CEC
Computer Engineering & Consulting

Fiscal Year Ended January 31, 2025 Financial Results Briefing

Computer Engineering & Consulting Ltd. | 9692

Agenda

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Business results for the fiscal year ended January 31, 2025

Business results

- **Solid performance in core businesses and upswing in focus businesses** thanks to growing DX demand
- **Net sales, operating income, and ordinary income reached record highs** despite **higher costs from investment in growth**

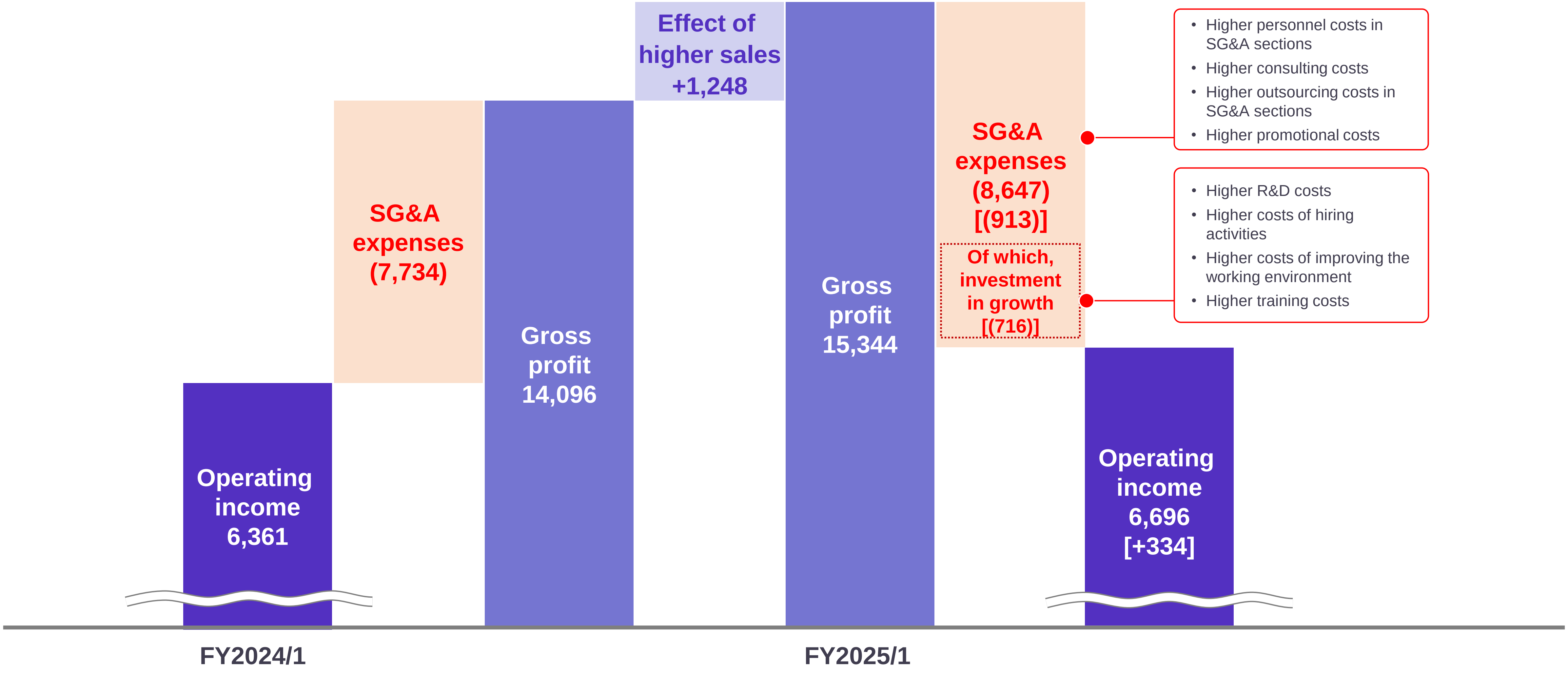
(Million yen)

	FY ended January 2024	FY ended January 2025	YoY	
			Amount	%
Net sales	53,124	👑 **56,208**	+3,084	+5.8 %
Gross profit	14,096	👑 **15,344**	+1,248	+8.9 %
Gross profit margin	26.5%	**27.3%**	—	+0.8 pt
Operating income	6,361	👑 **6,696**	+334	+5.3 %
Operating profit margin	12.0%	**11.9%**	—	(0.1) pt
Ordinary income	6,409	👑 **6,807**	+397	+6.2%
Ordinary profit margin	12.1%	**12.1%**	—	—
Net income attributable to owners of parent	4,541	**4,040**	(501)	(11.0) %
Margin on net income attributable to owners of parent	8.5%	**7.2%**	—	(1.3) pt

Main factors affecting operating income

– **Gross profit and operating income** reached **record highs**, while SG&A expenses, including investment in growth, increased

(Million yen)



- Higher personnel costs in SG&A sections
- Higher consulting costs
- Higher outsourcing costs in SG&A sections
- Higher promotional costs

- Higher R&D costs
- Higher costs of hiring activities
- Higher costs of improving the working environment
- Higher training costs

Performance by business segment

- Net sales and profits grew in all business categories of the Digital Industry segment, centered on automotive businesses
- In the Service Integration segment, growth in focus businesses related to Microsoft boosted both net sales and profits

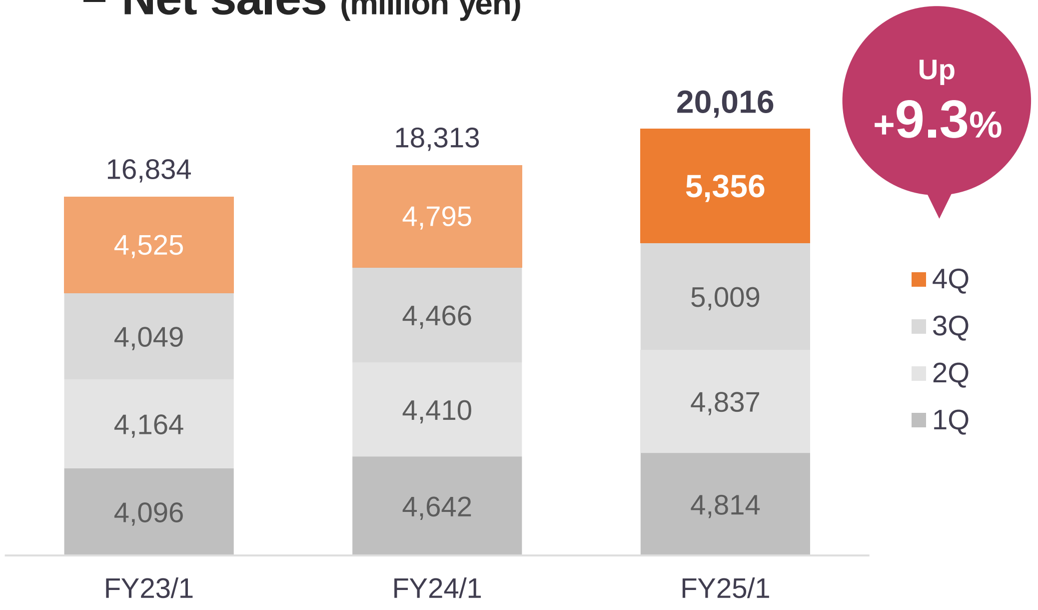
(Million yen)

	FY ended January 2024		FY ended January 2025		YoY	
	Net sales	Operating income / operating profit margin	Net sales	Operating income / operating profit margin	Net sales [%]	Operating income [%]
Digital Industry	18,313	4,100 22.4%	**20,016**	**5,048** **25.2%**	+1,702 [+9.3%]	+948 [+23.1%]
Service Integration	34,810	6,606 19.0%	**36,192**	**6,856** **18.9%**	+1,381 [+4.0%]	+250 [+3.8%]
Companywide costs*	–	(4,344)	–	**(5,208)**	–	(863)
Total	53,124	6,361 12.0%	**56,208**	**6,696** **11.9%**	+3,084 [+5.8%]	+334 [+5.3%]

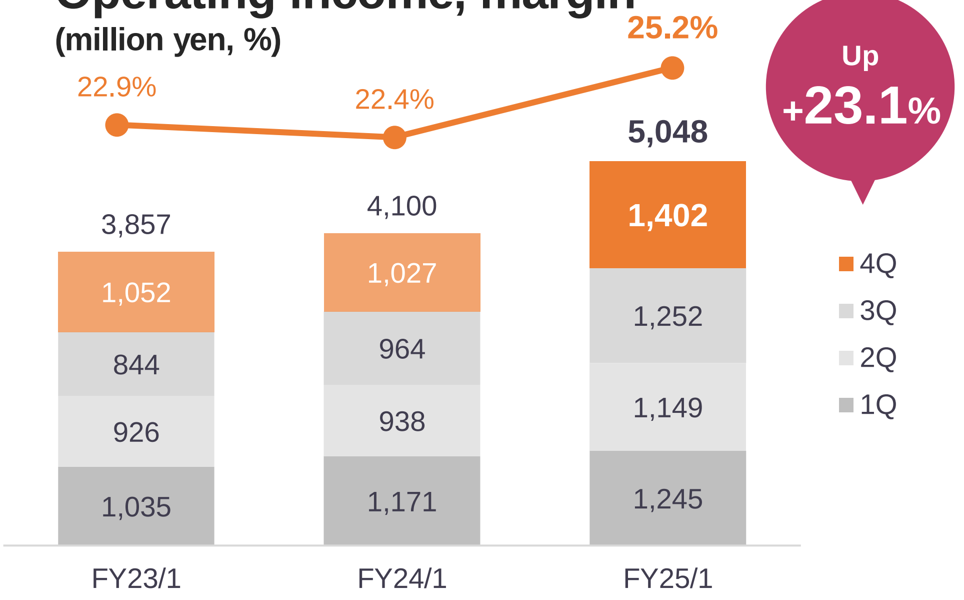
* Companywide costs consist mainly of administrative section costs not attributable to any reporting segment.

Digital Industry Business

– Net sales (million yen)



– Operating income, margin
(million yen, %)

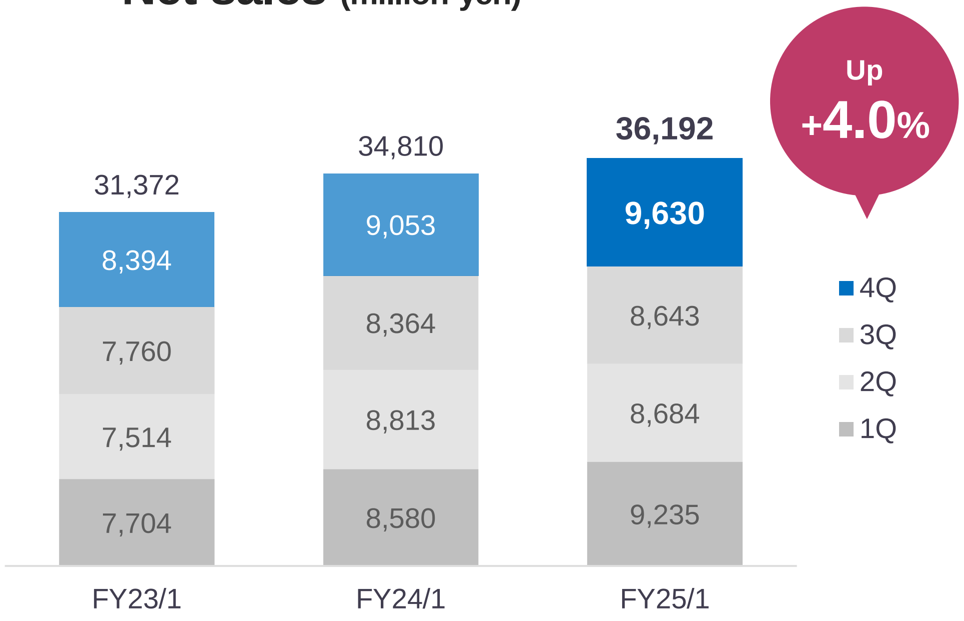


Business category	Change in net sales	Change in income	Points
Smart Factory	🌤	☀	• Despite the lingering effects of restrained investment by manufacturers of machine tools, **growth in FA development** powered sales growth. • Profits grew thanks to **increased FA development** and **side-by-side DX support projects**.
Connected Services	🌤	☀	• Sales grew due to growth in **big data analysis platform building** and **in-vehicle control development related to battery EVs.** • Profits rose accordingly as these projects expanded.
Chubu Services	🌤	☀	• Sales grew due to **steady growth in core system development** (design area) at major customers. • Profits rose due to expanding systems development projects.
Nishinihon Services	🌤	☀	• Sales grew due to **growth in EOL services** associated with the **LogiPull logistics solution** and replacement of customer systems. • Orders for EOL services boosted profits.

