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(Securities Code: 4743)

June 1, 2026

(Date of commencement of electronic provision measures: May 28, 2026)

Koji Sakata  
President and Representative Director  
**ITFOR Inc.**  
21 Ichibancho, Chiyoda-ku, Tokyo, Japan

## NOTICE OF THE 67<sup>th</sup> 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 67<sup>th</sup> 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 9 and exercise your voting rights no later than 5:00 p.m. on Thursday, June 18, 2026, Japan time.

- 1. Date and Time:** Friday, June 19, 2026 at 10:00 a.m. Japan time  
Reception starts: 9:30 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 67<sup>th</sup> Fiscal Year (April 1, 2025 - March 31, 2026) 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:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of 5 Directors (Excluding 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 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: Partial Amendments to the Articles of Incorporation

It is proposed that the current Articles of Incorporation be partially amended as follows.

1. Reasons for amendments

To allow for the diversification of business activities in the future, new business purposes shall be added to Article 2 (Purpose) of the current Articles of Incorporation.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)


Current Articles of Incorporation	Proposed amendments
Chapter I General Provisions (Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses: 1. to 11. (Text omitted) (Newly established)  (Newly established)  (Newly established)  (Newly established)  (Newly established)  <u>12.</u> (Text omitted)	Chapter I General Provisions (Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses: 1. to 11. (Unchanged) <u>12. Purchasing, sales, distribution, and brokerage of agricultural, forestry, and fishery products, and processed goods thereof</u> <u>13. Provision of management support, education, training, consulting, and content delivery for farmers and regional industry businesses</u> <u>14. Research and development (R&amp;D), proof-of-concept (PoC) testing, and cultivation support related to agriculture</u> <u>15. Manufacturing, processing, wholesale, and import/export of various goods</u> <u>16. E-commerce businesses utilizing the internet</u> <u>17. Manufacturing, sales, and import/export of pharmaceuticals, agricultural chemicals, horticultural plants, cosmetics, deleterious substances, poisonous substances, daily sundries, alcoholic beverages, tobacco, and textile products</u> <u>18.</u> (Unchanged)


**Proposal 2: Election of 5 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. Accordingly, it is proposed that five Directors (excluding Directors serving as Audit and Supervisory Committee Members) be elected, reducing the number of Directors by one to streamline the management structure and expedite decision-making.


