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LTS

Q2 FY2026

Financial Results

08/2026

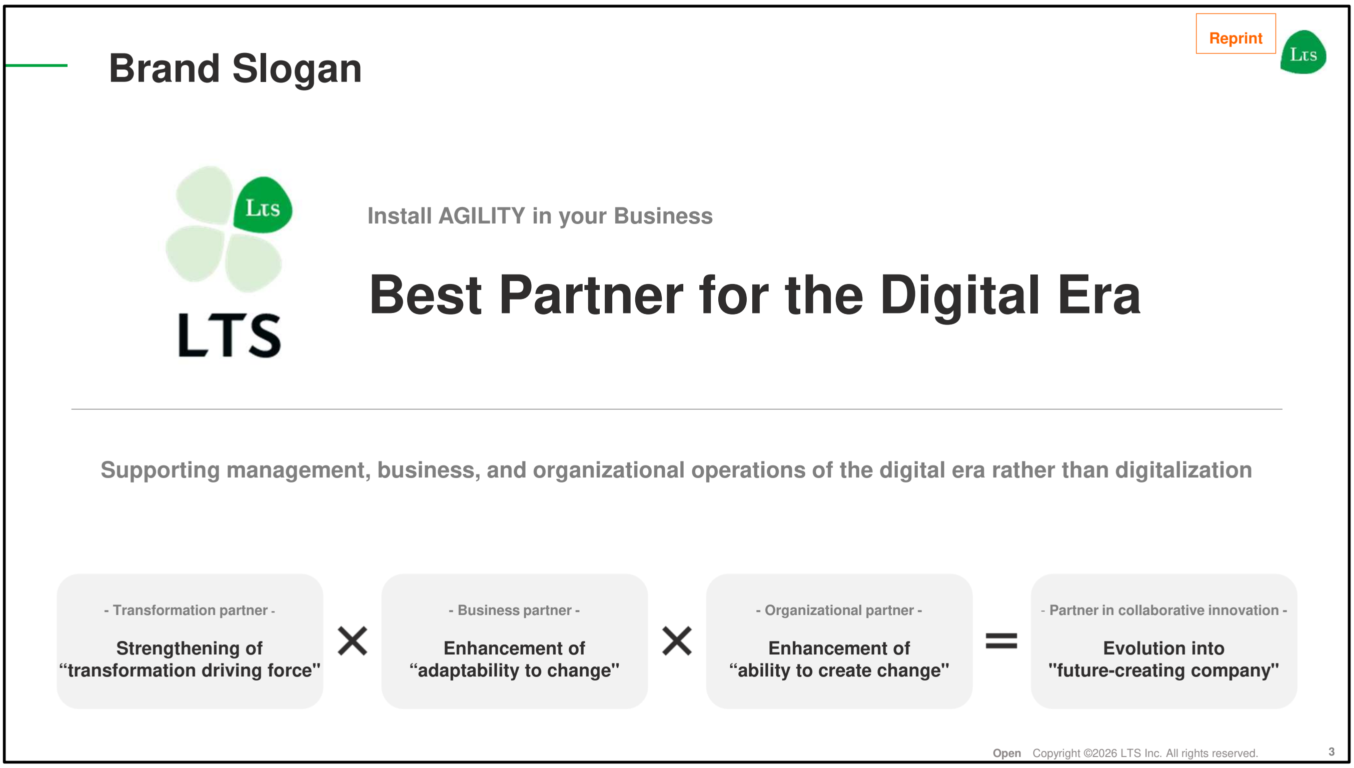
LTS, Inc.

(TSE Prime Market Securities code 6560)

I am Hiroaki Kabashima, President and CEO of LTS.
I will now present the financial results for Q2 FY2026.

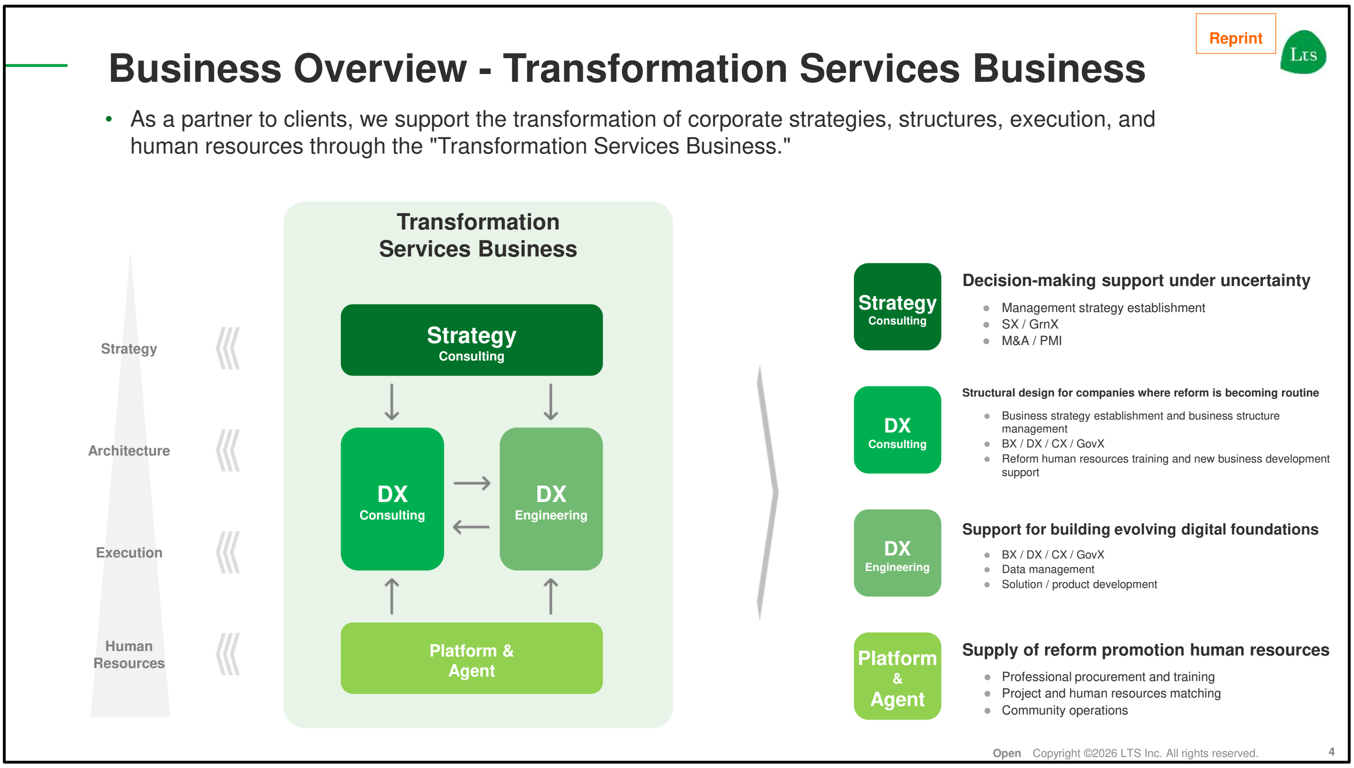
1. **Business Overview**
2. FY2026 Q2 Earnings
3. FY2026 H2 Outlook
4. Change in Market Segment
5. Shareholder Return & Capital Management Policy
6. Mid to Long Term Growth Scenario
7. Reference Material

First, I will explain the "Business Overview."



LTS aims to be the best partner for our clients.

We provide total support for corporate management, business growth, and organizational strengthening in an era of rapid and complex change, going beyond mere support for digitalization.



Through our single segment, the **"Transformation Services Business,"** we support the transformation of corporate strategies, structures, execution, and human resources.

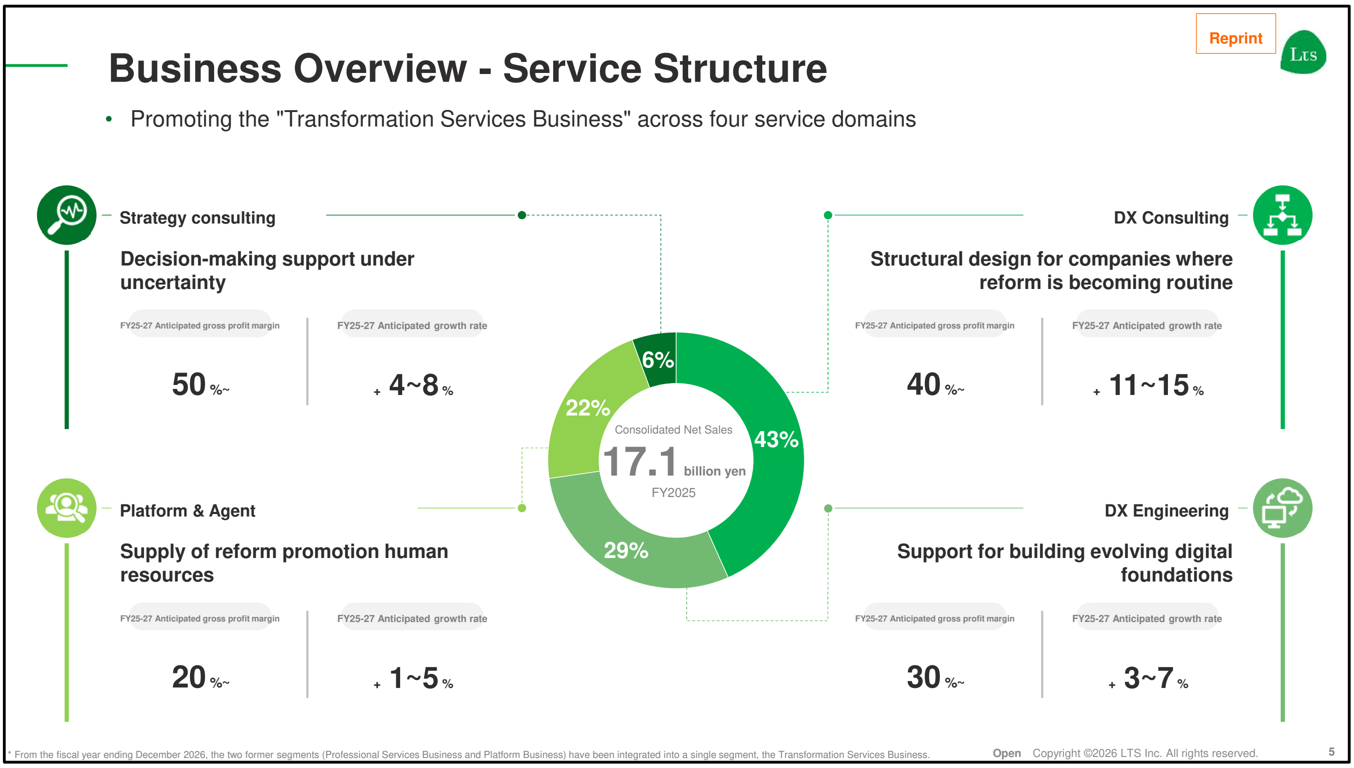
There are four service domains here.

The first is Strategy Consulting.
We appropriately formulate business strategies and **support decision-making under uncertainty.**

The second is DX Consulting.
To realize these strategies, we provide **structural design to transform current business structures into new ones, as well as planning and execution support for individual transformations.**

The third is DX Engineering.
We support structural design and individual transformations from the technology side.

