MAMEZO DIGITAL HOLDINGS

Presentation Material for the Nine Months Ended December 31, 2024

MAMEZO DIGITAL HOLDINGS CO.,LTD.

Security Code : 202A
February 12, 2025

Agenda

01 Company profile

02 Results for 3Q FY2025/3 (From April 1, 2024 to December 31, 2024) and full year forecast

03 Shareholder returns

04 Overview of business and key measures for each service area

05 Strategies for each service area

06 Appendix

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01

Company profile

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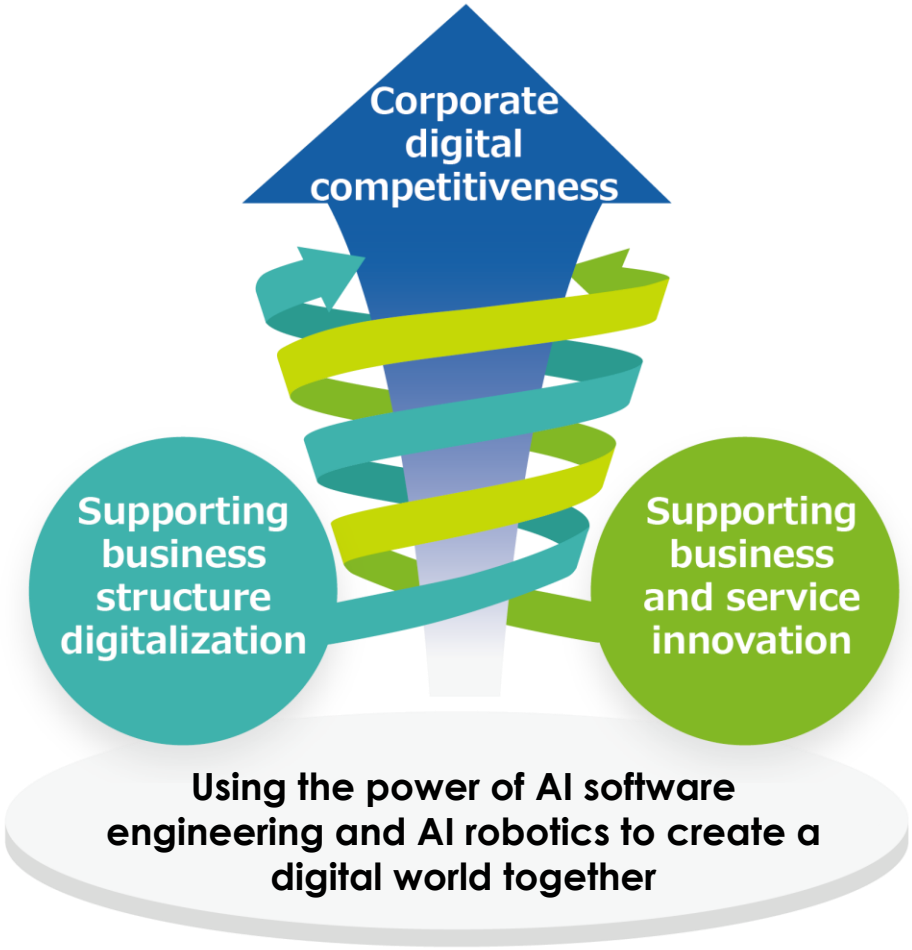
Digital-shift service company



Mission

Co-create digitalized world with power of AI software engineering and AI robotics

Vision

Digital-shift service company

Today, an increasing number of customers in diverse industries, including the automotive, financial, and trading industries, are seeking new value from the fusion of hardware and software. In particular, with the spread of automated driving and software-defined vehicles (SDV), the importance of software is rapidly increasing, and its integration has become the key to business success.
We have deep expertise in both hardware and software and the capability to maximize their synergy. This allows us to meet the high expectations of our customers and provide competitive, high value-added services, thereby contributing to the creation of new market value.

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Group companies

MAMEZO DIGITAL HOLDINGS CO., LTD.

- **Establishment : November 2020**
- **CEO : Nakahara Tetsuya**
- **Employees : 18**

Driving group-wide sales force enhancement with a focus on group management and administration.

100% owned

Mamezou Co., Ltd.

- **Establishment : November 1999**
- **CEO : Nakahara Tetsuya**
- **Employees : 228**

With a software-first policy, the company provides DX, cloud, and robotics-related consulting from the customer's perspective with our technological capabilities.

NT Solutions Co., Ltd.

- **Establishment : April 2009**
- **CEO : Nakahara Tetsuya**
- **Employees : 127**

A consulting company specializing in the ERP business that makes full use of cutting-edge technology to promote DX of customers' mission-critical systems.

KOWAMEX Inc.

- **Establishment : July 1982**
- **CEO : Miyata Kenji**
- **Employees : 463**

Providing design and development support (S/W, H/W) services for manufacturing processes in the manufacturing industry, mainly in the Tokai region.

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Providing a variety of solutions to promote DX

To support the digital shift in the manufacturing industry, we provide high value-added solutions by integrating advanced capabilities in software, cloud computing, AI digital technology, robotics, and hardware.

1 Cloud Consulting

Enterprise Area
- Promotion of in-house production
- Software Modernization
- Cloud-Native Architecture Formulation

ERP(1) Area
- Cloud ERP Implementation

2 AI Consulting

- DX Organizational Transformation Support
- AI Development, Data Analysis, and Data Utilization Platform Construction
- Generative AI introduction support
- Digital Business Reform and New Service Creation

3 AI Robotics Engineering

- Robotics and engineering solutions
- Productivity enhancement and factory automation through robotics and AI
- Technical strategy development for manufactures
- AI robotics–related new business development
- Robotics platform(3) development

4 Mobility Automation

- CASE(2) planning and development for manufacturing device
- Automation support for manufacturing sites / Real-time data visualization
- ADAS(4) in-vehicle system consulting

Educational services covering all domains

Note: (1) ERP: Enterprise Resources Planning (2) CASE: Connected, Autonomous, Smart / Shared & Services, Electric
(3) Common infrastructure for robot control to promote robot adoption (4) ADAS: Advanced Driver-Assistance Systems

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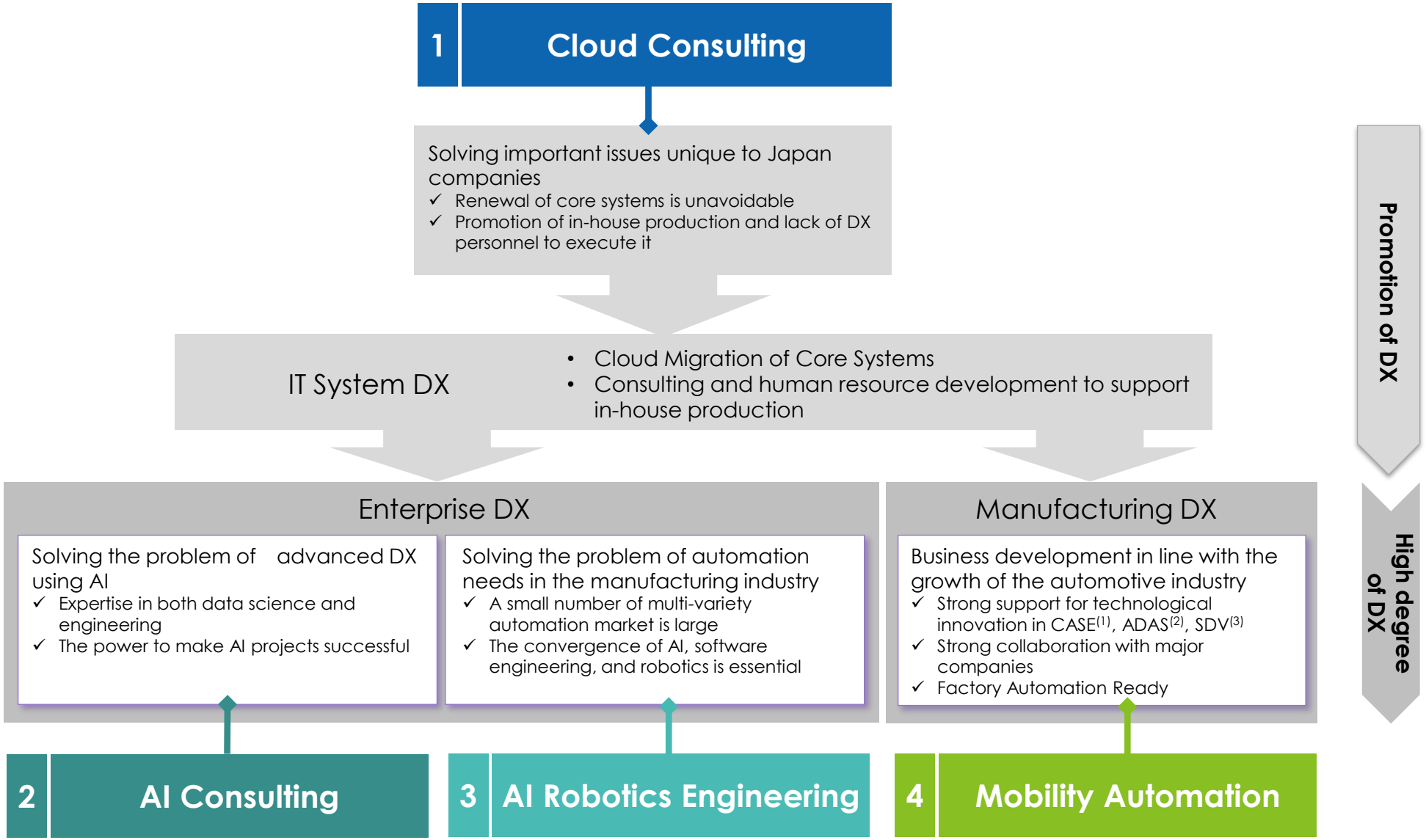
Significance of having four business service areas



