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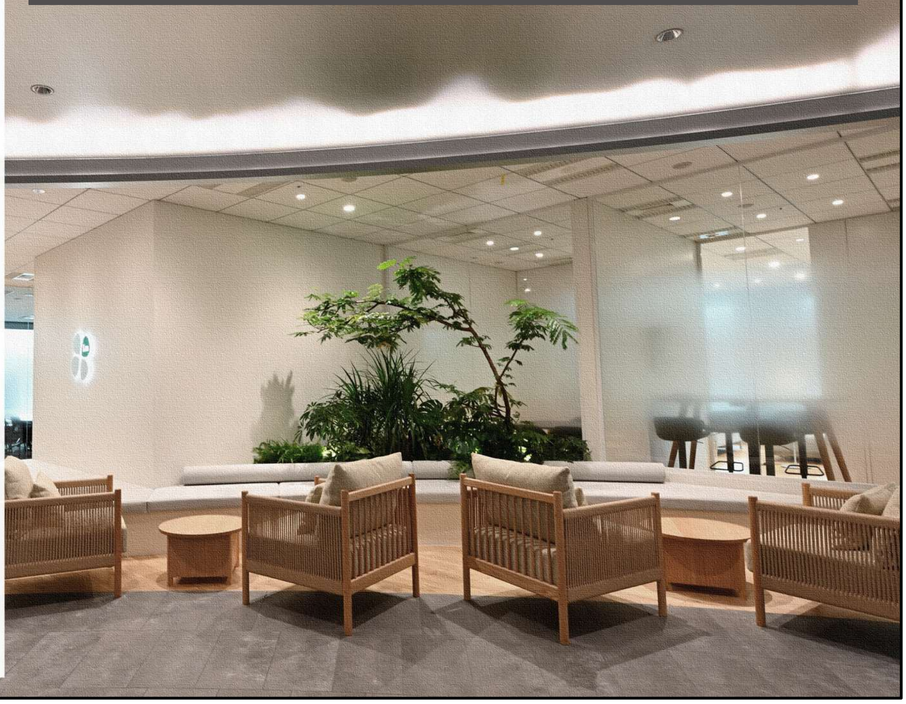


FY2025

Financial Results

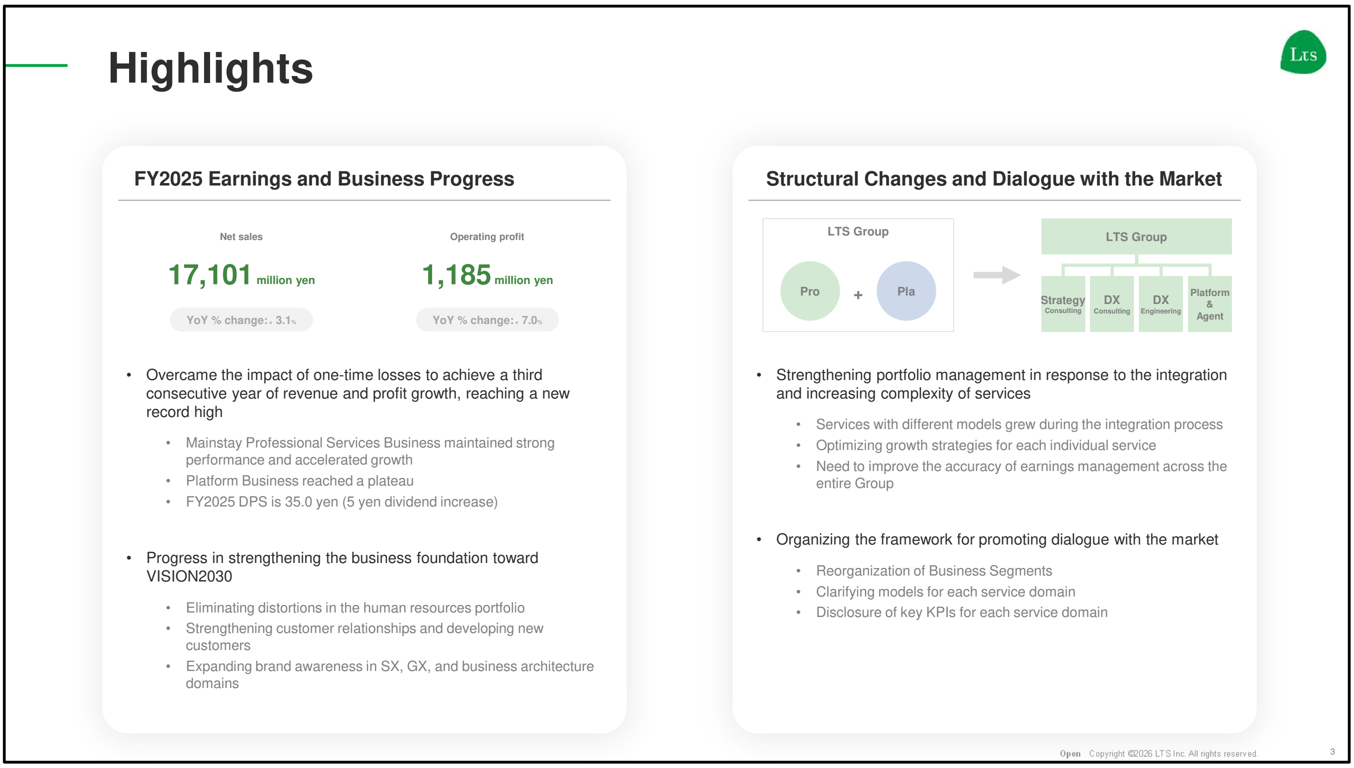
02/2026

LTS, Inc.

(TSE Prime Market Securities code 6560)

I am Hiroaki Kabashima, CEO of LTS, Inc.
I will now present the financial results for the full year of FY2025.

First, I will explain the highlights.



Regarding FY2025 performance and business progress, net sales reached 17,101 million yen and operating profit reached 1,185 million yen.
Overcoming the impact of one-time losses that occurred in the second quarter, **net sales and profits increased for the third consecutive year,** and numerically, **we reached a new record high.**
The mainstay professional services business maintained strong performance, and we will continue to accelerate its growth.
On the other hand, the Platform Business has reached a growth plateau and is currently undergoing structural reforms.
Regarding dividends, we plan to pay 35.0 yen, an increase of 5 yen from the previous fiscal year.

We were able to make steady progress in strengthening the business foundation toward VISION2030.
Regarding the human resources portfolio (personnel ratio of consultants vs. engineers, and managers vs. players), please be assured that we have been able to resolve previous imbalances.
In addition, strengthening customer relationships and developing new customers are also progressing smoothly.
Regarding services, **we have accumulated a track record in SX/GX centered on the use of satellite data. In addition,** regarding the theme of how to develop and increase business architects/business transformation human resources in Japan, **by actively participating in the activities of the Ministry of Economy, Trade and Industry (METI),** this has been a year in which we made significant progress in expanding brand recognition.

Over the past five years, the integration of our services has progressed considerably.
As a result, the service composition has become complex, so we are strengthening portfolio management. Services with different models are each growing, and we are starting a reorganization to optimize growth strategies for each service and to improve the accuracy and strength of performance management for the entire group.
In addition, we are creating a framework to promote dialogue with the market, specifically **reorganizing business segments,** which I will explain in detail later.

Highlights

FY2026 Earnings Forecast

Net sales	Operating profit
18,300 million yen	1,600 million yen
growth: + 7.0%	growth: + 34.9%

- Adjusted the FY2026 earnings forecast based on FY2025 business progress and changes in the internal and external environment

- Aim for stable growth in net sales
- Operating profit will recover from the decline in FY2025 and return to a growth trend of 20% per year
  - Strategy Consulting : Maintain high operating margin
  - DX Consulting : Stable utilization rate and unit price improvement
  - DX Engineering : Improvement in productivity and operating margin
  - Platform & Agent : Continue structural reforms

Medium- to Long-term Direction and Shareholder Returns

Best Partner for the Digital Era
(Transformation × Business × Organization = Co-creation)

Balancing business growth investments and shareholder returns

- Reformulating the 3rd Growth Plan in response to segment reorganization and increasing uncertainty in the business environment
  - Changes in demand structure due to selection of DX investments
  - Changes in value delivery structure due to rapid progress of AI
  - Overheating of the human resources market and risk of rising personnel expenses

  → Continue growth strategy to maintain 20% growth in operating profit

- Continuously expand shareholder returns while prioritizing investments for business growth
  - Continue investment in human capital (compensation, recruiting, and training)
  - Maintain a dividend payout ratio of approximately 20%, with FY2026 DPS of 40.0 yen (planned 5 yen dividend increase)

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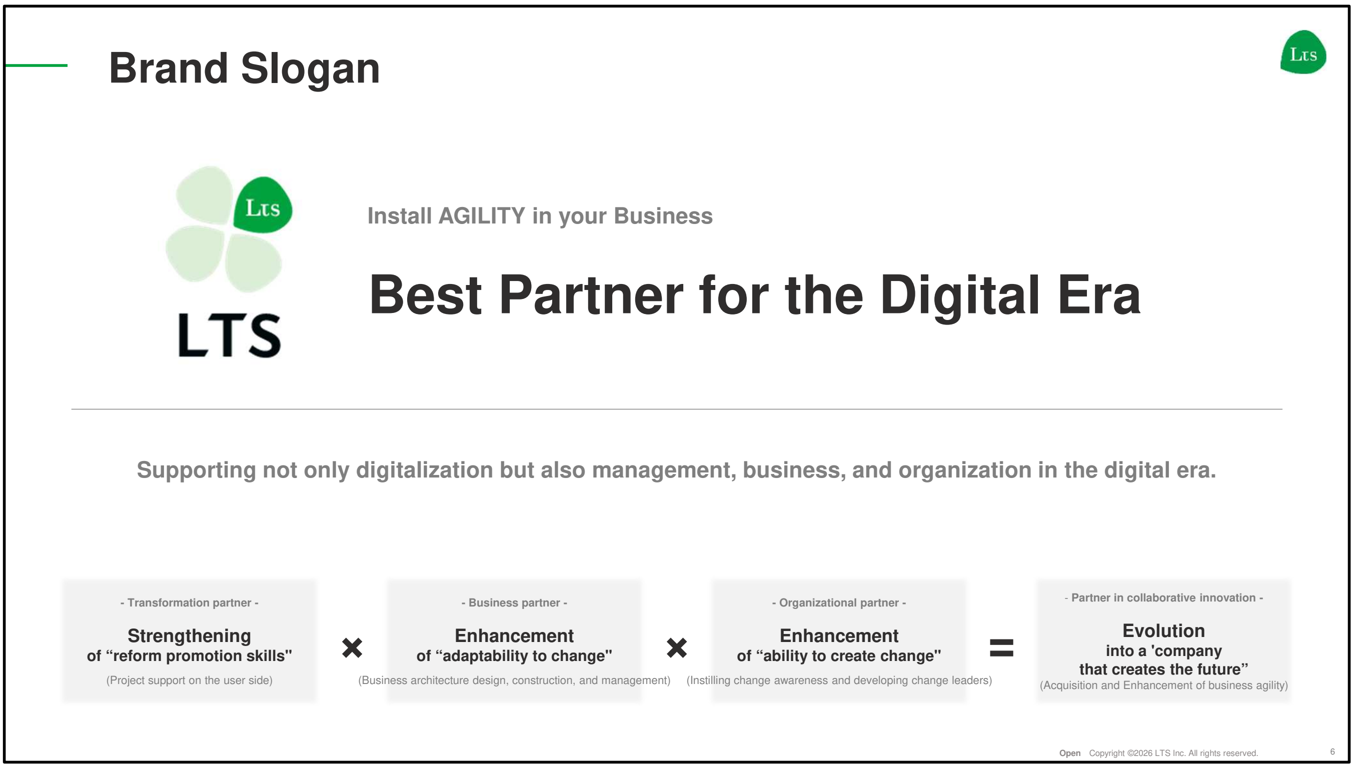
Regarding the earnings forecast for FY2026, **LTS, Inc. plans for net sales of 18.3 billion yen (up 7.0% YoY) and operating profit of 1.6 billion yen (up 34.9% YoY).**
LTS, Inc. has slightly adjusted the forecast based on business progress in the previous fiscal year (FY2025) and changes in the internal and external environments, which will be explained in the latter half.
While aiming for stable growth in net sales, LTS, Inc. intends to maintain a growth trend of 20% per year for operating profit.

