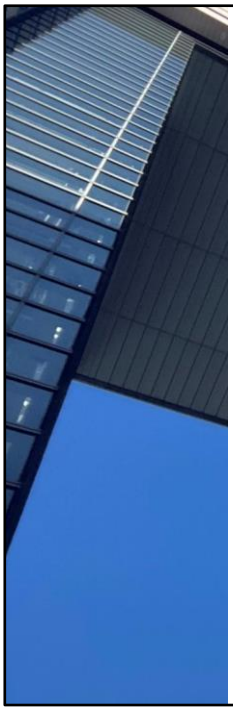


This presentation will provide an overview of the financial results for the first quarter of the fiscal year ending March 31, 2025.

(Note)
This English text is a translation of the Japanese original.
The Japanese Original is authoritative.



01 Performance Highlights

02 FY’25/3 Q1 Financial Results

03 FY’25/3 Operating Forecast

04 Shareholders Return

05 Medium-term Management Plan "New Canvas 2026"

06 Progress of Medium-term Management Plan

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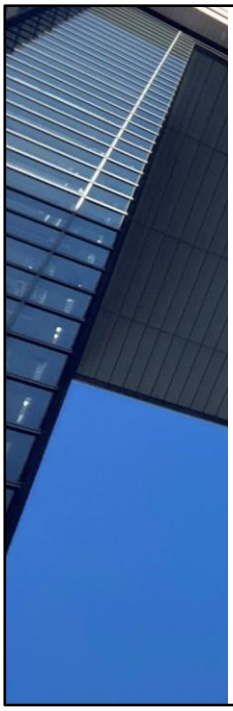
Here is today's agenda.



01 Performance Highlights

- Upward Revision of FY'25/3 1H Forecasts
- Key Points of FY'25/3 Q1

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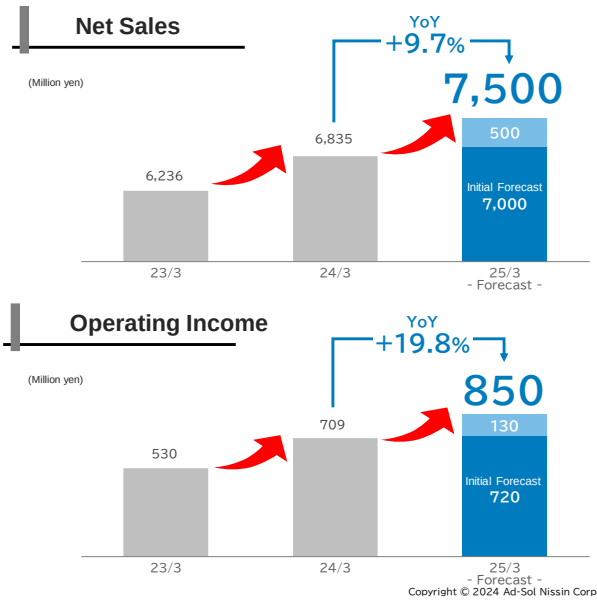
First, I would like to explain the performance highlights.

・Upward revision of first-half operating results forecast
・Performance highlights for the first quarter of the fiscal year ending March 2025

Upward Revision of FY'25/3 1H Forecasts



Upward revision of 1H forecasts

- 1H forecasts revised upward due to favorable business environment
- Full-year forecasts were revised only for the upward revision of the 1H forecast. Outlook for orders and strategic investments are under scrutiny.

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[Upward Revision of 1H Forecast]

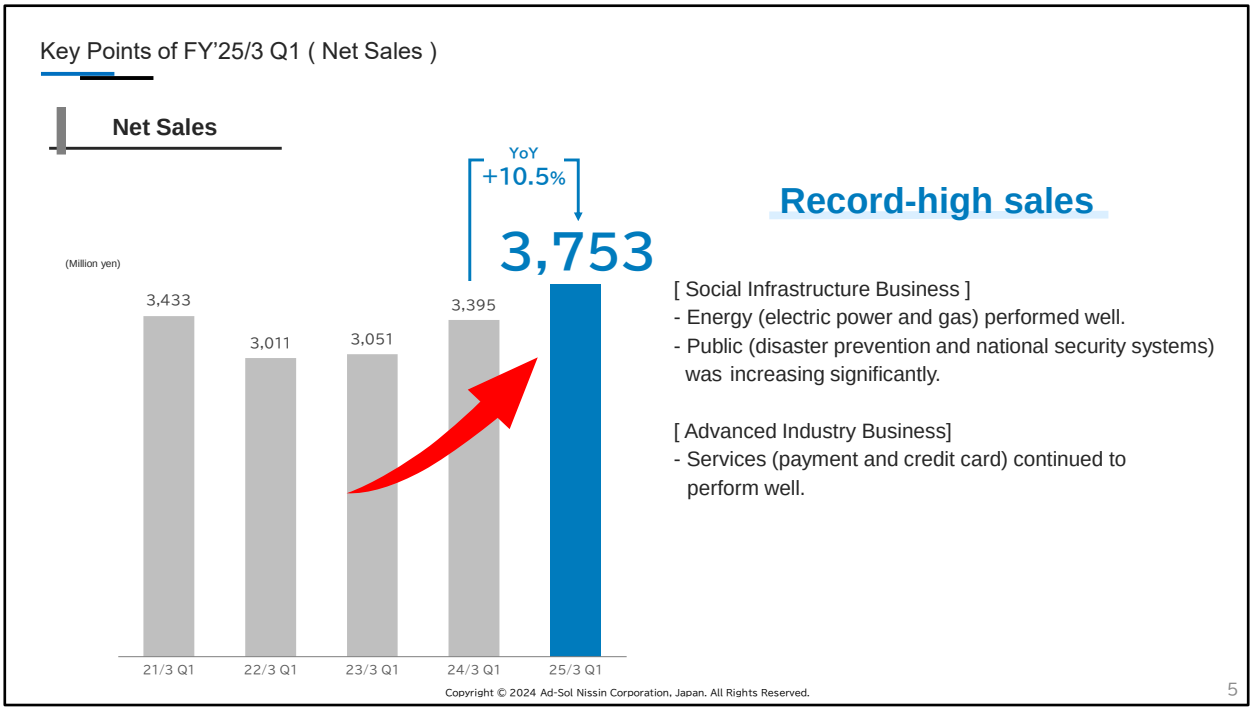
Net Sales: 7,500 million yen
(up 7.1% vs initial forecast / up 9.7% YoY)
Operating Income: 850 million yen
(up 18.1% vs initial forecast / up 19.8% YoY)

[Summary of Revision and Background/Factors]

- Sales activities in each segment, particularly in the electric power field, made more progress than we expected at the beginning of the period in acquiring new projects, expanding our organization, revising contract terms and conditions, and shifting to consulting services.
- The improvement in gross margin exceeded the increase in SG&A expenses due to strategic investments.

[Views on Full-Year Forecasts]

- Favorable business environment is expected to continue as ICT investment expands among our major clients (energy sector) against a backdrop of increased demand for electric power for generation AI, data centers, etc.
- The outlook for orders (upward revision) and strategic investments (including additional investments) for the second half of the year are currently under scrutiny.
- The full-year forecast has been revised only by the amount corresponding to the upward revision in the first half of the fiscal year.



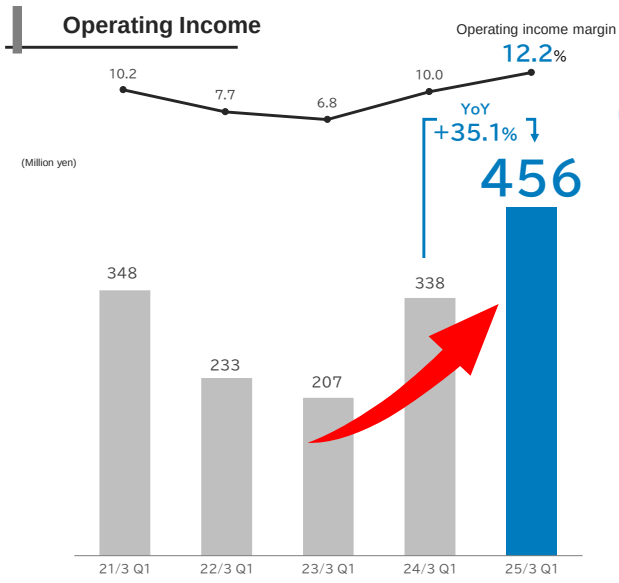
[Key Points of Q1 Results (Net Sales)]

- Record-high sales for the entire quarter.
  Net Sales: 3,753 million yen (up 10.5% YoY)

[Major Contributions to Revenue Increase]

- Social Infrastructure Business: Energy (electric power and gas), public sector
- Advanced Industry Business: Digital Transformation projects for the services sector (payment and credit card services)

Key Points of FY'25/3 Q1 (Operating Income)



Record high in both operating income / OP margin

- Achieve both strategic investments for sustainable growth and cost control.
- The improvement in gross margin exceeded the increase in SG&A expenses due to strategic investments.

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[Key Points of Q1 Results (Operating Income and Operating Income Margin)]

- Both operating income and operating income margin reached record highs.

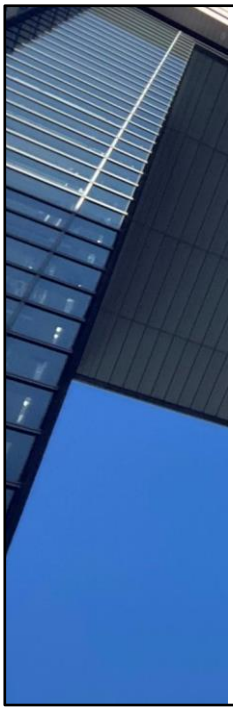
- Operating income : 456 million yen (up 35.1% YoY)
  Operating income margin : 12.2% (up 2.2 points YoY)

[Factor Analysis]

- Improved gross profit margin taking into account the increase in SG&A expenses due to strategic investments, etc.