The fourth is Platform & Agent.
To address the issue of a lack of high-level, high-skill human resources when promoting individual transformations, we provide support primarily through freelancers.

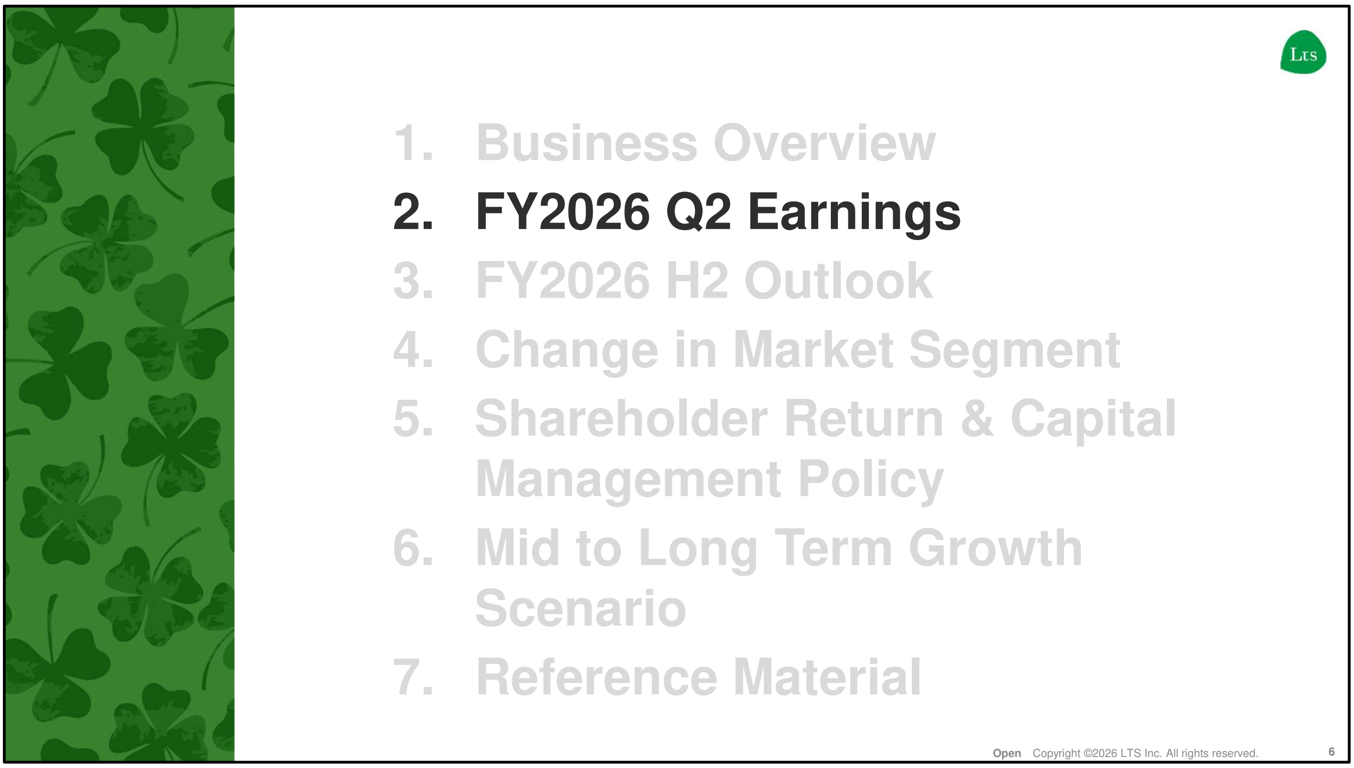


We pursue business growth and ensure thorough business management across four service domains.

The first, Strategy Consulting, boasts extremely high profitability with a gross profit margin of 50% to 60%, **and we are planning** stable growth.

The second, DX Consulting, accounts for 43% of LTS's total net sales.
With both high gross profit margins and growth potential, **it is a service domain that** drives overall growth.

For the third, DX Engineering, and the fourth, Platform & Agent, **we are currently establishing a structure to steadily expand** while ensuring benchmark levels of profitability.



Next, I will explain the "Q2 earnings."

FY2026 Q2 - Financial Results Summary (H1)

Net sales (H1)

8,519 million yen

YoY growth rate (0.6%)
vs Plan Achievement Rate 101.7%
vs Guide progress 46.6%

Operating profit (H1)

650 million yen

YoY growth rate +37.3%
vs Plan Achievement Rate 101.6%
vs Guide progress 40.6%

(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 (H1)

Net sales slightly decreased YoY but progressed according to plan
Operating profit reached a new record high for H1 results

Q2 standalone operating profit did not meet the plan, but reached a new record high for Q2
Profitability recovery and improvement in the DX consulting area drove overall earnings
Growth momentum in the DX engineering area has slowed

Forecast (H2)

While growth outlooks vary by area, initial forecasts for both net sales and operating profit are maintained

No change in the fundamental trend of increasing earnings from Q2 as the bottom toward Q3 and Q4
DX consulting area is accelerating growth
DX engineering area is carefully assessing the outlook

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Net sales were 8.519 billion yen, and operating profit was 0.65 billion yen.

Net sales slightly decreased YoY but progressed according to plan.
Operating profit reached a new record high for H1 results.
The reason for this is that **the DX consulting area performed extremely well** and drove overall results.

Regarding H2, **growth outlooks vary by the four service domains,** but since DX consulting is driving overall earnings, **we expect to achieve our initial forecasts for both net sales and operating profit**.

H1 FY2026 - Consolidated Profit and Loss Statement

- While net sales decreased slightly (due to the deconsolidation of Isis Co., Ltd.), each level of profit grew steadily
- As a result of a review of the classification of certain personnel expenses (reclassifying SG&A to cost of sales), gross profit and SG&A for FY25 Q1 and Q2 have been changed

(Millions of yen)	FY2026 H1 results	FY2026 full year plan		YoY % change		FY2026 Q2 results (Standalone)	YoY % change		QoQ % change	
		Plan	H1 progress	FY2025 H1	YoY growth rate		FY2025 Q2	YoY growth rate	FY2026 Q1	QoQ change
Net sales	**8,519**	18,300	46.6%	8,572	(0.6%)	**4,128**	4,150	(0.5%)	4,391	(6.0%)
Gross profit	**2,631**	6,217	42.3%	2,399	9.6%	**1,224**	1,064	15.1%	1,406	(12.9%)
Gross profit margin	30.9%	34.0%	-	28.0%	2.9pt	29.7%	25.6%	4.1pt	32.0%	(2.4 pt)
Total SG&A	**1,981**	4,617	42.9%	1,926	2.8%	1,070	1,013	5.6%	910	17.6%
Operating profit	**650**	1,600	40.6%	473	37.3%	**153**	50	204.9%	496	(69.0%)
Operating margin	7.6%	8.7%	-	5.5%	2.1pt	3.7%	1.2%	2.5pt	11.3%	(7.6 pt)
Ordinary profit	**706**	1,615	43.7%	525	34.4%	**178**	70	152.8%	528	(66.2%)
Profit before income taxes	**745**	1,615	46.2%	329	126.1%	**155**	(126)	-%	590	(73.6%)
Profit attributable to owners of parent	**506**	1,050	48.2%	226	123.2%	**86**	(105)	-%	419	(79.3%)

※ EBITDA: 761 million yen / EBITDA margin: 8.9%

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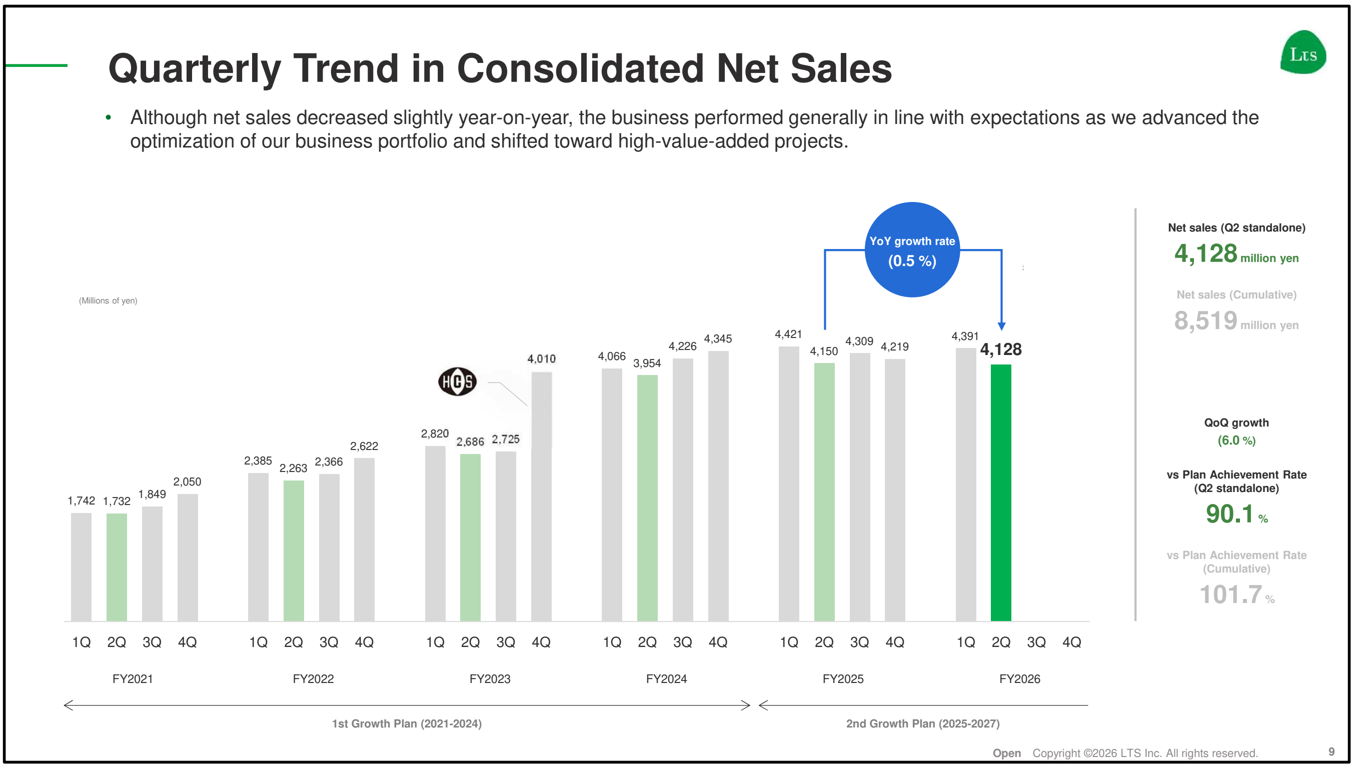
This is regarding the Q2 P&L.

