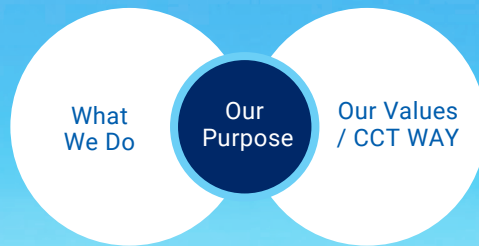




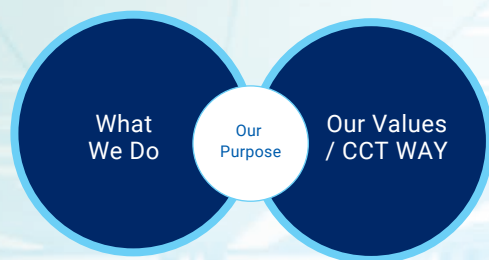
Our Purpose

Our Purpose

Driving sustainable industrial development through the power of our technology and people



What We Do / Our Values / CCT WAY



What We Do

Create the Next-Gen of the IT Industry

We envision a future in which each industry develops sustainably and will make this vision real to create a sustainable society through the evolution of our products and people.

We contribute to the sustainable development of industry by reforming our clients' business processes and value chains through Digital Transformation (DX). Along with growing sales and improving profitability, we solve issues such as reducing environmental impact through the improvement of asset and energy efficiency, eliminating labor shortages through improved labor productivity, and passing on know-how from veteran employees.

By utilizing "Ohgi," an extensive business partner network made mainly of small and medium-sized companies, we contribute to the reduction of the adverse effects of the multiple contracting structure in the Japanese system integration industry, such as the uneconomical middle margins as well as the regional income disparity of IT human resources.

Our Values

Think Big, Act Together.

Think Big

Exchange ideas freely and move away from conventional wisdom and fixed concepts. With firm determination, we shall find the new value the world is searching for.

Act Together

We are supported by many stakeholders, including our customers and employees. Act Together to respond to their understanding and trust.

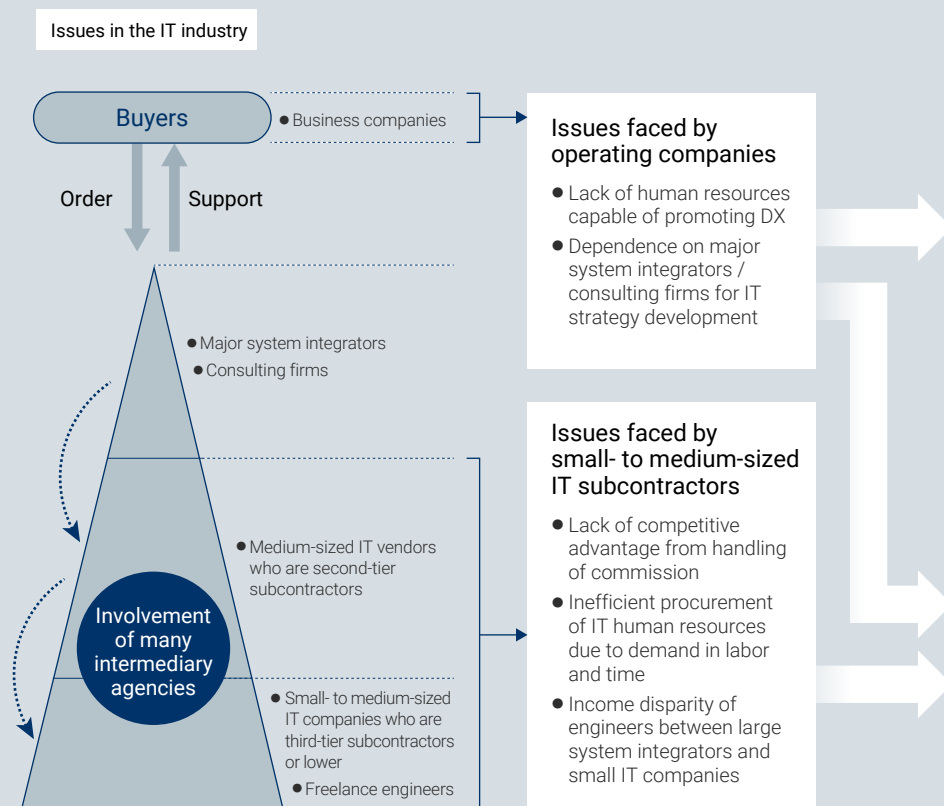
CCT WAY

Ownership	We have a sense of ownership in all things.
Customers rule	We base decisions on providing value to customers rather than convenience for the company.
Logic × passion	We act with a balance between logic and passion or emotion.

CCT Transforming the IT Industry

Solving issues in the IT industry through two businesses

The IT industry in Japan has a pyramid shape consisting of many intermediary agencies, leading not only to inefficiencies in matching projects with engineers, but also to wage disparities between the upper and lower levels of the pyramid. In addition, there are disparities in costs per order and the capabilities of engineers between the Tokyo metropolitan and regional areas, which have become significant challenges for the industry as a whole. Our group aims to transform society into one in which companies promote DX autonomously by involving small- and medium-sized IT companies all over Japan through its two businesses (support for DX and support for staffing of IT personnel), and by redressing the multiple contracting structure.



CCT Business

Support for DX

- Reform clients' business processes and value chains to grow net sales and improve profitability. Provide support extending to in-house production for DX
- Use standard function modules + custom development platform "Orizuru" and standardize methods to promote DX
- Strengths include a deep understanding of technology centered around AI and expertise in manufacturing

Offered Solutions

- Provide a "reproducible DX methodology + DX development platform" that enables clients to achieve in-house DX
- Temporary IT talent acquisition through the use of "Ohgi"

Support for staffing of IT personnel

- Subcontract part of projects to meet the temporary IT human resources needs of major system integrators
- Strengths include the "Ohgi" business partner network, which has a network of approximately 5,000 small- and medium-sized IT companies and can reach about 130,000 IT engineers

- Redressing the multiple contracting structure through the expansion of "Ohgi"

Contents and Editorial Policy

01

Introduction

- 01 Our Purpose
- 02 What We Do / Our Values / CCT WAY
- 03 CCT Transforming the IT Industry
- 04 Contents and Editorial Policy

05

Message from the CEO

10

CCT's Value Creation

- 10 Our Journey
- 11 Latest Year for CCT
- 12 Our Value Creation Model
- 13 Our Important Capital
- 14 Our Important Capital | Human Capital
- 15 Our Important Capital | Intellectual Capital
- 16 Our Materiality
- 17 The Value We Provide to Society (1) | Manufacturing Industry
- 18 The Value We Provide to Society (2) | Construction Industry
- 19 Financial and Non-Financial Highlights

20

Message from the CFO

25

Strategy By Sector

- 25 Support for DX
- 28 Support for Staffing of IT Personnel

30

Basis of Value Creation

- 30 Sustainability Basic Policy and Promotion System
- 31 Environment
- 34 Society
- 38 Governance | List of Officers
- 40 Governance | Message from Outside Director
- 41 Governance | Corporate Governance

45

Company and Share Information

- 45 5-Year Financial and Non-Financial Summary
- 46 Company and Share Information

Editorial Policy

Integrated Report 2024 presents our growth strategy and future outlook with the thoughts of top management in a way that is easy to understand, taking into account the transition to group management and the promotion of sustainability activities for stakeholders, including shareholders and investors. We will continue to actively use this publication as a tool for dialogue with stakeholders, thereby helping to enhance corporate value.

In editing the report, we referred to the International Integrated Reporting Framework prepared by the International Financial Reporting Standards (IFRS) and the Japanese Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation among others.

Reporting Period:

January 1, 2023 - December 31, 2023
(including some activities after January 2024)

Message from the CEO

Advancing to new horizons for the IT industry

Takeshi Kaneko Representative Director, President and CEO

Profile | Upon graduation from the Department of Information Science, Faculty of Science and Technology of the Tokyo University of Science, he joined INCS Inc. (currently SOLIZE Corporation) where he worked on developing CAD/CAM used in the manufacturing industry and later served as a consultant for business reforms in manufacturing, finance, and distribution operations. He joined Core Concept Technologies in 2010 and was appointed President and CEO in 2015.

Message from the CEO

Corporate Philosophy

Fulfilling the promise of the IT industry

In September 2009, seven members of a venture company providing DX support to the manufacturing industry launched a new business focused on digitalizing design processes and automating production processes. Over 15 years of working with a growing number of clients to develop solutions for their specific challenges, we have steadily accumulated trust and achievements. In that time, we have standardized our technical capabilities and optimized our organization into our core competitiveness which enables us to generate close to ¥16 billion in net sales annually.

The driving force of our growth is the unique Support for Staffing of IT Personnel that we developed in parallel with Support for DX. Our Ohgi business partner network connects talented IT personnel from some 5,000 IT firms that we have individually visited and recruited as partners since the Company's beginning.

The Group has been steadily growing, but our objective is not simply to continue expanding our business scale. Our "What We Do" statement says we want to "create the Next-Gen of the IT Industry." Our mission is to use our outstanding IT capabilities to help industries generate sustainable development while also making the IT industry healthier and more attractive.

The Ohgi network we created, for example, is helping transform the Japanese IT industry. Japan's IT industry is pyramid-shaped with contracted work being subsequently passed onto numerous subcontracts. The result is an alarming differential in the value of the contracts as they get passed down from top to bottom. Ideally, we want to flatten the structure so all IT engineers receive fair value for what they create and contribute. I believe that a structure like that will also improve the industry's overall sustainability.

Our Core Values

Think Big, Act Together.

The Group's philosophy is rooted in Our Values, which we sum up under "Think Big, Act Together." As a business owner, that is also my own approach. Let me explain what I think that means.

When seeking to create a new future, the first thing we need is a clear image of

what we want that future to look like when it is realized. Strong ideas like "I want to do this" and "I want it to be like that" are intellectual concepts that are still inside our heads. That first stage is when we need to let our imagination freely explore. That is the time to formulate the ultimate ideal image in your mind because, in reality, constraints like cost and time are very likely to stand in the way of realizing the image as you imagine it. That is why we emphasize Think Big.

Act Together is how we go about making our ideals a reality. I believe that making an idea a reality cannot be done by one person working alone, we have to work together as a team. We are actively connecting and joining forces with people who share the Group aspiration to "support the development of all industries." Acting together is the only way we will have a chance to achieve our ideal. That is the very reason that Core Concept continues to put so much effort into creating a nationwide network of business partners.

Our Competitive Advantage

Enabling "in-house production" at our client companies

Most of Japan's IT industry is still stuck in the mode of "taking orders" and "doing whatever the client says." For us to provide DX support that is truly valuable to our clients, we have to take the initiative and thoroughly consider "what is best for the client?"

Our Support for DX starts by thoroughly mining what the client is aiming for, developing a prototype, demonstrating its viability, and then flexibly building out the prototype's functionality. We have standardized this process as our CCT-DX Method. The premier feature of the CCT-DX Method is that the ultimate objective is to enable clients to continue advancing their DX "in-house." The idea to make that the ultimate goal arose from understanding the perspectives of our clients. Clients are eager to bring in advanced technological skills from system developers, but at the same time sense risk from depending on an external source to run their core system technologies. Our method is therefore to construct the system and then provide support, such as technology transfers, for the client to confidently continue advancing their DX on their own.

This concept would be very unlikely to come from Japanese providers of system integration services because handing off the DX to the client would be perceived as losing opportunity to profit from continuing to improve or provide maintenance for the

Message from the CEO

system. For us, there is very little impact on our revenue because we also provide Support for Staffing of IT Personnel that enables our clients to develop their DX in-house. The support that we provide builds trust and stronger relationships with our clients.

Business Growth Model

Two loops simultaneously boosting profitability and advancing our products

We are developing our business along two synergy loops aimed at achieving sustaining earnings growth and growing corporate value. This strategy hinges on the Orizuru Support for DX and the Ohgi Support for Staffing of IT Personnel.

The image on the right shows the two key loops of our strategy promotion model. The inner blue loop is the profit generation structure from the operating flow from order to product delivery. The outer gray loop is the product evolution structure, the process for improving the value of our products. Progressing along the outer loop speeds up the progress on the inner loop, which increases profitability. This mechanism increases client satisfaction and leads to ongoing business transactions, which in turn provides an ongoing flow of profits for our Group.

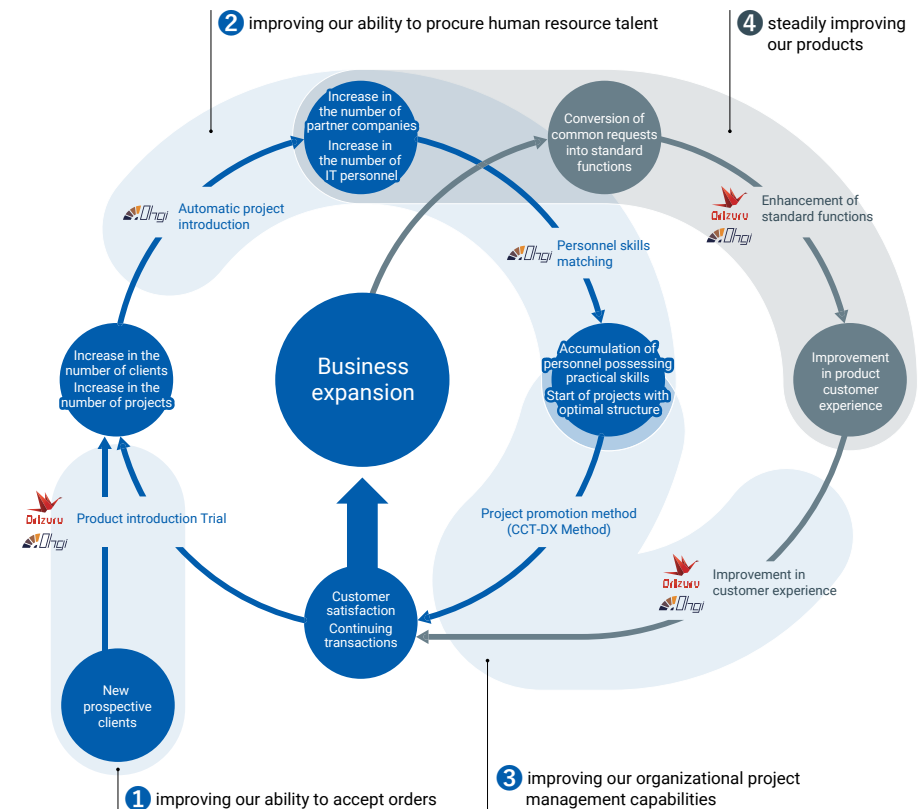
The diagram of this business growth model shows the flow of our operations through the three steps of ① improving our ability to accept orders, ② improving our ability to procure human resource talent, then ③ improving our organizational project management capabilities. These three steps working in close unity will both generate and grow our profits.

The fourth step (④) is steadily improving our products by broadening the applications for Orizuru and Ohgi. As the orders for our products grow, we are developing new functions to meet the various needs of our growing client base. Our products will evolve as the new functions become standard, which will greatly enhance the experience value these products provide to clients.

This will also accelerate the flow of the first three steps, which will boost profits even further. In other words, the better our products become, the more orders we will receive at step 1. That will expand the Ohgi network, which will require more IT personnel for projects at step 2. More new personnel will accelerate their skill-building and ensure our products maintain their high quality at step 3.

This mechanism is how we will combine the “profit generation structure” and the “product evolution” to achieve sustaining business growth.

Business growth model



Message from the CEO

M&A Strategy

Growing into a shining nationwide IT group

Our M&A strategy kicked into high gear in fiscal 2023. We acquired stakes in the system integration firms P. G. System Co., Ltd., of Yamaguchi Prefecture in May and Denso Co., Ltd., of Kanagawa Prefecture in August. In 2024, we acquired Pros Cons, Inc., which specializes in visual inspection AI solution in February, and the system integration firms Pro-X Co., Ltd., and Digital Design Services Co., Ltd. of Osaka in April. All of these companies are now wholly-owned subsidiaries. While we will be creating synergies with these and all of our subsidiaries, the Group's ultimate goal is to unite the countless small and medium-sized IT companies across Japan to create a massive body of firms that Act Together to make proactive proposals to clients. This M&A is the first step to making that a reality.

The strategy is very simple, and it is just a matter of expanding what we have done in Tokyo out to regional areas. Our Ohgi network encompasses over half of the IT companies in Tokyo but has yet to reach further into the country. In Yamaguchi Prefecture, for example, we are developing the P. G. System to be our core company in the area, but it only became a subsidiary in 2023. We are currently introducing to the company system integration methods that we have cultivated over many years. Once complete, P. G. System will be a lead recruiter of local small and medium-sized IT firms and eventually of major local IT firms to the Ohgi network. Using this same approach, we plan to methodically expand to cover all of Japan's 47 prefectures.

Our Group governance policy ensures that all Group companies comply with our rules and regulations. Managing a large number of companies requires instilling a vision with unity of purpose as well as strict discipline. Governance is conducted by our Board of Directors, which also approves key work orders received and issued by Group companies. We plan to continue adding companies to the Group and engaging with partner companies that share our vision as we expand our network nationwide.

Cloud Solutions

Expanding collaborations, including in the product domain

In February 2024, we signed a partnership agreement with SAP Japan and began providing one-stop services for their ERP solution "SAP S/4HANA® Cloud," covering license sales and consulting as well as system planning, design, development, maintenance, and operation.

The nationwide expansion of Ohgi is applying our Act Together value for human resources, and offering this cloud solution is applying Act Together to products. In the future, we plan to combine SAP solutions with our Orizuru support in various ways to offer new value in our support for client business development.

This is actually another "first move." Our ultimate goal is to work with the world's leading companies in all of our key product areas. Although those companies can be viewed as competitors, they can also be viewed as having the same objective of stimulating industry. I would like us to work together to contribute to the development of industry around the world.

