



Financial results for Q2 of FY 2025

Core Concept Technologies Inc.
Securities Code: 4371
August 13, 2025

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Takeshi Kaneko (hereafter “Kaneko”): I’m Kaneko, Representative Director, President and CEO of Core Concept Technologies. Today, I’ll explain the financial results in the second quarter with the material disclosed yesterday.

The agenda is as written in this slide.



1

Executive Summary

Executive Summary

Executive Summary



Results for Q2 of FY 2025

Net sales were in line with our expectations, and operating profit exceeded our plan.

	Q2 of FY 2024	Q2 of FY 2025			
Net sales	9,164	10,168	million yen	+10.9	% year on year
Operating profit	1,042	1,073	million yen	+3.0	% year on year
Operating profit margin	11.4	10.6	%	-0.8	points year on year

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This is an executive summary. As a summary of financial results in the second quarter, net sales were 10,168 million yen, operating profit was 1,073 million yen, and operating profit margin was 10.6%. Net sales were in line with the annual plan. Operating profit slightly exceeded our plan.




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Earnings Report

Earnings Report

Consolidated profit and loss statement



- Net sales and gross profit were in line with our expectations, and operating profit was better than our plan.
- Operating profit margin decreased year-on-year due to increased selling, general and administrative expenses. However, it exceeded our plan.

Unit: million yen

	2024 Q2	2025 Q2	Change	% change	(Full year) Earnings forecast	Progress rate
Net sales	9,164	10,168	+1,003	+10.9%	21,800	46.6%
Outsourcing expenses	5,458	5,812	+354	+6.5%	—	—
Personnel expenses	1,092	1,319	+227	+20.8%	—	—
Other costs	100	255	+154	+153.7%	—	—
Gross profit	2,513	2,779	+266	+10.6%	5,900	47.1%
Selling, general and administrative expenses	1,470	1,706	+235	+16.0%	—	—
Operating profit	1,042	1,073	+30	+3.0%	2,300	46.7%
Ordinary profit	1,051	1,074	+23	+2.2%	2,307	46.6%
Profit	735	762	+26	+3.6%	1,576	48.3%
Gross profit margin	27.4%	27.3%	-0.1P	—	27.1%	—
Operating profit margin	11.4%	10.6%	-0.8P	—	10.6%	—
Outsourcing expense rate	59.6%	57.2%	-2.4P	—	—	—

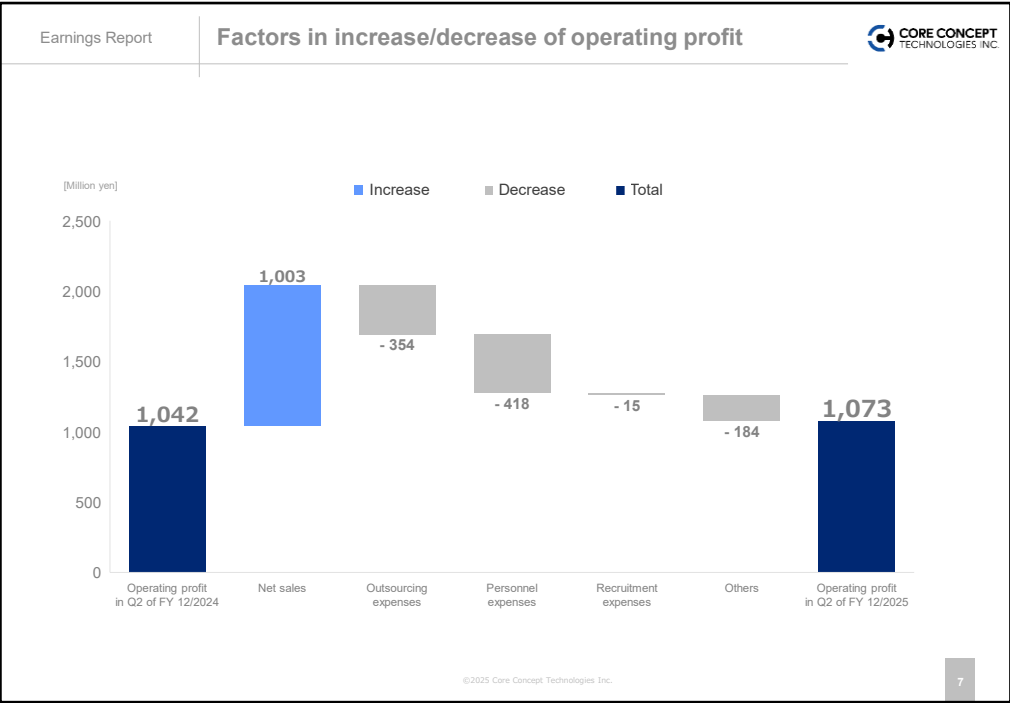
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This is a detailed earnings report. Firstly, please let me explain the consolidated profit and loss statement. Net sales were 10,168 million yen, gross profit was 2,779 million yen, operating profit was 1,073 million yen, ordinary profit was 1,074 million yen, and profit was 762 million yen. Regarding margins, gross profit margin was 27.3%, operating profit margin was 10.6%, and the outsourcing expense rate was 57.2%.

In summary, net sales and gross profit were almost in line with our plan, while operating profit exceeded it. Operating profit margin was healthy compared with our plan, although selling, general and administrative expenses augmented as the recruitment of new graduates progressed smoothly.


Regarding the progress rate toward the annual forecast, please see the rightmost column of the table in this slide. For the fiscal year 2025, it was forecast that performance would be better in the second half, so progress rates are as we expected.



This slide shows factors in increase or decrease of operating profit. Nothing really stands out here, but operating profit increased slightly, due to sales growth.

Earnings Report

Results by segment



CORE CONCEPT
TECHNOLOGIES INC.

- Net sales from both support for DX and support for staffing of IT personnel increased year-on-year.
- Gross profit margin almost remained flat year-on-year.

Unit: million yen

	2024 Q2	2025 Q2	Change	% change
Net sales	9,164	10,168	+1,003	+10.9%
Support for DX	4,289	4,788	+498	+11.6%
Support for staffing of IT personnel	4,874	5,379	+504	+10.3%
Gross profit	2,513	2,779	+266	+10.6%
Support for DX	1,666	1,864	+198	+11.9%
Support for staffing of IT personnel	846	914	+68	+8.1%
Gross profit margin	27.4%	27.3%	-0.1P	—
Support for DX	38.9%	38.9%	+0.1P	—
Support for staffing of IT personnel	17.4%	17.0%	-0.4P	—
Backlog of orders (as of the end of term)	3,644	3,868	+224	+6.1%
Support for DX	1,980	2,046	+65	+3.3%
Support for staffing of IT personnel	1,663	1,822	+158	+9.5%

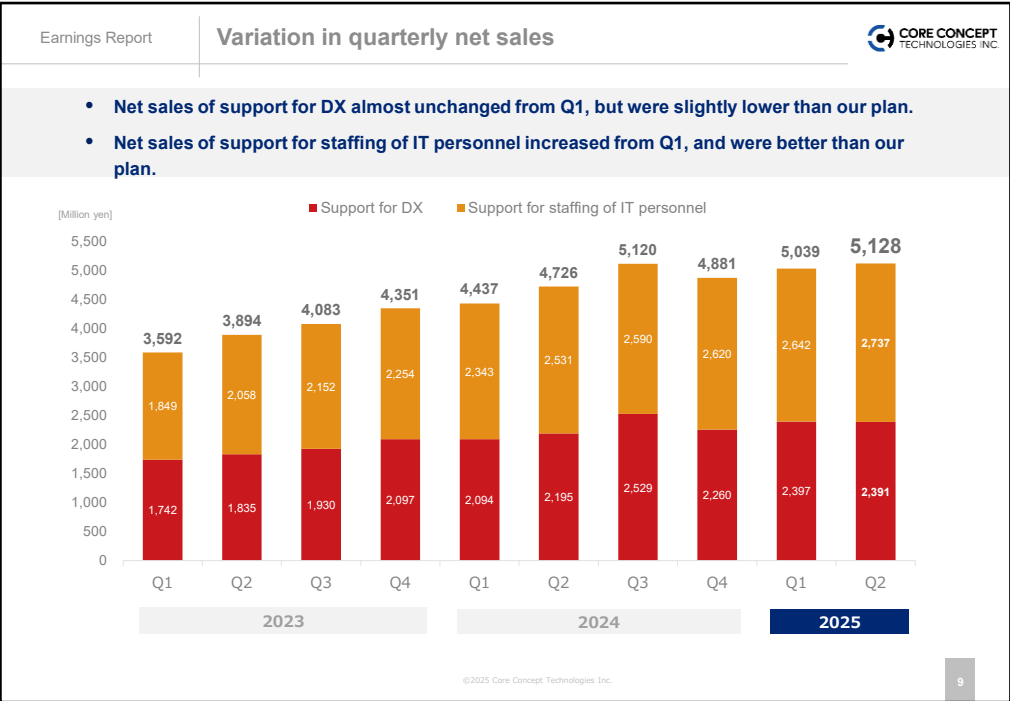
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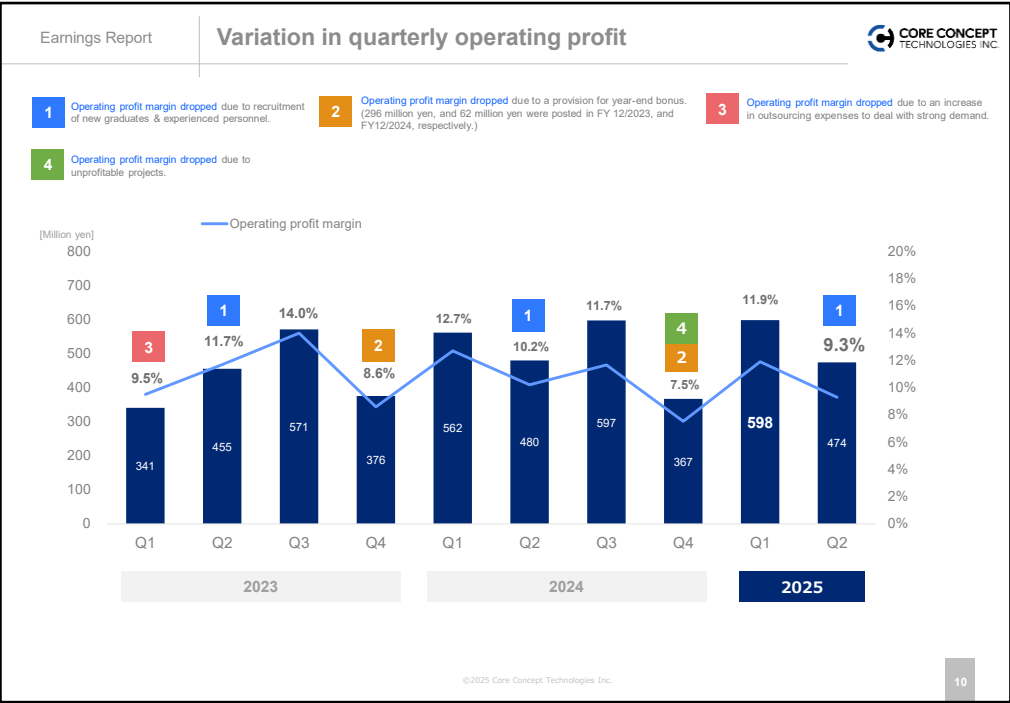
This shows the results by segment. The sales from support for DX and support for staffing of IT personnel each increased by around 500 million yen year on year. Namely, their sales grew by around 1 billion yen in total.