  - Gross profit margin : 29.0% (up 1.2 points YoY)
    ・Review of contract terms and conditions
    ・Expansion of consulting and other upstream projects
    ・Quality enhancement measures
    ・Offshore development in Vietnam, etc.

  - SG&A expenses were in line with the plan.
    （Breakdown）
    ・Human resource development
    (for new graduates, AI and other technology enhancement, consultants, etc.)
    ・Preparation for relocation and renewal of Kyushu branch office
    ・Reinforcement of offshore development system in Vietnam



02 FY’25/3 Q1 Financial Results

- Consolidated Statement of Income
- Sales by Segment
- Quarterly Trends
- Ordinary Income
- Balance Sheet

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The financial results for the first quarter of the fiscal year ending March 31, 2025 are explained in each table of the contents.

FY'25/3 Q1 Consolidated Statement of Income

(Million yen)	FY'24/3 Q1 Results	FY'25/3 Q1 Results	Increase /decrease	Ratio of change %
Net Sales	3,395	3,753	358	10.5
Social Infrastructure Business	1,940	2,356	415	21.4
Advanced Industry Business	1,455	1,397	(57)	(4.0)
Solution Business	209	315	106	51.2
Gross Profit	943	1,090	146	15.6
Gross Profit Margin (%)	27.8	29.0	-	-
SG&A Expenses	605	633	28	4.7
SG&A Ratio (%)	17.8	16.9	-	-
Operating Income	338	456	118	35.1
Operating Income Margin (%)	10.0	12.2	-	-
Ordinary Income	340	465	124	36.6
Ordinary Income Margin (%)	10.0	12.4	-	-
Net Income Attributable to Owners of Parent	220	304	83	37.9
Net Income Margin (%)	6.5	8.1	-	-

POINT

Net Sales

Record-high sales

Growth driven by energy, public works, and manufacturing (digital transformation projects) against a growing backdrop of ICT investment by clients.

Gross Profit Margin

Gross profit margin continued to improve

In addition to reviewing contract terms and strengthening quality control, the shift to consulting and the expansion of global development were successful.

Operating Income

Record high in both operating income / OP margin

Measures to improve gross margin exceeded the increase in SG&A expenses due to strategic investments.

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[Consolidated Statement of Income]

- Net sales, gross profit margin, operating income, and operating income margin reached record highs for all quarters

FY'25/3 Q1 Performance by Segment (Net Sales)

(Million yen)	FY'24/3 Q1 Results	FY'24/3 Q1 Ratio to sales %	FY'25/3 Q1 Results	FY'25/3 Q1 Ratio to sales %	FY'25/3 Q1 Increase /decrease	FY'25/3 Q1 Ratio of change %
Entire company	3,395	-	3,753	-	358	10.5
Social Infrastructure Business	1,940	57.1	2,356	62.8	415	21.4
Energy	1,509	44.5	1,831	48.8	321	21.3
Transportation	243	7.2	178	4.8	(64)	(26.7)
Public works	96	2.9	218	5.8	121	125.9
Communication / Network	90	2.7	127	3.4	37	41.8
Advanced Industry Business	1,455	42.9	1,397	37.2	(57)	(4.0)
Manufacturing	420	12.4	403	10.7	(17)	(4.2)
Service	673	19.8	703	18.7	30	4.5
Enterprise	361	10.7	291	7.8	(70)	(19.5)
Solution Business	209	6.2	315	8.4	106	51.2

POINT

Social Infrastructure Business

Expansion of digital transformation (DX) and modernization projects

Received orders for multiple long-term, large-scale projects

[Energy]
- Electric power: Expanded especially in the Chubu region
- Gas: Expansion of DX/modernization projects (Cloud migration, system renewal, etc.)

[Transportation]
- Road: expanded
- Aviation and space: progressed as planned

[Public Works]
- Increased national security system projects in addition to disaster prevention

Advanced Industry Business

Growth centered on digital transformation/data utilization

[Service]
- Continued strong performance in payment and card fields, including consulting and digital services

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[Performance by Segment (Net Sales)]

- Social Infrastructure Business: 2,356 million yen (up 21.4% YoY),
- Advanced Industry Business: 1,397 million yen (down 4.0% YoY)
- Solution Business: 315 million yen (up 51.2% YoY)

FY'25/3 Q1 Performance by Segment (Orders Received / Order Backlog)

(Million yen)	Orders Received				Order Backlog			
	FY'24/3 Q1 Results	FY'25/3 Q1 Results	Increase /decrease	Ratio of change %	FY'24/3 Q1 Results	FY'25/3 Q1 Results	Increase /decrease	Ratio of Change %
Entire company	3,436	3,457	21	0.6	2,571	3,034	462	18.0
Social Infrastructure Business	2,041	2,132	91	4.5	1,570	1,991	421	26.8
Energy	1,559	1,593	33	2.2	1,218	1,564	346	28.4
Transportation	305	186	(119)	(39.0)	168	103	(65)	(38.9)
Public Works	78	226	147	186.9	58	235	176	298.9
Communication / Network	97	127	29	30.7	124	88	(35)	(28.8)
Advanced Industry Business	1,395	1,324	(70)	(5.0)	1,001	1,042	41	4.2
Manufacturing	438	407	(31)	(7.1)	295	282	(13)	(4.5)
Service	551	621	70	12.8	528	616	88	16.7
Enterprise	405	295	(109)	(27.0)	176	143	(33)	(18.8)

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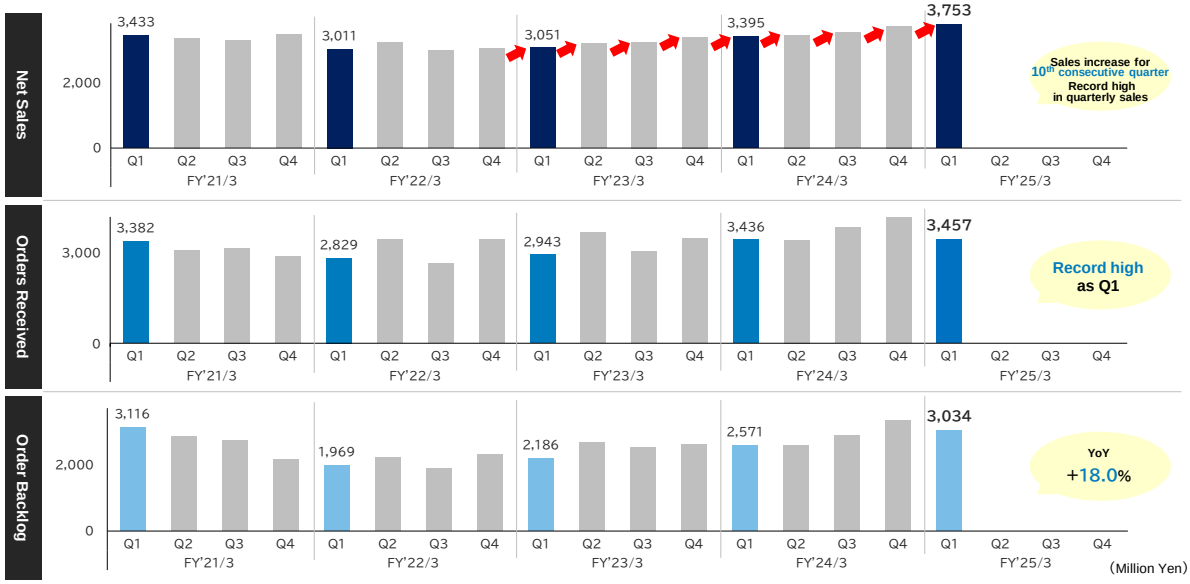
[Performance by Segment (Orders Received / Orders Backlog)

- Orders received was 3,457 million yen (up 0.6% YoY)
  - Transportation: Decrease in projects for aviation
    →Focus on national security systems in the public works sector
  - Enterprise: Digital transformation project for a major SI was completed.
    →Shifted personnel to the service sector for payment and credit card projects, and they are handling the projects.

- Orders backlog remained strong at 3,034 million yen (up 18.0% YoY)
  - Factors and trends of fluctuations are the same as for orders received.

Quarterly Trends (Net Sales / Orders Received / Order Backlog)



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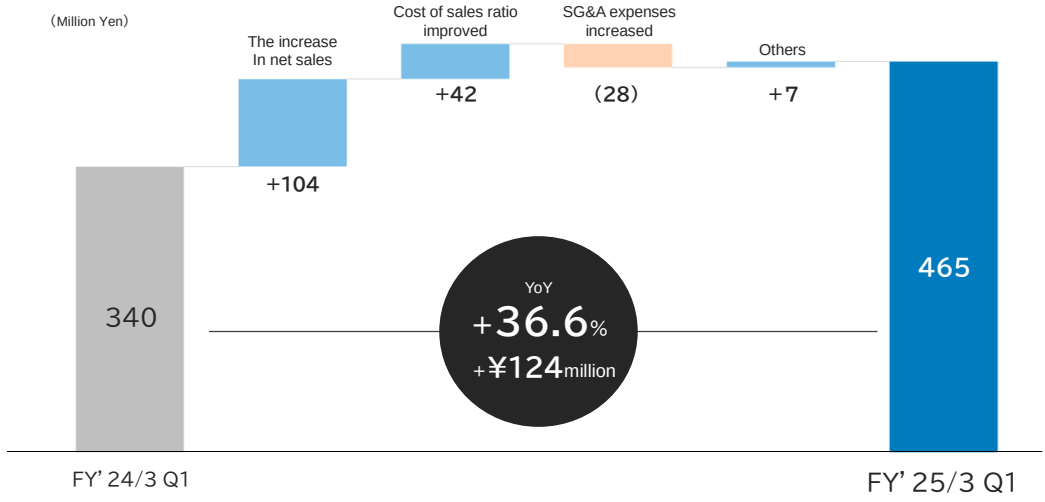
The quarterly trends are as shown.

