TDCSOFT .Be a Visionary System Integrator.

Fiscal Year Ending March 31, 2027 Second Quarter (Cumulative) Financial Results Briefing

November 20, 2026



TSE Prime
Securities code: 4687

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Agenda

1 Overview of Consolidated Financial Results as of September 30, 2026

..... Hiroyoshi Kobayashi, President and Representative Director

2 Status of Key Measures as of September 30, 2026

3 Outlook for the Fiscal Year Ending March 31, 2027

4 Details of Financial Results as of September 30, 2026

..... Minoru Kumada, Director and Executive Officer

5 Effects and Outlook of AI Utilization

6 Appendix: Topics

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1

Overview of Consolidated Financial Results as of September 30, 2026

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Overview of Consolidated Financial Results as of September 30, 2026

Financial Results

(Unit: Millions of yen)

	Fiscal year ending March 31, 2027 Second quarter	Profit margin	Year on Year	Fiscal year ended March 31, 2026 Second quarter
Net sales	24,349	-	4.3%	23,343
Gross profit	5,312	21.8%	6.2%	5,000
Operating profit	2,837	11.7%	7.2%	2,647
Ordinary profit	2,942	12.1%	6.8%	2,756
Profit attributable to owners of parent	1,986	8.2%	0.1%	1,984

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Overview of Consolidated Financial Results as of September 30, 2026

Highlights

- Solid progress on development projects for major customers, mainly in the financial sector, led to an increase in both net sales and profit
- We actively invested in R&D, marketing initiatives, and human capital to strengthen competitiveness over the medium to long term
- Profitability improved with the expansion of high-value-added projects in advanced technology fields such as AI, securing an increase in profit in line with the plan
- No gain on sales of shares, which was recorded as extraordinary profit in the previous period, was recorded in this period











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Net Sales Composition Matrix

Net sales composition analysis

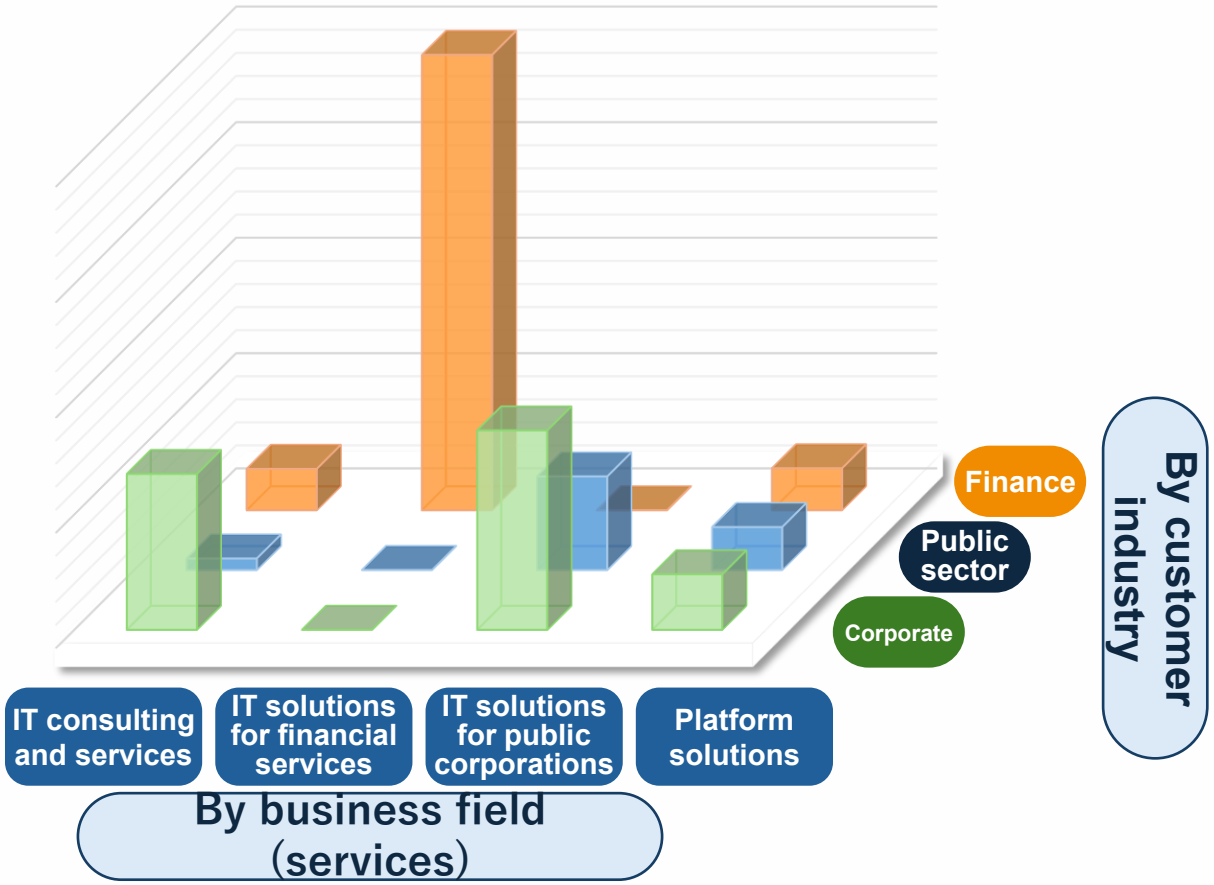
To capture our net sales from both the perspective of business characteristics and customer base, we organize them from the following two viewpoints:

1 **By business field (services)**
What we provide

2 **By customer industry**
Finance | Public sector | Corporate

*Each represents a breakdown that constitutes total net sales, organizing our business structure from different perspectives

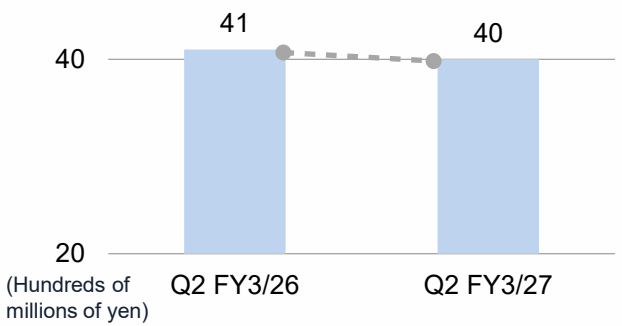
Detailed figures are provided on the following pages



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Net Sales Highlights By Business Field (Services)

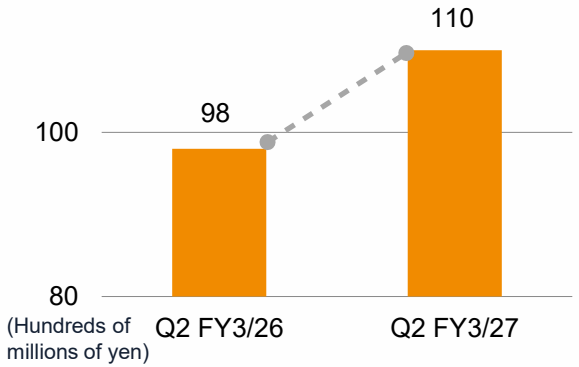
IT Consulting & Services Field



While consulting-related business expanded, net sales decreased as large-scale enterprise solution projects wound down