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 June 2025    Chairman and Representative Director (to present)  (Significant concurrent position) Director, CVC Co., Ltd.	76,900
[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 and office of Chairman and Representative Director in June of last year. 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 achieving sustainable growth of the Group 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	 <p data-bbox="204 909 395 965">Koji Sakata (January 26, 1966)</p> <p data-bbox="213 994 386 1025">Reappointment</p>	<p data-bbox="432 286 544 315">April 1987</p> <p data-bbox="432 318 544 347">June 2008</p> <p data-bbox="432 376 576 405">October 2008</p> <p data-bbox="432 434 544 463">June 2013</p> <p data-bbox="432 492 544 521">June 2014</p> <p data-bbox="432 580 576 609">October 2015</p> <p data-bbox="432 638 568 667">August 2018</p> <p data-bbox="432 725 544 754">April 2019</p> <p data-bbox="432 784 544 813">June 2019</p> <p data-bbox="432 842 544 871">April 2020</p> <p data-bbox="432 929 576 958">October 2020</p> <p data-bbox="432 1016 544 1046">April 2023</p> <p data-bbox="432 1104 544 1133">April 2024</p> <p data-bbox="432 1169 544 1198">April 2025</p> <p data-bbox="432 1227 544 1256">June 2025</p> <p data-bbox="432 1285 778 1314">(Significant concurrent positions)</p> <p data-bbox="432 1317 735 1346">Director, AISEL Corporation</p> <p data-bbox="432 1348 884 1377">Director, ALPHA &amp; SHIN-YO Corporation</p> <p data-bbox="432 1379 847 1408">Chairman of the Board, ITFOR Bex Inc.</p>	142,800
<p data-bbox="194 1415 708 1444">[Reason for nomination as candidate for Director]</p> <p data-bbox="194 1447 1455 1684">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 made contributions to accelerating execution of business in the technical division and strengthening the management system and functions accompanying business expansion. Furthermore, since assuming office of President and Representative Director in June of last year, he has been strengthening the corporate governance system and the effectiveness of the risk management system. The Company proposes his reappointment as Director in order to achieve the sustainable growth and enhance corporate value of the Group.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Hirotaka Oeda (July 23, 1957)  <u>Reappointment</u>	April 1981      Joined the Company June 2004      Executive Officer, General Manager of Osaka Office April 2005      Executive Officer, General Manager of Solution Systems Division June 2006      Director and Executive Officer, General Manager of Solution Systems Division June 2007      Director and Managing Executive Officer, General Manager of Solution Systems Division October 2009    Director and Managing Executive Officer, General Manager of Corporate Strategy Department April 2015      Director and Managing Executive Officer, General Manager of Financial Systems Division II June 2016      Director and Executive Officer, General Manager of Financial Systems Division II of Financial Systems Department May 2017       Director and Executive Officer, General Manager of CTI & Infrastructure Systems Division December 2018   Director and Executive Officer, General Manager of CTI & Communications Systems Division April 2020      Director and Executive Officer, General Manager of Communications & Enterprise Systems Division April 2021      Director and Executive Officer, General Manager of Corporate Strategy Department and Retail EC Systems Division June 2024      Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Retail EC Systems Division April 2025      Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division (to present)  (Significant concurrent position) Director, CVC Co., Ltd.	188,000
<p>[Reason for nomination as candidate for Director]            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	 <p data-bbox="185 577 418 645">Kazunori Kono (December 12, 1972)</p> <p data-bbox="185 667 418 712"><b>Reappointment</b></p>	<p data-bbox="419 280 1294 313">April 1996      Joined the Company</p> <p data-bbox="419 313 1294 347">October 2010    General Manager of Network Solution Division</p> <p data-bbox="419 347 1294 403">June 2011      Executive Officer, General Manager of Network Solution Division</p> <p data-bbox="419 403 1294 459">April 2014      Executive Officer, Deputy General Manager of Corporate Strategy Department</p> <p data-bbox="419 459 1294 515">April 2022      Executive Officer, General Manager of Payment Business Division</p> <p data-bbox="419 515 1294 571">April 2023      Executive Officer, General Manager of Payment Business Division</p> <p data-bbox="419 571 1294 627">June 2024      Director and Executive Officer, General Manager of Payment Business Division (to present)</p> <p data-bbox="419 667 1294 757">(Significant concurrent positions) Director, Syddy Inc. Director, AISEL Corporation</p>	24,800
<p data-bbox="196 763 708 790">[Reason for nomination as candidate for Director]</p> <p data-bbox="196 790 1449 1001">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. He has also been promoting sustainability and driving business transformation through digital technology (DX) as an officer in charge of those areas. The Company has determined that specialized knowledge and leadership are essential to dramatically enhance the Group's competitiveness by integrating ESG management and cutting-edge technologies such as AI into management going forward. Accordingly, the Company proposes his reappointment as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 Waka Abe (June 15, 1972) <u>Reappointment</u> <u>Outside Director</u>	March 2004    Joined SK-Electronics Co., Ltd. April 2013    Deputy General Manager of Corporate Strategy Office April 2014    Joined SHASHIN KAGAKU Co., Ltd. June 2014    Director December 2019    Director, in charge of Business Development Office, SK-Electronics Co., Ltd. June 2021    Outside Director, the Company (to present) April 2022    Director, in charge of New Business Creation Division and Solution Business Department, SK-Electronics Co., Ltd. (to present) March 2025    Outside Auditor, Monicle Inc. (to present) (Significant concurrent positions) Director, SK-Electronics Co., Ltd. Outside Auditor, Monicle Inc.	4,200
[Reason for nomination as candidate for Outside Director and outline of expected roles] Ms. Waka Abe has experience and insight in launching new businesses overseas and serving as Director of a business corporation, embodying diversity herself. She assumed office of Outside Director of the Company in June 2021, and has made significant contributions to strengthening the constructive discussions and effectiveness of the Board of Directors by providing proactive comments and insights that encourage appropriate risk-taking and management reforms. From the perspective of promoting the Group's global business and diversity, the Company expects that she will contribute to strengthening a function of supervising the Group's management, including the formulation of growth strategies and the area of financial strategies such as M&A. Accordingly, the Company proposes her reappointment as Outside Director.			

(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. Ms. Waka Abe is a candidate for Outside Director and she will have served as such for five years at the close of the General Meeting of Shareholders.
4. The Company has registered Ms. Waka Abe as an independent director pursuant to the regulations of the Tokyo Stock Exchange. If her reappointment is approved, the Company plans to continue to register her as an independent director.
5. 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.
6. 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 2026, 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 Proposal 2 when the candidates are approved as originally proposed.

