



CORE CONCEPT
TECHNOLOGIES INC.

Business Plans and Growth Potential of CCT

Core Concept Technologies Inc.

Securities Code: 4371

March 2025



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1 **Corporate Profile**

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.

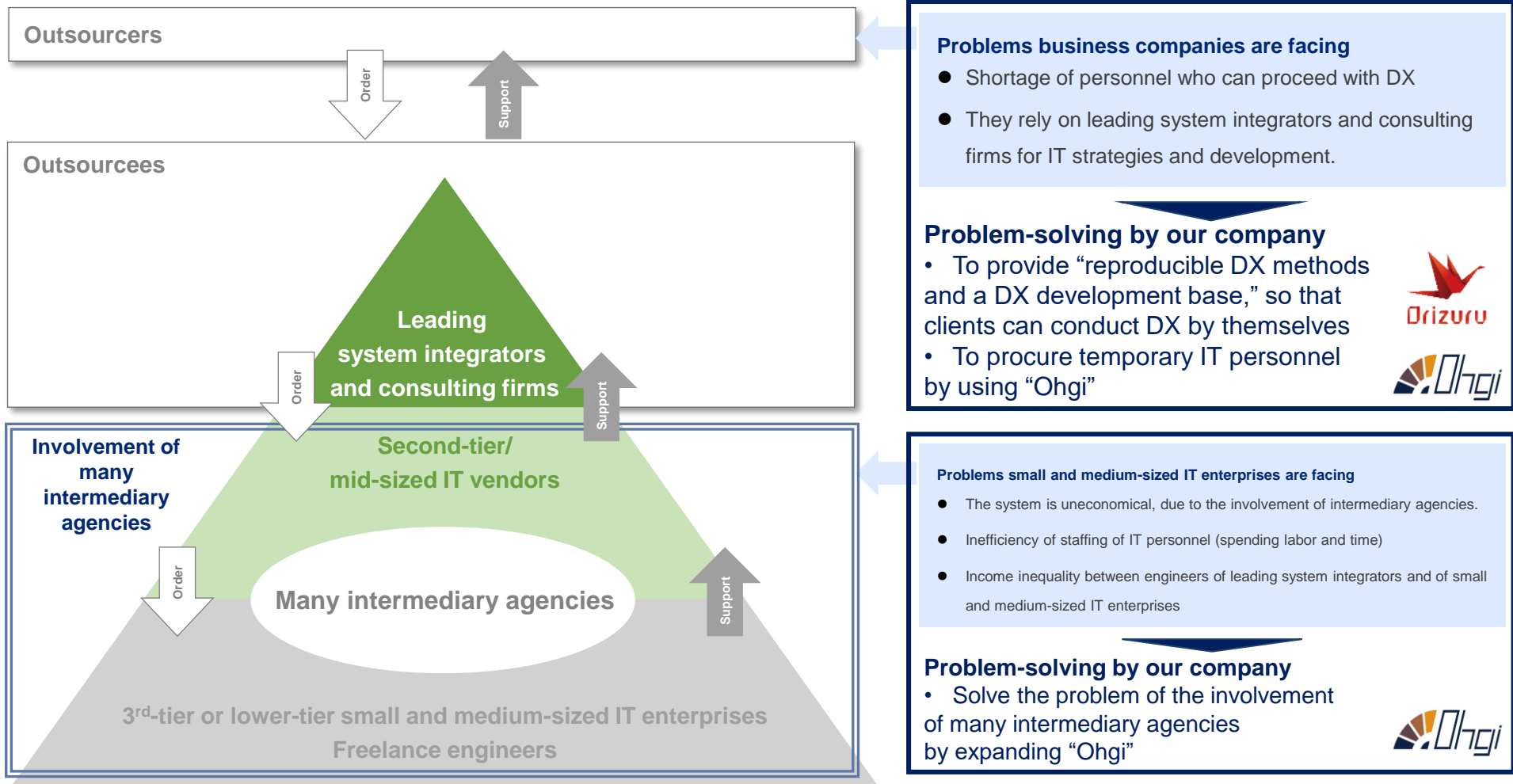
Think Big

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.

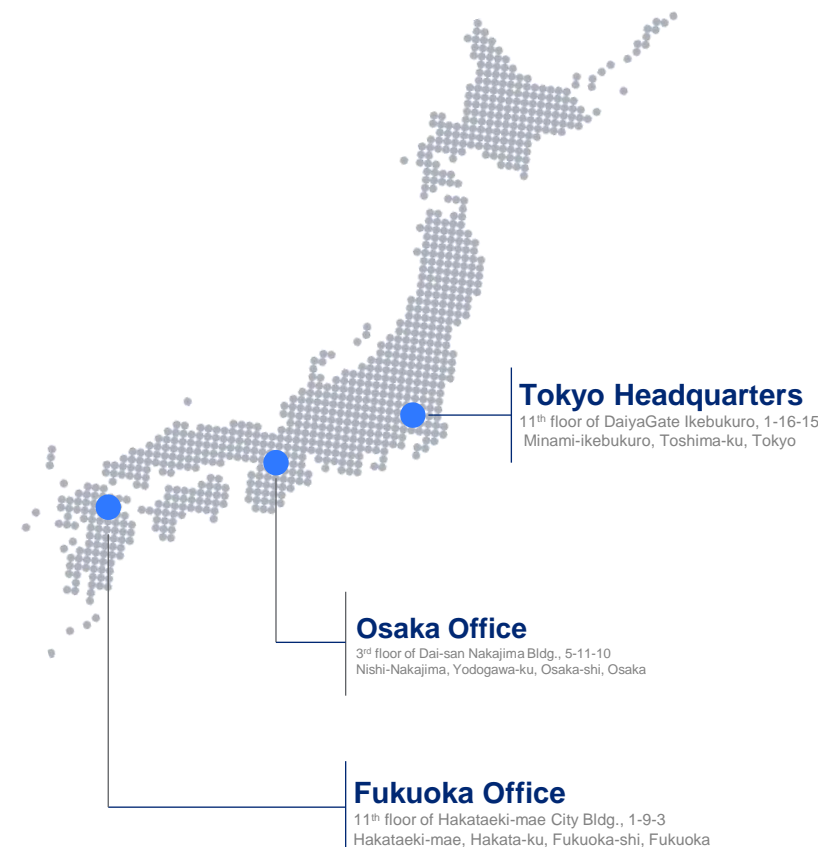
Act Together

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.



Corporate name	Core Concept Technologies Inc. (CCT)
Business description	To support client companies in DX and staffing of IT personnel
Location	11th 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, Fukushima-ku, Osaka-shi, Osaka

Denso Co., Ltd.

15-1 Omiya-cho, Saiwai-ku, Kawasaki-shi, Kanagawa

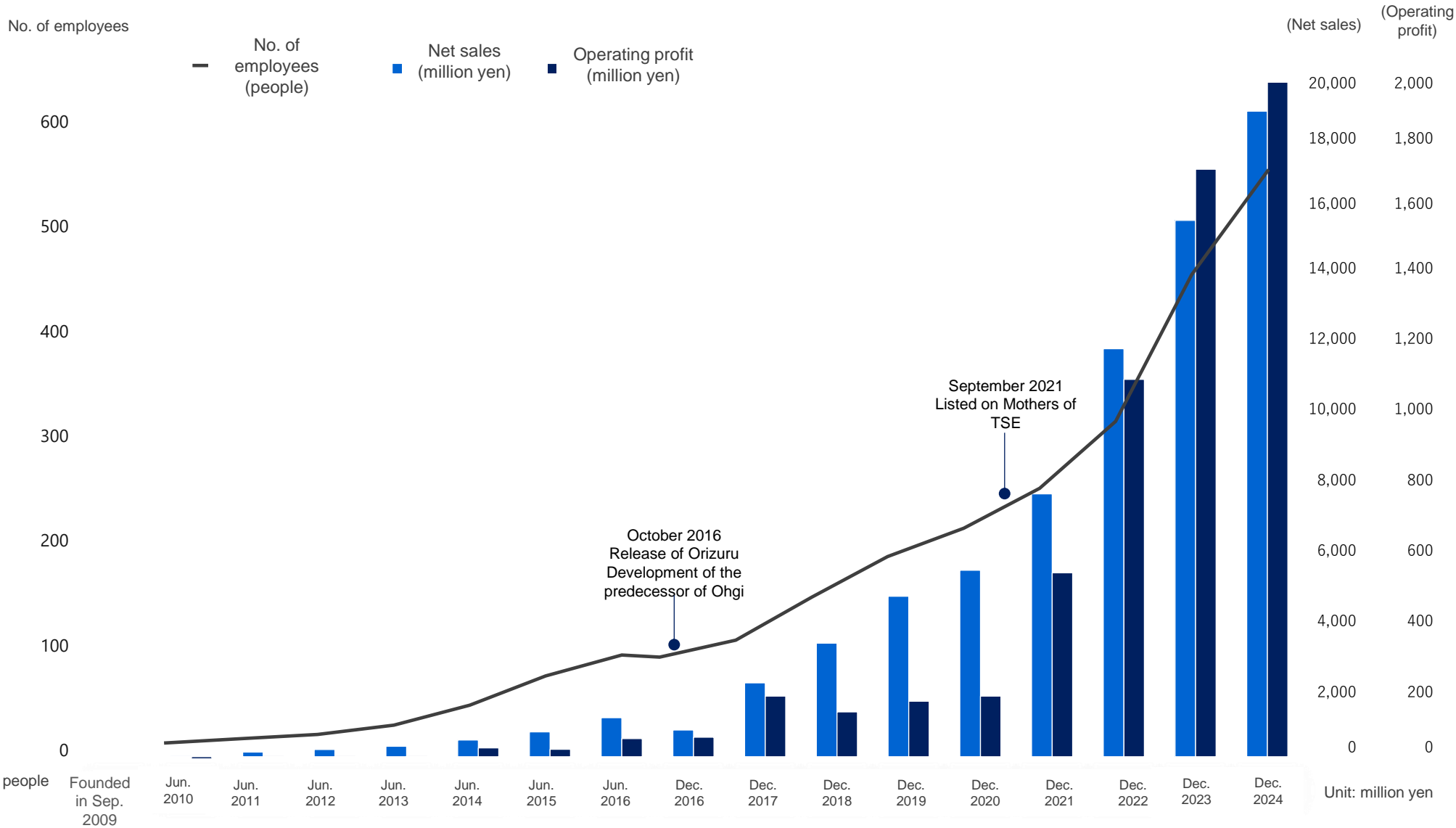
Digital Design Services Co., Ltd.

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.



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	<p>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).</p>	<p>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 Geiyo Senzai Co., Ltd. (incumbent). 2009: Established CCT. 2009: Appointed as Representative Director. 2020: Appointed as Director and Chairperson (incumbent).</p>	<p>2002: Entered Inx Co., Ltd. (currently SOLIZE Corporation). 2009: Entered Nitori 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).</p>	<p>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).</p>

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 Mitsui Bank, Ltd. (currently Sumitomo Mitsui 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 Zend 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>

- 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



Support for staffing of IT personnel



2 **Business Description**

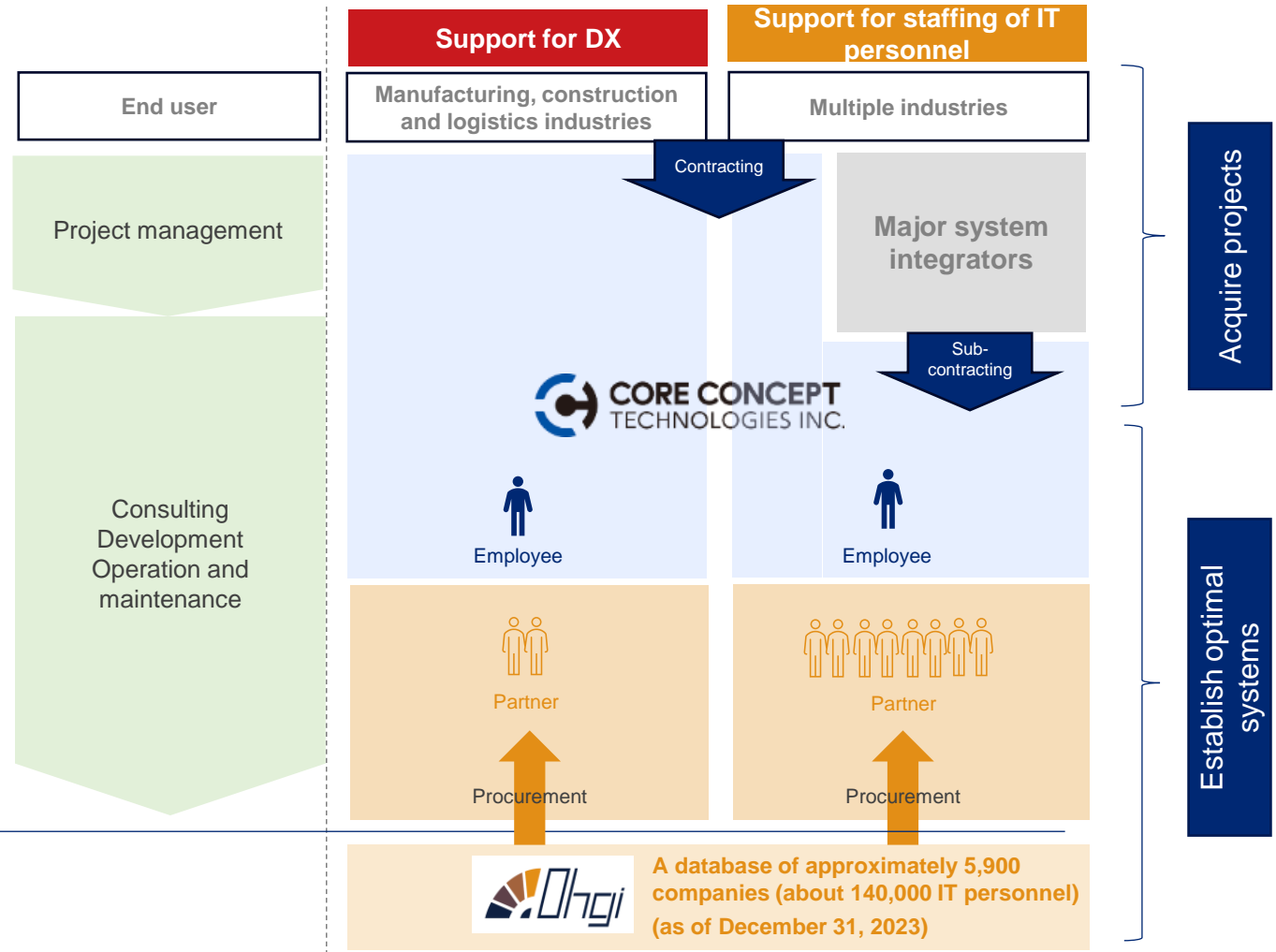
- We acquire multiple kinds of projects with support for DX (1st-tier contractor) focusing on specific industries and support for staffing of IT personnel (2nd-tier contractor) covering a wide range of industries. In addition, we increase top line by leveraging “Ohgi.”