Gross profit, operating profit, ordinary profit, and net profit, **each level of profit is growing steadily as planned.**

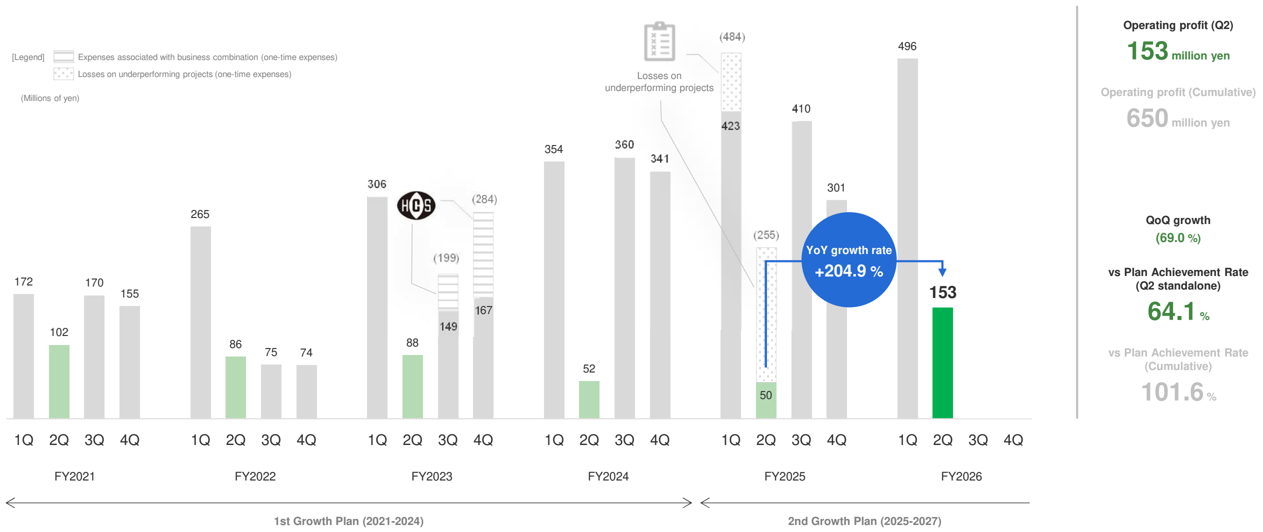


This is the "Quarterly Trend in Net Sales."

For Q2, we landed at 4.128 billion yen.
Although there was a slight decrease year-on-year, both in terms of figures and the content of our projects, we are **performing in line with our initial assumptions**.

Quarterly Trend in Consolidated Operating profit

- While other service domains are stalling, the core DX consulting area has made significant progress by capturing strong demand for corporate transformation, and Q2 standalone quarterly operating profit has reached a new record high



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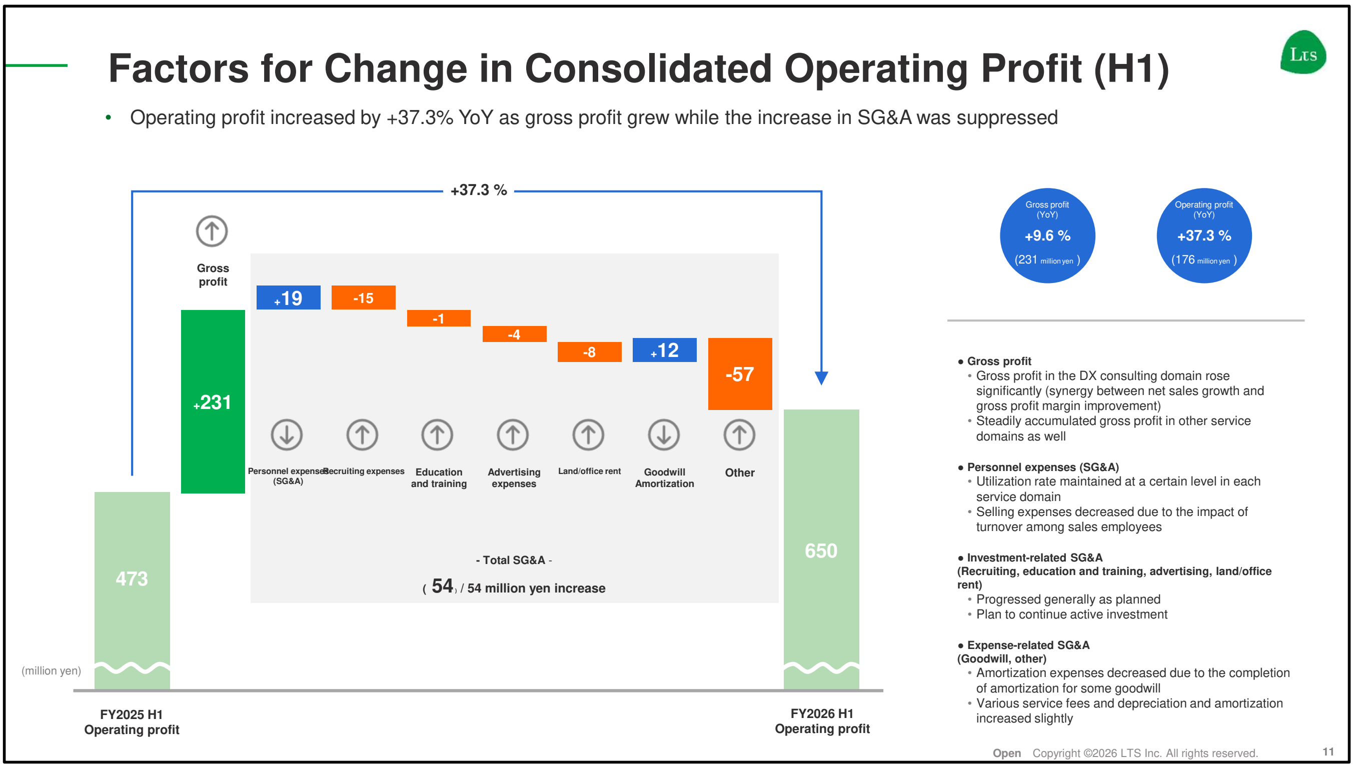
This is the "Quarterly Trend in Operating Profit."

For Q2, we landed at 153 million yen.
As the DX consulting area was able to capture strong demand for corporate transformation and achieve significant growth, **Q2 standalone operating profit has also reached a new record high.**



The factors for the change in operating profit are as described on this slide.

FY2026 Q2 - Consolidated Balance Sheet

- Financial soundness continues to improve as a result of steady business operations, and the equity ratio has recovered to the 50% level

(Millions of yen)	FY2026 Q2 results	YoY % change			QoQ % change		
		FY2025 Q2		YoY change (amount)	FY2026 Q1		QoQ change (amount)
Current assets	6,864	6,651		212	6,889		(25)
Cash and deposits, etc.	3,973	3,968	⬆	5	3,182	⬆	791
Non-current assets	3,114	3,065		49	3,159		(45)
Total assets	9,978	9,716		261	10,049		(70)
Current liabilities	3,188	3,294		(106)	3,118		69
Non-current liabilities	1,673	1,784		(111)	1,905		(232)
Total liabilities	4,861	5,078		(217)	5,024		(162)
Interest-bearing debt	2,428	2,369	⬆	59	2,668	⬇	(240)
Total equity	4,997	4,524		473	4,907		89
Net assets	5,117	4,637		479	5,025		91
equity ratio	50.1%	46.6%	⬆	3.5pt	48.8%	⬆	1.2pt

Reference indicators (FY2026 Q2 results)	
Net cash	1,544
Net D/E ratio	(0.30)
Liquidity ratio	215.3%

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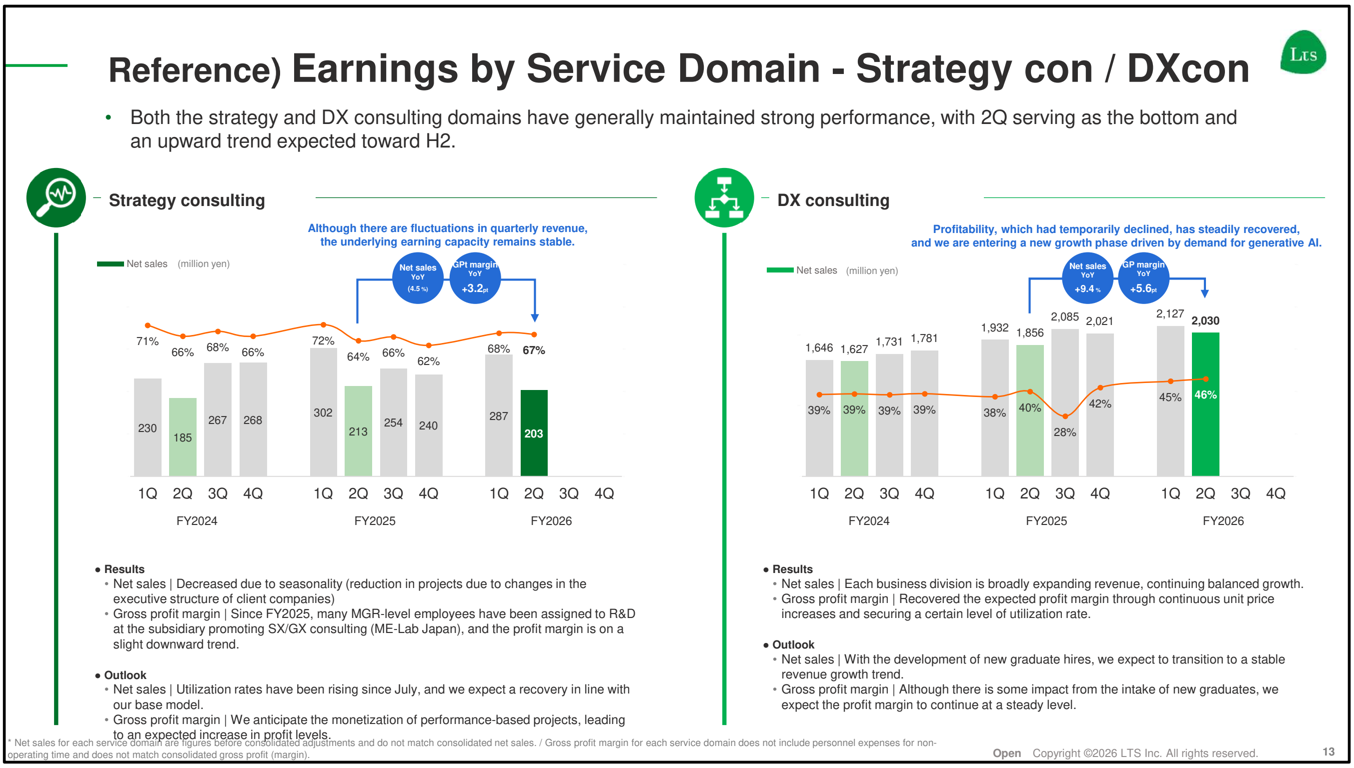
Next is the Q2 balance sheet.

