

Financial Results Briefing

FY2026 Second Quarter

Earnings Presentation

August 14, 2026

Core Concept Technologies Inc.

Securities Code: 4371



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Takeshi Kaneko (hereafter “Kaneko”): I’m Kaneko, Representative Director, President and CEO of Core Concept Technologies. Let me explain the financial results in the second quarter of the fiscal year ending December 2026.

These are today’s agendas.

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1

Executive Summary



Executive Summary

FY2026 Q2 Results

Revenue and operating income increased YoY, while operating margin declined slightly

Both revenue and operating income came in above plan

	FY2025 Q2	FY2026 Q2				
Revenue	10,168	11,343	million yen	YoY	+11.6	%
Operating Income	1,073	1,148	million yen	YoY	+7.0	%
Operating Margin	10.6	10.1	%	YoY	▲0.4	pp

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This shows the executive summary.

In the first half of this fiscal year, sales and profit grew year on year. Operating margin dropped slightly, but both revenue and operating income were healthy, exceeding the forecast.

Revenue was 11,343 million yen, up 11.6% year on year.
 Operating income was 1,148 million yen, up 7.0% year on year.

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Financial Results

Consolidated Income Statement

CORE CONCEPT TECHNOLOGIES INC.

- Revenue and gross profit increased, while gross margin and operating margin declined slightly
- Net income for the second quarter declined significantly due to trust-type stock option related loss recorded in the first quarter
- Revenue, gross profit, and operating income all recorded progress rates slightly above plan

(Millions of yen)

	FY2025 Q2	FY2026 Q2	Change	Change (%)	Full-Year Forecast	Progress
Revenue	10,168	11,343	+1,175	+11.6%	23,000	49.3%
Subcontracting Costs	5,812	6,548	+735	+12.7%	—	—
Personnel Costs	1,319	1,398	+79	+6.0%	—	—
Other Cost of Sales	255	302	+47	+18.4%	—	—
Gross Profit	2,779	3,093	+313	+11.3%	6,344	48.8%
SG&A	1,706	1,944	+238	+14.0%	—	—
Operating Income	1,073	1,148	+75	+7.0%	2,430	47.3%
Ordinary Income	1,074	1,171	+97	+9.0%	2,450	47.8%
Net Income	762	520	▲241	▲31.7%	1,330	39.1%
Trust-Type Stock Option Related Loss	—	296	+296	—	354	—
Adjusted Net Income	762	817	+55	+7.2%	1,684	48.5%
Gross Margin	27.3%	27.3%	▲0.1P	—	27.6%	—
Operating Margin	10.6%	10.1%	▲0.4P	—	10.6%	—
Subcontracting Cost Ratio	57.2%	57.7%	+0.6P	—	—	—

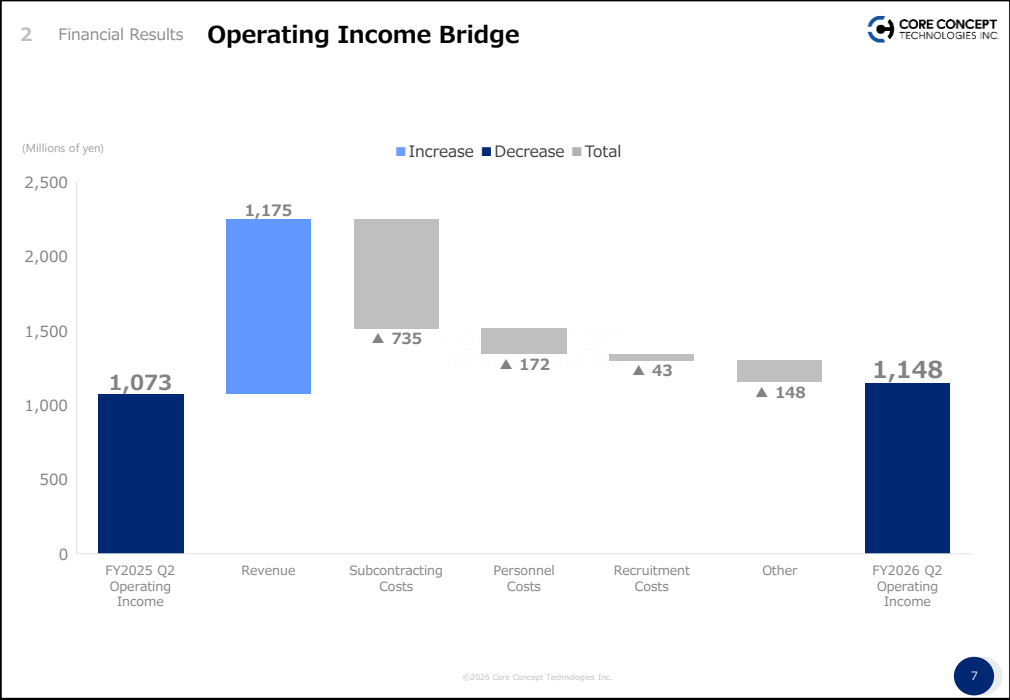
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Next, I will report the financial results. Firstly, let me report the results in the consolidated income statement.

It is noteworthy that both revenue and gross profit increased, showing healthy results. On the other hand, net income decreased significantly in the first half, as we posted a trust-type stock option related loss in the first quarter, but it exceeded the forecast, so it can be said that we are achieving steady results.

Regarding the rate of progress toward the full-year forecast, both revenue and operating income in the first half exceeded the forecast somewhat, so I think that the results are satisfiable.



Regarding the operating income bridge, there are no noteworthy points.

