



FY2026 Q1

Financial Results

05/2026

LTS, Inc.

(TSE Prime Market Securities code 6560)



- 1. Business Overview**
2. FY2026 1Q Earnings
3. FY2026 2Q and Beyond Outlook
4. Medium- to Long-Term Growth Scenario
5. Shareholder Return & Capital Management Policy
6. Reference Material

Brand Slogan



Install AGILITY in your Business

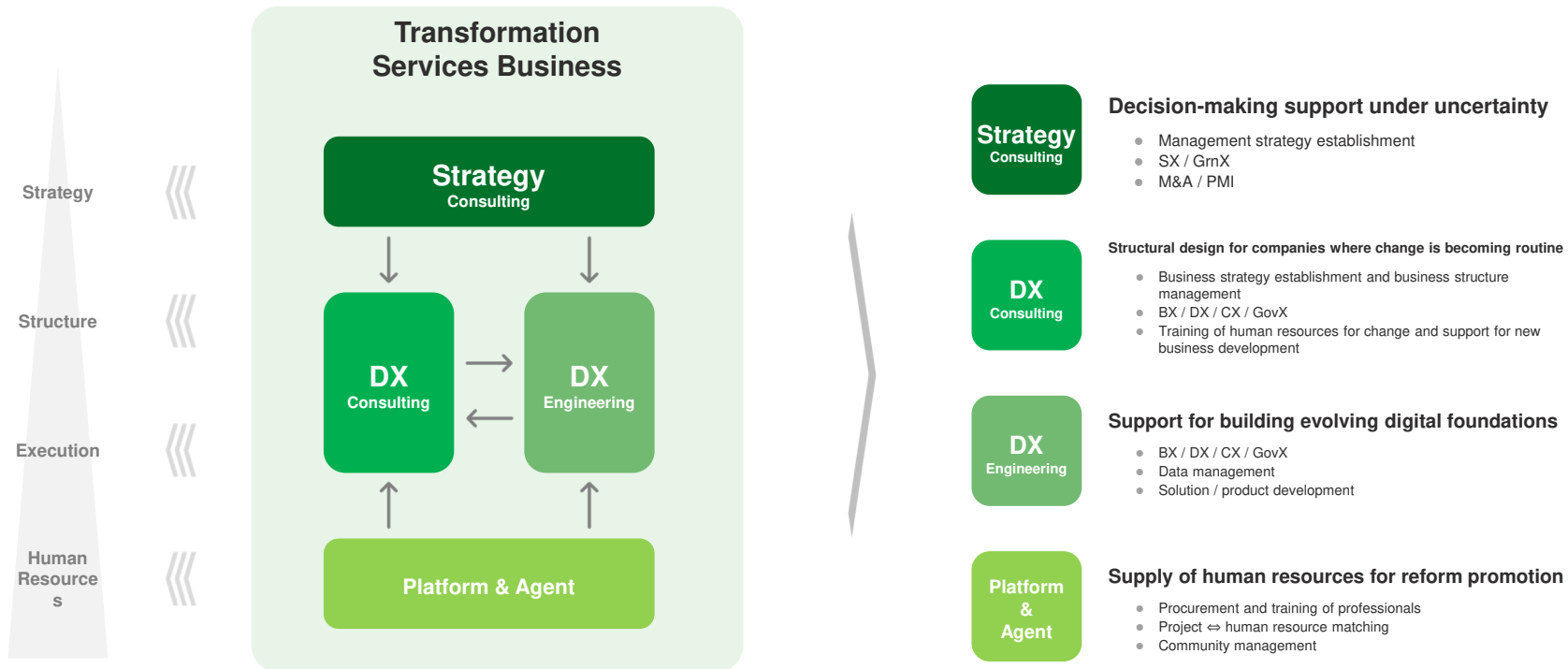
Best Partner for the Digital Era

Supporting management, business, and organizational operations of the digital era in addition to digitalization



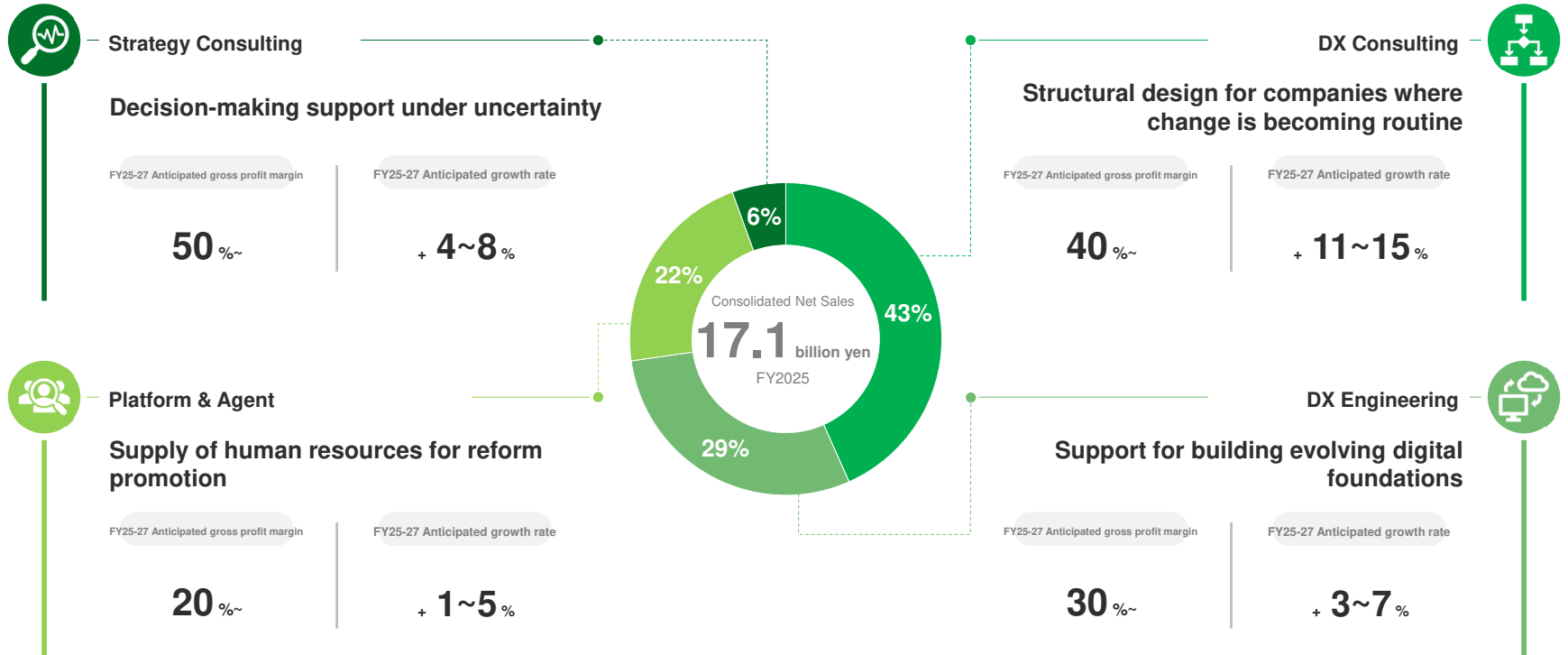
Business Overview - Transformation Services Business

- As a partner to clients, we support the transformation of corporate strategies, structures, execution, and human resources through the "Transformation Services Business."



Business Overview - Service Structure

- Promoting the "Transformation Services Business" across four service domains



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Q1 FY2026 Financial Results Summary

Net sales (Q1)

4,391 million yen

YoY Growth Rate -0.7%
 vs Plan Achievement Rate 115.6%
 vs Guide progress 24.0%

Operating profit (Q1)

496 million yen

YoY Growth Rate +17.3%
 vs Plan Achievement Rate 124.1%
 vs Guide progress 31.0%

(Reference) FY2026 Forecast

Net sales
18,300 million yen

YoY growth rate +7.0%

Operating profit
1,600 million yen

YoY growth rate +34.9%

Results (1Q standalone)

Profitability in the DX consulting area recovered, and operating profit reached a new record high for quarterly results

Results exceeded the plan, partly due to capturing one-time year-end demand
 The former Platform Business is in the final stage toward turning a profit
 Growth momentum in the DX engineering area has paused

Forecast (2Q/H1)

Although results will be lower than 1Q due to seasonal factors as in typical years, profit is expected to increase YoY

Large-scale projects have started despite being a slow project period
 The number of new graduate recruitment is approximately 50, at the same level as the past two years
 There is room to increase the utilization rate in the DX engineering area

Q1 FY2026 - Consolidated Profit and Loss Statement

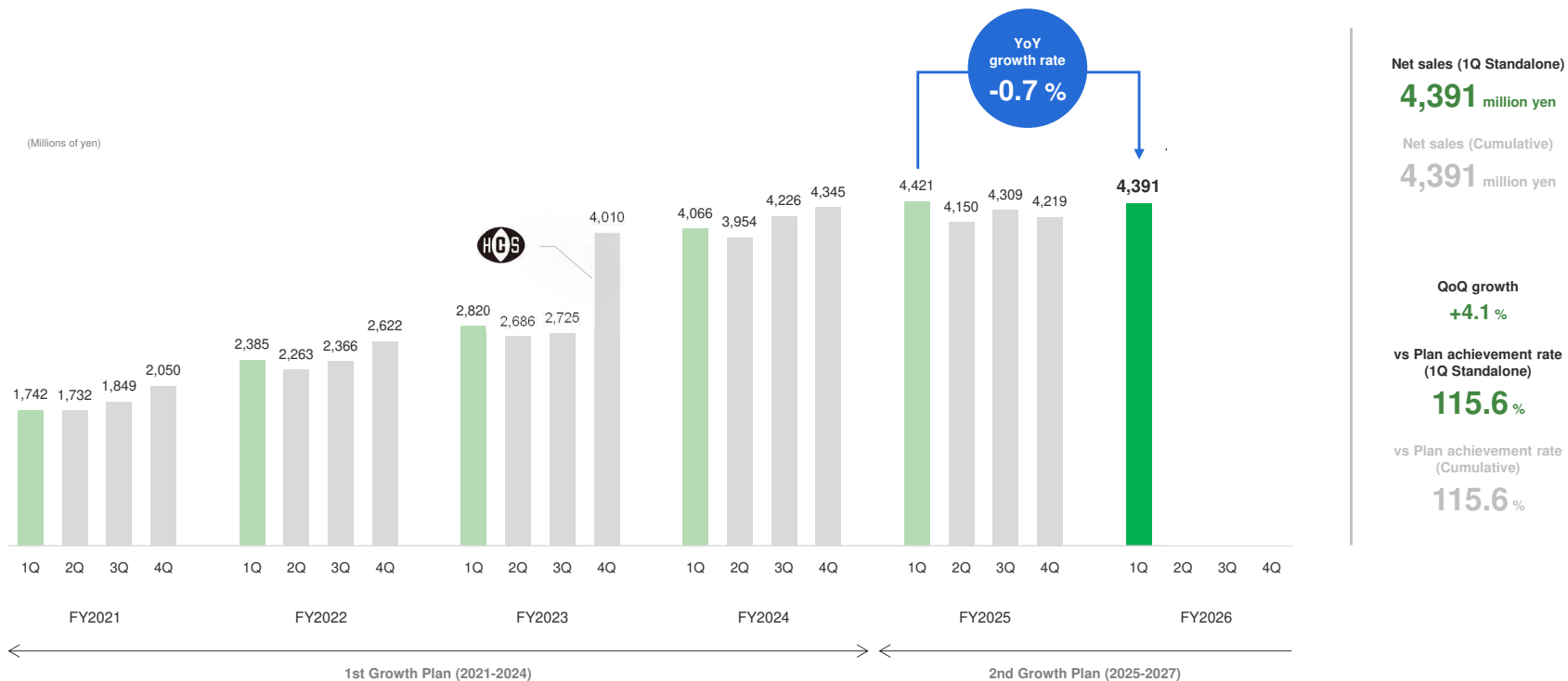
- Both net sales and operating profit show steady growth
- Gross profit and SG&A for FY25 Q1 and Q4 have been revised due to a reclassification of certain personnel expenses (from SG&A to cost of sales)
- Profit before tax was boosted by the recording of extraordinary income (gain on sale of investment securities: 62 million yen)

	FY2026 Q1 results (Cumulative)	FY2026 full year plan		YoY % change			FY2026 Q1 results (Standalone)	YoY % change		QoQ % change		
		Plan	Q1 progress	FY2025 Q1	YoY growth rate	FY2025 Q1		YoY growth rate	FY2025 Q4	QoQ change		
(Millions of yen)												
Net sales	4,391	18,300	24.0%	4,421	↓	-0.7%	Same as left			4,219	↑	4.1%
Gross profit	1,406	6,217	22.6%	1,335		5.3%				1,297		8.4%
Gross profit margin	32.0%	34.0%	-	30.2%		1.8pt				30.8%		1.3pt
Selling, general and administrative expenses	910	4,617	19.7%	912		-0.3%				996		-8.7%
Operating profit	496	1,600	31.0%	423	↑	17.3%				301	↑	64.8%
Operating margin	11.3%	8.7%	-	9.6%		1.7pt				7.1%		4.2pt
Ordinary profit	528	1,615	32.7%	455		16.0%				376		40.2%
Profit before income taxes	590	1,615	36.5%	456		29.3%				299		96.7%
Profit attributable to owners of parent	419	1,050	40.0%	332	↑	26.0%				223	↑	87.9%

* EBITDA: 554 million yen / EBITDA margin: 12.6%

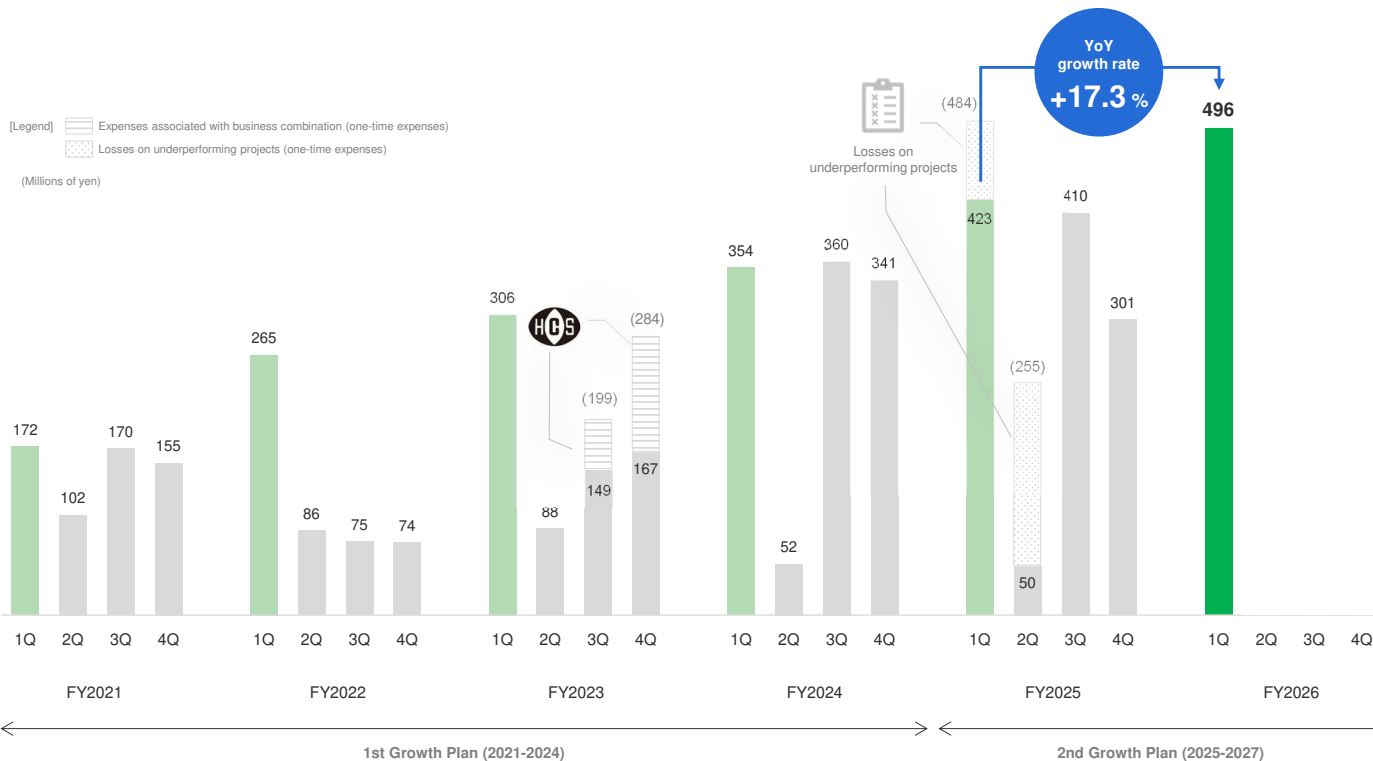
Quarterly Trend in Consolidated Net Sales

