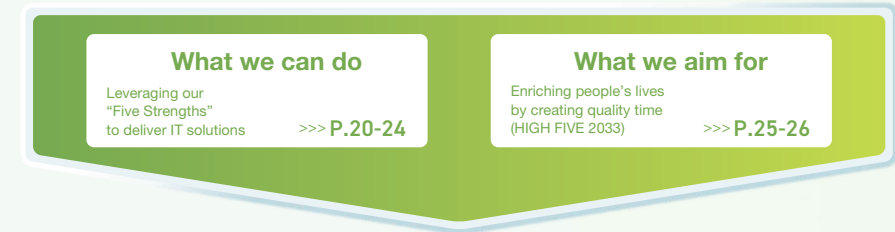


## Value Creation Story (Part 1)

# 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?



# What Can ITFOR Do?

## 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.

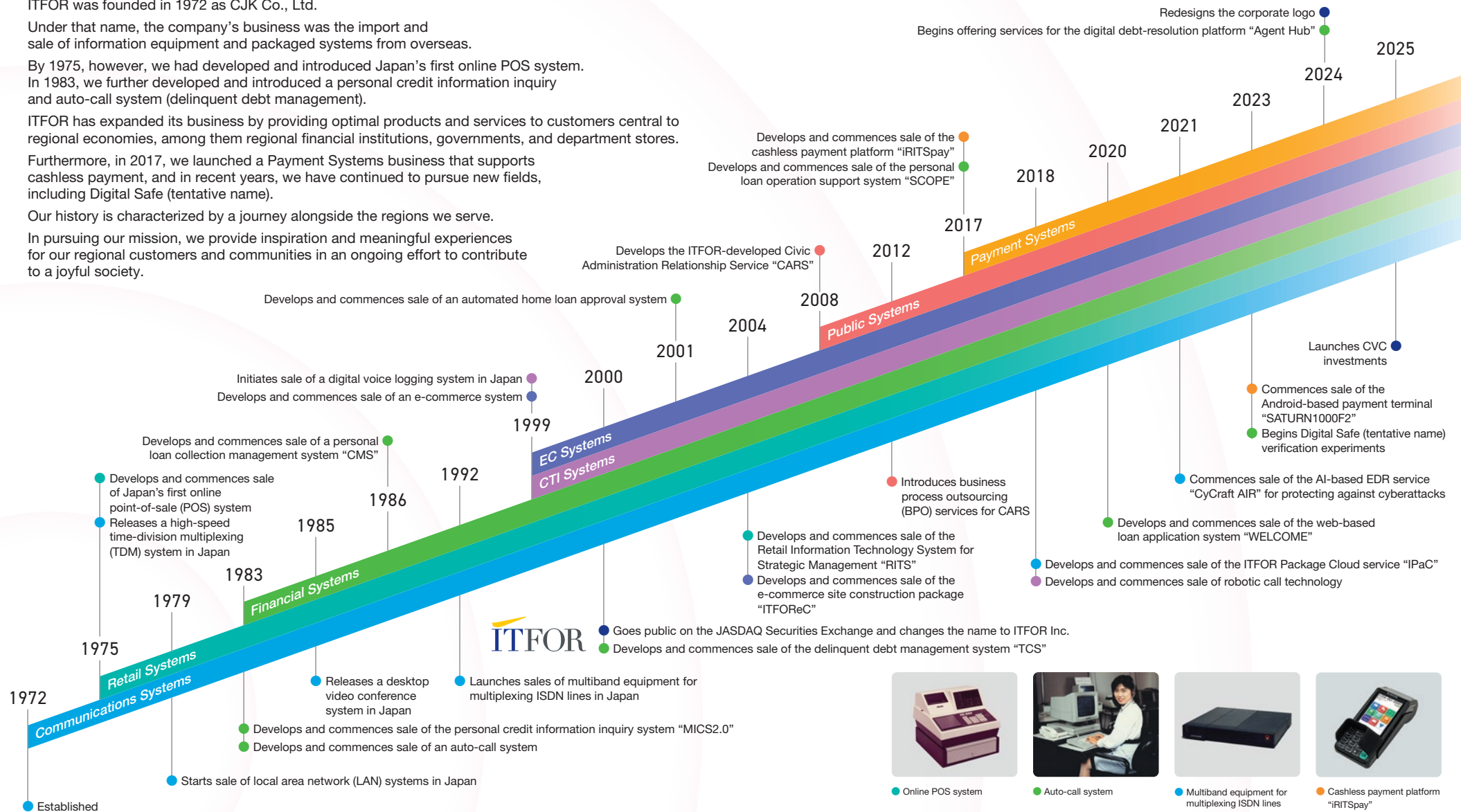
By 1975, however, we had developed and introduced Japan's first online POS system. In 1983, we further developed and introduced a personal credit information inquiry and auto-call system (delinquent debt management).

