



FY2025

Financial Results

02/2026

LTS, Inc.

(TSE Prime Market Securities code 6560)



- 1. Highlights**
2. Business Overview
3. FY2025 Financial Results
4. Reorganization of Business Segments
5. FY2026 Forecast
6. Medium- to Long-Term Growth Scenario
7. Shareholder Return & Capital Management Policy
8. Reference Material

Highlights

FY2025 Earnings and Business Progress

Net sales

17,101 million yen

YoY % change: + 3.1%

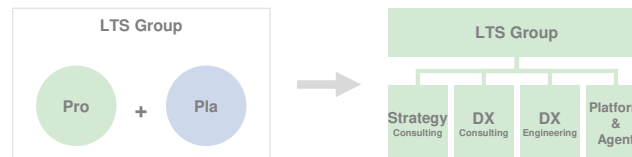
Operating profit

1,185 million yen

YoY % change: + 7.0%

- Overcame the impact of one-time losses to achieve a third consecutive year of revenue and profit growth, reaching a new record high
 - Mainstay Professional Services Business maintained strong performance and accelerated growth
 - Platform Business reached a plateau
 - FY2025 DPS is 35.0 yen (5 yen dividend increase)
- Progress in strengthening the business foundation toward VISION2030
 - Eliminating distortions in the human resources portfolio
 - Strengthening customer relationships and developing new customers
 - Expanding brand awareness in SX, GX, and business architecture domains

Structural Changes and Dialogue with the Market



- Strengthening portfolio management in response to the integration and increasing complexity of services
 - Services with different models grew during the integration process
 - Optimizing growth strategies for each individual service
 - Need to improve the accuracy of earnings management across the entire Group
- Organizing the framework for promoting dialogue with the market
 - Reorganization of Business Segments
 - Clarifying models for each service domain
 - Disclosure of key KPIs for each service domain

Highlights

FY2026 Earnings Forecast

Net sales

18,300 million yen

growth: ~ 7.0%

Operating profit

1,600 million yen

growth: ~ 34.9%

- Adjusted the FY2026 earnings forecast based on FY2025 business progress and changes in the internal and external environment
- Aim for stable growth in net sales
- Operating profit will recover from the decline in FY2025 and return to a growth trend of 20% per year
 - Strategy Consulting : Maintain high operating margin
 - DX Consulting : Stable utilization rate and unit price improvement
 - DX Engineering : Improvement in productivity and operating margin
 - Platform & Agent : Continue structural reforms

Medium- to Long-term Direction and Shareholder Returns



Best Partner for the Digital Era
(Transformation × Business ×
Organization = Co-creation)



**Balancing business growth
investments and
shareholder returns**

- Reformulating the 3rd Growth Plan in response to segment reorganization and increasing uncertainty in the business environment
 - Changes in demand structure due to selection of DX investments
 - Changes in value delivery structure due to rapid progress of AI
 - Overheating of the human resources market and risk of rising personnel expenses
 → Continue growth strategy to maintain 20% growth in operating profit
- Continuously expand shareholder returns while prioritizing investments for business growth
 - Continue investment in human capital (compensation, recruiting, and training)
 - Maintain a dividend payout ratio of approximately 20%, with FY2026 DPS of 40.0 yen (planned 5 yen dividend increase)

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Brand Slogan



Install AGILITY in your Business

Best Partner for the Digital Era

Supporting not only digitalization but also management, business, and organization in the digital era.

- Transformation partner -

**Strengthening
of “reform promotion skills”**

(Project support on the user side)

×

- Business partner -

**Enhancement
of “adaptability to change”**

(Business architecture design, construction, and management)

×

- Organizational partner -

**Enhancement
of “ability to create change”**

(Instilling change awareness and developing change leaders)

=

- Partner in collaborative innovation -

**Evolution
into a 'company
that creates the future”**
(Acquisition and Enhancement of business agility)

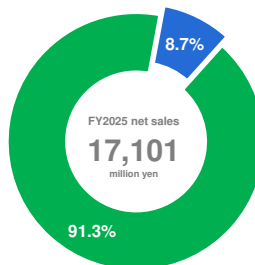
Causes of Failure in Corporate Transformation and Our Support

- A partner is needed to overcome the obstacles (causes of failure) that exist at each corporate transformation level together

Corporate Transformation Level	Initiative	Result of Initiative	Cause of Failure	Our Support
<p>3rd Level</p> <p>Strategy Development</p> <p>Organizational Transformation</p> <p>2nd Level</p> <p>Business structure reform (Design)</p> <p>Business structure reform (Management)</p> <p>1st Level</p> <p>Operational/System Transformation</p>	<p>Portfolio Management (Program group + operation)</p>	<p>Transformation does not become routine Unable to fully increase competitiveness (Making "DX" an event, dependence on external partners)</p>	<p>Customs and culture have not changed (Divergent sense of crisis, continuation of conventional customs and ways of doing things)</p>	<p>【Organizational Partner】 Enhancement of "ability to create change" (Instilling change awareness and developing change leaders)</p>
	<p>Program Management (A set of transformation projects)</p>	<p>Stopped at process digitalization (New products/services not created, business models unchanged)</p>	<p>Failure to comprehensively transform business structures (Separation of business and digital, individual optimization of operations driven by strong sites)</p>	<p>【Business Partner】 Enhancement of "adaptability to change" (Business architecture design, construction, and management)</p>
	<p>Project Management (A series of transformation actions)</p>	<p>Poor ROI of transformation projects (Unsatisfactory quality, budget overruns, and schedule delays)</p>	<p>Weak structure and promotion on part of user companies (Insufficient requirements analysis, unclear requirements definition, inadequate project management)</p>	<p>【Transformation Partner】 Strengthening of "reform promotion skills" (Project support on the user side)</p>

Business Structure

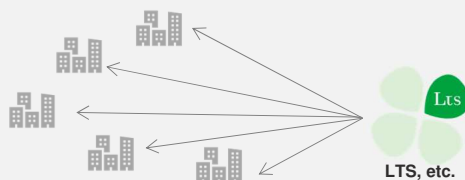
- Supporting clients in management, business, and organizational operations through our professional services business and platform business to increase the digital competitiveness of Japanese companies



Professional services business

Support reform and DX at each company

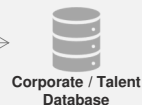
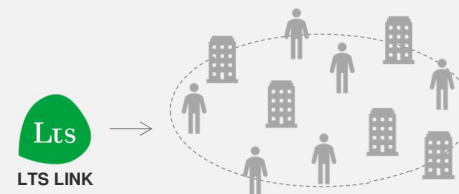
- Services for large companies and government agencies
- Promote co-creation with clients
- Utilize LINK as external resource database (synergy)



Platform Business

Provide platform promoting collaboration across IT industry

- Services for small and medium-sized enterprises, venture companies, IT companies, and freelancers
- Promote collaboration and co-creation among members within the platform
- Support the formation of LTS project teams (synergy)



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FY2025 Financial Results Summary

Net sales

17,101 million yen

YoY growth rate **+3.1%**
 Quarterly Plan Achievement Rate **—%**
 Progress vs. Post-revision Forecast **93.6%**

Operating profit

1,185 million yen

YoY growth rate **+7.0%**
 Quarterly Plan Achievement Rate **—%**
 Progress vs. Post-revision Forecast **100.5%**

Reference) FY2025 Post-revision Forecast

Net sales

18,280 million yen

YoY growth rate **10.2%**

Operating profit

1,180 million yen

YoY growth rate **6.5%**

Consolidated Financial Results

• 4Q standalone

Net sales were below expectations as growth in the Platform Business continued to slow, but profit was secured as planned through cost management and other measures.

• Full year

Absorbed the impact of one-time losses incurred during the period, achieving increases in both revenue and profit with net sales up 3.1% YoY and operating profit up 7.0% YoY.

Professional services business: Continued steady growth by expanding the customer base and increasing added value

Platform Business: Revenue and profit decreased due to delays in structural reforms

• Shareholder return

Dividend increased by 5.0 yen from FY24 (DPS = 35.0 yen)

• FY26 Outlook

The professional services business is expected to maintain stable growth under the outlook that the favorable business environment will continue.

For the Platform Business, a review was conducted based on the principles of business operations, and the earnings outlook for FY26 and beyond was adjusted.

Consolidated operating profit for FY26 is expected to be 1,600 million yen.

FY2025 - Consolidated Profit and Loss Statement

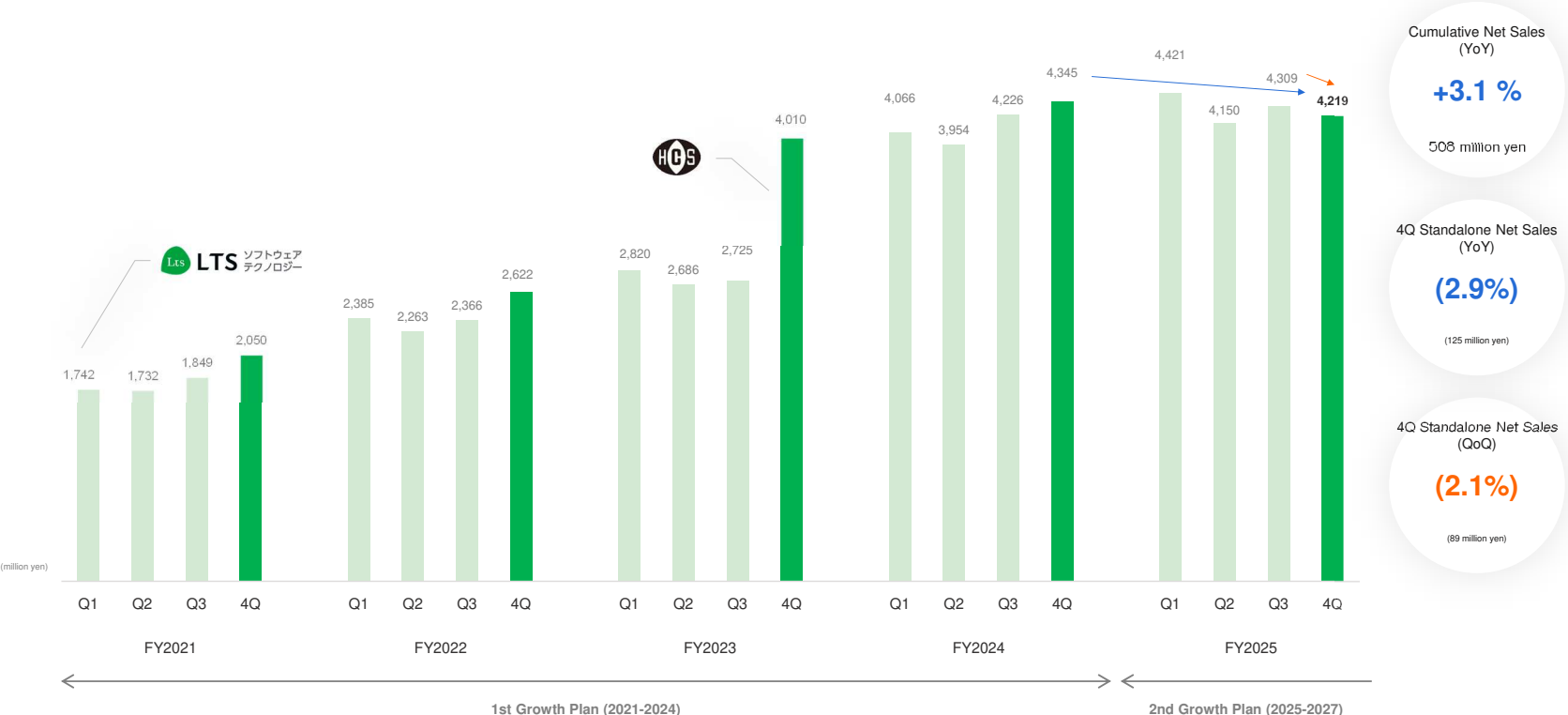
- Both net sales and operating profit show solid growth YoY
- Profit attributable to owners of parent decreased YoY due to the recording of 220 million yen in extraordinary losses related to service provision, as well as the impact of the absence of 567 million yen in gain on sale of non-current assets recorded in the previous period.

(Millions of yen)	FY2025 Results	FY2025 full year plan (Post-revision)		YoY % change			FY2025 4Q results (Standalone)	YoY % change		QoQ % change	
		Plan	Progress	FY2024	YoY growth rate			FY2024 4Q	YoY growth rate	FY2025 3Q	QoQ change
Net sales	17,101	18,280	93.6%	16,592	↑ 3.1%		4,219	4,345	↓ (2.9%)	4,309	(2.1%)
Gross profit	6,092	6,890	88.4%	5,903	3.2%		1,589	1,551	2.4%	1,621	(2.0%)
Gross profit margin	35.6%	37.7%	-	35.6%	0.0pt		37.7%	35.7%	2.0pt	37.6%	0.1pt
Operating profit	1,185	1,180	100.5%	1,107	↑ 7.0%		301	341	↓ (11.7%)	410	(26.7%)
Operating margin	6.9%	6.5%	-	6.7%	0.3pt		7.1%	7.9%	(0.8) pt	9.5%	(2.4) pt
Ordinary profit	1,293	1,230	105.2%	1,069	21.0%		376	273	37.6%	391	(3.8%)
Profit before income taxes	1,006	1,020	98.7%	1,459	(31.0%)		299	525	(42.9%)	377	(20.4%)
Profit attributable to owners of parent	696	650	107.1%	973	↓ (28.5%)		223	273	↓ (18.3%)	246	(9.3%)

* EBITDA: 1,461 million yen / EBITDA margin: 8.5%

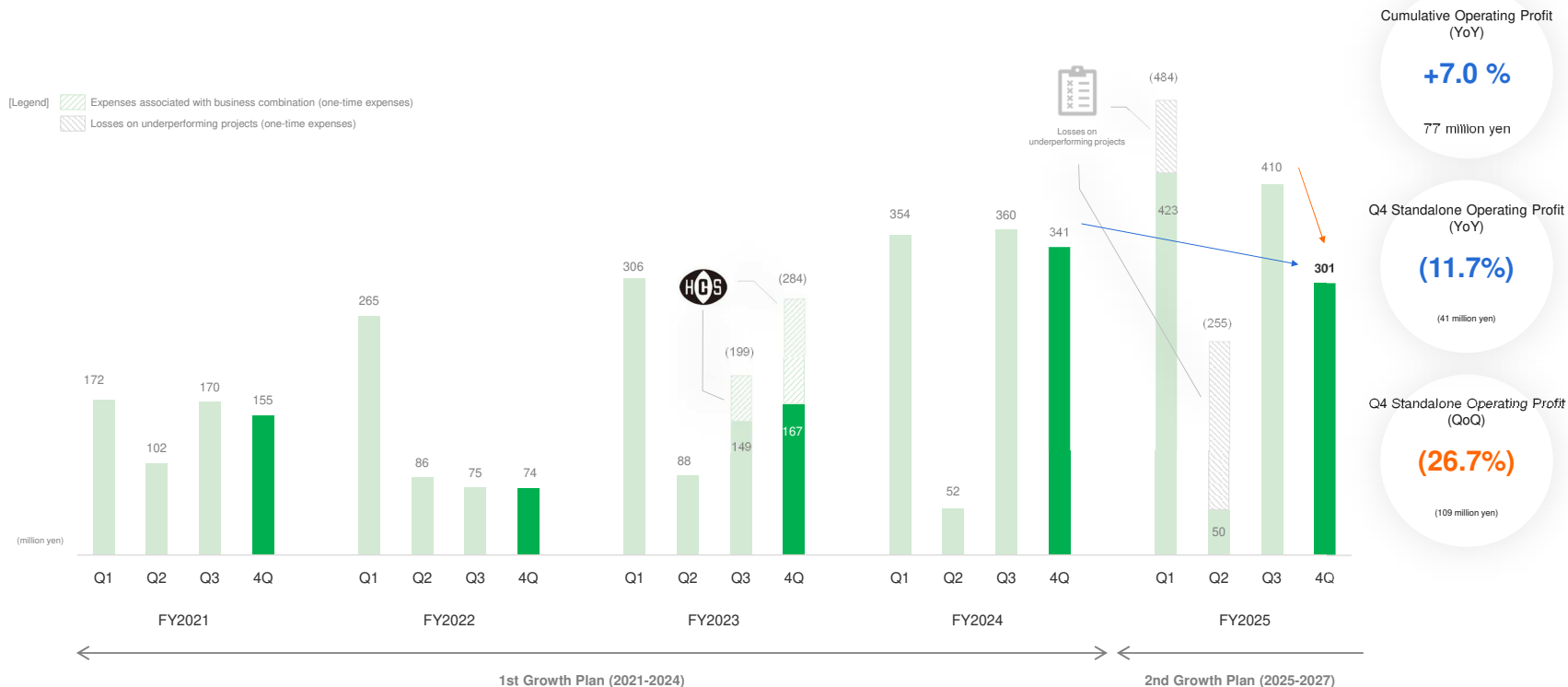
Quarterly Trend in Consolidated Net Sales

- Due to the impact of the downsizing of some projects with high outsourcing ratios, standalone quarterly net sales for 4Q came in lower than the same period of the previous year and the previous quarter.



