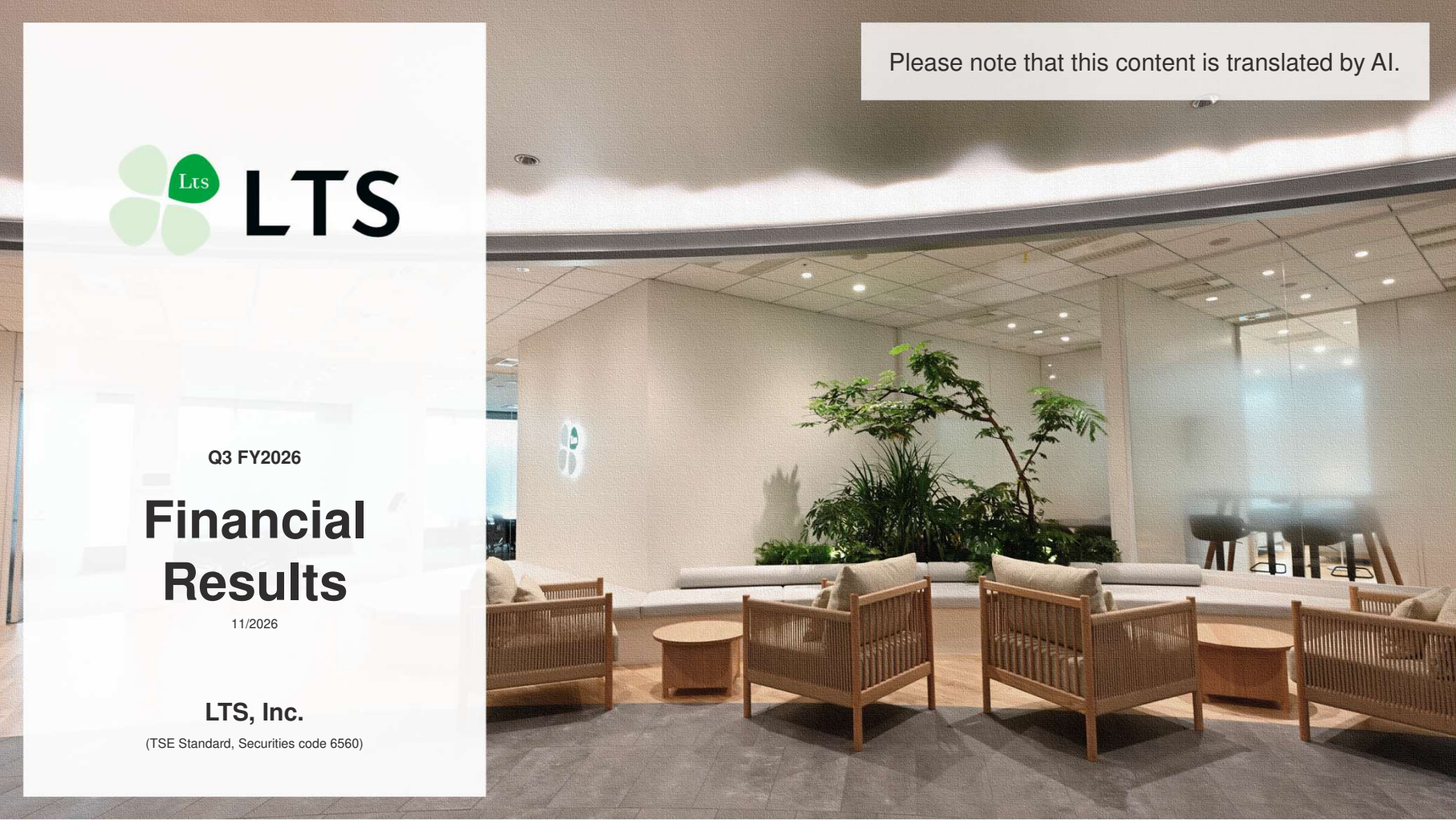
Please note that this content is translated by AI.



LTS

Q3 FY2026

Financial Results

11/2026

LTS, Inc.

(TSE Standard, Securities code 6560)

1. Business Overview

2. FY2026 Q3 Earnings
3. FY2026 Forecast
4. Shareholder Return & Capital Management Policy
5. Medium- to Long-Term Growth Scenario
6. Reference Material

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Brand Slogan

Install AGILITY in your Business

Best Partner for the Digital Era

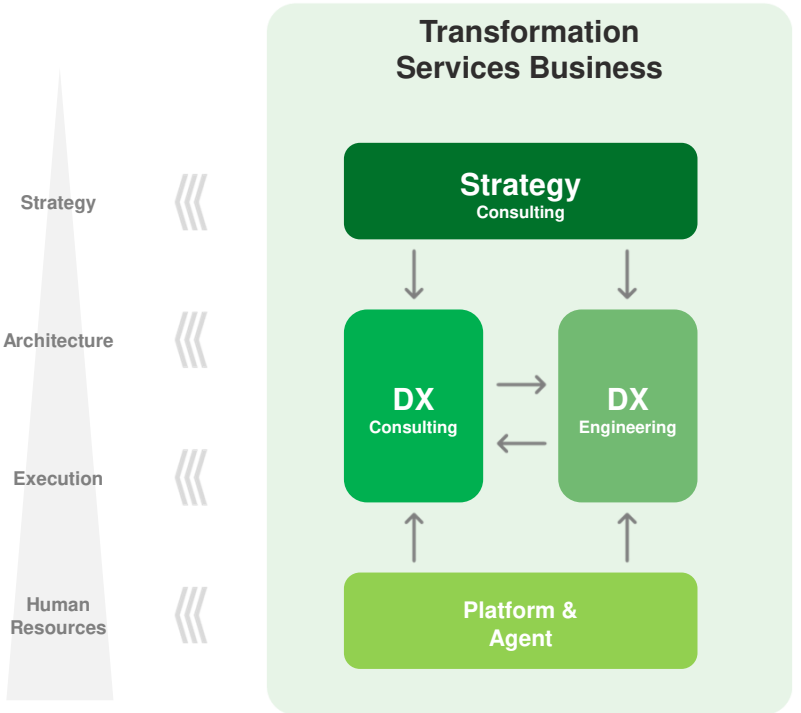
Supporting management, business, and organizational operations of the digital era rather than digitalization

- Transformation partner -	×	- Business partner -	×	- Organizational partner -	=	- Partner in collaborative innovation -
Strengthening of “transformation driving force"		Enhancement of “adaptability to change"		Enhancement of “ability to create change"		Evolution into "future-creating company"

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Business Overview - Transformation Services Business

- As a partner to clients, we support the transformation of corporate strategies, structures, execution, and human resources through the "Transformation Services Business."



Strategy Consulting

Decision-making support under uncertainty

- Management strategy establishment
- SX / GrnX
- M&A / PMI

DX Consulting

Structural design for companies where reform is becoming routine

- Business strategy establishment and business structure management
- BX / DX / CX / GovX
- Reform human resources training and new business development support

DX Engineering

Support for building evolving digital foundations

- BX / DX / CX / GovX
- Data management
- Solution / product development

Platform & Agent

Supply of reform promotion human resources

- Professional procurement and training
- Project and human resources matching
- Community operations

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Business Overview - Service Structure

- Promoting the "Transformation Services Business" across four service domains

Strategy consulting

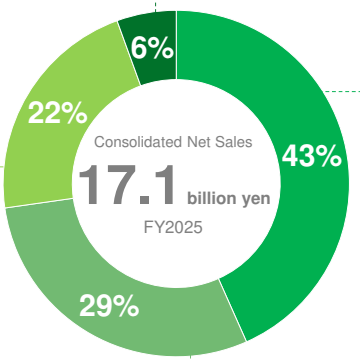
Decision-making support under uncertainty

FY25-27 Anticipated gross profit margin	FY25-27 Anticipated growth rate
50%~	+ 4~8%

DX Consulting

Structural design for companies where reform is becoming routine

FY25-27 Anticipated gross profit margin	FY25-27 Anticipated growth rate
40%~	+ 11~15%



Platform & Agent

Supply of reform promotion human resources

FY25-27 Anticipated gross profit margin	FY25-27 Anticipated growth rate
20%~	+ 1~5%

DX Engineering

Support for building evolving digital foundations

FY25-27 Anticipated gross profit margin	FY25-27 Anticipated growth rate
30%~	+ 3~7%

* From the fiscal year ending December 2026, the two former segments (Professional Services Business and Platform Business) have been integrated into a single segment, the Transformation Services Business.

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Q3 FY2026 - Financial Results Summary

Net sales (Q3 cumulative)

12,868 million yen

YoY growth rate (0.1%)
vs Plan Achievement Rate 97.1%
vs Guide progress 70.3%

Operating profit (Q3 cumulative)

972 million yen

YoY growth rate +10.0%
vs Plan Achievement Rate 87.6%
vs Guide progress 60.8%

(Reference) FY2026 Initial Forecast

Net sales
18,300 million yen
YoY growth rate +7.0%

Operating profit
1,600 million yen
YoY growth rate +34.9%

Results (Q3 cumulative)

Net sales slightly decreased YoY but progressed according to plan

Operating profit increased 10% YoY, but did not meet the initial plan

- Q3 standalone operating profit missed the plan by 138 million yen, with a plan achievement rate of 71%
- The DX consulting area remains strong, driving overall performance in both net sales and operating profit, and performing well against the plan
- Profitability improvement fell short of expectations due to delays in reskilling in the DX engineering area and the clearer impact of generative AI in the Platform & Agent area

Forecast (Full year)

While the DX consulting area maintains strong performance, additional structural reforms are being implemented in other areas for growth from the next fiscal year onward

Downward revision of net sales and operating profit, but dividend maintained

- Net sales (full year): Expected to land between 17,000 million yen and 17,500 million yen
- Operating profit (full year): Expected to land between 1,350 million yen and 1,450 million yen
- Dividend: Plan to maintain the initial forecast of DPS 40.0 yen

Q3 FY2026 - Consolidated Profit and Loss Statement

- While net sales decreased slightly (due to the deconsolidation of Isis Co., Ltd.), each level of profit grew steadily
- Gross profit and SG&A for FY25 Q1 to Q3 have been revised due to a reclassification of certain personnel expenses (from SG&A to cost of sales)

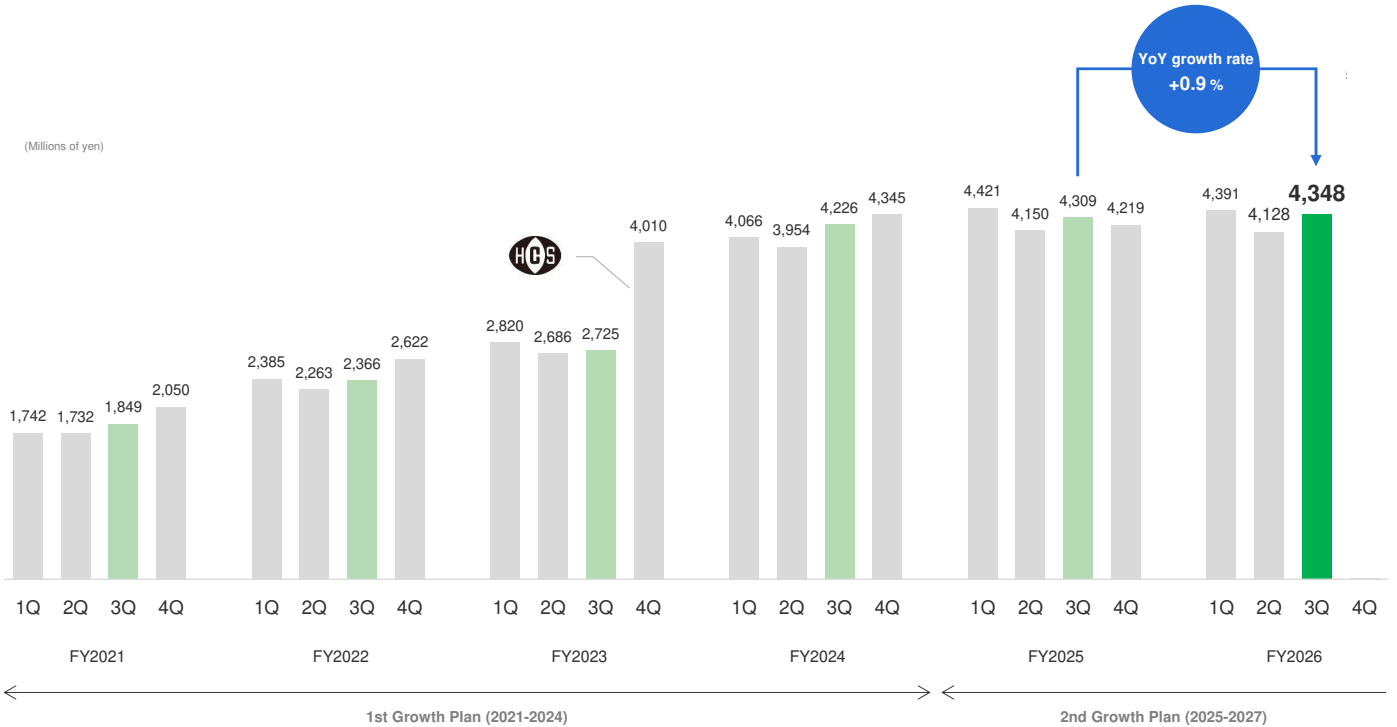
(Millions of yen)	FY2026 Q3 results (Cumulative)	FY2026 full year plan		YoY % change		FY2026 Q3 results (Standalone)	YoY % change		QoQ % change	
		Plan	Q3 progress	FY2025 Q3	YoY growth rate		FY2025 Q3	YoY growth rate	Q2 FY2026	QoQ change
Net sales	**12,868**	18,300	70.3%	12,881	↓ (0.1%)	**4,348**	4,309	↑ 0.9%	4,128	↑ 5.3%
Gross profit	**3,955**	6,217	63.6%	3,756	5.3%	**1,324**	1,356	(2.3%)	1,224	8.2%
Gross profit margin	**30.7%**	34.0%	-	29.2%	1.6pt	**30.5%**	31.5%	(1.0 pt)	29.7%	0.8pt
Total SG&A	**2,983**	4,617	64.6%	2,871	3.9%	**1,002**	945	6.0%	1,070	(6.4%)
Operating profit	**972**	1,600	60.8%	884	↑ 10.0%	**322**	410	↓ (21.5%)	153	↑ 109.5%
Operating margin	**7.6%**	8.7%	-	6.9%	0.7pt	**7.4%**	9.5%	(2.1 pt)	3.7%	3.7pt
Ordinary profit	**1,023**	1,615	63.4%	917	11.6%	**317**	391	(19.0%)	178	77.6%
Profit before income taxes	**1,064**	1,615	65.9%	706	50.6%	**318**	377	(15.4%)	155	104.5%
Profit attributable to owners of parent	**717**	1,050	68.4%	473	↑ 51.7%	**211**	246	↓ (14.2%)	86	↑ 143.3%

* EBITDA: 1,140 million yen / EBITDA margin: 8.9%

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Quarterly Trend in Consolidated Net Sales

- While the DX consulting area maintained growth exceeding the plan, the revenue decline in the DX engineering area and the Platform & Agent segment exceeded expectations, resulting in a year-on-year increase in revenue but falling short of the plan (4,870 million yen).