☀ + 10% or more 🌤+ 5 to less than 10% ☁+/- less than 5% ☂ (5) to more than (10)% ☂ (10)% or less

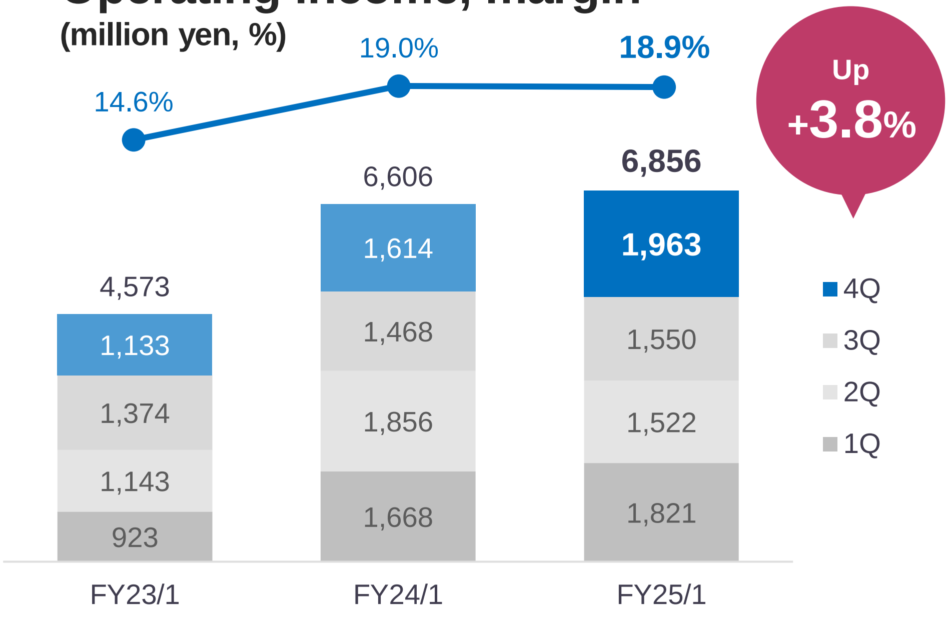
Service Integration Business

– Net sales (million yen)



– Operating income, margin

(million yen, %)

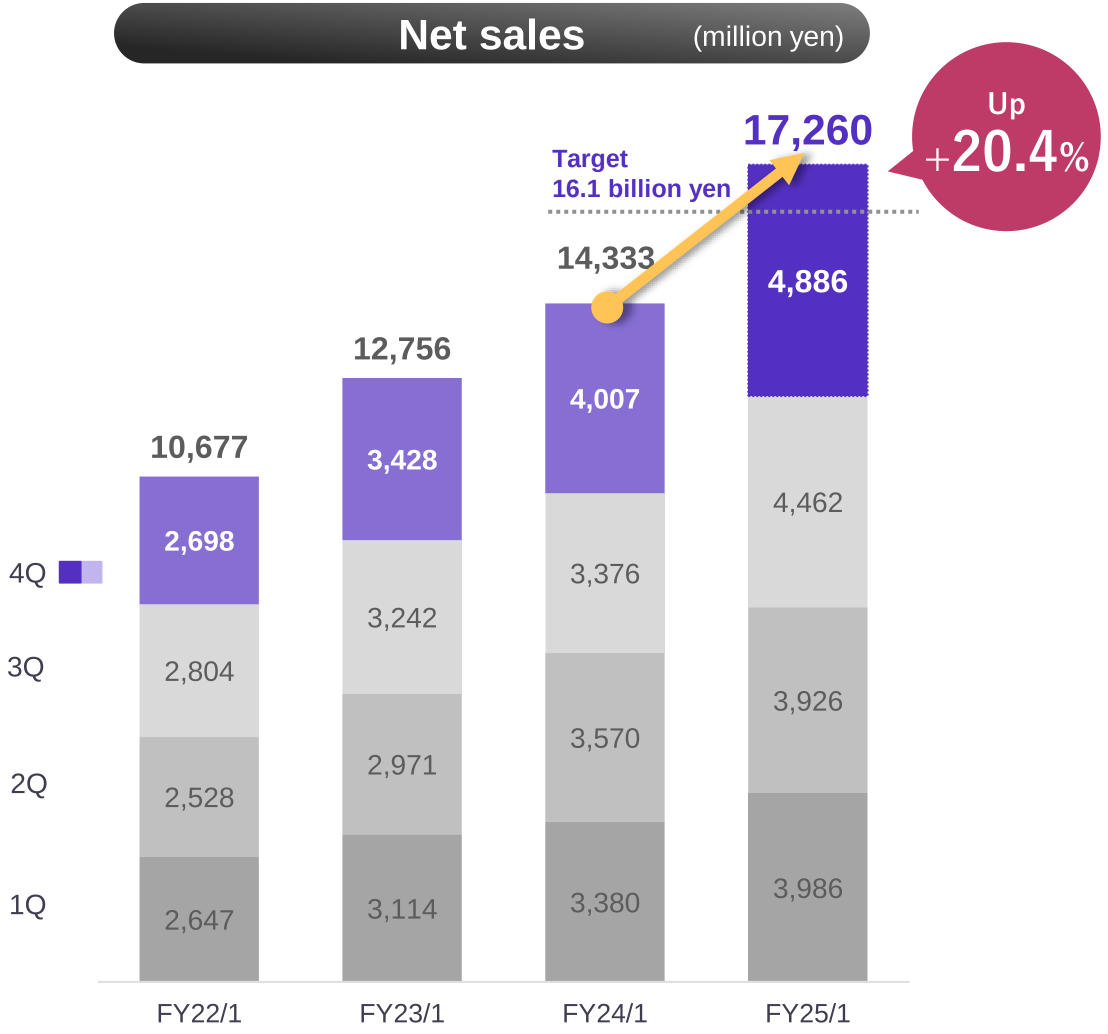


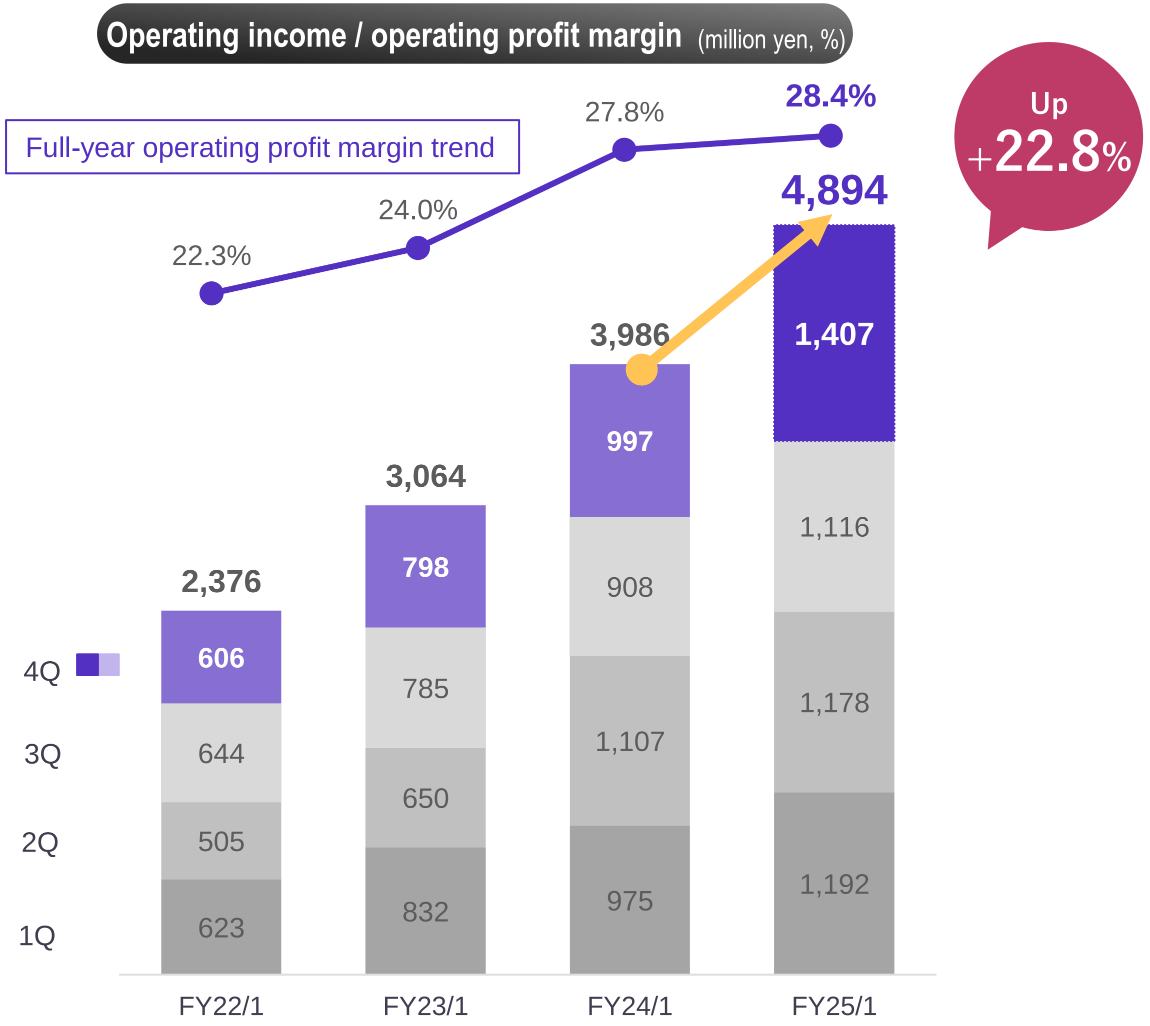
Business category	Change in net sales	Change in income	Points
Service Integration	☀	☀	• **Sales grew** due to growth in **Microsoft integration** and **migration** projects. • **Profits grew**, backed by growth in both systems development, a core business, and growth in all focus business areas.
Platform Architect	☁	☁	• **Security business** showed strong performance, but **the ICT infrastructure development business remained flat** due to delays in local governments construction projects. • **Profits slightly grew** while **the security business grew**, but cost of sales increased due to **the reorganization of DC.**
Group companies	☁	☀	• **Profit grew** due to **shift to new projects** and high-margin projects, despite a leveling off in system development for the financial sector.

☀ + 10% or more ⛅ + 5 to less than 10% ☁ +/- less than 5% ☔ (5) to more than (10)% ☂ (10)% or less

Progress of focused businesses

– Proposal of ICT solutions bore fruit in line with customer DX demand, **boosting both sales and profit**





Details of progress on focus businesses

– Mobility, Microsoft-related services, and security services led overall performance.

Digital Industry	**Production and logistics solutions**	**Percentage of sales target achieved:** **111.9%**	• **Production**: **Manufacturing side-by-side DX support services grew** despite the continuing effects of restrained investment by major customers. • **Logistics**: **Logistics systems development grew** for the air transport and automotive industries.
	Mobility services		• Performance remained solid for cloud development and in **Big Data analytics platform-building** for the automotive industry. • **BEV-related onboard controls development** is expanding.
Service Integration	**Microsoft-related services**	**Percentage of sales target achieved:** **103.3%**	• Demand for low-code solutions grew. **Dynamics 365** and **Power Platform saw strong performance**. • Consulting projects involving **generative AI (Azure OpenAI) services** expanded.
	Migration services		• Migrations targeting the **transition to the cloud** and **strengthening security** remained solid. • Inquiries about **office computer migration** grew.
	Security services		• Orders grew for **security monitoring services (SOC)** from Boards of Education and the medical market. • Inquiries from financial institutions and local governments concerning **our SmartSESAME** PC Logon product increased.
	DX cloud platform		• We plan to provide the **BizAxis* integrated cloud infrastructure** at our data centers.

