Integrated Report 2023

CORE CONCEPT
TECHNOLOGIES INC.

Our Purpose

Our Purpose

Driving sustainable industrial development through the power of our technology and people

What We Do / Our Values / CCT WAY

What We Do

Create the Next-Gen of the IT Industry

We envision a future in which each industry develops sustainably and will make this vision real to create a sustainable society through the evolution of our products and people.

We contribute to the sustainable development of industry by reforming our clients' business processes and value chains through Digital Transformation (DX). Along with growing sales and improving profitability, we solve issues such as reducing environmental impact through the improvement of asset and energy efficiency, eliminating labor shortages through improved labor productivity, and passing on know-how from veteran employees.

By utilizing "Ohgi," an extensive business partner network made mainly of small and medium-sized companies, we contribute to the reduction of the adverse effects of the multiple contracting structure in the Japanese system integration industry, such as the uneconomical middle margins as well as the regional income disparity of IT human resources.

Our Values

Think Big, Act Together.

Think Big
Exchange ideas freely and move away from conventional wisdom and fixed concepts.
With firm determination, we shall find the new value the world is searching for.

Act Together
We are supported by many stakeholders, including our customers and employees.
Act Together to respond to their understanding and trust.

CCT WAY

Ownership	We have a sense of ownership in all things.
Customers rule	We base decisions on providing value to customers rather than convenience for the company.
Logic × passion	We act with a balance between logic and passion or emotion.

Introduction   Message from the CEO   CCT's Value Creation   Message from the CFO   Strategy By Sector   Basis of Value Creation   Company and Share Information

Introduction to Our Business

Support for DX

Core Concept Technologies supports DX mainly in the manufacturing and construction industries. Utilizing our technical capabilities centered on shape recognition, 3D graphics, and AI, as well as our deep knowledge of manufacturing, we improve work efficiency and labor productivity, and realize the systematization of the know-how possessed by veteran employees. This will enhance the business continuity, sales, and profits of our customers.

In doing so, using our proprietary DX support methodology called the CCT-DX Method (see p.7), we will accompany companies throughout the process from formulating the desired state after DX, to technical verification, system construction, operation and maintenance, and in-house production. In addition, we achieve DX quickly and at low cost by utilizing the "Orizuru" DX development base that streamlines the construction and operation of systems.

Support for Staffing of IT Personnel

We support major system integrators, consulting firms, and operating companies in sourcing IT talent with the technical skills their customers need. Since the IT industry can contribute to the digitalization of various industries, there is a growing demand for specialized IT human resources. However, the current IT human resources shortage is severe, making it difficult to secure them.

The Ohgi IT personnel staffing database has made it possible to quickly find IT talent. We have a network of approximately 4,800 small and medium-sized IT companies, and a database that can reach about 100,000 IT engineers. As a result, we can find the most suitable IT talent for customer projects and promptly build a delivery system.

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Company and Share Information

Editorial Policy

This is the first time that the Company has published the Integrated Report, which comprehensively compiles financial and non-financial information. The report introduces our stakeholders, including shareholders and investors, to our growth strategy and future outlook together with the thoughts of top management in a way that is easy to understand. This publication will be actively used as a tool for dialogue with stakeholders, thereby helping to enhance corporate value. In editing the report, we referred to International Integrated Reporting Framework prepared by the International Integrated Reporting Council (IIRC) and the Japanese Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation among others.

Reporting Period:

January 1, 2022 - December 31, 2022 (including some activities after January 2023)

Message from the CEO

Together with our stakeholders,
we are creating the Next-Gen of the IT Industry

Takeshi Kaneko   Representative Director, President and CEO

Profile
Upon graduation from the Department of Information Science, Faculty of Science and Technology of the Tokyo University of Science, he joined INCS Inc. (currently SOLIZE Corporation) where he worked on developing CAD/CAM used in the manufacturing industry and later served as a consultant for business reforms in manufacturing, finance, and distribution operations. He joined Core Concept Technologies in 2010 and was appointed President and CEO in 2015.

Message from the CEO

Business and Strengths

Digitalized manufacturing for broader manufacturing domains

Our company was founded in September 2009 by seven former employees of companies that had been involved in numerous business transformations to the manufacturing industry. Myself and the other founding members were deeply versed in digitalizing design processes at the foundation of manufacturing and in automating the subsequent production process. We combined our strengths to start a business providing Support for DX to the manufacturing industry with specific focus on assembly operations.

One by one, we helped companies digitalize and find solutions for their processes, and before we knew it our business was steadily expanding as the number of clients that trusted our services grew. The wide variety of elemental knowledge that each founding member possessed in digitalizing processes from engineering to production became standardized over the years and have become the organizational strength that is the core of our current competitiveness.

Another service we provide is Support for Staffing of IT Personnel. DX requires highly trained IT professionals, and we realized that the service we would be able to provide with our own staff would eventually reach a limit. We therefore take the initiative to individually meet with IT firms in Japan to create partners to work with us in our projects. To date, we have visited some 4,800 companies.

The IT industry is dominated by large corporations, but medium-sized enterprises account for roughly half of all the engineers in the industry and also offer a large pool of talented professionals. We will bring them together to enhance the overall level of IT engineering in Japan to accelerate DX in all industries. We have built an extensive network of IT human resources expressly for that purpose. This differentiation strategy gives us a unique ability to secure top-level IT human resources and will drive sustainable growth for our business.

Our Mission

Build the IT industry to its full potential

We define "What We Do" as "Create the Next-Gen of the IT Industry." The information and communications industry has become one of Japan's leading industries and has gained a certain status in society, yet at the same time, the industry has also become "distorted" in some ways. We believe our mission is to assist clients in their DX efforts and to set the industry back on the right course.

One area in particular that I want to change is the industry's approach of "taking orders." IT has the versatility to contribute to the development of any industry. To create value, however, before applying IT, we need to ask "what is a good future for this client?" That image must be fully thought out and crystal clear. Unfortunately, the IT industry in Japan has not recognized this, and communication involves merely "taking orders" from the client. Because IT plays a key role in the development of virtually every industry, it should be adept at a proposal-based approach for conceptualizing and taking action.

The IT industry in Japan is also facing a wage gap.

Japan has a pyramid-shaped contracting structure that repeatedly outsources operations to lower and lower unit prices that ultimately leads to a huge wage gap between the top and bottom tiers even for performing the same tasks. I believe that dismantling this system and creating a society that fairly evaluates the value of each person's contribution will improve the overall sustainability of the IT industry.

Message from the CEO

Competitive Advantage

Support for "in-house DX" from the client's management perspective

Our Support for DX standardizes each process using a unique technique called CCT-DX Method. The method enables DX to continue steadily advancing by first setting a vision and then using prototypes to demonstrate feasibility and applying an agile method to expand functions.

The premier feature of CCT-DX Method is that the ultimate objective is to enable clients to continue advancing their DX "in-house." The idea to make that the ultimate goal arose from our efforts to understand the perspective of a client manager. Clients are eager to bring
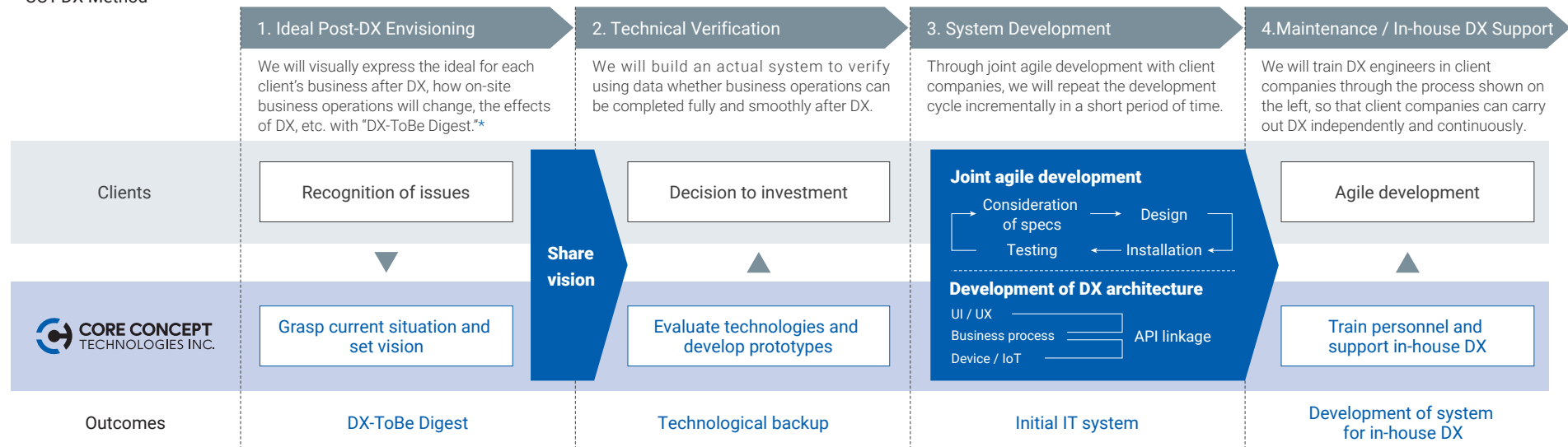
in the advanced technological skills of system developers, but at the same time also must sense the risk that comes from ongoing dependence on an external source to run their core system technologies. We construct the system and then support efforts in all aspects, such as technology transfers, so the client can continue advancing their DX on their own with confidence.

I think this idea is unique among system integrators, possibly because a client that advances DX on its own means that after installing a system there would be no further profit from additional development, maintenance, or operating support. The situation is different for companies like ours because we also provide Support for Staffing of IT Personnel. For us, installing a system

then shifts our focus to providing the human resources the client needs to continue their DX. Our source of sales simply shifts from DX support to HR support, and our revenue ultimately does not significantly decrease. In addition, the significant benefits that the CCT-DX Method provides to our clients build trust and stronger relationships. That, in turn, leads to more inquiries about new projects.

The "meviy" component procurement service we developed with MISUMI Corporation and the joint venture DT Dynamics Co., Ltd., we set up with MISUMI, which are presented in the Examples of Value We Provide to Society section on page 14, are prime examples of our strong relations with clients.

— CCT-DX Method

	1. Ideal Post-DX Envisioning	2. Technical Verification	3. System Development	4. Maintenance / In-house DX Support
	We will visually express the ideal for each client's business after DX, how on-site business operations will change, the effects of DX, etc. with "DX-ToBe Digest."*	We will build an actual system to verify using data whether business operations can be completed fully and smoothly after DX.	Through joint agile development with client companies, we will repeat the development cycle incrementally in a short period of time.	We will train DX engineers in client companies through the process shown on the left, so that client companies can carry out DX independently and continuously.
Clients	Recognition of issues	Decision to investment	**Joint agile development** — Consideration of specs → Design → Installation → Testing	Agile development
CORE CONCEPT TECHNOLOGIES INC.	Grasp current situation and set vision	Evaluate technologies and develop prototypes	**Development of DX architecture** — UI / UX, Business process, Device / IoT, API linkage	Train personnel and support in-house DX
Outcomes	DX-ToBe Digest	Technological backup	Initial IT system	Development of system for in-house DX

Share vision

* We present the client with an original document detailing the image we aim to create for the company through DX.
The document outlines our design philosophy (the big picture) for the reform plan, the business structure and flow that the reform will produce for the company, and clear descriptions of the reform objectives and results. The client can use the document to explain the objectives and gain the understanding of all internal stakeholders, from management to on-site employees.

Message from the CEO

Business Growth Model

Two synergy loops for sustaining growth

We are developing our business along two synergy loops aimed at achieving sustaining earnings growth and growing corporate value. This strategy hinges on the two core products of the Orizuru Support for DX and the Ohgi Support for Staffing of IT Personnel (see pages 19 and 21).

The image on the right shows the two key loops of our strategy promotion model. The inner blue loop is the profit generation structure from the operating flow from order to product delivery. The outer gray loop is the product evolution structure, the process for improving the value of our products. Progressing along the outer loop speeds up the progress on the inner loop, which increases profitability. This mechanism increases client satisfaction and leads to ongoing business transactions, which in turn provides an ongoing flow of profits for our Company.

The diagram of this business growth model shows that the flow of our operations through three steps of ❶ improving our ability to accept orders, ❷ improving our ability to procure human resource talent, then ❸ improving our organizational project management capabilities. These three steps working in close unity will both generate and grow our profits.

The fourth step (❹) is steadily improving our products by broadening the applications for Orizuru and Ohgi. As the orders for our products grow, we are developing new functions to meet the various needs of our growing client base. Our products will evolve as the new functions become standard, which will greatly enhance the experience value these products provide to clients.