Net sales (Q3 standalone)
4,348 million yen

Net sales (Q3 cumulative)
12,868 million yen

QoQ growth
+5.3 %

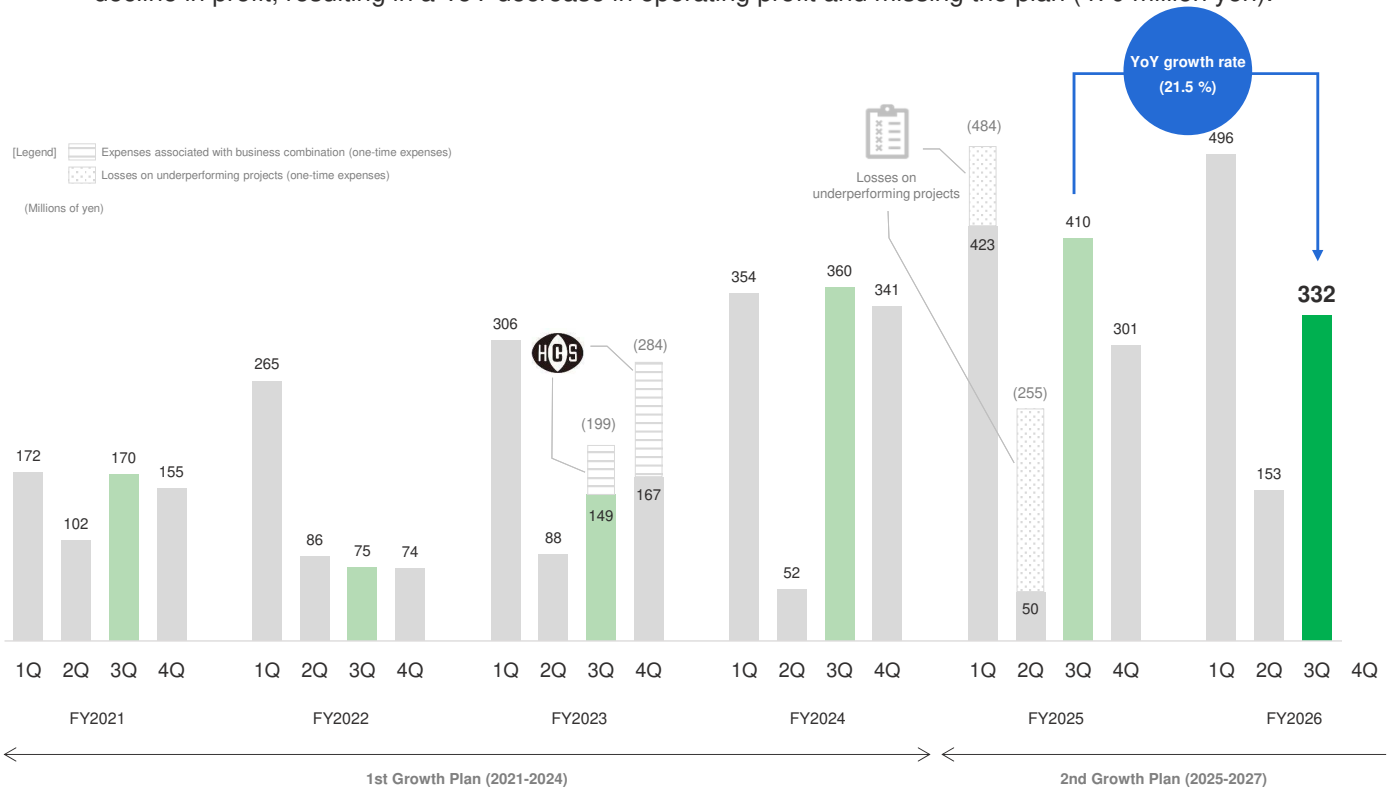
vs Plan Achievement Rate (Q3 standalone)
89.3 %

vs Plan Achievement Rate (Q3 cumulative)
97.1 %

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Quarterly Trend in Consolidated Operating profit

- While the DX consulting area maintained strong performance, the DX engineering area and Platform & Agent segment saw a decline in profit, resulting in a YoY decrease in operating profit and missing the plan (470 million yen).



Operating profit (Q3 standalone)
322 million yen

Operating profit (Q3 cumulative)
972 million yen

QoQ growth
109.5 %

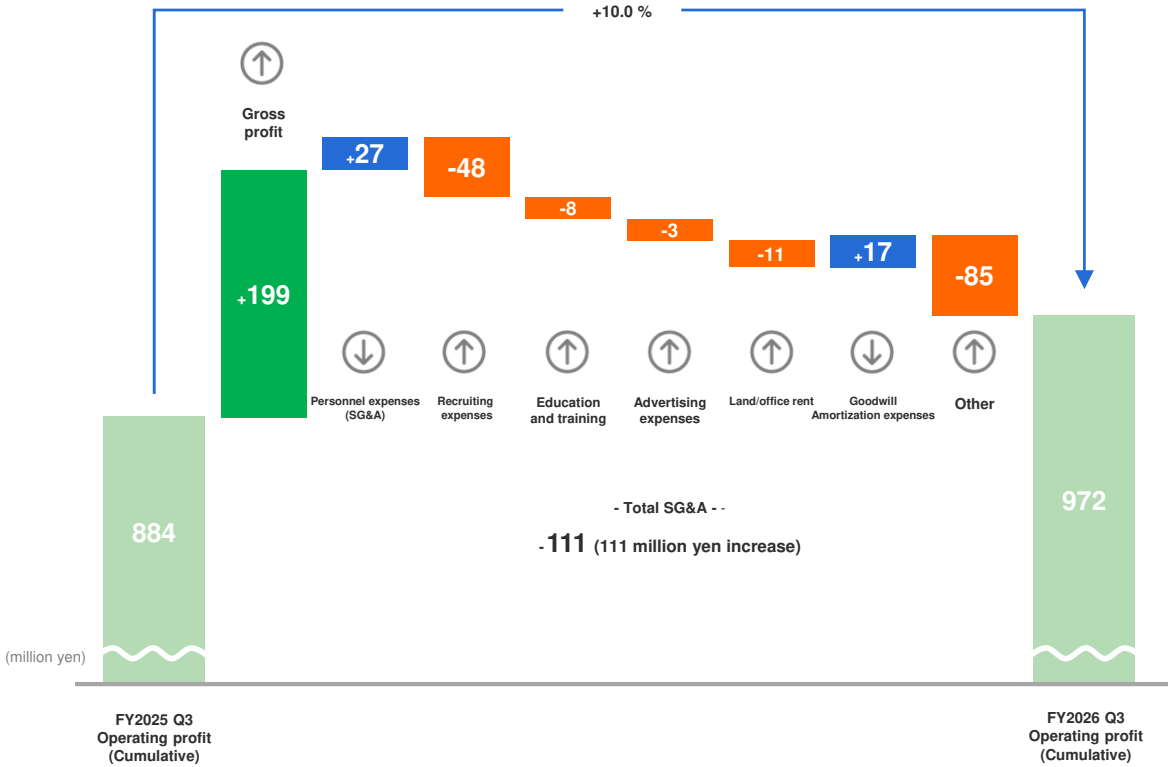
vs Plan Achievement Rate (Q3 standalone)
68.6 %

vs Plan Achievement Rate (Q3 cumulative)
87.6 %

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Factors for Change in Consolidated Operating Profit (Q3)

- Operating profit increased by +10.0% YoY as gross profit grew while the increase in SG&A was suppressed.



Gross profit (YoY) +5.3 % (199 million yen)

Operating profit (YoY) +10.0 % (88 million yen)

- **Gross profit**
  - Gross profit in the DX consulting domain rose significantly (synergy between net sales growth and gross profit margin improvement)

- **Personnel expenses (SG&A)**
  - Continued R&D for non-man-hour business
  - Selling expenses decreased due to the impact of turnover among sales employees

- **Investment-related SG&A (Recruiting, education and training, advertising, land/office rent)**
  - Accelerating human resources investment, focusing on career hiring
  - Plan to continue active investment

- **Expense-related SG&A (Goodwill, other)**
  - Amortization expenses decreased due to the completion of amortization for some goodwill
  - Various service fees and depreciation and amortization increased slightly

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Q3 FY2026 - Consolidated Balance Sheet

- While simultaneously repaying interest-bearing debt and purchasing treasury shares, we have maintained a sound financial position supported by steady business operations.

(Millions of yen)	FY2026 Q3 results	YoY % change		QoQ % change	
		FY2025 Q3	YoY change	Q2 FY2026	QoQ change
Current assets	**7,003**	7,042	(39)	6,864	139
Cash and deposits, etc.	3,499	3,641	⬇ (141)	3,973	⬇ (473)
Non-current assets	**3,180**	3,135	44	3,114	65
Total assets	**10,183**	10,178	5	9,978	204
Current liabilities	**3,456**	3,154	301	3,188	268
Non-current liabilities	**1,508**	2,377	(868)	1,673	(164)
Total liabilities	**4,964**	5,531	(566)	4,861	103
Interest-bearing debt	2,278	3,159	⬇ (881)	2,428	⬇ (150)
Total equity	**5,098**	4,533	565	4,997	101
Net assets	**5,218**	4,646	571	5,117	101
equity ratio	**50.1%**	44.5%	⬆ 5.6pt	50.1%	➡ 0.0pt

Reference indicators (FY2026 Q3 results)	
Net cash	**1,220**
Net D/E ratio	**(0.24)**
Liquidity ratio	**202.6%**

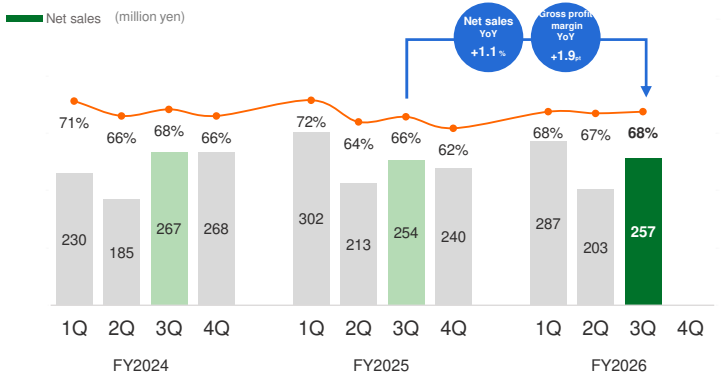
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Reference) Earnings by Service Domain - Strategy con / DXcon

- Both the strategy and DX consulting domains are driving overall performance and are expected to maintain a growth trend from 4Q through the next fiscal year.

Strategy consulting

Although there are fluctuations in quarterly revenue, the underlying earning capacity remains stable.

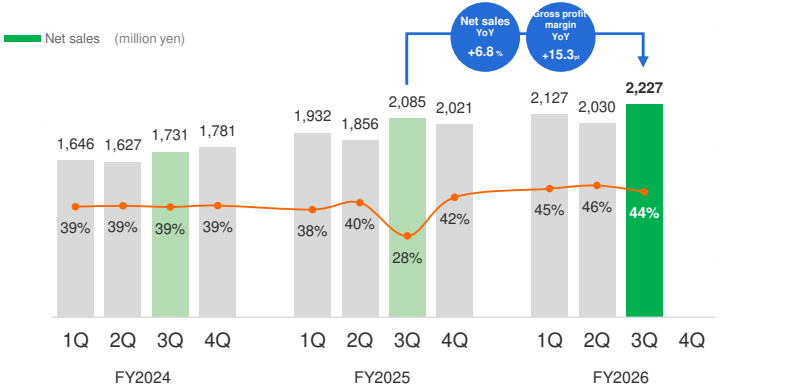


● Results
- Net sales | The slowdown in the marketing research domain is being offset by growth in the AX and SX domains.
- Gross profit margin | Although experienced consultants have been assigned to the launch of new services such as M&A support and physical AI, PJT profit margins have been maintained at a steady level.

● Outlook
- Net sales | While growth in the AX and SX domains is expected to continue, overall performance is expected to remain at the same level as 3Q.
- Gross profit margin | Monetization of performance-based projects has been delayed, and profit levels are expected to remain at the current level.

DX Consulting

Profitability, which had temporarily declined, has steadily recovered, and we are entering a new growth phase driven by demand for generative AI.



● Results
- Net sales | Each business division is broadly expanding revenue, continuing balanced growth.
- Gross profit margin | Maintained at a steady level through continuous unit price increases and securing a certain level of utilization rate.

● Outlook
- Net sales | Stable revenue growth is expected to continue, supported by strong demand.
- Gross profit margin | Profit margins are expected to remain stable as new graduate employees become productive at an early stage.

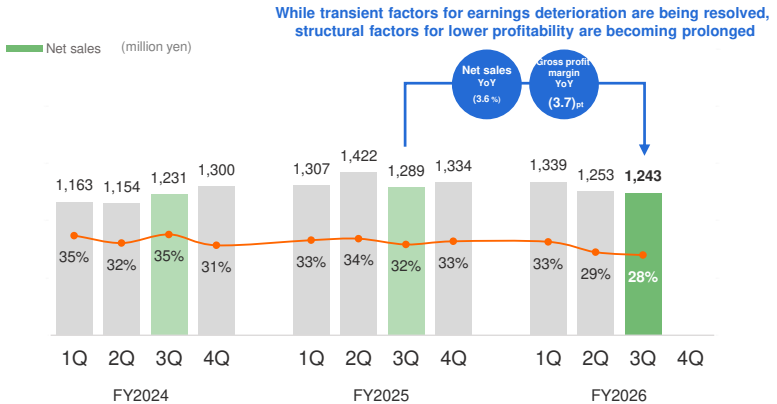
* Net sales for each service domain are figures before consolidated adjustments and do not match consolidated net sales. / Gross profit margin for each service domain does not include personnel expenses for non-operating time and does not match consolidated gross profit (margin).

