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(Securities Code: 4743)

June 2, 2025

(Date of commencement of electronic provision measures: May 29, 2025)

Tsunenori Sato
President and Representative Director
ITFOR Inc.
21 Ichibancho, Chiyoda-ku, Tokyo, Japan

NOTICE OF THE 66th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified that the 66th Annual General Meeting of Shareholders of ITFOR Inc. (the “Company”) will be held for the purposes as described below.

Additionally, when convening this general meeting of shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the following website.

The Company’s website: <https://ir.itfor.co.jp/english/>

In addition to the website shown above, the Company also has posted this information on the following website on the Internet.

Tokyo Stock Exchange (TSE) website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, enter the Company’s name in the “Issue name (company name)” field or our stock exchange code “4743” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to view the information.

Instead of the attendance, you can exercise your voting rights in writing or via the Internet.

Please review the attached Reference Documents for the General Meeting of Shareholders posted on pages 3 through 12 and exercise your voting rights no later than 5:00 p.m. on Thursday, June 19, 2025, Japan time.

- 1. Date and Time:** Friday, June 20, 2025 at 10:00 a.m. Japan time
Reception starts: 9:00 a.m. Japan time
- 2. Place:** 12F, Ichibancho Tokyu Building
21 Ichibancho, Chiyoda-ku, Tokyo, Japan
(Please refer to the venue guide map at the end of the Japanese version of this document.)
- 3. Meeting Agenda:**
- Matters to be reported:** The Business Report, Non-consolidated and Consolidated Financial Statements for the Company's 66th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
- Proposals to be resolved:**
- Proposal 1:** Election of 6 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 2:** Election of 3 Directors Serving as Audit and Supervisory Committee Members
- On the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception of the meeting venue.
 - For the method of exercising voting rights in writing or via the Internet, please refer to the corresponding pages of the Japanese version of this document.
 - The documents sent to shareholders who have requested the delivery of written documents do not contain the following matters in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company. Therefore, this document is part of the documents audited by the Audit and Supervisory Committee when preparing the Audit Report.
 - (1) In the Business Report, "Status of Accounting Auditor," "Outline of Resolution of Establishment of a System to Ensure the Appropriateness of Business Activities," and "Outline of the Operating Status of the System to Ensure the Appropriateness of Business Activities."
 - (2) In the Consolidated Financial Statements, "Notes to Consolidated Financial Statements."
 - (3) In the Non-consolidated Financial Statements, "Notes to Non-consolidated Financial Statements."
 - (4) Audit Reports
 - If any amendments are made to matters subject to the electronic provision measures, such amendments will be posted on the respective websites where the matters are posted.

Reference Documents for the General Meeting of Shareholders


Proposal and References


Proposal 1: Election of 6 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)


The terms of office of all six incumbent Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the close of this General Meeting of Shareholders. It is proposed that six Directors (excluding Directors serving as Audit and Supervisory Committee Members) be elected.


Regarding this proposal, the voluntary Nomination and Remuneration Committee deliberated on the selection of candidates for Director, and election of Directors was determined by the Board of Directors based on the results of such deliberations. The Company has received the opinion from the Audit and Supervisory Committee that all candidates for Director are qualified.


The candidates for Director are as follows:


No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Tsunenori Sato (December 14, 1964) <u>Reappointment</u>	March 1998 Joined the Company June 2008 Executive Officer, Deputy General Manager of Solution Systems Division October 2009 Executive Officer, General Manager of Solution Systems Division June 2011 Director and Executive Officer, General Manager of Solution Systems Division April 2013 Director and Executive Officer, General Manager of Financial Systems Division I June 2016 Director and Managing Executive Officer, General Manager of Financial Systems Department May 2017 Director and Managing Executive Officer, General Manager of Financial Systems Division June 2017 Representative Managing Director and Executive Officer, General Manager of Financial Systems Division April 2018 Representative Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division June 2018 Representative Senior Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division April 2019 President and Representative Director, General Manager of Corporate Strategy Department April 2021 President and Representative Director (to present) (Significant concurrent positions) Director, CVC Co., Ltd.	71,400
[Reason for nomination as candidate for Director] Mr. Tsunenori Sato has made significant contributions to the development and sales of systems for financial institutions such as regional banks in the systems business for financial institutions, which is a core business of the Company. Based on such abundant achievements and experience, he assumed office of President and Representative Director of the Company in April 2019. In the expectation that he will make important management decisions and appropriately fulfill supervisory functions in business execution, the Company has judged that he will contribute to achieve sustainable growth of the Company and enhance corporate value over the medium to long term, and is an appropriate person to be renominated as Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 Koji Sakata (January 26, 1966) <u>Reappointment</u>	<p> April 1987 Joined the Company June 2008 Executive Officer, General Manager of Software Systems Division I October 2008 Executive Officer, General Manager of Software Development Department June 2013 Director and Executive Officer, General Manager of Technical Support Division June 2014 Director and Managing Executive Officer, General Manager of Technology Development Department and Technical Support Division October 2015 Director and Managing Executive Officer, General Manager of Technology Development Department August 2018 Director and Managing Executive Officer, General Manager of Public Systems Division and responsible for Technology Development Department April 2019 Director and Representative Senior Managing Director, General Manager of Public Systems Division and Software Systems Division IV June 2019 Director and Representative Senior Managing Director, General Manager of Public Systems Division and Software Systems Division III April 2020 Director and Representative Senior Managing Director, General Manager of Technology Development Department and Software Systems Division II October 2020 Representative Senior Managing Director and Executive Officer, General Manager of Technology Development Department and Software Systems Division II April 2023 Representative Senior Managing Director and Executive Officer, General Manager of Technology Development Department and Software Systems Division I April 2024 Representative Senior Managing Director and Executive Officer, General Manager of Technology Development Department April 2025 Representative Senior Managing Director and Executive Officer, General Manager of Technology Department (to present) </p> <p> (Significant concurrent positions) Director, EeB Corporation Director, AISEL Corporation Director, ALPHA & SHIN-YO Corporation Chairman of the Board, ITFOR Bex Inc. </p>	141,700
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Koji Sakata has leveraged his abundant experience as a system engineer and has contributed to the improvement of the quality of the Company's packaged software and increased customer satisfaction in the customer support business. He assumed office of Representative Senior Managing Director and Executive Officer in October 2020, and has made contributions to accelerating execution of business in the technical division and strengthening the management system and functions accompanying business expansion. The Company has judged that he will make use of his experience and knowledge in management, and is an appropriate person to be renominated as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>Hirotaka Oeda (July 23, 1957)</p> <p>Reappointment</p>	<p>April 1981 Joined the Company</p> <p>June 2004 Executive Officer, General Manager of Osaka Office</p> <p>April 2005 Executive Officer, General Manager of Solution Systems Division</p> <p>June 2006 Director and Executive Officer, General Manager of Solution Systems Division</p> <p>June 2007 Director and Managing Executive Officer, General Manager of Solution Systems Division</p> <p>October 2009 Director and Managing Executive Officer, General Manager of Corporate Strategy Department</p> <p>April 2015 Director and Managing Executive Officer, General Manager of Financial Systems Division II</p> <p>June 2016 Director and Executive Officer, General Manager of Financial Systems Division II of Financial Systems Department</p> <p>May 2017 Director and Executive Officer, General Manager of CTI & Infrastructure Systems Division</p> <p>December 2018 Director and Executive Officer, General Manager of CTI & Communications Systems Division</p> <p>April 2020 Director and Executive Officer, General Manager of Communications & Enterprise Systems Division</p> <p>April 2021 Director and Executive Officer, General Manager of Corporate Strategy Department and Retail EC Systems Division</p> <p>June 2024 Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Retail EC Systems Division</p> <p>April 2025 Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division (to present)</p> <p>(Significant concurrent position) Director, CVC Co., Ltd.</p>	187,600
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hirotaka Oeda has made significant contributions to the development of systems for servicers and non-banks in the systems business for financial institutions, which is a core business of the Company, as well as business expansion. He has fulfilled his duties appropriately based on such achievements and his experience and insight cultivated through striving for the supervision of the entire business as Managing Director and Executive Officer, General Manager of Corporate Strategy Department. The Company has continued to judge that he is an appropriate person to be renominated as Director with expectation that he will drive further business expansion of the Group.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 Katsuo Nakayama (May 9, 1965) <u>Reappointment</u>	October 1991 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) June 2003 Outside Corporate Auditor, the Company June 2010 Director and Executive Officer, General Manager of Administration Department (to present) (Significant concurrent positions) Director, Syddy Inc. Director, ITFOR Bex Inc.	81,100
[Reason for nomination as candidate for Director] Mr. Katsuo Nakayama has leveraged his experience of serving as Outside Corporate Auditor of the Company as a certified public accountant, and has supported the timely disclosure system and supervised Internal Auditing Division as Director and Executive Officer, General Manager of Administration Department of the Company since June 2010. In addition to such achievements, taking into consideration his experience and insight in promoting the expansion of the BPO business for local government etc. and risk management as a responsible person of the subsidiaries, the Company has judged that he is an appropriate person to be renominated as Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 Kazunori Kono (December 12, 1972) <u>Reappointment</u>	April 1996 Joined the Company October 2010 General Manager of Network Solution Division June 2011 Executive Officer, General Manager of Network Solution Division April 2014 Executive Officer, Deputy General Manager of Corporate Strategy Department April 2022 Executive Officer, General Manager of Payment Business Division April 2023 Executive Officer, General Manager of Payment Business Division June 2024 Director and Executive Officer, General Manager of Payment Business Division (to present) (Significant concurrent position) Director, Syddy Inc.	24,000
[Reason for nomination as candidate for Director] Since joining the Company, Mr. Kazunori Kono has accumulated a wealth of knowledge mainly in the Network Solution Division and has served as Deputy General Manager of the Corporate Strategy Department and General Manager of the Payment Business Division. He has a wide range of experience in business, technology, and sales. Based on his achievements and experience, the Company has judged that he is an appropriate person to be renominated as Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	 <p>Waka Abe (June 15, 1972)</p> <p>Reappointment Outside Director</p>	<p>March 2004 Joined SK-Electronics Co., Ltd.</p> <p>April 2013 Deputy General Manager of Corporate Strategy Office</p> <p>April 2014 Joined SHASHIN KAGAKU Co., Ltd.</p> <p>June 2014 Director</p> <p>December 2019 Director, in charge of Business Development Office, SK-Electronics Co., Ltd.</p> <p>June 2021 Outside Director, the Company (to present)</p> <p>April 2022 Director, in charge of New Business Creation Division and Solution Business Department, SK-Electronics Co., Ltd. (to present)</p> <p>March 2025 Outside Auditor, Monicle Inc. (to present)</p> <p>(Significant concurrent position) Director, SK-Electronics Co., Ltd. Outside Auditor, Monicle Inc.</p>	3,100
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Ms. Waka Abe has experience and insight in launching new businesses overseas and serving as Director of a business corporation. Accordingly, the Company expects that she will contribute to strengthening a function of supervising the Company's management by, for example, making strict and fair judgement about appropriateness of decision-making by the Board of Directors. The Company has therefore judged that she is an appropriate person to be renominated as Outside Director.</p>			

