



VISION 2030 and Medium-term Management Plan 2025–2027

Computer Engineering & Consulting Ltd. | 9692 |

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	<p>Rapid growth and business environmental changes in the IT market</p> <ul style="list-style-type: none"> • 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 	<p>Business portfolio evolution and reform</p> <ul style="list-style-type: none"> • 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	<p>Increasing importance of passing along skills and HR development along with workforce shrinkage</p> <ul style="list-style-type: none"> • A shrinking workforce as baby-boom junior reaches retirement • Growing importance of passing along skills from aged engineers and training young engineers 	<p>Evolving personnel measures to enhance hiring and HR development</p> <ul style="list-style-type: none"> • 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	<p>Responding to expanding customer needs generated by the rapid progress of advanced technology</p> <ul style="list-style-type: none"> • Rapid progress in cloud, AI, and other advanced technologies • Expanding range of customer needs addressable via advanced technologies 	<p>Promoting new value provision using advanced technologies</p> <ul style="list-style-type: none"> • 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	<p>Responding to the growing societal demand for sustainability</p> <ul style="list-style-type: none"> • Accelerating ESG investment and rising demand for nonfinancial disclosure • Need for corporate contributions to realizing a sustainable society 	<p>Promoting solutions to social issues through businesses</p> <ul style="list-style-type: none"> • 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

- 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

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



Sustainability management

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

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

		<div>1st stage</div> <div>Medium-term Management Plan 2025–2027</div>	<div>2nd stage</div> <div>Medium-term Management Plan 2028–2030</div>
	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

- 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

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

Approx. **25.5** billion yen
(FY25/1 end)

Cash on hand

Roughly
25.0 billion yen
(Approx. 25%)