YoY
-1.4%

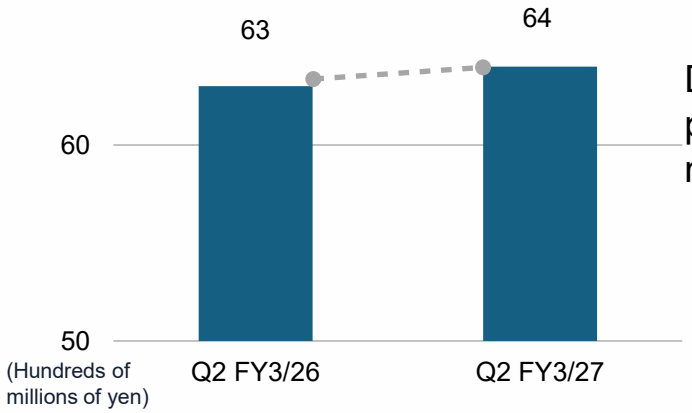
IT Solutions for Financial Services Field



Development projects for bank- and credit-related systems performed strongly

YoY
+12.3%

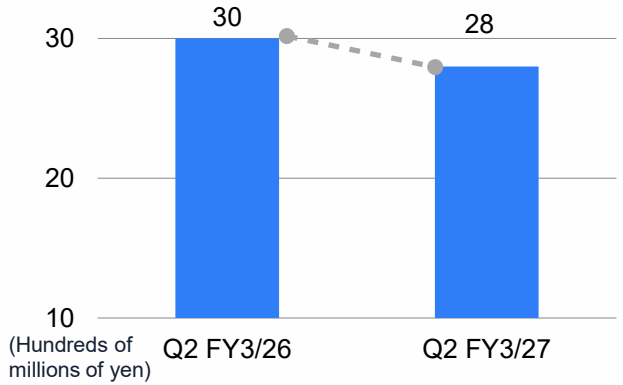
IT Solutions for Public Corporations Field



Development and other projects for public agencies remained steady

YoY
+0.4%

Platform Solutions Field



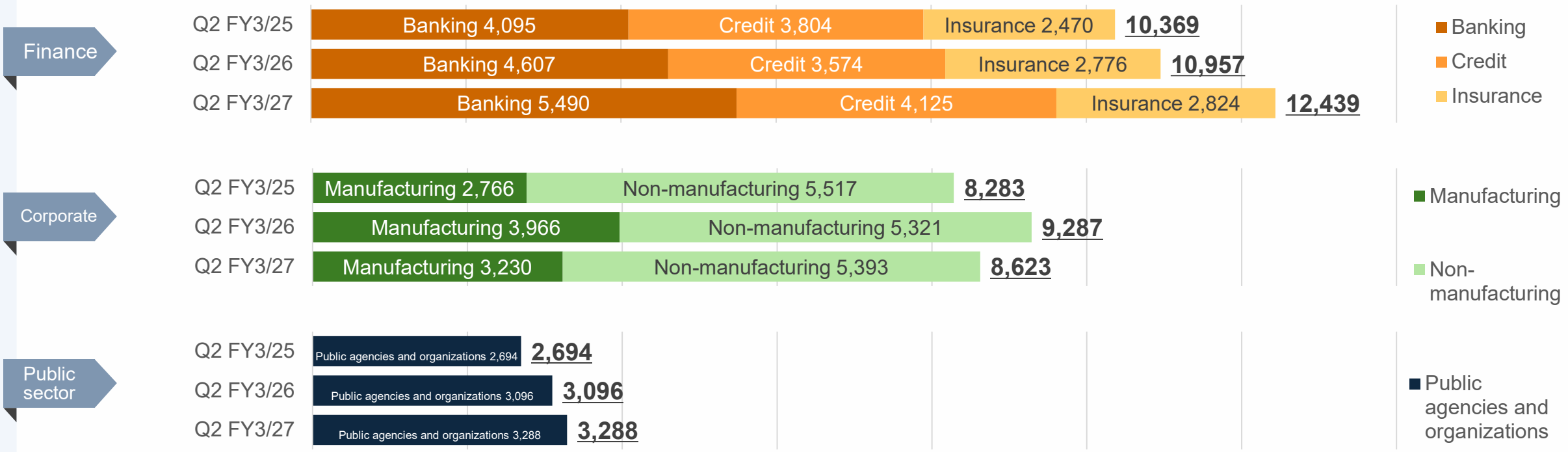
Net sales decreased due to a decline in infrastructure development projects for financial institutions and the telecommunications industry

YoY
-5.6%

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Net Sales Highlights By Customer Industry

(Unit: Millions of yen)



- Finance: Net sales increased in all three sectors, banking, credit, and insurance (up 13.5% YoY)
- Corporate: In the non-manufacturing sector, development projects for the energy industry performed solidly, but net sales declined due to factors including project postponements by some manufacturing customers (down 7.2% YoY)
- Public sector: Large-scale development projects for public agencies continued to perform well (up 6.2% YoY)

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2

Status of Key Measures as of September 30, 2026

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Basic Strategy

Be a Visionary System Integrator

Diversification and Advancement of Expertise and Knowledge

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

Basic Strategy 1

×

Basic Strategy 2

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

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KPI Progress: High-Value-Added Business