Sustainability

Growing our business by contributing to global sustainability

In modern corporate management, sustainability and contributing to achieving the SDGs have become essential themes. Corporate management has expanded to encompass considering the perspective of all humanity and the entire planet. I fully agree with this.

At the same time, management is also asked to increase the value of the company's stock and improve earnings performance. It would be unacceptable for a manager to say earnings did not improve because we were focusing on sustainability. Our Group's first priority is growing our business, but as we do so we have firmly integrated and set targets for sustainability in our management strategies and are advancing activities geared to social issues and the global environment.

The Group's Support for DX also contributes to sustainability. Our primary mission is to help our clients develop their businesses, and most of them are seeking DX that will enable growth strategies that include environmental measures to reduce GHG emission volumes and improve employee work conditions. In this sense, we believe

Message from the CEO

the services we provide enhance our clients' business competitiveness while also contributing to the sustainability of society and our planet.

Message to Shareholders and Investors

Sharing the joy of Act Together

The part I feel most strongly about in the worldview that the SDGs represent is the sense of respecting the human rights of all people, recognizing each other's roles, and accepting diversity.

For example, when a business or project is successful, I do not think it is fair for the focus and praise to go solely to the head of the organization or the person in charge of a project. A project is successful because of all the people who worked hard to make it a success, and I want to make sure those efforts are recognized.

That is how I approach being a CEO. Our Company has achieved steady growth so far, but it is not only me that made it happen. This is the outcome of all the people who share the Group's worldview—beginning with our employees and partner

companies—everyone who joined us to Act Together.

I recognize that the shareholders and investors who provide funds to our Company are also engaged with us in Act Together and are important participants helping us realize our vision. We are grateful for the significant increase in shareholders in the past year, which as of the end of December 2023 had grown to more than 4,000 and we look forward to welcoming many more. We will continue engaging in two-way dialogue with stakeholders, and using their valuable input to help us continue progressing into the future.

We look forward to working with all our partners in our business activities and sharing the joy together.

Representative Director, President and CEO

Takeshi Kaneko



Our Journey

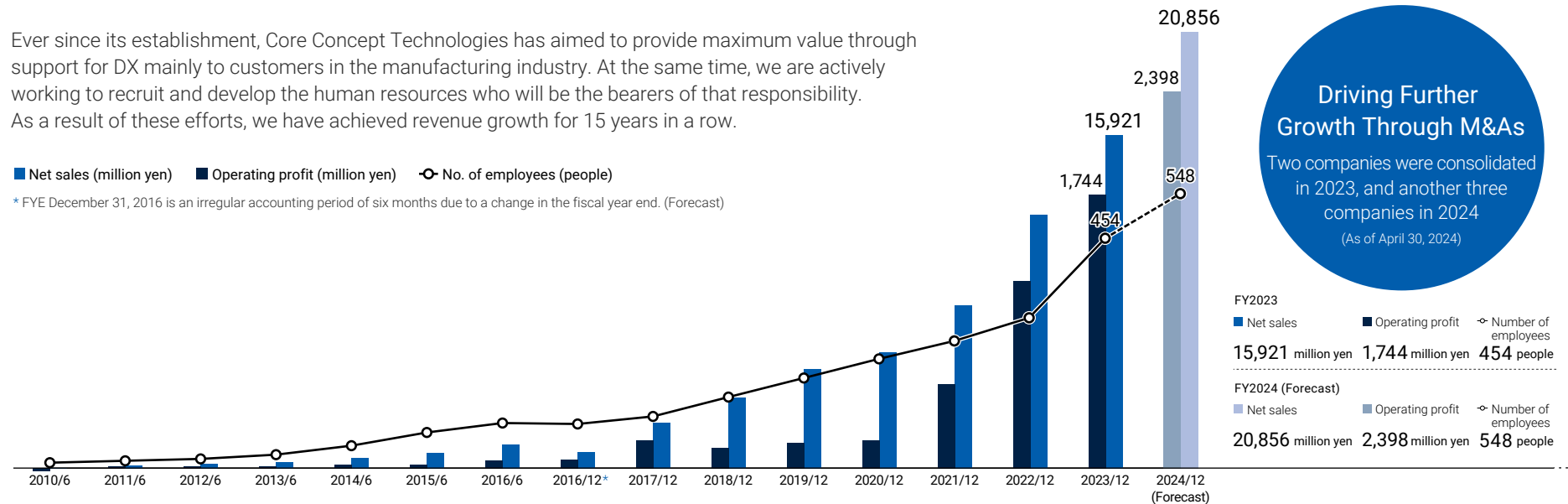
Note: Disclosed on a non-consolidated basis from FY2019 to FY2022, and on a consolidated basis from FY2023 onward.

We have achieved growth by responding to the needs of society with the power of IT

Ever since its establishment, Core Concept Technologies has aimed to provide maximum value through support for DX mainly to customers in the manufacturing industry. At the same time, we are actively working to recruit and develop the human resources who will be the bearers of that responsibility. As a result of these efforts, we have achieved revenue growth for 15 years in a row.

■ Net sales (million yen) ■ Operating profit (million yen) ○ No. of employees (people)

* FYE December 31, 2016 is an irregular accounting period of six months due to a change in the fiscal year end. (Forecast)



Establishment period

2009–2015

Established by a former employee of a venture company that provides support for DX to the manufacturing industry. Launched support for DX specializing in manufacturing industry design processes with strengths in 3D-shape processing technology. In addition, expanded network by visiting companies one by one to acquire partner companies. Found a path to corporate continuity, as the company has been able to receive repeat orders from customers.

Growth period

2016–2020

To accelerate business growth, proceeded with full-scale development of in-house products. Focused on common needs of many customers in support for DX, and commercialized "Orizuru" with functions that support these common needs in 2016. In addition, named the business partner network of small- and medium-sized IT companies "Ohgi" and further enhanced our personnel procurement capabilities.

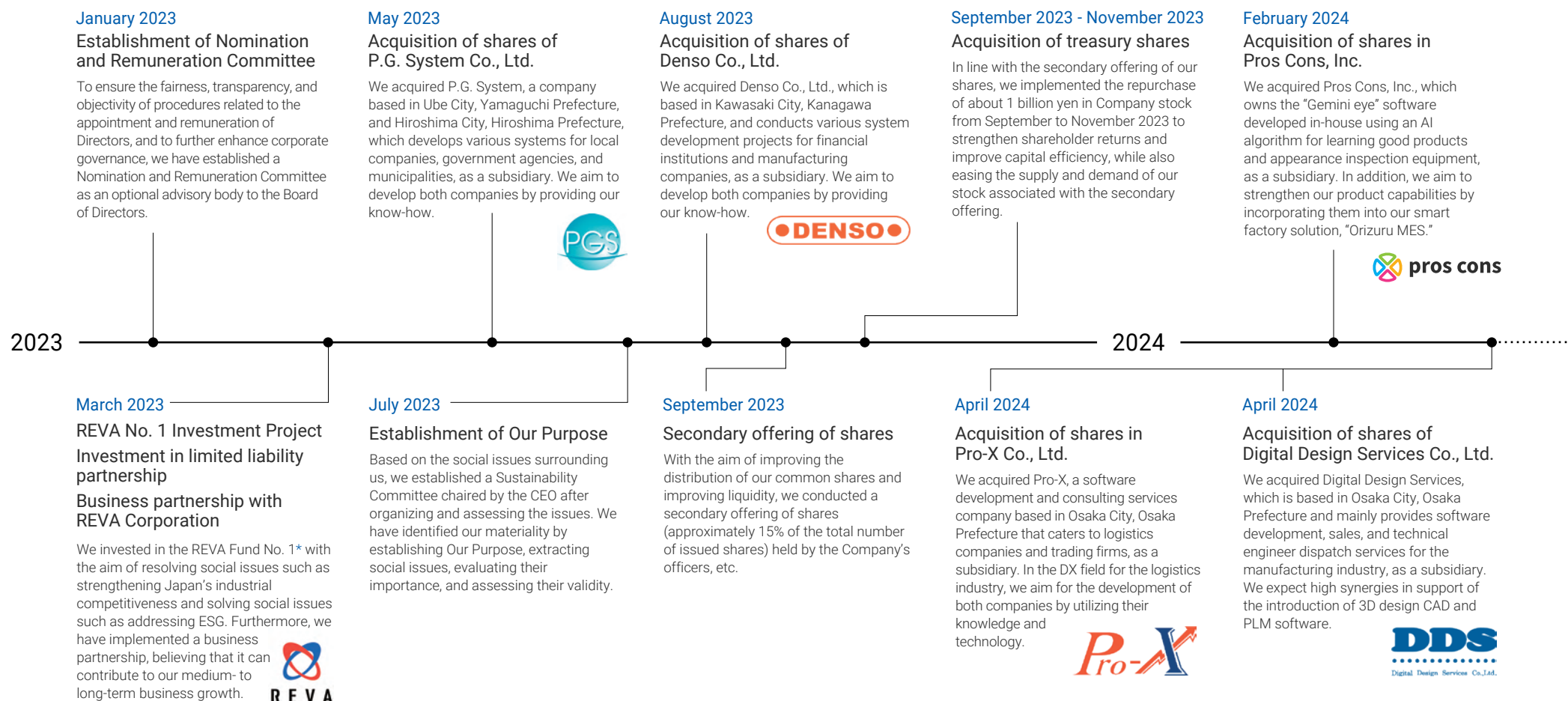
Expansion period

2021–

In September 2021, listed shares on the TSE Mothers Market (currently the Growth Market). Listing has improved public confidence and had a positive impact on business activities in a wide range of areas, including sales and recruitment. In support for DX, grew support for the construction industry into a pillar of earnings, and started support for the logistics industry. Furthermore, started M&As to drive further growth.

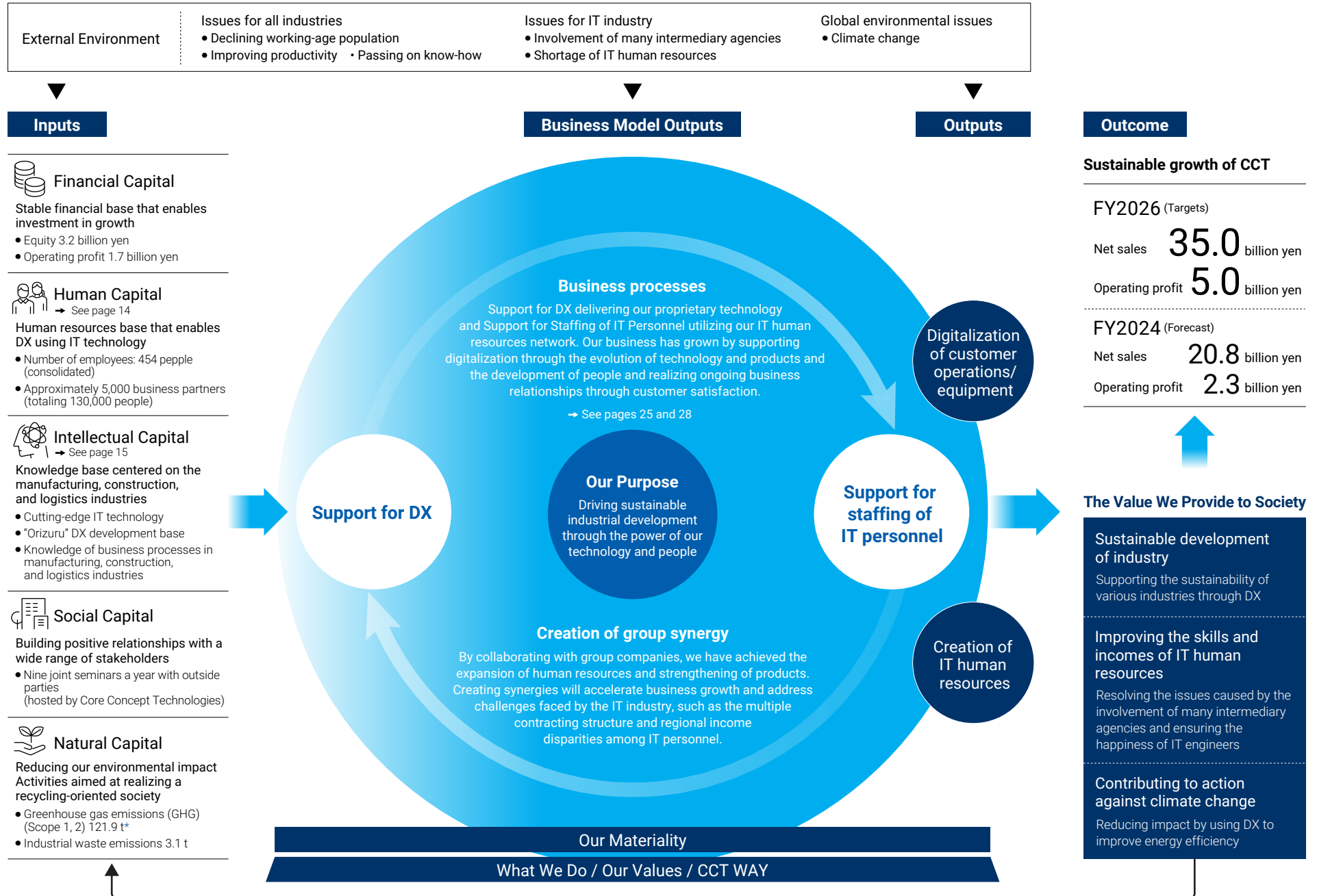
Latest year for CCT

Drive M&A to accelerate growth



* REVA Fund No. 1: A fund operated by the independent investment company REVA Corporation. It was established with the aim of realizing a prosperous future through the enhancement of Japan's industrial competitiveness and solving social issues such as addressing ESG. Investment targets include business succession projects for medium and small enterprises mainly in the manufacturing industry, as well as carve-out projects of non-core businesses for large corporations.

Our Value Creation Model



* GHG emissions are calculated based on non-fossil fuel certificates.

Our Important Capital

Utilizing non-financial capital essential for growth to create new value



Human Capital

Highly skilled employees and extensive business partner network

Core Concept Technologies is involved in a variety of development services using cutting-edge technology, which makes it a rewarding work environment for highly skilled engineers. The projects our engineers take part in offer many opportunities for growth, which creates a sense of fulfillment. In 2024, we established the Human Resources Department in line with our business expansion, and will strengthen recruitment as well as focus on human resource development in the future.

In addition, ever since Core Concept Technologies was established, we have been visiting small- and medium-sized IT companies individually and building up our business partner network. As the scale of our business expands, the number of projects is increasing, and our name recognition has steadily improved, resulting in a growth of business partners up to almost 5,000 companies. Going forward, we will continue to expand our "Ohgi" business partner network nationwide in cooperation with Group companies by expanding our regional offices through M&As and cultivating business partners.

No. of employees

454 people (Consolidated)

No. of business partners

Approx. **5,000** companies (about **130,000** people)
(As of December 31, 2023)



Intellectual Capital

Cutting-edge technical capabilities and on-site knowledge of manufacturing, construction, and logistics industries

Our strengths are the 3D-shape processing technology and the knowledge of manufacturing cultivated since our foundation. Leveraging these strengths, we have started supporting DX in the manufacturing industry, and have expanded our services to the construction industry and even the logistics industry. We have evolved by supporting DX for customers through cutting-edge IT technology and accumulating the knowledge obtained as the standard functions in "Orizuru," our in-house DX development base.

In order to realize DX for customers, we also utilize our proprietary cloud products for each area, including areas requiring customization according to customer business flows, which are aggregated and integrated into "Orizuru." This enables us to respond comprehensively to the digitalization needs of our customers.

Cutting-edge
IT technology

"Orizuru"
DX development base

Knowledge of business processes in
**manufacturing, construction,
and logistics industries**



Our Important Capital | Human Capital

Strengthening recruitment activities and human resource development to enhance human capital

Our group has positioned human capital as one of its most important management issues, and the Representative Director, President and CEO is taking the lead in promoting such initiatives. The Sustainability Committee formulates policies related to human capital and manages progress, while important matters are reported to the Board of Directors for deliberation.

In order for the group to achieve sustainable growth, we recognize that it is extremely important to recruit and retain excellent human resources who empathize with our philosophy and are highly motivated, and to develop human resources. To this end, it is necessary to create a comfortable working environment, and we are working to introduce systems that enable diverse work styles and enhance employee benefits. In addition, it is important for employees to have a sense that their self-growth and contributions to our group interact with each other in order to continue working autonomously with high motivation. Therefore, we are promoting the enhancement of our in-house education system. In January 2024, we established the Human Resources Department to strengthen the system for promoting recruitment activities and human resource development.

— Human resource strategy

	Recruitment	Human resource development	
Measures	<ul style="list-style-type: none"> Strengthened recruitment of new graduates Recruitment through referrals Standardization of hiring recruitment methods throughout group 	<ul style="list-style-type: none"> CCT WAY Training Study Groups In-house Library System 	
Results	Increase in number of new graduate hires	Improvement in business skills, technical capabilities, and productivity	Facilitation of communication

Maximization of human capital

Realizing sustainable growth by recruiting new graduates and strengthening human resource development



In order to achieve sustainable growth in the rapidly changing IT industry, the group is focusing on recruiting new graduates and developing human resources.

In our hiring process, we are strengthening the recruitment of capable human resources who not only are well-versed in cutting-edge technologies but also possess the qualities necessary for advancing our business.

In talent development, we have prepared a unique education program to help new employees acquire engineering skills so that they can contribute as valuable assets early on.

Through these two strategic initiatives, we will acquire outstanding human resources and nurture them into dependable workers in a short period of time, thereby achieving continuous business development and improving our competitiveness.

We position human capital as one of our most important management resources and aim to enhance corporate value by maximizing the potential of each employee.