2 Financial Results Results by Service Segment



- Both DX Support and IT Staffing Support delivered revenue and profit growth, with DX Support achieving particularly strong growth in both
- DX Support gross margin declined but remained broadly in line with expectations
- Order backlog continued to grow steadily for both DX Support and IT Staffing Support

	FY2025 Q2	FY2026 Q2	(Millions of yen)	
			Change	Change (%)
Revenue	10,168	11,343	+1,175	+11.6%
DX Support	4,788	5,704	+915	+19.1%
IT Staffing Support	5,379	5,639	+260	+4.8%
Gross Profit	2,779	3,093	+313	+11.3%
DX Support	1,864	2,124	+259	+13.9%
IT Staffing Support	914	968	+53	+5.9%
Gross Margin	27.3%	27.3%	▲0.1P	—
DX Support	38.9%	37.2%	▲1.7P	—
IT Staffing Support	17.0%	17.2%	+0.2P	—
Order Backlog (As of quarter-end)	3,868	4,768	+900	+23.3%
DX Support	2,046	2,696	+649	+31.8%
IT Staffing Support	1,822	2,072	+250	+13.7%

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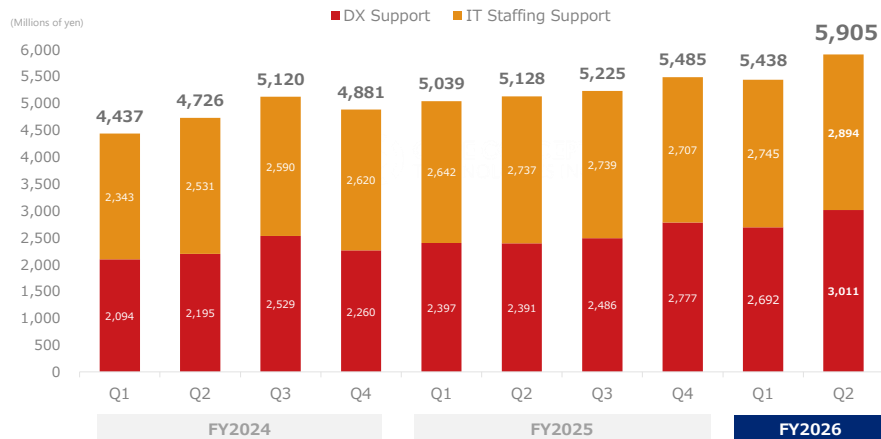
8

This shows the results by service segment. Sales and profit in both DX Support and IT Staffing Support increased. In particular, the sales from DX Support grew significantly, contributing to the growth of total sales and profit of our corporate group.

Order backlog, too, increased significantly year on year. In the first quarter, we already secured a sufficient backlog of orders, and in the second quarter, too, we maintained a sufficient backlog of orders.

Quarterly Revenue Trend

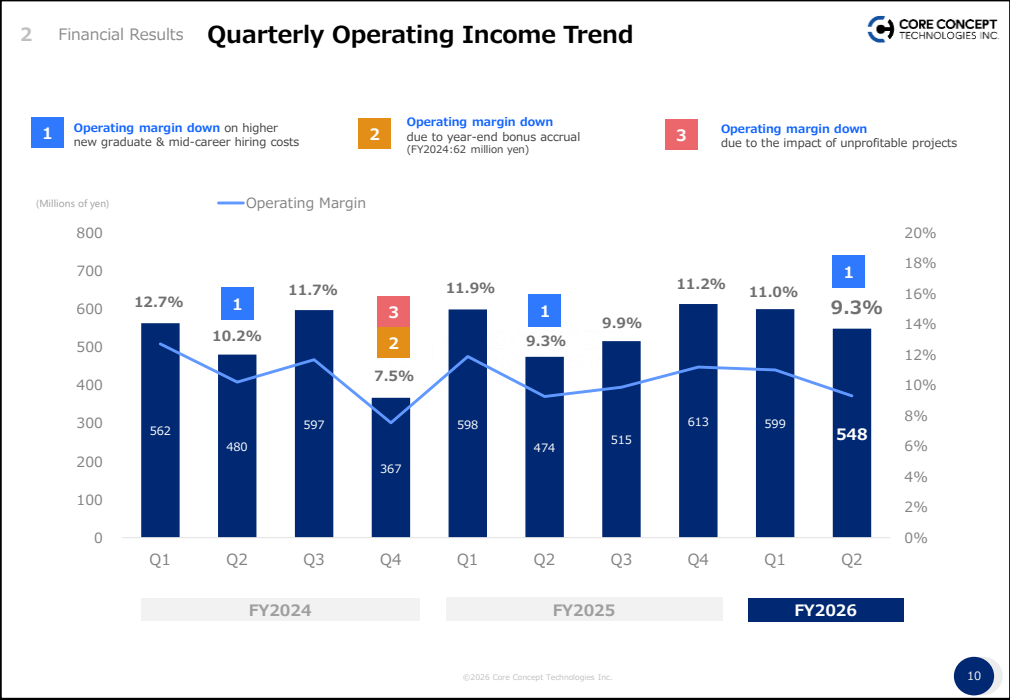
- **FY2026 Q2 revenue marked a record high on a quarterly basis**
- **[QoQ] Both DX Support and IT Staffing Support achieved significant revenue growth**



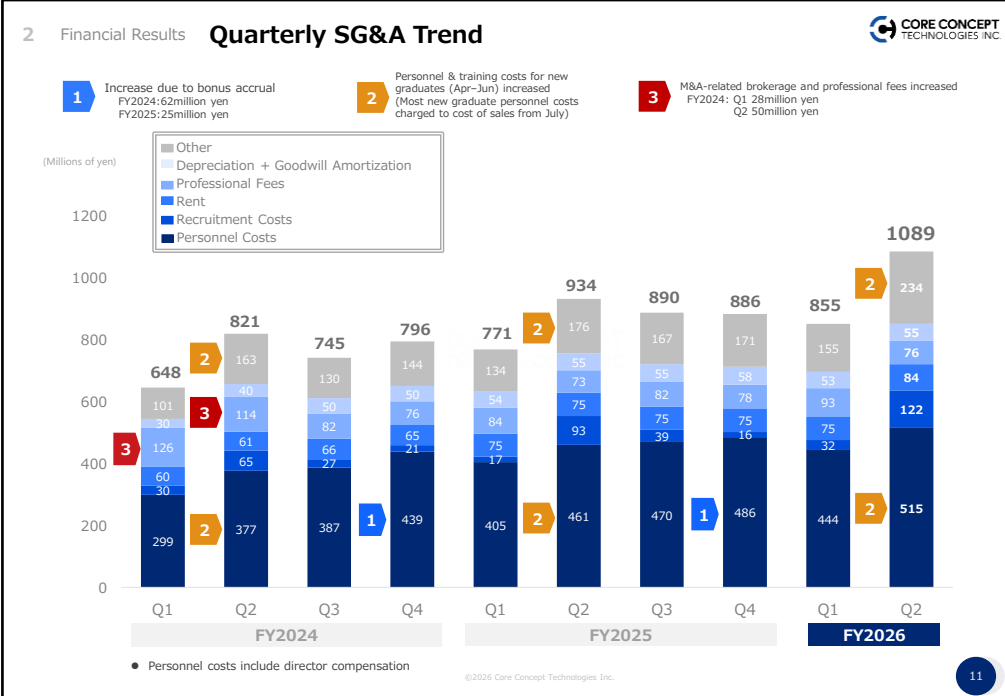
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This shows the quarterly revenue trend. In the second quarter, revenue was quite favorable, hitting a record high on a quarterly basis. Both DX Support and IT Staffing Support performed well.