Support for DX

- ✓ Sales are accumulated based on a monthly unit price per engineer (outsourcing agreement).
- ✓ High revenue as we directly receive orders from end users while taking advantage of our **technical capability** on AI and **profound knowledge on manufacturing**
- ✓ Utilizing the standard function module + customizable “**Orizuru**” and the DX support methodology “**CCT DX-Method.**”

Support for staffing of IT personnel

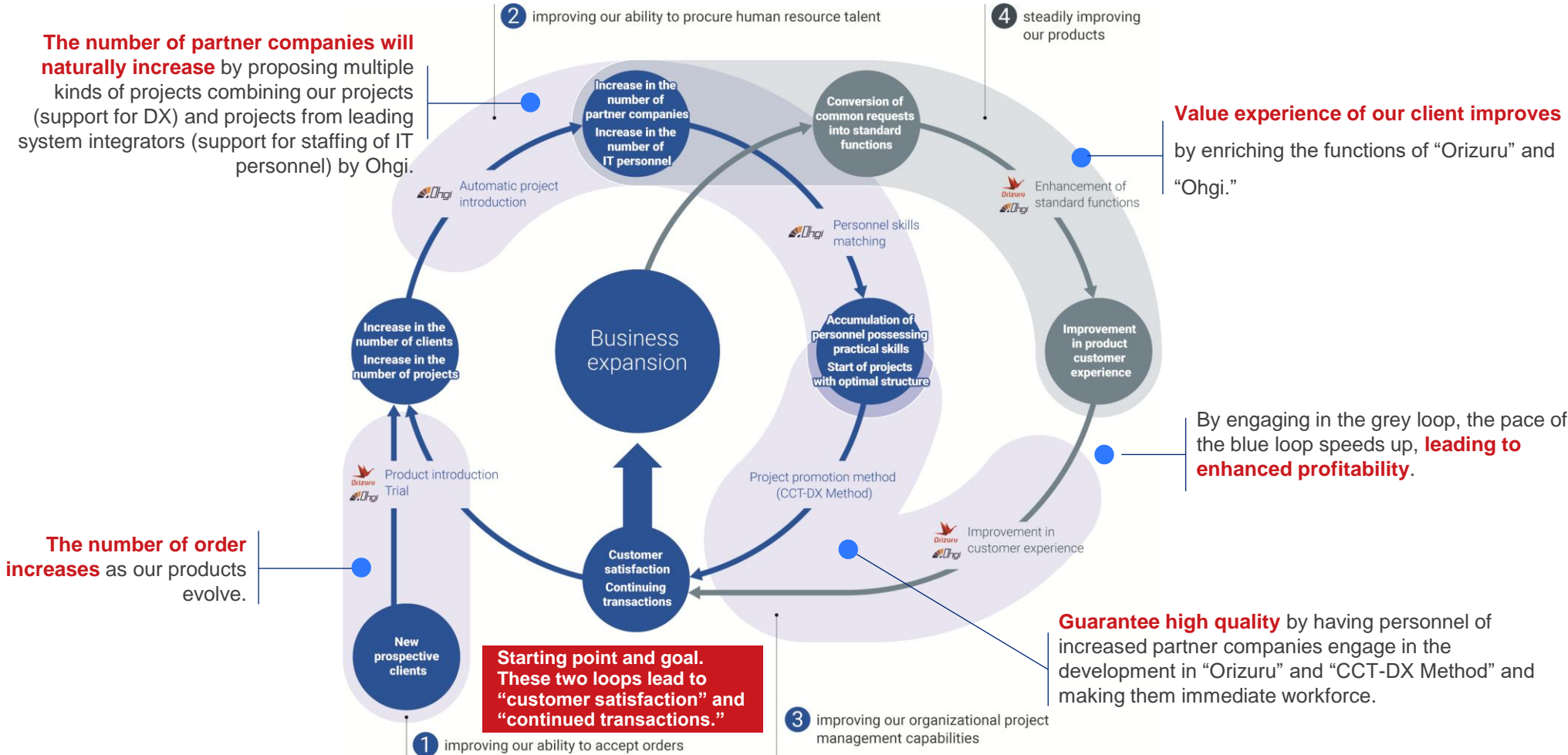
- ✓ Sales are accumulated based on a monthly unit price per engineer (outsourcing agreement).
- ✓ Gross profit comes from the difference between sales unit prices and procurement costs (outsourcing expenses for BPs). Utilize leverage **while actively partnering with BPs.**
- ✓ Receipt of orders for a portion of projects from leading system integrators as a subcontractor to cater to the temporary demand for IT personnel. In some cases, direct receipt of orders from end users.
- ✓ Diversification of industry portfolios to contribute to the expansion of BPs while increasing the number of projects



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

The blue loop represents the flow from order receipt to delivery; namely "a structure to generate profit."

The grey loop represents a process to improve the value of each product; namely "a structure to evolve products."



- 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

(since the establishment of our company)

Construction

(since 2015)

Logistics

(since 2023)

Main areas of support



Design, procurement and manufacturing

- ✓ Order receipt and procurement (Orizuru)
- ✓ Smart factory (Orizuru)
- ✓ PLM (Aras Innovataor)
- ✓ ERP (mcframe/infor)



Design and construction

- ✓ BIM linkage system/common data infrastructure
- ✓ Design efficiency (AI utilization)
- ✓ PLM (ArasInnovataor)



Warehousing and transportation

- ✓ WMS (Warehouse Management System)
- ✓ TMS (Transport Management System)

Strengths

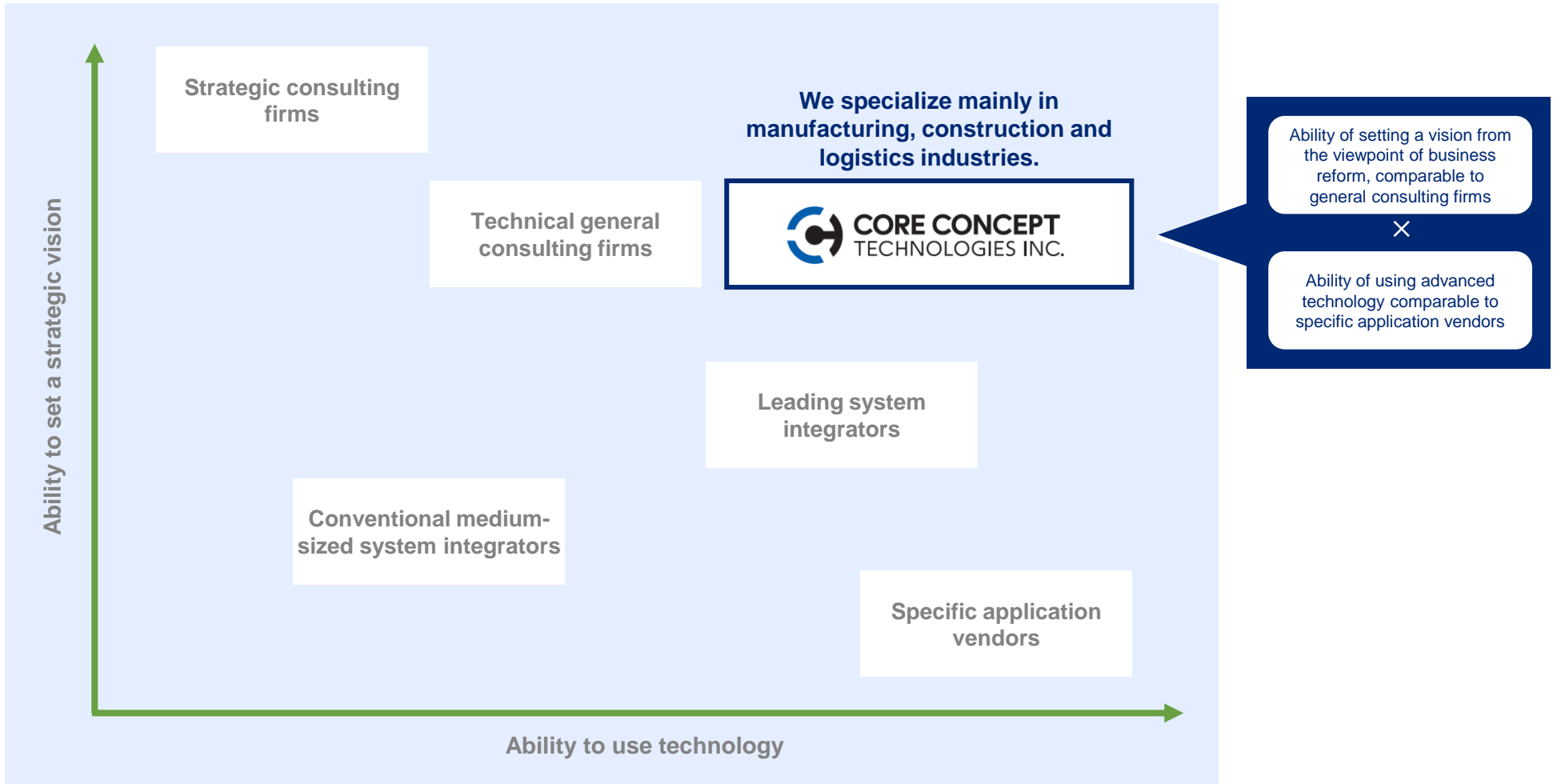
- ✓ 3D shape data processing technology (CAD, numerical algorithms of geometry and image processing by AI)
- ✓ Manufacturing expertise in the manufacturing industry

- ✓ 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

- ✓ Achievements in the manufacturing industry by support for DX

Positioning of support for DX targeted at manufacturing, construction and logistics industries

- Support for DX targeted at manufacturing, construction and logistics industries offers added value consisted of (1) the role as a general consulting firm and (2) specialty as a tech expert.



- **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.

Forte 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

Construction of an original system

Package utilization

Operation of multiple solutions in a comprehensive manner

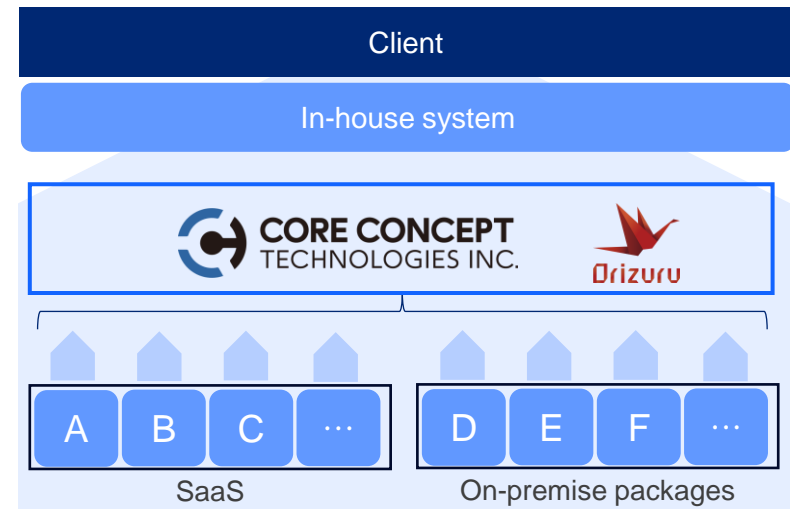
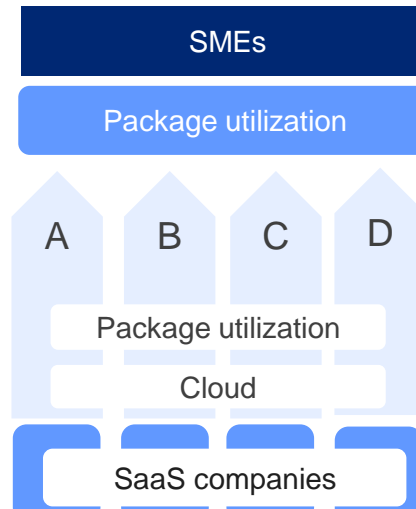
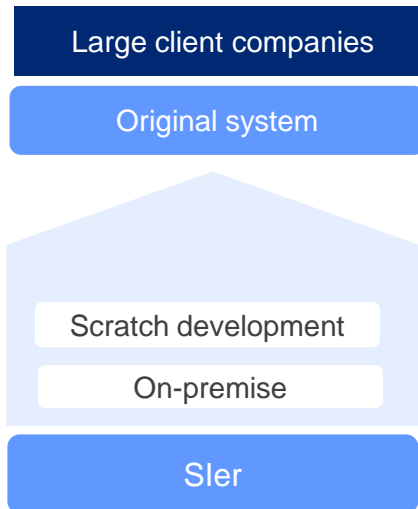
Issues

- Client companies cannot proceed with DX by themselves and rely on system integrators.
- An enormous amount of costs and time are required for construction.
- Tends to become a legacy system and an enormous amount of costs and time are required whenever update is conducted.

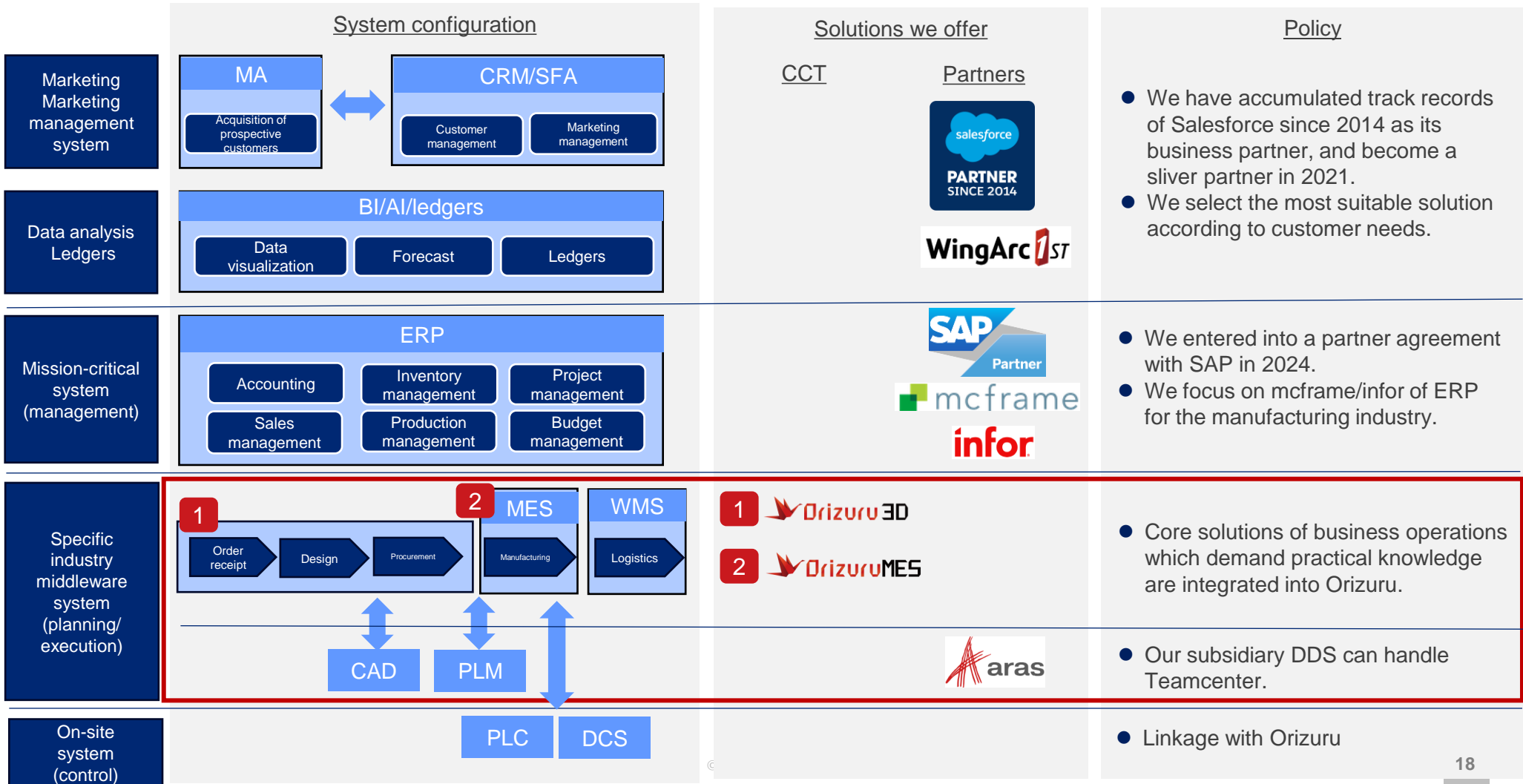
- Difficult to perform customization tailored to business workflow.
- Difficult to enable linkage between packages and manual work is required.

