

# New Medium-term Management Plan

From FY ending January 2023 to FY ending January 2025

---

Computer Engineering & Consulting Ltd.

March 17, 2022

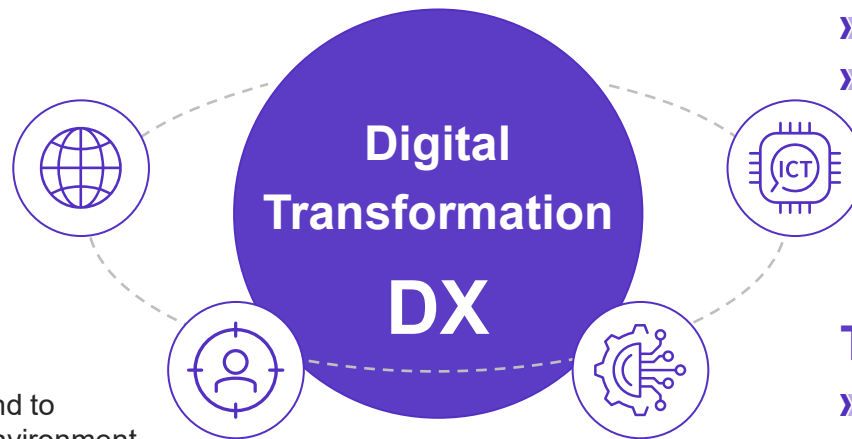
- Digital transformation (DX) is accelerating to realize a sustainable society.

## Social environment

- » Rapid acceleration of the aging population and lower birthrate
- » Request to balance business growth and contribution to society
- » ESG/SDGs
- » Diversified sense of values

## Customer trends

- » Developing the ability to respond to changes in the management environment
- » Insourcing in-house systems
- » A labor shortage/changed work style
- » Accelerating cloud, agile, and DevOps



## ICT market

- » Market growth thanks mainly to investment in DX
- » Accelerated servitization
- » Demand for security tends to grow
- » A chronic shortage of ICT human resources

## Technologies and trends

- » AI, IoT, cloud, and 5G
- » Progress of CASE in the car industry
- » Security/risk management
- » Migration (2025 Digital Cliff)

