(2nd Quarter, Fiscal Year Ending March 2027) Financial Results Presentation Materials

FLECT Co., Ltd. (Securities Code: 4414)

November 12, 2026

Financial results for the 2nd Quarter of the fiscal year ending March 2027

(2nd Quarter, Fiscal Year Ending March 2027) Financial Results Summary

1 Achieved record-high quarterly sales

Achieved record-high quarterly sales. However, due to the addition of resources on certain projects, both operating income and net income decreased year on year.

2Q cumulative, fiscal year ending March 2027

Sales	4,544 million yen	+19.2% (YoY)
Operating income	174 million yen	-58.0% (YoY)
Net income	105 million yen	-57.7% (YoY)

2 Sales expanded among existing customers in our strength areas of AI and data

Providing AI total services, which add AI to data integration, ID integration, and the building of data integration platforms, generally led to expanded transactions with existing customers. The number of major company customers with quarterly contracts was 68, up 5 year on year. Of these, the number of customers with quarterly sales of 50 million yen or more was 14, up 4 year on year, with sales up 255 million yen.

2Q, fiscal year ending March 2027

Major companies : Number of quarterly contract customers	68 companies	+5 companies (YoY)
Of the above, major companies : Number of quarterly contract customers with sales of 50 million yen or more	14 companies	+4 companies (YoY)

3 Number of engineers and other employees increased steadily

Increased by 53 year on year, and flat quarter on quarter.
In addition, 6 new graduate engineers joined in October 2026, mainly graduates of science and engineering graduate schools.

As of the end of September 2026

Number of engineers and other employees*1	456 people	+53 people (YoY)
		±0 people (Compared to June 2026)

4 Planning record-high results through AI total services

Given strong demand for AI-centered DX support, we plan for net sales exceeding 10 billion yen, as previously targeted.

Forecast for the Fiscal Year Ending March 2027

Sales	10,400 million yen	+26.0% (YoY)
Operating income	1,247 million yen	+0.3% (YoY)
Net income	751 million yen	+9.8% (YoY)

*1 Professional human resources such as engineers and managers in the Cloud Integration Services Division, excluding administrative personnel (as of the end of September 2026)

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(2nd Quarter, Fiscal Year Ending March 2027) Topics - 1

Awarded the Digital Agency's "Application Management Function and Dashboard Design and Development Project for the Local Government Information System Operation Optimization Support Program" and the "SEABIS Next-Generation System (V4) Inventory Management System Design and Development Project."

Awarded the Digital Agency's "Application Management Function and Dashboard Design and Development Project for the Local Government Information System Operation Optimization Support Program"

The Local Government Information System Operation Optimization Support Program is a national subsidy program in which the national and local governments cooperate to systematically curb and optimize operating costs that have temporarily increased following the migration to standards-compliant systems and the Government Cloud.

The Digital Agency estimates that the operating costs of systems migrated by the end of FY2026 will increase from approx. 140 billion yen to approx. 250 billion yen. Local governments receiving subsidies are required to formulate and submit to the Digital Agency a "Local Government Information System Operation Optimization Plan" that includes an analysis of the causes of the increase and countermeasures. This requires a mechanism that reliably receives the plans and utilizes the operating cost data for analysis.

Through this project, we will contribute to the effective use of local government employees' limited time and the appropriate management of national and local digital budgets.

[Overview of the Awarded Project]

Project name: FY2026 Design, Development, and Operation Support of the Application Management Function and Dashboard for the Local Government Information System Operation Optimization Support Program

Contracting authority: Digital Agency

Contract period: August 19, 2026 to March 31, 2027

Awarded the Digital Agency's "SEABIS Next-Generation System (V4) Inventory Management System Design and Development Project"

The Common System for Internal Management of Travel Expenses and Other Operations (SEABIS) is a government-wide common system that supports three operations of each ministry and agency: travel expenses, honoraria and allowances, and inventory management.

The target inventory management system has been in operation for approx. 12 years, and faces issues such as an outdated UI, reduced flexibility for modifications, and persistently high operating costs. The next-generation system (V4) is required to improve efficiency through a review of business processes and enhanced UI/UX.

Making maximum use of the assets from the studies the Digital Agency built up with each ministry and agency in FY2025, we aim to deliver, with high deliverable quality, the scope of the FY2026 project, from basic design through development and unit testing. Through this project, we will contribute to the effective use of administrative employees' limited time and the appropriate management of the national digital budget.

[Overview of the Awarded Project]

Project name: FY2026 Inventory Management System Design and Development Project (Basic Design to Development) for the Next-Generation System (V4) Renewal of the Common System for Internal Management of Travel Expenses and Other Operations

Contracting authority: Digital Agency

Contract period: August 17, 2026 to March 31, 2027

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(2nd Quarter, Fiscal Year Ending March 2027) Topics - 2

Supported the development of a process visualization platform for NTT DOCOMO’s core network construction work using Salesforce. Also began supporting implementation in Japan as an initial participating partner for Agentforce Voice.

Supported development of a process visualization platform for NTT DOCOMO’s core network construction work using Salesforce

We supported the development of the Core Network Design Department of NTT DOCOMO, INC., which is responsible for the development, construction, and maintenance of the “core network,” the backbone of communications used by more than 93 million customers.

The department had long managed approx. 1,300 construction projects per year, each involving approx. 60 processes, in Excel, which caused issues such as fragmented information and dependence on specific individuals. We built “CD-BPM,” a process visualization platform based on Salesforce, and achieved its initial release in approx. 3 months.

It is currently used by approx. 600 to 700 people, including partner companies. Through centralized management of processes and automation of aggregation work, we contributed to the standardization and greater efficiency of business processes. Going forward, we aim to continue providing support, including integration with other systems such as AI and MuleSoft.

Joined as an initial partner for Agentforce Voice and expanding the success of Agentforce Voice

As an initial participating partner for “Agentforce Voice,” the voice interaction feature of Salesforce’s “Agentforce,” which began supporting Japanese on August 7, 2026, we have begun supporting implementation in Japan.

Long wait times and uniform interactive voice response (IVR) systems degrade the customer experience, and the shortage of contact center personnel is also becoming more serious. We provide consistent support from implementation consideration and design to integration with existing telephony infrastructure and CRM, and ongoing tuning after operations begin.

Going forward, working together with Salesforce, we will accelerate the implementation of Agentforce Voice in Japan, and support the advancement of AI utilization in the voice channels of Japanese companies through industry-specific reference implementations and the sharing of best practices.

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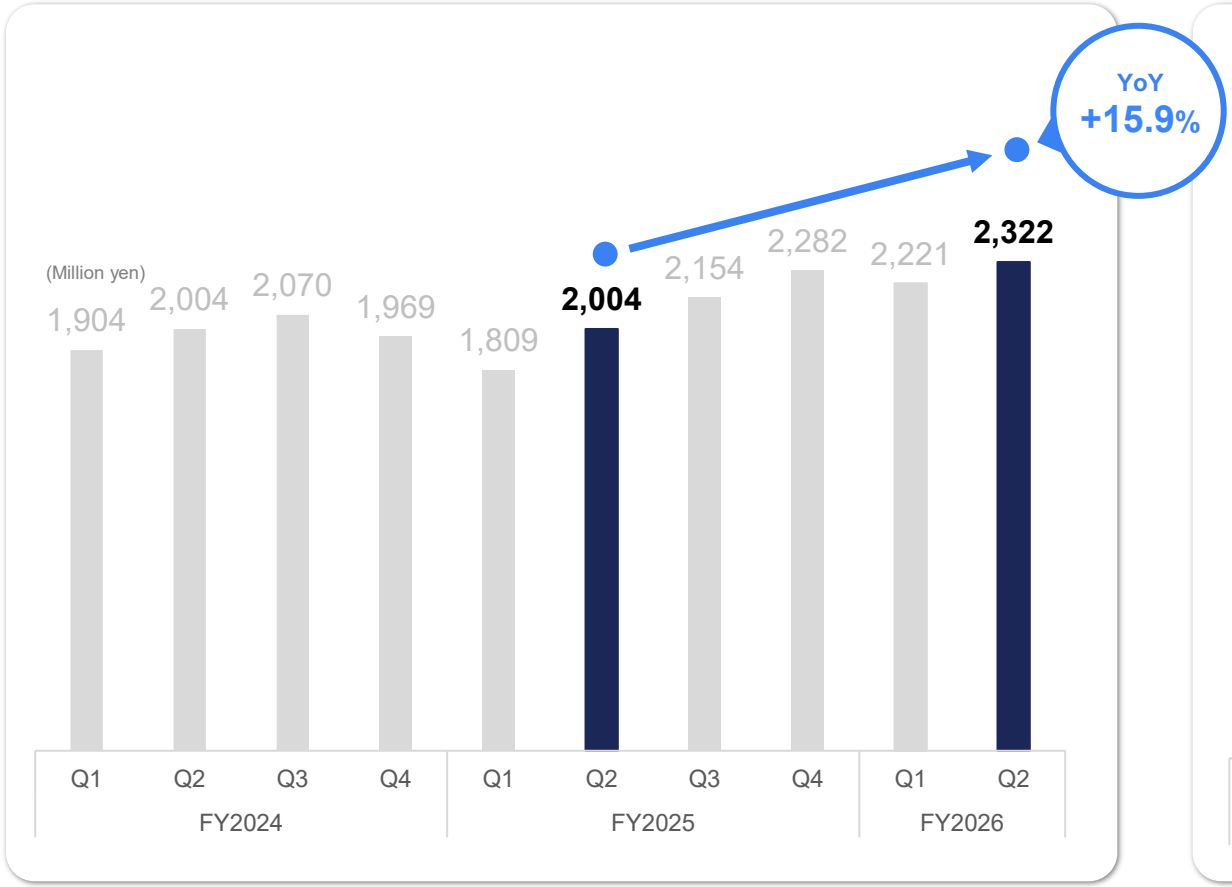
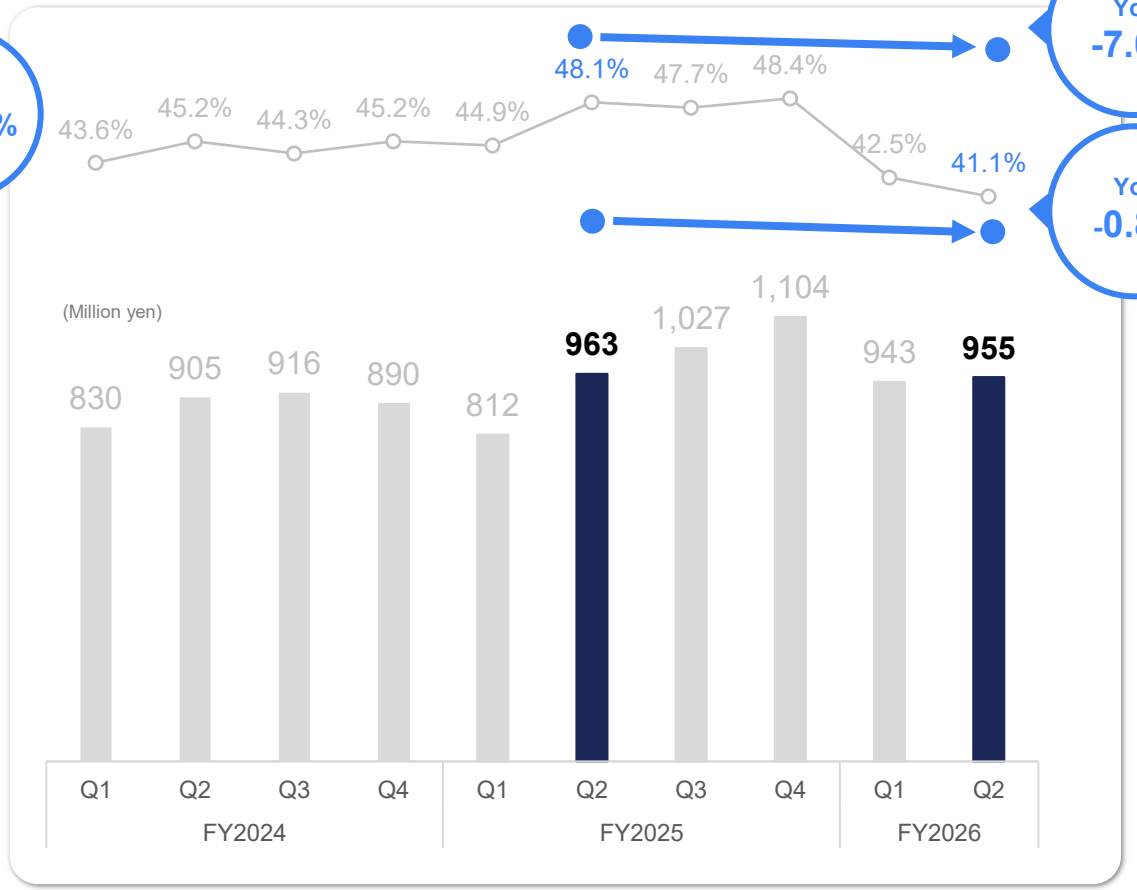
(2nd Quarter, Fiscal Year Ending March 2027) Results Trends

AI total services combining data coordination, ID integration, and data integration platforms led to broadly expanded transactions with existing customers, resulting in net sales of 2,322 million yen (up 15.9% year on year), the highest ever for any quarterly accounting period. However, due to the addition of resources on certain projects, the gross profit margin declined to 41.1% (down 7.0pt year on year), with gross profit of 955 million yen (down 0.8% year on year).

Sales (quarterly accounting period)



Gross profit (quarterly accounting period)



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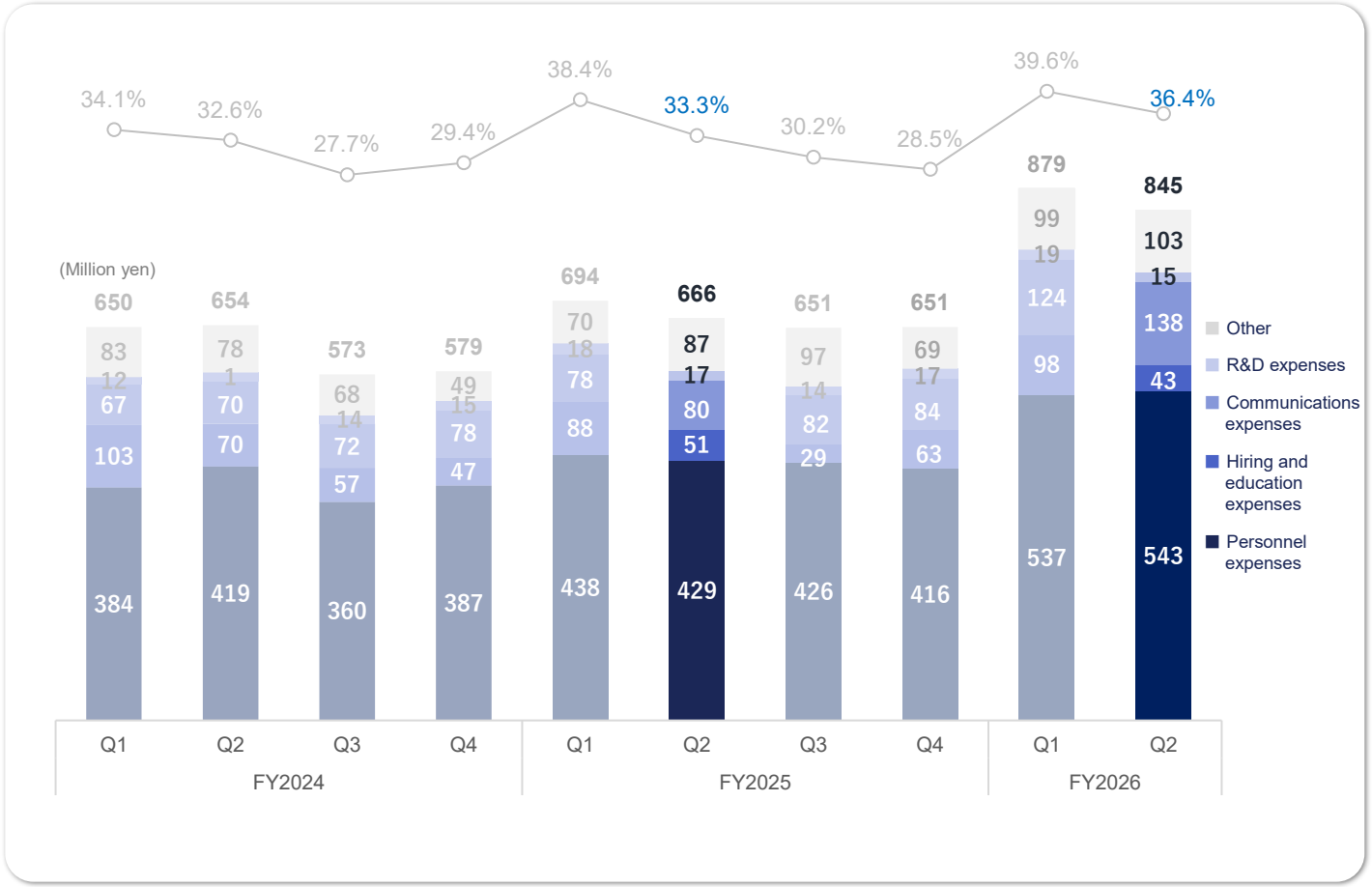
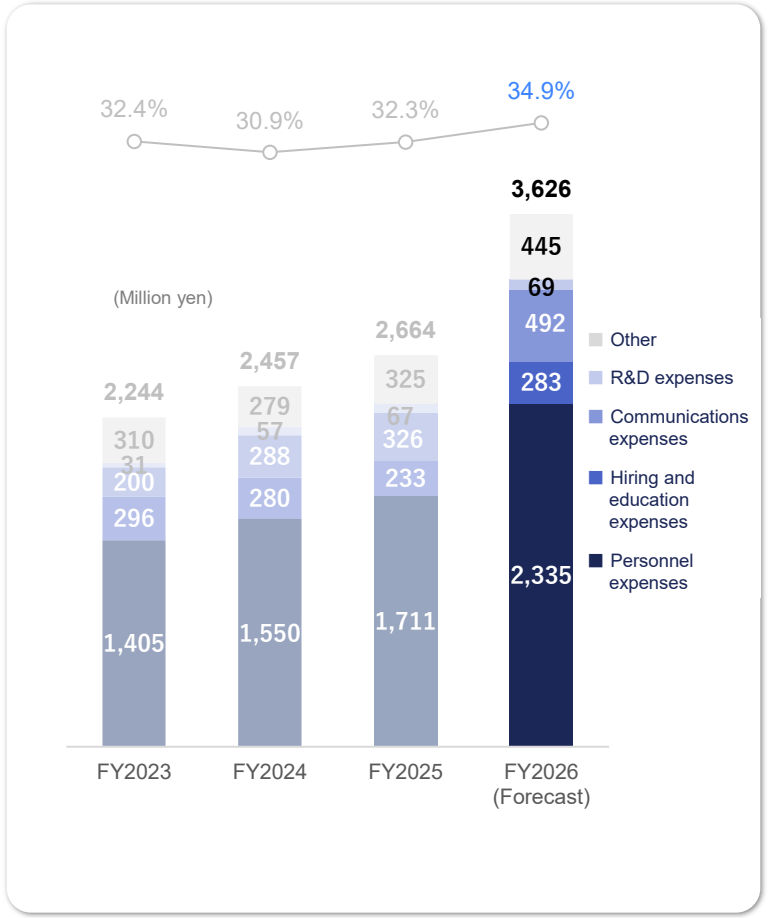
(2nd Quarter, Fiscal Year Ending March 2027) Results Trends _SG&A

As we actively invest in human resources, AI utilization, and the ID package business, among others, to drive sustainable future growth, SG&A expenses for 2Q of the fiscal year ending March 2027 were 845 million yen (up 26.9% year on year), and the SG&A ratio was 36.4% (up 3.2pt year on year).

