



Financial results for Q4 of FY 12/2024

Core Concept Technologies Inc.
Securities Code: 4371
February 13, 2025



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Takeshi Kaneko: My name is Takeshi Kaneko and I am the Representative Director, President and CEO of Core Concept Technologies. Today, I will give a financial results briefing based on the financial results presentation material for the fourth quarter of the fiscal year ended December 31, 2024.

This slide shows our agenda to be explained today. We have newly added “KPI” in section 3 and “Shareholder Return” in section 6 to this financial results presentation material. I will also describe in detail about these new contents.



1

Executive Summary

Executive Summary		Executive Summary		CORE CONCEPT TECHNOLOGIES INC.	
Results for Q4 of FY 12/2024					
<u>Growth rate slowed down, but high growth was maintained.</u>					
	Q4 of FY 12/2023	Q4 of FY 12/2024			
Net sales	15,921	19,166	million yen	+20.4	% year on year
Operating profit	1,744	2,007	million yen	+15.1	% year on year
Operating profit margin	11.0	10.5	%	-0.5	points year on year
Earnings forecast for FY 12/2025					
<u>Stable growth is planned.</u>		New M&A is not included in the plan.			
Net sales	21,800	million yen	+13.7	% year on year	
Operating profit	2,300	million yen	+14.6	% year on year	
Operating profit margin	10.6	%	+0.1	points year on year	
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This slide provides our executive summary. In fiscal 2024, we had net sales of 19,166 million yen, operating profit of 2,007 million yen and operating profit margin of 10.5%. Compared to the same period in the previous fiscal year, net sales grew 20.4% and operating profit grew 15.1%.

In our earnings forecast for fiscal 2025, we predict net sales of 21,800 million yen, operating profit of 2,300 million yen and operating profit margin of 10.6%. We expect our sales growth rate to be lower than before. Nevertheless, we plan to steadily realize stable growth in fiscal 2025.



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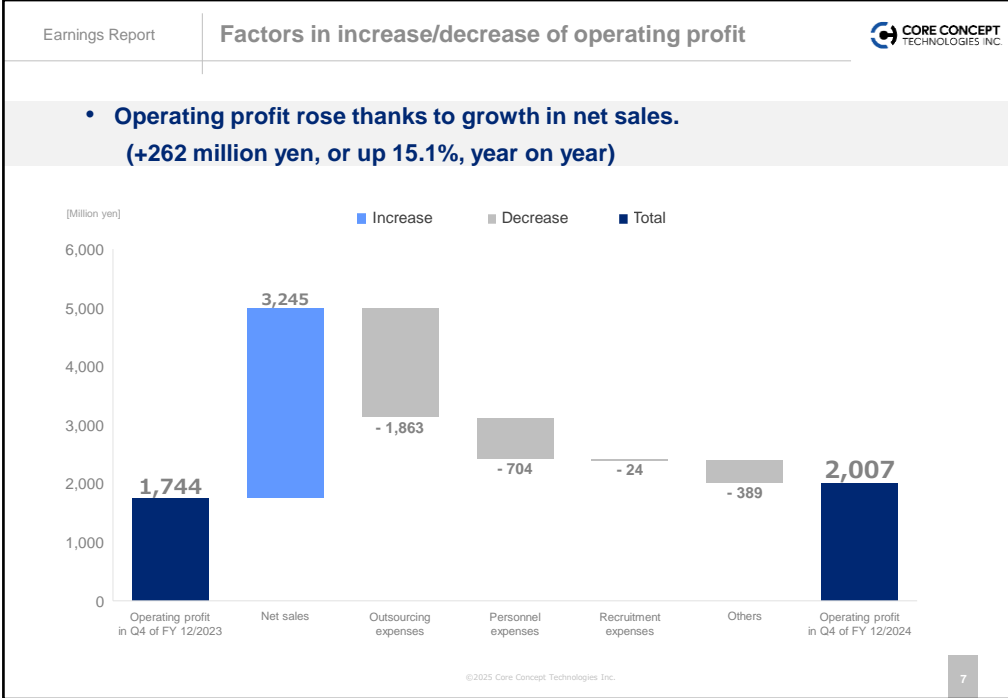
Earnings Report

Earnings Report		Consolidated profit and loss statement				CORE CONCEPT TECHNOLOGIES INC.	
<ul style="list-style-type: none"> Both net sales and operating profit were almost on par with the revised earnings forecast. Net sales increased by 20% year-on-year, maintaining high growth. 							
Unit: million yen							
	2023 Q4	2024 Q4	Change	% change	Revised earnings forecast	Progress rate	
Net sales	15,921	19,166	+3,245	+20.4%	19,100	100.4%	
Outsourcing expenses	9,502	11,366	+1,863	+19.6%	–	–	
Personnel expenses	1,896	2,431	+534	+28.2%	–	–	
Other costs	206	348	+141	+68.6%	–	–	
Gross profit	4,315	5,020	+705	+16.3%	5,117	98.1%	
Selling, general and administrative expenses ※	2,570	3,013	+442	+17.2%	–	–	
Operating profit	1,744	2,007	+262	+15.1%	2,000	100.4%	
Ordinary profit	1,765	2,046	+280	+15.9%	2,017	101.4%	
Profit	1,303	1,439	+136	+10.5%	1,333	108.0%	
Gross profit margin	27.1%	26.2%	▲ 0.9P	–	26.8%	–	
Operating profit margin	11.0%	10.5%	▲ 0.5P	–	10.5%	–	
Outsourcing expense rate	59.7%	59.3%	▲ 0.4P	–	–	–	
<small>A provision for year-end bonus was posted in selling, general and administrative expenses, amounting to 296 million yen in FY 12/2023 and 62 million yen in FY 12/2024, respectively. ©2023 Core Concept Technologies, Inc.</small>							

This is our earnings report in fiscal 2024. I will explain the results in our consolidated profit and loss statement. Figures for net sales, gross profit, operating profit and all other items exceeded those in fiscal 2023. However, the pace of growth slowed down somewhat.

We revised our earnings forecast downwardly in the financial results for the third quarter of the fiscal year ended December 31, 2024. Nevertheless, we achieved our revised earnings forecast almost as expected. We give the progress rate on the right of the slide. Gross profit was slightly below what we planned. However, net sales, operating profit and ordinary profit were better

than our revised plan, albeit slightly.



This slide shows the factors in increase/decrease of operating profit. We include this slide in the presentation material every time, and the basic trends remain unchanged. We have been controlling expenses in response to the increase in net sales and operating our business to properly ensure operating profit.

- Gross profit margin of support for DX was down by 1.9 points year-on-year as net sales were below the plan and there were unprofitable projects.

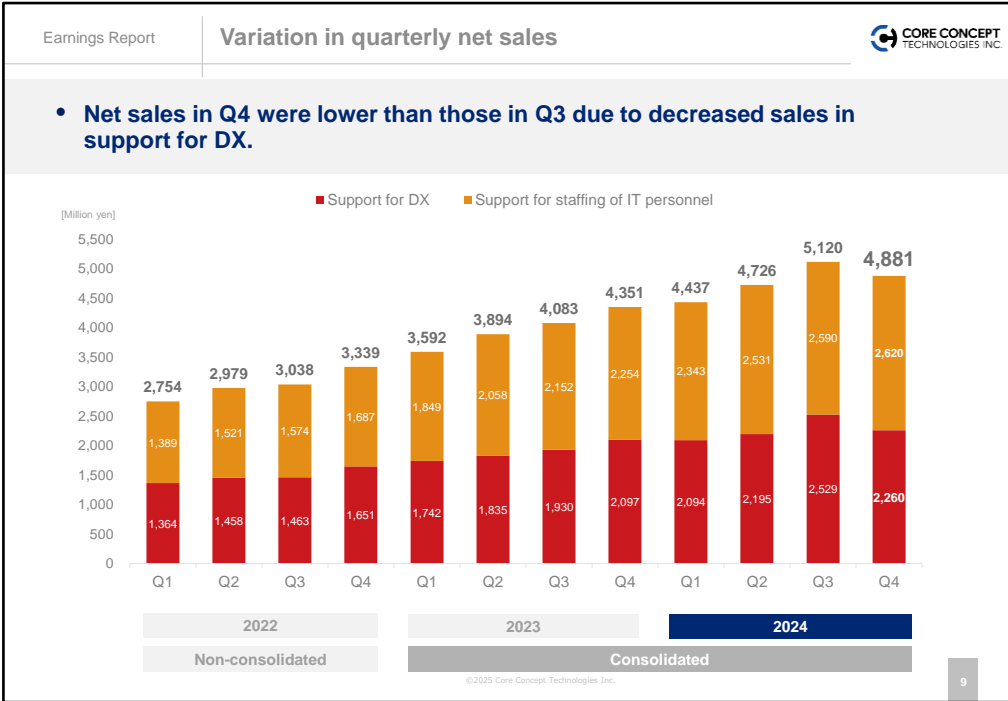
Unit: million yen

	2023 Q4	2024 Q4	Change	% change
Net sales	15,921	19,166	+3,245	+20.4%
Support for DX	7,606	9,080	+1,473	+19.4%
Support for staffing of IT personnel	8,314	10,086	+1,771	+21.3%
Gross profit	4,315	5,020	+705	+16.3%
Support for DX	2,924	3,317	+393	+13.5%
Support for staffing of IT personnel	1,390	1,702	+311	+22.4%
Gross profit margin	27.1%	26.2%	-0.9P	—
Support for DX	38.4%	36.5%	-1.9P	—
Support for staffing of IT personnel	16.7%	16.9%	+0.1P	—
Backlog of orders (as of the end of term)	2,681	3,543	+862	+32.1%
Support for DX	1,185	1,648	+462	+39.0%
Support for staffing of IT personnel	1,496	1,895	+399	+26.7%

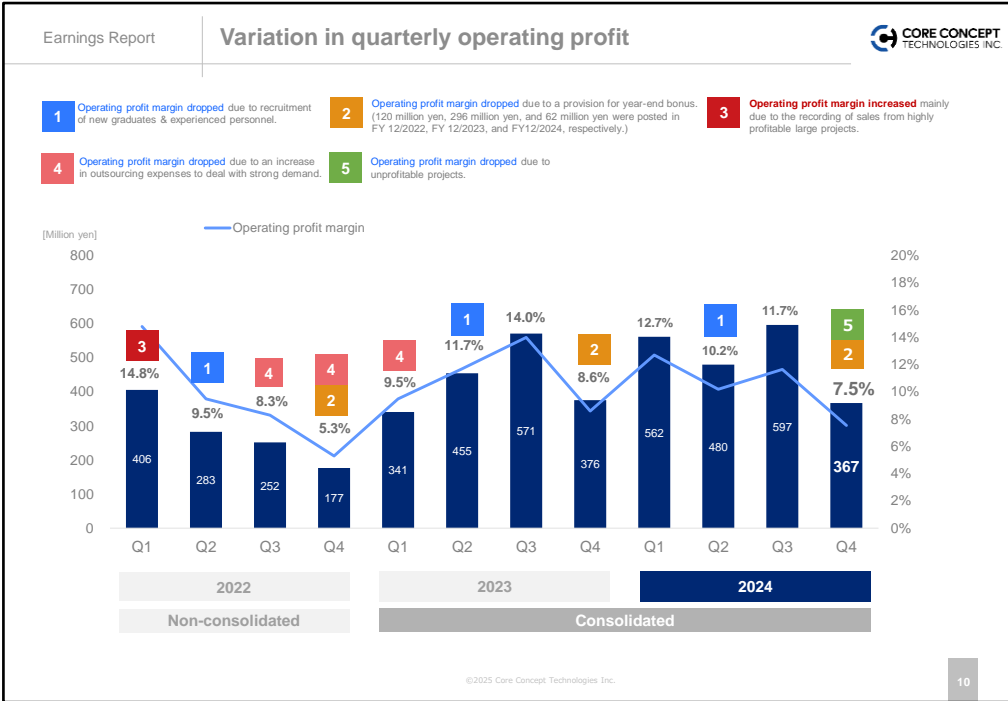
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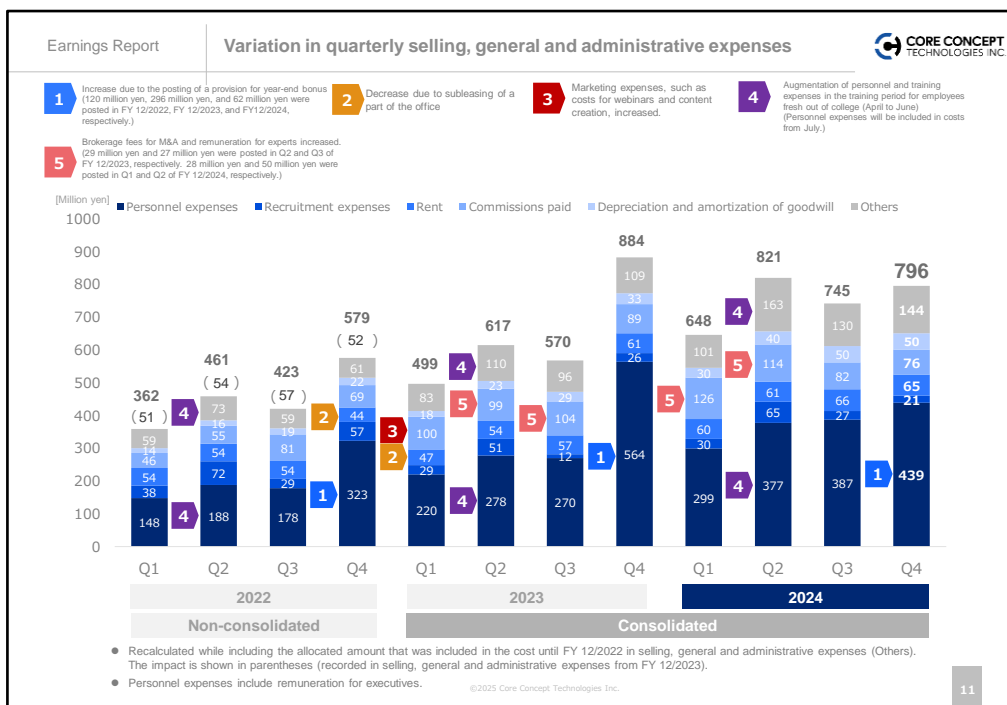
These are the results by segment. The key point here is that gross profit margin for support for DX was down 1.9% from fiscal 2023 as net sales fell below what we planned and there were some large-scale unprofitable projects. The other results were generally as we planned.



