Second Quarter of Fiscal Year Ending January 31, 2027 Financial Results Briefing

Computer Engineering & Consulting Ltd. | 9692 | **September 10, 2026**

I will now explain the overview of the financial results for the second quarter of the fiscal year ending January 31, 2027.

I am Himeno, Representative Director and President of CEC.

Thank you very much for taking the time to join us today.

Agenda

Contents

Now, let's get into the main topic.

Highlights of financial results for second quarter of the fiscal year ending January 31, 2027

Summary of performance in second quarter of the fiscal year ending January 31, 2027

- Sharp growth in the systems and infrastructure development and security services businesses.
- Year-on-year, net sales and operating income grew 13.7% and 20.5%, respectively, both reaching new record highs.
- Orders received grew 20.5% year-on-year on an existing basis, excluding large-scale projects.

Performance outlook for the fiscal year ending January 31, 2027

- Full-year financial results forecasts were revised upward due to booming demand for digital transformation (DX).
- Growth investments intended to increase corporate value over the medium to long term are proceeding as planned.

Shareholder returns

- Increase in interim dividends, reflecting our priority on stable and continuous shareholder returns.
- Share buyback of up to 2 billion yen planned, with retirement of acquired shares scheduled for fiscal year-end.

 2

First, the highlights of our second-quarter results.

In summary of performance, the systems and infrastructure development business and the security business expanded. Net sales increased by 13.7% year on year and operating income by 20.5%, both reaching record highs.

Orders received also remained solid, up 20.5% year on year even on an existing basis, excluding the large-scale government agency project.

As for the outlook for the fiscal year ending January 31, 2027, against the backdrop of robust DX demand we expect growth in areas such as infrastructure development and migration, and we have therefore revised our full-year forecast upward.

We will also continue to make growth investments as planned, aiming to enhance our corporate value over the medium to long term.

Regarding shareholder returns, we increased the interim dividend. We have also acquired treasury shares up to a maximum total of 2 billion yen, and we plan to cancel the acquired shares at the end of the fiscal year.

1

Business results for second quarter of the fiscal year ending January 31, 2027

I will now explain our business results for the second quarter of the fiscal year ending January 31, 2027.

Business results

- Both net sales and all profit items showed strong double-digit growth year-on-year.
- Operating income was driven by infrastructure development projects and in-house security products.

(Million yen)

	FY January 2026 2Q	FY January 2027 2Q	YoY Amount	YoY %
Net sales	30,843	👑 **35,080**	+4,236	+13.7%
Gross profit/ margin	8,130/26.4%	👑 **9,360/26.7%**	+1,230/+0.3 pt	+15.1%
SG&A expenses	4,678/15.2%	**5,199/14.8%**	+521/(0.4) pt	+11.1%
Operating income/ margin	3,451/11.2%	👑 **4,160/11.9%**	+708/+0.7 pt	+20.5%
Ordinary income/ margin	3,516/11.4%	👑 **4,234/12.1%**	+718/+0.7 pt	+20.4%
Net income attributable to owners of parent / margin	2,384/7.7%	👑 **2,883/8.2%**	+498/+0.5 pt	+20.9%
Orders received	42,861	**38,989**	(3,871)	(9.0)%
Order backlog	28,181	**26,861**	(1,320)	(4.7)%

👑 : Record high

These are the consolidated results.

Net sales were 35,080 million yen, an increase of 4,236 million yen year on year.

Operating income was 4,160 million yen, up 708 million yen, with an operating margin of 11.9%.

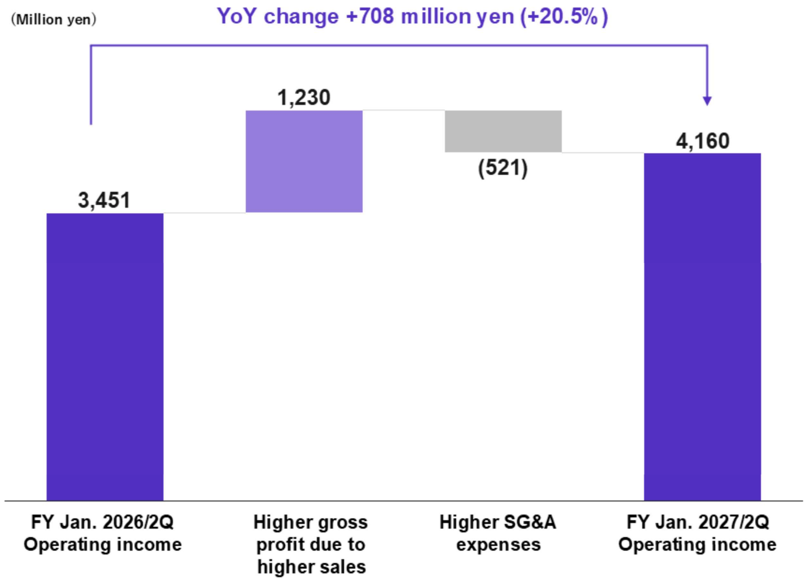
Net income for the interim period was 2,883 million yen, an increase of 498 million yen.

The systems and infrastructure development business and the security business performed strongly, and every indicator posted double-digit growth, making record highs for a first half.

Orders received, on the other hand, were 38,989 million yen, down 9.0%, and the order backlog was 26,861 million yen, down 4.7%. This reflects the pullback from the large-scale government agency project won in the previous fiscal year; excluding that project, on an existing basis, orders grew by 20.5%.

Main factors affecting operating income

– **Growth investments - centered on human capital - are progressing steadily, though some initiatives are behind schedule.**



SG&A expenses
(+521 million yen)
(of which growth investments: +447 million yen)

Breakdown of main SG&A expenses

- Increase in expenses related to human capital investments: +401 million yen
- Increase in expenses associated with improved working environment: +131 million yen
- Decrease in R&D expenses: -85 million yen
- Other (goodwill, business taxes, etc.) : +74 million yen

 5

These are the main factors affecting operating income.

Including growth investments, selling, general and administrative expenses increased by 521 million yen year on year, but with a contribution of 1,230 million yen from higher revenues, operating income rose by 708 million yen compared with the previous year.

Growth investments, although some items were delayed, proceeded broadly as planned, increasing by 447 million yen from the previous year.

The main growth investments consist of spending on human resources and expenses associated with improving the workplace environment.

Performance by business segment

(Million yen)

	FY January 2026/2Q		FY January 2027/2Q		YoY	
	Net sales	Segment income/ profit margin	Net sales	Segment income/ profit margin	Net sales [%]	Segment income [%]
Integration	19,675	4,167 21.2%	**23,746**	**4,976** **21.0%**	+4,071 [+20.7%]	+808 [+19.4%]
Connected	5,945	1,167 19.6%	**5,946**	**1,228** **20.7%**	+1 [+0.0%]	+60 [+5.2%]
Solution	5,223	901 17.3%	**5,386**	**1,321** **24.5%**	+163 [+3.1%]	+419 [+46.6%]
Companywide expenses*	–	(2,784)	–	**(3,365)**	–	(580)
Total	30,843	3,451 11.2%	**35,080**	**4,160** **11.9%**	+4,236 [+13.7%]	+708 [+20.5%]

* Companywide expenses are SG&A expenses for the entire company, excluding costs primarily related to sales activities.

Performance by business segment.

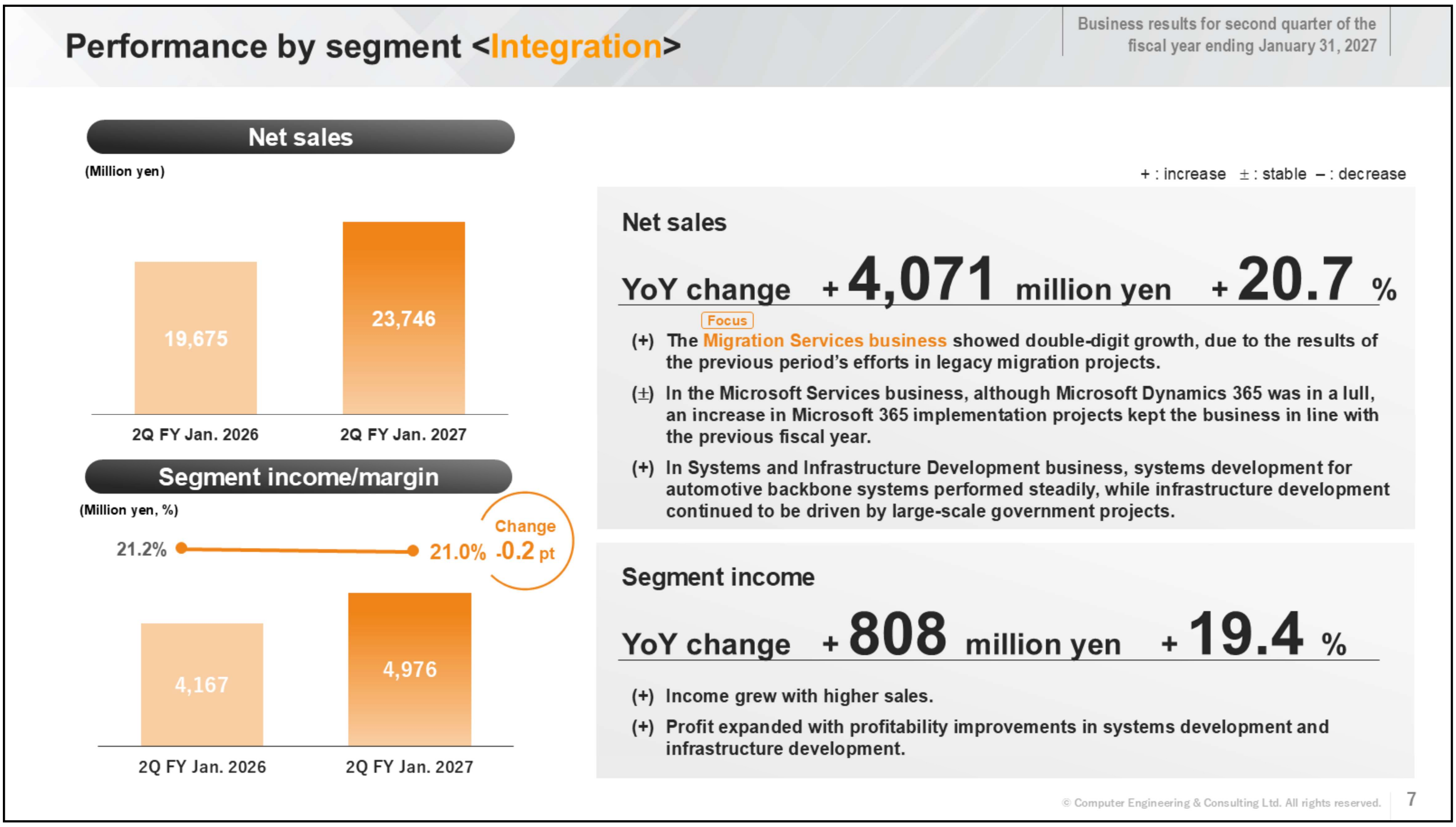
All three business segments achieved growth in both net sales and segment income.

