

Business and Financial Update for 3Q YTD of Fiscal Year 2025

ITOCHU Techno-Solutions Corporation

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(Repost) FY2025 Plan

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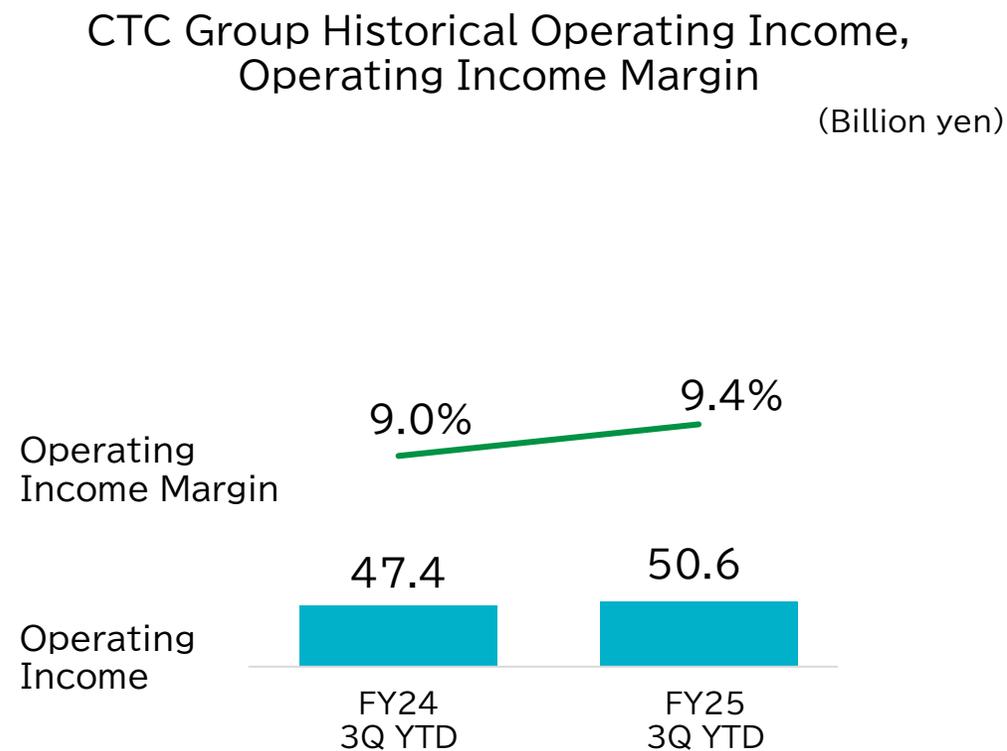
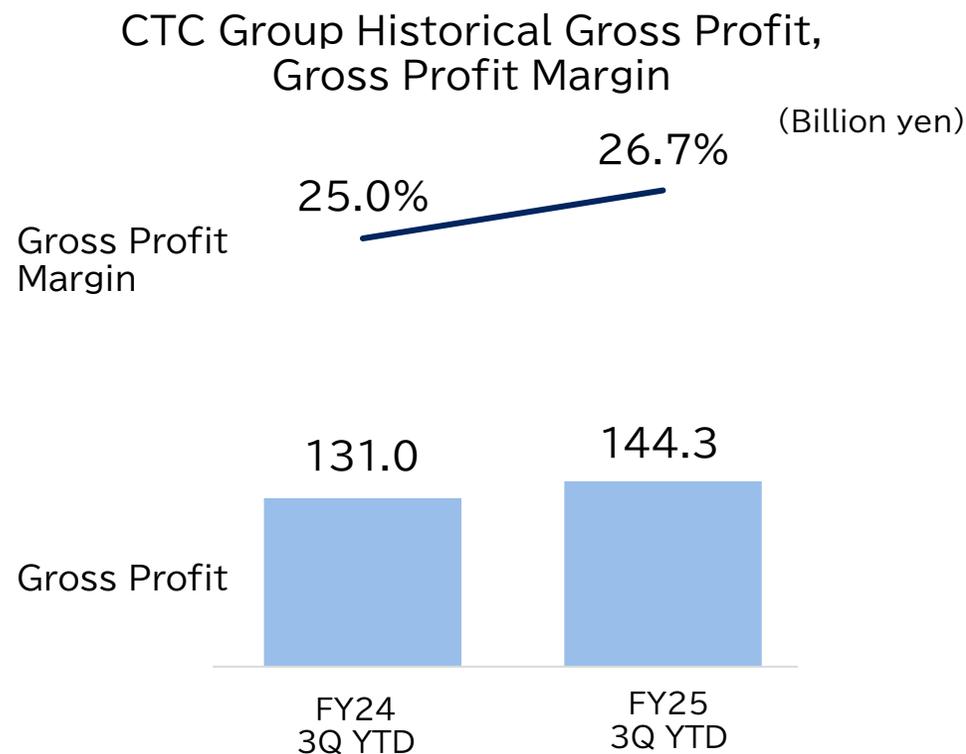
- Revenue and all income items reached record highs for 3Q YTD. Gross profit margin increased by 1.7 percentage points to 26.7%, while operating income margin also showed steady growth.
- Orders received increased by 6.3% YoY, while backlogs rose by 11.7% YoY, continuing to trend firmly.