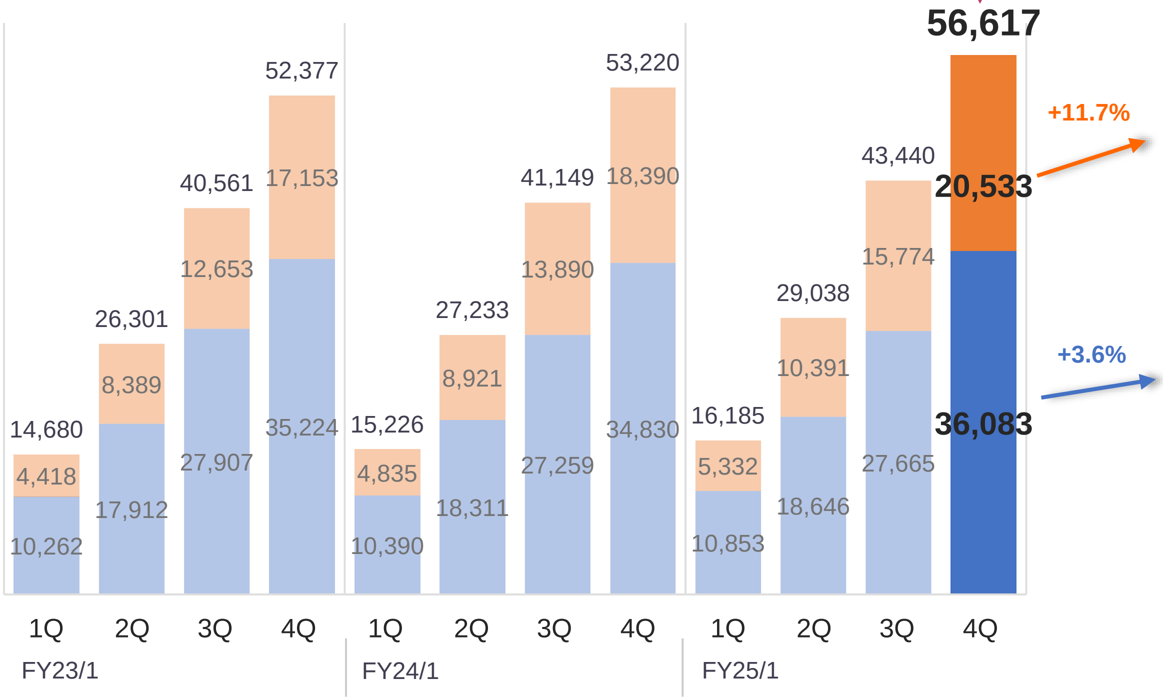
* Service provision began March 3, 2025.

Trends in orders received and outstanding balance of orders received

- Orders received and the outstanding balance of orders received both reached record highs
- Digital Industry: Orders received grew due to strong demand for ICT investment by manufacturing customers, chiefly in the automotive industry
- Service Integration: Due to lower stock sales, despite growth in orders received centered on focus businesses, the outstanding balance of orders received declined

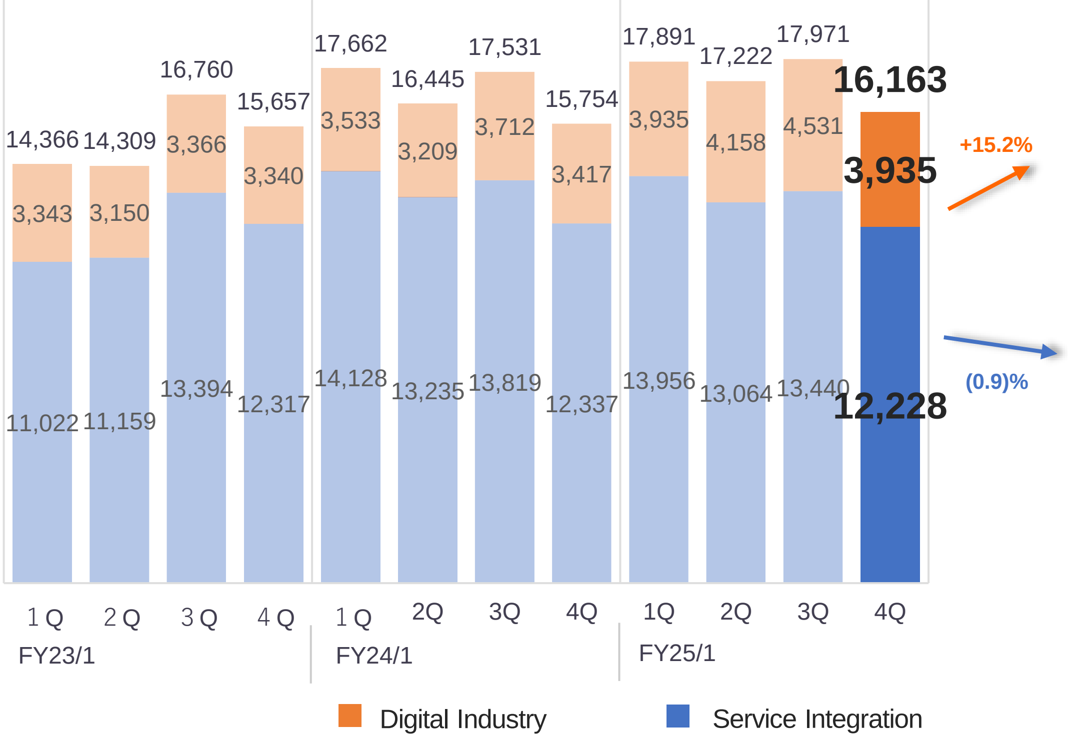
Orders received (million yen)

Up +6.4%



Outstanding balance of orders received (million yen, %)

Up +2.6%



Sales by industry

(Million yen)

	FY24/1	FY25/1	YoY	
			Amount	%
Manufacturing [Share of total]	23,018 (43.3%)	**24,414** **(43.4%)**	+1,395	+6.1%
Telecommunications/ information services [Share of total]	14,102 (26.5%)	**14,117** **(25.1%)**	+15	+0.1%
Finance [Share of total]	4,872 (9.2%)	**5,011** **(8.9%)**	+138	+2.8%
Distribution [Share of total]	3,129 (5.9%)	**3,852** **(6.9%)**	+722	+23.1%
Government agencies [Share of total]	3,580 (6.7%)	**4,226** **(7.5%)**	+646	+18.1%
Other [Share of total]	4,420 (8.3%)	**4,586** **(8.2%)**	+165	+3.7%
Total	53,124 (100%)	**56,208** **(100%)**	+3,084	+5.8%

Key points by industry
[Manufacturing] Steady progress in systems development for automotive industry
[Telecommunications/information services] Unchanged YoY due to the completion of large-scale migration projects
[Finance] Orders for infrastructure development projects are expanding
[Distribution] Growth in new CEC SOC and Power Platform projects
[Government agencies] Demand for system upgrades drove growth

Balance Sheet

(Million yen)

	FY24/1	FY25/1	Amount	%
Current assets	39,005	**39,114**	+109	+0.3%
Cash and deposits (included above)	26,714	**25,472**	(1,241)	(4.6)%
Non-current assets	12,385	**13,521**	+1,136	+9.2%
Total assets	51,391	**52,636**	+1,245	+2.4%
Current liabilities	9,006	**10,389**	+1,383	+15.4%
Non-current liabilities	1,597	**1,844**	+247	+15.5%
Shareholder equity	40,760	**40,365**	(394)	(1.0)%
Equity ratio	79.3%	**76.7%**	–	(2.6) pt

Points
Assets: Up Growth in accounts receivable - trade and contract assets
Liabilities: Up Growth in income taxes payable
Shareholder equity: Down Decreased due to acquisition of treasury shares

2

Review of the previous Medium-term Management Plan

Performance targets and results

– Targets were achieved for ordinary income, ordinary profit margin, ROE, and payout ratio

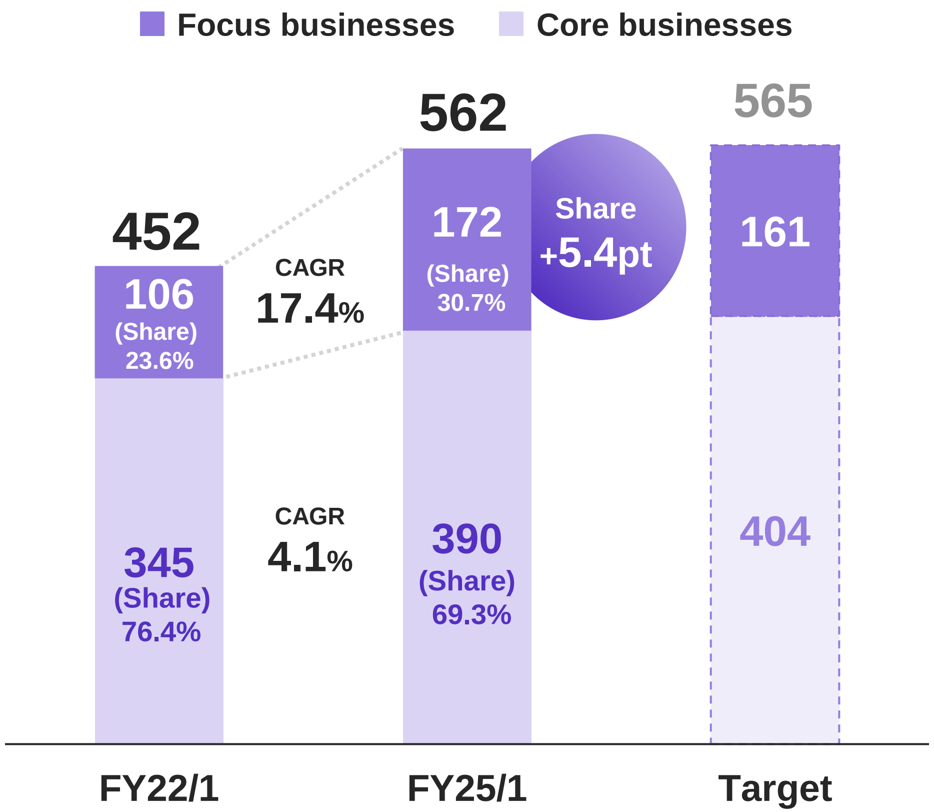
	FY ended January 2022 actual	FY ended January 2025 target*	FY ended January 2025 actual (vs. FY ended January 2022)	
Net sales	45.2 billion yen	**56.5 billion yen**	**56.2 billion yen**	CAGR **7.5%**
Ordinary income	4.2 billion yen	**6.3 billion yen**	○ **68 billion yen**	CAGR **16.7%**
Ordinary profit margin	9.5%	**11% or higher**	○ **12.1%**	**+2.6 pt**
ROE	8.7%	**9.2%**	○ **10.0%**	**+1.3 pt**
Payout ratio	46.1%	**40% or higher**	○ **44.9%**	**(1.2) pt**

* The targets were revised upon account settlement for the fiscal year ended January 2024.

