Q2 FY2027/3
Financial Results Presentation

October 30, 2026

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Key Points of Consolidated Financial Results for Q2 FY2027/3

Net sales	¥18,983 million	Up ¥2,496 million year on year
Operating profit	¥449 million	Up ¥1,369 million year on year
Profit	¥255 million	Up ¥857 million year on year
Interim dividend per share	¥25	

Key points

- Net sales and profits increased YoY, mainly due to steady progress in local government system standardization plan within the public sector, as well as improved profit margins driven by quality improvement measures implemented since the previous fiscal year.
- Interim dividend per share: ¥25 (unchanged from the previous fiscal year)

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Financial Overview

Q2 FY2027/3

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Financial Highlights (Consolidated)

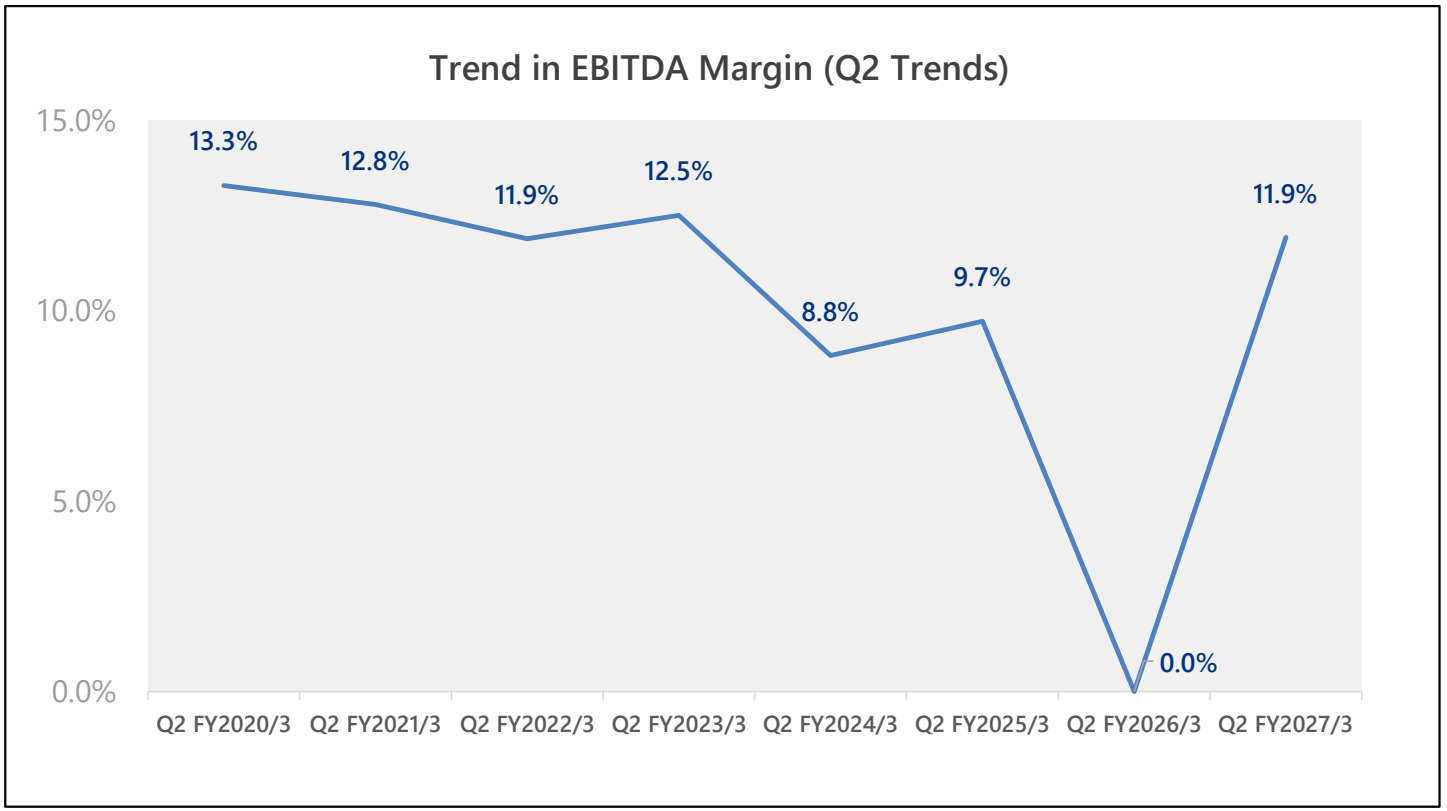
(Millions of yen)

