



INTEGRATED REPORT 2025

TDC SOFT Inc. Integrated Report 2025



Top Message

We aim to shed old assumptions
and transform into
a new TDC SOFT Group.

Hiroyoshi Kobayashi

President and Representative Director

Background and purpose of issuing the integrated report

Until now, we have built our dialogue with shareholders and investors around disclosures focused mainly on financial information. As the social environment changes, stakeholder expectations are growing more diverse and complex. To meet these expectations, we believe it is essential to convey the true value of TDC SOFT — not only financial information, but also intangible assets such as human capital and intellectual property — as a clear, unified story. For this reason, we have published our first integrated report.

Guided by our Purpose “Making the world smarter,” we are committed to using technology to solve complex social challenges. This report clearly outlines our commitment to realizing that Purpose. It explains our value creation process, its unique features, our medium- to long-term visions, and the strategies to achieve them toward the realization of the Purpose. We aim to present the true value of TDC SOFT as clearly as possible.

We hope this integrated report will serve as a starting point for dialogue with our stakeholders,

sharing our vision for the future and the path to achieving it. We also hope it deepens your understanding of our company and leads to a fair evaluation of our corporate value from a medium- to long-term perspective and prospects for our sustainable growth.

Evolution and features of our value creation process

TDC SOFT was founded in 1962, starting out in data entry services using punch cards, which were cutting-edge technology at the time. Since then, we have kept pace with the times by expanding our business into data centers, contract computing services, mainframe system software development, and system integration (SI). We have always looked ahead, leveraging the latest technologies and building broad expertise to meet our customers' expectations, continually taking on new challenges.

Since our founding, we have consistently valued working closely with our customers to understand their needs and provide the best possible solutions. Our commitment to deeply engaging with our customers

—immersing ourselves in their operations and challenges as if they were our own — has always been the foundation of TDC SOFT's value creation, alongside our technical capabilities and know-how. This spirit continues to be a core part of our DNA today. By making accurate proposals and responding effectively, we have built long-term, trusting relationships with many clients, including major financial institutions. This has resulted in a stable flow of orders.

Our value proposition has also evolved over time. Our business was once centered on contract development, but in recent years we have expanded into IT consulting and solution proposals, providing high-value support directly tied to our customers' business strategies. We actively adopt advanced technologies such as cloud computing, AI, and data analytics. As a result, the value we deliver — combining business insight, technical capabilities, and proposal capabilities — is becoming a core strength. This is more than just enhancing our technical capabilities — it marks the evolution of a highly distinctive business model shaped by the deep trust we have built with our customers.

Review of the previous medium-term management plan

Our previous medium-term management plan, covering the three-year period from fiscal 2022 through fiscal 2024, focused on three key strategies: pursuing high value-added SI services, driving SI model transformation, and expanding our business domains. We worked to build a foundation for sustainable growth under these priorities. As a result, we achieved our targets for both net sales and operating profit, and strengthened our financial base.

Direction of the new medium-term management plan

In recent years, as uncertainty in the business environment has increased, our customers' challenges have become increasingly complex and diverse. In addition, as various social issues, customer needs, IT services, and advanced technologies evolve, the environment is becoming increasingly complex. As a result, there is a growing demand for us to provide essential and high-value solutions to the challenges faced by our customers and industry.

In response to this business environment, we launched our new medium-term management plan in fiscal 2025 with the vision: "Be a Visionary System Integrator." We aim to stay one step ahead by sharpening our foresight and delivering outstanding development technologies and services. By doing so, we strive to become a one-of-a-kind partner to our customers and drive long-term growth. To realize this vision, we will develop and implement strategies that balance both transformation and growth.

We have honed our expertise as IT professionals through our business focused primarily on system development. Our expertise is highly regarded.

We have built a strong reputation for our project management capabilities, backed by one of the highest rates of PMP® (Project Management Professional) certification in the industry. We also led the way in adopting and applying agile development. In addition, we have introduced SAFe® (Scaled Agile Framework), an enterprise agile framework that strengthens business agility for companies and organizations.

We will further develop our expertise to continue providing optimal solutions for customers facing complex challenges. By sharing this expertise across the entire company—including sales and management—and proactively making higher-level proposals, we will help our customers achieve greater value. Through these initiatives, we aim to achieve net sales of ¥60.0 billion and operating profit of ¥6.2 billion in fiscal 2027, the final year of our medium-term management plan.

Sustainability initiatives

While our Group has been actively promoting sustainability management initiatives, our medium-term management plan includes a reassessment of materiality and establishes revised greenhouse gas (GHG) emission



targets. We are working with our business partners to address key ESG issues such as climate change, human capital, and respect for diversity. Through these efforts, we aim to build a smart society and achieve sustainable growth. Moreover, from a human capital perspective, we see the growth of each employee as the foundation for enhancing our corporate value. We are strengthening support for career development and skills improvement, and promoting diverse work styles. We have also begun initiatives to increase the percentage of women in management positions and are working to create a workplace where everyone can thrive. We will strive to build relationships based on trust by deepening mutual understanding with our stakeholders, and we will continue to develop alongside society.

Approach to capital cost management

We recognize that managing with an awareness of capital cost is becoming increasingly important. Efficiently using our assets to generate high returns is essential for the sustainable enhancement of corporate value.

While our stock price has received some recognition from the market, I believe it does not fully reflect our

intrinsic corporate value or our medium- to long-term growth potential. We have focused on balancing stable earnings from our existing businesses with investments in strategic areas expected to drive future growth. For future cash allocation, in addition to strengthening strategic investments in human capital, we will actively consider investing in M&A and alliances to capture opportunities for non-linear growth and achieve sustainable improvement in ROE. We will also maintain a balanced approach to shareholder returns by considering share buybacks and dividend policies at appropriate times. We will continue to manage our business to meet investor expectations, balancing growth with maximizing capital efficiency.

Toward sustainable enhancement of corporate value

Our growth so far has been made possible by the support of our customers, shareholders, investors, business partners, employees, and their families.

Society will continue to change at an unprecedented pace. Technological innovation, demographic shifts, geopolitical uncertainty, and environmental issues all



present risks for companies, but they also offer new opportunities to create value.

We will embrace change without fear and continue to take on new challenges with integrity and persistence. Guided by our Purpose—“Making the world smarter”—we will continue to strengthen trust with our stakeholders and achieve sustainable growth. We appreciate your continued support.

Purpose

Making the world smarter

– by facing every change with sincerity and the power of technology and challenge –

Our Purpose expresses our desire to “rewrite the norm” with our technological capabilities and our willingness to take on challenges, while respecting what we have cultivated over the years, in order to realize a sophisticated and comfortable world that is not only convenient, but also sophisticated. We are committed to rewriting the “ordinary” with our technological capabilities and our willingness to take on new challenges.

Corporate Philosophy

We strive to provide
the latest information technology,
contribute to the prosperity of our customers,
value employee satisfaction,
and develop along with society.

At TDC SOFT, all employees will take a “customer-driven” stance, think together about the true needs and challenges of our customers, provide high-quality services that satisfy them with our advanced information and communication technologies, and contribute to the realization of a convenient and safe society.

Action Guidelines

Creativity	We think from a customer perspective and demonstrate <u>creativity</u> .
Challenge	We boldly take on <u>challenges</u> in order to achieve ambitious goals.
Communication	We undertake open <u>communication</u> and share our dreams and excitement.
Capability	We strive to improve our technical skills and aim to improve our <u>capabilities</u> .
Compliance	We implement <u>compliance</u> and act in an honest and fair manner.

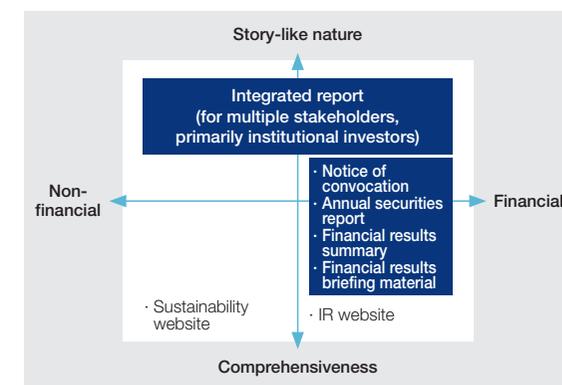
We believe that our greatest value is to contribute to the development of a safe, secure, and comfortable society by utilizing the intelligence, energy, and flexibility of TDC SOFT. Our greatest joy is to create a strategic vision from the customer’s point of view, talk together to realize it, and share a sense of accomplishment together. These ideas are expressed in the five “Cs” (C-Five) as our Action Guidelines.

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Editorial Policy

This report has been compiled to provide a comprehensive range of both financial and non-financial information to promote information disclosure and dialogue with our various stakeholders.



Reporting Period

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Some information is from outside the above period.

Reference Guidelines

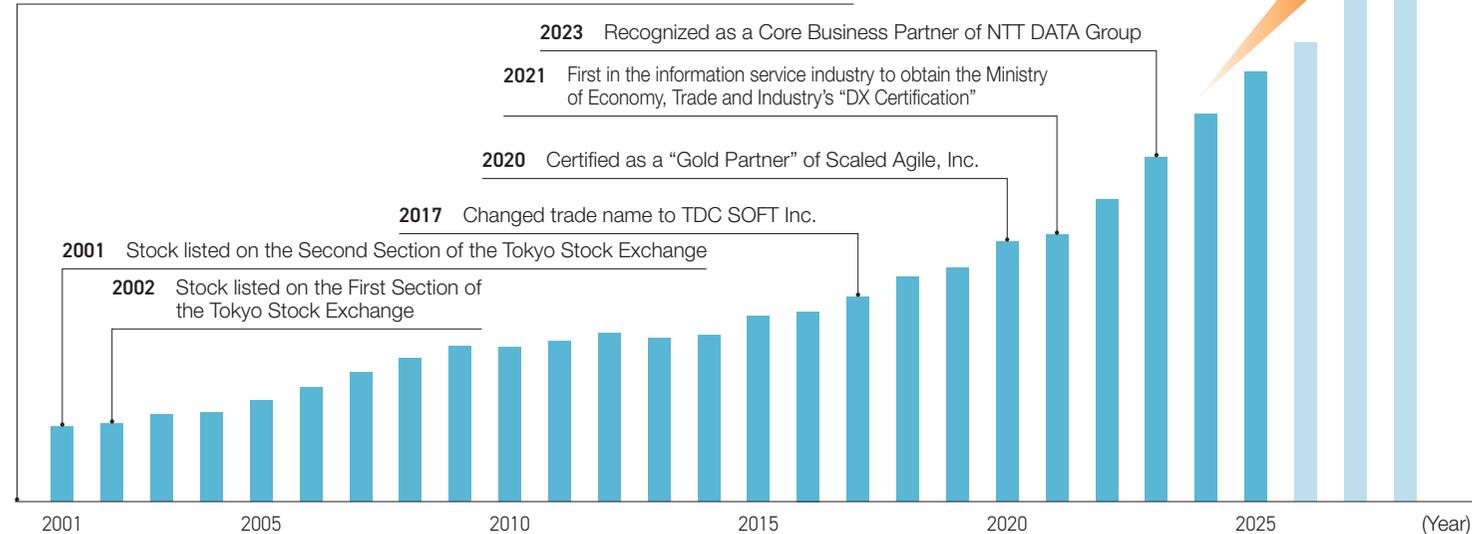
In putting together this report, we have referred to the International Integrated Reporting Framework provided by the International Integrated Reporting Council (IIRC), and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation provided by the Ministry of Economy, Trade and Industry.

Matters Regarding Content of Report

The names of products and services, etc., contained in this report are trademarks or registered trademarks of TDC SOFT Inc. (the "Company") and its affiliated companies (collectively, the "Group"), or each Group company. Moreover, predictions, plans, and forecasts concerning future performance have been deemed reasonable by management of the Company based on currently available information. Actual results may differ significantly from these forecasts due to changes in various factors. We ask that you refrain from any unauthorized copying or forwarding of the report's content.

History of Management

- 1962 Establishment
- 1991 MRDB Ver. 4 received the Software Product of the Year Award
- 1997 Registered as over-the-counter securities with the Japan Securities Dealers Association



Medium-term management plan FY2022-FY2024

“Shift to the Smart SI Plus”

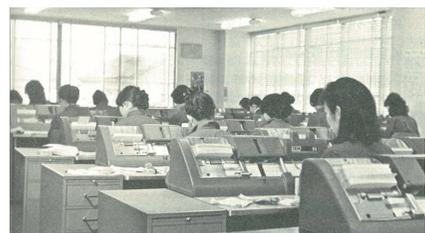
- Pursuing high value-added SI services
- Driving SI model transformation
- Expanding our business domains

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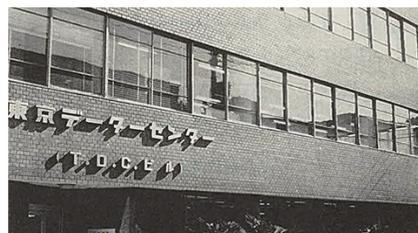
Medium-term management plan FY2025-FY2027

“Be a Visionary System Integrator”

- Diversification and advancement of expertise and knowledge
- Enhancement of proposal capabilities that connect to customer value



After its founding as a so-called punch center primarily engaged in data-entry operations, for several years the Company strengthened its foundations and continued to achieve steady growth. However, after assessing the latest demand, the Company switched its focus to becoming a calculation center to perform contracted computing operations.



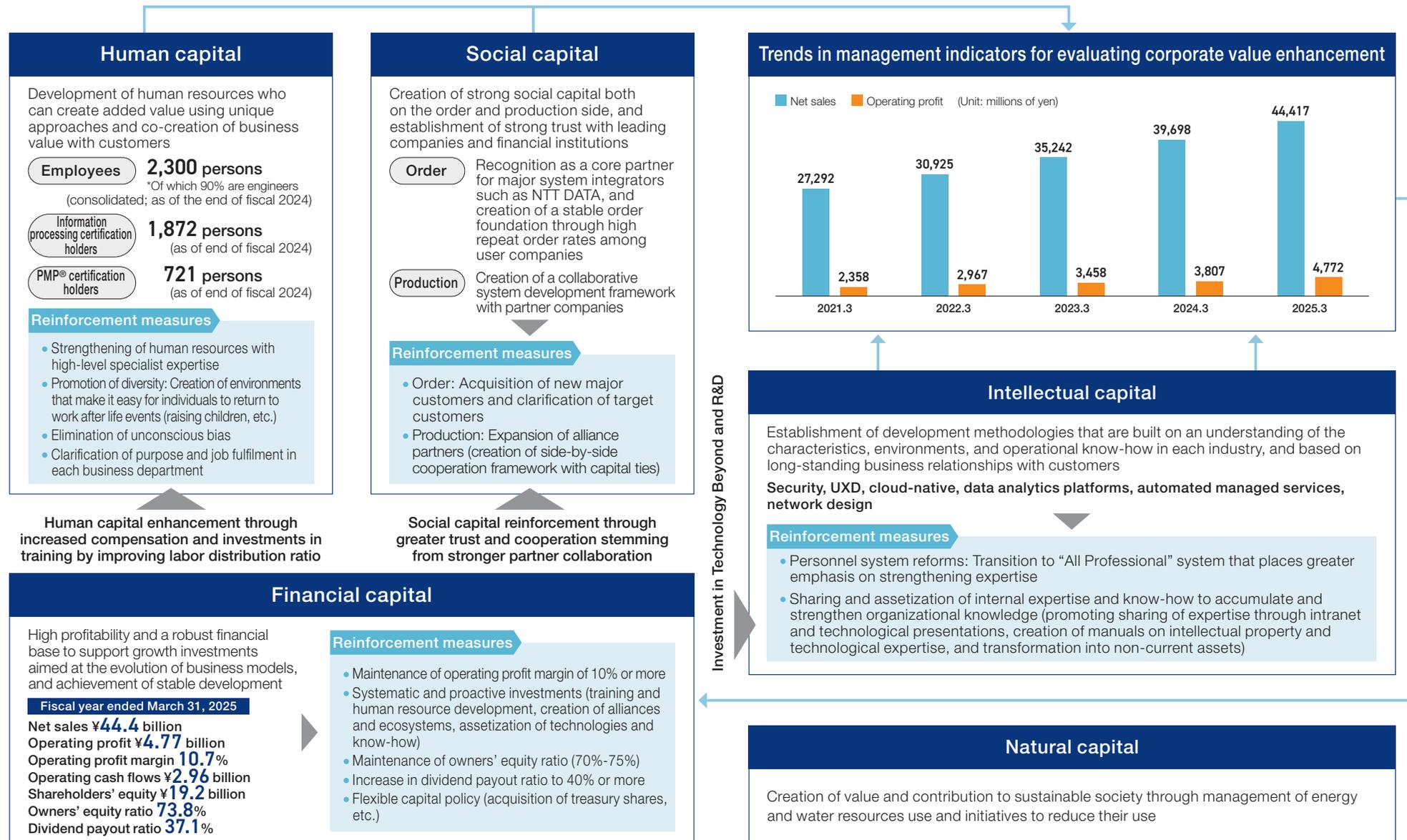
Although growth was expected, with the majority of its operations related to contracted computing, the Company decided to transform into a software company to ensure it could become a future-oriented organization that continues to grow for the sake of future new employees.