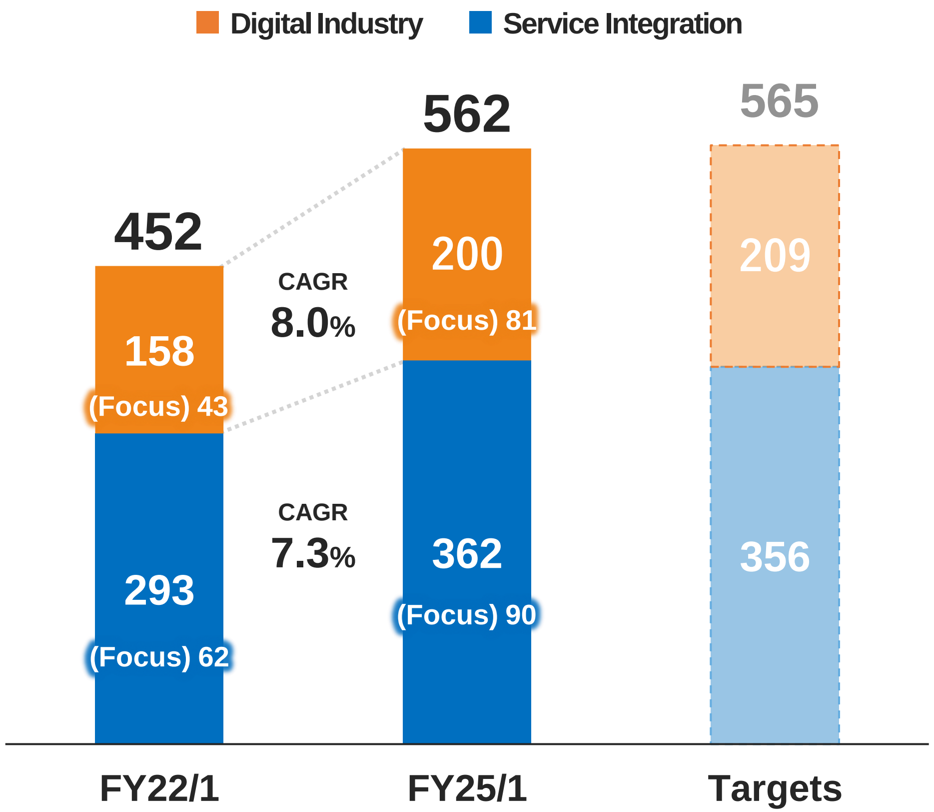
Sales trends by core/focus business and segment

- We made steady progress in laying the groundwork for core businesses, while strong growth in focus businesses helped increase their corresponding share of the business structure
- Both segments grew, driven by pronounced growth in focus businesses

By core/focus business (100 million yen)



By segment (100 million yen)



Status of Basic Policies (1)

– **Performance improved due to stronger business capabilities and stronger human resources and technical capabilities and improvements in the management foundations that support them**

1. Strengthening business capabilities

- **Strengthening focus businesses**
  - Sales and profit of focus businesses increased, led by the four areas of mobility, Microsoft-related services, security, and migration
- **Service expansion**
  - We created services for specific industries and businesses and services in new business areas
- **Strengthening sales capabilities**
  - We established the new Sales Unit, and stronger companywide sales boosted sales to and gross profit from the top 30 customers

2. Strengthening HR and technical capabilities

- **Cultivating human resources**
  - We strengthened the development of DX and PM human resources, revised training systems, enhanced training curricula, and made skills visible for efficient training
- **Hiring**
  - To secure diverse human resources, we employed referral and alumni hiring and strengthened hiring in rural areas
- **Personnel system, welfare**
  - We developed more comfortable working environments through personnel system revisions (i.e., revising roles and career paths), improving salaries and compensation, and enhancing employee engagement

Focus business areas CAGR	Top 30 customers by sales	Percentage of women employees	Net increase in employees
17.4% (FY22/1→FY25/1)	**Sales up 30%** **Gross profit up 43%** (FY22/1→FY25/1)	**21.1%→25.1%** (FY22/1→FY25/1)	**+86 persons** (FY22/1→FY25/1)

Status of Basic Policies (2)

3. Strengthening management foundations

● ESG

- Increasing numbers of ISO 14001-certified facilities
- Stronger corporate governance
  - Shift to the organization of a company with an audit and supervisory committee
  - Establishing a nomination and remuneration committee
  - Increasing outside directors and appointing female directors

● In-house DX

- Formulating an overall plan
- Automating and using the cloud in business processes

● Strengthening the financial foundations

- Enhancing returns to shareholders
- Investing in growth to strengthen business capabilities

CO^2 emissions
(FY2024, Scopes 1, 2)

Down 45.4%

(vs. FY2016)

2023/2024 Certified Health & Productivity Management Outstanding Organizations Recognition

2024
健康経営優良法人
Health and productivity

Increasing annual dividends

40 yen→55 yen

(FY22/1→FY25/1 plan)

Acquisition of treasury stock

5.0 billion yen in treasury stock acquired

(FY23/1: 2.0 billion yen
FY25/1: 3.0 billion yen)

3

VISION 2030

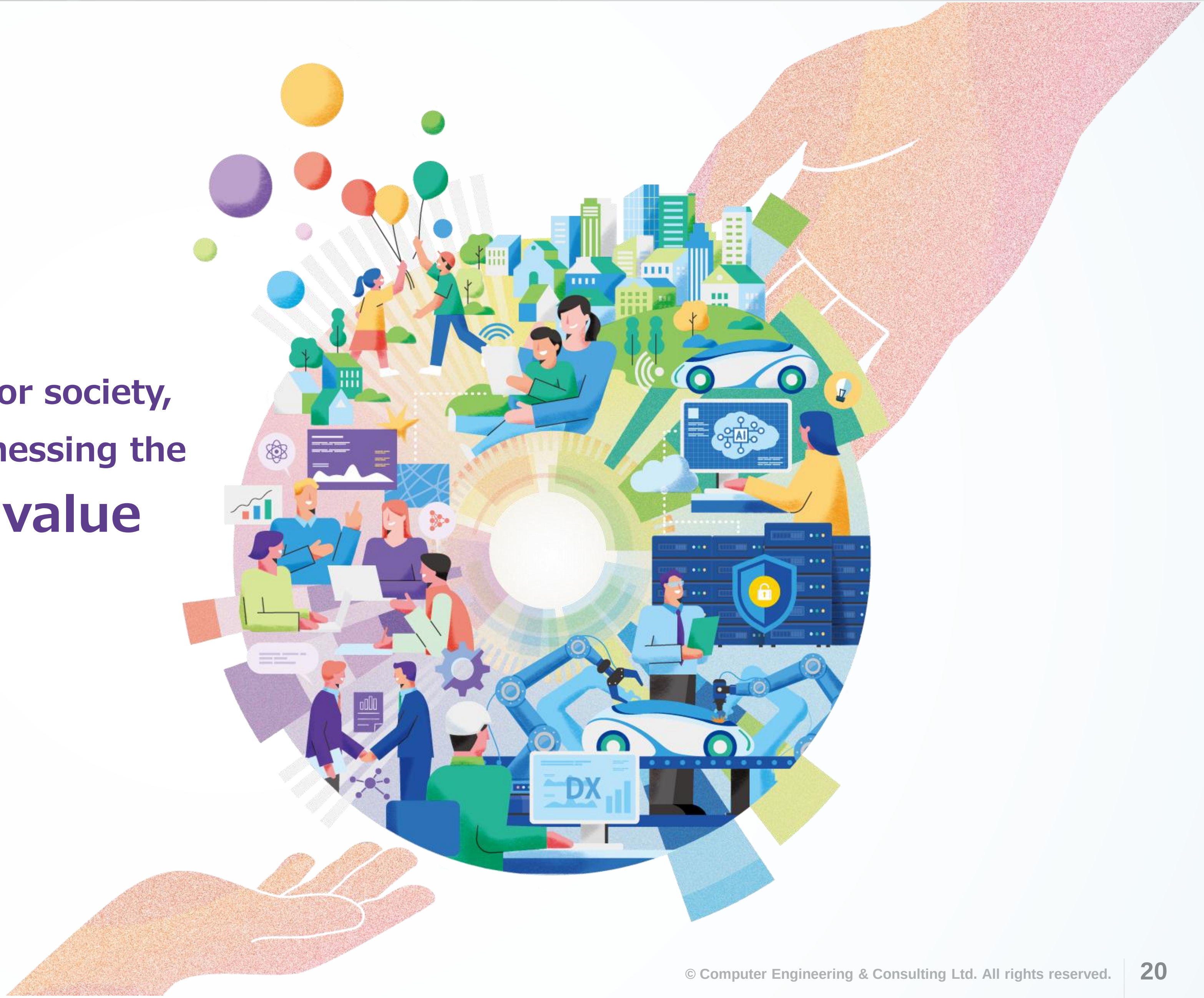
Outlook on the environment and action policies

– Promoting business reforms and expanding our value provision from customers to society by approaching the rapidly changing business environment as an opportunity for growth

	Outlook on the environment	Action policies
IT market	**Rapid growth and business environmental changes in the IT market** ● The advanced IT market is growing rapidly, rivalling the traditional IT market in scale ● The business environment is changing. Opportunities to provide value are growing in advanced IT domains, alongside continuing demand to address and update legacy systems	**Business portfolio evolution and reform** ● Reorganizing business segments and migrating from labor-intensive businesses to an approach based on service provision ● Leveraging knowledge of advanced IT and traditional IT to grow services capable of adapting flexibly to increasingly complex customer needs
Population structure	**Increasing importance of passing along skills and HR development along with workforce shrinkage** ● A shrinking workforce as baby-boom junior reaches retirement ● Growing importance of passing along skills from aged engineers and training young engineers	**Evolving personnel measures to enhance hiring and HR development** ● Building systems to attract diverse human resources and develop skills to the fullest ● Promoting measures in line with an HR portfolio linked to business strategies
Advanced technology	**Responding to expanding customer needs generated by the rapid progress of advanced technology** ● Rapid progress in cloud, AI, and other advanced technologies ● Expanding range of customer needs addressable via advanced technologies	**Promoting new value provision using advanced technologies** ● Expanding value provided by combining traditional and advanced technologies ● Securing advanced technologies through joint efforts with new business partners ● Harnessing advanced technologies to create new businesses and enhance services provided
Sustainability	**Responding to the growing societal demand for sustainability** ● Accelerating ESG investment and rising demand for nonfinancial disclosure ● Need for corporate contributions to realizing a sustainable society	**Promoting solutions to social issues through businesses** ● Promoting sustainability management and aggressive disclosure ● Fostering a long-lasting organizational culture to support efforts to meet real-world customer needs; promoting human capital management

Purpose

Toward a **brighter future** for society, customers, and employees by harnessing the power of **ICT** to create **new value**



Positioning of VISION 2030

– Formulating a six-year growth strategy toward the vision for 2030

VISION 2030 Basic Policy

Ongoing evolution and growth as an essential company

—Accelerating business reforms to balance stronger earnings and sustained growth—

1st stage Medium-term Management Plan 2025–2027

Accelerating business reforms

(Growth phase)

- Business promotion through new segments
- Expansion of service provision, broad sales expansion
- Accelerating growth investments and M&A activities
- Promoting the hiring and development of advanced engineers

2nd stage Medium-term Management Plan 2028–2030

Expanding value created

(Expansion phase)

- Establishing new cornerstone businesses
- Accelerating growth in business scales
- Fostering an organizational culture capable of innovation
- Growing social value through our businesses

Growth strategies

– Accelerating sustainability initiatives and creating new value based on two growth strategies

1 Business strategies

Business model transformation

Expansion of services offered and transformation of business model to address environmental changes and customer challenges

Expansion of business areas

Expansion of business areas through horizontal and vertical deployment of core businesses and focus businesses

New business creation

Creating new businesses as pillars for new earnings

2 Corporate strategies

HR strategy

Enhancing hiring and HR development and promoting workplaces where diverse human resources can thrive

Financial strategy

Maintaining appropriate levels of cash on hand and allocating surplus funds to returns to shareholders and investment in growth

Corporate governance

Strengthening governance systems and management and enhancing disclosure

In-house infrastructure enhancement

Strengthening facility management and in-house DX

Sustainability management

Balancing social value with economic value from a long-term perspective, through lessening environmental impact, contributing to society, and more transparent management

Management targets

– **Seeking further increases in corporate value by balancing enhanced earnings with sustained growth**

		1st stage Medium-term Management Plan 2025–2027	2nd stage Medium-term Management Plan 2028–2030
	FY ended January 2025 actual	**FY ending January 2028 target**	**FY ending January 2031 target**
Net sales	**56.2** billion yen	**72.0** billion yen	**100.0** billion yen
Operating income / margin	**6.69** billion yen/11.9%	**8.6** billion yen/11.9%	**14.3** billion yen/14.4%
Net income / margin	**4.0** billion yen/7.2%	**6.2** billion yen/8.6%	**10.0** billion yen/10.0%
ROE	**10.0**%	**14**% or higher	**20**% or higher

Capital policies

– **Considering ROE as the most important management indicator, we will aim to utilize equity capital efficiently and increase corporate value by being conscious of balancing growth investment, shareholder returns, and capital structure**

Enhancing growth investments

Investing for the future

Improving profitability by allocating cash on hand and business revenues to investment in growth

- HR investments
- R&D investment
- M&A investment, etc.