Quarterly accounting periods



Full Year



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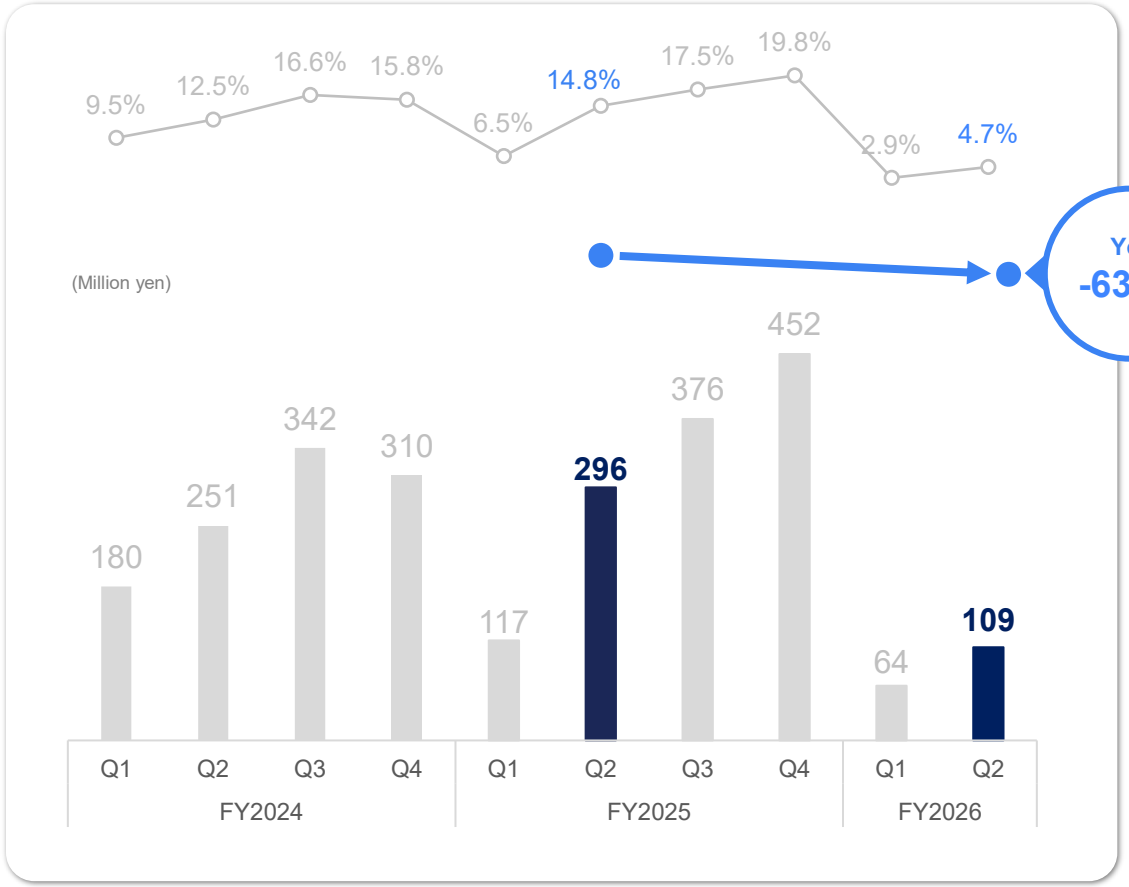
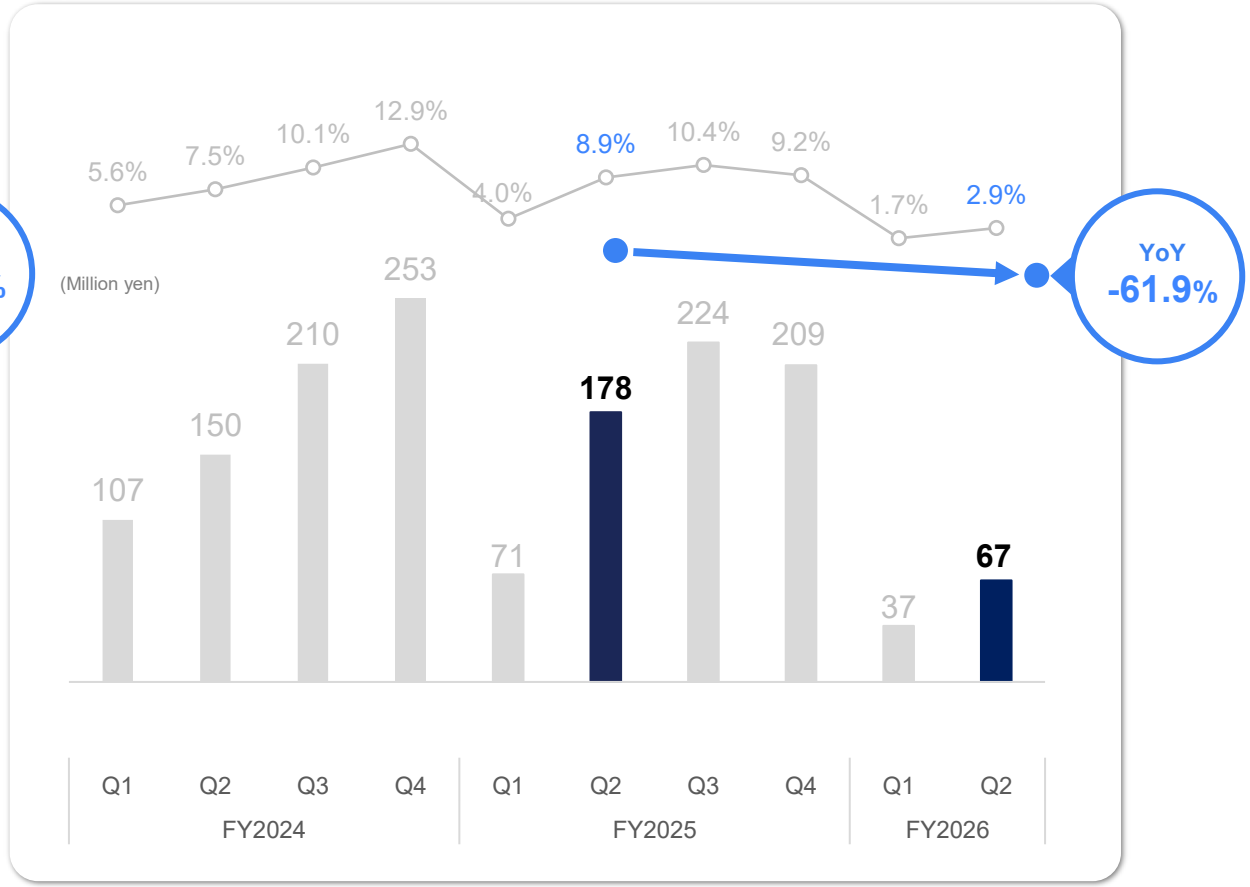
(2nd Quarter, Fiscal Year Ending March 2027) Results Trends

Due to the decline in gross profit margin, operating income was 109 million yen (down 63.0% year on year), and net income was 67 million yen (down 61.9% year on year).

Operating income (quarterly accounting period)



Net income (quarterly accounting period)



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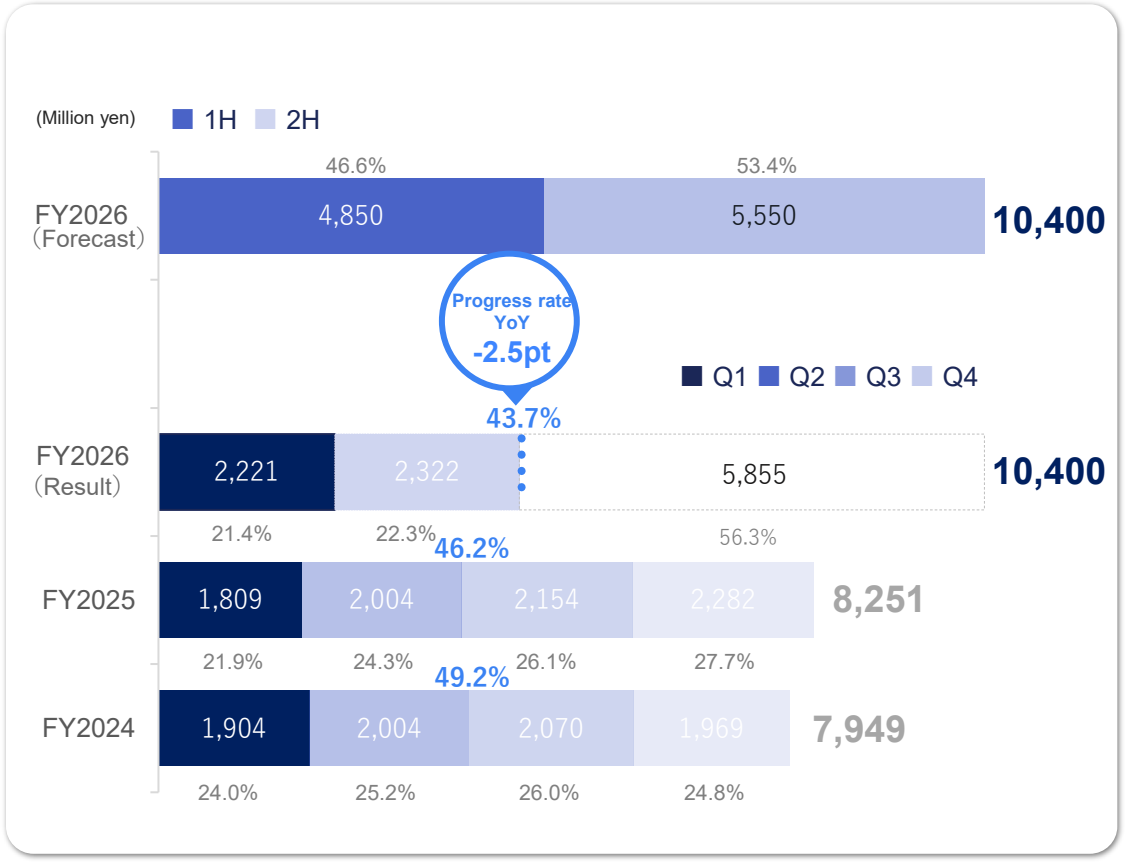
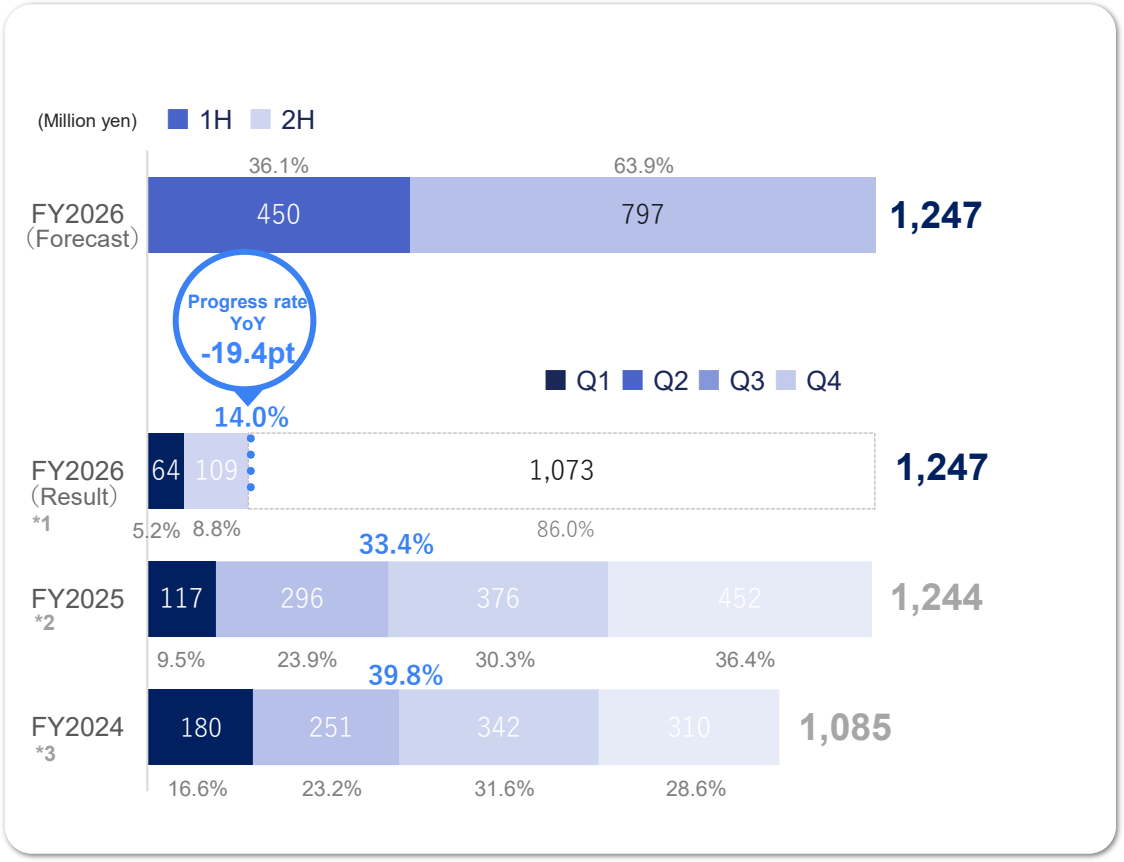
(2nd Quarter, Fiscal Year Ending March 2027) Results Progress

Progress rate against the full-year forecast was 43.7% for sales and 14.0% for operating income.
Although we fell behind in the first half, we expect to recover in the second half through building up follow-on projects as the projects to which we added resources wind down, large-scale projects in the public sector, expanded transactions with customers in the financial sector, and orders from large inquiries from existing private-sector customers.

Sales - Progress rate



Operating income - Progress rate



*1: Includes recruiting and labor costs for 40 new graduate hires in Q1
*2: Includes recruiting and labor costs for 44 new graduate hires in Q1
*3: Includes recruiting and labor costs for 34 new graduate hires in Q1

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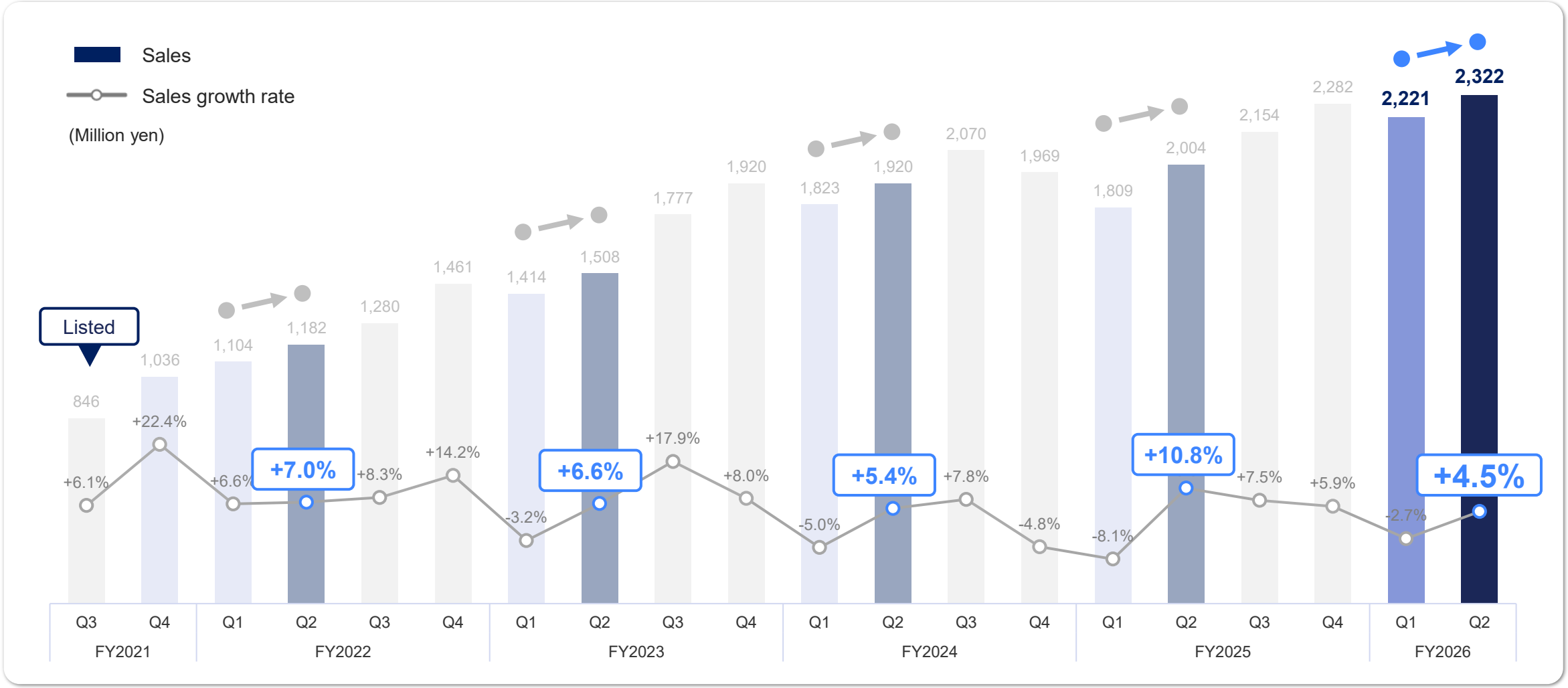
(2nd Quarter, Fiscal Year Ending March 2027) Quarterly Sales Growth Rate (QoQ)

The quarterly sales growth rate (QoQ) in 2Q of the fiscal year ending March 2027 was +4.5%.



*Note: Quarterly sales from Q3 FY2021 to Q2 FY2024 exclude the Cariot service.

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(2nd Quarter, Fiscal Year Ending March 2027) Balance Sheet

Cash and deposits increased by 405 million yen, and the equity ratio remained at 61.6%, maintaining a sound financial foundation.