Next, regarding the medium- to long-term direction and shareholder returns.
Changes in the business environment centered on AI are progressing rapidly, and **uncertainty is increasing in the medium term from 2028 to 2030,** regardless of the current situation.
In addition to segment reorganization, there are both positive and cautious aspects to environmental changes, so **LTS, Inc. is currently reformulating the 3rd Growth Plan for the period from 2028 to 2030.**
However, **LTS, Inc. will maintain the policy of increasing operating profit by 20% each period,** but will review the process to achieve it.
The reformulated plan will be explained in detail at the time of the first-half financial results announcement.

LTS, Inc. will continue to expand shareholder returns while prioritizing investments for business growth.
Regarding the dividend payout ratio, with a target of approximately 20% for FY2026, **LTS, Inc. plans a DPS of 40.0 yen, an increase of 5 yen from FY2025.**

1. Highlights
2. **Business Overview**
3. FY2025 Financial Results
4. Reorganization of Business Segments
5. FY2026 Forecast
6. Medium- to Long-Term Growth Scenario
7. Shareholder Return & Capital Management Policy
8. Reference Material

Next, I will provide a business overview.



LTS aims to be the " **Best Partner for the Digital Era**."
LTS, Inc. is developing its business with the goal of becoming the best partner for customers, supporting not only digitalization but also all aspects of corporate management, business, and organizational operations in an era of rapid and complex change.

Causes of Failure in Corporate Transformation and Our Support

- A partner is needed to overcome the obstacles (causes of failure) that exist at each corporate transformation level together

Corporate Transformation Level	Initiative	Result of Initiative	Cause of Failure	Our Support
3rd Level	Portfolio Management (Program group + operation)	**Transformation does not become routine** **Unable to fully increase competitiveness** (Making "DX" an event, dependence on external partners)	**Customs and culture have not changed** (Divergent sense of crisis, continuation of conventional customs and ways of doing things)	**【Organizational Partner】** **Enhancement of "ability to create change"** (Instilling change awareness and developing change leaders)
2nd Level	Program Management (A set of transformation projects)	**Stopped at process digitalization** (New products/services not created, business models unchanged)	**Failure to comprehensively transform business structures** (Separation of business and digital, individual optimization of operations driven by strong sites)	**【Business Partner】** **Enhancement of "adaptability to change"** (Business architecture design, construction, and management)
1st Level	Project Management (A series of transformation actions)	**Poor ROI of transformation projects** (Unsatisfactory quality, budget overruns, and schedule delays)	**Weak structure and promotion on part of user companies** (Insufficient requirements analysis, unclear requirements definition, inadequate project management)	**【Transformation Partner】** **Strengthening of "reform promotion skills"** (Project support on the user side)

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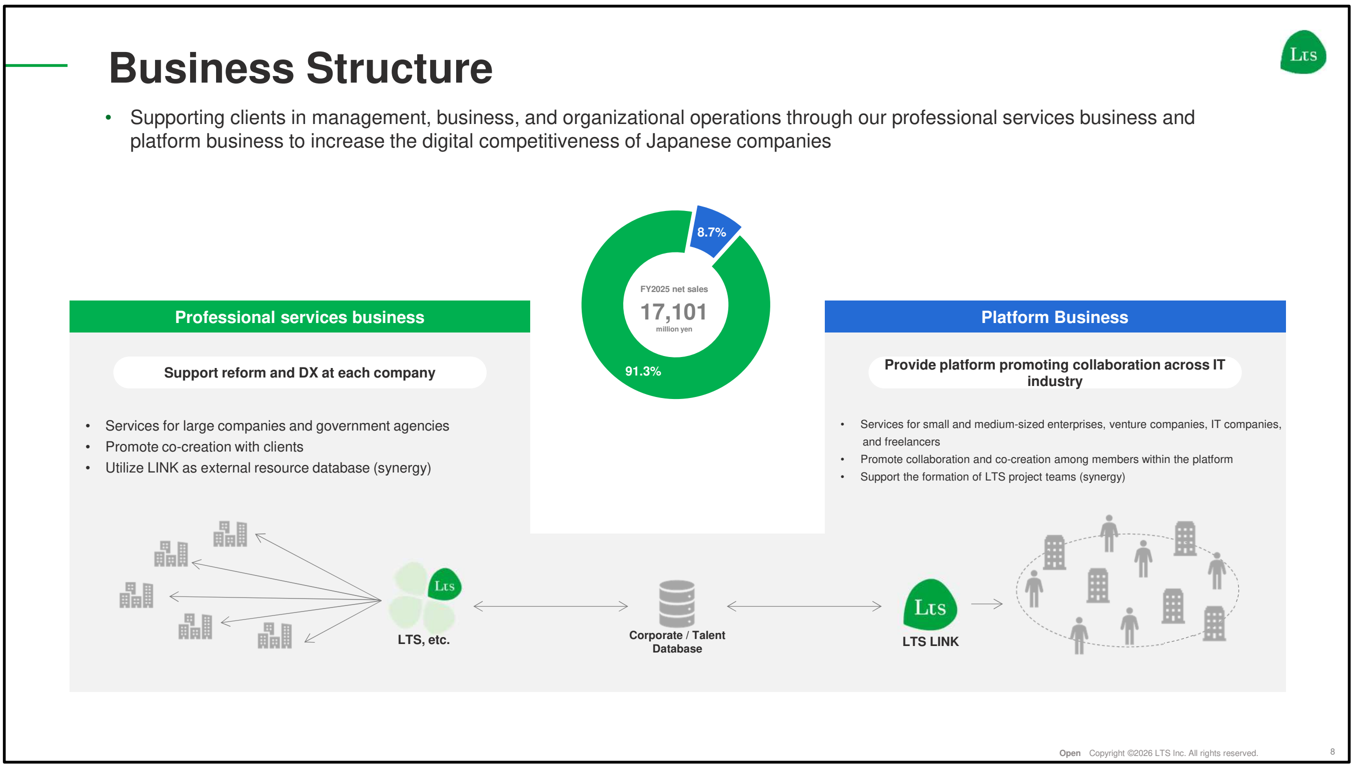
This slide introduces the causes of failure in corporate transformation and the support provided by LTS, Inc.

Currently, the application of AI and technology is progressing across all layers and scopes.
This includes individual work styles, departmental operations, business and functions, and the corporate strategies that tie them all together.
Within these areas, how to utilize AI and technology has become a central proposition for clients.

LTS, Inc. **reconstructs business and functional strategies,** designs **major transformations (transformation programs that change structures) to realize them,** and **actually supports individual projects.**
LTS, Inc. provides total support to enhance clients' organizational capabilities through individual project support, management and promotion of overall transformation programs, and strategy formulation.



Business Structure consists of two segments.
LTS, Inc. has developed its business through two segments: the Professional Services Business, which supports the transformation and DX of individual companies, and the Platform Business, which provides services that serve as a mechanism to promote collaboration across the entire IT industry.

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Next, I will explain the FY2025 Financial Results Overview.

FY2025 Financial Results Summary

Net sales

17,101 million yen

YoY growth rate +3.1%
Quarterly Plan Achievement Rate -%
Progress vs. Post-revision Forecast 93.6%

Operating profit

1,185 million yen

YoY growth rate +7.0%
Quarterly Plan Achievement Rate -%
Progress vs. Post-revision Forecast 100.5%

Reference) FY2025 Post-revision Forecast

Net sales: 18,280 million yen (YoY growth rate 10.2%)

Operating profit: 1,180 million yen (YoY growth rate 6.5%)

Consolidated Financial Results

- **4Q standalone**
  Net sales were below expectations as growth in the Platform Business continued to slow, but profit was secured as planned through cost management and other measures.
- **Full year**
  Absorbed the impact of one-time losses incurred during the period, achieving increases in both revenue and profit with net sales up 3.1% YoY and operating profit up 7.0% YoY.
  Professional services business: Continued steady growth by expanding the customer base and increasing added value
  Platform Business: Revenue and profit decreased due to delays in structural reforms
- **Shareholder return**
  Dividend increased by 5.0 yen from FY24 (DPS = 35.0 yen)
- **FY26 Outlook**
  The professional services business is expected to maintain stable growth under the outlook that the favorable business environment will continue.
  For the Platform Business, a review was conducted based on the principles of business operations, and the earnings outlook for FY26 and beyond was adjusted.
  Consolidated operating profit for FY26 is expected to be 1,600 million yen.

Net sales were 17,101 million yen (up 3.1% YoY, 93.6% progress vs. Post-revision Forecast).
Operating profit was 1,185 million yen (up 7.0% YoY, 100.5% progress vs. Post-revision Forecast).

In 4Q standalone, net sales fell below expectations as the growth slowdown in the Platform Business continued, but operating profit was secured through thorough cost management.

For the full year, we absorbed the impact of the one-time loss incurred in the second quarter, **achieving growth in both net sales and operating profit.**
The Professional Services Business continues to achieve steady growth through the expansion of its customer base and improvement of added value, and we believe it can continue to grow.
The Platform Business ended with a decline in revenue and profit due to delays in structural reforms.

Regarding shareholder returns, **we plan to increase the dividend by 5.0 yen from FY2024, the year of the initial dividend, to 35.0 yen.**

Regarding the outlook for FY2026, **the Professional Services Business will grow steadily** under the expectation that the favorable business environment will continue.
For the Platform Business, we have conducted a review based on the principles of business operations and adjusted the earnings outlook for FY26 and beyond.
We expect consolidated operating profit of 1.6 billion yen.

FY2025 - Consolidated Profit and Loss Statement

- Both net sales and operating profit show solid growth YoY
- Profit attributable to owners of parent decreased YoY due to the recording of 220 million yen in extraordinary losses related to service provision, as well as the impact of the absence of 567 million yen in gain on sale of non-current assets recorded in the previous period.