	Q2 FY2026/3	Q2 FY2027/3		
	Results	Results	YoY change	% change YoY
Net sales	16,486	**18,983**	2,496	115.1%
Gross profit	2,199	**3,589**	1,389	163.2%
Gross profit margin	13.3%	**18.9%**	5.6p	
Operating profit	(920)	**449**	1,369	
Operating profit margin		**2.4%**		
Ordinary profit	(801)	**453**	1,255	
Ordinary profit margin		**2.4%**		
Extraordinary income	(3)	**2**	5	
Profit before income taxes	(805)	**455**	1,260	
Profit	(601)	**255**	857	
EBITDA	(61)	**2,263**	2,324	

* EBITDA = operating profit + depreciation and amortization

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EBITDA Margin Trend



Company-wide

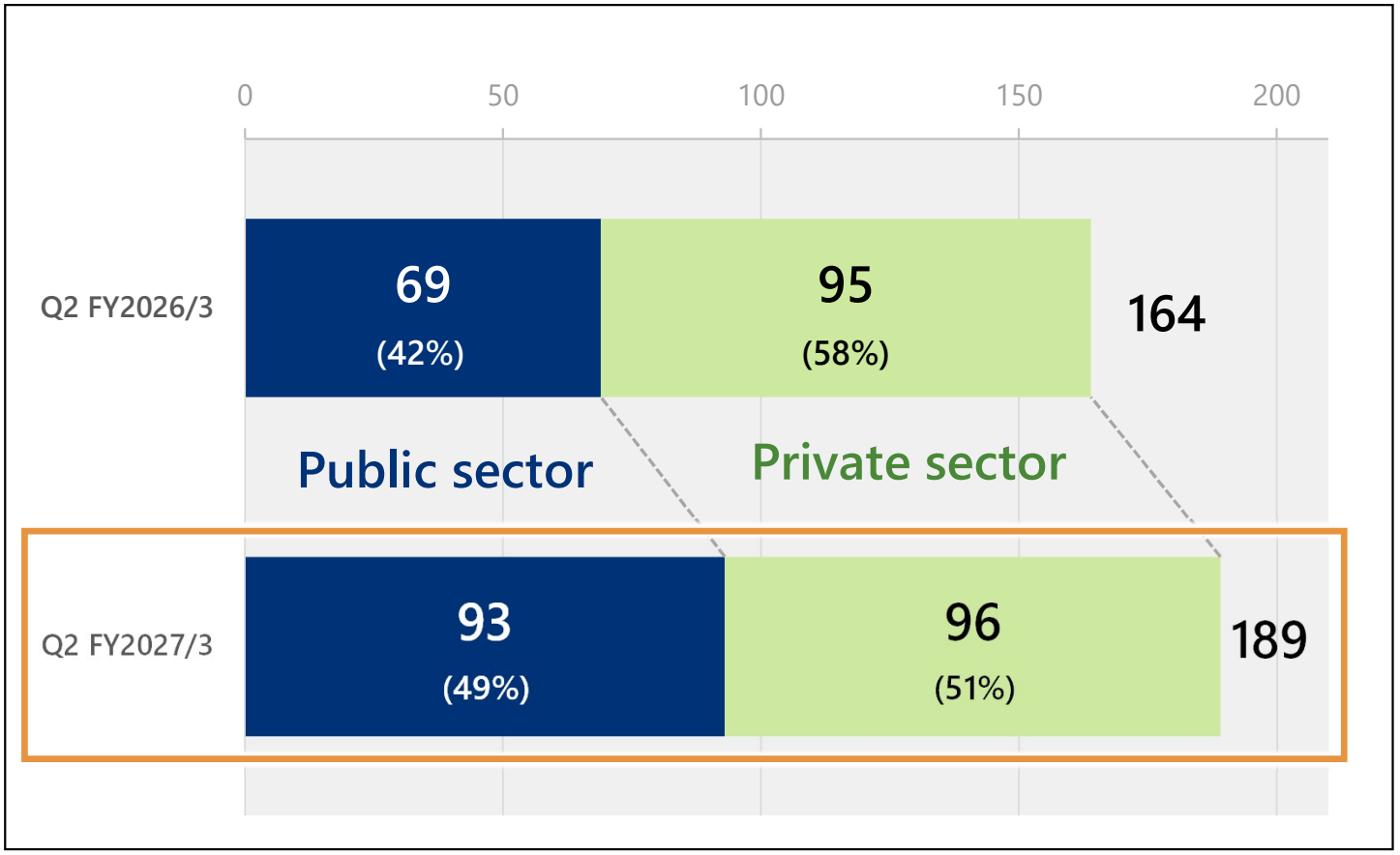
- EBITDA margin improved, excluding the impact of depreciation and amortization associated with local government system standardization, etc.

