



Q1 FY2022 Financial Results (Securities code 6560)

5/2022
LTS, Inc.

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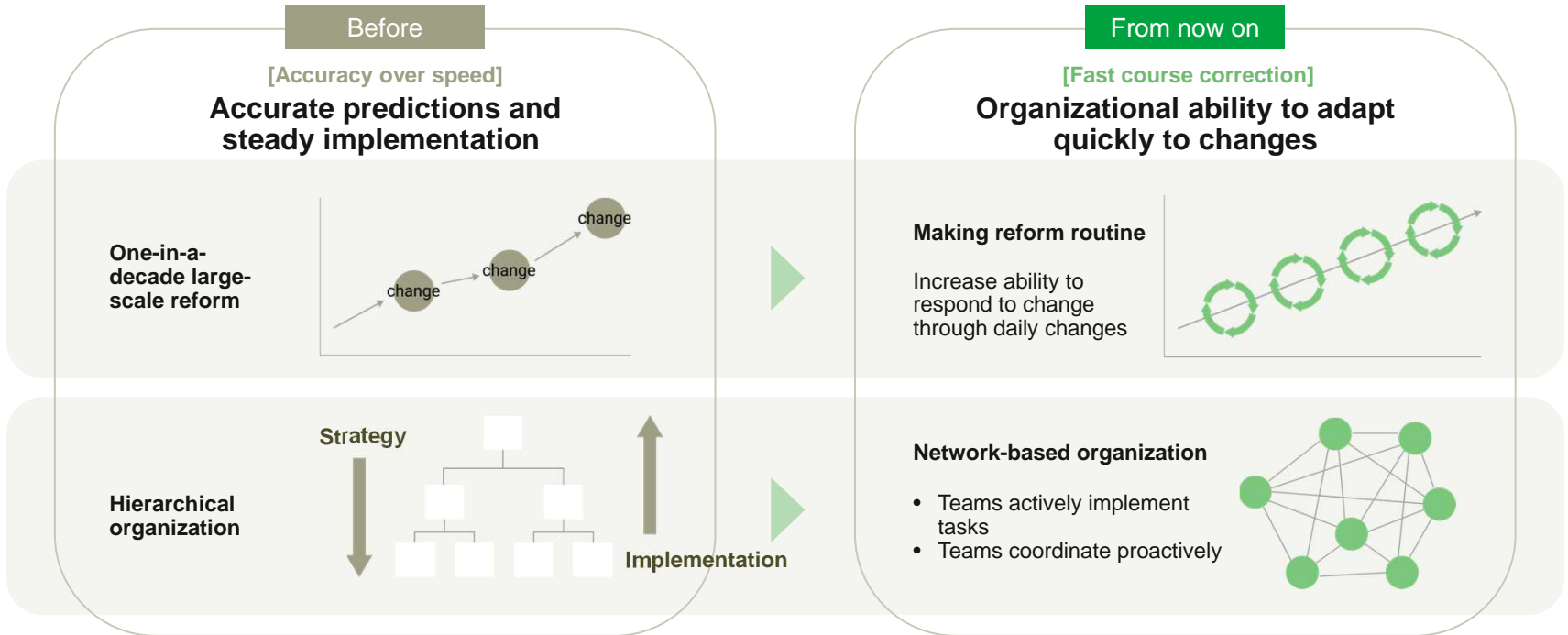
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Services

	Service(s)	Mission	Synergy of services	Customers	Profit model
Professional services business	Strategy establishment / digital utilization	Improvement of corporate customer capabilities to utilize digital technology and adapt to change	<ul style="list-style-type: none"> Establishment of business strategy and business model Data analysis and utilization of AI <p>↑ Creation of new projects</p>	Major corporations (and group companies)	Project-based contracts (high gross profit)
	Business process management				<ul style="list-style-type: none"> Development, management, and improvement of management/business foundation (business processes) Planning of reform projects <p>↓ Creation of DX projects</p>
	Consulting /engineering	DX project implementation/ maximization of value	<ul style="list-style-type: none"> Comprehensive DX project support Development/operation of corporate customer DX platform Training of reform/DX human resources <p>↑ Provision of human resources</p>		SMEs/communities/public services
Platform business	Consultant Job		<ul style="list-style-type: none"> Support for activities of independent consultants 		Membership dues + service fee-based
	Assign Navi	IT industry innovation	<ul style="list-style-type: none"> Matching of projects, professionals, and IT companies 	IT service industry/c companies	
	CS Clip		<ul style="list-style-type: none"> Matching of operating companies and DX companies Growth support for DX companies 		

Making Reform Routine (Background behind Favorable Performance of Professional Services)

In these times, companies work on various reform, whether large, medium, or small, on a daily basis, and it is necessary not only to promote individual projects but to acquire the ability to respond to change

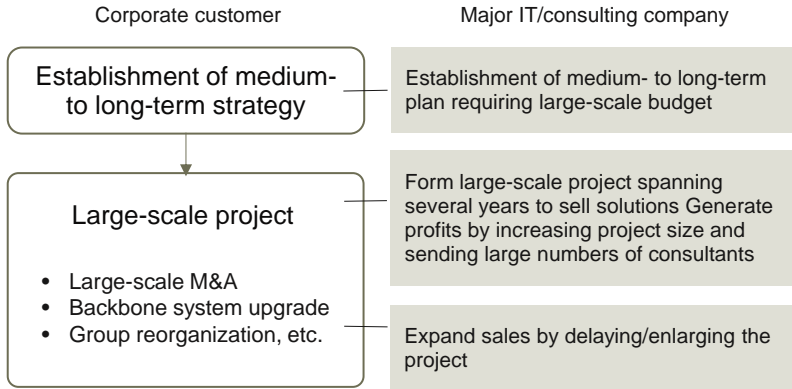


Characteristic 1 of Professional Services Business

LTS supports the promotion of individual projects and the acquisition of the ability to respond to change

Conventional consulting/IT services

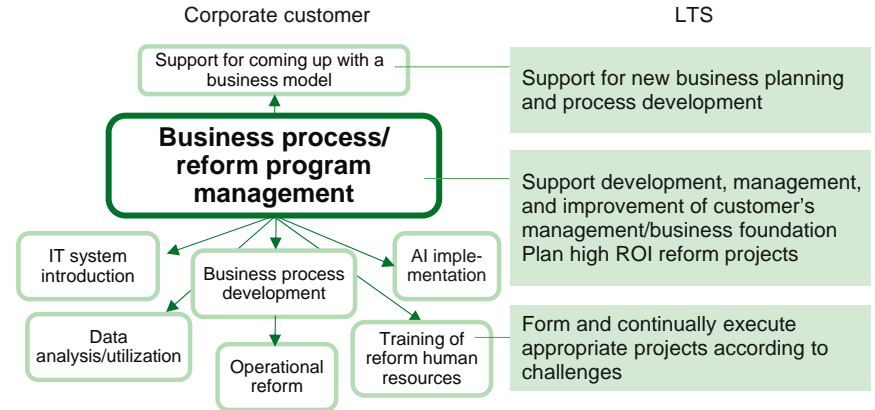
Growth support does not equal support for success of large-scale projects



- Large scale of measures makes them easily affected by sudden environmental changes, delaying response
- Withdraws at the end of the project and looks for a new customer with a large project
- Solves customer challenges that conform to its own solutions

LTS professional services

Growth support equals acquiring the ability to respond to change and support for promoting high ROI project planning

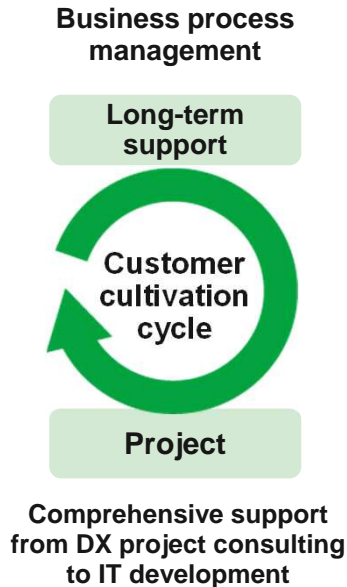


- Can quickly respond to environmental changes with reform planning
- Medium- to long-term relationship with a customer that does not end with individual projects
- Launch various projects according to customer challenges and respond with a system that includes platform service members (freelancers and IT/DX companies)

Characteristic 2 of Professional Services Business

Receives a large number of inquiries from new customers by promoting a customer cultivation model and quickly producing a track record of support for advanced topics

Business model



Uniqueness/strengths

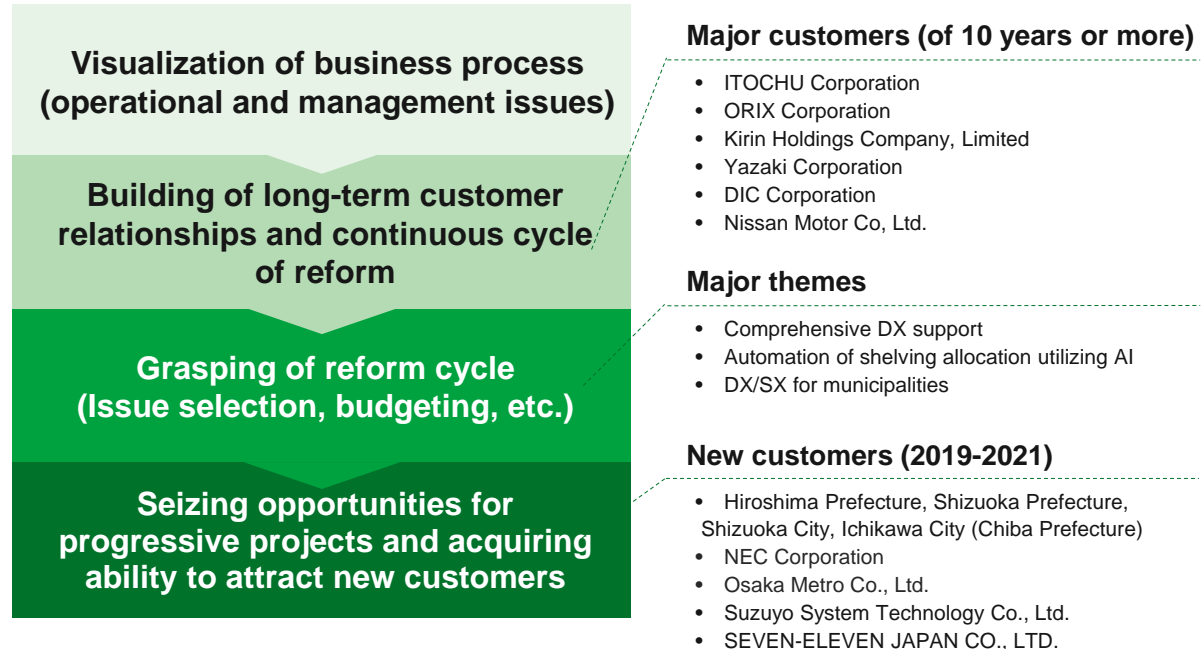


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Q1 FY2022 Summary

LTS Group overall

Net sales:	¥2,154 million	(up 23.6% YoY)
Operating profit:	¥265 million	(up 54.0% YoY)
Ordinary profit:	¥262 million	(up 46.8% YoY)

⇒ Record high net sales, operating profit, and ordinary profit

Professional services business

Net sales:	¥2,089 million	(up 24.2% YoY)
Operating profit:	¥243 million	(up 54.6% YoY)

⇒ Improved unit prices through increase in high value-added projects

Platform business

Net sales:	¥100 million	(up 37.6% YoY)
Operating profit:	¥21 million	(up 48.4% YoY)

⇒ Revenues and earnings up with aggressive investment in structural enhancement, service development, etc.