(Millions of yen)	FY2025 Results	FY2025 full year plan (Post-revision)		YoY % change		FY2025 4Q results (Standalone)	YoY % change		QoQ % change	
		Plan	Progress	FY2024	YoY growth rate		FY2024 4Q	YoY growth rate	FY2025 3Q	QoQ change
Net sales	**17,101**	18,280	93.6%	16,592	3.1%	**4,219**	4,345	(2.9%)	4,309	(2.1%)
Gross profit	**6,092**	6,890	88.4%	5,903	3.2%	**1,589**	1,551	2.4%	1,621	(2.0%)
Gross profit margin	35.6%	37.7%	-	35.6%	0.0pt	37.7%	35.7%	2.0pt	37.6%	0.1pt
Operating profit	**1,185**	1,180	100.5%	1,107	7.0%	**301**	341	(11.7%)	410	(26.7%)
Operating margin	6.9%	6.5%	-	6.7%	0.3pt	7.1%	7.9%	(0.8) pt	9.5%	(2.4) pt
Ordinary profit	**1,293**	1,230	105.2%	1,069	21.0%	**376**	273	37.6%	391	(3.8%)
Profit before income taxes	**1,006**	1,020	98.7%	1,459	(31.0%)	**299**	525	(42.9%)	377	(20.4%)
Profit attributable to owners of parent	**696**	650	107.1%	973	(28.5%)	**223**	273	(18.3%)	246	(9.3%)

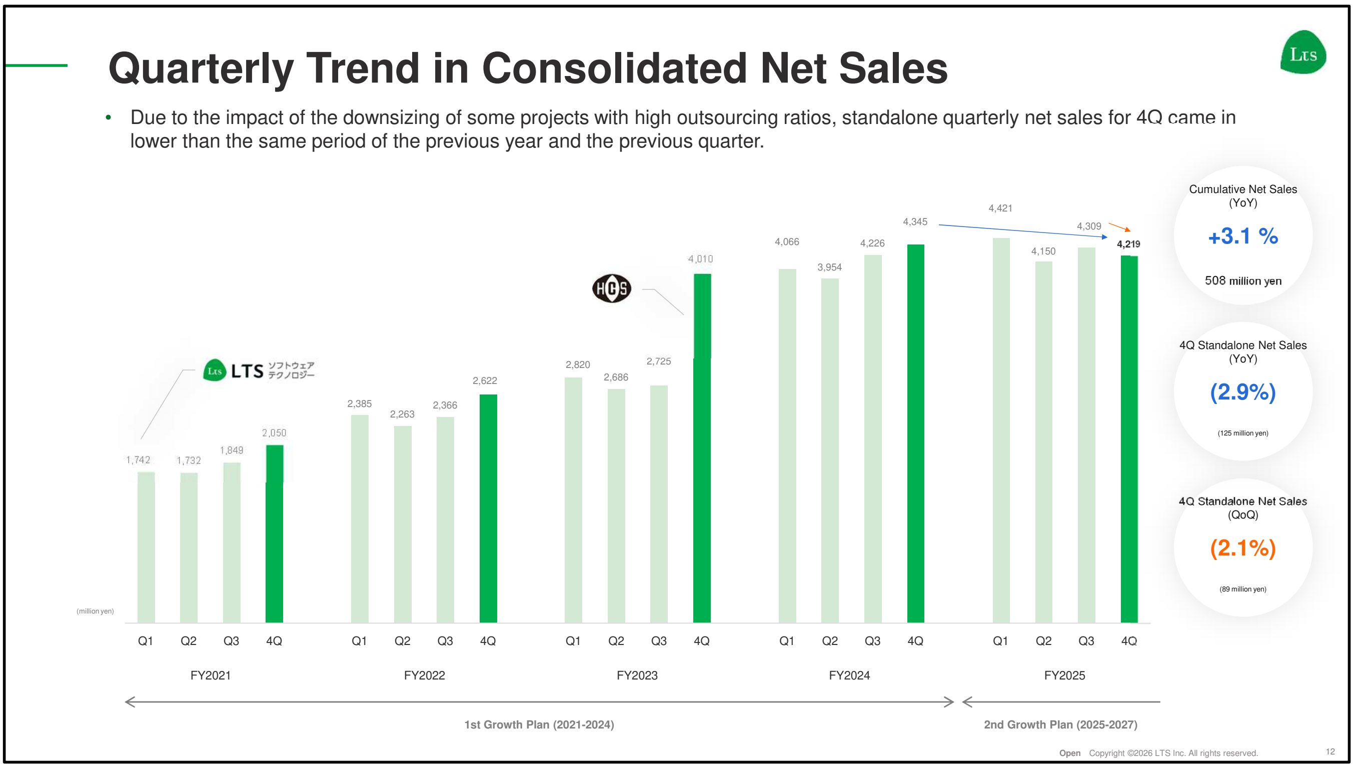
* EBITDA: 1,461 million yen / EBITDA margin: 8.5%

This is the consolidated P&L for FY2025.

Net sales, gross profit, and operating profit all secured steady growth YoY.

Regarding profit attributable to owners of parent, **in addition to recording 220 million yen as extraordinary losses related to service provision in FY2025,** it was also **impacted by the absence of 567 million yen in gain on sale of non-current assets recorded in FY2024,** resulting in a decrease in profit.

All other profit levels finished higher than the previous fiscal year.

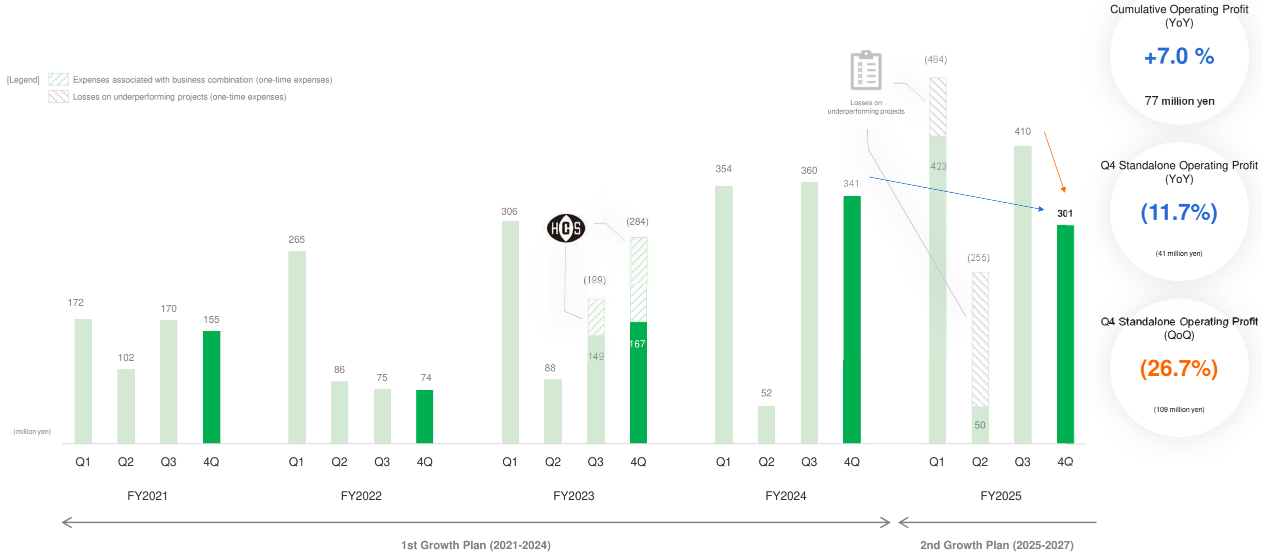


This section explains the Quarterly Trend in Consolidated Net Sales.

Due to the impact of the downsizing of some projects with high outsourcing ratios, 4Q standalone net sales were 4,219 million yen, falling below the same period of the previous year and the previous quarter.

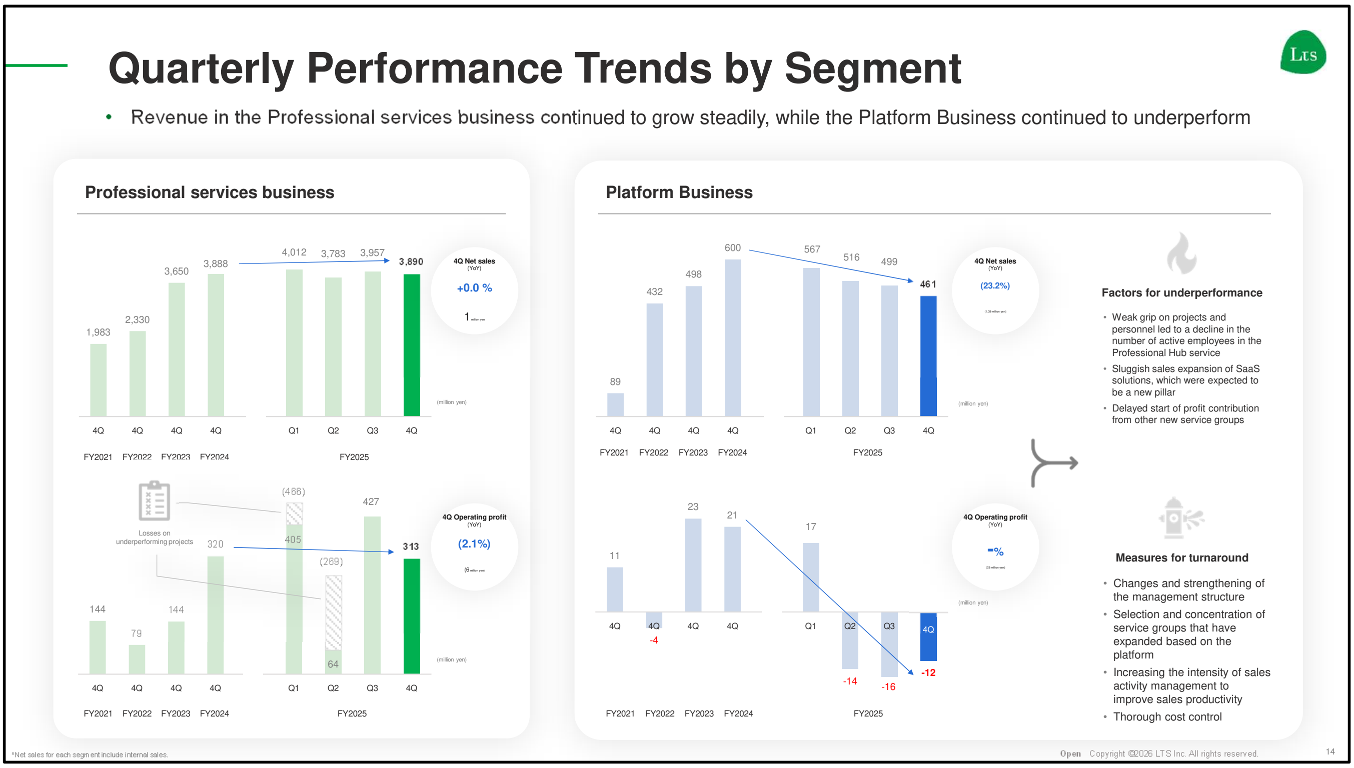
Quarterly Trend in Consolidated Operating profit

- Due to the impact of the concentration of work on large-scale projects for which revenue is recognized on a percentage-of-completion basis in Q3, Q4 standalone quarterly operating profit fell below the same period of the previous year and the previous quarter.



