

2025

ITFOR Integrated Report



Creating a society where the power of IT makes people smile

— Supporting customers who sustain the networks of regional economies and society with “YORISOU CHIKARA”– The Strength to Support —



The evolution of IT has brought greater richness to people's lives and to society. Now, as we enter the age of AI, that evolution is accelerating even further. Our mission at ITFOR is to create a society where the capabilities of IT make people smile.

Regional financial institutions, local governments, and regional department stores, among others, fulfill indispensable network functions in their communities. By supporting these customers through the capabilities of IT and helping to maintain and strengthen those functions, we will contribute to the realization of a society where people can smile.

Always returning to our purpose (meaning of our existence) to realize our corporate philosophy

Even as the business environment changes and our businesses evolve significantly, we continue to be guided by our corporate philosophy. To realize it, each and every officer and employee of the Group will keep returning to our purpose (meaning of our existence) and continue moving forward.



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Editorial policy

This report provides insight into ITFOR Inc.'s ongoing efforts to enhance its corporate value and the sustainability thereof. To clearly communicate to our stakeholders, including shareholders and investors, we have edited this report to interrelate vital financial and non-financial information, with an emphasis on the matters we particularly wish to highlight.

In compiling this report, we have taken guidance from the International Integrated Reporting Council (IIRC)'s International Integrated Reporting Framework and from Japan's Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation.

We hope that this report serves as a tool to deepen your understanding of our company and can act as part of our constructive dialogue going forward.

■ Report coverage

- Scope of reporting: ITFOR, Inc. and the ITFOR Group
- Reporting period: April 1, 2024 to March 31, 2025
(including some information from April 2025 onward)
- Publication date: September 2025

■ Disclaimers:

This report has been prepared mainly to share insights into ITFOR Inc.'s efforts to boost its corporate value. It is not a solicitation for the purchase or sale of shares. Any projections or outlooks presented herein are not a guarantee of future performance.

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For more detailed information, please refer to our website: <https://www.itfor.co.jp/en/>

Current issue date: September 30, 2025
Next issue date: planned for end of September 2026

ITFOR's Value Creation Story

We clearly explain, as our “Value Creation Story,” the path ITFOR should take toward realizing “HIGH FIVE 2033,” our FY2033 concept that articulates our “ideal vision” ten years from now, together with the credibility of our progress (our ability to realize the story).

All for “creating quality time for people”

(the story toward realizing our “ideal vision”)



Creating quality time for people through the capabilities of IT
—this is ITFOR's overarching goal and the state we aspire to.

To realize it, our mission is to generate vitality in local communities and
solve challenges with our full commitment.

Through sustainable management,
we will walk together with society.

(i) What Can ITFOR Do? What Are We Aiming For?



(ii) How Will We Move Forward Toward Our “Ideal Vision”?



(iii) Why Is ITFOR's Management Sustainable?



ITFOR's Value Creation Story

Financial capital	Net sales	20.5 billion yen	ROIC 14.8%
	Operating income	3.5 billion yen	ROE 15.4%

Intellectual capital	R&D expenses	247.9 million yen
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Customer capital	Share of systems for examination and delinquent loan management in regional banks	73%
	Consolidate the additional needs found in the users' meeting into packages to facilitate continued usage	65%

Human resources	Number of employees (consolidated)	510
	Human resource investments	414 million yen



Financial Systems

Public Systems

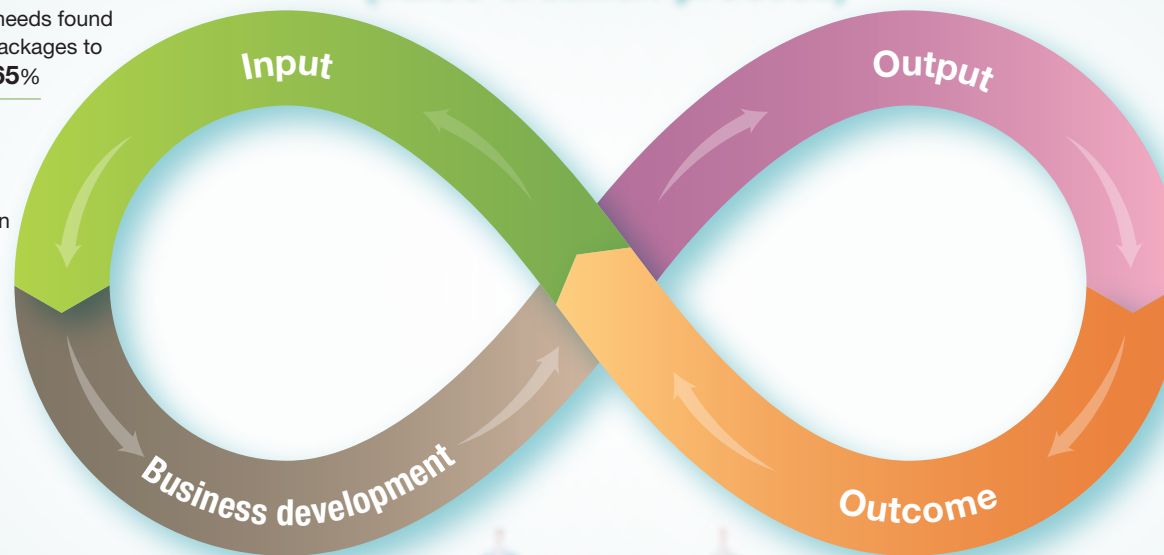
Retail EC Systems

CTI Systems

Communications Systems

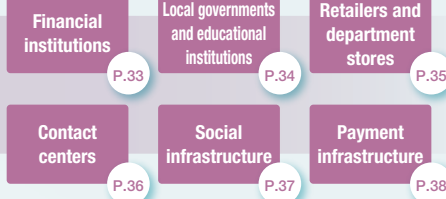
Payment Systems

Driving forces for realizing the story (value creation process)



Providing B2B2C total services

System (IT) / Business (BPO)



Financial KPI (target for fiscal 2026)

Net sales	28.0 billion yen	ROIC 14.0%
Operating income	4.8 billion yen	ROE 15.0%

Non-financial KPI (target for fiscal 2026)

Ratio of female managers	9.0%
Rate of male parental leave uptake	100%
Employment rate of people with disabilities	3.0%
Voluntary employee turnover rate	5.0%

Creating well-being





Toward the realization of the 2033 vision — Growth strategy and value co-creation accelerated under the new organization

Tsunenori Sato

Chairman and Representative Director

Message from the Chairman

Toward the new organization

Launching the new organization toward the realization of the 2033 vision

Last year, the Company announced its vision, “HIGH FIVE 2033,” as the company we aspire to be in ten years, declaring our aim of achieving net sales of JPY 70.0 billion and operating profit of JPY 12.6 billion in fiscal 2033. We then backcasted this vision and, in the fourth medium-term management plan, “FLY ON 2026,” which concludes in fiscal 2026, set an interim target of net sales of JPY 28.0 billion and operating profit of JPY 4.8 billion. Fiscal 2025 will be the second year. At this point, I handed over the position of President and Representative Director to Koji Sakata starting this year, and assumed the position of Chairman and Representative Director.

There are two main reasons behind the decision to shift to the new organization.

First, we determined that at the current pace of growth, it would be difficult to achieve the targets for 2033. When I assumed representative authority, net sales in the fiscal year before 2017 were JPY 11.1 billion, but by fiscal 2024 we were able to grow them to JPY 20.5 billion, an increase of approximately 84%. However, if we continue with our current approach, growth is likely to be limited to around JPY 30.0 billion at best. Looking ahead to 2033, in order to further accelerate growth, it is necessary not to remain on the same trajectory but to make a

Message from the Chairman



major shift in thinking and strategy. We determined that renewing the management systems is essential in order to maximize both the market potential and the latent capabilities of our employees.

Second, we believe that future growth requires both “swift selection” regarding new technologies and “unwavering assurance of quality,” which will become highly significant and critical points for the Company going forward. The Company was founded in 1972 as a trading firm importing hardware, and from the 80s it shifted to the package business and achieved growth. However, in recent years, the pace of IT advancement has increased dramatically. We are now in an era where instantaneous decisions are required in selecting technologies and enhancing technological capabilities. With President Sakata’s background in technology, we determined that he is a leader capable of firmly grasping the

latest technologies and guiding the company through this phase, and on that basis we made the bold decision to entrust him with the execution of management. This will enable us to respond to customers quickly and accurately by integrating our strengths in both technology and sales, to address customer needs in a more detailed manner, and, as a result, to generate positive synergies.

Long-term vision

**Our mission is to solve social issues through IT.
Toward new domains by breaking away from the “in-house development model”**

In Japan, population decline and the declining

birthrate combined with an aging society are occurring simultaneously, and the decrease in the working population is accelerating. I believe that IT is the most effective means to confront this challenge. As the scope of IT expands, tasks previously carried out by people are taken on by IT, creating time that allows people to focus on creative work that only humans can do. This leads to higher productivity and added value, and ultimately to more effective use of time. This directly connects to our vision in “HIGH FIVE 2033” of “Create quality time for people through our businesses.”

Now in its 54th year since founding, the Company has always been committed to in-house development and has provided packages with originality not found at other companies. Of course, there are parts that we outsource, but in the front areas where we engage directly with customers, the Company has taken responsibility as the primary contractor. We have received requests and at times strict feedback directly from customers, and have used them to improve our systems and create new services. As a result, know-how on customer operations across a wide range of industries has been accumulated within the Company, making it possible to expand our systems and services horizontally across the industry. This has become a major strength of the Company that other firms cannot imitate.

However, at the same time, by clinging too strongly to the in-house development model, we began to see the possibility that it might no longer be viable in the rapidly evolving field of technology. Because we have completed system development entirely in-house, it is a

fact that we have fallen behind in technological capabilities compared with the broader industry. This has been particularly evident in our response to smartphone applications. Recovering from this delay solely within the Company would require time and human resources and would not be easy, so the need to actively incorporate external technologies and ideas is increasing. In other words, our long-standing insistence has created an environment resembling a kind of “closed country,” and what is required now is to break out of that shell.

Cooperation with external partners

**Promoting CVC that contributes to regional revitalization
The potential for value co-creation expanding through cooperation with external partners**

Accordingly, for future growth, we have begun to promote and strengthen collaboration with external partners through initiatives such as the creation of new businesses, mergers and acquisitions (M&A), and corporate venture capital (CVC). Concrete examples include our investment in Vacan, inc. in February of this year and in Payke, Inc. in March. Vacan operates a platform that offers diverse functions such as visualization, management, and distribution of congestion information using AI, while Payke develops and operates a shopping support app for inbound tourists to Japan.

Since the Company has set regional revital-

Message from the Chairman

ization as its purpose, if there are mechanisms that can support local daily life even in small ways, we intend to provide them to society either through regional financial institutions and local governments or directly. The information provided through the apps of the two CVC-backed companies mentioned earlier is now in demand in every region. By combining the unique strengths of the two companies with our extensive customer base, we are confident that we can go beyond simple information provision to create new value that eliminates waste in society and enables people to lead more fulfilling daily lives.

From the time I assumed the position of Representative, I have communicated that “the Company is not B-to-B but B-to-B-to-C.” For example, while our direct customers are financial institutions, the actual users of their systems are the people living in local communities. If people do not feel convenience or peace of mind, financial institutions will not be valued and customers will not be satisfied. Naturally, it would also not lead to the Company’s value. Therefore, we intend to further deepen the “B-to-B-to-C” concept, the idea of delivering value to end users through corporate clients.

To that end, one of my important responsibilities is to build on the relationships with customers and industry networks we have developed, flexibly incorporate new external technologies and services, return them back into our business, and co-create value.

In addition, my constant motto is that I want to take on “exciting and meaningful challenges.” It is truly enjoyable to be stimulated by the flexible thinking and speed of young venture

company managers and to engage in direct dialogue with them. Going forward, I intend to actively immerse myself in this world, absorb as much good as possible, and apply it as nourishment for the Company’s growth.

Corporate value enhancement
strategy and branding

**Creating new opportunities
through continued dialogue
with stakeholders in Japan
and overseas**

In recent years, the Company has actively engaged in external communication not only to achieve financial results but also to gain the trust of society and strengthen its brand power, and as a result, recognition among investors has steadily increased.

On the other hand, when improvements in recognition and brand strength are ultimately evaluated as corporate value, they are expressed in key numerical indicators such as stock price and market capitalization. For investors to consider us as an investment target, a certain level of market capitalization is required. I regard the JPY 50.0 billion level, which is considered a benchmark, as one milestone, but I believe that the foundation supporting that figure is direct dialogue with investors. To supplement, in our own words, the true intentions and future vision of the Company that cannot be fully conveyed through official announcements and materials,

and to foster deeper empathy and understanding. I believe that such steady accumulation will raise recognition and brand strength, and ultimately lead to the sustainable enhancement of corporate value.

Materiality

**Each individual’s awareness
of value generates value
creation for society**

We formulated our materiality in the previous medium-term management plan and have since worked to integrate it throughout. Building on those initiatives, we are now delving deeper and stepping into a new stage.

At the foundation of this new stage is the idea that we ourselves “must firmly understand our reason for existence and the value of our existence.” It is not enough to simply go through daily tasks; each individual must recognize where their work has value and how it contributes within society. Only when this awareness takes root will the significance of materiality deepen further. We will continue to push forward with this reform of awareness.

Among the materiality items the Company emphasizes, human resources are the source of growth. It is our employees who generate the Company’s profits. That is precisely why we intend to place emphasis on returns to employees. In recent years, we have advanced initiatives starting with what we can do, such as introducing the Restricted-Stock (RS) trust

scheme and expanding the financial incentive system. In the future, we are also considering the introduction of systems that make flexible work styles possible in accordance with employees’ life rhythms, such as a three-day weekend system, a side job system, and even summer time. In addition, we are also launching mechanisms such as our own employee referral system, aimed at curbing the turnover rate and securing outstanding human resources. To achieve a business of JPY 70.0 billion in scale, securing and retaining outstanding human resources is indispensable. On the institutional side as well, further strengthening of initiatives to enhance satisfaction is necessary.

On the environmental front, we have launched initiatives to bring IoT into primary



Message from the Chairman

industries and contribute to improving productivity in rural areas. From April 2025, through donations to the Foundation for the Preservation of Green and Water Resources of Higo, we have leased a section of the “Aso Mizukake no Tanada” in Aso, Kumamoto Prefecture, and are conducting rice cultivation experiences for employees. Through these activities, we will achieve both the realization of a sustainable society and the fostering of employee awareness. In the future, we will expand our initiatives with approaches unique to an IT company, such as providing IT solutions to the agricultural sector and improving efficiency through the use of IoT.

In “HIGH FIVE 2033,” we have set forth the goal of “becoming a company that creates businesses which generate regional economic circulation” and we aim to launch as many business models as possible that recirculate profits, which tend to flow to large cities such as Tokyo, within the regions themselves. A typical example of this is the payment services framework that we launched in 2017. And what we are currently advancing is the “Digital Safe” (tentative name), which utilizes blockchain in collaboration with Kumamoto Prefecture. This is an electronic end-of-life notebook app that combines a safe-deposit box and an end-of-life planning notebook, where users can register recipients of data while still alive, allowing the data to be shared at designated times such as after their passing. The aim of this service is to prevent local deposits and inheritance funds from flowing out to urban areas and to retain them within the regional economy. Through this, we will provide

support for supporting the enrichment and vitality of local regions.

Furthermore, we are also working on strengthening the management foundation for the next generation. We have begun study sessions and training programs for future executive candidates, and already promising human resources with high aspirations and innovative ideas have started to emerge from among them. We have also begun working on defining the skills, experiences, and personal qualities required for each generation to move on to the next step. Through this, we aim for the growth of human resources and the sustainable development of the organization.

To the stakeholders

**Deepening B-to-B-to-C,
toward the company we
aspire to become.**

The Company’s social recognition still cannot be said to be sufficiently high. Until now, because our business has been B-to-B, we have regarded that point as somewhat unavoidable. However, the ones who ultimately use the IT we provide and make use of it in their daily lives are the people in local communities beyond the companies and municipalities that implement it. That is why, for the past several years, we have clearly positioned the Company as a “B-to-B-to-C” company and have been advancing initiatives with a stronger focus on the “to-C.”

Each of our services, when looked at individually, is in fact an indispensable presence that supports people’s lives. In addition to financial institutions, municipalities, department stores, and contact centers, it is society at large that directly uses the apps of our investee companies Vacan and Payke, as well as the electronic end-of-life notebook app. We will further expand into areas that make people say in surprise, “What? ITFOR is doing this too?,” and create value that is directly linked to the enrichment of citizens’ lives. This is precisely because it leads to the Company’s purpose of “supporting regional societies and the life stages of residents through innovation, and providing surprises.”

One of the evaluations we often receive from customers is the phrase, “serious in a good way.” Seriousness is indeed one of the Company’s strengths, but on the other hand, it can also be said that we lack a sense of playfulness. In order to achieve further growth going forward, we need to move on to the stage of pursuing an “exciting sense of fun.” A sense of excitement generates different perspectives and leads to new ideas, and in this way, the potential for growth will expand.

The Company is a B-to-B-to-C company, but at the core lies the relationship of trust with our “B” customers. In recent years, methods of communication have also been changing depending on the generation, and we do not intend to completely reject those changes. However, even so, I would like us to value customer contact, such as meeting customers directly and engaging in dialogue. That is precisely the origin that created the Company’s greatest strength, a solid customer base.

The other day, an investor asked me, “What kind of company is ITFOR aiming to become?” I immediately answered, “A company to be aspired to.” That means being an organization in which each and every employee possesses at least one outstanding strength and can respond in an appealing manner to anyone they meet. And that people will feel, “This is a company where the employees truly shine.” I believe a company like that would be truly interesting.

The Company will continue to devote our full efforts to moving toward becoming a company to be aspired to as quickly as possible, so that we may receive even greater support from all our stakeholders.



Message from the President

Without being satisfied with the current situation, refine our growth strategy toward a solid step to the long-term vision “HIGH FIVE 2033”

Koji Sakata

President and Representative Director

[Determination upon assuming the position of President]

While inheriting Chairman Sato’s course, it is essential to further refine it.

I am Koji Sakata, and I have assumed the position of Representative Director and President, succeeding Chairman Tsunenori Sato. In November of last year, I was approached by the Nomination and Compensation Committee, which includes outside directors, regarding the presidency. However, I did not give an immediate answer at first, as I

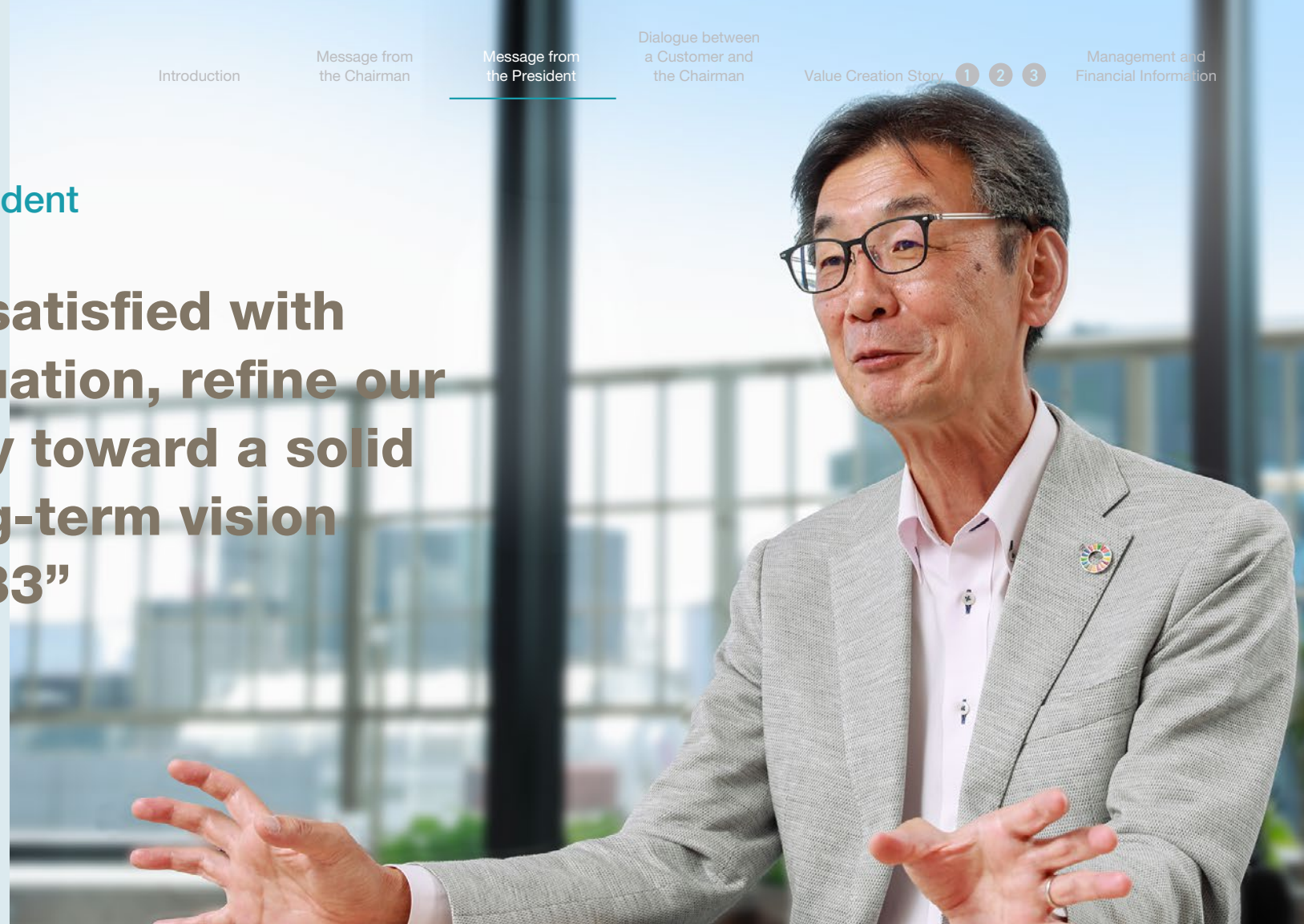
felt that due to our similar ages, “it might be better to entrust the role to the next, younger generation.”

However, after a month of careful consideration, I came to a strong conviction that “in order for ITFOR to once again accelerate its growth, I still have a role to fulfill,” and I made the decision to accept this important responsibility.

bility.

Since joining the company in 1987, I have long been involved in the Development Division, and I take pride in being thoroughly familiar with the development field, which is the growth engine of the Company. In 2008, I became General Manager of Software Development Department, in 2014, Director and

Managing Executive Officer, General Manager of Technology Development Headquarters, leading the technical organizations, and in 2019, I also gained experience in sales divisions as General Manager of Public Systems Division. In October 2020, I became Representative Senior Managing Director and Executive Officer with representative authority,



Message from the President

and while supporting management from both the technical and sales sides, I have worked closely with Chairman Sato up to the present.

Under then-President Sato, the Company achieved seven consecutive years of increases in revenue and profit through fiscal 2023. Although we stalled with decreased revenue and profit in fiscal 2024, we expect record-high sales and profits in fiscal 2025.

To sustain this growth, the first priority is to firmly inherit, as the course built by Chairman Sato, the direction set forth in the long-term vision “HIGH FIVE 2033” of “becoming a company that creates businesses which generate regional economic circulation,” and to further refine it.

On top of that, I am determined to boldly create innovation grounded in technological capabilities and further accelerate the pace of growth.



[What I think now, in a time of growth]

Re-examining the “origin” of how a company should be, and breaking away from the “complacency” brought by achievements

While continuing steady growth, I feel that, for the sake of future growth, it is necessary to deliberately question the current situation and thoroughly re-examine how the company should be. There are three major issues.

The first is the weakening of relationships with customers. The Company exists because of our customers, and we must not forget this origin. It is essential that all employees once again engrave in their hearts the fundamental stance of deeply understanding customers’ operations, sharing their latent concerns, and jointly considering and implementing solutions — and that we have the spirit to rebuild relationships of trust.

The second is the “complacency” and “lukewarm” corporate climate brought about by the seven consecutive years of increases in revenue and profit. Even in sales activities, in recent years there has been a tendency to rely on proposals based on past achievements. In essence, the true source of value lies in

proposals that highlight the benefits brought by our packages and envision the future together with our customers. Also, are we not setting limits for ourselves? We must take action to break through those limits. It is necessary to regain a sense of tension toward our work and to adopt an attitude of stepping forward into new challenges, rather than remaining with existing customers, existing operations, and predetermined results.

The third is that we are not fully leveraging the many strengths the Company possesses. Our employees possess abundant experience and high-level skills. If we share that strength company-wide and tackle issues through active dialogue and mutual striving, we can generate an even greater force than we have now. We must unite our strengths and evolve into an organization full of energy, where top-down and bottom-up intersect. Precisely because performance is strong now, this is the right time to avoid being satisfied with the current situation, to re-examine our footing, and to redraw our growth strategy. This awareness of the issues is something I have long shared with Chairman Sato.

Deepening relationships with customers, carrying out our work with a sense of tension, and uniting the entire company to build a vibrant organization — that is the mission entrusted to me.

[Our Strengths]

Drawing a future vision together with customers through “YORISOU CHIKARA” – The Strength to Support our corporate philosophy

What I believe to be the Company’s greatest strength is “YORISOU CHIKARA” – The Strength to Support.

The phrase “YORISOU CHIKARA” – The Strength to Support is, in fact, a phrase we received from our customers. In the past, when implementing a system for a certain customer, a major problem occurred. At that time, I took command on site as the person responsible, and the entire company responded together. When the issue was finally resolved, the customer said to us, “ITFOR has the power of empathy.”

Through this experience, I became convinced that “seeing things through to the end in any difficult situation and bringing smiles to our customers” is the Company’s DNA and reason for existence. The corporate philosophy, “generating excitement and smiles by ‘YORISOU CHIKARA’ – The Strength to Support” is a phrase that embodies that conviction.

In addition, as a package vendor, the Company is not merely a supplier of systems,

It is necessary to regain a sense of tension toward our work and adopt an attitude of stepping forward into new challenges.

Message from the President

Deepening existing businesses and co-creation with external partners as steps toward “HIGH FIVE 2033”

but a group that can propose concrete future visions such as, “By implementing this package, it can be utilized in your operations in this way,” and “These are the kinds of results that can be achieved.” In the past, we held strong interest in our customers, their operations, and their results, and we created value by deeply engaging with them. However, in recent years, I am concerned that this spirit may be fading. If we once again reconnect deeply with our customers and rebuild strong relationships, the Company will surely be able to accelerate its next stage of growth.

Furthermore, in recent years I feel that the speed of package development has somewhat slowed down. Taking a keen interest in new ideas, bringing ideas together, and quickly turning them into reality — regaining that sense of speed will determine our future competitiveness.

By centering on “YORISOU CHIKARA” – The Strength to Support and integrating our proposal capabilities with our development capabilities, ITFOR will continue to grow sustainably.

[Medium-term management plan “FLY ON 2026”]

Steadily advancing our core businesses while also pioneering new business domains

In the long-term vision “HIGH FIVE 2033,” we have set the goal of achieving net sales of JPY

70.0 billion and operating profit of JPY 12.6 billion in 2033. As the path toward that goal, in the medium-term management plan “FLY ON 2026” announced last year, we set targets of JPY 28.0 billion in net sales and JPY 4.8 billion in operating profit for fiscal 2026.

If we re-examine and refine our current strengths, these figures are by no means unattainable. Although we stalled in fiscal 2024, we will take this opportunity to firmly rebuild our foundation and establish a structure that will enable us to make a sure leap toward fiscal 2026.

By business segment, the Financial Systems Division is expected to see stable growth through the implementation of new packages, while the Payment Systems Division is also expected to achieve continuous growth in line with the recent expansion of cashless transactions in society.

