

Medium-Term Management Plan

ITOCHU Techno-Solutions Corporation

April 28, 2021



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Opening New Horizons

To see a new landscape.

		Target	Actual
Strengthen profitability	Net profit attributable to CTC's shareholders	30 Billion Yen	30.5 Billion Yen
Growth in focus businesses	Cloud, IT Outsourcing businesses	60 Billion Yen	71.6 Billion Yen
	Global related businesses	60 Billion Yen	61.7 Billion Yen
Improve capital efficiency	ROE	12 % or above	12.5 %

Review of previous Medium-Term Management Plan (Qualitative)

Focus Themes		Review	
Expand upward	Challenge business innovation	<ul style="list-style-type: none"> Progress in digital business for key customers Strengthen agile development and low-code development 	
Extend forward	Strengthen strengths	<ul style="list-style-type: none"> Maintain and expand strengths in large-scale infrastructure and network domains Growth in cloud computing and other recurring business models 	
Go outward	Develop new areas and regions	<ul style="list-style-type: none"> Investment execution in Indonesia, Malaysia, and the United States Creation of new businesses through the use of CVC 	
Secure foothold	Strengthening of management base	<ul style="list-style-type: none"> Reform of work styles, health management, and promotion of women Changes in corporate governance structure Dividend increase for 12 consecutive fiscal years (planned) 	

**The previous Medium-Term Management plan, "Opening New Horizons:
To See a New Landscape," was in a sense a "start-up" period.
The company has been working for three years to improve profitability
by strengthening its strengths and taking on the challenge of business
transformation.**

**In the next three years, we will enhance the perspective of the value we
provide and expand the scope of our values.**

**Create added value for customers and provide optimal Information
Technology to meet customer requirements.**

**While continuing these past activities, we will move into the realm of
creating new wealth for society by working with clients to design their
business.**

FY2021 - 2023
Medium-Term Management Plan

Beyond the Horizons



 To the Future Ahead

Slogan

Challenging Tomorrow's Changes

Mission

Leveraging IT's potential to change future for the Global Good

Values

Challenge for change

Challenge for value

Challenge for tomorrow

Action Guidelines

Are you constantly challenging
new things and never giving up?

Are you creating value
beyond the customer's
expectations?

Are you envisioning a better
tomorrow through free thinking?

CTC Group Corporate Philosophy: Mission

Mission

Leveraging IT's potential
to change future for the Global Good

Read and understand the Mission

Leveraging IT's potential

What we are constantly striving to achieve our goals

What / How



To change future for the Global Good

The ultimate purpose and raison d'etre

Why



**CTC believes in the potential of IT to change tomorrow, and has continued to take
on the challenge.**

**What should we do now and how should we work on it so that we can demonstrate
the significance of our existence and reach our ultimate goal.**

