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April 28, 2025

Company Name: CTS Co., Ltd.

Name of representative:

Representative Director and President

(Code number: 4345, TSE Prime Market)

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Notice regarding partial changes to medium-term management targets

We would like to inform you that at today's board meeting, we resolved to change some of the management targets to be achieved in the medium-term management plan, which has the fiscal year ending in March 2026 as its final year.

1. Details of changes

(Management goals to be achieved in the fiscal year ending March 2026)

item	Initial target value	Target value for change
Sales	14.0 billion yen	12.8 billion yen
Operating profit	3.6 billion yen	3.3 billion yen

2. Reasons for the change

Based on the management policy of the medium-term management plan covering the three-year period from the fiscal year ending March 2024 to the fiscal year ending March 2026, we are currently working to move away from a business that is primarily focused on hardware rental and to a business that creates added value by providing integrated data and information-related services that specialize in supporting operations at construction sites. The core of this is the "Site Assist Package," which we are working to popularize as an integrated service system in the DDS business. As for the "Site Assist Package," we expect it to be used more in the future, as the construction industry is moving forward with DX efforts and the Ministry of Land, Infrastructure, Transport and Tourism is promoting measures such as i-Construction 2.0 and ICT Construction Stage 2. In fact, since some customers have given high evaluations, there are expectations for expansion of its utilization in the future.

However, progress has fallen short of the initially expected level due to factors such as delays in development leading to a delayed release, and the need to improve sales skills due to the expansion of targets to a different customer base, such as headquarters and management, in addition to traditional sales to the field, and changes in the content of proposals. In light of these circumstances, we have determined that it will be difficult to achieve our medium-term management targets of "sales of 14 billion yen" and "operating profit of 3.6 billion yen" for the fiscal year ending March 2026. As a result, we have decided to revise our medium-term management targets.