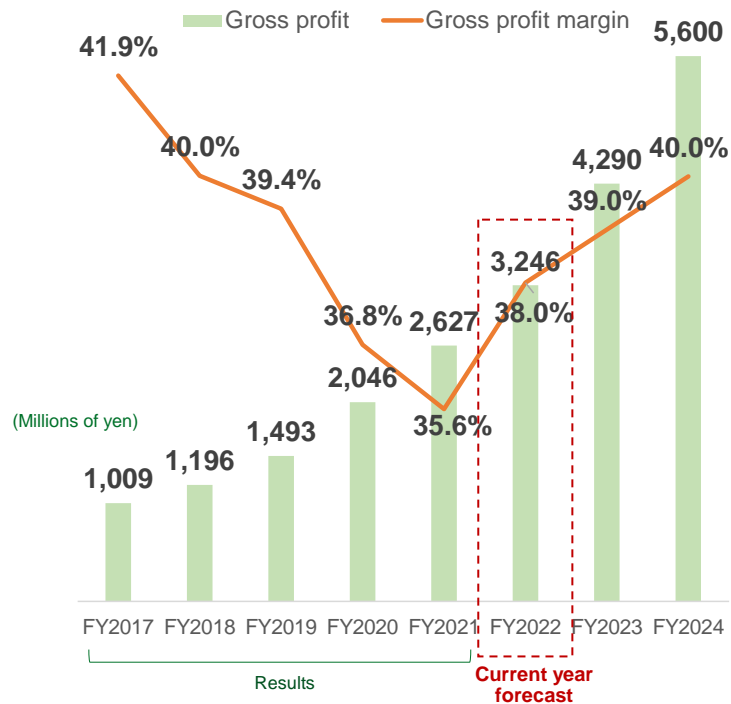
Q1 FY2022 Consolidated Profit and Loss Statement

(Millions of yen)	Q1 FY2022	Q1 FY2021	YoY % change	Q4 FY2021	vs. previous quarter	FY2022 forecast	Percentage achievement
Net sales	2,154	1,742	+ 23.6%	2,050	+ 5.0%	8,542	25.2%
Gross profit	819	616	+ 32.9%	725	+ 13.1%	-	-
Gross profit margin	38.1%	35.4%	+ 2.7 point	35.4%	+ 2.7 point	-	-
SG&A	554	444	+ 24.8%	569	- 2.7%	-	-
EBITDA*	283	188	+ 50.4%	177	+ 59.9%	589	48.2%
EBITDA margin	13.2%	10.8%	+ 2.4 point	8.7%	+ 4.5 point	-	-
Operating profit	265	172	+ 54.0%	155	+ 70.7%	480	55.2%
Operating margin	12.3%	9.9%	+ 2.4 point	7.6%	+ 4.7 point	-	-
Ordinary profit	262	178	+ 46.8%	155	+ 68.8%	460	57.0%
Profit before income taxes	262	178	+ 46.8%	142	+ 83.8%	-	-
Profit attributable to owners of parent	180	121	+48.9%	125	+ 43.7%	297	60.8%

Gross Profit

Q1 gross profit (and gross profit margin) trending favorably compared to forecast

Gross profit results / forecast



Q1 FY2022 results

(Millions of yen)	FY2022 forecast	Q1 results
Net sales	8,542	2,154
Gross profit	3,246	819
Gross profit margin	38.0%	38.1%
SG&A	2,766	554
SG&A ratio	32.4%	25.7%
Operating profit	480	265
Operating margin	5.6%	12.3%

Breakdown of SG&A

Out of SG&A, hiring/training and advertising will be actively utilized starting in Q2

Breakdown of SG&A

(Millions of yen)	FY2022		Q1 FY2022	
	Forecast	vs. Net sales	Results	vs. Net sales
Consolidated net sales	8,542	-	2,154	-
SG&A	2,766	32.4%	554	25.7%
Personnel expenses	1,541	18.0%	384	17.7%
Hiring/training expenses	368	4.3%	24	1.1%
Advertising expenses	183	2.1%	19	0.8%
Land/office rent	85	1.0%	14	0.6%
IT/operations platform development	117	1.4%	29	1.3%
Remuneration paid	207	2.4%	25	1.1%
Amortization of goodwill	40	0.5%	10	0.4%
Depreciation	48	0.6%	4	0.1%
Outsourcing expenses	81	0.9%	20	0.9%
Other	92	1.1%	25	1.1%

Hiring/training expenses

- Implementing or will implement efforts below
- Hiring events for new graduates
 - Expansion of structure for mid-career hiring members
 - Increase in hiring fee

Advertising expenses

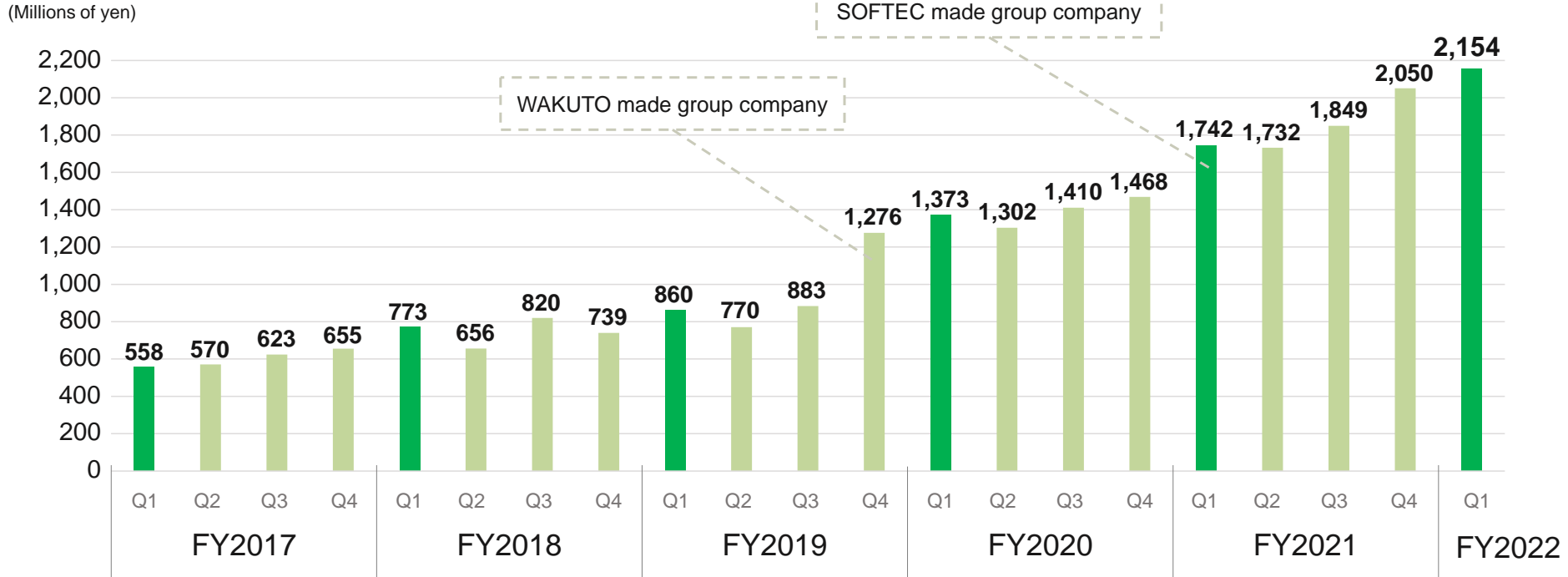
- Will implement efforts below in H2
- Platform business promotions
 - 20th anniversary events
 - Hiring PR/brand enhancement

Q1 FY2022 Consolidated Balance Sheet

(Millions of yen)	FY2021	Q1 FY2022	Change
Current assets	4,206	3,458	- 747
(Cash and deposits)	2,430	2,020	- 409
Non-current assets	873	832	- 41
Total assets	5,080	4,290	- 789
Current liabilities	2,215	1,614	- 601
(Income taxes payable)	117	51	- 65
Non-current liabilities	787	714	- 72
Net assets	2,076	1,961	- 114

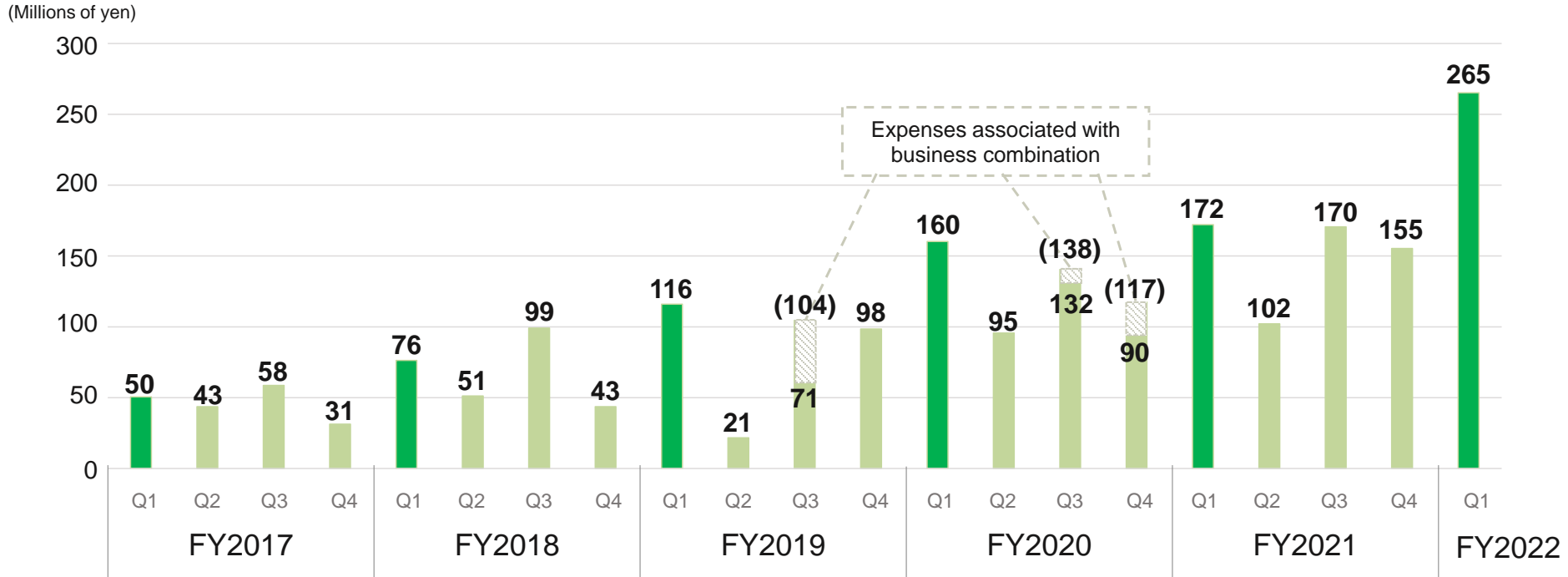
Quarterly Trend in Consolidated Net Sales