This section explains the Quarterly Trend in Consolidated Operating profit.

Due to the impact of the concentration of large-scale projects recognized on a percentage-of-completion basis in Q3, Q4 standalone operating profit fell below the same period of the previous year and the previous quarter, reaching 301 million yen.



This section covers the quarterly trends by segment.

The Professional services business continues to achieve stable growth.
The Platform Business continues to underperform, partly due to delays in structural reforms.

The reasons for the slowdown in growth include (1) a weak grip on projects and personnel, which led to a **decline in the number of active employees in the Professional Hub service** that has persisted, (2) the fact that **sales expansion of solutions expected to be new pillars did not grow as much as anticipated**, and (3) the fact that for other service groups, **it will still take time before they contribute to profits**.

To achieve a turnaround, LTS, Inc. is (1) strengthening the management structure, (2) narrowing down the service groups built on the platform base, and (3) increasing the intensity of activity management and support to improve sales productivity.

FY2025 - Consolidated Balance Sheet

- Although net cash decreased due to new long-term borrowings and the purchase of treasury shares in 2Q, a certain equity ratio was maintained, securing financial capacity to support aggressive investment.

(Millions of yen)	FY2025 Results	YoY % change			QoQ % change		
		FY2024		YoY change	FY2025 3Q		QoQ change
Current assets	6,877	8,281		(1,404)	7,042		(165)
Cash and deposits, etc.	3,376	5,447	⬇	(2,071)	3,641	⬇	(265)
Non-current assets	3,154	3,120		33	3,135		19
Total assets	10,031	11,402		(1,370)	10,178		(146)
Current liabilities	3,102	3,653		(551)	3,154		(52)
Non-current liabilities	2,166	3,182		(1,015)	2,377		(210)
Total liabilities	5,268	6,835		(1,567)	5,531		(262)
Interest-bearing debt	2,923	3,889	⬇	(966)	3,159	⬇	(236)
Total equity	4,648	4,452		195	4,533		114
Net assets	4,763	4,566		196	4,646		116
equity ratio	46.3%	39.1%	⬆	7.2pt	44.5%	⬆	1.8pt

Reference indicators (FY2025 4Q results)	
Net cash	453
Net D/E ratio	(0.10)
Liquidity ratio	221.7%

Open 15

This is the consolidated balance sheet.

Although net cash decreased due to the **new long-term borrowings and purchase of treasury shares implemented in Q2, a certain equity ratio (46.3%) was maintained,** securing financial capacity to support aggressive investment.

Q4 FY2025 - Activities Summary

Human Resources

Accelerated initiatives to strengthen specialization to reinforce the new human resources portfolio framework

- • Full-scale launch of CoP (Community of Practice) activities
- • 10 new employees obtained professional qualifications in the PM and BA fields
- • Renewed talent management system

Customers

In addition to strengthening account sales for key customers, made progress in developing promising new clients

- • 23 new clients added as a result of marketing activities
- • Continued large-scale transactions with the public sector, including central ministries, local governments, independent administrative agencies, and national university corporations

Services

Accelerated activities other than project support for individual companies to improve corporate transformation and DX promotion capabilities

- • Led the definition of "business architects" in the Ministry of Economy, Trade and Industry (METI) task force
- • Invested in Ascend Inc., a logistics DX startup

Group Management, etc.

Promoted the sharing of knowledge specialized in technology that supports DX across the entire group

- • Held Tech Day to share research content across the group
  - • "Technical themes" such as AI and quantum computing
  - • "Methodologies" such as project management
  - • "Careers" such as technology transformation human resources

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Regarding activities in the fourth quarter.

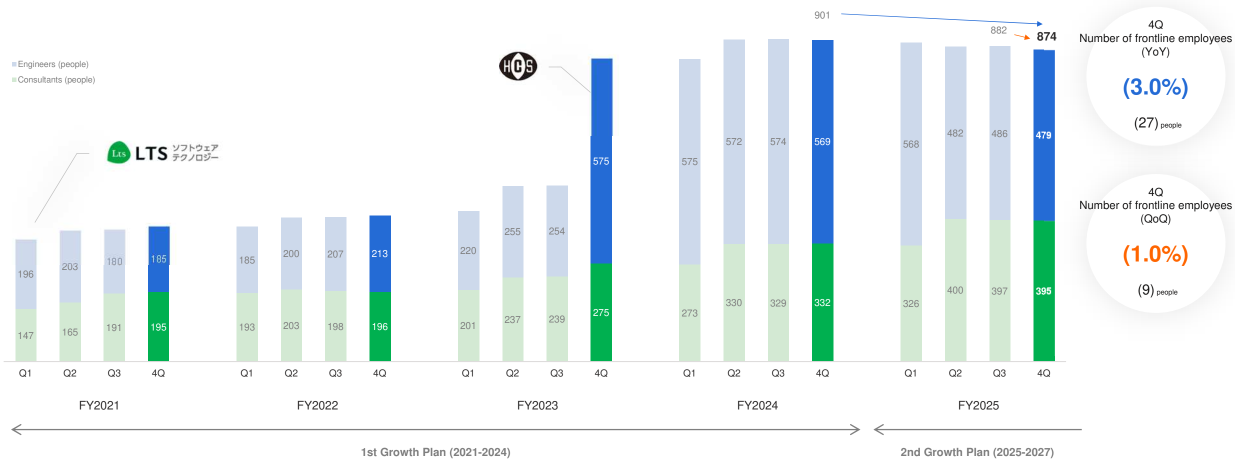
With the implementation of the new HR system and steady progress in career hiring for PM-level professionals, we believe that a structure to strengthen the new human resources portfolio is now in place.

Account sales strengthening for key customers is also progressing well, and the development of new clients is advancing.

Regarding services, **there are initiatives on how to train and increase business transformation talent/business architects throughout Japan,** and LTS is participating in and leading these activities.
As a result, our recognition and brand image have improved, and we are receiving many inquiries.
In terms of services, we summarize the year as one in which significant progress was made.

Quarterly Trends in Number of Frontline Employees (Consolidated)

- Although the number of frontline employees will not reach initial assumptions, significant progress has been made in optimizing the composition ratio of consultants and engineers (turnover rate controlled at 9.6%)
  - Consultants: Increased by 63 people due to hiring as well as progress in reskilling engineers to system analysts
  - Engineers: Decreased by 90 people due to headcount reduction from deconsolidation and curbed hiring reflecting the utilization and impact of generative AI
- LTS, Inc. plans to actively expand recruiting activities aiming for 950 frontline employees at the end of FY2026



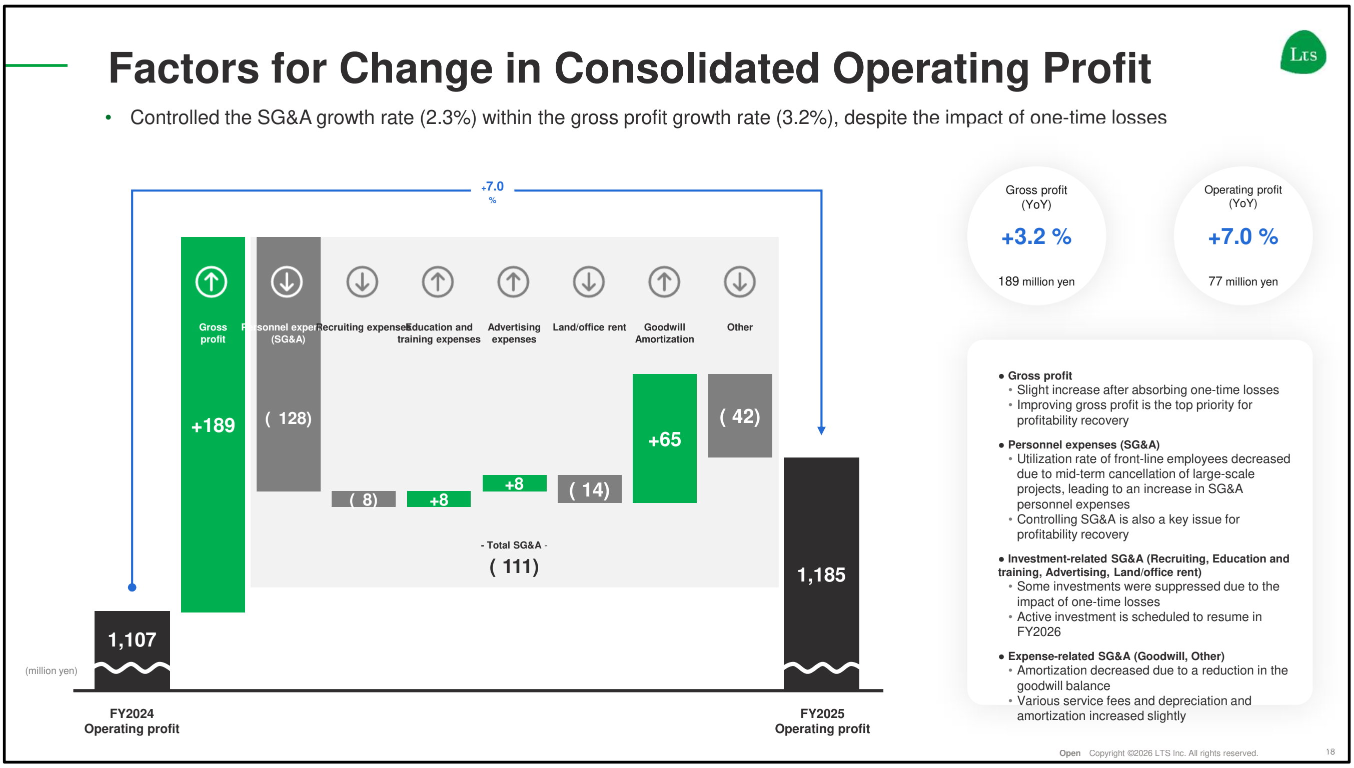
*Total headcount across all roles: 1,063 (Frontline: 874 / Sales: 63 / Corporate staff: 126 / Aggregated under the new HR system framework effective April 1, 2025)

This section explains the quarterly trend in the number of frontline employees (consolidated).

As of the end of the fiscal year, the number of frontline employees was 874.
Although the initial assumptions were not reached, **significant progress has been made in optimizing the composition ratio of consultants and engineers.**

The number of consultants increased by 63.
The number of engineers decreased compared to a year ago. This was due to the impact of the deconsolidation of a group company with approximately 50 engineers, as well as a slight curb in recruiting in consideration of changes in human resource requirements expected in the future due to the impact of generative AI.

For FY2026, LTS, Inc. plans to actively conduct recruiting activities with the goal of reaching 950 employees by the end of the fiscal year.



Factors for changes in operating profit are as shown on the slide.

Dividends of surplus

- For FY2025, LTS, Inc. will set the dividend per share at 35.0 yen, based on earnings progress and financial status.
  - 5.0 yen increase from FY2024
  - From August to October 2025, LTS, Inc. purchased treasury shares for a total of approximately 500 million yen, resulting in a total return ratio of 93.9% (including dividends and share repurchases).