Quarterly Trend in Consolidated Operating profit

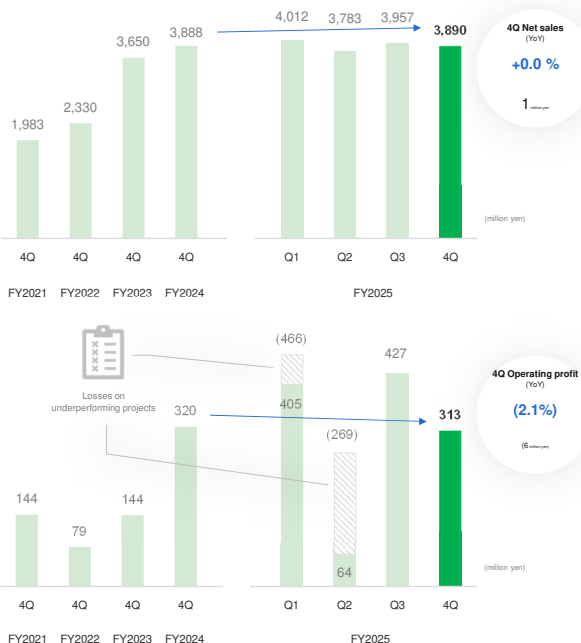
- Due to the impact of the concentration of work on large-scale projects for which revenue is recognized on a percentage-of-completion basis in Q3, Q4 standalone quarterly operating profit fell below the same period of the previous year and the previous quarter.



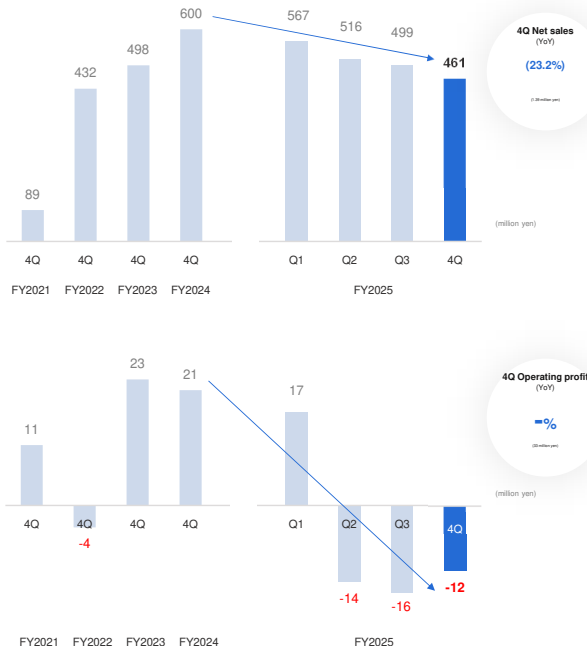
Quarterly Performance Trends by Segment

- Revenue in the Professional services business continued to grow steadily, while the Platform Business continued to underperform

Professional services business



Platform Business



Factors for underperformance

- Weak grip on projects and personnel led to a decline in the number of active employees in the Professional Hub service
- Sluggish sales expansion of SaaS solutions, which were expected to be a new pillar
- Delayed start of profit contribution from other new service groups



Measures for turnaround

- Changes and strengthening of the management structure
- Selection and concentration of service groups that have expanded based on the platform
- Increasing the intensity of sales activity management to improve sales productivity
- Thorough cost control

FY2025 - Consolidated Balance Sheet

- Although net cash decreased due to new long-term borrowings and the purchase of treasury shares in 2Q, a certain equity ratio was maintained, securing financial capacity to support aggressive investment.

(Millions of yen)	FY2025 Results	YoY % change		QoQ % change	
		FY2024	YoY change	FY2025 3Q	QoQ change
Current assets	6,877	8,281	(1,404)	7,042	(165)
Cash and deposits, etc.	3,376	5,447	↓ (2,071)	3,641	↓ (265)
Non-current assets	3,154	3,120	33	3,135	19
Total assets	10,031	11,402	(1,370)	10,178	(146)
Current liabilities	3,102	3,653	(551)	3,154	(52)
Non-current liabilities	2,166	3,182	(1,015)	2,377	(210)
Total liabilities	5,268	6,835	(1,567)	5,531	(262)
Interest-bearing debt	2,923	3,889	↓ (966)	3,159	↓ (236)
Total equity	4,648	4,452	195	4,533	114
Net assets	4,763	4,566	196	4,646	116
equity ratio	46.3%	39.1%	↑ 7.2pt	44.5%	↑ 1.8pt

Reference indicators
(FY2025 4Q results)

Net cash	453
Net D/E ratio	(0.10)
Liquidity ratio	221.7%

Q4 FY2025 - Activities Summary

Human Resources

Accelerated initiatives to strengthen specialization to reinforce the new human resources portfolio framework

- Full-scale launch of CoP (Community of Practice) activities
- 10 new employees obtained professional qualifications in the PM and BA fields
- Renewed talent management system

Customers

In addition to strengthening account sales for key customers, made progress in developing promising new clients

- 23 new clients added as a result of marketing activities
- Continued large-scale transactions with the public sector, including central ministries, local governments, independent administrative agencies, and national university corporations

Services

Accelerated activities other than project support for individual companies to improve corporate transformation and DX promotion capabilities

- Led the definition of "business architects" in the Ministry of Economy, Trade and Industry (METI) task force
- Invested in Ascend Inc., a logistics DX startup

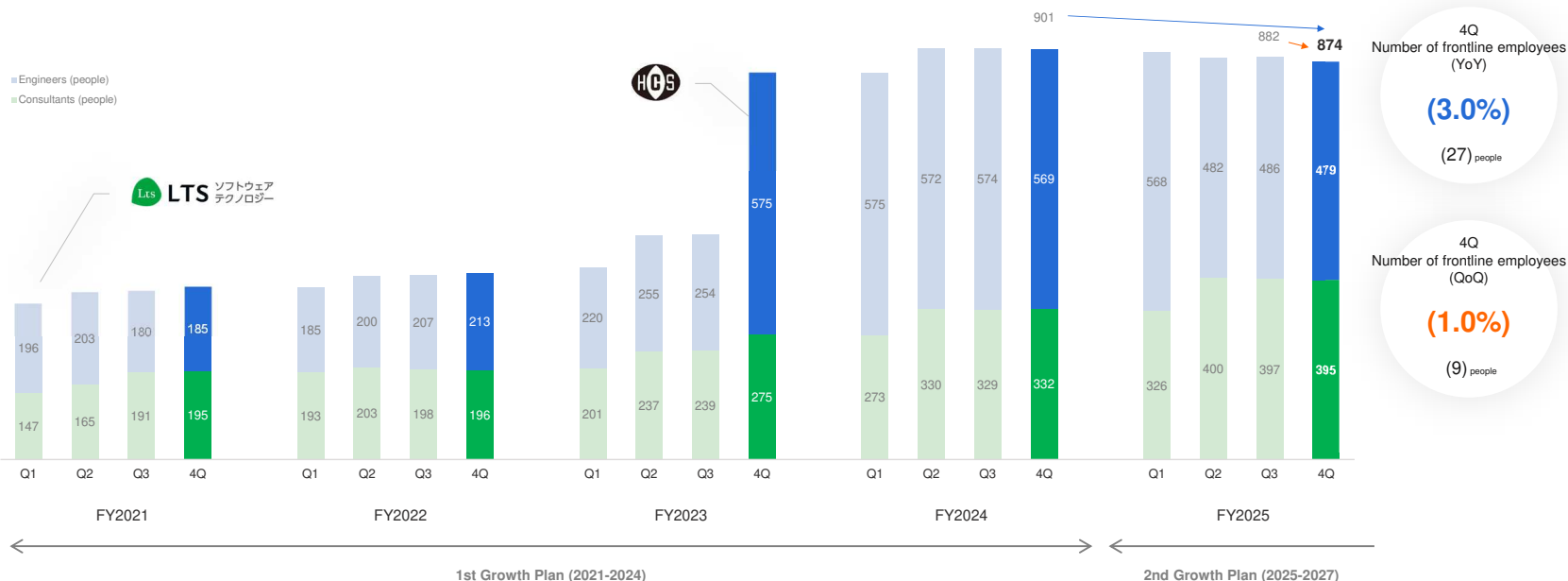
Group Management, etc.

Promoted the sharing of knowledge specialized in technology that supports DX across the entire group

- Held Tech Day to share research content across the group
 - "Technical themes" such as AI and quantum computing
 - "Methodologies" such as project management
 - "Careers" such as technology transformation human resources

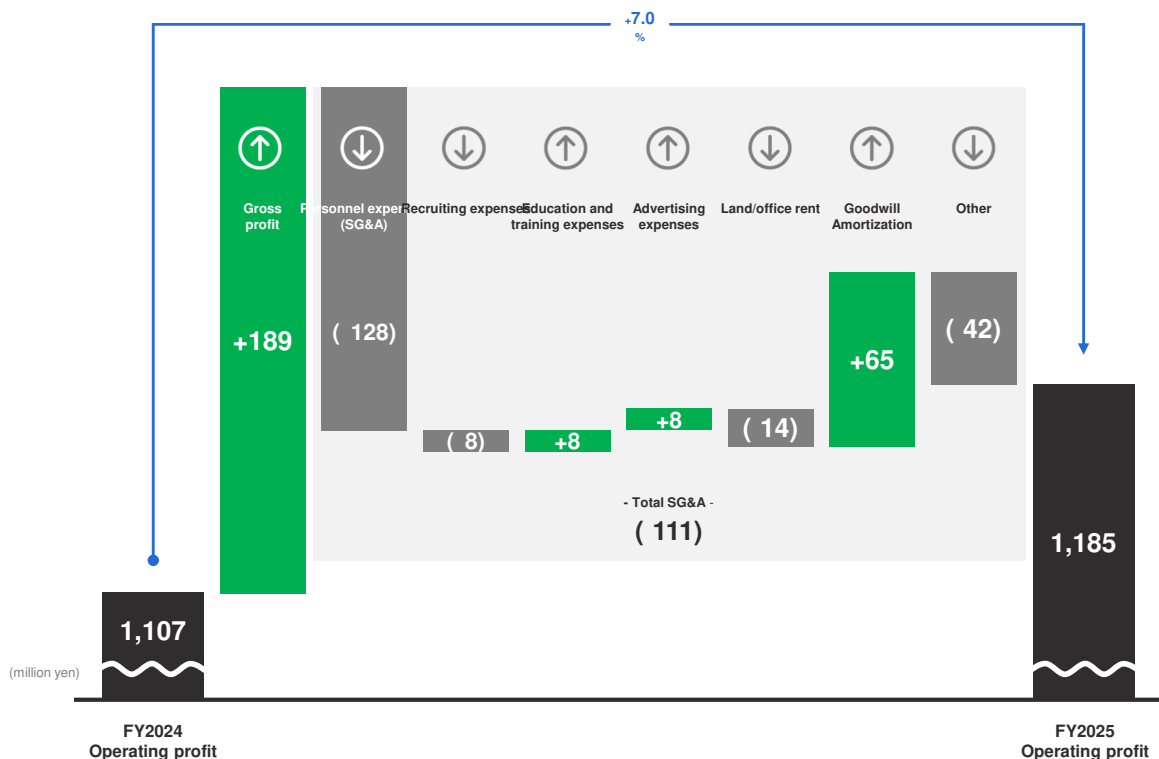
Quarterly Trends in Number of Frontline Employees (Consolidated)

- Although the number of frontline employees will not reach initial assumptions, significant progress has been made in optimizing the composition ratio of consultants and engineers (turnover rate controlled at 9.6%)
 - Consultants: Increased by 63 people due to hiring as well as progress in reskilling engineers to system analysts
 - Engineers: Decreased by 90 people due to headcount reduction from deconsolidation and curbed hiring reflecting the utilization and impact of generative AI
- LTS, Inc. plans to actively expand recruiting activities aiming for 950 frontline employees at the end of FY2026



Factors for Change in Consolidated Operating Profit

- Controlled the SG&A growth rate (2.3%) within the gross profit growth rate (3.2%), despite the impact of one-time losses



Gross profit
(YoY)

+3.2 %

189 million yen

Operating profit
(YoY)

+7.0 %

77 million yen

• Gross profit

- Slight increase after absorbing one-time losses
- Improving gross profit is the top priority for profitability recovery

• Personnel expenses (SG&A)

- Utilization rate of front-line employees decreased due to mid-term cancellation of large-scale projects, leading to an increase in SG&A personnel expenses
- Controlling SG&A is also a key issue for profitability recovery

• Investment-related SG&A (Recruiting, Education and training, Advertising, Land/office rent)

- Some investments were suppressed due to the impact of one-time losses
- Active investment is scheduled to resume in FY2026

• Expense-related SG&A (Goodwill, Other)

- Amortization decreased due to a reduction in the goodwill balance
- Various service fees and depreciation and amortization increased slightly

Dividends of surplus

- For FY2025, LTS, Inc. will set the dividend per share at 35.0 yen, based on earnings progress and financial status.
 - 5.0 yen increase from FY2024
 - From August to October 2025, LTS, Inc. purchased treasury shares for a total of approximately 500 million yen, resulting in a total return ratio of 93.9% (including dividends and share repurchases).

Annual dividend per share

35 yen

(Ordinary dividend)
(Year-end dividend)

Dividend payout ratio

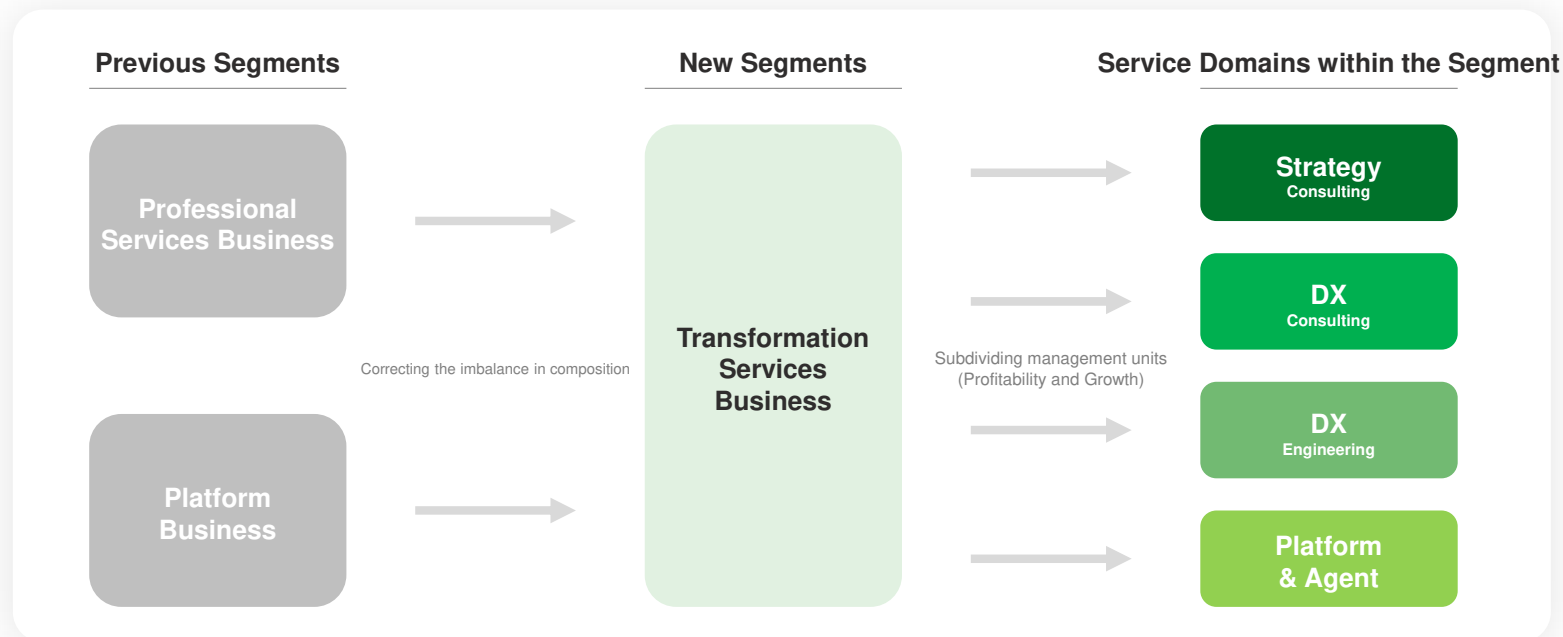
22.8%

(Calculated based on FY2025 results)

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Background and Objectives of Segment Changes

- Improve the quality of dialogue with investors by changing the management units for earnings in response to changes in the business environment
 - The Platform Business is slowing down relative to the high growth of the Professional services business, and its percentage of earnings is decreasing
 - Multiple service domains with different profit/revenue models and growth models are growing even within the Professional Services Business

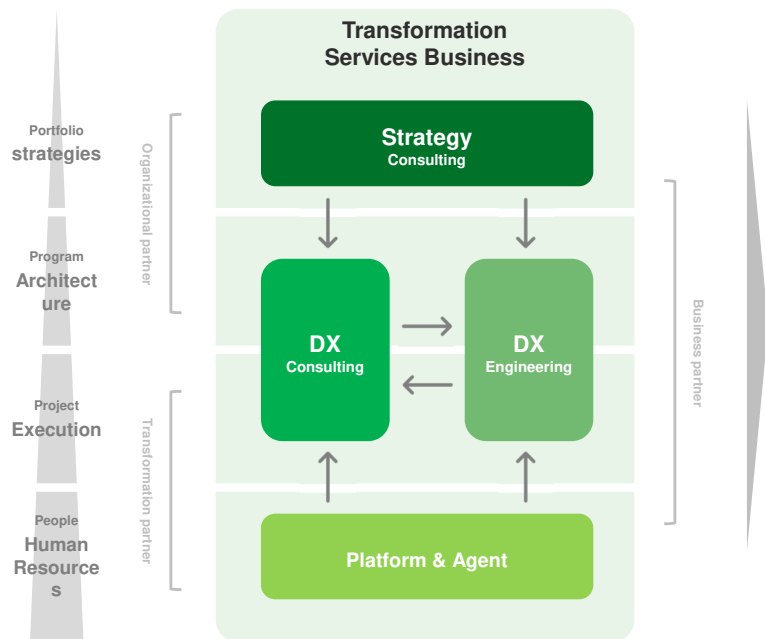


Transformation Services Business

- As a partner in organizational, business, and reform initiatives, LTS, Inc. provides four service domains comprehensively to support the transformation and growth of clients.



