Note: 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.

November 13, 2026

Company name: LTS, Inc.
Name of representative: Hiroaki Kabashima, Representative Director and President Executive Officer
(Securities code: 6560; Tokyo Stock Exchange Standard Market)
Inquiries: Sugil Lee, Director and Vice President Executive Officer
(Telephone: +81-3-6897-6140)

Notice Regarding Revision of Full-Year Consolidated Earnings Forecast

LTS, Inc. (the "Company") hereby announces that, at the Board of Directors meeting held on November 13, 2026, it has decided to revise its consolidated earnings forecast for the fiscal year ending December 31, 2026 (January 1, 2026 - December 31, 2026), which was previously disclosed in the Financial Results for the Year Ended December 31, 2025, released on February 13, 2026, based on recent business performance trends.

1. Revisions to consolidated financial results forecasts for the current fiscal year (January 1, 2026 - December 31, 2026)

(Millions of yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent	Consolidated earnings per share
Previously announced forecasts (A)	18,300	1,600	1,615	1,050	238.47
Revised forecasts (B)	17,000 ~17,500	1,350 ~1,450	1,400 ~1,500	935 ~1,000	212.77 ~227.56
Change (B-A)	(1,300) ~(800)	(250) ~(150)	(215) ~(115)	(115) ~(50)	
Change (%)	(7.1) ~(4.4)	(15.6) ~(9.4)	(13.3) ~(7.1)	(11.0) ~(4.8)	
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended December 31, 2025)	17,101	1,185	1,293	696	153.78

2. Reason for revision

For the fiscal year ending December 31, 2026, the Company has been prioritizing the recovery of profitability in its business operations. However, since the third quarter, growth and profitability improvements have lagged behind initial

expectations, and as a strong recovery is unlikely in the fourth quarter, the Company has revised its full-year consolidated earnings forecast.

Regarding net sales, while the DX Consulting segment remains strong against a backdrop of robust demand, the Strategy Consulting segment has experienced a failure to meet performance-based compensation criteria due to changes in the circumstances surrounding individual projects. In the DX Engineering segment, the total utilization of engineers continues to decline due to delays in structural reforms aimed at shifting toward high-value-added areas and delays in reskilling efforts. Furthermore, in the Platform & Agent segment, the supply-demand environment for partner SES has deteriorated due to the spread of generative AI and the tightening of commercial flow restrictions, leading to sluggish growth in the number of contracts. The forecast has been revised in light of these factors.

Regarding operating profit, although the DX Consulting segment is driving performance, the Company expects results to fall below initial projections due to factors such as a decline in utilization rates associated with service development investments in the Strategy Consulting segment, delays in profitability improvements for projects undergoing reskilling in the DX Engineering segment, and a decline in profitability in the Platform & Agent segment. The forecast has been revised in light of these factors.

Regarding ordinary profit, the forecast has been revised based on the factors affecting operating profit as well as the fact that equity-method investment income has been exceeding initial expectations. Profit attributable to owners of parent has also been revised based on the factors affecting operating profit and ordinary profit, as well as the status of extraordinary income and losses.

The range for the earnings forecast is based on a lower limit that conservatively accounts for project order prospects and the profitability improvement effects of existing projects, and an upper limit that assumes a certain level of further growth in the robust DX Consulting segment and a recovery to a growth trajectory in the DX Engineering and Platform & Agent segments.

The factors contributing to the downward trend in performance and the main initiatives for profit improvement are as follows.

(Strategy Consulting segment)

As there were cases where large-scale performance-based projects, which were expected to have a high probability of closing, did not reach completion due to the impact of changes in the micro-environment, we will reorganize the positioning of performance-based projects when calculating earnings forecasts to improve the accuracy of our outlook. Furthermore, in preparation for a shift to services that do not rely on man-hours, we actively assigned experienced consultants to service development activities. As a result, the number of consultants engaged in regular projects that contribute to immediate earnings decreased, leading to a lower-than-expected utilization rate. We will tighten and enforce discipline regarding service development investments.

(DX Engineering segment)

Due in part to the weakening of order status for conventional system development projects caused by the spread of generative AI, we are proceeding with the reskilling of engineers to shift projects toward high-value-added areas. However, the period from individual skill conversion to project monetization is taking longer than expected. We will continue to strengthen reskilling measures that lead to short-term monetization, while also considering the reorganization of our organization and business portfolio.

(Platform & Agent segment)

Against the backdrop of the spread of generative AI and the tightening of commercial distribution restrictions, demand is declining, particularly for partner SES, and the number of contracts and contract rates are on a downward trend. Therefore, we will prioritize orders for employee SES, which are performing steadily, and proceed with initiatives to enhance engineer skills. We will also consider the reorganization of our organization and business portfolio, taking into account changes in the overall business environment and value provision structure.

Please note that although we will revise our earnings forecast this time, there will be no change to the year-end dividend

forecast.

※ The above forecasts are calculated based on information available to the Company at the present time and certain assumptions deemed reasonable. Actual results may differ from the forecasted figures due to various future factors.

End