(Million yen)

	FY2025 (March 31, 2026)	FY2026 (September 30, 2026)	Change in amount
Total assets	**3,695**	**3,685**	**-10**
Current assets	3,339	3,406	+66
Fixed assets	355	279	-76
Total liabilities	**1,460**	**1,415**	**-45**
Current liabilities	1,075	1,066	-8
Fixed liabilities	384	348	-36
Net assets	**2,235**	**2,270**	**+34**
Total assets	**3,695**	**3,685**	**-10**
Cash and deposits	1,136	1,542	+405
Interest-bearing liabilities	450	416	-33
Equity ratio	60.5%	61.6%	+1.1pt

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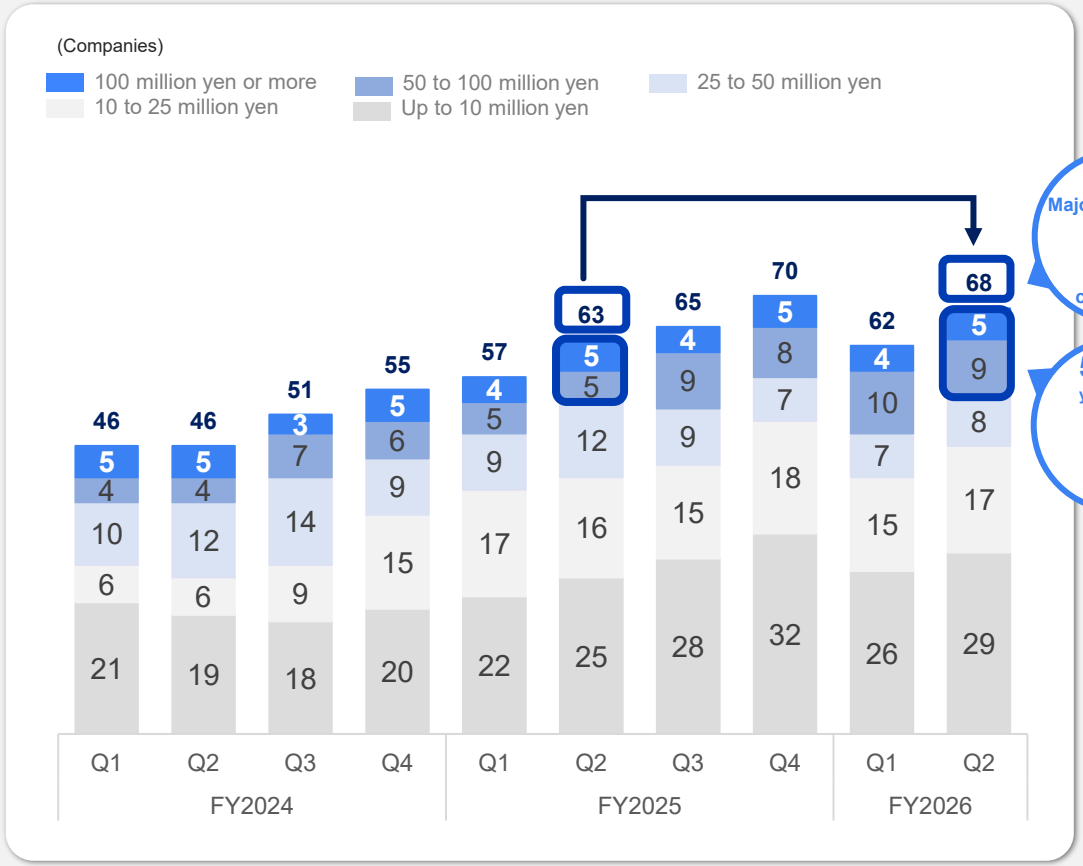
Number of contract customers and sales by sales amount (major companies)

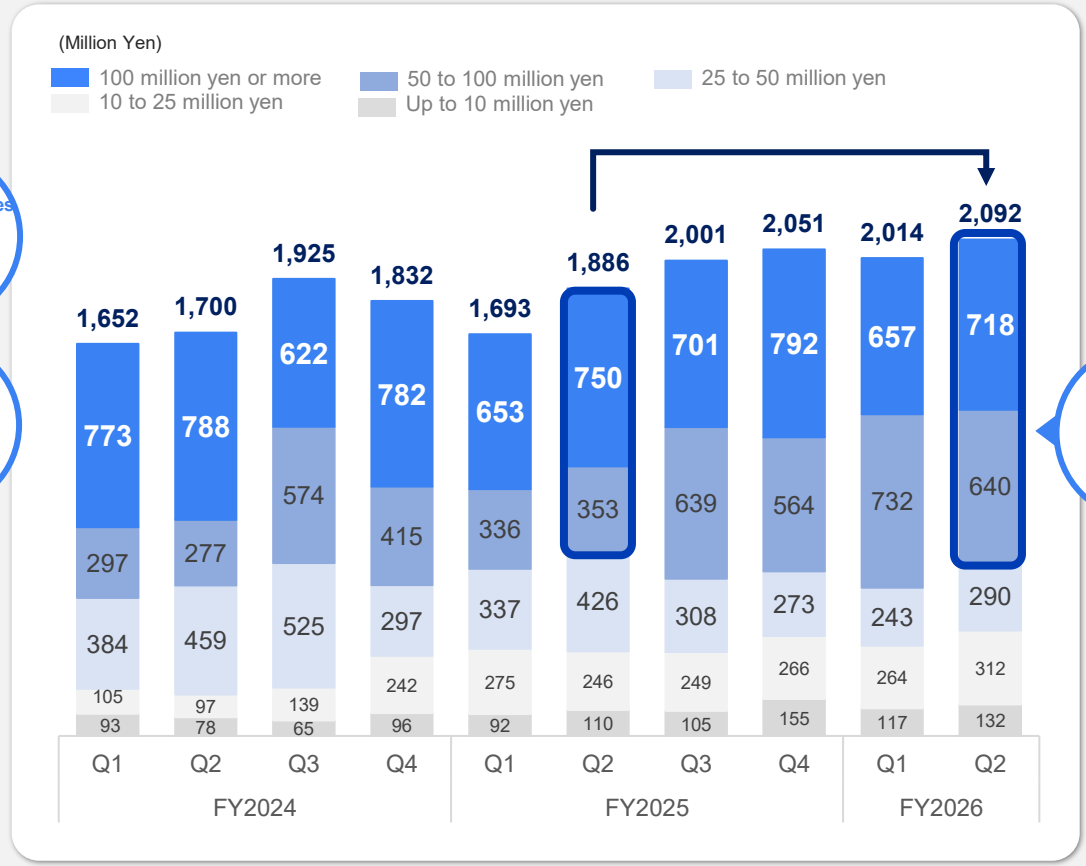
Number of quarterly contract customers by sales (major companies)*1

In 2Q of the fiscal year ending March 2027, the number of quarterly contract customers among major companies increased by 5 companies YoY to 68 companies. The number of major companies with quarterly sales of 50 million yen or more also increased by 4 companies year on year.



Quarterly sales by sales amount (major companies) *2

Total sales from customers with quarterly sales of 50 million yen or more in 2Q of the fiscal year ending March 2027 increased by 255 million yen year on year.



*1 Number of contract customers in the quarterly accounting period excluding resales and quarterly sales of 1 million yen or less. Resales are where the company resells purchased licenses to customers and are excluded because the amount at the company is small.
*2 Excluding sales from resales and customers with quarterly sales of 1 million yen or less.
*3 Sales in the above graphs are for the Cloud Integration Services only.

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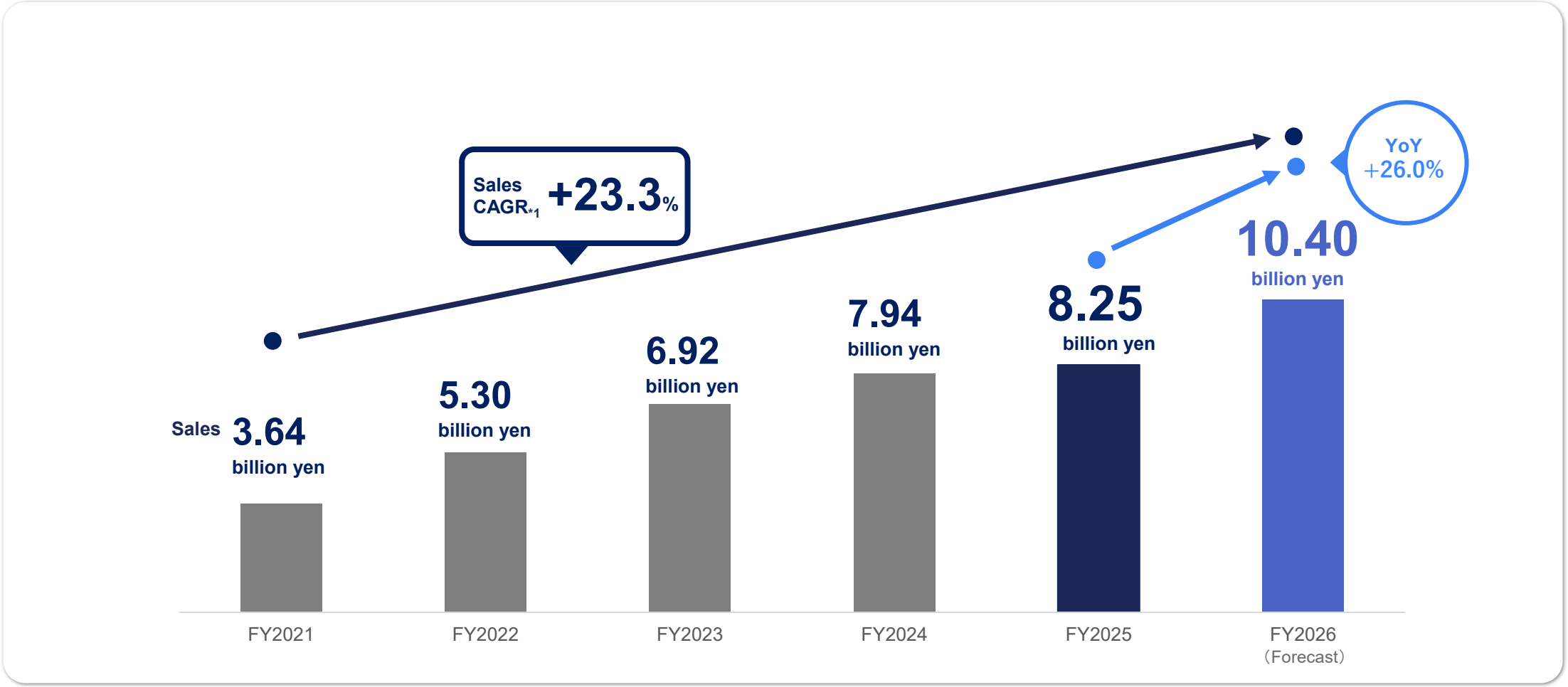
Growth Strategy

Medium to long-term growth plan

While promoting “Proactive DX” support through cutting-edge cloud and AI technologies, we are pursuing growth strategies focused on “Creating Large Accounts,” “Investing in Talent,” and “Investing in R&D, including the ID package business.”
Regarding our previously stated goal of a TSE Prime listing, we will prioritize business investments aimed at achieving sustainable growth and aim to list on the TSE Prime Market at an appropriate timing.



*1 Compound Annual Growth Rate from FY2021 to 2026.

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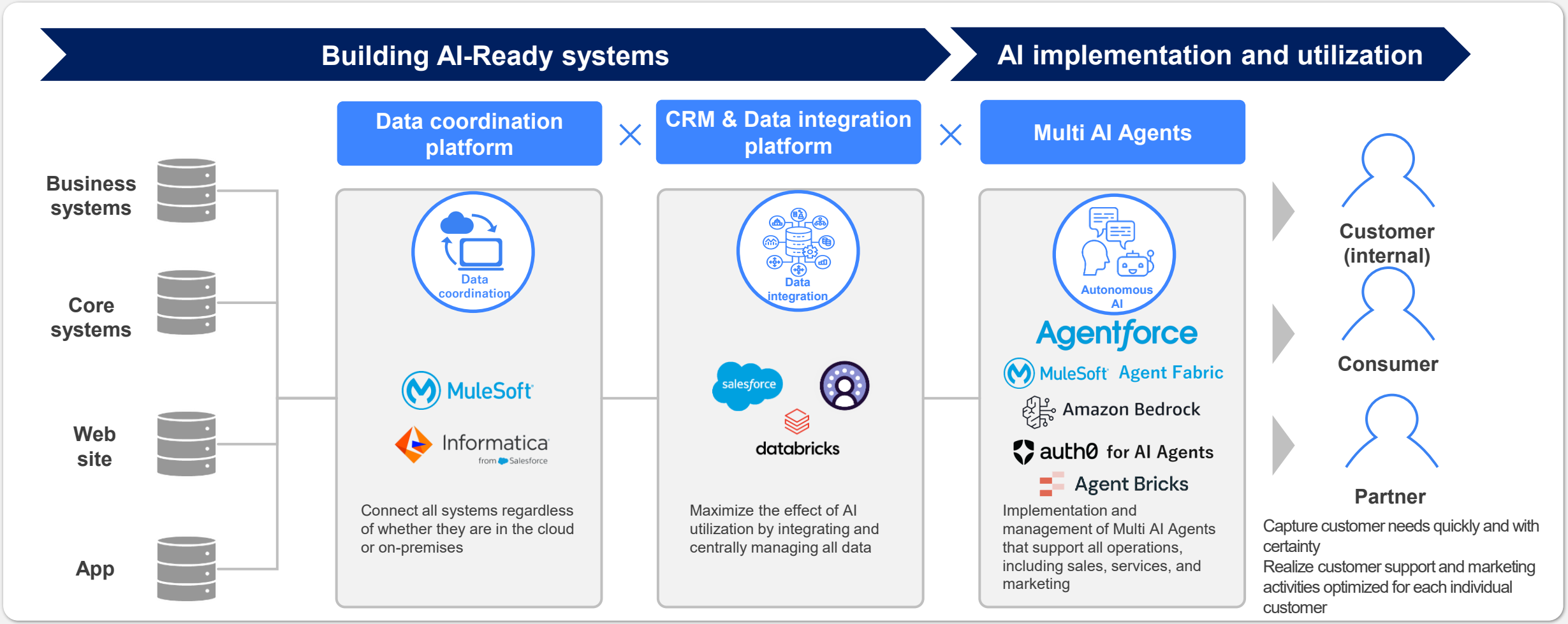
Promoting Cross-Selling Through Total Services in the AI and Data Infrastructure Areas

We will promote the provision of AI total services that combine a data coordination platform connecting all systems, a data integration platform centrally managing data, and Multi AI.



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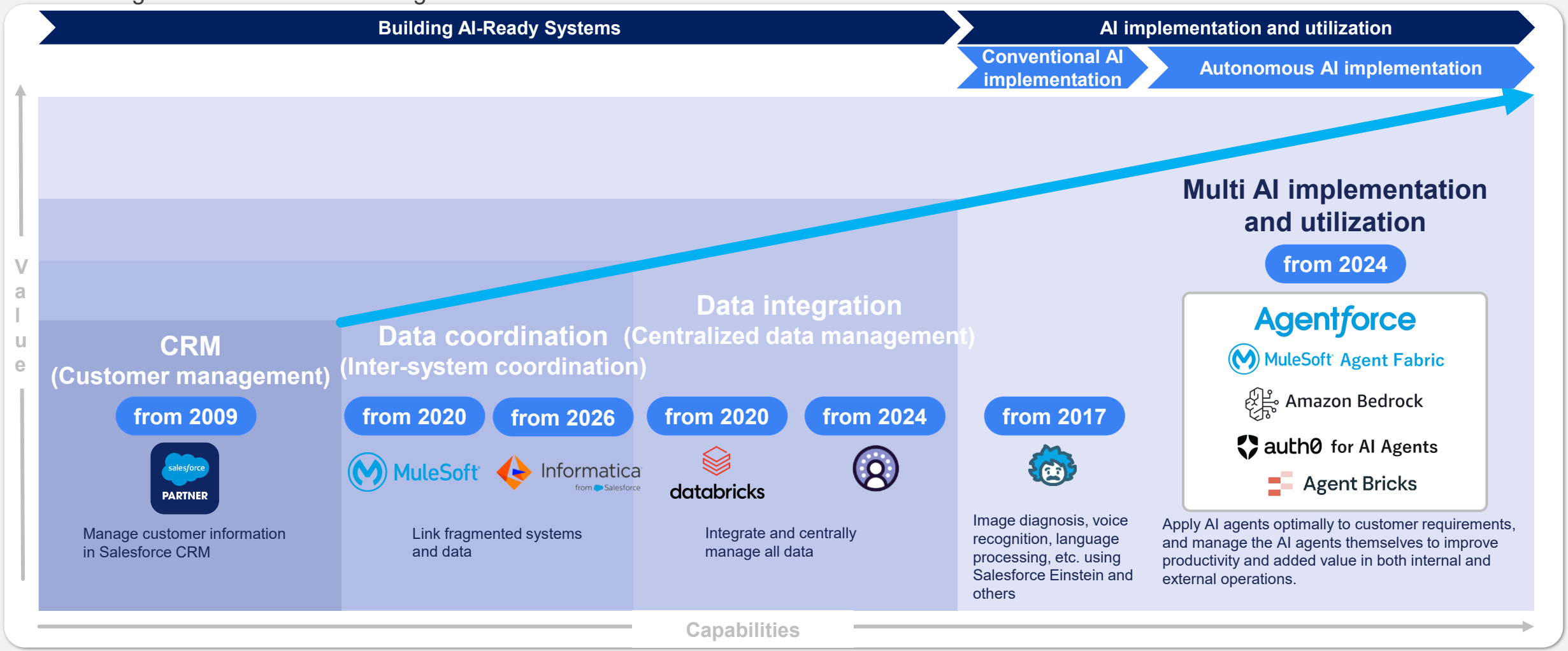
The expanding AI demand serves as a tailwind that boosts the strengths we have developed over the years

For some time, we have worked on "Building AI-Ready Systems" based on data coordination and data integration platforms and CRM, as well as "AI implementation and utilization" through R&D and services provided to customers (both internal and external). We have abundant knowledge and a strong track record in maximizing the results of AI.



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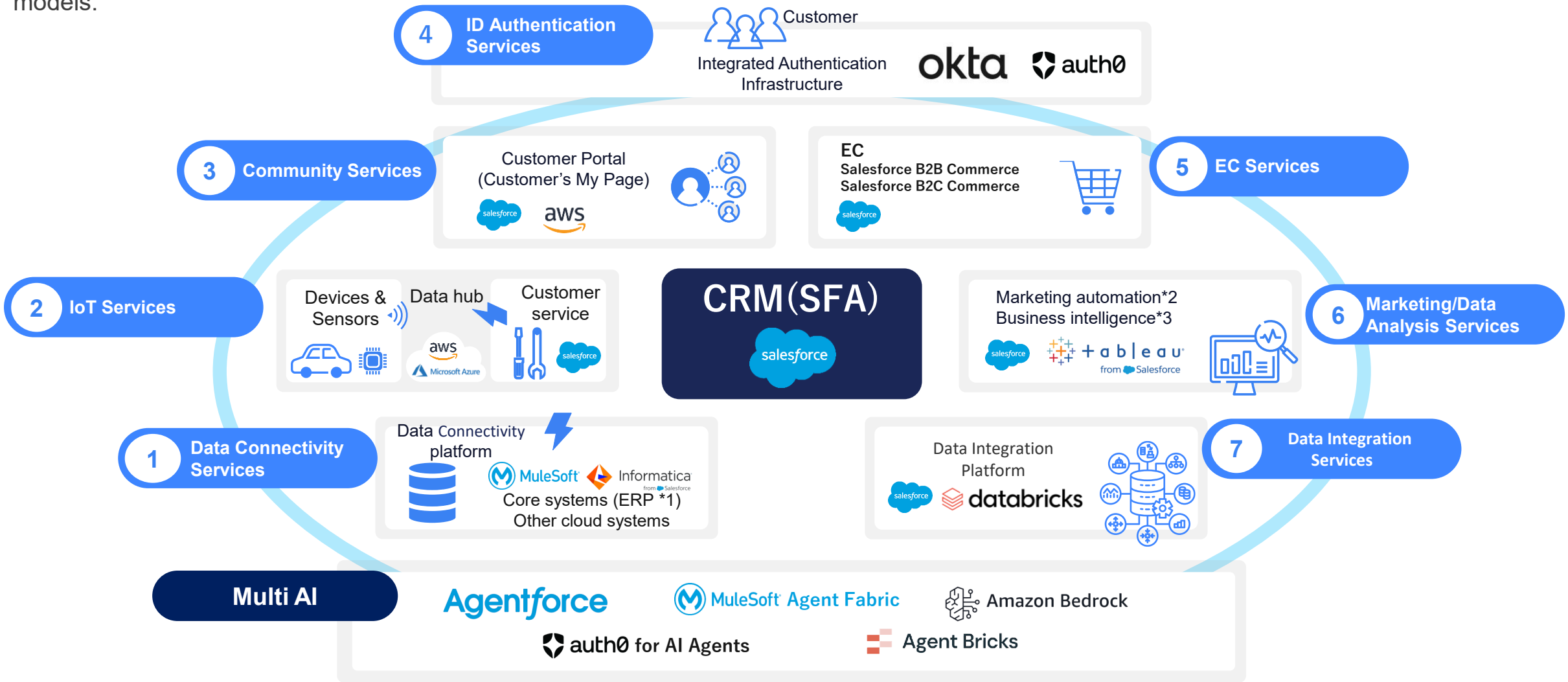
DX Support Services Utilizing Multi-cloud and Multi-AI to Achieve Business Transformation

Rather than building only a single digital service, we develop multiple digital services and bundle them to support transformation of business models.



