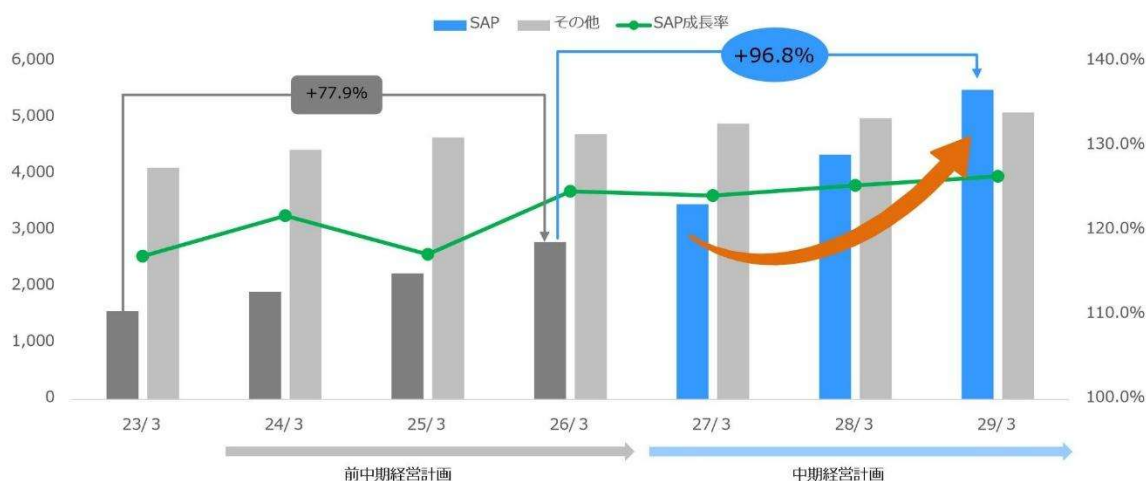
In other words, overall company sales growth is planned through DDS, and DDS growth itself is planned through SAP. These are the management targets in line with the policy of this medium-term management plan.

中期経営計画 中期経営目標（DDS事業内識別売上目標）

▶ SAPを中心とした業績の拡大を図る

単位：百万円

	2023/3期		2026/3期		2029/3期		
	実績	実績	2023/3期対比		目標値	2026/3期対比	
			増減額	増減率		増減額	増減率
SAP	1,571	2,795	1,223	77.9%	5,500	2,704	96.8%
その他	4,118	4,714	596	14.5%	5,100	385	8.2%
DDS事業合計	5,689	7,510	1,820	32.0%	10,600	3,089	41.1%



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As shown in the graph, while DDS will grow, SAP is expected to expand much more rapidly than before, with a substantial increase in scale. The background behind this is our view that the overall construction market is unlikely to experience dramatic increases or decreases over the medium to long term. Within that environment, however, we believe the market associated with SAP will expand significantly going forward.

In fact, the construction industry is currently facing technological innovation and labor shortages, making productivity improvements essential. Companies are implementing various initiatives to address this issue, but fundamentally, they must significantly change the way work is performed. To change work methods, they must also change their environments, tools, and services. As a result, the range of services supporting the construction industry is diversifying rapidly.

At the same time, customers themselves are still engaged in trial and error. They know they must change the way they work, but many are still unsure how to do so. Our own three years under the previous medium-term management plan were also a period of trial and error. However, during that process, we began to identify a certain direction. In this new medium-term management plan, we believe that a new market within the construction industry will expand significantly going forward. As work methods evolve, the tools and services used will also change dramatically, leading to a major restructuring of the market itself.

At that time, productivity-enhancing tools such as SAP will hold substantial potential. In particular, SAP is not simply designed to improve productivity for a single task or even a single construction site. Rather, it improves operational productivity across all construction sites of a construction company by functioning as a versatile, shared information infrastructure. As customers' work processes evolve, this market will expand significantly, and the SAP business will grow together with that market expansion. Within this evolving environment, we also intend to establish a unique position.

Accordingly, while we are aiming for transformation through SAP during this three-year medium-term management plan period, by the time we achieve this goal, SAP is expected to account for more than half of DDS composition. Until now, and during these three years, CTS's growth has been driven by SAP. Beyond this medium-term management plan, however, we believe the Company will ultimately grow together with the expansion of this entirely new market. SAP growth and CTS growth will effectively become one and the same, opening the door to a new stage of growth.

For that reason, this initial three-year medium-term management plan is extremely important and reflects a scale and level of significance appropriate to that role. We are fully committed to achieving these targets.

This concludes my overview of the medium-term management plan.

Nagai: Next, Senior Executive Officer, DDS Sales Promotion Manager, Kazutoshi Kanai will explain our main products and services.

主力商品サービス ① SAP

▶ SAPとは

建設現場で扱う複数のデータや情報を統合し素早く共有することにより、遠隔からの業務支援や業務分担を効率的に実施する為の環境を提供している。



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Kanai: I am Kazutoshi Kanai, Senior Executive Officer, DDS Sales Promotion Manager. Thank you for joining us.

I would like to explain our main product and service, the Site Assist Package, or SAP. SAP provides an environment that enables efficient implementation of remote operational support and task sharing by integrating and rapidly sharing multiple types of data and information handled at construction sites.