Name	Position	Management Experience	Internationalism	Sales/ Marketing	IT/ Infrastructure Technology	Innovation/ DX	M&A/ Corporate Investment	Financial Accounting	Legal/ Risk Management	ESG/ Sustainability	Organization/ Human Resources
Tsunenori Sato	Chairman and Representative Director	○	○	○		○	○			○	
Koji Sakata	President and Representative Director	○			○		○	○	○		○
Hiroataka Oeda	Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division	○	○	○		○				○	○
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 six 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.

(Appendix)

## **Business Report**

(April 1, 2025 - March 31, 2026)

### **1. Overview of the Corporate Group**

#### (1) Business Progress and Results

##### (i) Overview of business results for the fiscal year under review

During the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026), the shift towards normalization of monetary policy had a significant impact on corporate activity and markets in the Japanese economy. In addition to sharp exchange rate volatility and persistently elevated resource prices, rising prices caused by inflation became increasingly pronounced. These factors not only suppressed consumer spending but also pushed up raw material and labor costs, putting pressure on corporate earnings. Although the economy is on a gradual recovery trend, companies continue to face challenges in navigating cost headwinds.

Concerns about a global economic downturn intensified amid U.S. interest rate trends and slowdowns in the European and Chinese economies. Furthermore, due to factors such as the reconfiguration of supply chains stemming from prolonged geopolitical risks, the outlook remained uncertain.

Even in an uncertain economic environment, the IT service industry that surrounds ITFOR Inc. (the “Company”) and its consolidated subsidiaries and affiliate (together with the Company, the “Company Group”) experienced strong investment appetite. Driven by labor shortages, the shift to non-face-to-face services and DX (digital transformation) have become urgent issues for businesses. As such, investment appetite for transforming business models with advanced technologies such as AI remains strong.

To achieve sustainable growth even 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 the Company Group’s businesses, we will contribute to creating quality time for people. To achieve this “HIGH FIVE 2033,” we launched “FLY ON 2026,” our 4<sup>th</sup> 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 3<sup>rd</sup> 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 have been conducting activities led by our three categories of strategies: business strategy, human resource strategy, and corporate value enhancement strategy.

As a result, the financial results for the fiscal year ended March 31, 2026 are as follows.

(Unit: millions of yen)

Item	The 66 <sup>th</sup> consolidated fiscal year ended March 31, 2025	The 67 <sup>th</sup> consolidated fiscal year ended March 31, 2026 (Current year)	YoY change
Net sales	20,552	23,101	112.4%
Operating income	3,532	3,858	109.2%
Ordinary income	3,668	4,054	110.5%
Net income attributable to owners of the parent	2,914	2,757	94.6%
New orders	20,247	24,317	120.1%
Order backlogs	16,295	17,512	107.5%

##### (ii) Sales activities of the Company

Through specialized proprietary solutions and by cultivating ecosystem with external partners, the Company Group maintains market entry barriers while preserving growth potential.

##### ◇ Maximizing earnings through market deepening and cross-group expansion

Backed by strong client relationships, we are rolling out undeployed systems to existing clients

in the regional bank market. Alongside system renewals, upselling initiatives have driven sales growth. Furthermore, capitalizing on our track record with the parent banks, we are accelerating the implementation of our systems in their affiliated companies such as credit card, leasing, and guarantee companies. By establishing ourselves as the platform of choice for regional banks, we aim to maximize revenue opportunities and achieve sustainable growth.

◇ Advancing existing businesses and establishing competitive advantages through AI

We will accelerate AI implementation into existing core systems and services in sectors such as financial, regional government, and retail. Leveraging our unique domain knowledge with deep understanding of customers' business processes, we will deliver practical AI solutions tailored to on-site challenges. Through this initiative, we will dramatically enhance the value of existing businesses, pursuing unparalleled competitiveness and sustainable growth.

◇ Accelerating growth and advancing DX with next-generation products

To achieve further growth, we have been introducing next-generation products with high added value. "Pay Collect," the automated debt collection service, manages everything from billing to providing payment methods, addressing labor shortages while enhancing customer convenience. Furthermore, "Agent Hub" facilitates information sharing between financial institutions and law firms, streamlining operations. With more products such as "DigiShare," which supports the transfer of information to family members, we will drive growth by providing value in new areas.

◇ Expanding markets by aligning social issue resolution with system sales

We are addressing labor shortages through automation using "Robotic Call," and accelerating the implementation of "iRITSpay Payment Terminal," our multi-payment terminal, taking advantage of the government's policy to promote cashless payment. Through paperless operations and shortened credit screening time, we are simultaneously supporting the reduction of environmental impact and the improvement of customer profitability. Through solutions for foreigners provided by Payke, Inc. and WAmazing, Inc., in which we have invested, we are also contributing to solving critical issues facing regional communities, such as handling inbound tourism and the employment of foreigners, directly translating social issue resolution into business growth.