*EBITDA margin = (Operating profit + Depreciation and amortization) / Net sales

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Net Sales by Sector

(100 millions of yen)



Public sector

- Revenue increased due to on-schedule system standardization and growth in legal revision projects, etc.

Private sector

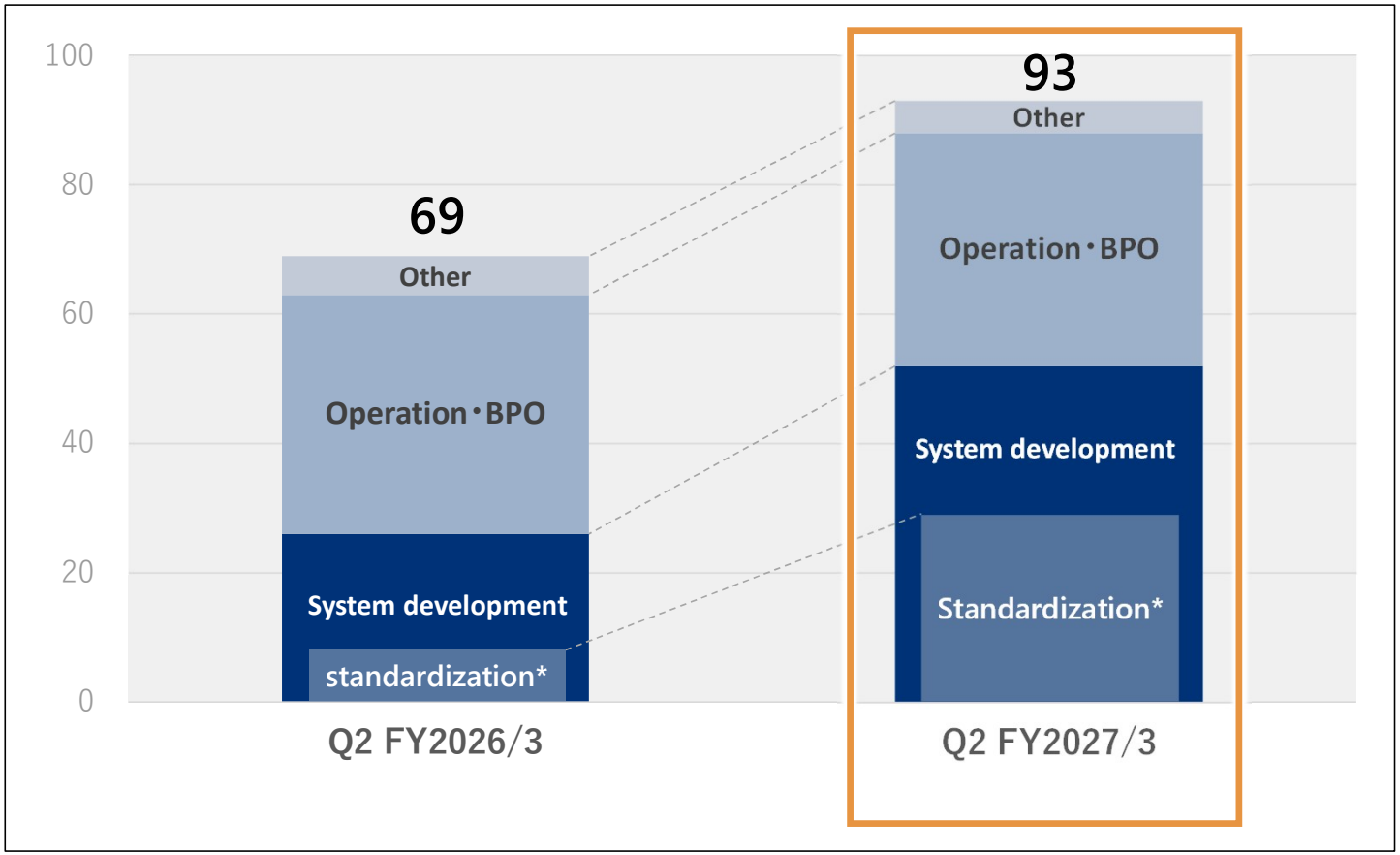
- The decrease in contracted development projects was covered mainly by an increase in development projects in the financial sector.