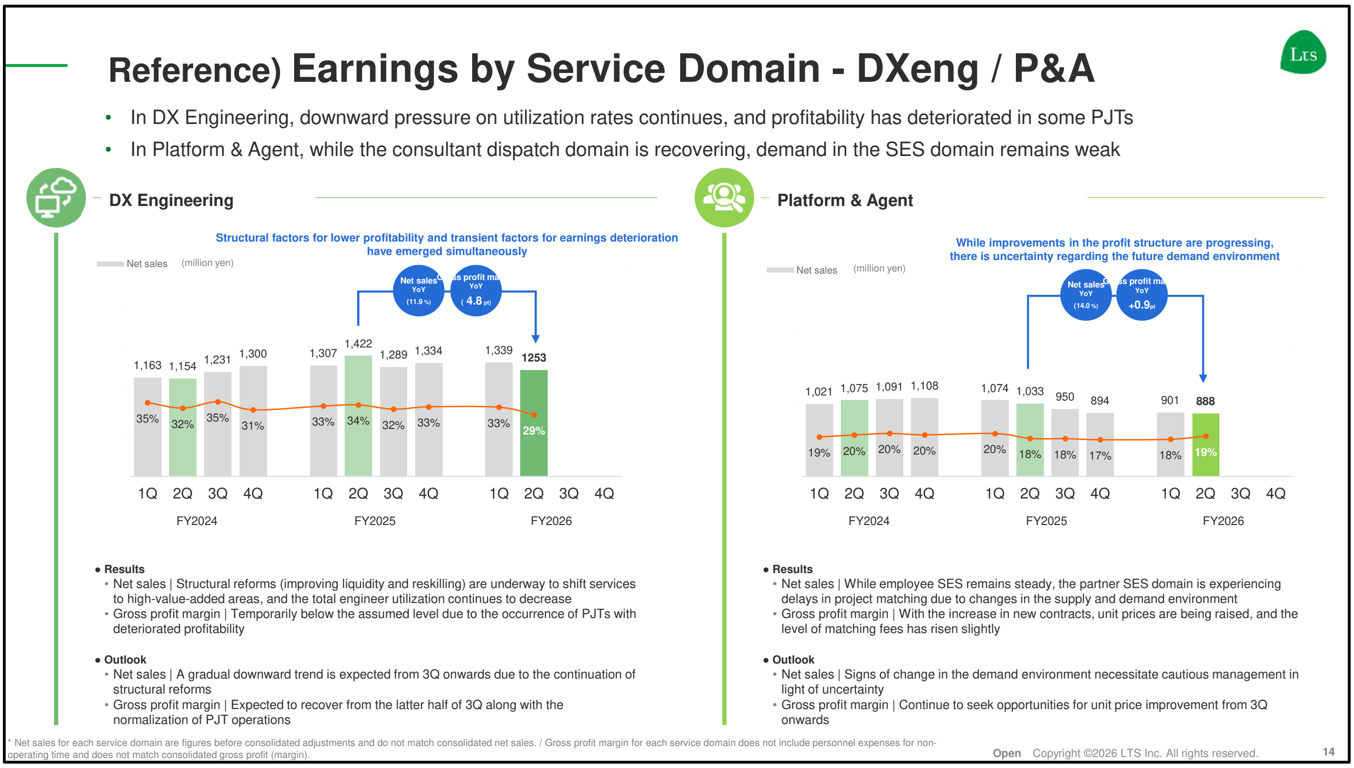
The equity ratio has recovered to the 50% level, indicating that financial soundness continues to improve.



Next, I will explain the performance of each of the four service domains.

First, the Strategy Consulting domain.
In this Q2, **seasonality** (April to June is the period when projects are at their lowest) **caused a decrease,** but **inquiries and utilization rates have been recovering steadily since July,** so we are on track for the full year.

Next is the DX Consulting domain.
This area is performing extremely well.
In terms of profitability, growth, and project content, **we are continuing to achieve balanced growth.**



Next is the DX engineering area.
First, regarding sales results, we are currently promoting reskilling within the company to shift our service content toward high-value-added areas, so the **total volume of utilization** is lower than in typical years.
In addition to this structural change, the impact of **deteriorating profitability in one project** promoted by a subsidiary also overlapped, resulting in a finish below plan.
However, from Q3 onwards, we **expect both net sales and gross profit margin to gradually recover.**

Finally, the Platform & Agent area.
The area for **dispatching freelance consultants is recovering.**
On the other hand, in the area for **dispatching freelance engineers and the SES area, demand is somewhat weak,** and as a result, performance is trending slightly below plan, so we are taking measures.

2nd Growth Plan Activities Progress - Quarterly Highlights

Talent / Organization

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

- Renewed human resources recruitment criteria
  - Necessary conditions: Integrity, intellectual foundation, interpersonal comfort
  - Sufficient conditions: Independence/autonomy, results creation, learning agility, team value creation, will/philosophy
- Continuing activities to obtain professional qualifications in the PM and BA fields (19 employees obtained)
- Developed and introduced local LLM

Customers / Sales

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

- Number of new clients increased by 13 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 (2nd meeting) that transcends corporate frameworks, bringing together 9 major clients supported by LTS

Services

Continuing to expand non-labor-intensive services, centered on corporate reform support as business architects

- Launched "Business Architecture Human Resources Training Service" in compliance with "Digital Skill Standards Ver2.0"
- Full-scale launch of activities by LTS Strategy Pte.Ltd. (Singapore subsidiary), which promotes cross-border M&A services
- Full-scale launch of physical AI and robotics business

Governance

Improving processes to strengthen management control systems in parallel with infrastructure development to support group management

- Established business review processes (Business Headquarters/Subsidiaries)
- Strengthened interviews of executive officers by Outside Directors
- Promoted group integration of internal control processes and ISO certification

These are the main "Activity Progress" for Q2.

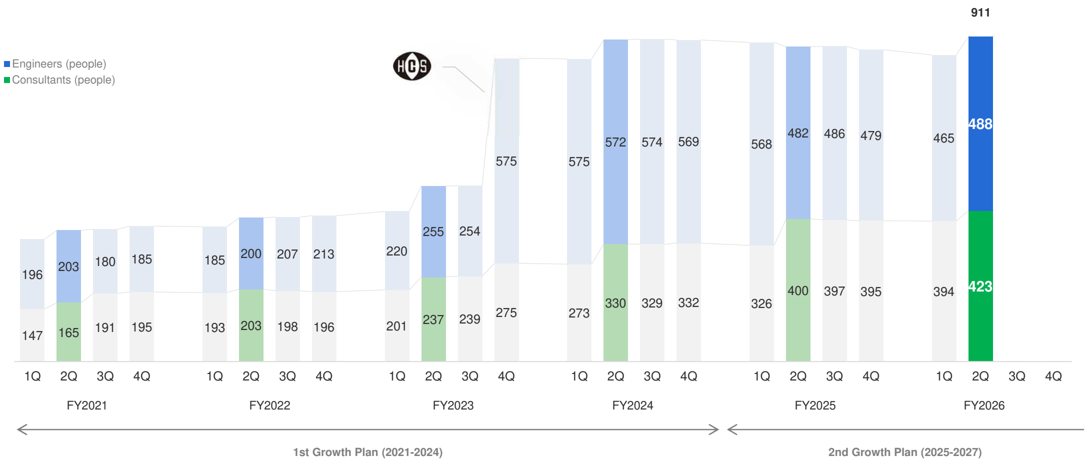
First, regarding Talent/Organization.
When operating businesses and organizations based on generative AI, the level and balance of human resources are key.
We have renewed our recruitment criteria and are proceeding with the expansion of human resources and the organization while maintaining balance.

Next, regarding Customers/Sales.
In this quarter alone, we have added 13 new clients, and we are receiving strong inquiries.
In addition, we are strengthening account management for our major clients, and our efforts in deepening relationships and cross-selling are progressing smoothly.

Next, regarding Services.
In addition to our core business architecture field, **we have established a subsidiary in Singapore and are expanding our M&A advisory services**.
To provide one-stop support, including capital alliances and M&A to acquire necessary organizational capabilities after formulating business strategies, we are strengthening our structure in Singapore.
In addition, **we are receiving many inquiries in the physical AI field as well, given that LTS has many clients in the manufacturing industry,** and we are expanding our structure to meet that demand.

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

- Net increase of 29 people YoY, primarily in consulting positions
  - 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
- We plan to continue selective hiring with an emphasis on quality, without being bound by the initial plan (950 frontline employees at the end of the fiscal year)



* Total headcount across all roles: 1,103 (Frontline: 911 / Sales: 62 / Corporate staff: 130 / Aggregated under the new HR system framework effective April 1, 2025)

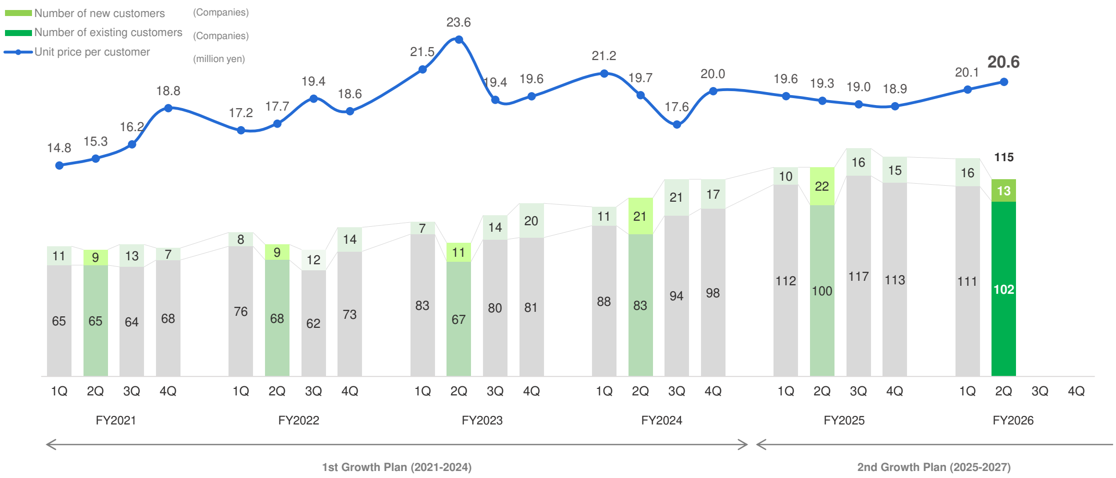
Next, I will explain the trends in the "Number of Frontline Employees (Consolidated)."

Compared to the same period of the previous year, there was a net increase of 29 people, primarily in consulting positions, bringing the current frontline team to 911 people.

Regarding consultants, we will continue **proactive hiring.**
On the other hand, regarding engineers, we are adopting a policy of **continuing selective hiring** while incorporating the impact of generative AI.

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).

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Next, let's look at the "Customer Relationship Indicators."

For LTS standalone (in the service domain, this covers the Strategic Consulting and DX Consulting areas), our policy is to continuously and stably increase the number of active customers while also deepening relationships with existing customers, thereby **gradually improving the unit price per customer.**
In the first half, we have been able to move in line with this policy.

2nd Growth Plan Activity Progress - Service Case Studies

Strategy consulting

- **Client:**
Japan Aerospace Exploration Agency (JAXA) | Space Strategy Fund (Joint proposal with Oki Electric Industry Co., Ltd.)
- **Project:**
Research, development, and commercialization of a next-generation infrastructure monitoring system integrating satellite and ground IoT sensors
- **Challenge:**
Against the backdrop of intensifying natural disasters and aging infrastructure, it is necessary to realize a preventive maintenance system that integrates satellite data, ground sensors, and existing inspection data.
- **Solution:**
Developed an AI algorithm that integrates satellite data and ground IoT sensor data to build a next-generation monitoring system for early detection of abnormal signs.
- **Impact:**
Promote the shift from reactive to preventive maintenance for infrastructure management, while aiming for expansion into overseas markets such as Turkey and Southeast Asia.
- **Features:**
A national project that combines LTS's strengths in "AI/Data Utilization," "Social Infrastructure DX," and "New Business/Commercialization Concept."