+23.6% YoY



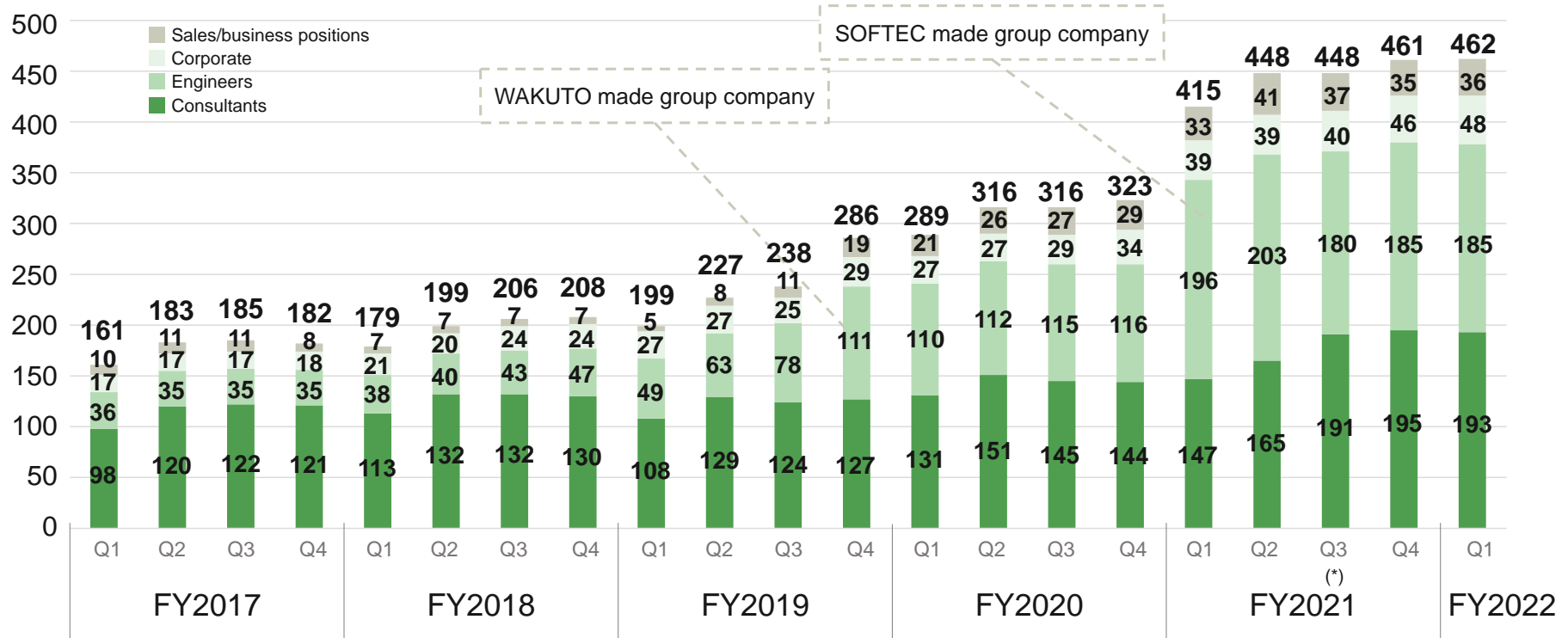
Quarterly Trend in Consolidated Operating Profit

+54.0% YoY



Quarterly Trend in Number of Employees (Consolidated)

(People)



Progress on hiring consultants / engineers

In Q1, 8 consultants and engineers were hired. In Q2, 36 have been hired as of May 10

**Consultants / engineers
Plan for number at year-end (consolidated)**

(People)	FY2020	FY2021	FY2022	FY2023	FY2024
	results	results	plan	plan	plan
Number of consultants	168	195	230	290	370
Number of engineers	93	185	220	275	350
Total	261	380	450	565	720
Vs. previous year	-	+17.6%	+18.4%	+25.6%	+27.4%

Comparison is based on number (307 in 2021) prior to SOFTEC (73 engineers) joining the Group in 2021

Number
1.9x
(2021-2024)

**Consultants / engineers
Hiring plan (consolidated)**

	FY2021	FY2022	FY2023	FY2024
	results	plan	plan	plan
Number of consultants	39	50	75	100
Number of engineers	26	50	75	100
Total	65	100	150	200

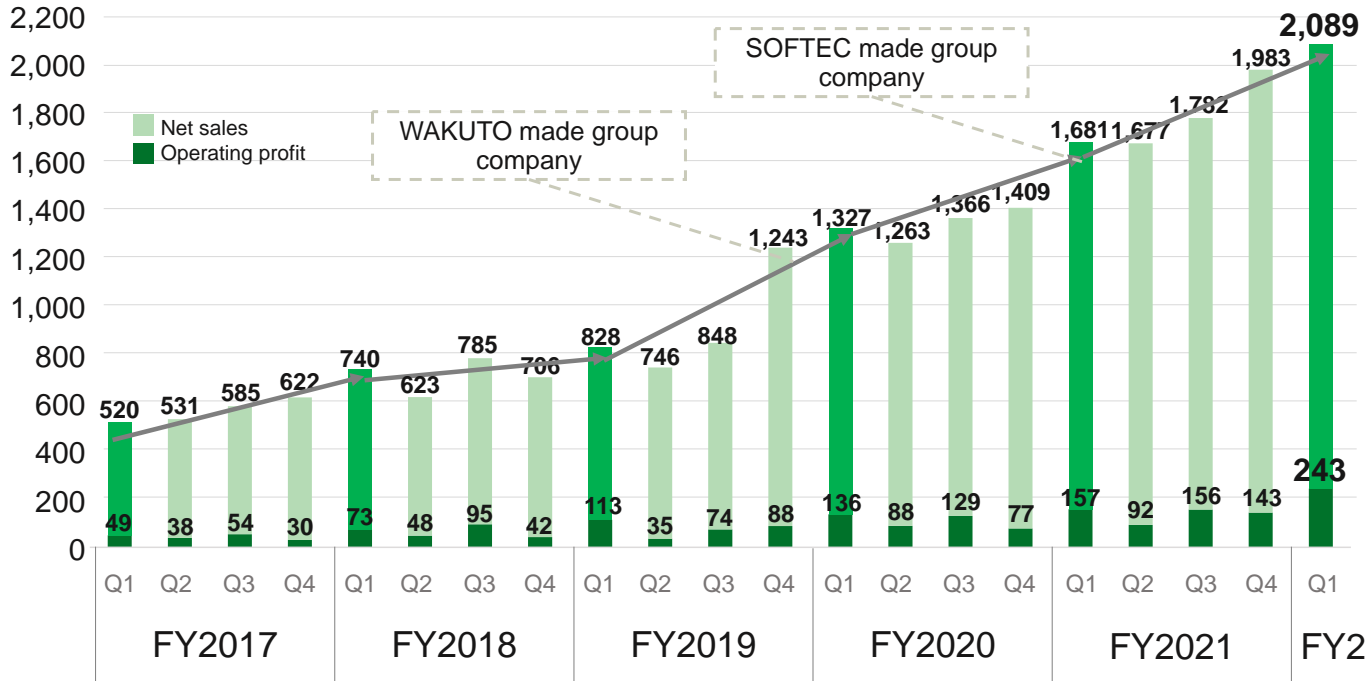
Hiring results	
	Q1 FY2022
Consultants	4
Engineers	4

[Reference information: As of May 10]
Number of consultants / engineers hired in Q2 (including new graduates): 36

Quarterly Trend in Professional Services Business Results

Net sales +24.2% YoY, operating profit +54.6% YoY

(Millions of yen)



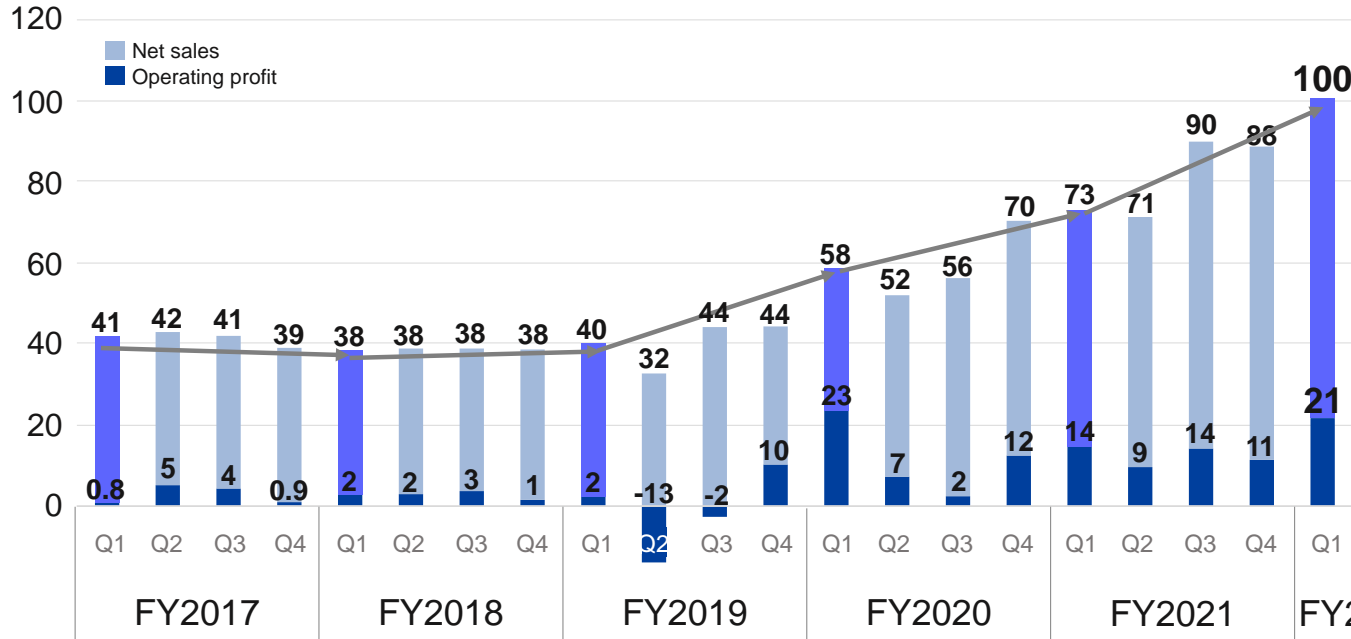
- Sales continue to grow in response to increased demand for large-scale operational reform promotion projects
- Unit prices improving through increase in high value-added projects based on DX
- Subsidiary profitability improving through development projects carried out in collaboration with LTS