(Notes)


1. No special interest exists between the Company and each candidate.
2. The Audit and Supervisory Committee of the Company has judged that it is appropriate to nominate candidates for Director based on their knowledge, experience, capacity, contribution to improving business performance, etc.
3. Election of candidates for Director was determined by the Board of Directors based on the results of deliberations by the voluntary Nomination and Remuneration Committee.
4. Ms. Waka Abe is a candidate for Outside Director and she will have served as such for four years at the close of the General Meeting of Shareholders.
5. The Company has registered Ms. Waka Abe as an independent director pursuant to the regulations of the Tokyo Stock Exchange.
6. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company stipulates that it may enter into a liability limitation agreement to limit liability for damages to the amount stipulated by laws and regulations as provided in Article 423, Paragraph 1 of the same Act, and has entered into such liability limitation agreement with all Non-Executive Directors of the Company. The amount of liability under the agreement will be up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If Ms. Waka Abe is appointed, the Company plans to sustain such liability limitation agreement.
7. The Company has entered into a directors and officers liability insurance contract, of which premiums are fully borne by the Company, with an insurance company. The insurance contract insures all Directors of the Company, and covers damages such as compensation for damages and litigation expenses that may result from acts committed by the insured in his or her capacity as such. The current contract will expire in August 2025, and the Company plans to renew such contract with the same contents.


Proposal 2: Election of 3 Directors Serving as Audit and Supervisory Committee Members


The terms of office of all three incumbent Directors serving as Audit and Supervisory Committee Members will expire at the close of this General Meeting of Shareholders. It is proposed that three Directors serving as Audit and Supervisory Committee Members be elected.

Regarding this proposal, the voluntary Nomination and Remuneration Committee deliberated on the selection of candidates for Director serving as Audit and Supervisory Committee Member, and election thereof was determined by the Board of Directors based on the results of such deliberations. The Audit and Supervisory Committee has consented to this proposal.

The candidates for Director serving as Audit and Supervisory Committee Member are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Masahito Motoyama (February 24, 1958) <u>Reappointment</u>	April 1981 Joined the Company June 2008 Executive Officer, Deputy General Manager of Corporate Strategy Department June 2011 Director and Executive Officer, Deputy General Manager of Corporate Strategy Department June 2013 Director and Executive Officer, General Manager of Business Development Division June 2016 Executive Officer, General Manager of Business Development Division and Contact Center Service Division June 2017 General Manager of Business Development Division April 2018 Senior Specialist of Sales Group I of CTI & Infrastructure Systems Division April 2021 Senior Specialist of Sales Promotion Group of Financial Systems Division June 2021 Director and Audit and Supervisory Committee Member (to present) (Significant concurrent positions) Corporate Auditor, CVC Co., Ltd.	96,100
[Reason for nomination as candidate for Director] Mr. Masahito Motoyama has many years of experience and abundant knowledge in the finance-related business of the Company. The Company expects that he will provide appropriate advice and recommendations when important decisions are to be made by the Board of Directors, and contribute to enhancing the supervisory and audit functions of the Company's management as well as its corporate governance. Accordingly, the Company judged that he is an appropriate person to be renominated as Director serving as Audit and Supervisory Committee Member.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>Itsuko Fukuda (February 5, 1962)</p> <p><u>New Candidate</u></p> <p><u>Outside Director</u></p>	<p>April 1984 Joined Toshiba Corporation</p> <p>April 2015 General Manager of Quality Assurance Department, Komukai Complex</p> <p>July 2017 General Manager of Quality Assurance Department, Komukai Complex, Toshiba Infrastructure Systems & Solutions Corporation</p> <p>March 2018 Joined Tokyo Electronic Systems Corporation</p> <p>June 2018 President CEO</p> <p>October 2019 President CEO, Toshiba Electronic Systems Corporation</p> <p>October 2022 Director, General Manager of Systems Division and Sales Division, TOSHIBA ELECTRONIC TECHNOLOGIES CORPORATION</p> <p>June 2024 Outside Director, SINKO INDUSTRIES LTD. (to present)</p> <p>June 2024 Outside Director, Ichikawa Co., Ltd. (to present)</p> <p>(Significant concurrent position) Outside Director, SINKO INDUSTRIES LTD. Outside Director, Ichikawa Co., Ltd.</p>	-
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Ms. Itsuko Fukuda has diverse achievements and experience, including formulating business and management strategies and promoting new business initiatives as a corporate manager. In addition, she has been involved in numerous on-site project management engagements as a software engineer and possesses extensive knowledge in the field of quality assurance. The Company expects that she will contribute to enhancing the supervisory and audit functions of the Company's management as well as its corporate governance based on such knowledge and experience. Accordingly, the Company nominated her as a new candidate for Outside Director serving as Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Koji Kanazawa (April 20, 1979) <div>New Candidate</div> <div>Outside Director</div>	October 2004 Joined CHUO SOGO LPC November 2012 Joined Rodyk & Davidson LLP (currently Dentons Rodyk) August 2013 Admitted in the State of New York January 2014 Deputy Director of Supervisory Coordination Division, Supervisory Bureau, Financial Services Agency January 2016 Partner, CHUO SOGO LPC (to present) June 2018 Outside Auditor, TODA KOGYO CORP. June 2018 Outside Auditor, Rakuten General Insurance Co., Ltd. (to present) June 2022 Outside Director, Audit and Supervisory Committee Member, TODA KOGYO CORP. (to present) (Significant concurrent position) Outside Auditor, Rakuten General Insurance Co., Ltd. Outside Director, Audit and Supervisory Committee Member, TODA KOGYO CORP.	-
[Reason for nomination as candidate for Outside Director and outline of expected roles] Mr. Koji Kanazawa has extensive experience and expertise as an attorney, in addition to broad insight and abundant experience gained through his service as an outside director at other listed companies. The Company expects that he will contribute to enhancing the supervisory and audit functions of the Company's management as well as its corporate governance by, for example, identifying legal and contractual risks based on such insight and experience. Accordingly, the Company nominated him as a new candidate for Outside Director serving as Audit and Supervisory Committee Member. Although he has not been directly involved in corporate management in the past, the Company believes that he is capable of appropriately performing the duties of Outside Director serving as Audit and Supervisory Committee Member for the reasons stated above.			