This will also accelerate the flow of the first three

Business growth model
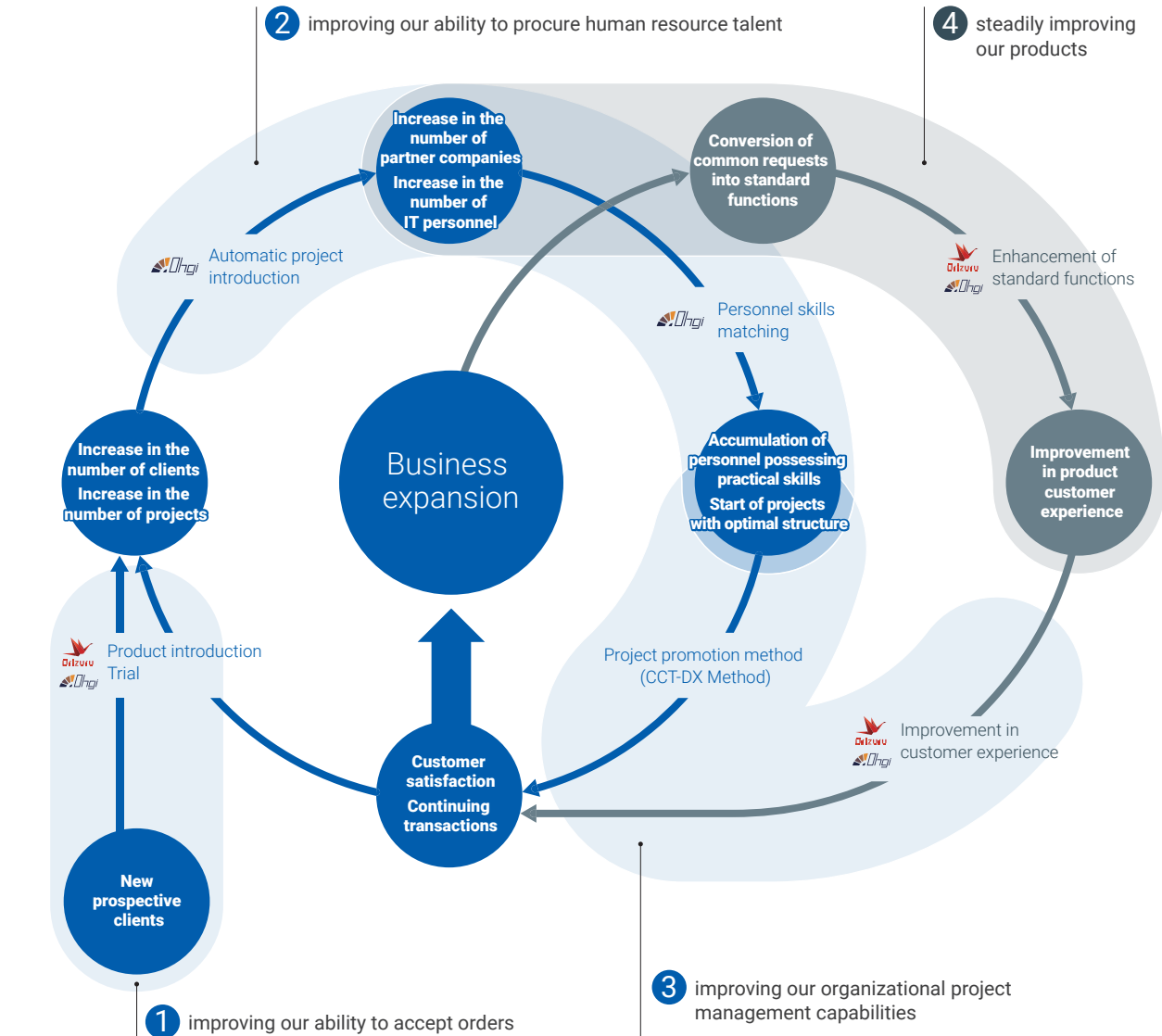
Message from the CEO

steps, which will boost profits even further. In other words, the better our products become, the more orders we will receive at step 1. That will expand the Ohgi network, which will require more IT personnel for projects at step 2. More new personnel working within the Orizuru and CCT-DX Method framework will accelerate their skill-building and ensure our product maintain their high quality at step 3.

This mechanism is how we will combine the "profit generation structure" and the "product evolution" to achieve sustaining business growth.

Growth Strategy
Expand DX support industry range and establish a nationwide human resource network

As I stated, product evolution is the key to growing our business. Our growth strategy is to enlarge Support for DX by expanding the functions of the Orizuru platform to cover a wider range of industries.

In fact, Orizuru was originally developed for the manufacturing industry but for several years we have been also customizing the platform for use in the construction industry, where our customer numbers are growing. More recently, we began providing DX support for another industry—logistics. The logistics industry has supply chains that are very similar to those in the manufacturing and construction industries, and we believe the shortage of labor will inevitably force the industry to find ways to increase productivity. Our technologies can contribute greatly to overcoming that issue and to further developing the industry.

The growth strategy for our Support for Staffing of

IT Personnel is rooted in expanding the application area of Ohgi system. In short, we will create a nationwide network for IT human resources. Our network already covers the majority of IT companies in Tokyo, but we still have much work ahead to also cover other regions. We plan to first expand to the Osaka and Kyushu areas where our business sites are located, and continue from there to cover the rest of the country. Looking further ahead, we plan to be very active and will also consider M&A to accelerate the expansion.

Sustainability
Strengthening both our business and corporate sustainability

Sustainability is becoming an increasingly vital aspect of modern corporate management. In July 2023, we adopted a Basic Policy on Sustainability and identified material issues (materiality) to serve as a long-term guide for clarifying the direction of our management initiatives (see page 13).

The goal of our business activities is to help various industries develop their sustainability. The Orizuru platform, for example, enables visualization of bottleneck factors and helps find ways to eliminate idiosyncrasies in manufacturing processes, which can improve energy efficiency and reduce resource loss.

At the same time, we are also strengthening the sustainability of our corporate activities. We are particularly focusing on initiatives for our human capital. We introduced a full flextime system and a remote work system to create an environment where employees can work freely and vigorously while also maintaining a

sense of unity. People are the most vital element to building an organization and business, and having a staff of highly talented human resources is invaluable to our company. We look for people with a clear vision and aspirations for the future, who know what they want to be and take action to make it a reality. We seek talented individuals who share our vision and want to grow with our business.

Message to Shareholders and Investors
Communicating a proposal-based approach for the benefit of all

As we "Create the Next-Gen of the IT Industry," we are following Our Values of Think Big and Act Together. I would ask investors to follow this principle too. As we continue developing our Company, we will listen to people's opinions and consider our activities from various perspectives.

A company's share price can make or break a company's financial activities. Nevertheless, the best choice for both investors and managers is to continue moving on the path to business growth. With that in mind, just like we do with our clients, I intend to take a proposal-based approach to communicate with our investors.

Listening to everyone's opinions and proposing ideas that will accelerate our growth is in everyone's best interest. While openly exchanging opinions, we would like to work with you to create a better future for our company.

Representative Director,
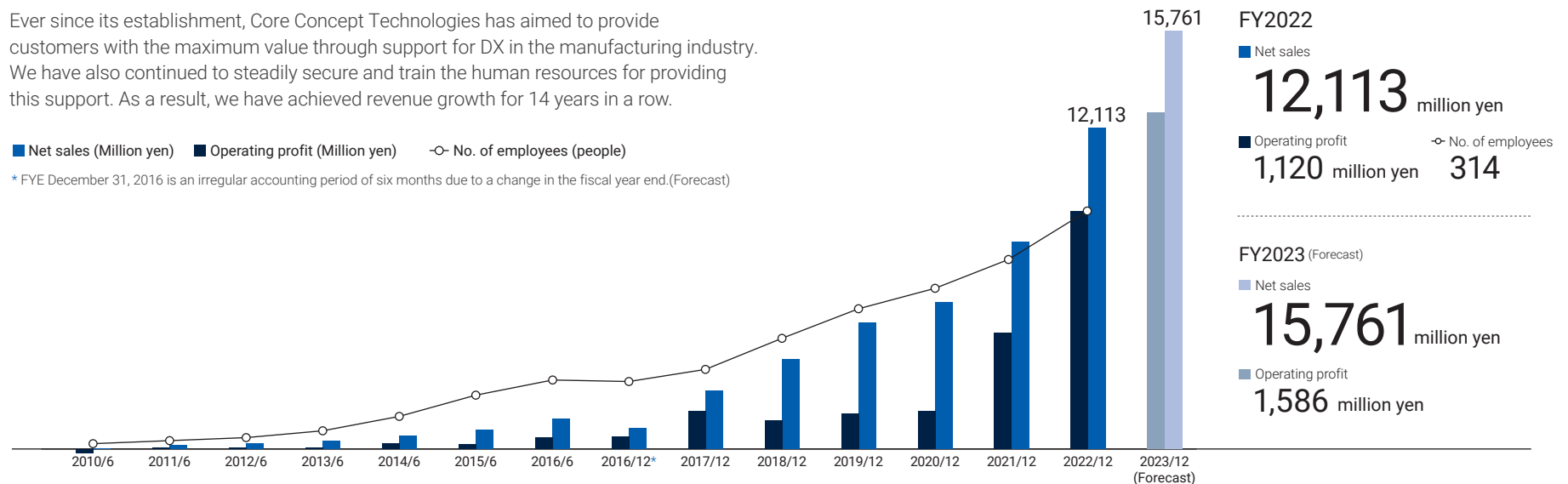President and CEO   *Takeshi Kaneko*

Our Journey

Achieving dramatic growth through increasing the value provided to customers

Ever since its establishment, Core Concept Technologies has aimed to provide customers with the maximum value through support for DX in the manufacturing industry. We have also continued to steadily secure and train the human resources for providing this support. As a result, we have achieved revenue growth for 14 years in a row.

■ Net sales (Million yen)   ■ Operating profit (Million yen)   —○— No. of employees (people)

* FYE December 31, 2016 is an irregular accounting period of six months due to a change in the fiscal year end.(Forecast)

15,761

12,113

2010/6   2011/6   2012/6   2013/6   2014/6   2015/6   2016/6   2016/12*   2017/12   2018/12   2019/12   2020/12   2021/12   2022/12   2023/12 (Forecast)

FY2022

■ Net sales

12,113 million yen

■ Operating profit   —○— No. of employees

1,120 million yen   **314**

FY2023 (Forecast)

■ Net sales

15,761 million yen

■ Operating profit

1,586 million yen

2009 Established
Launched support for DX in manufacturing industry

Established by a former employee of a venture company that provides support for DX to manufacturing industry. Launched support for DX specializing in manufacturing industry design processes with strengths in 3D-shape processing technology.

2016
Birth of "Orizuru" DX development base

Focused on common needs of many customers while maintaining support for DX. Commercialized "Orizuru" with functions that support these common needs. The "Orizuru" DX development base realizes rapid and low cost DX through customization based on standard functions.

2016
Developed predecessor system of "Ohgi"

Created a human resources network encompassing information on the many small and medium IT companies with which CCT has maintained relationships since its establishment and their employees. The system was named "Ohgi" later and delivers human resources to many IT companies quickly.

2021
Listed on the stock exchange to accelerate growth

In September 2021, CCT listed its shares on the TSE Mothers Market (currently the Growth Market). The listing has improved public confidence and had a positive impact on business activities in a wide range of areas, including sales and recruitment.

Our Value Creation Model

External Environment

Issues for all industries	Issues for IT industry	Global environmental issues
• Declining working-age population	• Involvement of many intermediary agencies	• Climate change
• Improving productivity	• Shortage of IT human resources	
• Passing on know how		

Inputs

Financial Capital

Stable financial base that enables investment in growth
• Equity 2,844 million yen
• Operating profit 1,120 million yen

Human Capital → See page 12

Human resources base that enables DX using IT technology
• 326 employees
• Approximately 4,800 business partner companies (about 100,000 people)

Intellectual Capital → See page 12

Knowledge base centered on the manufacturing and construction industries
• Cutting-edge IT technology
• "Orizuru" DX development base
• Knowledge of business processes in manufacturing and construction industries

Social Capital

Building positive relationships with a wide range of stakeholders
• 8 joint seminars a year with outside parties

Natural Capital

Reducing our environmental impact Activities aimed at realizing a recycling-oriented society
• Greenhouse gas emissions (GHG) (Scope 1, 2) 29,327kg
• Industrial waste emissions 6.0m³

Business Model

Business Processes → See page 19

Support for DX delivering our proprietary technology and Support for Staffing of IT Personnel utilizing our IT human resources network. Our business has grown by supporting digitalization through the evolution of technology and products and the development of people and realizing ongoing business relationships through customer satisfaction.