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Net Sales by Service

Public sector

(100 millions of yen)



Operation・BPO

- Decrease in large-scale BPO projects compared to the same period of the previous fiscal year.

System development

- Revenue increased due to on-schedule progress in local government system standardization (6 local governments went live in 1H)
- Increase in projects driven by orders of legal revisions

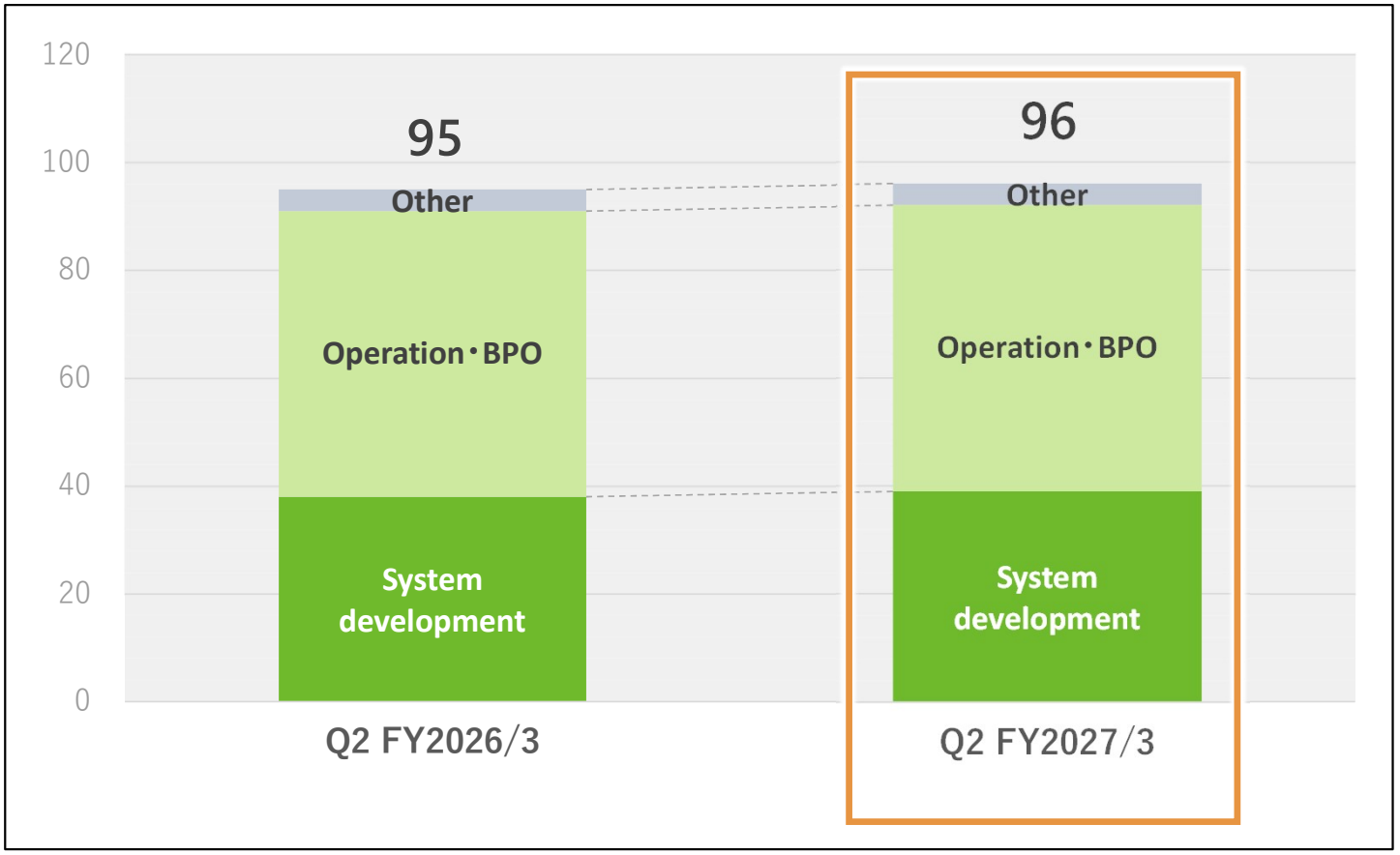
* the local government system standardization

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Net Sales by Service

Private sector

(100 millions of yen)



Operation・BPO

■ Decline from "selection and concentration" was offset by growth in financial system maintenance and industrial sector projects.

