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Acquisition of Indonesian IT Companies  
Aiming for Business Expansion in the ASEAN Region

ITOCHU Techno-Solutions Corporation (Satoshi Kikuchi, President & CEO; headquartered in Chiyoda-ku, Tokyo; hereinafter “CTC”) aims to further expand its business in the ASEAN region. To that end, CTC will acquire from existing shareholders 70% of outstanding shares in PT. Nusantara Compnet Integrator (headquartered in Jakarta; hereinafter “Compnet”) and PT. Pro Sistimatika Automasi (headquartered in Jakarta; hereinafter “Prosia”) respectively in an agreement that will turn the two Indonesian IT companies into subsidiaries. The integration is planned for September 2019.

## 1. Background

In 2012, CTC launched a full-fledged global expansion in the ASEAN and North American regions. With four subsidiaries in the ASEAN region—CTC Global Sdn. Bhd. (Malaysia), CTC Global Pte. Ltd. (Singapore), CTC Global (Thailand) Ltd., and PT. CTC Techno Solutions Indonesia—CTC provides IT services to local and Japanese corporations with a focus on financial, government and public institutions.

Global business expansion is one of the key policies at CTC under Opening New Horizons, the three-year medium-term management plan launched in fiscal 2018, which aims for a global business on the scale of 60 billion yen by fiscal 2020.

## 2. Aims

Working to expand the business in cooperation with the CTC Group companies, we established CTC Techno Solutions Indonesia in 2017 in Indonesia, a major market in the ASEAN region where high growth can be expected for the IT market.

Jointly providing total IT services including infrastructure, cloud services, and applications, both Compnet and Prosia are system integrators with system architecture and application development as their core businesses. Compnet has created a network of 33 service points for maintenance covering the whole of the Indonesian archipelago. Together with Prosia, which supports business requirement definitions and other upstream processes, Compnet covers the entire IT lifecycle from consulting to maintenance and outsourcing services. At present, the companies provide optimum IT services to the government, to government-linked corporations and industrial conglomerates in the communications, banking, resources, or manufacturing sectors, and to corporations with Japanese, North American, or European capital.

Recently, there has been a lot of attention on the growing domains of fintech including cashless payments, and AI/IoT in relation to smart cities, with substantial business progress already underway.

Since both Compnet and Prosia have a high degree of affinity with CTC, we can expect a strong

complementary relationship that will create synergy by sharing the knowhow and technology accumulated by the entire CTC Group. As well as aiming to become an IT partner that contributes to the digital transformation of customers in Indonesia, CTC will enhance IT support across the ASEAN region.

### 3. Overview of Compnet and Prosia

#### Overview of PT. Nusantara Compnet Integrator

Trade name	PT. Nusantara Compnet Integrator (abbr.: Compnet)
Representative	President Director, Irawan Purwono
Established	June 21, 1996
Paid-in capital	IDR 35,024 million (JPY 270 million)
Location	AKR Tower Lantai 8, Jl. Panjang No.5, Keurahan Kbon Jeruk, West Jakarta, Republic of Indonesia
Shareholders	Irawan Purwono 53.9%, Handoko Rimbawan 17.8%, Other individual shareholders 28.3%
Employees	276 employees (including 205 engineers)
Business lines	IT Infrastructure, cloud services, application development, product sales and maintenance
Net sales	IDR 944,793 million (JPY 7,274 million) <sup>*1</sup>
Total assets	IDR 420,048 million (JPY 3,234 million) <sup>*1</sup>
Net assets	IDR 228,728 million (JPY 1,761 million) <sup>*1</sup>

#### Overview of PT. Pro Sistimatika Automasi

Trade name	PT. Pro Sistimatika Automasi (abbr.: Prosia)
Representative	Director, Roedi Soedjanto Gondopriono
Established	June 11, 1996
Paid-in capital	IDR 14,597 million (JPY 112 million)
Location	AKR Tower Lantai 12, Jl. Panjang No.5, Keurahan Kbon Jeruk, West Jakarta, Republic of Indonesia
Shareholders	PT. Manggis Inotech Corpora 80% (Indonesia), Roedi Soedjanto Gondopriono 18.95%, Other individual shareholders 1.05%
Employees	51 employees (including 51 engineers)
Business lines	Application development
Net sales	IDR 42,878 million (JPY 330 million) <sup>*1</sup>
Total assets	IDR 27,604 million (JPY 212 million) <sup>*1</sup>
Net assets	IDR 11,355 million (JPY 87 million) <sup>*1</sup>

<sup>\*1</sup> Results from the most recent fiscal year (Compnet: the fiscal year ended July 31, 2018; Prosia: the fiscal year ended December 31, 2019). IDR 1 = JPY 0.0077 (as of 25th July 2019)

#### 4. Overview of the counterparties of the share acquisition

PT. Nusantara Compnet Integrator: Irawan Purwono Handoko Rimbawan, and 6 individuals  
PT. Pro Sistimatika Automasi: PT. Manggis Inotech Corpora (Indonesia),  
Roedi Soedjanto Gondopriono, and an individual

#### 5. Equity ratio of CTC after the acquisition and the acquisition price

PT. Nusantara Compnet Integrator: 70%

PT. Pro Sistimatika Automasi: 70%

The acquisition price changes due to the fulfillment of the requirement defined in the share trading agreement and is not determined at this time.

#### 6. Impact on future business results

The effect of the acquisition of the shares on CTC's consolidated earnings for the fiscal year ending March 2020 is minor. If any matters to be announced arise, CTC will promptly disclose such matters.

\* Currently displayed information is correct at the time of the announcement. Please be aware that information displayed may differ from the very latest information.