FY'25/3 Q1 Ordinary Income

・The increase in net sales and the improvement of the cost of sales ratio took into account the increase in SG&A expenses (personnel expenses, opening of new offices, office expansion, etc.), resulting in an increase in ordinary income.



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[Ordinary Income]

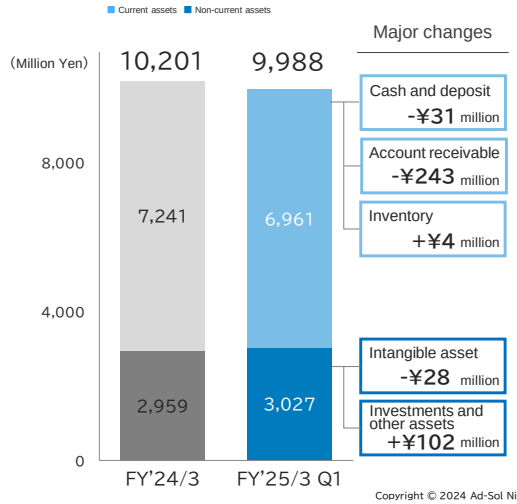
- Ordinary income: 465 million yen (up 36.6% YoY)

- Increased sales and improved cost rates took into account the increase in selling, general and administrative expenses.
  - Net Sales: Expansion of business areas, review of contract terms and conditions and expansion of consulting and other upstream projects
  - Cost of Sales Ratio: Quality enhancement measures and expansion of global development
  - SG&A: Human resource development (for new graduates, AI and other technology enhancement, consultants, etc.) and compensation revisions (2 consecutive years)

FY’25/3 Q1 Balance Sheet

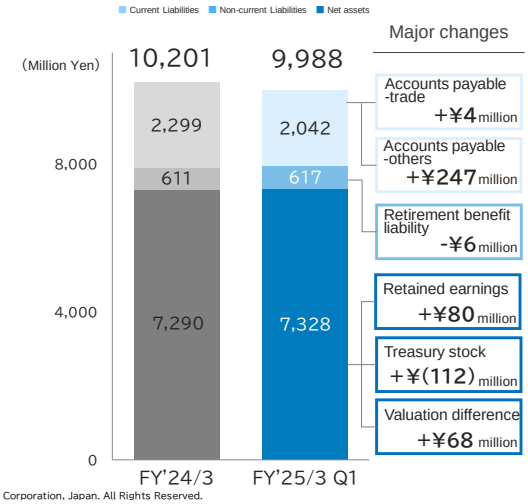
Asset

・Total Assets **9.9** billion yen



Liabilities and Net Assets

・Equity Ratio **71.9%**



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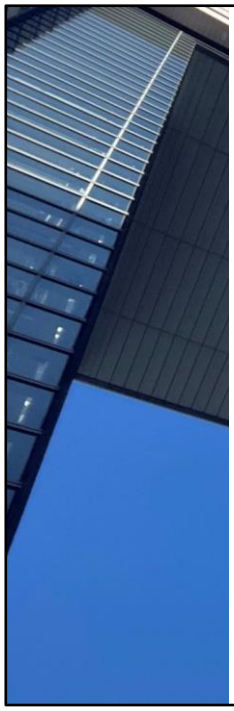
Balance sheet are as shown.



03 FY’25/3 Operating Forecast

The operating result forecasts for the fiscal year ending March 2025 are explained in each table of the contents.

FY'25/3 Operating Forecast

1H/Full-year forecasts revised upward due to favorable business environment

- Achieve consecutive record-high sales and profits in both the first half and full year to absorb cost increases.
- The full-year forecast has been revised only by the amount corresponding to the upward revision in the first half. Outlook for orders and strategic investments are under scrutiny.

(Million Yen)	1H FY'24/3	1H Initial Forecast	1H Latest Forecast	1H Increase /decrease	1H Ratio of change %	Full-year FY'24/3	Full-year Initial Forecast	Full-year Latest Forecast	Full-year Increase /decrease	Full-year Ratio of change %
Net sales	6,835	7,000	7,500	500	7.1	14,078	14,500	15,000	500	3.4
Operating income	709	720	850	130	18.1	1,437	1,500	1,630	130	8.7
Operating income margin (%)	10.4	10.3	11.3	+1.0P		10.2	10.3	10.9	+0.5P	
Ordinary income	739	740	875	135	18.2	1,485	1,540	1,675	135	8.8
Ordinary income margin (%)	10.8	10.6	11.7	+1.1P		10.5	10.6	11.2	+0.6P	
Net income attributable to owners of parent	481	485	565	80	16.5	979	1,010	1,090	80	7.9
Net income margin (%)	7.0	6.9	7.5	+0.6P		7.0	7.0	7.3	+0.3P	

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[Upward Revision of 1H Forecast]

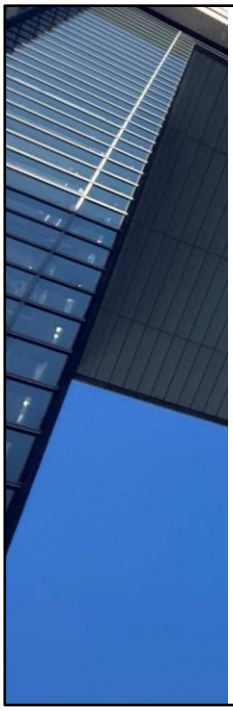
Net Sales: 7,500 million yen
(up 7.1% vs initial forecast / up 9.7% YoY)
Operating Income: 850 million yen
(up 18.1% vs initial forecast / up 19.8% YoY)

[Summary of Revision and Background/Factors]

- Sales activities in each segment, particularly in the electric power field, made more progress than we expected at the beginning of the period in acquiring new projects, expanding our organization, revising contract terms and conditions, and shifting to consulting services.
- The improvement in gross margin exceeded the increase in SG&A expenses due to strategic investments.

[Summary of Revision and Background/Factors]

- The business environment is expected to remain favorable, backed by increased demand for electric power in generation AI, data centers, and other facilities.
- The outlook for orders (upward revision) and strategic investments (including additional investments) for the second half of the year are currently under scrutiny.
- The full-year forecast has been revised only by the amount corresponding to the upward revision in the first half of the fiscal year.



04 Shareholders Return

- Status of Treasury Stock Acquisition and Related KPI
- FY'25/3 Dividend Forecast
- Trends in Dividends per Share

Shareholder return is explained in each table of the contents.

Status of Treasury Stock Acquisition and Related KPI

To implement a flexible capital policy in response to changes in the business environment

	Details of the Resolution at the Board of Directors Meeting Held on May 22, 2024	Status of Acquisition (as of July 31, 2024)
Class of shares acquired	Common Stock	–
Total number of shares acquired	100,000 shares (upper limit) Percentage of total shares outstanding (excluding treasury shares): 1.07%	100,000 shares Percentage of total shares outstanding (excluding treasury shares): 1.07%
Total share acquisition price	250,000 thousand yen (upper limit)	178,594 thousand yen
Acquisition period	From May 23, 2024 to July 31, 2024	From May 23, 2024 to July 31, 2024

Related KPI	Before Acquisition (as of May 22, 2024)	After Acquisition (as of July 31, 2024)
Number of Treasury Shares	76,000 shares	171,121 shares*
Net Income per Share (forecast)	108.34 yen	117.19 yen
Total Return Ratio	46.2%	58.7%

* Effective July 1, 2024, we disposed of 5,885 shares of treasury stock as restricted stock compensation to employees.

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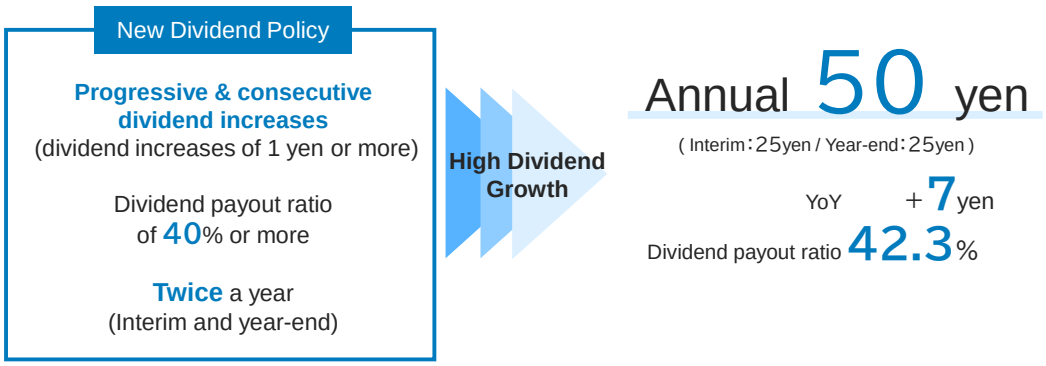
[Acquisition of Treasury Stock]

- Acquire treasury stock up to 100,000 shares and up to 250 million yen.
- As a result, the total return ratio for the fiscal year ending March 2025 is expected to be 58.7%.