Enhancing shareholder returns

Dividends

Planning a payout ratio of 50% or higher

Acquisition of treasury stock

Planning to acquire a certain amount of treasury shares

Revising the capital structure

Cash on hand

Beginning to reduce cash on hand through enhanced investment in growth and shareholder returns

Fundraising

Targeting a DE ratio of 0.5 if fundraising is needed to invest in growth

Realizing cash allocation targeting greater capital efficiency

Target ROE: 20% or higher

Cash allocation policies (2025–2030)

– **Seeking to enhance earning capabilities and improve capital efficiency to achieve sustained growth in corporate value**
Implementing active investment, stable dividends in line with profit growth, and acquisition of treasury stock as top priorities

Business revenues
(Before deducting R&D costs and HR investment)
Approx. 72.5 billion yen

Cash on hand
Approx. 25.5 billion yen
（FY25/1 end）

Growth investment
43.0 billion yen or more
(Approx. 45%)

- HR investment (increasing salary levels, enhancing hiring, training, etc.)
- R&D investment
- M&A investment
- Capital investment

Shareholder returns
30.0 billion yen or more
(Approx. 30%)

- Payout ratio: 50% or higher
- Total return ratio: 70% level on average
- Acquisition and retirement of treasury stock: Around 12.0 billion yen

Cash on hand
Roughly 25.0 billion yen
(Approx. 25%)

- Retaining a target of three months’ turnover (consolidated)

4

Medium-term Management Plan 2025–2027

Business model transformation

- Revising business segments in response to a changing market environment and technological innovation
- Targeting sustained growth by utilizing our strengths and unique properties to create new value

Previous segments (manufacturing/nonmanufacturing)

Digital Industry segment

Providing ICT products and services to improve business efficiency and quality and to support the production of attractive products, chiefly for customers in manufacturing industries

Service Integration segment

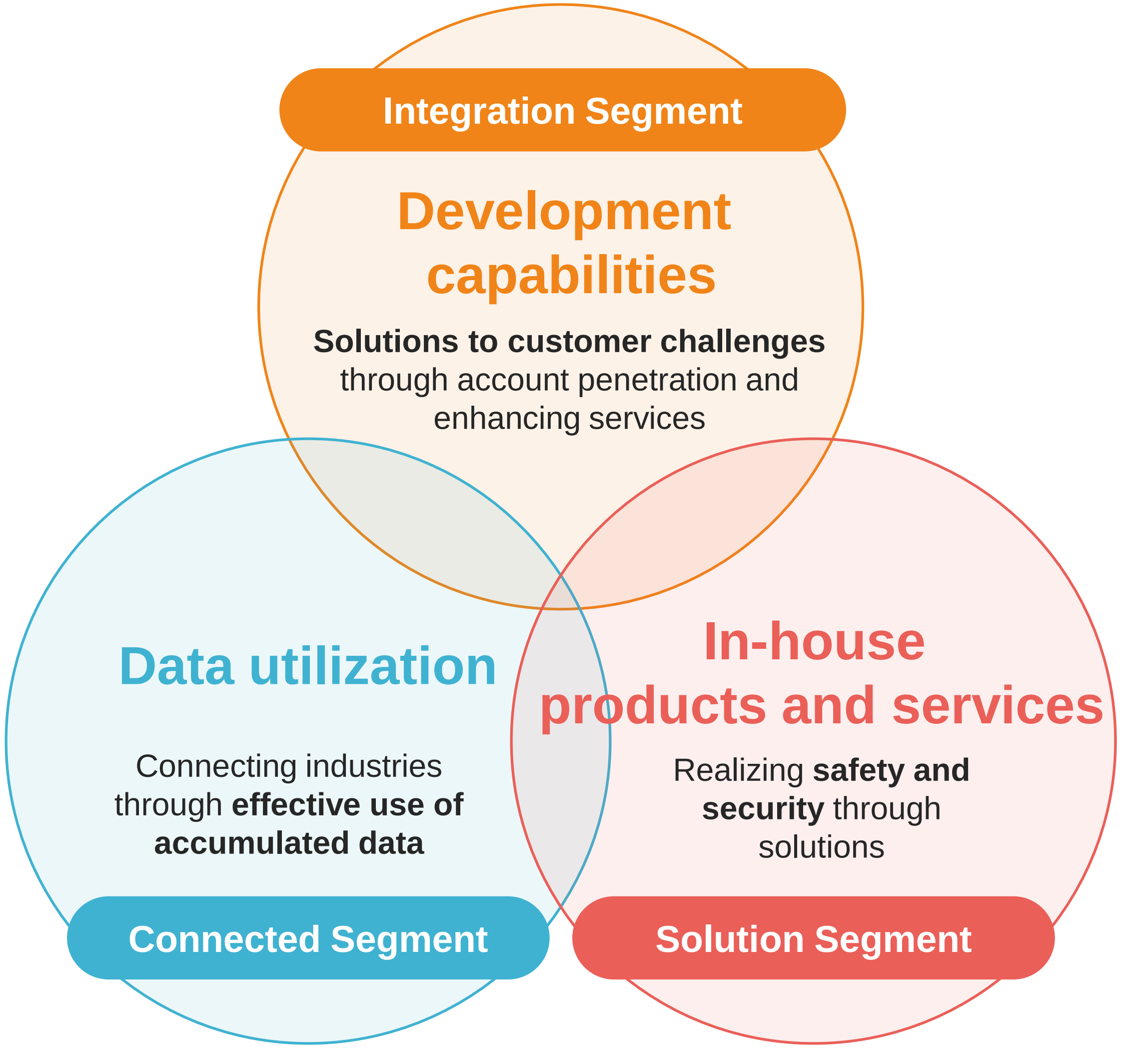
Supporting the entire ICT life cycle as needed to achieve corporate and organizational business reforms and improvements; comprehensive provision of ICT products and services, including cloud computing and security solutions

New segments (business models)

Integration Segment	Providing comprehensive integration services above and beyond traditional systems development, from planning through infrastructure design, development, and operation, all based on our years of industry knowledge and understanding of customers
Connected Segment	Providing systems and platforms for data integration and analysis above and beyond industry boundaries by leveraging our accumulated data and analytical expertise in areas such as mobility and smart factories
Solution Segment	Providing solutions based on the concepts of safety and security, centered on our own products and services by leveraging our ICT assets and expertise amassed in delivering products and services across industries

Business synergies

– **Combining our strengths in the three segments to offer comprehensive services to meet diverse customer needs**



Integration Segment

Development capabilities

Solutions to customer challenges through account penetration and enhancing services

Data utilization

Connecting industries through **effective use of accumulated data**

Connected Segment

In-house products and services

Realizing **safety and security** through solutions

Solution Segment

Hybrid Integrator

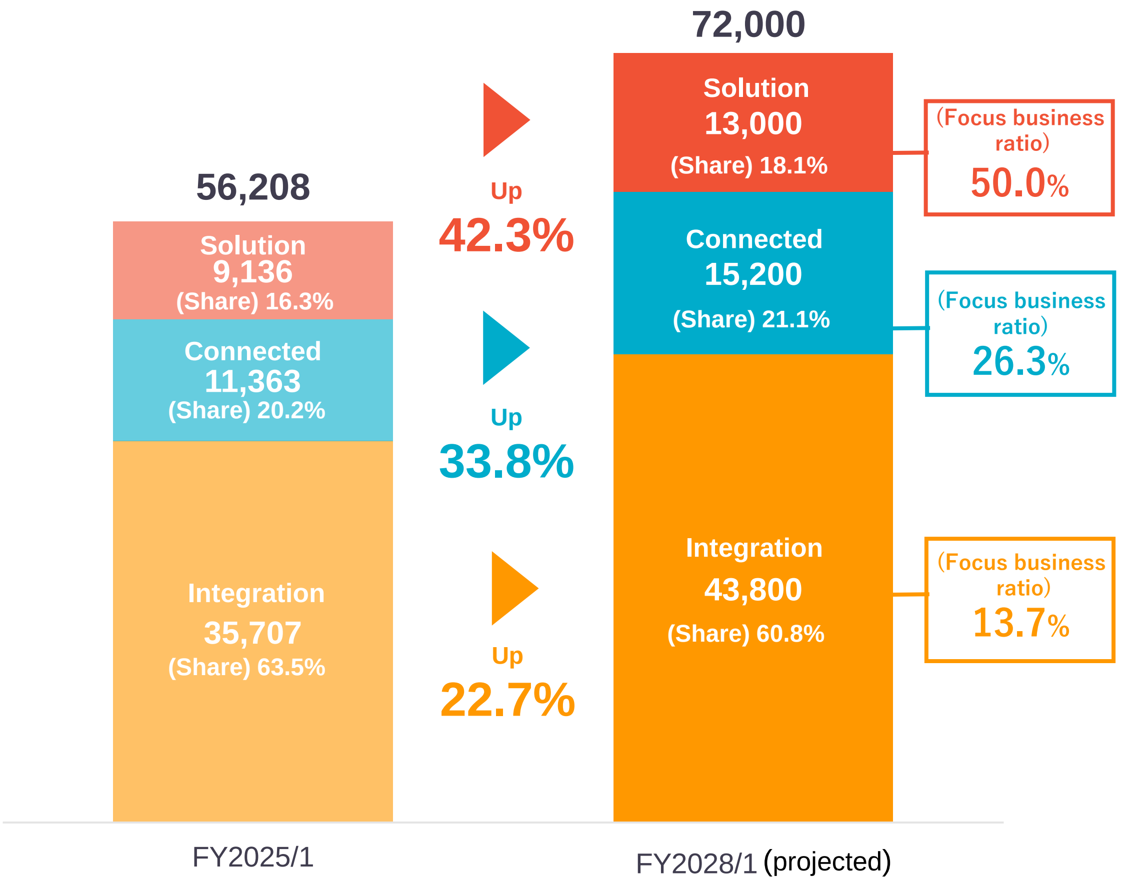
Delivering comprehensive services through optimal combinations and approaches for customers, in response to increasingly diverse and complex environmental changes

Development capabilities	● Realizing customer DX and solutions based on our development track record in multiple businesses and industries ● One-stop service from planning to development, infrastructure construction, and operation
Data utilization	● Enhancing platform services such as Big Data analysis and data distribution ● Offering data-utilization services especially for specific industries: Manufacturing, healthcare, education, automotive, logistics
In-house products and services	● Enhancing in-house products and services to suit customer IT strategies ● Offering cloud services and platforms utilizing data centers (hybrid environments)

Segment Targets / Focus Businesses

- Integration exhibits the highest sales composition, whereas Connected and Solution demonstrate the most significant growth rates
- Focus businesses are set based on past performance and market trends, with a view towards future core business development

Target figures by segment (Million yen)



Focus businesses by segment (Billion yen)