主力商品サービス ① SAP

▶ SAPの可能性と需要拡大の背景

遠隔からの業務支援や業務分担を行うための環境構築の需要が高まっている

会社全体の課題

働き方改革の推進（時間外労働規制）
人手不足による省人化への対応

- ・ 遠隔地からの現場業務支援
- ・ バックオフィスによる業務分担

ができる環境構築が必要

施工現場の課題

国土交通省が推進する

【ICT施工StageⅡ】への対応

- ・ データ活用による現場マネジメント
 - ・ データ活用による現場の見える化
- 現場技術者の専任合理化への対応
- ・ 情報通信機器の活用等による兼任制度の新設

建設業界のDX需要は中長期的に拡大
(働き方改革、生産性向上、省人化対応)



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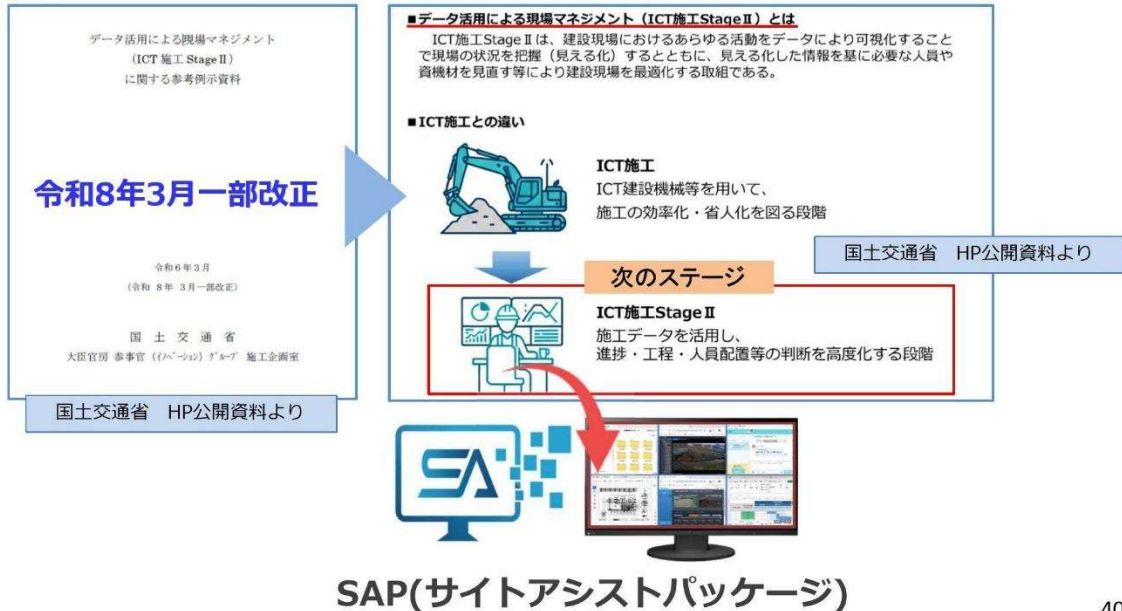
The growing potential and demand for SAP stem from the challenges currently facing the construction industry. At the company level, the industry faces issues such as work style reform, overtime labor regulations, and labor shortages requiring labor-saving solutions. As a result, there is a need to establish environments that enable remote support for construction sites and operational task sharing through back offices.

At construction sites themselves, there is also a need to respond to the ICT Construction Stage II promoted by the Ministry of Land, Infrastructure, Transport and Tourism, as well as to site management and visualization through data utilization.

In addition, new concurrent assignment systems for construction engineers are being introduced. Previously, one site manager could only oversee a single site exclusively, but legal reforms are now allowing the management of multiple sites simultaneously. This means, for example, that personnel located at Site A must also support operations at Site B remotely. What these two challenges have in common is the utilization of data from remote locations. We believe DX demand in the construction industry will continue expanding over the medium to long term, and through SAP, we aim to solve these site-level challenges.

主力商品サービス ① SAP

- ▶ SAPの可能性（国土交通省による建設DXの推進）
国土交通省の方針である「ICT施工stage II」では、「施工のICT化」だけでなく、データ活用による現場のマネジメントが定義されている。
⇒こうした背景からも建設現場でのSAPの活用が期待される。



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In addition, regarding the ICT Construction Stage II, a policy initiative by the Ministry of Land, Infrastructure, Transport, and Tourism mentioned earlier, partial revisions were made in March 2026. The disclosures have become more concrete and detailed. Previously, ICT utilization was limited mainly to the construction phase itself. However, as indicated in the red-framed section, the next stage now focuses on utilizing data and using that data to enable more advanced decision-making.

By utilizing the SAP, customers can create the type of environment illustrated here. Against this backdrop as well, SAP utilization at construction sites is expected to expand.

主力商品サービス ① SAP

▶ SAPの概要（3つの要素で構成）

複数のデータや情報を統合し、遠隔業務支援・業務分担を実現する

3つの要素で構成



41

Now I would like to explain the overview of the SAP. The SAP consists of three major elements.