The Company’s software products business, which provided primarily turnkey systems, began to see a rise in demand for system porting and maintenance. With this, the decision was made to transition into a software engineering company.

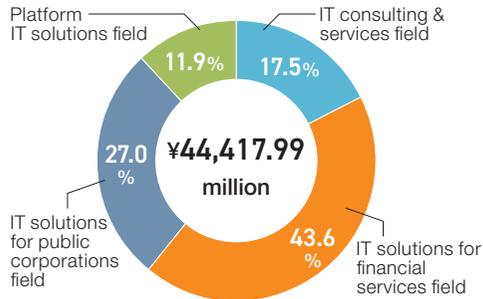
Since the recovery in performance following the bursting of the bubble economy, the Company has continued to conduct debt-free management and both net sales and employee numbers continue to rise. We will carry on the founder’s DNA, acting with foresight and constantly taking on new challenges without fear of change for the sake of our employees, society, and our customers. In line with the possibility of industry restructuring, we recognize the importance of establishing a solid position in the industry. As such, in the current medium-term management plan, we will focus on the expansion of our business domains.

Management Resources Established over the Years



TDC SOFT's Businesses and Value Chains

Net sales breakdown by business (fiscal year ended March 31, 2025)



IT consulting & services field

We offer services that include developing IT strategies and systemization planning to facilitate customers' DX, technical consulting, and providing educational services about the latest technologies and development methodologies. We also provide our internally developed cloud application services, along with solution services, such as BI/DWH, ERP, and SaaS.

IT solutions for financial services field

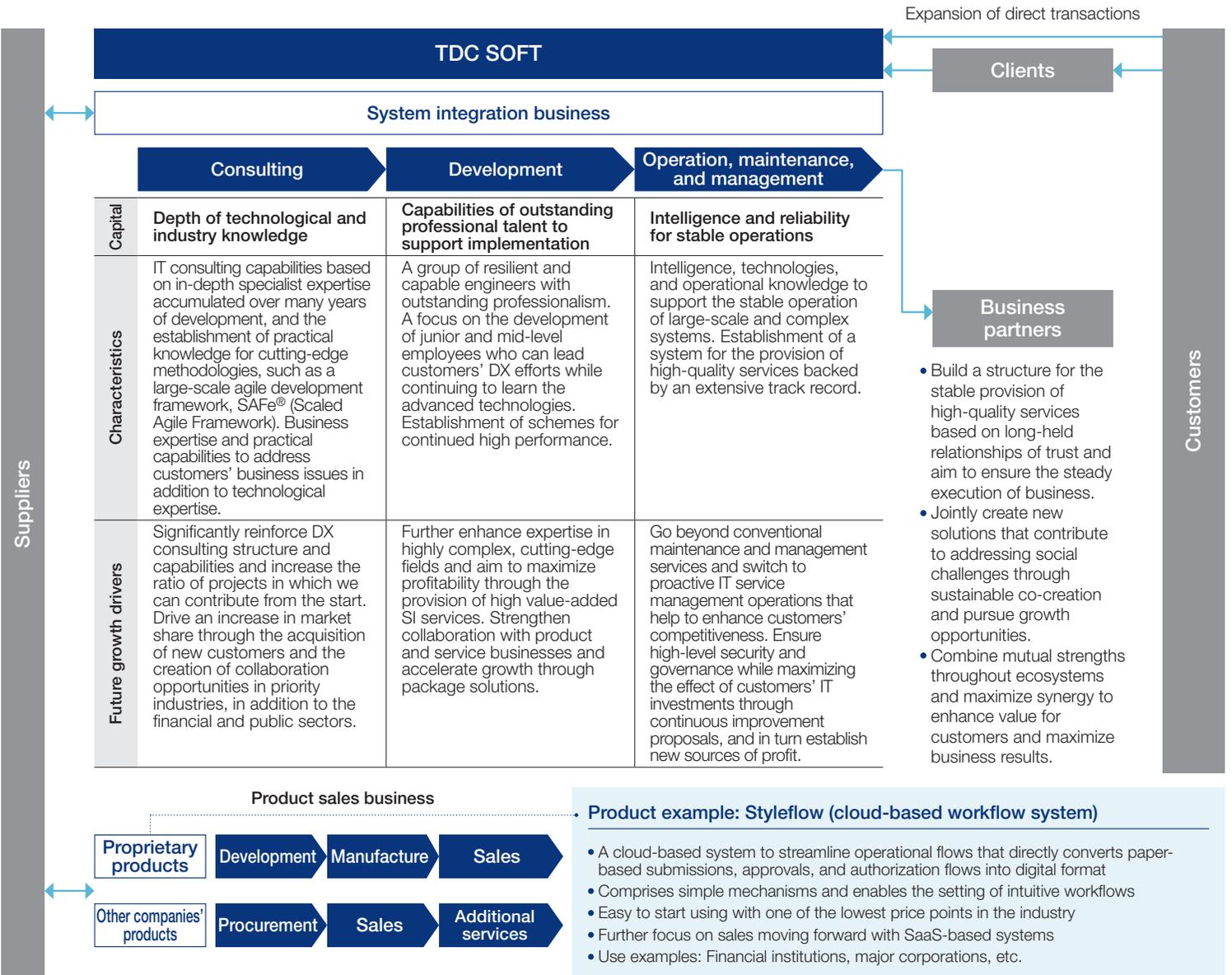
We offer integrated IT solutions for the financial sector (banking, insurance, credit), including systemization planning, design, development, and maintenance.

IT solutions for public corporations field

We offer integrated IT solutions for the logistics, manufacturing, and service industries as well as the public sector, including systemization planning, design, development, and maintenance.

Platform IT solutions field

We offer services such as the environmental design and construction of IT infrastructure, along with operational support, network product development, and network integration.



TDC's Technologies

TDC Technology Beyond

Switching from solving issues to identifying issues

As a system integration (SI) company, our mission is to solve clients' problems using IT capabilities. In recent years, however, solving issues alone is not enough. Instead, there is growing demand for the ability to identify issues from an early stage and create ideal visions and business models based on these findings. In response, in 2020 we started our "TDC Technology Beyond" initiatives.

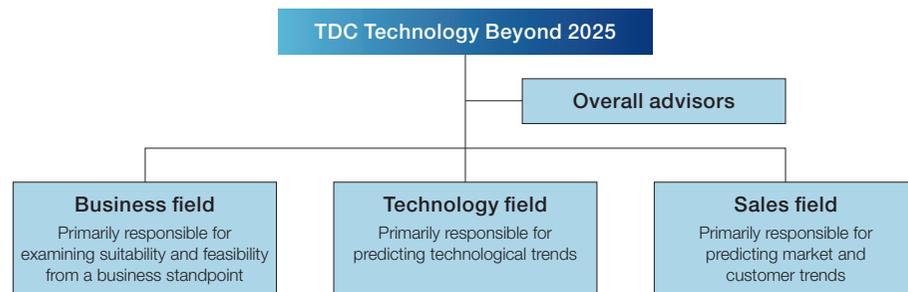
Predicting future trends and selecting priority fields

Through these TDC Technology Beyond initiatives, we are analyzing advanced technologies and market trends that could have a significant impact on future society and business and predicting possible future changes to identify our priority fields. In addition to pursuing synergy with existing businesses, through these activities we are aiming to select fields in which to make preparations with an eye on future trends in three to five years' time.

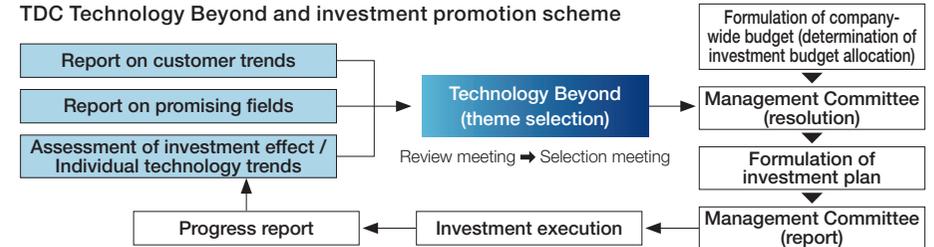
Selecting priority fields through discussions between experts and management

As part of these TDC Technology Beyond initiatives, the Company's top engineers and management engage in discussions to carefully select priority fields for three to five years in the future. This selection process not only looks at market trends but also compatibility with our medium-term management plans.

TDC Technology Beyond framework



TDC Technology Beyond and investment promotion scheme



Consideration of a diverse range of fields

Fields considered to date include those related to user value, such as customer experience value (CX) and UI/UX; advanced technologies including generative AI and blockchain technologies; and development methodologies including agile development. Through fields such as these, we will aim to strengthen our business foundations for the future.

R&D Promotion Office

The R&D Promotion Office is responsible for longer term initiatives that go further than TDC Technology Beyond initiatives. Whereas TDC Technology Beyond analyzes priority technological fields for three to five years in the future, the R&D Promotion Office is in charge of researching technologies that could become our core businesses in ten years' time. Based on its findings, the Office promotes research and development aiming to use elemental technologies to create future value and new businesses.

Solution-oriented research flow



Continuing with future-oriented investments in technology

By continuing with future-oriented investments in technology through TDC Technology Beyond and R&D promotion, we are providing customers with more sophisticated and higher quality services. We will continue working as one to research and develop priority technological fields that can illuminate the future.

Director Interview



Technology foundation and organizational reform supporting TDC SOFT's competitive advantage

Minoru Kumada

Director and Executive Officer
 In charge of the innovation & technology field
 In charge of the solutions field
 In charge of R&D Promotion Office
 In charge of the human resources and labor field

What underpins TDC SOFT's competitiveness?

Our competitiveness comes from the integration of over 60 years of domain knowledge, the latest information technology, and advanced project management capabilities. Our business is built on professional expertise in the financial, public, and logistics sectors, as well as management skills honed through a culture of solving challenges side by side with our customers.

But the rapid spread of cloud and SaaS solutions has made it harder to maintain a competitive edge with traditional domain knowledge alone. We see this shift as an opportunity to grow and have established a system in which departments strong in domain knowledge collaborate with those that are strong in technology to create synergies. In particular, by combining deep expertise based on domain

knowledge with cloud technology, we deliver new value to our customers.

For example, the financial industry undergoes frequent regulatory changes and technological innovations. We not only develop systems, but also have team members with deep domain knowledge remain on site after development is completed to respond quickly to regulatory changes and help customers identify and solve problems. This system enables us to build long-term trust with our customers and maintain a strong competitive advantage.

Our domain knowledge will remain a key differentiator, even in the age of AI. The key to effective AI adoption is not the technology itself, but deeply understanding our customers' business processes to determine where AI can have the greatest impact. Our deep industry expertise, built over many years, is one of our greatest strengths.

How do we drive technology development to maintain and strengthen our competitiveness?

Launched in 2020, TDC Technology Beyond shifted our approach to technology investment from separate, department-led initiatives to a company-wide, top-down investment strategy. Traditional department-based investments limited the scope of our investments and lacked a company-wide strategic focus. To address this challenge, our management team and technical experts meet each fall to decide on investments in technology areas that are expected to have a major impact on society and the economy with a view to commercializing within the next three to five years.

This approach enables us to invest dynamically and company-wide in key technologies ahead of our competitors. As a result, we deliver differentiated services to our customers.

We are currently focusing our investments on four key areas: data engineering, UX design, security, and networking. In data engineering, we focus not on developing AI itself, but on preparing data and building the information infrastructure needed to leverage AI. For example, by building information infrastructure, we provide customers with an environment where they can use AI effectively.

A key success story for TDC Technology Beyond is our early investment in agile development, which began in the early 2010s. We began full-scale implementation in 2014, securing an edge over competitors. In the security field, we established a dedicated team in 2016 and have continued to invest in supporting customers' in-house development. This has become a key differentiator for us.

The R&D Promotion Office takes an even longer-term approach. It conducts medium- to long-term fundamental research focused on our core businesses for the next ten years, supporting the establishment of future business foundation.

What challenges have emerged as we drive technological development?

As digital transformation advances, the adoption of new technologies has accelerated, enabling us to build systems that combine a wide range of technologies. However, as technology diversifies, project complexity is increasing dramatically, making effective project management more important than ever.

To address these challenges, we developed our own project management system, PROJECT IQ, in 2023. PROJECT IQ provides a system for quantitatively analyzing the skills required and the optimal team composition for each project. This system makes technical skill mismatches visible and helps prevent problems caused by inconsistencies. As a result, we have improved project quality and productivity.

For example, PROJECT IQ clarifies the required skill set at the early stage of development, enabling optimal team formation. In addition, during actual project execution, the system monitors resource allocation and progress, and also detects potential risks early. As a result, project management—which was previously difficult due to its complexity—is now more efficient and reliable.

Have any more fundamental challenges come to light?

While strengthening our technology foundation, we are also examining challenges in our organization itself.

Amid the need to respond to rapid changes in the business environment and growing diversity in values, work styles, and project types, a key challenge is how to unlock each employee's expertise and turn it into a source of corporate competitiveness.

To tackle this, we introduced a new personnel system in April 2025. The aim of this reform is to create an environment where each employee can define their career path and pursue their expertise. Specifically, we introduced a rank structure focused on professional expertise to realize an "All Professional" organization. We have grouped our employees into ten specialty fields so that each employee can focus on developing their expertise.

We have also adopted a dual-track evaluation system based on both skills and performance. Beyond traditional performance-based evaluations, we have introduced a system that fairly evaluates employees' expertise and skills they have developed, motivating them to further develop their professional capabilities. This reform provides a foundation for employees to build their careers by leveraging their expertise, helping the organization maintain strong overall competitiveness.

How would you summarize your initiatives to date, and how do you see our path forward?

Our aim is to strengthen our ability to solve problems for our customers, maximizing the value we deliver through our services. We have driven innovation through strategic technology investments under TDC Technology Beyond and improved project quality and productivity by leveraging PROJECT IQ. We are further strengthening our competitiveness by deepening

expertise through systematic human resource development and a new personnel system.

These initiatives deepen our expertise, enhance customer value, and generate business performance, which in turn create a virtuous cycle of growth. We will continue building a unique position in various sectors such as finance, public services, and logistics. By combining our deep domain knowledge cultivated over many years, advanced technologies, and highly skilled talent, we aim to continually grow together with our customers.

We will also continue driving further technological innovation in AI and data engineering, supporting our customers' business transformation as their partner. We are committed to pursuing medium- to long-term growth and maintaining our sustainable competitive advantage.