Security Services

4.5 → **6.5** billion yen

Data Monetization

2.8 → **4.0** billion yen

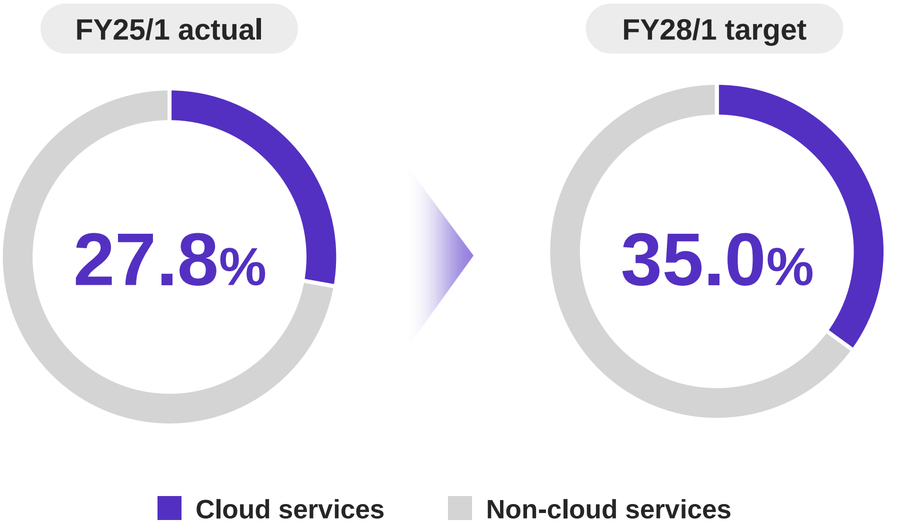
Migration Services

4.1 → **6.0** billion yen

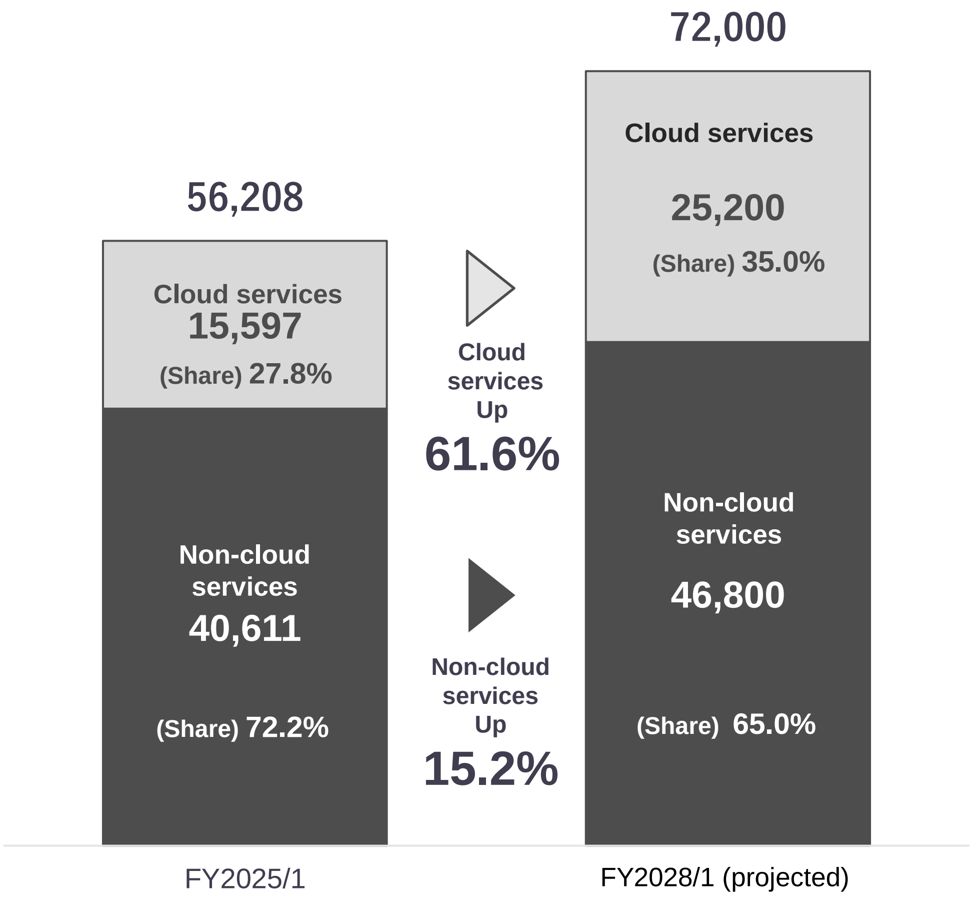
Business promoted companywide (cloud services)

- **Accelerate shift to cloud-based services and system infrastructure**
- **Further contributing to higher profitability by increasing the percentage of cloud services**

Percentage of cloud services



Net sales (million yen)



Management targets

– **Promoting acceleration of business transformation toward the aims of VISION 2030**

1st Stage **Medium-term Management Plan 2025–2027**

		FY ended January 2025 actual	FY ending January 2026 target	FY ending January 2028 target
Financial indicators	Net sales	56.2 billion yen	60.5 billion yen	72.0 billion yen
	Operating income / margin	6.69 billion yen/11.9%	6.78 billion yen/11.2%	8.6 billion yen/11.9%
	Net income / margin	4.0 billion yen/7.2%	4.9 billion yen/8.2%	6.2 billion yen/8.6%
	ROE	10.0%	12% or higher	14% or higher
Nonfinancial	CO^2 emissions	-45.4%	Scopes 1, 2 nonconsolidated, vs. FY2016 -50.7%	
	Employees	2,270	2,450	2,950

Cash allocation policies (2025–2027)

– **Seeking to enhance earning capabilities and improve capital efficiency to achieve sustained growth in corporate value Implementing active investment, stable dividends in line with profit growth, and acquisition of treasury stock as top priorities**

Business revenues
(Before deducting R&D costs and HR investment)
Approx. 29.0 billion yen

Cash on hand
Approx. 25.5 billion yen
(FY25/1 end)

Growth investment
24.0 billion yen or more
(Approx. 44%)

- HR investment (increasing salary levels, enhancing hiring, training, etc.)
- R&D investment
- M&A investment
- Capital investment

Shareholder returns
12.5 billion yen or more
(Approx. 23%)

- Payout ratio: **45% or higher**
- Total return ratio: **70% level on average**
- Acquisition and retirement of treasury stock: **Around 6.0 billion yen**

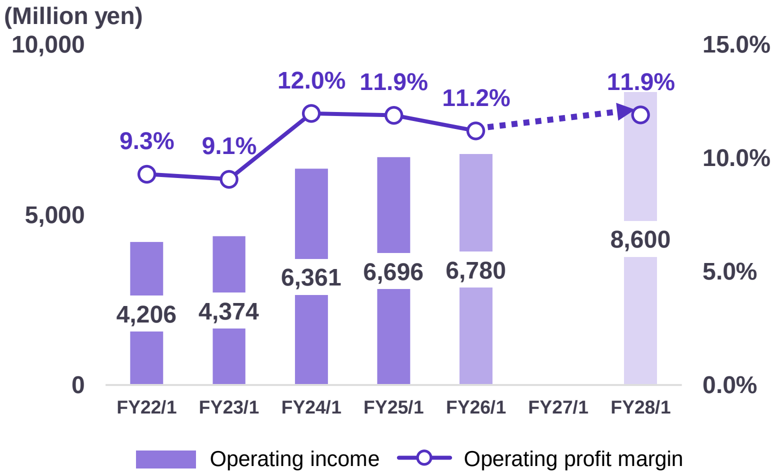
Cash on hand
Roughly 18.0 billion yen
(Approx. 33%)

- Retaining a target of **three months' turnover** (consolidated)

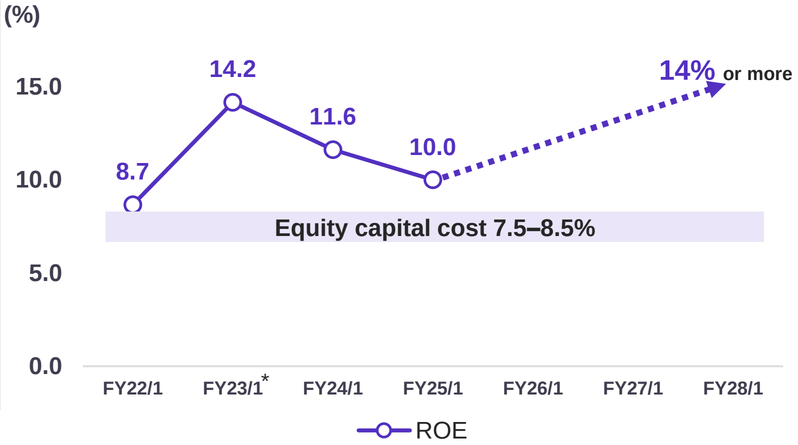
Management conscious of capital costs and share price

– Striving to increase corporate value further through promoting growth strategies in line with the Medium-term Management Plan and implementing management conscious of capital costs and share price, targeting ROE of 14% or higher

Improving earning capabilities

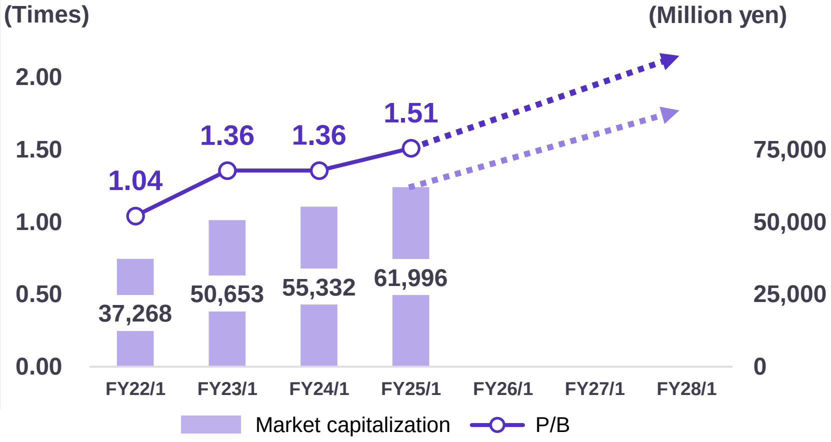


Capital efficiency



*Extraordinary gains from sales of investment securities were recorded in FY23/1.

Evaluation by the market



Realizing ROE in excess of investors' expected capital costs	● Improving earning capabilities through business deployment in line with growth strategies for new segments ● Implementing ongoing investment in R&D and M&A activities to accelerate growth in focus business fields ● Promoting improvements to capital efficiency along with normalization of cash on hand, through maintaining a payout ratio of more than 40% and ongoing acquisition of treasury stock
Increasing corporate value and realizing an appropriate share price	● Realizing an appropriate share price via appropriate disclosure, constructive dialogue, and returns to shareholders reflecting the expectations of shareholders and investors ● Seeking to increase the share price by increasing profit per share and earning appropriate evaluations from the markets through acquisition of treasury stock and improved profitability

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Forecasts for the fiscal year ending January 31, 2026

Full-year forecasts for the fiscal year ending January 31, 2026

- **Operating income is projected to remain flat YoY due to higher SG&A expenses, including growth investments**
- **Continuous investment is planned as part of the business plan for data center restructuring**

(Million yen)