Orizuru

Support for DX

Support for staffing of IT personnel

Ohgi

Business Base → See page 13

Five Materialities

After defining our materiality, we are working to establish systems related to ESG (environmental, society, and governance).

Outputs

Digitalization of customer operations/ equipment

Creation of IT human resources

Outcome

Sustainable growth of CCT

FY2025 (Targets)

Net sales **26,700** million yen

Operating profit **3,500** million yen

FY2023 (Forecast)

Net sales **15,761** million yen

Operating profit **1,586** million yen

The Value We Provide to Society

Sustainable development of industry
Supporting the sustainability of various industries through DX

Improving the skills and incomes of IT human resources
Resolving the issues caused by the involvement of many intermediary agencies and ensuring the happiness of IT engineers

Contributing to action against climate change
Reducing impact by using DX to improve energy efficiency

Our Important Capital

We provide support that exceeds customer expectations using people and technology as our strengths

Human Capital

Technology-minded Employees and Wide Range of Business Partners

Core Concept Technologies is involved in a variety of development services using cutting-edge technology, which makes it a rewarding work environment for technology-minded engineers. The projects our engineers take part in offer many opportunities for growth which also creates sense of fulfillment.

In addition, ever since Core Concept Technologies was established, we have been visiting small and medium IT companies individually and building up our network of business partners. As we have grown bigger, the size and number of projects we can implement has also expanded, and the number of business partners has increased to approximately 4,800 companies at the same time.

No. of employees

No. of business partners

(As of March 2023)

326

Approx. **4,800** companies (about **100,000** people)
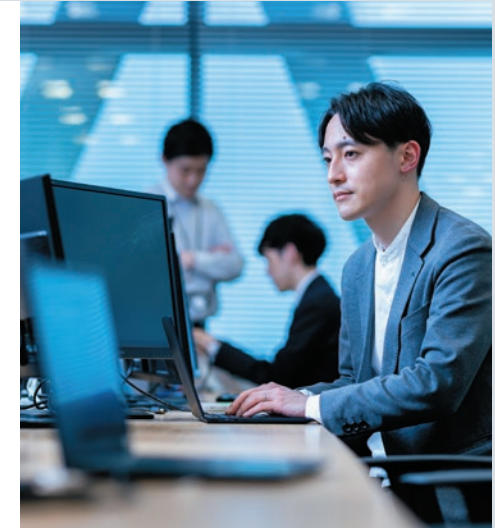
Intellectual Capital

Cutting-edge Technical Capabilities and On-site Knowledge of Manufacturing and Construction Industries

Our strengths are the 3D-shape processing technology and the knowledge of manufacturing cultivated since our foundation. Taking advantage of these strengths, we first launched a business specializing in manufacturing industry DX and then expanded its services into the construction industry based on the knowledge acquired. We have evolved by supporting DX for customers through cutting-edge IT technology and accumulating the knowledge obtained as the standard functions in "Orizuru," our in-house product.

Through system development based on "Orizuru," it is also possible to facilitate human resource education leading to the enhancement of technical capabilities.

Cutting-edge
IT technology

"Orizuru"
DX development base

Knowledge of business processes in the manufacturing and construction industries
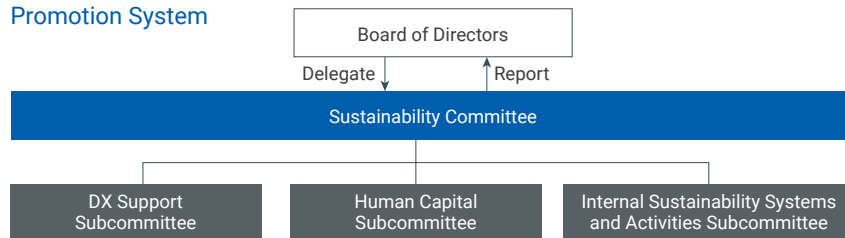
Our Materiality

We will enhance corporate value through our materiality initiatives

Sustainability Basic Policy

Driving sustainable industrial development through the power of our technology and people
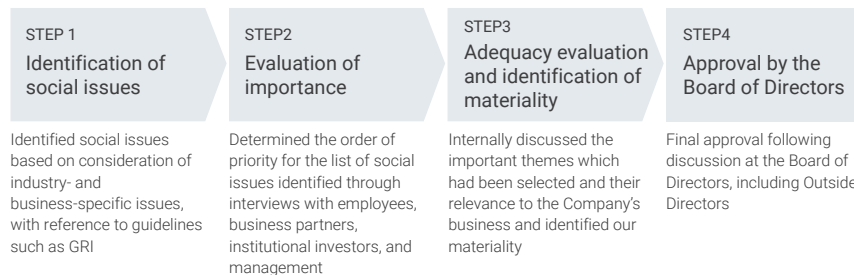
With the belief that our daily business activities drive the sustainable development of the industry, our Purpose itself(see p.1) is our Sustainability Basic Policy.

Promotion System

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          ┌─────────────────────────┐
          │    Board of Directors    │
          └─────────────────────────┘
        Delegate ↓        ↑ Report
┌───────────────────────────────────────────┐
│          Sustainability Committee          │
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│DX Support│  │  Human   │  │Internal Sustainability│
│Subcommittee│ │ Capital  │  │  Systems and        │
│          │  │Subcommittee│ │Activities Subcommittee│
└──────────┘  └──────────┘  └────────────────────┘
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Process for Defining Our Materiality

In July 2023, using the social issues surrounding us as the starting point, we organized and assessed the issues. The issues were then discussed by the Sustainability Committee, chaired by the Representative Director, President and CEO, and each of the subcommittees to define our materiality, which was approved and determined by the Board of Directors.

STEP 1 Identification of social issues	STEP2 Evaluation of importance	STEP3 Adequacy evaluation and identification of materiality	STEP4 Approval by the Board of Directors
Identified social issues based on consideration of industry- and business-specific issues, with reference to guidelines such as GRI	Determined the order of priority for the list of social issues identified through interviews with employees, business partners, institutional investors, and management	Internally discussed the important themes which had been selected and their relevance to the Company's business and identified our materiality	Final approval following discussion at the Board of Directors, including Outside Directors

Our Materiality	Results of Main Initiatives
Resolving Social Issues through Business Activities	
Realizing Sustainability through Client DX Contributing to business continuity, increasing sales and profit, and sustainable development of industry by using "Orizuru" to implement client DX	• Improving labor productivity (Misumi) ➜ See page 14 • Reducing environmental impact (Fine Sinter) ➜ See page 24
Developing the IT Human Resources Who Will Shape the Future Resolving the problems caused by involvement of many intermediary agencies and contributing to the sustainable development of the IT industry by improving the skills of IT engineers and expanding the "Ohgi" network	• Increase in the number of partner human resources Approximately 63,000 (2021) → Approximately 100,000 (2022) ➜ See page 21 • Expanding "Ohgi" into regional areas ➜ See page 22
Resolving Social Issues through Corporate Activities	
Taking the Initiative in Global Environmental Conservation •Realizing a zero carbon business •Realizing a circular economy business	• Realizing 100% renewable energy at head office and data centers (Scope 1, 2) ➜ See page 25 • Recycling unused PCs ➜ See page 25
An Organization Where Each and Every Individual Can Contribute •Widely disseminating the CCT WAY •Strengthening organizational capabilities by promoting employee engagement •Creating a comfortable and rewarding working environment	• Incorporating the CCT WAY into personnel evaluations and providing CCT WAY training ➜ See page 26 • Holding Whole Company Meeting, Officer Exchange Meetings, and Exchange Workshops ➜ See page 26 • Promoting work-life balance and investing in human resources development ➜ See page 26
Resilient Business Base •Data security and system risk management •Ensure highly transparent governance and compliance	• Data security ➜ See page 33 • Establishment of Nomination and Remuneration Committee Appointment of female Outside Director ➜ See page 32

The Value We Provide to Society

Jointly developed a system to streamline procurement operations

As a partner of MISUMI Group Inc. (hereinafter referred to as "MISUMI"), which engages in the manufacturing and distribution of machine parts, we support the development of their machine parts procurement service "meviy." MISUMI aimed to dramatically reduce the time it takes for customers to procure products by focusing on the CAD used by equipment designers and strengthening their ability to handle digital manufacturing through making "meviy" the third form of media after paper catalogs and the internet. They chose our proprietary 3D shape processing technology in order to achieve this, which led to the joint development. "meviy" is a system developed by MISUMI and our company through agile joint development, and allows for estimations and delivery times to be instantly displayed by simply uploading 3D CAD data.

In September 2022, both companies established a joint venture called DT Dynamics. Despite working together on development for a long time, there was still an organizational barrier. Establishing the joint venture eliminated this and enabled us to accelerate the incorporation of customer needs into system development. We will increase our necessary market competitiveness to be successful on the global stage by truly uniting the development teams for "meviy" from sales to engineering.

Our company is responsible for the acquisition of IT personnel at operating companies through our IT personnel staffing support. We will contribute to the utilization of digital technology in manufacturing by building a strong relationship with MISUMI.

— "meviy" Development Project Process

1	Goal Formulation	• Developed machine parts procurement platform that drastically shortens manufacturing lead times
2	Technical Verification	• Displayed CAD data on browser • Applied shape recognition technology
3	System Construction	• Constructed system through agile joint development (scrum development)
4	Operation / In-house Production	• Established DT Dynamics and increased speed of development

Service significantly streamlining procurement operations

∞ meviy

"meviy" is a next-generation manufacturing platform that enables instant estimations through uploads of 3D CAD data, and shipments in as little as one day. Significantly reducing the time until delivery has reduced the workloads of both designers and purchasing personnel. If your equipment has 1,500 parts, it saves 92% of the time compared to using 2D drawings. In addition to processes for cutting, sheet metal, and lathing, we also offer a wealth of materials and surface treatments. We support the design of jigs, machinery and equipment, and product development.

We will deepen our collaboration with CCT and advance the manufacturing industry

We have worked together with CCT for many years through the joint development of "meviy" to address the issue of a "lack of time" faced by the manufacturing industry. In the manufacturing industry value chain, huge amounts of time are wasted due to continuous inefficient work in the area of parts procurement. MISUMI has dramatically increased work efficiency and successfully implemented digital transformation in procurement through the innovation called "meviy." During this process, we chose CCT as our partner not only for their unique advanced technology, but also because their strong desire to advance the manufacturing industry through the power of IT. We will continue to be committed to the further advancement of "meviy," including expanding worldwide, in order to bring creativity and smiles to the manufacturing industry.