(in billion yen)

	3Q YTD FY2024 Results	3Q YTD FY2025 Results	YoY change	YoY change (%)
Revenue	524.3	540.8	+16.5	+3.2%
Gross profit	131.0	144.3	+13.2	+10.1%
Gross profit margin	25.0%	26.7%	+1.7p	-
Other income and expenses	(83.6)	(93.7)	(10.1)	+12.0%
Operating income	47.4	50.6	+3.2	+6.7%
Operating income margin	9.0%	9.4%	+0.4p	-
Net profit attributable to CTC's shareholders	33.5	36.1	+2.6	+7.8%
Orders received	525.0	557.9	+32.9	+6.3%
Backlogs	444.1	496.1	+52.0	+11.7%

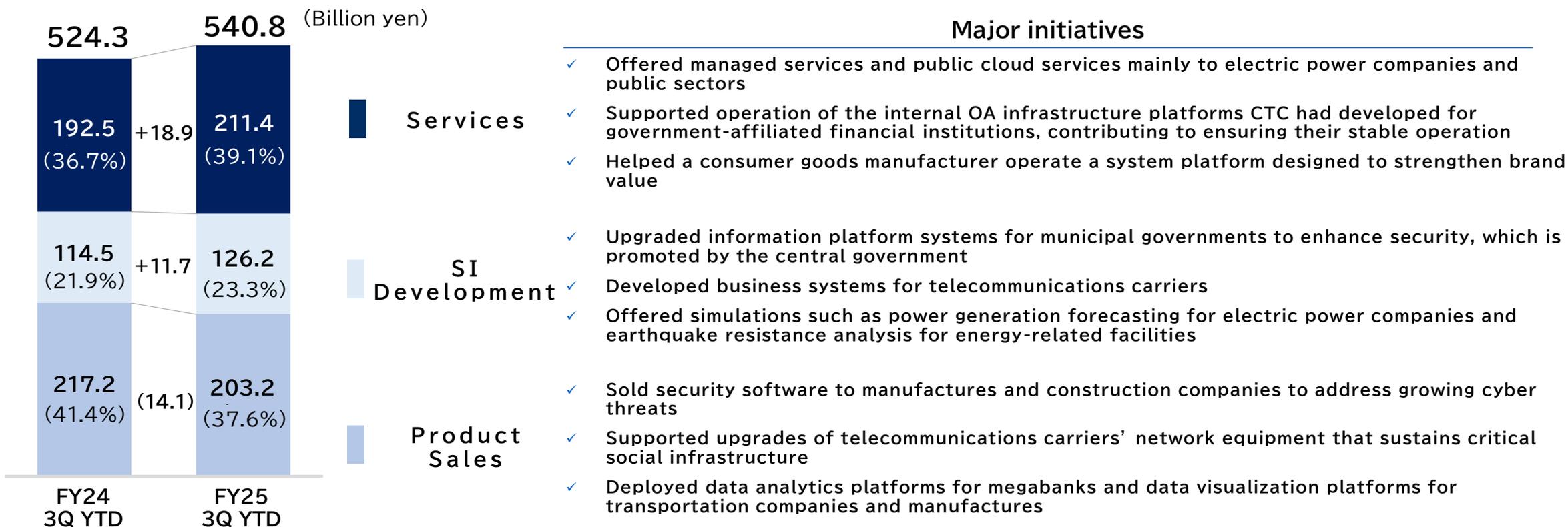
Financial Results for 3Q YTD FY2025

- Revenue grew as customers continued to make strong IT investments in our key focus areas such as enhancing security measures and accelerating cloud adoption, which are critical for their management strategies.
- Gross profit and gross profit margin increased, driven by contributions from high value-added development projects as well as security and AI businesses. As a result, operating income margin also rose.