We believe that respecting diversity is crucial in order to cultivate talent that creates innovation, and are working to create an environment where their individuality and abilities can be fully utilized. Furthermore, we are dedicated to creating a workplace environment with a sense of fulfillment and a fair evaluation system, aiming to be a company that continues to be chosen by outstanding talent. We spare no effort in investing in human capital to enable both employees and the company to grow together and create a better future. We aim to create a company where each employee can play an active role in meeting the needs of customers and society.

Junichiro Chiba
Department Manager,
Human Resources Department



Our Important Capital | Intellectual Capital

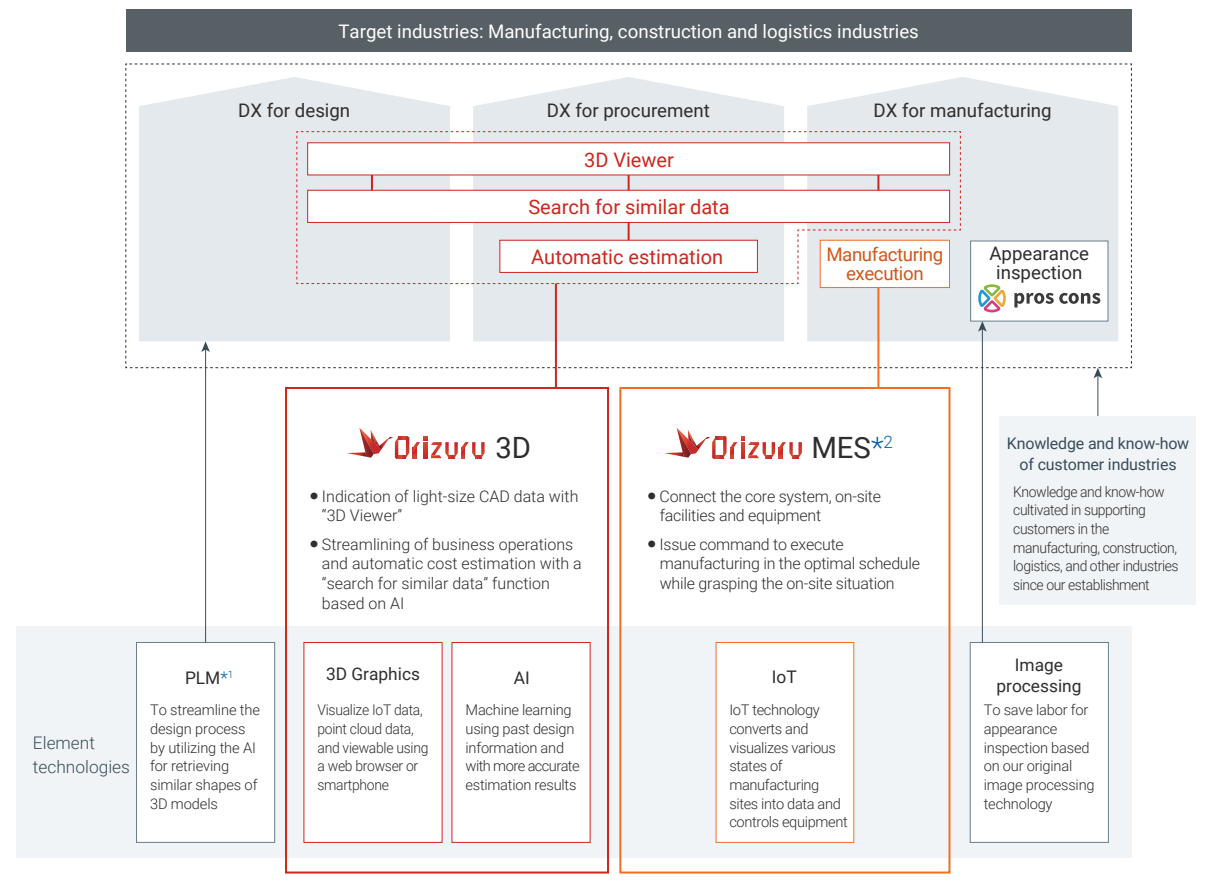
Providing total technology, knowledge, and know-how from design to manufacturing to realize the DX of customers

The “Orizuru” DX development base was created from the know-how that we have cultivated while supporting our many customers. It enables the rapid realization of smart factories by automating 3D technology from design to procurement, collecting and controlling data from various facilities in factories, data visualization combining 3D display, appearance inspection automation, and manufacturing automation. “Orizuru” comes with widely available general-purpose functions as standard, and we continuously add advanced differentiation features.

“Orizuru 3D” can extract features from 3D geometric data such as CAD and point cloud with AI and determine similarity. As a result, it is possible to streamline the estimation and process design of parts manufacturing based on the results of similar parts, and reduce the dependence on individual skills. In addition, combining a 2D display and cross-sectional viewing enables the creation of images that can be reused in drawings, thereby streamlining the drawing creation process.

“Orizuru MES” can acquire and control data for hardware such as machine tools, inspection machines, robots, and sensors. By collaborating with key control devices, we achieve the automation of manufacturing lines and implement manufacturing processes at optimized schedules by coordinating with higher-level core systems and equipment.

Overall image of “Orizuru”



*1 Abbreviation for “Product Lifecycle Management.” It means aggregating various technological information on the entire product lifecycle, and using it to improve product development capabilities and corporate competitiveness.

*2 Abbreviation for “Manufacturing Execution System.” MES grasps and manages manufacturing processes, and gives instructions and support to workers.

Our Materiality

We will strive to enhance corporate value by promoting our materiality initiatives

In July 2023, using the social issues surrounding us as the starting point, we organized and assessed the issues. The issues were then discussed by the Sustainability Committee, chaired by the Representative Director, President and CEO, and each of the subcommittees to define our materiality, which was approved and determined by the Board of Directors.

— Process for defining our materiality



	Our Materiality	KPI	FY2023 Results	Results of Main Initiatives
Resolving Social Issues through Business Activities	Realizing Sustainability through Client DX Contributing to business continuity, increasing sales and profit, and sustainable development of industry by using "Orizuru" to implement client DX	(1) Support for DX business sales (2) Number of employees involved in DX projects	(1) 7,606 million yen (2) 275 people	Support for DX → See pages 25 to 27
	Developing the IT Human Resources Who Will Shape the Future Resolving the problems caused by involvement of many intermediary agencies and contributing to the sustainable development of the IT industry by improving the skills of IT engineers and expanding the "Ohgi" network	(1) Number of companies registered in Ohgi (2) Number of business partner assignments (quarterly average)	(1) Approx. 5,000 (2) 1,032 man-months (FY2023 4Q)	Expansion of Ohgi → See pages 28 and 29
Resolving Social Issues through Corporate Activities	Taking the Initiative in Global Environmental Conservation • Realizing a zero carbon business • Realizing a circular economy business	(1) Greenhouse gas (GHG) emissions (Scope 1, 2) (2) GHG emissions per unit of net sales (3) GHG emissions per unit of operating profit (4) Rate of reuse of computers	(1) 121.9 t-CO ₂ (2) 0.8 t-CO ₂ /hundred million (3) 7.0 t-CO ₂ /hundred million (4) 100%	Calculation of GHG Emissions and Setting of Targets → See page 31
	An Organization Where Each and Every Individual Can Contribute • Widely disseminating the CCT WAY • Strengthening organizational capabilities by promoting employee engagement • Creating a comfortable and rewarding working environment	(1) Number of participants in CCT WAY training (cumulative) (2) Percentage of men and women employees taking statutory parental leave (3) Average hours of overtime	(1) 71 people (2) Men 37.5% / Women 100.0% (3) 19.74 hours	Widely Disseminating the CCT WAY → See page 34 Work-Life Balance Promotion → See page 35
	Resilient Business Base • Data security and system risk management • Ensure highly transparent governance and compliance	(1) Percentage of women Directors (2) Percentage of Outside Directors (3) Number of serious incidents	(1) 11.1% (2) 44.4% (3) 0	Corporate Governance → See pages 41 to 44

The Value We Provide to Society (1) | Manufacturing Industry

Support for joint system development to streamline procurement operations and enhancement of in-house development

As a partner of MISUMI Group Inc. (hereinafter referred to as "MISUMI"), which engages in the manufacturing and distribution of machine parts, we support the development of their machine parts procurement service "meviy." This service allows for the instant display of cost estimates and delivery times by simply uploading 3D CAD data. MISUMI aimed to dramatically reduce the time it takes for customers to procure products by focusing on the CAD used by equipment designers. Our proprietary 3D shape processing technology was chosen in order to achieve this, which led to the joint development.

Our support for DX revolutionizes customer business processes and value chains, and consistently accompanies everything up to in-house system development. For MISUMI, there are benefits of being able to accumulate core technology and knowledge in-house, as well as cost reductions. In addition, by strengthening our relationship with MISUMI, we will have advantages such as horizontal expansion into fields other than "meviy" and the publication of results including in-house production.

In September 2022, we established a joint venture company, DT Dynamics, with MISUMI to strengthen in-house development. We are working on the two axes of business and technology in three major phases over a period of three years. In each phase, we will reduce the participation of our employees and business partners, and aim to realize technology transfer by recruiting employees and securing business partners through DT Dynamics. We are currently working on the second phase, and we are making steady progress in strengthening our in-house development.

— "meviy" development project process

1	Goal Formulation	<ul style="list-style-type: none"> Developed machine parts procurement platform that drastically shortens manufacturing lead times
2	Technical Verification	<ul style="list-style-type: none"> Displayed CAD data on browser Applied shape recognition technology
3	System Construction	<ul style="list-style-type: none"> Constructed system through agile joint development (scrum development)
4	Strengthening Operation/In-house Production	<ul style="list-style-type: none"> Divided 3-year plan into 3 stages and strengthened in-house development Created system in DT Dynamics and transferred technology



AI platform for machine parts procurement



"meviy" is a next-generation manufacturing platform that enables instant estimations through uploads of 3D CAD data, and shipments in as little as one day. Significantly reducing the time until delivery has reduced the workloads of both designers and purchasing personnel. If your equipment has 1,500 parts, it saves 92% of the time compared to using 2D drawings. In addition to processes for cutting, sheet metal, and lathing, we also offer a wealth of materials and surface treatments. We support the design of jigs, machinery and equipment, and product development.

Evolving "meviy" by supporting CCT to strengthen in-house development

Currently, "meviy" is expanding its services globally and is being used by overseas customers as well. We received requests from customers both in Japan and overseas, and it is necessary to respond quickly and accurately. Therefore, we have expanded our in-house system development organization and started an initiative to accelerate development by accumulating core technologies in-house. As part of CCT's support for strengthening in-house development, we have built a mixed scrum team with DT Dynamics employees to transfer technology. The technology transfer is progressing smoothly, and the speed of development to deliver value to customers in Japan and overseas is accelerating. We will continue to commit ourselves to the further evolution of "meviy" and work to solve the issues faced by the manufacturing industry.

Takashi Michihiro

President and Representative Director,
DT dynamics corporation

Profile | Joined the MISUMI Group Inc. in 2018. He led the expansion of the engineering organization and the development of "meviy," and established DT Dynamics in 2022.



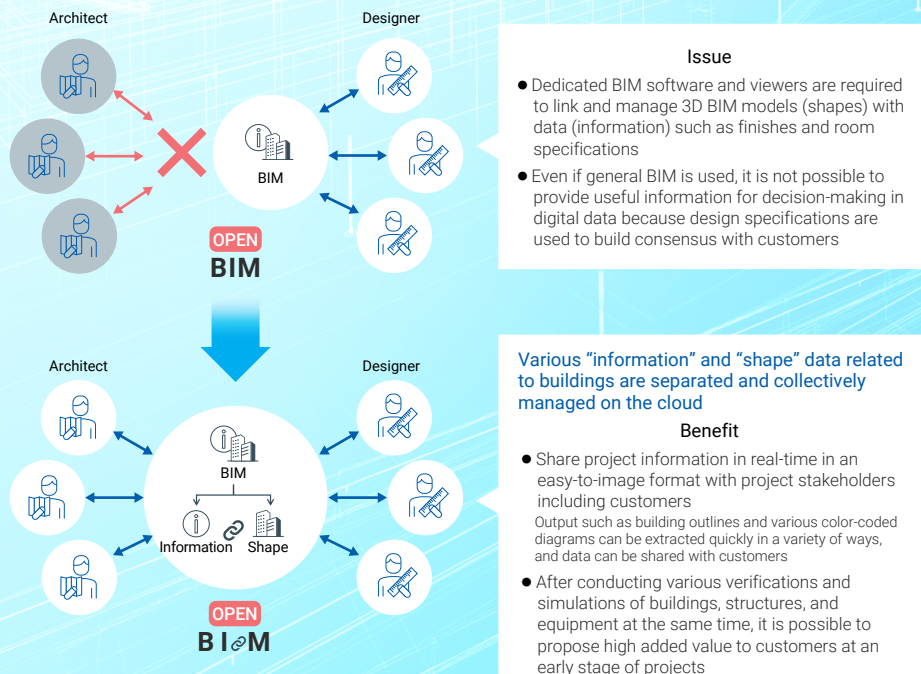
The Value We Provide to Society (2) | Construction Industry

Striving for productivity improvement through process reform in the construction industry and digital technology

The construction industry faces a variety of challenges, including labor shortages, handing down technologies, and addressing environmental issues. In cooperation with Takenaka Corporation, a major construction company, we are providing support to solve these issues.

In the midst of the digitalization of design, Takenaka Corporation wanted to realize advanced simulation and multifaceted design verification in order to quickly make better proposals to customers. Therefore, we decided to support the development of the "Design BIM Tool," a design work support system used by designers at Takenaka Corporation.

– Benefits of using "Design BIM Tool"



The "Design BIM Tool" is based on IFC, the global standard for BIM data, and consists of three software packages: "Design Portal," "Design Application," and "Model Checker." Taking charge of the development of "Design Portal" and "Design Application," we achieved functions specialized for design work, such as advanced simulation using 3D processing technology in a web browser, by incorporating the Web 3D Viewer function of "Orizuru."

By using the "Design BIM Tool," designers can share BIM models and exchange various design information among themselves, enabling efficient design work.

The development of this software was made possible by combining the abundant knowledge and experience of Takenaka Corporation and our technical capabilities. By working in partnership with Takenaka Corporation, we hope to not only solve the problems of system utilization in the construction industry, but also contribute to solving environmental problems using digital technology and creating new value.

Working with CCT to see what the future holds

In order to realize process reform in the construction industry and productivity improvement through digital technology, we established the BIM Promotion Office in January 2017, and have supported the development of the BIM utilization platform based on the roadmap for company-wide promotion and utilization in all projects. We are developing a "design portal" and various applications that serve as the foundation for the digitalization of design with the aim of making effective use of BIM data in the design field. Specifically, we are conducting a business analysis of the past and verifying business matching through investigations of advanced technologies while creating the future direction. We also aim to establish a stable environment by maintaining and improving the system through the process of prototyping, trial, and development. Therefore, we are advancing collaboration with CCT to achieve our ideal form, and aim to not only expand the entire system but also to work together on adopting new technologies, which include the simulation of data utilization in order to solve social issues including decarbonization, as well as BI and AI.



Shouichi Senda Senior Chief Expert, Design Division
Takenaka Corporation

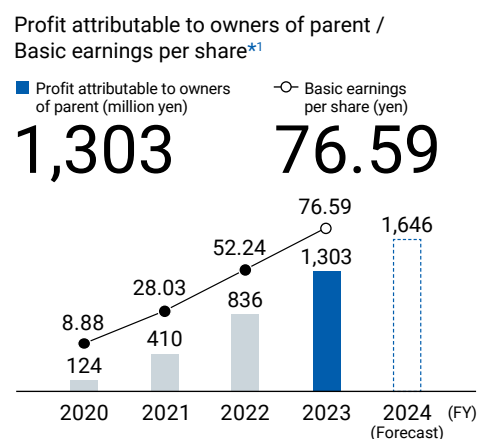
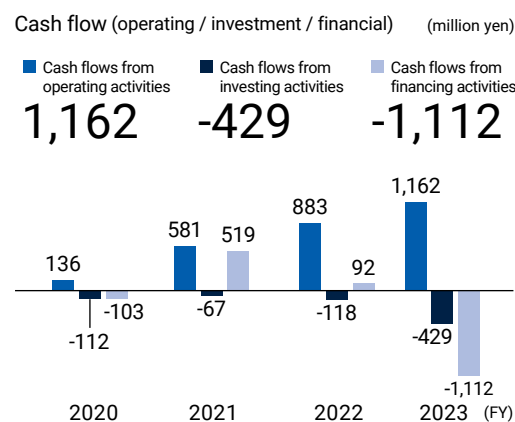
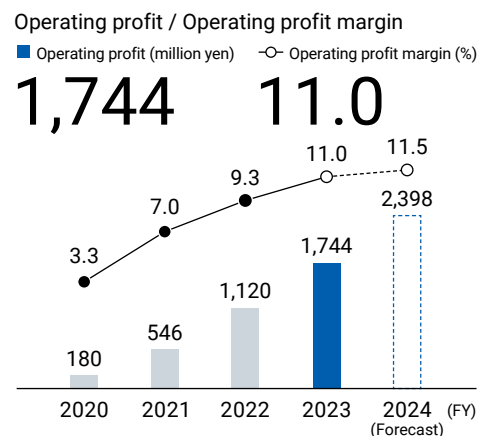
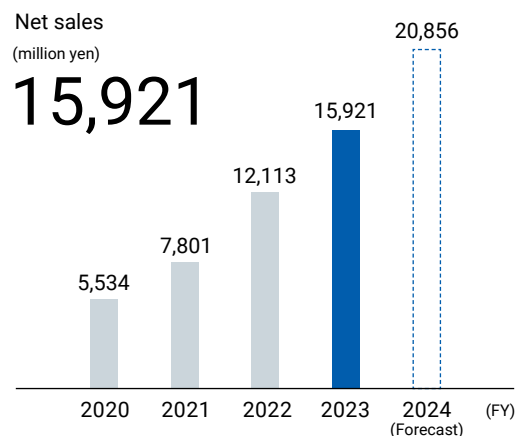
Profile | After joining the company in 2007, he has been responsible for project design using BIM. Joined the BIM Promotion Office in 2015. Participated in the development of design BIM tools in 2019. He has been in charge of development since 2021.