Mitsunobu Yoshida, Senior Corporate Officer and Representative Corporate Officer, MISUMI Group Inc.
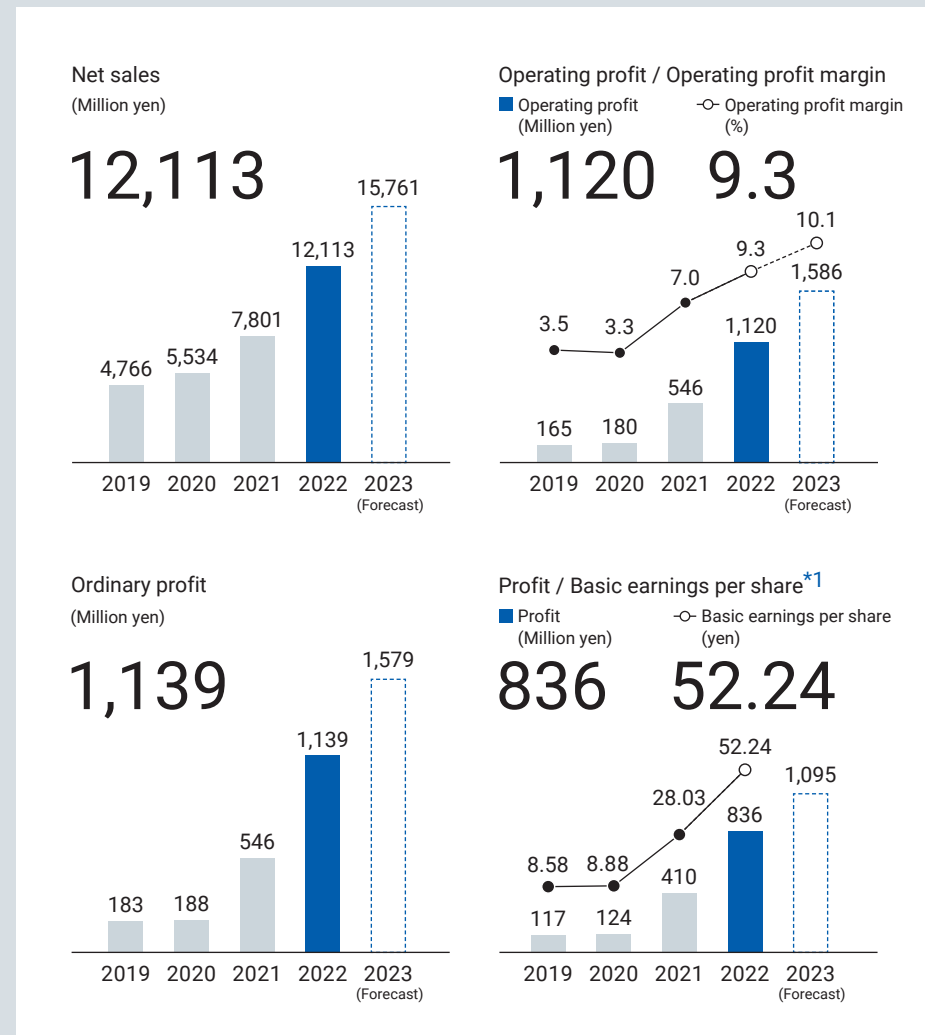
Profile | Joined MISUMI Group Inc. in 2008. He was engaged in the launch of "meviy." In 2018, he established and became the president of Industrial Digital Manufacturing Business Company.
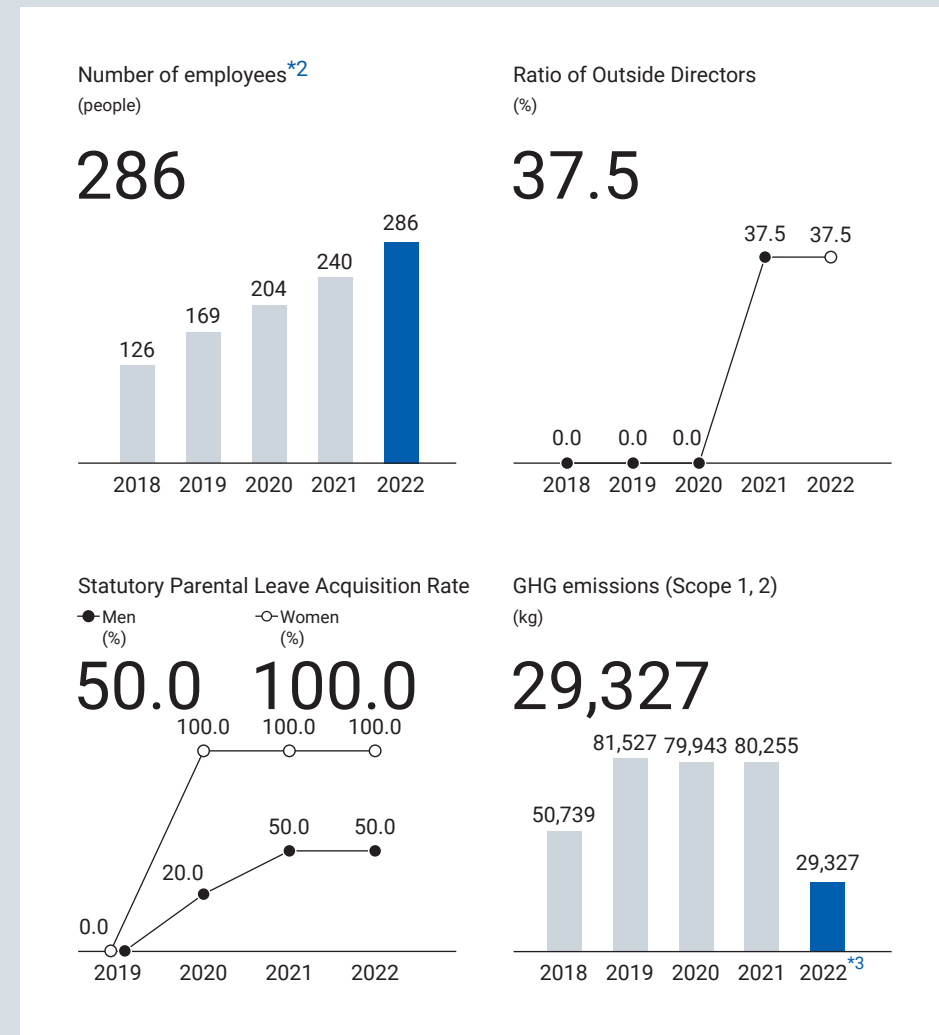
Financial and Non-Financial Highlights

Note: Each fiscal year ended December 31

Financial Data

Net sales
(Million yen)

12,113

4,766	5,534	7,801	12,113	15,761
2019	2020	2021	2022	2023 (Forecast)

Operating profit / Operating profit margin
■ Operating profit (Million yen)   ○ Operating profit margin (%)

1,120   9.3

Operating profit margin: 3.5, 3.3, 7.0, 9.3, 10.1

165	180	546	1,120	1,586
2019	2020	2021	2022	2023 (Forecast)

Ordinary profit
(Million yen)

1,139

183	188	546	1,139	1,579
2019	2020	2021	2022	2023 (Forecast)

Profit / Basic earnings per share[*1]
■ Profit (Million yen)   ○ Basic earnings per share (yen)

836   52.24

Basic earnings per share: 8.58, 8.88, 28.03, 52.24

117	124	410	836	1,095
2019	2020	2021	2022	2023 (Forecast)

Non-Financial Data

Number of employees[*2]
(people)

286

126	169	204	240	286
2018	2019	2020	2021	2022

Ratio of Outside Directors
(%)

37.5

0.0	0.0	0.0	37.5	37.5
2018	2019	2020	2021	2022

Statutory Parental Leave Acquisition Rate
● Men (%)   ○ Women (%)

50.0   100.0

Women: 100.0, 100.0, 100.0
Men: 0.0, 20.0, 50.0, 50.0

2019	2020	2021	2022

GHG emissions (Scope 1, 2)
(kg)

29,327

50,739	81,527	79,943	80,255	29,327
2018	2019	2020	2021	2022[*3]

*1 Our company has conducted a stock split of 1,000 shares per share of common stock on November 11, 2020, and conducted further stock splits at a ratio of 2 shares per share of common stock on April 1, 2022 and October 1, 2022, respectively. The basic earnings per share on this page are calculated assuming that the stock split was carried out at the beginning of the fiscal year ended December 31, 2019 (January 2019).

*2 The average number of employees registered from January to December.

*3 Achieved Net zero GHG emissions at DaiyaGate Ikebukuro, the office building where our head office is located, from April 2022.

Message from the CFO

We will maintain
our powerful growth and
enhance our corporate value

Promoting Growth Strategy and Proactive Investor Relations as CFO

I believe the two important roles of the CFO at Core Concept Technologies (CCT) today are firmly establishing and promoting a growth strategy and striving for active investor relations with the aim of enhancing corporate value.

With regard to our growth strategy, we are aiming to accelerate growth through M&A in addition to organic growth. We intend to gradually increase the speed of M&A execution after repeating a number of small-scale transactions and ensuring that we can implement management integration properly. While our objective in M&A is mainly to secure human resources, we will also consider companies with strengths in system development for the construction and logistics industries in order to speed up expansion of "Orizuru" functionality.

As yet, there is not a great awareness in the share market about CCT, which listed on the TSE Mothers Market (current Growth Market) in September 2021. Therefore, we are working to increase awareness through proactive investor relations to bring the share price to a more appropriate level. In 2022, in addition to the dialogues with domestic institutional investors we have held since before CCT listed its shares on the stock exchange, we prepared and disclosed timely disclosure materials in English for overseas institutional investors, created an English investor relations information site, took part in conferences and expanded our one-on-one meetings among other measures. Starting in 2023, we will hold regular investor relations meetings for individual investors.

Achieving Significant Revenue and Profit Growth in the Fiscal Year Ended December 31, 2022

In the fiscal year under review, net sales were 12,113 million yen, up 55.3% year on year, achieving the 14th year in a row of revenue growth since CCT was established.

Kazuaki Nakajima   Director, CFO

Profile
He joined The Industrial Bank of Japan, Limited (current Mizuho Bank) in 1995 after graduating from the Faculty of Law, The University of Tokyo. He was subsequently involved in start-ups, the launch of new businesses overseas, corporate turnarounds, and IPOs, etc. at several companies before joining CCT in 2018. After working on a system development project at a head office division, he assumed the position of Executive Officer, CFO of the Company in 2019 and has been focusing on establishing management systems. He took up the post of Director, CFO in 2020.

Message from the CFO

Operating profit also increased significantly to 1,120 million yen, up 105.2% year on year.

The growth rate of net sales is 69.5% in Support for DX and 43.6% in Support for Staffing of IT Personnel. The reason for high growth in Support for DX is the increase in the scale of a project for a major general contractor. Meanwhile, the rate of increase in gross profit was 47.0% in Support for DX and 61.8% in Support for Staffing of IT Personnel. Efforts to increase the order unit price per man-month and reduce the outsourcing unit price have led to an improvement in the gross profit margin in Support for Staffing of IT Personnel. The selling, general and administrative expenses to net sales ratio fell from 16.0% in the previous fiscal year to 13.3%, and the operating profit margin improved significantly from 7.0% in the previous fiscal year to 9.3%.

Expecting Strong Growth Again in the Fiscal Year Ending December 31, 2023

We are expecting revenue and profit growth again in the business results for the next fiscal year with net sales of 15,761 million yen, up 30.1% year on year, and operating profit of 1,586 million yen, up 41.5% year on year.

As there are no major changes in the business environment, we forecast growth of around 30% in both Support for DX and Support for Staffing of IT Personnel. While we do not anticipate any particularly outstanding factors for revenue growth such as the project for a major general contractor in the fiscal year under review, we believe we will be able to achieve high enough growth by adding new orders to an increase in orders from our existing clients.

We expect the gross profit margin will be 26.6%, up 4.1 percentage points year on year, as we will curb outsourcing expenses in Support for DX, which should result in a gradual increase in the gross profit margin, and anticipate the gross profit margin in Support for Staffing of IT Personnel to be at the same level as in the fiscal year under review. Although the selling, general and administrative expenses to net sales ratio will rise to 16.5% driven by higher personnel expenses as a result of maintaining aggressive recruitment, we expect the operating profit margin will increase to 10.1%.

Financial Indicators/Medium-term Targets

Unit: Millions of yen

	FY2021 (Results)	FY2022 (Results)	FY2023 (Forecast)
Net sales	7,801	12,113	15,761
Support for DX	3,503	5,939	7,810
Support for staffing of IT personnel	4,297	6,173	7,950
Gross profit	1,797	2,729	4,193
Support for DX	1,201	1,766	3,012
Support for staffing of IT personnel	595	963	1,181
Gross profit margin	23.0%	22.5%	26.6%
Support for DX	34.3%	29.7%	38.6%
Support for staffing of IT personnel	13.9%	15.6%	14.9%
Operating profit	546	1,120	1,586
Operating profit margin	7.0%	9.3%	10.1%
Ordinary profit	546	1,139	1,579
Profit	410	836	1,095

FY2025
(Targets)

Net sales

▶▶ **26,700** million yen

Operating profit

3,500 million yen

Message from the CFO

Medium-Term Targets
──Realize Sustainable Growth through Our Unique Business Model

Ever since being established, CCT has realized high organic growth with CAGR of over 40%. The foundations for this are the growth in recurring revenue through ongoing orders from existing clients, our pioneering technical capabilities represented by "Orizuru," a large number of projects, including primary and secondary contracting, and the elimination of personnel bottlenecks through the use of "Ohgi." Based on this business model, it is entirely possible that CCT will maintain topline growth of around 30% in the future.

We will improve the gross profit margin in Support for DX by raising order unit prices through increased transactions with major companies, improving productivity by expanding the functionality of "Orizuru," and reducing subcontracting unit prices by rolling out "Ohgi" in regional areas. Although fixed costs will increase as business scale grows, we expect that the selling, general and administrative expenses to net sales ratio will fall, and we will be able to improve the operating profit margin by one to two percentage points a year.

In the medium-term outlook, we are aiming to achieve net sales of 26,700 million yen and operating profit of 3,500 million yen in two years' time in the fiscal year ending December 31, 2025.

Financial Strategy and Capital Policy
──Enhancing Corporate Value through Investment in Growth

CCT achieves both scalability and financial resilience through its involvement in Support for Staffing of IT Personnel. The special features of our business model mean we are able to respond flexibly in both offensive and defensive business. These features include a stable level of secondary contracting orders, a diversified industry portfolio, and a high variable cost ratio due to the use of external partners. Our balance sheet is simple and lean with a high total asset turnover, which leads to very high ROE of 34.8%. Meanwhile, CCT is effectively debt-free and has adequate debt financing capacity, allowing utilization of financial leverage. We will use cash for small-scale M&A but use equity finance and debt finance in a flexible manner when large-scale capital requirements arise.