(Re-post) FY'25/3 Dividend Forecast

Revision of Dividend Policy to strengthen shareholder returns / Increase dividend for 15 consecutive terms



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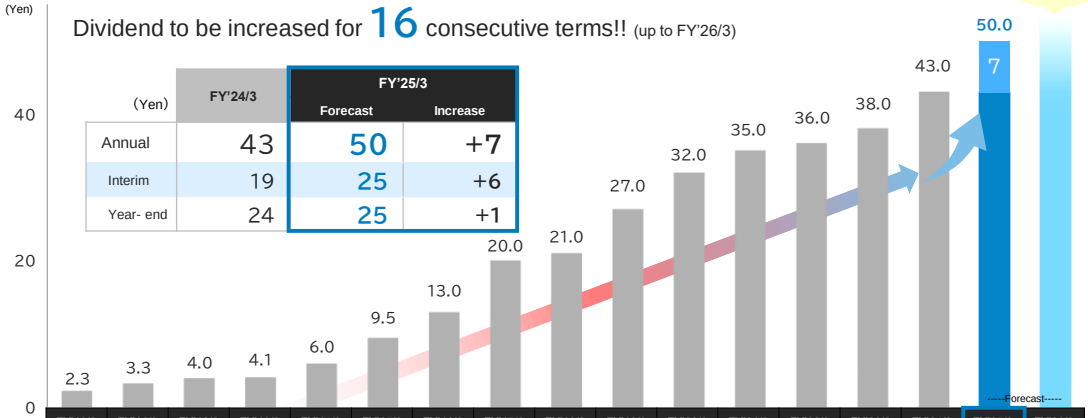
- Dividend policy was revised from FY'25/3 to strengthen shareholder returns
- Key points of the new dividend policy
  - Progressive and consecutive dividend increases (increases of 1 yen or more)
  - Dividend payout ratio of 40% or more
  - Twice a year (interim and year-end)
- Annual dividend for FY'25/3 will be 50 yen (+7 yen YoY)
- Dividend is expected to increase for 15 consecutive terms

(Re-post) Trends in Dividends per Share

50th Anniversary

Dividend to be increased for 16 consecutive terms!! (up to FY'26/3)

(Yen)	FY'24/3	FY'25/3 Forecast	FY'25/3 Increase
Annual	43	50	+7
Interim	19	25	+6
Year- end	24	25	+1



	FY'10/3	FY'11/3	FY'12/3	FY'13/3	FY'14/3	FY'15/3	FY'16/3	FY'17/3	FY'18/3	FY'19/3	FY'20/3	FY'21/3	FY'22/3	FY'23/3	FY'24/3	FY'25/3	FY'26/3
Net income per share(yen)	3.12	10.81	8.82	13.60	19.90	26.35	32.51	59.18	61.31	75.90	89.98	97.31	84.61	90.41	105.09	117.19	
Dividend per share(yen)*1	2.3	3.3	4.0	4.1	6.0	9.5	13.0	20.0	21.0	27.0	32.0	35.0	36.0	38.0	43.0	50.0	
Dividend payout ratio	1.6%	5.5%	4.4%	6.3%	8.8%	10.4%	11.5%	18.8%	17.2%	18.9%	19.8%	17.2%	14.2%	13.6%	14.3%	Increase from FY'24/3	
ROE	74.7%	30.9%	45.4%	30.7%	30.2%	36.1%	40.0%	33.8%	34.3%	35.6%	35.6%	36.0%	42.5%	42.0%	40.9%	42.3%	
DOE *2	1.2%	1.7%	2.0%	1.9%	2.7%	3.8%	4.6%	6.4%	5.9%	6.7%	7.0%	6.2%	6.0%	5.7%	5.8%	Increase from FY'24/3	

*1 Net income per share and dividends per share for FY'10/3 to FY'17/3 are shown after taking into account stock splits (2-for-1 stock split on October 1, 2016 and 3-for-1 stock split on January 1, 2014).
*2 DOE (Dividend on equity ratio) = Dividend payout ratio * ROE

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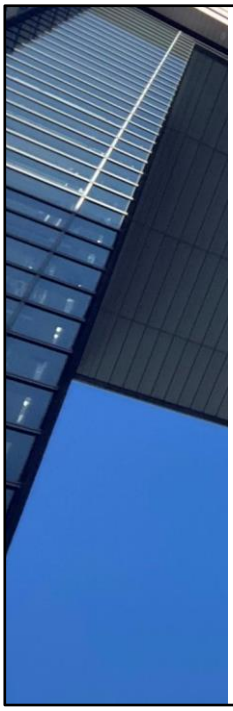
- In the fiscal year ending March 2026 (50th anniversary and final year of the medium-term management plan), we expect to achieve 16 consecutive fiscal years of dividend increases.

- We will also continue to discuss and consider from various perspectives how to make
  shareholder returns attractive to investors, taking into account the balance between
  retained earnings and investment in growth, as well as ROE and financial indicators.



05 Medium-term Management Plan "New Canvas 2026"

- Points of Medium-term Management Plan
- Framework for the Medium-term Business Strategy
- Focus Areas in Growing Businesses

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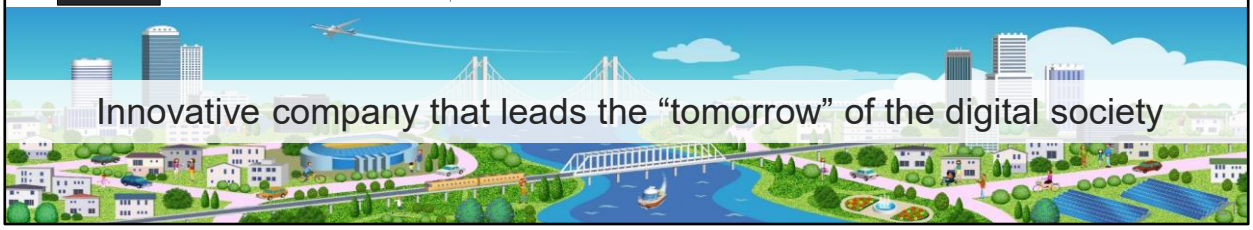
Our medium-term management plan (April 2023 to March 2026) is explained in each table of the contents.

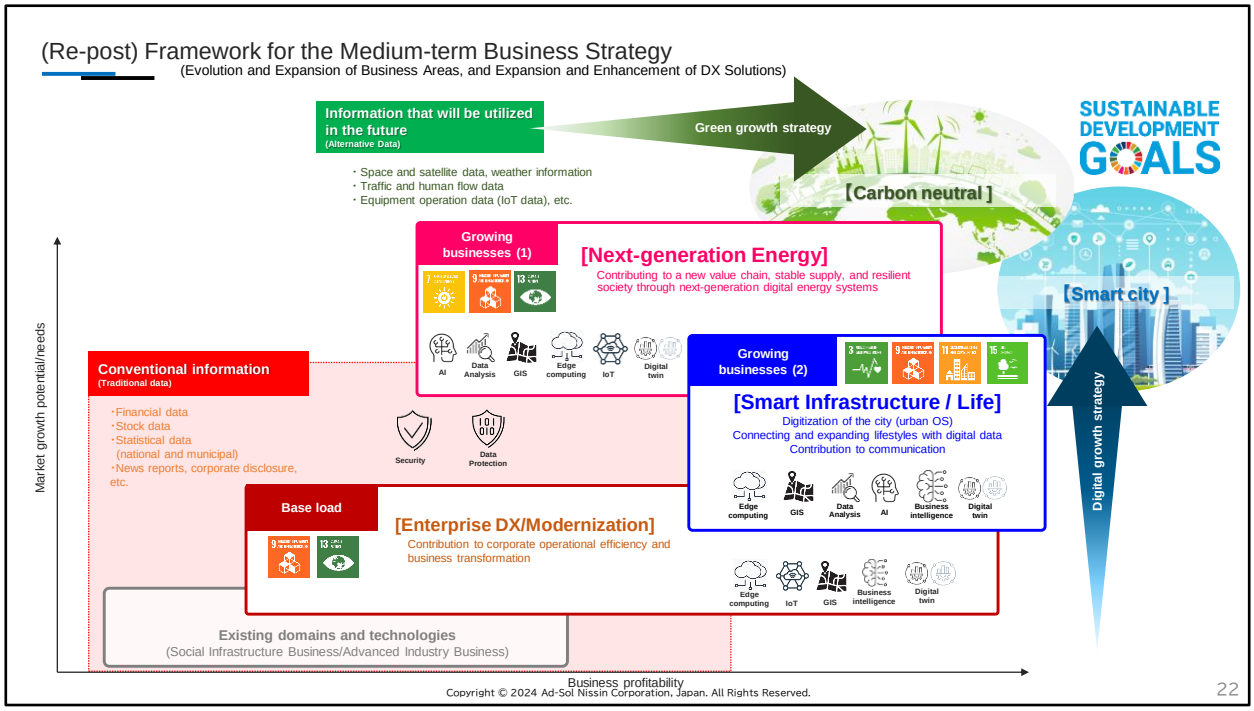
* Please refer to our website for more details.
https://ssl4.eir-parts.net/doc/3837/ir_material_for_fiscal_ym/137295/00.pdf

(Re-post) Points of Medium-term Management Plan

	Theme/ Course of action	Targets / Measures
Performance Targets	- To keep breaking a record	FY'26/3 Net sales 15 billion yen Operating income 1.5 billion yen or higher Operating income margin 10 % or higher
Shareholders Return	- Continuous dividend increase! - To raise dividend payout ratio!	Dividends increase 16 consecutive terms Dividends payout ratio 40 % or higher
Business Strategy	- Contributing to sustainability (ESG/SDGs)	Growing business 1 : Next-generation Energy Growing business 2 : Smart infrastructure / Life Base road : Enterprise DX / Modernization
Corporate Strategy	- Enhancement of corporate value and shareholder value	- Investment, human capital, global, R&D, sustainability - Formulation and implementation of measures to realize management that considers the cost of capital and stock price