In the Integration segment, large-scale projects for government agencies and backbone systems for the automotive sector performed steadily. Net sales rose by approximately 4.0 billion yen to 23,746 million yen, and segment income rose by approximately 800 million yen to 4,976 million yen, finishing with double-digit growth in both.

In the Connected segment, the data monetization business grew, while the completion of EV-related development weighed on results. Net sales were 5,946 million yen, roughly on par with the previous year, but segment income rose by approximately 60 million yen to 1,228 million yen, an improvement in both profit and profit margin.

In the Solution segment, the security services business, one of our focus businesses, led performance. Net sales rose by approximately 160 million yen to 5,386 million yen, and segment income rose by approximately 420 million yen to 1,321 million yen, with the profit margin improving significantly, by 7.2 percentage points.

Companywide expenses mainly consist of indirect department costs. Higher personnel and recruitment-related expenses and increased growth investments resulted in an expense increase of 580 million yen.



Here is an overview of performance by business segment.

First, the status of the Integration segment. Overall, both net sales and segment income grew by double digits.

[Focus: Migration services business]

The sales initiatives for legacy migration that we have pursued since the previous fiscal year are gradually bearing fruit, resulting in double-digit growth.

[Microsoft-related services business]

Although Dynamics 365 was between projects, Microsoft 365 deployment projects made up for it, and results finished roughly on par with the previous year.

[Systems and infrastructure development business]

System development performed well due to steady demand for backbone system development for the automotive sector, and infrastructure development was driven by the large-scale government agency project carried over from the previous fiscal year, resulting in growth in both net sales and segment income.

On the profit side, in addition to income growth accompanying higher revenues, profitability improved mainly by passing on cost increases to prices in the systems and infrastructure development business and other areas.

[Reference: Integration]

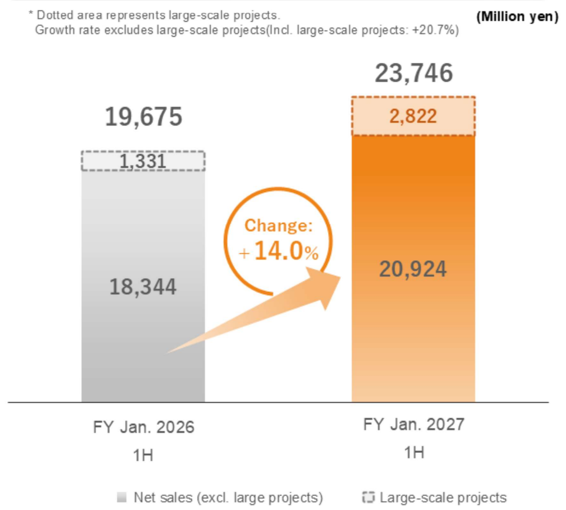
- Steady progress in large-scale infrastructure development projects for the public sector*
- Integration sales showed strong growth of 14.0% year-on-year, after excluding the above projects.

Timing/amounts of sales recorded

FY Jan. 2026 1H	Net sales 1.3 billion yen Of which, network equipment: 1.1 billion yen
FY Jan. 2026 2H	Net sales 4.0 billion yen Of which, network equipment: 2.3 billion yen
FY Jan. 2027 1H	Net sales 2.8 billion yen Of which, network equipment: 1.5 billion yen
FY Jan. 2027 2H	Net sales 3.2 billion yen Of which, network equipment: 2.5 billion yen

* Large-scale projects for the public sector, including network equipment

Net sales (excl./incl. large-scale projects)



 8

This is reference information.

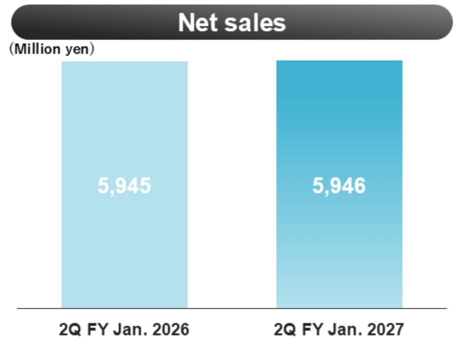
The left side shows the timing of net sales recognition and the amounts for the large-scale government agency project described on the previous slide.

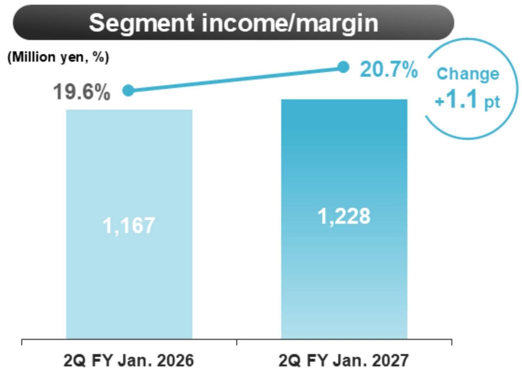
We received orders of approximately 11.3 billion yen in the first half of the previous fiscal year and recorded about half of that, 5.3 billion yen, as net sales during that year. In the current fiscal year as well, we recorded 2.8 billion yen in the first half in accordance with the percentage-of-completion method, and we expect to record 3.2 billion yen in the second half.

The graph on the right shows the trend in net sales excluding this large-scale project.

Even excluding the project, net sales in the Integration segment grew by 14.0% year on year, which I believe shows that our existing businesses are also growing steadily.

Performance by segment <Connected>





+ : increase ± : stable – : decrease

Net sales

YoY change +1 million yen +0.0 %

Focus

(+) The Data Monetization business grew, driven by the development of big data analytics infrastructure.

(±) In the Cloud Service Development business, although EV-related projects declined, solid cloud-related demand supported sales, keeping performance flat year-on-year.

(±) In the Control Simulation business, FA control development slowed while in-vehicle control development grew, keeping performance in line with the previous period.

(-) In the Quality Management business, despite growing demand for next-generation verification services utilizing AI, sales fell due to a decrease in EV-related projects.

Segment income

YoY change +60 million yen +5.2 %

(+) Income grew, driven by growth in the high-margin Data Monetization business.

(+) Profitability improved through continuous productivity gains in development projects.

 9

This is the status of the Connected segment.

Net sales were roughly on par with the previous year, but segment income rose by 5.2% and the profit margin improved by 1.1 percentage points.

[Focus: Data Monetization business]

Driven by the development of big data analytics platforms, the business grew. It also contributed to the improvement in the profit margin of the segment as a whole.

[Cloud Service Development business]

Although EV-related projects declined, robust cloud demand provided support, and results finished roughly on par with the previous year.

[Control Simulation business]

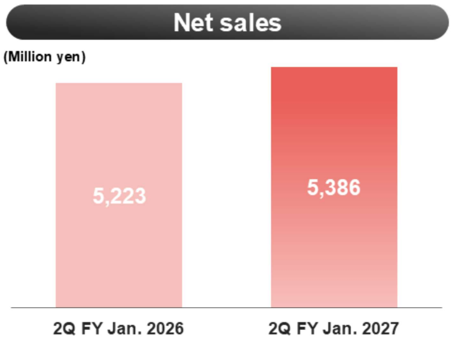
In-vehicle control development grew, but we were slow to win the new projects needed to fill the gap in factory automation control development, and results finished roughly on par with the previous year.

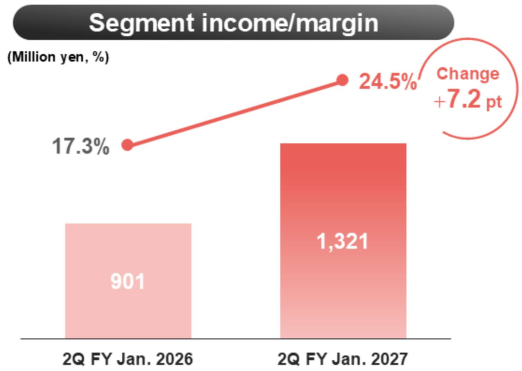
[Quality Management business]

Demand for next-generation verification using AI increased, but net sales declined following the completion of a specific customer's EV-related business.

On the profit side, results improved thanks to growth in the high-margin data monetization business and measures to improve productivity in development projects.

Performance by segment <Solution>





+ : increase ± : stable – : decrease

Net sales

YoY change + 163 million yen + 3.1 %

Focus

(+) The Security Services business drove segment performance, with success in negotiations for large-scale projects involving the SmartSESAME in-house product.

(-) Despite growth in orders received, sales in the Data Center business declined due to the expiration of certain contracts associated with the business reorganization process, and delays in securing new contracts.

(+) Industry-specific solutions continued to perform well, with negotiations leading to success in securing large-scale projects for the healthcare field.

Segment income

YoY change + 419 million yen + 46.6 %

(+) Income grew with higher sales.

(+) Growth in sales of the SmartSESAME in-house product drove profits higher.