System development

■ Decline in contracted development was offset by increased projects for banks/insurers, keeping results largely level YoY.

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Financial Position

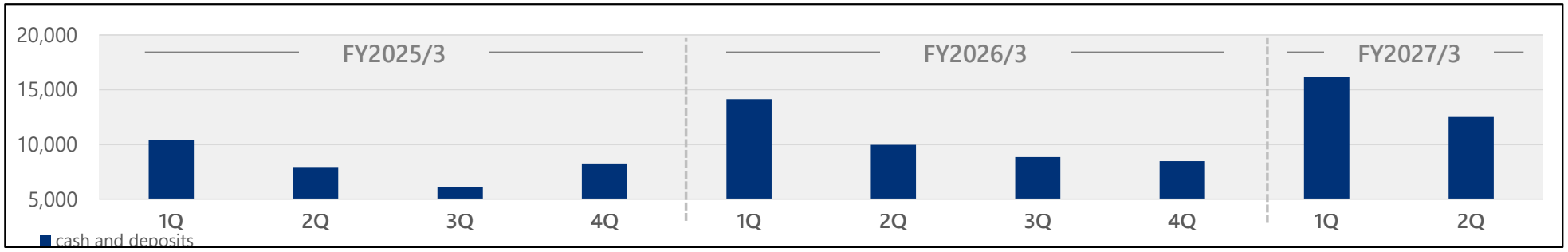
Assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets	49,361	**48,164**
Current assets	22,217	**24,408**
Non-current assets	27,143	**23,755**
Liabilities	12,395	**11,209**
Current liabilities	6,930	**8,727**
Non-current liabilities	5,464	**2,481**
Net assets	36,966	**36,954**

Reference: Trend in cash and deposits

(Millions of yen)