* Net sales includes internal sales

Quarterly Trend in Platform Business Results

Net sales +37.6% YoY, operating profit +48.4% YoY

(Millions of yen)



- **Number of Assign Navi members increasing**
 - 4,563 corporate members
 - 7,091 individual members
- **Quarterly sales also surpassed ¥0.1 billion**
- **Continued aggressive investment**
 - Structural enhancement at Consultant Job
 - Assign Navi marketing activities
 - Investment in development of CS Clip

* Net sales includes internal sales

Non-Consolidated/Group Company Sales

(Millions of yen)	Non-consolidated sales	Group company sales *Excluding new sales from M&A during the period	New sales from M&A during the period	Elimination of intra-company transactions
Q1 FY2021 results	1,122	465	194	- 39
	1,742 (+369 YoY)			
Q1 FY2022 results	1,438 (+316 YoY)	801 (+336 YoY)	— (- 194 YoY)	- 86 (- 47 YoY)
	2,154 (+412 YoY)			

Factors Behind Change in Consolidated Operating Profit in Q1 FY2022

(Millions of yen)

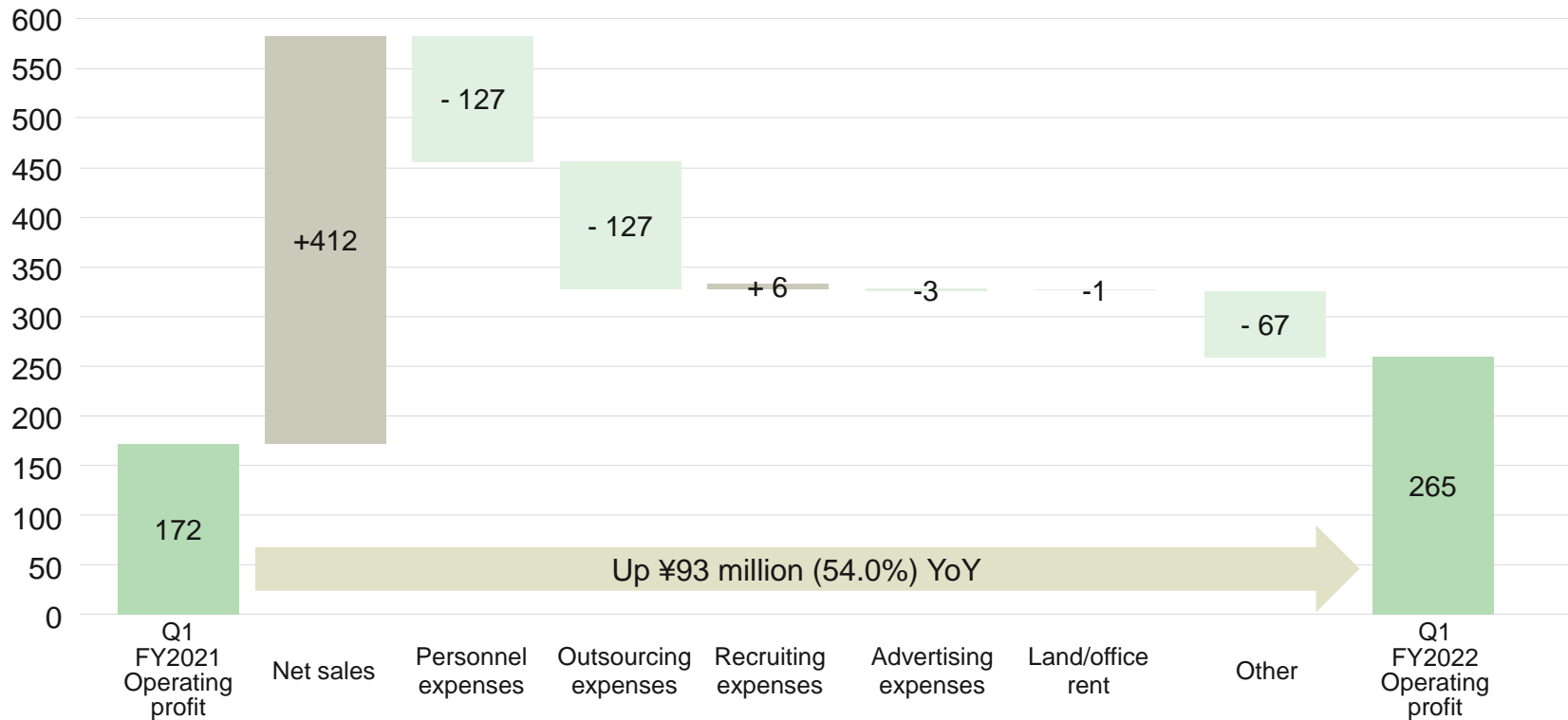


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Vision

Best Partner for the Digital Era

Our society continues to change rapidly with advances in digital technology.

Our customers are all companies looking to address such rapid changes in the social structure.

In the coming era, taking the lead in bringing about change rather than simply adapting to changes in the social structure will be the key to survival.

Shifting to an organizational structure that is better equipped to respond to change and producing human resources that create change by fully leveraging digital technology is essential for surviving and thriving in this era.

Providing support to help customers improve their ability to implement change, we aim to be the best partner for companies that continue to change themselves and take the lead in social changes.

Human resources

Consultant unit prices are on the rise. Also working on sharing knowledge across the Group

Enhancement of hiring

- ✓ Aim for net increase of 100 people annually across Group
- ✓ Continue to promote hiring activities separate from M&A

Number of employees

Enhancement of education

- ✓ Enhance educational measures with Group education system and production site initiative
- ✓ Active human resources exchange (including temporary transfers) within Group
- ✓ Enhance opportunities for consultant and engineer career change

Individual skills

Coordination of knowledge

- ✓ Establish special organization for coordinating knowledge within Group
- ✓ Reorganize knowledge, redesign education system, and enhance structure

Organizational ability


Q1 FY2022 Results

- Received gold prize in Venture category of ONE CAREER Review Award 2022 announced by ONE CAREER Inc., which runs job search site ONE CAREER
- Enhancement of brand communication capabilities
- Recognized in Large Enterprise category of 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program
- Activities to enhance structure of hiring team
- Expansion of hiring measures, including revamping of referral hiring program

Received gold prize in job search review awards selected by students

Ranked as a company students were glad to have applied for out of roughly 45,000 companies based on feedback from more than 60,000 student reviews

ONE CAREER Job Search Review Award 2022
https://service.onecareercloud.jp/lp/award_reviews/2022/



特別企画

ONE CAREER
就活クチコミワード
2022
就活生の体験談から見た本音のランキング
ベンチャー部門

設立年数20年以下、従業員総数500名以下の企業の中から、体験談をもとに選ばれた「本当に受けてよかった」と思う企業ランキングです。この部門にランクインした企業は、「就活採用を始めて間もないにもかかわらず、就活生が受けてよかったと思った企業」といえます。

GOLD

「iBooks」部門 100社未満の企業の中から選出

iBooks

ベンチャー企業

就職して、アルバイトも併せて働くことができる勤務体制の中で働かせてもらっています。LTSは、就活生の体験談から選ばれた企業です。

Received gold prize in Venture category of ONE CAREER Job Search Review Award 2022

- The Venture category in which LTS won the gold prize was presented to 10 companies that are ventures established within the past 20 years with 500 or fewer employees and that are supported by many student job seekers.
- The award program is held by ONE CAREER in the aim of evaluating companies on the basis of how they provide reliable information to uneasy student job seekers looking for sincere companies where they can participate in internships, explanatory meetings or employment screening.

Brand communication measures

Enhance activities for improving brand recognition beyond the consulting and IT markets

- Steadily expanding communication and media outreach since April

Publication of articles in business magazines and on business sites

<https://forbesjapan.com/articles/detail/46241>



<https://bizzone.jp/article/detail/7242>

DXのための「ネットワーク型組織」と「情報の組織内流通」——リーダーシップの変容と学習する組織とは？

ゲスト：株式会社エル・ティイー・エス 執行役員 山本政出氏

山本 政出 (語り手) / 市谷 知登 (聴) / 東京 流 (BizZone編集部) (響) / 長谷川 輝 (写)

2022/03/04 07:00

企業戦略 | 学習する組織 | DX | CxO | ネットワーク組織



LTS 20th Anniversary Project

<https://lt-s.jp/compass>

20th Anniversary Program 「Compass」



<https://prtimes.jp/main/html/rd/p/000000136.000032743.html>

20周年ロゴ Compass

アニバーサリーカード



- Anniversary Event
- Anniversary Event for Outside
- LTS History Book
- Office Move
- Discussing Our Future
- LTS Group Value Update



Enhancement of communication, including seminars

<https://lt-s.jp/news>

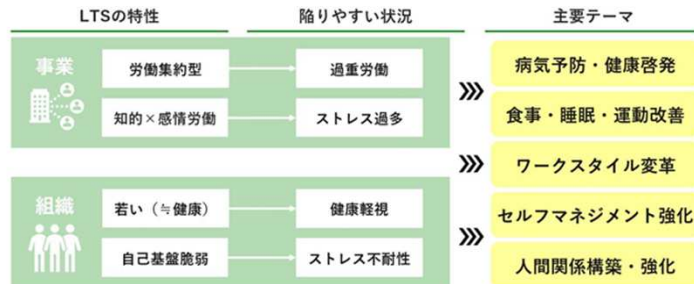


<https://cs-clip.jp/events>



Promotion of Health Management

Recognized under 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program promoted jointly by Ministry of Economy, Trade and Industry and NIPPON KENKO KAIGI



Main health management themes based on LTS business and organizational characteristics

Recognized as “2022 Large Enterprise with Outstanding Health and Productivity Management”

Based on the thinking that the wellbeing (physical, mental, and social) of employees is the basis of sustainable growth of companies, LTS is promoting health management activities with the wellbeing of employees and their families as a top priority management theme.

LTS Health Management Declaration

https://lt-s.jp/about_us/sustainability/health

<Main domains of activities>

1. Disease prevention and health education
2. Diet, sleep and exercise improvement
3. Workstyle reform
4. Enhancement of self-management skills
5. Building and strengthening of human relationships

Customers

Strengthened relationship with advanced DX companies. Promoted cooperation and tie-ups for each service.
Developed services through industry-academia collaboration and provided programs to municipalities

Strengthening of relationships with progressive companies

- ✓ Further strengthen relationships with progressive companies with strong intent to change through the provision of LTS Group services

Expansion of area

- ✓ Strengthen system in West Japan area
- ✓ Engage in full-scale service provision in Asia and globally (coordination with FPT)

Promotion of industry-academia collaboration and services for municipalities and SMEs

- ✓ Further promotion of industry-academia collaboration involving customers and research institutes
- ✓ Further promotion of services for municipalities and SMEs

Service development

Customer base

Customer base

Service development

Brand improvement

Q1 FY2022 Results

- Participation in management of Effectuation Conference held by Hiroshima University as service leader
- LTS activities in operational reform promotion project recognized by Kirin Holdings Company, Limited
- Certified as AWS Select Tier Service Partner in AWS Partner Network (APN) partner program of Amazon Web Service (AWS)
- 9 new customers

Effectuation Conference

Communicating “regional community development” and “human resources development and industrial creation” activities to the world from Hiroshima

Held in Hiroshima and online with a large overseas audience

<https://effectuation.site/>

JP
EN

About Timetable Speakers

予約 > f

Effectuation Conference 2022

エフェクチュエーションカンファレンス

HIROSHIMA | **@ONLINE**

<p>3.8 Tue. Women in Entrepreneurship Education Symposium</p>	<p>3.9 Wed. Effectuation Conference in Japan</p>
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International conference with effectuation advocate and lecturer Saras Sarasvathy

The LTS Group took the stage at this conference and also participated and provided planning and operational support as the secretariat.