(-) Due to the timeframe of the data center relocation, operating costs for both the old and new data centers were incurred simultaneously.

 10

Finally, the status of the Solution segment.

Net sales grew moderately, up 3.1%, but segment income increased substantially, by 46.6%, with the profit margin improving by 7.2 percentage points.

[Focus: Security Services business]

We won large-scale deals for our in-house product "SmartSESAME", centered on government agencies, which drove the segment as a whole.

[Data Center business]

Orders received grew, but net sales declined due to the termination of some contracts associated with the business restructuring and delays in winning new business.

In addition, during the relocation period we are incurring overlapping operating costs for both the old and new data centers, which also weighed slightly on profit.

[Industry-specific solutions]

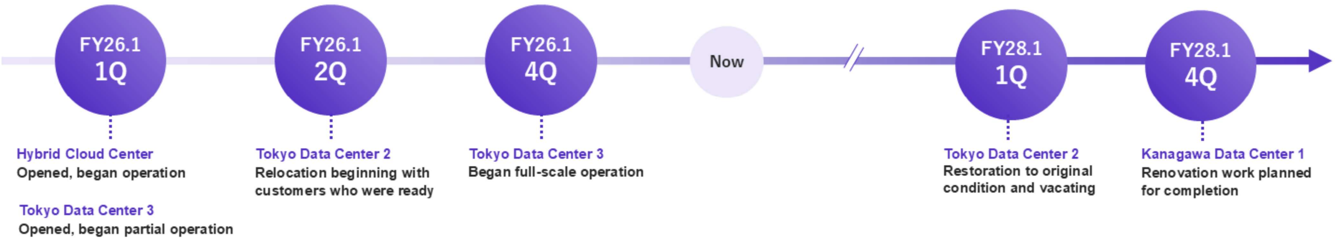
Performance was solid, including large-scale deals won in the medical and healthcare field.

On the profit side, expanded sales of our in-house product "SmartSESAME" contributed significantly to first-half results.

Status of reorganization of the Data Center Business

– **Investments are projected to peak in the second year of the Medium-term Management Plan (the fiscal year ending January 2027). Investment plans for the period remain unchanged.**

Progress on data center relocation and expansion



Progress of investment

Capital investment	Relocation costs
80 million yen (actual) / 140 million yen (full-year plan)	10 million yen (actual) / 200 million yen (full-year plan)
● Some investments postponed to the second half due to material shortages and other factors	● Relocation peak shifted to the second half due to extension of the construction period

 11

This is the reorganization status of the data center business.

In the current fiscal year, the second year of the medium-term management plan, the relocation work will be in full swing, and investment, including for facilities, will peak as well.

For capital expenditures, part of the spending has been pushed back to the second half due to material shortages and similar factors.

The relocation is also running slightly behind schedule because of construction period extensions caused by delays in procuring materials, and its peak will now come in the second half.

At present, there is no change to the investment plan for the medium-term management plan period. However, given rising labor and material costs, as well as delivery delays caused by material shortages, we will review the plan as appropriate and, if any changes arise, we will disclose them promptly.

Sales progress by focus business

Business results for second quarter of the fiscal year ending January 31, 2027

	Focus business	FY January 2027/2Q results	FY January 2027 target	Progress	FY January 2026/2Q results	YoY
Integration	Migration Services	2,409 million yen	4,600 million yen	52.4%	1,934 million yen	+24.5%
Connected	Data Monetization	1,638 million yen	3,500 million yen	46.8%	1,507 million yen	+8.6%
Solution	Security Services	3,077 million yen	6,000 million yen	51.3%	3,012 million yen	+2.2%
Business promoted companywide	Cloud Services	10,253 million yen	19,000 million yen	54.0%	8,734 million yen	+17.4%

 12

This is the progress of our focus businesses.

As this overlaps with the segment explanations, I will keep it brief.

[Migration Services]

2,409 million yen, up 24.5% year on year. Rehosting and office computer migration projects increased this fiscal year, resulting in double-digit growth. Progress against the full-year target is 52.4%.

[Data Monetization]

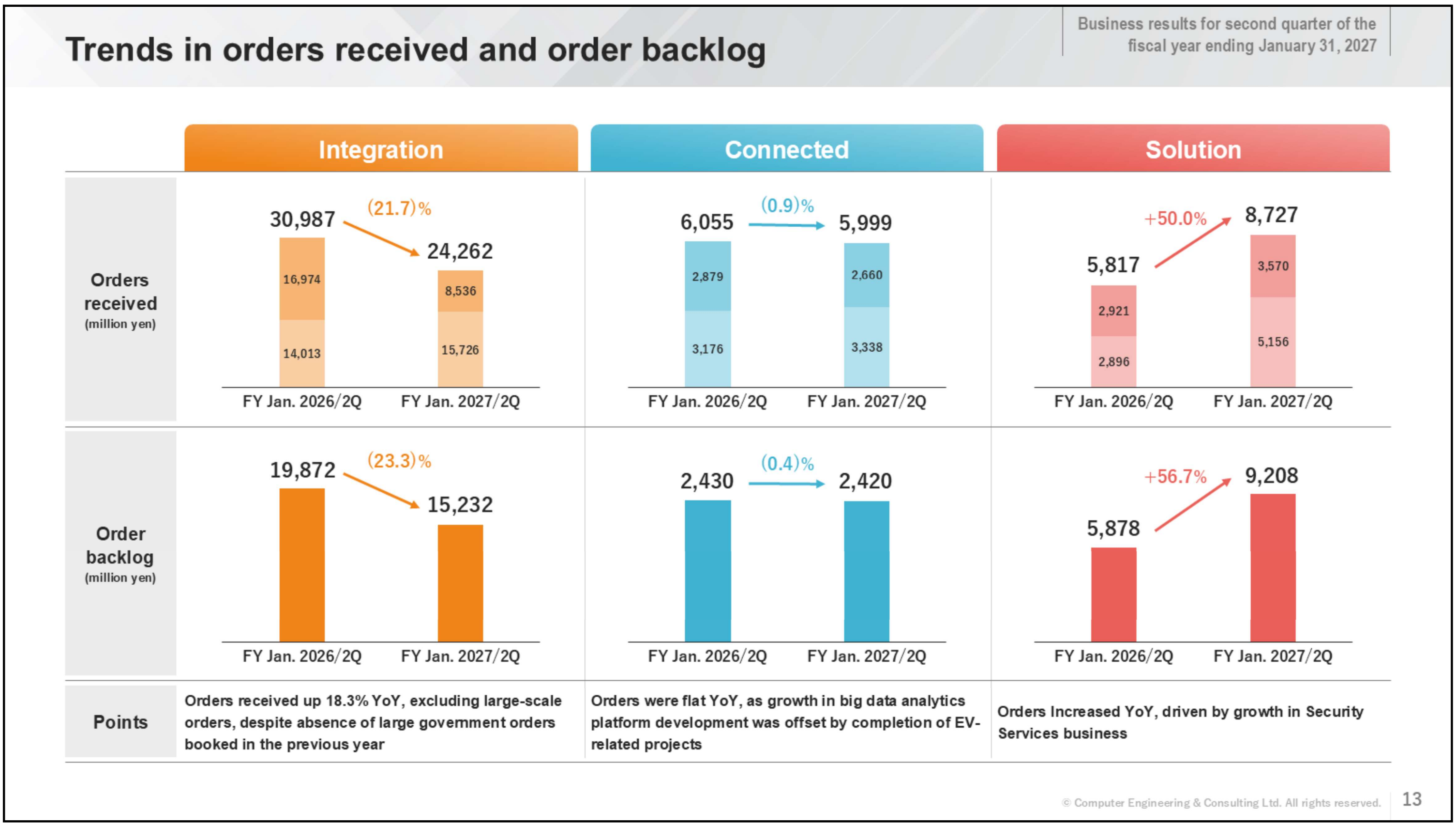
1,638 million yen, up 8.6% year on year. The development of big data analytics platforms remained solid, but progress has been soft. "Resolana", the data utilization platform we released this fiscal year, is currently in proof-of-concept with customers, mainly in the manufacturing industry. We will steadily convert these into firm orders and make up ground in the second half.

[Security Services]

3,077 million yen, up 2.2% year on year. Large-scale deals for our in-house product "SmartSESAME" contributed. Progress against the full-year target of 6.0 billion yen is 51.3%, in line with plan, and we expect the business to continue performing well in the second half.

[Company-wide Initiative: Cloud Services]

10,253 million yen, up 17.4% year on year. Progress against the full-year target of 19.0 billion yen is 54.0%, with growth centered on cloud migration of core and business systems and the development of cloud infrastructure.



This is the status of orders received and order backlog by segment.

[Integration Segment]

Partly due to the pullback from the large-scale government agency project won in the previous fiscal year, orders received were down 21.7% and the order backlog was down 23.3%. Excluding that project, however, on an existing basis orders grew by 18.3%.

[Connected Segment]

Although the construction of big data analytics platforms grew, the completion of a specific customer's EV-related business weighed on results. Orders received were down 0.9% and the order backlog was down 0.4%, roughly on par with the previous year.

[Solution Segment]

Thanks to large-scale deals won in security services and the data center business, orders received rose by 50.0% and the order backlog by 56.7%, a substantial increase.

Sales by industry

Business results for second quarter of the fiscal year ending January 31, 2027

(Million yen)

	FY January 2026 2Q	FY January 2027 2Q	YoY	
			Amount	%
Manufacturing [Share of total]	11,467 [37.2%]	**12,081 [34.4%]**	+614	+5.4%
Telecommunications/ information services [Share of total]	6,062 [19.7%]	**6,986 [19.9%]**	+924	+15.3%
Finance [Share of total]	2,951 [9.6%]	**3,220 [9.2%]**	+269	+9.1%
Distribution [Share of total]	1,837 [6.0%]	**2,542 [7.2%]**	+704	+38.4%
Government agencies [Share of total]	5,135 [16.6%]	**7,244 [20.6%]**	+2,109	+41.1%
Other [Share of total]	3,390 [10.9%]	**3,004 [8.7%]**	(386)	(11.4)%
Total	30,843 [100%]	**35,080 [100%]**	+4,236	+13.7%

Key points by industry
[Manufacturing] Steady growth in backbone system development projects for the automotive industry
[Telecommunications/ information services] Growth in number of infrastructure development projects
[Finance] Growth in number of migration projects
[Distribution] Growth in number of healthcare projects
[Government agencies] Growth in number of infrastructure development projects Growth in sales of in-house security products

These are net sales by industry.