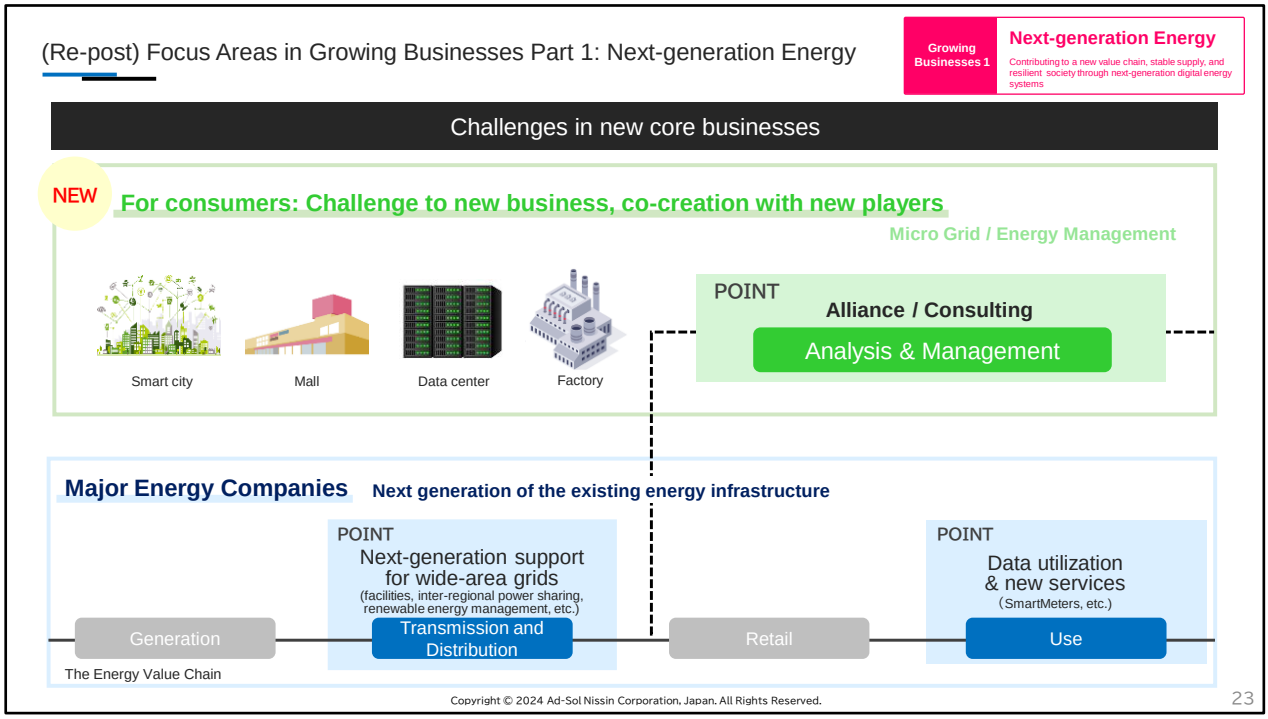
Key Points of the New Canvas 2026 Medium-Term Management Plan.



- Medium to long-term business strategy portfolio with a view to sustainable growth beyond 2030.

- Baseload: "Enterprise DX/Modernization"
  → Evolve and develop from our existing business

- Growing Businesses: "Next-generation Energy" and "Smart Infrastructure/life"
  → Drive future growth

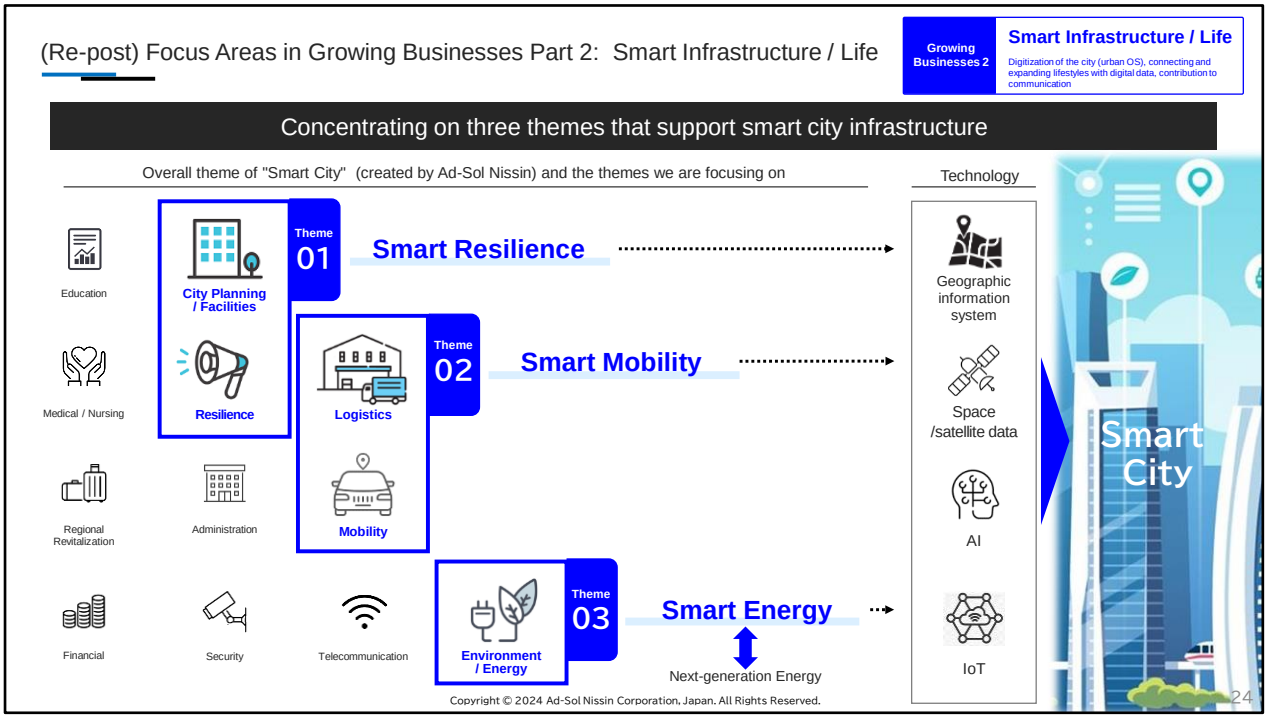


[Next-generation Energy]

New area: Microgrid, VPP, Energy Management etc.,
(a new market for consumers)
→ Challenges in new core businesses.

- We aim to expand business through new co-creation including alliance with other companies.

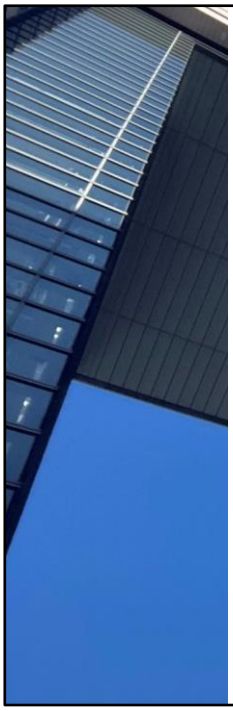
- As a business for major energy companies, we expect to work on DX-compliant system updates and data utilization projects using smart meter data.



[Smart Infrastructure / Life]

Concentrate on three business themes that will lead to digitization and smartization
of cities and lifestyles.
- Smart Resilience: City Planning, Resilience
- Smart Mobility: Logistics, Mobility
- Smart Energy: Environment / Energy

- Combining system development capabilities with the cutting-edge technologies such as AI and space/satellite data
  → Contributing to the realization of smart cities



06 Progress of Medium-term Management Plan

- Shift to Growth Business
- Strengthen Base Load Business
- Business Model Transformation
- Expand Global Development
- Toward Sustainable Growth

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Progress of Medium-term Management Plan is explained in each table of the contents.

Growth points in FY'25/3



1. Shift to Growth Business	- Next-generation energy（microgrid, VPP, etc.） - Smart infrastructure/smart life（mobility, resilience, energy）
2. Strengthen Base Load Business	- Expand digital transformation/modernization business - Revise contract terms - Area strategy（Nagoya, Fukuoka）
3. Business Model Transformation	- Shift to upstream process (consulting) projects - Expand solution business (GIS: geographic information system and other new solution） - Expand business through alliances
4. Expand Global Development	- Offshore development（1,000 IT personnel at the Da Nang Development Center）
5. Toward Sustainable Growth	- Initiatives for human capital - AI (artificial Intelligence) initiatives - Sustainability

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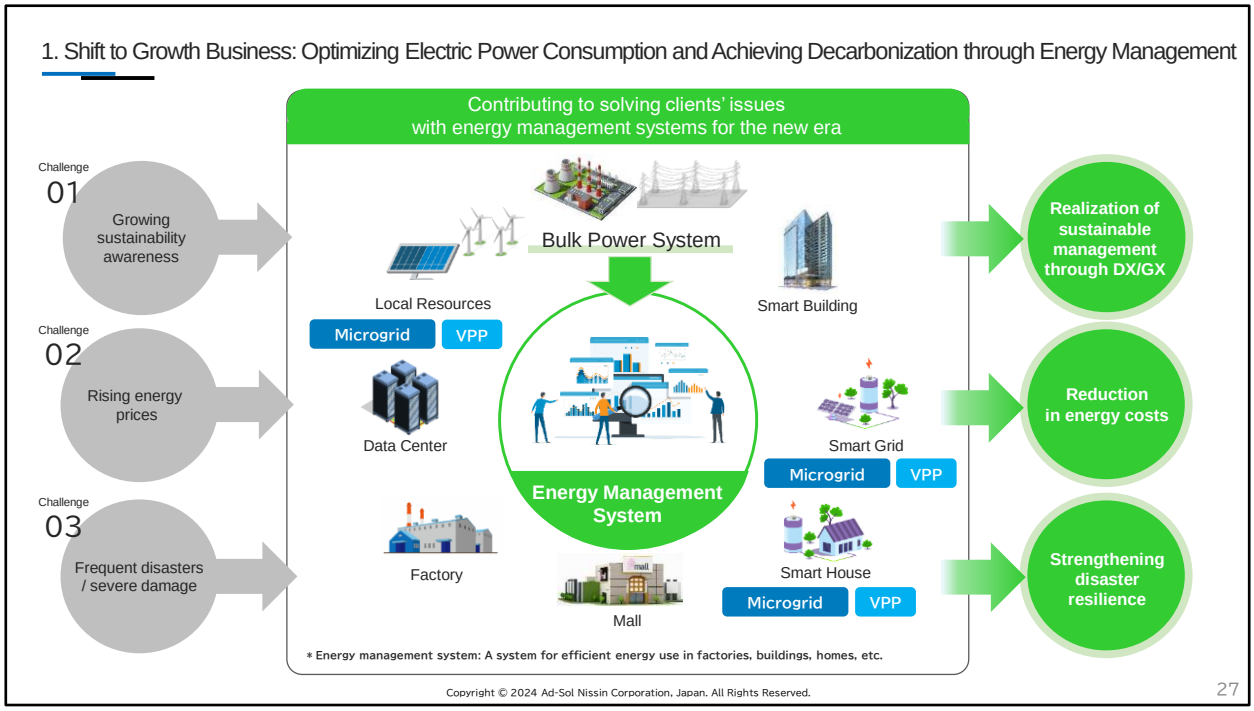
This represents five growth points for the fiscal year ending March 2025.

