CEC
Computer Engineering & Consulting

Integrated Report
2026

Toward a brighter future for society, customers, and employees by harnessing the power of ICT to create new value

The contemporary business environment is changing at a dizzying pace.
To ensure CEC continues to thrive and never loses its sense of direction, we have reexamined our social purpose and vision.
These serve as our new corporate philosophy, acting as a compass for our future.

Using the power of ICT to meet social challenges and deliver a brighter future for all our stakeholders.
Guided by this conviction, CEC continues to move forward.

CEC's Corporate Philosophy Framework

Corporate slogan

Shape your future

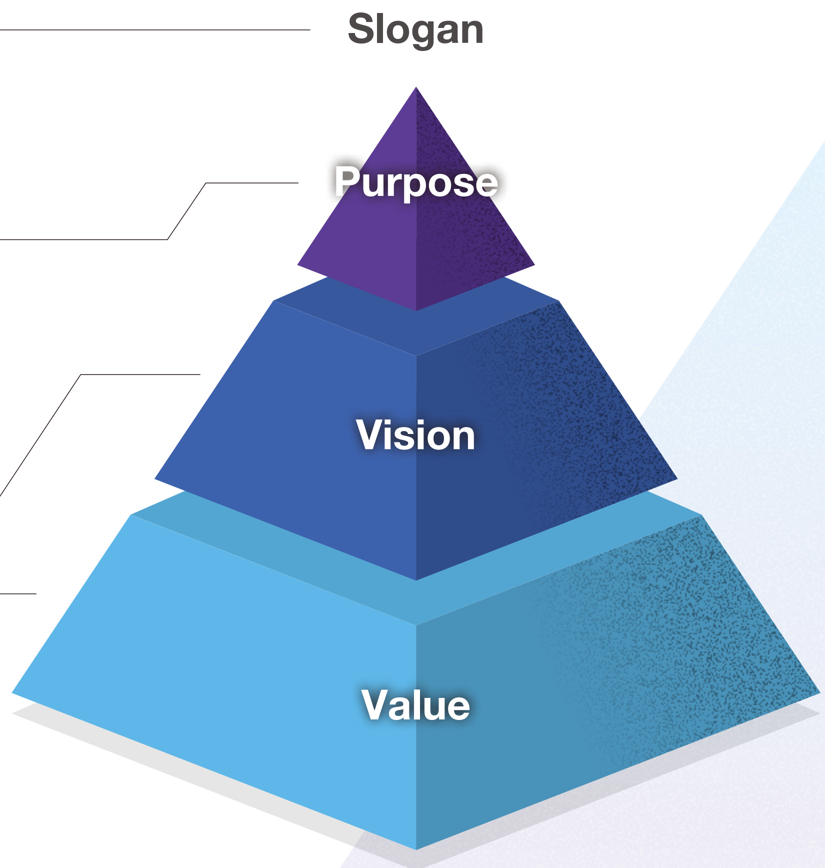
Purpose

Toward a brighter future for society, customers, and employees by harnessing the power of ICT to create new value

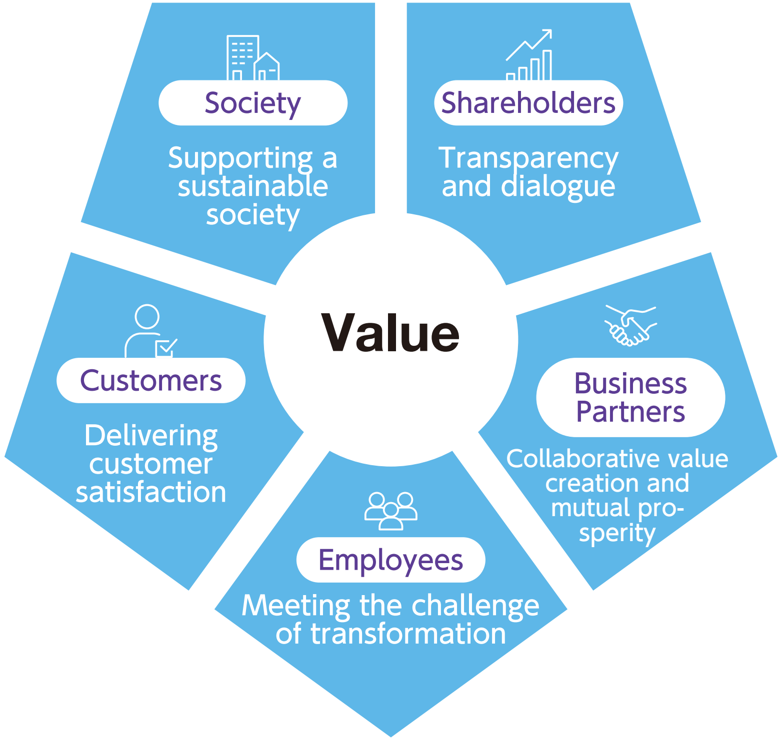
Vision

Essential Company

Becoming an indispensable company for our stakeholders
Creating a prosperous future and realizing human happiness



Value -Code of Conduct-



Society

Supporting a sustainable society

As a corporate citizen with growing influence, we observe responsible corporate practices that comply with laws and regulations, respect human rights, embrace diversity, and promote a sustainable, circular society.

Customers

Delivering customer satisfaction

Through daily efforts to enhance our technical capabilities and strengthen our capability to propose and execute solutions, we pursue customer satisfaction, increase trust, and consistently meet expectations.

Employees

Meeting the challenge of transformation

Our unceasing commitment to self-improvement drives us to maintain a spirited pursuit of growth, a constant focus on transformation, and a passion for high performance, all of which contribute to the development of our company and to societal change.

Business Partners

Collaborative value creation and mutual prosperity

We strive to build long-lasting trust with our diverse business partners based on mutual respect, thereby maximizing further collaborative value creation and mutual prosperity.

Shareholders

Transparency and dialogue

We foster trust and enhance corporate value over the longer term by accurately communicating about our efforts to create economic and social value through appropriate information disclosure and proactive dialogue with shareholders and investors, while appropriately accepting their advice.

Contents

Editorial policy

This report is published using the integrated report format to communicate CEC's purpose—using the power of ICT to create value and lead customers, employees, and society toward a brighter future—to all stakeholders, including shareholders and investors. It covers our business portfolio and performance and our sustainability initiatives. Detailed financial and sustainability information not included in this report is disclosed separately on our website.

IR information

To our shareholders
https://www.cec-ltd.co.jp/en/ir/

Sustainability information

Sustainability
https://www.cec-ltd.co.jp/esg
(Japanese only)

【Reporting period】

February 1, 2025 through January 31, 2026
(Includes some information before and after this period)

【Scope of reporting】

Computer Engineering & Consulting Ltd. and its group companies

【Guidelines referenced】

- IFRS Foundation, International Framework for Integrated Reporting
- Ministry of Economy, Trade and Industry, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation

At a Glance

Business

Integration Segment

Providing comprehensive integration services above and beyond traditional systems development, from planning through infrastructure design, development, and operation, all based on our years of industry knowledge and understanding of customers

Connected Segment

Providing systems and platforms for data integration and analysis above and beyond industry boundaries by leveraging our accumulated data and analytical expertise in areas such as mobility and smart factories

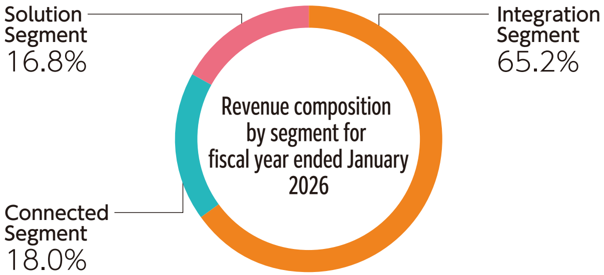
Solution Segment

Providing solutions based on the concepts of safety and security, centered on our own products and services by leveraging our ICT assets and expertise amassed in delivering products and services across industries

Fiscal year ended January 2026

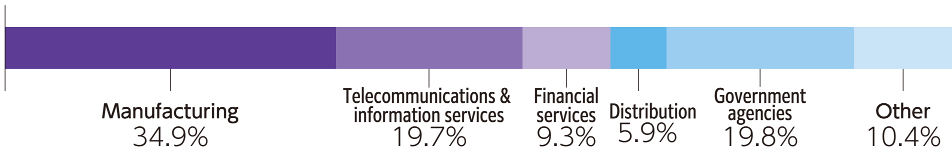
Net sales
65.8 billion yen

Operating profit
7.33 billion yen



As an independent system integrator, we flexibly address the diverse needs of clients across a wide range of industries

Revenue composition by industry



Strengths

Hybrid Integrator

Providing optimal and comprehensive service combinations and integrations for our customers, adapting to increasingly diverse and complex environmental changes

Development capabilities

- Realizing customer DX and solutions based on our development track record in multiple businesses and industries
- Providing end-to-end services from planning and development to infrastructure construction and operation

Data utilization

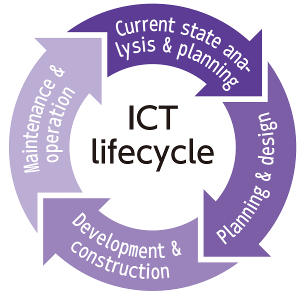
- Expansion of platform-based services such as big data analysis and data distribution
- Providing industry-specific data utilization services
  – Manufacturing, healthcare, education, automotive, logistics

Proprietary products and services

- Expansion of proprietary offerings aligned with customer IT strategies
- Provision of cloud services and platforms using data centers (hybrid environments)

Covering the entire ICT lifecycle

CEC leverages its group's comprehensive strength to provide full-range services for customers' ICT implementations.
From formulating the ICT strategy companies need to drive growth to designing and developing systems, constructing infrastructure, and delivering maintenance and operation services, we provide optimal solutions with one-stop convenience.



Message from the President

Turning Change into a Tailwind for Evolution — Becoming an Indispensable SIer for Our Customers

Takashi Himeno
President and Representative Director

Navigating a Period of Transformation in Coexistence with AI

We are currently facing a turning point unprecedented in scale. Rapid advances in generative AI are moving corporate IT use beyond the proof-of-concept stage (PoC) and into deployment and adoption, as AI transformation (AX) begins in earnest. AI is evolving from simply an operational efficiency tool into a base for shaping corporate value. Corporate IT investment is therefore shifting drastically from a "defensive" focus on maintaining legacy systems toward "offensive" investment aimed at creating new business and enhancing competitiveness.

"Once in a century" events are occurring almost every year. Change is now the norm rather than the exception. Against this backdrop, CEC has, since its inception, seized the tide of technological innovation from mainframe computers to the internet, cloud computing, and now AI, to evolve its business structure and secure ongoing growth. We believe the experience built up over more than half a century of uninterrupted adaptation to change is a key strength that will underpin our growth as we confront this new turning point, namely, the rapid advancement and widespread adoption of AI.

As AI becomes more widespread, simple tasks such as programming and testing individual functions are increasingly being handled by AI. In contrast, CEC's core capabilities—systems design rooted in an

understanding of customer businesses, building enterprise systems, and large-scale systems integration and operation-are becoming more important than ever.
Furthermore, our sales proposal capabilities, built up from experience identifying latent needs through ongoing dialogue with customers and proposing value-added solutions, will be a crucial source of differentiation in the AI era. These are areas that cannot be replaced by AI, and we intend to reinforce our strengths by actively harnessing AI. We view AI as a growth driver rather than a threat, and by coexisting with AI, we aim to enhance our competitiveness and evolve into the systems integrator our customers need most.

The evolution of our value creation model

As automation is advancing in the labor-intensive processes of conventional systems development, the center of value is shifting toward new areas such as data preparation, model design, output validation, and integration into business operations. Of particular importance is the underdeveloped space between AI and business operations that emerges as AI adoption and use expand. This space presents a wide range of value-creation opportunities, including building AI models and data platforms tailored to specific industries, integration with existing systems and supporting their operation, and providing operations and maintenance post-implementation to ensure security. We will target these opportunities and structure our offerings as services that customers can use continuously, evolving them into a value-delivery model that achieves both replicability and profitability.
Moreover, technology is shifting from generative AI to agentic AI, with multiple AI agents working together to make decisions and execute tasks autonomously. We position this trend as a medium- to longer-term growth opportunity, and will continue to invest in research and development in advanced technologies, while collaborating with external partners that possess expertise in AI consulting and AI agent implementation. Through these efforts, we will deliver seamless, end-to-end value, from concept development through business implementation and full operational adoption.

Establishing a competitive edge centered on security

While the spread of AI is improving operational efficiency and creating new value, it is also enabling increasingly sophisticated cyberattacks and radically reshaping the risk environment facing companies. The damage caused by targeted attacks, ransomware, and supply chain attacks is growing, and IT infrastructure that enables secure business operations has become essential for all digital strategies to maintain and enhance corporate value.
We have a long track record in cybersecurity. Our business origins are in antivirus measures and software verification, before the concept of cybersecurity became widely recognized. As threats grew more sophisticated, we expanded into protection, monitoring, and operations, and bringing these services together into an integrated business. Today, in addition to providing round-the-clock monitoring and operations through our security operations center (SOC), we have built a framework that uses AI-powered anomaly detection and behavioral analysis to identify threats in real time and respond rapidly.
In recent years, we have also been enhancing our security capabilities by integrating them with authentication technologies. Through capital alliances with companies possessing strengths in biometric and cloud authentication, we are developing new solutions that combine these technologies with our own security services. Via sophisticated control over "who" has access, and with what level of authorization, we help customers implement zero-trust security, enabling us to provide IT infrastructure that combines security with convenience, including in AI and cloud environments.
As the use of AI expands, security will shift from serving a merely "defensive" role to providing a foundation supporting corporate growth and business transformation. By strengthening the technological and operational capabilities we have built up over the years, as well as our ability to cooperate and co-create with external partners, we aim to secure our competitive advantage.

Enhancing human capital and intangible assets

Our competitiveness is rooted not only in our technologies and services, but also in the people and

The evolution of AI is a growth opportunity, not a threat

Message from the President

Committed to sustained growth investment, regardless of short-term earnings, to enhance corporate value

intangible assets that enable us to continue creating them. In the coming AI era, beyond implementing customer-defined requirements, it will become increasingly important to anticipate market changes, identify the fundamental issues, and transform them into new value.

We are therefore focused on training talent who embrace change and consistently take the initiative in responding to challenges. We position the development of Value-Creating Talent possessing three key capabilities as an important medium- to long-term priority, and are strengthening our human resource development programs accordingly. The three key capabilities are: (1) Social Innovation Capabilities—the ability to discern fundamental social issues and resolve them through concrete initiatives; (2) Business Transformation Capabilities—the ability to look beyond existing business models and frameworks and pursue transformation in response to changing market needs; and (3) Breakthrough Thinking—the ability to create new value through original ideas.

Although internal development remains our primary focus, we actively take on external resources in areas that we cannot cover alone. In addition to engaging partner companies and consultants with high-level specialist expertise, we make flexible use of resources such as offshore development.

Alongside these investments in our people, we are focusing resource allocation on improving the office environment so that they can realize their full potential. Most recently, we have substantially expanded and renovated our main offices and strengthened our head office functions. By continuing to create comfortable workplaces that enable employees to maintain high performance, we aim both to increase engagement across the organization and strengthen our ability to recruit outstanding talent.

We are also reconsidering how we utilize our intangible assets. We have established an Intellectual Property Strategy Team to reorganize assets previously built up on a project-by-project basis so they are shared in line with our business strategy. This will enable us to utilize patents, expertise, data combined with AI, and intellectual property co-created with customers across the organization, helping create replicable value. Through these initiatives, we aim to accelerate the transition to a recurring-revenue business model, while expanding earnings and improving capital efficiency.

Progress with our Medium-term Management Plan and the issues recognized

In the first year of our Medium-term Management Plan, we pursued the transformation of our business and management foundations under the theme of “change.” Although the external environment remained even more uncertain than usual, the IT market was firm overall. We successfully harnessed this growth to achieve record highs in both net sales and profits. Our existing businesses progressed ahead of plan, and we believe the initial year marked a solid start to the plan.

In addition to larger-scale projects rooted in deeper customer relationships and enhanced proposal-driven sales, this owes to a greater organizational adaptability to environmental changes. An increasingly proactive approach to change is also gaining traction among senior management and the next generation of leaders, while efforts to adopt new technologies and create new services are gaining momentum at the operational level.

There is a growing recognition that simply extending existing approaches will constrict future growth, and this is driving a shift in behavior that marks a critical step forward. Indeed, employees are increasingly putting forward proposals to take on new themes and challenges. Alongside greater use of our internal Business Challenge Project, ambitious initiatives to develop specific products and services are now moving into full swing.

In contrast, the challenges have become clearer. In particular, new businesses have been slower than expected to shift from the concept stage to commercialization, and we are still in the process of establishing new future earning pillars. From the perspective of attracting and retaining talent, recruitment has progressed but has not produced a net increase in headcount. Developing DX and AI talent and accelerating DX within the company are

also urgent priorities.
We recognize that each of these is a critical issue for management that directly affects our future competitiveness and growth potential. We will accelerate the transition from concept to execution by strengthening collaboration with external partners, expediting decision-making, and optimizing the allocation of resources to strategic areas.

Enhancing our governance framework

We recognize that there is still some lack of clarity over the division of responsibilities between execution and oversight within the Board of Directors, and are working to delineate these boundaries more clearly. We will further clarify the roles and responsibilities of individual directors and the Board as a whole, with the aim of establishing a highly effective governance framework.
We are also reviewing the skills matrix for the Board's composition in light of its required functions, and at the same time training successors for the future to strengthen the sustainability of our management framework.
Regarding Group governance, each Group company has established its own rules and guidelines, but content and application vary. We therefore intend to standardize both the criteria and practice to improve consistency and effectiveness, aiming to establish a framework in which internal controls function at the same level as at the head office. Additionally, decisions on important management issues are first discussed thoroughly by the Executive Committee before submission to the Board of Directors, which then considers the issues from multiple perspectives, incorporating the objective and specialist insights of outside directors, to ensure appropriate and timely decision-making.

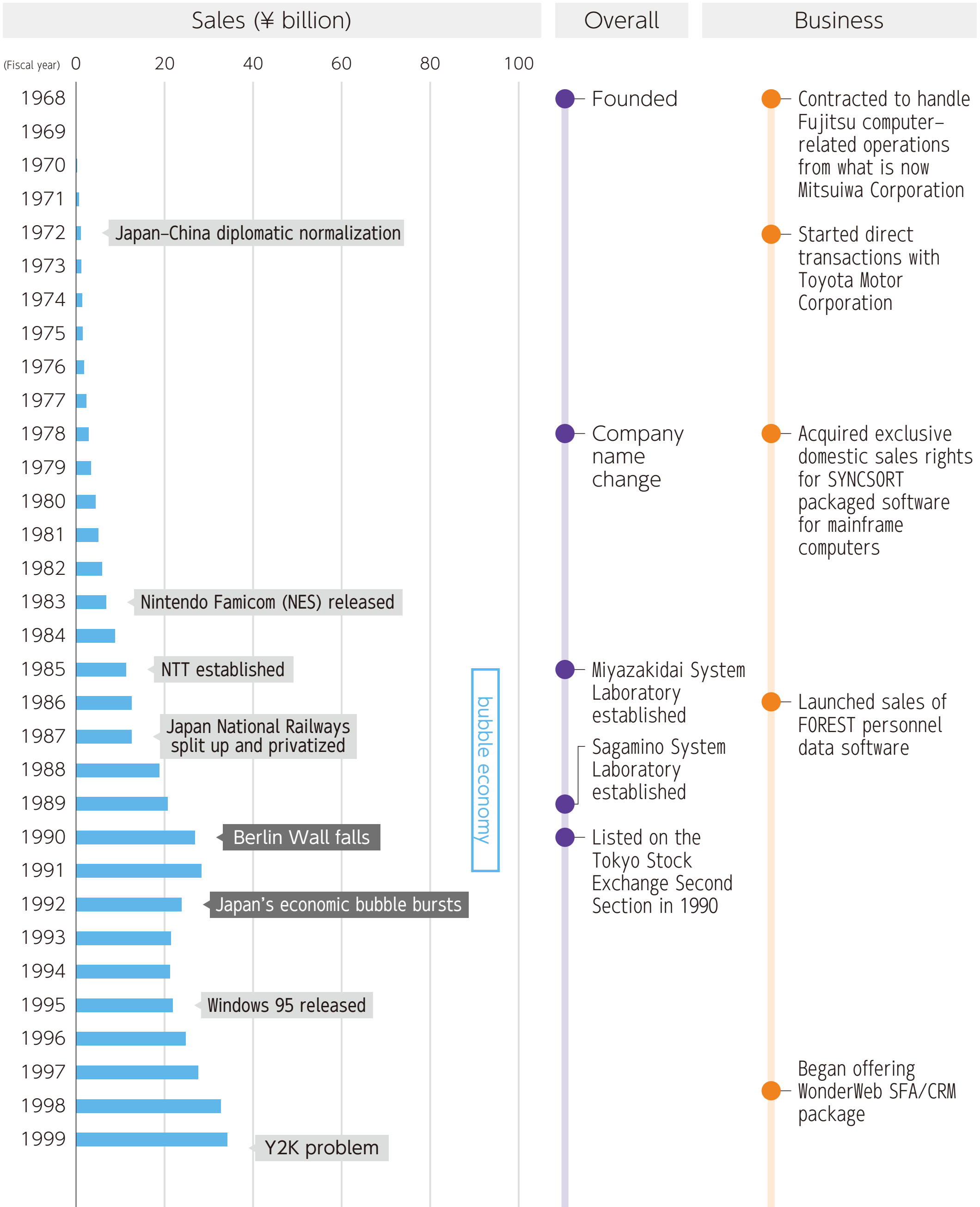
Working toward sustainable improvement in corporate value

Next year, CEC will enter its 60th year in business. Our recent performance indicates that the foundations for growth are steadily coming into place. However, our real growth still lies ahead. Management's task is to ensure that we can translate recent performance into sustained profit growth and enhanced corporate value.
Recently, our share price has been affected by concerns of an industry-wide peak-out in DX demand, as well as market caution over structural changes in the systems integration business linked to the emergence of generative AI. However, we will work to enhance corporate value over the medium to long term, without being beholden to short-term share price movements, by strengthening our existing businesses while accelerating the shift toward a high-value-added, AI-driven service model, the creation of new businesses, and internal DX. Although ROE, a key management indicator, currently remains at our target level, we will pursue further improvements in capital efficiency. Management remains firmly committed to achieving the goals of VISION 2030.
We will also further deepen dialogue with the capital markets through enhanced investor relations activity. We aim to use our Integrated Report as the basis of such dialogue, while deepening market understanding of our strategies, growth potential, and risks, and thereby earn greater recognition from investors and other stakeholders. At the same time, we aim to improve corporate value sustainably and earn the trust of our stakeholders through a proactive approach to shareholder returns, including sustained dividend growth based on a target dividend payout ratio of at least 40%, and flexible share buybacks.
We also aim to establish an indispensable presence in society by working alongside AI to create value, while remaining a company of choice by earning the trust of our customers, partners, and investors. We invite you to look forward to our continued growth and progress.

Harnessing change in an age of transformation: steadily embracing the ongoing challenge

Growth Trajectory

An independent system integrator whose business continues to grow and evolve in concert with IT industry development



Sankei Ebisu Building, which housed the Computer Center and CEC's head office

Mainframe software package for which we acquired exclusive domestic sales rights at the time

Sagamino System Laboratory: serving not only as a development center but also as a hub for IT services

Listed on Tokyo Stock Exchange Second Section

Oita System Laboratory

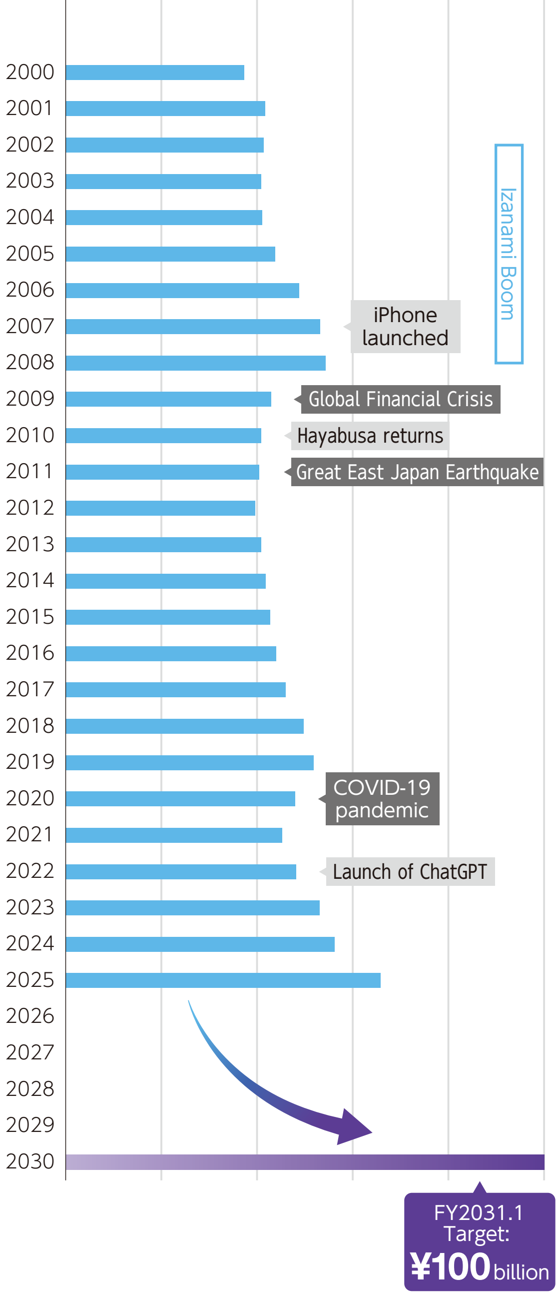
1960s~ Founding and early expansion

In February 1968, two years before IBM introduced its separate hardware and software sales policy, known as "unbundling", Computer Engineers Co., Ltd. (now Computer Engineering & Consulting Ltd.) was established from the software development division of Mitsuiwa Corporation. CEC began operations by performing sales and implementation services for computers manufactured by Fujitsu Limited under commission from Mitsuiwa Corporation. In 1972, the Company received an order from what is now Toyota Motor Corporation, marking the start of direct transactions with the automaker. In the same year, CEC also began full-scale efforts to strengthen its technological capabilities. It expanded into fields that would later become core businesses, including the development of large-scale system software and online control programs. The development know-how it gradually accumulated solidified into a firm technological foundation.

1980s~ Business expansion and response to IT innovation

In the 1970s, the company had secured contracts to develop basic software for Fujitsu Limited. By the 1980s, the business had expanded to receiving orders from all relevant business segments at Fujitsu. The company also acquired exclusive domestic distribution rights for various packaged software products running on mainframe computers, marking its entrance into the packaged software import and sales business.

In 1990, the company was listed on the Second Section of the Tokyo Stock Exchange. Heading into the 1990s, the industry's emphasis was transitioning from centralized data control using mainframe computers to distributed systems, which accelerated corporate IT adoption. Against this shifting environmental backdrop, in 1996 the company launched a strategy to expand its network and service operations in an effort to strengthen business lines that generate recurring revenue.



- Listed on the Tokyo Stock Exchange First Section
- Relocated headquarters office to Ebisu, Shibuya Ward
- Acquired ISO 14001 certification
- Transitioned to the TSE Prime Market

- Launched software e-commerce site SoftDirect.com
- Commenced data center operations
- Released workplace information security solution SmartSESAME
- Launched branding campaign for third-party verification service PROVEQ
- Launched branding campaigns for Cyber NEXT and Convergent
- Launched branding campaign for Smart Factory
- Commenced big data infrastructure construction services
- Released cloud integration platform BizAxis
- Announced Dataxia, our data monetization platform

Connected
Solution
Integration


Listed on the Tokyo Stock Exchange First Section


Exhibited VR+R–branded products at an event held at Tokyo Big Sight


Celebrating the 50th anniversary with companywide event


Launched the childcare support app "at Claps"

2000s~ Evolution: creating new value

In 2001, CEC listed its shares on the First Section of the Tokyo Stock Exchange and began the full-scale rollout of its data center services business. During the 2010s, the company overcame the economic downturns caused by the Global Financial Crisis and the Great East Japan Earthquake. From 2015 onward, it worked to strengthen competitiveness and improve business efficiency under its Medium-Term Management Plans. During this period, CEC created numerous solutions and services, including the CyberNEXT® security brand and Convergent® business platform developed in collaboration with Microsoft. From 2018, the Company focused on building a unique business model while simultaneously pursuing business restructuring and greater business efficiency.