- Construction of a system according to customer needs by integrating Orizuru and other products
- Possible to perform customization tailored to business workflow of clients and maintain the uniqueness of client companies.
- Significant reduction of development costs and time
- Possible to prevent SaaS products from becoming a legacy system as they are automatically updated to the latest version.

Conceptual diagram of development



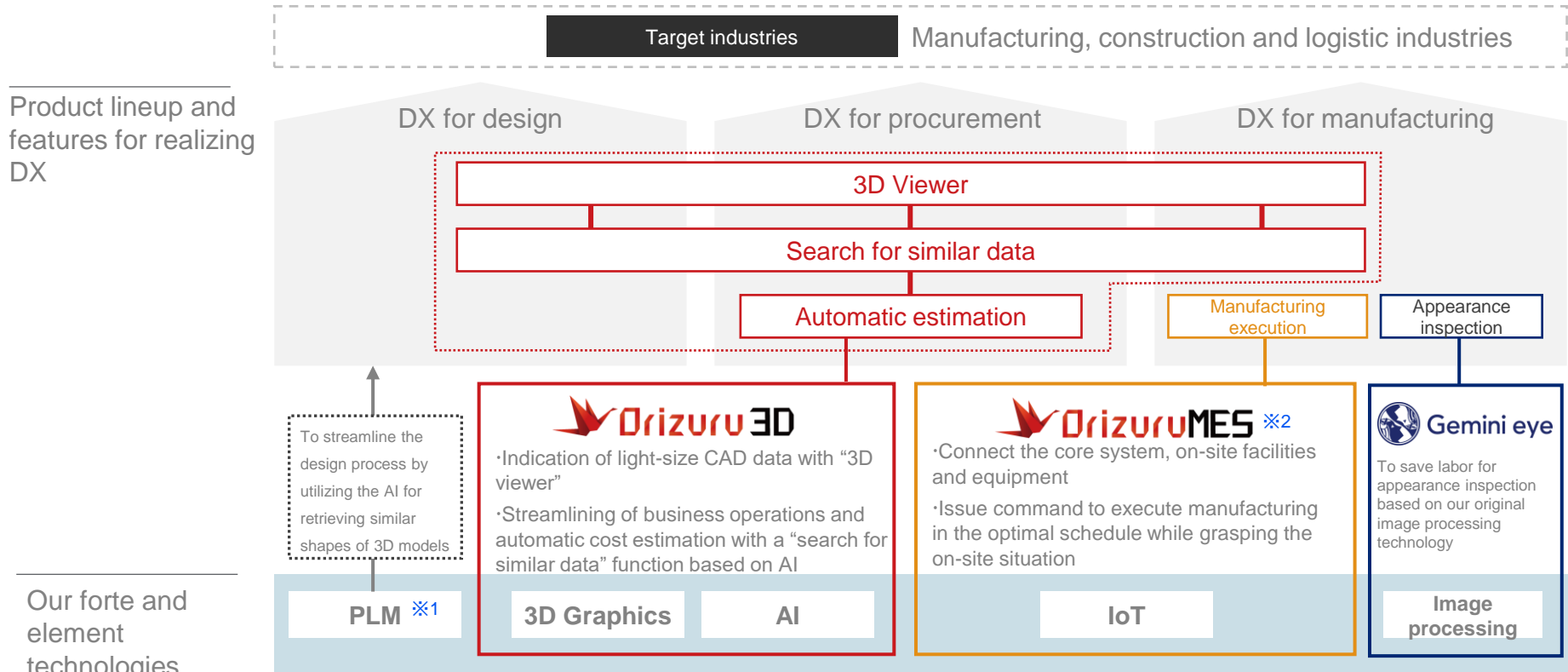
- We use our original product “Orizuru” to respond to specific industries which require practical knowledge and individual customization.
- We integrate standard cloud products for common fields (Fit to Standard), and enrich our products in a stepwise manner.



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)

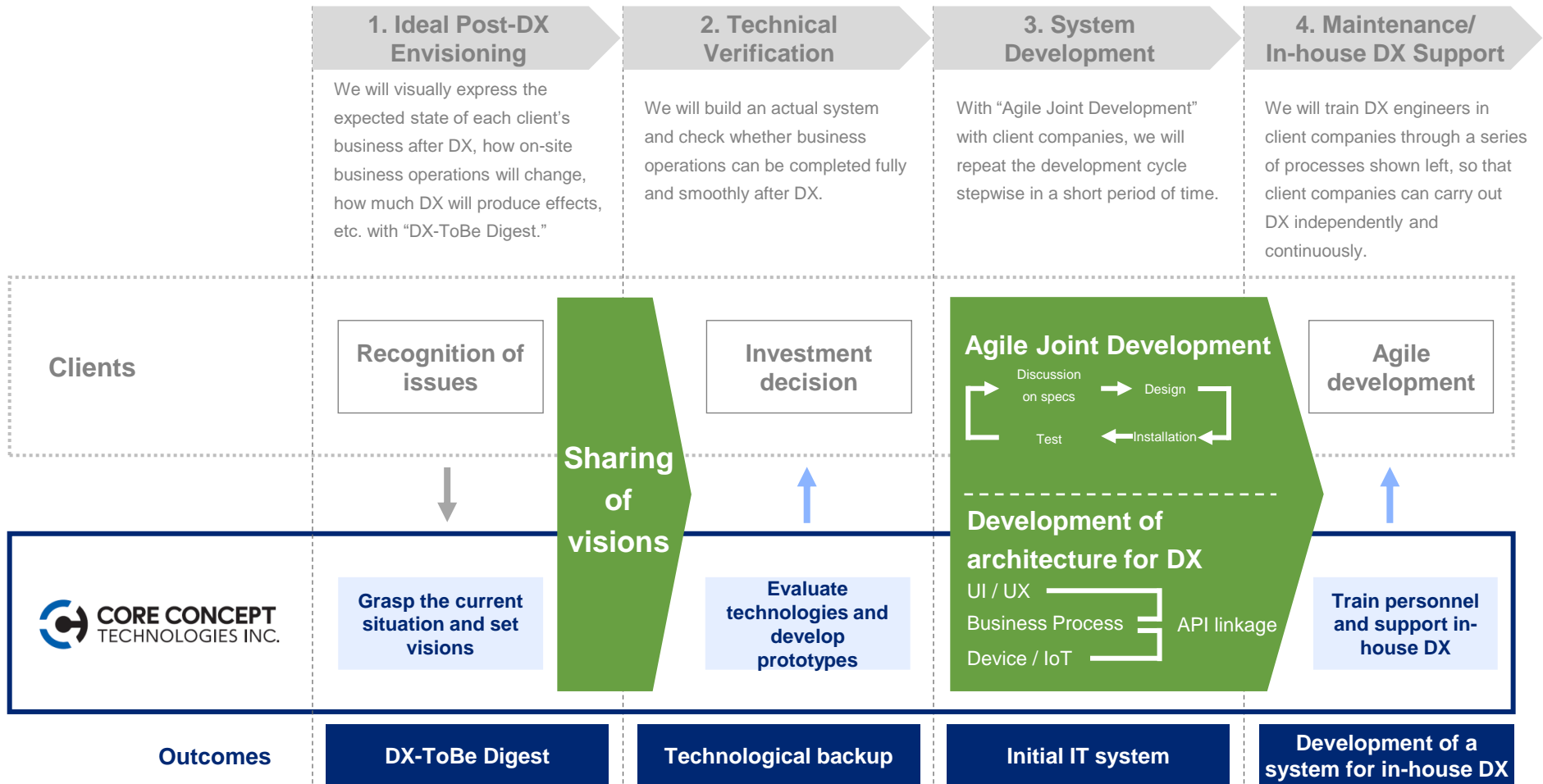
Various functions required for design, procurement and manufacturing DX (e.g. automatic estimation and manufacturing execution) and element technologies for realizing DX (e.g. 3D modeling, AI, and image processing) are converted into the standard functions of Orizuru. We named the product “Orizuru” as 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.

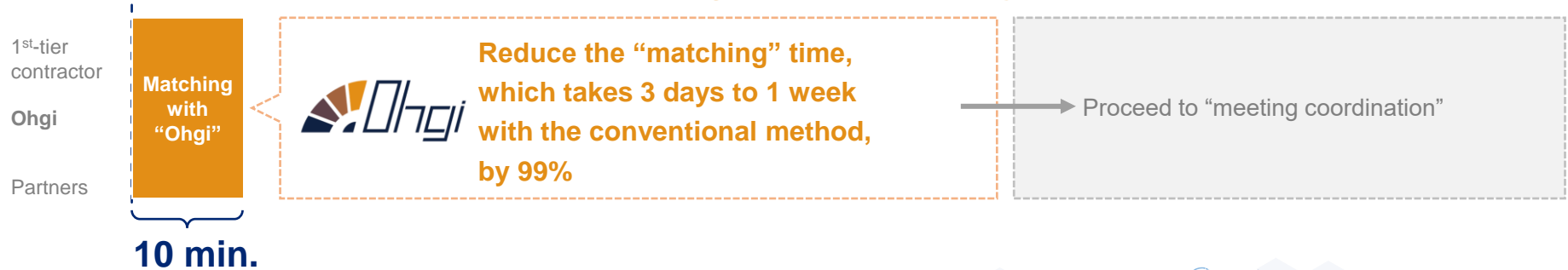


- Ohgi considerably reduces the time required for matching projects and personnel.
- We have formed a wide network of small and medium-sized IT enterprises.

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



Matching process with “Ohgi”



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

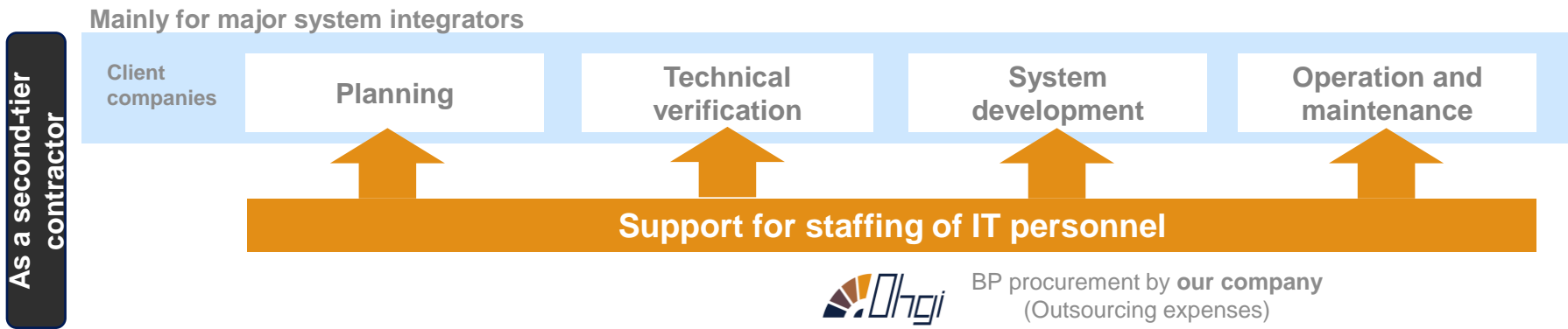
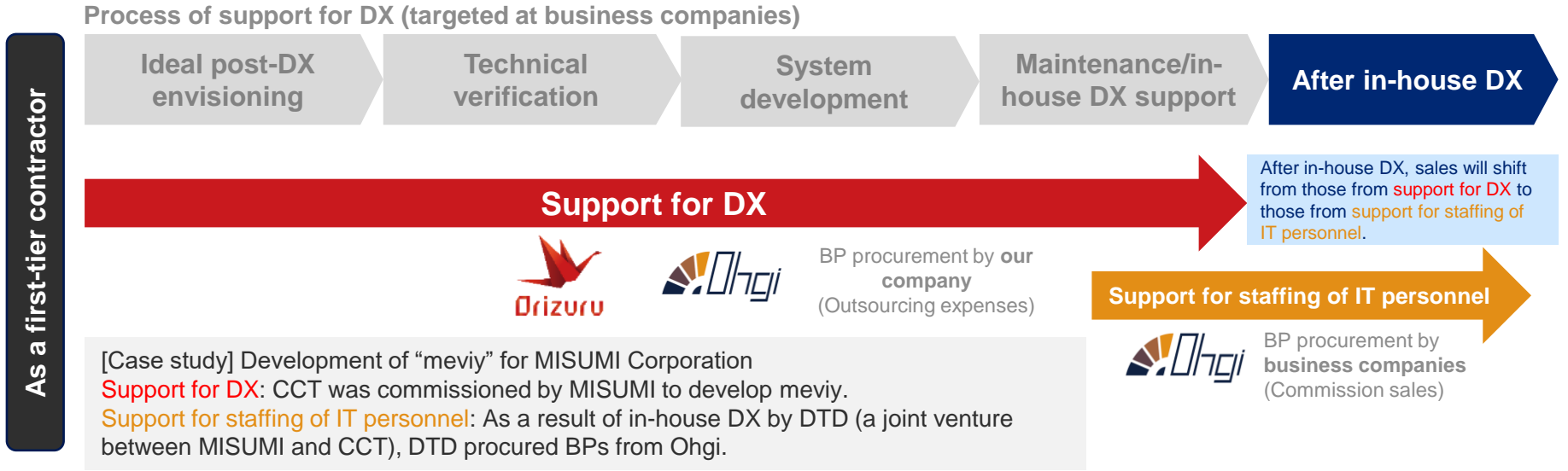
- CCT employs mainly project managers/leaders and specialists in the manufacturing, construction, and logistics fields, where we support DX.
- We actively utilize engineers of BPs procured through Ohgi, because general operations are dominant in the phase of development, operation, and management in 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.