# Medium-term issues to respond to

## ■ Issues to overcome to Realize a Sustainable Society and for the Sustained Growth of the CEC Group

**Provision of ICT technologies and services and contribution to realization of a sustainable society**

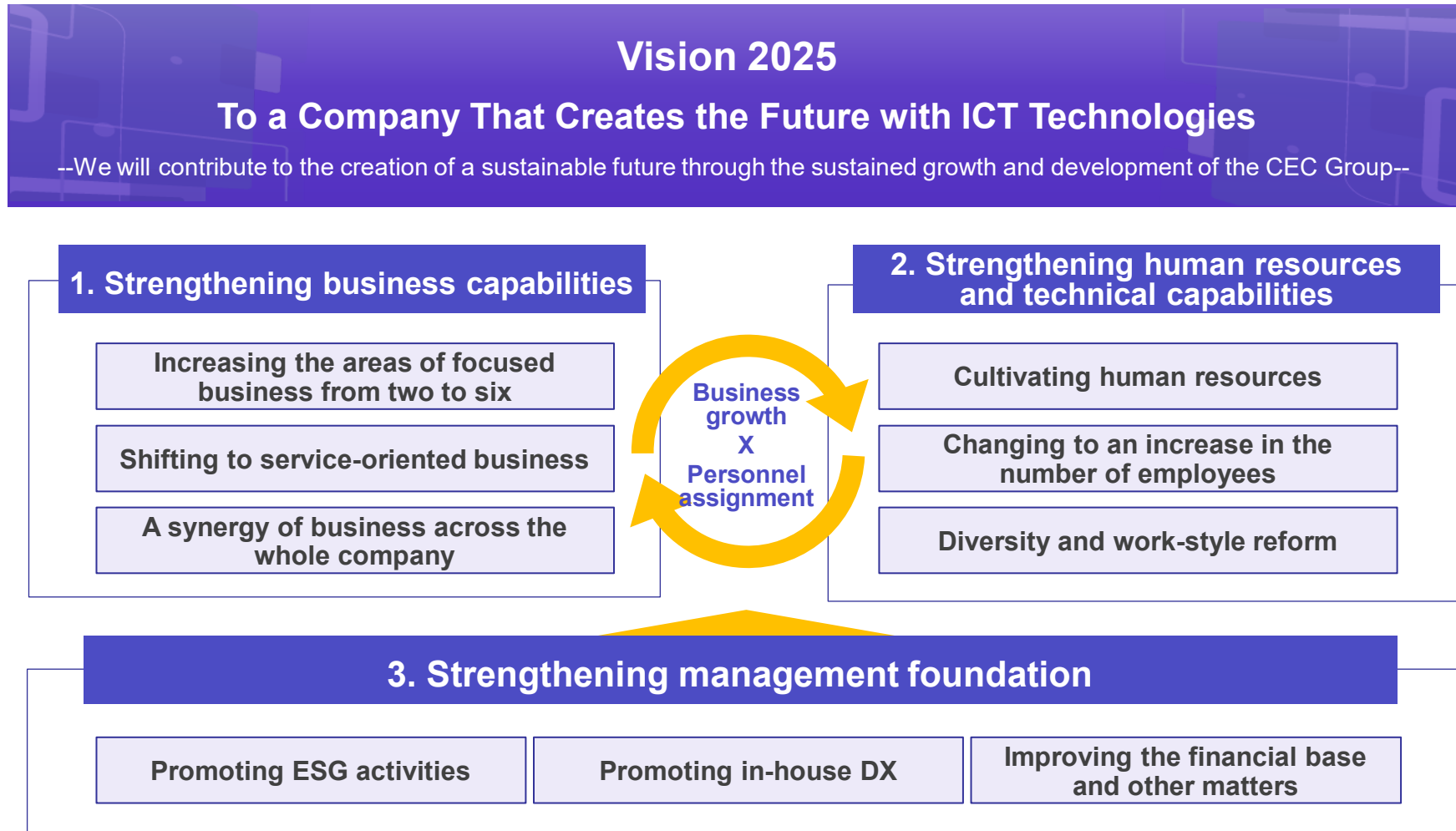


**Making our management advanced and efficient after our stock's being listed on the prime market**

- » Realization of a low-carbon society
- » A supplement of labor and a solution to a labor shortage
- » Response to the risk of more sophisticated cybercrimes
- » Response to the "2025 Digital Cliff"
- » Solutions to problems specific to industries and customers
- » Developing and providing services to realize DX

- » Strengthening governance
- » Optimizing our business portfolio
- » Increasing the number of employees and training DX human resources
- » Promoting diversity and work-style reform
- » Continuously improving quality and productivity
- » Promoting in-house DX
- » Strengthening group management and synergy in Our Group

## ■ Basic policies



- Evolution to flexible business structure resistant to changes in the environment = DX in the whole company

**Basic policies**

- ▶ **Expanding focused business areas**
- ▶ **Shifting to service-oriented business**
- ▶ **A synergy of business across the whole company**

**Strategic investment**

**Investing mainly in growing fields and ICT technologies with a high synergy effect**

- ▶ Distributing investments in development and growth
- ▶ Starting investment in M&A with emphasis on synergy
- ▶ Expanding R&D and PoC created with customers

**Strengthening the customer base**

**Acquiring demand for DX and ICT from customers in both the type specializing in lines of business and new areas**

- ▶ A type specializing in manufacturing, IT, finance, and the public sector
- ▶ A type to create highly profitable business and those in new areas
- ▶ Focusing on customers' strategic DX and ICT projects