2020s~ Business transformation and sustainable growth driven by our VISION 2030 Long-Term Management Plan

As a countermeasure to the COVID pandemic that began in 2019, CEC introduced work-from-home and other remote work arrangements. In February 2025, the company redefined its purpose as a new guiding principle for the entire CEC Group and established a new philosophical framework. Subsequently, CEC created and released the VISION 2030 Long-Term Management Plan, which targets net sales of ¥100 billion.

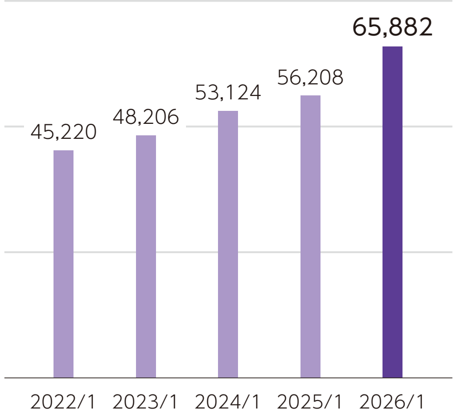
To respond to rapid change in the business environment and technological innovation, CEC reorganized its business portfolio and segments. By providing value to a broad range of customers in areas extending from legacy systems to cloud and AI technologies, the company is accelerating business transformation that combines stronger earnings with sustainable growth, with the aim of achieving further evolution and growth.

Financial highlights

5-year trend

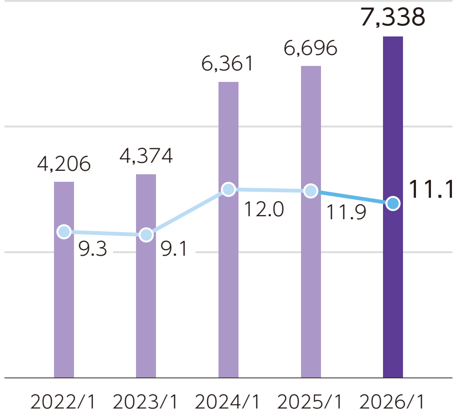
Net sales

(¥ million)



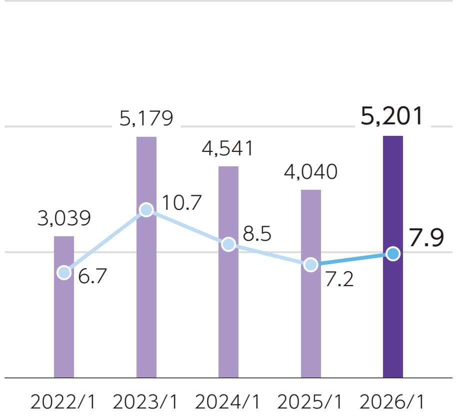
Operating income, operating margin

Operating income (¥ million) Operating margin (%)



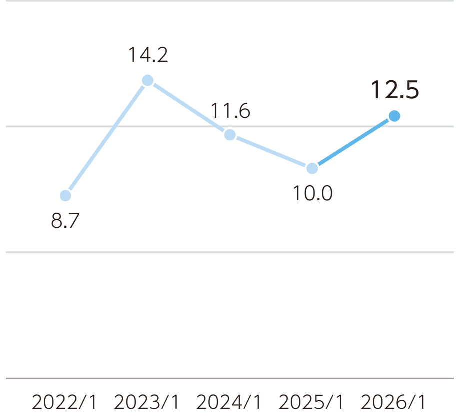
Net income attributable to owners of parent, net margin

Net income attributable to owners of parent (¥ million)
Net margin (%)



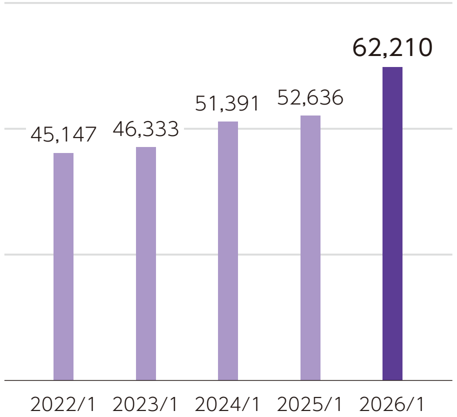
ROE

(%)



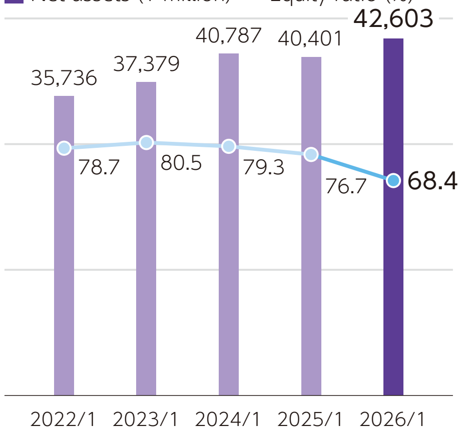
Total assets

(¥ million)



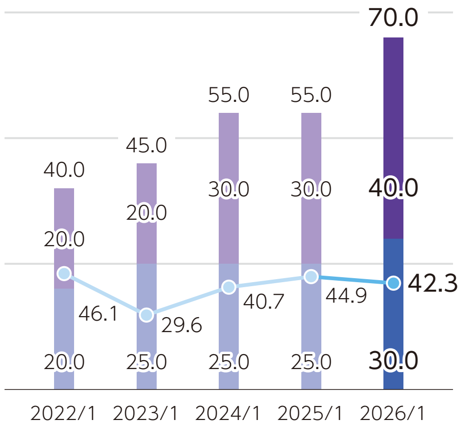
Net assets, equity ratio

Net assets (¥ million) Equity ratio (%)



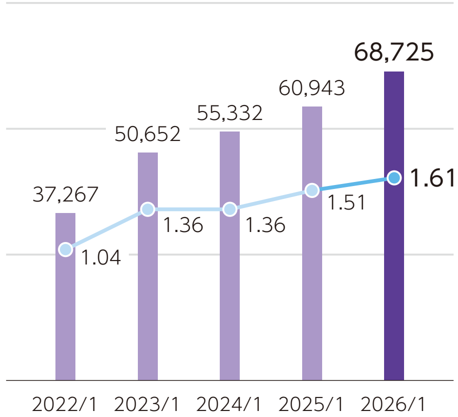
Dividend per share, payout ratio

Dividend per share (¥) Interim Year-end
Dividend payout ratio (%)



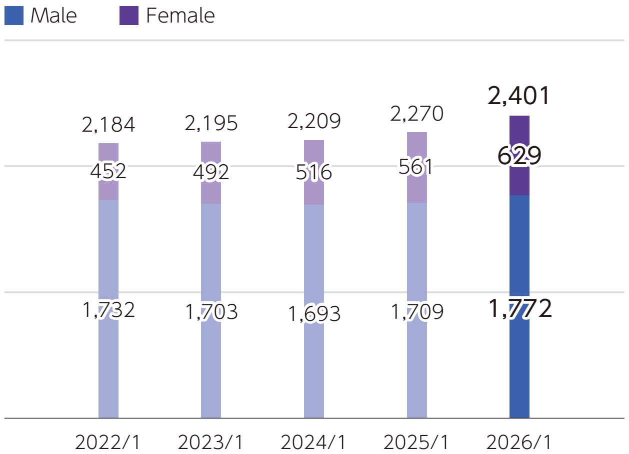
Market capitalization, PBR

Market capitalization (¥ million) PBR (times)

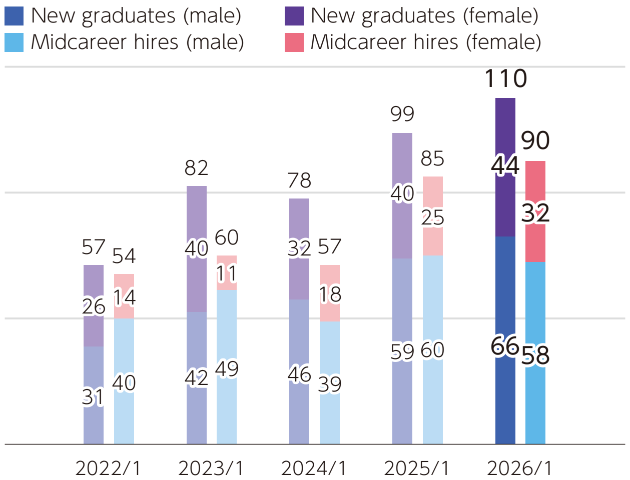


Nonfinancial highlights

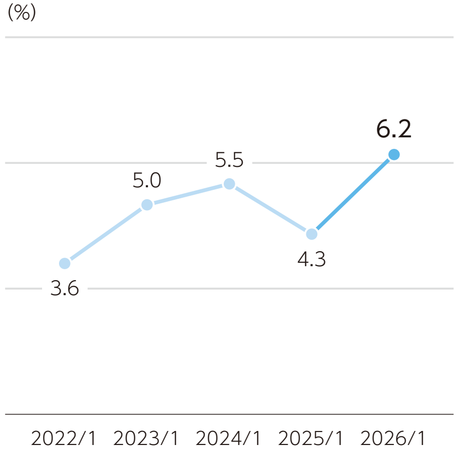
Number of Employees (consolidated)



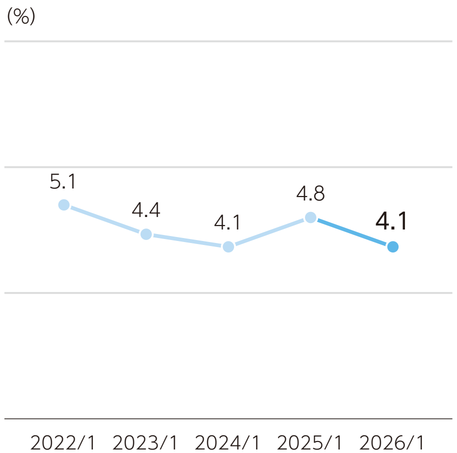
New hires *1 *2



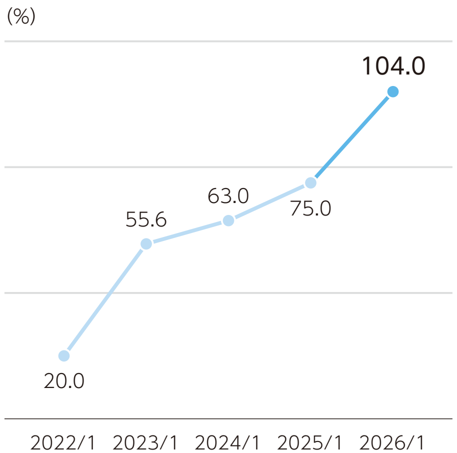
Turnover rate *1 *3



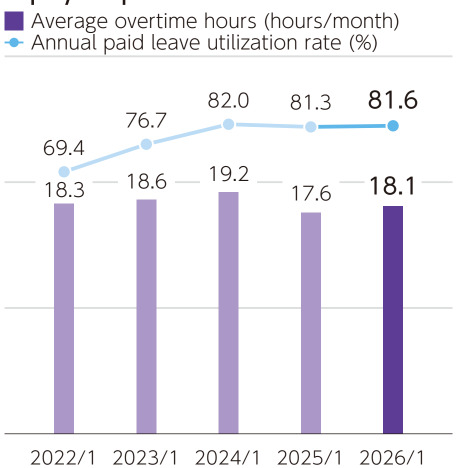
Ratio of female managers *1



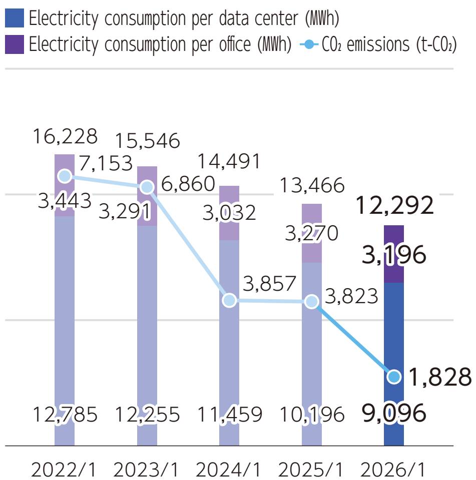
Male childcare leave utilization rate *1



Average monthly overtime hours per employee / paid leave utilization rate *1



Electricity consumption / CO_2 emissions



*1 Non-consolidated figures　*2 Excludes transfers and similar arrangements　*3 Voluntary resignations only

Value Creation Process

Purpose

Toward a brighter future for society, customers, and employees by harnessing the power of ICT to create new value

Vision

Essential Company

Becoming an indispensable company for our stakeholders;
Creating a prosperous future and enhancing people's well-being

Shifting external environment

Rapid IT market growth

Working population decline

Cutting-edge technological advancement

Growing social demand for societal sustainability

INPUT

Social capital
Relationship of trust with customers and business partners

Human capital
Diverse staff offer advanced technical skills and know-how

Workplace environment encourages diversity of thought

Intellectual capital
High technical competence and adaptability gained from development work spanning a diverse range of industries

Deep understanding of and extensive expertise in customer industries

Cutting-edge technology research

Financial capital
Solid financial foundation for growth investment

Natural capital
Activities that reduce environmental impact

Manufacturing capital
Expansion of manufacturing and data center facilities

Responding to increasingly complex environmental changes with optimal comprehensive services for customers

Expansion of business domains

Integration Segment

Development capabilities

Solving customer challenges through deepening account relationships and expanding services

Hybrid Integrator

Data usage

Effectively leveraging accumulated data to connect across industries

Proprietary Products

Solutions that deliver safety and peace of mind

Connected Segment | **Solution Segment**

New business creation

Materiality

Environmentally conscious business activities | Collaborative value creation with society for a prosperous future | Creating an environment that unlocks human potential | Achieving sustainable corporate management

Human resources strategy | Financial strategy | Strengthening internal infrastructure

Corporate governance

OUTPUT

Products and services

Integration Segment

System and infrastructure construction business

Microsoft services business

Migration services business

Connected Segment

Data monetization business

Cloud service development business

Control simulation business

Quality management business

Solution Segment

Data center business

Security business

Industry-specific solutions

OUTCOME

Economic value creation
(FY2031/1 target)

Net sales: ¥100billion

Operating income (margin)
¥14.3bn(14.4%)

Net income (margin)
¥10bn (10.0%)

ROE 20% or higher

Creating social value

Society

Resolving social issues through ICT-driven innovation

Customers

Pursuing customer satisfaction through enhanced technical and consultative capabilities

Employees

Respecting employees' growth potential and diversity and providing an invigorating work environment

Business partners

Building long-term relationships of trust and achieving high levels of collaborative value creation and mutual prosperity

Shareholders

Enhancing medium-to-long-term shareholder value through sustainable growth

VISION 2030 Long-term Management Plan

Steady progress toward long-term vision

Our Medium-Term Management Plan 2025-2027 is a key step toward achievement of our VISION 2030 Long-Term Management Plan.
We achieved our key management targets for the first year, delivering results ahead of plan.

Stage I Growth

Accelerating business transformation

- Advance businesses under the new segment structure
- Expand service offerings and sales regions
- Accelerate growth investment and M&A activity
- Step up the recruitment and development of advanced engineers

First fiscal year of Stage I:
Achieved key management targets

Medium-Term Management Plan 2025–2027

Results
Net sales: ¥65.8bn ROE 12.5%

Targets
Net sales: ¥72.0bn ROE 14% or higher

Stage II Expansion

Expanding value creation

Medium-Term Management Plan 2028–2030

- Establish new core businesses
- Accelerate business scale expansion
- Cultivate innovative corporate culture
- Expand social value through business

Further evolution and growth as an essential enterprise

Accelerate business transformation to achieve both enhanced profitability and sustainable growth

VISION 2030

Targets
Net sales: ¥100.0bn ROE 20% or higher

Management targets

	Stage I		Stage II
	FY2026/1 actual	FY2028/1 target	FY2031/1 target
Net sales	¥65.8bn	¥72.0bn	¥100.0bn
Operating income	¥7.3bn	¥8.6bn	¥14.3bn
Operating margin	11.1%	11.9%	14.4%

	Stage I		Stage II
	FY2026/1 actual	FY2028/1 target	FY2031/1 target
Net profit attributable to owners of parent	¥5.2bn	¥6.2bn	¥10.0bn
Net margin	7.9%	8.6%	10.0%
ROE	12.5%	14% or higher	20% or higher

Progress Toward Medium-Term and Long-Term Management Plans

Environmental assessment and response strategy

View rapid changes in the business environment as growth opportunities, drive business transformation, and extend the value we provide from customers to society as a whole.

Environmental assessment	Strategic response
Rapid growth of the IT market and evolving business environment • Rapid growth of the advanced IT market • Changing business environment in which customers require support and upgrades of legacy systems, as well as value creation through advanced IT	**Reorganization of business portfolio** • Reorganize business segments based on business models and strengths • Expand and roll out services that draw on expertise in both advanced and established IT technologies to address increasingly complex customer needs
The importance of technology transfer and talent development amid a shrinking workforce • Declining workforce due to falling birthrate and retirement of second-generation baby boomers • Growing importance of transferring expertise from specialists and developing younger engineers	**Advances in HR initiatives to strengthen recruitment and development** • Strengthen workforce in line with an HR portfolio linked to business strategy • Establish mechanisms to attract diverse talent and enable people to fully deploy their capabilities
Expanding customer needs served by advanced technologies • Accelerating progress in advanced technologies such as cloud computing and AI • Broader range of customer needs addressable through advanced technologies	**Advancing new value creation through cutting-edge technologies** • Expand value provided by combining established and advanced technologies • Secure advanced engineers through partnerships • Create new businesses and expand services using advanced technologies
Growing societal demand for societal sustainability • Accelerating ESG investment and growing demand for nonfinancial disclosures • Expectations for companies to contribute to a sustainable society	**Resolving social issues through commercial activity** • Promote sustainability management and proactive external disclosure • Promote human capital management, including cultivation of a diligent and persistent organizational culture able to turn customer needs into concrete solutions

Growth strategy

To achieve our VISION 2030 goals, we are accelerating sustainability management and creating new value through two growth strategies.

①Business strategy

Business model transformation	Expand business scope	New business creation
Tailor new service offerings to meet customer needs and transform the business model	Expand business domains through the vertical and horizontal development of core and focus businesses	Creating new businesses that can become new revenue drivers

②Corporate strategy

HR strategy	Financial strategy	Corporate governance	Strengthening Internal Infrastructure
Strengthen recruiting and training and foster a workplace in which diverse staff can prosper	Maintain appropriate cash reserves and allocate surplus funds to shareholder returns and growth investments	Strengthen governance systems and operations, and enhance disclosures	Enhance internal DX and facilities management

Sustainability management

Derive long-term social and economic value through reduced environmental impact, heightened social contribution, and enhanced management transparency

Sustainability Management

Basic framework

We at the CEC Group aspire to be an essential company benefiting all stakeholders—society, customers, employees, business partners, shareholders, and others—by creating a prosperous future through the power of ICT. We are meeting stakeholder expectations through consistent added value and contribution to society's sustainable development.
In recent years, climate change and other global environmental and social challenges have become increasingly severe, and companies are expected to help resolve these challenges through their business activities while also enhancing corporate value.
We regard the global focus on SDGs and ESG (environmental and social contributions and corporate governance) matters as important management issues. In particular, we recognize climate change as a material issue with broad implications for our business activities. We are therefore actively working to reduce greenhouse gas emissions, a major cause of global warming, as we pursue our medium- to long-term targets of reducing emissions by 46% from the fiscal 2016 level by fiscal 2030 and achieving Scope 1 and Scope 2 carbon neutrality by fiscal 2050. Specific initiatives include obtaining ISO 14001 certification, the international standard for environmental management systems, at all CEC-owned business sites and effectively switching to renewably sourced energy at certain business sites and data centers. In this way, we will continue to strengthen measures to reduce greenhouse gas emissions and improve our environmental management cycle, thereby contributing to a low-carbon society.
As part of our proactive ESG initiative, all parts of our organization will take action under the direction of the Sustainability Promotion Committee in an effort to achieve both societal development and growth for our corporate group.

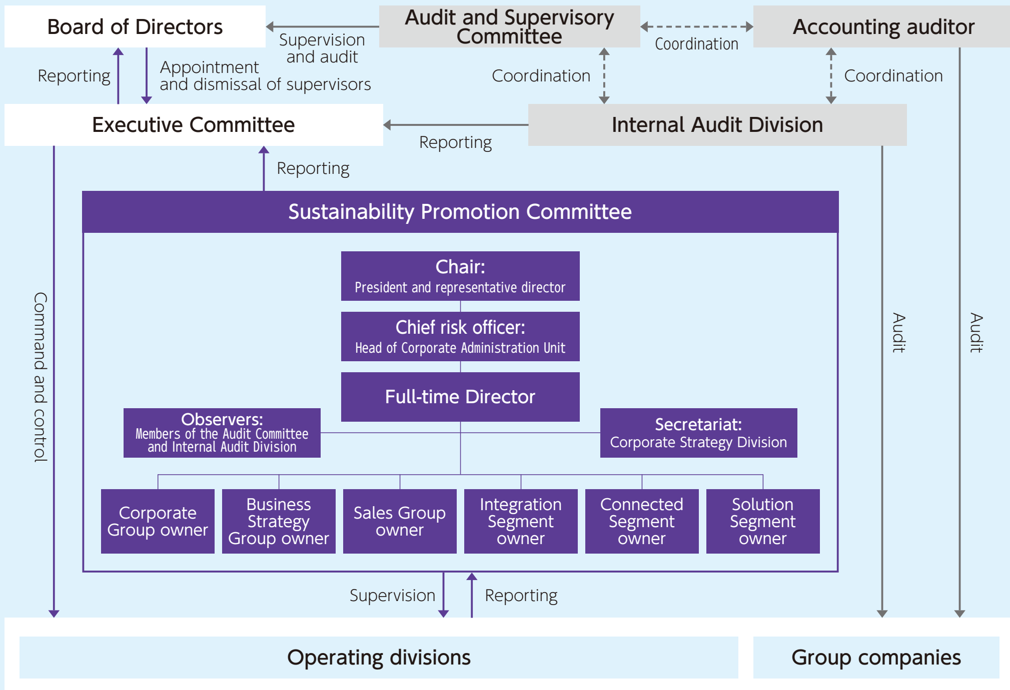
Promotion framework

In order to achieve our Purpose of working "Toward a brighter future for society, customers, and employees by harnessing the power of ICT to create new value", we will pursue cross-company responses to key management issues and resolve ESG-related and other societal issues. To this end, we established the Sustainability Promotion Committee in 2025, with formal activities already underway.
The committee's secretariat function is handled by the Corporate Strategy Division, which collaborates with all departments to implement the following initiatives:
• Policy formulation
• Establishment of materiality and planning countermeasures
• Management of KPIs
Through these activities, the committee promotes and supports companywide sustainability management aligned with the company's Sustainability Policy.
The committee is chaired by the President and a cross-functional slate of members is selected from across the company by the Chair.

Sustainability Promotion Committee Activity Record: Met seven times from April 2025 through July 2026

< Key topics >

• Reviewing the direction of planned sustainability activity for FY2026.1
• Clarifying the committee's operational policy and roles
• Reviewing and examining initiatives and KPIs (testing appropriateness)
• Overall review of activity and consideration of upcoming policy
• Coordinating sustainability management policy and implementation status
• Raising understanding and shared awareness of sustainability themes
• Implementation of committee member and employee training



Policy & Materiality

In identifying our material sustainability (materiality) issues, the CEC Group carefully assessed the issues that should be addressed, considering changes in society and the business environment as well as their relevance to our management strategy. Following discussion and approval by the Board of Directors, we established our material issues in 2025.
At the same time, we defined specific action items covering specified material issues that are to be periodically reviewed and revised based on future changes in social conditions, needs, and management strategy.

Materiality identification process

STEP 1 Identify issues

- Identify issues based on international frameworks such as the SDGs; international disclosure standards including GRI Standards and SASB Standards; external assessment indicators such as the FTSE ESG index series; megatrends; and industry trends identified through competitor benchmarking
- Select issues considered highly relevant to CEC Group's management strategy

STEP 2 Analyze materiality

- Assess the external environment based on issues identified from international disclosure standards, external assessment indicators, and industry trends revealed through competitor benchmarking
- Assess the materiality of ESG issues based not only on their impact on the Group's businesses but also on their impact on broader society

Importance assessment for each ESG item

STEP 3 Specify material issues

- Based on Steps 1 and 2, narrow down the issues to be addressed companywide through assessment against the corporate philosophy framework, VISION 2030, and other relevant considerations
- Identify four material issues following deliberation by the Executive Committee and the Board of Directors
- Establish KPIs for each material issue on confirmation of alignment with VISION 2030 and the Medium-Term Management Plan

STEP 4 Monitor and review

- Regularly report progress on initiatives addressing the material issues and achievement against KPIs and targets to the Executive Committee and Board of Directors, and disclose targets and results externally
- Review the material issues periodically in light of changes in the external environment and business developments

Sustainability policy

Toward a brighter future for society, customers, and employees by harnessing the power of ICT to create new value.
We not only pursue economic value but also fulfill our social responsibilities with regard to ESG and the development of a sustainable society.

Materiality

Materiality		Relevant SDGs Goals
Environmentally conscious business activities	To preserve the global environment and resources, we aim to reduce the environmental impact of our business activities. We promote initiatives to expand the use of renewable energy and help realize a circular economy.	7, 12, 13, 15
Collaborative value creation with society for a prosperous future	We are deepening dialogue and collaboration with our wide range of stakeholders, including local communities and business partners. Through ICT-driven innovation, we are meeting social challenges and fulfilling our responsibility as a corporate member of society.	8, 9, 12, 17
Creating an environment that unlocks human potential	We foster a workplace environment that maximizes the potential of every employee and respects diversity. We will remain a company where all employees can thrive by supporting the growth of each individual.	4, 5, 8, 10
Sustainable corporate management	We practice sustainable management, with an emphasis on transparency and accountability. We aim to raise corporate value over the medium-to-long term by accurately identifying risks and opportunities.	8, 12, 16, 17

Medium-Term Sustainability Targets (FY2026/1 through FY2028/1)

Materiality	Initiatives	Benchmarks	FY2026/1 (actual)	FY2027/1 (target)	FY2028/1 (target)
Environmentally conscious business activities	Development, operation & maintenance, and rollout of systems and solutions that both reduce environmental impact and improve operational efficiency	Number of applicable new service implementations	35	35	40
		Product satisfaction survey for applicable services (out of 5)	4.52	4.0 or higher	4.0 or higher
	Reduction of environmental impact through use of green electricity at data centers	Power Usage Effectiveness (PUE)	1.658	Under 1.65	Under 1.64
	Reduction of CO_2 emissions by advancing decarbonization initiatives	Reduction in CO_2 emissions (Scope 1 and 2; compared with fiscal 2016)	70.5% (2,739t)	50.7% or more	50.7% or more
	ISO 14001 certification	Expansion of ISO 14001-certified locations	Obtained by Oita Computer Engineering & Consulting	Obtain at more sites	Obtain at more sites
Collaborative value creation with society for a prosperous future	Rollout and co-creation of DX-driven solutions that boost customer productivity and business innovation	Number of applicable new service implementations	14	15	16
		Number of new co-creation initiatives and alliances	5 co-creation ideas 0 alliances	3 Trials	1 business proposal
	Support for resolving regional issues together with local governments and public institutions; promotion of demonstration projects and social implementation through industry–academia–government collaboration	Number of applicable new service implementations	3	5	7
	Application of research to products and services	Number of implementations	5	5	5
Creating an environment that unlocks human potential	Creation of a workplace environment that supports diverse careers and employee goals	Consolidated workforce (published figure)	2,401	2,650	2,950
		Engagement score	50%	53%	55%
	Promotion of DE&I	Percentage of female employees	27%	27%	28%
		Percentage of women in senior management positions	4%	7%	9%
		Male childcare leave utilization rate	104%	83%	85%
		Employment rate of persons with disabilities	2.53%	2.70%	2.70%
	Enhancement of HR development programs and systems	Average annual training hours per employee	50 hours	53 hours	55 hours
		Average annual training expenditure per employee	¥81,000	¥85,000	¥100,000
		Percentage of employees possessing DX promotion skills (DX Promotion Skill Level 2 or above)* across company	13%	17%	20%
		Percentage of project managers in the overall workforce	24%	25%	27%
	Measures to tackle IT industry talent shortage	Satisfaction survey results for employees rehired after mandatory retirement	51%	55%	60%
Sustainable corporate management	Ensuring respect for human rights and compliance	Completion rate for compliance and human rights training	100%	100%	100%
	Establishment of a Board of Directors that reflects diversity	Establishment of a Board of Directors that reflects diversity	Training program designed, skill matrix under consideration	Build skill reporting framework Review Board composition	Officer selection based on skill matrix
		Percentage of female directors and officers	16%	16%	20%
	Establishment and operation of a companywide risk management framework	Establishment and operation of a risk management framework	Tool development, risk identification, analysis	Further measures for risks that have materialized Establishment of evaluation criteria for subcommittee activities	Recognition of outstanding initiatives, rollout to Group companies, and BCM activities
	Strengthening of security and disaster & crisis response capabilities	Completion rate for two security training sessions and two disaster preparedness drills	100%	100%	100%
	Quality assurance through a quality management system	Completion rate for Project Audit Committee meetings	100%	100%	100%

* Percentage of employees possessing DX promotion skills (DX Promotion Skill Level 2 or above): Based on the definitions used in the e-learning system, this refers to employees deemed capable of advancing DX, who understand digital technologies sufficiently to explain them, including their positioning and inter-relationships.