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

Medium-term Management Plan 2025–2027

- 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

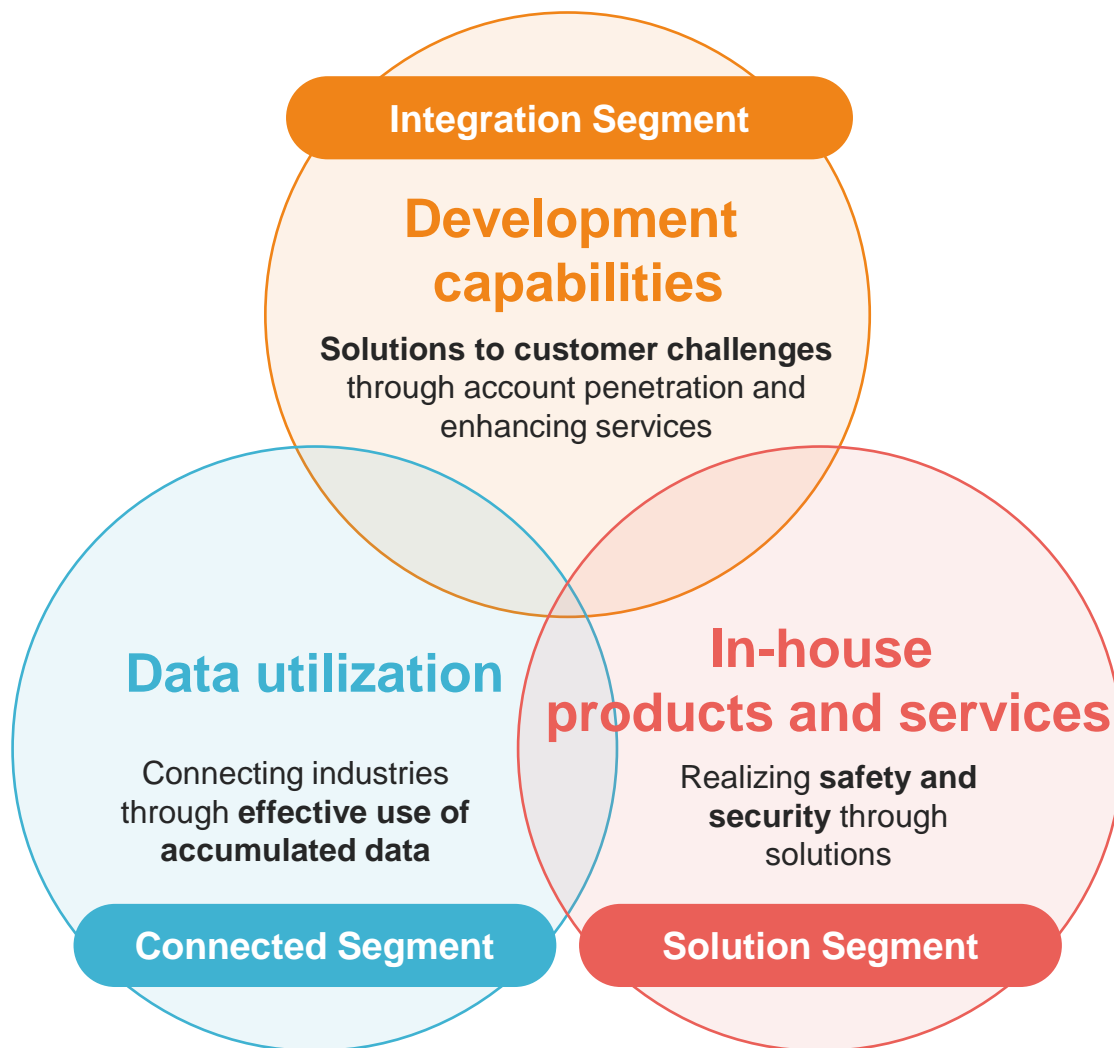
Connected Segment

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

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



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

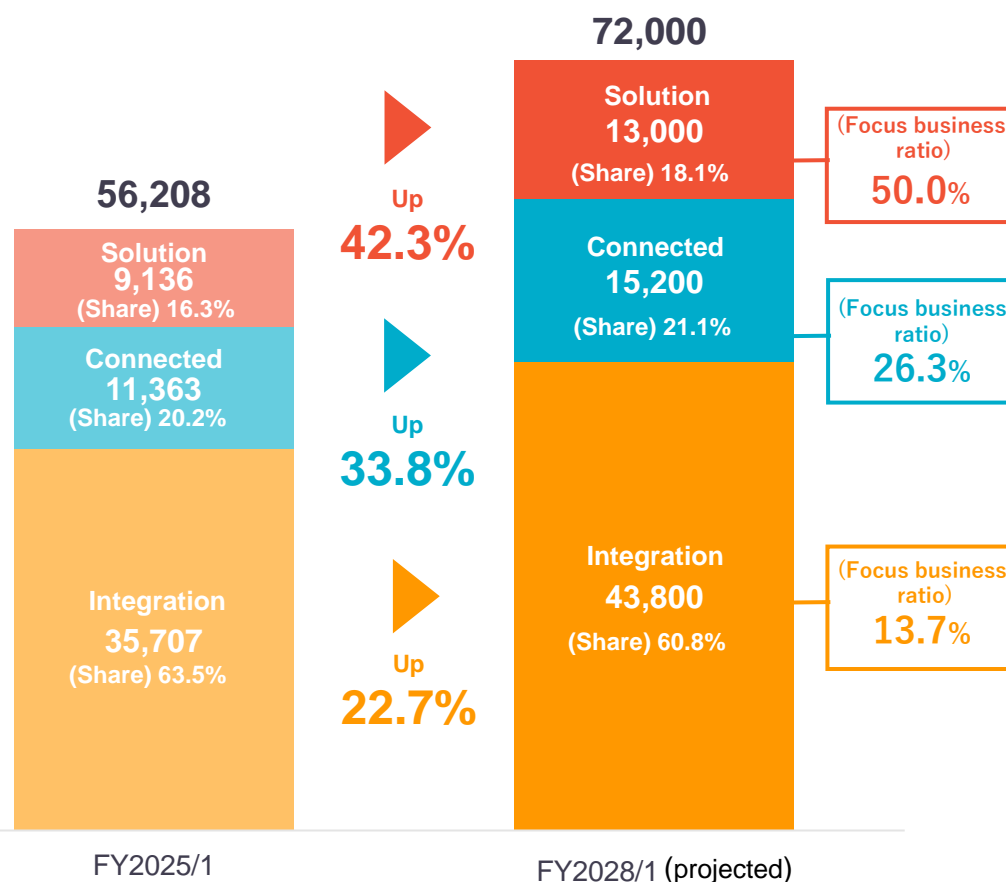
- Enhancing in-house products and services to suit customer IT strategies
- Offering cloud services and platforms utilizing data centers (hybrid environments)