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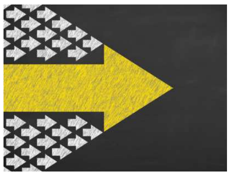
DX consulting



- **Client:**
Shizuoka Prefecture
- **Project:**
Problem-solving DX practical training based on "Digital Skill Standards (DSS)" (DX promotion leader training)
- **Challenge:**
For core personnel promoting administrative DX, it is difficult to acquire practical skills and self-propulsion through classroom learning alone; therefore, it is necessary to develop human resources who can promote transformation in actual practice.
- **Solution:**
Provided practical training in a PBL (Project Based Learning) format. Supported the entire process from business visualization and analysis to improvement plan formulation and results presentation.
- **Impact:**
While strengthening the practical skills of DX promotion leaders, we built a standard model for DX human resources development in Shizuoka Prefecture. Contributed to the development of a continuous administrative DX promotion foundation.
- **Features:**
Implemented the "Digital Skill Standards (DSS)" defined by the national government (METI) into practice, and implemented a standard model for transformation human resources development in local government.

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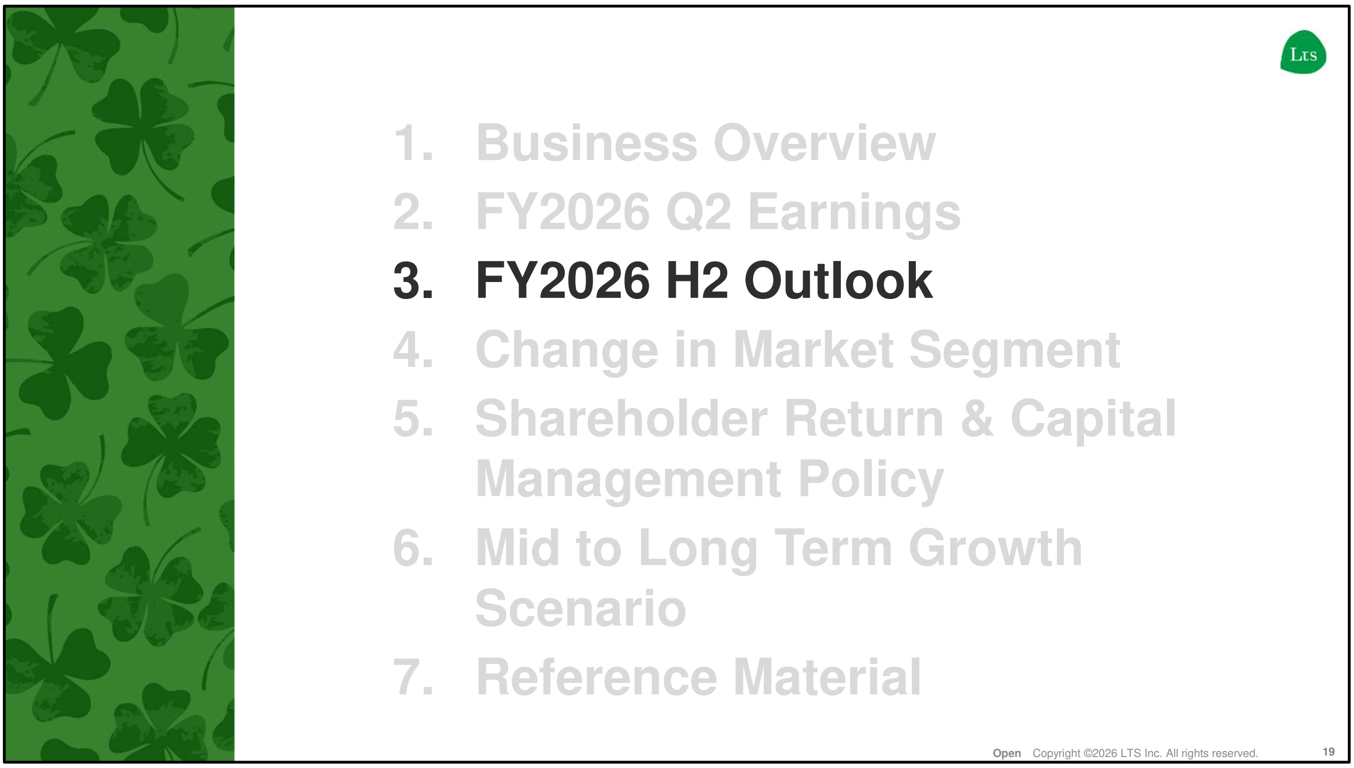
I would like to briefly introduce representative "Service Case Studies" from this Q2.

In the Strategic Consulting area, we are not only formulating business strategies, but also **solving various social issues by utilizing satellite data, climate models, and meteorological information**.

The case study listed here addresses the challenge of how to create a preventive maintenance system against the backdrop of natural disaster issues and aging infrastructure.
To address this, we developed an algorithm that integrates satellite data and IoT sensor data—an area of expertise for LTS—and built a monitoring system that detects signs of abnormal weather early.
Looking ahead, we are also aiming for overseas expansion into regions such as Turkey and Southeast Asia.

In the DX consulting area, while our clients are primarily in the private sector, I would like to introduce an initiative with a local government, Shizuoka Prefecture.
I would appreciate it if you could check the details when you have time.



Next, I will explain the "H2 Outlook."

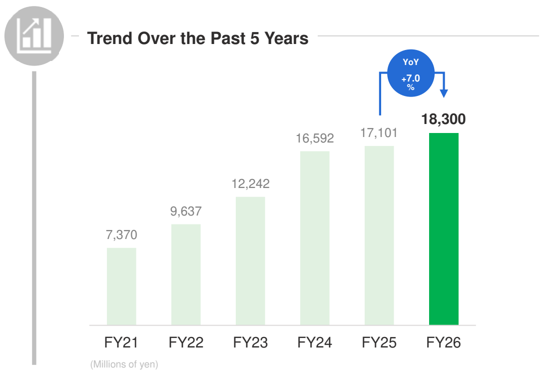
FY2026 Consolidated Performance Forecast (Net Sales)

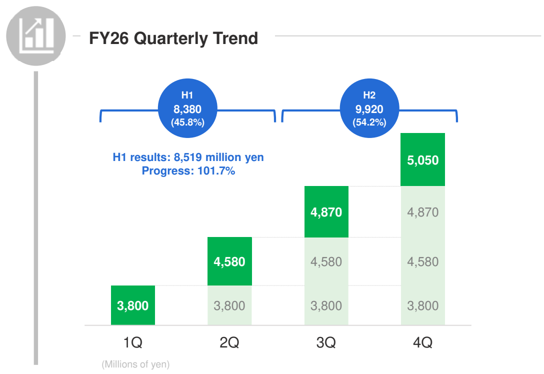
- In FY2026, LTS, Inc. will continue to prioritize the recovery of profitability and emphasize operating profit growth over net sales growth.
- Regarding net sales in 2Q, there is usually a tendency for results to fall below 1Q levels due to a slow project period (a temporary decrease in investment activities 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%





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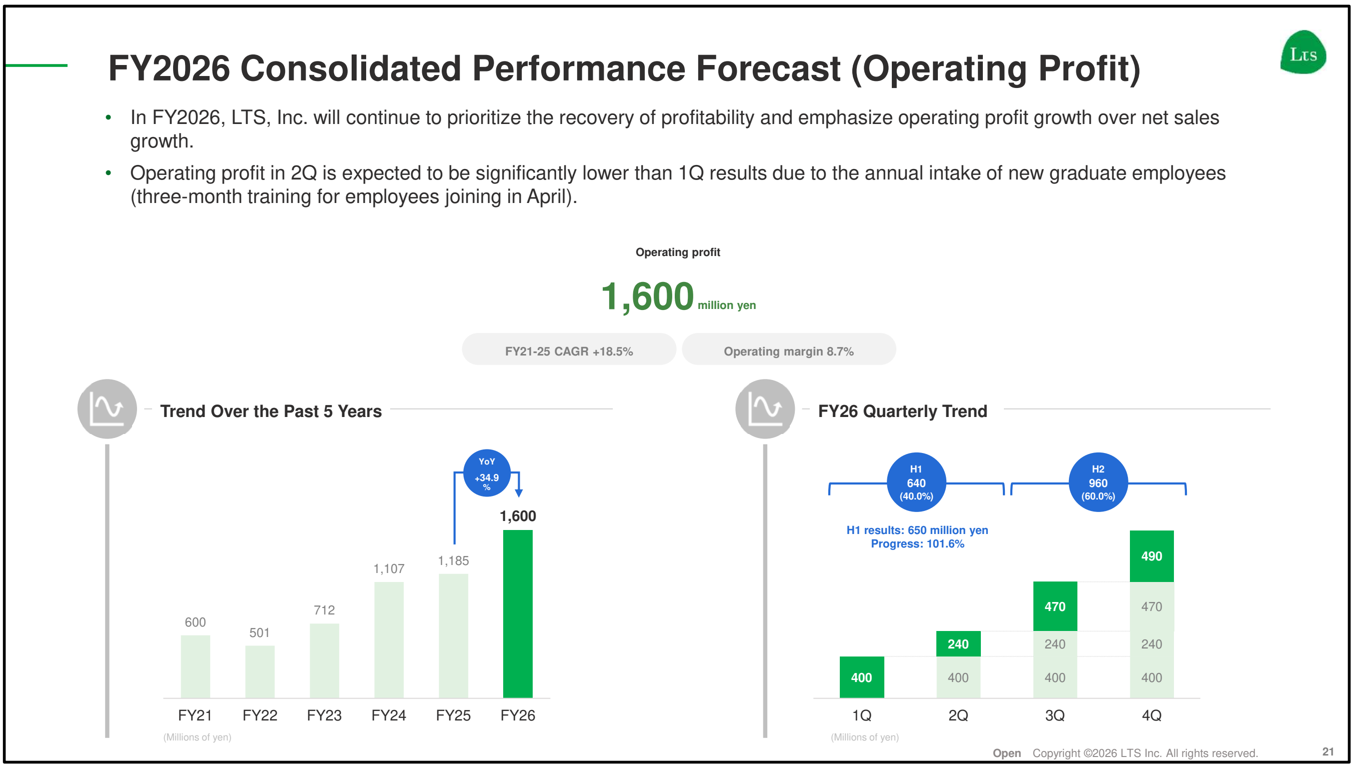
For this fiscal year, we are planning net sales of 18.3 billion yen, a 7% increase year-on-year.

For the first half, we achieved 8.519 billion yen, which is trending above our plan.



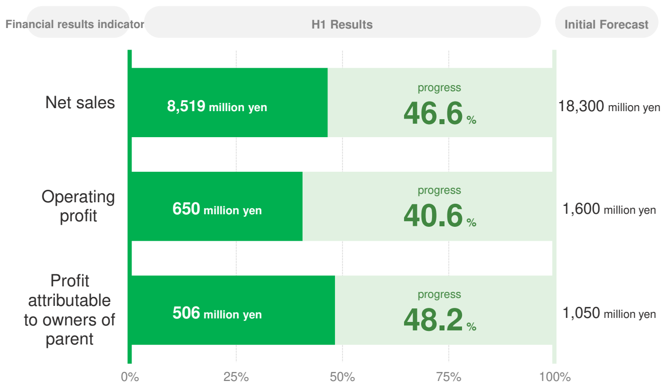
For operating profit, we are planning 1.6 billion yen, an increase of 34.9% year-on-year.

For the first half, we landed at 0.65 billion yen, so it has progressed generally as planned.