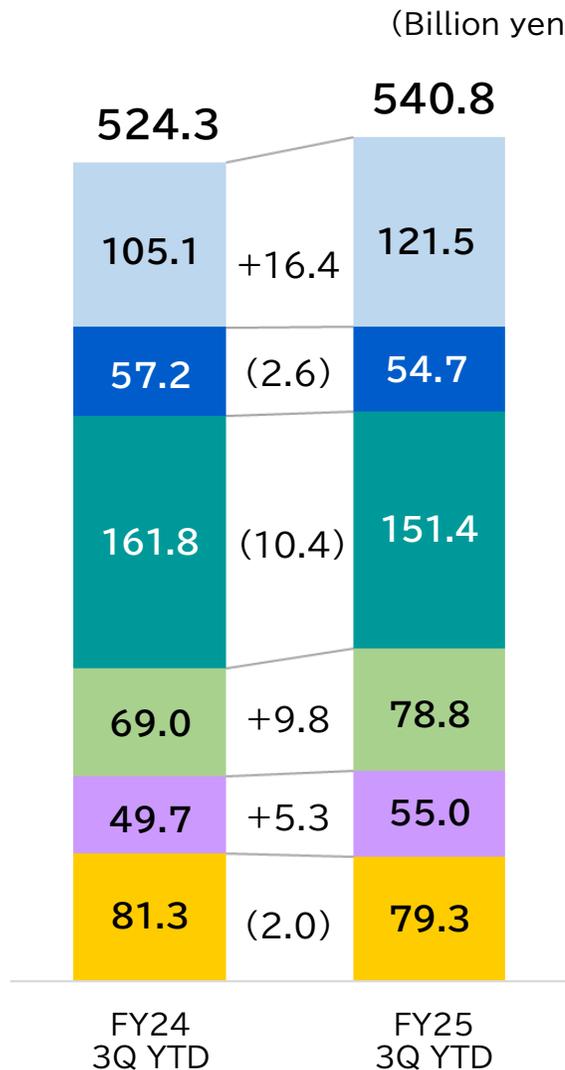
Revenue by Business Model

- Revenue continued to grow mainly from the followings: cloud and maintenance/operation services, development businesses such as application development and infrastructure construction.
- In Product Sales and SI/Development, sales and projects to help various industries enhance security performed well. In Services, revenue from one-stop cloud services and related offerings increased.



(Reference) Revenue by Business Group

(Billion yen)



Major impacts for YoY changes

Enterprise	<ul style="list-style-type: none"> (+) Operational support for a system platform of a consumer goods manufacturer (+) Provision of simulations such as power generation forecasting for electric power companies and earthquake resistance analysis for energy-related facilities (+) Sale of security software for manufactures and construction companies (+) Sale of data analytics software for transportation companies and manufacturers (+) Sale of software for manufacturers to advance network capabilities
Retail and Service	<ul style="list-style-type: none"> (-) Absence of a project contributed to revenue growth in the previous corresponding period like POS system deployment projects for the energy industry
Telecommunication	<ul style="list-style-type: none"> (+) Business system development and network equipment upgrading projects for telecommunications carriers (+) Infrastructure deployment projects for enterprise customers through business co-creation with information service providers (-) Absence of a large-scale project recorded in the previous corresponding period like large-scale generative AI platform building projects for internet-based service providers
Regional & Social Infrastructure	<ul style="list-style-type: none"> (+) Provision of cloud services for electric power companies and public sectors (+) Upgrades of information platform systems for municipal governments (+) Customer management system platform development projects for social infrastructure companies (+) Infrastructure building and deployment projects for semiconductor manufacturers
Financial Service	<ul style="list-style-type: none"> (+) Operational support for internal OA infrastructure platforms of government-affiliated financial institutions (+) Deployment of data analytics platforms for business systems and virtualization support for megabanks (+) Internal system upgrade projects for online financial institutions
Others	<ul style="list-style-type: none"> (+) IT infrastructure development projects for local based banks by our overseas consolidated subsidiary in Malaysia (-) Absence of a project contributed to revenue growth in the previous corresponding period like server deployment projects for data centers by our consolidated subsidiary in the U.S.