This slide gives the variation in quarterly net sales. The key point is that net sales in the fourth quarter of the fiscal year ended December 31, 2024 were lower than those in the third quarter of the fiscal year ended December 31, 2024, despite the fact net sales had been increasing every quarter. Looking at the breakdown, although net sales in support for staffing of IT personnel were greater than those in the third quarter, net sales in support for DX were lower in the fourth quarter due to the impact of some large-scale unprofitable projects as I mentioned before.



This slide indicates the variation in quarterly operating profit. In the fourth quarter, operating profit decreased compared to the third quarter. In fiscal 2024, net sales were lower than we initially planned. Therefore, we significantly reduced the amount for a provision for year-end bonus compared to the year before last, which enabled us to ensure appropriate profits.



This slide shows the variation in quarterly selling, general and administrative expenses. In addition to the previous information, we have extracted “Depreciation and amortization of goodwill” from the “Others” category in order to make the breakdown in the bar graph more detailed.

Currently, “Depreciation and amortization of goodwill” in the fourth quarter was 50 million yen. In terms of the main breakdown, we have amortization of goodwill for companies joining our group through M&As and depreciation in relation to software investment to date.

- Net sales were lower in Q4 than in Q3, and profit margin also stayed low.

Unit: million yen

	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Net sales	3,592	3,894	4,083	4,351	4,437	4,726	5,120	4,881
Outsourcing expenses	2,241	2,372	2,409	2,478	2,613	2,845	2,980	2,927
Personnel expenses	426	416	502	551	545	547	660	679
Other costs	85	31	29	60	68	32	137	110
Gross profit	840	1,072	1,141	1,260	1,210	1,302	1,342	1,164
Selling, general and administrative expenses	499	617	570	884	648	821	745	796
Operating profit	341	455	571	376	562	480	597	367
Ordinary profit	356	455	567	386	562	488	610	384
Profit	261	318	405	317	402	333	395	308
Gross profit margin	23.4%	27.5%	28.0%	29.0%	27.3%	27.5%	26.2%	23.9%
Operating profit margin	9.5%	11.7%	14.0%	8.6%	12.7%	10.2%	11.7%	7.5%
Outsourcing expense rate	62.4%	60.9%	59.0%	57.0%	58.9%	60.2%	58.2%	60.0%

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This slide provides the consolidated profit and loss statement on a quarterly basis. Compared to the third quarter, net sales were down in the fourth quarter. The profit margin also remained at a low level.

Earnings Report		Results by segment (quarterly basis)				CORE CONCEPT TECHNOLOGIES INC.			
<ul style="list-style-type: none"> Gross profit margin of support for DX in Q4 was expected to be on par with that in Q3 after earnings forecast was revised. However, it was below our forecast due mainly to the significant decrease of net sales (-97 million yen) owing to the large-scale projects and the withdrawal of subsequent projects. 									
Unit: million yen									
	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	
Net sales	3,592	3,894	4,083	4,351	4,437	4,726	5,120	4,881	
Support for DX	1,742	1,835	1,930	2,097	2,094	2,195	2,529	2,260	
Support for staffing of IT personnel	1,849	2,058	2,152	2,254	2,343	2,531	2,590	2,620	
Gross profit	840	1,072	1,141	1,260	1,210	1,302	1,342	1,164	
Support for DX	549	715	782	877	809	857	922	728	
Support for staffing of IT personnel	291	357	359	383	401	444	420	435	
Gross profit margin	23.4%	27.5%	28.0%	29.0%	27.3%	27.5%	26.2%	23.9%	
Support for DX	31.5%	39.0%	40.5%	41.8%	38.7%	39.0%	36.5%	32.2%	
Support for staffing of IT personnel	15.7%	17.4%	16.7%	17.0%	17.1%	17.6%	16.2%	16.6%	
Backlog of orders	2,644	2,790	2,719	2,681	3,057	3,644	3,477	3,543	
Support for DX	1,443	1,482	1,357	1,185	1,575	1,980	1,833	1,648	
Support for staffing of IT personnel	1,201	1,307	1,362	1,496	1,482	1,663	1,643	1,895	

This slide shows the results by segment on a quarterly basis. Comparing the changes in support for DX and support for staffing of IT personnel, results for support for DX were worse in the fourth quarter than in the third quarter. This is because of some large-scale unprofitable projects as well as the impact from the withdrawal of some subsequent projects as we aim to deter a portion of impact on fiscal 2025 onward.

Earnings Report		Consolidated balance sheet		CORE CONCEPT TECHNOLOGIES INC.	
	2023 Q4	2024 Q4	Change	Major factors in increase/decrease	
Current assets	4,746	5,828	+1,081	Cash and deposits: +375; accounts receivable -trade: +534	
Cash and deposits	1,819	2,195	+375		
Non-current assets	1,365	2,181	+816	Goodwill: +437 (Pros Cons: +210, Pro-X: +135, DDS: +142, depreciation: -50); additional investment in REVA: +150	
Total assets	6,111	8,009	+1,897		
Current liabilities	2,757	3,582	+825	Accounts payable - trade: +180; short-term borrowings: +730; accounts payable - other and accrued expenses: +147; Income taxes payable: -140; provision for bonus: -185	
Non-current liabilities	145	231	+85		
Net assets	3,208	4,195	+986	Retained earnings: +1,439; acquisition of treasury shares: -460	
Total liabilities and net assets	6,111	8,009	+1,897		
Equity capital ratio	52.5%	52.4%	▲0.1P		

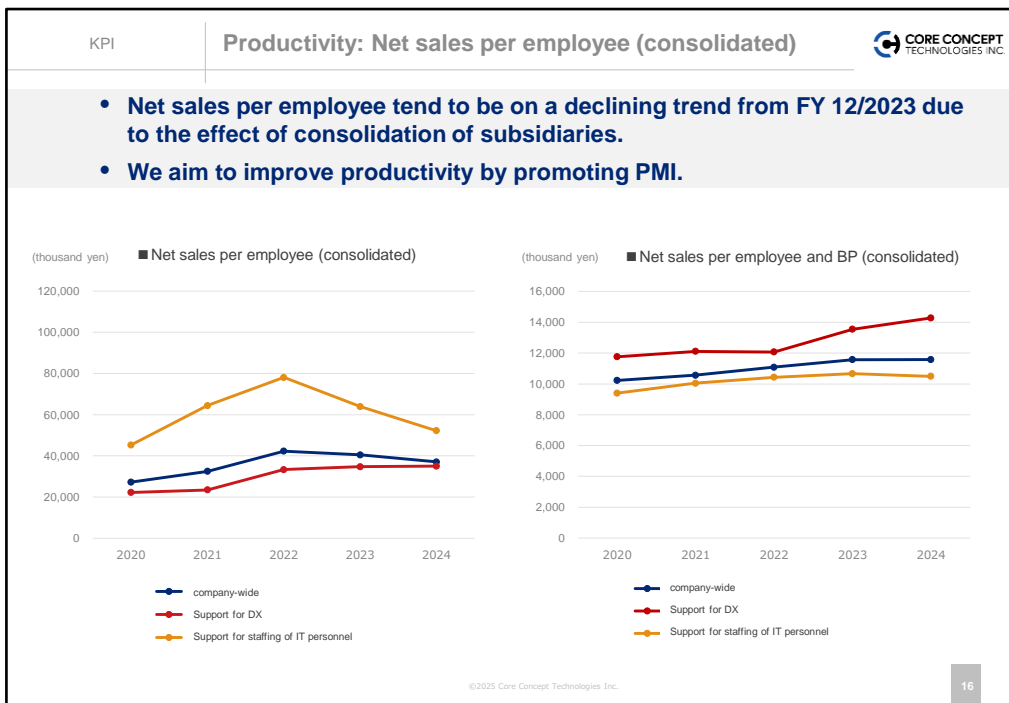
Unit: million yen

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This slide shows our consolidated balance sheet. There have been no particularly major irregularities. Although growth has slowed down, our business model of steadily generating cash flows is functioning. Our equity capital ratio is high and our net assets are continuing to increase.

This concludes the description of our results in the fourth quarter of the fiscal year ended December 31, 2024.

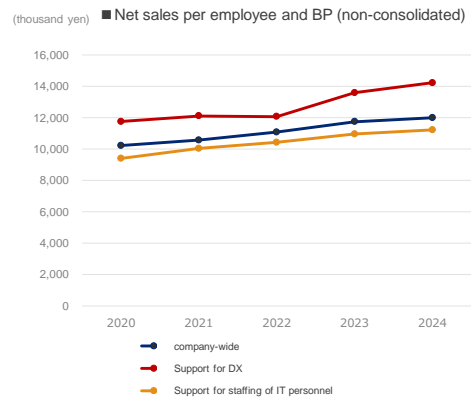
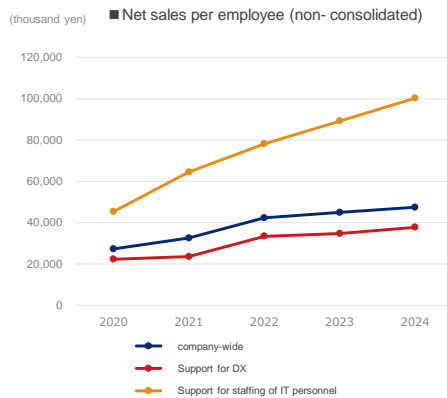




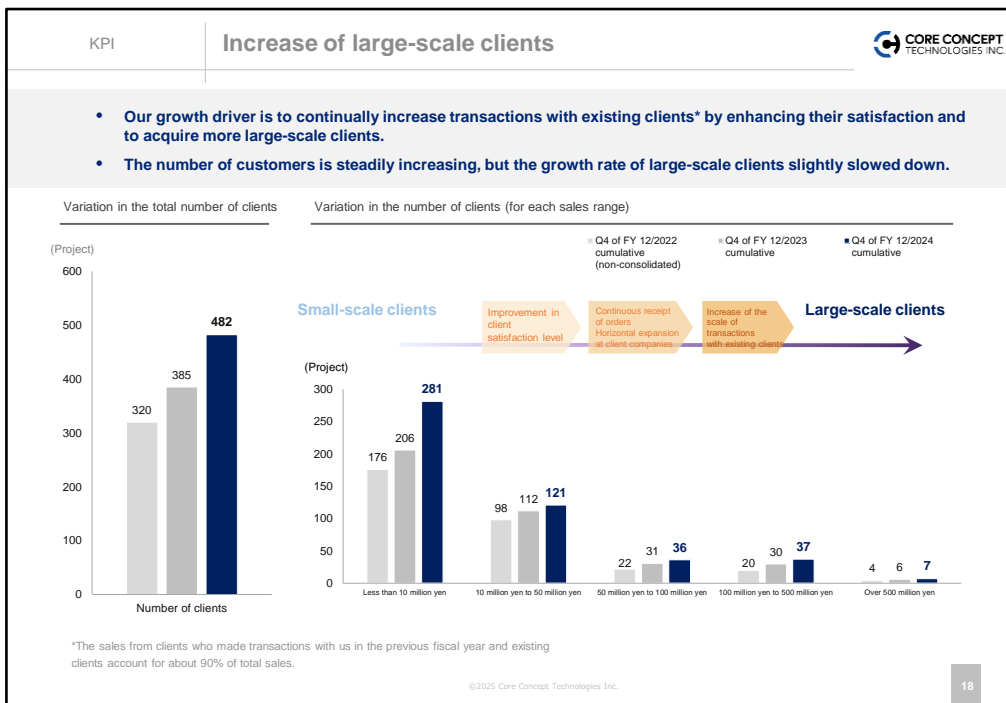
I will now explain about the KPI for which we have added a new section. This slide shows the productivity of our overall group, including the five group companies, in addition to Core Concept Technologies alone.

The key point is that net sales per employee have remained flat when we include our subsidiaries. We have yet to move this line upward. Accordingly, we are promoting PMI to our group to lead to an improvement in productivity.

- Productivity is steadily improving on a non-consolidated basis.

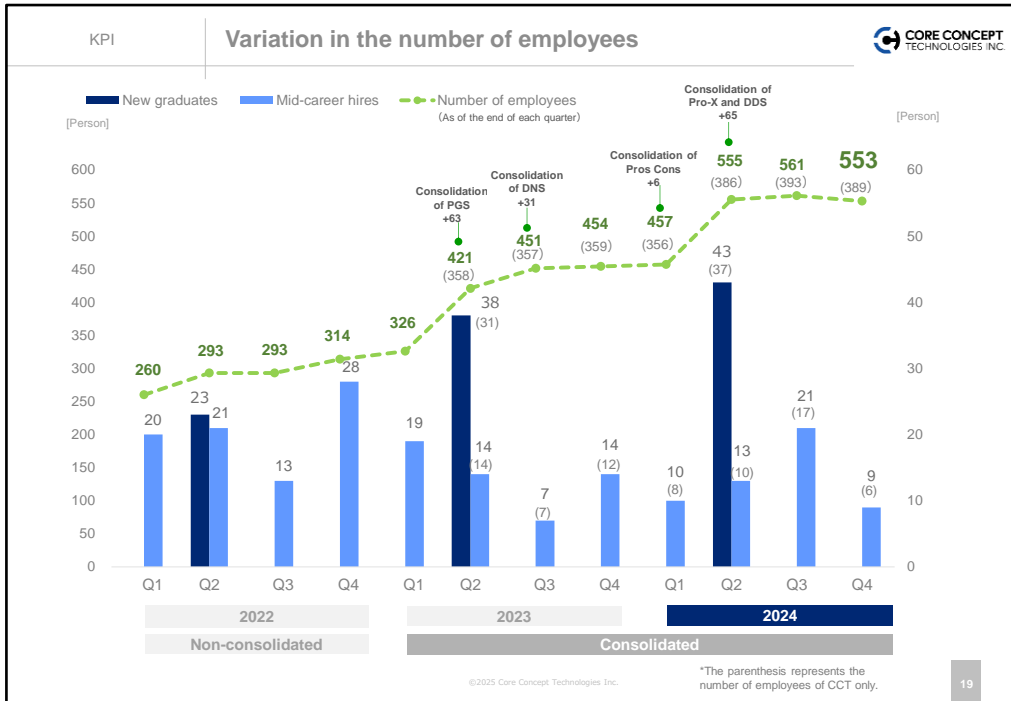


Here is the productivity on a non-consolidated basis. As we expected, net sales per employee have been improving year by year.



This slide shows the changes in the number of large-scale clients. This is information we include every year. The graph on the left side of the slide indicates the number of existing clients. We have been engaging in transactions with 482 clients recently.