We will strengthen partnerships with players on the cutting edge of creating innovation and solving social problems in Japan and around the world based on effectuation.

Group management

Increased number of cross-Group project deliveries to improve corporate value

Creation of synergy

- ✓ Optimize sales personnel, improve unit prices, and expand support topics by cultivating customers and acquiring projects utilizing Group assets
- ✓ Increase project delivery across the Group and further promote the provision of value as an all-around team

Enhancement of corporate functions

- ✓ Balance improving functions with optimizing costs by communizing the management functions of group companies
- ✓ Establish new work styles and improve productivity by strengthening the Group's IT infrastructure and relocating offices

Increasing value

Streamlining

Increasing value

Streamlining

Q1 FY2022 Results

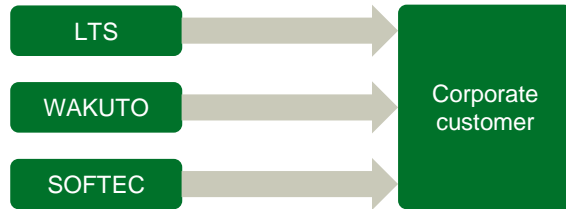
- Participation in management of Effectuation Conference in Hiroshima Prefecture as service leader through LTS and WAKUTO partnership
- Mutual participation in projects by LTS and subsidiary

Group management (M&A)

The policy for M&A is to promote it as part of recruiting and team-building efforts

Providing comprehensive proposals as LTS Group, we plan to further boost the profitability of each group company by 2023

Individual project proposal and delivery



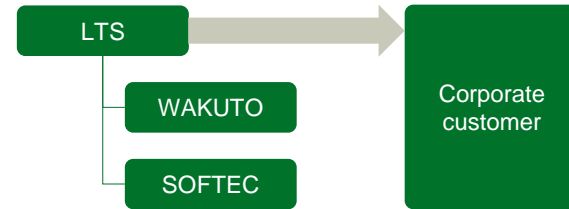
Engineering services tend to face price competition as they entail participation starting from downstream processes with fixed requirement

Sales and back-office functions must be developed and implemented by individual companies

Sales

Cost

Project proposal and delivery as LTS Group



Engineering service subsidiaries can propose appropriate services at appropriate prices while LTS accurately identifies entry requirements starting from upstream processes

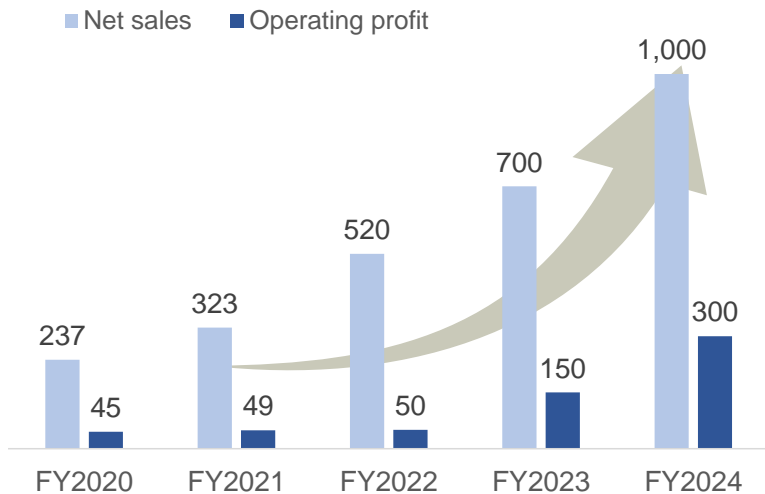
Cross-selling and sharing of back-office functions possible

Platforms

Maintain the investment level until 2022 and move to a profit-increasing phase in 2023

Investment and development of current services and growth of profits

(Millions of yen)



Contribution to Group as a whole

- ✓ Provision of independent consultants to Professional Services
- ✓ Provision of information on excellent IT/DX companies to Professional Services
- ✓ Reference for companies considering M&A using member base and various data

Policy of Medium-Term Business Plan

Mode change for rapid growth

Through our activities over the four years since listing, we are confident that we can further grow the business.

Starting this year (2022), we will review the steady growth scenario to date and implement a “**mode change**” for rapid growth.

Based on the thinking that expanding personnel and individual growth are the driving factors for achieving the numerical targets of the Medium-Term Business Plan, we will carry out more aggressive activities to build these up, thereby achieving the Medium-Term Business Plan and accelerating growth in 2025 and beyond.

Numerical targets


Compound average growth rate of net sales

**Continuing to exceed 20% through 2022
Exceeding 25% in 2023 and beyond**

Operating margin

15% by 2024

(Millions of yen)	FY2020	FY2021		FY2022	FY2023	FY2024	
	Results	Forecast	Results	Forecast	Results	Plan	Vs FY2020
Consolidated net sales	5,500	7,000	7,300	8,500	11,000	14,000	2.5x
Consolidated operating profit	470	580	600	480	1,200	2,000	4.3x
Consolidated operating margin	8.6%	8.2%	8.1%	5.6%	10.9%	14.3%	+5.7 point

 Upward revision of figures announced with FY2021 financial results

Policy in each fiscal year

FY2022

Promoting efforts below as first year of rapid growth

- **Active hiring of consultants and engineers**
(Recruiting expenses: up ¥257 million vs FY2021)
⇒Growth of professional services
- **Enhancement of advertising activities and holding of 20th anniversary events** (Advertising expenses: up ¥147 million vs FY2021)
⇒Growth of platform business and enhancement of branding and hiring capabilities
- **Relocation of office and IT-related investment**
⇒Expansion of business and organizational foundation for continued growth

The forecast for FY2022 is **for increased revenues but decreased earnings** as we implement various efforts in accordance with the growth scenario

FY2023-2024

We will continue efforts for ramping up hiring and individual growth and accelerate growth by taking the **consolidated net sales CAGR from over 20% to over 25% starting in 2023**

SG&A ratio will be lower than in 2022 due to the reduction of spot costs and measures to increase efficiency

(Millions of yen)	FY2021 results	YoY	FY2022 forecast	YoY	FY2023 plan	YoY	FY2024 plan	YoY
Net sales	7,375	+32.7%	8,542	+15.8%	11,000	+28.8%	14,000	+27.3%
Gross profit	2,627	+28.4%	3,246	+23.6%	4,290	+32.1%	5,600	+30.5%
Gross profit margin	35.6%	-1.2 point	38.0%	+2.4 point	39.0%	+1.0 point	40.0%	+1.0 point
SG&A	2,026	+29.3%	2,766	+36.5%	3,090	+11.7%	3,600	+16.5%
SG&A ratio	27.5%	-0.7 point	32.4%	+4.9 point	28.1%	-4.3 point	25.7%	-2.4 point
Operating profit	600	+25.4%	480	-20.0%	1,200	+150.0%	2,000	+66.7%
Operating margin	8.1%	-0.5 point	5.6%	-2.5 point	10.9%	+5.3 point	14.3%	+3.4 point

Aiming for further growth in 2025 and beyond

We aim to continue growing net sales at a rate of more than 25% in 2025 and later to reach ¥50,000 million in 2030