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Reference) Earnings by Service Domain - DXeng / P&A

- In DX Engineering, costs associated with structural reforms are outpacing productivity improvements, and downward pressure on both net sales and profit margins continues
- In Platform & Agent, while the consultant dispatch domain is recovering, the slowdown in the SES domain is weighing on overall performance

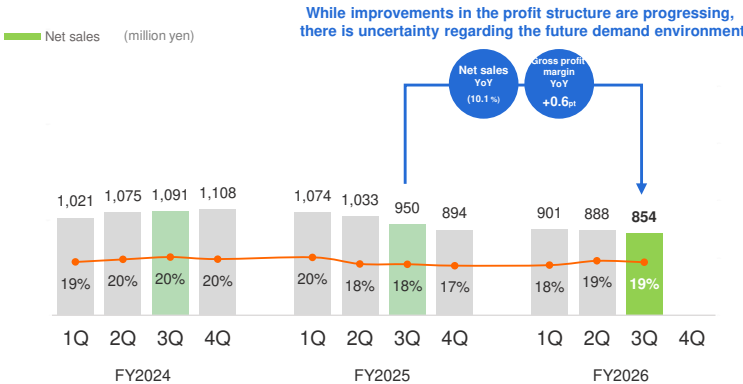
DX Engineering



● Results
- Net sales | Structural reforms (improving liquidity and reskilling) are underway to shift services to high-value-added areas, and the total engineer utilization continues to decrease
- Gross profit margin | While the deterioration in profitability of some PJTs that occurred in Q2 has subsided, the improvement in profitability of PJTs undergoing reskilling has been delayed, leading to a decline in the overall profit margin

● Outlook
- Net sales | A gradual downward trend is expected from Q4 onwards due to the continuation of structural reforms
- Gross profit margin | Due to the prolonged reskilling process, it is expected that a certain period will be required for profitability to recover

Platform & Agent



● Results
- Net sales | Against the backdrop of the spread of generative AI and stricter trade flow restrictions, the supply and demand environment for partner SES has become increasingly severe, and the number of matching contracts is struggling to grow
- Gross profit margin | With the increase in new contracts, unit prices are being raised, and the level of matching fees has risen slightly

● Outlook
- Net sales | Operating the business conservatively in light of the severe market environment and future uncertainty
- Gross profit margin | Continue to seek opportunities for unit price improvement from Q4 onwards

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2nd Growth Plan Activities Progress - Quarterly Highlights

Talent / Organization

Promoted adjustments to the human resource portfolio in anticipation of a shift to business operations based on generative AI

- Developed and introduced the "Smart Development Studio" platform for AI citizen development
- Promoted the "Hyaku-Hyaku" (100-100) initiative, where 100 employees across diverse job functions create 100 applications, centered around "AI Activators"
- Continued activities to obtain professional qualifications in the PM and BA fields (24 employees obtained professional qualifications)

Customers / Sales

In addition to developing promising new clients, continued to strengthen account sales for existing key customers

- Number of new clients increased by 7 as a result of marketing activities
- Formed a group-wide structure for DX support for central government ministries and agencies
- Relocated and expanded the Kansai office and opened a Nagoya office as service bases

Services

Strengthened service infrastructure in anticipation of the growth of physical AI-related services

- Launched new services aimed at realizing the implementation of physical AI in society
- Established the "Physical AI Co-Creation Lab"
- Full-scale launch of FDE services in the contact center/BPO domain

Governance

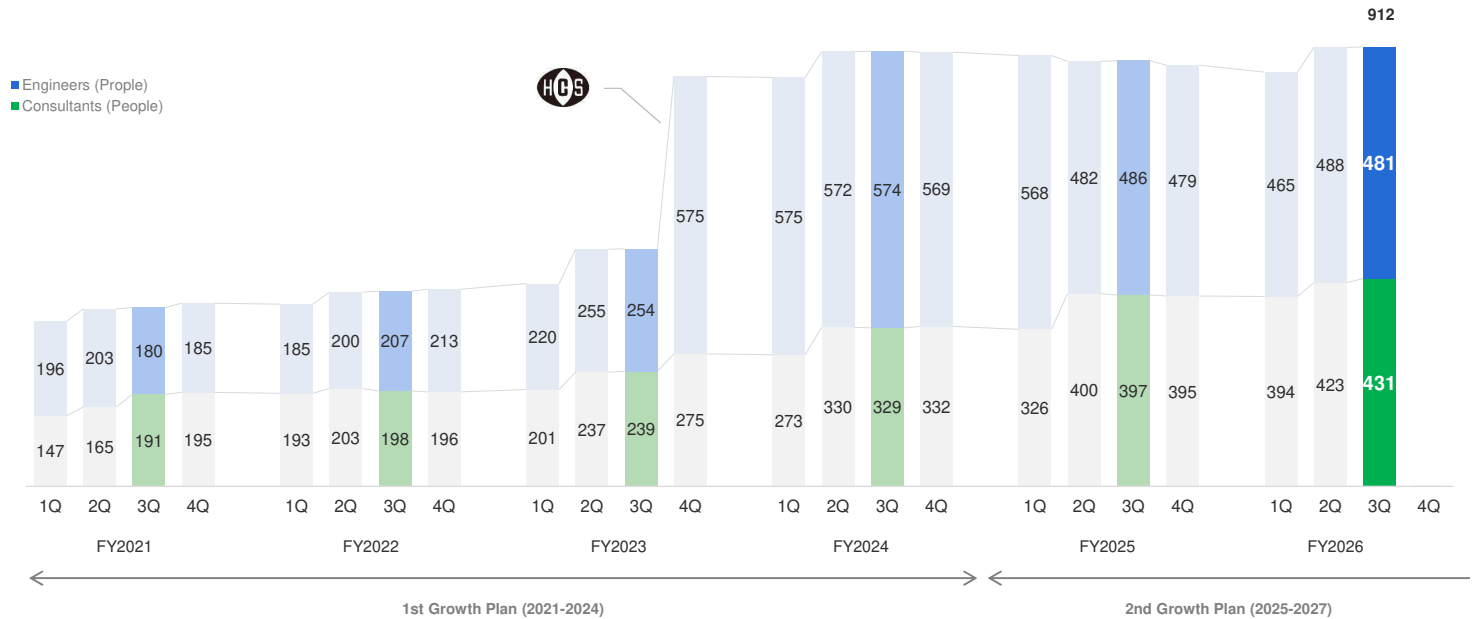
Improving processes to strengthen management control systems in parallel with infrastructure development to support group management

- Decided and announced the merger of HRP (Hibiya Resource Planning) into HCS (Hibiya Computer System)
- Renewed the compliance guide and rolled it out across the group
- Introduced a group-wide engagement management system

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2nd Growth Plan Progress - Number of Frontline Employees (Consolidated)

- Net increase of 29 people YoY, primarily in consulting positions
  - Consultants: Continued proactive hiring (promoting optimization of personnel composition by curbing new graduate recruitment and increasing mid-career hiring)
  - Engineers: Curbing recruitment by incorporating the utilization and impact of generative AI
- We plan to continue selective hiring with an emphasis on quality

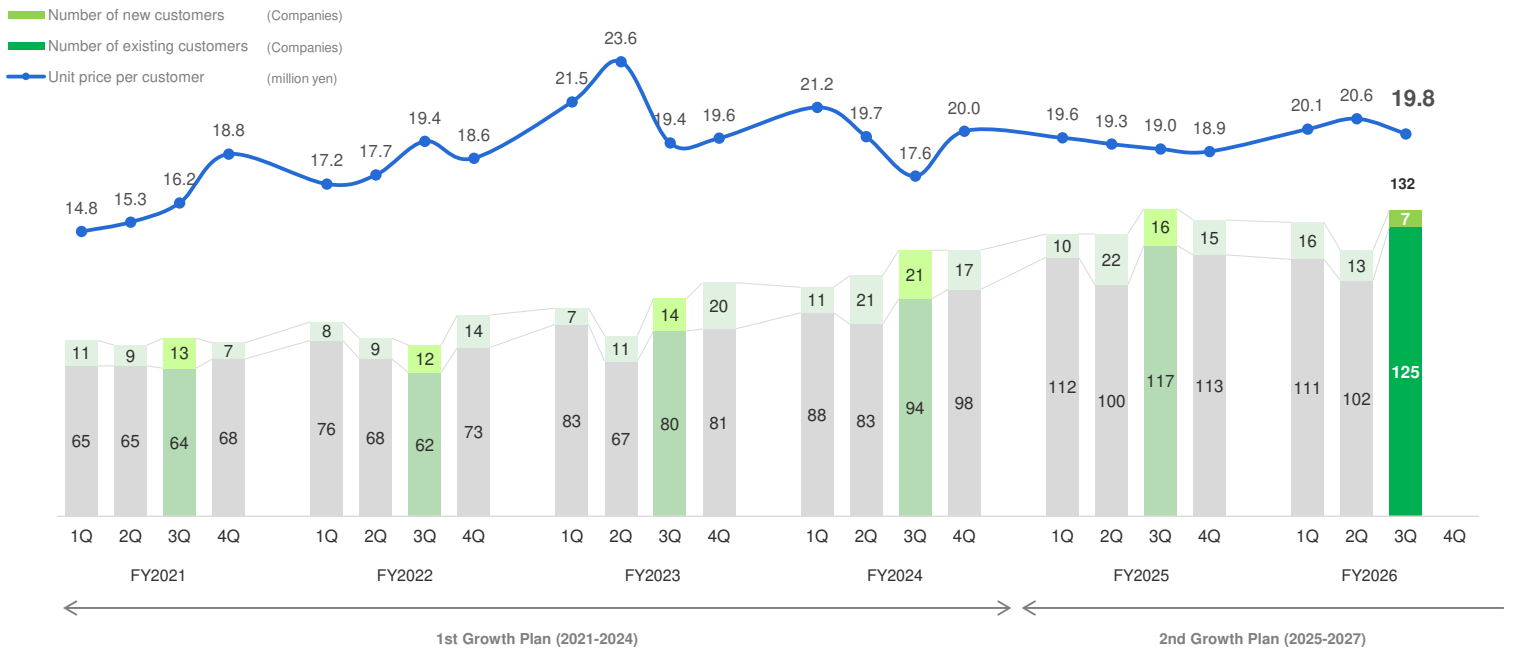


* Total headcount across all roles: 1,108 (Frontline: 912 / Sales: 62 / Corporate staff: 134 / Aggregated under the new HR system framework effective April 1, 2025)

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2nd Growth Plan Progress - Customer Relationship Indicators

- LTS standalone has continuously increased the number of active customers while also gradually improving the unit price per customer by deepening relationships with existing customers.
- Due to an increase in the number of client companies resulting from the resumption of transactions with existing customers, the unit price per customer temporarily declined in Q3.
  - New customer acquisition: Continuous inquiries are generated through marketing activities such as customer word-of-mouth, seminars, lectures, publications, and article distribution.
  - Net sales composition: The percentage of the top 20 companies in total net sales gradually decreased from an average of 83% in FY2021 to an average of 71% in FY2025, showing progress in the diversification of the revenue base.



* For LTS standalone, the number of customers for whom net sales were recorded in the relevant quarter is counted (dormant customers and customers with no transactions during the period are excluded).

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2nd Growth Plan Activity Progress - Service Case Studies

Strategy consulting

- **Client:**
Kanagawa Prefecture
- **Project:**
Construction of a natural capital evaluation and monitoring platform integrating satellite data and field observations.
- **Challenge:**
There is a need for technology and mechanisms that efficiently evaluate and continuously monitor natural capital such as vegetation, soil, and water, and that enable the results to be used for environmental conservation and natural capital management.
- **Solution:**
Demonstrated technology to efficiently evaluate and monitor natural capital by combining satellite data and field surveys.
- **Impact:**
In addition to streamlining patrols, inspections, and maintenance responses, we aim to utilize this for advanced natural capital management in local governments and private companies, and for the disclosure of nature-related information.
- **Features:**
Challenging the creation of a new data utilization model that connects environmental conservation with the promotion of space-related industries.



https://lt-s.jp/news/pressrelease/2026-07-29

DX Consulting

- **Client:**
Kanto Natural Gas Development Co., Ltd.
- **Project:**
Construction of the "Gas Balance Visualizer," an AI-powered command center operational support system.
- **Challenge:**
Advanced judgment tasks supporting stable gas supply rely on the experience of veterans, leading to issues such as know-how becoming dependent on individuals, technology succession, and prolonged training for new employees.
- **Solution:**
Consistent support from business analysis and requirements definition to development. Built an AI system that presents options based on real-time supply information to support decision-making at the Site.
- **Impact:**
Aiming to convert the judgment know-how of skilled workers into knowledge assets that can be utilized by the organization, thereby promoting technology succession and accelerating Human Resources Training.
- **Features:**
(1) Visualization and sharing of tacit knowledge, (2) AI-based support for human judgment, (3) Consistent support from business analysis to system implementation.



https://lt-s.jp/news/pressrelease/2026-08-07

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FY2026 - Consolidated Net Sales Forecast (Initial)

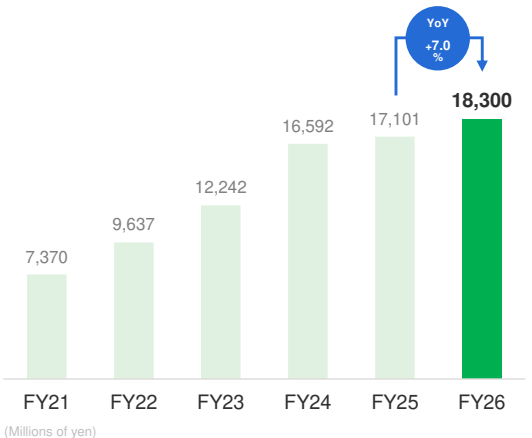
- In FY2026, LTS, Inc. will continue to prioritize the recovery of profitability and emphasize operating profit growth over net sales growth.
- Regarding net sales in 2Q, there is usually a tendency for results to fall below 1Q levels due to a slow project period (a temporary decrease in investment activities 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

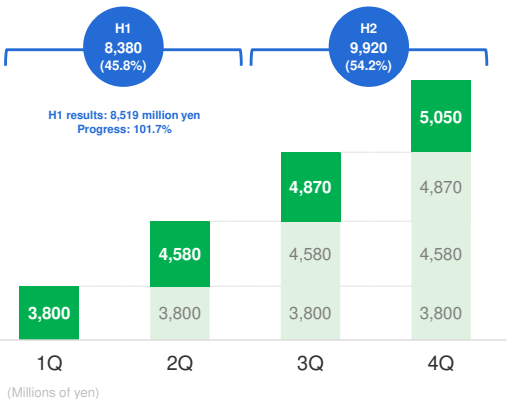
18,300 million yen

FY21-25 CAGR +23.4%

Trend Over the Past 5 Years



FY26 Quarterly Trend



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FY2026 - Consolidated Operating Profit Forecast (Initial)

- In FY2026, LTS, Inc. will continue to prioritize the recovery of profitability and emphasize operating profit growth over net sales growth.
- Operating profit in 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).