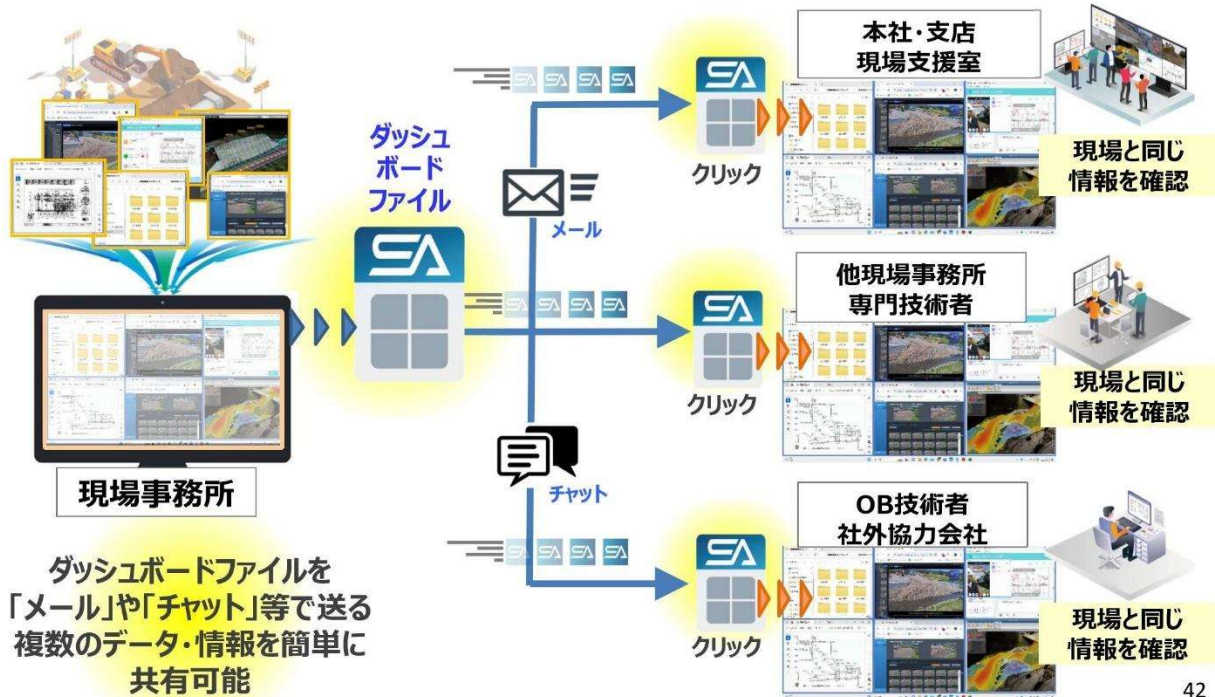
The first is the Site Assist Dashboard, which functions as a dashboard for integrating site information. The second is information-related content specialized for the construction industry. The third is the user interface for sharing and utilizing the dashboard and information, including multifunction displays and multifunction mobile devices.

We provide these software and hardware components together as a one-stop solution.

主力商品サービス ① SAP

▶ ① サイトアシストダッシュボード (SAD)

建設現場で扱う複数のデータや情報を統合し素早く共有する手段




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Regarding the first dashboard function, in addition to integrating and visualizing data, dashboard files can also be shared with others. By sharing this information with personnel providing operational support from remote locations, site information can be communicated quickly, enabling accurate remote support and task sharing.

主力商品サービス ① S A P

▶ ②現場情報関連コンテンツ

PBコンテンツ				
カテゴリ	サービス名	概要	特記事項	提供形態
クラウドストレージ (データ管理、共有)	 fileforce For Construction	建設業に特化（共有・検索・承認）クラウドストレージ	資本業務提携	サブスク
	 ICONBOX	Fileforce for Constructionの工事期間レンタルサービス		レンタル
クラウド映像 (知覚情報の9割)	 CAMSTREAMER	フルHD画質対応のライブ映像&クラウド録画サービス	国内サーバーを設置 日本国内代理店	レンタル
	 PictureMaker	映像施工記録となる全工程のタイムラプス動画サービス	資本業務提携 NETIS取得（2023/7）	レンタル
IoT連携システム	 D.E. IoT SmartHub	AIカメラとIoT機器の連携と可視化（安全・品質・防犯管理）	資本業務提携 2024/1 サービス開始	レンタル

PBハードウェア				
カテゴリ	サービス名	概要	特記事項	提供形態
多機能ディスプレイ	 MAXHUB	社内or社外、対面or遠隔など複雑化する会議の情報共有をスピードアップ	業務提携 メーカーサポート付きでレンタル提供はCTSのみ	レンタル

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Next is the information-related content.

We offer a lineup of various content specialized for the construction industry. Along with enhancing the functionality of each service, we will also strengthen integration among individual content offerings.