Although we are conscious of ROE and ROIC, we focus on topline growth and increasing the absolute level of profit. Therefore, we will continue to control our finances, giving comprehensive consideration to the business and market environments, capital requirements for human resource recruitment and M&A, capital policy, and other factors.
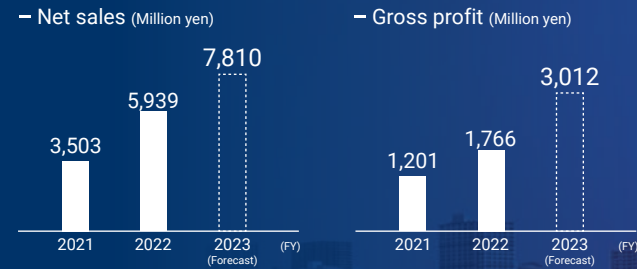
In order to resolve the low market liquidity of the Company's shares, we implemented two stock splits during the fiscal year under review, and we will continue to implement measures going forward.

CCT is in the growth phase, and we believe that investing profit in further growth and enhancing corporate value through business growth will bring the highest returns for shareholders. Therefore, we do not plan to pay dividends in the near future.

Going forward, I would like to continue focusing my efforts as CFO on maintaining CCT's powerful growth.

Introduction   Message from the CEO   CCT's Value Creation   Message from the CFO   Strategy By Sector   Basis of Value Creation   Company and Share Information

Strategy by Sector | Support for DX

Support for DX

Net sales (Million yen)

- 2021: 3,503
- 2022: 5,939
- 2023 (Forecast): 7,810

Gross profit (Million yen)

- 2021: 1,201
- 2022: 1,766
- 2023 (Forecast): 3,012

Industry Issues

Low-labor Productivity and Risk of Know-how Vanishing

Labor shortages in Japan's manufacturing and construction industries are becoming more severe due to the country's low birthrate and aging population, and there is a pressing need to raise labor productivity. Furthermore, the absence of young workers to inherit know-how means the very survival of businesses is at risk.

Our Strength and Competitive Advantage

Accompanied Support from Onsite DX through to In-house Production

In addition to IT, we know about onsite conditions in the manufacturing and construction industries. Leveraging this strength enables us to smoothly accomplish DX by making proposals that separate areas that should be digitalized and those that should not in accordance with the operations of individual sites.

We have also commercialized the results of our industry-focused support into the standard functions of "Orizuru." Using "Orizuru," we can present a post-DX simulation based on the customer's actual data from the time of the initial proposal. We can deliver DX quickly and at low cost because we newly develop only the differences that arise during system development.

After DX, we provide accompanied support that extends to in-house production so that clients can take the lead in DX themselves, without needing maintenance and operation by us. We can continue providing support to meet the IT personnel needs of clients as we are involved in large-scale support for staffing of IT personnel. These strengths translate into differentiation from our rivals and create a competitive advantage in the market.

Summary of Business Performance and Future Outlook

Realizing Sustained High Growth with Sales and Profit Growth

In FY2022, we recorded sales and profit growth by expanding sales to new clients in the manufacturing industry, increasing orders from the super general contractors, and continuously growing our transactions with existing clients.

We raised our profile as a company that handles DX for the manufacturing industry by listing our shares on the stock exchange and announcing our partnership for development of "meviy," a MISUMI Group Inc. product. As a result, inquiries for new projects are also increasing.

Structuring the know-how possessed by experienced workers and raising labor productivity are issues directly connected to the very survival of companies. We are working to solve clients' issues through DX, and will continue to realize high business growth.

Strategy by Sector | Support for DX

Growth Strategy

We have continued to expand "Orizuru" functionality based on the actual needs of customers. Going forward, we will expand the standard functions in order to meet the needs of more clients. We will also expand the sectors in which we provide support from the manufacturing and construction industries to the logistics industry, where DX is lagging behind.

Expand "Orizuru" Functions

Many of the DX projects that we receive orders for consist of additional development of areas of difference based on the "Orizuru" platform. When doing this, we add any common features to "Orizuru" as standard functions. The more standard functions there are, the less additional development is required, enabling us to deliver DX for clients quickly and at low cost.

At present, our business is mainly a one-time-fee busiess in which we receive outsourced orders, carry out development based on the "Orizuru" platform, and deliver

the product. Our strategy is to introduce recurring revenue-type business in the future using "Orizuru EC," which digitalizes sales and business negotiations, and "Orizuru MEC," which digitalizes factories.

Expanding into the Logistics Industry

After the manufacturing industry and the construction industry, we are expanding into the logistics industry as the third industry in which we provide support for DX. The logistics industry is a sector with acute labor shortages where DX is lagging behind. Due to the enforcement of workstyle reform laws, the logistics industry also faces the so-called "2024 issue," and there is a pressing need for the realization of DX.

We will utilize the technologies we have cultivated through DX in the manufacturing industry to provide support in the areas of warehouse and delivery management. We will also work to establish "Orizuru" standard functions for the logistics industry.

Solving Issues in the Manufacturing, Construction and Logistics Industries in Japan to Grow Our Business
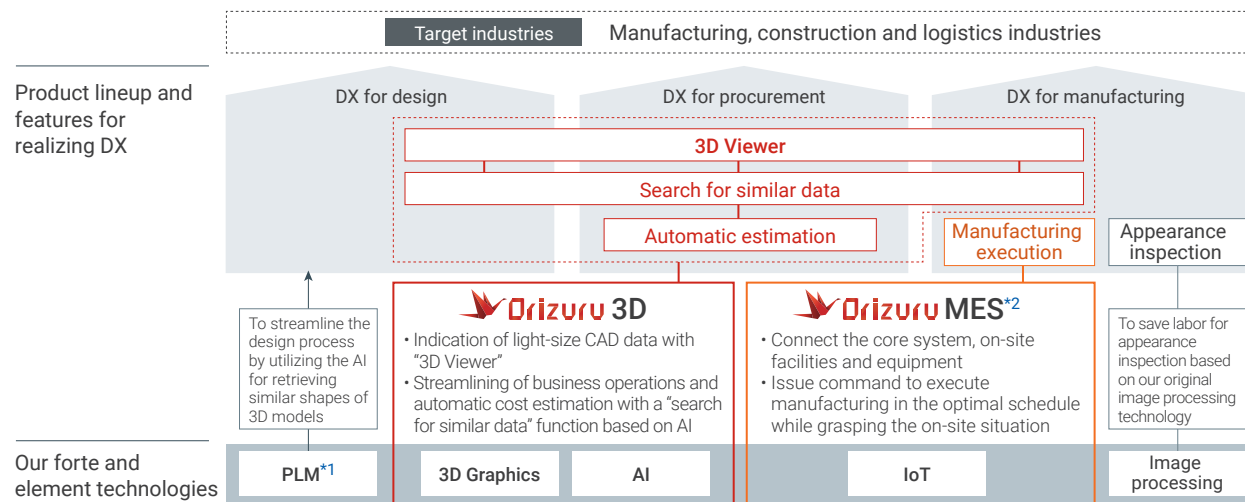
Masataka Ishihara
Digital Transformation Business Division
Deputy General Manager

"We want to invigorate Japan's manufacturing industry, which has technical capabilities like a delicate Orizuru (paper crane)." Based on this aspiration, we named our DX development platform for the manufacturing industry "Orizuru."

While Japan's manufacturing and construction industries possess advanced technical capabilities, growth opportunities are undermined by dependence on the skills of individual employees. In particular, at companies with high-mix, low-volume production, there are bottleneck processes that are highly dependent on individual skills in all the areas of sales, design, production preparation, procurement, and manufacturing. We are expanding the functionality of "Orizuru" and developing mechanisms based on the "CCT-DX Method" to enable companies to make the most of the strengths cultivated to date and deliver results from DX in stages over a short period of time. As a product manager, I am responsible for the roles of planning, design, and sometimes sales.

In addition to Japan's manufacturing and construction industries, we will also expand into the logistics industry and contribute to the realization of DX based on the realities of each industry.

▬ Overall Image of "Orizuru"

Target industries	Manufacturing, construction and logistics industries	

Product lineup and features for realizing DX	DX for design	DX for procurement	DX for manufacturing

3D Viewer

Search for similar data

Automatic estimation

Manufacturing execution

Appearance inspection

To streamline the design process by utilizing the AI for retrieving similar shapes of 3D models

🦢 Orizuru 3D
• Indication of light-size CAD data with "3D Viewer"
• Streamlining of business operations and automatic cost estimation with a "search for similar data" function based on AI

🦢 Orizuru MES[*2]
• Connect the core system, on-site facilities and equipment
• Issue command to execute manufacturing in the optimal schedule while grasping the on-site situation

To save labor for appearance inspection based on our original image processing technology

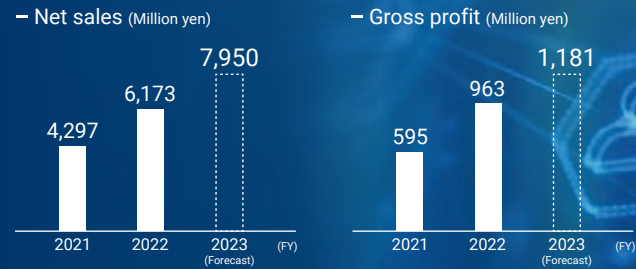| **Our forte and element technologies**	PLM[*1]	3D Graphics	AI	IoT	Image processing

*1 Abbreviation for "Product Lifecycle Management." It means aggregating various technological information on the entire product lifecycle, and using it to improve product development capabilities and corporate competitiveness.

*2 Abbreviation for "Manufacturing Execution System." MES grasps and manages manufacturing processes, and gives instructions and support to workers.

Strategy by Sector | Support for Staffing of IT Personnel

Support for Staffing of IT Personnel

Net sales (Million yen)

2021	2022	2023 (Forecast)	(FY)
4,297	6,173	7,950	

Gross profit (Million yen)

2021	2022	2023 (Forecast)	(FY)
595	963	1,181	

Industry Issues

Gap between IT Engineer Demand and Supply and Inefficiency in Matching

While IT investment is increasing in all industries and demand for IT engineers is growing, supply is hitting a ceiling and there is an expanding gap between demand and supply. In addition, the involvement of many intermediary agencies creates inefficiency in the matching of engineers with projects.

Our Strength and Competitive Advantage

Use of "Ohgi" an Extensive Business Partner Network

Our strength in the Support for Staffing of IT Personnel business lies in "Ohgi," an extensive business partner network made mainly of small- and medium-sized companies. As of March 2023, there are approximately 4,800 business partner companies (about 100,000 people).

Utilizing "Ohgi" enables us to swiftly assemble the right engineers for a project and establish a framework for delivery in response to demands for IT personnel from system integrators and others. For our business partners, "Ohgi" reduces the involvement of many intermediary agencies allowing them to win orders at relatively high unit prices.

In this way, "Ohgi" is advantageous for system integrators, our business partners, and the Company. The expansion of the "Ohgi" network will increase our competitive advantage.

In addition, "Ohgi" primarily encompasses small- and medium-sized IT companies, which differentiates it from networks that are centered on freelancers.

Summary of Business Performance and Future Outlook

Realizing High Growth to Meet Demand in Support for Staffing of IT Personnel

In FY2022, we focused on continuing to expand transactions with the major system integrators, which are our existing clients, and developing new clients. As a result, we achieved both increased sales and profits.

While the system integration market is expanding in tandem with the recent growth in IT investment, the supply of IT engineers is not keeping up with this market expansion. According to a Ministry of Economy, Trade and Industry survey, there will be a shortfall of approximately 450,000 IT personnel in 2030. As demand for Support for Staffing of IT Personnel is forecast to grow increasingly in the future, we will utilize "Ohgi" to pursue high growth that equals or exceeds market growth.

Strategy by Sector | Support for Staffing of IT Personnel

Growth Strategy

We will expand the "Ohgi" network, currently centered on small- and medium-sized IT companies in Tokyo, into regional areas.

We will also steadily expand transactions with the major system integrators, which are our existing customers, and develop new customers.

Expand "Ohgi" in Regional Areas (Nearshore)

There is a large disparity in the order unit price for IT personnel in Tokyo and regional areas. This is because projects in regional areas are primarily for operation and maintenance, so the technology used is often older and unit prices tend to be lower. In response to this, we hope to help increase unit prices and the skills of engineers by placing orders in regional areas for projects we receive in Tokyo. This will create a win-win relationship as our partner companies will be able to win orders for high unit prices, and we will be able to place orders for lower unit prices than in Tokyo.

Teleworking has now become common, and the environment facilitating remote work is in place. Relatively speaking, it is possible to work from anywhere in the IT industry, so this will also pave the way toward regional revitalization through the placement of orders for work with companies in regional areas.

Since our establishment, we have expanded the "Ohgi" network by visiting individual companies one by one. Going forward, we will implement measures to expand "Ohgi" nationwide.