In the Retail EC Systems Division, we will fully renew the e-commerce site construction package “ITFOReC” this October and make it a driving force of the business by capturing the wave of expanding e-commerce demand.

The CTI Systems Division struggled in fiscal 2024, focusing mainly on small projects, but by improving product quality and expanding recognition, we will raise the adoption rate through cross-selling with Financial Systems.

In the Communications Systems Division, revenue declined due to orders for “Megaplex” for electric power companies and security-re-

lated projects were postponed to fiscal 2025, but steady progress can be expected in the medium to long term.

The business process outsourcing (BPO) business for municipalities has substantial growth potential. In April of this year, the subsidiary ITFOR BeX absorbed ICR, establishing a structure capable of providing services consistently from collection operations to payment operations. Through the functional integration of the two companies, we will further strengthen support for local governments and contributions to regional communities.

In addition, in the Public Systems Division, we have formally assigned system engineers, who until now were only at the Tokyo headquarters, to Osaka, Kyushu, and Okinawa. This has made it possible to handle projects with a strong local presence, and it is expected to bring significant benefits in terms of sales support and order expansion.

If we steadily advance these existing businesses, we can achieve the medium-term plan targets, but to reach the major goals of “HIGH FIVE 2033,” organic growth alone has its limits. The Company has long been a “self-reliance” company that has adhered to in-house development, but in recent years we have also recognized, along with that strength, the problem of a lack of flexibility.

Therefore, in fiscal 2024, we invested in Vacan, a congestion visualization platform company, and Payke, an inbound services



company, and began strategic investment through CVC. Going forward, we will actively pursue collaborations with startups and other companies, as well as M&A, to expand our business domains.

In addition, we have begun initiatives to improve development efficiency through the use of AI. Together with startup companies, we are advancing initiatives such as mechanisms that have AI read basic and detailed design documents to automatically generate program code, and efforts to automate the unit testing process, which involves many simple tasks, using AI. If we can cut the manufacturing and testing processes in half, we are confident that we can gain an advantage in both development speed and cost competitiveness.

Deepening of existing businesses and co-creation with external partners, with these two themes we will surely realize “FLY ON 2026,” and make it a sure step toward “HIGH FIVE 2033.”

Message from the President

[Toward the enhancement of corporate value]

Through steady promotion of materiality, toward becoming a company continuously chosen by society.

The Company is a B-to-B company, and it cannot be said that recognition among the general public is high. Even in student interviews, many say, “I learned about the company for the first time during my job hunting,” and the reality is that it is also not sufficiently known among individual investors. Going forward, from the perspectives of securing talent and IR activities as well, raising name recognition is regarded as an urgent issue. To that end, more than ever before, we are determined to, for example, broaden our points of contact with investors and increase opportunities for explanation in order to deepen communication.

In addition to B to B, we will advance service provision with greater awareness of B to B to C, and by ultimately delivering value to consumers, enhance brand recognition.

The Company has set forth five materialities: “Societal contributions through ‘regional revitalization,’” “Human capital development,” “Strengthening of management foundation,” “Driving digital transformation (DX) for productivity and value creation,” and “Reduced environmental impact.” In particular, “Societal contributions through ‘regional revitalization’” is our

purpose and the most important issue. We take pride in being one of the few companies capable of connecting municipalities, financial institutions, and local companies with one another. The Company’s strength lies in serving as a hub that connects local companies with each other, enabling the Company to contribute to the regional economies and society. At present, we provide services to financial institutions in 46 prefectures and to public institutions in 31 prefectures, but we will expand this network nationwide to realize true regional contribution.

“Human capital development” is also an important issue. For an IT company, people are the greatest asset, and each employee cultivating “YORISOU CHIKARA” – The Strength to Support is the source of competitiveness. By intentionally creating growth opportunities that break the mold, such as passing down the know-how cultivated over 50 years and promoting early challenges for younger employees, we entrust major projects to those in their 20s and 30s. We nurture the human resources who will lead the next generation through an approach of providing support for failures and guiding them toward successful experiences. Furthermore, with an eye on the generational change of management, we are systematically developing the mid-level leaders. We will build an organization in which human resources who deeply understand and can articulate the company’s strengths are able to be promoted to executive positions, thereby ensuring business continuity.

There is also room for improvement in “Digital transformation.” In particular, within the corpo-

rate divisions, many routine tasks remain, leaving an environment where it is difficult to demonstrate creativity. Leveraging my experience, I will promote the implementation of tools and the visualization of operations, share knowledge with sales and engineers, and foster an environment where employees freed from routine tasks can generate ideas. This goes beyond mere efficiency improvements and directly leads to revitalization of the entire company and enhancement of corporate value.

The Company will advance these materialities as an integrated whole and grow into a company that continues to be chosen by society.

[The Future of ITFOR]

Envisioning and materializing a future in which IT supports regional living will lead to true regional revitalization.

The population decline progressing throughout Japan is also a major issue that the Company must face directly. To realize our growth strategy, it is essential to dramatically enhance productivity per person and generate greater results with a limited workforce. We believe this is the shortest route toward achieving our target of JPY 70.0 billion in net sales in fiscal 2033.

The Company upholds “regional revitalization,” but our initiatives must be based on the reality that depopulation in rural areas is continu-

ing to advance. There is indeed human livelihood even in depopulated areas, where economic activities and regional culture continue to thrive. In such regions, envisioning and then materializing a future where IT can create value and support both daily life and the economy will lead to authentic regional revitalization.

ITFOR will empower local communities through the use of IT and aim to become an entity that first comes to mind as, “If it’s in this field, let’s consult ITFOR.”

If we become the most trusted company in the region, employees will take pride and motivation in their work, and vitality will spread throughout the entire company. From there, new ideas will emerge one after another, their results will be reflected in business performance, corporate value will be elevated, and ultimately this will lead to the stock price—we are committed to creating such a virtuous cycle.



To become the most trusted company in the region and to enable employees to take pride in their work

Co-creating the future vision of contact centers.

Let us continue to provide new value to local communities

Two companies that share the same values of “challenge”

Sato: It has been about 20 years since our relationship with transcosmos began.

Matsubara: That is true. It all started with the implementation of a call recording system in the early 2000s. It was necessary to store interactions with customers in audio form, and this system is still actively used in the field today.

Sato: The system you implemented was an Israeli-made call recording system with extremely strong security features, and we have implemented it to more than 200 customers to date.

Matsubara: Correct. The Company began in 1966 as a specialist data entry company. Since

then, we have actively addressed our customers' challenges, expanding our business domains with a spirit of taking on “things we have never done before” and continually adopting new technologies. From the 1980s to the 1990s, with the spread of PCs, we expanded the contact center business. Today, we hold a leading market share in the contact center industry and are also expanding our overseas business.

Sato: Around the same time, our company also began business related to contact centers. In 1983, our starting point was providing a local bank customer with an “Auto Call System” (delinquent receivables management system). Since then, we have been providing systems that support contact centers, such as CTI, mainly to financial institutions and municipalities.

Matsubara: What I feel from our long relationship with ITFOR is that your corporate culture

of “let’s try it first” is similar to ours. Since our founding, we too have reached the present day by repeatedly engaging in trial and error in an effort to somehow meet our customers' expectations.

Sato: Indeed, there are similarities. When consulted with, “Could you handle this kind of request?” I can’t help but take it on, thinking, “If it benefits the customer, we should do it.” (laughs)

Matsubara: In ITFOR’s 50th anniversary commemorative magazine that I saw before, every page showed the lively appearance of your employees, and I could feel the energetic corporate culture.

Sato: Thank you. That commemorative magazine, although it faced some opposition from certain people, was created with the determination to make something characteristic of our company, something that everyone would

Special feature

Dialogue between a Customer and the Chairman



**Kenshi
Matsubara**

transcosmos inc.
Director, Executive Vice President



**Tsunenori
Sato**

ITFOR Inc.
Chairman and Representative Director

Special feature Dialogue between a Customer and the Chairman

want to read. This too can be called part of our culture (laughs).

The current state of contact centers as social infrastructure

Sato: Contact centers have grown to the point where they are now called “social infrastructure.” Considering that they began with the role of telephone answering services, it feels like a world apart today.

Matsubara: I strongly felt the role of contact

centers as social infrastructure during the COVID-19 Pandemic. As infections spread, consultation desks at municipalities and other bases that protect the lives and health of residents could not be allowed to stop under any circumstances. Amid their own anxieties, contact center employees carried out their duties with a resolve and sense of responsibility similar to that of healthcare workers.

In addition, the creation of employment in local communities is also an important role of contact centers. There is also the advantage of being able to choose working days and hours according to personal circumstances such as childcare or nursing care.

Sato: That is true. In regional areas, where workplaces have been lost due to factory withdrawals and the like, we often hear voices expressing expectations for contact centers. Local employment also leads to regional revitalization through tax revenues.

What I feel as an individual living in society is that contact centers are transforming into entities that provide long-term support to people. For example, consultation desks for

insurance or health foods stay involved in people’s lives for many years, in accordance with changes in their life stages. Such contributions to “well-being” may also be one of the reasons why contact centers can be considered social infrastructure.

Matsubara: That is an important perspective. Recently, there has been an increase in more specialized consultations, such as insurance reviews and asset formation advice. Providing optimal proposals tailored to each individual consumer will become a new role for contact centers.

Sato: As the number of stores and branch offices of companies and municipalities decreases, I feel that it is the contact center that takes their place in “providing long-term support” for residents’ lives.

Matsubara: Even bank counters are decreasing nowadays. Even as digitalization progresses, not everyone can complete everything solely through digital means. As a point of contact for inquiries such as “I don’t know how to use it,” contact centers are undoubtedly an indispensable presence in daily life.

The challenge facing contact centers is “people”

Sato: While expectations are rising for contact centers as social infrastructure, there are also numerous challenges that must be resolved.

Matsubara: Correct. The greatest challenge is the labor shortage. Due to factors such as the declining birthrate, securing skilled operators is becoming increasingly difficult year by year. In the past, we were able to handle inquiries by expanding hiring not only in urban centers but also in regional areas, but that is no longer the situation today. With the diversification of work styles, the range of options is rapidly increasing. Therefore, we must consider how we can make people want to work at our company. Consideration for rising prices and increasing labor costs is necessary, but at the same time, we must also respond to our client companies’ requests for low-cost operations. This has become a major theme for us as service providers.

Sato: Securing workers is an issue for all of Japan. We also face the same challenge in securing engineers, and we are continuously working on how to make our company attractive to them.

Matsubara: In the past, many customers would resolve their issues through phone calls at contact centers, but recently inquiry methods have changed significantly, with more

Contact centers that can provide optimal proposals to each individual will become a new form of social infrastructure.



Special feature Dialogue between a Customer and the Chairman

customers using chat or referring to information on social media.

Sato: In this era of multichannel communication, user options are increasing, and we must adapt to that. By doing so, it may also be possible to reduce the burden on operators.

Matsubara: Correct. Since contact centers and digital technology are highly compatible, I feel that service providers must also transform in line with the styles of the times.

Sato: In terms of securing human resources, isn't creating a comfortable working environment for operators an urgent priority? In particular, in recent years, customer harassment has become a social issue, and addressing it has become an urgent matter.

Matsubara: At our company, we are implementing measures to support operators from both operational and technological perspectives. For example, depending on the content of the call, we are working to reduce the burden on the field by establishing rules such as "hang up the call if the customer crosses the line."

Sato: Our company is also focusing on solutions that reduce the burden on operators, such as automatic display of FAQs and conversion of voice into text. The addition of non-voice channels such as chatbots, using cloud-based CTI, is also effective from the perspective of protecting operators.

By the way, how does transcosmos gather feedback from its more than 40,000 operators nationwide?

Matsubara: We are truly implementing a wide

variety of initiatives. Through regular surveys we check their condition, and for full-time employees we conduct interviews to ask about their future career plans, striving to understand each individual's situation.

Sato: A system for listening to employees' voices is important. At our company as well, we have started a system called "Coco Voice," which allows employees to anonymously send requests or complaints regarding work and working styles. We believe that facing these real voices is the first step toward creating a comfortable working environment.

Matsubara: For employees, the fact that the company listens to voices from the field is indispensable for strengthening engagement. I think it is an initiative characteristic of ITFOR.

Achieving high-quality customer experience through harmony between people and technology

Sato: Following the challenge of "people," how to incorporate the latest technologies into operations is also important.

Matsubara: As ITFOR is also working on, many technologies are already being utilized in the field, such as AI picking up keywords to instantly display related FAQs and automatically summarizing call content. It is also possible to improve website navigation by analyzing vast amounts of conversation records.

Sato: I am very interested in how transcosmos, as an industry leader, views handling phone calls with natural speech generated by generative AI.

Matsubara: Technologically, the accuracy has improved remarkably, but I believe it has not yet reached the stage where it can completely replace humans. Since the risk of conveying incorrect information remains, human verification is essential. Also, delicate communication such as empathizing with consumers' emotions still belongs to the realm of humans, does it not?

Sato: That is true. For example, in an emergency such as unauthorized use of a credit card, people would surely want to speak with an operator as quickly as possible, even if only for a second of reassurance. In such urgent situations, it is precisely the important role of humans to provide reassurance with a warm

voice that alleviates anxiety.

Matsubara: The division of roles between AI and humans will become clearer. Routine tasks will be entrusted to AI, while humans will shift toward providing higher value-added support that is more closely aligned with consumers' lives. This optimal division of roles will also help address the labor shortage.

Sato: What I think as an IT company is that going forward, we also need to be cautious of threats such as voice phishing, where the "caller" uses generative AI to launch fraudulent

It is precisely the important role of humans to provide reassurance with a warm voice that alleviates anxiety.



Special feature Dialogue between a Customer and the Chairman

calls. To protect consumers, system-side countermeasures are necessary, but ultimately human judgment is indispensable. Our company aims to assist in building hybrid centers that combine people and AI.

The “dream” is to eliminate consumers’ “negative experiences”

Sato: transcosmos is a leading operator in the contact center industry, while our company is an IT firm that supports the industry through technology, that is the difference between us. By combining the strengths of both companies, I believe that new possibilities for contact centers will continue to expand.

Matsubara: Correct. That is an area we also hoped to consult with you about. The reason is that cutting-edge technology does not function merely by being introduced; what is important is how it is incorporated into on-site “operations.” A long-term relationship of refining usability in response to on-site needs can only be built with a company that shares the same values, such as ITFOR.

Sato: Thank you. Speaking of operations, I recall that in the trial phase of the Auto Call System in the 1980s, we discovered that it was not possible to determine whether someone was absent unless the number of phone rings was adjusted differently between urban and rural areas. In rural areas, where many people were engaged in farming, it was necessary to

let the phone ring ten or so times before someone could answer. We learned that steady tuning tailored to regional characteristics leads to higher quality in operations.

Matsubara: The idea of operations tailored to regional lifestyles is an interesting theme that still applies today. Another area in which we have expectations for ITFOR is collaboration in regional revitalization. Our company is engaged in regional development initiatives at each of our bases, but by collaborating with ITFOR, which has a strong nationwide network

with regional financial institutions, we should be able to create an even greater impact.

Sato: I had the same impression. In fact, in Okinawa, by coincidence, one of our customer’s centers and a transcosmos center are located in the same building. It would be wonderful if we could go beyond a mere IT tool provider relationship and, together, create a wave of regional revitalization by engaging local companies, municipalities, and residents.

Matsubara: This is my personal dream, but I wonder if it might be possible to eliminate the

world’s “negative experiences” through contact centers. Resolving, one by one, the small stress-es people face, such as “I don’t know how to use it” or “I don’t know where to ask questions.” I believe that the accumulation of these efforts will make society as a whole brighter.

Sato: That is a wonderful dream. In the Company’s corporate philosophy as well, we have the phrase “YORISOU CHIKARA” – The Strength to Support. I too want to be someone who supports the industry and helps those in need, so that such a society can be realized.

Matsubara: In the course of expanding business in Asian countries, the vitality there is truly remarkable. Although it is said that Japan today lacks vitality, I strongly hope that contact centers can play a role in brightening society.

Sato: Recently, with the acceleration of digitalization, the proportion of face-to-face interactions has been decreasing, and non-face-to-face interactions are advancing even further. At the same time, people are encountering more situations where they stumble over small things. In such moments, it is important to provide “support for living” that enables people to use financial and administrative services without hesitation. Ultimately, I would be very pleased if, together with transcosmos, we could aim to create a comprehensive life-support platform that transcends boundaries, like a “point of contact where everything will be resolved if you reach out there.”

Thank you very much for today.

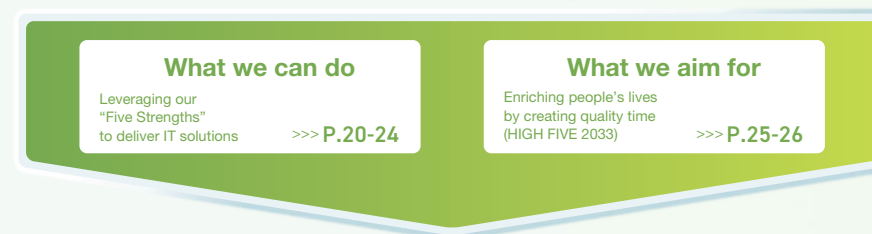
We aspire to make the future of society brighter through contact centers.



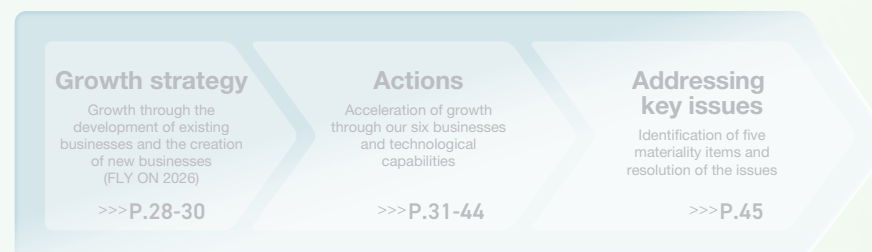
Value Creation Story (Part 1)

What Can ITFOR Do? What Are We Aiming For?

(i) What Can ITFOR Do? What Are We Aiming For?



(ii) How Will We Move Forward Toward Our "Ideal Vision"?



(iii) Why Is ITFOR's Management Sustainable?



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ITFOR's History

ITFOR was founded in 1972 as CJK Co., Ltd.

Under that name, the company's business was the import and sale of information equipment and packaged systems from overseas.

By 1975, however, we had developed and introduced Japan's first online POS system.

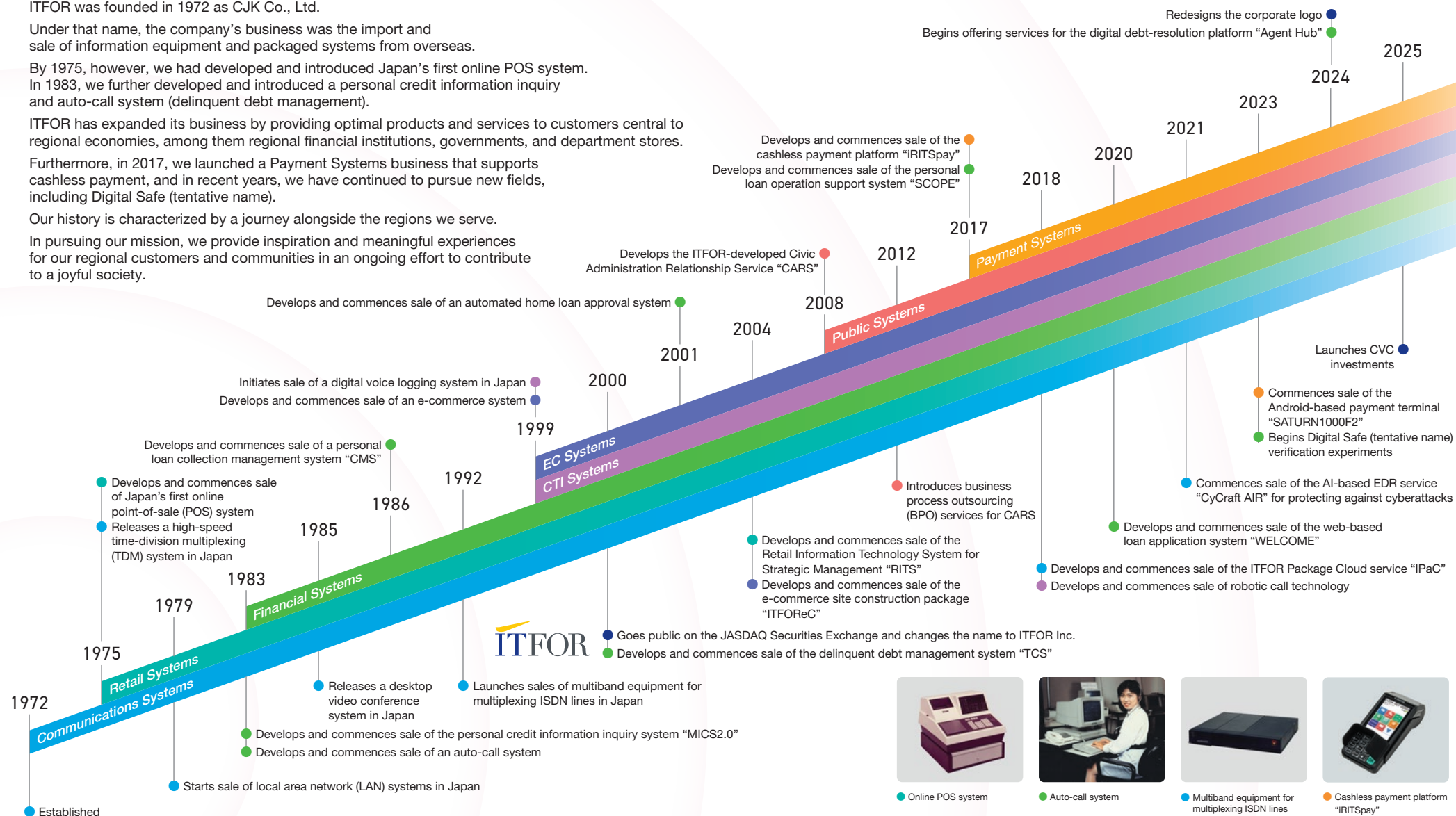
In 1983, we further developed and introduced a personal credit information inquiry and auto-call system (delinquent debt management).

ITFOR has expanded its business by providing optimal products and services to customers central to regional economies, among them regional financial institutions, governments, and department stores.

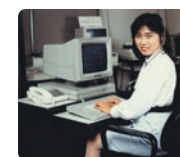
Furthermore, in 2017, we launched a Payment Systems business that supports cashless payment, and in recent years, we have continued to pursue new fields, including Digital Safe (tentative name).

Our history is characterized by a journey alongside the regions we serve.

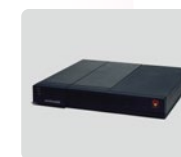
In pursuing our mission, we provide inspiration and meaningful experiences for our regional customers and communities in an ongoing effort to contribute to a joyful society.



Online POS system



Auto-call system



Multiband equipment for multiplexing ISDN lines



Cashless payment platform "iRITSpay"

Business Overview



Financial Systems

Provides packaged systems for banks, credit unions and guarantee companies supporting personal loan applications through to screening, credit management and write-offs. For non-banks and servicers, efficient dunning and debt collection solutions are available, in addition to collection management systems.



Public Systems

Offers debt management solutions for local governments, including delinquency management and notice service systems; provides academic support solutions for educational institutions; and delivers business process outsourcing (BPO) services leveraging systems and ICT (e.g., payment reminders and operational support).



Retail EC Systems

Developed the first POS system in Japan in 1975, for a major department store chain. Currently provides the "RITS" core system and "ITFOReC" e-commerce site development system, primarily for regional department stores and specialty stores.



CTI Systems

Provides advanced solutions linking contact center platforms with business systems, for customers such as financial institutions, public organizations and telemarketing. Has been assisting clients in developing their businesses for over 20 years as a pioneer in the field.



Communications Systems

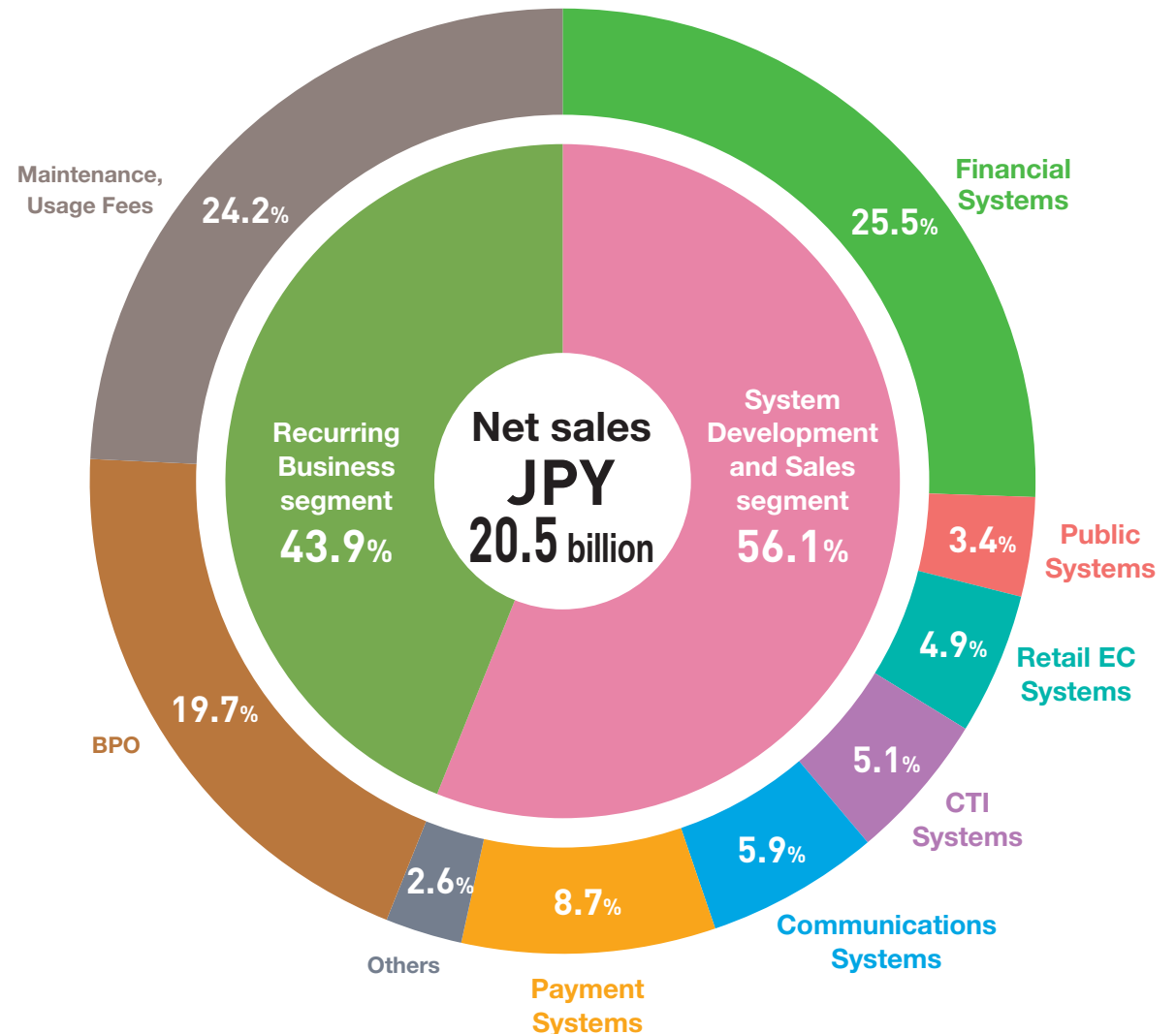
Core business that has been operating since foundation in 1972. Provides one-stop IT infrastructure, from networking equipment and server setup to cloud services and security, to keep our customers' operations and systems running efficiently and securely.