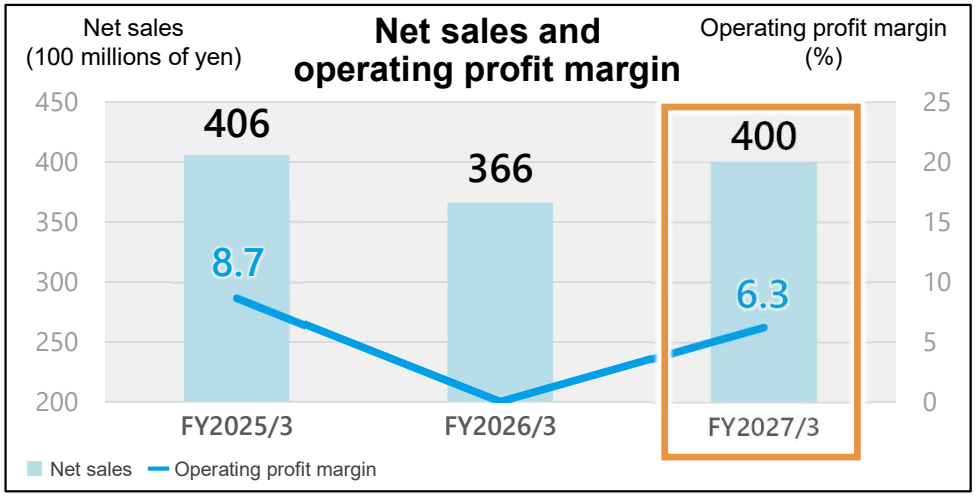


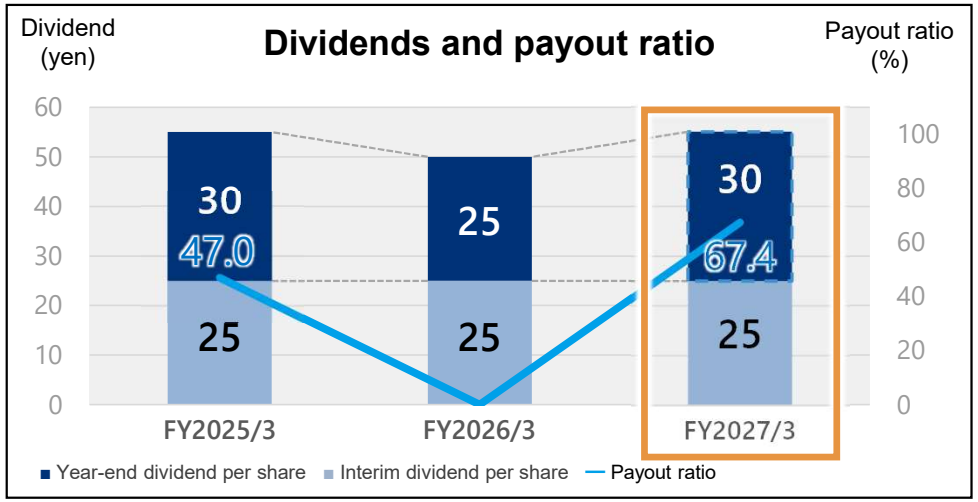
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Interim Dividend and Full-Year Forecast for Fiscal Year Ending March 31, 2027

(100 millions of yen)

	Fiscal year ended March 31, 2026 Full year	Fiscal year ended March 31, 2027 Full year forecast		
	Results	Forecast	Change	% change
Net sales	366	400	+34	9.2%
Operating profit	(6)	25	+31	
Ordinary profit	(5)	25	+30	
Profit	(18)	17	+35	
Annual dividend per share	50 yen	55 yen	+5 yen	
Interim dividend per share	25 yen	25 yen	—	





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Initiatives for the Second Half of FY2026

Q2 FY2027/3

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Response to Local Government System Standardization

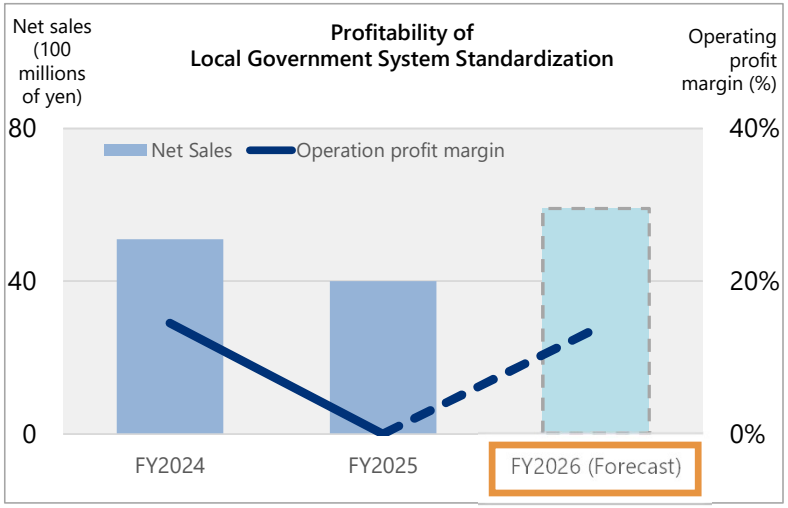
Public sector

- "Current WebRings" standardization scheduled to go live at 74 local governments by May 2027.
- Operations launched at 6 local governments(LGs) during 1H as planned (8 LGs in operation as of the end of October).

Full Operation Schedule for Standardization (Cumulative 74 Local Governments*)

Results up to previous FY	FY2026 results as of end of Oct.	Scheduled to go live in FY2026
8 LGs	8 LGs	Remaining 58 LGs*

*Includes local governments scheduled to complete rollout by May 2027



Key Points of 1H Results

- Despite schedule shifts by other vendors, all scheduled 1H rollouts went live as planned, thanks to prior-year quality improvement measures.
- Migration work within this fiscal year also progressed largely as planned, driving YoY revenue growth.

Initiatives for 2H

- Strengthen execution by integrating development and rollout teams ahead of the go-live peak to ensure on-schedule completion.
- Rigorous progress and quality management through the project management organization.

Anticipated Risks

- Concentration of go-live dates in 2H (clustering around Year-End/New Year holidays).
- Risk of project delays triggered by schedule changes of other vendors.