Notes: (1) CASE: Connected, Autonomous, Smart / Shared & Services, Electric (2) ADAS: Advanced Driver-Assistance Systems
(3) SDV: Software Defined Vehicle

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Trajectory and business transformation until the initial listing in June 2024

- Structural reforms and business transformations were implemented in the three years from the inauguration of the new structure in April 2021 to the IPO (Initial Public Offering) in June 2024.
- Reformed into four business services specializing in high-value-added areas, and linked them to accelerate growth and improve profitability.

June 2020
MBO ※Conducted at Mamezou K2TOP Holdings

November 2020
Launched Mamezo Digital Holdings

April 2021
Started a new group structure with the addition of operating companies Mamezou, NT Solutions, and Kowamex

June 2024
Newly listed on the Tokyo Stock Exchange Growth Market

Structural and Business Transformation
※About 3 years

- Business restructuring specializing in high-value-added areas
- Investing in the creation of new solutions
- Accelerating growth and improving profitability through collaboration with Mamezou

1 Cloud Consulting

- **Expansion of cloud business (AWS/Azure).**
- Due to the expansion of the trend of in-house production, the consulting business for promoting in-house production expands.

2 AI Consulting

- Ratio of employees with doctoral and graduate school degrees, expansion of workforce.
- **Advanced generative AI projects are expanding.**

3 AI Robotics Engineering

- **Convergence of AI and robotics technology.**
- Expansion of advanced new businesses.
- Expanding Targets in the Manufacturing Industry.
- (Service industry, construction, medical care, food industry, etc.).

4 Mobility Automation

- Expansion of development projects, including upstream consulting.
- Expand new and important customers.

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Results of business transformation – significant improvement in management efficiency before and after MBO

- Through bold structural reforms implemented after MBO, we strengthened our business foundation and significantly improved management efficiency.
- Although the number of employees decreased significantly, ordinary profit remained at 2.4 billion yen to 2.0 billion yen, and the operating profit margin and productivity improved markedly.

	Pre-MBO FY2019/3	Post-MBO FY2025/3 (Forecast)
Net sales (Millions of yen)	24,441	**10,552**
Operating profit (Millions of yen)	2,411	**2,071**
Operating profit margin	9.9%	**19.6%**
Number of Employees	About 2,000	**About 800**
Ordinary profit per capita (Millions of yen)	1.21	**2.59**

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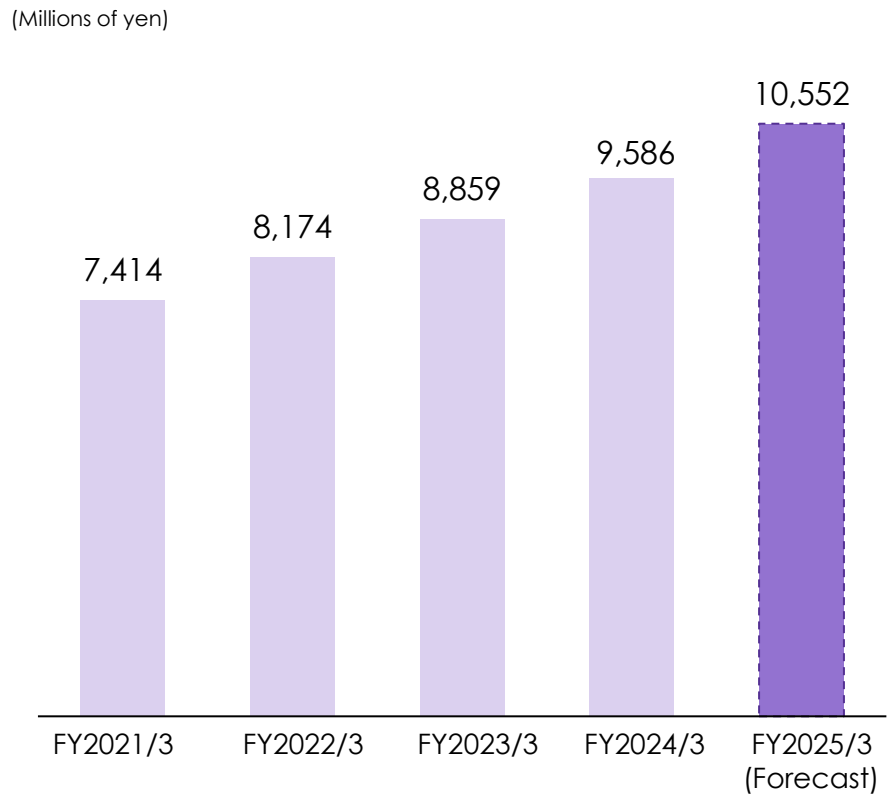
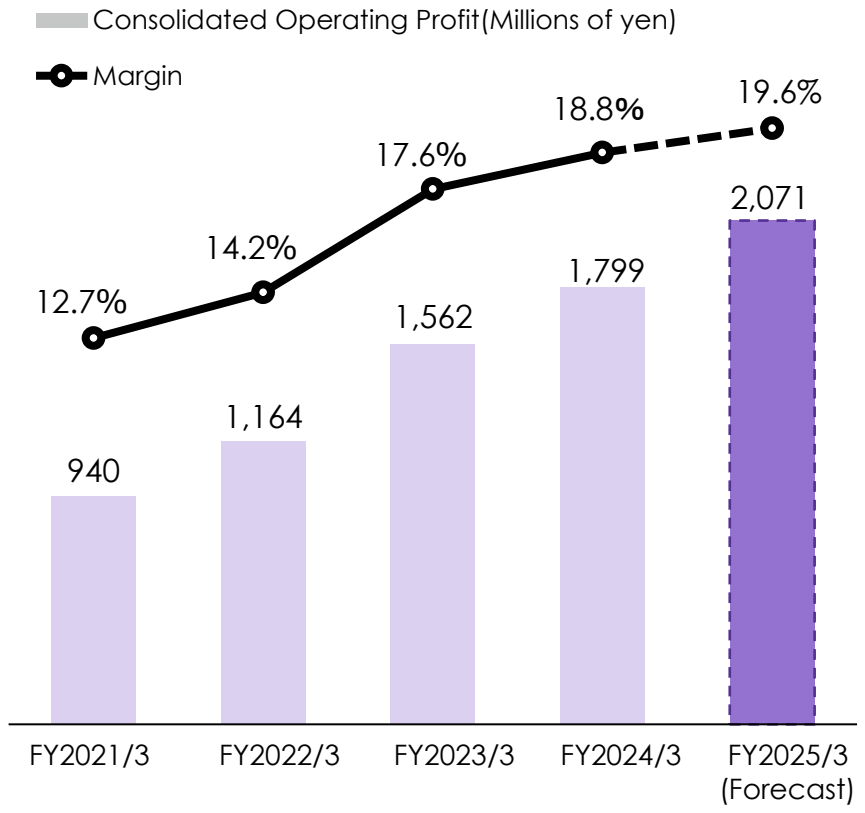
Results of business transformation – favorable performance after MBO

- In FY2021/3 ~ FY2025/3 (forecast), the average annual increase rate of consolidated sales [1] is 9.2%, the average annual increase rate of consolidated ordinary profit is 21.8%, the operating profit margin is expected to increase year by year, and the operating profit margin for FY2025/3 (forecast) is expected to be 19.6%.

