

Business and Financial Update for the Fiscal Year 2024

ITOCHU Techno-Solutions Corporation

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FY2025 Plan

Business Topics (to be updated)

Financial Results for FY2024

- Orders received increased by 10.1% to 763.8 billion yen, while revenue rose by 12.5% to 728.2 billion yen.
- Orders received, backlogs, revenue, and all income items reached record highs.
- Gross profit margin and operating income margin increased for two consecutive years.

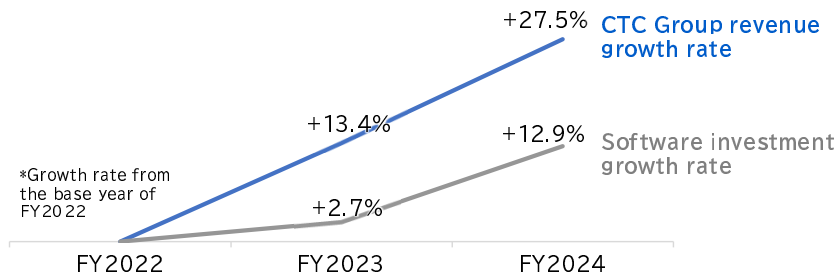
(in billion yen)

	FY2023 Results	FY2024 Results	YoY change	YoY change (%)
Revenue	647.5	728.2	+80.7	+12.5%
Gross profit	162.6	187.7	+25.2	+15.5%
Gross profit margin	25.1%	25.8%	+0.7p	-
Other income and expenses	(105.3)	(120.2)	(14.9)	+14.2%
Operating income	57.3	67.6	+10.2	+17.8%
Operating income margin	8.9%	9.3%	+0.4p	-
Net profit attributable to CTC's shareholders	41.3	50.3	+9.1	+21.9%
Orders received	693.9	763.8	+69.9	+10.1%
Backlogs	443.4	479.0	+35.6	+8.0%

Financial Results for FY2024

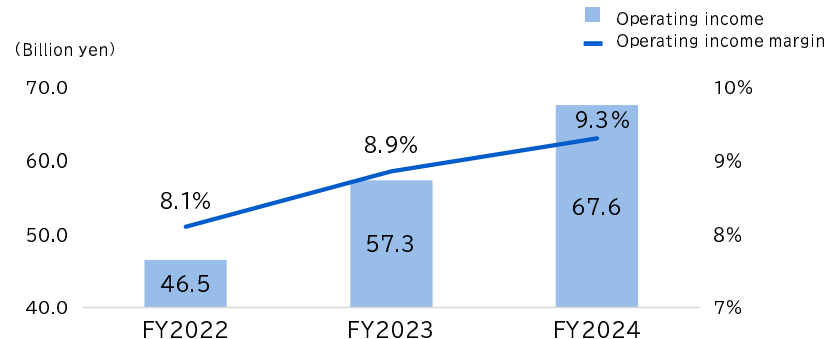
- By leveraging our Group's extensive customer base and capturing the rising demand for digital transformation from all segments, our revenue in FY2024 grew at a rate that exceeded the growth in enterprise software investment in Japan (see Graph 1.)
- Operating income and operating income margin also rose from gross margin growth, contributed by high value-added projects leveraging our Group's strengths and expertise and profitability improvement in development projects (see Graph 2.)

(Graph 1) Growth Rate Comparison:
CTC Group Revenue vs. Software Investment
from the Bank of Japan's Tankan Survey*



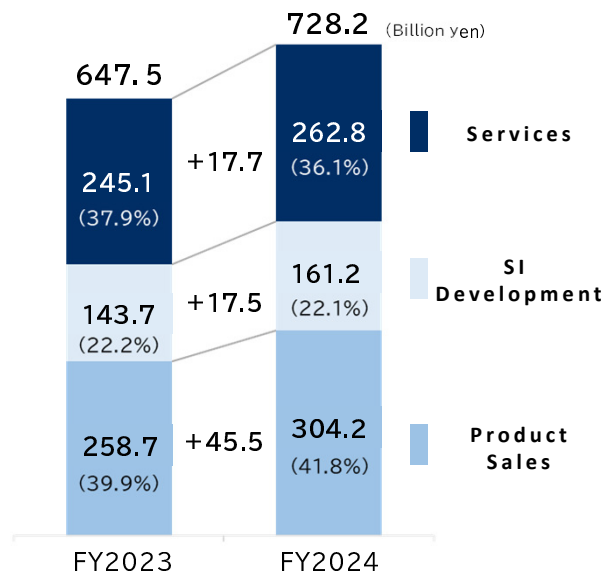
(Created by CTC based on BOJ Tankan Survey released in April 2025)

(Graph 2) Historical CTC Group Operating Income/
Operating Income Margin



Revenue by Business Model

- Revenue grew in all business models of Services, SI Development and Product Sales mainly contributed by the following projects: GenAI platform construction support to accelerate digital transformation, security enhancement, network advancement, cloud service and system development.
- Revenue grew also from projects requiring combination of CTC Group's implementation capabilities, maintenance and operation services and product sourcing capabilities.