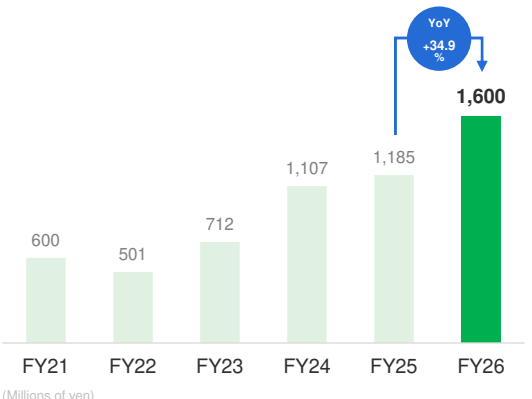
Operating profit

1,600 million yen

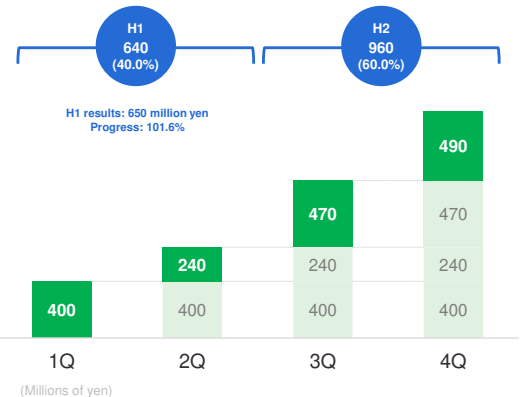
FY21-25 CAGR +18.5%

Operating margin 8.7%

Trend Over the Past 5 Years



FY26 Quarterly Trend

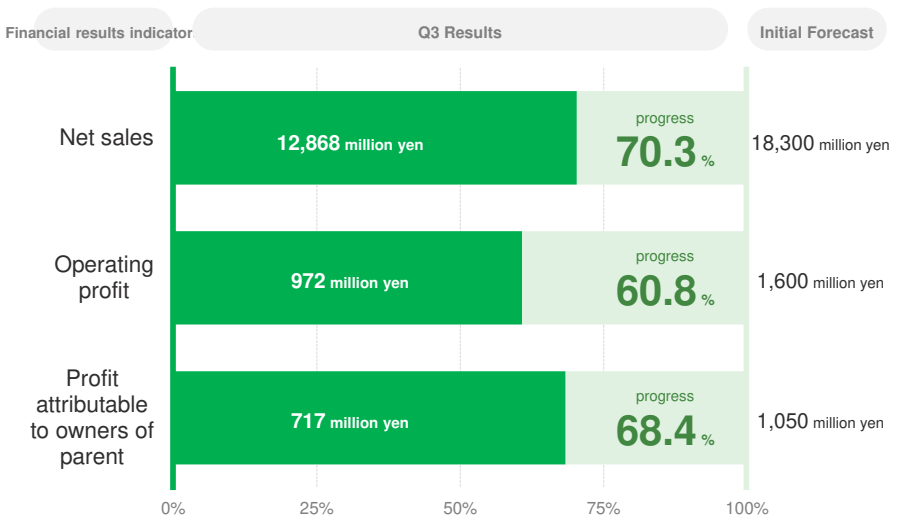


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FY2026 Q3 - Consolidated Financial Results

- While results through H1 tracked in line with the initial plan, performance from Q3 onwards has fallen short of the growth initially anticipated, resulting in a delay in progress against the full year plan.

Q3 (Cumulative) business progress against initial forecast



Risk awareness and response status

- Prolonged decline in number of active employees in the former Platform Business (Freelance Consultants)
  - Current situation | Number of active employees increased by +3.8% (QoQ) and is on a recovery trend
  - Response | Strengthening of sales structure and raising fee levels are ongoing
- Changes in demand environment facing the subsidiary SES service (Freelance Engineers)
  - Current situation | No impact on employee SES, but partner SES closing rate has declined
  - Response | Prioritizing orders for employee SES and promoting engineer skill enhancement
- Delay in reskilling currently being implemented at the DX engineering domain subsidiary
  - Current situation | Assigned to PJT in new technology areas at significantly discounted prices
  - Response | Reduction of reskilling investment projects and assignment to other PJT

Opportunities and response status

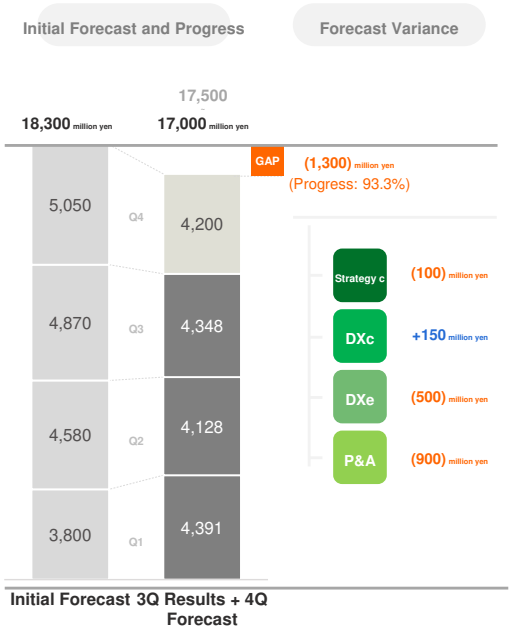
- Robust demand for training of business architecture human resources
  - Current situation | Accumulation of service provision track record based on the revised DSS
  - Response | Using human resource training services as a hook to expand into overall corporate transformation support

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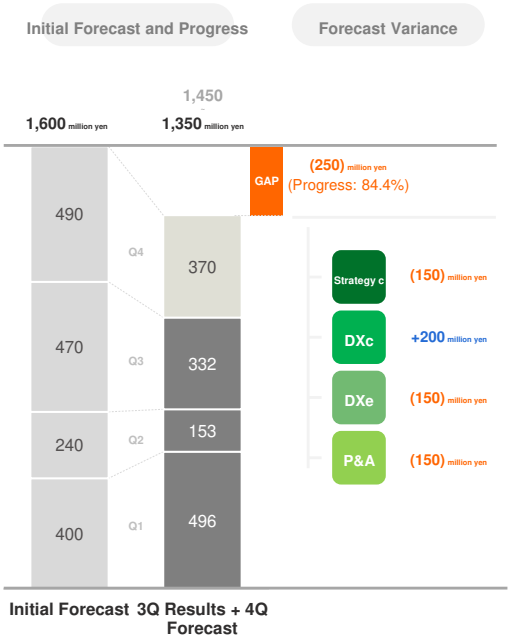
FY2026 Full Year - Consolidated Earnings Forecast Revision

- Due to the delay in 3Q business progress and the difficulty in expecting a strong earnings recovery in 4Q, we expect the full-year operating profit to land at approximately 1,350 - 1,450 million yen (84.4 - 90.6% of the initial forecast)

Net sales



Operating profit



Factors for Downward Revision and Initiatives for Profitability Improvement

Strategy c | LTS, ME-Lab, LTS Strategy

- Unable to close large-scale performance-based projects that were assumed to have high closing probability due to the impact of micro-environmental changes
  - ➡ Reorganized the budgetary positioning of performance-based projects
- As a result of assigning a certain number of experienced consultants to R&D in preparation for the transition to non-man-hour dependent services, the number of consultants engaged in current revenue-generating PJT decreased (decline in utilization rate)
  - ➡ Tightened discipline regarding R&D, etc.

DXe | HCS, HRP, LTS Software Technology

- Order status for system development projects has deteriorated due to the impact of generative AI
- Although reskilling is underway, the period from individual skill conversion to project monetization has taken longer than expected
  - ➡ Strengthening of reskilling measures
  - ➡ Reorganization of the organization and business portfolio

P&A | LTS Link, WAKUTO

- Prolonged structural reform of the former Platform Business (to be completed in FY26)
- Demand for partner SES has declined due to the impact of generative AI
  - ➡ Reorganization of the organization and business portfolio

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4. **Shareholder Return & Capital Management Policy**
5. Medium- to Long-Term Growth Scenario
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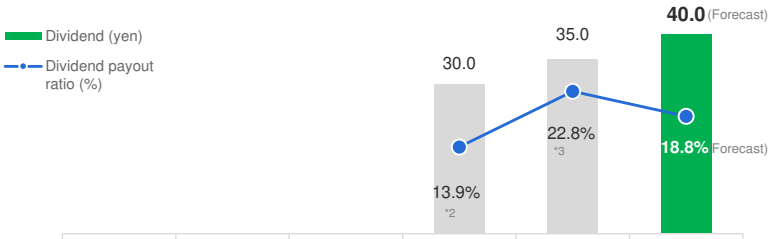
Dividends of surplus

- While we are cautiously revising our earnings forecast, we will maintain our shareholder return policy and keep the annual dividend forecast at the initial level (a 5 yen increase from the previous fiscal year).

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 a 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	200 million yen	(Forecast)
Total dividend payout ratio	37.6 %	64.6 %	6.3 %	21.6 %	93.9 %	40.2 %	(Forecast)

FY2026 Dividend Forecast

Annual dividend per share

40 yen

(Ordinary dividend)
(Year-end dividend)

dividend payout ratio

18.8 %

(FY2026 calculated based on the revised 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%

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Purchase of treasury shares

- As part of our capital policy to consider the short-term impact on share supply and demand due to the change in market segment, and to improve corporate value over the medium to long term, we commenced the purchase of treasury shares on August 14, 2026, and completed the purchase on November 11, 2026.

Reasons for purchase

- Stabilization of share supply and demand with consideration for the interests of existing shareholders, based on the short-term impact on share supply and demand due to the change in market segment
- Improvement of shareholder value and formation of a stable shareholder base over the medium to long term
- Improvement of capital efficiency and earnings per share (EPS)

Upper limit of purchase

- Number of shares to be purchased: Maximum 120,000 shares

(2.72% of the total number of shares issued excluding treasury shares)

- Total purchase amount: Up to 0.2 billion yen *1

Status of purchase

- Number of shares purchased: 118,300 shares (as of 11/11)
- Total amount of shares purchased: 199,978,300 yen (as of 11/11)

Period and method of purchase

- August 14, 2026 to January 29, 2027 *2
- Implemented through market purchases on the Tokyo Stock Exchange

*1: Calculated with reference to the total holdings of index-linked funds that include the Company's shares (based on the Company's research as of the end of July 2026)
*2: For the period from February 2027 onwards, we plan to reconsider in view of the rebalancing period of index-linked funds

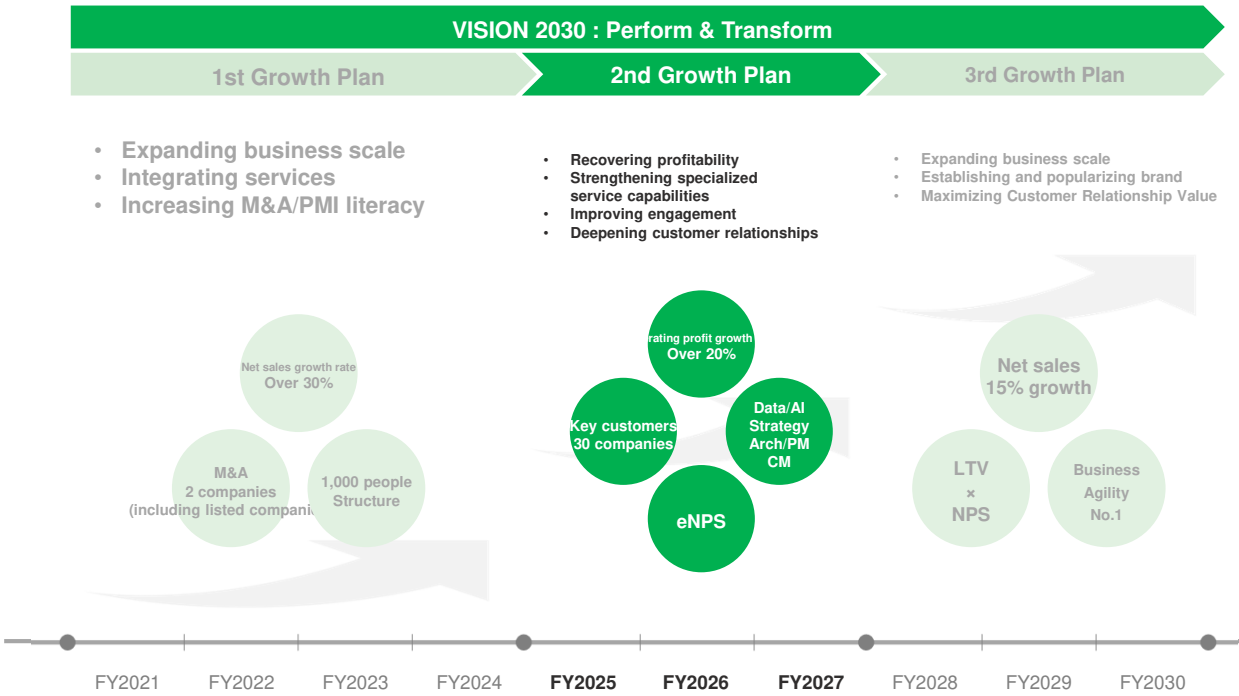
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2nd Growth Plan - Path to VISION2030

- During the "2nd Growth Plan," we have aimed to recover the profitability that declined during the "1st Growth Plan" period by enhancing service competitiveness, improving employee engagement (including raising compensation levels), and deepening relationships with customers.



FY2030 Target

Net sales Operating margin
50.0 billion yen / **10**% over
(Organic growth + M&A)

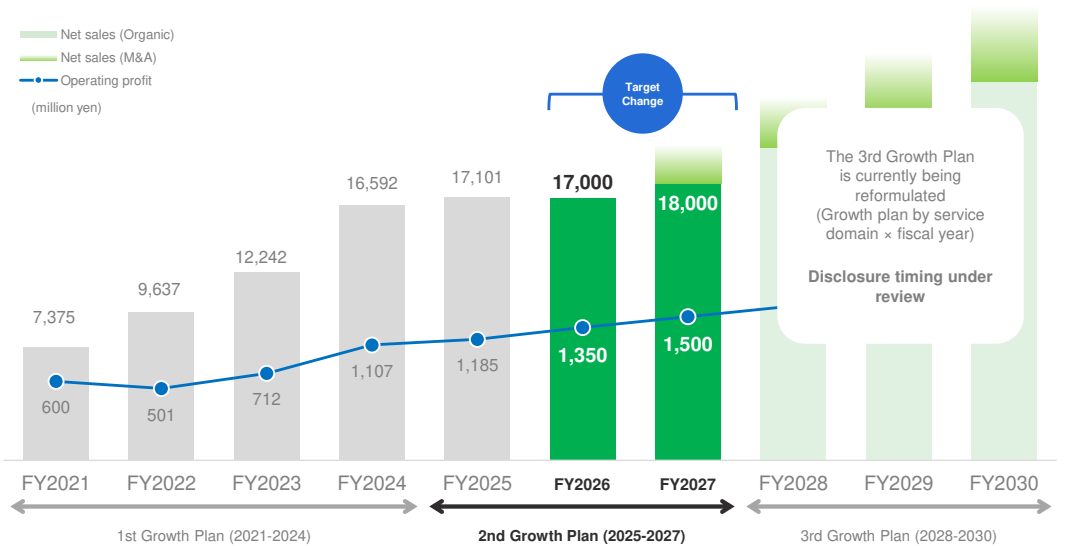
Best Partner for the Digital Era
(Transformation × Business × Organization ≒ Co-creation)

Professional
2,000 people
(Business agility experts)

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2nd Growth Plan – Performance Target Trends (Updated)

- In the "2nd Growth Plan," which focuses on the recovery of profitability (operating margin), we have worked on improving the profitability of each individual business and have achieved certain results.
- On the other hand, the business environment and management premises have changed significantly since the plan was formulated. We have determined that structural reforms through the reorganization of our business portfolio, in addition to the accumulation of improvements in individual businesses, are necessary for further improvement in profitability and acceleration of future growth.
- Based on the downward revision of the FY2026 earnings forecast and the implementation of structural reforms, we are also reviewing the earnings targets for FY2027 (FY2027 is expected to see increased revenue and profit compared to FY2026, with details of the plan to be disclosed at the fiscal year-end financial results).



