

Business and Financial Update for the 1st Quarter of Fiscal Year 2025

ITOCHU Techno-Solutions Corporation

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Contents

Financial Results for FY2025 1Q

(Repost) FY2025 Plan

Business Topic (to be updated)

Financial Results for FY2025 1Q

- Revenue and all of the income items reached record highs for 1Q. In particular, all of the income items significantly grew YoY by more than 20%.
- Gross profit margin improved by nearly 2 percentage points YoY and operating income margin by around 1 percentage point YoY, both reaching record highs for 1Q.
- Orders received remained almost at the same level as the previous record high growth set in 1Q of FY2024, and backlogs set a new 1Q record high.

(in billion yen)

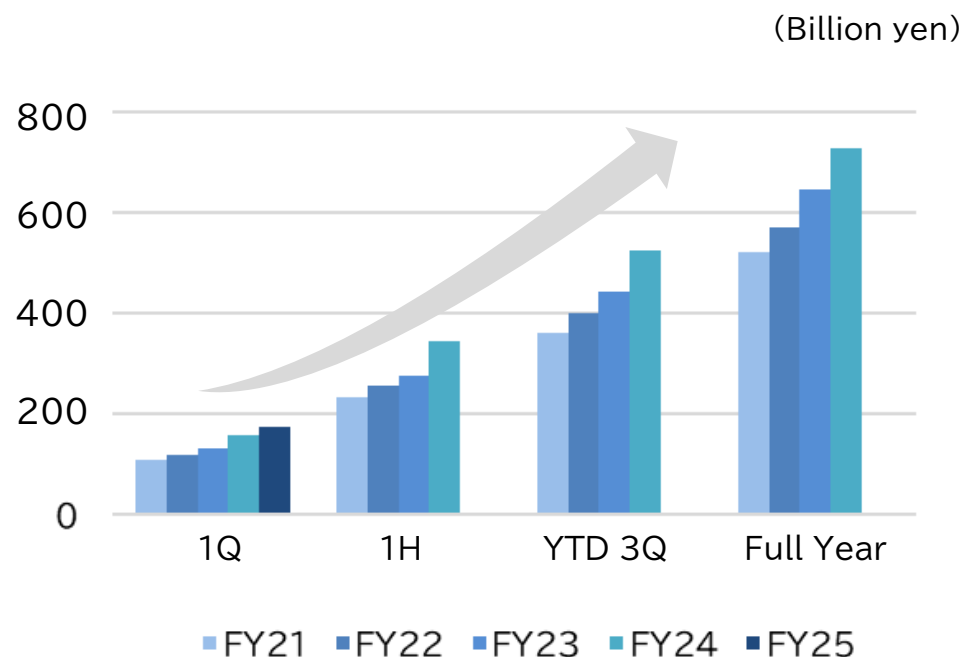
	1st Quarter FY2024 Results	1st Quarter FY2025 Results	YoY change	YoY change (%)
Revenue	156.1	173.5	+17.4	+11.2%
Gross profit	37.0	44.4	+7.5	+20.2%
Gross profit margin	23.7%	25.6%	+1.9p	-
Other income and expenses	(26.3)	(31.0)	(4.7)	+18.0%
Operating income	10.7	13.4	+2.7	+25.5%
Operating income margin	6.8%	7.7%	+0.9p	-
Net profit attributable to CTC's shareholders	7.7	9.8	+2.1	+26.6%
Orders received	174.5	172.2	(2.3)	(1.3%)
Backlogs	461.9	477.7	+15.8	+3.4%

Financial Results for FY2025 1Q

- IT investments have remained strong across various industries. By catering to digital transformation needs of customers across all segments, we have achieved YoY revenue growth for 16 consecutive quarters since 1Q of FY2021(see Graph 1.)
- Driven by analytical simulation project leveraging CTC Group's core strength, platform building project, and maintenance/operations services, gross profit increased YoY, resulting in the significant growth in operating income margin(see Graph 2,3.)

