

President's Message

The Arrival of the AI Era: Accelerating Business Transformation and Moving toward a New Stage of Growth

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“Contributing to the development of the Japanese economy” is the management policy that Miroku Jyoho Service (MJS) has consistently upheld since its foundation. To this end, MJS has supported accounting firms and small and medium-sized enterprises (SMEs), including the client companies of accounting firms, through the development and sale of ERP products centered on financial accounting and tax affairs. Next year, the Company will reach a significant milestone: its 50th anniversary. However, the 50th anniversary is not the end goal. In order to grow sustainably beyond 50 years and become “a 100-year company”, it is essential that we continue to create value that exceeds our customers’ expectations. To achieve this, the ability to continually adapt to a rapidly changing corporate management environment is necessary.



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Working with accounting firms to help SMEs solve their issues. This is MJS's mission.

Advances in AI technology transforming existing business models

MJS has accurately recognized changes in the times and evolved its strategies accordingly to develop its business. The business environment in FY2026 remains in the midst of radical change. Of particular note is the rapid progress of generative AI since 2022. It was symbolic that Google's executive team issued a Code Red (state-of-emergency declaration) at the end of 2022. This means that AI has the power not only to improve the efficiency of specific operations but also to transform existing business models themselves. Around the same time, I myself became acutely aware of the significant impact that AI has on the industrial structures and became convinced that an effective response was necessary.

Meanwhile, main customers of MJS, SMEs, are also undergoing changes and facing various issues. In addition to the global surge in energy and raw material prices, many issues have arisen. These include chronic labor shortages, an aging population of business owners, difficulties with business succession and the need to adapt

to digitalization and AI.

SMEs account for more than 99% of domestic companies, and their growth contributes to the development of the Japanese economy. I believe that the social mission of MJS and the meaning of existence are to help SMEs solve their issues in collaboration with accounting firms.

Having achieved record-high performance in FY2025

In FY2025, the MJS Group achieved growth in both sales and profit, posting record-high performance: net sales increased by 6.0%, operating profit by 6.2%, ordinary profit by 7.5%, and net profit for the year by 23.4% compared with FY2024. I recognize that this is the result of our sincere efforts to solve the issues faced by SMEs.

On the other hand, improving the Group's overall profitability remains our significant challenge. In particular, rerouting the business models of the Group companies to a growth path has become an urgent priority, and it is the focus of our efforts in FY2026.



It was under these circumstances that a wave of AI-driven disruption swept through the SaaS industry.* This suggested that AI could overturn the very foundation of the SaaS business model, sending shockwaves throughout the industry. In response, I launched a company-wide AI implementation project immediately. I also decided to establish a company-wide policy for FY2026 that positions AI at the core of our growth strategy.

*A phenomenon in which the emergence of Claude Cowork, an AI agent from the U.S. AI company Anthropic, sparked concerns that conventional SaaS would become obsolete, triggering a sharp decline in SaaS companies' stock prices. Since then, the view that AI enhances and strengthens SaaS rather than replacing it has gained traction, and market concerns are gradually easing.

Changes in the Corporate Management Environment

- Advances in AI technology are transforming business models
- Chronic labor shortage among SMEs
- Issues such as an aging population of SME owners and difficulties with business succession have arisen

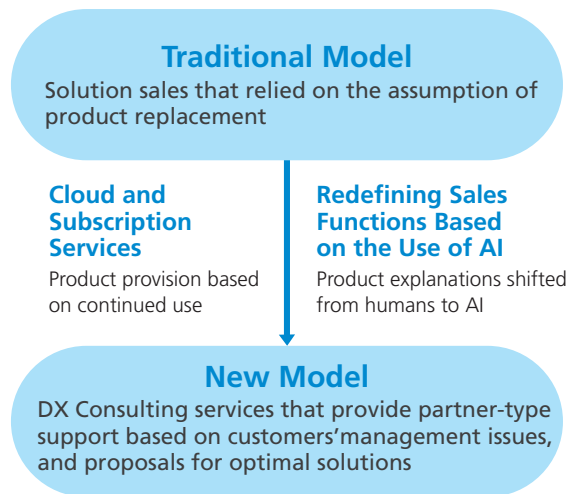
FY2026 Policy for Initiatives to Address Changes

- Advancing the use of AI on a company-wide scale
- Shifting to a DX consulting-style business that works alongside customers to solve their management issues

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Focusing on developing AI-related human resources, and promoting the standardization and improvement of the quality of the DX consulting services

■ Transformation of the MJS Business Model



Promoting the use of AI to improve consulting quality

The Medium-Term Management Plan Vision 2028 is built on the theme of taking on challenges to reform the business model and create new value and has established six basic strategies. For FY2026, we have designated sophisticating the use of AI on a company-wide scale as a key priority, while continuing to implement the aforementioned strategies.