Financial and Non-Financial Highlights

Financial indicators highlights (FY2024)

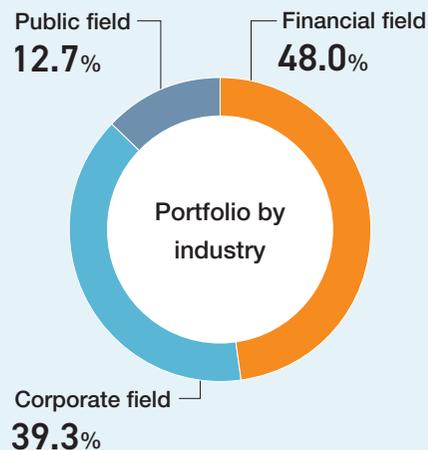
Net sales

¥44.4 billion

+11.9% year on year

Consulting business Product sales business

¥0.80 billion ¥1.08 billion



Operating profit

¥4.7 billion

+25.3% year on year

Net earnings attributable to owners of parent

¥3.4 billion

+11.1% year on year

Dividend payout ratio

37.1%

ROE

17.4%

PER

17.5 times

Non-financial indicators highlights (FY2024)

GHG emissions



Scope 1 and 2
0.2 kt-CO₂

Scope 3
20 kt-CO₂

Number of employees



2,300 persons

Ratio of female managers



7.9%

Value Creation Model



Review of Previous Medium-Term Management Plan and Outline of New Medium-Term Management Plan

Shift to the **Smart SI-Plus** Review of the previous medium-term management plan (FY2022-FY2024)

- Achievements**
 - Achieved targets on the back of sharp growth in the SI business
 - Saw steady growth in the consulting business and service product sales business, which we had positioned as business domains for expansion
- Challenges**
 - No M&A growth plans implemented

	Performance targets for the fiscal year ended March 31, 2025	Results for the fiscal year ended March 31, 2025
Consolidated net sales	¥40.0 billion	¥44.4 billion
Consolidated operating profit margin	10%	10.7%

- ### Our understanding of the business environment
- ⊖ Amid the uncertain outlook, customer challenges are becoming more complex and diverse
 - ⊖ Geopolitical risks, soaring prices, and the shrinking labor force owing to Japan's declining birthrate and aging population
 - ⊖ Market changes are fueling a shift toward in-house IT development, highlighting an emerging shortage of IT personnel. With advances in AI and other innovative technologies driving the merging of technologies, resolving customer challenges requires broad knowledge and high value-added contributions

New medium-term management plan (FY2025-FY2027)

Be a Visionary System Integrator

Basic Strategy

Be a Visionary System Integrator

Basic Strategy **1** × **2** Basic Strategy

Diversification and Advancement of Expertise and Knowledge

Expand holdings in highly specialized fields to strengthen problem-solving capabilities for increasingly complex customer challenges

Enhancement of Proposal Capabilities that Connect to Customer Value

Enhance proposal capabilities that connect IT to customer value through deep understanding of elemental technology characteristics, customer situations, and strategies

Key Management Indicators

Net sales

¥**60.0** billion

Operating profit

¥**6.2** billion

Dividend payout ratio

40% or more

GHG emissions

Scope 1 and 2
0.2 kt-CO₂

Scope 3

15 kt-CO₂

Key Strategies

Business strategy

- Deepen our value chain and promote better offerings
- Enhance our expertise related to each business and expand our business domain
- Expand global business

Investment strategy

- Promote business investment that integrates advanced technologies acquisition and marketing functions
- Strengthen human capital
- Promote strategic partnerships that include M&A and alliances

Human resource strategy

- Enhance management that possesses advanced expertise
- Pursue advancement of training systems in engineering fields
- Promote the success of diverse human resources and improve employee engagement

Quantitative Targets – Overview

Business portfolio Consulting business Product sales business ¥1.5 billion ¥2.0 billion		Portfolio by industry Financial field Corporate field Public field 45% 40% 15%			Number of employees 2,900 persons	<input checked="" type="checkbox"/> Expected effects → Competitive advantage <hr/> <input type="checkbox"/> Related pages P.21 Key Strategies: Human Resource Strategy P.22 Human Resource Strategy – Interview P.38 Society
<input checked="" type="checkbox"/> Expected effects → Sustainable long-term growth		<input type="checkbox"/> Related pages P.43 Segment Overview P.17 Key Strategies: Business Strategy P.9 TDC SOFT's Businesses and Value Chains				

As companies continue to promote DX, demand for operational reforms, IT strategies, and system implementation support is increasing. Leveraging the knowledge we have cultivated in our SI business, we are strengthening our operations in the consulting field, with a focus on resolving issues starting from upstream processes. Furthermore, by expanding our product sales business and shifting from a business model centered on contract system development to one centered on recurring revenue, we are stabilizing our revenue streams and achieving business scalability.

To ensure business stability and growth prospects, we are optimizing our portfolio by industry. With the financial field accounting for approximately 50% of our business, we are focusing on achieving growth in the corporate and public fields. In the corporate field, we are expanding the market to capitalize on strong appetites for investment in IT systems. In the public field, we aim to steadily secure projects in connection with digitalization demand. Armed with our technical capabilities and reliability, we will strive to achieve sustainable growth.

As our business expands, we are working to secure specialized human resources and reinforce our organizational structure. We will increase our employee headcount to 2,900 persons through the recruitment of new graduates and mid-career personnel, and ramp up our investments in human capital. In doing so, we intend to increase our competitiveness, realize flexible organizational management, and enhance our ability to adapt to change. We will build a sustainable business foundation with an eye to further growth and global expansion.

Ratio of female managers 10% or more	<input checked="" type="checkbox"/> Expected effects → Diversity <hr/> <input type="checkbox"/> Related pages P.21 Key Strategies: Human Resource Strategy P.22 Human Resource Strategy – Interview P.38 Society	GHG emissions Scope 1 and 2 0.2 kt-CO ₂ Scope 3 15 kt-CO ₂	<input checked="" type="checkbox"/> Expected effects → Adapting to the environment <hr/> <input type="checkbox"/> Related pages P.36 Environment	Dividend payout ratio 40% or more	<input checked="" type="checkbox"/> Expected effects → Enhancement of shareholder value <hr/> <input type="checkbox"/> Related pages P.19 Key Strategies: Investment Strategy P.20 Focus of Our Investment Strategy
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Under our management policy that emphasizes diversity, we have positioned promoting women's active participation in the workplace as an important strategy. We aim to enhance our corporate value by promoting businesses that enable women to play a more active role. By implementing measures that focus on job satisfaction tailored to the characteristics of each business, we aim to increase the length of service of our female employees and raise the ratio of female managers to 10%.

Amid the transition to a decarbonized society, we are focusing on visualizing and reducing our greenhouse gas (GHG) emissions. We are promoting the use of renewable energy, reviewing our business processes, and optimizing our product lifecycles to reduce our environmental impact. In this way, we will continue to be a company that fulfills its environmental responsibilities by balancing the realization of a sustainable society with enhancing corporate value.

We are pursuing a capital policy that emphasizes achieving a balance between maintaining financial soundness and making investments geared toward future growth. Based on profit growth, we raised our target dividend payout ratio to 40% or more, and will endeavor to achieve stable and sustainable shareholder returns. We aim to further enhance our corporate value by strengthening our relationship of trust with shareholders and establishing the foundation to support sustainable growth from a medium- to long-term perspective.

Key Strategies: Business Strategy



Addressing Increasingly Complex Challenges to Enhance Customer Value with Our Solutions

We leverage our extensive domain knowledge, experience, and solutions to enhance our ability to propose solutions that resolve customer issues. Under our new medium-term management plan, we will create customer value as part of our efforts to achieve sustainable growth.



Lineup of offerings

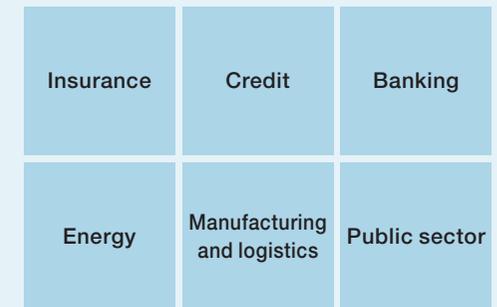
Main services

- IT consulting
- System development (large-scale system development, DX, automation, data linkage and integration, etc.)
- ERP/SaaS solutions (SAP, Salesforce, ServiceNow)
- Infrastructure, network, security
- AI/data analytics
- In-house solutions (workflow, procurement management, etc.)
- UI/UX design
- System maintenance and development

Our strengths



Main customer industries



Examples of our services

Customer industry	Our services
① Major gas company	Business system development and maintenance, ERP, security, data analytics, in-house products (workflow)
② Major oil company	Business system development and maintenance, refinery-related systems
③ Major transportation company	Business system development and maintenance, supplier management

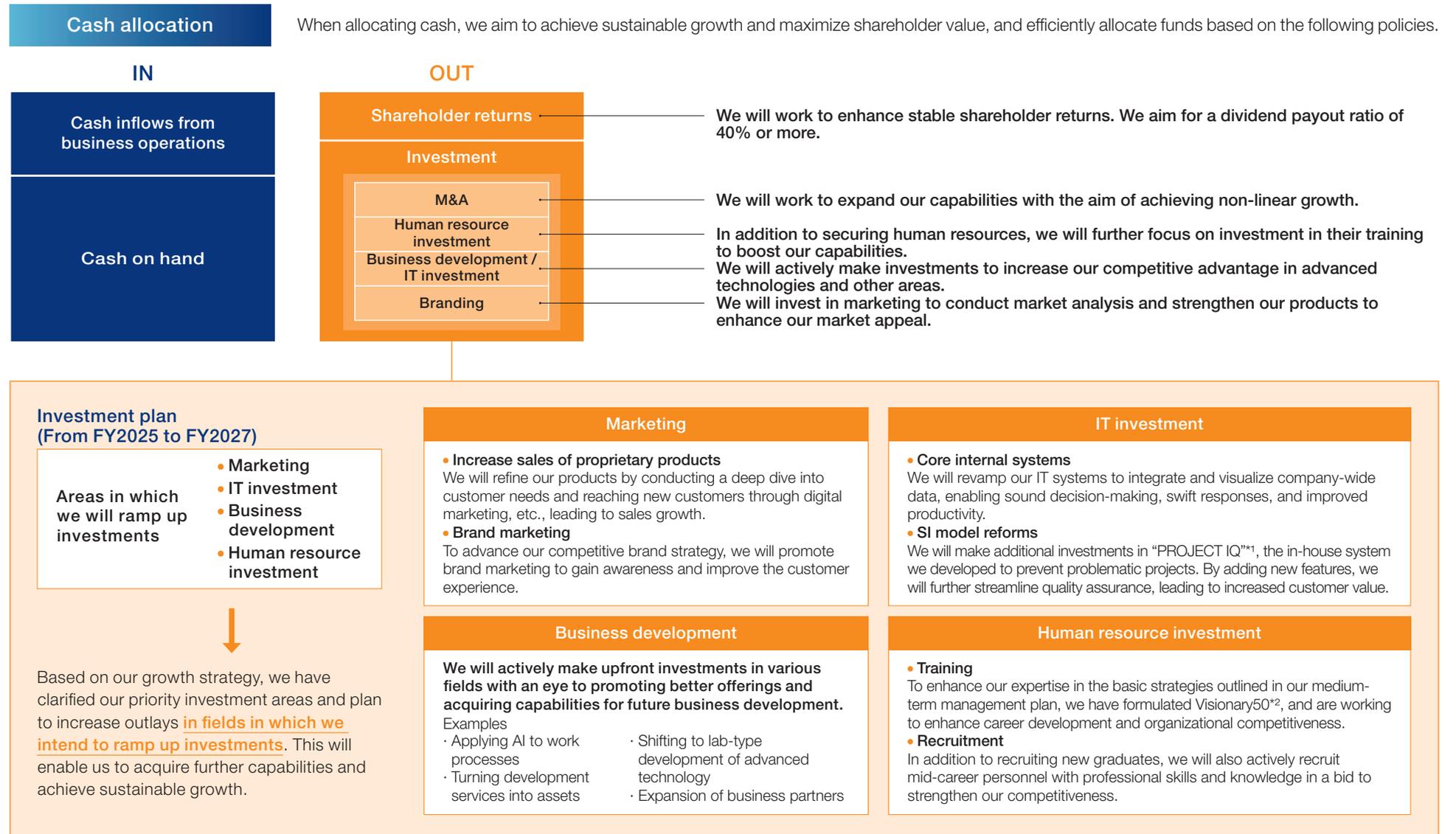
Details on our products, services, and implementation examples can be found here.



Key Strategies: Investment Strategy



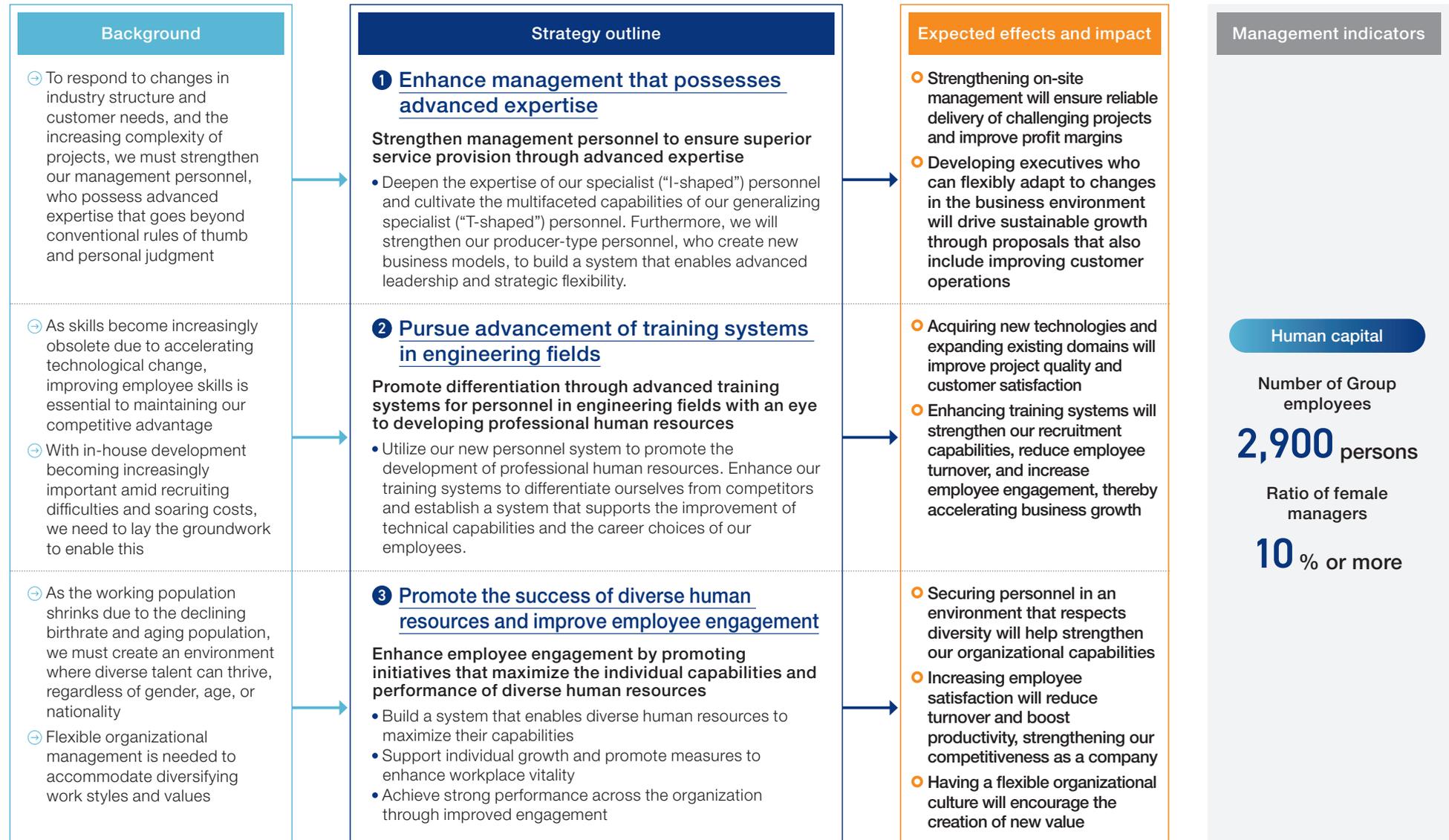
Focus of Our Investment Strategy



*1 A project performance evaluation system developed to prevent problematic projects and improve productivity

*2 Employees are encouraged to study for 50 hours per year during their work hours. Employees enhance their expertise through career development, departmental training, and SMACARI training based on goals agreed upon with their managers.