◇ Expanding the ecosystem with strategic investments

In addition to the previous fiscal year's investments in Vacan, Inc. and Payke, Inc., we made new investments in ZenTech Inc., MetCom Inc., and WAmazing, Inc. during the fiscal year ended March 31, 2026. By combining our own resources with external technologies (such as inbound tourism services, disaster prevention, and AI-related technologies), we will rapidly create new services that solve social issues and diversify the value we provide to our customers.

(iii) Analysis of financial results for the fiscal year ended March 31, 2026

Even under the market environment characterized by ongoing restructuring and decline in the number of regional banks, we have firmly achieved higher net sales by introducing new, high-value added solutions while successfully capturing the system update needs of existing customers. Furthermore, with steady progress in horizontal expansion to financial institutions affiliated with regional banks (such as credit card, leasing, and guarantee companies), the expansion of our customer base has boosted our revenue.

In addition, our alignment with the standardization of regional government information systems in the public sector was also a significantly important factor driving the growth in financial results for the fiscal year ended March 31, 2026.

Financial results by reporting segment are as follows:

(System Development and Sales)

Our core business of software system development for financial institutions, renewal of infrastructure equipment, and sales of "SCOPE," our personal loan operation support system, proceeded smoothly as planned. Furthermore, public-sector projects related to the standardization of regional government information systems also steadily increased.

(Recurring)

Maintenance services, which are a stable source of earnings, steadily grew. Orders for BPO services targeting the public sector slightly declined from the previous fiscal year, as a result of implementing a strategy to focus resources on profitable projects. However, as we are improving the efficiency of sales activities through an area-dominance strategy while expanding resources, we

expect to achieve both scale growth and profitability going forward.

[Net Sales Breakdown]

The sales composition by segment is as follows:

Segment	Amount	Composition ratio
System Development and Sales	¥13,671 million	59.2%
Recurring	¥9,429 million	40.8%
Total	¥23,101 million	100.0%

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

<Social Contribution Activities>

To fulfill its corporate social responsibilities, the Company proactively engages in three key sustainability issues (materiality): “reducing the burden on the environment,” “contributing to society through regional revitalization,” and “deepening human resources.”

For example, the Company supports environmental conservation in Kumamoto Prefecture through donations to The Foundation for the Preservation of Green and Water Resources of Higo. In addition, as part of initiatives for regional revitalization, the Company made donations under a hometown tax donation system of corporate version to Ishikawa, Tokushima, Tottori, and Kumamoto 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 through ongoing sponsorship of 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 ¥934 million. Major capital investments were as follows:

Purchase of facilities attached to buildings	¥143 million
Purchase of tools, furniture and fixtures	¥122 million
Purchase of software for internal use	¥431 million
Purchase of software for commercial sale	¥128 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

Not applicable.

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

On October 1, 2025, the Company acquired an additional 37 shares of AISEL Corporation, thereby making it a subsidiary.

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

On April 1, 2025, ITFOR Bex Inc., a wholly owned subsidiary of the Company, conducted an

absorption-type merger with ICR Co., Ltd., a wholly owned subsidiary of the Company.

(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 3<sup>rd</sup> 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 4<sup>th</sup> 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 efforts 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 64 <sup>th</sup> consolidated fiscal year ended March 31, 2023	The 65 <sup>th</sup> consolidated fiscal year ended March 31, 2024	The 66 <sup>th</sup> consolidated fiscal year ended March 31, 2025	The 67 <sup>th</sup> consolidated fiscal year ended March 31, 2026 (Current year)
Net sales	18,322	20,652	20,552	23,101
Ordinary income	3,278	3,846	3,668	4,054
Net income attributable to owners of the parent	2,291	2,770	2,914	2,757
Earnings per share (yen)	82.96	101.77	108.09	104.27
Total assets	21,667	23,996	23,952	28,066
Net assets	17,167	18,836	19,044	21,146
Net assets per share (yen)	618.80	695.75	720.80	780.48

## (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
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
AISEL Corporation	¥100,000 thousand	45.64%	Development of computer software
FirstStep Co., Ltd.	¥22,187 thousand	45.64%	Development and maintenance of computer software
Brain Assist Inc.	¥10,000 thousand	45.64%	Corporate network construction/operation services

(Note) FirstStep Co., Ltd. and Brain Assist Inc. are wholly owned subsidiaries of AISEL Corporation  
On April 1, 2026, an absorption-type merger was conducted with AISEL Corporation as the  
surviving company and Brain Assist Inc. as the dissolved company.