Gross profit was quite sluggish in the second half of the fiscal year 2024, but it recovered in the first and second quarters, so profit grew. Gross profit margin was not bad, as it was 27.3%.

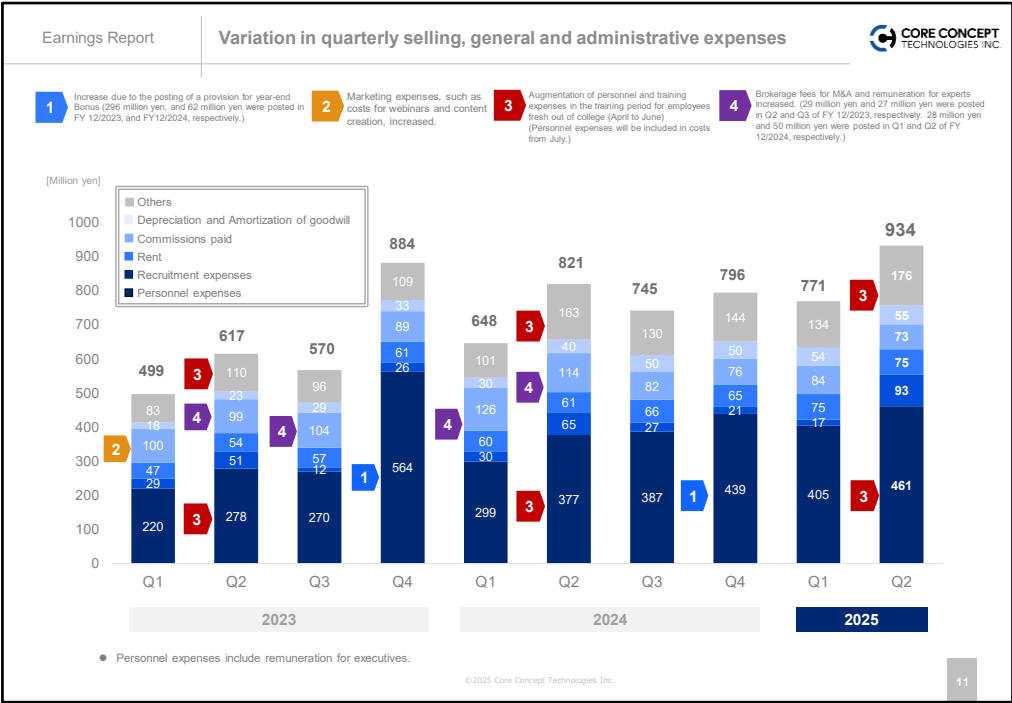
Backlog of orders increased steadily year on year, but decreased somewhat from the first quarter. I'll explain this point in detail later.



This explains variation in quarterly net sales. Quarterly net sales hit a record high. The sales from support for DX were almost unchanged from the first quarter, but the sales from support for staffing of IT personnel increased.




This shows the variation in operating profit. There is nothing that merits attention, but as a seasonal factor, selling, general and administrative expenses augmented because new graduates joined our company and underwent three-month training in the second quarter, so operating profit margin was 9.3%.



This shows the variation in selling, general and administrative expenses. As I said a little before, expenses increased due to the seasonal factor in the second quarter.

Earnings Report

Consolidated profit and loss statement (quarterly basis)



- Net sales are on an upward trend quarter by quarter, and gross profit margin which significantly improved in Q1 was maintained.
- Decline in operating profit and its margin from Q1 was due to seasonal factors.

Unit: million yen

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Net sales	4,437	4,726	5,120	4,881	5,039	5,128
Outsourcing expenses	2,613	2,845	2,980	2,927	2,900	2,912
Personnel expenses	545	547	660	679	663	656
Other costs	68	32	137	110	105	150
Gross profit	1,210	1,302	1,342	1,164	1,370	1,409
Selling, general and administrative expenses	648	821	745	796	771	934
Operating profit	562	480	597	367	598	474
Ordinary profit	562	488	610	384	590	484
Profit	402	333	395	308	416	345
Gross profit margin	27.3%	27.5%	26.2%	23.9%	27.2%	27.5%
Operating profit margin	12.7%	10.2%	11.7%	7.5%	11.9%	9.3%
Outsourcing expense rate	58.9%	60.2%	58.2%	60.0%	57.5%	56.8%


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This shows the consolidated profit and loss statement on a quarterly basis. The rightmost column of the table in this slide shows the figures in the second quarter. Gross profit margin was 27.5%, unchanged from the same period of the previous year. Quarterly performance was relatively good. Since we controlled outsourcing expenses, I think that there is no problem with profit management.

Earnings Report

Results by segment (quarterly basis)



CORE CONCEPT
TECHNOLOGIES INC.

- Net sales of support for DX were almost unchanged from Q1 and gross profit margin improved steadily. However, backlog of orders decreased.
- Net sales, gross profit margin and backlog of orders of support for staffing of IT personnel increased steadily.

Unit: million yen

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Net sales	4,437	4,726	5,120	4,881	5,039	5,128
Support for DX	2,094	2,195	2,529	2,260	2,397	2,391
Support for staffing of IT personnel	2,343	2,531	2,590	2,620	2,642	2,737
Gross profit	1,210	1,302	1,342	1,164	1,370	1,409
Support for DX	809	857	922	728	933	931
Support for staffing of IT personnel	401	444	420	435	436	477
Gross profit margin	27.3%	27.5%	26.2%	23.9%	27.2%	27.5%
Support for DX	38.7%	39.0%	36.5%	32.2%	38.9%	39.0%
Support for staffing of IT personnel	17.1%	17.6%	16.2%	16.6%	16.5%	17.5%
Backlog of orders	3,057	3,644	3,477	3,543	4,155	3,868
Support for DX	1,575	1,980	1,833	1,648	2,373	2,046
Support for staffing of IT personnel	1,482	1,663	1,643	1,895	1,781	1,822

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This shows the results by segment on a quarterly basis. The rightmost column of the table in this slide shows the results in this quarter.


As for support for DX, we controlled gross profit, but net sales did not almost change from the first quarter, and backlog of orders decreased somewhat. I have been thinking that we need to accelerate our marketing activities, and this is a current issue to address.

As for support for staffing of IT personnel, sales grew from the first quarter, and backlog of orders, too, increased steadily, so I think that this business has grown stably as planned.

Gross profit margin was 39.0% for support for DX, and 17.5% for support for staffing of IT personnel, so I think that we controlled profit.

Earnings Report

Consolidated balance sheet



CORE CONCEPT
TECHNOLOGIES INC.

Unit: million yen

	2024 Q4	2025 Q2	Change	Major factors in increase/decrease
Current assets	5,828	5,895	+ 66	Cash and deposits: +387 ; Accounts receivable -trade: -349
Cash and deposits	2,195	2,582	+ 387	
Non-current assets	2,181	2,071	-109	Goodwill: -35 Investment securities:-75
Total assets	8,009	7,966	-42	
Current liabilities	3,582	2,783	-799	Short-term borrowings: -730; Accounts payable and Accrued expenses: -148
Non-current liabilities	231	220	-10	
Net assets	4,195	4,962	+767	Retained earnings: +762
Total liabilities and net assets	8,009	7,966	-42	
Equity capital ratio	52.4%	62.3%	+9.9p	

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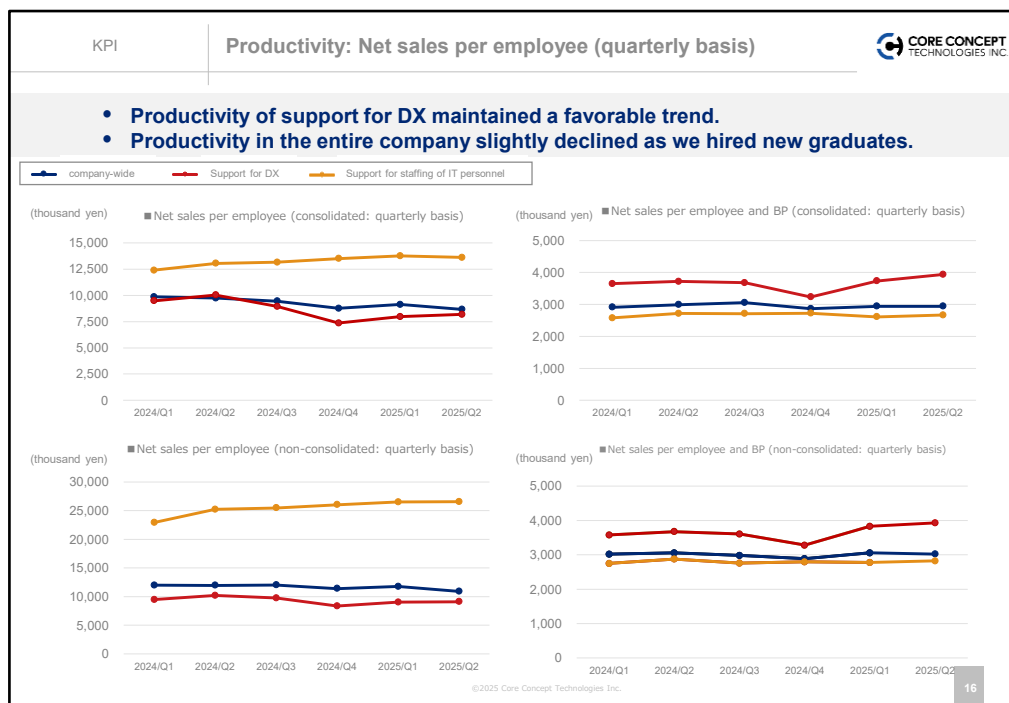
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This is the consolidated balance sheet. Equity capital increased, and the ratio was 62.3%. Accordingly, we can invest in M&A if there is a chance.

Net assets stood at 4,962 million yen. We are about to achieve net assets of 5 billion yen to satisfy the requirements for getting listed on the Prime Market. I think we can meet this criterion. There is no significant problem with the balance sheet. I think this is healthy.

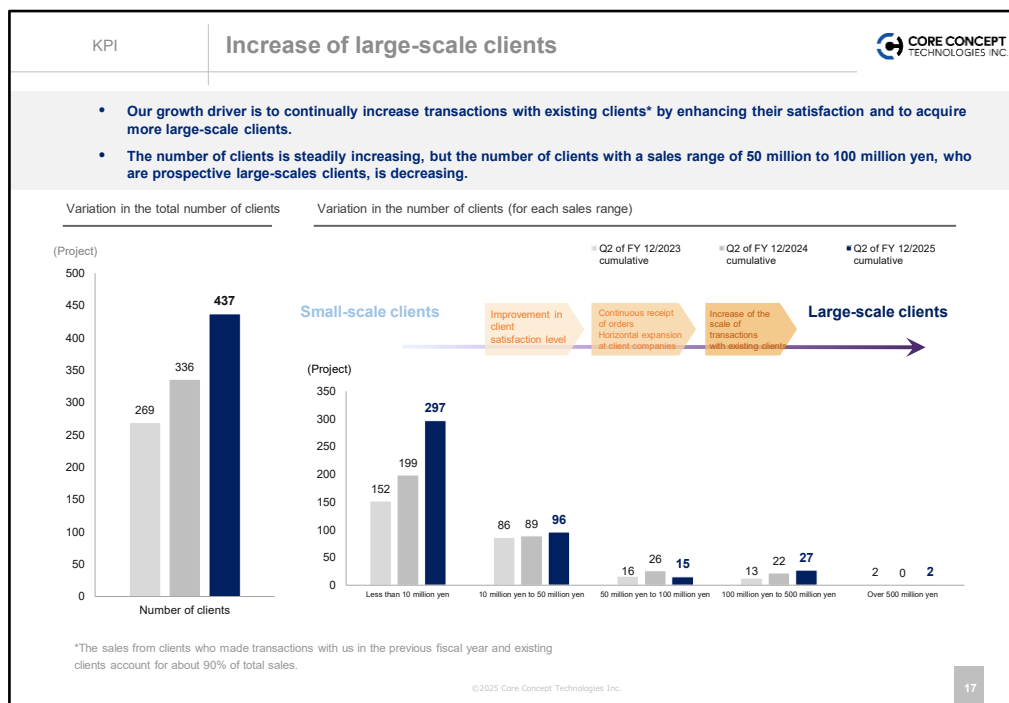
Let me end the summary of accounting figures.