This shows the quarterly operating income trend. In April 2026, new graduates joined our company, and entered the 3-month training period. This season, expenses tend to increase somewhat, but we are controlling the expenses sufficiently. As a result, operating margin was 9.3%.



This slide shows the quarterly SG&A trend. In the second quarter, the personnel and training costs on new graduates increase due to the seasonal factor, but comparing the results with the forecast, I can say that we were able to control them sufficiently.

- [QoQ] Revenue and gross profit both increased, while operating income decreased but nevertheless exceeded plan
- [QoQ] Operating margin declined due to seasonal factors but remained slightly above plan

(Millions of yen)

	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1	FY2026 Q2
Revenue	5,039	5,128	5,225	5,485	5,438	5,905
Subcontracting Costs	2,900	2,912	3,012	3,094	3,217	3,330
Personnel Costs	663	656	677	685	697	701
Other Cost of Sales	105	150	129	205	66	235
Gross Profit	1,370	1,409	1,405	1,499	1,455	1,637
SG&A	771	934	890	886	855	1,089
Operating Income	598	474	515	613	599	548
Ordinary Income	590	484	517	610	615	556
Net Income	416	345	370	369	139	380
Trust-Type Stock Option Related Loss	—	—	—	—	296	—
Adjusted Net Income	416	345	370	369	436	380
Gross Margin	27.2%	27.5%	26.9%	27.3%	26.8%	27.7%
Operating Margin	11.9%	9.3%	9.9%	11.2%	11.0%	9.3%
Subcontracting Cost Ratio	57.5%	56.8%	57.7%	56.4%	59.2%	56.4%

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This shows the quarterly variation in the consolidated income statement. Net income and gross margin improved between the first quarter and the second quarter.

In the first quarter, the subcontracting cost ratio was somewhat high at 59.2%, because there remained some unprofitable projects, but unprofitability has been solved, and the subcontracting cost ratio improved to 56.4% in the second quarter.

2 Financial Results

Results by Service Segment (Quarterly)



- **[QoQ]DX Support and IT Staffing Support revenue and gross profit increased, with order backlog also continuing to grow steadily**
- **[QoQ]DX Support recorded an improvement in gross margin**

(Millions of yen)

	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4
Revenue	5,039	5,128	5,225	5,485
DX Support	2,397	2,391	2,486	2,777
IT Staffing Support	2,642	2,737	2,739	2,707
Gross Profit	1,370	1,409	1,405	1,499
DX Support	933	931	931	1,026
IT Staffing Support	436	477	473	473
Gross Margin	27.2%	27.5%	26.9%	27.3%
DX Support	38.9%	39.0%	37.5%	36.9%
IT Staffing Support	16.5%	17.5%	17.3%	17.5%
Order Backlog	4,155	3,868	4,186	4,015
DX Support	2,373	2,046	2,312	2,110
IT Staffing Support	1,781	1,822	1,873	1,904

2026 Q1	2026 Q2
5,438	5,905
2,692	3,011
2,745	2,894
1,455	1,637
986	1,137
468	499
26.8%	27.7%
36.6%	37.8%
17.1%	17.3%
4,693	4,768
2,646	2,696
2,047	2,072

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This shows the quarterly variation in the results by service segment. In particular, DX Support saw significant increases in sales and profit. IT Staffing Support, too, saw steady increases in sales and profit.

As our corporate performance, we accumulated order backlogs while increasing revenue. In the second half, too, I'm committed to increasing them sufficiently.

(Millions of yen)

	FY2025 Q4	FY2026 Q2	Change	Key Factors
Current Assets	6,430	6,534	+104	Cash & deposits+2, Trade receivables+77
Cash and Deposits	2,505	2,507	+2	
Non-Current Assets	2,131	2,108	▲23	Goodwill▲35, Investment securities▲12, Guarantee deposits+44
Total Assets	8,561	8,642	+80	
Current Liabilities	3,293	3,213	▲80	
Non-Current Liabilities	209	214	+4	
Net Assets	5,058	5,214	+156	Treasury shares (acquired)▲373, Dividends▲308, Quarterly net income+520, Share capital & Capital surplus+319 (due to the exercise of trust-type stock options)
Total Liabilities & Net Assets	8,561	8,642	+80	
Equity Ratio	59.1%	60.3%	+1.3p	

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This is our consolidated balance sheet. From the fiscal year 2025 to the fiscal year 2026, we acquired treasury shares. Accordingly, net assets increased slightly from the fourth quarter of the fiscal year 2025 to 5,214 million yen. Equity ratio exceeded 60%, showing a stable financial standing.

In light of the disclosure made by SIGMAXYZ Holdings, Inc. dated April 13, 2026, our views and policy are as follows:

Our Views

- With respect to the acquisition of our shares by SIGMAXYZ Holdings, Inc., we have confirmed this as a fact through disclosures made by SIGMAXYZ Holdings, Inc. However, the acquisition up to a stake level that would trigger equity-method accounting was not made with our agreement.
- On the other hand, as we expect mutually complementary synergies from a business perspective, we are engaged in constructive discussions regarding potential collaboration.
- As of today, no agreement has been reached regarding a capital alliance.

Future Policy

- While maintaining the autonomy and independence of our management, we will continue to consider business collaboration that would be mutually beneficial.

Shareholding Status

As of July 10, 2026 Voting Rights Ownership Ratio: 16.03% Number of Voting Rights: 26,046 units (2,604,600 shares)

**This information is based on the Report of Possession of Large Volume submitted by SIGMAXYZ Holdings, Inc., and we have not verified the actual number of shares held.*

We will promptly notify our shareholders and investors should any matter requiring disclosure arise in the future.

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You can see our recognition regarding the acquisition of shares in our company by SIGMAXYZ Holdings, Inc. In principle, this is the same as that disclosed on April 13, 2026.