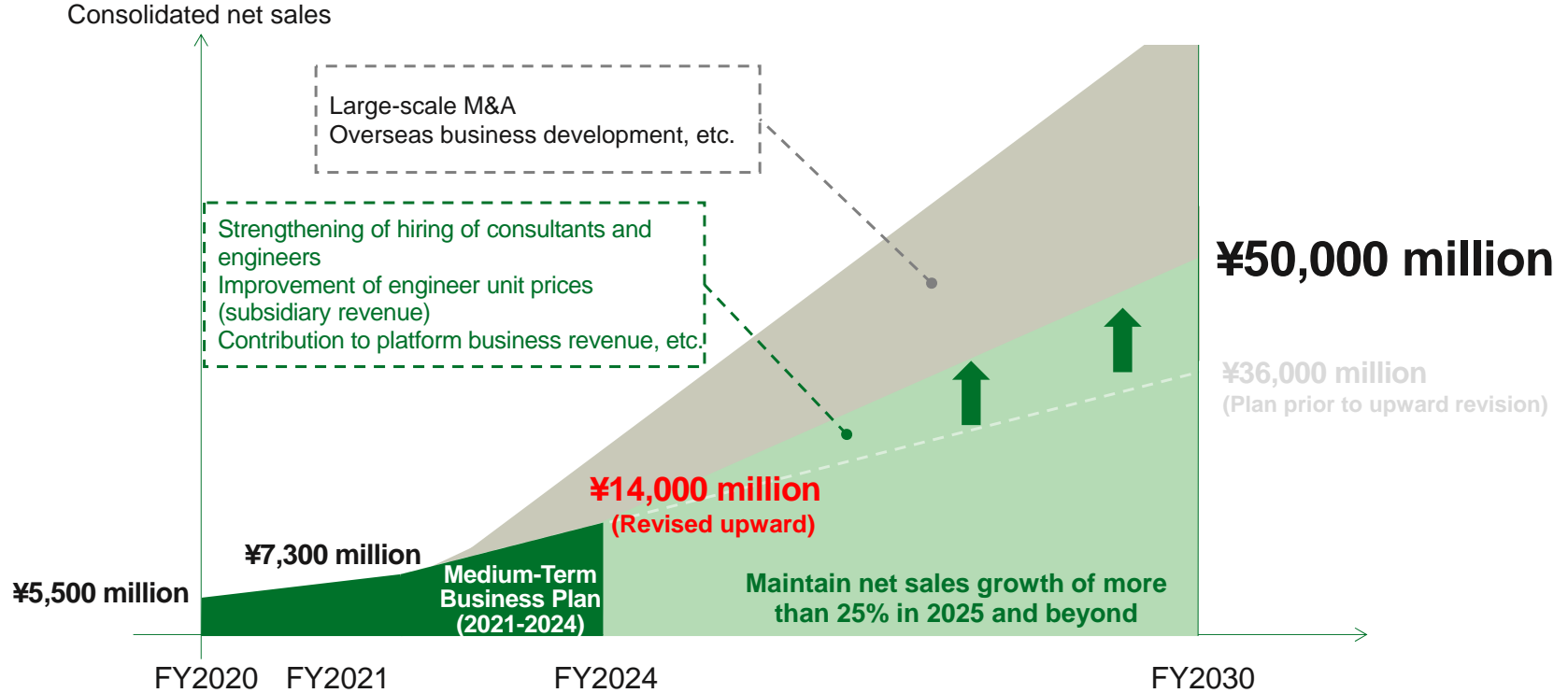


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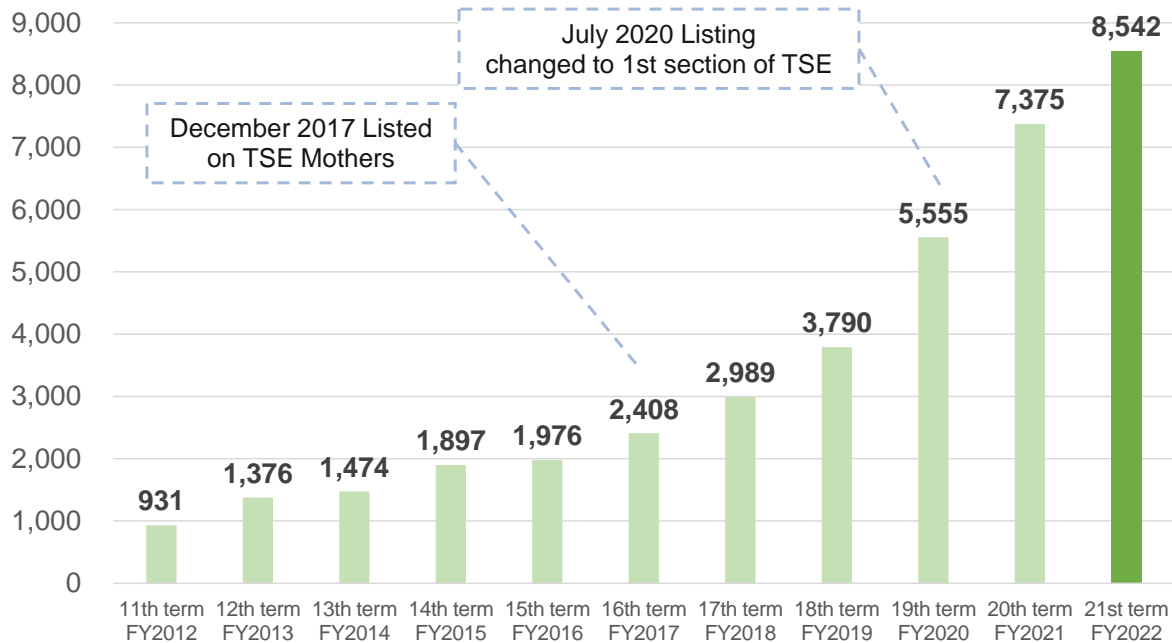
Forecast for FY2022

(Millions of yen)	FY2021 Results	FY2022 forecast	YoY change	YoY % change
Net sales	7,375	8,542	+ 1,167	+ 15.8%
EBITDA*	674	589	- 85	- 12.6%
Operating profit	600	480	- 120	- 20.0%
Ordinary profit	579	460	- 119	- 20.7%
Profit attributable to owners of parent	388	297	- 90	- 23.4%

FY2022 Consolidated Net Sales Forecast

Expect to see higher revenue for 11th consecutive year

(Millions of yen)

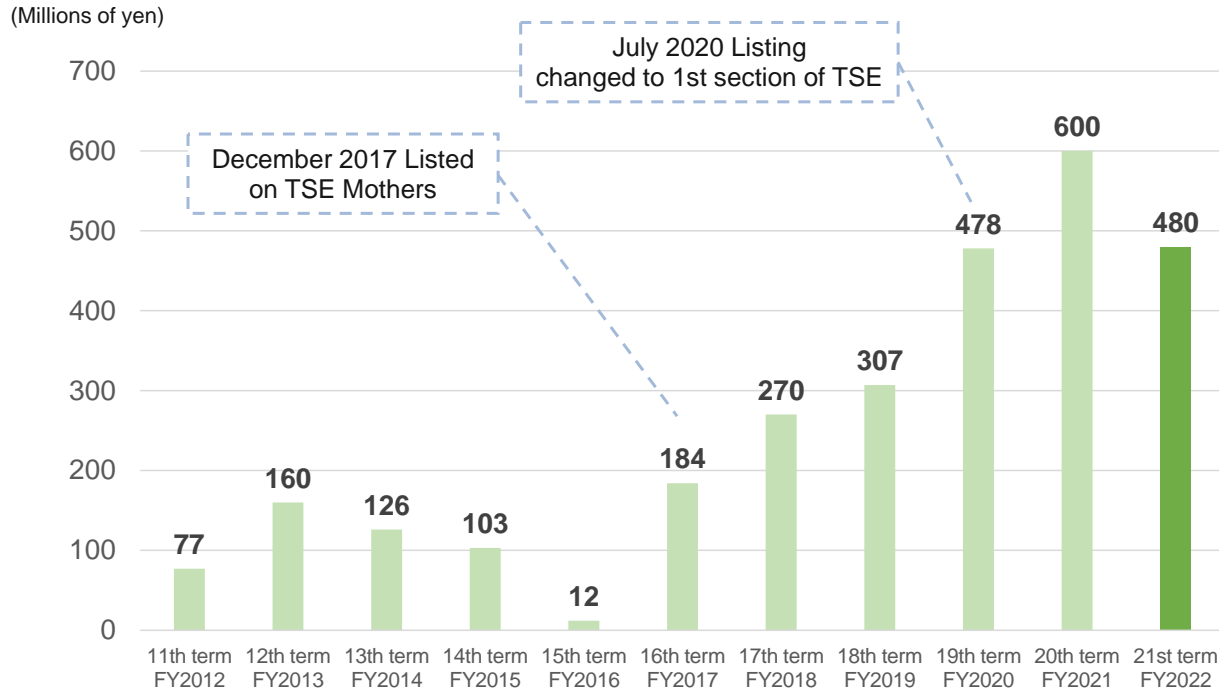


Average
annual growth
+30.5%
(FY2019-FY2022)

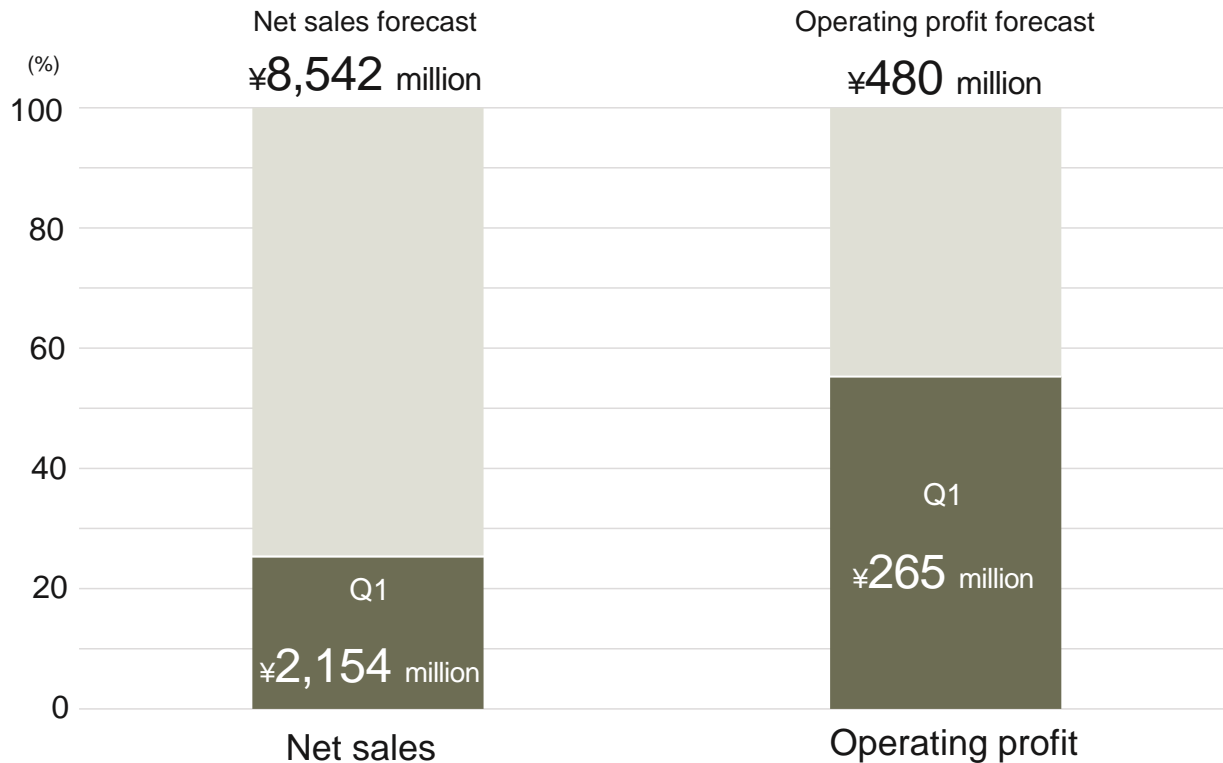
+ 19.7%
(FY2015-FY2018)