Currently, MJS is fully implementing its DX Consulting services. We are transitioning from a traditional sales-based model of providing products to a DX Consulting business model, in which we work alongside

customers to solve their management issues.

The following two key changes are driving this transition:

- Shift to subscription models
- Redefinition of sales functions based on the use of AI

The shift to a subscription model will significantly change the traditional sales model, which has relied on product replacement. Additionally, many of the sales activities, which have been focused on product explanations, are likely to be replaced by AI. To deliver value in this situation, it is essential to evolve the model toward delivering value based on customers' management issues.

It is AI that accelerates this evolution. By building a system, in which consulting insights and sales expertise are accumulated in AI and used by the entire organization, we can make our proposals more sophisticated and improve their reproducibility. Furthermore, improved operational efficiency through the use of AI will dramatically increase productivity. For instance, preparing consulting materials, a task that previously took more than a day, can now be completed in just a few hours. By reallocating the saved time to high-value-added tasks, such as acquiring new customers and sophisticating proposal activities, we can improve productivity and maximize revenue opportunities. We will also focus on developing human resources capable of effectively using AI and continue to promote the standardization and improvement of the quality of the DX consulting services.

We position FY2026 as a year in which we will accelerate the transformation of our business models by strengthening our DX consulting services and developing human resources to promote the effective use of AI at the same time.

Supporting the growth of SMEs through DX Consulting services

FY2025, we offered DX consulting services on a trial basis, as a proof-of-concept (PoC). The results were positive, confirming that the services contribute directly to the improvement of our customers' corporate management and are effective. FY2026, we aim to fully roll out these services and establish them as a core business pillar that will drive MJS growth.

It is our people who make this objective possible. Currently, we are encouraging employees, primarily in the sales and customer service (CS) positions, to obtain IT Coordinator certification, which is promoted by the Ministry of Economy, Trade and Industry. We already have 140 certified IT Coordinator. For FY2027, we plan to increase this number to 160 in order to further improve both the quality and quantity of our consulting staff.

DX consulting services are distinguished by their ability to do more than just support IT implementation. They enable business reform from both management and IT perspectives, particularly in the field of financial accounting, which is the company's area of expertise.

SMEs face a variety of issues, including labor shortages, difficulties with business succession and productivity improvement challenges. To eliminate waste and inconsistencies in customers' operational processes, organizational structure, staff assignments, costs, and resources and to achieve maximum performance and profits, what tools should we use and how? We work alongside customers to help them become more

*IT Coordinator is a certification administered by the nonprofit organization IT Coordinators Association. IT Coordinators address a range of management challenges to help achieve a company's management philosophy, leverage IT to drive business transformation, and promote DX.

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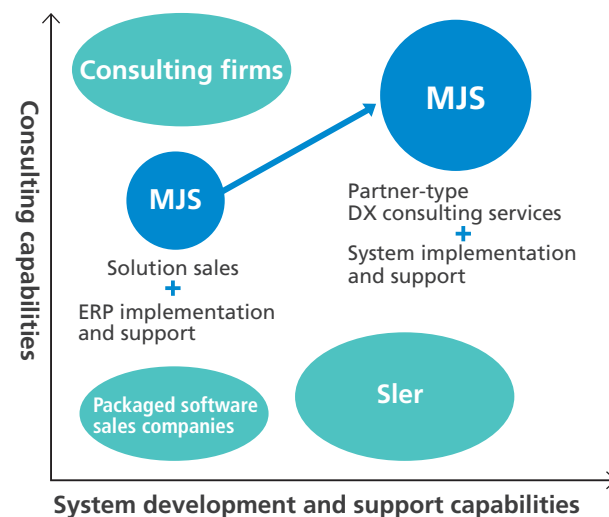
By combining DX consulting services with LucaTech GX Lite, we will increase the value we provide to customers.

competitive by uncovering management issues through close consultation, optimizing overall corporate management, proposing operational reforms, and solving issues. This is the role of DX consultants, and it represents a new strength of MJS.