Key Strategies: Human Resource Strategy



Human Resource Strategy – Interview



Our human resource strategy and development initiatives for the next generation

Satoshi Kawaguchi

Executive Officer EP (Executive Producer)
Deputy Head of Corporate Management Headquarters
In charge of System Development Headquarters

How does the human resource strategy fit into your medium-term management plan?

In recent years, the IT solutions required by companies have gone beyond the simple provision of technology. Now, they are seeking solutions that also enable them to identify and resolve customer issues. We have leveraged our deep domain knowledge cultivated over many years to implement human resource development that meets these needs. The approximately 700 projects we execute annually are supported by the efforts of each and every one of our employees. We have thus established unique human resource development methods, including training for junior employees, to support their skill development. As a result, the percentage of trained junior employees that produce results in projects is steadily increasing.

However, given changes in the external environment, such as intensifying recruitment competition due to the declining birthrate and aging population and

the acceleration of technological innovation such as generative AI, we need to take even more proactive measures. For this reason, in our new medium-term management plan, “Be a Visionary System Integrator,” we position our human resource strategy as a key pillar alongside our business and investment strategies. We are promoting the enhancement of management that possesses advanced expertise, the advancement of our engineer training systems, and the establishment of an environment in which diverse human resources can thrive. We have also set a policy of allocating 2% of net sales to human resource training, and have put a system in place to regularly measure the results of our investments in employee training so as to ensure that the effects of these investments lead to business growth.

How are you enhancing management?

In enhancing management, we place importance on developing human resources that can anticipate

new business developments and make appropriate proposals at customer companies. For example, amid cross-industry movement, such as the telecommunications industry expanding into the financial services, we are seeing a rise in demand for “T-shaped personnel” that possess deep specialized knowledge as well as broad business knowledge.

To this end, we provide training for employees to acquire new knowledge, and are also taking steps to create a system where mid-level and veteran employees can hone their proposal capabilities and expertise while working on practical tasks. We are not only strengthening employees’ IT skills, but also other skills such as logical thinking and communication, and are working to develop management personnel that can accurately grasp customer needs and give shape to value.

How has the systematic human resource development system changed?

In conjunction with changes to our personnel system in fiscal 2025, we completely revamped our training system and introduced the TDC Smart Career Education Programs (SMACARI). This new training framework aims to enable each employee to grow as a professional that stays one step ahead of our customers and to contribute to the company’s sustainable growth. We have launched the framework based on a “training map” that organizes training content by grade and job type, systematizing common themes such as acquiring basic skills, deepening expertise, compliance with laws and regulations, and diversity. We aim to provide 80 training courses in fiscal 2025, adding 30 more within the fiscal year, ultimately bringing the total number of courses to 150.

Additionally, as part of our new medium-term management plan, "Be a Visionary System Integrator," we have formulated Visionary50, which encourages employees to study for 50 hours per year during their work hours. Employees enhance their expertise through career development, departmental training, and SMACARI training based on goals agreed upon with their managers. This encourages employees to take the initiative in their learning, enabling them to develop their own careers and helping to boost the competitiveness of our organization.

Furthermore, based on our technology roadmap for the future, we have broken down four advanced technology themes into a phased curriculum and organized them into training materials. We are establishing a system that enables our employees to master the latest technologies and adapt to the changing market environment. Through these measures, we are maximizing the potential of our employees and strengthening our foundation for mutual growth for both the company and individual employees.

How are you promoting diversity, particularly women's active participation in the workforce?

Promoting diversity is a key pillar of our growth strategy. In terms of promoting women's active participation in particular, since 2015, we have ramped up our efforts to increase the proportion of women among total employees hired. This has led to the number of female employees nearly tripling from 166 to 496. Women currently account for over 20% of our total workforce. Employees who joined us in 2015 are now in their 10th year of their careers, and are playing an active role in key positions in our business.

Furthermore, in promoting women's active participation in the workforce, we are not only forging ahead with the establishment of company-wide systems, but also place emphasis on adaptability based on the characteristics of each business. For example, as approaches to leave periods and job responsibilities after returning from a leave of absence vary depending on the nature of the business and the work processes of each project, each department is required to develop measures that take into account its own unique characteristics. Promoting proactive initiatives in each department in this way enables us to provide effective support for women's active participation that meets the needs of the workplace.

How are you working to improve the work environment and enhance employee satisfaction?

We place great importance on creating an environment in which each and every employee can feel growth and job satisfaction. As we are particularly committed to deepening connections and trust within the workplace, we actively host cross-departmental networking opportunities and internal events. These initiatives encourage employees to cooperate with one another and foster a sense of unity throughout our organization.

As a result of these measures, in an engagement survey conducted in June 2025, more than 80% of employees responded that they had good interpersonal relationships in the workplace. Additionally, as a result of steadily creating an environment that provides a comfortable workplace and opportunities for growth, our employee retention rate has remained above the industry average. We will continue to pursue the creation of an environment in which employees want to continue working for us.

What is the future you envision through the implementation of your human resource strategy?

Our goal is to be an organization where all employees can demonstrate their individual strengths and achieve growth regardless of gender, age, nationality, or disability. We intend to enhance creativity throughout our organization by respecting diversity and fostering a culture where employees with different values and skills can learn from and collaborate with one another.

To enhance our corporate value over the medium to long term, we are making efforts to create an environment where our employees can continue to take on new endeavors while honing their expertise. To realize this future, we are actively investing in human capital and building a foundation for sustainable growth together with our employees. Ultimately, we aim for each employee to provide sustainable value to society and our customers, and for the entire company to advance to the next stage through these results.



Directors and Audit & Supervisory Board Members (As of June 30, 2025)



Hiroyoshi Kobayashi Born: March 1, 1964
Number of shares held:
99 thousand shares
President and Representative Director



Tomoya Murakami Born: May 4, 1972
Number of shares held:
9 thousand shares
Director and Executive Officer
In charge of the financial and public fields



Masakazu Kuramoto Born: October 7, 1956
Number of shares held:
2 thousand shares
Outside Director



Yoshinobu Odajima Born: December 3, 1959
Number of shares held:
151 thousand shares
Director and Senior Managing Executive Officer
In charge of Group management and Kansai branch

Significant concurrent positions
Chairman and Representative Director of TDC Futech Corporation



Yasuo Kaji Born: April 16, 1968
Number of shares held:
0 thousand shares
Director and Executive Officer
In charge of the sales and consulting fields



Hiroko Yamamoto Born: February 16, 1956
Number of shares held:
0 thousand shares
Outside Director



Mikako Takase Born: December 26, 1958
Number of shares held:
45 thousand shares
Director and Managing Executive Officer
In charge of the public and corporate fields

Significant concurrent positions
President and Representative Director of Yell Business Consulting, Inc.



Shuichi Ozaki Born: March 18, 1969
Number of shares held:
0 thousand shares
Director and Executive Officer
In charge of the corporate field



Tetsuhiro Mori Born: March 27, 1966
Number of shares held:
0 thousand shares
Outside Full-time Audit & Supervisory Board Member



Yasuo Kawai Born: April 20, 1963
Number of shares held:
203 thousand shares
Director and Executive Officer
In charge of the financial field



Junzo Nakagawa Born: January 22, 1953
Number of shares held:
0 thousand shares
Outside Director



Satoshi Nozaki Born: October 14, 1956
Number of shares held:
1,610 thousand shares
Full-time Audit & Supervisory Board Member



Minoru Kumada Born: November 25, 1972
Number of shares held:
38 thousand shares
Director and Executive Officer
In charge of the innovation & technology field
In charge of the solutions field
In charge of R&D Promotion Office and the human resources and labor field



Kumiko Kawasaki Born: December 7, 1973
Number of shares held:
0 thousand shares
Outside Director
Occupational Physician



Hiroaki Okamatsu Born: January 10, 1953
Number of shares held:
5 thousand shares
Outside Audit & Supervisory Board Member

Main Areas of Experience and Expertise of Directors and Audit & Supervisory Board Members (Skill Matrix)

Areas of experience and expertise (skills) required of Directors and Audit & Supervisory Board Members

Areas of experience and expertise (skills)	Definition of skill
General management	Experience serving as a Director of a listed company or an equivalent organization
Technology and R&D	Executive experience in research and development functions at an IT company
International experience	Experience in overseas business transactions or study abroad
Sales	Executive experience in sales functions
Finance and accounting	Executive experience in accounting or finance functions
Health management	Executive experience in human resources functions or experience as an occupational physician
Legal affairs and compliance	Executive experience in legal functions

Table of skills possessed by Directors and Audit & Supervisory Board Members

Position	Name	General management	Technology and R&D	International experience	Sales	Finance and accounting	Health management	Legal affairs and compliance
President and Representative Director	Hiroyoshi Kobayashi	●	●	●			●	
Director and Senior Managing Executive Officer	Yoshinobu Odajima	●	●	●	●			
Director and Managing Executive Officer	Mikako Takase	●	●	●	●			
Director and Executive Officer	Yasuo Kawai	●	●		●	●	●	●
Director and Executive Officer	Minoru Kumada		●	●	●			
Director and Executive Officer	Tomoya Murakami		●		●			
Director and Executive Officer	Yasuo Kaji	●	●		●			
Director and Executive Officer	Shuichi Ozaki				●	●	●	●
Director (outside)	Junzo Nakagawa	●	●					
Director (outside)	Kumiko Kawasaki						●	
Director (outside)	Masakazu Kuramoto	●	●		●	●	●	●
Director (outside)	Hiroko Yamamoto	●						●
Full-time Audit & Supervisory Board Member (outside)	Tetsuhiro Mori				●	●		
Full-time Audit & Supervisory Board Member	Satoshi Nozaki	●		●	●			
Part-time Audit & Supervisory Board Member (outside)	Hiroaki Okamatsu	●	●		●			

*The above does not represent all the knowledge and experience possessed by each Director and Audit & Supervisory Board Member, but rather shows the particular skills expected of each person.

Corporate Governance Overview

Basic approach to corporate governance

The Company seeks to enhance corporate value by pursuing management efficiency and strengthening its management base, while also working to ensure management transparency through timely and appropriate disclosure of information. To maintain and enhance the trust of society, the Company recognizes the need to further strengthen corporate governance and addresses the thorough implementation of compliance and the reinforcement of risk management as important management issues.

The Company has established the Board of Directors as a key management decision-making body and as a body responsible for overseeing the execution of duties, and has adopted the Audit & Supervisory Board system to perform business audits and accounting audits. In addition, the Internal Audit Department conducts internal audits to further strengthen internal control and mutual oversight functions.

Corporate governance items	Details
Organizational structure	Company with an Audit & Supervisory Board
Number of Directors	12 (including 4 Outside Directors)
Number of Audit & Supervisory Board Members	3 (including 2 Outside Audit & Supervisory Board Members)
Number of Board of Directors' meetings (fiscal year ended March 31, 2025)	11
Attendance rate of Outside Directors at Board of Directors' meetings	100%
Attendance rate of Outside Audit & Supervisory Board Members at Board of Directors' meetings	100%
Term of office of Directors	2 years
Adoption of the executive officer system	Adopted
Voluntary committee of the Board of Directors	Nomination and Remuneration Committee
Internal committees	Sustainability Promotion Committee, Risk Management Committee
Audit firm	Deloitte Touche Tohmatsu LLC

Corporate governance structure chart



Outline of corporate governance structure

In addition to the Board of Directors and the Audit & Supervisory Board, the Company has established a Nomination and Remuneration Committee, a Sustainability Promotion Committee, and a Risk Management Committee. Alongside Board of Directors' meetings, the Company in principle convenes Management Committee meetings twice a month. The Management Committee comprises Directors including the President, Executive Officers, and the heads of key organizational units, and is responsible for approving proposals from senior management and overseeing their execution.

With respect to internal audits, the Internal Audit Department, which consists of one staff member and reports directly to the President, reviews the internal control systems of each department of the Company and Group companies in accordance with audit plans approved by the President. Audit plans, their implementation status, and audit results are reported to the Board of Directors, the Management Committee, and Audit & Supervisory Board Members, and internal control activities are carried out in coordination with Audit & Supervisory Board Members, the relevant operational departments, and the departments responsible for management systems. In addition, the Company seeks to ensure the effectiveness of internal audits through the exchange of information and opinions with Audit & Supervisory Board Members and the Accounting Auditor, as well as by receiving their instructions and advice.

1 Board of Directors

The Company's Board of Directors consists of 12 Directors. By appointing four Outside Directors, the Company secures objectivity and neutrality in its management monitoring function, while also balancing prompt decision-making and appropriate mutual oversight function through regular reporting by each Director on the status of execution of their respective responsibilities.

In fiscal 2024, the Board of Directors held a total of 11 meetings, all of which were attended by every Director.

2 Audit & Supervisory Board

The Company's Audit & Supervisory Board consists of three members, including two Outside Audit & Supervisory Board Members. Key matters deliberated include the establishment of audit policies and audit plans, preparation of audit reports, the appointment and remuneration of accounting auditors, audits of proposals to be submitted to the ordinary general meeting of shareholders, and the selection of full-time Audit & Supervisory Board Members. Each Audit & Supervisory Board Member conducts audits covering both business operations and accounting aspects of the Company's overall management activities from a fair and objective standpoint, and enhances the management oversight framework through ongoing coordination, including the timely exchange of information and opinions, with the Accounting Auditor and the Internal Audit Department. In particular, Outside Audit & Supervisory Board Members attend Board of Directors' meetings from an independent standpoint, free from direct interests in management, and apply their expertise in finance and accounting and their managerial insight to monitor the execution of duties and enhance the effectiveness of management oversight.

In fiscal 2024, a total of 11 meetings of the Board of Directors and 17 meetings of the Audit & Supervisory Board were held, and all Audit & Supervisory Board Members attended every meeting of both bodies.

3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises one internal Director and two Outside Directors, and deliberates on matters referred to it by the Board of Directors, including the selection of Director candidates and the determination of Director remuneration, before submitting its recommendations to the Board of Directors.

4 Sustainability Promotion Committee

With the aim of enhancing the Group's sustainable corporate value, the Sustainability Promotion Committee deliberates on the matters outlined below in order to make recommendations on the overall approach to sustainability, including the formulation of related policies and implementation plans, and reports to the Management Committee and the Board of Directors.

1. Identification and periodic review of materiality
2. Setting and measurement/evaluation of materiality targets (KPIs)
3. Response to climate-related risks and opportunities
4. Coordination among relevant departments responsible for sustainability activities
5. Review of sustainability-related disclosures
6. Other matters deemed necessary by the Board of Directors

5 Risk Management Committee

Within the Group, company-wide risk management is overseen by the Risk Management Committee. When risks with a significant impact on the business are identified, they are, upon being reported, appropriately addressed and disclosed as material risks.

Board of Directors

Functions and roles of the Board of Directors

The Company has established the Board of Directors as a key body for management decision-making and for overseeing the execution of duties. The Board's main roles include deciding on the Company's business operations, including important matters stipulated by laws, regulations, the Articles of Incorporation, and the Board of Directors Regulations; supervising the execution of duties by Directors; and creating an environment that supports appropriate risk-taking by senior management. To fulfill these roles, the Company has introduced an executive officer system to separate management supervision function from business execution function, thereby aiming to accelerate management decision-making process and strengthen the supervisory function.

The Board of Directors holds responsibility and authority for overseeing overall sustainability matters across the Company, and determines sustainability-related policies while supervising and correcting relevant initiatives.

Board composition policy

To appropriately balance decision-making on significant business execution through fulfilling Board discussions and supervision and audit functions for appropriate business execution, the Company defines the knowledge and experience currently considered essential for its Board of Directors as follows: general management, technology and R&D, IT industry knowledge, IT business strategy, international experience, sales, human resource strategy, finance and accounting, health management, legal knowledge, and legal affairs and compliance, and appoints Directors so that these competencies are appropriately represented across the Board. These areas of knowledge and experience will be reviewed as appropriate in light of changes in the external environment and the Company's circumstances. To strengthen the Board of Directors' management supervision function, the Company has appointed four Outside Directors.

The Company also recognizes that the presence of diverse perspectives and values within the organization, reflecting differences in experience, skills, and attributes, can serve as a strength in supporting its sustainable growth. Accordingly, under a policy of appointing core personnel regardless of gender, nationality, age, or whether they were hired as new graduates or mid-career professionals, the Company's structure for fiscal 2025 includes three female Directors among its 12 Directors.