Business Overview



Service domain

Strategy Consulting

Decision-making support under uncertainty

- Management strategy establishment
- SX / GrmX
- M&A / PMI

DX Consulting

Structural design for companies where reform is becoming routine

- Business strategy establishment and business structure management
- BX / DX / CX / GovX
- Reform human resources training and new business development support

DX Engineering

Support for building evolving digital foundations

- BX / DX / CX / GovX
- Data management
- Solution / product development

Platform & Agent

Supply of reform promotion human resources

- Professional procurement and training
- Project and human resources matching
- Community operations



Key Case Studies

(NEDO) Wide-area blue carbon potential estimation

- To promote BC-PJ, which is attracting attention as a countermeasure against global warming, LTS, Inc. built and provided a database of suitable sites around Japan. Encouraged corporate participation and contributed to carbon reduction and the expansion of the carbon credit market.

(General trading company) Collaborative DX promotion

- Shared a digital vision with the head office DX promotion department and collaboratively promoted mid-term DX. Provided integrated support for consulting dispatch, construction of project and knowledge management foundations, and in-house human resources development.

(Car manufacturer) Technology transfer utilizing generative AI

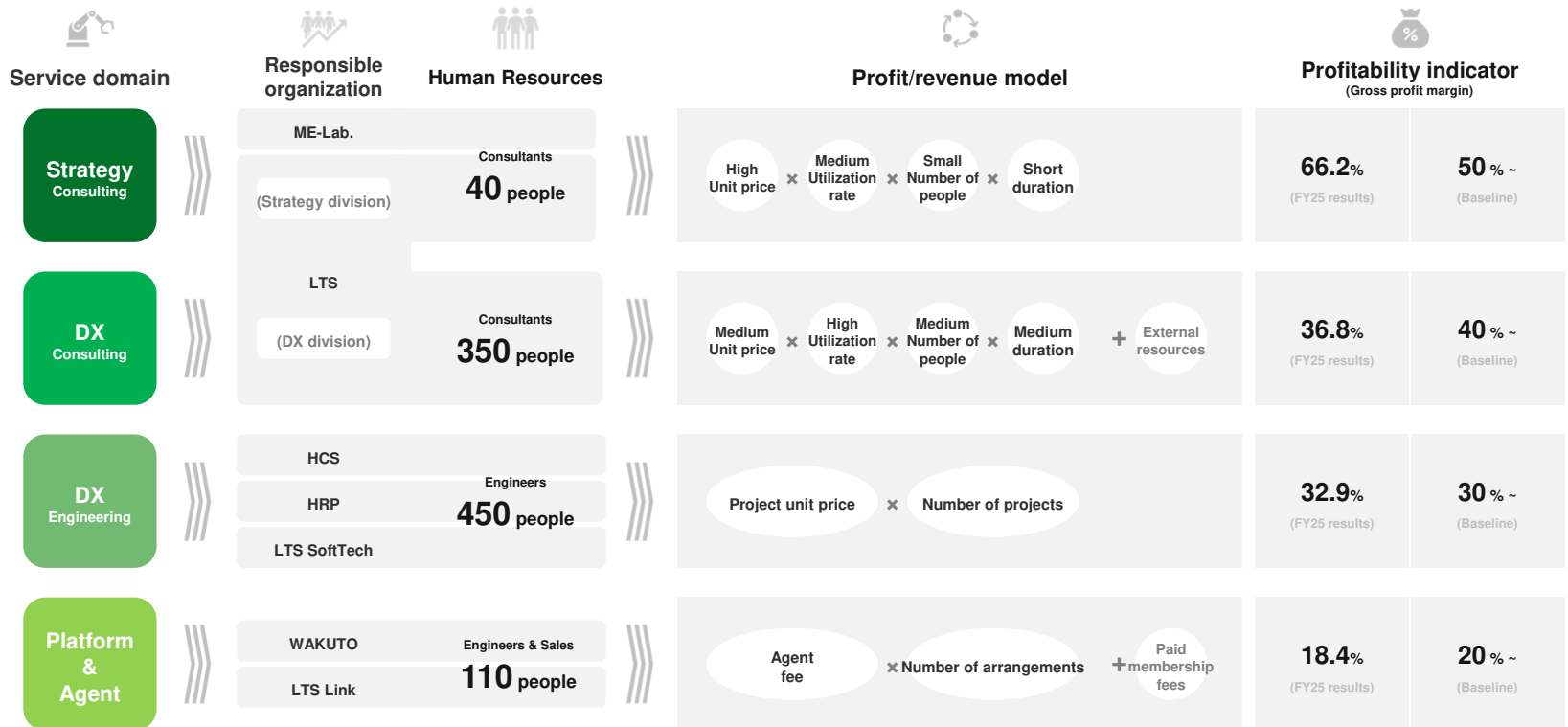
- Applied generative AI to the learning of tacit knowledge, which was previously difficult, with the aim of improving manufacturing quality through technology transfer. Promoted business organization, technical data preparation, and independent LLM development as a three-pronged approach.

(Platform) assign navi

- Operates a platform where more than 5,000 companies and more than 8,000 freelancers gather. Provides a place where projects and human resources, companies and companies, and individuals and individuals can meet.

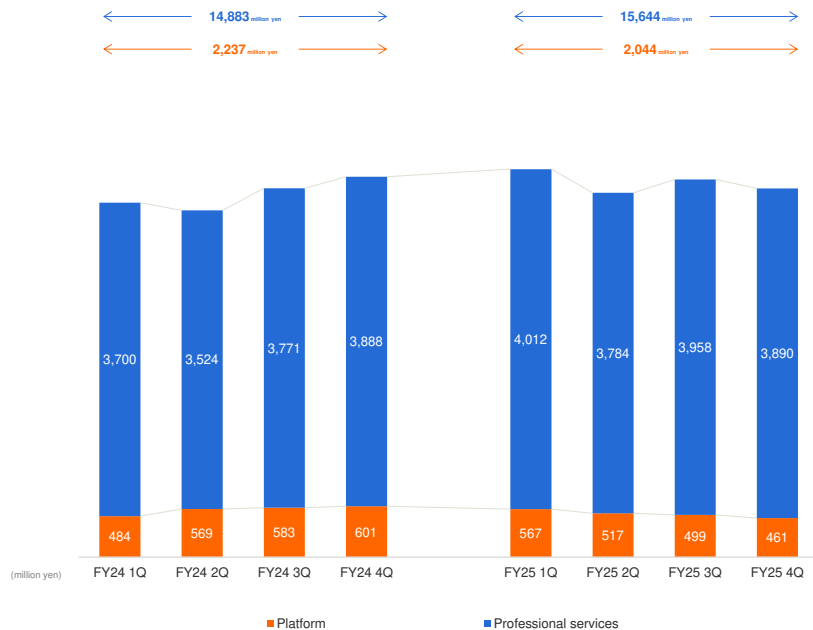
Profit Model and Profitability by Service Domain

- As profitability in the DX engineering domain is recovering, the DX consulting domain, where profitability has not yet reached the benchmark, is the key point for profitability improvement (large room for growth as it is also a volume zone).



Reference) Comparison of Earnings Trends by 2 Segments and 4 Service Domains

- (Conventional) Net Sales Composition by 2 Segments (FY24-25) -

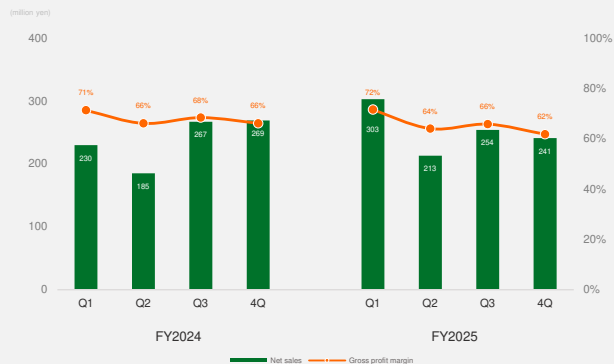


- (Future) Net Sales Composition by 4 Service Domains (FY24-25) -

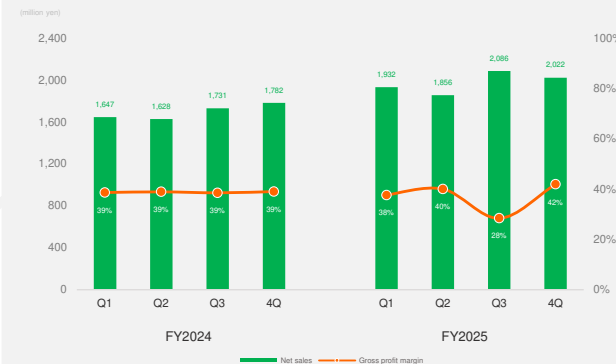


Reference) Past Results by Service Domain

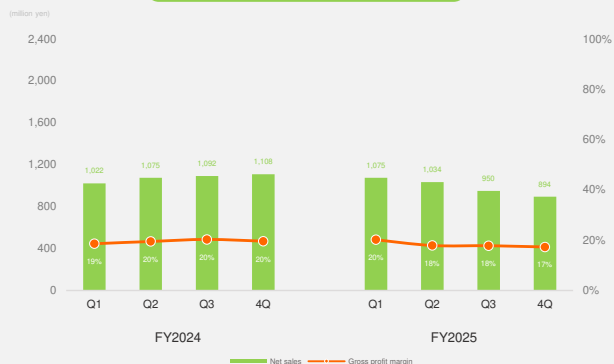
Strategy consulting



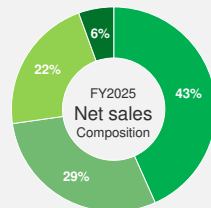
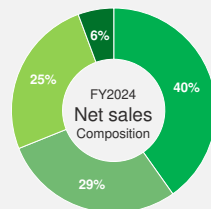
DX consulting



Platform & Agent



DX Engineering



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FY2026 Consolidated Performance Forecast (Net Sales)

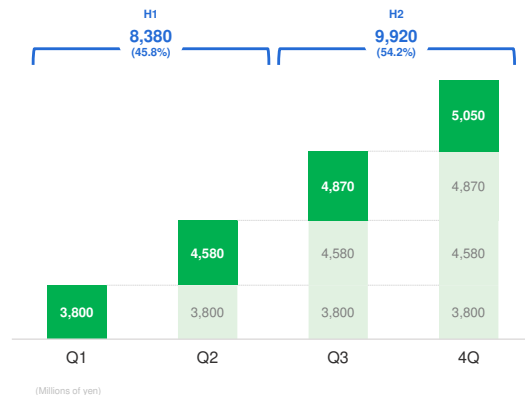
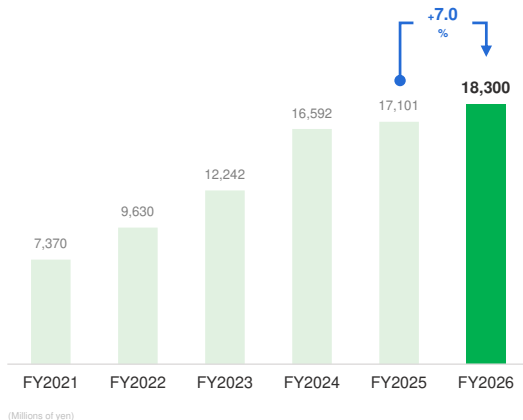
- In FY2026, LTS, Inc. will continue to prioritize the recovery of profitability and emphasize operating profit growth over net sales growth.
- Regarding net sales in 2Q, there is usually a tendency for results to fall below 1Q levels due to a slow project period (a temporary decrease in investment activities by companies with a March fiscal year-end). However, in FY2026, LTS, Inc. expects to maintain sales levels, partly due to the impact of net sales recognition based on the percentage-of-completion method.



Net sales

18,300 million yen

FY21-25 CAGR +23.4%



FY2026 Consolidated Performance Forecast (Operating Profit)

- In FY2026, LTS, Inc. will continue to prioritize the recovery of profitability and emphasize operating profit growth over net sales growth.
- Operating profit for 2Q is expected to be significantly lower than 1Q results due to the annual intake of new graduate employees (three-month training for employees joining in April).

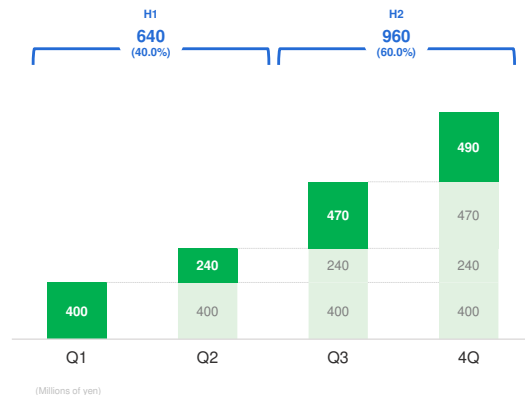
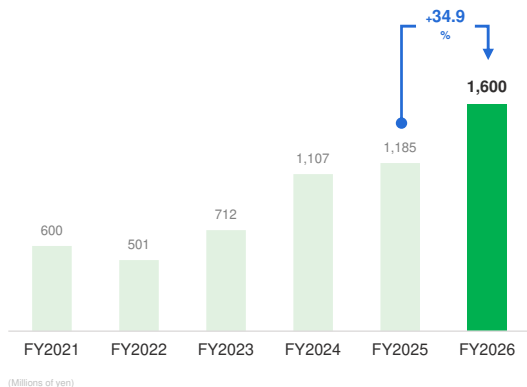


Operating profit

1,600 million yen

FY21-25 CAGR +18.5%

Operating margin 8.7%



FY2026 Consolidated Performance Forecast Adjustment

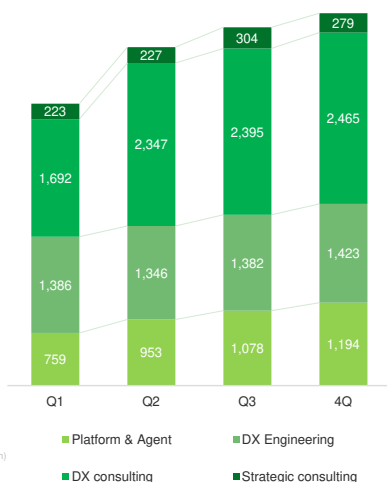
- Based on FY2025 results, net sales growth speed will be slightly suppressed
- In line with the Medium- to Long-Term Growth Scenario, operating profit will maintain steady growth in both growth rate and operating margin

(Millions of yen)	FY2025 Initial assumptions	FY2025 results	Evaluation by Segment	4 consecutive periods of increased revenue and profit			FY2026 forecast	change	growth
				(As of FY25 initial) FY2026 forecast	(As of FY25 end) Current situation and response	Assumptions for adjustment			
Net sales	18,280	17,101		20,150	(1,850)	➔	18,300	1,198	+7.0 %
Former Professional Services Business	16,500	15,643	Achievement rate: 94.8% Outsourcing sales are gradually decreasing ➔	18,000	Demand is strong, but prioritizing profitability without relying on outsourcing sales	(1,050)	16,950	1,306	8.4%
Former Platform Business	2,400	2,044	Achievement rate: 85.2% Number of matching constraints decreased ➔	2,800	Delays in establishing a structure to strengthen sales capabilities resulted in opportunity losses	(800)	2,000	(45)	(2.2%)
Operating profit	1,400 (7.7%)	1,185 (6.9%)		1,680 (8.3%)	(80)	➔	1,600 (8.7%)	414 (1.8pt)	+34.9 %
Former Professional Services Business	1,280 (7.8%)	1,211 (7.7%)	Achievement rate: 94.6% Exceeded if not for one-time loss ➔	1,525 (8.5%)	Unit price continues to rise, and utilization rate is also trending stably	+30	1,555	343	+28.4 %
Former Platform Business	120 (5.0%)	(25) (1.2%)	Achievement rate: (21.2%) Decrease in sales directly linked to profit decline ➔	155 (5.5%)	Structural reforms are complete, but profit generation capability is still recovering	(110)	45	70	n/a
Ordinary profit							1,615	Assumed EPS	
Profit attributable to owners of parent							1,050	238.5 yen	

FY2026 - Earnings Forecast by Service Domain

- The favorable market environment continues, and LTS, Inc. aims for (1) stable top-line growth and (2) continuous 20% growth in operating profit, driven by the core DX consulting domain.
- Refer to P.35 for the medium- to long-term growth outlook for each service domain.