The graph on the right side of the slide indicates the number of clients by transaction amount. We are engaged in transactions of 500 million yen or more, the largest category, with seven clients. The number of clients in each segment is steadily growing. Nonetheless, the current issue is that the pace of the increase in the number of large-scale clients is slightly slowing down.

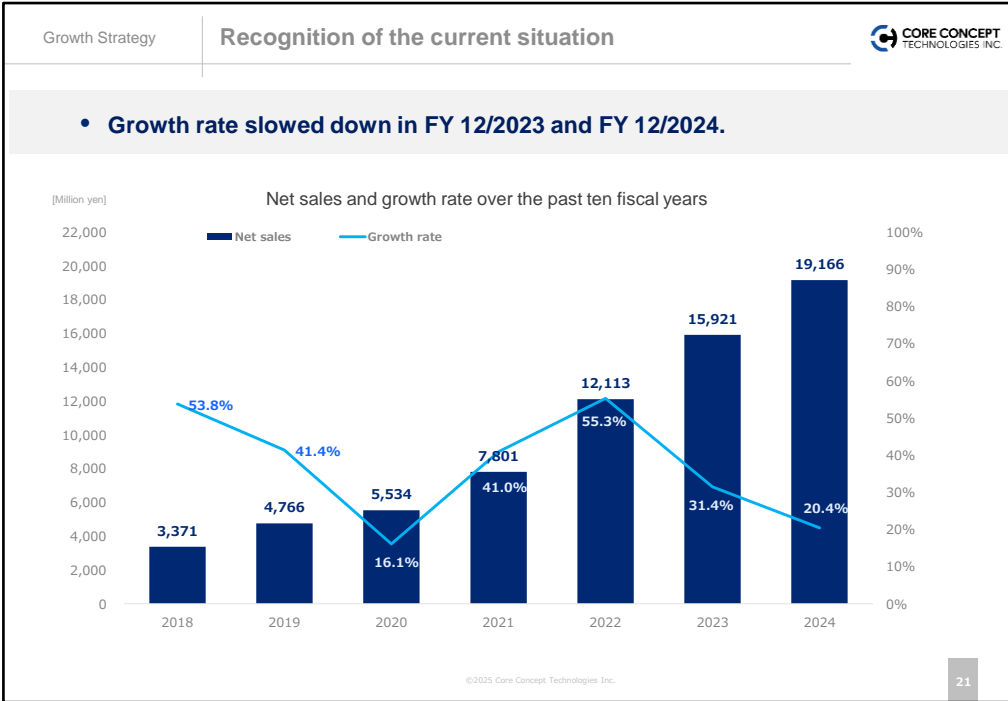


This slide shows the variation in the number of employees. The figures in parentheses on the slide give the number of employees on a non-consolidated basis. The figures in bold give the number of employees on a consolidated basis. Currently, we have 553 employees in our whole group and 389 employees on a non-consolidated basis.



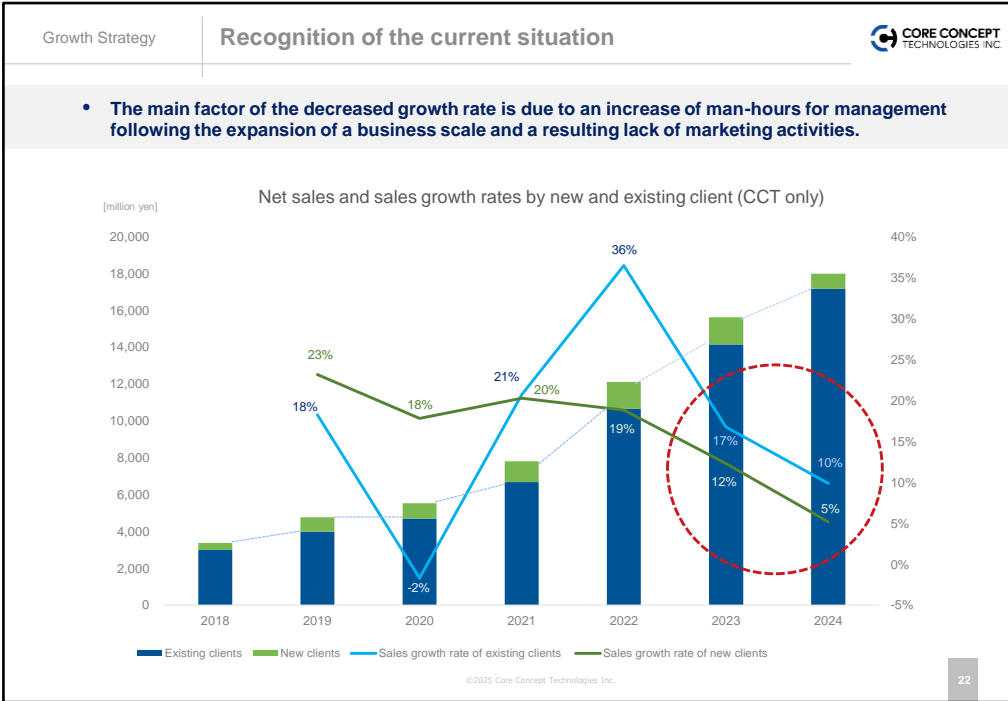
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Growth Strategy



In light of what I have explained, we have summarized our growth strategy on how to overcome the slowdown in the growth rate and to grow again.

I will now describe the causes of the current slowdown in the growth rate and our awareness of the current situation. The fact is that our growth rate slowed down slightly in fiscal 2023 and fiscal 2024, and this is an issue.

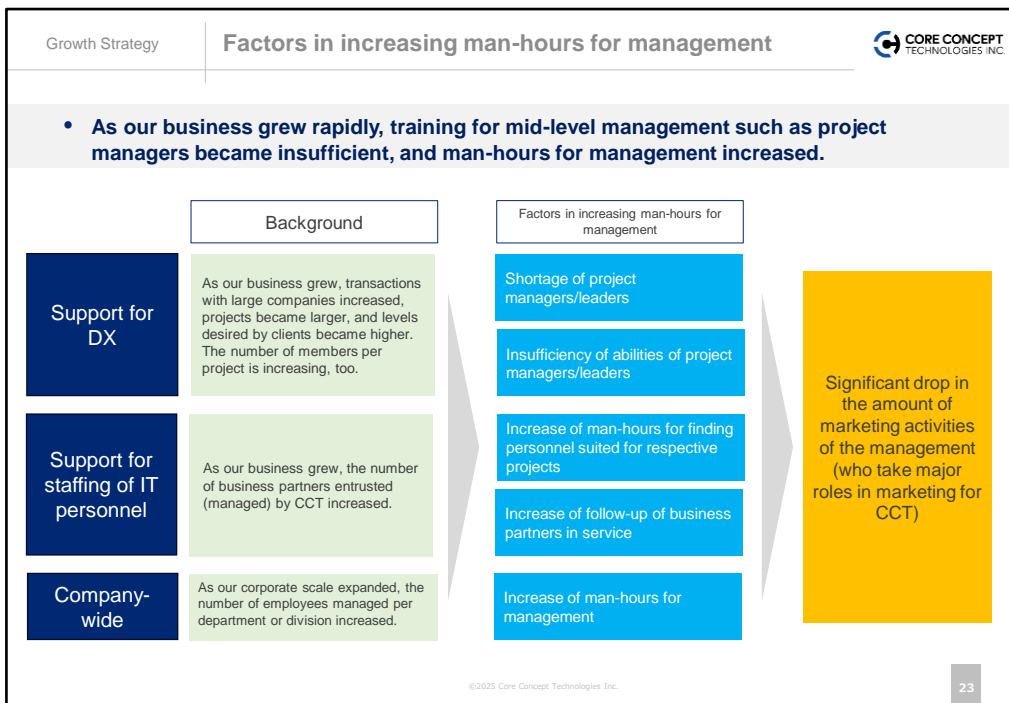


When breaking down the factors behind the slowdown in the growth rate into net sales acquired from existing clients and net sales acquired from new clients, we have found that the main cause of the slowdown in the growth rate in fiscal 2024 was net sales from new clients.

The green in the bar graph on this slide indicates net sales from new clients. Comparing fiscal 2024 with fiscal 2022 and fiscal 2023, net sales from new clients in fiscal 2024 were weak. This is one of the factors behind the overall slowdown in the growth rate.

The blue in the bar graph indicates net sales from

existing clients. These sales continued to steadily grow also in fiscal 2024. This portion is one of our major approaches.



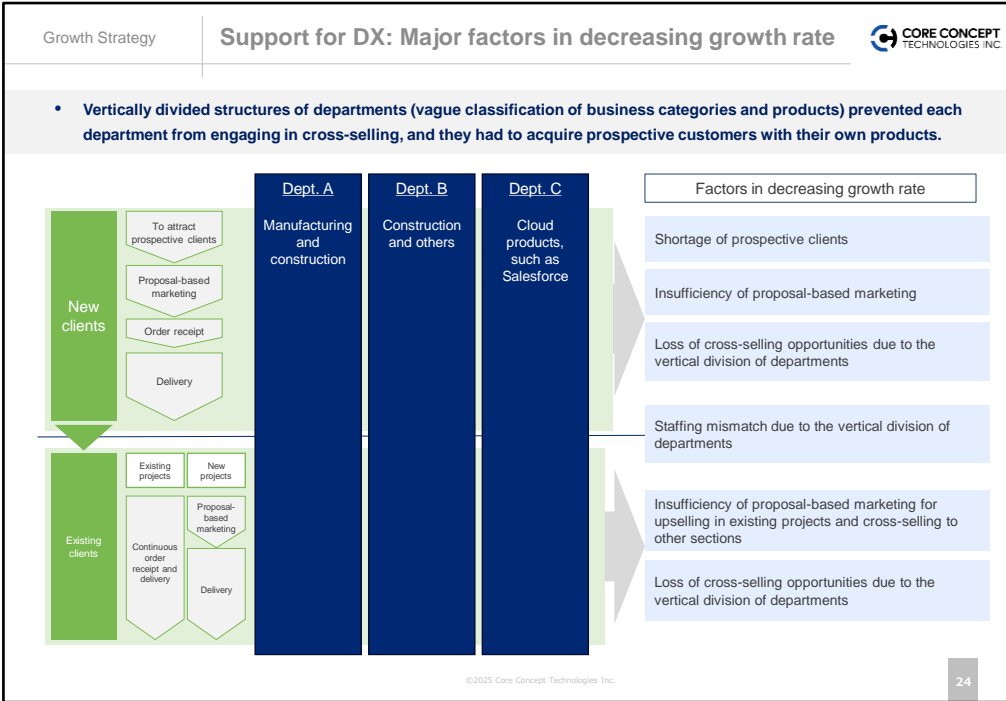
There are several key points here in terms of why we have been struggling to secure new clients.

Thankfully, we have been able to deal with a number of large projects due to our rapid growth after listing. However, we have been unable to keep up with development in terms of the number and quality of full-time employees who play the core role in projects such as project managers and architects.

Furthermore, it was necessary for upper management to work with the on-site staff to secure quality. Therefore, man-hours for management have increased more than

we expected. That means we have been unable to secure the time of upper management for new marketing, which is the reason why we have struggled to acquire new clients. We believe that we must properly solve this issue.

The main concern is that this is not an on-site problem, but that this structure has gone unchecked and untouched without being fixed by management.

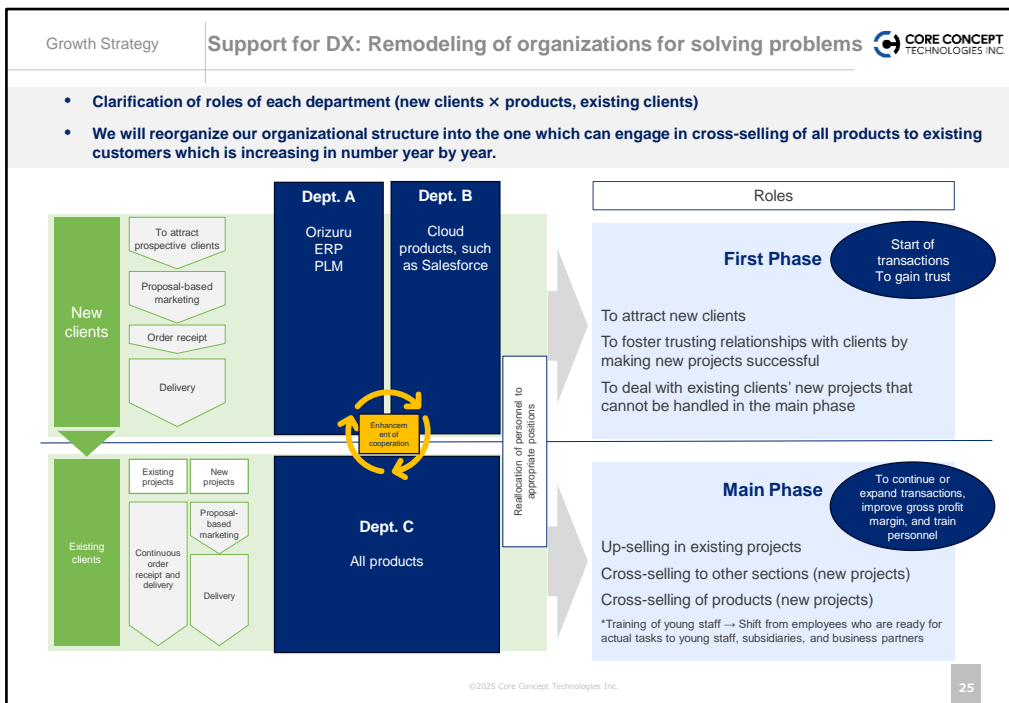


We have a business division system. That means we proceed with business in respective value chain. Marketing sections are responsible for proposing products and the delivery. It is a structure in which the division which receives an order consistently takes charge of receiving new orders and subsequent projects.

This structure is extremely suitable for delivering projects to clients. However, it is a structure which makes it difficult to cooperate horizontally with other divisions and to function in terms of cross-selling in marketing in particular. Moreover, there is a lack of dialogue with clients and internal cooperation when

proposing other products to existing large-scale clients. Currently, horizontal cooperation is not functioning well.

This failure with cross-selling has led to a structural issue of a plateau in securing prospective clients.



In response to this, we have been appropriately changing the form of our company as a measure in fiscal 2025. We are aiming to change the structure so that future growth is ensured with a steady and steadfast strategy. The key point is that we have strategically established a new business division for the main phase. The purpose of this is to introduce all our products to existing clients at the right time and to promote cross-selling.