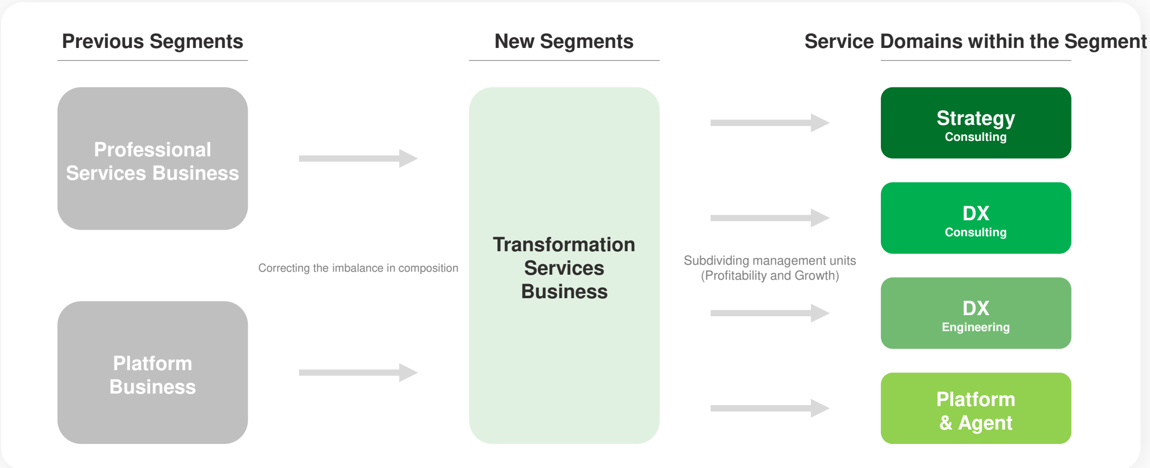
Annual dividend per share	Dividend payout ratio
35 yen	22.8 %
(Ordinary dividend) (Year-end dividend)	(Calculated based on FY2025 results)

Regarding dividends of surplus for FY2025, LTS, Inc. will set the **dividend per share at 35.0 yen**.
Compared to the previous fiscal year, this represents a **5.0 yen increase in dividend**.

Next, I will explain the business segments.

Background and Objectives of Segment Changes

- Improve the quality of dialogue with investors by changing the management units for earnings in response to changes in the business environment
  - The Platform Business is slowing down relative to the high growth of the Professional services business, and its percentage of earnings is decreasing
  - Multiple service domains with different profit/revenue models and growth models are growing even within the Professional Services Business



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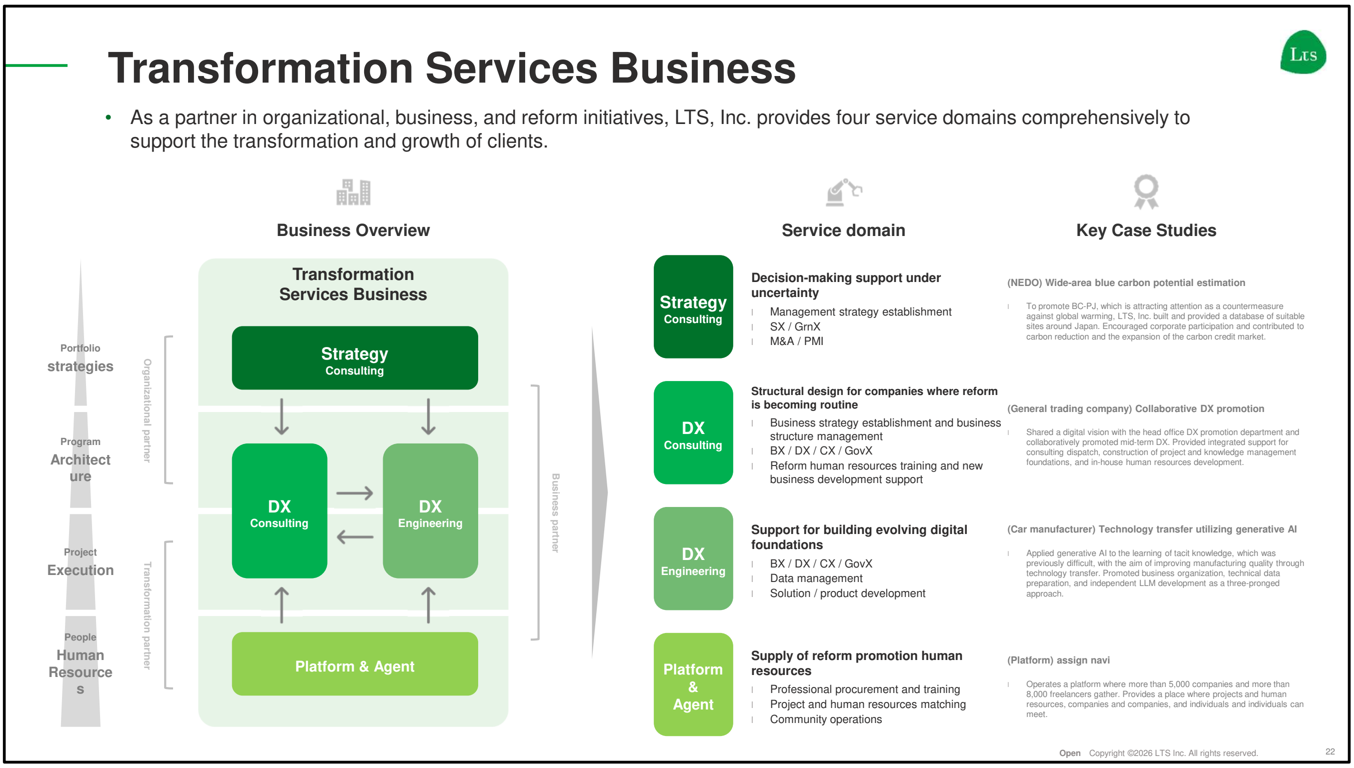
LTS, Inc. is changing its earnings management units to respond to changes in the business environment and to improve the quality of dialogue with investors.

While there were previously two segments, the Professional services business and the Platform Business, **these will be changed to a single segment, the Transformation Services Business**.
The background for this is that the Platform Business has slowed down, and its percentage of overall earnings has been declining.

Although there will be only one segment going forward, **there are four service domains within the segment with different profit models and growth models**, so LTS, Inc. plans to provide appropriate disclosure for each service domain, such as net sales and gross profit.



I will explain the four service domains of the Transformation Services Business.

As a partner in organization, business, and reform, LTS, Inc. develops business by integrating these four service domains and providing them to customers, thereby continuously supporting their transformation and growth.

Currently, the application of AI and technology is progressing across all layers and scopes of companies.
Individual work styles and departmental operations will be reviewed in an AI-driven manner.
To achieve this, it is necessary to inspect and establish business and functional strategies.
Our approach of providing integrated support for strategies, major transformations, and individual projects, and continuously rotating this cycle, remains unchanged.

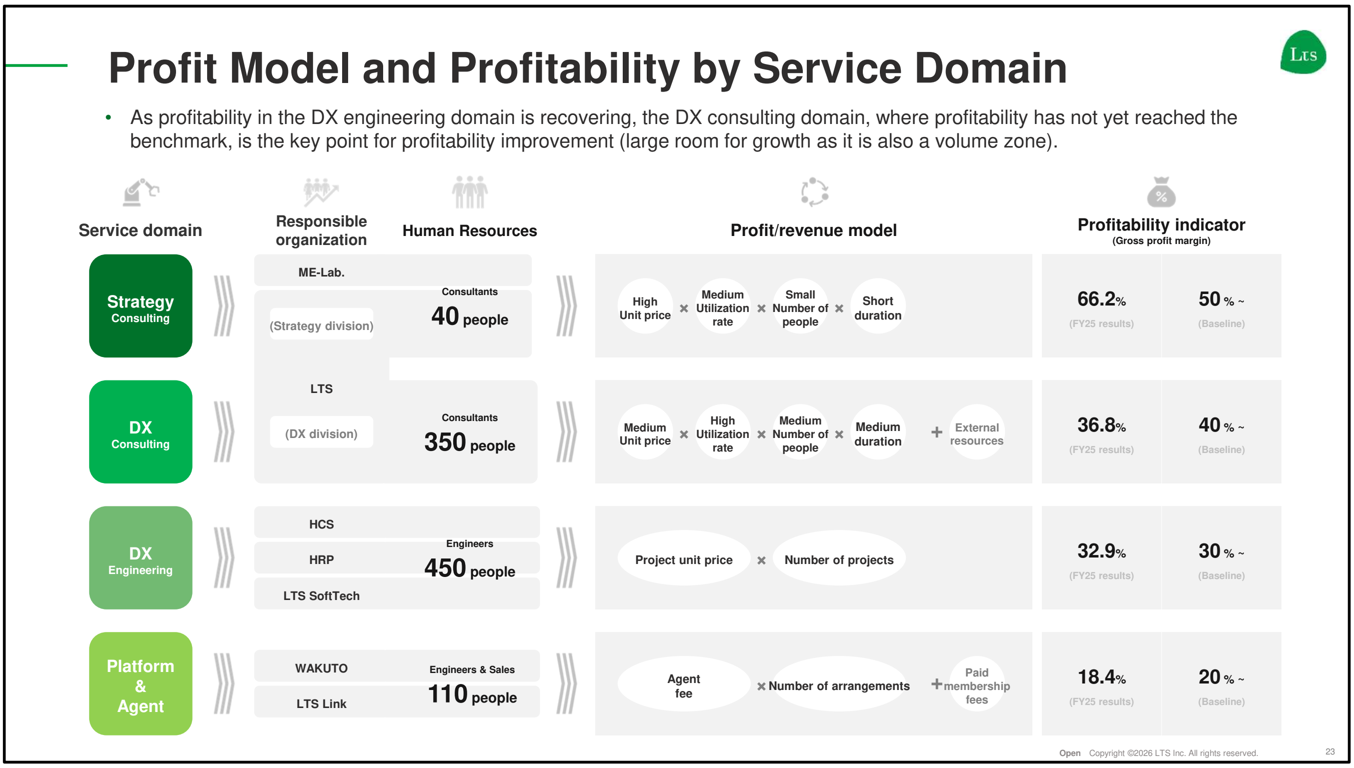
Since these services have different models in terms of profitability, growth potential, and required personnel skills and types, LTS, Inc. has redefined its business areas into these four domains. Going forward, we will proceed with performance management and providing materials for dialogue with investors.

Strategic consulting is a service that supports decision-making by management. Support for strategy establishment, GX, and more recently, advisory support for M&A and PMI is increasing.

DX consulting designs large-scale transformation programs to realize business and functional strategies, **and furthermore,** it supports the promotion of **each individual project within those programs.** This service domain also includes business structure management and the training of reform human resources.