Consolidated net sales



Consolidated operating profit ／Margin [2]



Note: (1) Average annual growth rate of net sales and operating profit is calculated based on FY2021/3 - FY2025/3 (forecast).
(2) FY2021/3 and FY2022/3 are operating profit adjusted for group operating expenses for Mamezou K2TOP Holdings and profit margin for the same.

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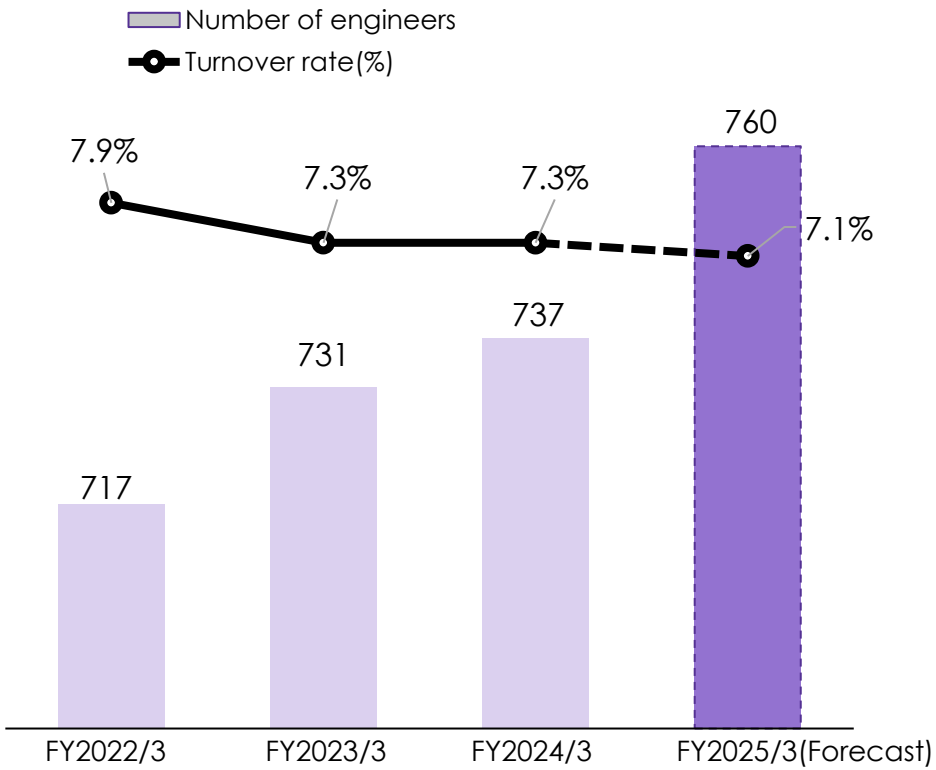
Results of business transformation – securing and retaining top talent

- The number of engineers in the group is increasing every year. Of the 77 people scheduled to be hired this fiscal year, 65 have been secured by the end of December, with a completion rate of 84%.
- The turnover rate is in the 7% range, which is lower than the information and communications industry average of 11.9% [1].

Number of Engineers／Turnover rate



Of the approximately 760 engineers in our group, about 20 hold doctoral degrees, and over 100 have completed graduate studies, including master's degrees.

Note: (1) Source: Ministry of Health, Labour and Welfare Reiwa 5-Year Employment Trend Survey Attached Statistical Table 2-1 Employment and turnover by industry (employment morphology meter).

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Results for 3Q FY2025/3 (From April 1, 2024 to December 31, 2024) and full year forecast

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Consolidated financial results for 3Q FY2025/3
(From April 1, 2024 to December 31, 2024) and full year forecset

■ **FY2025/3 3Q sales and profits increased, cumulative sales +8.0% year-on-year, operating profit +5.0% year-on-year**

(Millions of yen)	FY2024/3 3Q Total		FY2025/3 3Q Total			FY2024/3 Full-year	FY2025/3 Full-year Forecast	
	Amount	Ratio	Amount	Ratio	YoY	Amount	Amount	YoY
Net sales	7,255	100.0%	7,837	100.0%	**+8.0%**	9,586	10,552	+10.1%
Gross profit	2,430	33.5%	2,567	32.8%	+5.6%	3,180	-	-
Operating profit	1,380	19.0%	1,449	18.5%	**+5.0%**	1,799	2,071	+15.1%
Ordinary profit	1,394	19.2%	1,427	18.2%	+2.3%	1,820	2,050	+12.7%
Profit attributable to owners of parent	916	12.6%	947	12.1%	+3.4%	1,159	1,366	+17.8%

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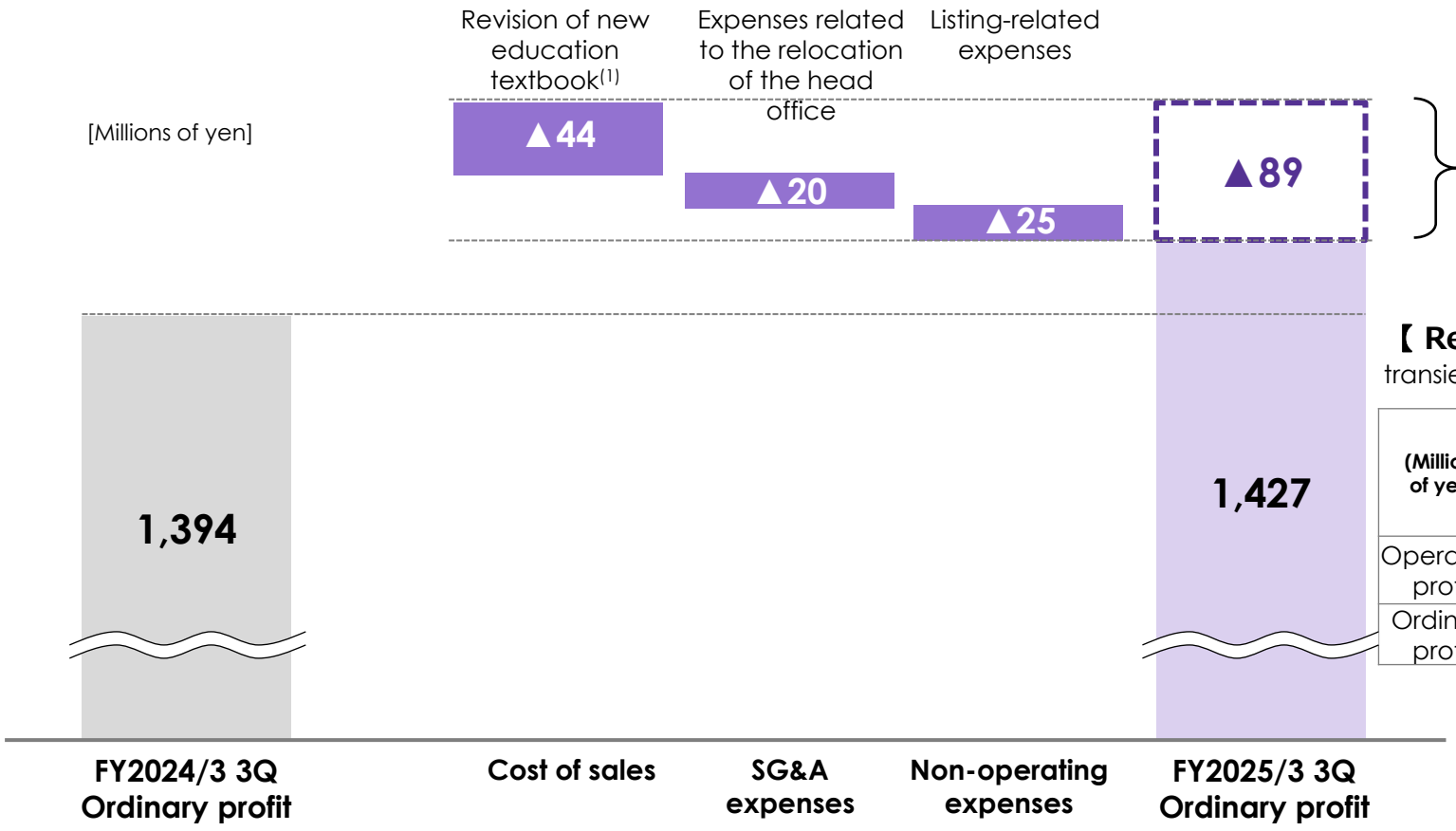
3Q FY2025 cumulative ordinary profit compared to previous period
~Special Factors (one-off costs)~

- In the year-on-year comparison of cumulative 3Q ordinary income for the fiscal year ending March 31, 2025, a one-time special factor occurred in the 1Q of the current fiscal year.
- The impact on ordinary income was ▲89 million yen, but it was a one-time event and is noted below.