- Growth in net sales was limited, partly due to the slowdown in growth in the Platform & Agent segment (excluding the impact of the deconsolidation of Isis CO., LTD. at the end of March 2025, there was a slight year-on-year increase)



Quarterly Trend in Consolidated Operating profit

- The core DX consulting business made significant progress by capturing strong demand for corporate transformation
- While the Platform & Agent business continued to stall, standalone quarterly operating profit for 1Q reached a new record high



Operating profit (1Q)
496 million yen

Operating profit (Cumulative)
496 million yen

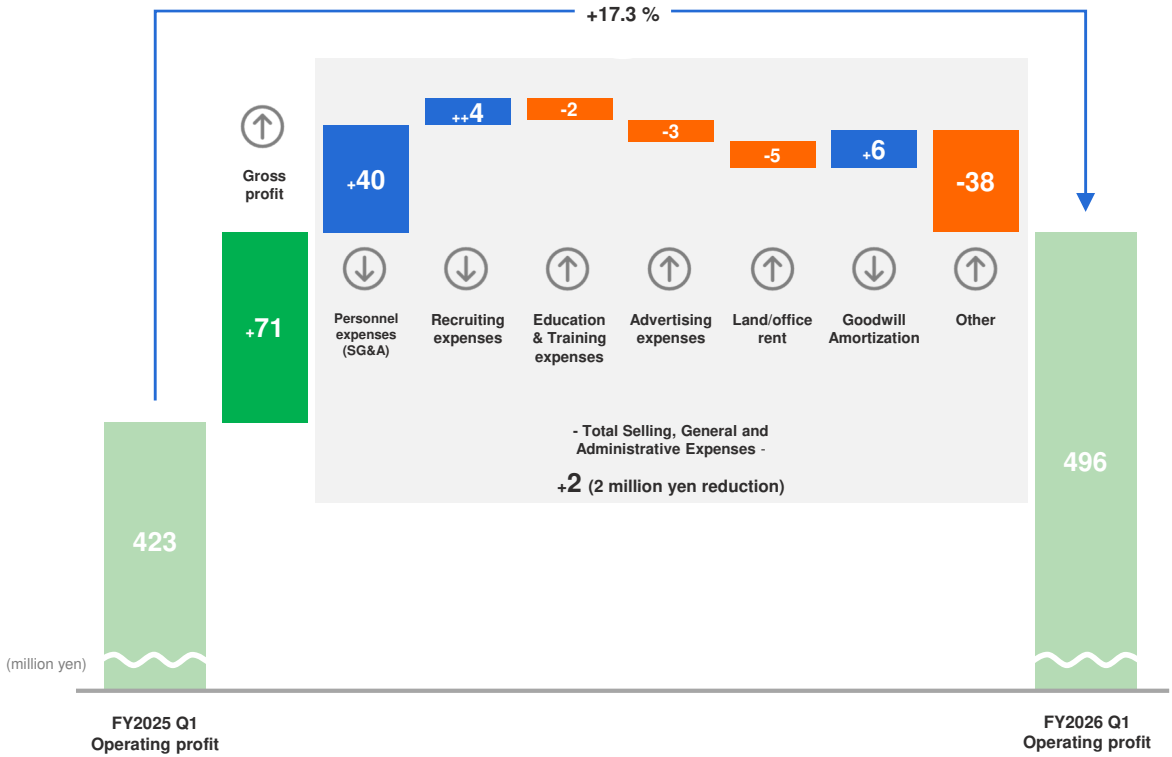
QoQ growth
+64.8%

vs Plan achievement rate (1Q Standalone)
124.1%

vs Plan achievement rate (Cumulative)
124.1%

Analysis of Factors for Change in Consolidated Operating Profit (Q1)

- Operating profit increased by +17.3% YoY as gross profit grew while the increase in SG&A was suppressed.



- Gross profit**
 - Gross profit in the DX consulting domain rose significantly (synergy between net sales growth and gross profit margin improvement)
 - Steadily accumulated gross profit in other service domains as well
- Personnel expenses (SG&A)**
 - Utilization rate maintained at a certain level in each service domain
 - Selling expenses decreased due to the impact of turnover among sales employees
- Investment-related SG&A (Recruiting, education and training, advertising, land/office rent)**
 - Progressed generally as planned
 - Plan to continue active investment
- Expense-related SG&A (Goodwill, other)**
 - Amortization expenses decreased due to the completion of amortization for some goodwill
 - Various service usage fees and depreciation and amortization increased slightly

Q1 FY2026 Consolidated Balance Sheet

- Financial soundness continues to improve as a result of steady business operations
- With a view to future business growth, we have concluded a commitment line agreement with a limit of 1 billion yen for the purpose of building a flexible and stable fund procurement structure and strengthening our financial base

(Millions of yen)	FY2026 Q1 results	YoY % change		QoQ % change	
		FY2025 Q1	YoY change	FY2025 Q4	QoQ change
Current assets	6,889	7,977	- 1,088	6,877	11
Cash and deposits, etc.	3,182	4,934	↓ -1,751	3,376	↓ -194
Non-current assets	3,159	2,923	236	3,154	5
Total assets	10,049	10,900	-851	10,031	17
Current liabilities	3,118	3,178	-59	3,102	16
Non-current liabilities	1,905	2,978	-1,073	2,166	-260
Total liabilities	5,024	6,156	-1,132	5,268	-244
Interest-bearing debt	2,668	3,591	↓ -922	2,923	↓ -254
Total equity	4,907	4,628	279	4,648	259
Net assets	5,025	4,743	281	4,763	261
equity ratio	48.8%	42.5%	↑ 6.4pt	46.3%	↑ 2.5pt

Reference indicators (FY2026 Q1 results)

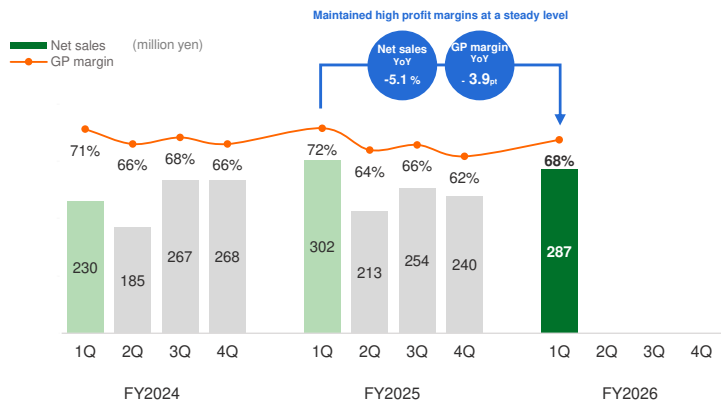
Net cash	513
Net D/E ratio	-0.10
Liquidity ratio	220.9%

Reference) Earnings by Service Domain - Strategy con / DXcon

- The recovery in profitability of DX consulting outweighed the slowdown in Platform & Agent, boosting overall performance



Strategic Consulting



Overview (Net sales)

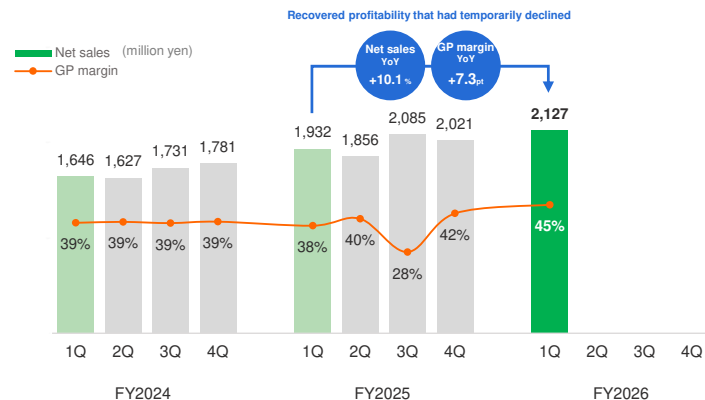
- Results | Revenue from performance-based projects recorded in FY2025 1Q has dissipated
- Outlook | Strategy projects are on a downward trend in 2Q due to changes in the executive structure of client companies

Overview (Gross profit margin)

- Results | Since FY2025, many MGR-level employees have been assigned to R&D at the subsidiary promoting SX/GX consulting (ME-Lab Japan), and the profit margin is on a slight downward trend
- Outlook | Gross profit margin is expected to decline slightly as the number of projects decreases (idle capacity will be allocated to R&D)



DX Consulting



Overview (Net sales)

- Results | Revenue expanded steadily in each business division, centered on large-scale public sector projects
- Outlook | DX projects are on a downward trend in 2Q due to the impact of the fiscal year-end transition at client companies

Overview (Gross profit margin)

- Results | Recovered the expected profit margin through continuous unit price increases and securing a certain level of utilization rate
- Outlook | Although there is some impact from the intake of new graduates in 2Q, the profit margin is expected to continue at a steady level

Reference) Earnings by Service Domain - DXeng / P&A

- The recovery in profitability of DX consulting outweighed the slowdown in Platform & Agent, boosting overall performance



DX Engineering



Overview (Net sales)

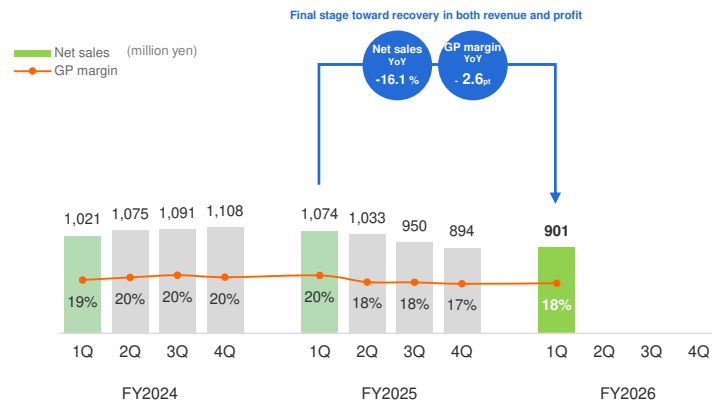
- Results | Although there was a YoY increase, initial assumptions were not met due to the impact of headcount reduction and lower utilization rates
- Outlook | Structural reforms (improving liquidity and reskilling) are underway to shift services to high-value-added areas. As the decrease in total engineer utilization is expected to continue for a certain period, a gradual downward trend is anticipated from 2Q onwards.

Overview (Gross profit margin)

- Results | Maintained a certain level by offsetting the decline in utilization rates with productivity improvements
- Outlook | Expected to remain at the same level as 1Q



Platform & Agent



Overview (Net sales)

- Results | In the external human resources matching service, revenue decreased as robust demand could not be monetized due to the weakening of the sales structure
- Outlook | Expected to return to a growth trend from 2Q (strengthening of the structure will continue)

Overview (Gross profit margin)

- Results | No significant fluctuations in matching fee levels
- Outlook | While aiming to increase fees through unit price negotiations and new models such as team-based dispatch, levels are expected to remain steady

2nd Growth Plan Activities Progress - Quarterly Highlights



Talent / Organization

Started adjusting the human resources portfolio in anticipation of a shift to business operations based on generative AI

- Certified as a "Health & Productivity Management Outstanding Organization" for five consecutive years
- Continued activities to obtain professional qualifications in the PM and BA fields (8 employees obtained)
- Implemented minor changes to the personnel system renovated in FY2025
 - Raised the compensation structure in the strategic consulting field
 - Raised the starting salary for new graduates in consultant positions



Customers / Sales

In addition to developing promising new clients, continued to strengthen account sales for existing key customers

- Number of new clients increased by 16 as a result of marketing activities
- Cross-selling related to organizational transformation and human resources development became active, starting from DX consulting
- Organized a "Business Architect" study group that transcends corporate frameworks, bringing together 7 major clients supported by LTS



Services

Exploring the expansion of non-labor-intensive services, centered on corporate reform support as business architects

- Mitsui O.S.K. Lines project supported by LTS won the IIBA Business Analysis Award (Encouragement Award)
- Increase in performance-based projects, primarily in the strategic consulting field
- Started sales of "AntiSocial Checker®" an anti-social force check SaaS developed by a subsidiary



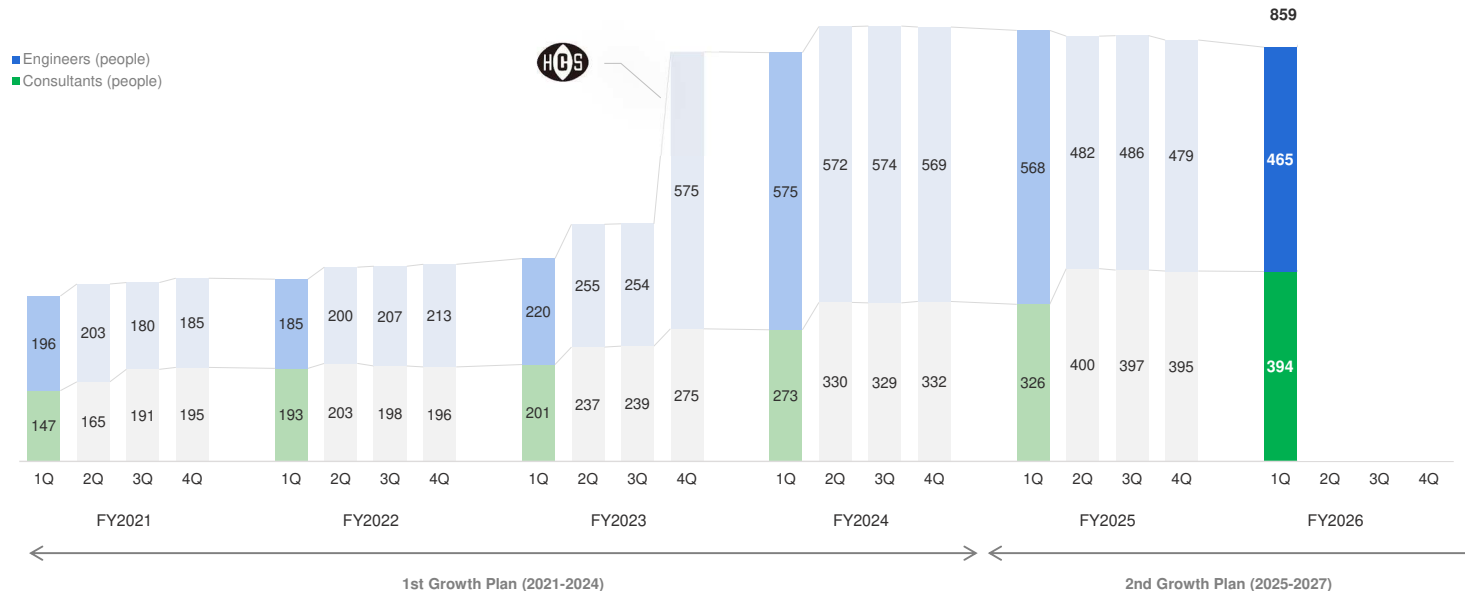
Governance

Accelerated infrastructure development to support group management for efficient use of management resources and synergy creation