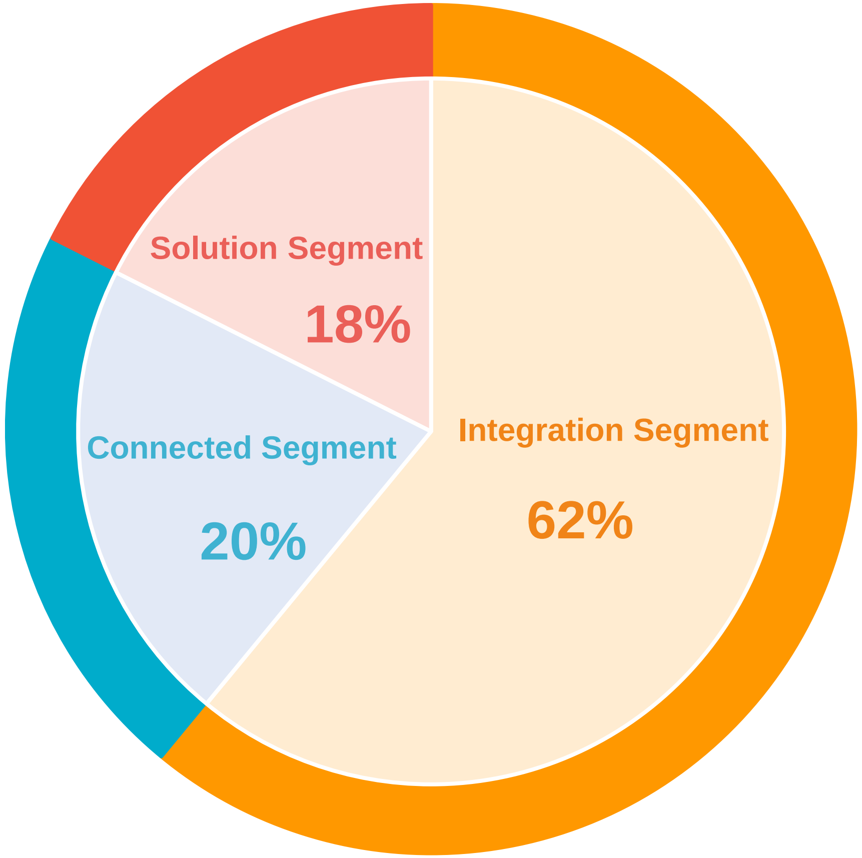
	FY ended January 2025 actual	FY ending January 2026 forecast	YoY	
			Amount	%
Net sales	56,208	60,500	+4,292	+7.6%
Operating income / margin	6,696/11.9%	6,780/11.2%	+84	+1.3%
Ordinary income / margin	6,807/12.1%	6,820/11.3%	+13	+0.2%
Net income attributable to owners of parent /margin	4,040/7.2%	4,900/8.0%	+860	+21.3%

Full-year forecasts by business segment

(Million yen)

		FY ended January 2025 actual	FY ending January 2026 forecast	YoY	
				Amount	%
Integration Segment	Net sales	35,707	37,500	+1,793	+5.0%
	Operating income / margin	7,588/21.3%	8,040/21.4%	+452	+6.0%
Of which, focus businesses	Net sales	4,100	4,500	+400	+9.8%
Connected Segment	Net sales	11,363	12,500	+1,137	+10.0%
	Operating income / margin	2,431/21.4%	2,680/21.4%	+249	+10.2%
Of which, focus businesses	Net sales	2,818	3,100	+282	+10.0%
Solution Segment	Net sales	9,136	10,500	+1,364	+14.9%
	Operating income / margin	2,183/23.9%	2,190/20.9%	+7	+0.3%
Of which, focus businesses	Net sales	4,588	5,500	+912	+19.9%

Business promoted companywide (cloud services)	Net sales	15,597	17,780	+2,183	+14.0%



Composition of sales by segment in FY2026/1

Growth investments and shareholder returns in the fiscal year ending January 31, 2026

– Steady implementation of growth investments and shareholder returns

Growth investment

HR investment	2.0 billion yen	● Increasing salary levels, enhancing hiring, reducing employee turnover ● Developing an HR database and improving HR development and engagement
R&D investment	500 million yen	● Planned chiefly for R&D related to focus businesses and products and services ● Promoting business implementation of R&D on advanced technologies in areas such as AI, security, and cloud computing
M&A investment	2.0 billion yen	● Concluding an agreement on transfer of stock related to acquisition of shares in Jyoho system Service Co., Ltd.[*1] ● Continuing to seek out new opportunities

Shareholder returns

Payout ratio **Dividends**	40% or higher 65 yen/share planned	● Targeting a payout ratio of 40% or higher ● Annual dividends of 65 yen/share planned for fiscal year ending January 31, 2026
Acquisition of treasury stock	2.0 billion yen	● Resolved to acquire up to 2.0 billion yen in treasury stock on March 13, 2025 and retire the shares during the period[*2]

*1 To be made a consolidated subsidiary beginning April 2 if this share acquisition is executed according to plan (April 1)
*2 Policy on holding treasury stock: Up to approx. 10% of total shares issued and outstanding to be held, with any surplus shares retired at the end of each period

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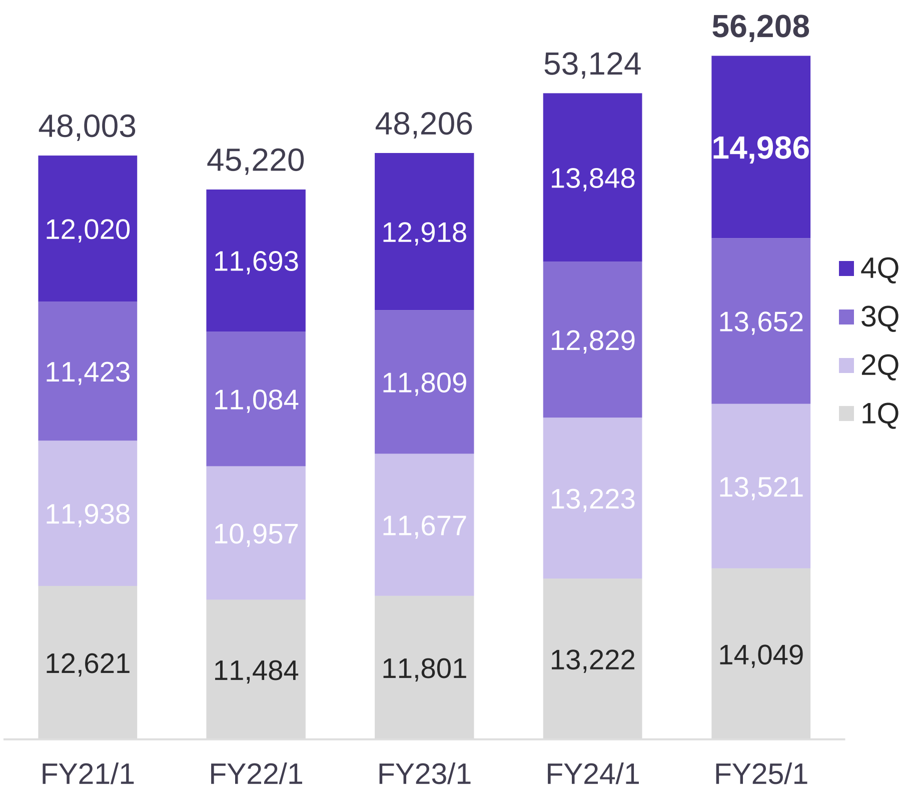
Appendix

Quarterly performance trends

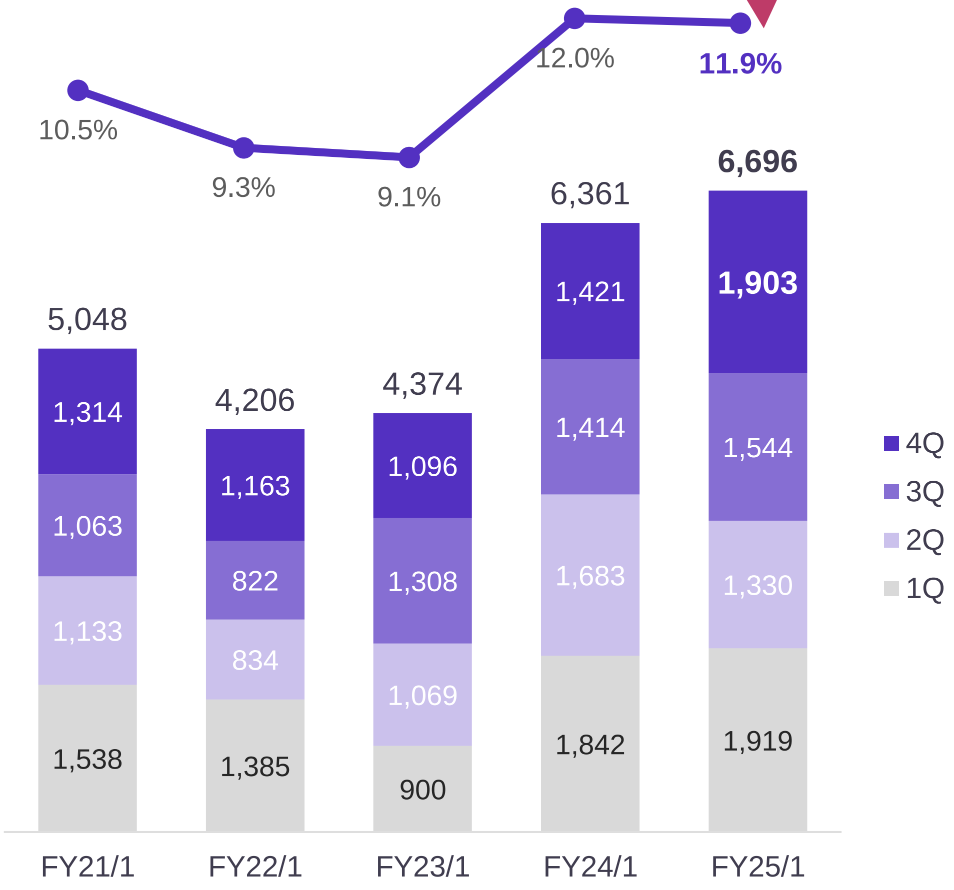
Net sales (million yen)

Up +5.8%



Operating income / operating profit margin (million yen, %)

Up +5.3%



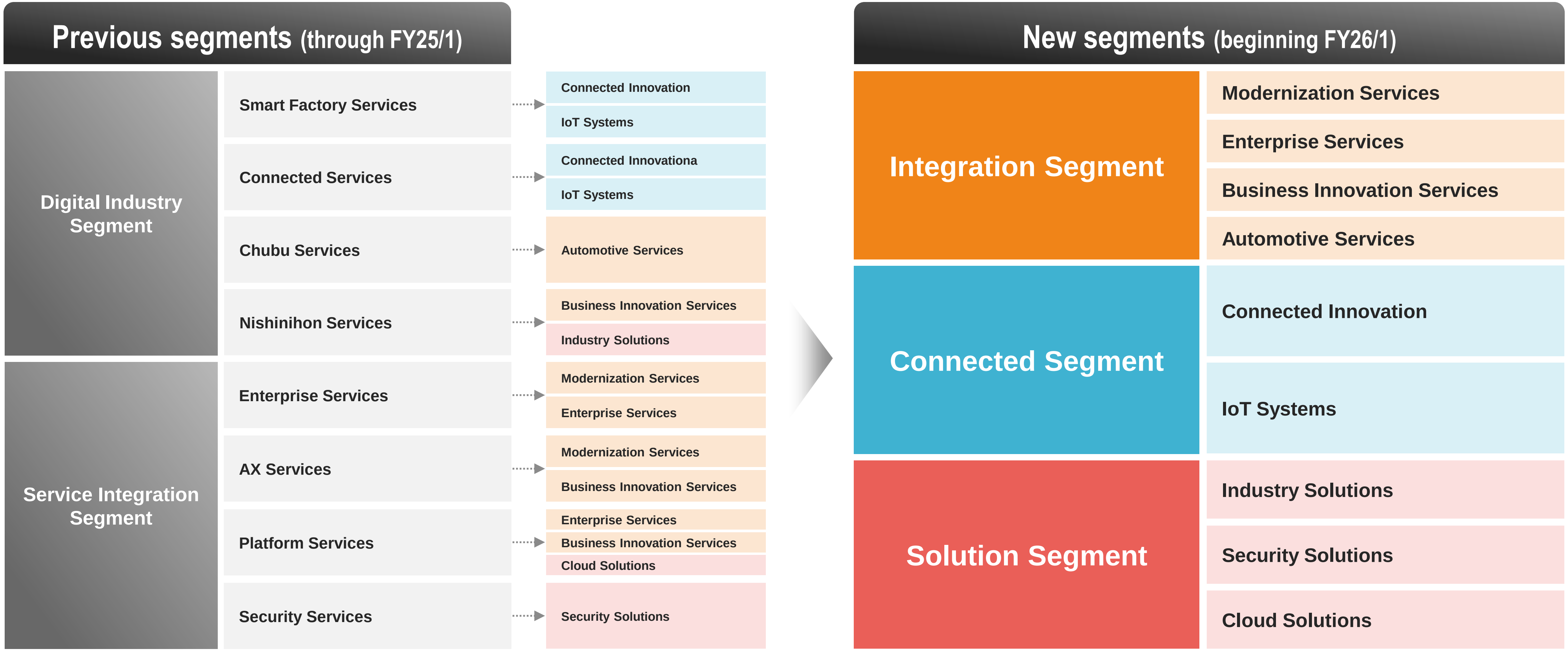
Details of Orders Received

- **Digital Industry segment: With lively automotive industry ICT investment continuing, we are receiving growing numbers of orders for all subsegments.**
- **Service Integration business: Orders grew chiefly in focus businesses, while in the infrastructure development business, orders for stock sales trended downward**