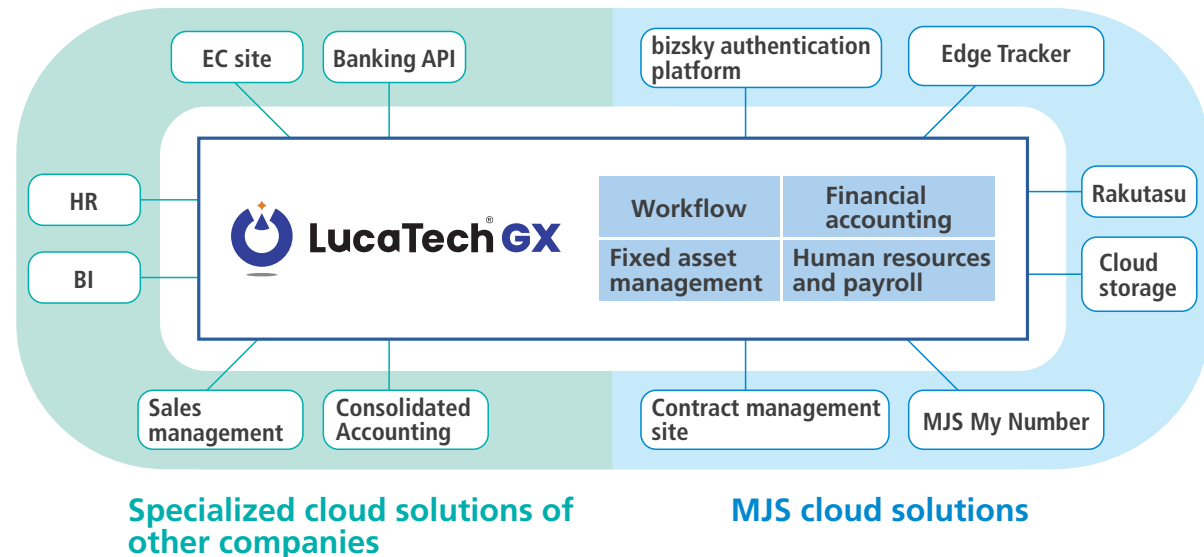
Regarding the provision of DX Consulting services, our policy is to have our existing sales team take on this role, rather than simply adding new staff. To achieve this, we will increase profit while preventing an increase in labor costs by streamlining operations and increasing productivity through the use of AI. I position this initiative as one of the Company's top management priorities, and I will take the lead in promoting it.

I am committed to further improving the quality of our

■ The Position MJS Aims to Move to through the Provision of DX Consulting Services



■ Seamlessly Connecting with Cloud Solutions in Each Company's Area of Expertise



DX Consulting services, supporting SMEs in improving productivity and profitability through our branches nationwide, and contributing to regional economic revitalization.

In addition, accounting firms that provide tax and accounting support to SMEs are also facing structural issues, including an aging population of business owners and staff shortages. To address these issues, we will support their operational reforms and management optimization through our DX Consulting services.

By combining these services with LucaTech GX Lite, our cloud ERP product based on SaaS technology released in November 2025, we will increase the value we provide to customers and expand cross-selling opportunities to drive revenue growth. This product not only improves the

efficiency of accounting operations but also serves as a foundation for faster and more sophisticated management decision-making. I believe this will consequently improve the quality of customer decision-making and strengthen their competitiveness. I see this group of new products as a key driver of the growth of MJS.

We will also actively promote the use of AI in product development including LucaTech GX Lite. In the second quarter of FY2026, we renewed the structure of our development organization. We aim to increase productivity by two to threefold by sophisticating the entire development process. In the future, we plan to transition to an AI-based development model to increase productivity tenfold.

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Fostering a company-wide culture that positively adopts AI

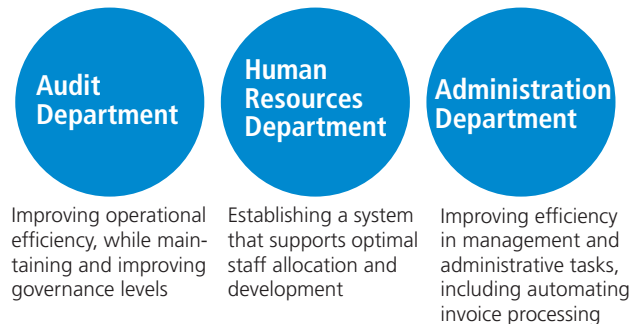
Optimizing corporate management by using AI in the auditing, human resources, and administration departments

Enhancing corporate value requires more than increasing sales; it also necessitates improving productivity by eliminating waste and inconsistencies in operational processes. To this end, MJS is promoting the use of AI in its auditing, human resources, and administration departments, among others, in addition to the sales and development departments.

For example, the Audit Department uses AI to sophisticate risk analysis and material preparation, thereby improving operational efficiency, while maintaining and improving governance levels.

The Human Resources Department is also working to establish a system that supports optimal staff allocation and development by using employee profiles, including skills, experience, past performance, and qualifications, as well as data on each department's business activities and required abilities.