Change in earnings targets

		Before change	After change
FY 2027	Net sales	19.4 billion yen	18.0 billion yen approx.
	Operating profit	2.02 billion yen	1.50 billion yen approx.
	Reasons for change	- Shift in growth strategy due to environmental changes - Reorganization of organization and business portfolio	
FY 2026	Net sales	18.3 billion yen	17.0-17.5 billion yen
	Operating profit	1.60 billion yen	1.35-1.45 billion yen
	Reasons for change	- Loss of large performance-based projects - Delay in engineer reskilling response - Sluggish SES performance due to changes in market environment	

In light of the current uncertain business environment and the significant emphasis on new businesses (peripheral and overseas businesses) and M&A in our growth scenario, we believe we should review our strategy flexibly each year and reflect it in the business plan for the following year and beyond.
Therefore, rather than presenting it as a Medium-Term Business Plan, our aim is to share our growth vision with shareholders and investors in a quantitative manner. To this end, we will publish a Growth Plan every few years as appropriate.

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2nd Growth Plan - Progress of Initiatives

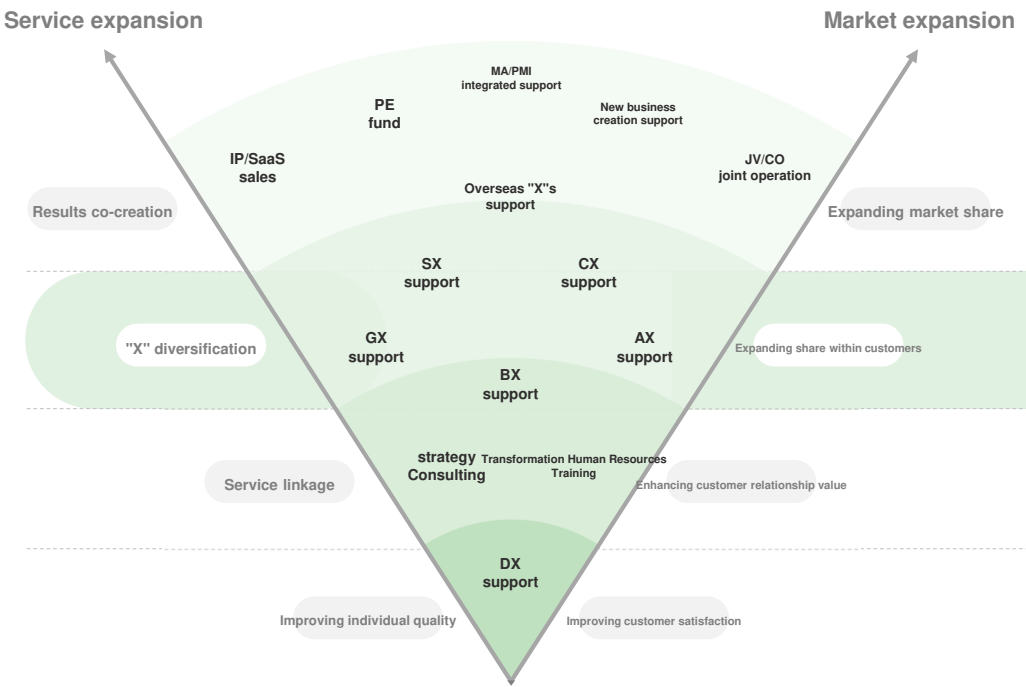
- In the 1st Growth Plan, while we acquired comprehensive capabilities as a partner for corporate customers, our profit-generating capacity declined
- In the 2nd Growth Plan, we aim to recover profitability by strengthening service competitiveness, employee engagement, and customer relationships, in addition to restructuring our business portfolio.



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2nd Growth Plan - Business Growth Strategy

- Aiming to be the Best Partner for the Digital Era as a comprehensive transformation platform specializing in business architects



■ **Market cultivation | Leveraging organizational strength to capture growth in overseas markets**

- Wide-area business development with overseas local subsidiaries as hubs
- Expansion into value creation models utilizing knowledge and capital (Smiling Curve upstream)
- Evolution into value co-creation models deeply involved in results creation (Smiling Curve downstream)

■ **Peripheral businesses | Maximizing LTV through continuous structural reform support**

- Advancement of value design models that structure strategies (Smiling Curve middle)
- Covering "X" megatrends at each level: management, business/organization, and individuals
- Establishing a partner position by controlling business structures

■ **Evolve existing businesses | Increasing unit price per customer through advanced corporate reform support**

- Strengthening consulting in the strategy x tech domain
- Strengthening End-to-End/Edge-to-Edge one-stop services
- Strengthening support for insourcing transformation PJTs (supply of specialized human resources and employee training)

■ **Enhance existing businesses | Improving profitability of individual services**

- Strengthening BA (Business Analysis/Architect) education
- Strengthening recruitment of PM-level consultants
- Strengthening quality management and profit/loss management processes

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2nd Growth Plan - M&A Strategy for Discontinuous Growth

- While we plan to re-formulate our M&A strategy as part of our business portfolio restructuring, we will continue our policy of actively utilizing M&A as an important growth strategy option while maintaining a focus on organic growth.
- In 2025-2027, priority will be given to small-scale (~500 million yen) M&A for deepening and evolving existing businesses.

[Legend] Target for consideration / Minority investment

	Deepening and evolving existing businesses (Service enhancement)						Peripheral businesses (Service expansion)		Market cultivation (Service area expansion)	
	orporation of advanced technology/products		Strengthening of solutions		Acquisition of human resources					
	Results	Target for consideration	Results	Target for consideration	Results	Target for consideration	Results	Target for consideration	Results	Target for consideration
Strategy Consulting										
DX Consulting										
DX Engineering					SOFTEC				SOFTEC	
Platform & Agent					WAKUTO		WAKUTO			
(Outside the 4 areas above)										

- Generative AI, digital twins
- edge computing
- blockchain
- cybersecurity

- MS365
- SAP, SFDC
- OutSystems

- Strategy, SX/GX
- Data, AI
- DX, ERP

- Training, HR services
- BPO, ITO
- Investment, business creation-related

- Local partners overseas
- Regional base partners

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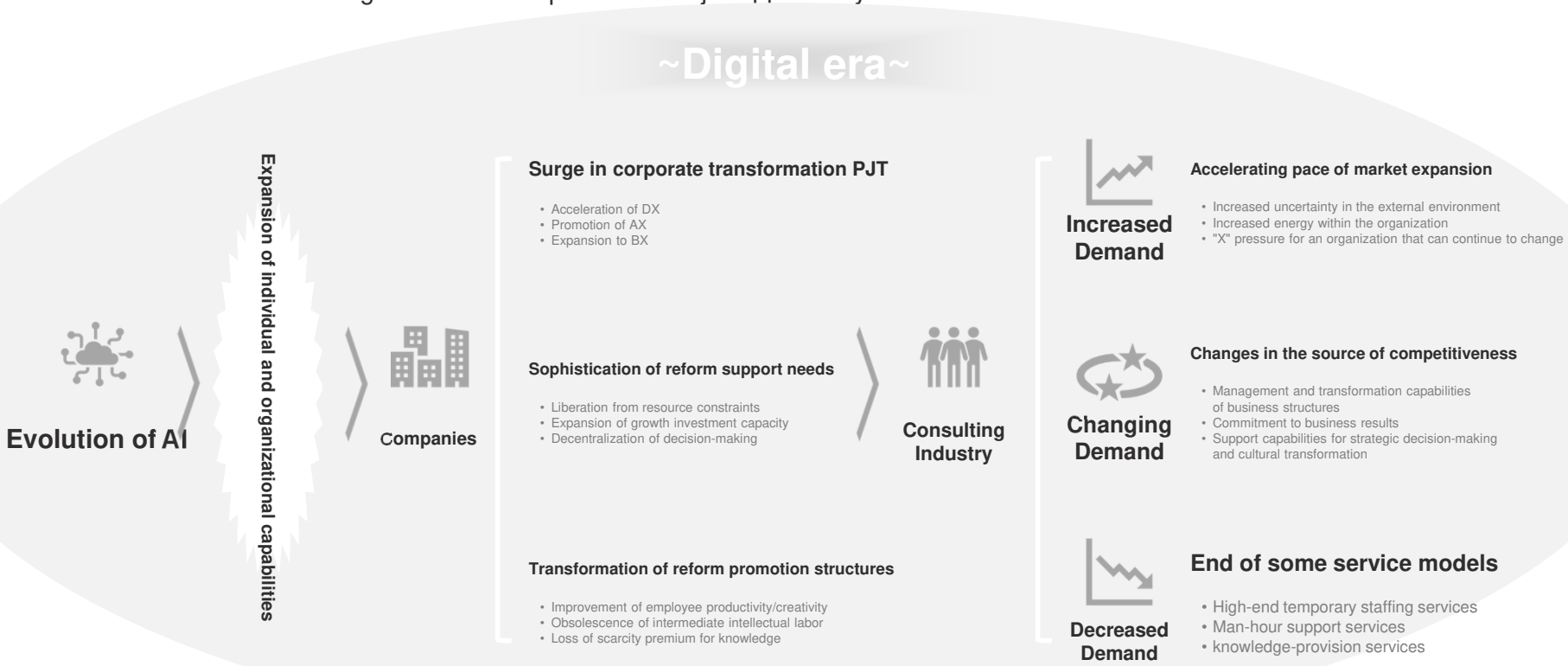
1.

Market Trends

(Expansion)

Environmental Awareness - Two "Xs" Driving Corporate Transformation

- For LTS, which does not focus on temporary staffing, man-hour support, or knowledge-provision services, the increase and change in demand represent a major opportunity



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Growth Market - Japan, a Consulting Laggard

- The consulting market supporting corporate transformation continues to grow globally (around 15%)
- In particular, the Japanese consulting market still has significant room for penetration and development compared to the U.S. market

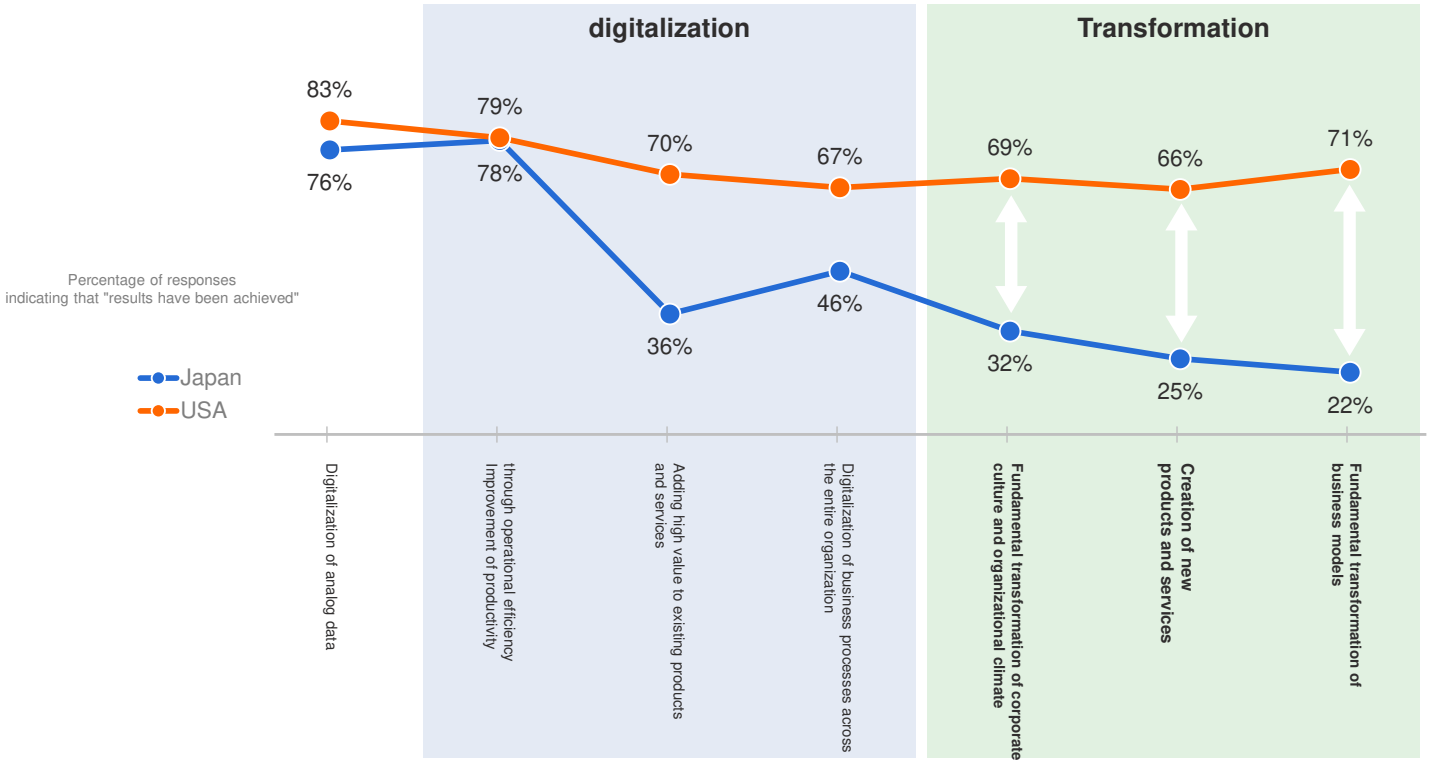
	Market Size and Market Stage	Progress of DX
	**"Expansion Phase" × AI Integration** Market size: Small (approx. 1 trillion yen) Ratio to GDP: Low (approx. 0.1%)	**Digitalization** Addressing labor shortages productivity improvements ERP implementation / SI
	↓ 5x ↑	↓↑
	**"Maturity Phase" × AI Integration** Market size: Large (approx. 25 trillion yen) Ratio to GDP: High (approx. 0.5%)	**Transformation** Innovation Business transformation DX / AX / SX / GX

Source: Prepared by LTS based on IDC Japan "Domestic Digital Business (DB) Professional Services Market Forecast" (2025), IMF statistics, and various public information

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DX Challenges for Japanese Companies - Lag in DX

- Most initiatives by Japanese companies are limited to the "digitalization of data and processes" stage
- Lagging behind US companies that are pursuing "transformation with digital as a business assumption"



Source: Prepared by LTS based on "IPA DX White Paper 2023" by Information-technology Promotion Agency (2023)

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Reprint

Reasons for Japan-US Gap - Specialized Human Resources (BA) Driving Transformation

- The biggest reason for the low transformation capability of Japanese companies is that while there are people who draw up strategies, people who build IT, and people who run the site, there are no specialized human resources within the company who transform the business itself.

	rganizational structur	IT / Data	n body driving transforma	
	**Walls between organizations** Silos Seniority system	**Low utilization** Legacy dependence Defensive IT	**Absent or scattered** Management is planning IT department is IT Site is improvement	**Corporate Transformation = "Event"**
	**Business units Completion** Business unit basis Product unit basis	**High utilization** Cloud utilization Offensive IT	**Specialized human resources exist** CxO Strategy consultants Business architects (BA)	**Corporate Transformation = "Function"**

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2.