*1 Abbreviation for Enterprise Resource Planning, an integrated core business management system
*2 Marketing Automation: A tool that automates marketing activities
*3 Business Intelligence: A tool that collects, accumulates, analyzes, and processes large volumes of data to support management strategy decision-making

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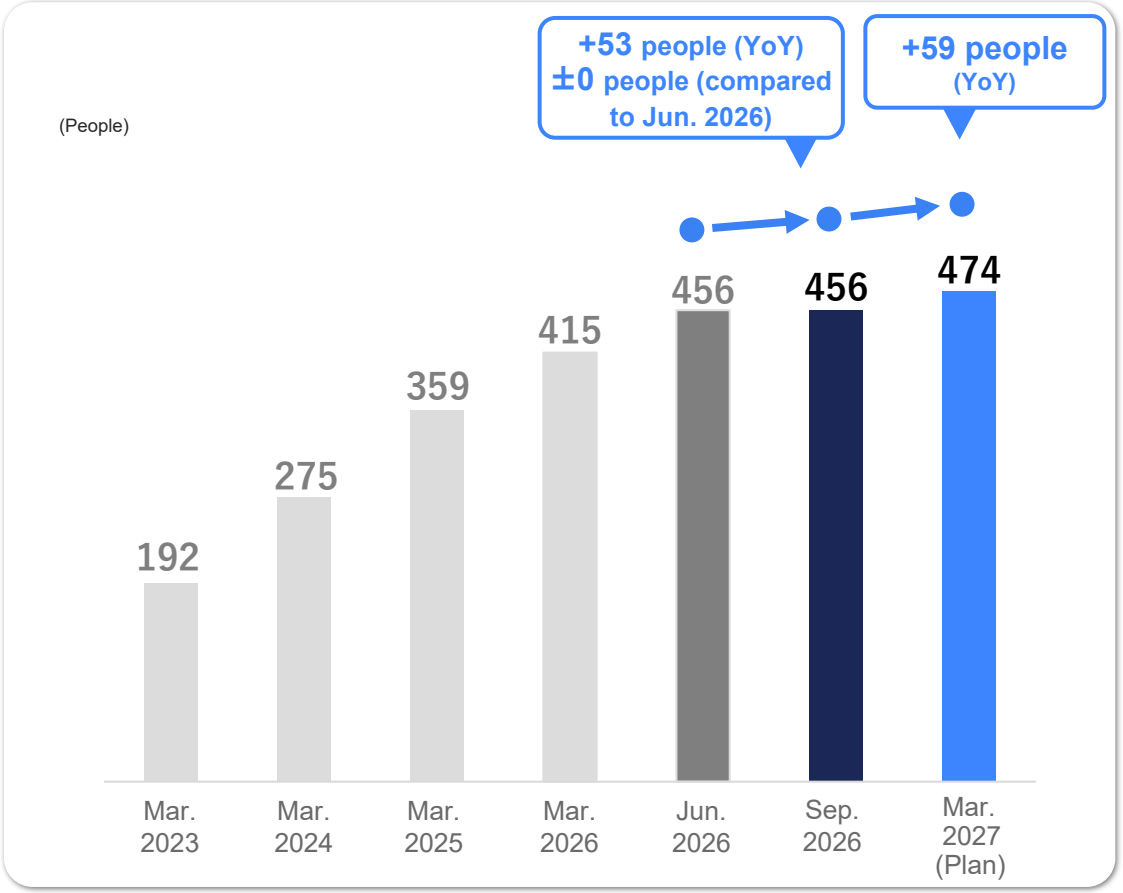
Organizational expansion centered on cloud engineers and other specialists

The number of cloud engineers and other employees was 456 as of the end of September 2026, up 53 year on year and unchanged from the end of June 2026.We plan for a net increase of 59 to reach 474 people by the end of March 2027.

Trend in the number of engineers and other employees *1



*1 Professional human resources such as engineers and managers in the Cloud Integration Services Division, excluding administrative personnel.

Promotion of multi-cloud qualifications *2

- Certified Technical Architect (Top-level qualification)
- Salesforce core Certification 1,940 people
- MuleSoft ※3 Certification 455people
- Data Cloud Consultant 191people
- Databricks ※4 Certification 38people
- AWS Certification 289people
- Basic and applied qualifications in information processing using computers 350people

*2 As of the end of September 2026.
*3 Total number of holders of 5 qualifications: MuleSoft Developer, Senior MuleSoft Developer, MuleSoft Platform Architect, MuleSoft Integration Architect, and MuleSoft Associate.
*4 Total number of holders of 3 qualifications: Databricks Certified Data Engineer Associate, Databricks Certified Data Engineer Professional, and Databricks Certified Generative AI Engineer Associate.

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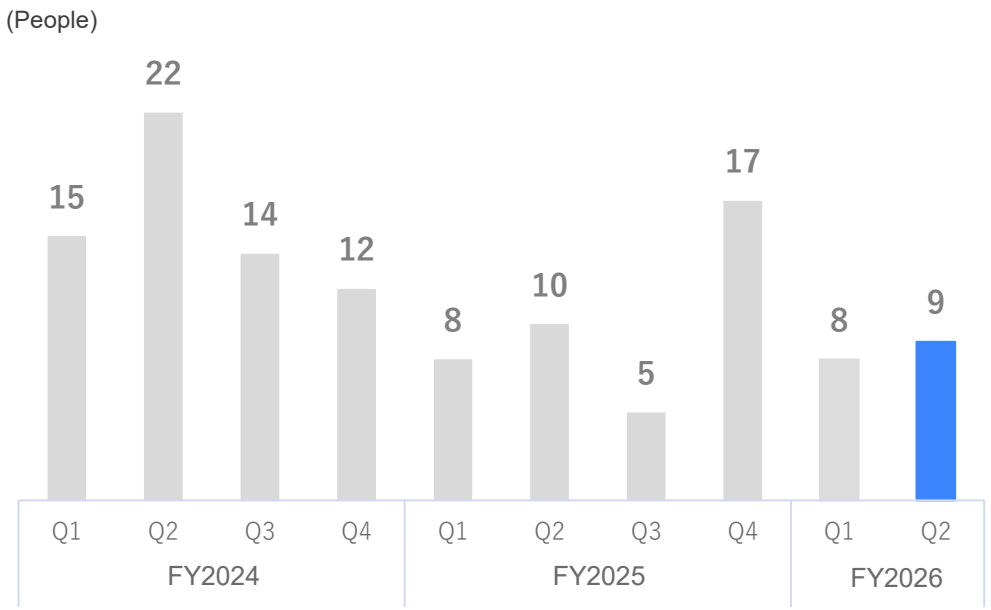
Strictly Selected Hiring of Engineers Based on High Recruitment Standards

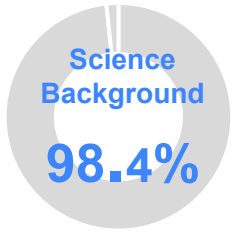
We have established high hiring standards to identify human resources with strong basic computer skills. In experienced (mid-career) hiring, the entry-to-join ratio is about 1 in 50, allowing us to strictly select the best engineers.
In addition, 6 new graduates joined as engineers in October 2026, all with Master's or PhD degrees in science and engineering.

Trend in mid-career recruitment

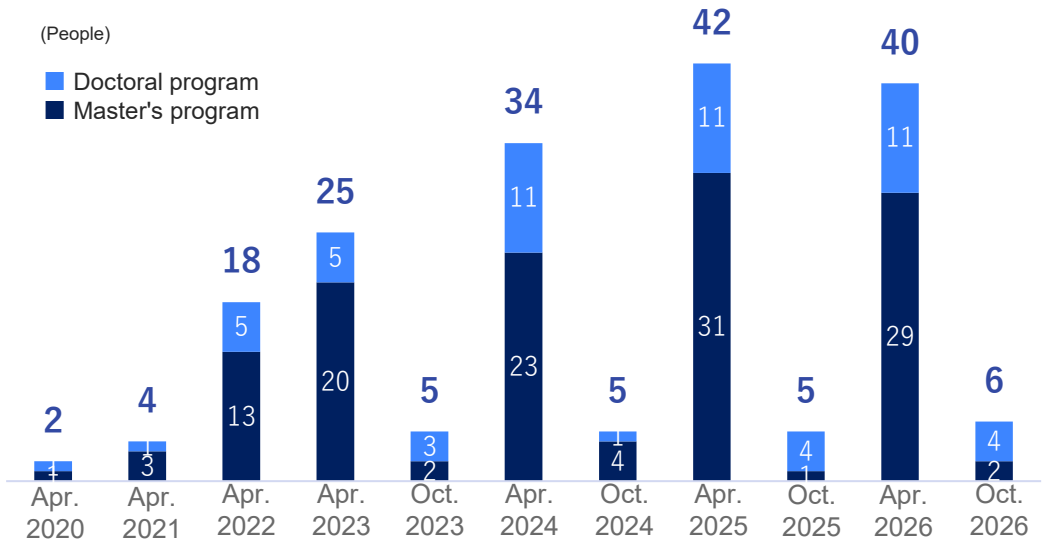
Entry-to-join ratio
About 1 in 50 people



Trend in new graduate recruitment (engineers)



Number of hires from April 2020 to October 2026
Top 3 (tied for 3rd place) universities
The University of Tokyo Graduate School 16 people
Kyoto University Graduate School 11 people
Kyushu University Graduate School 8 people
Saitama University Graduate School 8 people



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About the ID Platform Implementation Package

We provide an ID platform implementation package that adds enhanced and standardized functions to "Auth0," the identity platform service provided by Okta, Inc. (headquartered in the United States).
Across authentication methods, UX features, and other functions, the package incorporates best practices that consider both security and UX.



Built-in features

auth0 aws

- Authentication functions
- Passkey
- Adaptive MFA
- Social login
- Basic UX features
- Account My Page
- Administrator functions
- Various operation and maintenance services

* Screen images are for illustrative purposes only. Some functions are still under planning or development.

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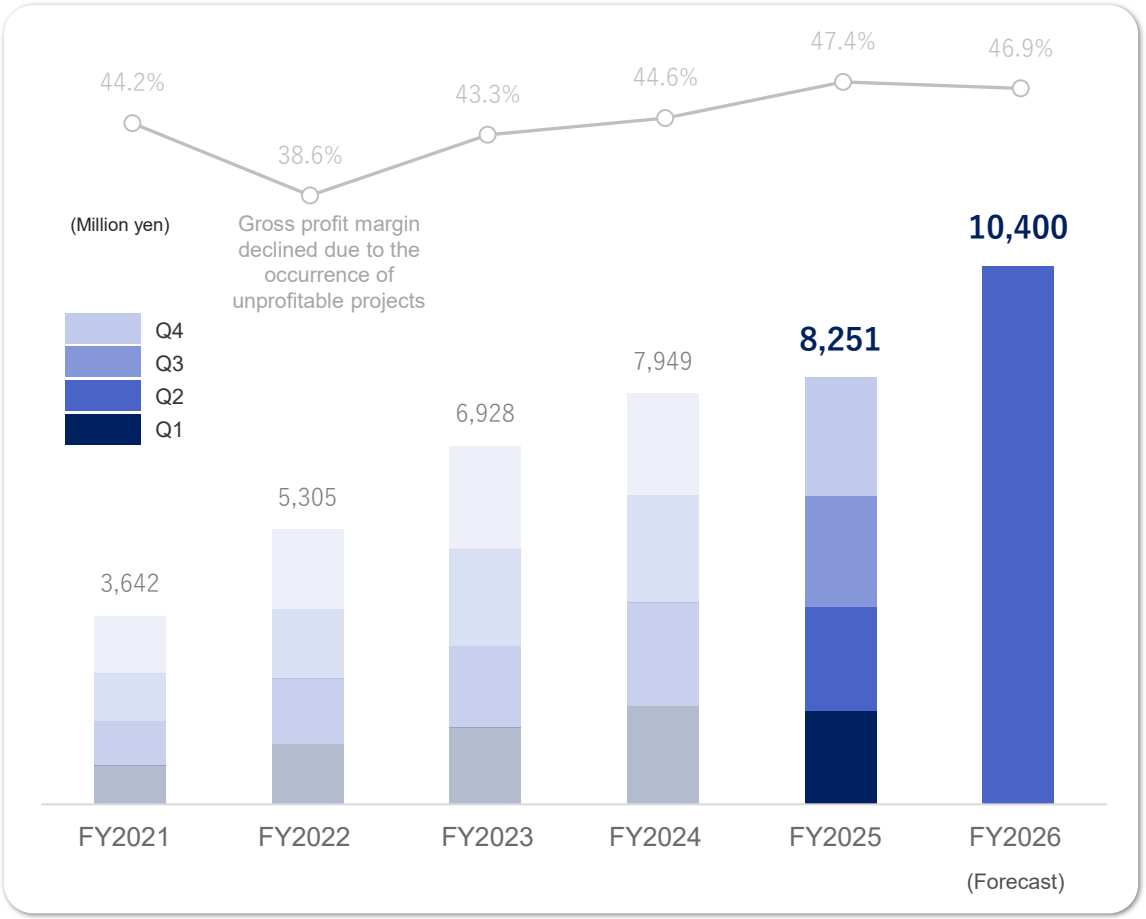
Appendix - Results Trends

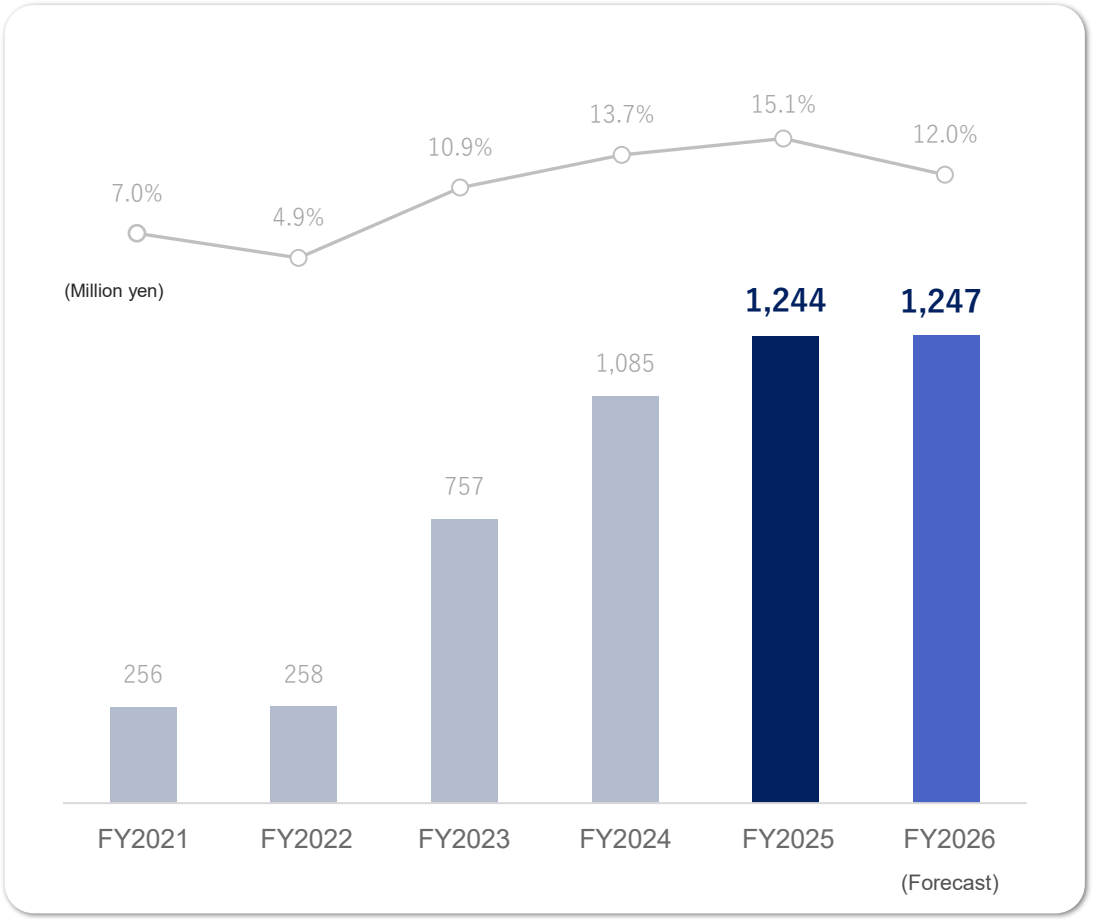
Results Trends

Net sales for the fiscal year ended March 2026 were 8,251 million yen (up 3.8% year on year) and operating income was 1,244 million yen (up 14.6% year on year), record highs for both. For the fiscal year ending March 2027 as well, we are planning record highs, with net sales of 10,400 million yen (up 26.0% year on year) and operating income of 1,247 million yen (up 0.3% year on year).

Sales / Gross profit margin



Operating income / Operating profit margin



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Appendix - Company Profile

Company Profile



Company Name	FLECT Co., Ltd.
Established	August 2005
Capital Stock	759 million yen (as of the end of September 2026)
Number of Employees	481 (as of the end of September 2026)
Address	13F, Tokyo Shiodome Bldg., 1-9-1 Higashi-Shinbashi, Minato-ku, Tokyo
Business Description	Cloud Integration Services — Professional services supporting corporate DX — As a multi-cloud integrator that supports corporate DX through cutting-edge cloud and AI technologies, we provide services ranging from multi-cloud development and operations to multi-AI implementation, supporting digital transformation of both existing and new business initiatives.

Vision



Representative Director CEO
Koji Kurokawa

Realizing an Ideal Future with the Cloud

In a society where all people and things are digitally connected, we realize new digitally optimized customer experiences and support customer-centered business innovation.

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History of Our Services Incorporating Cutting-edge Technology

2024 -

Provision of support services for the introduction of "Agentforce," an autonomous AI agent developed by Salesforce, Inc.

2023 -

Providing the development of ID management and integrated authentication infrastructure through a partner contract with Okta, Inc.

okta

2020 -

Providing online video service development suitable for our new lifestyle in the midst of the COVID-19 pandemic using Amazon Chime. Partnering with MuleSoft, LLC. and Tableau Software, LLC. to strengthen our multi-cloud capabilities

Providing the development of data integration foundations through a partner contract with Databricks, Inc.

MuleSoft databricks amazon Chime +ableau

More than 17 years of experience multi-cloud development

2017 -

Providing AI services, including image diagnoses, speech recognition, and language processing, etc., utilizing Salesforce Einstein*3 and other AI technology

2015 -

Registered in Salesforce.com's IoT*1 Accelerator Program to provide IoT/Mobility service development

2009 -

Concluding partner agreements consecutively with Salesforce.com, Heroku, Inc., and Amazon Web Services, Inc.

Providing development of customer applications and business-use applications with multi-cloud functionality and designs

salesforce PARTNER HEROKU aws partner network

More than 21 Years of Experience Customer Touchpoints App Development

2005 -

Providing large-scale Web/Mobile application development services to Recruit Co., Ltd. and accredited as one of its main partners

Web/Mobile

Multi Cloud/ Design

IoT/Mobility

Conventional AI

Data integration API coordination

ID

Autonomous AI

2016 -

Cariot

Creating "Cariot," a new business, by utilizing development assets in mobility services Concluding an OEM Partner Agreement with Salesforce.com Co., Ltd. to provide SaaS-type*2 cloud services to innovate the way drivers work.

Changed to a joint venture with SORACOM from October 1, 2024 (Changed to a subsidiary of SORACOM)

*1: IoT (Internet of Things): Physical things that can be operated via the Internet
*2: SaaS (Software as a Service): Service to provide applications that used to be provided as packages over the Internet
*3: Salesforce Einstein: Name of the AI (artificial intelligence) service provided by Salesforce.com, Inc.
*4: Salesforce.com Co., Ltd. changed company name to Salesforce Japan Co., Ltd. as of February 2022

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Our Domestically and Globally Acclaimed Advanced DX Achievements

We received the MuleSoft domestic award for the fifth consecutive year. We also received the Salesforce Global Innovation Award in 2019 — the first by a Japanese company — in recognition of our DX achievements in domestic AI services.