One-off costs

- Occurs only in 1Q

【 **Reference** 】 Comparison with transient cost considerations

(Millions of yen)	FY2024/3 3Q Total	FY2025/3 3Q Total(2) (After adjustment)	YoY
Operating profit	**1,380**	**1,513**	**+9.6%**
Ordinary profit	**1,394**	**1,516**	**+8.8%**

Note: (1) Revision of training materials for new employees for customers is normally conducted about once every five years, and will be conducted in the first quarter of 2024.
(2) Adjusted FY2025/3 3Q figures are calculated by adding 44 million yen of expenses for new employee training materials and 20 million yen of expenses related to the head office relocation to the actual operating profit. Ordinary profit figures are calculated by adding 44 million yen in expenses for training materials for new employees, 20 million yen in expenses related to the head office relocation, and 25 million yen in expenses related to the listing of the Company's shares.

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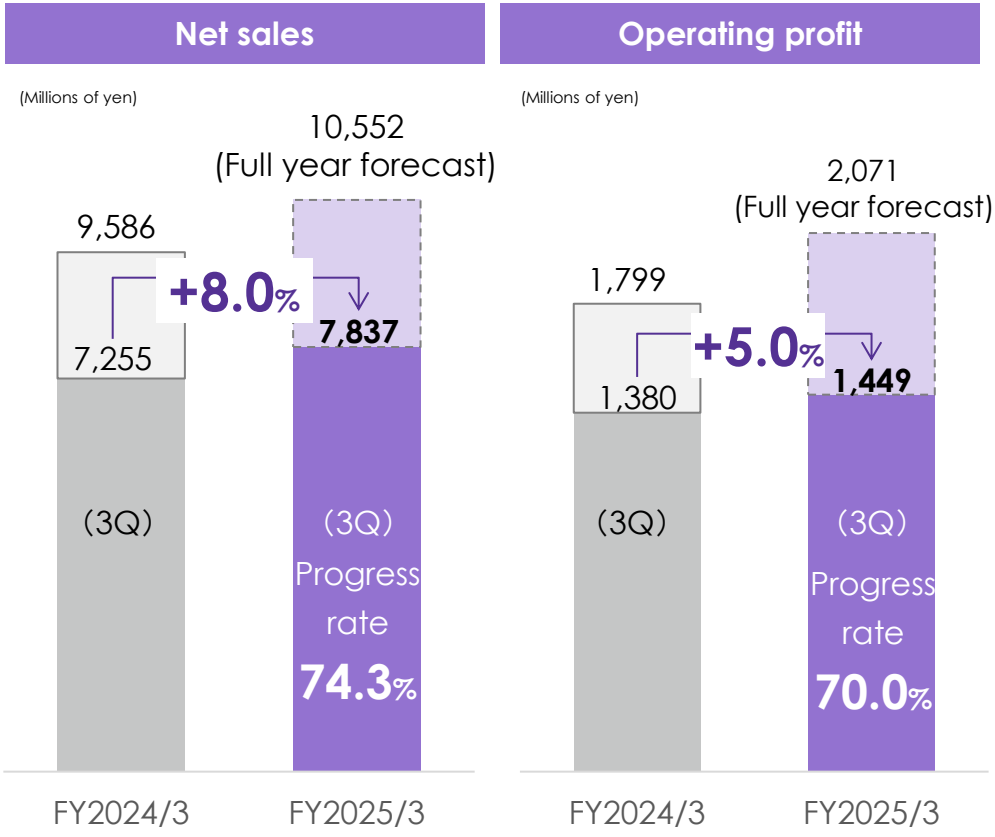
Consolidated financial results

- In Cloud Consulting, the company was temporarily affected by the freeze on cloud projects, but completed recovery through prompt alternative responses. In the other three service area, steady progress was made in continuing and expanding projects for existing clients, resulting in year-on-year increases in both sales and profit.
- With current hiring conditions favorable and the turnover rate decreasing from the previous quarter, we expect to achieve record profits in all service area in 4Q. Steady progress toward achieving the full-year earnings forecast.

Business Performance



Business Overview

・Both sales and income increased compared with the same period of the previous year. Continued record-high profits.

Net sales +8.0%, Operating profit +5.0%

・The progress of the 3Q financial results for the full year is as follows:

Sales progress rate 74.3%
Operating profit progress rate 70.0%

Solid progress against full-year forecasts, largely in line with plans

・Slightly lower gross profit margin and operating income margin in cumulative 3Q YoY due to higher hiring and training costs associated with an increase in the number of newly hired employees, as well as the impact of a temporary freeze on client projects in Cloud Consulting.

・All personnel vacated by frozen projects are being used for replacement projects, and the three service area including AI Robotics Engineering are making steady progress in retaining existing customers and expanding projects.

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Performance by service area

- Each service area saw sales growth YoY, with AI Robotics Engineering in particular showing remarkable growth at +30.2% YoY.
- Overall gross profit grew by 5.6% YoY (+7.4% YoY if one-time costs are taken into account).
- Cloud Consulting posted a ▲3.7% YoY decline in gross profit due to a freeze on client projects in the 3Q; AI Consulting grew by 10.0% YoY due to the acquisition of projects in the 3Q; gross profit to sales ratio improved significantly from ▲14.0% in the 2Q cumulative period to ▲0.7% in the 3Q cumulative period.
- Other service area, AI Robotics Engineering and Mobility Automation, are performing well.

(Millions of yen)	FY2024/3 3Q Total		FY2024/3 3Q Total		YoY comparison
	Amount	Ratio	Amount	Ratio	
Net sales	7,255	100.0%	**7,837**	**100.0%**	**+8.0%**
Cloud Consulting	2,705	37.3%	2,712	34.6%	+0.3%
AI Consulting	522	7.2%	574	7.3%	+10.0%
AI Robotics Engineering	1,047	14.4%	1,363	17.4%	+30.2%
Mobility Automation	2,980	41.1%	3,185	40.6%	+6.9%
Gross profit	2,430	100.0%	**2,567**	**100.0%**	**+5.6%**
Cloud Consulting	951	39.1%	915	35.7%	▲3.7%
AI Consulting	202	8.3%	200	7.8%	▲0.7%
AI Robotics Engineering	358	14.7%	420	16.4%	+17.4%
Mobility Automation	918	37.8%	1,030	40.1%	+12.2%

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Explanation of performance status of service area

- Despite a temporary freeze on projects in Cloud Consulting and a slide of ERP development projects into the 4Q, the other three service area are growing steadily, and the market as a whole remains strong. There were no structural problems, and the vacant staff (approximately 20 employees) were reassigned to alternative projects in only 2 months through quick response.
- Record profits are expected in all service area in the 4Q, and we are on track to achieve our full-year performance targets. Please take note of our strength in overcoming challenges in a short period of time and maintaining high profitability.

	Performance	Measures	4Q
Cloud Consulting **[Sales composition ratio: 34.6]**	Gross profit for the 3Q cumulative period declined 3.7% YoY due to the impact of frozen client projects in the 3Q and the slide of ERP development projects to the 4Q.	Strengthened sales activities to ensure that the approximately 20 employees who were inactive due to the project freeze will be operational in the 4Q.	As a result of accumulating replacement projects through daily sales activities, the utilization rate reached nearly 100% at the start of the fourth quarter. The ERP area is expected to achieve its highest profit ever.
AI Consulting **[Sales composition ratio: 7.3%]**	With the start of DX projects in the manufacturing and service industries, gross profit for the 2Q cumulative period was ▲14.0% YoY, but gross profit for the 3Q cumulative period improved significantly to ▲0.7% YoY.	The company expects to receive orders from major clients for multiple projects related to AI generation and data utilization infrastructure in the 4Q and next fiscal year.	Data-driven oriented projects in the service industry are progressing steadily, and furthermore, orders for AI governance formulation projects are in prospect. In addition, orders for advanced projects in the financial industry, such as mid-term planning utilizing generative AI, are also progressing steadily. This area is expected to achieve its record-high profits.
AI Robotics Engineering **[Sales composition ratio: 17.4]**	Increased inquiries for AI robotics from service industry customers engaged in high-mix, low-volume production. As a result, 3Q gross profit grew steadily by 17.4% YoY.	AI software support business for robot makers progressed, and investment projects with food-related clients remained steady. This is expected to contribute to business growth in the next fiscal year and beyond.	In the engineering domain, business with automotive OEMs has been solid, and steady growth is expected both in the 4Q cumulative total and YoY. Record profits are expected.
Mobility Automation **[Sales composition ratio: 40.6]**	As mobility becomes more CASE-based, the demand for product development that supports technological innovations of autonomous driving and electrification control is increasing, and we are accelerating our efforts to capture this demand. As a result, gross profit in the 3Q was up 12.2% YoY, showing a steady trend.	The company has been able to exceed its budgeted plan due to an increase in product development orders to CASE as well as significant growth in new transactions with OEMs.	New business with automotive OEMs is progressing well, and business with existing customers is also growing steadily. Recruitment activities are progressing smoothly as planned, and the turnover rate is decreasing. The company expects that business will continue to be strong in the 4Q and is forecasting record-high profits.