DX engineering is a domain that designs large-scale transformation programs and promotes individual projects, **supporting them primarily from the technology side.**

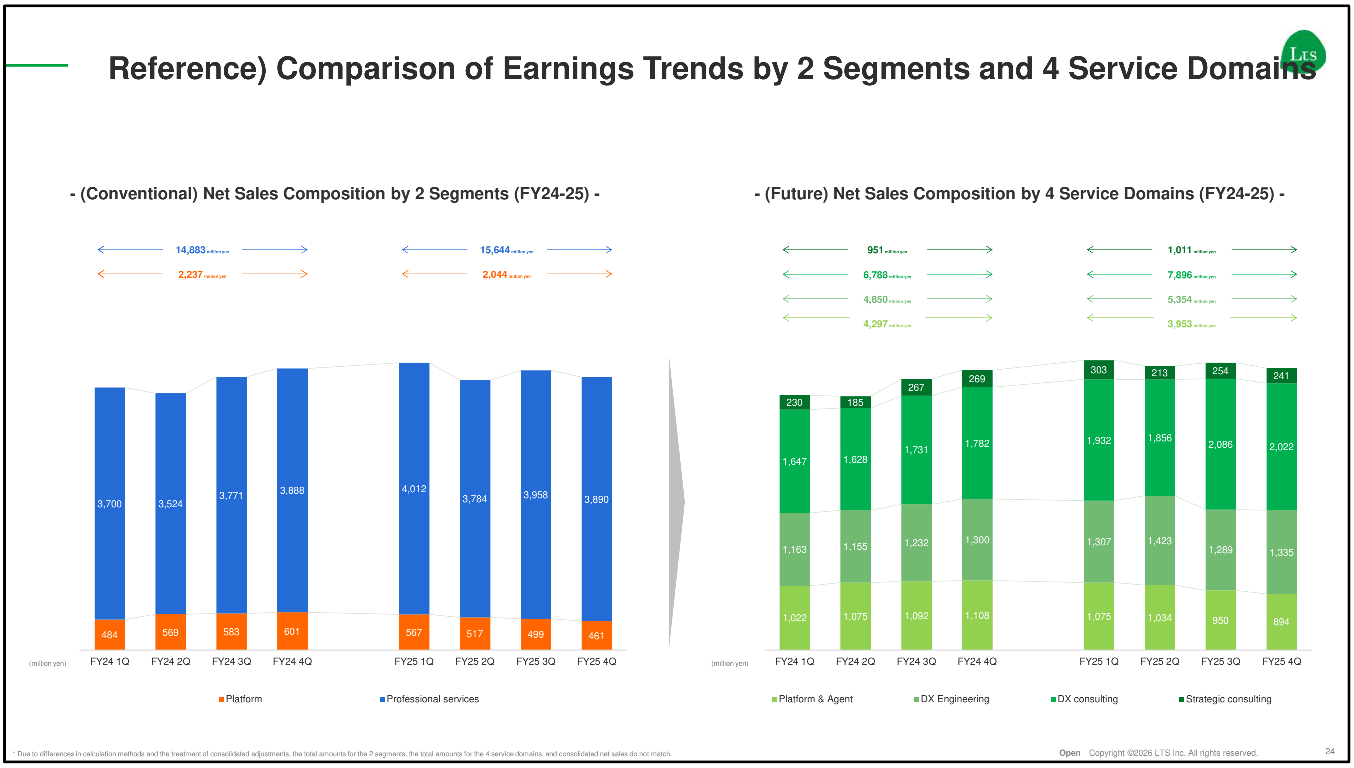
Platform & Agent is a service that provides the reform human resources **required for individual projects.**



Profit models and profitability by service domain.

Strategy consulting and DX consulting are primarily driven by LTS, Inc. itself.
DX engineering and Platform & Agent are primarily driven by group companies.

LTS, Inc. aims for business growth as a whole group while establishing a structure to pursue growth by firmly exceeding the gross profit margin (baseline level) set as a profitability indicator for each service domain.



For reference, we have provided supplementary materials on the earnings trends for each aggregation range for the two traditional segments and the four service domains within the new segments.

Reference) Past Results by Service Domain

* Figures are before consolidated adjustments and do not match Consolidated Net Sales.

Next, I will explain the FY2026 full year forecast.

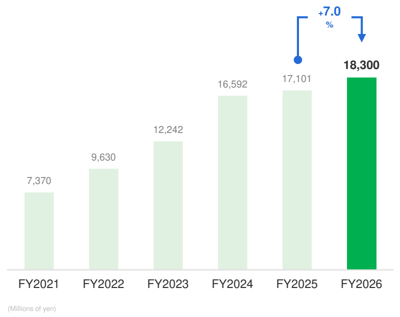
FY2026 Consolidated Performance Forecast (Net Sales)

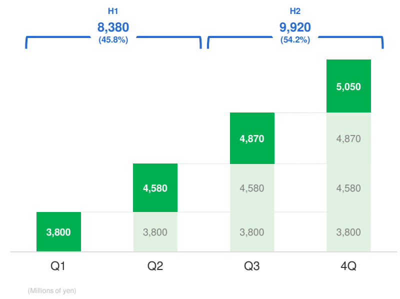
- In FY2026, LTS, Inc. will continue to prioritize the recovery of profitability and emphasize operating profit growth over net sales growth.
- Regarding net sales in 2Q, there is usually a tendency for results to fall below 1Q levels due to a slow project period (a temporary decrease in investment activities by companies with a March fiscal year-end). However, in FY2026, LTS, Inc. expects to maintain sales levels, partly due to the impact of net sales recognition based on the percentage-of-completion method.

Net sales

18,300 million yen

FY21-25 CAGR +23.4%





Net sales are planned to be 18.3 billion yen (up 7.0% YoY).

Please refer to the slide for the quarterly and first-half/second-half planned figures.

One supplementary point.
Regarding 2Q, as it is a slow project period, net sales usually tend to be lower than in 1Q. However, for FY2026, we plan for net sales to be at the same level as or slightly higher than 1Q, partly due to the impact of net sales recognition based on the percentage-of-completion method.

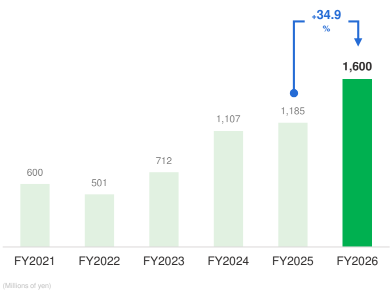
FY2026 Consolidated Performance Forecast (Operating Profit)

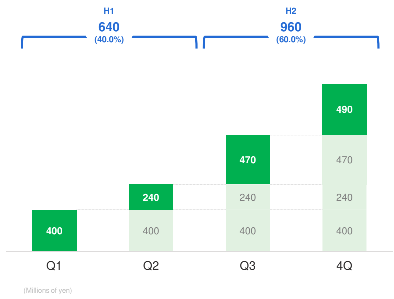
- In FY2026, LTS, Inc. will continue to prioritize the recovery of profitability and emphasize operating profit growth over net sales growth.
- Operating profit for 2Q is expected to be significantly lower than 1Q results due to the annual intake of new graduate employees (three-month training for employees joining in April).

Operating profit

1,600 million yen

FY21-25 CAGR +18.5% | Operating margin 8.7%





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Operating profit is planned to be 1.6 billion yen (up 34.9% YoY), with an operating margin of 8.7%.

Please refer to the slide for the quarterly and first-half/second-half planned figures.
The allocation is consistent with previous years.

FY2026 Consolidated Performance Forecast Adjustment

LTS

- Based on FY2025 results, net sales growth speed will be slightly suppressed
- In line with the Medium- to Long-Term Growth Scenario, operating profit will maintain steady growth in both growth rate and operating margin

4 consecutive periods of increased revenue and profit

(Millions of yen)	FY2025 Initial assumptions	FY2025 results	Evaluation by Segment	(As of FY25 initi FY2026 forecast	(As of FY25 end) Current situation and respo: Assumptions for adjustmen	justment amou	FY2026 forecast	change	growth
Net sales	18,280	17,101		20,150		(1,850)	**18,300**	1,198	+7.0 %
Former Professional Services Business	16,500	15,643	Achievement rate: 94.8% Outsourcing sales are gradually decreasing	18,000	Demand is strong, but prioritizing profitability without relying on outsourcing sales	(1,050)	16,950	1,306	8.4%
Former Platform Business	2,400	2,044	Achievement rate: 85.2% Number of matching constraints decreased	2,800	Delays in establishing a structure to strengthen sales capabilities resulted in opportunity losses	(800)	2,000	(45)	(2.2%)
Operating profit	1,400 (7.7%)	1,185 (6.9%)		1,680 (8.3%)		(80)	**1,600** (8.7%)	414 (1.8pt)	+34.9 %
Former Professional Services Business	1,280 (7.8%)	1,211 (7.7%)	Achievement rate: 94.6% Exceeded if not for one-time loss	1,525 (8.5%)	Unit price continues to rise, and utilization rate is also trending stably	+30	1,555	343	+28.4 %
Former Platform Business	120 (5.0%)	(25) (1.2%)	Achievement rate: (21.2%) Decrease in sales directly linked to profit decline	155 (5.5%)	Structural reforms are complete, but profit generation capability is still recovering	(110)	45	70	n/a

Ordinary profit	1,615
Profit attributable to owners of parent	1,050

Assumed EPS
238.5 yen

*Net sales for each segment include internal sales.

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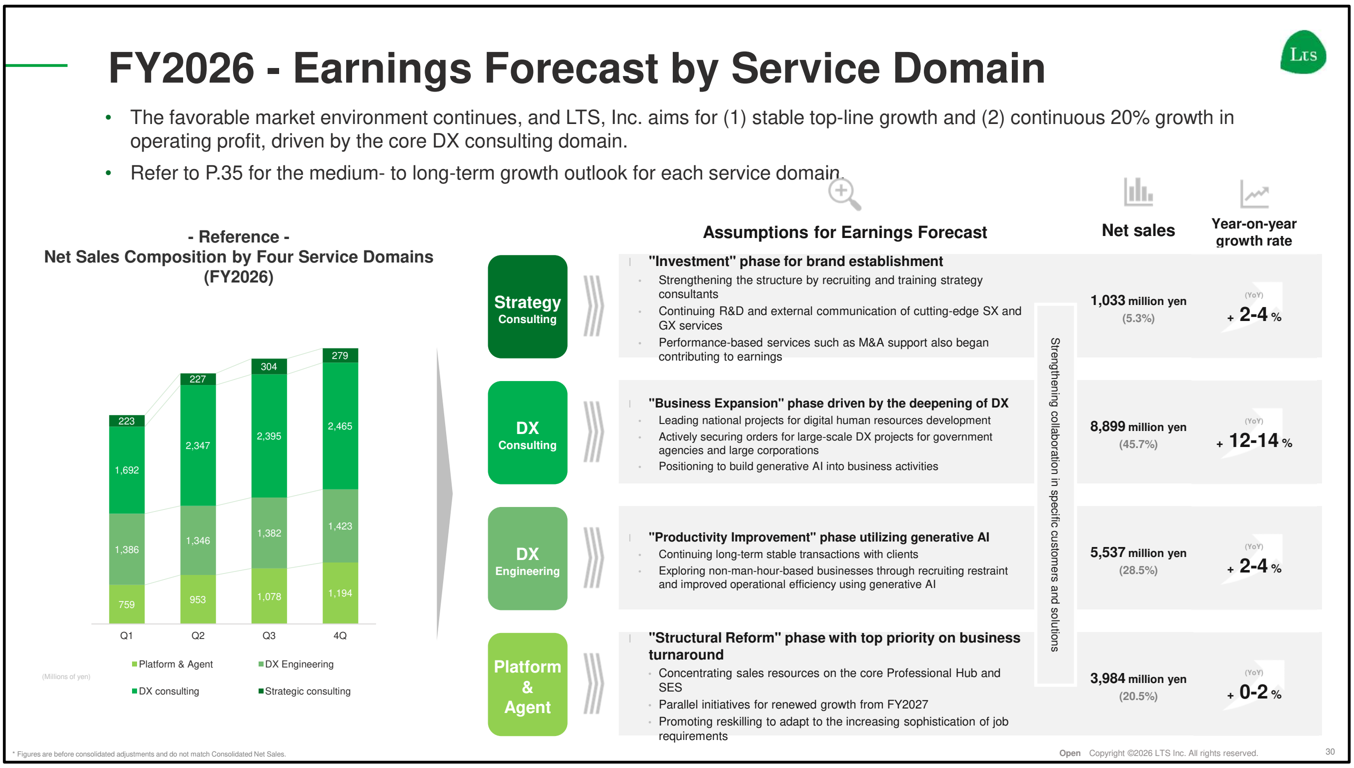
The following is a supplementary explanation regarding the adjustments to the FY2026 performance forecast.