- Promoted optimal allocation of human resources through inter-company transfers (secondment/transfer)
- Established HRBP and FP&A to strengthen operational support for business divisions and subsidiaries through head office functions
- Promoted group integration of internal control processes and ISO certification

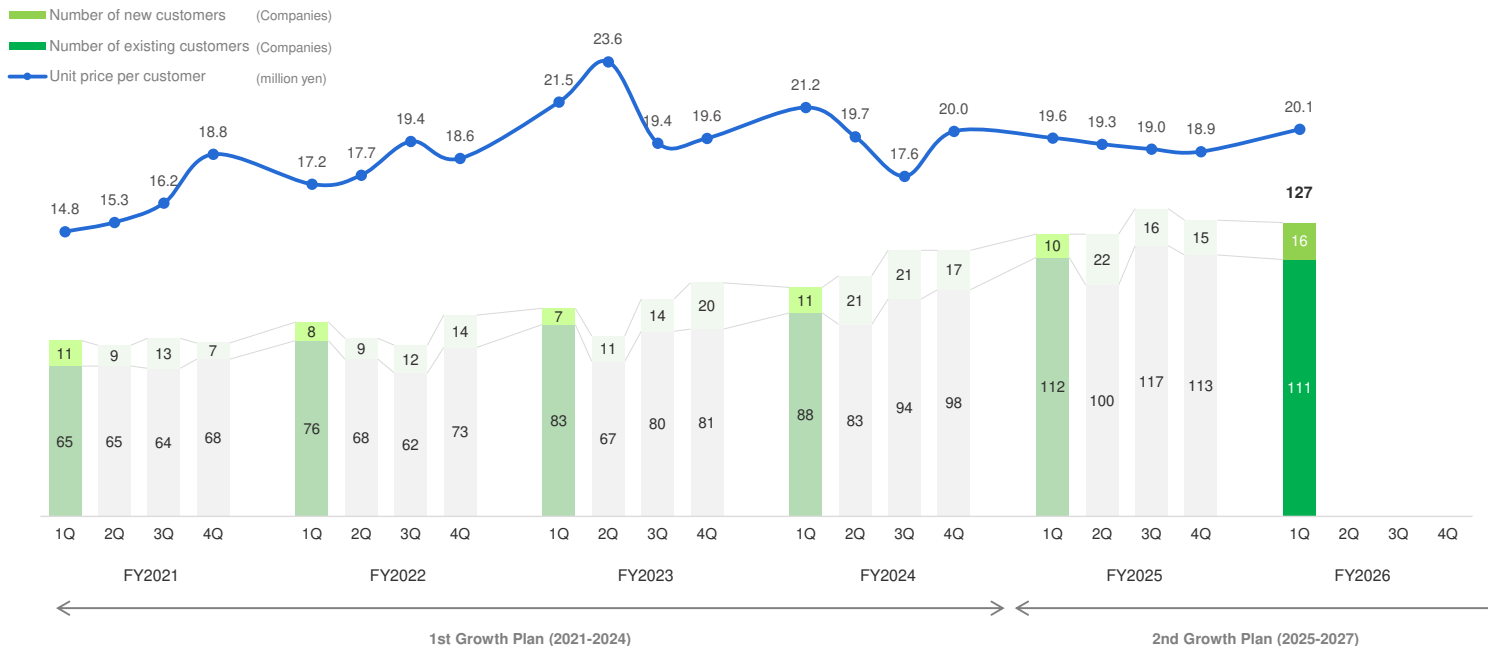
2nd Growth Plan Progress - Number of Frontline Employees (Consolidated)

- Net decrease of 35 people YoY, primarily in engineering positions (54 new graduate employees joined in April)
 - Consultants: Continued proactive hiring (promoting optimization of personnel composition by curbing new graduate recruitment and increasing mid-career hiring)
 - Engineers: Curbing recruitment by incorporating the utilization and impact of generative AI
- The fiscal year-end frontline headcount was planned at 950, but this may change in the future in accordance with adjustments to the human resource portfolio



2nd Growth Plan Progress - Customer Relationship Indicators

- LTS standalone (Strategic Consulting and DX Consulting) has continuously increased the number of active customers while also gradually improving the unit price per customer by deepening relationships with existing customers.
 - New customer acquisition: Continuous inquiries are generated through marketing activities such as customer word-of-mouth, seminars, lectures, publications, and article distribution.
 - Net sales composition: The percentage of the top 20 companies in total net sales gradually decreased from an average of 83% in FY2021 to an average of 71% in FY2025, showing progress in the diversification of the revenue base.



* For LTS standalone, the number of customers for whom net sales were recorded in the relevant quarter is counted (dormant customers and customers with no transactions during the period are excluded).

2nd Growth Plan Activity Progress - Service Case Studies



Strategic consulting

- **Client:**
Japan International Cooperation Agency (JICA)
- **Project:**
Demonstration of digital and space technologies based on the National Water Resources Master Plan
- **Challenge:**
Understanding the current situation of water resources and sophisticated management in Zambia, and realizing water resource management through the use of digital technology.
- **Solution:**
Proposed analysis technology using satellite precipitation data. Verified the use of satellite data for water resource management through local demonstrations.
- **Impact:**
Aiming to establish a foothold for business expansion in the African region, while contributing to sophisticated water resource management and GX promotion.
- **Features:**
A project to solve social issues using space technology x digital technology. Combining cutting-edge technology derived from academia with management and GX support.



<https://lt-s.jp/news/pressrelease/2025-12-15>



DX consulting

- **Client:**
Mitsui O.S.K. Lines, Ltd.
- **Project:**
Visualization of operational processes and creation of standard operating manuals for improving vessel operation processes
- **Challenge:**
Visualization and standardization of operational processes in international vessel operations, as well as operational optimization and DX promotion.
- **Solution:**
Supporting the visualization of operational processes and the development of standard operating manuals by utilizing BPM (Business Process Management) and digital technology.
- **Impact:**
Received the "FY2025 Business Analysis Award, Incentive Award" from the IIBA Japan Chapter. Contributed to the creation of value-added time through the optimization and automation of operations and organizations.
- **Features:**
Practiced the use of process management tools, for which there are few examples in Japan. A leading case study that integrated business reform, DX, and standardization.



<https://lt-s.jp/news/pressrelease/2026-02-12>

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FY2026 Consolidated Performance Forecast (Net Sales)

- Prioritizing profitability recovery in FY2026, with a focus on operating profit growth over net sales growth
- Regarding net sales in 2Q, while there is typically a downward trend compared to 1Q results due to a slow project period (a temporary decrease in investment activities by companies with a March fiscal year-end), in FY2026, the sales level is expected to be maintained, partly due to the impact of net sales recognition based on the percentage-of-completion method

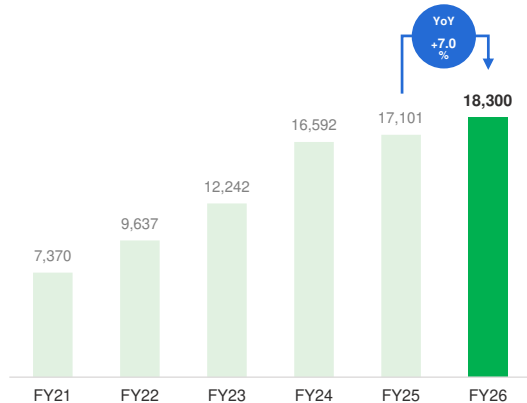
Net sales

18,300 million yen

FY21-25 CAGR +23.4%



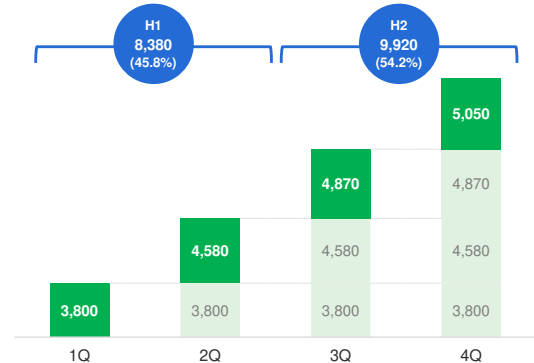
Trend Over the Past 5 Years



(Millions of yen)



FY26 Quarterly Trend



(Millions of yen)

FY2026 Consolidated Performance Forecast (Operating Profit)

- Prioritizing profitability recovery in FY2026, with a focus on operating profit growth over net sales growth
- Operating profit in 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

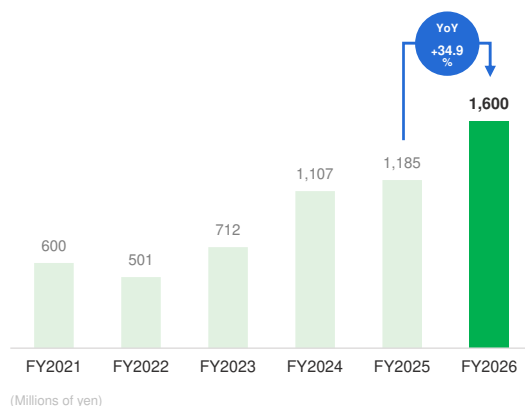
1,600 million yen

FY21-25 CAGR +18.5%

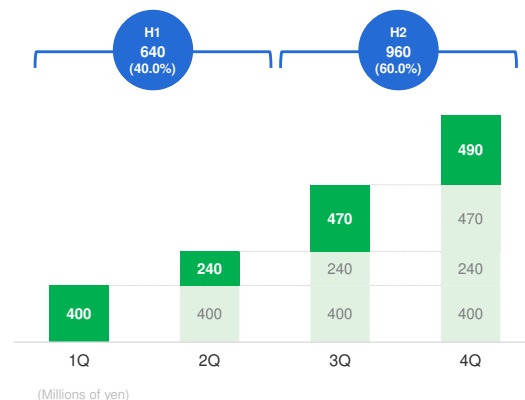
Operating margin 8.7%



Trend Over the Past 5 Years



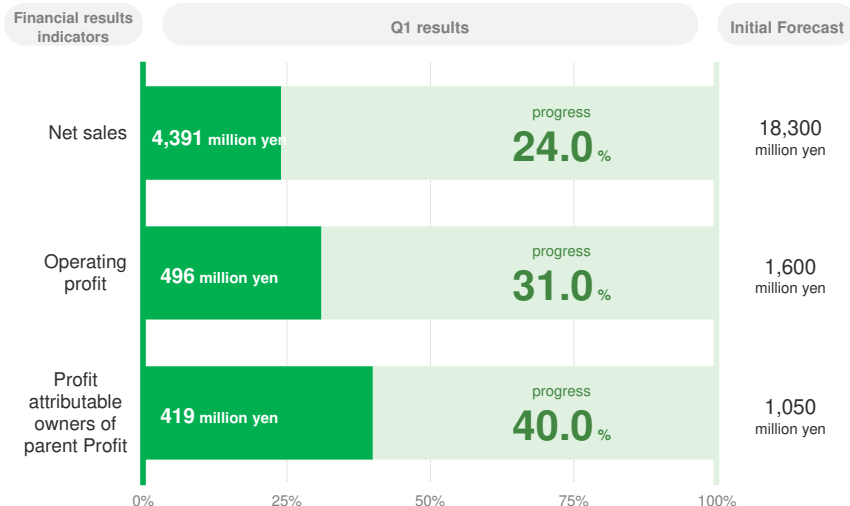
FY26 Quarterly Trend



Q1 FY2026 - Consolidated Financial Results

- Cumulative results through Q1 for net sales, operating profit, and profit attributable to owners of parent are tracking in line with initial assumptions.
- There are no changes to the earnings forecast for Q2 and beyond at this time.

Q1 business progress against initial forecast



Risk awareness and response status

- Prolonged decline in number of active employees in the former Platform Business (Professional Hub service)
 - ↳ Current situation | Number of active employees increased by +6.7% QoQ
 - ↳ Response | Strengthening of sales structure and raising fee levels
- Uncertainty in the progress of a large-scale project (quasi-delegation contract)
 - ↳ Current situation | Managing within the scope of normal project management
 - ↳ Response | Strengthening of contract management, quality control, and profit and loss management
- Changes in investment stance of corporate customers due to the turmoil in the Middle East
 - ↳ Current situation | No impact such as project freezes
 - ↳ Response | Closely monitoring macro trends and changes in corporate customer management policies

Opportunities and response status

- Robust demand for training of business architecture human resources
 - ↳ Current situation | "Digital Skill Standards" revised by METI and IPA
 - ↳ Response | Providing support that combines project execution with customer human resource training

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Business Characteristics - Business Agility Enhancement Support

- A partner that overcomes obstacles at each level of corporate transformation by understanding business structures

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

Environmental Awareness - Two "Xs" Driving Corporate Transformation

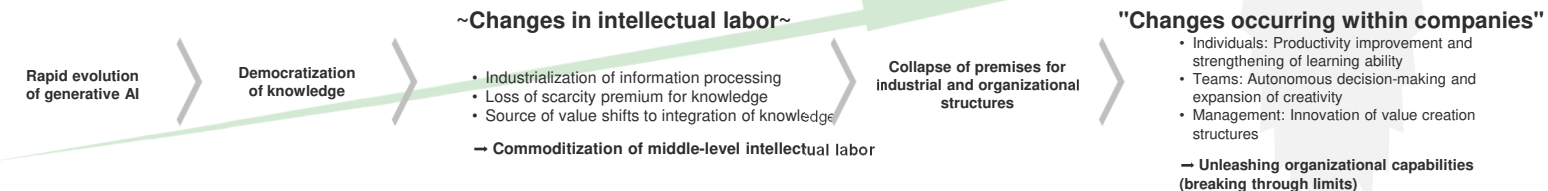
- DX makes companies "adapt to change," and AX transforms companies into "entities capable of change"
- The two "Xs" interact with each other and eventually converge into "X for an organization that can continue to change"



- DX | Reform pressure from outside



- AX | Reform pressure from within



Impact of Generative AI - For an "X" Partner

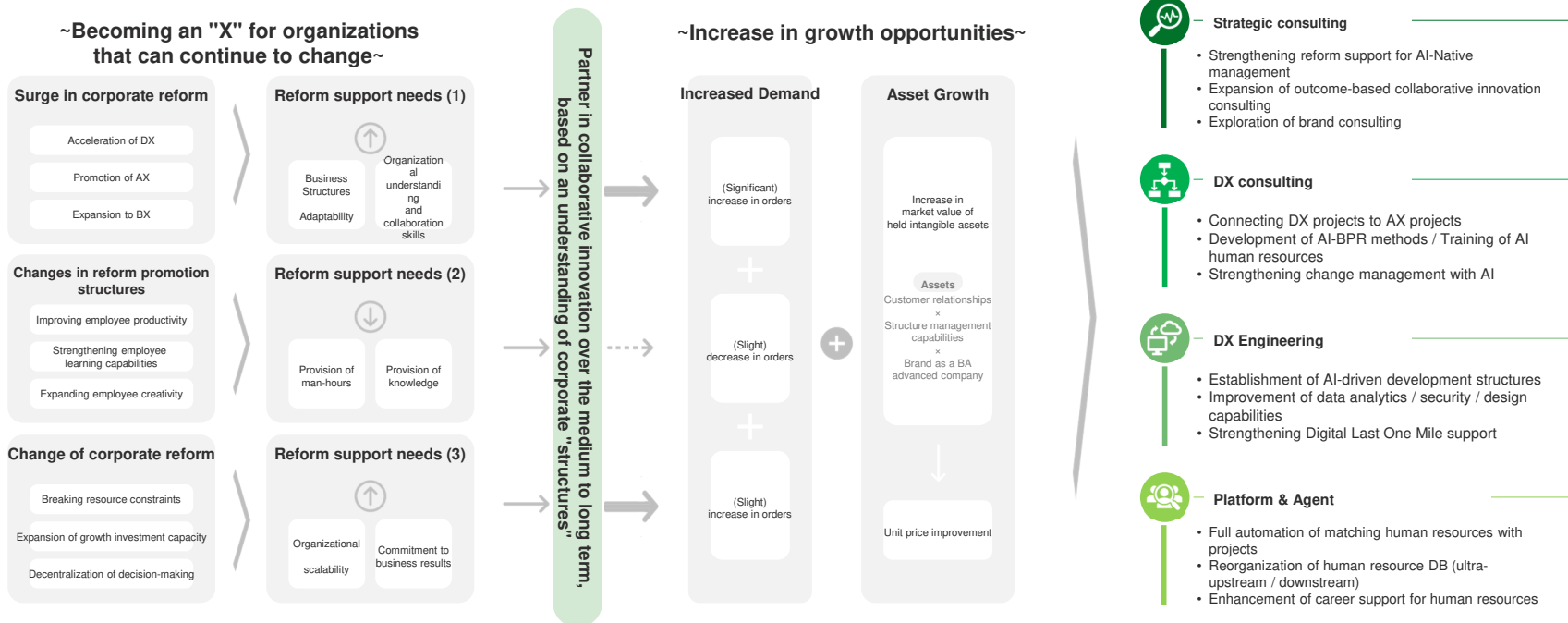
- As a company in a partner position that works with customers on business structure reform over the medium to long term, we recognize this as an opportunity to accelerate growth from the perspectives of increased demand and asset growth.