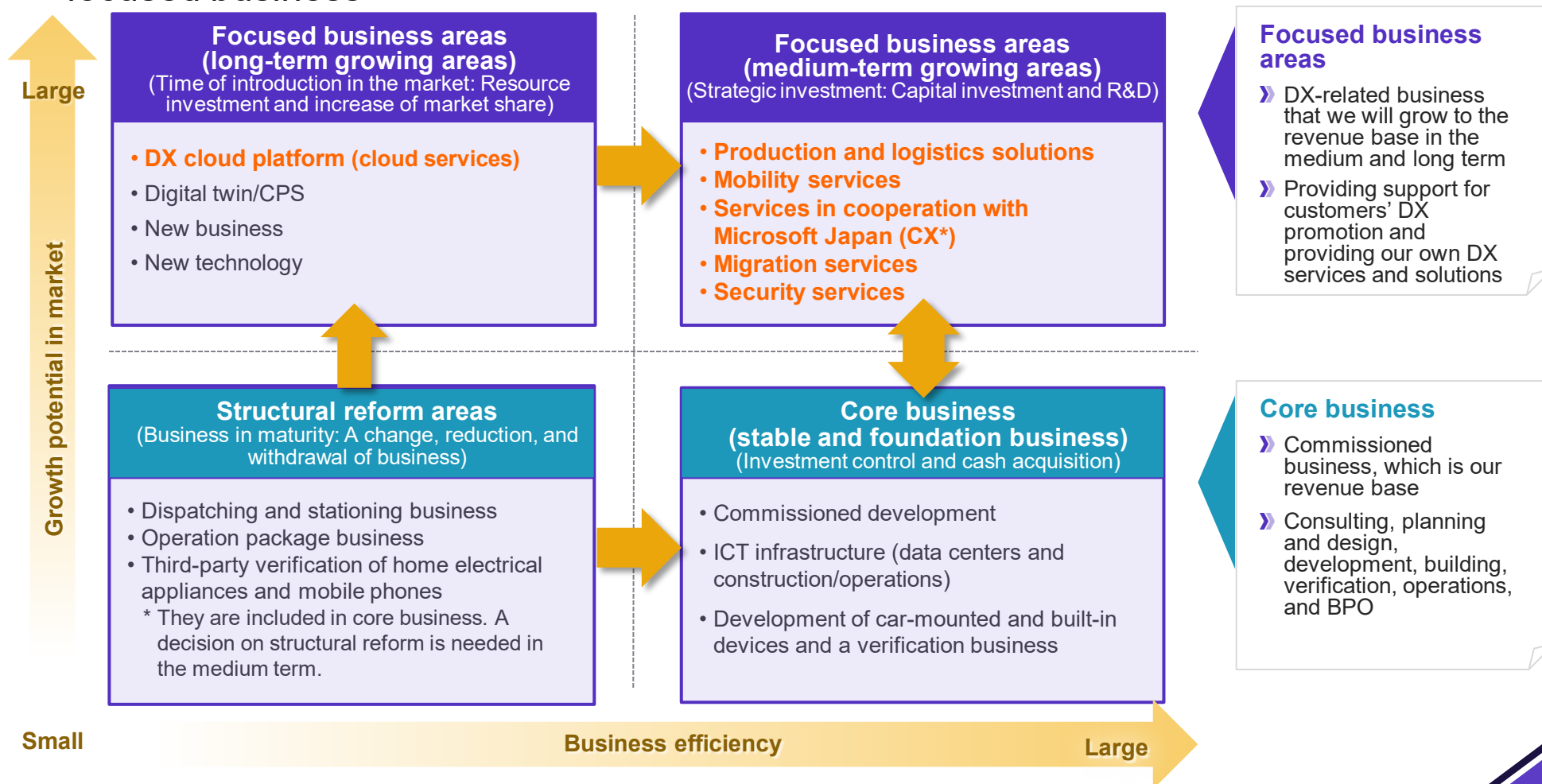
**Organization resistant to changes in the market and the environment**

**Creating a system of invested capital which utilizes autonomous organizations and human resources**

- ▶ Integrating organizational functions into the autonomous division system
- ▶ Making the decision-making process quicker
- ▶ Improving our portfolio strategy