Digital Industry	**Smart Factory**	• Orders received grew alongside recovering investment by certain machine tool manufacturers. **Inquiries about Factory DX projects are growing**. • Support for the development of production management systems **increased as side-by-side DX support services** showed an increasing trend.
	Connected Services	• Orders for **cloud development, Big Data analytics platform building**, and **onboard controls development for automotive industry remained strong**. • Orders for quality verification and development projects based on **generative AI increased**.
	Chubu Services	• **Systems development projects** expanded due to the **renewal of parts procurement systems** at major customers.
	Nishinihon Services	• Orders for the **LogiPull** logistics solution **grew thanks to orders from the air transport and automotive industries**. • Orders for **EOL services for the automotive industry** increased.
Service Integration	**Service Integration**	• Orders **grew for Power Platform** in Microsoft-related businesses and **systems development orders for government agencies increased** in core businesses. • For migrations, orders for **cloud migration projects grew**, while orders for systems development (our core business) remained flat.
	Platform Architect	• **Security monitoring services (SOC)** saw growth **in inquiries from the education and healthcare markets**. • In the ICT infrastructure development business, the number of projects declined due to the delay of certain projects to the next fiscal year.
	Group companies	• Orders **grew**, driven by **systems development for new customers** and **expanding development scales** for existing customers.

Business promotion under the new segments

– **Growth areas will be redefined and businesses reorganized into three business segments in response to changing market environments and technological innovation**



Previous segments (through FY25/1)

Digital Industry Segment	Smart Factory Services	Connected Innovation IoT Systems
	Connected Services	Connected Innovationa IoT Systems
	Chubu Services	Automotive Services
	Nishinihon Services	Business Innovation Services Industry Solutions
Service Integration Segment	Enterprise Services	Modernization Services Enterprise Services
	AX Services	Modernization Services Business Innovation Services
	Platform Services	Enterprise Services Business Innovation Services Cloud Solutions
	Security Services	Security Solutions

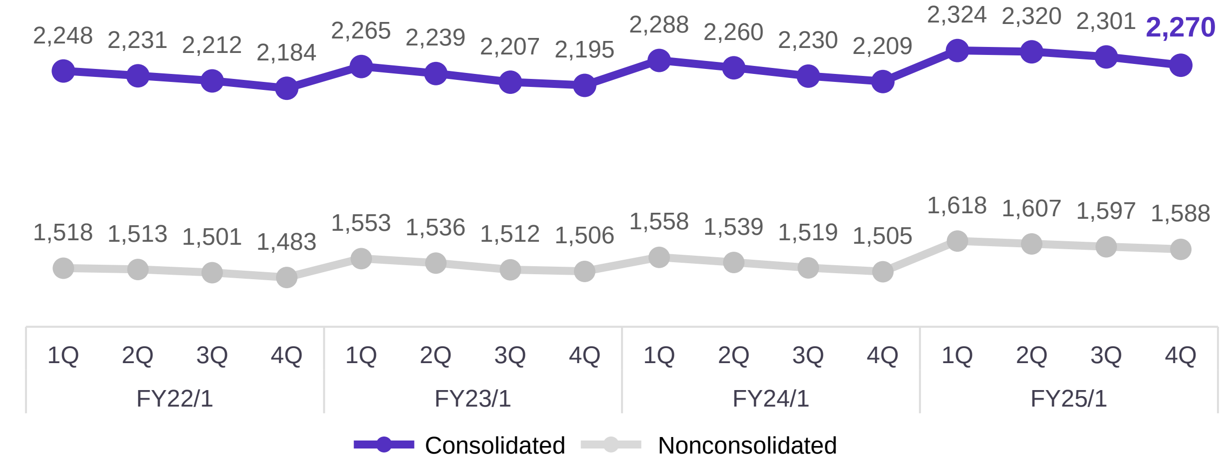
New segments (beginning FY26/1)

Integration Segment	Modernization Services Enterprise Services Business Innovation Services Automotive Services
Connected Segment	Connected Innovation IoT Systems
Solution Segment	Industry Solutions Security Solutions Cloud Solutions

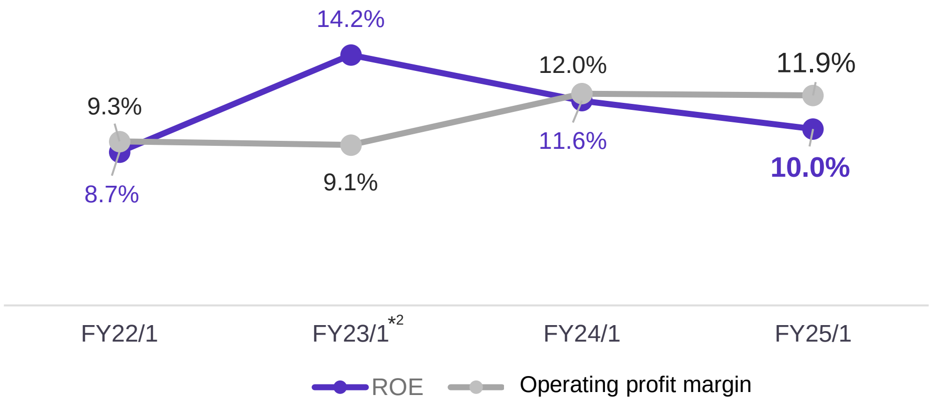
Other indicators

– Trends in numbers of employees

(persons)



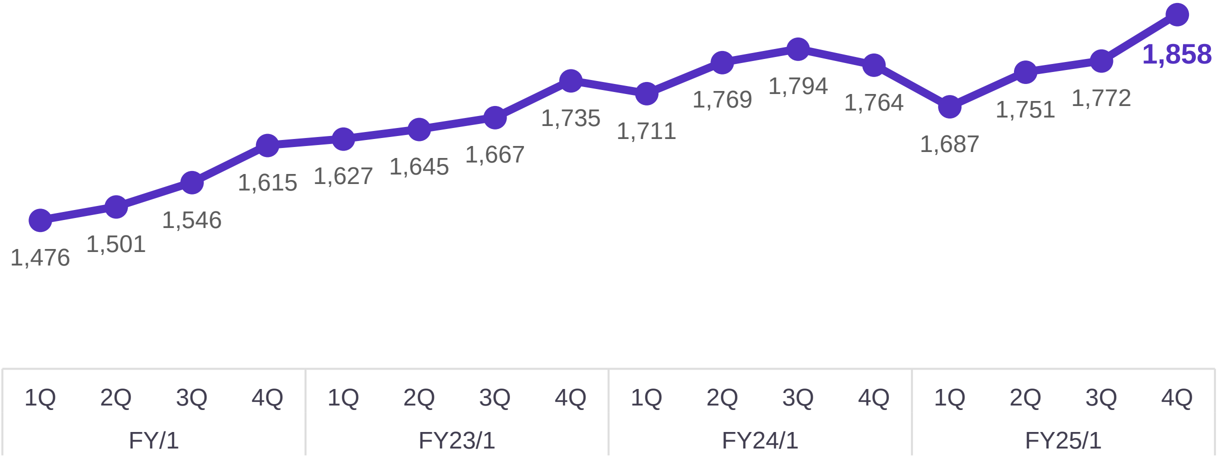
– Trends in ROE and operating profit margin



*2 A special dividend of 5 yen was paid in H1 FY23/1 due to gains on sales of investment securities.

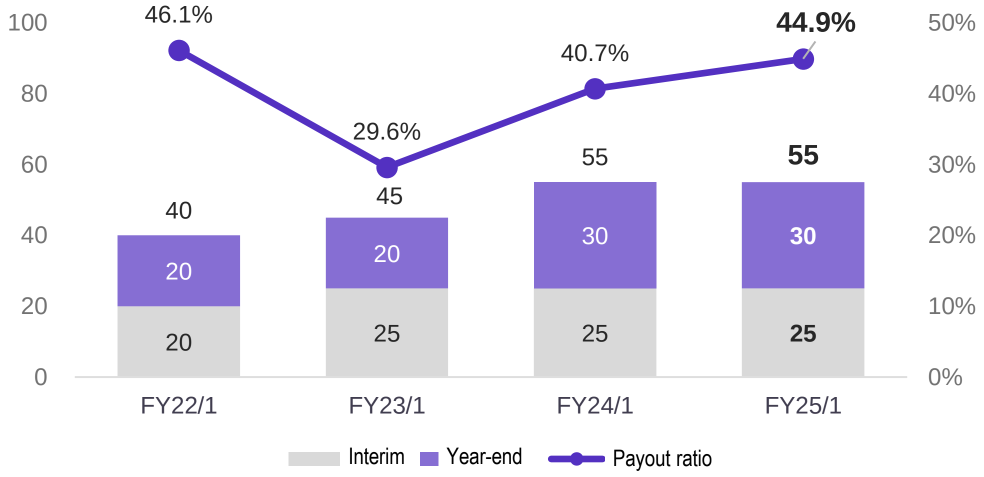
– Trends in number of partners *1

(persons)



*1 CEC nonconsolidated, not including persons working under subcontracting agreements

– Trends in payout ratio and dividends



Company overview

Name	Computer Engineering ＆Consulting Ltd.
Established	February 24, 1968
Date of listing	April 2022 (Prime Market, Tokyo Stock Exchange) July 2001 (First Section, Tokyo Stock Exchange)
Capital	6,586 million yen
Net Sales	56,208 million yen (FY2025/1)

Licenses and Certifications

- ■ Registered in the System Audit Corporate Ledger of the Ministry of Economy, Trade and Industry
- ■ Registered in the Information Security Audit Corporate Ledger of the Ministry of Economy, Trade and Industry
- ■ Privacy Mark Certification No. 11820032 (13)
- ■ JQA Certifications
  - Quality Management System ISO 9001:2015 (Certification No. JQA-1481)
  - Information Security Management System ISO/IEC 27001 (Certification No. JQA-IM0007)
  - Information Security Controls for Cloud Services ISO/IEC 27017 (Certification No. JQA-IC0040)
  - Information Technology Service Management System ISO/IEC 20000 (Certification No. JQA-IT0005)
  - Environmental Management System ISO 14001:2015 (Certification No. JQA-EM7701)
- ■ Telecommunications Construction Business License no. 28700 from the Ministry of Land, Infrastructure, Transport and Tourism (General-4) (Licensed November 21, 2022)

Employees	2,270 (as of January 31, 2025)
Consolidated Subsidiaries	7 companies
Head Office	JR Ebisu Bldg., 1-5-5 Ebisu Minami, Shibuya-ku, Tokyo, 150-0022, Japan
Representative	Takashi Himeno, President

Business Segments

■ Integration Segment

Pull integration to help solve issues facing society and clients, drawing on knowledge combining a wealth of real-world knowhow with advanced technologies to meet the potential needs of clients

■ Connected Segment

Connecting clients and businesses across industries via digital technologies and data and generating new businesses through interconnections to contribute to a human-centered society

■ Solution Segment

Contributing to improved efficiency and security throughout society based on state-of-the-art security technologies and data centers that ensure advanced data administration and privacy, with the ultimate goal of establishing a safe, secure, and convenient society

Disclaimers

◆ This document is not intended for purposes of soliciting investment.

◆ The forecasts of future financial results included in this document have been prepared based on Japanese economic and information-service industry trends and other information available as of the date of preparation. Note that actual results may vary due to various factors such as uncertainties inherent to forecasts and changing domestic and international business conditions.

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