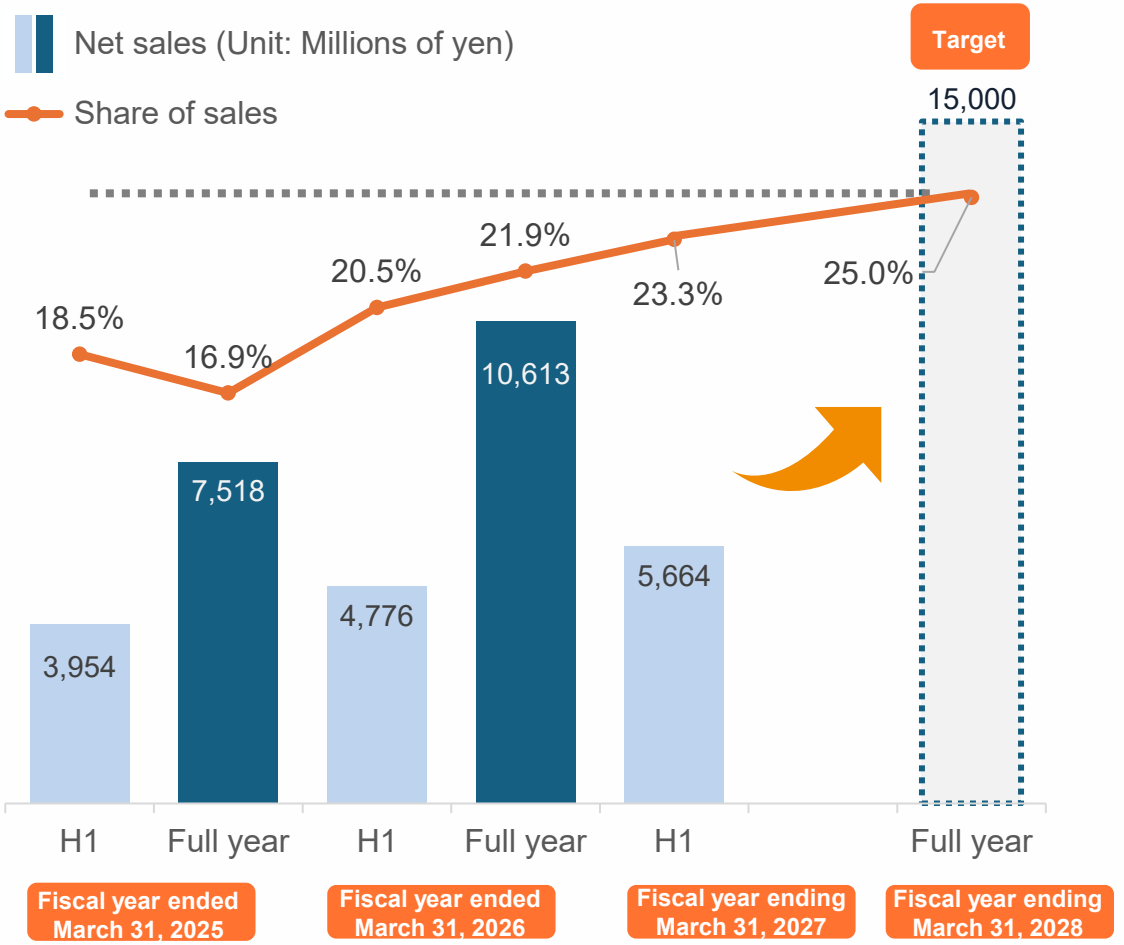
Management Indicator High-value-added business ratio **25 %**

Highlights

- Related sales have shown steady growth as we actively take on IT consulting, systems planning and design requiring advanced business expertise, and technically challenging projects

High-value-added business

- A business that meets customers' sophisticated needs and delivers high-value-added services by accurately capturing market and customer trends and leveraging cutting-edge technologies, including state-of-the-art architecture design and security



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KPI Progress: Consulting Business

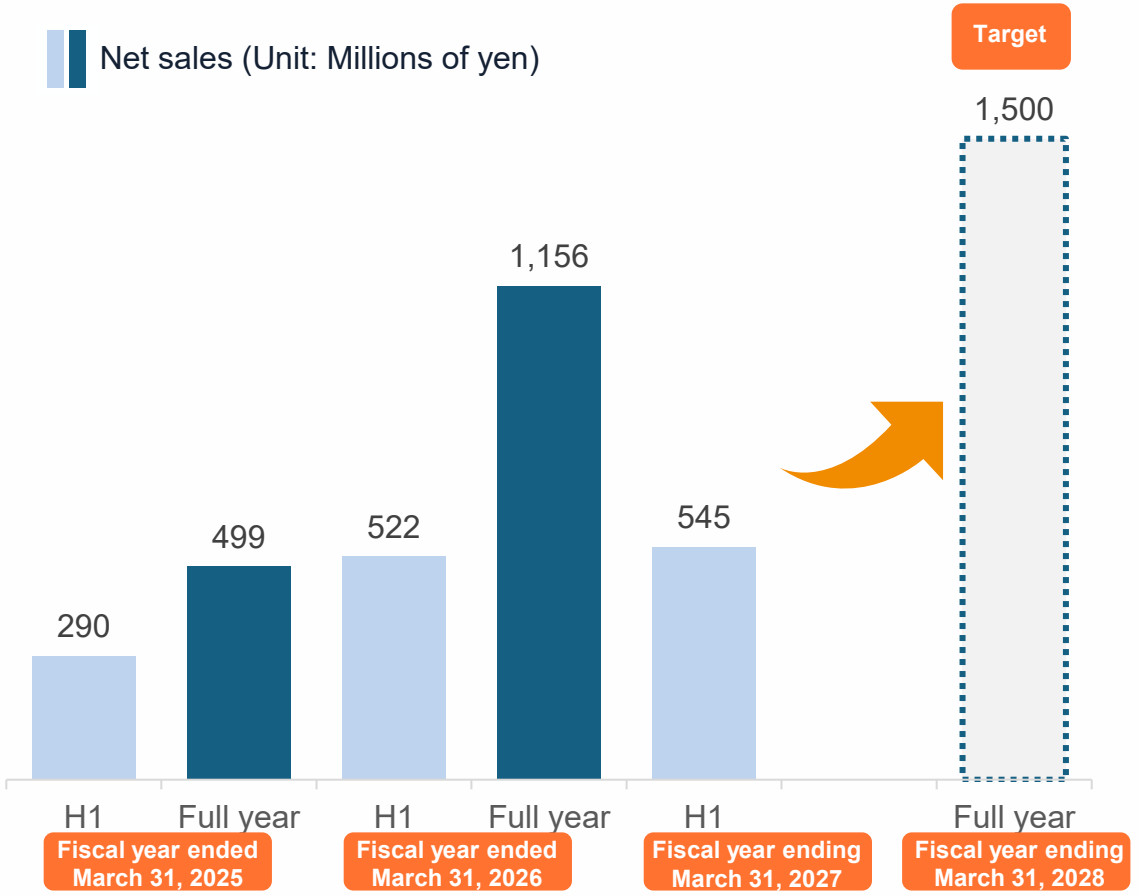
Management Indicator

Consulting business net sales **1,500 million yen**

Highlights

- Sales have steadily expanded through the successful conversion of leads acquired via expansion of consulting staff and marketing activities into business deals
- We will continue to focus on achieving the sales target by further expanding our consulting team and expanding into new consulting service areas

YoY
4.4% increase



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KPI Progress: Product Sales Business