主力商品サービス ① S A P

▶ ②現場情報関連コンテンツ

協業コンテンツ				
カテゴリ	サービス名	概要	メーカー	提供形態
コミュニケーション	 direct ダイレクト	建設現場向けビジネスチャット	LisB	サブスク
IoT気象情報	 ソラテナPro	現場の気象データを、IoT Smart HUBと連携させた安全管理	ウェザーニューズ社	レンタル
施工管理系アプリ	 TREND-CORE	普段使いをサポートする BIM/CIMコミュニケーションシステム	福井コンピュータ	販売
	 TREND-POINT	i-Constructionを強力に支援する 3D点群処理システム	福井コンピュータ	販売
	 CIMPHONY+	3次元点群の現況データや計画データを元に、生産性向上を実現するクラウドサービス	福井コンピュータ	サブスク

協業ハードウェア				
カテゴリ	サービス名	概要	メーカー	提供形態
多機能モバイル	DuraForce EX	堅牢性と信頼性を兼ね備えた建設現場に最適な高耐久スマホ	京セラ	レンタル

プライベートブランドコンテンツの拡充に加え、新しい技術や仕組みを持ったメーカーと協業して、建設業に特化したコンテンツを増やす。

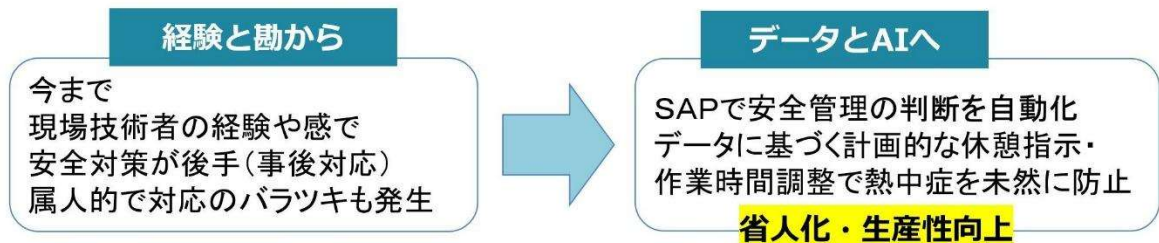
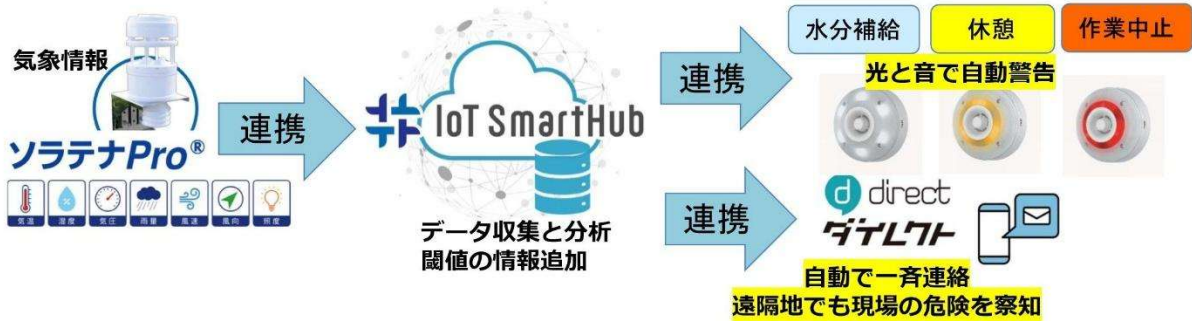
44

In addition to private content, we will also increase construction-industry-specific content through collaborations with manufacturers possessing new technologies and systems.

主力商品サービス ① SAP

- ▶ 各コンテンツの**データ連携**により、付加価値の高いサービスを構築・提供
複数のコンテンツを統合活用することで、1現場当たりの収益拡大

例：現場の安全管理向上（2025年6月義務化 熱中症対策の判断自動化）



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Regarding integration among content services, by linking data across multiple content services, we are able to build and provide higher value-added services. In addition, by enabling integrated use of multiple content services at a single site, we are increasing revenue per site.

One example is improving site safety management. Since June of last year, automated heatstroke countermeasure decision-making has become mandatory. Through data integration from SoratenaPro, a service that collects site weather information, IoT SmartHub collects and analyzes the data and adds threshold information, enabling automatic visual and audio warnings regarding rest breaks and work stoppages at construction sites.

In addition, automatic mass notifications can be sent through direct chats on the business chat tool DIRECT, allowing related personnel and even remote workers to detect site hazards immediately and respond quickly. Previously, safety measures often relied on the experience and intuition of engineers, which sometimes resulted in delayed responses. There were also issues with inconsistent responses across companies due to reliance on individual judgment. However, by utilizing SAP, safety management decisions can be automated, and heatstroke risks can be prevented in advance through data-based planned rest instructions and work-hour adjustments.

**SAPは、単なる現場の支援ツールではなく、
自社クラウド + 外部建設テックツールとの
データ連携を中核とし、継続的に付加価値を
高め、建設業界の生産性向上を実現する
サービスへ進化**

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Going forward, we intend to further expand these kinds of automation systems through data utilization in order to address labor-saving and productivity improvement initiatives. This is just one example, but moving forward, SAP will evolve beyond being merely a construction site support tool. By centering on data integration between our proprietary cloud platform and external construction tech tools, we aim to continuously provide higher value-added services. Through this, we will continue evolving into a service that improves productivity across the construction industry.

This concludes the explanation of our main products and services. Thank you very much.

Nagai: Next, Senior Managing Executive Officer and Head of Sales Division Hideki Akiyama will explain our business activity policies.

▶ 事業活動方針（前中計踏襲）

■ 建設市場開拓

□ 何を

- ① SAPの普及（建設市場）
- ② FFCへのAI実装（SAP+AI）

□ どこへ

- ③ 全国の地場ゼネコン 約2,600社
※年間の最低元請施工現場数で10現場以上を見込める企業が対象
- ④ 全国の広域ゼネコン 約100社

□ どのように

- ⑤ 営業部長による、顧客キーマンへの定期訪問による顧客基盤の構築推進（BtoB）
- ⑥ 支店営業による、現場キーマンへの水平展開による効率的な顧客開拓（BtoC）
- ⑦ マーケティング・インサイドセールス・カスタマーサクセス機能の強化

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Akiyama: I am Hideki Akiyama, Senior Managing Executive Officer and Head of Sales Division. Thank you. I will explain our business activity policies.