- Reference -
Net Sales Composition by Four Service Domains
(FY2026)



Strategy Consulting

"Investment" phase for brand establishment

- Strengthening the structure by recruiting and training strategy consultants
- Continuing R&D and external communication of cutting-edge SX and GX services
- Performance-based services such as M&A support also began contributing to earnings

DX Consulting

"Business Expansion" phase driven by the deepening of DX

- Leading national projects for digital human resources development
- Actively securing orders for large-scale DX projects for government agencies and large corporations
- Positioning to build generative AI into business activities

DX Engineering

"Productivity Improvement" phase utilizing generative AI

- Continuing long-term stable transactions with clients
- Exploring non-man-hour-based businesses through recruiting restraint and improved operational efficiency using generative AI

Platform & Agent

"Structural Reform" phase with top priority on business turnaround

- Concentrating sales resources on the core Professional Hub and SES
- Parallel initiatives for renewed growth from FY2027
- Promoting reskilling to adapt to the increasing sophistication of job requirements

Strengthening collaboration in specific customers and solutions



Net sales



Year-on-year growth rate

1,033 million yen
(5.3%)

(YoY)
+ 2-4 %

8,899 million yen
(45.7%)

(YoY)
+ 12-14 %

5,537 million yen
(28.5%)

(YoY)
+ 2-4 %

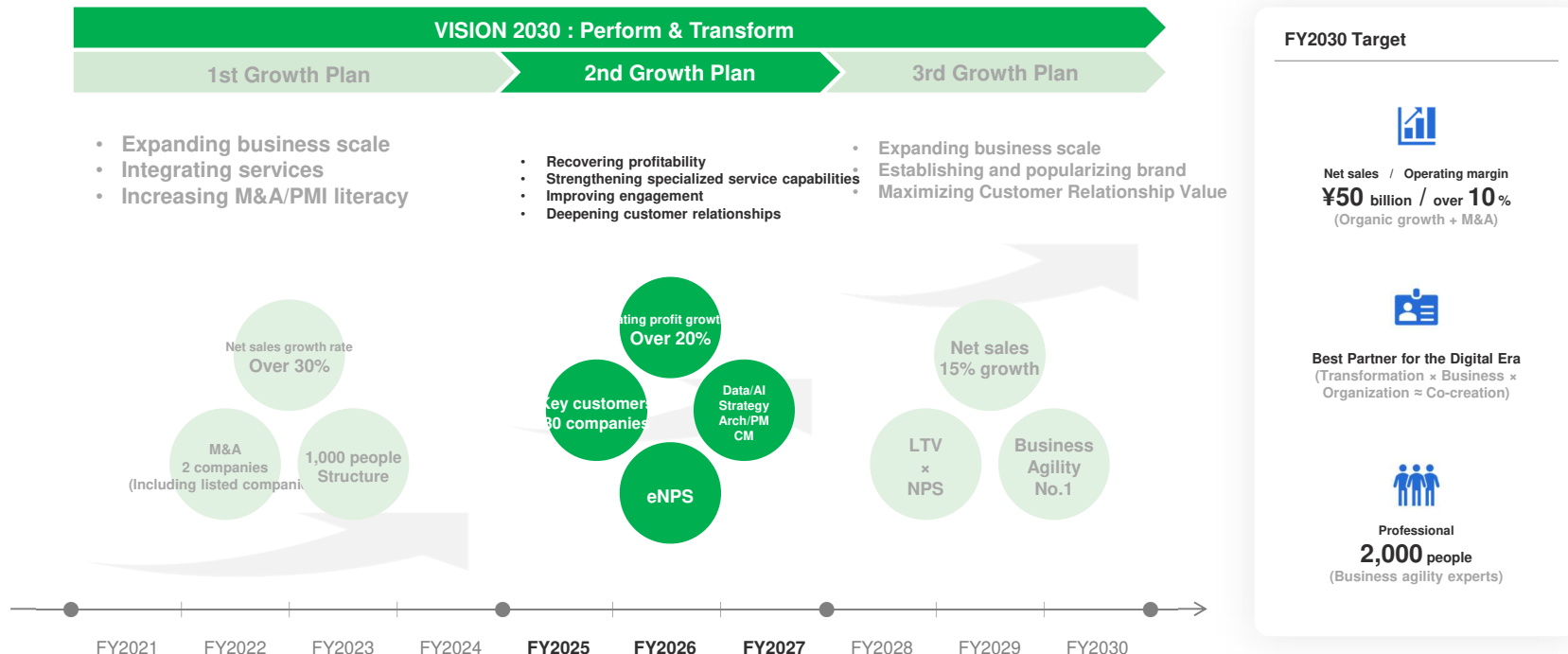
3,984 million yen
(20.5%)

(YoY)
+ 0-2 %

1. Highlights
2. Business Overview
3. FY2025 Financial Results
4. Reorganization of Business Segments
5. FY2026 Forecast
6. **Medium- to Long-Term Growth Scenario**
7. Shareholder Return & Capital Management Policy
8. Reference Material

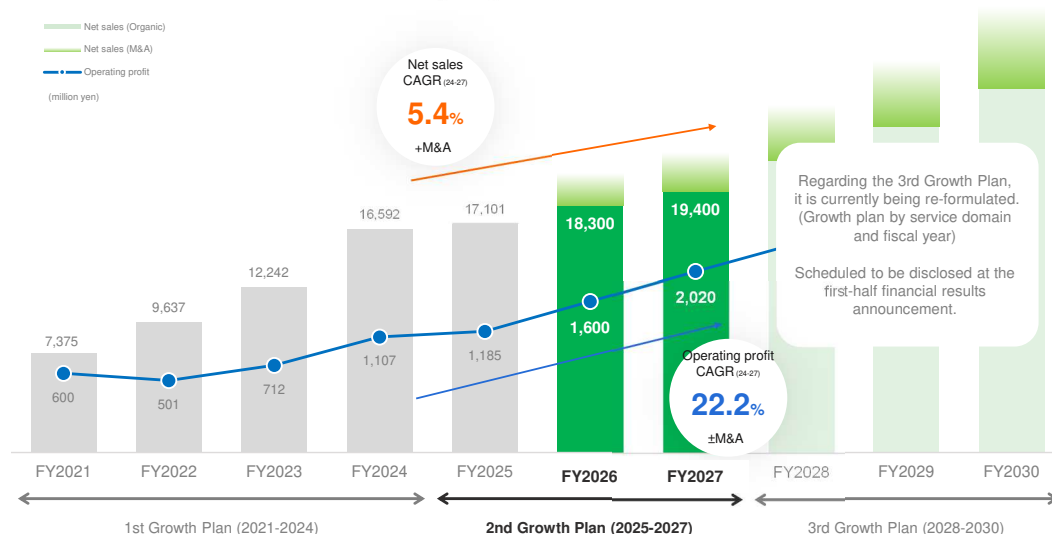
2nd Growth Plan - Path to VISION2030

- Recover profitability that declined during "1st Growth Plan" period by enhancing service competitiveness, strengthening customer relationships, and improving employee engagement (including higher compensation levels) during "2nd Growth Plan" period



2nd Growth Plan – Performance Target Trends

- During the 2025-2027 period, priority is given to the recovery of profitability (operating margin), and operations are underway aiming for an average operating profit growth rate of 20%.
- Based on FY2025 results, target figures for FY2026 and net sales target figures for FY2027 have been adjusted.
 - Former professional services business: The impact of one-time losses that occurred in FY2025 has been overcome.
 - Former Platform Business: Currently undergoing structural reform; due to it being a high cost-of-sales business, the impact on profit growth is limited, but the impact on net sales growth is significant.
- For the 2028-2030 period as well, the policy is to maintain an average operating profit growth rate of 20%.
- Although not factored into the plan, in addition to organic growth, non-linear growth through M&A is also within scope.



Growth targets considering M&A

FY	Net sales	Operating margin
2030	50 billion yen	Over 10 %

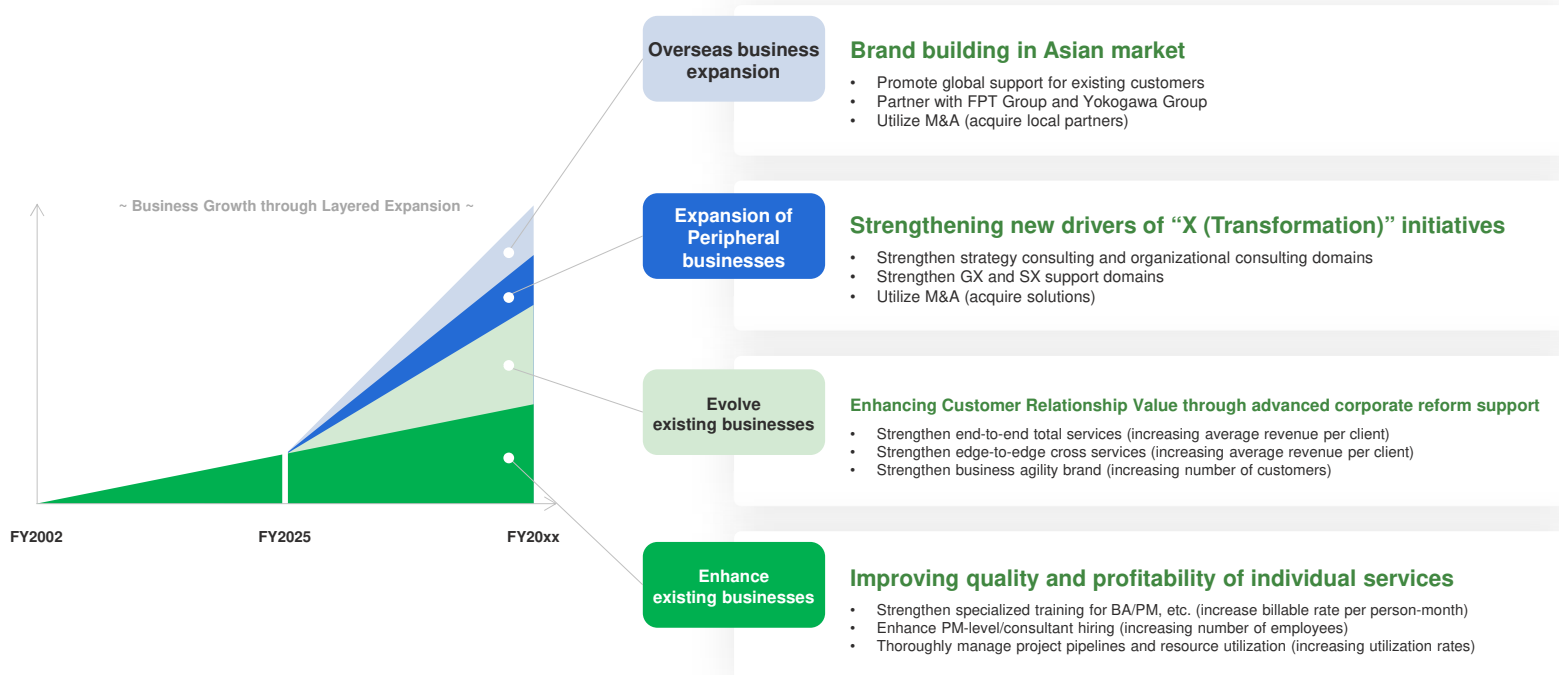
Vision of organic growth

FY	Net sales	Operating profit
2027	19.4 billion yen	2.02 billion yen (Operating margin: 10.4%)

FY	Net sales	Operating profit
2030	Currently Being re-formulated	Currently Being re-formulated (Operating margin: Currently being re-formulated)

2nd Growth Plan – Layered Business Growth Strategy

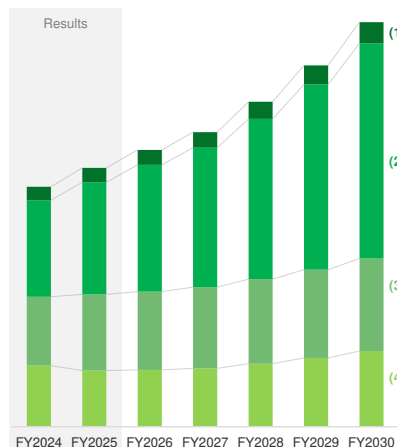
- Comprehensive support for transformation, aiming to be the Best Partner for the Digital Era
- Enhancing profitability through strengthening existing businesses and laying the foundation for the next leap by exploring peripheral areas and overseas businesses



Growth Scenarios for Existing Businesses – Growth Scenarios by Service Domain

- During the FY2025-27 period, priority will be given to recovering and improving profitability, and net sales growth for each service domain is planned to be somewhat restrained.
- To pursue net sales growth again from FY2028, the anticipated growth rate will be raised for all service domains.

Envisioned growth by service domain



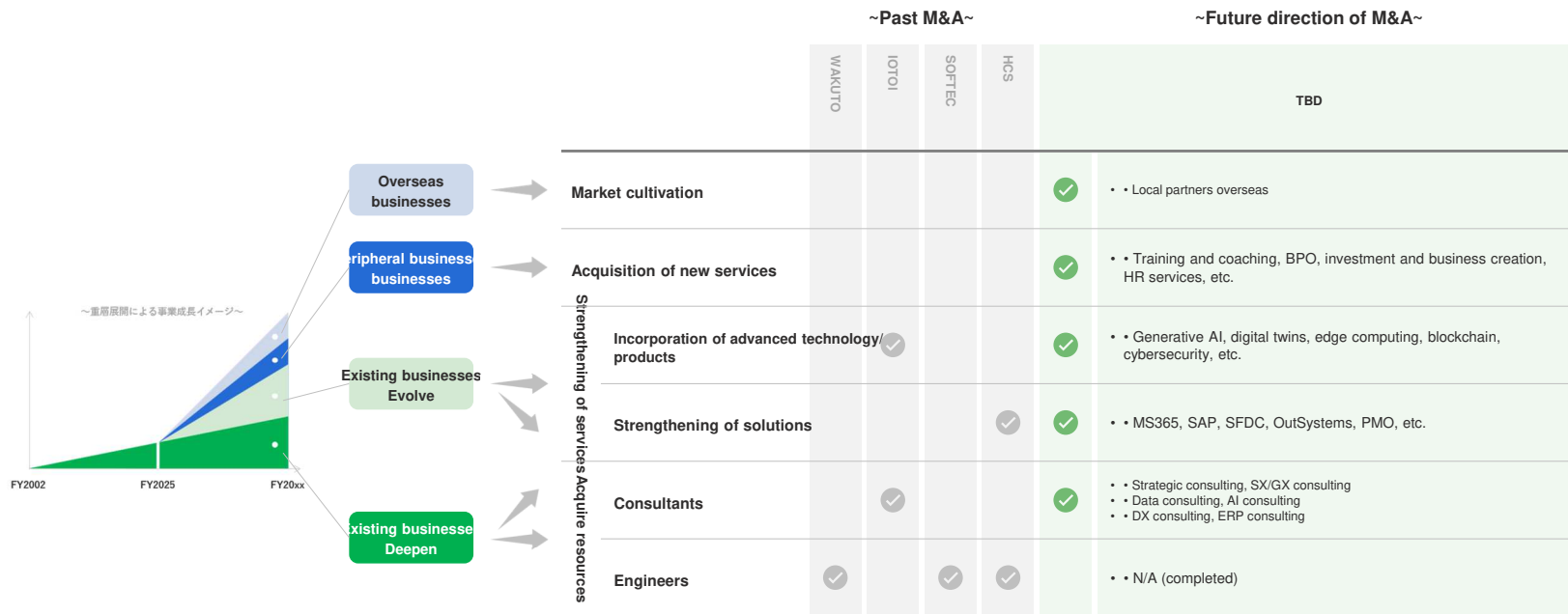
Anticipated growth rate *

Service domain	Anticipated growth rate *		Direction and initiatives for business growth
	FY2025-27	FY2028-30	
(1) Strategy Consulting	+ 4-8 %	+ 10-14 %	<ul style="list-style-type: none"> Develop individual expertise to be sought after through strategy plus alpha (industry and cutting-edge technology knowledge) Simultaneously advance medium- to long-term external recognition and exploration of new fields through research activities such as academic presentations, paper writing, and external communications
(2) DX Consulting	+ 11-15 %	+ 16-20 %	<ul style="list-style-type: none"> Establish a development framework for core expertise such as PM and BA and strengthen the organizational structure Form business units centered on industries and solutions, simultaneously driving growth of each unit and expansion in the number of units
(3) DX Engineering	+ 3-7 %	+ 4-8 %	<ul style="list-style-type: none"> Utilize public cloud services and promote agile development methodologies Combine deep customer understanding (business, operations, organization) with expertise in architecture management to maximize customer value
(4) Platform & Agent	+ 1-5 %	+ 8-12 %	<ul style="list-style-type: none"> Stabilize and increase the number of matches by strengthening the sales structure (increasing personnel and improving productivity) Strengthen the ecosystem by providing added value beyond matching

- Under re-formulation -

M&A Strategy for Discontinuous Growth

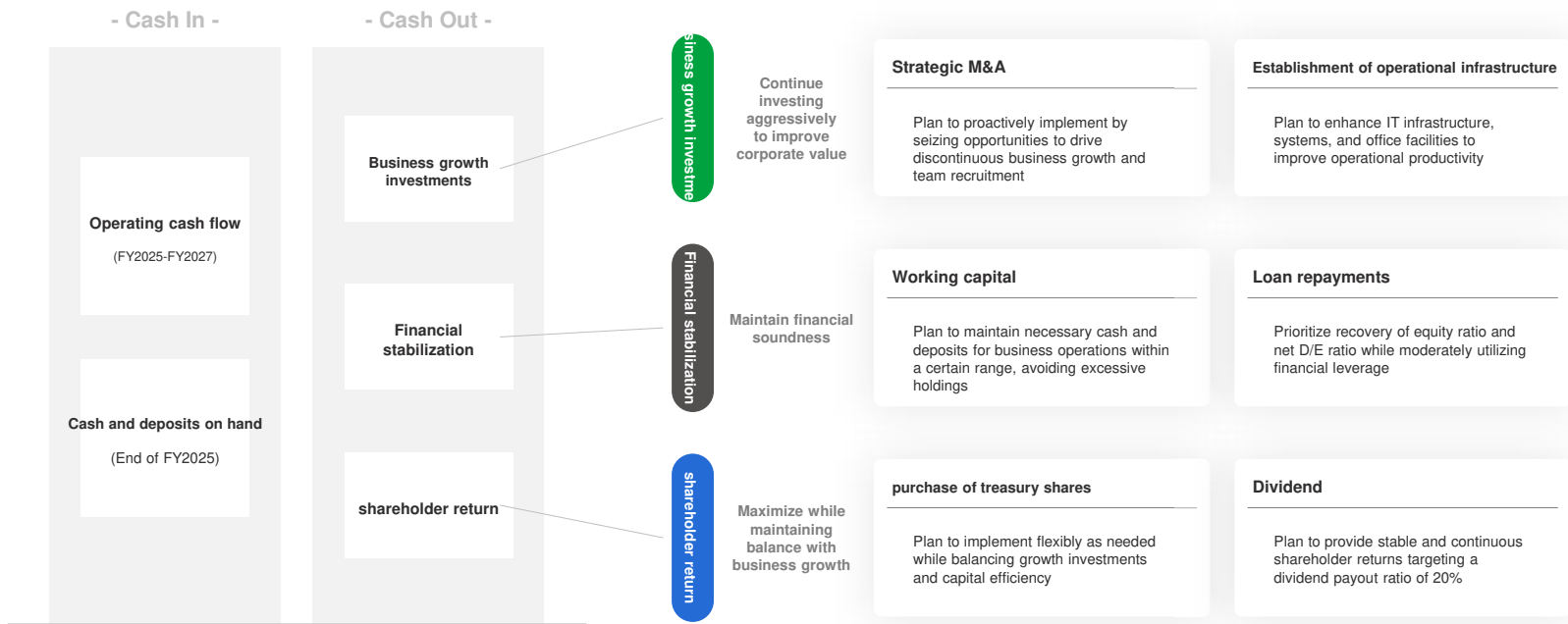
- Will actively pursue M&A as key growth strategy while maintaining focus on organic growth
- From 2025 to 2027, priority will be given to small-scale M&A (up to 500 million yen) for deepening and evolving existing businesses