- 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

Forte



Technology

Knowledge of manufacturing

- We employed mainly graduate students majoring in a science course of a national and public university (master's degree or doctoral degree), while putting importance on thinking skills rather than programming skills.
- 3D Graphics, AI, IoT, and image processing

- Founding members have engaged in manufacturing DX for over 20 years.
- Business operation processes, manufacturing processes, and hardware
- To hire those who have worked in the industries of "manufacturing," "construction," and "logistics," to enrich our business knowledge

Priority domains to be fortified

Consulting

ERP field

Corporate culture Think Big, Act Together.

Customers first

Mindset as a party involved

Logic × Passion

Flexible workstyles

Utilization of cutting-edge technologies

Study sessions that can be held and attended freely

Intellectuals answer technological Q&As promptly.

Performance-based

- 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 "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
	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)
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%
	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
	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

Non-Financial Information

(Item)		2019	2020	2021	2022	2023
Environment						
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

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.

3

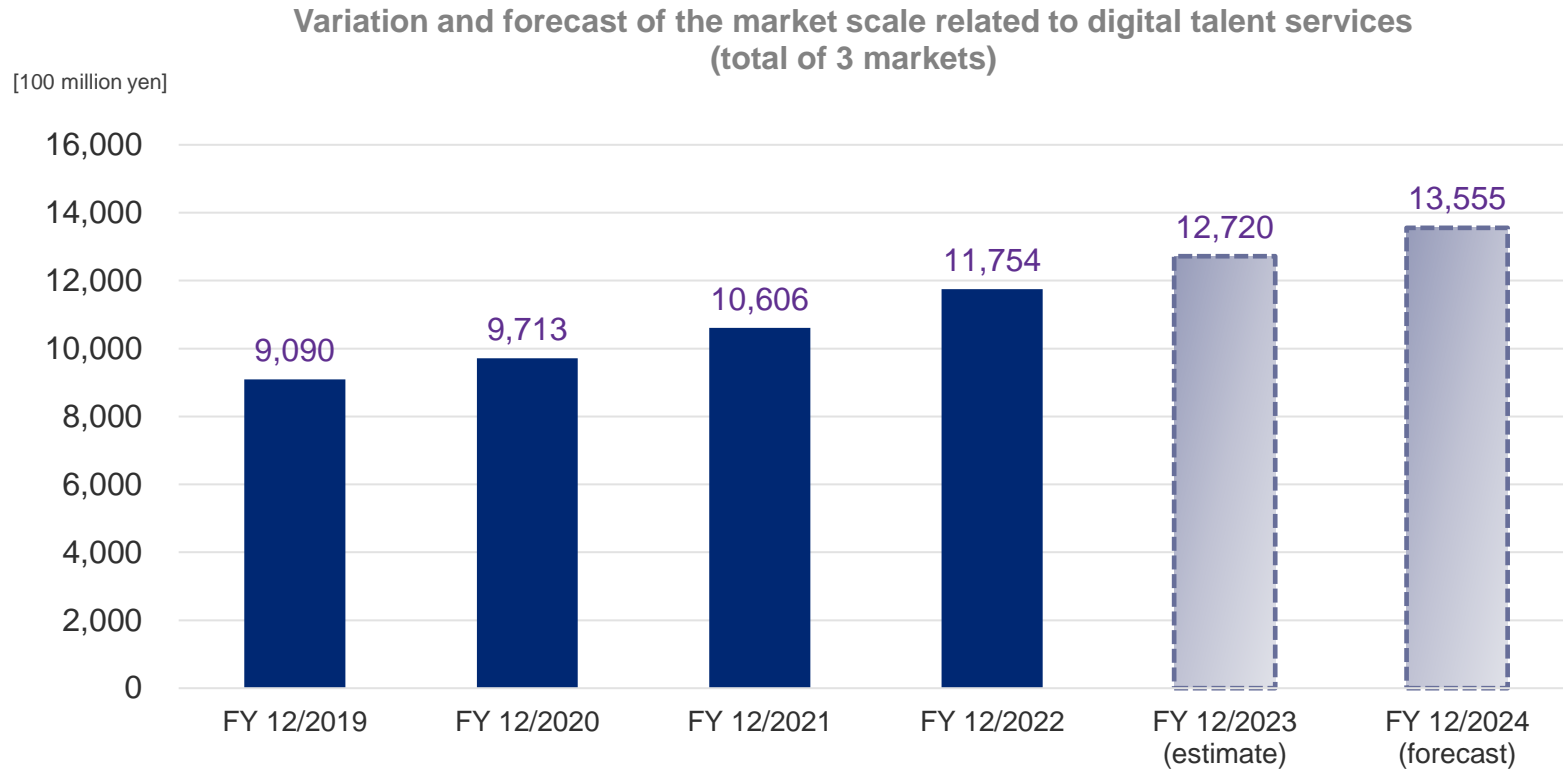
Growth Strategy

- **The market scale of DX is expanding exponentially.**
- **The manufacturing, construction and logistics fields, which are our current priority fields, are expected to grow considerably.**

Industries/business fields	FY 2023 [100 million yen]	Forecast for FY 2030 [100 million yen]	CAGR 30/23(%)	
Manufacturing	12,446	29,843	13.3	Current priority field
Real estate/construction	1,863	3,443	9.2	
Traffic/transportation /logistics	6,414	11,095	8.1	
Finance	7,777	17,491	12.3	
Medical care/ nursing care	1,606	2,878	8.7	
Retail/restaurants	4,818	9,644	10.4	
Municipalities	1,332	2,378	8.6	
Social infrastructure/others	9,053	15,894	8.4	
Total	45,309	92,666	10.8	

*Source: Future Outlook for the Digital Transformation Market in 2025 produced by Fuji Chimera Research Institute, Inc. in March 2025

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



Note 1: Business operators' net sales basis

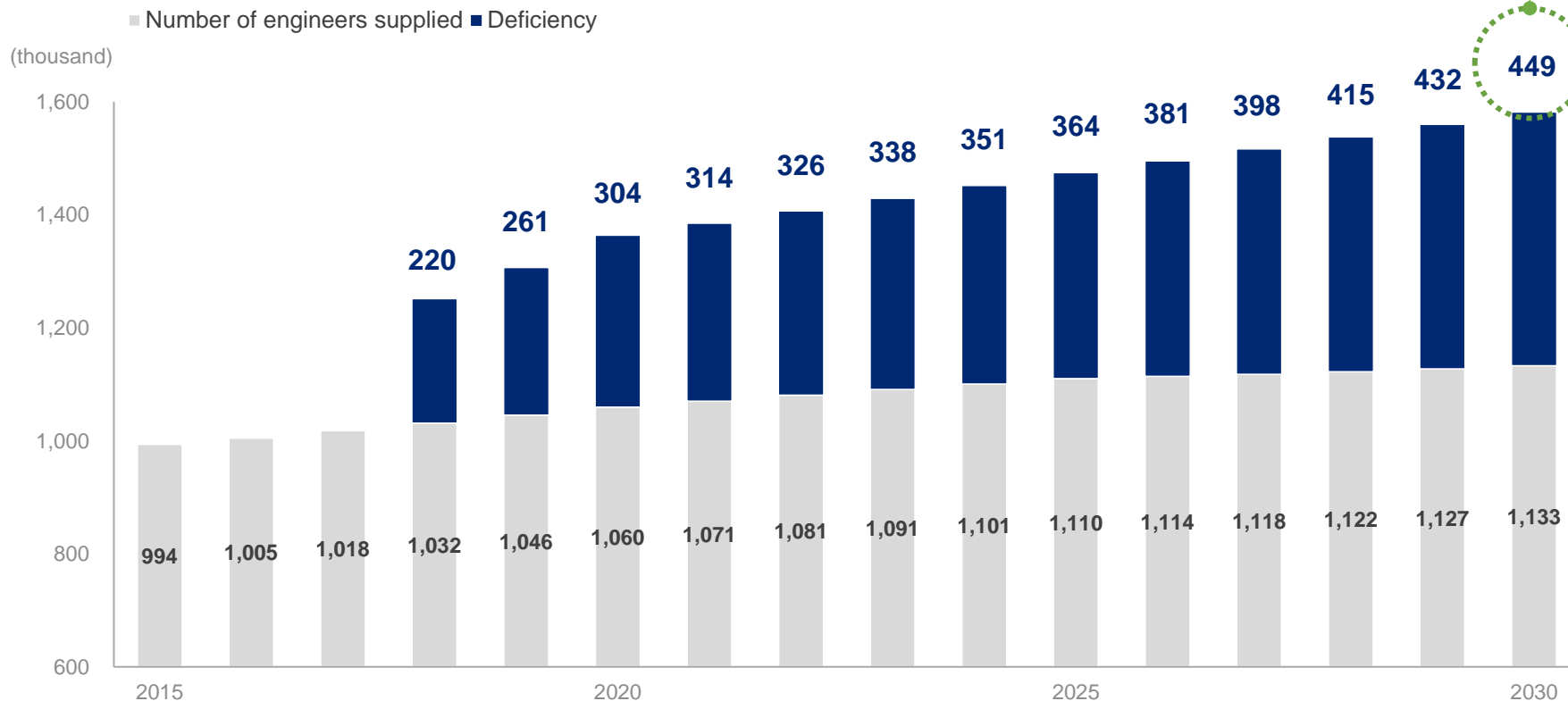
Note 2: FY 12/2023 is an estimate and FY 12/2024 is a forecast.