First, regarding “what,” as discussed earlier, the answer is SAP. I would like to explain in greater detail “where” and “how.” First are approximately 2,600 regional general contractors nationwide. These are companies expected to handle at least 10 prime contractor construction sites annually. Therefore, they represent targets where continuous and stable transactions can be expected. Second is a newly established category of approximately 100 nationwide general contractors. These are broad-area general contractors operating across multiple locations. To achieve cross-regional transactions, we have established a dedicated supervisory department, enabling organized expansion and deployment. Both the regional and nationwide general contractors are prime contractors.

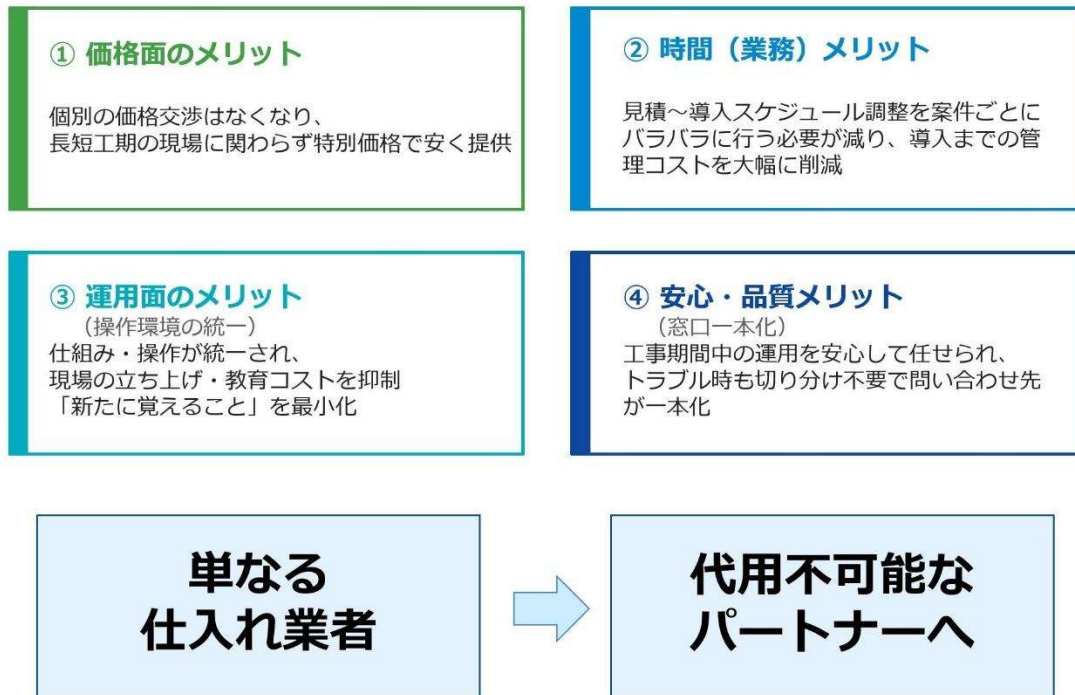
As is often said, there are four essential management tasks performed by site managers at construction sites: schedule management, quality management, safety management, and budget management. These are indispensable operational tasks. However, these same companies are also facing major industry challenges, including labor shortages and stricter overtime labor regulations.

SAP is precisely the solution capable of addressing these issues. That is why these regional and nationwide general contractors are clear and important targets for us.

Now, I would like to report on the current status of customer development. Previously, we explained that we had developed approximately half of the roughly 2,600 regional general contractors as customers. Since then, however, we ourselves have also faced manpower shortages. Under these circumstances, rather than prioritizing new customer acquisition, which requires substantial sales resources, we shifted toward a strategy of deepening relationships with existing customers.

As a result, SAP achieved 35% YoY growth in the previous fiscal year. Please understand that this growth was generated within the approximately 2,600-company customer base. In addition, whereas the annual transaction amount for our main products per site had previously averaged JPY500,000, the amount exceeded JPY1 million in the previous fiscal year among leading customers. We strongly recognize that this is not merely temporary growth, but rather evidence that SAP has truly entered a full-scale expansion phase as the core driver of the DDS business.

BtoB : 4つの顧客メリット



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Now, let me explain why we have been able to achieve this level of growth. Certainly, initiatives such as strengthening BtoC operations, marketing, and inside sales have contributed. However, the greatest driver has been the promotion of BtoB transactions. BtoB transactions do not simply improve our own productivity. They also provide customers with four major benefits.

First is pricing benefits. Individual pricing adjustments are no longer necessary. Regardless of whether a project duration is long or short, we can always provide special pricing.

Second is time-related benefits. From quotations to scheduling implementation, there is no longer a need to respond separately for each project. This significantly reduces management costs prior to implementation.

Third is operational benefits. Since the necessary systems and environments are delivered simultaneously to construction sites, operations can begin immediately. In addition, operating environments are standardized, minimizing the need for additional learning. This is a major benefit for construction sites.