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Capital Allocation Approach

- Aim to enhance corporate value over the medium to long term through "proactive business growth investments" and "maximizing shareholder returns"
- Plan to utilize borrowings for large-scale investments such as M&A, with no plans for capital increases, while maintaining financial soundness



Dividends of surplus

- Dividend planned for end of FY2026, targeting dividend payout ratio of approximately 20%
 - 5.0 yen increase planned

Basic policy

- Stock price growth: Main shareholder return measure is to position medium- to long-term EPS growth as key driver for increasing corporate value (stock price)
- Dividend: Implementing stable and continuous shareholder returns with target dividend payout ratio of 20%** (however, considering impact of special factors unrelated to core business if net profit fluctuates significantly)
- Purchase of treasury shares: Considered on case-by-case basis while balancing investment in growth and capital efficiency, and implemented flexibly as needed

Annual dividend per share

40 yen

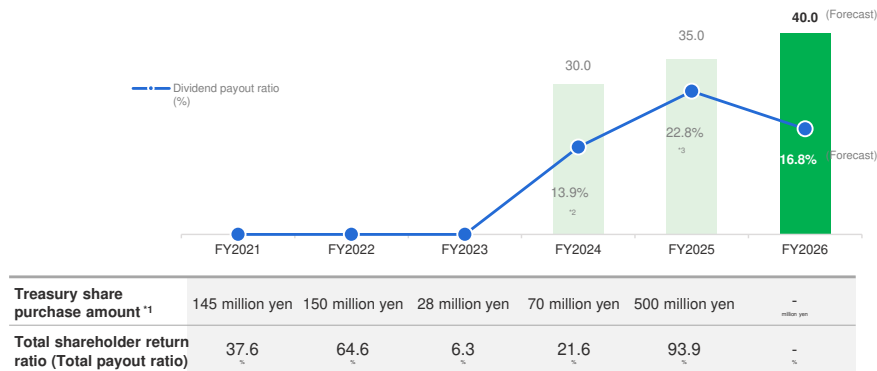
(Ordinary dividend)
(Year-end dividend)

Dividend payout ratio

16.8%

(Calculated based on the
FY2026 earnings forecast)

Trend in annual dividend per share



*1: Amounts exclude acquisition costs related to requests for purchase of fractional shares.

*2: Dividend payout ratio based on ordinary profit excluding the impact of extraordinary gains and losses = 19.5%

*3: Dividend payout ratio based on ordinary profit excluding the impact of extraordinary gains and losses = 13.2% (Initial Forecast = 17.8%)

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1.

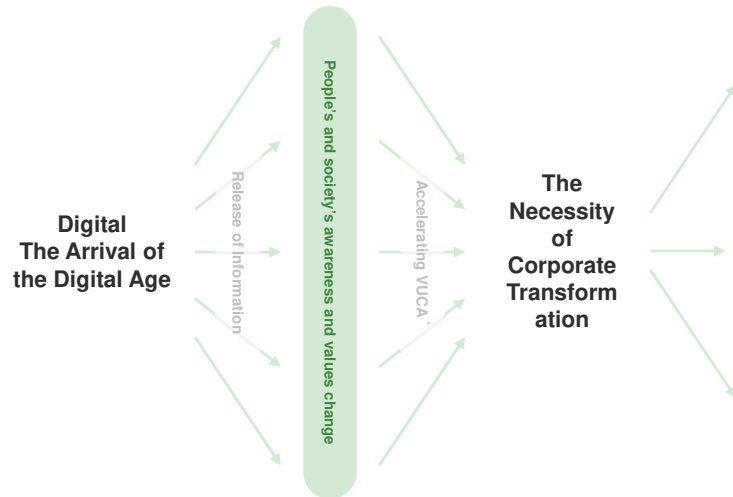
Macro Environment

(Digital era)

The Impact of the Digital Age on Companies

- The spread of digital technology is driving major transformations across all aspects of society, and this wave of change is compelling companies to swiftly adapt to change.

Impact of the Digital Age on Companies



Areas Companies Must Address

Management Strategy

- Decision-making** : Emphasize speed (from plan-driven to change-driven)
- Business creation** : Respond to the increasing number of disruptive innovations
- Industry restructuring** : Normalize inter-company collaboration and M&A

Operational IT

- Operational management** : Management takes lead in managing overall picture of operational structure
- DX promotion** : Integrate business and technology
- Data-driven** : Design and course correct based on data

Organization / Human Resources

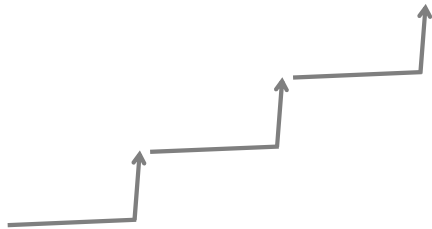
- Network-based organization** : Flat and flexible organizational structure
- Social responsibility** : Promote visibility of minorities, diversity, and inclusiveness
- Mobilization of human resources** : Importance of generalization of job types and specialist human resources

Making reform routine

- Significantly shorten the cycle of corporate reform support (emphasizing the importance of continuously driving change on a daily basis)

Analog era of 'gradual' social change

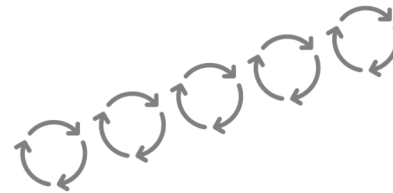
Gap closes through major change
every 10 years



Slow x big x once

Digital era of 'drastic' social change

Repeated reforms to
continuously adapt to environmental changes

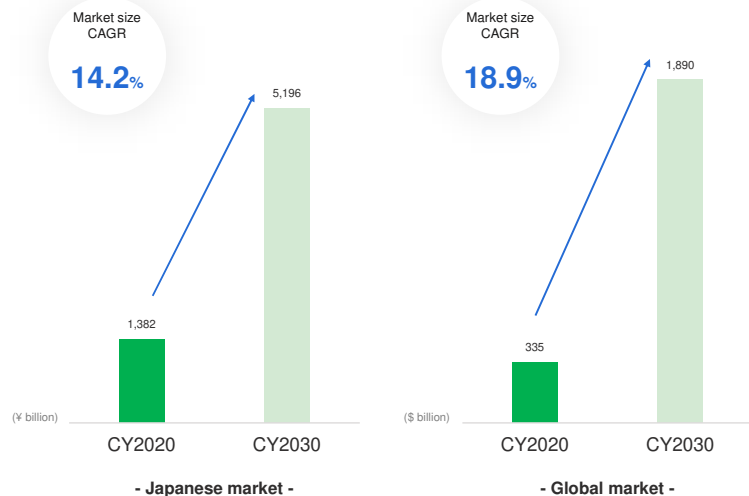


Fast x small x many times

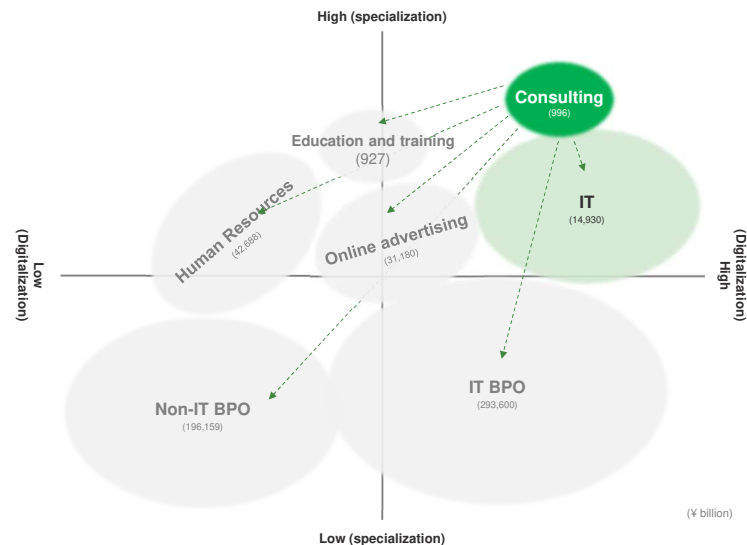
Expansion and Growth of Consulting Market (Growth Potential x Scalability)

- Various transformations (Xs) such as DX, SX, and GX increasing in both frequency and volume
- Consulting market to support corporate Xs continues to grow (peripheral markets huge with vast opportunity for cultivation)

Projected Market Size of DX in 2030 (Growth Potential)



Projected Domestic Market Size in 2023 (Scalability)



The background of the slide is a blurred photograph of an office interior. It shows a hallway with glass partitions, modern furniture, and warm lighting, creating a professional and contemporary atmosphere.

2.

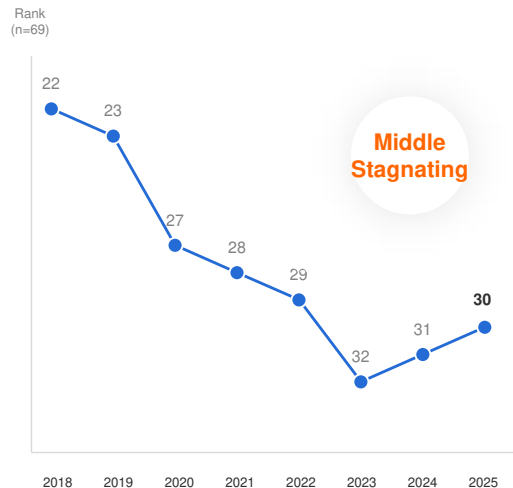
Micro Environment

(Business agility)

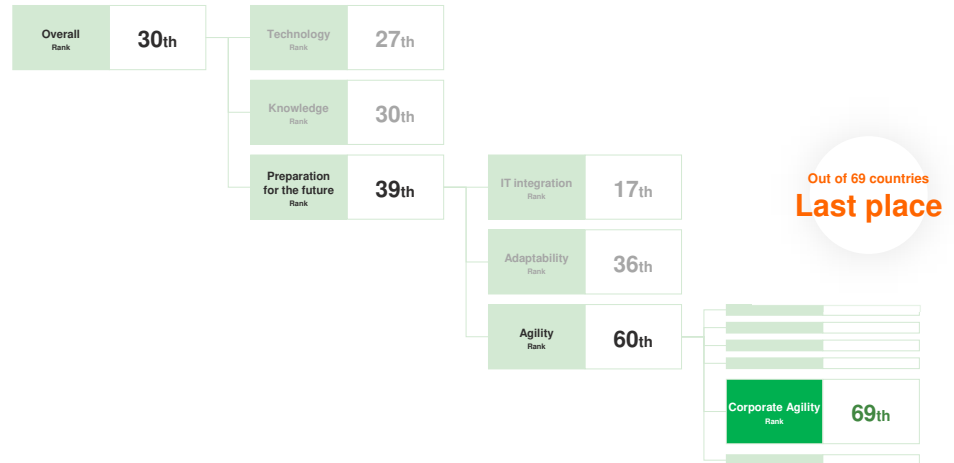
Social Issues in Japan - “Agility” is Lost

- Foundation of Japan's industries subsiding in terms of GDP per capita, labor productivity, and other indicators
- To recover from digital defeat and regain competitiveness, it is essential to acquire and strengthen "corporate agility"

IMD World Digital Competitiveness Rankings



2025 Ranking: Element Breakdown



Agility – The Ability to "Understand, Deconstruct, and Rebuild" Business Structures

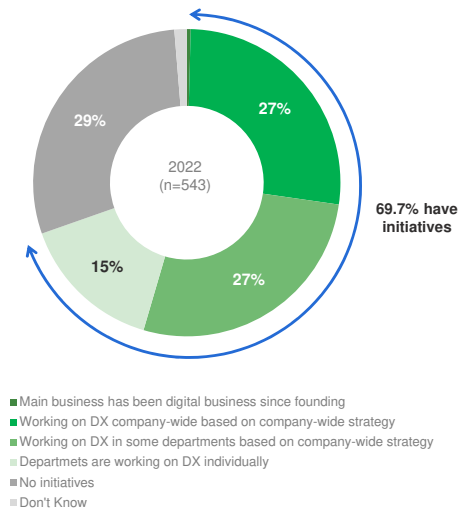
- "Business agility*" refers to the organizational capacity that enables the business structure to adapt quickly to changes in the external environment.

		Before agility	After agility
Corporate architecture	Business strategy/planning	<ul style="list-style-type: none"> Decision-making emphasizes accuracy Resources and assets are to be owned Failure or withdrawal is to be avoided 	<ul style="list-style-type: none"> Decision-making emphasizes speed Resources and assets are to be accessed and used Failure or withdrawal creates lessons to learn
	Operational processes	<ul style="list-style-type: none"> Individual operational procedures are managed on site as needed Responsibility for operational processes is unclear Building blocks are tightly coupled 	<ul style="list-style-type: none"> Management regularly manages the entire business structure Responsibility for operational processes is clear Building blocks are loosely coupled
	IT/OT	<ul style="list-style-type: none"> Business demands and technology responds Waterfall development Low internal autonomy and dependence on external vendors 	<ul style="list-style-type: none"> Business and technology are integrated Agile and DevOps development High internal autonomy with utilization of external vendors
	People/organization	<ul style="list-style-type: none"> Hierarchical organization based on instructions and orders Organizational strength is improved by the total amount of internal human resources Predictable and stable in both organizational structure and allocation of human resources 	<ul style="list-style-type: none"> Network-based organization based on vision and autonomy Organizational strength leveraged with external partners Unpredictable and variable in both organizational structure and allocation of human resources

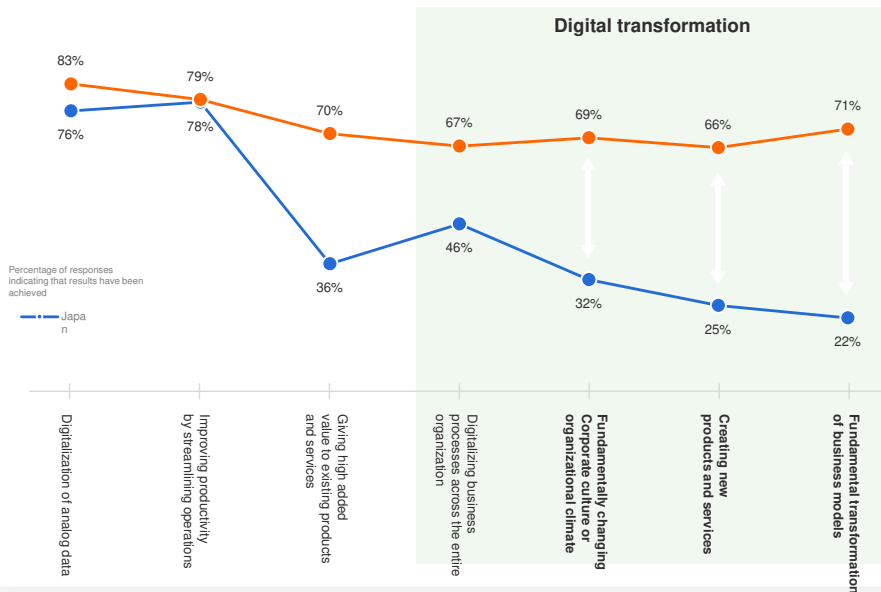
Progress of DX in Japanese Companies - Percentage of Companies Taking Action and Level of Action


- About 70% of Japanese companies are working on DX in some form or another.
- Most of the initiatives are limited to digitalizing data and processes and do not extend to transformation (X) where digital technology is a business assumption.