(Notes)

1. Ms. Itsuko Fukuda and Mr. Koji Kanazawa are new candidates for Outside Director.
2. No special interest exists between the Company and each candidate.
3. If Ms. Itsuko Fukuda and Mr. Koji Kanazawa are appointed, they are scheduled to be registered as independent directors pursuant to the regulations of the Tokyo Stock Exchange.
4. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company stipulates that it may enter into a liability limitation agreement to limit liability for damages to the amount stipulated by laws and regulations as provided in Article 423, Paragraph 1 of the same Act, and has entered into such liability limitation agreement with all Non-Executive Directors of the Company. The amount of liability under the agreement will be up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If Mr. Masahito Motoyama is appointed, the Company plans to sustain such liability limitation agreement. If the election of Ms. Itsuko Fukuda and Mr. Koji Kanazawa is approved, the Company plans to enter into similar agreements with them.
5. The Company has entered into a directors and officers liability insurance contract, of which premiums are fully borne by the Company, with an insurance company. The insurance contract insures all Directors of the Company, and covers damages such as compensation for damages and litigation expenses that may result from acts committed by the insured in his or her capacity as such. The current contract will expire in August 2025, and the Company plans to renew such contract with the same contents.

<Reference>

The following table shows the structure and skills matrix of the Board of Directors in Proposals 1 and 2 when the candidates are approved as originally proposed.

Name	Position	Management Experience	ESG/ Sustainability	Marketing / Business Strategy	IT/ Infrastructure Technology	Industry Knowledge	Internationalism /Diversity	Legal/ Risk Management	Financial Accounting /M&A
Tsunenori Sato	President and Representative Director	○	○	○	○		○		
Koji Sakata	Representative Senior Managing Director and Executive Officer, General Manager of Technology Department	○		○	○	○			○
Hiroataka Oeda	Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division	○	○	○		○		○	
Katsuo Nakayama	Director and Executive Officer, General Manager of Administration Department	○	○			○		○	○
Kazunori Kono	Director and Executive Officer, General Manager of Payment Business Division		○	○	○	○	○		
Waka Abe	Outside Director	○	○	○			○		
Masahito Motoyama	Director, Full-Time Audit and Supervisory Committee Member	○		○		○		○	
Itsuko Fukuda	Outside Director, Audit and Supervisory Committee Member	○		○	○	○		○	
Koji Kanazawa	Outside Director, Audit and Supervisory Committee Member		○	○			○	○	○

Up to five areas of focus or expertise are listed as those particularly expected of Directors.
The list does not represent all of the knowledge and experience possessed by each director.

Business Report

(April 1, 2024 - March 31, 2025)

1. Overview of the Corporate Group

(1) Business Progress and Results

During the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025), the Japanese economy saw a moderate recovery as demand from foreign visitors to Japan, private consumption, and the employment situation showed signs of improvement. On the other hand, the outlook remains uncertain due to impact from the prolonged invasion of Ukraine by Russia and rising tensions in the Middle East, trends in U.S. policies including trade policy, and fluctuations in the financial and capital markets.

In the domestic IT service industry that surrounds ITFOR Inc. (the “Company”) and its consolidated subsidiaries and affiliate (together with the Company, the “Company Group”), the need for improving productivity and addressing labor shortages is strong, and companies continue to show a strong willingness to invest, mainly in DX (digital transformation) that transforms business processes and business models by utilizing advanced digital technologies such as AI.

To achieve sustainable growth in these circumstances, the Company Group released its new long-term vision for FY2033, “HIGH FIVE 2033.” Led by this vision, the Company Group will utilize its current business base to expand and extend into new areas, establishing businesses that drive economy within a region, with the aim of becoming a company that creates businesses which generate regional economic circulation. Through our businesses, we will contribute to creating quality time for people. To achieve this “HIGH FIVE 2033,” we launched “FLY ON 2026,” our 4th Medium-Term Management Plan for the three years from FY2024 through FY2026. 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 tackle the challenges of dynamically developing our existing businesses and achieving drastic growth through new businesses. In line with this theme, we are conducting activities led by our three categories of strategies: business strategy, human resource strategy, and corporate value enhancement strategy.

As for our sales activities, our packaged systems, including “SCOPE,” our personal loan operation support system, and “WELCOME,” the web-based loan application and contract system that enables non-face-to-face operations, are highly competitive as we are the only packaged system vendor that can combine and offer these systems, and we have begun receiving orders from Shinkin Banks in addition to our target clients of regional banks. These systems contribute to reducing the time required for credit screening while providing environmental benefits by reducing the number of paper application forms and digitizing contract documents. Moreover, we captured replacement demand from existing customers following the release of the cloud service version of the new “Servicer TCS (delinquent loan management system)” in June 2024. In addition, the sale of “Robotic Call,” an unmanned system for delinquent loan reminders, is contributing to solving the problem of personnel shortages caused by the declining working age population, and the sale of “iRITSpay Payment Terminal,” multi-payment terminals, is contributing to the promotion of the Ministry of Economy, Trade and Industry’s cashless policy, respectively. On the other hand, new orders and order backlogs both declined compared to the previous fiscal year, affected by the change in the timing of orders for department store systems and communication systems for electric power companies to FY2025. As a result, new orders were ¥20,247 million (92.2% on a year-on-year basis) and order backlogs were ¥16,295 million (98.2% on a year-on-year basis).

In terms of the financial results, initiatives to improve gross margins, such as the reduction of cost of outsourcing processing fees through the promotion of in-house development proved effective. Selling, general and administrative expenses increased to ¥4,337 million (108.0% on a year-on-year basis) as a result of an increase in personnel expenses due to the annual wage revisions initiated in April 2023 and increased investments in human resources including higher hiring and training expenses.

As a result, the financial results for the fiscal year ended March 31, 2025 were net sales of ¥20,552 million (99.5% on a year-on-year basis), operating income of ¥3,532 million (94.5% on a year-on-year basis), ordinary income of ¥3,668 million (95.4% on a year-on-year basis), and net income attributable to owners of the parent of ¥2,914 million (105.2% on a year-on-year basis), recording a decrease in net sales and an increase in net income (a decrease in operating income and ordinary

income).

Financial results by reporting segment are as follows:

(System Development and Sales)

New orders were affected by the change in the timing of orders for department store systems and communication systems for electric power companies to FY2025. With regard to net sales, although software system development for financial institutions, centered on our core business of personal loan operation support systems, has been solid, sales of CTI systems, communication systems, and payment systems were sluggish. As a result, new orders were ¥10,974 million (92.0% on a year-on-year basis), net sales were ¥11,524 million (95.1% on a year-on-year basis), and segment income was ¥1,700 million (85.3% on a year-on-year basis).