Payment Systems

Provides a proprietary cashless payment platform that supports multi-payment services to participating merchants such as retailers, restaurants and municipalities, via regional financial institutions.

ITFOR Sales Breakdown



ITFOR by the Numbers

FY2024

<Financial Highlights>

Income statement (Unit: million yen)



Net sales	20,552	Operating income	3,532
Gross profit	7,870	Ordinary income	3,668
		Net income attributable to owners of parent	2,914

Cash flow statement (Unit: million yen)



Cash flows from operating activities	2,609	Cash flows from financing activities	(2,672)
Cash flows from investing activities	(2,508)	Cash and cash equivalents at year-end	8,934

Balance sheet (Unit: million yen)



Current assets	18,460	Fixed liabilities	395
Fixed assets	5,492	Net assets	19,044
Current liabilities	4,512	Total assets	23,952

Key indicators



ROA	15.3%	Equity to total assets ratio	79.5%
ROE	15.4%	Net debt to equity ratio	0.0
ROIC	14.8%	Operating income margin	17.2%
		Total return ratio	77.3%

ITFOR by the Numbers

FY2024

<Non-financial Highlights>

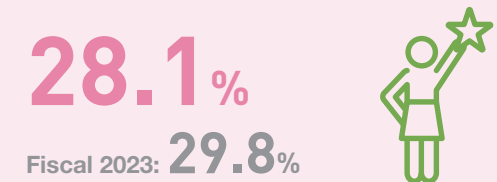
Average length of employment



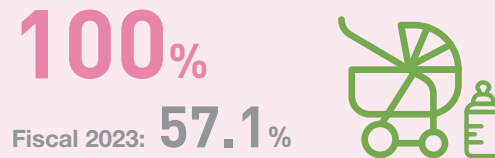
Number of employees (non-consolidated)



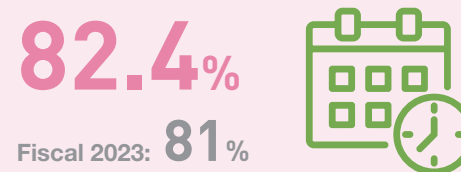
Percentage of female workers among workers employed in fiscal 2024



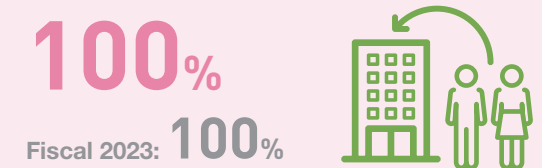
Rate of male parental leave uptake



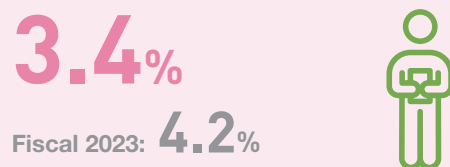
Rate of paid leave uptake



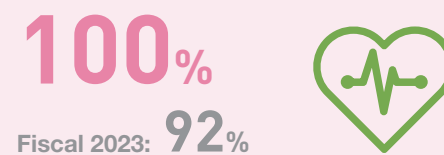
Return-to-work rate (Of employees taking maternity/parental leave)



Voluntary employee turnover rate



Medical checkup attendance rate



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Five Strengths

Industry-specific expertise

The starting point of ITFOR's business model is concentrating on specific industries and enhancing its own expertise. We are concentrating our management resources to cater to specific industries such as regional financial institutions, local governments, and regional department stores.

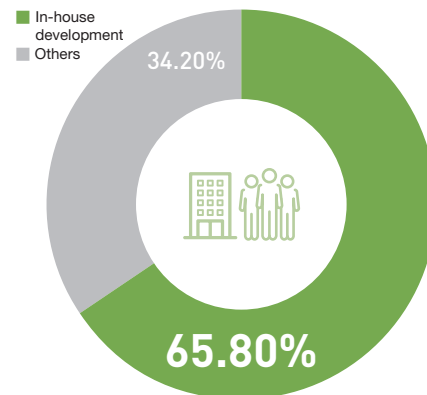
Niche business strategy

ITFOR has a deep understanding of our customers, and leverages our refined expertise to provide optimal solutions tailored to niche areas that are essential to those industries, and where we are able to harness our own strengths. We are creating unique value by driving ahead with strategies that leverage our industry-specific expertise.

Corporate independence

Our ability to harness advanced technical expertise ensures deep engagement with the challenges faced by our customers and their local communities, and ITFOR's approach is facilitated by its status as an independent company. Being unaffiliated with any particular group means we are free from technical constraints or obligations, and enables us to deliver our proprietary, optimal solutions.

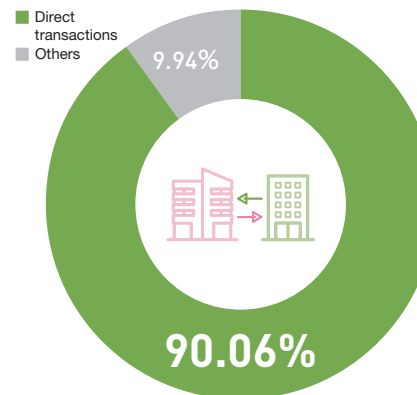
Ratio of in-house development (FY2024)



In-house development with advanced technology by quality human resources

A crucial factor in providing optimal solutions is our ability to develop systems in-house, characteristics of corporate independence, and the capabilities of the human resources that make this possible. We aim to provide a working environment where each of our employees can thrive and work enthusiastically and reach their full potential. It is our belief that every initiative related to securing and nurturing human resources contributes to our corporate growth. As such, we promote the engagement and development of diverse talents, the provision of a fulfilling workplace, and the necessity of occupational health and safety.

Ratio of direct transactions (FY2024)



We benefit from a wealth of highly skilled personnel, whose expertise provides us with an accumulated level of expertise and business knowledge in system development that is unparalleled, qualitatively and quantitatively. This is the source of our technological advancements and high degree of specialization.

Solid customer base

ITFOR's solutions are crafted to address customer challenges and thus quickly become indispensable to customers' operations after their implementation. Many of our customers utilize our solutions long term, availing themselves of the iterative improvements that we regularly provide.

ITFOR regularly hosts user meetings that transcend the conventional lecture format. Each session is a dynamic forum where clients

discuss and exchange opinions on shared business challenges, and forms a valuable opportunity to elicit suggestions for the services we offer. The meetings also broaden mutual understanding between us and customers, further customer trust in us, and cultivate future business ventures for us with customers. Customers' robust trust in ITFOR underpins their ongoing utilization of ITFOR's total solutions, and that recurring business generates a steady revenue stream for ITFOR.

Our solid customer base, moreover, is generating new customers and business opportunities for us. A distinctive feature of our business is just how often existing customers recommend us to others grappling with IT issues. This, again, indicates the trust and confidence our customers have in our ability to address such issues. In response, we continually enhance our offerings to meet and exceed expectations. And this commitment leads us into new business domains that, along with additional customers, contribute significantly to our sustained growth.

Nationwide, community-rooted customer base

Adopted by **regional financial institutions** in **46** prefectures

Adopted by **local governments** in **31** prefectures

Adopted by **regional department stores** in **19** prefectures

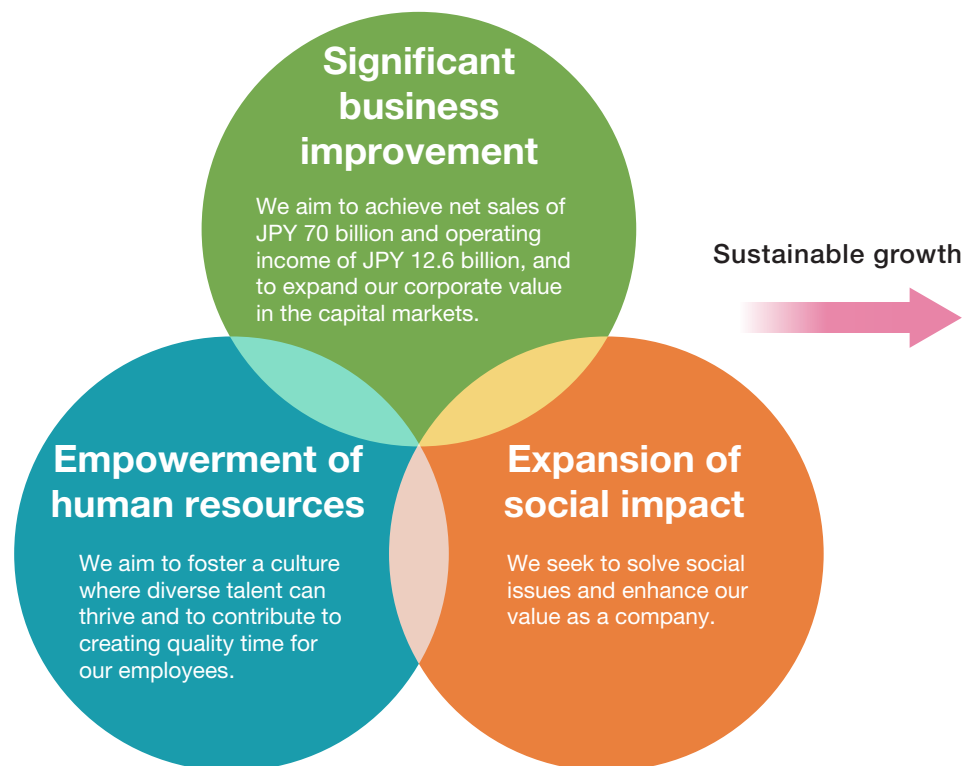
What Are We Aiming For?

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HIGH FIVE 2033 (FY2033 Concept)

■ Toward sustainable growth

Our Group has set out a long-term vision, “HIGH FIVE 2033,” as the state we aspire to be in ten years, and we will continue to advance initiatives for sustainable growth. Based on the three pillars of reinforcing the management base, enhancing profitability and advancing ESG management, defined in the 3rd Medium-Term Management Plan, we will utilize our current business base to expand into new areas and realize businesses that drive economy within a region, as a company that creates businesses which generate regional economic circulation. As a result, our Group aims to contribute to enriching people’s lives by creating quality time.



ITFOR's “ideal vision” for 2033

Our customers are the ones who support their local communities. By delivering better solutions, we want to revitalize regional economies and enable the people who live there to enjoy quality time. We aim to reinforce a virtuous cycle. From this aspiration, we have articulated our ideal vision for 2033 as “HIGH FIVE 2033.” By connecting not only with customers such as regional financial institutions, local governments, and regional department stores, but also with various companies across each region, we will continue to expand the circle of prosperity. Please look forward to ITFOR as we create quality time through the capabilities of IT.

HIGH FIVE 2033

We will utilize our current business base to expand into new areas and realize businesses that drive economy within a region, as a company that creates businesses which generate regional economic circulation.

We aim to contribute to enriching people’s lives by creating quality time.

A business model that fosters regional economic circulation: A business in which ITFOR proactively builds a platform that facilitates economic circulation within the region and, by expanding the scope of this circulation, contributes to revitalizing the economy

We will broaden our deep connections with customers who support regional communities across Japan.



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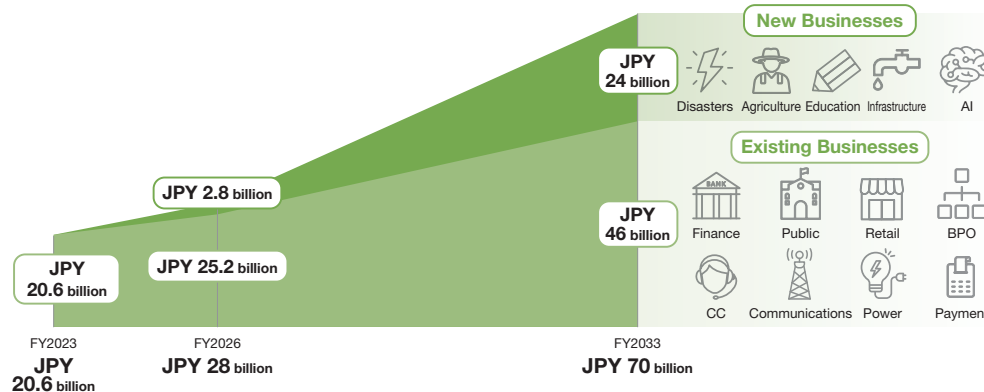
What Can ITFOR Do? What Are We Aiming For? ➡ | ITFOR's History | Business Overview | ITFOR by the Numbers | Five Strengths | HIGH FIVE 2033 |

HIGH FIVE 2033 (FY2033 Concept)

Business strategy

Significant business improvement

We will achieve significant business improvement through a two-pronged strategy: “deepening our existing businesses and expanding into new areas,” and “enhancing our new businesses.”



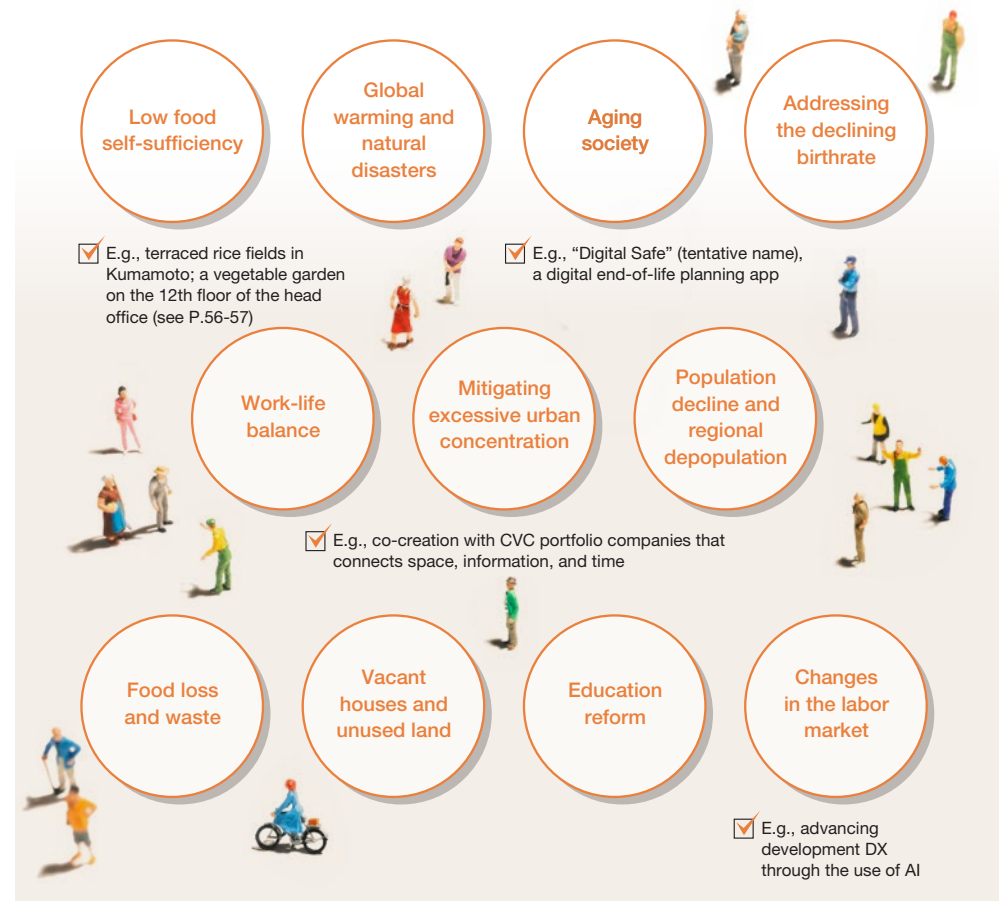
Empowerment of human resources

Human resources, the source of value creation, are our most important management resource. Maximizing human resources and organizational capabilities will help significantly improve business.

Fostering culture	Enhancement of education and training	■ Personnel system with 1,500 full-time employees
Promotion of DE&I	Career development support	■ Expansion of employee referral system
Increase in work-life balance	Improvement in evaluation management	■ Reduction of turnover
Effective recruitment strategies	Leadership development	■ 5% of working hours for self-improvement
Retention measures for potential retirees	Increase in spare time from greater productivity	■ Promotion of qualification acquisition

Expansion of social impact

By staying close to local communities and listening to the voices of our customers and the people who live there, we will create new businesses that help solve social issues and mitigate risks.



Value Creation Story (Part 2)

How Will We Move Forward Toward Our “Ideal Vision”?



(i) What Can ITFOR Do? What Are We Aiming For?

What we can do

Leveraging our
“Five Strengths” to
deliver IT solutions

>>> P.20-24

What we aim for

Enriching people's lives
by creating quality time
(HIGH FIVE 2033)

>>> P.25-26

(ii) How Will We Move Forward Toward Our “Ideal Vision”?

Growth strategy

Growth through the
development of existing
businesses and the creation
of new businesses
(FLY ON 2026)

>>> P.28-30

Actions

Acceleration of growth
through our six businesses
and technological
capabilities

>>> P.31-44

Addressing
key issues

Identification of five
materiality items and
resolution of the issues

>>> P.45

(iii) Why Is ITFOR’s Management Sustainable?

Strong
management
capital base

**Advantages of
our management
capital and its
further enhancement**

>>> P.47-52

Sustainable
management

**Initiatives for
sustainability
management**

>>> P.53-57

Robust governance
**Governance
committed to
realizing our
corporate philosophy**

>>> P.58-65

FLY ON 2026: Overview and Progress

Business strategy

Deepening customer relationships / Growing customer base

- A solid customer base in the credit management system (over 73% market share) + significant growth potential with a wide range of products
- The only packaged system vendor that can combine and offer a web-based loan application system and a personal loan operation support system
- Expanding demand from credit unions and non-banks

Room for growth 57.2%

Bank

- Shinkin Banks (Credit Unions)

Non-bank

- Credit Card Companies
- Consumer Finance Companies
- Guarantee Companies
- Leasing Companies

Regional Banks + 2nd-tier Regional Banks: 97 (as of March 31, 2025)

Markets other than Regional Banks

We will deploy an account-based sales structure in which a single account representative provides one-stop delivery of not only our existing products but also new products that adopt the latest development methodologies and cutting-edge technologies such as blockchain. By doing so, we will harness the collective strengths of our six divisions, expand cross-selling to deliver multiple products in each of Japan's 47 prefectures, and deepen our customer relationships.

Enhancing sales force

- Room for growth through regional cross-selling
- Continuing reinforcement of our account-based sales structure to achieve our FY2026 targets

Room for growth 44.7%

47 Prefectures

- Payment Systems**
- Communications Systems**
- CTI Systems**
- Retail EC Systems**
- Public Systems**
- Financial Systems**

Strengthening of development personnel and reorganizing development methods

- Kickoff of a project to build an AI-driven development process
- Strategic use of generative AI as a development support tool in packaged software development
- Maximization of human judgment and technical expertise

Design **Test**

Generative AI

- Automatic generation of code and test code from natural language design documents
- Checks of the contents of design documents with AI
- Automation of source code reviews

Deepening customer relationships / Expanding products horizontally

- Sufficient room for growth through cross-selling systems from other divisions to the customer base that includes regional financial institutions, local governments, and regional department stores
- Sequential introduction of new products and collaborative products with our CVC portfolio companies. We will also introduce our products to their customer base

CTI Products

- Robotic Call
- CXone

Communications Products

- Infrastructure Networks
- Cybersecurity

New Products

- Agent Hub (Patent granted)

Payment Products

- Cashless Payment Terminals

CVC Investment Products

- VACAN
- Payke

Number of Products Implemented

Our Customer Base **Prospective Customers and Competitors' Customers** **Customer Base of our CVC Portfolio Companies**

Developing new products

- A digital end-of-life planning app that combines a blockchain-based digital "Safe Deposit Box" and "End-of-Life Documents"
- A next-generation HR solution that uses AI-based data analytics to visualize employees' voices regarding their company and work, identify key issues in human resource strategy, and support the implementation of measures

Digital Safe (tentative name) → **Finance**

AI dialogue app "COCO VOICE" → **HR**



FLY ON 2026: Overview and Progress

Human resource strategy

To realize “FLY ON 2026,” it is essential to create an environment where outstanding talent can fully demonstrate their abilities. To that end, we will streamline operations through AI while hiring sufficient numbers of highly capable talent. We will also develop a comfortable workplace environment that fosters employee motivation to grow with the company, and provide economic support along with ongoing wage increases. In addition, we will continue initiatives targeting elementary and junior high school students to secure future talent.

Build an optimal human resource portfolio

Securing of the development talent needed to achieve the FY2026 targets

Required development headcount for FY2026: **298** → Shortfall of **64**

	Non-consolidated sales target * 90% of consolidated	Development involvement 36.3%	Net sales per engineer	Number of engineers
FY2024	JPY 19,800 million	JPY 7,187 million	JPY 30.7 million	234
FY2026	JPY 25,200 million	JPY 9,148 million	JPY 30.7 million	298

Management training

Raising the share of PMP holders among Technology Division personnel to 20% or more



Improve retention by raising ES

Introduction of a student-loan repayment support program

- Interest rate: 0% • Eligibility: All full-time employees with student-loan obligations
- Repayment term/method: Freely configurable (any economic benefit will be treated as taxable employment income)

Introduction of a restricted stock-based compensation program for employees and expansion of the employee shareholding association

- Restricted-stock (RS) trust scheme
- Eligible participants: Full-time employees of ITFOR
- Grant timing: Annually
- Increase in the employee shareholding association's incentive contributions (10% → 30%)

Education & ES enhancement

- Enhancement of internal training
- Encouragement of reskilling
- Ongoing wage increases: FY2023: 9.46% → FY2024: 5.70% → FY2025: 5.35% (*ITFOR track record)
- Enhancement of the office environment (Kyushu Office relocated; preparations underway to relocate West Japan Office)



Implement initiatives to develop future human resources

- Co-sponsored “All-Japan Programming Convention of Selected Elementary School Students” for three consecutive years
- Junior high school students assisted with our job offer ceremony as part of their workplace experience.
- Co-sponsored “Teen Apps Awards 2024”
- Distributed cafeteria discount coupons via app at regional universities



FLY ON 2026: Overview and Progress

■ Corporate value improvement strategy

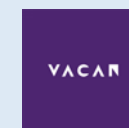
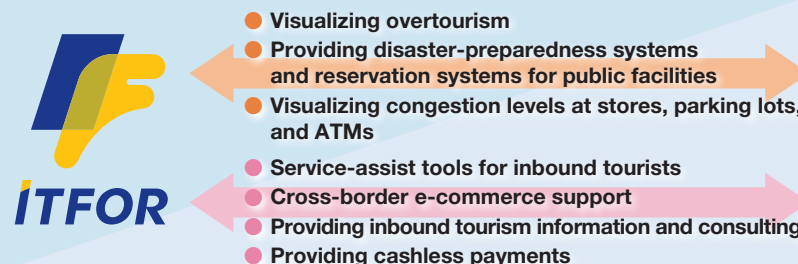
Achieving JPY 70 billion in sales by 2033 and enhancing corporate value cannot be attained solely through our in-house human resources, technology, and know-how. Accordingly, we will develop multiple growth drivers, including CVC investments and M&A. In FY2024, we invested in Vacan, inc. and Payke, Inc., which are expected to generate synergies with ITFOR. By combining our respective strengths, we expect to develop solutions for inbound tourism demand and its associated challenges, as well as for new areas such as disaster preparedness.

With respect to capital allocation, we launched a plan targeting JPY 8.8 billion of cash inflows and JPY 11.8 billion of cash outflows, and in the first year, we executed investments totaling approximately JPY 4.7 billion. The progress stands at approximately 40%. We also plan to bring net cash to around JPY 10 billion by the end of FY2025.

To build understanding of these corporate value strategies, we will continue to engage proactively in IR activities, focusing on dialogue with both individual and institutional investors. We held 38 dialogues in FY2023, increasing to 52 in FY2024. Going forward, we will expand opportunities for dialogue and continue our IR activities to help more investors understand ITFOR.

Business investments and synergies

- Reviewed 19 M&A candidates and 58 startup candidates, and invested in Vacan, inc. and Payke, Inc. in FY2024
- Expect not only bilateral synergies with ITFOR but also three-way synergies among the companies
- Set KPIs of two M&A transactions and three CVC investments for FY2025 business investments

Deploying an IoT-powered congestion mitigation platform. Providing “VACAN,” a congestion mitigation platform that offers various functions such as visualization, management, and distribution of congestion information



Developing and operating “Payke,” a shopping support app for visitors to Japan. Providing inbound-related data and consulting

Capital allocation

- Executed share buyback of JPY 931 million and share cancellation of JPY 1,000 million
- Set a new target for the net cash level at the end of FY2025: JPY 10,000 million
- Invested JPY 748 million in new businesses in FY2024

Unit: million yen	Medium-Term Plan Target (3yr total)	FY2024 Results	vs Target
New business investments (including CVC)	2,000	748	37.4%
Total	11,860	4,775	40.3%

IR activities

- Ongoing dissemination of growth stories

- Financial results briefing: 2 times/year
- ITFOR Newsletter (disseminate information to shareholders): 2 times/year
- Individual-investor briefing: 5 times in FY2024



- Hold dialogue with institutional investors, reflect content in management as necessary

- Increase interviews with investors (FY2023: 38 → FY2024: 52)
- Share and discuss information on investor interviews with management

Shareholder returns

- Maintain the basic policy of a target dividend payout ratio of 50% and a total return ratio of at least 70%
- Announced dividend increases for three consecutive years. Plan to pay an annual dividend of JPY 60 in FY2025 (payout ratio 53.8%)

Toward Maximizing Performance

<Message from the General Manager of the Corporate Strategy Department>

Accelerating cross-selling through a “return to our roots” that integrates knowledge from our six divisions sharing a common origin

Hiroataka Oeda
Director and Managing Executive Officer,
General Manager of Corporate Strategy
Department and Financial Systems Division



1. Origins and evolution of our divisions

Today, ITFOR has six divisions. When I joined, our core business was still importing and selling computer hardware and communications equipment. Rather than industry-specialized businesses as we have now, the focus was on how to sell hardware.

In that context, we built a real-time online POS system for a client in the retail industry, using imported computers. Because the client offered installment sales, we also provided a system to support delinquency management, thereby laying the foundations of what are now our retail and financial businesses.

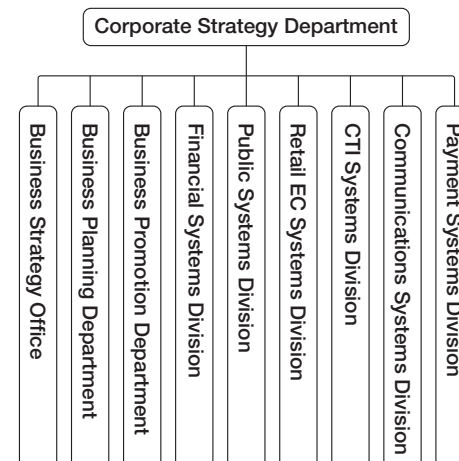
Thereafter, the retail and financial businesses each evolved on their own paths. Around 2000, we began importing and selling voice recording systems from NICE, and launched our CTI business. We implemented CTI products into the broader financial sector, not only banks but also insurance companies.

Given that the number of regional banks in Japan is limited, we turned our attention to the

public sector, which has similar operational structures—for example, management of delinquent taxes and National Health Insurance premium arrears—and expanded our business by applying our financial know-how. This became the starting point for today’s Public Sector Division.

Also, while working in the financial business, we were approached by a regional bank about

[Figure 1: Corporate Strategy Department Organization]



building a payment system, which led to the launch of our current payments business (see ITFOR Integrated Report 2023, “Feature: Customer Dialogue”).