## 3) Progress and results of business combinations

There are seven consolidated subsidiaries: CVC Co., Ltd., EeB Corporation, Syddy Inc.,  
ITFOR Bex Inc, AISEL Corporation, FirstStep Co., Ltd., and Brain Assist Inc.

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, 2026)

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) CVC Co., Ltd. (Fukuoka) EeB Corporation (Ishikawa) Syddy Inc. (Tokyo) ITFOR Bex Inc. (Tokyo) AISEL Corporation (Tokyo) FirstStep Co., Ltd. (Tokyo) Brain Assist Inc. (Tokyo)

(12) Employees (as of March 31, 2026)

(The Group)

Number of Employees	Change from the end of the previous year
892 [892]	Increase of 267 [decrease of 105]

(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
513 [26]	Increase of 3 [decrease of 296]	39.2 years old	11.6 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, 2026)

Lenders	Borrowing amount
MUFG Bank, Ltd.	¥109,839 thousand
The Hokuriku Bank, Ltd.	¥66,956 thousand
Mizuho Bank, Ltd.	¥34,465 thousand
Sumitomo Mitsui Banking Corporation	¥20,825 thousand
Tokyo City Shinkin Bank	¥6,704 thousand

(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 are 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 a total return ratio of 70% or more, and will implement a progressive dividend policy starting with the year-end dividend for the fiscal year ended March 31, 2026.

The Board of Directors resolved at its meeting held on November 13, 2025, to pay an interim dividend of ¥30 per share, which was paid on December 1, 2025. Furthermore, the Board of Directors resolved at its meeting held on May 14, 2026, to pay a year-end dividend of ¥50 per share, bringing the total annual dividend to ¥80 per share.

- (15) Other Important Matters concerning the Current Status of the Corporate Group  
Not applicable.

## 2. Status of Shares (as of March 31, 2026)

- (1) Total Number of Shares Authorized to be Issued 110,000,000 shares
- (2) Total Number of Shares Outstanding 27,911,900 shares  
(including 995,101 shares of treasury stock)
- (3) Number of Shareholders 17,514 persons

### (4) Major Shareholders

Shareholders' name	Number of shares held (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	3,436,600	12.77
Hikari Tsushin KK Investment Limited Partnership	1,738,300	6.46
Custody Bank of Japan, Ltd. (Trust account)	1,578,323	5.86
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Re-trust Portion/BROTHER INDUSTRIES, LTD. Retirement Benefit Trust Account)	1,420,000	5.28
ITFOR Employee Shareholding Association	1,079,900	4.01
Meiji Yasuda Life Insurance Company	551,400	2.05
The Bank of Yokohama, Ltd.	500,000	1.86
STATE STREET BANK AND TRUST COMPANY 505004	376,000	1.40
Eishi Murakami	361,000	1.34
Iyasaka Investment Limited Partnership	351,000	1.30

- (Notes) 1. The shares held by Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Re-trust 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 995,101 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 430,823 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  
No material items to report.

**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, 2026)

Position	Name	Responsibilities and significant concurrent positions
Chairman and Representative Director	Tsunenori Sato	Director, CVC Co., Ltd.
President and Representative Director	Koji Sakata	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 Financial Systems Division Director, CVC Co., Ltd.
Director and Executive Officer	Katsuo Nakayama	General Manager of Administration Department Director, Syddy Inc. Director, ITFOR Bex Inc. Outside Director, Audit and Supervisory Committee Member, NCD Co., Ltd.
Director and Executive Officer	Kazunori Kono	General Manager of Payment Business Division Director, Syddy Inc. Director, AISEL Corporation
Outside Director	Waka Abe	Director, SK-Electronics Co., Ltd. Outside Auditor, Monicle Inc.
Director (Full-Time Audit and Supervisory Committee Member)	Masahito Motoyama	Corporate Auditor, CVC Co., Ltd.
Outside Director (Audit and Supervisory Committee Member)	Itsuko Fukuda	Outside Director, SINKO INDUSTRIES LTD. Outside Director, Ichikawa Co., Ltd.
Outside Director (Audit and Supervisory Committee Member)	Koji Kanazawa	Partner, CHUO SOGO LPC Outside Auditor, Rakuten General Insurance Co., Ltd. Outside Director, Audit and Supervisory Committee Member, TODA KOGYO CORP.