Steadily Expand Transactions with Major System Integrators, Our Existing Clients

As Support for Staffing of IT Personnel primarily consists of second tier subcontractor projects, the ability to quickly establish the optimum delivery structure to meet the requirements of the major system integrators is important. Our strength lies the "Ohgi" network, but the information on projects that our sales staff obtain from clients is also important in order to fully utilize the network. We will steadily expand transactions with the major system integrators by expanding the "Ohgi" network and engaging in in-depth sales activities.

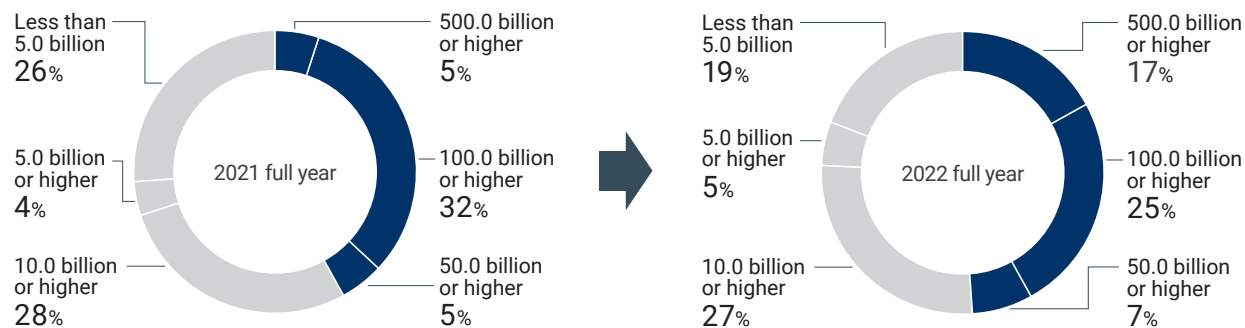### Improving Productivity in the IT Industry and Supporting Career Development for Engineers

Hideaki Morita
Cloud Solutions Business Division
General Manager

- -

We hope to improve productivity in the entire IT industry while simultaneously supporting autonomous career development for individual engineers by utilizing "Ohgi."

For example, freely available information on which technologies are in demand in the market and where and how many engineers there are to meet this demand is useful for improving one's own skills and choosing projects. It is also easier for companies to plan by identifying procurement difficulties in advance.

In the future, we will also develop a mechanism to build up individual evaluations of engineers on "Ohgi." I believe we can contribute to raising the level of the Japanese IT industry as a whole if we can return reasonable compensation to reliable, high-performance engineers.

— Composition of the Company's sales by sales size of clients[*]

2021 full year

- Less than 5.0 billion 26%
- 5.0 billion or higher 4%
- 10.0 billion or higher 28%
- 50.0 billion or higher 5%
- 100.0 billion or higher 32%
- 500.0 billion or higher 5%

2022 full year

- Less than 5.0 billion 19%
- 5.0 billion or higher 5%
- 10.0 billion or higher 27%
- 50.0 billion or higher 7%
- 100.0 billion or higher 25%
- 500.0 billion or higher 17%

* Also includes Support for DX sales

Introduction   Message from the CEO   CCT's Value Creation   Message from the CFO   Strategy By Sector   Basis of Value Creation   Company and Share Information

Environment

Environment

Realizing a zero carbon business

Basic Approach

We have positioned climate change as one of our most important management issues. In addition to promoting initiatives recommended by the TCFD*, we strive to disclose information on the four core elements of governance, strategy, risk management, and indicators and targets.

* Abbreviation for the Task Force on Climate-related Financial Disclosures

Governance

We have established a Sustainability Committee with the Representative Director, President, and CEO serving as the chairman (see p.13). The committee, entrusted by the Board of Directors, formulates policies and manages progress on sustainability issues, including climate change. Important matters are reported to the Board of Directors for deliberation. In July 2023, after deliberation by the Sustainability Committee, our materiality, including the perspective of climate change, was identified and approved by the Board of Directors.

Strategy

Scenario Analysis

We conducted a scenario analysis to recognize the risks and opportunities posed by climate change and to validate current measures, with the aim of applying them to future business strategies. In 2022, the first year of the analysis, we qualitatively analyzed transition risks and physical risks associated with climate change in accordance with the framework of the TCFD, and assessed the impact of each on three levels: large, moderate, and small.

In the analysis, we referred to information from organizations such as the IEA and IPCC and adopted scenarios of +1.5 to +2 degrees Celsius and +4 degrees Celsius.

In the +4 degree Celsius scenario, although the impact of transition risks such as regulations is small due to the extension of current policy, it is assumed that the worsening of natural disasters will progress and physical risks such as abnormal weather will increase.

In a world where the temperature rises by 1.5 to 2 degrees Celsius, climate-related policies such as GHG emission regulations will be strengthened, and although the impact of transition risks will increase, it is estimated that the physical risks will be limited compared to +4 degrees Celsius as a result of these policies.

By considering our business activities in different weather conditions and social environments, we aim to enable sustainable management in a variety of environments.

	+1.5 to +2 Degree Celsius Scenario	+4 Degree Celsius Scenario
Policy	Carbon tax introduced Various climate change measures introduced	Carbon tax not introduced Various climate change measures not introduced
Electricity	Electricity prices rise	Electricity prices fall
Crude Oil	Crude oil prices fall	Crude oil prices rise
Consumer Awareness	Rising temperatures raise awareness of environmental issues such as climate change, and sustainable lifestyles become established	Rising temperatures raise awareness of environmental issues such as climate change
Climate	Amount of heavy rains and typhoons increase Temperature rises by 2 degrees Celsius	Amount of heavy rains and typhoons increase (more frequent than a world with +2 degree Celsius rise) Temperature rises by 4 degrees Celsius

Environment

Significant Risks and Opportunities

Demand for environment-related systems is expected to increase in both scenarios with a +1.5 to +2 degree Celsius and +4 degree Celsius increase. We believe this to be a factor that will increase our chances of receiving orders for these systems, as well as helping to mitigate climate change and resolve the problems caused by it.

Although the introduction of carbon taxes and fluctuations in electricity prices are expected in these countries, we believe that the negative impact of electricity usage on our finances will be limited.

Environmental Impact Reductions through Support for Smart Factory Construction

We provide smart factory solutions using "Orizuru" as support for DX in the manufacturing industry. From 2021, we started to support Fine Sinter Co., Ltd.'s production line reforms, including production control, quality control, and production planning. We have optimized the production planning for each production equipment and built a system that can advance manufacturing production based on various sensor data and automatic measurement results.

Implementing smart factory technology not only improves productivity but also contributes to reducing environmental impact.

Significant Risks

Significant Risks	Category		Degree of Impact	Impact on Business
Risk of reduced customer loyalty due to poor climate change evaluation		Customer Loyalty	Moderate	If we do not promote the environmental contributions of provided systems (low GHG emissions, contribution to green innovation, etc.), the evaluation of the systems from customers will decrease and so will business opportunities
Risk of difficulty in securing human resources due to low evaluation of climate change	Reputa-tion	Human Resources Recruitment	Moderate	If we do not promote the environmental contributions of provided systems (low GHG emissions, contribution to green innovation, etc.), the number of job applicants will decrease, making it difficult to secure human resources
Risk of investment slowdown due to poor climate change evaluation		Investor Loyalty	Moderate	If we do not promote the environmental contributions of provided systems (low GHG emissions, contribution to green innovation, etc.), the evaluation of the systems from investors will decrease and so will our stock price

Significant Opportunities

Significant Opportunities	Category		Degree of Impact	Impact on Business
Increase in demand for GHG emission measurement systems		Carbon prices	Moderate	Introduction of a carbon tax increases the demand for GHG emission measurement, leading to an increase in demand for related systems (No effect if +4 degrees Celsius)
Increase in demand for logistics-related systems due to the rise in fossil fuel costs	Policies and Regulations	Fossil fuel subsidies	Large	Fossil fuel costs soar due to the lifting and reduction of fossil fuel subsidies. As a result, the diversification of fuels and the restructuring of logistics networks will become invigorated, and the demand for related systems will increase
Increased demand for systems due to the growth of the low-carbon market and the spread of new technologies	Technology	Promotion of low-carbon and next-generation technologies	Large	Growth in the low-carbonization-related market, especially in the power storage and motor-related markets, will lead to an increase in the construction of smart factories and other facilities. As a result, the demand for related systems will increase
Increased purchasing costs for customers. Demand for supply chain and price management systems increases	Industry and Market	Fluctuation in raw material costs	Large	Increased raw material costs for customers. Increased demand to understand procurement costs and supply chains, and for procurement price calculation systems

Environment

Risk Management

In order to minimize losses by understanding risks and responding appropriately, we have appointed the Representative Director, President, and CEO as the Chief Risk Management Officer. In addition, the Risk Management Committee, which consists of full-time officers and persons responsible for each division, was put in place and meets quarterly to understand overall risks related to the Company's management, such as the business environment and organizational structure, and to consider countermeasures. With regard to climate change-related risks, we identify and evaluate risks under this system, and formulate and implement measures to reduce them.

Indicators and Targets

We understand Scope 1 and Scope 2 GHG emissions and are committed to reducing them. The main reduction in emissions in FY2022 is due to the fact that DaiyaGate Ikebukuro, the office building where our head office is located, has achieved net zero GHG emissions through solar power generation since April 2022. We are also working to understand and reduce GHG emissions at other locations. We plan to set emissions reduction targets for Scope 1 and Scope 2 by the end of 2023. In addition, we anticipate that Scope 3 emissions will become significantly large in business activities. We will also work to understand and set reduction targets for Scope 3 emissions.

DaiyaGate Ikebukuro office building

GHG Emissions Results (non-consolidated)

	FY2018	FY2019	FY2020	FY2021	FY2022
Greenhouse gas emissions Scope 1, 2 (kg)	50,739	81,527	79,943	80,255	29,327
Number of employees*	126	169	204	240	286
Emissions per employee (kg)	402	482	391	334	102
Net sales per kg-CO_2 emissions (millions of yen)	66.45	58.47	69.23	97.20	413.03
Operating profit per kg-CO_2 emissions (millions of yen)	2.62	2.02	2.25	6.80	38.19

* The average number of employees registered from January to December.

Realization of Circular Economy Management

Promotion of Going Paperless

We are promoting paperless work with the aim of making effective use of resources and transforming the way we work. Specifically, we are implementing measures such as discontinuing the distribution of paper materials at meetings, abolishing the principle of paper-based document storage, digitalizing faxes, digitizing contracts, and utilizing electronic bookkeeping and electronic tax filing. Many of our employees work remotely, and we are working to improve operational efficiency through digitalization.

Reuse of Computers

Computers that are no longer needed are not physically disposed of, but are reused through a computer purchase service for companies.

Society

Society

Basic Approach

The basic policy for our personnel system consists of four parts: fostering professionalism, results-based evaluation, transparency of the wages system, and review of the evaluation system as necessary (efforts to ensure fairness). We have established a workplace environment that enables employees to refine their skills and reach their full potential through their work, and systems that facilitate a work-life balance based on workstyles unrestricted by time or location. We are also focusing on revitalizing communication.

CCT WAY Training Aiming for Professionalism

This training is designed to help us grow from a venture business to the next stage. We hold a total of five semi-annual training sessions for young and mid-level employees with different themes, such as business logical thinking, and writing and presentation skills. Through this training, we aim to improve the basic skills necessary to embody the "CCT WAY" and to improve the perspective of employees as members of society.

List of Investment Systems for Human Resource Development

System	Description
Study Groups	Study groups for employees by "expert professionals" with high technical skills
Self-improvement Cost Subsidy	Support for examination and training expenses for qualifications required for work
In-house Library System	Free support for self-improvement and knowledge acquisition

List of Work-Life Balance Promotion Systems

System	Description
Telecommuting System	Enables working from home
Full Flextime System	Flextime system with no core working hours
Shortened Working Hours	Available depending on the circumstances when unable to work full-time due to child-rearing, caregiving, etc.
Paid Leave	Up to a maximum of 15 days can be taken from the first year of employment. Sets days encouraging the taking of leave
Hourly Paid Leave	Enables taking paid leave in one-hour increments
Refreshment Leave	For every five years of employment, employees who entered the Company during the relevant year are given refreshment leave and an honorarium

List of Communication Revitalization Activities

Activity	Description
Whole Company Meetings	Held once every six months for all employees. Each division explains their performance and future policies. Recreational activities and social gatherings are held for the meeting held at the end of the year * As of March 2023, due to the spread of COVID-19, Whole Company Meetings are being held online.
Officer Exchange Meetings	For mid-career employees who have few opportunities to interact with officers. Through casual conversations with officers, employees gain an understanding of the personalities of the officers, and improve communication and their sense of belonging
Exchange Workshops	For all employees. Groups are formed at the division level, and communication within divisions is promoted through games that allow employees to understand the thinking and communication habits of colleagues

Society

– List of Employee Data

		FY2019	FY2020	FY2021	FY2022
Number of new graduates hired	Male	15	17	19	20
	Female	2	5	0	3
Number of mid-career employees hired	Male	38	33	34	66
	Female	8	4	7	16
Employee turnover		14.8%	10.0%	8.8%	12.8%
Average years of employment		2.74	2.79	2.15	3.03
Hours of overtime		19.88	22.08	22.81	21.92
Return rate after maternity and parental leave		100.0%	100.0%	100.0%	100.0%
Users of the shortened working hour system	Number	2	2	2	4
	Percent	1.10%	0.95%	0.80%	1.27%
Gender Wage Gap		85.2%	80.2%	82.6%	80.3%

Diversity, Equity and Inclusion

Work-life Balance

We have created a group chat room where employees can discuss child-rearing, providing a place where employees can easily communicate with each other. We also inform all employees who have children about childcare systems, including statutory parental leave, to raise awareness.