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Initiatives for the Second Half of FY2026

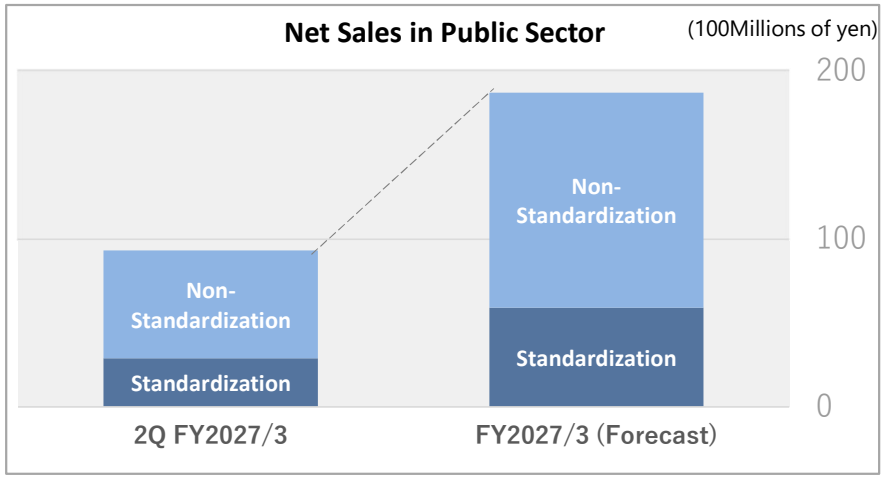
Public sector | Private sector

- Public sector: Focus on capturing projects completed within FY2026 (legal revisions, etc.) and expanding AI solution sales.
- Private sector: Focus on securing financial sector projects and improving profitability.

Public sector

Capturing legal revision projects within the fiscal year

Expanding sales of AI solutions for local governments



Private sector

Expanding scale in SE services for banks and insurance companies

Securing operation and maintenance service opportunities, including contracted projects

Expanding orders for solution projects utilizing third-party IP

Initiatives for Profit Improvement

Integrating operation and maintenance services across the entire INES Group

Expanding the scale of generative AI utilization

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Initiatives for the Next Fiscal Year

2028 Medium-Term Management Plan

LG Package | Regional DX | Solution

- Full-scale proposal rollout for “Next-Gen WebRings” standardization and new orders (new LGs & upsells to existing LGs).
- Advance Regional DX Strategy via AI solutions; expand consultation support into cross-industry solutions.

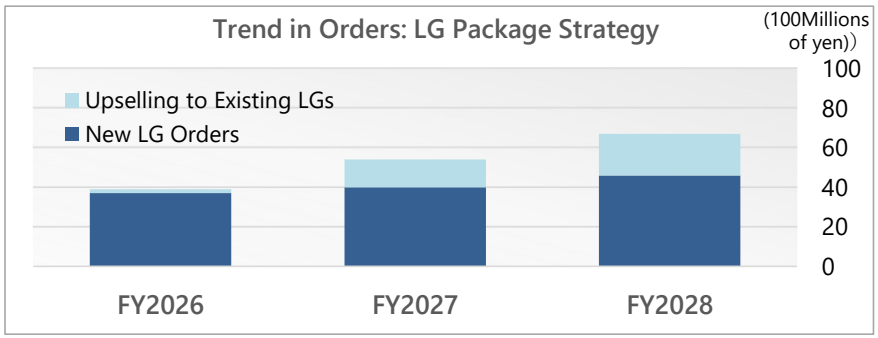
LG Package Strategy

- Support migration to standardization from FY2027 onward using “Next-Generation WebRings”
- Concurrently focus on securing new local governments and comprehensive welfare integration orders from existing clients

Expand new orders, focusing on large non-standardized LGs

Expand operations at existing client governments (transition to comprehensive welfare)

2027/6～standardization: Approx. 50 LGs + New LG Orders / Upselling to Existing LGs: 10+ New LGs



Regional DX Strategy

- Enhance and secure orders for welfare consultation solutions leveraging our strengths

Invest in solutions aligned with national/local government policies

↓

Enable private-sector collaboration beyond LG-specific systems

Our AI Solution Suite for Local Governments
Voice Recognition × Generative AI / Chatbots / Data Integration

Solution Business Strategy

- Transition from custom contracted development to a solution provider model

Strengthen solution planning and development structures by leveraging our existing IP

↓

evelop and expand products fitting a broader customer base

Step1: Modernization of systems for specific clients → Step 2: Nationwide rollout

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Establishing a New Business Model Driven

by Next-Generation Systems and AI



- Expanding sales of AI solutions for local governments
- Establishing a consultation support platform

- Completing development of Next-Generation WebRings
- Expanding new orders

- Nationwide rollout of regional solutions
- Optimizing operation & maintenance operations and restructuring organization
- Boosting productivity through AI-driven development

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