Financial and Non-Financial Highlights

Note: Each fiscal year ended December 31

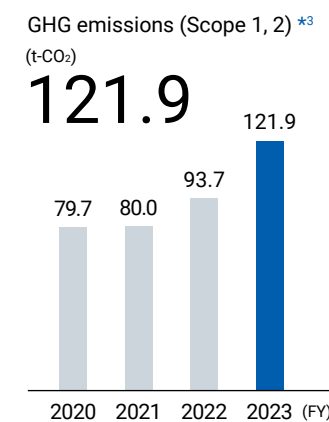
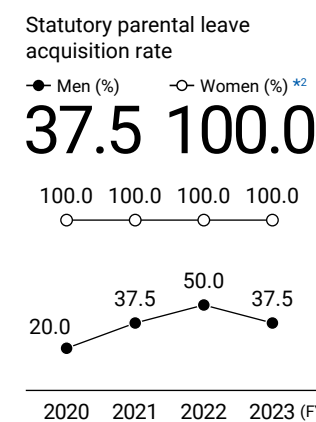
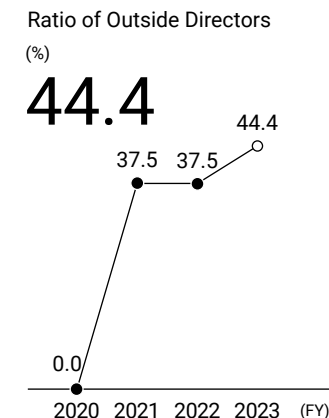
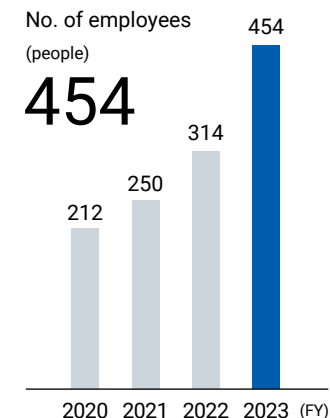
Disclosed on a non-consolidated basis from FY2019 to FY2022, and on a consolidated basis from FY2023 onward

Financial Data



^{*1} Our company has conducted a stock split of 1,000 shares per share of common stock on November 11, 2020, and conducted further stock splits at a ratio of 2 shares per share of common stock on April 1, 2022 and October 1, 2022, respectively. The basic earnings per share on this page are calculated assuming that the stock split was carried out at the beginning of the fiscal year ended December 31, 2019 (January 2019).

Non-Financial Data



^{*2} Includes employees on maternity leave (planning to take statutory parental leave).

^{*3} GHG emissions are calculated based on non-fossil fuel certificates.

Message from the CFO



Kazuaki Nakajima Director, CFO

Profile | He joined The Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.) in 1995 after graduating from the Faculty of Law, The University of Tokyo. He was subsequently involved in start-ups, the launch of new businesses overseas, corporate turnarounds, and IPOs, etc. at several companies before joining CCT in 2018. After working on a system development project at a head office division, he assumed the position of Executive Officer, CFO of the Company in 2019 and has been focusing on establishing management systems. He took up the post of Director, CFO in 2020.

We aim to increase corporate value through business growth by making proactive investments

Steady progress toward listing on Prime Market

To enhance corporate value over the medium to long term, I believe that the key roles of the CFO are to achieve both high growth and an increase in profit margins, to implement appropriate capital policies, and to form consensus with investors.

We have continued to steadily grow our business performance since our listing on the TSE Mothers Market (currently the Growth Market) in September 2021, and with the next milestone being a listing on the Prime Market, “improving liquidity” has become an urgent issue in our capital strategy. Therefore, we conducted two stock splits in 2022 and conducted a secondary offering of approximately 15% of the total number of shares outstanding in 2023. Although the formal liquidity ratio almost met the prime market listing standard even before the secondary offering, the substantial liquidity ratio excluding founding members other than directors was low at around 15%. By conducting a large-scale secondary offering, the actual liquidity ratio increased to over 30%, and we were able to raise the shareholding ratio of overseas investors to over 5%. The number of shareholders has also doubled.

In addition to the secondary offering, we also conducted a share buyback of over 2% (approximately 1 billion yen). The main objective was to mitigate the impact on supply and demand associated with the secondary offering, and the maximum number and amount of shares was determined by comprehensively taking into account the fact that there is no major hindrance to financial soundness and the accumulation of net assets that fall short of the format standards for listing on the Prime Market, as well as the perspectives of shareholder returns and capital efficiency improvements.

In the early stages of starting IR activities, we were unfamiliar with the process and had to feel our way through, but we have been working to improve the quantity and quality of our activities. Every year, we are enhancing our efforts, such as new initiatives to publish an Integrated Report and to hold briefings for individual investors in 2023.

We have been continuously sourcing for potential partners that match the conditions for M&A even before going public. As a result, we have succeeded in making a total of five companies 100% subsidiaries: two in 2023, one in February 2024, and two in April. In the 2023 Integrated Report, we stated our M&A policy as “to gradually increase the speed of M&A execution after repeating a number of small-scale transactions and ensuring that we can implement management integration properly,” constituted overall by small-scale deals with acquisition prices of less than 500 million yen. We focus on business collaboration

Message from the CFO

with subsidiaries, aiming for an increase in profit margin by switching outsourcing from business partners in Tokyo to subsidiaries, rather than short-term benefits of boosting subsidiary net sales. It may take some time for the visible results to show in the consolidated financial statements, but post-merger integration (PMI) is progressing smoothly towards maximizing synergy, with engineers from our subsidiaries gradually participating in projects already awarded to our company.

Fiscal year ended December 31, 2023 sets new record for highest profits

Net sales for the fiscal year ended December 31, 2023 increased 31.4% year on year to 15.9 billion yen, the 15th year of consecutive growth since the company was established. Operating profit also increased significantly to 1.7 billion yen (up 55.6% year on year), setting an all-time record high.

The net sales growth rate is 28.1% for support for DX and 34.7% for support for staffing of IT personnel. The reason why support for staffing of IT personnel is higher than support for DX is that the net sales of the two companies that became subsidiaries in 2023 are recorded under the latter.

The operating profit margin increased from 9.3% in the previous fiscal year to 11.0% in the current fiscal year due to a significant improvement in the gross profit margin of support for DX among other factors. In the previous fiscal year, the sales growth rate for DX support was quite high at nearly 70%, which kept the gross profit margin of the business at a low level due to the large amount of incurred outsourcing costs. This fiscal year, we planned an appropriate "cruising speed" of around 30% for the sales growth rate of support for DX, which enabled us to normalize outsourcing expenses and also contributed to the continuous increase in order unit price. As a result, we were able to improve the gross profit margin from 33.0% in the previous fiscal year to 38.4%.

The source of our good performance is undoubtedly our employees. We have decided to significantly increase the year-end bonus beyond the planned amount to reward employees, as we were able to achieve a substantial increase in gross profit of 4.3 billion yen, up 46.4% year on year, even after implementing a salary increase of 7.5%, we were still able to boost our operating profit margin to over 10%.

Revenues and profits are expected to increase again in fiscal year ending December 31, 2024

We are expecting revenue and profit growth in the fiscal year ending December 31, 2024 with net sales of 20.8 billion yen, up 31.0% year on year, and operating profit of 2.3 billion

yen, up 37.5% year on year.

Since we are not aware of any major risks in terms of the business environment and do not have a structure that depends on specific large-scale projects, both support for DX support and support for staffing of IT personnel are expected to remain strong. On the other hand, it is also true that we have come to a phase where it is difficult to maintain high growth. While focusing on increasing orders from existing customers, we will also strengthen our order acquisition activities for ongoing proposals and actively pursue new customer development through outbound sales.

The gross profit margin is expected to rise slightly to 28.0%, up 0.9 percentage points year on year, with an expectation to remain at the same level as the second half of FY2023. The operating profit margin is expected to increase to 11.5%, up 0.5 percentage points year on year, absorbing the rise in the selling, general and administrative expense ratio, up 0.4 percentage points year on year, due to active recruitment.

Growth strategy based on unique ecosystem and culture

Ever since being established, we have realized high organic growth with a CAGR of over 40%. The foundation for this is our ability to take orders as a primary contractor, which is based on advanced IT technology such as "Orizuru" and knowledge of manufacturing operations, our ability to take orders as a secondary contractor from major system integrators utilizing our ability to procure human resources through "Ohgi," and "Ohgi" as a delivery capacity enhancement device. We understand that these elements are driving an ecosystem that creates synergy, which leads to continuous business growth.

In addition to this, the key element for high growth is the company culture that has taken root in our company. It is the "customer-first principle," and the "sincere response" that embodies it. At CCT, the President himself communicates to all employees the history of the company and the values that it values most. In particular, the "Customers Rule," which clearly states that "we base decisions on providing value to customers rather than convenience for the company," is being promoted as a guiding principle for all employees' actions. The value that projects have for customers is discussed even at order judgment meetings, and this rule is incorporated into personnel evaluation system items as well. As a proactive partner who works alongside customers to deeply explore issues and devise fundamental solutions, we believe that the ability to pool our wisdom and collaborate to drive DX ultimately leads to gaining the trust of customers, which in turn results in repeat orders and an expansion of transaction volume. While being a flow business operating on a man-month basis, we also resemble a stock business, with many ongoing transactions. At the same time, we would like to consider disclosing appropriate KPIs to address the feedback from investors who find our "KPIs difficult to understand."

Message from the CFO

As one of our growth strategies, we will start “outbound sales” from FY2024 and also promote the expansion of the cloud solutions business. Based on “Orizuru,” which is a DX development platform and module for the manufacturing and construction industries, we aim to expand the content of proposals to customers as a DX integrator that can handle a wide range of global standard cloud products, and expand our industrial domain to other industries.

We also want to actively promote M&As and increase our growth rate. Our unique business model leverages the power of “Ohgi” for talent acquisition. We will simultaneously increase the number of employees in CCT itself, the number of consolidated employees through M&As, and the number of outsourced personnel through expanding business partners to enhance overall capacity and strengthen our delivery system.

We have not formulated a medium-term management plan, but will maintain the goal of achieving net sales growth of at least 30% and improving the operating profit margin by 1 to 2 percentage points annually for the time being. By the end of December 2026, two years from now, we aim to achieve net sales of 35 billion yen and operating profit of 5 billion yen.

— Medium-term growth outlook and measures

Net sales growth of

at least **30%**

- Increase unit price in DX support business
- Develop new customers through outbound sales
- Expand products (cloud products)
- Expand consolidation through M&A

Annual operating profit margin

improvement by **1-2** points

- Increase unit price in DX support business
- Reduce outsourcing expenses through M&A of regional small and medium-sized IT companies and the expansion of the “Ohgi” network
- Lower SG&A expense ratio through increased net sales

Fiscal year ending
December 31, 2026
(Targets)

Net sales

35.0 billion yen

Operating profit

5.0 billion yen



Promoting steady M&As for further business growth

The two main objectives of M&As are to expand human resources and strengthen support for DX.

The target companies for M&As aimed at expanding human resources are mainly small and medium-sized IT companies in rural areas, and we expect them to function as hubs for the nationwide deployment of leveraged management that we have built in the Tokyo metropolitan area. We intend to reduce outsourcing costs by having engineers of subsidiaries participate in our projects, and to further improve profitability by having subsidiaries proactively leverage the human resources of neighboring small and medium-sized IT companies. In particular, the acquisition of companies specializing in system development for the manufacturing, construction, and logistics industries, as well as the integration of cloud solutions that we will focus on in the future, will enable us to handle operational and maintenance projects, as well as small to medium-sized projects, and directly contribute to strengthening our group's ability to secure contracts. Through M&As, we aim to open up opportunities for engineers from small and medium-sized IT companies in local regions to participate in cutting-edge projects in Tokyo, contributing to job satisfaction, skill improvement, and even narrowing the income gap between regions.

Target companies for M&As with the aim of strengthening support for DX are assumed to have superior technology in certain fields, and the number is smaller compared to M&As aimed at expanding human resources.

Message from the CFO

When considering M&As, we emphasize the importance of numerical criteria such as “aiming for an EBITDA multiple of 5 times, up to a maximum of 7 times” and “having amortization expenses not exceed profits” to ensure economic feasibility, while also valuing face-to-face meetings with top management. Our basic policy is to respect the management philosophy, path and vision of target companies, and to support autonomous growth. This is why we try to engage in in-depth dialogue on topics such as the purpose of the acquisition, resonance with our vision, and cultural fit. While our M&As have only just begun, we want to deliver results so that the management and employees of our subsidiaries can say that it was a good idea to join the CCT Group.

Aggressive growth investment while maintaining stability of financial base

Our profit and loss structure is characterized by a high variable cost ratio through leverage management in collaboration with business partners, which gives us the flexibility to go either on the offense or defense. Our balance sheet is simple and slim, with a high total asset turnover ratio and improved profit margins, resulting in a fairly high ROE of

around 40%. On the other hand, there is sufficient debt-carrying capacity due to no real debt, and it is possible to apply financial leverage. Although cash and deposits are currently at a somewhat low level due to the contribution of M&A funds from cash, our operating cash flow is increasing and there are no issues with cash flow because we have a 1.6 billion yen overdraft facility.

Our group is in a high-growth phase, and we believe that enhancing corporate value through business growth maximizes shareholder value. Therefore, while maintaining financial stability, we will actively pursue growth investments focusing on personnel and M&As. We expect the cumulative operating cash flow for the 3-year period from FY2024 to FY2026 to be around 7-8 billion yen, so we will primarily use cash to fund M&A activities. However, for large-scale M&A transactions that require significant funding, we will prioritize borrowing and issuing bonds, and consider equity financing as needed.

The only criterion for listing on the Prime Market that has not been met is 5 billion yen in net assets, so the current policy is to prioritize building up the value of our net assets. If there is sufficient leeway in cash and deposits after making growth investments, we will flexibly consider actions such as dividends and share buybacks.

Every day, I feel that the industries and sizes of our client companies are expanding, and the motivation of the entire company is improving

As the Japanese economy continues to shrink and its nominal GDP has fallen to fourth place in the world, enhancing domestic industry productivity through DX promotion is an urgent and essential challenge to increase competitiveness on a global scale.

We specialize in system solutions and offer services such as software development, digital signage, and web services. Since our establishment in 1998 in Ube City, Yamaguchi Prefecture, although we have grown steadily, there are also challenges. It is that the business scale of customer companies is smaller compared to urban areas, and the acquisition of advanced technology is not progressing as expected. This is a common problem not only for our company, but also for many small businesses based in rural areas.

By collaborating with Tokyo-based companies, we hope to further improve the skills of engineers and solve social issues, and create an environment where both employees and companies can grow and develop sustainably. It was with this in mind that we founded CCT in our search for a capital and business partner. We felt an affinity with the management philosophy of the group, and became a group company in May 2023.

By joining the CCT Group, we have expanded the industry and scale of our customer companies, enabling us to enhance the services. With the mission of contributing to the development of the Japan economy, I feel every day that the motivation of the entire company is improving. We will continue to work together as a company to push forward.

Hiroshi Goda
Chairman Of The Board &
Representative Director,
P.G. System Co., Ltd.



Message from the CFO

Financial strategy and capital policy

Main items	FY2023	Policy
Shareholder returns	<ul style="list-style-type: none"> No dividends Share buyback implemented 	<ul style="list-style-type: none"> Give current priority to accumulating net assets to meet the formal criteria for listing on the Prime Market Aim to increase corporate value through growth investment Make flexible decisions on dividends and share buybacks while ensuring financial soundness
Operating cash flow	1.1 billion yen	<ul style="list-style-type: none"> FY2024-FY2026: Cumulative operating cashflow for these 3 years estimated to be around 7 to 8 billion yen Handle M&A within the scope of operating cash flow in principle
ROE	43.0%	<ul style="list-style-type: none"> Aim for ROE of at least 30%, although not aiming to improve ROE because currently at a high level of about 40%
Equity capital ratio	52.5%	<ul style="list-style-type: none"> Aim for at least 50%, but acceptable to temporarily fall below target due to financial leverage during large-scale M&A

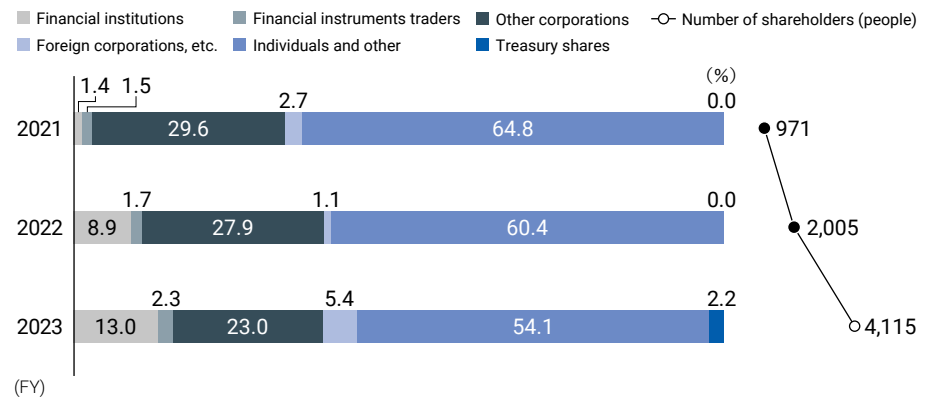
Engaging in careful dialogue with Japanese and international investors to foster relationships of trust

As mentioned at the beginning, we believe that despite the secondary offering of approximately 15% of the total issued shares in 2023, improving liquidity remains a challenge that should be addressed. Since recognition among domestic Japanese institutional investors has been increasing, we are actively participating in conferences and small meetings organized by securities companies and expanding opportunities for one-on-one meetings through securities companies in order to raise recognition among overseas institutional investors. Our Group's market capitalization is at a delicate level as an investment target for overseas institutional investors, and there are limited potential investors. Although the current growth market is subdued and challenging, we will continue to approach it with persistence. Since we are a BtoB business and do not do mass advertising, raising awareness among individual investors is also a challenge. Therefore, we started briefings for retail investors from 2023. We also conduct quarterly financial results briefings and case studies of DX projects undertaken by our Group in order to promote understanding of our business activities.