The number of large corporate clients is increasing. Therefore, some divisions at many clients have the need for our other products.

We carried out this organizational remodeling to realize an internal operation in which we take systematic and strategic steps to introduce our products and achievements to other divisions based on trusting relationships with existing clients to increase prospective clients from existing clients.

At the same time, we have been reallocating personnel to appropriate positions. Specifically, we will assign many human resources who are ready for actual tasks to divisions in charge of new clients. In addition, we will assign such human resources to leaders in relation to second and third phase projects for existing clients. However, we will put the subordinates in charge of enhance system development when an infrastructure is established. Accordingly, we will build a well-balanced structure which also allows us to train new graduates.

We are remodeling our organization with the aim of establishing a structure which corresponds to the increase in sales and promoting planned growth. This point is the biggest key to solving the issue.

Growth Strategy | Support for DX: How to attract new clients

CORE CONCEPT TECHNOLOGIES INC.

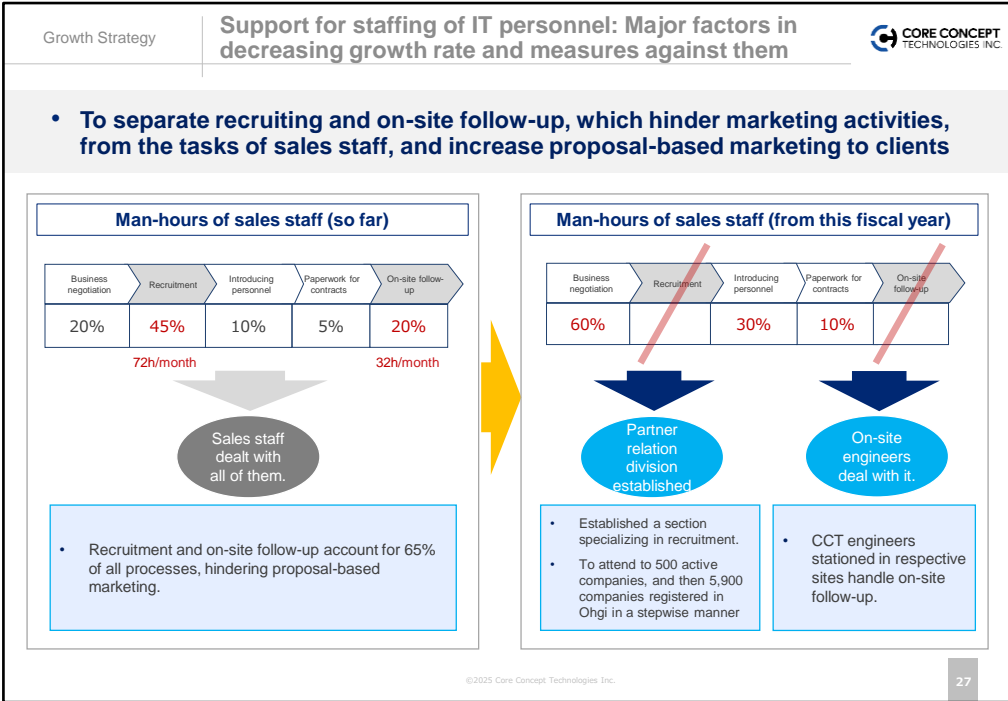
- We aim to steadily increase the number of prospective customers by cementing the relationships with business partners, in addition to our efforts to acquire new clients.

		Inbound	Outbound	Flow from partners
Dept. A Orizuru ERP PLM	Orizuru	●	●	Trading companies specializing in IT Business engineering infor SAP Aras
	ERP PLM	○	●	
Dept. B Cloud products, such as Salesforce	Salesforce	○	△	Salesforce
	Products of Wingarc1st	○	△	Wingarc1st Hongo Tsuji Tax & Consulting

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Cross-selling to existing clients also allows us to provide new prospective clients to our solution partners.

We will also aim to increase the number of new prospective clients by cementing the relationships with business partners. We will acquire prospective clients from cross-selling and then have our business partners introduce prospective clients to us as well. We will proceed with this kind of policy to improve our marketing capabilities for prospective clients.



I have introduced measures with a focus on support for DX. However, the size of support for staffing of IT personnel has also become much bigger. We are now beginning to see signs of a slowdown in growth. Therefore, we will take action to increase the productivity of support for staffing of IT personnel in fiscal 2025. This slide indicates the measures we will take for that. Basically, we will take two measures to eliminate the obstacles which hinder marketing activities.

The figure on the left side of the slide shows the structure of how our sales staff currently allocate their

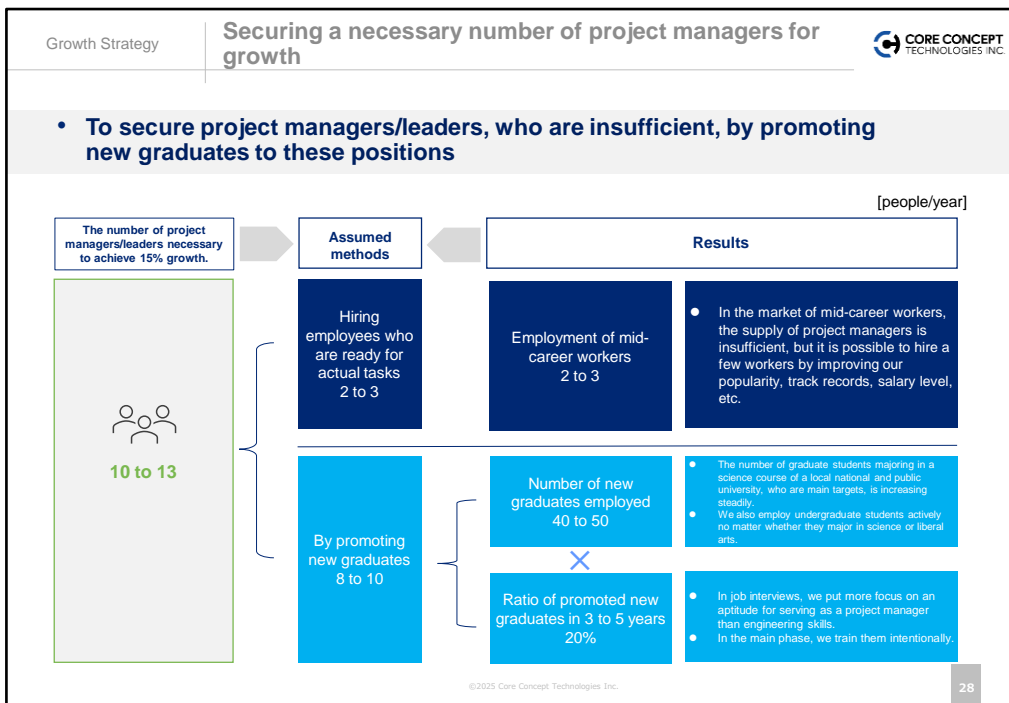
time to work. They spend about 45% of their total man-hours on activities to search for appropriate human resource candidates and partner companies before making proposals. After signing a contract, sales staff follow up with engineers in the field including onboarding and dealing with their concerns. This takes up about 20% of their man-hours.

This 65% of their total man-hours is important tasks. However, they are not the tasks directly connected to marketing activities. Therefore, we will assign specialized support staff here to separate these tasks from sales staff. In detail, we will establish a partner relation division as a head office organization dedicated to recruitment. By separating recruitment from sales staff, we will transform it into a work with high productivity handled all at once by the head office.

In terms of on-site follow-up, our full-time employees go to each site and take leadership. However, we will have our engineers stationed on-site conduct follow-up activities for our business partners. I think that this will improve not only productivity but also the quality of follow-up activities.

We believe that these two measures will allow sales staff to spare about three times more time for business negotiation. The number of proposals will also increase by twice to three times. As a result, we think the number of orders received will double per sales staff thanks to

the improvement in productivity.

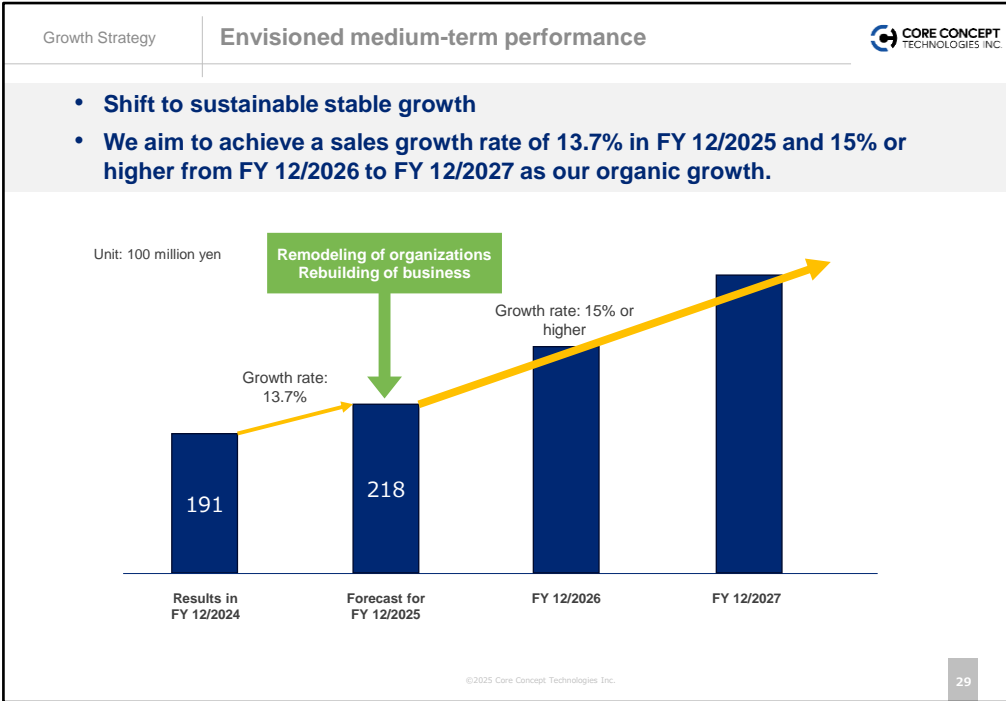


The project managers and project leaders are the key personnel in both support for DX and support for staffing of IT personnel. The important point is to reliably train new graduates or secure mid-career workers to match the scale of business.

The key is to estimate the specific number of people required and then incorporate that into the plan. Based on the current size of business, if we can increase the number of project managers from 10 to 13 per year, upper management will no longer be required for internal management.

We show the details of our initiatives in the figure on the right side of this slide. We will definitely hire two to three human resources who are ready for actual tasks every year. Meanwhile, 50 new graduates will join us this fiscal year. So, we will cultivate eight to ten project managers each year after having them gain on-site experience for two to five years.

These are figures which are not unreasonable at present and which ensure a certain degree of feasibility. We will reliably implement these measures to grow.



This is the envisioned medium-term performance. Growth has slowed down a little at present. Nevertheless, by reliably taking the measures I have described so far, we will aim to achieve a sales growth rate of 15% or higher as organic growth from fiscal 2026 onward.

In addition to this, we have a large free cash flow. Therefore, we would like to aim for an even higher growth rate as a group by engaging in M&As.

Growth Strategy		Measures for improving gross profit margin		CORE CONCEPT TECHNOLOGIES INC.	
<ul style="list-style-type: none"> Regarding support for DX, we aim to achieve gross profit margin of 40% or higher in a stable manner. 					
	Support for DX		Support for staffing of IT personnel		
Gross profit margin	<ul style="list-style-type: none"> We aim to maintain 40% or over in the medium to long term. 		<ul style="list-style-type: none"> We aim to keep gross profit margin stable at 16% to 17%. 		
Unit price of our services	<ul style="list-style-type: none"> We aim to raise the unit price of our proposal by 5% to 10%, to offset the rise in employees' wages, the rise in unit price for outsourcing and other necessary factors. 		<ul style="list-style-type: none"> To offset the rise in unit price for outsourcing 		
Unit price for outsourcing			To alleviate the impact of the rise in unit price in the market by utilizing Ohgi (To curb the rise in unit price)		
Outsourcing expense rate	<p>Around 45%</p> <ul style="list-style-type: none"> In the main phase, we will shift from employees to subsidiaries or business partners. Employees engage in business operations with high added value. 		<p>Around 70%</p> <ul style="list-style-type: none"> No change to the status quo 		
Improvement in productivity	<ul style="list-style-type: none"> To improve productivity by improving technological prowess and streamlining business operations (by establishing an organization development division) 				
Project profitability management	<ul style="list-style-type: none"> To make the judgment for accepting orders stricter (standard gross profit margin: 40% or higher) and manage project profitability thoroughly 				


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This slide gives our measures for improving gross profit margin.

Currently, our gross profit margin for support for DX is slightly below 40%. However, we will return it to 40% or over at an early stage. The key to this is to train project managers and steadily increase project productivity.

When we succeed in these measures, we can achieve our plans for top line and gross profit margin. Therefore, we believe that we can return to a company which meets the expectations of all our shareholders.

Growth Strategy | **Medium-term financial guidelines** | 

- To continue high-quality growth while keeping growth potential and profitability, and maximize total shareholder return (TSR)

Growth potential	Profitability	Shareholder return
<p>Sales growth rate</p> <p>15% or higher (excluding FY 12/2025)</p>	<p>ROE</p> <p>30% or higher (achieved)</p>	<p>Dividend</p> <p>We will pay progressive dividends from March 2026.</p> <p>Acquisition of treasury shares</p> <p>Flexibly conducted</p>

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We have summarized the key points for our medium-term financial guidelines on this slide. I will now provide a summary which will include shareholder return.

Please take a look at our growth potential. Our planned sales growth rate for fiscal 2024 was 13.7%. That is less than 15% in our plan. We will quickly return this to 15% or higher and secure growth potential with greater stability than before.

Next is profitability. We have already achieved ROE of 30% or higher at present. We will continue to steadily


achieve this target in the future.

Then, please see the right side of the slide on shareholder return. We will pay progressive dividends from March 2026. In addition, we have a policy to nimbly and flexibly acquire treasury shares. We will steadily take measures to improve our stock price.