FY2026 Q2 - Consolidated Financial Results (H1)

- Cumulative results through H1 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 3Q and beyond at this time

H1 business progress against initial forecast



Risk awareness and response status

- Prolonged decline in number of active employees in the former Platform Business (Freelance Consultants)
  └ Current situation | Number of active employees increased by +3.9% (QoQ) and is on a recovery trend
  └ Response | Strengthening of sales structure and raising fee levels are ongoing
- Changes in demand environment facing the subsidiary SES service (Freelance Engineers)
  └ Current situation | No impact on employee SES, but partner SES closing rate has declined
  └ Response | Prioritizing orders for employee SES and promoting engineer skill enhancement
- Uncertainty in the progress of large-scale projects
  └ Current situation | Some projects have become unprofitable
  └ Response | Recovery measures have been completed, and we are continuing to work toward resolution

Opportunities and response status

- Robust demand for training of business architecture human resources
  └ Current situation | Accumulation of service provision track record based on the revised DSS
  └ Response | Using human resource training services as a hook to expand into overall corporate transformation support

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Regarding "business progress."

The progress rate is 46.6% for net sales, 40.6% for operating profit, and 48.2% for net profit, **which is in line with the plan.**

Indeed, DX Engineering and Platform & Agent landed below the H1 plan.
On the other hand, Strategy Consulting is growing steadily, and DX Consulting is successfully increasing both profitability and growth in a balanced manner.

Although there are variations by area, we expect to achieve the full-year earnings forecast on a consolidated basis.

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Next, I will explain the "Change in Market Segment."

Market Segment Change - Criteria for Continued Prime Market Listing

- As of the end of June 2026, the tradable share market cap is in a state of non-compliance, and considering the current situation comprehensively, we recognize that achieving compliance with the criteria within the transition measure application period is not easy.
- We plan to apply to the Tokyo Stock Exchange for a market segment change from the Prime Market to the Standard Market.

	Number of shareholders	Number of tradable shares	Distribution stock ratio	Stock price	Tradable share market cap
Status	○	○	○	-	×
Criteria	800 people	20,000 units	35.0 %	-	10 billion yen
June 2026 Assessment as of	1,639 people	23,642 units	50.0 %	1,708 *1 yen	4.03 billion yen
December 2026 Target as of	1,639 people	23,642 units	50.0 %	4,230 *2 yen	10 billion yen
(STD Market) Criteria	400 people	2,000 units	25.0 %	-	1 billion yen

*1: Using the average stock price for the three-month period from April to June 2026
*2: Reference value calculated by dividing the required tradable share market cap by the current number of tradable shares

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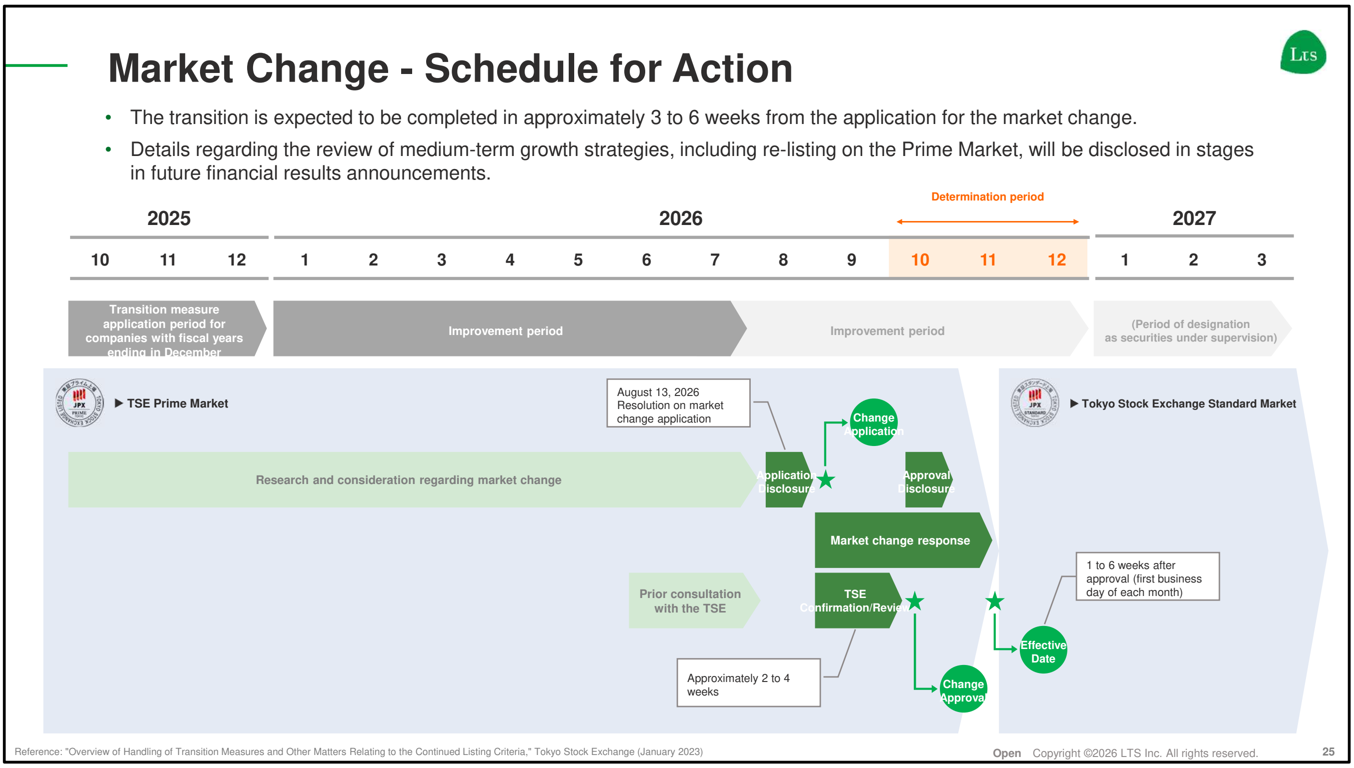
As of the end of June, the tradable share market cap is in a state of non-compliance with the criteria for continued Prime Market listing.
Considering the current situation comprehensively, we have determined that **achieving compliance with the criteria within the transition measure application period** from October to December is difficult.
We plan to apply for a change **from the Prime Market to the Standard Market.**

Initially, we aimed to clear the compliance criteria by first delivering solid earnings and simultaneously strengthening our IR activities to increase expectations and the P/E ratio.
However, the current P/E ratio is hovering at a level of 7 to 8 times, and since we should ideally be aiming for around 18 times, a significant gap has emerged.
Based on this situation, we have unfortunately determined that it is difficult to clear the compliance criteria within the remaining period.

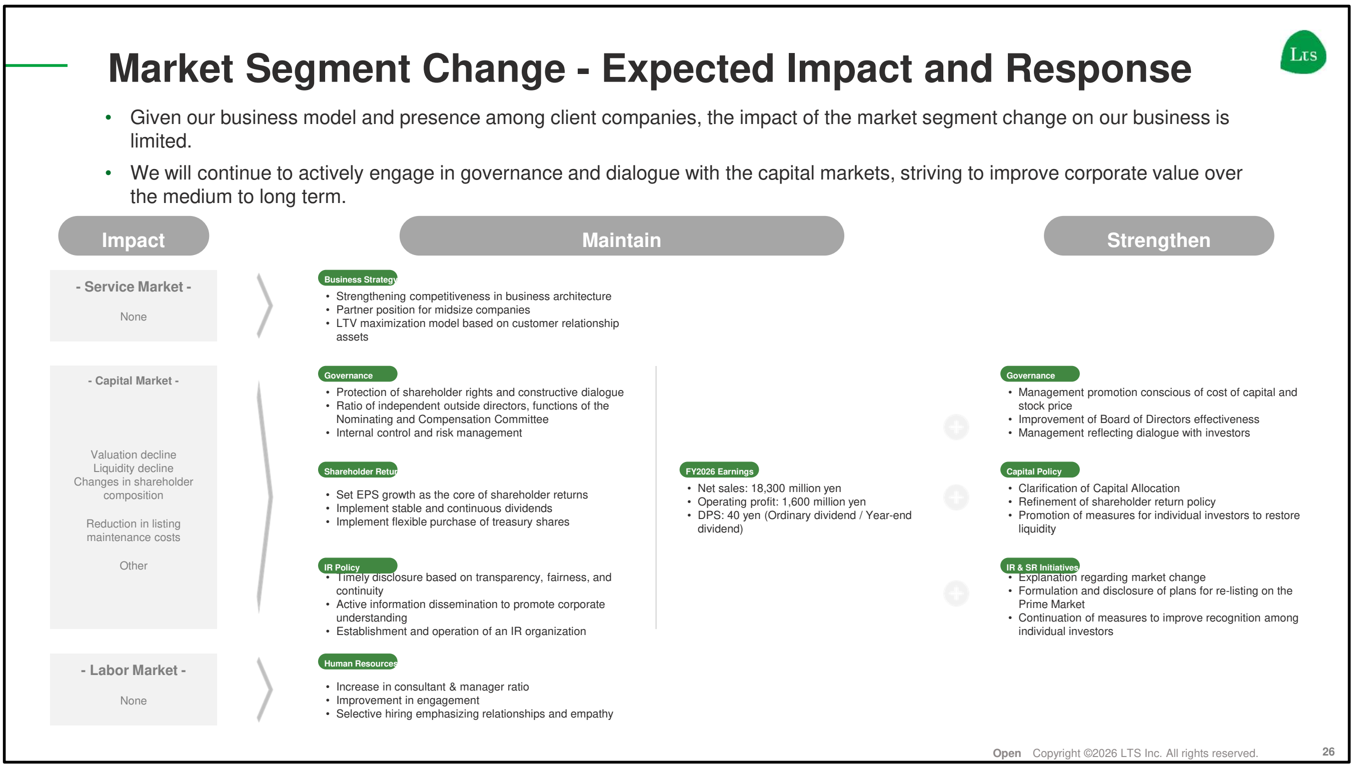
We sincerely apologize that we are unable to maintain our original policy of continued listing on the Prime Market.



The schedule for the change in market segment is as follows.

We plan to submit the application between the end of August and early September, and the transition is expected to be completed in approximately 3 to 6 weeks from that point.

Details regarding our medium-term growth strategies, including re-listing on the Prime Market, will be disclosed in stages in future financial results announcements.