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

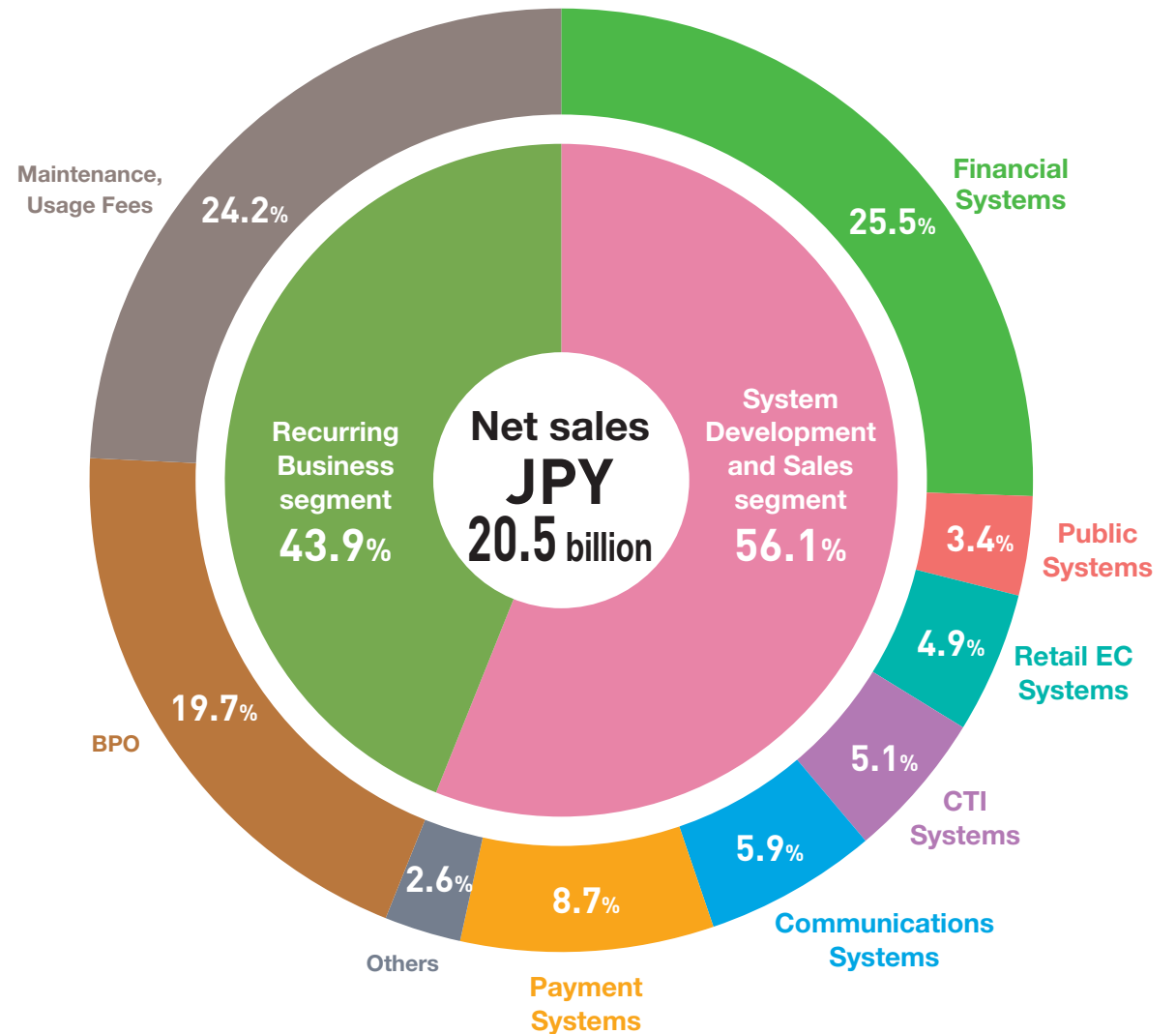
Core business that has been operating since foundation in 1972. Provides one-stop IT infrastructure, from networking equipment and server setup to cloud services and security, to keep our customers' operations and systems running efficiently and securely.