(Repost) FY2025 Plan

	FY2024 Results	FY2025 Plan	YoY change	YoY change (%)
	(Billions of yen)			
Revenue	728.2	825.0	+96.8	+13.3%
Gross profit	187.7	214.0	+26.3	+14.0%
Gross profit margin	25.8%	25.9%	+0.1p	-
Other income and expenses	(120.2)	(136.5)	(16.3)	+13.6%
Operating income	67.6	77.5	+9.9	+14.7%
Operating income margin	9.3%	9.4%	+0.1p	-
Net profit attributable to CTC's shareholders	50.3	55.0	+4.7	+9.3%
Orders received	763.8	870.0	+106.2	+13.9%
Backlogs	479.0	524.0	+45.0	+9.4%

Key Focus Topics

Four Focus Areas

- ✓ Expand business further by enhancing technological capabilities in cloud native, security, data & analytics, and advanced AI
- ✓ Expand AI-related business portfolio, including AI agent construction services

Capability Improvement

- ✓ Enhance consulting capabilities through collaboration with the ITOCHU's digital business group
- ✓ Improve quality and operational efficiency through the use of AI in SI development
- ✓ Accelerate rollout of proprietary services to drive business expansion

Driving AI-powered manufacturing digital transformation with TOYOTA AUTO BODY

- Aiming to create a new framework to digitally support decision-making conventionally dependent on human experience -

- Launched joint research with TOYOTA AUTO BODY for developing a new AI-powered framework to address challenges in manufacturing of expertise transfer from skilled technicians and reliance on individual expertise for quality assurance
- Aim to achieve advanced quality prediction and root cause analysis by building multimodal AI agents that incorporate skilled technicians' expertise using A2A method*2

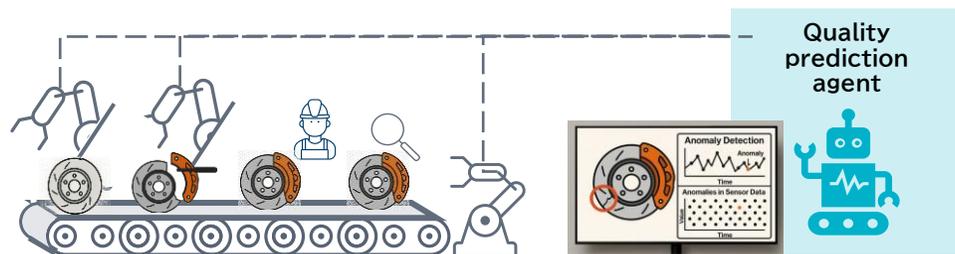
*1 Multimodal: A technology that combines and processes multiple modalities or types of data such as images, videos, sensor readings, and documents

*2 A2A (Agent to Agent): A protocol where AI agents communicate and collaborate with each other, improving response accuracy compared to single-agent use

Illustrative Image of Joint Research

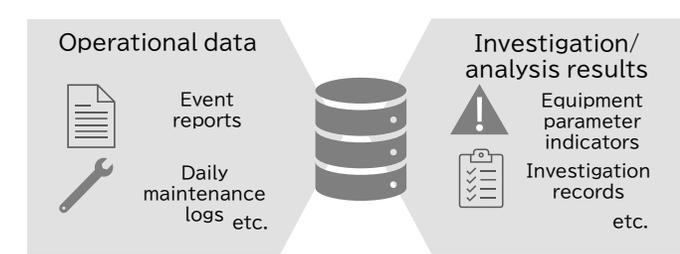
1) Quality data detection/prediction

Detect and comprehensively assess data such as temperature, pressure, vibration, visual inspection results, and other inspection data at each stage of the manufacturing line, to ensure stable quality



2) Root cause analysis/countermeasure presentation

Check detected data against operational data and past knowledge, perform analysis to identify event causes such as specific manufacturing conditions or equipment settings and then present root causes and countermeasures to address them



The insights gained from this joint research are aimed to address challenges not only in the automotive industry but across Japan's entire manufacturing landscape including precision instruments, electronics, and materials.

Establishment of Cybersecurity Research Center to help customers raise their security levels

- Established the **Cybersecurity Research Center** in November 2025 to mitigate the damages caused by cyberattacks that continue to increase in both volume and sophistication
- **Rapidly collect and analyze the latest security trends in Japan and abroad by leveraging CTC's long-standing expertise in security operations and technologies**, contributing to reducing customers' security risks through reports with its insights and findings

Cybersecurity Research Center

Overview/Objectives

- Conduct research and analysis on cyberthreat trends and the latest security countermeasure technologies to disseminate risk mitigation measures through reports
- Help customers mitigate security risks



Publish research and analysis reports on the official website

- Publishes reports on threats in the AI era and the latest attack observations from CTC-SOC*
- Has 7 research members and has released 9 reports on its website as of February 2026

*CTC-SOC: CTC's security service in which security analysts monitor customers' security equipment 24/7/365



<https://www.ctc-g.co.jp/keys/security/csrc> (Japanese)



Toshikatsu Yoshii
Director,
Cybersecurity Research Center

世界をGOODに

CTC

Challenging Tomorrow's Changes