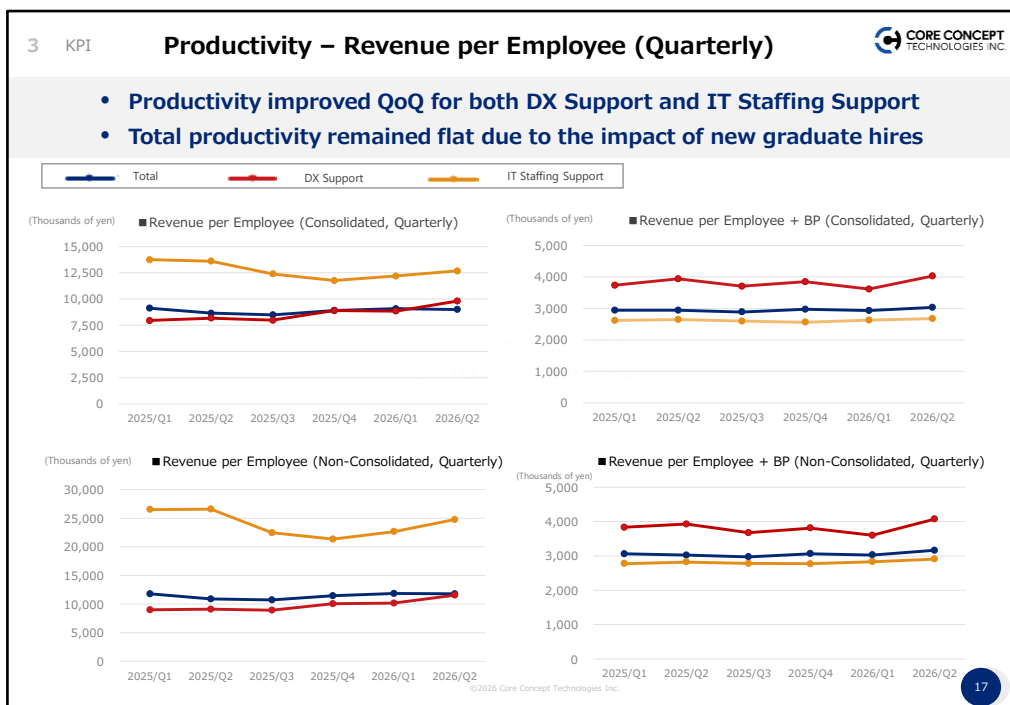
Regarding the share acquisition by SIGMAXYZ Holdings, we have not clearly agreed with the acquisition of shares to the level where the equity method would be applied.

On the other hand, both companies recognize that business synergy would be exerted, so we are striving to design measures for realizing beneficial cooperation for the two companies through constructive discussions. As of now, there have been no agreements about a capital alliance.

Our company aims to induce synergy between the two companies through cooperation while maintaining the autonomy and independence of our business administration.

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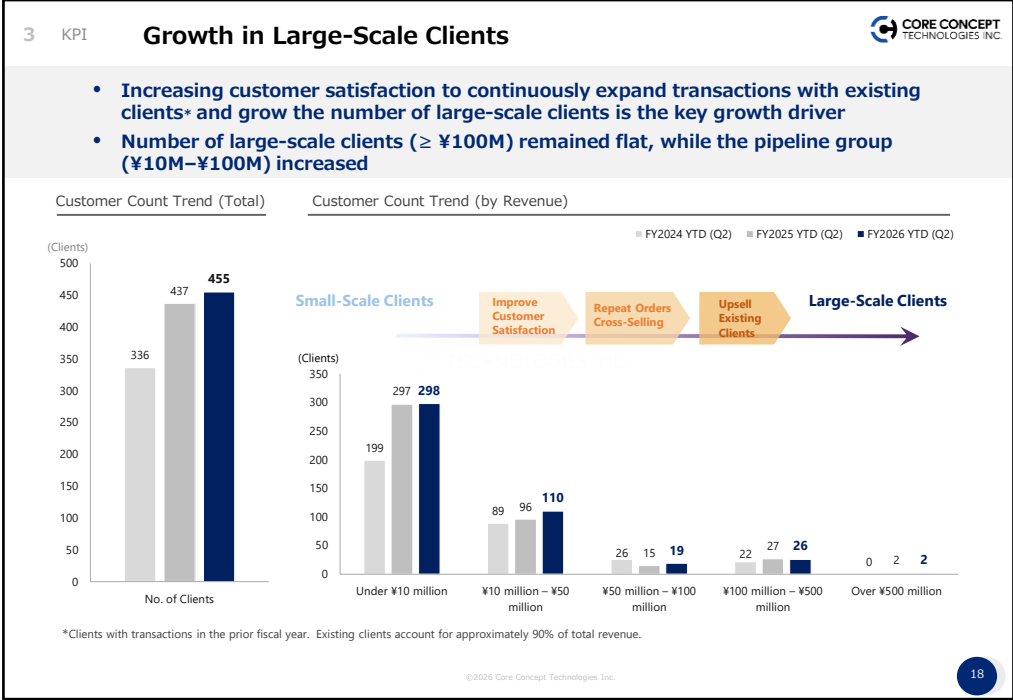




Next, I will give supplementary explanations about KPIs.

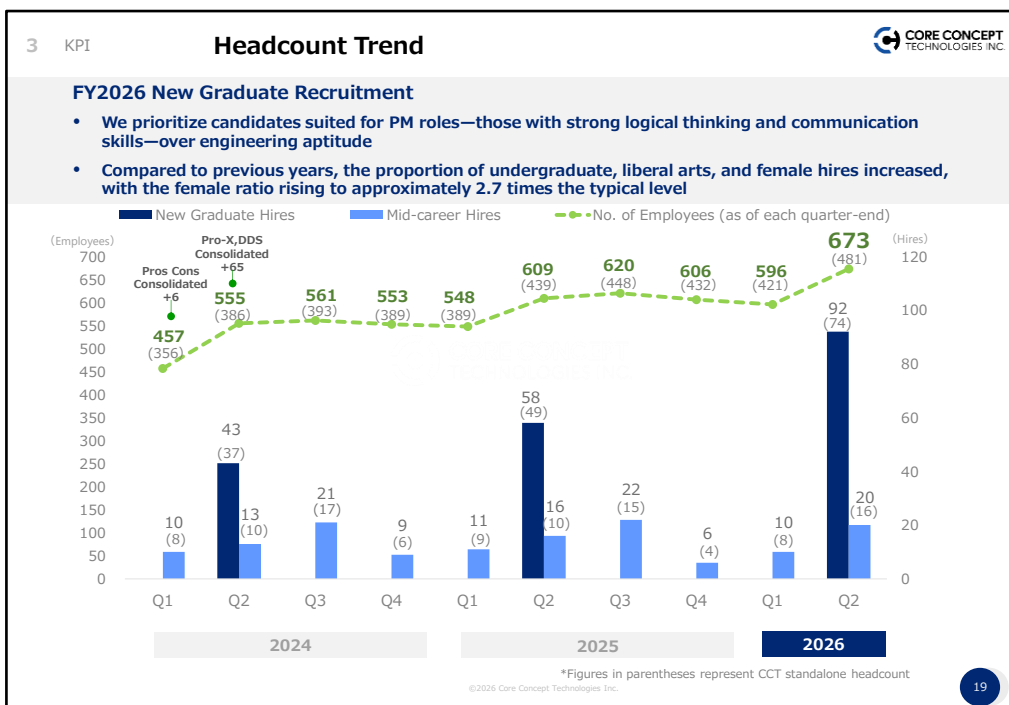
I will talk about the KPIs related to productivity. In both DX Support and IT Staffing Support, revenue per employee engaged in a project improved.