(Recurring)

With regard to new orders, although orders were stable for maintenance services, we were affected by the loss of a large project in BPO services for the public sector. With regard to net sales, in addition to the stability of maintenance services, we steadily recorded sales from the order backlogs of BPO services, mainly for ordinance-designated cities and core cities. As a result, new orders were ¥9,272 million (92.5% on a year-on-year basis), net sales were ¥9,027 million (105.8% on a year-on-year basis), and segment income was ¥1,832 million (105.1% on a year-on-year basis).

[Net Sales Breakdown]

The sales composition by segment is as follows:

Segment	Amount	Composition ratio
System Development and Sales	¥11,524 million	56.1%
Recurring	¥9,027 million	43.9%
Total	¥20,552 million	100.0%

(Note) Net sales by segment represent net sales to external customers.

<Social Contribution Activities>

The Company engages in various support activities both in Japan and overseas to fulfill its corporate social responsibilities. These include donations to The Foundation for the Preservation of Green and Water Resources of Higo, as well as contributions to aid those affected by the earthquake off the eastern coast of Taiwan.

In midst of addressing actively the important topics (materiality), “Contributing to society through regional revitalization,” the Company made donations under a hometown tax donation system of corporate version to Kochi, Iwate, Kumamoto, and Ishikawa Prefectures. Additionally, the Company supported “Tour de Kyushu,” a cycling road race held in the Kyushu region to help activities for SDG achievement in the Kyushu region, for the third consecutive year.

Furthermore, as part of its efforts to support the development of future IT human resources, the Company is contributing to the growth of the next generation by sponsoring initiatives such as the National Programming Competition for Elementary School Students and TEENS APPS AWARDS, an application development contest for junior high and high school students.

(2) Status of Capital Investments

Total capital investments for the current consolidated fiscal year were ¥473 million. Major capital investments were as follows:

Purchase of facilities attached to buildings	¥94 million
Purchase of tools, furniture and fixtures	¥61 million
Purchase of software for internal use	¥101 million
Purchase of software for commercial sale	¥98 million

(3) Status of Fund Procurement

The funds required for capital investments for the current consolidated fiscal year were covered entirely by internal funds.

In addition, the Company has entered into a commitment line agreement (specified commitment line agreement) for a total of ¥1.5 billion with a main bank to procure funds efficiently. However, there were no outstanding borrowings based on this agreement at the end of the current consolidated fiscal year.

(4) Status of Business Transfers, Absorption-type Splits, Incorporation-type Splits, and Business Transfers from Other Companies

On November 1, 2024, the Company transferred its BPO (Business Process Outsourcing) business to its subsidiary, ITFOR Bex Inc., through a company split (simplified absorption-type split).

(5) Status of Acquisition or Disposal of Shares or Other Equity of Other Companies or Stock Acquisition Rights

Not applicable.

(6) Status of Succession of Rights and Obligations Related to Another Company's Business Due to an Absorption-type Merger or Absorption-type Split

Not applicable.

(7) Issues to Be Addressed

The Company Group has established a long-term vision for the next 10 years, "HIGH FIVE 2033," to promote initiatives for sustainable growth. Based on the foundations established in the 3rd Medium-Term Management Plan—namely, reinforcing the management base, enhancing profitability, and advancing ESG management—this vision represents the Company Group's aspiration to become a company that creates businesses which generate regional economic circulation. By utilizing our current business base to expand into new areas and developing businesses that drive economy within the region, we aim to contribute to creating quality time for people.

Under the FY2033 vision, "HIGH FIVE 2033," we will promote corporate activities based on the following three basic policies.

[Dramatic business growth]

The Company Group aims to achieve net sales of ¥70.0 billion and an operating income of ¥12.6 billion and expand corporate value in the capital market.

[Empowerment of human resources]

The Company Group aims to foster a culture in which diverse human resources can play an active role and contribute to creating more affluent time for employees.

[Expansion of social influence]

The Company Group aims to solve social issues and improve its value as a corporate group.

To realize the FY2033 vision, "HIGH FIVE 2033," the Company Group has launched the 4th Medium-Term Management Plan, "FLY ON 2026," covering the three years from FY2024 to FY2026. Under the theme of strongly developing existing businesses and achieving dramatic growth through new businesses, we will focus on the following three strategies.

1) Business strategy

Based on the theme of "deep, big, and new businesses," the Company Group will expand its business portfolio and aim for net sales of ¥28.0 billion, an operating income of ¥4.8 billion, and ROE and ROIC of not less than 15%. We will also aim to achieve net sales of ¥2.8 billion in new businesses in FY2026.

2) Human resource strategy

The Company Group will focus on securing and developing human resources, respect their diversity, and make effort to enhance the growth and satisfaction of employees.

3) Corporate value improvement strategy

The Company Group aims to improve its corporate value by communicating its growth story and engaging in dialogue with institutional investors, while working to increase its recognition and maintain a high level of shareholder returns. In addition, active promotion of ROIC-based management and shareholder returns is also an important element. Through this strategy, we aim to achieve sustainable corporate growth and maximize shareholder value.

In this way, the Company Group will actively implement the strategies to flexibly respond to changes in the business environment and realize sustainable growth while maintaining a long-term perspective.

(8) Trends in Assets and Income

(In millions of yen, unless otherwise specified)

Item	The 63 rd consolidated fiscal year ended March 31, 2022	The 64 th consolidated fiscal year ended March 31, 2023	The 65 th consolidated fiscal year ended March 31, 2024	The 66 th consolidated fiscal year ended March 31, 2025 (Current year)
Net sales	17,021	18,322	20,652	20,552
Ordinary income	3,106	3,278	3,846	3,668
Net income attributable to owners of the parent	2,112	2,291	2,770	2,914
Earnings per share (yen)	76.84	82.96	101.77	108.09
Total assets	20,010	21,667	23,996	23,952
Net assets	15,606	17,167	18,836	19,044
Net assets per share (yen)	565.00	618.80	695.75	720.80

(9) Material Parent Company and Subsidiaries

- 1) Relationship with the parent company
Not applicable.

2) Material subsidiaries

Company name	Capital stock	Percentage of voting rights held by the Company	Major lines of businesses
ICR Co., Ltd.	¥100,000 thousand	100.0%	Commissioned by local governments to provide notices and assist in the collection of insurance fees for the national health insurance system, etc.
CVC Co., Ltd.	¥100,000 thousand	100.0%	Visiting survey services
EeB Corporation	¥14,500 thousand	100.0%	Development of software
Syddy Inc.	¥92,500 thousand	100.0%	Digital service business, payment agency business
ITFOR Bex Inc.	¥100,000 thousand	100.0%	Commissioned by local governments to provide collection services and related administrative work

(Note) ICR Co., Ltd. is a wholly owned subsidiary of the Company. On April 1, 2025, the Company conducted an absorption-type merger with ITFOR Bex Inc. as the surviving company and ICR Co., Ltd. as the dissolved company.

3) Progress and results of business combinations

There are five consolidated subsidiaries: ICR Co., Ltd., CVC Co., Ltd., EeB Corporation, Syddy Inc., and ITFOR Bex Inc., and one affiliate accounted for using the equity method, AISEL Corporation.

The business results of the corporate group of the Company group for the current consolidated fiscal year are as stated in “(1) Business Progress and Results.”

(10) Principal Business Segments

The Company Group is composed of segments classified based on the business characteristics of its products and services, and adopts the two businesses of “System Development and Sales” and “Recurring” as the reportable segments.