Overview of Medium-Term Management Plan 2025-2027

The three-year period from FY2026.1 through FY2028.1 is positioned as a growth phase of robust business transformation and expansion of the value we provide from customers to society.

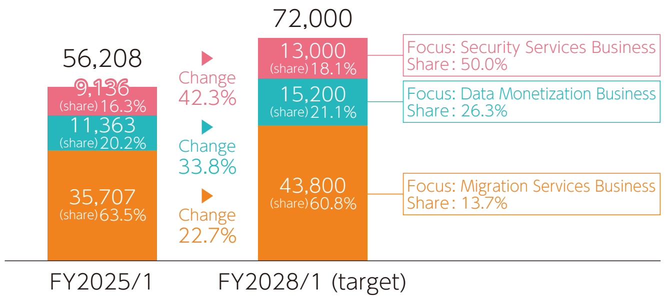
Financial and nonfinancial targets

		Fiscal year ending January 2028 targets
Financial targets	Net sales	72 billion yen
	Operating income / margin	8.6 billion yen /11.9%
	Net income / margin	6.2 billion yen /8.6%
	ROE	14% or more
Nonfinancial targets	CO_2 emissions	Scope 1 & 2 (nonconsolidated) Versus FY2016 -50.7%
	Employees	2,950

Segment targets and focus businesses

- Integration accounts for largest share of net sales, while Connected and Solution are focused on growth
- Focus businesses are those with the potential to become future core businesses based on past performance and market trends

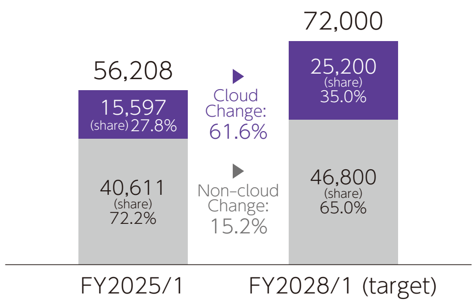
Segment targets (¥ million)



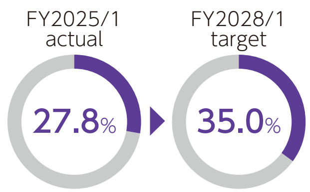
Centrally promoted business (cloud services)

- Accelerate the shift to cloud technology for services and system infrastructure
- Raise the cloud services weighting to further boost margins

Net sales (¥ million)



Cloud service share



Define focus businesses and areas of focus in each segment to expand, grow, and create social value

	VISION 2030 Our Vision	Stage I Medium-term focus areas	Focus businesses
Integration	Focus on deepening account relationships and expanding services to help meet social challenges through collaborative value creation with customers and partners	✓ Account penetration: Participate from upstream processes and provide end-to-end services ✓ Service expansion: Collaboration with Microsoft and migration-related services ✓ Co-creation and mutual growth: Stronger initiatives through co-creation with customers and partners	Migration Services Business ¥4.1bn → ¥6.0bn
Connected	Providing a data integration platform that aggregates and uses information to connect businesses and industries and offering unique data analysis solutions focused on social challenges	✓ Services-based model: Develop proprietary services that leverage current strengths to expand into new domains and support data distribution ✓ Business expansion: Further strengthen cloud service development, expand operations through rollout into multiple non-mobility industries	Data Monetization Business ¥2.8 bn → ¥4.0bn
Solution	Bringing safety and security to our customers and society through solutions that leverage ICT assets and expertise in DC and security technologies	✓ Enhance proprietary services: Enhance authentication security and industry-specific zero-trust services ✓ Expand data center services: Shift from conventional to expanded cloud-based services ✓ Develop industry-specific solutions: Gain expertise in healthcare, logistics, public sector, and education, and develop tailored solutions	Security Services Business ¥4.5 bn→ ¥6.5bn

First Year of Medium-Term Management Plan 2025-2027 (FY2026/1)

In the fiscal year ended January 2026, the first year of the Medium-Term Management Plan, we achieved our initial-year targets for net sales, operating income, operating margin, net income, and ROE. While continuing to invest in growth, we are working to improve profitability and achieve sustainable growth in corporate value.

Attainment of Management Targets

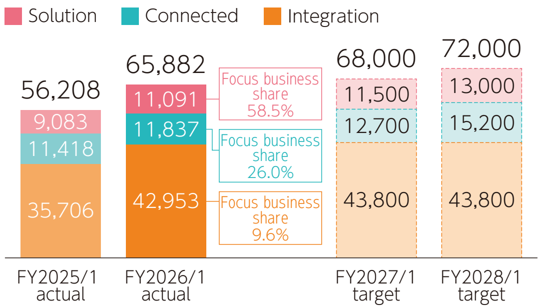
		Stage I		
	FY2026/1 targets*	FY2026/1 actual		FY2028/1 target
Net sales	¥62.0 bn	**¥65.8 bn**	○	¥72.0 bn
Operating income	¥6.9 bn	**¥7.3 bn**	○	¥8.6 bn
Operating margin	11.1%	**11.1%**	○	11.9%
Net income	¥5.0 bn	**¥5.2 bn**	○	¥6.2 bn
Net margin	8.1%	**7.9%**		8.6%
ROE	12% or higher	**12.5%**	○	14% or higher
Employee headcount	2,450	**2,401**		2,950

* Targets revised when results released for second quarter of fiscal year ended January 2026

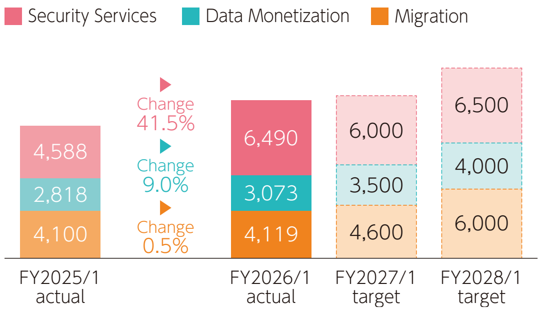
By segment and focus business

- Performance was driven by the Integration Segment within the segment category and the Security Services Business within the focus business category

Net sales by segment (¥ million)



Net sales by Focus Business (¥ million)



Growth investment

- Human capital investment, R&D investment broadly in line with plan (human capital: ¥1.95 bn out of ¥2.00 bn; R&D ¥0.46 bn out of ¥0.50bn)
- Jyoho System Service Co., Ltd. became a consolidated subsidiary; capital and business alliance with DDS, Inc. (M&A investment ¥1.32 bn out of ¥2.00 bn)
- Relocation of Nagoya office, data center capital expenditure (capex ¥0.54 bn)

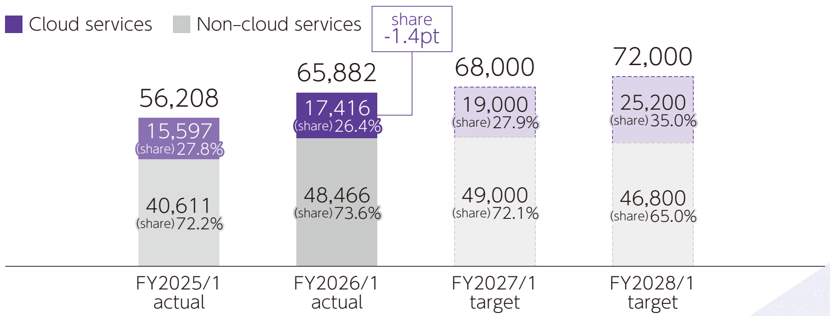
Financial highlights

- Acquisition of large public-sector projects and growth in security services contributed substantially to performance. Net sales increased 17.2% and operating income 9.6% year on year, reaching record highs
- Orders received increased 28.4% and the order backlog grew 42.0%, reaching record highs
- Net income attributable to owners of the parent increased 28.8%
- Although the profit margin declined temporarily due to an increase in third-party product sales related to large projects, all metrics reached record highs

Centrally promoted business (cloud services)

- Although the cloud services weighting declined temporarily owing to an increase in third-party product sales, the shift toward cloud services continues to advance

Net sales (¥ million)



Shareholder returns

- Completed a share repurchase of up to ¥2.0 billion on June 12, 2025, and on January 16, 2026, retired the shares acquired
- Increased the year-end dividend by ¥5, bringing the annual dividend to ¥70 per share. The dividend payout ratio was 42.3%, exceeding the target of at least 40%

Business strategy

Integration segment

We turn customers' latent needs into concrete solutions, helping to solve social and business challenges through proactive systems integration.

Naomichi Toki
Executive Officer

Business description

Leveraging years of industry expertise and deep understanding of our customers, we deliver a one-stop integration experience that extends the bounds of traditional system development, covering everything from planning to infrastructure design, construction, and operation.

System & Infrastructure Development Business

Provides customers across a broad range of fields, including manufacturing, finance, and central and local government, with comprehensive solutions covering system development, operations and maintenance, and the planning, design, development, migration, and operation of infrastructure and cloud services.

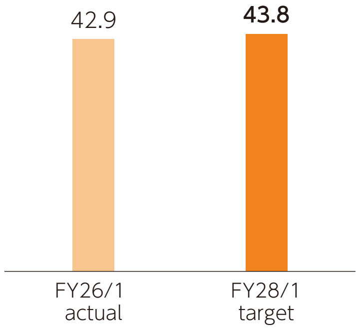
Microsoft Services Business

Offers consulting, system development, and operations and maintenance for Microsoft cloud services (e.g., Dynamics 365, Power Platform, Azure), and planning and development for AI-driven process efficiency and automation solutions.

Migration services business

Supports DX by providing migration services that move or rebuild existing infrastructure (e.g., mainframes, midrange systems, virtualization platforms) and applications using modern architectures.

Net sales (¥ billion)



Key focus areas

Account penetration	Deliver enhanced proposals and support to deepening relationships with primary and secondary customers. Build mutually beneficial partnerships.
Service expansion	Expand migration and Microsoft services to create new offerings.
Collaborative value creation	Work with companies, local governments, and communities to co-create concepts, deliver services, and drive initiatives from planning through execution, aiming to achieve sustainability and create social value.

Business environment assessment and countermeasures

With technological innovations such as DX and AI accelerating, customer needs are becoming increasingly diverse and sophisticated. Customer needs now extend beyond just system construction to encompass services that offer continuous, end-to-end support from upstream consulting through infrastructure development and maintenance and operations.

To respond rapidly and flexibly to changes in the market environment, we must actively adopt new technologies and methods, including agile development and AI. Moreover, attracting, developing and retaining talented people is a key management priority for maintaining competitiveness.

We believe that companies able to respond appropriately to these changes and consistently offer solutions that are one step ahead will establish a competitive advantage and achieve sustained growth in the market.

SWOT

Strengths & opportunities

Proactive strategy

- Leverage AI to enhance both offensive DX (value creation) and defensive DX (efficiency, automation)
- Expand further into DX for key customers
- Customer lock-in strategy rooted in migration and Microsoft services
- Acquire high-quality new customers and build recurring revenue base
- Strengthen capabilities as total systems integrator through application and infrastructure integration

Strengths & threats

Differentiation strategy

- Alliances with consulting firms and major systems integrators
- Mid-market focus strategy
- Support for customer in-house development (refined customer partnership model)
- Full-stack capabilities
- Expansion of Re@nove migration service, Convergent Microsoft service

Weaknesses & opportunities

Overcoming strategy

- Enhance cloud capabilities and digital implementation capabilities
- Enhance and automate maintenance and support operations
- Strengthen customer-facing capabilities (transform dispatch and on-site employee model)
- Cycle of broadening and deepening customer base using service business
- Enhance sales and promotional capabilities

Weaknesses & threats

Defend and retreat strategy

- Strengthen DX consulting capabilities (consulting, architecture, data utilization)
- Enhanced application of advanced technologies (R&D)
- Agile development, no-code/low-code development
- Deepen relationships with business partners
- Develop offshore and nearshore capabilities
- Engage new alliance partners

Focus businesses

Topics

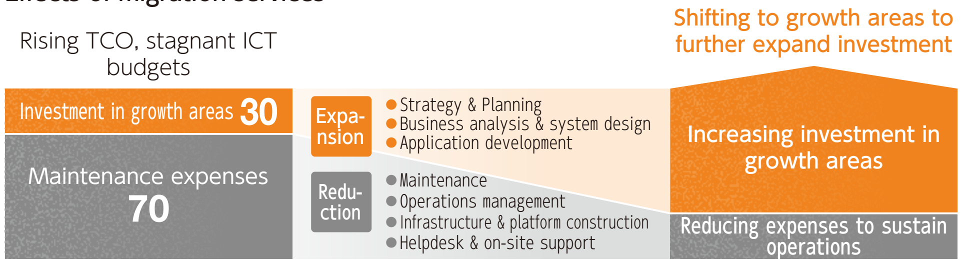
Migration services are a priority business for the segment. A major development over the past year has been the strong market response to the "Fujitsu Midrange System Migration Service" launched in the previous fiscal year, for which we have received numerous inquiries from customers and partner vendors. In particular, a growing number of companies are struggling to identify the optimal migration approach for relatively large systems with confirmed end-of-support dates.

We conduct detailed preliminary assessments and formulate optimal migration plans by leveraging knowledge and expertise built up over many years. This enables us to provide migration services at lower cost and burden on customer resources. In anticipation of further inquiries and provision of migration services, we are strengthening capabilities across the segment.

Migration overview

We define our migration services as "ICT renovation", meaning the simultaneous use of existing ICT assets and their revitalization and transformation into strategic assets that adapt to the business environment. Many companies have resources tied up in operations and maintenance, making new investment difficult. However, we reduce total cost of ownership by reviewing ICT operational processes, raising capacity for investment in growth fields.

Effects of migration services



Re@nove's future-oriented migration: three key features

End-to-end support from migration to subsequent maintenance and operations

Provide one-stop support for all processes involved in the system lifecycle, extending beyond tech stack conversion to consulting and to operation and maintenance.

Achieve high-quality, low-risk migration through proprietary methods

Specialized engineers leverage accumulated expertise and automation tools to propose and execute high-quality, low-risk migrations.

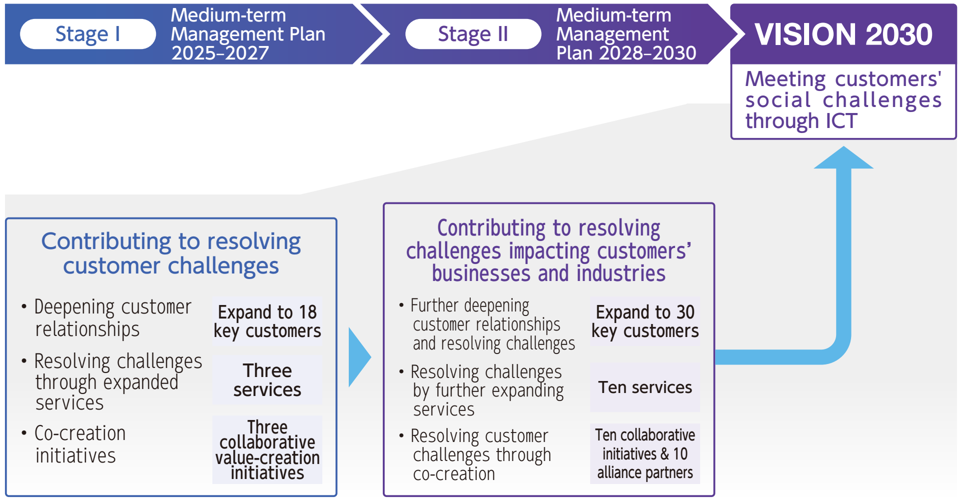
Multivendor, multiplatform support

Carry out migration to optimal environments by accurately grasping customer needs, without being constrained by particular programming languages or products.

Growth strategy

Our Medium-term Management Plan is progressing broadly as planned, and we will continue to execute our segment growth strategy as initially set out. We will maintain our focus on two areas—deepening existing customer relationships and expanding services—while further enhancing measures to address customer challenges. Moreover, we aim to establish a business foundation that will help resolve societal challenges through co-creation.

Positioning of VISION 2030 and the Medium-term Management Plan



AI strategy

The Integration Segment aims to establish an AI-enabled development and operations model through the following initiatives.

First, we will establish and implement a systems development methodology incorporating AI-driven models. By delegating labor- and time-intensive tasks to AI, we will create a framework that enables our engineers to focus on upstream decision-making and on ensuring quality. At the same time, we will strengthen our AI consulting capabilities in the project upstream, helping customers' business transformation.

Next, we will accelerate the integration of AI into system operation and maintenance, enhancing predictive fault detection and incident analysis to improve both operational quality and efficiency. We will incorporate more sophisticated AI technology into our existing services, improving quality, cost, and delivery (QCD), while developing new AI-powered services to expand the value we provide to customers.

Finally, we will tighten collaboration with cloud vendors such as Microsoft and AWS to enhance our technical capabilities and service delivery in AI-related fields. We will also continue to develop AI talent and strengthen our organizational capabilities, ensuring sustainable competitiveness.

Business strategy

Connected Segment

We use digital technologies and data to connect customers and businesses across industry boundaries, creating new business through collaboration and contributing to the realization of a more innovative society.

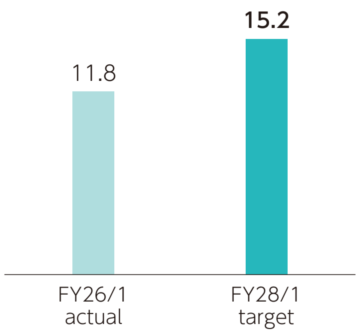
Shinichiro Tazo
Executive Officer

Business description

From the perspective of resolving social and customer challenges, we create new value and enhance customer decision-making by preparing and utilizing AI-ready IoT data and maximizing synergies across our four business lines.

Data monetization	Cloud service development	Controls simulation	Quality management
Delivers new value through AI and data by building AI-ready data utilization platforms, AI agents, and AIOps.	Provides end-to-end support for cloud applications from planning through operation and maintenance, and DevOps environments.	Implements efficient IoT development and equipment maintenance through simulation technologies that bridge physical and virtual domains, and gathers related data.	Raises QCD of IoT systems overall, including AI, based on a Product, Process, and Project approach.

Net sales (¥ billion)



Key focus areas

Growth of data monetization business

- Expand service domains leveraging expertise in data from mobility and factory IoT and technologies for data analysis, processing, and utilization. Start offering proprietary AI-ready data utilization platform services

KPI: New customers: 20+ companies

Expansion of cloud service development business

- Enhance and expand application development through DevOps support services and AI and cloud technologies
- Further strengthen development capabilities and expand into multiple industries by offering solutions to customer challenges

KPI: New customer count: 30+ companies

Business environment assessment and countermeasures

The rapid proliferation of sensor devices and IoT equipment in recent years, together with the emergence of AI, has drastically increased the volume and variety of data society generates. In this environment, it is crucial that companies see data not merely as a source of information, but also as a means of value creation for strategic deployment.
The use of AI and data goes beyond simply creating new services and raising operational efficiency, and is crucial for addressing social challenges and helping achieve sustainable economic growth. Furthermore, we believe promoting data sharing and distribution will accelerate cross-industry innovation while enhancing Japan's national competitiveness and growth potential.
However, many challenges remain, including complying with regulations such as the Personal Information Protection Act, the need to strengthening cybersecurity and AI/data governance, establishing AIOps, and securing FDE talent. Our response to these challenges is to invest aggressively in technological and talent development, promote the formation of an ecosystem through collaboration with partner companies and research institutes, and provide safe, secure and reliable environments and services for AI and data utilization.

SWOT

Strengths

- Deep understanding of customer operations in the automotive and manufacturing industries, and solid relationships of trust
- Digital technologies not limited to specific industries, including IoT, AI, AI agents, AIOps, AI governance, cloud services, and DevOps
- Technology for building cloud-based data utilization platforms that enable high-speed processing of big data

Weaknesses

- Need for quantitative and qualitative enhancement of solution sales talent capable of identifying customers' real needs and making proposals
- Need to complete construction of a sustainable ecosystem by raising recognition and collaboration with partner companies

Opportunities

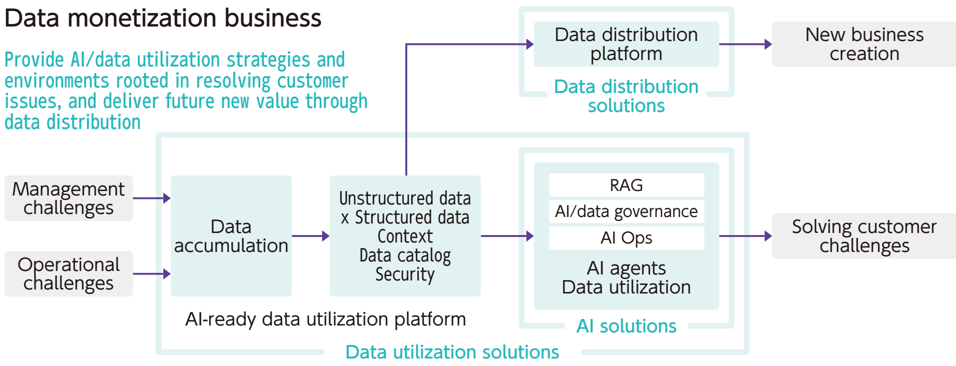
- Increased expectations for data utilization arising from the emergence of generative AI, and creation of new opportunities through operational transformation
- The Society 5.0 trend, which is driving the utilization of digital technologies and cross-industry data integration to help address social challenges
- Government-driven framework building, including the Cabinet Secretariat's Basic Policy on Ideal Data Utilization Systems and IPA's Open DataSpaces, and accelerated social implementation of AI and data use

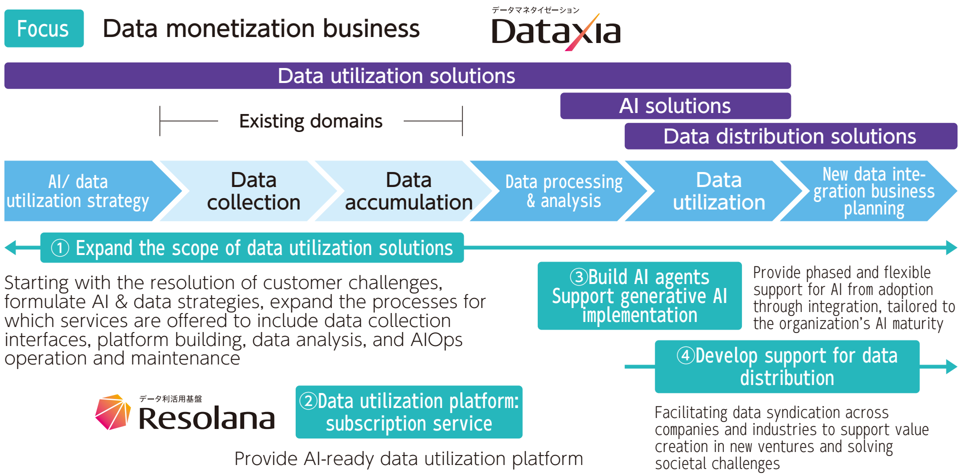
Threats

- Commoditization and in-house shift in application development driven by technological innovation such as generative AI and cloud services
- Tighter regulation related to data handling, including the Personal Information Protection Act
- Greater geopolitical risk

Focus businesses

Of our four businesses, we are prioritizing the Dataxia data monetization business. Dataxia comprises three solutions: data utilization, AI, and data distribution support. Under the current Medium-term Management Plan, we are expanding our data utilization and AI services. Starting with the resolution of customer issues, we propose AI and data strategies and provide services covering the entire data utilization value chain, from AI agent PoC to the services needed to embed these agents in operations, including data collection and storage environments, data analytics, and AIOps. We have also begun business planning for the rollout of data distribution support, and by promoting data distribution will, over the longer term, help address social issues through cross-industry innovation.





Growth strategy

- Stage I: Build ecosystem in collaboration with partner companies and research institutions and generate cross-business synergies, while investing in new solution development and focusing on building a customer base.
- Stage II: Establish hypothesis-driven proposal scenarios that link our four business segments, further expand and grow Dataxia, our key data monetization business, and thereby achieve our VISION 2030.

Stage I — Medium-term Management Plan 2025-2027

Focus businesses

Expand data utilization and AI solution services

Formulate AI and data strategies, expand services including data gathering, platform building, data analysis, and AIOps operation and maintenance. Launch Resolana, our proprietary data utilization platform

Core and stable growth businesses

Cloud service development business

Promote more advanced and efficient AI-powered cloud application development, underpinned by DevOps solutions centered on proprietary products

Controls simulation business

Deepen relationships with target customers while expanding simulation and digital twin solutions and proprietary products that serve as data sources

Quality management business

Expand cross-industry services, including AI-powered solutions for raising test efficiency

Stage II — Medium-term Management Plan 2028-2030

Focus businesses

Expansion of the Dataxia data data monetization business

Launch data distribution support solutions to add value to customers' businesses, and promote cross-industry innovation

Core and stable growth businesses

Cloud service development business

Support cloud service development from the earliest upstream stages to create new data-driven businesses through Dataxia data monetization

Controls simulation business

Integrate OT and IT to connect IoT data to Dataxia data monetization and create new value

Quality management business

Achieve the optimal balance of quality, cost, and delivery (QCD) across the three areas of product, process, and project throughout entire IoT systems, including AI

VISION 2030

Contribute to a creative society by connecting customers and businesses across industries through digital technology and data

Initiatives for working alongside AI

- Use AI across all processes, including research, documentation, and software development, to raise productivity
- Enhance services in the Dataxia data monetization business through collaboration with partners and research institutes, from AI agent conceptualization through business implementation and full operational integration
- Roll out Connected CI, our AI-powered quality improvement platform for development teams, in the cloud service development business
- Roll out multiple proprietary products that can serve as sources of data for raising AI accuracy in the control simulation business. Carry out integrated research into physical AI and digital twin technologies for application in industrial robots
- Expand the quality management business by drawing on higher demand for AI output verification and other services

Business strategy

Solution Segment

Leveraging our leading ICT technologies, the focus for our Medium-Term Management Plan is on strengthening our core competencies to enable us to contribute to a safe, secure, and convenient society. To this end, we will provide business solutions in such key areas as healthcare, public services, and logistics.

Hideyuki Takai
Executive Officer

Business description

Providing solutions over a diverse range of domains by leveraging security technology and data center services.

Data center business

Operates out of six domestic locations, providing optimal solutions targeted at diversifying needs with traditional on-premises environments as well as cloud and hybrid environments.

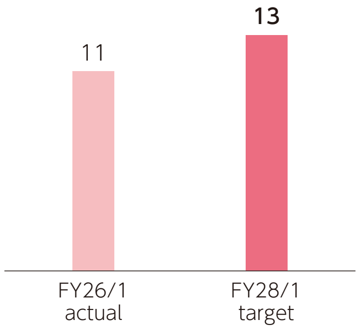
Security business

Defends against security threats and provides consulting, design, implementation, and operation services.

Industry-specific solutions

Provides solutions tailored to various areas such as healthcare, public services, and logistics.

Net sales (¥ billion)



Focus areas

Expansion of data center business
- Transition to cloud services model

KPI New customers: 120+ companies

Strengthening the security business
- Strengthening authentication security
- Strengthening industry-specific zero-trust security

KPI New customers: 130+ companies

Industry-specific solutions
- Cultivating new businesses in healthcare, public services, logistics, and other sectors

KPI New customers: 50+ companies

Business environment assessment and countermeasures

Government initiatives to accelerate the promotion of digital transformation and expand digital administrative services are gaining steam as part of a drive to make citizens' lives and business activities more efficient. Particularly in public and quasi-public sectors such as local government, healthcare and nursing care, education, and disaster prevention, expectations are rising for the adopion of digital technology to enhance service quality.
To respond to these external changes, we are promoting solutions that leverage our strengths. This includes our flagship product SmartSESAME, which holds the top market share for local governments, and the utilization of our proprietary data centers, which boast over 20 years of operational history. Furthermore, in the healthcare and logistics sectors, we are expanding into key areas by leveraging our track record in developing and commercializing systems specialized for specific operations.
Moving forward, we will further strengthen our efforts to realize a safe, secure, and convenient society within growing market segments, such as local government DX (2030 projected market size: ¥124.8 billion), healthcare and nursing care DX (¥200 billion), and education services DX (¥364.4 billion).