Impact on Customer Companies

Relationship between Customers and LTS

Impact on LTS

Direction of Response (by Service Domain)



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

VISION 2030 : Perform & Transform

1st Growth Plan

2nd Growth Plan

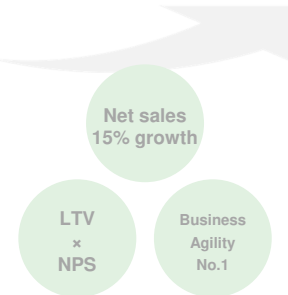
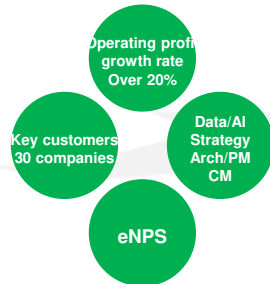
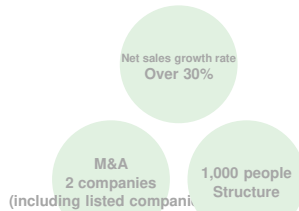
3rd Growth Plan

FY2030 Target

- Expanding business scale
- Integrating services
- Increasing M&A/PMI literacy

- Recovering profitability
- Strengthening specialized service capabilities
- Improving engagement
- Deepening customer relationships

- Expanding business scale
- Establishing and popularizing brand
- Maximizing customer relationship value



Net sales Operating margin
¥50 billion / Over 10 %
 (Organic growth + M&A)



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



Professional
2,000 people
 (Business agility experts)

FY2021

FY2022

FY2023

FY2024

FY2025

FY2026

FY2027

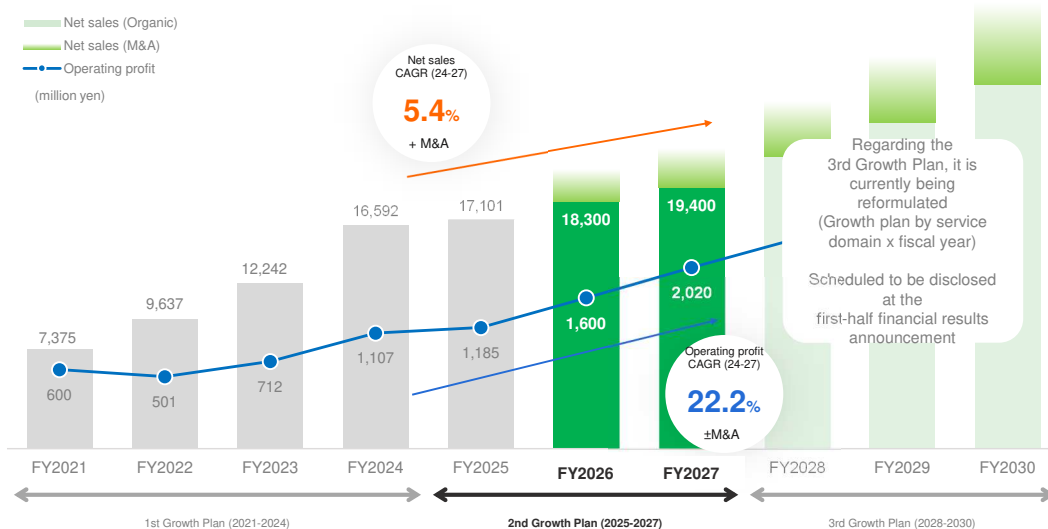
FY2028

FY2029

FY2030

2nd Growth Plan – Performance Target Trends

- In the 2025-2027 period, we are prioritizing the recovery of profitability (operating margin) and aiming for an average operating profit growth rate of 20%.
- For the 2028-2030 period, we also plan to continue the average operating profit growth rate of 20%.
- Although not included in the plan, we are also looking at non-linear growth through M&A in addition to organic growth.
- (Adjusted target figures for FY2026 and net sales target figures for FY2027 based on FY2025 results)



Growth targets including M&A

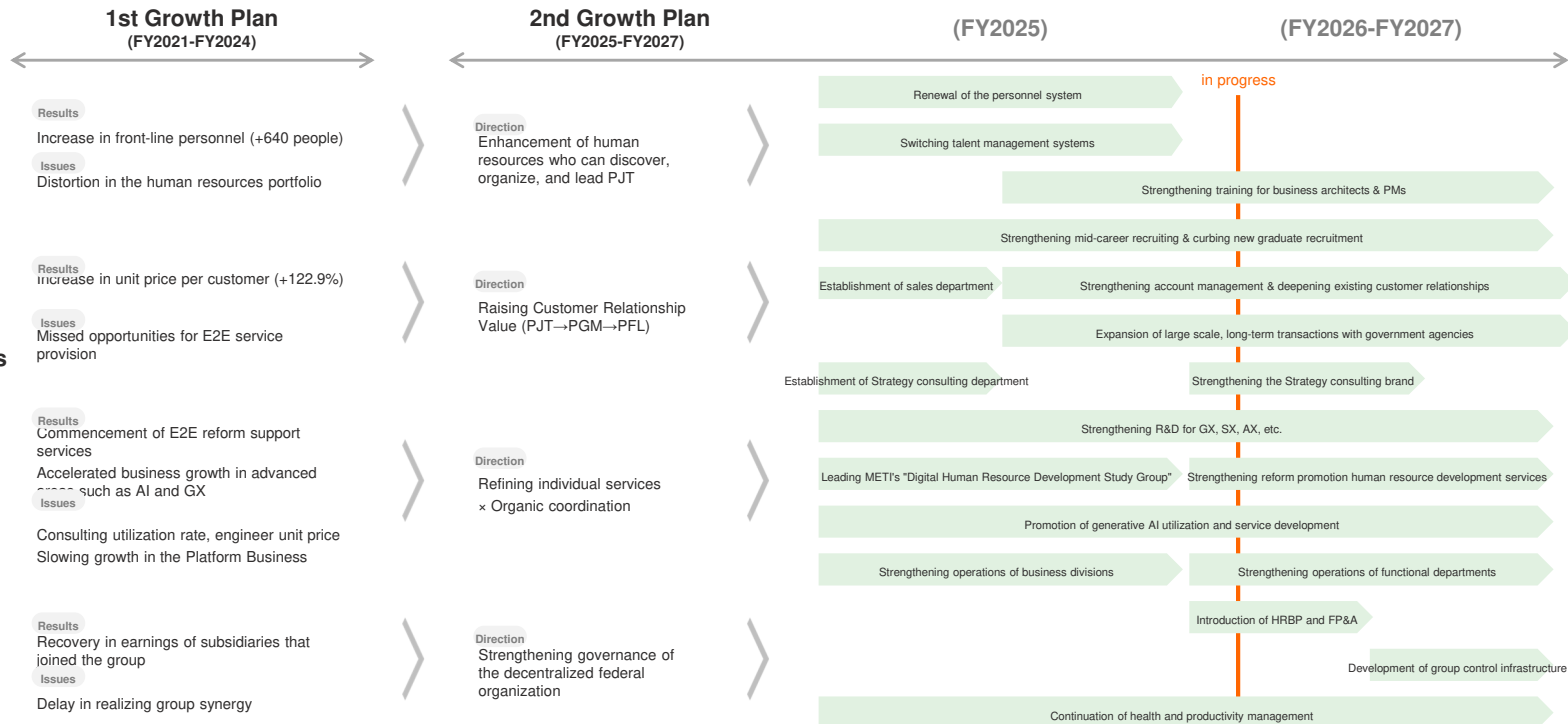
FY	Net sales	Operating margin
2030	50 billion yen	Over 10 %

Image of organic growth

FY	Net sales	Operating profit
2027	19.4 billion yen	2.02 billion yen (Operating margin: 10.4%)
FY 2030	Under reformulation	Under reformulation (Operating margin: Under reformulation)

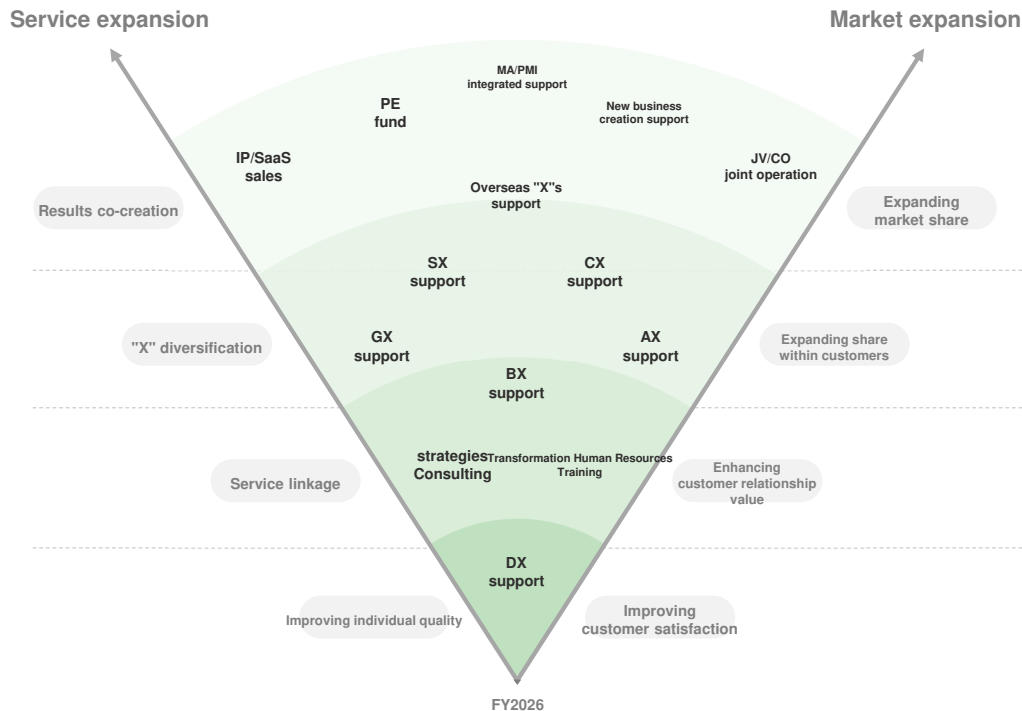
2nd Growth Plan - Progress of Initiatives

- In the 1st Growth Plan, while we acquired comprehensive capabilities as a partner for corporate customers, our profit-generating capacity declined
- In the 2nd Growth Plan, we aim to recover profitability by strengthening service competitiveness, employee engagement, and customer relationships



2nd Growth Plan - Business Growth Strategy

- Aiming to be the Best Partner for the Digital Era as a comprehensive transformation platform specializing in business architects



■ **Market cultivation | Leveraging organizational strength to capture growth in overseas markets**

- Wide-area business development with overseas local subsidiaries as hubs
- Expansion into value creation models utilizing knowledge and capital (Smiling Curve upstream)
- Evolution into value co-creation models deeply involved in results creation (Smiling Curve downstream)

■ **Peripheral businesses | Maximizing LTV through continuous structural reform support**

- Advancement of value design models that structure strategies (Smiling Curve middle)
- Covering "X" megatrends at each level: management, business/organization, and individuals
- Establishing a partner position by controlling business structures

■ **Evolve existing businesses | Increasing unit price per customer through advanced corporate reform support**

- Strengthening consulting in the strategy x tech domain
- Strengthening End-to-End/Edge-to-Edge one-stop services
- Strengthening support for insourcing transformation PJTs (supply of specialized human resources and employee training)

■ **Enhance existing businesses | Improving profitability of individual services**

- Strengthening BA (Business Analysis/Architect) education
- Strengthening recruitment of PM-level consultants
- Strengthening quality management and profit/loss management processes

2nd Growth Plan - M&A Strategy for Discontinuous Growth

- While focusing on organic growth, we plan to actively utilize M&A as an important growth strategy option
- In 2025-2027, priority will be given to small-scale (~500 million yen) M&A for deepening and evolving existing businesses

[Legend] Target for consideration Minority investment

	Deepening and evolving existing businesses (Service enhancement)						Peripheral businesses (Service expansion)		Market cultivation (Service area expansion)	
	Incorporation of advanced technology/products		Strengthening of solutions		Acquisition of human resources		Results	Target for consideration	Results	Target for consideration
	Results	Target for consideration	Results	Target for consideration	Results	Target for consideration				
Strategy Consulting										
DX Consulting										
DX Engineering										
Platform & Agent										
(Outside the 4 areas above)										