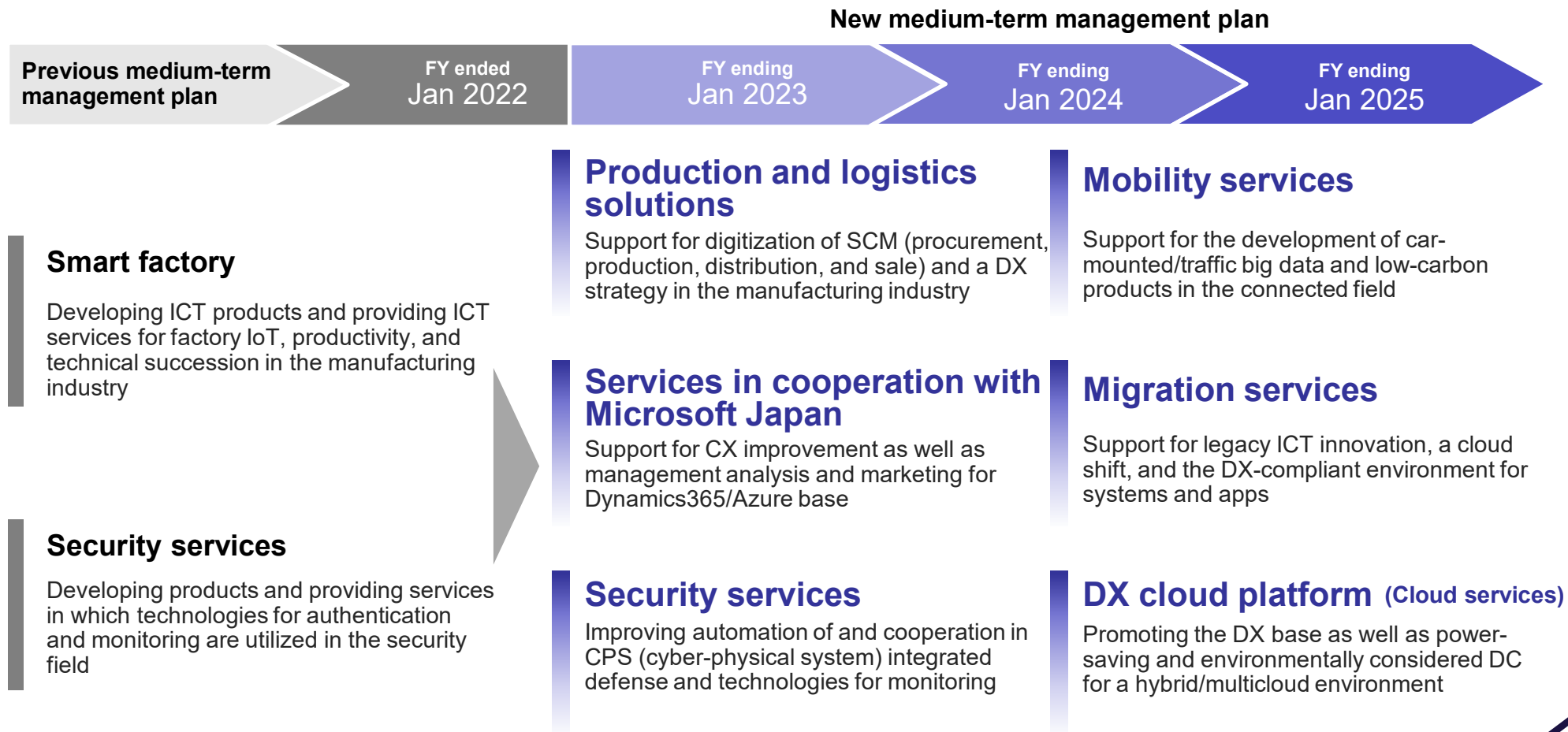
**Solving social and industrial issues through our business activities**

- Promoting the sustained growth of our core business and enlarging the areas of focused business