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Shareholder returns

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Achieving sustainable growth and high shareholder returns through management that focuses on ROE

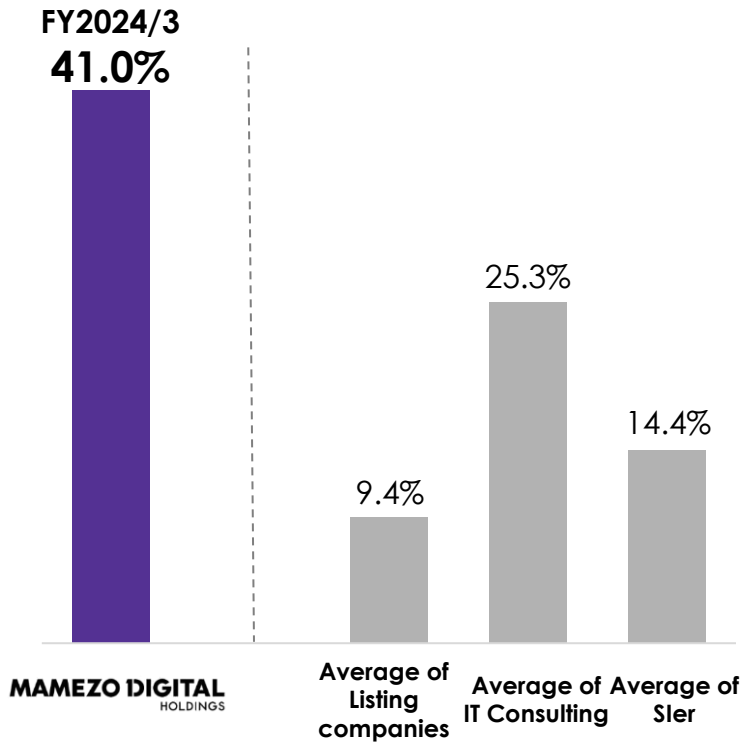
- We have a strong customer base and a service structure that easily generates cash flow, enabling us to maintain a high operating profit margin. We are also able to realize high capital efficiency while aggressively making necessary investments to realize stable and high levels of shareholder returns.
- Although the 3Q results had a temporary impact on our business performance, we expect growth in the 4Q to exceed our budget due to a quick recovery, and we have not changed our full-year forecasts for business performance and dividends.

Shareholder Return Policy

Dividend payout ratio which planned for FY2025/3 : 70%,
Mid- to long-term dividend payout ratio target : 50-70%

	FY2025/3 Forecast
Net income per share	85.18 yen
Dividend per share forecast	59.58 yen
Dividend payout ratio (forecast)	70%
Most recent share price (as of 1/31/2025)	1,316 yen
Dividend yield (as of 1/31/2025)	4.53%

High level ROE in the industry (1)(2)



注： (1) ROE is calculated by dividing net income by the interim average of total shareholders' equity. Average figures for IT service companies are based on the most recent full-year results.
The average value of listed companies in Japan is based on Japan Exchange's "FY2023 Financial Results Summary [Consolidated] [Total] (Prime, Standard and Growth) - Long-Term Statistics".
(2) We have extracted the following IT consulting companies and system integrator companies that we consider as comparison targets.
(IT Consulting: NRI, BayCurrent Consulting, SIGMAXYZ, ULS Group, Rise Consulting, Future. SIer: NTT DATA, SCSK, TIS, BIPROGY, NS Solutions, Systena)

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04

Overview of business and key measures for each service area

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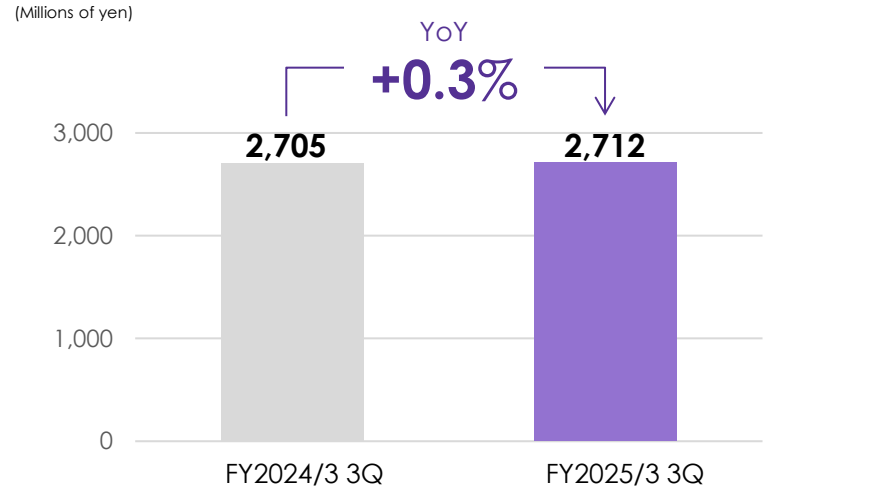
Cloud Consulting

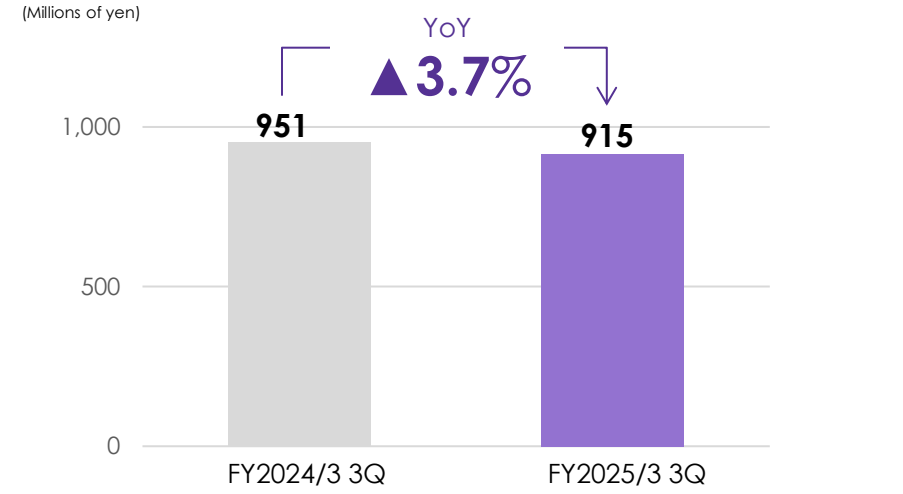
Solving unique domestic challenges and responding to expanding market opportunities

Market trends: DX promotion stalled due to legacy systems (mainframes). Demand for core system renewal accelerates.
Issues of technological development and operational structure due to delays in "in-house production" are piling up. Accelerating demand for in-house production support.

Net sales



Gross profit



Business Overview

- Orders for consulting services including architecture design support and agile development in the infrastructure construction area are strong.
- **We are strengthening strategic relationships with major general trading companies, and are making progress in acquiring projects that will lead to next fiscal year.**
- Although a project in the major financial industry was temporarily frozen, we were able to recover in a short period of time against the backdrop of the booming core system renewal market.
- In the ERP area, although some development projects in the manufacturing industry have slid to the 4Q, ERP implementation support services continue to perform well against the backdrop of the booming ERP renewal market. As a result, we expect record-high earnings in the 4Q.

Priority Measures

- Quantitative growth: Expand recruitment of high value-added human resources due to the expansion of the in-house production market.
- **Qualitative growth: Improve earnings by strengthening new service business of generative AI.**
- Strengthen Account Sales: Establish Key Accounts/Strengthen Relationships with Management.
- **Strengthen sales: Strengthening relationship with AWS by moving to Advanced Tier.**
- Strengthen Generative AI: Strengthen business by applying Generative AI.