Every industry except the "Other" category posted year-on-year growth.

[Manufacturing]
Backbone system development projects for the automotive industry remained solid.

[Telecommunications and Information Services]
Up 15.3%, driven by an increase in infrastructure development projects.

[Financial Services]
Up 9.1%, driven by an increase in migration projects.

[Government and Public Agencies]
Up sharply, by 41.1%, driven by infrastructure development and increased sales of our in-house security products.

Consolidated balance sheet

– While total assets were flat year-on-year, cash and deposits grew with due to the collection of notes and accounts receivable - trade. The equity ratio increased to 69.2%.

(Million yen)		FY Jan. 2026	FY Jan. 2027 2Q	Amount	%	Points
Assets	Current assets	46,210	44,322	(1,887)	(4.1)%	Down Slight decrease in total assets as notes and accounts receivable - trade decreased and cash and deposits and non-current assets increased
	Cash and deposits (included above)	25,200	26,405	+1,205	+4.8%	
	Non-current assets	16,000	17,836	+1,835	+11.5%	
	Total assets	62,210	62,159	(51)	(0.1)%	
Liabilities	Current liabilities	17,400	18,091	+690	+4.0%	Down Liabilities decreased as contract liabilities increased and notes and accounts payable - trade decreased
	Non-current liabilities	2,206	1,033	(1,173)	(53.2)%	
	Total liabilities	19,607	19,125	(482)	(2.5)%	
Shareholder equity		42,581	43,000	+419	+1.0%	Increase Net assets increased as the increase in retained earnings outweighed the decrease from the purchase of treasury stock
Equity ratio		68.4%	69.2%	–	+0.8pt	

 15

This is the status of the balance sheet.

[Assets]

Trade receivables decreased, while cash and deposits as well as non-current assets increased, and total assets were 62,159 million yen, roughly level with the end of the previous fiscal year.

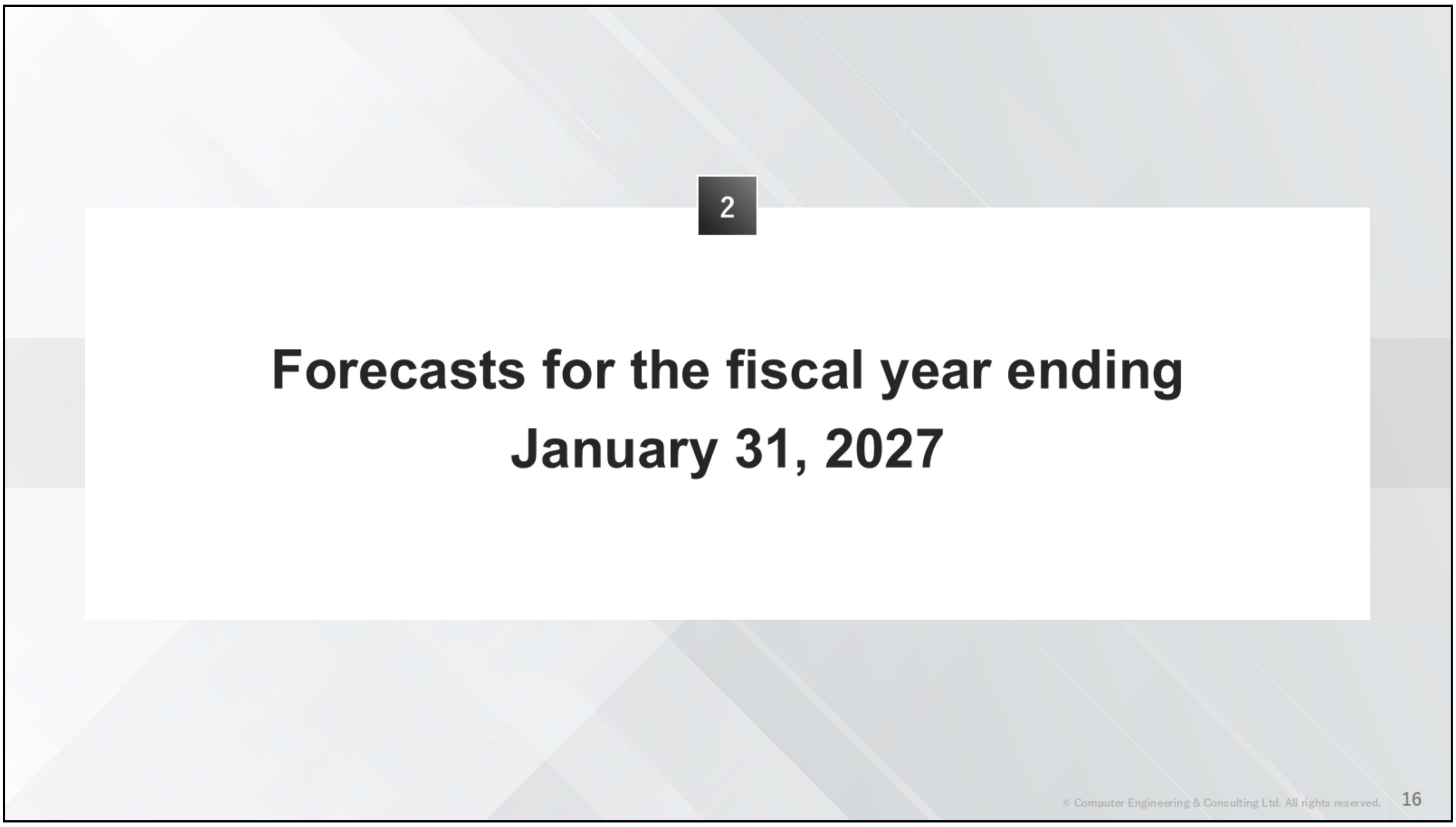
[Liabilities]

Although contract liabilities increased, total liabilities decreased by 482 million yen, mainly due to a decline in accounts payable.

[Shareholders' equity (net assets)]

Despite the decrease from the acquisition of treasury shares, net assets increased by 419 million yen on the back of higher retained earnings.

As a result, the equity ratio rose by 0.8 percentage points to 69.2%.



Next, I will explain the earnings outlook for the fiscal year ending January 31, 2027.

Full-year forecasts for the fiscal year ending January 31, 2027

– **Full-year forecasts revised upward** due to expected growth in infrastructure development, migration, and security

(Million yen)

	FY Jan. 2027 initial forecast (March 12, 2026)	FY Jan. 2027 revised forecast (August 21, 2026)	Change [%]	FY Jan. 2026 results	Change [%]
Net sales	68,000	70,500	+2,500 [+3.7%]	65,882	+4,618 [+7.0%]
Operating income / margin	7,750/11.4%	8,320/11.8%	+570 [+7.4%]	7,338/11.1%	+982 [+13.4%]
Ordinary income / margin	7,800/11.5%	8,420/11.9%	+620 [+7.9%]	7,435/11.3%	+985 [+13.2%]
Net income attributable to owners of parent /margin	5,600/8.2%	5,900/8.4%	+300 [+5.4%]	5,201/7.9%	+699 [+13.4%]

These are the full-year forecasts for the fiscal year ending January 31, 2027.

We disclosed an upward revision on August 21.

The revisions from the initial forecasts are as follows.

Net sales: up 2.5 billion yen to 70.5 billion yen.

Operating income: up 570 million yen to 8,320 million yen.

Net income: up 300 million yen to 5.9 billion yen.

We expect both net sales and profits to reach record highs.

We need to keep a close watch on domestic and international economic trends. That said, we will capture robust DX and AI demand and, while enhancing our product offerings, move forward steadily toward achieving the targets for the final year of the medium-term management plan.

Full-year forecasts by business segment

Forecasts for the fiscal year ending January 31, 2027

(Million yen)

		FY Jan. 2026	FY Jan. 2027 1H	FY Jan. 2027 revised forecast (September 10, 2026)	Change % Change	Progress
Integration Segment	Net sales	42,953	23,746	47,000	+4,047 +9.4%	50.5%
	of which, focus business	4,119	2,409	4,600	+481 +11.7%	52.4%
	Segment income / margin	8,786 /20.5%	4,976 /21.0%	9,860 /21.0%	+1,074 +12.2%	50.5%
Connected Segment	Net sales	11,837	5,946	12,200	+363 +3.1%	48.7%
	of which, focus business	3,073	1,638	3,500	+427 +13.9%	46.8%
	Segment income / margin	2,284 /19.3%	1,228 /20.7%	2,690 /22.0%	+406 +17.8%	45.7%
Solution Segment	Net sales	11,091	5,386	11,300	+209 +1.9%	47.7%
	of which, focus business	6,490	3,077	6,000	(490) (7.6%)	51.3%
	Segment income / margin	1,939 /17.5%	1,321 /24.5%	2,350 /20.8%	+411 +21.2%	56.2%
Business promoted companywide (Cloud Services)	Net sales	17,416	10,253	19,000	+1,584 +9.1%	54.0%

These are the full-year forecasts by segment and the progress made in the first half.

[Integration Segment]

Net sales of 47.0 billion yen and segment income of 9,860 million yen. First-half progress on net sales is 50.5%. We expect infrastructure development and the migration business to lead in the second half as well.

[Connected Segment]

Net sales of 12.2 billion yen and segment income of 2,690 million yen. First-half progress on net sales is 48.7%. The data monetization business will remain the main driver in the second half, and we will also work to bring cloud development and quality management back on track after a sluggish first half.