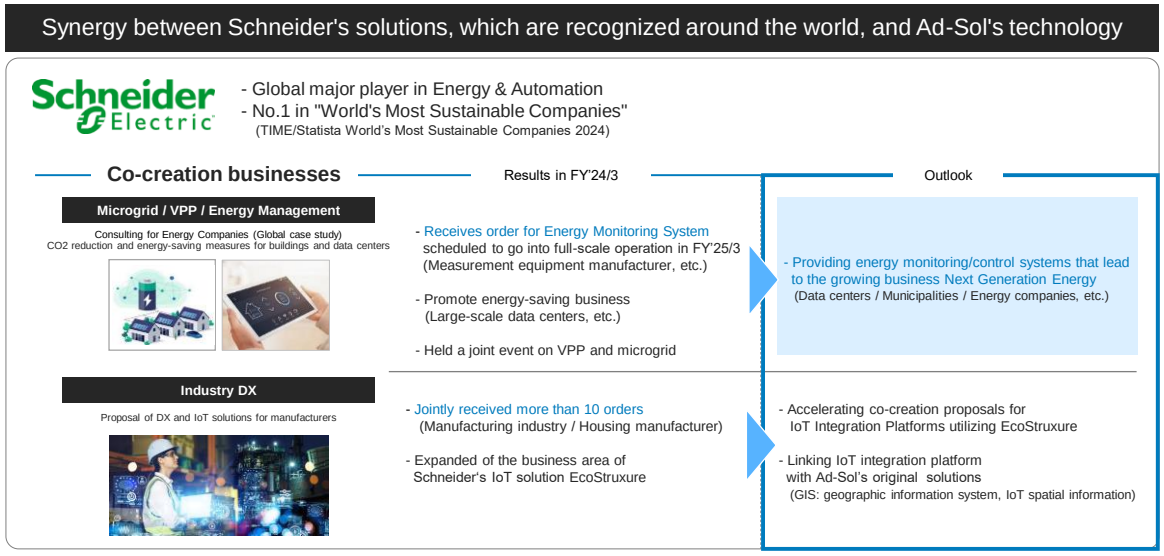


[Energy Management System]

- ICT system that contributes to optimizing electric power consumption through the visualization and analysis of electric power consumption.
  → Contributes to cost reduction, strengthening disaster resilience, and realizing sustainable management

- We will work on the energy control and analysis business, including the utilization of AI.

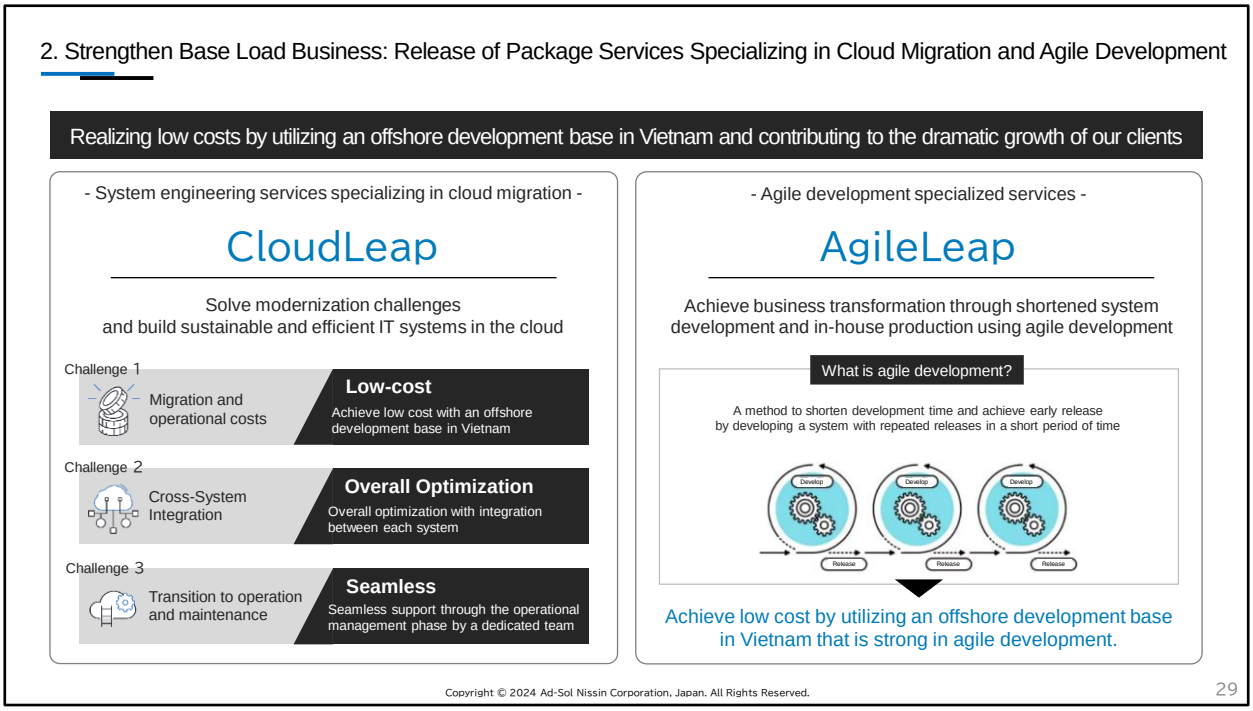
1. Shift to Growth Business: Co-creation with Schneider Electric in the Field of Next-generation Energy



[Energy Management System] Co-creation with Schneider Electric

- Schneider Electric has more than 500 installations of Energy Management worldwide.
- Schneider Electric and we are promoting joint proposal activities for VPPs (Virtual Power Plants) and microgrids.

* For details on VPP and microgrid, please refer to page 42.



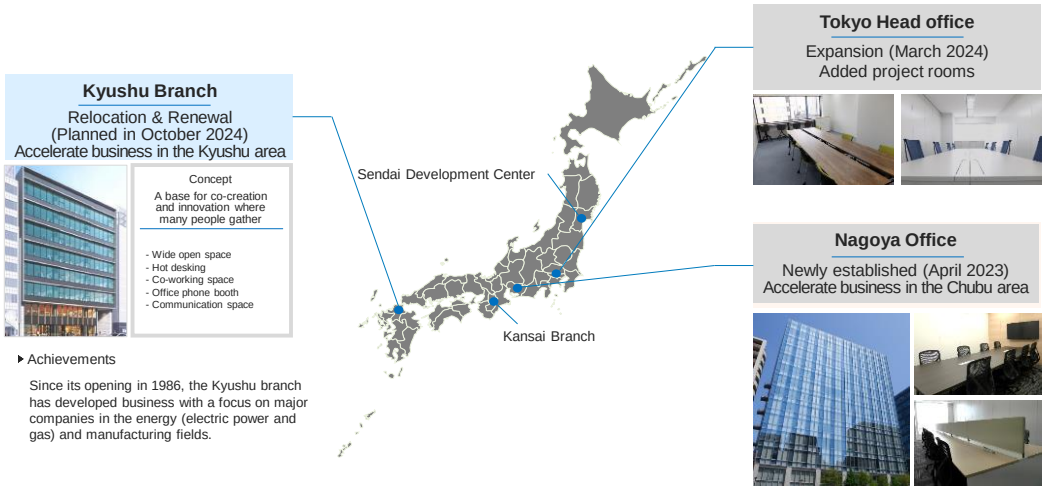
[Strengthen Base Load Business]

- In July 2024, we launched new services that contribute to data utilization and digital transformation.
  - CloudLeap, a system engineering service specializing in cloud migration
  - AgileLeap, a service for agile development

- These services are offered as a package that combines a wealth of experience and knowledge in cloud system support and agile development with a global development system that utilizes the Da Nang Development Center in Vietnam.
  → We realize low cost and contribute to our clients' rapid growth.

2. Strengthen Base Load Business: Area Strategy (Relocation and renovation of the Kyushu Branch)

Establish new offices and expand floor space to meet ICT investment demand that is expected to grow



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[Area Strategy]

- Relocation and renovation of the Kyushu Branch (scheduled for October 2024)
- Kyushu area is expected to see an increase in electric power demand due to the expansion of semiconductor factories and revitalization of ICT investment, etc.

3. Business Model Transformation: Expand solution business

Strengthening proposal and co-creation activities centered on the Digital Innovation Lab and GIS Technical Center

GIS* Technical Center

Provide practical seminars on GIS / IoT solutions, etc.