I'll explain the key performance indicators in management accounting. As an indicator of productivity, this shows the change in quarterly net sales per employee. We have gradually improved productivity as a whole, and the sales from support for DX maintained an upward trend.

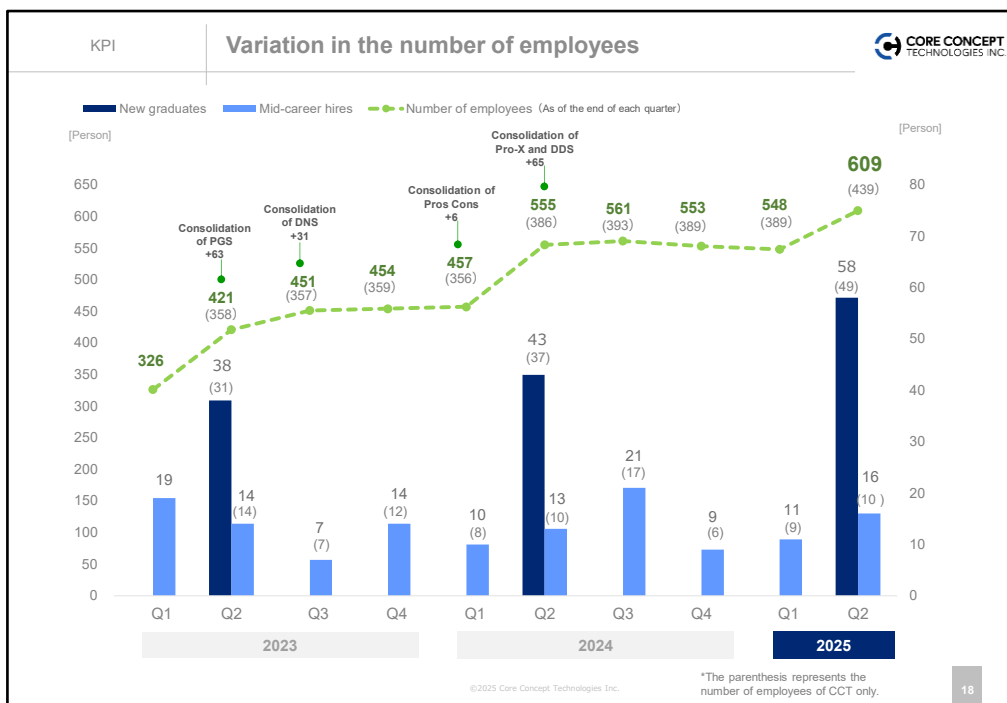
However, overall sales declined slightly only in this season, in which the number of employees fresh out of college increases. We will make efforts to get back on an upward trend in the second half of the fiscal year 2025, in which new employees will start contributing to performance.



This shows the change in the number of clients. The leftmost bar graph in this slide shows the change in the number of clients. Recently, we have made transactions with 437 companies.

The other graph shows the change in the number of clients in terms of sales. The number of clients that have made large-scale transactions is shown in the right part. The number of clients that have made transactions worth over 500 million yen in half a year was two. In the same period of the previous year, there were no such clients. In the fiscal year 2025, we have made stable transactions with such clients.

The number of clients that have made transactions worth 100 million to 500 million yen has increased steadily, reaching 27. For the change in the number of clients in each of the other segments, please see the slide.



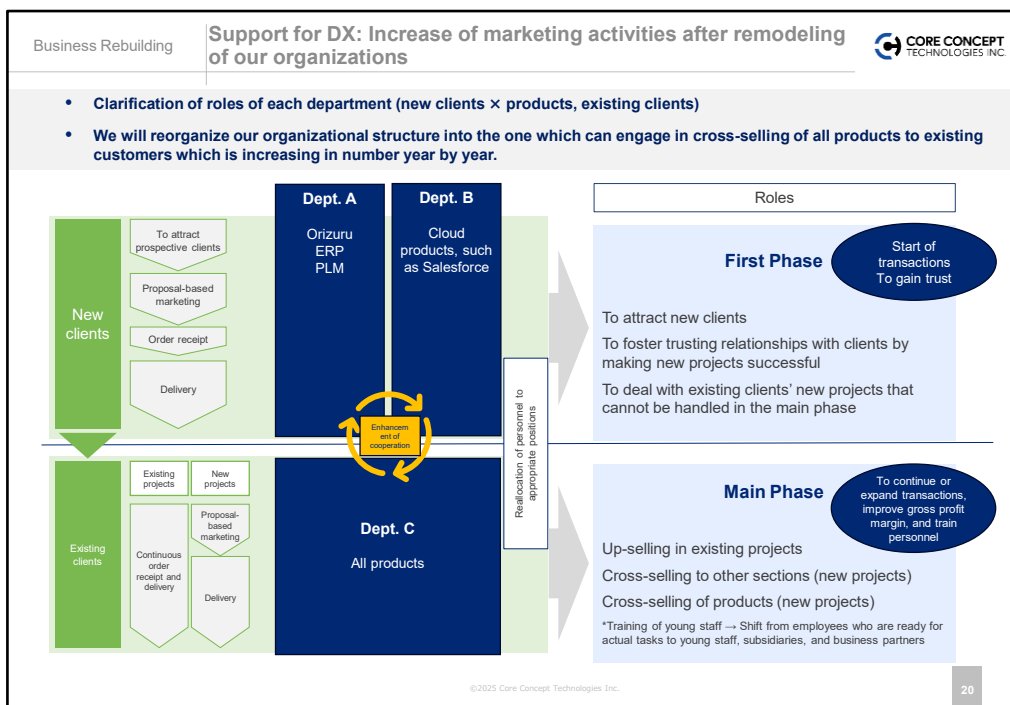
This shows the variation in the number of employees. The total number means the number of employees, including those of consolidated subsidiaries. The total number of employees in the entire corporate group reached 609. The parenthesis represents the number of employees of the parent company, and there are 439 employees.

In April, 58 new graduates joined our corporate group, and 49 new graduates joined the parent company. The employees fresh out of college were assigned to respective sections on July 1, and all of them underwent training, and started engaging in practical operations. As for the recruitment of mid-career hires, we prioritize quality over quantity. In the fiscal year 2025, we have already recruited a necessary number of workers, so I think that recruitment has progressed steadily.



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**Measures for
Rebuilding of Our
Businesses in FY2025**



In the fiscal year 2024, some projects were unprofitable, and the growth of the top line was sluggish. The primary goal in the fiscal year 2025 is to solve such business issues and make our business healthy, recovering our performance. I'll explain the progress of measures for achieving this goal.

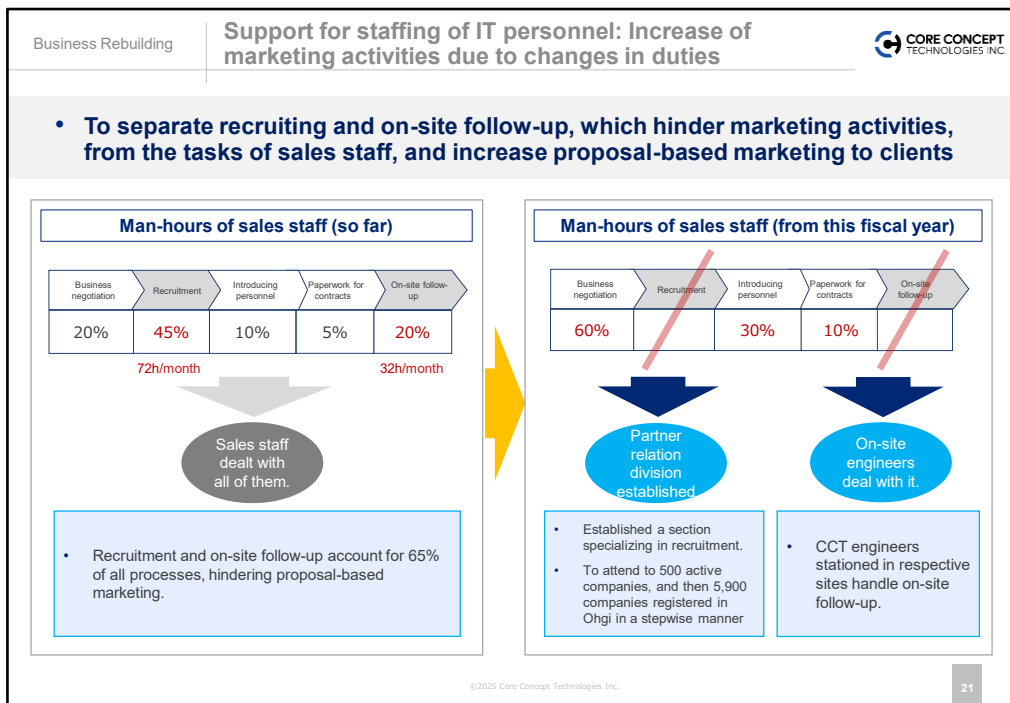
The figure in this slide shows the major policy for business restructuring. In order to improve our organizational capacity, we set a theme and rebuilt our organization appropriately.

The basic approach is to increase new clients steadily. The first project is very important for gaining the trust of clients, so we will make efforts to succeed in all processes without fail until delivery.

In order to fulfill such a challenging mission, we need to use the competent skills of excellent personnel. Therefore, as the "first phase," we prepared an organization composed of personnel who possess competent skills and established a project management system to properly live up to the expectations of clients.

In addition, existing clients account for about 90%, and most of sales and profit come from continuous orders. In the main phase, we will increase the trust of existing clients.

While improving the technological base and basic processes of offering services to clients developed in the “first phase,” we will train personnel and utilize employees fresh out of college and implement the PDCA cycle. We have established an organization called the main phase and are proceeding with the transformation into an organization that can achieve the top-line growth and stable profit.



The Support for staffing of IT personnel business has an operational character, so we will analyze problems accordingly, and conduct improvement measures as written in this slide.


Marketing staff have engaged in marketing while conducting follow-up activities for onsite employees and partner companies. However, such labor has become a burden as the number of employees has increased.

We will establish a system in which follow-up activities will not be conducted by marketing staff, but onsite leaders who can handle those activities, which enables marketing staff to concentrate on marketing.

This improvement would enhance the efficiency and quality of marketing per hour and increase the number of onsite employees who can be managed by a marketing staff member, and expand sales further.

Business Rebuilding

Situation in Q2 regarding business rebuilding



- Order receipt in support for DX did not progress as we planned.

		Results			Evaluation
Marketing activity	Net sales	Unit : million yen			
		2024/Q4	2025/Q1	2025/Q2	
	• Support for DX	: 2,260	⇒ 2,397(+137)	⇒ 2,391(-6)	△ Sales increase in Q1 and Q2 were thanks mainly to the existing clients.
	• Support for staffing of IT personnel	: 2,620	⇒ 2,642(+ 21)	⇒ 2,737(+94)	
	Backlog of orders	2024/Q4	2025/Q1	2025/Q2	

This is a summary of the situation in the first half of the fiscal year. Unfortunately, the number of orders received for support for DX was not as planned.