Source: Fuji Chimera Research Institute, Inc., IT Investment Trends by Industry and Future Outlook for the DX Market 2026: DX Investment Edition

SWOT

Strengths
- CEC-developed products and expertise based on authentication technology, enable end-to-end capabilities from planning to development and sales
- Extensive sales channels (IT vendors, system integrators, regional distributors, etc.)
- Top share in municipal government sector (over 70% share in document management products)
- Operational expertise in medical data (dispensary records, electronic medical records)
- First-party data centers

Weaknesses
- Aging of key technical personnel, shortage of mid-career/young talent
- Slow adoption of new technologies such as AI/cloud
- Decline in dedicated sales personnel (low vendor-involvement products)

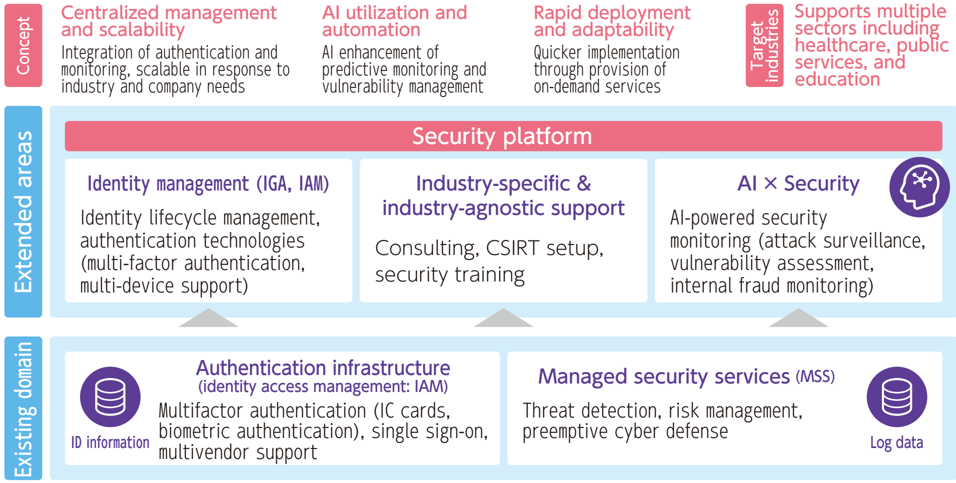
Opportunities
- Further enhancement of core business (security) through effective M&A
- Comprehensive solutions that leverage operational expertise in response to revisions to medical data guidelines, including segment solutions such as zero-trust security and data backup.
- Slow progress addressing 2024 logistics problem (conditions improving, but challenges remain)
- Slow progress in MHLW's Medical DX Reiwa VISION 2030 initiative

Threats
- Security product makers entering the managed services domain
- Huge investment in the healthcare space by GAFAM driving rapid advances in accumulated technologies

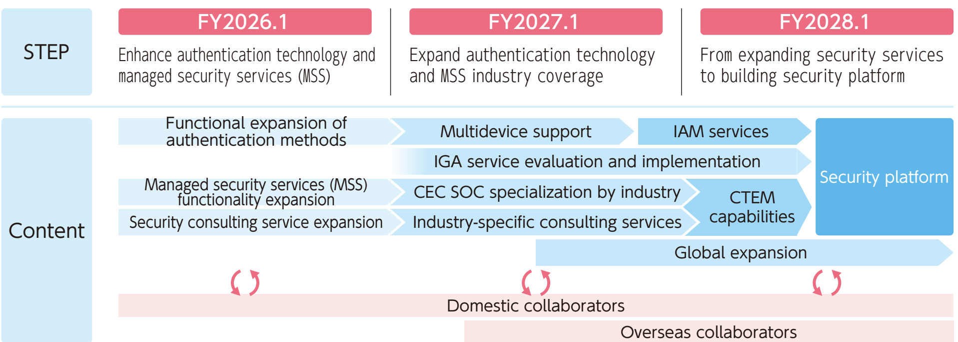
Focus business

Security is a priority growth business focused on authentication and managed security. We are further strengthening our authentication security capabilities by implementing identity lifecycle management and incorporating mechanisms to prevent information leaks caused by the growing threat of unauthorized account access. Managed security is driving the evolution of our SOC service, which is currently used by over 200 companies, into a service that proactively prevents risks by leveraging AI to monitor security incidents. We are transforming ourselves into an integrated security platform provider by leveraging our core strength in authentication security technology.

Evolving into an integrated security platform provider by bolstering our authentication security technologies



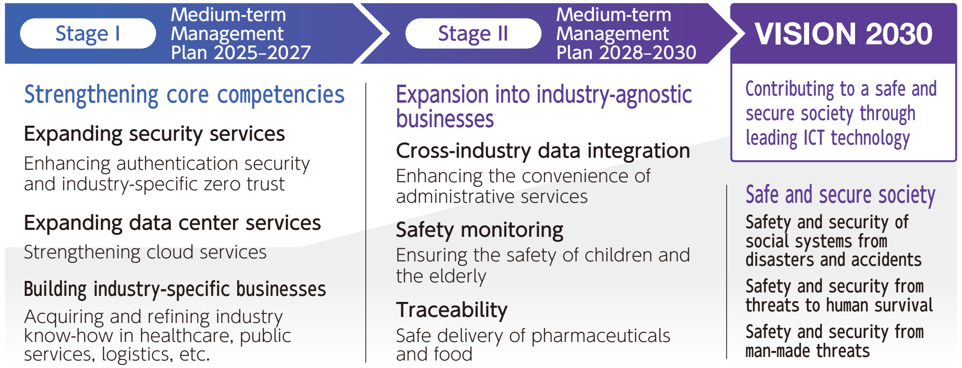
Security business roadmap



*CTEM: continuous threat exposure management – a program for continuously improving corporate security frameworks

Growth strategy

- Stage I: Under the theme of strengthening core competencies, we will expand our security and data center services while developing new solutions from our industry-specific businesses, which currently center mainly on system development.
- Stage II: Under the theme of developing cross-industry businesses, we will leverage our expertise cultivated through industry-specific services, data centers that ensure advanced data management and privacy, and our security technologies to enable data integration and utilization across industries. In doing so, we will contribute to the VISION 2030 goal of building a safe and secure society.



Initiatives for working alongside AI

- **Security Business**
  We will further accelerate our development of real-time threat detection and rapid response capabilities through AI-powered anomaly detection and behavioral analysis, while establishing AIOps to automate and enhance system operations. We will also go beyond conventional security focused on preventing external threats by taking on the challenge of developing AI-based systems that monitor and control internal rule violations and anomalous behavior associated with the spread of AI.
- **Data center business**
  We will leverage our strengths as a domestic data center provider offering colocation, cloud and managed services, to strengthen the provision of AI implementation infrastructure. We will also introduce AIOps to develop higher-value-added operational services.
- **Industry-specific solutions**
  Logistics: We will promote AI-powered logistics simulation initiatives using technologies that recreate real-world operations in a virtual environment, anticipate future workloads and congestion, and autonomously implement optimal improvements.
  Healthcare: We will develop next-generation healthcare solutions that underpin corporate health management through the strategic utilization of medical and health-checkup data.
  Public Sector: We will go beyond conventional frameworks for data integration and utilization to proactively advance the digital transformation of service counters, focusing on improving services for residents and reducing workloads for employees. We will also develop AI-powered evidence-based policymaking (EBPM) solutions, thereby helping create sustainable local communities rooted in reliable evidence.

Sales Strategy for Achieving VISION 2030

We will advance cross-organizational efforts to maximize customer value and strengthen our earnings base centered on comprehensive proposals that integrate diverse solutions, thereby achieving sustainable growth and enhancing corporate value.

Advancing proposal-driven sales

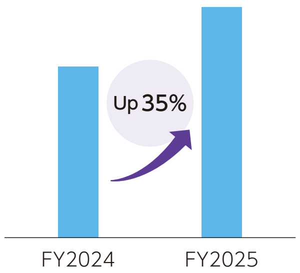
Historically, the system integration industry has centered on a divisional sales model in which individual businesses propose their own products and services. We are transitioning from this model and transforming our sales organization into a companywide structure built around three core strategies to achieve VISION 2030. Although we have a broad customer base, revenue is concentrated on certain major customers, while business with many other customers remains limited. Against this backdrop, we will seek to deepen and expand customer relationships based on a White Space Strategy, which targets untapped opportunities within existing customer accounts. By combining this with a Top Approach Strategy and Data-Driven Sales Strategy, we aim to draw out the full potential of our customer base and achieve our net sales target of ¥100.0 billion.

More specifically, we are strengthening collaboration between sales teams across divisions, and raising our capacity to offer comprehensive solutions that combine systems development, building, and operation, as well as security, data centers, and data utilization. In this way, we aim to expand points of contact with customers and deepen transactions, while raising the ratio of loyal customers*. We also view the increasing difficulty of the orders environment in the manufacturing industry as an opportunity to win new sales, and are expanding proposals made to businesses in other industries. Our goal is to create new demand by leveraging our cross-industry expertise.

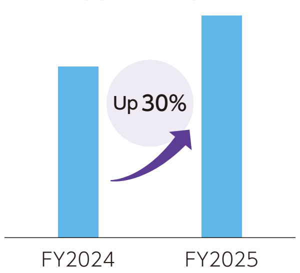
We are also enhancing our role as an IT Coordinator, which means looking beyond landing short-term orders to propose optimal solutions that anticipate customers' management challenges. In particular, we will target senior management through a more focused Top Approach strategy, and deepen relationships through early-stage involvement, thereby sustainably creating value.

*Loyal customers: customers who generate annual net sales of over ¥300 million

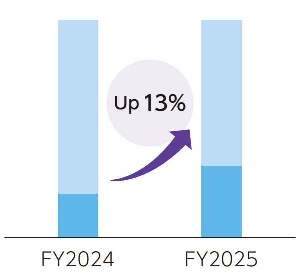
Order value per customer



Order value per sales opportunity



Loyal customer ratio



Sales activity in focus businesses

The sales strategies we deploy in the focus business areas of Migration Services, Data Monetization, and Security Services are tailored to the characteristics of the relevant Segment. Even within these focus areas, we aim to maximize customer value and expand earnings, positioning integrated solution proposals at the heart of our growth strategy.

Focus business	FY2025 initiatives	Outcomes
Integration Migration	Advance proposals that combine development with operation and security, buoyed by expanded demand for legacy system upgrades	Increased revenue per customer Expanded business domains
Connected Data Monetization	Increase the sophistication of our capacity for value-added proposals that extend to analysis and optimization, tapping the transition to data-driven sales and rising AI demand primarily within the manufacturing industry	Extended proposals based on expertise obtained in manufacturing to other industries
Solution Security Services	Leverage our robust customer base centered on the public sector and government agencies to provide solutions built around authentication technologies and zero-trust security	Built up sources of recurring revenue

Deepen customer relationships / Develop new customers

Maximize customer value through comprehensive, multi-solution proposals

Contract win — Company A: specialty manufacturer of rubber and plastic

Contract won through integrated solution offering migration, operations, and future expansion

With vendors discontinuing support for legacy systems, many companies are facing the urgent issue of what to do with systems that have been in use for many years. In this project, we supported Company A in establishing a stable operating framework, which had become a critically important priority alongside addressing its legacy system. We therefore proposed an integrated solution that went beyond system migration, combining it with data center services and ongoing operation and maintenance. The customer valued the proposal's consideration of post-migration operations, leading to the contract award and the successful transition to an open system. We also adopted a flexible architecture that would facilitate phased system modernization in the future, thereby contributing to value creation over the medium to long term. We will roll this solution out to customers facing similar challenges.

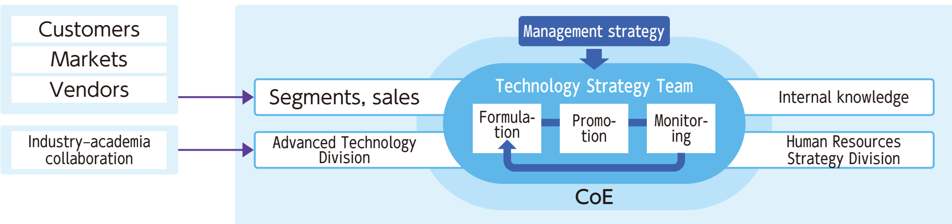
Technology Strategy

Accelerating value creation by combining advanced technology with implementation capabilities

As the social implementation of generative AI takes off, AI agents and other technological innovations are driving discontinuous change in industrial and societal structures. Within this context, technology's role is shifting from a means of supporting the business to a decisive factor for a company's competitiveness. The challenges facing our customers are becoming more complicated and sophisticated than ever before, and the nature of the technological capacity needed is transforming from simply holding a specialism in a single field to having the integrated capabilities for solving complex issues. We view these changes as an opportunity for growth, and will create new business value by combining our technological capabilities and domain knowledge, built up over many years of business activity, with advanced technologies such as AI and cloud platforms. AI in particular is at the core of our technology strategy. We are transforming our own company into an organization where people and AI work collaboratively to continuously create value by combining AI with our unique implementation capabilities—rooted in a deep understanding of customer operations and a track record of applying solutions to them. To this end, we continue to advance our technological capabilities through cross-company deployment of each of our Business Segments' strengths. By positioning these capabilities as the engine of co-creation, we will strengthen our role as a partner for customer business transformation, and work to create new value for both our customers and broader society.

Promotion framework

In coordination with our Technology Strategy Team, which reports directly to management, relevant departments collaborate to consistently execute all project phases from strategizing to implementation and monitoring. We are also incorporating insights gained from customers, market trends, and industry-academia collaboration to identify key technologies, advance skill development plans, build a technology knowledge platform, and share information through technology events. Every employee is involved in these initiatives. Furthermore, under the leadership of the Technology Strategy Team, we established and launched a Center of Excellence (CoE) focused on AI as a specialized organization (see Topic 1).



Enhancing our five technological capabilities

To realize our Technology Strategy, we are strengthening our technological capabilities across the company based on five strategic pillars: Research, Development, Knowledge, Talent, and Governance. By linking these pillars together, we aim to use our technological capabilities to create sustainable business value.

Research	**Exploring advanced technologies and conducting early-stage R&D** Explore advanced technologies and conduct early-stage research and development for practical implementation	• Generative AI, AI agents • Cybersecurity • Quantum computing
Develop-ment	**Strengthening core technology capabilities** Acquire AI- and cloud-centered technologies and deploy them in business	• AI-driven development • Data utilization technologies • Cloud-native technologies
Knowledge	**Systematizing and deploying knowledge across the organization** Promote organization-wide sharing and utilization of technical expertise and best practice	• Companywide knowledge systematization • Enhanced knowledge deployment • Sharing of best practice through CoE
Talent	**Developing advanced technical talent** Build development programs that create business value	• AI talent development • DX talent development • Reskilling of engineers
Govern-ance	**Overall governance and support** Overall support through security and regulatory compliance	• AI basic policy • Generative AI usage guidelines • Security risk management

Key areas

Of the five strategic pillars, we identify three as particularly crucial: Research, Development, and Knowledge. We will be advancing initiatives for these three, while strengthening Talent and Governance as a shared foundation to underpin those initiatives.

01 Research
Acquisition of cutting-edge technologies and commercialization through R&D

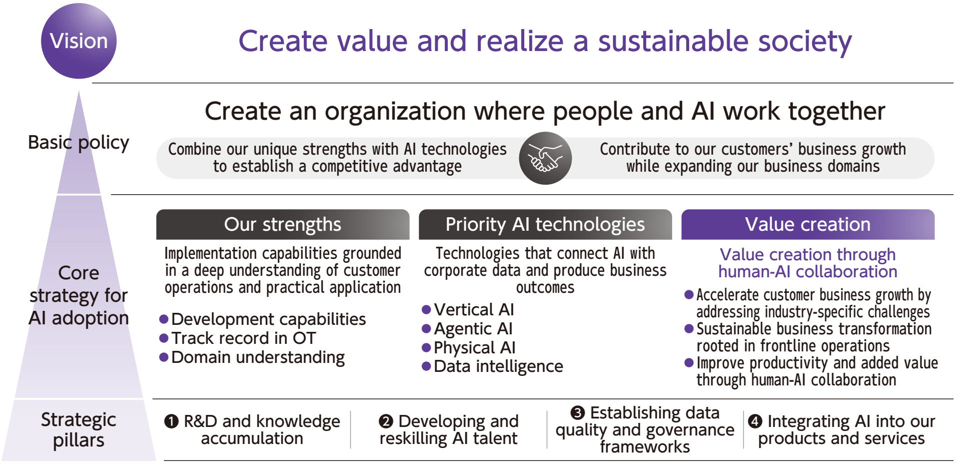
02 Development
Strengthening technical capabilities centered on AI and cloud

03 Knowledge
Systematizing knowledge through the creation of a companywide knowledge sharing platform

Topic1 Established Center of Excellence to drive AI utilization

We established a dedicated Center of Excellence (CoE) as part of our priority initiatives in AI, which we have placed at the core of our efforts to strengthen our technology capabilities. The CoE is composed of manager-level personnel from each business segment, and consolidates and systematizes the knowledge and best practices that had previously been dispersed across individual departments for deployment across the company. Through technological co-creation that crosses divisional boundaries, we will enhance both the quality and speed of our activities and steadily translate our technological capabilities into business value.

AI Strategy



For AI, a core area of our technology strategy, we have established four strategic pillars as the foundation supporting our core AI strategy, under the basic policy of "creating an organization where people and AI work together." By advancing these drivers in an integrated manner, we will accelerate the creation of new value by combining our strengths with AI technologies.

1. R&D and knowledge accumulation

Promote continuous R&D in rapidly evolving AI technologies while systematically accumulating and sharing the knowledge and expertise gained through projects, establishing reproducible AI implementation capabilities as an organization.

2. Developing and reskilling AI talent

In addition to developing AI specialists, reskill our engineers to build a broader talent base that combines domain expertise with AI literacy. The value of our strengths in business expertise and customer understanding is maximized when paired with people who can deploy AI effectively.

3. Establishing data quality and governance frameworks

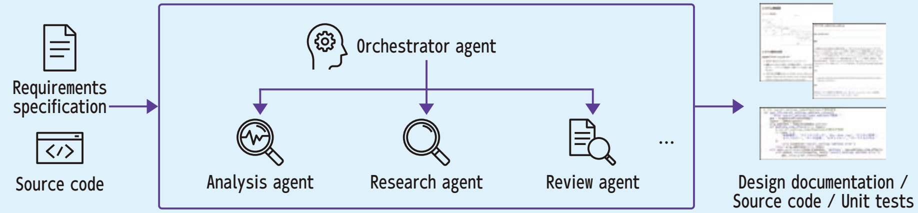
As a prerequisite for turning AI into business outcomes, strengthen data quality and integration platforms while establishing rules for AI use and a risk management framework to ensure the safe and responsible use of AI.

4. Integrating AI into our products and services

Enhance the value we deliver to customers while contributing to their business growth and expanding our own business domains, by integrating the technologies and implementation expertise we have developed into our products and services.

Topic2 Proprietary development tool to support AI-driven development

We have developed a system development support tool that uses AI agents to autonomously develop plans and execute related operations. The tool is being used in internal projects.
This tool automatically generates deliverables ranging from design documentation and source code to unit tests based on defined requirements. It has a multi-agent architecture, where specialized AI agents work together on individual tasks, that ensures consistency between design and implementation while achieving both high quality and efficiency. It can also reverse-engineer design documentation from existing source code, making it suited to legacy system modernization. In addition, it supports local large language models (LLMs) that operate within an organization's environment, enabling highly confidential information to be handled without external transmission. We will expand the scope of application to further improve development productivity and strengthen our competitiveness.



Topic3 Building a governance framework for AI use

While technology is a source of business value, it also generates responsibility for security and regulatory compliance, and we are therefore strengthening governance frameworks to address technology-specific risks. As the use of generative AI expands from internal operations to customer-facing services, we position AI governance as one of our key priorities to maximize value while ensuring appropriate risk management. We have also established a framework for reporting important policies and key issues to senior management for discussion.

● **Establishing AI basic policy: building an AI governance framework**

We have established a new AI policy that sets out our fundamental approach to the use of AI. We have positioned the previously implemented Generative AI Usage Guidelines under this policy, creating a comprehensive governance framework from guiding principles to practical implementation.

● **Operating and embedding Generative AI Usage Guidelines: practical standards supporting frontline operations**

We operate the Generative AI Usage Guidelines across the Company as practical standards to be followed both for internal AI use but also in customer-facing development and service delivery. Through employee training on AI-specific risks and usage, we are creating an environment in which AI can be used safely and confidently.

● **AI-related regulatory compliance: keeping up with changing external requirements**

We comply with AI-related laws and regulations in Japan and overseas, including personal data protection and IP rights, while continuously monitoring developments in public guidelines and other requirements to ensure appropriate responses. We will also continue to review our policies and guidelines in response to advances in technology and regulatory change.

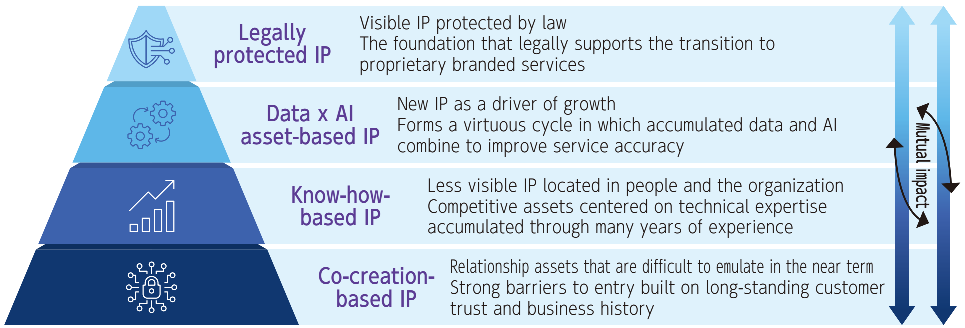
Intellectual Property Strategy

Our position and initiatives for intellectual property

We have established a business foundation for supporting customer transformation, by working alongside our customers while building up our integration capabilities through solution-based and proactive proposals, creating new value in the Connected Segment rooted in data and digital technologies, providing safety and assurance through security and data center services in the Solution Segment, and also developing cross-industry solutions. This business expansion goes beyond simply extending the scope of services offered, enabling us to transform into a company that is able to deliver higher added value while resolving the challenges facing our customers and broader society. In other words, we possess an indispensable capacity for problem solving.

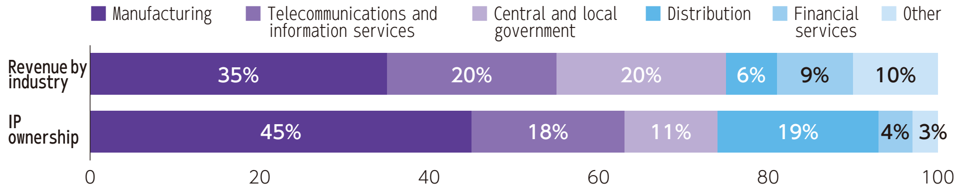
Over many years of business activity, we have accumulated broad-based expertise that now forms the foundation of our business. This includes broad technical knowledge covering AI, cloud computing, infrastructure, security, and modernization; the design and integration capabilities needed to apply this knowledge; and expertise in data utilization. Together with the results of customer co-creation, these comprehensive technological capabilities constitute our most important intangible management resources, and yield our distinctive competitive strengths.

We will reassess and systematize the value of these accumulated intangible assets in line with our management strategy, and manage and utilize them strategically. In this way, we will accelerate our structural transformation from a labor-intensive business model to a service-based model that generates recurring revenue. To support this transformation, we have defined these intangible management resources as our “intellectual property” and classified them as shown below. By linking each category of intellectual property organically, we aim to create a virtuous cycle of intellectual property creation, securing rights, utilization, monetization, and reinvestment, which will establish a sustainable competitive advantage and enhance corporate value.



Intellectual property ownership

Where intellectual property was previously managed in individual segments and industries, we will now manage it as integrated companywide assets, while continuing to accumulate IP further. By encouraging companywide use, we will create new value and expand revenue opportunities.



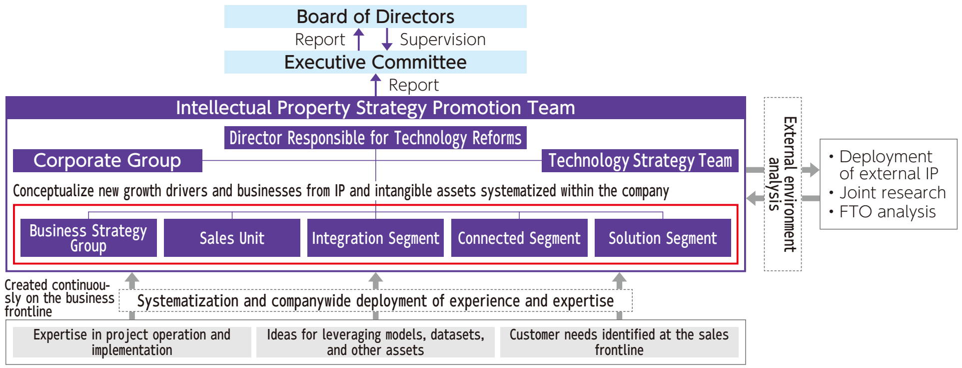
Note: The upper bar shows the composition of net sales by industry; the lower bar shows the composition of intellectual property held — patents, trademarks, products, services, and solutions — by industry.

Intellectual property strategy promotion framework

From our 59th fiscal year, we established a framework with the Director Responsible for Technology Reforms as the officer with overall responsibility, with participation from the Technology Strategy Team, Corporate Group, and our Business Segments. We pursue initiatives under this framework, with our companywide business strategy in alignment with our intellectual property strategy.

- Systematize IP and intangible assets, including in advanced fields such as AI
- Advance initiatives in line with the Intellectual Property and Intangible Asset Governance Guidelines
- Ensure regular discussion and oversight of intellectual property strategy by the Board of Directors

Through these initiatives, we will utilize intellectual property as an engine for corporate value creation and so achieve sustainable growth.



Executive Officer Roundtable

Against a backdrop of major changes in the business environment driven by advances in AI, four executive officers exchanged views from their respective perspectives on what is required to create value in the AI era and the new business opportunities.

Special Dialogue

Yuzuru Kakinuma
Executive Officer
Responsible for Sales Group

Naomichi Toki
Executive Officer
Responsible for Integration Segment

Shinichiro Tazo
Executive Officer
Responsible for Connected Segment

Hideyuki Takai
Executive Officer
Responsible for Solution Segment

* Titles as of June 2026

The transformation wrought by AI

Toki: We have seen many periods of technological innovation, but the pace of advances in AI uptake is clearly beyond any of these. One thing that stands out is the change in the nature of customer inquiries. Even a few months ago, most inquiries were still at the exploratory stage, asking “How can we best use AI?”. More recently, inquiries have shifted to more specific requests, such as “How can we carry out development using this particular AI tool?” or “How can we use AI to lower development costs while raising quality?”

Tazo: We are also experiencing the same changes in our segment. Customer inquiries have already shifted toward app development premised on AI utilization, and it feels very much like the impact will equal that from the dawn of the internet era. At present, there are growing gaps between AI and business operations. This is creating a need to redesign how success should be defined, and the units that the contracts should be based on.

Toki: That is right. We have seen significant changes in how we build estimates and make proposals to customers.

Takai: As customers increasingly regard AI as a routine part of their daily operations, I believe we are entering a new phase in which they expect us to offer practical, secure approaches that remain one step ahead. A company aiming to raise efficiency could conceivably input confidential data or client information into an external AI, resulting in an unintentional data leakage. The very accessibility of generative AI means greater literacy is crucial.

Kakinuma: Even viewed from the sales front line, the center of gravity for customer investment is clearly shifting toward AI. Short-term needs are focused on raising the efficiency of manual processes, while the longer-term need is to have AI handle overall process optimization. Accompanying this shift, all system vendors now build proposals with AI as a given, and it is becoming more difficult to differentiate with AI alone. What is being put to the test now is how deeply we can get involved in our customers' operations, and whether we can take responsibility for driving customer value creation. I believe the critical issue is whether we move beyond simply undertaking customer projects to partnering with them in value creation.

Working Alongside AI: CEC's Strengths and Growing Business Opportunities

Tazo: The area we are focusing on at present is quality control in AI-driven software development. Advances in generative AI have enabled software engineers to create large volumes of code in a short time. However, product review and quality assurance are even more crucial than in the past, and frameworks are needed to appropriately manage and control the overall development process. Our Connected CI development visualization platform provides a solution to this issue. By using MCP to aggregate information from the various development tools used by customers and visualize it on a dashboard, we provide real-time visibility into the status of the entire project. With the use of AI significantly boosting development productivity, our platform provides continuous monitoring of changes in code volume and development speed, issuing alerts where necessary and helping maintain and raise product quality. I believe the need for a new mode of development management triggered by the AI era is a significant business opportunity for CEC.

