

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”)

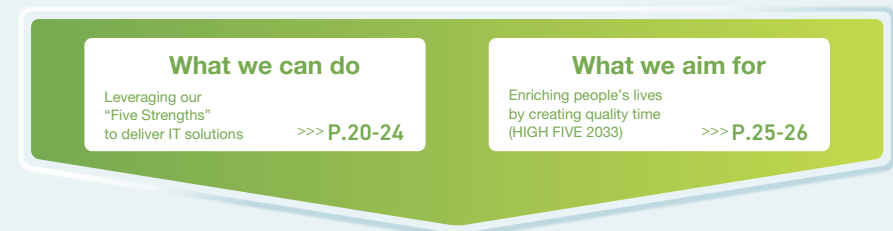


Creating quality time for people through the capabilities of IT —this is ITFOR’s overarching goal and the state we aspire to.

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?



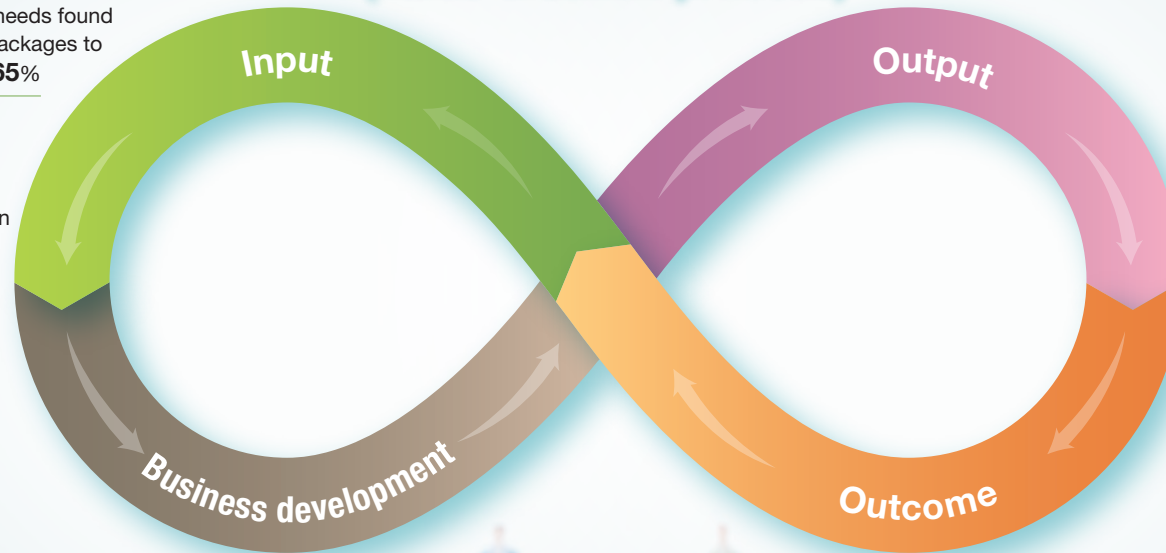
ITFOR's Value Creation Story

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		
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			



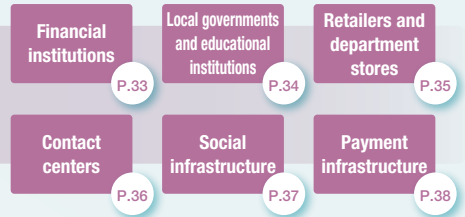
- Financial Systems
- Public Systems
- Retail EC Systems
- CTI Systems
- Communications Systems
- Payment Systems

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

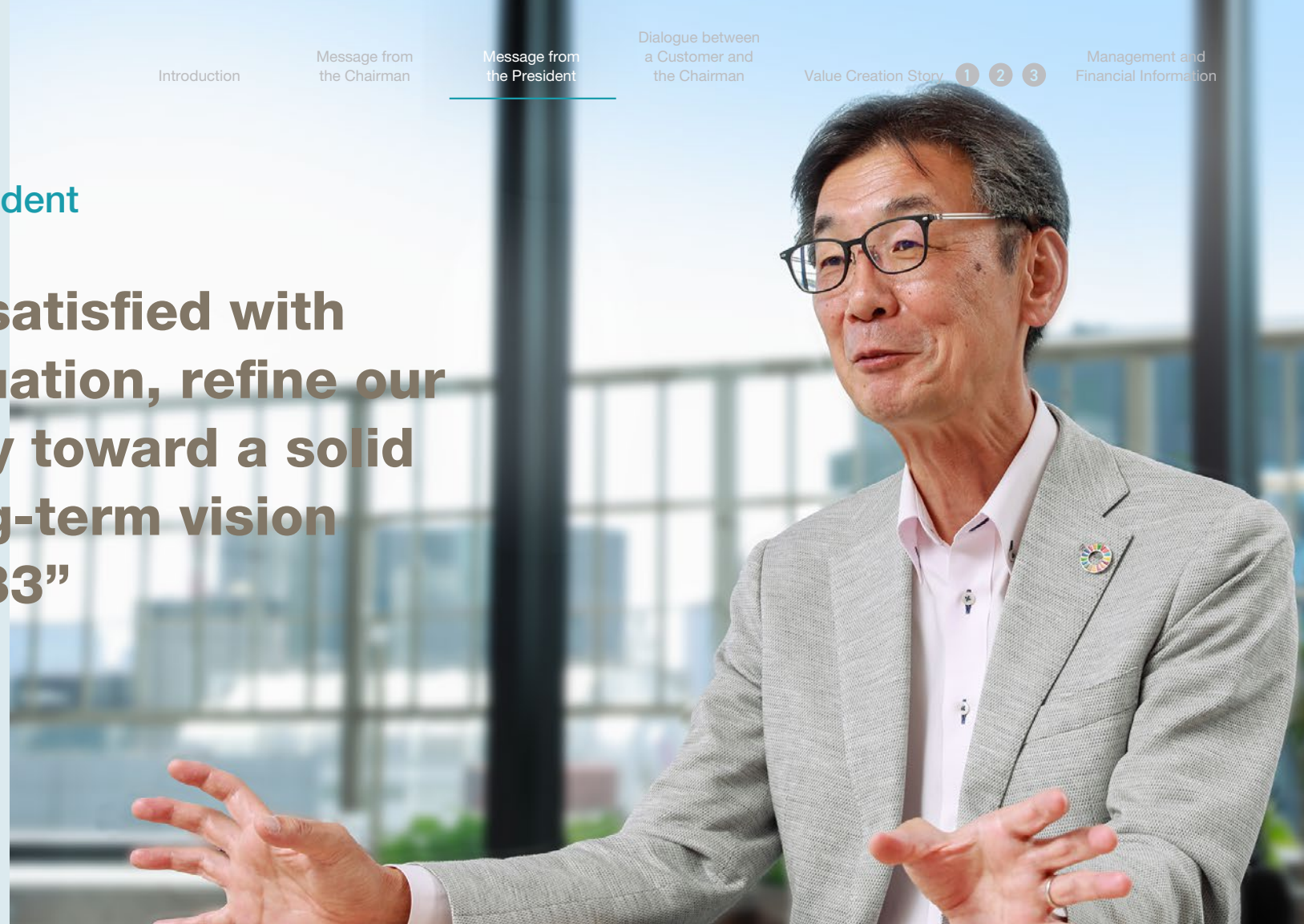
felt that due to our similar ages, “it might be better to entrust the role to the next, younger generation.”

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.

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

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



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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.



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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 stresses 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.