Medium-Term Management Plan

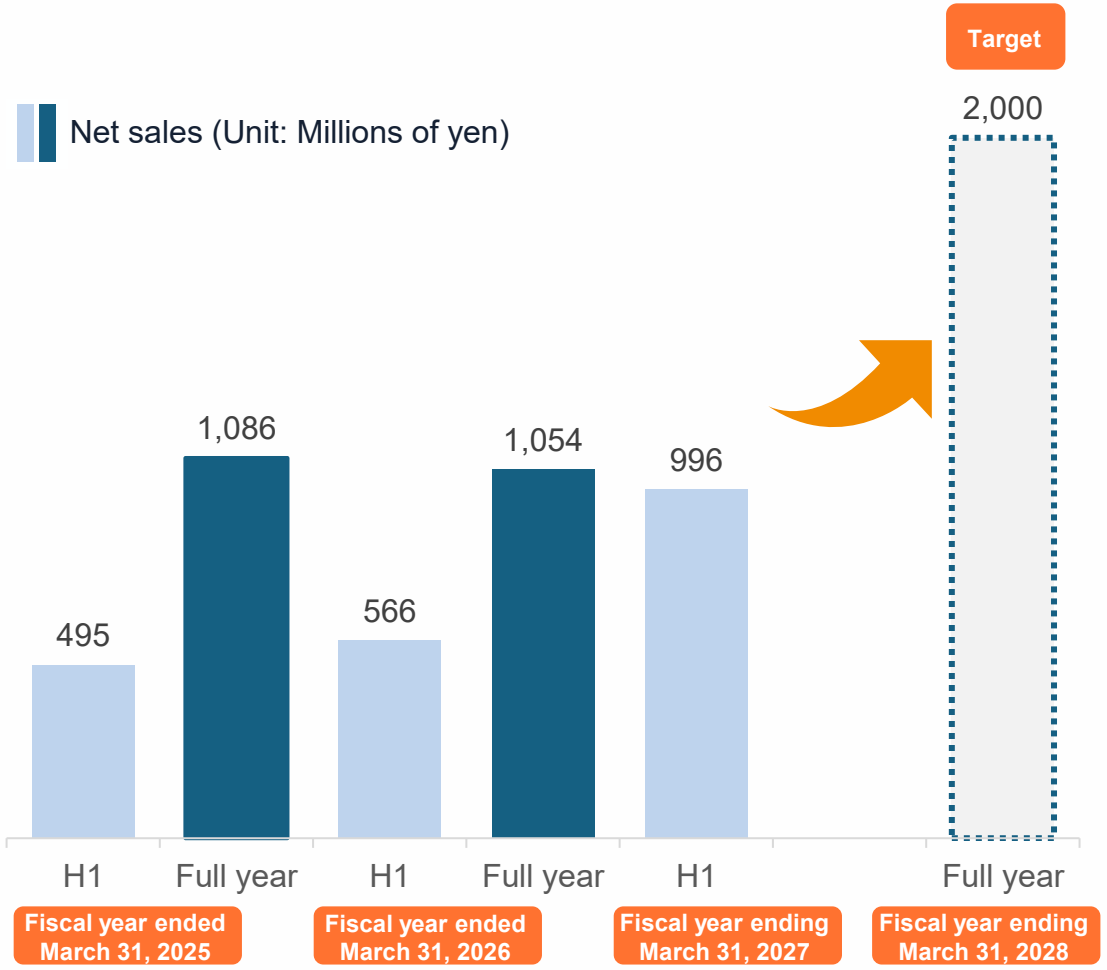
Management Indicator

Product sales business net sales **2,000 million yen**

Highlights

- Sales of our proprietary products, ServiceNow, and security products have grown
- We will continue to focus on strengthening sales efforts, including cross-selling and marketing, to further grow our sales business
- To further expand our proprietary product business, we have renewed the architecture of Styleflow

YoY
76.0% increase



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KPI Progress: Portfolio by Industry

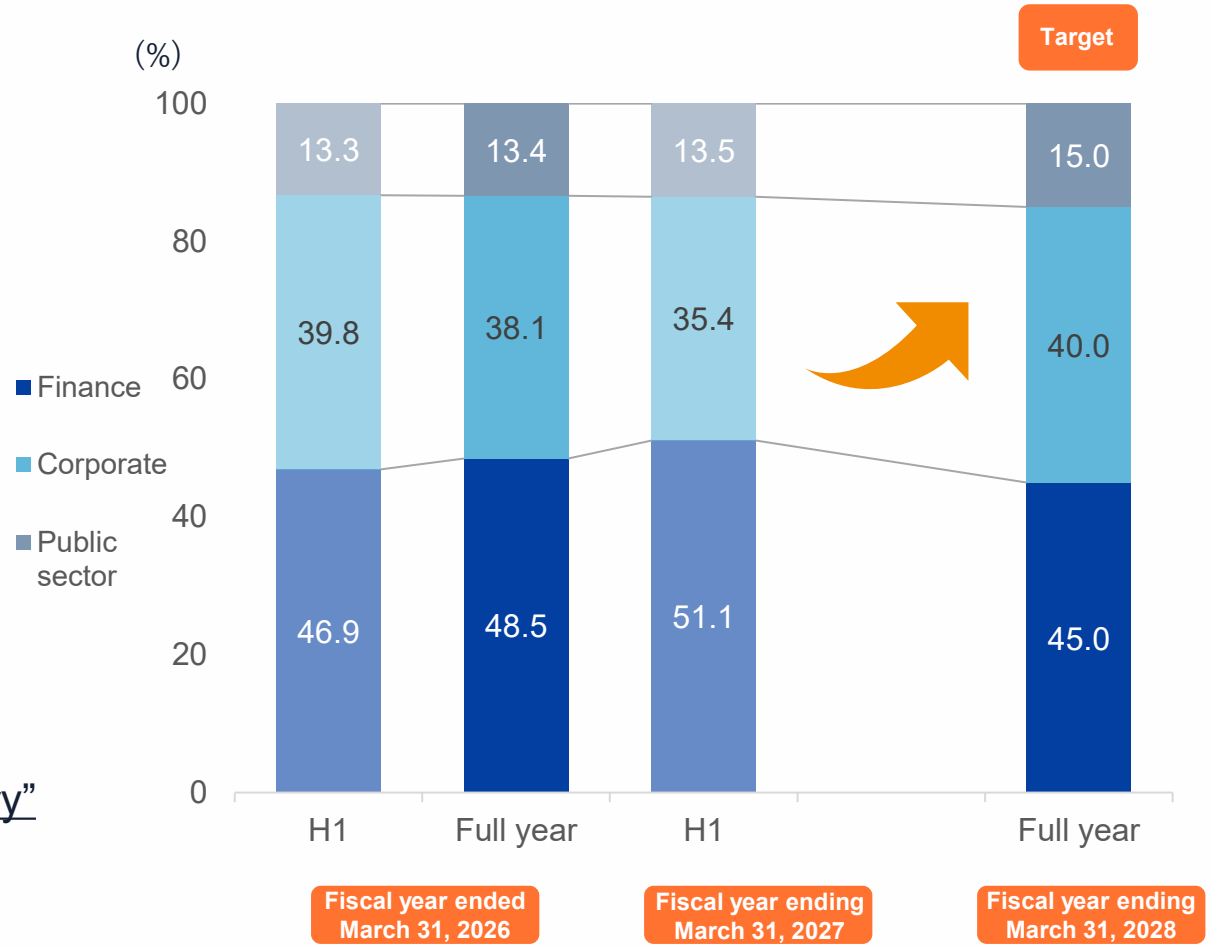
Management Indicator

Finance: **45%** Corporate: **40 %** Public sector: **15 %**

Highlights

- While the composition ratio has shifted in the finance and corporate segments along with the expansion of our business foundation, the public sector segment has made steady progress as planned
- We will continue to advance initiatives toward the industry-specific portfolio defined in the Medium-Term Management Plan