Takai: I agree. From a security perspective—an area we focus on—there is a definite increase in risks related to security vulnerabilities and software license violations arising from the nature of code generated by AI using training data.
In addition to usage rules and guidelines, technological guardrails (the detection and control of sensitive information at input stage) will be needed to mitigate risks such as the input of confidential information by human error and the spread of misinformation owing to AI hallucination, and to maintain governance and safety across entire organizations. We aim to promote AI utilization by offering solutions that support both these aspects, and provide environments in which AI can be used securely.

Toki: In connection with what both of you have said, in our field, the role of testing is becoming increasingly important. The uptake of AI has resulted in testing shifting from a downstream process to one that is much closer to upstream development. Now that enormous volumes of output can be generated in an instant, the critical issue is assessing the validity of the data.

Takai: As AI adoption spreads, AI-specific risks such as hallucinations have also come to the surface, and addressing concerns about how far AI output can be trusted remains a major challenge.

Toki: And I believe this is what will determine competitive position. One commonly voiced concern is that the spread of AI will make engineers redundant, but I disagree. In fact, I believe the opposite is true. While AI will reduce the necessity of repetitive, manual tasks, it is also expanding the scope of areas requiring human decision-making and verification. By combining our unique strengths, including our experience with quality assurance and business expertise built up through our work across a wide range of industries, we are able to transform uncertain AI output into reliable value. This role will only become more important ahead.

Kakinuma: I agree. We will not be replaced by AI. Rather, we are in a position to evolve our business while coexisting with AI.
Rather than business itself changing significantly, I

The Key is Working Alongside AI While Retaining Human Control

Our Competitiveness will Depend on our Capacity to Contribute to Customer AI Transformation

believe processes will become more sophisticated and the scope of services provided will expand.
The crucial question is how we can take long-term, end-to-end responsibility for processes from quality through security and operation, while handling huge volumes of uncertain data, and thereby provide value for our customers.

Tazo: Indeed. By way of example, in order to move AI agents from the PoC stage to commercial operation, we must not only incorporate AI into business processes, but we must expand the scope of services offered, including AI governance, security, AI ready data platforms, and AIOps. Indeed, right now our Data Monetization business is developing services in these areas in creative collaboration with partner companies and research bodies. We are working to bring AI agents to commercial readiness and offer end-to-end solutions from the provision of safe AI environments through platform operation, thereby transforming our revenue model from one-off systems integration projects to recurring revenue.

Takai: It will be crucial that we move away from simply building and delivering systems and applications, and move into analyzing and interpreting the data obtained from them to help customers raise the quality of business decision making and grow revenue. It is in this area that we can leverage our strengths to deliver value.
I believe that by embedding security functions into our solutions, we can secure a highly differentiated position in the digital transformation market.
For example, by communicating our strengths to customers in understandable terms, including data analysis that combines data classification (rating) and privacy protection, as well as zero-trust access controls, we aim to move beyond defensive data security to offer both data utilization and control. From this position of safety, we can provide customers with genuine peace of mind, enabling them to maximize the use of data in growth-oriented operations without fear of security risks.

Toki: Finding the right balance between utilizing AI and managing its risks is what will allow us to use it securely. I believe it is in this context that we can deliver the value of quality—one of CEC's longstanding strengths. We have always viewed high quality as one of our strengths, and using AI to enhance its value further is critical to our future direction. In addition, younger employees have a strong interest in AI, and growing numbers hope to use AI to develop their careers. By connecting this trend with business opportunities, I believe we can create a virtuous cycle of organizational growth and greater employee engagement.

Providing a Safe Environment to Contribute to Customer AI Adoption

Kakinuma: Simply providing individual technologies or functions will no longer be enough to resolve the critical challenges faced by our customers. What matters is whether we can bring development, data, quality, and security together as an integrated package, and use this to create customer value.
Success here will be premised on collaboration across segments. Indeed, we are seeing more cases where multiple divisions form joint teams to develop and implement proposals. By combining this cross-organizational integration capability with a deep understanding and involvement in customers' operations, we should be able to deliver genuine value in the AI era.

Our Goal is that CEC Remains the Vendor of Choice for our Customers

Toki: Advances in AI will enable customers to bring more work in-house, while simultaneously underpinning continued growth in the overall market, creating demand for new frameworks, and broadening our business opportunities. The key will be moving beyond conventional, system-based thinking into solving social issues and exploring new fields. To this end, we must look beyond the traditional contract-based model and pursue co-creation using companies' pooled funding and resources. I believe these new frameworks will support innovation among our customers and ultimately become a growth engine that opens up CEC's future.

Tazo: In the context of pursuing co-creation, this shift not only affects how we approach development but also serves as a catalyst for new business expansion.
Traditionally, systems development has mainly entailed "build and deliver" projects. In the future, however, we will shift toward a recurring-revenue model in which we continuously operate and improve AI-enabled systems, working alongside customers to deliver sustained value. Success will depend on our ability to build that value continuously.

Takai: I agree. The three elements we need to be able to continue building value are "technologies (operational infrastructure)", "talent", and "value & outcomes". It is becoming increasingly difficult to achieve differentiation through two of these, namely: the technologies to build AI systems capable of sustained growth; and personnel able to support AI development in alignment with customers' business goals. Against this backdrop, the crucial factor is demonstrating the "value & outcomes" that customers would be willing to continue paying for. AI-driven cost reductions and operational efficiency are example outcomes. However, we believe the reason our customers choose our services in the security domain goes beyond simply defensive security to include the peace of mind (i.e., value) of being able to deploy business growth initiatives from a position of safety. To ensure we remain the vendor of choice for our customers, it is critical that we establish strengths that are individually able to deliver value and outcomes.

Kakinuma: Advances in AI are also broadening the scope of our thinking. In addition to changes in how we approach development, this is affecting how we generate ideas about what, fundamentally, we should be doing. The important question is how we can take these new ideas and develop them into businesses.
Our strengths lie not only in our relationships with leading Japanese companies, but also in foundational attributes such as our development capabilities, frontline expertise, and understanding of customer operations. We must leverage these strengths while looking beyond what we can accomplish alone, actively forming alliances with external partners and combining our respective expertise and technologies. This approach should earn CEC even greater trust and expectations from our customers.
From there, we can establish a track record in fields where we are already strong, such as manufacturing and healthcare, and by deploying that experience in other fields we can build out new businesses. I believe that this cycle represents the next growth track for CEC.

Further Enhance our AI Technologies, Increase Customer Trust and Expectations, and Remain the Preferred Vendor

Group company information

CCS 株式会社シーイーシーカスタマサービス CEC Customer Service Ltd.

Core services: IT Operation Support | IT Implementation Support | Quality Assurance Support

Contributes to customers and broader society by providing services that consistently facilitate the safe, secure, and comfortable use of ICT

Yasuo Sakai

President and Representative Director
CEC Customer Service Ltd.

We are a core provider of IT services within the CEC Group, and offer integrated services centered on operations and maintenance, ranging from implementation support through quality verification.

As companies make increasingly sophisticated use of digital technology, our round-the-clock operating structure and technical expertise rooted in frontline operations enable us to provide both operational stability and support for transformation. We are also strengthening our support for cloud migration and enhancing operations through collaboration with the Group security business.

As a result of these initiatives, in fiscal 2025 we maintained high renewal rates of 94.1% for operations contracts (92.0% for intra-Group contracts and 96.2% for external contracts) and 96.1% for package maintenance contracts. Building on our robust customer base and high service quality, we will pursue further business expansion.

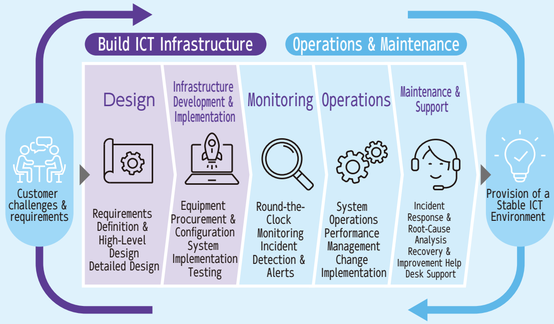
Role within the Group & Synergies

Our strength lies in our integrated service structure, providing end-to-end support from ICT infrastructure development to round-the-clock operations and maintenance. By supporting the stable operation of customer systems, we contribute to the expansion of recurring revenue across the CEC Group. In the operations field, we divide responsibilities with CEC for functions such as security monitoring, help desk services, and infrastructure operations, and have thereby established a Group-wide integrated service delivery structure.

We are also leveraging our operating track record and customer base to expand packaged offerings within our product services. Through cross-selling and upselling to existing customers, we will strengthen links with core businesses while enhancing the added value of our services and diversifying revenue streams, thereby contributing to a stronger earnings base for the Group.

Providing end-to-end ICT services, from infrastructure development to 24/7 operations and maintenance.

One-stop services from design and development to operations and maintenance, ensuring safe and stable ICT infrastructure.



Topics

In response to growing demand for cloud migration support, we are strengthening our operational structure for cloud services premised on AI use. To enhance security operations, we are also collaborating with the Group's security divisions to expand our managed services. We are also using AI to improve the operational efficiency of our help desks, establishing a structure that enables fast, accurate responses while reducing operator workload.

CEC Customer Service Ltd.

Established: April 1, 2012 Address: Sagamino System Laboratory, 5-1-11 Higashihara, Zama-shi, Kanagawa 252-0004, Japan Employees: 194 (as of February 1, 2026)

CEC 大分シーイーシー株式会社 Computer Engineering & Consulting

Oita Computer Engineering & Consulting Ltd.

Core Services: Contracted Software Development | Support for Obtaining PrivacyMark Certification | IT Support Services

DX Partner Supporting Corporate Transformation from a Regional Base

Hideki Takagi

President and Representative Director
Oita Computer Engineering & Consulting Ltd.

We position ourselves as a DX partner supporting corporate transformation from our regional base in Oita. We help businesses achieve digital transformation and sustained growth, focusing on Microsoft solutions and business systems development. Since our establishment, we have continued to expand in Oita Prefecture while both developing IT talent and strengthening our business foundation. We now have a business structure capable of independent growth, with customers outside the CEC Group accounting for more than 80% of total sales.

Going forward, we will combine locally developed talent with cutting-edge technologies to deliver value created in the region to customers nationwide. In doing so, we will drive growth across the CEC Group and seek to enhance corporate value over the medium to long term, leveraging the value that only our regional roots can create as a source of competitive advantage.

Role within the Group & Synergies

We are the core company for business systems development and business transformation services within the CEC Group, and as such we lead DX projects using Microsoft Dynamics 365 and Power Platform. We also help customers enhance their operations and improve productivity by implementing advanced technologies, including AI agents.

On the talent front, we have built an organization based on IT professionals recruited and developed locally. By flexibly meeting project needs both within and outside the Group, we are strengthening our development capabilities and our project delivery capacity. Through these efforts, we will make a greater contribution to the Group's sales growth and profitability by expanding high-value-added projects in the DX and AI fields and building a highly profitable development model using local talent.

DX Promotion
DX projects using Microsoft Dynamics 365 & Power Platform

Implementation of AI & advanced technologies
Implementation and deployment of AI agents and other advanced technologies

Leveraging Local Talent
Respond flexibly to project needs inside & outside the Group based on locally recruited and trained IT talent, while strengthening development capabilities and project delivery capacity

↓

Strengthening Development and Service Capabilities

↓

Expanding High-Value-Added DX and AI Projects

↓

Driving Group Sales Growth and Profitability

Topics

Alongside our efforts to develop talent and create local employment, in 2013 we began generating renewable energy through solar power facilities that make use of the land and natural conditions in Kitsuki, Oita Prefecture. Cumulative power generation has now exceeded 3.84 million kWh, equivalent to avoiding approximately 1,600 metric tons of CO_2 emissions.* By supplying renewable energy, we contribute to the decarbonization of society while pursuing sustained growth in corporate value through a stronger business foundation and value creation for local communities.

* Estimate based on applicable CO_2 emissions factor (under FIT scheme, environmental value is attributed to electricity consumers).

Oita Computer Engineering & Consulting Ltd.
Established: December 1995　Address: Asahi Life Oita Building 3F, 1-1-3 Chuo-machi, Oita-shi, Oita 870-0035　Employees: 80 (as of April 1, 2026)

Group company information

Comstaff 株式会社コムスタッフ

COMSTAFF Co., Ltd.

Core services **Staffing**

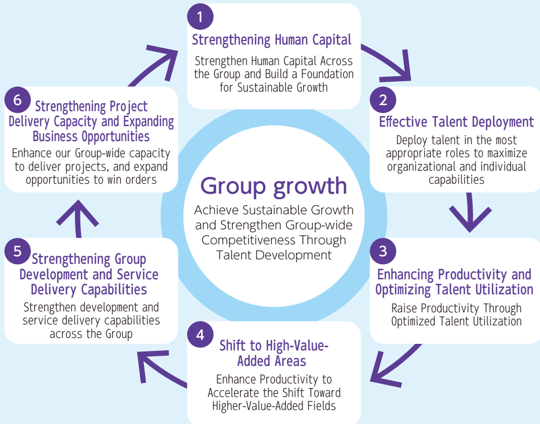
Provide the right talent at the right time to support the Group's frontline operations

Atsushi Ookita
President and Representative Director
COMSTAFF Co., Ltd.

COMSTAFF was established in 2001 as a core provider of IT talent. We play a crucial role within the CEC Group amid the ongoing tightening of supply-demand within the market. From our base in Fukuoka, we continuously provide talent to Group companies across Japan, strengthening their capacity to deliver projects. We also provide IT talent to local companies outside the Group, especially in Fukuoka, and aim to expand business opportunities in the external market.
By leveraging our accumulated technologies, expertise, and customer base, we also support the rollout of Group products and solutions, helping generate business synergies both within and outside the Group. In addition, we are strengthening the foundations for sustained growth by developing talent and improving the working environment.

Role within the Group & Synergies

We are the CEC Group's core provider of IT talent, and as such we support project delivery by enabling personnel allocation to be adapted to fluctuations in workload. We have built a talent pool capable of working across a wide range of technology fields, using our stable supply of personnel and training expertise. In this way, we help enhance the Group's ability to deliver large, complex projects, strengthening the Group's project delivery capability and expanding opportunities to win new business. We are also improving productivity and advancing the shift toward higher-value-added fields by developing employee skills, effectively deploying talent, and optimizing utilization. In the future, we will further strengthen talent development so that our contribution extends beyond the supply of personnel to enhancing the Group's overall development and service delivery capabilities.



Topics

To further raise the skills of our engineers, we are enhancing learning opportunities through e-learning and a broad range of external training programs. We also seek to improve engagement and retention by holding regular interviews with dispatched engineers to monitor their working conditions and creating opportunities for engineers to interact with one another. In addition, we are expanding employee benefits and digitalizing labor management as we work to provide a secure working environment and enhance our operational framework.

COMSTAFF Co., Ltd.
Established: August 2001 Address: 12F, North Tower, Tenjin Brick Cross, 1-14-18 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka 810-0001 Employees: 125 (as of February 1, 2026)

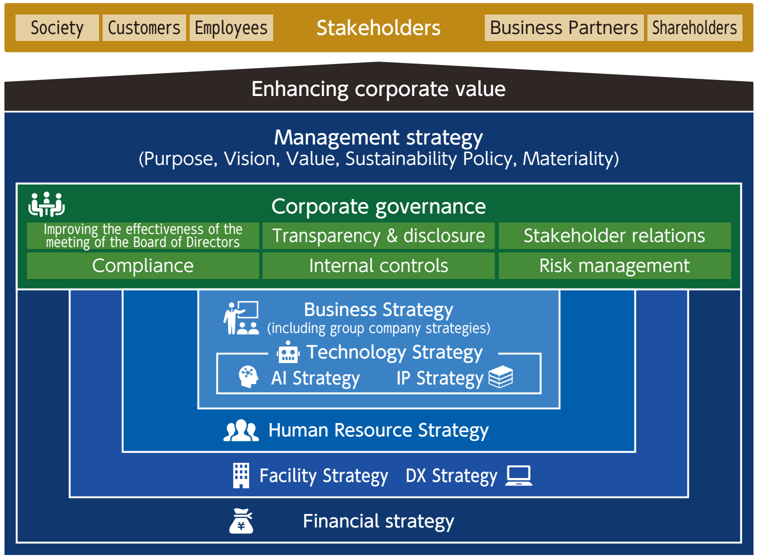
Corporate Group Message: Corporate Strategy

Futoshi Egami
Director and Executive Officer
Responsible for Corporate Group

Raising Corporate Value Through a Corporate Culture Built on the Alignment of Our Strategies and Psychological Safety

1) Building a robust management base through companywide optimization

Within the Corporate Group, we have steadily strengthened the management foundation by enhancing the operation of the Sustainability and Risk Management Committees, developing human resource and facilities infrastructure, and reviewing authority criteria to accelerate management decision-making. In 2026, as AI drives change at an unprecedented pace, the transition away from a labor-intensive business model presents a major opportunity for further growth. We regard this change as a springboard for advancement and have therefore added “Technology (AI and Intellectual Property)” as a new pillar of our management strategy. We will align our six strategies—governance, business (M&A), technology, human capital, facilities, and finance—from the perspective of companywide optimization, rather than as a collection of separate initiatives. In this way, we will accelerate the enhancement of corporate value.



The six strategies that make up our Management Foundation

① Corporate Governance
Enhance our governance framework by optimizing intellectual property management and promoting group governance.

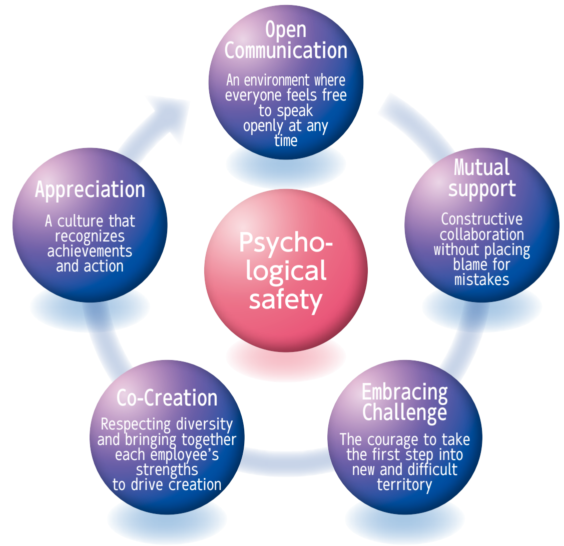
② Business Strategy (M&A)
Engage in M&A to complement organic growth, secure customer bases, specialist expertise, and technologies, and transition from a labor-intensive to a services-based model.

③ Technology Strategy (AI strategy, IP strategy)
By combining our strengths with AI technologies and fostering human-AI collaboration, we will turn our expertise, data, and AI assets into intellectual property and transition into a recurring-revenue service model.

④ Human Capital Strategy
Strengthen the recruitment and internal promotion of advanced IT talent and management personnel, fully implement skill paths and talent management, and enhance HR systems to secure sufficient talent to fill senior-level positions.

⑤ Facilities Strategy
Establish workstyle reforms underpinned by internal digital transformation, and create a high-productivity, comfortable working environment by expanding office space and improving company-owned properties.

⑥ Financial Strategy
Aim to raise ROE to 14% and then on to 20%, improve corporate value through growth investment, shareholder returns, and appropriate cash management.



The key to implementation of our six strategies is psychological safety

2) Five Values that Enhance Psychological Safety

We aim to be an organization that provides a high degree of psychological safety to its employees, with a corporate culture that is rooted in our five values of Open Communication, Mutual Support, Embracing Challenge, Co-Creation, and Appreciation. A culture in which every employee feels safe to voice their opinions is the source of our capacity to implement the six strategies, and the foundation that supports our corporate culture.

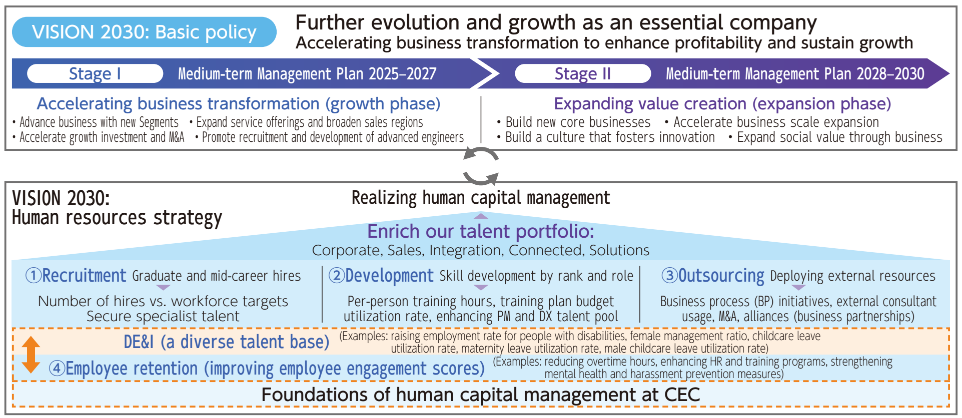
Human Resources Strategy

Basic approach

In order to realize our Purpose of working Toward a brighter future for society, customers, and employees by harnessing the power of ICT to create new value, we are committed to providing a workplace where every employee can work with peace of mind, be fulfilled, and maintain good physical and mental well-being. Our employees are our most valuable asset, and we strive to create opportunities for growth and foster a supportive working environment so that every employee feels they are an indispensable part of the Company. We also foster a culture that values diversity and enables employees to realize their full potential while creating new value for society and our customers through the power of ICT. We believe that the growth of every employee enhances our competitiveness and drives us to build a sustainable future.

Aligning business and talent strategies

To support the execution of our management and business strategies from a human capital perspective, we run our business strategy and human capital strategy in an integrated manner. We define the talent needed to achieve the growth presented in our business strategy, and translate these requirements into recruitment, talent development, and workplace enhancement initiatives. By continuously assessing the gap between our existing and needed talent, we reprioritize investments and refine our initiatives in alignment with the management cycle. In doing so, we have established a virtuous cycle in which the talent we recruit and develop strengthens our execution capabilities and competitiveness, with the resulting business outcomes being worked back into our business strategy.



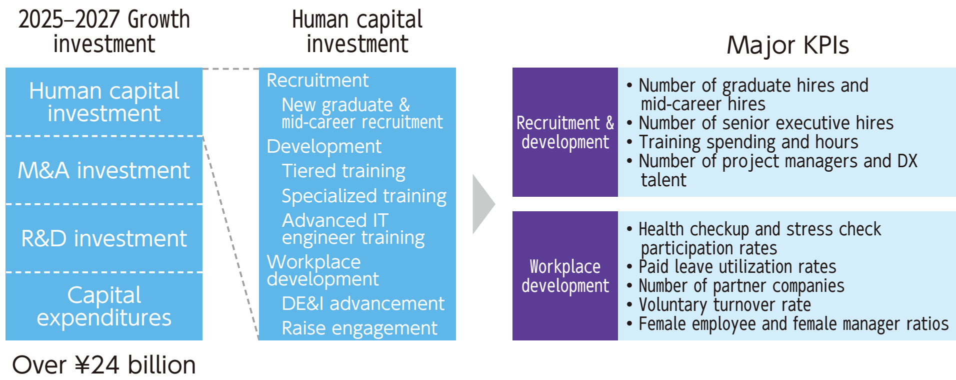
Human capital portfolio

We position building a human capital portfolio as crucial to management's ability to respond flexibly to a changing business environment and achieve sustainable growth. We have developed this portfolio to build the talent needed to execute our management and business strategies, enhance our competitiveness, and accelerate value creation across the organization. We will continuously refine the portfolio by reviewing talent and skill requirements and our employee performance evaluation and compensation systems.

In our priority business areas, it is particularly important to secure highly specialized talent that can drive digital technologies and innovation, as well as talent with the expertise and business know-how to provide comprehensive IT support of customer businesses. To this end, we continuously assess employees' current capabilities and potential, enabling intentional talent development that enhances productivity across the organization.

Human capital investment

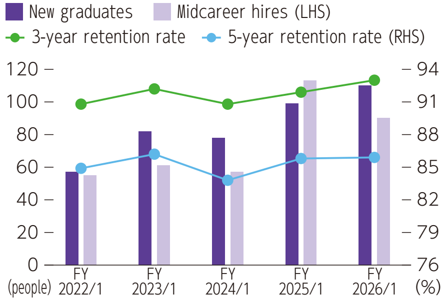
We prioritize human capital development as a key support for management and business strategies through building a talent portfolio, actively making necessary investments to achieve this. These investments are focused on three areas: recruiting, development, and work environment enhancement. They aim to establish systems that allow each employee to maximize their potential. We are steadily executing our talent strategy by setting specific KPIs for 2030 and conducting regular monitoring.



Recruiting Strategy Acquiring and developing diverse talent to shape the future

To keep pace with the constant evolution of IT technologies, we are actively strengthening recruitment. We target both experienced talent with specialist experience who can contribute immediately, and new graduates with strong potential. In addition to in-person interviews, we use online selection processes and AI-powered interview tools to establish an efficient and fair selection process. We also support employee growth and retention through post-hire onboarding and clear career paths. By enabling diverse talent to thrive, we aim to enhance corporate value.

New hire count and retention rates



Training Strategy Creating an environment and framework that support talent development

Based on the belief that the growth of each employee directly contributes to the company's sustainable development, we position talent development as a key pillar of our management strategy. We provide structured learning opportunities through level-specific training based on our HR system and training programs designed to enhance skills in specialized areas. To help employees clarify their own development goals and take initiative in ongoing learning, we support career formation through clearly defined career paths and regular meetings. We also provide project-based practical opportunities to promote on-the-job skills development and encourage knowledge sharing through cross-divisional interaction. We have established a systematic framework of introductory and preparatory training at every stage, from general staff through senior management and executive positions. By supporting the development of both generalists and specialists, we will create an environment in which employees can realize their full potential and raise the competitiveness of the organization.

Training by level (Executive positions – General positions)

Generalists, specialists	Management
M1-M3: More specialist training	Executive roles Introductory /preparatory
Senior management roles Introductory/preparatory	
R1-R3: Introductory and preparatory training	

Specialized training

Common	Technical	Sales	CP
DX training, PM training	Technical basic training	Sales training	CP training

Other

Self-improvement	Company fundamentals
External training & e-learning, Certification incentive program	Diversity & harassment training, Information security & compliance training

Employee engagement

We regard human capital as a foundation for creating corporate value and are working to build a workplace where every employee can continue to grow while fulfilling their potential. To achieve this goal, we use employee engagement surveys to gain insight into employee sentiment and organizational challenges. Based on the survey results, we implement ongoing, structured initiatives to enhance employees' physical and mental well-being and job satisfaction, expand employee benefits, and promote communication across the organization.

Measures to raise employee engagement

Creating a workplace where employees can work with peace of mind

- Hold career preference interviews with all employees
- Provide internal and external employee consultation channels
- Implement DE&I initiatives to enable diverse talent to thrive

Improving job satisfaction

- Employee recognition and long-service awards
- Create opportunities for dialogue between senior management and employees to promote understanding of the company's Purpose

Enhancing well-being

- Provide flexible employee benefit options to suit diverse lifestyles
- Improve the office environment based on employee needs
- Hold social events for employees and their families


Summer vacation social for employees and their families

Our employee engagement survey assesses the state of both our employees and the organization using a proprietary framework comprising five elements: Engagement, Overall Experience, Intent to Stay, Well-Being, and Inclusion. In the most recent survey, the Intent to Stay score was above 70%, remaining significantly higher than the industry average, and confirming the stability of our organizational foundation. In addition, positive responses relating to ease of working and psychological safety remain above a certain level.

Building on this strong organizational foundation, we aim to achieve an employee engagement score of at least 60% by 2030. Through efforts to enhance the quality of dialogue and strengthen talent development initiatives, we seek to build an organization where employees feel a strong sense of belonging and take the initiative in creating value.

The five elements of employee engagement

Financial Strategy

Balancing growth investment with shareholder returns while progressing steadily toward our targets

To realize VISION 2030, we are implementing a financial strategy that supports sustainable growth while maximizing corporate value over the medium to long term. We regard ROE as a key management indicator and are working to improve capital efficiency, while at the same time accelerating our growth strategy and maintaining both a stable earnings base and sound financial position. This will enable us to achieve stable, ongoing shareholder returns while investing in growth.
We will continue to secure appropriate liquidity, maintain our capacity for growth investment, improve capital efficiency, and enhance shareholder returns, thereby driving sustainable growth and further increasing corporate value.