The backlog of orders for support for DX stood at 1,648 million yen in the fourth quarter of the previous fiscal year, but in the first quarter of the current fiscal year, clients for large-scale transactions increased, and the backlog of orders increased steeply to 2,373 million yen.

In order to further increase it, we continue marketing activities, but in the second quarter, we were not able to increase it, and it slightly decreased to 2,046 million yen. I think it is necessary to increase it further from now on.

As for support for staffing of IT personnel, we were able to gradually increase the volume of marketing activities, and productivity per 1 sales staff member increased steadily.

In the fiscal year 2025, nine out of 49 employees fresh out of college were assigned to the marketing section for support for staffing of IT personnel.

Such assignment became possible, thanks to the standardization of business operations. I expect that they will start contributing to our marketing performance around the fourth quarter.


In summary, the internal system for support for staffing of IT personnel improved as planned, or more than planned. On the other hand, support for DX requires some efforts to produce better results.

As for profit margin, there have been no significant problems. We make continuous efforts to receive orders for large-scale projects, by recruiting and training project managers who can engage in actual tasks immediately. I believe that this will make profit stable.

This is the recent situation. The following slide is supplementary material.

Business Rebuilding

Situation of marketing activities



- Marketing activities for acquiring new clients is increasing in support for DX, but the number of orders is sluggish.

Marketing activities for acquiring new clients in support for DX (in the manufacturing industry)

	FY2024 2H	FY2025 1H	Change
No. of business negotiations	72	91	+ 19
No. of prospective clients acquired	62	78	+16
No. of business negotiations currently conducted (before giving proposals)	20	35 *A total of 55 negotiations are underway including 20 in the second half of FY2024.	+15
No. of proposals submitted	42	43	+ 1
No. of order receipt	7	16	+ 9

*Excludes marketing activities for existing clients, clients in any industries other than manufacturing, and cloud solution such as Salesforce.

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We added the exact numbers about the increase of new clients of support for DX in the manufacturing industry, which is an issue to tackle. The table in this slide shows the number of marketing activities in the second half of the fiscal year 2024 (from July to December) and that in the first half of the fiscal year 2025 (from January to June).

In detail, this shows the number of business negotiations, the number of prospective clients acquired, the number of prospective clients just before proposal, and the number of proposals submitted. For the number of proposals submitted, we added the number of orders received.

As a whole, the number of business negotiations increased from 72 to 91, and the number of prospective clients increased from 62 to 78.

As an issue, there are an increasing number of cases in which we found a prospective client, but we have not proceeded to the stage of giving a proposal. The number of such cases increased from 20 to 35. Namely, it takes more time than planned to proceed to the stage of giving a proposal.

The number of proposals submitted did not increase significantly

between the second half of the fiscal year 2024 and the first half of the fiscal year 2025. However, the number of orders received increased from 7 to 16 and the rate of order receipt improved as expected, as we adopted a system in which senior managers directly proceed with transactions in order to improve quality of proposals.

Under these circumstances, our company makes efforts to shorten the lead time for proposal. We pursue the approach of clarifying important points with clients and accelerating the examination of each proposal.

We uphold the policy of increasing the number of proposals submitted and then the number of orders received. Here, let me end the report on the progress of rebuilding of our organization.

The following appendix includes our corporate information, performance data, etc. If you are interested, please see it.

I'll end the briefing of financial results in the second quarter. Thank you for your kind attention.



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Appendix

Appendix

Corporate profile

Corporate name

Core Concept Technologies Inc. (CCT)

Business description

To support client companies in DX and staffing of IT personnel

Location

11th floor of DaiyaGate Ikebukuro, 1-16-15 Minami-ikebukuro, Toshima-ku, Tokyo

Representative

Takeshi Kaneko, Representative Director, President, CEO

Date of establishment

September 17, 2009

Capital stock

568,638 thousand yen (as of June 30, 2025)

Account closing month

December

Number of employees

Consolidated: 609; non-consolidated: 439 (as of June 30, 2025)

Office locations

Tokyo (headquarters), Osaka, and Fukuoka

Group companies (wholly owned subsidiaries)

P. G. System Co., Ltd.

18-10 Matsushima-cho, Ube-shi, Yamaguchi

Denso Co., Ltd.

15-1 Omiya-cho, Saiwai-ku, Kawasaki-shi, Kanagawa

Pros Cons, Inc.

1-26-15 Tomioka, Koto-ku, Tokyo

Pro-X Co., Ltd.

2-1-31 Ebie, Fukushima-ku, Osaka-shi, Osaka

Digital Design Services Co., Ltd.

2-5-2 Nishitenma, Kita-ku, Osaka-shi, Osaka

Tokyo Headquarters

11th floor of DaiyaGate Ikebukuro, 1-16-15 Minami-ikebukuro, Toshima-ku, Tokyo

Osaka Office

2nd floor of Dai-san Nakagima Bldg., 5-11-10 Nishi-Nakagino, Yodogawa-ku, Osaka-shi, Osaka

Fukuoka Office

11th floor of Hakataeki-mae City Bldg., 1-9-3 Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka

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Directors



Takeshi Kaneko



Kazuaki Nakajima

Position	Representative Director, President and CEO	Director, Vice President and CFO
Brief history	2000: Joined INCS Inc. (currently SOLIZE Corporation) 2006: Established Laguna Co., Ltd. 2006: Joined KT Consulting Co., Ltd. 2009: Corporate Auditor of ShinStar Co., Ltd. 2010: Joined the Company 2013: Director, Vice President. 2015: Representative Director, President, CEO (current position) 2024: Outside Director, DT Dynamics Co., Ltd. (current position)	1995: Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.). 2014: Executive Officer of Human Holdings Co., Ltd. 2017: Director of S-cubism Inc. 2018: Joined the Company 2019: Executive Officer, CFO 2020: Director, CFO 2025: Director, Vice President, CFO (current position)

Executive Officers

Senior executive officers	Hajime Tsunoo	General Manager, Solution Business Division	Masatoshi Hagiwara	General Manager, Engineering Platform Business Division
	Masafumi Kato	COO, General Manager Enterprise SI Division	Takashi Yasukochi	CIO, General Manager, Information System Department
Executive officers	Hideaki Morita	Head, Strategy Promotion Office	Yoshiyuki Umeda	General Manager, Business Administration Division
	Masataka Ishihara	General Manager, Manufacturing DX Division		

Management structure: Directors belonging to the audit and supervisory committee



Shohei Ueda



Takuo Hirose



Masaya Suzuki



Eri Nakajima

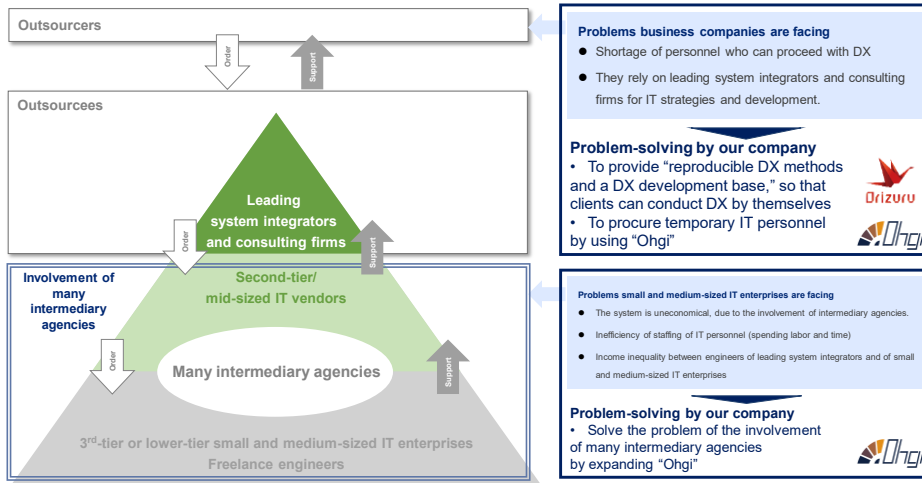
Position	Director, Full-time Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member
Brief history	1983: Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) 2005: Shizuoka Branch Manager, Matsushita Electric Industrial Co., Ltd. 2007: Shikoku Branch Manager, Matsushita Electric Industrial Co., Ltd. 2010: Executive Officer and Director of Marketing Center, Panasonic System Solutions Japan Co., Ltd. 2011: Managing Executive Officer, Panasonic System Solutions Japan Co., Ltd. 2020: Full-time Audit & Supervisory Board Member, Panasonic System Solutions Japan Co., Ltd. 2025: Director, Audit & Supervisory Committee Member (current position)	1997: Registered as an attorney-at-law Joined Anderson Mori & Tomotsune LPC 2003: Associated with Shearman & Sterling, New York 2004: Registered as an attorney-at-law in the state of New York 2005: Partner of Anderson Mori & Tomotsune LPC (current position) 2020: Audit & Supervisory Board Member of the Company 2021: Director, Audit & Supervisory Committee Member (current position)	2000: Joined Ernst & Young ShinNihon LLC 2004: Registered as a certified public accountant 2019: Opened Masaya Suzuki CPA Office (current position) 2020: Audit & Supervisory Board Member of the Company 2021: Director, Audit & Supervisory Committee Member (current position)	1995: Joined Environment Agency (currently Ministry of the Environment) 2003: Seconded to Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry 2015: Seconded to Nagano Prefecture as Deputy Governor 2023: Director, Audit & Supervisory Committee Member (current position) 2023: Appointed as Professor at Doshisha University (current position)
Executive Positions Concurrently Held (Current Position)		Audit & Supervisory Board Member (Outside) of Cyfuse Biomedical K.K. Outside Director of Hamamatsu Photonics K.K.	External Corporate Auditor of CCR&B Advisors Inc.	Outside Director of IDEC CORPORATION Non-executive Director of Mitsubishi UBE Cement Corporation

- Support for DX has supported clients mainly in the manufacturing, construction and logistics fields.
- Support for staffing of IT personnel has assisted a wide range of industries through leading system integrators.