\* Customer Experience (CX; A digital shift and cloud use in the marketing area which leads to the increased value of the customer)

- Focused business areas: Working out a DX strategy and creating synergy for business across the whole company




# Strengthening human resources and technical capabilities

- Aiming at employing, cultivating, and re-stationing capable persons who are the source of competitiveness



## Cultivating human resources

- Developing cloud skills
- Selecting and training engineers of high rank
- Improving management power



## Changing to an increase in the number of employees

- Increasing by 150 or more the number of employees in three years of the Medium-term Plan
- Active employment and restraining turnover



## Diversity

- Putting emphasis on all employees' diverse personalities and sense of values and improving the environment where the employees can be active
- Promoting women's activity and increasing the proportion of female managerial staff



## Work-style reform

- Designing a new personnel system based on the staff organization, career paths, and diverse work styles
- Continuing work-style reform, improvement of working conditions, and average monthly overtime of 20 hours or less, etc.



## ■ Aiming at strengthening the management base that supports our sustained growth

### Promoting ESG activities

[Environment] Framing an environmental policy and setting an environmental target, and promoting PDCA and CO<sub>2</sub> reduction  
 [Society] Contribution to society and medical support  
 [Governance] Corporate governance, risk management, and compliance, etc.

#### Efforts through business

##### » Logistics solutions

Reducing trucks' standby time and CO<sub>2</sub>

##### » Worker support systems

Communication with foreigners and hearing-impaired persons

##### » Authentication printing systems

Reducing paper usage and electricity consumption



### Promoting in-house DX

- Innovating in key systems as well as digitizing and automating business processes
- Strengthening the in-house infrastructure base

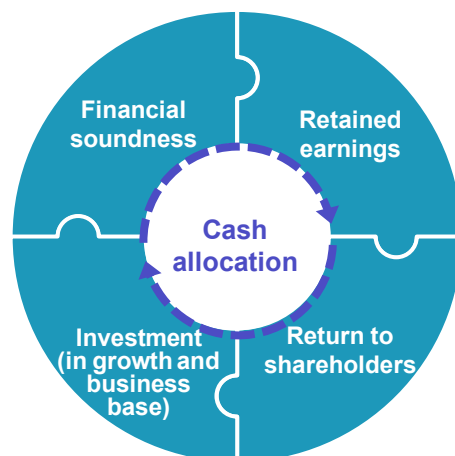
### Improving financial base and other matters

- Maintaining and improving the financial base
- Improving quality and eradicating deficit projects
- M&A, alliances, and co-creation projects, etc.

- Aiming at the sustained increase of our corporate value through active investment in growth and increased returns to shareholders while maintaining and improving the financial base