First, regarding net sales.
Initial assumptions for FY2025 net sales were 18,280 million yen, and actual results came in at 17,101 million yen. Regarding FY2026 net sales, **while we initially expected to exceed 20,000 million yen as of the beginning of FY2025, we have now set the forecast at 18,300 million yen**.
There are two reasons for the adjustment to net sales.
First, regarding the former Professional Services Business. For FY2025, results came in at 15,643 million yen against the initial assumption of 16,500 million yen. This was affected by a decrease in projects utilizing outsourcing (which increase sales but have low gross profit). Based on this order policy, the forecast for FY2026 is set at 16,950 million yen.
Next, regarding the former Platform Business. For FY2025, results came in at 2,044 million yen against the initial assumption of 2,400 million yen. While we previously expected 2,800 million yen, based on the current situation where structural reforms are delayed, we have set the FY2026 forecast at 2,000 million yen.
Due to these two factors, consolidated net sales have been adjusted to 18,300 million yen.

Next, regarding operating profit.
We are announcing an adjustment of the **1,680 million yen shown as guidance a year ago to a forecast of 1,600 million yen**.
First, regarding the former Professional Services Business. For FY2025, results came in at 1,211 million yen against the initial assumption of 1,280 million yen. The internal and external environment was such that, without one-time losses, we would have significantly exceeded the initial assumption. We expect this environment to continue, and while we had a forecast of 1,525 million yen as of the beginning of FY2025, we have added 30 million yen to set it at 1,555 million yen.
Next, regarding the former Platform Business. For FY2025, results came in at an operating loss of 25 million yen against the initial assumption of 120 million yen. Because we had expected the profit contribution of the Platform Business to accelerate, we had a forecast of 155 million yen as of the beginning of FY2025, but we have decreased this by 110 million yen to set it at 45 million yen.
Since there is an increase in the former Professional Services Business to offset the decrease in the former Platform Business, consolidated operating profit has been adjusted to 1,600 million yen.



This section covers the earnings outlook by service domain.

Strategic consulting is in an "investment" phase for brand launch and strengthening, as shown.
DX consulting is in a "business expansion" phase, benefiting from favorable tailwinds.
DX engineering is in a phase of responding to client inquiries while improving productivity through the use of generative AI.
Platform & Agent is in a phase where "structural reform" is the top priority.

Based on the respective phases of these four domains, we have designed net sales growth rates and will manage the company for the year with a strong focus on profitability.

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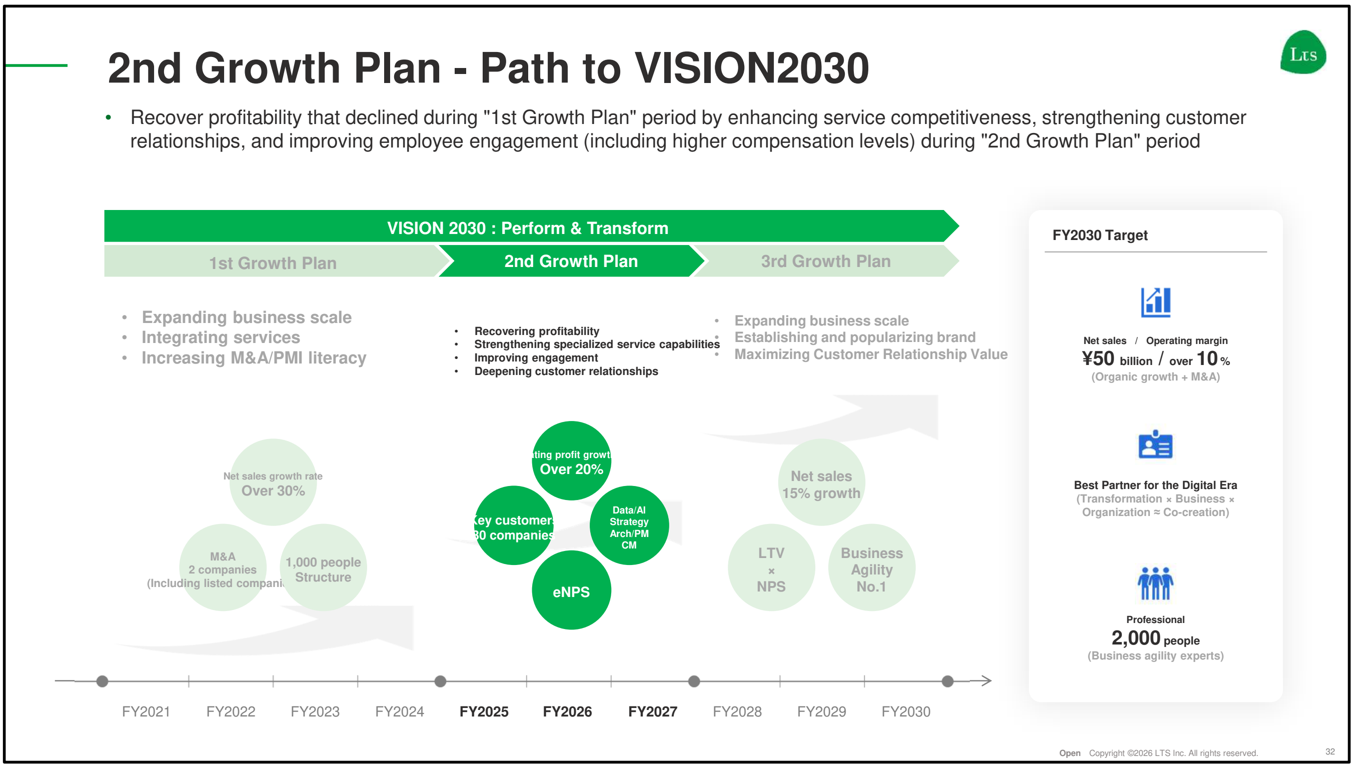
5. FY2026 Forecast
6. **Medium- to Long-Term Growth Scenario**
7. Shareholder Return & Capital Management Policy
8. Reference Material

Next, I will explain the Medium- to Long-Term Growth Scenario.



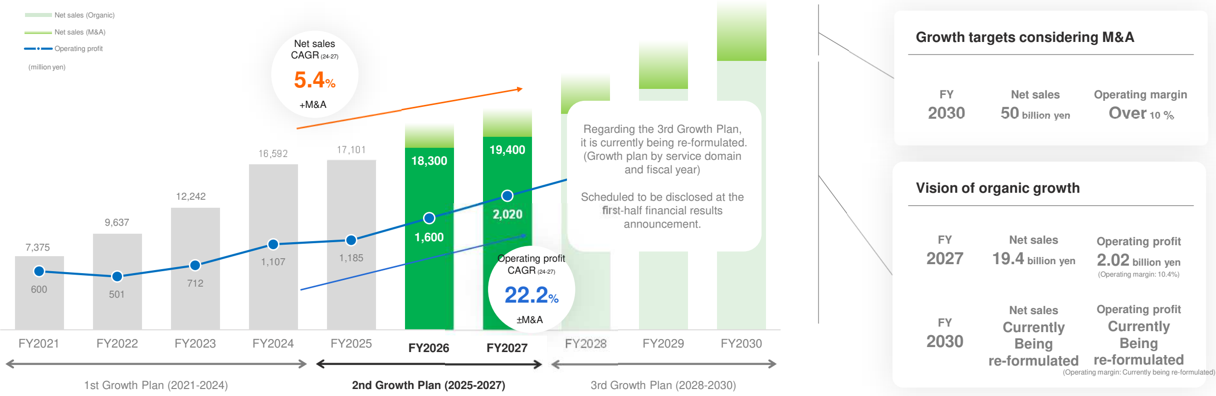
We are currently at the midpoint toward 2030.

During the 1st Growth Plan, the net sales growth rate exceeded 30%, and we reached a 1,000-person structure. In the process, we also promoted the integration of services.
However, on the other hand, we were left with the task of addressing declining profitability.

In this **2nd Growth Plan, we are promoting initiatives to properly recover profitability, strengthen specialized service capabilities, raise employee compensation, and improve engagement**.
After establishing the necessary foundation here, we intend to increase growth potential again from 2028 onward.

2nd Growth Plan – Performance Target Trends

- During the 2025-2027 period, priority is given to the recovery of profitability (operating margin), and operations are underway aiming for an average operating profit growth rate of 20%.
- Based on FY2025 results, target figures for FY2026 and net sales target figures for FY2027 have been adjusted.
  - Former professional services business: The impact of one-time losses that occurred in FY2025 has been overcome.
  - Former Platform Business: Currently undergoing structural reform; due to it being a high cost-of-sales business, the impact on profit growth is limited, but the impact on net sales growth is significant.
- For the 2028-2030 period as well, the policy is to maintain an average operating profit growth rate of 20%.
- Although not factored into the plan, in addition to organic growth, non-linear growth through M&A is also within scope.



In light of the current uncertain business environment and the growth scenarios where new businesses (peripheral and overseas businesses) and M&A carry significant weight, LTS, Inc. believes it is desirable to flexibly review strategies each year and reflect them in the business plans for the following year and beyond. Therefore, rather than presenting it as a "Medium-Term Business Plan," LTS, Inc. will publish a "Growth Plan" every few years as "reference information" with the aim of sharing our growth vision with shareholders and investors in a quantitative manner.

I will now explain the performance target trends for the 2nd Growth Plan.

For the period from 2025 to 2027, LTS, Inc. is managing with the premise of prioritizing the recovery of the operating margin and growing the operating profit amount by an annual average of 20%.
Based on the FY2025 results, LTS, Inc. has adjusted the target figures for FY2026 and the net sales target figures for FY2027.

Regarding the former professional services business, LTS, Inc. believes it can grow steadily as it has moved past the impact of the one-time loss that occurred in 2025.

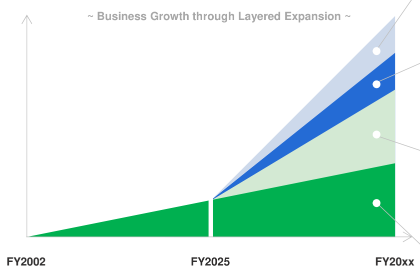
The former Platform Business is currently undergoing structural reform. Since it is a model with a high cost-of-sales ratio, it has the characteristic of having a large impact on sales but a small impact on profit. Based on this characteristic, LTS, Inc. is keeping the net sales target lower than the amount previously shown in the guidance. However, the operating profit amount is being maintained.