■ Operational Reforms through the Use of AI in Each Department



MJS has provided each department with Anthropic's Claude and is establishing an environment in which employees can use AI in their day-to-day operations. At the same time, we will focus our efforts on education to foster a company-wide culture that encourages the positive adoption of AI. We will promote operational reforms by using AI in each department, with the goal of optimizing corporate management.

What is more important is transforming the know-how of AI use, which we have accumulated within the company, into customer value. We aim to create new value by trying internally and offering the results to customers as products and services.

Increasing the percentage of women in management positions and building a company where diverse talent can demonstrate their abilities

In the Sustainability 2030, MJS established the MJS Value of "Value customers and make employees happy." and is promoting human capital management to realize this value.

The essence of human capital management is viewing human resources as a source of value creation, rather than as a mere cost, and using them to enhance corporate value. To this end, it is essential to create an environment where every employee can recognize their own growth and demonstrate their abilities to the fullest. I believe this will strengthen the competitiveness of the entire organization.

AI is one of the key measures. By reallocating the time saved by operational efficiency improvements to high-value-added tasks, we will have room to take on new challenges. I believe it can help employees grow, reform work styles, and improve corporate productivity simultaneously.

Furthermore, as part of our efforts to build an organization where diverse talent can demonstrate their abilities, we are striving to empower women. Our goal is to increase the percentage of women in management positions to 21% by FY2030.

To achieve this goal, we must first increase the proportion of female employees. In addition to recruiting new female hires, we are working to create an environment where women can continue to demonstrate their abilities by strengthening our educational programs and career development support. Through these initiatives, we are committed to building an organization where diverse talent can reach their full potential, thereby improving management quality and enhancing corporate value.

Expanding into ASEAN by starting Singapore as a bridgehead

In parallel with strengthening our domestic management foundation and as a first step toward overseas expansion, we acquired Synergix Technologies Pte Ltd., a cloud ERP company based in Singapore, as a subsidiary in October 2025. We view this acquisition as a strategic investment intended to establish a foundation for growth in the ASEAN region.

Singapore serves as an economic, financial, and business hub within the ASEAN region, and many Japanese companies have established a business presence here. For the MJS Group, it is an extremely important market for expanding its customer base and improving its ability to provide services tailored to local needs. From now on, we will promote the expansion of our local business, while establishing our presence among Japanese companies and our competitiveness in Singapore, the heart of ASEAN.

We will use our established business base in Singapore as a bridgehead to expand in phases across the entire

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Balancing Productivity Improvement with Value Creation

region. We will also develop this business into a driver for medium- to long-term growth, while executing localization strategies tailored to the market characteristics and regulatory environment of each country.

Synergix plans to collaborate with MJS in the future, working together on MJS products and services and on joint development.

By combining Synergix's local market insights and customer base with MJS ERP products and DX consulting expertise, we aim to create new cross-border value and provide high-value-added services.

Strengthening our management foundation and ensuring thorough risk management

Maintaining and strengthening our competitive advantage is the most important factor in ensuring a business's sustainable growth. To achieve this, a robust management foundation must be established to serve as the basis for sustainability management. To that end, it is essential to secure and utilize management resources, including human resources, products, and capital, in a stable and optimal way. I recognize that improving profitability and strengthening financial foundation, in particular, are

critical management priorities for securing the capacity to invest for the future and supporting sustainable growth. We will ensure corporate management with a focus on capital efficiency and improve profitability based on specific numerical targets. By doing so, we will strive to establish a stable management foundation and enhance corporate value at the same time.

Additionally, thorough risk management is important.

Not only from the perspective of sustainability management but also from that of corporate governance, this is an extremely important topic. We will continue to promote the strengthening of internal controls and governance, while sophisticating the company-wide risk management system, to further improve the soundness, transparency, and reliability of our corporate management.

MJS aims to drive business transformation and provide new value by leveraging the fullest potential of AI and seamlessly integrating it into business operations. By transitioning to a business model that balances improving productivity without relying on increased staffing and creating added value, we will further enhance our business performance and corporate value.

We will continue our business transformation, including the use of AI, and strive to maximize the value we provide to our customers and society. We sincerely ask for the continued support of our stakeholders.



■ Initiatives to Strengthen Human Resources and the Management Foundation for Accelerating the Achievement of Strategies

Review of key systems in line with HR strategies
(grade/compensation/evaluation)

Improving employee engagement

Strengthening management capabilities and supporting employee career development
(individual autonomy/provision of growth opportunities)

Human resource education based on HR strategies

Initiatives to Create an Attractive Workplace Environment
(diversity/flexible work styles/health)

DE&I initiatives