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

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

Estimated number of IT engineers demanded and supplied

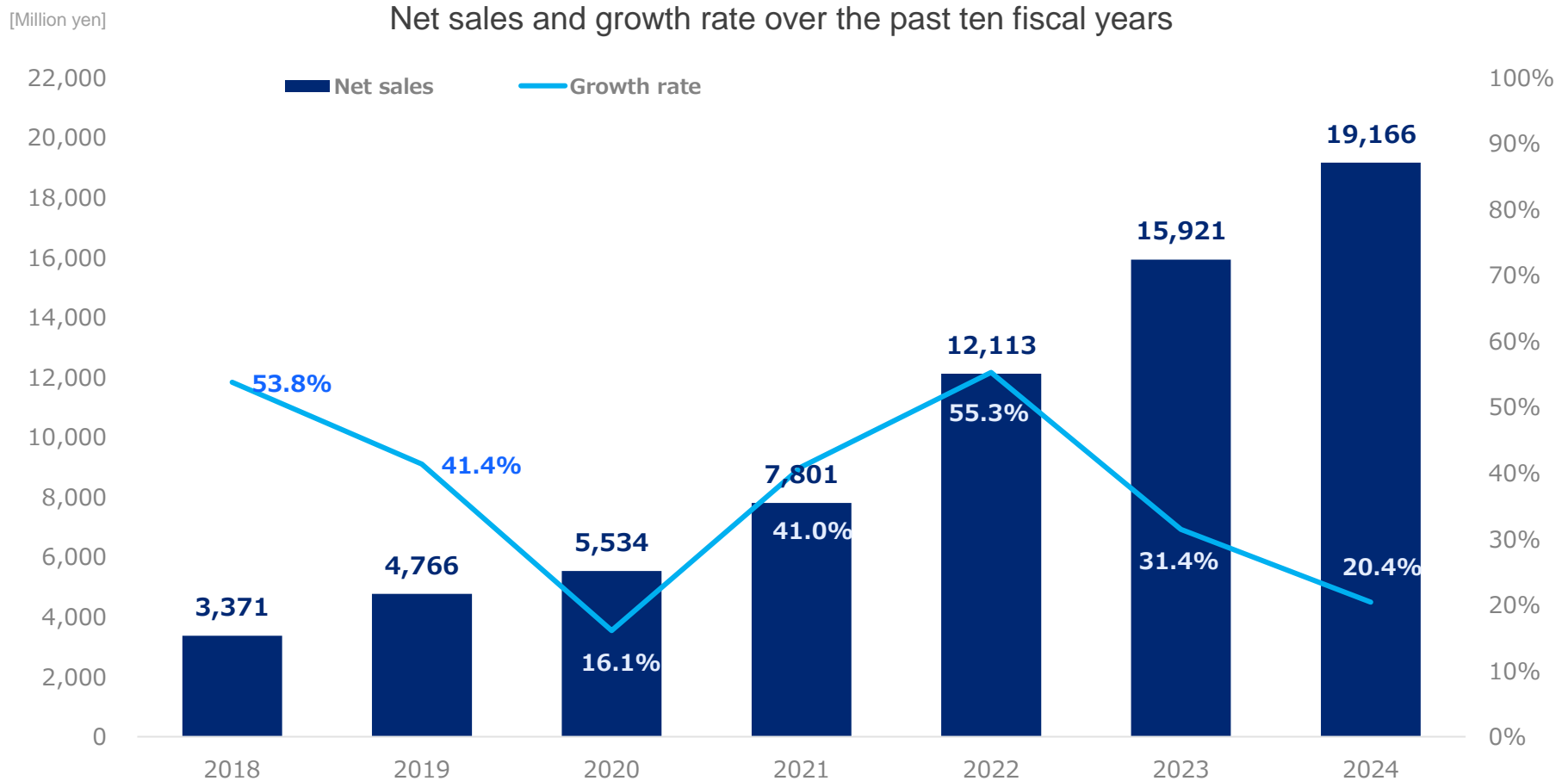


Shortage of about 450,000 IT engineers

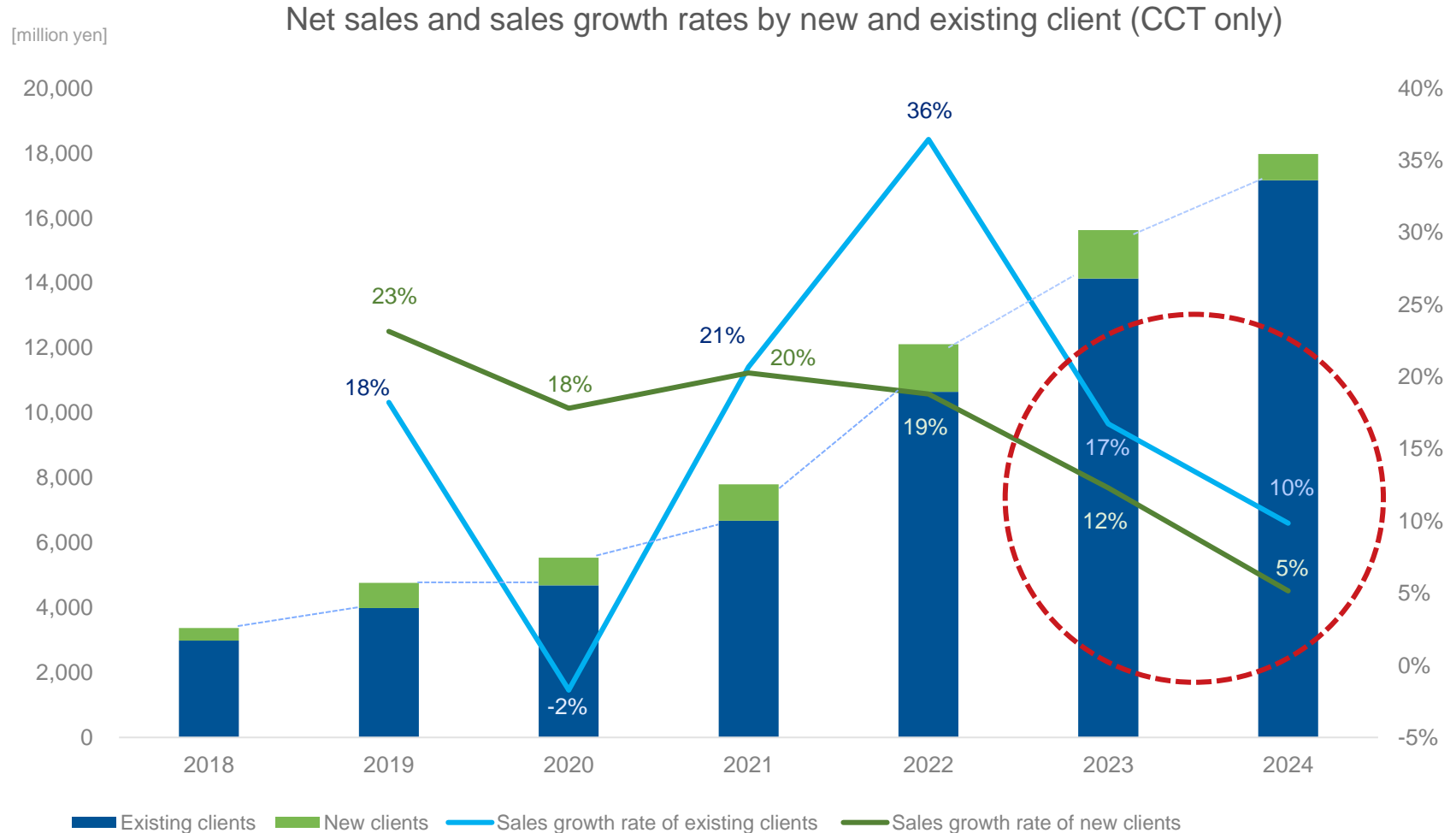
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*Source: Survey on IT Engineers Demanded and Supplied produced by Mizuho Information & Research Institute, Inc. in March 2019

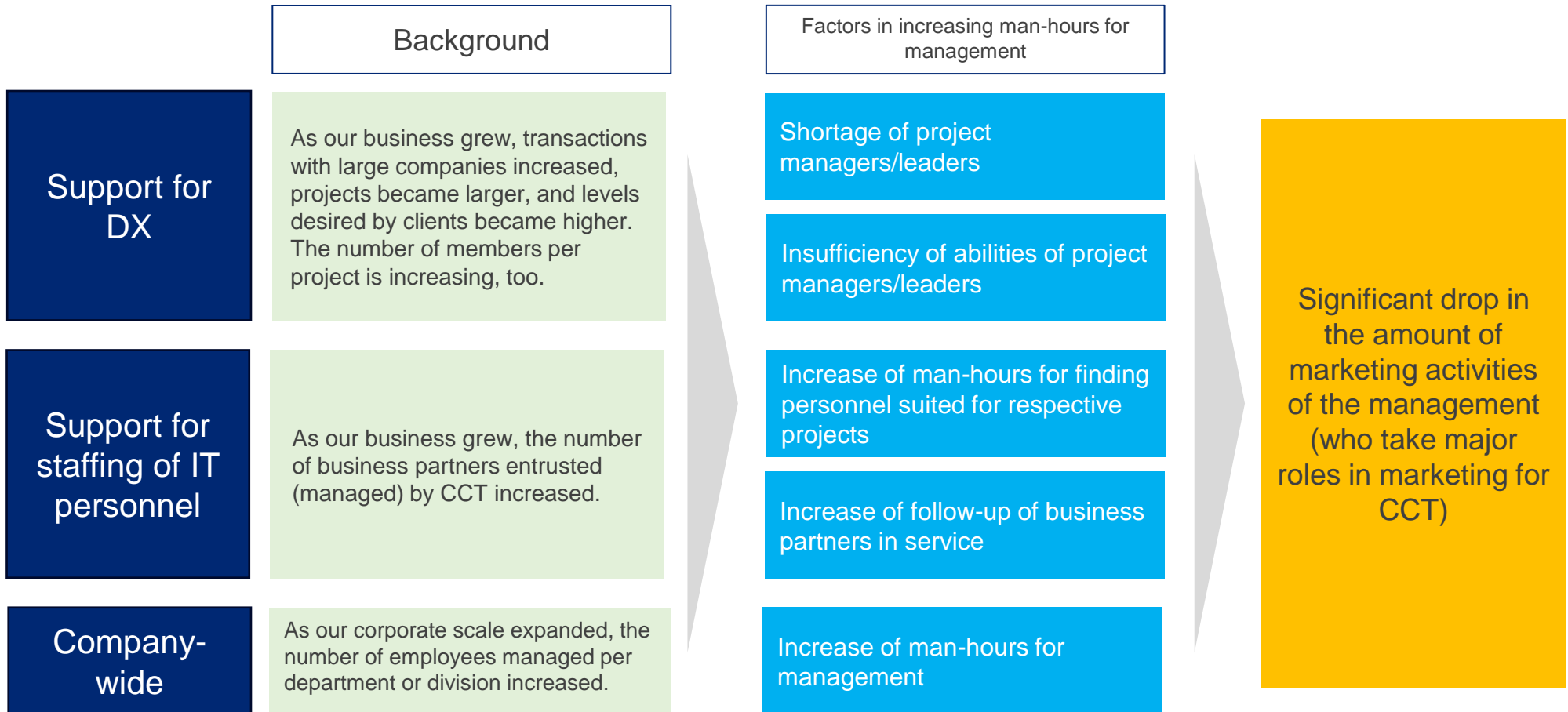
- **Growth rate slowed down in FY 12/2023 and FY 12/2024.**



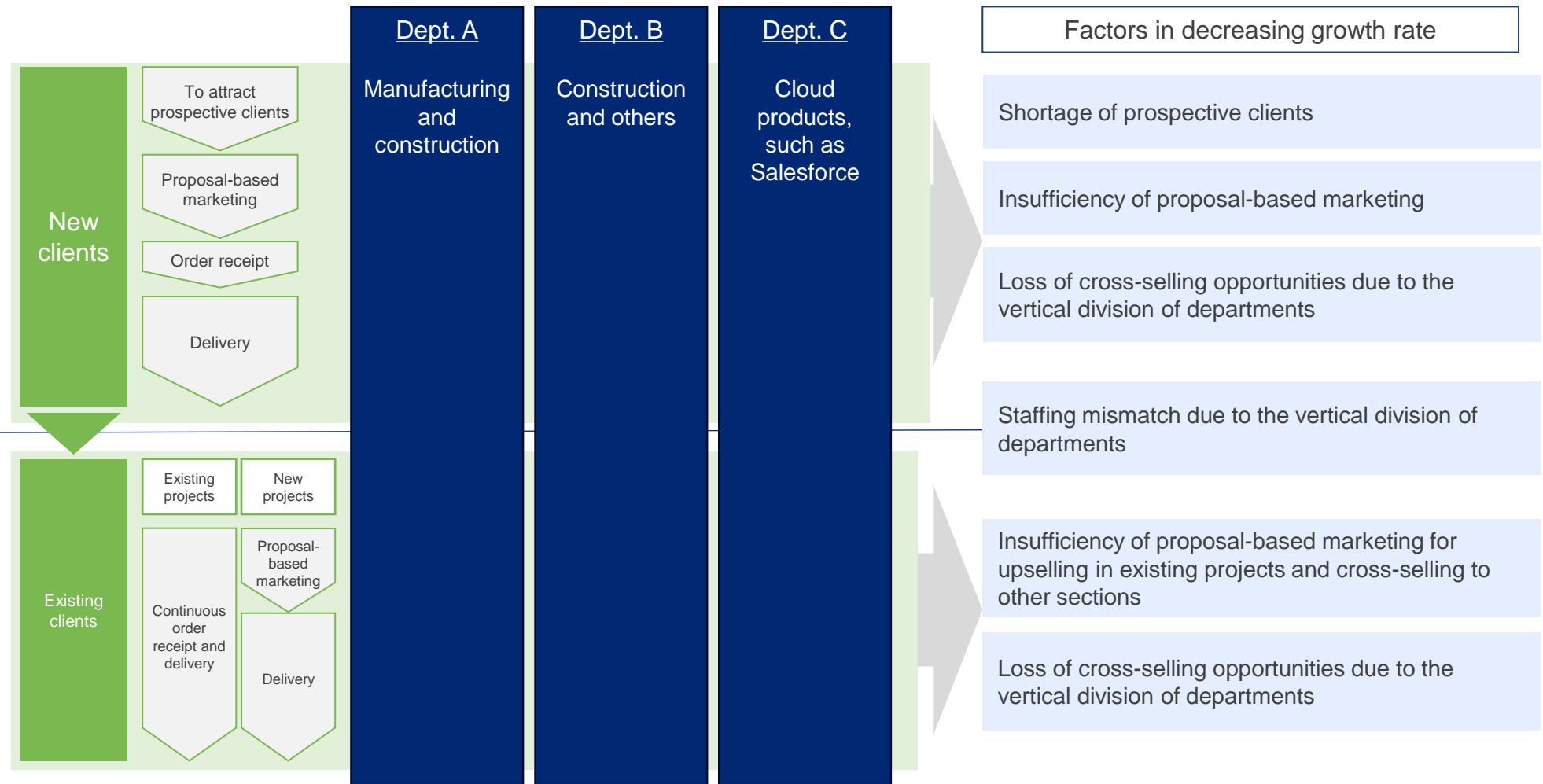
- The main factor of the decreased growth rate is due to an increase of man-hours for management following the expansion of a business scale and a resulting lack of marketing activities.



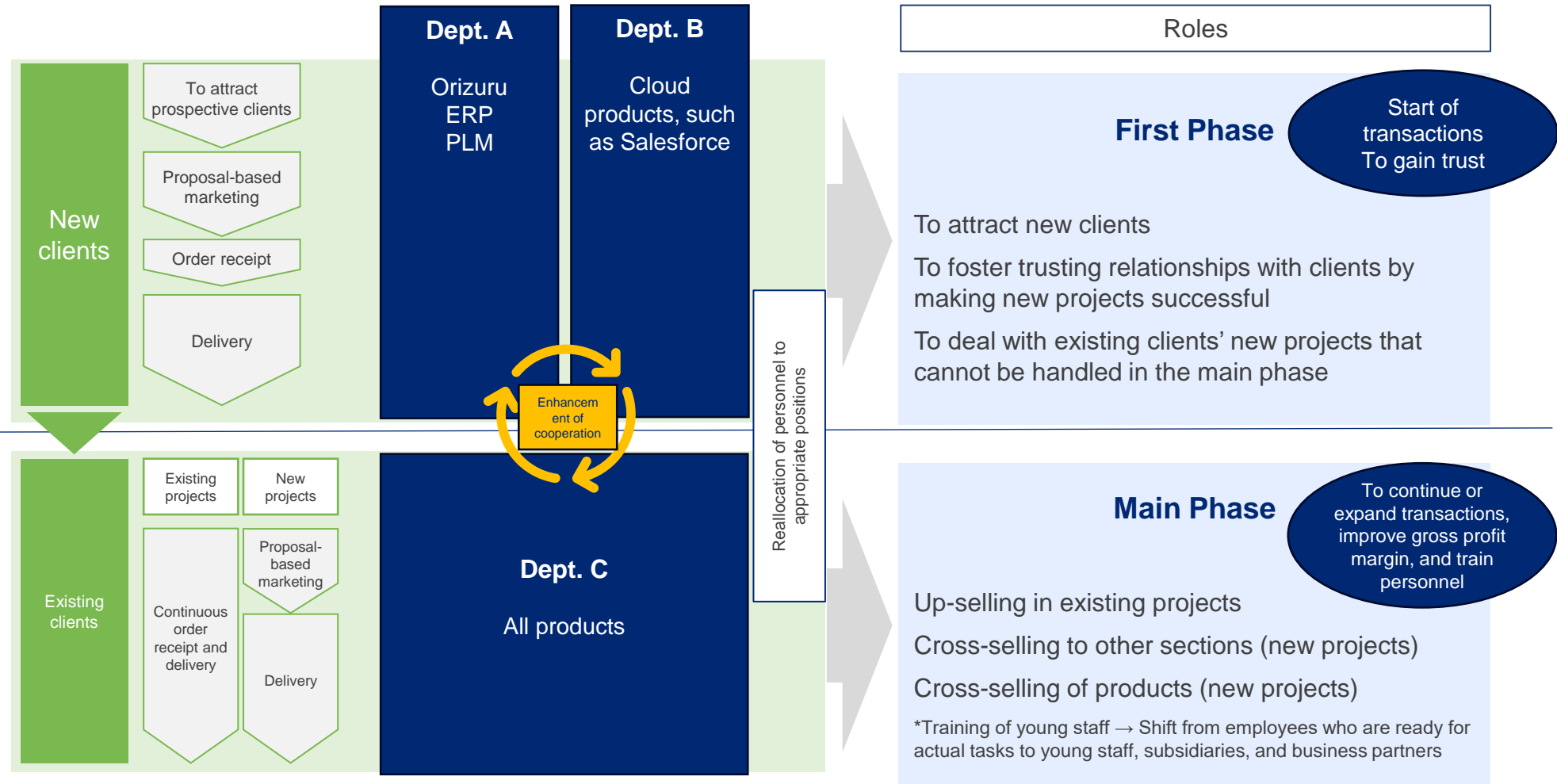
- As our business grew rapidly, training for mid-level management such as project managers became insufficient, and man-hours for management increased.



- Vertically divided structures of departments (vague classification of business categories and products) prevented each department from engaging in cross-selling, and they had to acquire prospective customers with their own products.