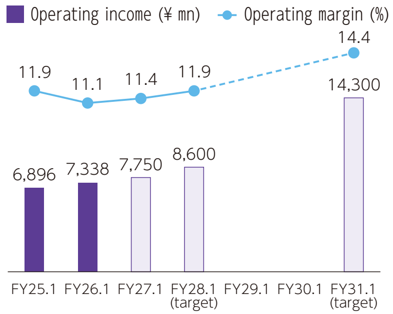
Cash allocation and capital efficiency measures (FY2026/1-FY2028/1)

	Target	Actual (at end-FY2026/1)	Evaluation	Future policy
Growth investment Including human capital investment, R&D, M&A, and capital expenditures	¥24.0 bn or higher (3-year cumulative)	¥4.27 bn (17.8% attainment) Breakdown • Human capital ¥1.95 bn • M&A ¥1.32 bn • Capex ¥0.54 bn • R&D ¥0.46 bn	✓ **Broadly in line with plan** Human capital and R&D investment are tracking plan and contributing to a stronger growth foundation. M&A is being carried out based on a careful assessment of investment opportunities	We will steadily carry out human capital and R&D investment, while working to strengthen our M&A framework, and so enhance deal sourcing and post-merger integration.
Shareholder returns Including dividends and share buybacks	¥12.5 bn or higher (3-year cumulative) Dividend payout ratio 45% or higher (FY2028/1)	¥3.89 bn (31.2% attainment) Breakdown • Dividends ¥1.89 bn (Dividend payout ratio 42.3%) • Share buybacks ¥2.0 bn	✓ **Returns in excess of plan** The full-year dividend per share was ¥15 above the prior year at ¥70. A share buyback program capped at ¥2.0 billion was carried out, and the shares were retired	We aim to raise the dividend payout ratio to 45% or higher by the end of FY2028/1, and will continue to make flexible buybacks and keep the three-year average total payout ratio in the 70% range
Cash on hand Secure stable financial position, ready for strategic opportunities	Around ¥18.0 bn Equivalent to three months of revenue (at end-FY2028/1)	¥25.2 bn (FY-end balance: 4.6 months of revenue)	✓ **In line with plan** Cash on hand had met our target (less than five months of revenue) by the end of FY2026/1, indicating a balance between growth investment and financial discipline	We will optimize cash on hand to around three months of revenue by the end of FY2028/1, while maintaining fiscal discipline with a debt-to-equity ratio ceiling of 0.5 times in preparation for future growth investment opportunities.
ROE Sustained improvement in capital efficiency	14% or higher (20% or higher at FY2031/1)	12.5% (+2.5pt YoY)	✓ **Moving ahead of plan** ROE reached 12.5%, above the FY2026/1 target, indicating steady improvement in capital efficiency	We will pursue a balance between growth investment and raising capital efficiency, continuing to aim for an ROE of 14% or higher by FY2028/1 and 20% or higher by FY2031/1.

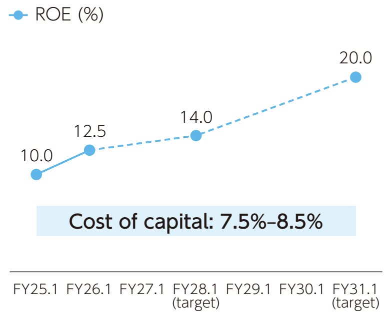
Our Response to Management Conscious of Cost of Capital and Stock Price

In the fiscal year ended January 2026, we achieved record-high results and completed the repurchase and cancellation of ¥2.0 billion of treasury shares. As a result, ROE reached 12.5%, meeting the target set for the first year of our Medium-Term Management Plan.
We will continue to accelerate investment in growth areas while enhancing profitability and capital efficiency. We will also maintain appropriate financial discipline as we target ROE of 14% or higher for the fiscal year ending January 2028. We will further seek to balance growth investment with shareholder returns while enhancing corporate value through ongoing dialogue with shareholders and investors.

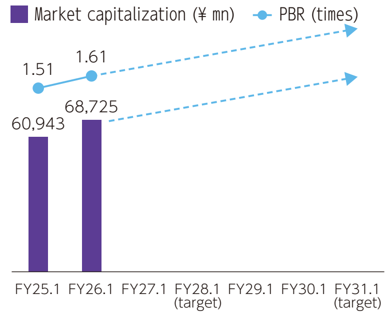
①Improved profitability



②Capital efficiency



③Market valuations



Growth investment

We will achieve sustainable growth through value creation, by delivering solutions that address changing social challenges, and by further enhancing investment in our three growth engines of human capital, R&D, and M&A to raise competitiveness.

Human capital investment

To strengthen the human capital foundation supporting sustainable growth, we are enhancing our recruitment, talent development, and compensation practices while creating an environment in which employees can realize their full potential.

Investment objectives

- Strengthening recruiting
- Improving compensation
- Education and professional development
- Workplace development

Key achievements

Enhanced recruitment — Recruitment

In addition to expanding new graduate and mid-career hiring, we expanded recruitment channels and strengthened the talent foundation supporting sustainable growth.

Development of specialist talent to support growth areas — Education and professional development

We rolled out development programs for highly specialized professionals in fields such as DX and project management, and systematically developed the talent needed to execute our business portfolio strategy.

Creation of an environment where diverse talent can thrive — Workplace development

We enhanced the workplace to create an environment in which diverse employees could realize their full potential, including through the advancement of women and employment opportunities for people with disabilities.

Higher engagement and compensation — Workplace development / Compensation

We implemented organizational improvements based on employee engagement survey results and introduced base salary increases, helping to enhance job satisfaction and strengthen organizational capabilities.

R&D investment

We are investing in advanced solution development and cloud platforms to provide competitive services.

Investment objectives

- Enhance competitiveness
- Develop advanced solutions
- Harness AI and DX technologies
- Strengthen R&D frameworks

Key achievements

System development and commercial validation for SmartSESAME® series — AI/DX / Advanced development

In addition to enhancing the functionality of existing services, we advanced system development and commercial validation for the expansion of data utilization services. We also expanded service capabilities, including ID lifecycle management.

Research and development of Resolana™ data utilization platform — AI/DX / Advanced development

We conducted research and development on a data utilization platform supporting AI applications, while enhancing data collection, integration, and analytics infrastructure and carrying out technical validation.

Development and establishment of BizAxis® cloud integration platform — Competitiveness / Advanced capabilities

We advanced environmental preparation and functional enhancements for the commercial deployment of the cloud integration platform, while enhancing the development and operations infrastructure and automating operations.

Strengthened the R&D framework and the utilization of advanced technologies — Competitiveness / Stronger frameworks

We strengthened our R&D Division and promoted joint research with research institutions and the utilization of advanced technologies.

M&A investment

We aim to enhance our competitive edge by obtaining the capabilities needed for business expansion through capital participation, thereby further raising corporate value.

Investment objectives

- Access to technologies
- Extend products and services
- Expand customer base
- Broaden geographical coverage

Key achievements

Acquired Jyoho System Service Co., Ltd. as a subsidiary — Technology / Geographical coverage

To strengthen our system development capabilities and business foundation in the Kansai region, we acquired Jyoho System Service Co., Ltd. as a consolidated subsidiary.

Acquired shares in DDS, Inc. — Technology / Products / Customer base

To strengthen our security and authentication solutions and technologies through complementary operations and expand our customer base, we acquired shares in DDS, Inc. and made it an equity-method affiliate.

Exploring a capital and business alliance with AI Librarium Co., Ltd. — Technology

To create AI-powered solutions, we began exploring a capital and business alliance with AI Librarium Co., Ltd.

Measures to achieve growth

Sustainable value creation
Leverage the strengths of our people, technologies, and capital to address social challenges while enhancing corporate value.

Strengthening competitiveness
Establish a robust competitive edge through innovation and business portfolio expansion.

Investment in the future
Continue making forward-looking investments, laying the foundation for the next stage of growth.

*The key achievements on this page are as of June 30, 2026.

Business Strategy Group Message: Business Strategy

Shaping the Future with the Power of Technology and Transformation: Creating New Value That Will Become Our Fourth Pillar

Driving Future Growth Together with Our Business Segments

Naoki Ishihara
Director and Executive Officer
Responsible for Business Strategy Group

This fiscal year, we separated the Business Strategy Group from the Corporate Group and reorganized it to strengthen our strategy formulation capabilities and accelerate decision-making. The Group was reconstituted as the Business Promotion Unit, which comprises three divisions: Business Planning, Advanced Technology, and Digital Transformation Promotion. Its mission is to design the future of CEC.

Achieving the VISION 2030 net sales target of ¥100 billion will require not only steady growth across our three business segments, but also the simultaneous pursuit of two priorities: laying the next-generation foundation by sowing the seeds of growth in new fields, and improving companywide productivity by transforming workstyles. Our Group will work closely with the Corporate Group to propel strategy, and join forces with each business segment and the Sales Unit to serve as a driver of corporate value growth across CEC.

①Business Planning Division

Looking beyond VISION 2030, our mission is to build our Fourth Segment (business pillar). To this end we are searching for new business domains and working on rolling out our proprietary strategic cloud integration platform BizAxis.

The Structure and Role of the Business Strategy Group

VISION 2030 Net sales 100 billion yen

Business Strategy Group (Business Promotion Unit)

①Business Planning Division	②Advanced Technology Division	③Digital Transformation Promotion Division
Create the next core business Cloud integration platform BizAxis	Advanced IT research & development and commercialization	Promote Internal DX and Business Transformation

②Advanced Technology Division

We carry out research & development into advanced IT fields such as AI and quantum technology, and work on applying our R&D results to our own products and services. As well as supporting the establishment of a competitive lead rooted in technological expertise, we are pursuing our IP strategy (see our Technology Strategy page for further details).

③Digital Transformation Promotion Division

We have formulated a grand design for internal DX and are driving fundamental changes to business processes and more sophisticated data use. These efforts go beyond efficiency improvements to support management decision-making, optimize the business portfolio, and raise the potential for new business creation, thereby strengthening our medium- to long-term competitiveness and enhancing corporate value.

This fiscal year, under the new Business Strategy Group structure, we will pursue three initiatives in an integrated manner: creating new business fields to drive the next phase of growth, conducting R&D into advanced technologies, and steadily implementing companywide DX based on the Company DX Grand Design. By bringing together the specialist expertise of the three divisions and deepening their collaboration with each business segment, we aim to strengthen our medium- to long-term competitiveness and achieve sustained growth in corporate value.

Promoting DX Across the Company and Establishing New Businesses

Company DX Grand Design

In May 2026, we formulated our "Company DX Grand Design," which provides a comprehensive framework for the digital transformation of each area of our operations. Emphasizing coordination and alignment among transformation initiatives across the Company, it sets out a two- to three-year roadmap for planning and optimizing the allocation of management resources—people, assets, capital, and time. We will review the roadmap regularly to ensure that our strategy remains effective and adaptable in response to changes in the business environment and technological trends.

DX Vision	Deliver new value to all stakeholders through optimized business processes and data-driven management

Five DXs: Looking beyond efficiency to higher added value

Management DX	From "understanding the present" to "anticipating change and taking the initiative"
HR DX	From "managing people" to "building the capabilities that drive business execution"
Finance & accounting DX	From "preparing and reading numbers" to "using numbers to drive management"
General affairs & procurement DX	From "protecting and managing assets and rules" to "transforming them into strategic resources and making the rules"
Marketing & sales DX	From "reading the market" to "anticipating the market and creating business"

Roadmap

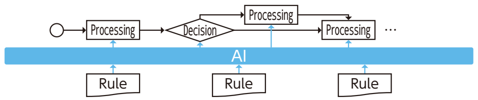
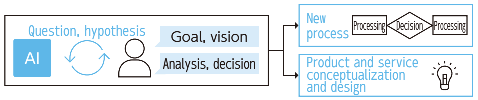
FY2027.1
- Prioritize management DX and finance & accounting DX
- Begin streamlining information flows and developing the data infrastructure

FY2028.1
- Advance DX in other areas
- Fully launch the data platform and promote AI use

FY2029.1
- Extend and embed DX across all areas
- Realize the benefits and shift toward higher-value-added operations

The positioning of AI within companywide DX

In internal company processes | **Working with AI to achieve what people alone cannot deliver**
A tool that extends beyond human limitations and expands human potential

Collaborative domains	The role of AI	Unlocked human potential
1 Rule-based workflow automation	AI handles repetitive tasks, processing, and decision-making 	People create, decide, and build relationships
2 Creation of new high-value-added processes, products and services	Co-creating with AI from idea to design to implementation 	AI turns human ideas into reality

New business creation: The search for the Fourth segment

Looking beyond VISION 2030, we are exploring new businesses through a disciplined process of validation and selection, seeking to create a "Fourth segment" that will serve as a new business pillar alongside our three existing segments

Three-year roadmap for new business development

FY2026.1	**Broad-based exploration:** Comprehensive search for new business proposals that can drive growth in the next generation, focusing on industries and domains untapped by CEC
FY2027.1	**Selection & verification:** Narrow down target domains and carry out PoC using MVP
FY2028.1	**Business design:** Create businesses and services based on PoC testing results, finalize business specifications and frameworks for the next-phase launch

External rollout and monetization of the strategic platform

We are developing the Cloud Integration Platform BizAxis as a strategic common platform to support our SaaS lineup. It enables more efficient service development and operation, higher quality and scalable business growth. By adopting a new IaaS/PaaS platform, we will increase cost competitiveness and flexibility, improve business profitability and open up further opportunities for growth. We plan to start BizAxis external sales from the second half of the fiscal year ending January 2027. By transforming the expertise developed in-house into a new source of revenue, we will enhance our earnings structure and contribute to medium- to long-term growth in corporate value.

Information disclosure based on TCFD recommendations

Governance

The company positions its environmental response to such issues as climate change as a key management issue. As it does with other management priorities, the Executive Committee deliberates on environmental policies, budgets for energy-saving infrastructure, and green power essential to climate change countermeasures, and reports on environmental targets and progress. Important matters are reported to and deliberated upon by the Board of Directors.
Instructions presented to the Executive Committee and Board of Directors are disseminated to each business group by the chief environmental management officer and environmental management officers through our ISO14001-certified environmental management system, and we strive for continuous improvement.

Risk management

The company manages business risks, including climate change, at its Executive Committee meetings, facilitating prompt reporting and management decisiveness with respect to business risk. Climate change and other environmental risks are identified and assessed using the framework defined by our ISO14001-certified environmental management system. Responses to identified risks are also implemented and managed by the system.

Indicators and targets

The company manages greenhouse gas emissions, a key indicator for assessing climate-related risks and opportunities. To achieve carbon neutrality by FY2050, we have established the following medium-to-long-term emissions targets under Scope 1 and Scope 2.

FY2030	46% reduction compared to FY2016 (Scope 1 and 2)
FY2050	Aiming for carbon neutrality (Scope 1 and 2)

As of FY2024, we had adopted net-zero CO_2 electricity contracts for all company-owned buildings, including the Kanagawa Daiichi Data Center and the Sagamino System Laboratory, thereby achieving a 47.3% reduction. We are continuing to reduce CO_2 emissions and aim to achieve carbon neutrality by FY2050. Furthermore, we will expand the measurement scope to include the entire group and promote the management and reduction of greenhouse gas emissions across Scopes 1 to 3. We intend to periodically disclose our results and initiatives for the entire group on our corporate website.

Fiscal year		FY2016	FY2024	FY2030 target (vs FY2016)
CO_2 emissions (tCO_2)	Scope1, 2	9,282	4,888	5,012(-46%)

*Calculation Scope: Computer Engineering & Consulting Ltd. (Non-consolidated)

Strategy

We have analyzed climate-related risks and opportunities impacting our business operations and identified priority areas that demand action. Our analysis, which is based on the Paris Agreement and the Glasgow Climate Pact adopted at COP26 in November 2021, considered two target outcomes: a 1.5 °C scenario (global warming limited to 1.5°C) and a 4.0°C scenario (the estimated maximum temperature rise if no action is taken beyond current measures).

Risks and opportunities

	Risks	Anticipated risks	Impact level	Time horizon
Transition risk	Policy and legal risk	· Cost increases due to the introduction of carbon taxes and a rise in market prices for electricity · Increased capital expenditures imposed by environmental regulations	High	Medium-term
Transition risk	Technology risk	· Loss of business opportunities due to failure to keep pace with technological advancements in renewable energy-powered data centers and environmentally beneficial ICT solutions · Cost increases due to the transition to renewable energy (e.g., solar power)	High	Medium-term
Transition risk	Market risk	· Loss of business opportunities due to delayed response to rising demand for lower-GHG services (e.g., data center operations)	High	Medium-term
Transition risk	Reputational risk	· Less favorable investor evaluation due to delayed ESG initiatives/disclosure · Loss of business opportunities with key customers due to delayed climate change initiatives	Medium	Short-term
Physical risk	Acute risk (e.g., extreme weather)	· Decreased ICT investment and reduced demand due to customer disasters · Difficulty procuring products due to damage to server and semiconductor manufacturers' factories · Increased insurance expenses due to the rising cost of disaster recovery amid increasingly abnormal weather events	Medium	Short-term
Physical risk	Chronic risks (e.g., rising average temperatures)	· Increased air conditioning costs due to rising temperatures	High	Long-term

	Opportunity	Potential opportunities	Impact level	Time horizon
Opportunity	Resource efficiency	· Increased demand for factory automation and efficiency improvements using ICT technologies · Increased demand for paperless solutions and labor-savings through the promotion of digital transformation	High	Medium-term
Opportunity	Energy sources	· Increased demand for data center services using renewable energy	High	Long-term
Opportunity	Products and services	· Increased demand for highly efficient data centers and ICT systems that reduce customers' GHG emissions	High	Medium-term
Opportunity	Market Resilience	· Increased demand for cloud services to mitigate the risk of information loss due to extreme weather events · Increased demand for mobility-related development amid the global shift to EVs	High	Medium-term

*GHG(Greenhouse gas)

Countermeasures

Response Policy	Specific measures
Reduction in the company's GHG emissions (Scopes 1 and 2)	· Shift to renewable energy · Design and installation of energy-saving equipment · Purchase of green power to achieve reduction targets
Reduction of GHG emissions from the supply chain (upstream)	· Selecting procurement items with lower GHG emissions during manufacturing · Choosing suppliers committed to reducing GHG emissions · Reducing travel through the use of online meetings
Reduction of GHG emissions by customers and society through products and services	· ICT services using cloud technology · ICT services that boost operational efficiency · ICT services that facilitate mobility services · Energy-efficient hardware

*TCFD-based disclosure details are available on our website. (URL: https://www.cec-ltd.co.jp/esg/climate_change.html) (Japanese only)

Environmental Contributions & ICT Solutions

Environmental management system

Our environmental management system was brought into compliance with ISO14001 from 2021, and we are working to obtain ISO14001 certification at all locations. From fiscal 2025, we have been implementing our environmental management system across Group companies, and have extended our ISO14001 certification plan across the Group as a whole. We will continue implementing measures that will enable us to leverage ICT to resolve environmental challenges while reducing the environmental impact of CEC Group businesses.

ISO14001 certification history

July 2021	Ebisu Head Office
July 2022	Sagamino Main Office, Greater Tokyo Area offices, data centers
July 2023	Fukuoka, Nagoya, Osaka offices
July 2024	All locations certified
July 2025	Group company: Oita Computer Engineering & Consulting Ltd. Head Office
July 2026	Group company: CEC Customer Service Ltd. Head Office

Solar power generation initiatives

Solar panels were first installed on-site at the Oita System Laboratory in 2013, and have generated a cumulative total of approximately 3.84 million kWh of electricity.

Solar power generation (kWh)

FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
329,678	309,950	326,082	317,411	327,108	321,344	312,527	334,461

Data for the most recent eight years

Cumulative from FY2013 to FY2025	3,841,116

ICT solution case studies

For service details, please see our website (URL: https://vrr.cec-ltd.co.jp/solution/gx/) (Japanese only)

Started offering a Power Consumption Simulation Service for GX which forecasts electricity consumption by production line

We have added a GX simulation function to RaAP, our proprietary service used as a support tool for the optimization of production line operations in the manufacturing sector. The new function enables simulations based on equipment power consumption.
Going beyond simple energy-saving support, the function visualizes the operating parameters of each plan (including production time, workforce requirements, and power consumption) and so makes CO_2 emissions visible, helping customers achieve GX.

STEP 01 Build the edge and MES layers, then collect, store, and organize data

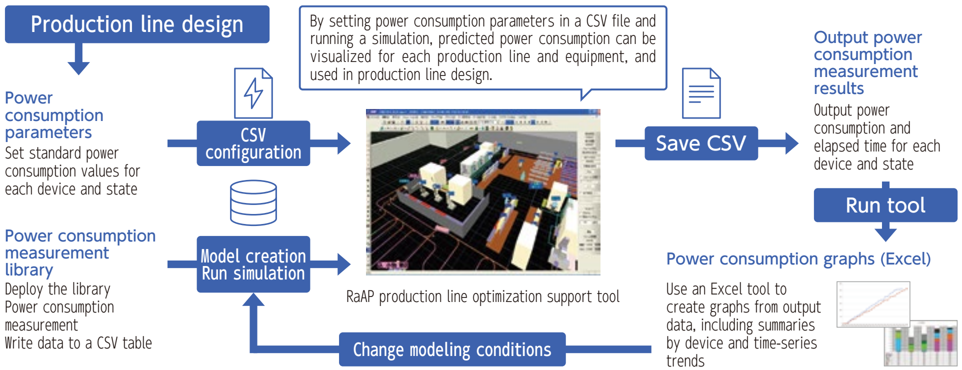
Resolve on-site challenges by visualizing equipment status, improving productivity, and increasing efficiency
Organize and process data from across the organization, both inside and outside the factory, to enable efficient analysis and retrieval

STEP 02 Forecast power consumption for use in process design

Estimate electricity consumption by product during production and forecast electricity consumption for the factory as a whole

STEP 03 Utilize data to advance GX

Use all production-related data to visualize operations and find the optimal balance between production and GX targets, thereby contributing to a sustainable society



Social Contributions & ICT Services at Claps

Social contribution through the at Claps childcare app

In March 2024, we released our at Claps childcare app, which allows users to easily print paper toys. The app is available free of charge. We currently distribute content, including coloring pages and papercraft templates provided by companies and local government bodies, via the app for use at home and in childcare settings. We also organize volunteer and community events using this content, creating hands-on opportunities for children and promoting cross-generational interaction. In November 2024, we received the BabyTech® Awards 2024 Grand Prize in the Children's Play and Learning Category. We will continue to expand our partnerships with local communities, educational institutions, and municipalities, while creating opportunities for parent-child communication and contributing to the wider community.

at Claps achievements (as of June 2026)

100 partner organizations 1,100 activities offered 12 events held

For iOS Users (Japanese only) Download on the App Store

For Android Users (Japanese only) GET IT ON Google Play

Connecting with the community

The at Claps project does more than provide content through our app. Through partnership with a wide range of local organizations, it creates opportunities for people to connect across generations, from children to the elderly. Through intergenerational activities at senior care facilities, hands-on craft workshops at children's centers and community events, and activities at hospitals, we provide opportunities for play and learning while building stronger ties within the local community.


Seasonal volunteer activity

Collaboration at hospital-run events

Industry–academia collaboration: value creation with students of Jissen Women's University

As part of an industry–academia collaboration with Jissen Women's University, we have been working since 2024 on planning and developing content for at Claps. Students majoring in Early Childhood Care and Education at the Department of Human Life and Culture, Faculty of Human Life Sciences, many of whom aspire to careers as nursery school teachers and kindergarten teachers, plan and create content that reflects children's developmental stages, interests, and curiosities, drawing on the knowledge and experience gained through their coursework and practical training. They also incorporate advice from practicing childcare professionals to ensure the content is easy to use in the real world. We will continue collaborating with educational institutions to enrich the content supporting children's play and learning, while creating opportunities for students to gain practical experience.

Classes delivered by our employees on-site

Content being created by students

Comment from Professor Mami Iguchi, Department of Life and Culture, Faculty of Human Life Sciences, Jissen Women's University

In 2023, after hearing the passion of CEC's employees, I came to appreciate the value of the at Claps app for families who are unsure how to play with their children, as well as for increasingly diverse childcare settings, including after-school and hospital childcare. Since then, each year all third-year students in our Early Childhood Education program have participated in developing content for the app.
Because this project is carried out as part of a course for third-year students after they have completed practical training, they are able to draw on their first-hand experience to envision the children at play and apply their childcare skills. They have created such a wide variety of activities, including Fukuwarai (a traditional Japanese paper game), mazes, and spot-the-difference games that I find myself impressed even as a faculty member.
Working with industry to address social challenges has given our students an opportunity to recognize their own strengths and sense their own growth.The app received the Grand Prize in the Children's Play and Learning Category at the BabyTech® Awards 2024, and having their own work recognized was a valuable experience. Above all, I hope that by taking part in this project with a genuine desire to delight children, our students will come to appreciate the rewards of working in childcare.

Promoting Health Management

Basic approach

Faced with an aging population, declining birthrates, diversifying work styles, and other challenging social conditions, the CEC Group holds the health of our employees as the most critical element supporting the company's sustainable growth. We therefore position health management as one of our key initiatives and promote an environment where employees can work healthily and energetically. In this way, we work to build sustainable value and support the health and development of our staff.

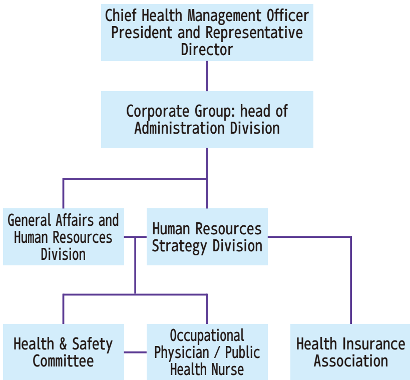
Key initiatives

We are enhancing systems and support structures designed to maintain the physical and mental health of our employees.

<Health maintenance promotion>
- Follow-up for health checkup results by occupational physicians and public health nurses
- Full reimbursement of milestone health screening costs for insured employees and dependents at age 30
- Partial reimbursement for comprehensive medical checkups for insured employees and dependents aged 35 and over
- On-site influenza vaccinations and subsidies for vaccinations at medical institutions (including eligible dependents)
- Walking events and health check sessions organized by the Health Insurance Association
- On-site dental checkups
- Women's health seminars

<Mental health>
- Stress checks and reporting of group analysis results
- Individual counseling and occupational physician consultations for highly stressed employees
- Telephone counseling service connecting employees with specialists
- Follow-up interviews with new graduates and mid-career hires
- Return-to-work support program
- Harassment prevention training

Organizational implementation



*Other initiatives can be viewed on our company website (URL: https://www.cec-ltd.co.jp/esg/health_management.html) (Japanese only)

External evaluation: Certified Health & Productivity Management Outstanding Organization 2026

As a result of these initiatives based on our Health Management Policy, CEC was designated a Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) in FY2023. In March 2026, we received this certification for the fourth time and the fourth consecutive year. We will continue to strengthen our health management initiatives, such as leveraging digital health technologies and implementing flexible programs to meet employee health needs, with the goal of earning White 500 recognition.

Initiatives to Respect Human Rights

CEC Group Human Rights Policy

The CEC Group Human Rights Policy (hereinafter referred to as the Policy) outlines the fundamental principles for respecting human rights within our group and serves as a guideline for all of our businesses. We respect the rights of all individuals affected by our commercial activities and are committed to being responsible corporate citizens by clarifying our approach and responsibilities.

Basic approach

We respect internationally recognized human rights norms, including the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the UN Global Compact. We also undertake our business activities pursuant to the UN Guiding Principles on Business and Human Rights.

Key initiatives

<Human rights due diligence>

To identify, prevent, mitigate, and remedy adverse impacts on human rights that arise from our business activities, we initiated a program of Human Rights Due Diligence in 2025. As a first step, we are identifying human rights issues that are highly relevant to our Group from among the 26 categories defined in the guidelines and assessing and analyzing their causes and impacts.

<Human rights education>

We administer annual human rights training via e-learning for all group employees. This centers on our policy, Business and Human Rights, and general compliance awareness.

<Remedies and consultative measures>

We have established an Internal Reporting Channel and an external Corporate Ethics Hotline as consultation points for potential human rights issues, such as harassment, that may arise in the workplace. We strictly safeguard the privacy of those who seek advice and have established a system to ensure fair and impartial handling in a manner consistent with respect for human rights. These channels are available not only to group employees but also to employees of partner companies.

Diversity, equity, and inclusion (DE&I)

Fundamental approach

Under its Purpose, "Toward a brighter future for society, customers, and employees by harnessing the power of ICT to create new value," the CEC Group has positioned creating a workplace in which diverse people can flourish as a key management priority. Diversity, equity, and inclusion are drivers of innovation and essential to sustained corporate growth.
By fostering a culture of mutual respect for all differences and openness to diverse values and perspectives, we aim to create a workplace in which everyone feels secure and able to fulfill their potential.