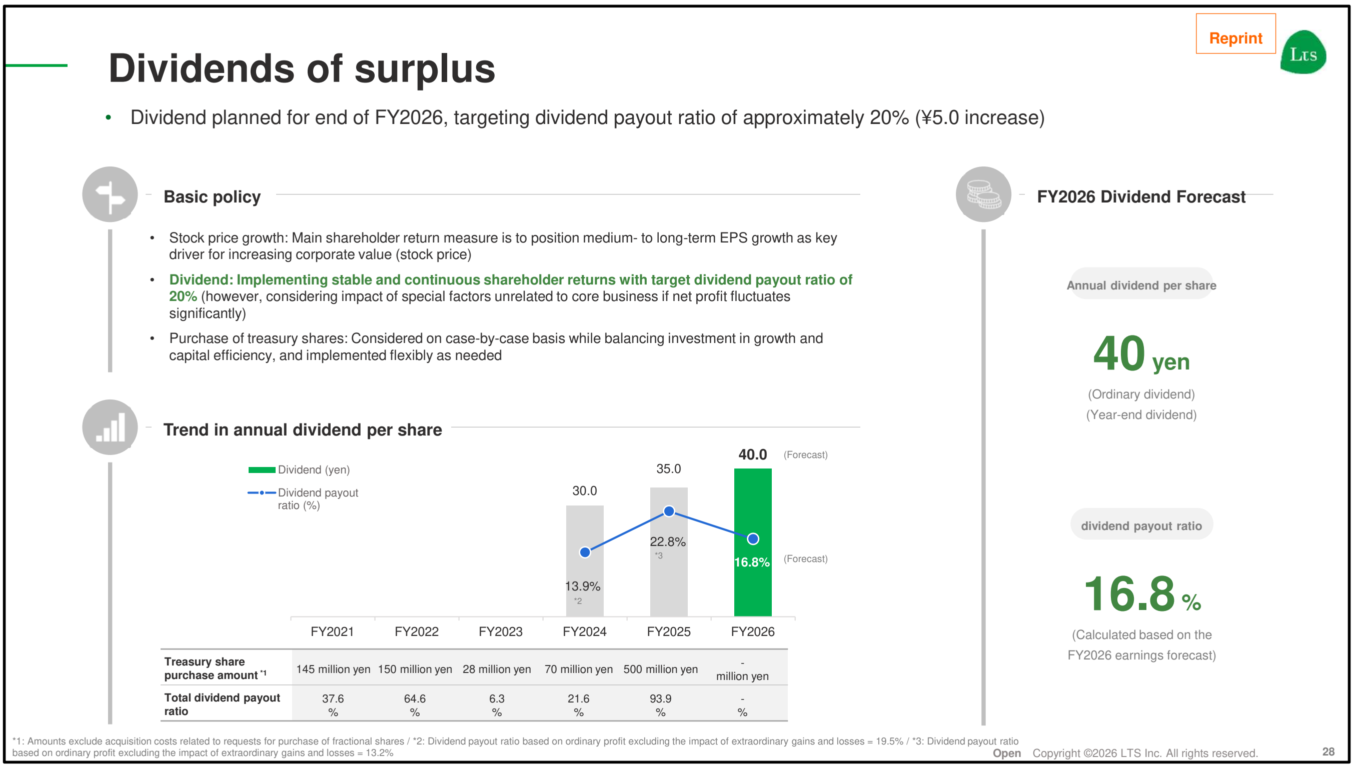


This section covers the expected impact and our response regarding the change in market segment.

First, the impact on our **business is limited.**
Given LTS's business model, our presence among client companies, and our reputation in the labor market, we believe there will be almost no impact on our business.

On the other hand, we recognize that there are challenges in the capital markets that we need to address.
Although we will transition to the Standard Market, **we will continue to actively engage in governance and dialogue with the capital markets,** striving to improve corporate value over the medium to long term.
We are also committed to achieving our earnings forecast for this fiscal year.

Next, I will explain our "Shareholder Return & Capital Management Policy."



First, regarding dividends.

As announced at the beginning of the fiscal year, we plan to implement a **40 yen ordinary dividend/year-end dividend** at the end of this fiscal year.
The Company will continue to maintain its policy of providing stable and continuous shareholder returns, targeting a dividend payout ratio of 20%.

Purchase of treasury shares

- Resolved to purchase treasury shares at the Board of Directors meeting held on August 13, 2026, as part of capital policy to consider the short-term impact on share supply and demand due to the change in market segment, and to improve corporate value over the medium to long term.

Reasons for purchase

- Stabilization of share supply and demand with consideration for the interests of existing shareholders, based on the short-term impact on share supply and demand due to the change in market segment
- Improvement of shareholder value and formation of a stable shareholder base over the medium to long term
- Improvement of capital efficiency and earnings per share (EPS)

Upper limit of purchase

- Number of shares to be purchased: Maximum 120,000 shares
(2.72% of the total number of shares issued excluding treasury shares)
- Total purchase amount: Up to 0.2 billion yen *1

Period and method of purchase

- August 14, 2026 to January 29, 2027 *2
- Implemented through market purchases on the Tokyo Stock Exchange

*1: Calculated with reference to the total holdings of index-linked funds that include the Company's shares (based on the Company's research as of the end of July 2026)
*2: For the period from February 2027 onwards, we plan to reconsider in view of the rebalancing period of index-linked funds

In addition to the market change, **we have also resolved to purchase treasury shares.**

Considering the short-term impact on share supply and demand due to the change in market segment, **as part of our capital policy to improve corporate value over the medium to long term,** we will purchase treasury shares.
The upper limit for the number of shares to be purchased is 120,000 shares, the upper limit for the total purchase amount is 0.2 billion yen, and the implementation period is from August 14 to January 29 of next year.

1. Business Overview
2. FY2026 Q2 Earnings
3. FY2026 H2 Outlook
4. Change in Market Segment
5. Shareholder Return & Capital Management Policy
6. **Mid to Long Term Growth Scenario**
7. Reference Material

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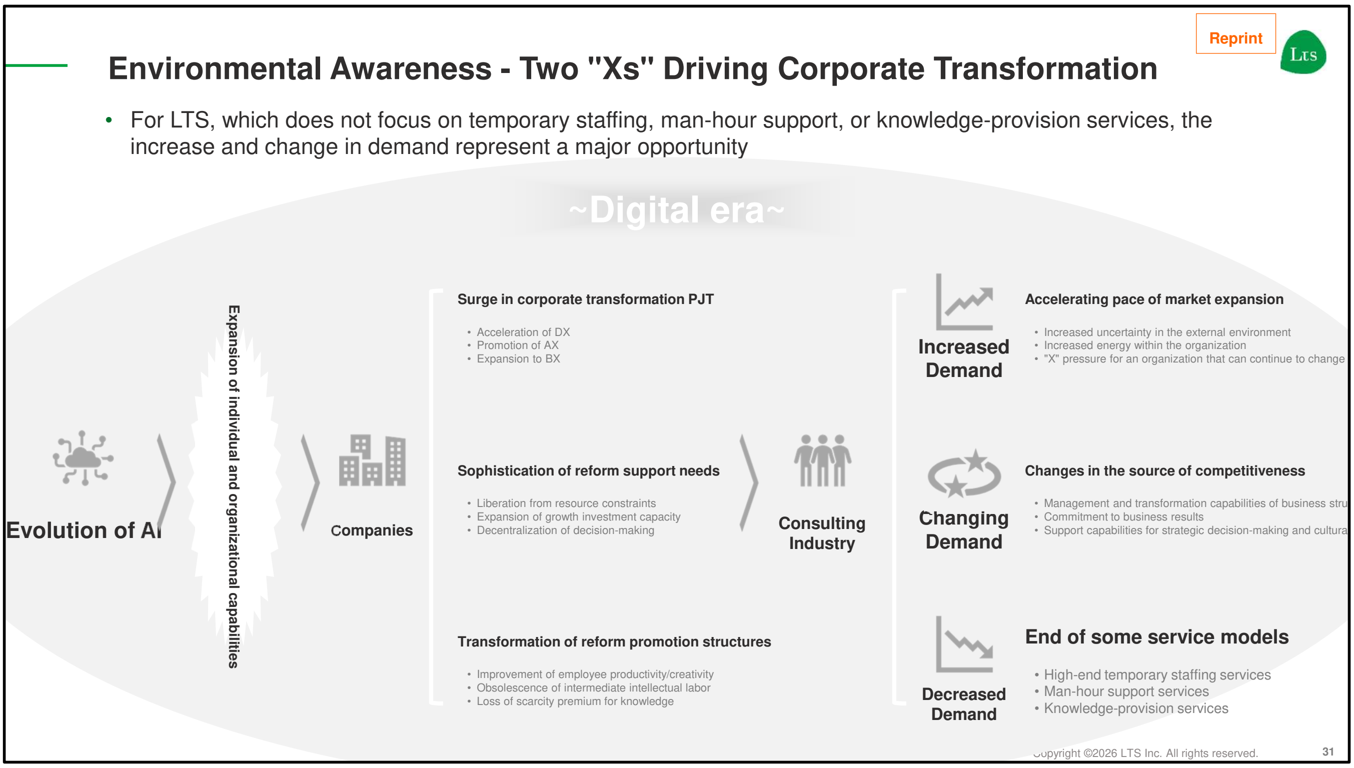
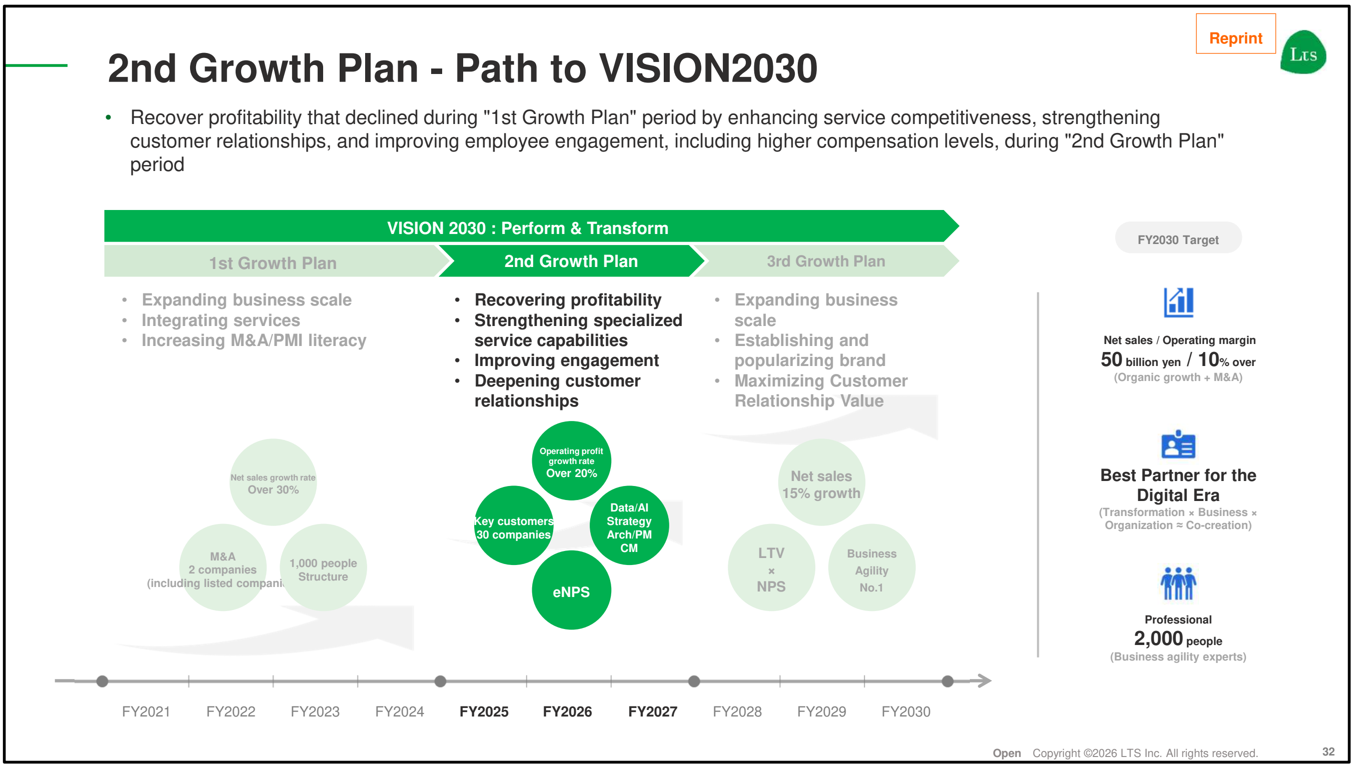
Next, I will explain the "Mid to Long Term Growth Scenario."