May 2018 Salesforce "Innovation Partner of the year"
Awarded for our achievements in the Einstein (AI) Project

November 2019 Salesforce Partner Innovation Award
First Japanese company awarded for achievements in our Einstein (AI) Project in Japan

May 2020 Salesforce “Innovation Partner of the year”
Awarded for our achievements in multi-cloud development projects

March 2022 MuleSoft Japan
“MuleSoft Japan Partner Enablement Award 2022”
Awarded for our achievements in MuleSoft business

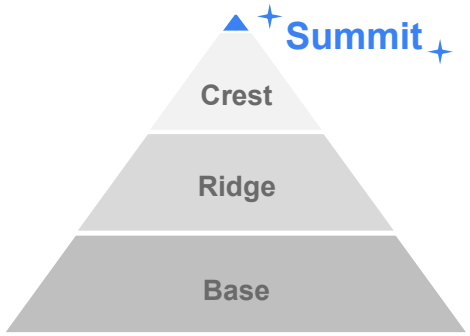
May 2023 MuleSoft Japan
“MuleSoft Japan Partner Enablement Award 2023”
Awarded for our achievements in MuleSoft business

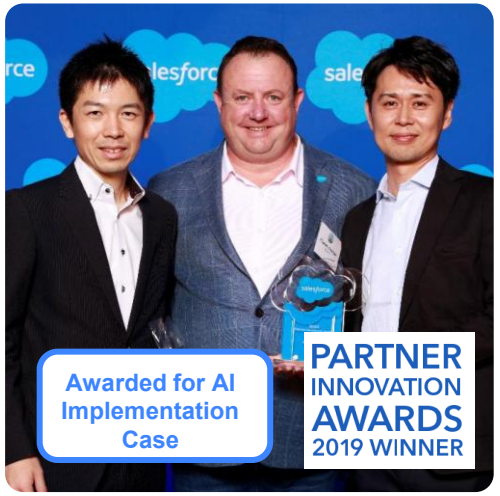
April 2024 Salesforce Japan Partner Award 2024
“Japan Partner of the Year <MuleSoft>”
Awarded in recognition of wide-ranging knowledge and high-level technical capabilities in MuleSoft

April 2025 Salesforce Japan Partner Award 2025
“Japan Partner of the Year – MuleSoft – ”
We received the award after the size of our business in MuleSoft collaboration results and certifications were evaluated highly.

April 2026 Salesforce Japan Partner Award 2026
“Japan Partner of the Year – MuleSoft –”
Awarded based on a comprehensive evaluation of our MuleSoft partnership track record, business scale, and other factors.

salesforce PARTNER
Top partner rank “Summit” certification





Top partner rank “Expert” First certification in Japan



Certified for the “Auth0 Service Delivery Specialization”
okta Proof of high level of expertise in Auth0



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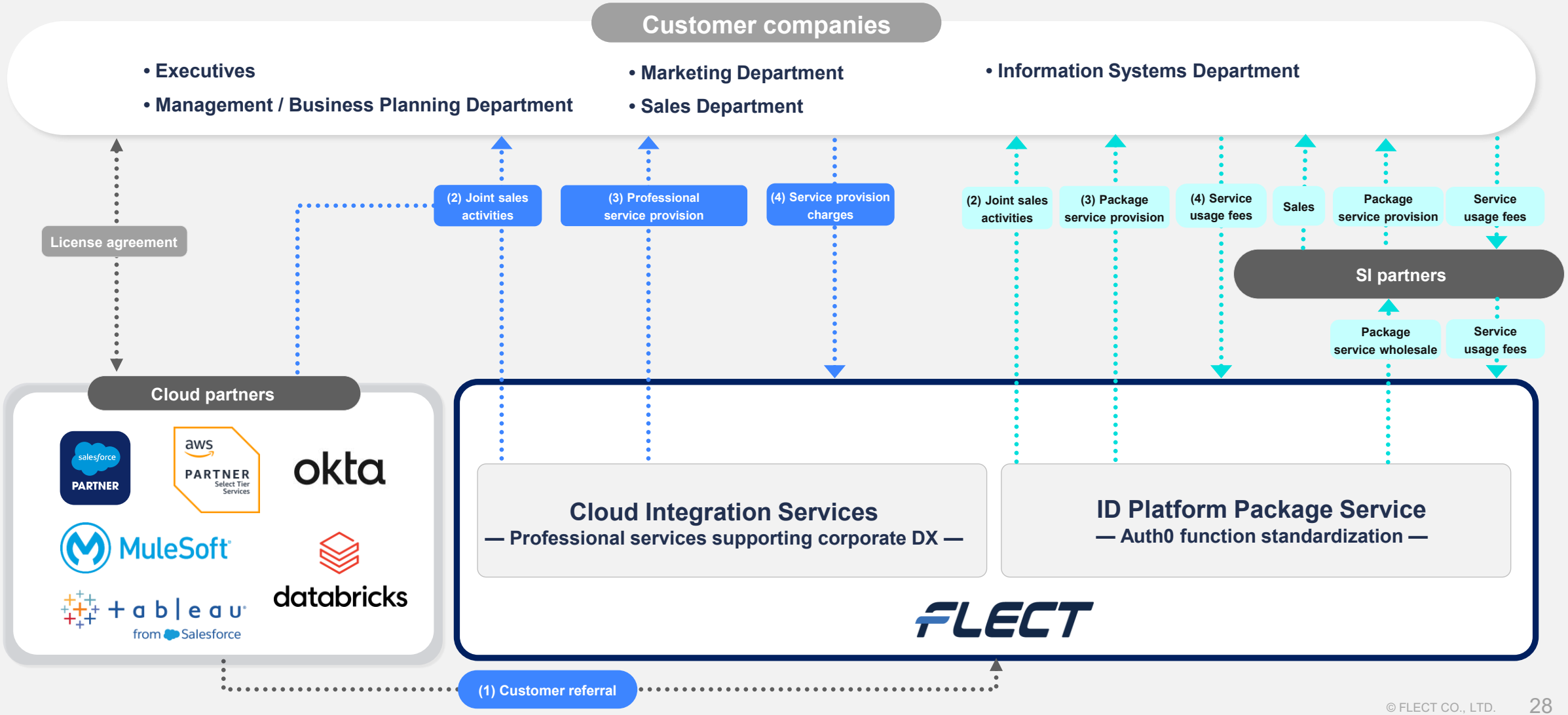
Service Flow

We receive customer referrals from cloud partners, conduct joint sales activities, and provide professional services directly to acquired customers.
The ID Package Service is provided to customers either directly or through SI partners.



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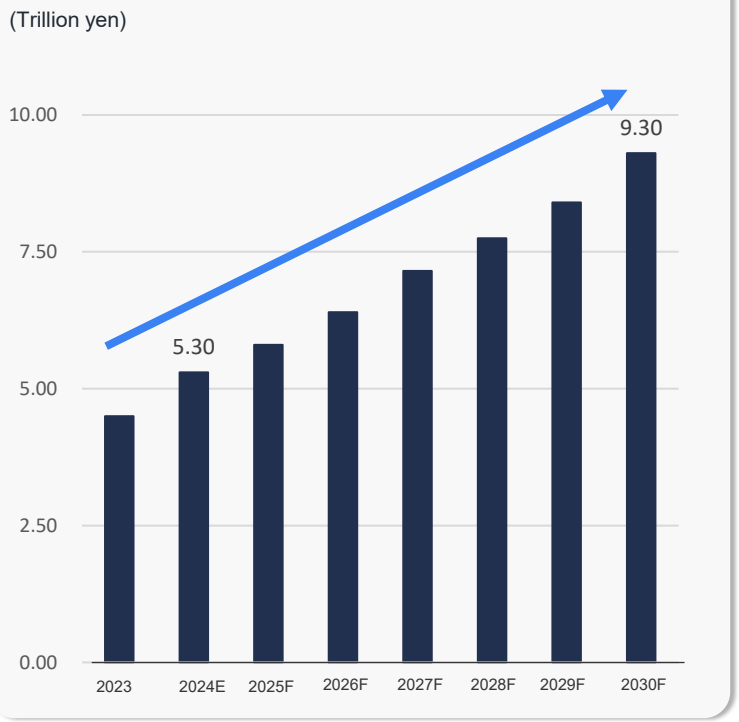
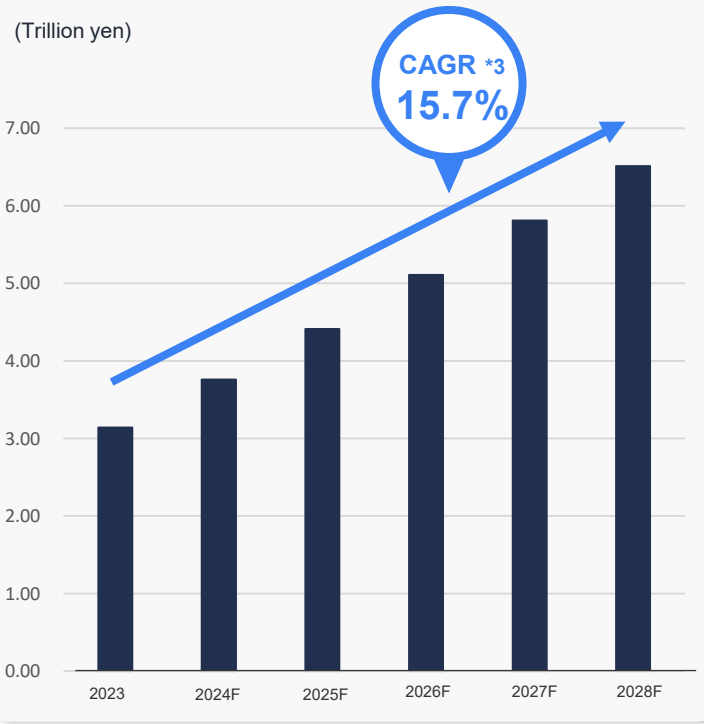
The Japanese DX, Cloud, and AI Markets Are All Expanding

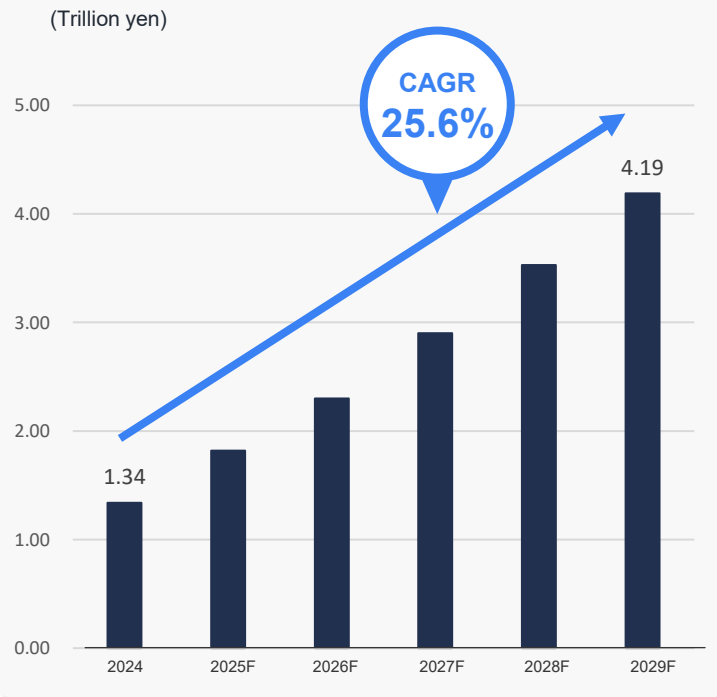
Domestic DX-related investments (2023–2030) *1



The domestic public cloud market is expanding at a CAGR of 15.7% from 2023 to 2028 *2



Domestic AI System Market Forecast (2024–2029) *4



*1 Quoted from "2025 Future Prospects of the Digital Transformation Market — Market Edition," Fuji Chimera Research Institute, Inc.
*2 Quoted from "Sales Forecast for the Domestic Public Cloud Services Market," IDC Japan, Inc.
*3 CAGR (Compound Annual Growth Rate) is an annual geometric mean calculated from multi-year growth rates.
*4 Quoted from "Domestic AI System Market Forecast," IDC Japan, Inc.

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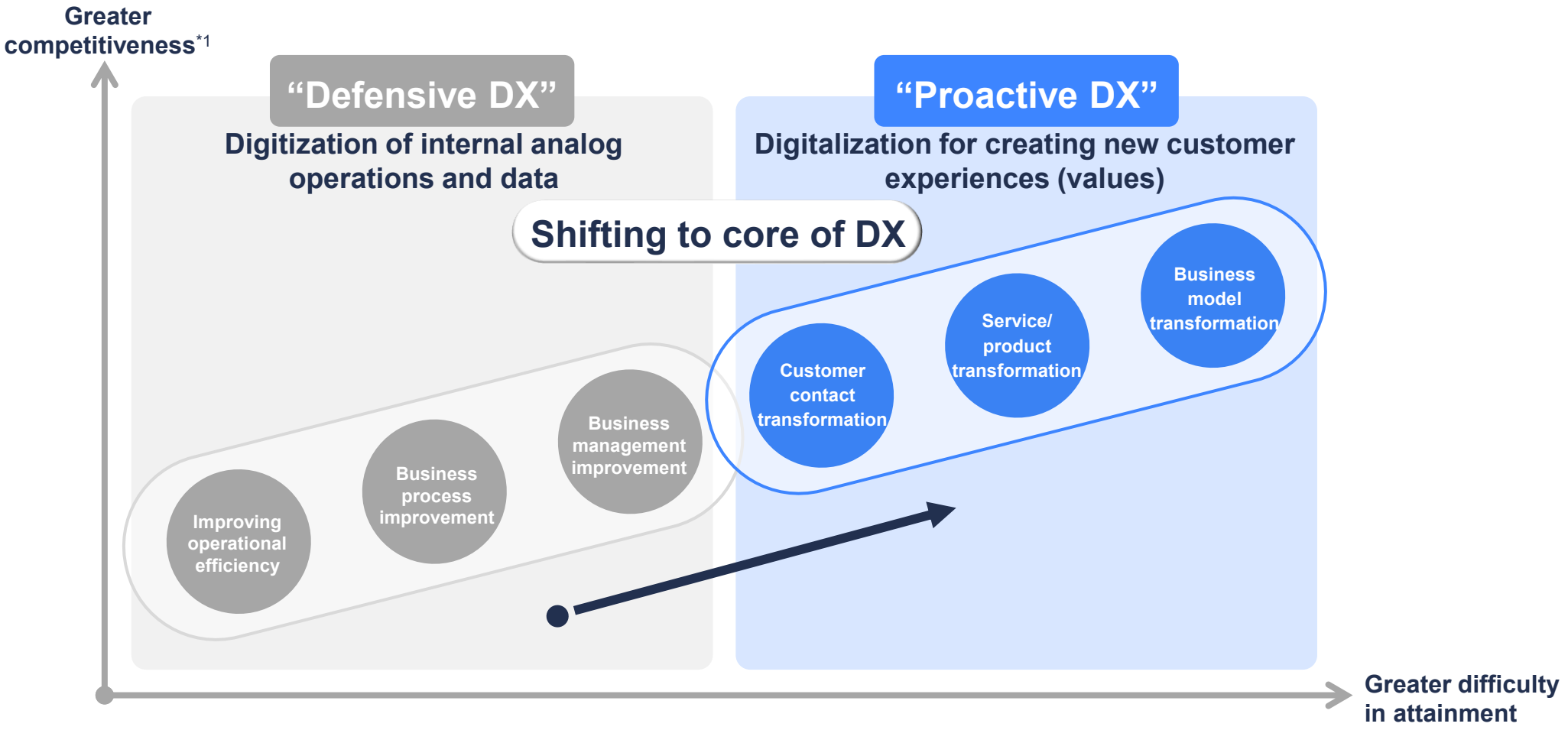
Core of DX Lies in “Proactive DX” that can Enhance Corporate Competitiveness

Shifting from "Defensive DX," which digitizes internal analog operations and data with the aim of cost reduction, to "Proactive DX," which creates new customer experiences with the aim of improving revenue and customer engagement, leads to greater corporate competitiveness.



*1: Compiled proprietarily based on “Survey on Digitization Initiatives in Japanese Companies,” NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.

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Supporting "Proactive DX" That Realizes New Customer Experiences Through Cutting-edge Cloud and AI Technologies

We build data coordination, ID integration, and data integration platforms; develop application integrations for community services, EC services, IoT services, and more using the Salesforce platform; and support "Proactive DX" by embedding AI in every digital service.

DX Services Provided

Multi AI

- Agentforce
- MuleSoft Agent Fabric
- Amazon Bedrock
- auth0 for AI Agents
- Agent Bricks

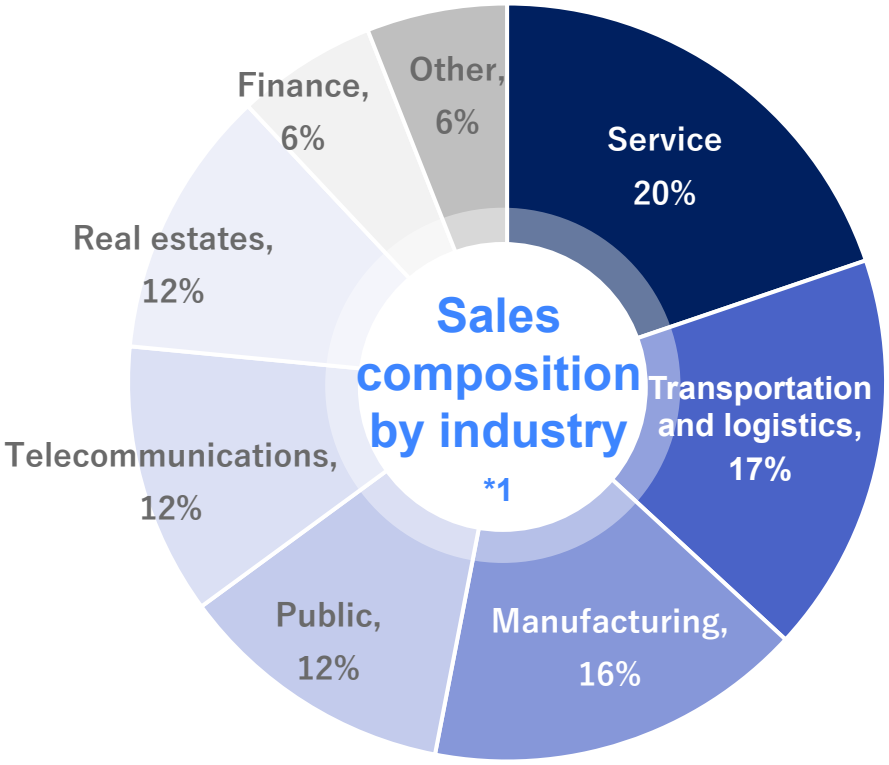


Proactive DX Powered by AI

© FLECT CO., LTD.

Supporting Major Companies in Diverse Industries

Our customer base is centered on major companies *1 that are actively promoting DX, with major companies accounting for 93% *2 of sales. Industry types are varied, and our structure is less susceptible to trends in any specific industry.



* Partial excerpt of logos we are licensed to publish

*1 Major companies: Those listed in Nikkei 225, Nikkei 400, or Nikkei 500; or their group companies; or those with sales equivalent (100 billion yen or more).
*2 Based on sales to major companies for the full year, fiscal year ended March 2026.