LTS Characteristics

(Business Architecture)

Business Characteristics - 3-Layer U-Shaped Model for Corporate Transformation

- Business architects support transformation promotion functions, providing comprehensive, end-to-end support for diverse “X”

Corporate Transformation Level	Issues Faced by Client Companies		Our Support
- Strategy - Decision -making	**Portfolio Management**	Organization Partner	**Enhancement of “ability to create change”** • Strategy formulation, PoC, commercialization • New business development, business operation support • M&A, PMI
- Realization - Results creation	Fragmentation of strategy-transformation-execution processes → Business results / Cultural transformation not achieved (Event-driven)		
- Design - Architecture Design	**Program Management**	Business Partner	**Enhancement of “adaptability to change”** • Architecture design (business/organization/IT/data), BPM • Change management/OPM
Implementation Change Management	Scattered, fragmented business reform initiatives → Failure in comprehensive business structure transformation (Siloing)		
- Construction - PJTs Promotion	**Project Management**	Transformation Partner	**Strengthening of “reform promotion skills”** • Requirements analysis & definition support (BA) • Development of transformation promotion personnel • Supply of project promotion personnel
	Weak promotion structure on the user company side → Project troubles occur (ROI deterioration)		

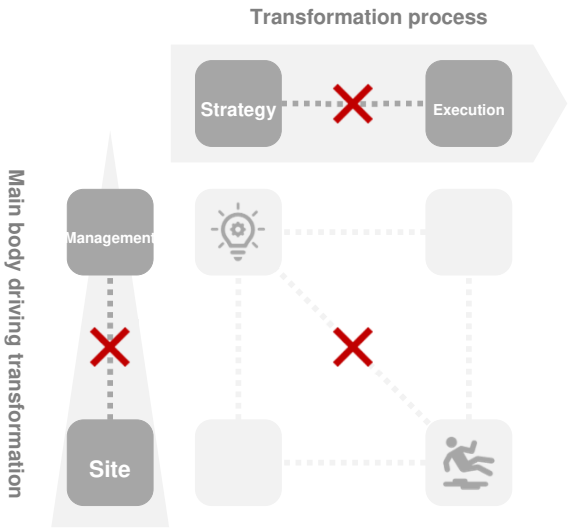
Strategy consulting
DX consulting
DX Engineering
Platform & Agent

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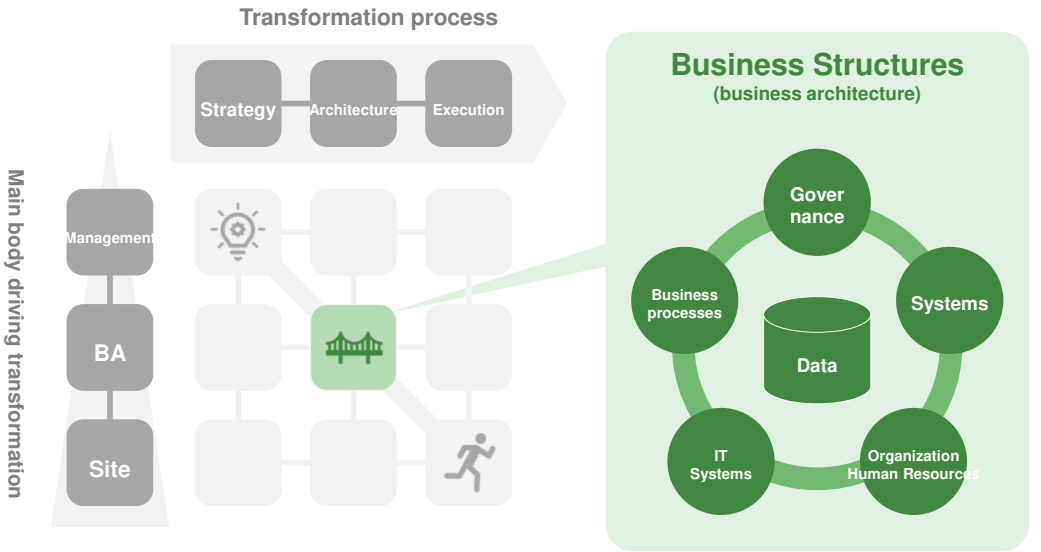
Key to Corporate Transformation - Business Architects

- By installing business architect functions within a company, it becomes possible to integrally design the structures required to implement strategies, thereby advancing fundamental corporate transformation.

Common transformation approach



Grounded transformation approach



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Training of digital promotion human resources as a national policy

- The reason why DX in Japan is not progressing is not a "lack of technology" but a "lack of human resources capable of transforming management and business"
- Among transformation promotion human resources, there is an overwhelming shortage of business architects
- LTS leads the "Task Force on the Development of Business Architecture Human Resources" as the chair



National vision

Society 5.0

Cultivating human resources
who create new value for the world



Basic strategy

Priority Plan for the Realization of a Digital Society

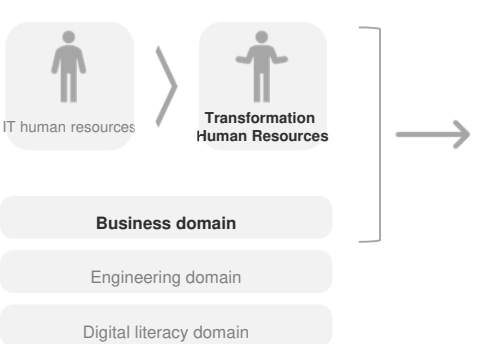
Digital promotion human resources
Training 2.3 million people

Skill-based learning, training, and employment



Policies of each ministry

Digital Human Resources Training Report



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3.
Business Overview
(Supplementary information)

Changes in Consulting

- Currently, there is a need for a partner who will jointly drive the transformation over the mid- to long term.

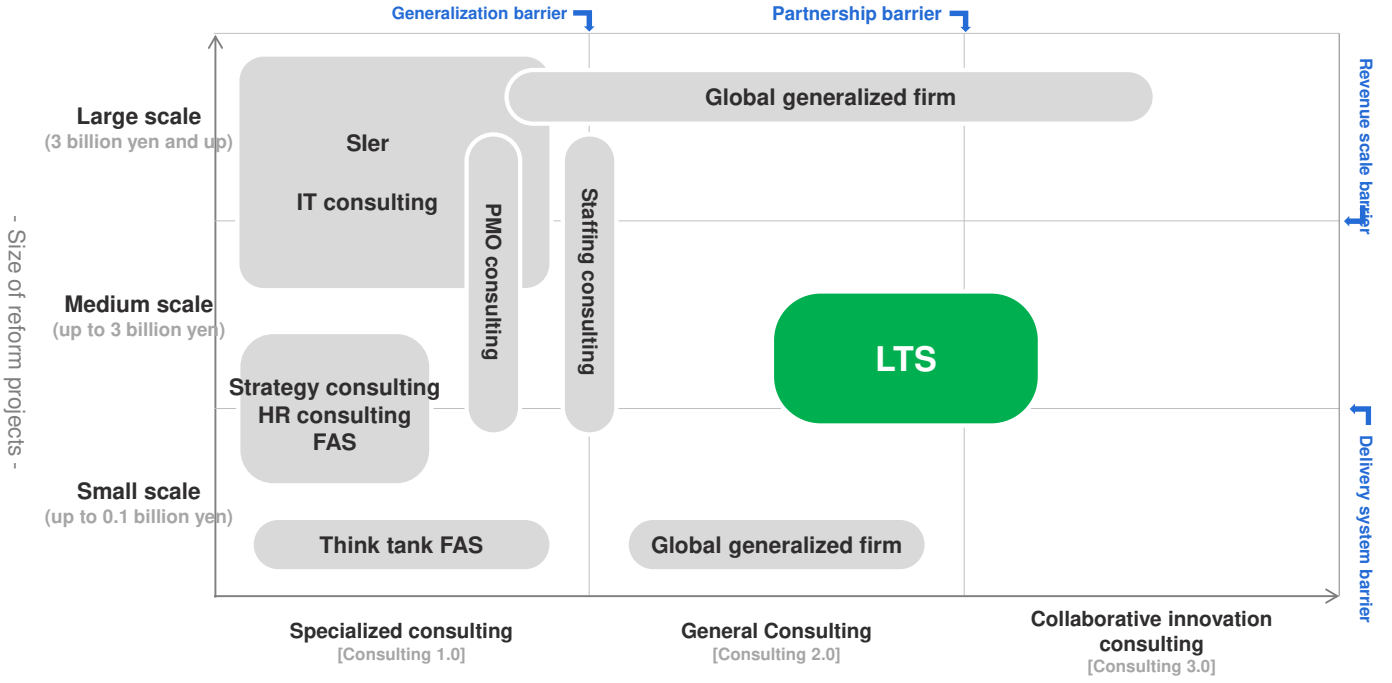
1990s ▼ 2020s ▼

[Consulting 1.0] Specialized consulting	[Consulting 2.0] General Consulting	[Consulting 3.0] Collaborative innovation consulting
		
Advisor	**High class outsourcer**	**Partner**
• Suggesting “strategies” • **Presenting "best practices"**	• Introducing “solutions” on the ground • **Providing "business execution capability"**	• **Integrating, managing, and promoting “transformation programs”** • Developing “organizational transformation talent” • Committing to "business outcomes"
• New strategies **"fall"** through • Initiatives stop at "partial optimization"	• " **Relying on external consulting companies** " for planning and driving reform • Projects stop at "one-off measures"	• **Unable to understand, utilize, or introduce "BA"** • There are few options of consulting companies that can serve as partners

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Our strength- Midsize x Collaborative Innovation Consulting

- We provide support for acquiring and enhancing business agility as a collaborative innovation partner to medium-sized to semi-major companies



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Track Record

- Providing ongoing support for reform and growth to leading companies in a wide range of industries

●Trade
- ITOCHU Corporation*
- Mitsubishi Corporation
- Metal One Corporation

●Retail
- SEVEN-ELEVEN JAPAN CO., LTD.
- FamilyMart Co., Ltd.
- Mitsubishi Shokuhin Co., Ltd.

●Energy
- Idemitsu Kosan Co., Ltd.
- Taiyo Oil Company, Limited
- Tokyo Gas Co., Ltd.

●Transportation
- West Japan Railway Company (JR WEST)*
- Japan Airlines Co., Ltd. (JAL)
- East Japan Railway Company (JR EAST)

●Automotive
- JATCO Ltd *
- Nissan Motor Co., Ltd.*
- Yazaki Corporation*

●Construction/Real Estate
- DAIWA HOUSE INDUSTRY CO., LTD.
- Tokyu Construction Co., Ltd.
- HASEKO GROUP

●Manufacturing
- KOKUYO Co., Ltd.
- DIC Corporation*
- NEC Corporation (NEC)

●Food/Restaurant/Healthcare
- Kirin Holdings Company, Limited*
- Chugai Pharmaceutical Co., Ltd.
- Japan Tobacco Inc. (JT)*

●Media/Education
- Jiji Press, Ltd.
- TV Asahi Corporation
- Benesse Corporation

●Communications
- NTT Communications Corporation
- Sony Network Communications Inc.
- Japan Post Co., Ltd.

●Services
- CENTRAL SECURITY PATROLS CO.,LTD.
- Japan Post Holdings Co., Ltd.
- MonotaRO Co., Ltd.

●Financial/Securities/Insurance
- Aioi Nissay Dowa Insurance Co., Ltd.
- ORIX Corporation*
- SUMITOMO LIFE INSURANCE COMPANY

●Consulting/IT
- Digital Garage, Inc.
- IBM Japan, Ltd.
- Microsoft Japan Co., Ltd.

●Government agencies / local governments / National Corporations
- Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, Ministry of Defense
- Gunma prefecture / Shizuoka prefecture / Hiroshima prefecture
- Okayama university/ Hiroshima university

Many others

(*More than 10 years of engagement)
(Partial list of customers who agreed to be listed and those listed in disclosure materials)

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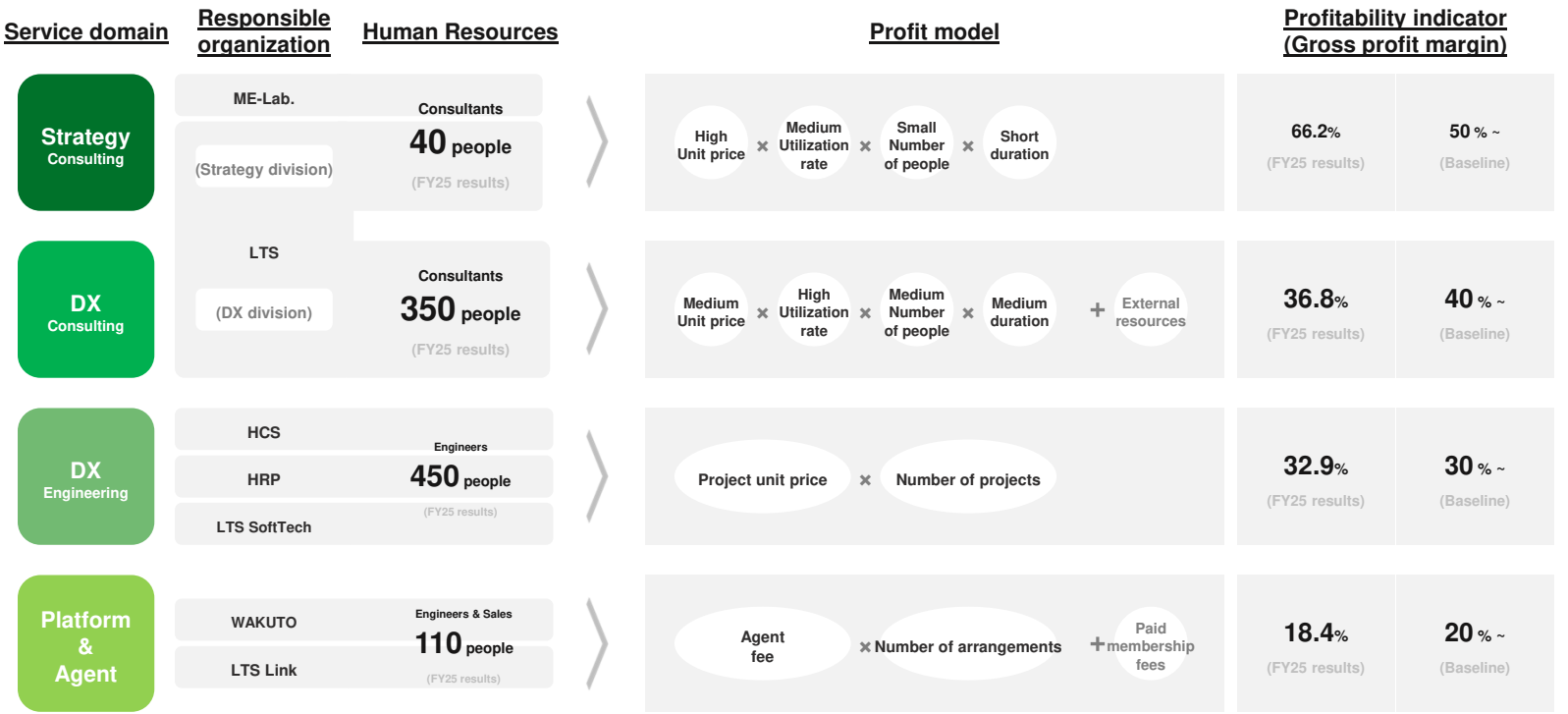
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Service domain

(Supplementary information)

Profit Model and Profitability by Service Domain

- As profitability in the DX engineering domain is recovering, the DX consulting domain, where profitability has not yet reached the benchmark, is the key point for profitability improvement (large room for growth as it is also a volume zone).