– List of Childcare Support Systems

System	Description
Encouragement System for Statutory and Company Parental Leave	Established an in-house consultation desk to encourage employees to take statutory parental leave. Possible to use the special leave system for childbirth as company parental leave and receive additional benefits from the health insurance society
Babysitting Assistance	Registered as a company-led babysitter use support business
Nursery School Search Assistance	Supports employees looking for nursery schools using services that are linked to company-led nursery schools nationwide

Promoting the Advancement of Women

We have formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and are promoting the active recruitment of women while announcing numerical targets.

Supporting International Employees

We provide necessary support to ensure that employees can work in Japan with peace of mind. This includes assistance with obtaining, changing, and renewing their status of residence assignment to projects where communication in English is possible and introduction to a place to live immediately after arrival in Japan.

Promoting the Employment of People with Disabilities

We actively recruit people with disabilities. When hiring, we will confirm their desired work location, job type, skills, and considerations, and assign them to the appropriate department. After joining the company, we regularly interview employees and the department to which they are assigned to ensure that they can work with peace of mind.

Human Rights

Basic Approach

Believing that respect for the human rights of stakeholders is essential for realizing sustainable growth, we place great importance on international norms, including the UN Guiding Principles on Business and Human Rights. We respect the fundamental human rights of stakeholders and do not tolerate discrimination or harassment on the basis of gender, age, nationality, race, religion, disability, or other differences. In addition, we do not permit child labor, forced labor, or labor for unfairly low wages.

Introduction   Message from the CEO   CCT's Value Creation   Message from the CFO   Strategy By Sector   Basis of Value Creation   Company and Share Information

Governance | List of Officers

Governance

List of Officers (As of March 31, 2023)

Directors

	Takeshi Kaneko	Katsunori Shimomura	Hajime Tsunoo	Tadaaki Taguchi	Kazuaki Nakajima
Position	Representative Director, President, CEO	Director, Chairman	Director, General Manager, System Integration Business Division	Director, CTO General Manager, Marketing Division	Director, CFO
Brief history	2000 Joined INCS Inc. (currently SOLIZE Corporation) 2006 Established Laguna Co., Ltd. 2006 Joined KT Consulting Co., Ltd. 2009 Corporate Auditor of ShinStar Co., Ltd. 2010 Joined the Company 2013 Director, Vice President 2015 Representative Director, President, CEO (current position)	1979 Joined NEC Software Co., Ltd. 1991 Joined INCS Inc. (currently SOLIZE Corporation) 1995 Managing Director of INCS Inc. 1996 Director of Geiyo Senzai K.K. (current position) 2009 Established the Company 2009 Representative Director 2020 Director, Chairman (current position)	2002 Joined INCS Inc. (currently SOLIZE Corporation) 2009 Joined NITORI Co., Ltd. 2009 Joined the Company 2012 Executive Officer, Head of Human Resources 2016 Director (current position) 2020 General Manager, System Integration Business Division (current position)	2002 Joined INCS Inc. (currently SOLIZE Corporation) 2009 Joined the Company 2012 Executive Officer, Head of Technology 2015 Director, CTO (current position) 2020 General Manager, Marketing Division (current position)	1995 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) 2014 Executive Officer of Human Holdings Co., Ltd. 2017 Director of S-cubism Inc. 2018 Joined the Company 2019 Executive Officer, CFO 2020 General Manager, Business Administration Division 2020 Director, CFO (current position)
Rate of Attendance at Board of Directors Meetings(FY2022)	19/19	19/19	19/19	19/19	19/19
Number of shares of the Company held	2,720,000	1,320,000	940,000	1,320,000	660,000
			The number of shares of the Company held has increased from December 31, 2022 (p.34) due to the exercise of new share options.		The number of shares of the Company held has increased from December 31, 2022 (p.34) due to the exercise of new share options.

Governance | List of Officers

Outside Directors

	Koshi Kakuta	Takuo Hirose	Masaya Suzuki	Eri Nakajima
Position	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member
Brief history	1969 Joined The Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation) 1997 Joined OTSUKA CORPORATION 1997 Chief Executive Officer of Ten Art-ni Corporation 2002 Representative Director of Zend Open Source Systems Japan, Ltd. 2011 Corporate Auditor of S-cubism Inc. (current position) 2019 Audit & Supervisory Board Member of the Company 2021 Director, Audit & Supervisory Committee Member(current position)	1997 Registered as an attorney-at-law Joined Tomotsune, Kimura & Mitomi Law Firm (currently Anderson Mori & Tomotsune LPC) 2003 Associated with Shearman & Sterling, New York 2004 Registered as an attorney-at-law in the state of New York 2004 Returned to Anderson Mori & Tomotsune LPC (current position) 2005 Partner of Anderson Mori & Tomotsune LPC (current position) 2007 Outside Audit & Supervisory Board Member of Roland DG Corporation 2010 Outside Director of Roland DG Corporation 2018 Audit & Supervisory Board Member (Outside) of Cyfuse Biomedical K.K. (current position) 2020 Audit & Supervisory Board Member of the Company 2021 Director, Audit & Supervisory Committee Member (current position) 2021 Outside Director of Hamamatsu Photonics K.K.	2000 Joined Ernst & Young ShinNihon LLC 2004 Registered as a certified public accountant 2019 Opened Masaya Suzuki CPA Office (current position) 2020 Audit & Supervisory Board Member of the Company 2021 Director, Audit & Supervisory Committee Member (current position) 2022 External Corporate Auditor of CCReB Advisors Inc. (current position)	1995 Joined Environment Agency (currently Ministry of the Environment) 2003 Seconded to Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry 2015 Seconded to Nagano Prefecture as Deputy Governor 2022 Outside Director of IDEC CORPORATION (current position) 2023 Director, Audit & Supervisory Committee Member (current position)
Rate of Attendance at Board of Directors Meetings (FY2022)	19/19	19/19	19/19	—
Rate of Attendance at Audit &Supervisory Committee Meetings (FY2022)	13/13	13/13	13/13	—
Number of shares of the Company held	—	—	—	—

Executive Officers

Masafumi Kato
General Manager,
Digital Transformation Business Division

Masatoshi Hagiwara
General Manager,
Engineering Platform Business Division

Hideaki Morita
General Manager,
Cloud Solutions Business Division

Yoshiyuki Umeda
General Manager,
Business Administration Division

Governance | Message from Outside Director

Aiming to
Think Big, Act Together
"for Sustainability"

Outside Director Eri Nakajima

Profile

Joined the Environment Agency (currently Ministry of the Environment) in 1995 after graduating from the Faculty of Law, Kyoto University. In 2000, she graduated from the University of Cambridge with a MPhil in Land Economy, and in 2001, she graduated from the Department of Environmental Change and Management at the University of Oxford. She served as Deputy Governor of Nagano Prefecture from 2015 to 2019 and Director, Office of Global Environment and Decarbonizing Innovation Research, the Ministry of the Environment in 2020. She has been involved in environmental policy and promotion of renewable energy, the SDGs, and diversity.

Realizing Sustainability for Industry through DX

Manufacturing, construction, and logistics are industries that underpin the foundation of the Japanese economy. However, labor and time productivity are low compared to other countries, and Japanese industry cannot increase its international competitiveness without resolving these issues. It is forecast that labor shortages will become even more acute in the future due to Japan's low birthrate and aging population, so improving labor productivity is a pressing issue.

Core Concept Technologies combines knowledge of manufacturing, construction, and other industries to propose and implement corporate DX using cutting-edge digital technology, thereby contributing to the construction of smart factories. For client companies, the realization of efficient and effective manufacturing and other processes with shorter man-hours and times and fewer personnel can result in significant energy and resource savings at the manufacturing stage. In addition, increasing the productivity and social value of client companies through DX will also lead to better welfare for workers, including workstyle reform and higher salaries for employees.

In other words, the Company's What We Do, which is Create the Next-Gen of the IT Industry, could make significant contributions to the pursuit of sustainability in industry. Sustainability should be part of the corporate strategy in every industry. This is why it is important that Core Concept Technologies is pursuing sustainable corporate management while realizing sustainability for client companies through DX, in other words, aiming to Think Big, Act Together "for Sustainability."

Contributing to Management Strategy and Sustainability Strategy Utilizing Expert Knowledge

I was involved in policy planning related to environmental policy and sustainability for over 20 years at the Ministry of the Environment. In addition, as Deputy Governor of Nagano Prefecture for four years from 2015, I supported initiatives in areas such as promoting the SDGs, workstyle reform, and active participation of women. I am utilizing these experiences to support the Company's pursuit of sustainability in the area of management strategy.

The SDGs and decarbonization are international trends, and ESG investment is expanding rapidly in Japan and overseas. Decarbonization and sustainability initiatives have become essential for creating corporate value over the medium to long term. However, I believe only a very few companies can afford to fully implement these initiatives. Therefore, DX will play an important role in making corporate management more efficient and increasing productivity. If DX can be used to decarbonize and save resources in manufacturing products and providing services and leads to the creation of a comfortable working environment for employees, it should pave the way for all businesses to address sustainability.

I will actively contribute to implementing the Company's sustainability strategy and to promoting the sustainability of client companies through this strategy.

Introduction   Message from the CEO   CCT's Value Creation   Message from the CFO   Strategy By Sector   Basis of Value Creation   Company and Share Information

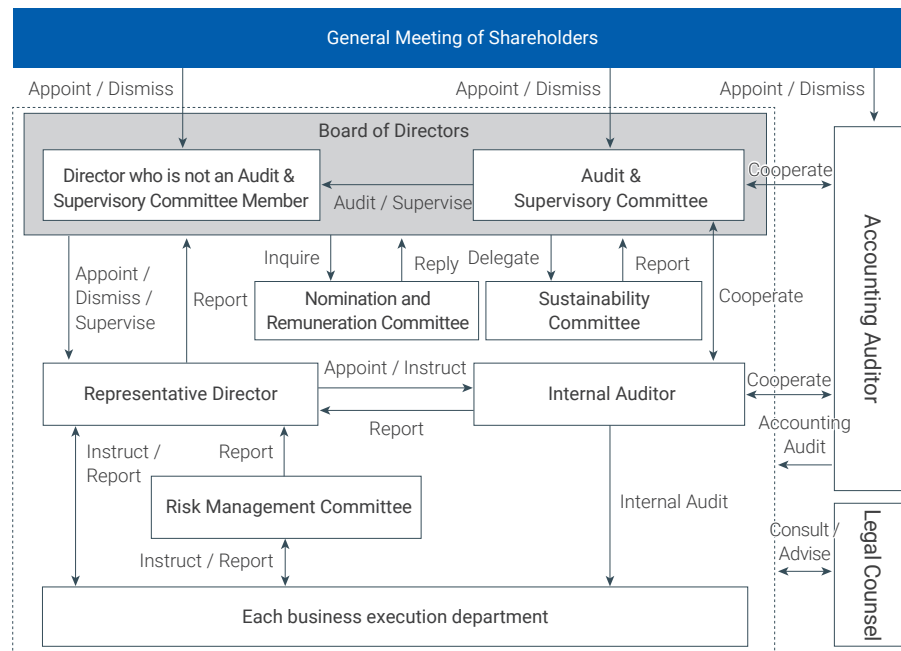Governance | Corporate Governance

Governance

Corporate Governance

Basic Approach

We are aiming for sustainable growth and the enhancement of corporate value in the medium to long term. The Company also recognizes that it is important to gain the trust of all stakeholders by providing services that contribute to society. Based on this recognition, we strive to ensure thorough compliance, and have established an Audit & Supervisory Committee to ensure transparency in management decision-making and supervision of business execution, and to strengthen corporate governance.