@ Tokyo

* Geographic information system





Digital Innovation Lab

A space to experience unique solutions & next-generation technologies

@ Tokyo / Kansai

Renewal in June 2024






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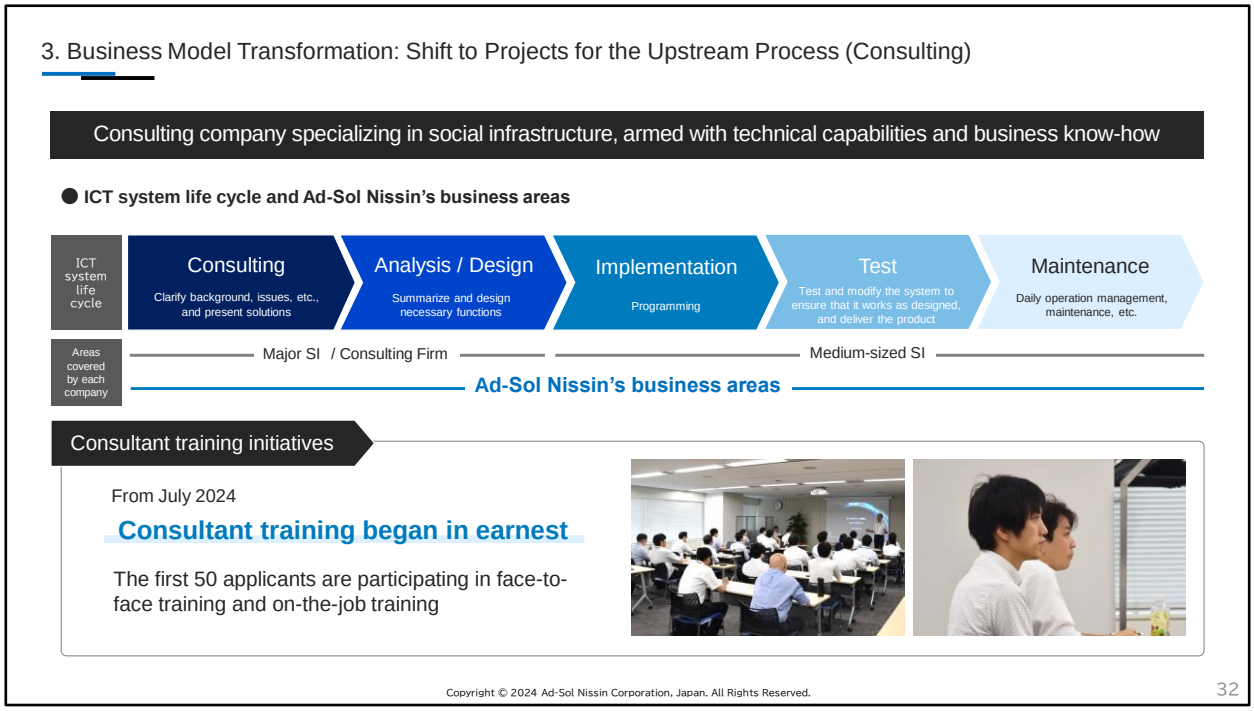
[Business Model Transformation]

- Strengthening proposal and co-creation activities to expand the solution business

- GIS Technical Center
  → To further promote and utilize Geographic information system, we will provide training and training programs by a professional team of Geographic information system and engineers.

- Digital Innovation Lab
  → Clients can experience our original solutions and next-generation technologies, and we seek to solve their management issues and co-create new value through dialogue.



[Business Model Transformation] Shift to Projects for the Upstream Process (Consulting)

- Transformation into an IT consulting company specializing in social infrastructure
  → We provide total support from consulting to ICT system development, maintenance, and operation, by leveraging our system development capabilities, technical capabilities, and clients' business know-how.

- We began training consultants, with 50 employees selected as the first batch.



[Increase in Global Development] Initiatives in Vietnam, a Powerhouse of IT talent

- For over 10 years, we have promoted measures to strengthen offshore development.
  - Actively recruiting Vietnamese international students
  - Training "bridge SEs" who manage development in Vietnam
  - supporting and partnering with startups after their return to Vietnam.

- In our medium-term management plan, we have set an "Asia Offshore Strategy" with the aim of "1,000 advanced IT personnel" at our Da Nang Development Center in Vietnam.

4. Expand Global Development: Strengthening Efforts in Vietnam

Strengthening collaboration to enhance offshore developing system and develop advanced IT personnel

Relocation and renewal of Da Nang Development Center

Significant expansion of office space to meet strong ICT development demand

- Offering offshore development mainly through Techzen, a company with strengths in agile development.
  * Capital and business alliance with Techzen in July 2023.

New Da Nang Development Center



Techzen Co., Ltd.
Establishment: January 2022
President & CEO: Le Duy Linh
Number of employees: 55
(as of April 2024)

Development of advanced IT personnel with the university of Da Nang

IT Training Center jointly established in the University of Da Nang

- Project rooms with facilities comparable to those of Japanese companies
- Practical programs such as agile development experience by Techzen

Facilities at the IT Training Center



▲ Project Room for Techzen ▲ Test Room

University of Da Nang

- Established in 1994 through the merger of Da Nang University of Technology, Da Nang Language Teacher Training College, Quang Nam - Da Nang University of Education, and Nguyen Van Troi University of Vocational Technology.
- It is one of the largest national universities in the central region of Vietnam, with 50,000 students and 2,500 faculty members.

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[Initiatives at the Da Nang Development Center]

- In June 2024, Ad-Sol Nissin Da Nang Development Center was relocated and renovated.
- Offering offshore development services centered on Techzen, an affiliate company with strengths in agile development.
- We have been jointly operating the "IT Training Center" with Da Nang University since April 2024.

5. Toward Sustainable Growth: Initiatives for Human Capital

Increase in personnel by hiring of new graduates / Initiatives to develop consultants

● Hiring of New Graduates in April 2024

38 new graduates joined the company.



▲ The induction ceremony on April 1, 2024

[National university]
Hokkaido, Hirosaki, Iwate, Fukushima, Tokyo, Tokyo Tech, Telecommunications, Niigata, Gifu, Osaka, Kyushu Tech, Kyushu, Kumamoto, Kagoshima, Ryukyu
[Public university]
Iwate Prefectural, Osaka Public,
[Private university]
Keio, Shibaura Institute of Technology, Sophia, Tokai, Tokyo University of Science, Meiji, Waseda, Kansai

April 2025; Scheduled number of hires

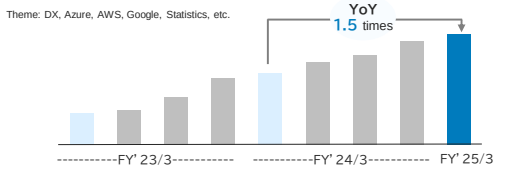
50 people or more

● DX skilled personnel development

Promote human resource development
in AI, DX, and other cutting-edge IT technologies
to continue to meet the diverse needs of our clients.

< Number of employees acquiring digital-related certifications (cumulative total) >

Theme: DX, Azure, AWS, Google, Statistics, etc.



● Compensation Revisions

Implemented compensation revisions for all employees
to improve employee engagement

Outline
- All employees: Average 6%
- Starting salary: Increased (260,000 yen)

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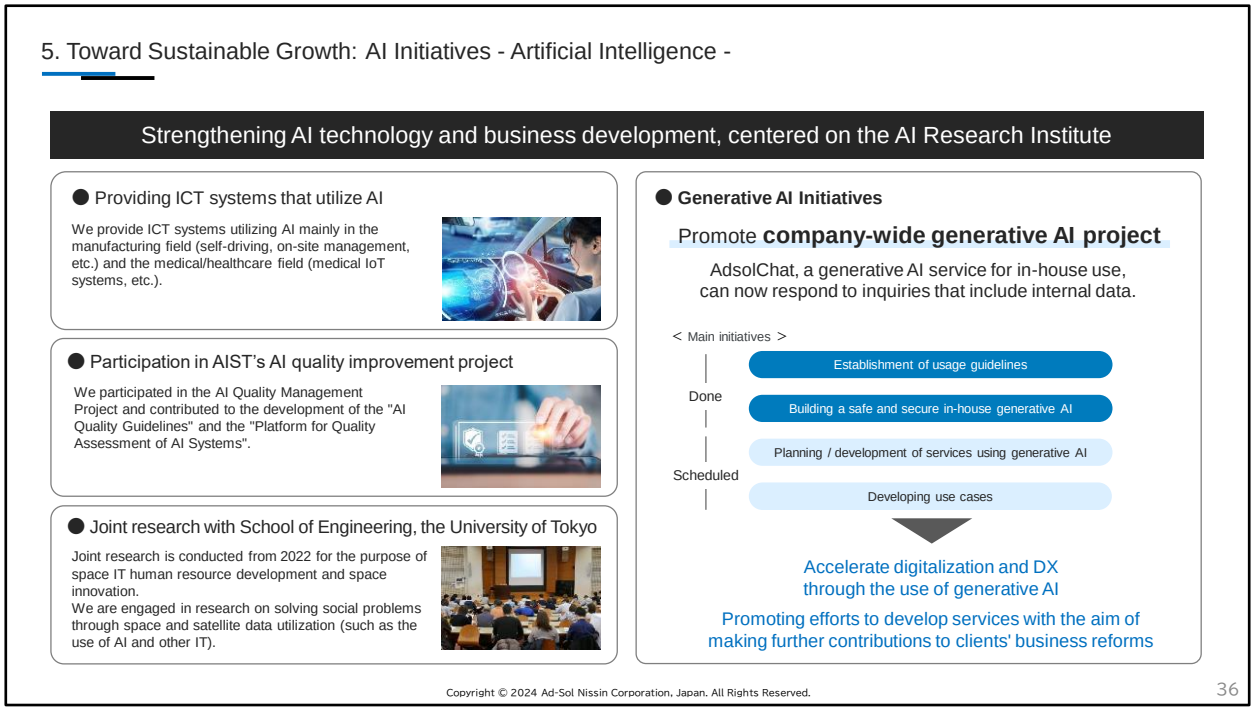
[Toward Sustainable Growth] Initiatives for Human Capital

- 38 new employees joined the company in April 2024.
- More than 50 new graduates are expected to join the company in April 2025.
- In a business environment where information digitization is rapidly progressing, we are continuing to work on human resource development and engagement improvement to continue to meet the diverse needs of our clients.