What I keep in mind in dialogues with investors is to provide sincere and careful guidance and to firmly form a consensus with investors. Since each investor has their own investment style, the evaluations of the stock price also vary greatly at any given time.

In the short term, we believe that it is important to make efforts to bring market evaluations closer to the level we consider appropriate through proper disclosure and careful dialogue as appropriate, and to steadily increase corporate value by continuing to grow our business performance over the medium to long term. We also believe that listing on the Prime Market would be very effective for increasing our recognition and improving liquidity.

Shareholder distribution and number of shareholders



Number of events held

		(FY)		
		2021	2022	2023
For institutional investors	Financial results briefings (times)	-	2	2
	Securities company-organized conferences (times)	-	3	2
	Securities company-organized small meetings (times)	2	4	4
For retail investors	Financial results briefings (times)	-	-	4
	Other briefings (times)	-	-	3

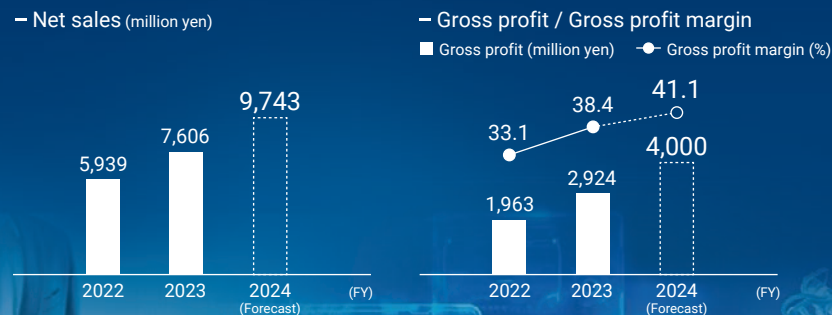
Number of meetings with institutional investors

		(FY)		
		2021	2022	2023
Japan	(times)	48	140	123
Overseas	(times)	43	109	101

Support for DX

The Group supports DX, primarily for customers in the manufacturing and construction industries. We contribute to business growth, profit growth, and business continuity for our clients by leveraging our in-depth knowledge of manufacturing and extensive technical capabilities in the digital field to identify and solve issues such as inefficient business operations and business operations that are highly dependent on individual skills and reliant on veteran personnel.

In doing so, using our proprietary DX support methodology enables us to accompany our clients through the process from formulation of the post-DX vision to technical verification, system construction, operation and maintenance, and in-house production. In addition, we achieve DX swiftly and at low cost by utilizing the "Orizuru" DX development base that streamlines construction and system operation.



Note: Disclosed on a non-consolidated basis from FY2019 to FY2022, and on a consolidated basis from FY2023 onward.

Industry Issues

Business Continuity Risk due to Inefficient Business Operations

Japan's time-honored manufacturing industries, including manufacturing and construction, boast advanced technical capabilities. However, there are still many old-fashioned, inefficient business operations and business operations which rely on individual skills and the know-how of veterans. In addition, changes in the external environment, such as the declining birthrate, aging population, and the so-called "2024 Problem" (shortage of drivers in the logistics industry) associated with changes in work styles, have had a significant impact. We are entering an age when it will be difficult to develop or even continue business without serious progress in streamlining, standardizing, de-personalizing, and automating business operations.

Our Strength and Competitive Advantage

We Accompany and Support Our Clients All the Way to In-House Production for DX Using Our Deep Knowledge of Manufacturing and Our IT Technologies







Since establishment of the Company, we have expanded our range of client industries from the manufacturing industry, where we have extensive knowledge, to the construction and logistics industries, which have similar industrial structures, and have carried out system development with the latest digital technologies. We enhance the functionality of "Orizuru" while also continuing to offer support for DX, and have expanded functions to meet client needs at lower cost. The major feature of our Support for DX business is in offering "customer support for in-house DX." We support in-house DX, including technology transfer, enabling customers to implement DX on a continuous basis. Following the in-house DX process, we continuously offer support in the form of human resources through providing Support for Staffing of IT Personnel.

— Main areas of support

	Manufacturing Industry (since establishment)	Construction Industry (since 2015)	Logistics Industry (since 2023)
Main Areas of Support	Design, procurement, and manufacturing <ul style="list-style-type: none"> ● Order receipt and procurement (Orizuru) ● Smart factory (Orizuru) ● PLM (Aras Innovator) ● ERP (SAP, mcframe, Infor) 	Design and construction <ul style="list-style-type: none"> ● BIM linkage system/common data infrastructure ● Streamlining of design (utilizing of AI) ● PLM (Aras Innovator) 	Warehousing and transportation <ul style="list-style-type: none"> ● Warehouse Management System (WMS) ● Transport Management System (TMS)
Strengths	<ul style="list-style-type: none"> ● 3D shape data processing technology (CAD, numerical algorithms of geometry and image processing by AI) ● Manufacturing expertise in the frontline of the manufacturing industry 	<ul style="list-style-type: none"> ● Achievements of Support for DX in the manufacturing industry ● Experience in the development of BIM common data infrastructure and BIM data (IFC) handling technology ● Extensive business knowledge in the construction industry 	<ul style="list-style-type: none"> ● Achievements of Support for DX in the manufacturing industry

Strategy by Sector | Support for DX

Service lineup for manufacturing industry

	Sales	Design	Preparation for production and procurement	Manufacturing
Customer contact points and DX for sales (Business negotiation management and automated cost estimation)	Reproduce the skills and knowledge of top sales personnel using digital technologies to expand sales We upgrade organizational sales capabilities and expand sales by reducing reliance on individual skills, in addition to visualizing, streamlining, and standardizing basic sales activities.			
	Relevant technologies ● Business negotiation best practice ● Automated cost estimation			
	Solutions 			
	Sales	Design	Preparation for production and procurement	Manufacturing
DX for design and production preparation (Digital thread and PLM ^{*1})	Automate and streamline preparation for production that relies on individual skills We increase productivity through centralized digital management of relevant information such as the design drawings, bills of material (EBOM ^{*3} and MBOM ^{*4}), and bills of process (BOP ^{*5}) used in design, production preparation, and procurement to automate and streamline production preparation work that relies on individual skills.			
	Relevant technologies ● PLM ● Digital thread ● EBOM, MBOM, BOP-linked			
	Solutions 			
	Sales	Design	Preparation for production and procurement	Manufacturing
DX for procurement (Process design and automation of cost estimation)	Reduce component procurement lead time and number of components We streamline procurement and cost estimation work that are overly inefficient by using 3D data to automate labor-intensive drawing preparation and process design and cost estimate preparation work that relies on individual skills.			
	Relevant technologies ● 3D search for similar data ● Automated cost estimation			
	Solutions 			
	Sales	Design	Preparation for production and procurement	Manufacturing
DX for manufacturing (Smart factory/MES ^{*2})	Increase productivity by maximizing current strengths = traditional manufacturing We aim to increase productivity and quality (yield rate) and maximize production capacity by optimizing production plans, automating work instructions and quality inspections, and visualizing production results in real time at manufacturing sites.			
	Relevant technologies ● Smart factory ● IoT ● Retrofit ^{*6}			
	Solutions 			
	Sales	Design	Preparation for production and procurement	Manufacturing
DX for supply chain integration (Renewal of mission critical systems and introduction of ERP)	Integrated management for total optimization We provide support for organization of ongoing issues in the overall value chain, including production management, resource management, purchasing management, and accounting, the formulation of business vision, and the renewal of the underlying core systems.			
	Relevant technologies ● ERP ● SCM			
	Solutions  			

^{*1} Abbreviation for "Product Lifecycle Management." It means aggregating various technological information on the entire product lifecycle, and using it to improve product development capabilities and corporate competitiveness.

^{*2} Abbreviation for "Manufacturing Execution System." MES grasps and manages manufacturing processes, and gives instructions and support to workers.

^{*3} Abbreviation for "Engineering BOM." It means a bill of materials from the design standpoint.

Summary of Business Performance

Achieved Continuous Growth by Maintaining a Positive Cycle and Meeting Needs

In fiscal 2023, our reputation as a company that handles DX primarily in the manufacturing and construction industries gradually grew from our improved track record on DX support and other factors, and the number of inquiries for new projects trended higher. As a result of concentrating on the follow up of existing customers and acquisition of new customers, net sales reached 7,606 million yen, up 28.1% year on year, and the gross profit margin came to 38.4% (33.1% in the previous fiscal year).

Growth Strategy

In the Support for DX business, we identified issues faced by customers in each industry and offered a lineup of services based on the theme of transformation to resolve these issues. We expanded our lineup to meet the needs of more customers by appropriately combining our original "Orizuru" DX development base with proven cloud solutions from other companies. In fiscal 2024, we have been systematically strengthening our sales activities to attract prospective customers through outbound marketing. Going forward, we will continue to expand our products in alignment with the demands of clients and further increase the sales efficiency of outbound marketing.

Supporting the formulation of a smart factory realization concept and system construction

We offer smart factory solutions using "Orizuru" as Support for DX in the manufacturing industry. At PowerX, Inc., we combined "Orizuru MES" and "Infor CloudSuite Industrial (CSI)" to build a factory-wide, end-to-end integrated system linking all operations from storage battery design information through to order receipt information, production plans, and manufacturing and logistics execution systems. Implementing smart factory technology contributes to improving productivity and overall optimization.



^{*4} Abbreviation for "Manufacturing BOM." It means a bill of materials from the manufacturing standpoint.

^{*5} Abbreviation for "Bill of Process." It means a representation of procedures for assembling or processing a product component by component.

^{*6} It means to update or improve existing configurations or equipment using new technologies and components.

Strategy by Sector | Support for DX

Expanding the Functions of "Orizuru" DX Development Base

In many cases of the Group's Support for DX, we build systems through additional development based on the standard functions of the "Orizuru" DX development base to match the post-transformation vision of each client. General-use functions and differentiated functions are continuously added to standard functions, allowing us to realize DX for clients more swiftly at low cost and to increase our competitiveness.

Currently, with the growing number of inquiries and introductions for "Orizuru MES," which realizes smart factories, we will concentrate on expanding its standard functions, while also working to develop the standard functions for the new logistics industry services being rolled out.

Strengthening Cloud Solutions

In the past, many big companies did not want to change the traditional manufacturing process, which drove them to invest a lot of money in constructing original systems. However, the construction of such a system was dependent on outside vendors, which made it difficult to evolve the system swiftly and flexibly. On the other hand, small- and medium-sized enterprises introduced low-cost package systems due to their limited investment capacity. This resulted in issues such as an inability to realize the desired business processes and difficulties enabling linkage between multiple package systems.

The CCT Group realizes DX by utilizing standard cloud solutions for common fields and introducing an original system capable of high-level reproduction of traditional business processes for fields of competition where the strengths of each customer are demonstrated. We are strengthening our support for proven cloud products in order to deliver systems that combine both of these fields using "cloud solutions" plus "Orizuru."

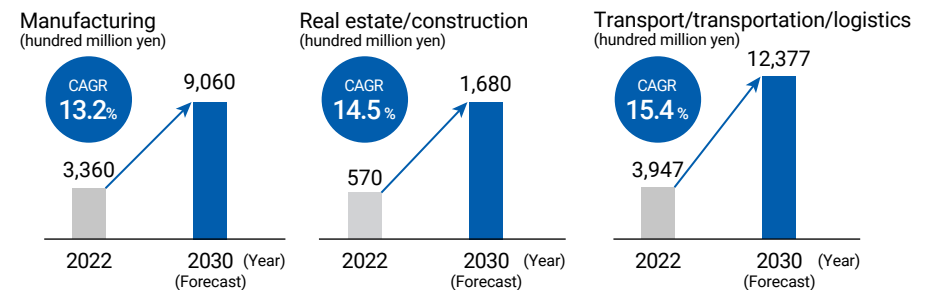
Expanding our Support for DX Business Domains

CCT has begun offering Support for DX in the logistics industry to expand our business domains. Targeting the logistics industry, which has strong connections with manufacturing and construction industry clients in the value chain and is responsible for transportation of materials, components, and products, has facilitated the provision of services at an early stage by taking advantage of the industry expertise we have already accumulated. On the technology front, we have steadily built up a proven track record in support as many transformation themes leverage AI, IoT, 3D, and the other elemental technologies that we have cultivated as well as such knowledge as production management and inventory management.

Going forward, while promoting the introduction and renewal of basic systems in the

logistics industry such as WMS (Warehouse Management System) and TMS (Transport Management System), we will continue to build mechanisms utilizing advanced AI, including optimization of cargo loading and truck operation planning. Through such efforts, we are supporting the realization of DX that will be able to overcome the so-called "2024 Problem" in the logistics industry.

Scale of the DX market



*Source: Future Outlook for the Digital Transformation Market in 2024 produced by Fuji Chimera Research Institute, Inc. in March 2024

Becoming an organization that can guide Japanese companies to DX success

We want to vitalize the Japanese manufacturing industry which possesses the fine and delicate technical capabilities like a paper crane (orizuru). We named our DX development base for the manufacturing industry "Orizuru" with this desire in mind. "Orizuru" has now expanded the field of its activities beyond the manufacturing industry.

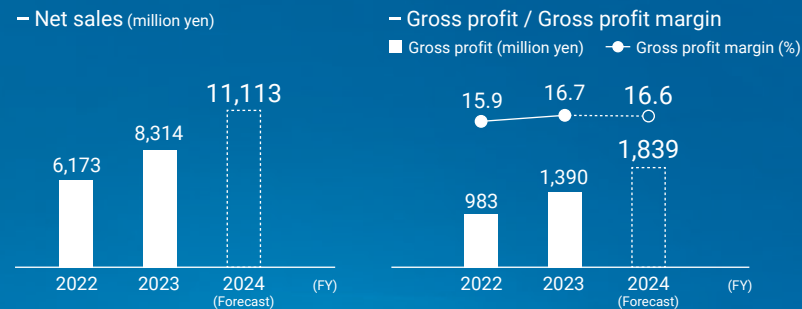
We believe that the true success of DX will be the enhancement of our customers' enterprise value. Guiding diverse customers toward highly-reproducible DX success is no easy task. However, I believe we can deliver success through the CCT-DX Method, our DX support methodology, and the pursuit of "cloud solutions" plus "Orizuru." I will develop the Digital Transformation Business Division into an organization that can support a thousand paper cranes (clients) in order to guide DX success of our clients. In doing so, we hope to contribute to the development of Japanese industry to the best of our ability.

Masafumi Kato
General Manager, Digital Transformation Business Division



Support for Staffing of IT Personnel

The Group supports client IT staffing demands for major system integrators, consulting firms, and business companies. Our business partner network "Ohgi" has enabled speedy staffing of IT personnel. We can find the most suitable IT personnel for clients' projects and establish a framework for delivery utilizing "Ohgi," a database with which we can network and approach about 5,000 small- and medium-sized IT enterprises (about 130,000 IT personnel).



Note: Disclosed on a non-consolidated basis from FY2019 to FY2022, and on a consolidated basis from FY2023 onward.

Industry Issues

Inefficiency of Matching and Income Inequality

Business channels in the IT industry involve many intermediary agencies structured like a pyramid. As a result, matching of projects and engineers is inefficient, and there is also significant income inequality between the top and bottom of the pyramid, even when the same tasks are performed. In addition, order unit prices tend to be lower in regional areas than in Tokyo.

While IT investment is expected to increase in all industries going forward and demand for IT engineers will grow, another issue for the industry is that supply of these engineers has plateaued and the gap between demand and supply has widened.

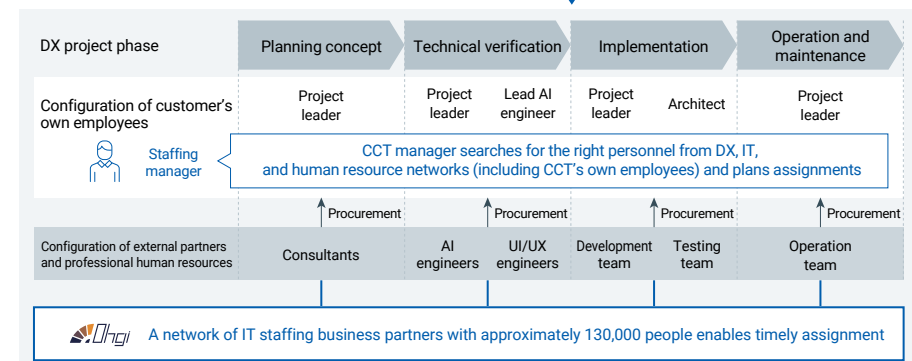
Our Strength and Competitive Advantage

Use of "Ohgi" Business Partner Network

The Group's strength is "Ohgi," our extensive business partner network made up mainly of small- and medium-sized IT companies. As of December 31, 2023, there are approximately 5,000 business partner companies (about 130,000 people). Utilizing "Ohgi" enables us to swiftly assemble the right engineers for a project and establish a framework for delivery in response to demands for IT personnel from system integrators and others. For our business partners, "Ohgi" not only increases their opportunities to win orders, but also reduces the involvement of many intermediary agencies allowing them to win orders at relatively high unit prices.