Promoting women's participation

We are actively recruiting women and increasing the proportion of female employees. As part of our efforts to create an environment in which employees can maintain long-term careers while balancing work and childcare, we have extended eligibility for these support programs until the first March 31 after an employee's child turns 18.
This fiscal year, as well as continued efforts to increase the proportion of female employees and support the work-life balance, we are further strengthening career development support for women, aiming to promote the advancement of women throughout the Company. (See the following page for details.)

Promoting participation by people with disabilities

One of our policies is the active employment of people with disabilities. Employees with disabilities take leading roles in recruitment, and we seek to allocate responsibilities in ways that make the fullest possible use of each employee's individual strengths, whether disabled or otherwise.
We also hold awareness seminars to deepen understanding of different disabilities and how to accommodate them. In this way, we are creating an environment in which both new and existing employees can work in confidence with a robust awareness of the issues.
Our efforts have been well received externally, and our employees have been invited to speak at seminars for central government ministries, agencies, and national universities.
We will continue to cherish this culture while striving for further growth as we work to provide a better workplace environment for all employees.

Fostering an inclusive workplace culture

To create an environment in which diverse employees can perform to their full potential, we continuously provide training targeted at all staff, management, and employees experiencing major life events.

Supporting work-life and career balance

Our company has established diverse systems, including support for balancing work with childcare, caregiving, and medical treatment, as well as flexible working arrangements, all of which help employees to thrive whatever their life stage.
We are creating an environment in which employees can easily make use of the support available to them, including initiatives to encourage men to take childcare leave. We have also gone beyond statutory requirements in areas such as paid maternity leave before and after childbirth and expanded childcare and family-care leave, with up to 365 days of family-care leave available. As a result of these efforts, the proportion of eligible male employees taking childcare leave has reached 100%, demonstrating that we are meeting our goal.
Moreover, we are working to create an environment where employees can balance caregiving responsibilities with their work and maintain their careers with peace of mind. Specific measures include the establishment of a caregiving consultation desk.

Promoting the active participation of senior employees

To further promote the active participation of senior employees, we have created a medium-to-long-term roadmap that includes revisions to our post-retirement re-employment system.
We will work to create an environment in which senior employees can make full use of their experience and expertise while developing younger employees and passing on their knowledge. This will foster a companywide culture that draws on the experience of senior personnel.

New DE&I promotion unit established this fiscal year

Amid ongoing changes in the IT industry environment, we believe that creating a workplace in which diverse talent can fulfill their potential and continue working with confidence is essential to sustained corporate growth. We therefore aim to build an organization in which people can thrive through mutual support.
The new unit will build on our existing initiatives, such as the advancement of women, support for balancing work with family responsibilities, and companywide DE&I training, and promote them in a more systematic manner.

Chiyoe Ishibashi
HR Strategy Division, HR Policy & Programs Section
Head of the DE&I Promotion Team

Women in Management Roundtable — Management Shaped by Diverse Talent

CEC's management team brings together people with diverse experience and perspectives, drawing on their particular strengths. Each has followed a different path into management and has their own approach to work and leadership.
This feature highlights how our human capital supports the organization, shaped by a variety of careers and life stages, through interviews with women in management.

Eri Ito Saori Shinohara Rie Tsuji

Department Heads
Eri Ito: Connected Innovation Unit, Data Monetization Division
Saori Shinohara: Corporate Administration Unit, General Affairs and Human Resources Division
Rie Tsuji: Internal Audit Division

Group Managers
Akiko Nakamura: Corporate Administration Unit, Human Resources Strategy Division
Tomoko Inoue: Business Innovation Services Unit, Kansai Service Division
Asami Mochizuki: Corporate Administration Unit, Human Resources Strategy Division
Tomoko Abe: Sales Unit, Sales Promotion Division

My Story: Starting Out in Management

Q Tell us about what made you aim for and accept your management role.

Shinohara: Around 20 years ago, the departure of female employees had become an issue for the company. An executive I greatly respected told me, "If you want to make things better, get into a position of responsibility and make it happen." That inspired me to aim for a position of management from where I could take responsibility for change rather than merely point out problems, and it continues to guide my decisions today.

Abe: I wanted to take responsibility not only for delivering results in the workplace, but also for growing the business and organization as a whole, and to take part in decision-making. I am now working to create value from a broader perspective and improve both the quality and speed of decision-making.

Inoue: I felt that the experience and perspective I had gained from continuing to work while raising children could help the organization grow. Encouraged by the confidence placed in me by others both in the office and outside it, I decided to take on the challenges offered by a management role.

Mochizuki: Through repeated discussions about my own career and the future of the organization, I came to want to take part in management. I hope to strengthen the organization by bringing out the abilities of its diverse talent and creating an environment in which every individual can grow and thrive.

Bringing out the strengths of our people and the organization

Q As a manager, what do you see as most important when bringing out the strengths of people and the organization?

Shinohara: What is especially important to me is putting trust in those given responsibility and providing opportunities for growth, both of which are made possible by psychological safety. I believe individuals and organizations grow when teams support one another and enjoy taking on challenging tasks together.

Tsuji: The priority for me is creating an environment in which people are encouraged to take the initiative while discussing the reasoning behind decisions, allowing diverse talent to fulfill their potential. I believe that raising the organization's adaptability and capacity for transformation will enhance corporate value over the medium to long term.

Ito: I seek to understand each person's strengths and values and create roles and environments in which they can deploy their abilities. I also work to maximize results across the organization through clear decision-making criteria and prompt decisions.

Abe: I focus on creating an organization capable of generating value consistently without depending on the abilities of particular individuals. I believe it is important to establish mechanisms that both harness individual strengths and ensure replicability across the organization.

Nakamura: I prioritize creating an environment in which people can safely express their views. I seek to understand each team member through ongoing dialogue and provide everyone with fair opportunities to take on new challenges. I believe an environment that turns failure into growth will help raise organizational performance.

The value derived from various perspectives

Q How do your own experiences and perspectives create value for organizational management and operational growth?

Tsuji: My experience working in technical roles, frontline operations and internal audit,

Special Feature | **Women in Management Roundtable—Management Shaped by Diverse Talent**

has taught me the importance of looking at things from multiple perspectives. I believe that the ability to get to the core of the issue is essential to achieving both organizational soundness and business growth.

Ito: When involved in management decisions, I refer back to the knowledge and understanding of issues gained from working close to frontline operations. I leverage this to develop cross-divisional proposals and create new business opportunities from the customer's perspective, while simultaneously contributing to better decision-making by incorporating diverse viewpoints.

Abe: I make a conscious effort to draw on my experience in engineering, sales, marketing and business development, to give an overview of the whole business. By connecting these different fields, I aim to improve the quality of management decisions and the capacity to implement them, and so maximize the value of the overall business.

Mochizuki: Leading cross-divisional projects has made me aware of the importance of making decisions that take account of differing values and positions. Decisions that reflect multiple perspectives can underpin measures suited to the realities of the organization, help people fulfill their potential and improve performance across the organization.

The kind of organization suited to the AI era

Q **With the business environment changing rapidly owing to advances in AI and other developments, please tell us what kind of organization and talent training will be needed to succeed in the future.**

Shinohara: I view AI not simply as a tool for improving efficiency, but as a foundation for more sophisticated thinking and value creation. I place an emphasis on openly discussing decision rationales and thought processes, while also cultivating the capacity to move mentally between the current state (As-Is) and the desired future state (To-Be) while using AI. By clarifying the areas to be handled by AI while giving people responsibility for subsequent discussion, decisions and implementation, we will maximize the potential of our people and the organization as a whole.

Tsuji: While advances in AI will raise the speed and accuracy of decision-making, I believe people's ability to integrate diverse perspectives when making decisions will become even more important. Learning from one another through dialogue, fostering a culture of integrity and developing people capable of making critical decisions, should drive sustained growth in corporate value.

Ito: In a business environment where the use of AI is a given, it is essential to have a deep understanding of customers' challenges and deliver value by combining data and AI. We aim to strengthen AI capabilities through hands-on training, drive business transformation and create new services, and so shift toward a higher-value-added business model.

Inoue: Even as AI and other developments bring major changes to the business environment, it is important to develop people who continue learning and to build an organization that adapts to change. I aim to make the organization more resilient to change by creating an environment in which people with diverse backgrounds and workstyles can collaborate, while supporting continuous learning.

Nakamura: As AI boosts operational efficiency, I believe the value created by people will become even more important. By creating an environment in which diverse talent can take on challenges and grow autonomously, we will achieve sustained improvement in competitiveness by improving productivity through technology and maximizing the potential of our human capital.

The corporate value created by thriving, diverse talent pool

What stands out clearly from this conversation is that there is no set path for developing future management. Differing experiences—including concern for social issues, appetite for business growth, expectations from other people, and dialogue—yield broader perspectives on management and help develop talent with diverse viewpoints.

Members serving in management roles also contribute to organizational management and business growth by deploying their diverse strengths in areas such as talent development, organizational transformation, process development, and stronger governance. Such diverse perspectives raise the quality of decision-making and create a competitive edge in a rapidly changing business environment.

CEC will continue to develop its next generation of management by providing opportunities to take on challenges and supporting growth. At the same time, we will translate the new value created through the participation of diverse talent in management into sustained growth in corporate value.

Advancing human capital management: Our DE&I strategy for sustainable growth in corporate value

Noriko Kosugi
Outside Director

Competition for talent is intensifying in Japan owing to the declining birth rate. As human capital is a source of competitiveness for systems integrators, creating an environment in which every employee can fulfill their potential and which can attract outstanding talent is a critical management issue.

In the past, it may have been possible to beat the competition by mobilizing a largely homogeneous workforce toward a set goal. In an era of volatility, uncertainty, complexity, and ambiguity (VUCA), however, it is necessary to draw on the collective intelligence of a diverse workforce to anticipate social change, draw up solutions to complex challenges, and mitigate avoidable risks.

Corporate value grows when companies recruit outstanding talent without regard to personal characteristics, create flexible systems that maximize employee potential, and place the right people in the right roles, facilitating the combination of differing strengths and maximizing organizational capabilities. DE&I is more than just an HR strategy: it is an aspect of management strategy and must be taken seriously by CEC.

The scope of DE&I encompasses various groups, including women, older employees, foreign nationals, and LGBTQ people. I am pleased to see that CEC's efforts in one of these areas—the advancement of women—are bearing fruit, with a growing number of highly capable women in management positions.

As an Outside Director, I will support CEC in building and maintaining an environment in which talented people who could succeed anywhere nevertheless choose to continue working at CEC.

Corporate Governance

Basic framework

The CEC Group regards the thorough application of corporate ethics, together with enhanced management transparency and efficiency, as the foundation of corporate governance. Guided by our Code of Conduct, which serves as the standard for the conduct of our officers and employees, we manage our business in accordance with the following policies.

1. We comply with all applicable laws, regulations, guidelines, and internal rules, and act in accordance with principles of corporate ethics and social sound judgement.
2. We engage in fair and free competition and conduct business through appropriate transactions, while treating all parties with mutual respect.
3. We strive to improve management efficiency through swift decision-making and action, enhancing profitability and capital efficiency. In doing so, we seek to earn the trust of our shareholders, customers, partner companies, and other stakeholders, while pursuing sustainable growth in corporate value and long-term development.

Corporate governance structure

CEC has adopted the corporate governance structure of a company with an Audit & Supervisory Committee. Under this structure, the Board of Directors and the Audit & Supervisory Committee oversee and audit the execution of duties by directors. To ensure the swift and effective execution of decisions made by the Board of Directors, we have introduced an executive officer system. By delegating executive authority to executive officers and clearly defining their responsibilities, we enhance management efficiency. We have established a Nomination and Compensation Committee to advise the Board of Directors on director nomination and compensation. A majority of the committee's members are independent outside directors, and decisions are made with due regard for the committee's recommendations, ensuring transparency and fairness in the decision-making process.

Steps taken to enhance governance

Stronger governance

	Board of Directors			Audit & Supervisory Committee		Nomination Committee		Compensation Committee	
	Members	Outside directors ratio	Female directors ratio	Members	Outside directors ratio	Members	Outside directors ratio	Members	Outside directors ratio
2026	**12**	**41%**	**16%**	**3**	**66%**	**6**	**83%**	**6**	**83%**
2025	12	41%	16%	3	66%	7	71%	7	71%
2024	12	41%	16%	3	66%	9	55%	9	55%
2023	12	41%	16%	3	66%	9	55%	9	55%
2022	12	33%	0%	3	66%	7	57%	6	66%

Committee structure overview

Meeting of the Board of Directors

Chairperson: President and Representative Director

12 Five independent outside directors (including two women), seven inside directors

In accordance with CEC's internal regulations, the Board of Directors determines fundamental management policies, matters prescribed by laws and regulations and the Articles of Incorporation, and other important matters relating to management and business execution. The Board also receives reports on the execution of duties by each director. In the fiscal year ended January 2026, in addition to matters requiring resolution by law, the Board deliberated on the Medium- and Long-Term Management Plans, growth investments, and the Integrated Report.

Audit & Supervisory Committee

Chairperson: Full-time inside director

3 Two independent outside directors, one inside director

Based on its audit policy and audit plan, the Audit & Supervisory Committee audits the execution of duties by directors by obtaining timely and accurate information on the management decision-making process through regular interviews with the Representative Director and other directors, attendance at important meetings such as meetings of the Board of Directors, the Nomination and Compensation Committee, and the Executive Committee, coordination with the internal audit department and the independent auditor, and investigations into the status of business operations and assets.

Nomination and Compensation Committee

Chairperson: Independent outside director

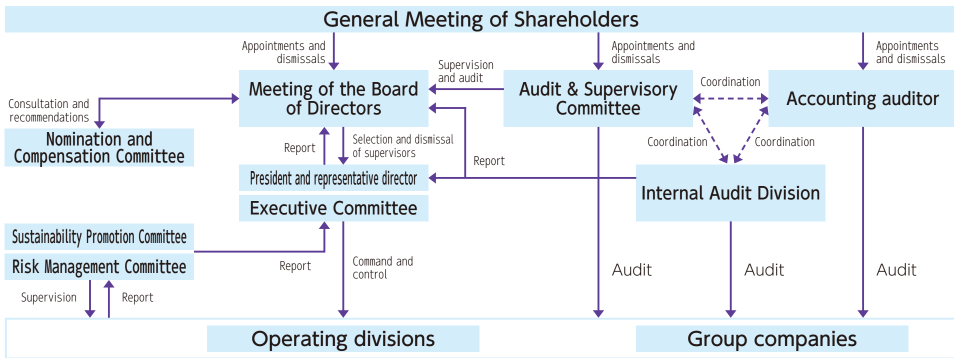
6 Five independent outside directors (including two women), one inside director

The Nomination and Compensation Committee is responsible for deliberating on important matters relating to the nomination and compensation of directors and other officers and submitting its recommendations to the Board of Directors, with the aim of enhancing accountability in the appointment and dismissal of directors, succession planning, and the determination of compensation as part of the company's efforts to strengthen corporate governance. To ensure independence, a majority of the Committee's members are independent outside directors, and the Chair is selected from among the outside directors.

Executive Committee

The Executive Committee conducts preliminary reviews of agenda items for meetings of the Board of Directors and also deliberates on investment related to the execution of business directives and the establishment of new businesses. Moreover, directors who are standing members of the Audit Committee attend Executive Committee meetings. While they are not empowered to vote, they provide advice and guidance as needed and request important information, thereby strengthening the supervisory function over business execution.

Corporate governance structure



List of Officers

Director

Representative Director & President

Takashi Himeno

April	1992	Joined the Company
February	2011	General Manager, Services Division 1, Platform Services Unit
February	2013	Unit President, Platform Services Unit
February	2014	Executive Officer
February	2020	Unit President, Security Services Unit, Platform Architect Business Group
April	2020	Director, Unit President, Security Services Unit, Platform Architect Business Group
		Representative Director and President, COMSTAFF Co., Ltd.
February	2022	Group President, Platform Architect Business Group
February	2023	Representative Director & President (incumbent)

Director

Hideki Takagi

April	1992	Joined the Company
February	2011	Manager, Sales Division 3, PROVEQ Service Unit
February	2014	Unit President/Manager, Sales Division, PROVEQ Service Unit
February	2015	Unit President, Digital Engineering Unit
		Unit President, Product Development Support Unit
May	2020	Executive Officer (incumbent)
		Unit President, Data Center Services Unit, Service Integration Business Group
February	2021	Unit President, Security Services Unit, Platform Architect Business Group
February	2022	Unit President, Security Services Unit, Platform Architect Business Group
February	2023	Group President, Platform Architect Business Group (incumbent)
April	2023	Director
February	2024	Representative Director and President, Oita Computer Engineering & Consulting Ltd. (incumbent)
February	2025	Director, Responsible for Marketing and Business Strategy (incumbent)

Director

Atsushi Ookita

April	1990	Joined Robin Co., Ltd. (now CEC Customer Service Ltd.)
July	2007	Transferred to the Company
February	2013	General Manager, Service Division 2, Chubu Service Unit
February	2017	Unit President, Chubu Service Division 1, Industry Automation Business Group
May	2020	Executive Officer (incumbent)
		Unit President, Chubu Service Unit, Digital Industry Business Group
February	2022	Unit President, Nishinihon Service Unit, Area Control Business Group
February	2023	Group President, Service Integration Business Group
February	2023	President & CEO, Computer Engineering & Consulting (Shanghai), Ltd.
April	2023	Director
February	2024	Representative Director and President, COMSTAFF Co., Ltd. (incumbent)
February	2024	President, Computer Engineering & Consulting (Shanghai), Ltd. (incumbent)
February	2025	Director, Responsible for Quality Reforms (incumbent)

Director

Yasuo Sakai

April	1989	Joined the Company
February	2013	General Manager, Service Division 5, Chubu Service Unit
February	2017	Unit President, Chubu Service Unit 2, Industry Automation Business Group
May	2020	Executive Officer (incumbent)
		Unit President, Mobility Services Unit, Digital Industry Business Group
February	2022	Unit President, Connected Services Unit, Digital Industry Business Group
February	2023	Group President, Digital Industry Business Group (incumbent)
April	2023	Director
February	2025	Director, Responsible for Technology Reforms (incumbent)

Director

Futoshi Egami

April	1989	Joined the Company
February	2008	Manager, Systems Department 1, Automotive Systems Division
February	2013	Unit President, Chubu Service Unit
February	2014	Executive Officer (incumbent)
		Unit President, Chubu Service Unit
February	2017	Unit President, Smart Factory Unit, Industry Automation Business Group
February	2023	Unit President, Corporate Administration Unit, Corporate Management Group
February	2025	Unit President, Corporate Administration Unit, Corporate Group
April	2025	Director, Responsible for Corporate Administration Unit, Corporate Group (incumbent)

Director

Naoki Ishihara

April	1989	Joined TOYOTA MOTOR CORPORATION
January	2003	Seconded to Toyota Motor Manufacturing France S.A.S.
January	2017	General Manager, Systems Design Office, IT Management Department, TOYOTA MOTOR CORPORATION
January	2019	Seconded to TOYOTA SYSTEMS CORPORATION
June	2020	Deputy General Manager, Strategic Planning Group
July	2023	Affiliation formally transferred to TOYOTA SYSTEMS CORPORATION
February	2025	Joined the Company; Executive Officer (incumbent)
April	2025	Director (incumbent)

Outside Director

Shizuyo Takahashi

Outside Independent

April	1984	Joined Tokyo Branch, Chase Manhattan Bank (now JPMorgan Chase & Co.)
December	1990	Joined Chuo Coopers & Lybrand Consulting Co., Ltd.
October	1994	Joined Future System Consulting Corp. (now Future Corporation)
April	2004	Executive Director, Unit President
April	2008	Executive Officer Unit Manager, Human Resources Unit
January	2016	Joined Business Brain Showa-Ota Inc.
July	2017	Joined WELLNET CORPORATION
September	2017	Director, Administration Manager
July	2020	Outside Director, baby calendar Inc. (incumbent)
April	2023	Outside Director, the Company (incumbent)
June	2023	Outside Director, IINO KAIUN KAISHA, LTD. (incumbent)

Outside Director

Noriko Kosugi

Outside Independent

April	1990	Joined Kawasaki Steel Corporation (now JFE Steel Corporation)
April	2005	Manager, Finance and IR Department, JFE Holdings, Inc.
May	2006	Manager, Accounting Section, Planning Department, East Japan Works, JFE Steel Corporation
August	2008	Director, Division Planning, Finance, Molex Japan Co., Ltd. (now Molex Japan LLC)
October	2011	Senior Director, Division Strategy Planning
January	2016	Senior Director, Management System, Operations
August	2017	Financial Controller, Imerys Minerals Japan KK
April	2018	Managing Executive Officer; Financial Planning Department (Deputy in charge) and Corporate Planning Department (Deputy in charge), UNIZO Holdings Company, Limited
June	2019	Executive Managing Officer and Board Director, Financial Planning Department
August	2020	Bursar, The British School in Tokyo (incumbent)
April	2023	Outside Director, the Company (incumbent)
March	2025	Outside Director, artience Co., Ltd.
March	2026	Outside Director (Audit and Supervisory Committee Member), artience Co., Ltd. (incumbent)

Outside Director

Ryoichi Nawa

Outside Independent

April	1981	Joined Information Services International-Dentsu, Ltd. (now DENTSU SOKEN INC.)
April	2011	Executive Officer
January	2017	Senior Executive Officer
March	2018	Director/Managing Executive Officer
March	2019	Representative Director and President & COO
January	2020	Board Member, Dentsu Japan Network, Dentsu Group Inc.
March	2024	Corporate Advisor, DENTSU SOKEN INC.
April	2025	Outside Director, the Company (incumbent)

Directors who are Audit and Supervisory Committee Member

Director (Full-time Audit and Supervisory Committee Member)

Toshiharu Sakai

April	1987	Joined the Company
February	2007	Manager, Sales Division, IT Solution Group
February	2017	Manager, General Affairs Division, Corporate Support Unit
February	2020	Manager, General Affairs Division, Corporate Administration Unit
April	2022	Manager, Internal Audit Division
February	2023	Executive Officer
April	2023	Director (Full-time Audit and Supervisory Committee Member) (incumbent)

Outside Director (Audit and Supervisory Committee Member)

Katsunori Taniguchi

Outside Independent

April	1981	Joined Tohmatsu & Aoki Audit Corporation (now Deloitte Touche Tohmatsu LLC)
April	1988	Registered as a certified public accountant
April	1993	Senior Manager, Tohmatsu & Aoki Audit Corporation (now Deloitte Touche Tohmatsu LLC)
April	1999	Principal, Deloitte Tohmatsu Consulting Co., Ltd. (now ABeam Consulting Ltd.)
September	2002	Chief Researcher, The Japan Research Institute, Limited
December	2006	Associate Partner, IBM Business Consulting Services KK (now IBM Japan, Ltd.)
April	2007	Part-time Lecturer, Nihonbashi Gakkan University (now Kaichi International University)
June	2007	Corporate Auditor, NJK Corporation (now NTT DATA NJK Corporation)
September	2012	President, Katsunori Taniguchi Certified Public Accountant Office (incumbent)
April	2014	Associate Professor, Nihonbashi Gakkan University (now Kaichi International University)
April	2017	Part-time Lecturer, Kaichi International University
April	2019	Outside Corporate Auditor, the Company
June	2020	Outside Corporate Auditor, Happinet Corporation (incumbent)
April	2022	Outside Director (Audit and Supervisory Committee Member) of the Company (incumbent)

Outside Director (Audit and Supervisory Committee Member)

Motoaki Kuniyasu

Outside Independent

April	1978	Joined Mitsui & Co., Ltd.
May	1989	Manager, Business Department, Mitsui & Co. Europe Manager, Business Department, Mitsui & Co. UK
March	2004	General Manager, Business Division/ CCO, Mitsui & Co. Germany
April	2009	Deputy General Manager, Planning Office, Internal Auditing Division, Mitsui & Co., Ltd.
July	2010	General Manager, Internal Controls Office, Business Division, Mitsui & Co. (Asia Pacific) Pte. Ltd.
June	2012	Full-time Corporate Auditor, Trinet Logistics Co., Ltd.
July	2014	Full-time Corporate Auditor, Unicarrier Holdings Co., Ltd.
December	2014	Director/Managing Executive Officer, General Manager, Management Strategy Office, General Manager, Administration Division
October	2017	Special Advisor, Mitsubishi Logisnext Co., Ltd.
July	2018	Full-time Corporate Auditor, Curves Holdings Co., Ltd.
November	2019	Director (Full-time Audit and Supervisory Committee Member)
April	2024	Outside Director (Audit and Supervisory Committee Member) of the Company (incumbent)
October	2025	Assistant General Manager, Chair of the Corporate Governance Committee, Directforce (current position)

Specializations and experience of Director candidates (skills matrix)

The following six skills have been selected based on deliberations by the Nomination Committee as skills that the Board of Directors must possess to promote business and corporate strategies effectively in accordance with the Long-Term Management Plan.
The skills have been selected in consideration of changes in the business environment and the management challenges facing the Company, ensuring that the Board of Directors as a whole possesses the appropriate skills.
This is not an exhaustive list of all the experience or skills possessed by each candidate. Skills of special importance expected in each candidate are shown by circles.

Name	Business Administration/Governance	Sales/Marketing	ICT	HR/Labor	Finance/Accounting	Legal/Compliance
Takashi Himeno	●		●			
Hideki Takagi		●	●			
Atsushi Ookita		●	●			
Yasuo Sakai		●	●			
Futoshi Egami				●	●	●
Naoki Ishihara		●	●			
Shizuyo Takahashi			●	●	●	
Noriko Kosugi				●	●	
Ryoichi Nawa	●	●				
Toshiharu Sakai				●		●
Katsunori Taniguchi					●	●
Motoaki Kuniyasu	●					●

Board Effectiveness Assessment

Assessing effectiveness

Our company pursues corporate value by ensuring the effectiveness of the Board of Directors, which we accomplish through annual questionnaires surveying the Board's effectiveness. The surveys target all of our directors, including those serving on the Audit and Supervisory Committee and outside directors, and utilize the services of an external third-party organization. The Board of Directors discusses the results, addresses shortcomings identified through the questionnaire, and implements countermeasures.

Assessment process

Step	1. Assessment plan	2. Question-naire development	3. Request responses from specific individuals	4. External analysis and reporting	5. Analysis of survey results	6. Exchange of opinions at the Board of Directors meeting	7. Board of Directors consensus
Content	Schedule the Board of Directors effectiveness survey	Develop questionnaire items based on issues identified in the previous fiscal year	Elicit responses to the questionnaire from each director	Enlist a third-party organization to analyze the data and compile a report	Analyze and organize issues based on the survey results report from the external organization	Report survey results and analysis to the Board of Directors	Based on the report, reach agreement on the priority of issues and actions to address at the Board of Directors meeting

Main survey items

1. Role of the Board of Directors 2. Composition of the Board of Directors 3. Board deliberations
4. Director performance 5. Board operations 6. Dialogue with shareholders (investors)
7. Operation of the Nomination and Compensation Committees 8. Your own initiatives

Challenges and initiatives in FY1/2025

- Establishing a foundation to strengthen the functions of the Board of Directors
  Further strengthening the Board's functions by promoting the diversity of its members and ensuring necessary skills are represented
- Deepening and enriching discussion of medium-to-long-term strategy
  Deepening Board deliberations and strengthening the monitoring of medium-to-long-term strategies, including the management and business strategies
- Enhancing coordination between the Board of Directors and the Committees
  Tightening collaboration with the Sustainability and Risk Management Committees
- Enhancing the quality of dialogue with outside directors
  Elevating discussions through dialogue with the Nomination Committee, Compensation Committee, and outside directors

Key matters discussed by the Board of Directors in FY1/2026

Based on the issues identified in the Board effectiveness assessment, the Board of Directors selected key agenda items and held focused discussions on them.

- Management strategy and the Medium- and Long-Term Management Plans
- Growth strategies, including M&A and capital alliances
- Strengthening governance
- Sustainability initiatives and risk management
- Promotion of diversity (the establishment of the CEC Group Human Rights Policy and the DE&I Promotion Policy)
- Enhancing information disclosure (including the Integrated Report)

Other matters

Summary of FY1/2026 assessment

The survey results indicate that directors conducted their deliberations based on a shared understanding of the Company's sustainable growth and the creation of medium-long-term corporate value. The results also confirmed the consensus reached on the Board's supervisory role in strengthening its supervisory role and enhancing coordination with its committees, and based on these findings concluded that it performed effectively overall. At the same time, the survey identified ongoing issues, including the need to enhance the Board's agenda-setting process, particularly with respect to management strategy and planning, and to further enrich the quality of Board discussions.