In this way, our core businesses have continued to expand, creating new avenues through the development of existing businesses and collaboration across businesses. For that reason, we believe it is vital that our six divisions connect and work in concert, rather than operate in isolation. We have built a structure in which the Business Promotion Department, reporting directly to the Corporate Strategy Department, firmly supports this collaboration (see Figure 1: Corporate Strategy Department Organization).

2. Account-based sales and locally rooted sales approach

We are strengthening our account-based sales structure.

At our Kyushu Office, we launched account-based sales ahead of the rest of ITFOR last year and built a setup that allows

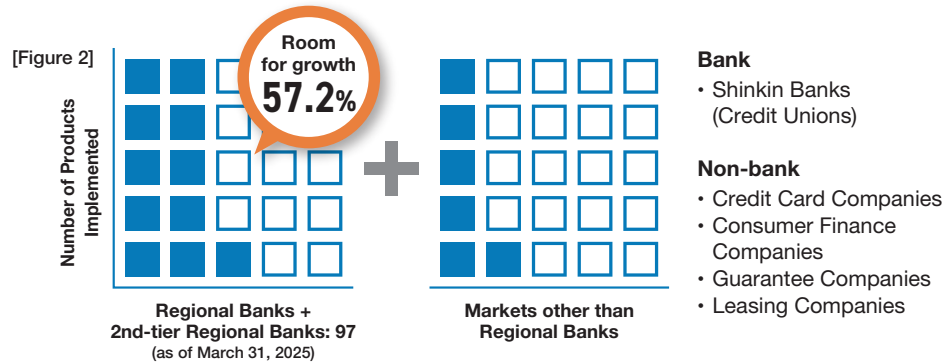
each representative to handle offerings from all divisions. When one salesperson covers a broad portfolio, we can engage more deeply with customers and deliver more finely tailored proposals. Whereas we previously had sales staff dedicated only to financial institutions, we now operate with greater agility on the ground—for example, stopping by the prefectural government and city hall when visiting a bank. This locally rooted sales approach is already delivering results in the public sector.

Looking ahead, we will expand this approach to Osaka and then Tokyo, building an integrated sales organization even within our divisional structure. Units reporting directly to the Corporate Strategy Department also play a major role in cultivating salespeople who stay close to customers and discern what is truly needed.

3. Steady expansion in a challenging market environment

Regional banks and regional department stores are brands in their own right within their

Toward Maximizing Performance



communities. We are in a position to support both financial and retail sectors, and that is a key strength. Our ability to serve customers in both sectors is also a strength. However, it is also a fact that the market is on a contracting trend.

At present, our “RITS” has been implemented at 14 department stores nationwide. Although the department store industry as a whole is contracting, our share is steadily increasing, and we believe there is significant room for growth. The same is true for financial institutions (see Figure 2).

In the communications sector, we provide highly flexible systems for utilities such as electric power companies that support social infrastructure. Notably, as domestic manufacturers exit the market, our ability to handle overseas equipment, enabling configurations that retain legacy interfaces at both endpoints while converting the intermediate transport to IP, has been highly valued. This market is also trending smaller, but we are reliably capturing

the remaining demand and expanding our share.

4. Businesses that will form our next growth pillars

For financial institutions, we will roll out new SaaS-based services such as the digital debt-resolution platform “Agent Hub” and payments services.

Over the next three to five years, we see the public sector as a key driver of our growth. The standardization of delinquency management systems and the expansion of BPO are accelerating across local governments nationwide.

In addition, ITFOR BeX Inc. has been integrated with ICR Co., Ltd., a Group company, and is now fully up and running, further strengthening our BPO business. Going forward, in the BPO domain, we will advance the horizontal rollout of CTI solutions, including Robotic Call (automated voice payment

reminders) and a contact center platform, to drive digitalization.

The cashless payments sector is also an area with high growth potential. The government’s target of a 40% cashless payment ratio has already been achieved, and cashless transactions are increasingly common across society. With the recovery of inbound tourism demand, we expect responses, including in regional areas, to be strengthened.

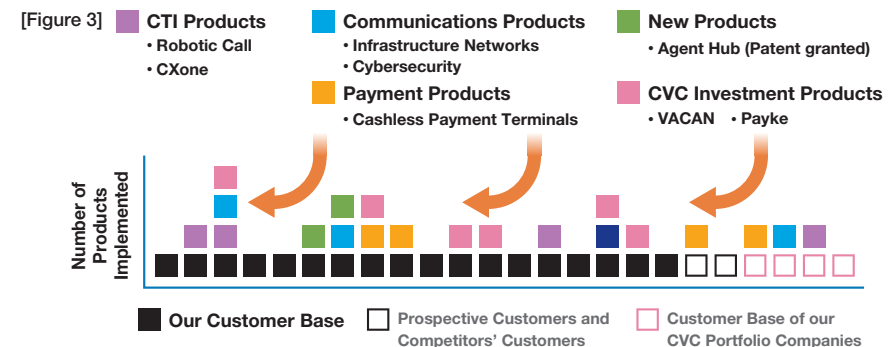
5. The key to growth is “horizontal expansion”

Looking across each division’s markets, we expect steady growth over roughly the next decade. While growth will vary by division, we anticipate annual growth of approximately 5-10%.

That said, our existing businesses alone will not be sufficient to reach our FY2033 target of JPY 70 billion, so we are also focusing on new

businesses. Through CVC (corporate venture capital), we invest in startups highly aligned with our customer domains and aim to grow businesses together. We are also putting in place mechanisms that enable employee-originated ideas to take on new domains. For example, we are developing “Digital Safe” (tentative name), a smartphone end-of-life document app leveraging blockchain, and proposing integrations with banking apps, opening up new channels (see Figure 3). Two units reporting directly to the Corporate Strategy Department—the Business Planning Department and the Business Strategy Office—are driving the planning, development, and commercialization of these new businesses.

To grow our businesses, we believe it is essential to keep a perspective of horizontal expansion, leveraging the robust customer base we have built to date. Even within the current divisional structure that can tend toward silos, we will work with a mindset to “create connections” and “expand horizontally.”



Strategies and Activities by Business

Financial Systems Division

Leveraging comprehensive capabilities honed with banks to drive horizontal expansion into non-banks and further broaden the customer base

(Left)
Yoshikazu Fukushima
General Manager of
1st Sales Department

(Right)
Shigenori Tomitani
General Manager of
3rd Sales Department



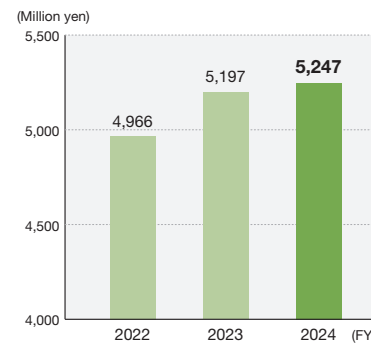
● ITFOR's strengths (in the Financial Systems Division)

- Business knowledge cultivated since developing the first auto-call system in Japan
- No. 1 market share in the delinquent debt management systems sector
- High level of competitiveness for personal loan operation support systems
- More than 450 systems implemented at financial institutions around Japan. Building strong relationships of trust by providing maintenance and services

◆ Opportunities and Risks

- | | |
|----------------------|--|
| Opportunities | <ul style="list-style-type: none"> ◆ Accelerating shift to non-face-to-face customer contact ◆ Accelerate DX with the aim of improving operational efficiency and creating new value |
| Risks | <ul style="list-style-type: none"> ◆ Shift of major customers developing in-house systems ◆ Market contraction due to consolidation of regional financial institutions |

■ Net sales of system development and sales



FY2024 business overview

Our division holds the No. 1 system market share in retail lending and delinquent debt management (according to our survey), maintaining competitive advantage in the market.

FY2024 net sales in system development and sales (excluding recurring) totaled JPY 5,247 million, up 1.0% year on year, reflecting solid performance. Notably, the personal loan operation support system “SCOPE” (approx. JPY 1.9 billion in net sales) and the delinquent

debt management system “TCS” (approx. JPY 1.1 billion) performed well, serving as a core pillar of business accounting for around 57% of total sales.

Growth strategy

In the financial industry, business restructuring driven by management integration is accelerating, and the market is trending smaller. In addition, due to acquisitions and partnerships with IT firms, some financial institutions are bringing system development in-house or selling it externally, continuing to create a challenging environment for system integrators like us.

To adapt to these changes, we have begun renewing our personal loan operation support system for banks. By adopting an intuitive UI/UX design and building a more user-friendly system, we aim to further expand our share. With the digital debt-resolution platform “Agent Hub” launched in March 2025, we will also strengthen our sales efforts and drive an expansion in the number of adopters, while improving operational efficiency across the industry. In parallel, we will advance security and functionality enhancements, building the know-how for subsequent SaaS-based service development.

For credit-screening systems for non-banks, many companies are developing their own systems from scratch, and as a result, development costs have ballooned. For small and mid-sized non-banks in particular, we are considering the rollout of a simplified screening

system designed to reduce system development costs and improve operational efficiency. We will fully leverage the expertise we have cultivated over many years in personal credit information inquiry systems and credit-screening systems, and advance R&D with speed.

Toward the future

The use of AI has become a must-have requirement for financial institutions. AI technologies are driving the advancement of financial services, enabling more sophisticated risk management, automating credit assessment, and automating customer support via chatbots. To move quickly to adapt our systems to this situation, we will actively pursue collaborations with companies possessing diverse AI technologies.

In the debt collection sector, where human resources are scarce, we believe that combining our business systems with BPO and AI can contribute to earlier recovery and higher recovery rates. We will also consider leveraging services from ITFOR BeX Inc., a Group company, to broaden our solutions.

In addition to the SaaS-based service “Agent Hub,” a payments service now under development as our second offering will allow us to expand into broader markets and acquire new customer bases. While keeping rollouts of existing systems into other industries in view, we will accurately identify diversifying needs and create new business opportunities.

Strategies and Activities by Business

Public Systems Division

Solving local government DX and labor shortages with new packaged systems and services

Kenji Kobayashi

Executive Officer,
General Manager of Public Systems Division



● ITFOR's strengths (in the Financial Systems Division)

- “CARS”^{*} supply model with our mainstay delinquent debt management system tailored to local governments
- Greater collection rate by providing BPO services in tandem with delinquency management and notification systems
- Contribute to resolving customer issues in a reliable manner, and secure long-term contracts

^{*} CARS: Civic Administration Relationship Service

◆ Opportunities and Risks

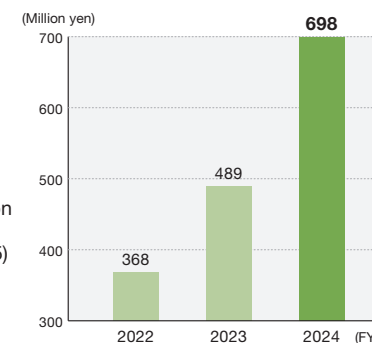
Opportunities

- ◆ National local government system standardization led by the Ministry of Internal Affairs and Communications and the Digital Agency (FY2025)
- ◆ Decrease in the number of local government employees, systemization due to mergers, etc., and expansion of outsourcing needs

Risks

- ◆ On-time completion of system standardization for local governments
- ◆ Price decline due to intensified competition in system sales following completion of standardization

■ Net sales of system development and sales



FY2024 business overview

Our division's core business is providing packaged systems for local governments, including prefectures, designated cities, core cities, and special wards, to support tax and

insurance premium collection operations as well as boards of education operations. Our subsidiary ITFOR BeX Inc. also undertakes business process outsourcing (BPO) for collection operations.

A key strength of our Group is that, by

performing outsourced work, we gain an understanding of our customers' operations and can enhance the functionality of our packaged systems. By executing the work using our in-house developed systems, we can reduce errors and cut labor costs, thereby differentiating ourselves from competitors.

Growth strategy

In FY2025, the deadline for national local government system standardization comes due, and we expect revenue from local governments that have implemented systems subject to standardization. However, because the standardization work is concentrated in the second half, there is a risk of SE resource shortages and unforeseen issues. In local governments with large populations, standardization may also result in reduced system functionality, meaning some processes previously handled by systems could become unsupported, thereby creating new system needs. Once standardization is complete, systems offered by different vendors will be functionally similar in principle, limiting functional differentiation and likely leading to price-driven competition. To continue expanding the business, it is an urgent priority to create new packaged systems and services. Looking ahead, as local government DX accelerates, and as fewer local government employees and the implementation of work-style reforms reduce workforce capacity, we expect both an expansion in the scope of BPO and further efficiency gains through system use. We will roll out new services leveraging AI and RPA for operations covered by our current services and

build additional services that can be applied to new operations.

Toward the future

Facing future population decline in regional areas, the so-called “2040 problem,” and the declining birthrate and aging population, local governments must treat securing workforce as a critical challenge. Furthermore, amid rising labor costs, automation of operations is expected to accelerate over the next five to ten years. At ITFOR, by implementing advanced technologies such as AI and shifting toward automated operations, we will reduce contracted-service costs while maintaining quality, aiming to differentiate ourselves from competitors. In regions where hiring is difficult, we will actively take on work at off-site operations centers, thereby contributing to regional revitalization.

In the public sector, we established ITFOR BeX Inc. and transferred the BPO business in April 2024, and in April 2025, our subsidiary ICR Co., Ltd. was absorbed and integrated into that company. This has eliminated issues associated with operating the BPO business across two Group companies and with duplicate HR/labor administration. We also expect benefits such as the sharing of business know-how, more effective use of resources, and quality standardization.

Starting with the current standardization initiative, local governments will further accelerate digitalization. As administrative services diversify, we will fully leverage our strengths to meet the growing demand for systems and services.

Strategies and Activities by Business

Retail EC Systems Division

Supporting regional retailers facing population decline and aging with products, keeping business process digitalization (DX) and cross-border e-commerce in view

Go Yoshimura

Executive Officer,
General Manager of Retail EC Systems Division



● ITFOR's strengths (in the Financial Systems Division)

- “RITS,” a total solution package covering department store operations
- A highly customizable e-commerce package
- End-to-end omnichannel, from build to support, delivered by a single vendor
- Business knowledge and development know-how gained from 50 years of retail systems development

◆ Opportunities and Risks

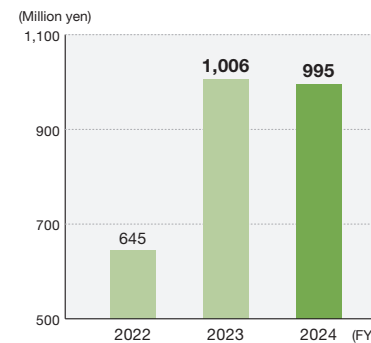
Opportunities

- ◆ Industry-wide acceleration of digital investment across department stores
- ◆ Advancement of omnichannel strate
- ◆ Advancement of DX as a response to labor shortages

Risks

- ◆ Store closures at regional department stores due to shrinking markets and aging facilities
- ◆ Accelerated shifts away from the traditional department-store format amid intensifying competition from urban department stores and e-commerce

■ Net sales of system development and sales



FY2024 business overview

Our division's primary markets are 47 locally rooted regional department stores nationwide and e-commerce operators across Japan. In

1975, we developed Japan's first in-house POS system for a major department store. Today, focusing on regional department stores and specialty stores, we provide comprehensive retail systems from online to offline, includ-

ing the “RITS” core system, the “ITFOReC” e-commerce system, and “iRITSpay” payment terminals. Our strength is that we can provide both “RITS”—a packaged system that covers all department store operations, standardizes workflows at regional department stores, and minimizes system investment—and the e-commerce online sales channel, from a single vendor. We also offer solutions that support omnichannel strategies end to end.

Growth strategy

Since the COVID-19 pandemic, consumption has been recovering and inbound tourism demand has returned, putting the whole retail sector on an upward trend and leading us to expect increased system investment. On the other hand, consumption is concentrating in major cities, and we anticipate a widening performance gap for regional and suburban stores. Moreover, ongoing inflation and the shift in spending from goods to experiences are likely to keep conditions challenging for our main target, regional department stores. Labor shortages driven by population decline and aging also remain a serious issue for retail. In this context, reducing operational burden and improving employee workloads help secure employees and, in turn, enhance customer service quality. Our next-generation POS is designed to radically simplify complex tasks and operations and, with a clear UI, enable anyone to use it easily without special training, which we believe contributes to business

process digitalization (DX).

The e-commerce market continues to expand year by year, yet feature trends and security requirements evolve at a very high speed. In this context, our division's e-commerce package has been developed entirely in-house. However, in recent years, we have been unable to invest in feature enhancements, creating a widening gap with market needs. To address this fundamentally, we are developing a new e-commerce offering based on the “Shopify” SaaS engine.

Toward the future

Over the next three to five years, retail will undergo further digitalization. We expect AI- and big data-driven customer analytics to make more personalized marketing the mainstream.

The spread of cashless payments, smartphone payments, and 2D code payments will further advance, and the digitalization of in-store experience will accelerate, making DX ever more important. In addition, we aim to further expand our business beyond Japan, with an eye to overseas markets.

The packaged systems handled by the Retail EC Systems Division are “RITS,” “POS,” and “EC.” For each, we will pursue greater ease of use through UI/UX improvements and feature enhancements.

In addition, as a new initiative, we are developing “Mini POS,” which runs on payment terminals.

Strategies and Activities by Business

CTI Systems Division

Creating value through Robotic Call and AI implementation, leveraging the strengths of our cloud-based telephony platform

Tenpei Ogawa

Executive Officer,
General Manager of CTI Systems Division



● ITFOR's strengths (in the Financial Systems Division)

- Track record of providing the automated call reception system “Robotic Call” linked to our mainstay delinquent debt management system
- Providing solutions from NICE, the world’s leading call recording device

◆ Opportunities and Risks

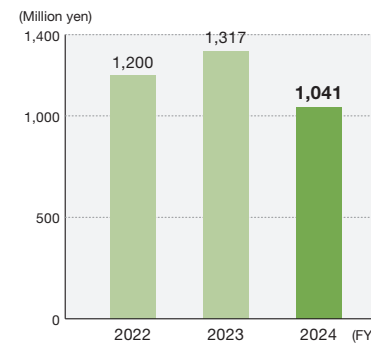
Opportunities

- Growing demand for Robotic Call in light of increase in non-face-to-face services and declining working population
- Growing momentum in innovation with cloud-based services, SaaS, AI implementation, etc.

Risks

- Increased procurement costs caused by weakening yen due to large number of products from overseas
- Differentiation against AI-enabled competing products

■ Net sales of system development and sales



FY2024 business overview

As its name suggests, our CTI (Computer Telephony Integration) Systems Division integrates telephony with computer systems.

Today, our flagship is “CXone,” a fully cloud-based contact center platform that supports a wide range of channels, including voice, SMS, and chat. As a cloud-based product, it lets customers always use the latest

features and offers excellent flexibility and scalability. Our long-standing on-premises call recording system remains a core offering. It is used particularly in the financial industry for delinquency collections and by contact center service providers for performance reporting to clients, and has been implemented widely across organizations that require recordings for audit and evidentiary purposes.

Growth strategy

With our flagship shifting from traditional call recording systems to the telephony platform, we will further strengthen sales activities for Robotic Call and our cloud-based contact center platform. We will also pursue optimization tailored to each industry’s characteristics and customer challenges, and build out a rapid implementation support framework, including industry-specific templates. These efforts will raise customer satisfaction and help secure competitive advantage.

Accuracy improvement in services such as generative AI-powered auto response, transcription, and summarization, which has rapidly advanced since around 2024, is expected to drive major operational efficiencies. We thus intend to focus on these services. At the same time, because technology is evolving extremely fast and many competing products are likely to appear, we recognize the importance of clarifying markets we focus on and delivering differentiated value.

As diverse work styles such as work from

home and remote offices become entrenched, cloud solutions make it possible to provide an environment where employees can work from anywhere in Japan. We see this as a new business opportunity. This initiative can also contribute to the revitalization of regional communities.

Toward the future

We expect cloud-based telephony platforms to become even more pervasive, creating a situation where operations must align with the standard software offered by cloud providers. In this context, we will fully leverage generative AI functionality together with deep business knowledge in niche markets to establish a distinctive position. We will also explore potential alliances with industry peers and consider providing solutions that combine our respective strengths.

At the same time, even as the cloud shift advances, some industries still require on-premises deployments. For these customers, we will not be bound by our existing products; instead, we will scout new products and deliver optimal solutions. In addition, we will focus on sectors with stringent security requirements and respond flexibly to diversifying market needs, for example, through hybrid proposals that combine cloud and on-premises.

Through these efforts, we aim to provide solutions that raise both employee satisfaction and customer satisfaction.

Strategies and Activities by Business

Communications Systems Division

Addressing security and social infrastructure needs through both advanced technology and human resources

Makoto Haneda

General Manager of Communications Systems Division



● ITFOR's strengths (in the Financial Systems Division)

- Providing one-stop service for infrastructure and systems such as cloud, network, security, and lines
- Providing highly unique products and equipment from cutting-edge communications technology countries such as Israel and Taiwan
- Developing unique packaged solutions by leveraging our technological expertise we have built up over 50 years

◆ Opportunities and Risks

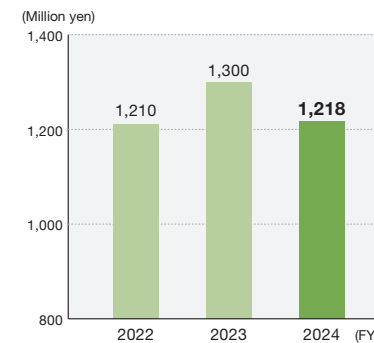
Opportunities

- ◆ Growing demand due to the growing threat of cyberattacks
- ◆ Growing demand for infrastructure facility upgrades due to the acceleration of DX in society

Risks

- ◆ Increased procurement costs caused by weakening yen and increased geopolitical risks

■ Net sales of system development and sales



FY2024 business overview

Our division delivers IT infrastructure and security to customers running our applications, social infrastructure operators, and telecom-

munications carriers. Our division's mission is: to provide IT infrastructure, such as cloud, networks, and security, that makes the various business systems and solutions offered by each division safe and easy to use for our

customers; and to supply network equipment and security to social infrastructure, such as electric power, gas, water, and telecommunications, so that their networks can be operated efficiently and securely.

Growth strategy

In the financial sector, cloud-based builds are progressing for more critical functions such as credit screening and receivables management. In the public sector, migration to the Government Cloud is entering full swing from this year through next, with vigorous activity.

In response to the accelerating shift to cloud in recent years, we will expand our recurring business by providing our “IPaC” cloud service together with support services.

In the security sector, the market and customer needs continue to grow amid incidents and heightened awareness across society.

We will drive expansion through risk assessments (ASM), generative AI-related solutions, zero-trust architectures, and cybersecurity talent development initiatives.

In the social infrastructure sector (e.g., electric power and gas), the withdrawal of domestic manufacturers is prompting renewals of aging equipment and migrations from dedicated-line networks to IP networks. Although execution will take a long span of eight to ten years, we will maintain sustained efforts and broaden the scope of this steadily advancing business.

We also see IoT solutions and disaster preparedness as new focus areas. While these themes—sensing within social infrastructure and disaster preparedness—have been explored for more than a decade, the market is not yet fully activated, and we expect significant growth potential ahead.

Toward the future

In the social infrastructure domain, IoT and disaster preparedness represent markets with medium- to long-term growth potential, driven by workforce shortages and rising awareness of disaster risk. We are launching IoT and disaster preparedness as new businesses, planning to add them as the next solutions following IP migration.

By leveraging IoT to continuously monitor equipment conditions, detect early anomaly signals, and perform preventive maintenance before failures occur, we can reduce the frequency of labor-intensive periodic inspections. IoT not only offsets labor shortages; it also has the potential to make operations of social infrastructure overall safer, more efficient, and more sustainable.

We will also place greater emphasis on our cloud and security businesses. In the security sector, where differentiation is not yet sufficient, we will strengthen competitiveness by combining our offerings with leading overseas technologies and professional services, and by developing proprietary services.

Strategies and Activities by Business

Payment Systems Division

Deploying store-facing solutions that position multifunctional payment terminals as hubs for operational improvement

Kazunori Kono

Director and Executive Officer,
General Manager of Payment Systems Division



● ITFOR's strengths (in the Financial Systems Division)

- Multi-payment platform “iRITSpay” supporting the industry’s most popular payment methods
- One-stop business model providing terminals, apps and terminal-related operations
- Strengths in development and multi-functionality with expertise in the financial, distribution and retail industries

◆ Opportunities and Risks

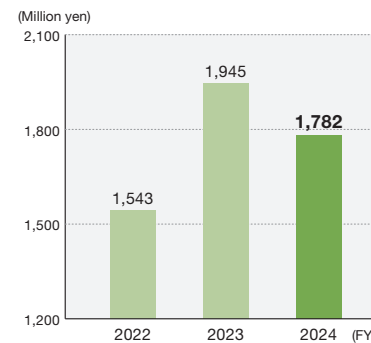
Opportunities

- From multi-payment to multi-service (financial, distribution and retail industries)
- Acceleration of cashless, contactless and tap payments

Risks

- Rising procurement costs due to the situation in Taiwan and exchange rate volatility

■ Net sales of system development and sales



FY2024 business overview

Our division’s payments business focuses on supplying payment terminals and operating a terminal center. We provide products that integrate payment terminals from Castles

Technology, a leading Taiwanese manufacturer, with our proprietary payment application. By handling the entire process, from terminal shipment through failure response, we reduce customers’ operational burden and provide a reliable operating environment.

Our division’s strength lies not only in supplying terminals but in delivering a one-stop service: operating the terminal center, shipping terminals to merchants, providing operating instructions, and offering support when failures occur. This approach significantly eases the operational burden of bank-affiliated acquirers and payment service providers (PSPs), helping us secure a competitive advantage.

Growth strategy

In the payment terminal market, the shift to multi-payment support, falling prices of overseas devices, and the commoditization of products are driving margin erosion, making it increasingly difficult to differentiate with the terminal alone.

In response to concerns about this intensifying competition, our division recognizes the need to go beyond supplying hardware and sustain competitiveness by combining it with high value-added services. Anticipating growing demand, we will roll out multifunctional payment terminals loaded with applications beyond payments, such as POS functionality, attendance management, and duty-free processing.

For cost-sensitive single-store merchants, we plan to release a low-cost, pocket-sized payment terminal with streamlined features. We are also considering the implementation of app-based payment terminals using smartphones and tablets. Through flexible responses to diversifying customer needs, we seek to

strengthen our competitiveness and expand sales. In addition, by expanding terminal-based, store-facing solutions, we will enhance the service value delivered to customers and advance differentiation. By sensing market trends early and proactively embracing new payment methods, we will further reinforce our division’s strength, end-to-end support capabilities, and maintain our competitive edge.

Toward the future

To drive medium- to long-term demand growth, we plan to expand beyond cashless payments into new domains. Through customer companies’ back-office systems and store operation support solutions for merchants, we will solve customer companies’ challenges, deliver operational efficiency and marketing support for merchants, and enhance the added value of our services.

Meanwhile, the payment terminal market is expected to saturate over the medium to long term, making it necessary to move away from a terminal-dependent business structure. Accordingly, our division is shifting toward being a provider of end-to-end cashless services, building app-based payment systems and developing new services that benefit both merchants and users. Through these initiatives, we aim to achieve sustainable growth and establish a solid business foundation that can adapt flexibly to industry change.

Strategies and Activities by Business

Technology Division

Reforming our structure to support diverse technical domains Linking talent acquisition and development to company growth

Strengths of the Technology Division

Building a flexible operating structure
Taking our flagship package into new domains

In April of this year, our division was reorganized. Because our scope spans a broad set of technical domains beyond “development,” from the infrastructure systems business to device kitting and customer support, we renamed the organization from “Technology Development Division” to “Technology Division.” We also realigned our organizational structure, including the existing infrastructure systems business and software development departments, to establish an operating model that better reflects realities.