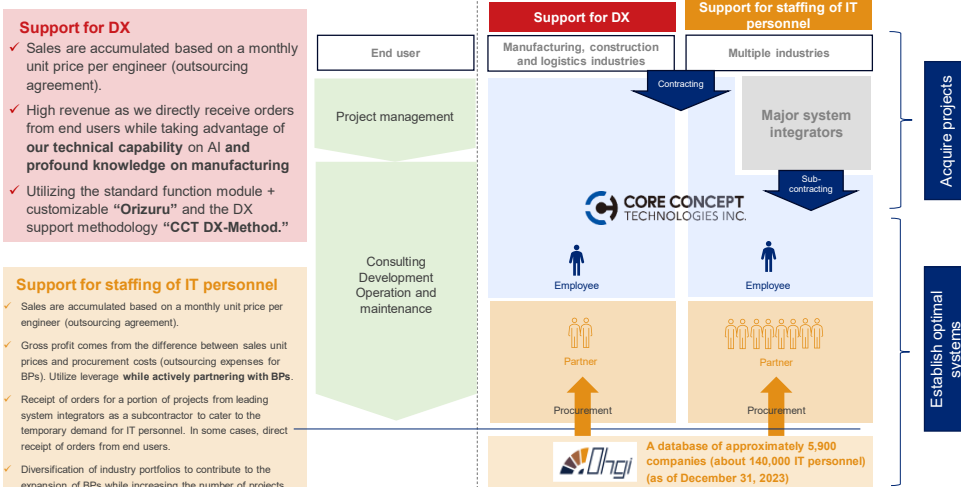


Appendix	<div> <div>Purpose</div> <div>  </div> </div>
Our Purpose	<div> <div>Driving sustainable industrial development through the power of our technology and people</div> </div>
What We Do	<div> <div>Create the Next-Gen of the IT Industry</div> <div> <ul style="list-style-type: none"> ✓ We envision a future in which each industry develops sustainably and will make this vision real to create a sustainable society through the evolution of our products and people. ✓ We contribute to the sustainable development of industry by reforming our clients' business processes and value chains through Digital Transformation (DX). Along with growing sales and improving profitability, we solve issues such as reducing environmental impact through the improvement of asset and energy efficiency, eliminating labor shortages through improved labor productivity, and passing on know-how from veteran employees. ✓ By utilizing "Ohgi," an extensive business partner network made mainly of small and medium-sized companies, we contribute to the reduction of the adverse effects of the multiple contracting structure in the Japanese system integration industry, such as the uneconomical middle margins, as well as the regional income disparity of IT human resources. </div> </div>
Our Values	<div> <div>Think Big, Act Together.</div> <div> <div> <div>Think Big</div> <div> Exchange ideas freely and move away from conventional wisdom and fixed concepts. With firm determination, we shall find the new value the world is searching for. </div> </div> <div> <div>Act Together</div> <div> We are supported by many stakeholders, including our customers and employees. Act Together to respond to their understanding and trust. </div> </div> </div> </div>

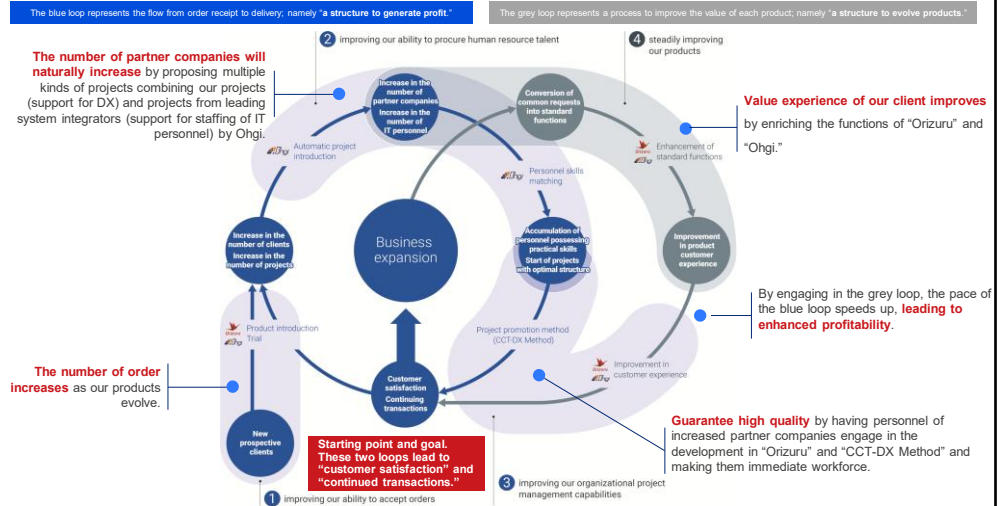
- We solve the problem of the involvement of many intermediary agencies in the IT industry and make the world change, so that companies can conduct DX autonomously.

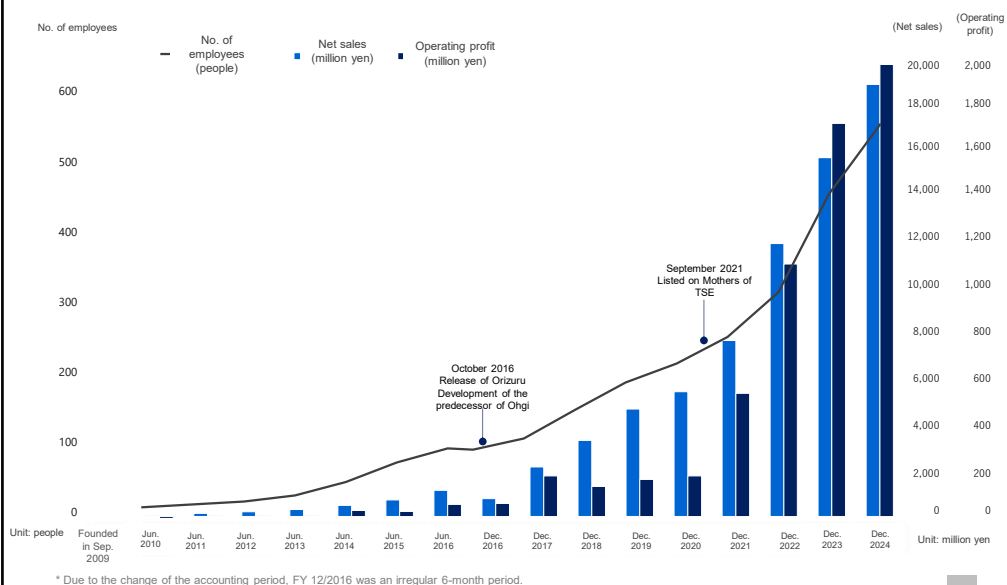


- We acquire multiple kinds of projects with support for DX (1st-tier contractor) focusing on specific industries and support for staffing of IT personnel (2nd-tier contractor) covering a wide range of industries. In addition, we increase top line by leveraging “Ohgi.”



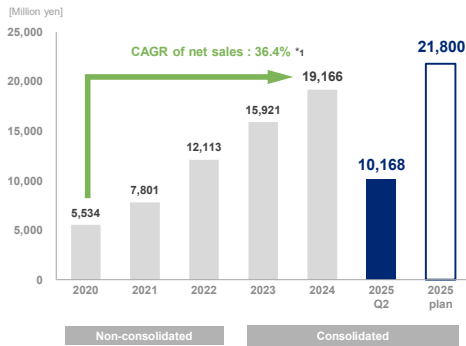
- We realize sustainable growth through synergy based on two loops, which enhances our competitive advantage.



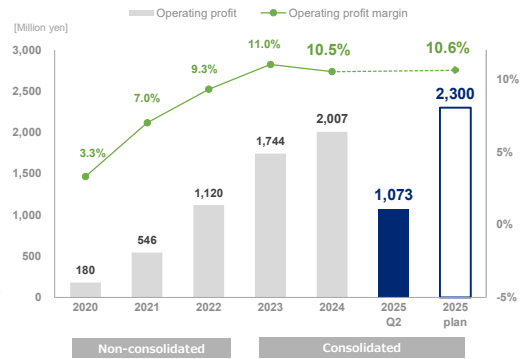


- Shifted from the high growth phase to the stable growth phase.

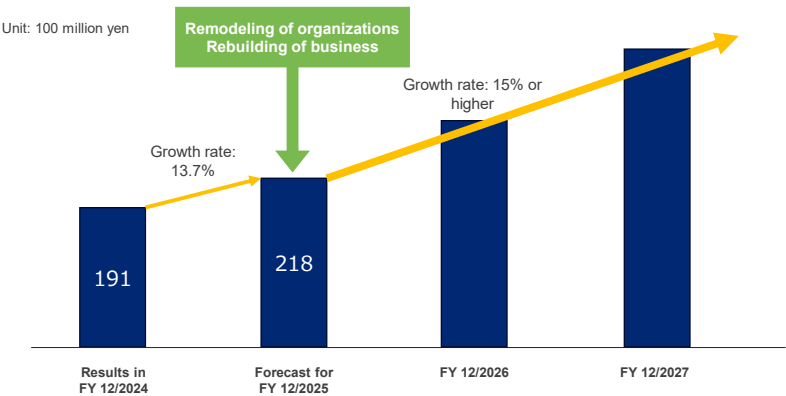
Sales growth



Variations in operating profit and its margin



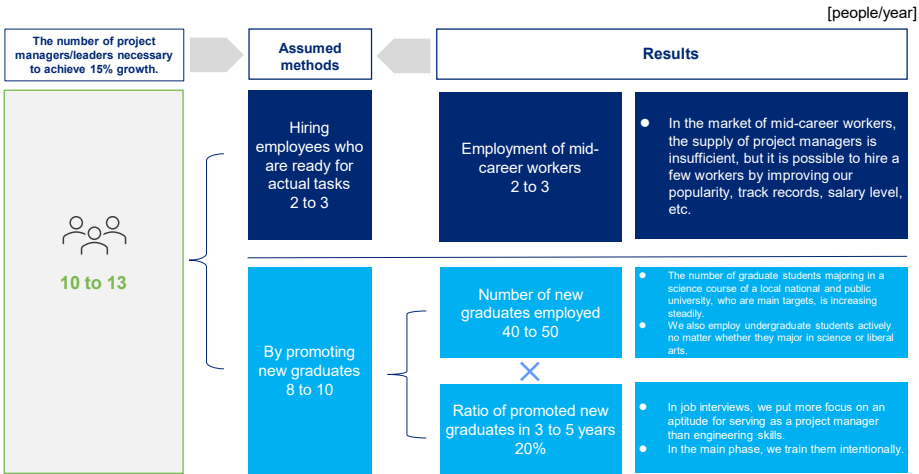
- **Shift to sustainable stable growth phase.**
- **We aim to achieve a sales growth rate of 13.7% in FY 12/2025 and 15% or higher from FY 12/2026 to FY 12/2027 as our organic growth.**



- Regarding support for DX, we aim to achieve gross profit margin of 40% or higher in a stable manner.

	Support for DX	Support for staffing of IT personnel
Gross profit margin	<ul style="list-style-type: none"> • We aim to maintain 40% or over in the medium to long term. 	<ul style="list-style-type: none"> • We aim to keep gross profit margin stable at 16% to 17%.
Unit price of our services	<ul style="list-style-type: none"> • We aim to raise the unit price of our proposal by 5% to 10%, to offset the rise in employees' wages, the rise in unit price for outsourcing and other necessary factors. 	<ul style="list-style-type: none"> • To offset the rise in unit price for outsourcing
Unit price for outsourcing	To alleviate the impact of the rise in unit price in the market by utilizing Ohgi (To curb the rise in unit price)	
Outsourcing expense rate	Around 45% <ul style="list-style-type: none"> • In the main phase, we will shift from employees to subsidiaries or business partners. Employees engage in business operations with high added value. 	Around 70% <ul style="list-style-type: none"> • No change to the status quo
Improvement in productivity	<ul style="list-style-type: none"> • To improve productivity by improving technological prowess and streamlining business operations (by establishing an organization development division) 	
Project profitability management	<ul style="list-style-type: none"> • To make the judgment for accepting orders stricter (standard gross profit margin: 40% or higher) and manage project profitability thoroughly 	

- To secure project managers/leaders, who are insufficient, by promoting new graduates to these positions



- We will stick to the policy of aiming to expand the Ohgi network in local regions while utilizing subsidiaries as hubs.
- The scale of each target company will be raised. (assumed sales are 1 billion yen or larger)

Purpose	To enrich the lineup of products for DX	To secure human resources and reduce outsourcing expenses
Target	IT enterprises with forte in areas that match our policy to expand the support for DX areas	Mainly the local small and medium-sized IT enterprises
Results	<div>■ FY 12/2023 Investment in REVA Investment Limited Partnership No. 1 Business alliance with REVA Corporation</div> <div>■ FY 12/2024 Acquisition of Pros Cons, Inc. as a wholly owned subsidiary Capital and business alliance with ESTYLE, Inc.</div>	<div>■ FY 12/2023 Acquisition of P. G. System Co., Ltd. as a wholly owned subsidiary Acquisition of Denso Co., Ltd. as a wholly owned subsidiary</div> <div>■ FY 12/2024 Acquisition of Pro-X Co., Ltd. and Digital Design Services Co., Ltd. as wholly owned subsidiaries</div>

- To continue high-quality growth while keeping growth potential and profitability, and maximize total shareholder return (TSR)

Growth potential

Sales growth rate

15% or higher
(excluding FY 12/2025)

Profitability

ROE

30% or higher
(achieved)

Shareholder return

Dividend

We will pay progressive dividends from March 2026.