Response to challenges in FY1/2026

Key challenges identified

1. Establishing a foundation to strengthen the functions of the Board of Directors
2. Deepening and enriching discussion of medium-to-long-term strategy
3. Enhancing the Board's agenda-setting process

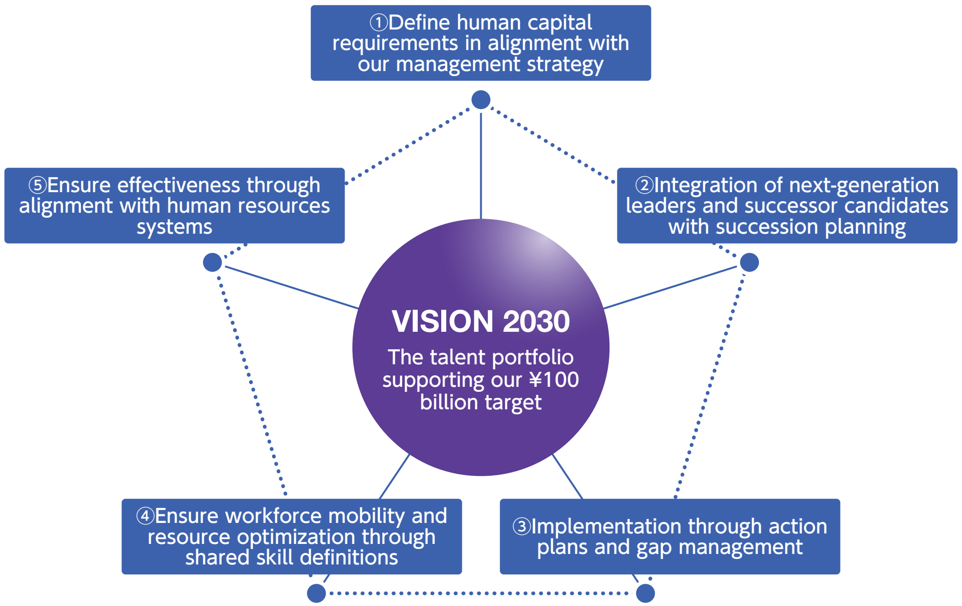
Addressing key issues

1. Promote further diversity and enhance the oversight function of the Board of Directors
2. Deepen Board discussion through monitoring, including review of the medium-to-long-term strategy
3. Enhance the agenda-setting process by taking up matters related to medium-to-long-term management issues, to achieve sustainable growth in corporate value

Succession Planning and Executive Compensation

A dynamic talent portfolio to support the attainment of VISION 2030

We regard our people as our most important management resource. As the foundation supporting the achievement of VISION 2030's ¥100 billion target and sustainable growth, we are transforming our workforce into a dynamic talent portfolio aligned with our management strategy. To further strengthen this foundation, we are implementing a talent strategy focused on enhancing recruitment and talent development. We recognize human capital not simply as a cost but as a source of value creation, and are integrating our management and talent strategies while clearly linking investments with the value generated.
The five initiatives shown in the figure are being advanced as an integrated framework, linking a talent portfolio aligned with our management strategy to our human resources systems, while establishing a clear connection between the development of next-generation leaders and our succession planning.
We aim to promote higher employee engagement and to enable a diverse workforce to thrive. By disclosing progress with these initiatives as human capital information, we can foster constructive dialogue with stakeholders. A strong talent portfolio forms the human capital foundation that will drive the achievement of VISION 2030 and corporate value creation beyond it.



Re-identifying the necessary talent

If we are to continuously operate and refine our succession planning and director appointment and dismissal processes, successor candidates must possess not only high professional expertise, but also the ability to involve and motivate others, adapt to change, and think independently.
Accordingly, we define our desired talent profile from multiple perspectives by adding the three attributes shown below to the specializations in our skills matrix. Based on this framework, we systematically develop and appoint both strategic leaders and operational leaders responsible for execution.

Desired talent profile: Skills matrix (specialism) plus three additional attributes

① Leadership capacity

② Interpersonal effectiveness

③ Behavioral competencies

People as the foundation of value creation
Building a talent portfolio aligned with our management strategy

Strengthening earnings capacity through successor development

To achieve sustainable growth and enhance corporate value, we are transforming our business from one that depends on the capabilities and experience of individuals to one with an organizational earnings structure that can deliver reproducible results.
The executive leaders who are considered successor candidates should not only be capable of delivering results themselves, but also of designing and embedding the organizational systems that underpin performance. By converting individual knowledge and experience into institutional knowledge and deploying it through repeatable management models, we strengthen the stability and growth potential of our business.
We are also driving business transformation through the use of digital technologies and AI to improve decision-making, enhance productivity, and create new value. Through these initiatives, we aim to establish a management foundation capable of delivering sustainable earnings even in a rapidly changing business environment.

Succession Planning and Executive Compensation

A management foundation that continuously cultivates next-generation leaders and successor candidates

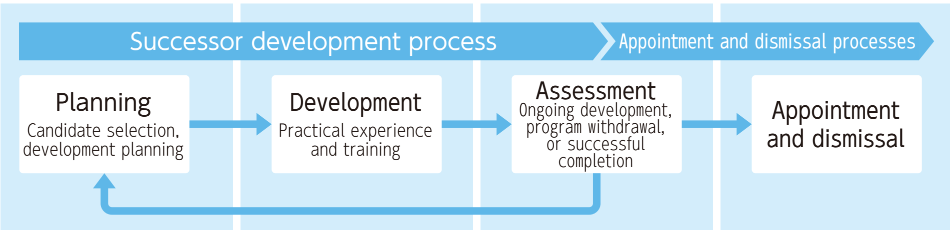
CEC regards the continuous development of next-generation leaders and cultivation of successor candidates as a key management priority, which ensures leadership continuity without relying on the qualities of any particular individual. During the current fiscal year, we combined the Nomination Committee and Compensation Committee into a single Nomination and Compensation Committee, enabling us to consider leadership appointments and compensation in one integrated decision-making process.

The Committee is composed primarily of independent outside directors and is responsible for making recommendations to the Board of Directors on key matters, including the appointment and dismissal of directors, successor development, and compensation, from an objective and multifaceted perspective. In particular, the Committee regards the monitoring of the succession planning process, including the identification and development of future executive leaders, as a critical role, and regularly reviews its progress.

By operating succession planning as a structured organizational process, we enhance the transparency and effectiveness of successor selection and appointment.

Creating a structured succession planning process

Our succession planning is a cycle consisting of four stages: planning, development, assessment, and appointment and dismissal. Candidates are selected based on defined requirements, given practical experience and training, then face a comprehensive assessment governing appointment, continued development, or withdrawal from the program. We cultivate a management perspective through selective training programs and cross-division job rotations, and regularly monitor candidate readiness to systematically strengthen our talent pipeline. We continuously cultivate management talent by creating a culture of developing the next generation of leaders.

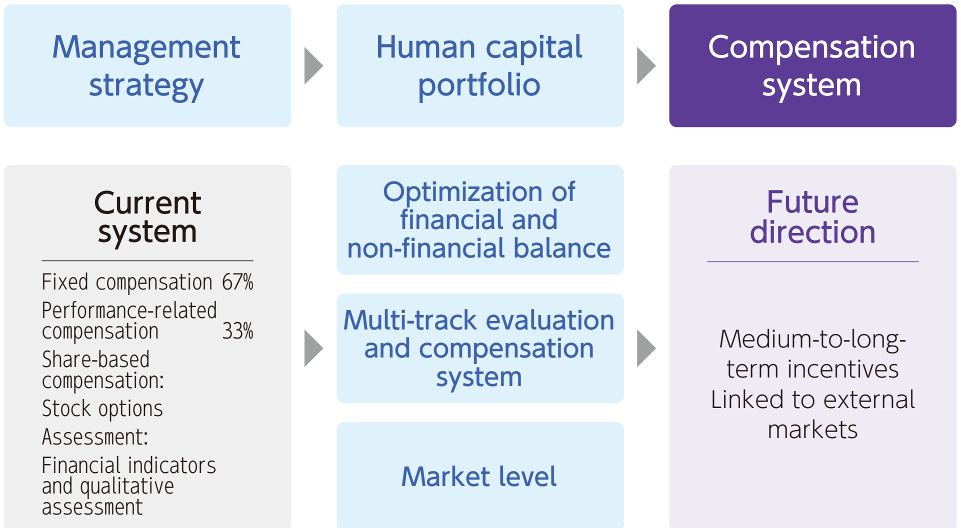


Further aligning our compensation system with our management strategy

The maximum directors' compensation is approved at the Annual General Meeting of Shareholders, with directors who serve as members of the Audit & Supervisory Committee considered separately from other directors. The level and composition of compensation are also subject to objective review, with appropriateness and transparency ensured through deliberation by the Nomination and Compensation Committee.

Compensation for directors who are not members of the Audit & Supervisory Committee comprises fixed and performance-linked compensation. Performance-linked compensation includes share-based compensation (stock options), so that management and shareholders are aligned in their interest in long-term value creation. Evaluation combines financial metrics with qualitative assessments, so that compensation reflects each director's roles and achievements.

Going forward, we will continue to treat compensation as a driver of strategy execution. By gradually increasing the proportion of long-term incentives, optimizing evaluation through a combination of financial and non-financial metrics, and reviewing our multi-track evaluation and compensation system, we will further strengthen the alignment between executive compensation and our management strategy.



Message from an Outside Director

Serving as Chair of the Nomination and Compensation Committee, Working toward a stronger earnings base

In the three years since I was appointed as an Outside Director, the external environment has changed dramatically owing to major geopolitical developments and the rapid advancement of AI. CEC has also reached a true turning point in its commitment to creating new future value, marked by the announcement of VISION 2030. Capital markets have similarly undergone significant change, raising expectations for yet stronger growth rooted in earnings power and enhanced corporate governance. Based on the management strategy set out in VISION 2030, CEC is currently advancing structural reforms centered on a services pivot and value enhancement, while accelerating initiatives to improve capital efficiency and fundamentally strengthen earnings power. As a member of the Board of Directors, I continue to monitor progress with these initiatives.

In particular, working alongside AI is evolving into a core element of CEC's technology strategy. By leveraging the company's technological strengths, AI will not only deliver dramatic improvements in organizational productivity, but also create value beyond what people alone can achieve. At the same time, it has triggered a renewed appreciation of the value of human work and created new roles, enhancing CEC's capacity to add value and creating new earnings opportunities. Against this backdrop, CEC's human capital strategy has become even more important, now serving as a critical foundation for the management strategy.

In the previous fiscal year, the Nomination Committee held extensive discussions on the direction for succession planning, recognizing the importance of the nomination function for providing oversight in strengthening the company's earnings power. This fiscal year, we further deepened our discussions with the executive team, resulting in the formulation of the Basic Human Capital Policy and the Human Capital Strategy Roadmap. These policies clearly define the relationship between human capital investment and the returns expected, by establishing frameworks for decision-making led by the Board of Directors, the competencies expected of senior management, the development of a talent portfolio aligned with the management strategy, and incentives governing the recognition of talent and behaviors. It was after thorough consideration of these matters that we made our recommendations to the Board.

Once these frameworks become embedded, they will not only strengthen the company's talent portfolio but also ensure a continuous supply of successor candidates and aid leadership development. This will enable more effective nominations, and provide the foundation for strengthening earnings power to drive growth. From this fiscal year, the Board of Directors resolved to integrate the nomination and compensation functions into a single Nomination and Compensation Committee, aiming to make monitoring more effective by considering nomination and compensation-based incentives together. The Committee will work to ensure these frameworks are embedded across the organization, and continuously monitor effectiveness. As Chair, I intend to fulfill my responsibilities and contribute to the sustainable growth and enhancement of corporate value at CEC.

Shizuyo Takahashi
Outside Director
Chair, Nomination and Compensation Committee

Risk Management

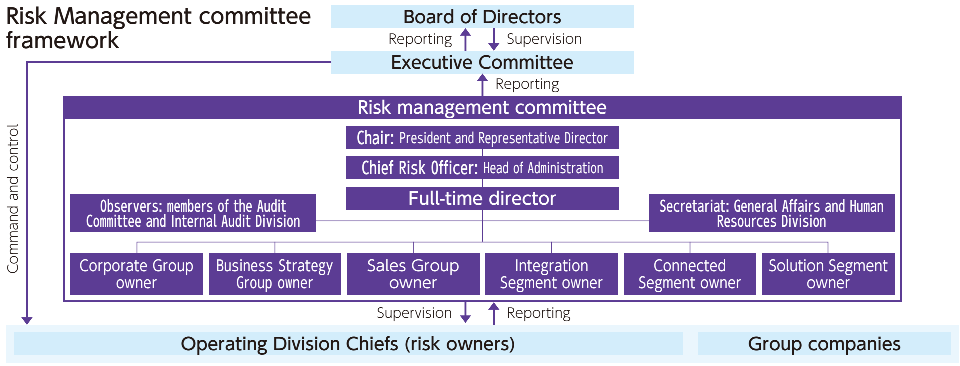
Risk management initiatives

CEC has established its Risk Management Regulations to ensure business continuity, maintain sound management, and preserve and enhance corporate value. Under this framework, the CEC Group proactively anticipates and evaluates risks, implementing appropriate measures including risk avoidance, mitigation, and transfer to achieve the best outcomes at the lowest cost.
Specifically, we monitor variances between project plans and execution, prepare for incidents that could impede attainment of the management plan and build capacity for rapid recovery when they occur, improve quality and efficiency, and provide training and guidance to support talent growth and development. We also review and revise related regulations and manuals, including the Disaster Management Regulations, to ensure a swift and appropriate response in the event of an emergency.
We established the Risk Management Committee in 2025 to implement these initiatives.

Our risk management activity policy

Medium-term management plan → Risk assessment → Risk taking / Risk mitigation → Achieve management plan targets / Raise corporate value

Risk Management committee framework



Risk Management Committee Activity Report
(met six times from April 2025 through July 2026)

Main activity areas

- Implementation of companywide risk management
- Material risk identification process
- GDPR
- Public relations risk
- Joint training for directors, executive officers, risk owners
- Documentation of the risk map and risk catalog
- Human rights due diligence
- BCP

CEC Risk Management

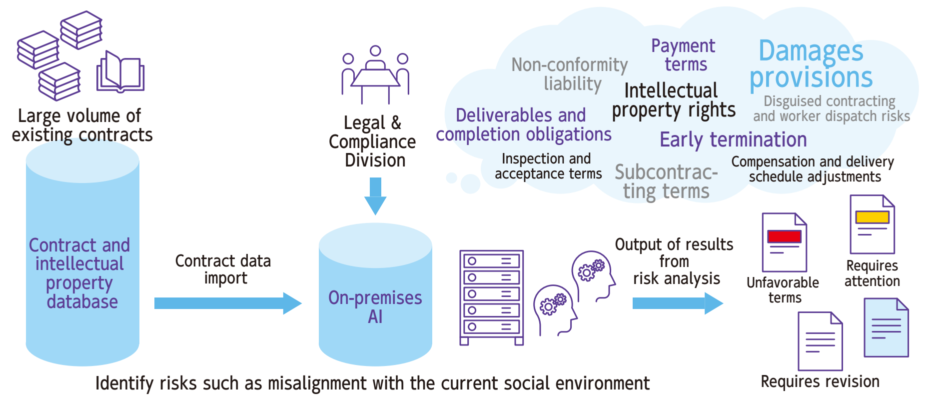
Mitigate risks through repeated risk assessment and control evaluation based on the PDCA cycle

Priority issues and risks to be addressed

Business impact risks	Countermeasures and objectives
Investment and internal accounting controls	Optimize investment and financial/accounting processes, improve accuracy of performance management
Talent acquisition, development, and retention	Develop future leaders, attract next generation of talent, enhance employee engagement
Quality, technology, and DX evolution	Advance development technologies and DX, improve both efficiency and quality
Advanced use of AI technologies	Deploy AI across businesses for effective human-AI collaboration
Personal data and information security	Strengthen information management, prevent data leaks through employee education
Compliance with GDPR and other overseas regulations	Accelerate preparations for future global business expansion
Litigation, disputes, and unfavorable contracts	Prevent risks by identifying unfavorable contract terms and negotiating revisions
Share price volatility and hostile takeovers	Build trust with stakeholders to raise resilience against external factors
Human rights due diligence	Respect human rights, foster appreciation of diversity, employ broad talent
Inadequate public relations framework	Prevent reputational damage and loss of public trust arising from media and social media
Dependence on key customers and outsourcing partners	Reduce dependency and minimize business impacts through database development and analysis
Disaster response, BCP, and IT-BCP	Prevent and prepare for disasters and external threats, ensure robust business continuity

Start applying AI to risk management

- Use AI to comprehensively analyze a large volume of contracts, efficiently identifying and assessing terms that may become unfavorable due to legal and regulatory amendments, changes in social conditions, or other developments not apparent when the contracts were entered into.
- Use AI in an on-premises environment to conduct risk analysis securely without transmitting highly confidential contract information externally.



Information Security and Personal Data

Information security initiatives

Our company handles various types of information, treating confidential information concerning our customers and internal affairs with the greatest care. Given the importance of managing information risk, we protect information assets from threats such as unauthorized access and information leaks. The proper management of data under our information security regime is based on the following fundamental policy.

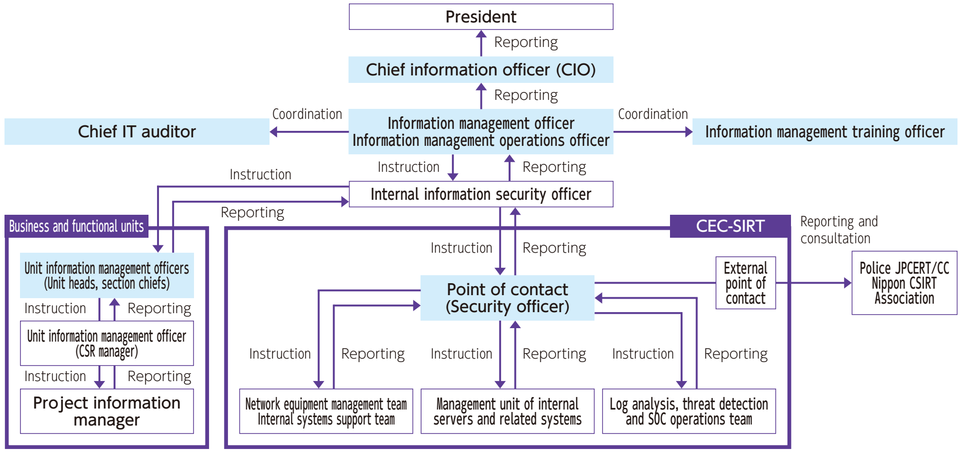
Information security measures in practice	Information security training
Information security framework	Response to information security incidents
Proper handling of information assets	Information security audits
Compliance with laws, regulations, and confidentiality agreements	Continuous information security improvement

AI security initiatives

The rapid uptake of generative AI is widening the potential for new value creation. However, at the same time it brings new risks that conventional cybersecurity systems were not designed to address, including the unintentional transmission of confidential data to external parties, and the use of AI-generated false information in business processes. These new risks require new approaches.
We have established a basic AI policy and generative AI usage guidelines, and launched initiatives to build an AI security framework and promote the appropriate use of AI.

Information security framework

CEC has established a framework under which the president serves as the company's information management officer and oversees the security arrangements of each business unit. To minimize damage in the event of a computer security incident, we have also established an incident response organization called CEC-SIRT that includes our own Security Operation Center (SOC). We have thus built a system capable of providing effective response 24 hours a day, 365 days a year. CEC-SIRT also collaborates with external organizations such as the Japan CSIRT Association and JPCERT/CC.



Information security risk mitigation approach

Ransomware attacks and other recent incidents have resulted in numerous leaks of personal and confidential information. To counter the risks of ransomware infection and information exfiltration, our group implements the following countermeasures.

Response Perspective	Measures
Intrusion defenses	Implement multilayered defenses using systems to block unauthorized communications and monitor suspicious traffic.
Malware countermeasures	Monitor endpoint behavior using our SOC (Security Operation Center) and EDR (Endpoint Detection and Response) strategies. Isolate any endpoints exhibiting suspicious activity. To defend against information exfiltration, we have established surveillance capabilities that automatically detect communications suspected of unauthorized external data transfer and trigger an immediate response.
Rapid response measures for contingencies	CEC-SIRT conducts regular training to ensure appropriate responses.

Information security education and awareness

At least twice a year, the CEC Group holds e-learning sessions to provide education on information security rules and enhance awareness among executives, employees, and partner staff. Moreover, we run training on the handling of personal information to raise awareness and ensure all staff understand its importance and act appropriately.

Personal information protection initiatives

In accordance with our personal information protection policy, each group company sets rules regarding the handling of personal data and ensures the proper management of information entrusted to us by stakeholders such as customers and employees.
We have also established our own Personal Information Management System and continue to implement risk-mitigation measures and employee training on an ongoing basis.
As a result of these initiatives, the Company obtained PrivacyMark certification in March 1999, based on the Japanese Industrial Standard "JIS Q 15001:Personal Information Protection Management Systems - Requirements," covering the entire organization, and we have maintained this certification ever since.
We will continue to appropriately maintain and enhance our policies and management framework to ensure highly reliable information management.

Compliance

Basic approach

We have established our CEC Group Code of Conduct to clearly define the fundamental principles that govern our corporate activities. This code centers on enhancing management transparency and efficiency, and stipulates the thorough adoption of corporate ethics and governance. We require all officers and employees to comply with laws, regulations, and internal rules and to act in accordance with social norms.

Compliance framework

Status of compliance framework development

- We have established the CEC Group Code of Conduct to clarify the fundamental philosophy of our corporate activities. For employees, we have defined the CEC Group Conduct Guidelines, which underpin their daily actions.
- To instill compliance awareness among our employees, we develop compliance training materials for use with our staff education program.
- Based on our whistleblower system, we have established internal and external communication channels and created a mechanism that allows unrestricted reporting via email, telephone, and web.
- The Audit & Supervisory Committee and the Internal Audit Division work together to evaluate the companywide compliance framework, monitor for any legal and compliance issues, and ensure the transparency and reliability of our business processes.
- In case of serious violations of laws, regulations, or the Articles of Incorporation, disciplinary actions are determined by the Disciplinary Committee.

Compliance training

Our annual training program is designed to enhance compliance awareness, prevent misconduct, and ensure the thorough understanding of the CEC Group Code of Conduct and CEC Group Conduct Guidelines. This training, which is mandatory for all officers and employees of our group, uses actual incidents affecting listed companies as instructional illustrations to help raise awareness of the need to act with integrity and fulfill our social responsibilities as corporate citizens.

Training content	Companywide training (FY2024)	Companywide training (FY2025)	New-employee training
Causes of compliance violations	◎	○	○
Consequences of compliance violations	◎	○	○
Purpose and compliance			◎
Information leakage	◎	◎	◎
Human rights and AI		◎	◎
Intellectual property rights			○
Preventing corruption	◎	◎	
Power harassment		○	○
Sexual harassment		○	○
Insider trading		◎	◎
Use of social media		○	○
Contractual issues	◎		
Criminal offenses	◎	○	
Whistleblower system	○	○	○

◎: Training as a key theme

Whistleblower system

We have established an internal Multipurpose Consultation Room and an external Corporate Ethics Hotline as whistleblowing channels. In the current fiscal year, we received 23 inquiries. We promote the whistleblower system by posting updated information about the system and instructions for its use on the company intranet at the beginning of each month. We also encourage its use through our compliance training.

Anti-corruption policy and measures

The CEC Group has established Anti-Corruption Guidelines based on our Anti-Corruption Policy, through which we promote proper business dealings at the operational level in line with our Anti-Corruption Policy. An extract from the Guidelines is presented below.

Basic Principles

(1) Do not provide benefits in expectation of receiving favorable treatment in connection with your duties.
(2) Do not engage in conduct that violates the other party's laws, code of ethics, internal rules, or other applicable regulations.
(3) When a specific business matter is under consideration, apply stricter controls than under normal circumstances.

Prohibited conduct

(1) Requesting favorable treatment in relation to a specific business matter, including project selection, contract awards, specification development, bidding, budget allocation, questions raised in legislative assemblies, reduction of administrative penalties, or other similar actions.
(2) Providing money, gift certificates, gifts, entertainment, travel expenses, accommodation expenses, or any other benefit in return for, or in expectation of, such favorable treatment.
(3) Providing any benefit to a public official or related person that could be regarded as favorable treatment.
(4) While a matter is under consideration, holding personal, expensive, late-night, or after-party meals without prior approval.
(5) As a company, making donations, providing gifts, mobilizing personnel, providing vehicles, supplying goods, or otherwise participating in election campaigns or political activities.

Rules on business meals, gifts, election-related situations, and receipt of benefits

Business meals are permitted only where there is a legitimate need for the exchange of general information.
As a general rule, gifts intended for an individual public official are prohibited.
The company does not participate in election campaigns or political activities involving public officials or political candidates.

Approvals & Recordkeeping

Record all relevant contacts using the Contact Record Form.

Other

Develop a decision matrix for operational staff

Corporate information

Company overview (as of January 31, 2026)

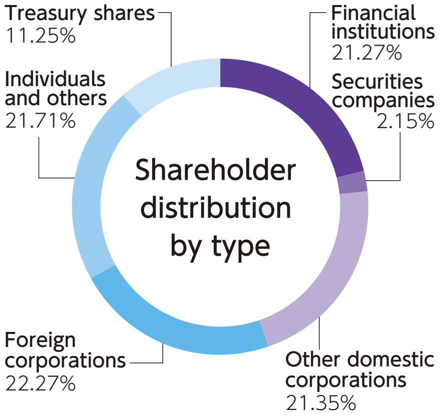
Company name	Computer Engineering & Consulting Ltd.
Address	JR Ebisu Building, 1-5-5 Ebisuminami, Shibuya-ku, Tokyo 150-0022, Japan
Tel	03-5789-2441 (Main)
Established	February 24, 1968
Capital	¥6,586 million
Employees	1,659 (parent), 2,401 (group)

Major group companies

Name	Business description
Foresight System Co., Ltd.	System development, construction, maintenance, and operation services
CEC Customer Service Ltd.	System construction, ICT implementation support, operation services, and package sales
Oita Computer Engineering & Consulting Ltd.	System development services
Computer Engineering & Consulting (Shanghai), Ltd.	Package software implementation support services
COMSTAFF Co., Ltd.	Staffing services
Jyoho System Service Co., Ltd.	System development, package software development and sales

Stock information (as of January 31, 2026)

Total authorized shares	80,000,000
Total shares in issue	35,168,200
Number of shareholders	6,812

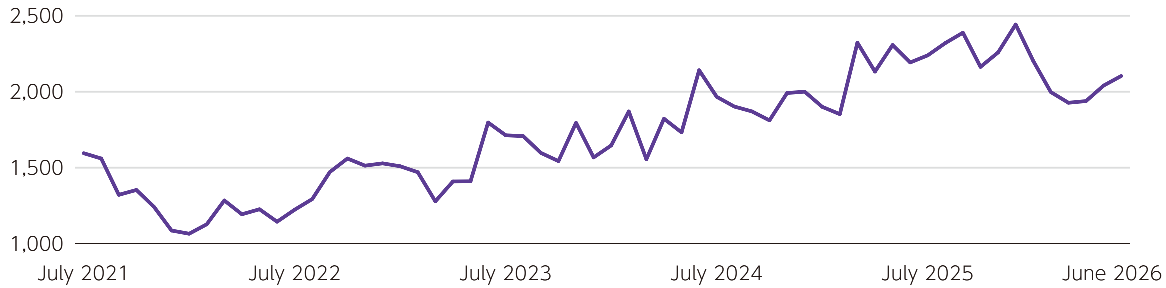


Major shareholders

Name	Number of shares held	Shareholding ratio (%)
Mitsuiwa Corporation	4,447,200	14.24
The Master Trust Bank of Japan, Ltd. (trust account)	3,679,800	11.79
Custody Bank of Japan, Ltd. (trust account)	2,345,700	7.51
Hirosato Iwasaki	1,335,100	4.27
Fujitsu Limited	1,240,000	3.97
CEC Employee Stock Ownership Program	1,059,400	3.39
BNP PARIBAS LUXEMBOURG/2S/JASDEC/ FIM/LUXEMBOURGFUNDS/UCITS ASSETS	965,000	3.09
Japan Foresight Electronics Ltd.	930,960	2.98
MSIP CLIENT SECURITIES	758,081	2.42
STATE STREET BANK AND TRUST COMPANY 505103	493,931	1.58

Ownership percentages are calculated excluding treasury shares (3,957,736 shares)

Stock price (JPY)



Caution regarding forward-looking statements

The forward-looking statements regarding future performance contained in this report are based on judgments and assumptions made using information available at the time of preparation, including trends in the Japanese economy and the service industry. Therefore, please be aware that these statements are subject to change due to inherent uncertainties and future changes in internal and external circumstances affecting business operations.

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