As an independent systems integrator, we have implemented packaged software tailored to each industry and business model, primarily for regional financial institutions, regional department stores, and local governments. With a substantial track record of implementa-

tions built over many years, we can leverage that expertise to provide prompt, precise support even to new customers, which is one of our key strengths. A further strength is our ability to deliver end-to-end solutions, from networks and other infrastructure through to applications.

We foster a culture of perseverance—never giving up until we resolve the issue. Even when issues arise, we don’t give up and work them through to a solution. This stance embodies our corporate philosophy, “YORISOU CHIKA-RA”—The Strength to Support. We take pride in our proposal capabilities and our walk-alongside approach to customers, areas in which we believe we are second to none.

We are now focusing not only on implementing packaged software but also on providing SaaS-based services. One initiative already underway is a next-generation e-commerce system built on a SaaS platform. This is a package designed to be more flexible and scalable than traditional solutions while reducing implementation and operating costs. It supports operations tailored to a wide range of industries and business models, delivering

(Left)

Takehiro Ikeda
 Executive Officer,
 General Manager of
 Technology Division

(Right)

Kenji Hashimoto
 Executive Officer,
 Acting General Manager of
 Technology Division



ease of use for customers.

We are also advancing the use of AI. On the internal operations side, we are exploring ways to link AI with our documentation and applications, aiming to improve the accuracy of requirements definition documents and basic design documents. On the product and service side, we are advancing plans to combine AI with our existing packaged products to strengthen the products’ own decision-making and analytics capabilities, with potential collaboration with external vendors in mind. While we have not yet fully implemented AI company-wide, we are phasing in the use of AI to improve operational efficiency and product quality.

Human resource strategy

A development plan that starts with strengthening foundational skills
Supporting steady growth tailored to each career stage

Regarding technical training for new employ-

ees at the Technology Division, we place importance on ensuring that they acquire the foundational knowledge and technical skills that form the bedrock of their work.

While we want them to contribute in the field as soon as possible, we believe that investing time in building a solid foundation lifts the baseline and leads to steady growth.

From April through November, new employees study IT skills and industry knowledge while working toward certifications. After that, they raise their level as SEs through OJT.

Once assignments are set, each employee trains one-on-one with a trainer. Software SEs and infrastructure SEs pursue training in their respective positions. In particular, software SEs must understand customers’ operations, draw out their requirements, and make proposals that address them. Thus, although they are engineers, they need communication skills on par with sales staff. To that end, before they go into the field, we provide practical training, such as opportunities for internal presentations to help them get comfortable with public speaking.

For mid-level SEs, we run regular study

sessions. By learning a broad range of packages, we aim to build a structure in which any of our SEs can support any customer. Even when inquiries come from customers outside one’s remit, we train SEs to first understand the substance and provide a swift response, fostering an organization where they help one another.

For infrastructure SEs, the required skills center on technical and product knowledge. When new products are released, we verify them immediately and accumulate the resulting knowledge.

It is important for engineers to stay curious and keep up with the latest technologies. By continuously taking in new information, our SEs remain up to date.

Response to risks

Promoting advanced collaboration with partner companies alongside proactive SE hiring

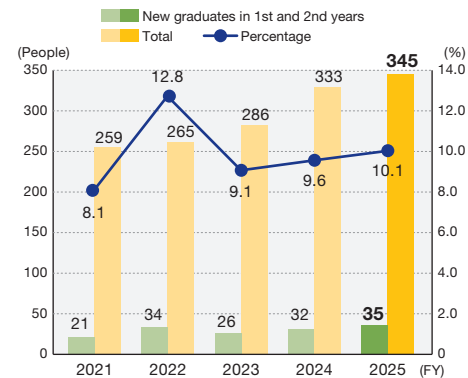
Our current SE headcount is not yet sufficient. We are actively working to secure the SEs essential for company growth. Stable talent acquisition is crucial for us to build a structure that ensures quality and earns appropriate compensation.

We raised our company-wide new-graduate hiring from 39 in FY2025 to 70 in FY2026. In addition, we plan to hire 45 mid-career profes-

sionals over three years, and hired 13 in FY2024. To prevent situations in which a shortage of SEs keeps us from meeting customer-requested schedules, we will continue to expand SE headcount in support of future company growth. We are also planning to introduce a mentorship program, motivated by our desire for employees who join us to remain healthy and thrive over the long term. Rather than supervisor-subordinate pairings, the program would match young employees across departments and create spaces for frank conversation. By enabling candid discussions, even about topics that may be hard to raise with one’s supervisor, we aim to foster an environment where people can work with peace of mind.

Meanwhile, given the current shortage of SEs, close collaboration with partner companies is also critical. We have narrowed our roster to about 20 companies, all of whom are close, long-standing partners. In the past, we went through phases of high outsourcing reliance, but thanks to stronger hiring, the in-house:outsourced ratio has recently improved to 1:1.2, and our medium-term target is 1:1. The Quality Management Department under the Technology Division conducts annual engineer evaluations across a range of metrics and, where issues are identified, requests improvements that can be challenging. As a result, our partner companies have an excellent understanding of our packages and respond effectively.

New and Second-time Graduate Engineer Recruitment Trends



Future outlook

Increasing customer touchpoints through speedy development

As for our future outlook, our top priority remains talent acquisition. We intend to increase our engineering team from about 300

members to 1.5-2 times its current size. Continuously strengthening our pool of engineers to build a more robust development organization is a prerequisite for future growth.

We will stay abreast of new technologies and incorporate them into our packages. In addition to reviewing existing packages, we will keep delivering new packages through speedy development, increasing customer touchpoints, and translating that engagement into growth. In the past, our goal of delivering packages that cover all functions has extended time to release. Going forward, we plan to adopt a flexible approach that delivers core functionality first and then offers peripheral features as optional add-ons so that we can release more quickly.

If we can’t deliver development, we can’t grow sales. We need to firmly secure and develop engineers and build a structure in which we can handle every deal salespeople win. Looking ahead, we aim to make the Technology Division strong enough to support sales divisions.

ITFOR’s strengths (in the Financial Systems Division)

- Providing prompt, precise support backed by an unmatched number of implementations
- Cultivating engineers with a solid foundation with intensive training for 8 months prior to deployment
- Increased development quality, speed and cost reductions by encouraging PMP certifications

Opportunities and Risks

Opportunities

- ◆ Opening new customer segments by developing a next-generation e-commerce system built on a SaaS platform

Risks

- ◆ SE hiring is becoming increasingly challenging, for both new graduates and mid-career professionals.



Toranosuke Matsumoto

Infrastructure Engineer (Tokyo)

Responsible for designing and operating core infrastructure and implementing security solutions



Shota Tokunaga

Systems Engineer (Fukuoka)

Responsible for implementing and maintaining loan screening and loan application systems for financial institutions in the Kyushu area



Masaya Yasui

Systems Engineer (Tokyo)

Responsible for implementing and maintaining mortgage screening systems and receivables management systems, primarily for internet banks



Akemi Osako

Systems Engineer (Osaka)

Responsible for implementing and maintaining loan-focused screening support systems for financial institutions in the Kansai and Shikoku areas



Shohei Okuma

Systems Engineer (Okinawa)

Responsible for implementing and maintaining delinquency management systems and telephone notification systems for local governments in Okinawa

Roundtable with Five Young Engineers of ITFOR

Developing systems with a constant awareness of staying close to customers and contributing to local communities

ITFOR's engineers whose work goes beyond programming

Yasui: Today it's just engineers gathered from different regions. I thought this would be a great chance to hear what we feel about our current work as engineers of ITFOR and how we approach it, and I've been looking forward to this opportunity.

Matsumoto: Exactly. As each of you has progressed in your career, your scope of work has broadened, and so has your perspective

as engineers. When you do your jobs, have you ever been conscious of ITFOR's traits or of our strengths as engineers?

Tokunaga: I joined ITFOR as a mid-career hire, and this is my fourth year. I was a systems engineer (SE) at my previous company as well, but my idea of what an SE was changed dramatically after joining ITFOR. At my previous job, my main duties were writing programs, and when translating customer requests into systems, I could only approach problems from a programming point of view. Now I mainly cover financial institutions in the Kyushu area, and

ITFOR's engineers really immerse themselves in the customer's operations and think out what system is truly needed. I see that as a major characteristic and a strength of ITFOR.

Okuma: I feel the same way. In the Okinawa area, I am mainly responsible for implementing and maintaining delinquency management systems for local governments. For example, when taxpayers fall behind, local governments take stepwise actions. Specifically, they start with managing the delinquency status and, as needed, sending payment reminders by letter and telephone. Parts of this work are sensitive,

so by understanding the end-to-end workflow, we can propose optimal system designs and operational improvements.

Osako: Our receivables management system holds the No. 1 share among regional banks, right? I see that as the result of years of experience and deep expertise combined with engineering techniques.

I'm responsible for financial institutions in the Kansai and Shikoku areas, and I learn a lot from my supervisor and seniors. Every day, I'm reminded of how deeply everyone understands financial operations.

Roundtable with Five Young Engineers of ITFOR



Yasui: It's also a strength that we have former bankers joining our company. We have a cycle where we absorb know-how from employees with that background and feed it back into our systems and packages.

And while SEs are often thought of as pure programming specialists, ITFOR's SEs are different. When I work on system development, I make a point of not confusing means and ends. The end is solving the customer's issue, and system development is the means to achieve that end. Until a few years ago, I treated system development itself as the “purpose” and the goal. That doesn't solve the customer's issue and, in many cases, ultimately results in hard-to-use systems. I remember feeling that I had truly become an SE of ITFOR when I made that shift in mindset.

Matsumoto: As an infrastructure engineer, my perspective is a little different from everyone else's, but I believe SEs, including infrastructure engineers, are in roles where we're expected to keep learning.

The core infrastructure I handle is characterized by the wide range of industries our customers are in. We often encounter a variety of specifications and systems we've never touched before, and sometimes a version upgrade changes all the commands and we have to go back and study from scratch. It's tough, but the moment you learn each of those things and put them to use in real work, you feel a real sense of achievement.

In terms of learning, I feel our company has fostered a culture of continually sharpening our skills on the job. It also matters that study sessions and learning workshops are held frequently.

Tokunaga: When I get stuck on something in programming, I can post a question on a chat tool and someone will quickly share a solution—across departments and locations. One of the strengths of ITFOR's SEs, I think, is this corporate culture where we share information with each other like casual daily conversation and level up our skills together.

Thinking from the customer's perspective and striving to elicit the essence of their needs

Yasui: Listening to everyone reaffirmed how important it is to develop systems while truly understanding the customer's operations and to keep pursuing new technologies.

Okuma: I agree. Another key point is drawing out what customers are really thinking and what they truly want. We often receive inquiries like, “We'd like to extract data on XX,” but when we listen carefully, it sometimes turns out they actually need different data. If we just do exactly what we're told, we ultimately fail to build trust.

Yasui: Lately, customers often say, “We want to do DX.” But does that mean they're asking for UX (user experience) improvements, UI (user interface) improvements, or going paperless? In fact, sometimes all that's needed is a minor modification to the current system. That's why I always focus on eliciting latent requirements from customers.

Matsumoto: To put it simply, it's about listening from the customer's perspective. Hearing everyone, I'm convinced it comes naturally because ITFOR's engineers have internalized our corporate philosophy, “YORISOU CHIKARA” – The Strength to Support.

As an infrastructure engineer, I also believe that frequent communication is part of YORISOU CHIKARA. Since I work on security solutions, if a virus is ever detected in an implemented system, I must contact the customer immediately and get a detailed grasp of the situation. That's why tight, day-to-day communication and information sharing are indispensable.

Tokunaga: I see. Your story really conveys the on-the-ground urgency.

While my example isn't an emergency case, I'm also conscious that speed of response to customer inquiries is a form of YORISOU CHIKARA. There are frequent instances in which additions or changes in a customer's operations make the implemented system insufficient to handle them. Fully rebuilding the system each time would take time and money,



Roundtable with Five Young Engineers of ITFOR



so I sometimes propose solutions like using advanced operations within the current system. Whatever the inquiry, I believe swiftly presenting a solution is itself a way of staying close to the customer.

Osako: Even in areas not directly related to systems, I try to practice “YORISOU CHIKARA.”

The other day, a customer where we’d implemented a system called and said, “My PC keyboard has stopped working!” Of course, that’s not something our company would normally handle, but I vividly remembered my supervisor once responding very courteously to an out-of-scope inquiry from another customer and telling me, “If there’s something we can do, we should do it properly—the customer will appreciate it.” So I troubleshot with them: “First, please unplug and replug the USB,” “Try swapping the keyboard for another one,” and

so on, probing the possible causes. In the end, it turned out to be the classic punch line: “Oh, there was a staple stuck in the keyboard. It’s working now—thank you.” (laughs)

I realize that these small acts, accumulated over time, build trust in relationships. Now that customer responds to our system proposals with, “If Osako says so,” and gives us their full confidence.

Yasui: The ways to solve customers’ problems vary widely depending on the situation and the specifics. To make sure our customers don’t struggle when talking with other system vendors, I organize the key points and issues from a systems perspective on their behalf.

Tokunaga: It’s quite common for an inquiry from a customer to turn out to be a question about another company’s system. Just recently, for example, we parsed and explained fine-grained settings, such as character limits on input fields, that customers can easily overlook. We try to anticipate as many plausible requirements as we can on our side and support the customer accordingly.

Feeling firsthand how implementing advanced systems contributes to local communities

Yasui: Since its founding, ITFOR has provided systems and services to regional customers.

Our purpose explicitly includes “social contribution by regional revitalization.” As engineers, I’d love to hear what you each feel day to day about contributing to local communities.

Okuma: Well, working in Okinawa, I’m always mindful of preventing disparities with major urban areas. That’s where I see ITFOR’s reason for being.

The systems we implement for local governments in Okinawa are essentially the same as those used in the Tokyo metropolitan area. We help ensure there are no regional gaps in system operations or in staff IT skills by sharing among engineers the issues and solutions that local governments in the Tokyo metropolitan area grapple with, and communicating them to our customers.

Tokunaga: The regional banks I support also tend to implement systems primarily to comply with national rules, so we seldom develop Kyushu-specific systems. Because they’re essentially the same systems as in the Tokyo metropolitan area, I feel we’re helping raise the IT literacy of regional banks.

Matsumoto: ITFOR was previously contracted to run the Tokyo Metropolitan Government’s “SME Cybersecurity Enhancement Support Program,” through which we supported the implementation of security software for small and medium-sized enterprises in Tokyo’s 23 wards. In recent years, with remote work

spreading, ransomware incidents have occurred frequently. Once infected, data may be exfiltrated or encrypted and rendered unusable, dealing a severe blow to business operations. Companies are even asked to pay so-called ransom to restore access. This has become a social issue and is frequently reported in the media. However, when I actually speak with SME management, I often sense insufficient urgency about their own security posture. Tokyo, in particular, is highly exposed to such threats, so I feel an increasing sense of responsibility to broaden security awareness.

On a personal note, I was born and raised in Fukuoka, so I keep a close eye on operational developments in Kyushu. I sometimes work on Fukuoka projects, and because the infrastructure engineering setup there is not yet as robust as in Tokyo, I’d like to support Fukuoka wherever I can.



Roundtable with Five Young Engineers of ITFOR



Okuma: On that point, I actually moved to Okinawa before joining ITFOR, and as I've worked with customers, my attachment to Okinawa has grown. I might even call it love for Okinawa. My desire to contribute to our customers and to help the people of Okinawa has gotten stronger.

Osako: I think it's the same everywhere, but Osaka is also facing a serious labor shortage. In the loan screening support systems I handle for financial institutions, applicants fill out forms by hand, and we have AI read and transcribe them, and then import the data into the screening support system, which saves bank staff the trouble of manual entry. This isn't just about boosting that bank's productivity per staff hour. The time saved can be reallocated to other tasks like customer service, which improves convenience for local customers who

use the bank. In other words, I think the system ultimately contributes to the community.

Deepening connections, sharing know-how, and elevating all engineers

Matsumoto: My supervisor has been telling me a lot lately, “You're not one of the young ones anymore” (laughs).

That's part of why I've started thinking about how I want to be as an engineer going forward. On a broader note, I believe society would be better if everyone could raise their IT literacy. As engineers, we're professionals when it comes to IT, so I'd like to help spread that literacy, even to those who aren't there yet, bit by bit and in plain language.

Tokunaga: I want us, across ITFOR, to be able to support our junior engineers. In the engineering world, age doesn't matter. We're bringing in more new hires, and I think under our current setup, we won't have enough mechanisms to support young engineers. Beyond official forums, we also have chat tools for sharing information like the one I mentioned earlier, so I'd like to support our juniors in many settings and help accelerate their growth.

Yasui: I'm currently working on developing a new package. Because we're aiming for something more competitive than anything we've built before, we plan to strengthen integrations

with highly competitive systems from other vendors. That means I'll need knowledge not only at the application layer but also on the infrastructure side. I'm taking this as an opportunity to learn about protocols and networking and to broaden my scope of work. I also want to capture and share what I learn as part of ITFOR's collective knowledge.

Osako: On the sharing front, ITFOR has offices nationwide. If people from each site can routinely visit other locations, observe how colleagues work, and learn from them, this will make ITFOR an even more rewarding place to work. I think a workation-style approach could be great, too.

Okuma: I've felt the same. Lately I worry that some work is becoming too person-dependent. As engineers aim for professional excellence, specialization deepens and tasks can emerge that only one person can handle. I want us to share know-how more widely so everyone can get involved with a variety of systems. That's where new insights and learning opportunities will come from.

Yasui: I'd like to further energize exchanges among engineers. I believe that, by challenging and inspiring each other, we'll help the company grow, and that will feed into regional revitalization. Let's keep pushing forward together.

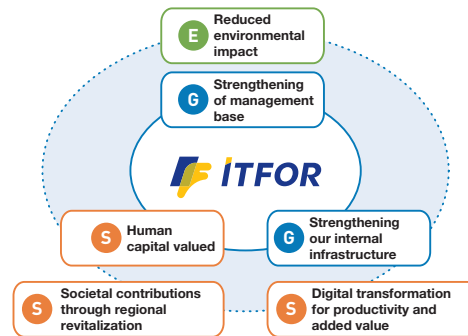


Our Approach to Materiality

ITFOR has set forth five items of Materiality (Important Topics) based on its Sustainability Policy for boosting corporate value through its business strategy and underpinning sustainable growth of the entire group, while contributing to development of a sustainable future society.

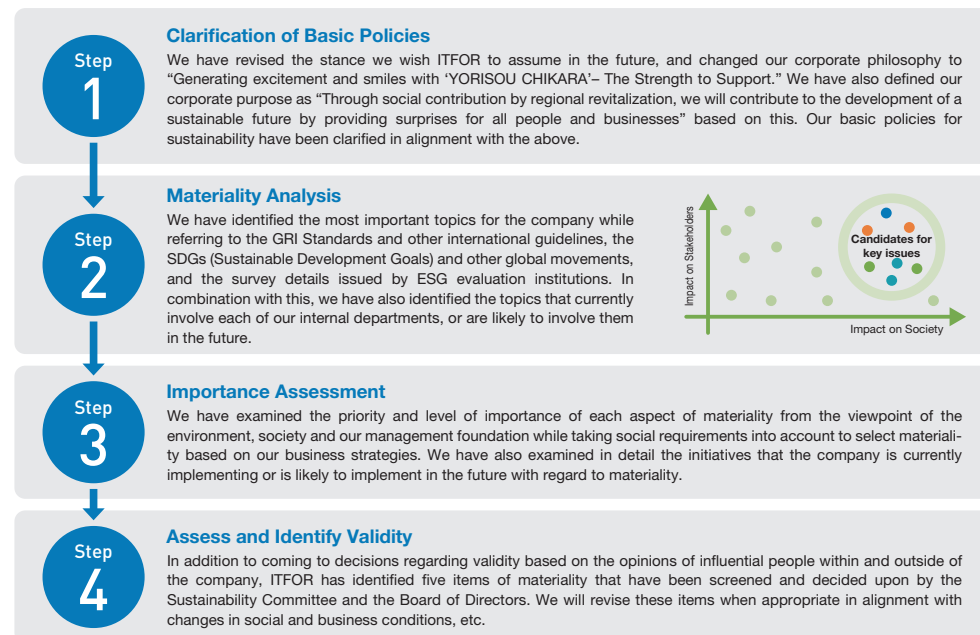
<Materiality (Important Topics)>

ITFOR has clarified its purpose (meaning of our existence) as “Through social contribution by regional revitalization, we will contribute to the development of a sustainable future by providing surprises for all people and businesses” as the vision to achieve. Based on our “Sustainability Basic Policy” formulated in line with this purpose, we have identified five materiality items based on Environmental (E), Social (S) and Governance (G) perspectives. ITFOR’s sustainability activities are addressing these materiality items with specific initiatives through its core business activities.



<Identification Process>

In November 2021, ITFOR established the Sustainability Committee that is effective throughout the entire organization, and identified five specific aspects of materiality in alignment with our corporate philosophy, international guidelines and global tendencies.

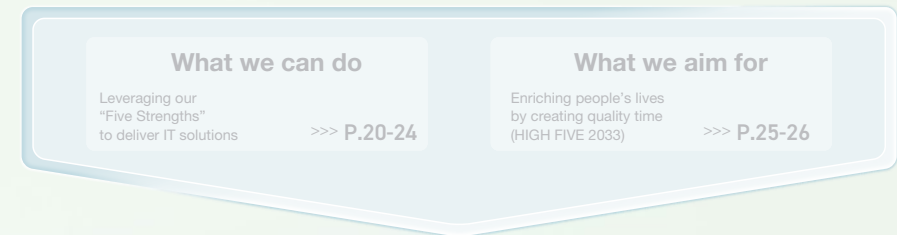


Materiality (Important Topics)	Detailed Initiatives	Related SDGs
Reduced environmental impact	We are implementing direct and indirect initiatives pertaining to the reduction of greenhouse gases so that we are able to accept the challenges involved in halving emissions by the year 2030. We also strive to adapt to the business impacts of climate change risks so that we can provide solutions that support our BCP from the viewpoint of business sustainability.	Promoting activities against the risk of climate change
Societal contributions through regional revitalization	We are utilizing open innovation, including solutions, in our business activities to correct the disparities between urban areas and rural areas and aim at revitalizing regional economies.	Resolving regional issues through business Regional revitalization through open innovation Providing solutions for regional employment revitalization
Digital transformation for productivity and added value	ITFOR provides support for enterprises and other organizations to improve productivity and build an environment that motivates people working, leveraging ever-evolving IT.	Creating and providing social infrastructures utilizing new technologies Promoting decent work through DX
Strengthening of management base	We are strengthening our management base in such areas as compliance management, risk management and corporate governance, and moving ahead with promoting the adoption of DX within the company and other initiatives that strengthen our internal infrastructure.	Strengthening of management base - Strengthening compliance management - Strengthening the risk management system - Strengthening corporate governance Strengthening our internal infrastructure - Promoting DX within the company - Strengthening security
Human capital valued	ITFOR endeavors to foster human resources and promote their active engagement in professional life in a way that diverse values and backgrounds are respected and everyone can reach their full potential, and will create a rewarding and future-oriented work environment.	Respecting human rights Fostering diverse human resources and promoting their active engagement Providing a rewarding work environment Continual promotion of occupational health and safety, and health and productivity management

Value Creation Story (Part 3)

Why is ITFOR's management sustainable?

(i) What Can ITFOR Do? What Are We Aiming For?



(ii) How Will We Move Forward Toward Our "Ideal Vision"?



(iii) Why Is ITFOR's Management Sustainable?



Financial capital strategy

Message from the CFO

Speedy, accurate investment and proactive returns to employees and shareholders.
On these two themes, ITFOR is moving into a new growth stage.

Katsuo Nakayama

Director and Executive Officer
General Manager of Management Division



Capital allocation

Executing shareholder returns and investments in an amount exceeding cash flow

Under the fourth three-year medium-term management plan, the Company announced targets of JPY 28.0 billion in net sales and JPY 4.8 billion in operating profit, together with a policy to carry out shareholder returns and investment on a scale exceeding cash flow.

Behind this financial policy is the cash on hand the Company has steadily built up while maintaining a no-loan management stance. In addition to JPY 8.8 billion in cash flows from operating activities, we plan to deploy JPY 3.06 billion from cash on hand over three years for investments in businesses, human resources, and internal capabilities, as well as for shareholder returns.

In fiscal 2024, the first year of the plan, we executed approximately JPY 4.7 billion, or approximately 40% of the total plan. Existing divisions began to add new solutions and offerings and are steadily delivering results. Having completed this “seed-sowing phase,” we will now shift to a stage where larger investments nurture entirely new businesses.

Leveraging advanced technologies such as AI and blockchain, and venturing into business domains the Company could not have envisioned alone, we will co-create new value through cooperation with external partners. These initiatives will enable services that go beyond our traditional scope, enhance customer experience, and contribute to solving

social issues.

Our goal is portfolio management that reliably produces multiple “success stories.” Not every investment will succeed, but we will absorb failures, take appropriate risks, and pursue growth. To that end, we are building a speedy and accurate investment decision – making framework.

Business and human resources investment

Aiming to create new demand in the inbound market through CVC investment

In fiscal 2024, in business investment, our core businesses focused on new package development in the financial field, patent strategy, and support for standardization of municipal systems. For new businesses, projects are underway on new software via VVP (Visionary Ventures Projects), R&D on the electronic end-of-life planning note “Digital Safe” (tentative name), and new products using payment technologies. Some of these are expected to generate short-term returns, while others will bear fruit in several years; we will pursue a balanced mix and connect them to growth.

Through our CVC, we invested in Vacan, inc. and Payke, Inc. and, by leveraging synergies among the two companies and the Company, we will create new demand by providing seamless pathways and experiences for inbound visitors.

Regarding human resource investment, as an indispensable initiative for the Company's growth strategy, we are actively promoting the

Financial capital strategy

recruitment of new graduates and experienced personnel. While engineers remain the core, we are cultivating planning, sales, and administrative personnel with IP literacy, aiming to build a diverse human-resource portfolio.

Returns to employees

Introduction of a new restricted stock-based compensation program to promote employee and corporate growth

As returns to employees, the Company is continuously implementing enhanced training, base pay increases, and salary raises. In addition, from fiscal 2024, the Company introduced a restricted stock-based compensation program (RS trust) for all employees. Under the former stock option program, eligible employees were limited, creating concerns over fairness and motivation.

Under the new program, a certain number of shares are granted annually to each employee's personal securities account according to position and company performance, a design that both supports asset formation and functions in part like a retirement benefit. While the shares are transfer-restricted, they can be transferred as the employee's own assets upon retirement.

This initiative aims to improve retention, encourage employees to become supportive shareholders, and foster ownership in driving corporate growth. Different from an employees' shareholding association, employees of

the Company can benefit directly from stock price appreciation of the Company, making this an ITFOR-style initiative linking employee returns, asset formation, and corporate growth, a core measure in human capital management.

Shareholder returns

Dividend increase planned for fiscal 2025
Stability and growth through share buybacks

Since listing, the Company has never reduced dividends and has maintained stable dividends. Under the medium-term management plan, we target a dividend payout ratio of 50% and a total return ratio of 70% or more. In fiscal 2024, the Company paid its first interim dividend, with JPY 25 at interim and JPY 25 at year-end for a full-year total of JPY 50, up JPY 10 YoY, for a dividend payout ratio of 46.3%. From December through the following February and March, we repurchased a total of 670,900 shares and cancelled 700,000 shares at the end of March, resulting in a total return ratio of 77.3%.