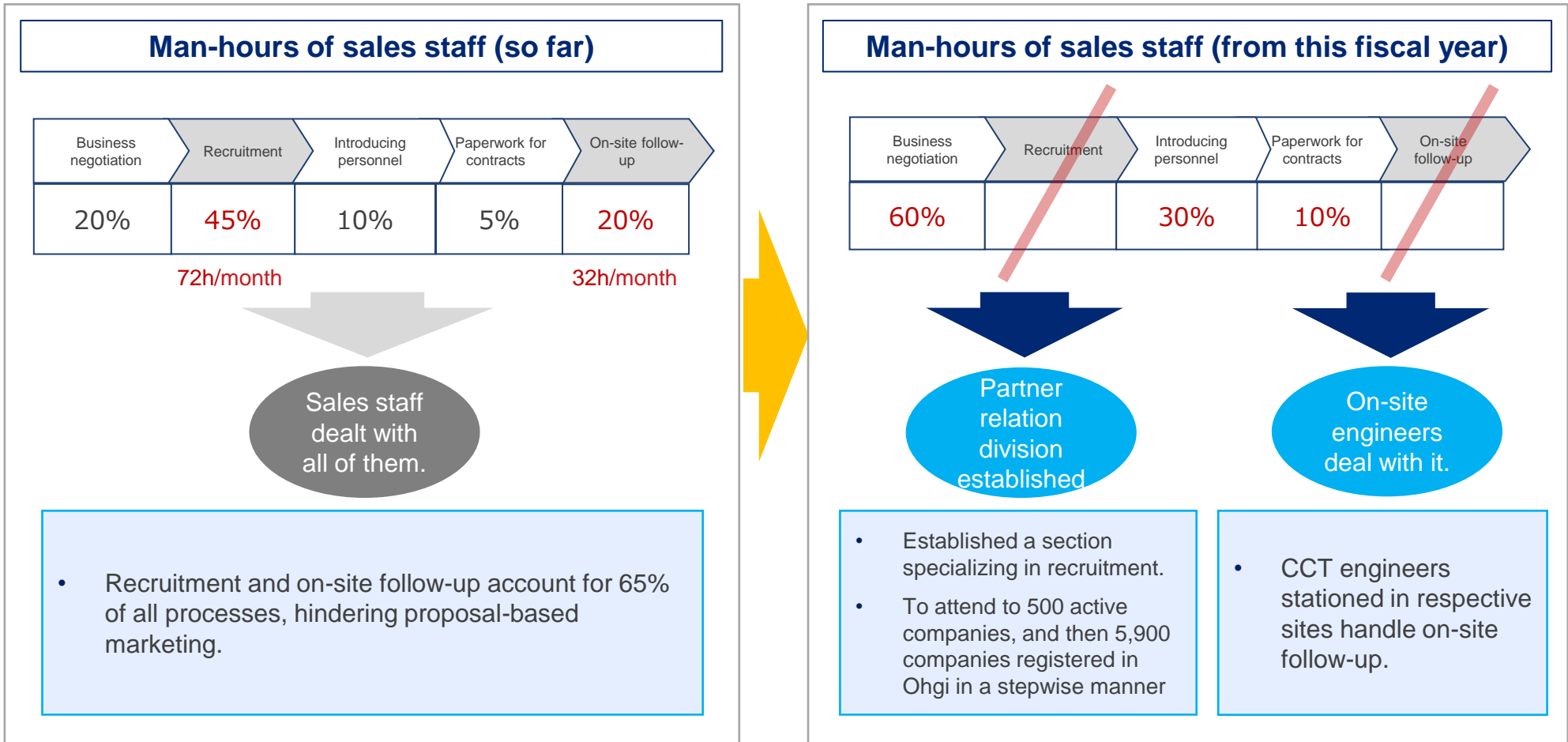
- Clarification of roles of each department (new clients × products, existing clients)
- We will reorganize our organizational structure into the one which can engage in cross-selling of all products to existing customers which is increasing in number year by year.



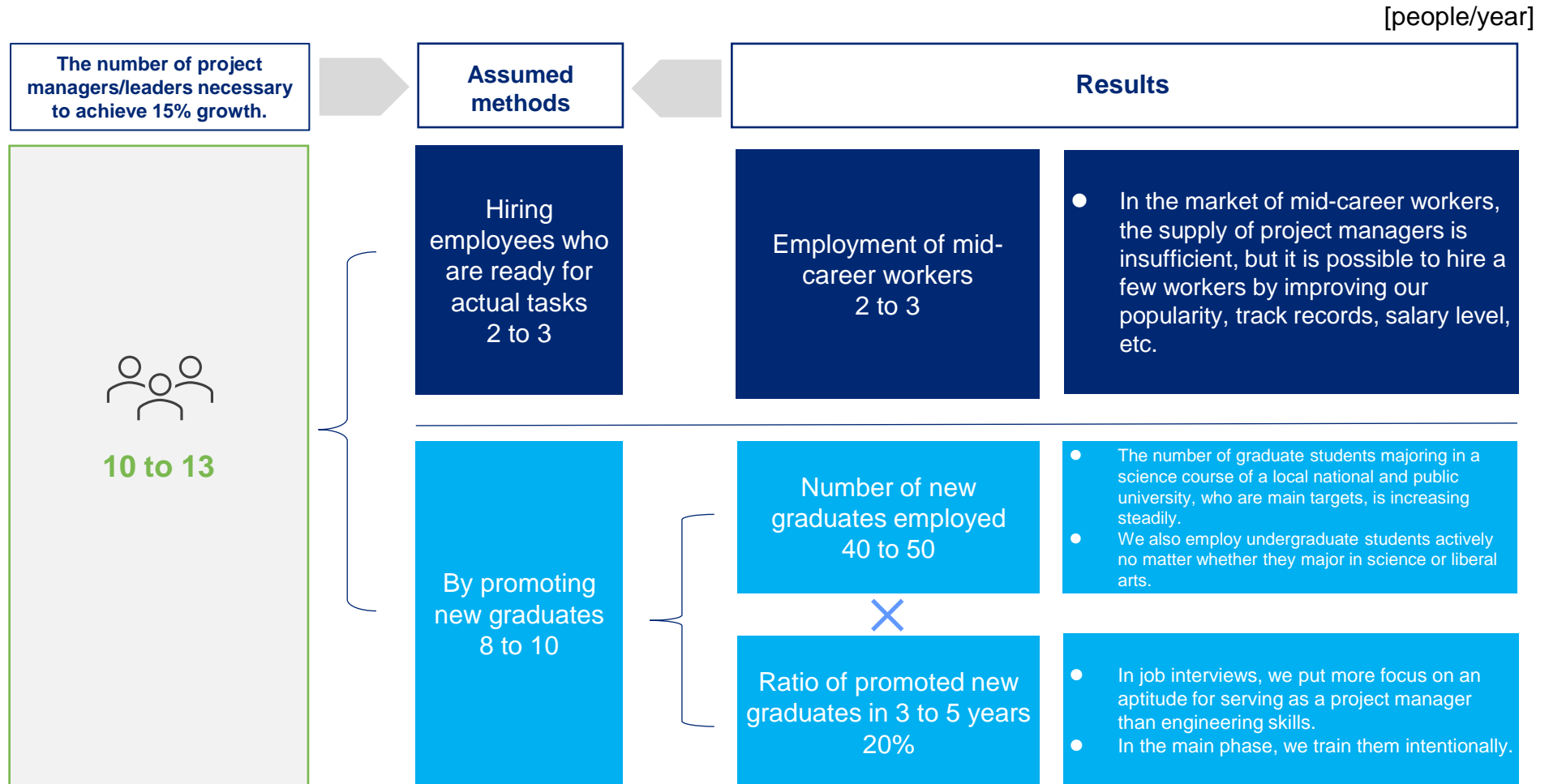
- We aim to steadily increase the number of prospective customers by cementing the relationships with business partners, in addition to our efforts to acquire new clients.

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

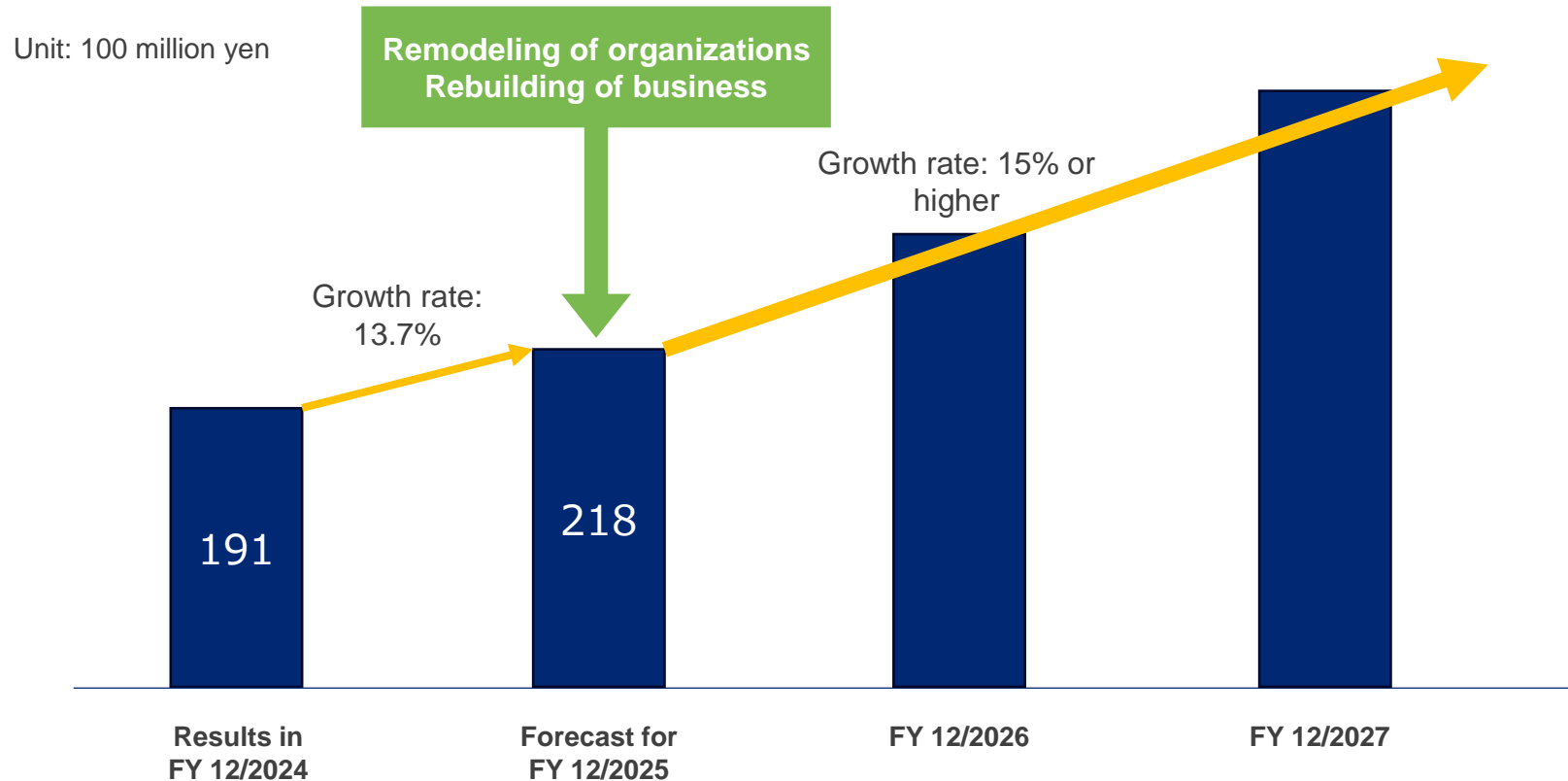
- To separate recruiting and on-site follow-up, which hinder marketing activities, from the tasks of sales staff, and increase proposal-based marketing to clients



- To secure project managers/leaders, who are insufficient, by promoting new graduates to these positions



- **Shift to sustainable stable growth**
- **We aim to achieve a sales growth rate of 13.7% in FY 12/2025 and 15% or higher from FY 12/2026 to FY 12/2027 as our organic growth.**



- **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	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> To alleviate the impact of the rise in unit price in the market by utilizing Ohgi (To curb the rise in unit price) </div>	
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 	

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

Growth potential

Sales growth rate

15% or higher
(excluding FY 12/2025)

Profitability

ROE

30% or higher
(achieved)

Shareholder return

Dividend

We will pay progressive
dividends from March
2026.Acquisition of treasury
shares

Flexibly conducted

- 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	<p>■ FY 12/2023</p> <p>Investment in REVA Investment Limited Partnership No. 1</p> <p>Business alliance with REVA Corporation</p> <p>■ FY 12/2024</p> <p>Acquisition of Pros Cons, Inc. as a wholly owned subsidiary</p> <p>Capital and business alliance with ESTYLE, Inc.</p>	<p>■ FY 12/2023</p> <p>Acquisition of P. G. System Co., Ltd. as a wholly owned subsidiary</p> <p>Acquisition of Denso Co., Ltd. as a wholly owned subsidiary</p> <p>■ FY 12/2024</p> <p>Acquisition of Pro-X Co., Ltd. and Digital Design Services Co., Ltd. as wholly owned subsidiaries</p>

- We started collaborative projects with group companies one after another.
- Group companies participate in projects entrusted to CCT, generating the following synergy.
 - 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

Situation of collaborative projects between CCT and group companies in this term

PGS

Manufacturing DX

- ❑ Participation in ERP and MES development projects of textile makers
- ❑ Participation in an account management system construction project of a major automobile company

Logistics DX

- ❑ Participation in multiple projects for upgrading in-house systems of leading logistics companies

Cloud solutions

- ❑ Participation to support the adoption and operation of Salesforce and Tableau in multiple enterprises

DNS

Support for staffing of IT personnel

- ❑ Participation in projects for supporting staffing of IT personnel at leading system integrators

Pro-X

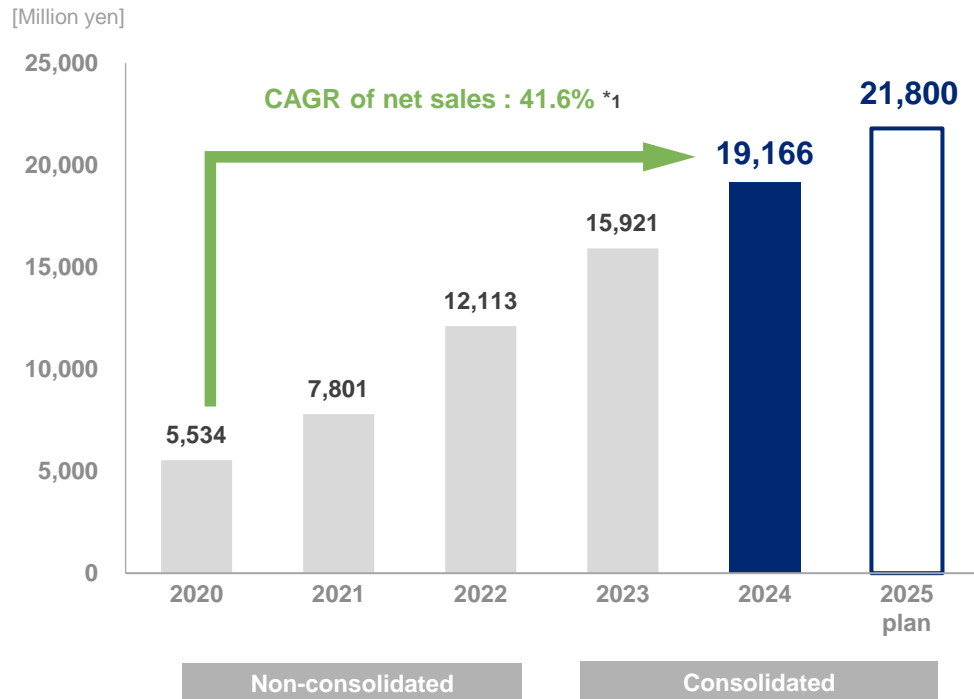
Logistics DX

- ❑ Participation in projects for upgrading logistics data management systems of logistics companies