In the fiscal year 2026, more new graduates joined our company than usual. With that considered, revenue per employee on a consolidated basis remains almost unchanged. If new graduates start contributing to our projects early, overall productivity will improve. We plan to take intensive measures for that in the second half of this fiscal year.



This shows the growth in large-scale clients. Our company conducts marketing activities by continuously renewing contracts after receiving high evaluations from existing clients and receiving orders from new clients who have expectations toward our services. In particular, I think that it is important to steadily increase the number of existing clients.

As a whole, the number of clients has increased. We are entering the phase where we can increase the number of large-scale clients whose order amount exceeds 100 million yen. The number of medium-scale clients whose order amount ranges from 10 million yen to 100 million yen is increasing. We are engaged in marketing activities with the aim of increasing the number of clients whose order amount ranges from 100 million yen to 500 million yen or over.



This shows the headcount trends. In the fiscal year 2026, a total of 92 new graduates joined our corporate group, 74 of whom are for our company. The number of new graduates increased about 1.5 times from the fiscal year 2025.

Since about two years ago, we have changed desirable traits of students we recruit little by little. In the fiscal year 2026, we focused on talent who would serve as a project manager or engage in business management, while partially evaluating the aptitude for engineering.

We are shifting to the policy of evaluating students and recruiting many students while putting importance on excellent personalities such as logical thinking, communication skills, and the ability to work in teams.

This is not for preparing for the evolution of AI, but because they are important traits for growing our company into a large company. As AI has become widely used, I think that further growth can be achieved by recruiting those who have a good personality and pursue synergy in teamwork rather than engineering skills.

The new graduates who have joined our corporate group this time have an excellent aptitude. I think it is essential to train them so that they will be able to take central roles in our company and produce good results.

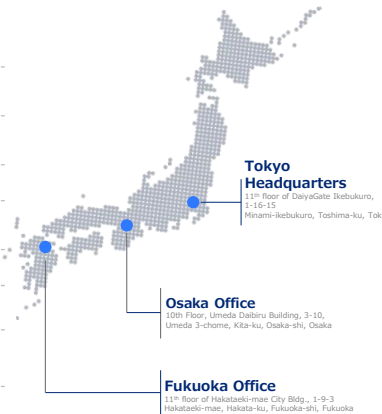
I would like to utilize our capability of recruiting excellent personnel with a good aptitude for business growth and personnel development.

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4 APPENDIX

Corporate Profile



Tokyo Headquarters

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

Osaka Office

10th Floor, Umeda Daibiru Building, 3-10, Umeda 3-chome, Kita-ku, Osaka-shi, Osaka

Fukuoka Office

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

Corporate Name	Core Concept Technologies Inc. (CCT)
Business Description	DX Support and IT Staffing Support
Location	11 th floor of DaiyaGate Ikebukuro, 1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo
Representative	Takeshi Kaneko, Representative Director, President and CEO
Date of Establishment	September 17, 2009
Share Capital	730,164 thousand yen (as of June 30, 2026)
Fiscal Year-End	December
Number of Employees	Consolidated: 673; Non-consolidated: 481 (as of June 30, 2026)
Location	Tokyo (headquarters), Osaka, and Fukuoka

Group Companies (wholly owned subsidiaries)

P. G. System Co., Ltd.	18-10 Matsushima-cho, Ube-shi, Yamaguchi	Pro-X Co., Ltd.	10th Floor, Umeda Daibiru Building, 3-10, Umeda 3-chome, Kita-ku, Osaka-shi, Osaka
Denso Co., Ltd.	15-1 Omiya-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Digital Design Services Co., Ltd.	10th Floor, Umeda Daibiru Building, 3-10, Umeda 3-chome, Kita-ku, Osaka-shi, Osaka

*Effective July 21, 2026, the Osaka office relocated, and group companies Pro-X Co., Ltd. and Digital Design Services Co., Ltd. also consolidated their locations into the same office.

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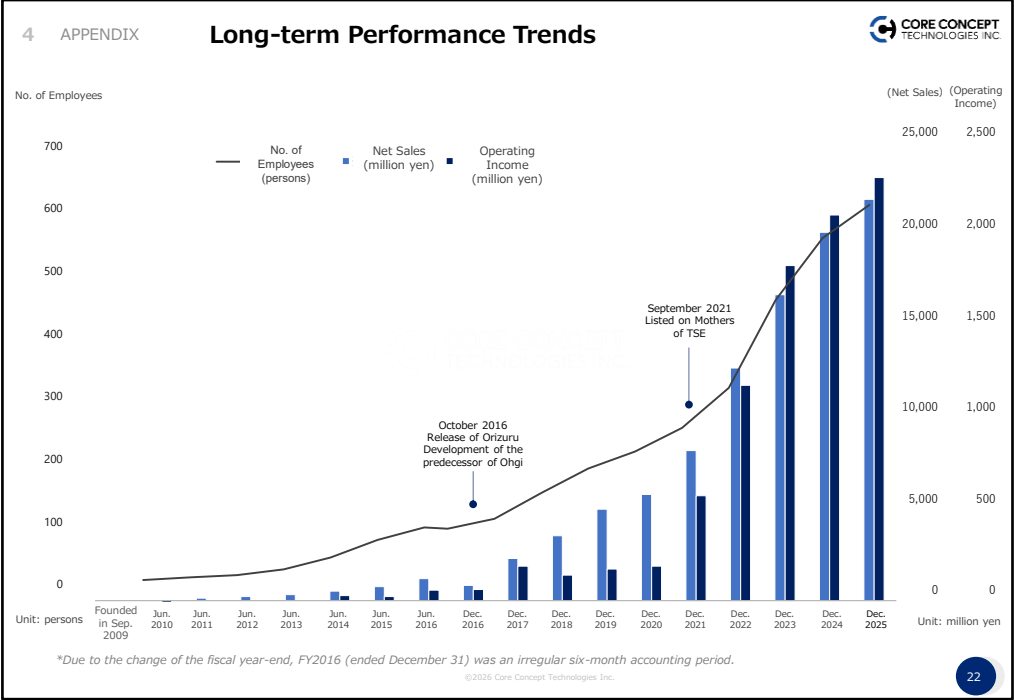
In the appendix, I will give supplementary explanations with some updated slides.