FY2022 Consolidated Operating Profit Forecast

Plan for FYE December 2022 is for lower profit



FY2022 Consolidated Forecast: Full-year Progress



Sales progress

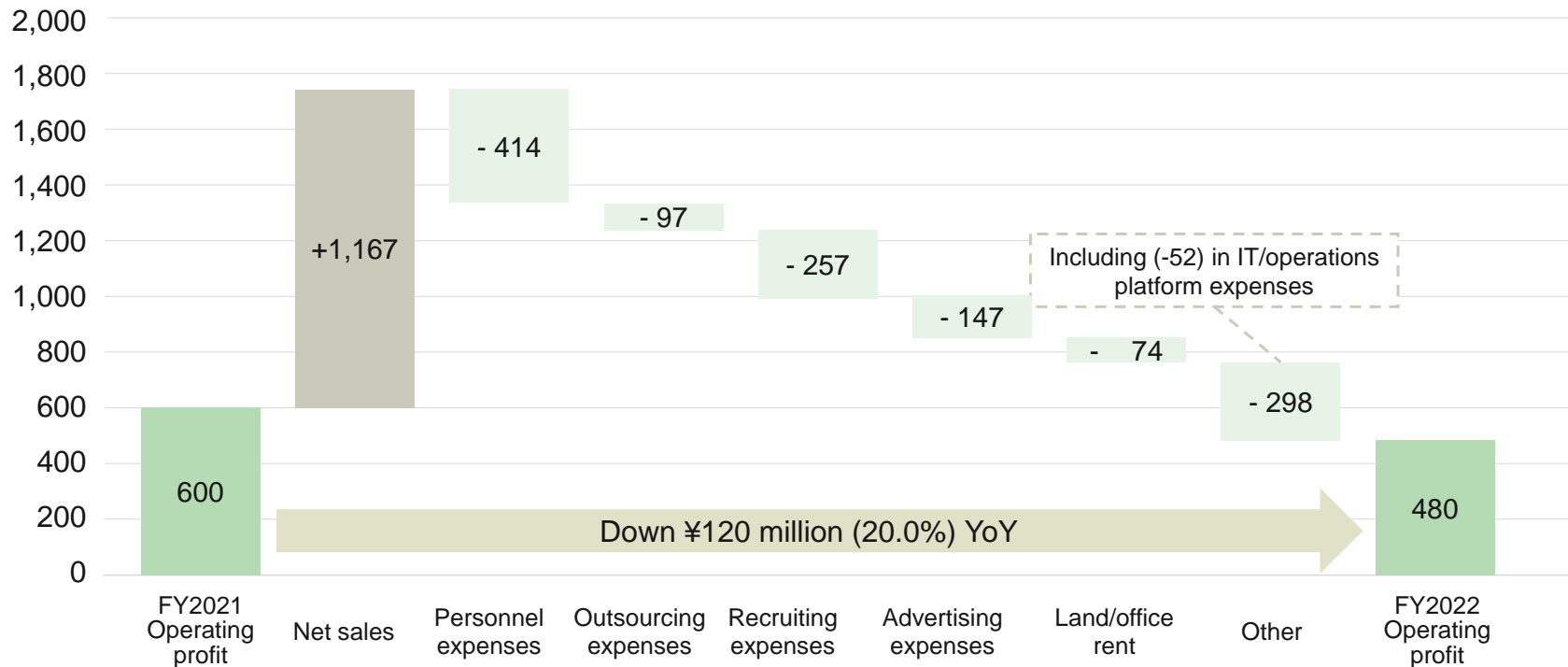
25.2 %

Operating profit
progress

55.2 %

Factors Behind Change in Consolidated Operating Profit in FY2022

(Millions of yen)



FY2022 Forecasts by Segment

Professional services business

(Millions of yen)	FY2021 Results	FY2022 Forecast (Initial)	YoY change	YoY % change
Net sales	7,125	8,112	+ 986	+ 13.9%
Operating profit	550	430	- 120	- 21.8%

Platform business

(Millions of yen)	FY2021 Results	FY2022 Forecast (Initial)	YoY change	YoY % change
Net sales	323	520	+ 196	+ 60.8%
Operating profit	49	50	+ 0	+ 0.5%

FY2022 Non-Consolidated/Group Company Sales Forecast

(Millions of yen)	Non-consolidated sales	Group company sales *Excluding new sales from M&A during the year	New sales from M&A during the year	Elimination of intra-company transactions
FY21 Results	4,910	1,944	730	- 210
	7,375 (+1,819 YoY)			
FY22 Forecast	5,467 (+556 YoY)	3,285 (+1,341 YoY)	Not included	- 210 (Expect same level as previous year)
	8,542 (+1,167 YoY)			

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- 3. Medium-Term Business Plan (2021-2024)**
- 4. Forecast for FY2022**
- 5. Reference Material**

Overview of LTS, Inc.

Representative:	Hiroaki Kabashima, President and CEO
Foundation:	March 2002
Capital:	¥575,150,600 (As of March 31, 2022)
Address:	KDX Shinjuku 286 Building 4F, 2-8-6 Shinjuku Shinjuku-ku, Tokyo, 160-0022, Japan
Number of employees:	331 non-consolidated* / 462 consolidated (As of March 31, 2022) <small>* Includes borrowed/loaned employees</small>
Services:	Professional services business Platform business
Subsidiaries: <small>(As of March 31, 2022)</small>	Assign Navi, Inc. LTS ASIA CO., LIMITED (Hong Kong) WAKUTO Co., Ltd. IoTol Japan Inc. SOFTEC Co., Ltd.
Group company: <small>(As of March 31, 2022)</small>	FPT CONSULTING JAPAN CO., LTD.
Memberships: <small>(As of March 31, 2022)</small>	Japan Users Association of Information Systems Japan Institute of Information Technology Project Management Institute Japan Chapter The Open Group Shizuoka Information Industry Association Hamamatsu Software / Contents Industry Association

Directors

President and CEO
Representative Director of Assign Navi, Inc.

**Hiroaki
Kabashima**

Graduated Keio University

Director

Yuichi Kanagawa

Graduated Waseda University

Director and COO

Ryosuke Ueno

Graduated Tsukuba University
and Advanced Institute of
Industrial Technology

1998 Joined ING Life Insurance Co., Ltd.
(Now NN Life Insurance Company, Ltd.)
2000 Joined IQ3 Inc.
2001 Joined Learning Technology Consulting Inc.
2002 Founding director of the Company
2002 President and CEO of the Company
2019 Representative Director of Assign Navi, Inc.

1982 Joined Yokogawa Electric Works, Inc.
(Now Yokogawa Electric Corporation)
1996 Founding President and Representative Director of
Yokogawa Multimedia Co., Ltd.
2001 Chairman and Representative Director of Yokogawa
Q&A Corporation (Now Q&A Corporation)
2003 President and Representative Director of Yokogawa
Q&A Corporation
2015 Chairman and Representative Director of Q&A
Corporation
2016 Director (part-time) of Yokogawa Rental & Lease
Corporation
President and Representative Director of Yokogawa
Rental & Lease Corporation
2020 Chairman and Representative Director of Yokogawa
Rental & Lease Corporation
Outside Director of SMN Corporation (current position)
2021 Board Member of Japan Volleyball Association
2021 Outside Director of the Company
2021 Director of the Company
2022 Director and Chairperson of the Company

2008 Joined the Company
2017 Head of Business Consulting Division II of the Company
2018 Executive Officer and Head of Business Consulting
Division II of the Company
2019 Director, Executive Officer and Head of Business
Consulting Division II of the Company

Executive Vice President
Director of IoTol Japan Inc.
Corporate Auditor of WAKUTO Co., Ltd.

Sungil Lee

Graduated The University of
Tokyo

Director and CSO
Director of IoTol Japan Inc.

Yu Kamemoto

Graduated Keio University

Director
President and Representative Director of
SOFTEC Co., Ltd.

**Atsushi
Tsukahara**

Graduated Tsukuba University

1998 Joined Andersen Consulting Ltd.
(Now Accenture Japan Ltd.)
2000 Joined IQ3 Inc.
2001 Joined Learning Technology Consulting Inc.
2002 Founding director of the Company
2005 Executive Vice President of the Company
2021 Director of IoTol Japan Inc.

2009 Joined Finchjapan Co., Ltd.
2011 Joined the Company
2017 Head of Business Development & Insights of the
Company
2018 Executive Officer and Head of Business Development
& Insights of the Company
2019 Director, Executive Officer and Head of Strategy &
Insights of the Company
2020 Director of IoTol Japan Inc.

1999 Joined Andersen Consulting Ltd.
(Now Accenture Japan Ltd.)
2000 Joined IQ3 Inc.
2001 Joined Learning Technology Consulting Inc.
2002 Founding director of the Company
2005 Resigned as director, joined the Company
2014 Head of EA-IT Business Unit of the Company
2015 Executive Officer and Assistant to Business
Consulting Division of the Company
2018 Executive Officer and Head of ICT Engineering
Department of the Company
2020 Director, Executive Officer and Head of ICT
Engineering Department of the Company
President and Representative Director of SOFTEC
Co., Ltd.

Directors

Outside Director (Audit and Supervisory Committee Member)

Fumio Takemura

- 1973 Joined IBM Japan, Ltd.
- 2004 Executive Officer of IBM Japan, Ltd.
- 2007 Senior Managing Director of IBM Japan Services Company Ltd.
- 2008 President and Representative Director of JAL Information Technology Co., Ltd.
- 2011 Advisor to IBM Japan, Ltd.
- 2014 Adjunct Lecturer at Tokyo City University Faculty of Knowledge Engineering
- 2018 Statutory Auditor of the Company
- 2019 Outside Director of the Company (Audit and Supervisory Committee Member)

Outside Director (Audit and Supervisory Committee Member)

Naoki Takahashi

- 1985 Joined Nissan Motor Co., Ltd.
- 1993 Licensed as an attorney at law in New York, USA
- 1995 Joined Tokyo Office of White & Case LLP
- 2001 Joined American International Group, Inc.
- 2009 Director and Managing Executive Officer of AIG Japan Holdings Kabushiki Kaisha
- 2016 Auditor of the Company
- 2019 Outside Director of the Company (Audit and Supervisory Committee Member)
- 2020 Auditor of IoTol Japan Inc.

Outside Director (Audit and Supervisory Committee Member)

Toshio Awata

- 1972 Joined MITSUI & CO., LTD.
- 2007 Managing Executive Officer and President of Chubu Office of MITSUI & CO., LTD.
- 2015 Auditor of the Company
- 2019 Outside Director of the Company (Audit and Supervisory Committee Member)

List of Customers

Trade/Retail

ITOCHU Corporation
Inabata & Co., Ltd.
SEVEN-ELEVEN JAPAN CO., LTD.
Mitsubishi Corporation
Mitsubishi Shokuhin Co., Ltd.
Metal One Corporation

Energy

i BUSINESS PARTNERS Corp. (Idemitsu Kosan Group)
Idemitsu Kosan Co., Ltd.
SHOWA SHELL SEKIYU K. K.
Taiyo Oil Company, Limited
TOKYO GAS i NET CORP. (TOKYO GAS Group)
Tokyo Gas Co., Ltd.
Tokyo Gas Urban Development Co., Ltd. (TOKYO GAS Group)
Tokyo Gas Auto Service Co, Ltd. (TOKYO GAS Group)

Plant Engineering

Chiyoda Corporation

Manufacturing

IHI Corporation
ISHIDA TEC Co., Ltd.
Oki Electric Industry Co., Ltd.
Canon Software Inc. (Canon Group)
Canon Business Support Inc. (Canon Group)
KOKUYO Co., Ltd.
GE Healthcare Japan Corporation
Siemens Japan KK
NIPPON STEEL & SUMITOMO METAL CORPORATION (Now:
NIPPON STEEL CORPORATION)
TATSUNO Corporation
DIC Corporation
NEC Corporation
BANDAI CO., LTD.
Hitachi Solutions, Ltd. (Hitachi Group)
FUSO Corporation
Yamaha Motor Co., Ltd.

Transportation

Osaka Metro Co., Ltd. (Osaka Metro)
JALPAK Co., Ltd. (JAL Group)
Japan Airlines Co., Ltd. (JAL)
West Japan Railway Company (JR WEST)
East Japan Railway Company (JR EAST)

Automotive

SHIZUOKA TOYOPET CO., LTD.
Nissan Motor Co., Ltd.
Nissan Buhin Chuo Sales Co., Ltd.
Yazaki Corporation

Food/Restaurant/Agriculture/Medical/Pharmaceutical

Kirin Holdings Company, Limited
KIRIN BUSINESS SYSTEM COMPANY, LIMITED (KIRIN Group)
TAKANAWAKAI (Dental Cruise)
The Nisshin Oillio Group, Ltd.
Japan Tobacco Inc.
NIHON CHOUZAI Co., Ltd.
JAPAN NUTRITION Co., Ltd. (ITOCHU Group)
NH Foods Ltd.
ROYAL HOLDINGS Co., Ltd.