- Generative AI, digital twins
- edge computing
- blockchain
- cybersecurity

- MS365
- SAP, SFDC
- OutSystems

- Strategy, SX/GX
- Data, AI
- DX, ERP

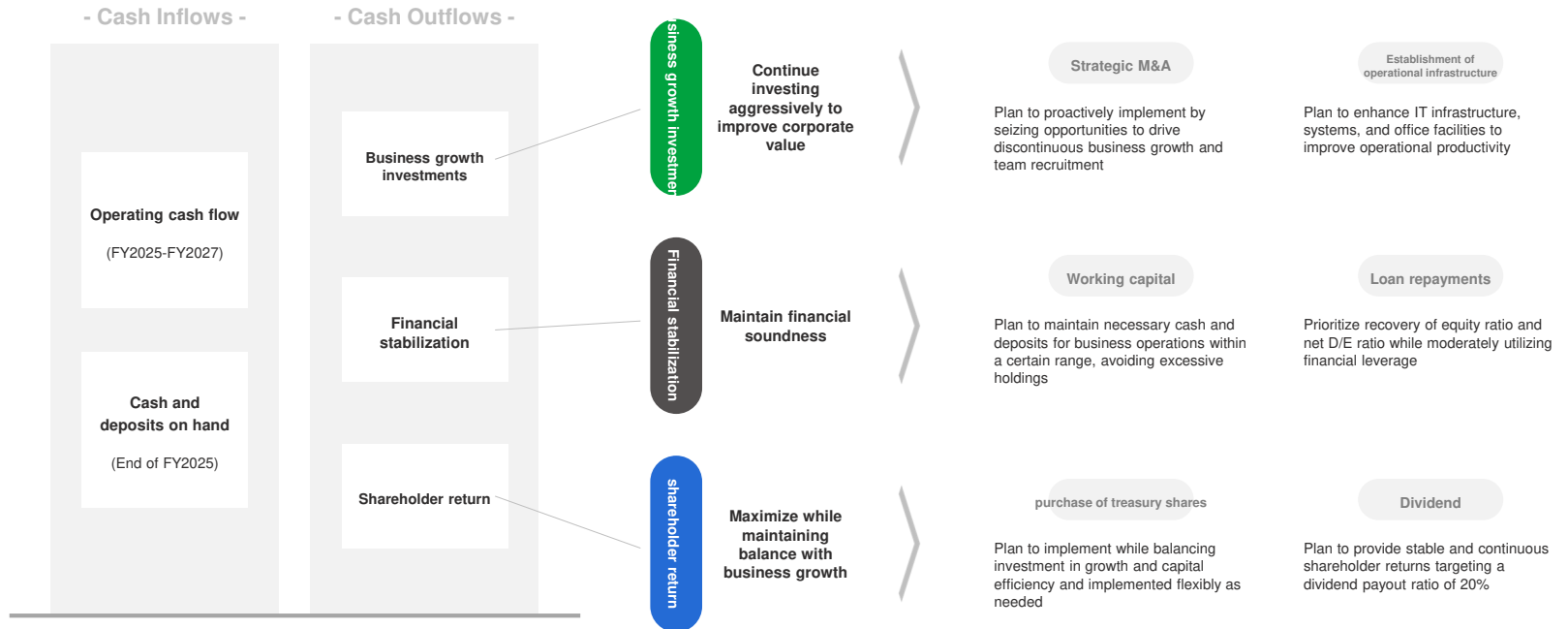
- Training, HR services
- BPO, ITO
- Investment, business creation-related

- Overseas local partners
- Regional base partners

1. Business Overview
2. FY2026 1Q Earnings
3. FY2026 2Q and Beyond Outlook
4. Medium- to Long-Term Growth Scenario
- 5. Shareholder Return & Capital Management Policy**
6. Reference Material

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 increase)

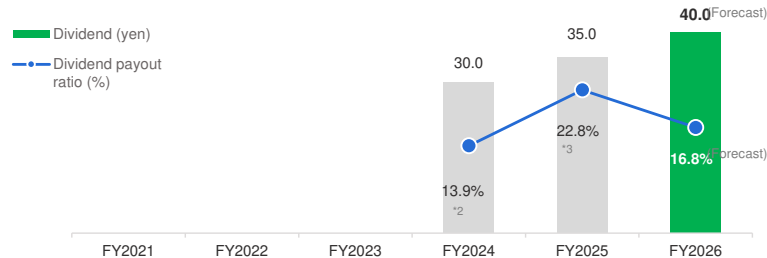


Basic policy

- 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



Trend in annual dividend per share



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Treasury share purchase amount ^{*1}	145 million yen	150 million yen	28 million yen	70 million yen	500 million yen	- million yen
Total payout ratio	37.6 %	64.6 %	6.3 %	21.6 %	93.9 %	- %



FY2026 Dividend Forecast

Annual dividend per share

40 yen

(Ordinary dividend)
(Year-end dividend)

Dividend payout ratio

16.8%

(Calculated based on the
FY2026 earnings forecast)

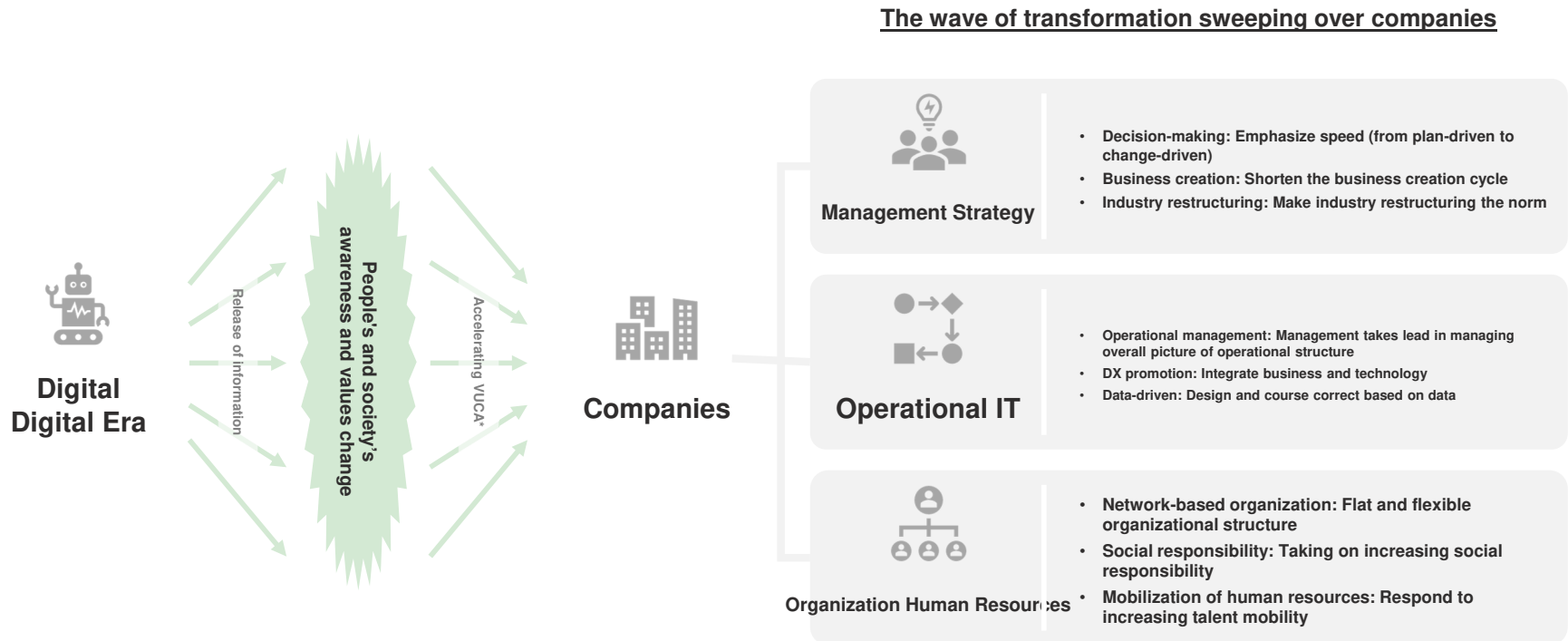
1. Business Overview
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1.

**Macro
Environment**
(Digital era)

The Impact of the Digital Era on Companies

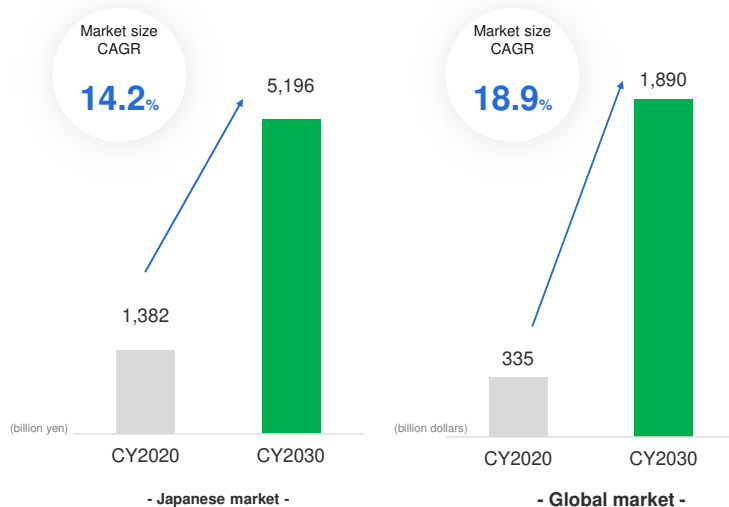
- The spread of digital technology is driving major transformations across all aspects of society, and this wave of change is compelling companies to swiftly adapt to change.



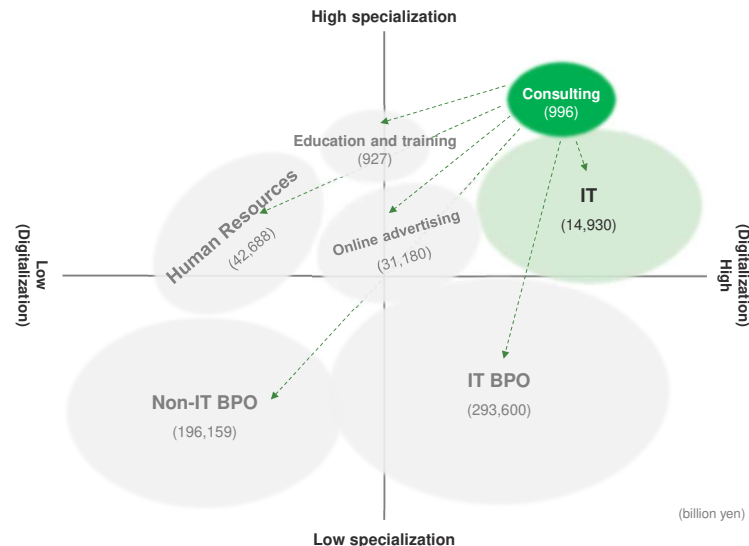
Expansion and Growth of Consulting Market (Growth Potential x Scalability)

- 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)



Source: Prepared by LTS based on various information from Yano Research Institute (circle size represents approximate market size)

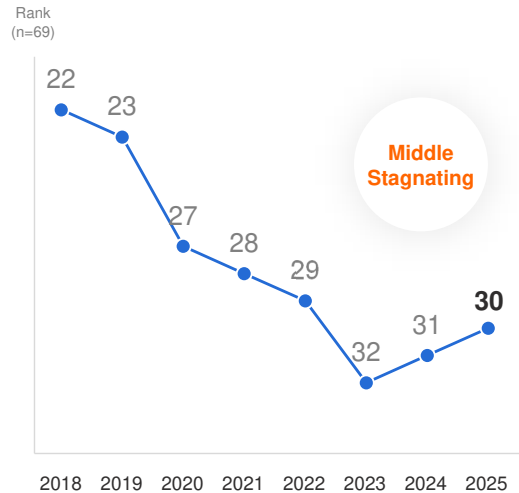
2.

Micro Environment
(Business agility)

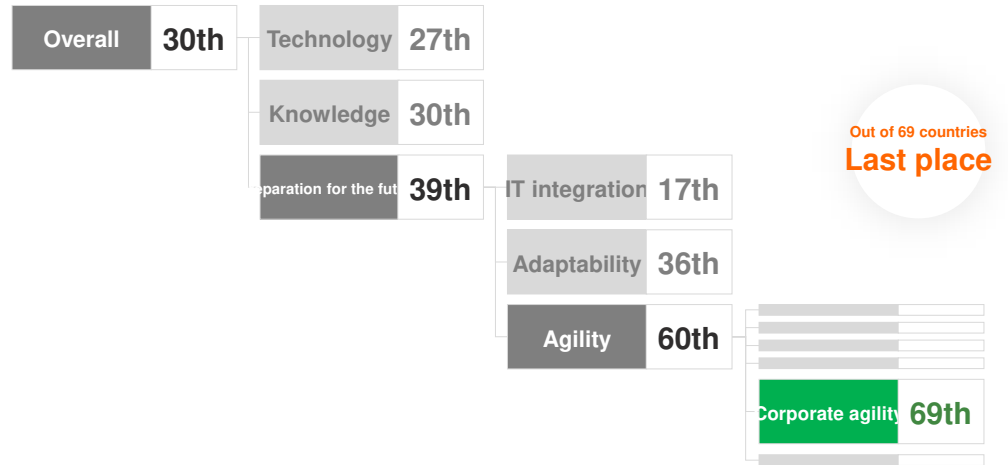
Social Issues in Japan - "Speed" is Lost

- To stop the decline of Japanese society and rise from the digital defeat, it is essential to increase the competitiveness of the country and companies by acquiring and strengthening "corporate agility."

IMD World Digital Competitiveness Rankings



Japan's Weaknesses (Element Breakdown of Rankings)



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

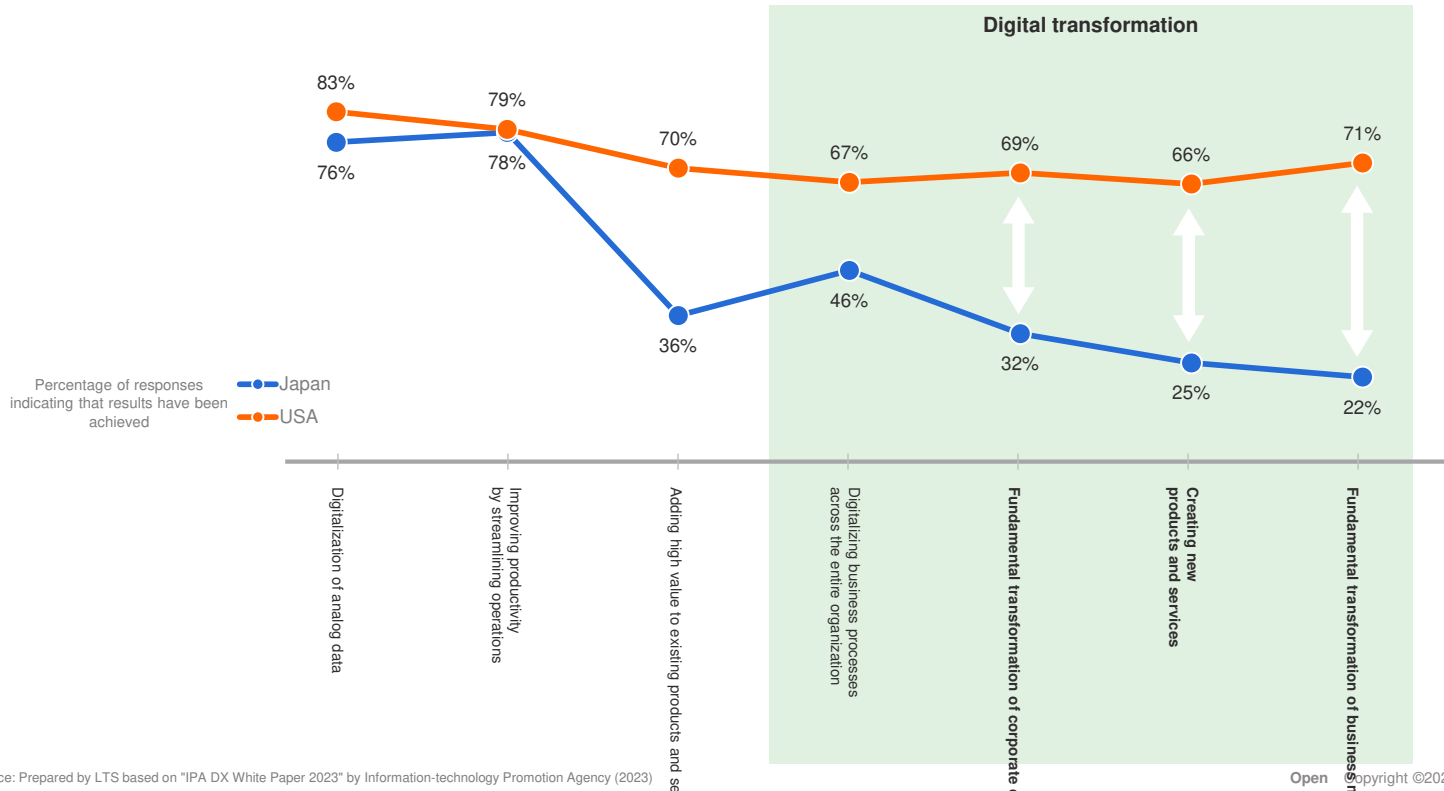
- Business agility* refers to the organizational capacity that enables the business structure to adapt quickly to changes in the external environment.