### ◎ Quantitative targets

- ROE: 12% or more
- Payout ratio: 40% or more



### ◎ Our thinking about cash allocation

#### Financial soundness

Securing liquidity on hand

#### Investment in growth

Investment in intangible assets

#### Investment in business base

Investment in tangible assets

#### Return to shareholders

Dividends

Acquisition of treasury shares

# Numerical targets

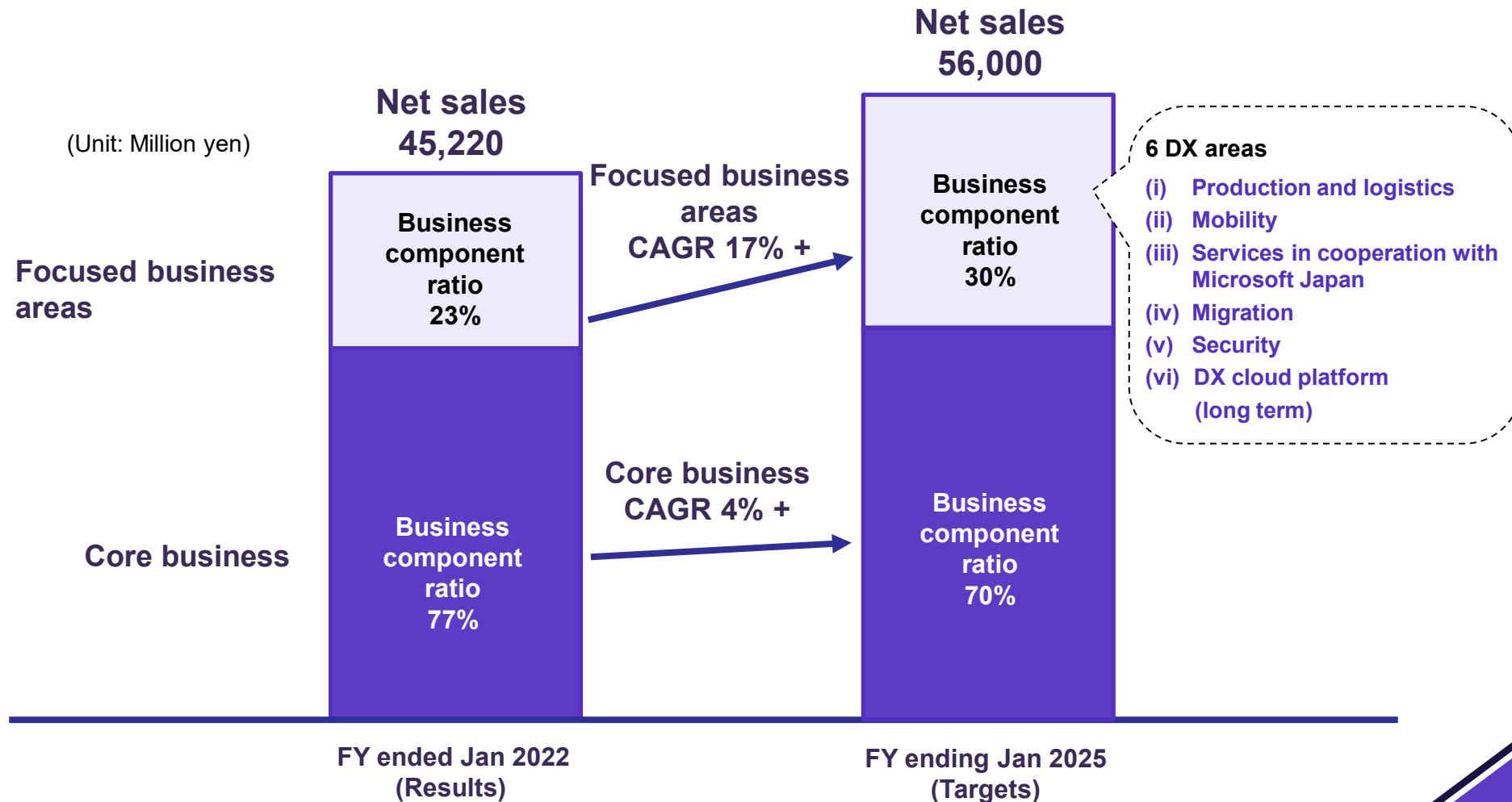
## ■ Key management indices

(Unit: Million yen)

	FY ended Jan 2022 (Results)		FY ending Jan 2025 (Targets)
Net sales	45,220		56,000
Ordinary income	4,282	→	6,900
Ordinary income ratio	9.5%		12.0% or more
Return on Equity (ROE)	8.7%		12.0% or more