Evaluation of the effectiveness of the Board of Directors

The Company conducts analyses and evaluations of the effectiveness of its Board of Directors with the objective of identifying issues and pursuing continuous improvement.

To verify the status of the Board's effectiveness, the Company conducts evaluations through questionnaires distributed to each Director and Audit & Supervisory Board Member, with reference to the evaluation items set out in the Corporate Governance Code established by the Tokyo Stock Exchange.

1. Evaluation method

All Directors and Audit & Supervisory Board Members were asked to fill out a questionnaire regarding the effectiveness of the Board of Directors (including open-ended response sections) and their responses were collected. Based on the responses received, the Board of Directors conducted an analysis and evaluation of its effectiveness.

2. Evaluation items

Board composition; Board operations; Board agenda; the Board's decision-making process; the Board's monitoring function; the performance of internal Directors; the performance of Outside Directors; support systems for Directors and Audit & Supervisory Board Members; engagement in dialogue with shareholders and investors; individual initiatives; and an overall evaluation of the Board of Directors.

3. Summary of the evaluation results of the Board of Directors' effectiveness

The evaluation confirmed that the Board of Directors is appropriately structured in terms of both size and composition, and that the matters deliberated by the Board, as well as the frequency of Board meetings, are appropriate. Based on the overall evaluation, no material issues requiring special attention were identified, and the Board was evaluated as effectively fulfilling its roles and responsibilities as a whole.

4. Future actions

With regard to the operation of the Board of Directors, the Company will continue to pursue ongoing improvements by further deepening discussions on opportunities and risks that may affect its business, with the aim of enhancing the overall effectiveness of the Board.

Support framework to ensure the efficient execution of Directors' duties

To enable Directors to effectively fulfill their roles and responsibilities, the Company has established the necessary internal systems as outlined below.

- (1) The Company sets a medium-term management plan and annual plan, regularly monitors the implementation of those, and has the results reported to the Board of Directors.
- (2) The Company maintains an authority system and decision-making rules so that Directors and Executive Officers can flexibly execute their duties.
- (3) The Company specifies division of duties within the corporate organization and authority and responsible parties in each organization, establishes internal control functions, and strengthens corporate governance.
- (4) The Company strives to streamline and increase the speed of operations and to ensure the reliability of financial reports through the use of IT.
- (5) To ensure that duties are executed not only in line with laws, regulations, and the Articles of Incorporation but also effectively, the Company maintains in-house systems to manage performance, human resources, and other aspects.
- (6) To conduct multifaceted examination of important management matters, the Company regularly holds meetings that Directors and Executive Officers attend.
- (7) The Company maintains a support framework for outside officers, under which a staff member dedicated to supporting each outside officer is assigned to the Board of Directors Secretariat and provides advance briefings prior to Board meetings.
- (8) The Company maintains a framework to provide Directors and Audit & Supervisory Board Members with information and training on the Company's management environment, risk management, and related matters, both at the time of appointment and on an ongoing basis during their terms of office.
- (9) The Company maintains an environment that facilitates opportunities for information sharing and the exchange of views between outside officers, and management and superior employees.

Director training policy

The Company conducts seminars and study sessions as appropriate to enhance the effectiveness of its Directors. In fiscal 2024, newly appointed officers participated in seminars to acquire the knowledge required for management.

Basic themes

- Corporate governance
- Officers' responsibilities
- Issues aligned with current trends (including human capital, recent fraud cases, and corporate misconduct cases)

Practical operation of the Board of Directors

The principal matters deliberated and reported by the Board of Directors in fiscal 2024 were as follows.

Management strategies

- Formulation and approval of the medium-term management plan
- Annual and semi-annual management plans
- Establishment of the Basic Supply Chain Policy

Sustainability

- Policies concerning sustainability, etc.
- Report on the activities of the Sustainability Promotion Committee

Governance

- Revisions to rules
- Plans for, and reports on the results of, the development, operation, and evaluation of internal controls
- Revision of the Corporate Governance Report
- Response to the System for Ensuring Stable Provision of Essential Infrastructure Services under Economic Security Promotion Act

In addition, the principal matters deliberated and reported by the Audit & Supervisory Board and other committees were as follows.

Sustainability Promotion Committee

- Identification and periodic review of materiality
- Setting and measurement/evaluation of materiality targets (KPIs)
- Response to climate-related risks and opportunities
- Coordination among relevant departments responsible for sustainability activities
- Review of sustainability-related disclosures
- Other matters deemed necessary by the Board of Directors

Risk Management Committee

- Identification of company-wide risks
- Risk management
- Risk assessment and review of countermeasures

Outside Directors and Outside Audit & Supervisory Board Members

Functions and roles of Outside Directors and Outside Audit & Supervisory Board Members

Within the Board of Directors, which is responsible for management decision-making and for overseeing the execution of business by Executive Directors and Executive Officers, the Company has appointed four Outside Directors among its 12 Directors, and two Outside Audit & Supervisory Board Members among its three Audit & Supervisory Board Members.

Outside Directors attend monthly meetings of the Board of Directors and, from an objective standpoint independent of management, which is primarily responsible for business execution, provide questions and advice as appropriate on agenda items and deliberations.

In addition to monitoring the execution of duties based on their expertise in finance and accounting and their managerial insight, Outside Audit & Supervisory Board Members attend monthly meetings of the Board of Directors and the Audit & Supervisory Board, where they offer questions and advice as appropriate on agenda items and deliberations from a professional perspective.

Position	Name	Background to appointments
Outside Directors	Junzo Nakagawa	Having accumulated experience as a head of technology and development departments at multiple companies in the IT industry and subsequently serving as Representative Director, Junzo Nakagawa possesses extensive experience and broad insight.
	Kumiko Kawasaki	Drawing on extensive experience serving as an occupational physician at multiple companies across industry lines, Kumiko Kawasaki possesses the insight to provide appropriate opinions on general management from a health management perspective.
	Masakazu Kuramoto	After gaining professional experience in technology and development departments, Masakazu Kuramoto went on to serve as a director at multiple companies and was involved in sales field, corporate planning, and administrative departments, and therefore possesses extensive business experience and broad insight.
	Hiroko Yamamoto	In addition to her extensive experience as an attorney, Hiroko Yamamoto has served as an Outside Director and an Audit & Supervisory Committee Member, and possesses the insight to provide fair and objective opinions and supervision with respect to general management.
Outside Full-time Audit & Supervisory Board Member	Tetsuhiro Mori	Tetsuhiro Mori possesses specialized knowledge and experience derived from his professional background in a financial institution.
Outside Part-time Audit & Supervisory Board Member	Hiroaki Okamatsu	Hiroaki Okamatsu possesses extensive business and management experience in multiple industries, including the system development industry.

Independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company has established the following independence criteria for the appointment of Outside Directors and Outside Audit & Supervisory Board Members, and appoints them primarily to oversee the Company's management from a standpoint that poses no risk of conflicts of interest with general shareholders.

Independence criteria for outside officers

An outside officer shall be deemed not to satisfy the independence requirements if falling under any of the following.

1. A person who is a major business partner*¹ of the Company, or an executive*² thereof
2. A major business partner of the Company, or an executive thereof
3. A major lender*³ of the Company, or an executive thereof
4. A person who is a consultant, accounting professional, or legal professional who receives cash or other assets exceeding ¥10 million per year from the Company, other than remuneration as a Director or Audit & Supervisory Board Member (where such recipient is a corporation, partnership, or other organization, this includes any person belonging to such organization)
5. The Company's Accounting Auditor, or any employee or other personnel thereof
6. A major shareholder*⁴ of the Company (where such major shareholder is a corporation, an executive thereof)
7. An executive of an organization to which the Company has made donations exceeding a specified amount*⁵
8. A company in which an executive of the Company serves as a Director
9. A person who has fallen under any of items 1 through 8 above within the past three years
10. A close relative*⁶ of a person falling under any of items 1 through 9 above, or any of the following
 - ① An executive of the Group (including Directors who do not engage in business execution)
 - ② A person who has fallen under item ① above within the past three years

Even where a person does not satisfy these criteria, the Company may designate such person as an independent officer if it determines that the person possesses independence, provided that the reasons for such determination are disclosed.

*1 A "major business partner" refers to a company that conducts transactions with the Company and whose transaction amount in the most recent fiscal year exceeded 5% of the company's net sales.

*2 An "executive" refers to any executive director, executive officer, or other equivalent person currently affiliated with a company, as well as key employees.

*3 A "major lender" refers to an entity from which the Company has borrowed funds exceeding 2% of the Company's total assets as of the end of the most recent fiscal year.

*4 A "major shareholder" refers to a shareholder holding 10% or more of the Company's voting rights (directly or indirectly) as of the end of the most recent fiscal year.

*5 "Donations exceeding a specified amount" refers to an amount equal to the higher of ¥10 million per year or 2% of the organization's most recent total gross income, calculated as an average over the past three fiscal years.

*6 A "close relative" refers to a relative within the second degree of kinship.

Director Remuneration Systems

Basic policy

Directors' remuneration is determined on an individual basis by the Representative Director, who has been entrusted by the Board of Directors, within the maximum amount approved at the general meeting of shareholders. Remuneration is structured to fulfill the functions set out below. In addition, by obtaining reports from the Nomination and Remuneration Committee, a majority of whose members are Outside Directors, the Company ensures that decisions are made through a transparent and fair process.

- Provides adequate incentive to sustainably enhance the Group's corporate value
- Incorporates a high degree of performance-based variability and provides adequate incentive for management aligned with the management strategies
- Provides adequate incentive for management from an ESG perspective by sharing benefits and risks with shareholders

Remuneration level

To ensure the effectiveness of securing talented personnel capable of effectively overseeing business execution as Directors, remuneration levels are set with reference to peer companies of similar business profile and scale, as well as relevant benchmarks, taking into account factors such as the degree of difficulty in achieving targets and assigned roles.

Remuneration structure

Remuneration for internal Directors consists of fixed compensation, performance-based compensation, and non-monetary compensation, while remuneration for Outside Directors consists only of fixed compensation.

Fixed compensation

Fixed compensation is calculated based on the position and evaluation of Directors.

Performance-based compensation

Performance-based compensation is calculated based on the performance indicators of net sales, gross profit and operating profit, as well as the level of achievement of business performance. The Company selected net sales, gross profit and operating profit as performance indicators, in order to recognize that increases in the three lead to increases in shareholders' equity over the medium to long term and sustainably enhance corporate value, in line with shareholders' intentions.

Non-monetary compensation

Non-monetary compensation is provided through a Board Benefit Trust. As an incentive plan linked to share value, the Company provides shares of its own stock and a monetary amount equivalent to the market value of such shares, in principle, at the time of the resignation of Directors.

Total amount of remuneration (fiscal year ended March 31, 2025)

Officer category	Total amount of remuneration (thousand yen)	Total amount by type of remuneration (thousand yen)				Number of eligible officers (persons)
		Fixed compensation	Performance-based compensation	Retirement benefits	Of which, non-monetary compensation, etc.	
Directors (excluding Outside Directors)	357,409	199,800	157,609	—	6,609	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	13,200	13,200	—	—	—	1
Outside officers	30,000	30,000	—	—	—	7

Risk Management

Basic approach to risk management

To appropriately address the various risks surrounding the Group's business activities, the Group has established the Basic Rules for Management Risk Management and defined its Basic Risk Management Policy as follows.

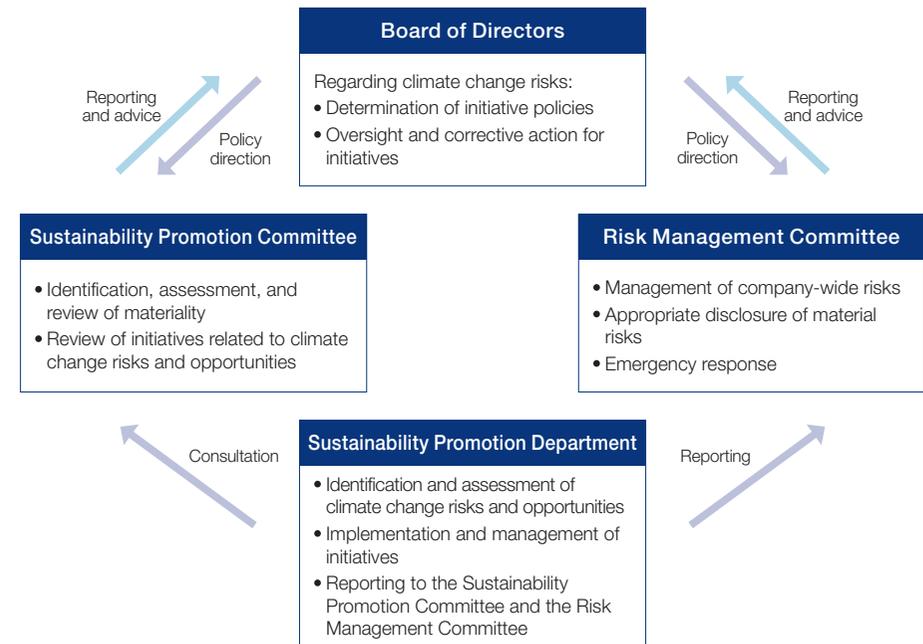
1. We strive to prevent and mitigate risks and to establish systems for appropriately managing such risks.
2. We aim to enhance risk management capabilities through a cycle of planning, implementation, evaluation, and improvement.
3. We respond promptly and appropriately and take responsible action when risks materialize.
4. We foster risk sensitivity and instill risk management awareness across the Group through education and training.

For risks that the Company has designated as particularly important, such as information security and quality risks, management systems for respective risks have been established and their provisions are applied.

Risk management systems

As the foundation for managing loss risks, the Group has established not only a Basic Risk Management Policy and Basic Rules for Management Risk Management, but also a Corporate Philosophy, Action Guidelines, and an Internal Control System Basic Policy, which serve as internal norms to ensure that all employees perform their duties appropriately.

A series of risk management activities are carried out primarily through the Risk Management Committee, which is chaired by the Chief Risk Management Officer. To ensure that risk management functions effectively, the Risk Management Committee centrally identifies and evaluates the status of risk management from a company-wide perspective, reports regularly to the Board of Directors, and, as appropriate, receives instructions regarding risk response policies.



Risk assessment process

Each fiscal year, the Risk Management Committee identifies company-wide risks by consolidating risks identified by individual departments and separately identifying cross-departmental risks. Identified risks are assessed along two dimensions — impact on the business and likelihood of occurrence — and the results are managed using a company-wide risk management sheet. Assessments are conducted as quantitatively as possible, while also incorporating qualitative evaluations. Based on the assessment results, the Company works to ensure that appropriate measures are implemented for material risks deemed to require priority response, taking into account the nature and circumstances of each risk. The Company subsequently reviews measures based on monitoring and the outcomes of implemented initiatives.

Material risks	Measures
<p>1 Changes in the business environment and the impact of price competition, etc.</p>	<ul style="list-style-type: none"> • Responding to technology trends through our Technology Beyond • Monitoring changes in the external environment through ongoing information gathering and making prompt management decisions • Activities of internal specialist organizations to ensure quality
<p>2 Securing and developing human resources</p>	<ul style="list-style-type: none"> • Improving employee satisfaction through enhanced compensation and benefits • Implementation of initiatives to enhance engagement • Establishment of continuous training programs, including new technologies
<p>3 Information leakage</p>	<ul style="list-style-type: none"> • Ongoing implementation of compliance education and training • Strengthening of security measures

Compliance

Compliance stance and framework

The Group positions the thorough implementation of compliance, together with the strengthening of risk management, as a key management priority aimed at enhancing social trust and corporate value. From an organizational perspective, the President and Representative Director serves as the Chief Compliance Officer, while the director in charge of the corporate field oversees the confirmation and evaluation of compliance matters and the promotion of improvement initiatives across the Group.

Specific compliance initiatives

Compliance education

The Group disseminates its Purpose, Corporate Philosophy, and Action Guidelines through internal communications and other channels, and regularly conducts internal training programs and tests for all employees to deepen understanding of legal compliance and confirm comprehension.

Where awareness or understanding among employees is deemed insufficient, we work to reinforce this awareness and understanding across the Company through measures such as updating e-learning materials.