You can see our corporate profile here. On April 1, 2026, the subsidiary Pros Cons was absorbed into the DX business of our headquarters.

Accordingly, the four companies listed in the lower part of this slide are wholly-owned subsidiaries of our company.

As an event in the third quarter, we established our Osaka Office on July 21, 2026, to integrate our business establishment in Osaka, Pro-X and Digital Design Services, which are headquartered in Osaka, into a single location. This will help us exert synergy as a corporate group.

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This slide explains the long-term performance trends.

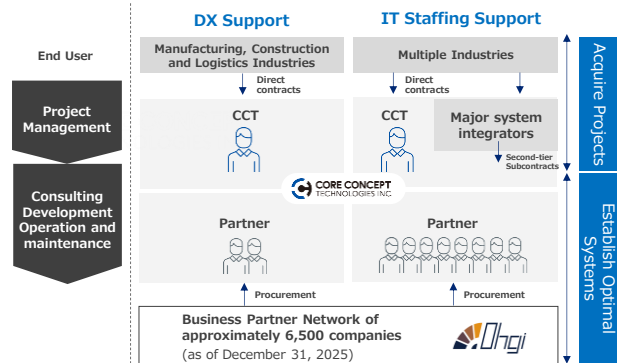
- By securing a strong pipeline through industry-focused DX support services (Direct contracts) and broad-reaching IT staffing support services (Second-tier Subcontracts)—and leveraging Business Partner Network “Ohgi”—we continue to drive top-line growth

DX Support

- Revenue is based on man-month unit pricing (under outsourcing contracts).
- Our AI-driven **capabilities and product-development expertise** enable high-margin direct contracts.
- We utilize “**Orizuru**”, our modular and customizable development platform, along with our DX support methodology, the “**CCT-DX Method**”.

IT Staffing Support

- Revenue is based on man-month unit pricing (under outsourcing contracts).
- Gross profit comes from the spread between billing rates and BP outsourcing costs, with leverage gained through **active BP utilization**.
- We fulfill temporary IT talent needs for major SIs through Second-tier Subcontracts, while also securing some direct contracts with end-users.
- A diversified industry portfolio and growing project volume support BP network expansion.



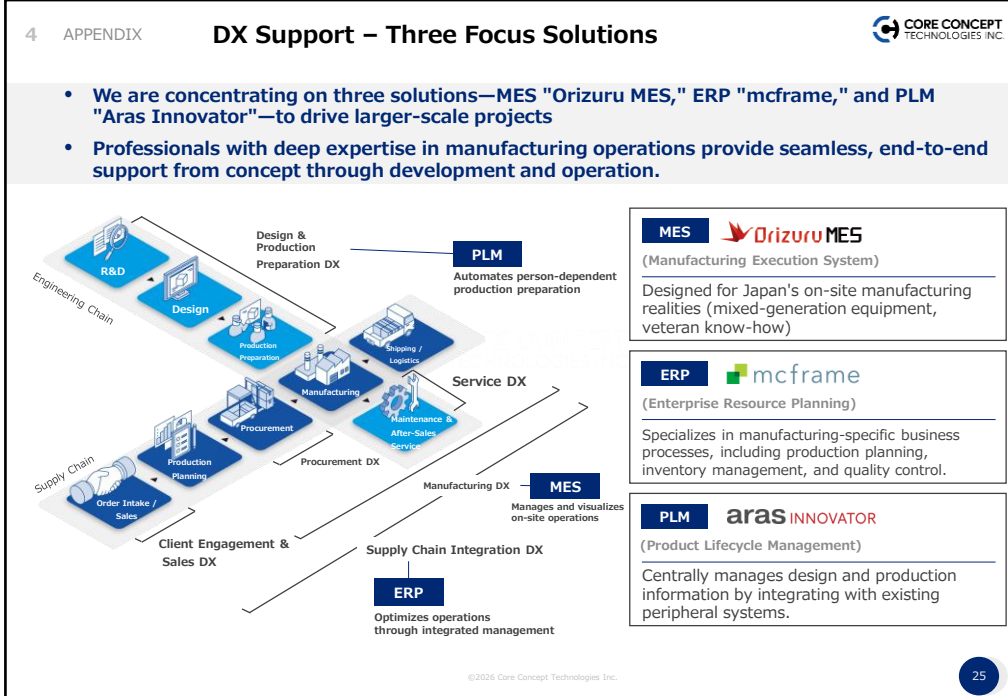
Business description is explained in this slide.

- Our DX support services are primarily provided to clients in the manufacturing, construction, and logistics industries
- Our IT staffing support services are provided to a wide range of industries through major system integrators



The latest major clients are cited here. For DX Support, we are making transactions with leading clients in the fields of manufacturing, construction, and logistics. For IT Staffing Support, an increasing number of clients utilize our personnel, mainly system integrators, and transactions with business companies are progressing little by little.

Our company offers DX Support as our core business. Since the inauguration of our business, we have been operating business mainly in the manufacturing field, but recently, we have started offering DX Support to the clients in the fields of construction and logistics.



This shows the three focus solutions. Over the past few years, we have been committed to providing large-scale solution services.

Our solutions, such as manufacturing execution systems, enterprise resource planning, and product lifecycle management, have been developed as clear solutions that can significantly contribute to the DX in each client company, and their performance has been improving.

We are accumulating results with a particular focus on effective solutions for reforming business operations in client companies. This is the reason why the growth rates of sales and profit from DX Support have increased slightly.

DX Support Case Study–

Smart Factory Implementation for Yokowo Co., Ltd.