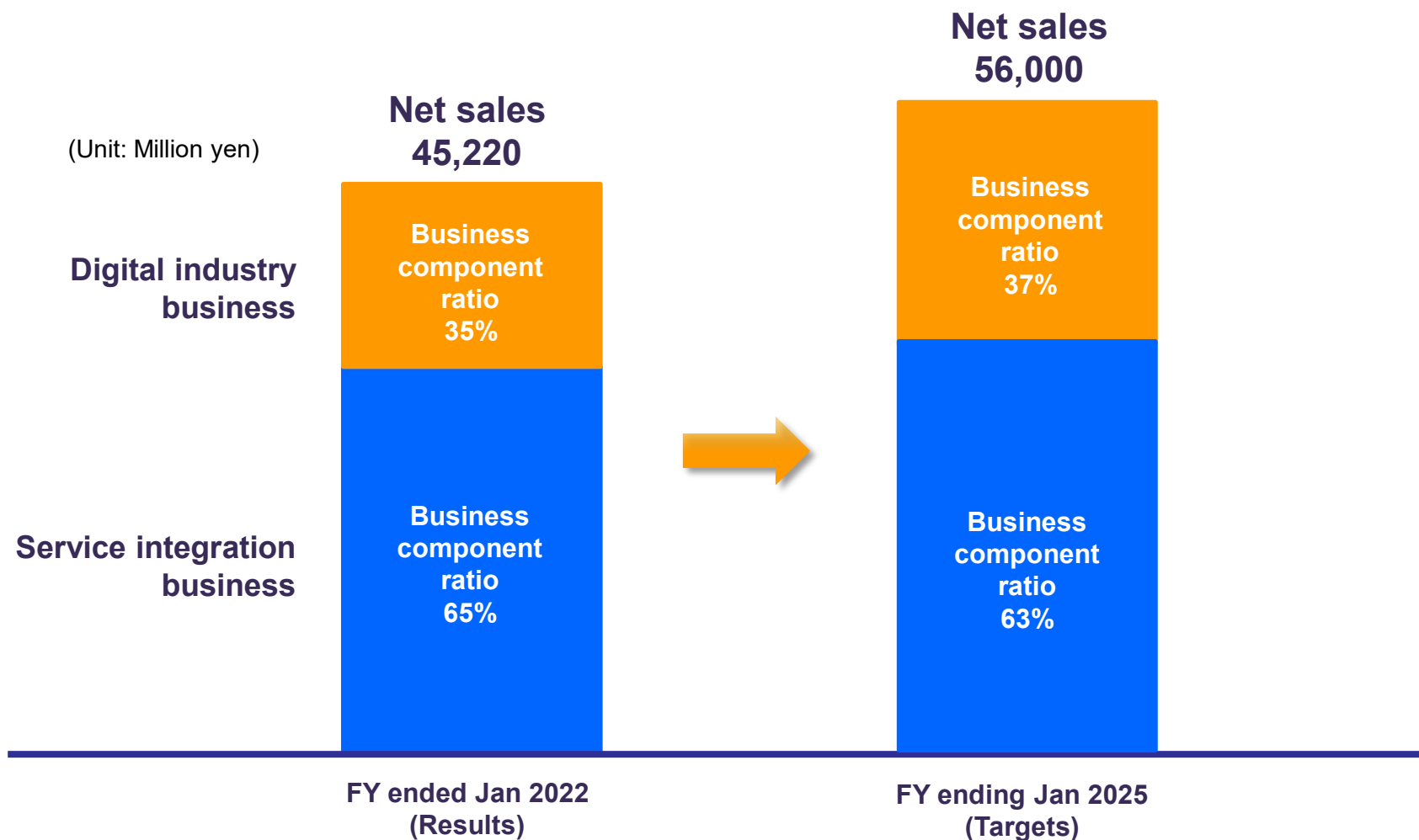
# Numerical targets (core business and focused business areas)

- Growing core business steadily as well as establishing the base of focused business areas (in the DX area) and enlarging their areas



# Numerical targets (business segments)

## ■ Sales targets by business segment





# *Shape your future*

Inquiries: Computer Engineering & Consulting Ltd.

E-mail: [IR@cec-ltd.co.jp](mailto:IR@cec-ltd.co.jp)

- This document is not made for the purpose of soliciting investments.
- The prospects for future earnings that are mentioned in this document are calculated based on a judgment and an assumption from the trends of the Japanese economy and the information service industry and other information available at the present time. Accordingly, please be aware that there is a possibility of a fluctuation due to indefinite factors included in the forecasts and changes in the internal or external situation in the future business operations.