Whistleblower system

In order to quickly detect and correct behavior that violates laws, regulations, the Articles of Incorporation, and similar items, the Group stipulates in in-house rules that if such behavior is detected it must be reported to the Company. As one such means of providing information, the Company has established and operates a whistleblower hotline based on the Whistleblower Protection Rules.

Internal reporting flow



Information Security

Basic approach to information security

The Group recognizes that, because a loss of trust would have a significant impact on business performance and other results, the establishment of a robust information security management system is the most critical element of overall risk management. Accordingly, the Group has established the following Basic Policy on Information Management, with the aim of ensuring that all staff engaged in the Group's operations maintain a high level of awareness of information security and consistently implement appropriate information security measures in the course of their duties.

Basic Policy on Information Management

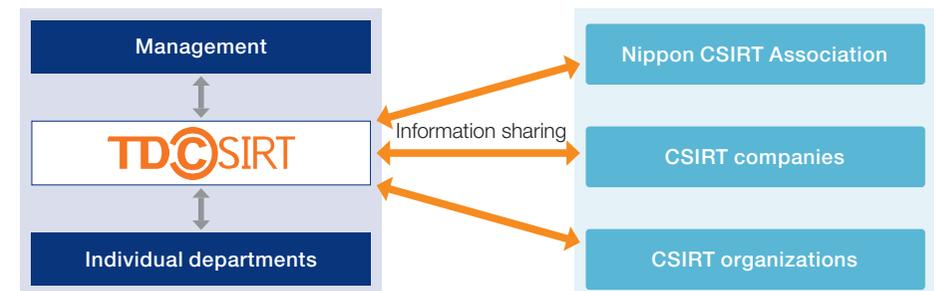
1. The TDC SOFT Group implements appropriate security measures for the "information" required in the course of business operations and takes preventive measures to ensure that such information is not destroyed, lost, stolen, leaked, altered, or misused. In preparation for information security incidents or accidents, the TDC SOFT Group formulates a business continuity plan, including the securing of alternative means and the establishment of recovery procedures, and strives for its continuous improvement to enable prompt response.
2. The TDC SOFT Group has established an organization dedicated to promoting information security and has appointed a Chief Information Management Officer responsible for the centralized management of the Group's "information," thereby working to enhance information security on a company-wide basis.
3. The TDC SOFT Group has established rules for the appropriate collection, storage, use, and provision of "information," and ensures that all staff comply with these rules.
4. The TDC SOFT Group complies with laws, regulations, and rules, as well as other applicable standards, relating to the protection of personal information and the management of confidential information.
5. The TDC SOFT Group provides thorough information security education to all staff, with the aim of raising individual awareness of information security and ensuring strict compliance with this Basic Policy on Information Management.
6. The TDC SOFT Group regularly and continuously evaluates and reviews this Basic Policy on Information Management, its framework, and associated rules, and strives to improve them.

In accordance with the above policy, the Group has appointed a Chief Information Management Officer and has established and operates an information security management system based on ISO 27001. In particular, with respect to the protection of personal information, the Group has established a Basic Policy on Personal Information Protection, put in place an effective protection framework, and obtained the PrivacyMark.

Security incident response framework

In addition to the Chief Information Management Officer, the Group has established TDC-CSIRT as a specialized team to prevent and respond to security incidents that may occur in customer systems or the Group's services. In the event that a service outage or information leakage occurs in the Group's services, the Group undertakes an organized response, with the support of TDC-CSIRT, to enable rapid and accurate early containment, elimination of root causes, and restoration of services.

Operational structure



About TDC-CSIRT

- As an organization that reports directly to management, TDC-CSIRT is able to respond swiftly to security incidents, including those requiring management-level decision-making.
- To enable a cross-departmental support structure, TDC-CSIRT is composed of employees with specialized expertise drawn from multiple internal departments, who serve concurrently in this role.
- Incidents in which the discovery of critical software vulnerabilities has had a significant impact on the continuity of services worldwide are occurring with increasing frequency. In response, the Group has established a monitoring system for security information related to each software product, enabling it to promptly identify relevant issues and examine appropriate response measures.

TDC SOFT Sustainability

Basic Sustainability Policy

Sound corporate governance

- To create sustainable value for society and enhance its corporate value, the Group will achieve highly effective and transparent corporate governance and comply with laws, regulations, and social norms in all its corporate activities.
- In all its corporate activities, the Group respects human rights in accordance with the United Nations Guiding Principles on Business and Human Rights.

Providing new added value to society

- The Group provides high value-added SI services to its customers and supports their promotion of digital transformation, thereby bringing valuable changes to society.

Creating a pleasant and rewarding company to work for

- The Group is committed to creating a “pleasant and rewarding company to work for” by actively supporting the health activities of employees and their families and by promoting organized health activities.

Preservation of the global environment

- In all of its corporate activities, the Group is committed to the ongoing preservation of the global environment, with an emphasis on promoting energy conservation, recycling, and green purchasing.

Sustainability promotion system

In order to realize a smart society and to achieve sustainable growth of the Group, we have established the following sustainability promotion system.



TDC SOFT's materiality

Creating a smarter society with information technology

- Acquisition of advanced technology
- Provision of high value-added SI services

Addressing climate issues

- Reduction of GHG emissions

Valuing employee satisfaction

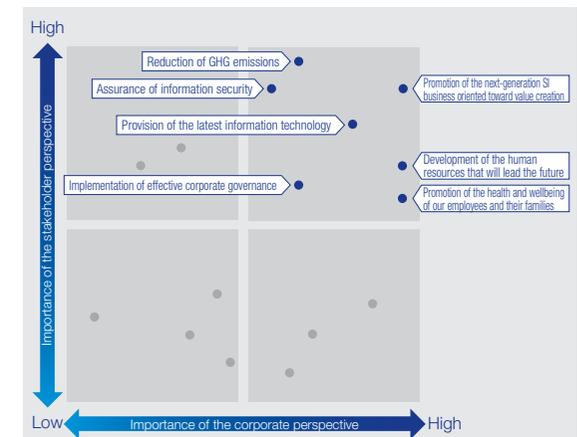
- Development of the human resources that will lead the future
- Promotion of the health and wellbeing of our employees and their families

Striving to implement responsible corporate activities

- Implementation of effective corporate governance
- Assurance of information security

Materiality identification process

The Group launched a new medium-term management plan, “Be a Visionary System Integrator,” in fiscal 2025. As social issues become increasingly complex, we aim to stay one step ahead by sharpening our foresight and delivering outstanding development technologies and services. By doing so, we strive to become a one-of-a-kind partner to our customers and drive long-term growth. To reassess our materiality (key ESG issues) with an eye to achieving this, the Sustainability Promotion Committee, chaired by the director in charge of sustainability, selected candidate issues to be addressed with reference to various guidelines (GRI Standards, SASB, and ISO 26000). The committee then assessed the importance of each issue from both a stakeholder perspective and a corporate perspective to determine seven materiality.



Environment

Basic approach to environment

The global environment, which is the foundation for all living creatures and our own survival, is now being damaged by the various burdens resulting from human activities. Environmental resources are finite. We must act appropriately at every turn to ensure that environmental resources are not used up by the current generation and that future generations of humans and other living creatures can continue to take advantage of the rich bounty that fosters good health.

Based on this recognition, the Group considers environmental conservation efforts as one of the important pillars of its management. In accordance with the following environmental policy, we are promoting environmentally friendly business activities within a sustainability promotion system led by the Sustainability Promotion Committee. Additionally, we are not only working to address our own climate risks, but also to propose value creation solutions that utilize our technological capital to address the climate change risks of our customers, as doing so enables us to help tackle climate change and expand our business opportunities.

Environmental policy

1. We comply with environmental laws and regulations and environmental codes.
2. In our business activities, we will engage in continuous improvement with an emphasis on promoting energy conservation, recycling, and green purchasing.
3. We support our employees to carry out environmental protection activities, including pollution prevention, with a broad social focus and with self-awareness and responsibility.
4. This environmental policy, as well as our environmental conservation efforts, will be disclosed on our website.

Status of environmental conservation activities

Due to a decrease in the proportion of employees working remotely, we have not yet been able to visualize the results of our efforts to reduce our environmental impact, as shown below. Nevertheless, the Group is working with our employees to reduce CO₂ emissions in a bid to prevent global warming.

Themes	Fiscal 2022	Fiscal 2023	Fiscal 2024
Scope 1-3 total [kt-CO ₂]	12	17	20
Electricity consumption [thousand kWh]	843	1,064	945
Green purchasing amount (PC) [millions of yen]	98	102	102

Some of our current initiatives are listed below.

(1) Activities to curb electricity consumption

- Cool Biz from May to October every year
- Encouraging lighting and air conditioning equipment to be turned off in unused areas and during unused hours

(2) Paperless activities

- Establishment of network environment for paperless promotion
- Reducing paper use by posting meeting materials online for major meetings
- Recycling paper resources through collaboration with building management companies

(3) Purchase of environmentally adapted products

- Procurement of office supplies from vendors that handle products covered by the Eco Mark, the Green Purchasing Law Conformity Mark, and the Eco Product Listing Mark

(4) Provision of services that contribute to environmental preservation

- Providing "Styleflow," a cloud-based workflow system that helps companies go paperless

Disclosure of Our Approach to Climate Change and Initiatives in Line with the TCFD Recommendations

Items		Response status																					
Governance	Board of Directors' oversight system for risks and opportunities	The Board of Directors is responsible for overseeing sustainability as a whole, and receives reports and advice regarding the deliberations of the Management Committee and the Sustainability Promotion Committee. It deliberates and oversees the Group's sustainability response policy and implementation plans, and also instructs to review and revise business strategies.																					
Strategy	Identified risks and promotion measures	<p>Identified risks and promotion measures</p> <ul style="list-style-type: none"> • Policy and regulatory risks related to GHG emissions • Risk of switching to low-carbon technologies and failing to invest in new technologies • Risk of changes in consumer trends and rising raw material prices • Reputational risk from stakeholders • Chronic risks such as changes in rainfall and weather patterns, rising average temperatures, and rising sea levels <p>To address these risks, we are taking the following four specific measures. Activities to curb electricity consumption, paperless activities, purchase of environmentally adapted products, and provision of services that contribute to environmental preservation</p>																					
Risk Management	Process of identifying, assessing and managing risks, and its integration into organization-wide risk management	<p>The Sustainability Promotion Department is responsible for monitoring, identifying, assessing, and managing various initiatives related to climate change risks and opportunities. The Sustainability Promotion Committee, comprised of persons in charge of sustainability promotion from each department, receives reports from the Sustainability Promotion Department, which it uses to identify potential material issues and consider Group-wide initiatives. The results of these discussions are reported as needed to the Risk Management Committee, which manages and evaluates company-wide risks, and to the Board of Directors, which determines each Group company's approach to such initiatives. Furthermore, the Sustainability Promotion Department reports any sustainability risks it identifies that could have a significant impact on our business to the Risk Management Committee, which appropriately handles and discloses these risks as material risks.</p> <p>We conducted a reassessment of our materiality with an eye to the start of our new medium-term management plan in fiscal 2024. We selected candidate issues to be addressed with reference to various guidelines (GRI Standards, SASB, and ISO 26000). We assessed the importance of each issue from both a stakeholder perspective and a corporate perspective to determine seven materiality (key ESG issues).</p>																					
Metrics and Targets	Metrics used by the organization in line with its strategy and risk management	Our GHG emissions are managed as metrics based on a scenario analysis conducted with reference to SBT-certified target levels for Scope 1, 2, and 3 emissions.																					
	Climate-related metrics and targets	<table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="4">Targets</th> </tr> <tr> <th rowspan="2">Adopted scenario</th> <th rowspan="2">Reduction rate</th> <th colspan="2">Reduction volume</th> </tr> <tr> <th>Short term: FY2027</th> <th>Medium term: FY2034 (target year)</th> </tr> </thead> <tbody> <tr> <td>Scope 1 and 2</td> <td>1.5°C scenario</td> <td>4.20%</td> <td>0.2 kt-CO₂</td> <td>0.1 kt-CO₂</td> </tr> <tr> <td>Scope 3</td> <td>WB2°C scenario</td> <td>2.50%</td> <td>15 kt-CO₂</td> <td>12 kt-CO₂</td> </tr> </tbody> </table>		Targets				Adopted scenario	Reduction rate	Reduction volume		Short term: FY2027	Medium term: FY2034 (target year)	Scope 1 and 2	1.5°C scenario	4.20%	0.2 kt-CO₂	0.1 kt-CO₂	Scope 3	WB2°C scenario	2.50%	15 kt-CO₂	12 kt-CO₂
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Society

Our relationship with stakeholders

Basic approach

The Group is committed to creating a workplace where each employee can fully utilize their diverse experiences, skills, and values, guided by our philosophy of “Making the world smarter” - by facing every change with sincerity and the power of technology and challenge. We believe that an environment where employees can achieve their aspirations and demonstrate their individual strengths serves as the driving force behind our sustainable growth. To achieve this, we have introduced our unique personnel system, the Smart Career System, and are working to create a system where both the company and individual employees can grow.

Human resource development

TDC Smart Career Education Programs (SMACARI)

Basic policy

The Group has established a systematized curriculum that enables our employees to continuously grow into highly skilled professionals that stay one step ahead of our customers. Through this, we support the sustainable growth of the company and provide development support to enable each employee to achieve their aspirations.

Concept of our new education system

In our new education system, training is designed around the following three categories:

1. Acquiring basic skills: Introduction of a system that reflects basic skills in evaluations
2. Acquiring specialized skills: Provision of training to enhance expertise for different job types
3. Common development themes: Establishment of content that is important across the

Company, such as compliance with laws and regulations and diversity

We have established a system that visualizes these categories in the form of a “training map” separated by job type and grade and that enables employees to take the training they need.

Evolving our existing training systems

We have reorganized our existing training content with the plan to launch 80 training courses in fiscal 2025. We will subsequently add 30 more courses to reach a total of 150 courses by the end of the medium-term management plan period. We will also release new training on IT trends and strategy planning in fiscal 2025 to promote the development of management-level skills.

About Visionary50

We position our human resource strategy as one of the key strategies in our medium-term management plan, “Be a Visionary System Integrator,” which began in April of this year. We established Visionary50 as part of this strategy.

Visionary50 is an initiative aimed at encouraging each employee to study for 50 hours per year to enhance their expertise. This study is to be conducted during work hours, enabling employees to leverage their timecard data to drive their own skill development efforts.

Three types of learning

Visionary50 involves the following three types of learning:

1. Career development

Employees set and implement learning goals necessary for their own career development with their managers.

2. Departmental training

When employees participate in training programs set by their department, this time is recorded.

3. SMACARI training

When employees attend SMACARI training, this time is recorded.

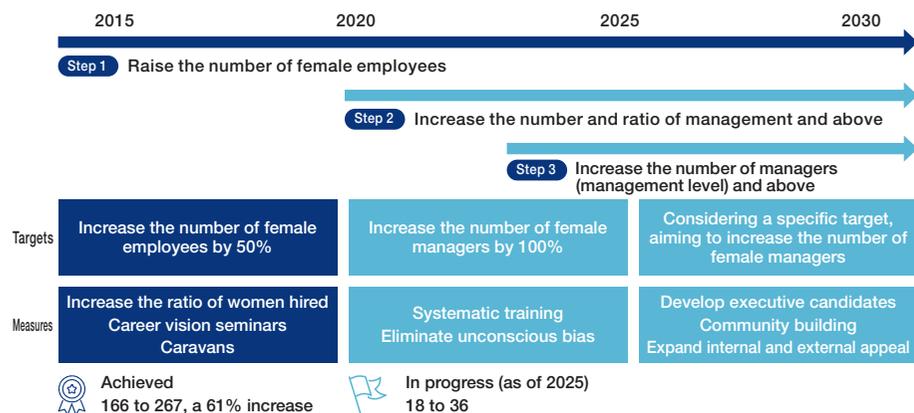
In either case, employees must first reach an agreement with their manager on setting aside 50 hours per year and on the learning content before starting their studies.



Promotion of women's activities

Overall picture and progress of the women's activity promotion plan

We have been promoting the advancement of women since 2015, and are proceeding in stages based on three goals established in five-year increments.