4 **Management Indicators**

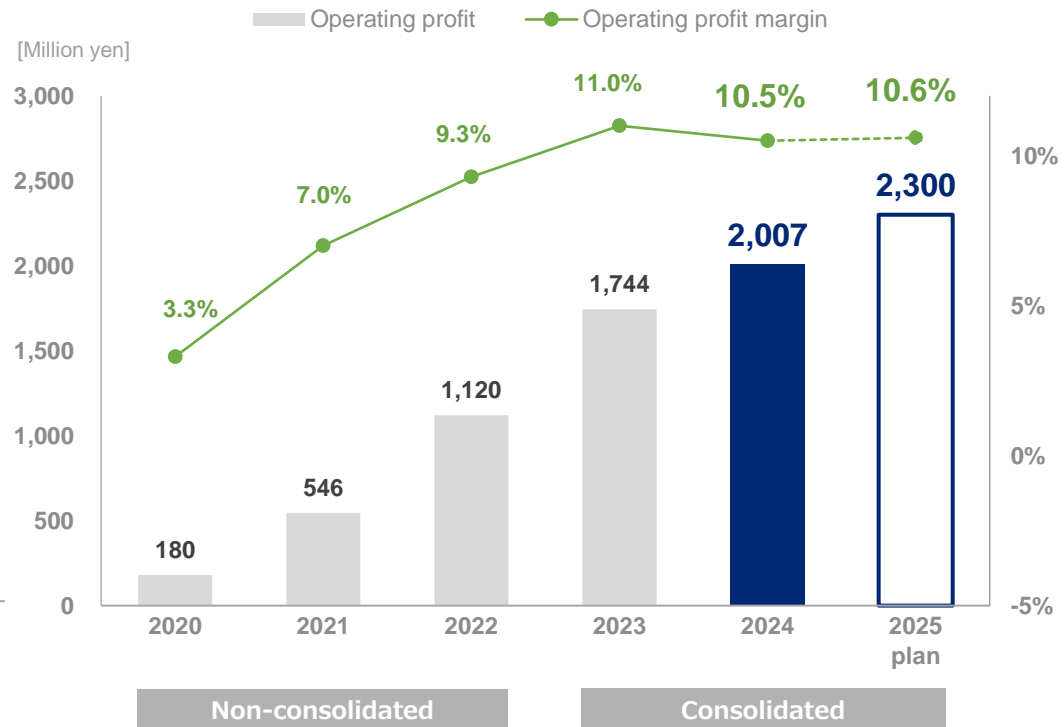
- Shifted from the high growth phase to the stable growth phase.

Sales growth

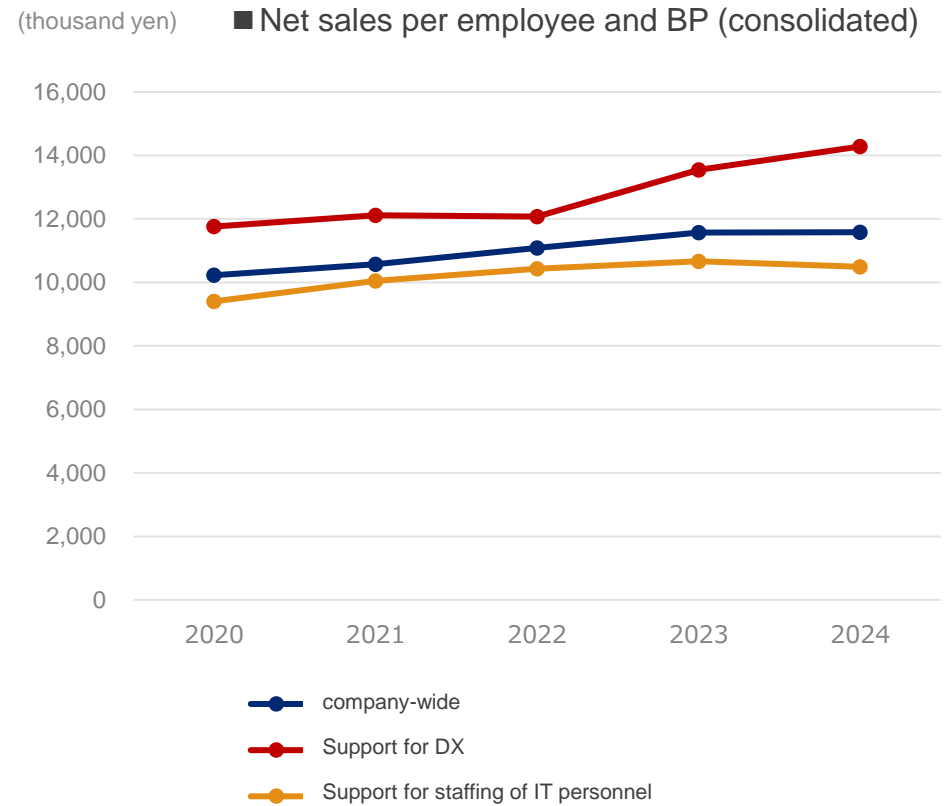
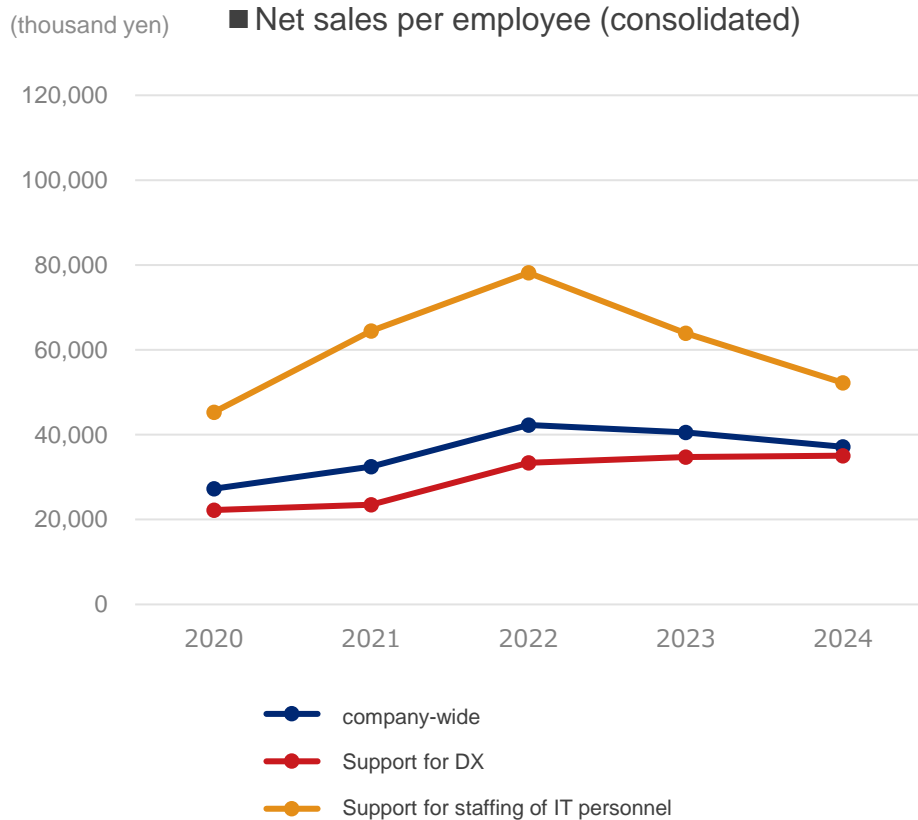


*1 From FY 12/2020 to FY 12/2024

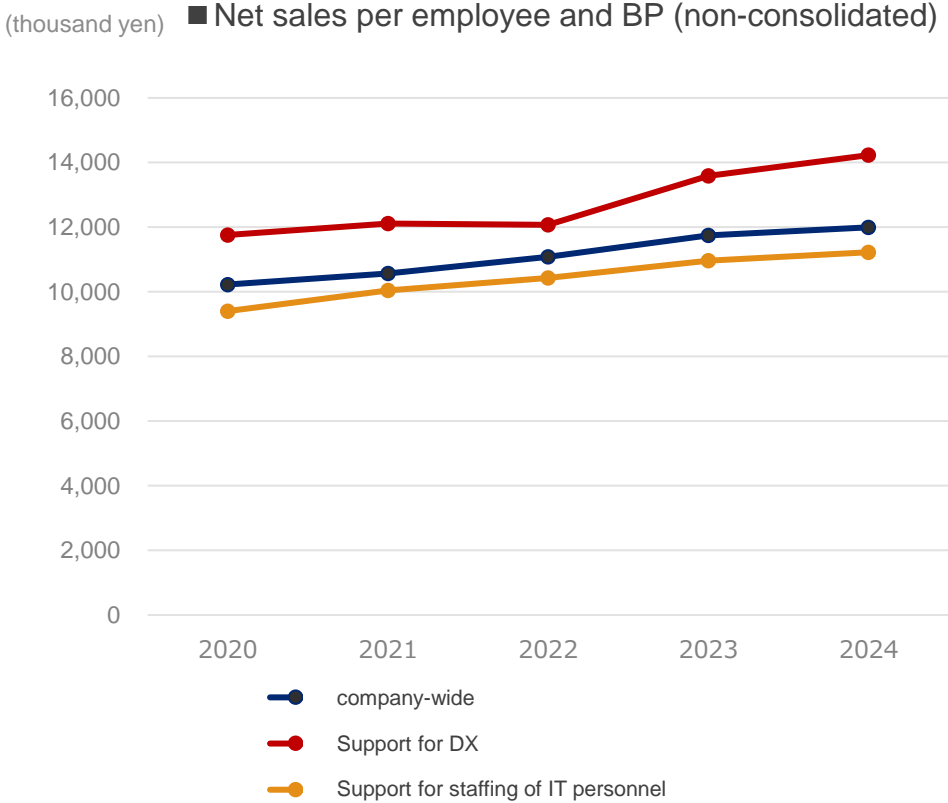
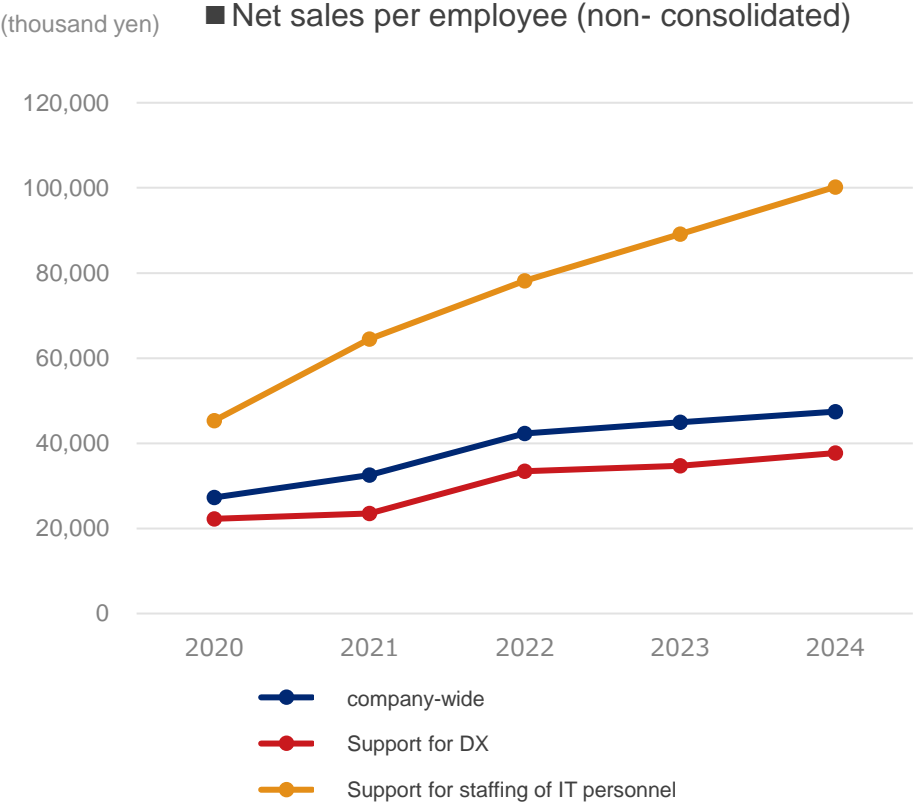
Variations in operating profit and its margin



- Net sales per employee tend to be on a declining trend from FY 12/2023 due to the effect of consolidation of subsidiaries.
- We aim to improve productivity by promoting PMI.