*Detailed sales by industry sector are provided on page 8, “Net Sales Highlights By Customer Industry”



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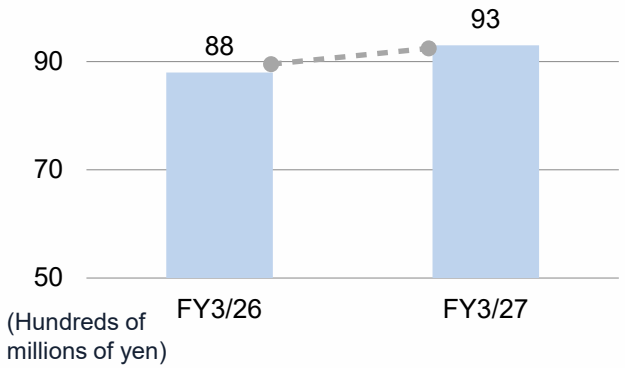
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Outlook for the Fiscal Year Ending March 31, 2027

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Outlook for the Fiscal Year Ending March 31, 2027 (Net Sales By Business Field)

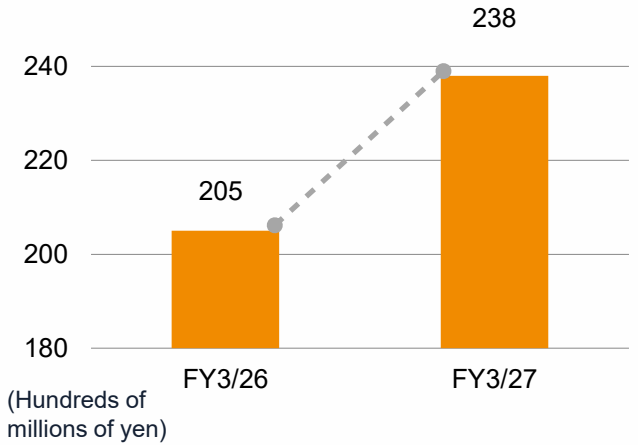
IT Consulting & Services Field



We will focus on trending products while combining various services to develop our service offerings

YoY
+5.7%

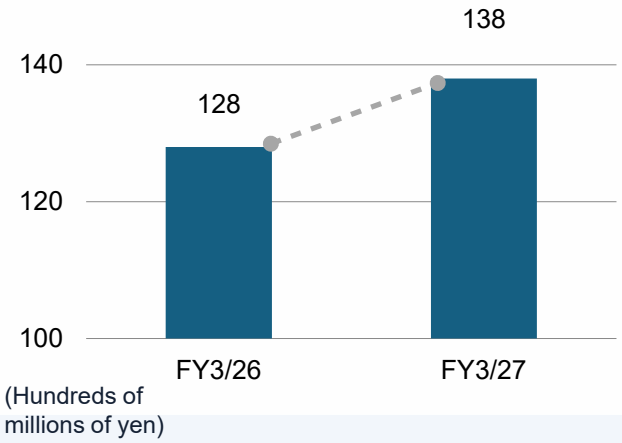
IT Solutions for Financial Services Field



Backed by our solid customer base, we will expand mainly in the banking and credit fields

YoY
+16.1%

IT Solutions for Public Corporations Field

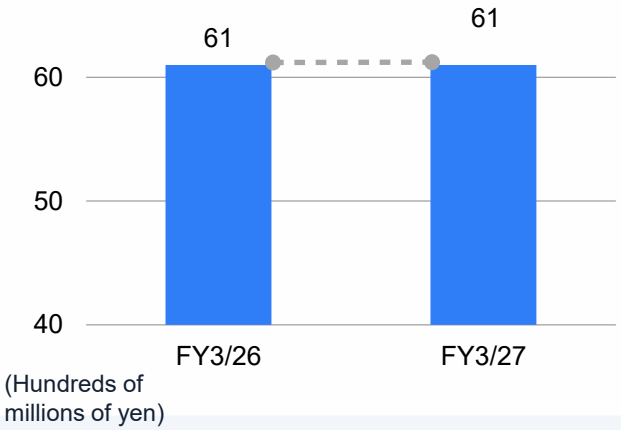


Led by development projects driven by social infrastructure demand, particularly in the public sector

Continuing to expand support from IT/DX planning as customers' partners

YoY
+7.8%

Platform Solutions Field



Infrastructure development projects remain solid as data center demand grows

YoY
+0.0%

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Outlook for the Fiscal Year Ending March 31, 2027

Final Results Forecast and Dividend Forecast

(Unit: Millions of yen)	Net sales	Operating profit	Ordinary profit	Profit	EPS (yen)	Dividend forecast (yen)	Dividend payout ratio
Full year	53,000 (+9.6%)	5,600 (+8.5%)	5,800 (+8.2%)	3,915 (+0.9%)	82.75	34	41.1%

*The dividend payout ratio for the previous fiscal year was 40.2%

- The business environment is expected to remain strong, with revenue projected to increase 9.6% YoY
- As investments for securing a competitive advantage, we are actively pursuing the acquisition of cutting-edge technologies including AI, the promotion of strategic mid-career hiring, and further strengthening of education initiatives

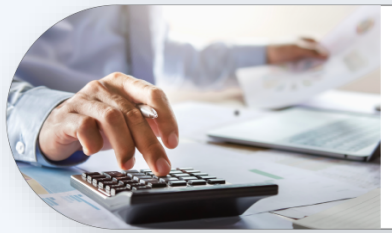
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4

Details of Financial Results as of September 30, 2026

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Details of Financial Results as of September 30, 2026



Financial Statements



Orders Received/Backlog Trends



Operating Profit Analysis

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Financial Statements

Statement of Income

(Unit: Millions of yen)	Fiscal year ending March 31, 2027 Second quarter	Fiscal year ended March 31, 2026 Second quarter	Percentage change
Net sales	24,349	23,343	4.3%
Labor costs	7,988	7,420	7.7%
Outsourcing costs	10,356	10,404	(0.5%)
Other expenses	819	721	13.6%
Work-in-process adjustment	(128)	(204)	(37.1%)
Cost of sales	19,037	18,342	3.8%
Gross profit	5,312	5,000	6.2%
Selling, general and administrative expenses	2,474	2,353	5.1%
Operating profit	2,837	2,647	7.2%
Non-operating income/expenses	105	109	-3.7%
Ordinary profit	2,942	2,756	6.8%
Interim profit before income taxes	2,942	2,922	0.7%
Interim profit	1,986	1,984	0.1%
EPS	42.45 yen	42.04 yen	1.0%

Balance Sheet

(Unit: Millions of yen)		Fiscal year ending March 31, 2027 Second quarter	Fiscal year ended March 31, 2026	Percentage change
Total assets		30,570	31,499	(2.9%)
	Current assets	21,746	24,895	(12.6%)
	Non-current assets	8,824	6,604	33.6%
Total liabilities		6,844	8,063	(15.1%)
	Current liabilities	6,381	7,644	(16.5%)
	Non-current liabilities	463	419	10.5%
Total net assets		23,726	23,436	1.2%
Total liabilities and net assets		30,570	31,500	(3.0%)
Owners' equity ratio		77.6%	74.4%	-

*Amounts are rounded to the unit shown, so the totals of the changes may not match.