In fiscal 2025, we plan to increase the dividend from JPY 50 to JPY 60, with an expected dividend payout ratio of 53%, while maintaining a total return ratio of 70% or more. In addition, the policy aims to stabilize and boost the share price through share buybacks. This consistent stance of shareholder returns has also been recognized by media such as



Human resources investment as a pillar of the Company's growth strategy
Hiring diverse human resources to become a company where people want to continue working

Nikkei Veritas, and serves as evidence of the soundness and transparency of our financial management.

We also stepped up dialogue with institutional investors, increasing meeting count from 38 in fiscal 2023 to 52 in fiscal 2024. We will continue to raise our targets in stages and enhance IR to improve corporate value.

In addition to the outlook for increased revenue and profit, through these measures we hope that our investors will hold our shares over the long term.

ITFOR in 10 years

Deliver new value to society with innovative services and technologies

ITFOR is committed to regional revitalization, working closely with customers nationwide to

provide solutions that address local challenges.

Although the JPY 70.0 billion net sales target in "HIGH FIVE 2033" is more than triple our current scale, with our extensive customer base, technical capabilities, and agility in new technologies, this is a fully achievable challenge. We are thus shifting in earnest into a phase of "creating a new future through large-scale investments."

To reach a growth stage unattainable by incremental steps alone, we will accelerate the implementation of innovative services and technologies and deliver new value to customers and society. Through these challenges, we aspire to forge the next 10 years together with our employees and shareholders.

Please look forward to ITFOR's future.

Human resources strategy



Masamichi Ejiri

General Manager of Personnel Affairs Department, Management Division

The sources and potential for growth discovered from the perspective of experience in different industries

I joined a company in the automobile industry as a new graduate, engaged in the field of human resources for approximately 20 years, and in May 2024 changed jobs to ITFOR. Although my career has been just over one year, precisely because I come from a different industry, I can clearly see ITFOR's "unshakable

(Message from the General Manager of Personnel Affairs Department)

Supporting the execution of our management strategy from the perspective of "human resources."

strengths" and "potential that should be unleashed."

The greatest strength is our sincere, highly engaged employees. Our open, cheerful culture improves the quality of value delivered to customers, driving high customer satisfaction and stable growth. The fact that we posted zero new-graduate attrition over the past two years is emblematic of this culture, and we must continue to cherish and preserve it.

At the same time, I sensed that employees' individual potential and personnel affairs measures are not yet fully linked to the company-wide growth strategy, dots that remain unconnected. President Sakata, who assumed the position this June, also holds the view that "ITFOR still has overwhelming potential that has not yet been fully demonstrated," and I strongly share this sentiment.

My mission is to apply my experience to unlock this potential and convert it into organizational strength. It comes down to leading continuous growth from the perspective of personnel affairs.

Two keys to accelerate growth

I believe there are two main keys to unlocking the potential of employees and accelerating corporate growth.

The first key is "improving the mobility of internal human resources." Long-term customer relationships embody the Company's strength of "YORISOU CHIKARA" – The Strength to Support, but remaining fixed in the same duties limits growth opportunities and increases the risk of person-dependent knowledge.

Going forward, we intend to create a framework that balances employees' autonomous career development with the company's growth strategy, and through strategic career support and job rotation, we hope to cultivate comprehensive capabilities that, for example, can propose cross-selling by combining multiple solutions. It may take time to shift away from our traditional approach, but this is a theme with solid promise, and I would very much like to work on it.

The second key is "strategic development of next-generation leaders." Human resources with a management perspective, who will take on future management positions and business divisions, are indispensable. The company must develop these skills systematically, and not leave them to individuals.

As a first step, in fiscal 2025 we launched new management training for those at the General Manager level and above. Not only do participants learn people management and ways of thinking for achieving goals, but the

company also continuously follows up through to the formulation, execution, and results of their action plans. Through this PDCA, we will work to raise the management level and support "performance demonstration," "enhancement of engagement," and "autonomous growth as professionals."

Strengthening the human resource foundation in both "quantity" and "quality" to realize the long-term vision

The essence of personnel affairs lies in optimizing the "quantity" and "quality" of human resources to realize management strategies. And forming and strengthening the organizational capabilities necessary for that is the strategic function that human resources should fulfill.

To realize the Company's long-term vision "HIGH FIVE 2033," it is necessary to build a structure of 1,500 employees, approximately three times the current number of just over 500. Of course, simply increasing the number of people has no meaning. We are strengthening initiatives in a comprehensive manner, including recruitment, development, and placement, after drawing a human resource portfolio linked to the management strategy and clarifying in which business domains, what skills, and how many human resources are needed.

Human resources strategy

As part of this, even though the Company still lacks sufficient name recognition in new graduate recruitment, recruiters devised strategies with flexible thinking, conveyed the company's appeal while closely engaging with each individual candidate, and in recruitment for graduates of 2026 secured 77 potential human resources, approximately twice the previous year's result.

In addition to new graduate recruitment, we are also working on creating an environment where diverse human resources can fully demonstrate their abilities. For example, in order to make use of the knowledge of the experienced veteran group, from fiscal 2025 we raised the mandatory retirement age to 65.

Going forward, toward realizing a world where everyone can equally design their own career, we will deploy measures such as systems, mechanisms, and work styles, and by fostering a foundation where diverse human resources can work with peace of mind, we will support the company's sustainable growth.

Investment in "surprises" that enhance engagement

For employees to work at the company for a long time, it is also important that they can have a sense of "excitement" about the future, such as "What kind of dreams can I envision at this company?" and "What kind of stage is prepared for me?" Since values differ from person to person, we are launching a variety of ideas as measures, and we want as many employees as possible to think "ITFOR is exciting and meaningful" and "this company is fun."

I also really like the word "surprise," which Chairman Sato often uses, and if we are going to do it, I want to set in motion unique measures that other companies do not have.

For example, focusing on "quality of sleep," which is directly connected to productivity and physical and mental health, we began providing programs supported by the company. For those who wish, we lend out wearable watches to measure sleep data. Through counseling by specialists, improvement measures are proposed. This is not merely a welfare initiative, but a strategic measure based on the idea that employees' physical and mental health, that is, well-being, is the foundation of corporate growth.

In addition, we have introduced systems such as the "Anniversary Leave Program," which provides an incentive payment of JPY 10,000 when employees take paid leave in their birthday month, and the "+1 (Plus One) Holiday Program," which encourages employees to take holidays in combination with days before or after consecutive holidays or three-day weekends, and these are also leading to the promotion of taking paid holidays.

Furthermore, although this is still at the stage of a personal idea and has not yet reached any consideration, I would also like to take on the challenge of realizing an environment where one can work "anytime, anywhere."

Excluding the head office, the Company has five bases nationwide and also conducts regional hiring by utilizing the regional restriction system, but we want to provide a mechanism by which people who "cannot leave or do not want to leave the region" and "want to continue living in this area" can also choose the

ultimate flexible way of working.

There are high hurdles to realization, such as fundamental reviews of communication, security, infrastructure, and personnel systems, but this is an idea that also connects to our purpose of "regional revitalization," the desire to co-create with 47 regions and provide new value to society.

Creating an environment where employees can work vibrantly no matter where they are in the country has the potential to bring significant changes, from securing human resources and ways of working to productivity, and I believe it is extremely meaningful. So that we can turn "it can't be done" into "we did it!" I want to take on challenges in the spirit of our purpose.

Maximizing corporate value through a human resources strategy fully linked with the management strategy

Since my thirties, I had resolved in my heart that at age 55 I would graduate from the company and take a new step in challenge. When I thought about what I truly want to do, I came to the desire that, through the work of human resources into which I have poured my passion and honed my expertise, I want to "enjoy my final career" and "demonstrate my abilities and contribute to a company that needs me."

It was ITFOR that I encountered during my job search. At first I knew almost nothing about the company, but I remember that in talking with Chairman Sato (then President) and others in the interview, a feeling arose not of logic but of "I want to work with these people."

The words "YORISOU CHIKARA" – The Strength to Support in the corporate philosophy also overlapped with my own view of personnel affairs. In my previous job, based on the idea that "employees are customers," we in the Corporate Division valued the stance of supporting the Business Division employees so that they could deliver excitement and smiles to customers. I felt that the value of ITFOR's customers, business divisions, and corporate working together as one to share joy is truly the embodiment of "YORISOU CHIKARA" – The Strength to Support.

I also strongly empathized with ITFOR's idea of "energizing Japan from the regions." It is often said "the lost 30 years," but Japan now is truly at a crossroads. With the desire to revitalize regions as a member of this company and brighten Japan's future, I am approaching my second career.

As previously mentioned, the role of personnel affairs is not merely to establish systems. To be fully linked with the management strategy, optimize the "quantity" and "quality" of the human resources necessary for business growth, and supply them continuously. To become the engine that powerfully drives the PDCA of management, that is precisely the essence and real appeal of personnel affairs, I believe.

Each employee "has pride in working at ITFOR and can envision dreams for the future." Build such an organization, and by being useful to society, maximize corporate value. I want to draw that path through a human resources strategy.

Please look forward to the future of ITFOR.

Human resources strategy

Human capital valued

Basic approach

ITFOR endeavors to foster human resources and promote their active engagement in professional life in a way that diverse values and backgrounds are respected and everyone can reach their full potential, and will create a rewarding and future-oriented work environment.

To realize its corporate philosophy of “generating excitement and smiles by ‘YORISOU CHIKARA’ – The Strength to Support,” ITFOR strives to foster an environment where every employee, the driving force of the company, can work with vitality and fully demonstrate their abilities by supporting each and every one of them.

Human resource strategy

ITFOR conducts human capital management with the aim of maximizing the effect of initiatives by visualizing the path in which each initiative for securing or fostering human resources is eventually connected to management goals, thereby all employees who engage in related initiatives take action with the final goal in mind.

And for every initiative, we establish and monitor key performance indicators (KPIs) that we observe at fixed points. KPIs include those unique to ITFOR in addition to those that can be used for comparison with other companies. Also, we clarify our goals to be achieved by monitoring two categories of KPIs, which are KPIs as milestones for achieving goals and KPIs as monitoring indicators that indicate the absolute levels that the Company must always maintain.

Key initiatives

Promoting female empowerment

In addition to the active recruitment of women, ITFOR is formulating work conditions with which female employees who once left the Company after marriage or childbirth can come back to work in accordance with their life stages, by introducing the “Come back Alumni Program”^{*1}, part-time employment, and telework.

The Company, with its nature of operations providing equal opportunities regardless of gender, is working to increase female role models to enhance the scope of candidates of future managers.

^{*1} Come back Alumni Program: Program of rehiring past employees (alumni) who left ITFOR in the middle of their careers due to childbirth, nursing care, transfer of the spouse, and other reasons, or with the aim of career development. The length of service before leaving ITFOR and the timing of turnover are not relevant.

Improving work environment

ITFOR positions “investment in people” as one of the pillars of medium- to long-term management and is actively promoting revisions to the wage system and improvements in treatment. In fiscal 2025, we implemented a base pay increase for the third consecutive term and introduced a restricted stock-based compensation program for employees as a mechanism to link corporate growth with employee performance.

As for work-life balance, we are encouraging the employees to take paid holidays throughout the Company. The rate of paid holiday uptake has been around 60% until fiscal 2020, and in addition newly working on promoting continuous leave acquisition for management positions in fiscal 2024, it rose to 82.4% due to employees who use programs that encourage

them to take paid holidays such as the Anniversary Leave Program^{*2} and the +1 (Plus One) Holiday Program^{*3}. Going forward, while implementing new measures, we will work toward achieving the target of an 85% rate of paid holiday uptake.

As for the average overtime hours, in fiscal 2024 the result was 14 hours, the same as the previous year, but we are strengthening efforts toward achieving the target by rolling out awareness-raising for managers, reforming the mindset of each employee, and utilizing the functions of the attendance management system.

Furthermore, with regard to Father's Childcare Holiday after Childbirth, which was enforced in fiscal 2022, the Personnel Affairs Department explained each relevant male employee about the system and urged them to use the system. As the result, the rate of the

use of the system in fiscal 2024 was 100%, largely exceeding the government's goal of 50% for fiscal 2025.

These results were recognized by Hatarak Yell 2025, as in the previous year, and the Company was certified as a Corporation Promoting Welfare (nickname: “Hatarak Yell” corporation), which puts effort into enhancing and applying welfare systems.

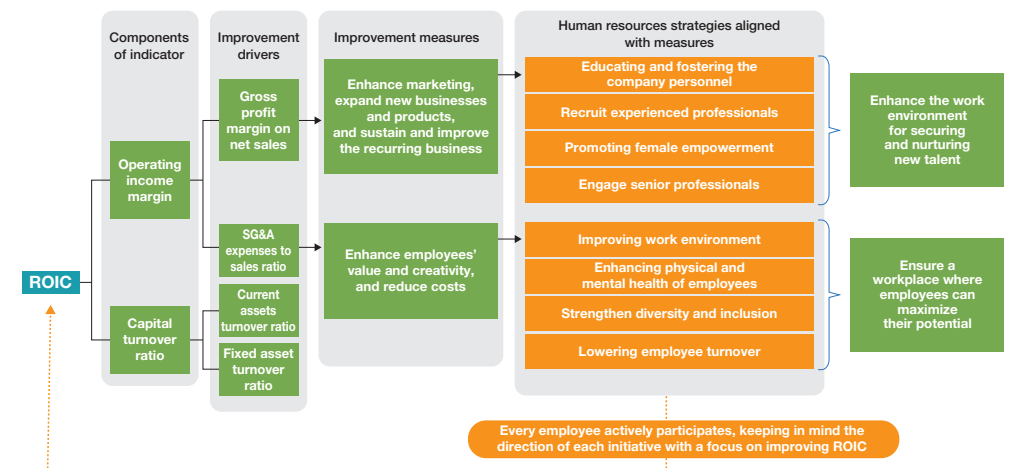
Enhancing physical and psychosocial well-being of employees

ITFOR considers that providing employees with comfortable everyday workplaces motivates them leading to the enhanced performance of their work. With this idea,

^{*2} Anniversary Leave Program: Program of providing financial incentive to those who take paid holidays in the month of their birthdays or anniversaries.

^{*3} +1 Holiday Program: Program of providing financial incentive to employees who take a paid holiday on a day between national holidays or a day before or after three consecutive national holidays that include Saturday and Sunday.

Flow of human resource development



Human resources strategy

beginning with the layout change of the 12th floor of the Head Office building in 2022, in fiscal 2023, environmentally conscious renovations were carried out at the Tokorozawa building, such as installing solar panels and conversion of lighting to LED, as well as floor layout change.

Furthermore, in fiscal 2025, in addition to relocating and renovating the Kyushu Office, we are also relocating and renovating the West Japan Office, aiming to create a workplace environment where all employees can work comfortably and generate new ideas.

In terms of physical and mental health, the Company conducts stress check and medical checkup periodically for all employees aiming for the creation of a system for thorough monitoring of physical and mental changes of employees, with the goal of 100% attendance rate of the stress check and medical checkup.

Lowering employee turnover

The turnover rate at ITFOR had previously been in the 6-7% range, but in fiscal 2024 the result was 3.4% (excluding resignations due to transfers to group companies or affiliated companies), and the turnover rate has been decreasing year by year. In recent years, we have significantly increased new graduate recruitment, and not only promoted the early strengthening of the younger generation as part of the workforce, but also realized zero resignations among new employees over the past two years by increasing opportunities for communication among peers and contact with the human resources department through training programs that also serve as a place to alleviate anxiety.

Educating and fostering the company personnel

ITFOR educates and fosters each and every employee based on its policy of human resource development, which considers that the growth of employees leads to the growth of the Company. ITFOR considers that sophisticated expertise of the employees based on the latest technologies and knowledge enables the Company to provide customers with good services, and puts effort in training programs specific to individual position layers and professional roles, as well as programs for enhancing other capabilities such as human relations competency.

ITFOR provides strong support for employees in career advancement and skills development. For example, the Company secures an average of 1,000 hours or more for the training of each newly recruited engineer due to Company's recent emphasis on hiring new graduates, and implements the policy of allocating 5% of work hours to self-training. The Company aims for creating a self-learning culture of employees through these education and fostering programs, and considering that such a culture eventually leads to human resources with a high level of duty execution capabilities, the Company monitors indicators as KPIs that are related to minimizing delayed delivery and raising the accuracy of cost estimation.

Strengthening diversity and inclusion

In order to make new innovations happen through IT, ITFOR considers that it is essential to have a work environment in which diverse people are working in diverse ways to stimulate

each other. By raising the mandatory retirement age for regular employees to 65 and starting the operation of the retirement extension system from April 2025, we will strengthen the retention of human resources through the development of an environment and treatment that allow employees to work with vitality and peace of mind even after the age of 60. At the same time, by introducing "self-biz," which allows employees throughout the year to freely choose attire appropriate for the job at their own discretion while being mindful of TPO, we aim to respect diverse values, enhance employees' independence, and create new value. In terms of employment of people with disabilities, against the statutory employment rate of 2.5%, the actual result is 4.06%, greatly exceeding the statutory rate.

The Company also considers the strength-

ening of inclusion essential— the cultivation of the sense of unity and connection of the Company as a whole, which is the other aspect of the theme. In fiscal 2023 and fiscal 2024, for two consecutive years we conducted company trips, and the plan that allowed free selection of more than 10 travel destinations including domestic and overseas locations was very well received, with 400 or more participants deepening exchanges. We will continue to elevate employee engagement through these activities.



Indicators and goals

Human resource strategy	Item	Result		Goal
		Fiscal 2023	Fiscal 2024	
Promoting female empowerment	Percentage of female employees	20.2%	22.0%	25%
	Ratio of female managers	6.7%	8.4%	9%
	Percentage of female workers among all newly employed workers	29.8%	28.1%	35%
Improving work environment	Average overtime	14.1 hours	14.1 hours	10 hours
	Rate of paid leave uptake	81.4%	82.4%	85%
	Rate of male parental leave uptake	57.1%	100%	50%
Enhancing physical and mental health of employees	Attendance rate of stress check	91.0%	96.6%	100%
	Medical checkup attendance rate	92.4%	100%	100%
Lowering employee turnover	Voluntary employee turnover rate	4.2%	3.4%	6%
Educating and fostering the company personnel	Employees obtaining PMP	20.9%	23.0%	20%
	Employees qualified by national examination for IT engineers	71.8%	78.7%	80%

Sustainability Management



Sustainability is the power to open up the future of the company

— Interview with Director and Officer in charge of Sustainability Promotion Committee —

Kazunori Kono

Director and Executive Officer / Sustainability Committee and DX Promotion; Advisor to Internal Integration Promotion Team

with the people of the region” has been at the core of the Company since its founding.

Therefore, I feel that we have been naturally practicing “regional revitalization” since before the concept of sustainability spread throughout society. In recent years, opportunities to contribute to regions have expanded through approaches different from before, including sponsorship of the tour de kyushu, participation in regional events, and collaboration with municipalities and regional banks. Through these initiatives, I have a real sense that the Company is evolving into a business more rooted in the region.

Regional revitalization is an initiative that connects to the origin of our company

At the Company, with the Sustainability Committee at the core, we are advancing initiatives aimed at achieving both a sustainable society and corporate sustainability. Since its founding, the Company has developed its business through relationships with regional customers, and with the implementation of POS systems to regional department stores as a starting point, it expanded into transactions with regional banks and municipalities. The desire to “be a company that advances together

Leveraging DX to drive transformation

I perceive sustainability activities not merely as social contribution, but as an important strategy that shapes the future of the company. Especially for the Company as an IT enterprise, DX (digital transformation) is originally a strong field, but in terms of how effectively we are able to utilize the tools we have implemented, there are still issues.

IT tools representing the industry such as Salesforce, Microsoft, and Google have already been implemented, but “having an environment where they can be used” and “being utilized across the whole company” do not necessarily match. Based on the current situation where mechanisms such as accurate data input, cross-departmental information sharing, and knowledge circulation are insufficient, I feel that a renewed mindset reform is necessary.

I think sustainability can serve as a “trigger” to review such internal mechanisms and promote transformation. I want to work on creating mechanisms for internal integration so that each employee can perceive this activity as “their own matter.”

The essence of sustainability that overlaps with the corporate philosophy

The Company established the Sustainability Committee in December 2021, and since then we have been able to continuously advance

initiatives because of the high affinity between the Company’s corporate philosophy and sustainability. The philosophy of “generating excitement and smiles by ‘YORISOU CHIKARA’ – The Strength to Support” overlaps exactly with the fundamental concept of sustainability.

In addition, among the materialities (important issues) defined by the Committee, the “environment” and “human resources” are, of course, essential important issues for the Company as a Prime (Market) company, but now they are indispensable for all companies. Themes such as “regional revitalization” and “DX” are also areas where, as an IT company that has grown together with regions, the Company can make use of its strengths and characteristics. From an external perspective, these may look like new challenges, but for us they are all initiatives that feel “just right.”

The promotion of sustainability is, at the same time, a responsibility to society and directly connected to corporate competitiveness and future strategy. We properly connect it with the purpose and corporate philosophy, and always make judgments while discerning the essence of “why we do it,” rather than treating it as a mere trend. At the same time, in our activities, we place as much importance on employees themselves being able to have joy and pride in the initiatives as on delighting our regional customers. With such sentiments as our driving force, at the Company, with the Sustainability Committee at the core, we are deploying various concrete measures.

Sustainability Management

Basic approach

In order to generate excitement and smiles by “YORISOU CHIKARA” – The Strength to Support, ITFOR will continue to provide surprises into the future in local communities and all life stages of people through our systems and services. We will contribute to the global environment, economic system, and advancement of society, aiming for the realization of sustainable future.

Basic approach for sustainability

We aim to build a sustainable future by fostering innovation that supports every aspect of local communities and individuals' life stages while delivering meaningful experiences.

ITFOR's services find application within local communities and across various life stages, including birth, enrollment in school, education, graduation, employment, marriage, childbirth, and retirement. We promote a sustainable future by continuously providing excellent value to society through our services and business activities. In doing so, we aim to bring joy and inspiration to people while contributing to the health of the global environment, economic systems, and local communities.

- We will support people in all stages of their lives and always conduct our business activities based on “YORISOU CHIKARA” – The Strength to Support, contributing to the creation of a society filled with excitement and smiles.
- We will strive to address societal challenges through engagement with communities and contribute to regional revitalization.
- We will practice management with maximum consideration given to the environment. Through our systems and services, we will contribute to resolving various environmental issues faced by our customers, including climate change.
- We will provide an equal, fair, and diverse environment where individuals can leverage their unique qualities and feel fulfilled.
- We will contribute to the development of sustainable cities by building social infrastructure through the promotion of digital transformation (DX).

Promotion system

At ITFOR, we have established a Sustainability Committee to drive sustainability initiatives. The committee is chaired by the chairman and representative director, with the president and representative director serving as vice-chairperson. The Committee consists of employees of various positions from each division. For addressing materiality (key issues), we have established three promotion committees: the Regional Revitalization Promotion Committee, the Human Resources Promotion Committee, and the Environmental Promotion Committee. Each committee is headed by one of the three directors. In addition, to strengthen initiatives for internal DX,

we established the DX Promotion Team. This allows us to respond quickly to important challenges at ITFOR. Furthermore, to integrate these activities and policies throughout the company, we also established the Internal Integration Team, and will expand and enhance our sustainability efforts.

The Sustainability Committee makes regular reports to the Board of Directors, and the Board of Directors provides instructions as necessary. Instructions from the Board of Directors are extended seamlessly to individual divisions and group companies through the Sustainability Committee.

Regional Revitalization Committee

The Regional Revitalization Committee considers measures for revitalizing local communities and makes propositions to the Corporate Strategy Department, which is responsible for this matter. The Committee takes leadership or provides support for activities that the Company co-sponsors and activities for public relations. The Committee also works to educate the employees about Company's effort for promoting regional revitalization.

Human Resources Committee

The Human Resources Committee considers the policy and measures for the human capital and makes propositions to the Personnel Affairs Department, which is responsible for these affairs. The Committee also provides support for disclosing information outside the Company and educates employees about Company's effort for developing human resources.

Environment Committee

The Environment Committee considers how ITFOR, as an IT company, should take action against climate change and makes verification based on facts. The Committee also makes propositions to the General Affairs Department and educates employees about the Company's effort for environmental protection.



Sustainability Management

Initiatives toward climate change

ITFOR recognizes response to climate change as an issue that affects medium- to long-term corporate value. Our Environmental Promotion Committee is conducting an analysis of climate change risks and opportunities. Among the risks that arise in the process of transitioning to a low-carbon economy, we conduct scenario analysis up to 2050 using the less than 2°C scenario and the 4°C scenario* for policy and regulatory risks, market risks, and acute risks from sudden weather events under physical risks. As a result, we predict that there will be no significant impact on business activities. Furthermore, by promoting cashless transactions at local governments and regional companies, ITFOR is reducing CO2 emissions associated with the issuance, transportation, and management of cash, and is advancing initiatives from both aspects of reducing greenhouse gas emissions and promoting responses to climate change.

* Using RCP2.6, RCP4.5, and RCP8.5 from the IPCC Fifth Assessment Report

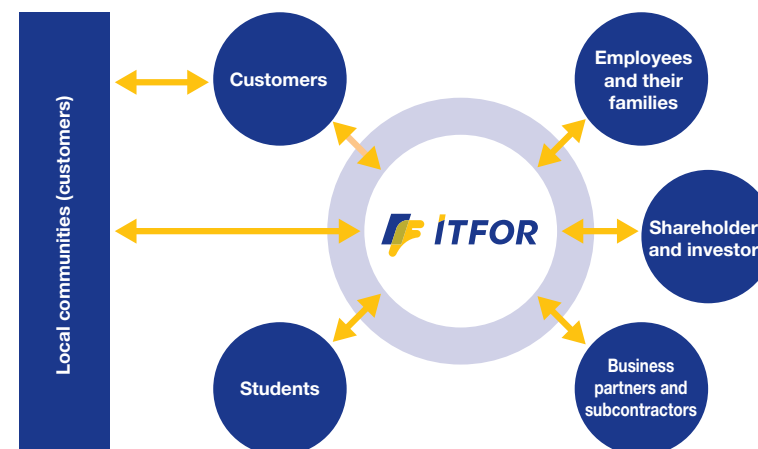
● FY2024 results

SCOPE 1 64.048t-CO ₂
SCOPE 2 (Market) 976.162t-CO ₂
SCOPE 3 14623.196t-CO ₂

* Scopes 1 and 2 cover the entire Group, while Scope 3 covers ITFOR on a non-consolidated basis.

Stakeholder engagement

ITFOR prioritizes stakeholder engagement to promote a sustainable future. We incorporate stakeholder feedback in our corporate activities through transparent information disclosure to build trust from stakeholders and drive mutual development.