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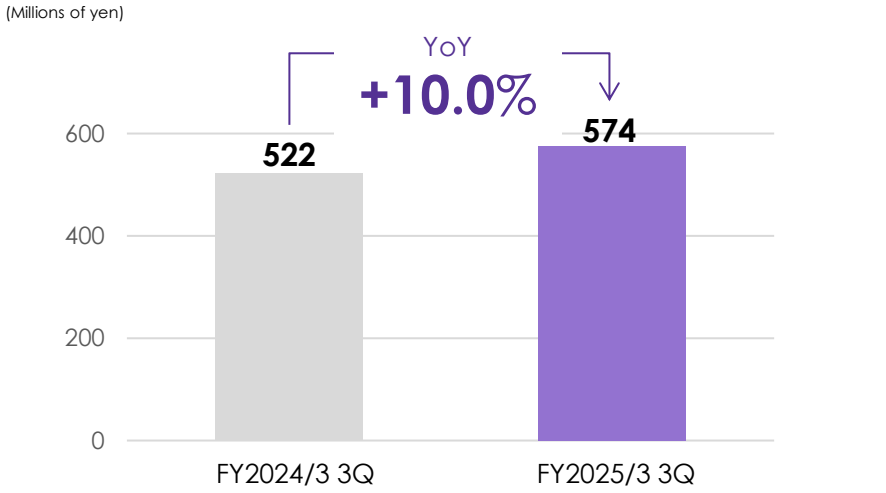
AI Consulting

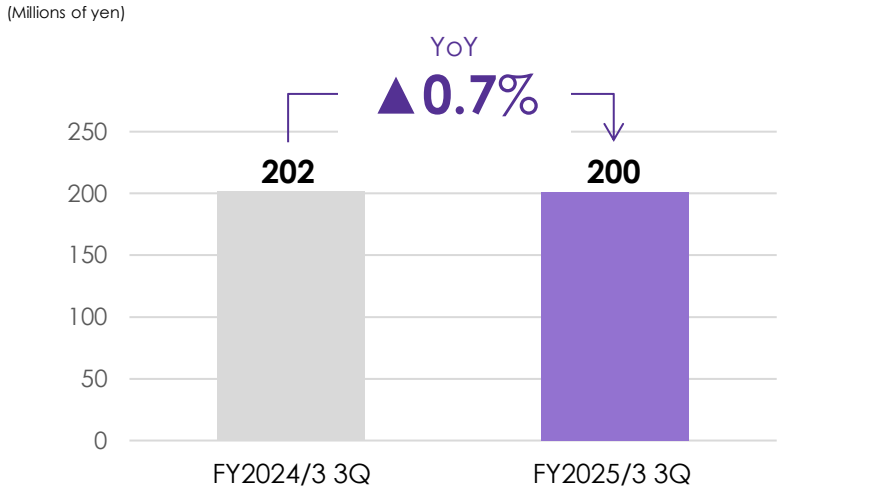
Establish a competitive advantage over competitors by accurately grasping the challenges unique to the AI industry and developing unique solutions

・Combining data science and traditional software engineering capabilities to create real business value.
・By leveraging our capabilities in requirements development and consensus building in the upstream process, which we have cultivated in traditional software engineering, we can maximize business value while reducing risk.

Net sales



Gross profit



Business Overview

- Increase in system in-house production projects due to growing corporate demand for DX.
- **Strategic partnership with a major general trading company has been strengthened, and we are making steady progress in acquiring projects that will lead to the next fiscal year.**
- Increased acquisition of AI implementation and consulting projects centered on AI algorithm development and support for utilization of generated AI technology.
- In the 2Q, gross profit declined 14.0% y-o-y, mainly due to increased labor costs resulting from project slippage and increased hiring. However, in the 3Q, the slipping projects started. We expect record-high earnings in the 4Q.

Priority Measures

- Quantitative growth: Expand recruitment of high value-added human resources due to the expansion of the in-house production market.
- **Qualitative growth: High value-added through the development of new services for multimodal AI.**
- Strengthen Account Sales: Establish Key Accounts/Strengthen Relationships with Management.
- **Strengthen sales: Strengthen relationships with AWS and promotion to advanced tier.**
- Strengthen Generative AI: Strengthen business by applying Generative AI.

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AI Robotics Engineering

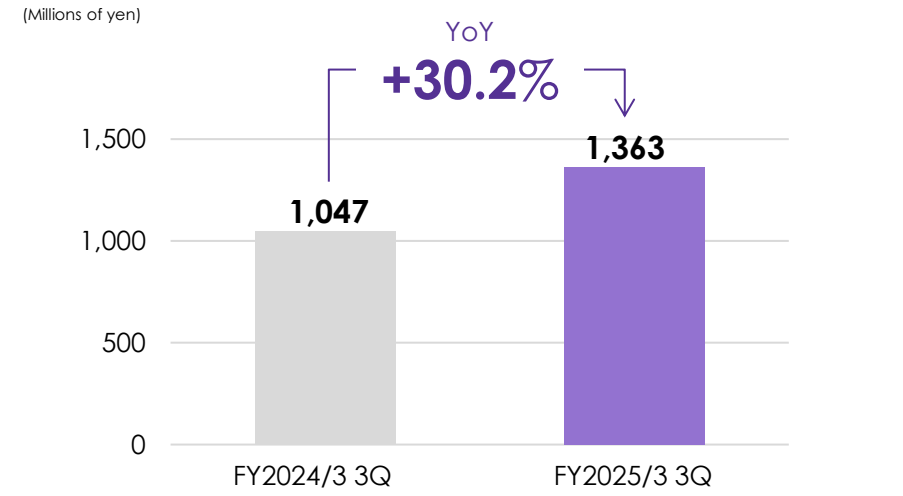
Establish a competitive advantage by accurately understanding the challenges unique to the robotics industry and providing unique solutions

Growth potential of the small-lot, high-mix automation market. Expanding trend of integrating AI and robotics.

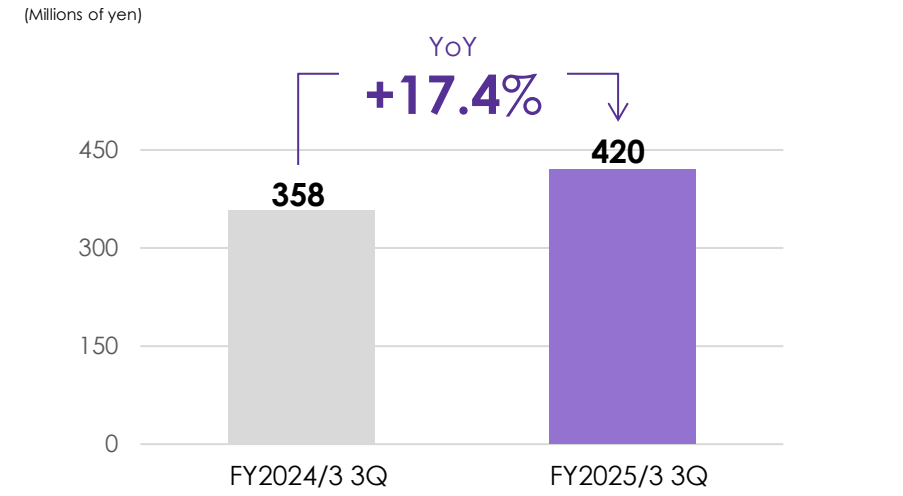
Establishing a unique competitive advantage as the automotive industry reaches a tipping point (with software playing a central role)

Waves of technological innovation such as CASE [1], ADAS [2], and SDV [3]. Advances in connected cars and autonomous driving. Acceleration of electrification (EV shift).

Net sales



Gross profit



Business Overview

- **Increased demand for industrial robot development support services and introduction of AI robots from small-lot, high-mix service industries.**
- **Increased inquiries for technical support from industrial robot manufacturers due to the growing trend of integrating AI and robotics.**
- Continued strong demand for upstream consulting services and R&D support in the automotive field.
- 3Q sales and gross profit year-on-year grew most markedly in all service area, and 4Q results are expected to be the highest in the business area history.

Priority Measures

- Quantitative growth: Expand recruitment of high value-added human resources due to the expansion of the in-house production market.
- **Qualitative growth: AI robotics loyalty new business development.**
- **Strengthen account sales: Strengthen business in pharmaceutical drug discovery.**
- Strengthen expansion into other industries: Increased demand for robot introduction in the medical industry.