Status of DX Initiatives at Japanese Companies



Content and results of initiatives (Japan vs US)





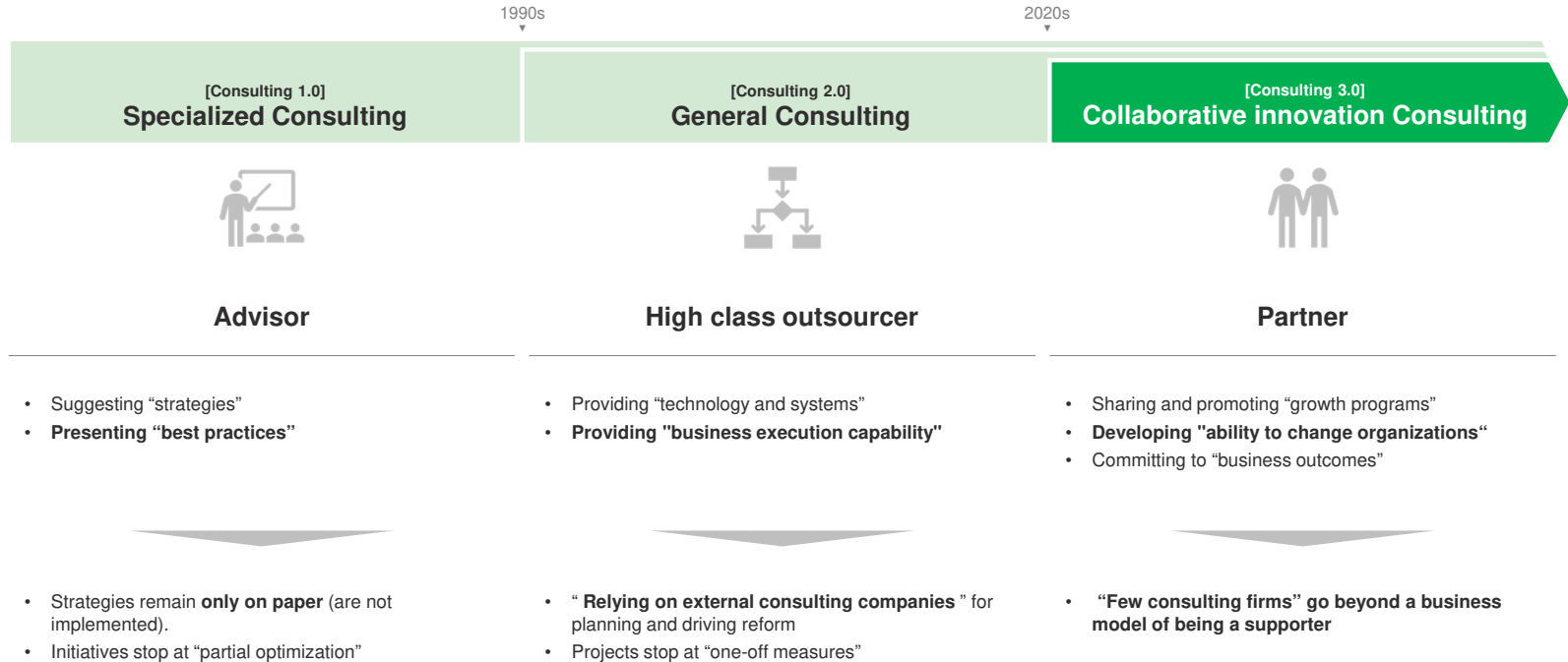
3.

Business Overview

(Supplementary information)

Changes in Consulting

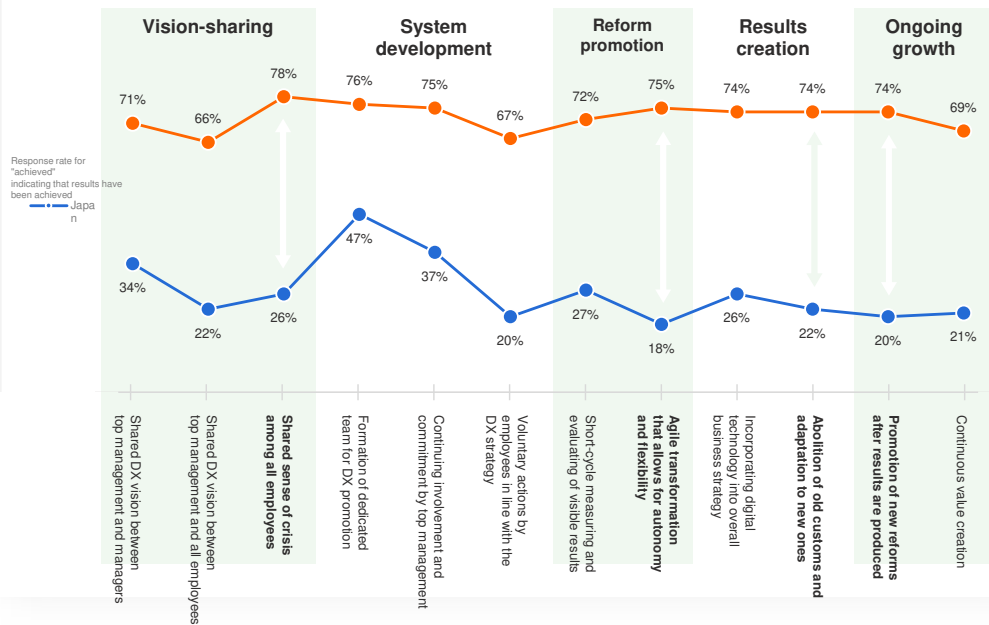
- Consulting services evolve their value proposition with the times
- Currently, being company (a partner) to the customer is important



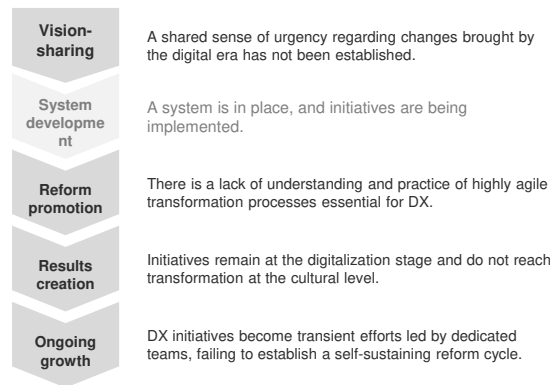
DX Challenges for Japanese Companies – Achievements and Issues

- Despite the promotion of various initiatives, they have not led to significant changes in corporate culture. Consequently, the acquisition and enhancement of agility remain insufficient.
- The point where the greatest divergence in achievement between Japan and the USA occurs is “Agile transformation” (- 57 points).

Level of Achievement of DX Promotion Projects (Japan vs USA)



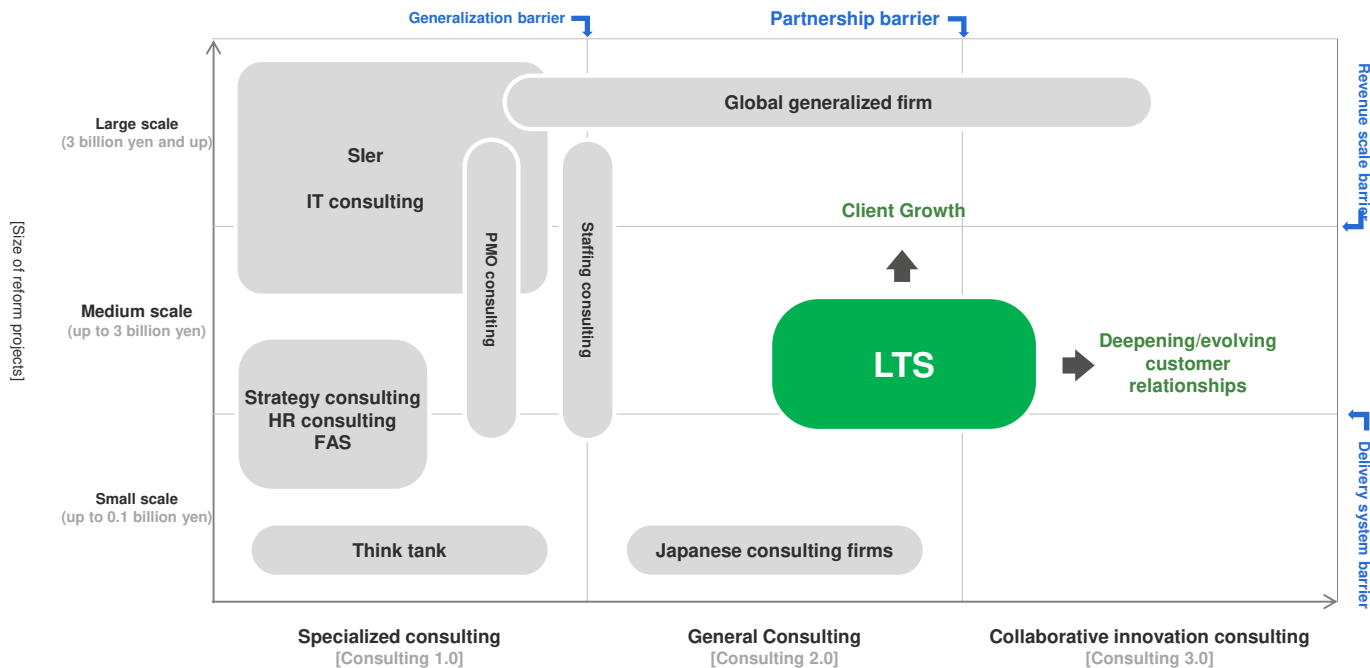
Issue of DX promotion at Japanese companies



A partner in collaborative innovation is essential for successful DX implementation

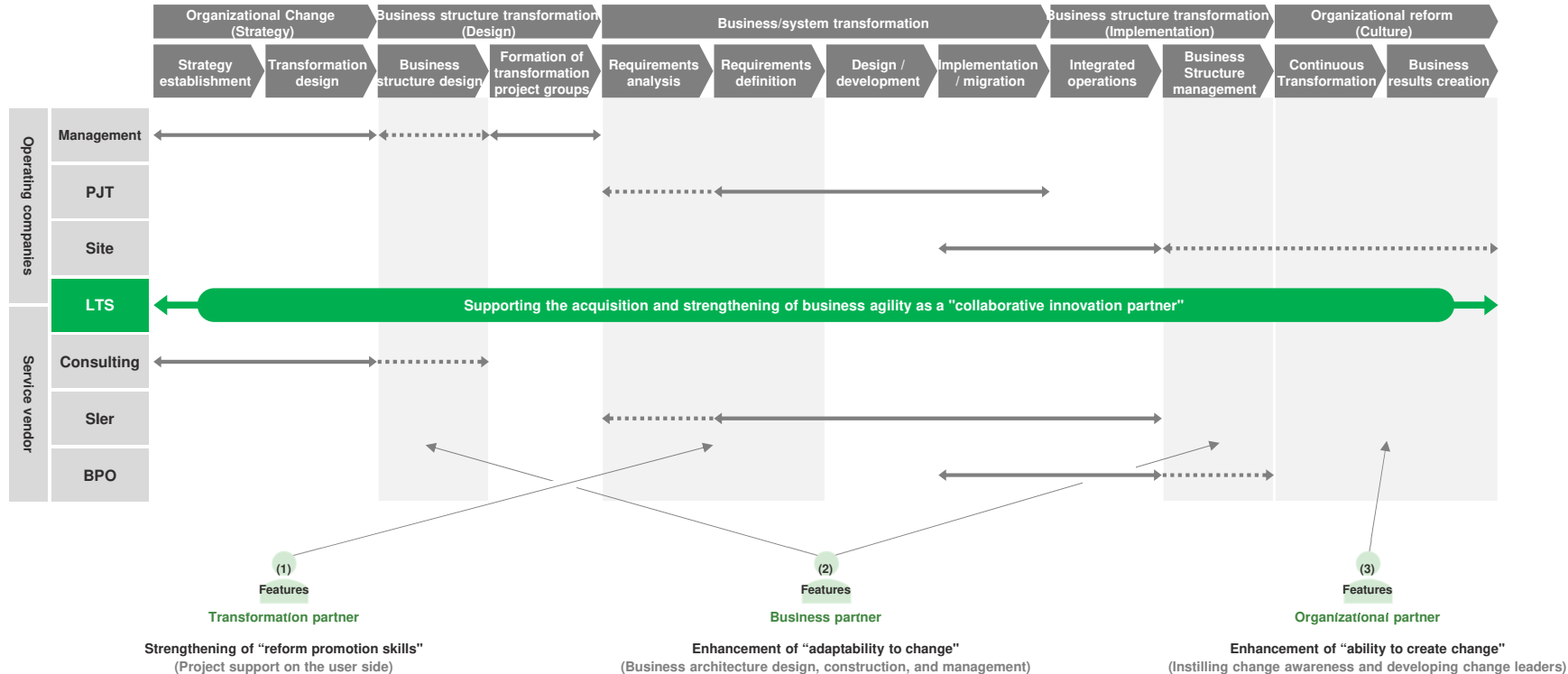
Our strength- Midsize x Collaborative Innovation Consulting

- We provide support for acquiring and enhancing business agility as a collaborative innovation partner to medium-sized to semi-major companies.



Our strength - Three Forms of Partnership

- Support as a partner in areas where business companies have limited capability to drive transformation and where service vendors provide limited support for transformation



Customer Relationship Value - Depth x Breadth x Duration

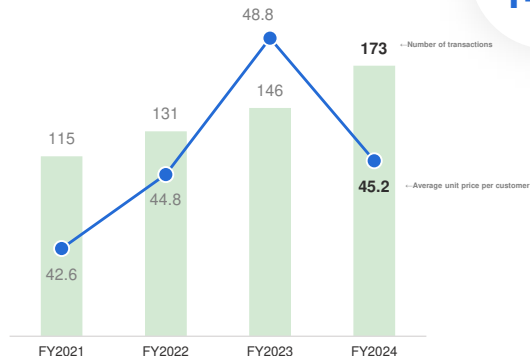
- While increasing the number of customers, continuously strengthen customer relationships by enhancing depth (average unit price per customer), breadth (number of departments engaged per customer), and duration (average years of engagement per customer).

Depth: Average unit price per customer

45.5 million yen

Relationships with corporate customers are deepening and evolving
(higher value provided and improved profitability)

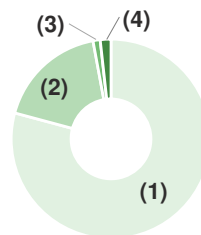
Number of trading partners (companies)
Average unit price per customer (million yen)



CAGR
(Number of trading partners)

14.6%

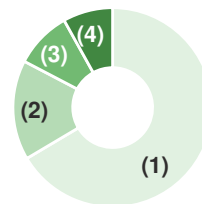
Breadth: Number of departments engaged per customer



Rollout within corporate customers is progressing
(diversification and deepening of relationships)

(1)	1 department engaged	79%
(2)	3 or fewer departments engaged	18%
(3)	5 or fewer departments engaged	1%
(4)	6 or more departments engaged	2%

Duration: Average years of engagement per customer



Trust and expectations from corporate customers continue
(stabilization of relationships and enhancement of brand)

(1)	3 or fewer years of engagement	66%
(2)	6 or fewer years of engagement	16%
(3)	9 or fewer years of engagement	9%
(4)	10 or more years of engagement	9%

Customer Relationship Value - List of Customers

- Providing ongoing support for reform and growth to leading companies in a wide range of industries

• Trade

- ITOCHU Corporation*
- Mitsubishi Corporation
- Metal One Corporation

• Retail

- SEVEN-ELEVEN JAPAN CO., LTD.
- FamilyMart Co., Ltd.
- Mitsubishi Shokuhin Co., Ltd.

• Energy

- Idemitsu Kosan Co., Ltd.
- Taiyo Oil Company, Limited
- Tokyo Gas Co., Ltd.

• Transportation

- West Japan Railway Company (JR WEST)*
- Japan Airlines Co., Ltd. (JAL)
- East Japan Railway Company (JR EAST)

• Automotive

- JATCO Ltd *
- Nissan Motor Co., Ltd.*
- Yazaki Corporation*

• Construction/Real Estate

- DAIWA HOUSE INDUSTRY CO., LTD.
- Tokyu Construction Co., Ltd.
- HASEKO GROUP

• Manufacturing

- KOKUYO Co., Ltd.
- DIC Corporation*
- NEC Corporation (NEC)

• Food/Restaurant/Healthcare

- Kirin Holdings Company, Limited*
- Chugai Pharmaceutical Co., Ltd.
- Japan Tobacco Inc. (JT)*

• Media/Education

- Jiji Press, Ltd.
- TV Asahi Corporation
- Benesse Corporation

• Communications

- NTT Communications Corporation
- Sony Network Communications Inc.
- Japan Post Co., Ltd.

• Services

- Central Security Patrols Co., Ltd.
- Japan Post Holdings Co., Ltd.
- MonotaRO Co., Ltd.

• Financial/Securities/Insurance

- Aioi Nissay Dowa Insurance Co., Ltd.
- ORIX Corporation*
- SUMITOMO LIFE INSURANCE COMPANY

• Consulting/IT

- Digital Garage, Inc.
- IBM Japan, Ltd.
- Microsoft Japan Co., Ltd.