Step 1 Raise the number of female employees

As an initial step in our plan, we have been working to raise the number of female employees and have set a goal to “increase the number of female employees to 1.5 times that of five years ago” by 2020. By increasing the ratio of female hires and holding career vision seminars, we have succeeded in increasing the number of female employees from 166 in 2015 to 267 by 2020. We have continued to work on this theme since then, and the total number of female employees in the Group as of the beginning of the fiscal 2024 has risen to 496.

Step 2 Increase the number and ratio of management and above

In the second stage, we set a target of doubling the ratio of women in the management position by 2025. In addition to supporting growth based on development plans, we strive to eliminate unconscious bias to foster skills and flexible thinking as part of our efforts to increase the number of female managers.

Step 3 Increase the number of managers (management level) and above

In the next stage, we are aiming to increase the ratio of female managers (management level) and above by 2030. To achieve this target, we need to build a pool of female employees that aspire to become managers and to provide them with support. As such, we intend to focus on developing female executive candidates and actively communicate these initiatives both inside and outside the Company.

Health management

Health management policy

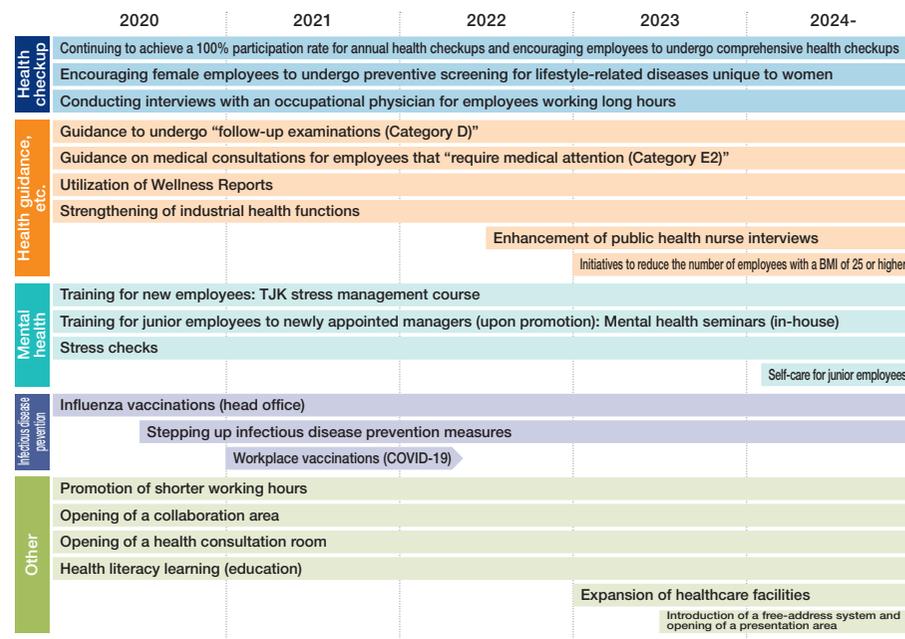
TDC SOFT Group regards employee health as one of its important management resources, and is committed to creating a “comfortable and rewarding company to work for” by actively supporting the health activities of employees and their families and promoting organizational health activities.

We aim to provide optimal services to our customers and grow together with society by ensuring that our employees and their families maintain their physical and mental health and achieve their best performance.

Past initiatives

The following is a summary of our past efforts regarding health management.

We implement new health promotion measures every year. We also utilize the TJK Wellness Report* issued by our health insurance association for health guidance and other measures.



*The TJK Wellness Report is a report provided by the Tokyo Metropolitan Information Service Industry Health Insurance Association, which analyzes the health status and medical expense trends of insured persons and their families. Utilizing this will enable us to visualize health issues and plan and implement effective health promotion measures.

Our relationship with stakeholders

We believe that sustainability management is essential to realizing the smart society that the Group is working toward. We thus strive to deepen mutual understanding and build relationships of trust with our stakeholders. Furthermore, from the perspective of long-term growth and building sustainable relationships, we view our customers, employees, suppliers, shareholders, local communities, national and local government agencies, and industry associations as important stakeholders, and have put in place a system to receive requests from each of them. The opinions and inquiries we receive are shared internally and reflected in our management.

Stakeholders	Key ESG issues	Key approaches
Customers	<ul style="list-style-type: none"> Providing products and services that address customer issues Contributing to the resolution of social issues through co-creation with customers Thorough information security Protecting data privacy 	<ul style="list-style-type: none"> Daily sales and proposal activities Website Contact for service inquiries Customer satisfaction surveys
Employees	<ul style="list-style-type: none"> Protecting human rights Ensuring compliance Securing and developing human resources Improving the workplace environment 	<ul style="list-style-type: none"> Intranet Self-assessment and employee satisfaction surveys Various consultation services E-learning
Suppliers	<ul style="list-style-type: none"> Responsible and diverse procurement that considers human rights, the environment, and health and safety 	<ul style="list-style-type: none"> Supplier briefings Information exchange meetings Questionnaires
Shareholders and investors	<ul style="list-style-type: none"> Timely and appropriate information disclosure Enhancement of corporate value Addressing concerns and interest regarding key ESG issues 	<ul style="list-style-type: none"> Ordinary general meeting of shareholders IR website Financial results briefings Contact for inquiries regarding TDC SOFT
Local communities, national and local government agencies, and industry associations	<ul style="list-style-type: none"> Compliance with laws and regulations Coexistence with the community Providing value to society 	<ul style="list-style-type: none"> Various notifications and reports Website Information exchange meetings Social contribution activities

With regard to our suppliers, we have established the Group Basic Supply Chain Policy, which calls for the provision of fair and equitable entry opportunities, procurement that meets business needs based on economic rationality, and the respect of global norms to deepen mutual understanding and build relationships of trust with the aim of cooperating with all of our suppliers and achieving mutual prosperity, and implement procurement activities based on this policy.

Basic approach to human rights

Recognizing that all business activities may directly or indirectly impact human rights, we established the TDC SOFT Group Human Rights Basic Policy to comply with the relevant laws and regulations of each country or region in which we operate, as well as to promote initiatives that respect the International Bill of Human Rights. Under a system in which the director in charge of administration department is responsible for implementation, we are promoting initiatives to respect the human rights and individuality of all people involved in our business activities in accordance with this policy.

As part of these initiatives, we have established a reporting system to prevent human rights violations. We have established a system to respond to the occurrence of human rights violations appropriately with prompt, fair, and equitable remedial measures while protecting the privacy of the parties involved. We also provide appropriate education and training to all officers and employees to ensure that this policy is incorporated into all business activities and is effectively implemented.

We have also positioned the following issues as important issues in terms of human rights compliance.

Important issues	Policy
Child labor and forced labor	We do not tolerate child labor, forced labor, or other unfair labor practices in any of our corporate activities.
Discrimination and harassment	We respect the human rights and personality of individuals, prevent discrimination and harassment on the basis of nationality, creed, social status, gender, language, age, disability, etc., create a work environment where employees are treated fairly, and respect their fundamental rights.
Good working environment for employees	We will build a work environment where employees can work safely, securely, and energetically in good mental and physical health, and achieve a healthy and fulfilling environment where work and life are in harmony, for the purpose of demonstrating their abilities and achieving sustainable growth.
Open workplace culture	We respect each other's ideas and positions so that all people with diverse personalities can frankly express their opinions and actions, and we aim to create added value through organizational vitalization and collaboration by allowing diverse human resources to play an active role.
Challenge and growth	Each individual takes pride and responsibility in his or her work, and takes on challenges autonomously to achieve personal growth. If a human rights violation is discovered, we will promptly take appropriate action with fair and impartial remedies while protecting the privacy of the parties involved.

CSR Initiatives

Support for medical and humanitarian aid activities

In March 2023, we made a donation to Médecins Sans Frontières, a non-profit medical and humanitarian aid organization. Médecins Sans Frontières is a private, non-profit medical and humanitarian aid organization that provides medical care to people whose lives are threatened by conflict, natural disasters, and poverty.



More than 100 million people worldwide have been forced to flee their homes due to conflict, persecution, and violence, and to be displaced as refugees and internally displaced persons. In addition, natural disasters such as major earthquakes continue to make it difficult to obtain clean water and supplies in many parts of the world, leading to the collapse of health care systems. In response to these circumstances, we have decided to provide support to Médecins Sans Frontières through donations. We will continue to support the medical and humanitarian aid activities of Médecins Sans Frontières.

Support for refugee assistance activities

In March 2022, we made a donation to the Office of the United Nations High Commissioner for Refugees (UNHCR), a United Nations agency established in 1950 to assist refugees. Currently, Ukraine is experiencing the fastest growing refugee crisis since World War II. In Syria, the world's largest refugee crisis still continues, with more than 13 million people forced to flee their homes and seek refuge in other parts of the country or across borders. In response to this situation, we have decided to make a donation of ¥1 million through UNHCR.

Support for guide dog training programs

We are carrying out fundraising for the Japan Guide Dog Association as a social contribution activity close to people's hearts that anyone can participate in. Since 2009, we have been supporting the raising of guide dogs for the blind by placing donation boxes in the Company and calling for donations at company-wide events.

We received a letter of appreciation from the Japan Guide Dog Association in recognition of our ongoing activities.

Wakaba Farm

We operate our farms with the aim of promoting the employment of persons with disabilities in accordance with the Act to Facilitate the Employment of Persons with Disabilities. We operate two farms in Saitama Prefecture, one in Chiba Prefecture, and one in Miyazaki Prefecture. Through agriculture, we aim to contribute to the local community by supporting the joy of work and self-reliance.



Disaster recovery support initiatives

TDC SOFT Inc. and its affiliated companies have donated ¥5 million to Ishikawa Prefecture to aid the victims of the Noto Peninsula Earthquake that occurred in January 2024 and to support the affected areas. We would like to express our deepest sympathies to the many people affected by the earthquake.

Key Financial Indicators – 10-Year Summary

(Millions of yen)

	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Financial results										
Net sales	20,941	22,991	23,946	26,590	27,795	27,292	30,925	35,242	39,698	44,417
Operating profit	1,321	1,645	1,851	2,157	2,206	2,358	2,967	3,458	3,807	4,772
Operating profit margin [%]	6.3	7.2	7.7	8.1	7.9	8.6	9.6	9.8	9.6	10.7
Net earnings attributable to owners of parent	783	1,165	1,249	1,469	1,500	1,711	2,069	2,490	3,089	3,433
Cash flows										
Operating C/F	834	939	1,438	1,576	1,299	2,273	2,174	1,951	3,022	2,962
Investing C/F	(262)	(404)	74	(8)	(218)	17	(2)	(354)	(296)	(1)
Financing C/F	(163)	(258)	(466)	(355)	(518)	(594)	(547)	(1,440)	(1,357)	(1,089)
Balance of cash and cash equivalents at the end of the period	5,281	5,557	6,604	7,816	8,379	10,077	11,702	12,010	13,378	15,250
Financial position										
Total assets	11,859	13,494	14,800	16,353	16,652	18,652	21,072	22,771	25,505	28,286
Interest-bearing liabilities	412	401	326	404	430	430	479	453	453	531
Net assets (owners' equity)	7,972	9,126	10,346	11,466	12,107	13,663	15,255	16,409	18,477	20,881
Financial indicators [%]										
Return on equity (ROE)	9.8	13.6	12.8	13.5	12.7	13.3	14.3	15.7	17.7	17.4
Owners' equity ratio	67.2	67.6	69.9	70.1	72.7	73.3	72.4	72.1	72.4	73.8
Dividend payout ratio	30.8	33.1	34.1	36.1	38.5	33.8	34.9	43.1	37.0	37.1
Per-share information [yen]										
Net assets per share (BPS)	165.47	189.42	214.74	237.96	251.21	283.50	316.32	344.24	392.16	442.98
Net earnings per share (EPS)	16.26	24.18	25.93	30.51	31.14	35.52	42.91	52.17	64.90	72.86
Dividends per share	5.0	8.0	8.8	11.0	12.0	12.0	15.0	22.5	24.0	27.0

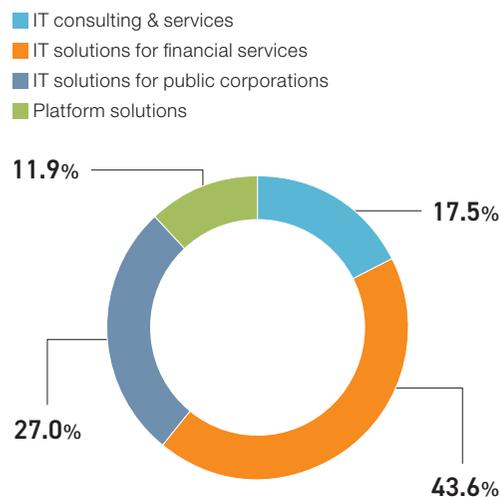
Segment Overview

Fiscal year ended
March 31, 2025

Net sales **¥44,417** million

Operating profit **¥4,772** million

Operating profit margin **10.7%**



IT consulting & services

In the field of IT consulting & services, we offer services that include developing IT strategies and systemization planning to facilitate customers' DX and providing technical consulting and educational services about the latest technologies and development methodologies. We also provide our internally developed cloud application services, along with solution services, such as BI/DWH and ERP/CRM. During this period, the Group made solid progress on SaaS solution service projects related to cloud managed services. As a result, net sales in this field increased 14.9% year on year to ¥7,775 million.

Net sales **¥7,775** million

Year on year **14.9%**

IT solutions for financial services

In the field of IT solutions for financial services, we offer integrated IT solutions for the financial sector, including systemization planning, design, development, and maintenance. During this period, the Group made solid progress on development projects for banking-related systems due to good demand for modernization. As a result, net sales in this field increased 9.9% year on year to ¥19,356 million.

Net sales **¥19,356** million

Year on year **9.9%**

IT solutions for public corporations

In the field of IT solutions for public corporations, we offer integrated IT solutions for the logistics, manufacturing, and service industries as well as the public sector, including systemization planning, design, development, and maintenance. During this period, the Group made solid progress on development projects for the transportation, automobile, and travel sectors. As a result, net sales in this field increased 12.8% year on year to ¥11,996 million.

Net sales **¥11,996** million

Year on year **12.8%**

Platform solutions

In the field of platform solutions, we offer services such as the environmental design and construction of IT infrastructure, along with operational support, network product development, and network integration. During this period, the Group made solid progress on projects to build cloud-related infrastructure for communications-related projects and public agencies. As a result, net sales in this field increased 13.2% year on year to ¥5,289 million.

Net sales **¥5,289** million

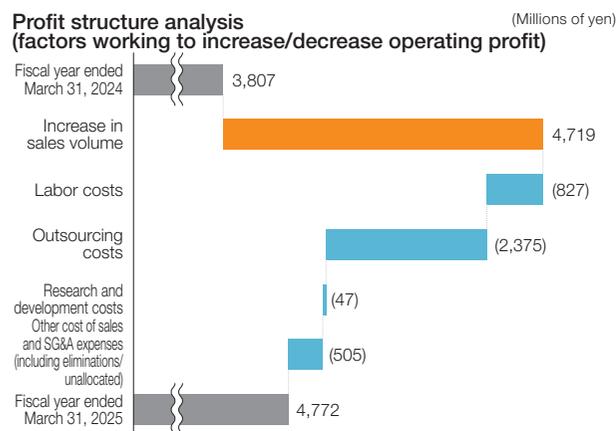
Year on year **13.2%**

Consolidated Financial Statements

Financial results for the fiscal year ended March 31, 2025 (operating profit analysis)

During the current fiscal year, while uncertainties persisted in the global economy, the Japanese economy continued on a moderate recovery trajectory, with improvements in employment and income conditions. Robust investment in systems is expected to continue, particularly in DX initiatives aimed at enhancing corporate competitiveness.

With regards to the Group's consolidated financial results for this period, each business field performed well. As a result, net sales increased 11.9% year on year to ¥44,417 million. SG&A expenses increased due to aggressively ramping up human resource investments and business investments aimed at future business expansion. However, these costs were absorbed by the effects of increased net sales and by the profits secured as planned through the thorough management of each project. As a result, operating profit increased 25.3% year on year to ¥4,772 million, and net earnings attributable to owners of parent increased 11.1% year on year to ¥3,433 million.