— Strengths of "Ohgi"

Prompt support for human resource needs
(process, job type, number of personnel, duration) in each phase



Strategy by Sector | Support for Staffing of IT Personnel

"Ohgi" not only has advantages for system integrators and business partners but enhances the Group's competitive advantage because as the "Ohgi" network continues to expand, there are more human resources for the Group to utilize, which increases our delivery capacity.

In addition, "Ohgi" primarily encompasses small- and medium-sized IT companies, which differentiates it from networks that are centered on freelancers.

Summary of Business Performance

Increased Capacity to Win Orders by Strengthening Sales Structure and Supply of Human Resources

In fiscal 2023, we focused on steadily expanding transactions with existing major system integrator clients and developing new clients by increasing the number of sales staff and strengthening the sales structure. In addition, supply capacity rose through expansion of "Ohgi," our business partner network. We also made P.G. System Co., Ltd. and Denso Co., Ltd. into new, wholly-owned, consolidated subsidiaries.

As a result, net sales were 8,314 million yen, up 34.7% year on year, and the gross profit margin was 16.7% (15.9% in the previous fiscal year).

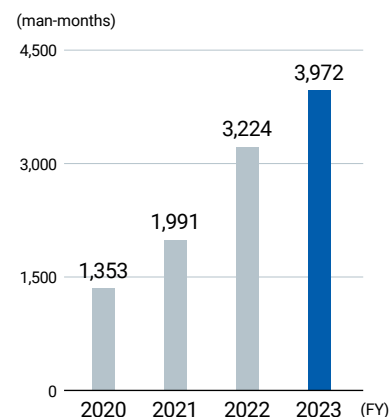
Growth Strategy

Expand "Ohgi" in Regional Areas, Primarily at Our Regional Sites

Expanding transactions with major system integrators is crucial for continuous growth in the Support for Staffing of IT Personnel business. Demand for IT personnel from major system integrators is strong and meeting this demand not only requires expansion of "Ohgi," but also an increase in the number of in-house personnel who utilize "Ohgi."

Since our establishment, we have been steadily building our network with business partners by visiting small- and medium-sized IT enterprises individually. As a result, the "Ohgi" network has now expanded to about 5,000 companies, mainly in Tokyo. Going forward, we will pursue expansion of the

— Changes in number of man-months for assigned engineers at business partners



"Ohgi" network in regional areas at the same time as the network in the Tokyo metropolitan area further expands. First, we will accelerate the expansion of "Ohgi" in regional areas by networking small- and medium-sized IT enterprises in Osaka and Fukuoka, where the Company has sites, as well as in areas where Group companies have their main sites.

We will expand the leverage we have established in the Tokyo metropolitan area nationwide using our own sites and Group companies as hubs.

Strengthen Client Relationships by Increasing the Number of Sales Staff

As Support for Staffing of IT Personnel primarily consists of second tier subcontractor projects, the ability to quickly establish the optimum delivery structure to meet the requirements of the major system integrators is important. The Group's strength lies in the "Ohgi" network, but the information on projects that our sales staff obtain from clients is also important in order to fully utilize the network. We will increase the number of projects by increasing contact points for clients with project managers and strengthening their relationships. We will also continually expand transactions with our existing clients through improvements in customer satisfaction by proposing the right personnel promptly. In addition, we will focus on developing new clients with the potential to become large-scale customers in the future.

Expand support for clients by enhancing our network

We have formed a wide network of business partners through "Ohgi," and have been working to resolve the involvement of many intermediary agencies, which has been an issue for many years in the IT industry. We provide the engineers at the bottom of the pyramid with opportunities to increase their motivation and skills and to design their own careers by taking part in cutting-edge projects where they work closely with end users.

We contribute to increasing the competitiveness of the IT industry as a whole by drawing out and activating the potential of engineers at small- and medium-sized IT enterprises.

Going forward, we also want to contribute to narrowing the income gap between Tokyo and regional areas and revitalizing local communities by expanding our network of local business partners.

Masatoshi Hagiwara
General Manager, Engineering Platform Business Division



Sustainability Basic Policy and Promotion System

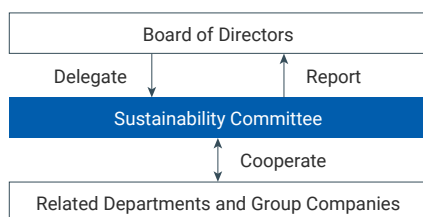
Accelerate business growth by strengthening our sustainability activities

Sustainability Basic Policy

Driving sustainable industrial development through the power of our technology and people

With the belief that our daily business activities drive the sustainable development of the industry, our Purpose itself (see page 1) is our Sustainability Basic Policy.

— Promotion system



Overview of Sustainability Committee

Our group is promoting initiatives related to sustainability and has established a Sustainability Committee chaired by our Representative Director, President and CEO Takeshi Kaneko to contribute to the creation of a sustainable society through our business activities. The committee includes members with the knowledge necessary to promote sustainability initiatives, including Eri Nakajima, an Outside Director specializing in the environment, and Kazuaki Nakajima, Director and CFO. The initiatives considered and implemented by the committee are reported to the Board of Directors.

FY2023 Meeting Report

At committee meetings in FY2023, various discussions were held regarding the establishment of our Purpose, formulation of the Sustainability Basic Policy, and definition of materiality, focusing on our company's reason for existence and social contributions. It was an important year for us to start full-scale sustainability initiatives, including the implementation of specific measures.

— Main contents discussed by Sustainability Committee in FY2023

Period	Description
July 2023	<ul style="list-style-type: none"> ● Formulation of Sustainability Basic Policy ● Definition of materiality
September 2023	<ul style="list-style-type: none"> ● Consideration of sustainability activities ● Consideration of sustainability activity plans
October 2023	<ul style="list-style-type: none"> ● Consideration of sustainability activity concepts ● Consideration of in-house study groups
November 2023	<ul style="list-style-type: none"> ● Selection of Scope 3 calculation tool ● Consideration of human rights policy initiatives ● Consideration of IT human resource development activities
December 2023	<ul style="list-style-type: none"> ● Implementation of Tokyo Metropolitan Government energy conservation diagnosis ● Scope 3 calculation policy ● Human Capital: Employee engagement survey ● In-house use of generative AI

Basis of Value Creation | Environment

Environment

Basic Approach

Our group recognizes that addressing global environmental issues is a very important initiative for the sustainable development of society, and is a challenge that needs to be solved worldwide. To address this challenge, we will contribute to reducing power consumption and transitioning to a decarbonized society.

Realizing a Zero Carbon Business

Information Disclosure Based on TCFD Recommendations

We have positioned climate change as one of our most important management issues. In addition to promoting initiatives recommended by the TCFD*, we strive to disclose information on the four core elements of governance, strategy, risk management, and indicators and targets.

* Abbreviation for the Task Force on Climate-related Financial Disclosures.

Governance

We have established a Sustainability Committee with the Representative Director, President, and CEO serving as the chairman (see p.30). The committee, entrusted by the Board of Directors, formulates policies and manages progress on sustainability issues, including climate change. Important matters are reported to the Board of Directors for deliberation. In July 2023, after deliberation by the Sustainability Committee, our materiality, including the perspective of climate change, was identified and approved by the Board of Directors.

Strategy

— Scenario analysis

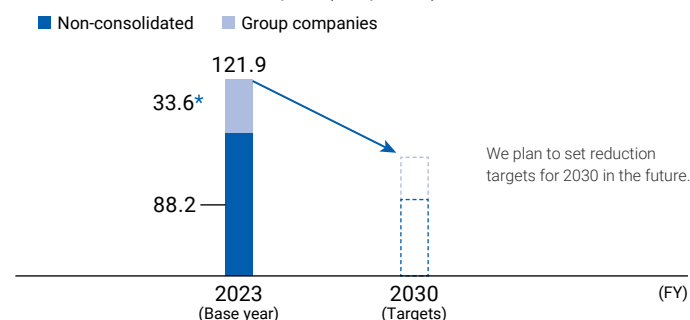
We conducted a scenario analysis to recognize the risks and opportunities posed by climate change and to validate current measures, with the aim of applying them to future business strategies. In 2022, the first year of the analysis, we qualitatively

analyzed transition risks and physical risks associated with climate change in accordance with the framework of the TCFD, and assessed the impact of each on three levels: large, moderate, and small.

In the analysis, we referred to information from organizations such as the IEA and IPCC and adopted scenarios of +1.5 to +2 degrees Celsius and +4 degrees Celsius. In the +4 degree Celsius scenario, although the impact of transition risks such as regulations is small due to the extension of current policy, it is assumed that the worsening of natural disasters will progress and physical risks such as abnormal weather will increase.

	+1.5 to +2 Degree Celsius Scenario	+4 Degree Celsius Scenario
Policy	Carbon tax introduced Various climate change measures introduced	Carbon tax not introduced Various climate change measures not introduced
Electricity	Electricity prices rise	Electricity prices fall
Crude Oil	Crude oil prices fall	Crude oil prices rise
Consumer Awareness	Rising temperatures raise awareness of environmental issues such as climate change, and sustainable lifestyles become established	Rising temperatures raise awareness of environmental issues such as climate change
Climate	Amount of heavy rains and typhoons increase Temperature rises by 2 degrees Celsius	Amount of heavy rains and typhoons increase (more frequent than a world with +2 degree Celsius rise) Temperature rises by 4 degrees Celsius

— GHG emissions reduction plan (Scope 1, 2) (t-CO₂)



Basis of Value Creation | Environment

In a world where the temperature rises by 1.5 to 2 degrees Celsius, climate-related policies such as GHG emission regulations will be strengthened, and although the impact of transition risks will increase, it is estimated that the physical risks will be limited compared to +4 degrees Celsius as a result of these policies.

By considering our business activities in different weather conditions and social environments, we aim to enable sustainable management in a variety of environments.

Significant Risks and Opportunities

Demand for environment-related systems is expected to increase in both scenarios with a +1.5 to +2 degree Celsius and +4 degree Celsius increase. We believe this to be

a factor that will increase our chances of receiving orders for these systems, as well as helping to mitigate climate change and resolve the problems caused by it.

Although the introduction of carbon taxes and fluctuations in electricity prices are expected in these countries, we believe that the negative impact of electricity usage on our finances will be limited.

Risk Management

In order to minimize losses by understanding risks and responding appropriately, we have appointed the Representative Director, President, and CEO as the Chief Risk Management Officer. In addition, the Risk Management Committee, which consists of

— Significant risks

Significant Risks	Category		Degree of Impact	Impact on Business
Risk of reduced customer loyalty due to poor climate change evaluation	Reputation	Customer loyalty	Moderate	If we do not promote the environmental contributions of provided systems (low GHG emissions, contribution to green innovation, etc.), the evaluation of the systems from customers will decrease and so will business opportunities
Risk of difficulty in securing human resources due to low evaluation of climate change		Human resources recruitment	Moderate	If we do not promote the environmental contributions of provided systems (low GHG emissions, contribution to green innovation, etc.), the number of job applicants will decrease, making it difficult to secure human resources
Risk of investment slowdown due to poor climate change evaluation		Investor loyalty	Moderate	If we do not promote the environmental contributions of provided systems (low GHG emissions, contribution to green innovation, etc.), the evaluation of the systems from investors will decrease and so will our stock price

— Significant opportunities

Significant Opportunities	Category		Degree of Impact	Impact on Business
Increase in demand for GHG emission measurement systems	Policies and regulations	Carbon prices	Moderate	Introduction of a carbon tax increases the demand for GHG emission measurement, leading to an increase in demand for related systems (No effect if +4 degrees Celsius)
Increase in demand for logistics-related systems due to the rise in fossil fuel costs		Fossil fuel subsidies	Large	Fossil fuel costs soar due to the lifting and reduction of fossil fuel subsidies. As a result, the diversification of fuels and the restructuring of logistics networks will become invigorated, and the demand for related systems will increase
Increased demand for systems due to the growth of the low-carbon market and the spread of new technologies	Technology		Large	Growth in the low-carbonization-related market, especially in the power storage and motor-related markets, will lead to an increase in the construction of smart factories and other facilities. As a result, the demand for related systems will increase
Increased purchasing costs for customers. Demand for supply chain and price management systems increases	Industry and market	Fluctuation in raw material costs	Large	Increased raw material costs for customers. Increased demand to understand procurement costs and supply chains, and for procurement price calculation systems

Basis of Value Creation | Environment

full-time officers and persons responsible for each division, was put in place and meets quarterly to understand overall risks related to the Company's management, such as the business environment and organizational structure, and to consider countermeasures. With regard to climate change-related risks, we identify and evaluate risks under this system, and formulate and implement measures to reduce them.

Indicators and Targets

We understand Scope 1 and Scope 2 GHG emissions and are committed to reducing them. We plan to set KPIs for materiality and emissions reduction targets for Scope 1 and 2 in 2024. We also worked on calculating Scope 3 emissions on a non-consolidated basis in 2023. Moving forward, we aim to include Scope 3 in figures for the entire group.

— GHG emissions results

	FY2019	FY2020	FY2021	FY2022	FY2023
Greenhouse gas emissions Scope 1, 2 (t-CO ₂)	81.7	79.7	80.0	93.7	121.9
Greenhouse gas emissions Scope 3 (non-consolidated) (t-CO ₂)	—	—	—	—	10952.6*
No. of employees (people)	185	212	250	314	454
Scope 1, 2 emissions per capita (t-CO ₂)	0.4	0.4	0.3	0.3	0.3
Emissions per net sales (t-CO ₂) (hundred millions of yen)	1.7	1.4	1.0	0.8	0.8
Emissions per operating income (t-CO ₂) (hundred millions of yen)	49.1	44.1	14.6	8.4	7.0

Note: Disclosed on a non-consolidated basis from FY2019 to FY2022, and on a consolidated basis from FY2023 onward.

* Category 15 emissions are not included because they are difficult to calculate.

Declaration of 100% Renewable Energy Usage

We joined the Renewable Energy 100 Declaration RE Action in June 2024, and set a goal of achieving 70% renewable energy by 2030 and 100% by 2050. As part of our participation in RE Action, we have revised the calculation of renewable energy to be based on non-fossil certificates. Since last year, we have been promoting M&A, and as a group, we will work to promote the use of renewable energy towards this goal, as well as engage in environmental activities towards a decarbonized society.

Realization of Circular Economy Management

Basic Approach

To achieve both sustainable economic growth and the effective utilization of limited resources, the concept of "circular economy management" is considered extremely important.

Promotion of Going Paperless

We are promoting paperless work with the aim of making effective use of resources and transforming the way we work. Specifically, we are implementing measures such as discontinuing the distribution of paper materials at meetings, abolishing the principle of paper-based document storage, digitalizing faxes, digitizing contracts, and utilizing electronic bookkeeping and electronic tax filing. Many of our employees work remotely, and we are working to improve operational efficiency through digitalization.

Reuse of Computers

Computers that are no longer needed are not physically disposed of, but are reused through a computer purchase service for companies.

Basis of Value Creation | Society

Society

Human Resource Development

Basic Approach

The basic policy for our group personnel system consists of four parts: fostering professionalism, results-based evaluation, transparency of the wages system, and review of the evaluation system as necessary (efforts to ensure fairness). We have established a workplace environment that enables employees to refine their skills and reach their full potential through their work, and systems that facilitate a work-life balance based on workstyles unrestricted by time or location. We are also focusing on revitalizing communication.

Widely Disseminating the CCT WAY

We hold a total of five semi-annual "CCT WAY" training sessions mainly for young and mid-level employees with different themes, such as business logical thinking, and writing and presentation skills. Through this training, we aim to improve the basic skills necessary to embody the "CCT WAY" and to improve the perspective of employees as members of society. In 2024, employees from group companies will also participate in the training, and we are working to spread the "CCT WAY" throughout the entire group.

– CCT WAY training

Theme	Description
1st Business logical thinking	<ul style="list-style-type: none"> ● Organize your thoughts systematically ● Think logically
2nd Writing and presentations	<ul style="list-style-type: none"> ● Communicate clearly to others using text and documents
3rd Communication of persuasion and empathy	<ul style="list-style-type: none"> ● Bring out others' proactive actions through "logic x passion"
4th Ability to engage customers	<ul style="list-style-type: none"> ● Drive stakeholders both inside and outside the company with a sense of ownership
5th "CCT Way" Training Summary	<ul style="list-style-type: none"> ● Reflect on what was learned during the training and consider future efforts

Supporting Employee Learning with "Training System" and "Information Sharing Mechanism"

In a fast-changing IT industry, it is important to keep learning. Passive learning and active learning result in significant differences in motivation and retention. We hold voluntary study groups with the aim of fostering a culture where employees proactively learn. Highly skilled employees serve as lecturers in their areas of expertise and hold study groups online. Employees are free to participate in groups that interest them. In addition, we provide subsidies such as for examinations for qualifications required for work.

– Key measures

- Study groups: Company-wide study groups by highly skilled employees
- Subsidies covering qualification expenses: Support for examination and training expenses for qualifications required for work
- In-house library system: Purchasing of books that lead to self-improvement and knowledge acquisition at the request of employees

Training System

Study groups planned by highly skilled employees cover a wide range of themes, including the programming language C#, databases, 3D graphics, agile development, shape recognition, AI, and Salesforce. There is no limit to the frequency of implementation or the time per session, making them highly flexible and customizable events. Recordings are also available, so employees who were unable to attend on the day can watch it later. In addition, we also implement departmental working group initiatives providing opportunities for voluntary learning of technology.

Information Sharing Mechanism

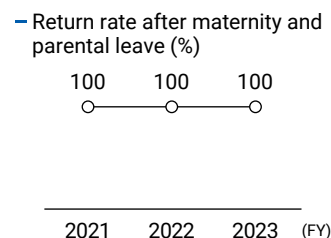
We have implemented a human resources system that allows us to input and view the technical skills of our employees. In addition, we have created a dedicated chat room where users can post technical problems via Slack and LINE WORKS, and we have created an environment where users can easily ask questions if they have any questions when they do not know who to ask. Experts in the company respond quickly to questions so that users do not have to handle problems on their own.