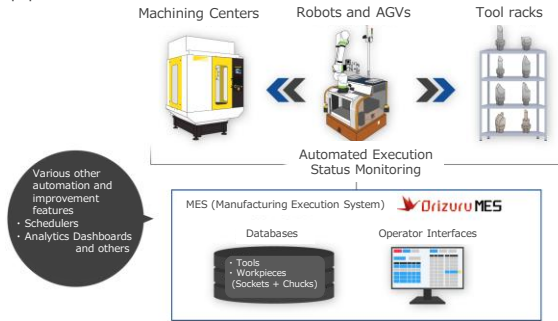
Smart Factory Implementation Support

■ Objectives and Outcomes:

We automated bottleneck processes in semiconductor inspection jig production, achieving a twofold increase in utilization (from approximately 40% to over 80%), shorter processing lead times, and expanded production capacity. This initiative also contributes to workstyle reform and human resource development.

■ Implemented Measures:

We build a fully automated production line capable of 24/7/365 operation by integrating **Orizuru MES**, AGVs, and FA equipment with existing facilities.



Our Role



- ✓ We handle the entire process end-to-end, from on-site issue identification through concept design, proposal, and implementation support.
- ✓ We support automation design through the integration of **Orizuru MES**, AGVs, and FA equipment.
- ✓ We provide consulting support for overall project execution.
- ✓ We support the implementation of automation concepts across domestic and overseas plants.

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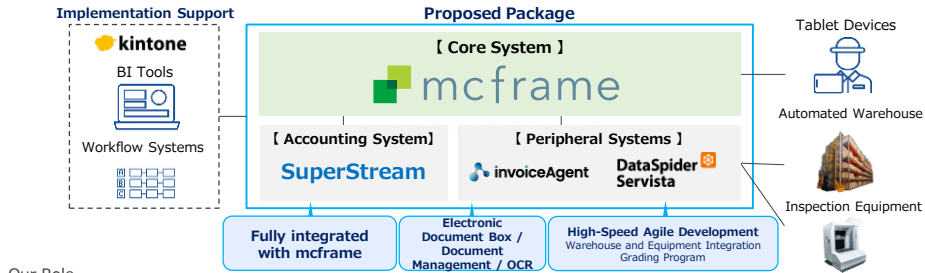
This slide shows a case of DX Support for Yokowo.

DX Support Case Study– Core System Modernization for Japan Butyl Co., Ltd.

Core System Modernization Support

To achieve the Vision set forth in the mid-term management plan—smart management control, enhanced governance, improved operational efficiency, cost reduction, and workstyle reform—a **legacy core system** that had been in use for several decades was **modernized**.

CCT supported the project through a **Fit-to-Standard implementation of mcframe 7**, combined with **high-speed agile development based on the CCT-DX Method**.



Our Role



- ✓ Overall optimization supported by mcframe expertise and manufacturing DX experience, including MES.
- ✓ We maximize **standard package functionality through industry best-practice implementation**, while addressing competitive areas beyond the standard scope via **high-speed agile development using the CCT-DX Method**.
- ✓ We rapidly form highly specialized teams through the use of **Ohgi**.

*kintone is a registered trademark of Cybozu, Inc.

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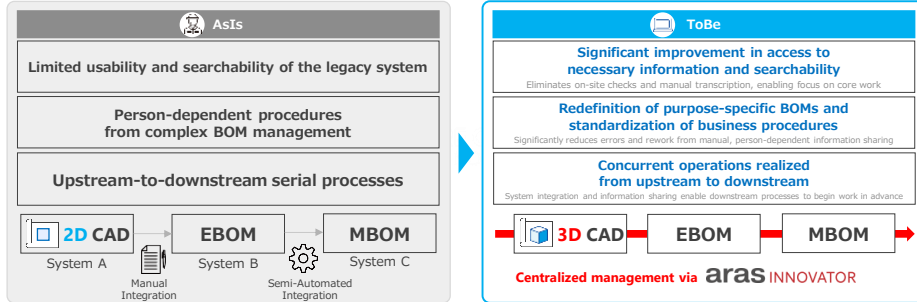
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Next is a case of DX Support for Japan Butyl.

PLM (Aras Innovator) Implementation

Through section-by-section operational improvements, we renewed business processes and systems that had previously been fragmented.

In construction drawing and fabrication design, CCT supported the implementation of a PLM (Aras Innovator) that unifies design information previously fragmented across peripheral systems.



Our Role



- ✓ As a PLM expert spanning both **design (EBOM)** and **manufacturing (MBOM)**, we identified the complex BOM issues unique to engineer-to-order manufacturing and led design improvements through the implementation of Aras Innovator.
- ✓ We defined requirements by leveraging on-site insight to assess the workload impact of each one—beyond what interviews alone would reveal.

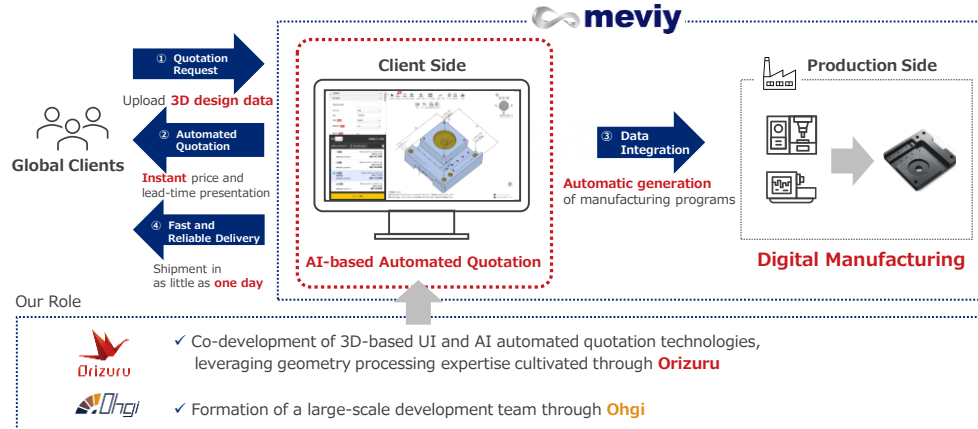
This is a case of DX Support for COMANY.

DX Support Case Study– AI-Based Mechanical Parts Procurement Platform for MISUMI

Development of a Parts Ordering Platform

We supported the development of a parts ordering and quotation platform that enables users to upload design data and receive instant quotations.

In the AI-based automated quotation domain, geometry processing technologies developed through “Orizuru” are leveraged.



*"meviy" received the Prime Minister's Award at the 9th Monodzukuri Nippon Grand Award.