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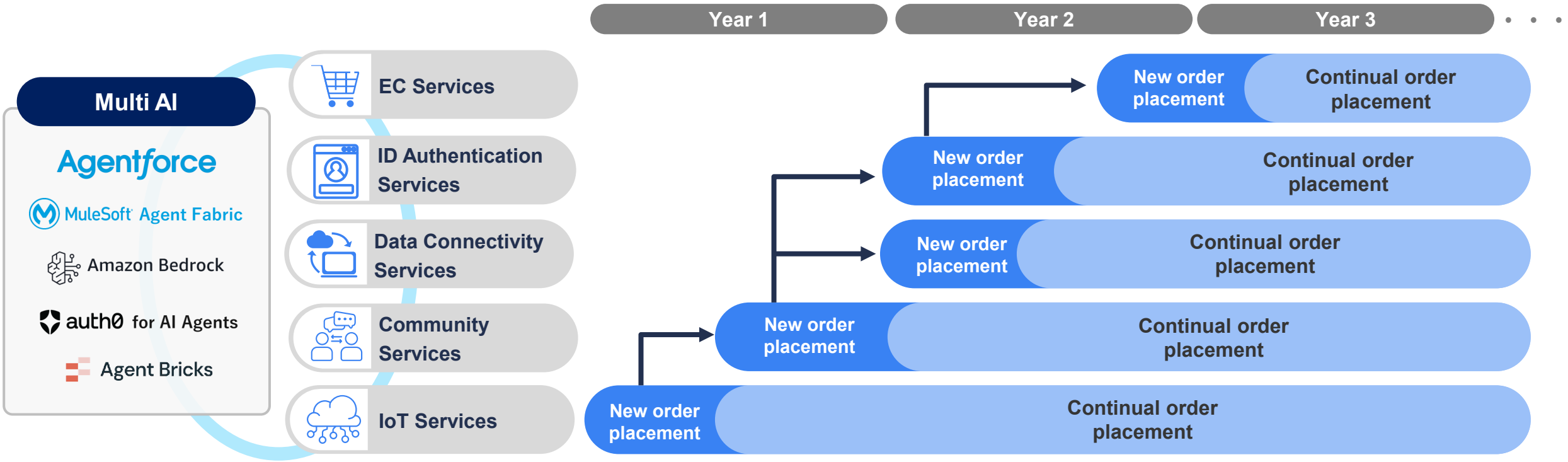
Continuous Orders for DX Projects and Expansion Through Cross-selling

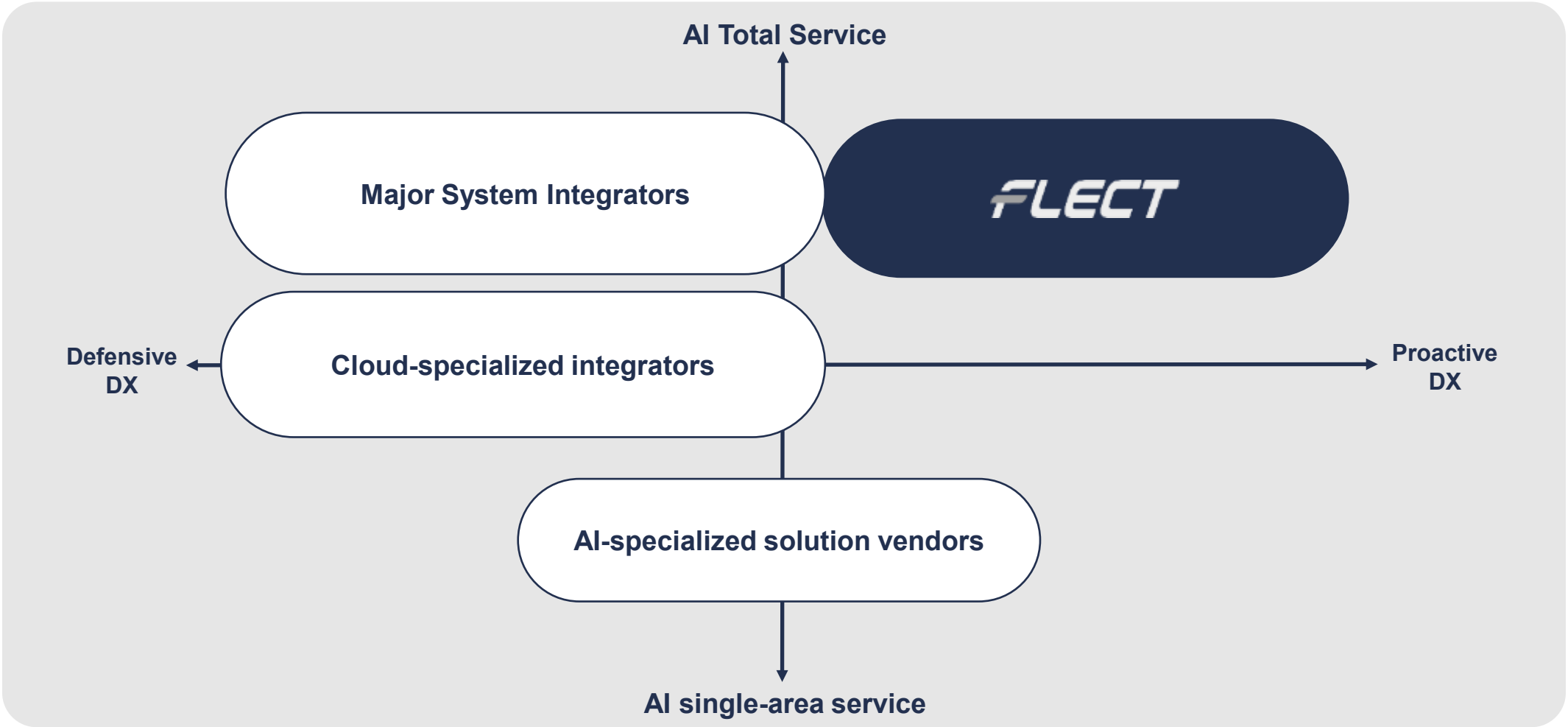
We will continuously evolve digital services while simultaneously promoting the development of multiple digital services. By embedding AI in every digital service, we will expand cross-selling through AI total services.



Unique Positioning in the Cloud- and AI-Based DX Engineering Business

With "Proactive DX through AI total services for major companies" as our primary business domain, we hold a unique position with abundant knowledge and a strong track record in both "Building AI-Ready Systems" and "AI Implementation and Utilization."

Positioning Map for DX Engineering Targeting Major Companies *1



*1 The above diagram describes principal business domains and is prepared based on the Company's views.

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Social implementation of cutting-edge technologies through R&D

Aiming to solve corporate, industrial, and social issues with cutting-edge technology, we conduct R&D on cutting-edge technologies that are not yet in widespread use and areas that could attract attention in the future. As specific areas of research, we are promoting research on work automation and optimization through AI, real-time voice changers based on AI, etc.

Work automation and optimization through AI

We are conducting research to automate or save labor in planning and decision-making work that has always been performed by people by using OR (Operations Research)*1 technology.

Results of use / image

- Automation of vehicle test schedule preparation with Honda Motor Co., Ltd.
- Optimization of transportation and delivery plans by vehicle and freighter
- Automation of the preparation of project assignment proposals

HONDA × FLECT



Real-time voice changers based on AI

We are conducting R&D to convert the human voice, which is increasingly in need of privacy protection as biometric information, into another voice in real time using AI.

We are aiming to realize a superior voice experience for the listener at the same time as protecting privacy.

Image of use

- Voice privacy protection (telephone handling at call centers)
- Security measures (answering on an intercom)
- Superior voice experience (digital signage avatars)



We have made a partial release to the public as OSS (Open Source Software) and are currently highly acclaimed on GitHub with more than 15,000 Stars, proof of evaluation.

The company's technology has also been used in the real-time voice conversion technology for the voice of former Prime Minister Kishida, which was introduced at the "Dialogue with Next Generation Leaders on AI" held on May 9, 2023, at the Prime Minister's Official Residence.

*1 OR (Operations Research): Various approaches to support decision-making scientifically (mathematical optimization, data analysis, algorithms, etc.)

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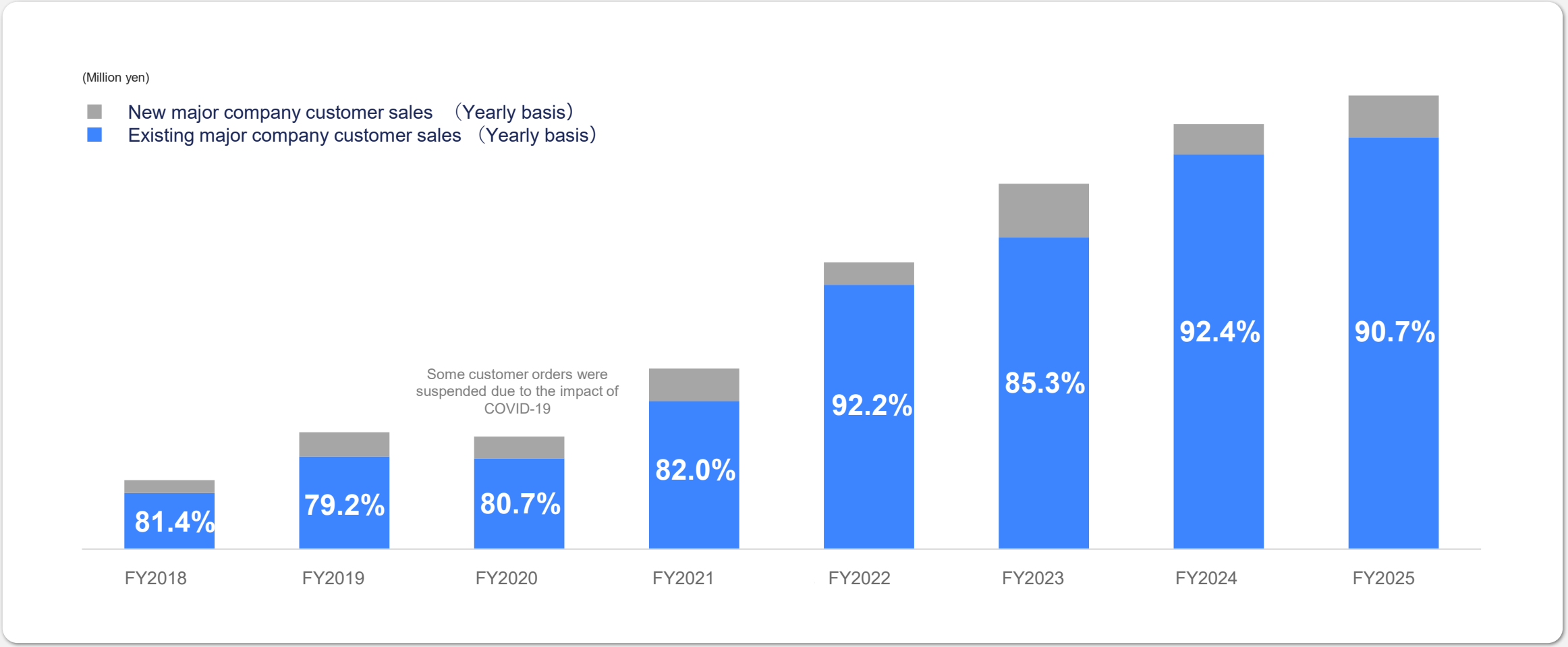
Sales Composition Ratio of Existing Major Companies *1

Through continuous orders for DX projects and cross-selling, we have achieved a high level of recurring sales, despite being a flow business.
For the fiscal year ended March 2026, the sales composition ratio from existing major companies is 90%.



*1 Sales composition ratio of existing major companies: The proportion of sales from customers who had contracts prior to the previous fiscal year, out of sales to major companies.

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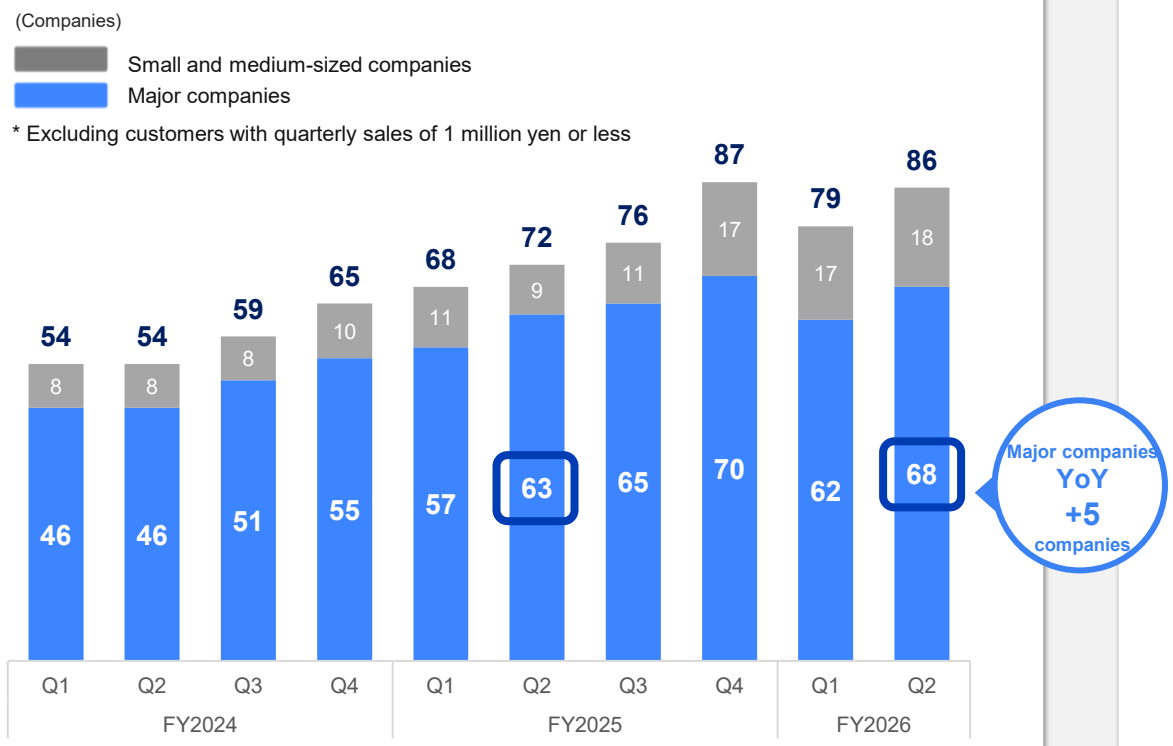
KPI Trends (Quarterly Basis)

All customers: Number of quarterly contract customers (all customers)*1

In 2Q of the fiscal year ending March 2027, in addition to acquiring new customers, the number of quarterly contract customers among major companies increased by 5 companies YoY to 68 companies.



All customers: Quarterly average revenue per account (ARPA*2)

ARPA for major companies in 2Q of the fiscal year ending March 2027 increased by 0.8 million yen YoY to 30.8 million yen.



*1 Number of contract customers in the quarterly accounting period excluding resales and quarterly sales of 1 million yen or less. Resales are where the company resells purchased licenses to customers and are excluded because the amount at the company is small.
*2 Abbreviation of average revenue per account (average sales per customer), or quarterly average sales per customer excluding resales and quarterly sales of 1 million yen or less.
Calculated by dividing quarterly sales excluding resales and quarterly sales of 1 million yen or less by the number of quarterly contract customers

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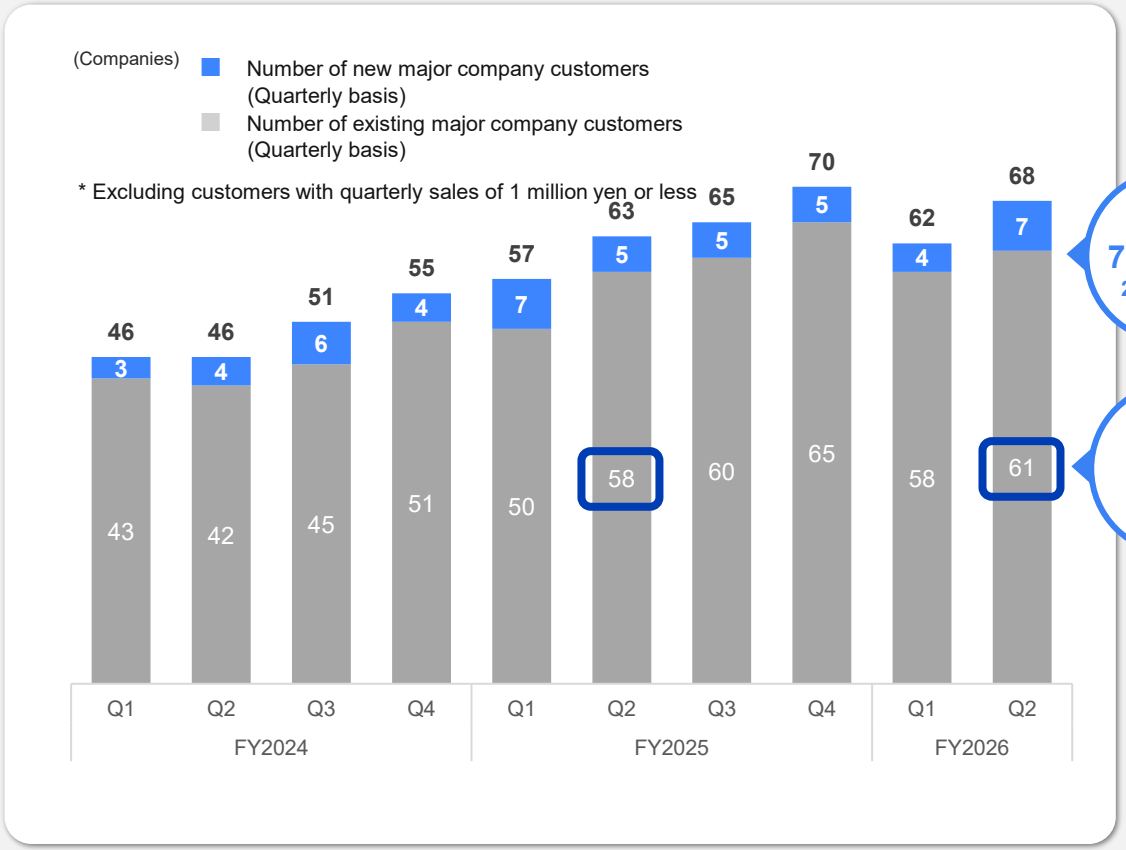
KPI Trends (Quarterly Basis)

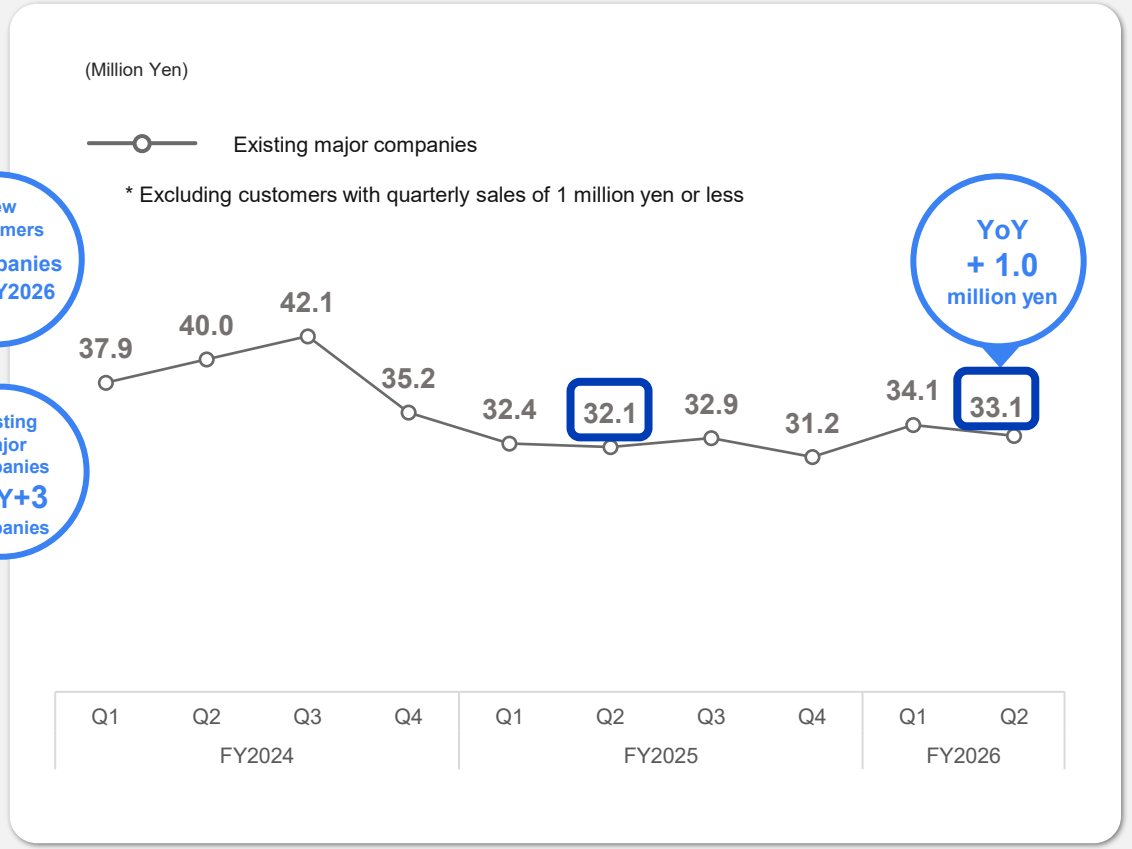
Quarterly contract customers (major companies) *1 : New vs. Existing breakdown*2

In 2Q of the fiscal year ending March 2027, we acquired 7 new major companies. The number of quarterly contract customers among existing major companies increased by 3 companies YoY to 61 companies.