[Solution Segment]

Net sales of 11.3 billion yen and segment income of 2,350 million yen. First-half progress on net sales is 47.7%. As the data center relocation is scheduled to be completed in the second half, we will promote measures to put the data center and cloud businesses on a growth track.

Progress on growth investments

Forecasts for the fiscal year ending January 31, 2027

– **Growth investments are progressing as planned for the full year, despite some delays in certain areas**

HR investments

1.21 / 2.5 billion yen

- Raising salary levels
- Strengthening recruitment and reducing turnover
- Secured experienced talent as planned through enhanced recruitment

R&D investments

100 / 500 million yen

- Demonstration studies involving autonomous control of robots using physical AI and digital twins
- Functional enhancements to ID management in the SmartSESAME in-house security product

M&A investments

0.45 / 2.0 billion yen

- Recorded expenses associated with the acquisition of shares in DDS, Inc.
- In the second half, we aim to further strengthen our internal M&A execution structure to accelerate deal sourcing and execution

Capital investments

0.74 / 1.0 billion yen

- Increased office-related investments (Fukuoka relocation, Ebisu expansion)
- Increased costs for network equipment and expansion associated with data center relocation

This is the progress of our growth investments. We plan 6.0 billion yen for the full year, and we executed 2.5 billion yen of the budget in the first half.

[Human resources investment]

In addition to raising salary levels, we have been acquiring experienced professionals through strengthened recruitment.

[Research and development investment]

We are advancing demonstration research on autonomous robot control using physical AI and digital twins, as well as functional enhancements to identity management in our in-house product "SmartSESAME".

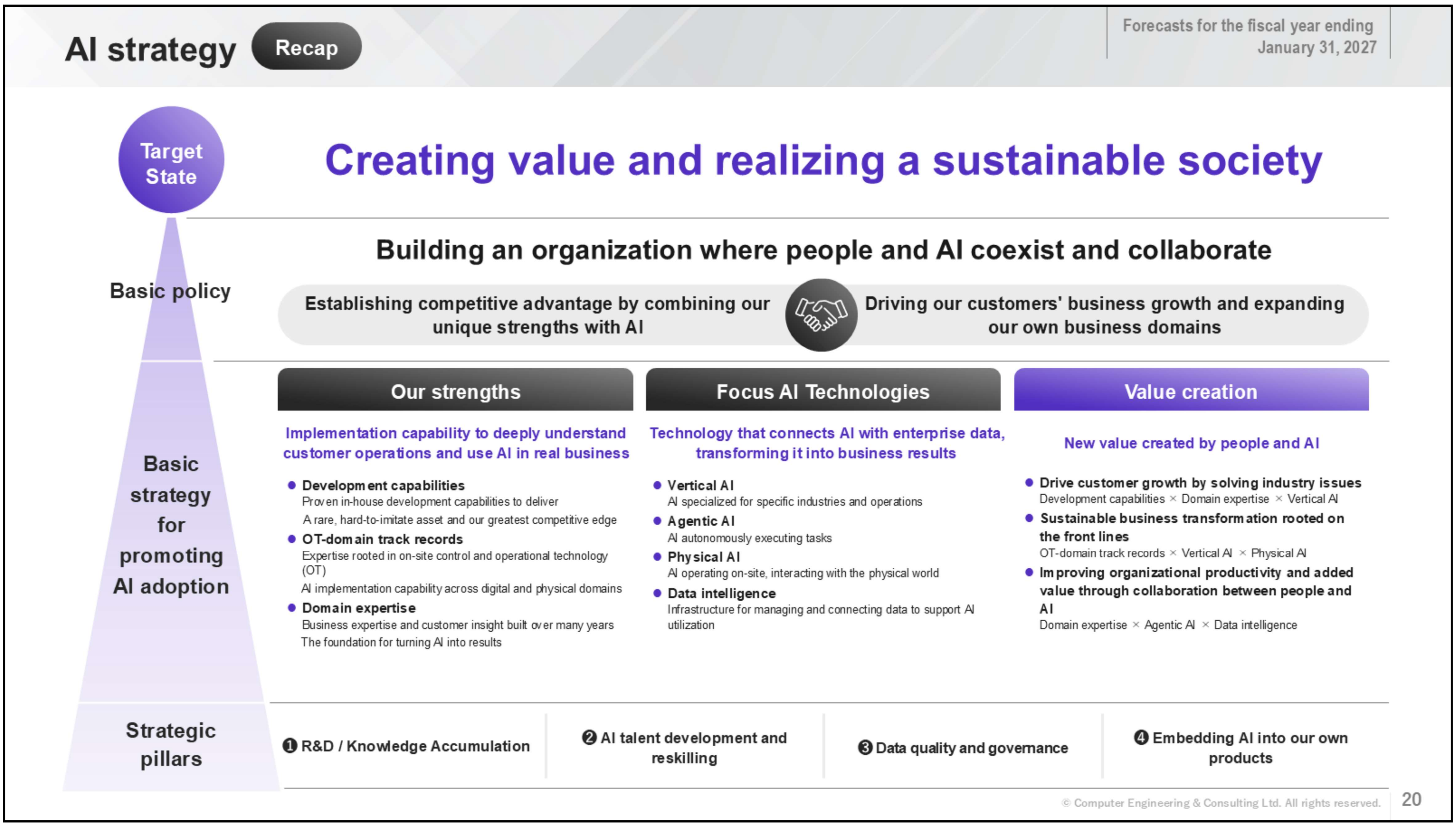
[M&A investment]

We recorded the cost of acquiring shares in DDS, as disclosed in the first quarter. Several deals are also in progress for the second half, and we will strengthen our internal M&A framework and pursue them actively.

[Capital expenditures]

Office-related investments — the expansion of our Ebisu office and the relocation of our Fukuoka office — and expenses for network equipment associated with the data center relocation have all been executed as budgeted.

Although part of the growth investment plan has been shifted to the second half, investments are progressing steadily, centered on human resources.



Finally, I will explain our AI strategy.

This slide reprises the content shown in the Q1 supplementary materials.

Under our basic AI policy, we aim to combine AI with our strengths in order to contribute to our customers' business growth and to expand our own business domains.

The strengths referred to here are:

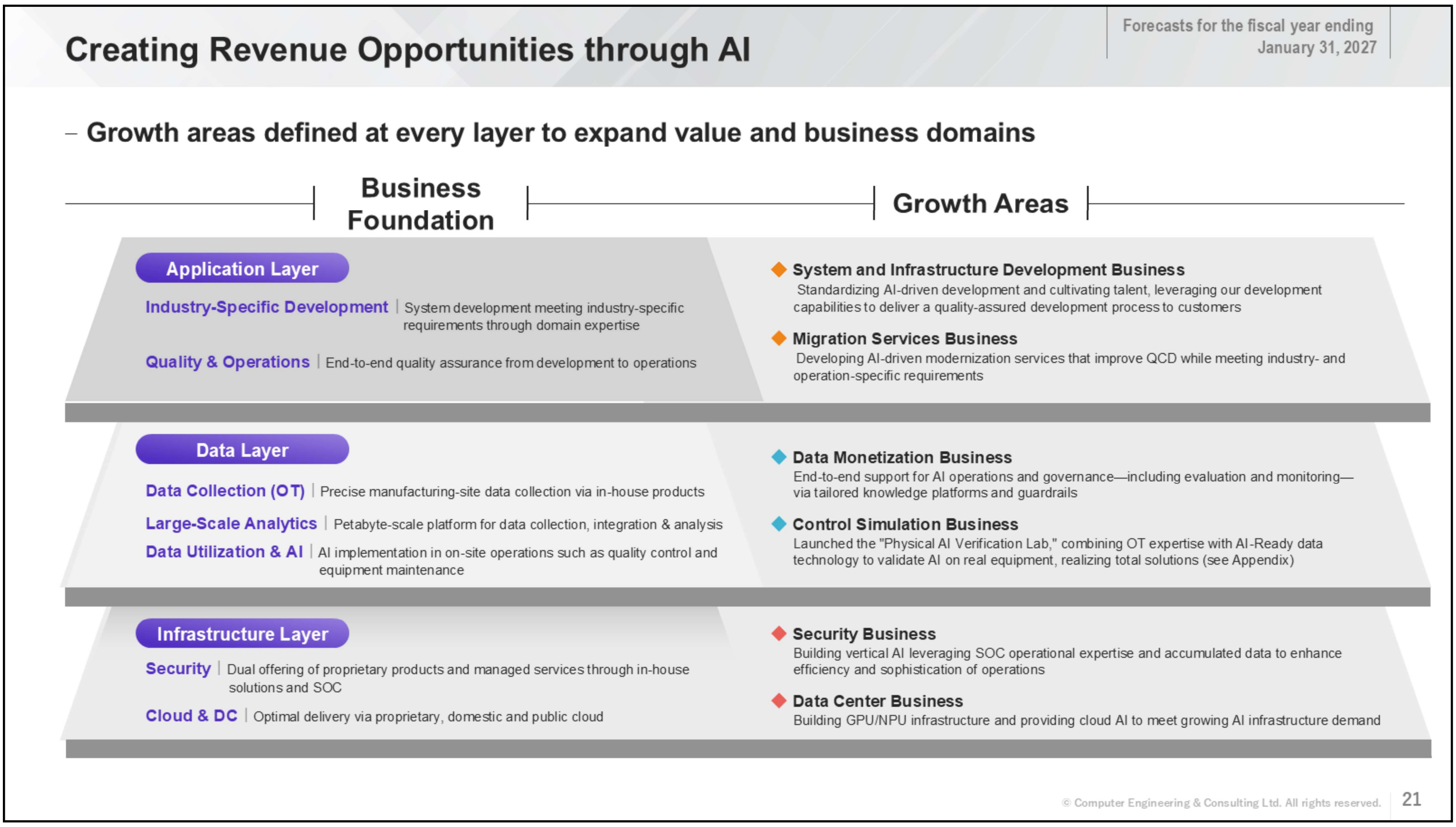
- our "System Integration capabilities", covering everything from system development to infrastructure development and operation;
- our "knowledge and track record in the OT domain", rooted in on-site control and operations; and
- our "domain understanding", built on years of business expertise and customer-specific knowledge.