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

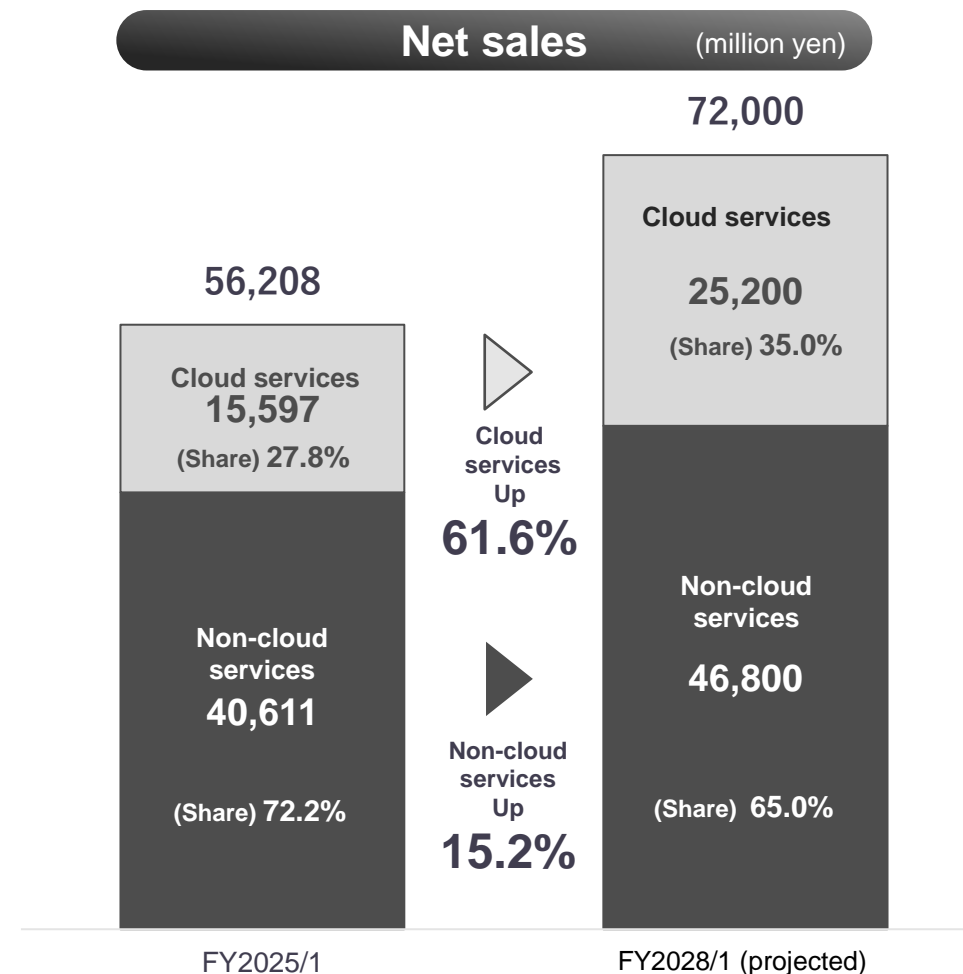
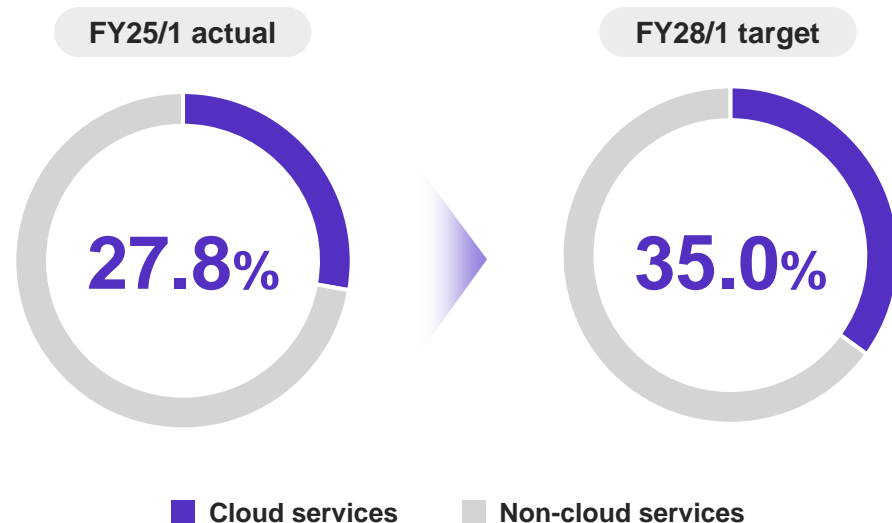
Migration Services