Basis of Value Creation | Society

Work-Life Balance Promotion

Work-Life Balance

We have created a group chat room where employees can discuss child-rearing, providing a place where employees can easily communicate with each other. We also inform all employees who have children about childcare systems, including statutory parental leave, to raise awareness.

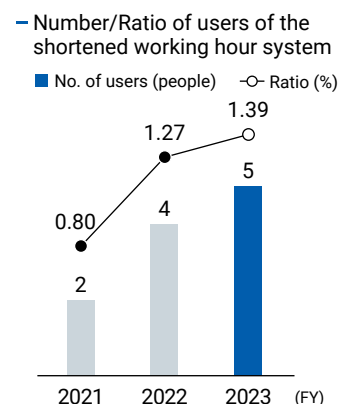


— List of childcare support systems

System	Description
Encouragement System for Statutory and Company Parental Leave	Established an in-house consultation desk to encourage employees to take statutory parental leave. Possible to use the special leave system for childbirth as company parental leave and receive additional benefits from the health insurance society
Babysitting Assistance	Registered as a company-led babysitter use support business
Nursery School Search Assistance	Supports employees looking for nursery schools using services that are linked to company-led nursery schools nationwide

Diverse Workstyles

Employees with preschool children or those caring for family members in need of nursing care can choose to work shortened working hours. It is common for employees to have significant anxiety, especially for those returning from statutory parental leave, until they can adjust their daily routines, so the percentage of them using shortened working hours is high. On the other hand, some employees choose to work full-time by utilizing the full flextime system or remote work system. Employees can choose a work style that suits their preferences.



— List of work-life balance promotion systems

System	Description
Telecommuting System	Enables working from home
Full Flextime System	Flextime system with no core working hours
Shortened Working Hours	Available depending on the circumstances when unable to work full-time due to child-rearing, caregiving, etc.
Paid Leave	Up to a maximum of 15 days can be taken from the first year of employment. Sets days encouraging the taking of leave
Hourly Paid Leave	Enables taking paid leave in one-hour increments
Refreshment Leave	For every five years of employment, employees who entered the Company during the relevant year are given refreshment leave and an honorarium

Communication with Employees

Communication Revitalization Activities

Although many employees mentioned the benefits when the remote work system was first introduced, they also began to express concerns over time about difficulties in communication. Considering the situation, we are implementing initiatives to revitalize internal communication.

— List of communication revitalization activities

Activity	Description
Whole Company Meetings	Held once every six months for all employees. Each division explains their performance and future policies. Recreational activities and social gatherings are held for the meeting held at the end of the year
Officer Exchange Meetings	For mid-career employees who have few opportunities to interact with officers. Through casual conversations with officers, employees gain an understanding of the personalities of the officers, and improve communication and their sense of belonging
Exchange Workshops	Groups are formed at the division level, including all employees, and communication within divisions is promoted through work that allows them to understand the thinking and communication styles of colleagues

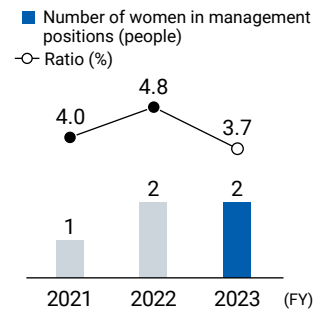
Basis of Value Creation | Society

Diversity, Equity and Inclusion

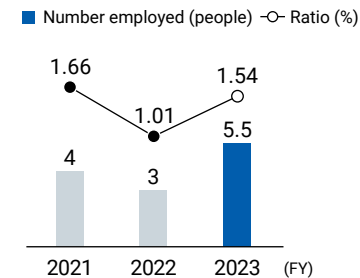
Promoting the Advancement of Women

We have formulated a general employer action plan based on the Act on Promotion of Women's Participation and Advancement, and are promoting the active recruitment of women. In addition, we are aiming to obtain certification as a child-rearing support company ("Kurumin") based on the Act on Advancement of Measures to Support Raising Next-Generation Children. We will continue to work on creating an environment where women can thrive.

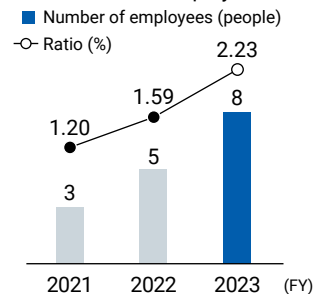
Number and ratio of women in management positions



Number and ratio of people with disabilities



Number and ratio of international employees



Promoting the Employment of People with Disabilities

We actively recruit people with disabilities. When hiring, we will confirm their desired work location, job type, skills, and considerations, and assign them to the appropriate department. After joining the company, we regularly interview employees and the department to which they are assigned to ensure that they can work with peace of mind.

Supporting International Employees

We provide necessary support to ensure that employees can work in Japan with peace of mind. This includes assistance with obtaining, changing, and renewing their status of residence, assignment to projects where communication in English is possible and introduction to a place to live immediately after arrival in Japan.

Flexible work styles leading to a fulfilling work-life balance

Workers at CCT find the full flextime and remote work options to be very attractive due to their flexibility. Even if they are not feeling well or have private plans, these two schemes allow them to cope without using paid leave and maintain a work-life balance. Some people find it difficult to communicate remotely, but for my project, Slack's huddle meeting feature makes it easy to have a casual conversation. Women often face limitations in their work styles due to life events. I think that even if I find myself in such a position in the future, I would be able to continue working at CCT.

Also, while working as an engineer at CCT, I have never had to consciously think about my gender. I feel that CCT has a culture that supports individual challenges and recognizes achievements when employees are successful.



Saki Toda

System Integration
Business Division

The work style like an overseas company and the reassuring support are appealing

My first encounter with CCT was when I participated in a CCT project as a business partner. In working together, I got the impression that CCT is a company that allows for a work style close to that of overseas companies. I have worked for several companies in Japan, but I felt that this company offered a flexible work style compared to them, so I decided to change jobs. I love Japanese anime, and having an environment that recognizes and accepts individuality was a significant factor for me.

When I first joined the company, I was still unsure about my Japanese language skills, so my superiors and colleagues would help me by handling phone calls and reading difficult Japanese documents together with me, providing me with attentive support. They also helped with visa applications and renewals, which was very reassuring.

I feel that the introduced remote work and full flextime systems make it very easy to work. Being able to work remotely even when I visit my home in the U.S. is also very helpful.



Louis Digiorgio

Digital Transformation
Business Division

Basis of Value Creation | Society

Health Management Declaration

Health Management Declaration

This declaration sets forth initiatives related to health at Core Concept Technologies Inc. and its group companies (hereinafter referred to as "Our Group").

We believe that our business activities contribute to the sustainable development of industry itself, and we have established Our Group's Sustainability Basic Policy as "Driving sustainable industrial development through the power of our technology and people."

Maintaining and improving the health of each and every employee is essential to the realization of the group's Purpose and Sustainability Basic Policy. Furthermore, we believe that having employees who are physically and mentally healthy and able to perform well is linked to gaining the satisfaction and trust of all stakeholders, including their families and business partners.

Efforts in Health Management

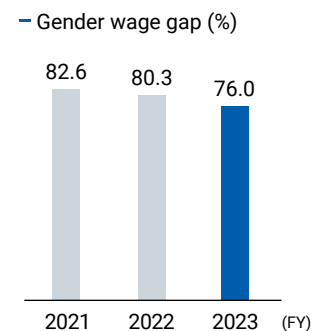
We are striving to address four key issues with the aim of providing a detailed response:

(1) Follow-up based on health checkup results, (2) Promotion of work-life balance, (3) Revitalization of communication, and (4) Initiatives for employees working long hours.

Fair Evaluation

Gender Wage Gap

In our evaluation system, we conduct assessments based on achievements. The main factor behind the gender wage gap is the low percentage of women in management positions. We will continue to work on creating an environment where women can thrive.



Human Rights

Human Rights Policy

This policy sets forth the basic policy for human rights initiatives in the Core Concept Technologies Inc. group (hereinafter referred to as "Our Group").

We believe that our business activities contribute to the sustainable development of industry itself, and we have established Our Group's Sustainability Basic Policy as "Driving sustainable industrial development through the power of our technology and people."

Respecting the human rights of stakeholders is essential to the realization of Our Group's Purpose and Sustainability Basic Policy. Our Group supports the UN Guiding Principles on Business and Human Rights, and aims to achieve the realization of Our Group's Purpose and Sustainability Basic Policy by promoting initiatives to respect the human rights of stakeholders based on this policy.

Basic Approach

Believing that respect for the human rights of stakeholders is essential for realizing sustainable growth, Our Group places great importance on international norms, including the UN Guiding Principles on Business and Human Rights. Our Group respects the fundamental human rights of stakeholders and does not tolerate discrimination or harassment on the basis of gender, age, nationality, race, religion, disability, or other differences. In addition, we do not permit child labor, forced labor, or labor for unfairly low wages.

List of Employee Data

List of Employee Data			(FY)			
			2020	2021	2022	2023
Number of new graduates hired	Men	(people)	17	19	20	30
	Women	(people)	5	0	3	1
Number of mid-career employees hired	Men	(people)	33	34	66	41
	Women	(people)	4	7	16	11
Employee turnover		(%)	10.0	8.8	12.8	11.7
Average years of employment		(years)	2.79	2.15	3.03	3.17
Hours of overtime		(hours)	22.08	22.81	21.92	19.74

Governance | List of Officers

Governance

List of Officers (As of March 31, 2024)

Directors



Takeshi Kaneko



Katsunori Shimomura



Hajime Tsunoo



Kazuaki Nakajima

Position	Representative Director, President, CEO	Director, Chairman	Director, General Manager, System Integration Business Division	Director, CFO
Brief history	2000 Joined INCS Inc. (currently SOLIZE Corporation) 2006 Established Laguna Co., Ltd. 2006 Joined KT Consulting Co., Ltd. 2009 Corporate Auditor of ShinStar Co., Ltd. 2010 Joined the Company 2013 Director, Vice President 2015 Representative Director, President, CEO (current position)	1979 Joined NEC Software Co., Ltd. 1991 Joined INCS Inc. (currently SOLIZE Corporation) 1995 Managing Director of INCS Inc. 1996 Director of Geiyo Senzai K.K. (current position) 2009 Established the Company 2009 Representative Director 2020 Director, Chairman (current position)	2002 Joined INCS Inc. (currently SOLIZE Corporation) 2009 Joined NITORI Co., Ltd. 2009 Joined the Company 2012 Executive Officer, Head of Human Resources 2016 Director (current position) 2020 General Manager, System Integration Business Division (current position)	1995 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) 2014 Executive Officer of Human Holdings Co., Ltd. 2017 Director of S-cubism Inc. 2018 Joined the Company 2019 Executive Officer, CFO 2020 General Manager, Business Administration Division 2020 Director, CFO (current position)

Possessed Experience and Expertise

Corporate Management	○	○	○	○
Technology	○	○	○	
Marketing/Sales	○			
Human Resources	○	○	○	○
M&A	○			○
Finance				○
Compliance				○
Sustainability	○			○

Governance | List of Officers

Outside Directors



Koshi Kakuta

Takuo Hirose

Masaya Suzuki

Eri Nakajima

Position	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member
Brief history	1969 Joined The Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation) 1997 Joined OTSUKA CORPORATION 1997 Chief Executive Officer of Ten Art-ni Corporation 2002 Representative Director of Zend Open Source Systems Japan, Ltd. 2019 Audit & Supervisory Board Member of the Company 2021 Director, Audit & Supervisory Committee Member (current position)	1997 Registered as an attorney-at-law Joined Anderson Mori & Tomotsune LPC 2003 Associated with Shearman & Sterling, New York 2004 Registered as an attorney-at-law in the state of New York 2005 Partner of Anderson Mori & Tomotsune LPC (current position) 2020 Audit & Supervisory Board Member of the Company 2021 Director, Audit & Supervisory Committee Member (current position)	2000 Joined Ernst & Young ShinNihon LLC 2004 Registered as a certified public accountant 2019 Opened Masaya Suzuki CPA Office (current position) 2020 Audit & Supervisory Board Member of the Company 2021 Director, Audit & Supervisory Committee Member (current position)	1995 Joined Environment Agency (currently Ministry of the Environment) 2003 Seconded to Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry 2015 Seconded to Nagano Prefecture as Deputy Governor 2023 Director, Audit & Supervisory Committee Member (current position) 2023 Appointed as Professor at Doshisha University (current position)
Executive Positions Concurrently Held	Corporate Auditor of S-cubism Inc. (current position)	Outside Audit & Supervisory Board Member and Outside Director of Roland DG Corporation Outside Director of IDEC CORPORATION (current position) Audit & Supervisory Board Member (Outside) of Cyfuse Biomedical K.K. (current position) Outside Director of Hamamatsu Photonics K.K.	External Corporate Auditor of CCR&B Advisors Inc. (current position)	Outside Director of IDEC CORPORATION (current position)

Possessed Experience and Expertise

Corporate Management	○			
Technology	○			
Marketing/Sales				
Human Resources				
M&A		○		
Finance			○	
Compliance		○	○	○
Sustainability				○

Executive Officers

Masafumi Kato General Manager, Digital Transformation Business Division

Masatoshi Hagiwara General Manager, Engineering Platform Business Division

Hideaki Morita General Manager, Cloud Solutions Business Division

Yoshiyuki Umeda General Manager, Business Administration Division

Governance | Message from Outside Directors



Utilizing Insights from IT Industry to Oversee Management

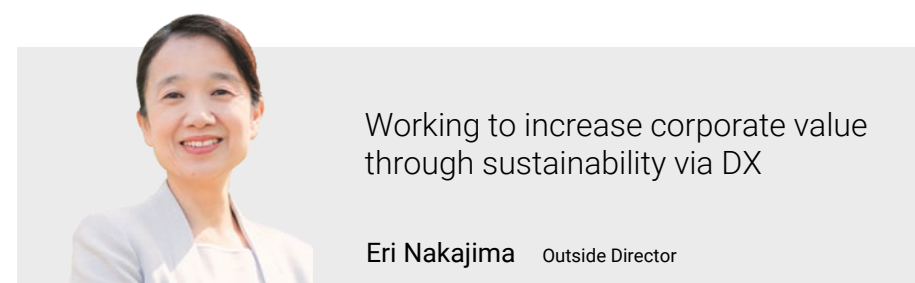
As the manager of an IT venture company, I have developed businesses that utilize cutting-edge technologies such as PC LAN, AI, and open source in business systems. From then on, I served as a corporate auditor at several IT companies, and cultivated knowledge of the business environment, technology trends, governance, and other aspects of the IT industry. I understand my role as utilizing these experiences and offer supervision in the management of the company.

Contributing to Development of Corporate Culture and Structure Relevant to M&A Activities

All four Audit & Supervisory Committee members are Outside Directors, each leveraging their expertise to contribute to discussions at the Board of Directors. They engage in meetings with Directors and Executive Officers, and attend internal audits. As part of our efforts to strengthen governance, the Remuneration Committee was established in 2021 and evolved into a voluntary Nomination and Remuneration Committee in 2023. The committee consists of Audit & Supervisory Committee members and the Representative Director, President and CEO who actively engage in constructive discussions throughout the year.

The Company has lately experienced an increase in M&A activities, and although we may expect business expansion from M&A, they could also pose challenges in terms of fostering corporate culture and managing the transition of businesses. I believe different business processes and regulations need to be taken into account, depending on the size of the subsidiary, and to build efficient systems.

In the future, I expect the Company to build unique business systems based on global IT platforms such as SAP and Salesforce. To achieve this, I will actively engage in board meetings, work on streamlining audits with rapid corporate expansion, and strive to further strengthen governance.



Contributing to Corporate Sustainability through DX

In a society with a declining population, DX is essential for efficiently and effectively conducting economic activities. The Company contributes to the sustainability of other companies by proposing optimal DX tailored to client companies, achieving productivity improvement and improving asset efficiency. Recently, the Company has been working on DX throughout the overall business lifecycle in the construction industry. By digitizing various verifications and simulations related to architecture, structure, and facilities, the Company is now able to swiftly provide clients with high value-added proposals. This will contribute not only to increased profits and competitiveness in the construction industry but also to addressing labor shortages, technology transfer, and reducing environmental impact.

Towards Achieving Sustainability and Well-Being in the Company

As a member of the Sustainability Committee, I support the enhancement of sustainability. In FY2023, we calculated Scope 3 emissions and started considering decarbonization initiatives throughout the entire supply chain. Additionally, in June 2024, we made an RE100 Declaration (Renewable Energy 100 Declaration RE Action) and are making steady progress in decarbonization management.

Furthermore, our work also includes improving the well-being of each employee by creating a comfortable work environment, conducting company-wide networking events, employee engagement surveys, interviews with employees by the President's Office, and declaring a commitment to health management. Moving forward, we will continue to work towards achieving sustainability and well-being through DX, and support the creation of work environments for employees.