Each of these is a rare asset that is difficult to imitate, and together they are our strengths.

The AI technologies we are focusing on include vertical AI, physical AI, and data intelligence. By combining these with our strengths, we will deliver:

- accelerated business growth for our customers through solving industry-specific challenges;
- sustained business transformation at production sites; and
- improved organizational productivity and added value through collaboration between people and AI.

As shown in the bottom row, our drivers include R&D and knowledge accumulation, AI talent development, data quality and governance, and the incorporation of AI capabilities into our own products.



This is a more concrete business framework.

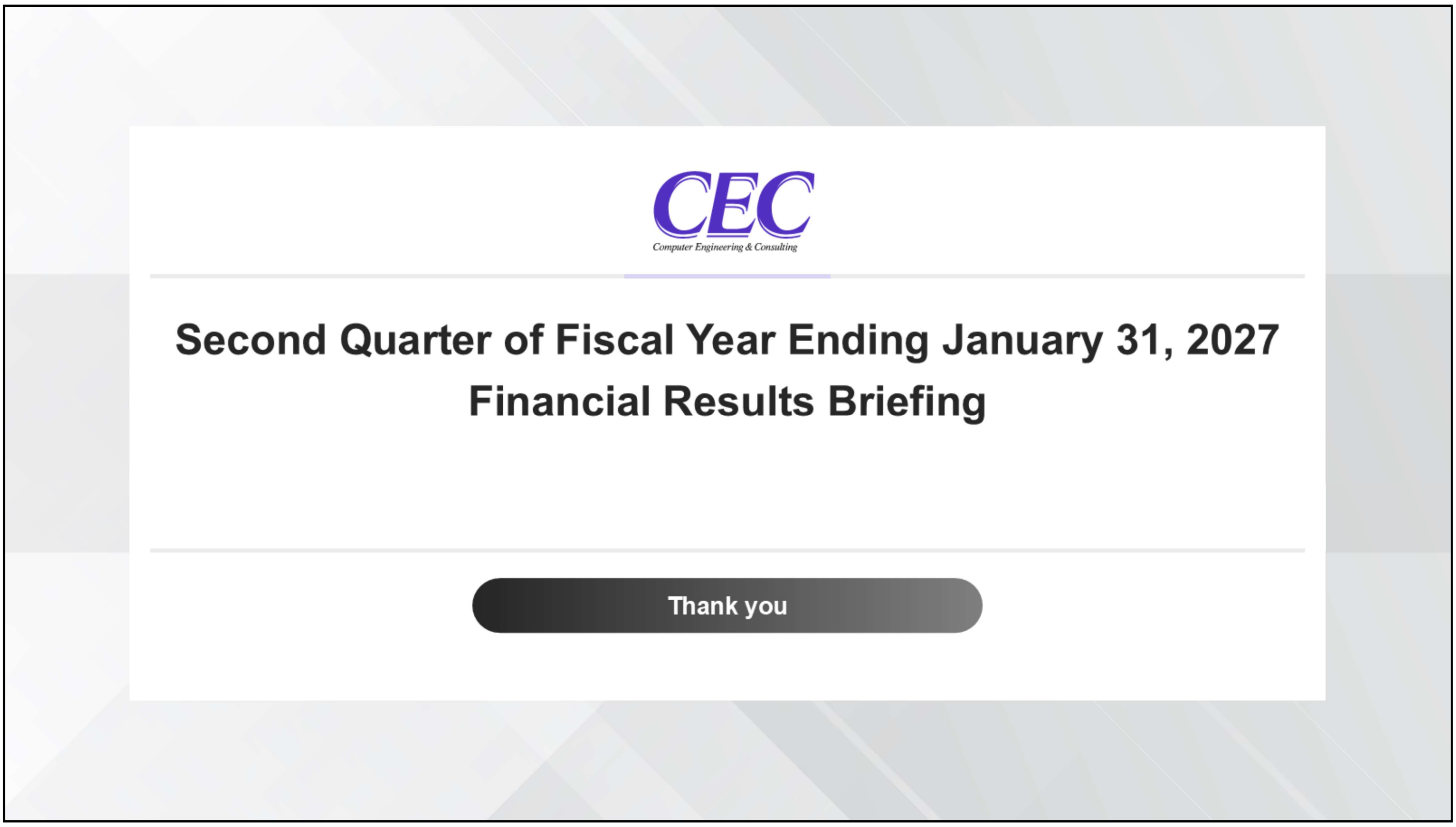
The left side, "business foundation", describes our current businesses and strengths, and the right side describes the "growth areas" created by combining those strengths with AI.

The application layer is the domain of the Integration segment. Leveraging our domain understanding and our high level of technical and quality capabilities, we will take the lead in standardizing AI-driven development for our customers and in developing their talent, helping them create value while expanding the scope of the work we handle. We will also establish AI-driven approaches in the migration business and expand that business by deploying them horizontally across industries.

The data layer is the domain of the Connected segment. Drawing on our data-collection products for manufacturing sites and our big data analytics capabilities, we will provide the technologies and platforms that connect production data and site-specific knowledge and tacit expertise with robots and machine tools, thereby enabling the introduction and development of vertical AI and physical AI. We are also advancing research and development on guardrails to prevent AI from running out of control, and we are considering products and services that provide consistent support extending to operations and governance, including evaluation and monitoring after AI has been introduced.

The infrastructure layer is the domain of the Solution segment. Using our strength in the security business together with our data center facilities and networks, we envision making monitoring and operational work more efficient and sophisticated with AI, and providing GPU and NPU platforms and cloud AI to meet demand for AI infrastructure.

In this way, from the application layer to the data layer and the infrastructure layer, we take pride in being one of the few systems integrators that covers every layer vertically. By defining growth areas across all of those layers and combining our existing business domains with AI, we will create customer value and expand our earnings base over the medium to long term.



This concludes our explanation of the overview of financial results for the second quarter of the fiscal year ending January 31, 2027.

Thank you very much for your kind attention today.

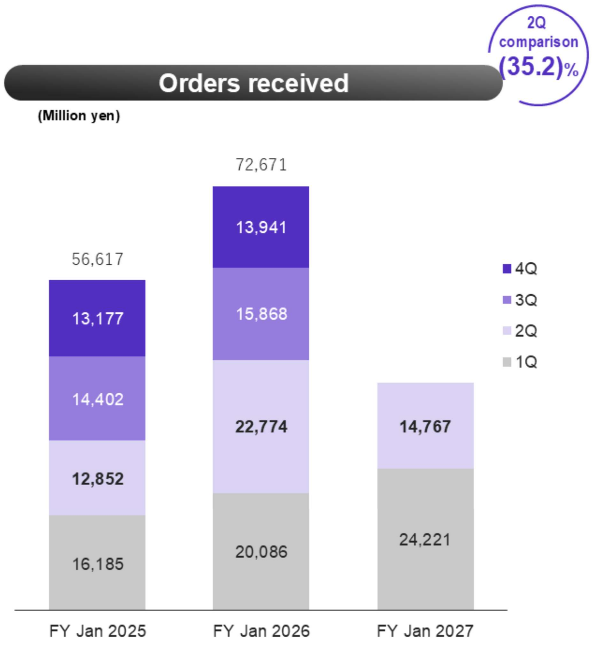
3

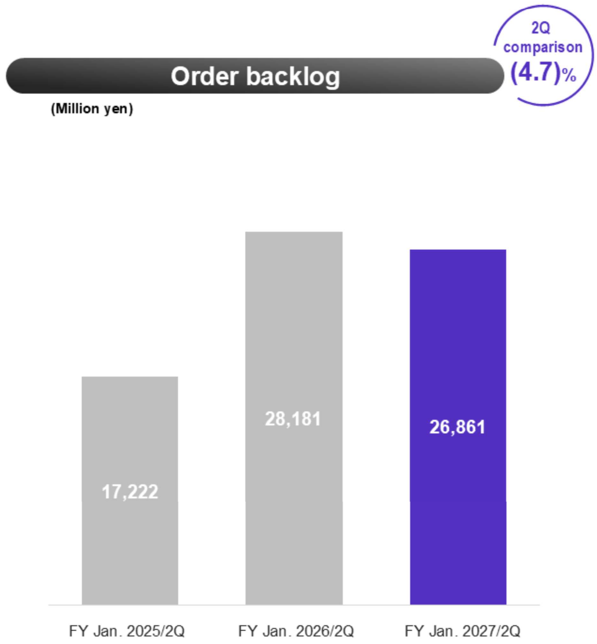
Appendix

 23

(No explanation)