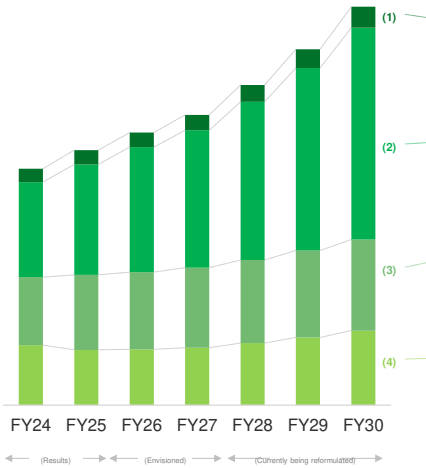


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Growth Scenarios by Service Domain

- 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.

- Reference -
Net Sales Growth by Service Domain
(Image)



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 %	• Refine individual strengths 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	Currently being reformulated	

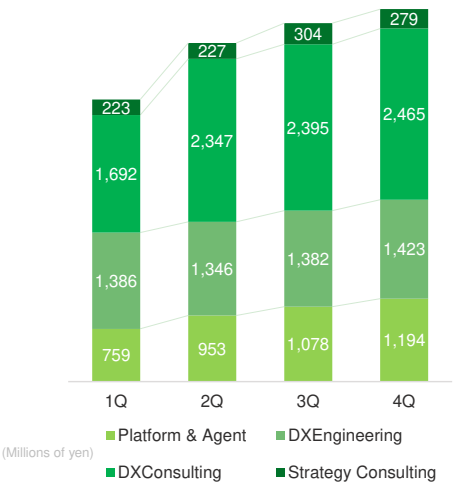
* Projected average annual growth rate for FY2026 to FY2030 as of February 2026 (to be updated annually)

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Earnings Forecast by Service Domain

- The favorable market environment continues, and LTS, Inc. aims for (1) stable top-line growth and (2) continuous 20% growth in operating profit, driven by the core DX consulting domain.

- Reference -
Net Sales Composition by Service Domain (FY2026)



Assumptions for Earnings Forecast

		Net sales	Year-on-year growth rate
Strategy Consulting	**"Investment" phase for brand establishment** - Strengthening the structure by recruiting and training strategy consultants - Continuing R&D and external communication of cutting-edge SX and GX services - Performance-based services such as M&A support also began contributing to earnings	**1,033 million yen** (Composition: 5.3%)	(YoY) + **2-4 %**
DX Consulting	**"Business Expansion" phase driven by the deepening of DX** - Leading national projects for digital human resources development - Actively securing orders for large-scale DX projects for government agencies and large corporations - Positioning to build generative AI into business activities	**8,899 million yen** (Composition: 45.7%)	(YoY) + **12-14 %**
DX Engineering	**"Productivity Improvement" phase utilizing generative AI** - Continuing long-term stable transactions with clients - Exploring non-man-hour-based businesses through recruiting restraint and improved operational efficiency using generative AI	**5,537 million yen** (Composition: 28.5%)	(YoY) + **2-4 %**
Platform & Agent	**"Structural Reform" phase with top priority on business turnaround** - Concentrating sales resources on the core Professional Hub and SES - Parallel initiatives for renewed growth from FY2027 - Promoting reskilling to adapt to the increasing sophistication of job requirements	**3,984 million yen** (Composition: 20.5%)	(YoY) + **0-2 %**

Strengthening collaboration in specific customers and solutions

* Figures are before considering consolidated adjustments and do not match consolidated net sales.

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5.
Growth Scenarios
(Supplementary information)

Review of 1st Growth Plan - Issues and Initiatives

- Improve profit generation capability by linking abundant opportunities with enhanced service capabilities

	Achievements and Results	Issues	Current Initiatives
Human Resource	**Front-line personnel increased by 640 (up 245%)** • Significant increase in young employees due to proactive hiring • Over 400 engineers added through M&A • Approximately 100 people obtained certifications in specialized areas (PM and BA)	**Distortion occurred in the human resource portfolio** • Insufficient number of PMs relative to the member layer • Insufficient number of consultants relative to engineers ↓ **Opportunity loss for end-to-end services occurred** • Unable to form PJT structures in a timely manner in response to inquiries from existing customers	**Enhancement of human resources who can discover, organize, and lead PJT** • Accelerated recruitment of PMs through revision of the compensation system • Continued recruitment of consultants and exploration of team M&A • Business skill development for engineers (BA and PM)
Customers	**Customer Relationship Value improved and unit price per customer also increased (up 122.9%)** • Established account sales structure (over 70% in the top 20 companies) • New customers also increased by 153 companies (up 23.7%) • Domestic bases expanded and regional revitalization support began in earnest	**Consultant unit price rose, but utilization rate declined** • Insufficient intensity of utilization management in small scale organizations • Delay in recovery of service development investment (deterioration of balance between deepening and exploration) **Significant increase in the number of engineers, but unit price and utilization rate remained flat** • Insufficient orders for integrated consulting & engineer services + **Structural reform of the Platform Business has been prolonged**	**Raising Customer Relationship Value (PJT→PGM→PFL)** • Strengthening expertise on an industry axis (services and individuals) • Placement and training of account managers • Expansion of strategy establishment, business structure management, and reform human resource development areas
Services	**Started providing end-to-end reform support services** • Capital and business alliances with both FPT and YOKOGAWA groups **Accelerated business growth in advanced areas such as generative AI and GX** • SX and HC services launched in earnest		**Refining individual services × organic coordination** • Reorganization into specialized organizations by service domain and pursuit of individual growth • Deploy end-to-end services across service domains with a customer-centric and opportunity-driven approach
Group Management	**Recovery in earnings of subsidiaries that joined the group** • Sharing of service and sales assets • Integrated part of corporate functions and infrastructure • MVV re-establishment (collaboration axis) and office relocation (collaborative space)	**Delay in realizing synergy across the entire group** • No initiatives for reorganization of administrative operations and cost optimization • Need to organize the framework for business division management and group management	**Strengthening governance of the decentralized federal organization** • Thorough business efficiency management (performance management by profit model) • Sharing of resources across companies and departments • Ensuring consistency through vision & culture

Profit generation capability declined

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FY2026 Consolidated Performance Forecast (Supplementary Information)

- 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 increased revenue and profit

(Millions of yen)	FY2025 Initial assumptions	FY2025 results	Evaluation by Segment	(As of FY25 initial) FY2026 forecast	(As of FY25 end) Current Situation and Response: Assumptions for adjustment	Adjustment amount	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 losses →	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

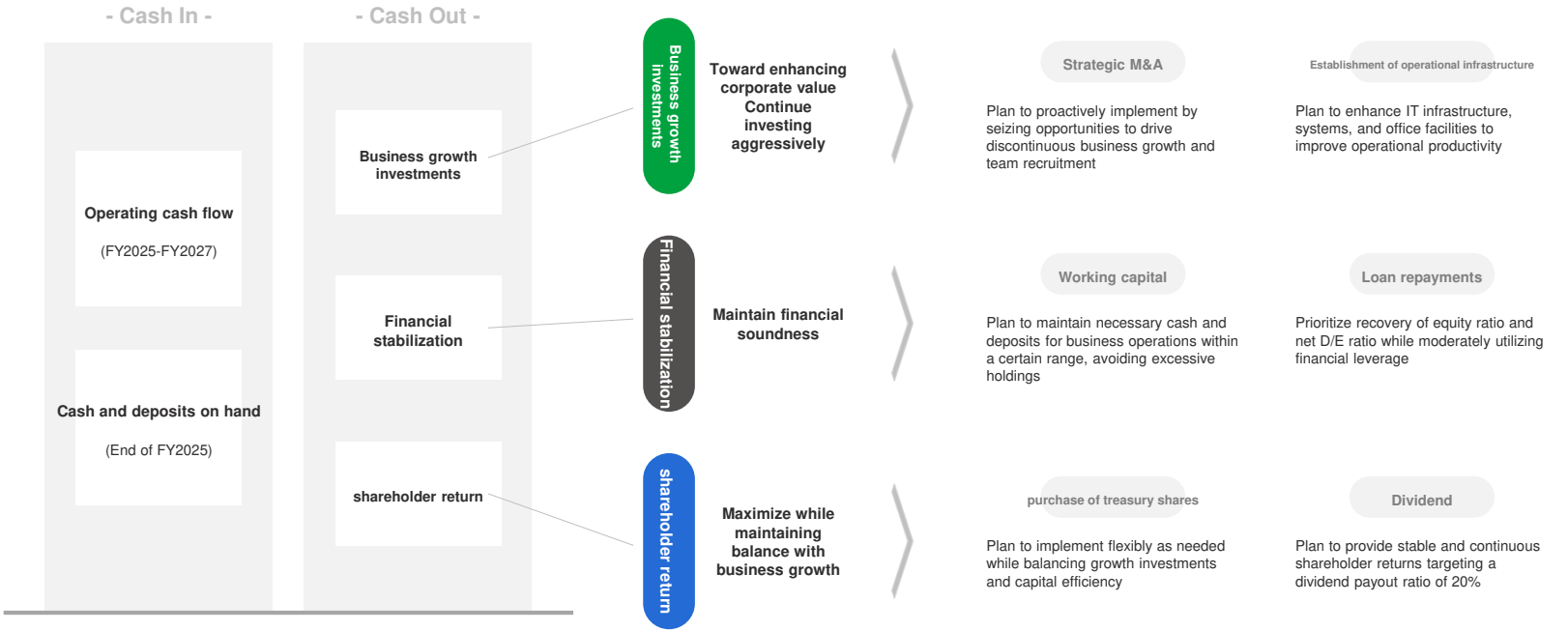
Ordinary profit	**1,615**	**Assumed EPS**
Profit attributable to owners of parent	**1,050**	**238.5 yen**

*Net sales for each segment include internal sales.

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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.

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Approach to Growth Investments

- Continue proactive business growth investments aimed at medium- to long-term corporate value enhancement (the primary investment consists of personnel expenses for employees driving each activity)

Non-capitalized investments

Human Resources

Recruiting

- Strengthen career hiring focused on PM-level professionals
- Advance new graduate recruitment (year-round and multinational approach)
  - Recruiting expenses
  - Personnel expenses (hiring-related)

Training

- Promote acquisition of professional qualifications such as BA and PM
- Participate in academic societies and research institutions for each specialized field
  - Education and training expenses
  - Personnel expenses (training-related)

Retention

- Continue wage increases in conjunction with profitability
- Create a work environment that is both comfortable and fulfilling
  - Personnel expenses (pay and bonuses)
  - Personnel expenses (benefits)
  - Personnel expenses (internal communication-related)

Organizational culture

- Conduct training on corporate philosophy, DNA, etc. during onboarding and promotions
- Share through regular operations and performance evaluations
  - Personnel expenses (internal communication-related)
  - Personnel expenses (benefits)

Customers

Branding

- Research markets and CS
- Develop and communicate corporate/service content
  - Advertising expenses
  - Personnel expenses (PR/marketing-related)

Establishment of customer base

- Strengthen the account management system (develop account managers)
- Introduce CRM tools
  - Personnel expenses (sales-related)
  - HCS

Services

R&D

- Delivery challenges for themes without precedent
- Participate in internal/external research activities
  - Personnel expenses (R&D-related)

Intellectual property/KM

- Establish and operate processes for creating, accumulating, sharing, and utilizing knowledge
- Introduce KM tools
  - Personnel expenses (KM-related)

Other

Sustainability

- Accelerate human resources investments
- Plan initiatives related to sustainability management
  - Personnel expenses (sustainability-related)

Establishment of operational infrastructure

- Introduce IT equipment
- Establish IT infrastructure
- Use business-related cloud services
  - Consumables
  - Payment handling fees
  - Depreciation and amortization

+ Capitalized investments

Other

M&A

- Anticipate medium- to large-scale projects to achieve discontinuous business growth
- Anticipate small-scale projects for team recruitment purposes
  - Subsidiary shares / investment securities
  - Goodwill

Business environment development

- Enhance IT infrastructure
- Strengthen office environment (renovation and expansion)
- Backbone system upgrade
  - Tools, instruments, and equipment
  - HCS

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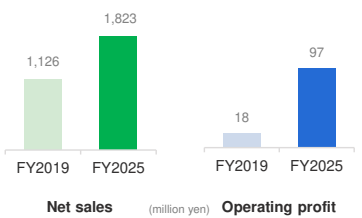
Results of Past M&A

- By joining the LTS Group, each company has improved performance (comparison between the fiscal year immediately before joining and the fiscal year ending December 2026).
  - WAKUTO Co., Ltd.: Fiscal year ended March 2019 ⇔ FY2025
  - SOFTEC Co., Ltd.: Fiscal year ended June 2020 ⇔ FY2025
  - HCS Holdings Co., Ltd.: Fiscal year ended March 2023 ⇔ FY2025

WAKUTO Co., Ltd.