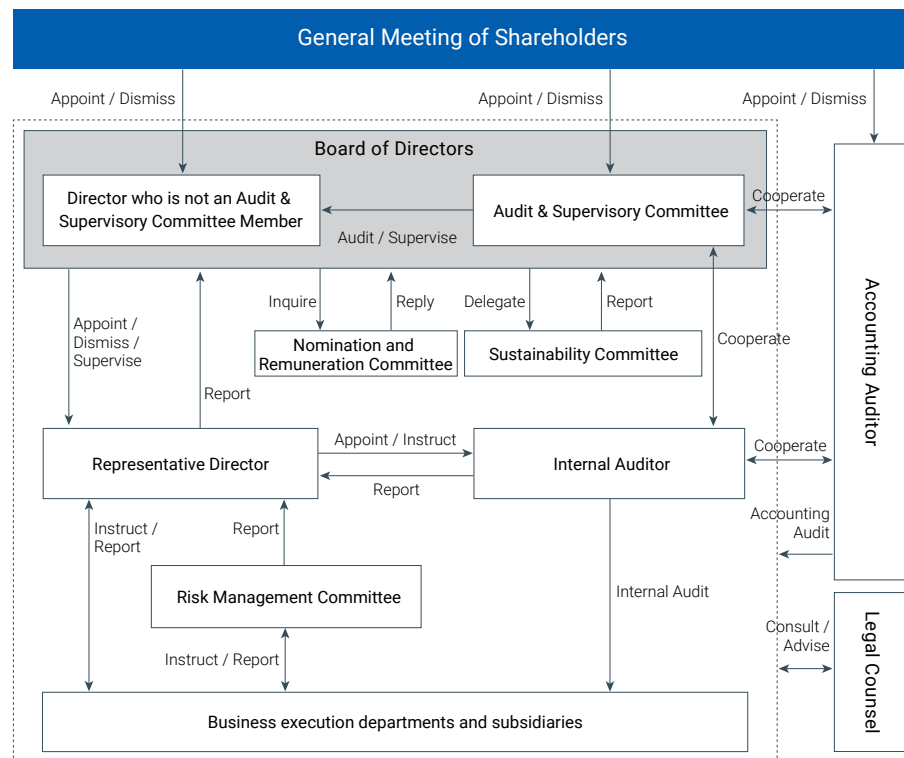
Governance | Corporate Governance

Corporate Governance

Basic Approach

We are aiming for sustainable growth and the enhancement of corporate value in the medium to long term. The Company also recognizes that it is important to gain the trust of all stakeholders by providing services that contribute to society. Based on this recognition, we strive to ensure thorough compliance, and have established an Audit & Supervisory Committee to ensure transparency in management decision-making and supervision of business execution, and to strengthen corporate governance.

– Corporate governance system diagram



– Corporate governance system quick reference table (As of March 31, 2024)

Main Items	Description
Form of Institutional Design	Company with Audit & Supervisory Committee
Number of Directors (of whom, Outside Directors)	8 (4)
Number of Meetings of the Board of Directors (fiscal year ended December 31, 2023)	19
Average Attendance Ratio of Outside Directors	100%
Director Term of Office	1 year (2 years for Directors who are Audit & Supervisory Committee Members)
Adoption of an Executive Officer System	Yes
Voluntary Committees of the Board of Directors	Established a Nomination and Remuneration Committee
Accounting Auditor	Deloitte Touche Tohmatsu LLC

– Initiatives to strengthen corporate governance

2019	Transitioned to a company with a Board of Directors and Corporate Auditor
2020	Transitioned to a company with a Board of Corporate Auditors
2021	Transitioned to a company with an Audit & Supervisory Committee
2023	Established a Remuneration Committee
2023	Reorganized the Remuneration Committee, and established a Nomination and Remuneration Committee

System Overview

With the aim of strengthening corporate governance, we transitioned to a company with a Board of Directors and Corporate Auditor in October 2019, and to a company with a Board of Corporate Auditors in November 2020. All three corporate auditors were outside corporate auditors, and their independence was guaranteed. However, in order to further enhance the effectiveness of corporate governance and aim for the improvement of medium- to long-term corporate value by enabling Outside Directors who did not have voting rights at the Board of Directors to exercise their voting rights, we transitioned to a company with an Audit & Supervisory Committee in March 2021. In March 2023, we added one woman Outside Director who is an Audit & Supervisory Committee Member, and are striving to further improve the effectiveness of the Board of Directors.

In addition to establishing a Board of Directors and an Audit & Supervisory Committee, in order to ensure the corporate governance system and ensure appropriate risk management, we have established a Risk Management Committee, Nomination and Remuneration Committee, and Sustainability Committee.

Governance | Corporate Governance

Officer Activities in FY2023

Name	Attendance at Board of Directors Meetings	Attendance at Audit & Supervisory Committee Meetings	Attendance at Nomination and Remuneration Committee
Takeshi Kaneko	19/19	—	5/5
Katsunori Shimomura	19/19	—	—
Hajime Tsunoo	19/19	—	—
Kazuaki Nakajima	19/19	—	—
Koshi Kakuta	19/19	13/13	5/5
Takuo Hirose	19/19	13/13	5/5
Masaya Suzuki	19/19	13/13	5/5
Eri Nakajima	15/15 * Appointed on March 30, 2023	10/10 * Appointed on March 30, 2023	3/3 * Appointed on March 30, 2023

Reason for Appointment as Outside Officer



Koshi Kakuta
Appointed in 2021

He has experience, a track record, knowledge, and insight from working at a bank and as a manager of an IT company, and as a Director who is Audit & Supervisory Committee Member, he supervises the business execution of and provides advice to the Company's management. We have appointed him with the expectation that he will contribute to the strengthening of our corporate governance.



Takuo Hirose
Appointed in 2021

Based on his many years of experience working at a major law firm, he has extensive experience and highly specialized knowledge in corporate legal affairs. As a Director who is an Audit & Supervisory Committee Member, he supervises the business execution of the Company's management and provides advice. We have appointed him for his specialized knowledge to provide valuable opinions on our management from an objective standpoint in order to expand our business.



Masaya Suzuki
Appointed in 2021

He has expertise in accounting and taxation based on his experience at a major audit firm and the firm he currently manages. As a Director who is an Audit & Supervisory Committee Member, he supervises the business execution of the Company's management and provides advice. We have appointed him for his specialized knowledge to provide valuable opinions on our management from an objective standpoint in order to expand our business.



Eri Nakajima
Appointed in 2023

She has been involved in environmental administration for many years and has held various public positions. As the Deputy Governor of Nagano Prefecture, she has been involved in the empowerment of women in companies, work style reform, and promotion of the SDGs. Most recently, as a manager at the Ministry of the Environment, she has extensive experience and deep insight in the environment and energy fields, such as promoting the SDGs and promoting zero carbon administration. We have appointed her based on the judgment that she will make appropriate recommendations and supervise the development of the Company's business and overall management based on her deep insight.

Governance | Corporate Governance

Officer Compensation

The Company established a Nomination and Remuneration Committee with the aim of enhancing the structure of the management system that enables fair and transparent decision-making with respect to the functions of the Board of Directors regarding the nomination and remuneration of Directors, and the Company's corporate governance system. The Nomination and Remuneration Committee Regulations stipulate the process for determining the remuneration of Directors, and remuneration is determined by resolution of the Board of Directors after deliberation by the Nomination and Remuneration Committee within the limit of the total amount of remuneration approved by the Board of Directors as resolved by the General Meeting of Shareholders.

At the Ordinary General Meeting of Shareholders held in March 2023, the Company resolved that the maximum amount of remuneration for Directors (excluding Audit & Supervisory Committee Members) would be no more than 350 million yen per year, and the maximum amount of remuneration for Directors, who are Audit & Supervisory Committee Members, is resolved to be no more than 40 million yen per year.

— Details of officer compensation (FY2023)

	Total Compensation, etc. (thousands of yen)	Total Compensation, etc. by Type (thousands of yen)			Number of Eligible Officers (people)
		Fixed Compensation	Performance-based Compensation	Severance Pay	
Director (excluding Audit & Supervisory Committee Members and Outside Directors)	166,950	166,950	-	-	5
Audit & Supervisory Committee Member (excluding Outside Directors)	-	-	-	-	-
Outside Officers	19,400	19,400	-	-	4

Key Risks and Countermeasures

	Risks	Countermeasures
Protection of Personal Information	In the event that personal information is leaked to an outside party, the business performance of the group may be adversely affected.	<ul style="list-style-type: none"> ● Acquisition of Privacy Mark ● Establishment of personal information protection system ● Periodic audits ● Employee education
Management of Confidential Information	In the event of information leaks due to operational errors or other unforeseen factors, the group may be liable for damages or may have an impact on the group's business performance.	<ul style="list-style-type: none"> ● Appropriate granting of access privileges ● Account management ● Periodic audits ● Employee education
Management of Intellectual Property	In our group's business domain, it is difficult to fully grasp third-party intellectual property rights, and there is a possibility that the group may unintentionally infringe on other companies' patents without realizing it.	<ul style="list-style-type: none"> ● Utilization of intellectual property search system ● Employee education ● Coordination with patent offices
System Failures	The occurrence of external attacks such as computer viruses or hacking, software defects or other unforeseen material events on each server or system could have a significant impact on the group's business and performance.	<ul style="list-style-type: none"> ● Server load balancing ● Monitoring of operational status ● Regular backups
Natural Disasters and Accidents	In the event of a large-scale disaster that disrupts the internet throughout the entire Tokyo metropolitan area, there is a possibility that it may have a significant impact on the group's business and performance.	<ul style="list-style-type: none"> ● BCP formulation ● Regular backups ● Establishment of system that enables full remote work

Governance | Corporate Governance

Information and Data Security

As an IT company, we set information and data security as a materiality, and we ensure the safety of our systems by setting appropriate authority for each system and conducting regular inventory of the settings. Specifically, we are deploying endpoint security products to provide real-time protection and regular scanning as anti-virus protection. To prevent targeted attacks, we have introduced XDR products to filter emails containing malicious malware such as Emotet and ransomware.

Compliance with Personal Information Protection

— Employees

By obtaining a consent form regarding the use of personal information at the time of recruitment and employment, we clarify our personal information protection management system and thoroughly enforce measures such as access control. Furthermore, we also obtain confidentiality agreements from employees upon joining and leaving the company, and regularly conduct training on handling information.

— Customers

Confidentiality agreements are signed at the start of transactions.

— Business partners

Confidentiality agreements are signed at the start of transactions. In addition, we check the handling of information based on our checklist at the start of transactions and on a regular basis.

— Customer information held by customers

We thoroughly manage account permissions to grant access only to necessary personnel regarding customer information. Also, we have established a system to log operations on our loaned PCs using an asset management system so that we can trace any incidents if necessary.

Compliance

Promotion System

We have established compliance regulations and a management system with the General Manager of the Business Administration Division as the responsible person in order to prevent misconduct or illegal activities in the course of business operations, and to enhance the company's social credibility and stabilize management. To ensure the steady implementation of compliance, we operate a whistleblowing system and conduct periodic compliance training.

Month Implemented	Training Content
February 2023	Worker Dispatching Act
April 2023	Insider trading regulations
May 2023	Subcontracting Act, and whistleblowing
August 2023	Information security, and information system usage rules
September 2023	Contracts
November 2023	Harassment, and protection of personal information

Compliance Training

To prevent misconduct and ensure compliance with laws and regulations, we have appropriately established and operate a compliance management system. Compliance training is conducted not only as an in-house training for new employees, but also multiple times a year for all employees with different themes.

Whistleblowing System

Under the responsibility of the Representative Director, President and CEO, we have established a system to respond appropriately in the event of whistleblowing on acts that violate laws and regulations, etc. regarding our company, as well as our officers and employees. By doing so, we have established a whistleblowing system with the aim of early detection and correction of violations of laws and regulations, and practicing compliance management.

5-Year Financial and Non-Financial Summary

Note: Disclosed on a non-consolidated basis from FY2019 to FY2022, and on a consolidated basis from FY2023 onward.

Financial Information

(Item)		(FY)				
Operating results		2019	2020	2021	2022	2023
Net sales	(million yen)	4,766	5,534	7,801	12,113	15,921
Gross profit	(million yen)	819	1,119	1,797	2,947	4,315
Gross profit margin	(%)	17.2	20.2	23.0	24.3	27.1
Operating profit	(million yen)	165	180	546	1,120	1,744
Operating profit margin	(%)	3.5	3.3	7.0	9.3	11.0
Ordinary profit	(million yen)	183	188	546	1,139	1,765
Profit attributable to owners of parent	(million yen)	117	124	410	836	1,303
Financial Position						
Total assets	(million yen)	1,839	2,184	3,773	5,114	6,111
Net assets	(million yen)	566	716	1,961	2,846	3,208
Equity capital ratio	(%)	30.8	32.7	52.0	55.6	52.5
Return on equity (ROE)	(%)	23.7	19.5	30.7	34.8	43.0
Per Share Information						
Profit ^{*1}	(yen)	8.58	8.88	28.03	52.24	76.59
Net assets	(yen)	40.37	49.91	125.58	172.29	188.57
Cash Flows						
Cash flow from operating activities	(million yen)	4	136	581	883	1,162
Cash flow from investing activities	(million yen)	-245	-112	-67	-118	-429
Cash flow from financial activities	(million yen)	126	-103	519	92	-1,112
Cash and cash equivalents at end of period	(million yen)	386	307	1,341	2,199	1,819

Non-Financial Information

(Item)		(FY)				
Environment		2019	2020	2021	2022	2023
GHG emissions (Scope 1, 2) ^{*2}	(t-CO ₂)	81.7	79.7	80.0	93.7	121.9
GHG emissions (Scope 3) (non-consolidated)	(t-CO ₂)	-	-	-	-	10952.6 ^{*3}
Society						
No. of employees	(people)	185	212	250	314	454
Percentage of engineers	(%)	-	85.85	80.80	79.62	79.39
Statutory parental leave acquisition rate	Men (%)	0.0	20.0	37.5	50.0	37.5
	Women ^{*4} (%)	0.0	100.0	100.0	100.0	100.0
Percentage of women employees	(%)	17.93	17.45	15.60	16.88	17.27
Percentage of women managers	(%)	0.00	4.00	4.00	4.76	3.70
Governance						
Ratio of Outside Directors	(%)	0.0	0.0	37.5	37.5	44.4

^{*1} Our company conducted a stock split of 1,000 shares per share of common stock on November 11, 2020, and conducted further stock splits at a ratio of 2 shares per share of common stock on April 1, 2022 and October 1, 2022, respectively. The basic earnings per share on this page are calculated assuming that the stock split was carried out at the beginning of the fiscal year ended December 31, 2019 (January 2019).

^{*2} GHG emissions are calculated based on non-fossil fuel certificates.

^{*3} Category 15 emissions are not included because they are difficult to calculate.

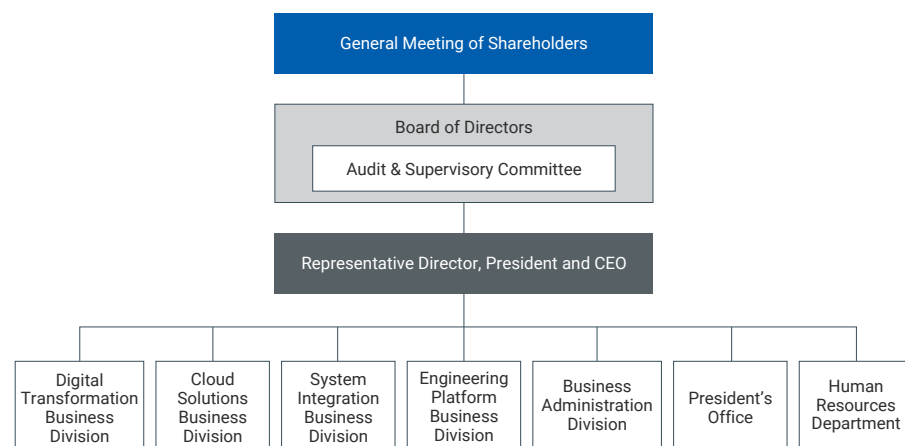
^{*4} Figures include employees in the process of taking statutory parental leave (planning to take statutory parental leave).

Company and Share Information

Company Information (As of March 31, 2024)

Corporate name	Core Concept Technologies Inc.
Representative	Takeshi Kaneko Representative Director, President and CEO
Location	11th floor of DaiyaGate Ikebukuro, 1-16-15 Minami Ikebukuro, Toshima-ku, Tokyo, Japan
Date of establishment	September 17, 2009
Capital stock	563 million yen
Business description	Support for DX, and support for staffing of IT personnel
No. of employees	Consolidated: 457, Non-consolidated: 356

— Organizational chart (As of April 1, 2024)



— Group companies

	P.G. System Co., Ltd.		Pro-X Co., Ltd.
	Denso Co., Ltd.		Digital Design Services Co., Ltd.
	Pros Cons, Inc.		

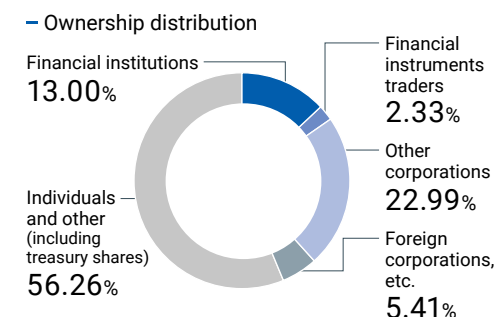
Share Information (As of December 31, 2023)

Total number of authorized shares
56,000,000

Total number of shares outstanding
17,384,800

Names of listed financial instruments
Tokyo Stock Exchange
(Growth Market)

Number of shareholders 4,115



— Major shareholders

Name of shareholder	Number of shares of the Company held	Percentage of shares held
Takeshi Kaneko	2,340,000	13.76
K.K. BIPED	1,400,000	8.23
Custody Bank of Japan, Ltd. (Trust account)	1,071,000	6.30
The Master Trust Bank of Japan, Ltd. (Trust account)	930,400	5.47
Geiyo Senzai K.K.	907,700	5.34
Katsunori Shimomura	860,000	5.06
Good Eco K.K.	750,000	4.41
Tadaaki Taguchi	685,000	4.03
Toyofumi Takamori	670,000	3.94
Kazuaki Nakajima	660,000	3.88

Notes on Forward-Looking Statements

This document is based on the information available to the Company at the time of preparation, and is subject to risks and uncertainties. Actual results may differ from these forward-looking statements. Please note that neither the Company nor the information provider shall be liable for any damage incurred based on this information.

Notes on Figures

Some of the figures related to financial information described in this Integrated Report have been rounded to the nearest indicated unit.



Core Concept Technologies Inc.

<https://www.cct-inc.co.jp/en/ir/>