3 Basic policies of the new Medium-Term Management Plan

Beyond the Horizons



To the Future Ahead

Accelerate

Create future wealth

Accelerate new initiatives that support customers' innovation

Expand

Expand current wealth

Further exploration and market expansion in strong areas

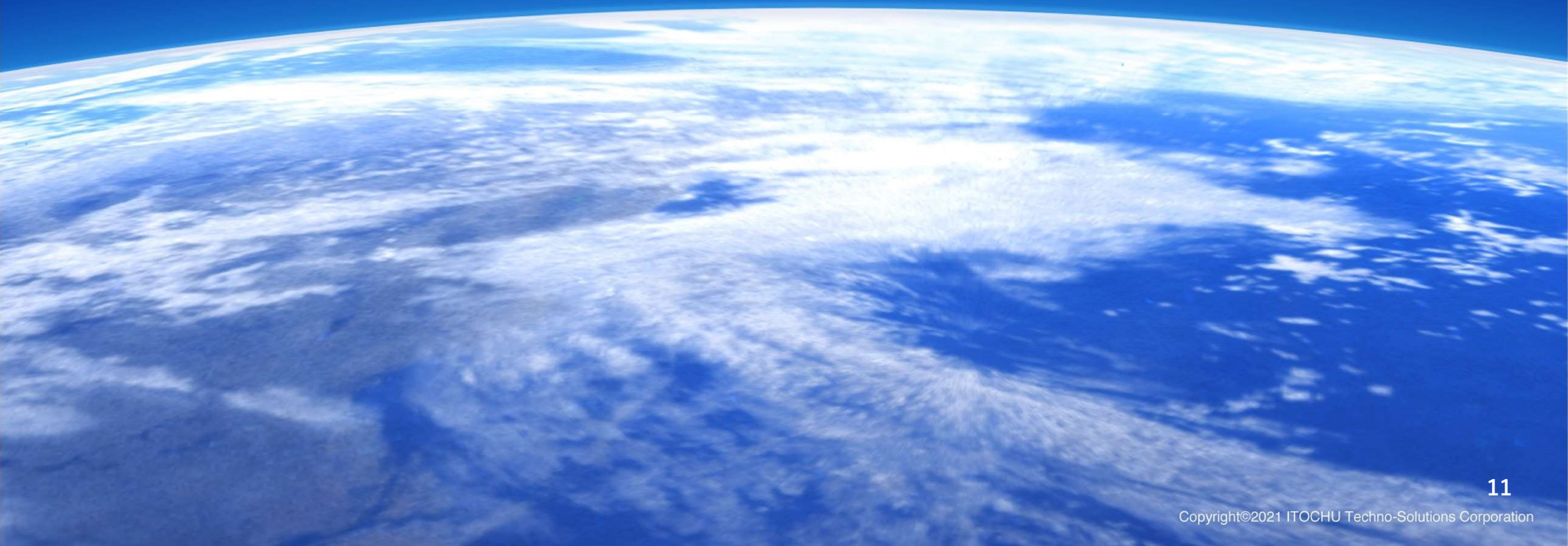
Upgrade

Increase feasibility

Practicing self-improvement with a view to the future

This time, also in April 2021, we have re-identified CTC Group's materiality (material topics).

**The new Medium-Term Management Plan has been formulated as a guidepost for CTC,
with a strong linkage to our new materiality as well as our corporate philosophy.**



Positioning of Materiality



**Social
Issues**

The CTC Group's materiality are long-term issues that are directly or indirectly linked to social issues.

In other words, the purpose of all our corporate activities essentially all boils down to social outcomes.

**Social
Outcomes**

Materiality

(Important issues to be addressed
over the long term)

CTC

Challenging Tomorrow's Changes

**CTC's
Corporate
Activities**

CTC Group's New Materiality (Material Topics)

In order for us to fulfill our responsibilities as a member of society, we must ensure that as many people as possible can benefit from IT, which is our business domain.

We must be aware that every action we take now is connected to the future. We aim to achieve sustainable business growth and contribute without sacrificing the future. Based on this policy, we will develop human resources who can contribute to the future.

Solve social issues through IT

Relentless pursuit of advanced technology
Promote business co-creation with various partners
Provide safe and secure IT services

In addition, the company should not only pursue its own interests, but also respect diverse stakeholders, ensure transparency, and improve governance.

Cultivate human capital to support the future

Develop various professionals
Fostering a culture of mutual respect and growth
Contribute to education of human capital that creates the future



• Implement responsible corporate activities

Strengthen effective governance
Contribute to address climate change
Practice responsible behavior by each individual

One story which unites the corporate philosophy, materiality, and the Medium-Term

Management Plan

Although the target period is different, 10 years for materiality and 3 years for the Medium-Term Management Plan, they are both aimed at the same direction as the corporate philosophy, which is the purpose and significance of the CTC Group's permanent existence as a member of society.

Raison d'être
Ultimate objective

Realize a prosperous society filled with dreams

Business as a contact
point to society

Expand

Expand current wealth
Further exploration and
market expansion in strong
areas

Solve social
issues through
IT

Accelerate

Create future wealth
Accelerate new initiatives
that support customers'
innovation