For the period from 2028 to 2030 as well, LTS, Inc. will continue the 20% average annual growth rate for operating profit.
The **breakdown (service domains and fiscal years) is currently being reformulated**.
LTS, Inc. will disclose this again at the time of the first-half financial results announcement.

Note that these are all organic growth scenarios, and **LTS, Inc. will continue to explore discontinuous growth through M&A**.

2nd Growth Plan – Layered Business Growth Strategy

- Comprehensive support for transformation, aiming to be the Best Partner for the Digital Era
- Enhancing profitability through strengthening existing businesses and laying the foundation for the next leap by exploring peripheral areas and overseas businesses



Overseas business expansion

Brand building in Asian market
- Promote global support for existing customers
- Partner with FPT Group and Yokogawa Group
- Utilize M&A (acquire local partners)

Expansion of Peripheral businesses

Strengthening new drivers of “X (Transformation)” initiatives
- Strengthen strategy consulting and organizational consulting domains
- Strengthen GX and SX support domains
- Utilize M&A (acquire solutions)

Evolve existing businesses

Enhancing Customer Relationship Value through advanced corporate reform support
- Strengthen end-to-end total services (increasing average revenue per client)
- Strengthen edge-to-edge cross services (increasing average revenue per client)
- Strengthen business agility brand (increasing number of customers)

Enhance existing businesses

Improving quality and profitability of individual services
- Strengthen specialized training for BA/PM, etc. (increase billable rate per person-month)
- Enhance PM-level/consultant hiring (increasing number of employees)
- Thoroughly manage project pipelines and resource utilization (increasing utilization rates)

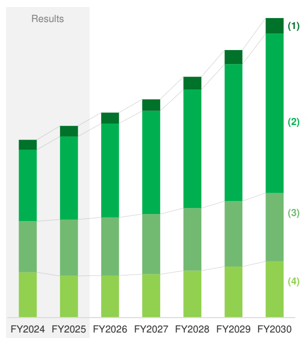
The concept of the growth strategy remains the same as before.

We will deepen and advance our existing businesses.
While nurturing peripheral businesses, we will also expand our overseas operations.
We will manage these in a well-balanced manner, with a focus on profitability.

Growth Scenarios for Existing Businesses – Growth Scenarios by Service Domain

- During the FY2025-27 period, priority will be given to recovering and improving profitability, and net sales growth for each service domain is planned to be somewhat restrained.
- To pursue net sales growth again from FY2028, the anticipated growth rate will be raised for all service domains.

Envisioned growth by service domain



Service domain	Anticipated growth rate* FY2025-27	Anticipated growth rate* FY2028-30	Direction and initiatives for business growth
(1) Strategy Consulting	+4-8%	+10-14%	• Develop individual expertise to be sought after through strategy plus alpha (industry and cutting-edge technology knowledge) • Simultaneously advance medium- to long-term external recognition and exploration of new fields through research activities such as academic presentations, paper writing, and external communications
(2) DX Consulting	+11-15%	+16-20%	• Establish a development framework for core expertise such as PM and BA and strengthen the organizational structure • Form business units centered on industries and solutions, simultaneously driving growth of each unit and expansion in the number of units
(3) DX Engineering	+3-7%	+4-8%	• Utilize public cloud services and promote agile development methodologies • Combine deep customer understanding (business, operations, organization) with expertise in architecture management to maximize customer value
(4) Platform & Agent	+1-5%	+8-12%	• Stabilize and increase the number of matches by strengthening the sales structure (increasing personnel and improving productivity) • Strengthen the ecosystem by providing added value beyond matching

- Under re-formulation -

* Projected average annual growth rate for FY2026 to FY2030 as of February 2026 (to be updated annually)

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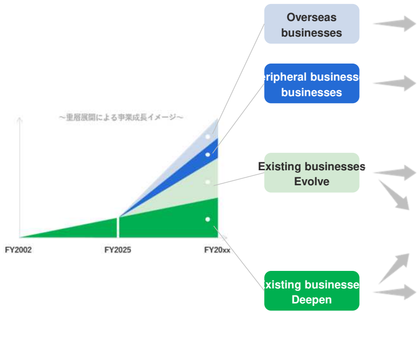
Regarding the deepening and evolution of existing businesses, we will promote growth scenarios for each of the four service domains.

From 2025 to 2027, DX consulting will drive the growth of the entire Group, and **we are currently reformulating our plans with the aim of accelerating growth in all four domains from 2028 onwards** beyond previous levels.

M&A Strategy for Discontinuous Growth

- • Will actively pursue M&A as key growth strategy while maintaining focus on organic growth
- • From 2025 to 2027, priority will be given to small-scale M&A (up to 500 million yen) for deepening and evolving existing businesses



		~Past M&A~				~Future direction of M&A~	
		WAKUTO	IOTOI	SOFTEC	HCS	TBD	
	Market cultivation					✓	• • Local partners overseas
	Acquisition of new services					✓	• • Training and coaching, BPO, investment and business creation, HR services, etc.
Strengthening of services	Incorporation of advanced technology/ products		✓			✓	• • Generative AI, digital twins, edge computing, blockchain, cybersecurity, etc.
Strengthening of services	Strengthening of solutions				✓	✓	• • MS365, SAP, SFDC, OutSystems, PMO, etc.
Acquire resources	Consultants		✓			✓	• • Strategic consulting, SX/GX consulting • • Data consulting, AI consulting • • DX consulting, ERP consulting
Acquire resources	Engineers	✓		✓	✓		• • N/A (completed)

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While maintaining a focus on organic growth, LTS, Inc. will continue to actively consider and utilize M&A.

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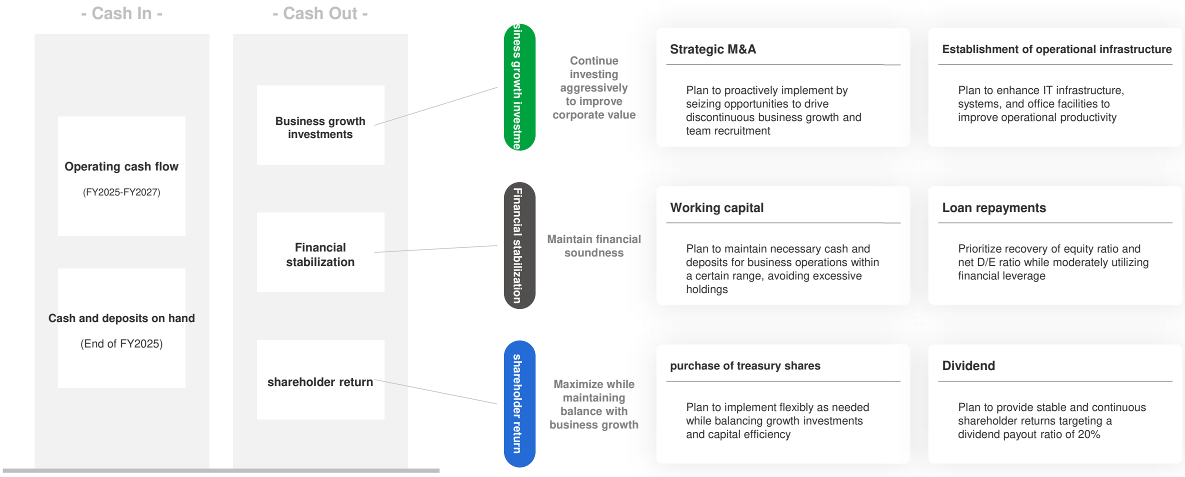
Next, I will explain the Shareholder Return & Capital Management Policy.

Capital Allocation Approach

- Aim to enhance corporate value over the medium to long term through "proactive business growth investments" and "maximizing shareholder returns"
- Plan to utilize borrowings for large-scale investments such as M&A, with no plans for capital increases, while maintaining financial soundness



*Amounts and allocation of cash inflows and outflows will be disclosed in the future.

The Capital Allocation Approach will **balance proactive business growth investments with maximizing shareholder returns.**

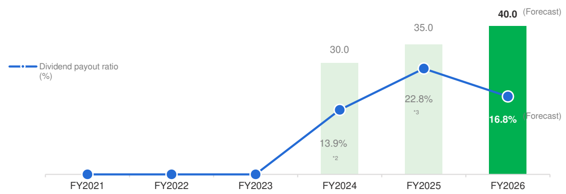
Dividends of surplus

- Dividend planned for end of FY2026, targeting dividend payout ratio of approximately 20%
  - 5.0 yen increase planned

Basic policy

- Stock price growth: Main shareholder return measure is to position medium- to long-term EPS growth as key driver for increasing corporate value (stock price)
- **Dividend: Implementing stable and continuous shareholder returns with target dividend payout ratio of 20%** (however, considering impact of special factors unrelated to core business if net profit fluctuates significantly)
- Purchase of treasury shares: Considered on case-by-case basis while balancing investment in growth and capital efficiency, and implemented flexibly as needed

Trend in annual dividend per share



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Treasury share purchase amount *1	145 million yen	150 million yen	28 million yen	70 million yen	500 million yen	- million yen
Total shareholder return ratio (Total payout ratio)	37.6 %	64.6 %	6.3 %	21.6 %	93.9 %	- %

Annual dividend per share

40 yen

(Ordinary dividend)
(Year-end dividend)

Dividend payout ratio

16.8 %

(Calculated based on the FY2026 earnings forecast)

*1: Amounts exclude acquisition costs related to requests for purchase of fractional shares.
*2: Dividend payout ratio based on ordinary profit excluding the impact of extraordinary gains and losses = 19.5%
*3: Dividend payout ratio based on ordinary profit excluding the impact of extraordinary gains and losses = 13.2% (Initial Forecast = 17.8%)

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Regarding dividends of surplus, we plan to pay a dividend for the fiscal year ending December 31, 2026, targeting a dividend payout ratio of approximately 20%.
We plan to increase the dividend by 5.0 yen from FY2025, resulting in an annual dividend per share of 40.0 yen, consisting of an ordinary dividend and a year-end dividend.

Disclaimer and Note

Disclaimer

- LTS, Inc. (“the Company”) provides financial information, management indicators, and other information only as a reference. No representations or warranties are made, express or implied, with regard to the content herein.
- The Company prepared this material using current generally known information about social and economic conditions and certain assumptions that we deemed to be reasonable. The information found in this material is subject to change without notice due to changes in business conditions or for other reasons.

Note on Forward-Looking Statements

- The material and information provided with this announcement contain forward-looking statements. These forward-looking statements are based on current expectations, forecasts, and assumptions that are subject to risks and include uncertainties, which may cause actual results to differ substantially from these statements.
- These risks and uncertainties include general industry and market conditions as well as general Japanese and international economic conditions such as changes in interest rates and exchange rates.
- The Company has no obligation to update or correct the forward-looking statements contained in this material, regardless of any new information, future events, etc.

End of File

This concludes the financial results presentation of LTS, Inc. for the fiscal year ending December 31, 2025.

We look forward to your continued support.