- (Notes)
1. There are no significant relationships between the Company and the other companies at which Outside Directors, Ms. Waka Abe, Ms. Itsuko Fukuda, and Mr. Koji Kanazawa have concurrent positions.
  2. The Company has registered Outside Directors, Ms. Waka Abe, Ms. Itsuko Fukuda, and Mr. Koji Kanazawa as independent directors pursuant to the regulations of the Tokyo Stock Exchange.
  3. 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 20, 2025.

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 56<sup>th</sup> 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 56<sup>th</sup> 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 62<sup>nd</sup> Annual General Meeting of Shareholders held on June 18, 2021. As of the close of the 62<sup>nd</sup> 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, 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 FY2025, the target amount was ¥3,000 million, and the actual amount was ¥2,757 million.

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

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.

Monthly remuneration = 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. 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.

iii. 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.

iv. Share delivery trust

The Company has established a stock-based remuneration plan (the "Plan") based on the resolution of the 62<sup>nd</sup> 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 ending 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
		Basic remuneration	Monthly remuneration	Share delivery trust	
Directors (excluding Directors serving as Audit and Supervisory Committee Members, and Outside Directors)	275,598	103,140	145,233	27,225	5
Outside Directors (excluding Directors serving as Audit and Supervisory Committee Members)	6,000	6,000	-	-	1
Directors serving as Audit and Supervisory Committee Members (excluding Outside Directors)	17,016	17,016	-	-	1
Outside Directors serving as Audit and Supervisory Committee Members	12,060	12,060	-	-	4

(Notes) 1. The total amount of remuneration by individual is omitted, as no Director received ¥100 million or more.

2. Share delivery trust in the above table shows the amount of stock-based remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) charged to expense during the current fiscal year.

## (5) Outside Directors

Position	Name	Status of attendance	Statements made
Outside Director	Waka Abe	19 out of 20 meetings of the Board of Directors	She mainly provides constructive comments on management reform, as appropriate, based on her extensive and advanced experience as a corporate manager.
Outside Director (Audit and Supervisory Committee Member)	Itsuko Fukuda	15 out of 15 meetings of the Board of Directors 13 out of 13 meetings of the Audit and Supervisory Committee	She mainly provides comments on management issues in the areas of governance and compliance, as appropriate, based on her experience as a corporate manager.
Outside Director (Audit and Supervisory Committee Member)	Koji Kanazawa	15 out of 15 meetings of the Board of Directors 13 out of 13 meetings of the Audit and Supervisory Committee	He mainly provides comments that encourage risk-taking and management reform, based on his extensive experience and knowledge as a lawyer and as an outside director of other companies.

(Note) Outside Director Ms. Itsuko Fukuda and Outside Director Ms. Hiroshi Kanazawa were newly elected at the Annual General Meeting of Shareholders held on June 20, 2025, and therefore the number of Board of Directors meetings they attended differs from that of the other outside directors. Following their election, the Board of Directors met 15 times.

## 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 in response to a large-scale acquisition proposal by a specific person or group should be left to the will of the shareholders who own 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 49<sup>th</sup> foundation anniversary of December 2, 2021. The corporate philosophy is "Generating excitement and smiles with 'A Spirit 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-how for systems (IT) and businesses (BPO) which we have accumulated.

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

In the 4<sup>th</sup> 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.

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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, 2026)

(Unit: thousand yen)

Description	Amount	Description	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>20,081,390</b>	<b>Current liabilities</b>	<b>6,078,233</b>
Cash and deposits	7,808,390	Accounts payable-trade	1,747,880
Notes, accounts receivable-trade and contract assets	6,410,467	Short-term borrowings	92,309
Securities	5,094,198	Corporate income tax and other taxes payable	1,105,283
Inventories	397,179	Provision for bonuses	759,516
Other	371,234	Contract liabilities	902,017
Allowance for doubtful accounts	(80)	Other	1,471,226
<b>Fixed assets</b>	<b>7,985,015</b>	<b>Fixed liabilities</b>	<b>842,091</b>
<b>Tangible fixed assets</b>	<b>1,065,520</b>	Long-term borrowings	146,480
Buildings and structures	576,820	Liabilities for retirement benefit	447,553
Machinery, equipment and vehicles	13,140	Provision for stock-based remuneration	203,364
Land	169,145	Long-term accounts payable-other	44,693
Construction in progress	45,274	<b>Total liabilities</b>	<b>6,920,324</b>
Other	261,140	<b>Net assets</b>	
<b>Intangible fixed assets</b>	<b>907,404</b>	<b>Shareholders' equity</b>	<b>19,448,547</b>
Goodwill	108,045	<b>Capital stock</b>	<b>1,124,669</b>
Other	799,358	<b>Capital surplus</b>	<b>1,221,189</b>
<b>Investments and other assets</b>	<b>6,012,090</b>	<b>Retained earnings</b>	<b>18,669,531</b>
Investment securities	4,551,539	<b>Treasury stock</b>	<b>(1,566,842)</b>
Deferred tax assets	268,770	<b>Accumulated other comprehensive income</b>	<b>1,205,531</b>
Other	1,192,049	<b>Valuation difference on available-for-sale securities</b>	<b>1,203,583</b>
Allowance for doubtful accounts	(268)	<b>Remeasurements of defined benefit plans</b>	<b>1,947</b>
		<b>Non-controlling interests</b>	<b>492,002</b>
		<b>Total net assets</b>	<b>21,146,081</b>
<b>Total assets</b>	<b>28,066,405</b>	<b>Total liabilities and net assets</b>	<b>28,066,405</b>