Business segment	Major products and services
System Development and Sales	Mainly engaging in sales of system equipment, and providing integrated services from design/development to introduction/installation of software and system infrastructure networks
Recurring	Mainly providing software maintenance, hardware maintenance/operation, cloud, and BPO services

(11) Principal Business Locations (as of March 31, 2025)

Head office	21 Ichibancho, Chiyoda-ku, Tokyo
Branch offices	Tokorozawa Office (Tokorozawa), West Japan Office (Osaka), Chubu Office (Nagoya), Kyushu Office (Fukuoka), Okinawa Sales Office (Naha) ICR Co., Ltd. (Aichi) CVC Co., Ltd. (Fukuoka) EeB Corporation (Ishikawa) Syddy Inc. (Tokyo) ITFOR Bex Inc. (Tokyo)
Service stations and others	Chubu Satellite Office

(12) Employees (as of March 31, 2025)

(The Group)

Number of Employees	Change from the end of the previous year
625 [997]	Increase of 33 [decrease of 9]

(Note) The number of employees is the number of active employees, excluding the number of temporary employees shown in brackets as an annual average. The number of temporary employees includes part-time employees.

(The Company)

Number of employees	Change from the end of the previous year	Average age	Average years of service
510 [322]	Increase of 16 [decrease of 149]	40.2 years old	11.8 years

(Note) The number of employees is the number of active employees, excluding the number of temporary employees shown in brackets as an annual average. The number of temporary employees represents that of part-time employees.

(13) Principal Lenders (as of March 31, 2025)

Not applicable.

(14) Policy on the Exercise of Authority When the Articles of Incorporation Stipulate that the Board of Directors Shall Decide on the Distribution of Surplus, etc.

The Company recognizes that shareholder returns is one of the important management tasks. The Company's basic policy is to pay stable and continuous dividends twice a year with a target consolidated payout ratio of 50%, while taking into account performance trends and financial conditions. The Company expects the total return ratio of 70% or more.

The Board of Directors resolved at its meeting held on November 12, 2024, to pay an interim dividend of ¥25 per share, which was paid on December 2, 2024. Furthermore, the Board of Directors resolved at its meeting held on May 13, 2025, to pay a year-end dividend of ¥25 per share, bringing the total annual dividend to ¥50 per share.

(15) Other Important Matters concerning the Current Status of the Corporate Group

Not applicable.

2. Status of Shares (as of March 31, 2025)

- (1) Total Number of Shares Authorized to be Issued 110,000,000 shares
- (2) Total Number of Shares Outstanding 27,911,900 shares
(including 994,022 shares of treasury stock)
- (3) Number of Shareholders 12,269 persons

(4) Major Shareholders

Shareholders' name	Number of shares held (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,442,700	16.50
Custody Bank of Japan, Ltd. (Trust account)	2,266,791	8.42
Hikari Tsushin, Inc.	1,447,600	5.38
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Retrust Portion/BROTHER INDUSTRIES, LTD. Retirement Benefit Trust Account)	1,420,000	5.28
ITFOR Employee Shareholding Association	997,400	3.71
KIA FUND 136	628,279	2.33
Meiji Yasuda Life Insurance Company	551,400	2.05
The Bank of Yokohama, Ltd.	500,000	1.86
Eishi Murakami	361,000	1.34
STICHTING DEPOSITARY ASCENDER GLOBAL VALUE FUND	349,727	1.30

- (Notes) 1. The shares held by Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Retrust Portion/BROTHER INDUSTRIES, LTD. Retirement Benefit Trust Account) refer to the Company's shares that were held by BROTHER INDUSTRIES, LTD. and entrusted to Sumitomo Mitsui Trust Bank, Limited, which were then re-trusted to Custody Bank of Japan, Ltd., and related voting rights are retained by BROTHER INDUSTRIES, LTD.
2. The Company holds 994,022 shares of treasury stock, which is excluded from the above list of major shareholders.
3. The shareholding ratio is calculated upon excluding treasury stock.
4. The number of treasury stock does not include 483,791 shares of the Company held by Custody Bank of Japan, Ltd. as trust property for the Stock Grant Trust for Officers and the Share Issuance Trust (RS Trust) for Employees. The voting rights for these shares are instructed by a third party who is independent of the Company and its executives.

(5) Other Important Matters concerning Shares

1) Purchase of treasury stock

Based on the resolutions of the Board of Directors meetings held on November 12, 2024, and March 3, 2025, the Company purchased treasury stock during the periods from December 4, 2024, to February 28, 2025, and from March 5, 2025, to March 21, 2025. The total number of shares acquired during these periods was 670,900 shares, and the total acquisition cost was ¥931,637 thousand.

2) Cancellation of Treasury stock

At the Board of Directors meeting held on March 24, 2025, the Company resolved, pursuant to Article 178 of the Companies Act, to cancel treasury stock. On March 31, 2025, 700,000 shares were cancelled. As a result, the total number of issued shares after the cancellation was 27,911,900 shares.

3) Transactions to deliver shares to Directors through a trust

Based on the resolutions of the Board of Directors meeting held on May 13, 2021, and the 62nd Annual General Meeting of Shareholders held on June 18, 2021, the Company has adopted an incentive plan, “Stock Grant Trust for Officers” to deliver Company shares to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; the same shall apply hereinafter). The purpose of this plan is to further clarify the link between Directors’ remuneration and the Company’s performance and stock value, to encourage Directors to share with shareholders both the profits and risks associated with stock price fluctuations, and to raise awareness of their contribution to improving the Company’s medium- to long-term performance and corporate value. As of March 31, 2025, Custody Bank of Japan, Ltd. (Trust Account) held 181,401 shares under this trust.

4) Transactions to deliver shares to employees through a trust

Based on the resolution of the Board of Directors meeting held on November 12, 2024, the Company has adopted an incentive plan, “Stock Compensation Plan (Restricted Stock Trust) for Employees” to deliver Company shares to employees. The purpose of this plan is to contribute to the Company’s sustainable growth and increase corporate value in the medium to long term by enriching benefit programs and promote retention for employees, toward the realization of our 10-year vision, “HIGH FIVE 2033,” developing the employees’ sense of ownership and making them aware of their participation in management, and raising their awareness of increases in the Company’s performance and stock price and work together with management and employees. As of March 31, 2025, Custody Bank of Japan, Ltd. (Trust Account) held 302,390 shares under this trust.

3. Stock Acquisition Rights, etc.

(1) Stock Acquisition Rights Issued to the Officers of the Company as Compensation for the Execution of Their Duties

Not applicable.

(2) Stock Acquisition Rights Issued to Employees and Subsidiaries’ Officers and Employees as Compensation for the Execution of Their Duties during the Current Fiscal Year

Not applicable.

(3) Other Important Matters concerning Stock Acquisition Rights, etc.

Not applicable.

4. Company Officers

(1) Names and Other Relevant Information of Directors (as of March 31, 2025)

Position	Name	Responsibilities and significant concurrent positions
President and Representative Director	Tsunenori Sato	Director, ICR Co., Ltd. Director, CVC Co., Ltd.
Representative Senior Managing Director and Executive Officer	Koji Sakata	General Manager of Technology Development Department Director, ICR Co., Ltd. Director, EeB Corporation Director, AISEL Corporation Director, ALPHA & SHIN-YO Corporation Director, ITFOR Bex Inc.
Managing Director and Executive Officer	Hiroataka Oeda	General Manager of Corporate Strategy Department General Manager of Retail EC Systems Division Director, CVC Co., Ltd.
Director and Executive Officer	Katsuo Nakayama	General Manager of Administration Department Representative Director, ICR Co., Ltd. Director, Syddy Inc. Corporate Auditor, ITFOR Bex Inc.
Director and Executive Officer	Kazunori Kono	General Manager of Payment Business Division Director, Syddy Inc.
Outside Director	Waka Abe	Director, SK-Electronics Co., Ltd. Outside Auditor, Monicle Inc.
Director (Audit and Supervisory Committee Member)	Masahito Motoyama	Corporate Auditor, ICR Co., Ltd. Corporate Auditor, CVC Co., Ltd.
Outside Director (Audit and Supervisory Committee Member)	Makoto Sato	Certified public accountant Corporate Auditor, Syddy Inc. Outside Director, HOSOYA PYRO-ENGINEERING CO., LTD.
Outside Director (Audit and Supervisory Committee Member)	Daisuke Koizumi	Certified public accountant Representative Director, Owner's Brain Co., Ltd. Outside Auditor, Dive Inc.