— Corporate Governance System Diagram

— Corporate Governance System Quick Reference Table (as of March 31, 2023)

Main Items	Description
Form of Institutional Design	Company with Audit & Supervisory Committee
Number of Directors (of whom, Outside Directors)	9 (4)
Number of Meetings of the Board of Directors (fiscal year ended December 31, 2022)	19
Average Attendance Ratio of Outside Directors	100%
Director Term of Office	1 year (2 years for Directors who are Audit & Supervisory Committee Members)
Adoption of an Executive Officer System	Yes
Voluntary Committees of the Board of Directors	Established a Nomination and Remuneration Committee
Accounting Auditor	Deloitte Touche Tohmatsu LLC

— Initiatives to Strengthen Corporate Governance

Year	Initiative
2019	Transitioned to a company with a Board of Directors and Corporate Auditor
2020	Transitioned to a company with a Board of Corporate Auditors
2021	Transitioned to a company with an Audit & Supervisory Committee
2021	Established a Remuneration Committee
2023	Reorganized the Remuneration Committee, and established a Nomination and Remuneration Committee

System Overview

With the aim of strengthening corporate governance, we transitioned to a company with a Board of Directors and Corporate Auditor in October 2019, and to a company with a Board of Corporate Auditors in November 2020. All three corporate auditors were outside corporate auditors, and their independence was guaranteed. However, in order to further enhance the effectiveness of corporate governance and aim for the improvement of medium- to long-term corporate value by enabling Outside Directors who did not have voting rights at the Board of Directors to exercise their voting rights, we transitioned to a company with an Audit & Supervisory Committee in March 2021. In March 2023, we added one female Outside Director who is an Audit & Supervisory Committee Member, and are striving to further improve the effectiveness of the Board of Directors.

In addition to establishing a Board of Directors and an Audit & Supervisory Committee, in order to ensure the corporate governance system and ensure appropriate risk management, we have established a Risk Management Committee, Nomination and Remuneration Committee, and Sustainability Committee.

Governance | Corporate Governance

Reason for Appointment as Outside Officer

Koshi Kakuta
Appointed in 2021

He has experience, a track record, knowledge, and insight from working at a bank and as a manager of an IT company, and as a Director who is Audit & Supervisory Committee Member, he supervises the business execution of the Company's management and provides advice. We have appointed him with the expectation that he will contribute to the strengthening of our corporate governance.

Takuo Hirose
Appointed in 2021

Based on his many years of experience working at a major law firm, he has extensive experience and highly specialized knowledge in corporate legal affairs. As a Director who is an Audit & Supervisory Committee Member, he supervises the business execution of the Company's management and provides advice. We have appointed him for his specialized knowledge to provide valuable opinions on our management from an objective standpoint in order to expand our business.

Masaya Suzuki
Appointed in 2021

He has expertise in accounting and taxation based on his experience at a major audit firm and the firm he currently manages. As a Director who is an Audit & Supervisory Committee Member, he supervises the business execution of the Company's management and provides advice. We have appointed him for his specialized knowledge to provide valuable opinions on our management from an objective standpoint in order to expand our business.

Eri Nakajima
Appointed in 2023

She has been involved in environmental administration for many years and has held various public positions. As the Deputy Governor of Nagano Prefecture, she has been involved in the empowerment of women in companies, work style reform, and promotion of the SDGs. Most recently, as a manager at the Ministry of the Environment, she has extensive experience and deep insight in the environment and energy fields, such as promoting the SDGs and promoting zero carbon administration. We have appointed her based on the judgment that she will make appropriate recommendations and supervise the development of the Company's business and overall management based on her deep insight.

Officer Compensation

At the meeting of the Board of Directors held in March 2021, the Company resolved to establish Remuneration Committee Regulations to ensure transparency and fairness of executive remuneration, and to establish a Remuneration Committee consisting mainly of independent Outside Directors. The Remuneration Committee Regulations stipulate the process for determining the remuneration of Directors, and from FY2021 onward, remuneration is determined by resolution of the Board of Directors after deliberation by the Remuneration Committee within the limit of the total amount of remuneration approved by the Board of Directors as resolved by the General Meeting of Shareholders. At the Board of Directors meeting held in January 2023, the Remuneration Committee was reorganized and we established a Nomination and Remuneration Committee with the aim of enhancing the management system that enables even more fair and transparent decision-making with respect to the functions of the Board of Directors regarding the nomination and remuneration of Directors, and the Company's corporate governance system.

Remuneration for Directors is determined within the range of remuneration approved by resolution of the General Meeting of Shareholders. At the Ordinary General Meeting of Shareholders held in March 2023, the Company resolved that the maximum amount of remuneration for Directors (excluding Audit & Supervisory Committee Members) would be no more than 350 million yen per year. In addition, the maximum amount of remuneration for Directors who are Audit & Supervisory Committee Members is resolved to be no more than 40 million yen per year.

Details of Officer Compensation (FY2022)

Officer Category	Total Compensation, etc. (thousands of yen)	Total Compensation, etc. by Type (thousands of yen)			Number of Eligible Officers
		Fixed Compensation	Performance-based Compensation	Severance Pay	
Director (excluding Audit & Supervisory Committee Members and Outside Directors)	137,040	137,040	-	-	5
Audit & Supervisory Committee Member (excluding Outside Directors)	-	-	-	-	-
Outside Officers	13,500	13,500	-		3

Governance | Corporate Governance

Risk Management

Risk Management System

In order to minimize losses by identifying risks and responding appropriately, we hold quarterly meetings of the Risk Management Committee, which consists of full-time officers and persons responsible for each division. It is headed by the Representative Director, President, and CEO as the Chief Risk Management Officer with the aim of promoting the development and operation of the internal control system. The Risk Management Committee is positioned as a forum for understanding and considering countermeasures for all risks related to our management, such as business environment and organizational structure, identifies and evaluates potential risks, and promotes the establishment and implementation of measures to reduce these risks.

– Response to Key Risks

Protection of Personal Information	We hold personal information that can identify users. In addition to appropriately managing personal information based on the Personal Information Protection Policy, we have established personal information protection regulations, thoroughly educated employees in-house, and built a management system. Furthermore, we have obtained PrivacyMark certification from JIPDEC with the aim of strengthening our internal management system.
Management of Confidential Information	Since we are engaged in system development for client companies, we may come into contact with the confidential information they hold. With regard to the handling of information, we have established information management rules, personal information protection management rules, etc., and conduct regular in-house training to ensure thorough awareness of the handling of information, and mandate appropriate operations.
Management of Intellectual Property	We strive to protect our intellectual property rights, such as differentiating technologies and know-how, in order to ensure the advantage of our business competitiveness. In addition, as a system to prevent infringement of intellectual property rights by third parties, we have taken measures not to infringe on the intellectual property of other companies, such as concluding a contract with a patent information provider, utilizing an intellectual property rights search system, and requesting a patent firm to conduct investigations as necessary.
System Failures	We rely on the internet communication network for our business and internal management. In order to avoid server downtime due to excessive access, failure of communication network equipment, and system failure due to natural disasters, fires, accidents, etc., we have implemented preventive and avoidance measures such as load balancing and monitoring of the operating status of servers.
Natural Disasters and Accidents	We formulate BCPs based on the assumption that natural disasters, such as large earthquakes and typhoons, as well as accidents and fires, have occurred at each site. In addition, we have established a system that enables regular backup and remote work by installing servers on the cloud, and are striving to reduce the possibility of business interruption in the event of a large-scale disaster.

Information and Data Security

As an IT company, we set information and data security as a materiality, and we ensure the safety of our systems by setting appropriate authority for each system and conducting regular inventory of the settings. Specifically, we deployed endpoint security products to provide real-time protection and regular scanning as anti-virus protection. To prevent targeted attacks, we have introduced XDR products to filter emails containing malicious malware such as Emotet and ransomware.

Compliance

Promotion System

We have established compliance regulations and a management system with the General Manager of the Business Administration Division as the responsible person in order to prevent misconduct or illegal activities in the course of business operations, and to enhance the company's social credibility and stabilize management. To ensure the steady implementation of compliance, we operate a whistleblowing system and conduct periodic compliance training.

Whistleblowing System

Under the responsibility of the Representative Director and President, we have established a system to respond appropriately in the event of whistleblowing on acts that violate laws and regulations regarding our company, as well as our officers and employees. By doing so, we have established a whistleblowing system with the aim of early detection and correction of violations of laws and regulations, and practicing compliance management.
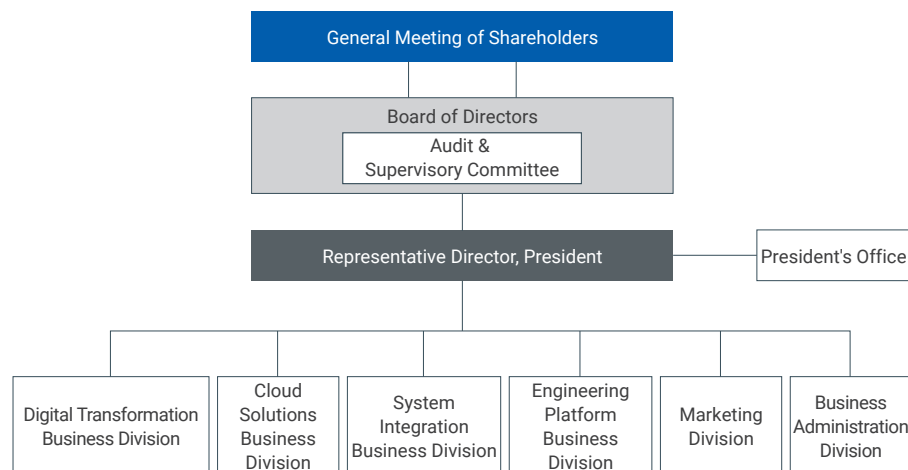
Compliance Training

To prevent misconduct and ensure compliance with laws and regulations, the Compliance Officer has appropriately established and operates a compliance management system. Compliance training is conducted not only as an in-house training for new employees, but also multiple times a year for all employees with different themes.

Company and Share Information

Company Information (As of March31, 2023)

Corporate name	Core Concept Technologies Inc.
Representative	Takeshi Kaneko
	Representative Director, President, CEO
Location	4th floor of DaiyaGate Ikebukuro,
	1-16-15 Minami Ikebukuro, Toshima-ku, Tokyo, Japan
Date of establishment	September 17, 2009
Capital stock	554 million yen
Business description	To support for DX and support for staffing of IT personnel
No. of employees	326

– Organizational Chart

General Meeting of Shareholders

Board of Directors
Audit & Supervisory Committee

Representative Director, President — President's Office

- Digital Transformation Business Division
- Cloud Solutions Business Division
- System Integration Business Division
- Engineering Platform Business Division
- Marketing Division
- Business Administration Division

IR Website
https://www.cct-inc.co.jp/en/ir/
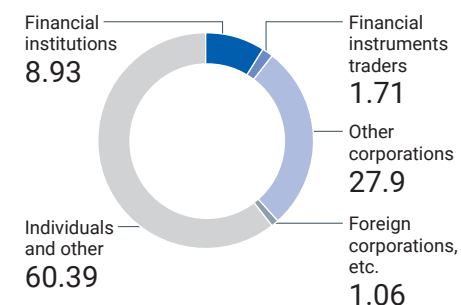
Sustainability Website
https://www.cct-inc.co.jp/en/ir/sustainability/

Share Information (As of December 31, 2022)

Total number of authorized shares
56,000,000 shares
Total number of shares outstanding
16,512,000 shares
Names of listed financial instruments exchanges
Tokyo Stock Exchange (Growth Market)
Number of shareholders 2,005

– Ownership distribution (%)

- Financial institutions 8.93
- Financial instruments traders 1.71
- Other corporations 27.9
- Foreign corporations, etc. 1.06
- Individuals and other 60.39

– Major Shareholders

Name of shareholder	Number of shares of the Company held	Percentage of shares held
Takeshi Kaneko	2,720,000	16.47
Geiyo Senzai K.K.	1,600,000	9.69
K.K. BIPED	1,400,000	8.48
Katsunori Shimomura	1,320,000	7.99
Tadaaki Taguchi	1,320,000	7.99
Hajime Tsunoo	900,000	5.45
The Master Trust Bank of Japan, Ltd. (Trust account)	843,300	5.11
Good Eco K.K.	800,000	4.85
Toyofumi Takamori	680,000	4.12
Hirokazu Tanaka	600,000	3.63

Notes on Forward-looking Statements

This document is based on the information available to the Company at the time of preparation, and is subject to risks and uncertainties. Actual results may differ from these forward-looking statements. Please note that neither the Company nor the information provider shall be liable for any damage incurred based on this information.