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This is a case of DX Support for MISUMI.

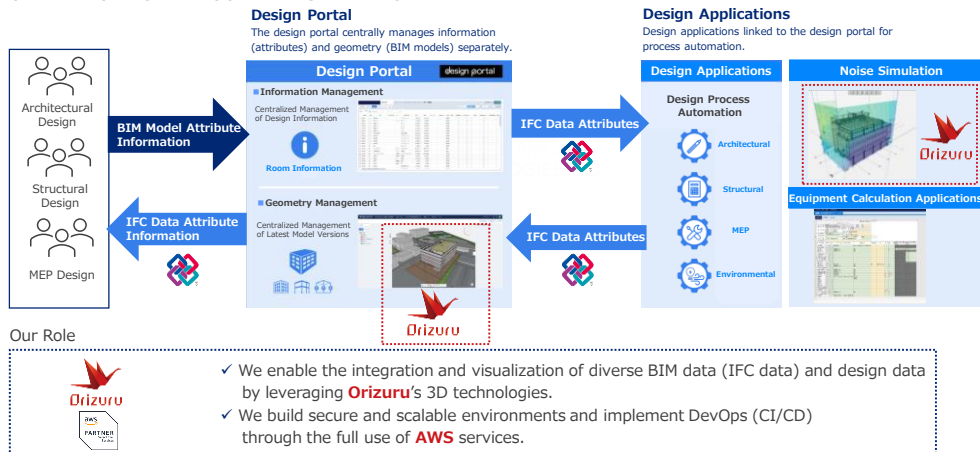
DX Support Case Study–

BIM Design Tool Development Support for Takenaka Corporation

Development of a BIM Design Tool

We support the development of a BIM design tool that enables the real-time integration of design information across construction projects.

The solution, “Orizuru,” delivers advanced capabilities such as an IFC viewer and high-level simulation functions powered by 3D geometry processing technologies.



Then, a case of DX Support for Takenaka Corporation is shown here.

4 APPENDIX

DX Support – Track Record and Partner Awards



- Our achievements in generating new business opportunities and providing technical support have been recognized by partner companies across each of our solution areas
- In 2026, we received Partner Awards from both WingArc (BI, Forms, and Document Management) and mcframe (Core Systems)

Area	Track Record
	Partner since 2014. Certified as a Manufacturing Expert in 2021, and certified at the Summit Tier of Consulting Partners in 2026.
	Promoted to WARP Partner Grade Gold in April 2025. Won both the Development Partner of the Year (Corporate) and Persons of the Year (Individual) awards at the "WingArc Partner Award 2026" in May 2026.
	Received the Take Off Award at the "mcframe Award 2026" in June 2026.
	Channel partner agreement concluded in 2022.
	Certified as a "Certified" partner in 2025.
	Partner agreement concluded in 2024.

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They are the track record and partner awards we received through DX Support. Not only our clients, but also product makers increasingly commend us by giving awards. This slide summarizes them.

As a recent achievement of the enterprise resource planning service “mcframe,” we received “Take Off Award” for the first time in June 2026. This is a commendation for the start of full-scale operation of a new system, the success of the project, and the start of business operations with a new mission-critical system.

Like this, we have recently achieved healthy business results, and the sales of large-scale products, too, have increased steadily. In the second half of the fiscal year 2026, we will make efforts to improve the performance further and exceed the annual forecast.

Here, let me end the reporting on the results in the second quarter.

Q&A: Regarding the outcomes of enhancement of marketing capability and factors in increasing the sales in DX Support

Kazuaki Nakajima (hereinafter “Nakajima”). There are two related questions: “I think that your company has improved your marketing capability by restructuring your business significantly. Could you give updated information on the recent situation and outcomes?” and “Please give us a supplementary explanation about reasons why revenue from DX Support increased by over 300 million yen between the first and second quarters.”

Kaneko: Revenue of DX Support increased by about 300 million yen between the first and second quarters, indicating that our business performance has improved a little. I think that our efforts to strengthen our marketing capability since the fiscal year 2025 bore fruit.

Regarding our major initiatives and results, our company has concentrated on the enhancement of our marketing capability for receiving more orders from relatively large companies.

I used the word “relatively,” because in order to keep sales growth rate unchanged now that our annual sales grew from 10 billion yen to 23 billion yen, it is necessary to receive more large-scale orders.

Accordingly, we concentrate on marketing activities targeting companies whose scale is twice or three times larger than before or companies with a larger budget.

Among about 500 existing clients, our company targets companies that are larger than our company and promotes mainly cross-selling. For new clients, we conduct marketing targeting operating companies that have large market sales or sound financial standing.

Like this, we have clarified our targets and shifted our activities towards clients from which we can expect to receive large-scale orders. Our one-and-a-half-year utmost effort bore fruit, and we are now able to stably conduct such activities.

Then, we have proceeded with the standardization of products for which we could receive large-scale orders from relatively large companies as shown in the appendix. For enterprise resource planning services, including “mcframe,” we have promoted them while summarizing our achievements and attractive points to approach clients.

The primary reason why the sales growth of DX Support recovered is that we are now expected to receive orders for large-scale products. As a result, we have acquired a significant number of orders for a project with a scale of 500 million yen to 1 billion yen in the fiscal year 2026, and DX Support has been growing.

In IT Staffing Support, we appropriately managed organized marketing activities with KPIs and pursued operations for securing activities for approaching existing clients and new clients in accordance with our plan.

As such, the results exceeded the forecast. I think that this is not temporary, but will be continued as we will keep improving our operations in the second half.

Q&A: Regarding the effects of utilization of AI by leading system integrators and future initiatives

Nakajima: The question is “As leading system integrators have shifted to AI-based system development, please let us know your current opinions about its effects on IT Staffing Support and future initiatives.”

Kaneko: I guess that your question is whether the demand for talent will decline as clients in each industry, including system integrators, take advantage of technological advance including AI.

I expect that overall demand will rather grow slightly, as the demand for talent in upstream processes won't decrease. On the other hand, I think that the demand for manpower for menial tasks, such as simple programming and testing, will decline significantly.

Considering this trend, our company has shifted to the personnel composition to deal with mainly upstream processes. Also for connections with business partners, we have been modifying the personnel network to meet demand by building relationships with business partners who are excellent in staffing for upstream processes.

As the absolute amount has not decreased, we are making improvements in our business operations to swiftly adapt to changes in IT Staffing Support through the use of AI. We would like to keep improving our business performance in this area, too.

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