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

## Consolidated Income Statement

(From April 1, 2025 to March 31, 2026)

(Unit: thousand yen)

Description	Amount	
<b>Net sales</b>		<b>23,101,002</b>
<b>Cost of sales</b>		<b>14,308,447</b>
<b>Gross profit on sales</b>		<b>8,792,555</b>
Selling, general and administrative expenses		4,933,866
<b>Operating income</b>		<b>3,858,688</b>
<b>Non-operating income</b>		
Interest income	50,108	
Dividend income	81,929	
Recoveries of written off receivables	16,850	
Share of profit of entities accounted for using equity method	10,308	
Miscellaneous income	66,125	<b>225,321</b>
<b>Non-operating expenses</b>		
Interest and discounts expenses	3,543	
Commissions fee	6,114	
Loss on retirement of fixed assets	11,607	
Loss on sale of non-current assets	2,159	
Miscellaneous losses	6,164	<b>29,589</b>
<b>Ordinary income</b>		<b>4,054,421</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	121,044	
Gain on step acquisitions	33,987	<b>155,031</b>
<b>Extraordinary losses</b>		
Impairment losses	49,200	<b>49,200</b>
<b>Net income before income taxes</b>		<b>4,160,251</b>
Corporate income taxes - current	1,450,768	
Corporate income taxes - deferred	(135,853)	1,314,914
<b>Net income</b>		<b>2,845,337</b>
<b>Net income attributable to non-controlling Interests</b>		<b>87,578</b>
<b>Net income attributable to owners of the parent</b>		<b>2,757,758</b>

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

## Consolidated Statements of Changes in Equity

(From April 1, 2025 to March 31, 2026)

(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	17,392,253	(1,613,696)	18,124,414
Changes during period					
Dividends of surplus			(1,480,480)		(1,480,480)
Net income attributable to owners of the parent			2,757,758		2,757,758
Purchase of treasury stock				(139)	(139)
Disposal of treasury stock through share delivery trust				75,327	75,327
Change in treasury shares arising from change in equity in entities accounted for using equity method				(28,333)	(28,333)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,277,278	46,854	1,324,132
Balance at the end of period	1,124,669	1,221,189	18,669,531	(1,566,842)	19,448,547

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	929,653	(9,462)	920,191	-	19,044,606
Changes during period					
Dividends of surplus					(1,480,480)
Net income attributable to owners of the parent					2,757,758
Purchase of treasury stock					(139)
Disposal of treasury stock through share delivery trust					75,327
Change in treasury shares arising from change in equity in entities accounted for using equity method					(28,333)
Net changes in items other than shareholders' equity	273,929	11,409	285,339	492,002	777,342
Total changes during period	273,929	11,409	285,339	492,002	2,101,474
Balance at the end of period	1,203,583	1,947	1,205,531	492,002	21,146,081

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

## Non-consolidated Balance Sheet

(As of March 31, 2026)

(Unit: thousand yen)