Quarterly average revenue per account (ARPA*3) Existing major companies

ARPA for existing major companies in 2Q of the fiscal year ending March 2027 increased by 1.0 million yen YoY to 33.1 million yen.



*1 Number of contract customers in the quarterly accounting period excluding resales and quarterly sales of 1 million yen or less. Resales are where the company resells purchased licenses to customers and are excluded because the amount at the company is small.
*2 Customers newly acquired in the current quarter are referred to as new customers and other customers as existing customers
*3 Abbreviation of average revenue per account (average sales per customer), or quarterly average sales per customer excluding resales and quarterly sales of 1 million yen or less. Calculated by dividing quarterly sales excluding resales and quarterly sales of 1 million yen or less by the number of quarterly contract customers

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Case studies of DX Support - 1

KOMATSU

SMART CONSTRUCTION Fleet

We developed a dynamic management app for dump trucks.

IoT

ANA

Support for the introduction of the MuleSoft Anypoint Platform®

We are supporting the building of an API platform that uses MuleSoft to maximize the value of customer experience.

API MuleSoft

NTT docomo

An “online community,” a common backyard platform between DOCOMO, sales agents and docomo shops

We are realizing the greater efficiency of backyard operations using the Salesforce platform.

Portal Salesforce

ブリヂストンリテールジャパン株式会社

Building of a visit reservation system

We are maximizing the improvement of customer experience and marketing effectiveness based on authentication infrastructure using Okta and multi-cloud development including various Salesforce products.

ID Portal Okta Salesforce

Panasonic

Construction Customer Database

This system utilizes MuleSoft as the API integration platform to realize data coordination between CRMs introduced at group companies efficiently.

API MuleSoft

HONDA

Joint paper on “Automated Test Scheduling Using VRP Methodology”

We aimed to shorten the development period and reduce costs for new models, and succeeded in reducing work time, which was previously 90 hours, to just 6 hours.

AI(OR)

Zoff

AI Customer Service Application

Provides personalized eyewear recommendations based on customers' purchase history and preferences, improving the customer experience—including easing anxiety around eyewear purchases—and boosting store staff productivity

AI Salesforce

JGC 日揮グローバル株式会社

The “Corret” integrated communication platform

We used the Salesforce platform to manage communications with numerous stakeholders, including customers, efficiently.

Portal Salesforce

KOKUYO

Sales DX in internal systems

Synchronizing and sharing customer information, regardless of time or location, has enabled team members to access the latest information easily.

SFA Salesforce

慶應義塾 Keio University Tokyo, Japan

“K-Support” educational support system for faculty and staff and portal site for students

Support for the development of “test form input,” “grade input,” “syllabus input,” “course request input” and the “student portal”

Portal Salesforce

WOWOW

“WIP” authentication infrastructure system

We renewed the authentication infrastructure system to realize the reduction of system load and the enhancement of security during times of concentrated logins.

ID Keycloak

NTTビジネスソリューションズ

Support for the introduction of the MuleSoft Anypoint Platform®

We supported the building of an API integration platform based on MuleSoft for “elgana®,” a business chat service. This will realize the improvement of customer experience through service coordination.

API MuleSoft

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Case studies of DX Support - 2

経済産業省 Ministry of Economy, Trade and Industry

A staff information DB and attendance management system

We built a staff information DB and attendance management system using Salesforce.

Government | Salesforce

Ministry of Health, Labour and Welfare

Contracted for development related to the "EMIS Project"

We developed main functions of the Emergency Medical Information System (EMIS), used in disaster medical care, utilizing Salesforce and the MuleSoft API integration platform

Government | API | Salesforce | MuleSoft

Ministry of Foreign Affairs of Japan

Design and Development of the Overseas Allowance Payment System

We developed the Overseas Allowance Payment System.

Government

the Japan Association for the 2025 World Exposition

The introduction of services and infrastructure for stakeholders and operation and maintenance

We improved visitor services by streamlining the work of expo personnel.

Government | Portal

Organization for Small & Medium Enterprises and Regional Innovation, JAPAN

Secondary development and operation and maintenance duties for "Digiwith".

Integrating Salesforce, Agentforce, Data 360, and other services to expand the functionality and improve the quality of the digitalization support portal "Digiwith."

AI | Portal | Salesforce

National Institute of Advanced Industrial Science and Technology

"a financial accounting-related application system service," "a chemical substance / research results export system service" and "a research note system service."

We build highly convenient, cloud-based systems using Salesforce.

Government | Salesforce

NTT SMILE ENERGY

Implementation Support with Okta (Auth0)

Building an Integrated Authentication Infrastructure with Okta (Auth0)

ID | Okta | AWS

'なんかいいね'があふれてる NANKAI

Supported the Renewal of NANKAI Group's Authentication Infrastructure

Renewed the "minapita ID" group-wide ID infrastructure using Auth0, integrating social login IDs and building a brand-unified admin console. Migration required no password resets, expanding service integration and improving customer experience.

ID | Okta

SAT

Support for operational efficiency improvement in third-party IT equipment maintenance services

AI presents similar past cases from a history of IT equipment failure responses, enabling quick identification of necessary information from vast data, reducing maintenance workload, shortening response time, and standardizing response quality — improving customer experience.

AI | Salesforce

SOME THING

The "MARCRAY" Ground improvement quality assessment App

We realized the greater work efficiency of ground improvement work with imaging diagnosis using AI, which has eyes equivalent to an expert's.

AI | Salesforce

Otsuka 大塚倉庫株式会社

The "Order.net" corporate EC platform

We realized the streamlining of ordering and order receipt work and customer satisfaction simultaneously.

EC | Salesforce

美しい時代へ── 東急グループ 東急建設株式会社

The "Kenki Navi" IoT service for monitoring the operation of construction equipment

We realized the "visualization" of the operating rates, locations and CO_2 emissions of construction equipment with GPS and SIM functions and a cloud system.

IoT | Salesforce

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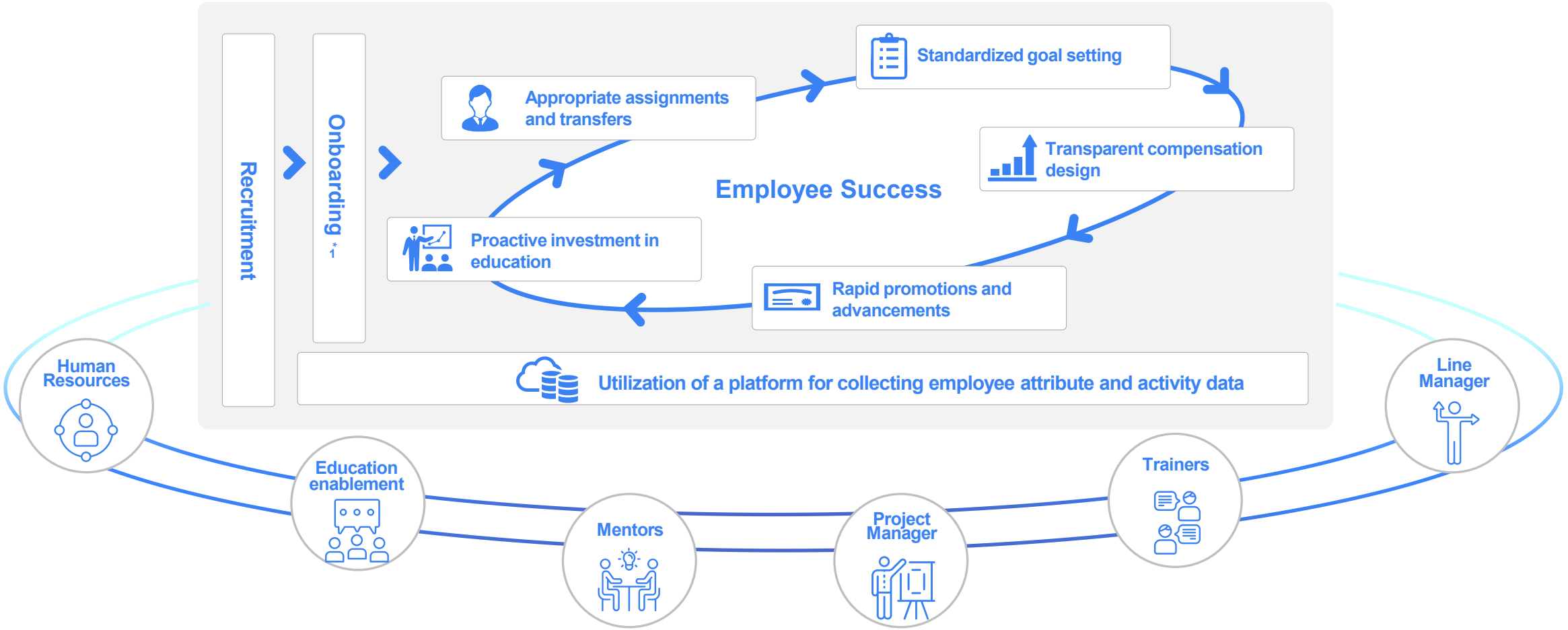
Mechanisms that maximize the effectiveness of human resource investments

We are building structures and systems that enhance the reproducibility of employee career advancement, leading to increased employee satisfaction and company growth. Supporters such as Human Resources, Education Enablement (Promotion), mentors, trainers, and managers provide multifaceted follow-up from recruitment to training and employees' daily work, maximizing the effectiveness of our investment in human resources.



* 1 Onboarding means initiatives to help human resources new to the organization such as new employees and mid-career hires adapt to the workplace, prevent early job turnover, and promote their establishment and competitiveness.

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An attractive environment to realize career advancement as an engineer

Our business and personnel and training systems make us attractive and we are chosen by many engineers.



1	Multi-cloud	Experience with multi-cloud platforms such as Salesforce, AWS, MuleSoft, Okta, etc.
2	Multi-AI	Agentforce, MuleSoft Agent Fabric, Auth0 for AI Agents, Genie, Bedrock, etc. Experience with cutting-edge AI technologies
3	DX support for major companies	Experience with project for the DX of major companies representative of Japan.
4	Involvement from upstream processes	Experience with project covering end-to-end processes from upstream to downstream, including service planning.
5	Development System and Systematization	A comprehensive support system for career advancement centered around the Growth Support Team
6	Flexible Working Styles	Work with a full flex-time system and the possibility of full remote work. Gain experience in cutting-edge cloud projects even if you live in rural areas

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Promotion of systems fostering Multi-disciplinary expertise and human resource development

With a Growth Support Team as a focal point, we constantly promote employee education and systemic improvement activities.

Mid-Career hiring

Joining

Ratio of new mid-career recruits having no job experience in cloud business
80%

Education

Actual work

One month
from joining the company to project assignment



Continuous improvement through feedback cycles

New graduate hiring

Joining

Join the company in April or October
Percentage of Masters and PhDs **90%**

Education

After joining the company,
3 months
to on-site assignment

Official assignment

6 months
to completion of OJT on site

Actual work

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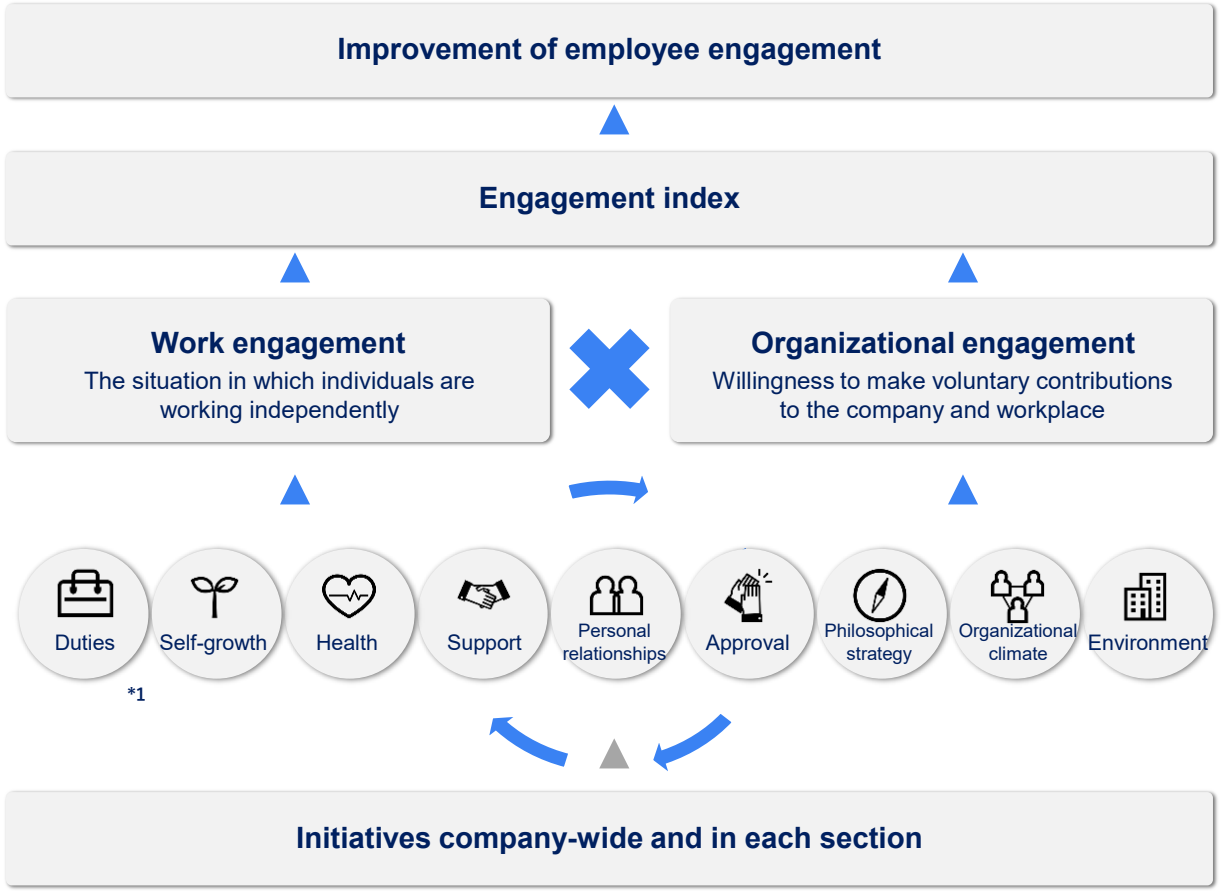
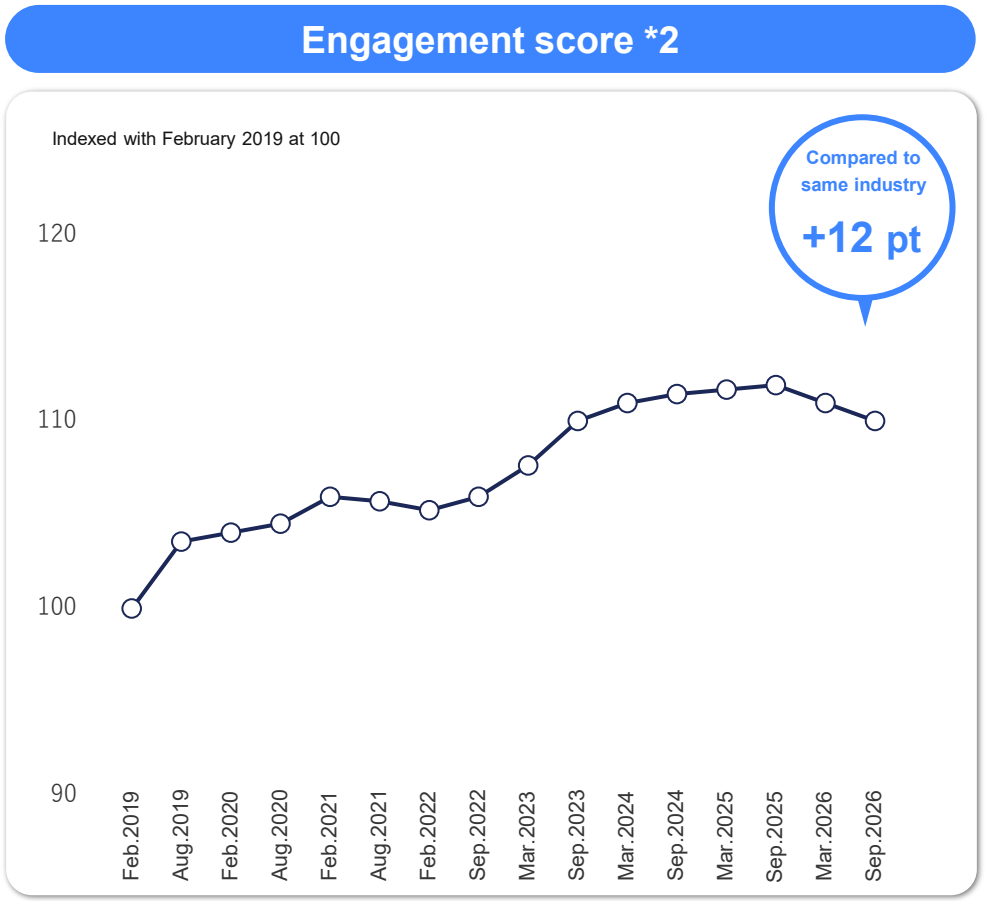
Follow-up Mechanisms That Increase Employee Engagement

We have established an operational system that regularly aggregates employee engagement scores, monitors them by department, and swiftly implements measures based on identified issues. We also accept feedback from employees and conduct individual follow-ups. By flexibly and proactively implementing initiatives in response to changes in employee conditions and the external environment, our engagement score has been trending upward since measurements began.





*1 Prepared based on Atrae Inc.'s Wevox engagement survey items.
*2 One-year moving average of Wevox engagement scores for Cloud Integration Services, indexed to 100 in February 2019.

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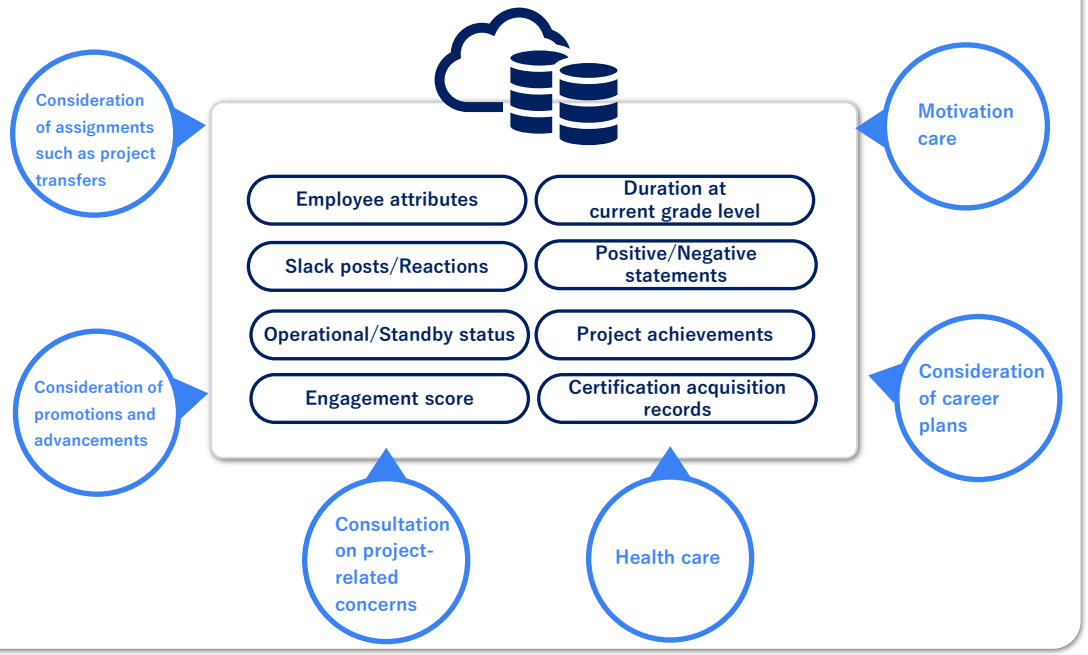
Utilization of the data collection infrastructure for employee attributes and activity data.