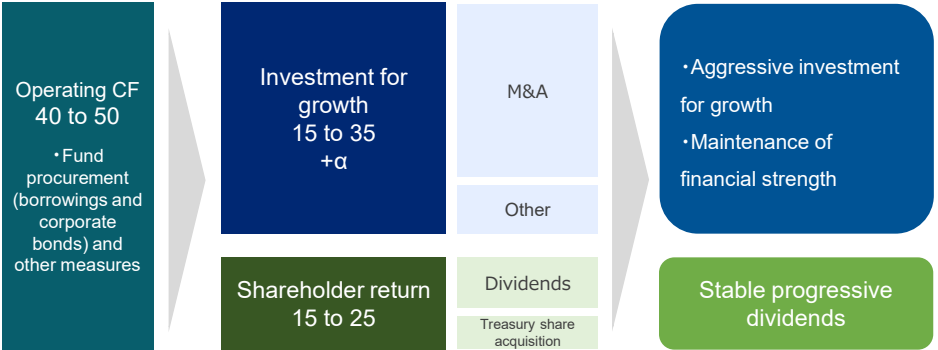
Acquisition of treasury shares

Flexibly conducted

- To continue aggressive investment in mainly M&A and in-house development for growth
- We plan to pay progressive dividends in a stable manner, and acquire treasury shares in a flexible manner.
- In principle, we will invest for growth and return profit to shareholders within the range of operating cash flow, and consider borrowing and issuance of corporate bonds when carrying out large-scale M&A.

Envisioned cash allocation in FY 12/2025 to FY 12/2027

Unit: 100 million yen



Start of dividend payment

- To start dividend payment in order to improve corporate value by returning profit to shareholders in parallel with business growth
- We plan to pay a dividend of 19 yen/share in March 2026, under the assumption that the earnings forecast for this fiscal year will be achieved.

Background of start of dividend payment

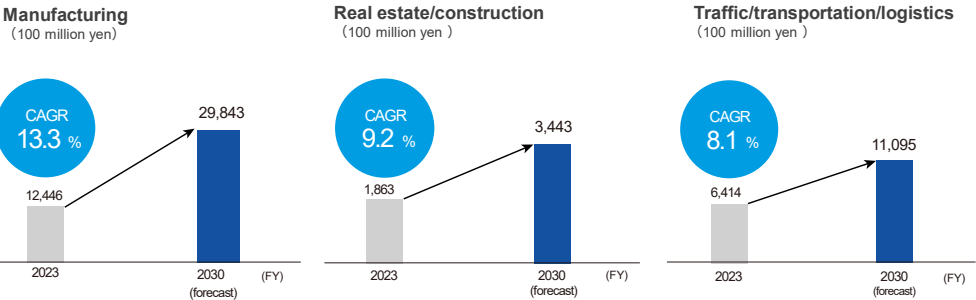
- Share price remains low due to the stagnant rate of sales growth, so it will be impossible to return profit to shareholders through capital gain for the foreseeable future. Accordingly, we have concluded that we should start paying dividends as shareholder return.
- Growth rate has slowed down, but our business base has been growing steadily, so we believe that sales and profit will keep increasing. We judged that even if we pay dividends, there will remain sufficient funds for investments in human resources and M&A for business growth.

Basic policy for capital measures

- ◆ In order to maximize shareholders' profit, we will improve corporate value through business growth to raise share price. In addition, we directly return profit while securing internal reserve required for future business operations and strengthening our financial standing to improve return on invested capital, and we maximize TSR by boosting medium/long-term return on equity (ROE).
- ◆ Our basic policy is to pay progressive dividends in a stable manner, and we would like to meet shareholders' expectations when our performance is good with the target payout ratio is 20% to 30%. Since we determine the dividend amount while comprehensively considering the variation in business performance, the amount of investment for growth, financial situations, etc., the above payout ratio is a mere assumed one. We would appreciate your understanding.
- ◆ While comprehensively considering the market trend, share price level, financial situations, etc., we will discuss the acquisition of treasury shares flexibly when necessary.
- ◆ Without giving top priority to the accumulation of net assets, which has been emphasized, we will consider the change of stock markets to the Prime Market when we satisfy the requirements, that is, net assets of 5 billion yen and a market capitalization of 25 billion yen.




- The market scale of DX is expanding exponentially.
- The manufacturing, construction and logistics fields, which are our current priority fields, are expected to grow considerably.

The market scale of DX



*Source: Marketing Section of Future Outlook for the Digital Transformation Market – Market Edition 2025, produced by Fuji Chimera Research Institute, Inc. in March 2025

- Focus on the manufacturing, construction, and logistics industries where we can leverage our strengths.
- The use of Orizuru enables speedy realization of DX for customers.

	Manufacturing (since the establishment of our company)	Construction (since 2015)	Logistics (since 2023)
Main areas of support	<div><p>Design, procurement and manufacturing</p><ul style="list-style-type: none">✓ Order receipt and procurement (Orizuru)✓ Smart factory (Orizuru)✓ PLM (Aras Innovator)✓ ERP (mcfraem/Infor)</div>	<div><p>Design and construction</p><ul style="list-style-type: none">✓ BIM linkage system/common data infrastructure✓ Design efficiency (AI utilization)✓ PLM (Aras Innovator)</div>	<div><p>Warehousing and transportation</p><ul style="list-style-type: none">✓ WMS (Warehouse Management System)✓ TMS (Transport Management System)</div>
Strengths	<ul style="list-style-type: none">✓ 3D shape data processing technology (CAD, numerical algorithms of geometry and image processing by AI)✓ Manufacturing expertise in the manufacturing industry	<ul style="list-style-type: none">✓ Achievements in the manufacturing industry by support for DX✓ Experience in the development of BIM common data infrastructure and BIM data (IFC) handling technology✓ Extensive business knowledge in the construction industry	<ul style="list-style-type: none">✓ Achievements in the manufacturing industry by support for DX

- **Solution provider that can address client companies' issues in a comprehensive manner**

Problems with manufacturing DX
in Japan

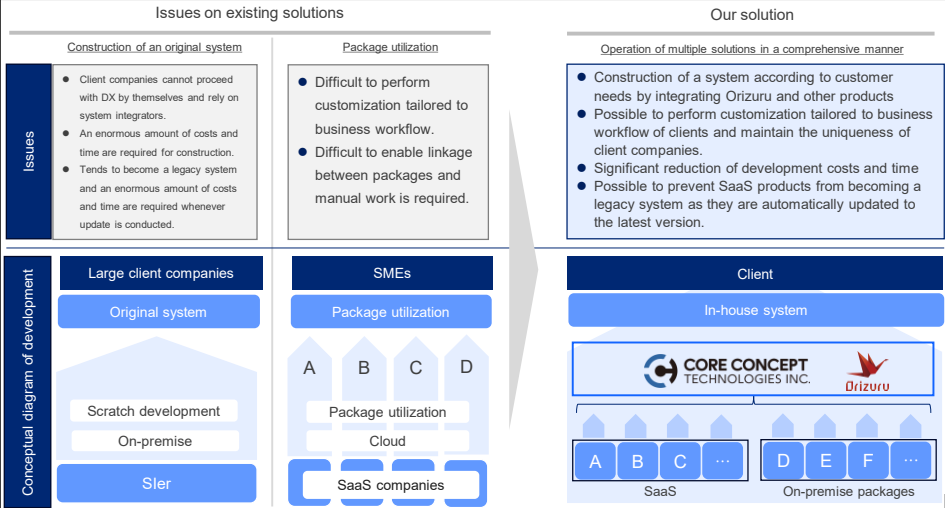
1	Coexistence of old and new equipment	Machinery and equipment installed several decades ago and newly installed machinery and equipment are operated at the same time. It is difficult to develop a totally smart factory.
2	Lack of knowledge of manufacturing sites	There are few enterprises that possess the perspective of management, the viewpoint of on-site factory staff, and broad knowledge of business operation processes, manufacturing processes, hardware, and software.
3	Lack of system integrators	Various systems have been partially optimized and installed in value chain processes. The effects of DX are limited, because of insufficient integration.

Forté of CCT





1	Retrofitting	•Orizuru is compatible with a variety of machinery and equipment. •Digitalization of old equipment based on knowledge of hardware •Separation between manual work and automation
2	Knowledge of manufacturing industry and DX accumulated for many years	•Founding members engaged in manufacturing DX for over 20 years. •To develop business operation processes from the viewpoints of management and on-site staff •Conversation with client companies while using jargon
3	A broad range of solutions	•To meet customer needs by combining Orizuru, Salesforce, SAP, etc. from all aspects •To maintain the uniqueness of each client company through customization based on the workflow of each client

We won profound trust of client companies. The ratio of sales from existing clients has been stable and around 90%.

- We will respond to all kinds of needs for digitalization from client companies with cloud products in each field and Orizuru.
- We will address the issue of the poor customizability of cloud products by using Orizuru as a comprehensive customization platform.



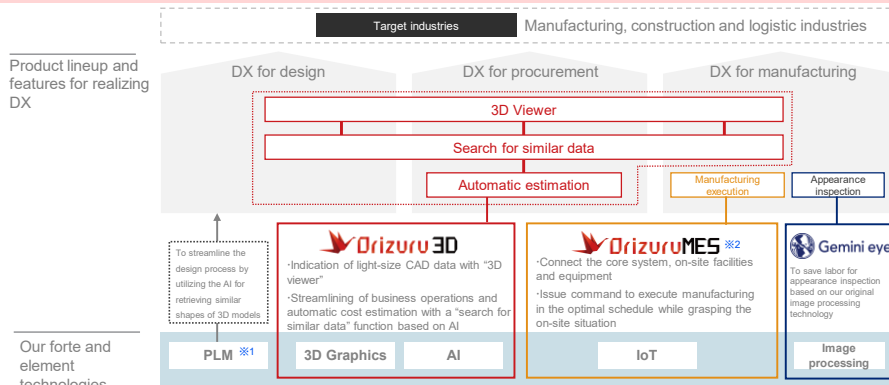
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Appendix		Our lineup of products			
<ul style="list-style-type: none">We use our original product “Orizuru” to respond to specific industries which require practical knowledge and individual customization.We integrate standard cloud products for common fields (Fit to Standard), and enrich our products in a stepwise manner.					
System configuration		Solutions we offer		Policy	
<div>Marketing Marketing management system</div>	<div>MA<div>Acquisition of prospective customers</div></div> <div>CRM/SFA<div>Customer managementMarketing management</div></div>	<div>CCT</div> <div>Partners</div> <div> WingArc 1ST</div>	<ul style="list-style-type: none">We have accumulated track records of Salesforce since 2014 as its business partner, and become a silver partner in 2021.We select the most suitable solution according to customer needs.		
<div>Data analysis Ledgers</div>	<div>BI/AI/ledgers</div> <div>Data visualizationForecastLedgers</div>				
<div>Mission-critical system (management)</div>	<div>ERP</div> <div>AccountingInventory managementProject managementSales managementProduction managementBudget management</div>	<div> mcf frame infor</div>	<ul style="list-style-type: none">We entered into a partner agreement with SAP in 2024.We focus on mcf frame/Infor of ERP for the manufacturing industry.		
<div>Specific industry middleware system (planning/execution)</div>	<div>1<div>Order receiptDesignProcurement</div></div> <div>2<div>MESManufacturing</div></div> <div>WMSLogistics</div> <div>CADPLM</div>	<div>1<div>Orizuru 3D</div></div> <div>2<div>Orizuru MES</div></div> <div></div>	<ul style="list-style-type: none">Core solutions of business operations which demand practical knowledge are integrated into Orizuru.Our subsidiary DDS can handle Teamcenter.		
<div>On-site system (control)</div>	<div>PLC</div> <div>DCS</div>	<ul style="list-style-type: none">Linkage with Orizuru			
Salesforce, Sales Cloud and other names are trademarks of Salesforce, Inc. We have obtained permissions to use them from Salesforce.					
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DX development base “Orizuru,” a database of knowledge accumulated over many years