We recognize the current environment as a tailwind for LTS, which does not focus on temporary staffing, man-hour support, or knowledge-provision services.

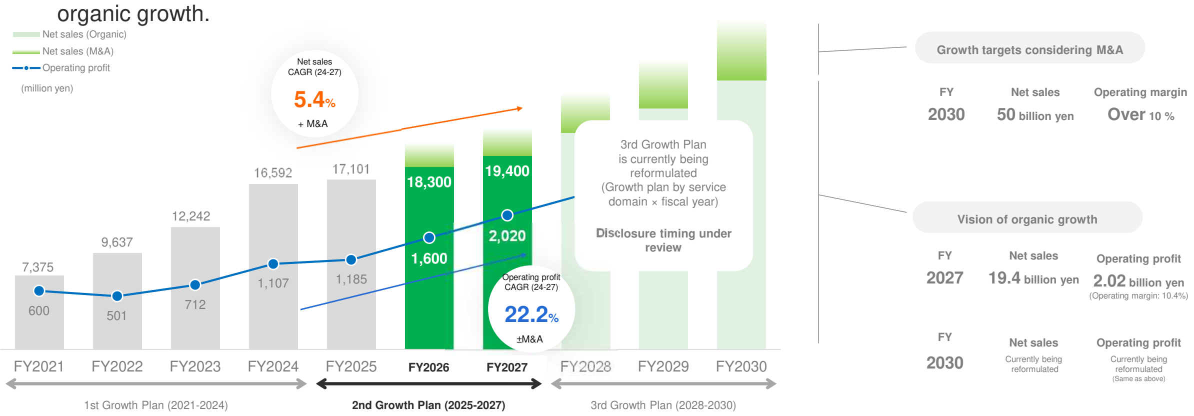


Under these external conditions, **we are strengthening our service capabilities, improving employee engagement, and deepening customer relationships**, while working to recover the **profitability** that declined over the past five years. We are operating over these three years (from 2025 to 2027) while establishing the foundation to achieve this.

The initiatives we planned to implement under the 2nd Growth Plan are progressing generally as scheduled.

2nd Growth Plan – Performance Target Trends

- For 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 maintain an average operating profit growth rate of 20%.
  - We had planned to disclose the 3rd Growth Plan at the time of the FY2026 interim financial results, but we have decided to review the disclosure timing to redefine the direction of future business growth and reconstruct our growth strategy, viewing changes in the business environment, such as the change in market segment and the emergence of generative AI, as new growth opportunities.
- Although not incorporated into the plan, we are also considering non-linear growth through M&A in addition to organic growth.



In light of the current uncertain business environment and the significant emphasis on new businesses (peripheral and overseas businesses) and M&A in our growth scenario, we believe we should review our strategy flexibly each year and reflect it in the business plan for the following year and beyond.
Therefore, rather than presenting it as a Medium-Term Business Plan, our aim is to share our growth vision with shareholders and investors in a quantitative manner. To this end, we will publish a Growth Plan every few years a

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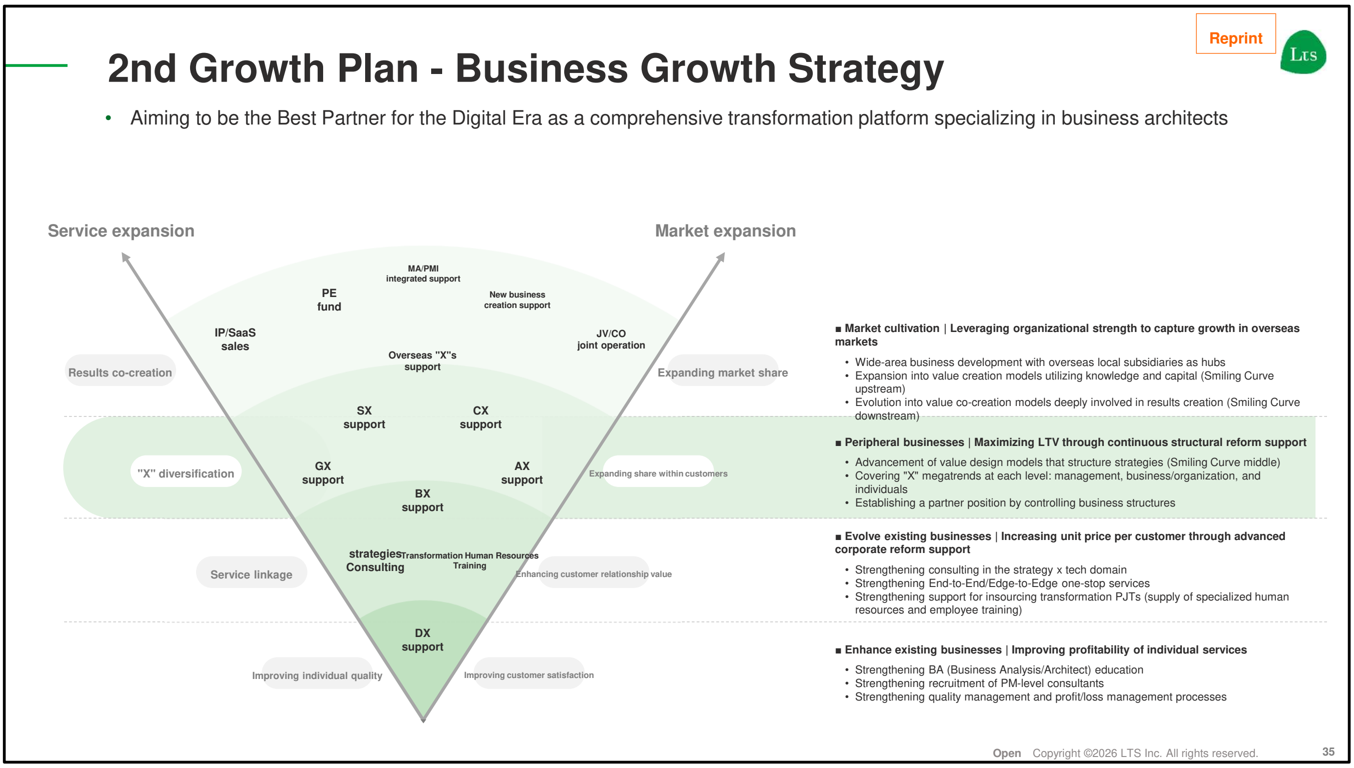
Regarding our earnings targets, **for the three-year period from 2025 to 2027, we are managing our business under the premise of prioritizing the recovery of profitability and increasing operating profit by 20% each period.**

Regarding the plan for 2028 and beyond, we originally planned to disclose it at the time of the interim financial results, but we are currently considering how to structure the next three to four years, **viewing the change in market segment and environmental changes such as the emergence of generative AI as opportunities.**
We will disclose the plan as soon as our new growth strategy is finalized.

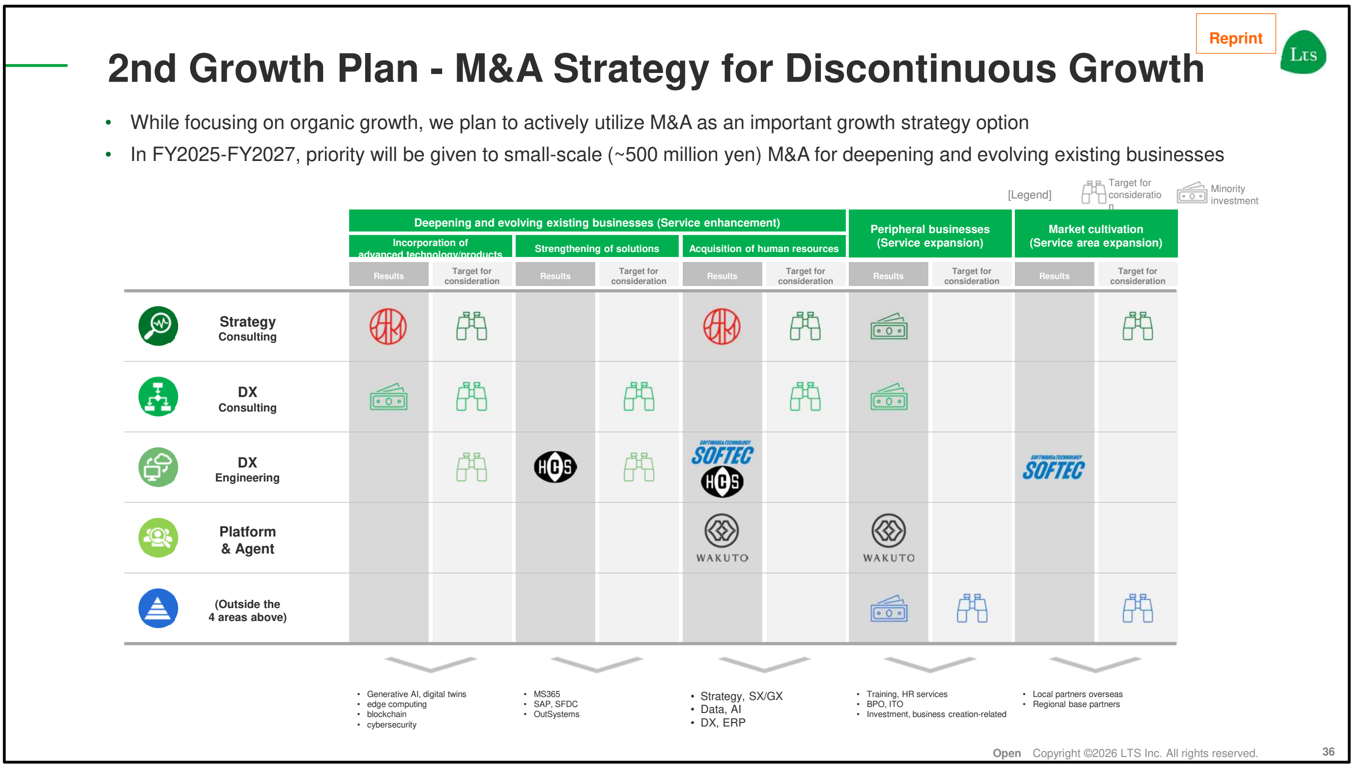
The progress of the 2nd Growth Plan initiatives is as described on this slide.



This is our approach to business growth.

Basically, **we believe we can achieve steady growth by firmly strengthening our existing businesses (creating strategies, designing structures, and supporting individual reforms)**.

In addition to this foundation, we have recently been supporting customer transformations across various themes. Since some themes are common to many companies, we are targeting them as peripheral businesses to develop and expand our operations.



We also position M&A as an important option and are exploring opportunities.

We will continue to explore opportunities for M&A to strengthen existing businesses, expand into peripheral businesses, enhance our services, and enter new areas, including capital alliances.

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 so-called "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.

End of File

This concludes the Q2 fiscal year presentation for LTS, Inc.

We are committed to growing our business while engaging proactively with the capital markets.
We appreciate your continued support.