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Financial Statements

Statement of Cash Flows



(Unit: Millions of yen)

(Unit: Millions of yen)

Balance of cash, etc. at the beginning of the period		13,171
	Interim profit before income taxes	2,942
	Increase in notes and accounts receivable – trade and contract assets	1,799
	Other	(1,509)
	Income taxes paid	(921)
	CF from operating activities	2,311
	Purchase of securities	(394)
	Proceeds from sales and redemption of securities	2,107
	Purchase of investment securities	(2,080)
	Other	563
	CF from investing activities	196
	Net increase/decrease in short-term borrowings	(18)
	Dividends paid	(1,578)
	Other	(684)
	CF from financing activities	(2,280)
Balance of cash, etc. at the end of the period		13,396

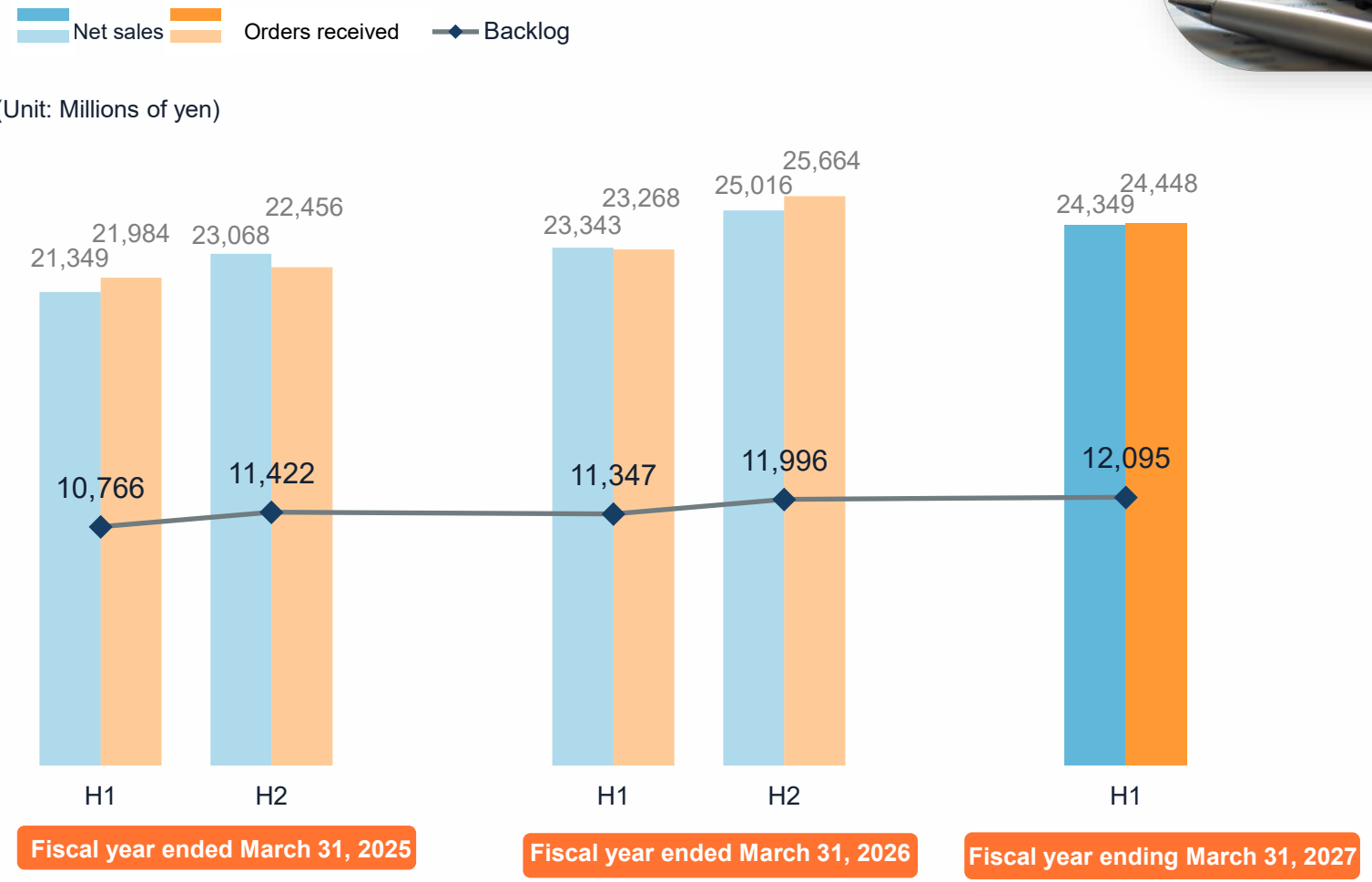
*Amounts are rounded to the unit shown, so the totals of the changes may not match.

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Orders Received/Backlog Trends