• Government agencies / local governments / National Corporations

- Ministry of Economy, Trade and Industry / Ministry of Internal Affairs and Communications / Ministry of Defense
- Gunma Prefecture / Shizuoka Prefecture / Hiroshima Prefecture
- Okayama university/ Hiroshima university

Many others

(*More than 10 years of engagement)

(Partial list of customers who agreed to be listed and those listed in disclosure materials)

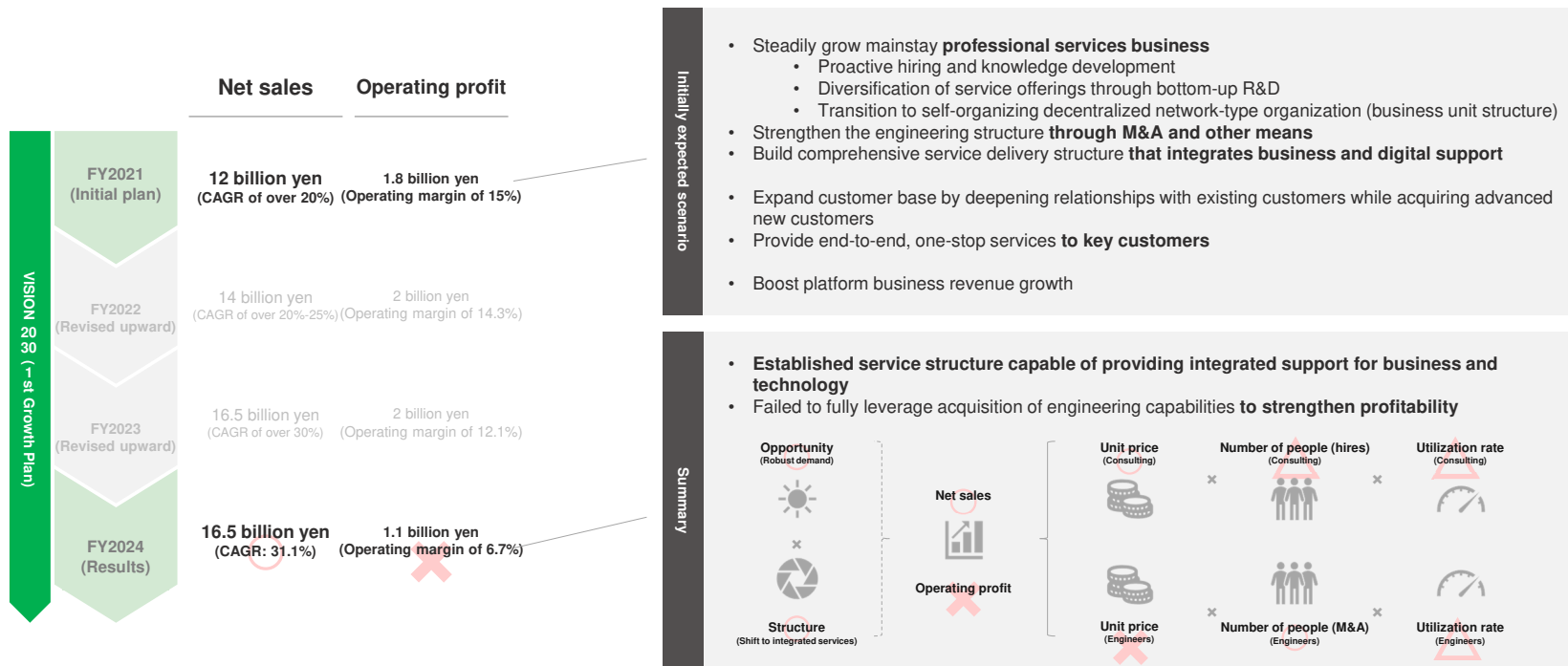
4.

Growth Scenarios

(Supplementary information)

Review of “1st Growth Plan” – Targets and Scenario

- Achieved steady growth in both net sales and operating profit, but fell significantly short of operating profit target
- Addressing delays and existing issues from FY2024 onward, continuing to aim for realization of initially expected scenario



Review of “1st Growth Plan” - Initiatives

- Enhance profit-generation capability by linking abundant opportunities with robust service capabilities

Achievements/results

Problems

Current initiatives

Human Resource	Frontline personnel increased by 640 (up 245%) <ul style="list-style-type: none"> Significant increase in young employees through proactive hiring More than 400 engineers added through M&A About 100 employees obtained certifications in specialized domains (PM and BA) 	<div>Reduced profit-generation capacity</div> <p>Imbalance in human resources portfolio</p> <ul style="list-style-type: none"> Insufficient number of PM-level employees relative to team members Insufficient number of consultants relative to engineers <p>↓</p> <p>Loss of opportunities for end-to-end services</p> <ul style="list-style-type: none"> Unable to assemble project teams in a timely manner to meet inquiries from existing customers <div> <div>↑</div> <div> <p>Consultant unit price increased, but utilization rate declined</p> <ul style="list-style-type: none"> Insufficient rigor in utilization management within small-scale teams Delayed return on service development investments (poor balance between deepening and exploration) </div> <div> <p>Significant increase in number of engineers, but unit price and utilization rate remained flat</p> <ul style="list-style-type: none"> Insufficient orders for integrated consulting & engineer services </div> </div> <p>+</p> <p>Structural reform of the Platform Business taking longer than expected</p>	<p>Strengthening human resources capable of discovering, structuring, and leading projects</p> <ul style="list-style-type: none"> Accelerated PM-level hiring through compensation system revisions Continued consultant hiring and explored team M&A opportunities Business skill development for engineers (BA and PM)
Customers	Customer Relationship Value improved and customer unit price also increased (up 122.9%) <ul style="list-style-type: none"> Established account sales structure (top 20 companies account for over 70%) New customers increased by 153 companies (up 23.7%) Domestic offices expanded, with regional revitalization support also ramping up 		<p>Enhanced customer relationship value (PJT → PGM → PFL)</p> <ul style="list-style-type: none"> Strengthening industry-specific expertise (services and individuals) Placement and training of account managers Expansion of strategy establishment, business structure management, and development areas of human resources for change
Services	<p>Launched end-to-end reform support services</p> <ul style="list-style-type: none"> Capital and business alliance with both FPT and YOKOGAWA groups <p>Accelerated business growth in advanced domains such as generative AI and GX</p> <ul style="list-style-type: none"> SX and HC services ramping up 		<p>Refinement of individual services × organic integration</p> <ul style="list-style-type: none"> Reorganization into specialized units by service domain and pursuit of individual growth Customer-centric and opportunity-driven approach to deploying end-to-end services across service domains
Group Management	<p>Newly integrated subsidiaries recovered in terms of earnings</p> <ul style="list-style-type: none"> Sharing of service and sales assets Partial integration of corporate functions and infrastructure MVV redefined (collaboration-focused) and office (collaborative space) relocated 	<p>Delay in realizing synergy across the entire Group</p> <ul style="list-style-type: none"> Reorganization of management operations and cost optimization yet to start (no initiatives) Need for restructuring framework of business division management and Group management 	<p>Strengthening governance of decentralized organization</p> <ul style="list-style-type: none"> Ensuring rigorous business efficiency management (performance management by profit model) Sharing of resources across companies and divisions Ensuring consistency through vision & culture

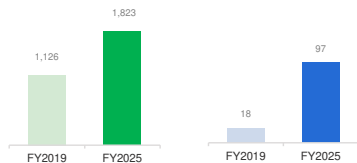
Results of Past M&A

- By joining the LTS Group, each company has improved performance (comparison between the fiscal year immediately before joining and the fiscal year ending December 2025)
 - WAKUTO Co., Ltd.: Fiscal year ended March 2019 \Rightarrow Fiscal year ending December 2025
 - SOFTEC Co., Ltd.: Fiscal year ended June 2020 \Rightarrow Fiscal year ending December 2025
 - HCS Holdings Co., Ltd.: Fiscal year ended March 2023 \Rightarrow Fiscal year ending December 2025



WAKUTO

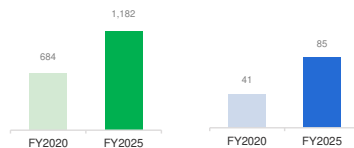
WAKUTO Co., Ltd.

Net sales
(FY19-FY25)**+62 %**Operating profit
(FY19-FY25)**+430 %**

Net sales

(million yen)

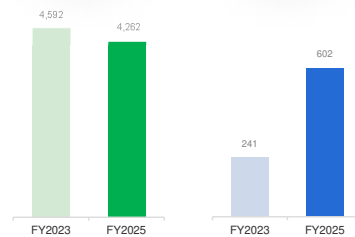
Operating profit

LTS ソフトウェア
テクノロジーSOFTEC Co., Ltd. ^{*1}Net sales
(FY20-FY25)**+73 %**Operating profit
(FY20-FY25)**+110 %**

Net sales

(million yen)

Operating profit

HCS Holdings Co., Ltd. ^{*2}Net sales
(FY23-FY25)**(7%)**Operating profit
(FY23-FY25)**+150 %**

Net sales

(million yen)

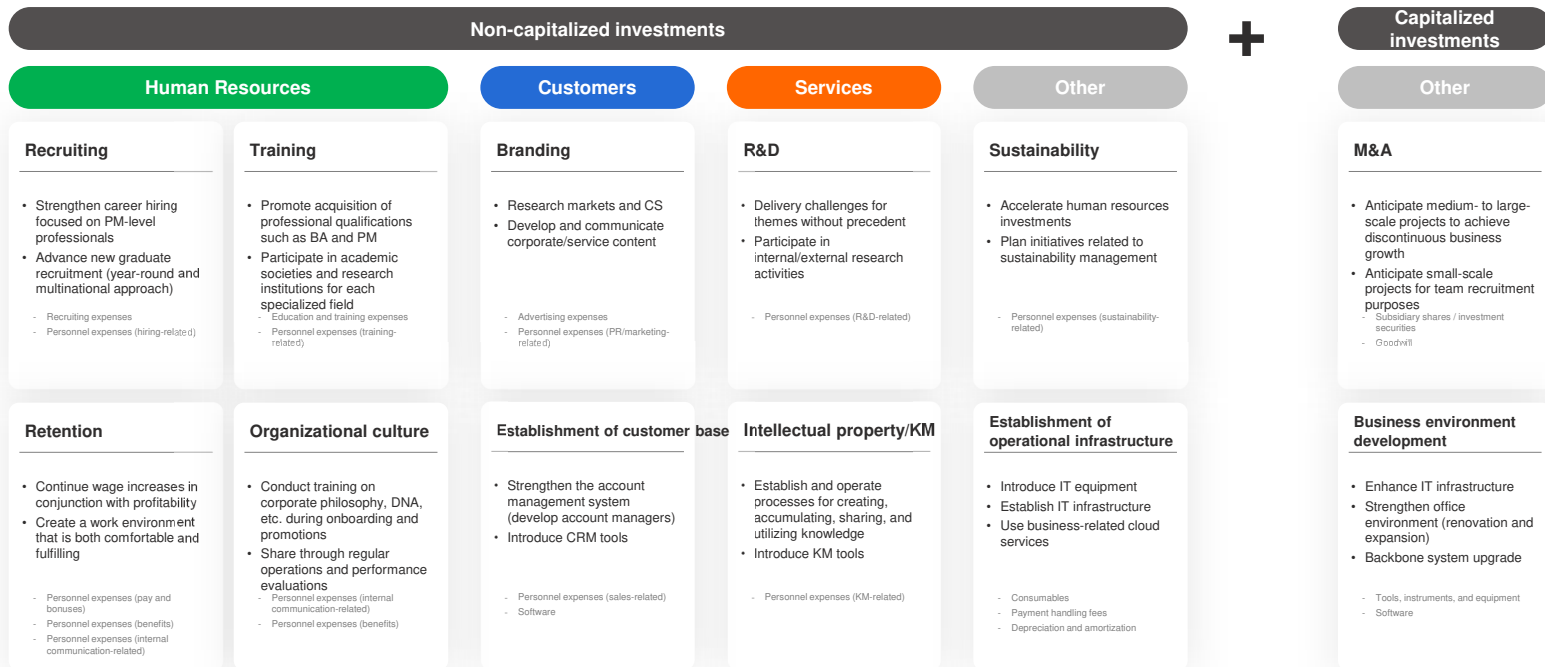
Operating profit

^{*1} LTS Software Technology, Inc. starting from January 2024

^{*2} HIBIYA COMPUTER SYSTEM CO., LTD. starting from April 2024

Approach to Growth Investments

- Continue proactive business growth investments aimed at medium- to long-term corporate value enhancement (the primary investment consists of personnel expenses for employees driving each activity)



5. Supplementary Data

Criteria for Continued Prime Market Listing (current Status)

- As of the end of December 2025, the tradable share market cap is in a state of non-compliance
- Cannot rule out the possibility of not achieving compliance with the criteria during the Transition measure application period

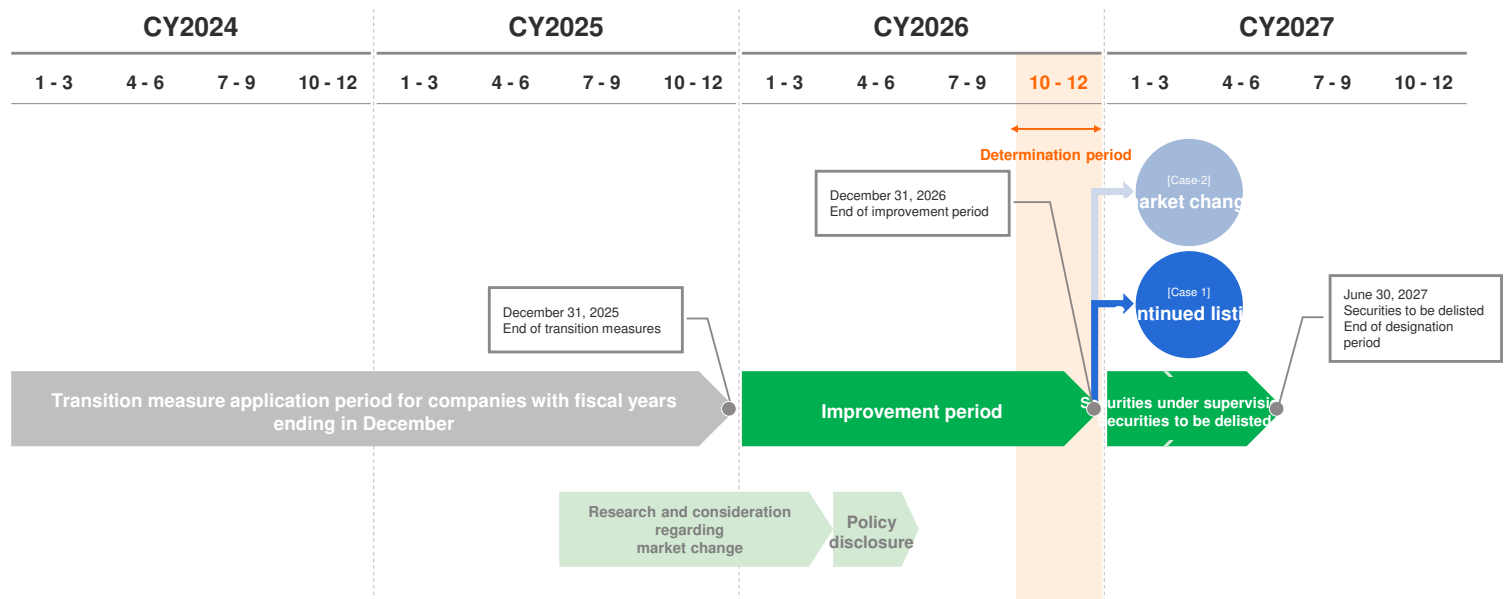
	Number of shareholders shareholders owning one or	No. of tradable shares	Tradable share ratio	Stock price	tradable share market cap
Status	○	○	○	-	×
Criteria	800 people	20,000 units	35.0 %	-	10 billion yen
December 2025 Assessment as of	1,643 people	23,593 units	49.93 %	2,296 ^{*1} yen	5.41 billion yen
↕					↕
December 2026 Target as of	1,915 people	24,129 units	52.9 %	4,145 ^{*2} yen	10 billion yen

*1: Using average stock price for three-month period from October to December

*2: Reference value calculated by dividing the required tradable share market cap by the current number of tradable shares

Criteria for Continued Prime Market Listing - Schedule for Action

- While continuing efforts to meet the Prime Market's criteria for continued listing, LTS, Inc. has also begun research and consideration of a market change, with the Tokyo Stock Exchange Standard Market as a candidate for its backup plan.



Reference: "Overview of Handling of Transition Measures and Other Matters Relating to the Continued Listing Criteria," Tokyo Stock Exchange (January 2023)

Consolidated SG&A - Quarterly Trend

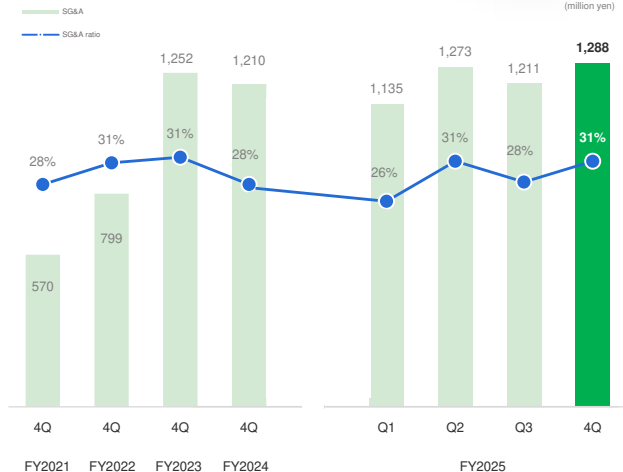
- Flexibly executing growth investments while continuously working to reduce baseline operating expenses
- In addition to a decline in the utilization rate due to the impact of projects for which one-time losses were recorded, recruiting expenses and provisions for bonuses increased, and the SG&A ratio rose slightly YoY.

(million yen)

4Q SG&A ratio
(YoY)

(3.0) pt

(million yen)



Expense classification	Item	Amount	Percentage	Expense allocation policy
Shared	Personnel expenses	794	61.6%	<ul style="list-style-type: none"> Proactively execute growth investments (R&D, internal PJT, and training participation) and growth-related expenditures (sales and intellectual property development) within a defined discipline Minimize unintended employee idle time
	Recruiting expenses	68	5.3%	<ul style="list-style-type: none"> Actively investing in recruitment of PM-level personnel Referral fees rising sharply
Growth Investments	Education and training expenses	16	1.2%	<ul style="list-style-type: none"> Actively investing in obtaining PM and BA related certifications
	Advertising expenses	8	0.6%	<ul style="list-style-type: none"> Adjust flexibly to strengthen PR and IR
Growth -related expenditures	Amortization of goodwill (including amortization of customer relationship assets)	26	2.0%	
	Land/office rent	28	2.2%	
Baseline operating expenses	Depreciation and amortization	26	2.0%	
	Operational costs	324	25.1%	

Consolidated Number of Employees – Quarterly Trends

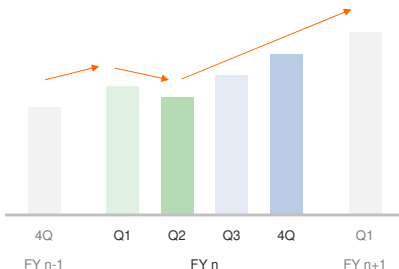
- Reference: Trends in Consolidated Number of Employees from FY2021 Q1 to FY2025 Q4

	2021				2022				2023				2024				2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	▲SFTC連結									▲HCS連結				▲AMG除外（一部事業）				▲ISIS除外		
コンサルタント	147	165	191	195	193	203	198	196	201	237	239	275	273	330	329	332	326	400	397	395
エンジニア	196	203	180	185	185	200	207	213	220	255	254	575	575	572	574	569	568	482	486	479
営業/ビジネス	33	41	37	35	36	49	49	49	50	70	69	81	80	88	83	79	78	64	64	63
コーポレート	39	39	40	46	48	52	55	65	65	67	67	114	119	124	121	116	118	126	123	126
その他												14	14							
合計	415	448	448	461	462	504	509	523	536	629	629	1,059	1,061	1,114	1,107	1,096	1,090	1,072	1,070	1,063
増減数（YoY）	126	132	132	138	47	56	61	62	74	125	120	536	525	485	478	37	29	-42	-37	-33
増減数（QoQ）	125	33	0	13	1	42	5	14	13	93	0	430	2	53	-7	-11	-6	-18	-2	-7

Seasonal Patterns by Quarter

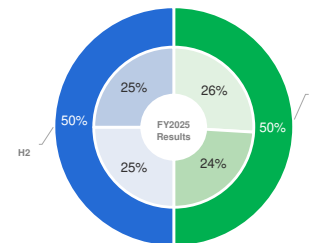
- In the current fiscal year as well, Q2 results are expected to fall below Q1 due to the overlap of a slow project period and the onboarding of new graduate employees.