Growth Strategy		M&A policy	CORE CONCEPT TECHNOLOGIES INC.
<ul style="list-style-type: none"> • We will stick to the policy of aiming to expand the Ohgi network in local regions while utilizing subsidiaries as hubs. • The scale of each target company will be raised. (assumed sales are 1 billion yen or larger) 			
Purpose	To enrich the lineup of products for DX	To secure human resources and reduce outsourcing expenses	
Target	IT enterprises with forte in areas that match our policy to expand the support for DX areas	Mainly the local small and medium-sized IT enterprises	
Results	<ul style="list-style-type: none"> ■ FY 12/2023 <ul style="list-style-type: none"> Investment in REVA Investment Limited Partnership No. 1 Business alliance with REVA Corporation ■ FY 12/2024 <ul style="list-style-type: none"> Acquisition of Pros Cons, Inc. as a wholly owned subsidiary Capital and business alliance with ESTYLE, Inc. 	<ul style="list-style-type: none"> ■ FY 12/2023 <ul style="list-style-type: none"> Acquisition of P. G. System Co., Ltd. as a wholly owned subsidiary Acquisition of Denso Co., Ltd. as a wholly owned subsidiary ■ FY 12/2024 <ul style="list-style-type: none"> Acquisition of Pro-X Co., Ltd. and Digital Design Services Co., Ltd. as wholly owned subsidiaries 	

Our M&A policy remains unchanged. We will expand Ohgi, a network of IT engineers, across Japan while involving our subsidiaries as hubs to share our growth with local IT personnel.

However, although we have not been particularly concerned about the size of the companies we have added to our group until now, we will aim for companies with net sales of 1 billion yen or more. Balancing the selection of candidate companies of this scale and the efficiency of PMI, we will add companies that will contribute to our business growth into our group with the aim of growing together.

Growth Strategy	Collaborative projects with group companies	
<ul style="list-style-type: none"> • We started collaborative projects with group companies one after another. • Group companies participate in projects entrusted to CCT, generating the following synergy. <ul style="list-style-type: none"> -Improvement of gross margin and reduction of outsourcing expense rate of the CCT group by utilizing local human resources -Expansion of an IT human resource network in respective areas by entrusting projects to subsidiaries 		
<u>Situation of collaborative projects between CCT and group companies in this term</u>		
PGS	DNS	Pro-X
<p>Manufacturing DX</p> <ul style="list-style-type: none"> ▣ Participation in ERP and MES development projects of textile makers ▣ Participation in an account management system construction project of a major automobile company <p>Logistics DX</p> <ul style="list-style-type: none"> ▣ Participation in multiple projects for upgrading in-house systems of leading logistics companies <p>Cloud solutions</p> <ul style="list-style-type: none"> ▣ Participation to support the adoption and operation of Salesforce and Tableau in multiple enterprises 	<p>Support for staffing of IT personnel</p> <ul style="list-style-type: none"> ▣ Participation in projects for supporting staffing of IT personnel at leading system integrators 	<p>Logistics DX</p> <ul style="list-style-type: none"> ▣ Participation in projects for upgrading logistics data management systems of logistics companies
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		<small>33</small>

I will now describe achievements of the collaborative projects with our five group companies. We have been making concrete progress on collaborative projects with the three companies of P. G. System, Denso and Pro-X, which joined us last year, on important projects for support for DX and projects for existing large-scale clients for support for staffing of IT personnel.

This will raise the unit price of local engineers. Moreover, by changing these companies from partner companies into group companies, we can increase gross profit while strengthening our internal controls. We will proceed with this in line with the plan.

That concludes my description of our growth strategies.



5

Earnings Forecast

Earnings Forecast		FY 12/2025 earnings forecast			Unit: million yen	
	2024	FY 12/2025 earnings forecast	Change	% change		
Net sales	19,166	21,800	+2,633	+13.7%		
Support for DX	9,080	10,824	+1,744	+19.2%		
Support for staffing of IT personnel	10,086	10,975	+888	+8.8%		
Gross profit	5,020	5,900	+879	+17.5%		
Support for DX	3,317	4,090	+772	+23.3%		
Support for staffing of IT personnel	1,702	1,809	+107	+6.3%		
Gross profit margin	26.2%	27.1%	+0.9P	-		
Support for DX	36.5%	37.8%	+1.2P	-		
Support for staffing of IT personnel	16.9%	16.5%	▲0.4P	-		
Operating profit	2,007	2,300	+292	+14.6%		
Ordinary profit	2,046	2,307	+261	+12.8%		
Profit	1,439	1,576	+136	+9.5%		
Operating profit margin	10.5%	10.6%	+0.1P	-		

*M&A is not taken into account for the FY 12/2025 earnings forecast.

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We will now look at our earnings forecast for the fiscal year ending December 31, 2025. This slide shows the results in fiscal 2024 and the earnings forecast for fiscal 2025.

We aim for net sales of 21,800 million yen, gross profit of 5,900 million yen, gross profit margin of 27.1%, operating profit of 2,300 million yen, profit of 1,576 million yen and operating profit margin of 10.6% in our earnings forecast for fiscal 2025.

Earnings Forecast		Net sales				CORE CONCEPT TECHNOLOGIES INC.
Net sales						
<ul style="list-style-type: none"> Net sales in the first half are expected to be at the almost same level as those in the last second half due to the decreased sales in the last Q4 and measures for remodeling of organizations.. The effect of measures to recover growth will manifest in the second half, and growth rate will reach 17.6%. 						
Unit: million yen						
		2024	FY 12/2025 earnings forecast	Change	% change	
First half	Net sales	9,164	10,036	+871	+9.5%	
	Support for DX	4,289	4,867	+577	+13.5%	
	Support for staffing of IT personnel	4,874	5,168	+293	+6.0%	
Second half	Net sales	10,001	11,763	+1,761	+17.6%	
	Support for DX	4,790	5,956	+1,166	+24.4%	
	Support for staffing of IT personnel	5,211	5,806	+594	+11.4%	
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We have decided to disclose our earnings forecast for net sales for the first half and the second half, respectively. We are planning for stronger sales in the second half of fiscal 2025.

To successfully complete our organizational remodeling, we will proceed with our remodeling in line with the plan in the first half, while accomplishing existing projects with the quality guaranteed. In this process, we will generate some surplus and gradually strengthen new marketing.

The results will appear in the second half of the year.

Therefore, we are planning for a 9.5% increase in net sales in the first half and a 17.6% increase in net sales in the second half, meaning stronger sales in the second half of the year.

Earnings Forecast | **Gross profit margin and operating profit margin (outsourcing expenses and personnel expenses)** | 

Gross profit margin

Company-wide

- Gross profit margin in Q1 will remain relatively low due to the lingering factor for a decline continuing since the second half of the previous fiscal year, but it will recover in Q2 and onwards.
- Unless there are unexpected, major unprofitable incidents, the outsourcing expense rate is about 60% and personnel expense rate is about 20%, respectively, meaning that no major change is forecasted.

Support for DX

- Gross profit margin will improve from the last second half, but is expected to be below 40%.

Support for staffing of IT personnel

- Gross profit margin will be around 16% to 17%.

Operating profit

- SG&A expense rate will increase from 15.7% in the previous fiscal year to 16.5% as the expenses of indirect departments augment due to the efforts to recover growth momentum. As a result, gross profit margin rises but operating profit margin is expected to be almost at the same level year-on-year.
- No special factors are assumed to inflict a significant impact on operating profit margin. It will decrease in Q2 and Q4 owing to seasonal factors.
- Unexpected brokerage fees and due diligence expenses may be incurred due to new M&A.

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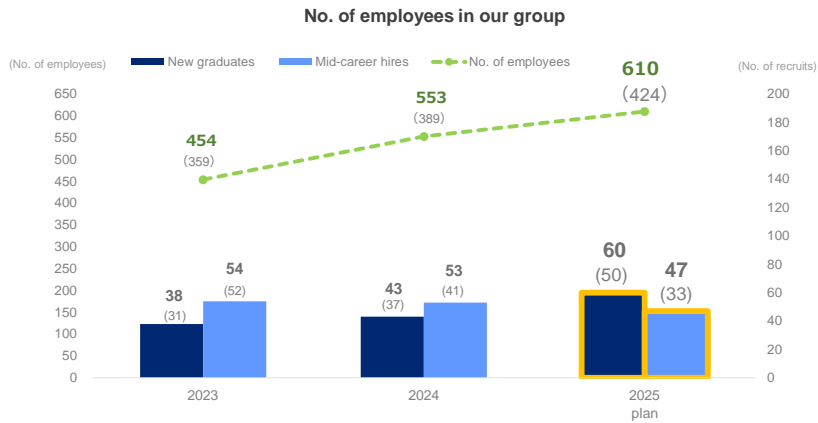
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We have summarized the key points of our plan in relation to gross profit margin and operating profit on this slide. Basically, we will gradually raise gross profit margin and ultimately return to the path of growth while securing operating profit.

We have not incorporated new M&As into the plan. Therefore, the figures I mentioned before are our plan based on organic growth.

Securing of personnel (mid-career hires and new graduates)

- We focus on hiring new graduates. For mid-career hires, we recruit them for cultivating management ready for actual tasks.



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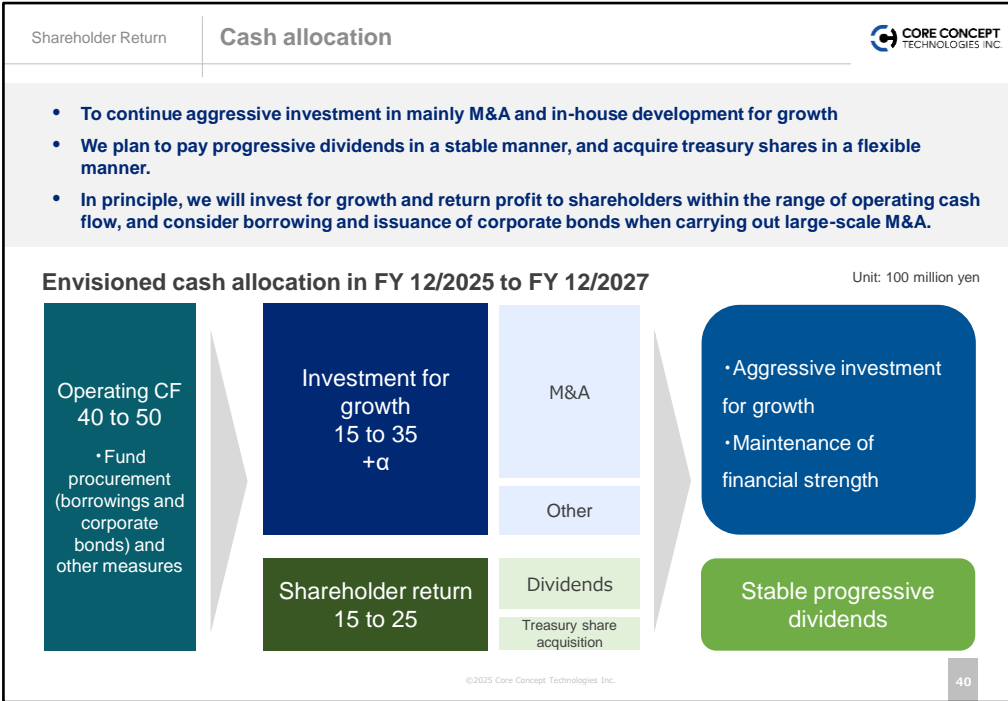
This is the plan for the number of employees. We ultimately expect the number of employees in our whole group to be 610.

The figures in the parentheses below the number of employees in our group indicate the number of employees of CCT only. About 50 new graduates will join CCT in April 2025. We also plan to employ 33 mid-career hires. To solve organizational issues, we intend to hire mainly human resources who are ready for actual tasks especially for the management and project manager levels.



6

Shareholder Return



I will now explain shareholder return. We have organized a strategic image of our cash allocation. This includes operating cash flow which will serve as the source of our funds and how we will allocate it to investment for growth and shareholder return.

We anticipate operating cash flow over the three years from fiscal 2025 to fiscal 2027 to be from 4 billion yen to 5 billion yen in natural growth. We will allocate 1.5 billion yen to 3.5 billion yen to investment for growth centered on M&As and 1.5 billion yen to 2.5 billion yen for shareholder return.

We will continue to proactively invest for growth as before because we can secure sufficient operating cash flow to be used as the source of shareholder return. Together with this, we will maintain our financial strength through discipline.

Start of dividend payment

- To start dividend payment in order to improve corporate value by returning profit to shareholders in parallel with business growth
- We plan to pay a dividend of 19 yen/share in March 2026, under the assumption that the earnings forecast for this fiscal year will be achieved.

Background of start of dividend payment

- Share price remains low due to the stagnant rate of sales growth, so it will be impossible to return profit to shareholders through capital gain for the foreseeable future. Accordingly, we have concluded that we should start paying dividends as shareholder return.
- Growth rate has slowed down, but our business base has been growing steadily, so we believe that sales and profit will keep increasing. We judged that even if we pay dividends, there will remain sufficient funds for investments in human resources and M&A for business growth.

I will now describe dividends. We will begin progressive dividends from fiscal 2025. We plan to pay a dividend of 19 yen per share in March 2026, assuming that we achieve the earnings forecast.

Basic policy for capital measures

- ◆ In order to maximize shareholders' profit, we will improve corporate value through business growth to raise share price. In addition, we directly return profit while securing internal reserve required for future business operations and strengthening our financial standing to improve return on invested capital, and we maximize TSR by boosting medium/long-term return on equity (ROE).
- ◆ Our basic policy is to pay progressive dividends in a stable manner, and we would like to meet shareholders' expectations when our performance is good with the target payout ratio is 20% to 30%. Since we determine the dividend amount while comprehensively considering the variation in business performance, the amount of investment for growth, financial situations, etc., the above payout ratio is a mere assumed one. We would appreciate your understanding.
- ◆ While comprehensively considering the market trend, share price level, financial situations, etc., we will discuss the acquisition of treasury shares flexibly when necessary.
- ◆ Without giving top priority to the accumulation of net assets, which has been emphasized, we will consider the change of stock markets to the Prime Market when we satisfy the requirements, that is, net assets of 5 billion yen and a market capitalization of 25 billion yen.

This slide gives the basic policy for our capital measures. We have promoted shareholder return through capital gains up to now.

However, we have suffered a slowdown in our growth rate. Therefore, we will aim for a well-balanced TSR that also includes dividends.

Specifically, our policy is to pay progressive dividends in a stable manner. Based on this policy, we will continue to pay dividends while aiming for a payout ratio of 20% to 30%. At the same time, although our company is currently listed on the Growth Market, we

plan to get listed on the Prime Market by satisfying the market requirements of net assets of 5 billion yen and a market capitalization of 25 billion yen.

We will continue to proceed with our capital measures as appropriately as possible while observing the overall balance. We will strive to manage our company so that we can meet the expectations of all our shareholders.