Orders Received/Backlog

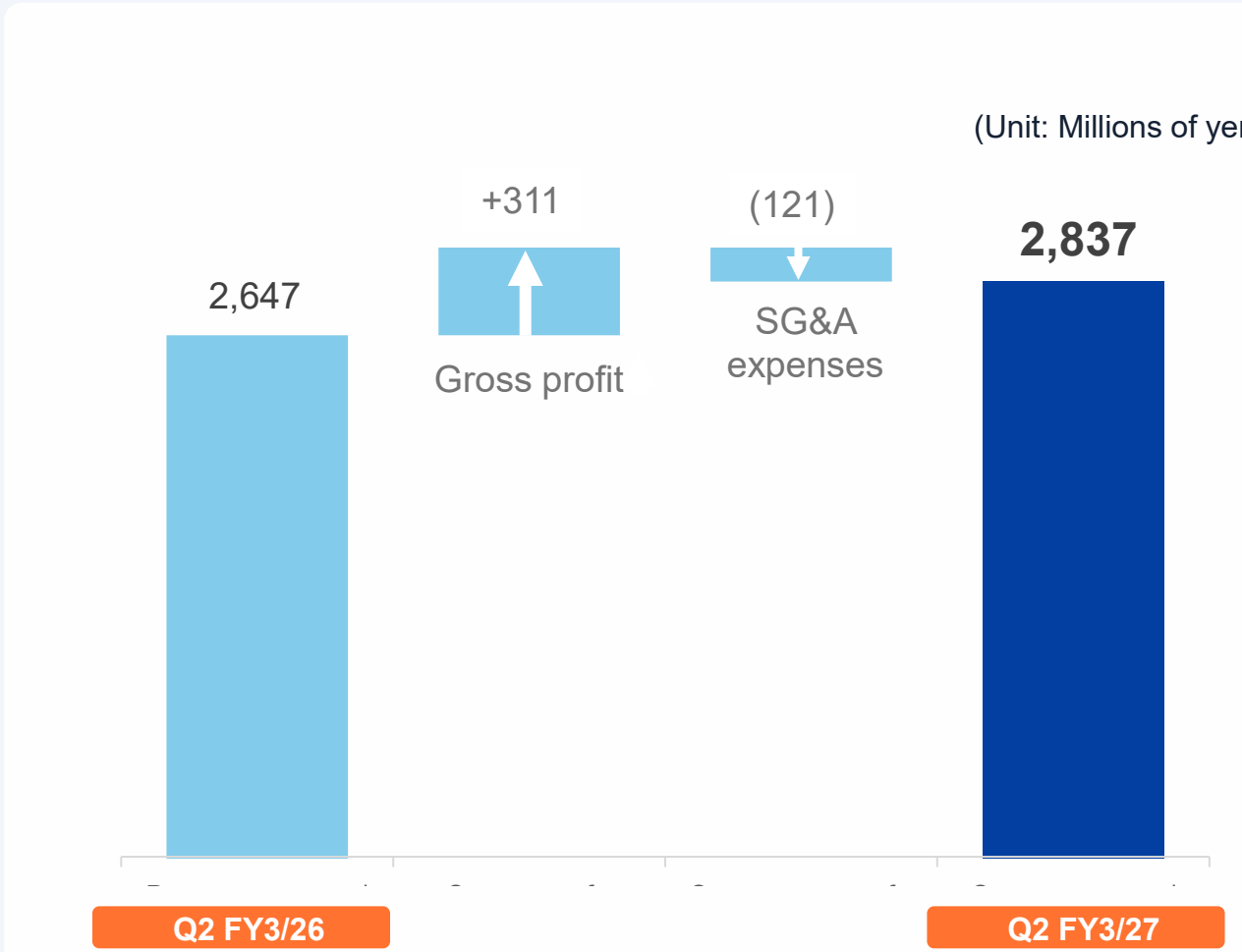


YoY

- Orders received **105.1** %
- Backlog **106.6** %

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Operating Profit Analysis





Operating Profit Analysis

Gross profit

- Increase in net sales leading to improvement in profit
- Improved profitability from the expansion of high-value-added projects (21.4%→21.8%)

SG&A expenses

- Expansion of investment in research and development of proprietary products
- Expansion of talent development initiatives, including AI training, resulting in higher costs

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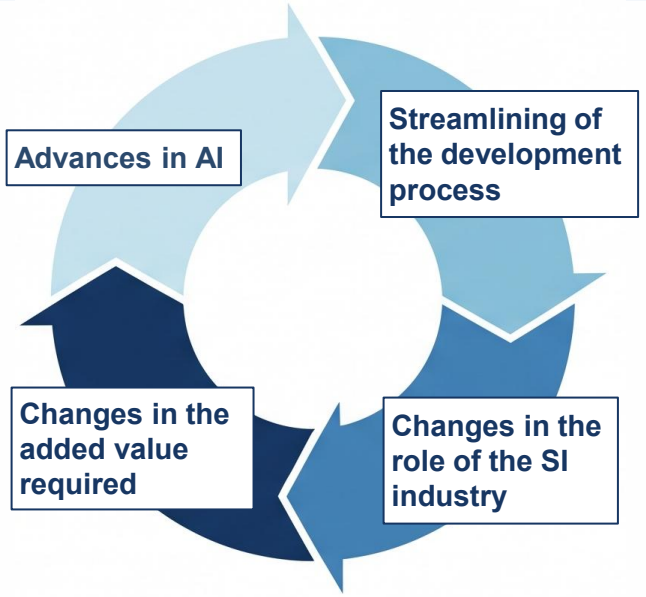
Effects and Outlook of AI Utilization

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Basic Recognition and Our Policy

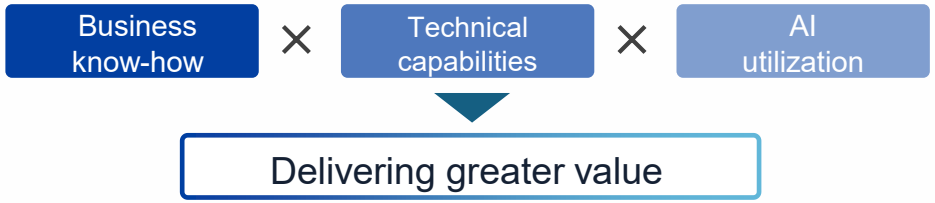
Basic Recognition

AI has reached a stage where it is bringing about a change in industrial structure that transforms
corporate business processes, decision-making, and even business models themselves.
The SI industry, too, is moving from the conventional labor-intensive model toward a value delivery model that leverages AI to enhance competitive advantage.



Our Policy

We see AI not as a risk but as an opportunity for growth,
and we aim to deliver high value by combining business know-how with technical capabilities.



Rather than asking “Can AI replace it?” or “Can AI make development more efficient?” we will use AI to become professionals who implement business value for our customers

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Our Value That Remains Essential in the AI Era

Business Areas Where We Excel

- **Large-scale, mission-critical (*) system domains, centered on finance and social infrastructure**
- **Domains that require in-depth business expertise and judgment, from preparing the foundation for AI utilization through to project execution**

<Value provided at the preparatory stage for AI utilization>

Based on in-depth business expertise, we organize business rules, data, and specifications and structure them into a form AI can use
<Areas we lead>

AI utilization

<Value provided at the project execution stage>

- **Document creation**
- **Screens and functions (coding)**

Areas AI can replace

- **Proposal capabilities that anticipate and identify latent issues**
- **Advanced management and specification decisions based on in-depth business expertise**
- **Quality, delivery, and risk management**
- **Security and governance based on an understanding of institutional and regulatory frameworks**

Areas AI cannot easily replace
<Areas we lead>

Drawing on the business expertise that underpins AI utilization, and on the judgment and project-driving capabilities that AI cannot easily replace, we lead the creation of customer value

*Mission-critical: core systems that require high reliability and safety, where a stoppage or failure would significantly affect corporate and social activities

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Our Value That Remains Essential in the AI Era

Our Unrivaled Strengths That Set Us Apart from Other Companies

Customer Base and Track Record



A long-standing customer base including major vendors, across the finance, public, and industrial sectors, with an extensive track record in large-scale projects

Project Execution Capabilities



Project management capabilities centered on approximately 800 PMP(*) holders

In-Depth Business Expertise



Insight into finance and infrastructure that enables a deep understanding of complex business structures and powerfully drives our customers' transformation

Technical Capabilities



Advanced architectural capabilities that optimize diverse technology domains and performance to build robust system foundations

Quality Assurance Capabilities



End-to-end quality assurance that controls quality, delivery, and risk from requirements definition through operations

The customer base built on our long track record is a solid barrier to entry that new entrants cannot replicate in a short time, and our strengths are a competitive advantage that AI alone cannot easily replace