Description	Amount	Description	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>16,487,225</b>	<b>Current liabilities</b>	<b>5,254,357</b>
Cash and deposits	5,072,703	Accounts payable-trade	1,765,722
Notes receivable-trade	3,353	Accounts payable-other	655,949
Accounts receivable-trade	5,041,861	Accrued expenses	194,087
Contract assets	542,125	Corporate income tax and other taxes payable	943,998
Investments in leases	47,309	Accrued consumption taxes	148,136
Securities	5,094,198	Contract liabilities	901,643
Merchandise	187,453	Deposits received	31,469
Work in process	171,417	Provision for bonuses	613,282
Supplies	21,384	Other	69
Prepaid expenses	239,471		
Accounts receivable-other	39,288		
Other	26,657		
<b>Fixed assets</b>	<b>8,705,488</b>	<b>Fixed liabilities</b>	<b>416,320</b>
<b>Tangible fixed assets</b>	<b>927,091</b>	Provision for retirement benefits	207,263
Buildings	507,247	Provision for stock-based remuneration	201,814
Structures	1,965	Long-term accounts payable-other	7,243
Machinery and equipment	13,140		
Tools, furniture and fixtures	220,021		
Land	149,565		
Construction in progress	35,151		
<b>Intangible fixed assets</b>	<b>766,533</b>	<b>Total liabilities</b>	<b>5,670,678</b>
Trademark right	594		
Software	299,561	<b>Net assets</b>	
Software in progress	458,798	<b>Shareholders' equity</b>	<b>18,319,327</b>
Other	7,579	<b>Capital stock</b>	<b>1,124,669</b>
<b>Investments and other assets</b>	<b>7,011,862</b>	<b>Capital surplus</b>	<b>1,221,189</b>
Investment securities	4,542,304	Legal capital surplus	1,221,189
Stocks of affiliated companies	1,516,935	<b>Retained earnings</b>	<b>17,506,082</b>
Long-term loans receivable	5,027	Legal retained earnings	94,356
Long-term prepaid expenses	97,710	Other retained earnings	17,411,726
Deferred tax assets	206,703	General reserve	5,512,500
Leasehold and guarantee deposits	484,113	Retained earnings brought forward	11,899,226
Insurance funds	118,676	<b>Treasury stock</b>	<b>(1,532,612)</b>
Other	127,223	<b>Valuation and translation adjustments</b>	<b>1,202,707</b>
Allowance for doubtful accounts	(86,832)	<b>Valuation difference on available-for-sale securities</b>	<b>1,202,707</b>
<b>Total assets</b>	<b>25,192,713</b>	<b>Total net assets</b>	<b>19,522,035</b>
		<b>Total liabilities and net assets</b>	<b>25,192,713</b>

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

## Non-consolidated Income Statement

(From April 1, 2025 to March 31, 2026)

(Unit: thousand yen)

Description	Amount	
<b>Net sales</b>		<b>17,901,365</b>
<b>Cost of sales</b>		<b>10,631,534</b>
<b>Gross profit on sales</b>		<b>7,269,830</b>
Selling, general and administrative expenses		3,893,206
<b>Operating income</b>		<b>3,376,623</b>
<b>Non-operating income</b>		
Interest income	6,719	
Interest on securities	40,458	
Dividend income	80,177	
Miscellaneous income	76,231	<b>203,587</b>
<b>Non-operating expenses</b>		
Commissions fee	6,013	
Loss on retirement of fixed assets	4,975	
Loss on sale of non-current assets	2,159	
Miscellaneous losses	841	<b>13,989</b>
<b>Ordinary income</b>		<b>3,566,221</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	121,044	<b>121,044</b>
<b>Extraordinary losses</b>		
Loss on valuation of stocks of affiliated companies	21,428	
Provision of allowance for doubtful accounts	86,764	<b>108,193</b>
<b>Net income before taxes</b>		<b>3,579,072</b>
Corporate income taxes – current	1,191,395	
Corporate income taxes – deferred	(44,079)	1,147,315
<b>Net income</b>		<b>2,431,756</b>

(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, 2025 to March 31, 2026)

(Unit: thousand yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings	Retained earnings brought forward	
				General reserve			
Balance at the beginning of period	1,124,669	1,221,189	1,221,189	94,356	5,512,500	10,947,949	16,554,806
Changes during period							
Dividends of surplus			-			(1,480,480)	(1,480,480)
Net income			-			2,431,756	2,431,756
Purchase of treasury stock			-				-
Disposal of treasury stock through share delivery trust			-				-
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	-	-	951,276	951,276
Balance at the end of period	1,124,669	1,221,189	1,221,189	94,356	5,512,500	11,899,226	17,506,082

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of period	(1,607,800)	17,292,863	928,732	928,732	18,221,595
Changes during period					
Dividends of surplus		(1,480,480)			(1,480,480)
Net income		2,431,756			2,431,756
Purchase of treasury stock	(139)	(139)			(139)
Disposal of treasury stock through share delivery trust	75,327	75,327			75,327
Net changes in items other than shareholders' equity			273,975	273,975	273,975
Total changes during period	75,187	1,026,464	273,975	273,975	1,300,439
Balance at the end of period	(1,532,612)	18,319,327	1,202,707	1,202,707	19,522,035

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