Foundation for
challenge

Cultivate
human capital
to support the
future

Upgrade

Increase feasibility
Practicing self-improvement
with a view to the future

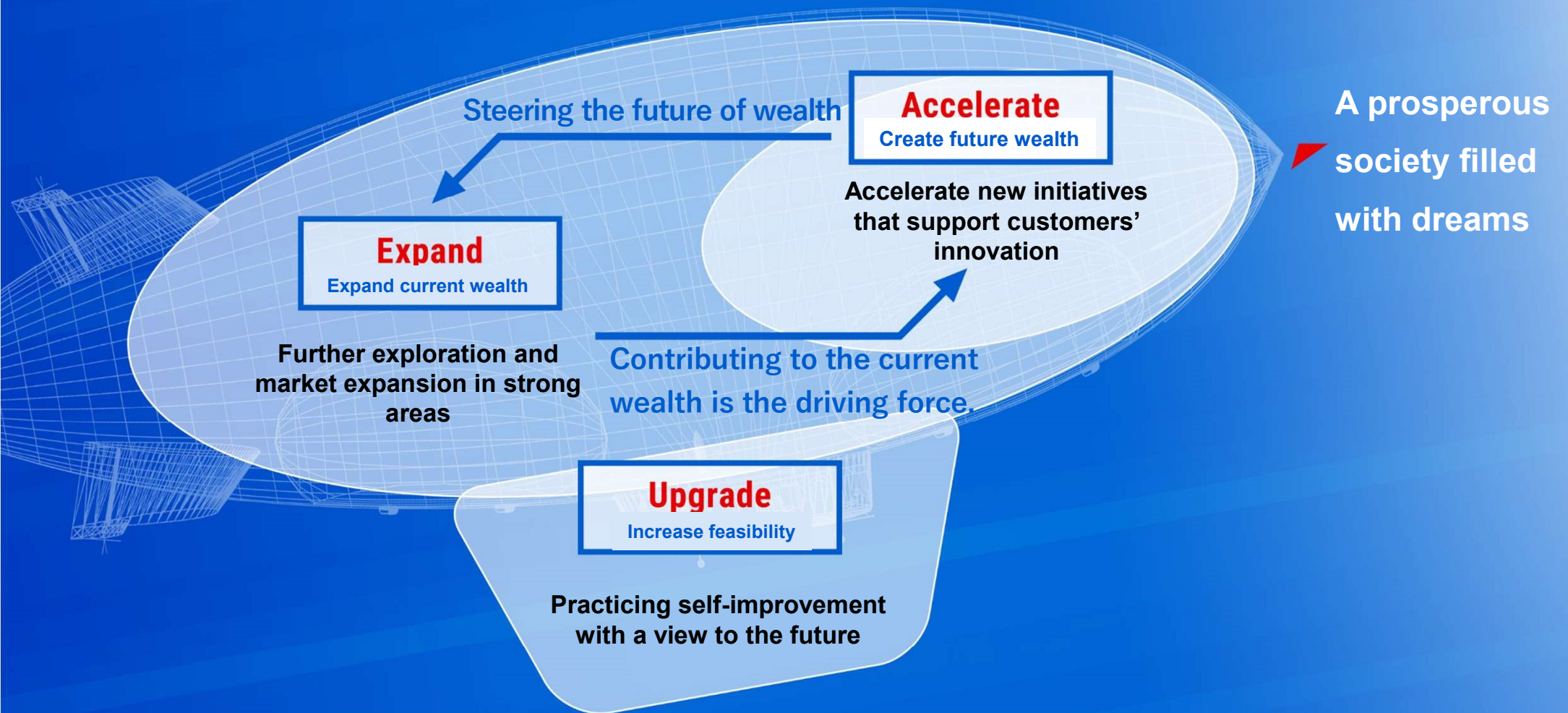
Implement
responsible
corporate
activities



New Medium-Term Management Plan Detailed Story

New Medium-Term Management Plan

Overview



Basic Policy (1)

Accelerate

Create future wealth

Accelerate new initiatives that support customers' innovation

Priority Scenarios

**Customer operations,
customer businesses,
and DX in people's
daily lives**



**Community building
and expanding
business co-creation**



**Providing high value-
added services and
advanced
technologies**



Basic Policy (2)

Expand

Expand current wealth

Further exploration and market expansion in strong areas

Priority Scenarios

5G business expansion based on "creation"



Strengthening XaaS businesses



Global expansion of domestic business models



Basic Policy (3)

Upgrade

Increase feasibility

Practicing self-improvement with a view to the future

Priority Scenarios

Strengthening overall capabilities by combining individual growth and the right person in the right place