### 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	<b>20,552</b>	Operating income	<b>3,532</b>
Gross profit	<b>7,870</b>	Ordinary income	<b>3,668</b>
		Net income attributable to owners of parent	<b>2,914</b>

#### Balance sheet (Unit: million yen)



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

#### Cash flow statement (Unit: million yen)



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

#### Key indicators



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

## ITFOR by the Numbers

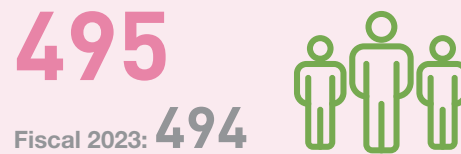
FY2024

### <Non-financial Highlights>

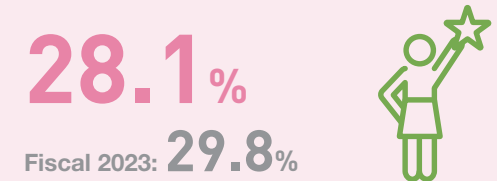
#### Average length of employment



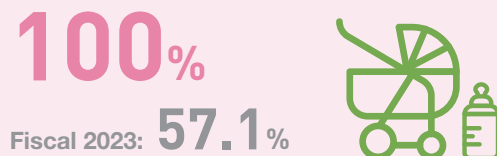
#### Number of employees (non-consolidated)



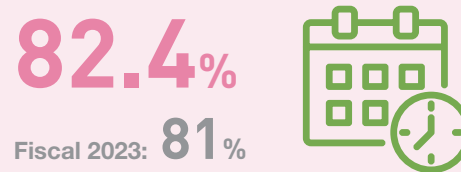
#### Percentage of female workers among workers employed in fiscal 2024



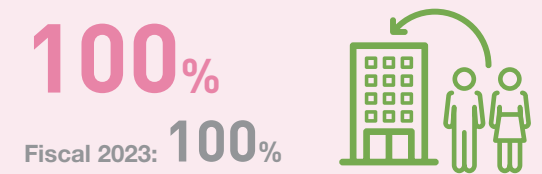
#### Rate of male parental leave uptake



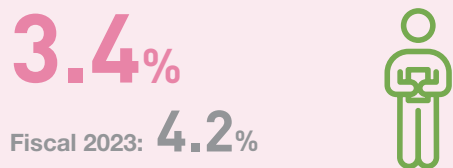
#### Rate of paid leave uptake



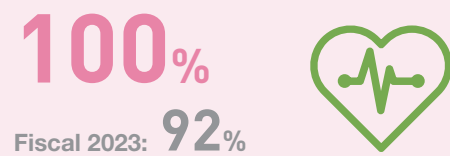
#### Return-to-work rate (Of employees taking maternity/parental leave)



#### Voluntary employee turnover rate



#### Medical checkup attendance rate



# What Are We Aiming For?

## 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.

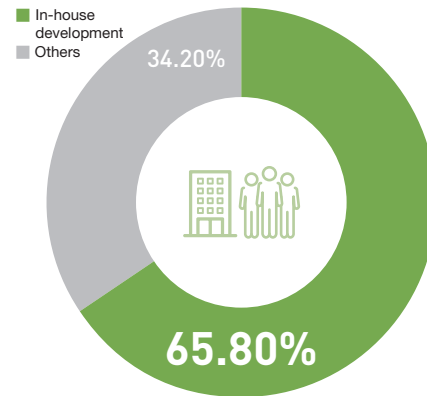
### Niche business strategy

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.

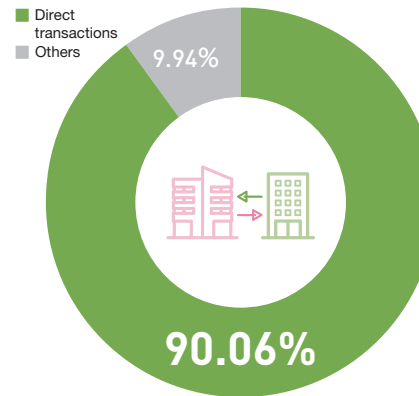
● Ratio of in-house development (FY2024)



### 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)



### Solid customer base

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.