- (Notes)
1. Outside Directors, Messrs. Makoto Sato and Daisuke Koizumi are qualified as certified public accountants and have considerable knowledge in finance and accounting.
 2. Syddy Inc., at which Outside Director Mr. Makoto Sato has a concurrent position, is a consolidated subsidiary of the Company. There are no significant relationships between the Company and the other companies at which Outside Directors, Ms. Waka Abe, and Messrs. Makoto Sato and Daisuke Koizumi have concurrent positions.
 3. The Company has registered Outside Directors, Ms. Waka Abe and Messrs. Makoto Sato and Daisuke Koizumi as independent directors pursuant to the regulations of the Tokyo Stock Exchange.
 4. To reinforce the audit and supervisory functions of the Audit and Supervisory Committee, the Company has elected Mr. Masahito Motoyama as a full-time Audit and Supervisory Committee Member to enable the gathering of information from Directors (excluding Directors serving as Audit and Supervisory Committee Members) and the sharing of information at important internal meetings, as well as full cooperation between the internal audit department and the Audit and Supervisory Committee.

(2) Outline of the Content of the Liability Limitation Agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and each Non-Executive Director have entered into an agreement to limit their liability for damages as provided in Article 423, Paragraph 1 of the same Act. The liability of the Company's Non-Executive Directors under Article 423, Paragraph 1 of the Companies Act is limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act.

(3) Outline of the Content of the Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract as provided in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The scope of the insured under the insurance contract is the Company's Directors (including Directors serving as Audit and Supervisory Committee Members) and executive officers. The insurance covers liability in the event of a claim for damages against the insured during the insurance period due to an act (including inaction) that the insured conducted in the course of his/her duties as an officer of the Company. The premiums are fully borne by the Company.

(4) Remuneration, etc. of Directors for the Current Fiscal Year

1) Matters pertaining the policies for the amount of remuneration, etc. of Directors and its calculation method

a. Basic policy

The aim of the remuneration of officers of the Company is to secure, retain, and motivate outstanding talent in management in order to achieve sustainable growth and the medium- to long-term increase of corporate value of the Company and the Company Group. To that end, the basic policy is to determine remuneration through a transparent and objective process that maintains an appropriate link with performance and functions as a sound incentive.

The Board of Directors determined that the individual amounts of remuneration, etc. of the Directors of the Company for the current fiscal year comply with the basic policy due to the following reasons. The Nomination and Remuneration Committee has also confirmed that the content is in line with the determination policy. Based on the recommendation from the Committee to that extent, the individual amounts of remuneration, etc. were determined at the Board of Directors meeting held on June 21, 2024.

b. Remuneration system

The remuneration of the officers of the Company consists of basic remuneration and performance-linked remuneration, which are deliberated and determined by the Board of Directors based on comparisons with peers or with other companies of comparable size, as well as the Company's financial situation and the individual's degree of contribution. Given that variable remuneration such as performance-linked remuneration is not suitable for Outside Directors and Directors serving as Audit and Supervisory Committee Members, only the "basic remuneration" is paid to them.

2) Matters concerning provisions regarding remuneration, etc. for Directors and provisions by resolutions of the General Meeting of Shareholders

The maximum amount of remuneration to officers of the Company has been resolved at the 56th Annual General Meeting of Shareholders held on June 19, 2015, to be no more than ¥300 million per year for Directors (excluding Directors serving as Audit and Supervisory Committee Members) and no more than ¥35 million per year for Directors serving as Audit and Supervisory Committee Members. As of the close of the 56th Annual General Meeting of Shareholders, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) was eight, and the number of Directors serving as Audit and Supervisory Committee Members was three (including two Outside Directors).

The introduction of the tax-qualified stock option as medium- to long-term incentive remuneration (non-monetary remuneration, etc.) was resolved at the 58th Annual General Meeting of Shareholders held on June 21, 2017. As of the close of the 58th Annual General Meeting of Shareholders, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) was eight, and the number of Directors serving as Audit and Supervisory Committee Members was three (including two Outside Directors).

The introduction of a share delivery trust (non-monetary remuneration, etc.) as performance-linked

remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) was resolved at the 62nd Annual General Meeting of Shareholders held on June 18, 2021. As of the close of the 62nd Annual General Meeting of Shareholders, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) was five (including one Outside Director), and the number of Directors serving as Audit and Supervisory Committee Members was three (including two Outside Directors).

3) Matters concerning performance-linked remuneration, etc.

Performance-linked remuneration comprises monthly remuneration, which is incentive remuneration that varies depending on short-term performance, tax-qualified stock options (non-monetary remuneration, etc.), which are medium- to long-term incentive remuneration, and the share delivery trust (non-monetary remuneration, etc.) which is performance-linked. Monthly remuneration is paid at an amount calculated according to the degree of achievement of the targets for net income attributable to owners of the parent for each fiscal year.

i. Monthly remuneration as short-term incentive remuneration

From the standpoint of determining whether the Company Group's growth is steadily generating profit, the indicator used for performance-linked remuneration is net income attributable to owners of the parent. In FY2024, the target amount was ¥2,750 million, and the actual amount was ¥2,914 million.

$$\begin{array}{ccccccc} \text{Total amount of} & & \text{Net income} & & 8.0\% & & \text{Company-wide} \\ \text{performance-} & & \text{attributable to} & & \text{(upper} & & \text{performance} \\ \text{linked} & = & \text{owners of the} & \times & \text{limit)} & \times & \text{evaluation coefficient} \\ \text{remuneration} & & \text{parent} & & & & \end{array}$$

However, if a net loss attributable to owners of the parent is reported, the amount will be ¥0.

Calculation method of individual payment amounts

$$= \frac{\text{Total amount of performance-linked remuneration} \times \text{Points per position}}{\text{Points per position} \times \text{Sum of individual performance payment coefficients}^*} \times \text{Individual performance evaluation coefficient}^*$$

* Individual performance evaluation coefficient is determined within a range from 0% to 150% depending on the results and the degree of contribution against each Director's individual performance indicators. The results and degree of contribution against each Director's individual performance indicators are based on comprehensive evaluation by the Nomination and Remuneration Committee.

$$\text{Monthly remuneration} = \text{Individual payment amount} / 12$$

Points by position

Position	Points
Chairman	120
President	120
Vice President	80
Senior Managing Director	50
Managing Director	40
Director	10

ii. Tax-qualified stock options as medium- to long-term incentive remuneration

The Company's stock options were resolved at the 58th Annual General Meeting of Shareholders held on June 21, 2017, and a given number of stock options has been granted according to individual positions.

After a waiting period of approximately two years, up to 20% of the number of stock options granted in a year became exercisable. The exercise period was five years, but this period expired on September 15, 2024.

iii. Composition ratios of remuneration

Position	Basic remuneration	Performance-linked remuneration	Total
Chairman	58%	42%	100%
President	58%	42%	
Vice President	58-60%	40-42%	
Senior Managing Director	60-62%	38-40%	
Managing Director	62-65%	35-38%	
Director	68-72%	28-32%	

- (Notes)
1. Basic remuneration is the median value for the position concerned, and the values for performance-linked remuneration indicate percentages in models where the achievement rate is 100%.
 2. The composition ratios of individual remuneration may differ even for persons in the same position.
 3. The percentages for Directors include the employee portion of salaries and bonuses.

iv. Persons authorized to determine the policy for determining the amount and calculation method of officer remuneration

The President and Representative Director comprehensively considers the Director's positions, segregation of duties and degree of contribution to the performance of the Company, and drafts the remuneration amounts for individual Directors. The Board of Directors submits the draft to the Nomination and Remuneration Committee, which is a voluntary advisory body. The Board of Directors determines the remuneration amounts of individual Directors based on a recommendation from the committee. The voluntary Nomination and Remuneration Committee is chaired by an Outside Director and comprises five Directors, three of which are Outside Directors and two of which are Representative Directors.

v. Share delivery trust

The Company has established a stock-based remuneration plan (the "Plan") based on the resolution of the 62nd Annual General Meeting of Shareholders held on June 18, 2021, to have its Directors share the perspectives of shareholders and bear the risk of declines in stock prices as well as the benefits of rising stock prices.