Management infrastructure reform to adapt to changes in the environment

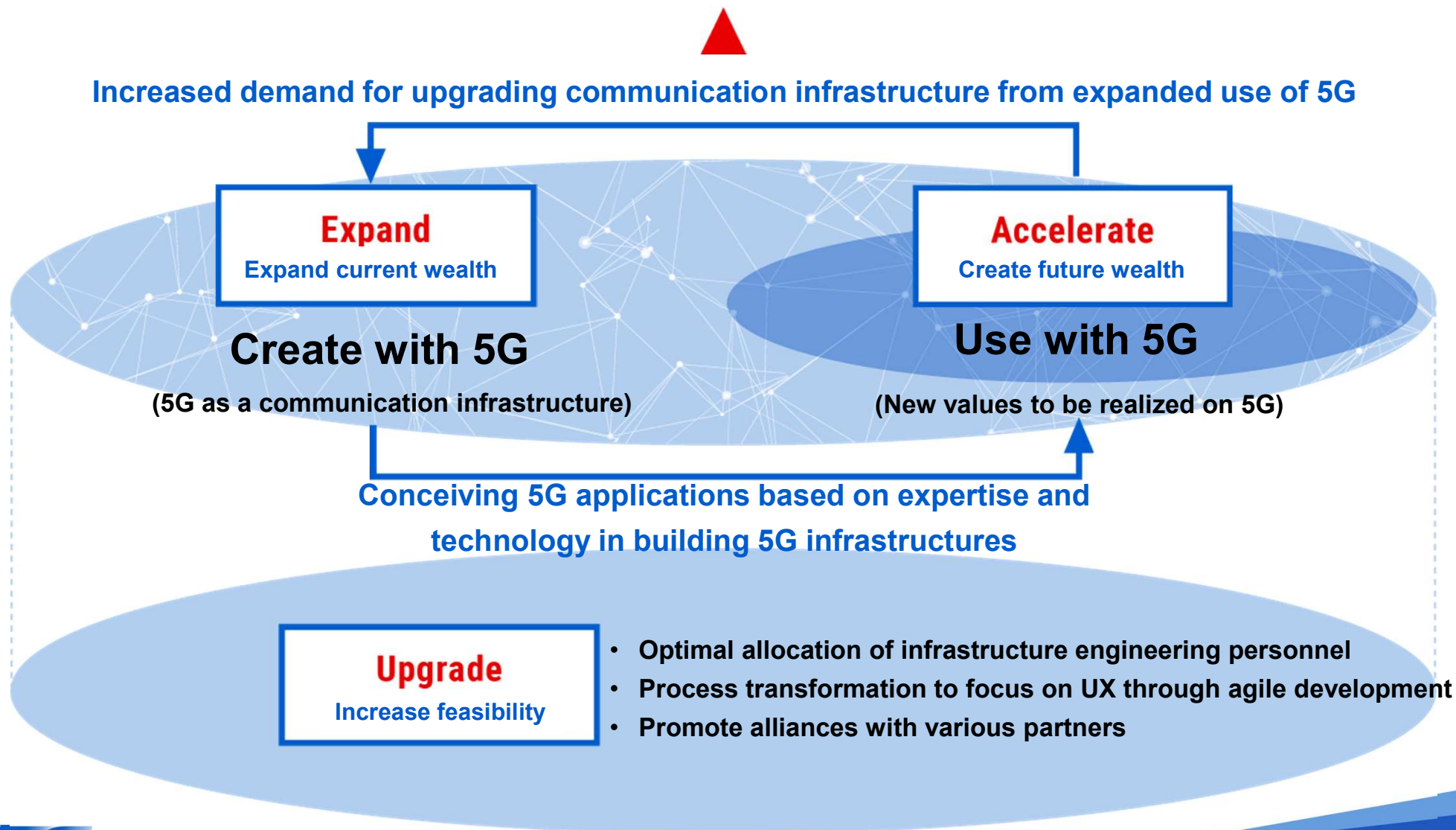


Co-existence with various stakeholders



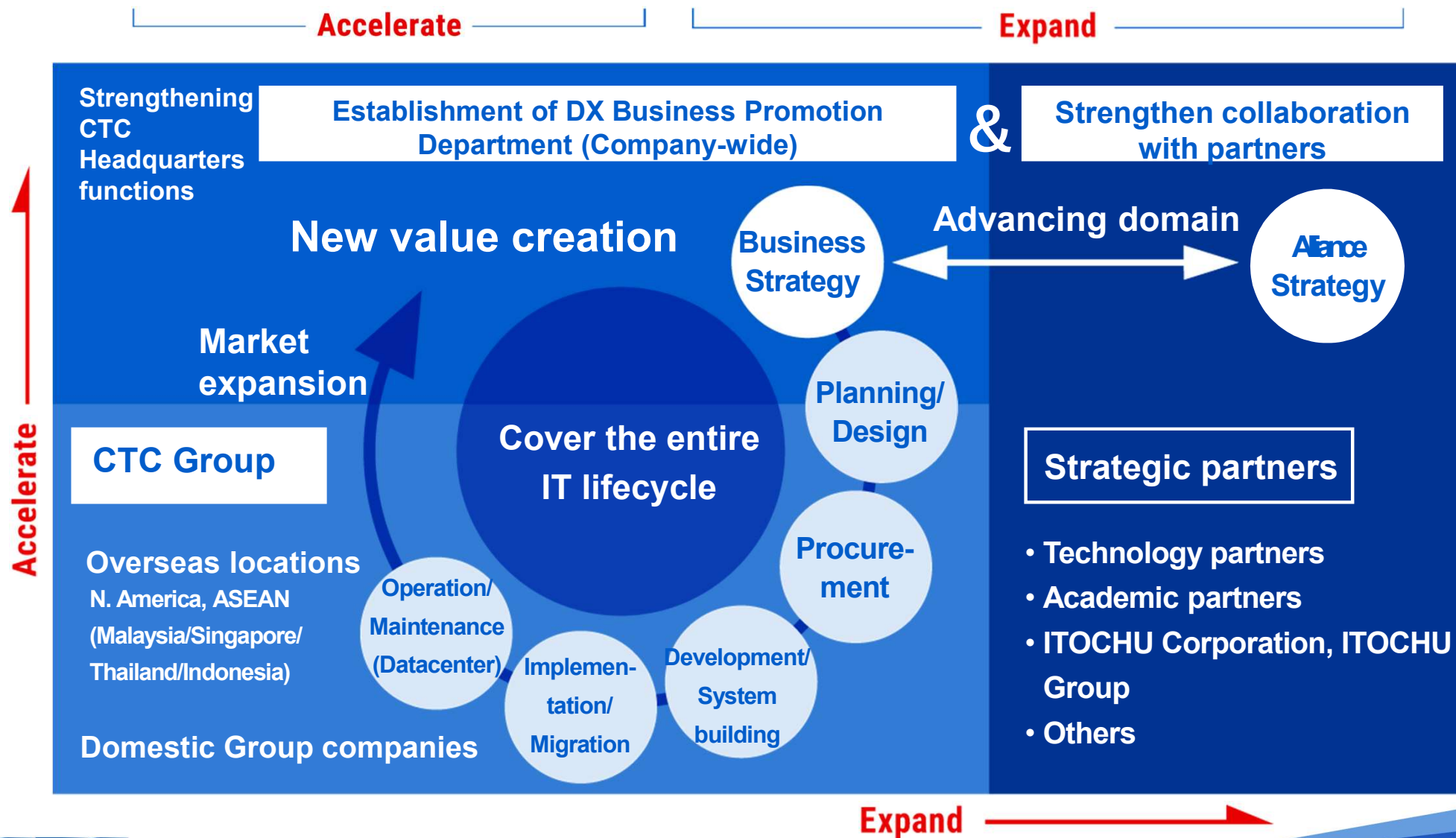
Example of 5G Business

A society in which people, goods, and information are seamlessly connected



Overall Capabilities of the CTC Group

Expanding newly created values to society through the Group's overall capabilities



Medium-Term Management Plan from an ESG Perspective

Our Medium-Term Management Plan, which aims to "realize a prosperous society filled with dreams" as stated in our corporate philosophy, is a step-by-step approach in creating the future, without sacrificing the future.