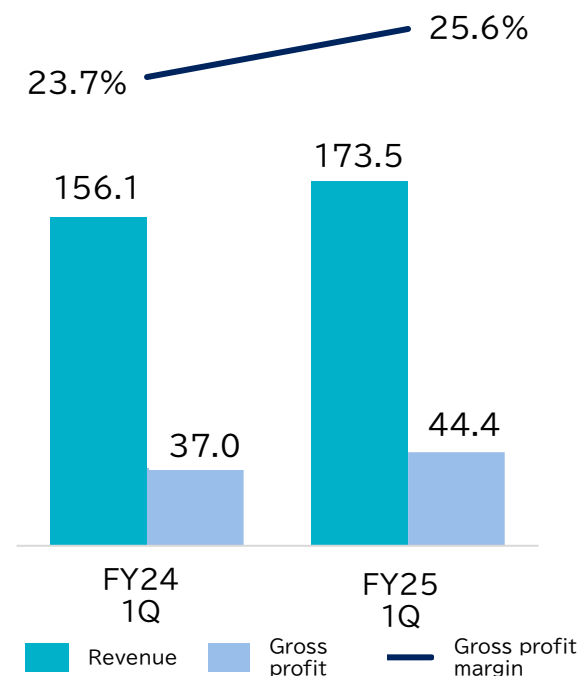
Graph 1

CTC Group Historical YTD Quarterly Revenue



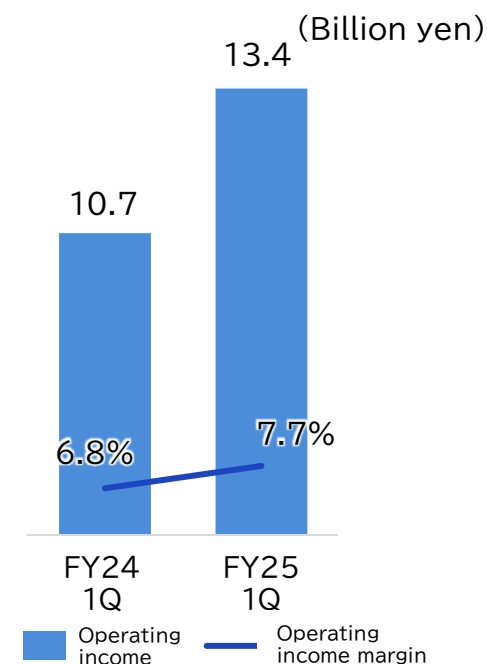
Graph 2

CTC Group Historical Revenue, Gross Profit, Gross Profit Margin



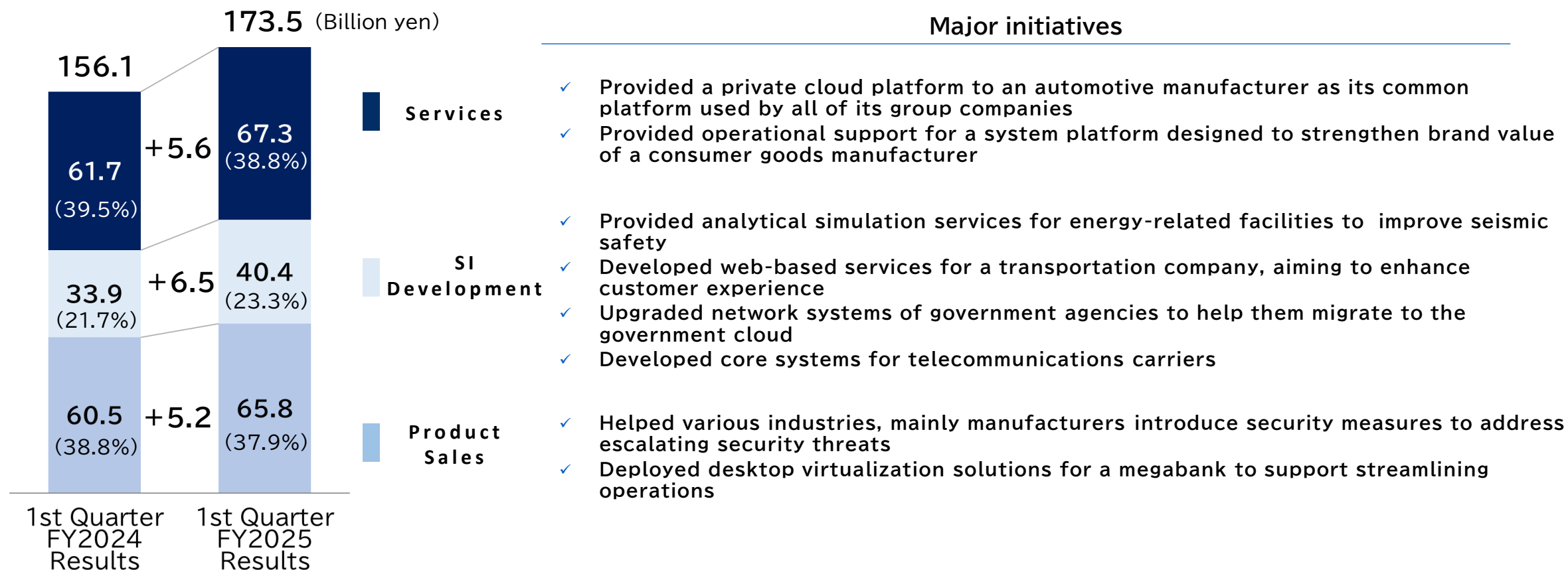
Graph 3

CTC Group Historical Operating Income, Operating Income Margin

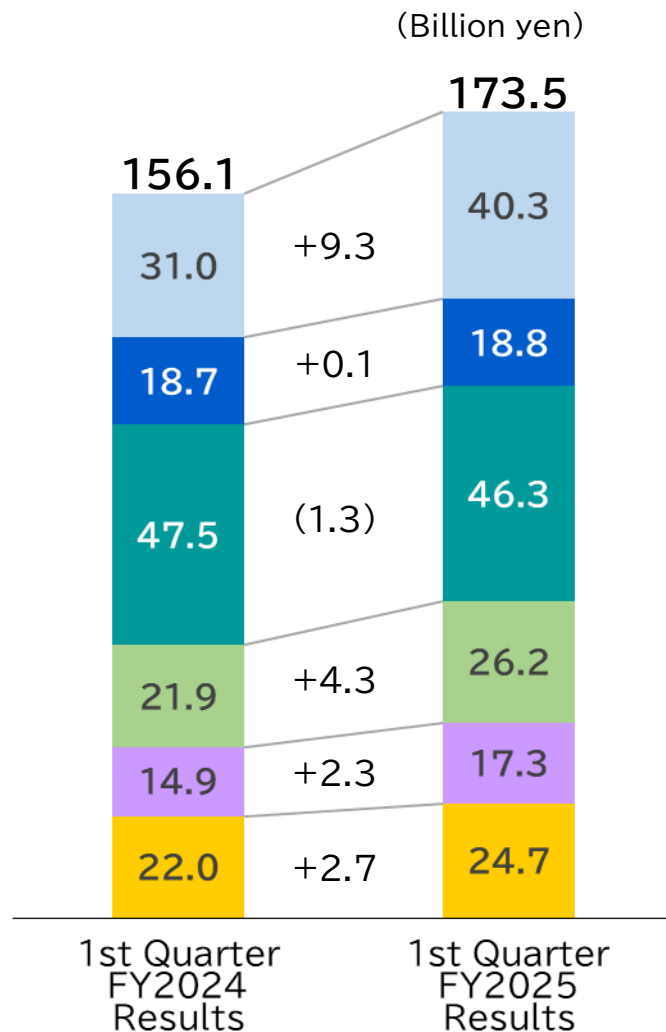


Revenue by Business Model

- Revenue increased in all business models of Services, SI Development and Product Sales, mainly driven by the following projects: analytical simulation leveraging CTC Group's core strength, security enhancement support, platform building, and maintenance and operation.



(Reference) Revenue by Business Group



Major impacts for YoY changes

Enterprise	(+) Security software deployment projects for manufactures (+) Earthquake resistance analysis for energy-related facilities
Retail and Service	(+) Infrastructure deployment projects for beverage manufacturers
Telecommunication	(+) Core system development projects for telecommunications carriers (-) System building projects for telecommunication facilities of telecommunication carriers
Regional & Social Infrastructure	(+) Projects to build core system platform and deploy infrastructure for social infrastructure companies (+) System standardization projects for government agencies and local governments regarding the move to government cloud
Financial Service	(+) Virtual platform deployment projects for megabanks (+) System operation and maintenance services for government-affiliated financial institutions and online financial institutions
Others	(+) Server projects for data centers by our consolidated subsidiary in the U.S. (+) Core system building projects for beverage manufacturers by one of our consolidated subsidiaries in Japan

(Repost) 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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CTC

Challenging Tomorrow's Changes