That concludes my explanation of the financial results for the fourth quarter of the fiscal year ended December 31, 2024. After this, we have the appendix, and I would like to add one point here.



7

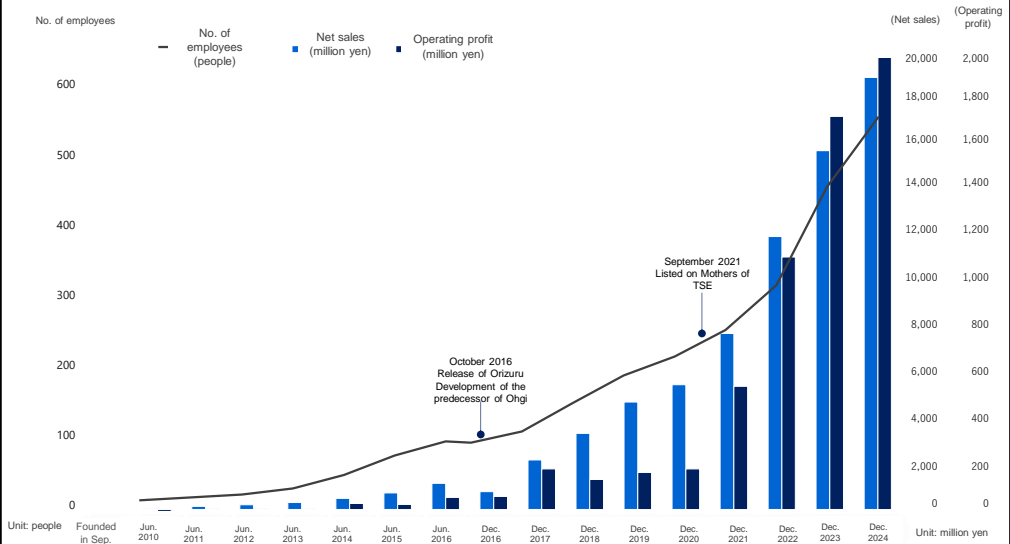
Appendix

Corporate name	Core Concept Technologies Inc. (CCT)
Business description	To support client companies in DX and staffing of IT personnel
Location	11 th floor of DaiyaGate Ikebukuro, 1-16-15 Minami-ikebukuro, Toshima-ku, Tokyo
Representative	Takeshi Kaneko, Representative Director, President, CEO
Date of establishment	September 17, 2009
Capital stock	566,028 thousand yen (as of December 31, 2024)
Account closing month	December
Number of employees	Consolidated: 553; non-consolidated: 389 (as of December 31, 2024)
Office locations	Tokyo (headquarters), Osaka, and Fukuoka


Group companies (wholly owned subsidiaries)

P. G. System Co., Ltd.	18-10 Matsushima-cho, Ube-shi, Yamaguchi	Pro-X Co., Ltd.	2-1-31 Ebie, Fukuoka-shi, Osaka-shi, Osaka
Denso Co., Ltd.	15-1 Omiya-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Digital Design Services Co., Ltd.	2-5-2 Nishitenma, Kita-ku, Osaka-shi, Osaka
Pros Cons, Inc.	1-26-15 Tomioka, Koto-ku, Tokyo		

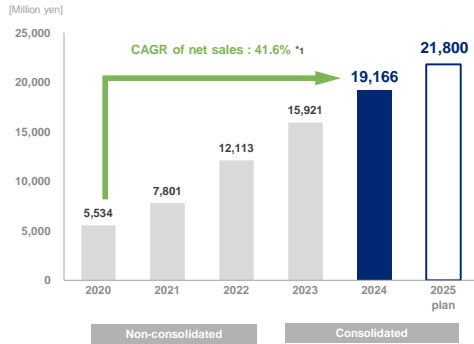
Variation in past performance



* Due to the change of the accounting period, FY 12/2016 was an irregular 6-month period.

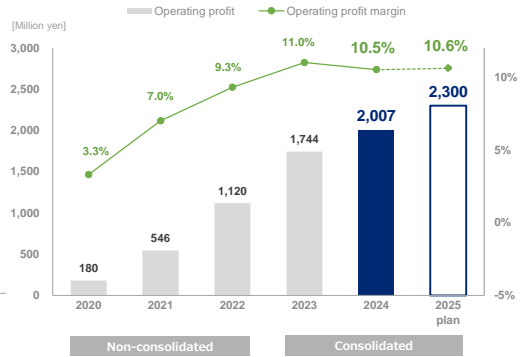
- Shifted from the high growth phase to the stable growth phase.

Sales growth



*1 From FY 12/2020 to FY 12/2024

Variations in operating profit and its margin



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Takeshi Kaneko



Katsunori Shimomura



Hajime Tsunoo



Kazuaki Nakajima

Post	Representative Director, President and CEO	Director and Chairperson	Director and General Manager of Solution Business Division	Director and CFO
Biography	2000: Entered Inx Co., Ltd. (currently SOLIZE Corporation). 2006: Established Laguna Co., Ltd. 2006: Entered KT Consulting Co., Ltd. 2009: Served as Auditor at ShinStar Co., Ltd. 2010: Entered CCT. 2013: Appointed as Director and Vice-president. 2015: Appointed as Representative Director, President and CEO (incumbent). 2023: Director at DT dynamics Corporation (incumbent).	1979: Entered NEC Software Co., Ltd. 1991: Entered Inx Co., Ltd. (currently SOLIZE Corporation). 1995: Served as Managing Director at Inx Co., Ltd. 1996: Director at Gelyo Senzai Co., Ltd. (incumbent). 2009: Established CCT. 2009: Appointed as Representative Director. 2020: Appointed as Director and Chairperson (incumbent).	2002: Entered Inx Co., Ltd. (currently SOLIZE Corporation). 2009: Entered Nitro Co., Ltd. 2009: Entered CCT. 2012: Appointed as Executive Officer in charge of HR. 2016: Appointed as Director (incumbent). 2020: Appointed as General Manager of System Integration Division. 2025: Appointed as General Manager of Solution Business Division (incumbent).	1995: Entered Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.). 2014: Served as Executive Officer at Human Holdings Co., Ltd. 2017: Served as Director at S-cubism Inc. 2018: Entered CCT. 2019: Appointed as Executive Officer and CFO. 2020: Appointed as General Manager of Business Administration Division. 2020: Appointed as Director and CFO (incumbent).

Management structure: Directors belonging to the audit and supervisory committee



Koshi Kakuta



Takuo Hirose



Masaya Suzuki



Eri Nakajima

Post	Director and Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member
Biography	<p>1969: Entered Mitsu Bank, Ltd. (currently Sumitomo Mitsu Banking Corporation).</p> <p>1997: Entered Otsuka Corporation.</p> <p>1997: Served as Representative Director at 10art-ni Corporation.</p> <p>2002: Served as Representative Director at Zind Open Source Systems Japan, Ltd.</p> <p>2011: Appointed as Auditor at S-cubism Inc. (incumbent).</p> <p>2019: Appointed as Auditor at CCT.</p> <p>2021: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent).</p>	<p>1997: Registered as attorney. Joined Tomotsune Kimura & Mitomi (currently Anderson Mori & Tomotsune).</p> <p>2003: Worked at Shearman & Sterling LLP in the U.S.</p> <p>2004: Obtained the New York Bar registration.</p> <p>2004: Returned to work at Anderson Mori & Tomotsune.</p> <p>2005: Appointed as a partner attorney at Anderson Mori & Tomotsune (incumbent).</p> <p>2007: Served as Outside Auditor at Roland DG Corporation.</p> <p>2010: Served as Outside Director at Roland DG Corporation.</p> <p>2018: Appointed as Outside Auditor at Cyfuse Biomedical K.K. (incumbent).</p> <p>2020: Appointed as Auditor at CCT.</p> <p>2021: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent).</p> <p>2021: Appointed as Outside Director at Hamamatsu Photonics K.K. (incumbent).</p>	<p>2000: Joined Ernst & Young ShinNihon LLC.</p> <p>2004: Registered as CPA.</p> <p>2019: Opened and operates Masaya Suzuki Accounting Office.</p> <p>2020: Appointed as Auditor at CCT.</p> <p>2021: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent).</p> <p>2022: Appointed as Outside Auditor at CCR&B Advisors Inc. (incumbent).</p>	<p>1995: Entered the Environment Agency (currently Ministry of the Environment).</p> <p>2003: Went on loan to the Agency for Natural Resources and Energy of METI.</p> <p>2015: Went on loan to Nagano Prefecture as a vice-governor.</p> <p>2022: Appointed as Outside Director at IDEC Corporation (incumbent).</p> <p>2023: Appointed as Director and Audit and Supervisory Committee Member at CCT (incumbent).</p> <p>2023: Appointed as Professor at Doshisha University (incumbent).</p>

Our Purpose

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

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.

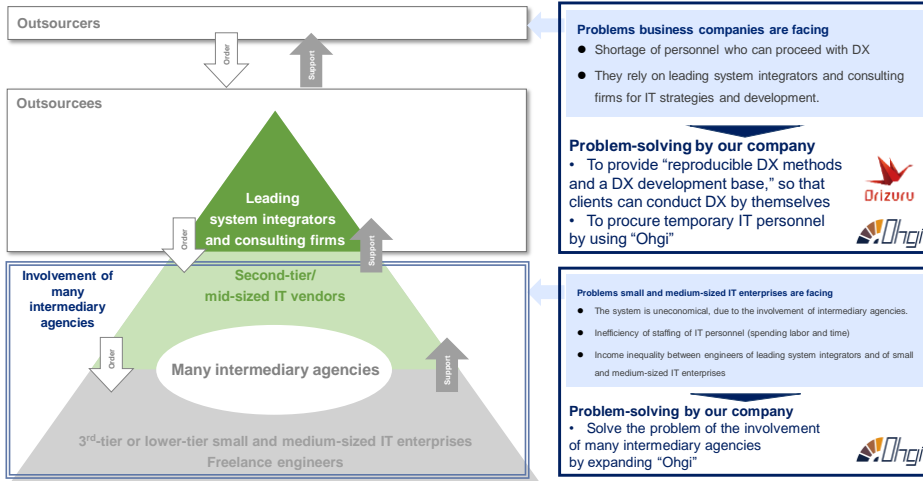
Think Big

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.

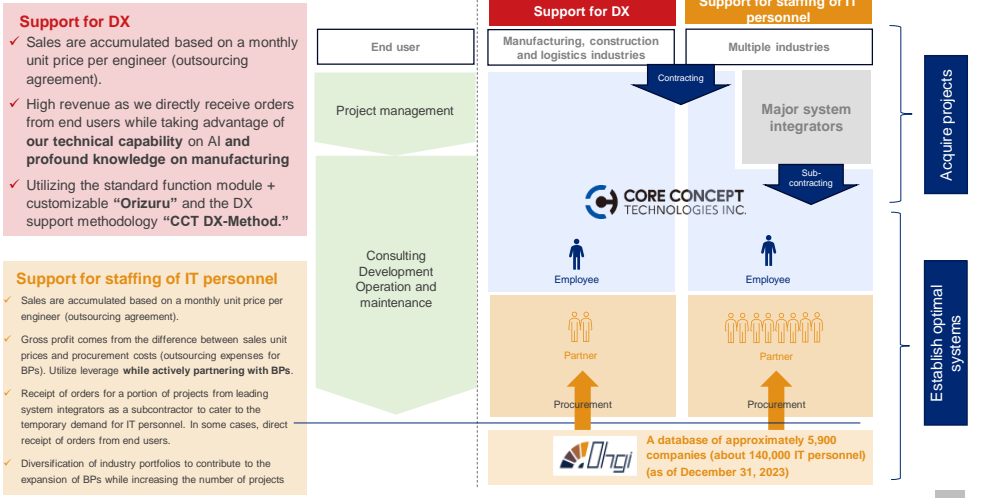
Act Together

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

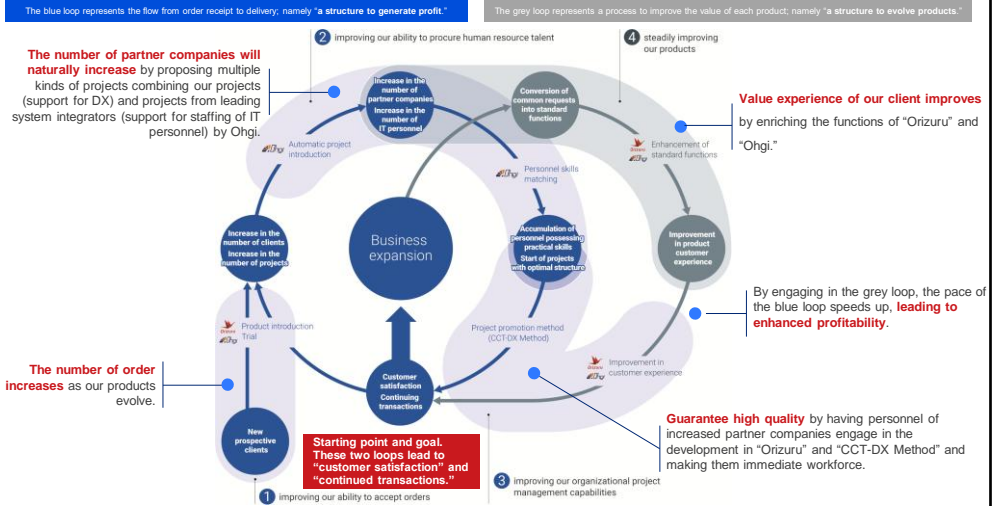
- We solve the problem of the involvement of many intermediary agencies in the IT industry and make the world change, so that companies can conduct DX autonomously.



- We acquire multiple kinds of projects with support for DX (1st-tier contractor) focusing on specific industries and support for staffing of IT personnel (2nd-tier contractor) covering a wide range of industries. In addition, we increase top line by leveraging “Ohgi.”



- We realize sustainable growth through synergy based on two loops, which enhances our competitive advantage.



Appendix | Major clients

CORE CONCEPT TECHNOLOGIES INC.

- Support for DX has supported clients mainly in the manufacturing, construction and logistics fields.
- Support for staffing of IT personnel has assisted a wide range of industries through leading system integrators.

Support for DX

EARTH BRAIN AGC センコー

TAKENAKA Digital Garage TORAY 東レエンジニアリング株式会社

HIROSE MISUMI LIXIL Link to Good Living

Support for staffing of IT personnel

CTC INTEC TIS INTEC Group SCSK

Simplex Inc. 電通総研 NS Solutions

NRI 野村総合研究所 Nomura Research Institute WingArc 1ST The Data Engagement Company 弥生

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This slide shows the corporate logos of our major clients. We have begun stable transactions with new large business partners such as Senko and Digital Garage in support for DX.