- To actualize the functions demanded by customers swiftly at low cost by utilizing a DX development base “Orizuru”
- Working on various development projects evolves the standard functions of Orizuru (basically, no need for investment in development)

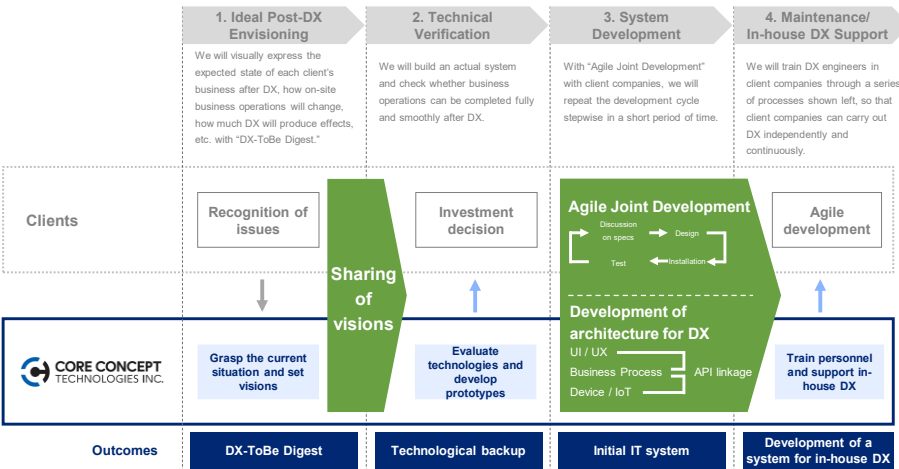
Various functions required for design, procurement and manufacturing DX (e.g. automatic estimation and manufacturing execution) and element technologies for realizing DX (e.g. 3D modeling, AI, and image processing) are converted into the standard functions of Orizuru. We named the product “Orizuru” as we hope that we want to vitalize the Japanese manufacturing industry which possesses fine and delicate technical capabilities like *paper crane*.



^{*1} Abbreviation for “Product Lifecycle Management.” It means aggregating various technological information on the entire product lifecycle, and using it to improve product development capabilities and corporate competitiveness.

^{*2} Abbreviation for “Manufacturing Execution System.” MES grasps and manages manufacturing processes, and gives instructions and support to workers.

- Original method to accompany and support our clients to realize DX in-house by utilizing Orizuru and Ohgi.
- Aim to continue maintaining quality and customer satisfaction even as the number of projects and employees increases.



- We aim to steadily increase the number of prospective customers by cementing the relationships with business partners, in addition to our efforts to acquire new clients.

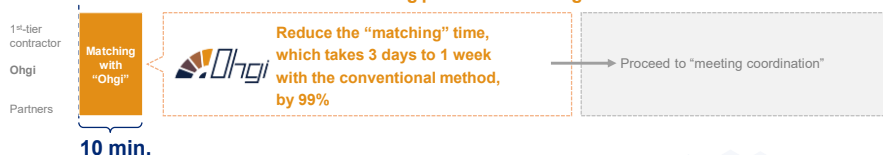
		Inbound	Outbound	Flow from partners
Dept. A Orizuru ERP PLM	Orizuru	●	●	
	ERP PLM	○	●	<div>Trading companies specializing in IT</div> <div>SAP</div> <div>Business engineering</div> <div>Aras</div> <div>Infor</div>
Dept. B Cloud products, such as Salesforce	Salesforce	○	△	<div>Salesforce</div>
	Products of Wingarc1st	○	△	<div>Wingarc1st</div> <div>Hongo Tsuji Tax & Consulting</div>

- Ohgi considerably reduces the time required for matching projects and personnel.
- We have formed a wide network of small and medium-sized IT enterprises.

Workflow in the conventional multi-outsourcing system (3 days to 1 week required for sending requests and proposals)



Matching process with “Ohgi”



Features of Ohgi

- ✓ A network of approximately 5,900 companies (about 140,000 IT personnel) centered in Tokyo
- ✓ Targets mainly at small and medium-sized IT enterprises (not freelancers)
- ✓ We will expand the network to include local IT enterprises.



We made a database of human resource network which includes many BPs we have cultivated since our founding and information on employees who belong to the companies.
The product was named “Ohgi” as we hope that “we want to expand our business to every corner of Japan.”

- **To foster win-win relationships so that CCT and business partners (BPs) will increase their respective sales**

1

Active outsourcing would contribute to sales growth and the maintenance of the ratio of engineers in service

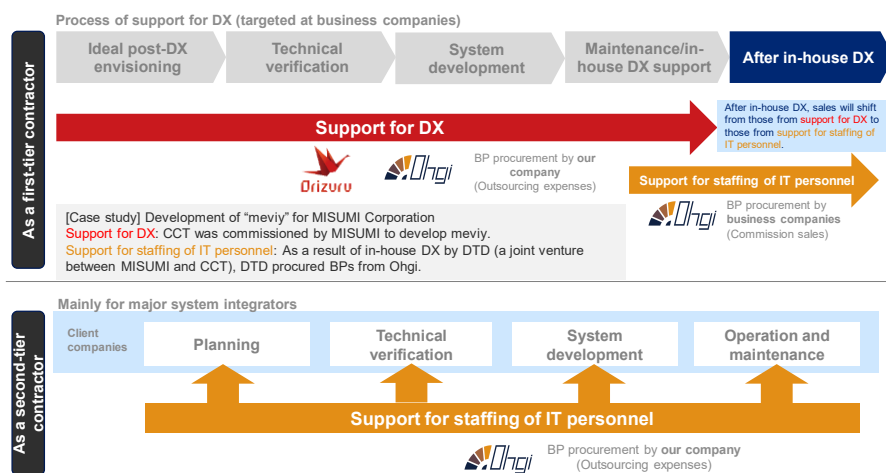
- CCT employs mainly project managers/leaders and specialists in the manufacturing, construction, and logistics fields, where we support DX.
- We actively utilize engineers of BPs procured through Ohgi, because general operations are dominant in the phase of development, operation, and management in the business of support for DX.
- General operations are dominant in the business of support for staffing of IT personnel (CCT undertakes tasks as a subcontractor from leading system integrators), so we raise the ratio of BPs. *In this system, CCT serves as project leader as a subcontractor, and enlists support from partners (outsourcing from leading system integrators to CCT to BPs). This is similar to and different from a general platform for matching system integrators and engineers, including freelancers.
- By utilizing outsourcing as a control valve, we keep the ratio of engineers of CCT in service around 100%.

2

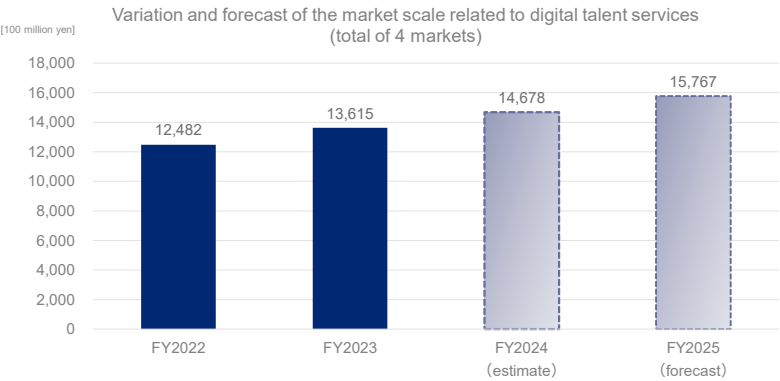
Provision of merits of sales growth to BPs

- We daily distribute plenty of information (projects directly entrusted to CCT and projects entrusted by leading system integrators) and offer opportunities to receive orders to business partners.
- In the structure where many intermediary agencies are involved, the unit prices of small and medium-sized IT enterprises decrease as the tier lowers. Meanwhile, they can join projects entrusted by CCT as a subcontractor (when CCT is directly entrusted) or a second-tier subcontractor (when CCT undertakes projects as a subcontractor), so their unit prices can be higher.

- Building a unique business model that ensures profitability even after “in-house DX” by supporting both DX and IT personnel staffing.



- The SES market scale is on an upward trend, and reached a 1.4 trillion yen scale.



Note 1: Business operators' net sales basis

Note 2: FY2024 is an estimate and FY2025 is a forecast.

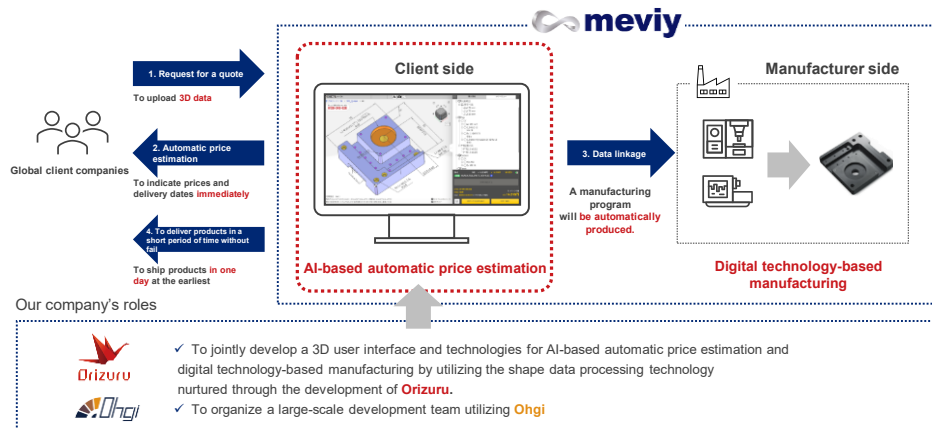
Note 3: A total of four markets including digital talent (IT engineers) dispatch service, digital talent agency service, digital talent direct recruiting service, and freelance digital talent matching service.

*Source: "Survey on the Digital Talent Service Market," published by Yano Research Institute in March 2025

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Development of a platform for receiving and placing orders for components

We supported the provision of services which enable users to upload design data and receive estimates immediately. We will utilize the shape data processing technology nurtured through the development of "Orizuru" for AI-based automatic price estimation and digital technology-based manufacturing.



*MISUMI Group Inc. received the Prime Minister Award at the 9th Japanese Manufacturing Awards for meviy.

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Example of support for DX: Support of Yokowo Co., Ltd. in constructing a smart factory

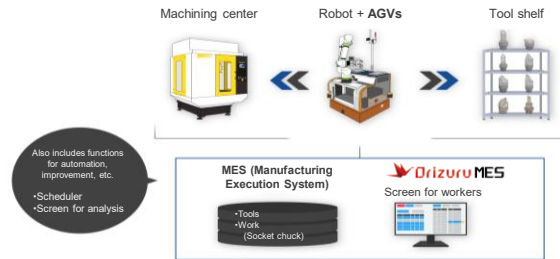
Support for construction of a smart factory

■ Purposes and results:

We resolved the bottleneck in the process for semiconductor inspection jigs through automation, doubled the operation rate (40% before automation to more than 80%), shortened the lead time for processing, and improved production capacity, which contributed to the work style reform and human resource development.