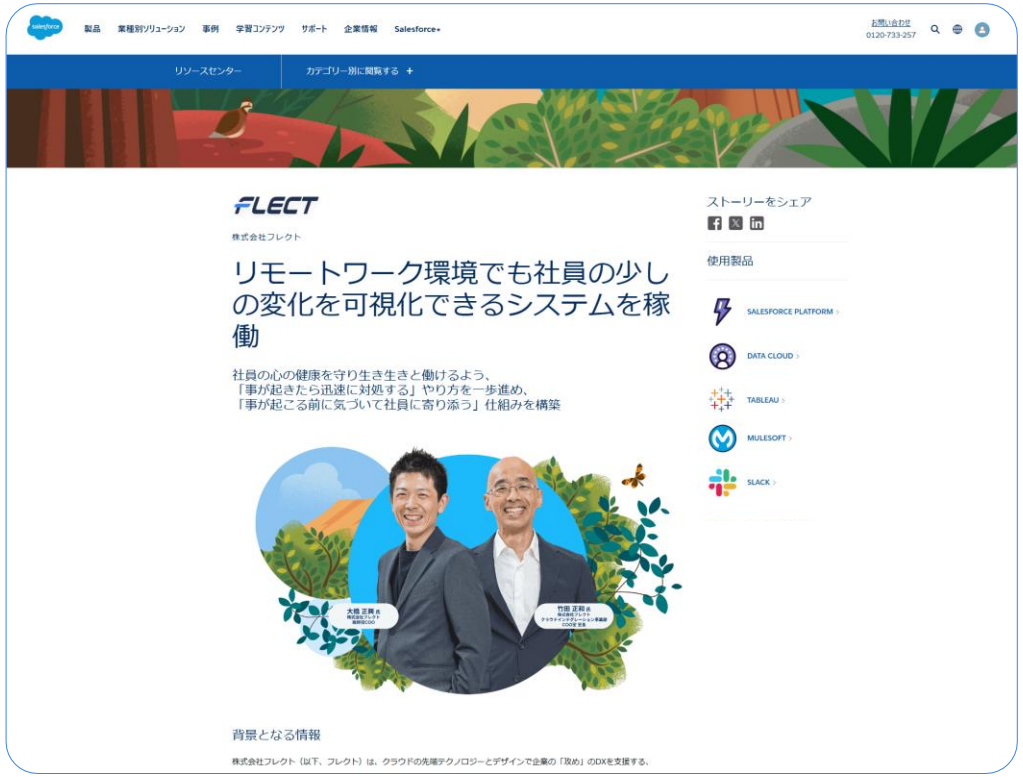
We utilize employee data as a basis for decision-making in career plan design and work assignments. Additionally, by understanding employee conditions in remote work environments and using this information for follow-up, we achieve early care. These data infrastructure and visualization systems have been introduced as advanced case studies by Salesforce.

Integrate employee data, appropriate and swift follow-ups.

- **We integrate all data related to employees and conduct monitoring.**
- **By visualizing even subtle changes for each employee, we operate a system that automatically notifies managers about employees who require follow-up.**



Published on Salesforce's case study page



https://www.salesforce.com/jp/resources/customer-stories/flect/

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Excellent engineers with diverse backgrounds are actively successful.

A diverse group of engineers, including new graduates, veterans from large companies, and full remote workers are actively successful.

Hiring of experienced personnel (mid-career hiring)



May 19, 2023

From a major company to Flect. New challenges that even veterans can start on

https://www.talent-book.jp/flect/stories/52029

Career

Major telecommunications company
Think tank SIer

I joined the company after working for a major company. I use my extensive experience in upstream processes, to lead cloud integration projects as a PM.



August 10, 2023

Consistently motivated to learn and explore a wide range of technical fields - from front-end engineering to the cloud domain

https://www.talent-book.jp/flect/stories/52360

Career

Front engineer
No cloud experience

From no cloud experience to developing an e-commerce site for a major tire manufacturer using Salesforce. My work and personal life are in harmony due to full remote work and flexible hours.

New graduate hiring



January 15, 2024

Actively successful from the first year in a diverse environment - The Flect identity discussed by members who joined the company at the same time

https://www.talent-book.jp/flect/stories/53608

Major

Master's program in information engineering
Doctoral program in mathematics
Master's program in life sciences

Even in the first year after joining, you can play an active role with discretion as an engineer. I was also selected as a project manager in my first year.



August 25, 2023

It is interesting because there is no goal or correct answer. Shaping the ideal future from a thoroughly customer perspective

https://www.talent-book.jp/flect/stories/52489

Major

Master's program in information engineering

I was selected as a project leader in my first year with the company. I was also involved in upstream processes such as the definition of requirements and moved to the forefront of cloud integration.

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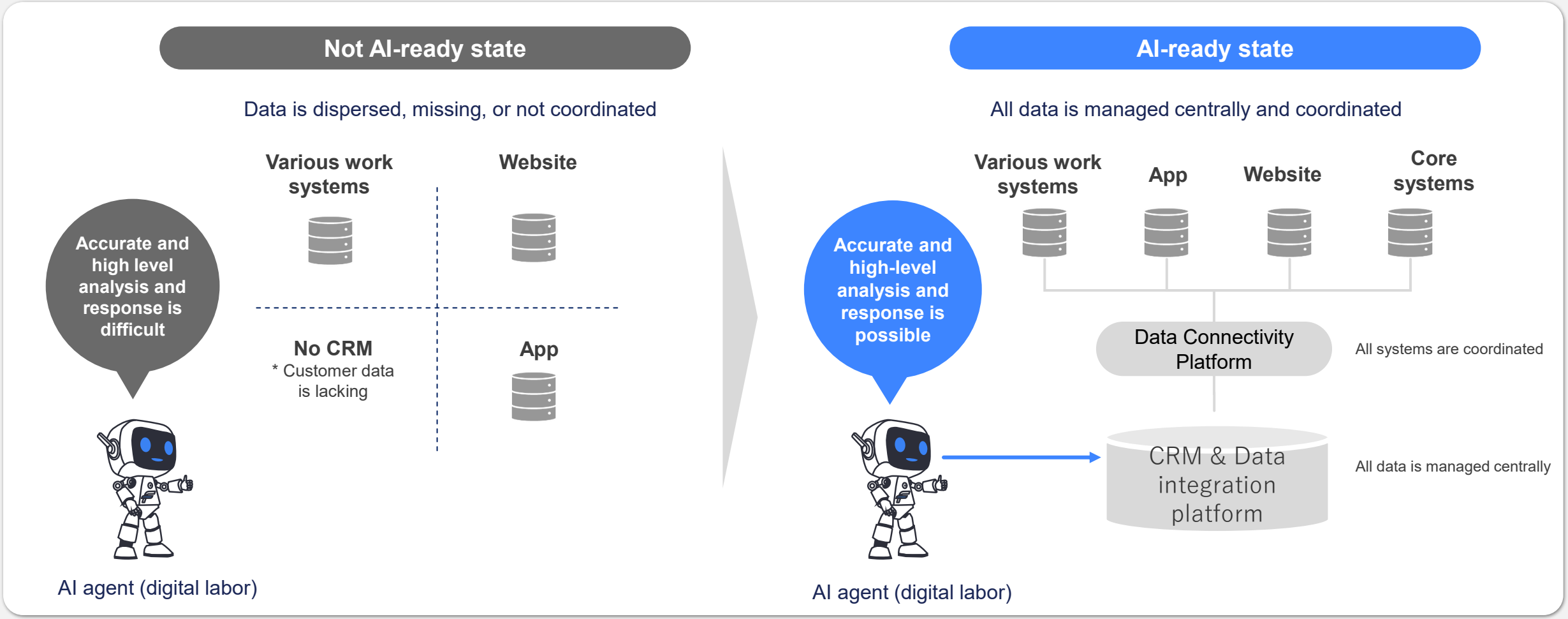
Building AI-ready systems maximizes the effectiveness of AI utilization

One of the important points in maximizing the effectiveness of AI utilization is centralized data management. When data is dispersed, insufficient, or unorganized, it can be difficult for AI to deliver accurate and high-level analysis and responses, and the full benefits may not be realized. Data coordination — which connects all systems and gathers data — is also a key point in achieving centralized data management.



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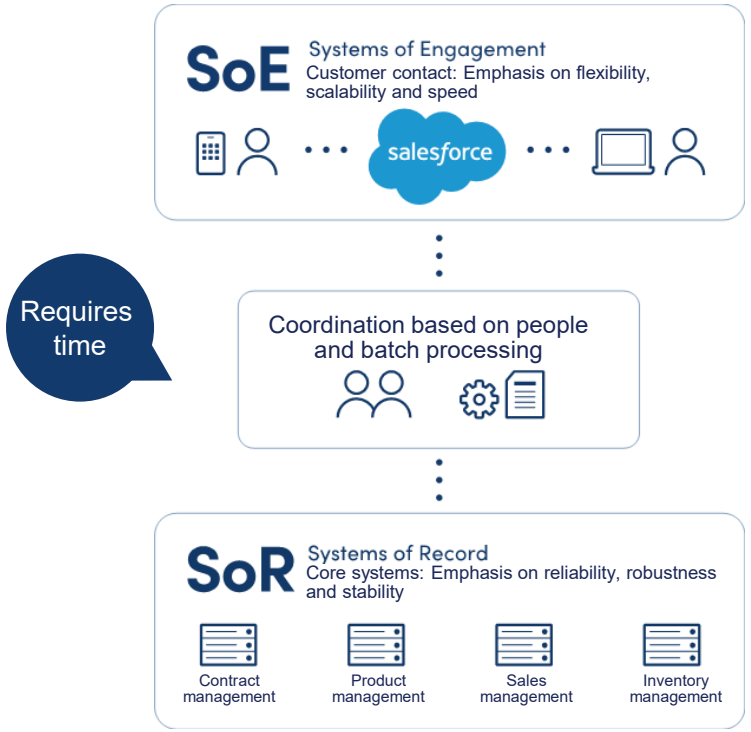
MuleSoft API integration platform

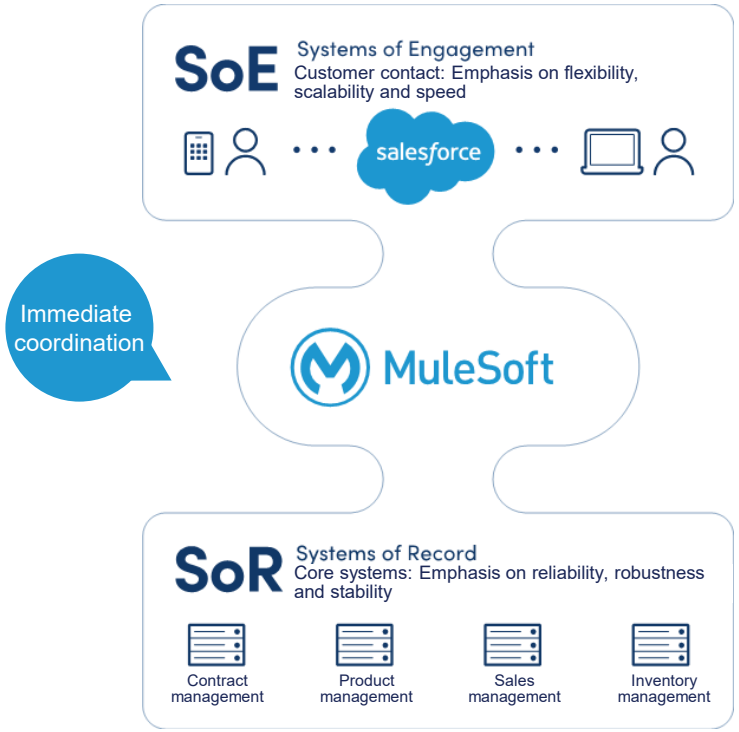
We use the platform provided by MuleSoft, LLC., a leading API integration platform provider, to connect all system, whether in the cloud or on-premises, with API integration. Linking disconnected systems realizes the improvement of customer experience.

MuleSoft API integration platform

The customer experience is impaired as systems are disconnected



The customer experience is improved as all systems are coordinated



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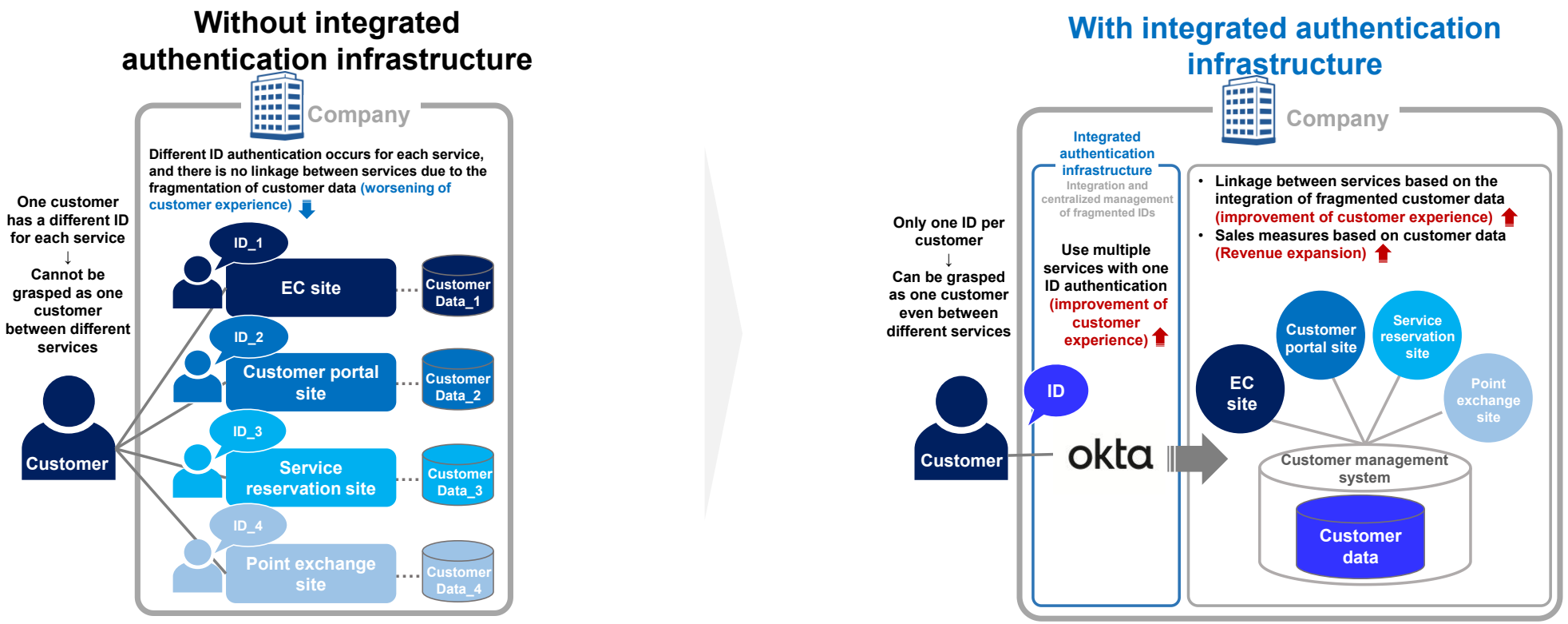
Okta ID integration platform

We use the platform provided by Okta, Inc., a major identity management service provider to integrate identities across all digital services. Integrating disconnected customer data realizes the improvement of customer experience.

Okta ID integration platform



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Sustainability Initiatives

In 2020, we joined the SDGs Public-Private Partnership Platform for Local Revitalization operated by the Cabinet Office, and have contributed to the SDGs through various initiatives

Society

Job satisfaction and job opportunities

- Provision of opportunities to improve skills and advance career with the theme of maximizing value of resume
- Provision of care for job satisfaction by monitoring the Employee Engagement Scores
- Recruitment of diverse human resources, such as local residents (full remote work), those with no cloud experience, foreign nationals, and elderly staff
- Short-time work and leave for childcare

Promotion of education

- Promotion of education by education enablement team
- Provision of a variety of educational opportunities, including the holding of internal and external technical study sessions, support for acquisition of qualifications, and in-house original e-learning

Technology innovation

- Research and development of advanced cloud and AI technologies, social implementation of technological innovation through DX support for companies

Economic growth and productivity

- Improvement of productivity and creation of new customer experience value through DX support for companies
- Provision of diverse ways of working to maximize performance, including full remote work









Governance

Corporate governance

- Checks by a majority of outside directors
- Fair decision-making with a composition of directors with diverse knowledge

Compliance

- Establishment of a solid management foundation through compliance



Environment

CO_2 emissions

- Contribution to reducing CO_2 emissions by eliminating physical servers

Conservation of natural resources

- Promotion of paperless operations with DX support



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Management Team



Founder/
Representative Director and CEO

Koji Kurokawa

Starting a company as a student and accumulating entrepreneurial experience in IT for over 20 years

Based on his experience of founding a predecessor IT company, Mr. Kurokawa established FLECT Co., Ltd. in 2005. As Representative Director and CEO, he launched its cloud services and established the business bases and has steadfastly directed its course at the helm. With the mission of “Pursuit of Everyone’s Fulfilment of Life through the Internet,” he firmly intends to maximize the happiness all stakeholders of the Company can enjoy and values it can present.



Director

Masaoki Ohashi

Selected one of the 99 people capable of changing the IoT in Japan

Mr. Ohashi joined Sony Ericsson Mobile Communications in 2004 and was first engaged in the development of mobile phone middleware. He joined FLECT Co., Ltd. in 2007, and was appointed director in 2009. He then took charge of its cloud business, and successfully led it onto a path of growth.



External Director, Audit and Supervisory Committee Member

Yosuke Tetsukawa

Representative Partner, Improve Tax Co.
Certified Public Accountant



External Director, Audit and Supervisory Committee Member

Akihito Fujiwara

Former Standing Audit and Supervisory Board Member, Recruit Holdings Co., Ltd.



External Director, Audit and Supervisory Committee Member

Shuya Ogawa

Attorney at Law, Partner, TMI Associates

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Introduction to Investor Information Content

Shared Research Analyst Report

- Shared Research Inc. is a corporate analysis firm founded in 2009 that provides neutral reports written by external analysts to a wide range of investors, from global institutional investors to individual investors.
- The reports go beyond financial data and market trend analysis to cover business background and growth strategies in depth. We encourage you to make use of this resource to deepen your understanding of our company.

Shared Research (FLECT Page)
https://sharedresearch.jp/en/companies/4414

YouTube FLECT IR Channel



We have published videos of our financial results briefing webinars.

YouTube (FLECT IR Channel)
https://www.youtube.com/channel/UCAU7JnT0Kb0pmAn4cxj-vkw

*The video is available in Japanese only.

FLECT IR Site｜FLECT in 3 Minutes



A clear and easy-to-understand overview of FLECT's business.

FLECT IR Site｜FLECT in 3 Minutes
https://www.flect.co.jp/ir/investor/about/

*This content is available in Japanese only.

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