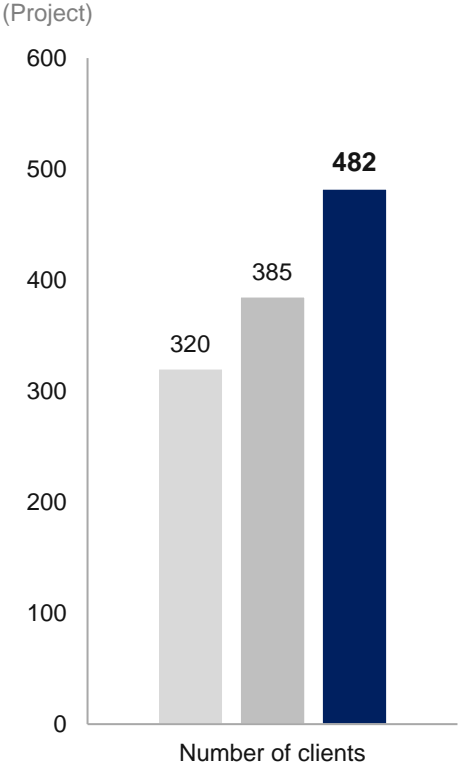


- **Productivity is steadily improving on a non-consolidated basis.**

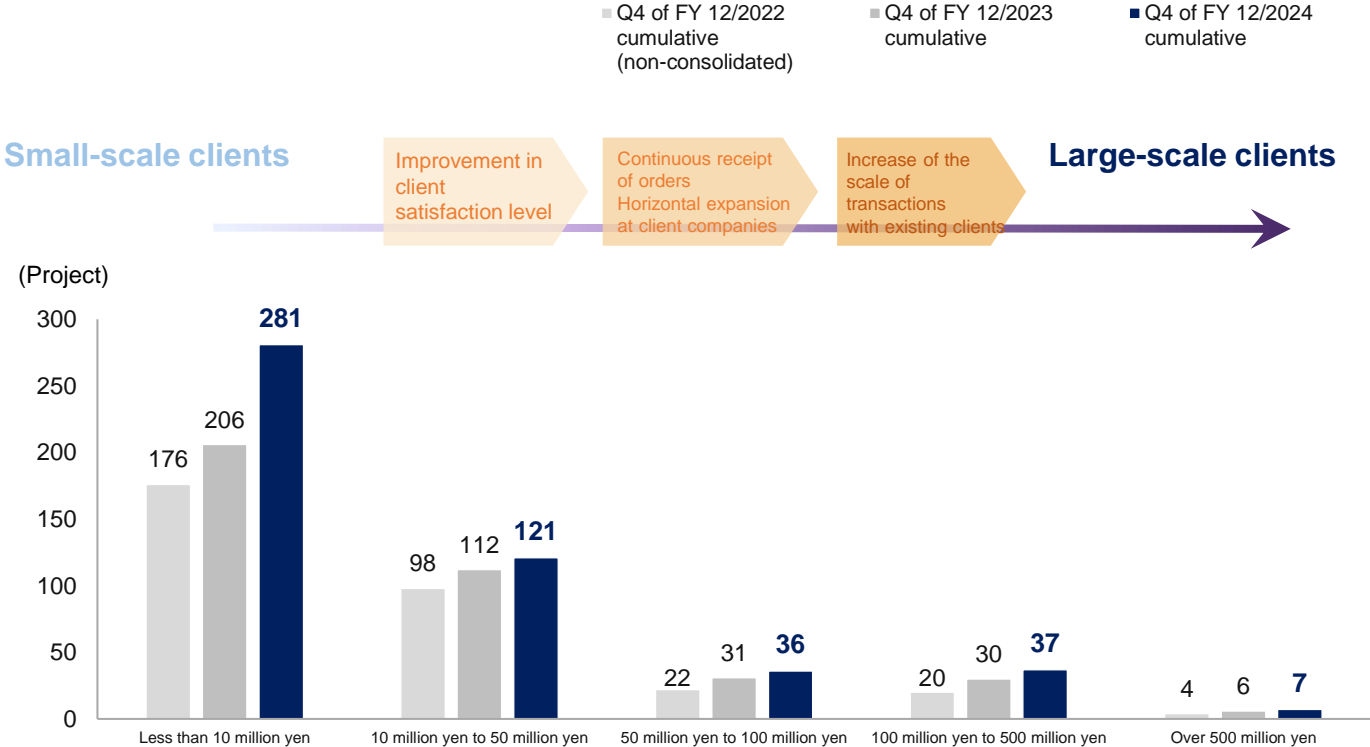


- Our growth driver is to continually increase transactions with existing clients* by enhancing their satisfaction and to acquire more large-scale clients.
- The number of customers is steadily increasing, but the growth rate of large-scale clients slightly slowed down.

Variation in the total number of clients



Variation in the number of clients (for each sales range)



*The sales from clients who made transactions with us in the previous fiscal year and existing clients account for about 90% of total sales.

Variation in the number of employees

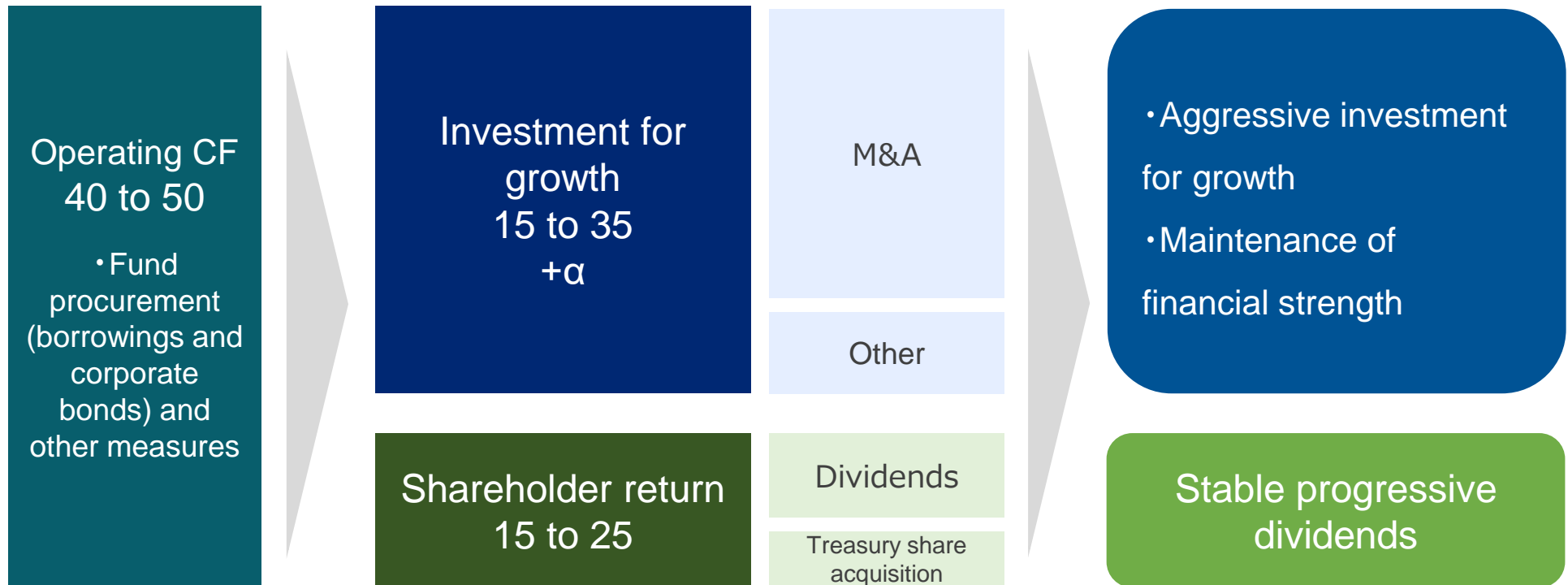


5 Shareholder Return

- To continue aggressive investment in mainly M&A and in-house development for growth
- We plan to pay progressive dividends in a stable manner, and acquire treasury shares in a flexible manner.
- In principle, we will invest for growth and return profit to shareholders within the range of operating cash flow, and consider borrowing and issuance of corporate bonds when carrying out large-scale M&A.

Envisioned cash allocation in FY 12/2025 to FY 12/2027

Unit: 100 million yen



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.

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.

6

Risk Information

Significant risks in business execution and policies for dealing with them

The following table shows major risks that may affect our growth and execution of business plans significantly. For other risks, please refer to “Risks in business, etc.” in the securities report.

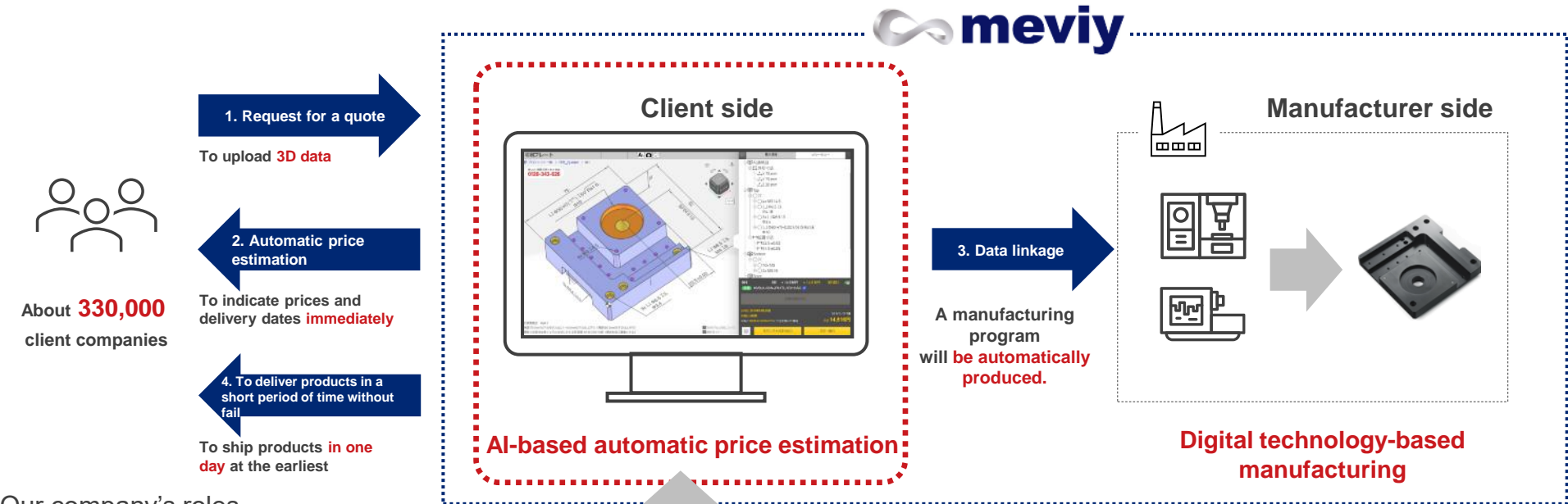
Item	Significant risks	Probability	Impact	Policies for dealing with the risks
Competition	Our company is competing with major system integrators, etc. in the field of support for DX. If our competitiveness declines, the number of orders we receive may decrease, affecting our business and performance significantly.	Medium	Large	Support for DX is characterized by the two features; namely, “support for in-house DX” and “support for staffing of IT personnel after in-house DX,” which differentiate our services from competitors’. We think that our DX services in the manufacturing and construction industries have advantages thanks to our “knowledge on manufacturing.”
Unprofitable projects	If man-hours increase considerably due to unexpected trouble in projects we undertake or if a client judges that our work does not comply with our contract and demands significant modification, our business and performance may be affected.	Medium	Small	To reduce risks, our company segmentalizes projects (the contract periods of most projects are 1-3 months), and try to receive orders through quasi-entrustment contracts. In addition, so that actual man-hours will not differ from estimated man-hours, we closely communicate with clients and meticulously manage staff, progress, budgets, and quality.
Postponement of posting	If delivery is put off due to the revision to specs after the receipt of an order or if it becomes necessary to revise estimated total costs in a development project to which the input method is applied for revenue recognition, the posting of sales and profit may be postponed, affecting quarterly or annual results.	Medium	Small	So that actual man-hours will not differ from estimated man-hours, we closely communicate with clients and meticulously manage staff, progress, budgets, and quality.
Dependence on outsourcing	The ratio of outsourcing expenses to sales is around 60%, which is relatively high. If we cannot find outsourcees as assumed, our business and performance may be affected significantly.	Medium	Large	Our company proactively outsources tasks from the viewpoints of leverage for business expansion and financial resilience, while considering that our forte is a broad network of business partners. We would like to contribute to the improvement in competitiveness of business partners, by introducing high-quality projects, etc.
Recruitment and training	In order to expand our business, it is important to constantly recruit excellent IT engineers. If we cannot secure IT engineers as planned due to the worsening of the demand-supply balance or the decline in our recruitment capability, our business and performance may be affected significantly.	Medium	Large	Our company concentrates on the retention of excellent IT engineers by acquiring attractive projects, establishing systems for freewheeling development and employment, improving salary levels and welfare programs, and holding in-company workshops and seminars to help hone their skills. In addition, we have established a system for procuring IT engineers flexibly and swiftly from outside via “Ohgi.”
Rumor and reputation	We established a business model that is based on and aimed at customer satisfaction and continuity of transactions, and grow our business by increasing projects and personnel. If our company’s reliability declines for some reason and customer satisfaction weakens or transactions are discontinued, our business and performance may be affected significantly.	Medium	Large	In business activities, we closely communicate with clients and meticulously manage staff, progress, budgets, and quality, to meet clients’ expectations. Inside the company, we have established a system for maintaining and improving the reliability of our organization, by enhancing internal audits and establishing an audit and supervisory committee and a nomination and remuneration committee to realize appropriate corporate governance.

7 APPENDIX



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.



Our company's roles

-  ✓ To jointly develop a 3D user interface and technologies for AI-based automatic price estimation and digital technology-based manufacturing by utilizing the shape data processing technology nurtured through the development of **Orizuru**.
-  ✓ To organize a large-scale development team utilizing **Ohgi**

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

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



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

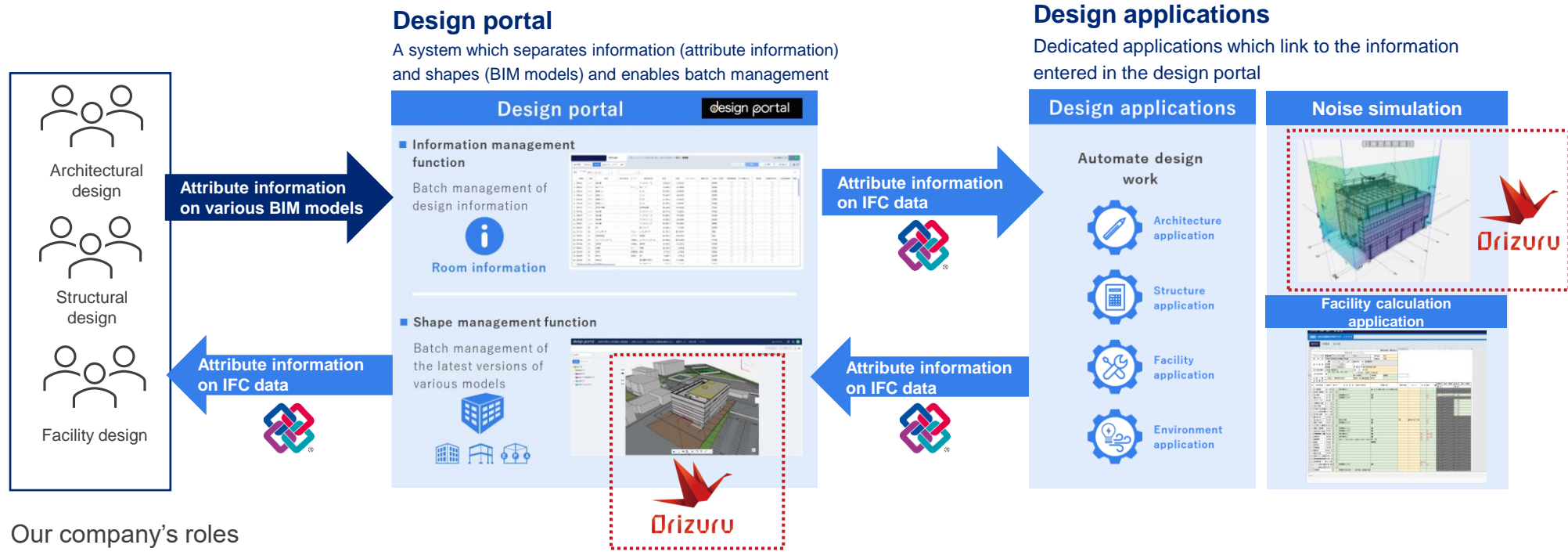
Expected effects: Increased work efficiency and error prevention



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.



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- Unless otherwise specified, this document indicates financial data in accordance with the generally accepted accounting principles in Japan.
- Information on companies other than our company is based on publicly available information.
- An update of the document is planned to be disclosed around March 2026 after the settlement of the fiscal year.



CORE CONCEPT
TECHNOLOGIES INC.