Analysis of cash flow conditions

The balance of cash and cash equivalents at the end of the current fiscal year increased by ¥1,871 million from the end of the previous fiscal year to ¥15,250 million. Cash flow conditions and their factors are as stated below:

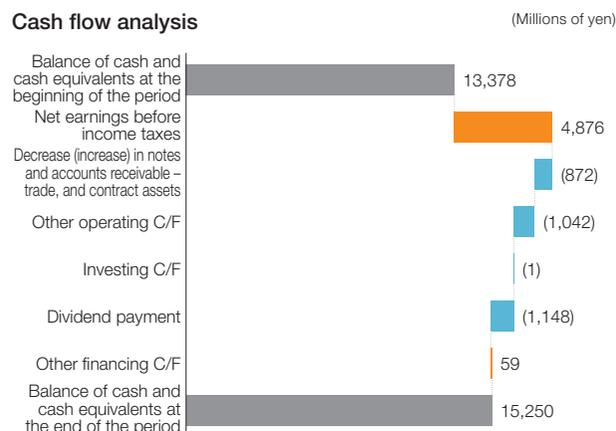
[Cash flows from operating activities]

While an increase in notes and accounts receivable – trade, and contract assets was ¥872 million and income taxes paid were ¥1,235 million, net earnings before income taxes were ¥4,876 million. As a result, cash flows from operating activities amounted to ¥2,962 million (¥3,022 million in the previous fiscal year).

[Cash flows from investing activities]

While purchase of property, plant and equipment was ¥62 million, purchase of intangible fixed assets was ¥28 million, and purchase of investment securities was ¥17 million, interest and dividend income received was ¥94 million. As a result, cash flows from investing activities amounted to negative ¥1 million (negative ¥296 million in the previous fiscal year).

Cash flow analysis



[Cash flows from financing activities]

While a net increase in short-term borrowings was ¥78 million, dividend payment totaled ¥1,148 million. As a result, cash flows from financing activities amounted to negative ¥1,089 million (negative ¥1,357 million in the previous fiscal year).

Analysis of our financial position

Total assets increased by ¥2,780 million from the end of the previous fiscal year to ¥28,286 million, due to increases of ¥2,000 million in securities and ¥872 million in notes and accounts receivable – trade, and contract assets.

Liabilities increased by ¥377 million from the end of the previous fiscal year to ¥7,405 million, due to an increase of ¥179 million in accounts payable – trade.

Net assets increased by ¥2,403 million from the end of the previous fiscal year to ¥20,881 million, due to an increase of ¥2,285 million in retained earnings.

(Millions of yen)

	The end of fiscal year ended March 31, 2024	The end of fiscal year ended March 31, 2025	Change
Current assets	20,434	23,247	2,813
Cash and deposits	13,378	13,250	128
Notes and accounts receivable – trade, and contract assets	6,601	7,474	872
Non-current assets	5,071	5,039	(32)
Current liabilities	6,378	6,870	491
Non-current liabilities	649	535	(114)
Owners' equity	18,477	20,881	2,403

Non-Financial Information

*Results as of March 31, 2025

		2022/3		2023/3		2024/3		2025/3	
GHG emissions			Ratio [%]		Ratio [%]		Ratio [%]		Ratio [%]
Scope 1	Fuel combustion [kt-CO ₂]	0	0	0	0	0	0	0	0.0
Scope 2	Electricity use [kt-CO ₂]	0.3	3.5	0.3	3.1	0.3	1.9	0.2	1.0
Scope 3	Other [kt-CO ₂]	10	96.5	11	96.9	17	98.1	20	99.0
Total [kt-CO ₂]		10	—	12	—	17	—	20	—

Environment-related		2022/3	2023/3	2024/3	2025/3
Electricity consumption [thousand kWh]		803	843	1,064	945
Green purchasing amount (PC) [millions of yen]		72	98	102	102

Human capital-related		2021/3	2022/3	2023/3	2024/3	2025/3
Number of employees [persons]	Total	1,773	1,816	1,972	2,136	2,300
	Mid-career employees	531	562	621	681	755
	Female employees	307	327	376	433	487
	Non-Japanese employees	21	19	23	34	37
Number of hires [persons]	Total	213	128	248	275	321
	Female hires	59	34	78	83	102
Number of managers appointed [persons]	Total	224	227	235	245	241
	Female managers	11	11	16	18	19
Number of officers [persons]	Total	23	25	26	27	27
	Female officers	1	2	2	2	2
Average monthly overtime work [hours]		26.3	28.2	25.5	24.3	24.0
Childcare leave utilization rate [%]	Male employees	42.9	29.7	68.2	71.8	77.3
	Female employees	100	100	100	100	100
Paid leave utilization rate [%]		59.5	65.5	73.6	72.1	72.3

Corporate Information

Company profile (as of March 31, 2025)

Company name	TDC SOFT Inc.
Establishment	October 16, 1962
Share capital	¥970.4 million
Number of employees (consolidated)	2,300
Listed market	Tokyo Stock Exchange, Prime Market (Securities code: 4687)
Head office location	KUDAN-KAIKAN TERRACE, 4F and 5F, 1-6-5 Kudan-Minami, Chiyoda-ku, Tokyo
Business	<ul style="list-style-type: none"> · IT consulting & services · IT solutions for public corporations · IT solutions for financial services · Platform solutions
URL	https://www.tdc.co.jp/en/

Officer information (as of June 30, 2025)

President and Representative Director	Hiroyoshi Kobayashi	Full-time Audit & Supervisory Board Member (outside)	Tetsuhiro Mori
Director and Senior Managing Executive Officer	Yoshinobu Odajima	Full-time Audit & Supervisory Board Member	Satoshi Nozaki
Director and Managing Executive Officer	Mikako Takase	Audit & Supervisory Board Member (outside)	Hiroaki Okamatsu
Director and Executive Officer	Yasuo Kawai Minoru Kumada Tomoya Murakami Yasuo Kaji Shuichi Ozaki	Managing Executive Officer VP	Kenichi Mashimo
Director (outside)	Junzo Nakagawa Kumiko Kawasaki Masakazu Kuramoto Hiroko Yamamoto	Executive Officer FL	Hideki Kamijo
		Executive Officer EP	Satoshi Kawaguchi Shuichi Suzuki Kei Ichihashi

*Regarding titles: VP (Vice President), FL (Fellow), EP (Executive Producer)

Affiliated companies profiles (as of June 30, 2025)

TDC Futech Corporation

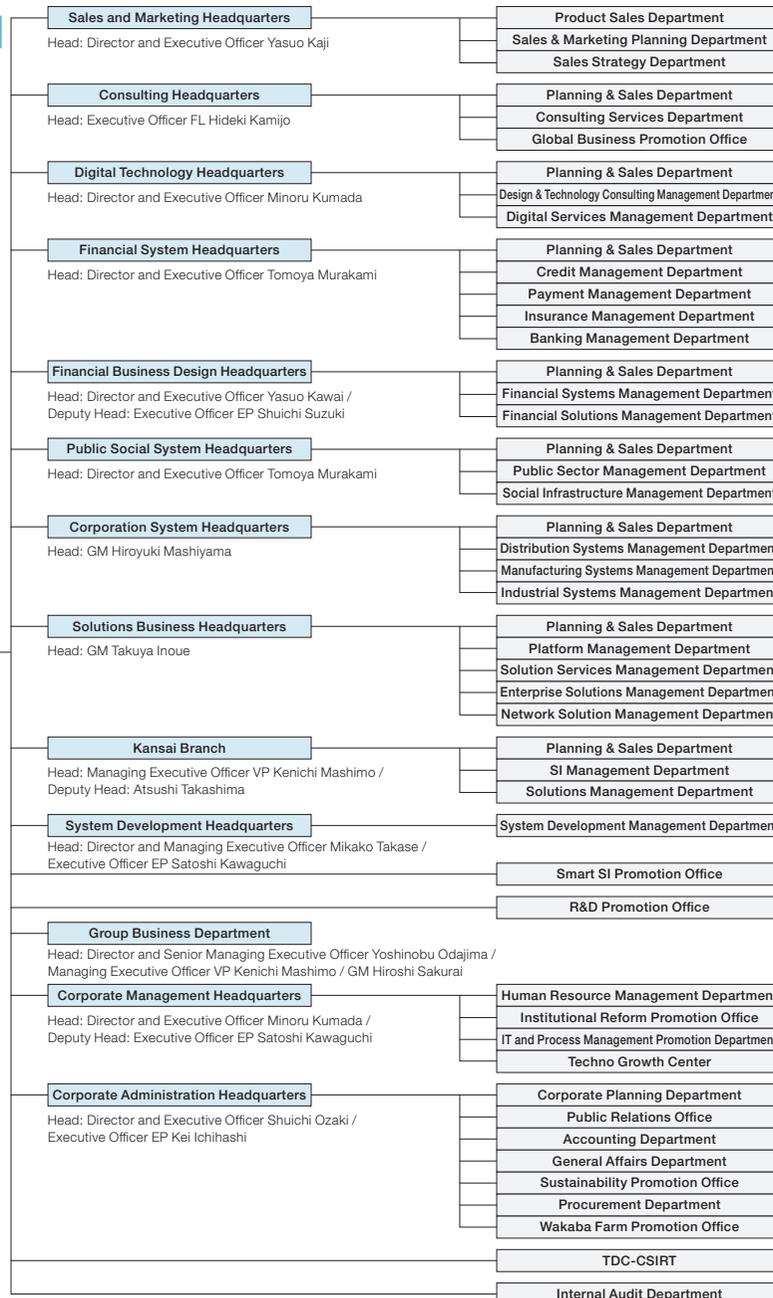
Chairman and Representative Director	Yoshinobu Odajima
President and Representative Director	Yuji Murakami
Location	Nihonbashi Tachibana Building, 2F, 3-6-11 Higashi Nihonbashi, Chuo-ku, Tokyo
Business	<ul style="list-style-type: none"> · Development, sales, and lease of computer software · Design, development, sales, and lease of information processing equipment and systems · System integration services related to information and telecommunications systems · Information processing services, information provision services · Publication, sales, and education related to information processing systems · Dispatch of computer personnel
URL	https://www.tdc-futech.co.jp/ (in Japanese only)

Yell Business Consulting, Inc.

President and Representative Director	Mikako Takase
Location	Kanda IN Bldg., 4F, 2-17 Kandasudacho, Chiyoda-ku, Tokyo
Business	<ul style="list-style-type: none"> · Software consulting services · Development and sales of software · Computer sales · Computer-based information processing services · Dispatch of computer system or program design engineers · Planning information processing system development or dispatch of program design engineers
URL	https://www.ybc-net.co.jp/ (in Japanese only)

Organizational Chart

- Audit & Supervisory Board
- Audit & Supervisory Board Members
- Board of Directors
- Representative Director



*Regarding titles:
VP (Vice President)
GM (General Manager)
FL (Fellow)
EP (Executive Producer)

External Recognition



Recognized as an Outstanding Organization of KENKO Investment for Health for the seventh consecutive year

For the seventh consecutive year, we were recognized under the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) promoted by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, which recognizes organizations that practice outstanding health and productivity management. We were recognized for our proactive support of employee and family health activities and our commitment to promoting organizational health activities.



Styleflow won the Leader award in the ITreview Grid Award 2024 Fall

Our cloud-based workflow system Styleflow won "Leader," the highest award in the workflow system category of the ITreview Grid Award 2024 Fall, organized by ITcrowd Corp. Based on approximately 131,000 reviews collected on ITreview, the product has been recognized for its excellent market recognition and customer satisfaction.



Continued certification as Core Business Partner of NTT DATA Group

The NTT DATA Group certifies its contractors in Japan as "Core Business Partners" and "Business Partners," jointly promoting quality assurance activities. We have been recognized for our contribution to the promotion of system development projects over many years while ensuring quality, leading to this continued certification.



DX Certification

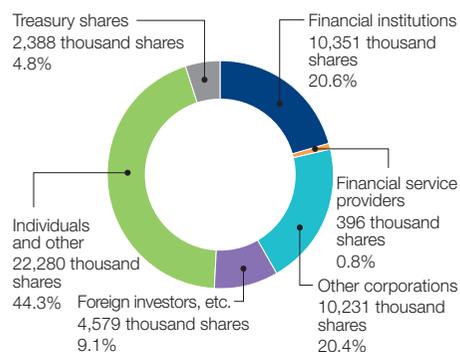
In 2021, we became the first company in the information services industry to be certified by the Ministry of Economy, Trade and Industry as complying with the basic requirements of the Digital Governance Code, and our certification was renewed in February 2025.

Stock Information

Stock information (as of March 31, 2025)

Classification	Common stock	Listed stock exchange	Tokyo Stock Exchange, Prime Market
Total number of authorized shares	200,000,000 shares	Securities code	4687
Total number of issued shares	50,227,200 shares (including 2,388,205 treasury shares)	Number of shares per unit	100 shares
Number of shareholders	5,260 persons	Shareholder register administrator	Mitsubishi UFJ Trust and Banking Corporation
		Accounting auditor	Deloitte Touche Tohmatsu LLC

Distribution of shares



Major shareholders

Shareholder name	Number of shares held (thousand shares)	Ratio (%)
Nozaki Office Ltd.	6,265	13.1
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,296	9.0
TDC Employee Shareholding Association	4,005	8.4
Satoshi Nozaki	1,610	3.4
Custody Bank of Japan, Ltd. (Trust Account)	1,420	3.0
ID Holdings Corporation	1,200	2.5
Toru Nozaki	1,138	2.4
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	1,122	2.3
Yoshifumi Fujii	1,089	2.3
Mizuho Bank, Ltd.	1,056	2.2

Note: Values of less than 1,000 shares have been rounded down.

Stock price and trading volume trends



IR activities

The Director in charge of the Corporate Planning Headquarters oversees overall dialogue with shareholders as the Director in charge of IR. The topics discussed are reported to the Board of Directors by the Director in charge as necessary, where this information is shared.

We have also published an integrated report with the goal of helping institutional investors, shareholders, and other stakeholders gain a better understanding of our business and value creation process. Furthermore, we view the integrated report not only as a means to communicate the sources of our value creation and long-term initiatives, but also as a tool to facilitate dialogue with stakeholders with the aim of enhancing our future corporate value. Please read our integrated report and send us your honest feedback.

Shareholder notes

Year-end dividend record date	March 31	Method of public notice	Electronic public notice Public notice URL https://www.tdc.co.jp/en/ In the event that electronic public notice cannot be provided due to unavoidable circumstances, public notice shall be given in The Nikkei.
Interim dividend record date	September 30		
Ordinary general meeting of shareholders	Every year in June Record date: March 31 (The date for determining shareholders entitled to exercise voting rights at the ordinary general meeting of shareholders. If necessary, other record dates will be determined by public notice in advance.)		

For inquiries regarding shares held in a securities company account, etc.

Mitsubishi UFJ Trust and Banking Corporation,
Stock Transfer Agency Division
(shareholder register administrator)
1-1 Nikkocho, Fuchu-shi, Tokyo
Phone: 0120-232-711 (toll free within Japan)
Mail to: P.O. box No. 29, Shin-Tokyo Post Office
137-8081, Japan
Mitsubishi UFJ Trust and Banking Corporation,
Stock Transfer Agency Division

Main inquiries covered

- Inquiries regarding mailing and returns
- Inquiries regarding dividends after the payment period has expired
- General inquiries regarding stock administration

For inquiries regarding shares held in a special account

Same as on the left
(shareholder register administrator and special account administrator)

Main inquiries covered

- Same three items as on the left
- Requests for transfer from a special account to a general account
- Requests for the purchase (additional purchase) of shares less than one unit
- Changes of address, name, etc.
- Special account balance inquiries
- Specifying how to receive dividends



TDC SOFT Inc.

KUDAN-KAIKAN TERRACE, 4F and 5F, 1-6-5 Kudan-Minami, Chiyoda-ku, Tokyo

Securities code: 4687

Website information

Corporate website <https://www.tdc.co.jp/en/>

IR information <https://www.tdc.co.jp/en/ir/>

Sustainability website <https://www.tdc.co.jp/en/sustainability/>