Notes: (1) CASE: Connected, Autonomous, Smart / Shared & Services, Electric (2) ADAS: Advanced Driver-Assistance Systems (3) SDV: Software Defined Vehicle

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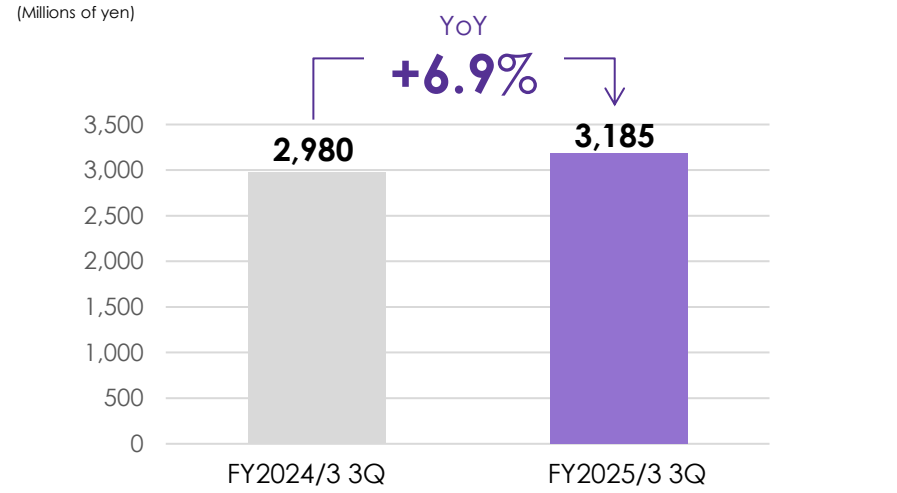
Mobility Automation

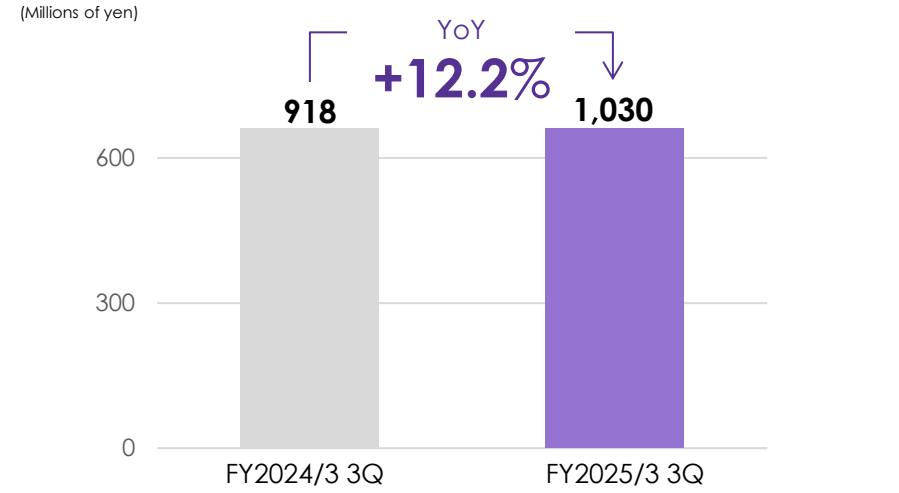
Manufacturing DX in the Automotive Industry

Technological innovation (CASE[1], ADAS[2], SDV[3], etc.) accelerates the need for digitalization of manufacturing sites in the automotive industry, including the development of in-vehicle ECUs.

Net sales



Gross profit



Business Overview

- Rising demand for manufacturing development support related to labor saving and automation, especially in the manufacturing industry.
- Expansion of development support due to increased CASE investment in in-vehicle systems for next-generation automobiles, etc.
- **Significant YoY growth is expected in 4Q due to steady progress in new business with OEMs and expansion of transactions with existing customers.**
- Due in part to the effect of higher unit prices resulting from increased value-added projects, 3Q sales increased 6.9% YoY and gross profit increased 12.2% YoY. 4Q results are expected to be the highest ever.

Priority Measures

- Qualitative growth: Expanding the in-vehicle ECU know-how gained in the automotive industry to other industries.
- **Qualitative growth: Improve profitability by increasing the ratio of CASE and DX projects.**
- Strengthen account sales: Establish key customers and strengthen relationships with management.
- Human resource development: Strengthen soft human resource development, including reskilling.

Notes: (1) CASE: Connected, Autonomous, Smart / Shared & Services, Electric (2) ADAS: Advanced Driver-Assistance Systems (3) SDV: Software Defined Vehicle

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05

Strategies for each service area

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Cloud Consulting （Enterprise domain）

Business environment and challenges

- Fujitsu Mainframes: The Rise of the Year 2030 Problem.
- Growing trend toward in-house production among user companies.
- From a simple lift and shift to the cloud, full-scale utilization (so-called cloud native) that takes advantage of the characteristics of the cloud is accelerating.

Business strategy

Promotion of in-house production

- **Organic integration of consulting and human resource development**
  A one-of-a-kind approach in the IT industry.
- **Strengthening support programs for business units**
  Understanding the responsibilities of business departments is the most important for realizing in-house production.
- **Significant expansion of the new employee training business**
  The newcomer training business achieved steady growth and achieved record-high sales.

Upstream Enhancement in Software Modernization

- **Enhancement of upstream grand design formulation services**
  Strengthen upstream support by acquiring human resources who have successfully completed large-scale de-hosting projects.

Strengthening cloud-native initiatives

- **Deploying Cloud-Native Education**
  Aiming to expand the education business, strengthen cloud-native teaching materials.
- **Strengthening our partnership with AWS**
  Expected to be promoted to AWS Service Partner tier by the end of this quarter, enabling customers to showcase their capabilities.
  The number of AWS certifications reached 140, of which more than 40% are advanced certifications.

Generative AI Initiatives

- **Scaling out the education business**
  As an instructor and instructor support role, embark on a transformation of the education business with the use of generative AI.
- **Generate in-house know-how using AI**
  We have built and deployed a mechanism to bring out the Mamezou-Way in an appropriate form using generative AI.

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Cloud Consulting（ERP domain）

Business environment and challenges

- In recent years, the concept of "Fit to Standard" (changing business operations to fit the system) has begun to penetrate the ERP market, but in actual ERP projects, customer requirements are often realized through add-ons and heavy customization.
- As a result, the project will have more ERP consulting and engineer resources than necessary, so the ERP market will continue to be chronically short of human resources.

Education x Generation AI solves the human resource shortage problem in the ERP market!

Business Strategy

Enhancement of specialized education platform "DLP Online"

- By providing a specialized education platform for Microsoft ERP (Dynamics 365 Finance, Supply Chain Management) developed with the support of Microsoft Japan in 2021, we promote the understanding of ERP standard functions among end users and support the realization of ERP implementation by Fit to Standard from the perspective of the orderer.

Promotion of in-house production projects with major automobile-related companies

- Currently, the preference of end users for in-house production is rapidly increasing in the ERP market, and NT Solutions is promoting an in-house production project for ERP implementation with a major automobile-related company using education and generative AI.
- We plan to accumulate many similar cases in the future.

A group of professionals in cutting-edge Microsoft technologies, including generative AI

- NT Solutions has been working on the Microsoft business for more than 15 years.
- Last fiscal year, we were able to confirm an improvement in productivity of about 35% by using generative AI, and this year we announced the generative AI tool "AutoConv-Navi" that reflects the results of the verification.

Microsoft Tech-Focused Education Platform Development Roadmap



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AI Consulting

Business environment and challenges

- **Implementation of systems and methods to ensure that production efficiency is improved**
  There is an increasing need to build systems and introduce methods that can actually apply advanced technologies to on-site business processes to improve their effectiveness.
- **An environment that enables full utilization of various types of data**
  In digitalization such as AI, there is a need to develop an environment (systems and systems) that can utilize all the underlying data.
- **Develop human resources according to organizational culture**
  Training is necessary to secure human resources that meet the circumstances and needs of companies and departments that are promoting digitalization.

Business Strategy

Promoting a "New" Industrial Revolution through Advanced Technology

- We will promote the construction of an advanced system such as an "AI agent" in which AI autonomously searches for necessary data and tools, and even designs and builds processes to use them.
- As a result, by automating the parts that were previously handled by humans, it will be possible to achieve productivity improvements.

Human resource development according to circumstances and needs and overcoming skills gaps

- The DX-related skills required of a company's human resources vary not only depending on various industries and business categories, but also on the circumstances of client companies, such as corporate culture.
- Based on the customer's corporate culture and other corporate circumstances, we will explore the human resource needs of each company and provide educational content and training methods that meet those needs.

Building a data-driven environment based on AI

- By making it possible to mathematically calculate the "meaning" and "relationship" of data, we will promote the development of an environment in which data can be used more efficiently by AI.
- In this way, we will build a "true data-driven environment" that can utilize data in various decision-making scenes in companies.

Supporting sustainable growth as a DX companion

- The vision of this business is to make full use of AI technology to accelerate the DX of society as a whole.
- We will continue to play a role as a companion to solve the challenges faced by companies together and support sustainable growth.