Service

NTT Communications Corporation
The Board Director Training Institute of Japan
KOSAIDO Co., Ltd.
Jiji Press Ltd.
Sony Network Communications Inc.
Technology Networks Inc. (J: COM Group)
TV Asahi Corporation
JAPAN POST HOLDINGS Co., Ltd.
JAPAN POST Co., Ltd.
famima.com Co., Ltd.
Benesse Corporation
MonotaRO Co., Ltd.
Yuko Montoro Co., Ltd.
Recruit Jobs Co., Ltd.
Relia, Inc.

Financial/Securities/Insurance

Aioi Nissay Dowa Insurance Co., Ltd.
ORIX Corporation
ORIX Business Center Okinawa Corporation
SUMITOMO LIFE INSURANCE COMPANY
Nisshin Fire & Marine Insurance Co., Ltd.
Mitsui Life Insurance Company Limited

Government

Ichikawa City
Ministry of Economy, Trade and Industry
Shizuoka Prefecture
Shizuoka City Hall
Ministry of Internal Affairs and Communications

Consulting/IT

ABeam Consulting Ltd.
ITOCHU Techno-Solutions Corporation (ITOCHU Group)
SAP Japan Co., Ltd.
EDISON CO., LTD.
CRESCO LTD.
SATORI Inc.
JFE Systems, Inc.
SIGMAXYZ Inc
Suzuyo System Technology Co., Ltd.
IBM Japan, Ltd.
IBM Japan Services Company Ltd. (IBM Japan Group)
Oracle Corporation Japan
Tata Consultancy Services Japan Limited
Hewlett-Packard Japan, Ltd.
Microsoft Japan Co., Ltd.
PricewaterhouseCoopers LLP
MARUBENI INFORMATION SYSTEMS CO., LTD.
(MARUBENI Group)

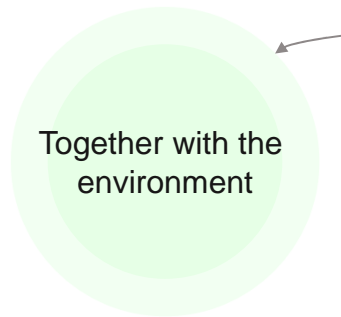
* Company names published with permission (hiragana order by industry; some not listed).

ESG investments/SDG initiatives

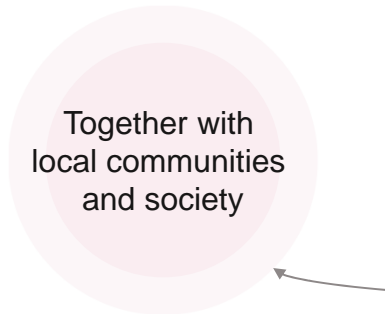
We believe that it is necessary to fulfill our social responsibility by building better relationships with customers, employees, shareholders, local communities, and the global environment.

As a member of society, we will contribute to solutions to social problems to achieve a sustainable society together with everyone and engage in activities to remain an excellent company that creates new value.

- Contribution to solutions to social problems



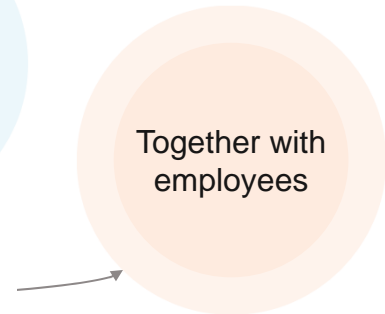
Activities through business management and service provision



- Continued existence as an excellent company that creates new value



Activities through extra investment and activities



Introduction of activities for contributing to solutions to social problems



Visiting lectures at universities



Connections to local communities



and more...

Pro bono



Support solutions to problems provided by NPOs and NGOs leveraging our business skills



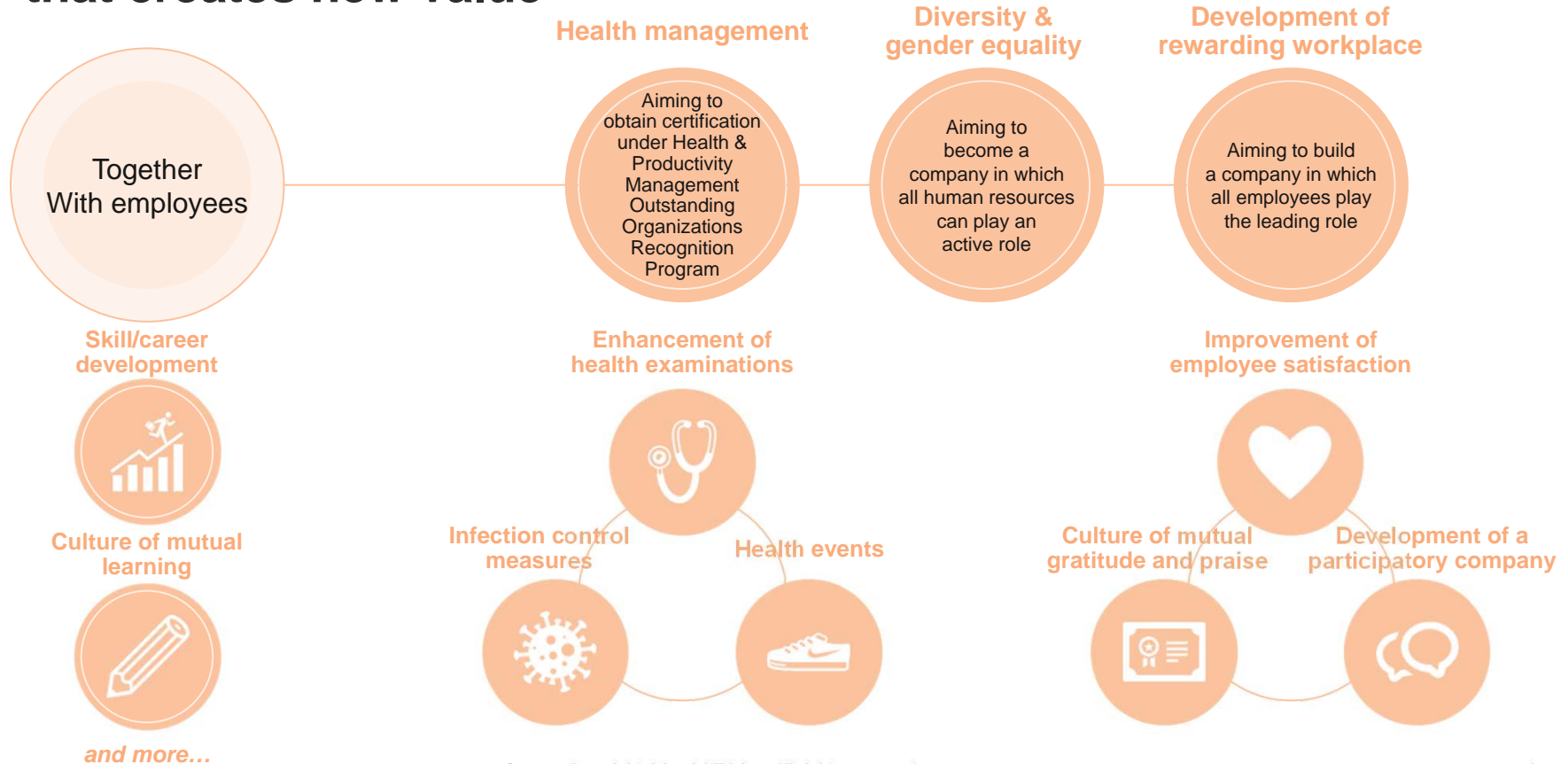
Family Day



Expand possibilities for children by thinking about and working on social problems together with them

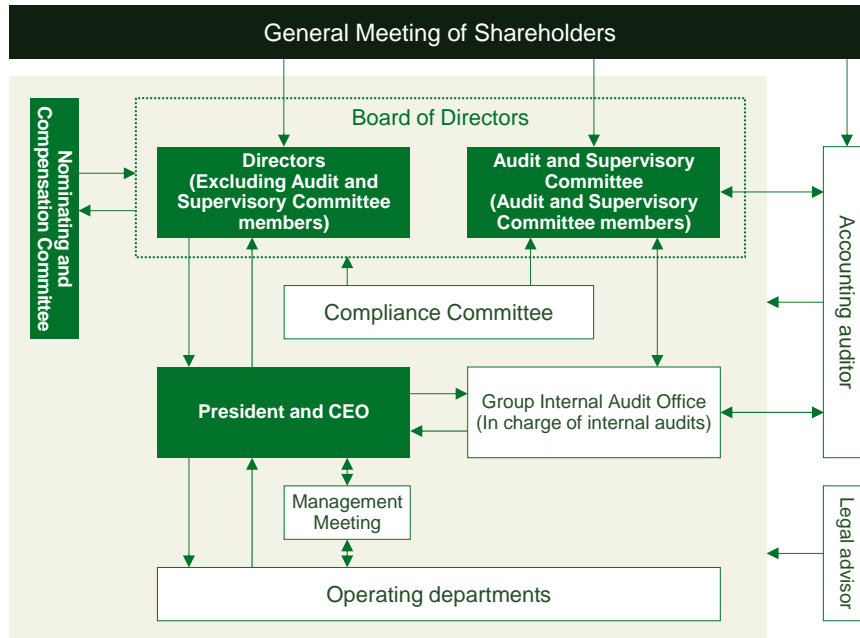


Introduction of activities for remaining an excellent company that creates new value



Corporate governance structure

We consider strengthening of corporate governance to be an important management issue and are working on the necessary measures in order to expand our corporate value, ensure our continued existence, and contribute to society



Efforts to date

- ✓ Transition to company with audit and supervisory committee
- ✓ Increased number of outside directors
- ✓ Establishment of Nominating and Compensation Committee
- ✓ Disclosure of summaries of financial results and briefing material in English

Themes being considered for future efforts

- ✓ Analysis and evaluation of effectiveness of Board of Directors utilizing third-party agency
- ✓ Ensuring of diversity of Board of Directors
- ✓ Establishment and implementation of succession plan for chief executive officer

Disclaimer and Note

● Disclaimer

- **LTS, Inc. (“the Company”) provides financial information, management indicators, and other information only as a reference. No representations or warranties are made, express or implied, with regard to the content herein.**
- **The Company prepared this material using current generally known information about social and economic conditions and certain assumptions that we deemed to be reasonable. The information found in this material is subject to change without notice due to changes in business conditions or for other reasons.**

● Note on Forward-Looking Statements

- **The material and information provided with this announcement contain forward-looking statements. These forward-looking statements are based on current expectations, forecasts, and assumptions that are subject to risks and include uncertainties, which may cause actual results to differ substantially from these statements.**
- **These risks and uncertainties include general industry and market conditions as well as general Japanese and international economic conditions such as changes in interest rates and exchange rates.**
- **The Company has no obligation to update or correct the forward-looking statements contained in this material, regardless of any new information, future events, etc.**



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