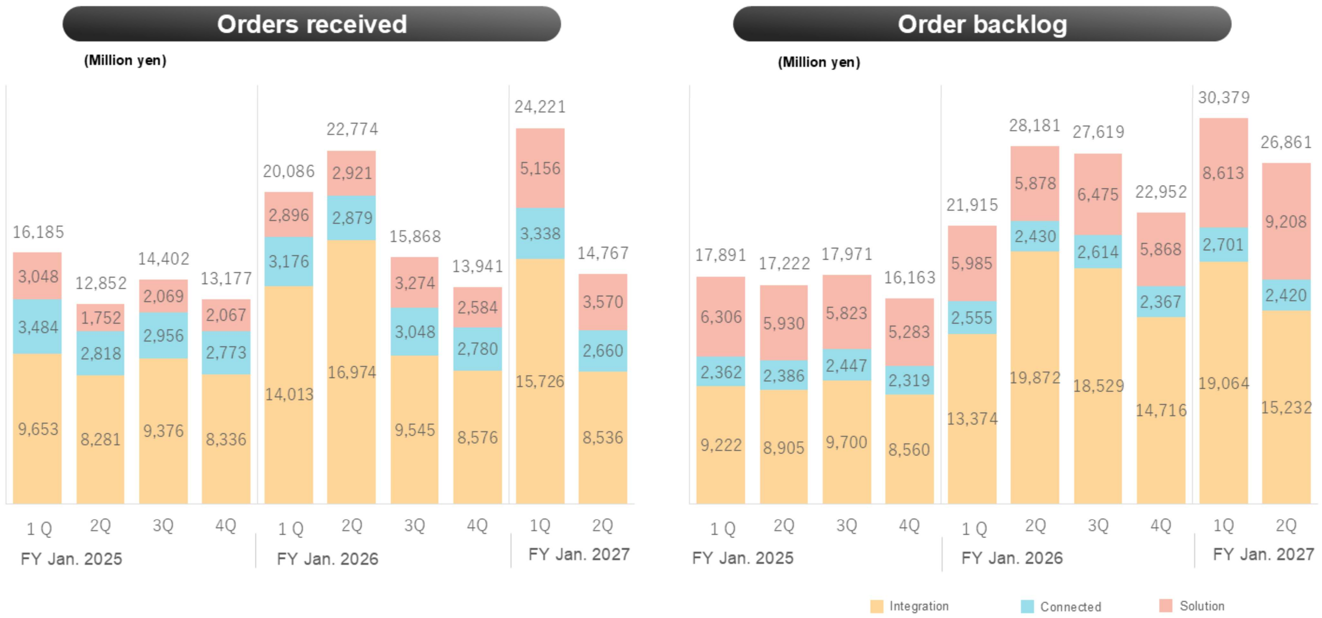
Quarterly trends in orders received and order backlog





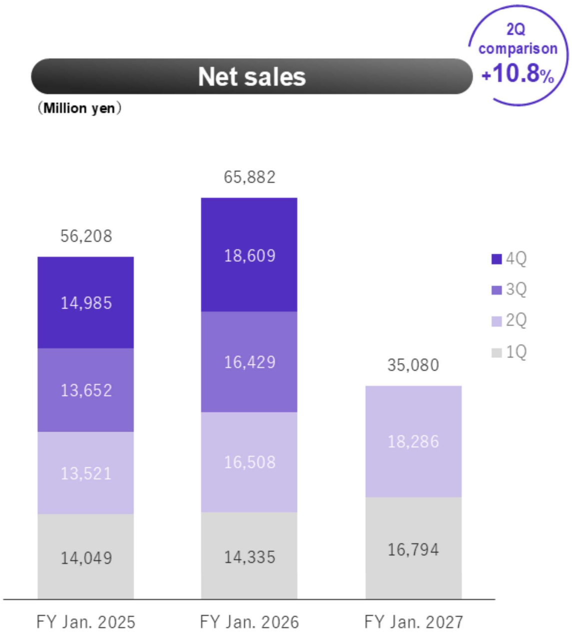
(No explanation)

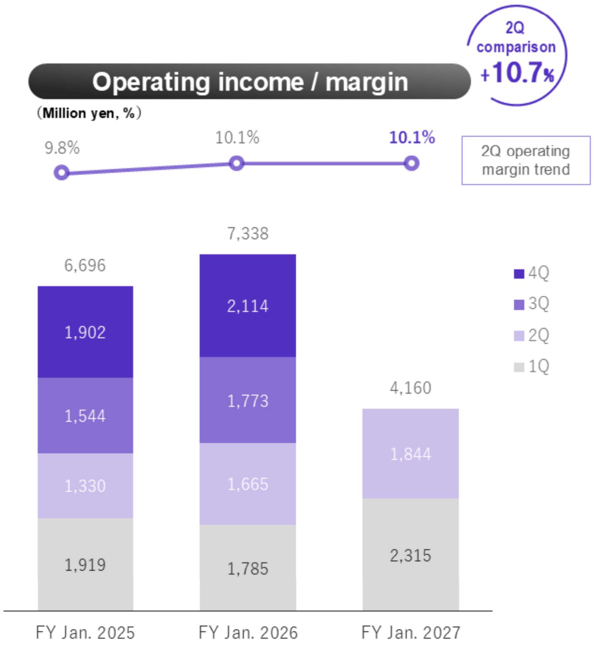
Quarterly trends in orders received and order backlog (by segment)



(No explanation)

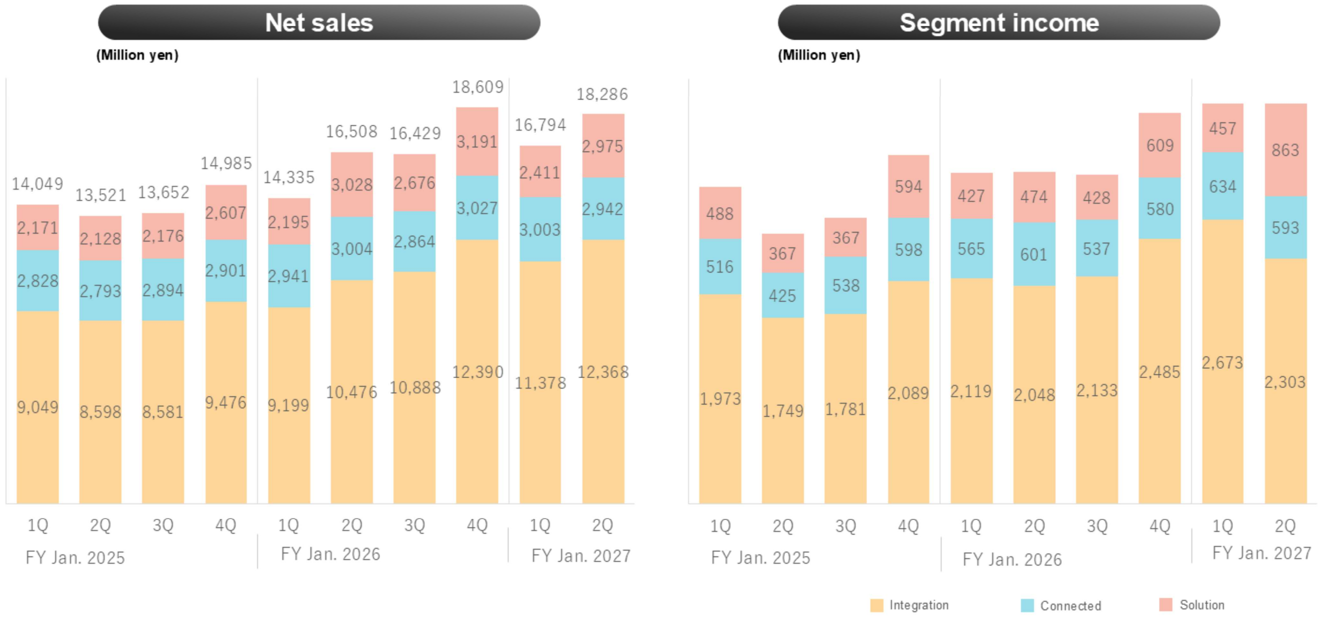
Quarterly performance trends





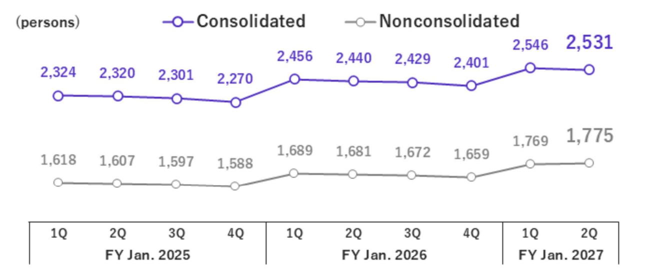
(No explanation)

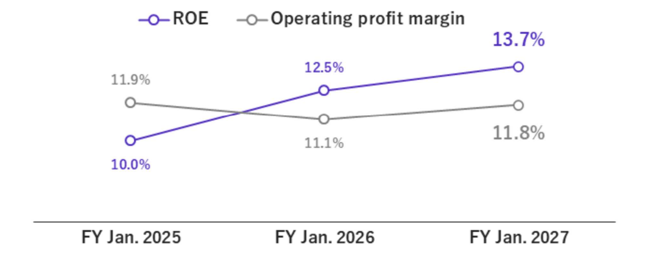
Quarterly performance trends (by segment)

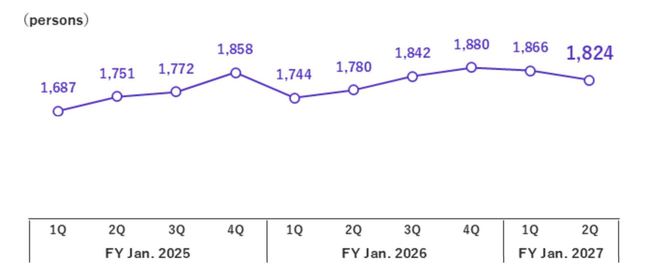


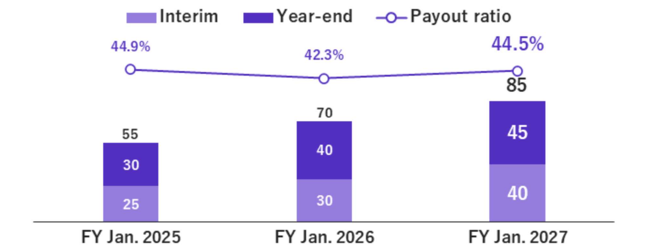
(No explanation)

Other indicators









＊CEC nonconsolidated, not including persons working under subcontracting agreements

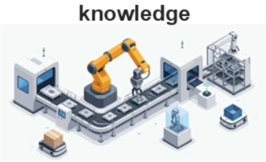
(No explanation)

AI Business (Focus Area: Physical AI)

– Integrating precision OT data collection from our Manufacturing DX products with data organization and analytics on the "Resolana" data utilization platform to deliver a total Physical AI solution.