Social

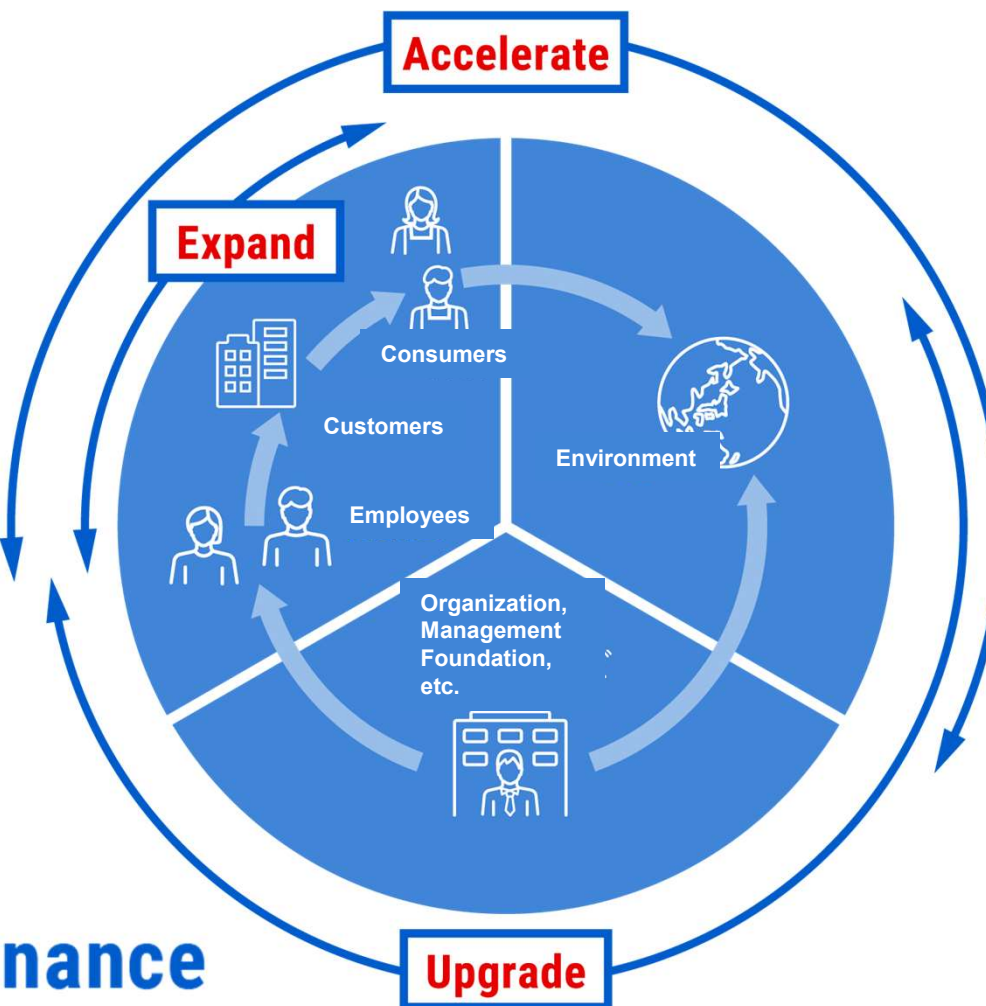
Focusing on contributing to customers and consumers by providing safe, secure, and high-quality IT, the Company will also carry out activities to contribute to local communities, develop human capital including employees, and change the way we work.

Environment

Contribute to the environment by providing environmentally friendly IT and reduce the environmental impact of the CTC Group's own business activities.

Governance

The CTC Group considers risk management, compliance, and information security to be important issues, including the corporate governance system to ensure transparency in decision-making, and is promoting further sophistication.



Examples of Sustainability Initiatives

Increasing the number of talent throughout society who challenge the possibilities of IT to change tomorrow

IT is no longer just for the IT industry; it is at the base of our society, just like water and electricity.

We believe that IT has the potential to create the future.

We believe that as a company involved in IT, it is given that CTC not only develops IT human capital that are successful in our company, but also to support the creation of talent who can challenge the possibilities of IT and play an active role in society as a whole.

This is a unique approach of CTC, which links the issues of a single company with those of society as a whole.

Upgrading methods for training and evaluating engineering human capital in the company



Support the success of human capital within CTC

Utilizing IT expertise to develop successful talent in society



ITOCHU Techno-Solutions Future Foundation



Increase the number of professionals with IT expertise in society as a whole


Increasing the number of "people who understand the IT way of thinking" outside of the IT industry to create a society where co-creation can be easily born.



FY2023 Quantitative Targets

Expand the scope of value for customers and society, and aim to further improve profitability and capital efficiency

	FY2020 Actual		FY2023 Target
Operating income ratio	9.1 %		10 %
Net profit attributable to CTC's shareholders	30.5 Billion Yen	▶	40 Billion Yen
ROE	12.5 %		13% or above



**As an IT company with the name of a trading company,
we have discovered technologies with a global
perspective, and each time we have refined our skills
and ingenuity to coordinate best solutions.
In a world where IT has long been discussed on the same
level as society and business, we are now ready to take
another leap forward to realize a prosperous society
filled with dreams.**



Beyond the Horizons



To the Future Ahead

CTC

 *Challenging Tomorrow's Changes*