Stakeholder		Main method of dialog	Activities in fiscal 2024
Customer	All customers including institutions and enterprises that use products and services provided by the ITFOR group	Events such as seminars, user conferences, research conferences	Through user meetings, we listen to customer requests and reflect them in service improvements such as system modifications. Furthermore, with a maintenance system through a call center available 24 hours a day, 365 days a year, the Company's systems can continue to be used with peace of mind even after implementation.
Shareholders and investors	Individual and institutional investors including shareholders of the ITFOR group	General meeting of shareholders, results briefing, briefing for investors, seminars for individual investors, issuance of different reports	Dialogues with investors totaled 52 during the year, an increase of approximately 30% compared to the previous year. In addition to shareholder communications twice a year, we are also actively engaged in shareholder returns, such as being selected as No. 1 in the Nikkei Veritas "Comprehensive Ranking of Shareholder Return Capacity."
Employees and their families	All employees and their families including those of group companies	Company training, intranet, quarterly interviews, organization diagnosis survey, ITFOR hotline, events that employees' families can join	In addition to the restricted stock-based compensation program, scholarship repayment support, and continuous wage increases, we implement measures that support employees and their families, such as workplace environment improvements through office relocations and company trips.
Local communities	All local communities that are related to the ITFOR group and its customers	Support for the development of future IT talents, co-sponsoring of different events, construction of regional social infrastructure, restoration assistance for disaster-affected areas	In addition to sponsoring tour de kyushu 2024, which symbolizes recovery support in Kyushu, and the All-Japan Programming Convention of Selected Elementary School Students aimed at nurturing the next generation, we also exhibited at regional trade shows such as ResorTech EXPO 2024 and the Kumamoto Industrial Revitalization Expo 2025, deepening our connections with local communities.
Business partners and subcontractors	Business partners that ITFOR deals with and cooperate with	Everyday procurement, supplier evaluation (questionnaires and visits), debrief meetings on quality improvement, quality audits	The Company evaluated operations and deliverables provided by subcontractors that continuously deal with ITFOR in development projects. The Company provides evaluation reports to subcontractors once a year and asks for continuous effort to improve quality.
Students	Prospective employees of the ITFOR group, students seeking jobs in ITFOR, students who want to collaborate with ITFOR to contribute to society through IT, elementary and junior high school students who will lead the future IT industry	Internships, company information sessions, demonstration experiments with universities, acceptance of junior high school students for workplace experience, sponsorship of events for the All-Japan Programming Convention of Selected Elementary School Students	The Company strengthened company information sessions at regional universities, and many students participated. The Company advances initiatives that value connections with students, including acceptance of interns, creating opportunities for interaction among prospective employees, and activities for elementary and junior high school students who will lead the future, in addition to students aspiring to join ITFOR.

Sustainability Management

<Report on activities>

● Regional Revitalization Committee

Aiming for coexistence with local communities and the enhancement of corporate value, we are deploying diverse initiatives that contribute to solving regional issues.

- **Regional integration of cashless payments:** researched the status of cashless payment integration in regions and implemented service proposals tailored to regional needs.
- **Strengthening cybersecurity measures:** conducted needs research for regional financial institutions, municipalities, and companies. Contributed to improving the safety of regional information infrastructure.
- **Corporate hometown tax payment:** made donations to four municipalities as support based on regional revitalization plans.
- **Support for next-generation human resource development:** continued sponsorship of the All-Japan Programming Convention of Selected Elementary School Students and Teen Apps Awards. Also exhibited and sponsored “ResorTech EXPO 2024” held in Okinawa and “tour de kyushu 2024” held in Kyushu.



Received a letter of appreciation from Kochi Prefecture for corporate hometown tax payment

● Human Resources Committee

Through information exchange outside the company and proposals for improvements to internal systems, we are promoting the creation of an environment where employees can work more vibrantly.

- **Dialogue with partners:** held regular opinion exchange meetings with customers, group companies, and partner companies. While sharing each company's initiatives and the issues they are facing, we gain new insights toward improving corporate culture and internal systems.
- **Improving rate of parental leave uptake:** proposed the introduction of a “Parental Leave Workplace Support Allowance” for members of the group to which the employee taking childcare leave belongs, with the aim of reducing the psychological burden on the employee taking leave and eliminating the sense of unfairness among surrounding colleagues. Currently preparing for institutionalization.
- **Policy proposals reflecting employee voices:** based on the internal questionnaire conducted in fiscal 2024, trends were analyzed, and proposals for measures aimed at further improving work-life balance and reducing the burden on managers are being issued as needed.
- **Raising the mandatory retirement age for regular employees:** raised the mandatory retirement age for regular employees to 65, and from fiscal 2025 will begin operation of the 65-year retirement system. Through developing an environment where employees can work with vitality and peace of mind even after the age of 60, and realizing treatment that matches their contributions, we will

promote the retention and further strategization of human resources.

● Environment Committee

Toward environmental conservation and the realization of a sustainable society, we are promoting diverse initiatives in collaboration with regions and employees.

- **Support for groundwater recharge activities:** supported the “Aso Mizukake no Tanada” promoted by the Foundation “for the Preservation of Green and Water Resources of Higo.” At the “Aso Mizukake no Tanada” in Aso City, Kumamoto Prefecture, employee volunteers participated in terraced rice field conservation activities.
- **Raising environmental awareness within the company:** in collaboration with Decarbonization Support Co., Ltd., online consultations on energy saving and renewable energy are scheduled to be conducted. Initiatives are underway to encourage behavioral change in each employee.
- **Activities to make the office green:** installed an office garden on the terrace of the 12th floor of the Head Office. By utilizing IoT sensors and AI



Realizing an office garden with IoT sensors

technology and aiming for operations with a low environmental burden, we are also taking on the challenge of integrating technology and environmental conservation.

● DX promotion

Aiming for operational efficiency and advanced utilization of information, under the concept of “DX that can be used on site,” we are promoting practical, field-driven DX. In fiscal 2024, differences in enthusiasm were seen between divisions, but in fiscal 2025 we plan to determine the direction of DX from a company-wide perspective.

- **Automation of minutes:** implemented the AI minutes tool “bellSales AI” to the sales frontlines, realizing the recording and reuse of business negotiation content. The quality and speed of operating activities improve, and it also leads to the accumulation of knowledge.
- **Efficiency in project management:** implemented management tools to promote visualization of progress and optimization of tasks. Aim to eliminate dependence on individuals and strengthen team collaboration.
- **Promotion of knowledge sharing:** by utilizing AI, we developed an environment where anyone can access the necessary information. Prevent the individualization of information.
- **Transparency of operations and acceleration of decision-making:** by promoting the implementation of a workflow system, we promoted the departure from a paper-based culture.
- **Centralized management of customer contact points:** by utilizing the business card management tool “Sansan” and linking Slack with Salesforce, realized real-time information sharing and operational efficiency.

Sustainability Management

Topic 1 Aso's terraced rice fields and an urban vegetable garden

— expanding employee-participation sustainability

From April 2025, at the “Aso Mizukake no Tanada” (310 m²) in Aso City, Kumamoto Prefecture, we started rice cultivation experiences for the purpose of groundwater recharge and employee well-being. Furthermore, in the same month, on the terrace of the 12th floor of the Ichibancho Tokyu Building, where the Head Office is located, the “office garden,” in which employees cultivate vegetables and herbs, also started. In both urban and regional fields, “nurturing” experiences in which employees proactively engage are spreading. The initiative in Aso is implemented through the Foundation for the Preservation of Green and Water Resources of Higo, with employees participating in rice planting and harvesting. The harvested rice is scheduled to be distributed within the company, and it is being used to promote understanding of agriculture through food, team building, and refreshment of mind and body. At the same time, it is also contributing to solving regional issues such as the decrease in

rice fields and the lowering of groundwater levels due to water resource use accompanying semiconductor development.

Meanwhile, in the office garden, about 20 types of plants such as turnips, carrots, potatoes, and taro are being cultivated. Employees sow seeds and plant seedlings, and the harvested crops are provided at the internal event, “Happy Hour.” In addition, we are working on visualization of soil data and cultivation support using IoT sensors and AI, and this also leads to collaboration with regional agriculture and demonstration of cultivation support technologies.

These activities, while also having an aspect of employee welfare, are a practice of sustainability that combines contribution to local communities with employees’ voluntary involvement. Through experiences of touching nature, nurturing, and connecting, we will build a sustainable future together with employees.



Topic 2 Visualizing employees' true feelings and transforming the organization — AI dialogue app “Coco Voice”

To listen to each employee's voice and connect it to building a better organization, the Company is developing the AI dialogue app “Coco Voice” (patent pending). It is a new communication tool that supports early detection and improvement of organizational issues, by allowing anonymous posting of opinions from smartphones and by drawing out true feelings through dialogue with generative AI. The AI analyzes the posted content, converts it into reports, and provides regular feedback to management.

“Coco Voice” sets itself apart from conventional organizational surveys. Developed as a mobile app that can be easily used anytime and anywhere from employees’ individual smartphones, from the perspective of “employee first,” it provides a mechanism for employees to autonomously participate in organizational reform.

From May 2025, with the cooperation of Kyoritsu Computer Service Co., Ltd., a group company of Ogaki Kyoritsu Bank, we conducted a proof of concept (PoC).

Equipped with features such as ensuring anonymity, deep-dive dialogues through generative AI, and compliance with guidelines for visualization of human capital, Coco Voice aims to become an effective means of bridging the silent gap between employees and management as diverse workstyles advance. Furthermore, the accumulated voices of employees become an important asset that visualizes the value of human capital and can be utilized in management decisions.

Through regular dialogue, by fostering a culture in which employees can express their opinions as members of the organization, this also leads to improved engagement and reduced turnover rate.

We are confident that “Coco Voice,” which fuses the power of technology and people, will be a new step toward building a sustainable organization.



Corporate governance

Round table discussion between outside directors

The ideal state of ITFOR and toward enhancing corporate value

The role outside directors should play

A business model that specializes in unique areas within the IT industry and engages deeply with customers

—From this year, Mr. Kanazawa and Ms. Fukuda have been appointed as outside directors of ITFOR, and the outside directors have also entered a new structure. Please introduce yourself once again.

Kanazawa: After graduating from university, I built my career as a lawyer in the field of corporate legal affairs. I studied at a law school in the United States and also gained work experience at overseas law firms and the Financial Services Agency. I have mainly provided legal and compliance advice to Japanese companies and financial institutions.

As for ITFOR, I had known the name for some time, and I was particularly impressed by its strong relationships with regional financial institutions. I felt that I could make a contribution by drawing on my own experience, which is why I accepted this appointment. Taking into account my background in supporting startups and my experience as an outside director at other companies, I also believe I can be of help in areas that are increasingly in demand today, such as governance and sustainability.

Fukuda: After working as an engineer at a major manufacturer involved in the development of social infrastructure systems, I served as general manager of the quality assurance division,

Waka Abe

Outside Director

She has knowledge of global management and overseas business gained through work experience in the electronics industry in Japan and overseas. In current position since 2021.

Itsuko Fukuda

Outside Director (Member of Audit and Supervisory Committee)

After serving as general manager of quality assurance and other positions at a major general electronics manufacturer, she served as representative director at a subsidiary, possessing knowledge of management and quality control. In current position since 2025.

Koji Kanazawa

Outside Director (Member of Audit and Supervisory Committee)

He has work experience at law firms in Japan and overseas as well as at the Financial Services Agency, with expertise in corporate legal affairs and auditing. Serves as an outside officer at multiple companies. In current position since 2025.

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where I was responsible for quality management of products and processes. I then served as president and representative director of a subsidiary, where I was also engaged in management. It was through this connection that I was given the opportunity, and I hope to contribute to management decisions and judgments at the Board of Directors meetings by drawing on this business experience.

Through my experience in system development and project management, as well as my activities in a risk management study group I participate in, I believe I can quickly catch up in understanding and supervising the business. Regarding important decisions such as M&A, I intend to express firm opinions from the perspective of defense in my role as an audit and supervisory committee member.

Abe: It has been four years since I assumed my position. After graduating from a university in the United States, I gained experience at semiconductor companies and French venture firms, as

well as other startups both in Japan and overseas, and later became involved in my family business. Through challenges at small startups and practical experience abroad, I have always been engaged in new businesses and innovation. Drawing on that background, I hope to contribute to ITFOR in areas such as global management, overseas strategy, and the promotion of new businesses.

—What are your impressions after actually getting involved?

Abe: At the time of my appointment, my strong impression was that ITFOR had the glamorous image of being a “professional group of IT specialists” with cutting-edge technology. However, in reality, the company is deeply involved in systems for local governments, financial institutions, and the distribution industry, supporting society behind the scenes. In that sense, I felt there was a very positive gap in how the business is carried out, steadily and reliably, yet in a rather down-to-earth manner. Last year, we held three round table discussions on themes raised by employees, providing opportunities for frank exchanges of opinions. Through my involvement as a director, I have also grown even closer to the employees.

Fukuda: I also initially had the impression that ITFOR was a “glamorous IT company.” But after actually getting involved, I found it to be very open and approachable, with employees who create a warm atmosphere. With Ms. Abe and others providing an environment where it is easy to seek advice, I feel it is a company with excellent communication and openness.

Kanazawa: At first, my impression was strongly that of a “system company specializing in finance.” However, upon seeing the reality, I was struck by the breadth of ITFOR’s customer network and how deeply it is involved in many different fields. I was surprised by this breadth and felt a great sense of potential.

—Conversely, what challenges do you see?

Kanazawa: I think one of ITFOR’s greatest strengths is that it has specialized in certain fields and built trusting relationships with customers through many years of communication. On the other hand, the challenge lies in how to leverage that strength going forward. ITFOR needs to steer carefully in determining how to refine the assets it has accumulated through long-standing customer relationships in line with changes in society.

The financial market is constantly evolving. Regional financial institutions, in particular, face issues such as population decline and trends toward management integration. ITFOR’s strength lies in its deep understanding of regional financial institutions’ operations and its strong relationships based on close communication. I feel that from now on, even more in-depth support will be required.

Fukuda: I am paying close attention to the purpose of “contributing to regional revitalization.” ITFOR’s connections with regional financial institutions nationwide, as well as with municipalities and the distribution industry, are extremely important. With Japan’s population shrinking and the working-age population declining, revitalizing regional communities is

one of society’s key challenges. I strongly feel, and expect, that ITFOR is a company capable of leveraging IT and DX to deliver concrete solutions and provide solid information infrastructure to address these challenges.

Abe: Up until now, ITFOR has at times introduced solutions from overseas to the domestic market, but it has essentially focused on Japan. However, I would very much like to see the company broaden its perspective beyond the domestic market and take on the challenge of expanding overseas.

Governance and effectiveness of Board of Directors
The challenge of building a succession plan

—Please share your thoughts on the effectiveness of ITFOR’s governance.

Abe: From this year, we have a new leadership structure with Chairman Sato and President Sakata serving as representative directors. In addition, Ms. Fukuda and Mr. Kanazawa have joined as new outside directors. I already feel they are seeking to make positive changes to the Board of Directors and the Business Executive Committee.

Fukuda: I only assumed this position in June and have attended Board of Directors meetings about twice so far, but I understand that an effectiveness evaluation has already been conducted and that issues have been identified.

Corporate governance

In terms of operation, I feel there are several points that should be reviewed. Because outside directors have limited access to internal information, by holding thorough pre-briefing sessions with ample exchange of views before Board of Directors meetings, we can discuss matters in a way that is closer to management decision-making.

There is also a need to confirm that the Board of Directors has a solid set of themes to be discussed throughout the year. Furthermore, for Members of Audit and Supervisory Committee, including coordination with the Internal Audit Office and the Compliance and Risk Management Committee, clarifying the division of roles will, I believe, lead to a stronger governance framework.

Kanazawa: As an outside director participating with a vote in management decision-making, I feel the weight of that responsibility. Even in my role as a Member of Audit and Supervisory Committee, I understand that it is not necessary to view every matter solely through an audit lens, and I hope to work with the rest of the board to help move the company forward.

My impression is that discussions at the Board of Directors meetings are very active. However, attention tends to be drawn to short-term performance. From the standpoint of an outside director, I would like us to be able to discuss not only the near term but also ITFOR's medium- to long-term steering, and I want to devote my efforts there as well.

Abe: ITFOR is, in a good sense, earnest about everything, and there is a stance of rigorously

pursuing what it sets as the right way to be. My impression is that, rather than just producing numbers, the leadership and the company as a whole tackle what they set out to do with sincerity. By the way, compared with overseas, how do you view the current state of governance in Japan?

Kanazawa: I think Japan's governance environment has also been improving. Japanese companies are good at creating structures and have the seriousness to thoroughly implement policies set by the government. However, that alone is no longer sufficient. We are now in a phase where it is important to consider "why it is necessary" and "whether it is being executed in a meaningful way." For ITFOR as well, I believe the most important thing is to explore "what kind of governance can enhance corporate value."

Fukuda: I completely agree. I also feel that the employees have an open mindset. In that sense, I would like the board to aim to be a forum where more active discussions can take place that reflect ITFOR's unique character. It might be worthwhile to create opportunities for more face-to-face, in-depth discussions. I think one of ITFOR's strengths is the ability to adapt flexibly without being bound by precedent.

Abe: I share the same view. Under the leadership of the new president, Mr. Sakata, I look forward to seeing ITFOR generate "change" aimed at making the company even better.

—From the perspective of governance, what issues do you think deserve particular focus?

Abe: Looking ahead to ITFOR's future growth, I feel that how we develop the next generation of

leaders is a critical issue. In that sense, the role of the Nomination and Compensation Committee will become more important than ever.

Kanazawa: This year, the compensation system was revised to place a strong focus on KPIs. While monitoring its progress and effectiveness, I would like to help lead discussions toward the ideal form. As Ms. Abe pointed out, developing the next top management is the most important management issue. From the standpoint of outside directors, it is difficult for us to fully assess this, but since we bear responsibility on the Nomination and Compensation Committee, I believe the challenge from this year onward is how we collect and evaluate information.

Fukuda: Human resources development must be planned with a long-term perspective. Within that, it is important to establish a solid succession plan. In addition, to become a representative director, diverse experience is essential. Because the president must face a wide variety of stakeholders as the company's representative, it is vital to set clear development plans, whether by appointing externally or cultivating talent internally, and to build frameworks that allow candidates to gain experience systematically.

Abe: As outside directors, our opportunities to visit the company are limited, so it is somewhat difficult to see clearly who the potential successors are. I feel that unless it is someone who understands the operations and challenges across all departments, there will be a lack of balance. It is important to share a vision of the successor and to foster such a person collectively. For that reason, I would very much like to



see active information sharing about who the candidates are and what qualities they possess.

Toward the right answer for the company, thinking together regardless of gender or age

—In recent years, diversity management has been strongly emphasized. What are your thoughts on this?

Abe: Diversity management is an urgent issue for any company, but it is not simply a matter of increasing the number of women. If we do not approach it by considering what the company lacks and who is best suited at the moment, it will be counterproductive.

On the other hand, in ITFOR's current situation, I sometimes feel that meetings tend to lean toward male perspectives. In that sense, I intentionally make it a point to speak freely, even

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saying things that people might normally hold back for the sake of reading the room.

Kanazawa: I have not yet fully grasped everything, but ITFOR may be somewhat homogeneous. Therefore, I think it is necessary to secure greater human resource diversity, for example through mid-career recruitment. From my own experience, I have seen companies struggle for many years because delays in promoting diversity management left them unable to catch up with market changes from multiple perspectives. Going forward, I believe that the ability to respond to such changes will increasingly become a driver of corporate differentiation.

Fukuda: From the perspective of my career to date, I feel that ITFOR is nevertheless quite diverse. Mid-career recruitment is being promoted, and I also see many women at the company. Of course, diversity is not limited to gender. In that sense, I believe ITFOR can achieve medium- to long-term growth. I also

think the chairman and president are working to aim even higher, and under the new management structure, ITFOR will be able to further showcase and communicate its diversity.

Abe: My ideal is an environment where, regardless of gender or age, and irrespective of position, everyone can think together about what the right answer is to the agenda at hand. When facing challenges, it is important to be able to consider what the optimal solution is without being constrained by status, role, or gender.

To the stakeholders Supporting the enhancement of corporate value under Chairman Sato and President Sakata

—What initiatives do you think are necessary for ITFOR to achieve further growth in the future?

Abe: I believe ITFOR's connections with regional financial institutions and local governments are truly the company's greatest assets. One direction for growth is to evolve the current systems and deliver even better solutions to customers. Another direction is to provide new businesses as added value, making the most of our existing extensive customer base. I would like ITFOR to become a company that, without being constrained by our core businesses or conventional thinking, can also provide solutions to the common challenges that regional communities are currently facing.

Fukuda: In terms of regional revitalization, it is

not only financial institutions, municipalities, and department stores that are important, transportation infrastructure is also essential. I am not sure how far ITFOR can be involved, but I hope the company will step into new fields, provide what it can as an information infrastructure player, and connect these efforts to true regional revitalization.

To achieve this, I believe “co-creation” will carry great significance, not just working alone. We need to think carefully about who the partners in co-creation should be. If ITFOR can expand new challenges step by step, it will be exciting and meaningful in terms of energizing regional communities as well.

Kanazawa: What both of you mentioned is precisely ITFOR's strength. Based on the foundation of building better systems, ITFOR can enhance its corporate value by collaborating with customers across a variety of industries to create a new society. In particular, young people feel excited when they engage in new endeavors. When their hearts are uplifted, they also gain a real sense of contributing to regional communities, and that cycle generates even more strength. I hope ITFOR will become a company where original ideas emerge one after another and are embraced with a positive attitude.

—Finally, please share a message for your stakeholders.

Fukuda: As a Member of Audit and Supervisory Committee, my first responsibility is to firmly fulfill the role of “defense.” At the same time, without applying the brakes too heavily, I will make constructive proposals at the board of

directors so that ITFOR's unique strengths can be fully utilized. We aim to be a team of Members of Audit and Supervisory Committee that both internal and external stakeholders can say they are glad to have entrusted with this responsibility. I will devote my efforts to enhancing corporate value.

Kanazawa: From the perspective of diversity, which we discussed earlier, I believe outside directors have a major role to play. It is important to reflect external, objective viewpoints in management. While maintaining a certain degree of constructive tension with the executive team, we must also value balance. In particular, ITFOR has a sound financial base and ample room for investment. Precisely because of this, I see it as our responsibility to carefully oversee positive initiatives and help establish a management environment where the company can continue to take on forward-looking challenges.

Abe: I believe it is highly significant that, while Chairman Sato remains active, the company has deliberately entrusted management to President Sakata, who comes from a technical background. Leveraging ITFOR's strengths in technology and its solid financial foundation, I see President Sakata's major mission as further enhancing corporate value through new development investments and M&A. By effectively utilizing public projects, advanced technologies, and ample financial resources, I expect ITFOR will continue to raise its corporate value.

Going forward, we three outside directors will continue to draw on our respective expertise to meet the expectations of all stakeholders.

Corporate governance

Strengthening of management base

Basic approach

The strengthening of the management foundation is essential for the realization of the continuous improvement of corporate value. ITFOR puts top priority on the strengthening of risk management including information security assurance and the organization structure for ensuring compliance, as well as the corporate governance system that reinforces these policies.

ITFOR draws on its corporate philosophy of generating excitement and smiles by “YORISOU CHIKARA” – The Strength to Support in expressing its philosophy of corporate governance. It recognizes that the basis of corporate governance is transparent and fair management systems and efficient business execution underpinned by prompt and resolute decision-making and timely and appropriate information disclosure. Based on this basic policy, the Company aims for its continuous improvement of the Group's corporate value by defining ITFOR Group's Corporate Governance Basic Policy to ensure the effectiveness of corporate governance and continuously improve it.

Organization

ITFOR has adopted the structure of a company with audit and supervisory committee to reinforce the supervisory function of the Board of Directors and to ensure the robustness of the company's corporate governance. While the company rule stipulates that the number of Directors (excluding those who are also members of Audit and Supervisory Committee)

shall be 20 or less, the current number of Directors is six, including one outside director. While the company rule stipulates that the number of Directors who are also members of Audit and Supervisory Committee shall be five or less, the current number of such Directors is three including two Outside Directors. In order to respond quickly to changes of the management environment by separating the decision making and supervision function and the business execution function, the Company adopts the executive officer system, under which the Business Executive Committee whose members consist of Directors and

Executive Officers makes decision on business execution strategies to ensure agile business execution. The Company has established the Nomination and Compensation Committee as a non-statutory advisory body, in which Outside Directors constitute the majority, in order to elevate the transparency and objectivity of the procedure for nomination and compensation decisions for Directors.

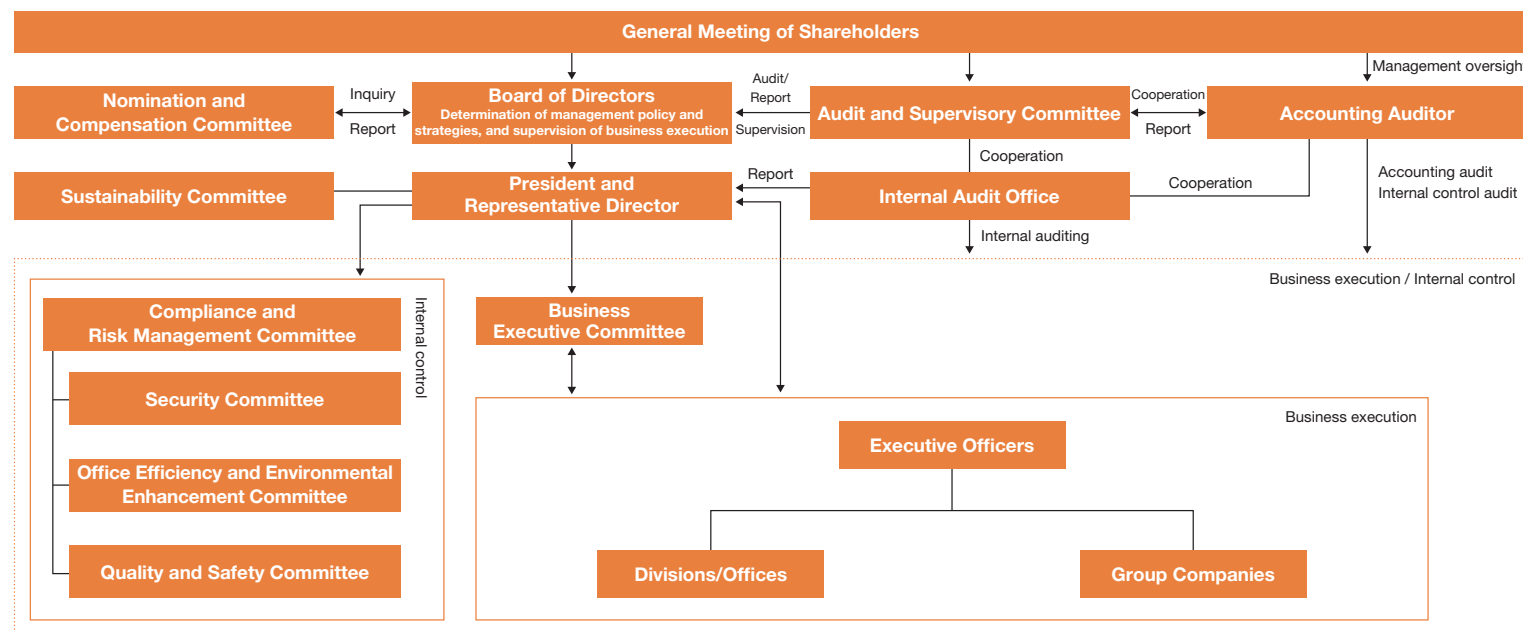
Board of Directors

The Board of Directors should recognize the stewardship responsibility for shareholders, and are responsible for the continuous growth

of the ITFOR Group and the medium- and long-term improvement of corporate value. Also, in order to fulfill these responsibilities, the Board of Directors sets up the goals of the Company and makes best decisions for the Company on management strategies, management plans, and important business executions in light of the evaluation of risks that the Company faces. The Board of Directors provides an environment that supports appropriate risk taking and makes effective supervision on the execution of duties of Directors from an independent standpoint.

The Board of Directors held 22 meetings in fiscal 2024.

Organization chart of corporate governance



Corporate governance

Audit and Supervisory Committee

The Audit and Supervisory Committee is a statutory body that has the supervision function together with the Board of Directors, and audits the Directors' performance in their duties. Based on the audit policy and audit plan resolved at the beginning of the period, the committee takes proactive roles including supervising and verifying the status of creation and operation of the internal control system of the Group and providing the information obtained from audit activities for the deliberation of the Board of Directors of the Company. The committee liaise with Outside Directors to help them in information collection, and also closely liaise with Accounting Auditors and the internal audit department. Furthermore, to ensure proper audit activities, the committee takes appropriate actions such as defining criteria for properly selecting and evaluating the accounting auditor and confirming that the accounting auditor has independence and expertise, with the recognition of accounting auditor's responsibilities for shareholders and investors.