Net sales (FY19-FY25): **+62 %**

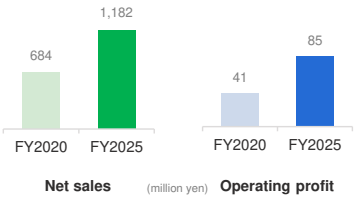
Operating profit (FY19-FY25): **+430 %**



SOFTEC Co., Ltd. *1

Net sales (FY20-FY25): **+73 %**

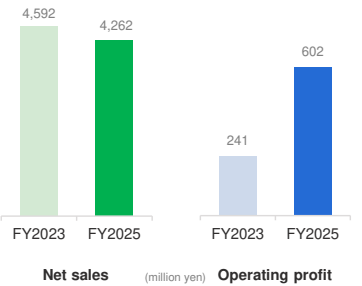
Operating profit (FY20-FY25): **+110 %**



HCS Holdings Co., Ltd. *2

Net sales (FY23-FY25): **(7%)**

Operating profit (FY23-FY25): **+150 %**



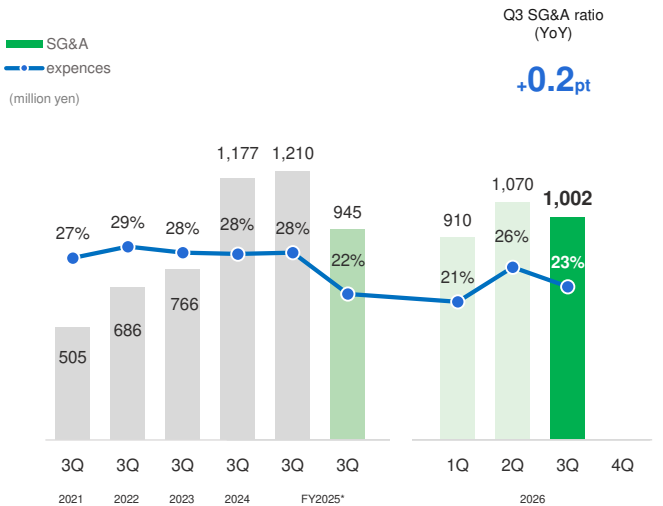
*1 LTS Software Technology, inc. starting from January 2024
*2 HIBIYA COMPUTER SYSTEM CO., LTD. starting from April 2024

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6.
Supplementary Data

Consolidated SG&A - Quarterly Trend

- Flexibly executing growth investments while continuously working to reduce baseline operating expenses



(million yen)

Expense classification	Item	Amount	Percentage	Expense allocation policy
Shared	Personnel expenses	507	50.6%	• Proactively execute growth investments (R&D, internal PJT, and training participation) and growth-related expenditures (sales and intellectual property development) within a defined discipline • Minimize unintended employee idle time
Growth Investments	Recruiting expenses	77	7.7%	• Actively investing in recruitment of PM-level personnel • Referral fees rising sharply
	Education and training expenses	27	2.7%	• Actively investing in obtaining PM and BA related certifications
	Advertising expenses	6	0.6%	• Adjust flexibly to strengthen PR and IR
Growth-related expenditures	Amortization of goodwill (including amortization of customer relationship assets)	13	1.2%	
Baseline Operating expenses	Land/office rent	28	2.8%	
	Depreciation and amortization	23	2.3%	
	Operational costs	314	31.3%	

*Reflects a review of the classification for certain personnel expenses (reclassified from SG&A to cost of sales). Figures and ratios before the review are shown in gray, and those after the review are shown in green.

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Consolidated Number of Employees - Quarterly Trends

- Reference: Trends in Consolidated Number of Employees from FY2021 Q1 to FY2026 Q3

	2021			2022				2023				2024				2025				2026			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	▲SFTC Consolidated											▲HCS Consolid		▲AMG Exclusion from consolodatic				▲ISIS Exclision from consolidation					
Consultants	147	165	191	195	193	203	198	196	201	237	239	275	273	330	329	332	326	400	397	395	394	423	431
Engineeres	196	203	180	185	185	200	207	213	220	255	254	575	575	572	574	569	568	482	486	479	465	488	481
Saleses Staff	33	41	37	35	36	49	49	49	50	70	69	81	80	88	83	79	78	64	64	63	66	62	62
Corporate Staff	39	39	40	46	48	52	55	65	65	67	67	114	119	124	121	116	118	126	123	126	127	130	134
Eles												14	14										
Total	415	448	448	461	462	504	509	523	536	629	629	1,059	1,061	1,114	1,107	1,096	1,090	1,072	1,070	1,063	1,052	1,103	1,108
Net change(YoY	126	132	132	138	47	56	61	62	74	125	120	536	525	485	478	37	29	-42	-37	-33	-38	31	38
Net chenge(Qo	125	33	0	13	1	42	5	14	13	93	0	430	2	53	-7	-11	-6	-18	-2	-7	-11	51	5

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6.
Company Overview

Company Overview

Overview	
Company Name	LTS, Inc.
Founded	March 2002
President and CEO	Representative Director, President Executive Officer Hiroaki Kabashima
Address	Kanden Fudosan Akasaka Building, 1-3-13 Motoakasaka, Minato-ku, Tokyo
Capital Amount	841,193,900 yen (as of September 30, 2026)
Number of employees	1,108 (as of September 30, 2026)
Service	Transformation Services Business ・Strategy Consulting ・DX Consulting ・DX Engineering ・Platform & Agent
Fiscal year-end	December
Stock listing	Tokyo Stock Exchange, Standard Market (Securities code: 6560)

Brand

To help solve customer problems and bring about growth,
rather than simply providing external support,
LTS integrates with the customer as one of the leaves,
turning three leaves into four,
Being an "entity that brings about qualitative change"

Standing on the same footing as the customer as one of the leaves,
working together to promote reform,
being a "True Partner."

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Group Management

- In January 2026, the organizational structure was changed to consist of 8 consolidated subsidiaries and 2 equity-method affiliates

株式会社
エル・ティー・エス

Subsidiaries

ME-lab Japan, Inc.

LTS ASIA CO., LIMITED
*Hong Kong corporation

LTS Strategy Pte.Ltd.
*Singapore corporation

Hibiya Computer System Co., Ltd.

Hibiya Resource Planning Co., Ltd.

LTS Software Technology, Inc.

WAKUTO Co., Ltd.

LTS Link, Inc.

Affiliates

FPT Consulting Japan Co., Ltd.
Joint venture with FPT Japan Holdings Co., Ltd.*
*Japanese subsidiary of FPT, Vietnam's largest IT company

Busy Bee, Inc.

*SOFTEC changed its name to LTS Software Technology, Inc. / IoTol Japan was absorbed by LTS, Inc. / HCS Holdings and Hibiya Computer System merged

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History of LTS Group

- The number of consolidated group employees exceeds 1,000 and continues to grow with 11 group companies.



2026 Market changed to the Tokyo Stock Exchange **Standard Market**

2023 **Consolidated HCS Holdings and 5 other companies**

2020 Market changed to the First Section of the Tokyo Stock Exchange (currently **Prime Market**)

2017 Listed on the **Tokyo Stock Exchange Mothers Market**

2008 Changed company name to **LTS, Inc.**

2002 Established **L.T. Solutions Co., Ltd.**

Established LTS Strategy Pte.Ltd. (Singapore)	2026
Established ME-Lab Japan	2024
Head office moved to Akasaka Center Building	2022
Iotoi Japan / SOFTEC become consolidated subsidiaries	2020
Established FPT Consulting Japan WAKUTO becomes a consolidated subsidiary	2019
Established LTS ASIA CO., LIMITED (Hong Kong)	2014
Established KeyPride (currently LTS Link)	2008

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Corporate Philosophy

Reprint

Mission

Unleash potential

Believe in people's potential
to realize a free and vibrant human society

Vision

**A professional company
Professional
that expands the world**

Values

Change	Change and be changed
Learn	Continue learning
Ownership	Take initiative and see things through
Venture	Step out into the unknown
Enjoy & **E**nergize	Enjoy and energize
Respect	Respect
Surprise	Go outside the box and inspire

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Reprint

Expansion of Service Offerings

- Commit to customer growth as a customer-centered company, expanding support upstream, downstream, and around by initiating with development of organizational human resources and reform support while addressing consulting challenges.



*Graph represents net sales trend from 2002 to 2024

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Reprint

Publications

- LTS was among the first to advocate the concept of "business agility" and continues to raise awareness about the social issue of sluggish digital competitiveness

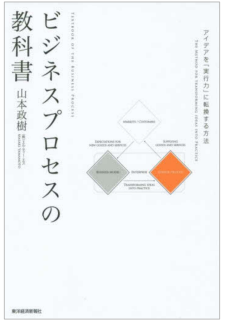
2015



"Customer Co-Creation IT Business Based on Service Science"

(Shoeisha)

Provides direction for successful completion of projects using service science.

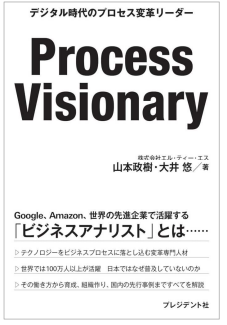


"Business Process Textbook"

(Toyo Keizai)

Explains what business processes are, how to manage them, and more in an easy-to-understand manner.

2019

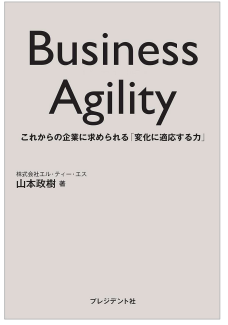


"Process Visionary: Process Reform Leader for the Digital Era"

(President)

Explains all about "business analysts," experts in operational improvement for companies in the digital era.

2021



"Business Agility: The Ability to Adapt to Change Required of Companies of the Future"

(President)

Explains "business agility," an ability that is essential for sustainable growth of companies amid uncertain business environments.

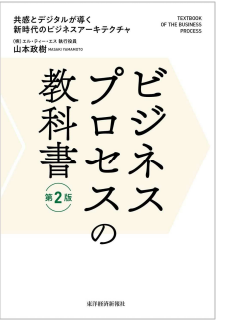
2022



"A Next-Generation Leader's Guide to Implementing Change: Overcome the Barriers of Awareness, Organization, and Management With a Middle-up Approach"

(President)

Explains the role of middle management in bringing about change and taking companies to the next stage.



"Business Process Textbook, 2nd Edition: Business Architecture for a New Era Led by Empathy and Digital Technology"

(Toyo Keizai)

Explains the business process management approach and mechanisms in an easy-to-understand manner.

2023



"Beginner's Introduction to DX"
(Editorial supervision)

(Gentosha)

Explains that the essence of DX is "reform" and lays out the process for small and medium-sized enterprises to take the first step towards reform.

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Directors

Hiroaki Kabashima

Representative Director
President Executive Officer



In March 2002, he participated in the establishment of LTS, Inc. and became Director. In December of the same year, he became President and Representative Director.

Sungil Lee

Director
Vice President and Executive Officer



In March 2002, he participated in the establishment of LTS, Inc. and became Director. In January 2005, he became Director and Executive Vice President.

Yu Kamemoto

Director
Vice President and Executive Officer

General Manager of Strategy Consulting Business Headquarters



In October 2011, he joined the Company. In March 2019, he became Director, and in March 2024, he became Vice President and Executive Officer.

Ryosuke Ueno

Director
Vice President and Executive Officer

General Manager of Digital Business Headquarters



In April 2008, he joined the Company. In March 2019, he became Director, and in March 2025, he became Vice President and Executive Officer.

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Directors

Fumio Takemura

Outside Director (Full-time Audit and Supervisory Committee Member)

After joining IBM Japan, Ltd., he served as Director and Executive Officer. Later, he served as Senior Managing Director of IBM Japan Services Company Ltd., President and Representative Director of JAL Information Technology Co., Ltd., Advisor to IBM Japan, Ltd., and Adjunct Lecturer at Tokyo City University Faculty of Knowledge Engineering.

In March 2018, he became Full-time Statutory Auditor of LTS, Inc., and in March 2019, he became an Outside Director. In June 2022, he became Corporate Auditor of subsidiary WAKUTO Co., Ltd.



Naoki Takahashi

Outside Director (Audit and Supervisory Committee Member)

After joining Nissan Motor Co., Ltd., he became licensed as an attorney at law in New York, USA, and joined White & Case LLP. Later, he worked at Coca-Cola (Japan) Company, Limited; he served as Director and Senior Vice President of IQ3 Inc. After working at American International Group, Inc., he became Director and Managing Executive Officer of AIG Japan Holdings Kabushiki Kaisha. In December 2016, he became Auditor of LTS, Inc. and became an Outside Director in March 2019.



Akiko Kawazoe

Outside Director (Audit and Supervisory Committee Member)

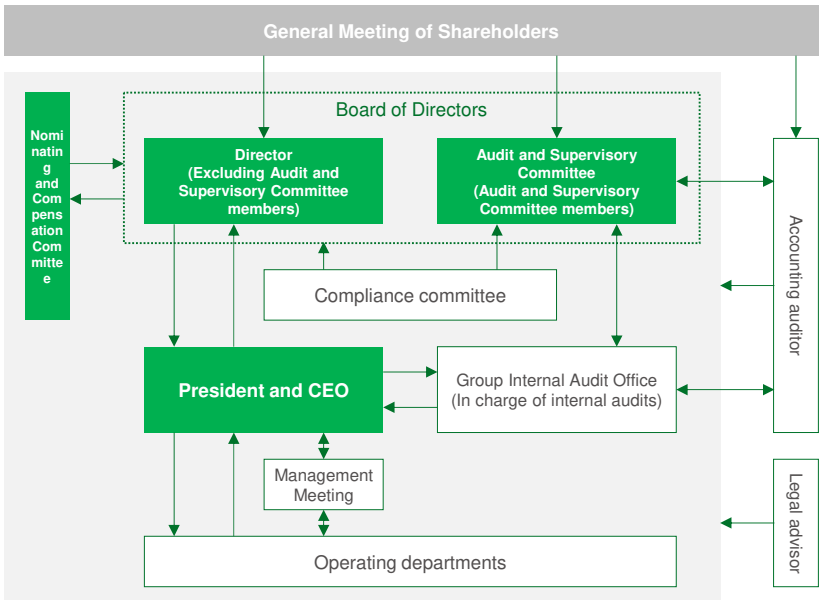
After joining Deloitte Touche Tohmatsu LLC, she became a certified public accountant and established Akiko Kawazoe CPA Office. Later, after working at Recruit Administration Co., Ltd. (currently Recruit Co., Ltd.) in 2014, she became an employee of Hikari Audit Corporation. In March 2024, she became an Outside Director of LTS, Inc.



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Corporate Governance Structure

- LTS, Inc. considers the strengthening of corporate governance to be one of its important management priorities in order to expand corporate value, ensure continued existence, and contribute to society, and is taking the necessary measures to achieve this.



Efforts to date

- Transition to company with audit and supervisory committee
- Increased number of outside directors
- Establishment of Nominating and Compensation Committee
- Disclosure of summaries of financial results and briefing material in English
- Analysis and evaluation of effectiveness of Board of Directors utilizing third-party agency

Themes being considered for future efforts

- Ensuring of diversity of Board of Directors
- Establishment and implementation of succession plan for chief executive officer

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Disclaimer and Note

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- 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 so-called "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.

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