■ Measures we implemented:

Automated lines, which can be operated 24 hours a day, 365 days a year, have been constructed by linking existing equipment with **Orizuru MES**, AGVs and FA equipment.



Our company's roles



- ✓ Took responsibility for all processes ranging from identification of on-site issues, concept formation, proposal of solutions, and support for installation.
- ✓ Supported the designing of automation by linking **Orizuru MES**, AGVs and FA equipment.
- ✓ Provided a consultative support to proceed with a project.
- ✓ Assisted in embodying the concept for automation and making domestic and overseas factories automated ones.

Support for construction of a smart factory

- ✓ **A visualization of the overall concept of a smart factory**
- ✓ **Reforming the manufacturing line: Designed DX for production control, quality control, and production planning**
- ✓ **Resolving technical issues with a demonstration line**
- ✓ **Verifying reform policies, improvement effects, and ROI in each process**

Production plan optimization for each facility

Developing an hourly production plan that is standardized and designed for each production facility

Expected effect: Reduction of work dependent on individual skills



Automatic processing condition adjustment

Test processing, processing condition adjustment, and manufacturing are executed based on automatic measurement results and various sensor data.

Expected effects: Productivity improvement and quality improvement



Instructions to start construction for technicians

Issuing a work instruction list that directs each technician to perform high-priority work

Expected effect: Increased work efficiency



Understanding real-time production status

Real-time monitoring and understanding of production from anywhere, instead of traditional local monitoring and monthly tabulation

Expected effects: Remote work and real-time monitoring



Preparatory work instructions for technicians

Instructions for preparing necessary items, such as cutting tools required for processing, and individual identification by 2D barcode

Expected effects: Increased work efficiency and error prevention



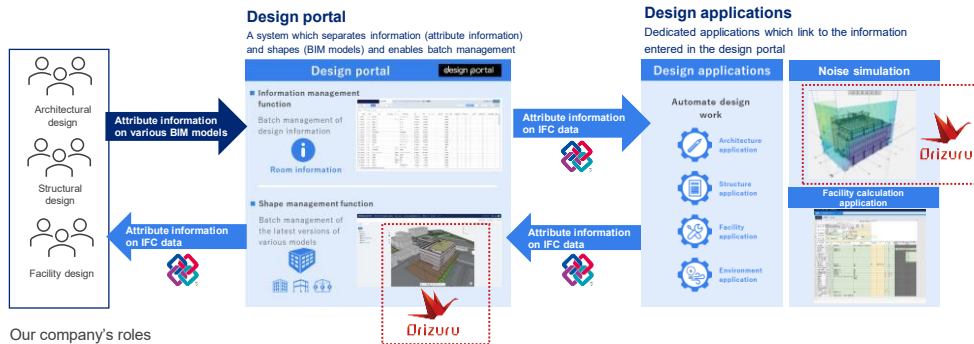
Example of support for DX: Support for design BIM tool development for Takenaka Corporation



Development of "design BIM tool"

We supported Takenaka Corporation in developing a "design BIM tool" which enables real-time linkage of design information on construction projects.

"Orizuru" provides such functions as IFC Viewer and sophisticated simulation based on three-dimensional processing technology.



Our company's roles



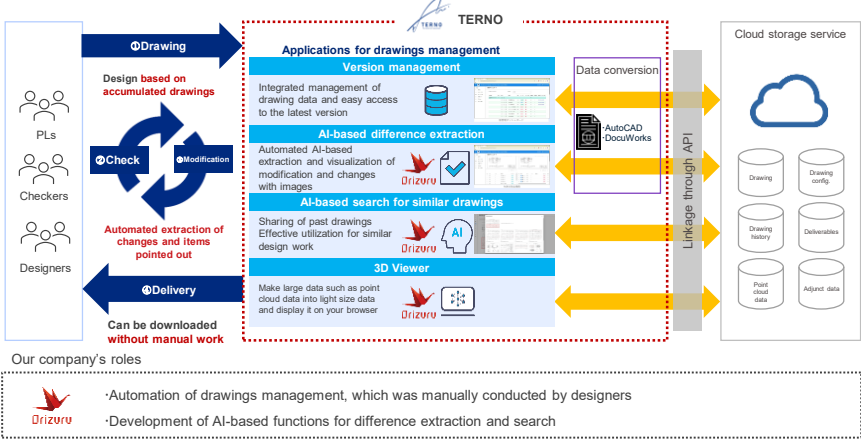
- ✓ It becomes possible to link various BIM data (IFC data) with design data and visualize them by utilizing **Orizuru's** three-dimensional technology.
- ✓ It becomes possible to develop a secure, scalable environment and engage in DevOps (CI/CD) by making the most of **AWS**.

Example of support for DX: Improvement in efficiency and quality in design work for Yachiyo Engineering Co., Ltd.



Development of a drawings management system

We supported the development of a drawings management system utilizing AI “TERNO,” which enables the integrated management of design information mainly consisted of two-dimensional drawing data.
We streamlined overall design work by eliminating operations still requiring human efforts such as visual inspection and manual work, which tend to be dependent on skills of certain personnel, and guarantee quality.



Remote management center establishment support

Dissemination of knowledge of veteran staff and tackling the issue of developing young human resources
Improving productivity and achieving workstyle reform for on-site employees through centralized management of information

Remote communication

In response to the problem of difficulty in maintaining on-site capabilities due to the mass retirement of veteran employees, by synchronizing on-site information such as images in real time at the remote management center, it is possible to obtain information equivalent to or better than the construction site even from remote locations, which makes it possible to provide support as if veteran employees were on the site.

Expected effects: Improvement of productivity, knowledge transfer and remote work



Consolidation of on-site operations

There was a concern that the number of mid-level workers responsible for on-site work would decrease, and the number of work sites that could be handled would decline, making it challenging to secure profits. In response to this, simple tasks common to each site, such as document preparation and photo sorting, which had been performed on-site until now, were consolidated at the remote management center to reduce the on-site workload.

Expected effects: Workstyle reforms and securing profits



Next-generation human resources development

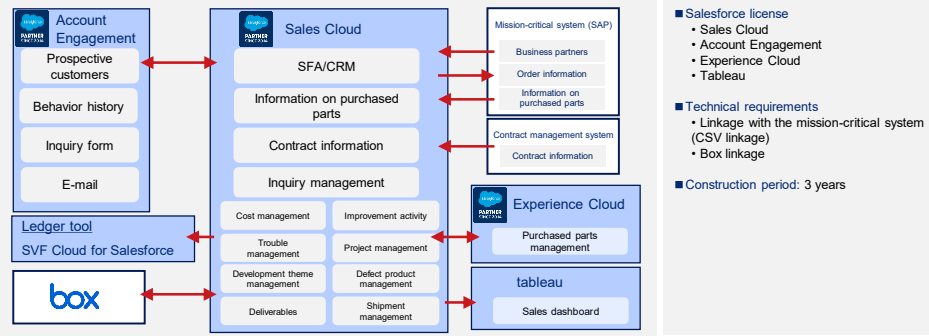
There was a chronic lack of opportunities for young people to be trained due to the small number of mid-career workers, resulting in knowledge not being passed to the next generations. In response to this, we created case method (simulation) type educational content using VR generated from the site information accumulated in the remote management center. In addition, we have established a system in which past knowledge is managed in a manner allowing it to be referred to at any time, providing opportunities for voluntary knowledge acquisition during operations.

Expected effects: Knowledge transfer and speeding up personnel training



Business streamlining DX

- We visualized the status with a company-wide dashboard, heightening the probability for order receipt with accurate management decision.
- We simplified the coordination with other departments, increasing the number of projects acquired and succeeding in the reduction of workload.
- We constructed the infrastructure where employees of Toray Engineering can concentrate on core businesses by enabling integrated management of each stage concerning CS, procurement, and planning.



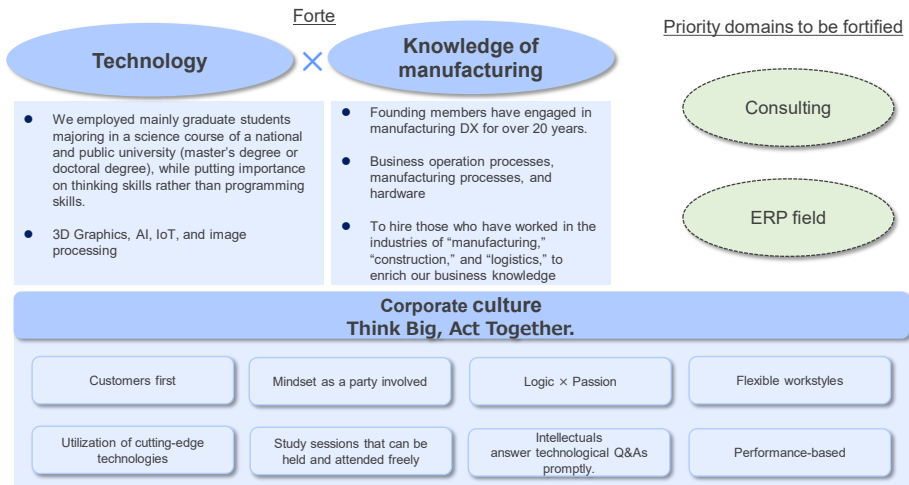
Our company's roles

- Provision of a company-wide information sharing tool based on Salesforce as a mission-critical system
- Unified the information on business negotiation, order receipt, and construction instruction by linkage between Salesforce and SAP

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- A group of engineers who promote down-to-earth DX with profound knowledge of on-site situations
- To develop an environment where workers can concentrate on their tasks with reasonable systems



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- [Excerpt from the integrated report]

Non-Financial Information

*2 GHG emissions are calculated based on non-fossil fuel certificates.
 *3 Category 15 emissions are not included because they are difficult to calculate.
 *4 Some furniture was disposed of due to the office relocation and layout changes.
 *5 Figures include employees in the process of taking parental leave (planning to take parental leave)
 *6 Figures for previous years have been revised due to a review of the aggregated data.

We prioritize the quality of employees over the number of employees, so we recruit mainly those who can engage in actual tasks immediately to

realize synergy with our company without fail.

As of now, there are no significant problems with the recruitment at subsidiaries.

Q&A: Regarding the sluggish growth of the number of order receipt for support for DX and its effect on plans

Nakajima: The question is “You mentioned the sluggish growth of the number of order receipt for support for DX as an issue. Is this so significant to affect the progress toward the goal of steadily increasing profit by around 15% between the fiscal year 2025 and the fiscal year 2026?”

Kaneko: Our company has a sense of crisis, but I think that we can overcome this issue by appropriately analyzing the status quo of our organization and continuously implementing measures for solving the issue.

I'll explain the background for this issue. Originally, our company has grown as a venture firm, but our business scale reached to the level with sales of nearly 20 billion yen. In order to expand the scale further, we need to enhance our organizational capacity.

Each project starts and ends, and sales from each project disappear or drop when it ends or the scale diminishes.

In addition, the larger the project scale is, the more significant the drop in sales is after the end of the project. Moreover, the capability of marketing is required for making new transactions, but the capability of marketing is less prioritized. This is an issue we face.

In order to solve this issue, we need to prioritize it and aim to improve it. Our company has not acquired a sufficient capability of marketing, so we have a sense of crisis. Accordingly, we need to make the utmost effort to tackle the issue.

I think this issue can be solved, but the current market has growing uncertainties due to the tariffs imposed by Trump and others. I think it is necessary to implement a down-to-earth approach to receiving orders while considering that such factors intensify in this season and enhancing our activities.

Our business is progressing steadily, but we will engage in our business with a sense of crisis without becoming optimistic. We will put all our

energy, so that we will be able to achieve a growth rate of 15%.

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