[Toward Sustainable Growth] AI Initiatives – Artificial Intelligence –

[Business Initiatives]

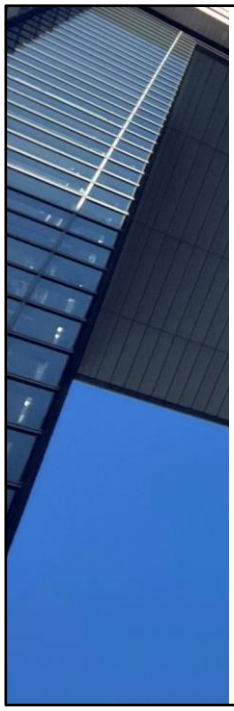
- We provide ICT systems that utilize AI, focusing on automated driving and medical IoT systems.

[R&D]

- Participating in AIST's AI quality improvement project
- Promoting joint research with the University of Tokyo

[Generative AI]

- In February 2024, we began company-wide operation of our original generative AI, AdsolChat
- In June 2024, we added an answer function to AdsolChat that utilizes internal data.
- Ongoing planning and development of services utilizing the generated AI.



Appendix

Company Profile

Company Profile

Corporate Name	Ad-Sol Nissin Corporation
Head Office	Rivarge Shinagawa 4-1-8 Konan Minato-ku, Tokyo 108-0075
Branch	Osaka, Fukuoka, Nagoya, Sendai, San Jose(USA)
Establishment	March 13, 1976
Representative	Tomizo Ueda, Chairman and CEO Toshiaki Shinozaki, President and COO
Number of employees	Consolidated : 645 (as of April 1, 2024)
Sales	14.07 billion yen (FY'24/3)
Listing Market	Tokyo Stock Exchange Prime Market Stock code: 3837
Shares outstanding	9,394,965 shares (As of March 31, 2024)
Affiliated Company	Domestic Ad-Sol Asia Corporation. (Offshore development base: Vietnam) USA Adsol-Nissin San Jose R&D Center, Inc.

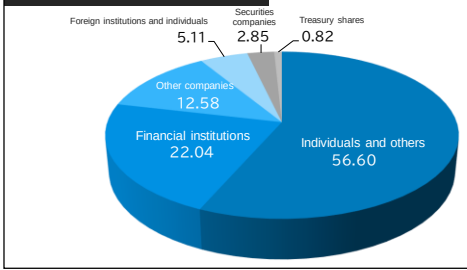
Our Mission

Corporate Philosophy

At Ad-Sol Nissin, by creating and providing high value-added services, we contribute to customer satisfaction and the development of a prosperous society.

Shareholding ratio (%)

(As of March 31, 2024)



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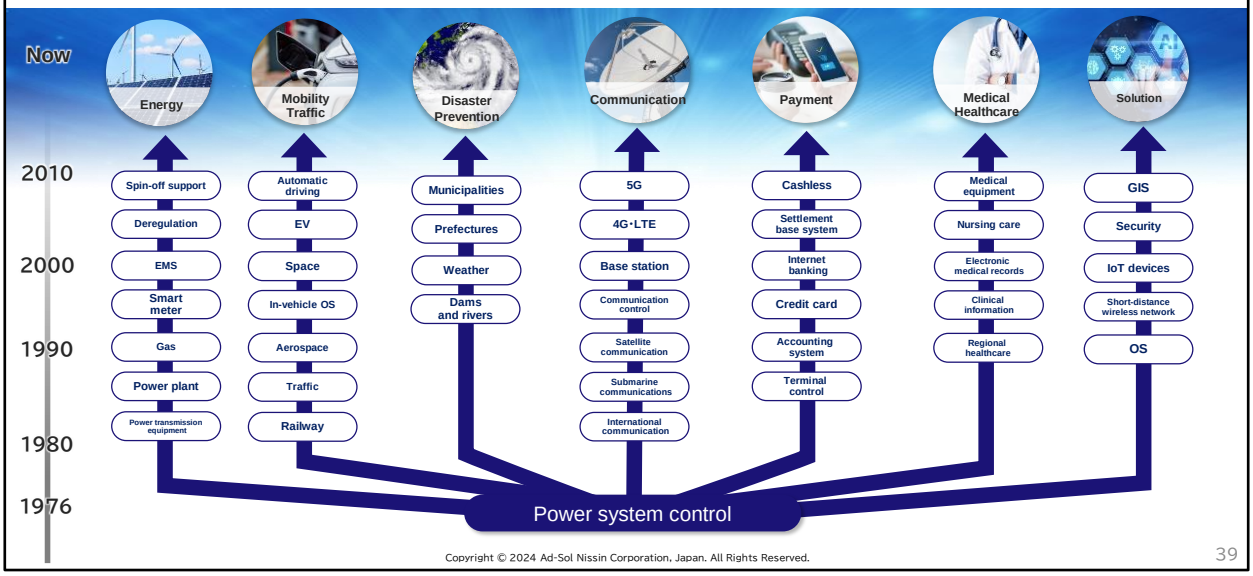
Expansion and Evolution of Business Domains



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Global Expansion

Provide cutting-edge DX solutions by fully utilizing the global Ad-Sol network.



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R&D

Point 01 **San Jose R&D Center**



Promoting cutting-edge R&D in Silicon Valley

Our employees and U.S. engineers work together to promote the research and investigation of the latest technologies.

Global HQ for IoT Security

In collaboration with Lynx Software Technologies, with whom we have been working together for more than 30 years, we focus on the research and development of cutting-edge IoT security solutions and on strengthening our technical capabilities. We are providing full deployment support to manufacturers and infrastructure companies in Japan.

Point 02 **The AI Research Institute**



Leading our DX business through AI technology

The AI Research Institute is focusing on research on advanced AI technology, the construction of AI systems, and the development of AI engineers in order to contribute to our clients' DX and business transformation.

Cutting-edge AI research activities

We are participating in an AI quality improvement project by the National Institute of Advanced Industrial Science and Technology. In addition, we have started joint research with the University of Tokyo related to the utilization of space/satellite data for the purpose of developing space IT personnel and space innovation. As part of this, we are fully supporting the university's new course in the AI/IoT field.

Point 03 **Industry-academia collaboration**



The creation of innovation and new key technologies

We contribute to the development of a prosperous society through industry-academia collaboration, joint research, and academic activities.

- The University of Tokyo
  (Space and satellite data utilization),
- Waseda University
  (EMS: energy management system),
- Keio University
  (GIS: geographic information system)
- Ritsumeikan University
  (IoT Security)

Point 04 **Patents**



Promoting patenting of proprietary technologies

In order to strengthen and expand our competitive advantage through the creation of new key technologies, we are actively working on intellectual property relating to our proprietary technologies, including new technologies acquired through research and development activities and our accumulated know-how.

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List of our Solution

GIS (geographic information system)	Combining "maps" and "data" to visualize information assets and accelerate Digital Transformation (DX). Contributing to business expansion and transformation with a wide range of service lineups through global alliances.
COCOYA	Store information mapping service
esri Partner Network Bronze	Advanced analysis and simulation used by governments, universities, research institutes, etc.
mapbox	Development platform for digital maps with excellent visualization
IoT spatial information	Manage the location and status of "people" and "goods" in real time. Providing "location data integration solution" that contribute to productivity improvement and business reform by visualizing the workplace.
uLocation	On-site management of factories and warehouses through the use of digital data
uSIGMA	Seamless visualization of indoor and outdoor location information
Security	As a distributer for Lynx Software Technologies, Inc., we provide the cutting-edge IoT solution in the U.S. "LynxSECURE"
LynxSECURE	Providing the cutting-edge IoT solution in the U.S. to protect IoT devices from cyber-attacks

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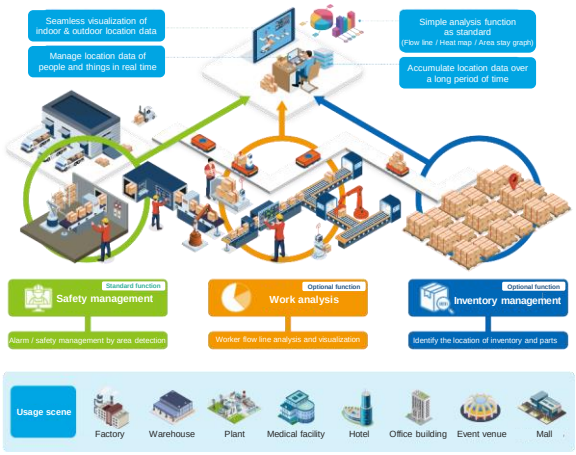
Business Model Transformation: Strengthening original solutions

Obtained patent for technology utilizing "uSIGMA", a solution for business process reengineering (24th patent)



uSIGMA (ユーシグマ)

Visualization and analysis of location data of people and goods
Contributes to improved productivity in manufacturing and logistics sites

Obtained patent for video analysis technology*

Key points of patented technology	- Automatically extracts optimal images from multiple cameras based on time and location information - Streamlines work analysis by identifying the worker's location and estimating the worker's posture using AI
Benefits of introducing work analysis	- Up to 85% reduction in time spent analyzing - operations to improve productivity in manufacturing - and logistics site

* Patent number: 7497162

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Shareholder Benefit

Eligible shareholders and timing

- **Frequency of distribution**
  - Twice a year
    （For shareholders as of the end of Sep. and Mar.）
- **Timing of the benefits**

  200 - 4,000 shares
  - QUO cards will be shipped in Dec. / Jun.

  More than 4,000 shares
  - Catalog scheduled to be shipped in Nov. / May

Details of benefits

- **200 - 4,000 shares**

  QUO Card with “Green Fundraising”

200 - 1,000 shares	500 yen
1,000 - 2,000 shares	1,000 yen
2,000 - 4,000 shares	1,500 yen

◆ Benefit for long-term holding

2 additional QUO Cards (500 yen) will be distributed to shareholders holding shares for more than 1 year.



- **More than 4,000 shares**

  Items worth 3,000 yen will be presented according to the requests.
  - QUO Card with “Green Fundraising”
  - Catalog
    Kishu Ume, Mikan juice, Mikan jelly, Rice etc.,



(Note) Product image for illustration purposes only.
Actual product may vary.

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