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AI Robotics Engineering （AI robotics domain）

Business environment and challenges

◆ **Background to the introduction of robots**

- Due to the declining birthrate and aging population and the depreciation of the yen, labor shortages are becoming more serious due to a decrease in the number of foreign workers at manufacturing factories and restaurants.
- In order to solve this problem, many companies are working on automation using robots.

◆ **Robot Adoption Status**

- Mass production and automation of low-difficulty tasks are progressing.
- Lack of automation of high-mix, low-volume production (food industry, pharmaceutical industry, construction industry, logistics industry, agriculture).

Business Strategy

Achieve automation with advanced software technology

- By making full use of our expertise in advanced software technology, we can make robots intelligent and automate difficult tasks.
- Supporting the development of new robots using robotics (mechanical and electrical) + software engineering (AI / image processing / algorithms).
- Catch up with the latest trends in the robotics industry and incorporate new technologies such as humanoid robots.

Improved profitability by acquiring projects with high unit prices and long-term development periods

- By working on the automation of difficult tasks, we will be able to acquire projects with high unit prices and long development periods.
- In many cases, high-difficulty automation projects start from the feasibility verification phase, and since the development period is long and development investment capabilities are required, sales activities are promoted mainly by large companies.
  - Projects are being promoted with pharmaceutical manufacturers, food equipment manufacturers, restaurant chains, etc.

Expanding the scale of robot introduction by responding to everything from requirement definition to development

- For automation and prototype development of robots through the introduction of robots, hardware development (mechanical and electrical) and software development from requirement definition to conceptual design and prototype development will be handled by a single company to expand the scale.

Topic

- Automation of dishwashing process at a major restaurant chain (automation of the dishwashing process by combining a collaborative robot and a conveyor belt in a kitchen where humans are involved).
- Image processing to identify tableware on a conveyor belt.
- Devised a mechanism for sorting only specific tableware.
- Algorithm devised for optimal transfer of tableware on a conveyor belt.
- Conduct risk assessments to ensure safe operation by employees in stores.
- Combining various sensors to realize cooperation between robots and conveyors.

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AI Robotics Engineering （Engineering domain）

Business environment and challenges

◆ **State of the Automotive Industry**

- Autonomous driving and safe driving assistance will determine the value of automobiles, and automobile and parts manufacturers will strengthen their software development capabilities.
- Automotive software is becoming more sophisticated, larger, and more complex.
- Vehicle development is shortened, and software development is required to be reliable in terms of quality and security.

◆ **Initiatives in the automotive industry**

- Conventional software outsourcing is not enough, and there is an urgent need to in-house software development, and we are promoting the acquisition of advanced software technology and project management skills, as well as the training of software engineers.

Business Strategy

Supporting vehicle development as a strategic partner

- With advanced engineering technologies based on system engineering and software engineering, which are our strengths, we support as a strategic partner in areas such as defining requirements for vehicle development, formulating test strategies, building development processes, and creating a system for training engineers.

Acquisition of projects with high unit prices and securing high profit margins

- Acquisition of projects with high unit prices through advanced engineering technologies based on system engineering and software engineering that differentiate us from other companies.
- Securing a high profit margin by providing education developed by us.

Topic

Projects with automakers and Tier 1 manufacturers have begun.

- Creation of a system for training software engineers
  - Skill Mapping
  - Skill Definition
  - Assessment
- MBSE (2) implementation support for integrated ECU (1) development
  - MBSE process definition documentation and requirements definition
  - Architecture modeling according to the MBSE process
  - Project Management Support and Operational Consulting
- Support for the development of safe driving support functions
  - Developing a Testing Strategy
  - Definition of test processes, development and implementation of toolchains
- Support for the development of body function ECUs
  - AUTOSAR-compliant software design
  - Implementation of prototypes to improve design quality

Notes: (1) ECU stands for Electronic Control Unit (2) MBSE stands for Model-based Systems Engineering

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Mobility Automation

Business environment and challenges

- With the improvement of user convenience and compliance with strict environmental standards, the requirements required for mobility, including automobiles, are becoming more sophisticated and complex, and a period of major transformation in mobility has arrived.
- The keywords of transformation, "CASE" (C: Connected, A: Autonomous, S: Sharing, E: Electric) are progressing rapidly.

In order to strengthen the in-house production capabilities of manufacturers, we support the planning and development of new products related to "CASE" with a focus on software control.

Business strategy

Leveraging the strengths of many years of involvement in automobile-related development

- Based on many years of development experience, we are familiar with the quality and reliability required for mobility.
- Strengths in motor control and inverter control technologies, which are indispensable for electrified products such as Evs.
- From software to hardware, it is possible to develop and prototype manufacturing on a product-by-product basis.
- We provide a one-stop service from planning to development, and our strengths are in development and manufacturing technology on a product-by-product basis.

Shift to high-demand orders and increase profitability

- Shift from the development of existing products to the development of next-generation products with high requirements (CASE domain).
- SIer → Parts Supplier → Increased unit price of service by changing suppliers to OEM (finished-product) manufacturers and switching to high-value-added, high-demand, project orders.
- Shifting the support area from the development area to the planning and consulting area to the upstream side.

Expansion of partnerships, talent, and business areas

- Strengthen partnerships with OEMs and parts suppliers with whom we have been doing business for a long time, and secure stable development support needs over the medium to long term.
- Utilizing our in-house specialized training program, which appoints a large number of young human resources and also sells them externally, we train them as engineers at an early stage (3 months) and assign them to development projects.
- In addition to the Tokai area, expand the business area to the Kansai area.

Topic

- EV (1), HEV (2) control ECU (3) development and implementation.
- ADAS(4) control ECU development and implementation for automatic driving.
- Development and implementation of electric brake control system.
- ECU development and prototyping support to actual vehicle evaluation.
- Automatic warehouse control system development and implementation, etc.

注： (1) EV : Electric Vehicle
(2) HEV : Hybrid Electric Vehicle
(3) ECU : Electronic Control Unit
(4) ADAS : Advanced Driver-Assistance Systems

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06

Appendix

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Profile

Company Name	MAMEZO DIGITAL HOLDINGS CO., LTD .
Address	Shinjuku Mitsui Bldg. 34F, Nishi-Shinjuku 2-1-1, Shinjuku-ku, Tokyo 163-0434, JAPAN
Establishment	November 11, 2020
Main shareholder	Mamezou K2TOP Holdings Corporation
Executive officers	President & CEO Nakahara Tetsuya Director Miyata Kenji Director Fukutomi Mitsuo Director Ando Hisayoshi Director Murakami Kazuaki Director Nomura Munehiro Director Izumi Takenori Auditor Adachi Kinji Auditor Kanno Shintaro Auditor Kawazu Hiroshi

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Consolidated Statements of Income

Consolidated Statements of Income(J-GAAP) (1)

(Millions of yen)

	FY2024/3 3Q Total		FY2025/3 3Q Total	
	Amount	Ratio	Amount	Ratio
Net sales	**7,255**	**100.0%**	**7,837**	**100.0%**
Cost of sales	4,824	66.5%	5,269	67.2%
Gross profit	**2,430**	**33.5%**	**2,567**	**32.8%**
Selling, general and administrative expenses	1,050	14.5%	1,118	14.3%
Operating profit	**1,380**	**19.0%**	**1,449**	**18.5%**
Ordinary profit	**1,394**	**19.2%**	**1,427**	**18.2%**
Profit before income taxes	1,394	19.2%	1,419	18.1%
Profit attributable to owners of parent	**916**	**12.6%**	**947**	**12.1%**
Depreciation	75	1.0%	60	0.8%
EBITDA(2)	**1,455**	**20.1%**	**1,510**	**19.3%**

Note: (1) Fractions of less than the display unit of the stated amount are rounded down
(2) Operating profit + depreciation

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Consolidated Balance Sheets

Consolidated Balance Sheets(J-GAAP) (1)

(Millions of yen)

	As of March 31, 2024		As of December 31, 2024	
	Amount	Ratio	Amount	Ratio
Current assets	2,598	73.4%	2,929	74.8%
No-current assets	944	26.6%	985	25.2%
Total assets	3,543	100.0%	3,915	100.0%
Current liabilities	1,273	35.9%	981	25.1%
Non-current liabilities	8	0.2%	10	0.3%
Total net assets	2,261	63.8%	2,923	74.6%
Total liabilities and net assets	3,543	100.0%	3,915	100.0%

Note: (1) Fractions of less than the display unit of the stated amount are rounded down.

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Digital competitiveness for every company

Using the power of AI software engineering and AI robotics to create a digital world together