We have been supporting logistics DX since 2023. We have been assisting Senko with support for DX for approximately 2 years. The structure in which we can provide continuous support for the company has been established. Accordingly, we have added Senko to our major clients.

In line with this, in addition to the manufacturing and

construction industries, we will also contribute to companies in the logistics industry with support for DX. We will support industries responsible for frontline work in Japan in enhancing the competitiveness of their businesses through our company's strength in the digital field.

That is the end of our briefing.

- Focus on the manufacturing, construction, and logistics industries where we can leverage our strengths.
- The use of Orizuru enables speedy realization of DX for customers.

	Manufacturing <small>(since the establishment of our company)</small>	Construction <small>(since 2015)</small>	Logistics <small>(since 2023)</small>
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 (mcfra/infor) 	Design and construction <ul style="list-style-type: none"> ✓ BIM linkage system/common data infrastructure ✓ Design efficiency (AI utilization) ✓ PLM (ArasInnovator) 	Warehousing and transportation <ul style="list-style-type: none"> ✓ WMS (Warehouse Management System) ✓ TMS (Transport Management System)
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 manufacturing industry 	<ul style="list-style-type: none"> ✓ Achievements in the manufacturing industry by support for DX ✓ 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 in the manufacturing industry by support for DX

- **Solution provider that can address client companies' issues in a comprehensive manner**

Problems with manufacturing DX in Japan

1	Coexistence of old and new equipment	Machinery and equipment installed several decades ago and newly installed machinery and equipment are operated at the same time. It is difficult to develop a totally smart factory.
2	Lack of knowledge of manufacturing sites	There are few enterprises that possess the perspective of management, the viewpoint of on-site factory staff, and broad knowledge of business operation processes, manufacturing processes, hardware, and software.
3	Lack of system integrators	Various systems have been partially optimized and installed in value chain processes. The effects of DX are limited, because of insufficient integration.

Forté of CCT

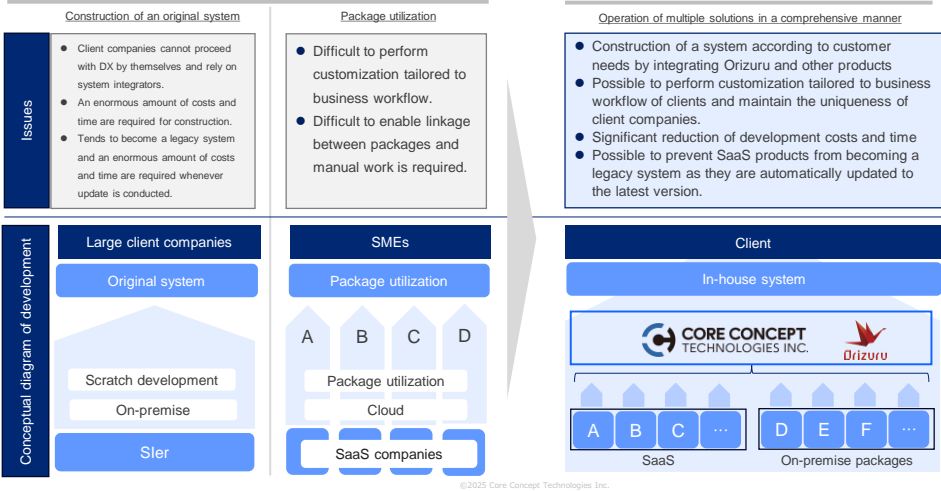
1	Retrofitting	<ul style="list-style-type: none"> •Orizuru is compatible with a variety of machinery and equipment. •Digitalization of old equipment based on knowledge of hardware •Separation between manual work and automation
2	Knowledge of manufacturing industry and DX accumulated for many years	<ul style="list-style-type: none"> •Founding members engaged in manufacturing DX for over 20 years. •To develop business operation processes from the viewpoints of management and on-site staff •Conversation with client companies while using jargon
3	A broad range of solutions	<ul style="list-style-type: none"> •To meet customer needs by combining Orizuru, Salesforce, SAP, etc. from all aspects •To maintain the uniqueness of each client company through customization based on the workflow of each client

We won profound trust of client companies. The ratio of sales from existing clients has been stable and around 90%.

- We will respond to all kinds of needs for digitalization from client companies with cloud products in each field and Orizuru.
- We will address the issue of the poor customizability of cloud products by using Orizuru as a comprehensive customization platform.

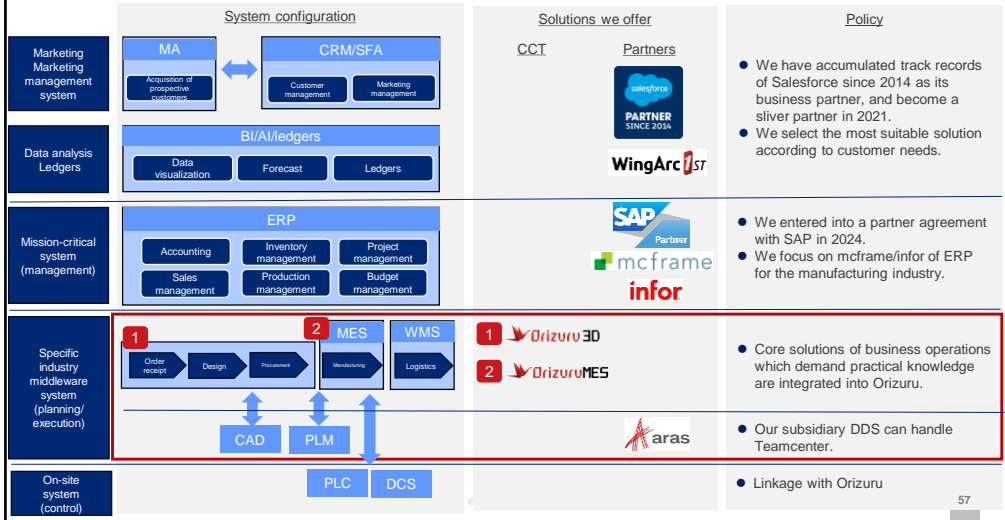
Issues on existing solutions

Our solution



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- We use our original product “Orizuru” to respond to specific industries which require practical knowledge and individual customization.
- We integrate standard cloud products for common fields (Fit to Standard), and enrich our products in a stepwise manner.



- The DX market scale will grow steeply.
- In particular, the manufacturing, construction, and logistics domains, which are our priority domains, are expected to grow considerably.

Industries/business fields	FY 2022 [100 million yen]	Forecast for FY 2030 [100 million yen]	CAGR 30/22 (%)
Manufacturing	3,360	9,060	13.2
Real estate and construction	570	1,680	14.5
Traffic/transportation/logistics	3,947	12,377	15.4
Finance	2,555	6,200	11.7
Medical care/nursing care	896	2,052	10.9
Retail/restaurant	817	1,860	10.8
Municipalities	562	1,233	10.3
Sales and marketing	2,860	5,000	7.2
Strategy/infrastructure	7,968	18,053	10.8
Others	11,302	22,835	9.2
Total	34,837	80,350	11.0

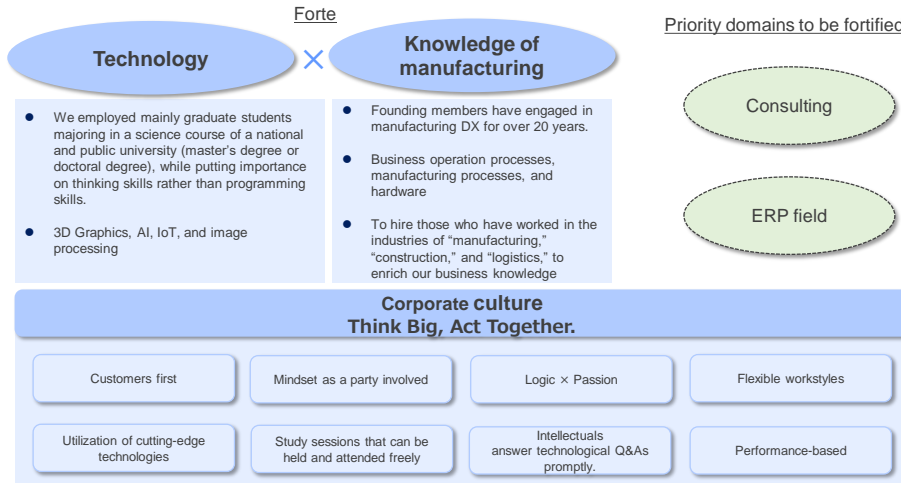
Current priority field

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

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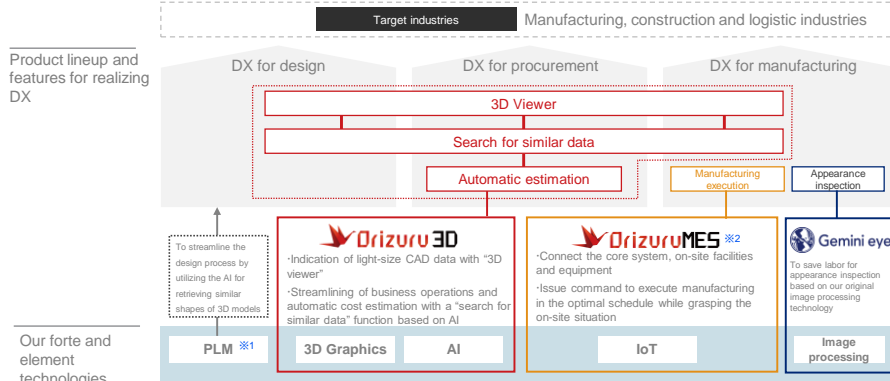
- A group of engineers who promote down-to-earth DX with profound knowledge of on-site situations
- To develop an environment where workers can concentrate on their tasks with reasonable systems



DX development base “Orizuru,” a database of knowledge accumulated over many years

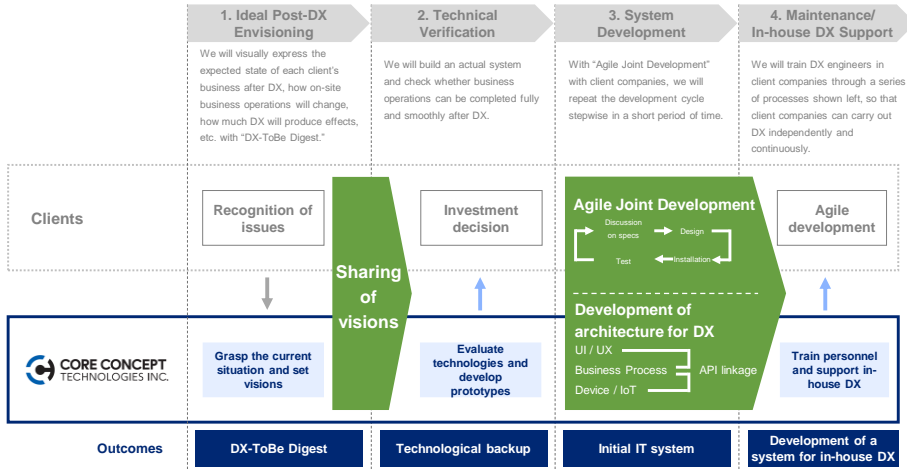
- To actualize the functions demanded by customers swiftly at low cost by utilizing a DX development base “Orizuru”
- Working on various development projects evolves the standard functions of Orizuru (basically, no need for investment in development)

Various functions required for design, procurement and manufacturing DX (e.g. automatic estimation and manufacturing execution) and element technologies for realizing DX (e.g. 3D modeling, AI, and image processing) are converted into the standard functions of Orizuru. We named the product “Orizuru” as we hope that we want to vitalize the Japanese manufacturing industry which possesses fine and delicate technical capabilities like *paper crane*.



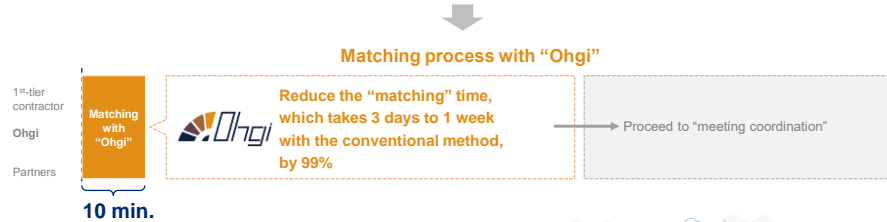
*1 Abbreviation for “Product Lifecycle Management.” It means aggregating various technological information on the entire product lifecycle, and using it to improve product development capabilities and corporate competitiveness.
 *2 Abbreviation for “Manufacturing Execution System.” MES grasps and manages manufacturing processes, and gives instructions and support to workers.

- Original method to accompany and support our clients to realize DX in-house by utilizing Orizuru and Ohgi.
- Aim to continue maintaining quality and customer satisfaction even as the number of projects and employees increases.



- Ohgi considerably reduces the time required for matching projects and personnel.
- We have formed a wide network of small and medium-sized IT enterprises.

Workflow in the conventional multi-outsourcing system (3 days to 1 week required for sending requests and proposals)



Features of Ohgi

- ✓ A network of approximately 5,900 companies (about 140,000 IT personnel) centered in Tokyo
- ✓ Targets mainly at small and medium-sized IT enterprises (not freelancers)
- ✓ We will expand the network to include local IT enterprises.



We made a database of human resource network which includes many BPs we have cultivated since our founding and information on employees who belong to the companies.
The product was named "Ohgi" as we hope that "we want to expand our business to every corner of Japan."