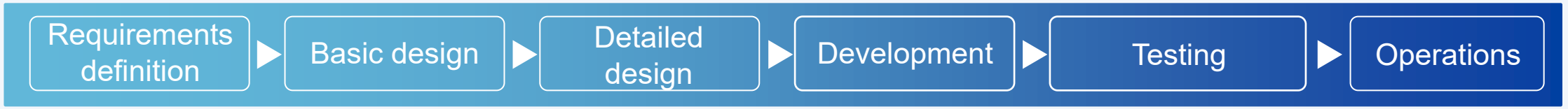
*PMP: an international certification that systematically assesses knowledge and practical experience in project management

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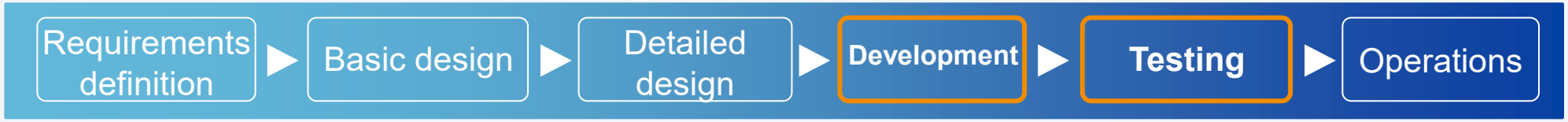
Phases in the Transformation of the Development Process

The scope of AI utilization is expanding from the development phase to upstream phases, advancing the shift to a new development model in which people and AI collaborate

STEP 1 Conventional development process



STEP 2 AI-driven development process (early phase)



STEP 3 AI-driven development process (later phase)



STEP 4 Process based on the AI-Native development model



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Our Growth Strategy for the AI Era

Delivering new value through accumulated assets



- Providing our advanced management expertise, including business know-how, along with our consulting and AI utilization know-how, to customers as assets
- Realizing our own distinctive competitive advantage and sustainable growth by continuously repeating the cycle of acquiring know-how, elevating it into assets, and providing it to customers

Expanding our business domains through our proprietary AI platform Nenoa, AI-Native consulting, and more



- Local LLM platform “Nenoa”
  Expanding into high-security domains such as manufacturing, where AI adoption has lagged
- AI-Native from Scaled Agile, Inc.
  Beginning providing training and consulting services to connect AI utilization to the creation of business value

Transition to AI-Native development processes



- Driving the shift from “people-centered development that divides work into separate processes” to “a development lifecycle in which AI and people collaborate to optimize everything from design through operations as an integrated whole”
- Dramatically improving development speed and quality, strengthening our ability to take on highly challenging projects, while fundamentally raising the productivity that is the source of our competitiveness

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Our Growth Strategy for the AI Era

Business Strategy

Investing

2%

of company-wide net sales in human resources

Upskilling to become highly specialized professionals

Strengthening our ability to serve the high-value-added areas customers seek



Examples of talent development

- Developing talent who create new businesses
- Developing consulting talent
- Developing FDE (Forward Deployed Engineer) talent

  Engaging deeply in customer operations and combining business understanding with technical capabilities to support value creation

Growth support

- Enhancing and expanding the curriculum of our proprietary talent development framework
- Building a knowledge-sharing platform that turns the insights of all employees into organizational strength

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6

Appendix: Topics

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Topics: Strengthening Our Talent Base and Services

Expanding the value we deliver to customers by developing specialized talent and strengthening our services

Expanding training to achieve our All-Professional workforce vision

Turning changes in market needs into growth opportunities and raising the organization's added value through talent development and career fulfillment that anticipate technology trends

<Training system>

More than 100 types of training are offered, covering a wide range from **cutting-edge technologies** such as AI and security to business skills.

<Priority measures>

Company-wide sharing of AI knowledge × further deepening of our strengths

Raising productivity through AI utilization and further building on our strengths in upstream processes and management

Accelerating the development of young leaders

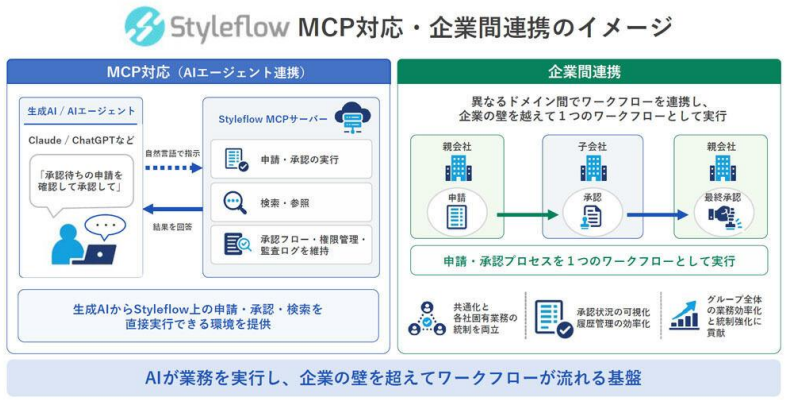
Toward leaders who collaborate with AI and take charge of concept development and decision-making

TDCソフトのクラウドワークフローサービス「Styleflow」、「AIエージェント連携」と「企業間連携」の新機能を提供開始

～AIによる現場の手間削減と、グループガバナンス・各社自律性の両立を実現～

TDCソフト株式会社（本社：東京都千代田区、代表取締役社長：小林裕嘉、以下：当社）は、クラウドワークフローサービス「Styleflow（スタイルフロー）」において、生成AIから業務システムを直接操作できるMCP(※)に対応した「AIエージェント連携」と、親会社・子会社・グループ間のワークフロー統合を可能とする「企業間連携」の2つの新機能を提供開始したことをお知らせします。

※MCP（Model Context Protocol）：AIホストと外部ツールの接続を共通化するプロトコルで、ClaudeやChatGPTから企業の申請・承認・検索を直接実行が可能となります。



July 21, 2026: Press release

TDCソフト、あらゆる組織の「AI導入の壁」を打破する「AI-Native変革デザイン支援サービス」を提供開始

～AI活用の現在地を可視化し、90日間の実装を見据えたアクションプランを策定～

TDCソフト株式会社（本社：東京都千代田区、代表取締役社長：小林裕嘉、以下：当社）は、企業のAI活用を構想段階から実行段階へ進める「AI-Native変革デザイン支援サービス」（以下：本サービス）の提供を、2026年10月15日より開始します。

本サービスは、AI-Nativeアセスメントにより組織の現在地を可視化し、経営・事業・開発の関係者が、AI活用の目的、重点テーマ、成功指標、リスク、実行順序について共通認識を形成するためのコンサルティングサービスです。アセスメントだけで終わらせず、AI活用候補の優先順位付けと「AI-Native Value Blueprint（AI活用の全体設計図）」、90日アクションプランの策定までを一体で支援します。



October 15, 2026: Press release

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*Note about this document:

The future projections for the TDC SOFT Group outlined in this document are based on information available at the present time.

These projections are subject to change due to inherent uncertainties and changes in business operations in the future.

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