A trust established by the Company acquires the Company's shares and delivers the Company's shares to the eligible Director. The trust shall grant points to the Director in accordance with the Stock Grant Rules determined by the Board of Directors of the Company, based on criteria such as position and the degree of achievement of performance targets on the date of grant specified in the Stock Grant Rules during the trust period. The aggregated number of points to be granted to the Director shall be limited to a total of 150,000 points for the three fiscal years of the relevant period (the "Applicable Period"). At the point the Director resigns, the Company's shares shall be delivered to the Director in accordance with the number of granted points. The number of the Company's shares to be delivered are the number of points granted multiplied by one.

Furthermore, by a resolution of the Board of Directors of the Company, the Applicable Period may be extended for a period of not less than three fiscal years and not more than five fiscal years, and the trust period of the Trust may be extended accordingly (including effectively extending the trust period by transferring the trust assets of the Trust to a trust with the same purpose as the Trust established by the Company) to effect the renewal of the Plan. In such instances, the Company shall make an additional contribution to the Trust during the Applicable Period of such extension, up to the amount calculated by multiplying the number of fiscal years of the extended Applicable Period by ¥33 million, as funds for the additional acquisition of the Company's shares necessary for the grant of the Company's shares to Directors under the Plan, and continue the granting of points and the grant of the Company's shares.

(i)	Persons eligible for the Plan	Directors of the Company (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)
(ii)	Applicable Period	From the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2027
(iii)	Maximum amount of cash to be contributed by the Company as funds for the acquisition of the Company's shares necessary for the grant to the eligible persons in (i), during the Applicable Period of three fiscal years in (ii)	¥99 million in total
(iv)	Method of acquiring the Company's shares	Disposal of treasury stock or acquisition from the stock exchange (including after-hour trading)
(v)	Maximum total number of points to be granted to the eligible persons in (i)	150,000 points in total for the three fiscal years of the Applicable Period
(vi)	Criteria for granting points	Points will be granted in accordance with criteria such as position and the degree of achievement of performance targets
(vii)	Timing of granting of the Company's shares to the eligible persons in (i)	At the time of resignation, in principle

4) Total amounts of remuneration, etc. for Directors

Officer category	Total (Thousand yen)	Amount by type of remuneration, etc. (Thousand yen)				Number of recipients
		Fixed remuneration	Performance-linked remuneration	Stock option	Retirement benefits	
Directors (excluding Directors serving as Audit and Supervisory Committee Members, and Outside Directors)	231,504	99,000	132,504	-	-	5
Outside Directors (excluding Directors serving as Audit and Supervisory Committee Members)	5,700	5,700	-	-	-	1
Directors serving as Audit and Supervisory Committee Members (excluding Outside Directors)	16,731	16,731	-	-	-	1
Outside Directors serving as Audit and Supervisory Committee Members	11,640	11,640	-	-	-	2

(Note) The total amount of remuneration by individual is omitted, as no Director received ¥100 million or more.

(5) Outside Directors

Position	Name	Status of attendance	Statements made
Outside Director	Waka Abe	21 out of 22 meetings of the Board of Directors	She mainly provides comments based on her extensive and advanced experience as a corporate manager.
Outside Director (Audit and Supervisory Committee Member)	Makoto Sato	21 out of 22 meetings of the Board of Directors 20 out of 20 meetings of the Audit and Supervisory Committee	He mainly provides comments from his professional perspective as a certified public accountant.
Outside Director (Audit and Supervisory Committee Member)	Daisuke Koizumi	21 out of 22 meetings of the Board of Directors 20 out of 20 meetings of the Audit and Supervisory Committee	He mainly provides comments based on his extensive experience as a manager and a certified public accountant.

5. Matters concerning the Basic Policy on Control of the Company

(1) Details of the Basic Policy

The Company believes that it is in the interests of the Company and the common interests of its shareholders that individuals who control the decision-making over the financial and business policies of the Company should be those who can ensure and improve the Company's corporate value, including the trust and technical capabilities that have been consistently accumulated over the long term, and by extension, the common interests of the shareholders over the medium to long term. The Company further believes that such individuals should be appointed as Directors and should be involved in the decision-making process over the financial and business policies in compliance with applicable laws and regulations and the Articles of Incorporation.

The Company's Board of Directors believes that the final decision on whether to accept sales of the Company's shares with response to a large-scale acquisition proposal by a specific person or group should be left to the will of the shareholders who owns the Company's shares. However, when the large-scale acquisition is judged to be detrimental to corporate value and the common interests of the shareholders, the Company believes that it is imperative that the Company's corporate value over the medium to long term, and by extension the common interest of the shareholders, are ensured through the implementation of necessary and reasonable measures.

(2) Details of Efforts to Realize the Basic Policy

1) Revision of the Company's corporate philosophy and establishment of its purpose

The Company started adopting its new corporate philosophy and purpose from the 49th foundation anniversary of December 2, 2021. The corporate philosophy is "Generating excitement and smiles with 'A Sprit To Be Close' to people," while the purpose is "Through social contribution by regional revitalization, we will contribute to the development of a sustainable future by providing surprises to all peoples and businesses." We promote our business activities, aiming at keeping its widely fruitful existence in society through know-hows for systems (IT) and businesses (BPO) which we have accumulated.

2) Execution of the Medium-Term Management Plan, "FLY ON 2026"

In the 4th Medium-Term Management Plan, "FLY ON 2026," covering the three years from FY2024 to FY2026, under the theme of strongly developing existing businesses and achieving dramatic growth through new businesses, the Company Group will aim for net sales of ¥28.0 billion, an operating income of ¥4.8 billion, and ROE and ROIC of not less than 15%.

3) Strengthening of corporate governance

The Company recognizes that the basis of corporate governance is to create transparent and fair management systems and promote efficient business execution based on prompt and decisive decision-making, while providing timely and appropriate information disclosure. By doing these, the Company believes that meeting satisfaction of stakeholders and improving the corporate value of the Company Group in an enduring manner are indispensable as keystones of our corporate management.

(3) Efforts to Prevent the Determination of Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person in Light of the Basic Policies

The Company will take appropriate measures within the allowable range of the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, to parties which seek to make a large-scale acquisition of the Company's shares, demanding necessary and sufficient provision of information for shareholders to make an appropriate decision on the advisability of the large-scale acquisition, expressing and disclosing the opinions, etc., of the Board of Directors and securing time and information for shareholders' review.

In expressing and disclosing the opinions, etc., of the Board of Directors, the Company will establish a special committee composed of independent Outside Directors to ensure objectivity and transparency. The Board of Directors will consult with this committee and will give the utmost respect to the content of its recommendations.

(4) The Decision of the Board of Directors of the Company on the Above Initiatives

The Board of Directors of the Company believes that these initiatives in (2) and (3) are those for securing and enhancing the Company's corporate value and common interests of shareholders, and in line with the basic policy in (1). In addition, the purpose is not to maintain the position of Directors.

Amounts in the business report are rounded down to the nearest presented unit.

Percentages, ratios etc., are rounded off to the nearest digit below the presented decimal place.