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

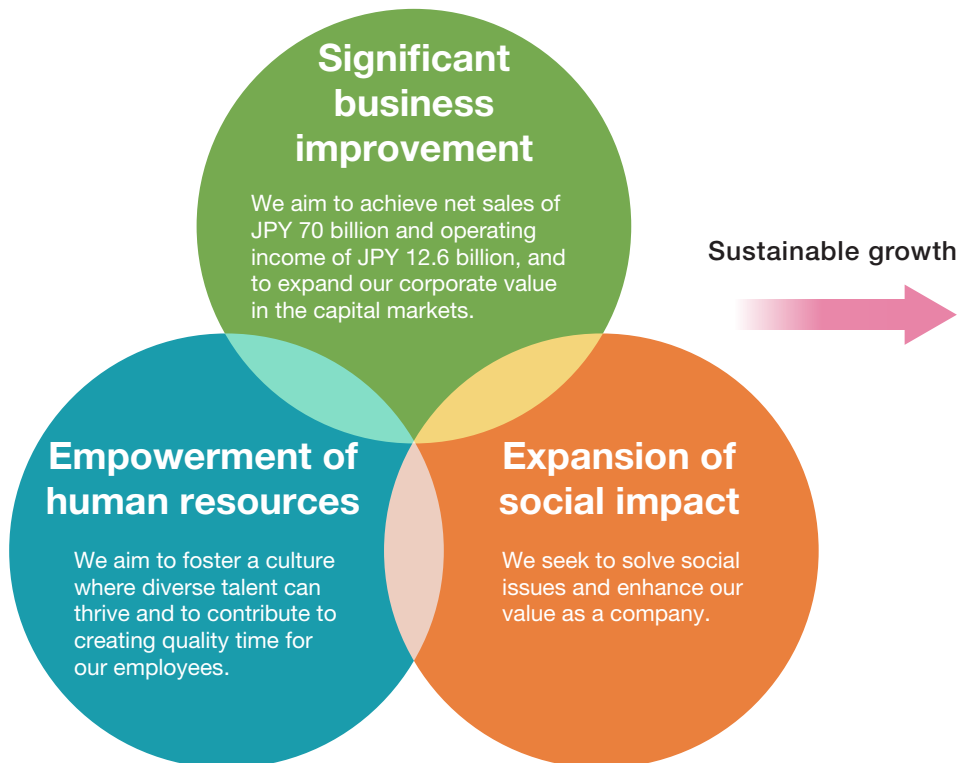
Adopted by **regional department stores** in **19** prefectures

# What Are We Aiming For?

## 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.**



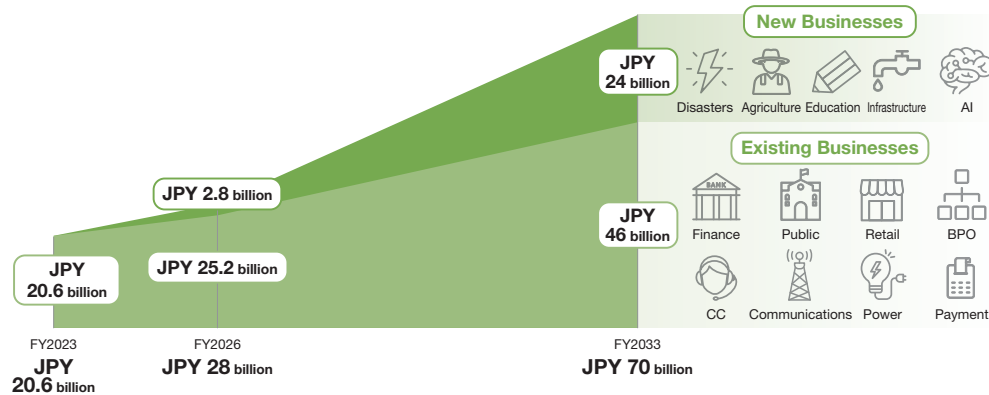
# What Are We Aiming For?

## 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            | <ul style="list-style-type: none"> <li>Personnel system with 1,500 full-time employees</li> <li>Expansion of employee referral system</li> <li>Reduction of turnover</li> <li>5% of working hours for self-improvement</li> <li>Promotion of qualification acquisition</li> </ul> |
| Promotion of DE&I                         | Career development support                       |   |
| Increase in work-life balance             | Improvement in evaluation management             |   |
| Effective recruitment strategies          | Leadership development                           |   |
| Retention measures for potential retirees | Increase in spare time from greater productivity |   |

#### 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.