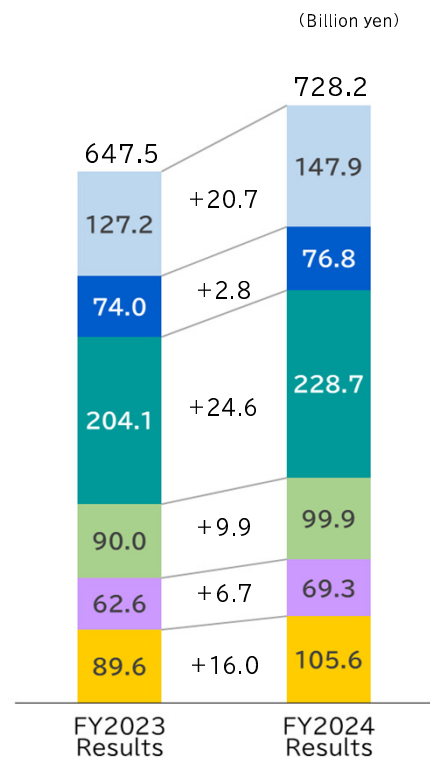
Major initiatives

- ✓ Provided a private cloud platform to a manufacturer as its common platform used by all of its group companies
- ✓ Supported central and local governments for their digital transformation with cloud migration of their systems
- ✓ Provided a railway operator with support along every step for development of vehicle operating system for efficient operational framework
- ✓ Supported system development for web-based services of a transportation company to streamline customer support operations and enhance customer experience
- ✓ Supported construction of GenAI platforms that contribute to new businesses creation and business model transformation for telecommunications carriers
- ✓ Provided security solution software to customers in a wide range of industries to address increasing security threats posed to them
- ✓ Provided network equipment for establishment and advancement of communication environments for manufactures and telecommunications carriers

(Reference) Consolidated Balance Sheet at the End of FY2024

		(Billions of yen)		
		End of FY2023	End of FY2024	YoY Change
	Cash and cash equivalents	118.1	144.1	+26.0
	Trade and other receivable	183.8	209.2	+25.4
	Inventories	61.0	55.4	(5.6)
	Other current assets	109.3	109.1	(0.3)
	Current assets	472.2	517.8	+45.6
	Non Current assets	118.9	122.1	+3.2
	Total assets	591.2	640.0	+48.8
	Current liabilities	213.6	239.8	+26.3
	Non current liabilities	36.6	39.3	+2.6
	Total liabilities	250.2	279.1	+28.9
	Equity	340.9	360.8	+19.9
	Total liabilities and equity	591.2	640.0	+48.8

(Reference) Revenue by Business Group



Major contributing projects to revenue growth

Enterprise	(+) Network equipment renewal, private cloud platform and security environment construction projects for manufacturers (+) SI Development projects for transportation companies
Retail and Service	(+) POS system renewal and internal infrastructure development projects for energy companies (+) Provision of solutions to integrate ERP and peripheral systems for transportation companies (+) Cloud and services including system maintenance for trading companies
Telecommunication	(+) GenAI platform construction projects for Internet-related service providers (+) Businesses for service platform provided by telecommunications carriers (+) System building projects for telecommunication facilities of telecommunication carriers
Regional & Social Infrastructure	(+) DX projects for power companies facing the liberalization of electricity markets (+) Mission critical system renewal projects for home builders (+) System standardization projects for government agencies and local governments regarding the move to government cloud
Financial Service	(+) Security projects and cloud platform construction support projects for megabanks (+) Provision of sales support systems for cooperative financial institutions (+) Renewal projects for contact centers of securities firms
Others	(+) IT infrastructure development projects for local based banks, hospitals and healthcare companies, as well as server projects for data centers by our overseas consolidated subsidiaries in U.S.A. and Singapore

FY2025 Plan

- We will achieve revenue exceeding 800 billion yen to establish ourselves as top system integrator market leaders.
- We aim to further enhance business performance by expanding businesses in our four focus areas and proprietary services and collaborating with ITOCHU's digital business group.

	FY2024 Results	FY2025 Plan	YoY change	(Billions of yen) YoY change (%)
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

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Challenging Tomorrow's Changes