		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

Business agility

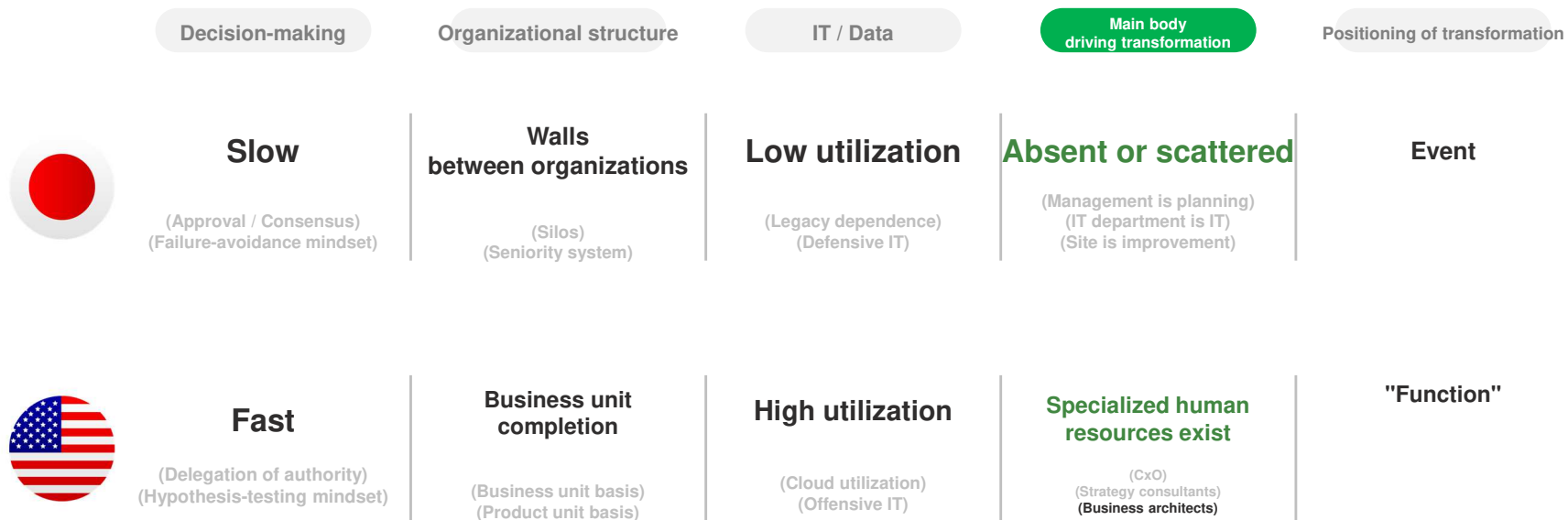
Business Agility: Japan vs US

- Most initiatives by Japanese companies are limited to "digitalization of data and processes" and do not reach the "transformation (X)" where digital technology is a business assumption, as pursued by US companies.



Reasons for Low Business Agility

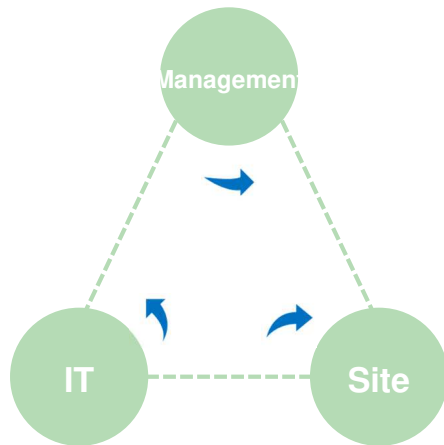
- The biggest reason for the low agility of Japanese companies is that **specialized human resources responsible for transformation do not exist within the company.**
- While there are people who draw up strategies, people who build IT, and people who run the site, there are no human resources who transform (X) the business itself.



Key to Strengthening Agility = Business Architects

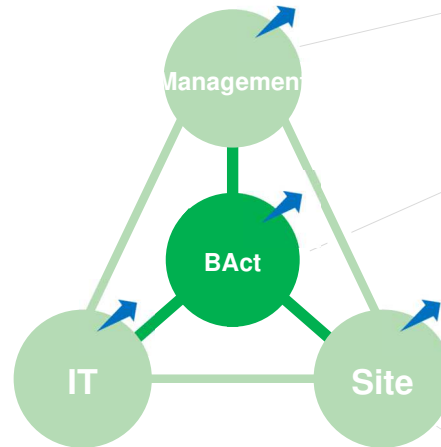
- Business architects realize corporate transformation by **integrally designing the structures (business, technology, organization, etc.)** required to implement strategies.

Fragmented transformation

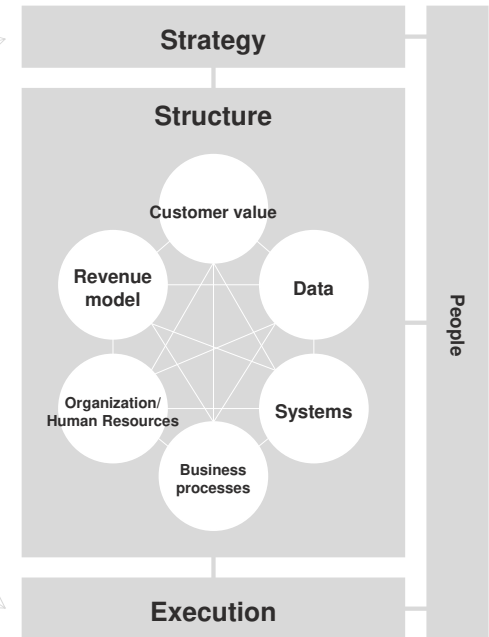


- Ends with digitalization + α
- Gap between Management ↔ Site ↔ Tech
- Collection of numerous PJTs

Designed transformation

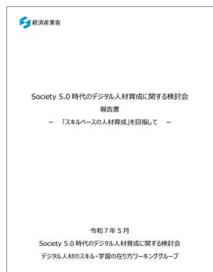


- Transformation
- Connection between Management ↔ Site ↔ Tech
- Managed as a roadmap



Reference) Recent Industrial Policy in Japan

- Based on the "Priority Plan for the Realization of a Digital Society" approved by the Cabinet in June 2025, the nation is promoting the training of "transformation human resources."



Ministry of Economy, Trade and Industry (May 2025)

"Report of the Study Group on the Development of Digitally Skilled Workforce for the Era of Society 5.0 - Aiming for 'Skill-based Human Resource Development' -"

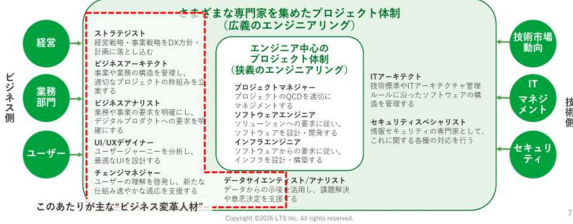


Leading as the chair of the "Task Force on the Development of Business Architecture Human Resources"

包括的なデジタルエンジニアリングを実現する体制

- これらの要求を処理し、包括的なプロジェクト（プログラム）マネジメントをするために、デジタル人材も役割が多様化する傾向にある。北米の事例などによる代表的な役割は以下の通り。

（なおエンジニアの役割は北米の標準ではさらに細かい（QA、テストエンジニア等））



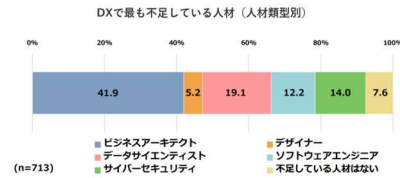
各役割の詳細（ビジネスアーキテクト）

- 以下はビジネスアーキテクトの詳細。ここではBAectと略す。

役割	主な作業
組織や事業を俯瞰する立場から、経営戦略を全体最適の事業構図に落とし込み、これを実行する変革のロードマップ（プロダクト/プログラムポートフォリオ）を立案する。また、これに関する経営者の役員判断/意思決定の実現を行う。	<ul style="list-style-type: none"> 各家戦略に基づく事業構図（ビジネスアーキテクチャ）の設計と、戦略実行のための施策ポートフォリオ（プロダクト/プログラムポートフォリオ）の立案、及び施策の監視と実行支援 変革活動推進のガイドラインや共通言語の提供 変革活動の経営視点からの検証と投資効果（ROI）の検証 上記に関する社内内外のステークホルダー（事業部門、IT部門、パートナー企業）との横断的調整・実行
決定権・責任の持ち方	活動サイクル
<ul style="list-style-type: none"> 施策の最終決定権は経営であること多く、助言的な役割となる。 ただし、その助言は施策決定のうえに強く組み込まれることが多く、経営への一定の影響力を持つ。 	<ul style="list-style-type: none"> 活動の規程化・上げ時（ビジネスアーキテクチャ機能の立ち上げ時） 定期的な活動（明確な終了時期は存在しない）。
代表的な知識体系 (K)	その他備考
<ul style="list-style-type: none"> BIZBOK (Business Architecture Guild) TOGAF Business Architecture (The Open Group) 	<ul style="list-style-type: none"> 経営方針の実行役として中央集権的に働く場合がある一方で、社内の様々な変革活動の機動的調整者としてふるまう場合もある。位置づけや影響力の強さは経営次第となる。（次ページ参照）

圧倒的に足りない「ビジネスアーキテクト」

- IPA（独立行政法人情報処理推進機構）の調査でも、デジタル人材に不足しているのは圧倒的に「ビジネスアーキテクト」であるという調査結果がでている。



Classification of Transformation Promotion Human Resources
 → Multiple transformation promotion human resources with different specializations are important

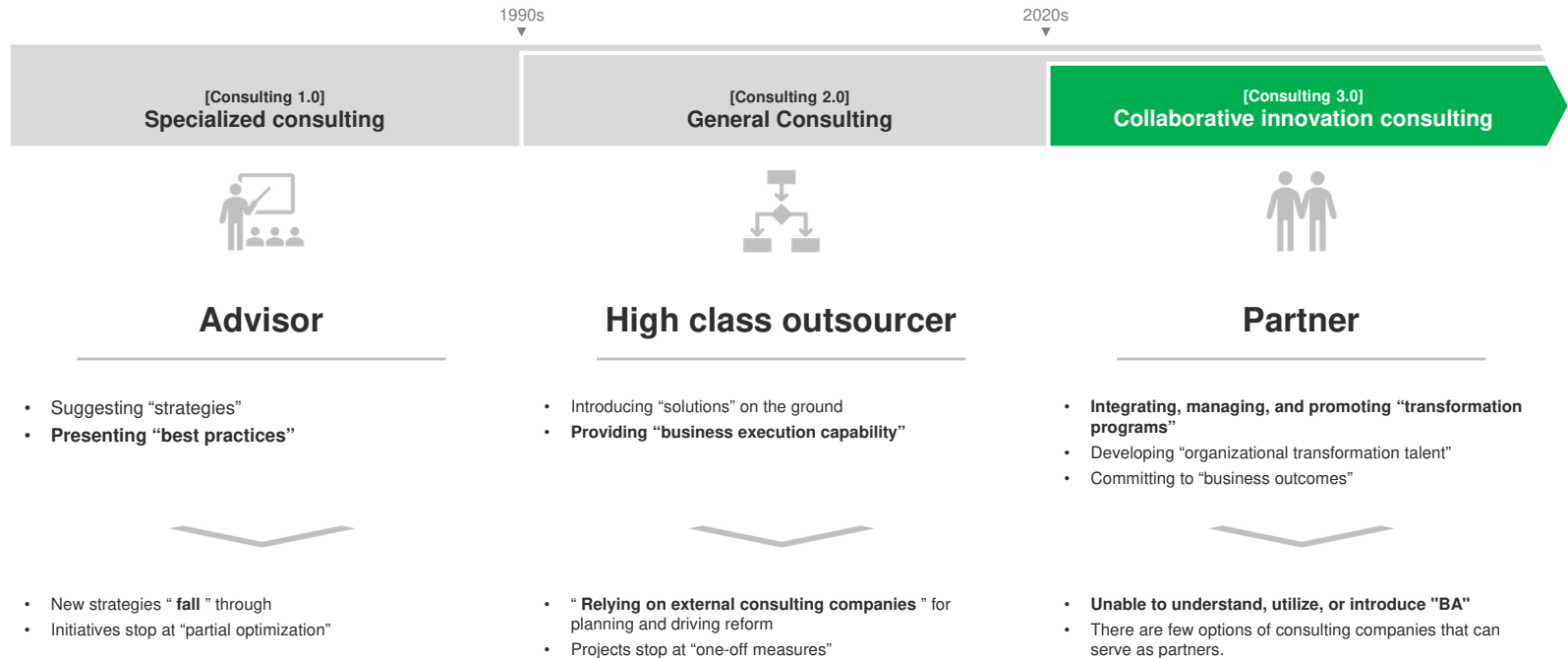
Definition of Business Architects
 → Designing strategies as a portfolio

Current Situation of Transformation Promotion Human Resources
 → Overwhelming shortage of business architects

3.
**Business
Overview**
**(Supplementary
information)**

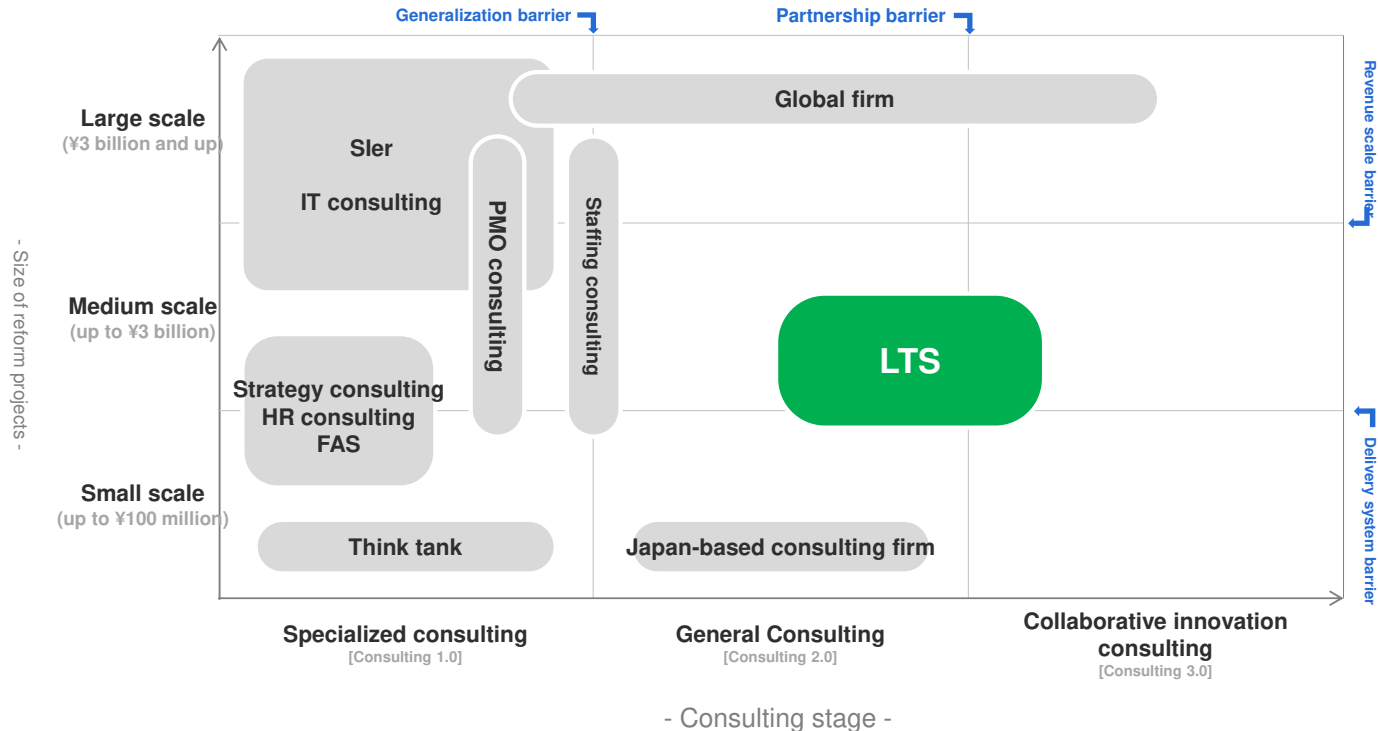
Changes in Consulting

- Currently, there is a need for a partner who will jointly drive the transformation over the mid- to long term.