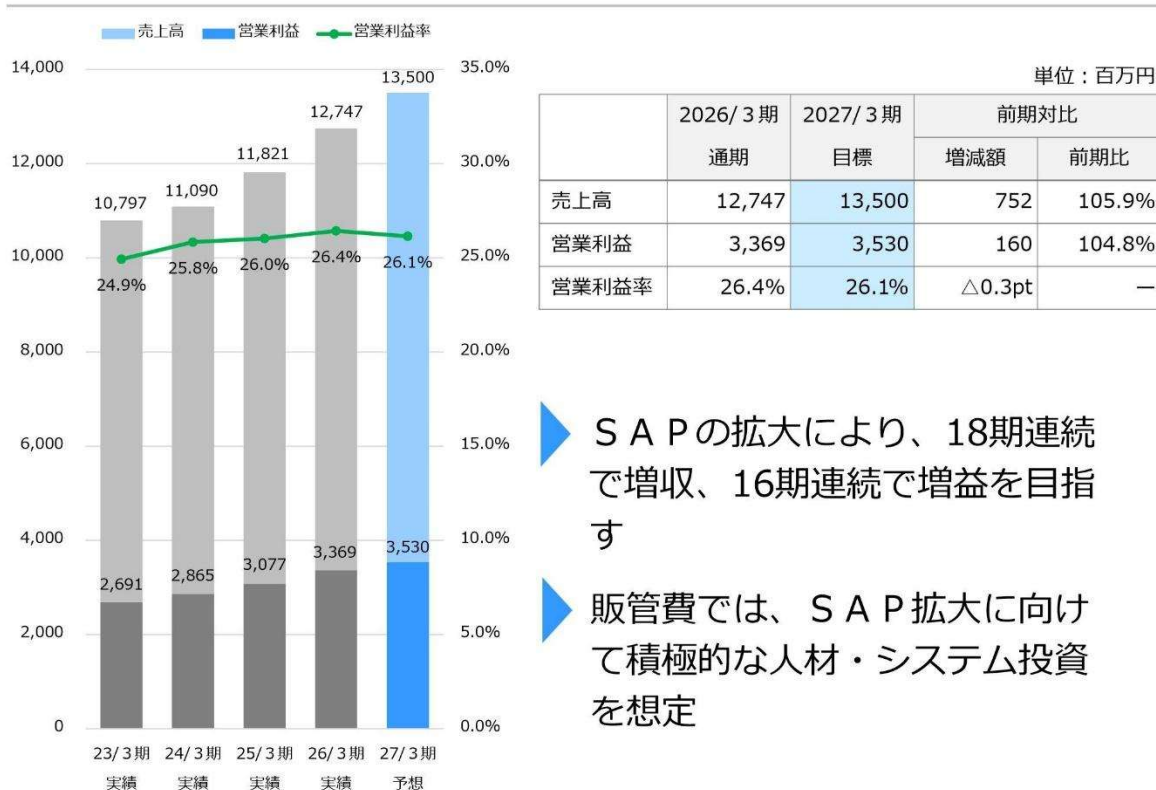
Fourth is quality and reliability benefits. Customers can confidently entrust operational management throughout the project period to us, and even in the event of problems, inquiries are centralized through a single point of contact, eliminating the need for complicated issue sorting.

Through this BtoB transformation, our business model itself is changing dramatically. We are no longer merely a supplier. Instead, we are becoming an indispensable partner for customers, in other words, an irreplaceable partner. We are convinced that this partner relationship represents the ideal position we seek and will form the foundation supporting further growth of the SAP-centered DDS business. Furthermore, SAP represents a new and rapidly expanding market. As mentioned earlier, DX adoption, productivity improvement, and efficiency enhancement in the construction industry will continue accelerating, and the SAP market itself will expand substantially going forward. Together with this market expansion, we are strongly convinced that CTS itself will achieve even greater growth.

This concludes the detailed explanation regarding “where” and “how.”

Nagai: Next, President and CEO Ren Yokoshima will explain the earnings forecast for FY2027.

全社業績予想 2027年3月期業績予想



- ▶ S A Pの拡大により、18期連続で増収、16期連続で増益を目指す
- ▶ 販管費では、S A P拡大に向けて積極的な人材・システム投資を想定

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Yokoshima: I would now like to explain the earnings forecast for FY2027 as an extension of the medium-term management plan we have discussed.

For FY2027, we are forecasting company-wide net sales of JPY13.5 billion, or 105.9% YoY. Operating profit is forecast at JPY3.53 billion, or 104.8% YoY, with an operating profit margin of 26.1%, down 0.3 percentage point.