Consolidated Balance Sheet

(As of March 31, 2025)

(Unit: thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	18,460,447	Current liabilities	4,512,250
Cash and deposits	5,037,547	Accounts payable-trade	1,241,287
Notes, accounts receivable-trade and contract assets	4,742,770	Corporate income tax and other taxes payable	524,764
Securities	7,694,996	Provision for bonuses	614,229
Inventories	629,479	Contract liabilities	827,693
Other	355,654	Other	1,304,275
Fixed assets	5,492,026	Fixed liabilities	395,617
Tangible fixed assets	902,424	Liabilities for retirement benefit	217,550
Buildings and structures	456,253	Provision for stock-based remuneration	173,789
Machinery, equipment and vehicles	14,898	Long-term accounts payable-other	4,278
Land	169,145		
Construction in progress	26,540	Total liabilities	4,907,868
Other	235,587		
Intangible fixed assets	466,010	Net assets	
Other	466,010	Shareholders' equity	18,124,414
Investments and other assets	4,123,592	Capital stock	1,124,669
Investment securities	2,997,342	Capital surplus	1,221,189
Deferred tax assets	310,530	Retained earnings	17,392,253
Other	815,719	Treasury stock	(1,613,696)
		Accumulated other comprehensive income	920,191
		Valuation difference on available- for-sale securities	929,653
		Remeasurements of defined benefit plans	(9,462)
		Total net assets	19,044,606
Total assets	23,952,474	Total liabilities and net assets	23,952,474

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Consolidated Income Statement

(From April 1, 2024 to March 31, 2025)

(Unit: thousand yen)

Description	Amount	
Net sales		20,552,254
Cost of sales		12,681,836
Gross profit on sales		7,870,417
Selling, general and administrative expenses		4,337,541
Operating income		3,532,875
Non-operating income		
Interest income	19,844	
Dividend income	77,054	
Gain on sale of investment securities	15,811	
Share of profit of entities accounted for using equity method	12,995	
Miscellaneous income	30,361	156,067
Non-operating expenses		
Commissions fee	8,251	
Loss on retirement of fixed assets	5,236	
Foreign exchange losses	5,950	
Miscellaneous losses	1,450	20,888
Ordinary income		3,668,054
Extraordinary income		
Gain on reversal of stock acquisition rights	3,588	3,588
Net income before income taxes		3,671,642
Corporate income taxes - current	962,134	
Corporate income taxes - deferred	(204,828)	757,306
Net income		2,914,336
Net income attributable to owners of the parent		2,914,336

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Consolidated Statements of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Unit: thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	1,124,669	1,221,189	16,798,657	(1,261,612)	17,882,902
Changes during period					
Dividends of surplus			(1,768,747)		(1,768,747)
Net income attributable to owners of the parent			2,914,336		2,914,336
Purchase of treasury stock				(1,434,299)	(1,434,299)
Disposal of treasury stock		162,882		367,340	530,222
Cancellation of treasury stock		(714,875)		714,875	-
Transfer from retained earnings to capital surplus		551,992	(551,992)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	593,596	(352,084)	241,511
Balance at the end of period	1,124,669	1,221,189	17,392,253	(1,613,696)	18,124,414

	Accumulated other comprehensive income				Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	952,183	2	(5,046)	947,139	6,622	18,836,664
Changes during period						
Dividends of surplus						(1,768,747)
Net income attributable to owners of the parent						2,914,336
Purchase of treasury stock						(1,434,299)
Disposal of treasury stock						530,222
Cancellation of treasury stock						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	(22,529)	(2)	(4,415)	(26,947)	(6,622)	(33,570)
Total changes during period	(22,529)	(2)	(4,415)	(26,947)	(6,622)	207,941
Balance at the end of period	929,653	-	(9,462)	920,191	-	19,044,606

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Non-consolidated Balance Sheet

(As of March 31, 2025)

(Unit: thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	16,283,032	Current liabilities	4,089,827
Cash and deposits	3,184,801	Accounts payable-trade	1,302,025
Notes receivable-trade	227,090	Accounts payable-other	472,287
Accounts receivable-trade	3,518,149	Accrued expenses	303,995
Contract assets	522,906	Corporate income tax and other taxes payable	453,782
Investments in leases	63,369	Accrued consumption taxes	142,459
Securities	7,694,996	Contract liabilities	827,693
Merchandise	403,848	Deposits received	32,202
Work in process	207,458	Provision for bonuses	555,382
Supplies	10,702		
Prepaid expenses	161,788		
Advance payments to suppliers	148		
Short-term loans receivable from affiliated companies	70,000		
Accounts receivable-other	214,492		
Other	3,279		
Fixed assets	6,408,670	Fixed liabilities	380,279
Tangible fixed assets	803,179	Provision for retirement benefits	203,912
Buildings	434,598	Provision for stock-based remuneration	172,089
Structures	2,213	Long-term accounts payable-other	4,278
Machinery and equipment	14,898		
Tools, furniture and fixtures	176,410		
Land	149,565		
Construction in progress	25,492		
Intangible fixed assets	404,395	Total liabilities	4,470,107
Trademark right	442		
Software	315,227	Net assets	
Software in progress	81,145	Shareholders' equity	17,292,863
Other	7,579	Capital stock	1,124,669
Investments and other assets	5,201,095	Capital surplus	1,221,189
Investment securities	2,844,330	Legal capital surplus	1,221,189
Stocks of affiliated companies	1,298,392	Retained earnings	16,554,806
Long-term loans receivable	803	Legal retained earnings	94,356
Long-term loans receivable from affiliated companies	6,000	Other retained earnings	16,460,449
Long-term prepaid expenses	110,209	General reserve	5,512,500
Long-term deposits	50,000	Retained earnings brought forward	10,947,949
Deferred tax assets	291,635	Treasury stock	(1,607,800)
Leasehold and guarantee deposits	456,688	Valuation and translation adjustments	928,732
Insurance funds	102,644	Valuation difference on available-for-sale securities	928,732
Other	40,458		
Allowance for doubtful accounts	(68)		
Total assets	22,691,702	Total net assets	18,221,595
		Total liabilities and net assets	22,691,702

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Non-consolidated Income Statement

(From April 1, 2024 to March 31, 2025)

(Unit: thousand yen)

Description	Amount	
Net sales		18,012,513
Cost of sales		11,233,983
Gross profit on sales		6,778,530
Selling, general and administrative expenses		3,554,806
Operating income		3,223,723
Non-operating income		
Interest income	1,567	
Interest on securities	18,187	
Dividend income	76,900	
Gain on sale of investment securities	15,811	
Miscellaneous income	41,104	153,572
Non-operating expenses		
Commissions fee	8,130	
Loss on retirement of fixed assets	4,349	
Foreign exchange losses	5,950	
Miscellaneous losses	1,264	19,694
Ordinary income		3,357,601
Extraordinary income		
Gain on reversal of stock acquisition rights	3,588	3,588
Extraordinary losses		
Loss on valuation of stocks of affiliated companies	153,571	153,571
Net income before taxes		3,207,618
Corporate income taxes - current	858,982	
Corporate income taxes - deferred	(223,043)	635,938
Net income		2,571,679

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Non-consolidated Statements of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Unit: thousand yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of period	1,124,669	1,221,189	-	1,221,189	94,356	5,512,500	10,697,010	16,303,866
Changes during period								
Dividends of surplus							(1,768,747)	(1,768,747)
Net income							2,571,679	2,571,679
Purchase of treasury stock								
Disposal of treasury stock			162,882	162,882				-
Cancellation of treasury stock			(714,875)	(714,875)				-
Transfer from retained earnings to capital surplus			551,992	551,992			(551,992)	(551,992)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	-	250,939	250,939
Balance at the end of period	1,124,669	1,221,189	-	1,221,189	94,356	5,512,500	10,947,949	16,554,806

	Shareholders' equity		Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of period	(1,255,716)	17,394,008	950,588	2	950,590	6,622	18,351,221
Changes during period							
Dividends of surplus		(1,768,747)					(1,768,747)
Net income		2,571,679					2,571,679
Purchase of treasury stock	(1,434,299)	(1,434,299)					(1,434,299)
Disposal of treasury stock	367,340	530,222					530,222
Cancellation of treasury stock	714,875	-					-
Transfer from retained earnings to capital surplus		-					-
Net changes in items other than shareholders' equity			(21,855)	(2)	(21,858)	(6,622)	(28,481)
Total changes during period	(352,084)	(101,144)	(21,855)	(2)	(21,858)	(6,622)	(129,625)
Balance at the end of period	(1,607,800)	17,292,863	928,732	-	928,732	-	18,221,595

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.