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



- Promoting acceleration of business transformation toward the aims of VISION 2030

		1 st 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

- 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

Growth investment

24.0 billion yen
or more
(Approx. 44%)

Shareholder returns

12.5 billion yen
or more
(Approx. 23%)

Cash on hand

Roughly **18.0** billion yen
(Approx. 33%)

Cash on hand

Approx. **25.5** billion yen
(FY25/1 end)

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

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

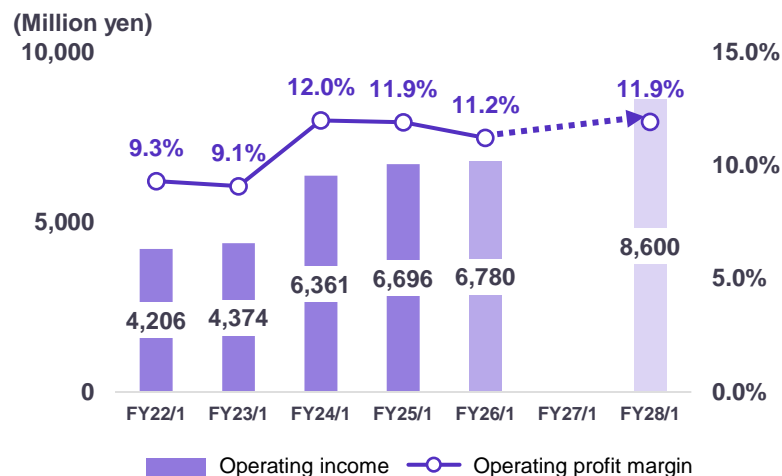
- Retaining a target of **three months' turnover** (consolidated)

Management conscious of capital costs and share price

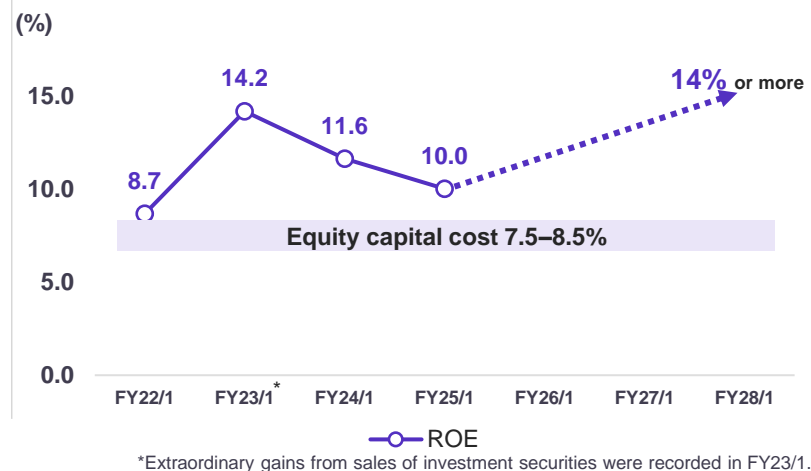
Medium-term Management Plan 2025–2027

- 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**

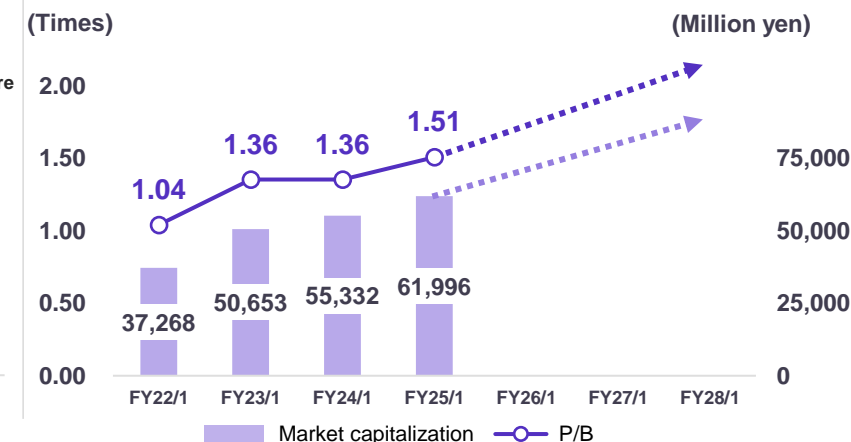
Improving earning capabilities



Capital efficiency



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

Disclaimers

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