As with the medium-term management plan discussed earlier, we aim to achieve our 18th consecutive year of revenue growth and 16th consecutive year of profit growth through SAP expansion. Although operating profit growth may appear relatively weak compared with net sales growth, this reflects our view that expanding SAP going forward will require further strengthening of personnel, systems, and related

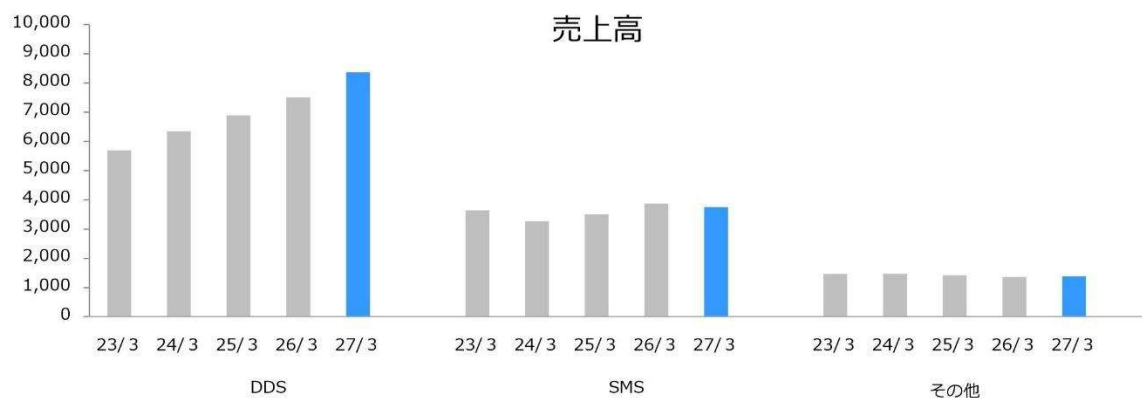
infrastructure. Accordingly, we are proactively incorporating these expenses into SG&A costs. As a result, operating profit growth appears relatively moderate.

セグメント別売上高予想 2027年3月期業績予想

- ▶ DDS事業：S A Pに注力し、事業拡大を図る
- SMS事業：レンタルをメインに、エリア・商材を絞って販売も推進

単位：百万円

	2026/3期	2027/3期	前期対比	
	実績	予想	増減額	前期比
DDS事業	7,510	8,370	859	111.5%
SMS事業	3,870	3,750	△120	96.9%
その他	1,367	1,380	12	100.9%
売上高合計	12,747	13,500	752	105.9%



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Looking at net sales by segment, we are planning JPY8.37 billion for the DDS business, or 111.5% YoY; JPY3.75 billion for the SMS business, or 96.9% YoY; and JPY1.38 billion for others, or 100.9% YoY.

As with the medium-term management plan, overall growth is expected to come primarily from the DDS business, particularly SAP. Meanwhile, the SMS business is projected to decline YoY. However, within this segment, we intend to continue focusing primarily on rentals while pursuing efficient sales expansion.

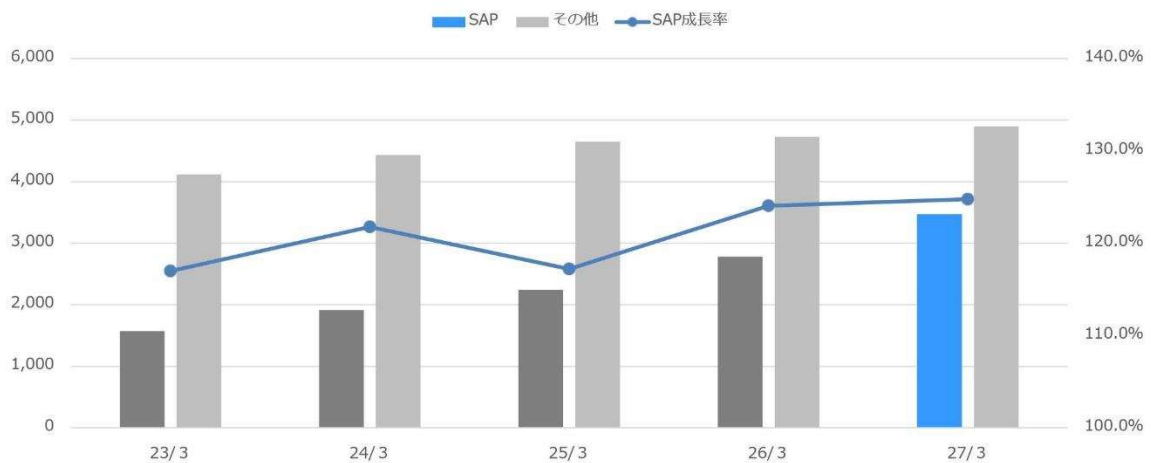
Regarding product sales, we also plan to narrow our focus by region and product category, while strategically prioritizing selected products for growth.

DDS事業内識別売上高予想 2027年3月期業績予想

▶ S A Pに注力し、事業拡大と顧客基盤構築を図る

単位：百万円

	2026/3期	2027/3期	前期対比	
	実績	予想	増減額	前期比
S A P	2,795	3,470	674	124.1%
その他	4,714	4,900	185	103.9%
DDS売上高合計	7,510	8,370	859	111.5%



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As for the breakdown of DDS business sales, we are planning JPY3.47 billion for SAP, or 124.1% YoY, and JPY4.9 billion for others, or 103.9% YoY. Again, consistent with the medium-term management plan, we intend to firmly expand SAP in the first year of the plan.