Trend in Net Sales

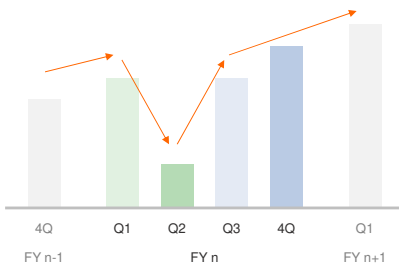


- [Q1] Started at higher level than in 4Q of previous year due to development of previous year's hires.
- [Q2] Slightly lower than Q1 due to off-season for projects (temporary decrease in investment activities by companies whose fiscal year ends in March).
- [Q3] Project formation progresses at each site, leading to a gradual recovery from Q2.
- [Q4] Building on the fundamental trend of Q3, performance is expected to reach the highest level of the fiscal year.

Reference: Quarterly Net Sales Composition

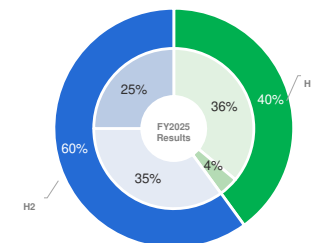


Trend in Operating Profit



- [Q1] Started at higher level than in 4Q of previous year due to development of previous year's hires.
- [Q2] Due to the onboarding of new graduate employees (three months of training following April group entry), performance is expected to fall significantly below Q1.
- [Q3] Assignment and monetization of new graduate employees progresses in stages, leading to a significant recovery from Q2.
- [Q4] Building on the fundamental trend of Q3, performance is expected to reach the highest level of the fiscal year. (However, depending on business progress and management priorities, growth investments may be made, which could result in a decline from Q3)

Reference: Quarterly Operating Profit Composition



The background of the slide is a blurred photograph of an office interior. It shows a hallway with glass-walled rooms on either side, modern furniture, and warm lighting from ceiling fixtures, creating a bokeh effect.

6. Company Overview

Company Overview



Overview

Company Name LTS, Inc.

Founded March 2002

**President
and CEO** Hiroaki Kabashima

Address 14th Floor, Akasaka Center Building,
1-3-13 Motoakasaka, Minato-ku, Tokyo

Capital Amount 839,933,900 yen (as of December 31, 2025)

**Number of
employees** 1,063 (as of December 31, 2025)

Service **Support for corporate transformation**
▪ Professional services business
▪ Platform business

**Fiscal
year-end** December

Stock listing Tokyo Stock Exchange, Prime Market (Securities code: 6560)

Brand



Rather than simply providing external support to help solve customer problems and bring about growth, LTS is a partner that brings about qualitative change, integrating with the customer and turning three leaves into four. Being an "entity that brings about qualitative change"

A true partner who stands on the same footing as our customers as one of the leaves on a plant, working together to promote reform

Group Management

- In April 2025, the organizational structure was revised to consist of 7 consolidated subsidiaries and 2 equity-method affiliates in order to accelerate group decision-making and improve operational efficiency.



Transformation Services Business



ME-lab Japan, Inc.

LTS ASIA CO., LIMITED

*Hong Kong corporation



HIBIYA COMPUTER
SYSTEM CO., LTD.



HIBIYA COMPUTER
RESOURCE PLANNING



LTS Software Technology, Inc.



WAKUTO

WAKUTO Co., Ltd.



LTS Link, Inc.

Affiliated companies



FPT Consulting Japan
Co., Ltd.

Joint venture with FPT Japan Holdings Co., Ltd.
*Japanese subsidiary of FPT, Vietnam's largest IT company



Busy Bee

Busy Bee, Inc.

History of LTS Group

- The number of consolidated group employees exceeds 1,000 and continues to grow with 10 group companies.



Corporate Philosophy

Mission

Unleash potential

Believe in people's potential to realize a free
and vibrant human society

Vision

**A professional company
that expands the world**

Values

Change

Change and be changed

Learn

Continue learning

Ownership

Take initiative and see things
through

Venture

Step out into the unknown

Enjoy & Energize

Enjoy and energize

Respect

Respect


Surprise

Go outside the box and inspire

Service Domain

- As a partner in collaborative innovation, LTS supports clients in acquiring and enhancing business agility throughout the lifetime (all corporate stages and all growth phases) in a total (end to end and crossover) manner.

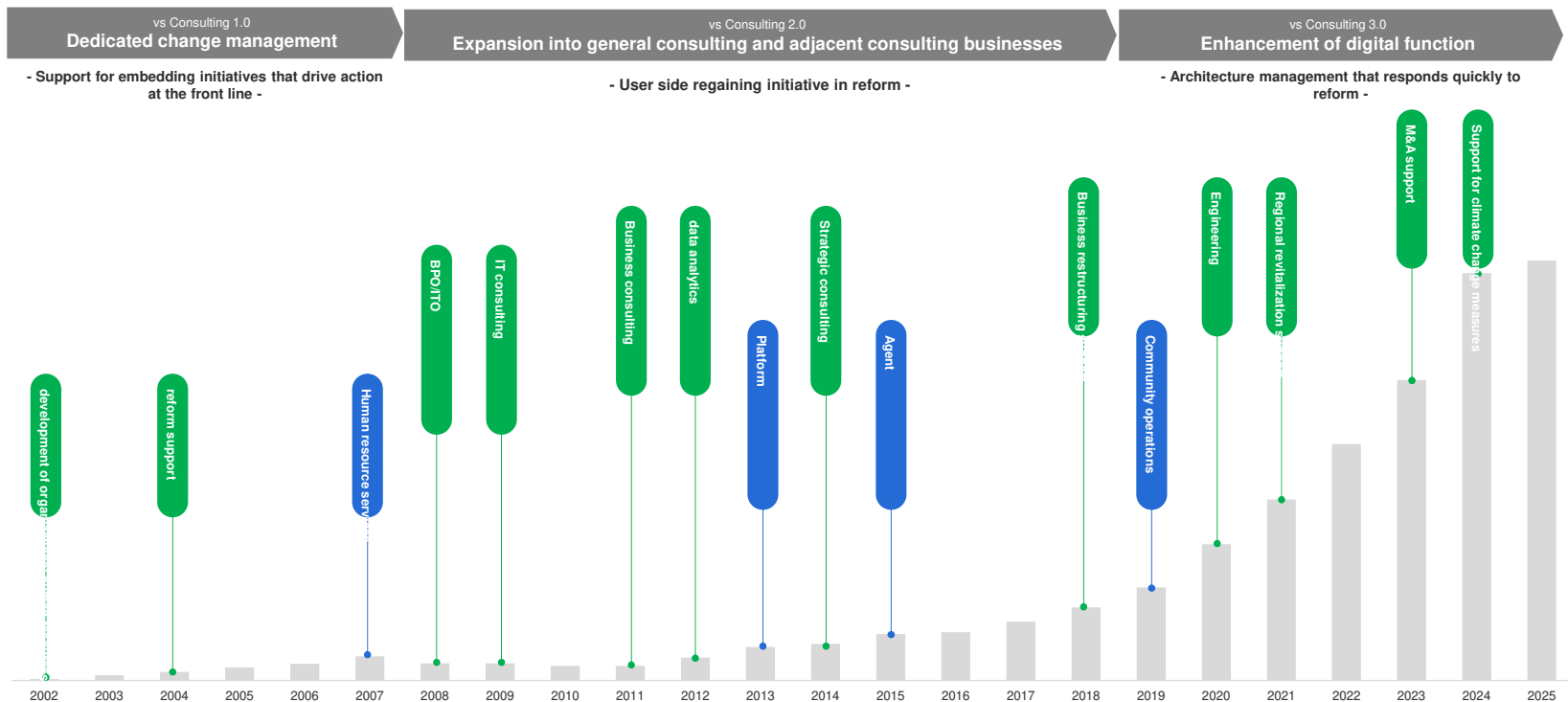
Acquisition and Enhancement of “business agility”



	Strategy & Innovation	Architecture & Digital	Social & Public	Platform & Network
Service Overview	Discontinuous growth design Collaborate with customers to develop and execute corporate and business strategies, linking them to subsequent initiatives.	Digital business establishment Support shifts in organizational capabilities and design business structures required for the future era.	Creation of foundation for affluent society Enhance administrative and NPO operational capabilities and promote public-private collaborations to realize a sustainable society.	Collaborative community operations Provide an ecosystem where IT providers (corporate/individual) and IT utilizing companies solve challenges and collaborate for co-creation.
Scope of service provision	<ul style="list-style-type: none"> Enterprise 	<ul style="list-style-type: none"> Enterprise 	<ul style="list-style-type: none"> Government agencies / local governments NPO/NGO 	<ul style="list-style-type: none"> SMBs (including venture companies) Freelance
Service lineup	<ul style="list-style-type: none"> Strategy establishment M&A Business creation/business revitalization 	<ul style="list-style-type: none"> Consulting Data analysis/utilization of AI System development and BPO/ITO 	<ul style="list-style-type: none"> CSR/SDGs promotion Regional revitalization (business creation / human resource development) Public-private collaboration (industrial promotion / regional DX) 	<ul style="list-style-type: none"> Matching platform SaaS platform Professional staffing

Expansion of Service Offerings

- Commit to customer growth as a customer-centered company, expanding support upstream, downstream, and around by initiating with development of organizational human resources and reform support while addressing consulting challenges.



Publications

- LTS was among the first to advocate the concept of "business agility" and continues to raise awareness about the social issue of sluggish digital competitiveness

2015



"Customer Co-Creation IT Business Based on Service Science"

(Shiroeishi)

Provides direction for successful completion of projects using service science.



"Business Process Textbook"

(Toyo Keizai)

Explains what business processes are, how to manage them, and more in an easy-to-understand manner.

2019

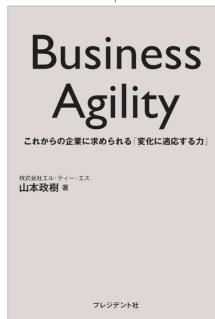


"Process Visionary: Process Reform Leader for the Digital Era"

(President)

Explains all about "business analysts," experts in operational improvement for companies in the digital era.

2021



"Business Agility: The Ability to Adapt to Change Required of Companies of the Future"

(President)

Explains "business agility," an ability that is essential for sustainable growth of companies amid uncertain business environments.

2022



"A Next-Generation Leader's Guide to Implementing Change: Overcome the Barriers of Awareness, Organization, and Management With a Middle-up Approach"

(President)

Explains the role of middle management in bringing about change and taking companies to the next stage.

2023



"Business Process Textbook, 2nd Edition: Business Architecture for a New Era Led by Empathy and Digital Technology"

(Toyo Keizai)

Explains the business process management approach and mechanisms in an easy-to-understand manner.



"Beginner's Introduction to DX"

(Editorial supervision)

Explains that the essence of DX is "reform" and lays out the process for small and medium-sized enterprises to take the first step towards reform.

Directors

Hiroaki Kabashima

**Representative Director President
and Executive Officer**

In March 2002, he participated in the establishment of LTS, Inc. and became Director. In December of the same year, he became President and Representative Director.



Sungil Lee

**Director
Vice President and Executive Officer**

In March 2002, he participated in the establishment of LTS, Inc. and became Director. In January 2005, he became Director and Executive Vice President.



Yu Kamemoto

**Director
Vice President and Executive Officer**
General Manager of Strategy Consulting Business

In October 2011, he joined LTS, Inc. In March 2019, he became Director, and in March 2024, he became Vice President and Executive Officer.



Ryosuke Ueno

**Director
Vice President and Executive Officer**
General Manager of Digital Business Headquarters

In April 2008, he joined LTS, Inc. In March 2019, he became Director, and in March 2025, he became Vice President and Executive Officer.



Fumio Takemura

Outside Director (Full-time Audit and Supervisory Committee Member)

After joining IBM Japan, Ltd., he served as Director and Executive Officer. Later, he served as Senior Managing Director of IBM Japan Services Company Ltd., President and Representative Director of JAL Information Technology Co., Ltd., Advisor to IBM Japan, Ltd., and Adjunct Lecturer at Tokyo City University Faculty of Knowledge Engineering.

In March 2018, he became Full-time Statutory Auditor of LTS, Inc., and in March 2019, he became an Outside Director. In June 2022, he became Corporate Auditor of subsidiary WAKUTO Co., Ltd.



Naoki Takahashi

Outside Director (Audit and Supervisory Committee Member)

After joining Nissan Motor Co., Ltd., he became licensed as an attorney at law in New York, USA, and joined White & Case LLP. Later, he worked at Coca-Cola (Japan) Company, Limited; he served as Director and Senior Vice President of IQ3 Inc. After working at American International Group, Inc., he became Director and Managing Executive Officer of AIG Japan Holdings Co., Ltd. In December 2016, he became Auditor of LTS, Inc. and became an Outside Director in March 2019.



Akiko Kawazoe

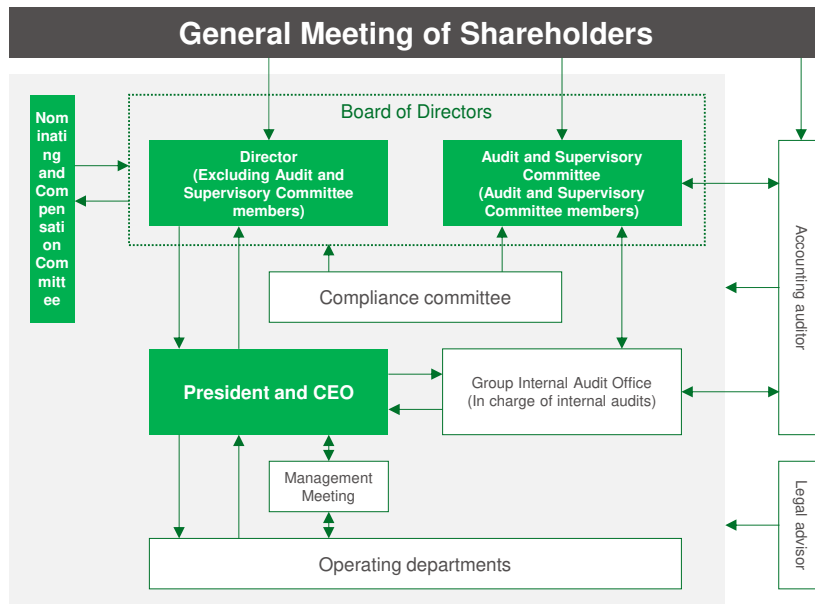
Outside Director (Audit and Supervisory Committee Member)

After joining Deloitte Touche Tohmatsu LLC, she became a certified public accountant and established Akiko Kawazoe CPA Office. Later, after working at Recruit Administration Co., Ltd. (currently Recruit Co., Ltd.) in 2014, she became an employee of Hikari Audit Corporation. In March 2024, she became an Outside Director of LTS, Inc.



Corporate Governance Structure

- LTS, Inc. considers the strengthening of corporate governance to be one of its important management priorities in order to expand corporate value, ensure continued existence, and contribute to society, and is taking the necessary measures to achieve this.



Efforts to date

- Transition to company with audit and supervisory committee
- Increased number of outside directors
- Establishment of Nominating and Compensation Committee
- Disclosure of summaries of financial results and briefing material in English
- Analysis and evaluation of effectiveness of Board of Directors utilizing third-party agency

Themes being considered for future efforts

- Ensuring of diversity of Board of Directors
- Establishment and implementation of succession plan for chief executive officer

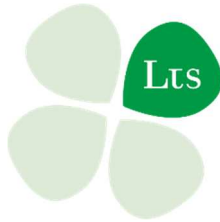
Disclaimer and Note

I Disclaimer

- LTS, Inc. (“the Company”) provides financial information, management indicators, and other information only as a reference. No representations or warranties are made, express or implied, with regard to the content herein.
- The Company prepared this material using current generally known information about social and economic conditions and certain assumptions that we deemed to be reasonable. The information found in this material is subject to change without notice due to changes in business conditions or for other reasons.

I Note on Forward-Looking Statements

- The material and information provided with this announcement contain forward-looking statements. These forward-looking statements are based on current expectations, forecasts, and assumptions that are subject to risks and include uncertainties, which may cause actual results to differ substantially from these statements.
- These risks and uncertainties include general industry and market conditions as well as general Japanese and international economic conditions such as changes in interest rates and exchange rates.
- The Company has no obligation to update or correct the forward-looking statements contained in this material, regardless of any new information, future events, etc.



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