- **To foster win-win relationships so that CCT and business partners (BPs) will increase their respective sales**

1

Active outsourcing would contribute to sales growth and the maintenance of the ratio of engineers in service

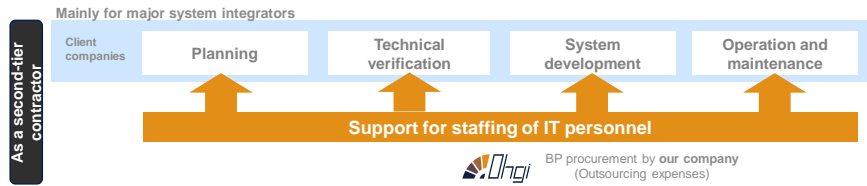
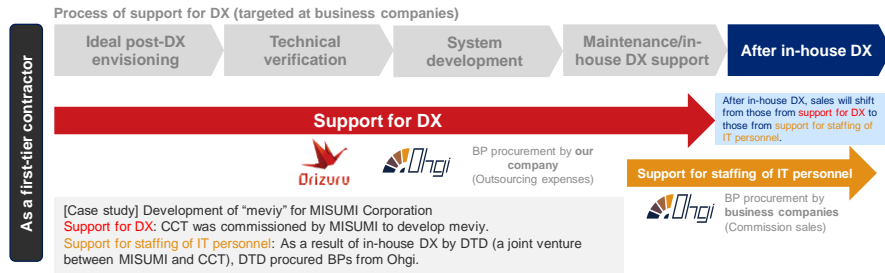
- CCT employs mainly project managers/leaders and specialists in the manufacturing, construction, and logistics fields, where we support DX.
- We actively utilize engineers of BPs procured through Ohgi, because general operations are dominant in the phase of development, operation, and management in the business of support for DX.
- General operations are dominant in the business of support for staffing of IT personnel (CCT undertakes tasks as a subcontractor from leading system integrators), so we raise the ratio of BPs. *In this system, CCT serves as project leader as a subcontractor, and enlists support from partners (outsourcing from leading system integrators to CCT to BPs). This is similar to and different from a general platform for matching system integrators and engineers, including freelancers.
- By utilizing outsourcing as a control valve, we keep the ratio of engineers of CCT in service around 100%.

2

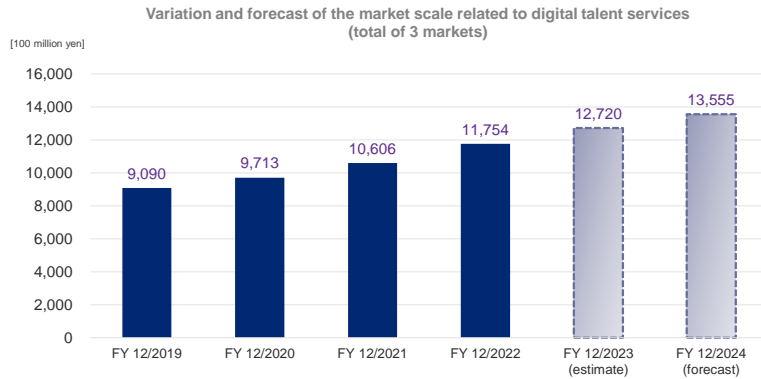
Provision of merits of sales growth to BPs

- We daily distribute plenty of information (projects directly entrusted to CCT and projects entrusted by leading system integrators) and offer opportunities to receive orders to business partners.
- In the structure where many intermediary agencies are involved, the unit prices of small and medium-sized IT enterprises decrease as the tier lowers. Meanwhile, they can join projects entrusted by CCT as a subcontractor (when CCT is directly entrusted) or a second-tier subcontractor (when CCT undertakes projects as a subcontractor), so their unit prices can be higher.

- Building a unique business model that ensures profitability even after “in-house DX” by supporting both DX and IT personnel staffing.



- The SES market scale is on an upward trend, and reached a 1.3 trillion yen scale.



Note 1: Business operators' net sales basis

Note 2: FY 12/2023 is an estimate and FY 12/2024 is a forecast.

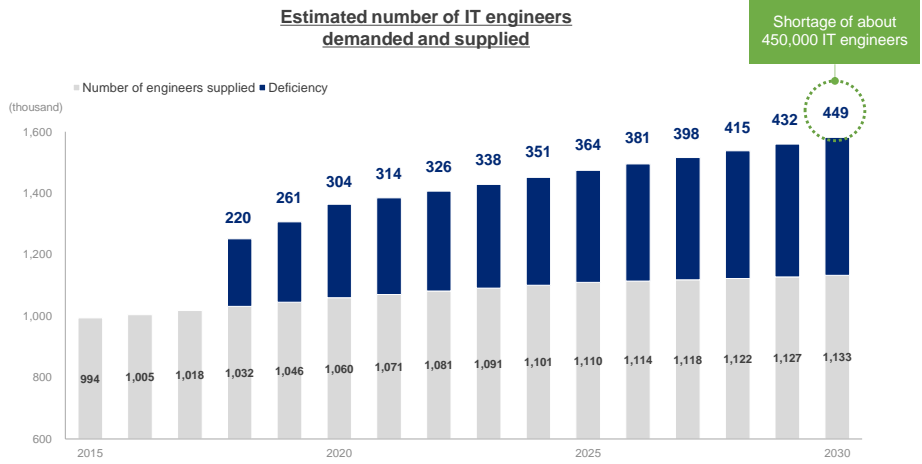
Note 3: A total of three markets including digital talent development and training service, digital talent (IT engineers) dispatch service, and digital talent agency service

*Source: "Survey on the Digital Talent Service Market," published by Yano Research Institute in April 2024

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- We are entering the age in which business competitiveness is determined by the capability of staffing IT personnel.

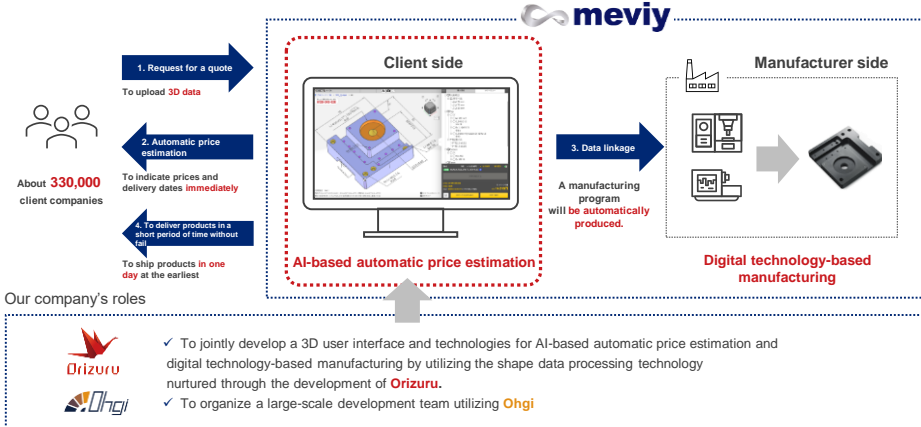


*Source: Survey on IT Engineers Demanded and Supplied produced by Mizuho Information & Research Institute, Inc. in March 2019

Development of a platform for receiving and placing orders for components

We supported MISUMI in developing a smooth transaction from enabling their clients to upload design data, automatic price estimation and immediate product shipment.

We will utilize the shape data processing technology nurtured through the development of "Orizuru" for AI-based automatic price estimation and digital technology-based manufacturing.



*MISUMI Group Inc. received the Prime Minister Award at the 9th Japanese Manufacturing Awards for meviy.

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Support for construction of a smart factory

To support the formulation of a scheme for realizing a smart factory and develop a system

To establish a system for linking all processes including the design of storage batteries, order receipt, production planning, manufacturing, and distribution and integrating the entire factory from end to end, by combining CCT Orizuru MES and Infor CloudSuite Industrial (CSI).

Formulation of a scheme

- We applied the CCT-DX Method. The experts in CCT understood the processes for manufacturing storage batteries, and supported the formulation of a scheme for realizing a smart factory that can maximize the production capacity of new factories.

Expected effects: Productivity improvement and ROI improvement in planning



Development of OT and the entire system based on IT

- We established a system for linking all processes, including design, order receipt, procurement, production, distribution, and accounting.
- We installed the production management function based on Infor CSI, and applied Orizuru MES, which put together the know-how of CCT, to the manufacturing execution system, to integrate IT and OT.

Expected effects: Productivity improvement and optimization of the entire system



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Swift personnel procurement

- We procured personnel with Ohgi, and formed a development team swiftly.

Expected effects: Sticking to schedule and flexible management of development costs



Support for construction of a smart factory

- ✓ **A visualization of the overall concept of a smart factory**
- ✓ **Reforming the manufacturing line: Designed DX for production control, quality control, and production planning**
- ✓ **Resolving technical issues with a demonstration line**
- ✓ **Verifying reform policies, improvement effects, and ROI in each process**

Production plan optimization for each facility

Developing an hourly production plan that is standardized and designed for each production facility

Expected effect: Reduction of work dependent on individual skills



Automatic processing condition adjustment

Test processing, processing condition adjustment, and manufacturing are executed based on automatic measurement results and various sensor data.

Expected effects: Productivity improvement and quality improvement



Instructions to start construction for technicians

Issuing a work instruction list that directs each technician to perform high-priority work

Expected effect: Increased work efficiency



Understanding real-time production status

Real-time monitoring and understanding of production from anywhere, instead of traditional local monitoring and monthly tabulation

Expected effects: Remote work and real-time monitoring



Preparatory work instructions for technicians

Instructions for preparing necessary items, such as cutting tools required for processing, and individual identification by 2D barcode

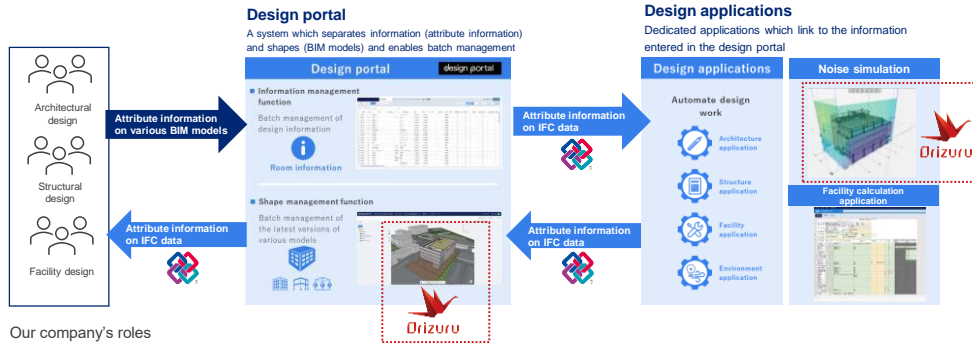
Expected effects: Increased work efficiency and error prevention



Development of "design BIM tool"

We supported Takenaka Corporation in developing a "design BIM tool" which enables real-time linkage of design information on construction projects.

"Orizuru" provides such functions as IFC Viewer and sophisticated simulation based on three-dimensional processing technology.



Our company's roles



- ✓ It becomes possible to link various BIM data (IFC data) with design data and visualize them by utilizing **Orizuru's** three-dimensional technology.
- ✓ It becomes possible to develop a secure, scalable environment and engage in DevOps (CI/CD) by making the most of **AWS**.

Remote management center establishment support

Dissemination of knowledge of veteran staff and tackling the issue of developing young human resources Improving productivity and achieving workstyle reform for on-site employees through centralized management of information

Remote communication

In response to the problem of difficulty in maintaining on-site capabilities due to the mass retirement of veteran employees, by synchronizing on-site information such as images in real time at the remote management center, it is possible to obtain information equivalent to or better than the construction site even from remote locations, which makes it possible to provide support as if veteran employees were on the site.

Expected effects: Improvement of productivity, knowledge transfer and remote work



Consolidation of on-site operations

There was a concern that the number of mid-level workers responsible for on-site work would decrease, and the number of work sites that could be handled would decline, making it challenging to secure profits. In response to this, simple tasks common to each site, such as document preparation and photo sorting, which had been performed on-site until now, were consolidated at the remote management center to reduce the on-site workload.

Expected effects: Workstyle reforms and securing profits



Next-generation human resources development

There was a chronic lack of opportunities for young people to be trained due to the small number of mid-career workers, resulting in knowledge not being passed to the next generations. In response to this, we created case method (simulation) type educational content using VR generated from the site information accumulated in the remote management center. In addition, we have established a system in which past knowledge is managed in a manner allowing it to be referred to at any time, providing opportunities for voluntary knowledge acquisition during operations.

Expected effects: Knowledge transfer and speeding up personnel training



Support for Salesforce introduction

We provided one-stop support for PoC, construction and use when introducing Salesforce.

We centralized information between sales, technology and purchasing as a company-wide information sharing platform.

Multi-cloud

In addition to reforming the sales and marketing areas, we utilized multiple products in Salesforce to meet extensive demand such as data analysis with BI, semi-automation of order receipt with electronic commerce, and coordination of information between sales, technology and purchasing.



Linkage with external systems

Linking with mission-critical systems improved the operational efficiency of order receipt. Additionally, linking with PLM and purchasing systems contributed to information sharing and operational efficiency improvement among production staff, purchasing staff, vendors and suppliers.



Agile process

We leveraged the features of no-code and low-code to repeat the cycle of construction, evaluation and improvement, deployment, and use by users at high speed. We then continued to expand the functions and deploy them to other departments.



Salesforce, Sales Cloud and other names are trademarks of Salesforce, Inc. We have obtained permissions to use them from Salesforce.

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- In FY 12/2024, we concentrate on the collection and disclosure of data on Scope 3 emissions, the promotion of health-oriented business administration, the tightening of information security, and the enhancement of group management.
- Disclosure of the integrated report in June. (We hope you will read it. <https://www.cct-inc.co.jp/ir/>)

[Excerpt from the integrated report]

	Our Materiality	KPI	FY2023 Results
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 'Onizuru' to implement client DX	(1) Support for DX business sales (2) Number of employees involved in DX projects	(1) 7A06 million yen (2) 275 people
	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 "Onizuru" network	(1) Number of companies registered in Onizuru (2) Number of business partner assignments (quarterly average)	(1) Approx. 5,000 (2) 1,032 man-months (FY2023-4Q)
Resolving Social Issues through Corporate Activities	Taking the Initiative in Global Environmental Conservation <ul style="list-style-type: none"> 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%
	An Organization Where Each and Every Individual Can Contribute <ul style="list-style-type: none"> 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
	Resilient Business Base <ul style="list-style-type: none"> 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

Non-Financial Information

	(Item)					(FY)
	2019	2020	2021	2022	2023	
Environment						
GHG emissions (Scope 1, 2) ⁽¹⁾ (t-CO ₂)	81.7	79.7	80.0	93.7	121.9	
GHG emissions (Scope 3 (non-consolidated)) (t-CO ₂)	-	-	-	-	10952.6 ⁽²⁾	
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** (%)	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	

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.

- This material was produced by our company for the sole purpose of providing information, and not intended for soliciting the purchase or sale of securities of our company.
- The descriptions related to forecasts included in this material are based on our judgments and assumptions as well as currently available information, and include information on our business plans, market scale, competitors' situations, industries, and growth potential. Accordingly, there is a possibility that actual results may differ significantly from explicit and implicit forecasts due to various risks and uncertainties.
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