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.



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.
- **Service**
 - 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.
Service domain
**(Supplementary
information)**

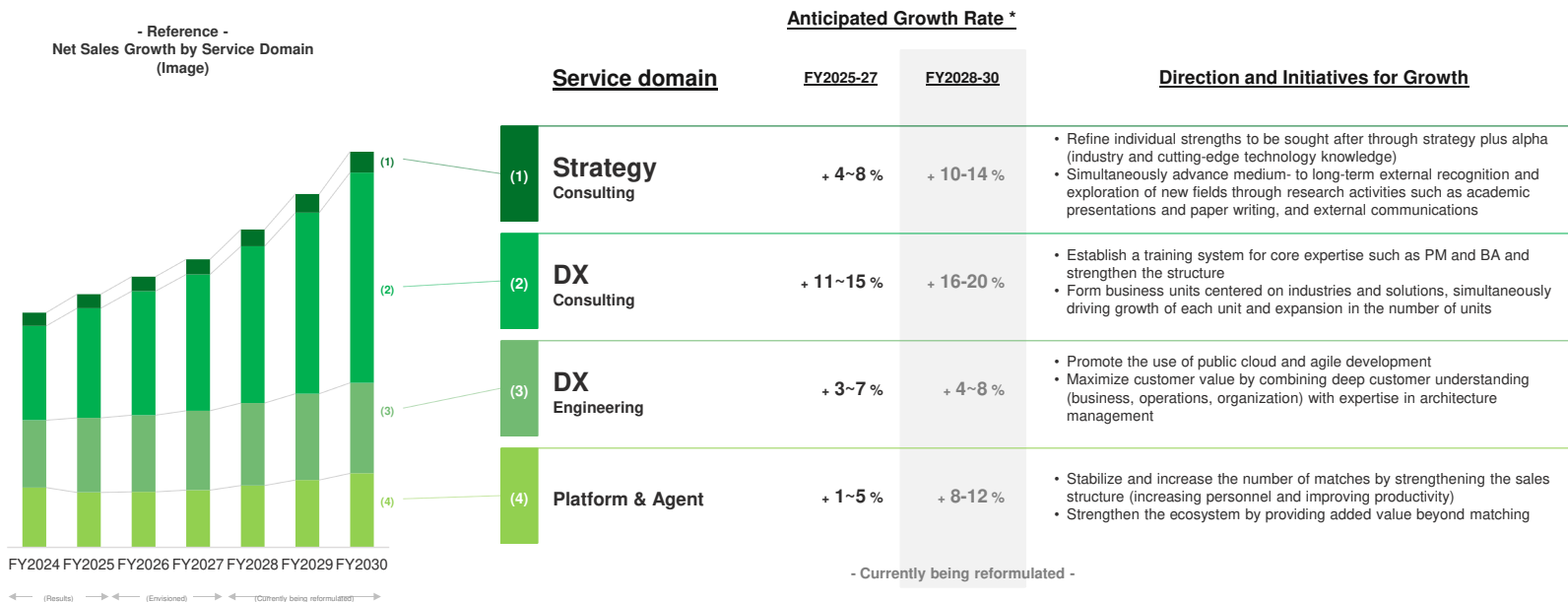
Profit Model and Profitability by Service Domain

- 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 (significant room for growth as it is also the volume zone).

Service domain	Responsible organization	Talent	Profit model	Profitability indicators (Gross profit margin)
Strategy Consulting	ME-Lab. (Strategy division)	Consultants 40 people (FY25 results)	High Unit price × Medium Utilization rate × Small Number of people × short duration	66.2% (FY25 results) 50 % ~ (Baseline)
DX Consulting	LTS (DX division)	Consultants 350 people (FY25 results)	Medium Unit price × High Utilization rate × Medium Number of people × Medium duration + external resources	36.8% (FY25 results) 40 % ~ (Baseline)
DX Engineering	HCS HRP LTS Software Technology	Engineers 450 people (FY25 results)	Project unit price × Number of projects	32.9% (FY25 results) 30 % ~ (Baseline)
Platform & Agent	WAKUTO LTS Link	Engineers & Sales 110 people (FY25 results)	Agent fee × Number of arrangements + Platform paid membership fees	18.4% (FY25 results) 20 % ~ (Baseline)

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 has been raised for all service domains.



Earnings Forecast by Service Domain

- Aiming for (1) stable top-line growth and (2) continuous 20% growth in operating profit, driven by the mainstay DX consulting domain amid a continuing favorable market environment

(FY2025)

Net sales YoY Growth Rate

1,033 million yen
(Composition: 5.3%)

(YoY)
+ 2-4 %

8,899 million yen
(Composition: 45.7%)

(YoY)
+ 12-14 %

5,537 million yen
(Composition: 28.5%)

(YoY)
+ 2-4 %

3,984 million yen
(Composition: 20.5%)

(YoY)
+ 0-2 %

Strengthening collaboration in specific customers and solutions

Assumptions for Earnings Forecast

Strategy Consulting

- "Investment" phase for brand launch
 - 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 resource development
 - Actively securing orders for large-scale DX projects for government agencies and large corporations
 - Positioning to build generative AI into business activities

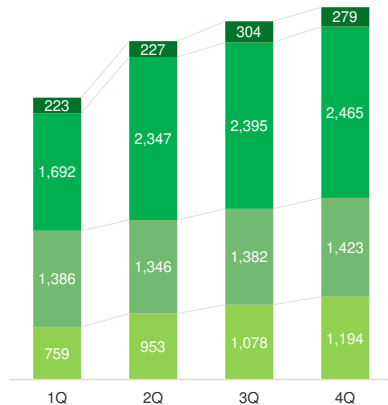
DX Engineering

- "Productivity Improvement" phase utilizing generative AI
 - Continuing long-term stable transactions with clients
 - Exploring a business model that reduces reliance on labor through hiring restraints and improved operational efficiency using generative AI

Platform & Agent

- "Structural Reform" phase with top priority on business turnaround
 - Concentrating sales resources on the mainstay Professional Hub and SES
 - Parallel efforts toward re-growth from FY2027
 - Promoting reskilling to adapt to the increasing sophistication of job requirements

- Reference -
Net Sales Composition by Service Domain
(FY2025 Quarterly Results)



(Millions of yen)

■ Platform & Agent ■ DX Engineering
■ DX Consulting ■ Strategy consulting

5.
**Growth
Scenarios**
**(Supplementary
information)**

Review of 1st Growth Plan - Issues and Initiatives

- Improve profit generation capability by linking abundant opportunities with enhanced service capabilities

Achievements and Results

Issues

Current Initiatives

Human Resource	<p>Front-line personnel increased by 640 (up 245%)</p> <ul style="list-style-type: none"> Significant increase in young employees due to proactive hiring Over 400 engineers added through M&A Approximately 100 people obtained certifications in specialized areas (PM and BA) 	<p>Profit generation capability declined</p> <p>Distortion occurred in the human resource portfolio</p> <ul style="list-style-type: none"> Insufficient number of PMs relative to the member layer Insufficient number of consultants relative to engineers <p>↓</p> <p>Opportunity loss for End to End services occurred</p> <ul style="list-style-type: none"> Unable to form PJT structures in a timely manner in response to inquiries from existing customers <p>↑ ↑</p> <p>Consultant unit price rose, but utilization rate declined</p> <ul style="list-style-type: none"> Insufficient intensity of utilization management in small scale organizations Delay in recovery of service development investment (deterioration of balance between deepening and exploration) <p>↑</p> <p>Structural reform of the Platform Business has been prolonged</p> <p>↑</p> <p>Significant increase in the 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 	<p>Enhancement of human resources who can discover, organize, and lead PJT</p> <ul style="list-style-type: none"> Accelerated recruitment of PMs through revision of the compensation system Continued recruitment of consultants and exploration of team M&A Business skill development for engineers (BA and PM)
Customers	<p>Customer Relationship Value improved and unit price per customer also increased (up 122.9%)</p> <ul style="list-style-type: none"> Established account sales structure (over 70% in the top 20 companies) New customers also increased by 153 companies (up 23.7%) Domestic bases expanded and regional revitalization support began in earnest 		<p>Raising Customer Relationship Value (PJT→PGM→PFL)</p> <ul style="list-style-type: none"> Strengthening expertise on an industry axis (services and individuals) Deployment and training of account managers Expansion of strategy establishment, business structure management, and reform human resource development areas
Services	<p>Started providing End to End reform support services</p> <ul style="list-style-type: none"> Capital and business alliances with both FPT and YOKOGAWA groups <p>Accelerated business growth in advanced areas such as generative AI and GX</p> <ul style="list-style-type: none"> SX and HC services launched in earnest 		<p>Refining individual services x organic coordination</p> <ul style="list-style-type: none"> Reorganization into specialized organizations by service domain and pursuit of individual growth Deploy End to End services across service domains with a customer-centric and opportunity-driven approach
Group Management	<p>Recovery in earnings of subsidiaries that joined the group</p> <ul style="list-style-type: none"> Sharing of service and sales assets Integrated part of corporate functions and infrastructure MVV re-establishment (collaboration axis) and office relocation (collaboration space) 		<p>Delay in realizing synergy across the entire group</p> <ul style="list-style-type: none"> No initiatives for reorganization of administrative operations and cost optimization Need to organize the framework for business division management and group management

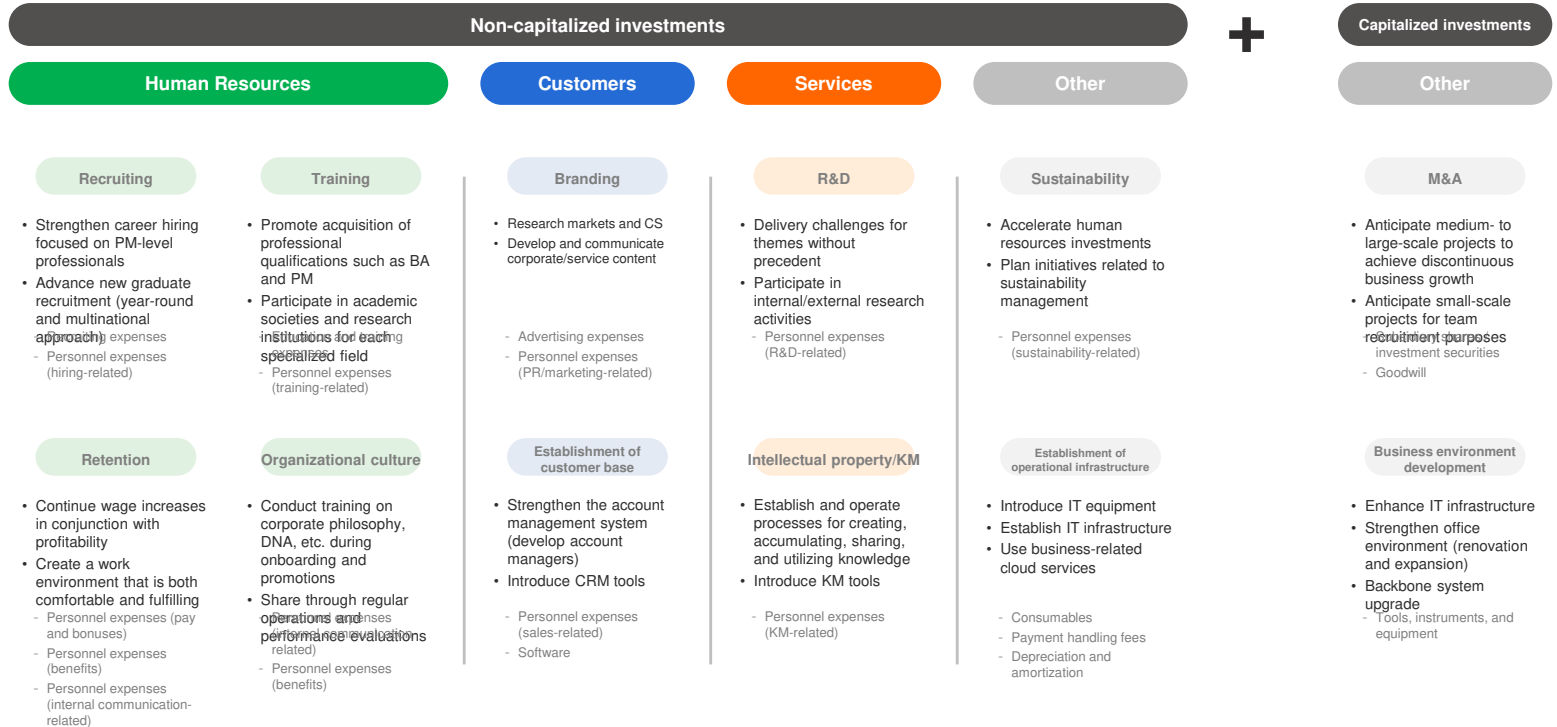
FY2026 Consolidated Performance Forecast (Supplementary Information)

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

(Millions of yen)	FY2025 initial assumptions	FY2025 results	Evaluation by Segment	Consecutive periods of increased revenue and profit		FY2026 forecast	change	growth
				(As of initial FY2026 forecast)	(As of end of FY2025) Current Situation and Res 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	-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	-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 losses	1,525 (8.5%)	+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%)	-110	45	70	n/a
						Ordinary profit	1,615	Assumed EPS
						Profit attributable to owners of parent	1,050	238.5 yen

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).