On-Site Data Collection

Digitizing shop-floor conditions and tacit knowledge



- MES/IoT (equipment, process)
- On-site video
- Tacit knowledge & know-how

VR+R
Facteye
Products Digitizing the Shop Floor

Data Integration / AI Readiness

Consolidating data into an AI-ready state

- Productivity analysis
- Uptime & quality analysis
- Metadata mgt & governance

Dataxia
Resolana
AI data utilization platform

AI-Driven Decision-Making & Optimization

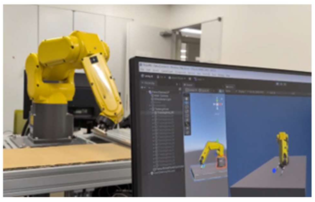
Executing decisions and plans based on shop floor data

- Process condition optimization
- Predictive maintenance support
- Production re-planning

AI agents

Physical AI Execution

Translating AI decisions into physical action



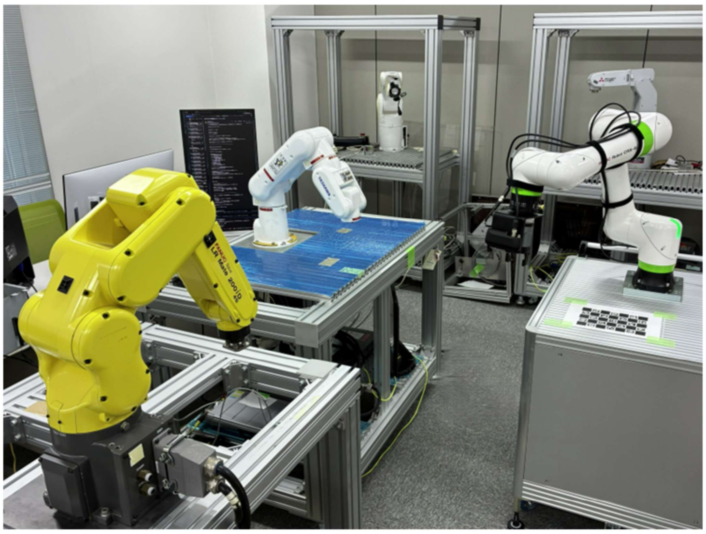
Real-World Verification (On-site Robot Control)

 29

(No explanation)

AI Business (Topic)

– **Establishing the "Physical AI Verification Lab" as a demonstration site for implementing Physical AI in manufacturing**



Background for Establishment

- AI × robotics initiatives often stall at the PoC stage due to the burden of environment setup and skill acquisition
- Moving to full-scale implementation requires a rapid verification environment and ecosystem that integrates cutting-edge technologies

Overview of the "Physical AI Verification Lab"

- A new demonstration site that integrates the know-how from our Smart Factory business with the latest AI environments
- Built in-house AI training infrastructure, simulation infrastructure and edge AI devices to conduct real-machine verification using collaborative robots

What It Enables

- **End-to-end support from development to real-machine verification**
  Seamlessly connecting the creation and expansion of robot training data in virtual space to pick-and-place operations on real robots
- **Seamless linkage from virtual to real**
  TP (Teaching Pendant) programs created by generative AI can be repeatedly tested in virtual space, then run directly on real robots without modification

(No explanation)

Major press releases (second quarter of fiscal year ending January 31, 2027)

Launch of "Connected SynQuest": Reducing Analysis Workload by Approx. 70% to Accelerate Automotive System Development

Amid the growth of autonomous driving and Software-Defined Vehicles (SDVs), demand for more efficient development processes continues to rise.

CEC has launched Connected SynQuest, a time-series data integration and monitoring tool for in-vehicle system development.

By automating the collection and synchronization of road test data, the tool enhances productivity at development sites, supporting CEC's expansion into new business areas built on its automotive expertise.

For more information	https://www.cec-ltd.co.jp/news/2026/7351.html

Launch of "SmartSESAME Cloud UniPass": Expanding into the Cloud Authentication Market

Rising sophistication of cyberattacks and stricter security guidelines are driving increased demand for multi-factor authentication.

CEC has launched SmartSESAME Cloud UniPass, an integrated multi-factor authentication platform, leveraging its long-standing expertise in ID and authentication.

The move marks CEC's entry into the cloud-based authentication market, targeting growth across a wide range of sectors, including education, healthcare, local government, and private enterprises.

For more information	https://www.cec-ltd.co.jp/news/2026/7354.html

(No explanation)

Integration Segment

Providing comprehensive ICT solutions for customer businesses based on information systems planning, consulting, and application development

	Business overview	Strengths
Focus business **Migration Services Business**	● Providing services related to migration and modernization of infrastructure (mainframes, office computers, virtualization platforms) and applications, to realize corporate DX	✓ Providing services ranging from infrastructure to applications ✓ Providing services ranging from legacy (mainframe and office computer) to open legacy systems ✓ Providing multi-architecture, multivendor, and multi-platform services ✓ A wealth of expertise × automation tools × expert engineers ✓ Comprehensive support ranging from consulting through development, maintenance, and operation
Microsoft Services Business	● Adoption consulting, systems development, and maintenance and operation services for Microsoft cloud services (e.g., Dynamics 365, Microsoft 365, Power Platform, Azure)	✓ A wealth of proprietary templates to enhance basic features ✓ Support for collaboration with other cloud services ✓ Comprehensive support ranging from adoption consulting through operational support and support for firm establishment ✓ A wealth of expertise, advanced technological capabilities, and extensive real-world experience
Systems and Infrastructure Development Business	● Systems development, maintenance, and operations for the public sector, local governments, and corporate fields such as finance, insurance, and securities ● Full life-cycle management from planning and study for ICT infrastructure and cloud services to design, development, migration, and operation ● Providing consulting and integration using cloud services ● Providing a full range of ICT services for technological information sections, corporate information sections, and HR and production logistics in the auto industry	✓ Relationships based on trust built from direct transactions since our founding ✓ Track record in development for the public sector and local governments ✓ Insights on legacy systems based on a wealth of business experience ✓ Ability to provide one-stop ICT infrastructure solutions from design through development, migration, and operations ✓ Ties to major automakers and related business expertise
Group companies	● Near-shore development, systems development, maintenance, and operations ● HR placement services	✓ Ties to major customers and related business expertise

(No explanation)

Connected Segment

Cloud-linked IoT systems development and offers products and services to support data analysis and utilization

	Business overview	Strengths
Focus business **Data Monetization Business**	● Businesses related to analysis planning, collection, infrastructure development, and analytics for Big Data ● Providing ICT products and services related to Big Data collection infrastructure and use	✓ Petabyte-class Big Data analysis infrastructure development technologies ✓ Proprietary data collection infrastructure products for factory IoT ✓ Broad pool of engineers with expert knowledge of mobility and manufacturing workplaces
Cloud Services Development Business	● Businesses related to software development and operation for cloud services and smartphone apps ● Provision of ICT products and services to support DevOps	✓ Numerous engineers with specialized knowledge of the cloud, AI, etc. as an AWS Well-Architected Partner ✓ One-stop solutions extending to cloud operation and maintenance ✓ Extensive product lineup to support DevOps, auto-testing, etc.
Controls Simulation Business	● Businesses related to embedded software development for edge devices ● Businesses related to simulation and digital twins and providing ICT products and services ● Providing ICT products and services for factory IoT	✓ Broad pool of engineers with expert knowledge of vehicle controls, machine tools, etc. ✓ Extensive product lineup to support factory IoT
Quality Management Business	● Businesses related to software quality for comprehensive IoT systems	✓ Broad pool of engineers with expert knowledge of quality verification technologies ✓ Ability to manage quality across all facets of IoT systems, including devices and the cloud
Group companies	● Development, implementation, maintenance, operations of information systems, including package sales	✓ Ties to major customers and related business expertise

(No explanation)

Solution Segment

Drawing on advanced security technologies and robust data center services to provide solutions for a wide range of fields, including the public sector, education, logistics, medicine, and healthcare

	Business overview	Strengths
Focus business **Security Services Business**	● Services (Cyber NEXT): Providing comprehensive security solutions including consulting, diagnostics, integration, monitoring, and operations ● Products (SmartSESAME): Product development, sales, solutions services, and systems development, maintenance, and operations related to office security based on authentication technologies	✓ Services: Multivendor services, breadth of service domains and scope ✓ Products: Multi-maker compatible, nationwide sales channels resulting in track record of more than 1,000 local governments
Data Center Business	● Service planning, development, and operations for cloud, data center, and network services ● Provision of system operation design, implementation support, and operational management services	✓ Staffing for 24/365 monitoring and operations ✓ Multi-cloud services with low latency, high-speed connectivity to hyperscale clouds ✓ Data sovereignty assured by domestic data retention ✓ Use of 100% green power
Industry-specific Solutions	● Providing product planning, development, maintenance, operating, and product services for improved operations in logistics, manufacturing, and the public sector (including local governments) ● Providing product planning, development, maintenance, adoption, operating, and product services using cloud technologies for the medical device and healthcare fields	✓ Providing logistics services tailored to customer needs (operation) ✓ Track record in specialized deployments for airports, factories, and other facilities ✓ Service lineup drawing on industry-specific knowledge and expertise

(No explanation)

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	65,882 million yen (FY2026/1)

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 (14)
- 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	2,531 (as of July 31, 2026)
Consolidated Subsidiaries	8 companies
Head Office	JR Ebisu Bldg., 1-5-5 Ebisu Minami, Shibuya-ku, Tokyo, 150-0022, Japan
Representative	Takashi Himeno, Representative Director & President

Business Segments

■ **Integration Segment**
Providing comprehensive one-stop ICT services centered on traditional system development, ranging from information systems planning through infrastructure design, development, and operations

■ **Connected Segment**
Systems development in areas like mobility and smart factories and providing services based on the use and analysis of digital data

■ **Solution Segment**
Leveraging our security technologies and data centers to provide proprietary products and services to customers across diverse fields

(No explanation)

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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- This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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(No explanation)