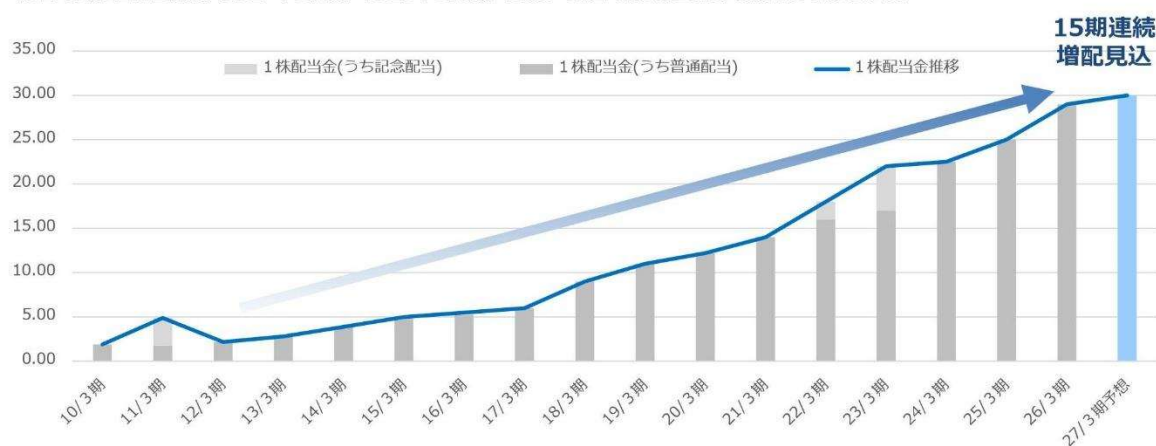
These are the forecast figures and targets for FY2027.

配当予想 2027年3月期予想

▶ 1株当たり配当金は2026年3期対比で1.0円増配し、15期連続での増配を想定

	1株当たり配当金		
	中間	期末	合計
2025年3月期 (実績)	12.50円	12.50円	25.00円
2026年3月期 (実績)	14.00円	15.00円	29.00円
2027年3月期 (予想)	15.00円	15.00円	30.00円

※ 当中期経営計画期間（2027年3月期～2029年3月期）においては、**累進配当方針**を採用しております。



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Regarding dividends, we plan to increase the annual dividend per share by JPY1 YoY to JPY30, marking the 15th consecutive annual dividend increase. As indicated in the earnings forecast, together with earnings growth and in line with our financial activity policies, we are planning our 15th consecutive annual dividend increase.

This concludes my explanation regarding the earnings forecast.

Question & Answer

Nagai [M]: We will now move on to the Q&A session. Mr. Kitamura, General Manager of the Accounting Department, Business Administration Division, will moderate the session.

Kitamura [M]: I am Kitamura, General Manager of the Accounting Department. We will now begin the Q&A session.

As explained at the beginning, please enter your questions in the Q&A section. We will answer as many submitted questions as time permits. Please note that your questions will be posted under the name entered when registering for the webinar. We have already received questions, so I would like to begin reading them.

Participant [Q]: I understand that labor shortages at construction sites are a major issue. Regarding SAP, which can address this issue, are there any competing services from other companies that are expected to provide similar benefits?

Kitamura [M]: President Yokoshima, could you please address this question?

Yokoshima [A]: I would like to answer the question we received. First, regarding the current landscape of products and services similar to SAP, as explained earlier, SAP consists of various products configured and provided according to customer needs. Naturally, there are competing or similar products for each individual component. However, when viewed comprehensively, there are currently very few comparable services overall.

In addition, there may appear to be services similar to our dashboard tools that improve efficiency at construction sites or for construction companies. However, we believe there are still very few services or companies that, like us, can provide comprehensive support for construction sites nationwide, deliver all necessary equipment and services for those sites, and support operations in an integrated manner, including the organizational structure required to do so.

That concludes my response.

Participant [Q]: Please tell us about the targets in the medium-term management plan. I believe you are forecasting substantial sales growth in DDS, particularly in SAP. On the other hand, the improvement in operating profit margin appears limited. Is SAP's marginal profit ratio lower than the company average?

Kitamura [M]: President Yokoshima, please address this question as well.

Yokoshima [A]: I would like to respond to the question. Broadly speaking, our company's business model consists of rental and subscription-type services, as well as sales-related services, across both DDS and SMS segments. Overall, profitability is higher for rental and subscription-type services, including SAP. Among these, the components that make up SAP currently have the highest profitability. Therefore, we believe that the company-wide profit margin will continue to improve as SAP expands and its composition ratio increases.

At the same time, as mentioned earlier regarding SG&A expenses in the single-year plan, our personnel structure remains insufficient to fully promote SAP. Accordingly, we will need to continue strengthening our workforce throughout the medium-term management plan period. In light of the current environment, although future conditions remain uncertain, we also believe it is necessary to continue improving employee compensation.

In addition, to expand the activities of our SAP business and establish a stable operational framework for providing these services, we need to strengthen not only our human resources but also our systems infrastructure. For these various reasons, we are incorporating a corresponding increase in SG&A expenses into the plan, and we believe these factors are making the improvement in profit margin appear somewhat moderate overall.

That concludes my response.

Kitamura [M]: As we have now reached the allotted time, we will conclude the Q&A session. Please note that we continue to accept questions at any time through the inquiry form on our corporate website.

Nagai [M]: This concludes today's presentation. Finally, a transcript of today's presentation, including the Q&A session, will be sent to the email address you registered for the webinar. We kindly ask for your patience while we prepare and distribute the materials.

This concludes the FY2026 financial results briefing of CTS Co., Ltd. Thank you very much for taking the time out of your busy schedules to participate today. Goodbye.

[END]

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