The Audit and Supervisory Committee basically meets once a month, and had 20 meetings in fiscal 2024.

Nomination and Compensation Committee

ITFOR has established its Nomination and Compensation Committee as a voluntary advisory body to its Board of Directors. The committee is tasked with enhancing and ensuring the transparency and objectivity of procedures regarding the nomination and compensation of directors and with bolstering corporate

governance. The Nomination and Compensation Committee is composed of three or more members appointed through a Board of Directors' resolution. It adheres to a policy that the majority of its members are to be independent outside members, one of whom will serve as the committee's chair. The committee conducts deliberations and provides recommendations to the Board of Directors in response to inquiries therefrom.

The committee had six meetings in fiscal 2024.

Business Executive Committee

The committee makes decisions flexibly and promptly on basic and important matters of

business execution in order to reinforce the function of the Board of Directors and enhance the management efficiency.

The committee consists of Directors and Executive Officers and basically meets twice a month. The committee had 22 meetings in fiscal 2024.

Sustainability Committee

The Company established the Sustainability Committee chaired by the Chairman and Representative Director and sub-chaired by the President and Representative Director in order to advance and enhance sustainability efforts. The committee conducts ESG-related activities under the basic policy of "We aim to build a

sustainable future by fostering innovation that supports every aspect of local communities and individuals' life stages while delivering meaningful experiences," and reports on its activities to the board of directors twice a year. By deepening discussions with management, the committee confirms the direction that should be pursued across the group as a whole while also enhancing its own effectiveness.

In addition, matters decided by the committee are communicated throughout the group, and each entity works in coordination so that the entire group engages in sustainability activities together, aiming to enhance corporate value through the realization of ESG management.

● Skill matrix of the Board of Directors

Name	Position	Management experience	ESG/ Sustainability	Marketing/ Business strategy	IT/ Infrastructure technology	Industry knowledge	Internationality and diversity	Law and risk management	Finance, accounting, and M&A
Tsunenori Sato	Chairman and Representative Director	○	○	○	○		○		
Koji Sakata	President and Representative Director	○		○	○	○			○
Hiroataka Oeda	Director and Managing Executive Officer, General Manager of Corporate Strategy Department General Manager of Financial Systems Division	○	○	○		○		○	
Katsuo Nakayama	Director and Executive Officer General Manager of Management Division	○	○			○		○	○
Kazunori Kono	Director and Executive Officer General manager of Payment Systems Division		○	○	○	○	○		
Waka Abe	Outside Director	○	○	○			○		
Masahito Motoyama	Director Full-time member of Audit and Supervisory Committee	○		○		○		○	
Itsuko Fukuda	Outside Director Member of Audit and Supervisory Committee	○		○	○	○		○	
Koji Kanazawa	Outside Director Member of Audit and Supervisory Committee		○	○			○	○	○

* Up to five relevant items are marked for each Director. The table does not cover the entire knowledge and experience of the Directors.

Corporate governance

Evaluation of the effectiveness of Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors aiming for the improvement of the function of the Board of Directors and the improvement of the corporate value.

The overview of the evaluation results of fiscal 2024 is shown below.

(i) Analysis/Evaluation method

With the support of an external institution, a survey was conducted by a questionnaire of the following content for all members of the Board of Directors, and based on the survey result report from the external institution, the Board of Directors conducts analysis and evaluation and discusses actions to be taken.

Members of Board of Directors	Performance and other aspects of outside directors (including members of Audit and Supervisory Committee)
Effectiveness of Board of Directors	Monitoring function, dialog with shareholders (investors), operation of the Nomination and Compensation Committee, etc.
Operation of the Board of Directors	Discussion, supporting system for Directors (including members of Audit and Supervisory Committee), training, effort of each Director
Others	Total evaluation

(ii) Evaluation result

The Board of Directors was evaluated as being functioning effectively overall with proper

overall functioning of operation, decision making, and supervision as the result of deliberation in the Board of Directors based on the analysis in view of the result of the questionnaire.

(iii) Actions to be taken into the future

As the result of discussion in the Board of Directors, the following are recognized as actions to be taken continuously into the future:

- (1) For the realization of management that pays heed to the capital cost and stock prices, analyze and evaluate the capital cost and capitalization rate as well as market evaluation on the Company, and conduct effective deliberation on the formulation of an improvement policy and on challenges.
- (2) Improve the quality of management by providing all Directors with opportunities to obtain necessary knowledge and by the effort of diversifying and systematically fostering the candidates of core management personnel.
- (3) While the importance of the agenda items of the Board of Directors is increasing, strengthen the framework for the timely prior provision of necessary and sufficient information and explanation to the management team and the Board of Directors to enable more efficient and proper deliberation.

Compensation for Directors

The Company's basic policy of compensation for Directors is to determine compensation values through a transparent and objective process that functions as a sound incentive with proper alignment with Company's performance, with the aim of securing, retaining, and motivating excellent management staff to enable the Company and the Group to continuously grow and gain increasing corporate value over the medium-to-long term.

Compensation system

Compensation for Directors of the Company consists of the basic part and the portion linked to performance, and it is determined by the Board of Directors through deliberation by the Nomination and Compensation Committee on the comparison with companies in the same

industry or of the same size, financial condition of the Company, and contribution of individual Directors, based on the results reported to the Board of Directors. Only the basic compensation is paid to outside directors and Directors who are also members of the Audit and Supervisory Committee because performance-linked compensation is not appropriate for them.

The performance-linked compensation consists of the monthly compensation, which is an incentive that links to short-term performance, which is a medium- to long-term incentive, and the share exchange trust (non-monetary compensation, etc.), which is performance-linked compensation in the form of shares. The monthly compensation is calculated and paid according to the achievement rate of the target net income attributable to owners of the parent.

Overview of compensation system for Directors

Fixed		- A fixed amount is paid in accordance with the position and responsibility of each Director. - The compensation value of a Director who is a member of Audit and Supervisory Committee is determined by deliberation by the members of Audit and Supervisory Committee.
	Compensation as short-term incentive (monthly)	- Total of performance-linked compensation = Target net income attributable to owners of the parent*¹ × 8.0% (maximum) × Company performance evaluation factor - Amount paid to each Director = Total performance-linked compensation × $\frac{\text{Points of each Director} \times \text{Performance evaluation factor of each Director}^2}{\text{Sum of (points of each Director} \times \text{Performance evaluation factor of each Director}^2)}$ *1 JPY Zero when the net income attributable to owners of the parent is negative. *2 Factors are determined in the range of 0% to 150% according to the results with regard to individual performance indicators of each Director.
Variable	Compensation as medium to long-term incentive (performance linked stock compensation)	- The purpose of this compensation is to encourage the Directors to contribute to the medium- to long-term improvement of the performance and corporate value of the Company by clarifying the relation between the compensation for Directors and the performance and stock value of the Company to have the Directors share with the shareholders the advantages and risks brought by stock value changes. - In this system, shares of the Company are purchased by a trust (this trust, hereafter) that was created by a fund provided by the Company, and the number of shares commensurate to the points granted to each Director by the Company are delivered to the Director through this trust. - In principle, directors receive the delivery of shares upon their retirement. - The performance target is set at consolidated operating profit of JPY 4.8 billion for FY2026, the final year of the fourth medium-term management plan.

Corporate governance

Compliance

Basic approach

The Group behaves sensibly observing laws and regulations as well as company rules, thereby to be a company trusted by society.

Organization

Our Compliance and Risk Management Committee oversees our overall compliance and risk management. It investigates the causes of compliance violations and other business risks and considers and implements measures after reviewing laws and regulations to prevent or mitigate recurrence. In the event of emergencies, such as natural disasters, the president and representative director heads up the company's Emergency Response Headquarters to promptly and appropriately manage the crisis.

ITFOR has established three subcommittees—the Security Committee, the Office Efficiency and Environmental Enhancement Committee, and the Quality and Safety Committee—to analyze from their specialized perspectives operational risks arising from emergencies. Those subcommittees report their findings to the Compliance and Risk Management Committee.

Window for whistle-blowing and consultation about compliance

ITFOR provides email and phone consultation

windows so that employees do not hesitate to consult when they sensed something that may violate compliance or a behavior in everyday operations that may cause a problem. Considering cases when whistle-blowers do not want to consult an internal body, the Company also provides a consultation window operated by an external service.

Risk management

Basic approach

The Company consolidates its risk management organizational system through the disclosure of the organization and policy of information security, the organization and policy for improving and maintaining quality, BCP, and the organization and status of internal control.

Organization

The Compliance and Risk Management Committee analyzes risks in information security, environment, industrial health, safety of product, quality, and so forth, and is working to reduce these risks based on company rules of risk management. ITFOR has established three subcommittees—the Security Committee, the Office Efficiency and Environmental Enhancement Committee, and the Quality and Safety Committee, which meet periodically. These committees analyze risks in business operations from their specialized perspectives for the integration of company-wide risk management.

Anticipated key risks and their mitigation

Type of risk	Outline of risk	Key measures
Natural disasters, etc.	Business disruption from power outages and telecommunications failures caused by earthquakes and other disasters	We have data centers in Tokyo and Osaka and have established a business continuity plan (BCP) that takes into account large-scale earthquakes. We implement safety measures such as the introduction of a safety confirmation system, seismic resistance measures, and disaster prevention training.
System (product) development and quality management	Costs and damages due to quality-related issues	We have obtained ISO 9001 certification (2015 edition), produced a quality manual, and set quality objectives to ensure thorough quality management. ISO 27001 certification (2013 edition), meanwhile, facilitates our ability to conduct quality assurance, to improve services, and to enhance customer satisfaction.
Information security	Loss of critical information	Division managers serve as information security officers and oversee security within their divisions. We have obtained privacy mark certification and have bolstered our information management by implementing CAT Supporter, a system that monitors access control and PC operation logs.
Competition	Price declines amid intense competition	Our business strategy sees us leverage our extensive business experience to specialize in systems for regional financial institutions and for distribution and retail industries. By concentrating on these areas, we accumulate system expertise superior to our competitors'. We differentiate ourselves by offering comprehensive services encompassing tangible and intangible elements and our unique solutions and network infrastructure.
Exchange rate fluctuations	Increased costs due to exchange rate fluctuations	We engage in forward exchange reserve transactions within the scope of foreign currency accounts payable and order amounts. We select the counterparties for forward exchange reserve transactions from among highly reputable domestic banks to mitigate our credit risks.
COVID-19	Constraints on order activities, delays in software development, and delays in delivery caused by disruptions in the supply chain because of the renewed spread or prolonged impact of infections	We promote work-style reforms that include telecommuting and more. As part of our integrated supply chain management, we also exercise procurement based on customer demands to minimize transportation, inventory, and waste generation, thereby limiting the impact on performance.

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(Unit: million yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Balance sheet											
Current assets	9,886	10,796	10,507	11,322	12,299	12,849	14,694	16,264	17,676	19,498	18,460
Fixed assets	4,770	4,166	4,411	4,095	3,578	3,445	3,996	3,746	3,990	4,497	5,492
Current liabilities	2,986	2,954	2,445	2,777	3,244	3,459	4,341	4,174	4,243	4,878	4,512
Fixed liabilities	351	257	386	427	266	271	248	229	256	280	395
Net assets	11,318	11,750	12,088	12,213	12,367	12,564	14,101	15,606	17,167	18,836	19,044
Total assets	14,656	14,962	14,919	15,259	15,878	16,294	18,690	20,010	21,667	23,996	23,952

Income Statement

Net sales	11,467	12,154	11,111	11,831	12,554	15,239	16,289	17,021	18,322	20,652	20,552
Gross profit	3,989	4,410	4,079	4,528	4,652	4,840	5,386	6,156	6,734	7,753	7,870
Operating income	1,078	1,540	1,270	1,535	1,637	1,728	2,186	3,031	3,217	3,737	3,532
Ordinary income	1,100	1,588	1,331	1,605	1,709	1,839	2,317	3,106	3,278	3,846	3,668
Net income attributable to owners of parent	658	1,013	906	1,124	1,148	1,232	1,683	2,112	2,291	2,770	2,914

Cash flow statement

Cash flows from operating activities	1,215	1,464	1,531	1,830	899	1,879	2,728	2,811	1,714	2,836	2,609
Cash flows from investing activities	(1,239)	(186)	(155)	(203)	(306)	(714)	(429)	(353)	(758)	(504)	(2,508)
Cash flows from financing activities	(562)	(255)	(825)	(1,129)	(693)	(694)	(526)	(544)	(744)	(1,623)	(2,672)
Cash and cash equivalents at year-end	4,458	5,480	6,031	6,528	6,428	6,899	8,672	10,585	10,796	11,505	8,934

Key indicators

ROA (%)	7.8	10.7	8.9	10.6	11.0	11.4	13.2	16.1	15.7	16.8	15.3
ROE (%)	6.2	8.9	7.7	9.3	9.4	9.9	12.7	14.3	14.0	15.4	15.4
ROIC (%)	5.8	8.6	7.3	8.4	9.0	9.3	11.8	13.9	13.7	15.0	14.8
Equity to total assets ratio (%)	75.9	77.5	80.9	79.9	77.7	76.8	75.2	77.9	79.1	78.5	79.5
Net debt to equity ratio (times)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating income margin (%)	9.4	12.7	11.4	13.0	13.0	11.3	13.4	17.8	17.6	18.1	17.2

ROA (return on assets) = (Current ordinary income / Average total assets of the current and previous period) × 100 ROE (return on equity) = (Net income attributable to owners of parent for the current period / Average equity of the current and previous period) × 100
 ROIC (return on invested capital) = (After-tax operating income for the current period / Average of (Net assets - Stock subscription rights) of the current and previous period) × 100

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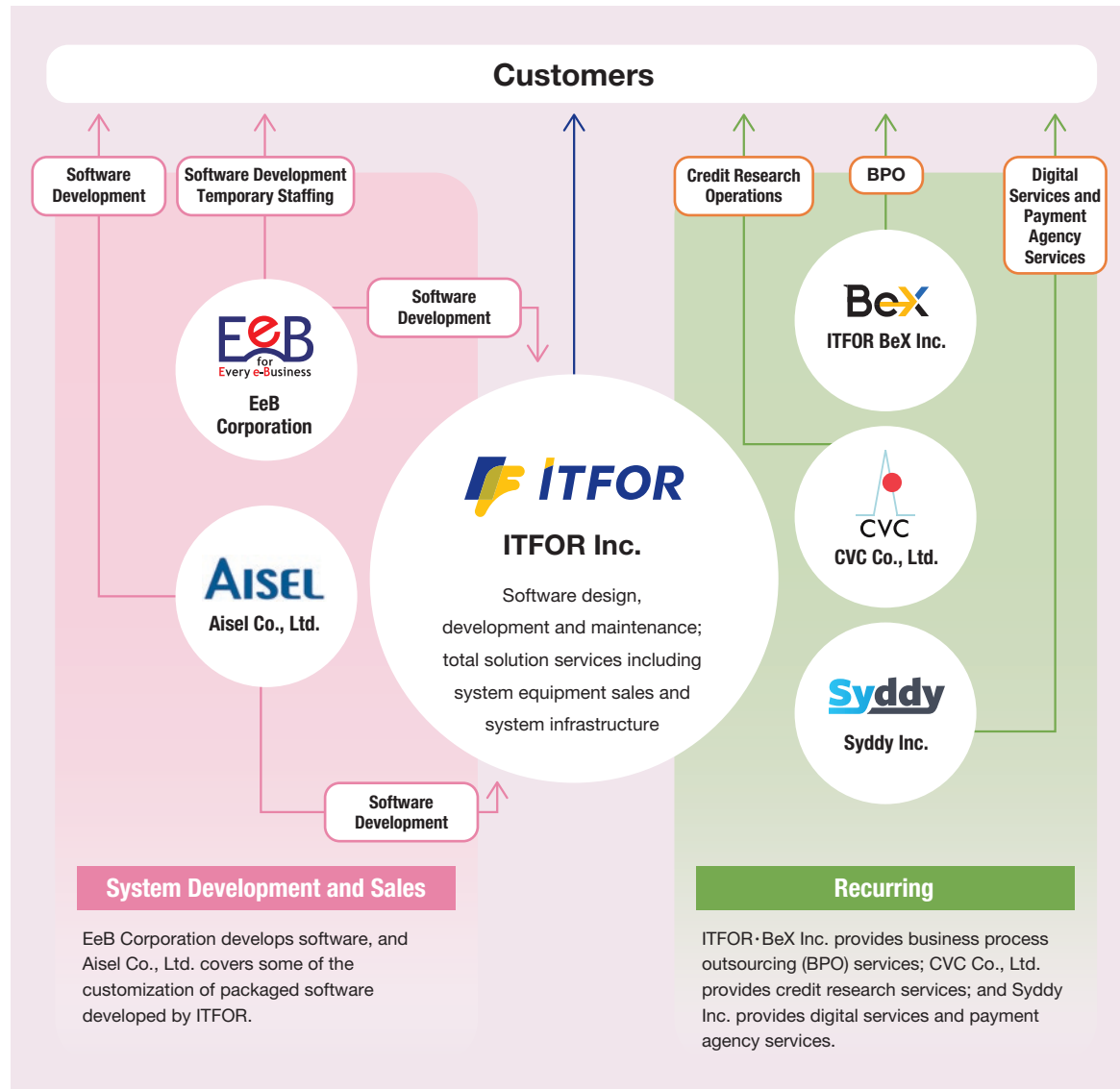
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Overview of ITFOR Group Companies



AISEL

Company name	Aisel Co., Ltd.
Head office location	12F Ueno Frontier Tower, 3-24-6 Ueno, Taito-ku, Tokyo 110-0005
Representative	Reiko Kusakawa
Established	January 25, 1989
Capital	100 million yen (non-consolidated)
Line of business	Development of computer software
URL	https://www.aisel.ne.jp

BeX

Company name	ITFOR BeX Inc.
Head office location	12F Ichibancho Tokyu Bldg., 21 Ichibancho, Chiyoda-ku, Tokyo 102-0082
Representative	Junichi Murata
Established	April 1, 2024
Capital	100 million yen
Line of business	BPO services for local government collections and related operations
URL	https://itfor-bex.co.jp

EeB
for Every e-Business

Company name	EeB Corporation
Head office location	Ishikawa Frontier Lab, 2-5-12 Asahidai, Nomi-shi, Ishikawa 923-1211
Representative	Toshiro Nakagen
Established	December 6, 1996 (incorporated December 6, 2001)
Capital	14.5 million yen
Line of business	Development of computer software
URL	https://www.eeb.co.jp

CVC

Company name	CVC Co., Ltd.
Head office location	2F Hakata Ekimae City Bldg., 1-9-3 Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka 812-0011
Representative	Tokichi Tomimatsu
Established	April 2002
Capital	100 million yen
Line of business	Corporate research and work involved in corporate research related to accounts receivable business processes
URL	https://www.cvc-3s.co.jp

Syddy

Company name	Syddy Inc.
Head office location	12F Ichibancho Tokyu Bldg., 21 Ichibancho, Chiyoda-ku, Tokyo 102-0082
Representative	Akinori Aizawa
Established	July 7, 2022
Capital	92.5 million yen
Line of business	Digital services business and payment agency business
URL	https://www.syddy.co.jp

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Executive officers

Tsunenori Sato Chairman and Representative Director

1998 March	Joined the Company
2008 June	Executive Officer, Deputy General Manager of Solution Systems Division
2011 June	Director and Executive Officer, General Manager of Solution Systems Division
2017 June	Representative Managing Director and Executive Officer, General Manager of Financial Systems Division
2018 June	Representative Senior Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division
2019 April	President and Representative Director, General Manager of Corporate Strategy Department
2021 April	President and Representative Director
2025 June	Chairman and Representative Director (current position)

Koji Sakata President and Representative Director

1987 April	Joined the Company
2008 June	Executive Officer, General Manager of Software Division I
2008 October	Executive Officer, General Manager of Software Development Department
2013 June	Director and Executive Officer, General Manager of Technical Support Division
2014 June	Director and Managing Executive Officer, General Manager of Technology Development Division
2019 June	Director and Senior Managing Executive Officer, General Manager of Public Systems Division
2020 October	Representative Senior Managing Director and Executive Officer, General Manager of Technology Development Division
2025 June	President and Representative Director (current position)

Hiroataka Oeda Director and Managing Executive Officer

1981 April	Joined the Company
2004 June	Executive Officer, General Manager of West Japan Office
2006 June	Director and Executive Officer, General Manager of Solution Systems Division
2007 June	Director and Managing Executive Officer, General Manager of Solution Systems Division
2009 October	Director and Managing Executive Officer, General Manager of Corporate Strategy Department
2018 December	Director and Executive Officer, General Manager of CTI Systems Division and Communications Systems Division
2021 April	Director and Executive Officer, General Manager of Corporate Strategy Department and Retail EC Systems Division
2024 July	Director and Managing Executive Officer, General Manager of Corporate Strategy Department
2025 April	Director and Managing Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division (current position)

Waka Abe Outside Director

2004 March	Joined SK-Electronics Co., Ltd.
2014 June	Director, Shashin Kagaku Co., Ltd.
2019 December	Director, SK-Electronics Co., Ltd. (current position)
2021 June	ITFOR Outside Director (current position)
2025 March	Outside Corporate Auditor, Monicle Inc. (current position)

Masahito Motoyama

Director (Full-time Member of Audit and Supervisory Committee)

1981 April	Joined the Company
2008 June	Executive Officer, Deputy General Manager of Corporate Strategy Department
2011 June	Director and Executive Officer, Deputy General Manager of Corporate Strategy Department
2021 June	Director and Member of Audit and Supervisory Committee (current position)

Itsuko Fukuda

Outside Director (Member of Audit and Supervisory Committee)

1984 April	Joined Toshiba Corporation
2015 April	General Manager of Quality Assurance Department, Komukai Complex
2018 June	President CEO, Tokyo Electronic Systems Corporation
2019 October	President CEO, Tokyo Electronic Systems Corporation
2022 October	Director, TOSHIBA ELECTRONIC TECHNOLOGIES CORPORATION
2024 June	Outside Director, SINKO INDUSTRIES LTD. (current position)
2024 June	Outside Director, Ichikawa Co., Ltd. (current position)
2025 June	ITFOR Outside Director and Member of Audit and Supervisory Committee (current position)

Katsuo Nakayama Director and Executive Officer

1991 October	Joined Showa Ota & Co. (now Ernst & Young ShinNihon LLC)
2003 June	ITFOR Outside Corporate Auditor
2010 June	Director and Executive Officer, General Manager of Management Division (current position)

Kazunori Kono Director and Executive Officer

1996 April	Joined the Company
2010 October	General Manager of Network Solution Division
2011 June	Executive Officer, General Manager of Network Solution Division
2014 April	Executive Officer, Deputy General Manager of Corporate Strategy Department
2022 April	Executive Officer, General Manager of Payment Systems Department
2023 April	Executive Officer, General Manager of Payment Systems Division
2024 June	Director and Executive Officer, General Manager of Payment Systems Division (current position)

Koji Kanazawa

Outside Director (Member of Audit and Supervisory Committee)

2004 October	Joined CHUO SOGO LPC
2013 August	Admitted in the State of New York
2014 January	Deputy Director, Supervisory Bureau, Financial Services Agency
2016 January	Partner, CHUO SOGO LPC (current position)
2018 June	Outside Auditor, Rakuten General Insurance Co., Ltd. (current position)
2022 June	Outside Director, Audit and Supervisory Committee Member, TODA KOGYO CORP. (current position)
2025 June	ITFOR Outside Director and Member of Audit and Supervisory Committee (current position)

Directors and Audit and Supervisory Committee Members



Left to right: Katsuo Nakayama, Hiroataka Oeda, Itsuko Fukuda, Tsunenori Sato, Masahito Motoyama, Koji Sakata, Koji Kanazawa, Waka Abe, Kazunori Kono (as of September 30, 2025)

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Corporate details

Corporate details

Corporate name	ITFOR Inc.
Head office location	12F Ichibancho Tokyu Bldg., 21 Ichibancho, Chiyoda-ku, Tokyo 102-0082
Established	December 2, 1972
Capital	1,124 million yen
Number of employees	510

Business locations

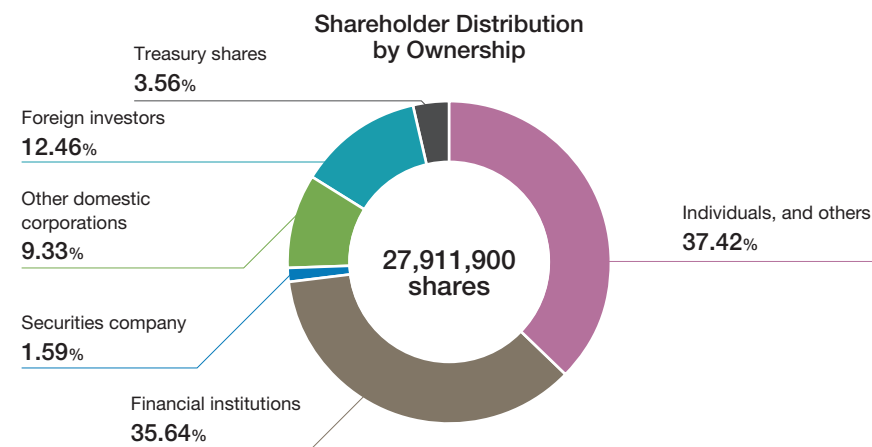
Head Office	12F Ichibancho Tokyu Bldg., 21 Ichibancho, Chiyoda-ku, Tokyo
West Japan Office	15F INOGATE OSAKA, 3-2-123 Umeda, Kita-ku, Osaka-shi, Osaka (Relocation effective October 1, 2025)
Chubu Office	6F Meieki IMAI Bldg., 4-10-25 Meieki, Nakamura-ku, Nagoya-shi, Aichi
Kyushu Office	5F CONNECT SQUARE HAKATA, 1-17-1 Hakataekihigashi, Hakata-ku, Fukuoka-shi, Fukuoka
Okinawa Sales Office	4F Shintoshin DL Bldg., 4-19-30 Omoromachi, Naha-shi, Okinawa
Tokorozawa Building	ITFOR Tokorozawa Bldg., 2-5-7 Higashi Tokorozawa Wada, Tokorozawa-shi, Saitama

Group Companies

Aisel Co., Ltd.	12F Ueno Frontier Tower, 3-24-6 Ueno, Taito-ku, Tokyo	[Development of computer software]
ITFOR BeX Inc.	12F Ichibancho Tokyu Bldg., 21 Ichibancho, Chiyoda-ku, Tokyo	[BPO services for local government collections and related operations]
EeB Corporation	Ishikawa Frontier Lab, 2-5-12 Asahidai, Nomi-shi, Ishikawa	[Development of computer software]
CVC Co., Ltd.	2F Hakata Ekimae City Bldg., 1-9-3 Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka	[Corporate surveys and work involved in corporate surveys related to accounts receivable business processes]
Syddy Inc.	12F Ichibancho Tokyu Bldg., 21 Ichibancho, Chiyoda-ku, Tokyo	[Digital services and payment agency services]

Stock information

Listing	Tokyo Stock Exchange, Prime	Security code: 4743
Number of authorized shares	110,000,000	
Number of shares issued	27,911,900 (including 994,022 treasury shares)	
Stock trading unit	100	
Number of shareholders	12,269	



The corporate image for FY2025 presented on our website and in this report is an image of people's lives filled with smiles, spreading ever wider. What is depicted there is the "story of the community," woven from the past to the present and into the future. **We have infused it with ITFOR's aspiration to support that story through the capabilities of IT and to help write its next page.**





 **ITFOR** ITFOR Inc.

www.itfor.co.jp/en/

<https://ir.itfor.co.jp/english/> (Shareholder and investor information)