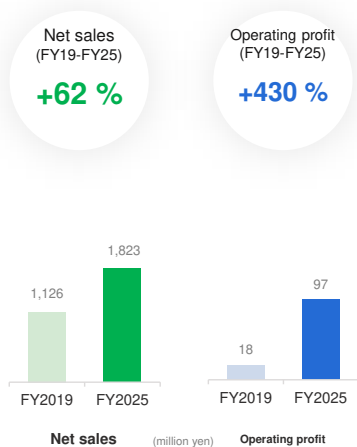
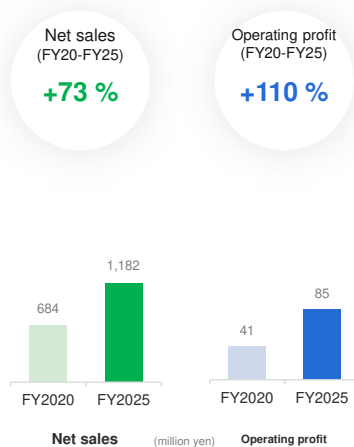
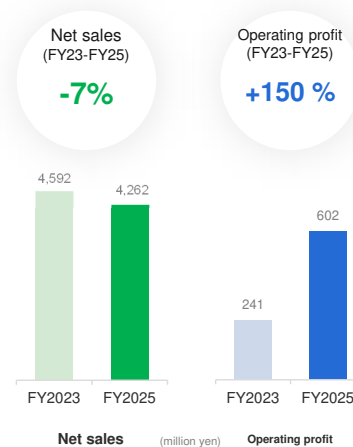
Results of Past M&A

- By joining the LTS Group, each company has improved performance (comparison between the fiscal year immediately before joining and the fiscal year ending December 2026).
 - WAKUTO Co., Ltd.: Fiscal year ended March 2019 \Leftrightarrow Fiscal year ending December 2025
 - SOFTEC Co., Ltd.: Fiscal year ended June 2020 \Leftrightarrow Fiscal year ending December 2025
 - HCS Holdings Co., Ltd.: Fiscal year ended March 2023 \Leftrightarrow Fiscal year ending December 2025



WAKUTO

WAKUTO Co., Ltd.

SOFTEC Co., Ltd.*¹HCS Holdings Co., Ltd.*²

6. Supplementary Data

Criteria for Continued Prime Market Listing - Status

- As of March 31, 2026, the tradable share market cap is in a state of non-compliance
- Recognize that the possibility of failing to meet the criteria within the transition measure application period cannot be ruled out

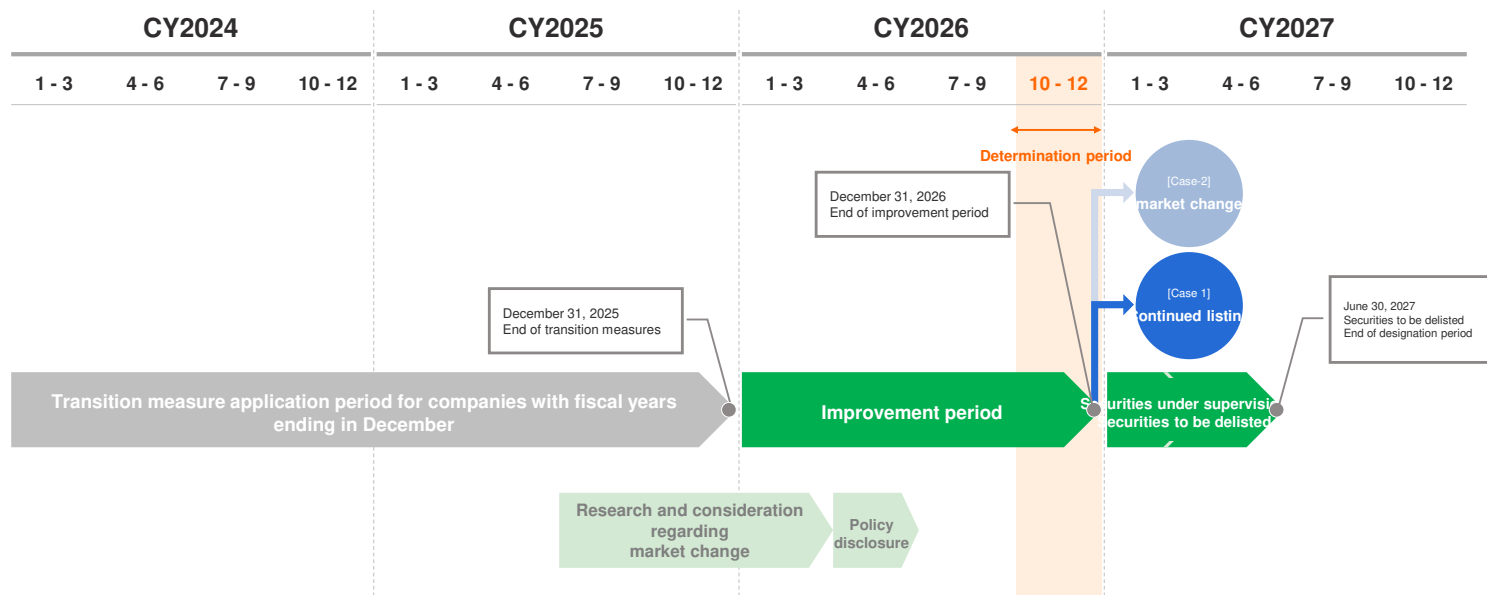
	Number of shareholders shareholders holding one ut	No. of tradable shares	Tradable share rati	Stock price	tradable share market ca
Status	○	○	○	-	×
Criteria	800 People	20,000 units	35.0 %	-	10 billion yen
March 2026 Assessment as of	1,643 People	23,593 units	49.9 %	1,883 ^{*1} yen	4.44 billion yen
↕					↕
December 2026 Target as of	1,643 People	23,593 units	49.9 %	4,239 ^{*2} yen	10 billion yen

*1: Uses the average stock price for the three-month period from January to March 2026

*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

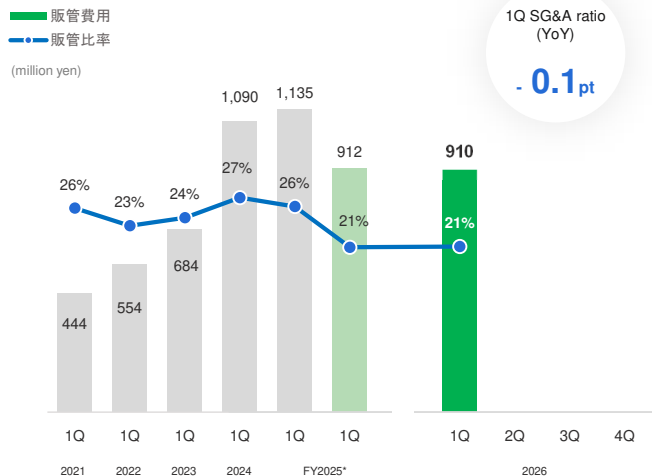
- While continuing efforts to meet the Prime Market's criteria for continued listing, we have also begun research and consideration of a market change, with the Tokyo Stock Exchange Standard Market as a candidate for our backup plan.



Consolidated SG&A - Quarterly Trend

- Flexibly executing growth investments while continuously working to reduce baseline operating expenses

(million yen)



Expense classification	Item	Amount	Percentage	Expense allocation policy
Shared	Personnel expenses	453	49.7%	<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	60	6.6%	<ul style="list-style-type: none"> Actively investing in recruitment of PM-level personnel Referral fees rising sharply
Growth Investments	Education and training expenses	8	1.0%	<ul style="list-style-type: none"> Actively investing in obtaining PM and BA-related certifications
	Advertising expenses	11	1.2%	<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)	19	2.2%	
	Land/office rent	28	3.1%	
Baseline operating expenses	Depreciation and amortization	21	2.4%	
	Operational costs	308	33.8%	

*Reflects a review of the classification for certain personnel expenses (reclassified from SG&A to cost of sales). Figures and ratios before the review are shown in gray, and those after the review are shown in green.

Consolidated Number of Employees - Quarterly Trends

- Reference: Trends in Consolidated Number of Employees from FY2021 Q1 to FY2026 Q1

	2021				2022				2023				2024				2025				2026		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
	▲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	394		
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	465		
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	66		
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	127		
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	1,052		
増減数 (YoY)	126	132	132	138	47	56	61	62	74	125	120	536	525	485	478	37	554	443	441	4	-9		
増減数 (QoQ)	125	33	0	13	1	42	5	14	13	93	0	430	2	53	-7	-11	31	-18	-2	-7	-44		

6. Company Overview

Company Overview

Reprint



Overview

Company Name LTS, Inc.

Founded March 2002

Representative Representative Director, President Executive Officer Hiroaki Kabashima

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

Capital Amount 839,933,900 yen (as of March 31, 2026)

Number of Employees 1,063 (as of March 31, 2026)

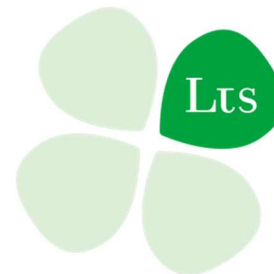
Service Transformation Services Business

- Strategy consulting
- DX consulting
- DX engineering
- Platform & Agent

Fiscal Year-end December

Stock Exchange 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. 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 "True Partner"

Group Management

- In January 2026, the organizational structure was changed to consist of 8 consolidated subsidiaries and 2 equity-method affiliates



Subsidiaries



ME-lab Japan, Inc.

LTS ASIA CO., LIMITED

*Hong Kong corporation

LTS Strategy Pte.Ltd.

*Singapore corporation



Hibiya Computer System Co., Ltd.



Hibiya Resource Planning



LTS, Inc. Software Technology



WAKUTO

WAKUTO Co., Ltd.



LTS, Inc. Link

Affiliated company



FPT Consulting Japan Co., Ltd.

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

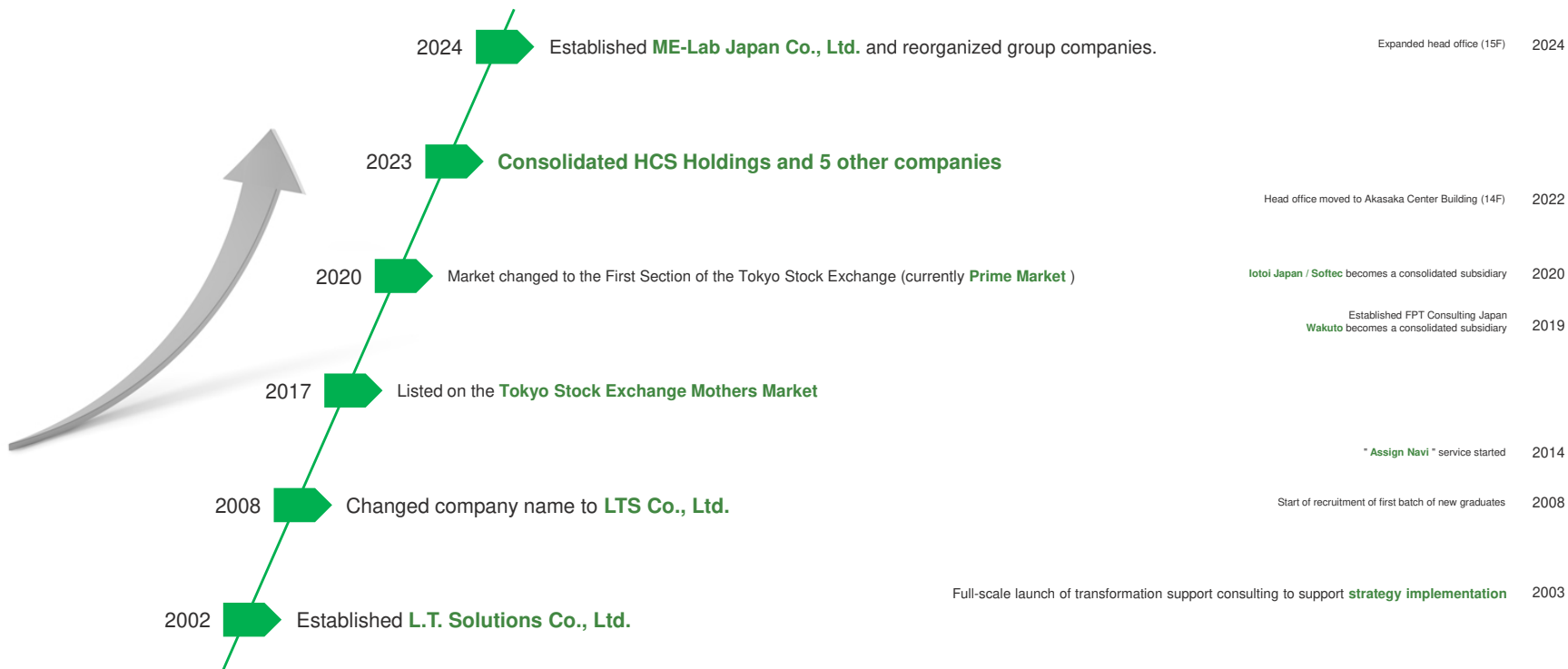


Busy Bee

Busy Bee, Inc.

History of LTS Group

- The number of consolidated group employees exceeds 1,000 and continues to grow with 11 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

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.



*Graph represents net sales trend from 2002 to 2024

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



Directors

Hiroaki Kabashima (Hiroaki Kabashima)

**Representative Director
President Executive Officer**

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



Sungil Lee (Sungil Lee)

**Director
Vice President and Executive Officer**

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



Yu Kamemoto (Yu Kamemoto)

**Director
Vice President and Executive Officer**

General Manager of Strategy Consulting Business Head

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



Ryosuke Ueno (Ryosuke Ueno)

**Director
Vice President and Executive Officer**

General Manager of Digital Business Headquarters

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



Fumio Takemura (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 Statutory Auditor of LTS, and in March 2019, he became an Outside Director. In June 2022, he became Corporate Auditor of subsidiary WAKUTO Co., Ltd.



Naoki Takahashi (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 served as Director and Senior Vice President at Coca-Cola (Japan) Company, Limited and IQ3 Inc. After working at American International Group, Inc., he became Director and Managing Executive Officer of AIG Japan Holdings Kabushiki Kaisha. In December 2016, he became Auditor of LTS and became an Outside Director in March 2019.



Akiko Kawazoe (Akiko Kawazoe)

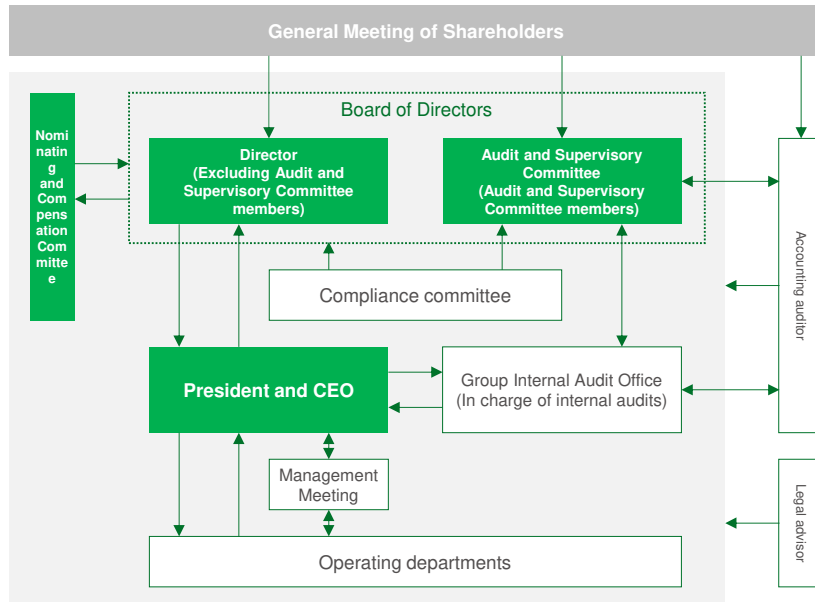
Outside Director (Audit and Supervisory Committee Member)

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. (Recruit Co., Ltd.), she became an employee of Hikari Audit Corporation in 2014. In March 2024, she became an Outside Director of LTS.



Corporate Governance Structure

- We consider strengthening of corporate governance to be one of our important management priorities in order to expand our corporate value, ensure our continued existence, and contribute to society, and are working on the necessary measures for this purpose.



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

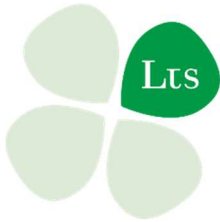
Disclaimer and Note

- **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.

- **Note on Forward-Looking Statements**

- The material and information provided with this announcement contain forward-looking statements (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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